

# Share Focus: 13 November 2017

**Stadio (SDO)**

**Price: 811cps**

**Revenue**

**Earnings**

**Key Indicators**

**R142m**

**-2.3cps**

**FPE (2018) = 58**

(Projected to end December 2017  
per Prospectus)

(Projected to end December  
2017 per Prospectus)

**FPE (2019) = 35**

(Per projected pricing and financials from Prospectus)

**Stadio (SDO) recently unbundled from Curro, which is part of the PSG family. Stadio will continue to be part of the PSG family. Post the unbundling, they have announced a capital raising rights offer) as well as an offer to raise R200m from invited BEE participants.**

**Stadio invests in private tertiary institutions. The projected growth for this sector is high as more people enter the middle class and the skills and education required in a changing economic environment are not been fully met by traditional universities.**

**Here are some pertinent points of the Stadio BEE scheme:**

- **The BEE offer is priced at R2.96 per share. The share is currently trading at R8.11 per share – i.e. at a deep discount;**
- **The minimum investment size is R50,000;**
- **Despite the deep discount to the current share price, it still looks expensive against their projected earnings growth. This implies a Forward PE ratio of 38 in 2019;**
- **The BEE capital raising is underwritten by Brimstone, which reflects their confidence in the pricing;**
- **The lock-in period is 7 years. It's quite long and PSG are not obliged to provide an OTC market to trade in the BEE shares;**
- **Participants must open a stockbroking account with PSG. You can only apply in your own name;**
- **The deadline for all applications and payments is 27 November 2017;**
- **The prospectus and the application process can be found on their website.**



**STADIO**  
— HOLDINGS —

[www.stadio.co.za](http://www.stadio.co.za)

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