STADIO

HOLDINGS

INTERIM UNAUDITED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

STADIO

HOLDINGS

COMMITTED TO WIDENING ACCESS TO
QUALITY
HIGHER EDUCATION
AND POSITIVELY IMPACTING
SOCIETY AND OUR NATION
THROUGH

OUR THREE DISTINCT PRIVATE HIGHER EDUCATION INSTITUTIONS

MILPARK EDUCATION

STADIO HIGHER EDUCATION

[AFDA]

STADIO GROUP HIGHLIGHTS

The Group produced a solid set of results, with strong financial performance and good cash generation, it is well positioned to expand its footprint with the construction of the new comprehensive Durbanville campus.

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

OUR VISION
To be a leading higher education provider, offering qualifications aligned with the needs of societies, students and the world of work.

OUR VALUES
Service, Integrity, Quality, and People-focus.

FINANCIAL PERFORMANCE

- Revenue up 16% to R826 million (June 2023: R714 million), underpinned by student growth of 10%.
- Overall student growth of 10%, well supported by new contact learning student growth in STADIO Higher Education of 14%.
- Core Headline Earnings up 19%, to R137 million (June 2023: R116 million).
- Strong balance sheet with no external debt[1] and cash balance of R98 million as at 30 June 2024, with shareholders' equity of R1.83 billion.
- Cash generated from operations up 20%, to R307 million (June 2023: R255 million).
- Invested R49 million into capital expenditure, of which R34 million relates to infrastructure and capital assets and R15 million to new curriculum and software development.
- We continue to invest for future growth.
- R85 million dividend paid to shareholders during the period.

THREE DISTINCT BRANDS

STADIO · MILPARK EDUCATION · AFDA

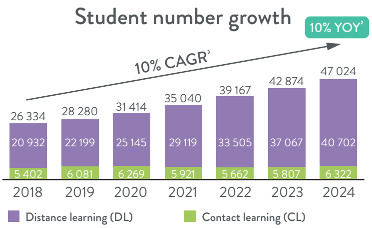
96 Qualifications

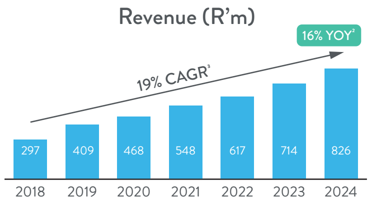
52 Pipeline programmes

10 CONTACT LEARNING CAMPUSES

6 DISTANCE LEARNING SUPPORT CENTRES

We've reached
50 000* students





EBITDA[4]	EPS[7]	CORE HE[5]	CORE HEPS[5]	CASH GENERATION[6]
↑12%	↑20%	↑19%	↑19%	↑20%
2024: R236 million	**2024: 16.3 cps**	**2024: R137 million**	**2024: 16.2 cps**	**2024: R307 million**
2023: R210 million	2023: 13.6 cps	2023: R116 million	2023: 13.6 cps	2023: R255 million
2022: R192 million	2022: 11.1 cps	2022: R96 million	2022: 11.3 cps	2022: R249 million
2021: R161 million	2021: 9.6 cps	2021: R82 million	2021: 9.7 cps	2021: R219 million

* *As at August 2024, registrations on-going*
1 *Excluding IFRS 16 lease liabilities*
2 *Year-on-year growth (YOY)*
3 *Six-year compound annual growth rate (CAGR)*
4 *Earnings before interest, depreciation and amortisation (EBITDA)*
5 *Core headline earnings (HE) and core headline earnings per share (HEPS) as per Note 7*
6 *Cash generated from operations*
7 *Earnings per share (EPS)*

Other statistics

All information presented below represents the information of the underlying registered higher education institutions (HEI) owned by STADIO Holdings and its subsidiaries (the Group), presented per mode of delivery offered by the Group.

STUDENT NUMBERS

	Semester One – Unaudited								
	2018[1] 30 Jun	**2019**[1] 30 Jun	**2020**[1] 30 Jun	**2021**[1] 30 Jun	**2022** 30 Jun	**2023** 30 Jun	**2024** 30 Jun	Year-on-year growth %	6-year CAGR[2] growth %
Modes of learning delivery									
Contact learning	5 402	6 081	6 269	5 921	5 662	5 807	**6 322**	9%	3%
Distance learning	20 932	22 199	25 145	29 119	33 505	37 067	**40 702**	10%	12%
	26 334	28 280	31 414	35 040	39 167	42 874	**47 024**	10%	10%
Made up as follows:									
% Contact learning	21%	22%	20%	17%	15%	14%	**13%**		
% Distance learning	79%	78%	80%	83%	85%	86%	**87%**		

[1] *Like-for-like comparison including student numbers of all underlying HEIs as if they had been part of the Group in this period*
[2] *Compounded Annual Growth Rate*

As at August 2024, the Group had 50 435 students (August 2023: 46 912* students) enrolled, with second semester enrolments still in progress.

* *The distance learning values have been represented to include the PGDA Bridging programmes, which continue to be a strategic focus and growth area.*

Commentary

OVERVIEW

STADIO Holdings services the needs of the higher education market in South Africa with a vision to empower the nation by widening access to quality higher education. The Group is one of the largest higher education providers in the country servicing in excess of 50 000 students.

STADIO Holdings currently owns three registered private higher education institutions, namely:

- STADIO Proprietary Limited (STADIO Higher Education);
- Milpark Education Proprietary Limited (Milpark Education); and
- The South African School of Motion Picture Medium and Live Performance Proprietary Limited (AFDA).

COMMENTARY ON INSTITUTIONS

STADIO HIGHER EDUCATION

STADIO Higher Education is a comprehensive institution offering qualifications across various disciplines including, education, commerce, management and administration, policing, law, information technology, fashion, media and design, architecture and spatial design and humanities. Qualifications are offered on both the contact and distance learning modes of delivery. STADIO Higher Education follows an operational excellence strategy and has made significant progress in terms of optimising its contact learning campuses, as well as positioning its distance learning offerings for growth.

New qualifications were accredited during the period, which will be offered from 2025. New qualifications offered in 2024 are in information technology, management, architecture and fashion. The institution showed consistent growth in students, with positive growth in new students on both the contact and distance learning modes of delivery. STADIO Higher Education expects to commence with the construction of the new comprehensive campus in Durbanville, Western Cape in the second half of 2024, subject to regulatory approvals.

MILPARK EDUCATION

Milpark Education is the South African leader in online distance learning. Milpark Education follows a product leadership strategy focusing on niche digitally enhanced distance learning offerings online, in the finance and accounting specialisations. The Postgraduate Diploma in Accounting (PGDA) and PGDA Bridging programmes continue to deliver solid growth. During the period, Milpark Education has continued to invest significantly into various systems and infrastructure to further improve on the teaching and learning model and overall student experience. This investment will allow the institution to further entrench its position as a leader in its niche offerings and align the business for growth.

AFDA

AFDA is a contact learning provider offering specialised high-end qualifications in the creative economies (encompassing film, live performance, business and innovation, and creative writing). AFDA follows a product leadership strategy focusing on entrenching its position as the leading film and television school in the country, with its students and alumni continuing to win prestigious industry awards. The business continues to optimise its offerings on its four campuses located in Johannesburg, Durban, Gqeberha and Cape Town, whilst looking at further expansion opportunities.

REVIEW OF RESULTS – SOLID FINANCIAL PERFORMANCE WITH GOOD CASH GENERATION

The Board is pleased to report the results for the period ended 30 June 2024 (the Financial Results).

The Group monitors student numbers on a semester basis. The Group increased semester 1 student enrolments by 10% to 47 024 students at 30 June 2024 (June 2023: 42 874).

Distance learning student numbers reflected good overall growth of 10% to 40 702 at 30 June 2024 (June 2023: 37 067). Strong demand in professional qualifications continues to drive strong growth in registrations for the period. The Group's distance learning student numbers are still impacted by the legacy business-to-business (B2B) Milpark Education business offerings. Excluding the impact of the B2B business, the distance learning student numbers grew by 17% as at 30 June 2024. Milpark Education continues to reposition the business to become less reliant on the B2B business.

Contact learning student numbers showed good growth of 9% to 6 322 at 30 June 2024 (June 2023: 5 807). Registrations of new contact learning students in STADIO Higher Education increased by 14%. This follows the strategy of accrediting new programmes as well as expanding the offering of qualifications to new campuses.

The Group grew revenue by 16% to R826 million (June 2023: R714 million), with EBITDA growing by 12% to R236 million (2023: R210 million). The EBITDA margin remained robust at 29% (June 2023: 29%) for the period. EBITDA was impacted by increased costs incurred on marketing and advertising, licensing and computer costs and increased staff training costs in the period.

The loss allowance margin of 8.3% of revenue has improved since the 9% full year margin as at 31 December 2023, with a slight increase of 0.6% from 30 June 2023 (June 2023: 7.7%). For the period ended 30 June 2024, bad debts recovered improved to R5.7 million (June 2023: R2.3 million), due to enhanced collection efforts.

The payment trends of distance learning students are generally over a longer period of time than for contact learning students and, given the growth in distance learning across the Group, this has impacted the overall value of the debtors' book. The loss allowance therefore considers the associated potential risks in collections due to the longer payment trends and has increased in line with the increase in the debtors' book.

For the period ended 30 June 2024, the Group reported a profit after taxation of R144 million (June 2023: R127 million), earnings per share (EPS) of 16.3 cents per share (cps) (June 2023: 13.6 cps), and headline earnings per share (HEPS) of 16.2 cps (June 2023: 13.5 cps).

The growth in profit after taxation, EPS and HEPS for the period was primarily due to organic growth in the underlying institutions and lower growth in depreciation for the period of 3%. Furthermore, profit attributable to the parent was positively impacted by the additional 15.4% shareholding acquired in Milpark Education, substantially effective 31 December 2023 (see Note 13). Non-controlling interest in Milpark Education reduced from 31.5% in 2023 to 16.14% in 2024.

The Group utilised R100 million of their rolling credit facility to fund the acquisition of the additional shares in Milpark Education, resulting in additional finance costs for the period. These finance costs largely offset the higher interest income earned on higher cash balances for the Group (June 2023: net interest income of R1 million).

The Group utilises core headline earnings (Core HEPS) to measure and benchmark the underlying performance of the business. Core HEPS reflects HEPS adjusted for certain items that, in the Board's view, may distort the financial results from year-to-year, giving shareholders a more consistent reflection of the underlying financial performance of the Group. These core adjustments include amortisation costs associated with client lists acquired, once-off costs in respect of onerous contracts and tax penalties.

Accordingly, for the period ended 30 June 2024, Core HEPS grew by 19% to 16.2 cps (June 2023: 13.6 cps).

The cash generated from operations increased by 20%, to R307 million (June 2023: R255 million) for the period (refer to Note 14).

For the period ended 30 June 2024, the Group invested R49 million into capital expenditure for the development of curriculum intangibles, solar projects and the Durbanville campus construction. Further details are set out in Notes 8 and 9.

The Group is in a strong cash position with cash balances of R98 million as at 30 June 2024 and no external debt. The Group has access to a revolving credit facility of R100 million (refer to Note 12) with an option to increase the facility by a further R100 million. In January 2024, the Group utilised the R100 million facility for the settlement of the R117.5 million consideration payable for the additional interest acquired in Milpark Education in December 2023. The full R100 million debt was repaid during the period.

The Group continues to pursue growth opportunities whilst returning excess cash to shareholders through the payment of annual dividends and repurchasing of shares to avoid shareholding dilution that could arise through the shares that vest via the Group Share Incentive Scheme ("Scheme").

SHARE REPURCHASE

The Group is committed to preserving stakeholder value and limiting the dilution of shareholders' interests, where feasible. Accordingly, STADIO Holdings was mandated by the Board to repurchase additional shares in the market, to the value of R15 million, to counter the dilutionary effect of future share issues to the Group Share Incentive Trust ("SIT") for purposes of its future Scheme obligations. STADIO Holdings repurchased 3.0 million shares, to the value of R15 million which was subsequently cancelled during the period. During the period, the SIT transferred 3.0 million shares to participants of the Scheme in settlement of its Scheme obligations. These shares were previously held as treasury shares (refer to Note 11).

DIVIDEND

The Board has adopted a policy of declaring and paying dividends on an annual basis on excess free-cash flow considering the capital needs for future growth projects. A dividend of R84.7 million was declared on 18 March 2024 and paid on 22 April 2024 (2023: R76 million). No interim dividend has been declared for the six months ended 30 June 2024 (June 2023: nil).

DIRECTORATE

Effective 1 January 2024, Mr. Ishak Kula CA(SA) was appointed as the Group Chief Financial Officer and an Executive Director of the Company.

PROSPECTS

We are encouraged by the positive growth in new students on our contact learning mode of delivery and excited about the growth opportunities evident in the distance learning mode of delivery. Whilst we experienced good growth, we recognise that consumers remain under pressure given the tough economic climate and the impact this has on students' ability to afford higher education offerings.

Notwithstanding the economic climate within which we operate, there continues to be a high demand for our offerings as students invest in themselves to create more prosperous opportunities. The Group therefore continues to improve its offerings to deliver on its vision of widening access to quality higher education as well as becoming a first-choice higher education institution in South Africa.

On behalf of the Board.

Vincent Maphai
Chairperson

Chris Vorster
Chief Executive Officer

26 August 2024

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2024

	Year-on-year change %	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Revenue (Note 5)	16%	**826 031**	713 542	1 413 650
Other income	9%	**6 950**	6 359	15 055
Loss allowance	25%	**(68 173)**	(54 666)	(127 167)
Fair value losses on financial instruments	22%	**(10)**	(8)	(21)
Employee costs	15%	**(336 243)**	(292 976)	(586 092)
Operating expenses	19%	**(192 942)**	(162 116)	(324 885)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	12%	**235 613**	210 135	390 540
Depreciation and amortisation	(3%)	**(33 328)**	(34 353)	(70 474)
Impairment	–	**–**	–	–
Earnings before interest and taxation (EBIT)	15%	**202 285**	175 782	320 066
Investment income	5%	**10 338**	9 882	20 640
Finance cost	17%	**(10 383)**	(8 850)	(16 677)
Profit before taxation	14%	**202 240**	176 814	324 029
Taxation	16%	**(58 452)**	(50 206)	(87 767)
Profit for the period	14%	**143 788**	126 608	236 262
Attributable to:				
Owners of the parent	19%	**137 452**	115 274	208 247
Non-controlling interest[1]	(44%)	**6 336**	11 334	28 015
Total comprehensive income for the period	14%	**143 788**	126 608	236 262
Headline earnings (Note 6)	19%	**136 801**	114 970	208 146
Core headline earnings (Note 7)	19%	**137 266**	115 759	209 100
		Cents	**Cents**	**Cents**
Earnings per share				
– Basic	20%	**16.3**	13.6	24.5
– Diluted	20%	**16.1**	13.3	24.1
Headline earnings per share				
– Basic	20%	**16.2**	13.5	24.5
– Diluted	20%	**16.0**	13.3	24.1
Core headline earnings per share (Core HEPS)				
– Basic	19%	**16.2**	13.6	24.6
– Diluted	20%	**16.0**	13.4	24.2
		Million	**Million**	**Million**
Number of shares in issue (net of treasury shares)				
– Basic	0%	**847**	850	847
– Diluted	(1%)	**856**	865	860
Weighted average number of shares in issue				
– Basic	(1%)	**846**	851	849
– Diluted	(1%)	**856**	865	863

[1] *The non-controlling interest decreased from 31.5% in the prior year to 16.14% (Note 13).*

Condensed consolidated statement of financial position

as at 30 June 2024

	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
ASSETS			
Non-current assets			
Property, plant and equipment (Note 8.1)	**890 923**	874 102	872 281
Right-of-use assets (Note 8.2)	**67 412**	75 866	65 062
Goodwill	**751 083**	751 083	751 082
Intangible assets (Note 9)	**162 346**	144 505	151 872
Trade and other receivables (Note 10)	**21 146**	21 071	20 533
Other financial assets	**4 663**	15 142	16 244
Deferred tax asset	**106 124**	122 645	75 844
Total non-current assets	**2 003 697**	2 004 414	1 952 918
Current assets			
Trade and other receivables (Note 10)	**278 125**	253 053	196 544
Current tax receivable	**20 189**	4 128	36 203
Cash and cash equivalents	**98 440**	174 945	130 323
Total current assets	**396 754**	432 126	363 070
Total assets	**2 400 451**	2 436 540	2 315 988
EQUITY			
Share capital (Note 11.1)	**1 613 838**	1 642 963	1 628 781
Treasury shares (Note 11.2)	**(3 152)**	(13 933)	(17 114)
Other reserves	**18 337**	4 375	24 361
Accumulated profit	**198 174**	166 447	158 541
Total equity attributable to equity holders of the Company	**1 827 197**	1 799 852	1 794 569
Non-controlling interest[1]	**59 164**	103 506	67 633
Total equity	**1 886 361**	1 903 358	1 862 202
LIABILITIES			
Non-current liabilities			
Lease liabilities	**85 246**	112 514	80 298
Deferred tax liability	**57 541**	45 890	51 897
Trade and other payables	**–**	2 346	–
Total non-current liabilities	**142 787**	160 750	132 195
Current liabilities			
Lease liabilities	**31 924**	44 671	34 715
Borrowings (Note 12)	**266**	–	237
Loans from related parties	**–**	96	96
Trade and other payables	**91 893**	73 224	185 753
Contract liabilities	**233 274**	229 604	100 715
Tax payable	**13 946**	24 837	75
Total current liabilities	**371 303**	372 432	321 591
Total liabilities	**514 090**	533 182	453 786
Total equity and liabilities	**2 400 451**	2 436 540	2 315 988
Net asset value per share (cents)	**216**	212	212

[1] *The non-controlling interest decreased due to additional interests acquired by the Group in Milpark Education (Note 13).*

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2024

	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Balance as at 1 January	**1 862 202**	1 881 702	1 881 702
Movement in share capital			
Issue of ordinary shares (Note 11.1)	**–**	14 651	14 652
Share transaction costs	**(108)**	(60)	(162)
Shares repurchased and cancelled	**(14 835)**	–	(14 226)
Movement in treasury shares			
Net purchase of treasury shares and issue of treasury shares to employees (Note 11.2)	**13 962**	(13 932)	(16 969)
Movement in reserves			
Total comprehensive income for the period attributable to owners of the parent	**137 452**	115 274	208 247
Settlement of employee share scheme (Note 11.2)	**(20 555)**	(19 468)	(20 506)
Share-based payments expense and vesting of share options	**4 270**	6 878	7 401
Dividends paid to ordinary shareholders	**(84 674)**	(75 676)	(75 676)
Transaction with non-controlling shareholders (Note 13.1)	**(2 884)**	–	(80 377)
Movement in non-controlling interest			
Total comprehensive income for the period attributable to non-controlling interest	**6 336**	11 334	28 015
Dividends paid to non-controlling shareholders	**(11 298)**	(17 345)	(17 345)
Transaction with non-controlling shareholders (Note 13.1)	**(3 507)**	–	(52 554)
Balance as at period end	**1 886 361**	1 903 358	1 862 202
Comprising:			
Share capital	**1 613 838**	1 642 963	1 628 781
Treasury shares	**(3 152)**	(13 933)	(17 114)
Share based payment reserve	**18 337**	4 375	24 361
Accumulated profit	**198 174**	166 447	158 541
Non-controlling interest	**59 164**	103 506	67 633

Condensed consolidated statement of cash flows

for the six months ended 30 June 2024

	Year-on-year change %	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Net cash flow from operating activities		**251 663**	180 707	245 726
Cash generated from operations (Note 14)	20%	**306 578**	254 772	360 268
Interest income received	7%	**8 642**	8 105	17 038
Finance cost paid	17%	**(10 384)**	(8 849)	(16 677)
Taxation paid	(27%)	**(53 173)**	(73 321)	(114 903)
Net cash flow used in investing activities		**(36 823)**	(31 117)	(59 921)
Purchase of property, plant and equipment (Note 8.1)	53%	**(33 879)**	(22 215)	(37 336)
Purchase of intangible assets (Note 9)	63%	**(14 969)**	(9 187)	(22 356)
Proceeds from sale of property, plant and equipment	(91%)	**25**	285	426
Proceeds from disposal of other financial assets[1]	100%	**12 000**	–	–
Acquisition of other financial assets	–	**–**	–	(655)
Net cash flow used in financing activities		**(246 723)**	(122 852)	(203 689)
Share transaction costs	80%	**(108)**	(60)	(162)
Issue of shares	(100%)	**–**	2 743	–
Acquisition of shares from non-controlling shareholder (Note 13.1)	(100%)	**(5 862)**	–	(15 431)
Settlement of consideration payable to non-controlling shareholder (Note 13.1)	(100%)	**(117 500)**	–	–
Proceeds from borrowings	100%	**100 266**	–	221
Repayment of borrowings	>100%	**(100 238)**	(68)	(52)
Payment of principal portion of lease liabilities	(20%)	**(14 229)**	(17 712)	(62 163)
Dividends paid to non-controlling interests in subsidiaries	(35%)	**(11 298)**	(17 345)	(17 345)
Dividends paid to shareholders	12%	**(84 674)**	(75 676)	(75 676)
Cash received on exercise of share options by employees	>100%	**1 869**	290	3 319
Net share repurchase	0%	**(14 949)**	(15 024)	(36 400)
Net movement in cash and cash equivalents for the period	<(100%)	**(31 883)**	26 738	(17 884)
Cash and cash equivalents at the beginning of the period	(12%)	**130 323**	148 207	148 207
Cash and cash equivalents at the end of the period	(44%)	**98 440**	174 945	130 323

[1] *The unit-trust investment was realised during the period.*

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2024

1. STATEMENT OF COMPLIANCE

The condensed consolidated unaudited interim financial statements for the six months ended 30 June 2024 ("Interim Results") are prepared in accordance with IFRS Accounting Standards, (IAS 34) Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa and the JSE Listings Requirements. The accounting policies in the preparation of these interim financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

The Interim Results do not include all the notes of the type normally included in consolidated annual financial statements. Accordingly, the Interim Results are to be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2023.

The Interim Results have not been reviewed or audited by the Group's auditor. The Interim Results have been prepared internally under the supervision of the Chief Financial Officer, I Kula, CA(SA). All forward-looking information is the responsibility of the board of directors and has not been reviewed or reported on by the group's auditors.

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim financial statements are in terms of the IFRS and are consistent with those applied in the previous consolidated annual financial statements.

For a full list of standards and interpretations that have been adopted by the Group, we refer you to the consolidated annual financial statements for the year ended 31 December 2023.

3. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Interim Results, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 31 December 2023. The full set of annual financial statements for the year ended 31 December 2023 can be found on our website at www.stadio.co.za.

4. NATURE OF OPERATIONS

Due to the nature of the operations and new enrolments in both the first semester (January to June) and the second semester (July to December), revenue and EBITDA in the second half of the financial year will not necessarily be in line with the first six months reported on.

5. REVENUE

	Year-on-year change %	2024 30 Jun Unaudited R'000	Restated[1] 2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Revenue from contracts with customers				
The group disaggregates revenue from customers as follows:				
Rendering of services recognised over time				
Contact learning				
Tuition fees	17%	**259 546**	220 972	456 327
Discounts and bursaries granted	(11%)	**(4 867)**	(5 460)	(12 701)
	18%	**254 679**	215 512	443 626
Registration and enrolment fees	3%	**6 247**	6 093	10 966
Other academic income	47%	**714**	485	1 733
	18%	**261 640**	222 090	456 325
Rendering of services recognised over time				
Distance learning				
Tuition fees	16%	**524 654**	453 587	896 183
Discounts and bursaries granted	43%	**(19 713)**	(13 759)	(28 450)
	15%	**504 941**	439 828	867 733
Registration and enrolment fees	26%	**41 008**	32 583	61 799
Other academic income	22%	**12 005**	9 805	15 479
	16%	**557 954**	482 215	945 011
Sale of goods recognised at a point in time				
Learning material	(29%)	**5 928**	8 310	10 837
Canteen sales	(45%)	**509**	926	1 477
	(30%)	**6 437**	9 236	12 314
Total revenue from contracts with customers	16%	**826 031**	713 542	1 413 650

[1] *The Group restated the prior year revenue from rendering of services to disclose the revenue applicable to distance learning and contact learning separately.*

6. HEADLINE EARNINGS

	Year-on-year change %	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Reconciliation of headline earnings:				
Basic earnings	19%	**137 452**	115 274	208 247
Adjustments attributable to parent:				
Impairment on right-of-use assets, property, plant and equipment, and intangibles assets	–	**–**	–	–
Loss/(gain) on disposal of property, plant and equipment	<(100%)	**360**	(67)	280
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	>100%	**(1 256)**	(349)	(425)
Tax on above	>100%	**245**	112	44
Headline earnings	19%	**136 801**	114 970	208 146

7. OPERATING SEGMENTS

The Group considers its executive directors to be the chief operating decision-maker and therefore the segmental disclosures below are aligned with the quarterly report provided to the executive directors. Operating segments with similar economic characteristics have been aggregated into one reportable segment due to all the services being related to higher education services within Southern Africa. However, management does make decisions based on what they constitute to be reflective of the underlying financial performance of the Group and as such, the Group has identified core headline earnings as this measure. Non-core includes certain items which may distort the Group's performance from year-to-year, and by excluding this, should provide management with a more consistent reflection of the underlying financial performance of the Group.

Reconciliation of core headline earnings

	Year-on-year change %	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 30 Dec Unaudited R'000
Reconciliation of core headline earnings	19%	**136 801**	114 970	208 146
Headline earnings attributable to owners of parent				
Amortisation of client list and trademarks	(40%)	**645**	1 081	2 162
Onerous contract	–	**–**	–	(3 686)
Less: Non-controlling interest	–	**–**	–	848
Less: Taxation	(38%)	**(180)**	(292)	399
Core headline earnings	19%	**137 266**	115 759	209 100
Core HEPS – basic (cents)		**16.2**	13.6	24.6
Core HEPS – diluted (cents)		**16.0**	13.4	24.2

8. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSET

8.1 PROPERTY, PLANT AND EQUIPMENT

The Group invested R34 million into infrastructure and capital assets (June 2023: R22 million), which included:

- Durbanville campus (R3 million); and
- Solar solutions at various campuses (R10 million).

Depreciation of R15 million (June 2023: R15 million) was incurred for the period.

The Group anticipates a capital expenditure of R30 million in the second half of the year as payment towards the Durbanville campus construction, subject to regulatory approvals.

	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Opening balance	**872 281**	866 846	866 846
Additions	**33 895**	22 215	37 336
Disposals and other movements	**(455)**	(219)	(704)
Depreciation	**(14 798)**	(14 740)	(31 197)
Closing balance	**890 923**	874 102	872 281

8.2 RIGHT-OF-USE ASSETS

The Group invested R5 million into additional right-of-use assets in the current period (June 2023: nil). During the period, the Group extended leases which resulted in an increase in right-of-use asset by R11 million. Depreciation of R14 million (June 2023: R14 million) was incurred for the period.

	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Opening balance	**65 062**	84 533	84 533
Additions	**5 378**	–	–
Depreciation	**(14 035)**	(13 785)	(27 646)
Remeasurement	**11 007**	5 118	8 175
Closing balance	**67 412**	75 866	65 062

9. INTANGIBLE ASSETS

The Group invested R15 million (June 2023: R9 million) into the development of curriculum intangibles (R10 million) and computer software (R5 million). There were no indications of impairment for the period and therefore no impairment testing was performed.

	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Opening balance	**151 872**	141 147	141 147
Additions	**14 969**	9 187	22 356
Amortisation	**(4 495)**	(5 829)	(11 631)
Closing balance	**162 346**	144 505	151 872

10. TRADE AND OTHER RECEIVABLES

The increase in trade receivables as at 30 June 2024 is due to growth in students. As a result, the increase in loss allowance follows the increase in the debtors' book.

During the period, the Group had written off R35 million (June 2023: R23 million). In addition to amounts written off, R50 million of debt provided for has been handed over for legal enforcement.

To 30 June 2024, bad debts recovered improved to R5.7 million (June 2023: R2.3 million).

	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Trade receivables	**443 926**	383 912	330 265
Less: Loss allowance	**(202 760)**	(166 806)	(163 518)
Net trade receivables	**241 166**	217 106	166 747
Other receivables	**58 105**	57 018	50 330
Total trade and other receivables	**299 271**	274 124	217 077

11. SHARE CAPITAL

11.1 SHARE CAPITAL

During the period, 3 million shares were repurchased in the market, using the Group's general authority, at an average price of R4.84 per share and cancelled during the period. The total cash outflow from the Group was R15 million for the period.

	Number of ordinary shares (million)	Share capital R'000
Balance as at 1 January	**850**	**1 628 781**
Shares repurchased and cancelled	**(3)**	**(14 835)**
Share transaction costs	**–**	**(108)**
Balance at the end of the period	**847**	**1 613 838**

11. SHARE CAPITAL (CONTINUED)

11.1 SHARE CAPITAL (CONTINUED)

All issued ordinary shares are fully paid up. Ordinary shares carry no right to fixed income, but each share carries the right to one vote at general meetings of the Company.

11.2 TREASURY SHARES

Treasury shares are shares in the Company that are held by the SIT for purposes of settling its future obligations to transfer shares to participants in terms of the Scheme.

	Number of shares (million)	Treasury shares R'000
Treasury shares		
Balance as at 1 January	(3.7)	(17 114)
Treasury shares issued to employees	3.0	13 962
Balance at the end of the period	(0.7)	(3 152)

As at 30 June 2024, the Group held 683 441 treasury shares (June 2023: 3 315 000).

12. BORROWINGS

The Group has access to a revolving credit facility of R100 million with Standard Bank of South Africa Limited with the option to increase by a further R100 million. The Group utilised the R100 million facility in January 2024 to settle the consideration payable for equity interest that was purchased from a non-controlling shareholder in December 2023. The full R100 million was repaid during the period from existing cash resources.

13. PURCHASE AND SETTLEMENT WITH NON-CONTROLLING SHAREHOLDERS

	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Balance as at 1 January	117 500	–	–
Consideration payable	5 862	–	132 931
Settlement of consideration payable (not through profit and loss)	(123 362)	–	(15 431)
Balance at the end of the period	–	–	117 500

13. PURCHASE AND SETTLEMENT WITH NON-CONTROLLING SHAREHOLDERS (CONTINUED)

13.1 NON-CONTROLLING INTEREST ACQUIRED AND LOAN SETTLEMENT

Milpark Education is a material subsidiary with non-controlling shareholders holding 16.14% (2023: 31.5% which decreased to 16.86% on 31 December).

In January 2024, the Group utilised the R100 million facility for the settlement of the R117.5 million consideration payable (included in trade and other payables at 31 December 2023), for the additional interest acquired in Milpark Education in December 2023.

During the period, the Group acquired an additional 0.72% effective equity interest from one of the non-controlling shareholdings for a consideration of R5.9 million in January 2024. In addition, the Group settled a loan amount owing of R0.5 million to a non-controlling shareholder.

14. CASH GENERATED FROM OPERATIONS

	Year-on-year change %	2024 30 Jun Unaudited R'000	2023 30 Jun Unaudited R'000	2023 31 Dec Audited R'000
Profit before taxation	14%	**202 240**	176 814	324 029
Non-cash and other items disclosed separately	(28%)	**28 938**	40 142	80 068
	7%	**231 178**	216 956	404 097
Movements in working capital	99%	**75 400**	37 816	(43 829)
Increase in trade and other receivables	15%	**(80 770)**	(94 523)	(36 109)
Increase/(decrease) in trade and other payables[1]	>100%	**23 612**	(994)	(12 165)
Increase in contract liabilities	(1%)	**132 558**	133 333	4 445
Cash generated from operations	20%	**306 578**	254 772	360 268

[1] *The increase in the trade and other payables is due to increases in payroll related provisions and accruals and other general accruals.*

15. DIVIDENDS DECLARED AND PAID

STADIO Holdings declared an annual dividend of 10.0 cents per share on 18 March 2024 and R84.7 million was paid to shareholders on 22 April 2024.

16. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

17. GOING CONCERN

The Group currently has a strong balance sheet with no external debt funding and continues to generate strong profits and cash flows. Based on the above, the Board is satisfied that the Group is in a sound financial position and has adequate resources and access to borrowings to continue to operate as a going concern in the foreseeable future.

Statutory and administration

Stadio Holdings Limited
Incorporated in the Republic of South Africa (Registration number: 2016/371398/06)
JSE share code: SDO
ISIN: ZAE000248662
LEI: 3789007C8FB26515D966
(STADIO Holdings or the Group)

Executive Directors: CPD Vorster; I Kula; D Singh;
Independent Non-Executive Directors: TV Maphai; MG Mokoka; CB Vilakazi; TH Brown;
Non-Executive Directors: CR van der Merwe; PN de Waal; A Mellet (Alternate to PN de Waal)

Company secretary: Stadio Corporate Services Proprietary Limited

Registered office: Office 101, The Village Square, c/o Queen and Oxford Streets, Durbanville, 7550

Transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196. Private Bag, X9000, Saxonwold, 2132

Corporate adviser and sponsor: PSG Capital Proprietary Limited

Website: www.stadio.co.za

Announcement date

26 August 2024

STADIO

HOLDINGS

www.stadio.co.za