

STADIO

— HOLDINGS —

2019 Annual General Meeting

5 June 2019

TOWARDS

STADIO MULTIVERSITY



ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NO. **1** To confirm Ms MG Mokoka's appointment as a Director

ORDINARY RESOLUTION NO. **2** To re-elect Mr PN de Waal as a Director

ORDINARY RESOLUTION NO. **3** To re-elect Ms R Kisten as a Director

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NO.  4 To re-elect Prof RH Stumpf as a Director

ORDINARY RESOLUTION NO.  5 To appoint Ms MG Mokoka as a member and chairperson of the Audit and Risk Committee of the Company

ORDINARY RESOLUTION NO.  6 To re-appoint Ms R Kisten as a member of the Audit and Risk Committee of the Company

ORDINARY RESOLUTIONS

- ORDINARY RESOLUTION NO.  To re-appoint Mr DM Ramaphosa as a member of the Audit and Risk Committee of the Company
- ORDINARY RESOLUTION NO.  To re-appoint PricewaterhouseCoopers Inc. as the auditor
- ORDINARY RESOLUTION NO.  General authority to issue ordinary shares for cash

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NO. **10** Non-binding endorsement of STADIO's Remuneration Policy

ORDINARY RESOLUTION NO. **11** Non-binding endorsement of STADIO's Implementation Report on the Remuneration Policy

SPECIAL RESOLUTIONS

- SPECIAL RESOLUTION NO. **1** Remuneration of Non-Executive Directors
- SPECIAL RESOLUTION NO. **2** Inter-company financial assistance
- SPECIAL RESOLUTION NO. **3** 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. **4** Share repurchases by the Company and its subsidiaries

CEO'S FEEDBACK

Dr Chris van der Merwe

TOWARDS

STADIO MULTIVERSITY



Faculty of Commerce, Management & Law

Graduate School of Business

Faculty of Creative Economies

Faculty of Education & Humanities

Faculty of Engineering & Information Technology

Faculty of Agriculture & Environmental Sciences

Faculty of Medicine & Health Sciences



**WHAT ARE WE
BUSY WITH?**

WHAT ARE WE BUSY WITH?



- ▶ Unbundled to create two focused leadership teams: **CURRO & STADIO**
- ▶ Acquired **quality brands** to obtain qualifications in the higher education space
- ▶ Accumulated critical mass in terms of student numbers and revenue in order to qualify as a **listed entity**
- ▶ Listed in October 2017 with a forecast R11m headline loss

WHAT ARE WE BUSY WITH?



COMMUNICATION OF STRATEGIC INTENT TO THE MARKET

- ▶ To progress towards reaching **56 000 students** by 2026
- ▶ To find suitable **land** for expansion purposes
- ▶ To analyse the needs of **existing campuses** in order to create capacity for students
- ▶ To find a fitting and best practice **IT platform** to service 100 000 students
- ▶ To accredit new qualifications to populate faculties such as: **Engineering, Information Technology, Architectural Technologies, Agriculture and Environmental Sciences**
- ▶ To engage with the **CHE** and **DHET** to find the best way to become one STADIO Multiversity
- ▶ PLS forecast: **R41m** headline earnings

WHAT ARE WE BUSY WITH?



PREPARING FOR AGGRESSIVE EXPANSION

- ▶ Implement **Unit 4** - Reconfiguration, Testing & Training
- ▶ Continue **accrediting** additional qualifications
- ▶ Prepare **building** plans / site development plans
- ▶ Consider the possible development of a fitting site in **Gauteng**
- ▶ Design an effective **organogram** for the new STADIO Multiversity
- ▶ Submit the registration of STADIO Multiversity to **DHET** to register as a private HEI
- ▶ Submit the migration of degrees to STADIO Multiversity to the **CHE**

WHY ARE WE
SO MOTIVATED?



WHY ARE WE SO MOTIVATED?

➔ Number of students enrolled at higher education institutions has doubled



➔ Student numbers: Public vs Private

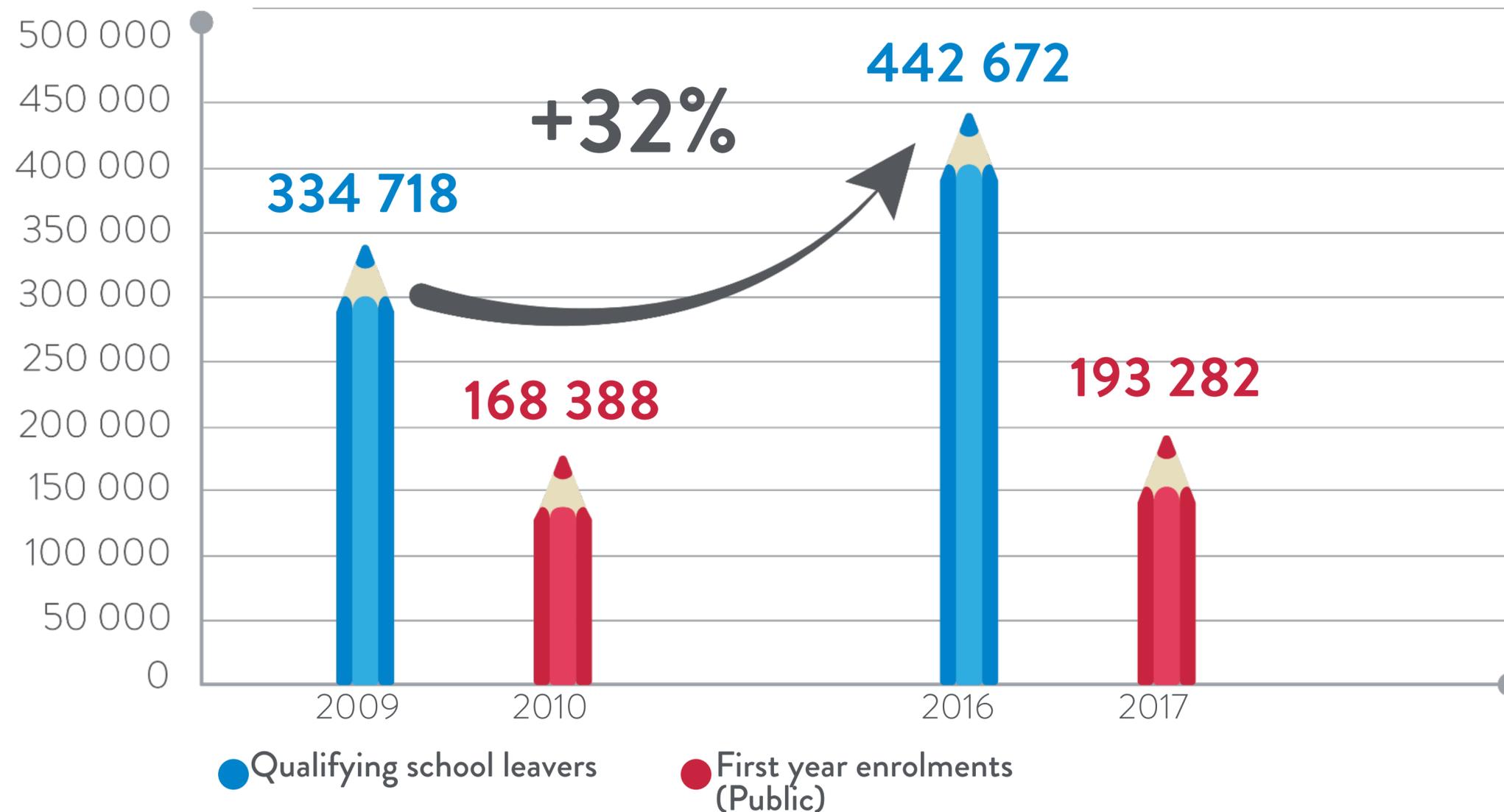


➔ Private enrolments as percentage of total in SA: 15% ➔ The global average is closer to 35%

➔ Our public universities are full ➔ Lack of infrastructure ➔ Limited subsidies

THE SCHOOL LEAVER MARKET

Number of NSC school leavers (full time) in SA qualifying for post-school education (HC, diploma and degree) vs first year enrolments in public HEI



56% shortfall is compounded annually

THE RESULTS OF OUR EFFORTS:

- ➔ To reduce unemployment
- ➔ Support the aim of the NDP to achieve the goal of 1.6m students by 2030

Contributing to stimulating growth in the economy

1.6M

STUDENTS

BY 2030



WHERE DO
WE GO?



12 976
STUDENTS

35 000
STUDENTS

56 000
STUDENTS

100 000+
STUDENTS

STADIO MULTIVERSITY



***BHAG**

Faculty of
Commerce, Management & Law

Graduate School
of Business

Faculty of
Creative Economies

Faculty of
Education & Humanities

Faculty of
Engineering & Information
Technology

Faculty of
Agriculture & Environmental
Sciences

Faculty of
Medicine & Health Sciences

A close-up portrait of a woman with dark, curly hair, wearing a light green short-sleeved button-down shirt. She is adjusting a pair of round, gold-rimmed glasses with her hands. The background is a solid, textured teal color. The text 'NAVIGATING THE J-CURVE' is overlaid in white, bold, sans-serif font across the lower half of the image.

NAVIGATING THE J-CURVE



2017

2018

2019

2020

2021

2022

2026

NOTE:

In order to reach
56 000 students
by 2026,
we will need to grow
our numbers by
9% per annum



2017

2018

2019

2020

2021

2022

2026

POSITIONING

- Implement a fitting organisational structure at macro-level

DEVELOPMENT OF GREENFIELDS

- Western Cape - on track to go onsite in 2020, subject to building regulation processes, with a target opening date of Feb 2021
- Gauteng – identified fitting piece of land for a comprehensive campus. We are considering this development with a possible target opening date of Feb 2021

3 COMPREHENSIVE CAMPUSES

- Western Cape
- Gauteng
- KwaZulu-Natal

+

14 CURRENT SITES

STADIO

— HOLDINGS —

CREATING A MULTIVERSITY

82 ACCREDITED PROGRAMMES

82 ACCREDITED PROGRAMMES			
GRADUATE SCHOOL OF BUSINESS	SCHOOL OF LAW	FACULTY OF CREATIVE ECONOMIES	FACULTY OF EDUCATION & HUMANITIES
Master of Business Administration ● ●	Bachelor of Policing Practice ●	SCHOOL OF FASHION	SCHOOL OF EDUCATION
Postgraduate Diploma in Banking ●	Bachelor of Policing Practice (Honours) ●	Bachelor of Arts (Honours) in Fashion ●	Advanced Diploma in Physical Education and School Sports ●
Postgraduate Diploma in Business Administration ● ●	Bachelor of Commerce in Law ●	Bachelor of Arts in Fashion ●	Bachelor of Education in Foundation Phase Teaching ● ●
Postgraduate Diploma in Financial Planning ●	Higher Certificate in Paralegal Studies ●	Bachelor of Commerce in Fashion ●	Bachelor of Education in Intermediate Phase Teaching ●
Postgraduate Diploma in Investment Management ●	Master of Policing Practice ●	Diploma in Fashion (Design/Commercial) ●	Diploma in Grade R Teaching ● ●
Postgraduate Diploma in Accounting ●	SCHOOL OF MANAGEMENT & ADMINISTRATION	Higher Certificate in Fashion ●	Higher Certificate in Pre-school Education ● ●
Doctor of Business Administration ●	Advanced Certificate in Management ● ●	Higher Certificate in Fashion Retail ●	FACULTY OF ENGINEERING & INFORMATION TECHNOLOGY
FACULTY OF COMMERCE, MANAGEMENT & LAW	Advanced Diploma in Management ●	SCHOOL OF FILM, TELEVISION & ENTERTAINMENT	SCHOOL OF INFORMATION TECHNOLOGY
SCHOOL OF BUSINESS & FINANCE	Advanced Diploma in Public Administration ●	Bachelor of Arts (Honours) in Live Performance ●	Advanced Certificate in Web Development ●
Advanced Certificate in Banking Services ●	Bachelor of Business Administration ● ● ● or ●	Bachelor of Arts (Honours) in Motion Picture Medium ●	Bachelor in Computer Technology ●
Advanced Certificate in Financial Planning ●	Bachelor of Commerce in Business Management ●	Bachelor of Arts in Live Performance ●	Higher Certificate in Graphic Web Design ●
Advanced Certificate in Short-Term Insurance ●	Bachelor of Commerce in Event Management ●	Bachelor of Arts in Motion Picture Medium ●	Higher Certificate in Internetwork System Specialisation ●
Bachelor of Commerce ● ● or ●	Bachelor of Business Administration (Honours) ●	Bachelor of Commerce in Business Innovation & Entrepreneurship ●	
Bachelor of Commerce Honours in Business Marketing ●	Diploma in Business Management ●	Higher Certificate in Film and TV Make-Up Design ●	CONTACT LEARNING ● DISTANCE LEARNING ●
Bachelor of Commerce in Business Marketing ●	Diploma in Event Management ●	Higher Certificate in Film, Television & Entertainment Production ●	DISTANCE LEARNING ONLINE ●
Bachelor of Commerce in Digital Marketing ●	Diploma in Management ●	Higher Certificate in Radio and Podcasting ●	
Diploma in Banking ●	Diploma in Tourism Management ●	Master of Fine Arts in Motion Picture Medium ●	
Diploma in Business Marketing ●	Higher Certificate in Business Accounts Administration ●	SCHOOL OF MEDIA & DESIGN	
Higher Certificate in Banking Services ●	Higher Certificate in Management ● ● ●	Advanced Certificate in Graphic Design ●	
Higher Certificate in Business Marketing ●	Master of Management ●	Advanced Certificate in Photography ●	
Higher Certificate in Financial Planning ●		Bachelor of Arts in Visual Arts in Visual Communication Design ●	
Higher Certificate in Financial Products ●		Higher Certificate in Photography ●	
Higher Certificate in Investment Administration ●		Bachelor of Applied Arts in 3D Animation ●	
Higher Certificate in Short Term Insurance ●		Higher Certificate in Desktop Publishing & Computer Art ●	



**WHY ARE WE
SO POSITIVE
ABOUT THE
FUTURE?**



FROM 2022 - 2030

- ➔ We will become better known and established with the general public, as it is easier to market **one Brand**
- ➔ We shall have **six faculties**, through which we can offer more than 100 qualifications
- ➔ By then, our system-driven organisation will be able to serve students **beyond the borders of South Africa**
- ➔ Three comprehensive campuses plus 14 buildings means we can easily accommodate **100 000+** students with relatively low CAPEX



6392 graduates from 2018; and an average module success rate of 77.7% across the Group

31 active international partnerships and collaboration agreements across the Group including student & staff exchanges, academic sharing and research

2018 Conference focused on 'Quality and the RITE (relevance, innovation, transformation, excellent) Curricula'. The theme for the 2019 Academic Conference is 'Student Support and an Excellent Learning Experience'



Institutions are autonomous and have internal QA mechanisms and structures but there is an overarching committee to assure academic governance and quality across the brands in the Group

93 staff members (FT and PT) with doctorates and 143 staff members (FT and PT) with Masters qualifications across the Group. Ongoing staff development remains a priority

Although not research intensive, staff produced 62 research outputs including accredited journal articles and conference papers

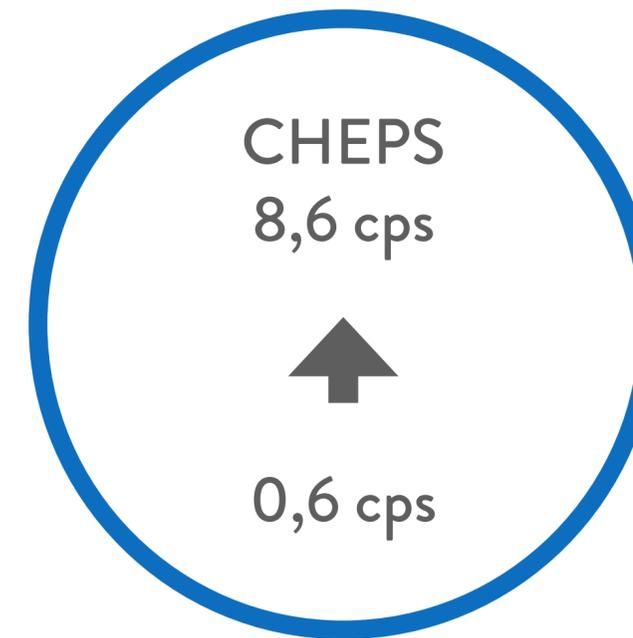
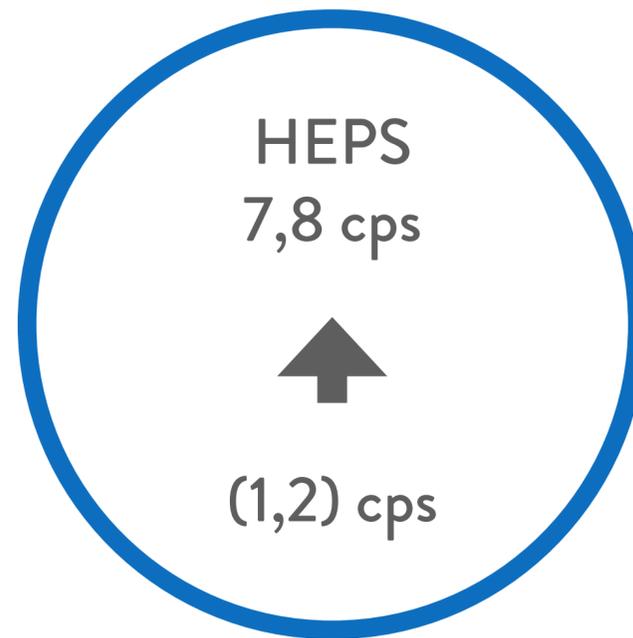
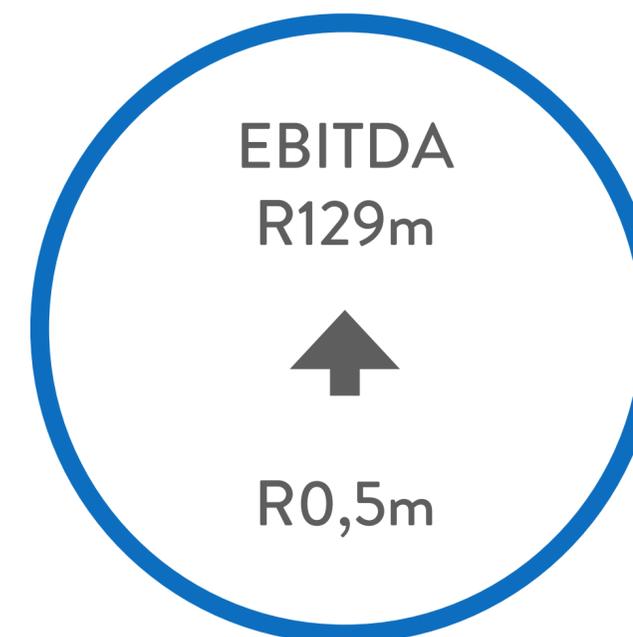
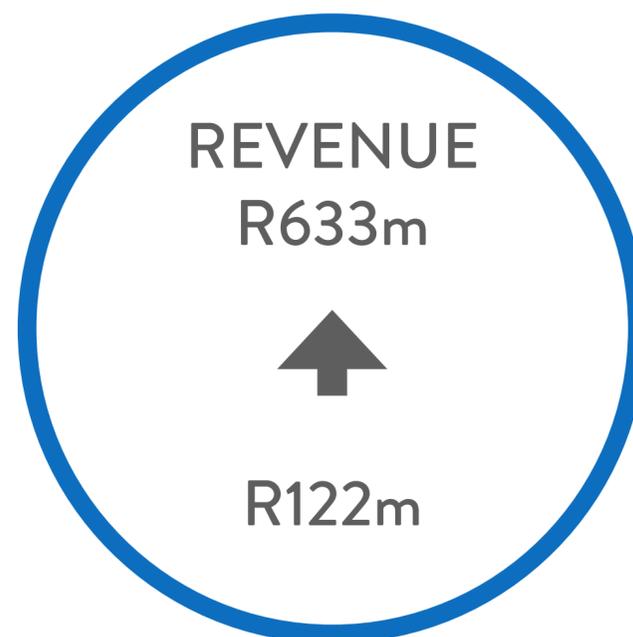
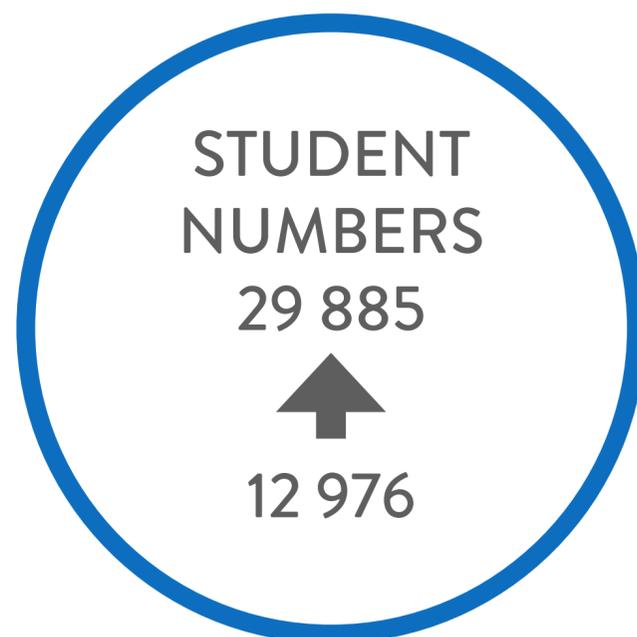
3 institutional research projects: (i) Jobs of the Future; (ii) Social Consciousness, Responsible Citizenship, & 21st Century Skills; (iii) Applying neuroscience to improve study material



A pair of dark-rimmed glasses with clear lenses is positioned diagonally on a dark, textured fabric surface. The glasses are slightly out of focus, with the text overlaid on them. The text is in a bold, white, sans-serif font. The background is a dark, textured fabric, possibly a book cover or a piece of clothing, with a fine, repeating pattern. The lighting is soft, creating subtle shadows and highlights on the fabric and the frames of the glasses.

FINANCIAL INFORMATION

FINANCIAL HIGHLIGHTS FROM DEC 2017 TO DEC 2018



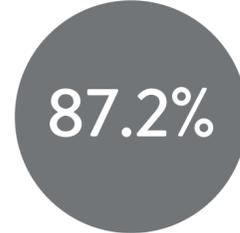
HIGHLIGHTS FOR 2018

- Concluded 4 acquisitions
 - LISOF (100%) – 1 January 2018
 - Milpark (87.2%) – 19 March 2018
 - Business of CA Connect – 12 April 2018
 - Prestige Academy (100%) – 1 November 2018
- Opened 3 new Embury campuses
 - Montana
 - Waterfall
 - Musgrave
- Entered into an agreement to acquire land in Durbanville, Western Cape (subject to conditions)
- Acquired and accredited a further 53 programmes (82 registered programmes, 62 pipeline programmes)
- Achieved international accreditation for Milpark's contact and online MBA programme from UK based Association of MBA's (AMBA)

2018 GROUP ORGANOGRAM



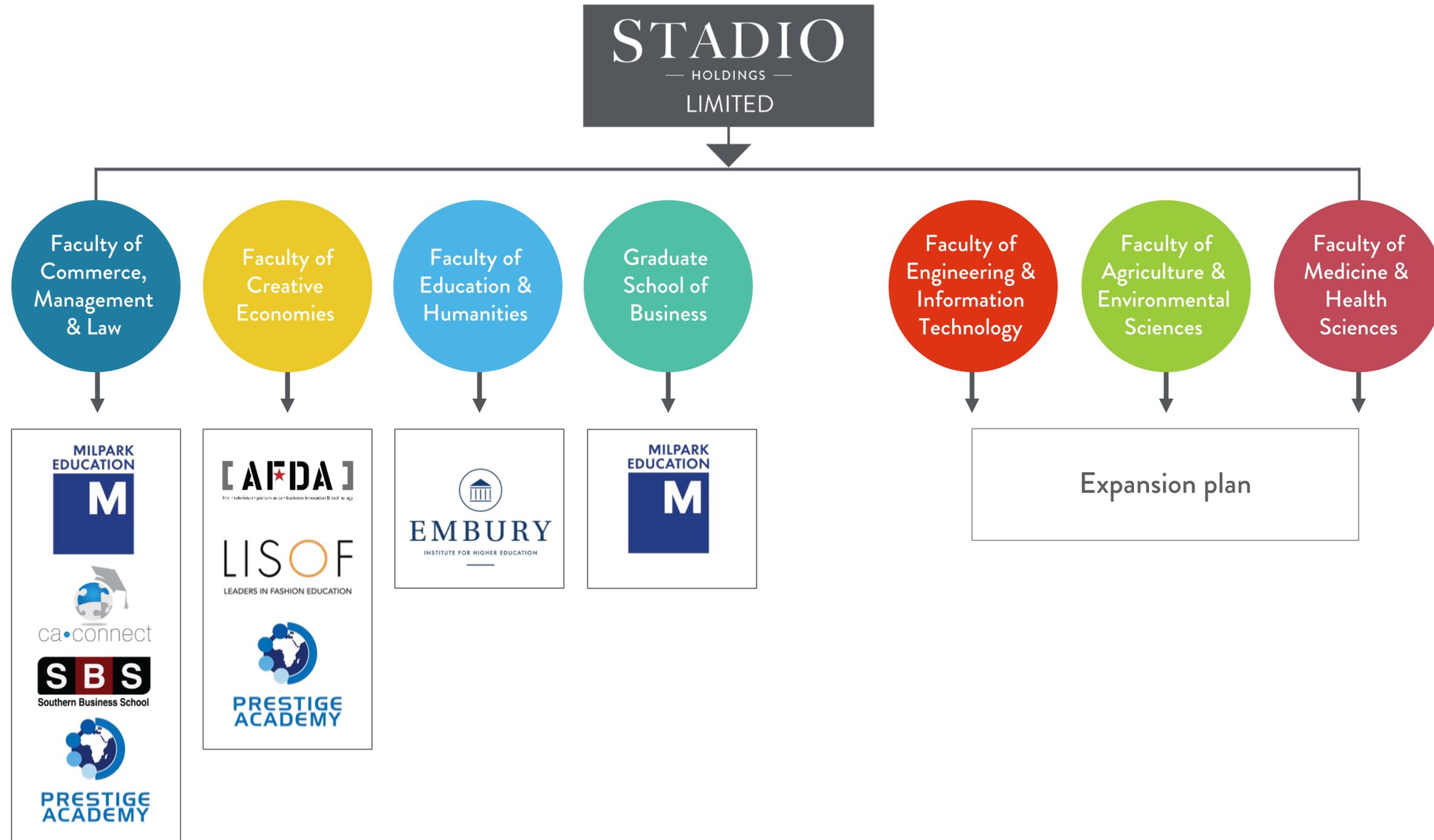
STADIO INVESTMENT HOLDINGS (PTY) LTD



14
CAMPUSES

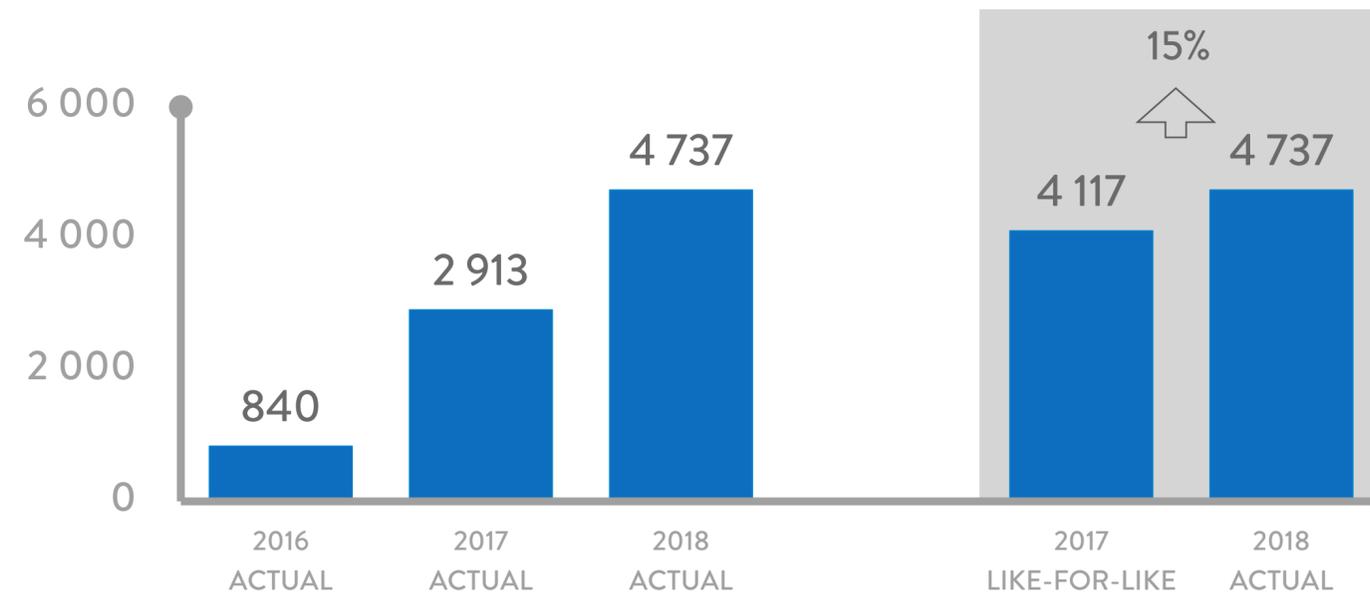
PTA • JHB • CPT • KZN • PE • Windhoek

CREATING A MULTIVERSITY

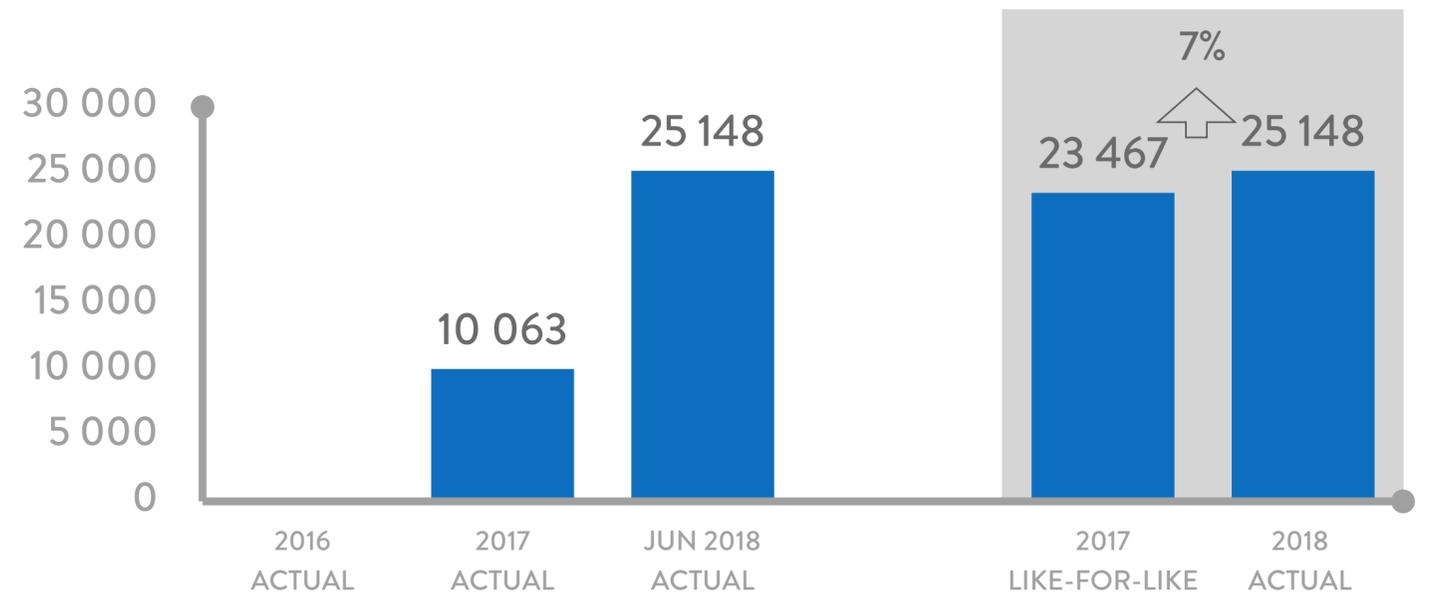


STUDENT NUMBERS

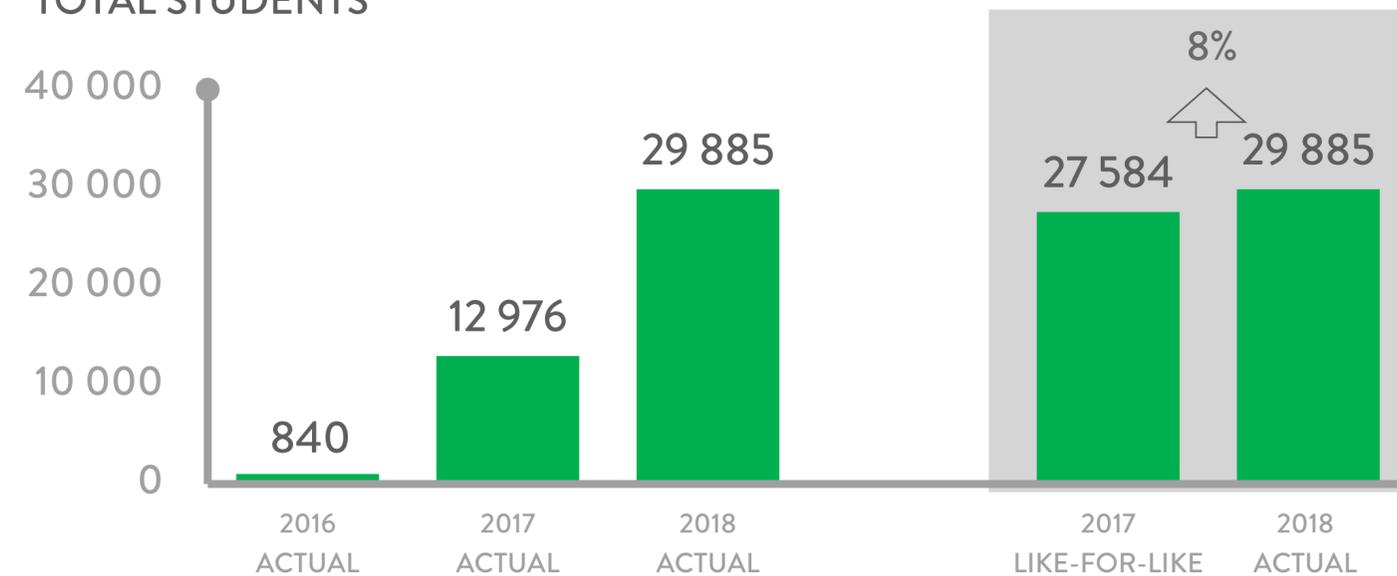
CONTACT LEARNING STUDENTS



DISTANCE LEARNING STUDENTS

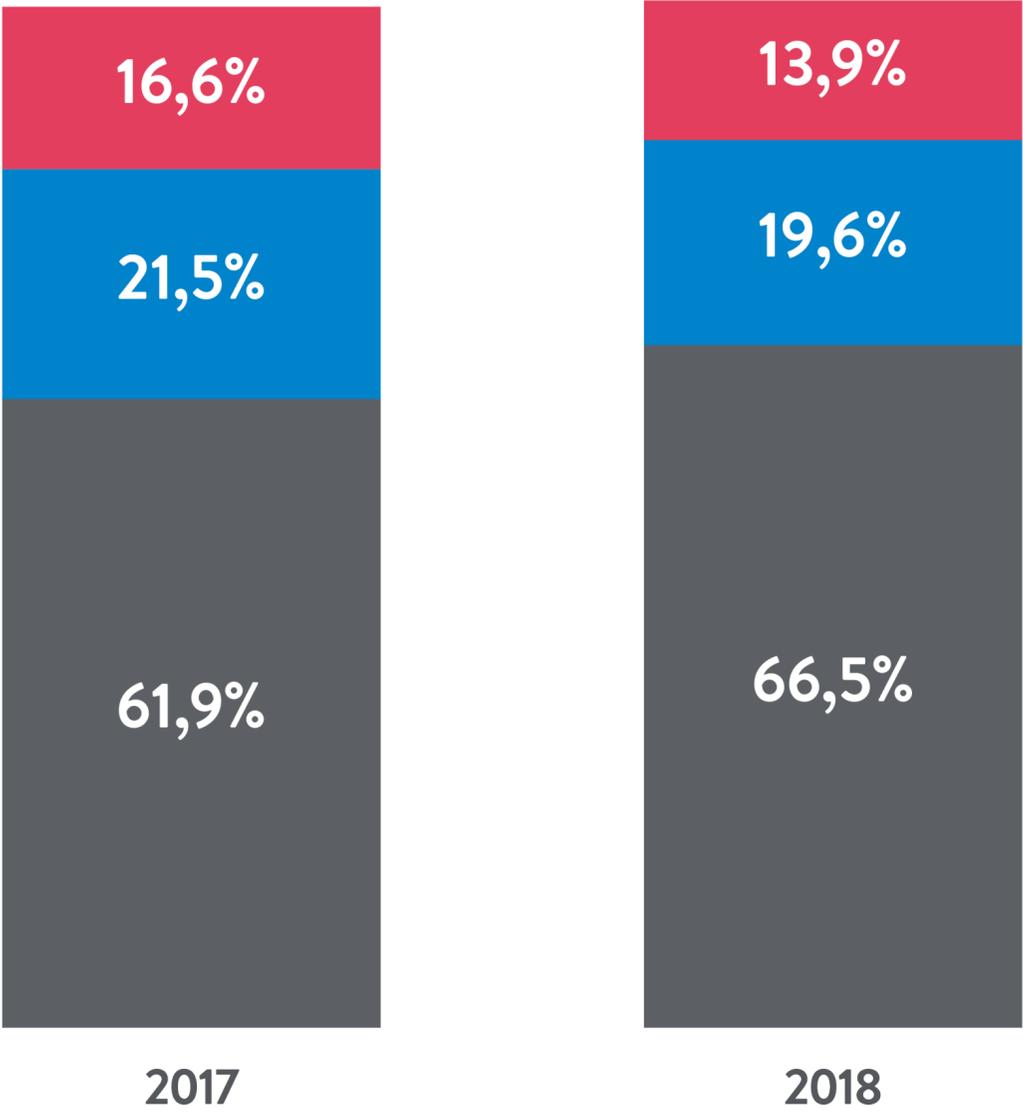


TOTAL STUDENTS



Excluding cyclical B2B, student numbers grew by 16%

STUDENT RETENTION AND GRADUATION RATE

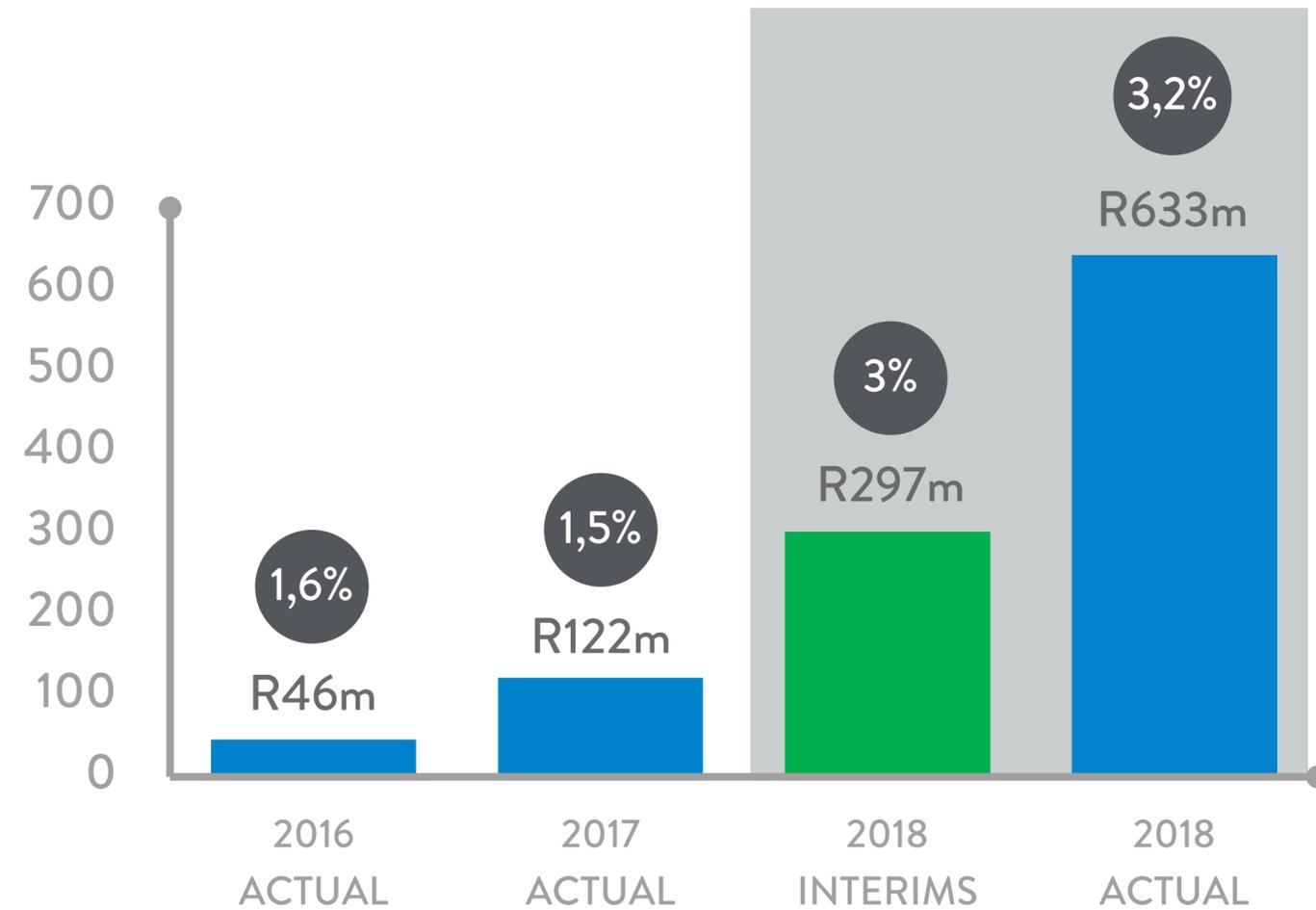


- RETENTION
- GRADUATION RATE *
- DROPOUT RATE

* Represents graduation rates as a % of total students

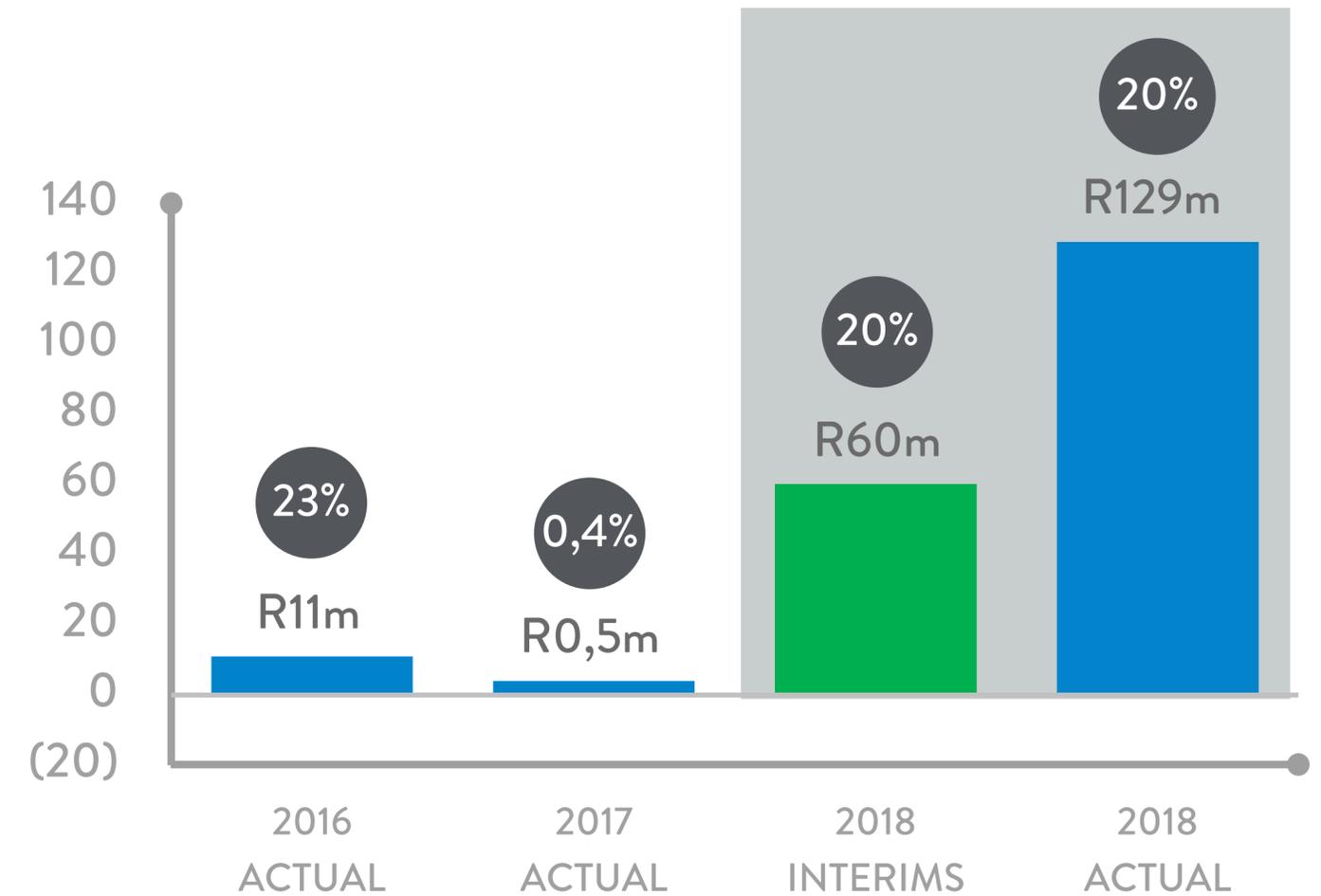
SALIENT FINANCIAL INFORMATION

REVENUE (Rm)



BAD DEBT % ●

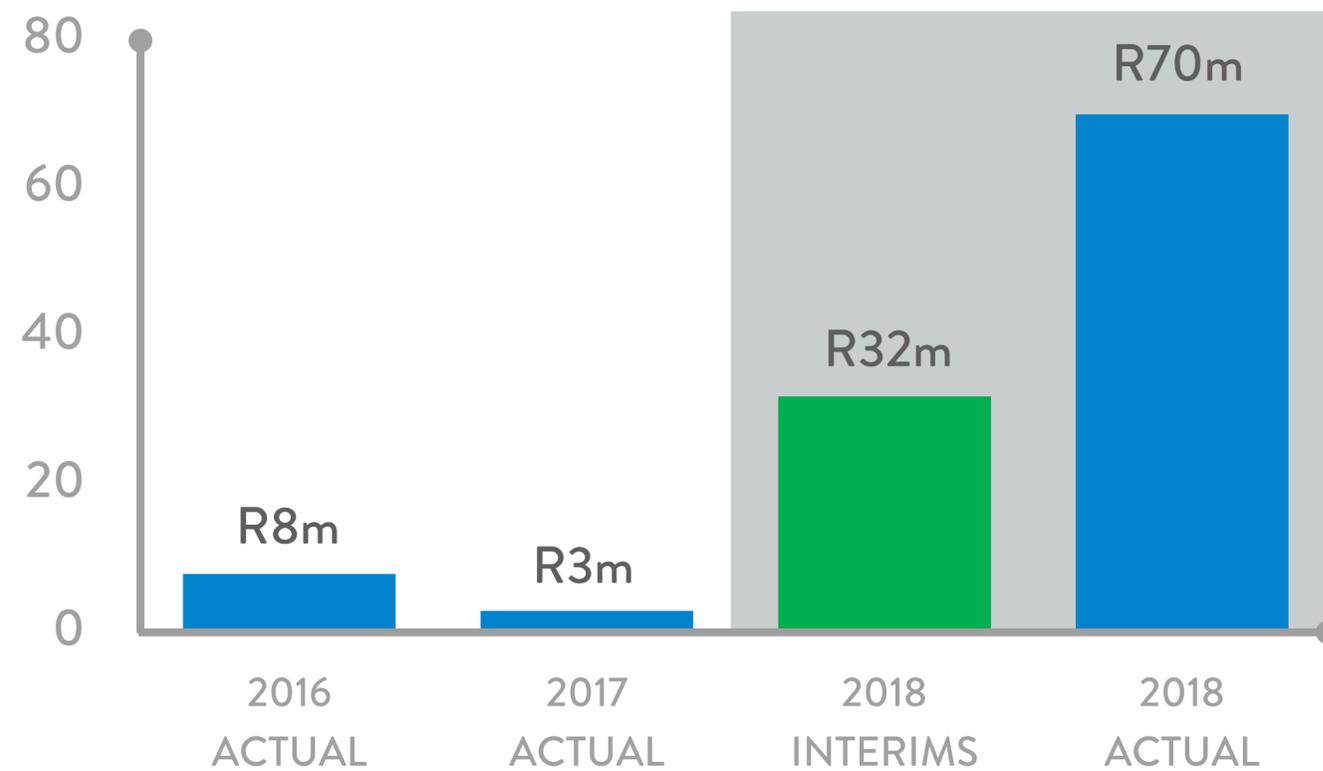
EBITDA (Rm)



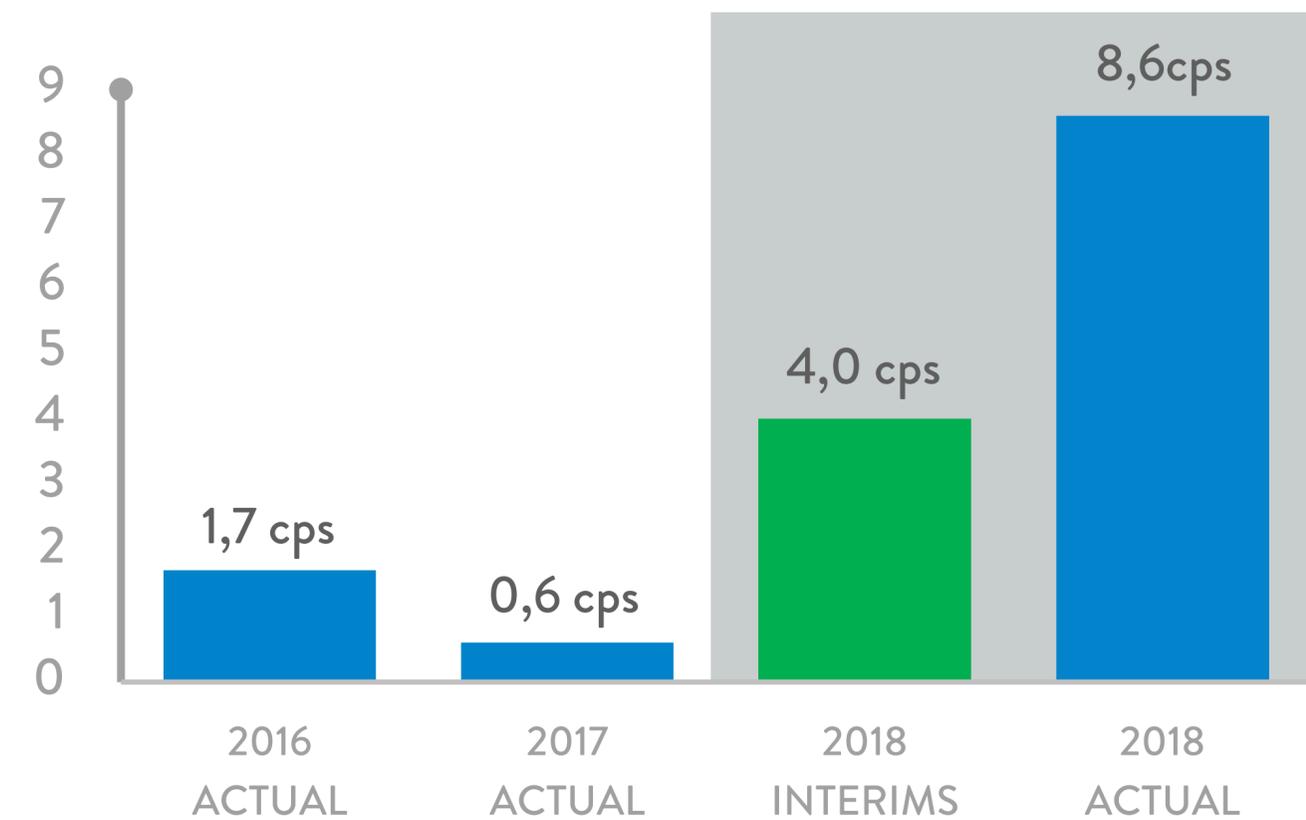
EBITDA MARGIN % ●

SALIENT FINANCIAL INFORMATION (CONTINUED)

CORE HEADLINE EARNINGS (Rm)



CHEPS (CENTS)



STATEMENT OF FINANCIAL POSITION SUMMARY

BALANCE SHEET	31 DECEMBER	
STATEMENT OF FINANCIAL POSITION SUMMARY	2017	2018
	Rm	Rm
Total assets	1 698	1 904
Total equity	1 415	1 697
Attributable to equity holders	1 385	1 650
Non-controlling interests	29	47
Total liabilities	284	207
Borrowings	4	4
Loans from related parties	119	1
Other liabilities	160	202
NAV per shares (cents)	176	202
Gearing ratio	9%	0.3%

CAPITAL INVESTED

CAPITAL INVESTED (Rm)	2016	2017	2018
Acquisitions	-	594	440
Infrastructure development and capital assets	73	272	26
Programme development	12	11	15
Total	85	877	481
Cumulative investment	85	962	1 443



12 976
STUDENTS

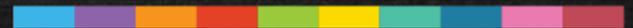
35 000
STUDENTS

56 000
STUDENTS

100 000+
STUDENTS



STADIO MULTIVERSITY



*BHAG

Faculty of
Commerce, Management & Law

Graduate School
of Business

Faculty of
Creative Economies

Faculty of
Education & Humanities

Faculty of
Engineering & Information
Technology

Faculty of
Agriculture & Environmental
Sciences

Faculty of
Medicine & Health Sciences

**TRANSFORMATION,
SOCIAL AND ETHICS'S
FEEDBACK**

OUR PURPOSE

TO EMPOWER THE NATION BY WIDENING ACCESS
TO HIGHER EDUCATION

STADIO is committed to:

- Ensuring graduates are employable and entrepreneurial
- Providing programmes that are relevant to the world of work
- Supporting the aim of the NDP to achieve the goal of 1.6 million students by 2030

STADIO has developed a compulsory **'Signature Module'** on responsible citizenship and social consciousness (including the values of pride in Africa, poverty alleviation, sustainability, entrepreneurship, ethical behaviours and conflict resolution)

A baseline study has been performed across all our institutions to gauge the level of social awareness amongst our students to ascertain if/how our programmes contribute to being good citizens

OUR VISION

TO BE A LEADING MULTIVERSITY, OFFERING
QUALIFICATIONS ALIGNED WITH THE NEEDS OF
SOCIETIES, STUDENTS AND THE WORLD OF WORK.

STADIO focuses on:

- module success rate (i.e. access with success)

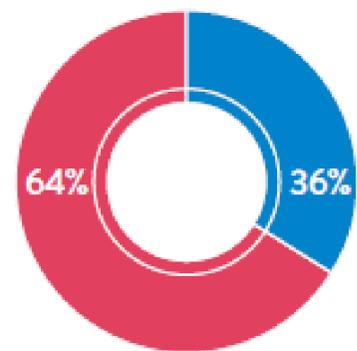
In 2018:

- average module success rate was 77.7%*
- 6 392 students graduated
- student support identified as key focus for 2019 - 2021
- enhancing the use of distance learning, which is more affordable and will increase the breadth of access
- continuing to consider several models of financial support to find the optimal funding solution for students
- A qualification mix from Higher Certificate to Doctorate level

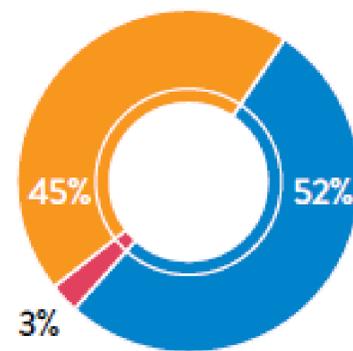
FEEDBACK: TRANSFORMATION, SOCIAL & ETHICS COMMITTEE

- Transformation is part of STADIO's DNA
- The Group is working on its B-BBEE strategy with the aim to be Level 3 over time
- In 2018, total of R7.6 million was spent on bursaries and scholarships, of which R5.3 million was awarded to females, with R3.4 million awarded to Black females
- R3.1 million was spent on staff development in 2018 through training and workshops

DEMOGRAPHIC OF EMPLOYEES

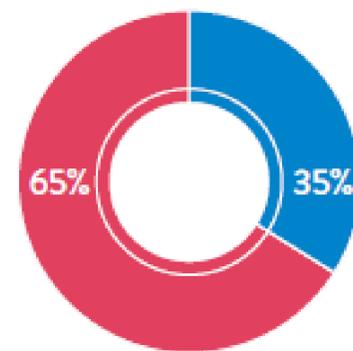


● Female
● Male

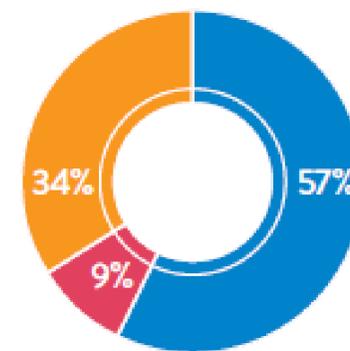


● White
● Other
● Black

DEMOGRAPHIC OF STUDENTS



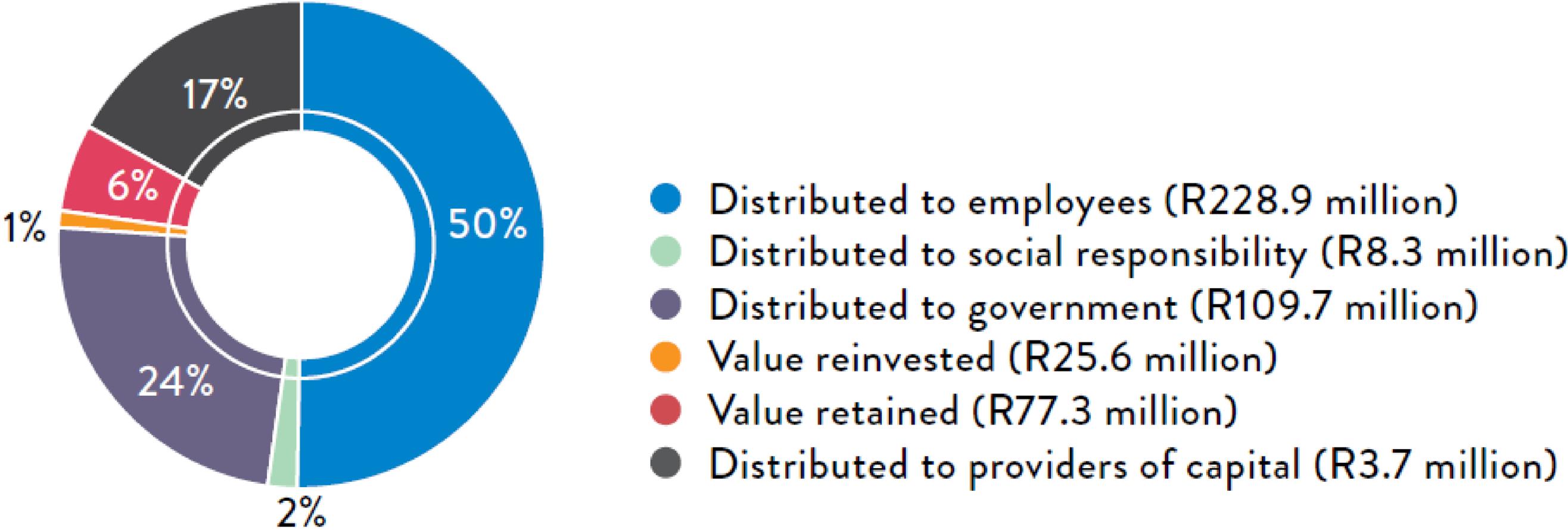
● Female
● Male



● White
● Other
● Black

OUR VALUE-ADDED STATEMENT

Value distribution for the year ended 31 December 2018



COMMUNITY ENGAGEMENT

- In line with best practice, STADIO recognises community engagement
- STADIO has developed a Community Engagement Working group which will focus on building relationships with strategic partners. These NGO's, NPO's and other organisations will become collaborative links with communities and will help to establish long-term sustainable relationships
- STADIO's current projects include, but are not limited to:
 - Social Responsibility and Environmental Management module which focuses on corporate social responsibility and environmental management. Students engage in their projects with real companies and real charity organisations
 - Screen acting workshops provided to community artists
 - Youth offenders taught basic digital video skills by students
 - Rinaldo Road Homework Project whereby a group of students provide weekly support for children with homework and reading
 - Youth sport promotion projects involving a number of student-led initiatives to promote physical education, sport and active lifestyles at schools
 - Donations to various mental handicap associations and to Thembisa Self-help Association of Disabled
 - Have started an Eco-brick campaign, where staff and students are required to make eco-bricks. These bricks are donated to aid the construction of a community building. This project contributes eco-awareness (recycling) and to communities in need

RESOLUTIONS – RESULTS OF VOTING

Q & A



A close-up photograph of two hands, one slightly larger than the other, held together in a gesture of support or gratitude. The hands are positioned palm-up, with fingers slightly curled. The background is a dark, textured surface, possibly a sweater. The lighting is soft, highlighting the skin tones and the texture of the hands.

**THANK YOU
ENKOSI
RE ALEBOGA
DANKIE**

STADIO

— HOLDINGS —

CREATING A MULTIVERSITY

