

# STADIO

— HOLDINGS —

2019 Interim Results  
26 & 27 August 2019

TOWARDS

# STADIO MULTIVERSITY



TOWARDS

# STADIO MULTIVERSITY



Faculty of Education & Humanities

Faculty of Engineering & Information Technology

Faculty of Medicine & Health Sciences

Faculty of Agriculture & Environmental Sciences

Faculty of Creative Economies

Graduate School of Business

Faculty of Commerce, Management & Law



**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

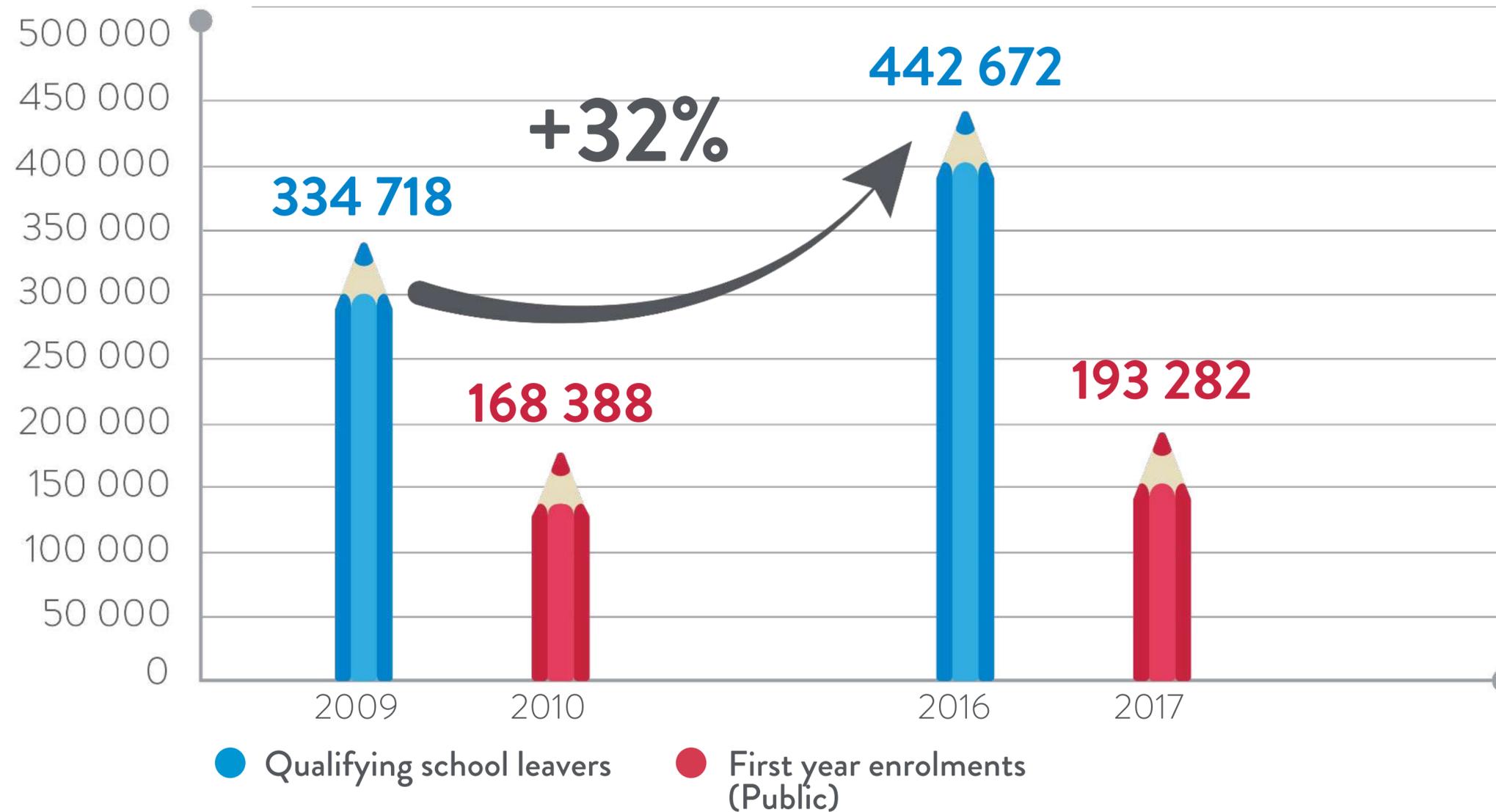


➔ Private enrolments as percentage of total in SA: 15% ➔ **The global average is closer to 35%**

➔ 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**

WHERE DO  
WE GO?





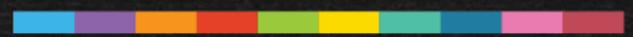
**12 976**  
STUDENTS

**35 000**  
STUDENTS

**56 000**  
STUDENTS

**100 000+**  
STUDENTS

# STADIO MULTIVERSITY



Faculty of  
Education & Humanities

Faculty of  
Engineering & Information  
Technology

Faculty of  
Agriculture & Environmental  
Sciences

Faculty of  
Commerce, Management & Law

Graduate School  
of Business

Faculty of  
Creative Economies

Faculty of  
Medicine & Health Sciences

**\*BHAG**

# STADIO

— HOLDINGS —

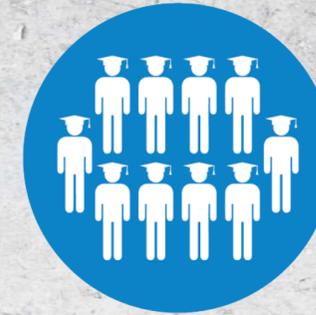
## CREATING A MULTIVERSITY

### 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 ●	<b>SCHOOL OF FASHION</b>	<b>SCHOOL OF EDUCATION</b>
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 ●	<b>SCHOOL OF MANAGEMENT &amp; ADMINISTRATION</b>	Higher Certificate in Fashion ●	Higher Certificate in Pre-school Education ●●
Doctor of Business Administration ●	Advanced Certificate in Management ●●	Higher Certificate in Fashion Retail ●	<b>FACULTY OF ENGINEERING &amp; INFORMATION TECHNOLOGY</b>
<b>FACULTY OF COMMERCE, MANAGEMENT &amp; LAW</b>	Advanced Diploma in Management ●	<b>SCHOOL OF FILM, TELEVISION &amp; ENTERTAINMENT</b>	<b>SCHOOL OF INFORMATION TECHNOLOGY</b>
<b>SCHOOL OF BUSINESS &amp; FINANCE</b>	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 ●●●	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 ●●	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 ●	
Bachelor of Commerce in Business Marketing ●	Diploma in Event Management ●	Higher Certificate in Film, Television & Entertainment Production ●	
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 ●	<b>SCHOOL OF MEDIA &amp; DESIGN</b>	
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 ●	

ON CAMPUS LEARNING ● OFF CAMPUS LEARNING ●





2017

2018

2019

2020

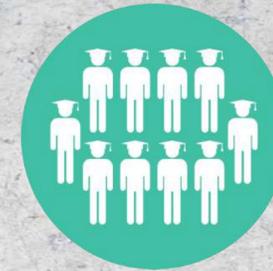
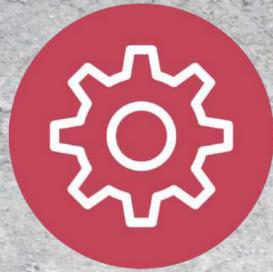
2021

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

## MULTIPLE BRANDS

## STADIO MULTIVERSITY

### POSITIONING

- Implement a fitting organisational structure at macro-level

### ACQUISITIONS

- Finalising the acquisition of the remaining 26% of SBS – in pursuit of becoming one STADIO Multiversity

### DEVELOPMENT OF GREENFIELDS

- **STADIO** is acquiring an exciting semi-complete structure in Centurion (Gauteng) and the target is to go on site by November 2019 and to open in January 2021
- **STADIO** is acquiring zoned land in Durbanville(Western Cape) and the target is to go on site during 2020 and to open in January 2022
- **STADIO** is in negotiations to acquire fitting buildings in Johannesburg – to open a potential 3<sup>rd</sup> multi-faculty campus

### MULTI-FACULTY CAMPUSES

- Western Cape (1)
- Gauteng (2)
- KwaZulu-Natal (1)

+

### 14 CURRENT SITES

(The opening of the Centurion campus will guide us in terms of the speed at which we want to scale the multi-faculty campuses)

# OUR CURRENT STATUS



# OUR CURRENT STATUS

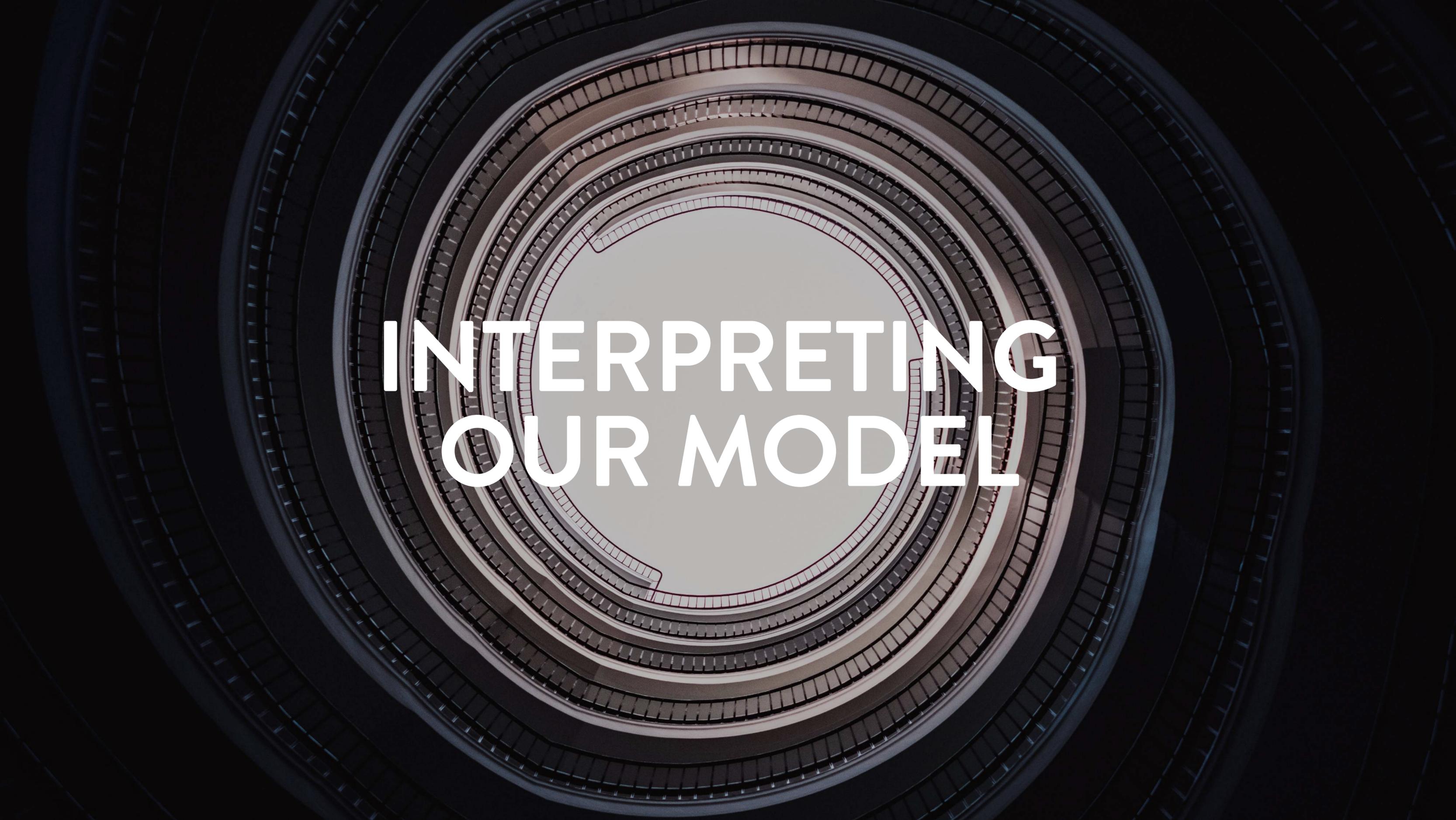
- Collection of 7 brands
- 28 280 enrolled students during Semester 1
- Moving closer to one STADIO Multiversity
- Suitable organogram in place @ STADIO HO
  - Appointment of Co-Chief Operating Officers
- Change management started in 2018:
  - Single view system (UNIT 4)
  - Process commenced with the various regulators
  - Engaged with both staff and students regarding change



**WHERE WE  
WANT TO BE**

# WHERE WE WANT TO BE

- One STADIO Multiversity by July 2020
  - Will ignite a marketing campaign in 2020
- Using our first multi-faculty campus as a catalyst to determine the scalability thereof
- Aim for a minimum growth rate of 9% in student numbers in pursuit of reaching 56 000 students by 2026
- In with a chance to obtain university or university college status (subject to change in regulations)
- Specialised focus on off-campus mode of delivery (affordability)
- Investigating off-campus sales and support offices nationwide to expand off-campus offering



# INTERPRETING OUR MODEL

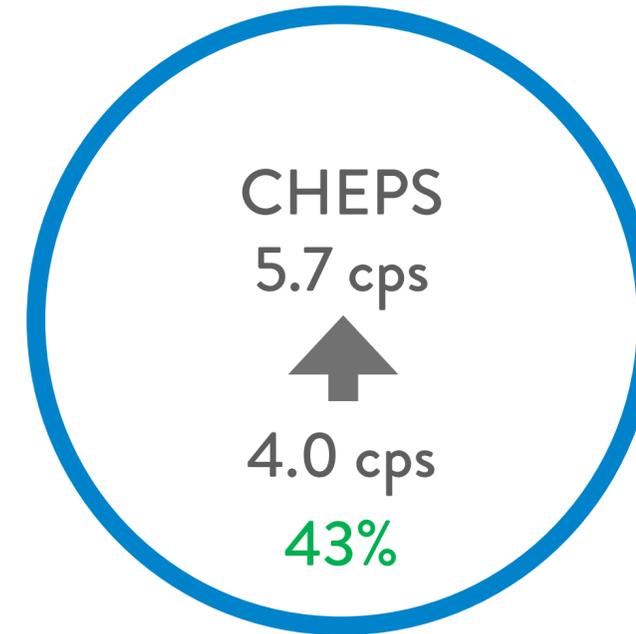
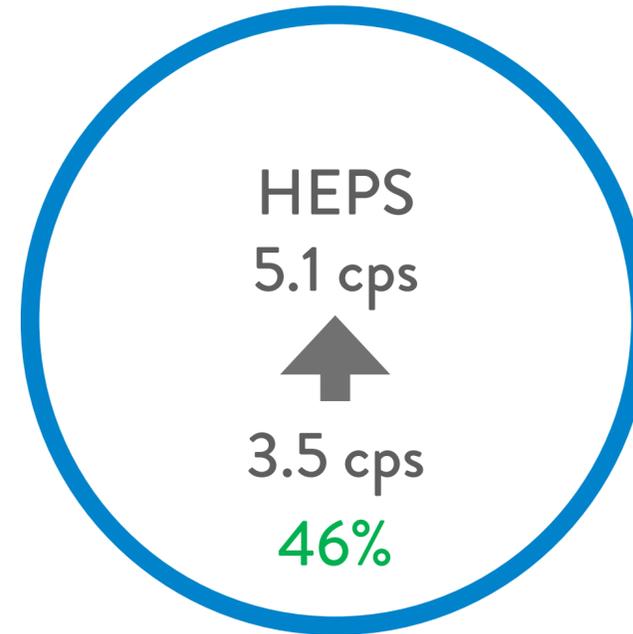
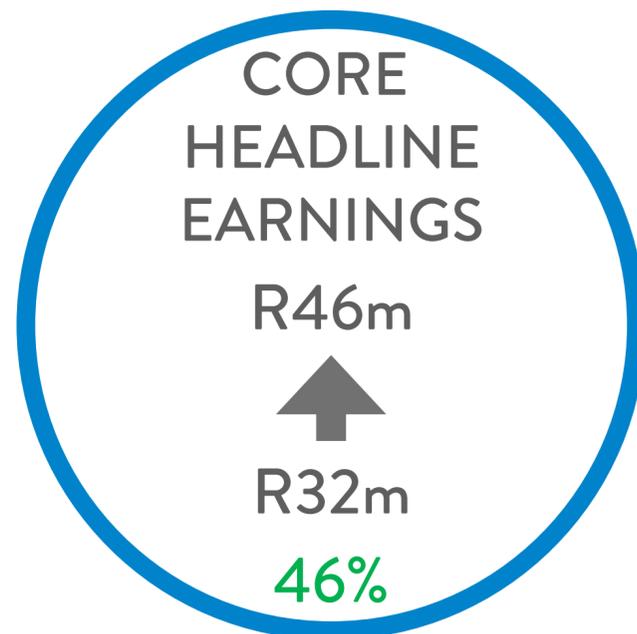
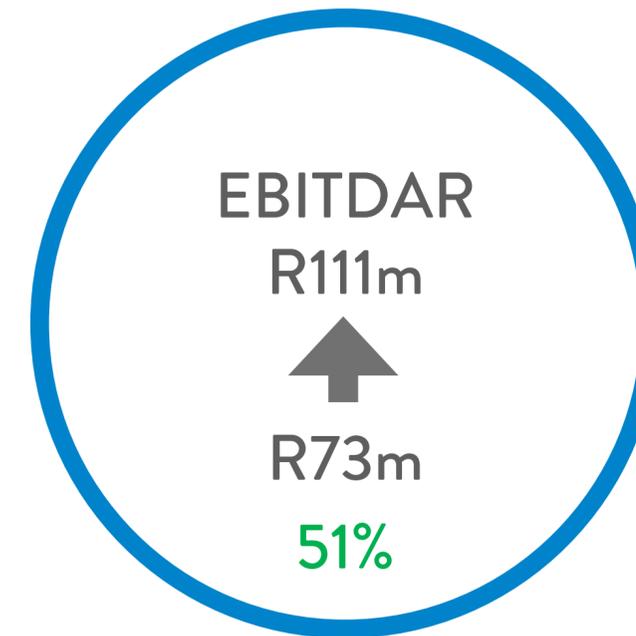
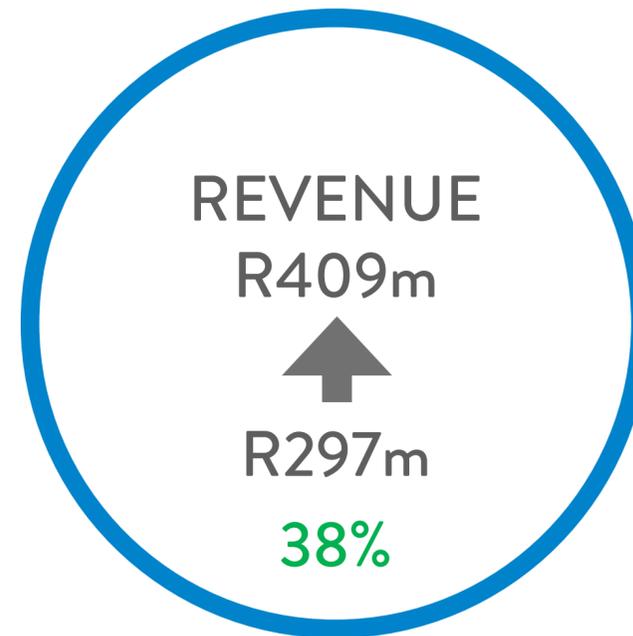
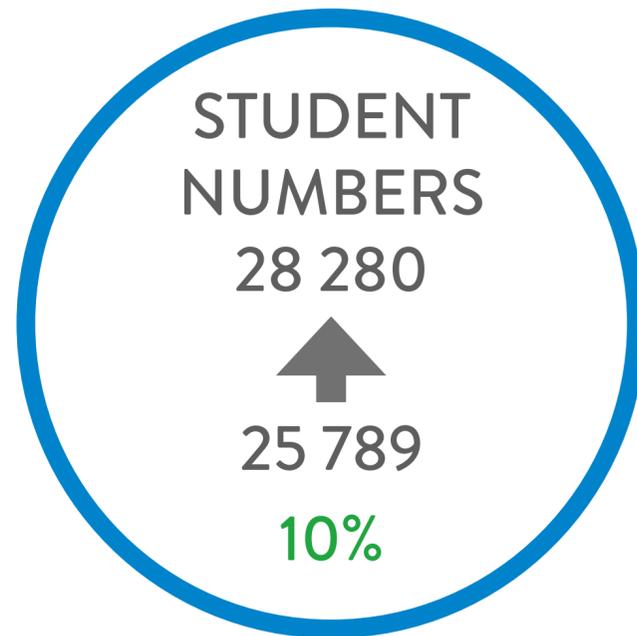
# INTERPRETING OUR MODEL

- As a higher education institution we serve various clients
  - School leavers (all kinds of schools i.e. state, church, ex model C, private and international)
  - Adult market
  - Corporate clients
- Unit 4 should enable us to strike a wide market
- Historical data shows that for 2018, the average revenue per student (ARPS) was R 23 598 per student
- Although we aim for an 80/20 split between off-campus and on-campus learning modes of delivery one can never predict how the enrolment tendency will realise:
  - Therefore a realistic way of calculating revenue is to apply ARPS based on historical data (adjusted for inflationary increases) to expected student numbers

# INTERPRETING OUR MODEL (CONTINUED)

- About Milpark:
  - Company acquired to get hold of top commerce and management qualifications (27 registered programmes) – targeting mainly adult market and corporate clients
  - Aim is to re-position its qualifications to also attract the school leaver market
  - >60% of revenue is reliant on B2B business
  - Re-focus will reduce exposure to cyclical B2B market
- Strong belief that we can reach 100 000 students
- Asset light – can accommodate 100 000 students with +/- R2,5bn capex spend
- Development of greenfield campuses (Centurion) will provide VISIBILITY for the STADIO Multiversity brand

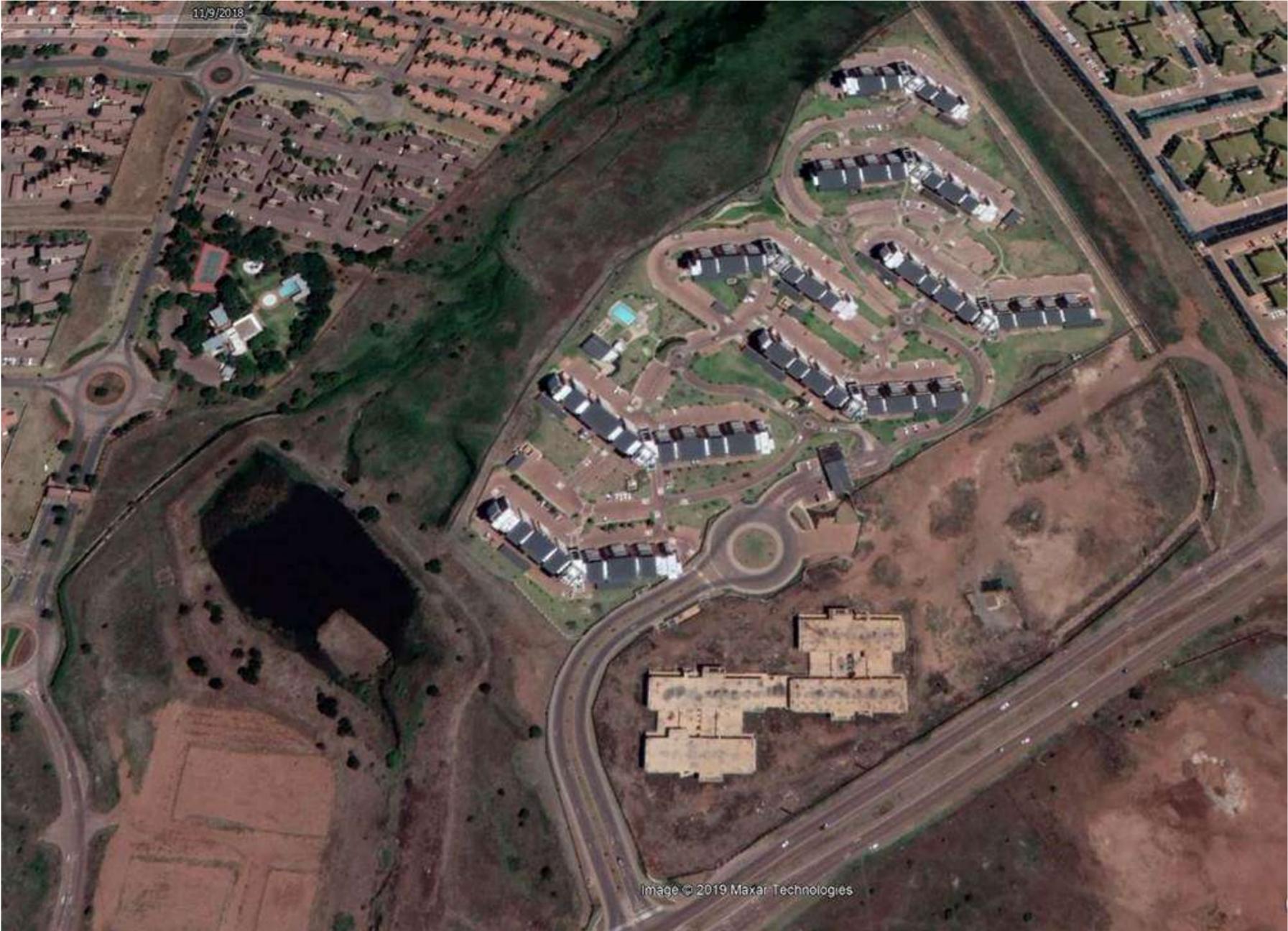
# FINANCIAL HIGHLIGHTS FROM JUNE 2018 TO JUNE 2019



# CENTURION MULTI-FACULTY CAMPUS



# CENTURION MULTI-FACULTY CAMPUS



A pair of dark-rimmed glasses with clear lenses is positioned diagonally on a dark, textured fabric surface. The glasses are the central focus, with their frames and lenses clearly visible. The background is a dark, pebbled texture, possibly leather or a similar material. Overlaid on the center of the image is the text "FINANCIAL INFORMATION" in a bold, white, sans-serif font. The text is split into two lines: "FINANCIAL" on the top line and "INFORMATION" on the bottom line. The lighting is soft, creating subtle shadows and highlights on the glasses and the fabric.

**FINANCIAL  
INFORMATION**

# HIGHLIGHTS FOR 2019

- First year in which all the subsidiaries are included in the results
- IFRS 16 applicable from 1 January 2019
- Pursuing the acquisition of land and a semi-complete structure in Centurion (to open in 2021)
- Accredited first-of-its-kind fully online Post Graduate Diploma in Accounting – opened officially in July 2019 for enrolment
- Positioning for the move to one STADIO Multiversity

# 2019 GROUP ORGANOGRAM

STADIO  
— HOLDINGS —  
LIMITED



## STADIO INVESTMENT HOLDINGS (PTY) LTD

100%



87.2%



100%



74%



74%



100%



100%

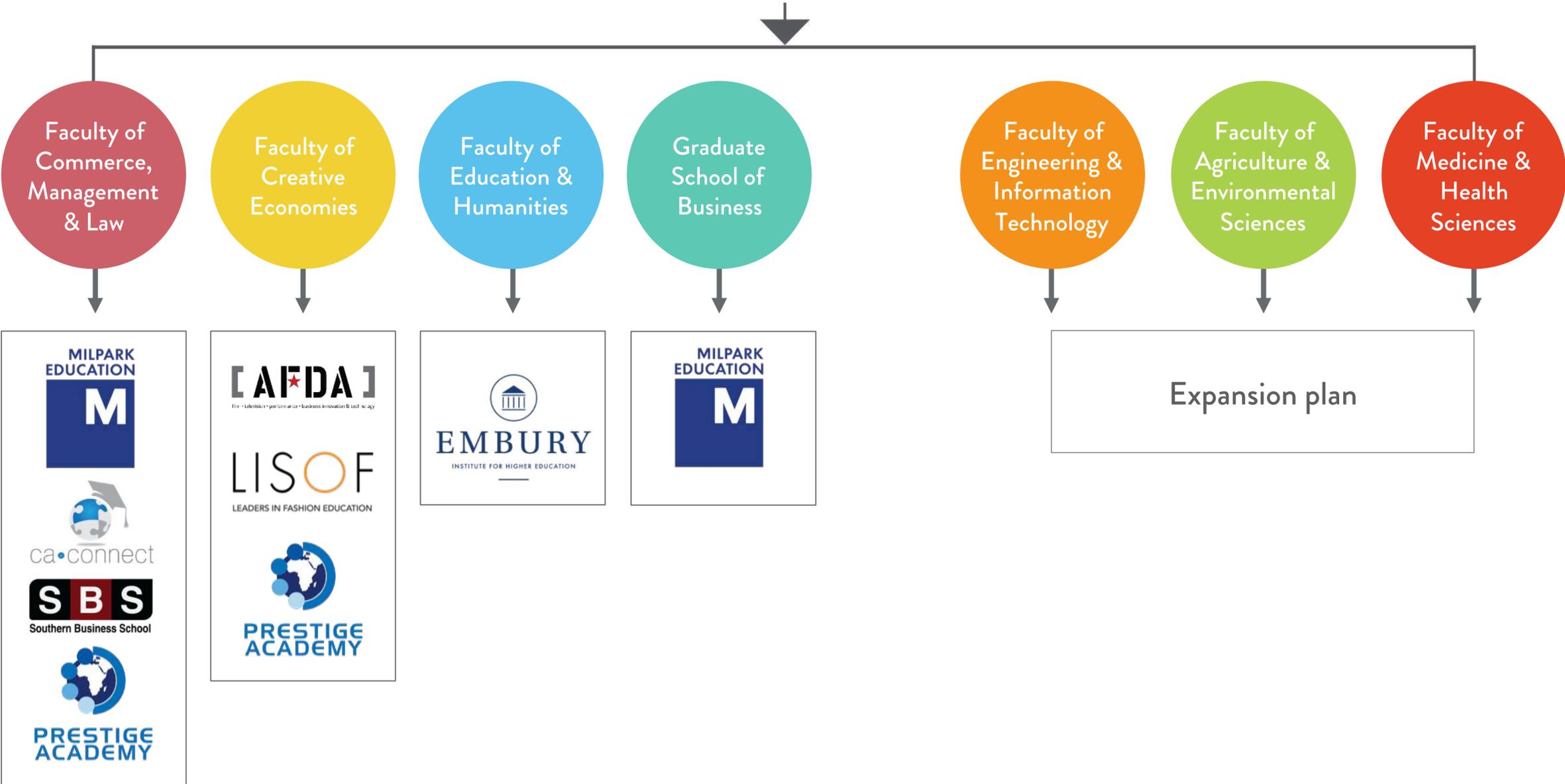


14  
CAMPUSES

PTA • JHB • CPT • KZN • PE • Windhoek

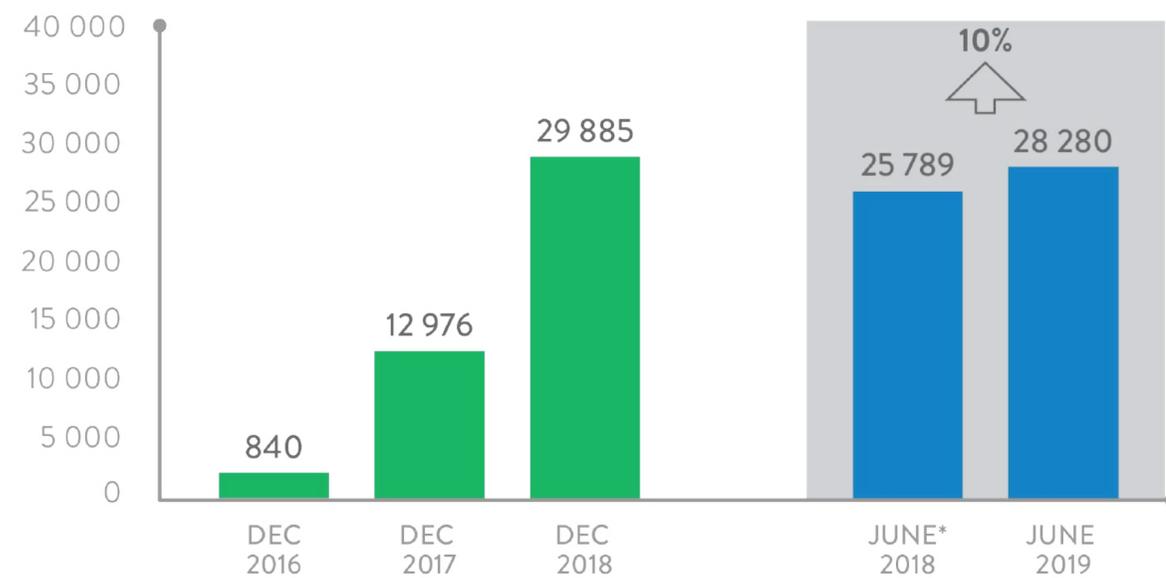
# TOWARDS STADIO MULTIVERSITY

## STADIO MULTIVERSITY

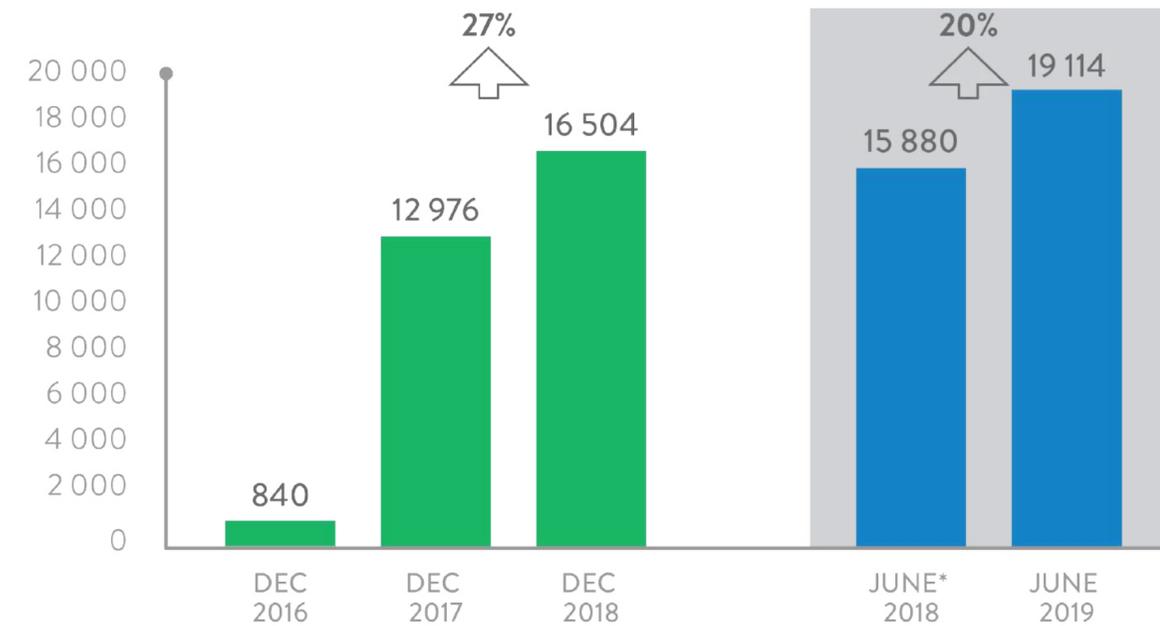


# STUDENT NUMBERS

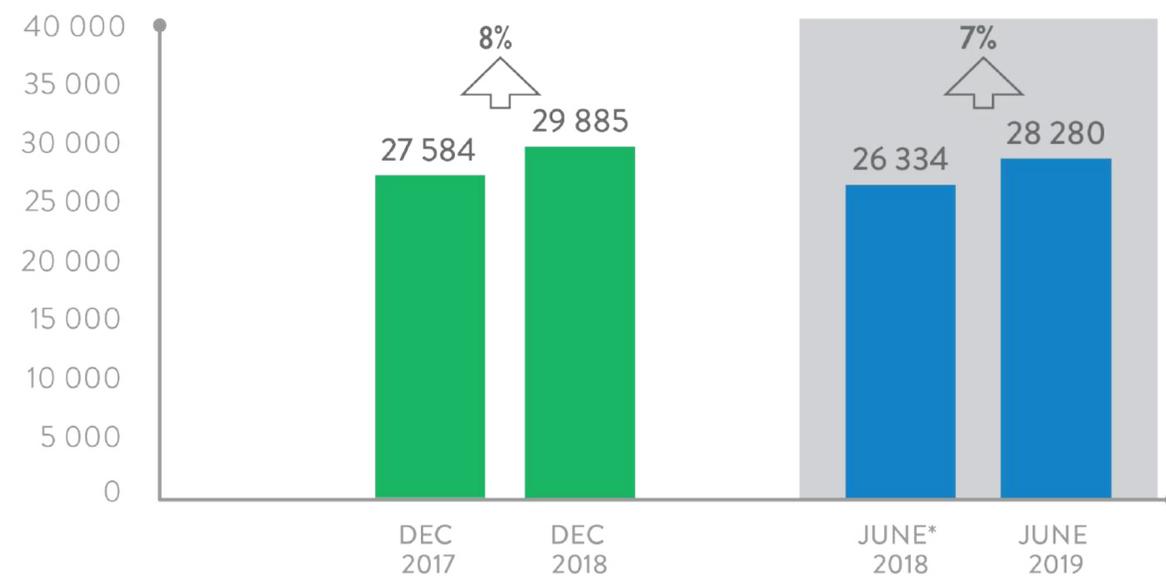
STUDENT NUMBERS (ACTUAL)



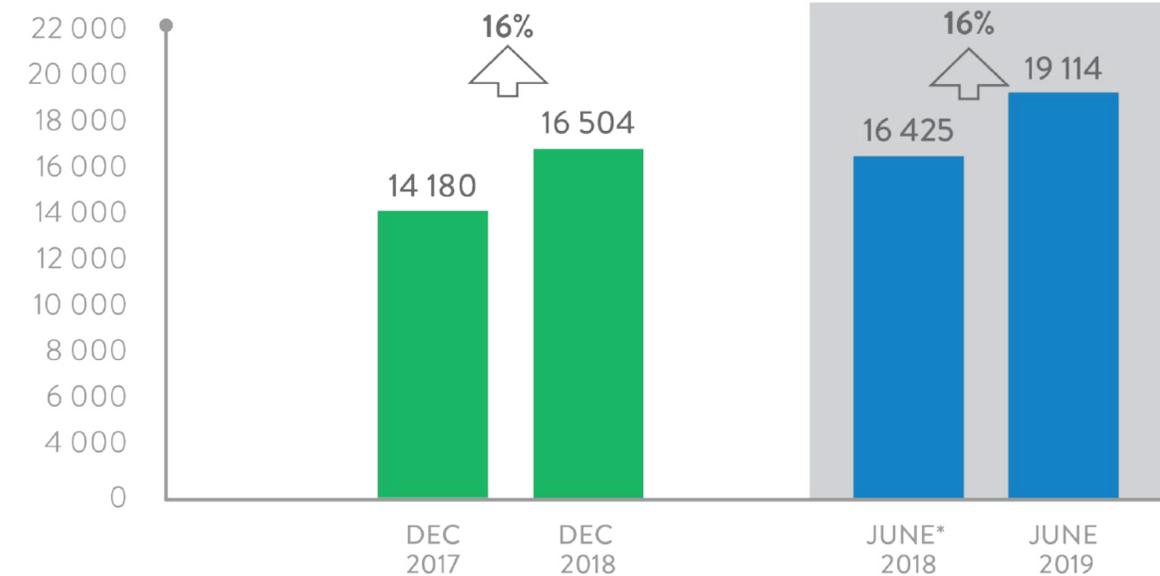
STUDENT NUMBERS - EXCLUDING MILPARK (ACTUAL)



STUDENT NUMBERS (LIKE-FOR-LIKE)



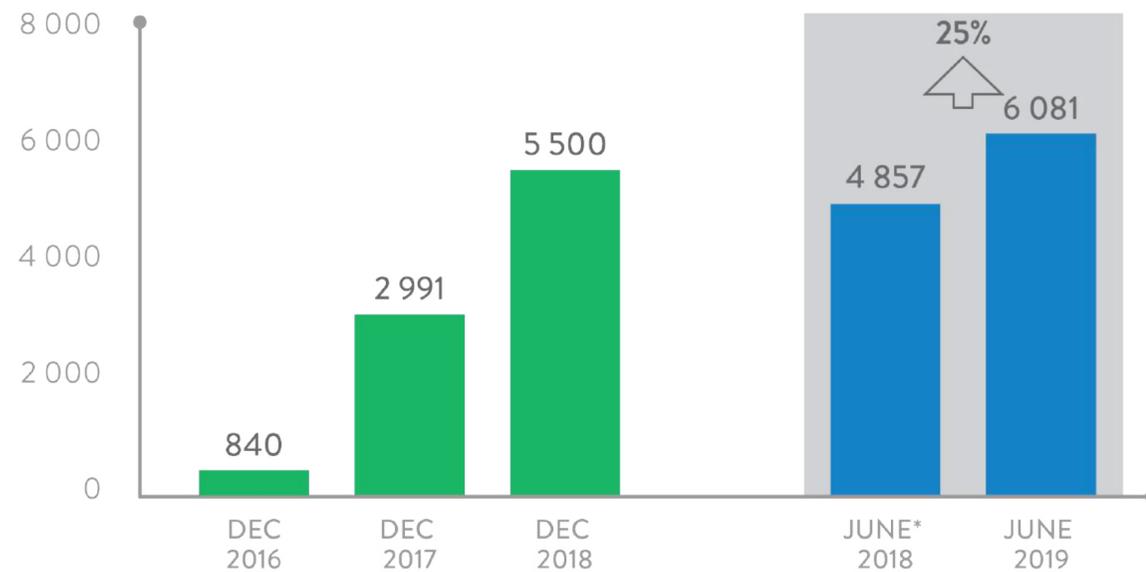
STUDENT NUMBERS - EXCLUDING MILPARK (LIKE-FOR-LIKE)



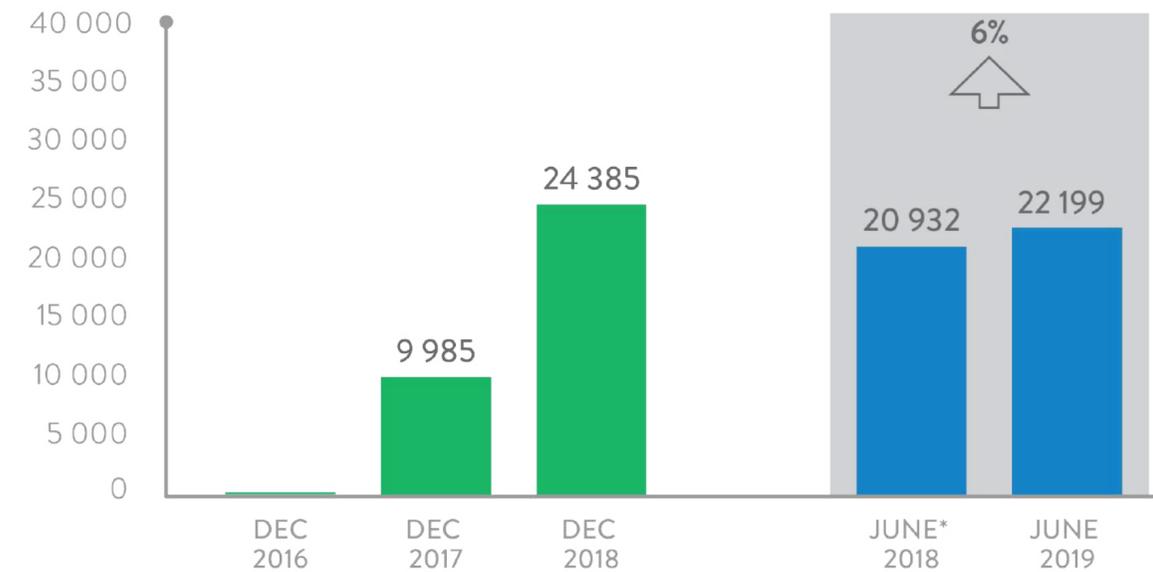
\* Restated to exclude semester 2 enrolments

# STUDENT NUMBERS (CONTINUED)

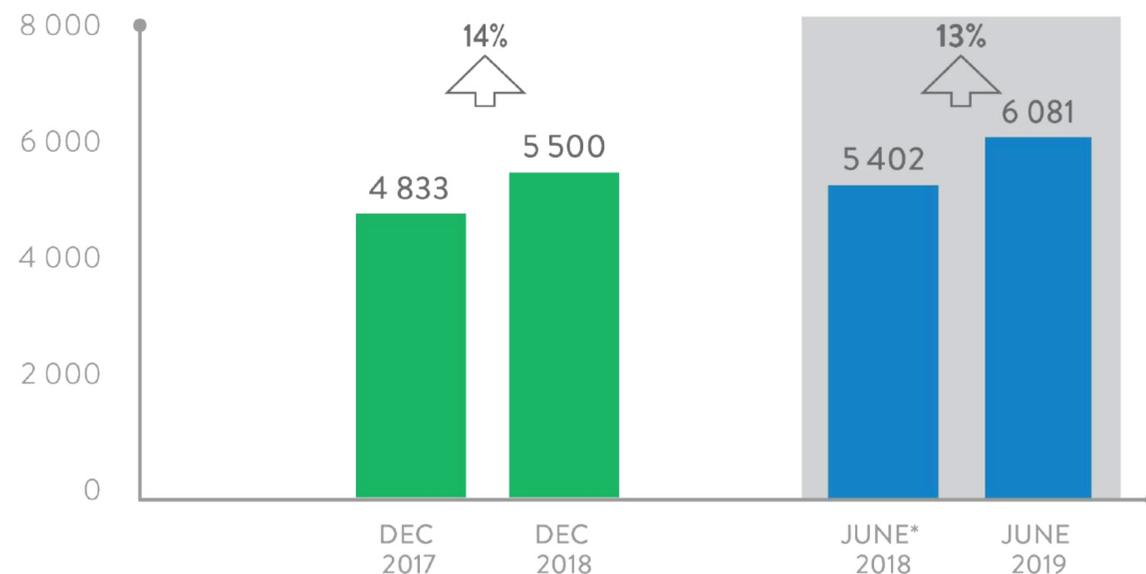
ON CAMPUS STUDENTS (ACTUALS)



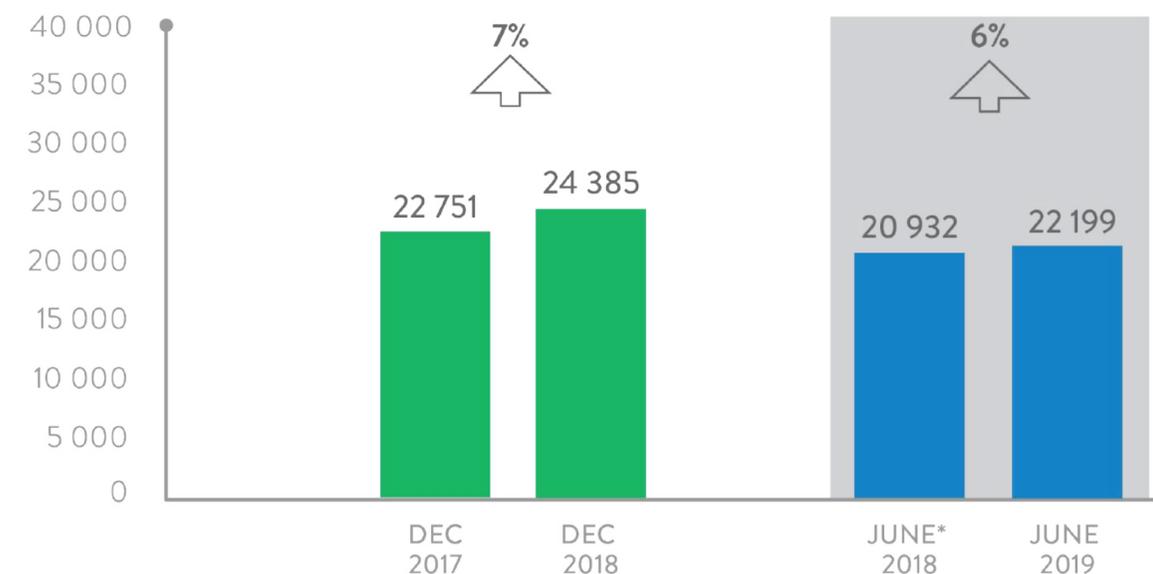
OFF CAMPUS STUDENTS (ACTUALS)



ON CAMPUS STUDENTS (LIKE FOR LIKE)



OFF CAMPUS STUDENTS (LIKE FOR LIKE)



Excluding cyclical B2B, students grew by 18%

\* Restated to exclude semester 2 enrolments

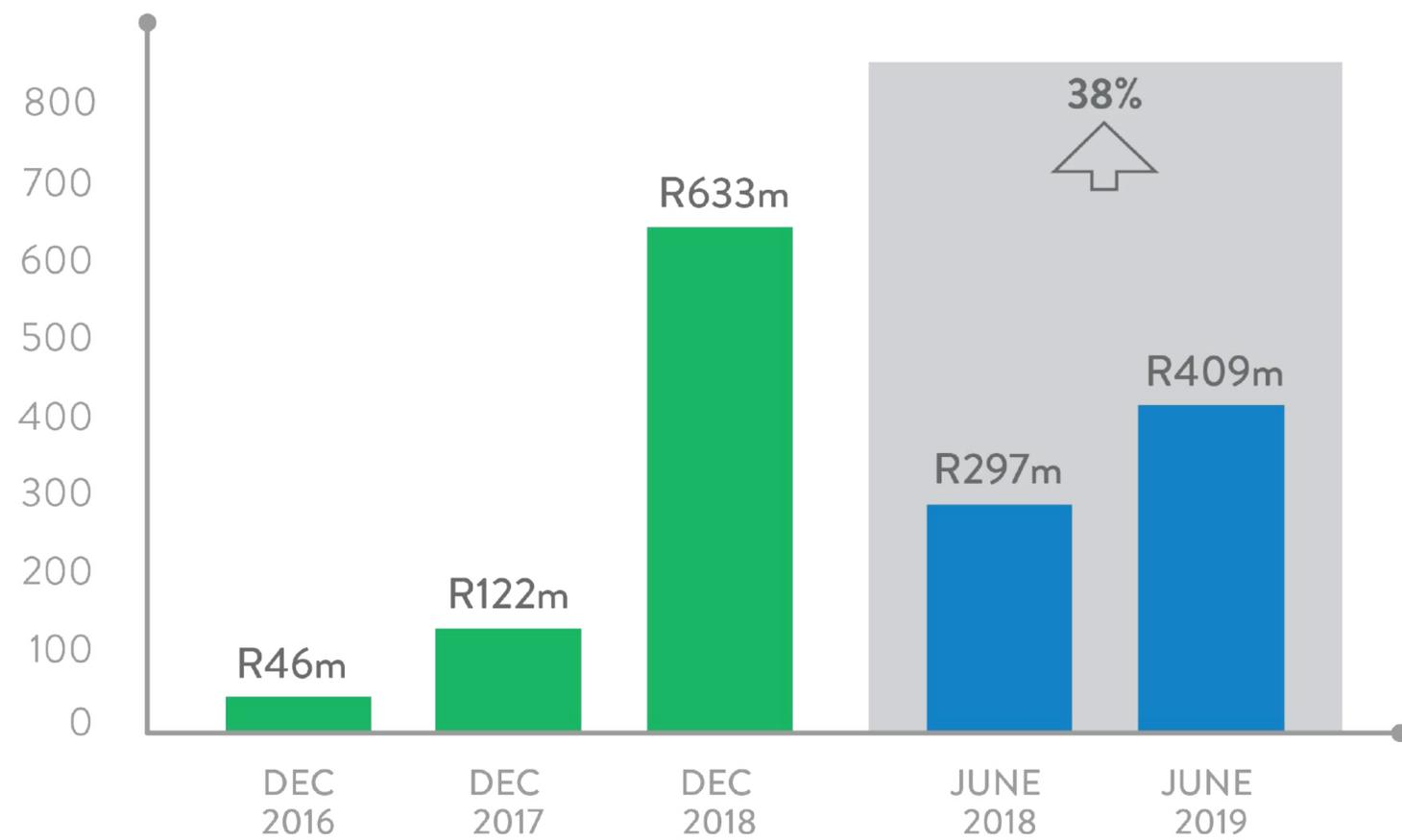
# STUDENT NUMBER & PROGRAMME ANALYSIS

STUDENT NUMBERS AND PROGRAMMES PER ILLUSTRATIVE FACULTY							
LIKE FOR LIKE COMPARISON							
	STUDENT NUMBERS			PROGRAMMES			
FACULTY	Jun 2017*	Jun 2018*	Jun 2019	Year-on-year growth (%)	Current registered programmes	Pipeline programmes	Total
Commerce, Management and Law	19 834	21 648	22 360	3%	49	21	70
Creative Economies	2 749	2 889	3 092	7%	21	14	35
Education and Humanities	1 112	1 735	2 758	59%	8	10	18
Engineering and Information Technology	57	62	70	13%	4	8	12
Agriculture and Environmental Sciences	-	-	-	-	-	4	4
<b>TOTAL</b>	<b>23 752</b>	<b>26 334</b>	<b>28 280</b>	<b>7%</b>	<b>82</b>	<b>57</b>	<b>139</b>
<b>MODES OF LEARNING DELIVERY</b>							
On-campus	5 336	5 402	6 081	13%	48	37	85
Off-campus	18 416	20 932	22 199	6%	34	20	54
<b>MODES OF LEARNING DELIVERY</b>							
% On-campus	22%	21%	22%				
% Off-campus	78%	79%	78%				

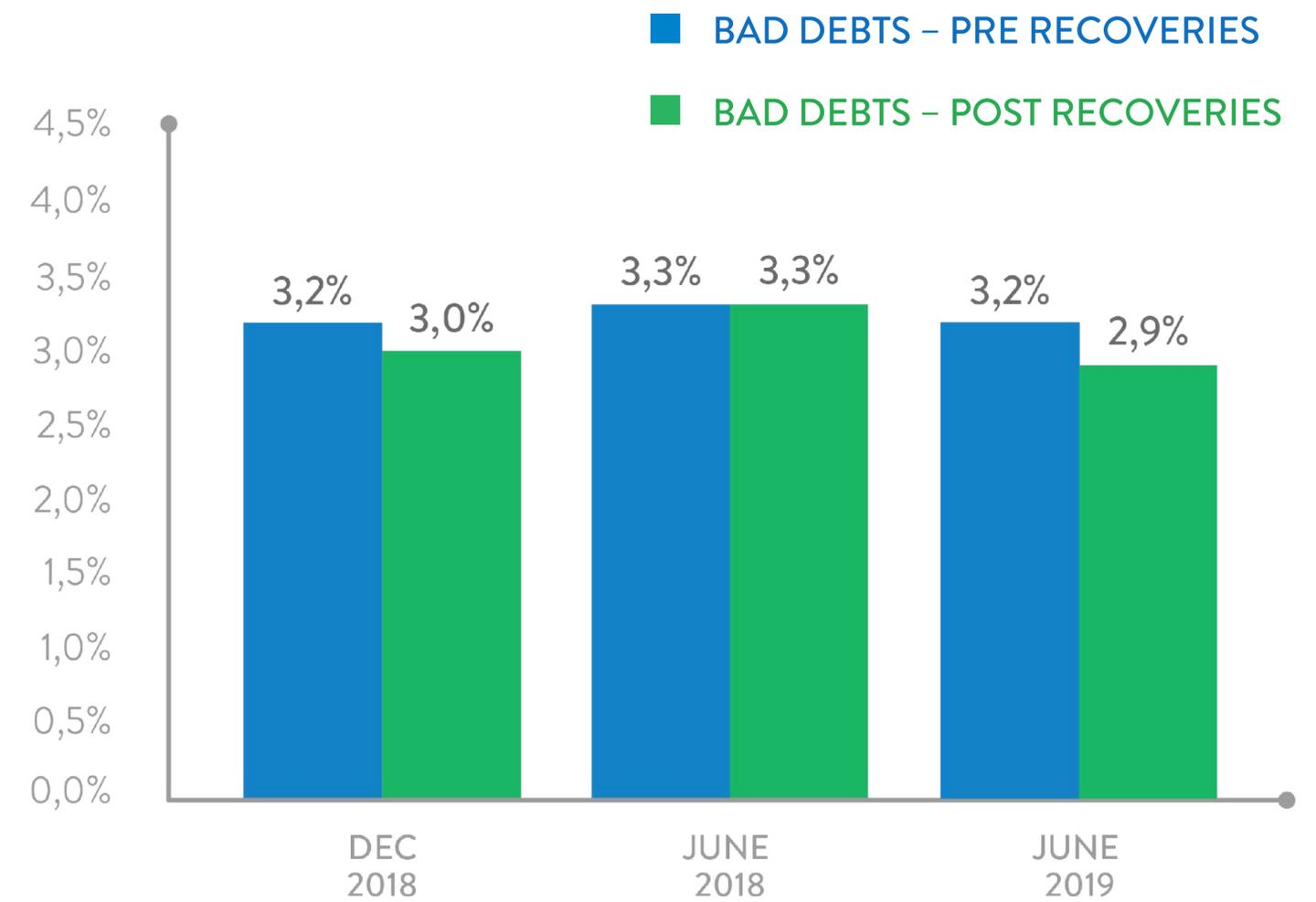
\* Restated to exclude semester 2 enrolments and to update faculty allocations

# REVENUE & BAD DEBT EXPENSE

## REVENUE (Rm)



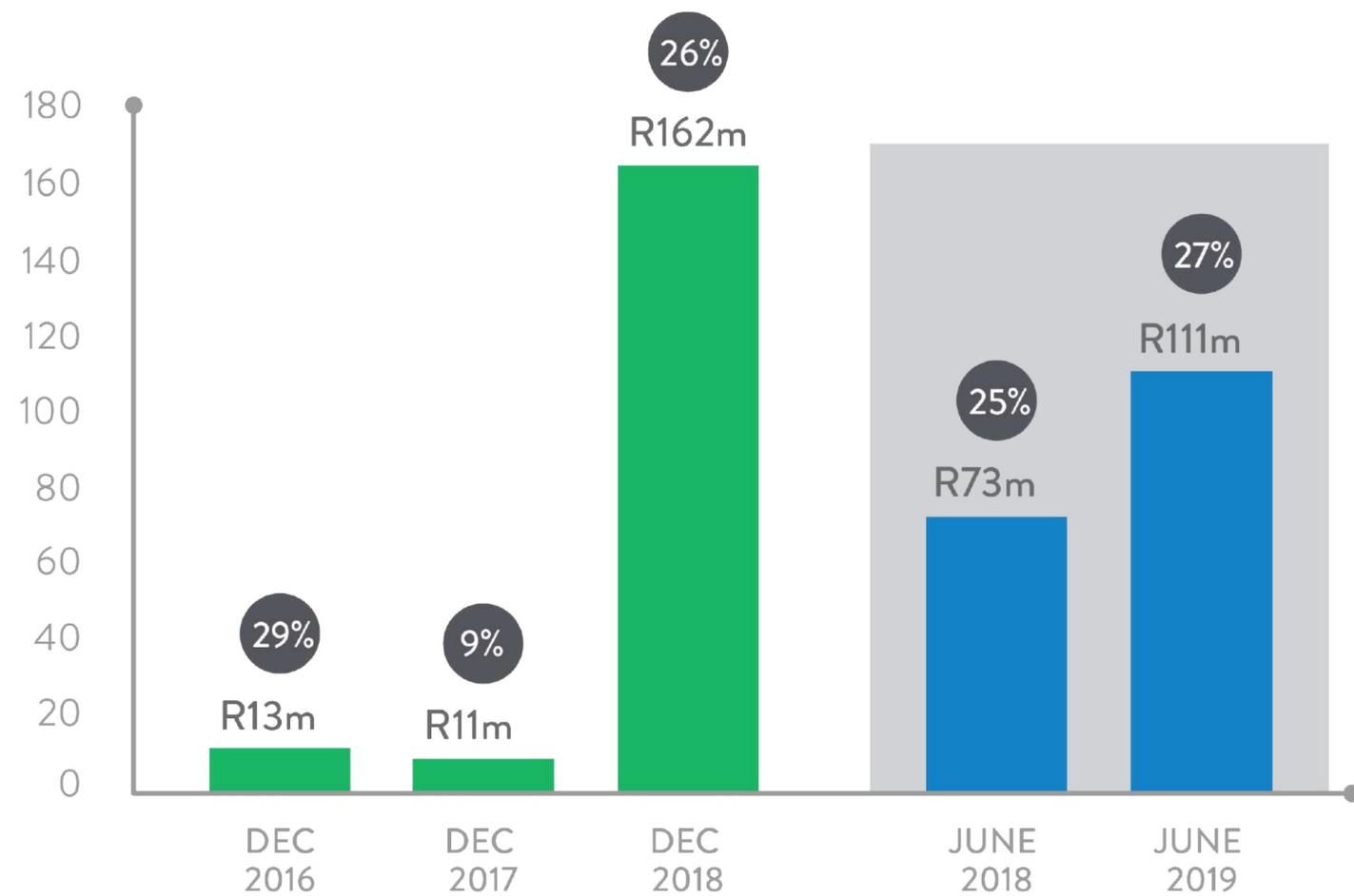
## BAD DEBT EXPENSE AS A % OF REVENUE



# EBITDAR & EBITDA

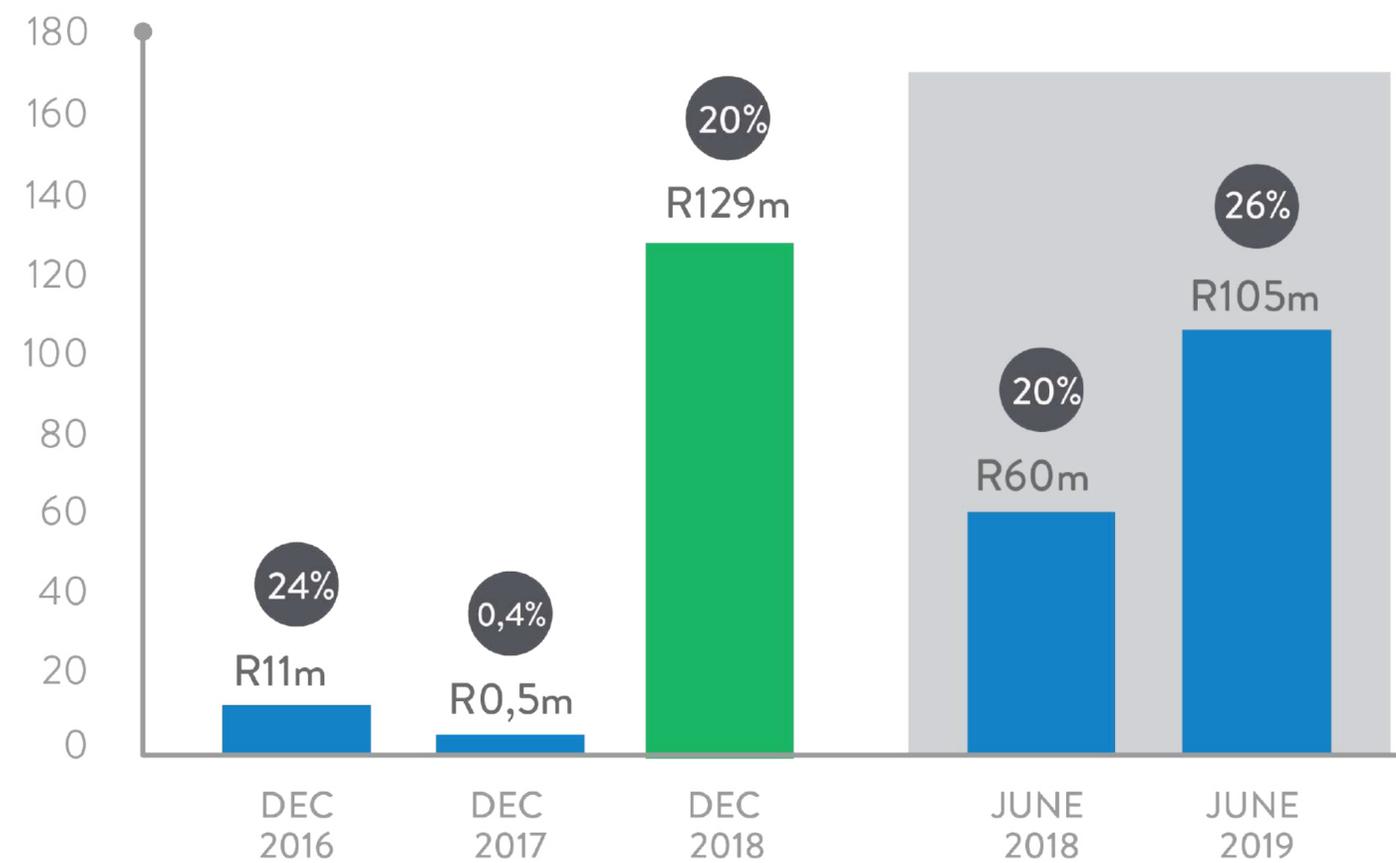
EBITDAR (Rm)

EBITDAR MARGIN % ●



EBITDA (Rm)

EBITDA MARGIN % ●



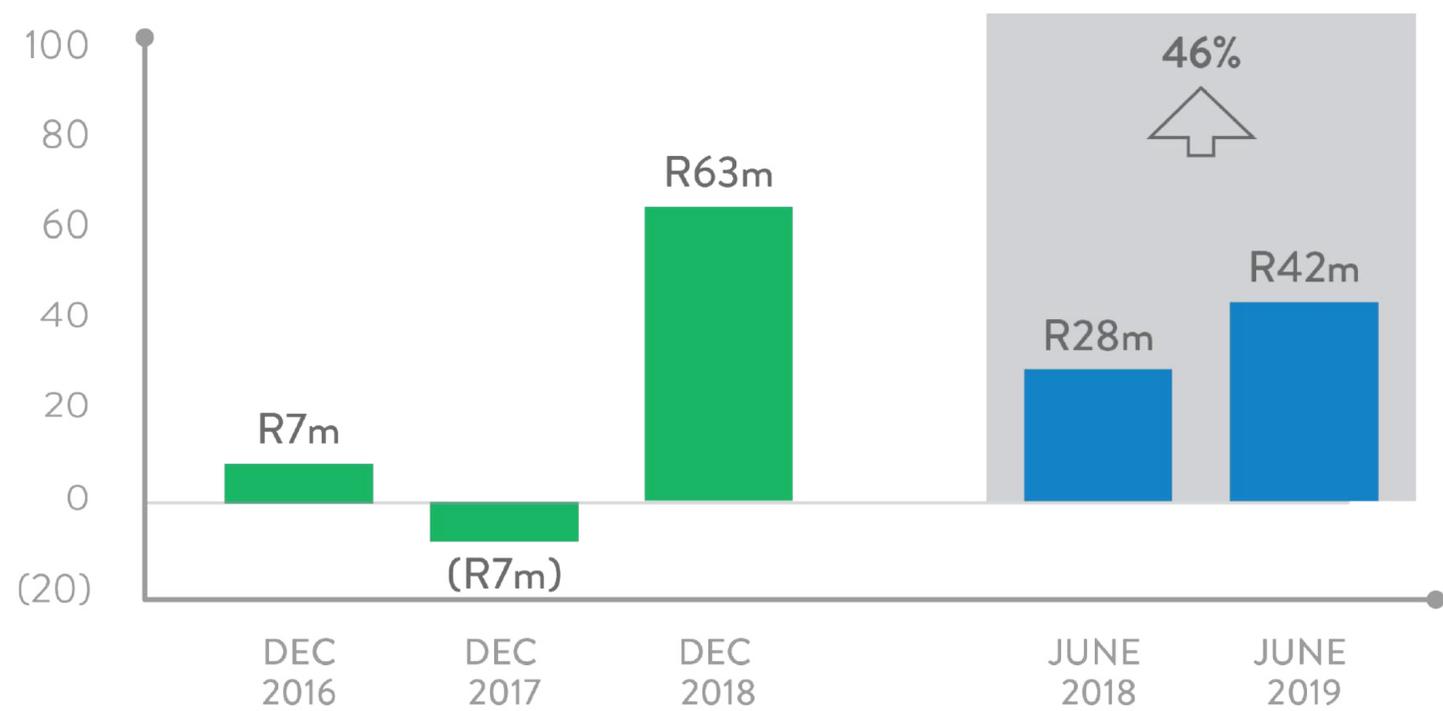
# IMPACT OF IFRS 16

IFRS16 IMPACT CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
	Before IFRS 16	After IFRS 16	
Rm	Jun 2019	Jun 2019	Impact of change
Rental expense	(23)	(6)	17
Depreciation & amortisation	(20)	(29)	(10)
Investment income	13	14	1
Finance cost	(2)	(12)	(9)
EBITDA	88	105	17
Profit attributable to parent	43	42	(1)
CHEPS (cps)	5,8	5,7	(0,1)

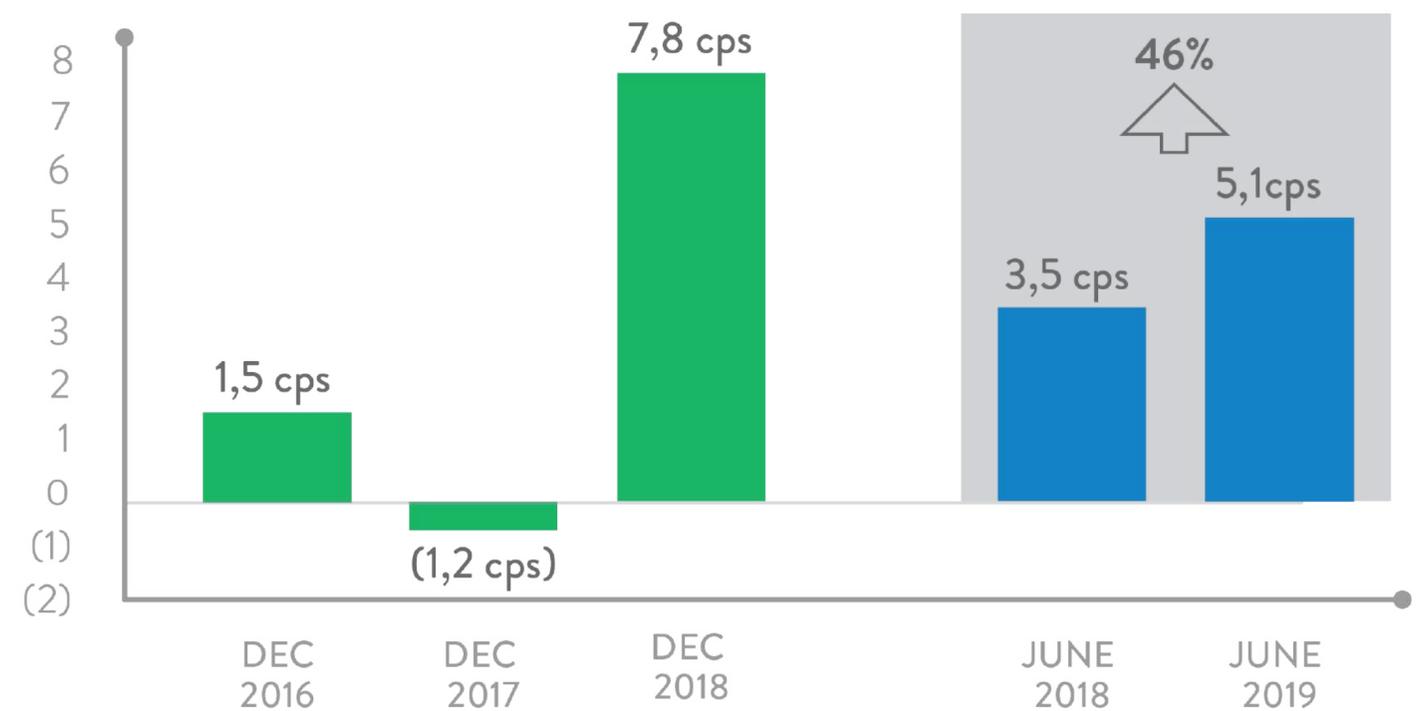
IFRS16 IMPACT CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	Before IFRS 16	After IFRS 16	
Rm	Jun 2019	Jun 2019	Impact of change
TOTAL Assets			
Right of use asset	-	100	100
Other assets	2 038	2 102	64
TOTAL Equity	(1 748)	(1 711)	37
TOTAL Liabilities			
Lease liabilities		(177)	(177)
Other liabilities	(290)	(313)	(23)
NAV per share (cps)	207	203	4

# HEADLINE EARNINGS

## HEADLINE EARNINGS (Rm)

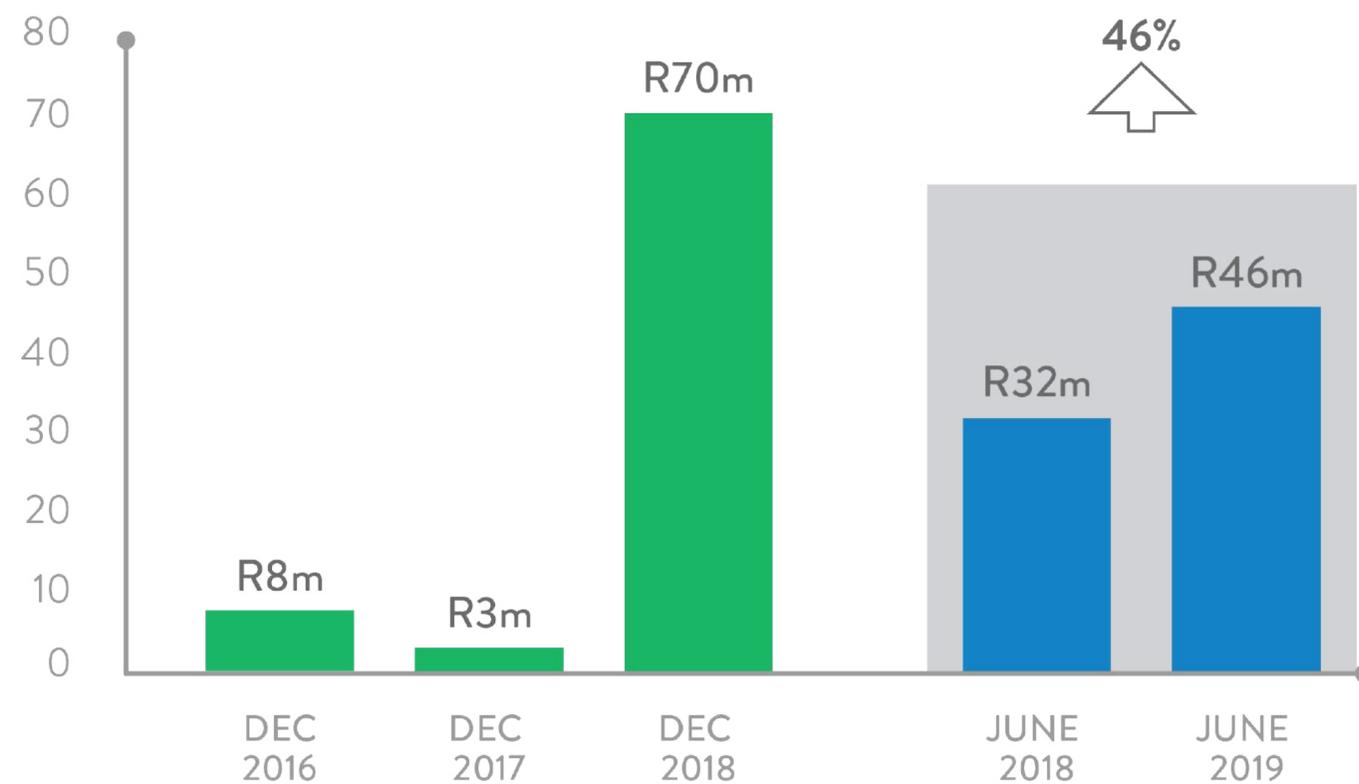


## HEPS (cps)

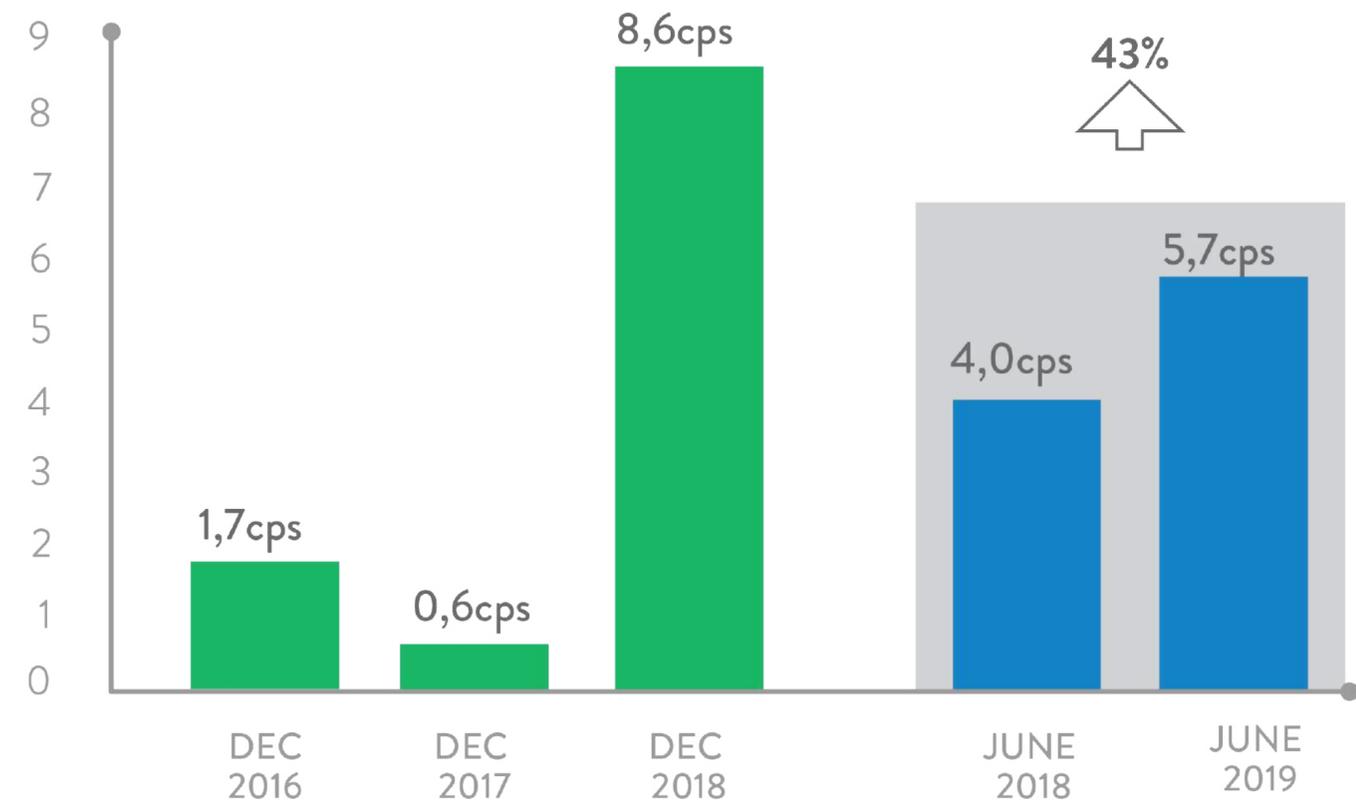


# CORE HEADLINE EARNINGS

## CORE HEADLINE EARNINGS (Rm)



## CHEPS (cps)



# STATEMENT OF FINANCIAL POSITION

STATEMENT OF CONSOLIDATED FINANCIAL POSITION				
	DEC 2018		JUN 2018	JUN 2019
	Rm		Rm	Rm
Total assets	1 904		1 986	2 219
Right of use asset	-		-	100
Other assets	1 904		1 986	2 119
Total equity	1 697		1 649	1 712
Attributable to equity holders	1 650		1 608	1 664
Non-controlling interests	47		41	48
Total liabilities	207		337	507
Borrowings	4		4	-
Loans from related parties	1		-	-
Lease liabilities	-		-	177
Income received in advance	86		173	174
Other liabilities	116		160	156
Number of shares in issue (m)	818		816	818
NAV per shares (cents)	202		197	203
Gearing ratio	0%		0%	10%
Gearing ratio (excluding IFRS 16:Lease liabilities)	0%		0%	0%

# CAPITAL INVESTED

	DECEMBER			JUNE
CAPITAL INVESTED (Rm)	2016	2017	2018	2019
Acquisitions	-	594	440	-
Infrastructure development and capital assets	73	272	26	23
Programme development	12	11	15	11
<b>Total</b>	<b>85</b>	<b>877</b>	<b>481</b>	<b>34</b>
<b>Cumulative investment</b>	<b>85</b>	<b>962</b>	<b>1 443</b>	<b>1 477</b>

# CASH UTILISATION

CASH UTILISATION (Rm)	JUNE 2019
Cash balance at 1 January 2019	260
Acquisition of subsidiaries	(3)
Capital expenditure and programme development	(34)
Repayment of borrowings	(5)
Repayment of lease liabilities (IFRS16)	(10)
Net cash flow from operations	141
<b>Cash balance at 30 June 2019</b>	<b>349</b>

**R131m**  
operating  
cash

# Q&A



A close-up photograph of two hands, one slightly larger than the other, cupped together in a gesture of offering or gratitude. The hands are positioned centrally, with the palms facing each other. The background is a dark, textured surface, possibly a sweater. Overlaid on the hands is the text 'THANK YOU ENKOSI RE A LEBOGA DANKIE' in a bold, white, sans-serif font, arranged in four lines.

**THANK YOU  
ENKOSI  
RE A LEBOGA  
DANKIE**

TOWARDS

# STADIO MULTIVERSITY

