STADIO
HOLDINGS

SUMMARY AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2023

PRESENTING

STADIO

HOLDINGS

MILPARK EDUCATION

STADIO

HIGHER EDUCATION

[AFDA]

THREE DISTINCT PRIVATE HIGHER EDUCATION INSTITUTIONS

HIGHLIGHTS

86 Qualifications

54 Pipeline programmes

REVENUE

R1 414 million

↑ 16%

2023	1 414
2022	1 214
2021	1 098
2020	933

STUDENT NUMBERS[3]

46 508

↑ 10%

2023	46 508
2022	42 463
2021	38 527
2020	35 271

EBITDA[1]

R391 million

↑ 11%

2023	391
2022	351
2021	309
2020	46

EPS

24.5 cps

↑ 26%

2023	24.5
2022	19.5
2021	14.9
2020	(14.5)

CORE HE[2]

R209 million

↑ 19%

2023	209
2022	176
2021	149
2020	117

CHEPS[2]

24.6 cps

↑ 19%

2023	24.6
2022	20.7
2021	17.6
2020	14.2

DIVIDEND PER SHARE

10.0 cps

↑ 12%

2023	10.0
2022	8.9
2021	4.7
2020	0

RETURN ON EQUITY

11.7%

↑ 18%

2023	11.7
2022	9.9
2021	9.0
2020	7.9

1 *Earnings before interest, taxation, depreciation and amortisation (EBITDA)*
2 *Core headline earnings (HE) and core headline earnings per share (CHEPS) as per Note 6*
3 *The prior year student numbers have been restated to include the PGDA Bridging Programme.*

Student Numbers

All information presented below represents the information of the underlying registered higher education institutions (HEIs) owned by STADIO Holdings and its subsidiaries (the Group), presented per mode of delivery offered by the Group.

Semester One unaudited

	2018[1] 30 Jun	2019[1] 30 Jun	2020[1,2] 30 Jun	2021[2] 30 Jun	2022[2] 30 Jun	2023 30 Jun	Year-on-year growth %	5-year CAGR growth[3] %
Modes of learning delivery								
Contact learning	5 402	6 081	6 269	5 921	5 662	5 807	3%	1%
Distance learning	20 932	22 199	25 145	29 119	33 505	37 067	11%	12%
	26 334	28 280	31 414	35 040	39 167	42 874	9%	10%
Made up as follows:								
% Contact learning	21%	22%	20%	17%	14%	14%		
% Distance learning	79%	78%	80%	83%	86%	86%		

Semester Two unaudited

	2018[1] 31 Dec	2019[1,2] 31 Dec	2020[1,2] 31 Dec	2021[1,2] 31 Dec	2022[1,2] 31 Dec	**2023 31 Dec**	**Year-on-year growth %**	**5-year CAGR growth[3] %**
Modes of learning delivery								
Contact learning	5 500	6 197	6 367	5 942	5 699	**5 819**	**2%**	**1%**
Distance learning	24 385	25 856	28 904	32 585	36 764	**40 689**	**11%**	**11%**
	29 885	32 053	35 271	38 527	42 463	**46 508**	**10%**	**9%**
Made up as follows:								
% Contact learning	18%	19%	18%	15%	13%	**13%**		
% Distance learning	82%	81%	82%	85%	87%	**87%**		

1 *Like-for-like comparison including student numbers of all underlying HEIs as if they had been a part of the Group in this period.*
2 *The distance learning values have been represented to include the PGDA Bridging programmes, which continues to be a strategic focus and growth area.*
3 *Compounded Annual Growth Rate.*

Commentary

OVERVIEW

STADIO Holdings was established to service the needs of the higher education market in South Africa with a vision to empower the nation by widening access to quality higher education. The STADIO Group is one of the largest higher education providers in the country servicing in excess of 46 000 students.

STADIO Holdings currently owns three registered private HEIs, namely:

- STADIO Proprietary Limited (STADIO Higher Education);
- Milpark Education Proprietary Limited (Milpark Education); and
- The South African School of Motion Picture Medium and Live Performance Proprietary Limited (AFDA).

COMMENTARY ON INSTITUTIONS

STADIO HIGHER EDUCATION

STADIO Higher Education is a comprehensive institution offering qualifications across various disciplines including, education, commerce, management and administration, policing, law, information technology, fashion, media and design, architecture and spatial design and humanities. Qualifications are offered on both the contact and distance learning modes of delivery. STADIO Higher Education follows an operational excellence strategy with a focus on being a comprehensive institution offering a variety of programmes in both the contact and distance learning modes of delivery. STADIO Higher Education has made significant progress in terms of optimising its contact learning campuses as well as positioning its distance learning offerings for growth. STADIO Higher Education's distance learning operations centre in Krugersdorp was operational throughout the year and enables scalability as well as further efficiencies and better service.

New qualifications were accredited during the year, which will be offered in 2024, in information technology, management and accounting. The institution showed good growth in students, particularly in the distance mode of delivery, with positive growth in new students on both the contact and distance learning modes of delivery. It remains the intention of STADIO Higher Education to develop a comprehensive campus in Durbanville, Western Cape. Given the timing of regulatory approvals, we estimate that construction will begin in 2024 and new students will have access to the campus in 2026.

MILPARK EDUCATION

Milpark Education is the South African leader in online distance learning. Milpark Education follows a product leadership strategy focusing on niche digitally enhanced distance learning offerings online, in the finance and accounting specialisations. The Postgraduate Diploma in Accounting (PGDA) and PGDA Bridging programmes continued to deliver solid growth for the year, with the business offering new programmes in accounting during the year. During the year, Milpark Education has continued to invest significantly into various systems and infrastructure to further improve on the teaching and learning model and overall student experience. This investment will allow the institution to further entrench its position as a leader in its niche offerings and align the business for growth. During 2023, Milpark Education became the largest provider of candidates sitting for the Chartered Accounting examinations, and topped the list for the highest number of first time passes compared to its peers. In December 2023, the onerous contract, that was recognised in respect of the rented premises in Gauteng in 2022, was settled; resulting in the full derecognition of the provision.

AFDA

AFDA is a contact learning provider specialising in the offer of high-end qualifications in the creative economies (encompassing film, live performance, business and innovation, and creative writing). AFDA follows a product leadership strategy focusing on entrenching its position as the leading film and television school in the country, with its students and alumni continuing to win prestigious industry awards. The business continues to optimise its offerings on its four campuses located in Johannesburg, Durban, Gqeberha and Cape Town, whilst looking at further expansion opportunities.

Commentary (CONTINUED)

REVIEW OF RESULTS

The Board is pleased to report the results for the year ended 31 December 2023 (the Financial Results).

The Group monitors student numbers on a semester basis. The Group increased semester 1 student enrolments by 9% to 42 874 students at 30 June 2023 (June 2022: 39 167). At 31 December 2023, semester 2 students enrolments increased by 10% to 46 508 (December 2022: 42 463).

Distance learning student numbers reflected good overall growth of 11% to 37 067 at 30 June 2023 (June 2022: 33 505) and 11% to 40 689 at 31 December 2023 (December 2022: 36 764). Strong demand in professional qualifications continues to drive strong growth in registrations for the period. The Group's distance learning student numbers are still impacted by the legacy business-to-business (B2B) Milpark Education business offerings. Excluding the impact of the B2B business, the distance learning student numbers grew by 17% to 30 419 as at 31 December 2023. Milpark Education is busy repositioning the business to become less reliant on the B2B business.

Contact learning student numbers showed some growth of 3% to 5 807 at 30 June 2023 (June 2022: 5 662) and growth of 2% to 5 819 at 31 December 2023 (December 2022: 5 699), which is positive considering a 4% decline in student numbers in both semester 1 and semester 2 in the prior year. Registrations of new contact learning students have increased by 15%. This follows the strategy of accrediting new programmes as well as expanding the offering of qualifications to new campuses. The overall growth is muted as a result of lower intakes in the prior year, resulting in a lower roll forward of returning students in 2023. The final Milpark Education contact learning students are transitioning out of the student number base for the period in accordance with Milpark Education's shift to focus only on the online distance learning mode of delivery.

The Group grew revenue by 16% to R1 414 million (2022: R1 214 million), with EBITDA growing by 11% to R391 million (2022: R351 million). EBITDA was impacted by an increased loss allowance for the period, with EBITDA margin declining to 28% (2022: 29%) for the year. Furthermore, EBITDA was impacted by increased costs incurred on computer and license fees for the year (following a strategic initiative to invest in processes across the Group to enhance operating efficiencies); additional fuel costs as a result of running generators on campuses to curb the impact of load-shedding; increased marketing costs and increased staff training costs in the period following lower historic spend on training in prior years due to COVID-19.

The increase in loss allowance follows an increase in the debtors' book and associated potential risks in collections, particularly for distance learning students. The payment trends of distance learning students are generally over a longer period of time than for contact learning students and given the growth in the distance learning across the Group this has impacted the overall value of the debtors' book.

The loss allowance margin increased to 9% of revenue, up 1% from 30 June 2023 (2022: 7%). In the prior year, the Group was able to release unutilised loss allowance provisions due to better collections than expected during COVID-19. For the period ended 31 December 2023, bad debts recovered improved to R4.8 million (2022: R3.8 million).

For the period ended 31 December 2023, the Group reported a profit after taxation of R236 million (2022: R186 million), earnings per share (EPS) of 24.5 cents per share (cps) (2022: 19.5 cps), and headline earnings per share (HEPS) of 24.5 cps (2022: 20.0 cps).

The growth in profit after taxation, EPS and HEPS for the year was primarily due to organic growth in the underlying institutions, as well as lower growth in depreciation for the period of 3%. Higher cash balances and increases in interest rates also resulted in a net interest income position of R4.0 million (2022: net interest expenses of R6.6 million).

The Group utilises core headline earnings (Core HEPS) to measure and benchmark the underlying performance of the business. Core HEPS reflects HEPS adjusted for certain items that, in the Board's view, may distort the financial results from year-to-year, giving shareholders a more consistent reflection of the underlying financial performance of the Group. These core adjustments include once-off acquisition related costs, amortisation costs associated with client lists acquired, once-off costs in respect of onerous contracts, tax penalties and costs relating to contingent consideration payable in respect of acquisitions.

Commentary (CONTINUED)

Accordingly, for the period ended 31 December 2023, Core HEPS grew by 19% to 24.6 cps (2022: 20.7 cps).

The Group generated R360 million (2022: R308 million) cash from operations for the year (refer to Note 13).

For the year ended 31 December 2023, the Group invested R59 million into capital expenditure of which R22 million related to the development of curriculum intangibles and computer equipment and systems. Further details are set out in Note 7 and Note 8.

The Group was in a strong cash position with a cash balance of R130 million as at 31 December 2023 and no debt. The Group had access to a revolving credit facility of R100 million (refer to Note 11) with an option to increase the facility by a further R100 million. In January 2024, the Group utilised the R100 million facility to acquire a further interest in Milpark Education for R117.5m.

The Group continues to pursue growth opportunities whilst returning excess cash to shareholders through the payment of dividends.

SHARE REPURCHASE

During the year, the STADIO Group Share Incentive Trust ("SIT") transferred 4.4 million shares to participants of the STADIO Group Share Incentive Scheme ("Scheme") in settlement of its Scheme obligations. For this purpose, STADIO Holdings issued 3.2 million shares, at an issue price of R14.7 million, to the SIT during the year. The Group is committed to preserving stakeholder value and limiting the dilution of shareholders' interests, where feasible. Accordingly, in order to counter the dilutionary effect of the above issue of shares, the Board approved the general repurchase by STADIO Holdings of 3.2 million shares in the market, which were repurchased and subsequently cancelled between July 2023 and December 2023. Furthermore, the Board mandated the SIT to purchase 4.8 million shares in the market during the year, in order to settle its current and future Scheme obligations. As at 31 December 2023, the SIT held 3.71 million shares, which are treated as treasury shares. (Refer to Note 10.2.) The Board also mandated STADIO Holdings to repurchase additional shares in the market, to the value of R15 million, to counter the dilutionary effect of future share issues to the SIT for purposes of its future Scheme obligations, which were repurchased and subsequently cancelled between December 2023 and March 2024. (Refer to Note 15.)

DIVIDEND

The Company is pleased to increase its dividend by 12% from the prior year, declaring a dividend of 10.0cps (2022: 8.9cps) from income reserves for the year ended 31 December 2023. This constitutes 41% of core HEPS.

The dividend amount, net of South African dividends tax of 20%, is 8.0cps.

The number of ordinary shares in issue at the declaration date is 847 427 943, and the income tax number of the Company is 965/093/41/60. The total dividend amount payable is R85 million.

The salient dates for this dividend distribution are:

Last day to trade *cum* dividend	Tuesday, 16 April 2024
Trading *ex*-dividend commences	Wednesday, 17 April 2024
Record date	Friday, 19 April 2024
Payment date	Monday, 22 April 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 April 2024 and Friday, 19 April 2024, both days inclusive.

Commentary (CONTINUED)

PROSPECTS

There continues to be a high demand for quality higher education in South Africa. We are encouraged by the positive growth in new students on our contact learning mode of delivery and excited about the growth opportunities evident in the distance learning mode of delivery. As we experienced good growth, we recognise that consumers remain under pressure given the tough economic climate and the impact this has on students' ability to afford higher education offerings.

Notwithstanding the economic climate within which we operate, there continues to be a high demand for our offerings as students invest in themselves to create more prosperous opportunities. The Group therefore continues to improve its offerings to deliver on its vision of widening access to quality higher education as well as becoming a first-choice higher education institution in South Africa.

On behalf of the Board,

Vincent Maphai
Chairperson

Chris Vorster
Chief Executive Officer

15 March 2024

Independent auditor's report

pwc

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Stadio Holdings Limited

OPINION

The summary consolidated financial statements of Stadio Holdings Limited, set out on pages 8 to 19, which comprise the summary consolidated statement of financial position as at 31 December 2023, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Stadio Holdings Limited for the year ended 31 December 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 17 March 2024. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: V Harri
Registered Auditor
Cape Town, South Africa
17 March 2024

Summary consolidated statement of comprehensive income

For the year ended 31 December 2023

	Year-on-year change %	Audited 2023 R'000	Audited 2022 R'000
Revenue (Note 4)	16%	**1 413 650**	1 213 812
Other income	>100%	**15 055**	6 165
Loss allowance	60%	**(127 167)**	(79 494)
Fair value gains/(losses) on financial instruments	>(100%)	**(21)**	127
Employee costs	14%	**(586 092)**	(515 254)
Operating expenses	18%	**(324 885)**	(274 219)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	11%	**390 540**	351 137
Depreciation and amortisation	3%	**(70 474)**	(68 353)
Impairment (Note 7 & 8)	(100%)	**–**	(6 456)
Earnings before interest and taxation (EBIT)	16%	**320 066**	276 328
Investment income	71%	**20 640**	12 038
Finance cost	(11%)	**(16 677)**	(18 650)
Profit before taxation	20%	**324 029**	269 716
Taxation	5%	**(87 767)**	(83 228)
Profit for the period	27%	**236 262**	186 488
Attributable to:			
Owners of the parent	26%	**208 247**	165 638
Non-controlling interests	34%	**28 015**	20 850
Total comprehensive income for the period	27%	**236 262**	186 488
Headline earnings (Note 5)	23%	**208 146**	169 826
Core Headline earnings (Note 6)	19%	**209 100**	175 571
		Cents	**Cents**
Earnings per share			
– Basic	26%	**24.5**	19.5
– Diluted	27%	**24.1**	19.1
Headline earnings per share			
– Basic	23%	**24.5**	20.0
– Diluted	23%	**24.1**	19.6
Core headline earnings per share (Core HEPS)			
– Basic	19%	**24.6**	20.7
– Diluted	20%	**24.2**	20.2
		Million	**Million**
Number of shares in issue (net of treasury shares)			
– Basic	(0.4%)	**847**	850
– Diluted	(0.9%)	**860**	868
Weighted average number of shares in issue			
– Basic	0.0%	**849**	849
– Diluted	(0.7%)	**863**	868

Summary consolidated statement of financial position

As at 31 December 2023

	Audited 2023 R'000	Audited 2022 R'000
ASSETS		
Non-current assets		
Property, plant and equipment (Note 7)	**872 281**	866 846
Right-of-use assets (Note 7)	**65 062**	84 533
Goodwill	**751 082**	751 082
Intangible assets (Note 8)	**151 872**	141 147
Trade and other receivables (Note 9)	**20 533**	19 377
Other financial assets (Note 14)	**16 244**	14 740
Deferred tax asset	**75 844**	86 783
Total non-current assets	**1 952 918**	1 964 508
Current assets		
Trade and other receivables (Note 9)	**196 544**	158 858
Current tax receivable	**36 203**	9 592
Cash and cash equivalents	**130 323**	148 207
Total current assets	**363 070**	316 657
Total assets	**2 315 988**	2 281 165
EQUITY		
Share capital (Note 10.1)	**1 628 781**	1 628 517
Treasury shares (Note 10.2)	**(17 114)**	(145)
Other reserves	**24 361**	16 960
Accumulated profit	**158 541**	126 853
Total equity attributable to equity holders of the Company	**1 794 569**	1 772 185
Non-controlling interest	**67 633**	109 517
Total equity	**1 862 202**	1 881 702
LIABILITIES		
Non-current liabilities		
Lease liabilities	**80 298**	127 455
Deferred tax liability	**51 897**	43 320
Trade and other payables	**–**	2 676
Total non-current liabilities	**132 195**	173 451
Current liabilities		
Lease liabilities	**34 715**	42325
Borrowings (Note 11)	**237**	68
Loans from related parties	**96**	96
Trade and other payables[1]	**185 753**	67 133
Contract liabilities	**100 715**	96 270
Tax payable	**75**	20 120
Total current liabilities	**321 591**	226 012
Total liabilities	**453 786**	399 463
Total equity and liabilities	**2 315 988**	2 281 165
Net asset value per share (cents)	**212**	209

[1] *The increase in trade and other payables is due to the consideration payable for the acquisition of the non-controlling shareholding in Milpark Education for R117.5 million.*

Summary consolidated statement of changes in equity

for the year ended 31 December 2023

	Audited 2023 R'000	Audited 2022 R'000
Balance as at 1 January	**1 881 702**	1 751 177
Movement in share capital		
Issue of ordinary shares (Note 10.1)	**14 652**	9 757
Share issue costs	**(162)**	(57)
Shares repurchased and cancelled	**(14 226)**	–
Movement in treasury share		
Net repurchase and issue of treasury shares to employees (Note 10.2)	**(16 969)**	(145)
Share-based payments expense and vesting of share incentive scheme	**7 401**	(14 982)
Movement in reserves		
Total comprehensive income for the period attributable to owners of the parent	**208 247**	165 638
Settlement of employee share scheme (Note 10.2)	**(20 506)**	–
Dividends paid to ordinary shareholders	**(75 676)**	(39 975)
Transaction with non-controlling shareholders (Note 12)	**(80 377)**	–
Movement in non-controlling interest		
Total comprehensive income for the period attributable to non-controlling interest	**28 015**	20 850
Dividends paid to non-controlling shareholders	**(17 345)**	(18 922)
Transaction with non-controlling shareholders (Note 12)	**(52 554)**	(2 022)
Capital contribution from non-controlling shareholder in subsidiary	**–**	10 383
Balance as at 31 December	**1 862 202**	1 881 702
Comprising:		
Share capital	**1 628 781**	1 628 517
Treasury shares	**(17 114)**	(145)
Share based payment reserve	**3 855**	16 960
Accumulated profit	**179 047**	126 853
Non-controlling interest	**67 633**	109 517

Summary consolidated statement of cash flows

for the year ended 31 December 2023

	Year-on-year change %	Audited 2023 R'000	Audited 2022 R'000
Net cash flow from operating activities		**245 726**	229 926
Cash generated from operations (Note 13)	17%	**360 268**	307 696
Interest income received	89%	**17 038**	9 022
Finance cost paid	(11%)	**(16 677)**	(18 650)
Taxation paid	69%	**(114 903)**	(68 142)
Net cash flow used in investing activities		**(59 921)**	(45 197)
Purchase of property, plant and equipment (Note 7)	(56%)	**(37 336)**	(85 028)
Purchase of intangible assets	>100%	**(22 356)**	(7 838)
Proceeds from sale of property, plant and equipment	(99%)	**426**	52 669
Acquisition of other financial assets	(87%)	**(655)**	(5 000)
Net cash flow used in financing activities		**(203 689)**	(102 114)
Share issue costs	>100%	**(162)**	(57)
Issue of share	(100%)	**–**	997
Proceeds from non-controlling interest with no change in control (Note 12.1)	(100%)	**–**	10 383
Acquisition of shares from non-controlling shareholder	100%	**(15 431)**	–
Proceeds from borrowings	>100%	**221**	68
Repayment of borrowings	(100%)	**(52)**	(15 065)
Payment of principal portion of lease liabilities	97%	**(62 163)**	(31 567)
Dividends paid to non-controlling interests in subsidiaries	(8%)	**(17 345)**	(18 922)
Dividends paid to shareholders	89%	**(75 676)**	(39 975)
Cash received on exercise of share options by employees	100%	**3 319**	–
Net share repurchase	>100%	**(36 400)**	(7 976)
Net movement in cash and cash equivalents for the period	<(100%)	**(17 884)**	82 615
Cash and cash equivalents at the beginning of the period	>100%	**148 207**	65 592
Cash and cash equivalents at the end of the period	(12%)	**130 323**	148 207

Notes to the summary consolidated financial statements

for the year ended 31 December 2023

1. STATEMENT OF COMPLIANCE

The summary consolidated financial statements ("Summary Financial Statements") are prepared in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE Limited Listings Requirements require summary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous year's consolidated annual financial statements.

The Summary Financial Statements have been prepared internally under the supervision of the Chief Financial Officer, I Kula, CA(SA), and approved by the Board of Directors on 15 March 2024.

These Summary Financial Statements for the year ended 31 December 2023 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. Any reference to future financial performance included in this announcement, has not been audited or reported on by the Group's auditor.

The audited annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the Company's website www.stadio.co.za.

The auditor's report does not necessarily report on all of the information contained in this announcement or financial results.

2. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Results are in terms of IFRS® and are consistent in all material respects with those applied in the annual financial statements for the year ended 31 December 2023.

For a full list of standards and interpretations that have been adopted by the Group, we refer you to the annual financial statements for the year ended 31 December 2023.

3. ESTIMATES

The preparation of the audited financial statements requires management to make judgements, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Summary Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statement for the year ended 31 December 2022.

4. REVENUE

	2023 31 Dec Audited R'000	Restated[1] 2022 31 Dec Audited R'000
Revenue from contracts with customers		
The group disaggregates revenue from customers as follows:		
Rendering of services recognised over time		
Contact learning		
Tuition fees	**456 327**	431 129
Discounts and bursaries granted	**(12 701)**	(12 586)
	443 626	418 543
Registration and enrolment fees	**10 966**	10 018
Other academic income	**1 733**	2 132
	456 325	430 693
Rendering of services recognised over time		
Distance learning		
Tuition fees	**896 183**	735 002
Discounts and bursaries granted	**(28 450)**	(18 229)
	867 733	716 773
Registration and enrolment fees	**61 799**	45 854
Other academic income	**15 479**	11 369
	945 011	773 996
Sale of goods recognised at a point in time		
Learning material	**10 837**	7 796
Canteen sales	**1 477**	1 327
	12 314	9 123
Total revenue from contracts with customers	**1 413 650**	1 213 812

1 *The Group restated the prior year revenue from rendering of services to disclose the revenue applicable to distance learning and contact learning separately.*

5. HEADLINE EARNINGS PER SHARE

	Audited 2023 R'000	Audited 2022 R'000
Reconciliation of headline earnings:		
Basic earnings	**208 247**	165 638
Adjustments attributable to parent:		
Impairment on right-of-use assets, property, plant and equipment, and intangibles assets	–	5 820
Loss on disposal of property, plant and equipment	**280**	1 257
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	**(425)**	(1 017)
Tax on above	**44**	(1 872)
Headline earnings	**208 146**	169 826

6. OPERATING SEGMENTS

The Group considers its executive directors to be the chief operating decision-maker and the segmental disclosures below are aligned with the monthly report provided to the executive directors. Operating segments with similar economic characteristics have been aggregated into one reportable segment due to all the services being related to higher education services within southern Africa. However management does make decisions based on what they constitute to be reflective of the underlying financial performance of the Group and as such, the Group has identified core headline earnings as this measure. Non-core includes certain items which may distort the Group's financial performance from year-to-year, and by excluding this, should provide management with a more consistent reflection of the underlying financial performance of the Group.

	Year-on-year change %	2023 31 Dec Audited R'000	2022 31 Dec Audited R'000
Reconciliation of core headline earnings			
Headline earnings attributable to owners of parent	23%	**208 146**	169 826
Adjusted for:			
Amortisation of client list and trademarks	(49%)	**2 162**	4 247
Onerous contract	>(100%)	**(3 686)**	5 471
Tax penalties	100%	**1 231**	–
Less: Non-controlling interest	>(100%)	**848**	(1 337)
Less: Taxation	>(100%)	**399**	(2 636)
Core headline earnings	19%	**209 100**	175 571
Core HEPS – basic (cents)	19%	**24.6**	20.7
Core HEPS – diluted (cents)	20%	**24.2**	20.2

7. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSET

7.1. *PROPERTY, PLANT AND EQUIPMENT*

The Group invested R37 million into infrastructure and capital assets (2022: R85 million), which included R4.7 million investment into solar projects for the Group. A further R2.3 million was invested in the Durbanville campus construction, which is due for completion during 2025. Depreciation of R31 million (2022: R26 million) was incurred for the period.

7.2. *RIGHT-OF-USE ASSETS*

There were no additional right-of-use assets in the current period (2022: R14 million). During the period, the Group extended leases which resulted in an increase in right-of-use asset by R8 million. Depreciation of R28 million (2022: R27 million) was incurred for the period.

	Audited 2023		Audited 2022	
	Property, Plant and Equipment R'000	Right-of-use assets R'000	Property, Plant and Equipment R'000	Right-of-use assets R'000
Opening balance	**866 846**	**84 533**	810 319	97 185
Additions (including borrowing costs capitalised)	**37 336**	**–**	84 948	13 982
Disposals and other movements	**(704)**	**–**	(2 087)	(61)
Depreciation	**(31 197)**	**(27 646)**	(26 334)	(27 098)
Impairment	**–**	**–**	–	(2 769)
Remeasurement	**–**	**8 175**	–	3 294
Closing balance	**872 281**	**65 062**	866 846	84 533

8. INTANGIBLE ASSETS

The Group invested R22 million, of which development of curriculum intangibles was R15 million and the remaining R7 million in computer equipment and systems.

	Audited 2023 R'000	Audited 2022 R'000
Opening balance	**141 147**	151 931
Additions	**22 356**	7 824
Amortisation	**(11 631)**	(14 921)
Impairment	**–**	(3 687)
Closing balance	**151 872**	141 147

9. TRADE AND OTHER RECEIVABLES

The increase in trade receivables as at 31 December 2023 is as a result of growth in students coupled with slower payments. As a result, an increase in loss allowance follows an increase in the debtors' book.

During the period, the Group had written off R101 million (2022: R72 million). Of the amounts written off, R75 million (2022: R26 million) has been handed over for legal enforcement.

9. TRADE AND OTHER RECEIVABLES continued

To 31 December 2023, bad debts recovered improved to R4.8 million (2022: R3.8 million).

	Year-on-year change %	Audited 2023 R'000	Audited 2022 R'000
Trade receivables	27%	**330 265**	260 412
Less: loss allowance	23%	**(163 518)**	(132 971)
Net trade receivables	31%	**166 747**	127 441
Other receivables	(1%)	**50 330**	50 794
Total trade and other receivables	22%	**217 077**	178 235

10. SHARE CAPITAL AND OTHER EQUITY

10.1. SHARE CAPITAL

During the period, the Company issued ordinary shares in relation to the settlement of employee share options as per the share capital reconciliation below:

	Number of ordinary shares (million)	Share capital R'000
Balance as at 1 January	850	1 628 517
Issue of shares in respect of employee share options	3	14 652
Shares repurchased and cancelled	(3)	(14 226)
Share issue costs	–	(162)
Balance at the end of the period	**850**	**1 628 781**

All issued ordinary shares are fully paid up. Ordinary shares carry no right to fixed income but each share carries the right to one vote at general meetings of the Company.

10. SHARE CAPITAL AND OTHER EQUITY continued

10.2. TREASURY SHARES

During the year, the STADIO Group Share Incentive Trust ("SIT") purchased 4.8 million shares in the market at an average purchase price of R4.59 per share. The total cash outflow from the Group, which advanced a cash loan to the SIT for the purchase of shares, was R22 million for the year ended 31 December 2023.

In April 2023, the Company issued 3.2 million shares to the SIT for R14.7 million, in order for the SIT to meet its obligations under the STADIO Group Share Incentive Scheme ("Scheme"). Refer to note 10.1.

Treasury shares are shares in the Company that are held by the SIT for purposes of settling its future obligations to transfer shares to participants in terms of the Scheme.

	Number of shares (million)	Treasury shares R'000
Treasury shares		
Balance as at 1 January	(0.2)	(145)
Issue of shares for settlement of employee share incentive scheme	(3.2)	(14 652)
Treasury shares repurchased	(4.8)	(22 073)
Treasury shares issued to employees	4.5	19 756
Balance at the end of the period	(3.7)	(17 114)

As at 31 December 2023, the Group held 3 710 796 Treasury shares (2022: 234 757).

11. BORROWINGS

The Group had access to a revolving credit facility of R100 million with Standard Bank of South Africa Limited with the option to increase by a further R100 million. The Group utilised existing cash resources during the period to operate. The entire available facility was undrawn for the year. Refer to note 15 for events after the reporting period.

12. ACQUISITIONS

	2023 31-Dec Audited R'000	2022 31-Dec Audited R'000
Balance as at 1 January	–	31 111
Derecognition of non-controlling interest on acquisition	–	2 022
Consideration payable	**132 931**	–
Settlement of consideration payable (not through profit and loss)	**(15 431)**	(33 120)
Interest on consideration payable	–	(13)
Balance at the end of the period	**117 500**	–

12.1. NON-CONTROLLING INTEREST ACQUIRED

Milpark Education is a material subsidiary with non-controlling shareholders holding 16.9% (2022: 31.5%).

During the year, the Group acquired an additional 14.6% effective equity interest as a result of the following transactions:

- 1.8% equity interest from one of the non-controlling shareholders for a consideration of R15.4 million on 14 December 2023.
- 12.8% equity interest from Brimstone Investment Corporation Limited for a consideration of R117.5 million. This amount was only settled after year end. Refer to Note 15.

13. CASH GENERATED FROM OPERATIONS

	Year-on-year change %	Audited 2023 R'000	Audited 2022 R'000
Profit before taxation	20%	**324 029**	269 716
Non-cash and other items disclosed separately	(12%)	**80 068**	91 300
	12%	**404 097**	361 016
Movements in working capital	(18%)	**(43 829)**	(53 320)
Increase in trade and other receivables	(15%)	**(36 109)**	(42 429)
(Decrease)/increase in trade and other payables	>(100%)	**(12 165)**	2 738
Decrease in trade and other payables – consideration payable[1]	(100%)	–	(33 120)
Increase in contract liabilities	(77%)	**4 445**	19 491
Cash generated from operations		**360 268**	307 696

[1] *In the prior year, trade and other payables working capital movement included the cash-settled portion of the CA Connect early settlement agreement, R33 million of which was paid by the non-controlling shareholder of Milpark Education.*

14. FINANCIAL INSTRUMENTS – FAIR VALUE ESTIMATION

The information below analyses financial assets and liabilities which are carried at fair value by level of hierarchy.

The carrying value of financial assets and liabilities carried at amortised cost approximates their fair value, while those measured at fair value can be summarised as follows:

	Audited 2023			Audited 2022		
Fair value hierarchy	Level 1 R'000	Level 2 R'000	Level 3 R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Other financial assets	**16 244**	–	–	14 740	–	–

15. EVENTS AFTER THE REPORTING PERIOD

On 1 January 2024, Ishak Kula was appointed as Group Chief Financial Officer.

On 29 December 2023, the Group, through its wholly owned subsidiary, STADIO Investment Holdings Proprietary Limited ("SIH"), entered into a sale of shares agreement with Newshelf 1404 Proprietary Limited, a wholly owned subsidiary of Brimstone Investment Corporation Limited ("Brimstone"), to purchase Brimstone's effective indirect 12.8% interest in Milpark Education, for a purchase consideration of R117.5 million. The effective date of the transaction was 31 December 2023. The purchase consideration was settled on 22 January 2024.

In January 2024, the Group purchased a further 0.7% interest in Milpark Education from one of the other non-controlling shareholders for a purchase consideration of R6.1 million.

The net result of these transactions leaves the Group with a net effective interest in Milpark Education of 83.9% as at the end of January 2024.

In order to finance these transactions, the Group utilised the R100 million rolling credit facility (RCF).

On 18 March 2024, the Group declared a dividend of 10.0 cents per share from income reserves for the year ended 31 December 2023, which is payable on 22 April 2024. Save as set above, the directors are not aware of any further material events which occurred after the reporting date and up to the date of this report.

In the period 1 January 2024 until 15 March 2024, STADIO Holdings repurchased and cancelled 3 089 000 shares in accordance with its general authority and approved repurchase programme.

Statutory and administration

Stadio Holdings Limited
Incorporated in the Republic of South Africa (Registration number: 2016/371398/06)
JSE share code: SDO
ISIN: ZAE000248662
LEI: 3789007C8FB26515D966
(STADIO Holdings or the Group)

Directors: CPD Vorster*; S Totaram*-resigned 31 December 2023; I Kula*-appointed 1 January 2024; D Singh*; TV Maphai^; MG Mokoka^; CB Vilakazi^; TH Brown^; CR van der Merwe**; PN de Waal**; A Mellet** (Alternate to PN de Waal)

** Executive director ** Non-executive director ^ Independent non-executive director*

Company secretary: Stadio Corporate Services Proprietary Limited

Registered office: Office 101, The Village Square, c/o Queen and Oxford Streets, Durbanville, 7550

Transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196. Private bag, X9000, Saxonwold, 2132

Corporate adviser and sponsor: PSG Capital Proprietary Limited

Website: www.stadio.co.za

Announcement date
18 March 2024

STADIO

HOLDINGS

www.stadio.co.za