

STADIO

— HOLDINGS —

2018 Annual Results Presentation
4 & 5 March 2019

TOWARDS

STADIO MULTIVERSITY





**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

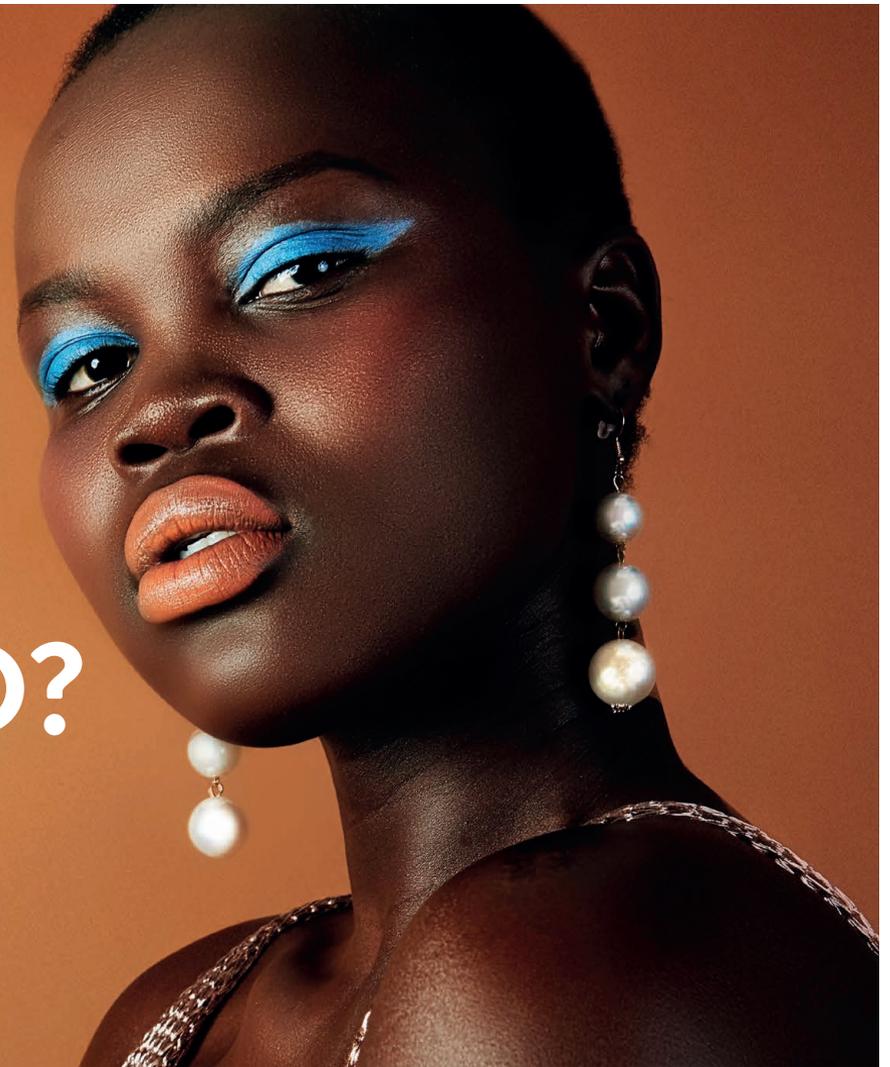
WHAT ARE WE BUSY WITH?



PREPARING FOR AGGRESSIVE EXPANSION

- ▶ Implement **Unit 4** - Reconfiguration, Testing & Training
- ▶ Continue **accrediting** additional qualifications
- ▶ Prepare **building** plans / site development plans
- ▶ Analyse **Gauteng** and **KwaZulu-Natal** for opportunities
- ▶ 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 first year enrolments at public universities 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**



**WE ARE COMMITTED TO
WIDENING ACCESS BY GIVING
QUALIFYING GRADE 12s
(AND WORKING ADULTS)
AN OPPORTUNITY TO
OBTAIN A DEGREE**

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



Faculty of
Commerce, Management & Law

Graduate School
of Business

Faculty of
Creative Economies

Faculty of
Education & Humanities

Faculty of
Engineering & Information
Technology

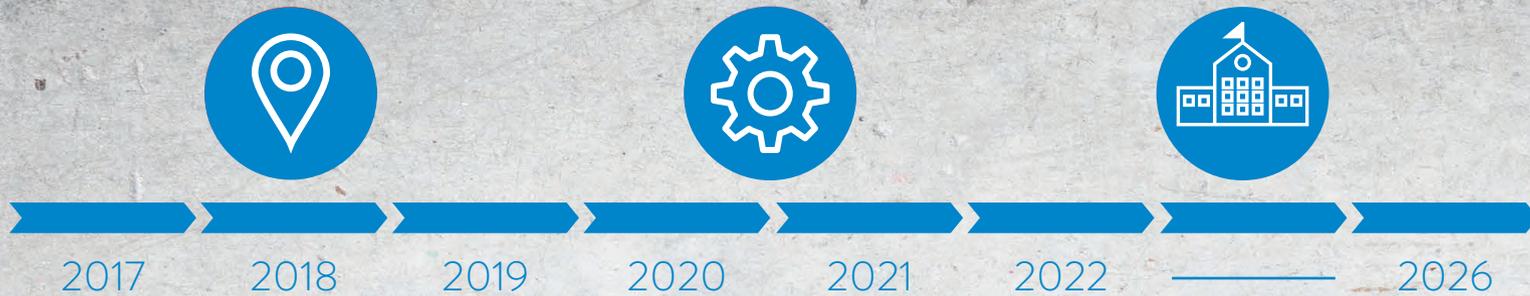
Faculty of
Agriculture & Environmental
Sciences

***BHAG**

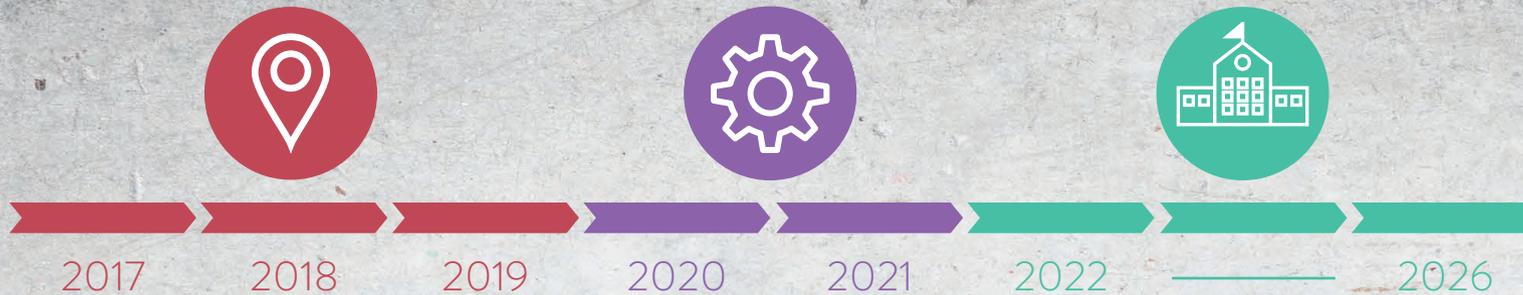
Faculty of
Medicine & Health Sciences



NAVIGATING THE J-CURVE



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

DEVELOPMENT OF GREENFIELDS

- Might only be one in Western Cape
- Might be that we first do one in Gauteng
- Might be that we start Gauteng campus very soon after Western Cape, or vice versa
- However, growth of 9% is NOT dependant on the comprehensive campuses

3 COMPREHENSIVE CAMPUSES

- Western Cape
- Gauteng
- KwaZulu-Natal

14 CURRENT SITES

**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



ACADEMIC PERFORMANCE

QUALITY ASSURANCE & ACADEMIC GOVERNANCE

STAFF QUALIFICATIONS

2018 ACADEMIC PROJECT

STAFF RESEARCH



INTERNATIONALISATION



ACADEMIC CONFERENCE



ORGANISATIONAL RESEARCH

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

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'

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



FINANCIAL HIGHLIGHTS FROM DEC 2017 TO DEC 2018

STUDENT
NUMBERS

29 885



12 976

REVENUE

R633m



R122m

EBITDA

R129m



R0,5m

CORE
HEADLINE
EARNINGS

R70m



R3,2m

HEPS

7,8 cps



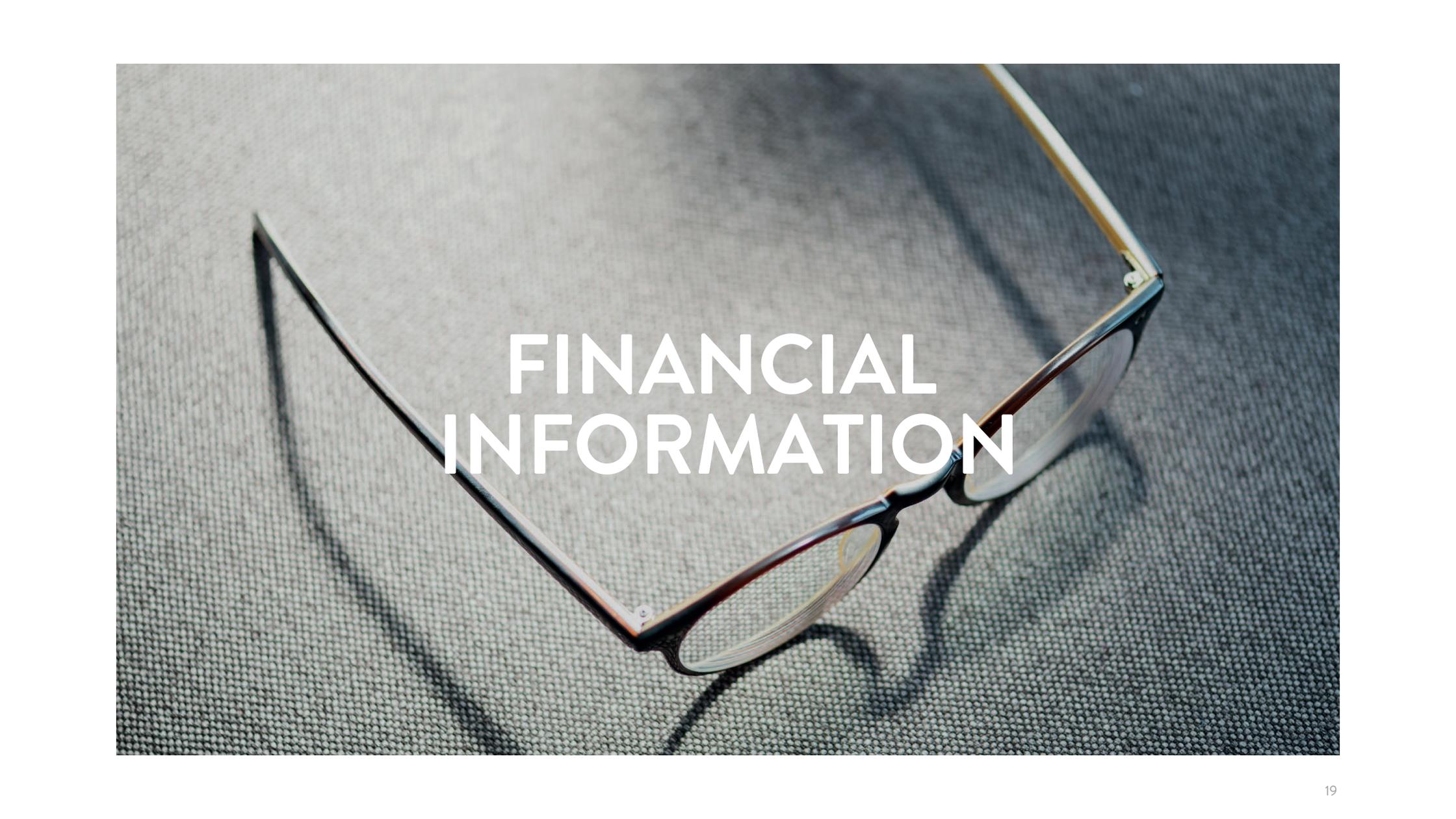
1,2 cps

CHEPS

8,6 cps



0,6 cps

A pair of dark-rimmed glasses with clear lenses is positioned diagonally on a grey, textured fabric surface. The glasses are open, with the temples extending towards the top corners. The text "FINANCIAL INFORMATION" is centered over the image in a white, bold, sans-serif font. The lighting creates soft shadows on the fabric.

FINANCIAL INFORMATION

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 (81 registered programmes, 64 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
— HOLDINGS —
LIMITED



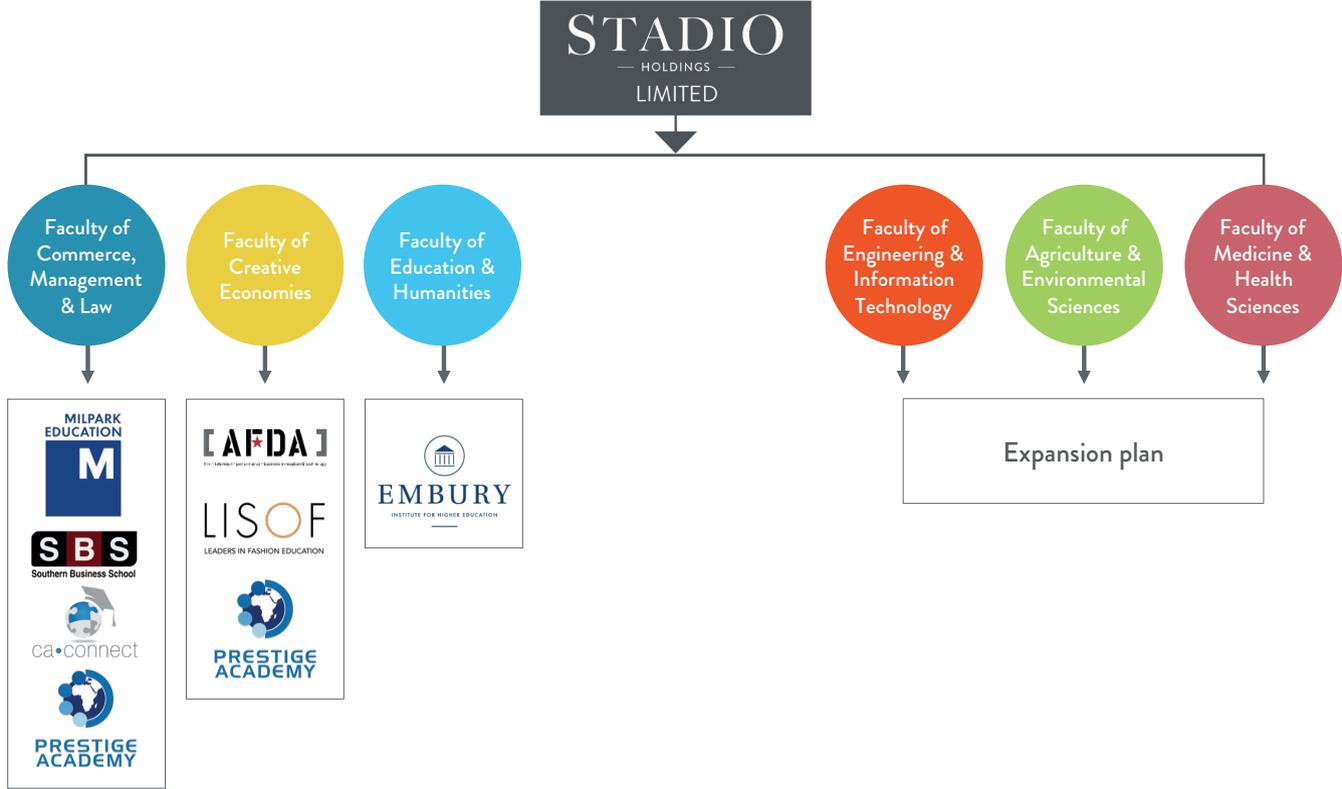
STADIO INVESTMENT HOLDINGS (PTY) LTD



14
CAMPUSES

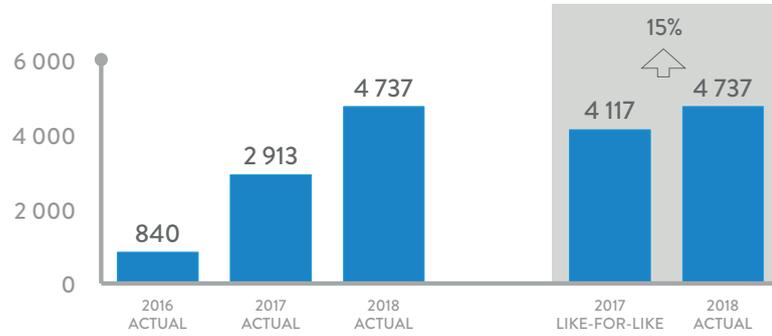
PTA • JHB • CPT • KZN • PE • Windhoek

CREATING A MULTIVERSITY

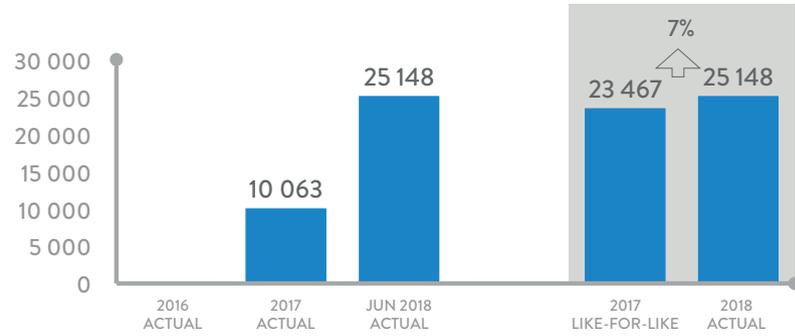


STUDENT NUMBERS

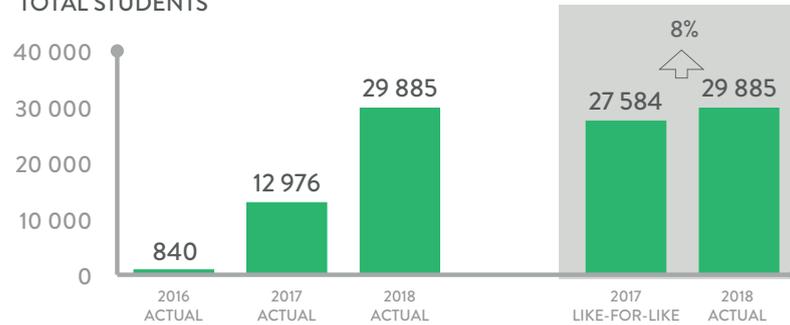
CONTACT LEARNING STUDENTS



DISTANCE LEARNING STUDENTS



TOTAL STUDENTS

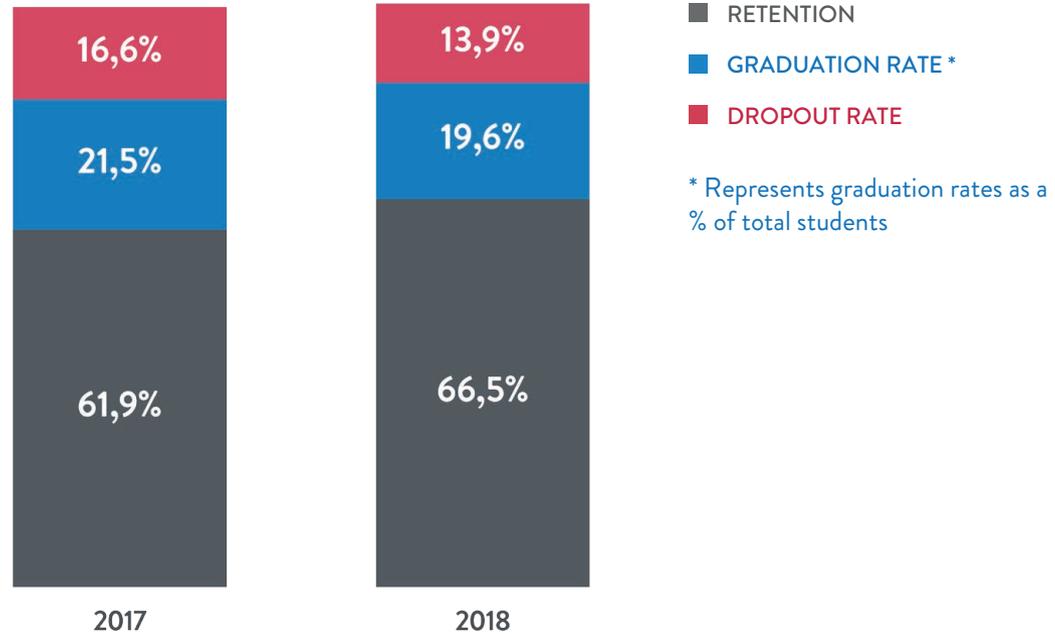


STUDENT NUMBER & PROGRAMME ANALYSIS

FACULTY	ENROLLED STUDENTS			PROGRAMMES		
	31 Dec 2017	31 Dec 2018	Year-on-year growth (%)	Current registered programmes	Pipeline programmes	Total
Commerce, Management and Law	23 761	25 105	6%	48	34	82
Creative Economies	2 727	2 878	6%	21	8	29
Education and Humanities	1 039	1 839	77%	8	10	18
Agricultural and Environmental Sciences	-	-	-	-	4	4
Engineering and Information Technology	57	63	11%	4	8	12
TOTAL	27 584	29 885	8%	81	64	145
CONTACT vs DISTANCE LEARNING						
Contact Learning	4 117	4 737	15%	47	39	86
Distance Learning	23 467	25 148	7%	34	25	59
TOTAL	27 584	29 885	8%	81	64	145

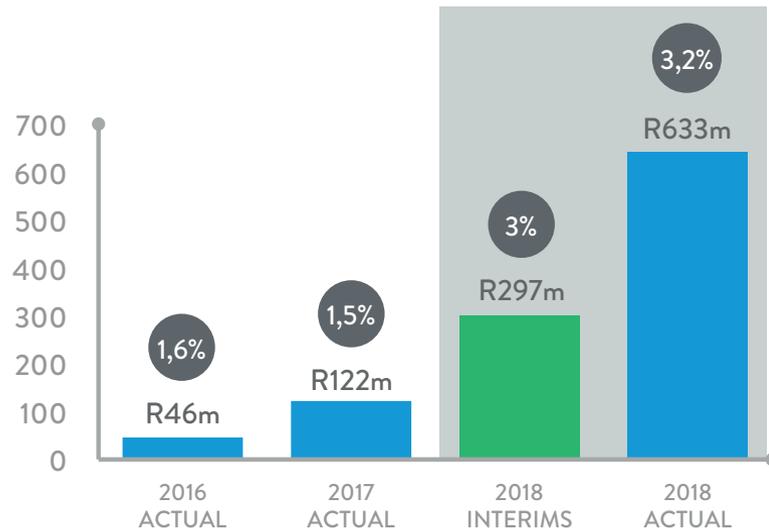
* Like-for-like comparison including student numbers for all underlying HEI's (including Milpark, LISOF and Prestige Academy)

STUDENT RETENTION AND GRADUATION RATE

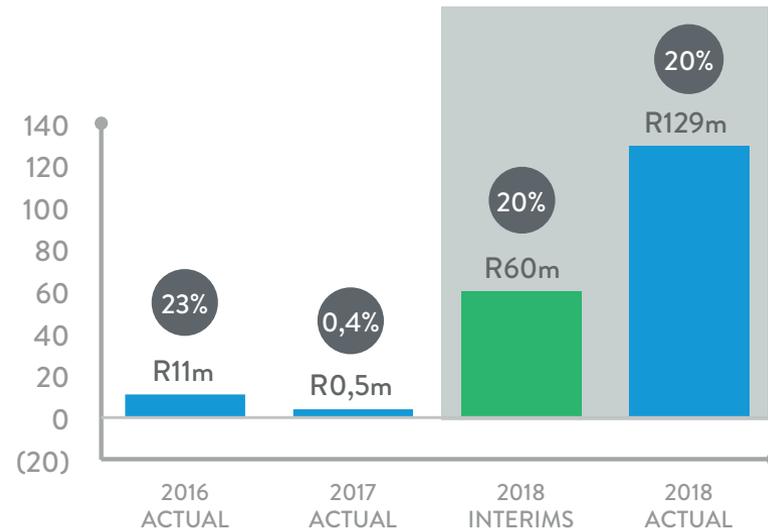


SALIENT FINANCIAL INFORMATION

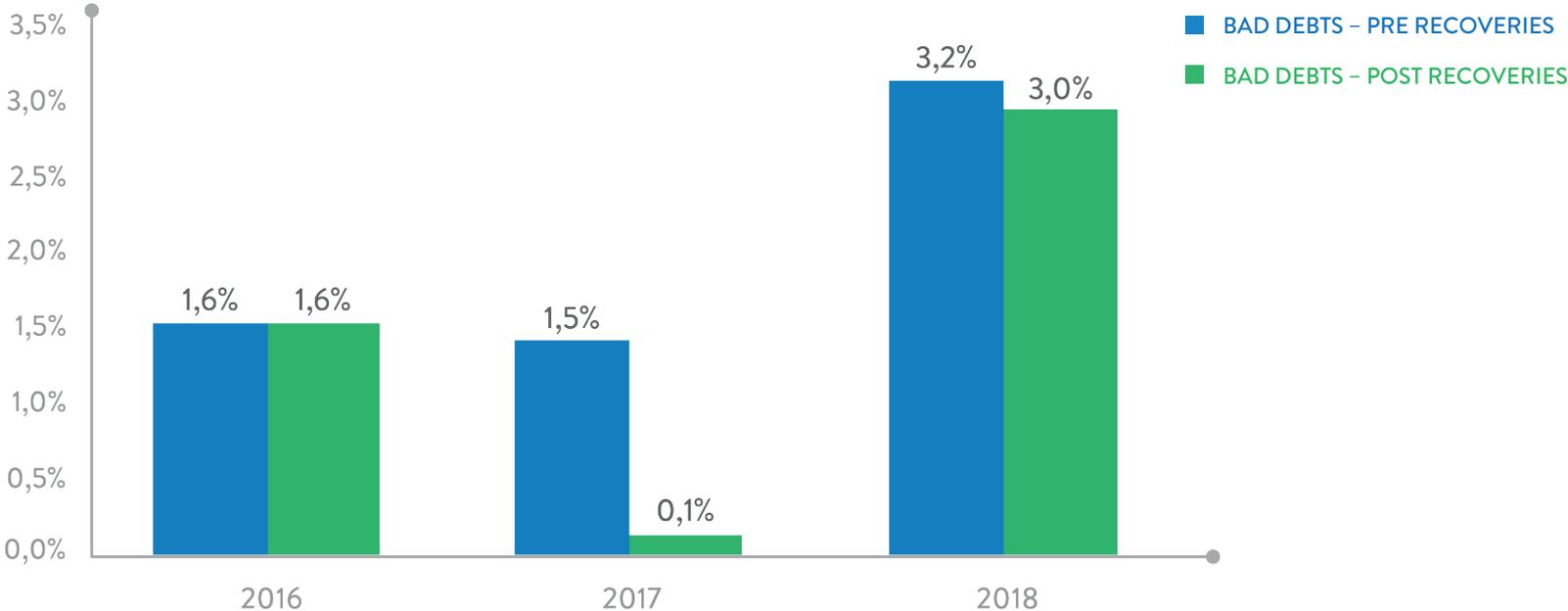
REVENUE (Rm)



EBITDA (Rm)

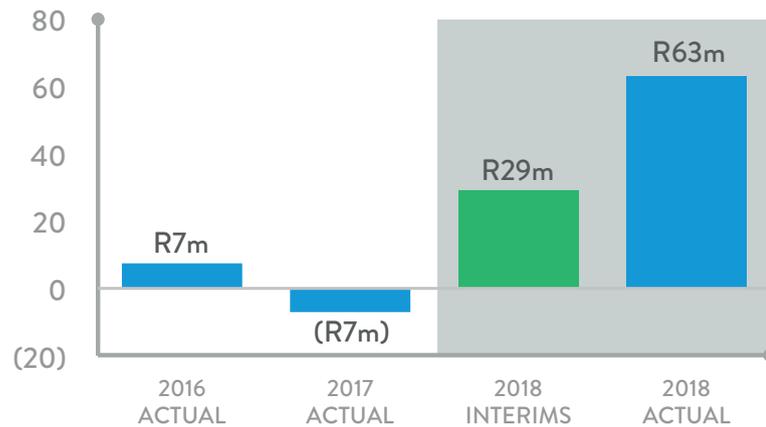


BAD DEBTS AS % OF REVENUE

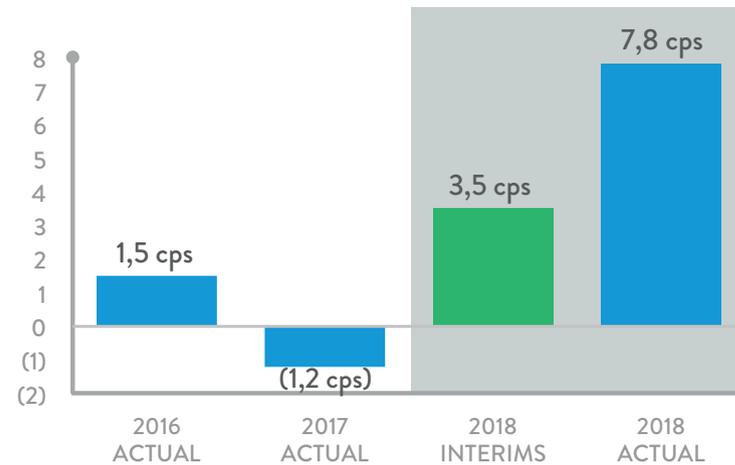


SALIENT FINANCIAL INFORMATION (CONTINUED)

HEADLINE EARNINGS (Rm)

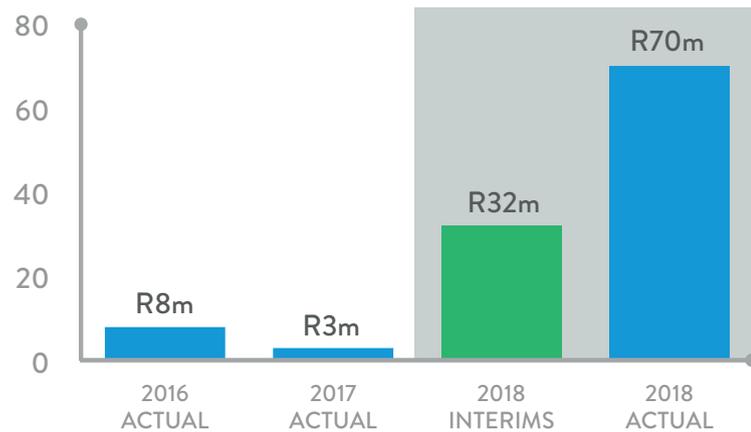


HEPS (CENTS)

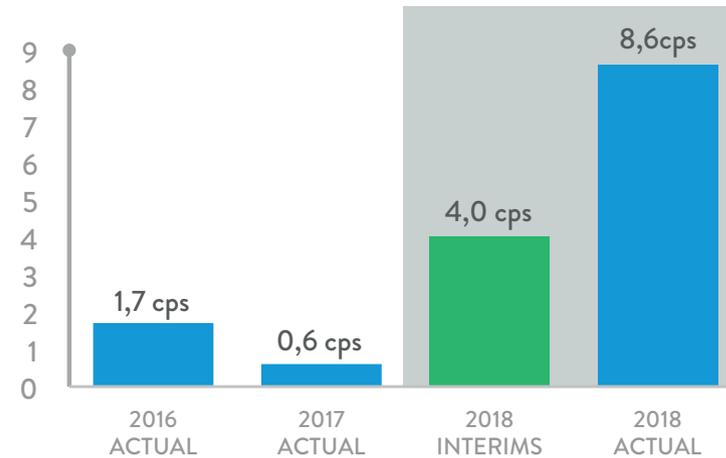


SALIENT FINANCIAL INFORMATION (CONTINUED)

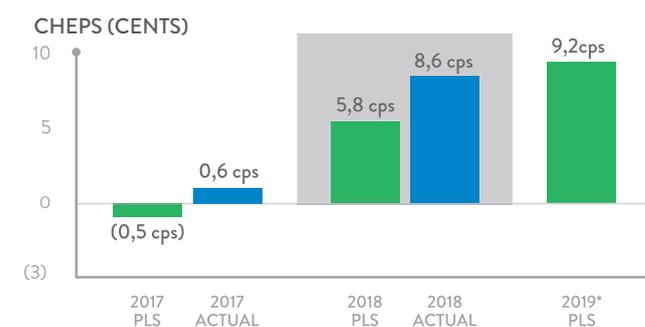
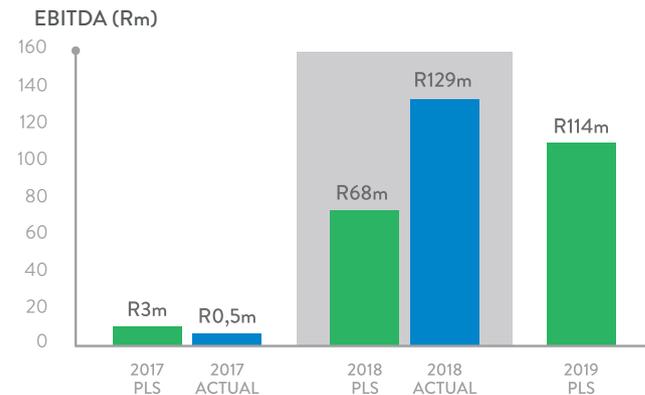
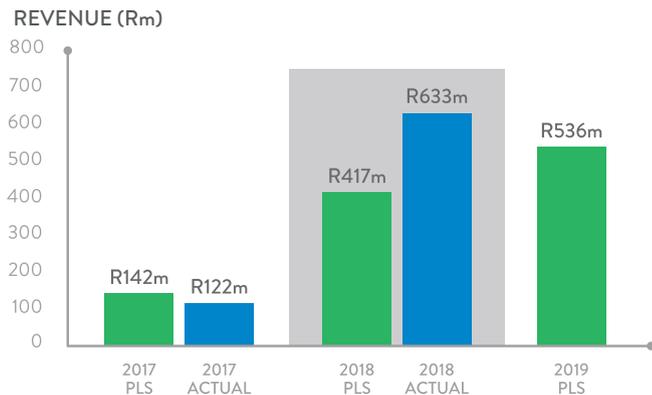
CORE HEADLINE EARNINGS (Rm)



CHEPS (CENTS)



CURRENT FINANCIAL POSITION VS PRE-LISTING STATEMENT



* Adjusted to calculate the impact of core headline earnings adjustments

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

CASH UTILISATION

CASH UTILISATION (Rm)	2018
Cash balance at 1 January 2018	646
Acquisition of subsidiaries	(244)
Capital expenditure and programme development	(58)
Repayment of borrowings	(157)
Net cash flow from operations	77
Other	5
Cash balance at 31 December 2018	259

- Capital raise from shareholders is not expected in the short term



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56 000
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100 000+
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STADIO MULTIVERSITY



Faculty of
Commerce, Management & Law

Graduate School
of Business

Faculty of
Creative Economics

Faculty of
Education & Humanities

Faculty of
Engineering & Information
Technology

Faculty of
Agriculture & Environmental
Sciences

Faculty of
Medicine & Health Sciences

***BHAG**



**THANK YOU
ENKOSI
RE A LEBOGA
DANKIE**

STADIO
— HOLDINGS —

CREATING A MULTIVERSITY

[AFDA]
film • television • performance • business innovation & technology
the school for the creative economy


EMBURY
INSTITUTE FOR HIGHER EDUCATION

LISOF
LEADERS IN FASHION EDUCATION

MILPARK
EDUCATION
M

PRESTIGE
ACADEMY 

SBS
Southern Business School