

STADIO

— HOLDINGS —

2024 Annual General Meeting
19 June 2024



Dr Vincent Maphai
Board chairperson

CHAIRPERSON'S WELCOME

PRESENTATION OVERVIEW

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MEETING

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CLOSURE

CONSTITUTION OF THE MEETING

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

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

- **18 March 2024:** Annual financial statements for the year ended 31 December 2023 were published
- **30 April 2024:** Annual integrated report for the year ended 31 December 2023 was published
- **30 April 2024:** 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 confirm Ishak Kula as an executive director

ORDINARY RESOLUTION NO.

2

To re-elect Dr Chris van der Merwe as a non-executive director

ORDINARY RESOLUTION NO.

3

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

ORDINARY RESOLUTION NO.

4

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

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NO.

5

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

ORDINARY RESOLUTION NO.

6

To re-appoint Dr Tom 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



ORDINARY RESOLUTION NO.

8

~~General authority to issue ordinary shares for cash~~ - Following discussions with shareholders since issuing the Notice of AGM, the Board has decided to withdraw this resolution, noting it is not the Company's intention to issue 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

SPECIAL RESOLUTIONS

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



CHRIS VORSTER
CHIEF EXECUTIVE OFFICER

CEO'S FEEDBACK



STADIO

— HOLDINGS —

OUR PURPOSE IS TO **EMPOWER THE NATION BY
WIDENING ACCESS TO QUALITY** HIGHER EDUCATION
THROUGH OUR 3 DISTINCT PRIVATE HIGHER EDUCATION INSTITUTIONS



OUR STRATEGY IS UNDERPINNED BY OUR WWS



>> Operational Excellence >> Product Leadership >> Customer Intimacy

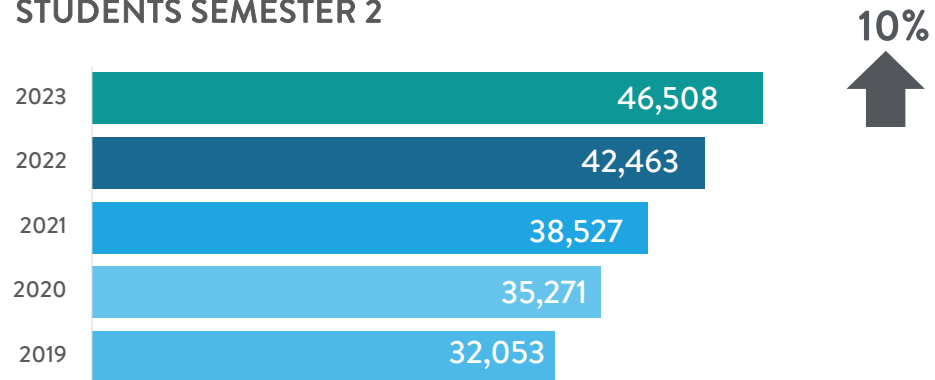
2023 FINANCIAL PERFORMANCE



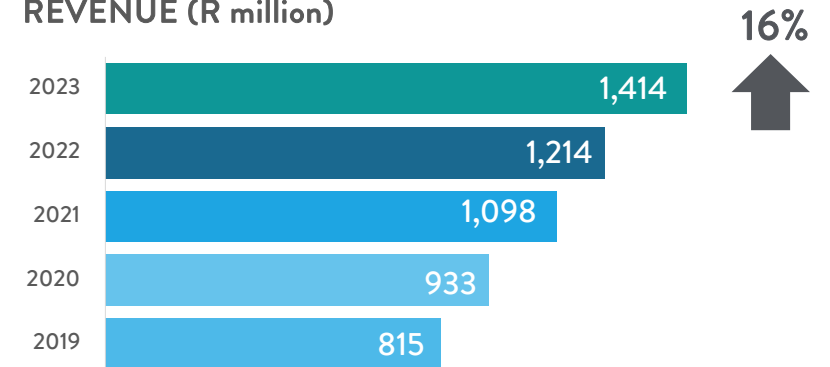
We're building trust by delivering year-on-year, creating value for all our stakeholders

FINANCIAL PERFORMANCE

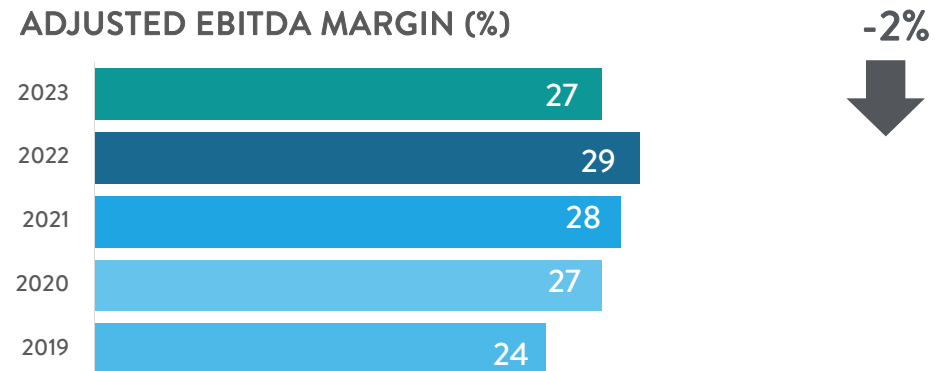
STUDENTS SEMESTER 2



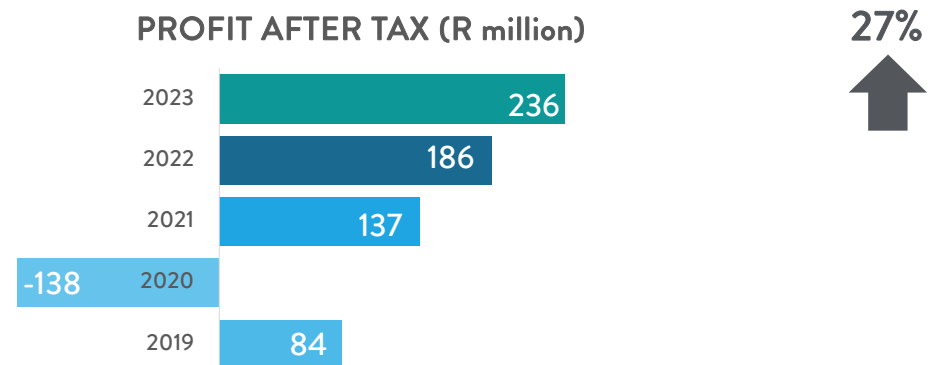
REVENUE (R million)



ADJUSTED EBITDA MARGIN (%)



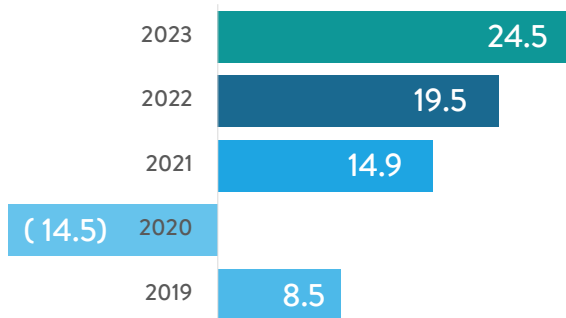
PROFIT AFTER TAX (R million)



FINANCIAL PERFORMANCE

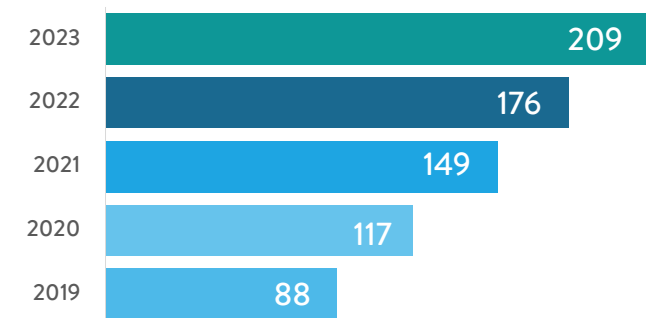
EARNINGS PER SHARE (cents)

26%



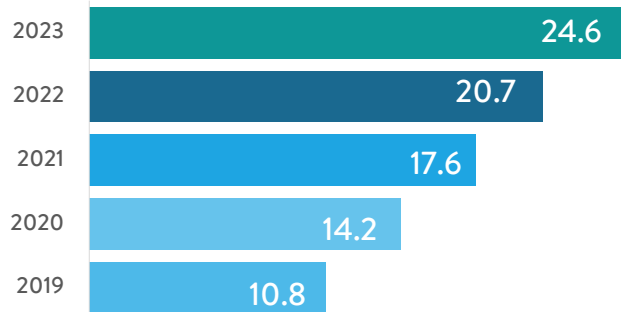
CORE HEADLINE EARNINGS (R million)

19%



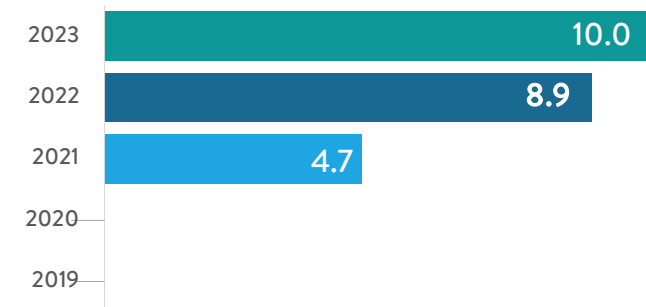
CORE HEPS (cents)

19%



DIVIDENDS PER SHARE (cents)

12%

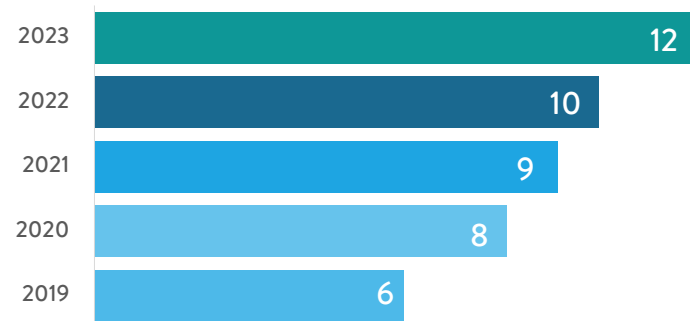


FINANCIAL PERFORMANCE

EXPENSE ANALYSIS	DEC 22	DEC 23	% CHANGE
Revenue (R million)	1 214	1 414	16%
Employee costs (R million)	515	585	14%
Employee costs as % of revenue	42%	41%	
Other operating expenses (R million)	274	326	19%
Other operating expenses as % of revenue	23%	23%	
Loss allowance expense as % of revenue	7%	9%	

- Operating expense margin maintained at 23% but influenced by:
 - further investment into systems and processes impacting costs
 - increased marketing and software licensing costs
 - additional costs of doing business in South Africa (loadshedding, municipal costs, security)
- Loss allowance margin increase to 9% mainly due to:
 - prior year loss allowance margin of 7%; lower due to lower expense from unutilised provisions from 2020/2021
 - increase in loss allowance expense to compensate for increase in risk in Semester 1 and Prior Academic year balances

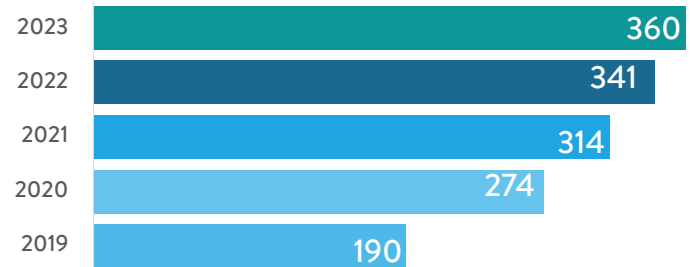
RETURN ON EQUITY (%)



18%



NET CASH GENERATED FROM OPERATIONS (R million)



6%



WE HAVE A STRONG BALANCE SHEET

SUMMARISED STATEMENT OF FINANCIAL POSITION	DEC 22 RM	DEC 23 RM
Total assets	2 281	2 316
Property, plant and equipment	867	872
Right-of-use assets	85	65
Intangibles (incl Goodwill)	892	903
Other assets	111	128
Trade and other receivables	178	217
Cash and cash equivalents	148	130
Total equity	1 882	1 862
Attributable to equity holders	1 772	1 795
Non-controlling interests	110	68
Total liabilities	399	454
Borrowings	0	0
Lease liabilities	170	115
Other liabilities	230	338
Number of shares in issue (m)	850	847
NAV per share (cents)	208	212
Gearing ratio	9%	6%
Gearing ratio (exclu IFRS 16:lease liability)	0%	0%

- Good cash position
- Debt facility of R100m – unutilised for the year (utilised in January 2024 on acquisition of further shares in Milpark Education)

WE'VE ACHIEVED A LOT IN OUR SHORT HISTORY



* In accordance with Pre-Listing Statement

WE STAND FOR: **W** – Widening Access **W** – World of Work **S** – Student Centredness



AND THE FUTURE LOOKS BRIGHT

The demand for higher education continues to outweigh the supply and private higher education institutions have a large role to play

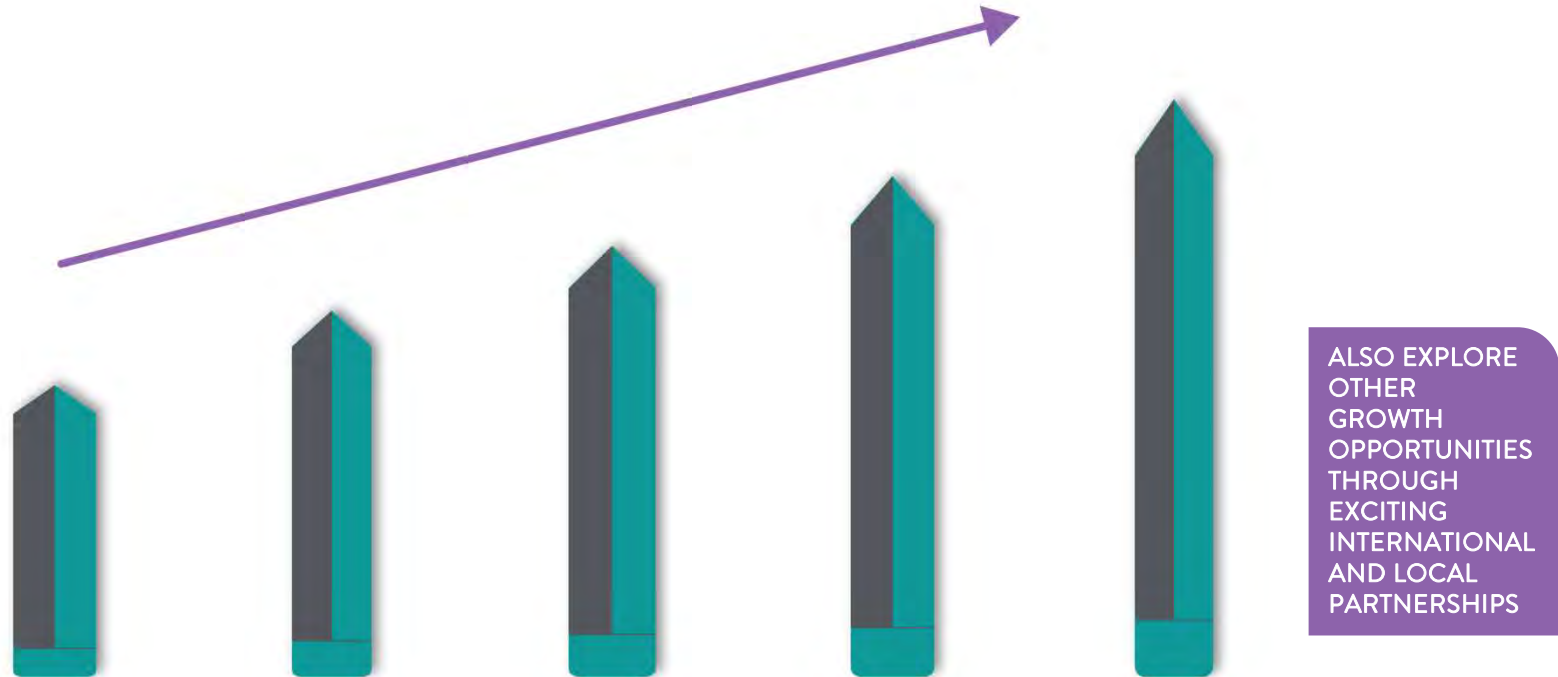
The STADIO Group is already one of the **TOP 10 largest higher education providers in South Africa** with over 46 000 students primarily in South Africa



We are on track to achieve **56 000 students by 2026** and are positioning ourselves for over 100 000 students in time

Targeting:
80% Distance learning,
20% contact learning, therefore **minimal capital investment** required for sustainable growth

OUR GROWTH STRATEGY



ACCREDITING
NEW
IN-DEMAND
PROGRAMMES

TAKING
PROGRAMMES
TO NEW SITES
OF DELIVERY
& TO NEW
MODES

OPENING
NEW
FACULTIES
& SCHOOLS

OPENING NEW
COMPREHENSIVE
CAMPUS &
OPTIMISING
EXISTING
CAMPUSES

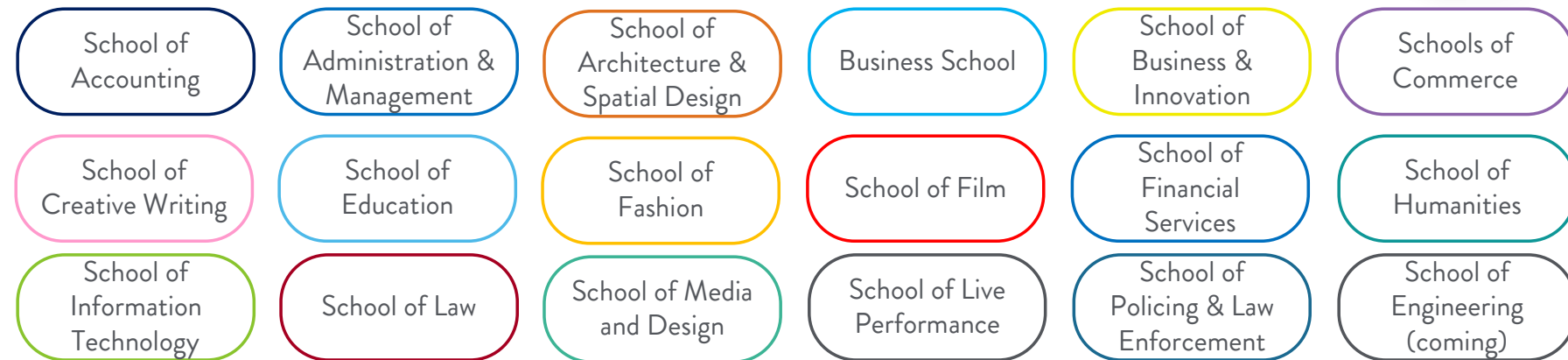
EXPLORING
NEW
GEOGRAPHIC
REGIONS
(not current focus)

NEW PROGRAMME GROWTH

- In 2024, 14 qualifications already accredited and will be offered from 2025
- As a reminder, same Regulators as public universities.



- Continued focus on **quality** of our offerings – we believe our quality sets us apart
- Our breadth of offerings covers:



Distance Learning & Contact Learning

87
Certificated programmes

37
pipeline programmes
(in development or awaiting accreditation)

HIGHER CERTIFICATES – DIPLOMAS – UNDERGRADUATE & POSTGRADUATE DEGREES - MASTERS - DOCTORATES

ACADEMIC QUALITY AND INTEGRITY REMAINS A PRIORITY

- **8 103** students graduated across the Group
- Milpark Education's PGDA once more achieved the highest pass rate of all distance learning institutions in the SAICA ITC Board exam
- AFDA celebrates its 30th year of operations with another multi-award winning year for students and alumni
- STADIO Higher Education's Graduate Employability Survey indicated **84%** of graduates were employed within 2 months of completing their studies or continuing to study full-time, increasing to **90%** within 9 months of completing their studies
- Continued roll-out of STADIO Khulisa Student Share Scheme (499 new shareholders)
- STADIO School of Fashion student came second at Graduate Fashion Week International
- Continue investing for university status, once regulators allow – well placed to achieve university status - good progress made on Research, the one area of concern
- No identified areas of academic governance failure



OFFERING A COMPREHENSIVE AND HOLISTIC STUDENT EXPERIENCE

- Sport strategy rolled out at STADIO Higher Education
- Running club for mass participation – “Run with Zola”
- STADIO Higher Education competed in USSA netball and Sevens rugby tournaments
- The STADIO Sabres (Sevens rugby team) won their division and moved up to the first division in 2024
- Inaugural Inter-Campus Debate on Africanisation under topic of “*The meaning of Africanisation and Transformation in the context of a student*”



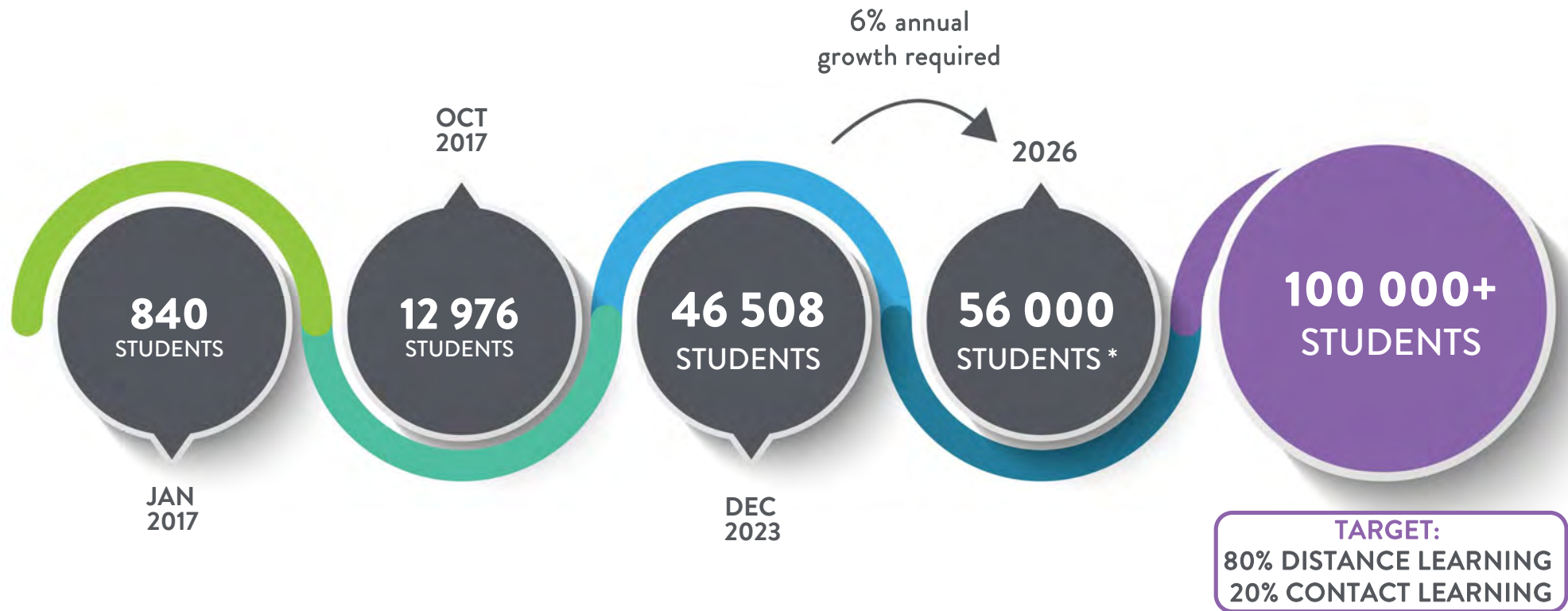
Zola Budd, former South African Olympic medal winner

THE TIME IS RIGHT TO BUILD DURBANVILLE

- Our contact learning strategy is working - proof of concept with Centurion
- Bellville campus is reaching capacity and cannot accommodate the strategy of comprehensiveness in the long-term
- Will be STADIO Higher Education's "showroom" in the Western cape
- Will build in phases, construction commencing in 2024, subject to final municipal approvals
- Phase 1 will cost R220 million - funded 50% by cash resources, 50% long-term debt
- Bellville campus to relocate to STADIO Durbanville campus from June 2025 and Head Office in phase 2
- Bellville campus is already a multi-school campus offering a range of programmes – therefore Durbanville campus will open with a comprehensive programme offering (unlike Centurion that opened with limited offerings)
- Expect to open for new students in January 2026 (expect ~1000 students)
- Will not hinder current dividend payouts



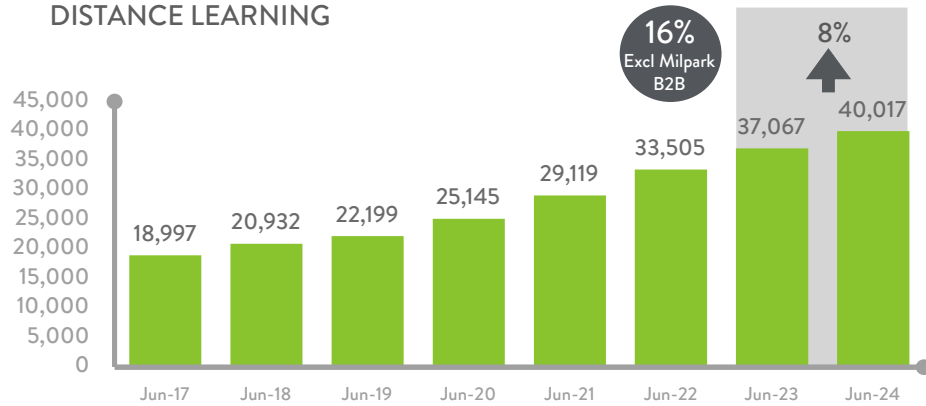
ON TRACK TO REACH 56 000 STUDENTS BEFORE 2026



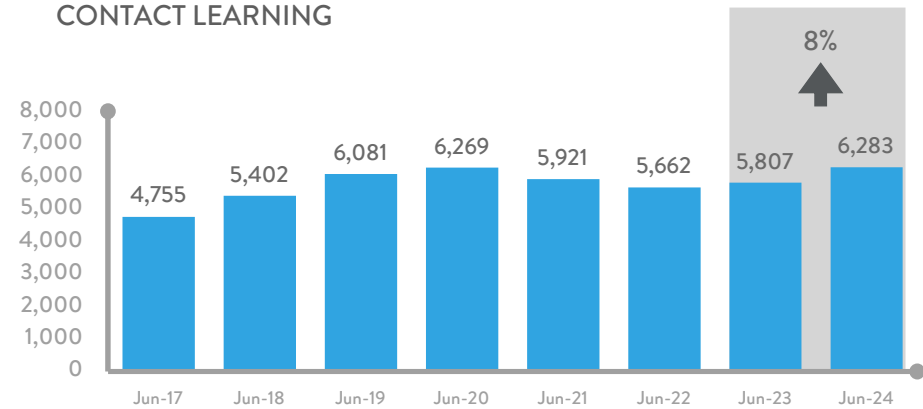
* In accordance with the Prelisting Statement

UPDATE ON 2024 SEMESTER 1 STUDENT NUMBERS

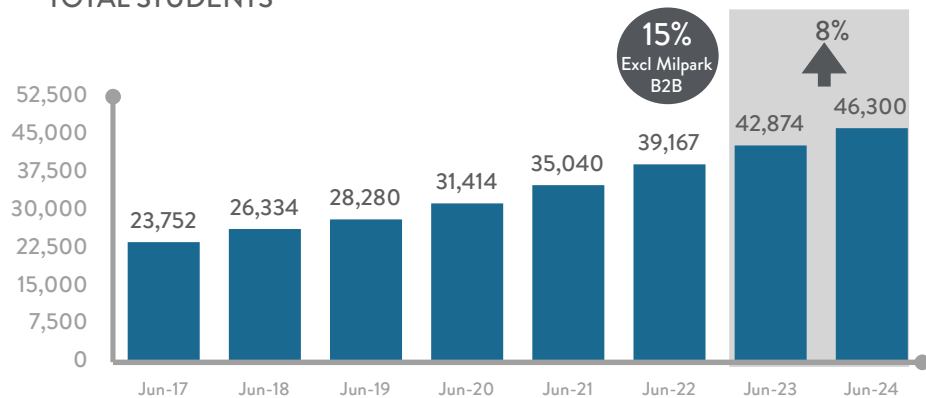
DISTANCE LEARNING



CONTACT LEARNING



TOTAL STUDENTS



Notes:

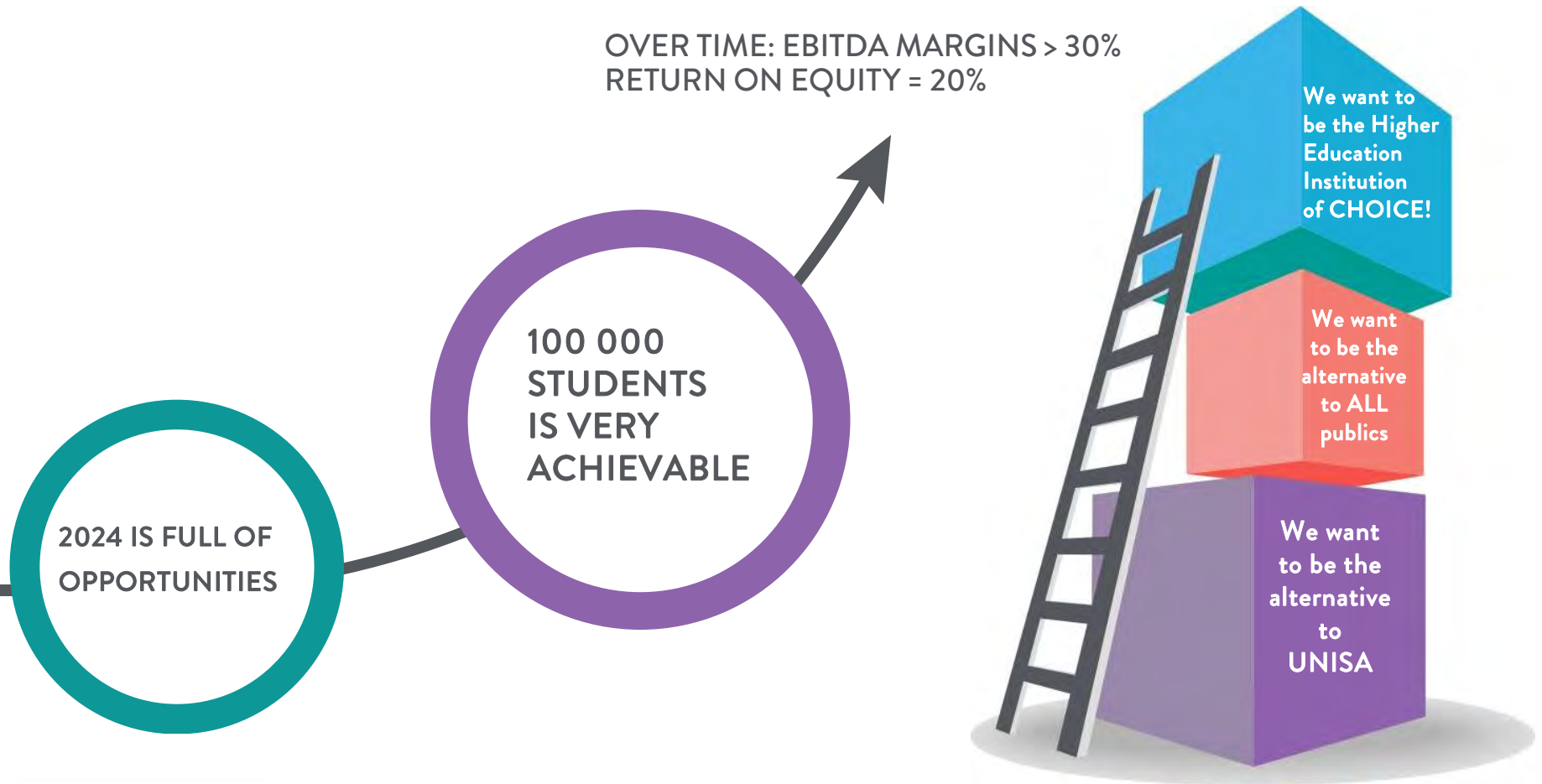
- The economic environment is impacting the B2B business - overall growth of 15%, excluding Milpark's B2B business
- Stricter measures in place around student debt balances impacting roll-overs
- STADIO Higher Education contact learning grew by 16% with 14% growth in NEW contact learning student numbers
- 52% overall growth at STADIO Centurion comprehensive campus
- Student numbers disclosed exclude students enrolled in short-learning programmes
- Second semester intake is underway

WE'VE CONTINUED TO DELIVER OVER THE PAST SEVEN YEARS...

DECEMBER

	2017	2018	2019	2020	2021	2022	2023
Student numbers	12 976	29 885	32 053	35 271	38 527	42 463	46 508
Revenue (Rm)	122	633	815	933	1 098	1 214	1 414
EBITDA (Rm)	0.5	129	180	46	309	351	391
EBITDA (Rm) - normalised	0.5	129	196	253	310	357	388
Headline (loss)/earnings (HE) (Rm)	(7)	63	70	(70)	144	170	208
Core Headline Earnings (CHE) (Rm)	3	70	88	117	149	176	209
HEPS (cents)	(1)	8	9	(8)	17	20	24.5
CHEPS (cents)	0.6	8.6	10.8	14.2	17.6	20.7	24.6
DPS (cents)	0.0	0.0	0.0	0.0	4.7	8.9	10
ROE (%)	0%	4%	6%	8%	9%	10%	12%

THE FUTURE IS EXCITING



WE'RE A NEW VISION IN HIGHER EDUCATION





Dr Busisiwe Vilakazi
Transformation, Social and
Ethics chairperson

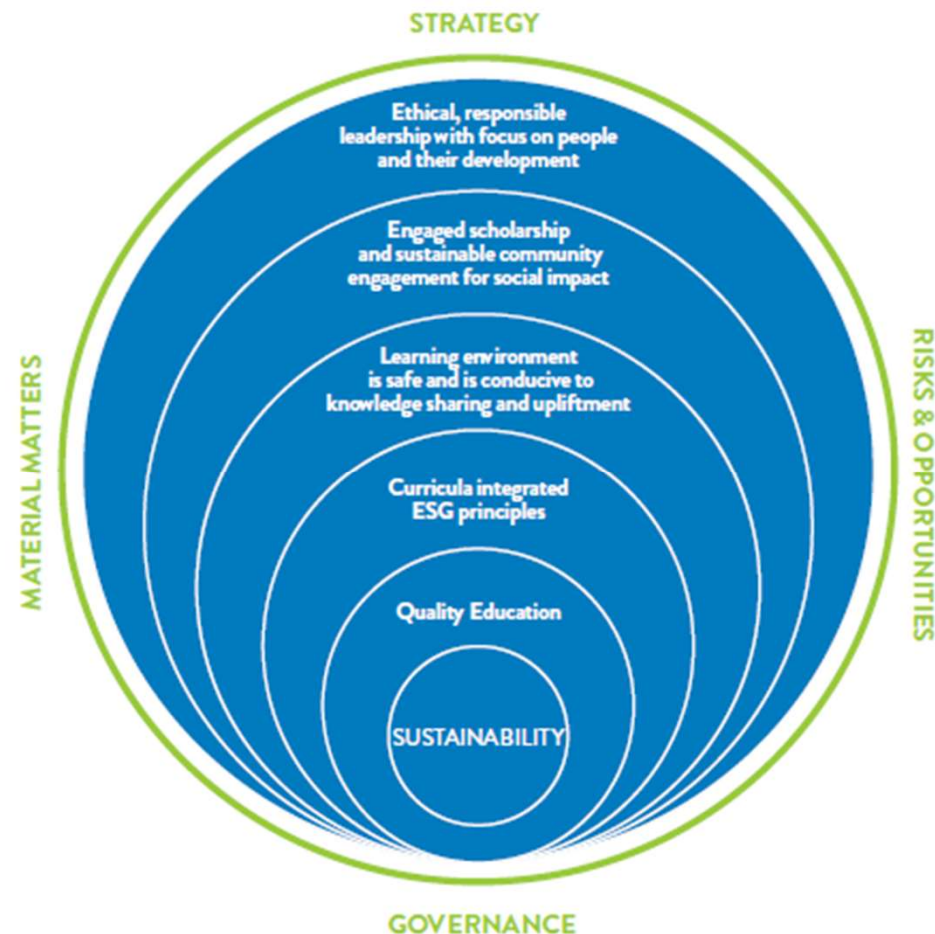
REPORT OF THE TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE

FOSTERING AN ECO-CONSCIOUS SOCIETY

- ESG framework approved and rolled out
- Solar solution project implementation continues across campuses - R5 million spent in 2023 and an additional R5 million to be spent in 2024
- Energy usage down 28% since 2022
- Electricity spend reduced to R8 million in 2023, from R11 million in 2022
- Busy investigating alternate water solutions at all campuses
- Focused on reducing carbon footprint as far as possible through reduced travel, encouraging virtual meetings, move to online and use of world-class online learning system as opposed to printing

We have a key role in educating and equipping individuals with skills to enter the working world as advocates for sustainable development, and climate-related risks – ready to find much needed solutions for the global challenges being faced as identified through the Sustainable Development Goals.

We incorporate specific modules, for example: Community Engagement: Social Responsibility and Environmental Management, to help students explore the significance of social responsibility and environmental management from a corporate, government, individual and NGO perspective

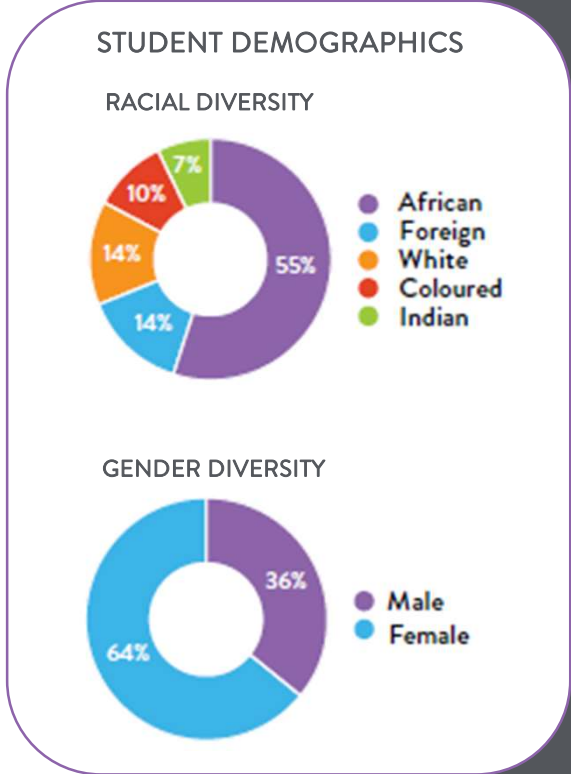




The STADIO School of Fashion has embedded sustainability into its curriculum, teaching its students to be ethical and to embrace “slow” fashion, i.e. production of fewer products at a higher quality. The STADIO School of Fashion educates its students on the impact that the fashion industry has on the environment and ensures they are aware that they are part of an ecosystem. The School of Fashion trains students in textile manufacturing to ensure that all fashion practices are sustainable.

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS THROUGH QUALITY EDUCATION

- The Group’s main aim is to “empower the nation by widening access to quality higher education” which speaks directly to SDG 4: Education for all and for Future, “Quality Education”
- Quality education is essential in achieving the other SDG targets
- 2024 Q1 unemployment rate was 32.9%*
- As quoted by StatsSA “Education plays a crucial role in equipping young people with the skills and competencies necessary to succeed in the workforce. However, according to the Quarterly Labour Force Survey (QLFS) for the 1st Quarter of 2024, only 9,8% of the employed youth were graduates.”
- The economic environment puts huge pressure on our students and affordability remains the biggest challenge.
- In 2023, **R44 million** was spent on bursaries, discounts and scholarships
- **3 433 graduates** have received shares and access to a free short-courses on the basic features of listed shares and what it means to be an owner of a listed share through the **STADIO Khulisa Student Share Scheme** – turning graduates into shareholders



* Source: Quarterly Labour Force Survey – Quarter 1 2024



THE **GROUP'S GENDER PAY GAP WAS 13%** WHICH, ACCORDING TO INTERNATIONAL LABOUR ORGANISATION, IS BETTER THAN THE INTERNATIONAL AVERAGE OF 20%. WE REMAIN COMMITTED TO EQUAL WORK FOR EQUAL PAY.

PROMOTING AN ETHICAL AND SOCIALLY AWARE CULTURE

- The Board understands the enormous role that the Group must play in society in providing quality affordable higher education to more individuals whilst creating value for all our stakeholders
- The Board is responsible for promoting an ethical culture within the Group and this is supported by the Transformation, Social and Ethics Committee
- The Group's Whistleblowing Hotline was rolled out in 2023
- No activities were identified that fell foul to the Ethics Pledge or the Group's code of conduct
- The Group recognises the key role it has in educating and equipping individuals with skills to enter the working world as advocates for sustainable development and climate-related risks, who are both socially conscious and aware
- As a purpose-led organisation, the Group continues to recognise the importance of non-financial factors on the overall performance of our Group
- Ultimately, the Group is committed to working alongside government in alleviating the capacity constraints in higher education and widening access to quality higher education for more individuals



QUESTIONS & ANSWERS



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