



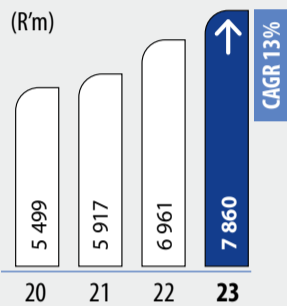
Summarised audited results

for the year ended 31 December 2023

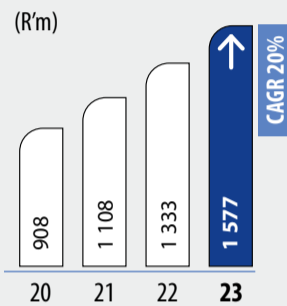
ADvTECH dividend increases by 45%

Group delivers another strong set of results

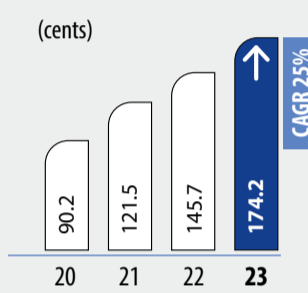
Group revenue
R7 860 million ▲ 13%



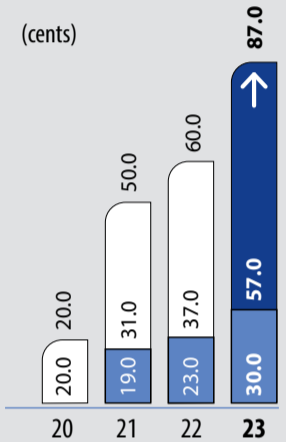
Operating profit
R1 577 million ▲ 18%



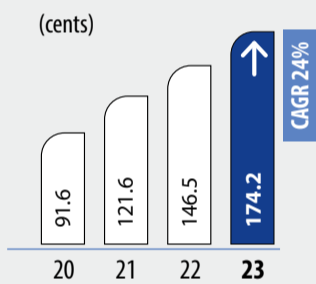
Normalised earnings per share ▲ 20%



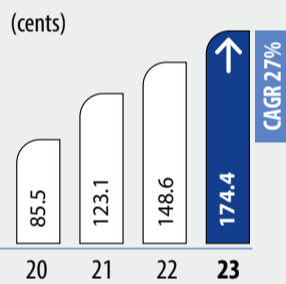
Dividends per share ▲ 45%



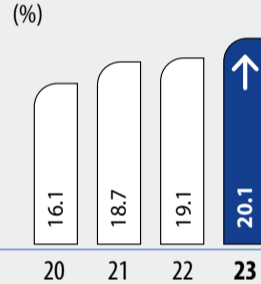
Headline earnings per share ▲ 19%



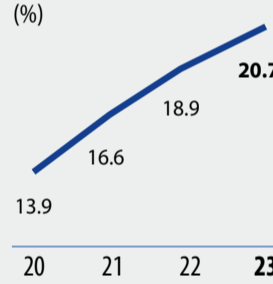
Earnings per share ▲ 17%



Group operating margin ▲



Return on funds employed ▲



Final dividend per share
57.0 cents
(2022: 37.0 cents)

Full year dividend
87.0 cents
(2022: 60 cents)

Divisional performance (increase over previous period)

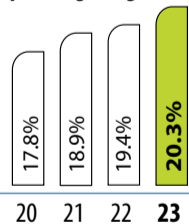
SCHOOLS SOUTH AFRICA



Revenue
R2 810 million ▲ 13%

Operating profit
R570 million ▲ 18%

Operating margin



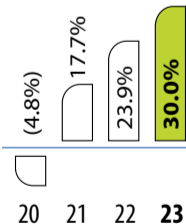
SCHOOLS REST OF AFRICA



Revenue
R381 million ▲ 14%

Operating profit
R114 million ▲ 43%

Operating margin

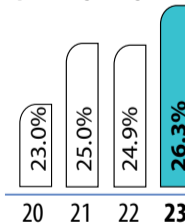


TERTIARY

Revenue
R2 988 million ▲ 10%

Operating profit
R787 million ▲ 16%

Operating margin

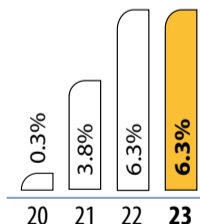


RESOURCING

Revenue
R1 681 million ▲ 19%

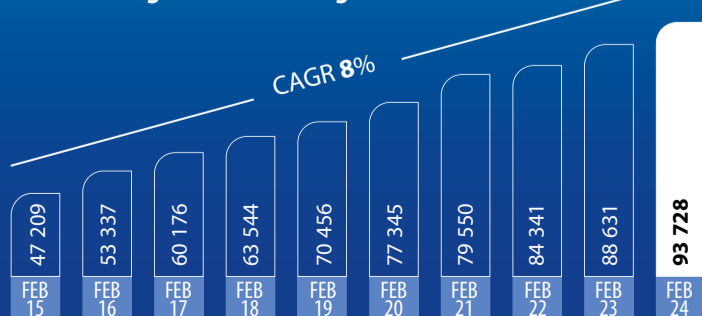
Operating profit
R106 million ▲ 20%

Operating margin



Prospects 2024

Enrolment growth off a large base



2024 enrolment growth

▲ 7% Tertiary division

▲ 4% Schools division

Building off a solid platform and ongoing demand for quality education positions the group to continue to deliver sustainable earnings growth.

Commentary

ADvTECH delivers another strong set of results supported by a sound business model and quality assets

The directors are pleased to announce strong results for the year ended 31 December 2023. The group continued to build its sustainable competitive advantage through its focus on teaching and learning, embedding technology and leveraging scale to enhance the value proposition of its operations. The strategic decision to invest in selected markets in the rest of Africa and diversifying earnings continues to bear fruit and makes a meaningful contribution to the group.

The results of our unrelenting focus on enhancing our value proposition to our students is evident in the group's continued enrolment growth despite the challenging economic environment.

Enrolments	Feb 2020	Feb 2021	Feb 2022	Feb 2023	Feb 2024	Feb 2024 vs Feb 2023 % increase
Schools: South Africa	26 393	27 334	29 599	31 347	32 786	5%
Schools: rest of Africa	5 977	6 569	7 203	7 943	8 224	4%
Schools division	32 370	33 903	36 802	39 290	41 010	4%
Tertiary: full qualifications	44 975	45 647	47 539	49 341	52 718	7%
Total group enrolments	77 345	79 550	84 341	88 631	93 728	6%

Having schools and tertiary divisions within the group presents a distinct competitive advantage as we are able to leverage the benefit of our Central Academic Team. This includes developing world class curricula, focused teacher training and investment in research and development programmes, specifically in the field of education.

STRONG FINANCIAL PERFORMANCE

Solid cash generation and sound balance sheet

The financial performance for the year was delivered off the back of higher enrolments and moderate fee increases across all parts of the education division together with enhanced operating leverage, while, in our resourcing division, the positive momentum of our rest of Africa business continued.

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

Group revenue grew by 13% to R7 860 million for the year (2022: R6 961 million) due to good enrolment growth in both the schools and tertiary divisions together with increased business activity in the resourcing division.

Operating profit increased by 18% to R1 577 million (2022: R1 333 million) with the group operating margin improving to 20.1% (2022: 19.1%).

The operating margins in the education divisions improved to 23.8% (2022: 22.4%) through the benefit of operating leverage that, together with the continued efficiency drive, more than offset the additional costs incurred to enhance our offering through the introduction of additional global benchmarking and artificial intelligence tools. These are further efforts designed to support our journey to offering personalised learning to each of our students.

Net finance costs increased to R190 million (2022: R173 million) due to the increased finance costs on lease liabilities as a consequence of additional leases entered into and higher finance cost rates on borrowings.

The group's taxation rate reduced marginally in the year to 28.1% (2022: 28.3%) due to a greater proportion of the group's profits being earned in countries with a lower taxation rate than South Africa.

Normalised earnings for the year increased by 20% to R950 million (2022: R790 million) while normalised earnings per share increased by 20% to 174.2 cents (2022: 145.7 cents) per share.

Following the previously reported challenges experienced in the tertiary division with the migration to a new integrated business system that resulted in gross trade receivables for the group increasing to R802 million at 31 December 2022, good progress was made in the year with trade receivables having normalised by 31 December 2023. Gross trade receivables at 31 December 2023 amounted to R813 million, reflecting an increase of only 1% despite the 13% increase in revenue. Due to a marked improvement in collections during the year and the more favourable aging of the debtors' book, the loss allowance reduced to R405 million (2022: R438 million), representing a 50% (2022: 55%) coverage of gross trade receivables. Credit losses for the group reduced by 34% to R170 million (2022: R257 million) due to the improved collections.

Cash generated by operating activities increased by 10% to R1 941 million (2022: R1 766 million). This enabled the funding of capital expenditure of R669 million, payment of finance costs of R189 million, dividends of R415 million, taxation of R375 million, repayment of lease liabilities of R78 million and the net settlement of debt amounting to R190 million. This is indicative of the strong cash generating capacity of the group.

Capital expenditure was focused on increasing capacity on existing sites to meet incremental demand, the development of a new school and new tertiary site, acquiring equipment to enhance our teaching and learning through technology and enhancing business systems to enable the standardisation of processes across the group to allow for further efficiency improvements.

As capacity utilisation improves, together with the benefits of our efficiency drive, return on funds employed (RoFE) increased from 18.9% to 20.7%.

OPERATIONAL REVIEW

Schools South Africa

Good enrolment growth and solid financial performance

Revenue increased by 13% to R2 810 million (2022: R2 492 million) and operating profit increased by 18% to R570 million (2022: R484 million) with the operating margin improving to 20.3% (2022: 19.4%).

All of our brands have shown volume and operating profit growth. This is testament to the recognition of ADvTECH's excellence in education coupled with a relentless focus on enhancing our value proposition. As a result, we continue to win market share in a tough operating environment.

Pinnacle Raslow in Centurion had a successful opening in January 2023 with enrolments well ahead of expectations. Phase two of the expansion was brought forward to accommodate the 2024 intake.

The group recorded exceptional results in the 2023 Independent Examinations Board examinations retaining a leadership position in private education in South Africa. Our students achieved an impressive 99.7% pass rate and 87.7% obtained a bachelor degree pass.

The Bridge Assisted Learning School expanded its offering to a second school in Morningside, Johannesburg, which opened its doors in January 2024. We remain committed to expanding our niche offering to meet the diverse needs of students and parents.

Schools building 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 in the rest of Africa

ADvTECH Schools leads the way in rest of Africa with strong growth and commitment to quality education

All our school brands in the rest of Africa continue to experience strong enrolment growth and are operationally sound. Revenue increased by 14% to R381 million (2022: R334 million) and operating profit increased by 43% to R114 million (2022: R80 million) despite the negative impact of the weakening Kenyan Shilling on translation into Rands. The operating margin improved from 23.9% to 30.0%.

Capacity was increased during the year at Crawford International School in Kenya in response to continued strong demand off the back of their market leading academic offering. All of the final year students that completed their A-Level qualification were accepted into international universities. Construction of the next phase of the campus will commence in 2024.

Our Makini Cambridge International curriculum schools offering, which opened its doors in 2021, has materially outperformed the growth of the Makini national curriculum schools. Parents are increasingly choosing the Cambridge International curriculum for their children in response to the national curriculum change across Kenya.

Consequently, due to the successful introduction of the Cambridge International curriculum, the decision was taken to close

the Makini national curriculum high school in Nairobi. Although this action has affected enrolment growth in 2024, it will free up capacity to increase enrolments for the higher fee Cambridge International curriculum school in future. These developments have placed our Makini schools in a positively beneficial position.

Gaborone International School continues to perform exceptionally well with strong enrolment growth and market leading academic results. The students achieved a 99.7% pass rate in the International General Certificate of Secondary Education (IGCSE) exams.

Due to the quality of the offering at Gaborone International Schools, demand remains strong and capacity is being increased to accommodate 3 250 students. The first phase of the expansion commenced at the beginning of 2022 which included the development of a state-of-the-art science and technology centre. The second phase is nearing completion with the expansion of the primary school and the refurbishment of the pre-primary school.

Tertiary/University division

Well established brand portfolio

Revenue increased by 10% to R2 988 million (2022: R2 728 million) and operating profit increased by 16% to R787 million (2022: R680 million). The operating margin increased to 26.3% (2022: 24.9%).

Our tertiary division performed well and continues to grow off the back of a well-established, quality brand portfolio that offers a comprehensive range of programmes and qualifications. Our ability to provide multi-modes of delivery (contact, hybrid, distance and online) on a full-time and part-time basis is fundamental to our value strategy and allows us to meet the requirements of every student at any time and at any location.

Rosebank College opened a new digitally enabled campus in Mbombela in January 2024, with enrolments ahead of target.

Furthermore, the buildings adjacent to Rosebank College's Braamfontein and Pretoria mega campuses, which have reached full capacity, were acquired to allow for further growth. The Varsity College campuses in Pretoria and Midrand were expanded in response to growing demand.

In 2022, the Department of Higher Education and Training (DHET) published the draft regulations, setting out the criteria to qualify as a "University". While the publication of the criteria was a welcome development, numerous concerns were raised. Considering the extensive feedback received, the DHET indicated that a second draft would be forthcoming. However, to date no further drafts have been provided.

Resourcing division

Rest of Africa continues to drive growth

The strategy to expand into the rest of Africa continues to bear fruit with volumes growing substantially, resulting in revenue increasing by 26% to R1 452 million (2022: R1 155 million) and operating profit by 28% to R105 million (2022: R82 million).

The South African business' revenue decreased by 9% to R229 million (2022: R252 million) due to the disposal of the group's 51% share of the Contract Accountants group in the second half of the prior year, together with the muted activity as a result of the tough trading environment.

LOADSHEDDING

ADvTECH is serious about sustainability and we are committed to minimising our environmental impact across all our operations in South Africa and the rest of Africa. Despite the ongoing challenge of loadshedding in South Africa, we have successfully implemented various measures to ensure that our ability to deliver high-quality education remains unaffected.

Most of our sites have generators. In addition, our business has a relatively low electricity usage and our costs in this regard remain contained. The group reduced electricity usage by 7% despite an increase in the number of students which had the effect of reducing the per capita usage by 12%. We keep a close eye on our electricity usage and track it using meters, while constantly seeking out new opportunities to reduce consumption.

Piloted solar solutions at five sites have been successful, confirming the viability of the solution. Plans are now underway for a rollout to 41 sites.

BOARD CHANGES

The following changes to the directors on the board occurred during the year under review:

- CH Boule ("Chris") will be retiring from the board following the conclusion of the AGM to be held on 5 June 2024 as per SENS announcement released on 17 April 2023.
- Prof A Watson will take over as chairperson of the board from 5 June 2024.
- RJ Douglas ("Roy") stepped down from the board, effective 1 March 2024, due to him retiring as group CEO at the end of February 2024.
- GD Whyte ("Geoff") joined the group on 1 March 2024 as the new group CEO and was appointed to the board effective from such date.

The board expresses its gratitude to both Chris and Roy for the immense contribution that they have made to the group. Additionally, the board wishes Geoff well in his new role as group CEO and are confident that he will lead the group forward successfully.

DECLARATION OF FINAL DIVIDEND NO. 27

The significant investments made by the group over an extended period are now contributing meaningfully to earnings and cash generation. This has resulted in borrowings reducing. The group is now in a position where it is generating cash in excess of that required to fund its investment programme. Consequently, in order to better manage the group's capital structure and optimise return on equity, the board has decided to reduce the dividend cover and increase the dividend payout.

The board is pleased to announce the declaration of a final gross dividend of 57.0 cents (2022: 37.0 cents) per ordinary share in respect of the year ended 31 December 2023.

This brings the full year dividend to 87.0 cents (2022: 60.0 cents) per share. This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The South African dividend taxation (DT) rate is 20%. The net amount per share payable to shareholders who are not exempt from DT is 45.6 cents per share, while net amount per share is 57.0 cents for those shareholders who are exempt from DT.

There are 554 750 973 ordinary shares in issue; the total dividend amount payable is R316.2 million. The salient dates applicable to the dividend referred to above are as follows:

	2024
Approval of dividend by the board	Wednesday, 20 March
Announcement of annual results and declaration of dividend for 2023 on SENS	Monday, 25 March
Last day to trade in order to participate in the dividend	Tuesday, 16 April
Trading commences ex-dividend	Wednesday, 17 April
Record date	Friday, 19 April
Payment date	Monday, 22 April

Share certificates may not be dematerialised and rematerialised between Wednesday, 17 April 2024 and Friday, 19 April 2024, both days inclusive.

PROSPECTS

Demand for quality education persists across all our chosen markets. We continue to focus on strengthening our competitive advantage by further enhancing our offering to deliver value in the provision of quality education. This, combined with the clear market positions of our brands in both the schools and tertiary divisions, has enabled us to enjoy good student growth.

We are determined to continue with this approach to optimise our performance in both South Africa and the rest of Africa. Our revised structures and improved systems have not only realised efficiency benefits but have also enabled us to be agile and responsive in dealing with both unforeseen challenges and a difficult socio-economic environment.

The inherent strong cash generation of our business model has further strengthened our balance sheet and will enable us to invest with confidence in areas of opportunity.

While we acknowledge that current economic conditions put South African consumers under pressure, we believe that ADvTECH is uniquely positioned to leverage all these advantages and to benefit from continued growth in demand for education in South Africa and particularly, in the rest of Africa where this pressure is less pronounced. This, together with the good enrolment growth achieved at the start of 2024 in both our schools and tertiary divisions, gives us confidence and an expectation that we will continue our growth trajectory.

On behalf of the board

Chris Boule
Chairman

Geoff Whyte
Chief Executive Officer

Didier Oesch
Group Commercial Director and Chief Financial Officer

25 March 2024

Summarised consolidated statement of profit or loss

for the year ended 31 December 2023

R'm	Notes	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
Revenue from contracts with customers	2	13%	7 859.9	6 960.6
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)		17%	1 961.5	1 678.2
Operating profit before interest and non-trading items		18%	1 577.1	1 332.5
Non-trading items	3		1.2	14.3
Net finance costs			(189.7)	(172.6)
Interest earned			17.1	7.4
Finance costs incurred			(91.7)	(84.0)
Finance costs on lease liabilities			(115.1)	(96.0)
Profit before taxation		18%	1 388.6	1 174.2
Taxation			(390.4)	(332.3)
Profit for the year		19%	998.2	841.9
Profit for the year attributable to:				
Owners of the parent		18%	951.0	805.4
Non-controlling interests			47.2	36.5
			998.2	841.9
Earnings per share (cents)				
Basic		17%	174.4	148.6
Diluted		18%	173.1	147.1

Headline and normalised earnings

for the year ended 31 December 2023

R'm	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
Determination of headline earnings			
Profit for the year attributable to owners of the parent		951.0	805.4
Items excluded from headline earnings per share		(0.9)	(11.3)
Profit on disposal of property, plant and equipment		(1.2)	(11.4)
Profit on disposal of subsidiaries		-	(3.1)
Taxation effects of adjustments		0.3	3.2
Headline earnings	20%	950.1	794.1
Headline earnings per share (cents)			
Basic	19%	174.2	146.5
Diluted	19%	173.0	145.0
Determination of normalised earnings			
Headline earnings		950.1	794.1
Items excluded from normalised earnings per share		-	(4.0)
Corporate action costs		-	0.2
Remeasurement of deferred taxation due to rate change		-	(4.2)
Normalised earnings	20%	950.1	790.1
Normalised earnings per share (cents)			
Basic	20%	174.2	145.7
Diluted	20%	173.0	144.3

Normalised earnings is a non-IFRS measure that is included to provide an additional basis to measure the group's normalised earnings performance. It excludes the impact of certain operational income and expense items that are not from the day-to-day operations of the business. No adjustments were required in the current year. In the prior year, it included legal fees incurred for loan facilities and the remeasurement of deferred taxation due to the change in the South African company's taxation rate.

Summarised consolidated statement of other comprehensive income

for the year ended 31 December 2023

R'm	Audited 31 December 2023	Audited 31 December 2022
Profit for the year	998.2	841.9
Other comprehensive income, net of income taxation		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange loss on translating foreign operations	(57.1)	(11.1)
Total comprehensive income for the year	941.1	830.8
Total comprehensive income for the year attributable to:		
Owners of the parent	891.5	792.4
Non-controlling interests	49.6	38.4
	941.1	830.8

Summarised consolidated statement of financial position

as at 31 December 2023

R'm	Note	Audited 31 December 2023	Audited 31 December 2022
Assets		8 539.6	8 061.8
Non-current assets		5 911.8	5 527.6
Property, plant and equipment		115.1	110.6
Proprietary technology systems		891.7	769.4
Right-of-use assets		1 434.7	1 454.4
Goodwill		135.4	145.3
Other intangible assets		39.5	45.3
Deferred taxation assets		11.4	9.2
Investment in joint venture		930.4	850.3
Current assets		2 627.8	2 534.2
Inventories		10.3	7.0
Trade and other receivables	4	469.5	421.4
Taxation		14.6	26.1
Prepayments		54.6	40.7
Cash and cash equivalents		381.4	355.1
Non-current assets held for sale		-	15.5
Total assets		9 470.0	8 927.6
Equity and liabilities		5 498.3	4 951.2
Equity		1 714.2	1 542.9
Non-current liabilities		600.0	600.0
Long-term bank loan		128.1	127.4
Deferred taxation liabilities		934.3	766.3
Lease liabilities		51.8	49.2
Acquisition liabilities		2 257.5	2 433.5
Current liabilities		0.3	0.1
Current portion of long-term bank loan		955.0	1 145.5
Short-term bank loans		196.0	186.4
Current portion of lease liabilities		623.4	636.4
Trade and other payables		9.2	9.1
Current portion of acquisition liabilities		470.6	453.6
Fees received in advance and deposits		0.8	0.8
Shareholders for capital distribution		2.2	1.6
Shareholders for dividend		3 971.7	3 976.4
Total liabilities		3 971.7	3 976.4
Total equity and liabilities		9 470.0	8 927.6

Summarised consolidated segmental report

for the year ended 31 December 2023

R'm	Percentage increase/ (decrease)	Audited 31 December 2023	Audited 31 December 2022
Revenue from contracts with customers	13%	7 859.9	6 960.6
Schools	13%	3 190.6	2 825.8
- South Africa	13%	2 809.7	2 491.5
- Rest of Africa	14%	380.9	334.3
Tertiary	10%	2 988.3	2 727.6
Resourcing	19%	1 681.0	1 407.2
- South Africa	(9%)	228.9	252.2
- Rest of Africa	26%	1 452.1	1 155.0
Operating profit before interest and non-trading items	18%	1 577.1	1 332.5
Schools	21%	683.6	564.1
- South Africa	18%	569.5	484.1
- Rest of Africa	43%	114.1	80.0
Tertiary	16%	787.4	679.9
Resourcing	20%	106.1	88.5
- South Africa	(83%)	1.1	6.4
- Rest of Africa	28%	105.0	82.1
Property, plant and equipment, proprietary technology systems, right-of-use assets and non-current assets held for sale	8%	6 918.6	6 423.1
Schools	10%	4 660.9	4 238.4
- South Africa	11%	4 176.8	3 773.9
- Rest of Africa	4%	484.1	464.5
Tertiary	4%	2 233.5	2 156.9
Resourcing	(13%)	24.2	27.8
- South Africa	(11%)	21.8	24.5
- Rest of Africa	(27%)	2.4	3.3

Summarised consolidated statement of changes in equity

for the year ended 31 December 2023

R'm	Audited 31 December 2023	Audited 31 December 2022
Balance at beginning of the year	4 951.2	4 409.1
Total comprehensive income for the year	941.1	830.8
Dividends declared to shareholders	(415.5)	(320.7)
Share award expense under the management share incentive scheme	39.5	36.5
Share-based payment expense in subsidiaries	0.4	–
Taxation effect of shares awarded under the management share incentive scheme	(2.2)	(0.8)
Vesting of subsidiary share award	–	(6.9)
Share-based payment expense	–	0.4
Share options exercised	–	4.0
Share issue costs	(0.1)	–
Shares repurchased	(16.1)	–
Disposal of subsidiaries	–	(1.2)
Balance at end of the year	5 498.3	4 951.2

Summarised consolidated statement of cash flows

for the year ended 31 December 2023

R'm	Note	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
Cash flows from operating activities				
Cash generated from operations	5	17%	1 997.5	1 713.8
Movement in working capital			(56.7)	52.4
Cash generated by operating activities		10%	1 940.8	1 766.2
Net finance costs paid (inclusive of borrowing costs capitalised to assets and finance costs on lease liabilities)			(189.2)	(168.2)
Taxation paid			(374.5)	(337.9)
Dividends paid			(414.9)	(320.7)
Net cash inflow from operating activities			962.2	939.4
Cash flows from investing activities				
Additions to property, plant and equipment			(646.8)	(704.9)
Additions to proprietary technology systems			(22.2)	(15.4)
Proceeds on disposal of property, plant and equipment			24.9	27.5
Proceeds on disposal of subsidiaries			–	2.9
Net cash outflow from investing activities			(644.1)	(689.9)
Cash flows from financing activities				
Shares repurchased			(16.1)	–
Settlement of non-current bank loan			–	(600.0)
Settlement of current bank loans			(1 140.0)	(590.0)
Drawdowns of current bank loans			950.0	1 140.0
Repayment of principal portion of lease liabilities			(77.7)	(98.2)
Cash received on exercise of share options			–	4.0
Net cash outflow from financing activities			(283.8)	(144.2)
Net increase in cash and cash equivalents			34.3	105.3
Cash and cash equivalents at beginning of the year			355.1	245.0
Net foreign exchange differences on cash and cash equivalents			(8.0)	4.8
Cash and cash equivalents at end of the year			381.4	355.1

Free operating cash flow before capex per share

for the year ended 31 December 2023

R'm	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
Profit for the year		998.2	841.9
Adjusted for non-cash IFRS and other adjustments (after taxation)		36.0	35.8
Net operating profit after taxation - adjusted for non-cash IFRS and other adjustments		1 034.2	877.7
Depreciation and amortisation		384.4	345.7
Repayment of principal portion of lease liabilities		(77.7)	(98.2)
Taxation adjustment on IFRS 16 leases		(16.3)	(11.1)
Profit on disposal of property, plant and equipment (after taxation)		(0.9)	(8.2)
Operating cash flow after taxation	20%	1 323.7	1 105.9
Movement in working capital		(56.7)	52.4
Free operating cash flow before capex	9%	1 267.0	1 158.3
Free operating cash flow before capex per share (cents)	9%	232.3	213.7

Free operating cash flow before capex is calculated by subtracting non-cash items, repayment of lease liabilities net of taxation, and movement in working capital from profit for the year. This is a non-IFRS measure. Free operating cash flow before capex per share is calculated by dividing free operating cash flow before capex by the weighted average number of ordinary shares in issue during the year, net of shares repurchased and the group's interest in its own ordinary shares.

Supplementary information

for the year ended 31 December 2023

R'm	Audited 31 December 2023	Audited 31 December 2022
Capital expenditure	669.0	720.3
Borrowing costs capitalised	4.3	5.6
Total capital expenditure	673.3	725.9
Capital commitments	1 334.4	1 141.3
Authorised by directors and contracted for	308.9	292.6
Authorised by directors and not yet contracted for	1 025.5	848.7
Anticipated timing of spend	1 334.4	1 141.3
0 – 1 year	473.2	251.0
1 – 2 years	119.9	158.6
3 – 5 years	561.1	664.8
More than 5 years	180.2	66.9

Notes to the summarised consolidated financial statements

for the year ended 31 December 2023

1.1 Statement of compliance

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa applicable to summarised financial statements. The Listings Requirements require summarised consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. The accounting policies and methods of computations applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements. The information contained in the summarised consolidated financial statements has been correctly extracted from the underlying full consolidated financial statements.

The preparation of the group's summarised consolidated financial statements for the year ended 31 December 2023 was supervised by Didier Oesch CA(SA), the group's commercial director and chief financial officer. The directors take full responsibility for the preparation of the summarised consolidated financial statements.

Independent auditor's opinion

These summarised consolidated financial statements for the year ended 31 December 2023 have been audited by Ernst & Young Inc., who expressed an unmodified opinion thereon (the auditor also expressed an unmodified opinion on the consolidated financial statements from which these summarised consolidated financial statements were derived). A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report (with Key Audit Matters) on the consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports. The auditor's report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of their report together with the accompanying financial information from the company's registered office. Copies of the consolidated annual financial statements may also be requested from ADvTECH's group company secretary at cosec@advtech.co.za.

Any reference to future financial performance included in this announcement, has not been audited or reported on by the company's auditors.

1.2 Events after the reporting period

The directors are not aware of any matter or circumstance between the date of the statement of financial position and the date on which these financial statements were authorised for issue that materially affects the results of the group and company for the year ended 31 December 2023 or the financial position at that date.

1.3 Financial instruments

The directors consider that the carrying amount of the financial assets and financial liabilities recognised in the summarised consolidated financial statements approximate their fair values.

All of the group's financial instruments are carried at amortised cost.

R'm	Audited 31 December 2023	Audited 31 December 2022
2. Revenue from contracts with customers		
The group derives its revenue from the transfer of services over time in the following major income streams. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (see summarised consolidated segmental report):		
Education services – Schools [#]	3 190.6	2 825.8
– Tuition	3 217.3	2 866.3
– Bursaries and discounts	(175.9)	(175.4)
– Boarding fees	52.5	43.4
– Enrolment and application fees	40.1	36.1
– Extramural activities and aftercare	56.5	54.8
– Education material and uniforms	0.1	0.6
Education services – Tertiary [#]	2 988.3	2 727.6
– Tuition	3 009.3	2 747.2
– Bursaries and discounts	(67.1)	(50.1)
– Boarding fees	15.0	11.4
– Enrolment and application fees	31.1	19.1
Placement fees	1 681.0	1 407.2
	7 859.9	6 960.6

[#] In order to improve disclosure, revenue has been further disaggregated. The prior year has also been presented on this basis.

3. Non-trading items

	Audited 31 December 2023	Audited 31 December 2022
Net profit on disposal of property, plant and equipment	1.2	11.4
Corporate action costs	–	(0.2)
Profit on disposal of subsidiaries	–	3.1
	1.2	14.3

Land and buildings, which were no longer required, with a carrying value of R15.5 million were disposed of for proceeds of R15.6 million. The balance of the net profit on disposal of property, plant and equipment in the current year resulted from the disposal of smaller assets.

The non-trading items in the prior year related to:

- In addition to the disposal of smaller assets, land and buildings, which were no longer required, with a carrying value of R9.1 million were disposed of for proceeds of R22.2 million.
- Corporate action costs related to legal fees incurred in relation to loan facilities.
- The profit on disposal of subsidiaries related to the disposal of a 51% shareholding in the Contract Accountants Group.

4. Trade and other receivables

R'm	Percentage decrease	Audited 31 December 2023	Audited 31 December 2022
Trade receivables		813.0	802.0
Loss allowance		(405.3)	(437.5)
Other receivables		407.7	364.5
Trade and other receivables		61.8	56.9
Trade and other receivables		469.5	421.4
Profit or loss impact			
Credit losses*	(34%)	169.8	257.1

* Includes the profit or loss impact of net bad debts written-off and the movement in the loss allowance.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 December 2023

5. Note to the summarised consolidated statement of cash flows

R'm	Audited 31 December 2023	Audited 31 December 2022
Reconciliation of profit before taxation to cash generated from operations		
Profit before taxation	1 388.6	1 174.2
Adjusted for non-cash IFRS and other adjustments (before taxation)	36.0	35.8
Share based payment expenses	39.5	36.9
Other non-cash adjustments	(3.5)	(1.1)
	1 424.6	1 210.0
Adjustments	572.9	503.8
Depreciation and amortisation	384.4	345.7
Net finance costs	189.7	172.6
Net profit on disposal of property, plant, and equipment	(1.2)	(11.4)
Profit on disposal of subsidiaries	-	(3.1)
Cash generated from operations	1 997.5	1 713.8

6. Share information

	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
Number of shares in issue (million)		554.8	554.5
Number of shares in issue net of treasury shares (million)		548.2	544.3
Weighted average number of shares for purposes of basic earnings per share (million)		545.3	542.1
Weighted average number of shares for purposes of diluted earnings per share (million)		549.3	547.6
Net asset value per share including treasury shares (cents)	11%	991.0	892.9
Net asset value per share net of treasury shares (cents)	10%	1 003.0	909.6
Free operating cash flow before capex per share (cents)	9%	232.3	213.7
Gross dividends per share (cents)	45%	87.0	60.0

Sponsor: Bridge Capital



Schools division

9 Brands (2022: 9) | 113 Schools (2022: 110) | Revenue contribution 41% (2022: 41%) | **R3.2 billion** (2022: R2.8 billion)



Tertiary/university division

8 Brands (2022: 8) | 33 Campuses (2022: 32) | Revenue contribution 38% (2022: 39%) | **R3.0 billion** (2022: R2.7 billion)



Resourcing division

6 Brands (2022: 7) | Revenue contribution 21% (2022: 20%) | **R1.7 billion** (2022: R1.4 billion)



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