

STADIO

— HOLDINGS —

Interim Results Presentation
for the six months ended 30 June 2018
3 & 4 September 2018

STADIO MULTIVERSITY



WHY IS THERE A MARKET FOR
STADIO
IN SOUTH AFRICA?



SA GROWTH IN STUDENT ENROLMENT

2000

557 000

2016

1 143 245

INCREASED DEMAND FOR HIGHER EDUCATION WITH THE NUMBER OF STUDENTS ENROLLED IN HIGHER EDUCATION FROM 2000 TO 2016. **MORE THAN DOUBLING.**

SA TOTAL HIGHER EDUCATION MARKET

123 PRIVATE

15% • 1 674 088

26 PUBLIC

85% • 9 758 377

1 143 245 STUDENTS ENROLLED AT 149 HIGHER EDUCATION INSTITUTES ACROSS SOUTH AFRICA IN 2016.

SA & GLOBAL PRIVATE PARTICIPATION

SA (2016) **15%**

OECD (2013) **31%**

BRAZIL (2012) **71%**

CHILE (2013) **84%**

% OF STUDENTS AT PRIVATE HIGHER EDUCATION INSTITUTIONS.

SA GROWTH IN FIRST YEAR STUDENT ENROLMENT AT PUBLIC UNIVERSITIES

2000

98 095

2015

171 930

2016

158 891



**BUSINESS RATIONALE
OF STADIO**



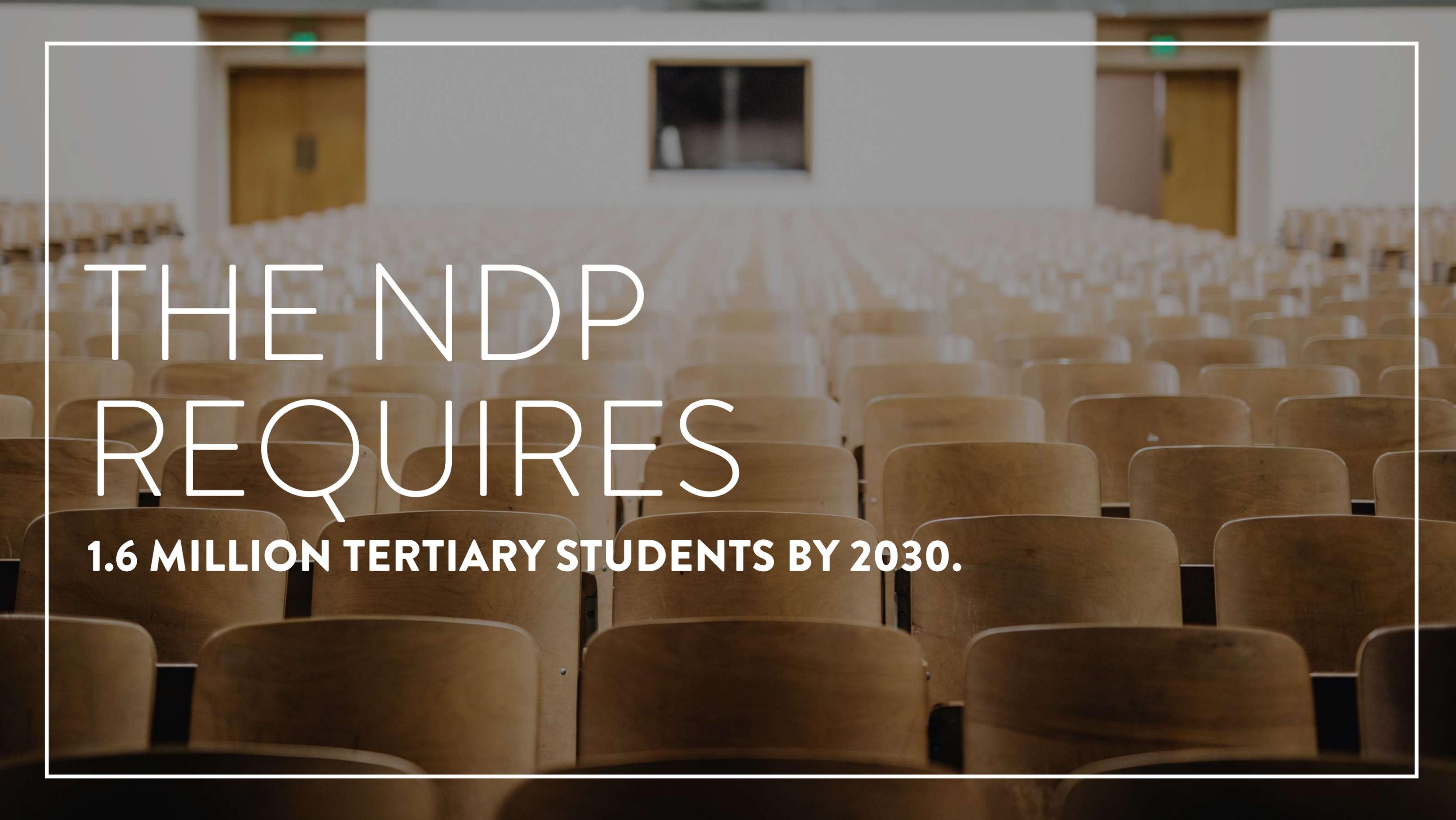
CURRENT UNEMPLOYMENT

RATE IN SOUTH AFRICA REMAINS CRITICALLY HIGH AT 27.7%

A graduate in a black gown and cap walking away on a brick path. The background is a blurred outdoor setting with a brick walkway and greenery.

RESEARCH FURTHER INDICATES

THAT IN SOUTH AFRICA, THE GRADUATE UNEMPLOYMENT RATE IS AT ABOUT 5%, IMPLYING THAT A DEGREE QUALIFICATION DRAMATICALLY INCREASES THE PROBABILITY OF SECURING A JOB AND THEREFORE ECONOMIC SECURITY AND STABILITY.



THE NDP REQUIRES

1.6 MILLION TERTIARY STUDENTS BY 2030.



LOOKING AT THE CURRENT CHALLENGES

**IN HIGHER EDUCATION, THE TIMING IS PERFECT TO
DO SOMETHING GREAT FOR SOUTH AFRICA.**

A wide-angle photograph of a multi-lane asphalt road stretching into the distance. In the center, a large billboard is visible, partially obscured by the text. The road is flanked by trees and a grassy embankment on the left. The sky is clear and blue. The text 'WHERE DO WE GO?' is overlaid in large, white, bold, sans-serif font across the center of the image.

**WHERE DO
WE GO?**



12 976
STUDENTS

35 000
STUDENTS

56 000
STUDENTS

100 000+
STUDENTS

@ 100 000 -
STADIO will
only be 5 %
of total higher
education market

**GROWING STUDENT NUMBERS OVER
CONTACT & DISTANCE LEARNING**



**WHAT WILL THIS
LOOK LIKE?**

STADIO MULTIVERSITY



Faculty of
Business & Commerce

Faculty of
Creative Industries

Faculty of
Education & Training

Faculty of
Law, Security & Political Sciences

Faculty of
Information Technology

Faculty of
Engineering & Manufacturing

Faculty of
Agriculture & Nature Conservation

Faculty of
Architecture & the Built Environment

Faculty of
Health & Medical Sciences

Faculty of
Natural & Life Sciences



**WHAT ARE THE
ADVANTAGES?**

A man wearing a colorful patterned cap, a blue denim jacket, and a white t-shirt is walking. He has a large, tan leather bag slung over his shoulder. The background is a blurred outdoor setting with a metal fence in the foreground.

STUDENTS CAN STUDY

WHEREVER THEY ARE.

A young man is playing basketball on an outdoor court during a rainstorm. He is shirtless, wearing dark shorts, white socks, and black sneakers with red laces. He is in a low, athletic stance, dribbling the ball with his right hand. The background shows a chain-link fence and some greenery, all under a dark, rainy sky. The overall mood is energetic and resilient.

STUDENTS CAN TRANSFER

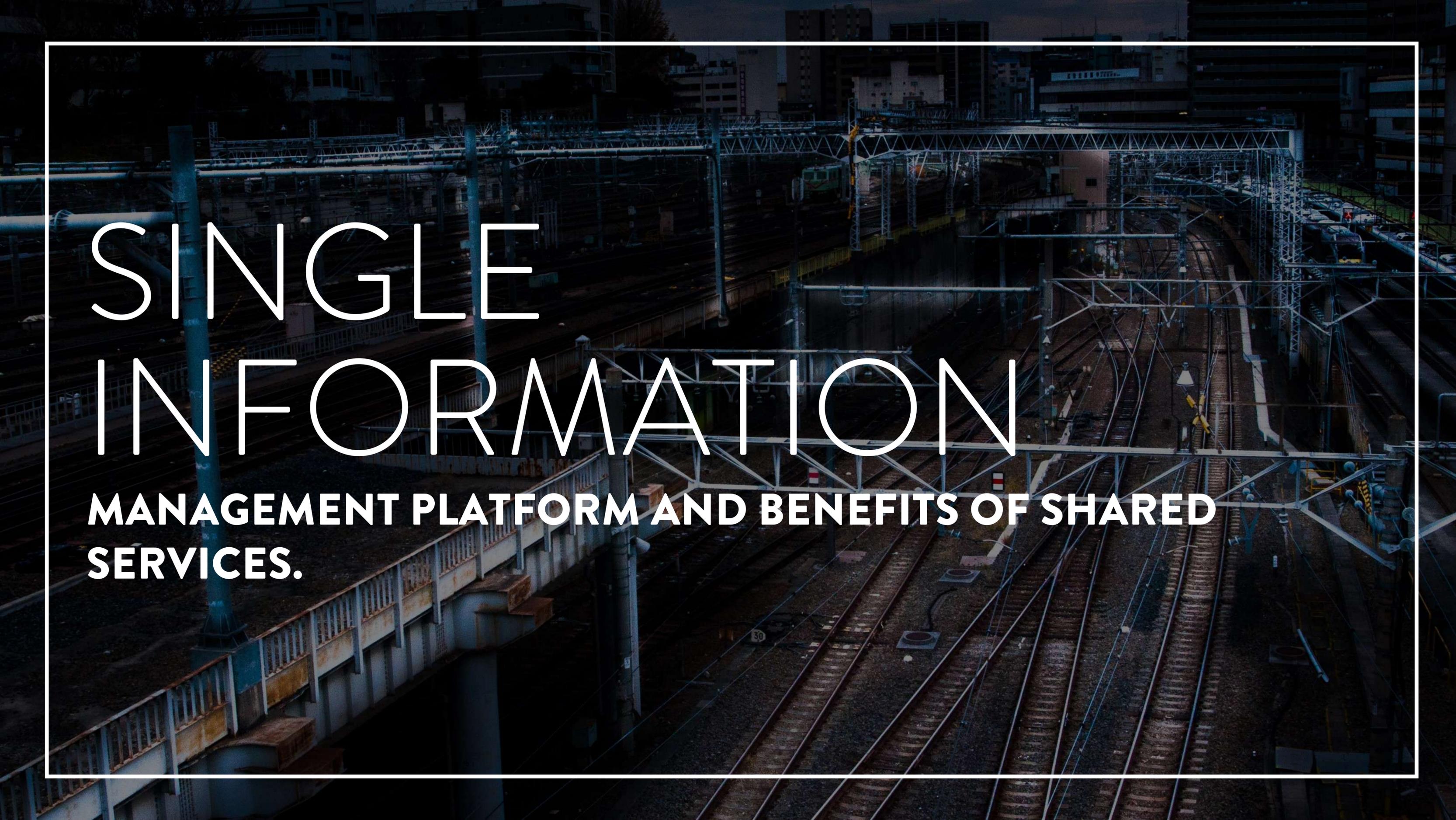
**EFFORTLESSLY BETWEEN PROVINCES, WHERE COURSES
ARE AVAILABLE.**

A woman with short hair and glasses is painting a mural on a wall. She is wearing a dark blue halter top and a white skirt with a small floral pattern. She is holding a paintbrush in her right hand and a palette in her left. The mural features a large, textured, brown and black patterned shape, possibly a bear or a similar animal, with blue and green accents. The background of the wall is light-colored with some abstract patterns.

MAXIMUM
RECOGNITION
OF PRIOR LEARNING.

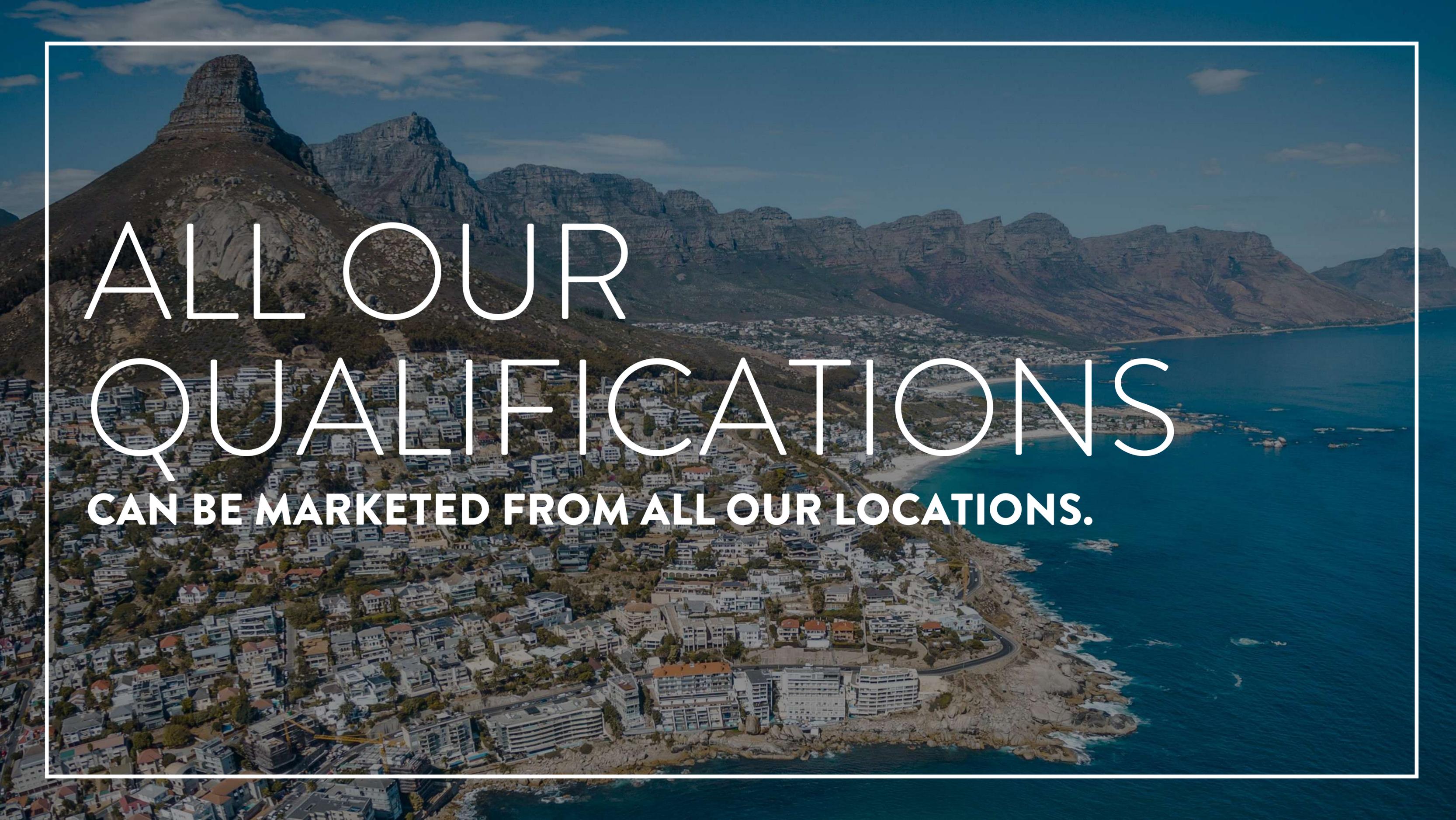
EASY TRANSFER OF CREDITS

- **BETWEEN RELATED STADIO MULTIVERSITY QUALIFICATIONS.**
- **ACROSS GEOGRAPHICAL FOOTPRINTS.**
- **MID-YEAR CHANGE OF STUDY PROGRAMMES.**
- **SEAMLESS MOVEMENT BETWEEN WIDE RANGE OF STUDY CHOICES.**

An aerial, high-angle photograph of a railway yard at night. The scene is dominated by multiple parallel tracks receding into the distance. Above the tracks, a complex network of overhead power lines and support structures is visible. The lighting is dim, with some artificial lights illuminating parts of the tracks and the overhead infrastructure. The overall color palette is dark, with shades of blue and black, punctuated by the white text overlaid on the image.

SINGLE INFORMATION

**MANAGEMENT PLATFORM AND BENEFITS OF SHARED
SERVICES.**

An aerial photograph of a coastal city, likely Cape Town, South Africa. The foreground shows a dense residential area with many houses and buildings. In the background, there are large, rugged mountains, including a prominent peak with a flat top. The ocean is visible on the right side of the image, with waves crashing against the shore. The sky is blue with some light clouds.

ALL OUR
QUALIFICATIONS
CAN BE MARKETED FROM ALL OUR LOCATIONS.

A modern, multi-level atrium with curved white walkways and people walking. The space is illuminated with warm, ambient lighting, and the architecture features clean, flowing lines. People are seen walking on various levels, adding a sense of activity and scale to the scene.

STADIO CAN BECOME

**A UNIVERSITY BECAUSE THE DEPTH AND SPREAD
OF OUR DEGREES WILL BE SUFFICIENT.**

FACULTY OF BUSINESS & COMMERCE

Advanced Certificate in Banking Services
Advanced Certificate in Financial Planning
Advanced Certificate in Management (DL)
Advanced Certificate in Management (CL)
Advanced Certificate in Short-Term Insurance
Advanced Diploma in Management
Advanced Diploma in Public Administration
Bachelor of Commerce (CL)
Bachelor of Commerce (DL)
Bachelor of Commerce in Law
Bachelors in Business Administration (CL)
Bachelors in Business Administration (DL)
Bachelors in Business Administration (Honours)
Diploma in Banking
Diploma in Management
Higher Certificate in Banking Services
Higher Certificate in Financial Planning
Higher Certificate in Financial Products
Higher Certificate in Investment Administration
Higher Certificate in Management (CL)
Higher Certificate in Management (DL)
Higher Certificate in Short Term Insurance
Master of Business Administration (CL)
Master of Business Administration (DL)
Master of Management
Postgraduate Diploma in Banking
Postgraduate Diploma in Business Administration (CL)
Postgraduate Diploma in Business Administration (DL)
Postgraduate Diploma in Financial Planning
Postgraduate Diploma in Investment Management

FACULTY OF CREATIVE INDUSTRIES

Bachelor in Computer Technology
Bachelor of Arts (Honours) in Fashion
Bachelor of Arts (Honours) in Live Performance
Bachelor of Arts (Honours) in Motion Picture Medium
Bachelor of Arts in Fashion
Bachelor of Arts in Live Performance
Bachelor of Arts in Motion Picture Medium
Bachelor of Commerce in Business Innovation and Entrepreneurship
Bachelor of Commerce in Fashion
Diploma in Fashion (Design/Commercial)
Higher Certificate in Fashion
Higher Certificate in Fashion Retail
Higher Certificate in Film, Television and Entertainment Production
Higher Certificate in Radio and Podcasting
Master of Fine Arts in Motion Picture Medium

FACULTY OF EDUCATION & TRAINING

Advanced Diploma in Physical Education and School Sports
Bachelor of Education in Foundation Phase Teaching
Bachelor of Education in Intermediate Phase Teaching
Diploma in Grade R Teaching (CL)
Diploma in Grade R Teaching (DL)
Higher Certificate in Pre-school Education (CL)
Higher Certificate in Pre-school Education (DL)

FACULTY OF LAW, SECURITY & POLITICAL SCIENCES

Bachelor in Policing Practice
Bachelor in Policing Practice (Honours)
Higher Certificate in Paralegal Studies
Master of Policing Practice

**OUR FIRST DOCTORAL DEGREE: ACCREDITED BY THE CHE
DOCTORATE IN BUSINESS ADMINISTRATION (DBA)**

RESPONSIBLE CITIZENSHIP – GLOBAL, CONTINENTAL AND NATIONAL ARENA

Every student will be exposed to an integrated short module to raise awareness on:

- Pride in Africa
- Poverty Alleviation
- Entrepreneurship
- Sustainability
- Ethical Behaviour

HOLISTIC DEVELOPMENT AND 21st CENTURY SKILLS

Programmes focus on developing:

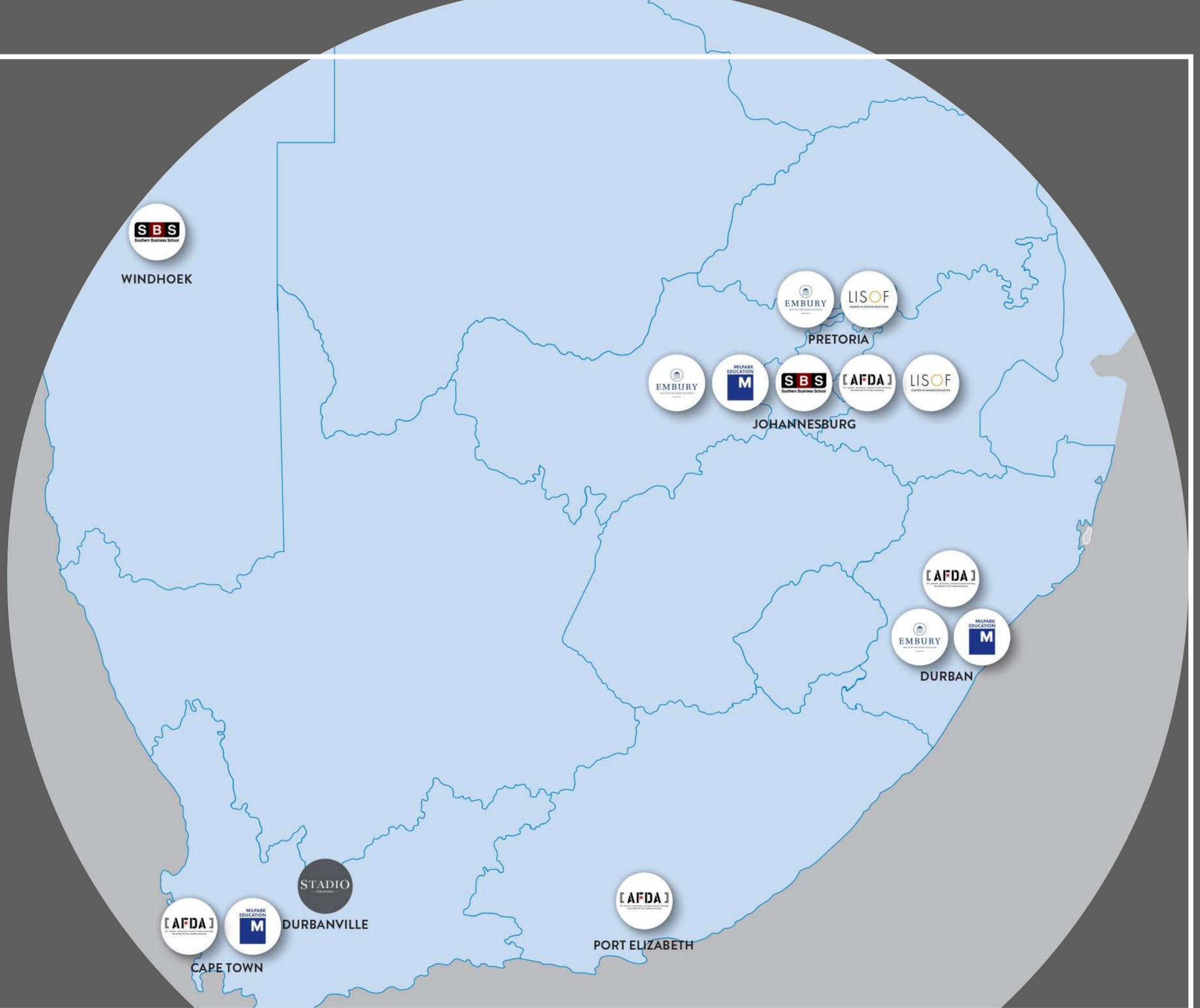
- Discipline-specific knowledge
- 21st century skills

Acknowledge that the world of work is changing and graduates must be equipped with the necessary skills to cope with the change



UTILISATION OF ASSETS

OUR GEOGRAPHIC FOOTPRINT



12 Campuses + 2 Support offices

- ➔ 4 904 CL students
- ➔ 22 873 DL students

Potential expansion opportunities

- ➔ Montana site – expand to accommodate new AFDA Pretoria campus
- ➔ AFDA JHB & DBN – increase capacity to address demand
- ➔ AFDA CPT site – expand to accommodate Milpark (cancel expensive lease)
- ➔ STADIO consolidated campus (accommodating multiple faculties)
 - » Western Cape (2021) – Pilot campus
 - » Gauteng and Durban in time (if pilot campus a success)




EMBURY
INSTITUTE FOR HIGHER EDUCATION



STADIO

PROPOSED SITE DEVELOPMENT

Proposed Independent Institute for Higher Education



SITE DEVELOPMENT PLAN



LOCALITY PLAN



North West Science Building
Harvard University
Designed by SOM



Esde & Law Weisman Building
University of California
Designed by RICHARD MEIER
& PARTNERS ARCHITECTS



UCLA Teaching & Learning Centre
for Health Science
University of California
Designed by SOM

PRECEDENT STUDY



PERSPECTIVE SITE VIEW

→ ERVEN:

Portion 2 & 4 of
Groot Phasankraal Remainder
of farm 1165 (Phase 4)

→ SITE AREAS:

Stadio Portion 2	40 111 m ² / 4,011 ha
Stadio Portion 4	14 443 m ² / 1,443 ha
TOTAL	79 254 m ² / 7,925 ha

→ LEGEND:

- A Faculty A
- B Faculty B
- C Faculty C
- D Faculty D
- E Faculty E
- F Faculty F
- G Faculty G
- H Faculty H
- I Auditorium (Future)
- J Library
- K Cafeteria
- L Security
- M Outdoor Recreational Area

A whole orange and a slice of orange are positioned in the center of the image, partially overlapping the text. The background is a solid, vibrant blue. The text is white, bold, and sans-serif, arranged in two lines.

**OUR COMMITMENT TO
TRANSFORMATION**

CURRENT B-BBEE SHAREHOLDING 12,7%

Our B-BBEE Private Placement individuals accommodated 486 B-BBEE shareholders

Brimstone is our trusted long term B-BBEE partner

FINANCIAL HIGHLIGHTS FROM JUNE 2017 TO JUNE 2018

STADIO
— HOLDINGS —

STUDENT NUMBERS

27 777



1 112

INCOME

R301m



R35m

EBITDA

R60m



(R1m)

CORE HEADLINE EARNINGS

R32m



(R3m)

HEPS

3,5 cents



(0,8 cents)

CHEPS

4,0 cents



(0,7 cents)



FINANCIAL INFORMATION

HIGHLIGHTS FOR 2018

- Opened 2 new Embury campuses
 - Montana (Pretoria)
 - Waterfall (Midrand)
- Relocated existing Embury Durban Campus to Musgrave (KZN)
- Acquired 100% of LISOF (1 January 2018)
- Acquired 87.2% effective interest in Milpark (19 March 2018)
- Acquired the business of CA Connect (through Milpark) (12 April 2018)
- Concluded negotiations to acquire land in Durbanville (Western Cape) – new STADIO multi faculty development (+/-5000 CL students)
- Exploring new faculties – including Faculty of Engineering, Faculty of Information Technology and Faculty of Health and Medical Sciences

2018 GROUP ORGANOGRAM



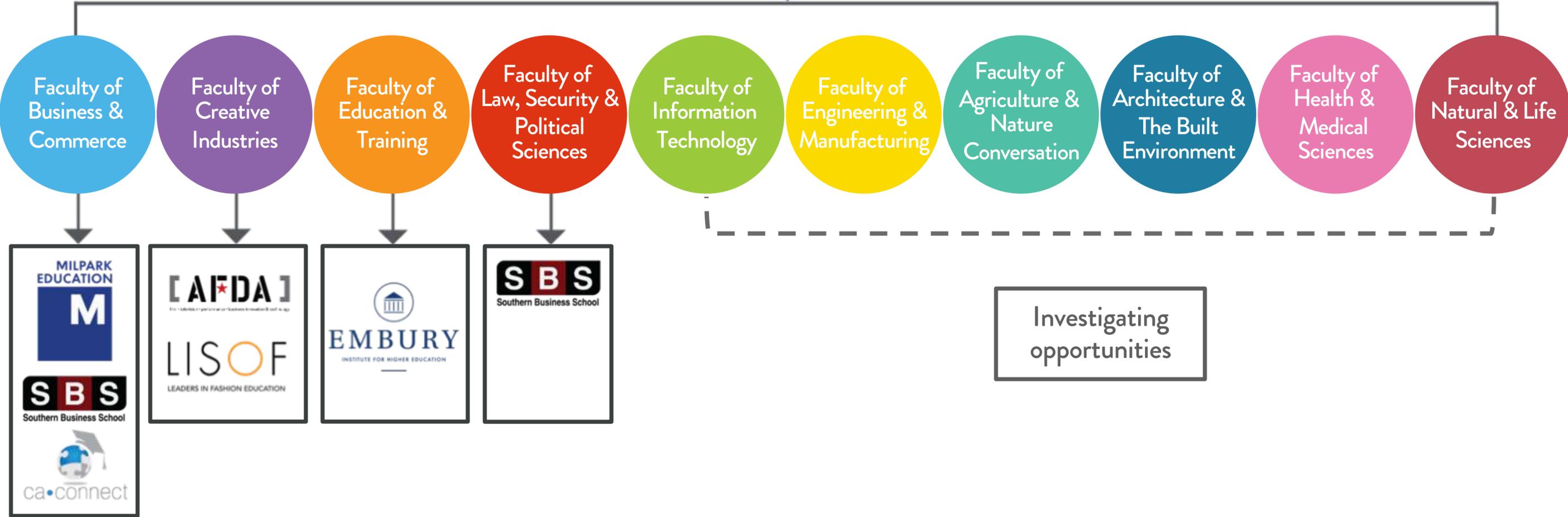
STADIO INVESTMENT HOLDINGS (PTY) LTD



12
CAMPUSES

JHB • CPT • KZN • PE • Windhoek

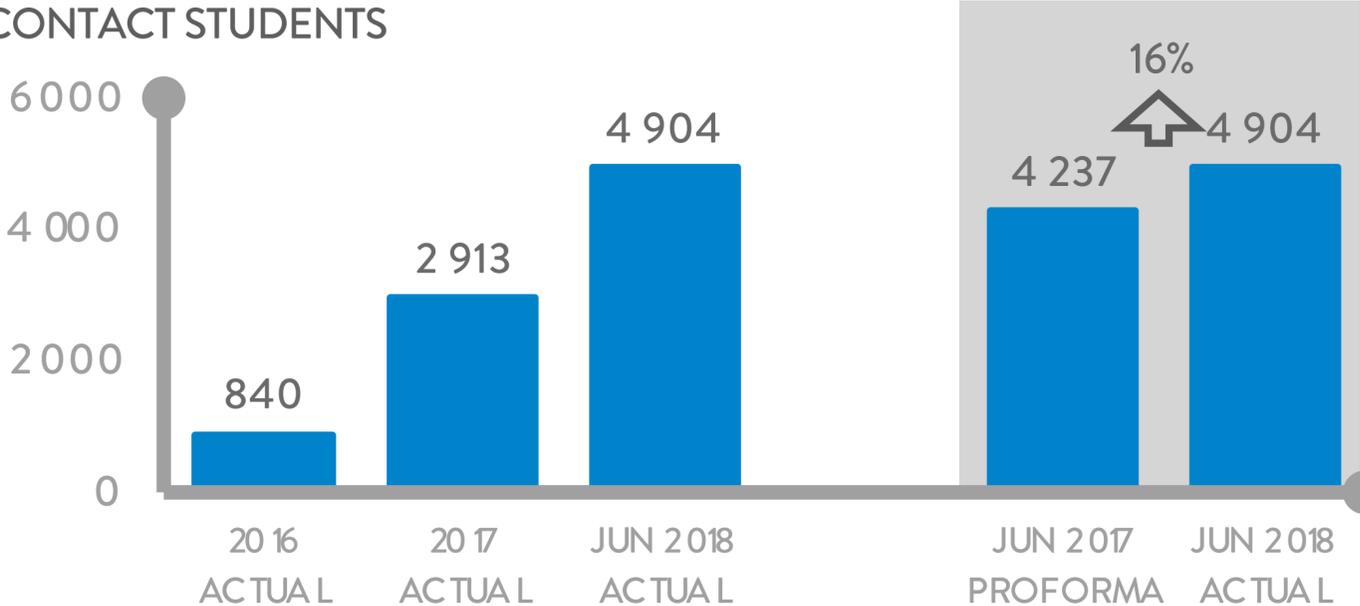
CREATING A MULTIVERSITY



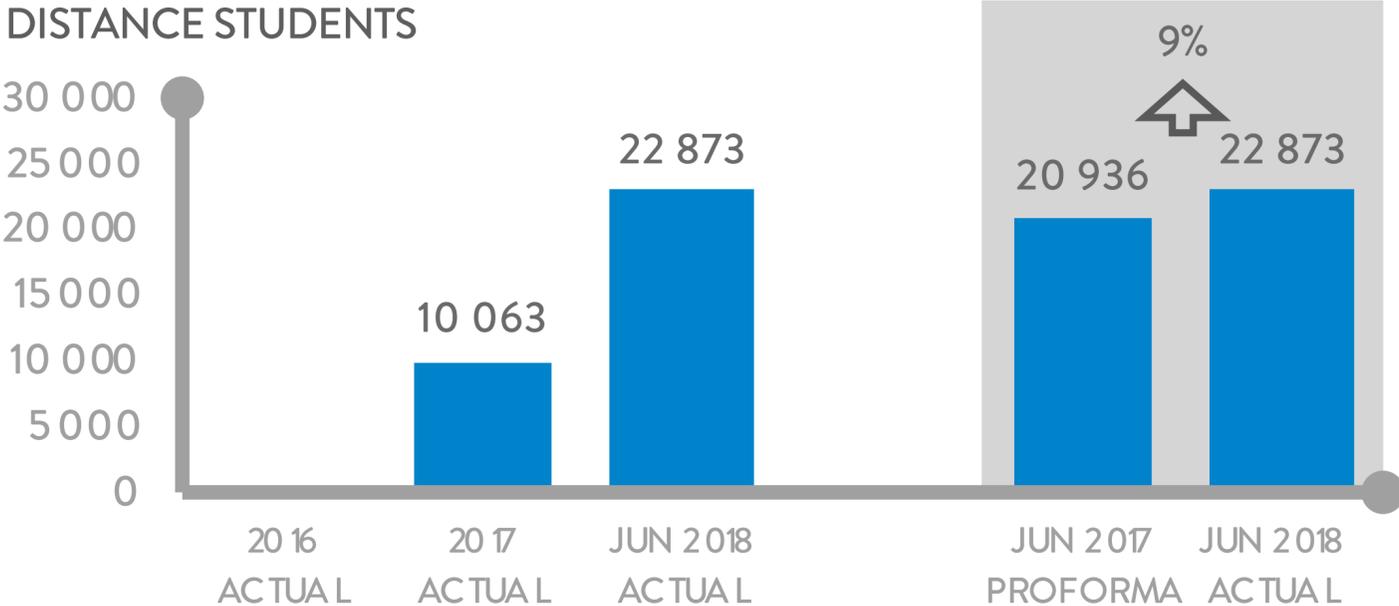
CURRENT OFFERING WILL EXPAND THROUGH FURTHER ACQUISITIONS AND PARTNERSHIPS

STUDENT NUMBERS

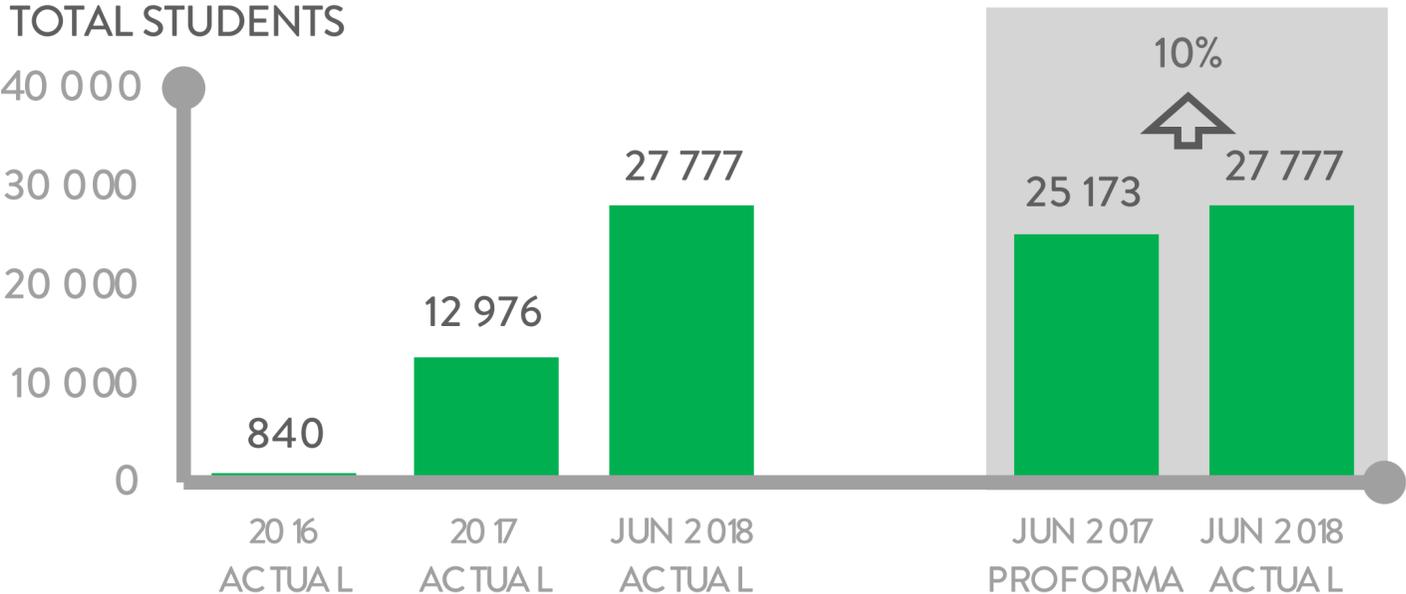
CONTACT STUDENTS



DISTANCE STUDENTS



TOTAL STUDENTS



STUDENT NUMBERS ANALYSIS

FACULTY	STUDENT NUMBERS				PROGRAMMES	
	30 Jun 2017	30 Jun 2018	Year-on-year growth rate	Aug 2018*	Current registered programmes	Pipeline programmes
Business and Commerce	19 719	21 175	7%	22 424	33	11
Creative Industries	2 660	2 783	5%	2 787	15	9
Education and Training	1 112	1 716	54%	1 842	7	10
Law, Security and Political Sciences	1 682	2 103	25%	2 103	4	9
Engineering and Manufacturing	-	-	-	-	-	5
Agriculture and Nature Conservation	-	-	-	-	-	3
	25 173	27 777	10%	29 156	59	47
CONTACT VS DISTANCE LEARNING						
Contact Learning	4 237	4 904	16%	4 987	26	31
Distance Learning	20 936	22 873	9%	24 169	33	16
	25 173	27 777	10%	29 156	59	47

* Second semester enrolments still in progress

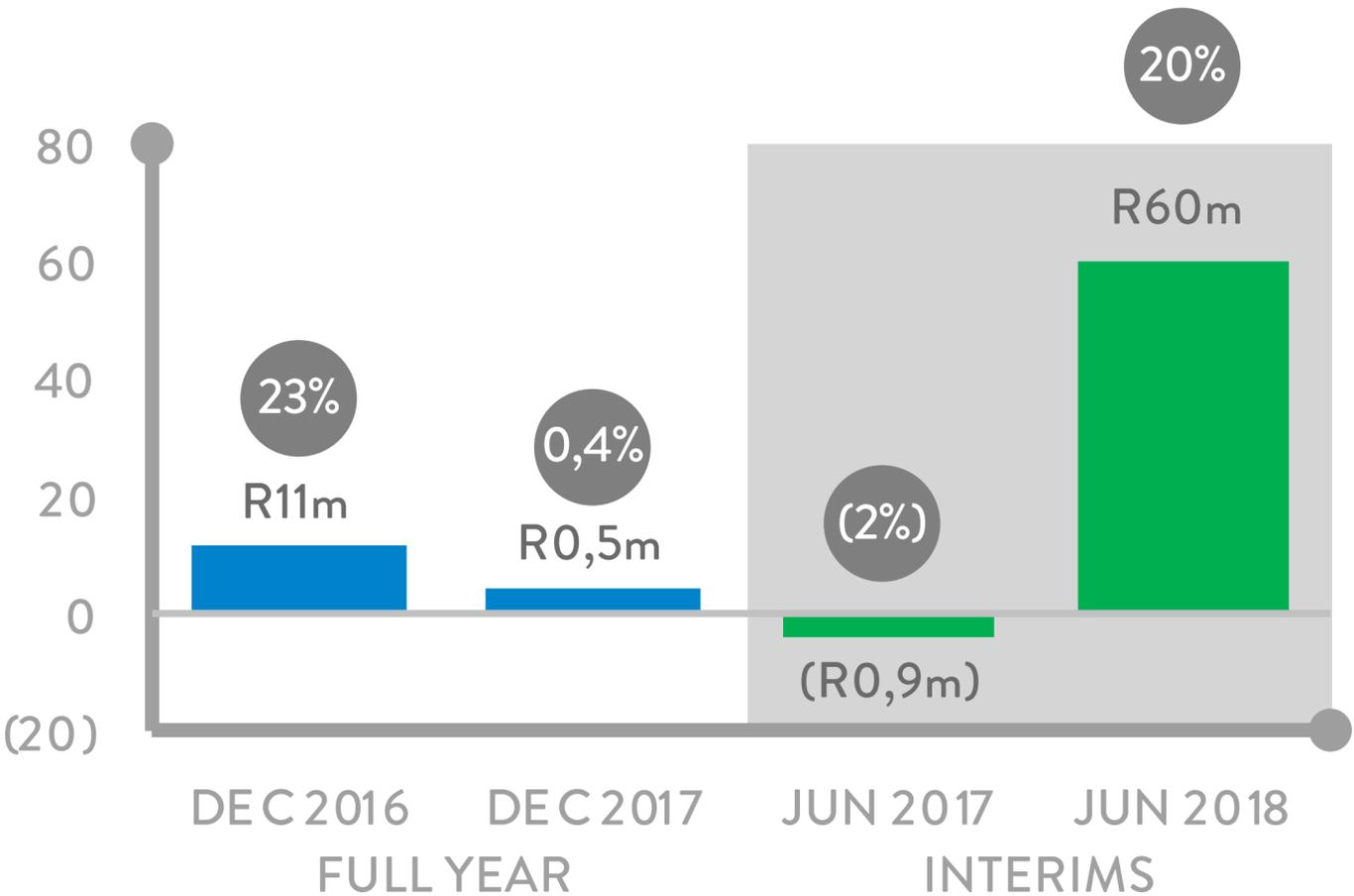
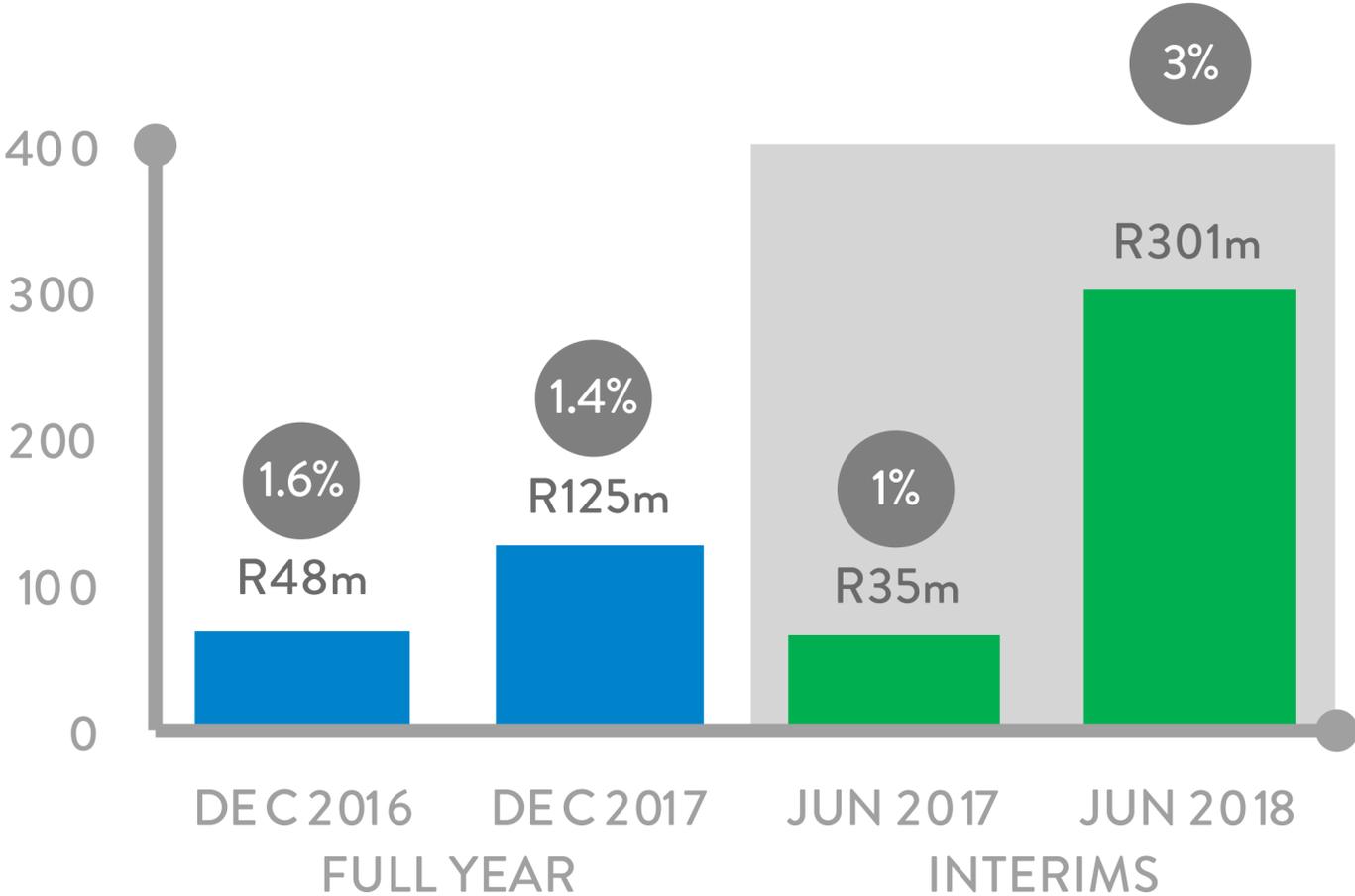
SALIENT FINANCIAL INFORMATION

INCOME (Rm)

BAD DEBT % ●

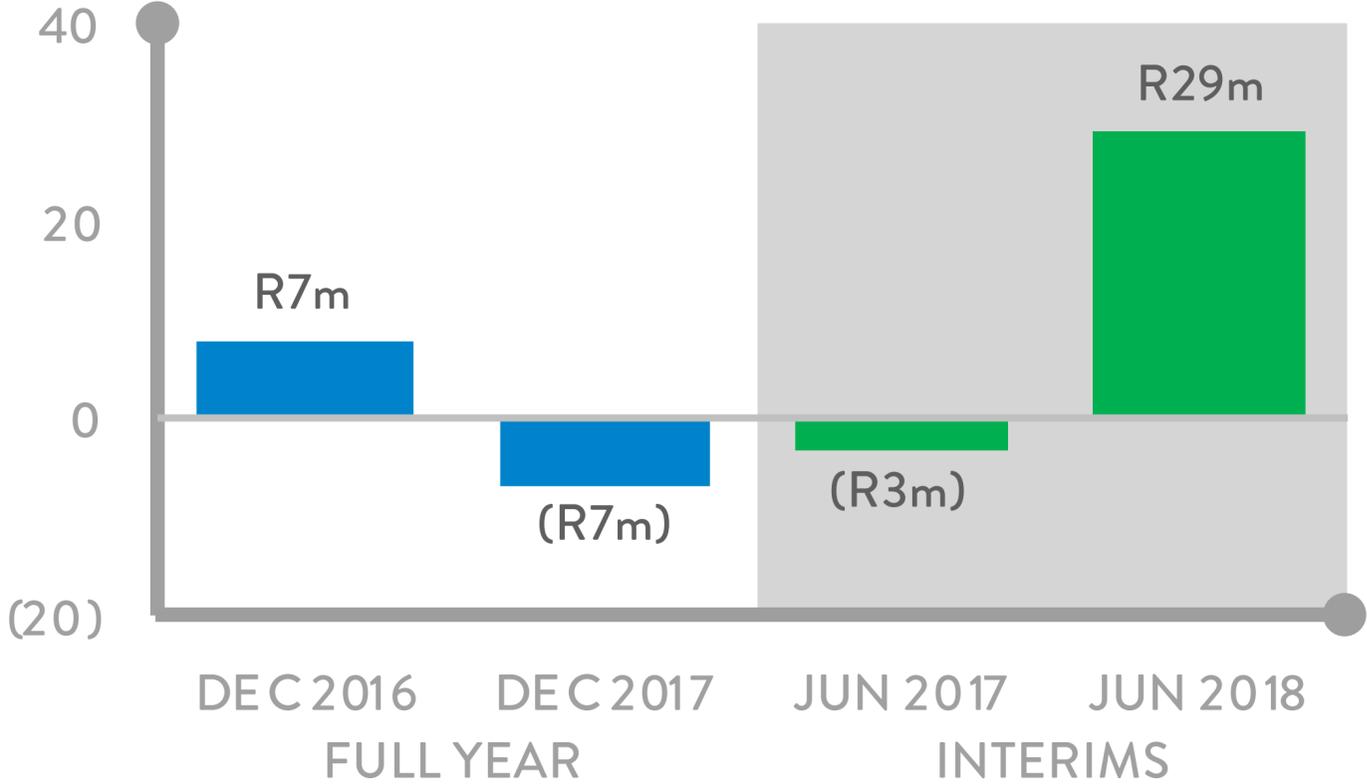
EBITDA (Rm)

EBITDA MARGIN % ●

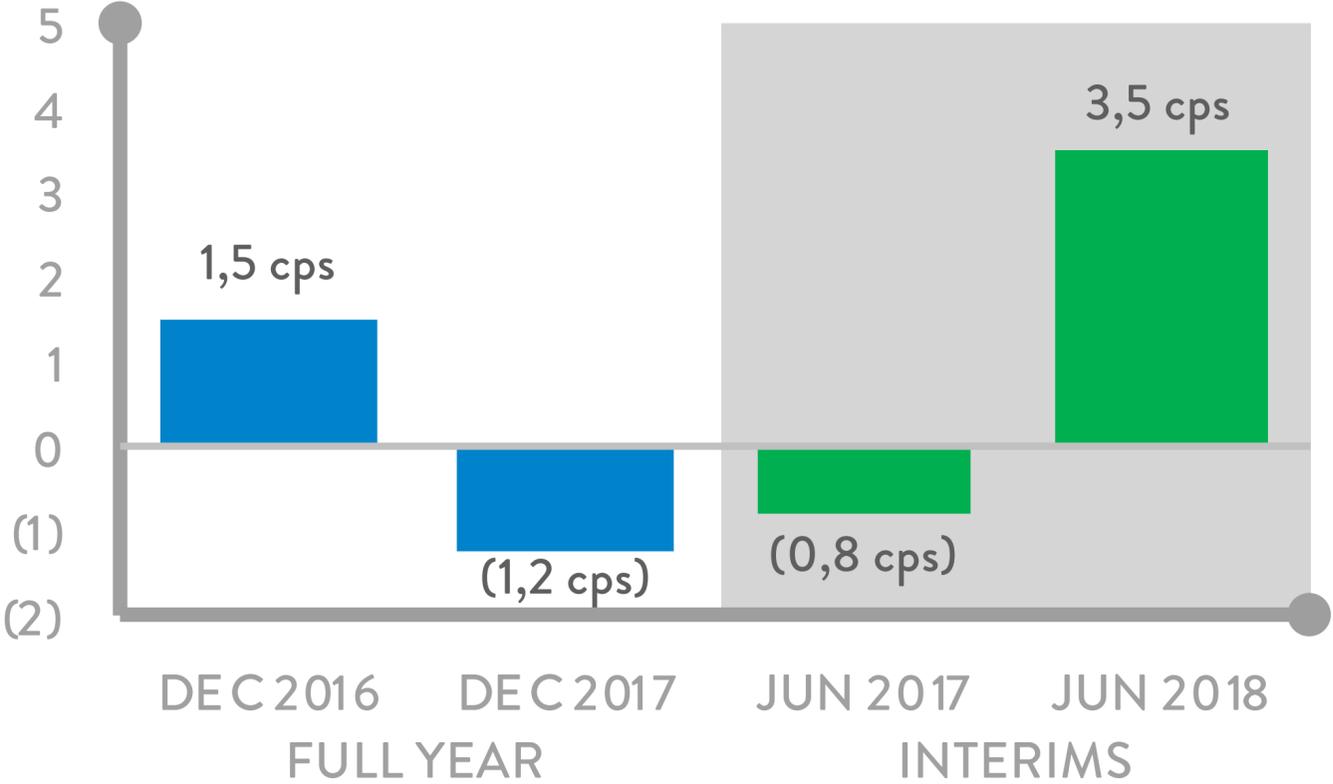


SALIENT FINANCIAL INFORMATION

HEADLINE EARNINGS (Rm)

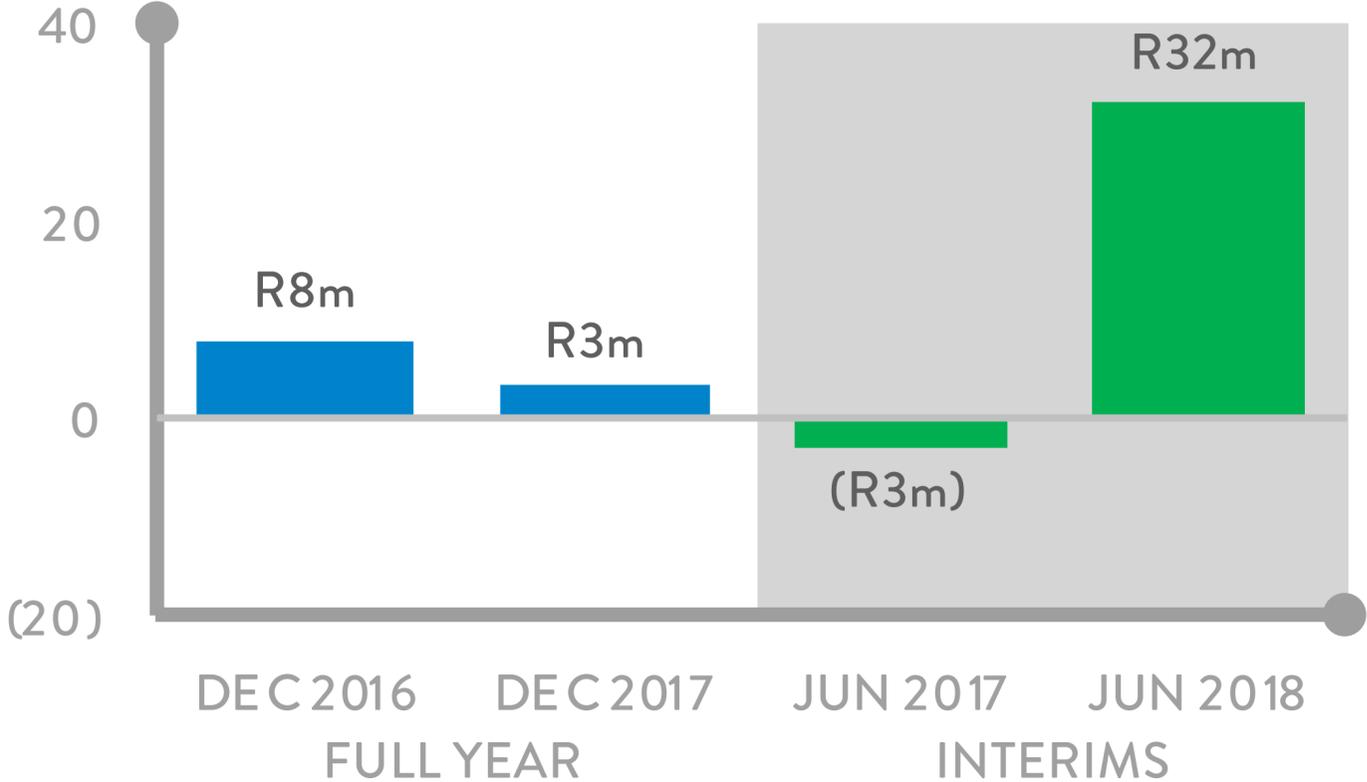


HEPS (CENTS)

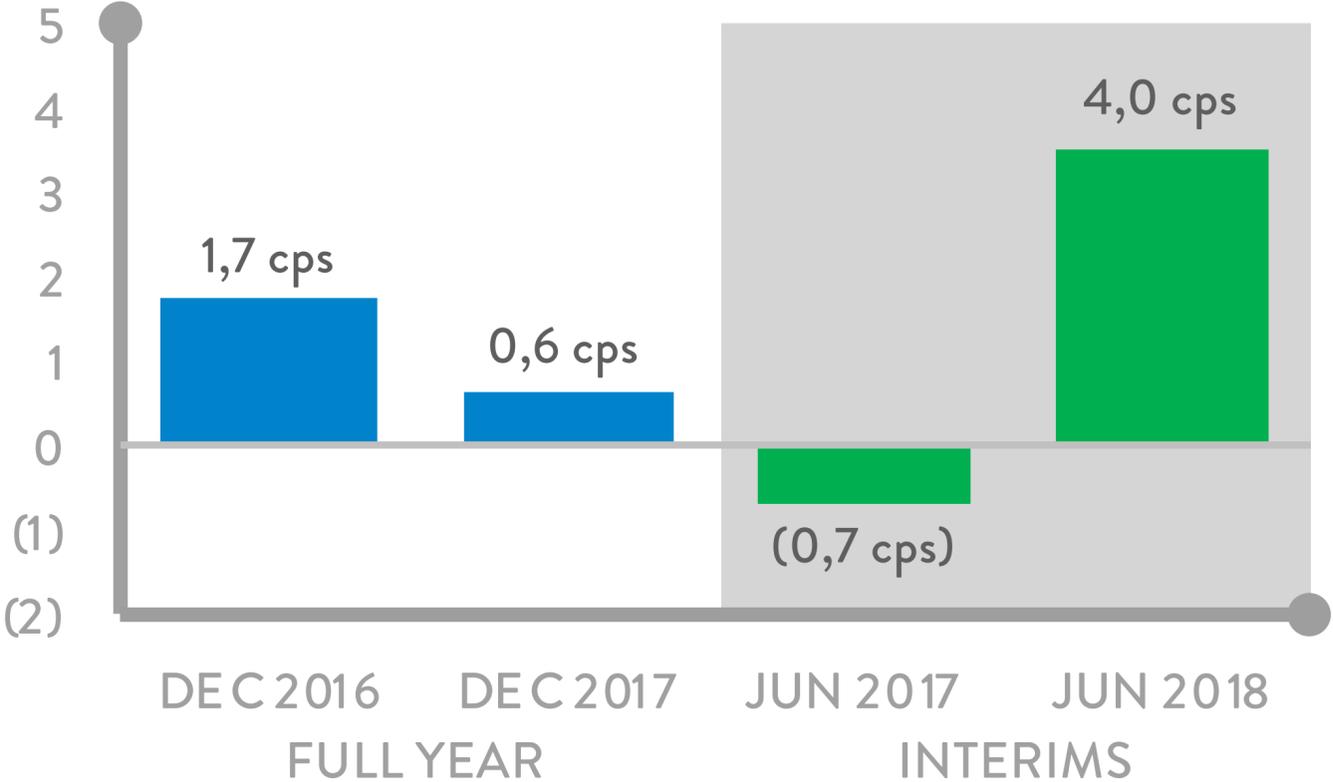


SALIENT FINANCIAL INFORMATION

CORE HEADLINE EARNINGS
(Rm)



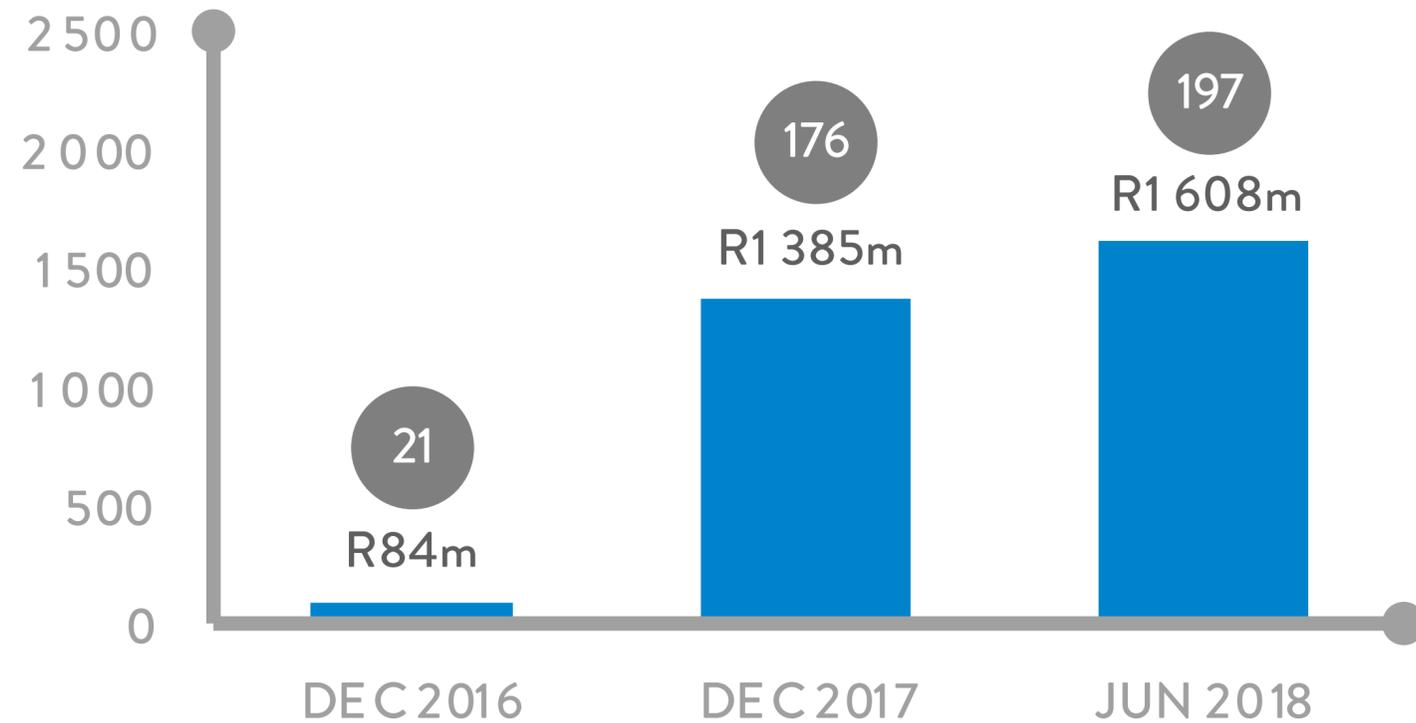
CHEPS (CENTS)



KEY BALANCE SHEET METRICS

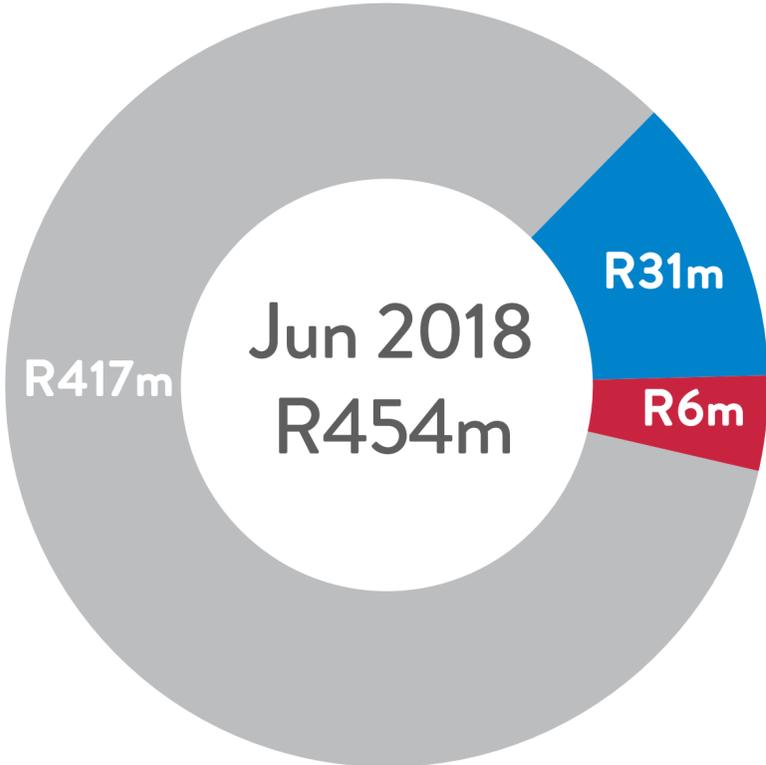
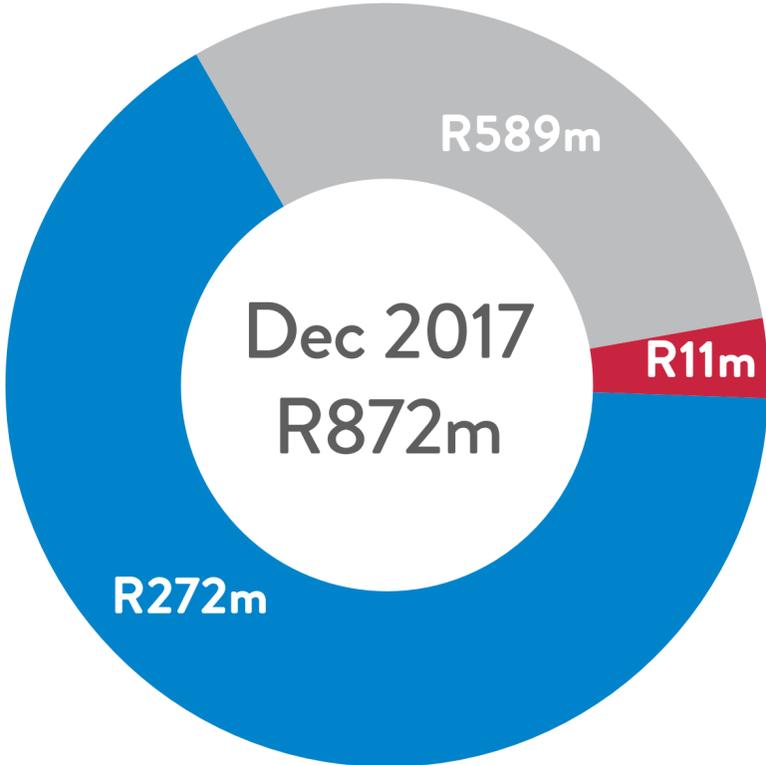
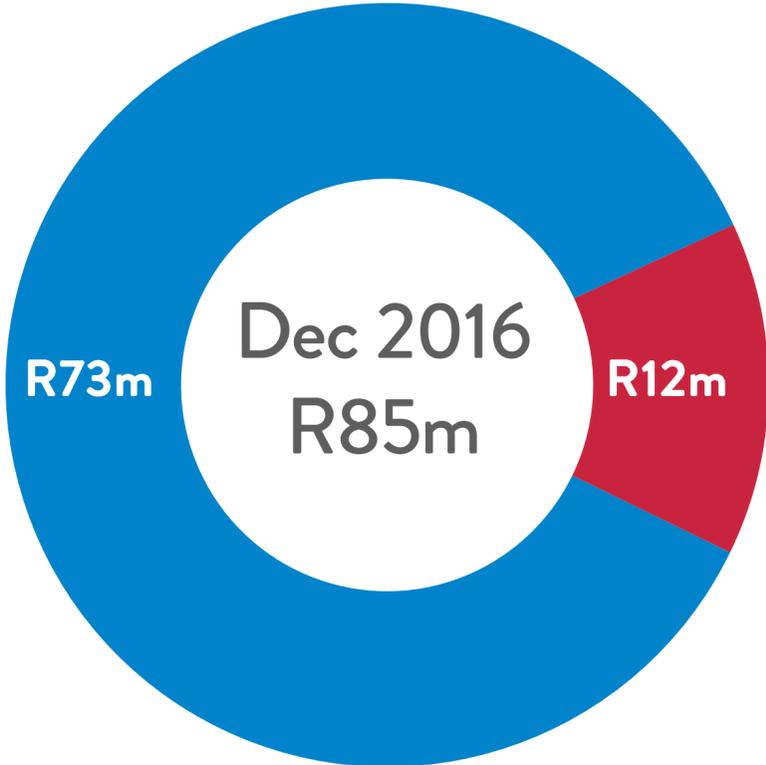
NET ASSET VALUE

NAV PER SHARE (CENTS) ●



SHARE CAPITAL MOVEMENT	NUMBER OF SHARES	SHARE CAPITAL
At 1 January 2018	786m	R1 367m
Acquisitions	30m	R192m
At 30 June 2018	816m	R1 559m

CAPITAL INVESTED



- Acquisitions
- Infrastructure development and capital assets
- Programme development

ACQUISITIONS	2017	2018
Net assets acquired	R219m	R87m
Goodwill	R370m	R330m
Total	R589m	R417m

CASH UTILISATION

	2018
Cash balance at 1 January 2018	R646m
Acquisition of subsidiaries	(R245m)
Capital expenditure and programme development	(R36m)
Repayment of borrowings	(R159m)
Net cash flow from operations	R97m
Cash balance at 30 June 2018	R303m

A close-up photograph of two hands, one slightly larger than the other, cupped together in a gesture of care, support, or offering. The hands are positioned centrally, with the palms facing each other. The background is a dark, textured surface, possibly a sweater. The lighting is soft, highlighting the skin tones and the texture of the hands. The overall mood is warm and supportive.

THANK YOU
ENKOSI
RE ALEBOGA
DANKIE

STADIO MULTIVERSITY

