

STADIO

— HOLDINGS —

2020 Annual General Meeting

1 July 2020

TOWARDS

STADIO



HIGHER EDUCATION

CONSTITUTION OF THE MEETING



There was a quorum present in attendance or by proxy the meeting is a properly constituted annual general meeting of the shareholders of the Company

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

- **5 March 2020:** Annual financial statements for the year ended 31 December 2019 were published
- **1 June 2020:** Distributed the Annual integrated report for the year ended 31 December 2019 to shareholders, including:
 - the audited summary financial statements;
 - the reports of the directors and the audit and risk committee; and
 - the notice of this annual general meeting
- www.stadio.co.za

ORDINARY RESOLUTIONS

- ORDINARY RESOLUTION NO. **1** Confirmation of appointment of Dr CB Vilakazi as an independent non-executive director
- ORDINARY RESOLUTION NO. **2** Confirmation of appointment of Dr TB Brown as an independent non-executive director
- ORDINARY RESOLUTION NO. **3** Confirmation of appointment of Dr CR van der Merwe as a non-executive director
- ORDINARY RESOLUTION NO. **4** Confirmation of appointment of Mr CPD Vorster as an executive director

ORDINARY RESOLUTIONS

- ORDINARY RESOLUTION NO. **5** To re-elect Mr DM Ramaphosa as an independent non-executive director
- ORDINARY RESOLUTION NO. **6** To re-elect Ms M Mokoka as an independent non-executive director
- ORDINARY RESOLUTION NO. **7** To re-elect Mr PN de Waal as a non-executive director
- ORDINARY RESOLUTION NO. **8** To re-appoint Ms M Mokoka as a member and chairperson of the Audit and Risk Committee of the Company

ORDINARY RESOLUTIONS

- ORDINARY RESOLUTION NO. **9** To re-appoint Dr CB Vilakazi as a member of the Audit and Risk Committee of the Company
- ORDINARY RESOLUTION NO. **10** To re-appoint Dr TH Brown as a member of the Audit and Risk Committee of the Company
- ORDINARY RESOLUTION NO. **11** To re-appoint PricewaterhouseCoopers Inc. as the auditor
- ORDINARY RESOLUTION NO. **12** General authority to issue ordinary shares for cash

ORDINARY RESOLUTIONS

- ORDINARY RESOLUTION NO. **13** Non-binding endorsement of STADIO Holdings' Remuneration Policy
- ORDINARY RESOLUTION NO. **14** Non-binding endorsement of STADIO Holdings' Implementation Report on the Remuneration Policy
- ORDINARY RESOLUTION NO. **15** Amendments to the Share Trust Deed

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.  General authority to provide inter-company financial assistance

SPECIAL RESOLUTION NO.  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.  General authority to repurchase shares by the Company or its subsidiaries

CEO'S FEEDBACK

Mr Chris Vorster



OUR PURPOSE:

To empower
the nation by
widening access to
Higher Education

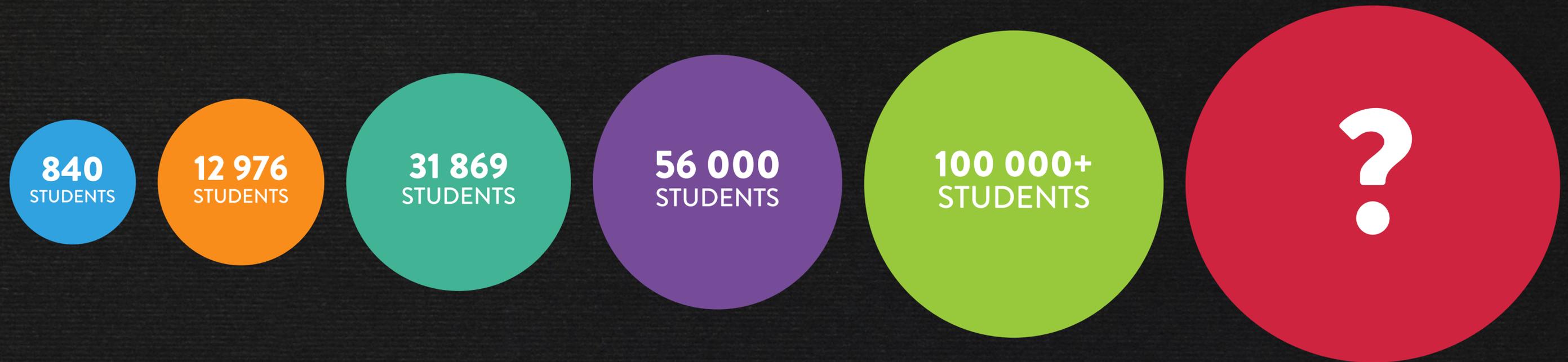
OUR VISION:

To be a leading Higher
Education Institution,
offering qualifications
aligned with the needs of
societies, students and
the world of work

WHERE ARE
WE GOING?



STADIO



JAN 2017 → 3 OCT 2017 → 31 DEC 2019 → PAT of R500m 2026 →





POSITIONING

- Acquisition of quality brands
- Implement a fitting organisational structure at macro-level

CONSOLIDATION

- Registration of single higher education institution, STADIO
- Migration of underlying brands into ONE BRAND
- Launch of STADIO
- Building systems, processes, policies
- Developing the 'STADIO Way'
- Optimisation of current campuses
- Investment into DL infrastructure
- Construction of STADIO Centurion, the Group's first multi-faculty campus

GROWTH

- Multi-faculty campuses open
- Expansion of programme offerings through mode and streams
- Continue 'getting fit' for 56 000 students by 2026, 100 000 + students over time

A close-up photograph of several hands of different ethnicities and ages stacked together in a circle. The hands are positioned in a way that suggests a team huddle or a gesture of unity. The lighting is soft and focused on the hands, with a blurred background. The text 'HOW WILL WE ACHIEVE THIS?' is overlaid in the center in a bold, white, sans-serif font.

**HOW WILL WE
ACHIEVE THIS?**



BUSINESS MIGRATION

BUSINESS MIGRATION

- DECEMBER 2019: Embury renamed STADIO and trades as STADIO School of Education
- 7 MAY 2020: Higher Education Quality Committee (HEQC) approved the Business Migration process
- DURING 2020: LISOF, Prestige Academy, Southern Business School migrate into STADIO
- Trademark impairment is triggered
- Milpark and AFDA continue to operate independently, for now



A large billboard advertisement for STADIO. The billboard features a woman with glasses and a floral top. The text on the billboard reads: "A BRAND NEW INSTITUTION WITH OVER 100 YEARS OF EXPERIENCE" and "STADIO A NEW VISION IN HIGHER EDUCATION".

A **BRAND NEW**
INSTITUTION WITH
OVER **100 YEARS**
OF EXPERIENCE

STADIO
A NEW VISION IN
HIGHER EDUCATION



MARKETING TO DATE:

- Student Roadshows and Expos (via Association Branding)
- Engagement with current Students & Alumni
- Regulatory limitations around marketing prior to successful business migration



FOLLOWING SUCCESSFUL BUSINESS MIGRATION:

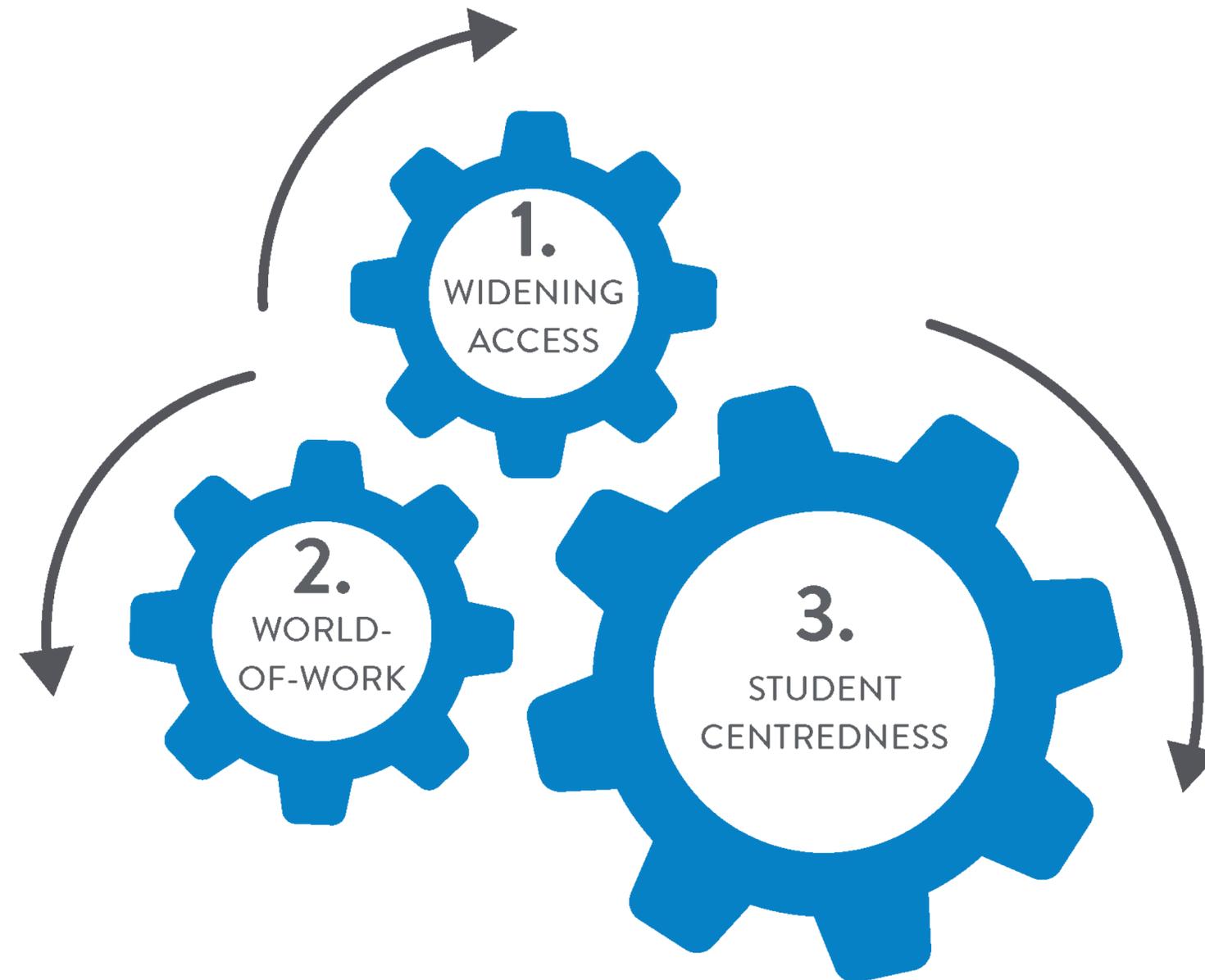
- National Launch Campaign (Digital Media and Radio)
- New STADIO brand established
- STADIO brand is positioned as a Quality HEI which is “WWS”:
 - *Widening access to students through its affordable range of programmes*
 - *Aligned with world of work and industry*
 - *Student centredness*
- National STADIO presence



A woman with voluminous, dark curly hair is looking directly at the camera. She is wearing round, gold-rimmed glasses with a light brown tint. Her hands are raised to the sides of her face, holding the temples of her glasses. She is wearing a light green, short-sleeved collared shirt. The background is a solid, textured teal color.

KEY FOCUS AREAS

KEY FOCUS AREAS – ‘WWS’

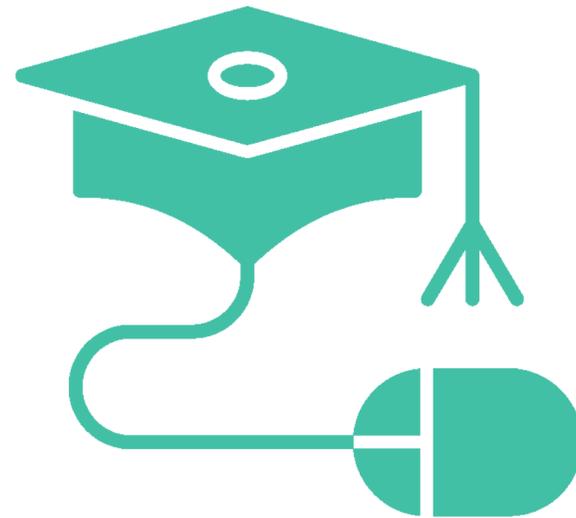


INVESTMENT & MATERIAL EXPANSION OF DISTANCE LEARNING INFRASTRUCTURE

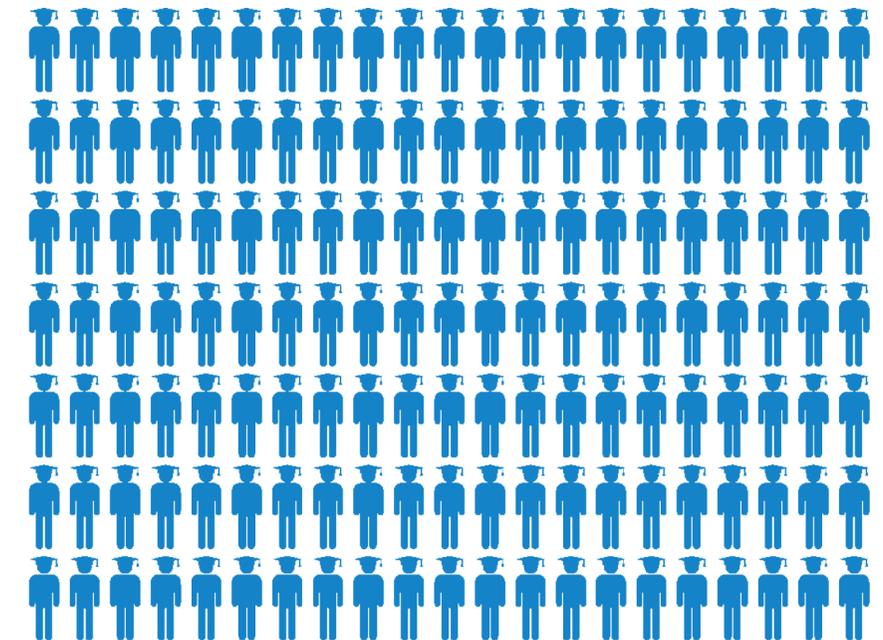


ALL CURRENT
PROGRAMME OFFERINGS

MOVING
DIGITAL



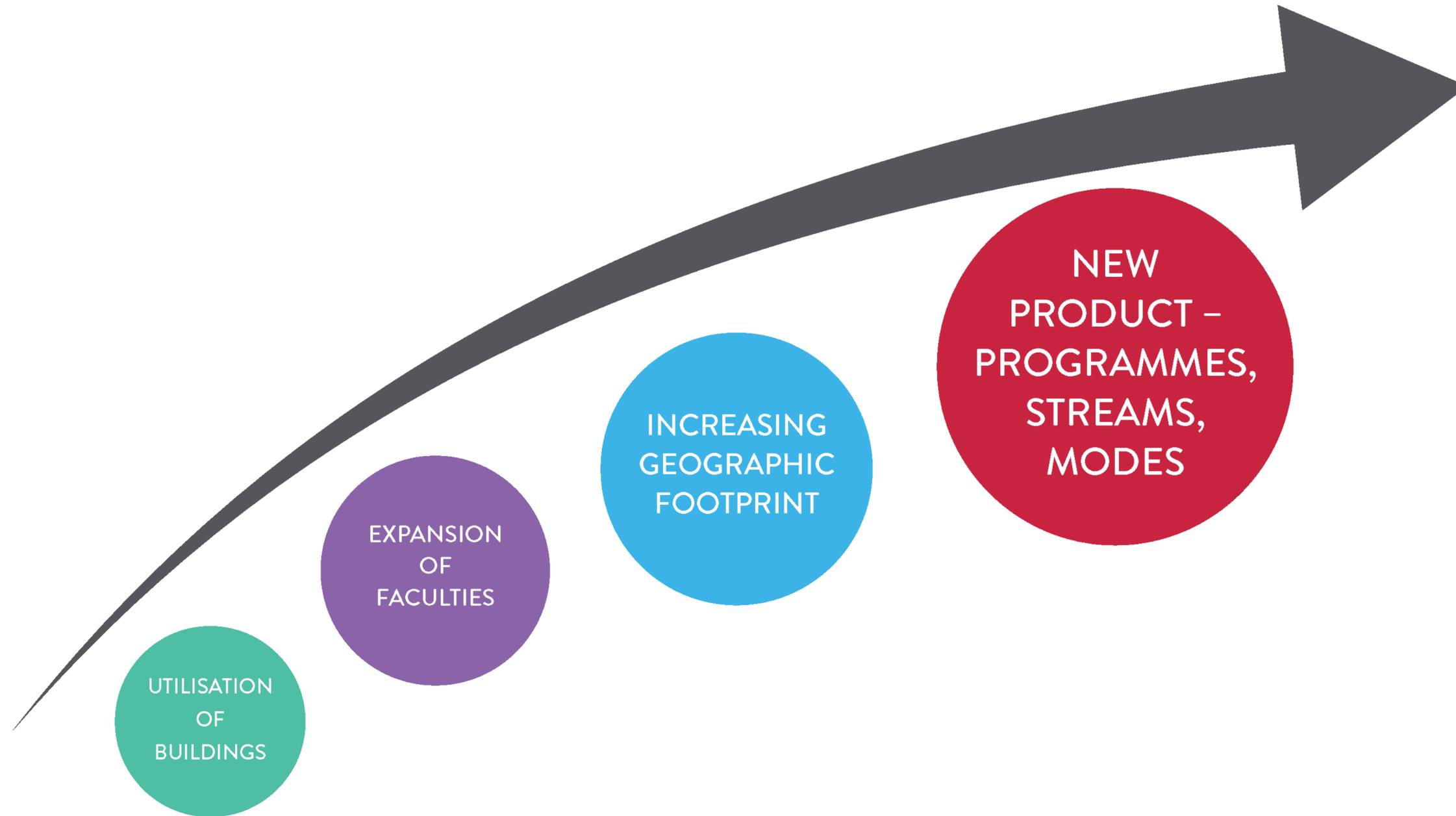
VIRTUAL LEARNING
ENVIRONMENT (DL & CL)



GROWTH OPPORTUNITIES



GROWTH OPPORTUNITIES



COVID-19



COVID-19 STRATEGY

- 
-  **The Health and Safety of our staff and students:**
We always place our staff and students at the centre of our decision making.

 -  **The continuation of the academic project:**
From the time the lockdown was announced, our academic teams from all our brands took initiative and implemented plans to ensure that all our students complete their 2020 academic year.

 -  **The protection of financial resources as well as stakeholders' interests:**
Some of the sacrifices we have had to make thus far include:
 - To freeze all uncommitted capital expenditures.
 - To freeze all new uncommitted staff appointments.
 - To reduce variable expenditures as far as possible.
 - To conserve the cash in our business.
 - Limited gearing

STUDENT NUMBER UPDATE (SEMESTER 1)

STUDENT NUMBERS	SEMESTER 1 ENROLMENTS				
MODES OF LEARNING DELIVERY	30 JUN 17	30 JUN 18	30 JUN 19	31 MAY 20	2020 GROWTH
On campus	4 755	5 402	6 081	6 263	3%
Distance learning	18 997	20 932	22 199	24 784	12%
TOTAL	23 752	26 334	28 280	31 047	10%
MADE UP AS FOLLOWS					
% On campus	20%	21%	20%	20%	
% Distance learning	80%	79%	80%	80%	

GREENFIELD DEVELOPMENTS UPDATE



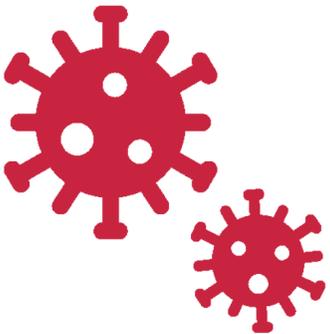
STADIO CENTURION:

- Construction has been paused



WHY:

- COVID-19 (effect of lockdown) (financial uncertainty)
- Regulatory hurdles (OHS certificate)
- Reduced marketing time



IMPACT:

- Opening of STADIO Centurion delayed to Jan 2022
- Better utilisation of current campuses: becoming multi-faculty campuses
- Expanding DL offering



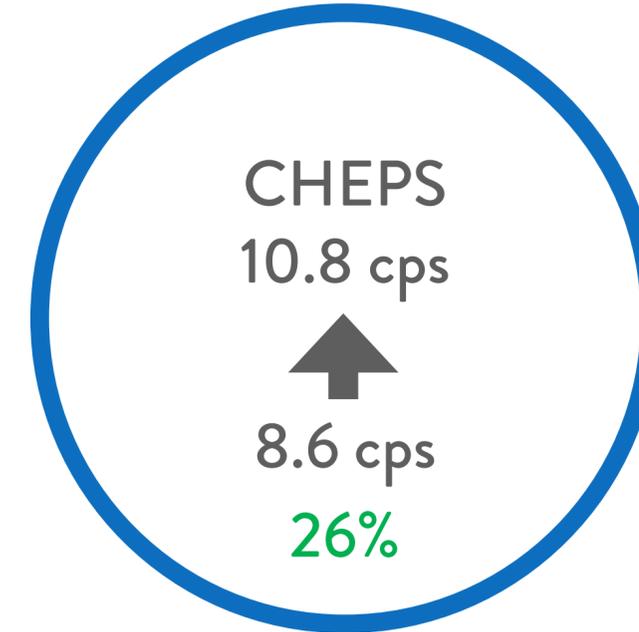
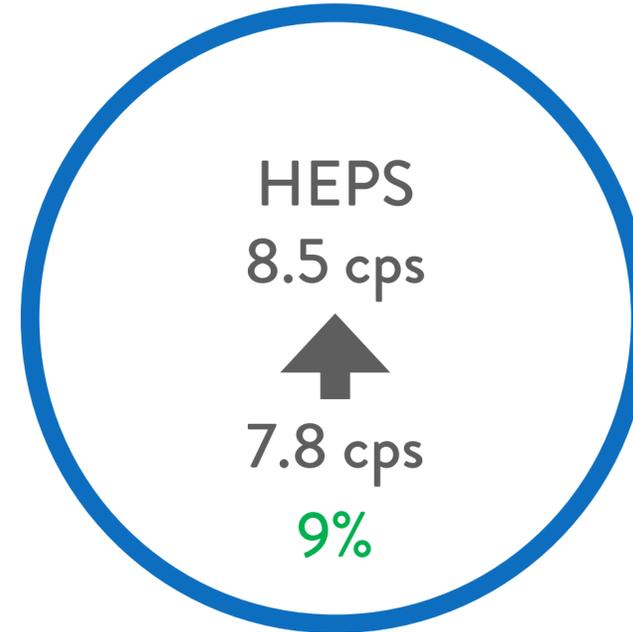
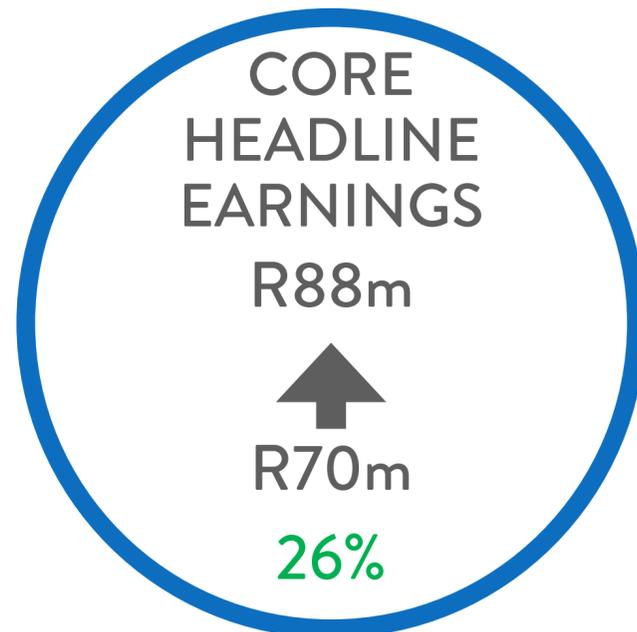
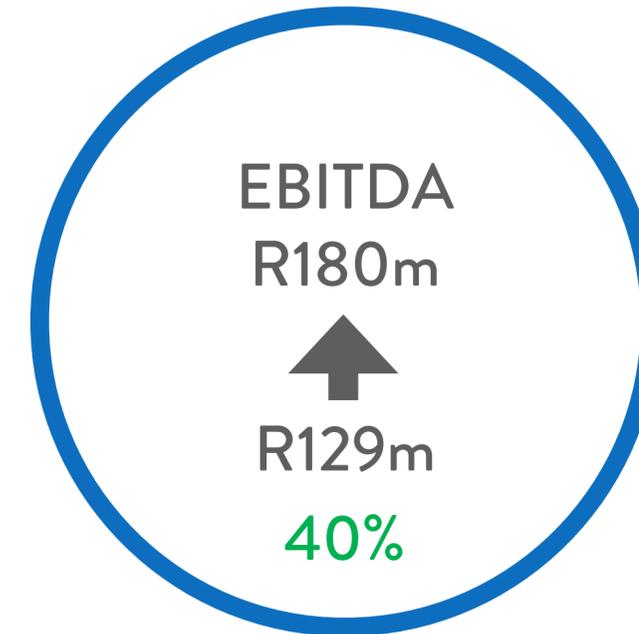
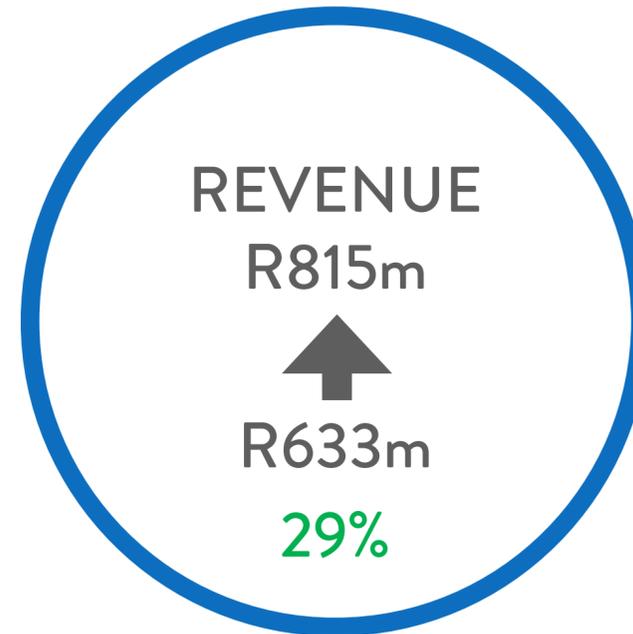
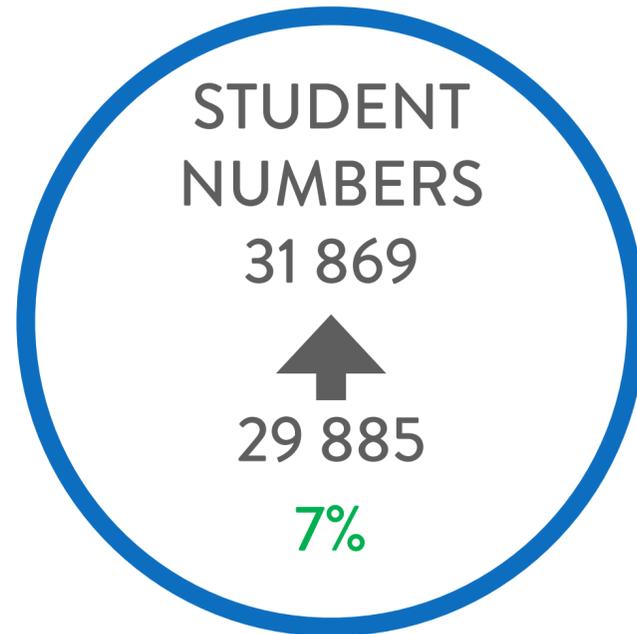
A large, empty auditorium with rows of wooden seats. The seats are arranged in a grid pattern, receding into the distance. The lighting is warm and soft, creating a sense of depth and perspective. The text "2019 ACADEMIC PROJECT" is overlaid in the center of the image in a white, sans-serif font.

2019
ACADEMIC PROJECT

2019 ACADEMIC PROJECT

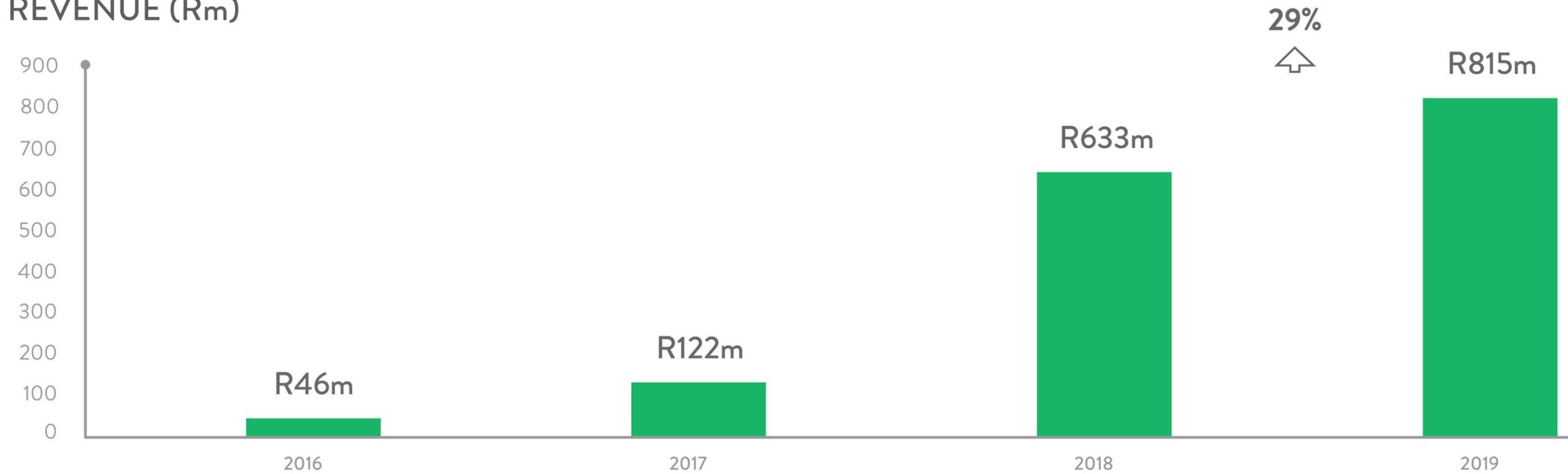
- 
- ACADEMIC PERFORMANCE: 7 294 graduates; 81% average module success rate
 - INTERNATIONALISATION: 34 active international partnerships and collaboration agreements
 - STAFF QUALIFICATIONS: 280 staff with Masters/Doctorate qualifications; 73 in progress
 - STAFF RESEARCH: 113 research outputs, including accredited journal articles and conference papers
 - ACADEMIC CONFERENCE: Teaching and Support for Student Success: Education 4.0

FINANCIAL HIGHLIGHTS FROM 2018 TO 2019

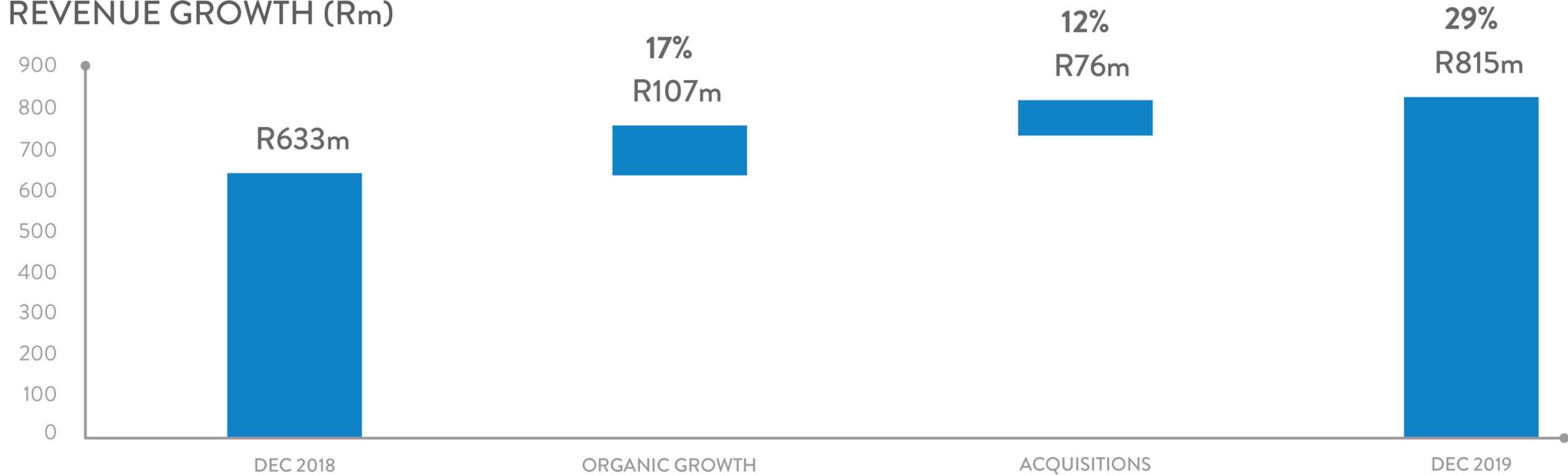


REVENUE

REVENUE (Rm)

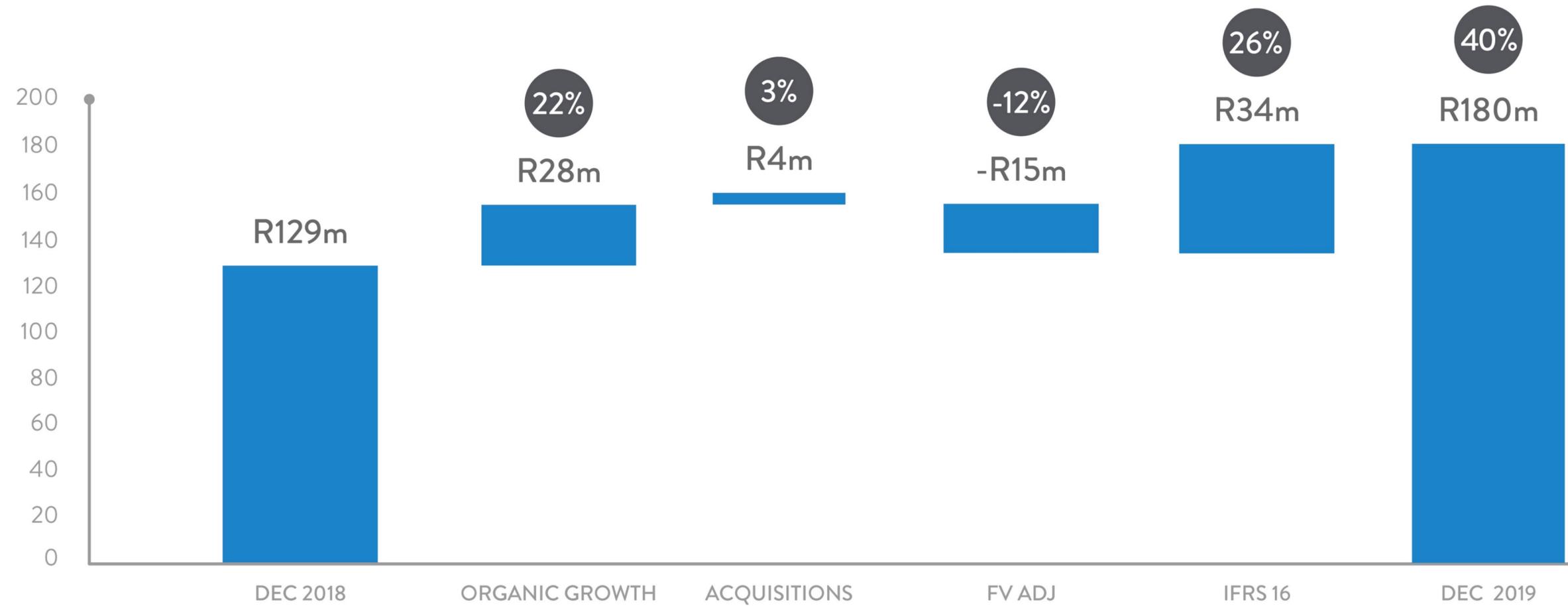


REVENUE GROWTH (Rm)



EBITDA GROWTH

EBITDA GROWTH (Rm)



STATEMENT OF FINANCIAL POSITION

STATEMENT OF CONSOLIDATED FINANCIAL POSITION				
	DEC 2018		DEC 2019	
	Rm		Rm	
Total assets	1 904		2 067	
Right of use asset	-		92	
Other assets	1 904		1 975	
Total equity	1 697		1 583	
Attributable to equity holders	1 650		1 571	
Non-controlling interests	47		12	
Total liabilities	207		483	
Borrowings & loans from related parties	5		65	
Lease liabilities	-		169	
Income received in advance	86		90	
Other liabilities	115		159	
Number of shares in issue (m)	818		818	
NAV per share (cents)	202		192	
Gearing ratio	0%		15%	
Gearing ratio (excluding IFRS 16:Lease liability)	0%		4%	

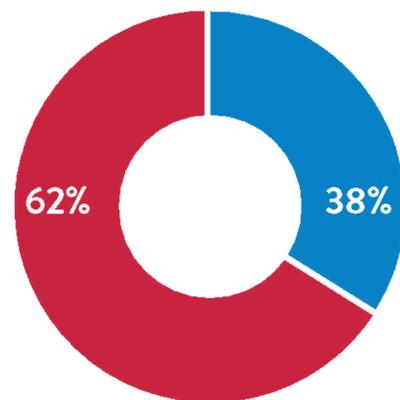
- Impacted by IFRS 16
- Raised R200m RCF
- Drawn down R65m
- Debt capacity up to 2.5 x EBITDA
- Gearing ratio 15% (4% excluding IFRS 16 lease liability)

**TRANSFORMATION,
SOCIAL & ETHICS
FEEDBACK**

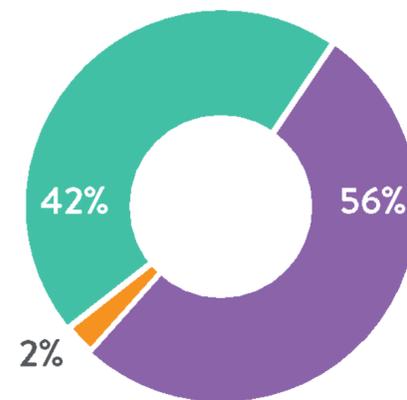
SUSTAINABLE VALUE CREATION FOR STAKEHOLDERS

- 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 2019, total of **R10.6 million** was spent on bursaries and scholarships, of which **R7.3 million** was awarded to **females**, with **R4.6 million** awarded to **Black females**
- **R4.0 million** was spent on staff development in 2019 through training and workshops

DEMOGRAPHIC OF EMPLOYEES

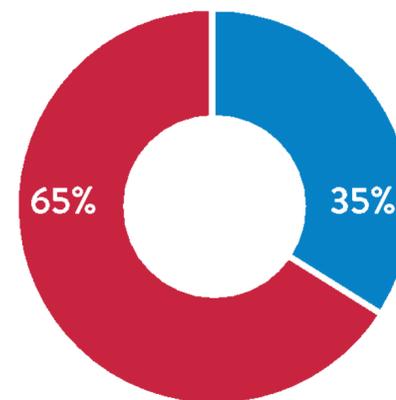


● FEMALE
● MALE

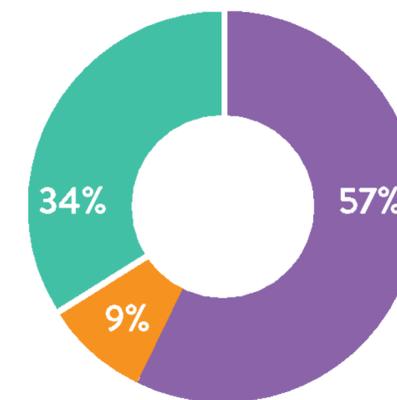


● WHITE
● BLACK
● OTHER

DEMOGRAPHIC OF STUDENTS



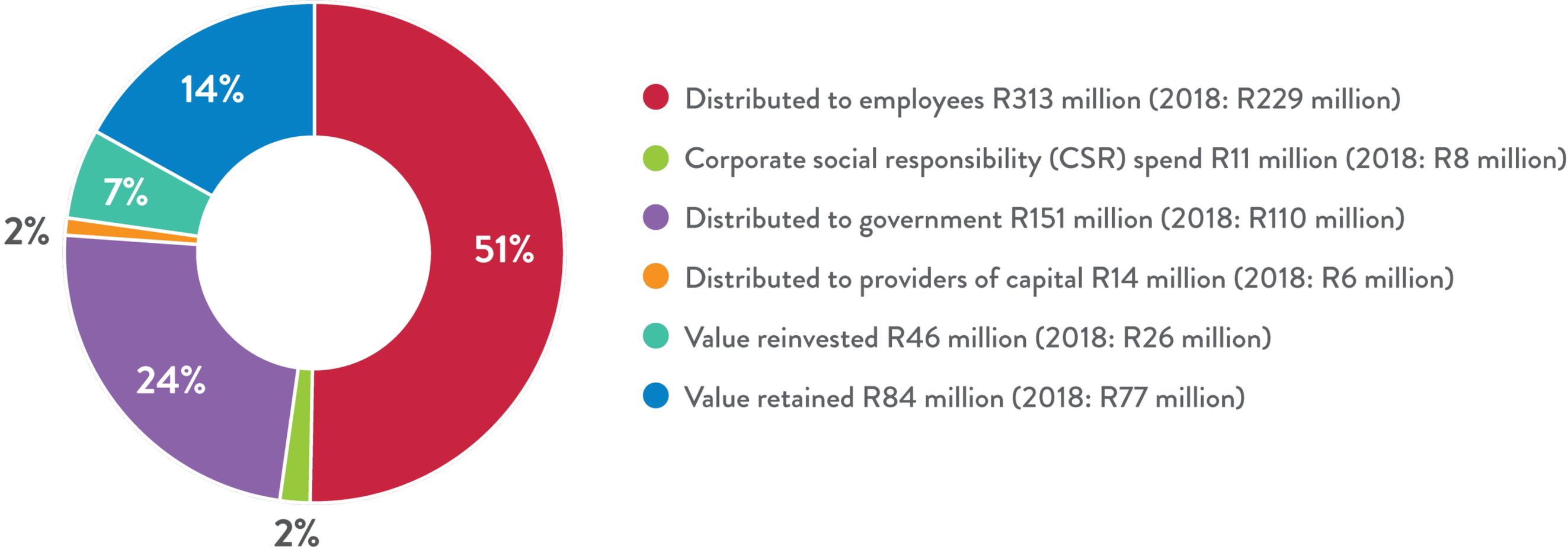
● FEMALE
● MALE



● WHITE
● BLACK
● OTHER

OUR VALUE-ADDED STATEMENT

VALUE DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2019



A large wall of recycled plastic bottles, mostly with blue caps, is the background. The bottles are arranged in a grid pattern. The text "COMMUNITY ENGAGEMENT" is overlaid in the center in a bold, white, sans-serif font. The background is slightly blurred, and the text is sharp. The overall image conveys a message of environmental responsibility and community involvement.

COMMUNITY ENGAGEMENT

FOCUSING ON INTERACTION BETWEEN CORPORATE SOCIAL RESPONSIBILITY, WORK INTEGRATED LEARNING AND COMMUNITY ENGAGEMENT



- The **'ZAZI Project'** Module on responsible citizenship
- Academic workshops & entrepreneurial training (including focus on township economy and SME growth)
- **Collaboration with local libraries** to promote and support importance of reading to children, including special needs children
- **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, old age homes, orphanages, youth programmes and community development programmes
- **ECOBRICKS Projects** where staff and students create ECOBRICKS to build a classroom for a previously disadvantaged school encouraging eco-awareness (recycling) and contributing to communities in need

A group of graduates in silhouette are celebrating on a hill at sunset. They are throwing their caps into the air, and the caps are seen flying through the sky. The text 'Q&A' is centered in the upper half of the image.

Q&A

OUR PURPOSE: To empower the nation by widening access to higher education

RESOLUTIONS – RESULTS OF VOTING

RESULTS



Refer to SENS announcement noting the AGM results

THANK YOU
ENKOSI
RE ALEBOGA
DANKIE

STADIO



TOWARDS

STADIO

