Group CEO and Executive Director

Geoff Whyte

Introducing Some of Our People..


Yusuf Moosa
Group Financial Manager


Barbara Willard
Group Head of Internal Audit


Boipelo Mogamisi
Group Investor Relations


Louise Wiseman
Managing Director
Varsity College, Vega, MSA


Dr Linda Meyer
Managing Director
Rosebank College


Dr Siza Majola
Managing Director
Crawford International


Colin Northmore
Executive Head
Evolve Online School


Horace Mpanza
Managing Director
Makini & Gaborone International Schools


Jaco Lotz
International Business
Development Executive


Steve Miller
Group Executive
Brand & Strategy


Shevon Lurie
Group
Academic Director


Desiree Hugo
Academic Head
IIE CAT

Historic Strategy

Development of a strong portfolio of carefully positioned brands

Investment in superior teaching and learning
    - People, proprietary systems

Significant extension of the qualifications we offer

Expansion into selected, higher growth African markets

Maximisation of enrolments through moderate fee increases

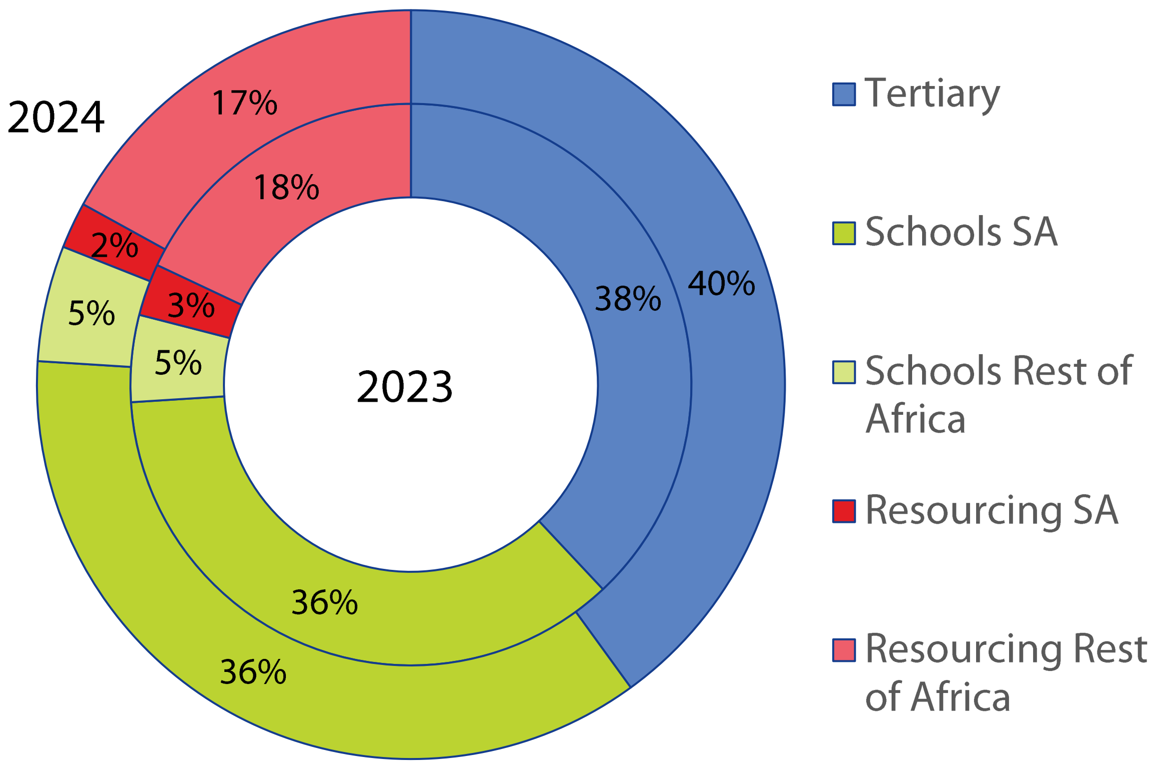
Strong focus on capital allocation and sound investment decisions

Realisation of cost savings through centralisation of shared services and investment in technology

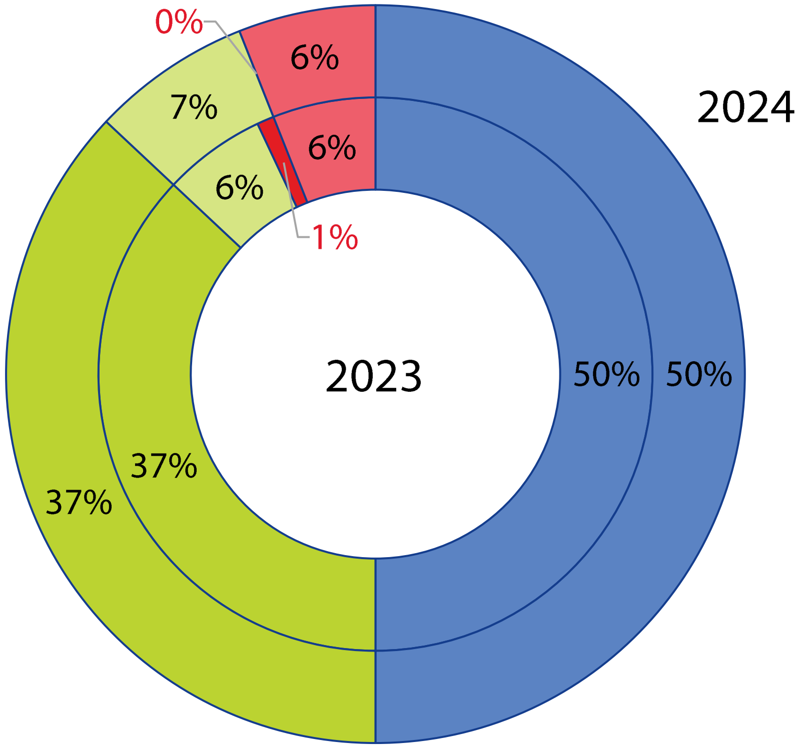
A number of exciting new growth opportunities have been identified - but future strategy will build on the current base

Segmental Overview

Revenue Contribution



Operating Profit Contribution



ADTECH
GROUP

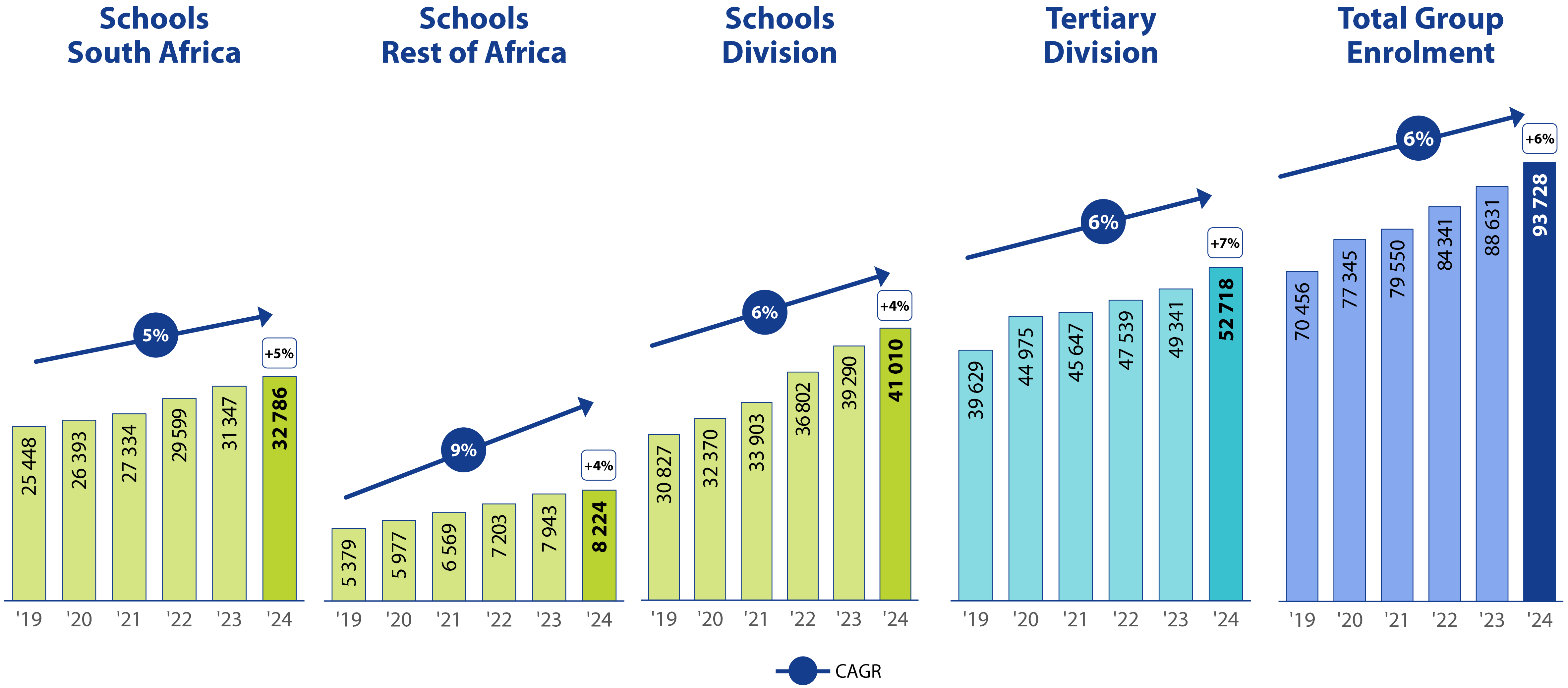
Strong first half results

Analyst Presentation

For the six months ended 30 June 2024

- Healthy growth in enrolments
- Moderate fee increases
- Strong financial performance
- Continued margin improvement
- Sound balance sheet

Healthy Enrolment Growth Continues


Schools South Africa

Schools Rest of Africa

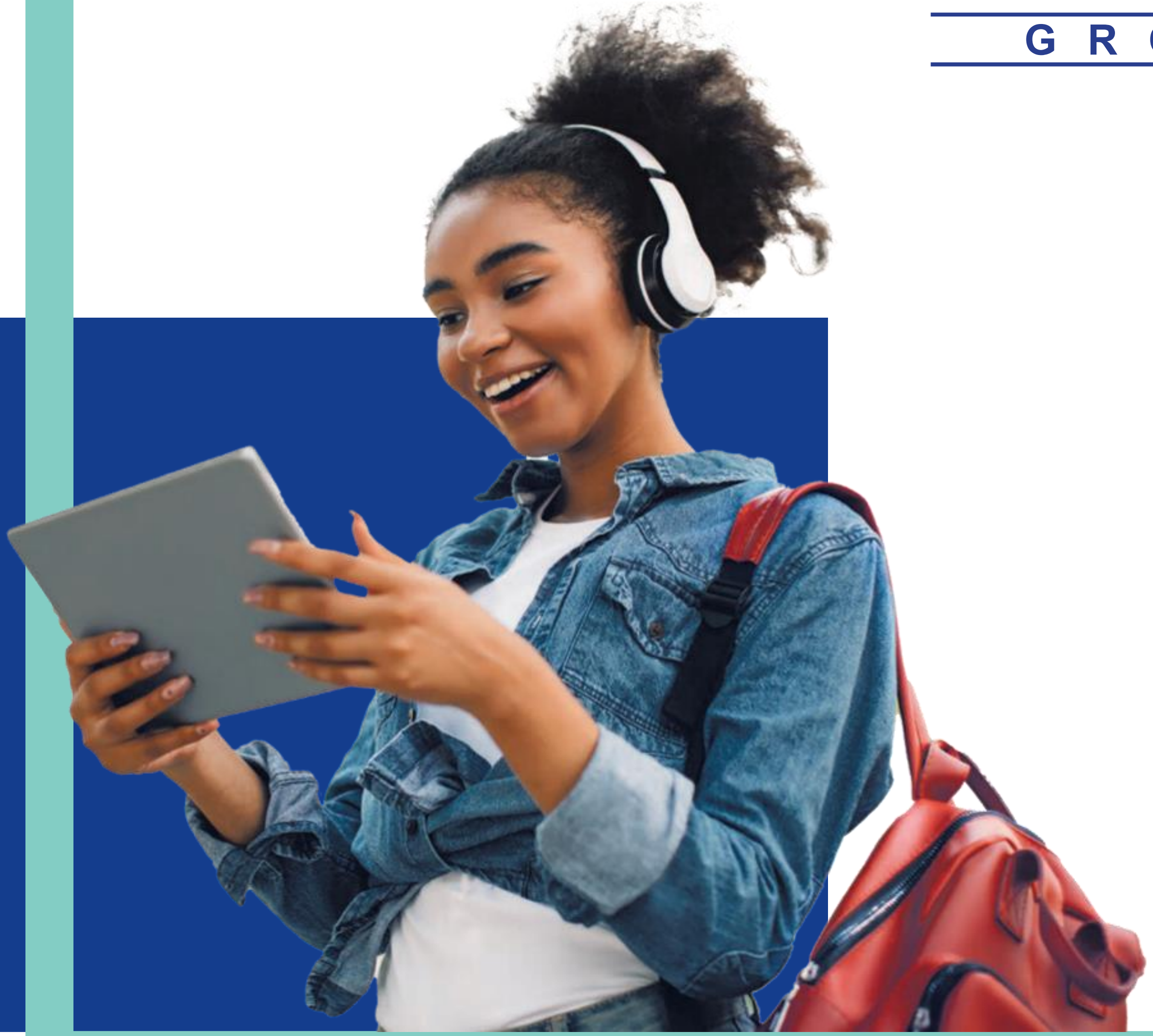
Schools Division

Tertiary Division

Total Group Enrolment

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.



Half Year Performance

▲ **9%**
Revenue
R4 274 million

▲ **16%**
Headline
Earnings per share

▲ **15%**
Operating Profit
R865 million

▲ **16%**
Normalised
Earnings per share

▲ **20.2%**
Operating Margin

▲ **27%**
Interim Dividend per share
38.0 cents

Divisional Performance (year-on-year comparison)

Schools South Africa

Revenue R1 556 million	▲	**11%**
Operating profit R316 million	▲	**12%**

Schools Rest of Africa

Revenue R214 million	▲	**11%**
Operating profit R62 million	▲	**29%**

Tertiary

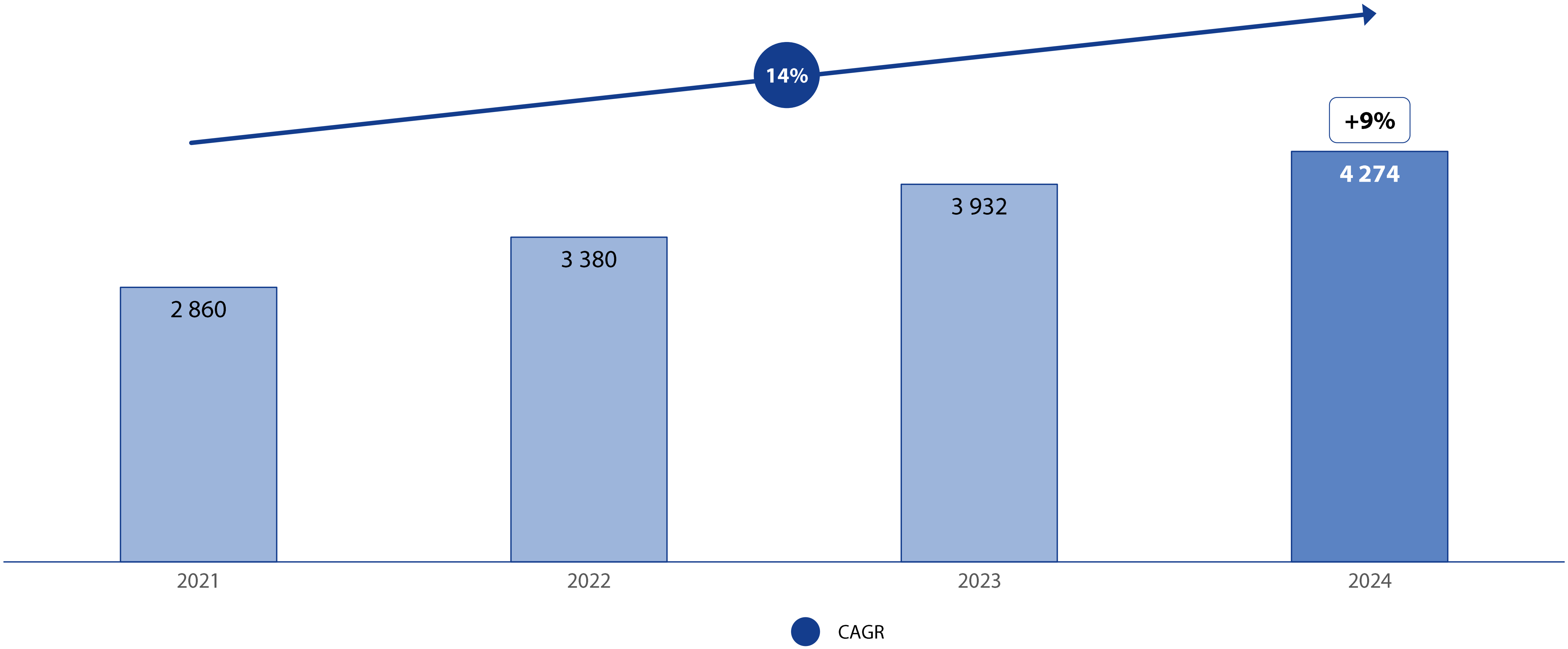
Revenue R1 693 million	▲	**13%**
Operating profit R436 million	▲	**16%**

Resourcing

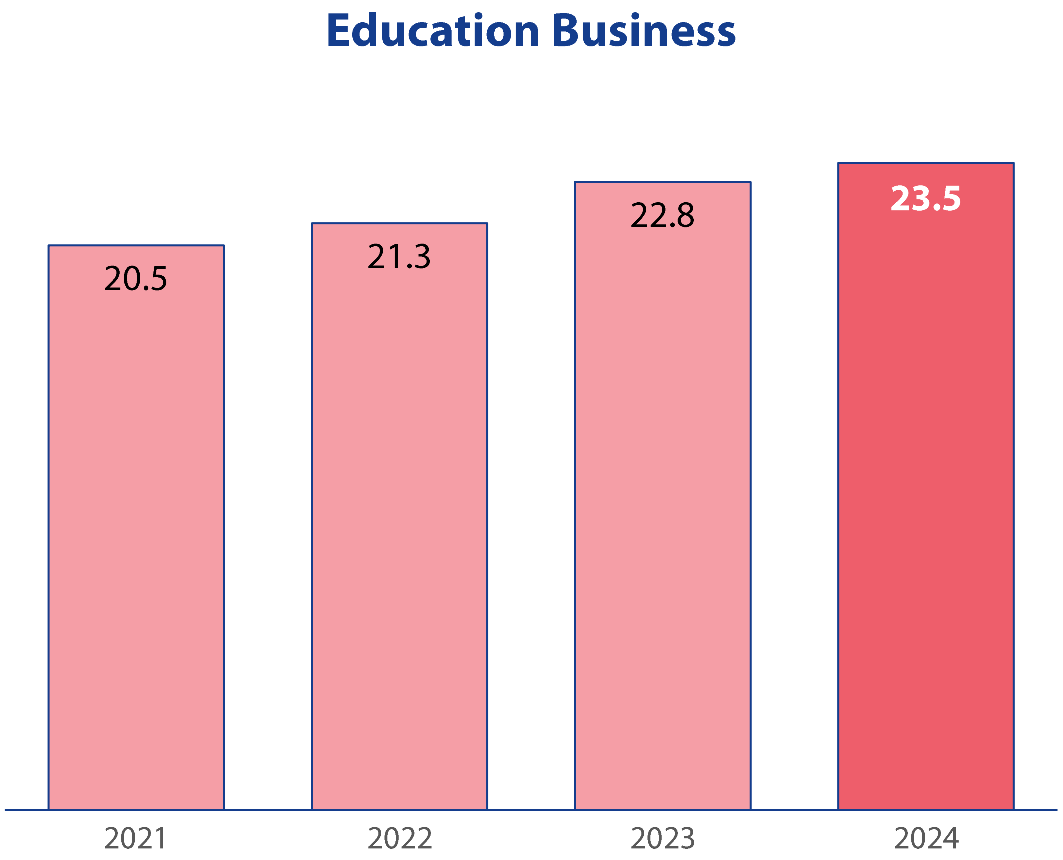
Revenue R810 million	▼	**-3%**
Operating profit R51 million	▲	3%

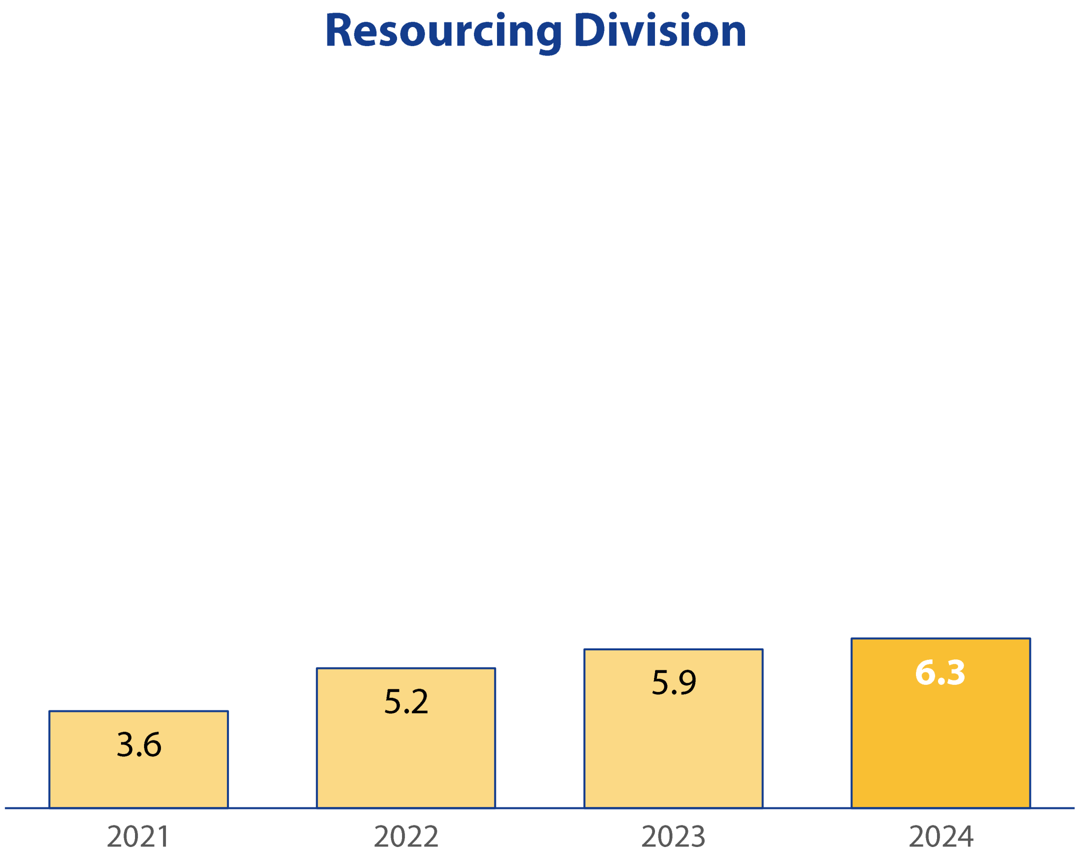
Group Revenue (R'm)

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

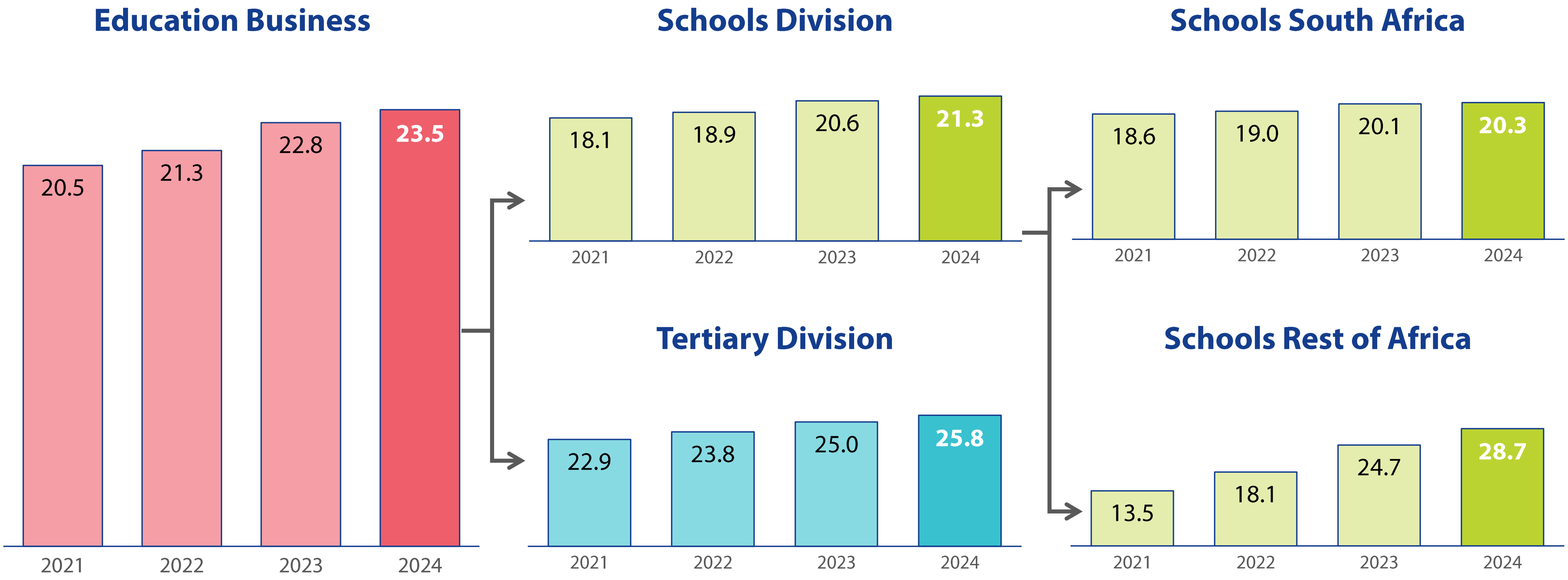


Divisional Operating Margins (%)





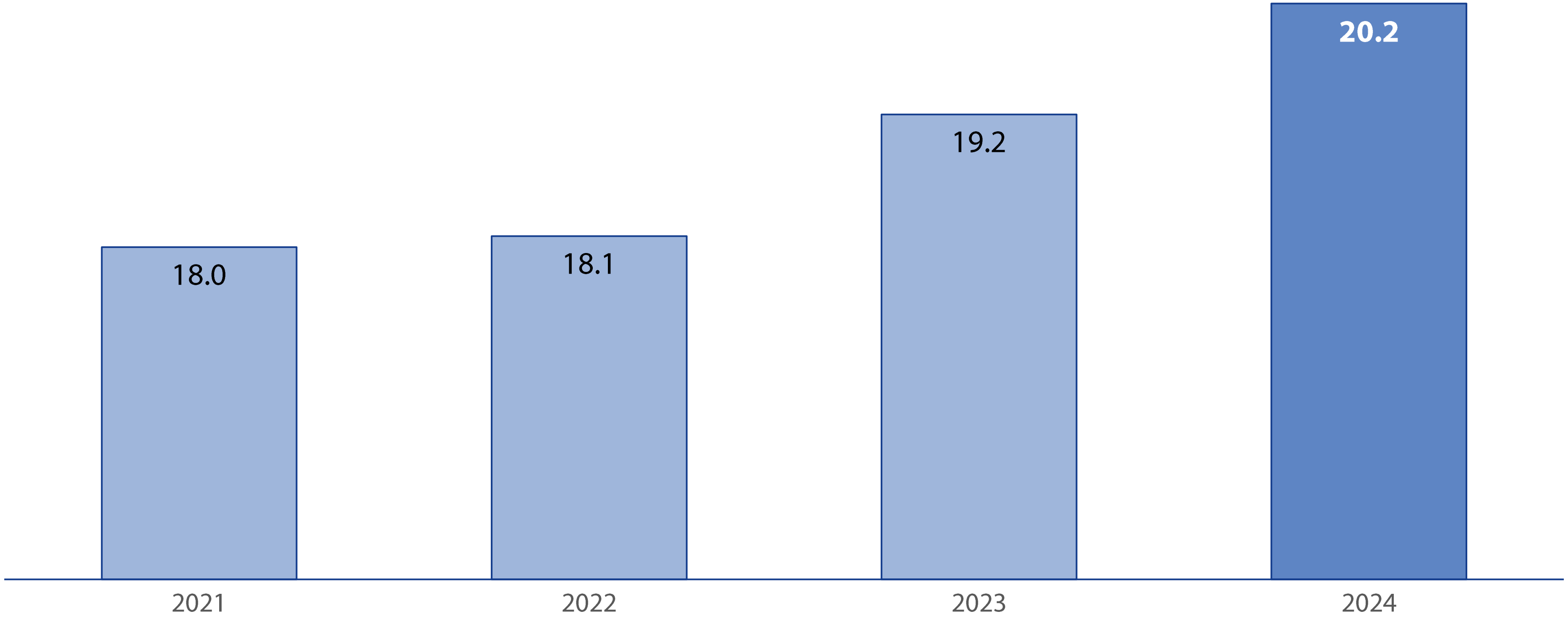
Education Margins (%)



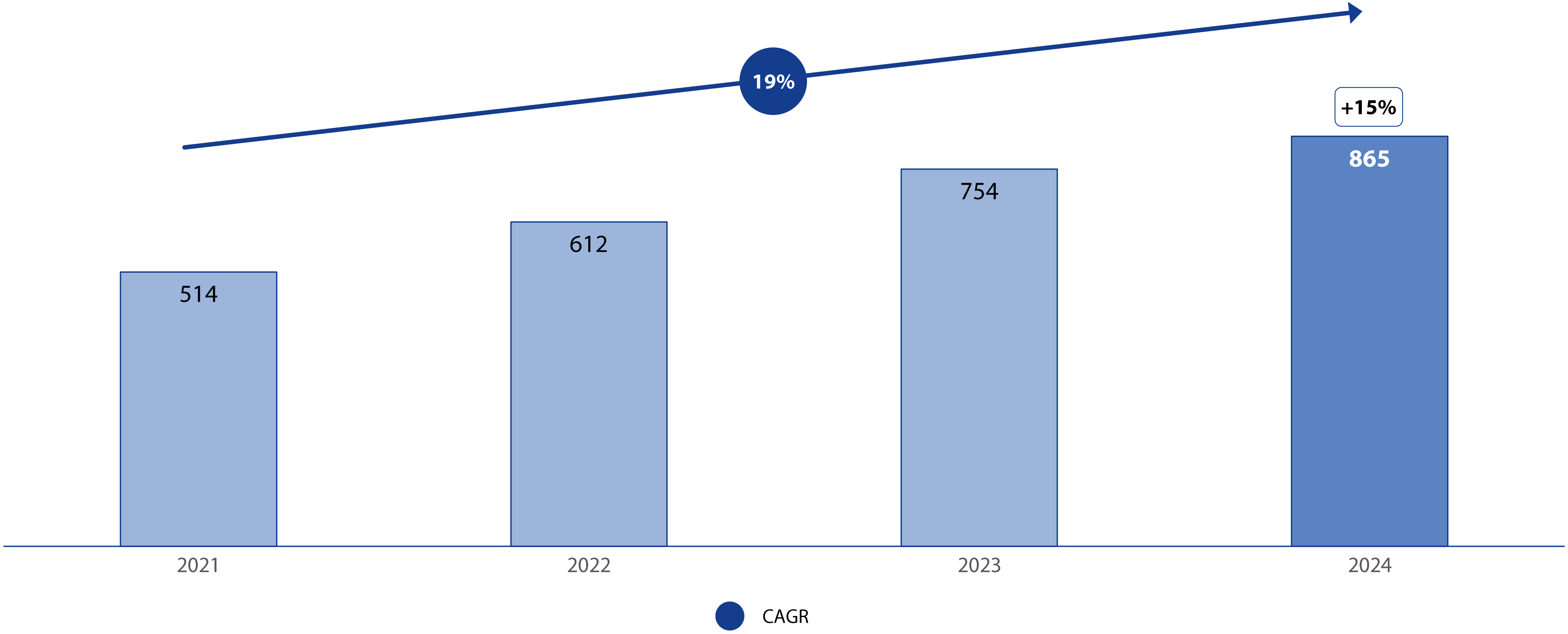
Group Operating Margin (%)

Movement due to:

- Operating leverage resulting from enrolment growth
- Continued focus on efficiency improvements
- Further investment into systems and preparation for University status

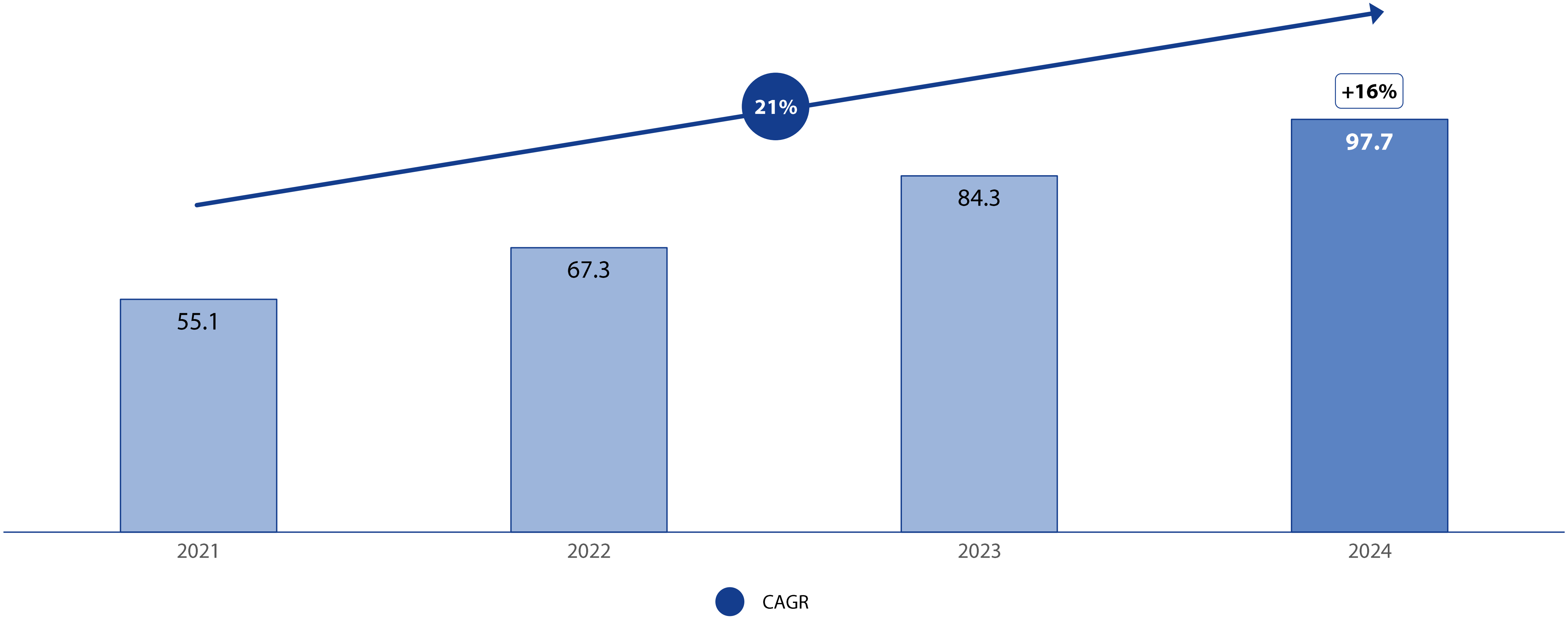


Group Operating Profit (R'm)



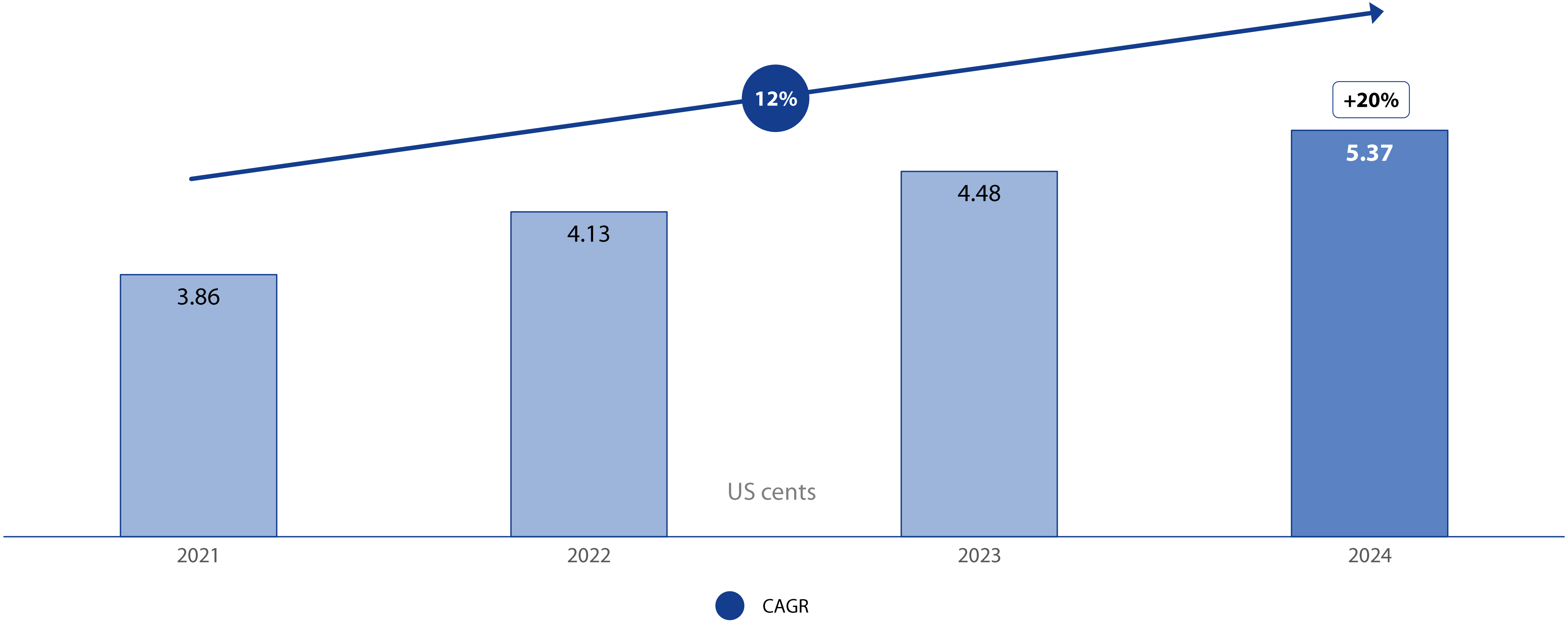
Normalised Earnings Per Share (Cents)

Consistent earnings growth demonstrates the successful execution of our strategy



Normalised Earnings Per Share – US$

Resilient dollar returns



Schools Division

Schools Division

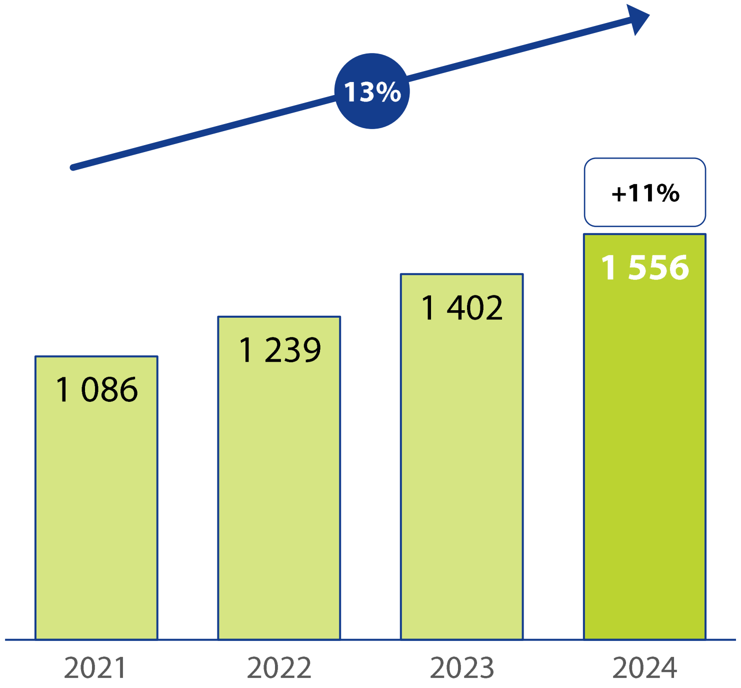
A comprehensive brand portfolio comprising 113 schools

Progressive/ Modern	Traditional/ Holistic	Mid-Fee	Specialised Academic Support and Assisted Learning	Early Childhood Development	Online/ Homeschooling
Crawford International	TRINITYHOUSE Pre-Primary • Preparatory • High	PINNACLE COLLEGES Gaborone International School Makini Schools Preschool | Primary | High	THE BRIDGE ASSISTED LEARNING CENTRE ABBOTTS COLLEGE HIGH SCHOOL	Junior COLLEGES EARLY LEARNING	evolve
27 Schools	20 Schools	47 Schools	11 Schools	5 Schools	3 Schools

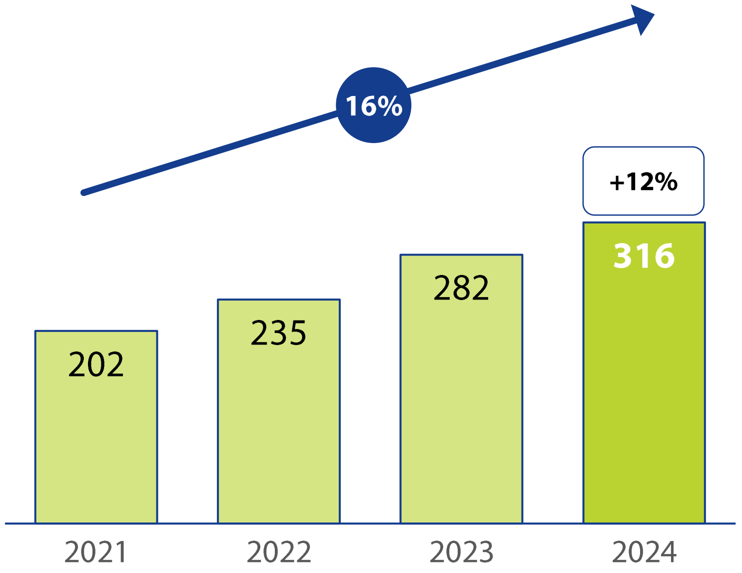
Schools – South Africa

Growth driven by healthy enrolments, improved operating efficiencies and fee increases in line with inflation

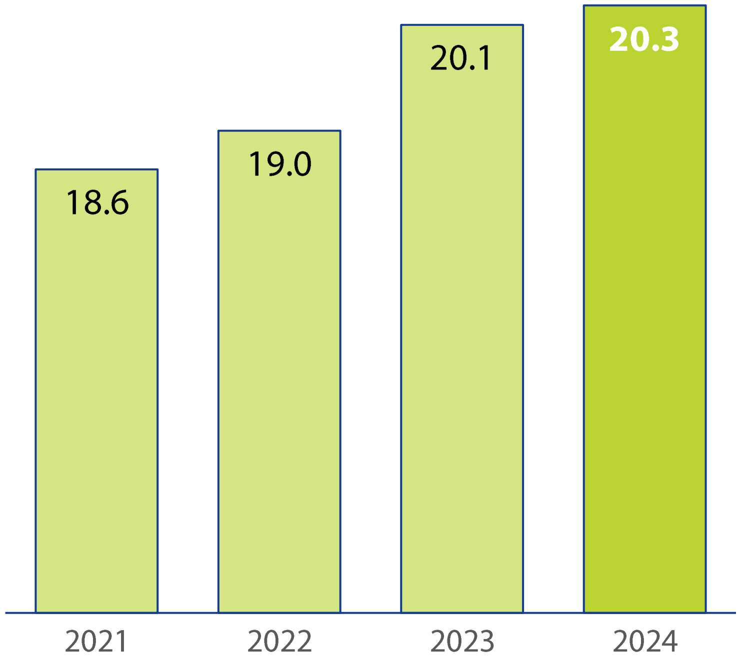
Revenue (R'm)



Operating Profit (R'm)



Operating Margin (%)

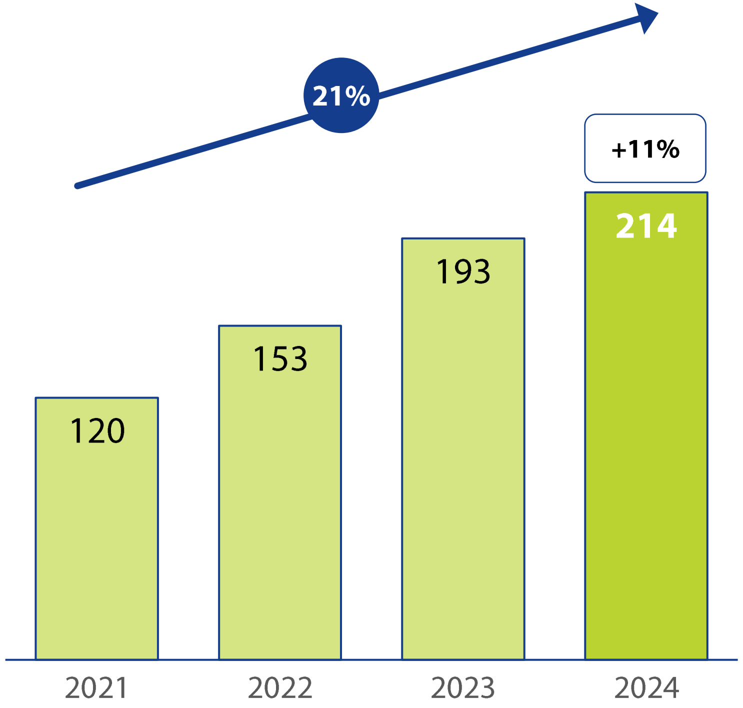


● CAGR

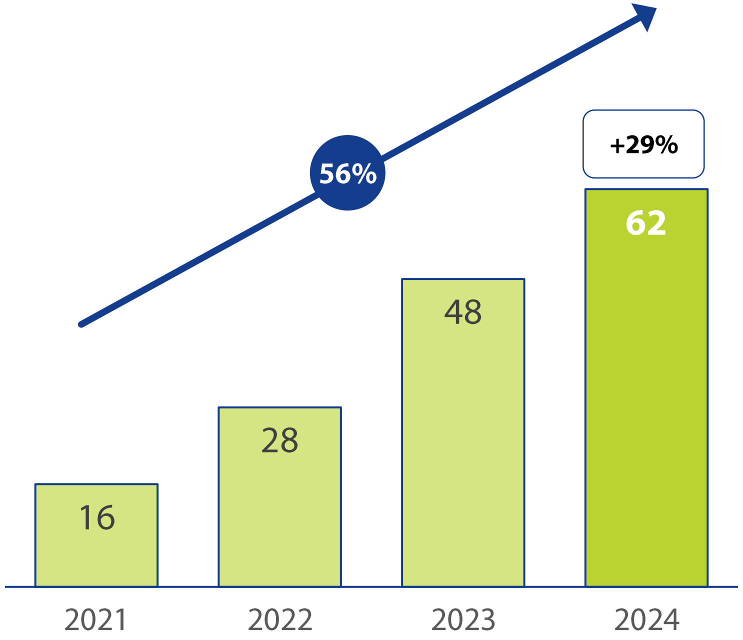
Schools – Rest of Africa

Margin improvement driven by leveraging scale and move to Cambridge curriculum

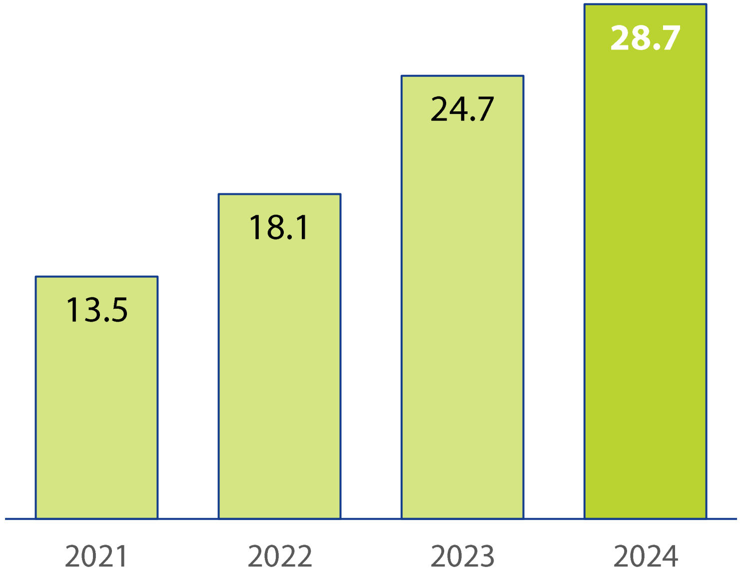
Revenue (R’m)



Operating Profit (R’m)



Operating Margin (%)



● CAGR

Pinnacle College Ridgeview High School

Opening January 2025

- New Pinnacle College campus adjacent to ADvTECH's Charterhouse Pre-Primary and Preparatory Schools in Roodepoort
- Building capacity:
  First Phase – 392
  Second Phase – 980

Pinnacle College Ridgeview High School

Opening in January 2025

Gaborone International School Expansion

Enrolments exceeding expectations

- Gaborone International School continues to perform exceptionally well with strong enrolment growth and excellent academic results
- Capacity expanded in 2023 to 3 250 students

Crawford International, Kenya

Next phase of development begins in Q3, increasing student capacity from 900 to 1300 in response to demand

Pinnacle College Raslouw, Centurion

Enrolments exceed expectations

- Pinnacle College Raslouw in Centurion, opened in January 2023
- Strong student demand has necessitated the build out of the school several years ahead of plan
- 915 students currently enrolled

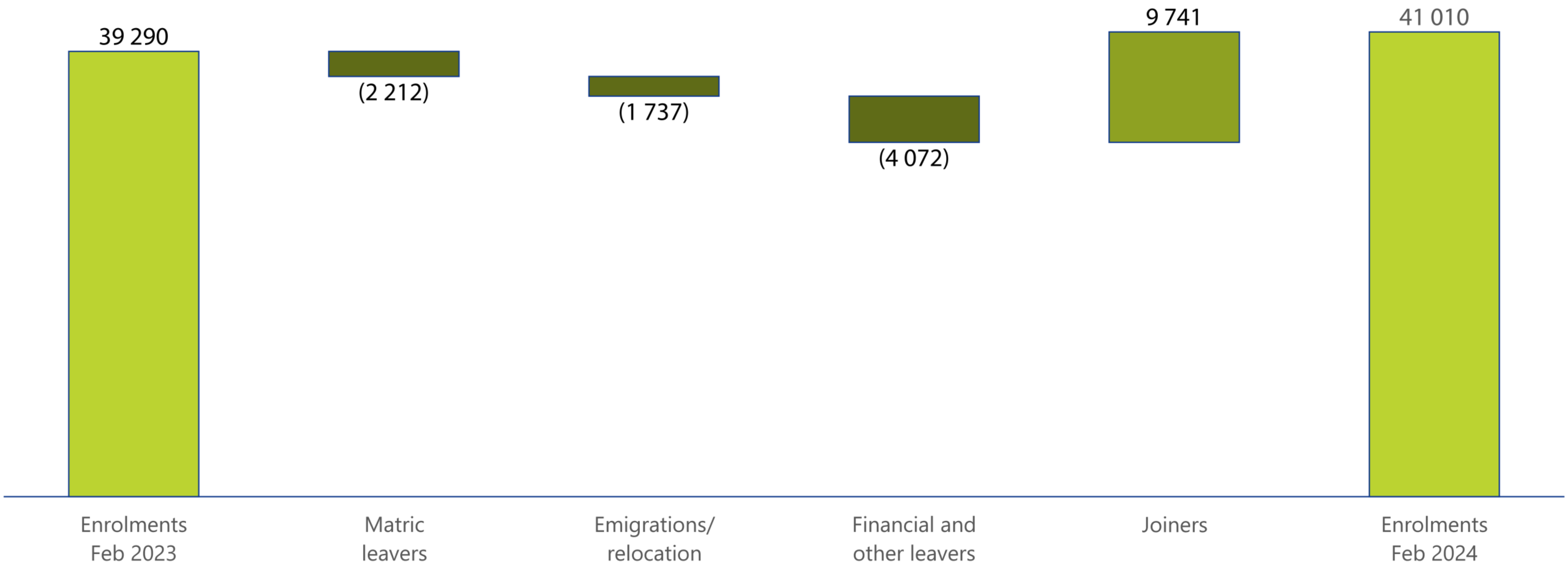
The Bridge Assisted Learning School Expansion

- Second school in Morningside, Johannesburg opened Jan ‘24

School Capacity

	Feb 2020	Feb 2021	Feb 2022	Feb 2023	Feb 2024
Students enrolled (‘000)	32.4	33.9	36.8	39.3	41.0
Existing building capacity (‘000)	41.2	41.5	44.5	46.7	49.4
% Existing building capacity utilised	79%	82%	83%	84%	83%
Ultimate capacity (‘000)	56.8	56.8	56.8	59.8	60.3
% Of ultimate capacity utilised	57%	60%	65%	66%	68%

Schools Enrolment Movement



1. Percent change from 2023 to 2024

Tertiary Division

Tertiary Division

A strong brand portfolio across 33 campuses

IIE Varsity College

IIE MSA

9 Campuses

- Higher certificates
- Diplomas
- Degrees
- Postgrad to masters

- Face-to-face
- Online
- Blended
- Full-time
- Part-time

IIE Rosebank College

9 Campuses

- Higher certificates
- Diplomas
- Degrees
- Postgrad degrees

- Face-to-face
- Online
- Blended
- Full-time
- Part-time

IIE Vega School
DESIGN • BRAND • BUSINESS

4 Campuses

- Higher certificates
- Diplomas
- Degrees
- Postgrad to doctoral

- Face-to-face
- Online
- Blended
- Full-time
- Part-time
- Short courses

Capsicum Culinary Studio

IIE School of Hospitality & Service Management

8 Campuses

- Vocational
- Higher certificates
- Diplomas
- Advanced diplomas
- Degrees

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

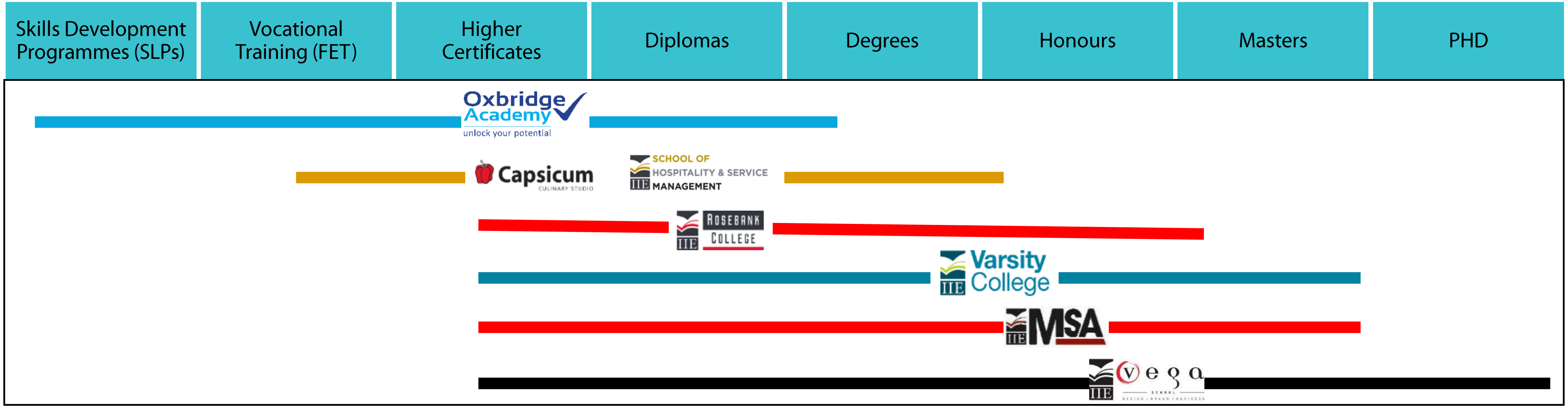
Oxbridge Academy
unlock your potential

1 Campus

- Vocational
- Higher certificates
- Diplomas
- Short courses

- Distance

Comprehensive Range of Qualifications



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

Pack & Post
- Oxbridge

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

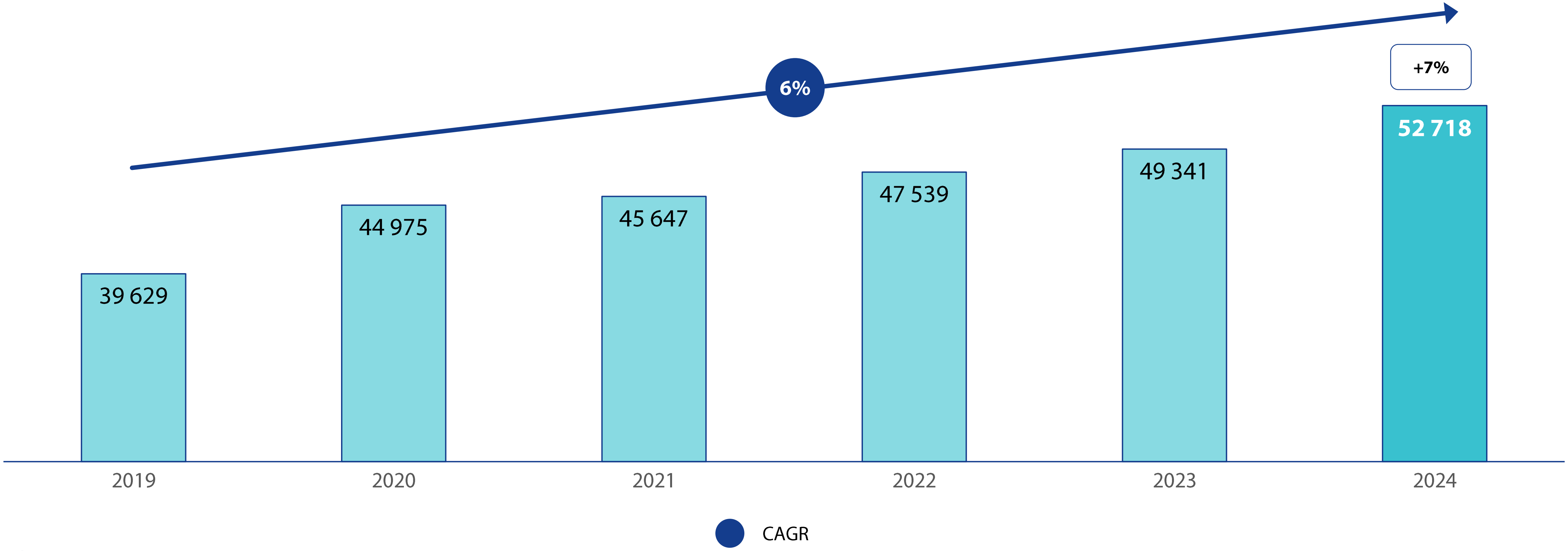
Part-time
- All brands

Blended
- Rosebank College
- Varsity College
- Vega

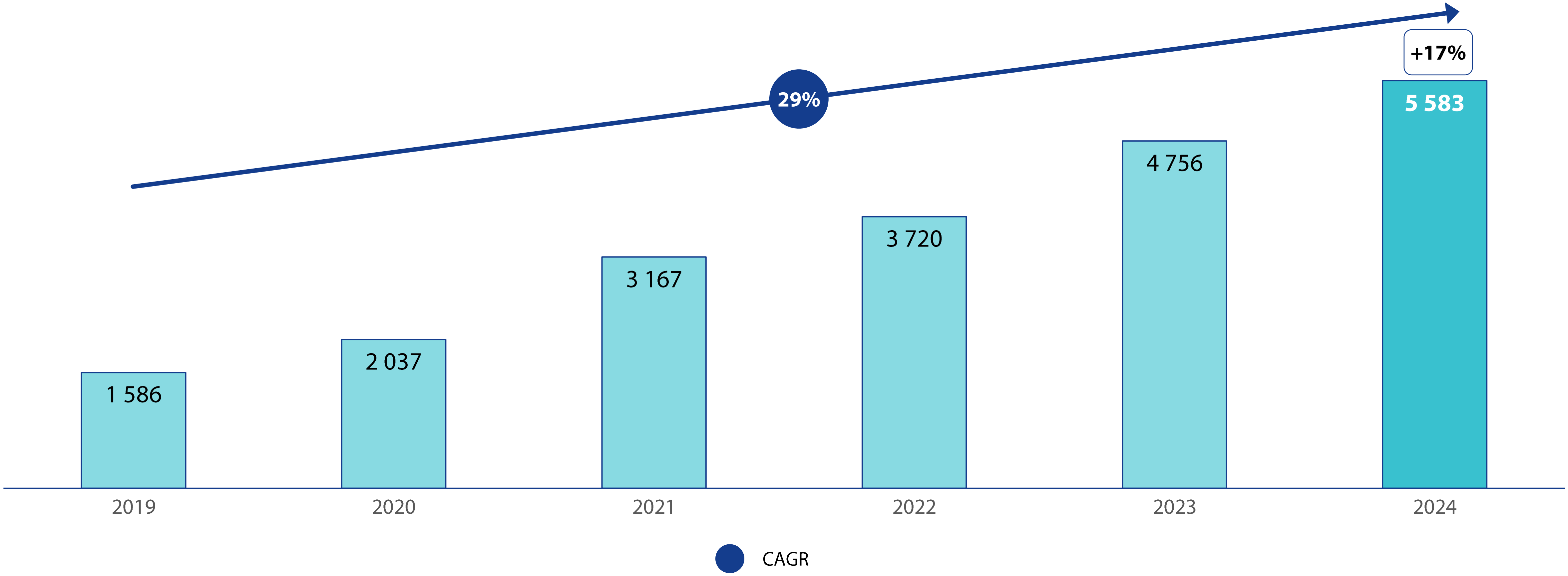
Full-time
- Capsicum
- Rosebank College
- Varsity College
- Vega
- IIE MSA
- IIE HSM

Tertiary: Full Qualification Student Enrolments

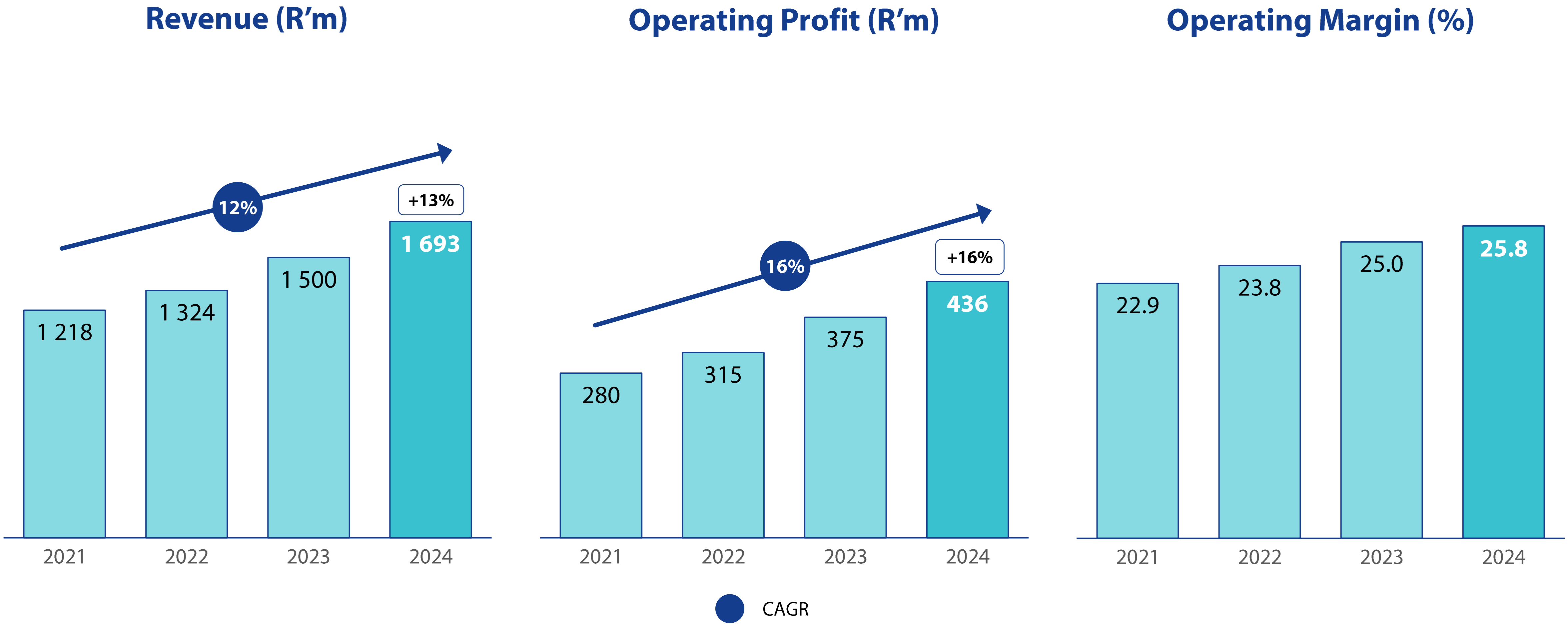
Benefitting from continued investment in both contact and online



Tertiary Enrolments - Distance



Tertiary Division



Capsicum and Hospitality School – New Areas of Focus

Capsicum CULINARY STUDIO

Placements in the first six months of 2024

International cruise liner industry

Royal Caribbean INTERNATIONAL **109**

Demand in cruise line industry provides opportunity to enhance offering

2025 pipeline Short Learning Programmes:

- Food and Beverage Service
- Housekeeping Services
- Reception Services

International airline industry

QATAR AIRWAYS القطرية	39
Emirates	57

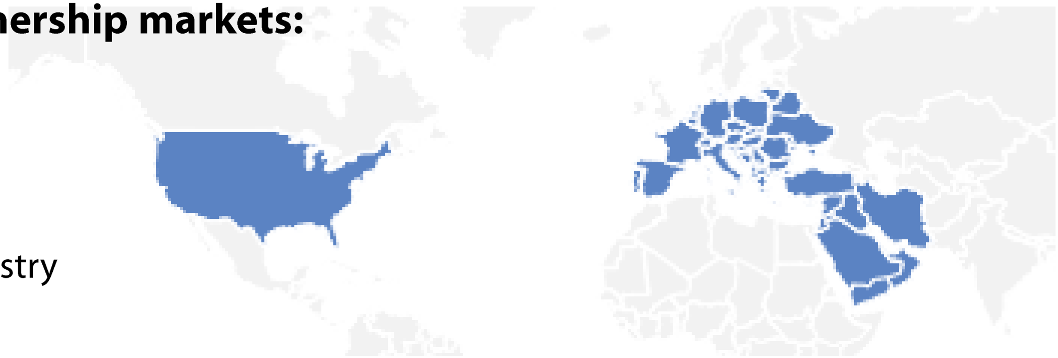
We have placed over 200 students to date into the international tourism industry

International partnerships increased from 10 in 2023 to **23 active partners in 2024**

Secured partnership markets:

- USA
- Middle East
- Europe

- Cruise line industry
- Airline industry



Expanding export demand of hospitality skills

Road to University Status

Progress: Policy for the recognition of South African Higher Education institutional types

1. **Draft criteria published – August 2022**
   - Provided broad brand descriptors, lacked detailed criteria
2. **Public comment – September 2022**
3. **Second draft – April 2024**
   - Not significantly different, trusteeship requirement removed
4. **Public comment – May 2024**
5. **Gazette – End of 2024?**

Investment in Achieving University Status

- 2022 to 2024
  - Increase in academic staff qualification levels
    - Academic staff with Doctorates: +75% to 154
    - Academic staff with Masters: +53% to 758
  - Fourfold increase in per-capita research output
  - New postgraduate enrolments have increased by 23%
- We have also established our own DHET accredited academic journal
- 7 faculties have been established, spanning Higher Certificates to PhD
- International university partnerships have been established across Africa and Europe
- Our minimum time degree completion and graduate employment rates are significantly better than public sector Universities
- Impactful and relevant community engagement initiatives have been established, including Community Law Clinics nationally
- We are aggressively adding new qualifications:

	Accredited in 2022	Accredited in 2024	In the pipeline
Post Graduate Diplomas and Honours	24	31	5
Master's	8	12	4
Doctorates	1	1	6

Rosebank College, Pretoria

Mega campus will increase student capacity by 5,200 to 11,500

- Expansion project at campus is currently under way

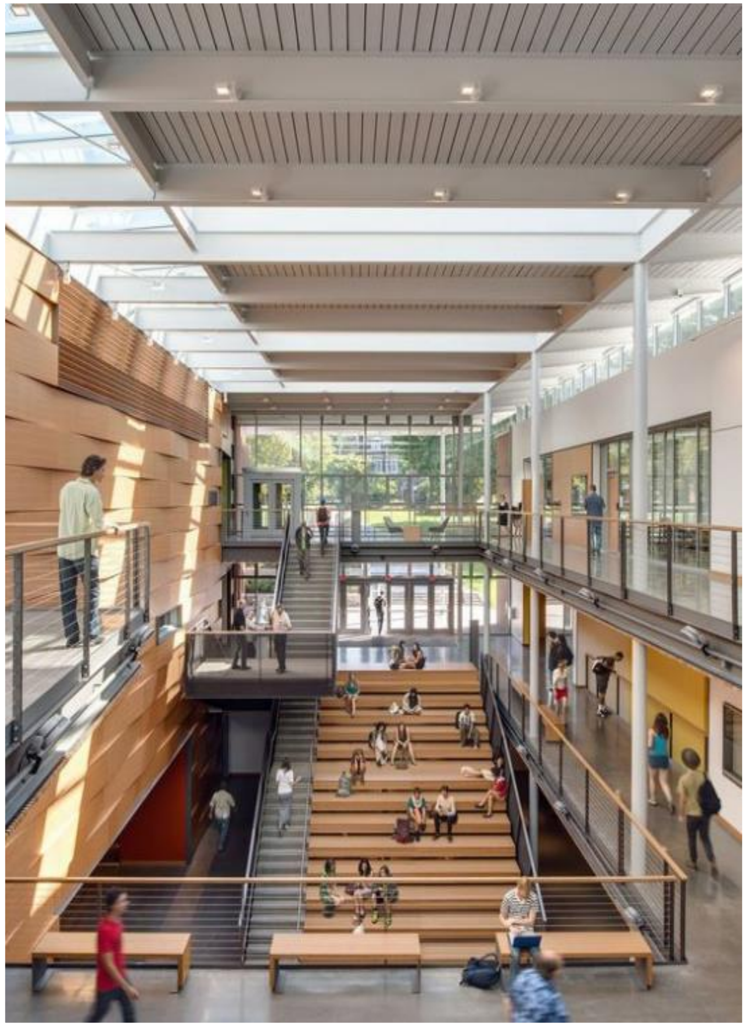
Rosebank College, Braamfontein

Mega campus

- Adjacent building purchased to create a student precinct
- Capex approved to increase capacity and to create a social environment where students can collaborate, learn and experience campus life
- Project timeline: Phase 1
  - Starts Q4 2024
- Student capacity will increase from 11, 500 to 14, 800

Rosebank College, Braamfontein

Mega campus



Rosebank College, Mbombela

Blended learning campus, opened January 2024 - enrolments ahead of target

- Student capacity: 1 350

Rosebank College, Cape Town

Current Campus (capacity 3000)

New Campus in 2025 (capacity 6000)

Rosebank College, Cape Town

Relocation: Aerial view of the move from Buitengracht Street to St George's Mall

Varsity College, Pretoria

Campus upgraded in 2023

Vega, Pretoria

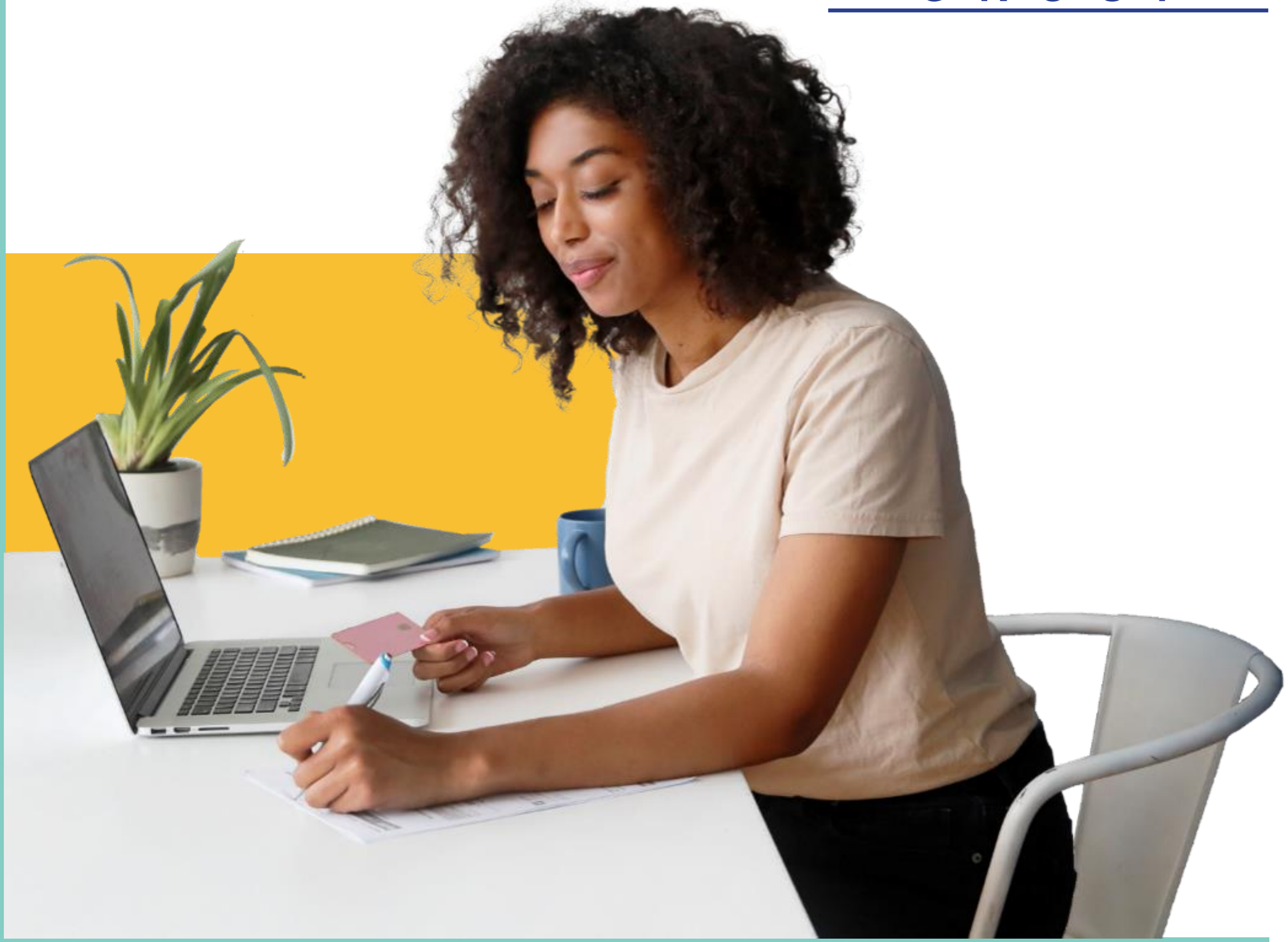
Relocated to the same development as Varsity College in new premises

New University Site

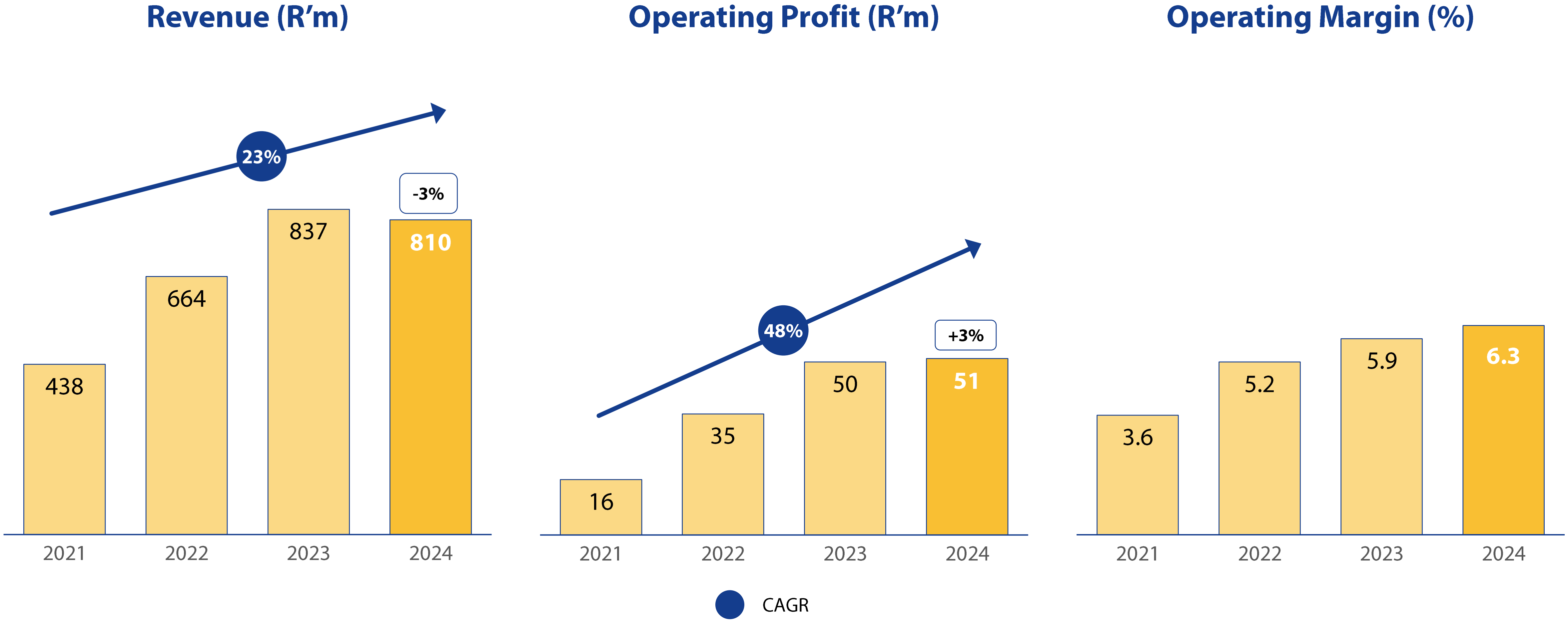
We have secured a prime location for a new university campus (subject to Competition Commission approval)

Capital investment: Approximately R400m over the next two years

Resourcing Division

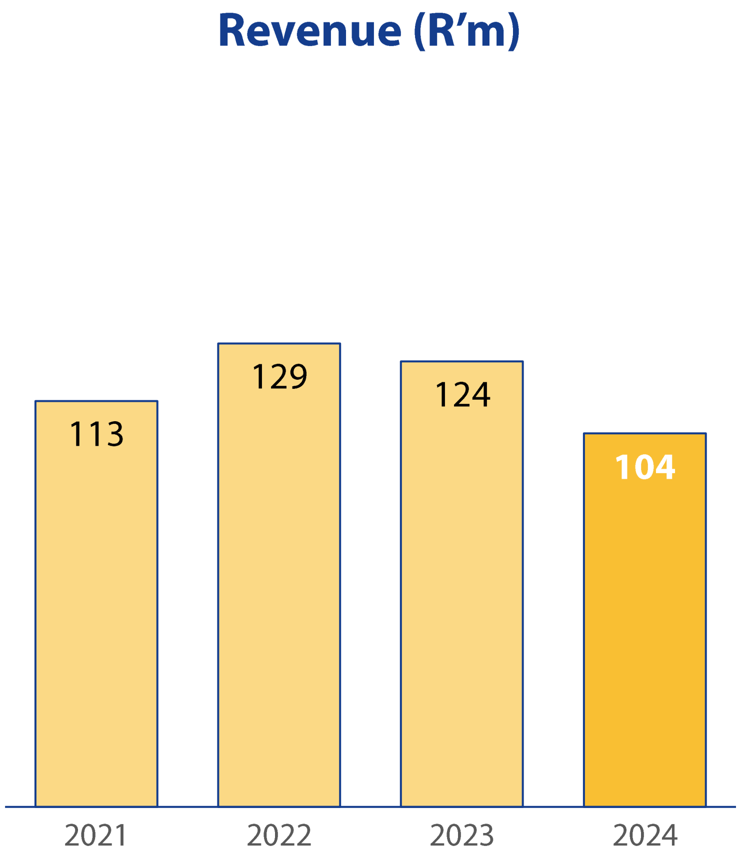


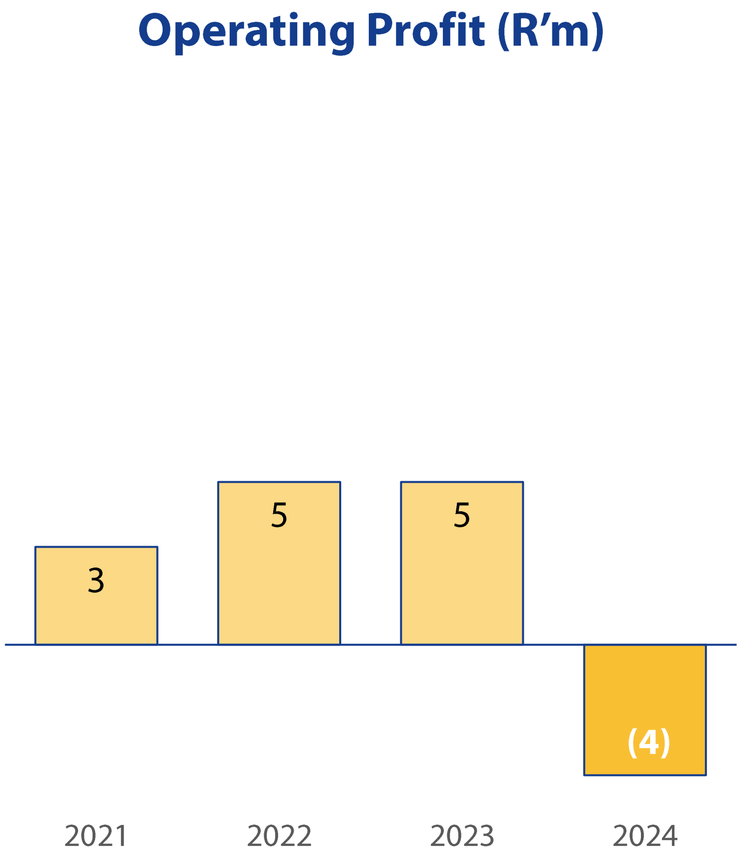
Resourcing Division

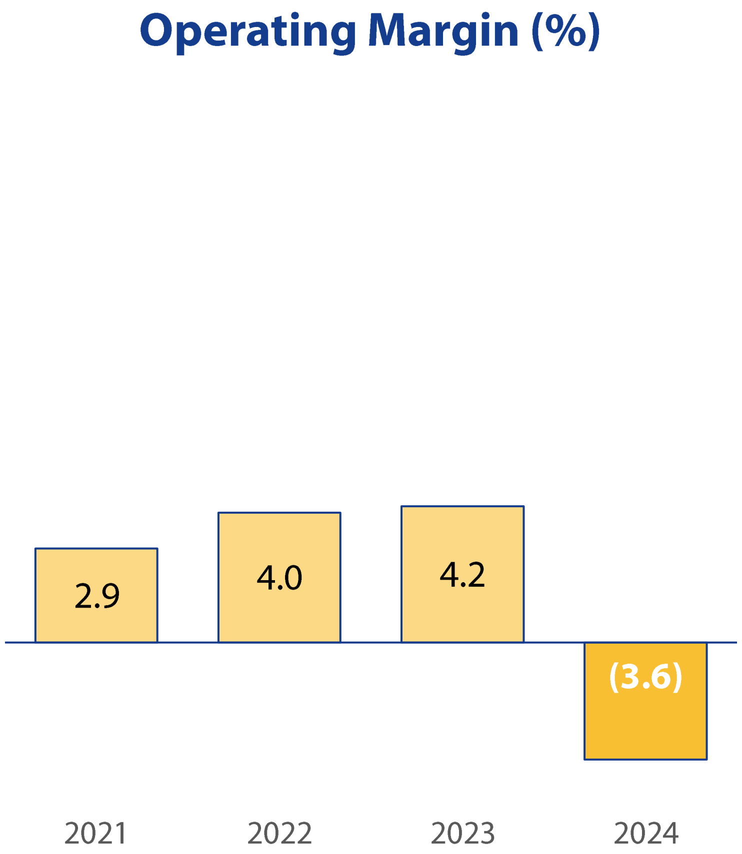


Resourcing South Africa

Impacted by constrained market



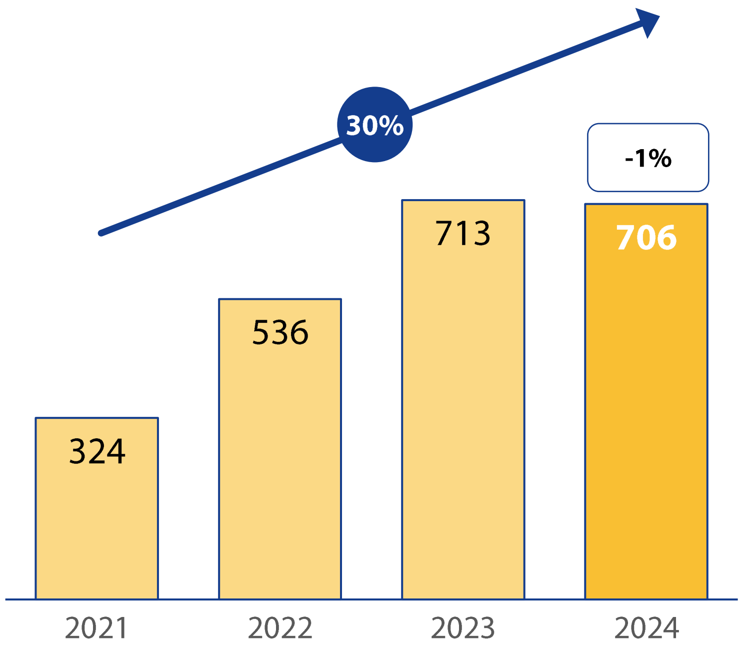




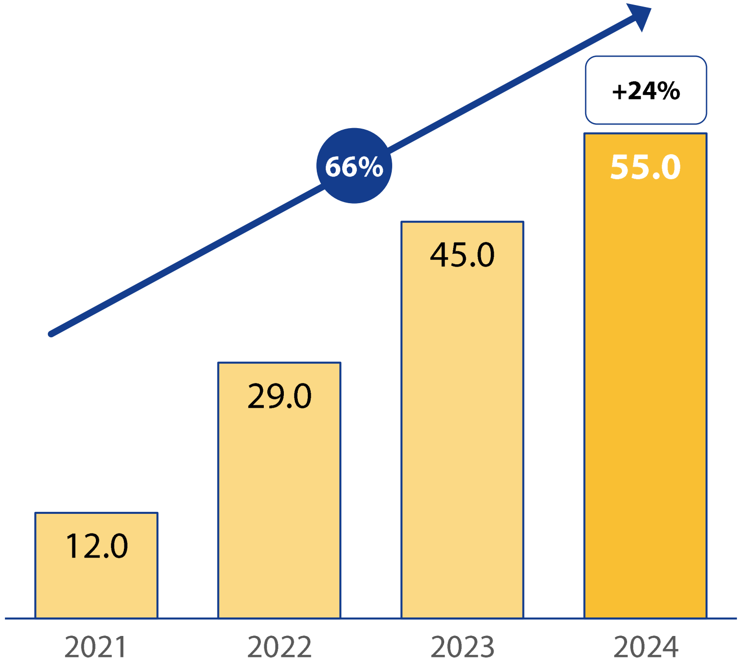
Resourcing Rest of Africa

Successful pivot to Rest of Africa demonstrates our ability to execute outside SA

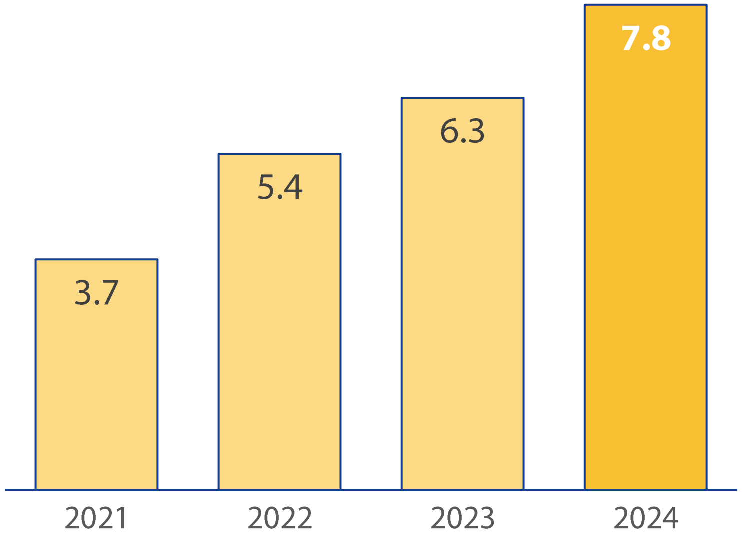
Revenue (R'm)



Operating Profit (R'm)



Operating Margin (%)



● CAGR

ADTECH GROUP

Group Analysis

Didier Oesch

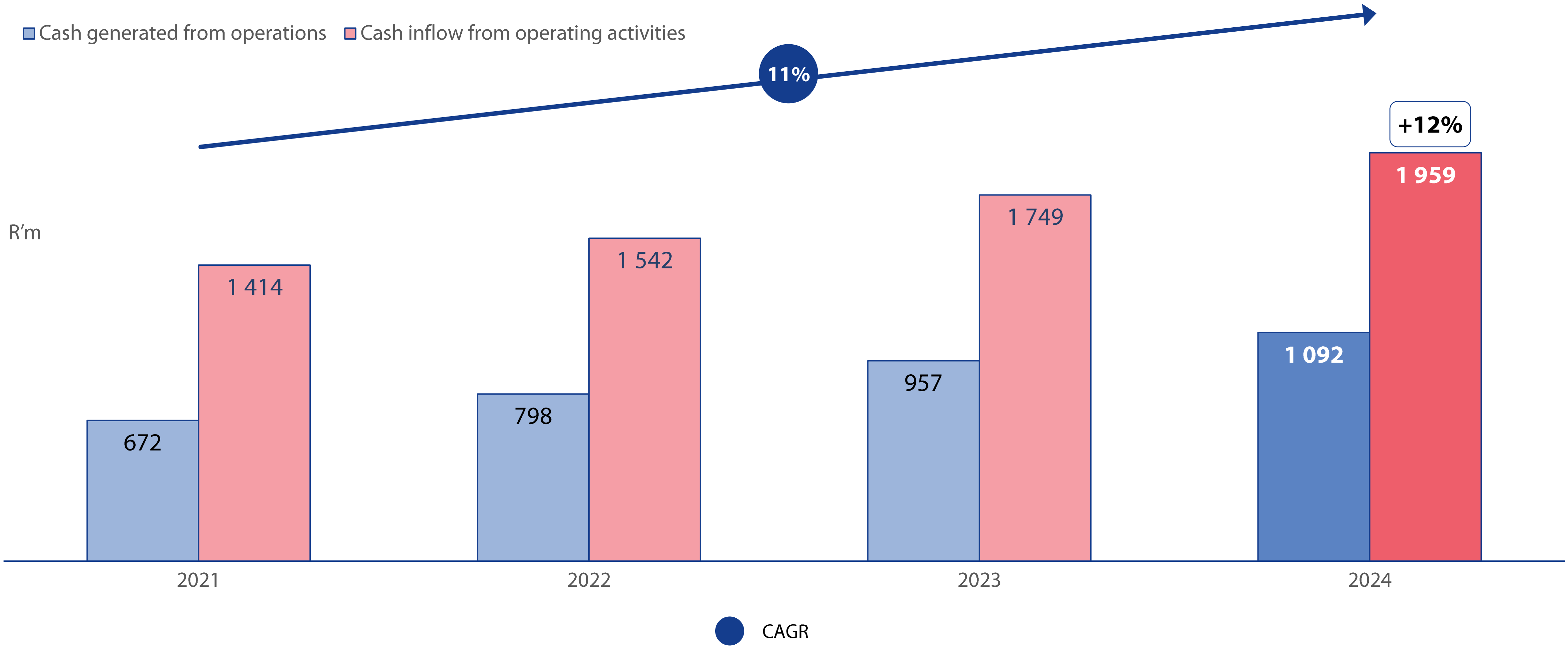
Group Commercial Director

Debtors Breakdown

R'm	2024				2023			
	Group Total	Schools	Tertiary	Resourcing	Group Total	Schools	Tertiary	Resourcing
Trade receivables	997.4	195.1	748.9	53.4	906.1	166.7	694.2	45.2
Loss allowance	(493.7)	(85.2)	(404.5)	(4.0)	(548.6)	(86.2)	(460.3)	(2.1)
	503.7	109.9	344.4	49.4	357.5	80.5	233.9	43.1
Coverage of debtors' balance	49%	44%	54%	7%	61%	52%	66%	5%
Credit losses	125.9	40.2	85.0	0.7	118.9	30.4	88.7	(0.2)
Credit losses as % of revenue	3%	2%	5%	1%	3%	2%	6%	0%

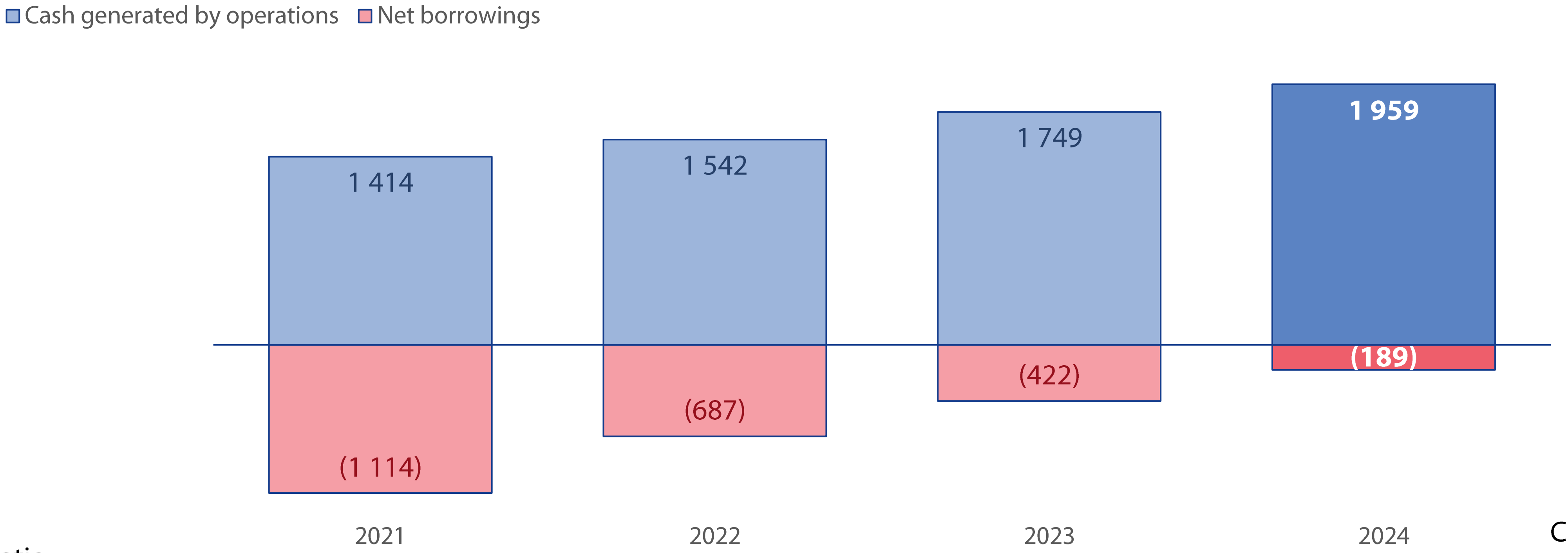
Cash Flow Generation from Operations

Demonstrates the inherent cash generating ability of our business



Cash vs Net Borrowings

Strong cash generation, sound balance sheet and reduced borrowings

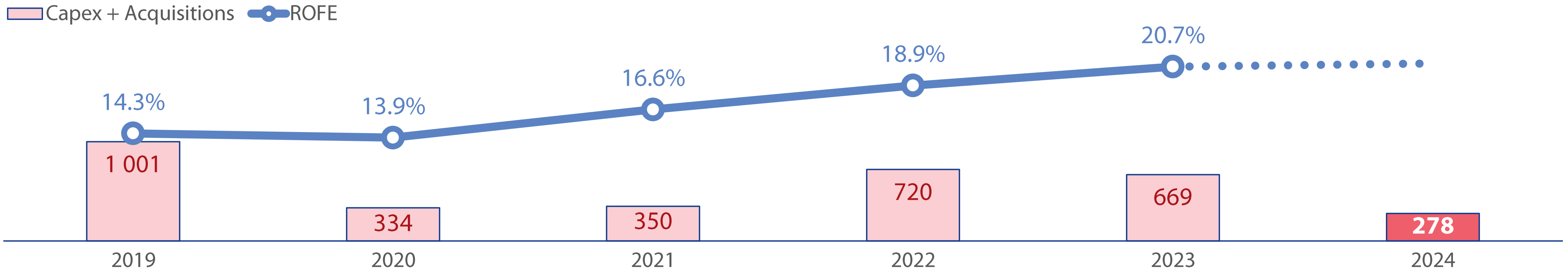


Ratio = Net borrowing to cash generation	0.8	0.4	0.2	0.1

Covenants - net borrowings: EBITDA

Banks:	3.25x
Internal:	2.75x

Improving Returns on Funds 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

Opened:
The Bridge Assisted Learning School

Acquired:
Capsicum Culinary Studio
Oxbridge Academy
Opened:
Rosebank College Polokwane Connected Campus

Acquired:
The Private Hotel School

Opened:
Rosebank College Bloemfontein Connected Campus
Rosebank College Pietermaritzburg Connected Campus
Rosebank College Durban Mega Campus

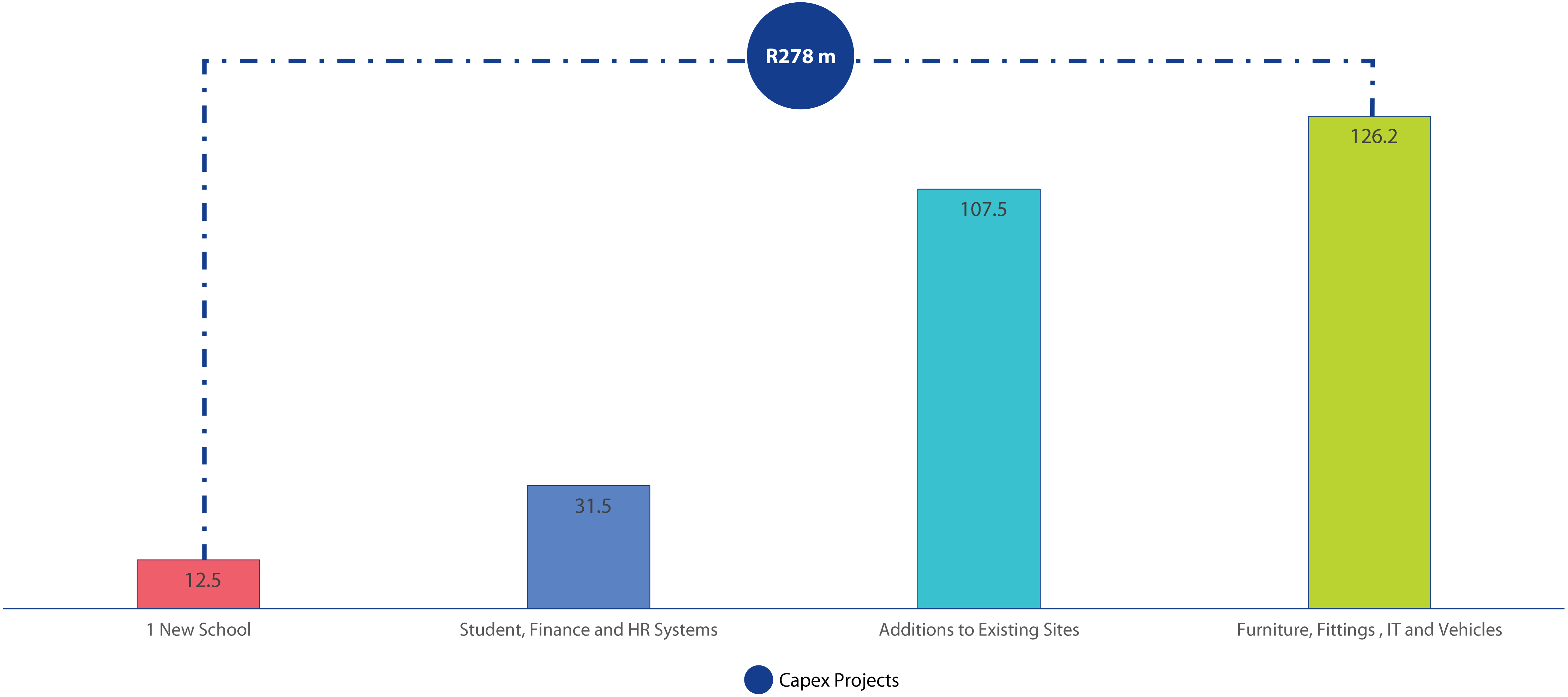
Acquired:
IIE MSA (Monash SA)

Opened:
Rosebank College Cape Town
Rosebank College Nelson Mandela Bay

Opened:
Rosebank College Mbomela

🟩 Schools 🟦 Tertiary

Capex


R278 m
12.5
31.5
107.5
126.2
1 New School
Student, Finance and HR Systems
Additions to Existing Sites
Furniture, Fittings , IT and Vehicles
● Capex Projects

Dividend

Delivering Superior Shareholder Returns

Strong cash generation and sound balance sheet

27%

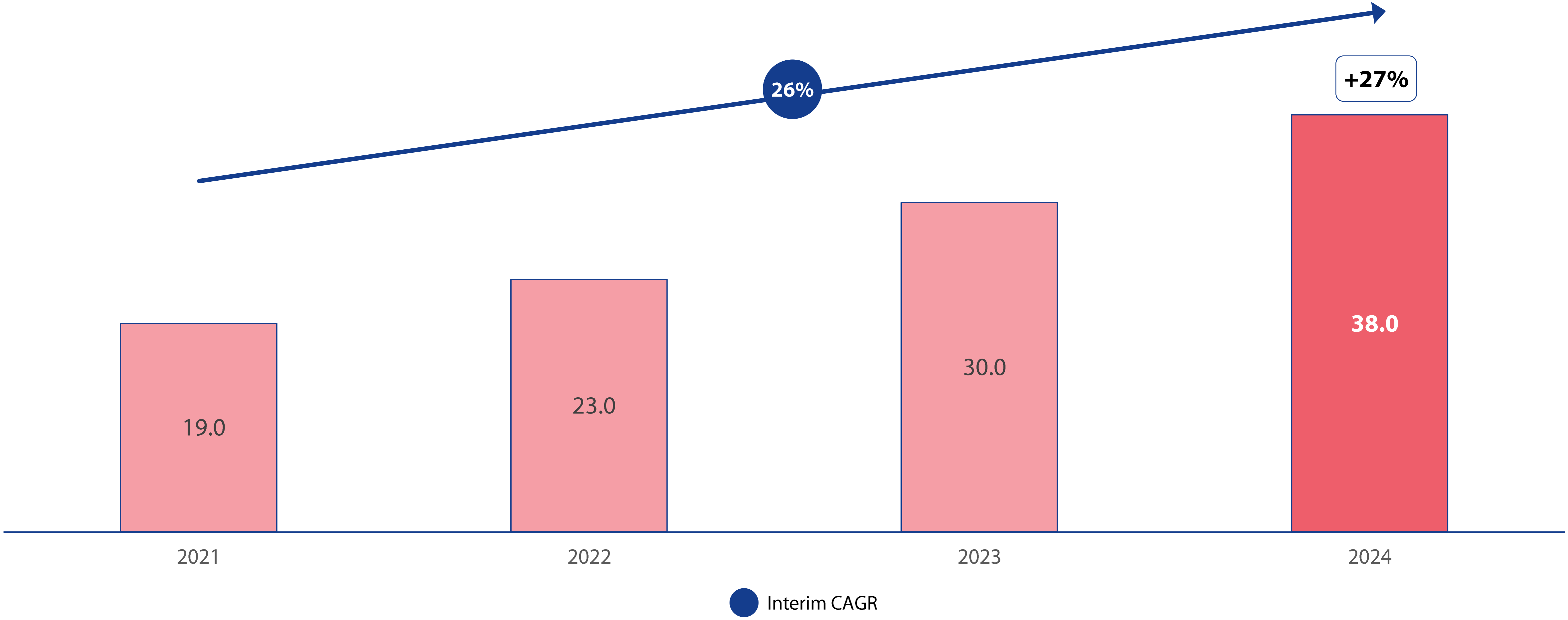
Interim Dividend per share

(from comparative period)

- Increased dividend payout
- Generating cash in excess of that required to fund investment programme
- Interim Dividend 38.0 cents per share (2023: 30.0 cents)
- Aligned to full year dividend cover of 2.0 times

Interim Dividends Per Share

Cash generative business continues to drive dividend increases



Future Focus

Geoff Whyte

Group CEO

Prospects

South African demographic and supply and demand tailwinds continue, especially in Tertiary

Strong demand for quality education persists across all our chosen markets

Leaders in teaching and learning across the African continent

Sound balance sheet

Strong cash generation

Growing scale and expertise in Africa

Unrelenting focus on extending competitive advantage in both the schools and tertiary divisions

Investing with confidence in areas of opportunity

Good position to maintain our growth trajectory

Forward Vision and Strategic Direction

We will lead in every market segment in which we choose to operate and be the employer of choice in the Education and Resourcing sectors

Focus on growth synergies
- Further pursuit of cost synergies through shared services

Simplification of brand structures in SA and other African countries

Optimisation of brand propositions and strategies
- Elevation of marketing communications and customer relationship management

Scaling brands in existing African countries
- Balanced with new country entries

Expand tertiary education division into other African countries

Increased focus on share gain in distance tertiary

Addition of Sirius Teaching and Learning Innovation Centre to CAT
- Further extending academic advantage across all our brands

These themes will be further explored at our Q4 Corporate Strategy Day

Share Price Graph

ADvTECH Limited (ADH.JO)

3,330.00 +23.00 (+0.70%)

As of 10:49 AM GMT+2. Market Open.

Midday 26 August 2024

Questions?

Thank you

Annexure

Tertiary Division / University

Faculties

THE INDEPENDENT INSTITUTE OF EDUCATION
IIE

- Faculty of Finance and Accounting
- Faculty of Commerce
- Faculty of Information and Communications Technology
- Faculty of Humanities and Social Sciences
- Faculty of Law
- Faculty of Education
- Faculty of Engineering, Science and Health

Qualification Pipeline

201 registered and accredited qualifications

7 Faculties

- Finance and Accounting
- Commerce
- Information and Communications Technology
- Humanities and Social Sciences
- Law
- Engineering, Science and Health
- Education

201 Accredited Programmes

Vocational qualifications

National Certificates	66	18
Higher Certificate	28	7
Advanced Certificate	2	
Diploma	17	7
Advanced Diploma	4	1
Degree	44	14
Postgraduate Diplomas	17	7
Honours	14	5
Master's	8	7
Doctorate	1	6
= Total	201	72

Pipeline

Where We Are Today

Agile flexible business

- **8 819** employees
- **93 700** students
- **113** schools
- **33** tertiary campuses
- **229** tertiary courses
- **19** countries - Resourcing

- Competitive advantage
- Consistent enrolment growth
- Scale of operations
- Investing in infrastructure and innovation
- Appreciating share price over last 5 years
- Unwavering focus

Our ambitious future

- Solid footing, ambitious plans
- Maintain growth trajectory
- Dominant Pan-African business
- Investing with confidence in areas of opportunity
- Leverage synergies
- Provide greater value to stakeholders
- Tailored approach to education
  - Superior teaching and learning
  - State-of-the-art campuses and systems
  - Superior academic teams

Our ambition

To become the dominant Pan-African education and Resourcing business, enriching people's lives and futures