

STADIO

— HOLDINGS —

2023 Annual General Meeting
22 June 2023

CHAIRPERSON'S WELCOME



Dr Vincent Maphai
Board chairperson



PRESENTATION OVERVIEW

1

Constitution of the meeting

2

Presentation of the annual financial statements

3

Ordinary and special resolutions

4

CEO's feedback

5

Transformation, social and ethics feedback

6

Questions and answers

7

Voting closes

8

Results of the annual general meeting

9

Closure

CONSTITUTION OF THE MEETING

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



PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

- **15 March 2023:** Annual financial statements for the year ended 31 December 2022 were published
- **28 April 2023:** Annual integrated report for the year ended 31 December 2022 was published
- **28 April 2023:** 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 re-elect Dr Busisiwe Vilakazi as an independent non-executive director

- ORDINARY RESOLUTION NO. **2** To re-elect Dr Tom Brown as an independent non-executive director

- ORDINARY RESOLUTION NO. **3** To re-appoint Mathukana Mokoka as a member and chairperson of the Audit and Risk Committee of the Company



ORDINARY RESOLUTIONS

STADIO
— HOLDINGS —

ORDINARY RESOLUTION NO.

4

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

ORDINARY RESOLUTION NO.

5

To re-appoint Dr Tom Brown as a member of the Audit and Risk Committee of the Company

ORDINARY RESOLUTION NO.

6

To re-appoint PricewaterhouseCoopers Inc. as the auditor



ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NO.

7

~~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.

8

Non-binding endorsement of STADIO Holdings’ Remuneration Policy

ORDINARY RESOLUTION NO.

9

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

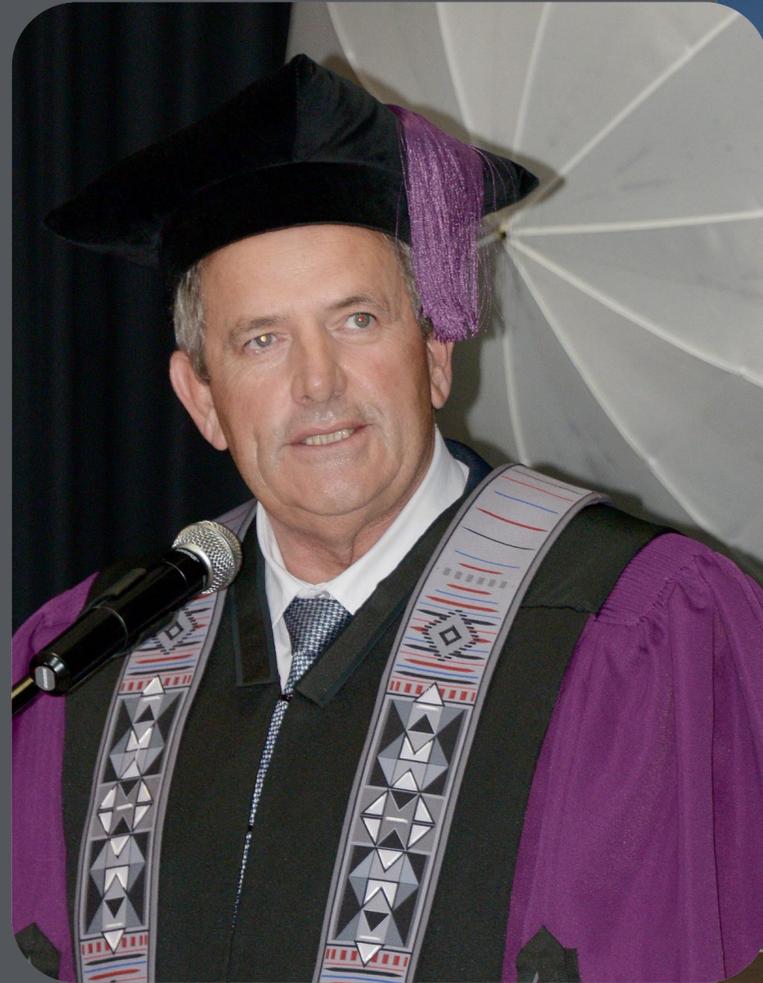
SPECIAL RESOLUTION NO.

11

General authority to repurchase shares by the Company or its subsidiaries



CEO's FEEDBACK



Chris Vorster
Chief Executive Officer



STADIO

— HOLDINGS —

OUR PURPOSE IS TO **EMPOWER THE NATION** BY
WIDENING ACCESS TO QUALITY HIGHER EDUCATION

THROUGH OUR 3 DISTINCT PRIVATE HIGHER EDUCATION INSTITUTIONS

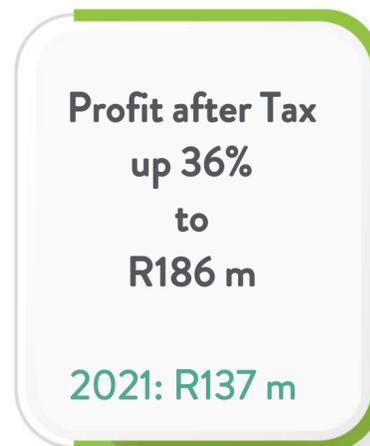
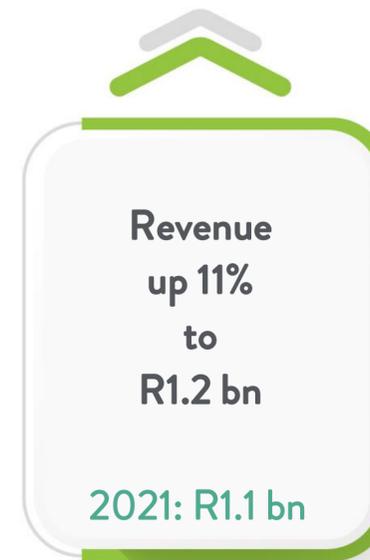
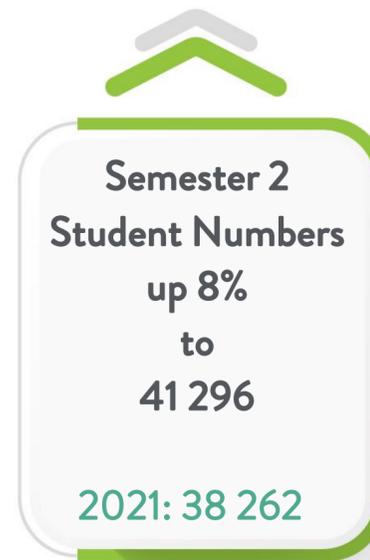
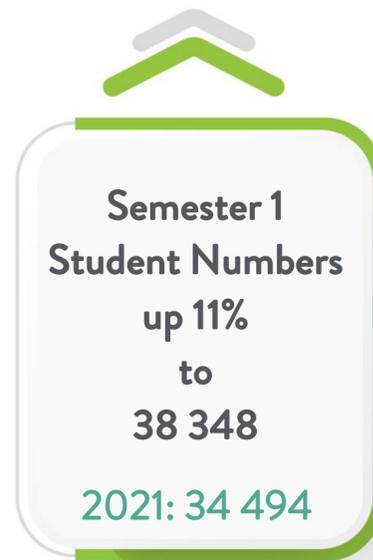


OUR STRATEGY IS UNDERPINNED BY OUR WWS



OUR STRATEGY IS WORKING AND
EFFICIENCIES ARE STARTING TO SHOW

LOOKING BACK AT OUR FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022



STARTING TO RETURN CASH TO SHAREHOLDERS



**Dividend
per share
up 89%
to
8.9 cps**
2021: 4.7 cps

Work towards 85% free cashflow (currently ~44%)



**Return on
Equity
continues
to grow
10%**
2021: 9%

Moving in the right direction (0.2% in 2017)

THE PROOF IS IN THE NUMBERS: 6 YEARS OF CONSISTENT PROGRESS

DECEMBER							
	2017	2018	2019	2020	2021	2022	
Student numbers	12 976	29 885	31 869	35 031	38 262	41 296	
Revenue (Rm)	122	633	815	933	1 098	1 214	
EBITDA (Rm)	0.5	129	180	46	309	351	
EBITDA adjusted (Rm)	0.5	129	196	253	310	357	
Headline earnings (loss) (Rm)	(7)	63	70	(70)	144	170	
Core headline earnings (Rm)	3	70	88	117	149	176	
HEPS (cents)	(1.2)	7.8	8.5	(8.5)	17.0	20.0	
Core HEPS (cents)	0.6	8.6	10.8	14.2	17.6	20.7	
Dividend per share (cents)	-	-	-	-	4.7	8.9	
Return on equity (%)	0%	4%	6%	8%	9%	10%	

STABLE AND STRONG BALANCE SHEET AT 31 DECEMBER

SUMMARISED STATEMENT OF FINANCIAL POSITION	2021 RM	2022 RM
Total assets	2 169	2 281
Property, plant and equipment	810	867
Right-of-use assets	97	85
Intangibles (incl Goodwill)	903	892
Other assets	107	111
Trade and other receivables	133	178
Non current assets held for sale	52	-
Cash and cash equivalents	66	148
Total equity	1 751	1 882
Attributable to equity holders	1 652	1 772
Non-controlling interests	99	110
Total liabilities	417	399
Borrowing	15	-
Lease liabilities	184	170
Other liabilities	218	230
Number of shares in issue (m)	848	850
NAV per share (cents)	195	209
Gearing ratio	11%	9%
Gearing ratio (excl IFRS 16: Lease Liability)	1%	0%

NO
GEARING
with access to
debt facility

Notes:

- Invested R93m on capital expenditure
- Impairments of R6.5m
- Settled R33m of contingent consideration liability
- Disposed of STADIO Montana for R52m
- Repaid all outstanding debt (R15m)
- Refinanced debt facility – reduced to R100m (option to increase by further R100m)
- R148m of cash on hand
- Gearing ratio 9% (0% excluding IFRS 16 lease liability)

BIG OPPORTUNITIES EXIST FOR PRIVATE HIGHER EDUCATION

- 1 300 961 students in higher education in 2021 (**up 25%** since 2011)¹
- 18% of students in private higher education (**up from 10%** in 2011)¹
- STADIO Group is taking market share – accounts for 16.4% of total private higher education students in 2021 (15.0% in 2019)
- 453 610 Grade 12s qualified for university in 2021 >> only 37% entered publics for the first time (169 675)² – this impact is compounded annually
- NSC passes with degree entry have increased by 112% since 2011² with minimal increased capacity at publics
- 2023 Q1 unemployment rate was 32.9% (7.9 million people) of which only 2.7% were tertiary graduates³
- South African economy is under pressure > Affordability remains the biggest challenge

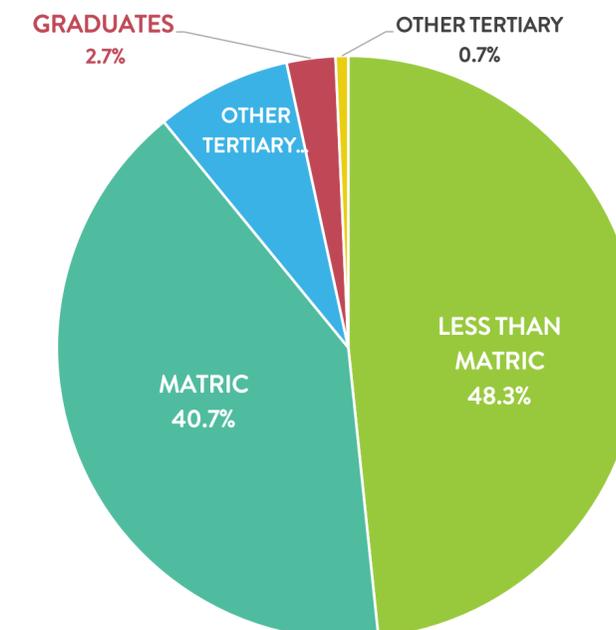
Sources: ¹ DHET Annual Report ² Annual NSC Exam reports

Public universities have capacity and funding constraints



The adult learner market in South Africa is large requiring flexibility and lifelong learning

PROPORTION OF THE UNEMPLOYED BY EDUCATION LEVEL, Q1: 2023³



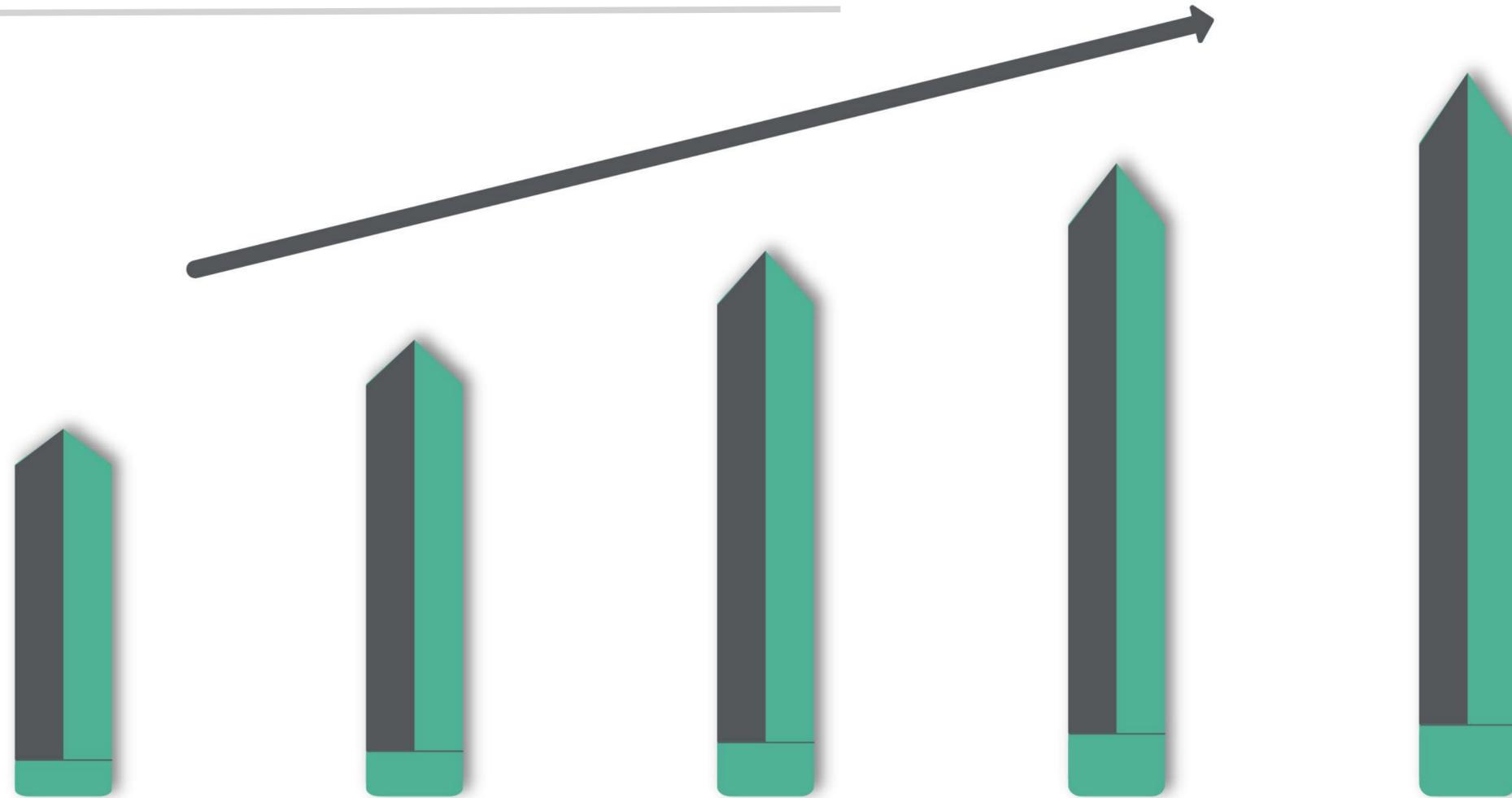
Source: ³ Quarterly Labour Force Survey – Quarter 1 2023

WE BELIEVE OUR STRATEGY IS SOLID

- Our strategy has been refined over time and we believe we have the RIGHT strategy for success
- The Group is still in its infancy:
 - listed in 2017
 - acquired 7 brands
 - Business Migration and launch of STADIO Higher Education was less than 3 years ago (!!)
- We have invested in infrastructure, processes, policies, staff and quality
- We are still embedding and refining our processes and systems
- 2022 saw the beginning of efficiencies being recognised
- Our strategy is working and the Group is growing
- We've built a solid foundation to become **an Institution of Choice - a first choice institution**



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

NEW PROGRAMME GROWTH

- In 2023, there are **12 qualifications** that are already accredited by CHE and awaiting SAQA and/or DHET approval. Some of these programmes can be offered in 2023 Semester 2, and others will be offered in 2024
- As a reminder, same Regulators as public universities.



- Regulatory delays continue to hinder our growth strategy
- Regulatory process is a barrier to entry
- Investing now to ensure we achieve self-accreditation status and university status when regulations allow

86
Certificated
programmes

31
pipeline
programmes
(in development or
awaiting
accreditation)

WHY OUR GROWTH STRATEGY WORKS

- New students generally have a positive impact on the business for the next 3 years



- Taking programmes to new campuses (or new modes can increase student numbers on the relevant campus as seen in 2022.
- An illustrative example based on one of our campuses:

	PROGRAMME X	PROGRAMME Y (offered for first time in 2022)	PROGRAMME Z (offered for first time in 2023)	TOTAL
2022 Year to date	402	40	-	442
2023 Year to date	463	69	101	633
Growth	15%	72%	100%	43%

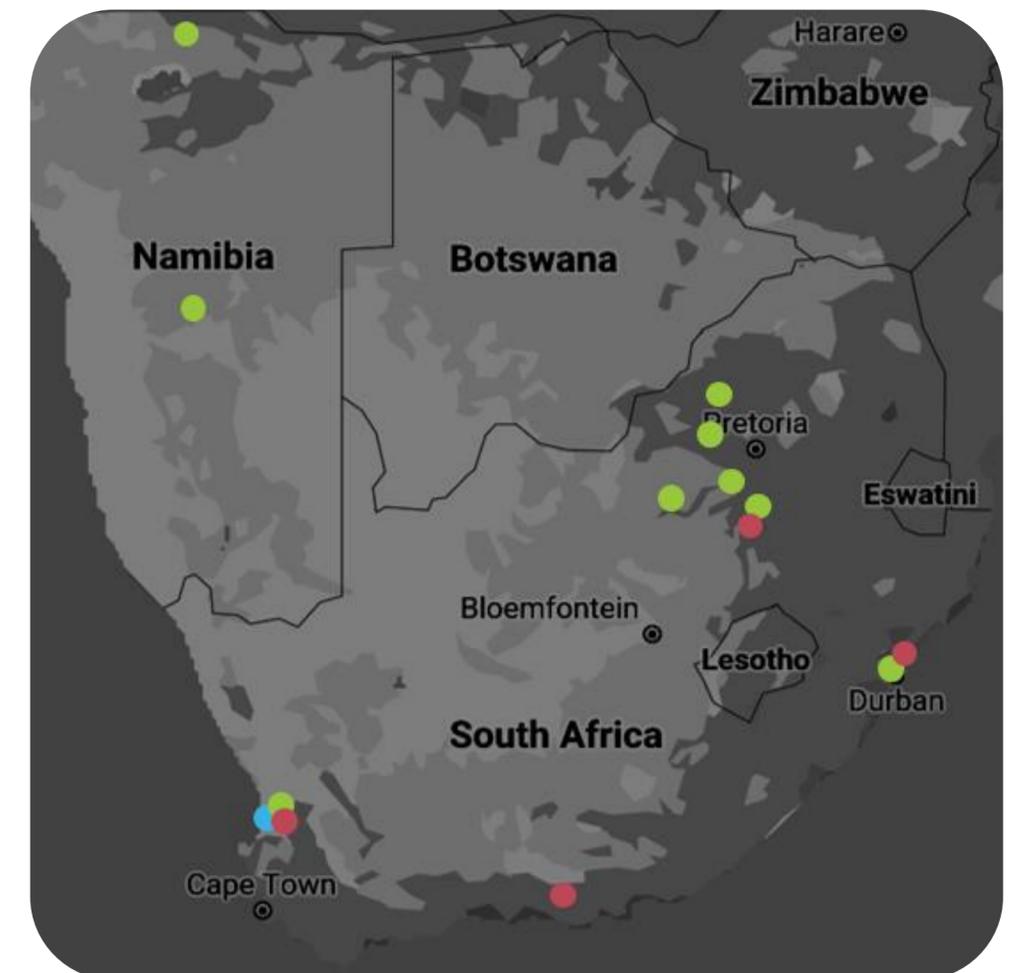
↑
Growth had we continued with status quo

↑
Growth with implementation of growth strategy



STRATEGIC COMPREHENSIVE CAMPUSES IN KEY LOCATIONS

- Our campuses offer a **real student experience** (conducive to offering **quality** higher education)
- Aim = **fewer comprehensive campuses**:
 - STADIO Centurion
 - STADIO Waterfall
 - STADIO Musgrave (to take new Schools to this site)
 - STADIO Durbanville (future development)
 - AFDA Johannesburg (and key smaller niche campuses)
- Continued **optimisation** of current campuses
- Following discussions with the Regulators, it is unlikely that STADIO Durbanville comprehensive campus will open before 2026 and likely to start construction in 2024
- Any expansion can be funded through cash and minimal debt levels
- We are a **capital-light business** and will remain as such



● AFDA ● STADIO Higher Education ● Milpark Education

KRUGERSDORP LOGISTICS CENTRE OPENS



- All new buildings consider the environment throughout construction and are built on a “green” basis as far as feasible
- Implementation of the Group’s solar plan has commenced on a campus-by-campus basis
- Our campuses currently have sufficient alternative power sources – no hinderance to teaching and learning

ACADEMIC QUALITY AND INTEGRITY REMAINS A PRIORITY

- Artificial Intelligence (AI) is topical and disrupting the higher education landscape
- Successfully integrating use of AI into the academic programmes, where relevant, whilst ensuring our academic integrity is protected
- Return to venue-based exams for STADIO Higher Education
- **7 809** students graduated across the Group
- STADIO Centurion campus used for 12 of the Group's graduations
- STADIO Higher Education's first 2 Doctorates graduates (in minimum time)
- Milpark Education's PGDA achieved the highest pass rate of all distance learning institutions in the SAICA ITC Board exam
- AFDA graduation films have won Simon Sabela Best Student Film Award for 8 years running
- Continued roll-out of Khulisa share scheme (441 new shareholders)



Prof Flip Schutte, her Doctoral Supervisor announcing Dr Emetia Maria Swart's outstanding achievement.



Dr Kennedy Kaumba Mabuku with his wife, Patricia, at STADIO's graduation ceremony earlier this week.

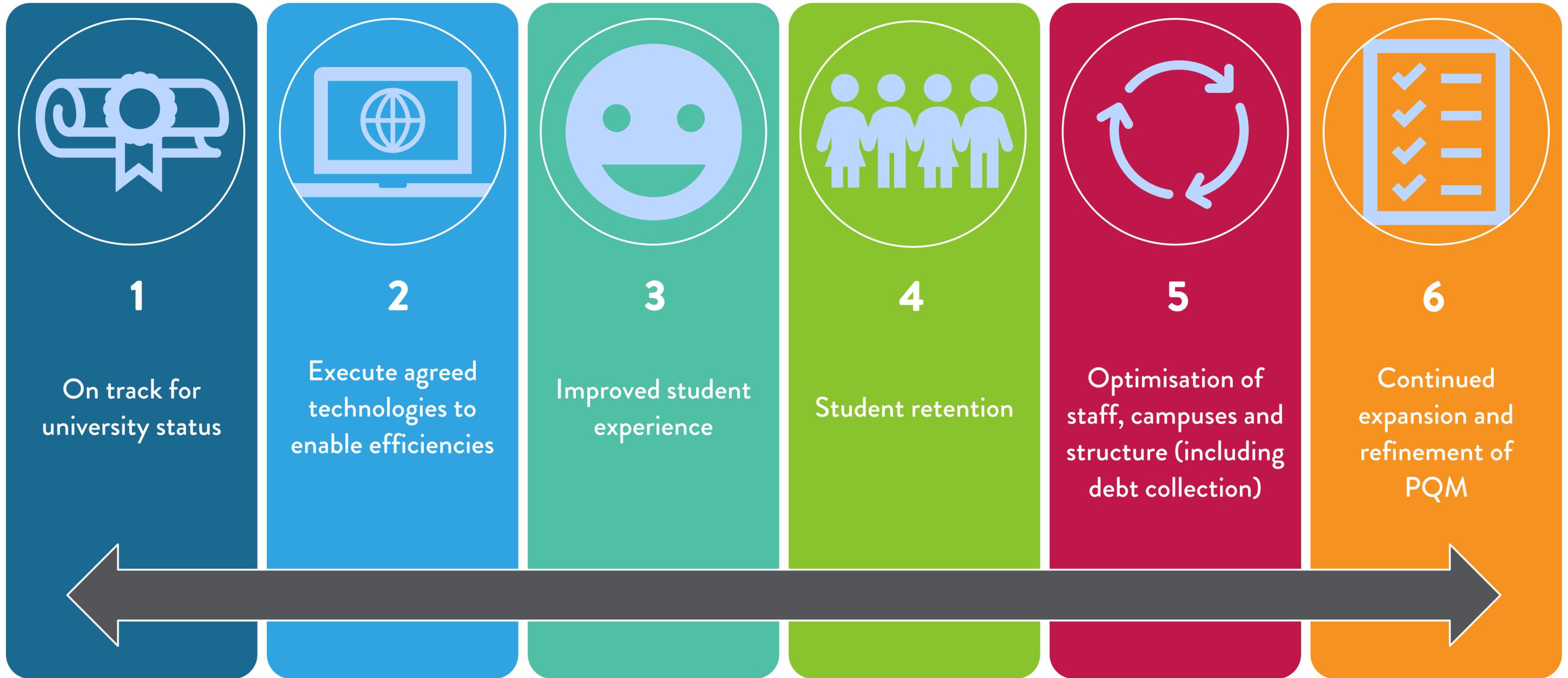
Two new doctorates conferred

STADIO Higher Education's Graduate Desirability Survey

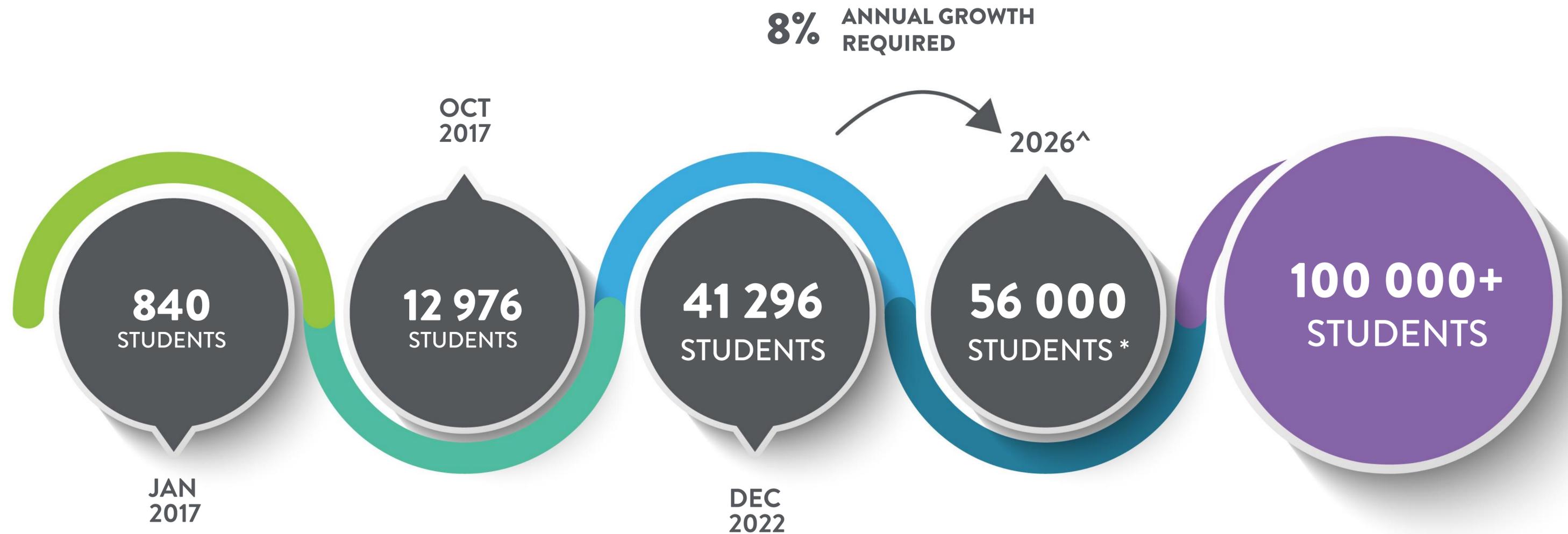
83%

of respondents noted our graduates are **sufficiently equipped for the workplace** noting they are **committed, hardworking, employable** (within South Africa and abroad), demonstrating a **strong work ethic**, and **take initiative**.

OUR 2023 AGREED FOCUS AREAS ARE IMPORTANT IN PAVING THE WAY FOR FUTURE GROWTH AND SUCCESS



WE HAVE THE RIGHT STRATEGY TO ACHIEVE OUR 2026 TARGETS

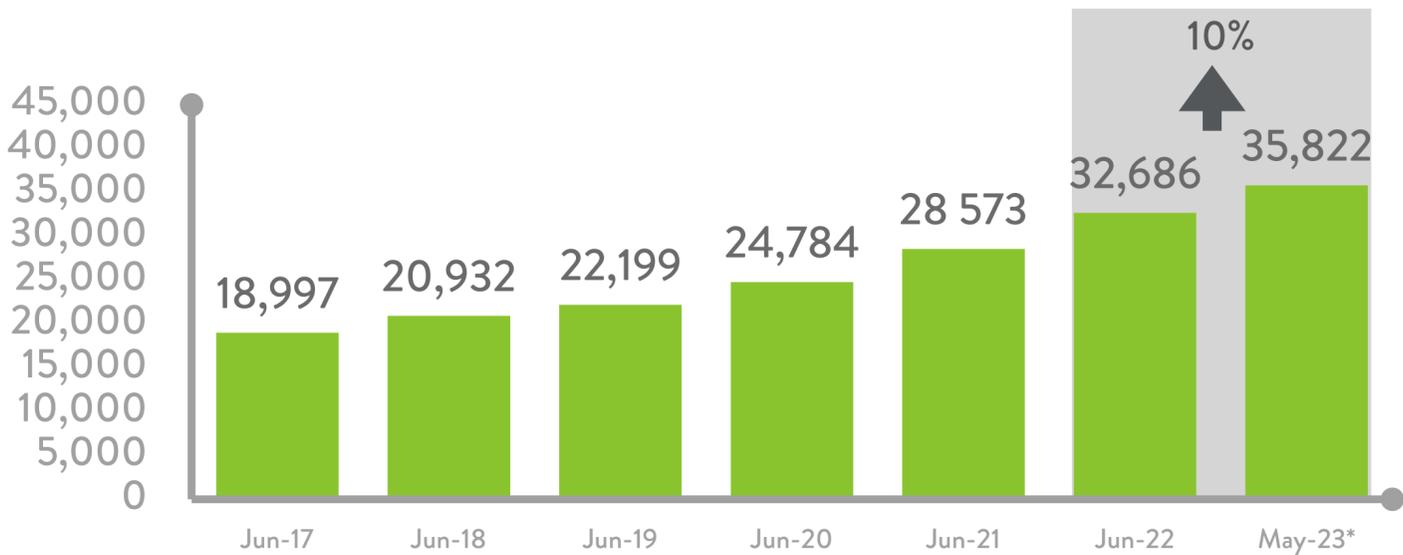


* As disclosed in the Pre-listing Statement

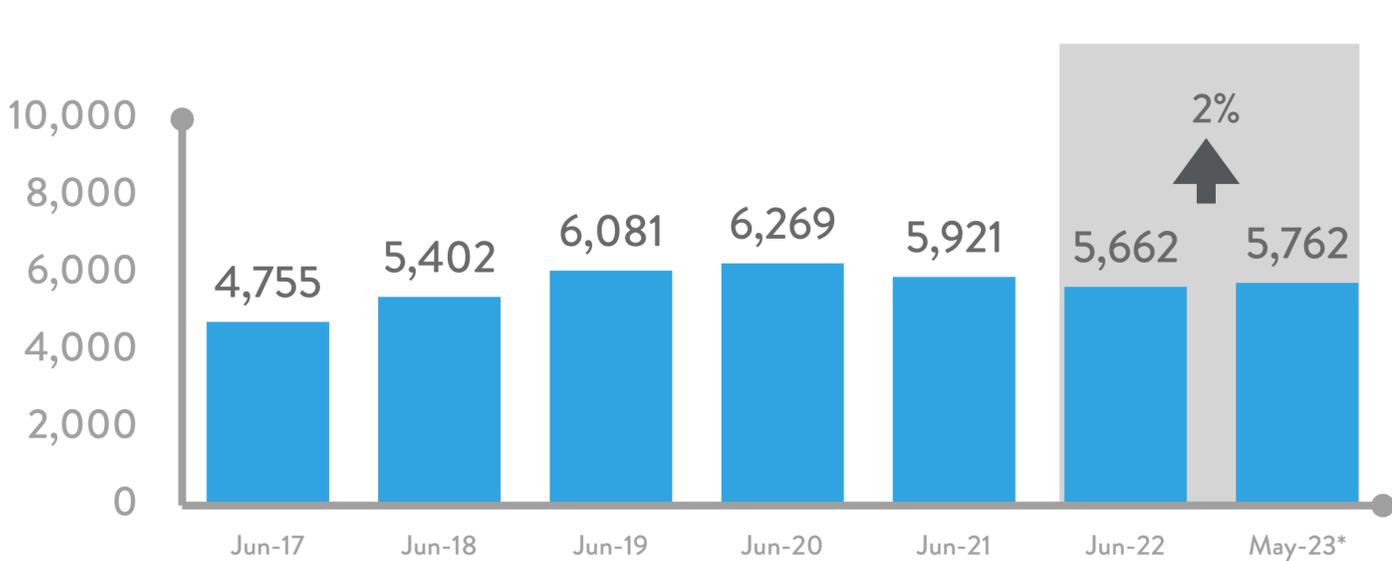
TARGET: 80% DISTANCE LEARNING & 20% CONTACT LEARNING

UPDATE ON 2023 SEMESTER 1 STUDENT NUMBERS

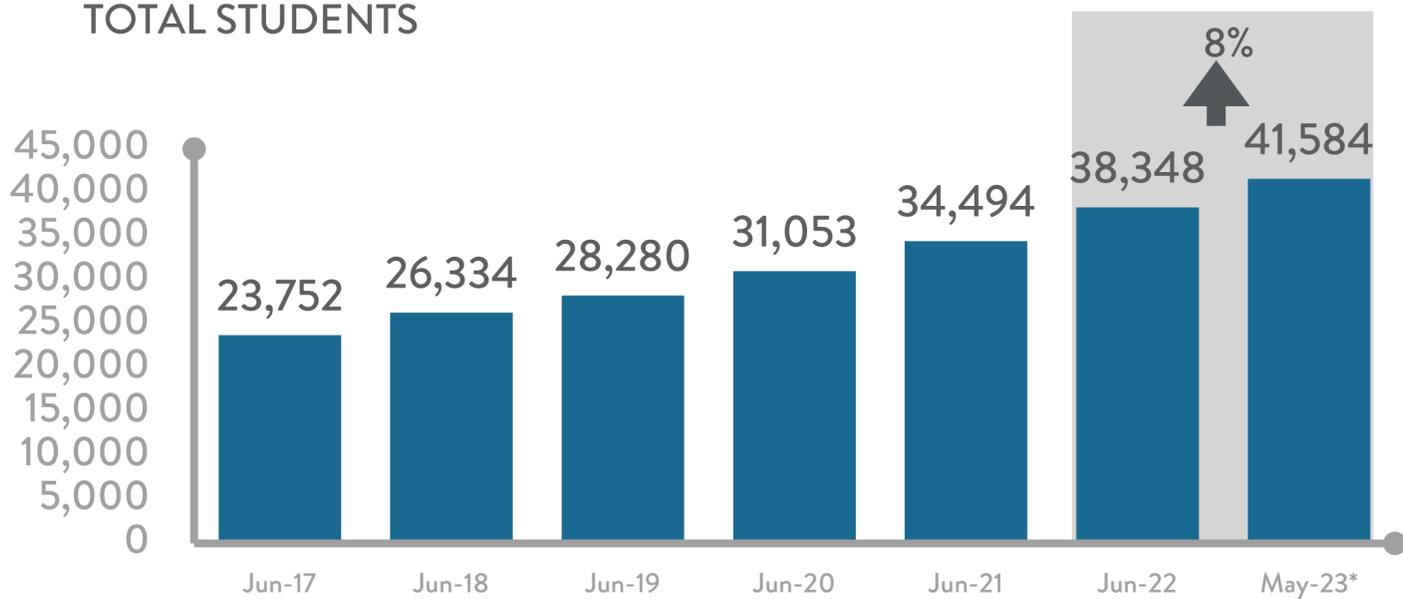
DISTANCE LEARNING



CONTACT LEARNING



TOTAL STUDENTS



NOTES:

- Overall growth of 8% is acceptable considering economic environment
- 15% growth in NEW contact learning student numbers
- 35% growth in NEW contact learning student numbers at STADIO HE
- COVID-19 resulted in 2 poor intakes of contact learning which impacts the returning contact learning student numbers (down 4%)
- Student numbers disclosed exclude students enrolled in short-learning programmes and/or bridging programmes

* Numbers as at May 2023 are subject to change based on headcount as at 30 June 2023



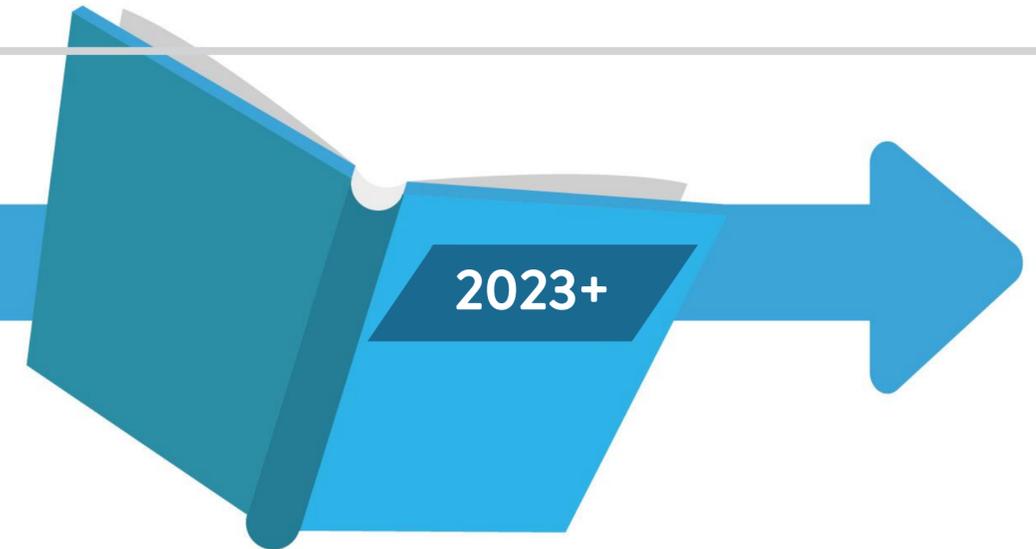
THE SOUTH AFRICAN
ECONOMY IS
STRUGGLING AND
2023 WILL HAVE
ITS CHALLENGES



WE BELIEVE
WE ARE WELL
POSITIONED
FOR GROWTH AND
WILL CONTINUE TO
BUILD OUR BRAND
AND TAKE
MARKET SHARE

WE ARE WELL PLACED TO SUPPORT MORE STUDENTS

THE FUTURE IS EXCITING



- ▶ We offer **quality** programmes with quality academic staff and student support
- ▶ Our programmes are **affordable**, accessible, and relevant
- ▶ Milpark is becoming the leader in accounting and financial offerings
- ▶ AFDA remains the number one film school leader in southern Africa
- ▶ STADIO Higher Education is positioned as a comprehensive institution offering multi-modes of delivery across multi-schools and an alternative to the public universities
- ▶ Efficiencies starting to show from investments in processes, etc (margin increases to 29%)
- ▶ Overall, targeting a margin of between 30% - 35%
- ▶ Highly cash generative business >> minimal debt requirements needed to meet our expansion plans >> debt facility available
- ▶ The Group has already grown student numbers to be in the top ten higher learning institutions in South Africa terms of size

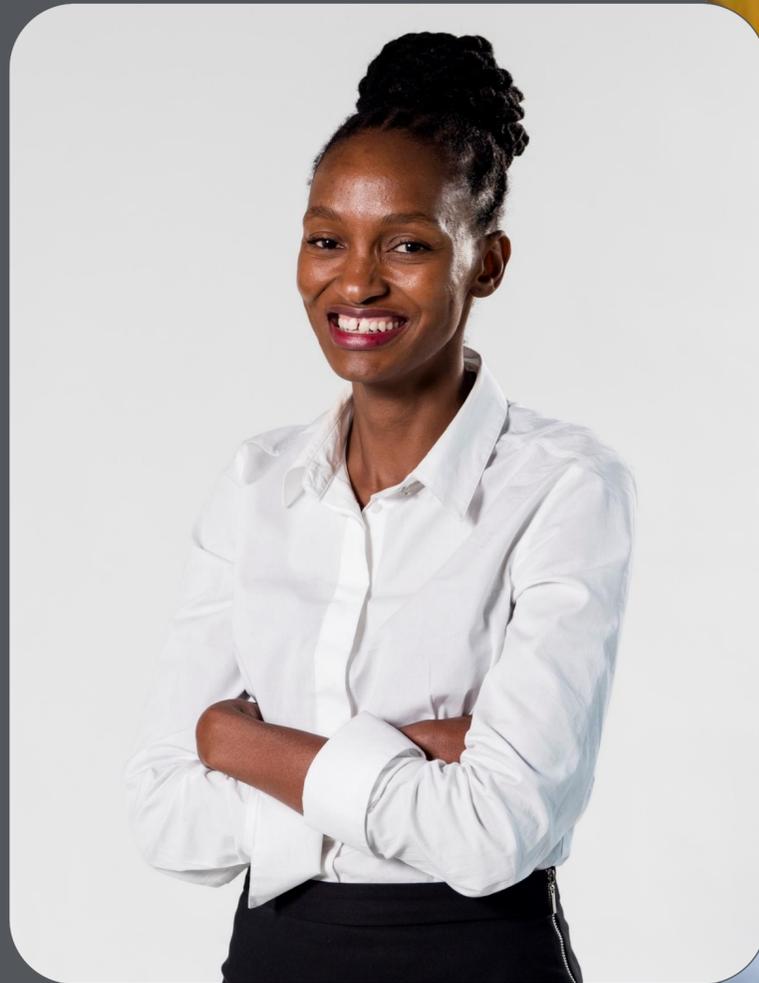
We want
to be the
Higher Education
Institution
of CHOICE



WE'RE A NEW VISION IN HIGHER EDUCATION



TRANSFORMATION, SOCIAL & ETHICS FEEDBACK



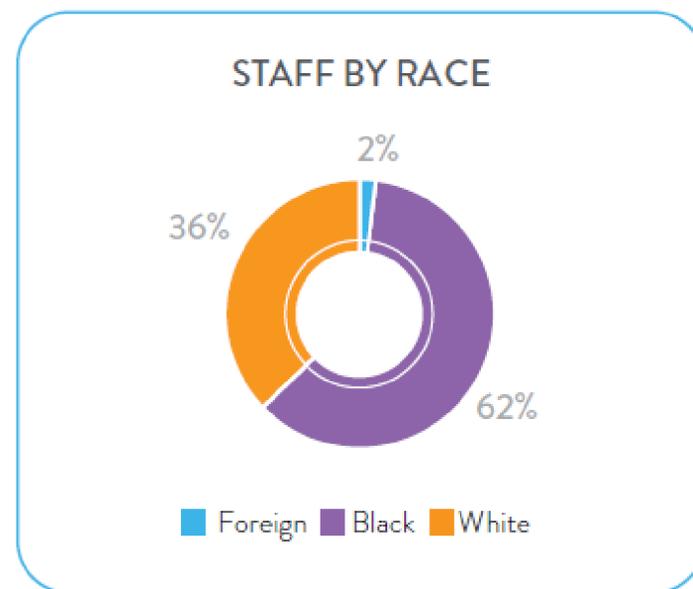
Dr Busisiwe Vilakazi
Transformation, Social &
Ethics Committee chairperson



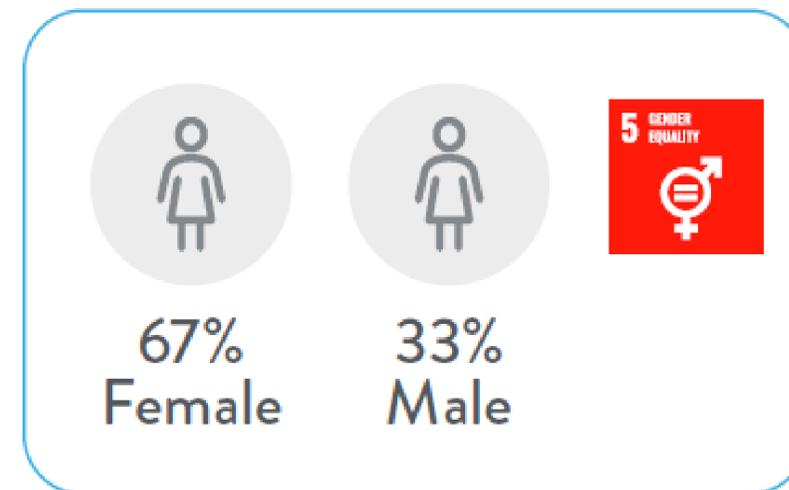
BUILDING A DIVERSE & INCLUSIVE WORKFORCE

STADIO
— HOLDINGS —

- The Group continues to implement specific projects in its overall commitment to Transformation, including staff development and staff study assistance bursary schemes
- Launched the Staff Phantom Share Scheme
- Milpark Education maintained its Level 2 B-BBEE rating, with the Group improving its scorecard to a Level 7 B-BBEE rating (up from Level 8)



GENDER DIVERISTY

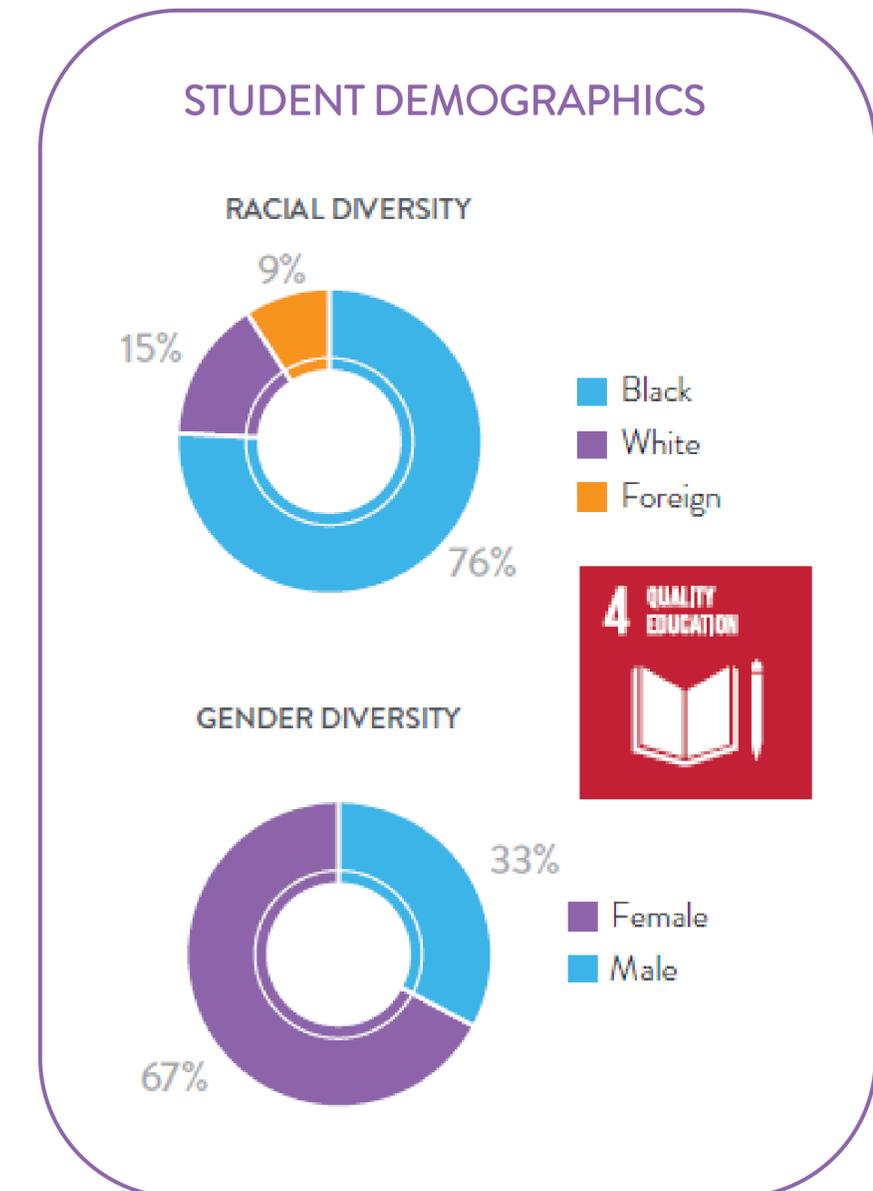


- The Group is developing a new Employment Equity Plan noting the amendments to the Employment Equity Act and specific sector targets proposed



UPSKILLING THE NATION THROUGH WIDENING ACCESS TO QUALITY EDUCATION

- The Group’s main aim is to “empower the nation by widening access to higher education” which speaks directly to “Quality Education” as identified by the Sustainable Developmental Goals
- 2023 Q1 unemployment rate was 32.9% (7.9 million people) of which only 2.7% were tertiary graduates*
- The economic environment puts huge pressure on our students and affordability remains the biggest challenge.
- In 2022, **R31 million** was spent on bursaries, discounts and scholarships
- **2 320 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
- Student (and staff) wellness remains an area of focus – partnership with South African Depression and Anxiety Group (SADAG)



* Source: Quarterly Labour Force Survey – Quarter 1 2023

EMBEDDING AN ETHICAL & SOCIALLY AWARE CULTURE

- The Board is responsible for promoting an ethical culture within the Group and this is supported by the Transformation, Social and Ethics Committee (TSEC)
- The Group's Values were revisited and approved laying the foundation for an ethical and socially conscious culture ----->
- No activities identified across the Group during 2022 that fell foul to the Ethics Pledge or the Group's code of conduct
- The Group approved the Whistleblowing Hotline for roll-out in 2023
- 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
 - modules are integrated into the curricula that enhance graduates' understanding and knowledge about the world we live in and the issues the world faces
 - academic project includes community projects that have a social impact
 - aim to produce graduates who are socially conscious and responsible
- The Group continues to make strides in its ESG reporting, and the TSEC assists the Board in integrating sustainability into the daily business activities across the Group

OUR VALUES:



SERVICE

We exceed our stakeholders' expectations with humility, ensuring that the Group is a trusted partner



QUALITY

We never compromise on our minimum standards, taking accountability for, and supporting each other in, striving for excellence



INTEGRITY

We are honest, transparent and respectful, always doing what is right for the Group



PEOPLE FOCUS

We positively impact the people we interact with

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