

25 March 2026

## Advtech

# A+ in higher-return divisions

**#themes: tertiary, rest of Africa**

- Advtech's FY25 performance was driven by strong momentum in its higher-margin divisions, Tertiary (+19%) and Rest of Africa (+14%) which continue to deliver sustained enrolment growth and underpin earnings outperformance relative to SA Schools.** We expect a positive mix effect on group margins, with the combined contribution of Tertiary and RoA to group earnings likely to increase from 60% currently to c. 64% over the medium term, in our view. By contrast, we expect SA Schools enrolment growth to remain constrained in FY27E c. +2% (FY26: +1.4%), below the 3% - 5% target range, reflecting tighter debtor controls, capacity constraints in high-school and the deferral of new school rollouts to 2028 (previously expected in 2027). Once the rollout resumes, we estimate each new school could add c. 0.7% - 0.8% to group enrolment growth. To reflect our expectations of increased weight of higher-margin businesses (RoA + Tertiary), we raise our fair value range to R41 - R44 (prior: R39 - R42), implying a total return of 12% - 20%, including a dividend yield of 3.7%.
- Capital allocation remains growth-focused, execution key:** We expect capital allocation to remain skewed toward reinvestment in growth rather than higher dividends or share buybacks, consistent with management's long-term value creation strategy. That said, in the event of subdued near-term share price performance, reflecting some investor concerns around valuation, share buybacks could emerge as a tactical lever, in our view. We believe ADH has sufficient headroom, supported by strong cash conversion (CFO/EBITDA: 101%) and a robust balance sheet (ND/EBITDA at 0.5x, with management targeting similar levels over the next few years, despite expansion plans). Overall, we view this as a continuation of Advtech's conservative capital discipline by the relatively new management, a trait some investors may value given the Group's strong historical track record (10-year CAGR: enrolments +11%, revenue +16%, dNEPS +17%).
- Key results highlights:**
  - Group Revenue was up 10% y/y in FY25 (FY24: +8.4% y/y, SBGSe: +13.4%). Group enrolment was up 13%, in line with the prior year. Resourcing was a drag, with revenue down 6% due to the withdrawal of USAID impacting operations of c. 10% of the client base (NGOs and Charity organisations).
  - Group Operating Profit was up 14% y/y (FY24: +14% y/y) representing margin expansion of c. 80bps y/y to 21.8% (SBGSe: c. 21.5%).
  - FY25 dNEPS** was up 17% y/y to 235cps (SBGSe: 238cps).
- We forecast diluted NEPS of 274cps in FY26E (prior: 266cps) and 318cps in FY27E (prior: 299cps).** Risks include financial leavers (up 18% in FY25), emigration (though recent trends showing a slight moderation), shortage of quality teachers, currency movements (RoA experienced a c. 8% FX impact on translation in FY25) and highly volatile nature of RoA markets.

Key forecasts	Dec 23A	Dec 24A	Dec 25A	Dec 26E	Dec 27E	Dec 28E
Revenue (R m)	7,860	8,521	9,330	10,465	11,426	12,487
EBITDA (R m)	1,962	2,226	2,539	2,944	3,274	3,615
Net Income (R m)	998	1,152	1,327	1,559	1,803	2,039
Adj. EPS (R)	1.73	2.00	2.33	2.75	3.18	3.61
Prev. Adj. EPS (R)	1.73	2.00	2.38	2.66	2.99	3.42
Adj. EPS (US\$, at spot)	0.10	0.12	0.14	0.16	0.19	0.21
DPS (R)	0.87	1.01	1.18	1.37	1.59	1.80
Dividend Yield (%)	3.5	3.0	3.2	3.6	4.1	4.7
PE (adjusted)	14.2	16.9	16.0	14.0	12.1	10.6
EV/EBITDA (adjusted)	7.5	9.0	8.5	7.5	6.7	6.0

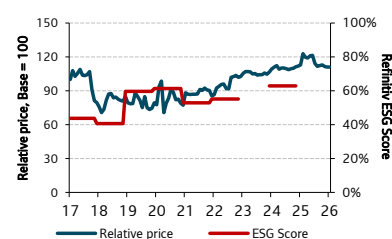
Source: Company financials, SBG Securities estimates

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### Share data

RIC	ADH.J.J
Sub industry	Specialized Consumer Services
Price (23 Mar 2026)	R 38.39
Market cap. (R m)	21,222
Enterprise value (R m)	22,209
Market cap. (USD m)	1,265
Enterprise value (USD m)	1,338
Avg. daily trade value (USD m)	0.76
Free float (%)	78

### Relative price performance vs FTSE/JSE All Share



### Historical performance relative to FTSE/JSE All Share

Performance over	1M	3M	12M
Absolute (%)	-4.0	2.6	22.7
Relative (%)	7.7	7.9	-0.7

Source: FTSE/JSE All Share, SBG Securities Research

The price relative chart measures performance against the South Africa FTSE/JSE All Share which closed at 110460 on 23 Mar 2026

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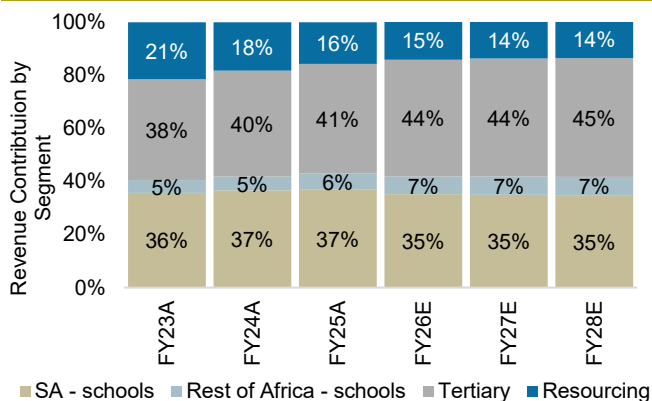
## Divisional Summary

Figure 1: Advtech – Summarised Income Statement

Advtech	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Total Revenue</b>	<b>7 860</b>	<b>8 521</b>	<b>9 330</b>	<b>10 465</b>	<b>11 426</b>	<b>12 487</b>
Education	6 179	6 970	7 866	8 933	9 777	10 679
Schools	3 191	3 569	4 017	4 314	4 696	5 090
Tertiary	2 988	3 401	3 849	4 619	5 081	5 589
Resourcing	1 681	1 551	1 464	1 532	1 649	1 808
<b>Total Revenue (y/y)</b>	<b>13%</b>	<b>8.4%</b>	<b>9.5%</b>	<b>12.2%</b>	<b>9.2%</b>	<b>9.3%</b>
Education	11.3%	12.8%	12.9%	13.6%	9.4%	9.2%
Schools	12.9%	11.9%	12.5%	7.4%	8.9%	8.4%
Tertiary	9.6%	13.8%	13.2%	20.0%	10.0%	10.0%
Resourcing	19.5%	-7.7%	-5.6%	4.6%	7.6%	9.6%
<b>Operating Profit</b>	<b>1 577</b>	<b>1 791</b>	<b>2 038</b>	<b>2 373</b>	<b>2 655</b>	<b>2 942</b>
Education	1 471	1 689	1 945	2 279	2 553	2 830
Schools	684	786	914	1 023	1 141	1 259
Tertiary	787	903	1 031	1 256	1 413	1 571
Resourcing	106	102	93	94	102	112
<b>Operating Margin</b>	<b>20.1%</b>	<b>21.0%</b>	<b>21.8%</b>	<b>22.7%</b>	<b>23.2%</b>	<b>23.6%</b>
Education	23.8%	24.2%	24.7%	25.5%	26.1%	26.5%
Schools	21.4%	22.0%	22.8%	23.7%	24.3%	24.7%
Tertiary	26.3%	26.6%	26.8%	27.2%	27.8%	28.1%
Resourcing	6.3%	6.6%	6.4%	6.2%	6.2%	6.2%
dNEPS	<b>173</b>	<b>201</b>	<b>235</b>	<b>275</b>	<b>318</b>	<b>361</b>
yoy	19.9%	16.1%	16.9%	17.1%	15.9%	13.2%
DPS	<b>87</b>	<b>101</b>	<b>118</b>	<b>137</b>	<b>159</b>	<b>180</b>
yoy	45%	16%	17%	16%	16%	13%
DY	3.5%	2.6%	3.2%	3.7%	4.2%	4.8%
Dividend cover	2.0	2.0	2.0	2.0	2.0	2.0

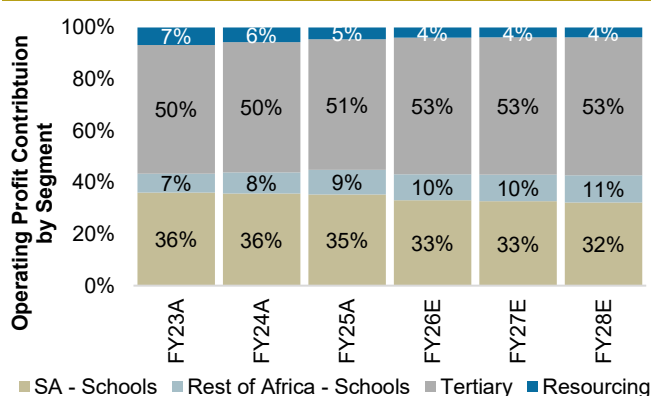
Source: Company Reports and SBG Securities analysis and estimates

Figure 2: Revenue contribution by segment



Source: Company Reports and SBG Securities analysis and estimates

Figure 3: Operating Profit by segment



Source: Company Reports and SBG Securities analysis and estimates

## SA Schools: Pipeline delay constrains near-term growth:

Revenue was up 10% y/y (FY24A: +11a% y/y) comprising enrolment of 4% and c. 6% fee increases, consistent with private education pricing typically running 1% - 1.5% above CPI. In FY26, the Group implemented a c. 5.5% fee increase, while for FY27 we expect a target of c. 5%; however, recent fuel-driven inflationary pressures introduce upside risk, potentially pushing fee increases closer to c. 6.5%, depending on inflation outcomes. By contrast, FY26 enrolment growth moderated to 1.4%, marking the weakest performance since FY19 (flat) and our expectations are that FY27 could remain below the long-term target of 3% - 5% due to capacity constraints and deliberate quality-led actions:

**Pricing offsets enrolment moderation:** In our view, revenue growth is likely to remain pricing-led in FY27E, cushioning the impact of slower enrolment growth.

**Quality reset is margin-supportive:** Tighter debtors' controls and academic filtering weigh on volumes near term but improve cash collection and earnings quality, supporting sustainable margins.

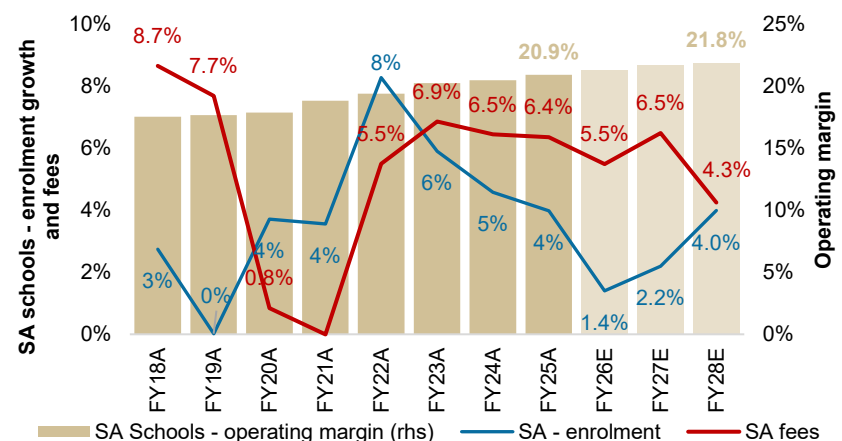
- **Quality-led reset moderates enrolment:** Management cited stricter debtor management, tighter academic entry requirements in senior grades, and the discontinuation of Grade 12 external transfers as key drivers. This is viewed as a structural reset, prioritising balance sheet quality and academic outcomes over volume-driven growth. While this has weighed on near-term enrolment, it has improved cash collection and is expected to be value-accretive over the medium term. Affordability pressures stem primarily from in-year payment slippage, with arrears often reaching 20–25% of prior-year fees, rather than upfront fees, which remain modest.
- **Pipeline delay constrains near-term growth:** We understand no new SA schools will open in 2026 or 2027, as management has reset the development pipeline with at least two openings targeted annually from 2028. The delay reflects timing rather than demand, with recently approved projects and land acquisition, rezoning and registration processes pushing delivery beyond January intake cut-offs. In the absence of new capacity, we believe SA enrolment growth is likely to remain below the targeted 3–5% range, with only modest improvement in 2027 and a return to trend growth unlikely until new schools open (new school typically adds 0.7 to 0.8% to group enrolment).

**Capacity, not demand, is the binding constraint:** SA enrolment constrained by delayed school openings and secondary capacity limits, with upside deferred to post-2028 as new schools come on stream.

In the interim, we expect organic growth to be supported by **capacity extensions and early-years repositioning**. While secondary capacity remains constrained, particularly at Grade 8 and high-school levels where enrolments are effectively full, excess capacity persists in primary and pre-primary. To address this imbalance, we understand the Group is pivoting toward strengthening the value proposition in earlier grades to improve utilisation of existing capacity and rebuild a stronger feeder base into high school from FY27, partially offsetting the absence of new school openings.

SA Schools margin expanded 40bps y/y to 20.5%. Given enrolment growth constraints in FY26E (21.3%) and FY27E (21.7%), alongside disciplined pricing, we expect similar margin expansion to continue, supported by operational leverage and a stable cost base.

Figure 4: We expect enrolment growth to return to the typical runnable range of 3% - 5% in FY27E



Source: Company reports, SBG Securities analysis and estimates

**Strong enrolment likely reflects market-share gains, particularly in Kenya,**

**Operating leverage driving superior margins: Margin expansion reflects scale benefits from sustained enrolment growth, reinforcing RoA as a structurally higher-return growth engine.**

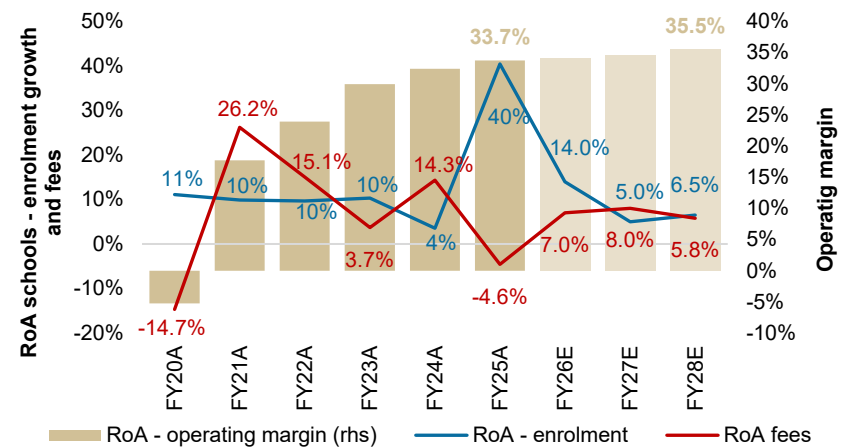
### RoA Schools: Strong demand and operating leverage support

Revenue increased 28% y/y (FY24A: +18%), driven primarily by strong enrolment growth (+40%; organic: +4.8%), reflecting the full-year inclusion of Flipper International School and a partial contribution from Regis Runda. In FY26, enrolment growth remained robust at +14%, which we attribute to material market-share gains, particularly within the private education segment in Kenya. Management reiterated that underlying demand remains healthy, supported by a growing middle-class preference for premium private education across key African markets.

- **Capacity constraints limit near-term upside:** Growth is increasingly constrained by physical capacity rather than demand, with Africa schools operating at approximately 93% of built capacity. As a result, incremental enrolment growth is now dependent on capacity expansion, rather than organic intake alone. To address this, the Group is progressing targeted capacity extensions, including the addition of 350 seats at selected sites, while continuing to actively pursue new school opportunities across its African footprint. We believe the Group’s strategy of adding at least one new school per annum remains intact.
- **Pricing remains supportive amid FX headwinds:** Tuition fee increases across Africa schools continue to run 1% – 2% above SA levels, reflecting a higher local inflation environment. However, reported ZAR revenue was impacted by negative FX translation, with management highlighting an estimated 8% – 9% FX headwind in FY25, driven mainly by movements in the Kenyan shilling.

**Margins benefit from operating leverage:** Rest of Africa schools’ margins expanded 130bps y/y to 33.7%, likely reflecting operating leverage from strong enrolment growth over the past three years (c. 8% CAGR). We expect continued margin expansion in FY26E–FY27E, underpinned by sustained private-education demand and a favourable scale profile across the region.

**Figure 5: We expect RoA margins to expand materially, supporting enrolment growth achieved over the recent years.**



Source: Company reports, SBG Securities analysis and estimates

**Growth quality improving despite mix dilution:** Enrolment momentum remains strong across both contact and distance learning, reinforcing the scalability of the tertiary platform despite lower revenue intensity in online programmes.

**Investment phase does not derail margin trajectory:** Margin expansion continues despite start-up costs at Emeris Sandton and RIUC Ghana, highlighting the resilience of the tertiary margin profile as scale benefits accrue.

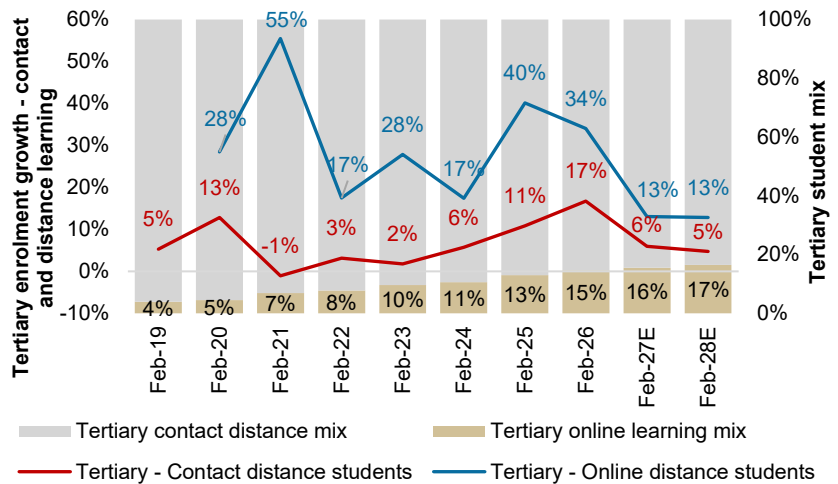
### Tertiary: Growth pipeline intact as mix effects moderate revenue

Revenue was up 13% y/y (FY24: +14% y/y) supported by enrolment up c. 14% with momentum continuing into FY26 (+14%) following the official opening of Emeris Sandton, relocation of Rosebank College (RC) CPT and expansion of the RC Polokwane. The construction of Emeris Durban is expected to be commenced in 2027, and scheduled to open in 2029. Enrolment growth accelerated in FY26 (+19%), materially driven by distance learning up 34% (FY24: +40%), while contact learning remains strong at 9%.

- Despite strong enrolment growth, revenue growth remains shaped by mix, with faster-growing distance learning carrying lower revenue per student, capping headline revenue growth. In FY25, we understand mix impact was c. 5% on revenue growth, likely to moderate to 3.5% in FY26E as the mix stabilises following several years of outsized online growth. We view this as a structural feature of the tertiary portfolio. However, margins in distance learning are broadly comparable to contact learning.
- Tuition fee increases in tertiary are usually guided broadly in line with CPI and below school-level increases, largely attributed to economies of scale and operating leverage, particularly at larger institutions such as Rosebank, enabling affordability while protecting margins.

Tertiary operating margin expanded 20bps y/y to 26.8%, despite investment costs at Emeris Sandton and RIUC Ghana. We expect margin expansion in FY26E (27.2%) and FY27E (27.8%), supported by robust growth in distance learning, which carries broadly similar margins to contact learning, underpinning operating leverage.

Figure 6: Distance learning likely to c. 20% over the medium term.

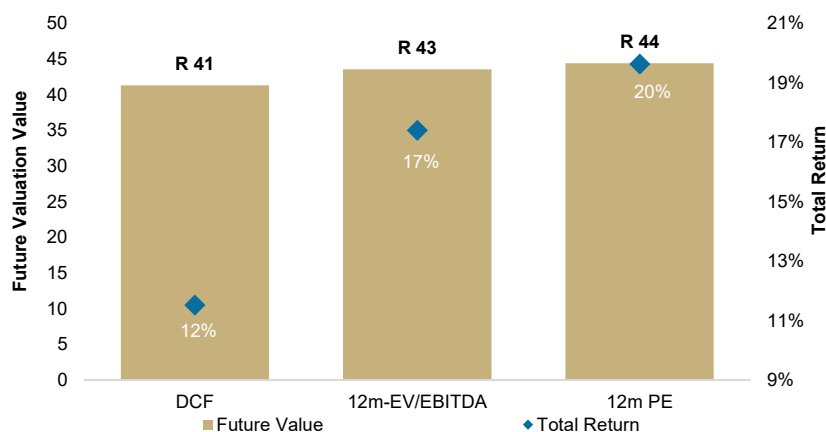


Source: Company reports, SBG Securities analysis and estimates

## Valuation: We value ADH between R41 and R44

We employ three methods to determine our equity valuation range for Advtech (ADH): discounted cash Flow (DCF), relative price-to-earnings (P/E) multiple, and relative enterprise value-to-EBITDA (EV/EBITDA) sum-of-the-parts analysis.

Figure 7: Advtech's future value valuation range between R41 and R44



Source: SBG Securities analysis and estimates

### Discounted cash flow valuation: R41

Based on our discounted cash flow valuation, we estimate a fair value of R41, implying a total return of 12% (including DY: 3.7%). Below we show the parameters we used to calculate a WACC of 13.2%.

Figure 8: WACC calculation for Advtech

Capital Allocation	Cost of Equity	Cost of Debt	
Equity Weight	90% Rf=	10% Pre-Tax	8.7%
Debt Weight	10% E(Rmkt) =	6.00% Tax rate	28%
<b>Total</b>	<b>100% Beta</b>	<b>0,7</b>	
<b>WACC =</b>	<b>13.2% Re=</b>	<b>14.0% Rd (after tax)</b>	<b>6.4%</b>

Source: SBG Securities analysis and estimates, Bloomberg, and Company financials

In determining the discounted cash flow valuation, we applied long-term growth of 6.0% consisting of Standard Bank Research's long-term CPI forecast and enrolment growth of c. 3%.

Figure 9: Advtech - DCF valuation summary (Shares in issue – million)

DCF	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY28E	FY29E	Terminal Value
EBITDA	1 962	2 226	2 539	2 944	3 274	3 615	3 996	4 445	
Less Tax	-390	-430	-507	-606	-701	-793	-872	-975	
Change in Working Capital	-64	-18	63	-60	6	10	10	7	
Less CAPEX	-673	-989	-1 051	-1 047	-1 200	-1 436	-1 162	-1 120	
<b>FCF</b>	<b>833</b>	<b>790</b>	<b>1 044</b>	<b>1 232</b>	<b>1 380</b>	<b>1 395</b>	<b>1 972</b>	<b>2 357</b>	
<b>Present Value</b>	<b>833</b>	<b>790</b>	<b>1 044</b>	<b>1 119</b>	<b>1 107</b>	<b>988</b>	<b>1 234</b>	<b>1 302</b>	<b>17 983</b>
5yr Horizon	5 750	24%							
Terminal Value	17 983	76%							
<b>Enterprise Value</b>	<b>23 733</b>								
Net cash/(debt)	-908								
Minorities	-5								
<b>Equity Value</b>	<b>22 820</b>								
Shares in Issue	553								
<b>Future value</b>	<b>41</b>								

Source: Company financials, SBG Securities analysis and estimates

## Forward relative P/E multiple: R44

We employed a 12-month forward price-to-earnings (PE) multiple methodology, using SBGS's ADH earnings forecast. The global peer group had a weighted average 12-month forward PE of c. 16x, within which we note emerging market peers trade at a premium in basic education while in tertiary and resourcing peers trade at a discount to developed markets. We attribute this trend to demographics - emerging markets have a higher young population which favours basic education, while developed markets have an older population, supporting tertiary education. In applying the average peer multiple, we arrive at a fair value of R44.

Figure 10: Advtech – 12m Fwd. P/E valuation summary.

	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	3yr CAGR	ADH Guidance
<b>Forecasted dNEPS</b>	<b>173</b>	<b>201</b>	<b>235</b>	<b>275</b>	<b>318</b>	<b>361</b>	15%	12% - 15%
% yoy	20%	16.1%	16.9%	17.1%	15.9%	13%		
<b>Rolled Forecasted Rolled dNEPS</b>		<b>208</b>	<b>244</b>	<b>285</b>	<b>328</b>	<b>369</b>		
% yoy			16.9%	16.8%	15.2%	12.4%		
<b>12m Fwd.PE</b>				<b>16x</b>				
<b>Future value</b>				<b>44</b>				

Source: SBG Securities analysis and estimates and Company financials

Figure 11: 12m Fwd. P/E - Peer group summary

Country	Ticker	Company	PE	EPS 2yr CAGR	Country	Ticker	Company	PE	EPS 2yr CAGR
<b>BASIC EDUCATION</b>					<b>TERTIARY EDUCATION</b>				
<b>17.1x</b>					<b>15.5x</b>				
<b>Developed Markets</b>					<b>Developed Markets</b>				
<b>10.3x</b>					<b>23.6x</b>				
Sweden	ACAD SS Equity	Academedia	10.3x	17%	Spain	PRO SM Equity	Proeduca	18.5x	12%
<b>Emerging Markets</b>					<b>Emerging Markets</b>				
<b>24.7x</b>					<b>7.4x</b>				
Saudi	ATAA AB Equity	Ataa	20.9x	19%	Brazil	CSED3 BZ Equity	Cruzeiro	8.3x	59%
Japan	4668 JP Equity	Meiko Network	16.1x	-14%	Brazil	YDUQ3 BZ Equity	Yduqs Part	6.1x	95%
Japan	9696 JP Equity	With Us Corp	28.0x	10%	H.Kong	839 HK Equity	China Education	3.1x	49%
H.Kong	1598 HK Equity	China 21st Century	2.3x	31%	Japan	4718 JP Equity	Waseda Academy	14.3x	10%
<b>RESOURCING</b>					<b>RESOURCING</b>				
<b>14.8x</b>					<b>14.2x</b>				
<b>Developed Markets</b>					<b>Developed Markets</b>				
<b>17.2x</b>					<b>14.2x</b>				
USA	ZIP US Equity	Zip	26.0x	-63%	UK	RWA LN Equity	Robert Walters	10.0x	-69%
USA	RHI US Equity	Robert Half	15.7x	32%	<b>Emerging Markets</b>				
UK	RWA LN Equity	Robert Walters	10.0x	-69%	<b>14.2x</b>				
<b>Emerging Markets</b>					<b>Japan</b>				
<b>14.2x</b>					<b>2124 JT Equity</b>				
Japan	2124 JT Equity	JAC Recruitment	14.2x	16%					

Source: Bloomberg and SBG Securities analysis

## EV/EBITDA relative multiple: R44

We employed a sum-of-the-parts enterprise-value-to-EBITDA (EV/EBITDA) methodology to value the company's various segments: Basic Education, Tertiary Education, and Resourcing. To determine the appropriate multiples, we conducted a peer group analysis for each division.

According to our analysis, the 12-month forward EV/EBITDA multiples for the Basic Education, Tertiary Education and Resourcing divisions were c. 9.6x, 7.1x, and 14.5x, respectively. As observed in P/E peer analysis, we find emerging market peers trade at a premium in basic education while in Tertiary, peers trade at a discount to developed markets. That said, based on EV/EBITDA multiples resourcing peers trade at a premium to developed market peers.

Considering the peer analysis, the applied multiples yield a fair value of R44. Our implied blended EV/EBITDA multiple is c. 8.3x.

Figure 12: 12m Fwd. EV/EBITDA SOTP valuation summary

	Adj. EBTIDA - FY26E	Adj. EBTIDA - FY27E	Rolled Adj. EBITDA	Adj. EBITDA Margin	Implied 12m EV/EBITDA	EV
Schools	1 313	1 462	1 347	31%	9.0x	12 120
Tertiary	1 524	1 697	1 564	33%	7.2x	11 258
Resourcing	107	115	109	7%	14.8x	1 614
<b>Total</b>	<b>2 944</b>	<b>3 274</b>	<b>3 019</b>			<b>24 992</b>
Net debt						-908
<b>Equity Value</b>						<b>24 084</b>
Shares in issue						553
<b>Future value</b>						<b>44</b>
					<b>Blended EV/EBITDA</b>	<b>8.3x</b>

Source: SBG Securities analysis and estimates and Company financials

Figure 13: 12m Fwd. EV/EBITDA (Historical average) - peer group summary

Country	Ticker	Company	EV/EBITDA	EBITDA 2yr CAGR	Country	Ticker	Company	EV/EBITDA	EBITDA 2yr CAGR
<b>BASIC EDUCATION</b>					<b>TERTIARY EDUCATION</b>				
<b>Developed Markets</b>					<b>Developed Markets</b>				
Sweden	ACAD SS Equity	Academedi	4.6x	10%	Spain	PRO SM Equity	Proeduca	10.3x	10%
<b>Emerging Markets</b>					<b>Emerging Markets</b>				
Saudi	ATAA AB Equity	Ataa	17.3x	8%	USA	UTI US Equity	Universal Technical Inst.	11.4x	4%
Japan	4668 JP Equity	Meiko Network	6.4x	20%	USA	LAUR US Equity	Laureate Education	7.5x	6%
Japan	9696 JP Equity	With Us Corp			USA	LOPE US Equity	Grand Canyon Edu	14.8x	9%
H.Kong	1598 HK Equity	China 21st Century	7.6x	-4%	<b>Emerging Markets</b>				
<b>RESOURCING</b>					<b>Developed Markets</b>				
<b>Developed Markets</b>					<b>Emerging Markets</b>				
USA	ZIP US Equity	Zip	21.7x	55%	Brazil	CSED3 BZ Equity	Cruzeiro	4.4x	10%
USA	RHI US Equity	Robert Half	13.6x	-8%	Brazil	YDUQ3 BZ Equity	Yduqs Part	3.8x	10%
UK	RWA LN Equity	Robert Walters	10.5x	11%	H.Kong	839 HK Equity	China Education	4.5x	45%
<b>Emerging Markets</b>					Japan	4718 JP Equity	Waseda Academy	9.0x	5%
Japan	2124 JT Equity	JAC Recruitment	14.1x	22%	H.Kong	6169 HK Equity	China Yuhua Edu.	1.7x	20%

Source: Bloomberg and SBG Securities analysis

Figure 14: Income Statement (ZAR m, unless stated)

INCOME STATEMENT	FY23A	FY24A	FY25A	FY26E	FY26E	FY26E
<b>Revenue</b>	<b>7 860</b>	<b>8 521</b>	<b>9 330</b>	<b>10 465</b>	<b>11 426</b>	<b>12 487</b>
<i>Revenue growth y/y</i>	13%	8%	10%	12%	9%	9%
<b>Total Operating Costs</b>	<b>(5 898)</b>	<b>(6 295)</b>	<b>(6 791)</b>	<b>(7 521)</b>	<b>(8 152)</b>	<b>(8 872)</b>
<b>EBITDA</b>	<b>1 962</b>	<b>2 226</b>	<b>2 539</b>	<b>2 944</b>	<b>3 274</b>	<b>3 615</b>
<i>EBITDA Margin</i>	25.0%	26.1%	27.2%	28.1%	28.7%	28.9%
Depreciation and amortisation	(384)	(435)	(501)	(590)	(612)	(634)
<b>Operating profit before interest and non-trading items</b>	<b>1 577</b>	<b>1 791</b>	<b>2 038</b>	<b>2 354</b>	<b>2 662</b>	<b>2 980</b>
Non-trading items:	1	(5)	(10)	0	0	0
<b>Operating profit before interest (EBIT)</b>	<b>1 578</b>	<b>1 786</b>	<b>2 029</b>	<b>2 354</b>	<b>2 662</b>	<b>2 980</b>
<i>EBIT Margin</i>	20.1%	21.0%	21.7%	22.5%	23.3%	23.9%
Net finance costs:	(190)	(204)	(195)	(189)	(158)	(148)
<b>Profit before taxation (EBT)</b>	<b>1 389</b>	<b>1 581</b>	<b>1 834</b>	<b>2 165</b>	<b>2 504</b>	<b>2 832</b>
Taxation	(390)	(430)	(507)	(606)	(701)	(793)
<b>Profit for the year</b>	<b>998</b>	<b>1 152</b>	<b>1 327</b>	<b>1 559</b>	<b>1 803</b>	<b>2 039</b>
Non-controlling interests	47	47	39	39	42	46
<b>Owner of the parent</b>	<b>951</b>	<b>1 105</b>	<b>1 288</b>	<b>1 520</b>	<b>1 761</b>	<b>1 993</b>
<i>Net Profit Margin</i>	12.1%	13.0%	13.8%	14.5%	15.4%	16.0%

Source: SBG Securities analysis and estimates and Company financials

Figure 15: Balance Sheet (ZAR m, unless stated)

BALANCE SHEET	FY23A	FY24A	FY25A	FY26E	FY26E	FY26E
<b>ASSETS</b>						
<b>Non-current assets</b>	<b>8 540</b>	<b>9 574</b>	<b>10 346</b>	<b>10 829</b>	<b>11 469</b>	<b>12 329</b>
Property, plant and equipment	115	173	178	184	208	231
Proprietary technology systems	892	1 038	1 053	1 190	1 321	1 446
Right-of-use assets	1 435	1 488	1 473	1 473	1 473	1 473
Goodwill	135	138	125	117	109	101
Other non-current assets	5 963	6 736	7 517	7 865	8 358	9 078
<b>Current assets</b>	<b>930</b>	<b>1162</b>	<b>951</b>	<b>423</b>	<b>773</b>	<b>1332</b>
Inventories	10	13	7	10	10	10
Trade and other receivables	470	506	525	688	751	821
Cash and cash equivalents	381	509	345	-349	-63	426
Other current assets	69	134	75	75	75	75
Non-current assets held for sale	0	40	0	0	0	0
<b>Total assets</b>	<b>9 470</b>	<b>10 777</b>	<b>11 297</b>	<b>11 252</b>	<b>12 241</b>	<b>13 660</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves</b>						
Stated capital	1 604	1 596	1 596	1 596	1 596	1 596
Other capital	(59)	(57)	(39)	(39)	(39)	(39)
Net stated capital	1544.9	1538.8	1557.2	1557.2	1557.2	1557.2
Other reserves	49.5	116.3	-14.0	-14.0	-14.0	-14.0
Retained earnings	3 855	4 490	5 177	5 974	6 894	7 933
Equity attributable to owners of the parent	5449.7	6144.9	6720.4	7517.05233	8436.80232	9476.48006
Non-controlling interest	49	34	5	5	5	5
<b>Total equity</b>	<b>5 498</b>	<b>6 179</b>	<b>6 725</b>	<b>7 522</b>	<b>8 441</b>	<b>9 481</b>
<b>Non-current liabilities</b>	<b>1714.2</b>	<b>1383.3</b>	<b>1426.9</b>	<b>1442.1484</b>	<b>1442.1484</b>	<b>1742.1484</b>
Long-term bank loan	600	10	2	2	2	302
Lease liabilities	934	1 134	1 176	1 190	1 190	1 190
Other non-current liabilities	180	239	250	250	250	250
<b>Current liabilities</b>	<b>2 258</b>	<b>3 214</b>	<b>3 145</b>	<b>2 289</b>	<b>2 358</b>	<b>2 437</b>
Current portion of long-term bank loan	0	601	1	0	0	0
Short-term bank loans	955	1 186	1 552	622	622	622
Current portion of lease liabilities	196	223	264	250	250	250
Trade and other payables	623	645	721	827	897	976
Other current liabilities	482.8	560.0	607.7	589.6	589.6	589.6
<b>Total equity and liabilities</b>	<b>9 470</b>	<b>10 777</b>	<b>11 297</b>	<b>11 252</b>	<b>12 241</b>	<b>13 660</b>

Source: SBG Securities analysis and estimates and Company financials

Figure 16: Cash Flow Statement (ZAR m, unless stated)

<b>CASH FLOW STATEMENT</b>	<b>FY23A</b>	<b>FY24A</b>	<b>FY25A</b>	<b>FY26E</b>	<b>FY26E</b>	<b>FY26E</b>
<b>Cash flows from operating activities</b>						
Cash generated from operations	1 998	2 266	2 570	2 944	3 274	3 615
Movement in working capital	(57)	(15)	121	(60)	6	10
<b>Cash generated by operating activities</b>	<b>1 941</b>	<b>2 250</b>	<b>2 691</b>	<b>2 885</b>	<b>3 280</b>	<b>3 624</b>
Net finance costs	(189)	(201)	(212)	(189)	(158)	(148)
Taxation paid	(375)	(424)	(432)	(606)	(701)	(793)
Dividends paid	(415)	(590)	(660)	(762)	(883)	(1 000)
<b>Net cash inflow from operating activities</b>	<b>962</b>	<b>1 036</b>	<b>1 387</b>	<b>1 327</b>	<b>1 538</b>	<b>1 683</b>
<b>Cash flows from investing activities</b>						
Additions to property, plant and equipment	(647)	(904)	(992)	(994)	(1 143)	(1 374)
Additions to proprietary technology systems	(234)	(313)	(264)	0	0	0
Proceeds on disposal of property, plant and equipment	25	30	60	269	291	316
Other investing activities	212	159	57	-366	-400	-437
<b>Net cash outflow from investing activities</b>	<b>-644</b>	<b>-1028</b>	<b>-1139</b>	<b>-1091</b>	<b>-1252</b>	<b>-1494</b>
<b>Cash flows from financing activities</b>						
Shares issued/(buy back)	(16)	(36)	(35)	0	0	0
Settlement of non-current bank loans	0	0	(606)	0	0	0
Settlement of current bank loans	(1 140)	(950)	(1 365)	(1 730)	(800)	(800)
Issuance of non-current bank loans	0	0	0	0	0	300
Drawdowns of current bank loans	950	1 175	1 730	800	800	800
Other financing activities	(78)	(82)	(94)	0	0	0
<b>Net cash outflow from financing activities</b>	<b>-284</b>	<b>107</b>	<b>-370</b>	<b>-930</b>	<b>0</b>	<b>300</b>
<b>Net increase in cash and cash equivalents</b>	<b>34</b>	<b>116</b>	<b>-122</b>	<b>-694</b>	<b>286</b>	<b>489</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>355</b>	<b>381</b>	<b>509</b>	<b>345</b>	<b>-349</b>	<b>-63</b>
Net foreign exchange difference on cash and cash equivalents	-8	13	-43	0	0	0
<b>Cash and cash equivalents at end of the year</b>	<b>381</b>	<b>509</b>	<b>345</b>	<b>-349</b>	<b>-63</b>	<b>426</b>

Source: SBG Securities analysis and estimates and Company financials

**Companies Mentioned (Price as of 24 Mar 2026)**

Advtech (ADH.J.J, R38.63, FVVR: R41 – R44)  
 Academedia ACAD SS, SEK95.8 Not covered)  
 Ataa educational ATAA AB, SAR51.5 Not covered)  
 China 21st century education group (1598 HK, HKD0.111 Not covered)  
 China education group holdings (839 HK, HKD2.66 Not covered)  
 China yuhua education (6169 HK, HKD0.475 Not covered)  
 Cruzeiro do sul educacional on CSED3 BZ, BRL5.96 Not covered)  
 Edvantage group holdings (382 HK, HKD1.41 Not covered)  
 Grand canyon education (LOPE US, USD167.79 Not covered)  
 Jac recruitment (2124 JT, JPY835 Not covered)  
 Laureate education (LAUR US, USD34.35 Not covered)  
 Lincoln Education (LINC, USD40.335 Not covered)  
 Meiko network japan (4668 JP, JPY700 Not covered)  
 Proeduca altus PRO SM, EUR33.4 Not covered)  
 Robert half (RHI US, USD24.82 Not covered)  
 Robert walters (RWA LN, GBP85 Not covered)  
 Stadio holdings limited (SDOJ.J, R11.39 Not covered)  
 Universal tchn.inst. (UTI US, USD38.04 Not covered)  
 Waseda academy (4718 JP, JPY2005 Not covered)  
 With Us Corp (9696 JP, JPY3225 Not covered)  
 Yduqs participacoes on (YDUQ3 BZ, BRL11 Not covered)  
 Ziprecruiter a (ZIP US, USD2.12 Not covered)

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ADH.J.J	Closing	Future Value	Coverage
Date	Price	Valuation Range	
2025-08-28	33.0	R39 – R42	Current Analyst
2025-03-26	31.6	R39 – R42	Current Analyst
2024-08-24	33.3	R36 – R39	Current Analyst
2024-05-10	26.99	R32 – R35	Current Analyst

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**Methods:** We employ three methods to determine our equity valuation range for Advtech (ADH): discounted cash Flow (DCF), relative price-to-earnings (PE) multiple, and relative enterprise value-to-EBITDA (EV/EBITDA) sum-of-the-parts analysis.

**Risks:** Key risks include higher financial levers (up 18% in FY25), emigration trends (noting recent moderation), shortages of quality teachers, currency volatility (RoA experienced an ~8% FX translation headwind in FY25), and the inherently volatile nature of certain Rest of Africa markets.

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