

# STADIO

— HOLDINGS —

## FINANCIAL RESULTS HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2024



# STADIO GROUP FINANCIAL RESULTS HIGHLIGHTS

THE GROUP DELIVERED IMPRESSIVE RESULTS, SHOWCASING STRONG FINANCIAL PERFORMANCE AND ROBUST CASH GENERATION

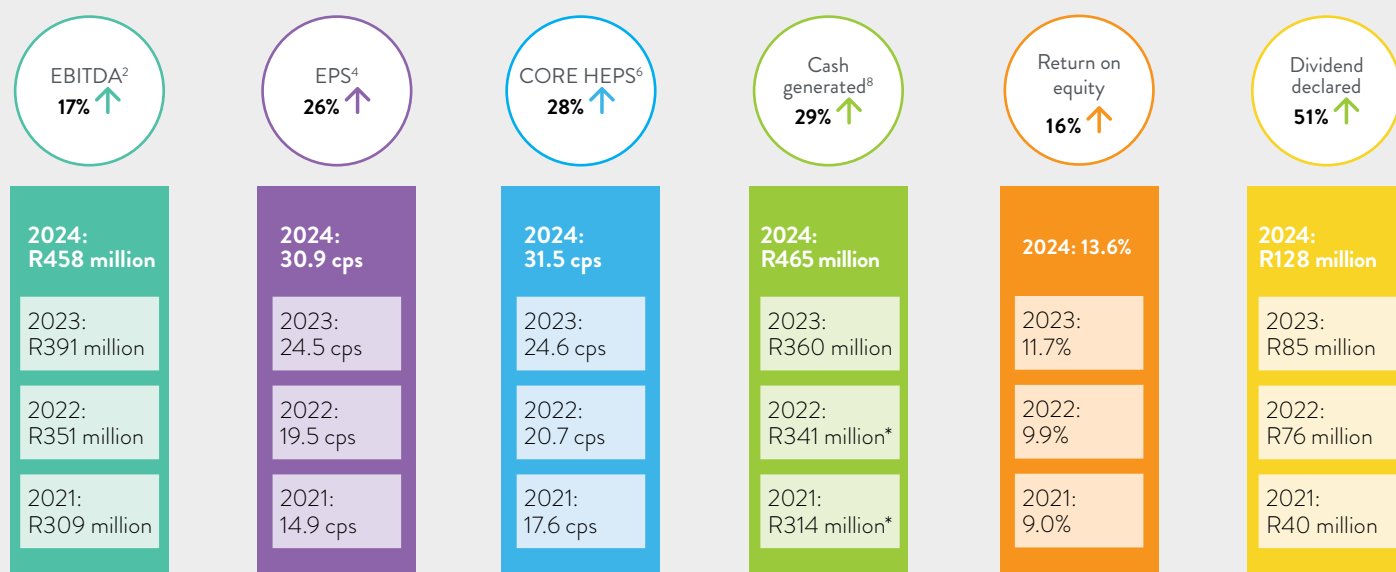
## SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	YOY <sup>1</sup> change %	2024 31 Dec R'000	2023 31 Dec R'000
<b>Profit metrics</b>			
Revenue	↑ 14	1 611 665	1 413 650
Loss allowance	↓ 11	(140 589)	(127 167)
EBITDA <sup>2</sup>	↑ 17	458 243	390 540
Profit for the year	↑ 17	275 882	236 262
<b>Margins</b>			
Loss allowance margin	(3)	8.7%	9.0%
EBITDA margin	3	28.4%	27.6%
<b>Earnings and headline earnings</b>			
Headline earnings	↑ 28	265 983	208 146
Core headline earnings <sup>3</sup>	↑ 28	266 911	209 100
<b>Investor returns</b>			
EPS <sup>4</sup> (cents)	↑ 26	30.9	24.5
HEPS <sup>5</sup> (cents)	↑ 28	31.4	24.5
Core HEPS <sup>6</sup> (cents)	↑ 28	31.5	24.6
Dividend per share (cents)	↑ 51	15.1	10.0
Return on equity (%)	↑ 16	13.6	11.7

\* The financial and related information contained within this document is extracted from the full set of audited financial statements, which can be found on our website at [www.stadio.co.za](http://www.stadio.co.za)

## FINANCIAL PERFORMANCE COMMENTARY

- Revenue increased by 14% to R1.6 billion (2023: R1.4 billion), driven by an 8% growth in student numbers with a notable 14% increase in new contact learning students at STADIO Higher Education.
- The statement of financial position remains strong with no external debt<sup>7</sup> and a cash balance of R132 million (2023: R130 million), alongside shareholders' equity of R1.96 billion (2023: R1.80 billion).
- Cash generated from operations increased by 29% to R465 million supported by positive working capital changes.
- A total of R106 million was invested in capital expenditure, with R32 million allocated to the new Durbanville campus and other campus-related development, R16 million to solar installations and R29 million to new curriculum and software development.
- The Group also settled the R117.5 million owing for the shares acquired from a non-controlling shareholder at the previous financial year end. In addition, the Group paid R5.9 million for additional shares (0.76%) acquired in the current year.
- A dividend of 15.1 cents per share was declared, reflecting a 51% increase.



\* Normalised for corporate activity

<sup>1</sup> Year-on-year (YOY)

<sup>2</sup> Earnings before interest, tax, depreciation and amortisation (EBITDA)

<sup>3</sup> Core headline earnings (Core HE)

<sup>4</sup> Earnings per share (EPS)

<sup>5</sup> Headline earnings per share (HEPS)

<sup>6</sup> Core headline earnings per share (Core HEPS)

<sup>7</sup> Excluding IFRS16 lease liabilities

<sup>8</sup> Cash generated from operations

# FINANCIAL RESULTS COMMENTARY

STADIO HOLDINGS SERVES 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 GROUP IS ONE OF THE LARGEST HIGHER EDUCATION PROVIDERS IN THE COUNTRY AND SERVES IN EXCESS OF 50 000 STUDENTS

## YEAR UNDER REVIEW

The Board is pleased to report a solid set of results for the period ended 31 December 2024, driven by good performance of its underlying institutions, STADIO Higher Education, AFDA and Milpark Education.

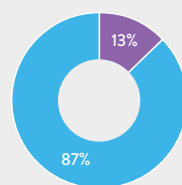
This document will provide insight into the financial performance for the year. The financial information is extracted from the full set of audited financial statements for the year ended 31 December 2024 which can be found on our website at [www.stadio.co.za](http://www.stadio.co.za).

## STUDENT NUMBER OVERVIEW

Modes of learning delivery	SEMESTER 1		YOY <sup>1</sup> growth
	2024	2023	
Contact learning	6 322	5 807	9%
Distance learning	40 702	37 067	10%
Total	47 024	42 874	10%

Modes of learning delivery	SEMESTER 2		YOY <sup>1</sup> growth
	2024	2023	
Contact learning	6 264	5 819	8%
Distance learning	43 775	40 689	8%
Total	50 039	46 508	8%

CONTRIBUTION BY MODE OF DELIVERY



● Contact Learning  
● Distance Learning

The Group monitors student numbers on a semester basis. The Group increased semester 1 student enrolments by 10% to 47 024 students at 30 June 2024 (June 2023: 42 874). At 31 December 2024, semester 2 student enrolments increased by 8% to 50 039 (December 2023: 46 508). Both contact and distance learning student numbers reflected good overall growth of 8%.

Distance learning continues to be impacted by the legacy Milpark Education business offerings. Excluding the impact of the legacy Milpark Education business offerings, distance learning student numbers grew by 19%.

Registrations of new contact learning students in STADIO Higher Education increased by 14%. The growth flows from the strategy of accrediting new programmes as well as expanding the offering of qualifications to new campuses.

## STUDENT NUMBER HISTORY

Modes of learning delivery	Semester 1							YOY <sup>1</sup> growth	CAGR <sup>2</sup>
	2018	2019	2020	2021	2022	2023	2024		
Contact learning	5 402	6 081	6 269	5 921	5 662	5 807	6 322	9%	3%
Distance learning	20 932	22 199	25 145	29 119	33 505	37 067	40 702	10%	12%
Total	26 334	28 280	31 414	35 040	39 167	42 874	47 024	10%	10%

Modes of learning delivery	Semester 2							YOY <sup>1</sup> growth	CAGR <sup>2</sup>
	2018	2019	2020	2021	2022	2023	2024		
Contact learning	5 500	6 197	6 367	5 942	5 699	5 819	6 264	8%	2%
Distance learning	24 385	25 856	28 904	32 585	36 764	40 689	43 775	8%	10%
Total	29 885	32 053	35 271	38 527	42 463	46 508	50 039	8%	9%

<sup>1</sup> Year-on-year (YOY)

<sup>2</sup> Six-year compound annual growth rate (CAGR)

**THREE DISTINCT BRANDS**



STADIO  
HIGHER EDUCATION



AFDA



MILPARK  
EDUCATION

**10** CONTACT LEARNING CAMPUSES

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**6** DISTANCE LEARNING SUPPORT CENTRES

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**96** CERTIFICATED QUALIFICATIONS

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**34** PIPELINE PROGRAMMES

EDUCATION

COMMERCE

FASHION

INFORMATION TECHNOLOGY

ARCHITECTURE

POLICING AND LAW ENFORCEMENT

LAW

ADMINISTRATION AND MANAGEMENT

MEDIA AND DESIGN

ARTS AND HUMANITIES

ENGINEERING (COMING SOON)

# FINANCIAL RESULTS COMMENTARY continued

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	YOY <sup>1</sup> change %	2024 31 Dec R'000	2023 31 Dec R'000
Revenue	1	14	1 611 665	1 413 650
Other income		2	15 408	15 055
<b>Total income</b>		14	<b>1 627 073</b>	1 428 705
Employee costs		14	(665 496)	(586 092)
Operating expenses		12	(362 745)	(324 906)
Loss allowance		2	(140 589)	(127 167)
<b>EBITDA<sup>2</sup></b>		3	<b>458 243</b>	390 540
Depreciation & amortisation		1	(71 092)	(70 474)
Impairment		4	(7 000)	-
<b>Earnings before interest and taxation (EBIT)</b>		19	<b>380 151</b>	320 066
Net investment income/ (finance cost)		5	(53)	3 963
<b>Profit before taxation</b>		18	<b>382 019</b>	324 029
Taxation		21	(106 137)	(87 767)
<b>Profit for the year</b>		17	<b>275 882</b>	236 262
Attributable to:				
Owners of the parent		6	26	261 939
Non-controlling interest		6	(50)	13 943
<b>Total comprehensive income for the year</b>		17	<b>275 882</b>	236 262

## ADDITIONAL FINANCIAL INFORMATION

EPS <sup>3</sup>	7	26	30.9	24.5
HEPS <sup>4</sup>	7	28	31.4	24.5
Core HEPS <sup>5</sup>	7	28	31.5	24.6
Headline earnings	7	28	265 983	208 146
Core headline earnings	7	28	266 911	209 100
Employee cost margin	-	-	41%	41%
Operating expenses margin	-	-	23%	23%
Shares in issue (millions)	8	0	848	847
Weighted average number of shares (millions)		(0)	847	849

The Group utilises Core HEPS<sup>5</sup> to measure and benchmark the underlying performance of the business. Core HEPS<sup>5</sup> reflects HEPS<sup>4</sup> 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 ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1. The Group grew revenue by 14% to R1.6 billion (2023: R1.4 billion), with contact learning and distance learning revenue growth of 12% and 16% respectively as outlined in the table below.

	YOY <sup>1</sup> change %	2024 31 Dec R'000	2023 31 Dec R'000
Contact learning	12	511 445	456 325
Distance learning	16	1 092 065	945 011
Total revenue from services	14	1 603 510	1 401 336
Sale of goods	(34)	8 155	12 314
Total revenue	14	1 611 665	1 413 650

2. The loss allowance margin of 8.7% of revenue has improved by 0.3% (2023: 9.0%). For the period ended 31 December 2024, bad debts recovered improved to R12.5 million (2023: R4.8 million), due to enhanced collection efforts.

3. Flowing from the revenue growth, operational efficiencies showed, with EBITDA<sup>2</sup> increasing by 17% to R458 million (2023: R391 million). The EBITDA<sup>2</sup> margin increased to 28.4% (2023: 27.6%) for the year.

4. The Group reduced the carrying value of the Randburg land and buildings to R19 million by processing an impairment of R7 million. The property is classified as held for sale at year end. The impairment stems from the Group's strategy to streamline operations by relocating its Randburg operations to the existing Centurion campus.

5. Net investment income is lower mainly due to interest incurred from using the revolving credit facility (RCF) to pay for the shares acquired in Milpark Education. This resulted in a net investment income position of R1.9 million (2023: R4.0 million).

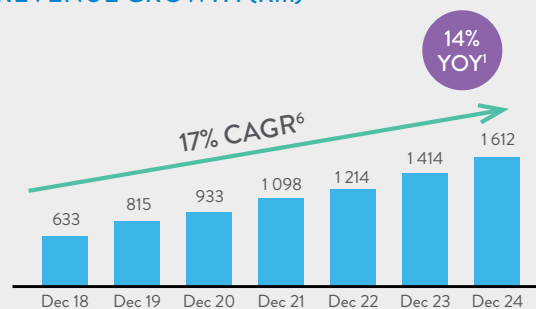
6. Profit attributable to the parent was positively impacted by the additional 15.4% shareholding acquired in Milpark Education, substantially effective 31 December 2023. Non-controlling interest in Milpark Education reduced from 31.5% in 2023 to 16.14% in 2024.

For the year ended 31 December 2024, the Group reported a profit after taxation of R276 million (2023: R236 million).

7. Profit attributable to the parent of R262 million increased by headline earnings adjustments of R4 million (net of taxation), mainly relating to the impairment on the property that is held for sale at year end. Core headline earnings was increased by core headline earnings adjustments of R1 million (net of taxation).

8. Please refer to note 4 on page 5.

## REVENUE GROWTH (Rm)



## REVENUE, EBITDA AND CORE HEADLINE EARNINGS (Rm)



<sup>1</sup> Year-on-year (YOY)

<sup>2</sup> Earnings before interest, tax, depreciation and amortisation (EBITDA)

<sup>3</sup> Earnings per share (EPS)

<sup>4</sup> Headline earnings per share (HEPS)

<sup>5</sup> Core headline earnings per share (Core HEPS)

<sup>6</sup> Six-year compound annual growth rate (CAGR)

# FINANCIAL RESULTS COMMENTARY continued

## STATEMENT OF FINANCIAL POSITION

	Notes	2024 31 Dec R'000	2023 31 Dec R'000
Property, plant and equipment and right-of-use assets	1	951 367	937 343
Goodwill and intangible assets	1	922 627	902 954
Deferred tax asset		89 614	75 844
Other receivables and financial assets		26 913	36 777
<b>Non-current assets</b>		<b>1 990 521</b>	1 952 918
Trade and other receivables	2	208 294	196 544
Current tax receivable		39 328	36 203
Cash and cash equivalents		132 194	130 323
IFRS 5 Asset held for sale	3	18 982	-
<b>Current assets</b>		<b>398 798</b>	363 070
<b>TOTAL ASSETS</b>		<b>2 389 319</b>	2 315 988
Equity attributable to equity holders of the parent	4	1 956 912	1 794 569
Non-controlling interest	5	66 770	67 633
<b>TOTAL EQUITY</b>		<b>2 023 682</b>	1 862 202
Lease liabilities		80 181	80 298
Deferred tax liability		64 654	51 897
Trade and other payables		968	-
<b>Non-current liabilities</b>		<b>145 803</b>	132 195
Lease liabilities		31 998	34 715
Trade and other payables	5	75 261	185 753
Contract liabilities		111 383	100 715
Other payables		1 192	408
<b>Current liabilities</b>		<b>219 834</b>	321 591
<b>TOTAL LIABILITIES</b>		<b>365 637</b>	453 786
Net asset value per share		231	212

## COMMENTARY ON THE STATEMENT OF FINANCIAL POSITION

- For the year ended 31 December 2024, the Group invested R106 million into capital expenditure as noted in the table below. The construction of the new comprehensive Durbanville campus is progressing, with classes on the campus expected to commence in 2026.

	2024 31 Dec R'000
<b>Capital investments</b>	
Infrastructure and capital assets	76 702
Recurring	28 590
Durbanville and other campus development	31 662
Solar installations	16 450
New curriculum and software development	29 407
	<b>106 109</b>

## COMMENTARY ON THE STATEMENT OF FINANCIAL POSITION continued

- The increase in trade receivables is mainly due to growth in students. As a result, the increase in loss allowance follows the increase in the debtors' book.

Trade and other receivables	YOY <sup>1</sup> change %	2024 31 Dec R'000	2023 31 Dec R'000
Trade receivables	15	380 935	330 265
Less: loss allowance	21	(198 503)	(163 518)
Net trade receivables	9	182 432	166 747
Other receivables	(5)	47 893	50 330
Total trade and other receivables	6	230 325	217 077

- The Randburg property is classified as held for sale. This stems from the Group's strategy to streamline its operations by relocating the Randburg campus operations to the existing Centurion campus. The Group embarked on a process to dispose of this property.
- For the year, 3.7 million shares treated as treasury shares as at 31 December 2023, were utilised in settlement of the Group's obligation under the SIT during the year. Furthermore, in September 2024, the Company issued 0.872 million shares to the Group Share Incentive Trust (SIT) for R5.3 million to settle its obligation under the Group's Share Incentive Scheme. The Group is committed to preserving stakeholder value and limiting dilution of shareholders shareholding where feasible. Accordingly, the Board approved the repurchase of 3.09 million shares for R15 million from the market which were purchased between January 2024 and March 2024, and immediately cancelled.
- The reduction in trade and other payables relates to the payment for the shares acquired from a non-controlling shareholder in the prior year of R117.5 million. In addition, the Group acquired a further 0.76% shareholding from a non-controlling shareholder in Milpark Education for R5.9 million. The non-controlling interest in Milpark is 16.14%.



<sup>1</sup> Year-on-year (YOY)

# FINANCIAL RESULTS COMMENTARY continued

## STATEMENT OF CASH FLOWS

	Notes	YOY <sup>1</sup> change %	2024 31 Dec R'000	2023 31 Dec R'000
Cash generated from operations	1	29	465 186	360 268
Net (finance cost)/interest income		(100)	(31)	361
Taxation paid		(5)	(109 622)	(114 903)
<b>Net cash flow from operating activities</b>		45	<b>355 533</b>	245 726
Capital investments	2	78	(106 109)	(59 692)
Proceeds on asset disposals		>100	12 363	426
Acquisition of financial assets		(83)	(109)	(655)
<b>Net cash flow from investing activities</b>		57	<b>(93 855)</b>	(59 921)
Share related transactions		(63)	(12 178)	(33 243)
Non-controlling interest transactions	3	>100	(123 362)	(15 431)
Lease liability payments		(54)	(28 464)	(62 163)
Dividends paid to shareholders		12	(84 674)	(75 676)
Dividends paid to NCI		(35)	(11 299)	(17 345)
Net borrowing proceeds		18	170	169
<b>Net cash flow from financing activities</b>		28	<b>(259 807)</b>	(203 689)
Total cash and cash equivalents movement for the year		>100	1 871	(17 884)
Cash and cash equivalents at the beginning of the year		(12)	130 323	148 207
<b>Total cash and cash equivalents at the end of the year</b>	4	1	<b>132 194</b>	130 323

## COMMENTARY ON THE STATEMENT OF CASH FLOWS

- Cash generated from operations improved from the prior year mainly due to positive working capital changes. See the table below.

	YOY <sup>1</sup> change %	2024 31 Dec R'000	2023 31 Dec R'000
Profit before taxation	18	382 019	324 029
Non-cash and other items	10	88 077	80 068
	16	470 096	404 097
Working capital movements	89	(4 910)	(43 829)
Trade and other receivables	67	(11 938)	(36 109)
Trade and other payables	70	(3 641)	(12 165)
Contract liabilities	>100	10 669	4 445
	29	465 186	360 268

- Please refer to note 1 on page 5.
- Please refer to note 5 on page 5.
- The Group was in a strong cash position with a cash balance of R132 million as at 31 December 2024 and no debt (excluding IFRS 16 lease liabilities). The Group has access to a revolving credit facility of R100 million with an option to increase the facility by a further R100 million.

## RESPONSIBILITY STATEMENT

The Financial Results Highlights have been prepared internally under the supervision of the Chief Financial Officer, I Kula, CA(SA) and extracted from the consolidated audited financial statements of the Group. The Financial Results Highlights do not contain sufficient information to comply with International Financial Reporting Standards (IFRS<sup>®</sup> Accounting Standards). The Financial Results Highlights have not been reviewed or audited by the Group's auditor, PricewaterhouseCoopers Inc. The auditor has expressed an unmodified opinion on the consolidated annual financial statements from which these Financial Results Highlight Results have been extracted. All forward-looking information is the responsibility of the board of directors and has not been audited or reported on by the group's auditors.

## 7 YEAR FINANCIAL OVERVIEW

	2018	2019	2020	2021	2022	2023	2024
Student numbers	29 885	32 053	35 271	38 527	42 463	46 508	50 039
Revenue (Rm)	633	815	933	1 098	1 214	1 414	1 612
EBITDA <sup>2</sup> (Rm)	129	180	46	309	351	391	458
EBITDA <sup>2</sup> (Rm) – normalised	129	196	253	310	357	387	458
Headline (loss)/earnings (Rm)	63	70	(70)	144	170	208	266
Core HE <sup>3</sup> (Rm)	70	88	117	149	176	209	267
HEPS <sup>4</sup> (cents)	8	9	(8)	17.0	20.0	24.5	31.4
Core HEPS <sup>5</sup> (cents)	8.6	10.8	14.2	17.6	20.7	24.6	31.5
Dividend per share (cents)	0.0	0.0	0.0	4.7	8.9	10.0	15.1
Return on equity (%)	4.2	5.6	7.9	9.0	9.9	11.7	13.6
NAV <sup>6</sup> per share (CPS)	202	192	178	195	208	212	231

## PROSPECTS

We are excited by the growth in new students enrolling in our contact learning programmes and are encouraged by the strong growth in distance learning. We acknowledge that the tough economic climate puts pressure on consumers, affecting students' ability to afford higher education, however we believe that we have the processes to manage this and will continue to do so within the parameters of widening access to quality higher education, responsibly.

Our offerings remain in high demand, as students invest in themselves to create better opportunities and we are confident in our 2025 enrolments to date. We have confidence that the Group has every chance of achieving its pre-listing forecast of 56 000 students by the end of 2026, as we aim to reach 80 000 students by 2030.

The Group continues to enhance its offerings, looking for expansion opportunities, whilst becoming a first-choice higher education institution in South Africa.

Vincent Maphai  
Chairperson

Chris Vorster  
Chief Executive Officer

<sup>1</sup> Year-on-year (YOY)

<sup>2</sup> Earnings before interest, tax, depreciation and amortisation (EBITDA)

<sup>3</sup> Core headline earnings (Core HE)

<sup>4</sup> Headline earnings per share (HEPS)

<sup>5</sup> Core headline earnings per share (Core HEPS)

<sup>6</sup> Net asset value per share (NAV)