



QUALITY
EDUCATION

Results for the six months ended 30 June 2024

Cobus Loubser and Burtie September
21 August 2024

CURRO

AGENDA

Business overview

- Highlights for 2024
- Growth momentum
- Strategic focus

Financial overview

Questions



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BUSINESS OVERVIEW

Cobus Loubser
Chief Executive Officer



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Highlights



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WHERE GREAT FUTURES BEGIN



HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 2024

RECURRING HEPS
From 34.6 cents to 40.2 cents

+ 16%

HEPS
From 34.6 cents to 40.2 cents

+ 16%

**AVERAGE LEARNER
NUMBERS**
From 72 358 to 72 758

+ 1%

REVENUE
From R2 389m to R2 588m

+ 8%

EBITDA
From R566m to R625m

+ 10%

**CASH GENERATED FROM
OPERATING ACTIVITIES**
From R607m to R624m

+ 3%

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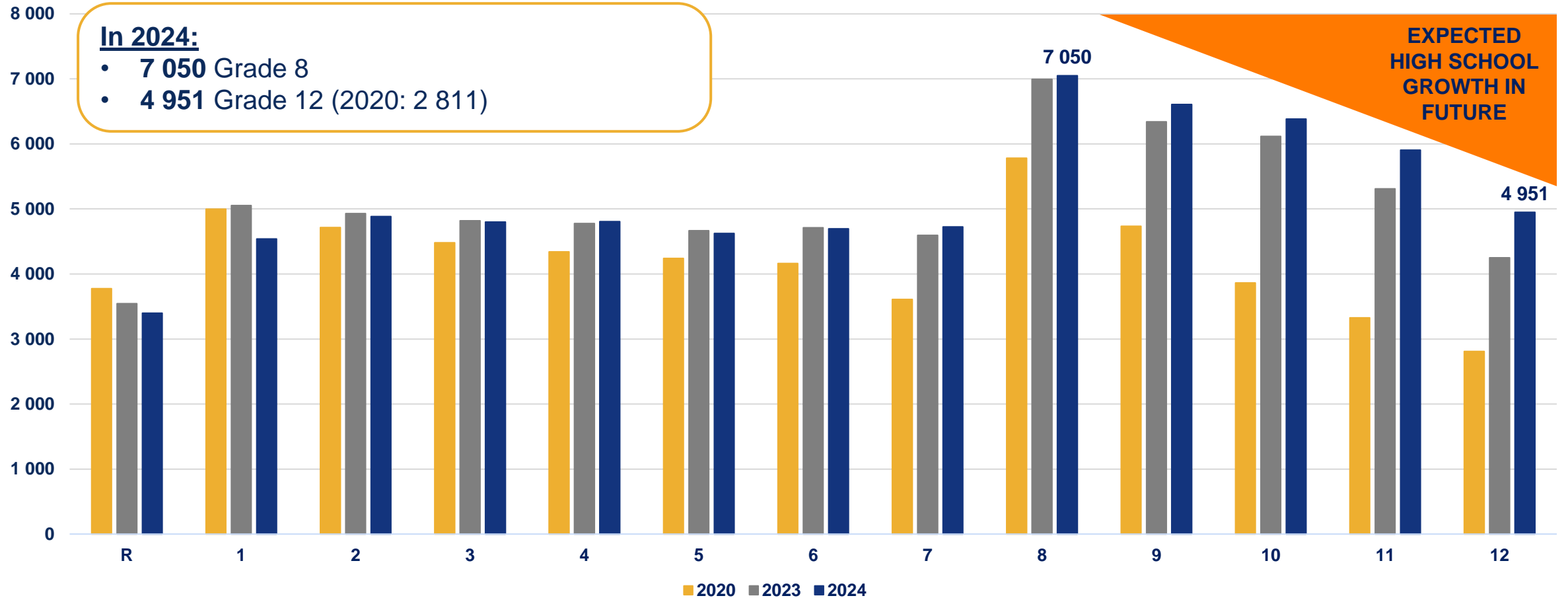
Growth momentum

Cobus Loubser
Chief Executive Officer



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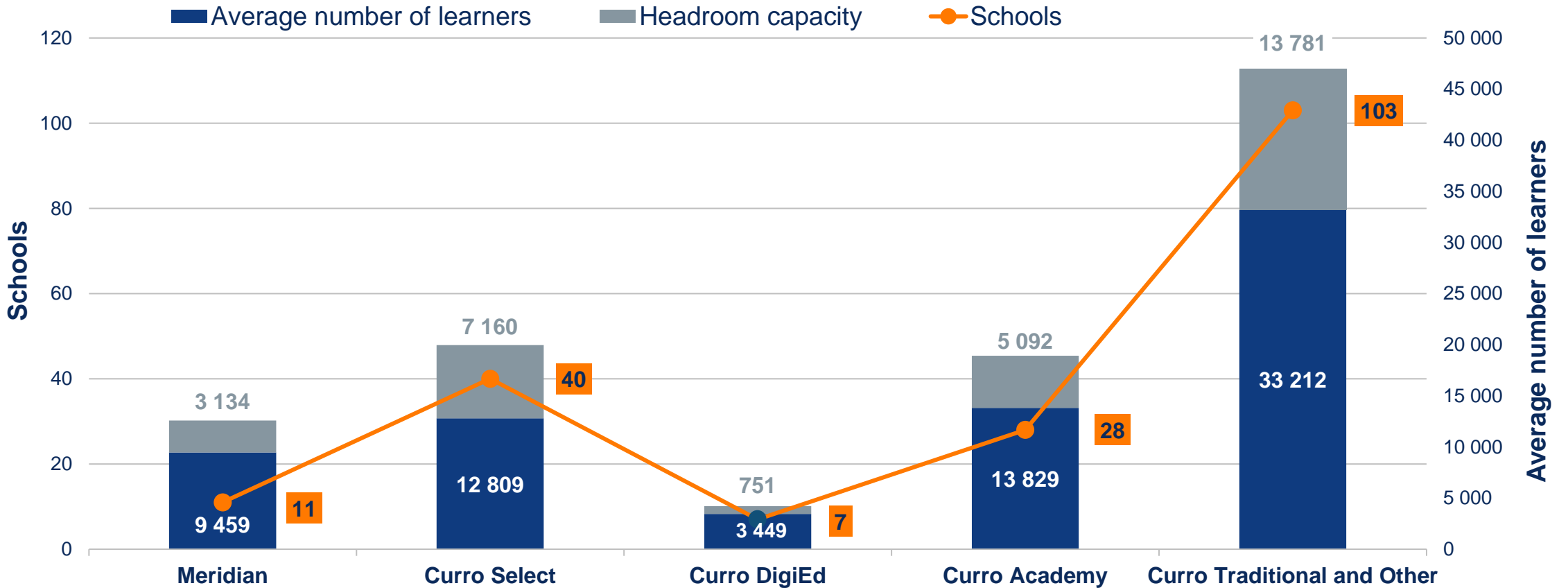
Expansion potential in high school, based on rollover from Grade 8 to Grade 12



CAPACITY TO INCREASE SHAREHOLDER RETURNS

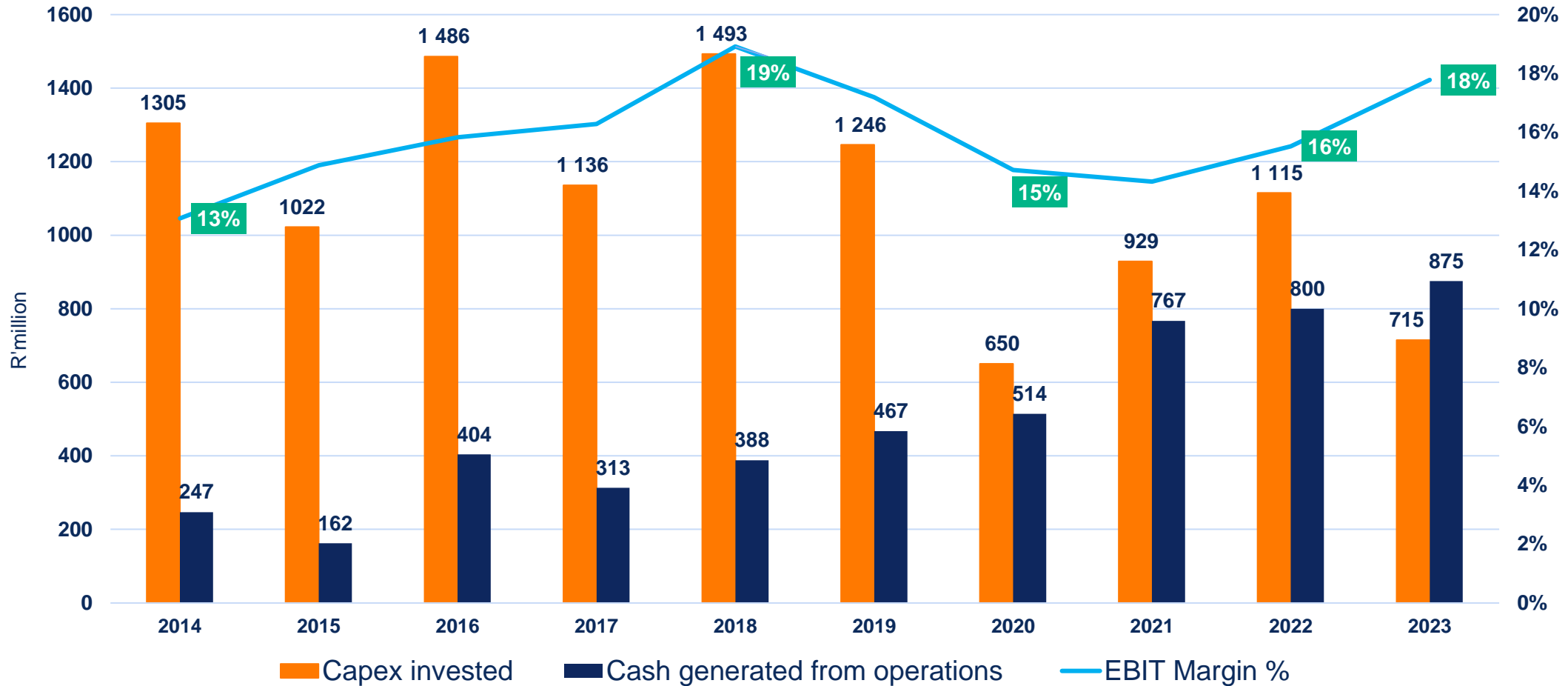
Growth momentum

Number of schools and learners per school model



Note: Headroom capacity represents the available built capacity not yet filled.

Milestone: Operating cash exceeded capex in 2023, free cash generation to increase in future



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Strategic focus



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DRIVING SHAREHOLDER RETURNS HIGHER

1 Revenue growth

- Higher learner enrolment for 2024 than for the previous comparable period
- Termination of long overdue accounts restrained overall learner growth in 2024
- Tuition fee increases for 2024

2 Increase operating margin

- Ancillary service profitability to recover
- Reduce discounts and bad debt costs as a % of revenue
- Gain efficiency in staff costs as business matures, supported by digital options
- Tight operational discipline to contain other costs

3 Contain capex spend

- Cash generated to exceed capex requirement of existing business
- Consider acquisitions with growth and cost saving potential, fund with debt
- Excess cash to shareholders

SHARE REPURCHASES

- ▶ Curro is in a healthy financial position and business operations are resilient
- ▶ Commenced with program to repurchase shares in terms of general authority
 - Acquired 20.2 million shares for R211 million up to 30 June 2024
 - Purchased a total of 10.4 million shares for R116 million so far during the period
 - Repurchased shares were cancelled and the number of shares in issue decreased
- ▶ Deliver longer-term value to shareholders



Curro provides **quality education** across different platforms



Our models are **efficient** and **scalable** to optimise service and profitability



Curro is **resilient** and we are on track to increase **shareholder returns**

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FINANCIAL OVERVIEW

Burtie September
Chief Financial Officer



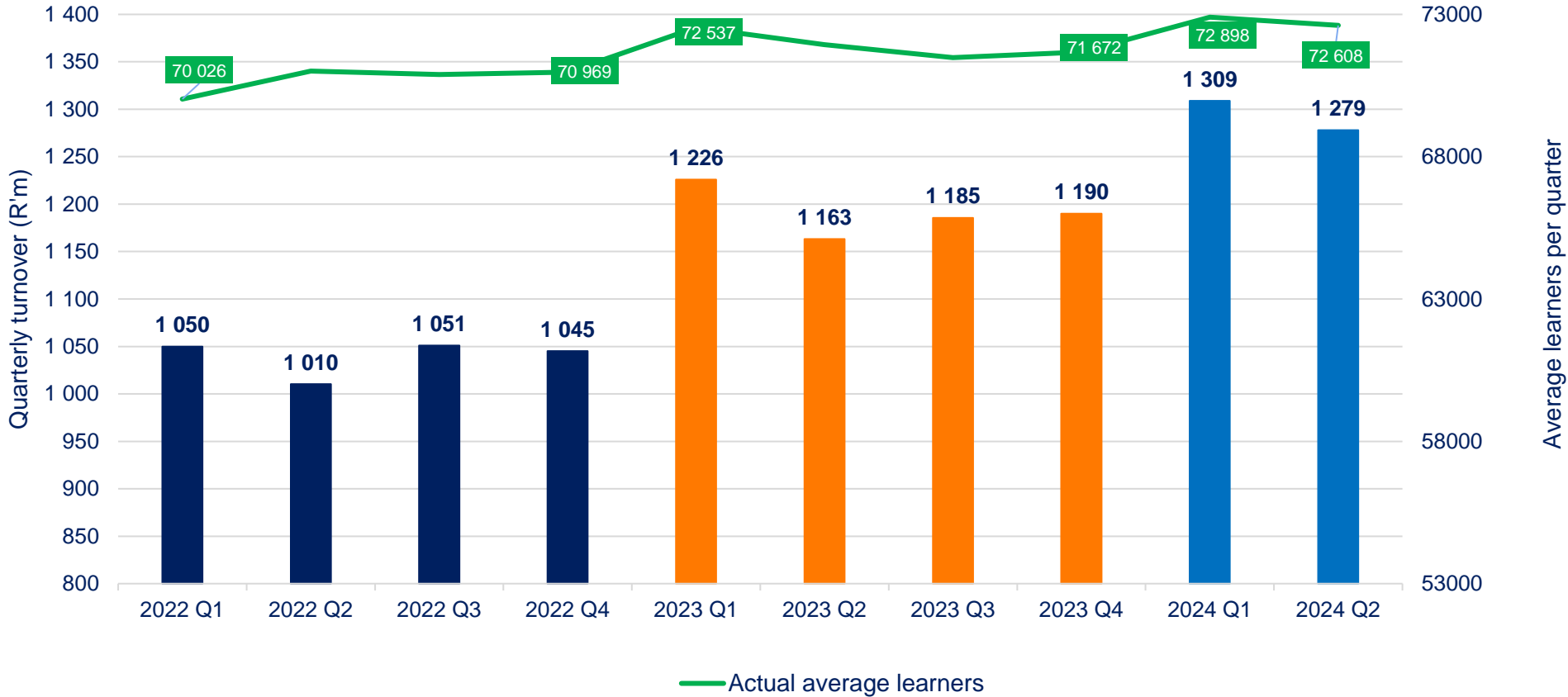
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AGENDA

- ▶ Revenue
- ▶ Operating expenses
- ▶ Trade receivables
- ▶ Earnings
- ▶ Funding and capex

TOTAL REVENUE AND LEARNER GROWTH

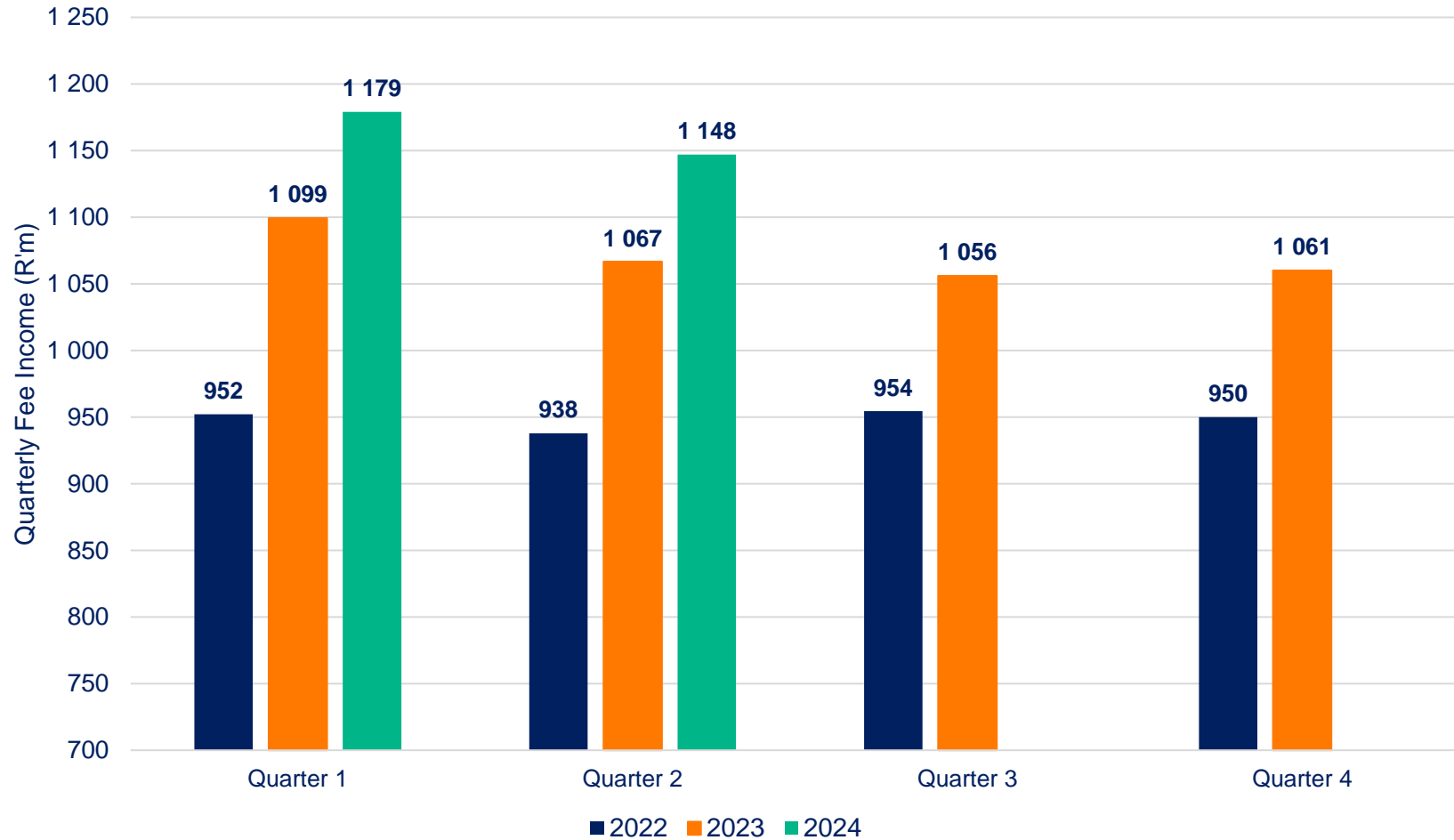
Revenue per quarter for 2022 to 2024



- Weighted average learner numbers up by 1% in 2024
- Total revenue consists of tuition fees and ancillary revenue
- Total revenue increased by 8% due to increased fee income and higher ancillary revenue

GROWTH IN FEE REVENUE

Fee income per quarter for 2022 to 2024

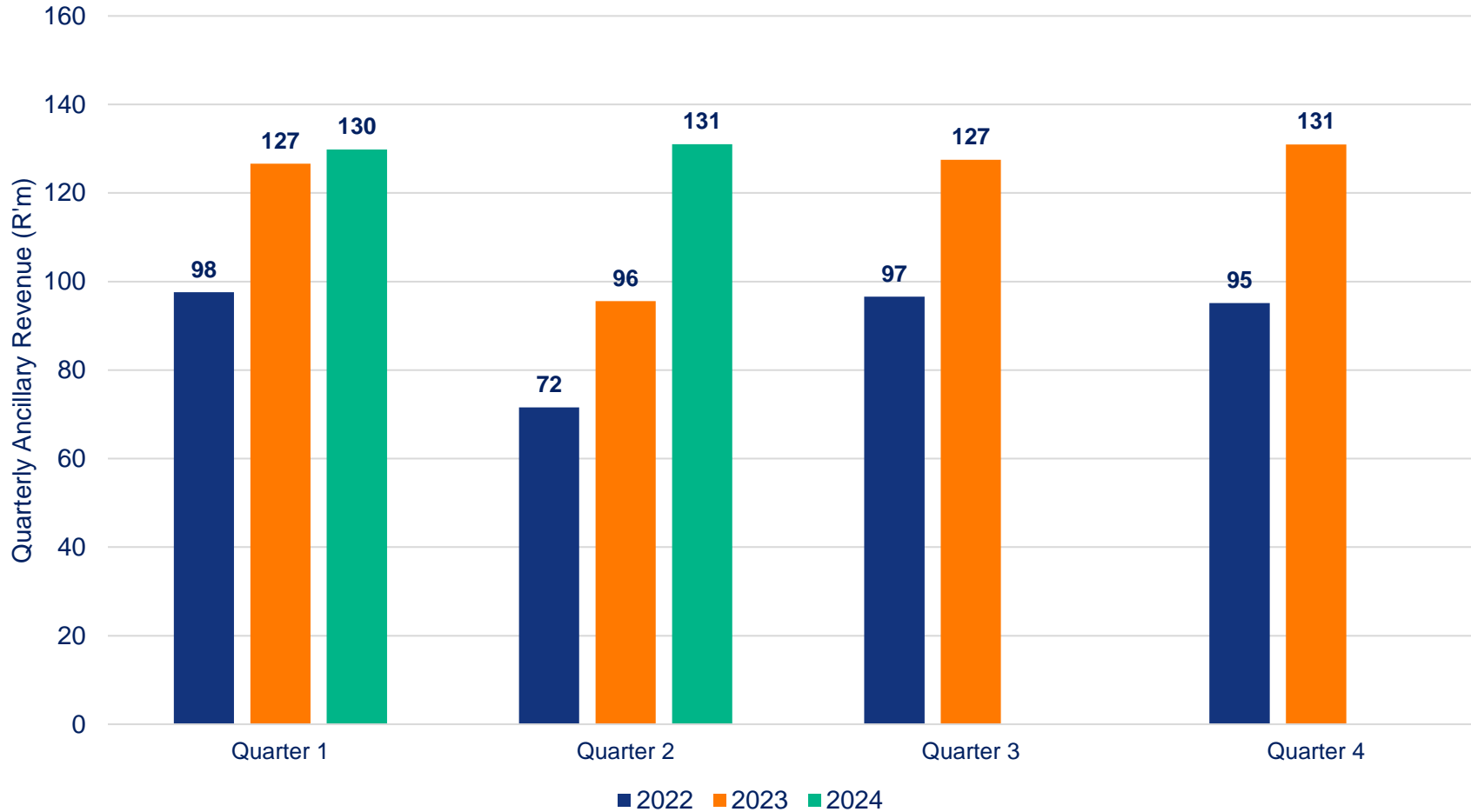


- Total fee revenue increased by 7% on comparable period
- Growth in fee revenue due to c1% learner growth and fee increases of c6% per learner
- Discounts as a ratio of gross tuition fees reduced by 3% from FY21 to FY24, compared to overall fee revenue increasing by 38% over same period.

Fee revenue consists of registration and tuition fees, net of discounts granted

RECOVERY IN ANCILLARY REVENUE

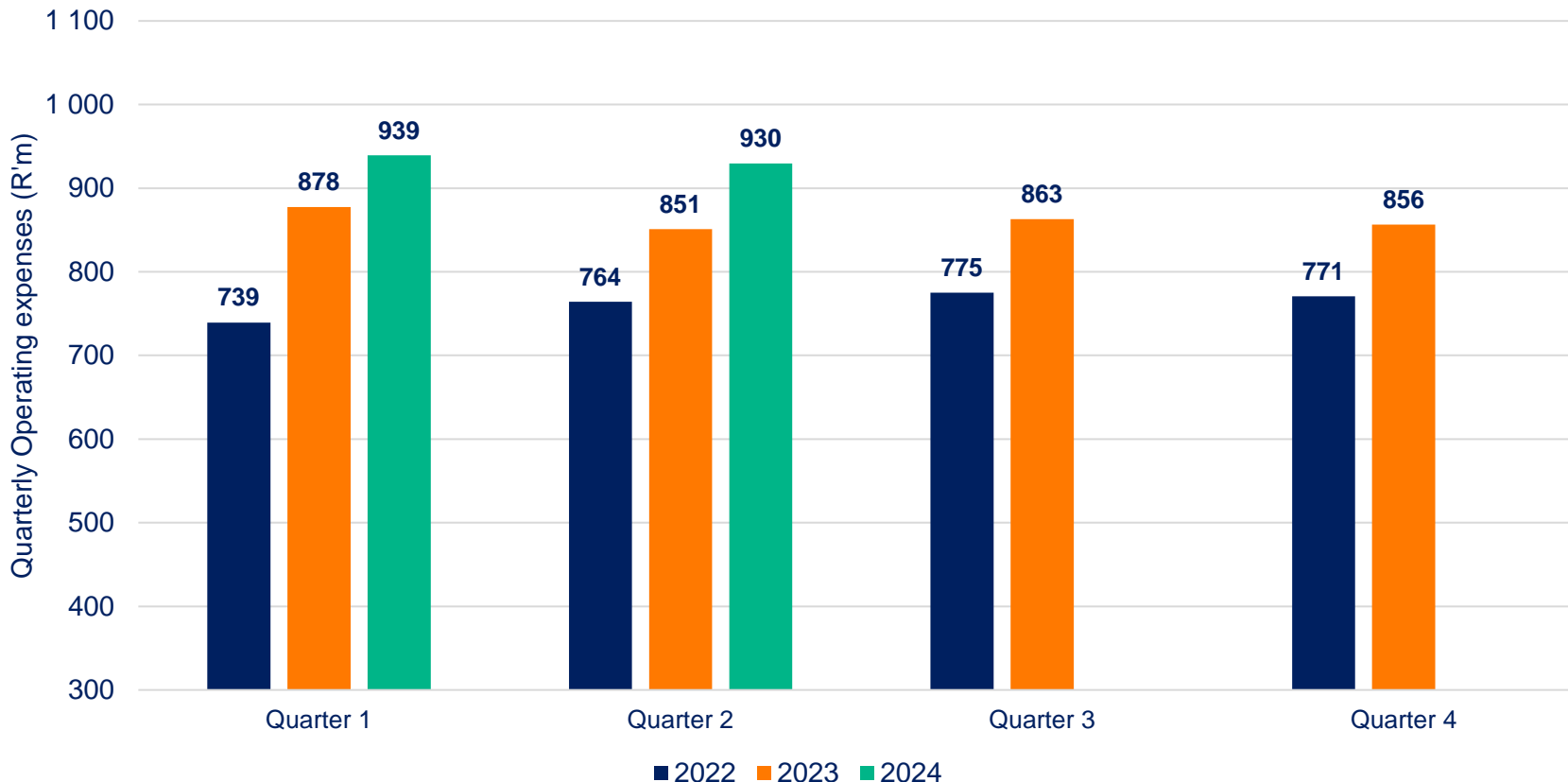
Ancillary revenue per quarter for 2022 to 2024



- Ancillary revenue consists of the non-tuition fee revenue streams, being rentals, boarding school fees, aftercare fees, bus and other income
- Ancillary revenue increased by 17% in this period on the first half of last year
- Increase in ancillary income exceeds growth in total school fee income:
 - 75% increase in ancillary revenue on H1 FY19
 - compared to 73% increase in total school fee income from H1 FY19

OPERATING EXPENSES

Operating expenses per quarter for 2022 to 2024



- Operating expenses increased by 8% (similar to increase in total revenue)
- Increase in total costs due to more learners, additional extra-mural activity and higher ancillary revenue and associated costs
- Total staff costs increased by 7.4%
- Like-for-like staff costs (excluding new schools) increased by 6.7% due to learner growth and salary increases of c6%
- Facility costs (water, electricity and municipal rates) increased by 9.4% in this period

Note: Operating expenses in the graph include employee costs, but exclude bad debt related costs, depreciation and rentals.

TRADE RECEIVABLES (1)

- Gross receivables increased by 17%, from R445m to R522m.
- Aging of accounts improved, resulting in expected loss provision of R161m (30 June 2023: R161m).
- Frequent pro-active engagement with overdue accounts
- Wrote off and sold R54m in this period (FY23 H1: R169m)

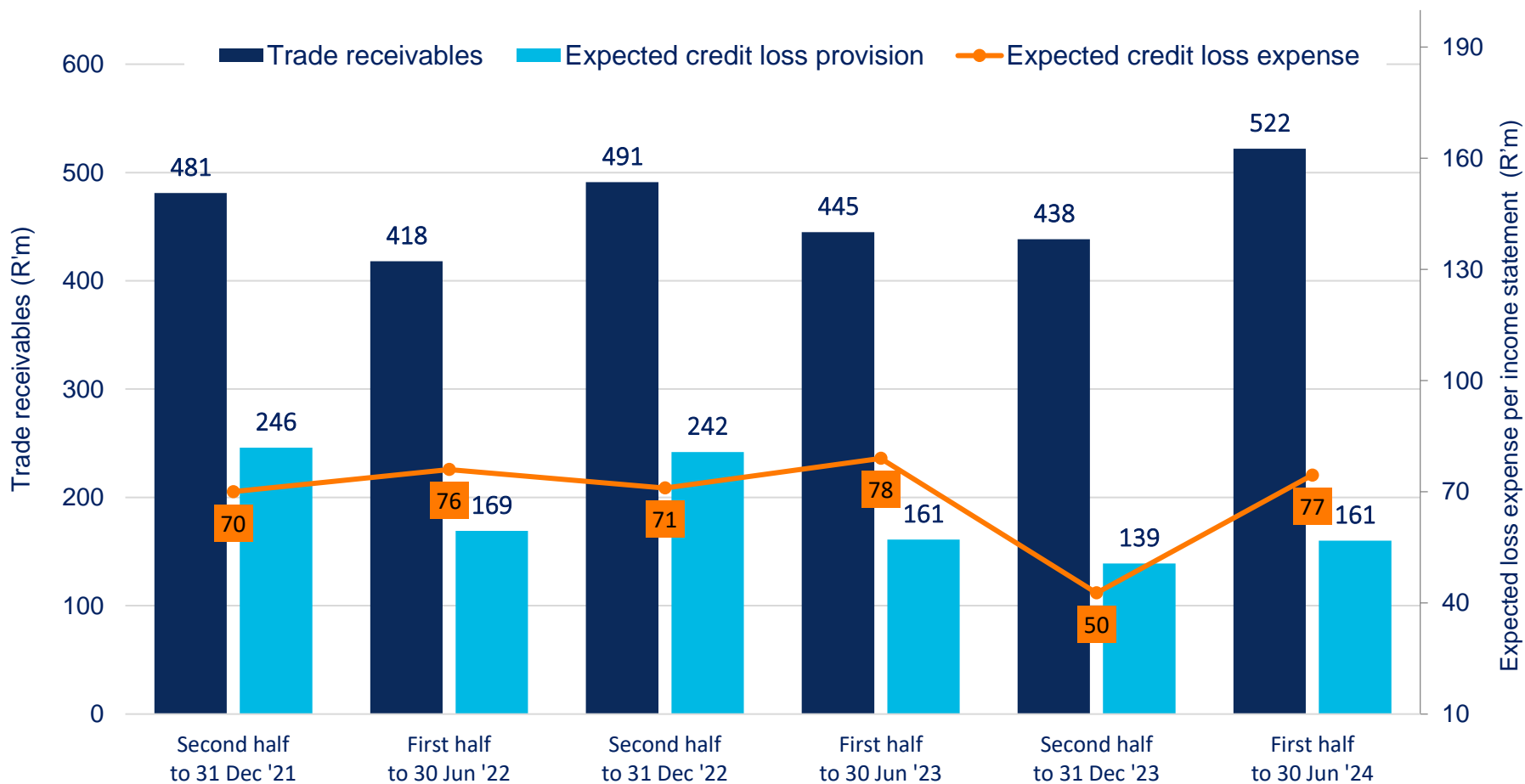
(R'm)	Less than 90 days	91 - 180 days	181 - 360 days	361 - 540 days	More than 540 days	Total
30 June 2024						
Gross trade receivables	163	98	104	92	64	522
Loss provision	(4)	(13)	(38)	(55)	(50)	(161)
<i>Expected loss rate</i>	2.5%	13.3%	36.5%	59.8%	78.1%	30.8%
31 December 2023						
Gross trade receivables	122	77	125	66	48	438
Loss provision	(5)	(9)	(42)	(40)	(43)	(139)
<i>Expected loss rate</i>	4.1%	11.7%	33.6%	60.6%	89.6%	31.7%
30 June 2023						
Gross trade receivables	150	86	79	52	78	445
Loss provision	(8)	(12)	(29)	(34)	(78)	(161)
<i>Expected loss rate</i>	5.2%	14.0%	36.7%	65.4%	100%	36.2%

- Firm approach on overdue accounts resulted in higher collections and improved aging of accounts
- Prudent credit loss provision methodology, full balance of each account is allocated under its oldest aging category
- **Total bad debt related costs¹ reduced to 3.4% from 3.8% of revenue**

1. Bad debt related costs = provision movement + write-off + recoveries + collection cost

TRADE RECEIVABLES (2)

Trade receivables and provision for 2021 to 2024

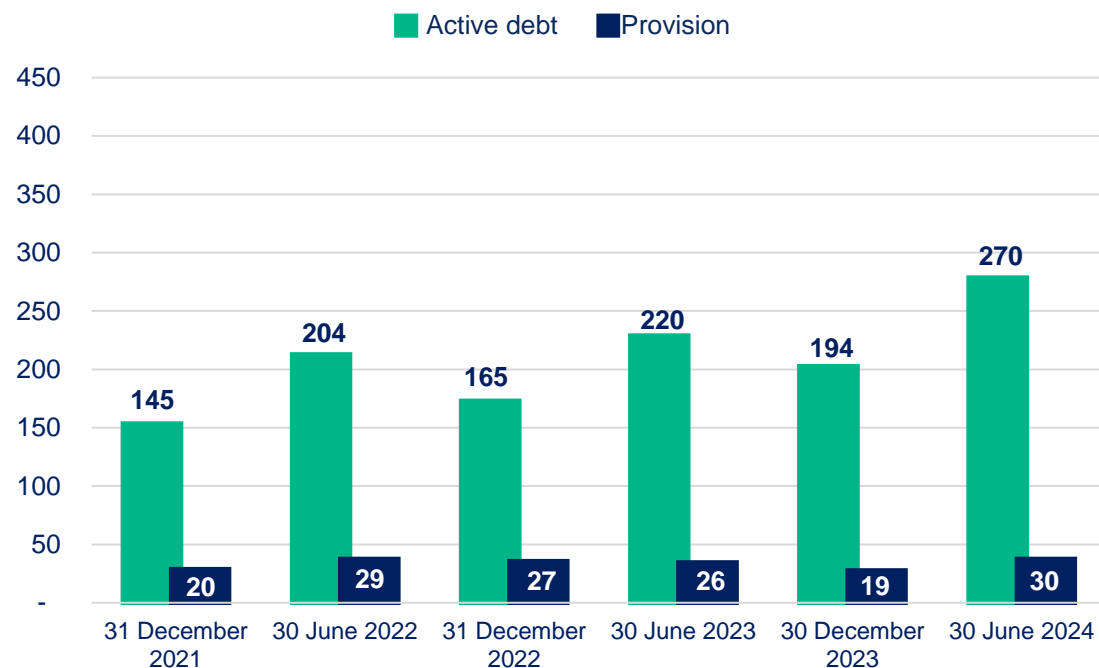


- Expected credit loss provision of R77m (2023 H1: R78m).
- Loss provision at 30.8% of gross receivables due to improved aging of accounts (FY23 H1: 36.2%)
- Expected credit loss provision at R161m (FY23 H1: R161m)
- Portion of fully provided debt written off and sold
- Active debtor book aging and quality improved.

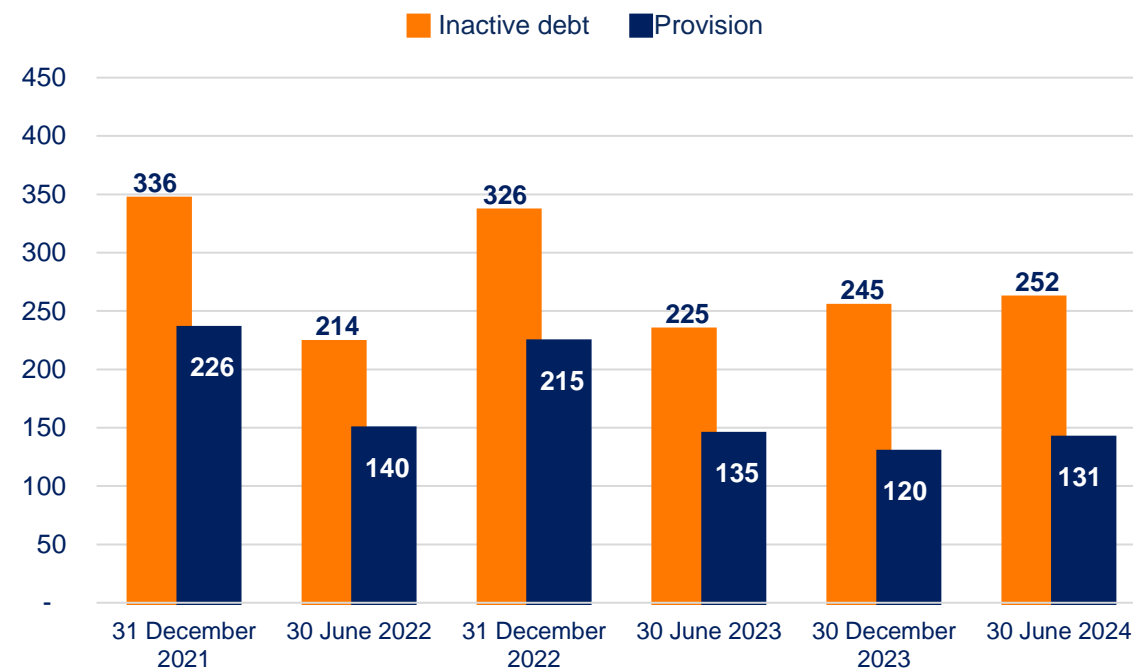
TRADE RECEIVABLES (3)

- Receivables are split between **Active** (learners still in schools) and **Inactive** (learners who left Curro)
- The aging and quality of the **Active** book has improved further during this period
- Non-performing portion of debtors book mainly relates to **Inactive** book. A portion of this was written off during this period, with concerted efforts to recover the remaining balance

Active Debtors' Book and Provision (R'm)



Inactive Debtors' Book and Provision (R'm)



EARNINGS PER SHARE

	30 June 2023 Cents	30 June 2024 Cents	Var %
Recurring headline earnings per share (RHEPS)	34.6	40.2	16
Headline earnings per share (HEPS)	34.6	40.2	16
Earnings per share (EPS)	33.4	40.2	20

Differences between EPS, HEPS and RHEPS:

In evaluating these results, the following should be considered:

2023 Earnings

- EPS includes a loss on sale of assets of R7 million (net of tax) that was excluded from the calculation of HEPS and RHEPS

2024 Earnings

- EPS includes a profit on sale of assets of R1 million (net of tax) and a R1m non-controlling interest adjustment that was excluded from the calculation of HEPS and RHEPS

▶ Debt

- Total net debt reduced to R3.199 billion (31 December 2023: R3.236 billion)
- Strong long- and short-term credit ratings reaffirmed, with a stable outlook
- Net finance cost for the first half of FY24 increased to R157m (FY23: R131m) due to higher interest rates and comparable average level of debt during the period.

▶ Cashflow

- Cash generated from operating activities increased by 3% to R624m (FY23: R607m)
- Repurchased 10.4m shares for R116m
- Purchased 2.4m shares for R24m for the long-term share incentive scheme
- Dividend payment of R83m

- ▶ Invested R306m in the business in FY24 (FY23 H1: R312m)
 - R28m new business acquisitions and development
 - Received R34m from disposals of assets
 - R108m to expand capacity in classrooms and facilities in existing schools, and R18m on back-up power solutions
 - R186m on refurbishment, maintenance and replacement of assets

▶ Curro will invest as much as R700m in capital projects during 2024



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QUESTIONS?



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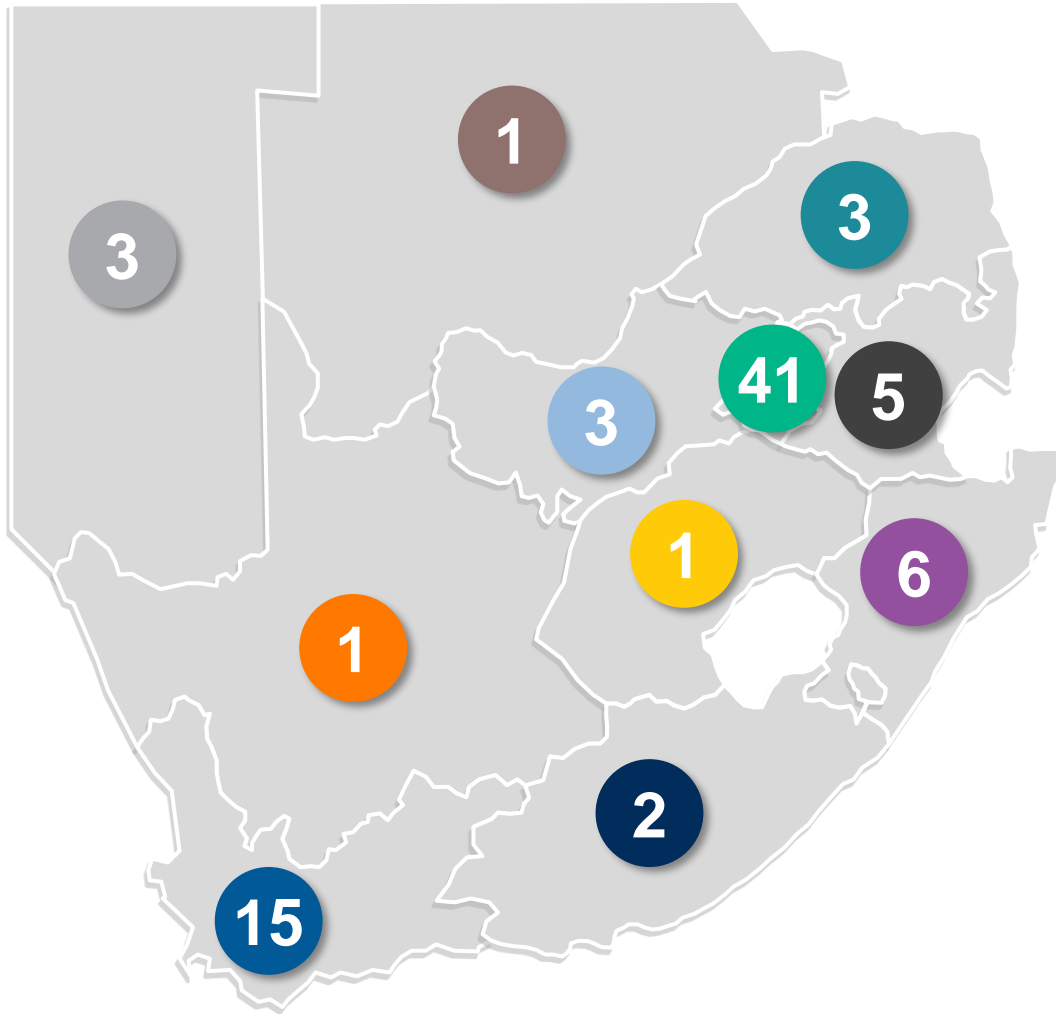
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LIBRARY



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CURRO FOOTPRINT (June 2024)



Province	Number of campuses 	Number of schools 
Botswana	1	1
Namibia	3	8
Northern Cape	1	3
Western Cape	15	35
Eastern Cape	2	5
Free State	1	3
North West	3	7
KwaZulu-Natal	6	18
Gauteng	41	89
Mpumalanga	5	13
Limpopo	3	5
Online	-	2
TOTAL	81	189

Curro, Select, Curro Preschools

Enriched curriculum, wide variety of sports, cultural and extramural activities, superior facilities, IEB examination.



1998 to 2012

Create capacity



2013 to 2015

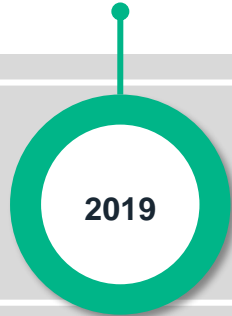
Meridian and Academy

Enriched curriculum, focussed sports and cultural activities, cost-sensitive, NSC examination.

Assisted learning and NCV

Assisted learning: high-quality academic intervention, teaching styles adapted to suit learner needs, CAPS curriculum, NSC examination.

NCV: Runs parallel to Grade 12, high-standard, skills-focussed allowing learners to specialise from a school-going age.



2019

Grow into capacity

DigiEd

Innovative, technologically-advanced, project-based learning through e-learning tools and videos, teachers/tutors provide one-on-one assistance as needed.

Curro Online

High-quality curriculum, home-based with teacher touchpoints throughout the day.



2019 to 2024

Optimise

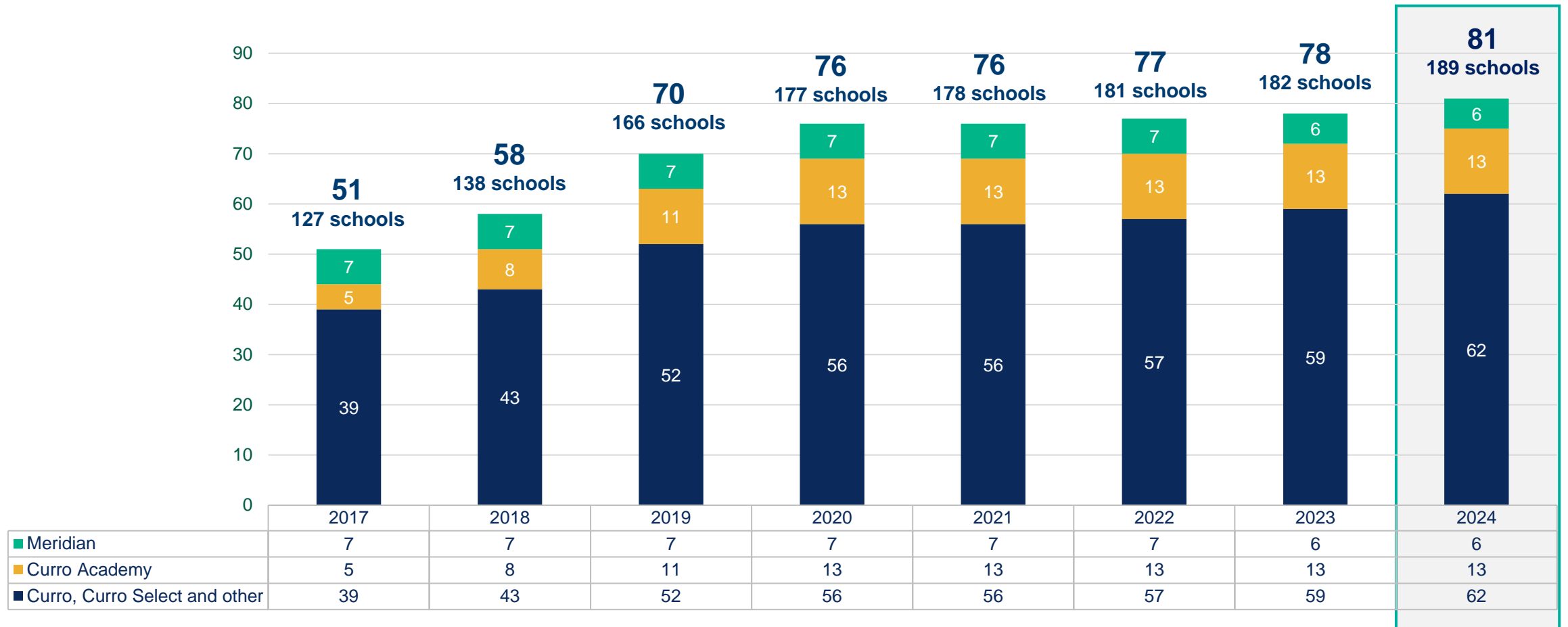
Extended subject choices

Curro offers every high school learner the opportunity to broaden subject choice with an e-learning option.

New concept high school

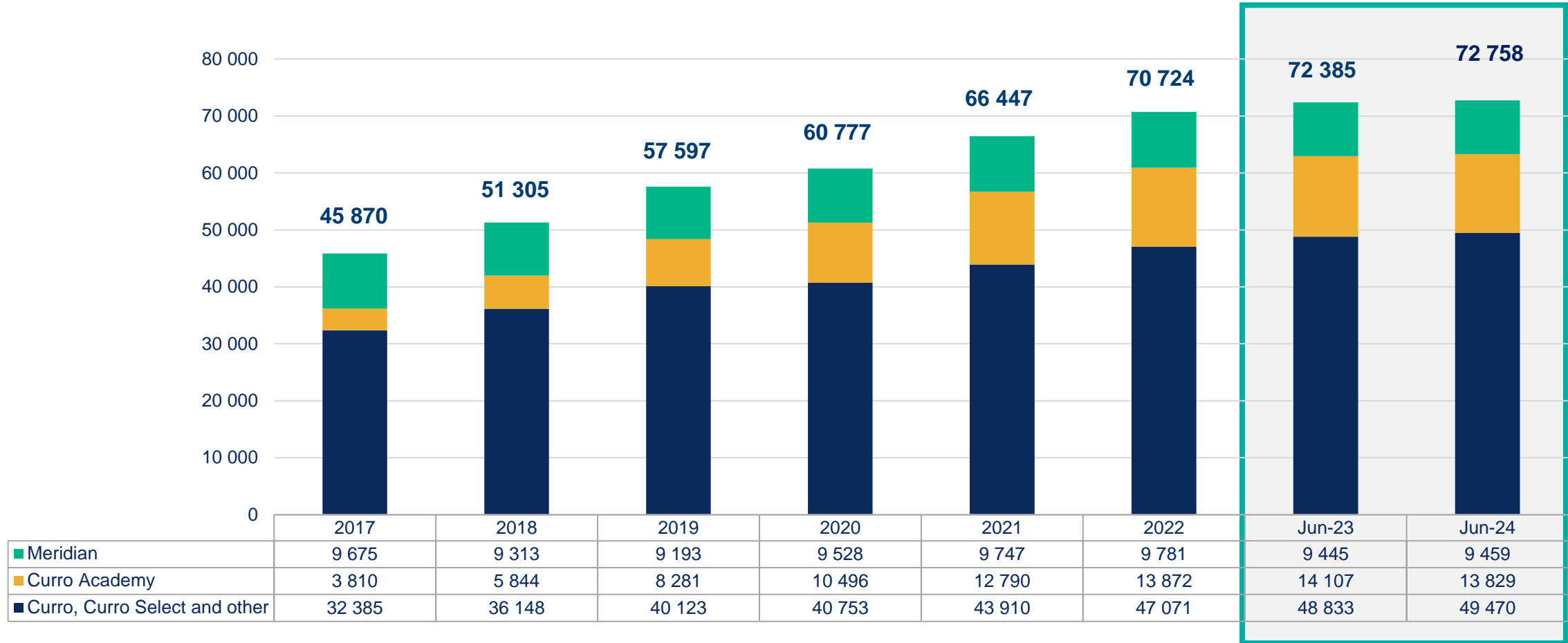
Major redesign of physical spaces to complement digital learning.

NUMBER OF CAMPUSES



The campuses and schools presented are as at the end of each period

LEARNER NUMBER GROWTH

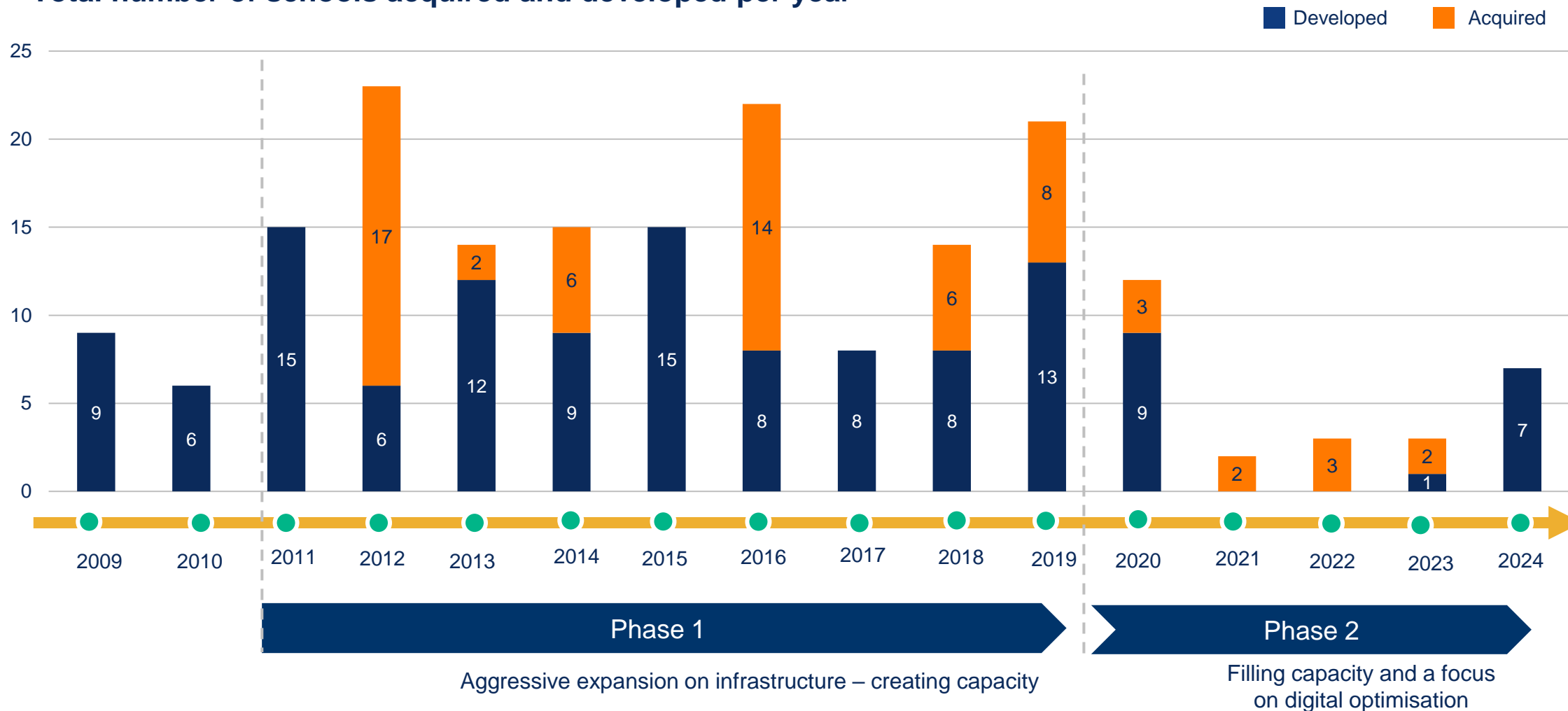


Curro had **72 758** weighted average learners for the first half ending 30 June 2024

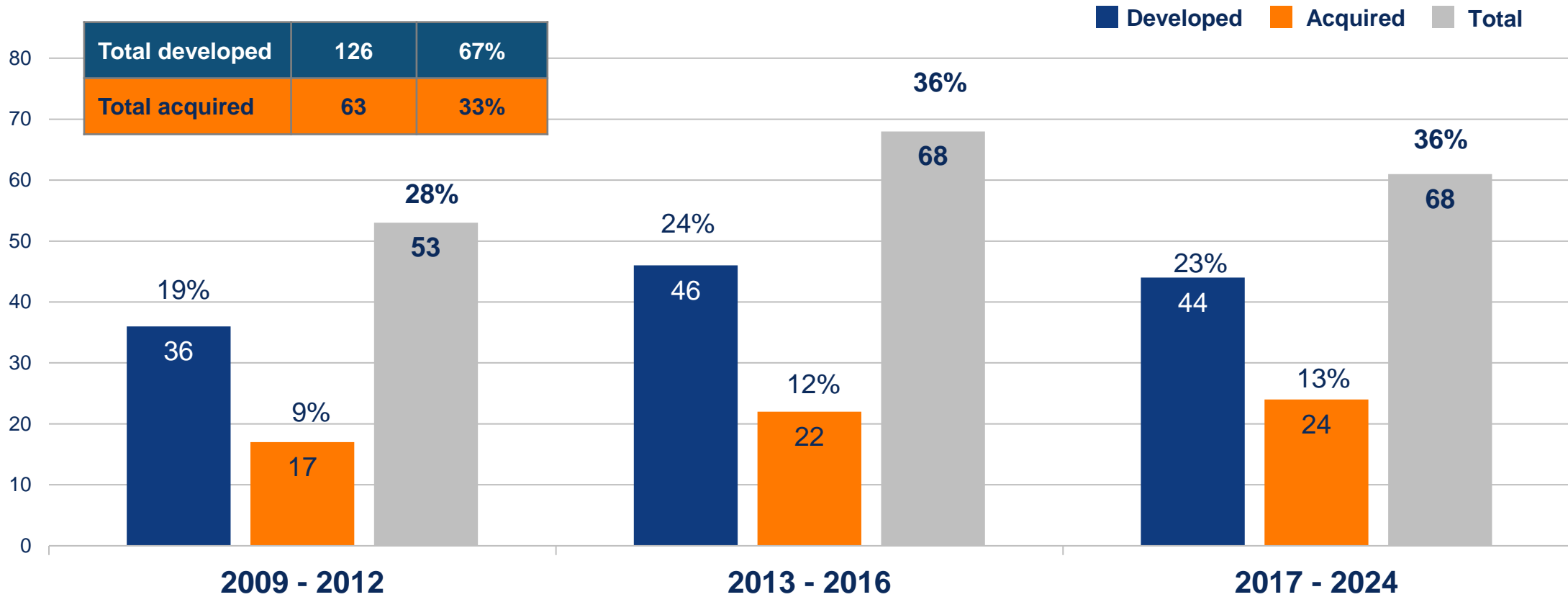
The learner numbers presented are the average weighted learners for the period.

ESTABLISH THE INFRASTRUCTURE

Total number of schools acquired and developed per year



Business is young, based on portfolio of schools acquired and developed over time



Total developed	126	67%
Total acquired	63	33%

Curro had **72 758** weighted average learners for the first half ending 30 June 2024

Curro's vision: Make independent school education accessible to more learners

		2011	2019	June 2023	June 2024
Campuses	#	12	70	78	81
Schools	#	24	166	182	189
Learners	#	4 200	57 597	72 385	72 758
Revenue	R'm	166	2 944	2 389	2 588
EBITDA	R'm	10	693	566	625
<i>EBITDA Margin</i>	<i>%</i>	<i>6.0%</i>	<i>23.5%</i>	<i>23.7%</i>	<i>24.2%</i>
Cumulative capital invested	R'm	574	10 265	12 705	13 940
Cash generated from operating activities	R'm	7	474	607	624

- Two decades to create and establish the business and footprint with material capital investment
- More recently, focus has been on sophistication, filling capacity and margins
- EBITDA margin stagnated after pandemic, recovered to pre-pandemic levels
- Digital strategy progressing

Curro on track to enhance shareholder returns

SUMMARY OF KEY INDICATORS

		Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023	5Yr CAGR	June 2023	June 2024	% Difference
Campuses	#	51	58	70	76	76	77	78	6%	78	81	4%
Schools	#	127	138	166	177	178	181	182	6%	182	189	4%
Average learners	#	45 870	51 305	57 597	60 777	66 447	70 724	72 031	7%	72 385	72 758	1%
% of built capacity	%	70%	69%	70%	69%	70%	72%	72%		72%	72%	
Revenue	Rm	2 099	2 496	2 944	3 094	3 543	4 156	4 764	14%	2 389	2 588	8%
Schools EBITDA	Rm	594	772	873	886	1 013	1 195	1 448	13%	716	788	10%
EBITDA	Rm	473	627	693	686	789	926	1 155	13%	566	625	10%
EBITDA Margin	%	23%	25%	24%	22%	22%	22%	24%		23.7%	24.2%	
Net interest expense	Rm	78	138	243	223	170	208	274	15%	131	157	20%
HEPS (Recurring)	Cents	49	60.1	51	38	40.9	55.4	73.2	4%	34.6	40.2	16%
Learner/teacher ratio	#	17	17	18	18	19	18	18		18	18	-%
Capital invested	Rm	1 136	1 493	1 246	650	929	1 115	715		312	306	(2%)
Cumulative capital invested	Rm	7 486	8 979	10 265	10 915	11 844	12 959	13 634	9%	12 705	13 940	10%
Total building size	m ²	598 194	656 081	700 946	713 084	772 251	789 296	798 005	4%	792 146	814 186	3%

* Adjusted for the bonus element contained in the rights issue concluded during September 2020.

J-CURVE – 30 June 2024

	Campuses		Schools		Average learner numbers		Learner growth		Schools' EBITDA (R million)		EBITDA growth		Schools' EBITDA margin		Built capacity utilised		Eventual capacity utilised	
	2024	2024	2023	2024	22/23	23/24	2023	2024	22/23	23/24	2023	2024	2023	2024	2023	2024	2023	2024
Developed	54	125	47 164	47 743	3%	1%	453	496	22%	9%	31.0%	31.1%	68.9%	67.6%	61.5%	60.9%		
Dev 2009 and before ¹	4	9	4 469	4 481	4%	–	58	61	30%	5%	33.2%	32.0%	75.7%	75.9%	74.8%	75.0%		
Dev 2010	2	6	2 203	2 150	1%	(2%)	32	34	19%	8%	38.0%	39.4%	60.7%	59.3%	60.7%	59.3%		
Dev 2011	5	15	4 332	4 268	–	(1%)	45	47	17%	4%	30.2%	29.7%	61.7%	60.8%	58.5%	57.6%		
Dev 2012	2	6	2 169	2 082	1%	(4%)	22	23	34%	1%	29.2%	28.4%	80.7%	77.5%	75.1%	72.1%		
Dev 2013	4	12	6 307	6 337	1%	–	80	88	9%	10%	37.9%	38.4%	67.8%	68.1%	65.6%	65.9%		
Dev 2014	4	9	2 828	2 633	2%	(7%)	19	14	47%	(28%)	21.4%	16.3%	74.1%	69.0%	72.6%	67.6%		
Dev 2015	6	15	6 939	7 000	(4%)	1%	48	54	15%	11%	26.8%	26.9%	65.1%	65.6%	59.2%	59.7%		
Dev 2016	4	8	1 996	1 995	–	–	29	35	20%	19%	33.6%	37.1%	50.8%	50.8%	46.1%	46.1%		
Dev 2017	3	8	3 914	3 722	(5%)	(5%)	46	51	15%	11%	40.5%	42.2%	72.4%	68.9%	64.4%	61.3%		
Dev 2018	4	8	1 914	1 869	16%	(2%)	11	10	–	–	22.6%	17.6%	55.2%	53.9%	50.6%	49.4%		
Dev 2019	7	13	6 071	6 095	7%	–	51	58	23%	13%	31.9%	33.0%	78.6%	78.9%	57.0%	57.2%		
Dev 2020	5	9	3 992	4 317	24%	8%	14	22	120%	56%	15.9%	21.6%	87.5%	85.9%	55.1%	61.6%		
Dev 2023	1	1	30	117		290%	(2)	–		(94%)		(3.2%)	30.0%	46.8%	4.0%	15.6%		
Dev 2024	3	6		677				(1)		3598%		(14.4%)		40.6%		40.6%		
Acquired	27	64	25 221	25 015	2%	(1%)	269	299	14%	10%	29.1%	30.2%	77.1%	76.0%	73.5%	72.9%		
Acq 2012 and before ²	7	17	8 101	7 989	(1%)	(1%)	101	111	7%	10%	35.5%	36.6%	81.1%	79.5%	77.8%	76.8%		
Acq 2013	2	2	3 482	3 347	(4%)	(4%)	17	16	(20%)	(8%)	22.8%	19.7%	74.9%	72.0%	74.9%	72.0%		
Acq 2014	2	6	2 258	2 175	(5%)	(4%)	32	36	4%	12%	29.3%	31.6%	65.0%	62.6%	65.0%	62.6%		
Acq 2015 and 2016	5	14	5 141	5 133	(1%)	–	58	62	24%	8%	29.8%	30.2%	78.0%	77.9%	72.0%	71.9%		
Acq 2018	3	6	1 893	1 719	(5%)	(9%)	25	20	1%	(23%)	34.5%	28.1%	78.2%	71.0%	55.2%	50.2%		
Acq 2019	4	8	1 605	1 708	–	6%	13	16	4%	17%	24.1%	25.6%	67.9%	72.3%	60.5%	64.3%		
Acq 2020	1	3	1 033	1 195	18%	16%	6	11	–	99%	20.7%	31.2%	99.4%	100%	88.1%	100%		
Acq 2021	1	3	246	219	(15%)	(11%)	(3)	(3)	–	(12%)	(34.8%)	(29.4%)	53.5%	47.6%	53.5%	47.6%		
Acq 2022	1	3	1 201	1 295	108%	8%	11	22	663%	101%	14.4%	25.2%	84.6%	91.3%	84.6%	91.3%		
Acq 2023	1	2	261	235		(10%)	9	8		(12%)	42.7%	39.5%	88.5%	79.7%	88.5%	79.7%		
Property rental, royalties and other							(6)	(7)										
Total Developed & Acquired	81	189	72 385	72 758	3%	1%	716	788	20%	10%	30.0%	30.5%	72.2%	70.3%	64.7%	64.1%		

1. 2009 and before schools have a maximum of 20 learners per class, which has a direct impact on the EBITDA. Other schools have a maximum of 25 learners for Curro and Select or 35 for Meridian and Academy schools. Curro Durbanville's new High School increased capacity in 2022.

2. Acquired schools indicates the year the school was incorporated into Curro.