Future Value Valuation Range: R50 – R56

27 August 2026

Advtech

Strong core, resourcing the outlier

#themes: operating leverage, resourcing, capacity

- **ADH delivered a decent 1H26 print, with strong operating leverage offsetting an acute decline in Resourcing.** Group revenue increased 8% y/y (+13% ex-Resourcing), below our implied +11.7%, largely due to Resourcing (-15%). Operating profit rose 14%, expanding margins c.100bps to 22.0%, while dNEPS increased 16.3% to 130.8cps (implied 1H SBGSe: 133cps). **We view 1H26 positively**: the headline revenue print understates the strength of the core education businesses, where broad-based margin expansion and healthy enrolment trends continue to support operating leverage. Tertiary remains the key earnings engine, RoA offers attractive capacity-led upside, and targeted SA brownfields could support a recovery in school enrolment growth ahead of the next greenfield cycle. Debtor quality also remains healthy, with gross debtors up 5% versus education revenue growth of 13%, while fees in advance increased 8%, suggesting growth is not coming at the expense of credit quality. Given Resourcing's weaker growth and returns profile, we believe strategic optionality around the division could increasingly come into focus.
- **We marginally lowered FY26E/FY27E dNEPS to 272cps (+16.1% y/y)/315cps (+15.9% y/y) (prior: 275cps/316cps),** reflecting the decline in Resourcing, modestly higher gearing, and a relatively higher gross tertiary revenue-mix impact than we expected, attributable to faster growth in Rosebank International and distance learning, where fees are c.one-third of Emeris. **However, we raised our fair value range to R50 - R56 (prior: R41 - R44)**. We revised our capital structure assumptions to include lease liabilities, reflecting that c.75% of tertiary properties are leased, lowering our WACC to 12.1% (prior: 13.5%). We also raised our applied P/E and EV/EBITDA multiples to reflect sustained margin expansion, healthy ROIC and a visible capacity pipeline. The implied total return is 10%–20%, including a 3.6% DY. **Key risks** include financial leavers, slower enrolment growth in SA schools and resourcing weakness.
- **Tertiary remains the key growth engine, with mix dilution less margin dilutive than expected.** Revenue/operating profit increased 17%/19% on 19% enrolment growth, while margins expanded 50bps to 26.4% despite RIUC Ghana start-up costs. Contact enrolments rose 17% and distance 34%, nearly doubling over two years. Rosebank International and Emeris generate broadly similar percentage margins, implying faster growth in lower-fee Rosebank/distance primarily dilutes revenue per student rather than margins. The revenue mix drag has narrowed to c.3-4% from prior guidance of 3-5%.
- **Schools delivered further operating leverage, but capacity increasingly shapes the growth outlook.** SA Schools revenue rose 8%, supported by c.5.5-6% fee increases, c.1.4% enrolment growth and favourable grade mix, with margins up 30bps to 20.9%. Ahead of greenfield openings from FY28, ADH is adding c.2,500 seats across Pinnacle and Trinityhouse for FY27E, equivalent to c.1.5 schools of lower-risk brownfield capacity. Retention also improved, with mid-year leavers c.20% below prior-year levels. We believe these initiatives, alongside improved retention, could restore SA Schools enrolment growth towards c.3–5% in FY27E. In RoA, reported revenue/operating profit growth of 8%/11% understates underlying performance due to FX, with c.20-30% growth indicated on a constant-currency basis. At 93% utilisation, capacity rather than demand is increasingly the constraint.
- **CapEx is rising but returns remain the key discipline.** ADH expects R1.0-1.5bn p.a. over the next three years (vs R700-900m p.a. over the past 3yrs), with >R2bn already committed across Emeris Durban (c.R800m), Rosebank capacity, selective school expansion and potential African M&A. While this may moderate cash generation through FY28E/FY29E, we believe the balance sheet remains supportive and ROIC is targeted at WACC + 6% (c.17-18%, >100bps FY23-25 levels), with tertiary projects higher. We see the investment cycle as supportive of medium-term growth, provided execution remains disciplined. Reinvestment remains the priority, while buybacks provide additional capital-allocation flexibility (1H26: R250m, c. 1.3% of market cap).

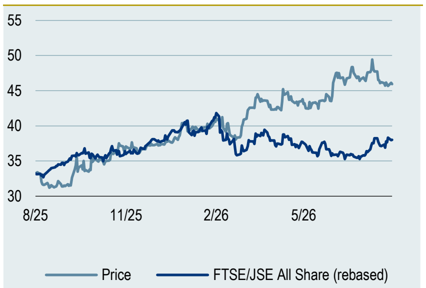
Key forecasts	Dec 23A	Dec 24A	Dec 25A	Dec 26E	Dec 27E	Dec 28E
Revenue (R m)	7,860	8,521	9,330	10,223	11,222	12,303
EBITDA (R m)	1,962	2,226	2,539	2,905	3,236	3,578
Net Income (R m)	998	1,152	1,327	1,527	1,772	1,995
Adj. EPS (R)	1.73	2.00	2.33	2.72	3.16	3.56
Prev. Adj. EPS (R)	1.73	2.00	2.33	2.75	3.18	3.61
Adj. EPS (US$, at spot)	0.11	0.13	0.15	0.17	0.20	0.22
DPS (R)	0.87	1.01	1.18	1.36	1.58	1.78
Dividend Yield (%)	3.5	3.0	3.2	3.0	3.4	3.9
PE (adjusted)	14.2	16.9	16.0	17.0	14.6	12.9
EV/EBITDA (adjusted)	7.5	9.0	8.5	9.1	8.1	7.3

Source: Company financials, SBG Securities estimates

Share data

RIC	ADH.J.J
Sub industry	Specialized Consumer Services
Price (25 Aug 2026)	R 45.96
Market cap. (R m)	25,264
Enterprise value (R m)	26,335
Market cap. (USD m)	1,586
Enterprise value (USD m)	1,663
Avg. daily trade value (USD m)	1.19
Free float (%)	78

Price relative to FTSE/JSE All Share



Historical performance relative to FTSE/JSE All Share

Performance over	1M	3M	12M
Absolute (%)	-1.4	5.6	39.1
Relative (%)	-8.2	4.9	25.7

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 116828 on 25 Aug 2026

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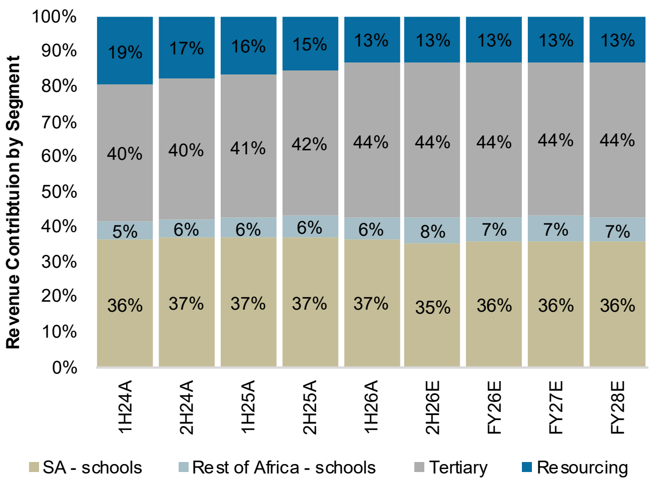
Divisional Summary

Figure 1: ADvTECH – Summarised Income Statement

Advtech	1H24A	2H24A	FY24A	1H25A	2H25A	FY25A	1H26A	2H26E	FY26E	FY27E	FY28E	3yr CAGR
Total Revenue	**4 274**	**4 247**	**8 521**	**4 683**	**4 647**	**9 330**	**5 060**	**5 163**	**10 223**	**11 222**	**12 303**	**9.7%**
Education	3 464	3 507	6 970	3 914	3 952	7 866	4 404	4 494	8 898	9 796	10 740	10.9%
Schools	*1 770*	*1 799*	*3 569*	*2 003*	*2 014*	*4 017*	*2 161*	*2 214*	*4 375*	*4 821*	*5 267*	*9.5%*
Tertiary	*1 693*	*1 708*	*3 401*	*1 911*	*1 938*	*3 849*	*2 243*	*2 280*	*4 523*	*4 975*	*5 473*	*12.4%*
Resourcing	810	741	1 551	769	695	1 464	656	669	1 325	1 426	1 563	2.2%
Total Revenue (y/y)	9%	8%	**8.4%**	10%	9%	**9.5%**	8%	11%	**9.6%**	**9.8%**	**9.6%**	
Education	12%	14%	12.8%	13%	13%	12.9%	13%	14%	13.1%	10.1%	9.6%	
Schools	*11%*	*13%*	*11.9%*	*13%*	*12%*	*12.5%*	*8%*	*10%*	*8.9%*	*10.2%*	*9.3%*	
Tertiary	*13%*	*15%*	*13.8%*	*13%*	*14%*	*13.2%*	*17%*	*18%*	*17.5%*	*10.0%*	*10.0%*	
Resourcing	-3%	-12%	-7.7%	-5%	-6%	-5.6%	-15%	-4%	-9.5%	7.6%	9.6%	
Operating Profit	**865**	**926**	**1 791**	**983**	**1 055**	**2 038**	**1 115**	**1 225**	**2 339**	**2 621**	**2 909**	**12.6%**
Education	814	875	1 689	933	1 012	1 945	1 071	1 182	2 253	2 534	2 813	13.1%
Schools	*378*	*408*	786	*437*	*477*	914	*479*	*544*	1 023	1 151	1 275	11.7%
Tertiary	*436*	*467*	903	*496*	*535*	1 031	*592*	*639*	1 230	1 383	1 538	14.3%
Resourcing	51	51	102	50	43	93	44	42	87	86	97	1.3%
Operating Margin	**20.2%**	**21.8%**	**21.0%**	**21.0%**	**22.7%**	**21.8%**	**22.0%**	**23.7%**	**22.9%**	**23.4%**	**23.6%**	
Education	23.5%	25.0%	24.2%	23.8%	25.6%	24.7%	24.3%	26.3%	25.3%	25.9%	26.2%	
Schools	*21.3%*	*22.7%*	*22.0%*	*21.8%*	*23.7%*	*22.8%*	*22.2%*	*24.6%*	*23.4%*	*23.9%*	*24.2%*	
Tertiary	*25.8%*	*27.3%*	*26.6%*	*26.0%*	*27.6%*	*26.8%*	*26.4%*	*28.0%*	*27.2%*	*27.8%*	*28.1%*	
Resourcing	6.3%	6.8%	6.6%	6.5%	6.2%	6.4%	6.8%	6.3%	6.5%	6.0%	6.2%	
dNEPS	**97**	**104**	**201**	**112**	**121**	**235**	**130**	**142**	**272**	**316**	**356**	**14.9%**
yoy	*16.9%*	*16%*	*16.1%*	*15.4%*	*17%*	*16.9%*	*15.9%*	*17%*	*16.1%*	*15.9%*	*12.6%*	
DPS	**38**	**63**	**101**	**45**	**73**	**118**	**53**	**83**	**136**	**158**	**178**	**14.6%**
yoy	27%	11%	16%	18%	16%	17%	18%	14%	15%	16%	13%	
DY			*2.4%*			*2.8%*			*3.2%*	*3.6%*	*4.0%*	

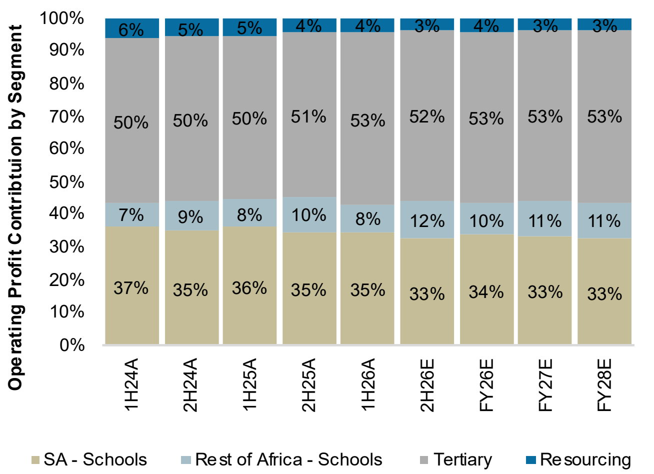
Source: Company Reports and SBG Securities estimates

Figure 2: Revenue contribution by segment



Source: Company Data and SBG Securities estimates

Figure 3: Operating Profit by segment



Source: Company Data and SBG Securities estimates

SA Schools: Brownfields to bridge the capacity gap as 'retention improves'

Seats first, schools later: Brownfields do the heavy lifting before greenfields return in FY28E

SA Schools delivered a resilient 1H26 performance despite softer enrolment growth, with management increasingly using targeted brownfield expansion to support the next leg of volume growth. Revenue increased 8% y/y (1H25: +11%), while operating profit grew 9%, expanding margins c.30bps to 20.9%. Enrolments increased c.1.4% (1H25: c.+4%), with average fee increases of c.5.5–6% and a further c.1–1.5% revenue benefit from favourable grade mix. Encouragingly, we understand that affordability does not appear to be materially affecting retention, with mid-year leavers c.20% below prior-year levels and emigration no longer a meaningful source of attrition.

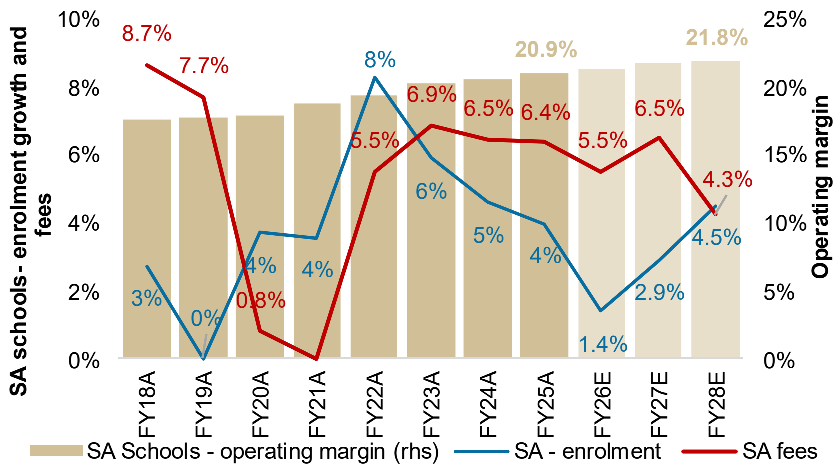
Building into demand, not ahead of it: Capacity added where demand is already proven.

While headline enrolment growth has moderated, we believe ADH's near-term capacity strategy should support an improvement in volumes without requiring sizeable greenfield investment.

- Large new school openings are now more likely from FY28E, with management targeting potentially two new schools. In the interim, ADH is adding c.2,000 seats across Pinnacle and c.500–600 across Trinityhouse, largely available from FY27.
- This is equivalent to c.7% of the existing c.35,000 SA Schools enrolment base, although management cautions that capacity will be absorbed gradually across grades.
- The approach effectively adds c.1.5 schools of capacity while potentially shortening the J-curve and reducing execution risk versus greenfield developments.
- We understand management is also repositioning the pre-primary offering to improve hours, service inclusivity and academics from FY27E. **We believe these initiatives, alongside improved retention, could restore SA Schools enrolment growth towards the typical runnable range of c.3–5%**.

Bottom line: SA Schools remains a stable earnings base, but the next phase of growth increasingly depends on translating targeted capacity additions into higher enrolments rather than relying predominantly on fee increases. **We view the shift towards brownfield expansion positively: it directs capital towards campuses where demand is already evident**, provides a shorter route to revenue and should support operating leverage while ADH develops its FY28E greenfield pipeline.

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

Rest of Africa – Schools: Capacity, not demand, is the constraint

RoA combines strong enrolment growth, high utilisation and margin expansion

FX masks the strength of the underlying African growth story

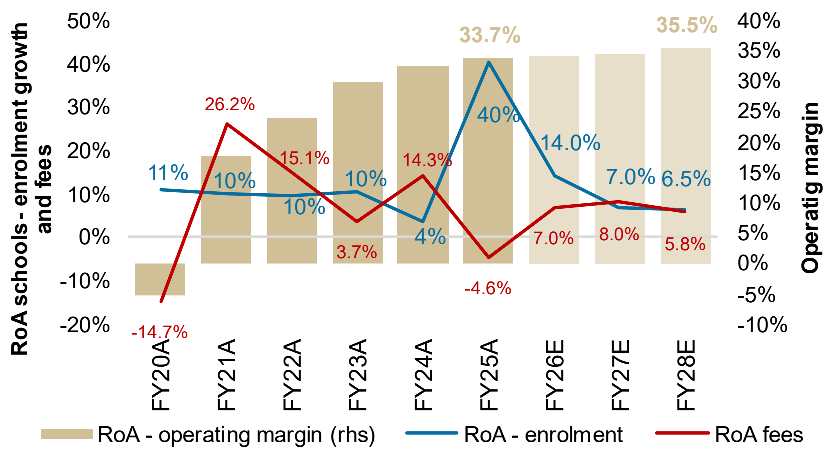
RoA Schools delivered another strong underlying performance, although reported growth was materially diluted by FX. Revenue increased 8% y/y (1H25: +31%), while operating profit rose 11%, expanding margins c.70bps to **30.1%**. Management indicated that, excluding currency translation, revenue and operating profit growth would have been **c.20–30%**, highlighting continued strong underlying demand. Enrolments increased 14% y/y, with most of the growth organic; Regis Runda represented less than 10% of divisional operating profit.

- **At c.93% utilisation, capacity rather than demand is increasingly the binding constraint.** Management continues to add capacity through acquisitions and brownfield expansion, including Crawford Kenya Phase 2, Makini Statehouse and the relocation of an Ethiopian campus to larger premises. We believe this approach provides a faster and more capital-efficient route to growth than greenfield development, while preserving the division's structurally higher margins.
- **Regis Runda continues to track ahead of the initial investment case.** Enrolments have increased materially since acquisition and rebranding to Makini, while Cambridge accreditation has now been secured for the September intake. The campus currently accommodates c.2,000 students, with potential to add another c.1,000 seats through an additional floor. Given the acquisition price of c.R172m and improving utilisation, we expect a relatively short J-curve and further margin upside as the higher-fee Cambridge offering scales.

Limited competition and favourable demographics continue to support the RoA opportunity.

Africa remains a key expansion market. We understand management is actively evaluating further M&A opportunities, supported by favourable demographics, lower teaching costs and limited competition. The portfolio generates c.R200–230m of pre-tax cash annually, broadly sufficient to fund one school acquisition per year, while cash is generally retained in-country to support growth. We therefore expect RoA to remain one of ADH's strongest contributors to medium-term enrolment, margin and earnings growth.

Figure 5: We expect RoA margins to expand materially supported by strong organic enrolment growth



Source: Company reports, SBG Securities analysis and estimates

Tertiary: Scale absorbs investment as growth broadens

Rosebank and distance learning drives volume, Emeris preserves premium positioning

Tertiary remains ADH's key growth engine, with strong enrolment momentum translating into further operating leverage despite continued investment. Revenue increased **17% y/y** (1H25: +13%), while operating profit rose **19%**, expanding margins **50bps to 26.4%** despite a c.30bps drag from RIUC Ghana. Total enrolments increased **19% y/y to c.71,500**, with contact students up **17%** and distance learning up **34%**, reinforcing the scalability of the platform.

Distance learning is broadening the addressable market while preserving margin quality despite lower revenue per student.

Mix dilution appears less pronounced than previously expected. Distance students, whose fees are roughly one-third of contact tuition, now represent c.17% of tertiary enrolments and accounted for c.4.5% of enrolment growth.

- However, management indicated that much of this lower-fee mix offsets tuition inflation (4.5%), while the residual Rosebank/contact mix impact was only c.2–3% in 1H26, implying gross mix impact of c. 6.5%-7.5% (SBGS FY26E: 4.5%).
- Previous 3–5% mix guidance has therefore been narrowed to c.3–4%. Importantly, percentage margins across Rosebank and Emeris are broadly comparable, suggesting mix is more dilutive to revenue per student than to margins.

Rapid absorption of new capacity at Sandton and Braamfontein strengthens the case for continued tertiary expansion

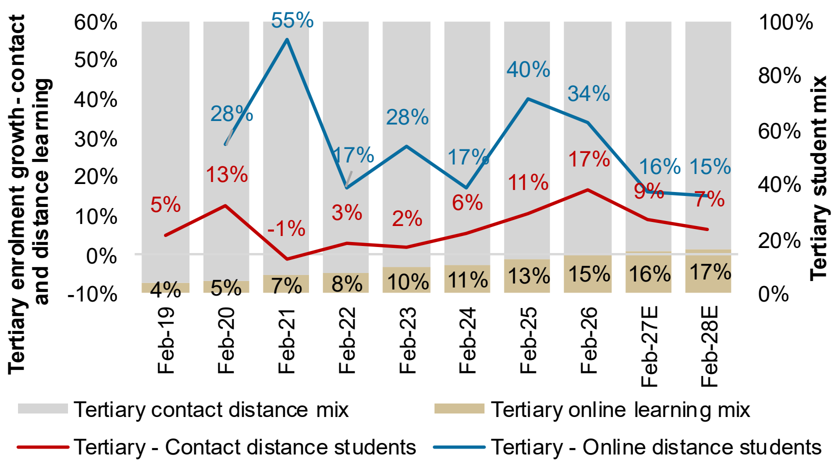
Capacity expansion remains well supported by demand. Emeris Sandton doubled capacity to 9,000 students, with first-year enrolments up >20%, while Rosebank Braamfontein's expansion from 11,500 to 15,000 students has already been largely absorbed. Further Rosebank capacity is being added in Braamfontein, Durban, Polokwane and Qonce, while the new 10,000 student Emeris KZN campus is targeted to open from FY29E. We believe these brownfield and large-campus developments provide a relatively short capital/revenue cycle compared with new schools, supporting attractive incremental returns. We raised our enrolment growth for FY27E (9%, prior: 6%) and FY28E (7%, prior: 5%).

RIUC Ghana remains on its planned J-curve, with c.250–300 students currently enrolled and breakeven expected in **FY28E**, once a full three-year student cohort is established. Enrolments are tracking slightly ahead of the business case. University status also remains a potential medium-term catalyst: once the regulatory framework is finalised, Emeris intends to apply directly for university status, while Rosebank International plans to pursue university-college status.

Bottom line: We expect Tertiary to remain ADH's principal earnings growth driver. Strong contact and distance demand, rapidly filling capacity and continued margin expansion despite start-up costs suggest the division is absorbing its investment programme well. <u>The key medium-term debate is increasingly whether ADH can add capacity quickly enough to capture demand, rather than whether sufficient demand exists.</u>

We raised our enrolment growth for FY27E (+9%, prior: +6%) and FY28E (+7%, prior: +5%)

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



Source: Company reports, SBG Securities analysis and estimates

Resourcing: USAID drag persists, but margins remain resilient

Contract replacement supports margins, even as revenue remains under pressure.

Resourcing remained the weak spot in 1H26, with revenue down 15% y/y and operating profit down 12%, largely reflecting the loss of USAID-linked activity and adverse FX translation. The impact was more pronounced in RoA (-16%) than SA (-9%), while we expect the year-on-year comparison to improve in 2H as lost contracts are replaced and exposure to U.S.-funded NGOs and charities is reduced.

Encouragingly, margins improved despite the sharp revenue decline. Operating margin expanded to c.6.8% as cost discipline and newly won contracts at generally higher margins partly offset the revenue pressure.

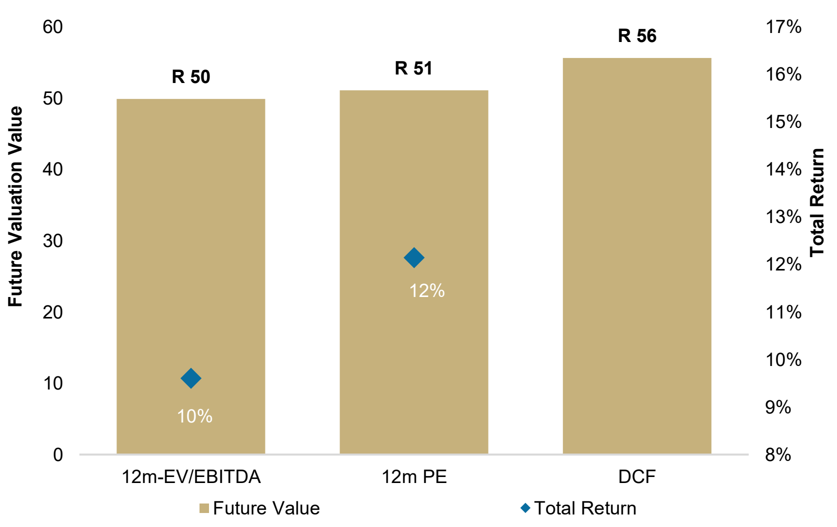
A shrinking contribution reduces the drag on the broader investment case.

Bottom line: We expect Resourcing to remain a drag on group growth in FY26E, although its earnings relevance is increasingly limited, with education now contributing c.96% of group operating profit. Given its structurally lower growth and margin profile, we believe strategic optionality around the division could increasingly come into focus over time, particularly as ADH prioritises capital towards higher-return education opportunities.

Valuation: We value ADH between R50 and R56

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 R50 and R56



Source: SBG Securities analysis and estimates

Discounted cash flow valuation: R56

Based on our DCF valuation, we estimate a fair value of R56, implying a 20% total potential return, including a 3.6% dividend yield. Figure 8 outlines the assumptions underpinning our 12.1% WACC. We revised our capital structure (Equity/Debt: 75%/25%, prior: 90%/10%) to include lease liabilities, reflecting that c.75% of tertiary properties are leased, **reducing our WACC from 13.5% to 12.1%**. Our DCF applies a c. 6.0% terminal growth rate, comprising Standard Bank Research's long-term CPI forecast and c.3% enrolment growth.

Figure 8: ADvTECH – DCF valuation summary

DCF	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY28E	FY29E	Terminal Value
EBITDA	1 962	2 226	2 539	2 905	3 236	3 578	3 961	4 407	
Less Tax	(390)	(430)	(507)	(594)	(689)	(776)	(854)	(953)	
Change in Working Capital	(64)	(18)	63	(66)	8	10	11	7	
Less CAPEX	(673)	(989)	(1 051)	(1 022)	(1 178)	(1 415)	(1 148)	(1 108)	
FCF	**833**	**790**	**1 044**	**1 223**	**1 377**	**1 398**	**1 971**	**2 353**	
Present Value	**833**	**790**	**1 044**	**1 176**	**1 181**	**1 070**	**1 347**	**1 434**	**25 314**

5yr Horizon	6 208	20%	Cost of equity	14.0%	**Terminal Multiple**
Terminal Value	25 314	80%	Cost of debt (After tax)	6.4%	17.6x
Enterprise Value	**31 522**		Market Risk Premium	6.0%	
Net cash/(debt)	(920)		Risk free rate	10%	
Minorities	(5)		Beta	0.7	
Equity Value	**30 597**		Weighting (Debt to Equity)	25%	
Shares in Issue	550		**WACC**	**12.1%**	
Future value	**56**		Long Term Growth	6%	

Source: Company financials, SBG Securities analysis and estimates

Forward relative P/E multiple: R51

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. 17x, 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 favouring basic education, while developed markets have an older population supporting tertiary education. We raised our applied P/E multiple to reflect sustained margin expansion, healthy ROIC and a visible capacity pipeline.

In applying the average peer multiple, we arrive at a fair value of R51.

Figure 9: ADvTECH – 12m Fwd. P/E valuation summary.

ADH PE Valuation	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	3yr CAGR	ADH Guidance
Forecasted dNEPS	**173**	**201**	**235**	**272**	**316**	**356**	15%	12% - 15%
% yoy	20%	16.1%	16.9%	16.1%	15.9%	13%		
Rolled Forecasted Rolled dNEPS		**223**	**259**	**301**	**342**	**379**		
% yoy			16.3%	16.0%	13.6%	10.8%		
12m Fwd.PE				**17x**				
Future value				**51**				

Source: SBG Securities analysis and estimates and Company financials

Figure 10: 12m Fwd. P/E - Peer group summary

Country	Ticker	Company	PE	EPS 2yr CAGR	Country	Ticker	Company	PE	EPS 2yr CAGR
BASIC EDUCATION			17.4x				TERTIARY EDUCATION	14.9x	
Developed Markets			**8.5x**		**Developed Markets**			**22.8x**	
Sweden	ACAD SS Equity	Academedia	8.5x	21%	Spain	PRO SM Equity	Proeduca	22.5x	13%
					USA	UTI US Equity	Universal Technical Inst.	36.5x	-20%
Emerging Markets			**25.0x**		USA	LAUR US Equity	Laureate Education	17.7x	13%
Saudi	ATAA AB Equity	Ataa	18.0x	17%	USA	LOPE US Equity	Grand Canyon Edu	14.4x	21%
Japan	4668 JP Equity	Meiko Network	20.7x	-18%					
Japan	9696 JP Equity	With Us Corp	30.0x	20%	**Emerging Markets**			**7.1x**	
H.Kong	1598 HK Equity	China 21st Century	2.4x	31%	Brazil	CSED3 BZ Equity	Cruzeiro	5.2x	7%
					Brazil	YDUQ3 BZ Equity	Yduqs Part	6.0x	72%
RESOURCING			19.1x		H.Kong	839 HK Equity	China Education	2.4x	40%
Developed Markets			**23.8x**		Japan	4718 JP Equity	Waseda Academy	16.9x	8%
USA	ZIP US Equity	Zip	26.0x	59%	H.Kong	6169 HK Equity	China Yuhua Edu.	5.0x	15%
USA	RHI US Equity	Robert Half	35.4x	-5%					
UK	RWA LN Equity	Robert Walters	10.0x	10%					
Emerging Markets			**16.8x**						
Japan	2124 JT Equity	JAC Recruitment	16.8x	15%					

Source: Bloomberg and SBG Securities analysis

EV/EBITDA relative multiple: R50

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. 9.5x, 8.5x, and 12.0x, 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 R50. Our implied blended EV/EBITDA multiple is c. 9.1x.

Figure 11: 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	1 475	1 418	31%	9.5x	13 475
Tertiary	1 493	1 662	1 603	33%	8.5x	13 688
Resourcing	99	100	100	7%	12.0x	1 196
Total	**2 905**	**3 236**	**3 121**			**28 360**
Net debt						-921
Equity Value						**27 439**
Shares in issue						550
Future value						**50**
					Blended EV/EBITDA	**9.1x**

Source: SBG Securities analysis and estimates and Company financials

Figure 12: 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
BASIC EDUCATION			9.5x		TERTIARY EDUCATION			8.5x	
Developed Markets			**6.3x**		**Developed Markets**			**10.3x**	
Sweden	ACAD SS Equity	Academedia	6.3x	-8%	Spain	PRO SM Equity	Proeduca	11.5x	12%
					USA	UTI US Equity	Universal Technical Inst.	11.9x	-12%
Emerging Markets			**11.1x**		USA	LAUR US Equity	Laureate Education	8.7x	7%
Saudi	ATAA AB Equity	Ataa	12.0x	9%	USA	LOPE US Equity	Grand Canyon Edu	9.2x	13%
Japan	4668 JP Equity	Meiko Network	6.0x	9%					
Japan	9696 JP Equity	With Us Corp	14.0		**Emerging Markets**			**4.6x**	
H.Kong	1598 HK Equity	China 21st Century	8.0x	-6%	Brazil	CSED3 BZ Equity	Cruzeiro	3.7x	-1%
					Brazil	YDUQ3 BZ Equity	Yduqs Part	3.6x	7%
RESOURCING			11.9x		H.Kong	839 HK Equity	China Education	3.0x	33%
Developed Markets			**12.5x**		Japan	4718 JP Equity	Waseda Academy	6.8x	6%
USA	ZIP US Equity	Zip	7.4x		H.Kong	6169 HK Equity	China Yuhua Edu.	0.8x	19%
USA	RHI US Equity	Robert Half	16.9x	3%					
UK	RWA LN Equity	Robert Walters	13.1x	76%					
Emerging Markets			**10.1x**						
Japan	2124 JT Equity	JAC Recruitment	10.1x	18%					

Source: Bloomberg and SBG Securities analysis

Figure 13: Income Statement (ZAR m, unless stated)

INCOME STATEMENT	FY23A	FY24A	FY25A	FY26E	FY26E	FY26E
Revenue	**7 860**	**8 521**	**9 330**	**10 223**	**11 222**	**12 303**
Revenue growth y/y	*13%*	*8%*	*10%*	10%	10%	10%
Total Operating Costs	**(5 898)**	**(6 295)**	**(6 791)**	**(7 318)**	**(7 986)**	**(8 724)**
EBITDA	**1 962**	**2 226**	**2 539**	**2 905**	**3 236**	**3 578**
EBITDA Margin	*25.0%*	*26.1%*	*27.2%*	*28.4%*	*28.8%*	*29.1%*
Depreciation and amortisation	(384)	(435)	(501)	(590)	(613)	(637)
Operating profit before interest and non-trading items	**1 577**	**1 791**	**2 038**	**2 315**	**2 623**	**2 941**
Non-trading items:	1	(5)	(10)	(10)	0	0
Operating profit before interest (EBIT)	**1 578**	**1 786**	**2 029**	**2 305**	**2 623**	**2 941**
EBIT Margin	*20.1%*	*21.0%*	*21.7%*	***22.5%***	***23.4%***	***23.9%***
Net finance costs:	(190)	(204)	(195)	(184)	(162)	(171)
Profit before taxation (EBT)	**1 389**	**1 581**	**1 834**	**2 120**	**2 461**	**2 770**
Taxation	(390)	(430)	(507)	(594)	(689)	(776)
Profit for the year	**998**	**1 152**	**1 327**	**1 527**	**1 772**	**1 995**
Non-controlling interests	47	47	39	36	36	40
Owner of the parent	**951**	**1 105**	**1 288**	**1 490**	**1 736**	**1 955**
Net Profit Margin	*12.1%*	*13.0%*	*13.8%*	*14.6%*	*15.5%*	*15.9%*

Source: SBG Securities analysis and estimates and Company financials

Figure 14: Balance Sheet (ZAR m, unless stated)

BALANCE SHEET	FY23A	FY24A	FY25A	FY26E	FY26E	FY26E
ASSETS						
Non-current assets	**8 540**	**9 574**	**10 346**	**10 887**	**11 593**	**12 527**
Property, plant and equipment	115	173	178	183	206	229
Proprietary technology systems	892	1 038	1 053	1 183	1 308	1 429
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	7 932	8 497	9 295
Current assets	**930**	**1162**	**951**	**525**	**1048**	**1515**
Inventories	10	13	7	10	10	10
Trade and other receivables	470	506	525	672	738	809
Cash and cash equivalents	381	509	345	-231	226	622
Other current assets	69	134	75	75	75	75
Non-current assets held for sale	0	40	0	0	0	0
Total assets	**9 470**	**10 777**	**11 297**	**11 412**	**12 642**	**14 042**
EQUITY AND LIABILITIES						
Capital and reserves						
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	5 956	6 862	7 881
Equity attributable to owners of the parent	5449.7	6144.9	6720.4	7499.45801	8405.25778	9424.29983
Non-controlling interest	49	34	5	5	5	5
Total equity	**5 498**	**6 179**	**6 725**	**7 504**	**8 410**	**9 429**
Non-current liabilities	**1714.2**	**1383.3**	**1426.9**	**1642.1484**	**1892.1484**	**2192.1484**
Long-term bank loan	600	10	2	202	452	752
Lease liabilities	934	1 134	1 176	1 190	1 190	1 190
Other non-current liabilities	180	239	250	250	250	250
Current liabilities	**2 258**	**3 214**	**3 145**	**2 266**	**2 340**	**2 421**
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	805	878	960
Other current liabilities	482.8	560.0	607.7	589.6	589.6	589.6
Total equity and liabilities	**9 470**	**10 777**	**11 297**	**11 412**	**12 642**	**14 042**

Source: SBG Securities analysis and estimates and Company financials

Figure 15: Cash Flow Statement (ZAR m, unless stated)

CASH FLOW STATEMENT	FY23A	FY24A	FY25A	FY26E	FY26E	FY26E
Cash flows from operating activities						
Cash generated from operations	1 998	2 266	2 570	2 895	3 236	3 578
Movement in working capital	(57)	(15)	121	(66)	8	10
Cash generated by operating activities	**1 941**	**2 250**	**2 691**	**2 829**	**3 244**	**3 589**
Net finance costs	(189)	(201)	(212)	(184)	(162)	(171)
Taxation paid	(375)	(424)	(432)	(594)	(689)	(776)
Dividends paid	(415)	(590)	(660)	(747)	(866)	(976)
Net cash inflow from operating activites	**962**	**1 036**	**1 387**	**1 303**	**1 527**	**1 666**
Cash flows from investing activities						
Additions to property, plant and equipment	(647)	(904)	(992)	(971)	(1 122)	(1 353)
Additions to proprietary technology systems	(234)	(313)	(264)	0	0	0
Proceeds on disposal of property, plant and equipment	25	30	60	179	195	214
Other investing activities	212	159	57	-358	-393	-431
Net cash outflow from investing activities	**-644**	**-1028**	**-1139**	**-1150**	**-1320**	**-1570**
Cash flows from financing activites						
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	200	250	300
Drawdowns of current bank loans	950	1 175	1 730	800	800	800
Other financing activites	(78)	(82)	(94)	0	0	0
Net cash outflow from financing activities	**-284**	**107**	**-370**	**-730**	**250**	**300**
Net increase in cash and cash equivalents	**34**	**116**	**-122**	**-576**	**457**	**396**
Cash and cash equivalents at beginning of the year	**355**	**381**	**509**	**345**	**-231**	**226**
Net foreign exchange difference on cash and cash equivalents	-8	13	-43	0	0	0
Cash and cash equivalents at end of the year	**381**	**509**	**345**	**-231**	**226**	**622**

Source: SBG Securities analysis and estimates and Company financials

Companies Mentioned (Price as of 26 Aug 2026)
Advtech (ADH.J.J, R48.31, FVVR: R50 – R56)
Academedia ACAD SS SEK96.2 Not covered)
Ataa educational ATAA AB, SAR44.94 Not covered)
China 21st century education group (1598 HK, HKD0.111 Not covered)
China education group holdings (839 HK, HKD1.845 Not covered)
China yuhua education (6169 HK, HKD0.36 Not covered)
Cruzeiro do sul educacional on CSED3 BZ , BRL4.6 Not covered)
Edvantage group holdings (382 HK, HKD14.61 Not covered)
Grand canyon education (LOPE US, USD0.465 Not covered)
Jac recruitment (2124 JT, JPY148.77 Not covered)
Laureate education (LAUR US, USD998 Not covered)
Lincoln Education (LINC, USD38.67 Not covered)
Meiko network japan (4668 JP, JPY796 Not covered)
Proeduca altus PRO SM, EUR33.4 Not covered)
Robert half (RHI US, USD44.54 Not covered)
Robert walters (RWA LN, GBP149.5 Not covered)
Stadio holdings limited (SDOJ.J, R12.4 Not covered)
Universal tchn.inst. (UTI US, USD22.12 Not covered)
Waseda academy (4718 JP, JPY2557 Not covered)
With Us Corp (9696 JP, JPY3225 Not covered)
Yduqs participacoes on (YDUQ3 BZ , BRL4.54 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**	
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2025-08-28	**33.3**	**40.7**	**Current Analyst**

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