

STADIO HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2016/371398/06)

Share code: SDO

ISIN: ZAE000248662

LEI: 3789007C8FB26515D966

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



RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. SALIENT FEATURES

- Revenue increased from R933 million to R1 098 million (18%)
- Student numbers increased from 35 031 to 38 262 (9%)
- Core headline earnings increased from R117 million to R149 million (27%)
- Core headline earnings per share ("CHEPS") increased from 14.2 cps to 17.6 cps (24%)
- Earnings before interest, taxation, depreciation and amortisation ("EBITDA") increased from R46 million to R309 million (>100%)
- Adjusted EBITDA increased from R253 million to R310 million (23%) *
- Earnings per share ("EPS") increased from a loss per share ("LPS") of (14.5) cps to 14.9 cps (>100%)
- Headline earnings per share ("HEPS") increased from a headline loss per share ("HLPS") of (8.5) cps to 17.0 cps (>100%)
- Net asset value per share increased from 178 cps to 195 cps (10%)
- Maiden final dividend declared of 4.70 cps.

* *Adjusted EBITDA excludes the fair value adjustment in respect of the CA Connect acquisition as further explained below.*

2. COMMENTARY

The board of directors for the STADIO Group ("Board") is pleased to report its results for the period ended 31 December 2021.

For the year ended 31 December 2021, the STADIO Group reported a profit after taxation of R 137 million (2020: loss after taxation of R138 million) and EPS of 14.9 cps (2020: LPS of 14.5 cps).

EPS was impacted by the dilution of the STADIO Group's effective interest, from 87.2% to 68.5%, in Milpark following conclusion of the early settlement agreement with the CA Connect shareholders, and impairments of various assets amounting to R30 million. These impairments largely result from the execution of the STADIO Group's strategic plan to consolidate contact learning campuses to create operational efficiencies within the STADIO Group and include, inter alia:

- An impairment of the right of use asset of R17 million in respect of the leased Milpark campus based in Gauteng. This impairment followed the decision of the Board to transition the Milpark business to cater only for the distance learning mode of delivery; and

- An impairment of the value of the STADIO Montana property of R10 million. The STADIO Group entered into an agreement to dispose of the STADIO Montana property for R52 million, which is below its book value of R62 million.

The large increase in profit after taxation, EPS and HEPS for the year was primarily due to organic growth and the significant once-off adjustments in the prior year. These prior-year adjustments included:

- The fair value adjustment of R207 million relating to the CA Connect acquisition (impacting LPS and HLPS); and
- a R51 million impairment of intangible assets, R40 million of which related to the once-off, non-cash accounting impairment of trademarks following the business transfer of various brands to STADIO Higher Education and R11 million in respect of other intangible assets, including computer software (impacting prior period LPS).

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.

For the year ended 31 December 2021, CHEPS grew by 24% to 17.6 cps (2020: 14.2 cps). The overall growth in CHEPS is due to good top-line growth, coupled with robust expense management within the business.

3. DIVIDEND DECLARATION

The Board is pleased to declare the Group's maiden dividend, a final gross dividend of 4.70 cents (2020: nil) per ordinary share from income reserves for the period ended 31 December 2021. This represents excess cash available, following a period of significant capital investment since listing in 2017. The STADIO Group will consider the payments of dividends to shareholders out of excess free cash flow, after taking into consideration capital required for organic and acquisitive growth opportunities in the future.

The dividend is subject to a South African dividend withholding tax ("DWT") rate of 20%, unless the shareholder is exempt from paying dividends tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. The dividend amount, net of DWT tax of 20%, is 3.76 cents per share (2020: nil). The number of ordinary shares in issue at the declaration date is 848 192 709 and the income tax number of the Company is 965/093/41/60.

The salient dates for this dividend distribution are:

Declaration date	Monday, 14 March 2022
Last day to trade cum dividend	Tuesday, 10 May 2022
Trading ex-dividend commences	Wednesday, 11 May 2022
Record date	Friday, 13 May 2022
Payment date	Monday, 16 May 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 May 2022 and Friday, 13 May 2022, both days inclusive.

4. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information found in the detailed annual results

announcement for the period ended 31 December 2021 (“Full Announcement”) and does not contain full or complete details.

The Full Announcement can be found at:

https://senspdf.jse.co.za/documents/2022/JSE/ISSE/SDOE/Final_21.pdf

A copy of the Full Announcement is also available for viewing on the Company’s website at <https://www.stadio.co.za/recent-reports/> or may be requested in person, at the Company’s registered office or the offices of our sponsors, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

The annual results for the year ended 31 December 2021 have been audited by the Company’s auditors, PricewaterhouseCoopers Inc. who expressed an unmodified audit opinion thereon. The audit opinion also includes communication of key audit matters. Key audit matters are those matters that, in the auditors’ professional judgement, were of most significance in the audit of the annual results for the year ended 31 December 2021. The audit opinion is available, along with the annual financial statements, on the Company’s website at <https://www.stadio.co.za/recent-reports>.

5. PRESENTATION

STADIO Holdings will be hosting a virtual presentation on Monday, 14 March 2022, at 10:00 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/6619151679622723599>

Participants will be able to download the 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 to investorrelations@stadio.co.za.

Durbanville
14 March 2022

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