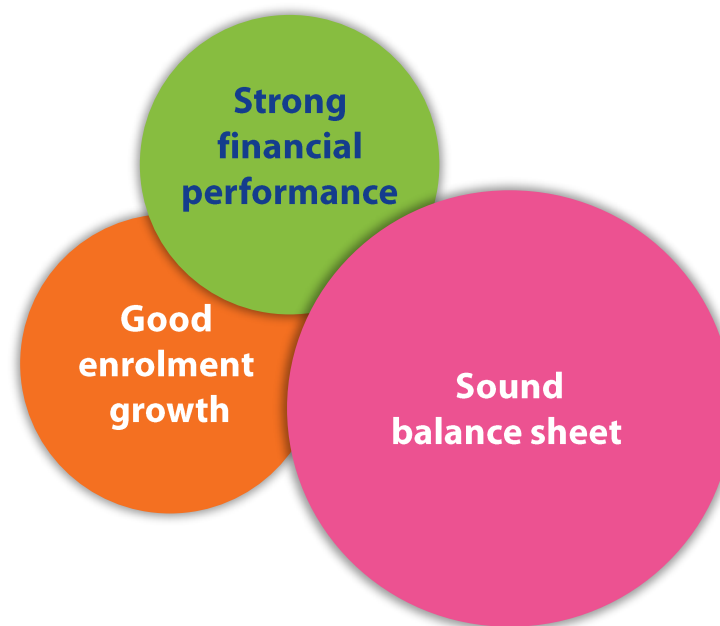


STRONG PERFORMANCE

ADvTECH Interim Financial Results
for the six months ended 30 June 2023



ADvTECH CONTINUES TO DELIVER STRONG RESULTS

Group results

▲	16% Revenue
▲	23% Operating profit
▲	24% Headline earnings per share
▲	25% Normalised earnings per share
▲	30.0 cents Dividend per share

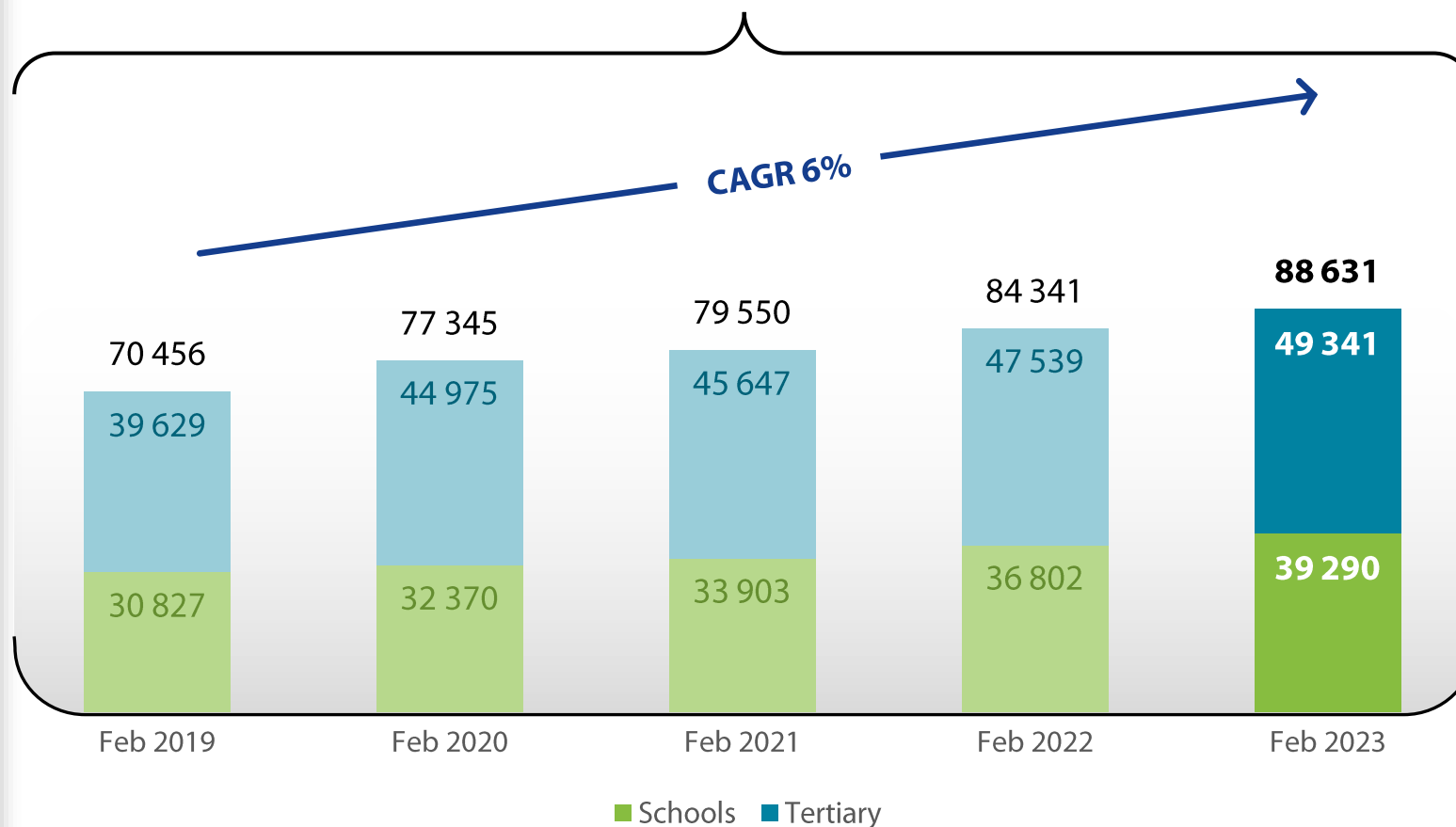
Divisional performance (year-on-year increase)

Schools South Africa Revenue + 13% Operating profit + 20%	Schools rest of Africa Revenue + 26% Operating profit + 73%
Tertiary Revenue + 13% Operating profit + 19%	Resourcing Revenue + 26% Operating profit + 44%

CONTINUED ENROLMENT GROWTH

Full time full qualification

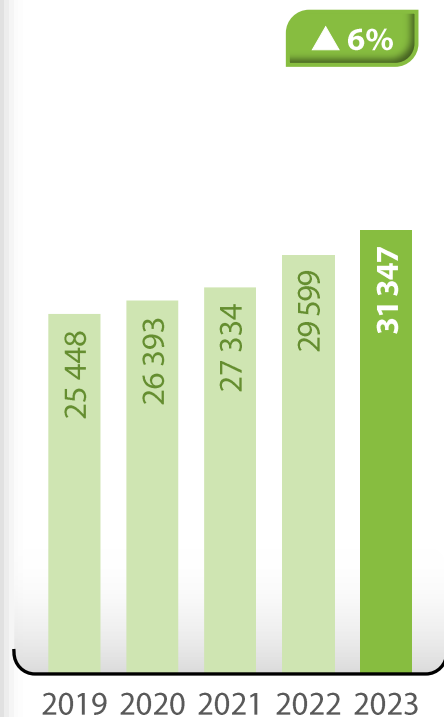
Vocational qualifications, short learning programmes and skills training



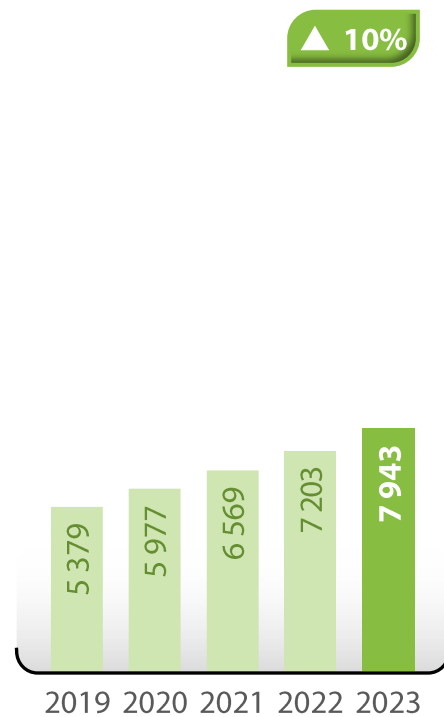
ADvTECH reaches
+100 000 students
across the education
division

CONTINUED ENROLMENT GROWTH

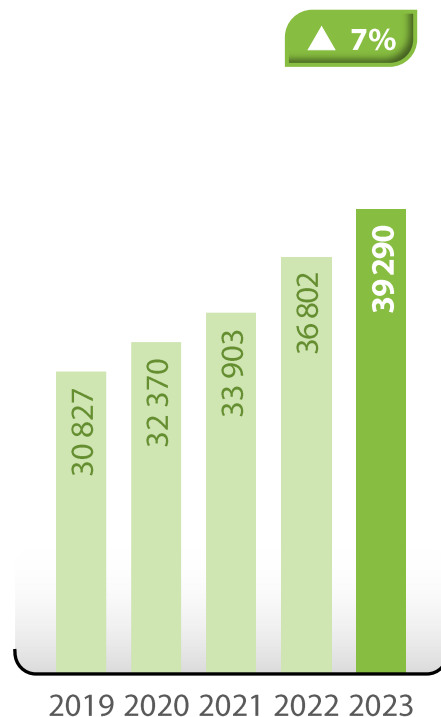
Schools
South Africa



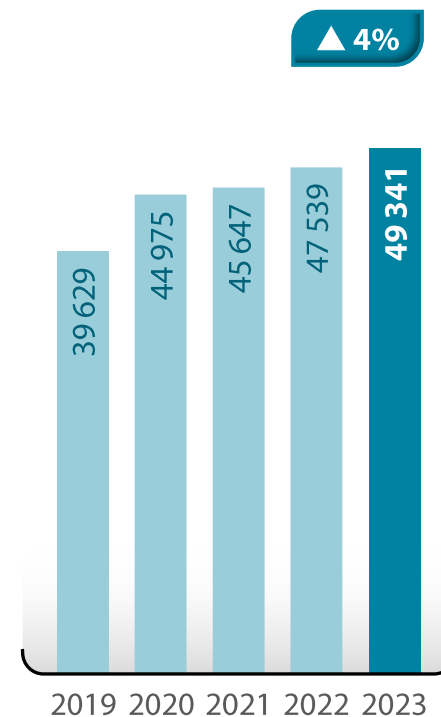
Schools
rest of Africa



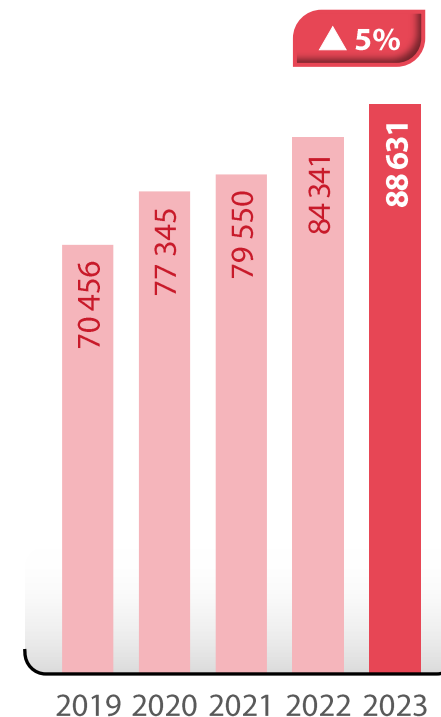
Schools
division



Tertiary
division



Total Group
enrolment



GOOD PROGRESS ON KEY METRICS

Features contributing to our success

Enrolment growth

Strong growth
in all divisions

Schools South Africa

+ 6%

Schools rest of Africa

+ 10%

Schools division

+ 7%

Tertiary division

+ 4%

Online enrolments up by 28%

Operating margin improvements

Schools South Africa



20.1%

from 19.0% in half year 2022

Schools rest of Africa



24.7%

from 18.1% in half year 2022

Tertiary



25.0%

from 23.8% in half year 2022

Resourcing



5.9%

from 5.2% in half year 2022

Group salient figures

Operating profit



23%

NEPS



25%

Group margin



19.2%

from 18.1% in half year 2022



OPERATING ENVIRONMENT

SUBDUED ECONOMIC ENVIRONMENT

IMF Forecast

- June 2023

0.1%

SARB Forecast

- May 2023

0.3%

SA Government

- Jun 2023: actual growth in first quarter of 2023

0.4%

Unemployment rate

32.6%

Including discouraged workers

42.1%

2023 current inflation rate

4.7%

Consumer price index (CPI) - lowest level in 2 years



"Africa set to outperform the rest of the world in economic growth over the next two years"

Africa

Real GDP in 2023 and 2024 averaging around (global averages 2.7% and 3.2%)

4.0% in 2023

4.3% in 2024

2050:

Population doubling to

2.5bn

Needing education

1.2bn

2021

scholars in private education

66m

Urbanisation

2010:

35%

By 2030:

50%

Currently 40% of population are

0-14 years

Sources: IMF/[SARB website](#)/African Development Bank Group said in Africa's Macroeconomic Performance and Outlook report for the region

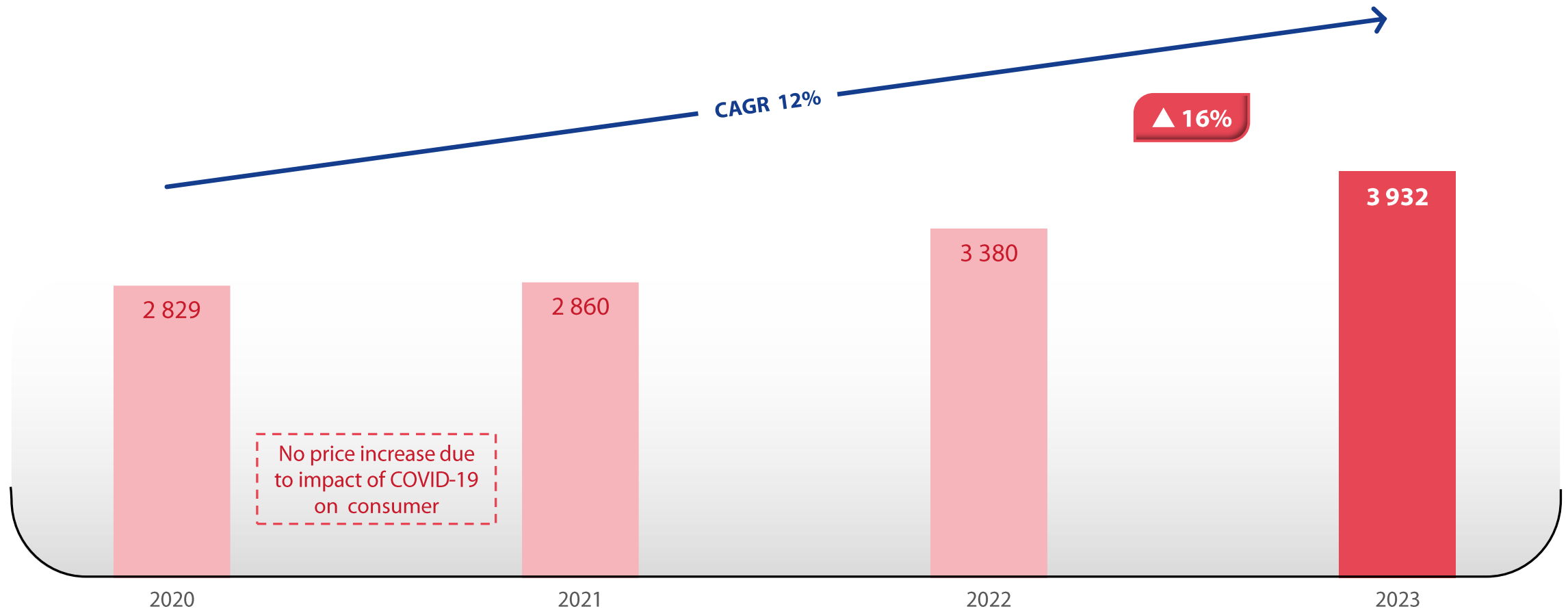


FINANCIAL PERFORMANCE

The group's strong financial performance, solid cash generation and robust balance sheet are evidence of our sound business model, clear market focus and continued emphasis on effectiveness and efficiencies.

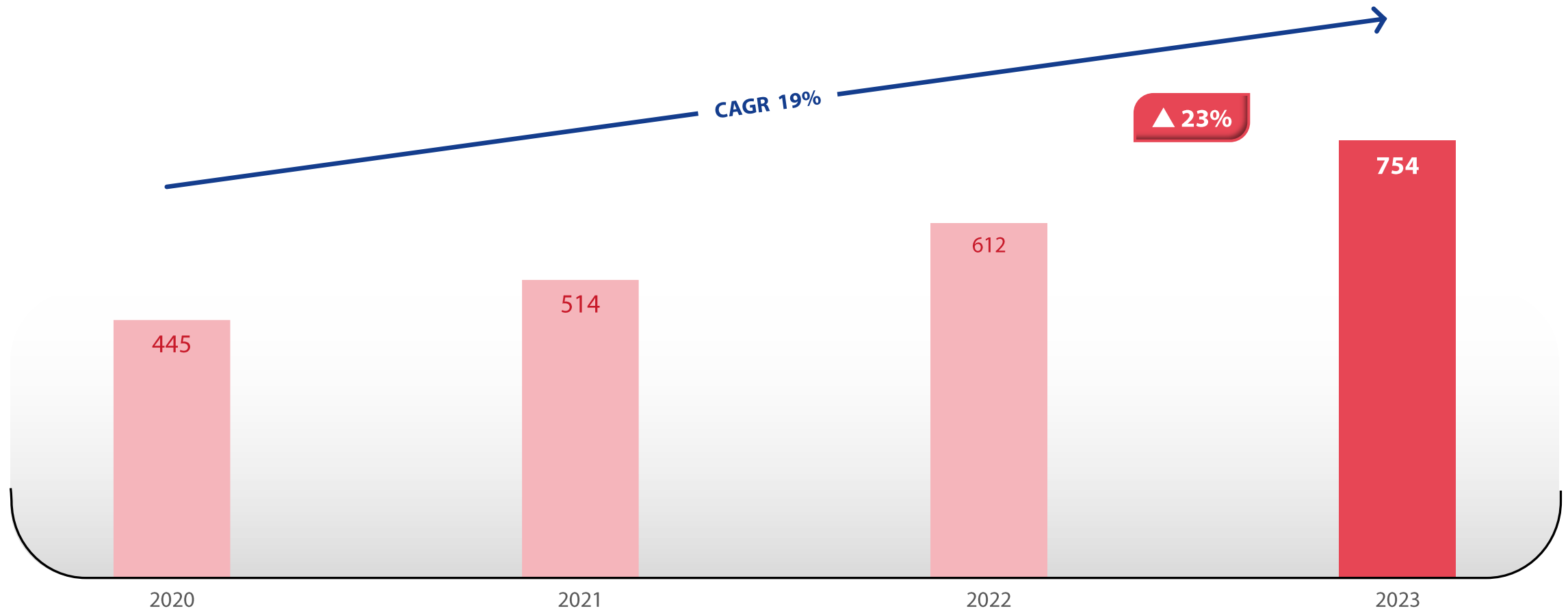
GROUP REVENUE (R'M)

Consistent growth driven by good enrolments and moderate fee increases in line with inflation



GROUP OPERATING PROFIT (R'M)

Strong profit growth driven by leveraging our scale and operating efficiencies

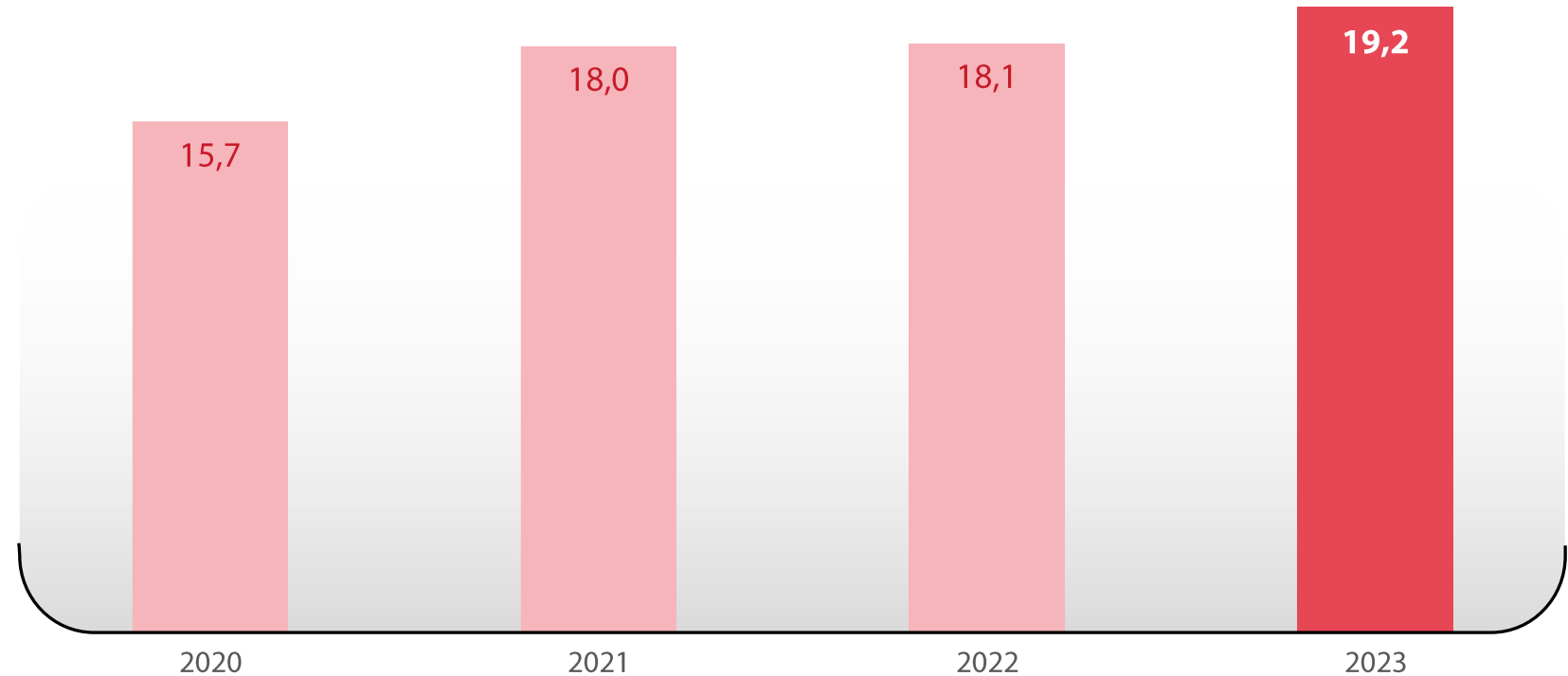


GROUP OPERATING MARGIN (%)

Sharp focus on business efficiency, delivering consistent profit improvement

Improved due to:

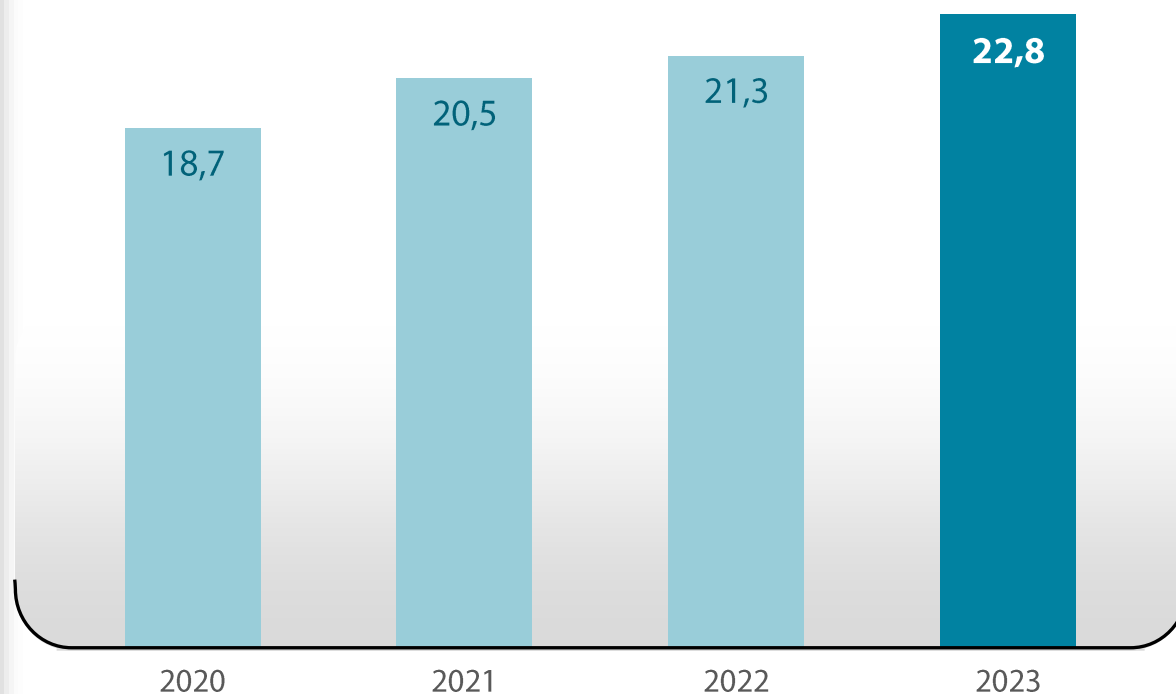
- Operating leverage resulting from enrolment growth
- Continued focus on efficiency improvements



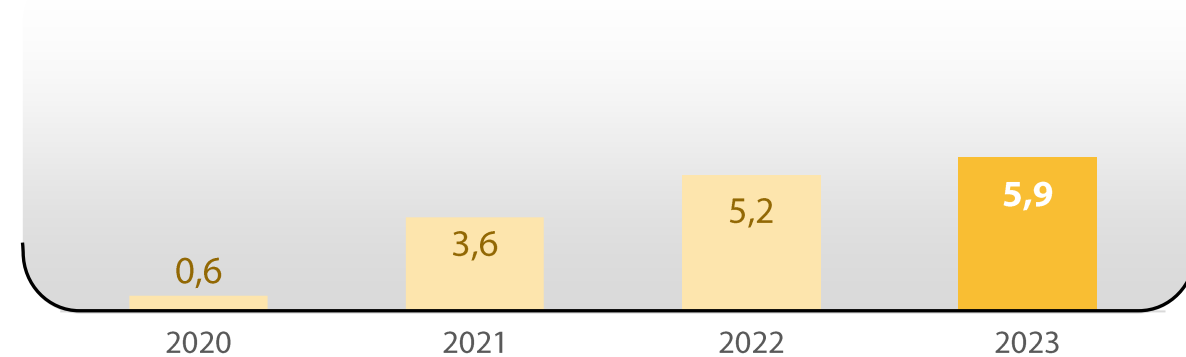
DIVISIONAL OPERATING MARGINS

Operating leverage and efficiency driven

Educational business



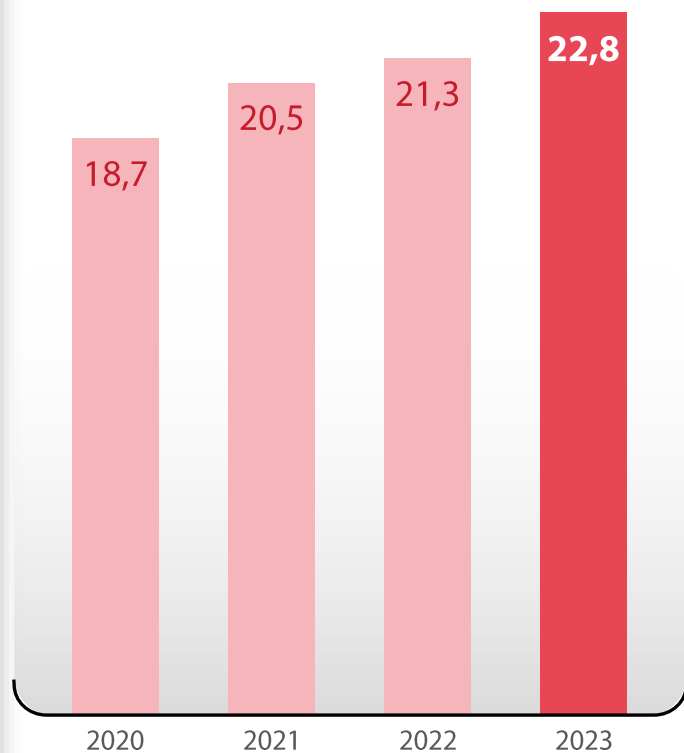
Resourcing division



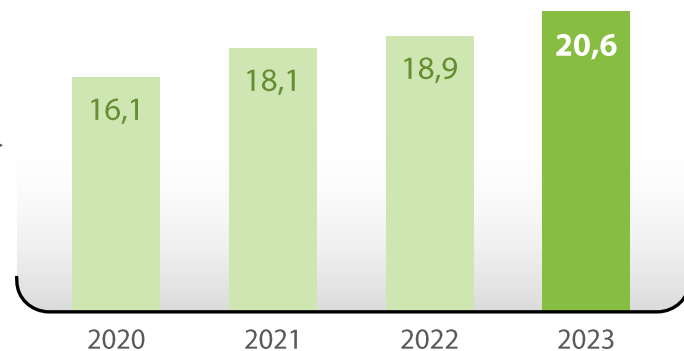
IMPROVED OPERATING MARGINS (%)

All businesses delivered margin improvements

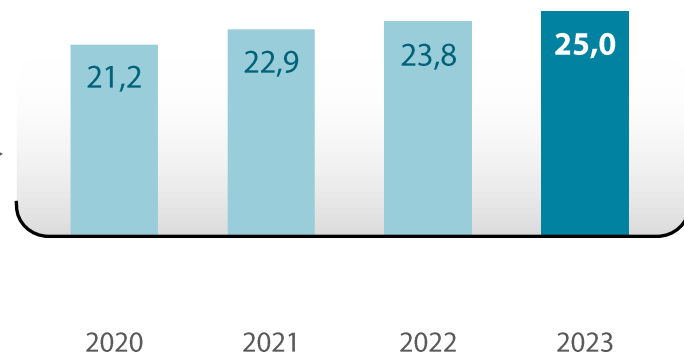
Educational business



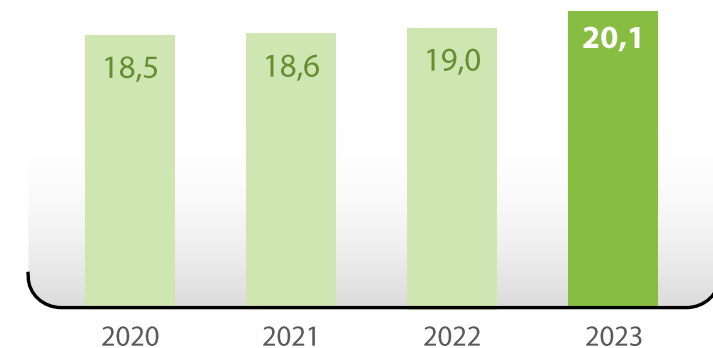
Schools division



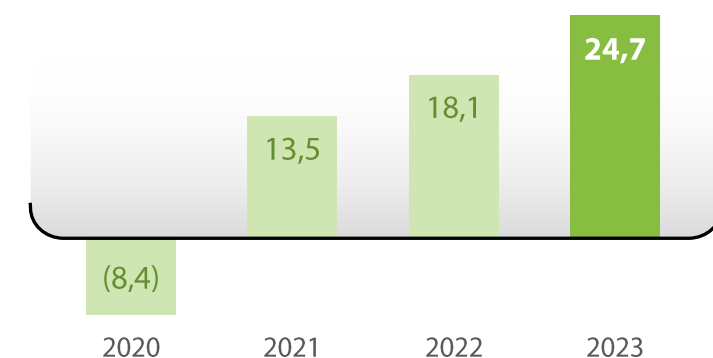
Tertiary division



Schools South Africa

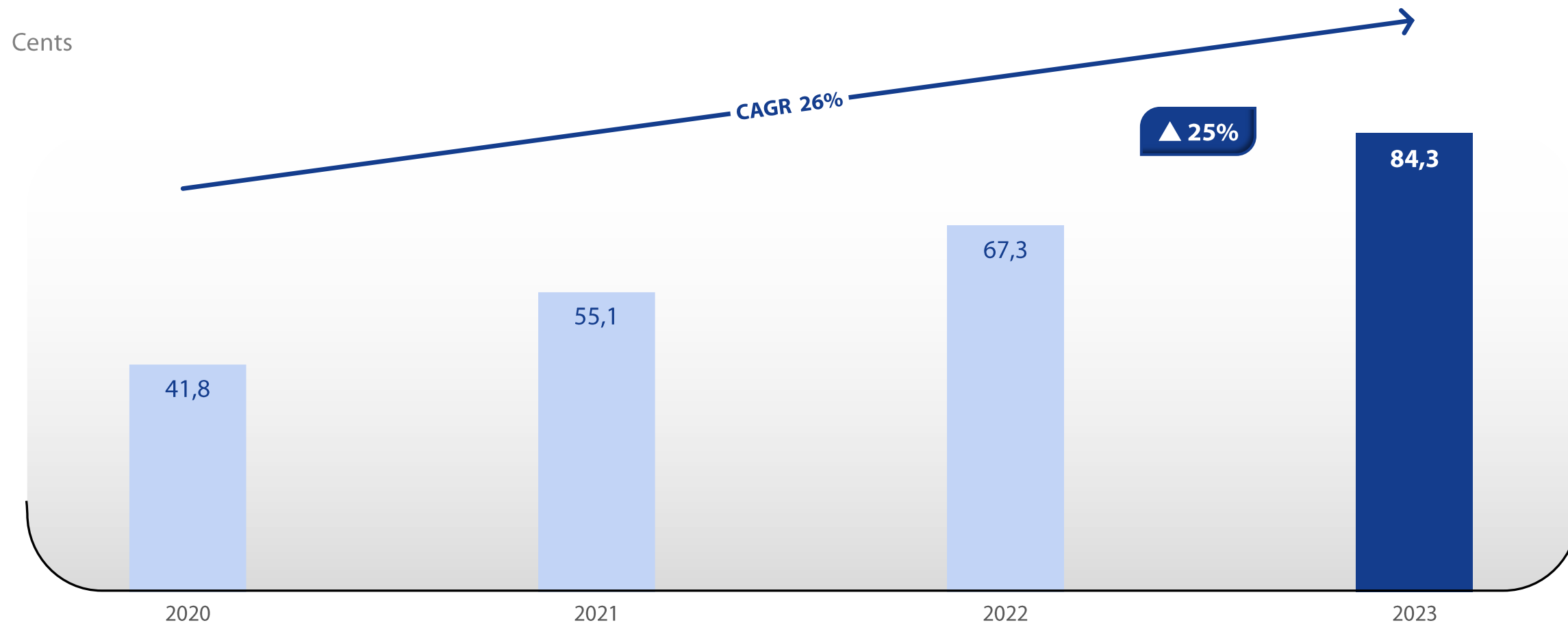


Schools rest of Africa



NORMALISED EARNINGS PER SHARE

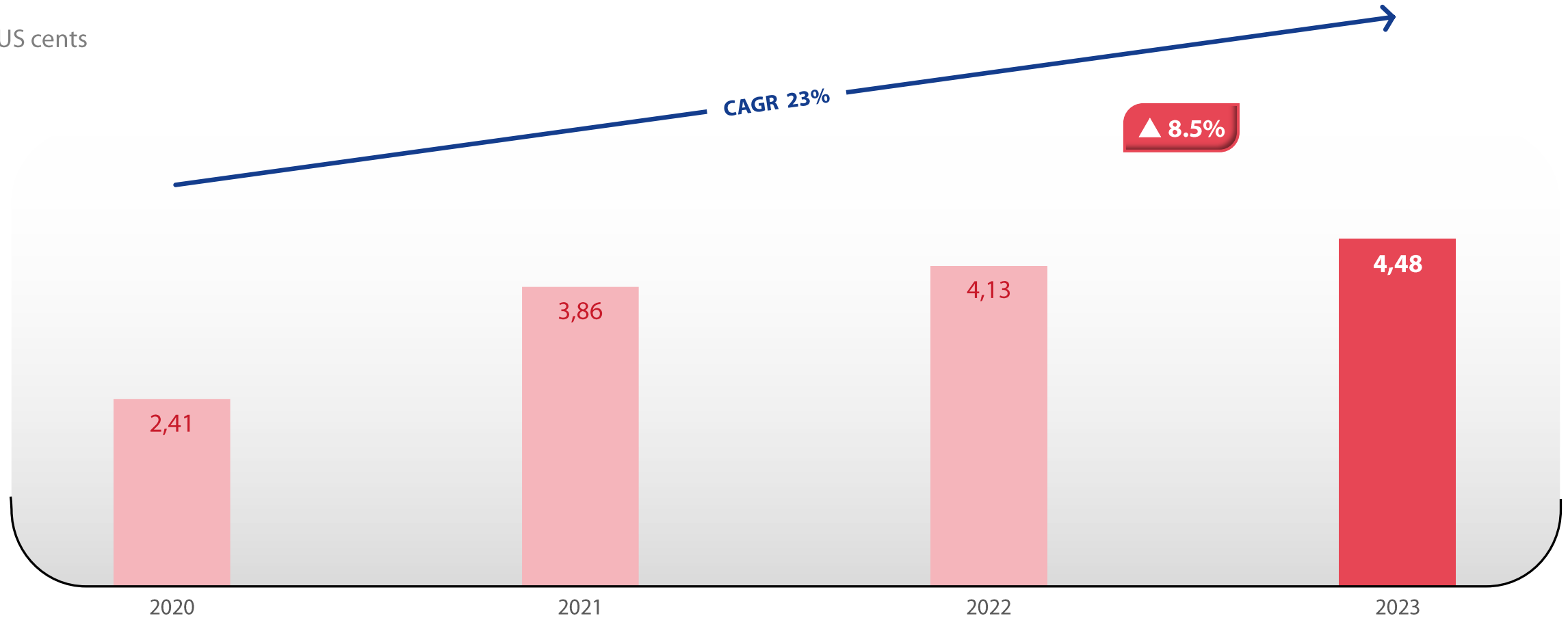
Consistent earnings growth demonstrates the successful execution of our strategy



NORMALISED EARNINGS PER SHARE – US\$

Resilient dollar returns

US cents



SCHOOLS DIVISION

Revenue contribution (for period under review)

41%
(2022: 41%)

R1.6 billion
(2022: R1.4 billion)

15%

Revenue

25%

Operating profit

13%

Revenue

20%

Operating profit

26%

Revenue

73%

Operating profit

Schools division

Schools South Africa

- All brands, including premium brands have shown growth
- Continued to win market share in a tough operating environment

Schools in the rest of Africa:

- Strong enrolment growth with commitment to quality education and efficiency gains
- Confidence for future expansion



COMPREHENSIVE BRAND PORTFOLIO

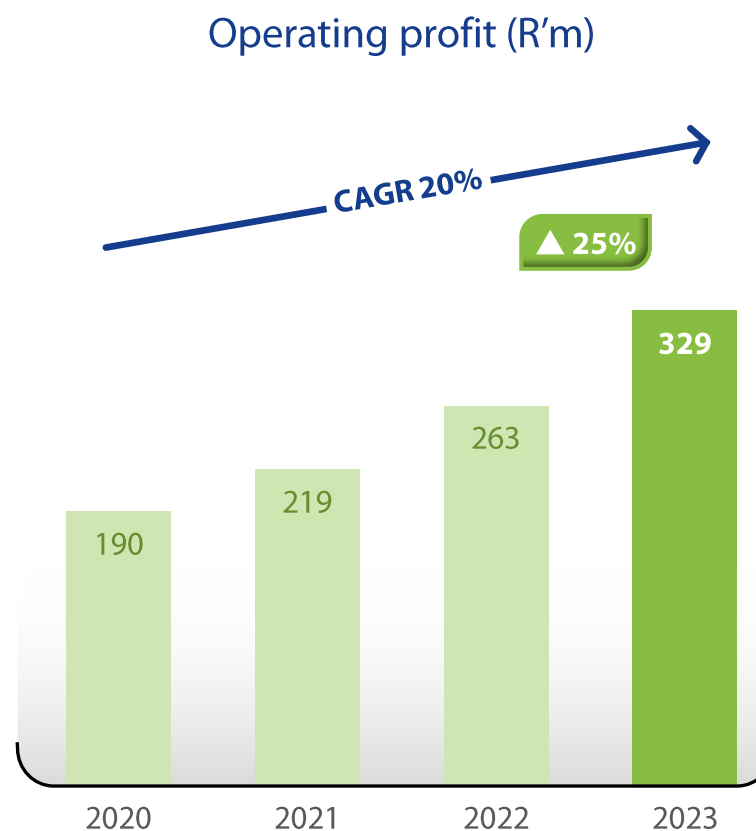
Schools division



SCHOOLS DIVISION

7% enrolment growth

Delivering sustainable long term competitive advantage balanced with improved operating efficiencies

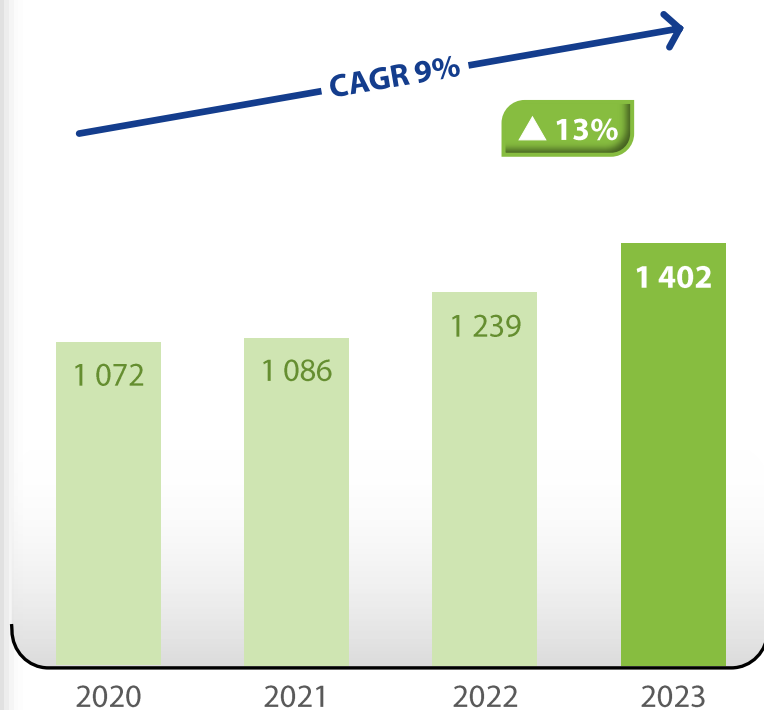


SCHOOLS – SOUTH AFRICA

6% enrolment growth

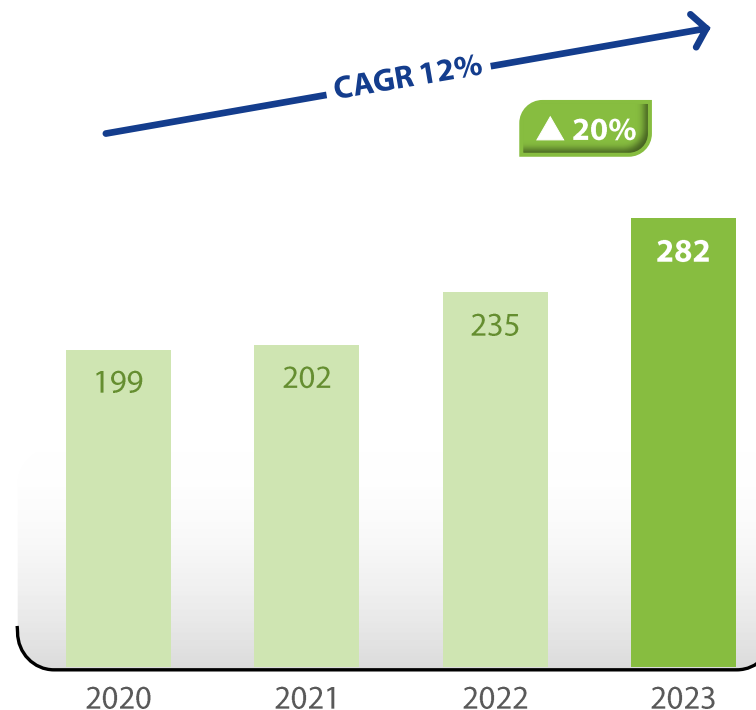
Enrolment growth, modest fee increases in line with CPI and improved operating efficiencies delivered good results

Revenue (R'm)

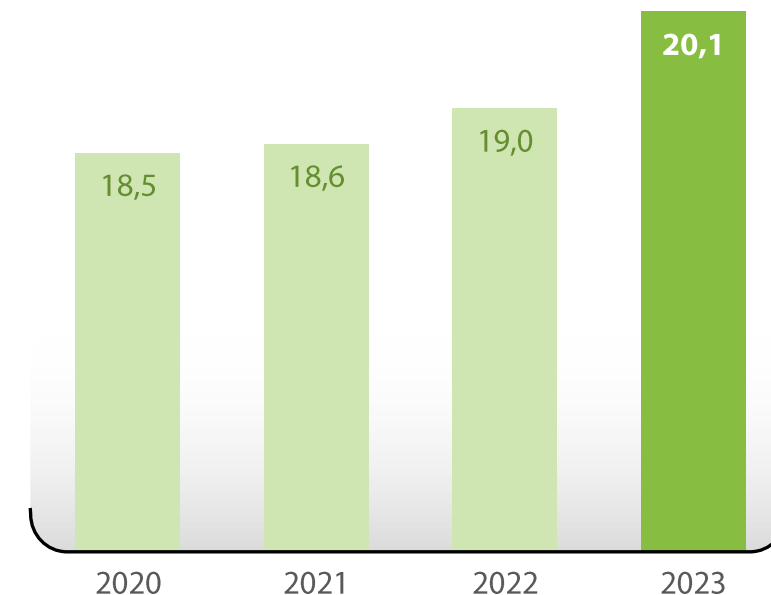


No fee increase

Operating profit (R'm)



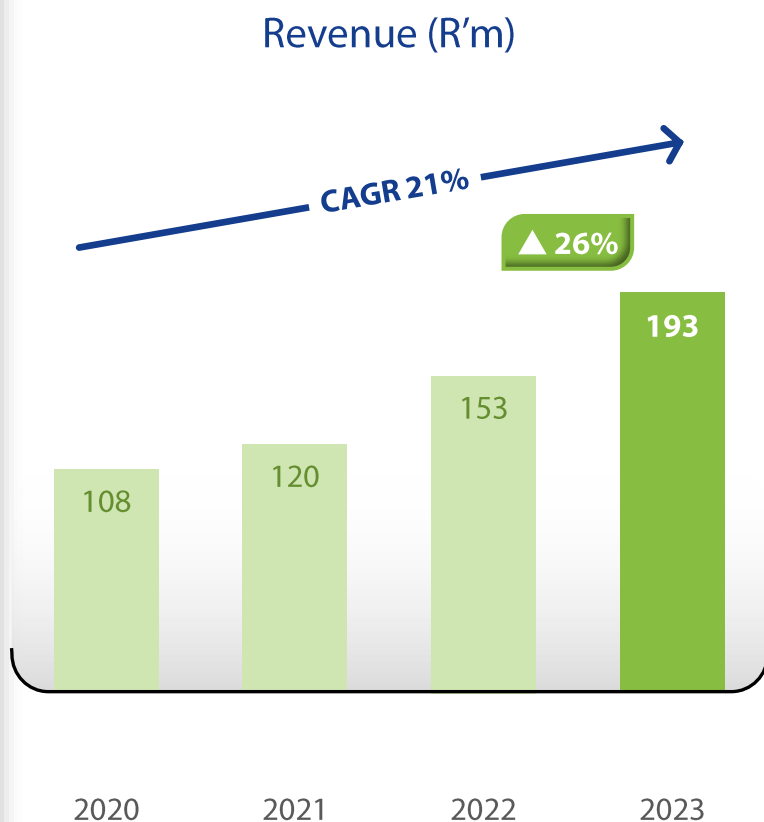
Operating margin (%)



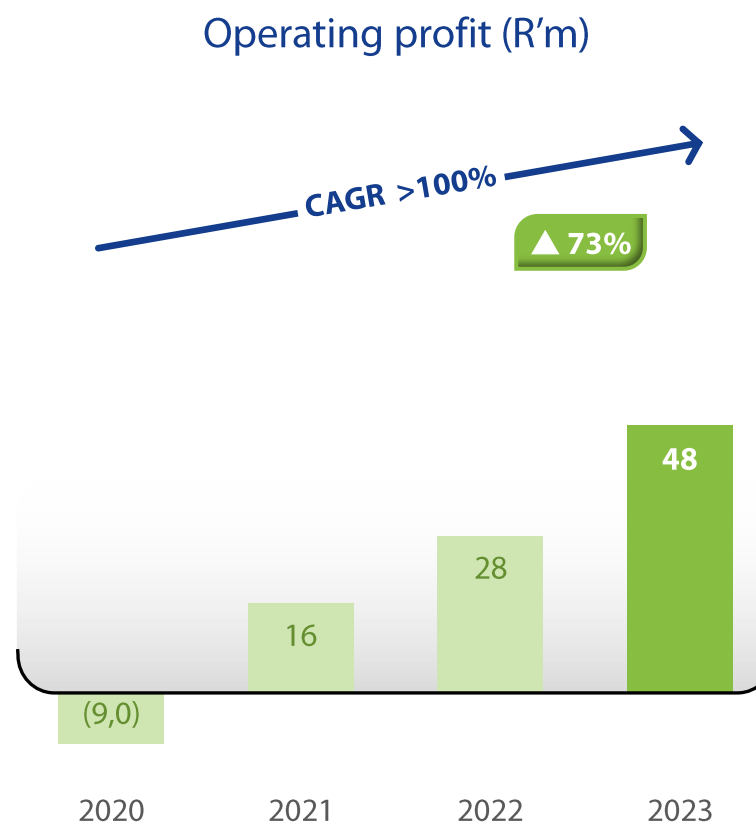
SCHOOLS – REST OF AFRICA

10% enrolment growth

Double digit enrolment growth and margin expansion demonstrates successful execution of our growth strategy



No fee increase



SCHOOLS ENROLMENT MOVEMENT

Impact of emigration



1. Percent change from 2022 to 2023

THE BRIDGE ASSISTED LEARNING SCHOOL EXPANSION



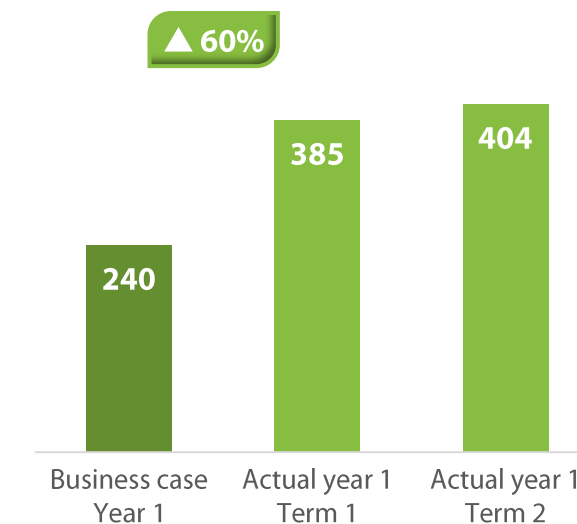
- Expanded its offering to a second school in Morningside, Johannesburg
- **Opening in January 2024**

ENROLMENTS EXCEED EXPECTATIONS



- Pinnacle Raslouw in Centurion, opened in January 2023
- Enrolments exceeded expectations necessitating the need to bring forward phase two of the project to 2023

Enrolments

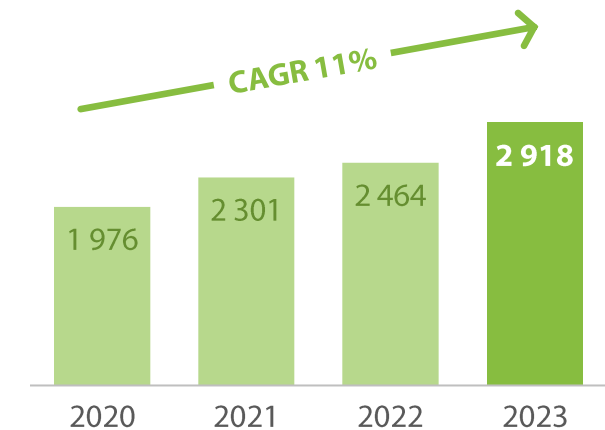


GABORONE INTERNATIONAL SCHOOL IS TRANSFORMED INTO A MEGA CAMPUS



- State of the art Science and Technology centre for high school completed (projectors in every classroom, laser cutter, and 3D printers)
- Sports facilities upgrade
- Continues to experience strong demand owing to their market leading academic offering

Enrolment growth



CRAWFORD INTERNATIONAL SCHOOL, KENYA



- Capacity increased
- Development of the next phase brought forward to meet enrolment growth

SCHOOLS BUILDING CAPACITY

Competitive advantage

Feb 2019

Feb 2020

Feb 2021

Feb 2022

Feb 2023

Students enrolled ('000)	30.8	32.4	33.9	36.8	39.3
Existing building capacity ('000)	38.2	41.2	41.5	44.5	46.7
% Existing building capacity utilised	81%	79%	82%	83%	84%
Ultimate capacity	54.8	56.8	56.8	56.8	59.8
% of ultimate capacity utilised	56%	57%	60%	65%	66%

ARTIFICIAL INTELLIGENCE (AI) IN TEACHING AND LEARNING

AI in schools and tertiary

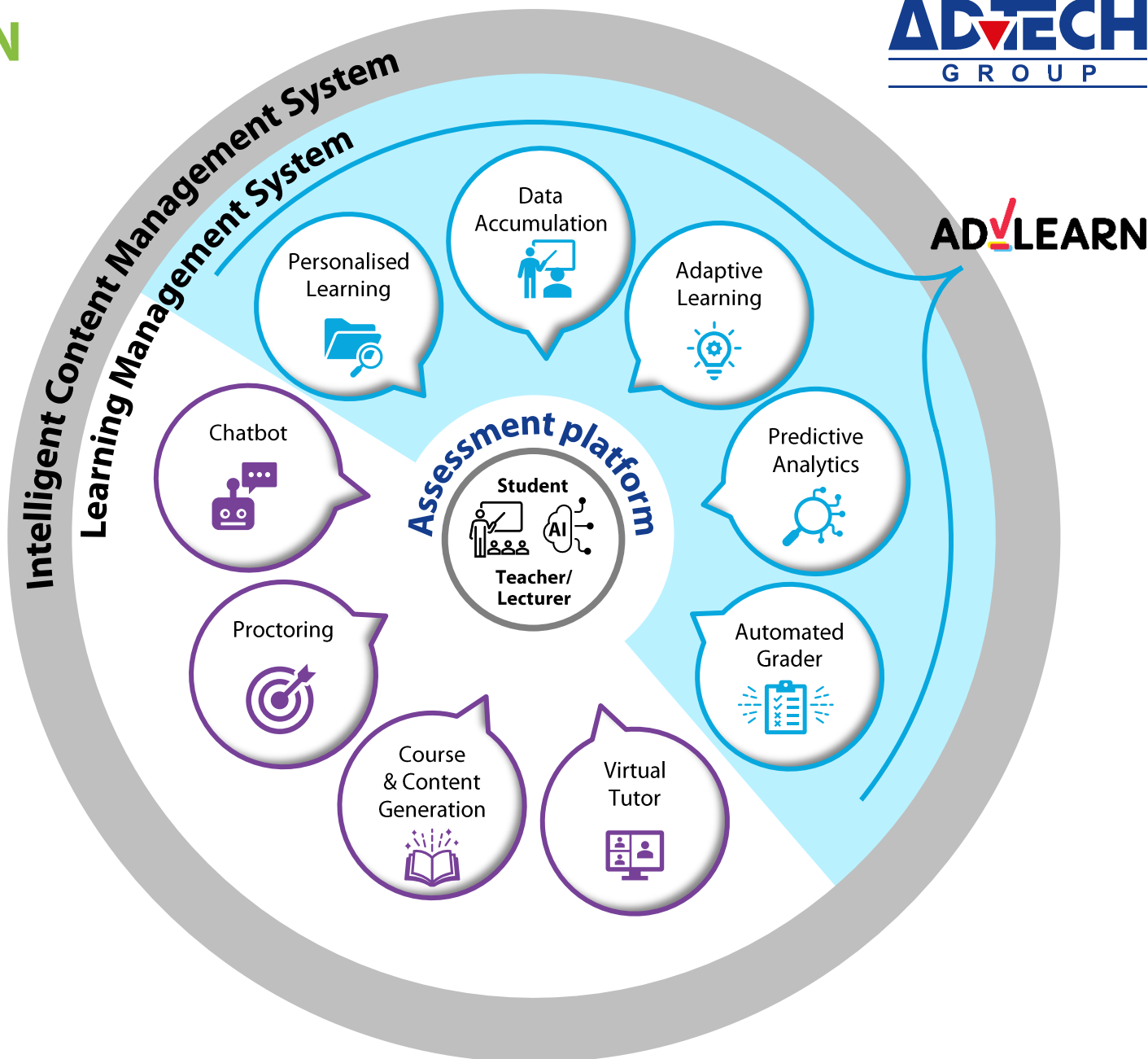
Leveraging AI in teaching and learning:

Personalised learning paths:
meeting individual student needs

Improved student engagement:
interactive and relevant content

Targeted support for struggling and achieving students: relevant interventions

Enhanced teacher/lecturer efficiency:
automated grading and data analysis insights

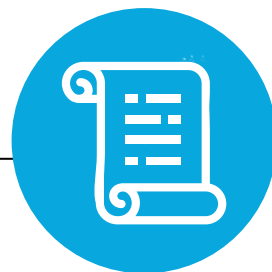


Data Insights available from

AD✓LEARN



- Tracks student homework and usage.
- Provides personal learning pathways and assessments.
- Provides teacher dashboard to fill gaps.



- AI utilises data to build personalised assessments.



- AI provides immediate dashboards with insights into teaching and learning habits and trends.

DATA DASHBOARDS AND INSIGHTS

Helping teachers find the gaps so they can fill them

Assessment Score Heatmap

Case Study 2 – Grade 10 Science



Chapter 10 – Sound and Ultrasound

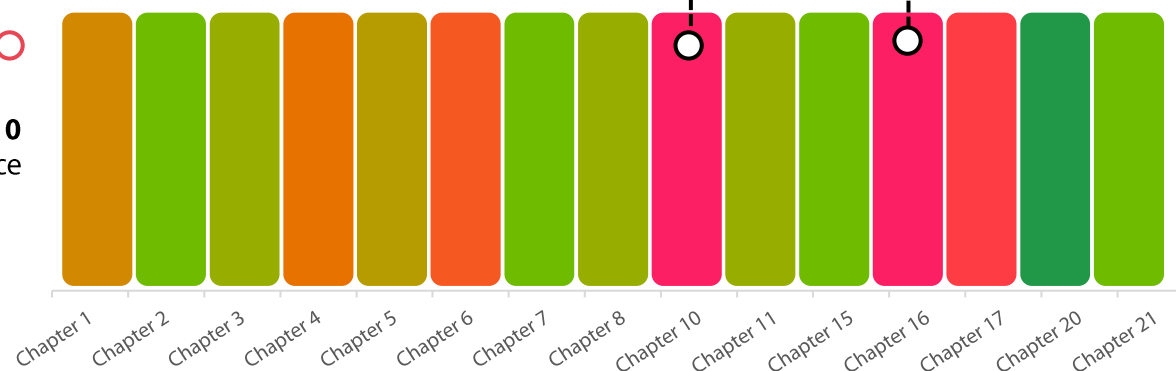


Chapter 16 - Electrostatics

Areas of concern

More data
available due to
more usage!

Grade 10
Science




Chapter

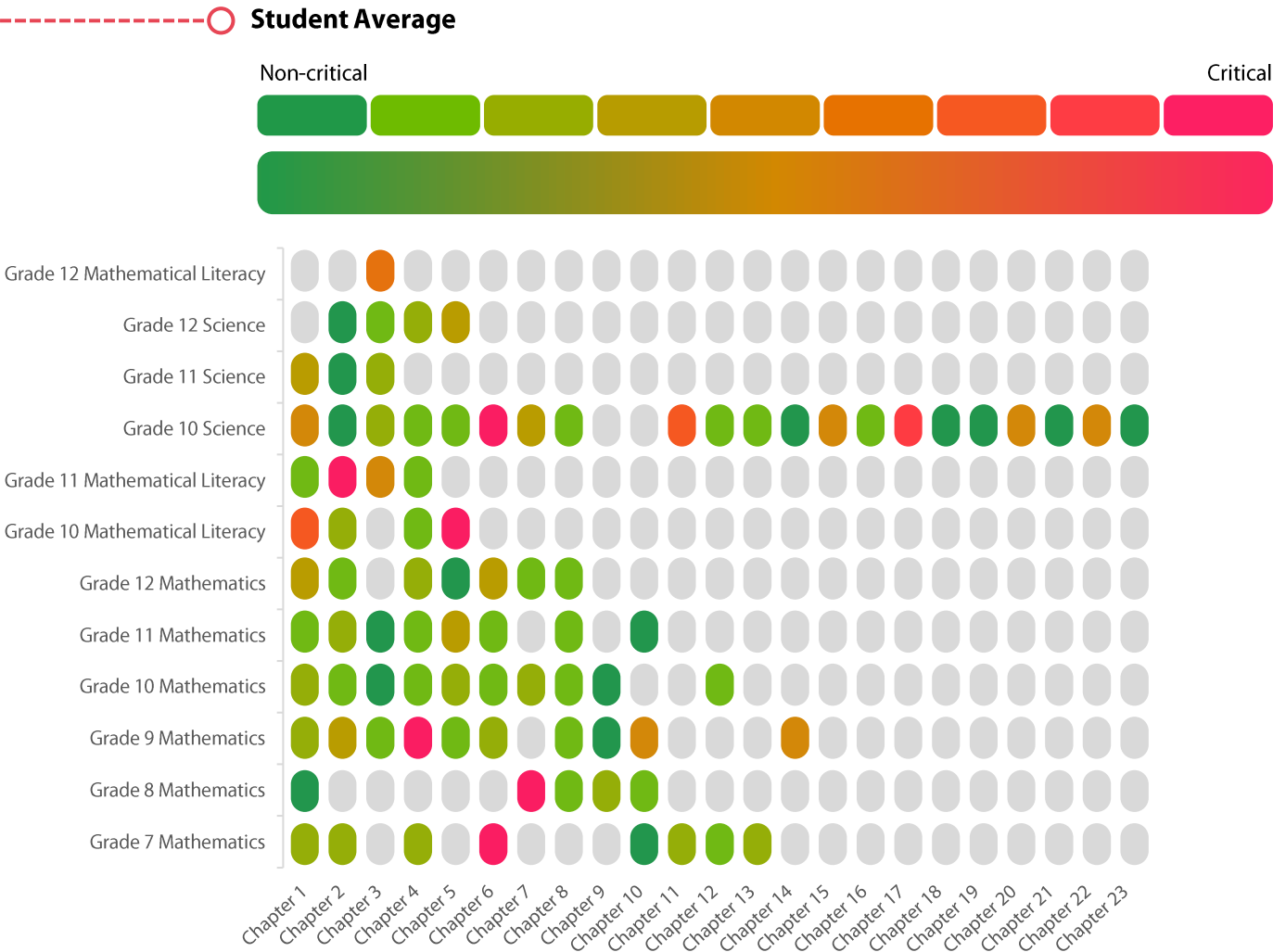
DATA DASHBOARDS AND INSIGHTS

Putting vital data into the hands of ADvTECH management
Still in research and development

Gain **insights** into where the gaps are across all schools.

 **54.5%**
Average homework progress

 **650**
Number of daily active app users



TERTIARY DIVISION

Revenue contribution

38%

(2022: 39%)

R1.5 billion

(2022: R1.3 billion)

32

Campuses (2022: 32)

13%

Revenue

19%

Operating profit

- Continuing the trend of good performance
- Quality academic offering with multi-channel modes of delivery



WELL ESTABLISHED BRAND PORTFOLIO

Tertiary division



- Postgrad to masters
- Degrees
- Diplomas
- Higher certificates

- Face-to-face
- Online
- Blended
- Part-time
- 9 campuses



- Degrees
- Diplomas
- Higher certificates

- Face-to-face
- Online
- Blended
- Part-time
- 9 campuses



- Postgrad to doctoral
- Degrees
- Diplomas
- Higher certificates

- Face-to-face
- Online
- Blended
- Part-time
- SLP
- 4 campuses



- Degrees
- Diplomas
- Advanced diploma
- Higher certificates
- Vocational

- Face-to-face
- Online
- Blended
- Part-time
- SLP
- 8 campuses



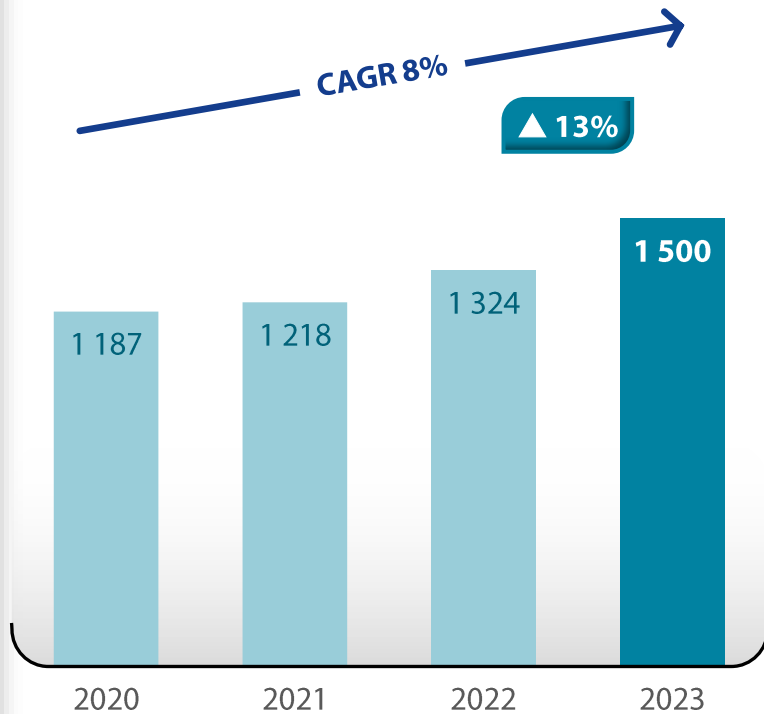
- Vocational
- Higher certificates
- Diplomas
- SLP

- Distance

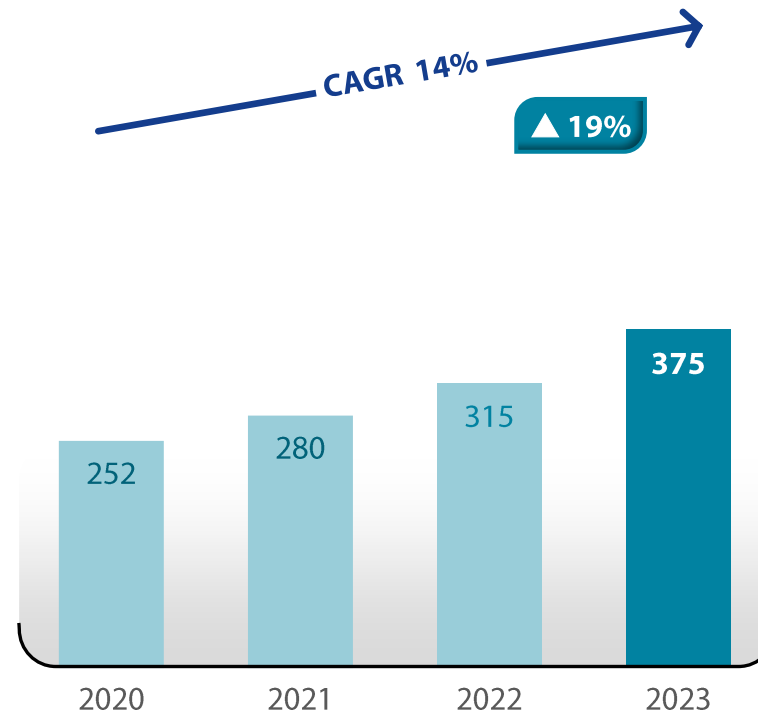
TERTIARY DIVISION

Performed well and continue to grow

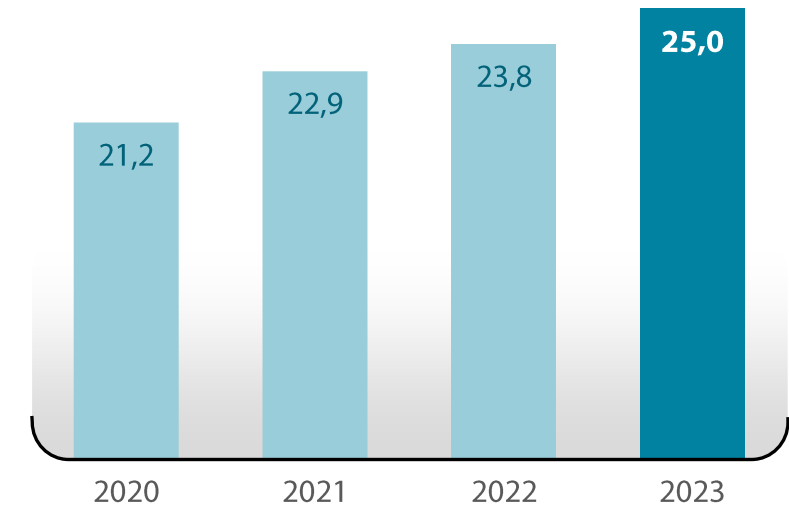
Revenue (R'm)



Operating profit (R'm)

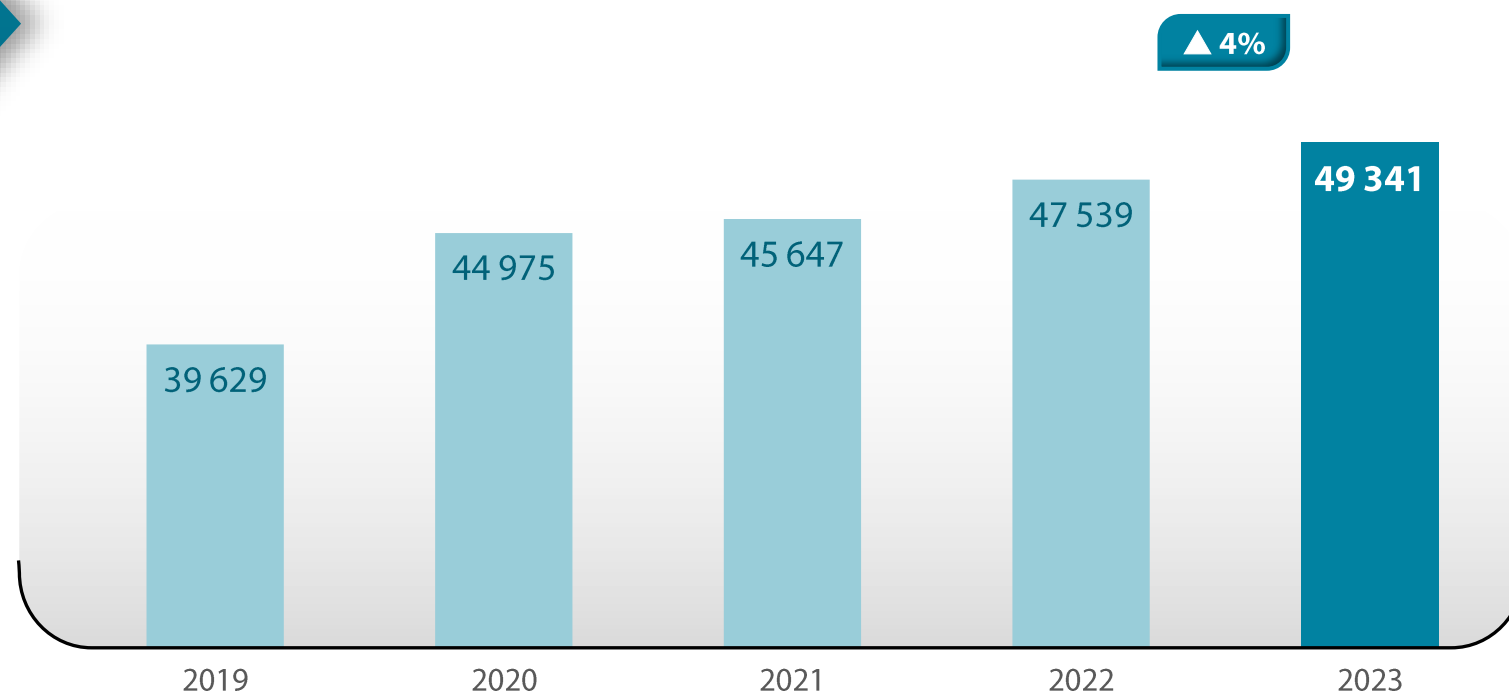


Operating margin (%)



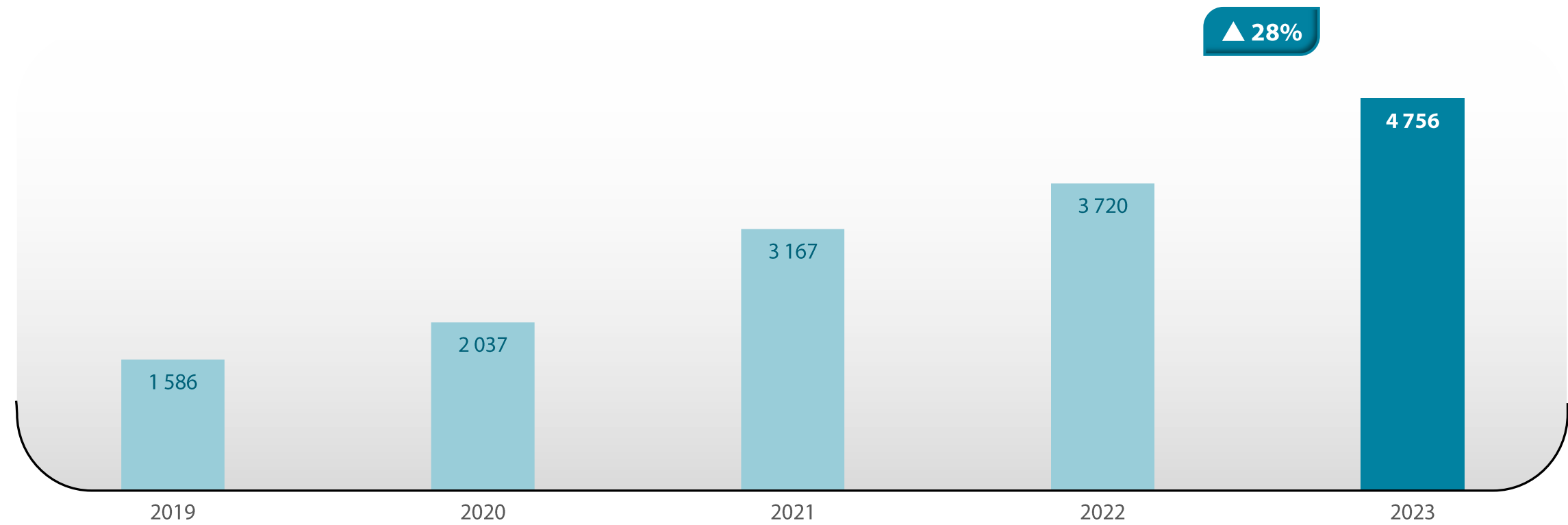
TERTIARY: FULL QUALIFICATION STUDENT ENROLMENTS

Expanded our academic offering



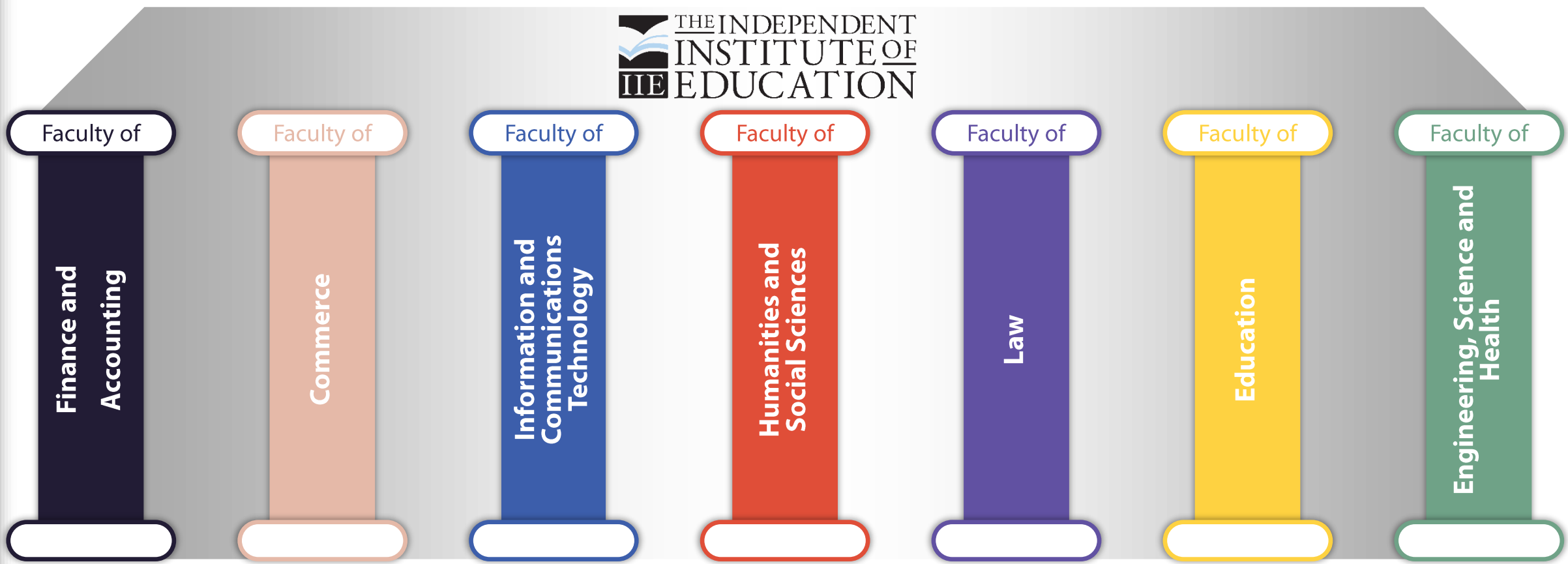
TERTIARY ENROLMENTS

IIE online distance students



TERTIARY DIVISION / 'PRIVATE UNIVERSITY'

Faculties



COMPREHENSIVE RANGE OF QUALITY QUALIFICATIONS

Skills development
programmes (SLP's)

Vocational
training (FET)

Higher
Certificates

Diplomas

Degrees

Honours

Masters

PHD

Oxbridge Academy
effortless excellence in education

Capsicum
CULINARY STUDIO

SCHOOL OF
HOSPITALITY & SERVICE
MANAGEMENT

ROSEBANK
COLLEGE

Varsity College

MSA

vega
SCHOOL OF BUSINESS

Multi-channel modes of delivery available any time & at any place



Pack & Post

- Oxbridge



Online

- Oxbridge
- Rosebank College
- Varsity College
- Vega
- IIE HSM



Part-time

- All brands



Blended

- Rosebank College
- Varsity College
- Vega



Full-time

- Capsicum
- Rosebank College
- Varsity College
- Vega
- IIE MSA
- IIE HSM

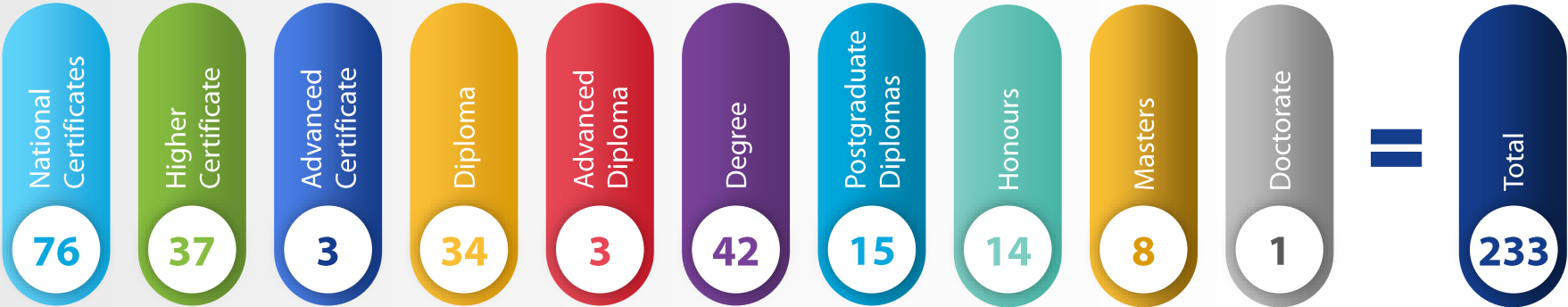
QUALIFICATION PIPELINE

233 registered and accredited qualifications

7 Faculties



233 Accredited Programmes



Pipeline



ROSEBANK COLLEGE – MBOMBELA



- Digitally enabled campus, in a provincial node
- Intention to open in January 2024, pending Council of Higher Education (CHE) site accreditation



RESOURCING DIVISION

Revenue contribution

21%

(2022: 20%)

R0.8 billion

(2022: R0.7 billion)

26%

Revenue

44%

Operating profit

- **Strong overall performance lead by outstanding performance in the rest of Africa**
- Strategy to expand into the rest of Africa delivers good results
- Increased market share in the rest of Africa
- Maintain market share in SA in a tough environment



RESOURCING DIVISION

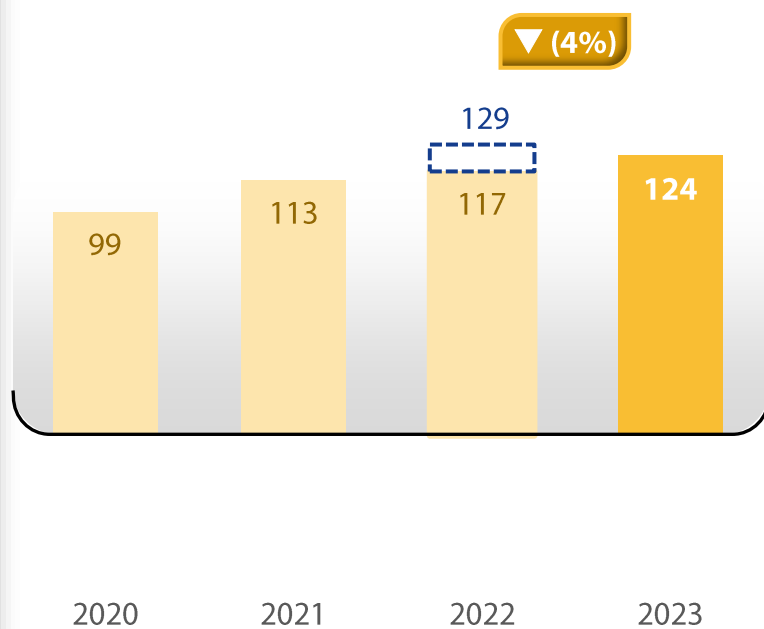
Continuing operations grow by 6% and accelerated growth in rest of Africa
Disposal of Contract Accountants during H2 '22 impacting results



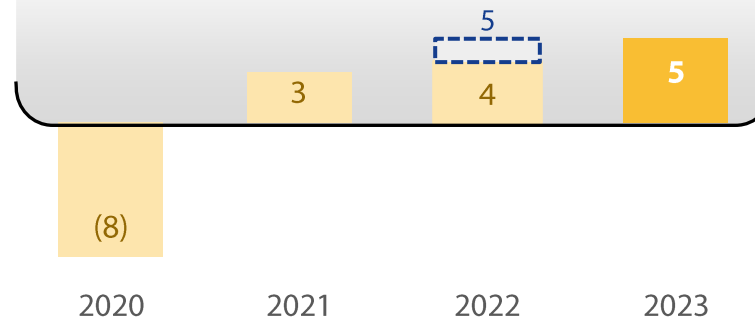
RESOURCING SOUTH AFRICA

Disposal of Contract Accountants during H2 '22 impacting results

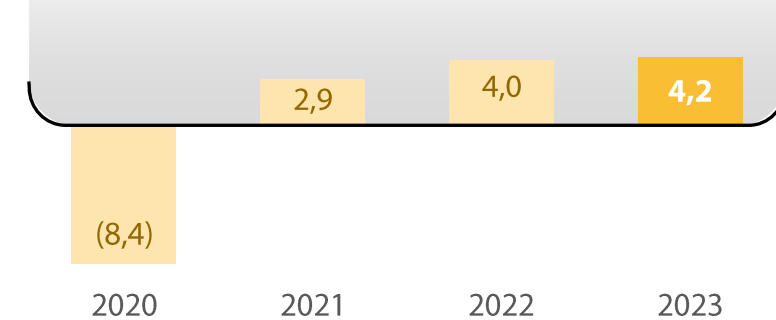
Revenue (R'm)



Operating profit (R'm)



Operating margin (%)

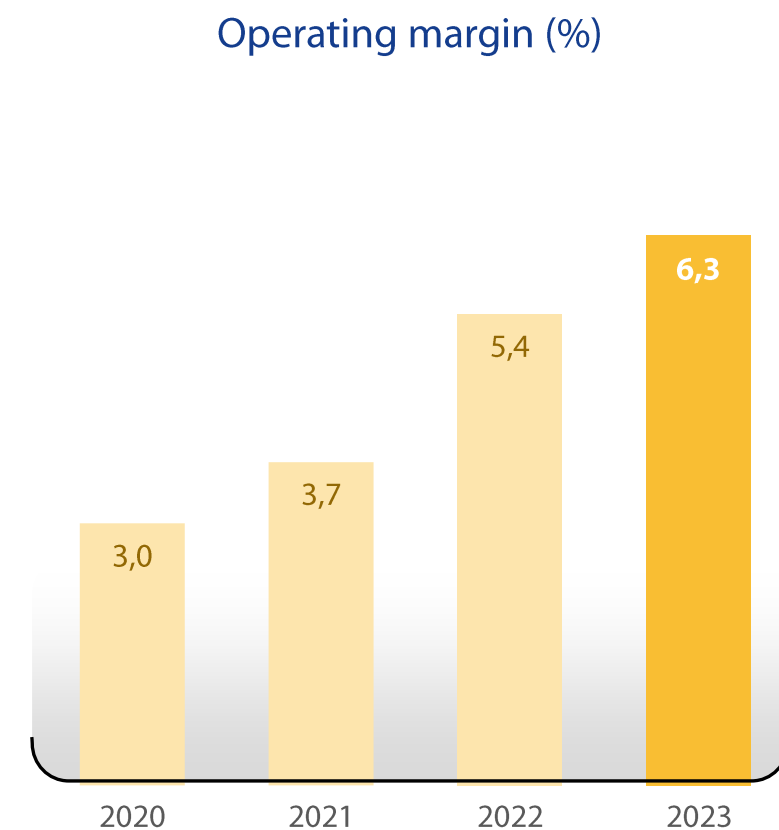
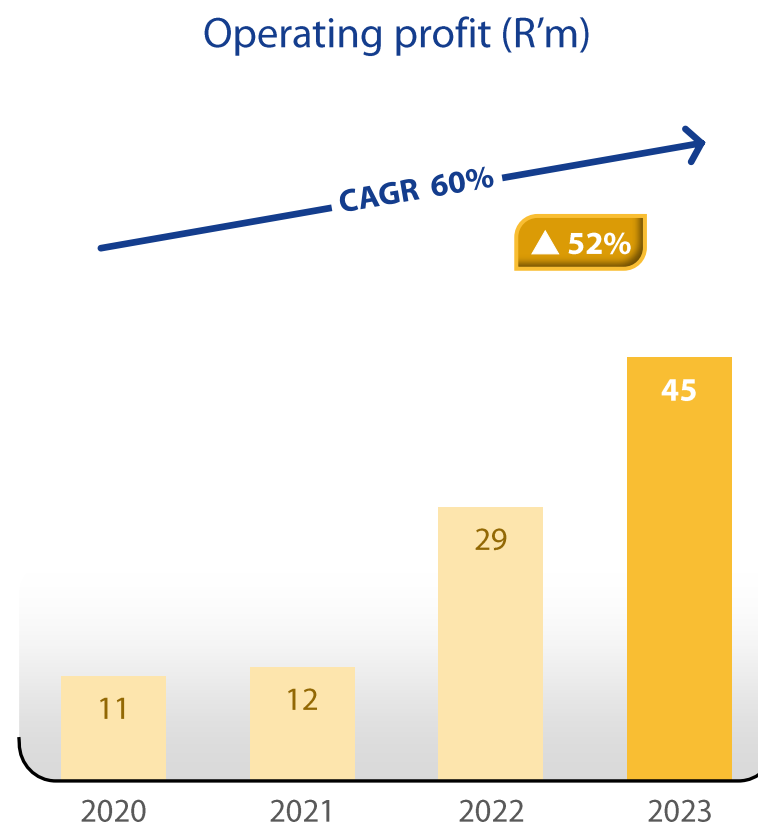
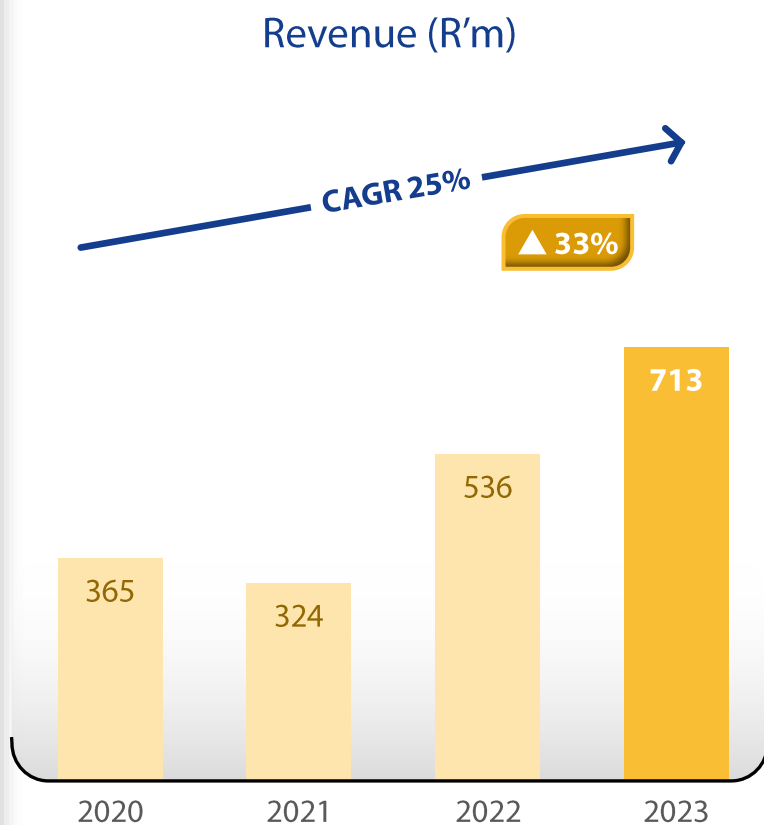


Invested in establishing a presence in the skilled contractor market

----- Impact from sale of Contract Accountants

RESOURCING REST OF AFRICA

Pivot to rest of Africa demonstrates our ability to successfully execute outside SA





SOUND BALANCE SHEET

DEBTORS BREAKDOWN

R'm	30 June 2023				30 June 2022			
	Group total	Schools	Tertiary	Resourcing	Group total	Schools	Tertiary	Resourcing
Trade receivables	906.1	166.7	694.2	45.2	752.4	131.6	573.0	47.8
Loss allowance	(548.6)	(86.2)	(460.3)	(2.1)	(417.1)	(80.7)	(335.0)	(1.4)
	357.5	80.5	233.9	43.1	335.3	50.9	238.0	46.4
Coverage of debtors' balance	61%	52%	66%	5%	55%	61%	58%	3%
Credit losses	118.9	30.4	88.7	(0.2)	111.9	39.8	71.9	0.2
Credit losses as % of revenue	3%	2%	6%	0%	3%	3%	5%	0%

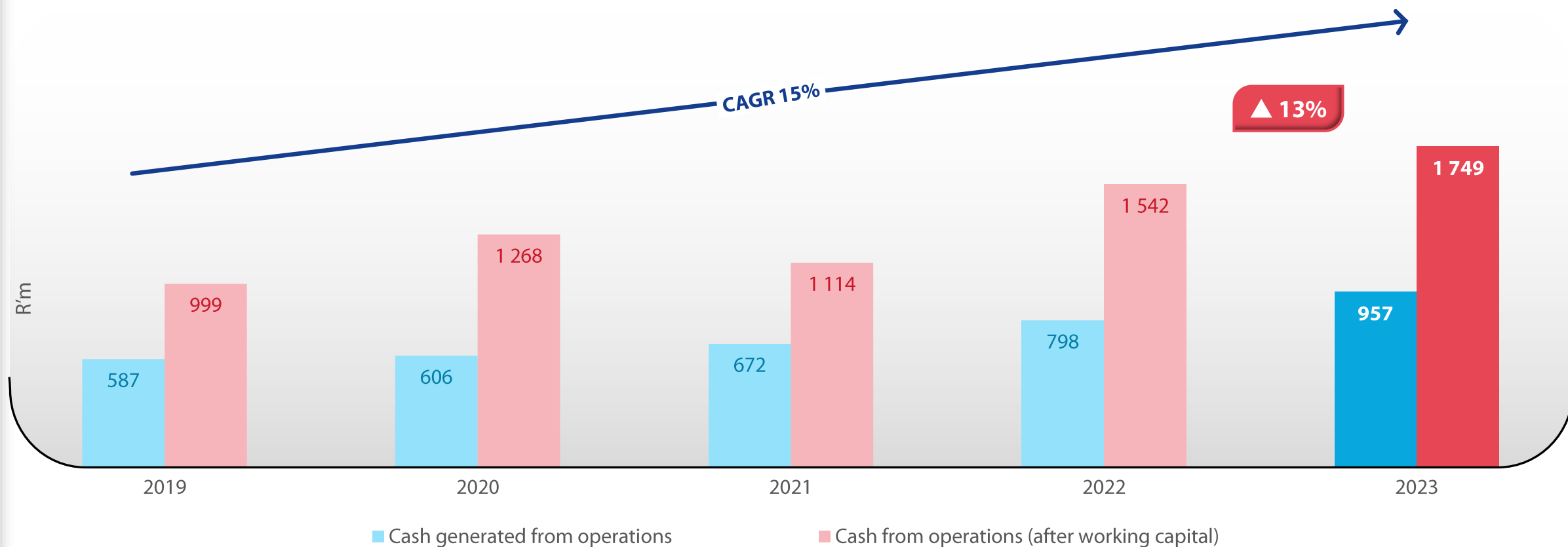
DEBTORS BREAKDOWN

Normalisation of tertiary division trade receivables

	Tertiary as at 31 December 2022 R'm
Trade receivables	669.5
Loss allowance	(380.2)
	<hr/>
	289.3
	<hr/>
Collections to 30 June 2023	281.0
Net debtors remaining	8.3

CASH FLOW GENERATION FROM OPERATIONS

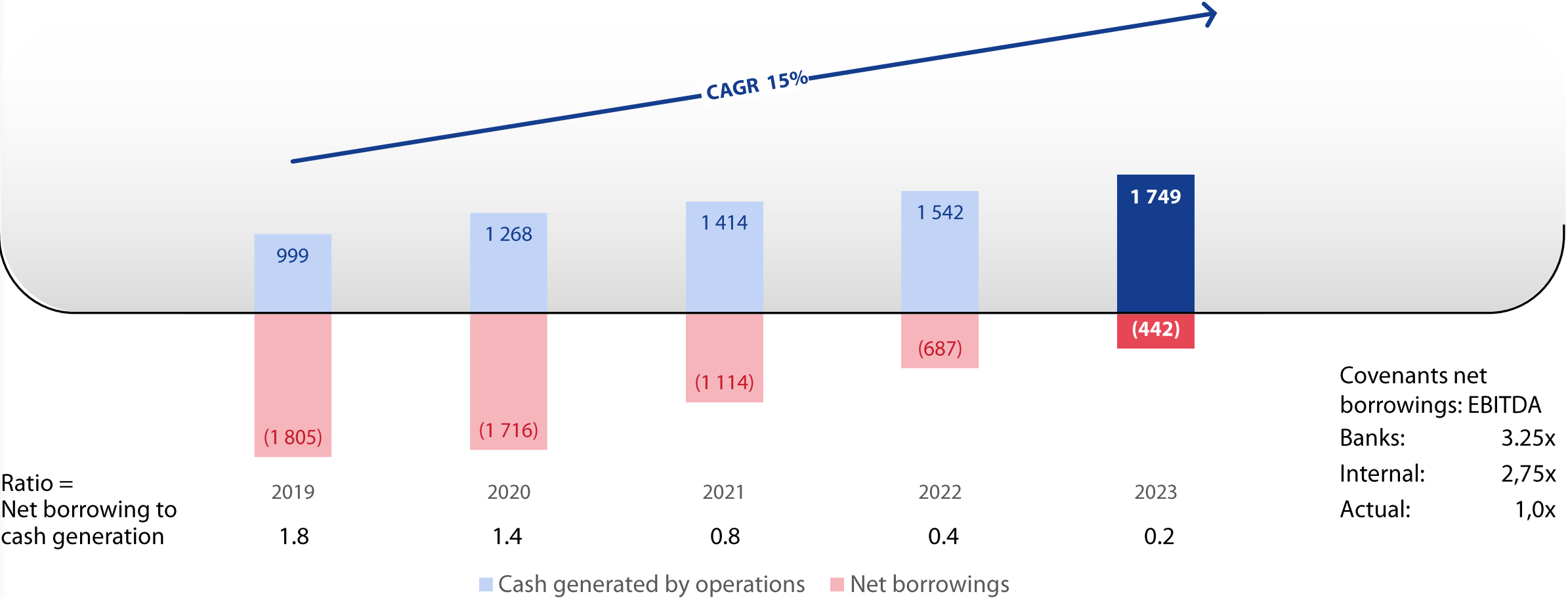
Demonstrates the inherent cash generating ability of our business



CASH VS NET BORROWINGS

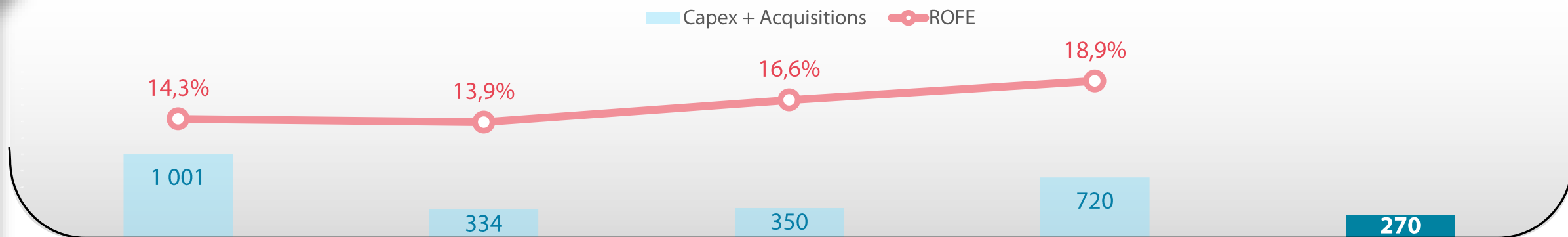


Strong cash generation, sound balance sheet and reduced borrowings



Covenants net borrowings: EBITDA
Banks: 3.25x
Internal: 2,75x
Actual: 1,0x

IMPROVING RETURNS ON FUND EMPLOYED



Acquired:
Summit College
(Rebranded Pinnacle College Kyalami)

Opened:
Pinnacle College Founders Hill

Acquired:
Glenwood House
Greenwood Bay College
Elkanah House - Western Cape

Opened:
Pinnacle College Copperleaf

Acquired:
Makini Schools

Opened:
Crawford International School Kenya

Opened:
The Bridge Assisted Learning School

Opened:
Trinityhouse Glenvista
Pinnacle College Linden
Pinnacle College Waterfall

Opened:
Evolve Online School

Opened:
Pinnacle College Raslouw

Acquired:
Capsicum Culinary Studio
Oxbridge Academy

Opened:
Rosebank College Polokwane Connected Campus

Acquired:
The Private Hotel School

Opened:
RC Bloemfontein Connected Campus
RC Pietermaritzburg Connected Campus
RC Durban Mega Campus

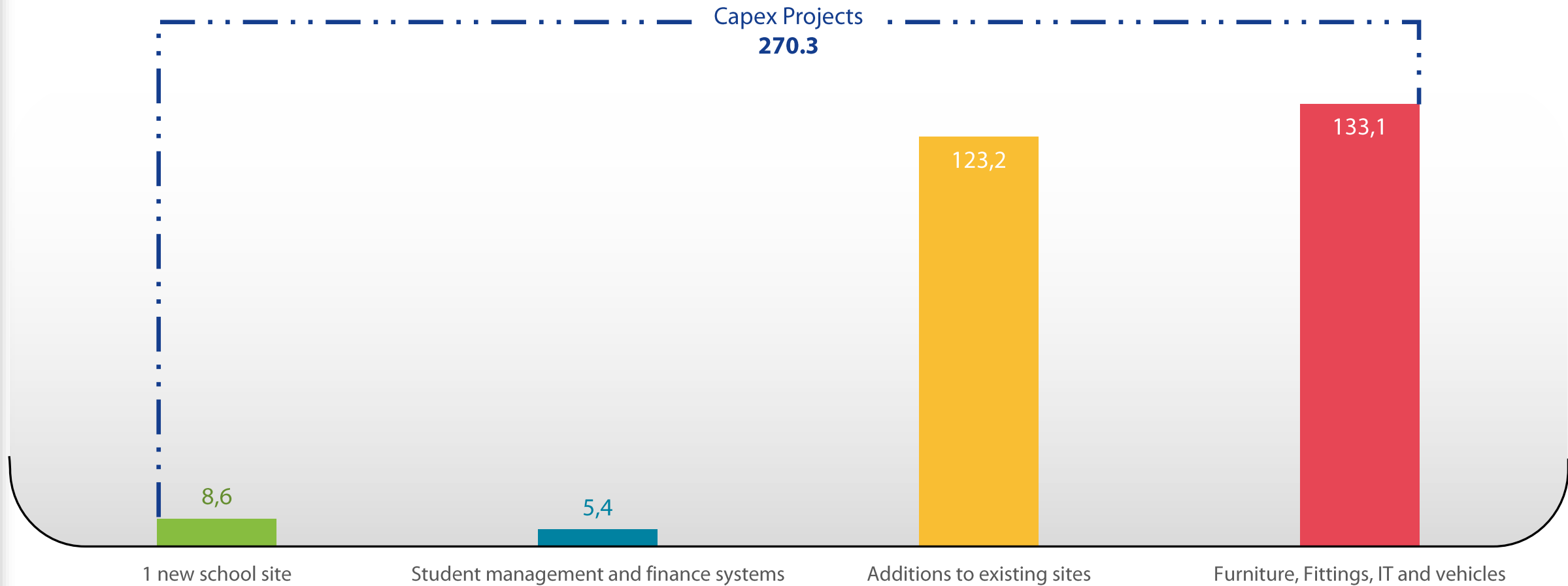
Acquired:
IIE MSA (Monash SA)

Opened:
Rosebank College Cape Town
Rosebank College Nelson Mandela Bay

 Schools
 Tertiary

CAPEX

Capex expected between R650 – R750 million





Inherent underlying demand for quality education

- SA driven by poor public offerings
- Africa: attractive growth prospects



Robust, flexible business model

- Ability to leverage scale
- Agile and responsive
- Multi modes of delivery
- Significant resource capability
 - People
 - Systems and technology
 - Intellectual property



Quality asset base

- Well established brand portfolio
- Significant free cash generation
- Sound balance sheet
- Good financial controls



ADvTECH subscribes to relevant ESG principles



INVESTMENT CASE



DELIVERING SUPERIOR SHAREHOLDER RETURNS

Strong cash generation and sound balance sheet

A large, dark teal triangle pointing upwards, containing the text '30.00 cents per share' in white. The triangle is positioned on the left side of the slide, with a light teal rounded rectangle to its right.

30.00
cents per share

- Confidence in the robustness and sustainability of our business
- Current performance makes the dividend prudent and affordable
 - Dividend ▲ 30% from comparative period

**THANK
YOU**

