

STADIO

— HOLDINGS —

2022 Annual General Meeting

22 June 2022

STADIO

— HOLDINGS —



... THREE DISTINCT PRIVATE HIGHER EDUCATION INSTITUTIONS



OUR PURPOSE:

**To empower
the nation** by widening
access to
higher education

OUR VISION:

**To be a leading Higher
Education provider,**
offering qualifications
aligned with the needs of
societies, students and the
world of work

PRESENTATION OVERVIEW

- 1 Constitution of the meeting
- 2 Presentation of the annual financial statements
- 3 Ordinary resolutions
- 4 Special resolutions
- 5 CEO's feedback
- 6 Transformation, social and ethics feedback
- 7 Questions and answers
- 8 Voting closes
- 9 Results of the annual general meeting
- 10 Closure

“Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family.”

– Kofi Annan

CONSTITUTION OF THE MEETING

- Our scrutineers, Computershare, confirm a quorum is present and the meeting is properly constituted.



PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

- **14 March 2022:** Annual financial statements for the year ended 31 December 2021 were published
- **29 April 2022:** Annual integrated report for the year ended 31 December 2021 was published
- **29 April 2022:** Distributed the Notice of AGM to shareholders including:
 - the audited summary financial statements;
 - the reports of the directors and the audit and risk committee;
 - the remuneration report
- All items can be found on the STADIO Holdings website at www.stadio.co.za



ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NO.

1

To re-elect Dr TV Maphai as an independent non-executive director

ORDINARY RESOLUTION NO.

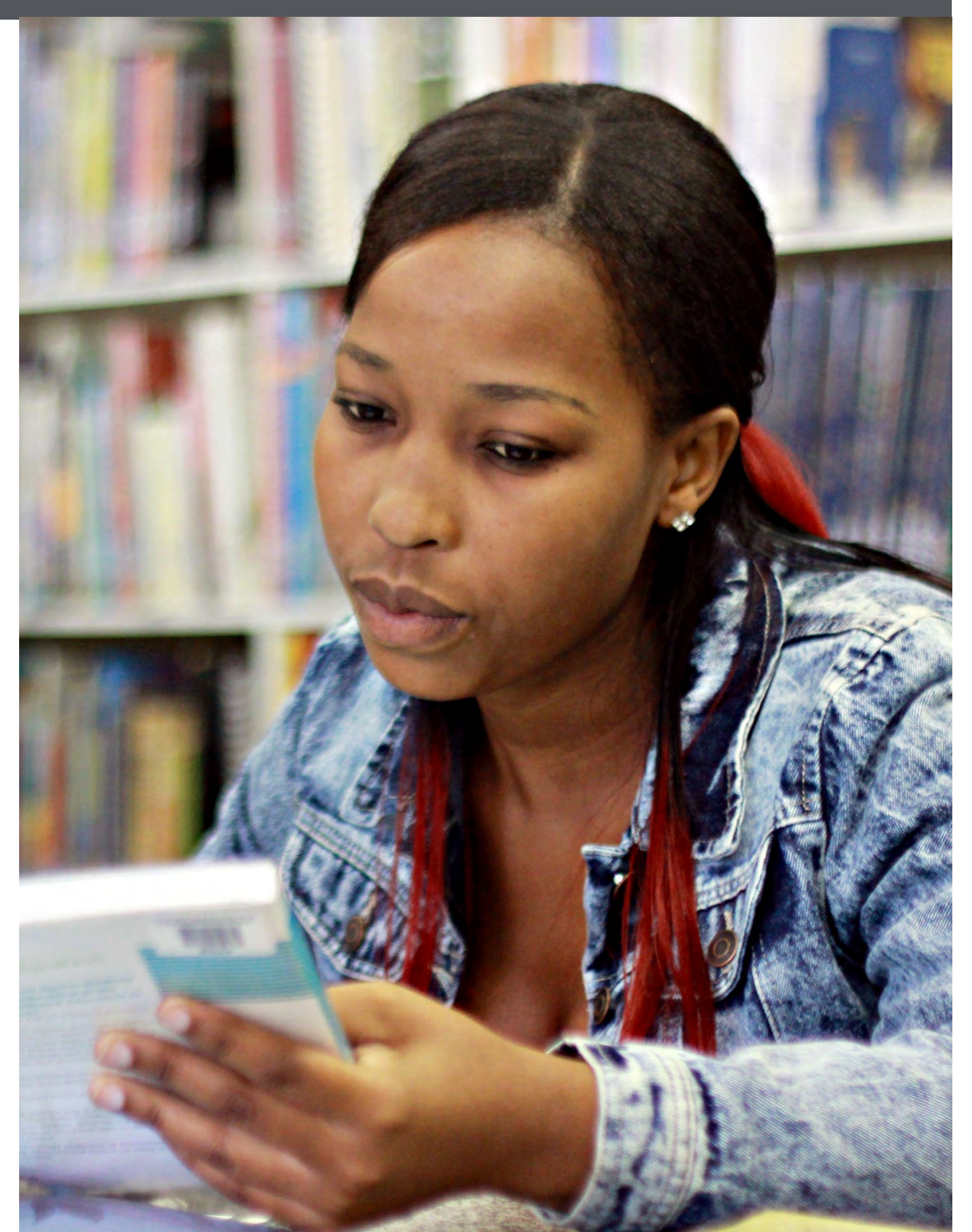
2

To re-elect Ms MG Mokoka as an independent non-executive director

ORDINARY RESOLUTION NO.

3

To re-elect Mr PN de Waal as a non-executive director



ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NO.

4

To re-appoint Ms MG Mokoka as a member and chairperson of the Audit and Risk Committee of the Company

ORDINARY RESOLUTION NO.

5

To re-appoint Dr CB Vilakazi as a member of the Audit and Risk Committee of the Company

ORDINARY RESOLUTION NO.

6

To re-appoint Dr TH Brown as a member of the Audit and Risk Committee of the Company

ORDINARY RESOLUTION NO.

7

To re-appoint PricewaterhouseCoopers Inc. as the auditor



ORDINARY RESOLUTIONS

STADIO
— HOLDINGS —

ORDINARY RESOLUTION NO. **8** General authority to issue ordinary shares for cash

ORDINARY RESOLUTION NO. **9** Non-binding endorsement of STADIO Holdings' Remuneration Policy

ORDINARY RESOLUTION NO. **10** Non-binding endorsement of STADIO Holdings' Implementation Report on the Remuneration Policy

ORDINARY RESOLUTION NO. **11** Amendments to the STADIO Group Share Incentive Trust Deed



SPECIAL RESOLUTIONS

STADIO
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- SPECIAL RESOLUTION NO. **1** Remuneration of chairperson of the Board
- SPECIAL RESOLUTION NO. **2** Remuneration of members of the Board
- SPECIAL RESOLUTION NO. **3** Remuneration of chairperson of the Audit and Risk Committee
- SPECIAL RESOLUTION NO. **4** Remuneration of members of the Audit and Risk Committee



SPECIAL RESOLUTIONS

- SPECIAL RESOLUTION NO. **5** Remuneration of chairpersons of the Remuneration and Nominations Committee
- SPECIAL RESOLUTION NO. **6** Remuneration of members of the Remuneration and Nominations Committee
- SPECIAL RESOLUTION NO. **7** Remuneration of chairperson of the Transformation, Social and Ethics Committee
- SPECIAL RESOLUTION NO. **8** Remuneration of members of the Transformation, Social and Ethics Committee



SPECIAL RESOLUTIONS

SPECIAL RESOLUTION NO.

9

General authority to provide inter-company financial assistance

SPECIAL RESOLUTION NO.

10

General authority to provide financial assistance for the subscription for and/or the acquisition of shares in the Company or a related or inter-related company

SPECIAL RESOLUTION NO.

11

General authority to repurchase shares by the Company or its subsidiaries



CEO'S FEEDBACK



Mr Chris Vorster,
Chief Executive Officer



CEO'S OVERVIEW

- 1 Implementation of strategy
- 2 2021 financial highlights
- 3 Maiden dividend
- 4 2021 academic achievements
- 5 Size of the market
- 6 Why are we excited?
- 7 2022 semester 1 student update
- 8 Other 2022 areas of note
- 9 Conclusion

“An investment in knowledge pays the best interest.”

- Benjamin Franklin

OUR STRATEGY IS UNDERPINNED BY OUR WWS

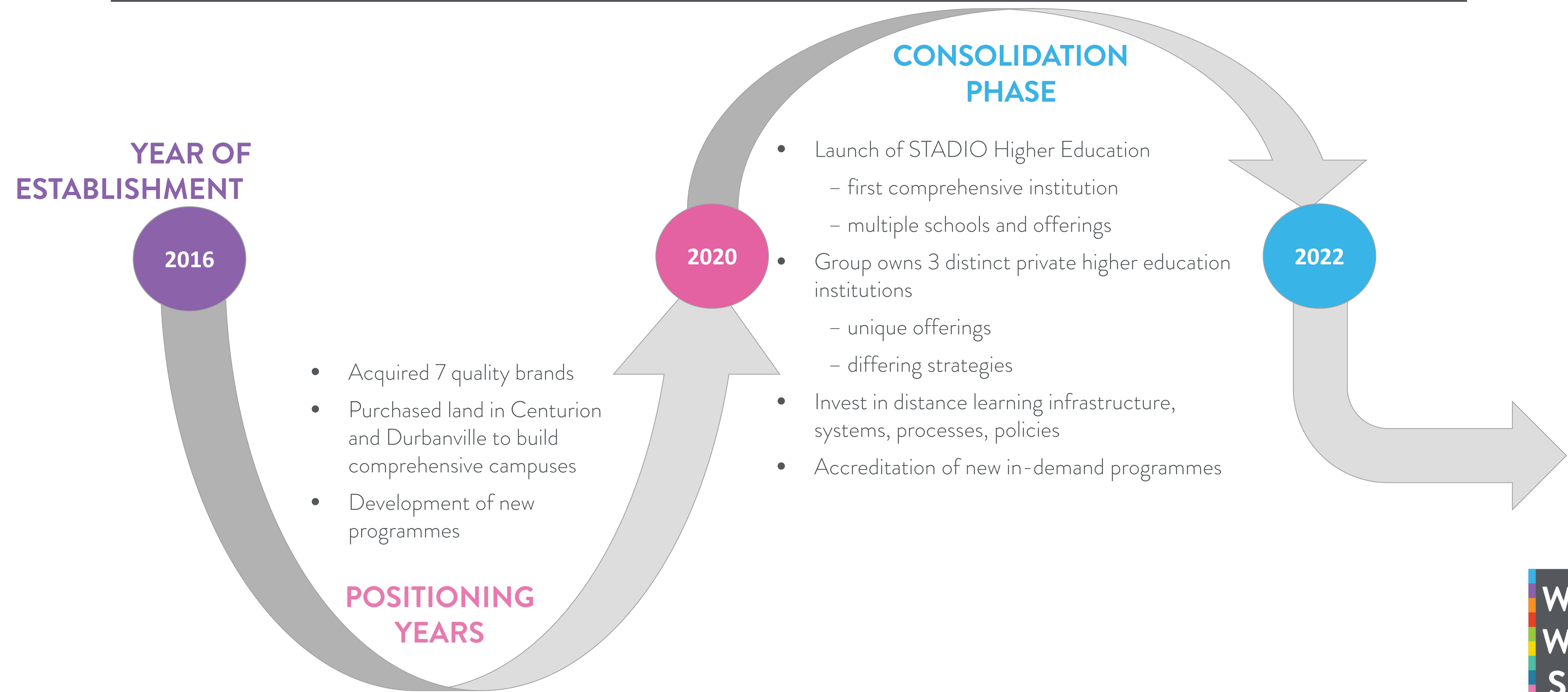
1. WIDENING
ACCESS

2. WORLD OF WORK

3. STUDENT CENTREDNESS

Operational Excellence , Product Leadership, Customer Intimacy

SUCCESSFULLY EXECUTED OUR STRATEGY TO DATE



WE'VE ENTERED THE GROWTH PHASE

- STADIO Centurion campus opens
 - first comprehensive campus
 - multiple-schools
 - equivalent to university campuses
- Successful accreditation of new programmes, including accreditation of existing programmes to new sites of delivery
 - evidenced through good new student numbers in 2022
- Shared services, systems and processes in place - enable operational efficiencies
- Optimisation of existing campuses – new programmes and better utilisation of resources
- Roll-out of new Milpark strategy – online distance learning specialist

2022

2026

100 000 +
students

WELL POSITIONED TO
IMPLEMENT GROWTH STRATEGY

SUSTAINABLE
GROWTH

minimum 80% distance learning > maximum 20% contact learning

3 DISTINCT INSTITUTIONS – DIFFERING STRATEGIES

STADIO
— HOLDINGS —

STADIO
— HOLDINGS —

STADIO

HIGHER EDUCATION

Operational Excellence –

“providing customers with reliable products or services at competitive prices and delivered with minimal difficulty or inconvenience”

- provides the ability to scale and service large numbers

↳ a comprehensive institution

- multiple-schools
- multiple-modes of learning delivery
- multiple-campus

[AFDA]

Product leadership –

“offering customers leading-edge products and services that consistently enhance the customer’s use or application of the product, thereby making rivals’ goods obsolete.”

↳ number-one film school in South Africa

- High-price point with focused niche offering
 - move to blended learning

MILPARK
EDUCATION



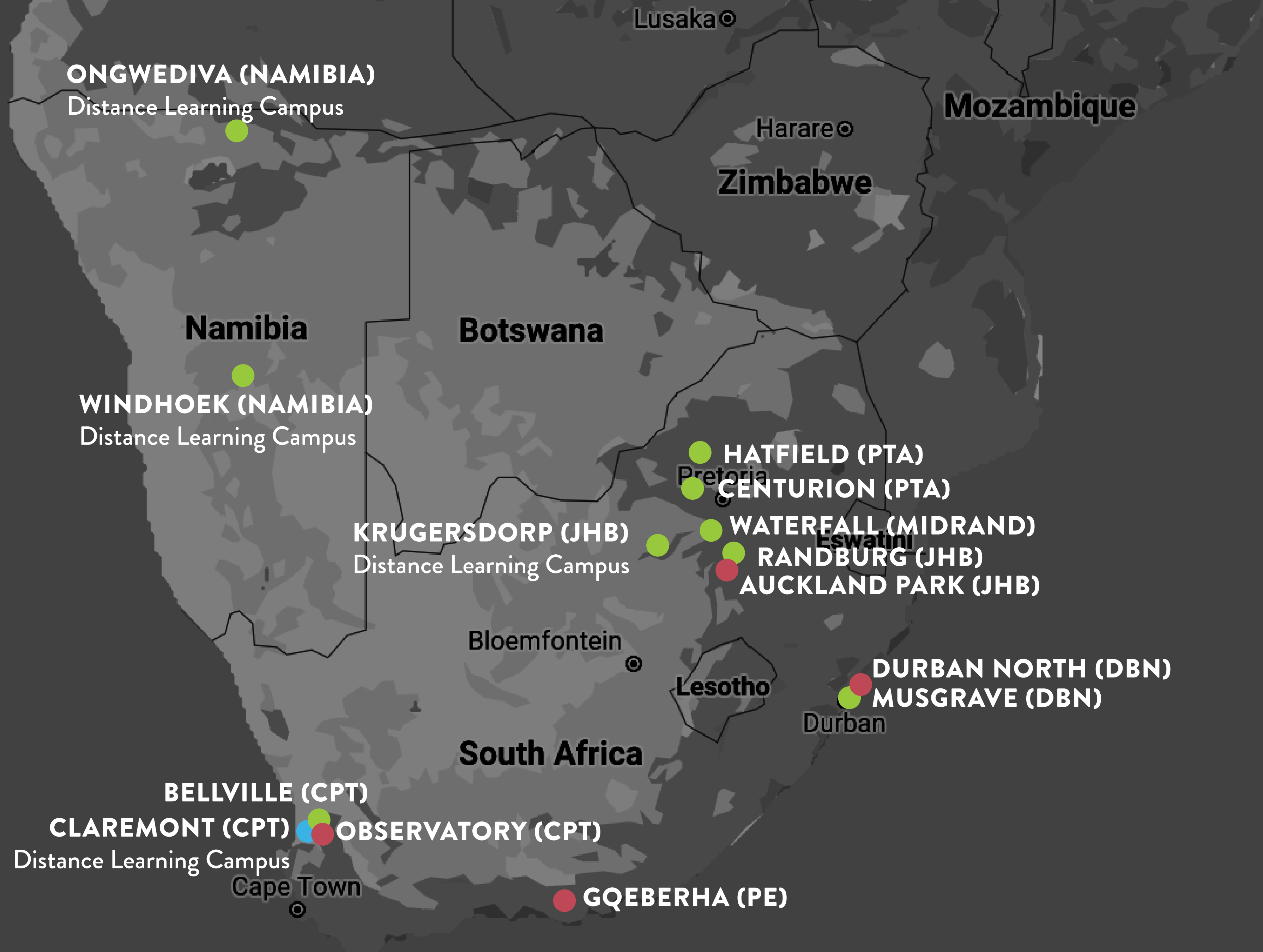
Product leadership –

“offering customers leading-edge products and services that consistently enhance the customer’s use or application of the product, thereby making rivals’ goods obsolete.”

↳ becoming the South African leader in online distance learning

- focused niche offering
- product leaders in financial services, banking, accounting
 - Business School

WE HAVE A FAR-REACHING FOOTPRINT



84% OF OUR STUDENTS STUDY VIA DISTANCE LEARNING

WITH A VAST RANGE OF OFFERINGS IN OUR

SCHOOLS OF
BUSINESS,
COMMERCE &
MANAGEMENT

STADIO HIGHER
EDUCATION

MILPARK

SCHOOL OF
EDUCATION

STADIO HIGHER
EDUCATION

SCHOOLS OF FILM,
MEDIA DESIGN,
ARCHITECTURE &
SPATIAL DESIGN, &
FASHION

STADIO HIGHER
EDUCATION

AFDA

SCHOOL OF
INFORMATION
TECHNOLOGY

STADIO HIGHER
EDUCATION

SCHOOLS OF LAW
& POLICING

STADIO HIGHER
EDUCATION

BUSINESS
SCHOOL

MILPARK

SCHOOL OF ENGINEERING and SCHOOL OF HUMANITIES (Coming soon)

ACCESS QUALIFICATIONS (HIGHER CERTIFICATES) TO DOCTORATES

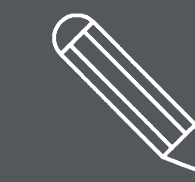
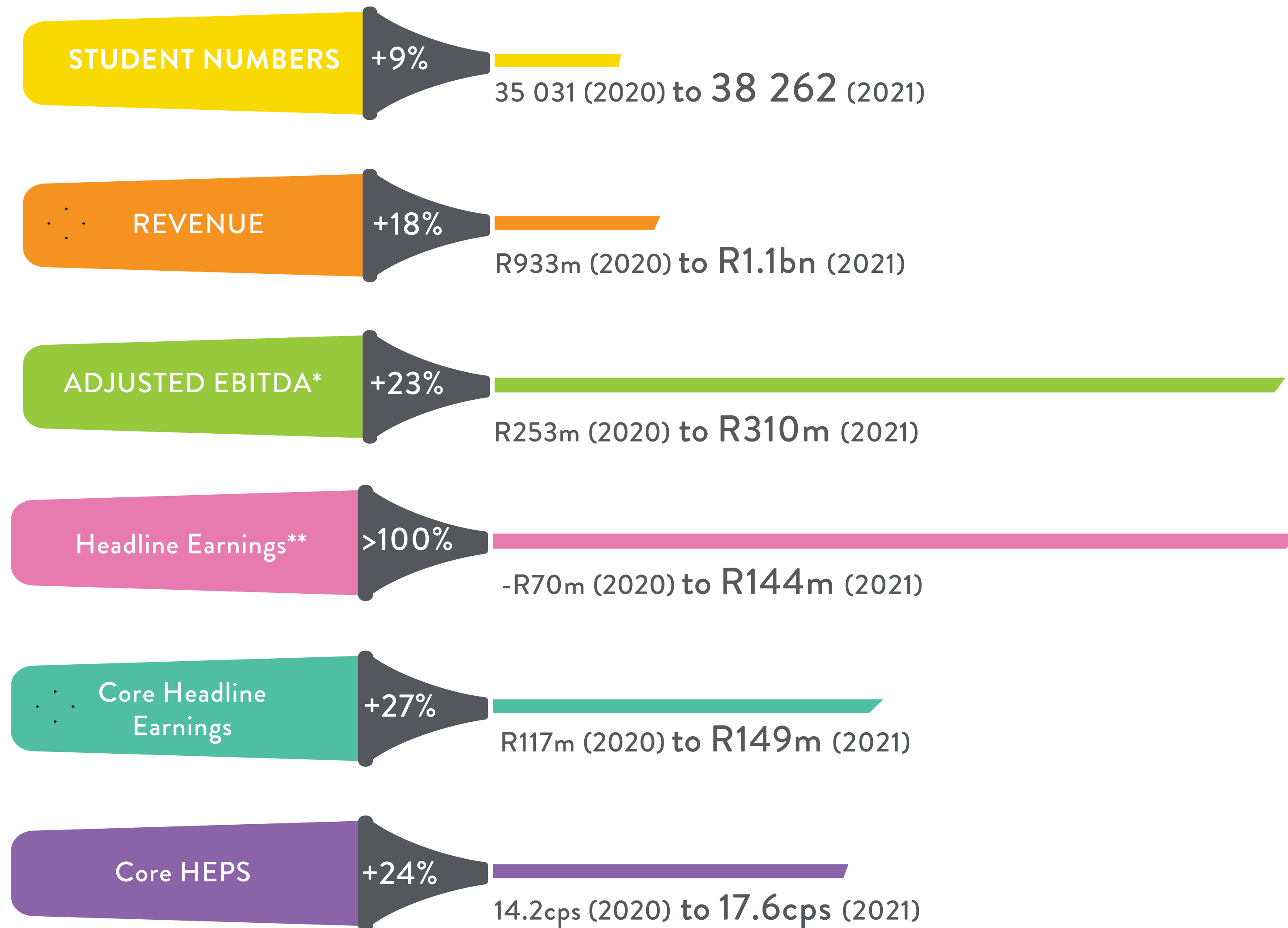
The STADIO Group is one of the **TOP 10** largest higher education providers in **South Africa** with over **38 000** students in South Africa & throughout **Africa**



STADIO, Milpark Education and AFDA are registered with the Department of Higher Education and Training as separate private higher education institutions under the Higher Education Act.

2021 FINANCIAL HIGHLIGHTS – DEC 2020 TO DEC 2021

STADIO
— HOLDINGS —



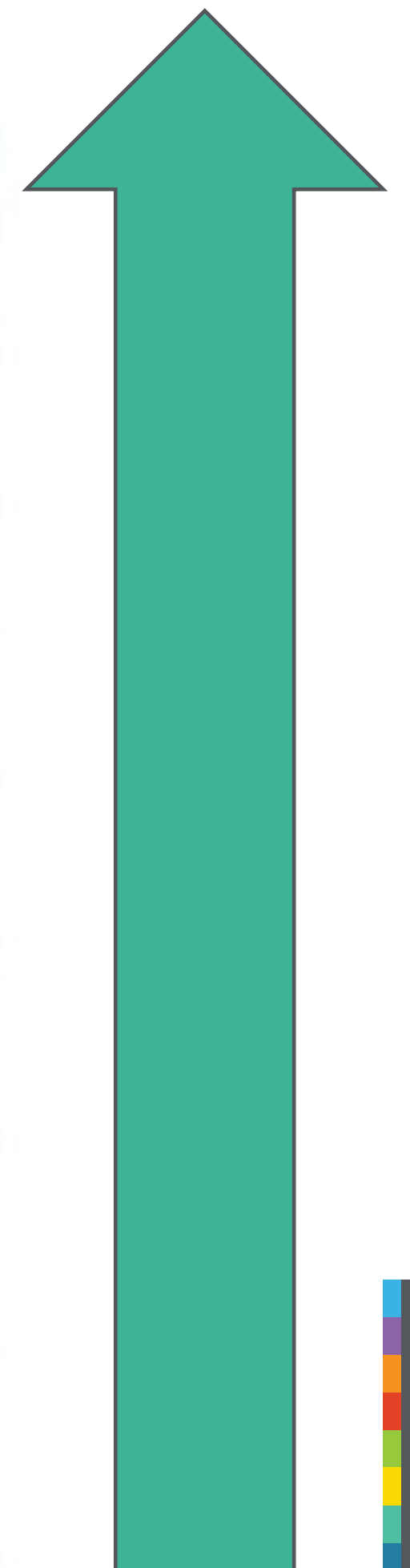
Notes

* Adjusted EBITDA is Earnings before interest, taxation, depreciation, and amortisation adjusted for the once-off CA Connect fair value adjustment in 2020

** Headline Earnings was also impacted by the CA Connect fair value adjustment in 2020

CONSISTENT GROWTH OVER FIRST 6 YEARS

	DECEMBER					
	2016A	2017A	2018A	2019A	2020A	2021A
Student numbers	840	12 976	29 885	31 869	35 031	38 262
Revenue (Rm)	46	122	633	815	933	1 098
EBITDA (Rm)	11	0.5	129	180	46	309
EBITDA adjusted (Rm)	11	0.5	129	196	253	310
Headline Earnings (loss) Rm	7	(7)	63	70	(70)	144
Core Headline Earnings (Rm)	8	3	70	88	117	149
HEPS (cps)	1.5	(1.2)	7.8	8.5	(8.5)	17.0
Core HEPS (cps)	1.7	0.6	8.6	10.8	14.2	17.6



SOLID BALANCE SHEET

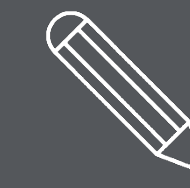
SUMMARISED STATEMENT OF FINANCIAL POSITION	DEC 2020 R millions	DEC 2021 R millions
Total assets	2 085	2 169
Property, plant & equipment	717	810
Right-of-use assets	96	97
Intangibles (incl Goodwill)	918	903
Other assets	114	108
Trade & other receivables	123	133
Non current assets held for sale	-	52
Cash & cash equivalents	117	66
Total equity	1 486	1 751
Attributable to equity holders	1 493	1 652
Non-controlling interests	(7)	99
Total liabilities	599	418
Borrowings	45	15
Lease liabilities	168	184
Other liabilities	386	219
Number of shares in issue (m)	841	848
NAV per share (cents)	178	195
Gearing ratio	14%	11%
Gearing ratio (excluding IFRS 16:Lease liability)	3%	1%

LIMITED
GEARING –
R200 million
debt facility
available

2021 IMPACTED BY:

- Invested R181m on capital expenditure
- Impairments of R30m
- Acquisitions of R10m
- Settled R68m of consideration liability
- Deemed equity settlement of R100m of CAC transaction
- R15m debt drawn down
- R66m of cash on hand
- Gearing ratio 11% (1% excluding IFRS 16 lease liability)

4.7cps
MAIDEN
DIVIDEND
DECLARED



Notes:

- Final 2021 dividend declared
- Return excess cash to shareholders having considered future expected growth projects

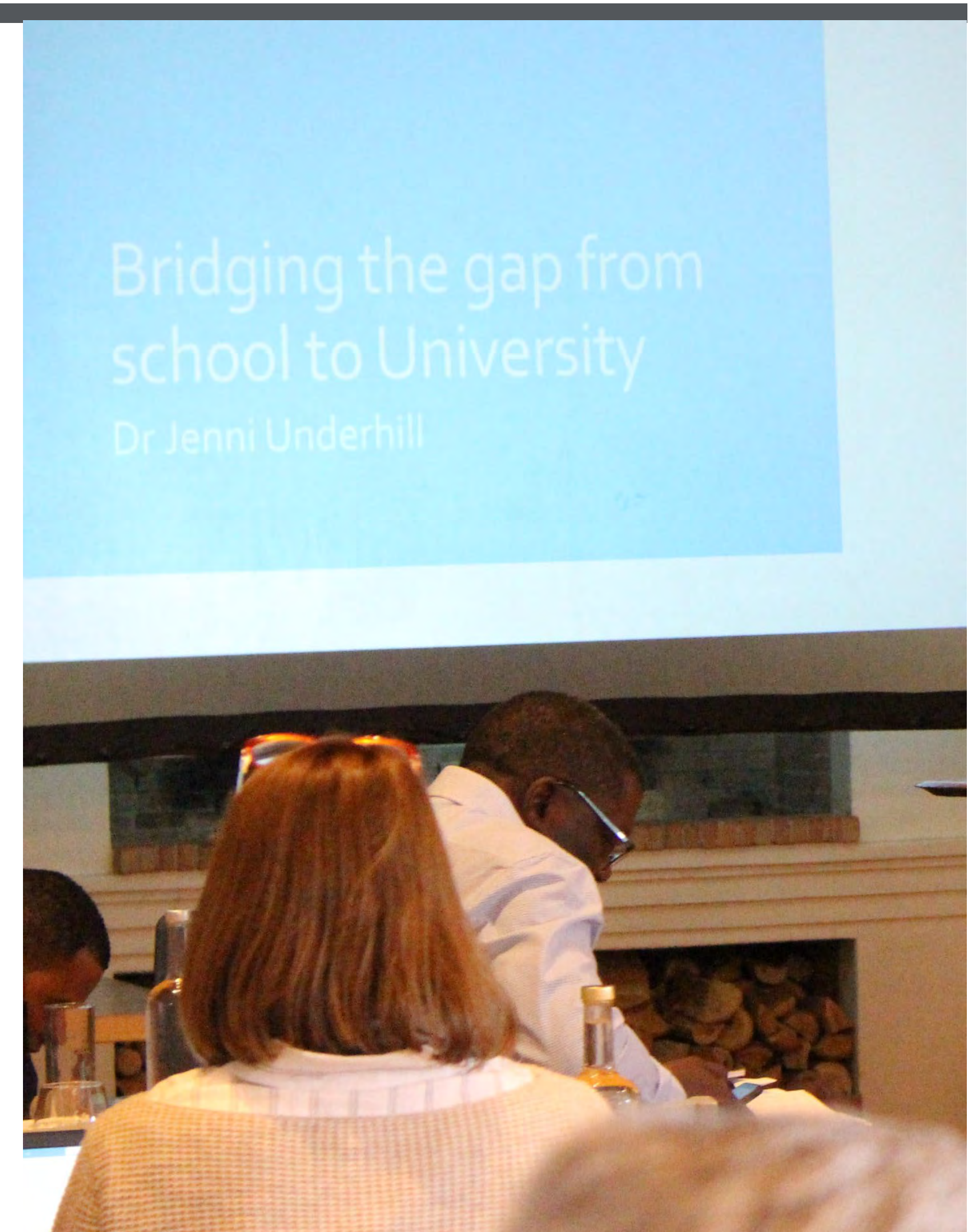




ACADEMIC ACHIEVEMENTS

2021 ACADEMIC ACHIEVEMENTS

- Overall module success rates – **81.6%**
- Overall module drop-out rates – **6.8%**
- **8 705** students graduated
- Milpark student achieved top spot in SAICA ITC Board exam
- Fellow of STADIO award introduced
 - Dr Mathews Phosa
 - Theo Ngobeni (CEO Mr Slimfit)
- 49 research outputs produced in 2021
- Continued programme development and accreditation (see next slide)



PROGRAMME GROWTH STRATEGY



- New programmes developed in both modes (contact learning and distance learning)
- New programmes offered on new sites including programmes in:
 - ❖ School of Law
 - ❖ School of IT
 - ❖ School of Education
 - ❖ Schools of Accounting, Commerce and Management
 - ❖ School of Architecture and Spatial Design
 - ❖ School of Engineering
 - ❖ School of Humanities
- International (universities) and local (industries) collaborations and partnerships

Popular in-demand
programmes

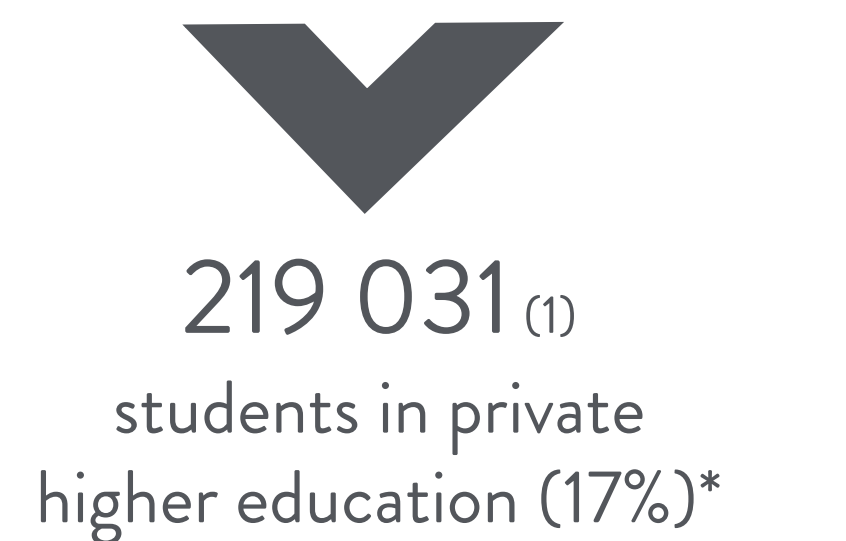
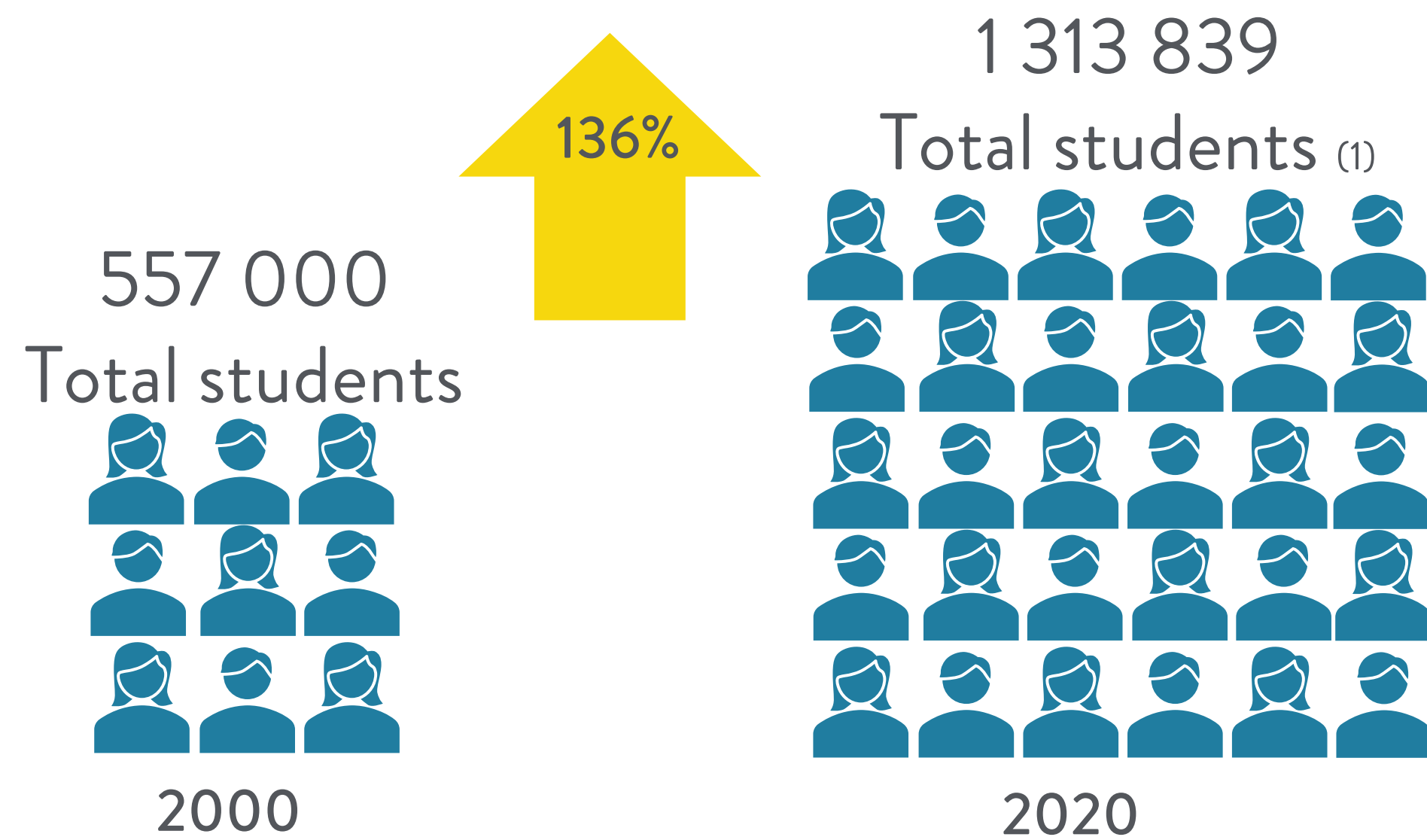


Big student growth
and
good return on investment

33 PIPELINE
PROGRAMMES

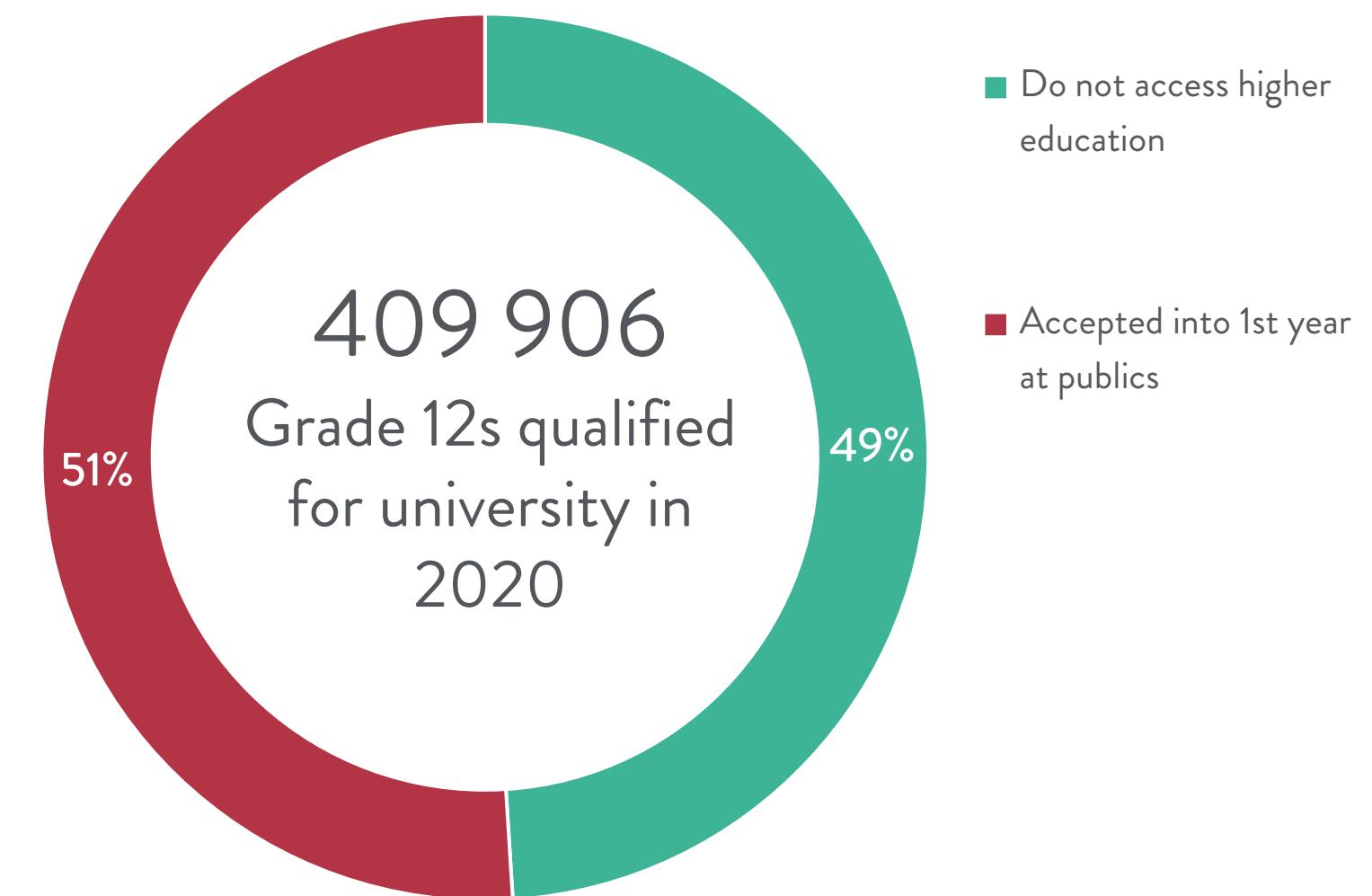
88 ACCREDITED
PROGRAMMES

THE MARKET IS BIG AND NEEDS PRIVATE HIGHER EDUCATION



* STADIO Group accounted for 16% of total private higher education students in 2020 (15% in 2019)

OUR UNIVERSITIES HAVE CAPACITY CONSTRAINTS

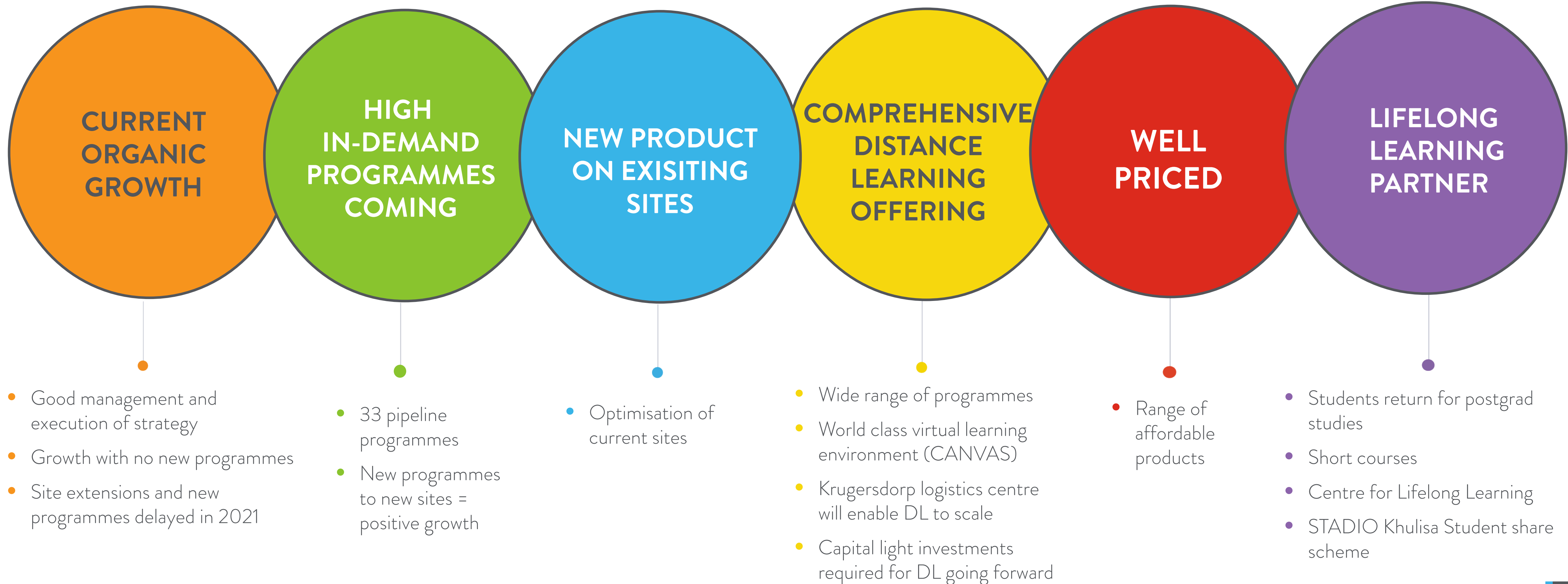


200 384 eligible matrics could NOT access higher education (2)

Source: (1) Infographics For Statistics On Post-school Education And Training, 2020 Source: (2) : Statistics On Post-school Education And Training in South Africa 2020



WHY ARE WE EXCITED?

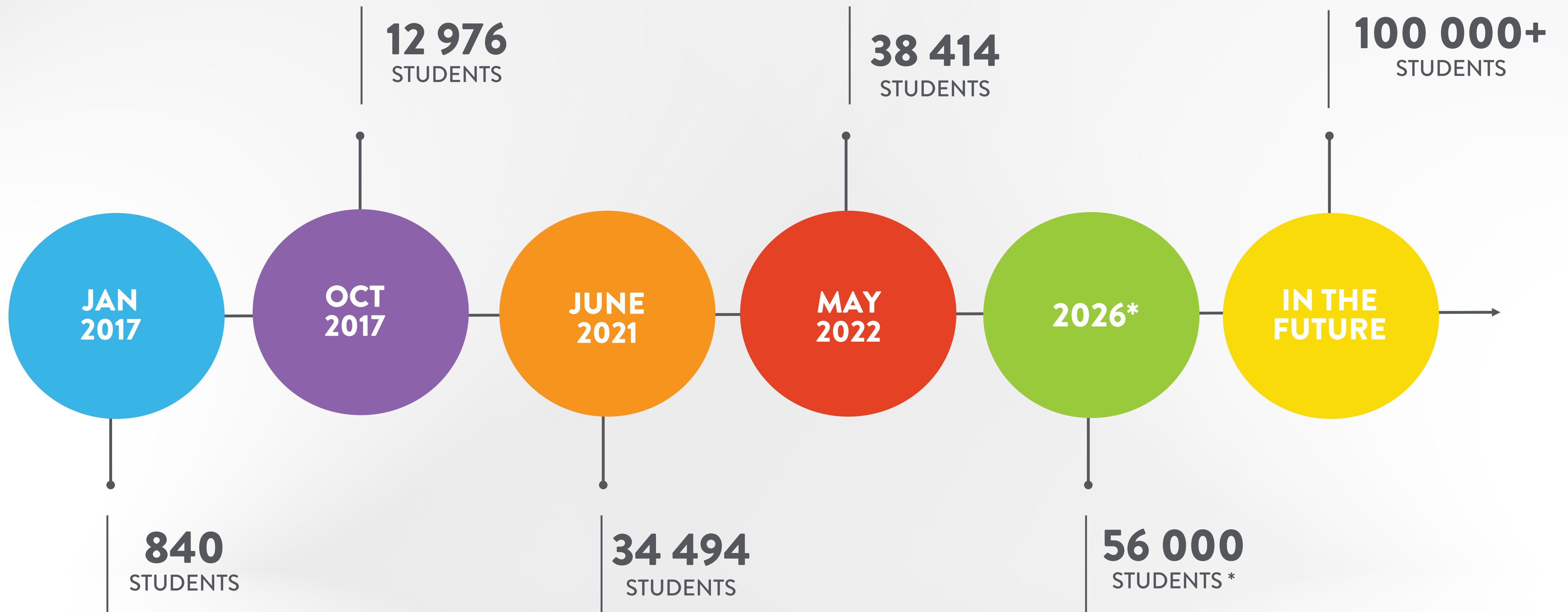


DESPITE THE CHALLENGING ECONOMIC ENVIRONMENT, THE GROUP CAME OUT STRONGER IN 2021

- WE HAVE LAID A STRONG FOUNDATION FROM WHICH TO GROW GOING FORWARD ...

2022 SEMESTER 1 STUDENT NUMBER UPDATE

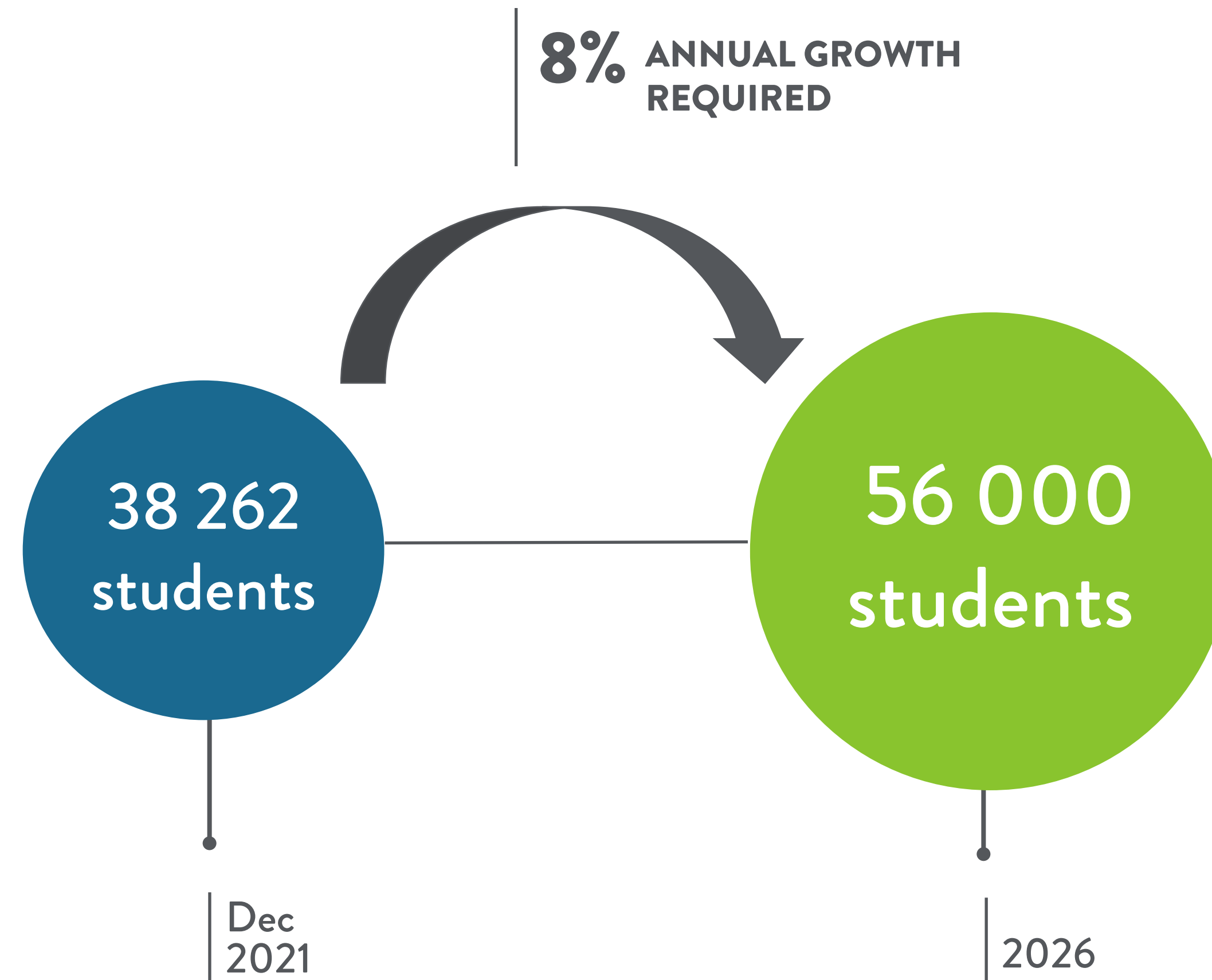




* As disclosed in the Pre-listing Statement

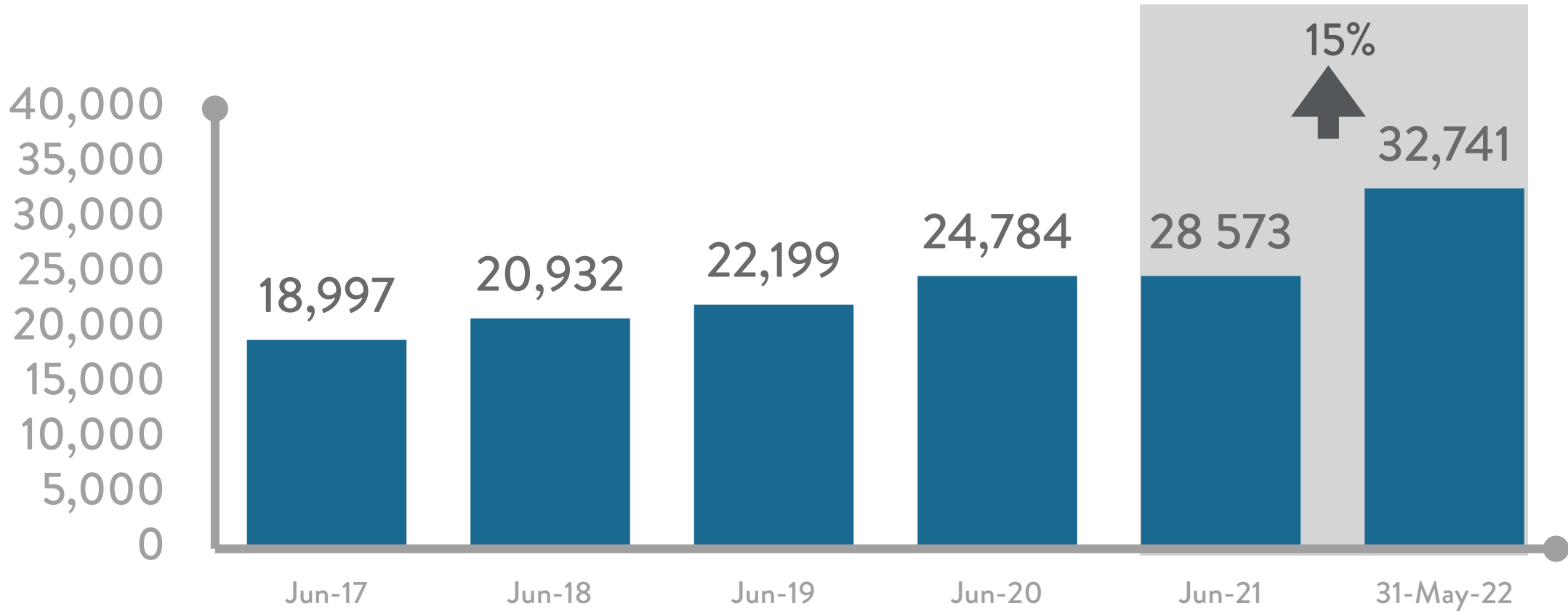
TARGET: 80% DISTANCE LEARNING
20% CONTACT LEARNING

8% ANNUAL GROWTH REQUIRED TO REACH 2026 TARGET

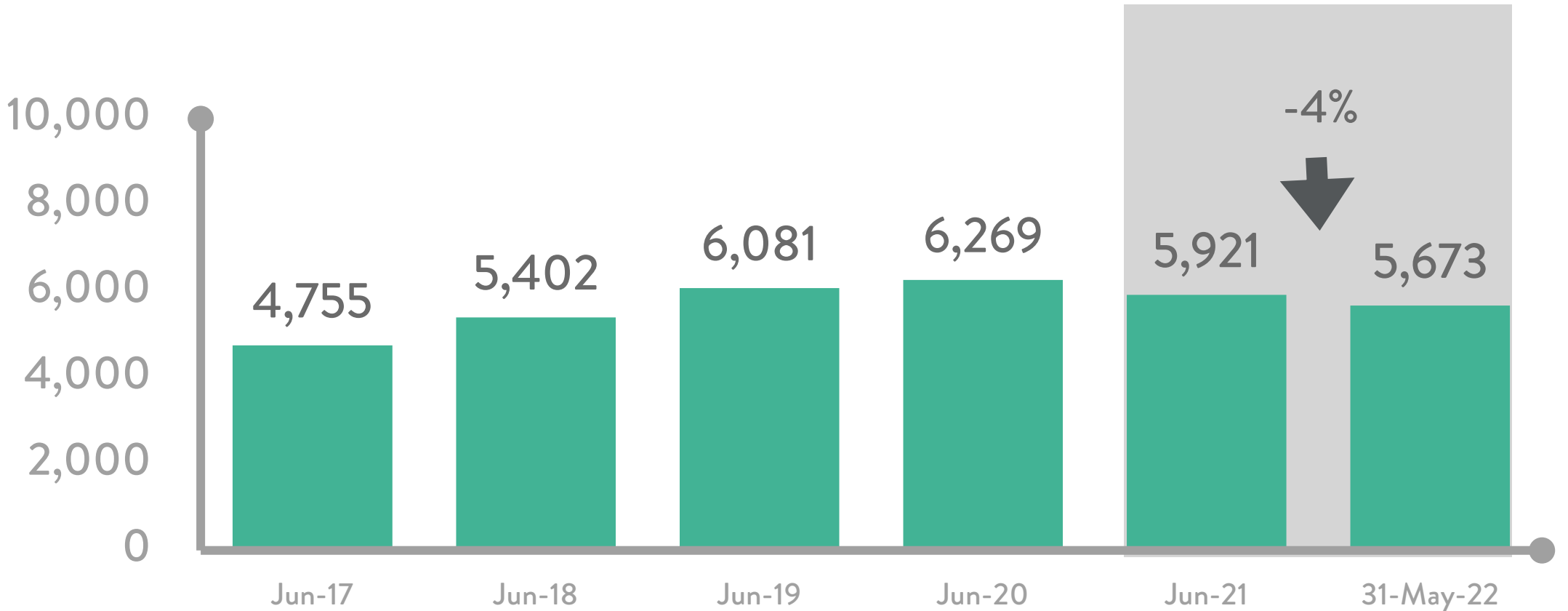


UPDATE ON SEMESTER 1 STUDENT NUMBERS

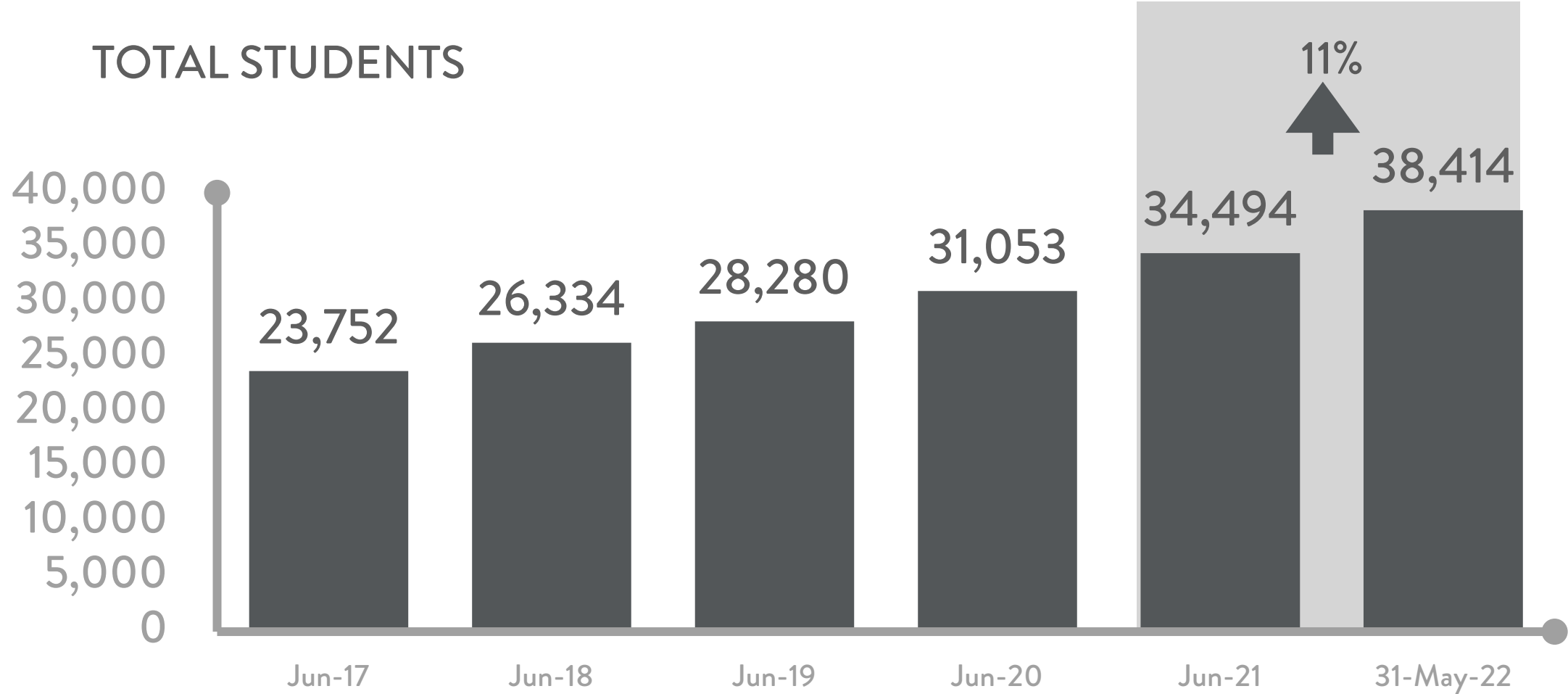
DISTANCE LEARNING



CONTACT LEARNING



TOTAL STUDENTS



EXCLUDES STUDENTS ENROLLED IN SHORT-LEARNING PROGRAMMES

BIGGEST CONTRIBUTORS TO GROWTH

The biggest contributors to growth in distance learning:

- STADIO Higher Education grew DL numbers by 18%
- STADIO School of Education DL grew by 35%
- Milpark's CA Connect business grew by 43%

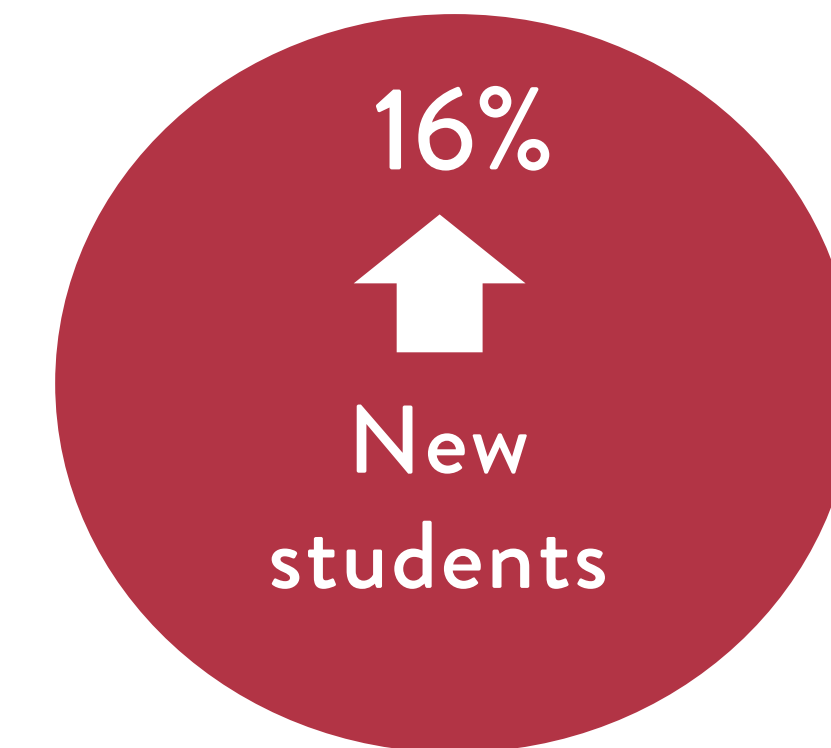
The biggest contributors to growth in contact learning:

- Positive new student growth
- AFDA student numbers grew by 6%
- STADIO Higher Education Waterfall campus up 27%



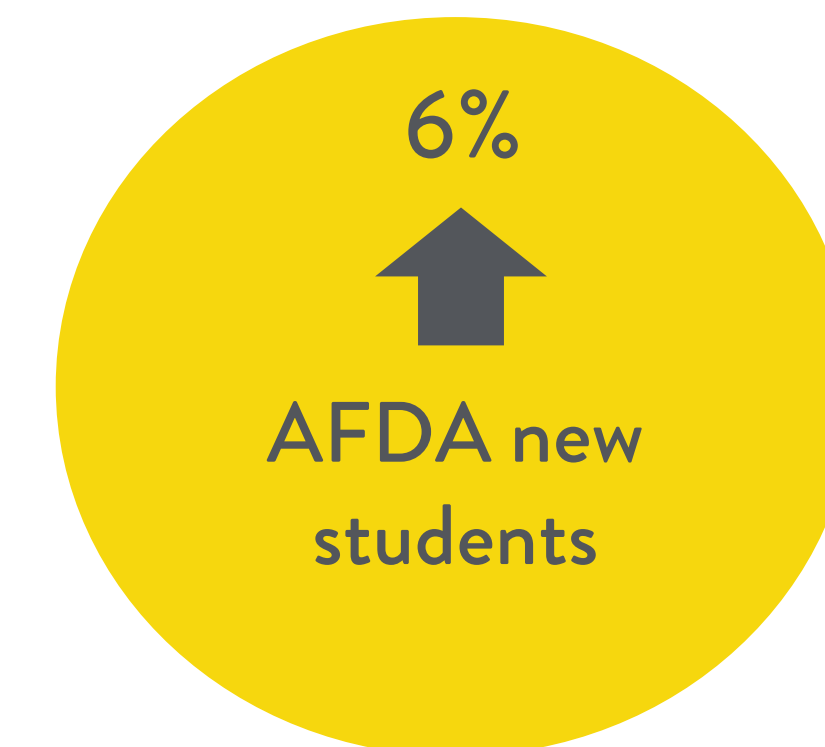
NEW STUDENT GROWTH IS EXCITING

MODE	NEW STUDENTS		Year-on-year change %
	JUN 2021	31 MAY22	
CONTACT LEARNING	2 137	2 355	↑ +2%
DISTANCE LEARNING	9 331	11 137	↑ +19%
TOTAL	11 648	13 492	↑ +16%



GROWTH STRATEGY ILLUSTRATED IN BELOW:

CAMPUS / MODE	NEW STUDENTS		Year-on-year change %
	JUN 21	31 MAY22	
CONTACT LEARNING			
Centurion	151	189	↑ +26%
Waterfall	150	274	↑ +83%
Musgrave	252	357	↑ +42%
Bellville	174	189*	↑ +9%



GOOD PIPELINE FOR NEXT FEW YEARS (roll over students)

CONTACT LEARNING SHOWING POSITIVE SIGNS

1. COVID-19 impacted contact learning over the last few years – impacting roll-over students
2. Milpark Education change in strategy - no longer offering CL – focused on online distance learning
3. AFDA – high fee product with pleasing growth despite the economic challenges
4. STADIO Higher Education – good NEW student growth with exciting new pipeline programmes to come
5. Growth strategy is working – new programmes to new sites = new student growth
6. Believe students will return to campus – affordability is key

Good new student intake



Positive overall student numbers for next few years

DISTANCE LEARNING CONTINUES TO GROW

1. Good overall growth
2. Distance learning is well established in the STADIO Group
3. Leader in distance learning offering using CANVAS as our virtual learning environment
4. Biggest distance learner provider outside of UNISA
5. Semester 2 registrations underway – only DL
6. Starting to see increase in school leavers
7. Development and accreditation of new programmes
8. Our distance learning offering never compromises on quality

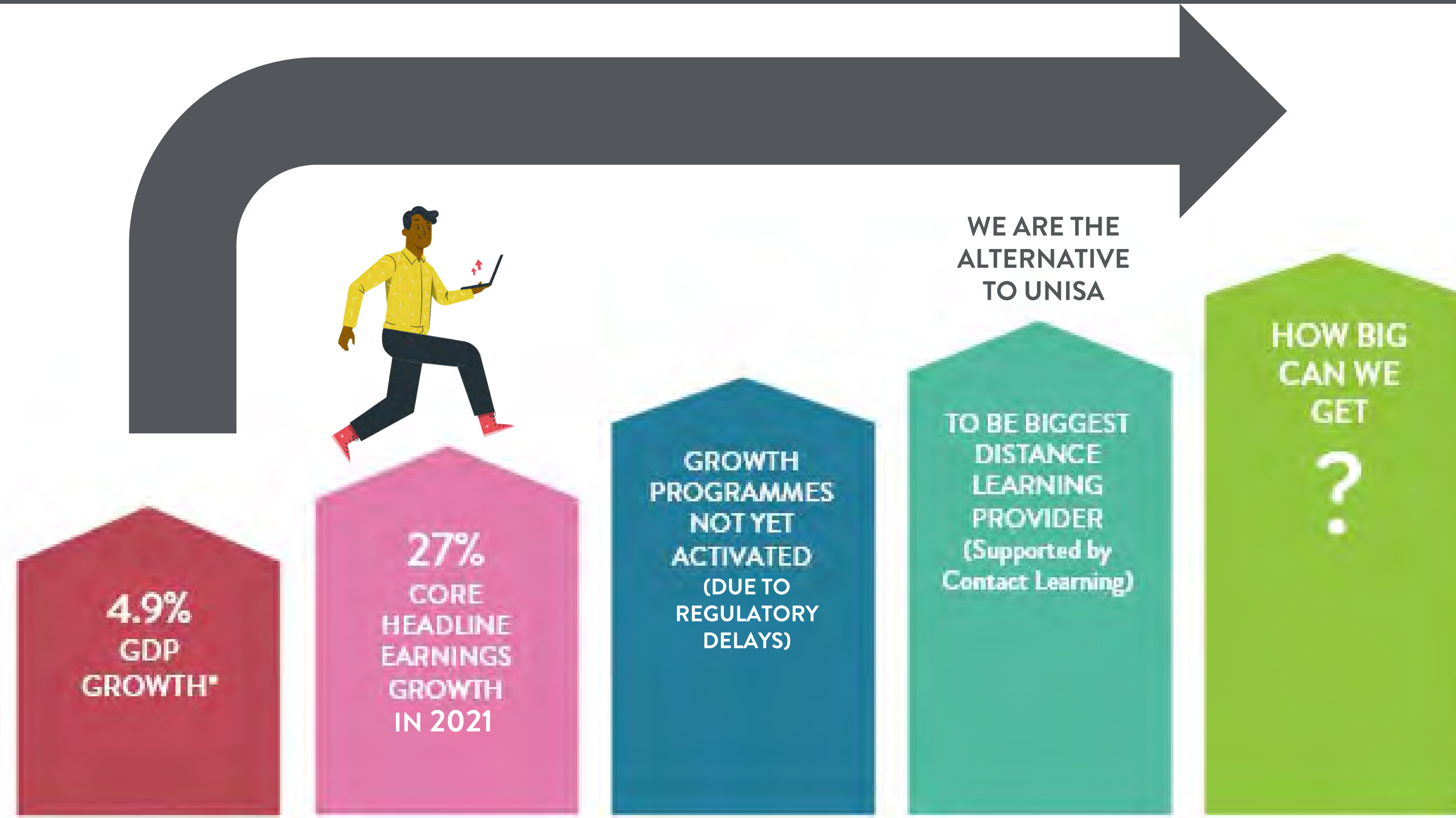
We want
to be the
Alternative
to UNISA

OTHER 2022 UPDATES

1. Commenced construction of Krugersdorp Distance Learning Logistics centre – enable operational excellence and scalability
2. STADIO Khulisa share scheme continues to be rolled out
3. School of IT is developing well
4. Doctoral qualifications oversubscribed with first-rate applications
5. Good partnerships with sporting events and focusing on incorporating sport into our offerings for students (attractive all-rounded offering)
6. If you have not seen the Integrated Report, you can find it on our website at www.stadio.co.za/recent-reports/



I AM EXCITED TO SEE HOW BIG WE CAN GET



SOLID FOUNDATION ESTABLISHED FOR GROWTH

* South Africa GDP Growth Rate - 2021 Data - 2022 Forecast - 1993-2020 Historical (tradingeconomics.com)



TRANSFORMATION, SOCIAL & ETHICS FEEDBACK



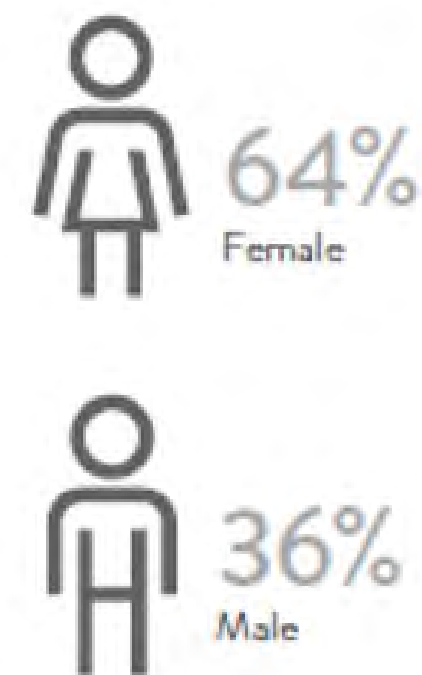
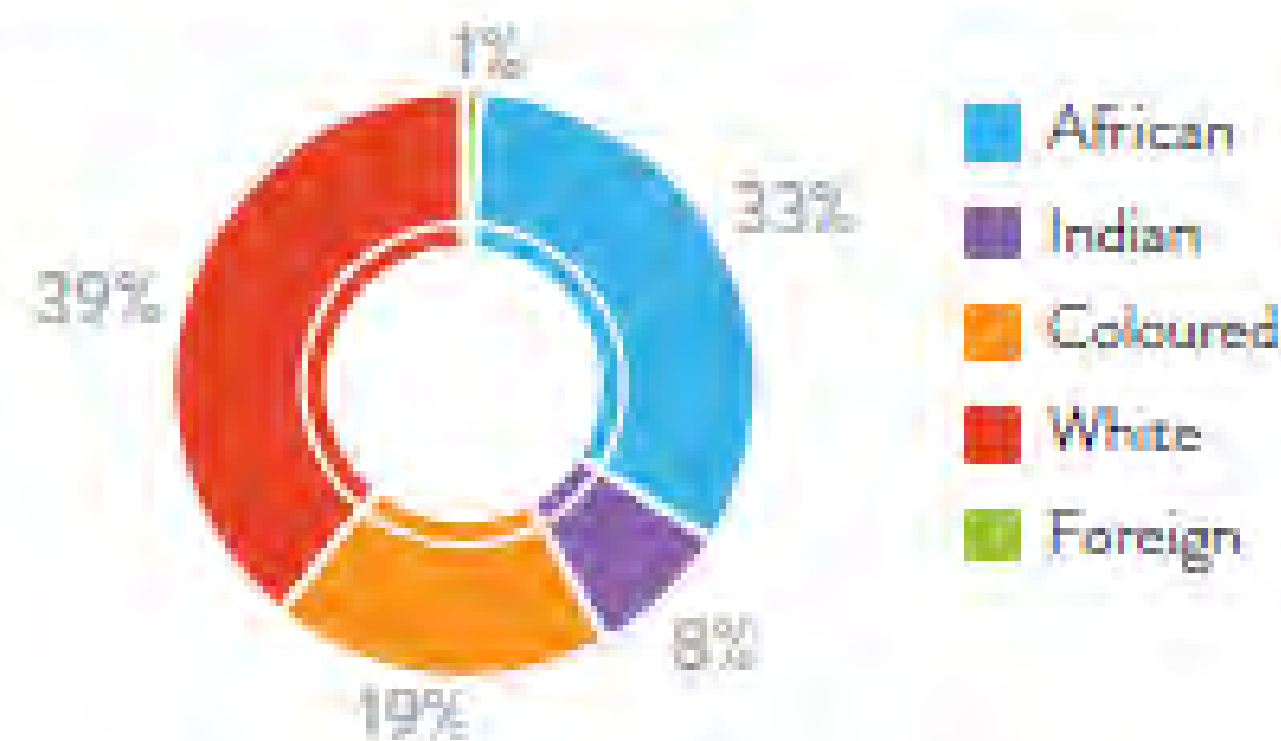
DR BUSISIWE VILAKAZI
TRANSFORMATION, SOCIAL AND
ETHICS COMMITTEE - CHAIRPERSON



COMMITTED TO TRANSFORMATION

- The Group reassessed its overall B-BBEE strategy and has started working on implementing specific projects, including a staff development plan endorsed for roll-out in 2022
- Milpark achieved a Level 2 B-BBEE rating, with the Group achieving a Level 8 B-BBEE rating.
- Employment Equity Plan has been developed for STADIO Higher Education with targets agreed by the Board. The Group is implementing the targets as set out in the plan.

STAFF DEMOGRAPHICS

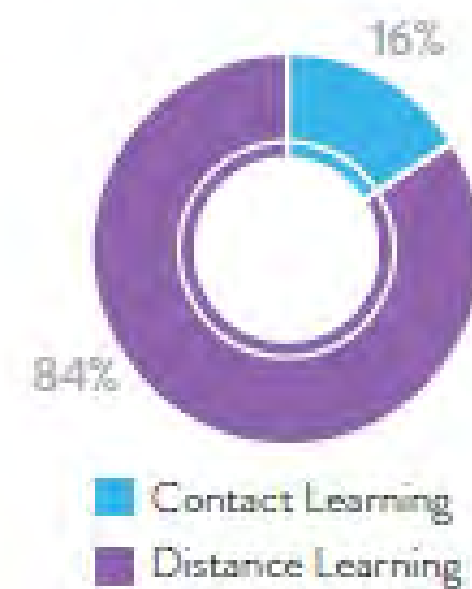


DRIVING ACCESS TO QUALITY EDUCATION

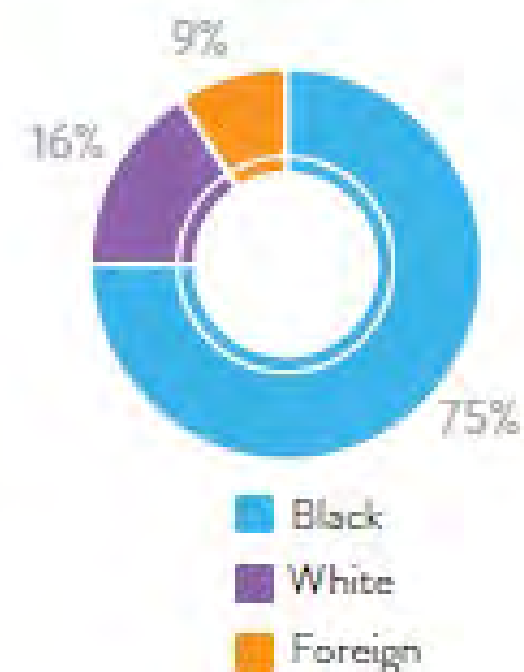
- The Group’s main aim is to “**empower the nation by widening access to higher education**” which speaks directly to “Quality Education” as identified by the Sustainable Developmental Goals
- The STADIO Kusasa Foundation (Group’s bursary Trust) received s18a certificate – to be launched in 2022
- In 2021, R25 million was spent on bursaries, discounts and scholarships
- STADIO Khulisa Student Share Scheme launched in October 2021 – turning graduates into shareholders
- Student (and staff) wellness a priority – partnership with South African Depression and Anxiety Group (SADAG)

OUR STUDENT MIX

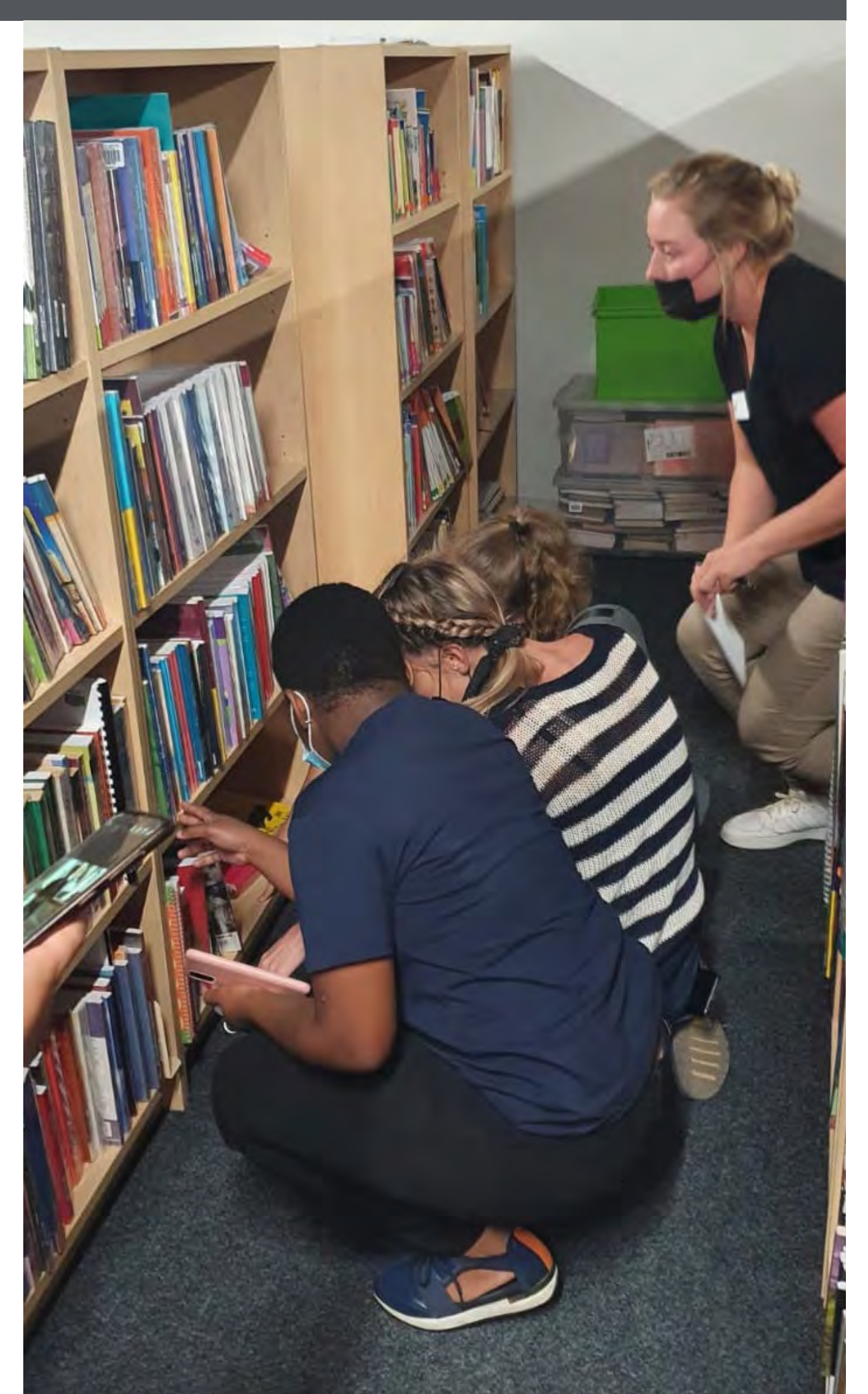
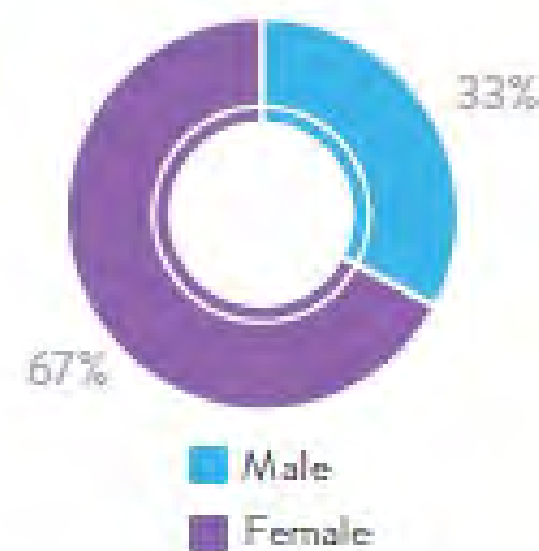
MODE OF DELIVERY



RACIAL DIVERSITY

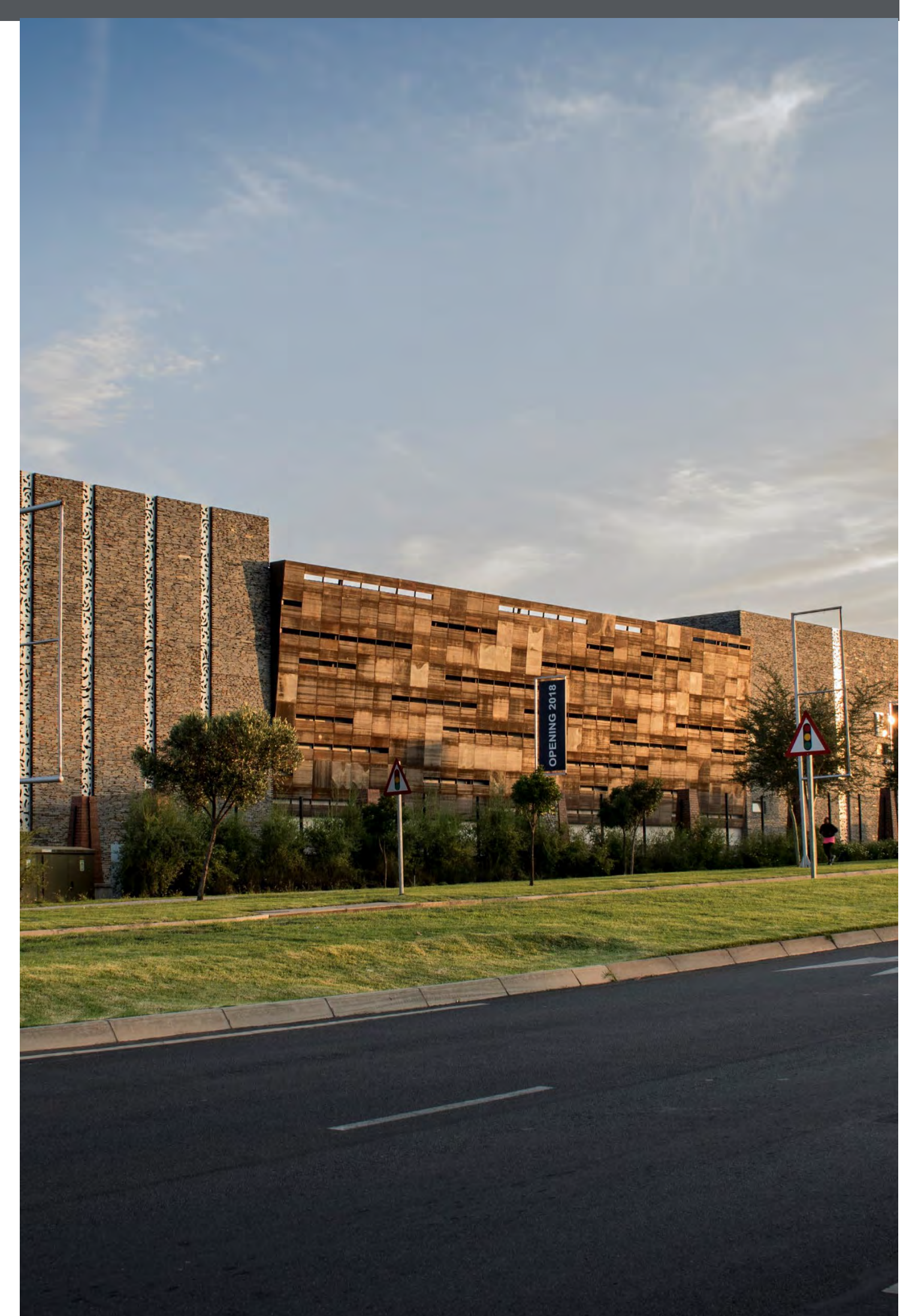



GENDER DIVERSITY



EMBEDDING AN ETHICAL AND SOCIALLY AWARE CULTURE

- The Board is responsible for promoting an ethical culture within the Group and this is supported by the Transformation, Social and Ethics Committee
- Ethics are embedded in the STADIO Ethics Pledge and code of conduct which applies to all employees, directors and stakeholders
- The Group is investigating a Whistleblowing Policy and Hotline to further its commitment to transparency and ensuring an ethical culture and climate
- The Group believes it has a key role in educating and equipping individuals with skills to enter the working world as advocates for sustainable development, and climate-related risks
 - modules are integrated into the curricula that enhance graduates' understanding and knowledge about the world we live in and the issues the world faces
 - academic project includes community projects that have a social impact
 - aim to produce graduates who are socially conscious and responsible

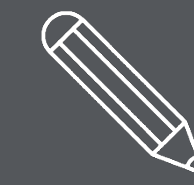




Q & A ?

OUR PURPOSE:

To empower the nation by widening access to higher education



Notes:

- Shareholders may ask questions by selecting the **Q & A** icon in the platform and typing your questions into the text box at the bottom of the screen.
- Should you have any further questions or would like to arrange a meeting with the company, please contact investorrelations@stadio.co.za

VOTING WILL CLOSE ONCE
QUESTIONS AND ANSWERS
HAVE BEEN COMPLETED

RESOLUTIONS RESULTS OF VOTING



DR VINCENT MAPHAI
CHAIRPERSON





THANK YOU
ENKOSI
RE ALEBOGA
DANKIE

STADIO

— HOLDINGS —

MILPARK
EDUCATION



STADIO



FORMERLY

SBS  EMBURY

LISOF  PRESTIGE
ACADEMY

[AFDA]