

STADIO HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2016/371398/06)

Share code: SDO

ISIN: ZAE000248662

LEI: 3789007C8FB26515D966

("the Company" or "the STADIO Group")



FURTHER TRADING STATEMENT

The STADIO Group utilises core headline earnings to measure and benchmark the underlying performance of the business. Core headline earnings represents headline earnings adjusted for certain non-recurring or non-cash items that, in the Board's view, may distort the financial results from year to year.

Further to the initial trading statement issued on 1 July 2020 ("Initial Trading Statement"), the Board is pleased to report that the core headline earnings per share for the six month period ended 30 June 2020, will be between 6.5 cents and 7.4 cents, being between 14% and 30% higher than the 5.7 cents per share reported for the six month period ended 30 June 2019.

In terms of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will differ by 20% or more from the financial results for the previous corresponding period.

Shareholders are referred to the Initial Trading Statement and advised that, as a result of two abnormal items (further explained below) a reasonable degree of certainty exists that for the six months ended 30 June 2020, the STADIO Group will report a:

- Loss per share of between (9.3) cents and (8.3) cents and a headline loss per share of between (2.0) cents and (1.0) cents for the six month period ended 30 June 2020, compared to earnings and headline earnings per share of 5.1 cents reported for the six month period ended 30 June 2019.

As detailed in the Initial Trading Statement, the loss and headline loss per share were negatively impacted by the following abnormal, once-off accounting adjustments:

- Following the Higher Education Quality Committee approval of the business transfer process to migrate the various underlying higher education institutions to one STADIO brand, the STADIO Group incurred a R60 million once-off, non-cash accounting impairment of trademarks (being the value of the trademarks (excluding Milpark Education (Pty) Ltd) recognised at acquisition); and
- Following the outperformance in the enrolment of students on the Post Graduate Diploma in Accounting ("PGDA") and the PGDA Bridging programme, and the expected increase in the contingent consideration liability due in respect of the CA Connect business acquisition, an abnormal, accounting fair value adjustment of R74 million was recognised for the period. The contingent consideration is payable in shares (75%) and cash (25%) and is subject to CA Connect meeting certain profit targets over a 3-year period beginning 30 June 2020.

The financial information on which this trading update is based has not been reviewed or reported on by the Company's auditors. The interim results for the six-month period ended 30 June 2020 are expected to be published on or about Wednesday, 26 August 2020.

The Company will be hosting a virtual presentation on Wednesday, 26 August 2020, at 12:00 to present the results to investors.

Presentation details:

Please register to attend the presentation ahead of time by clicking on the following link:
<https://attendee.gotowebinar.com/register/5729022237452236816>

Participants will be able to download the interim results as well as the slides from the portal during the presentation.

Participants can send through questions using the portal, during and after the presentation, or may also email questions through ahead of the presentation, or after the event, to investorrelations@stadio.co.za.

Durbanville
11 August 2020
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