



الشركة الوطنية للتربية والتعليم
NATIONAL COMPANY FOR LEARNING & EDUCATION

INVESTOR PRESENTATION

Q2 2024

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NATIONAL COMPANY FOR LEARNING & EDUCATION

NCLE Overview




NCLE is celebrating its 66th anniversary since its inception in 1958




66 Years
Of Excellence in
K-12 Education



13
School Campuses
Under Operation



28.2 k
Enrolled Students



37.4 k
Existing Students
Capacity



3 K
Academic Staff



6
Greenfield Schools
Launched Last 5 yrs




4
Upcoming School
Projects



14% CAGR
5-Year Enrollment




SAR 1.3 Billion
Total Assets



16%
Return on Equity
















SAR 70.9 M
Dividends
(FY 2023)





5%
Debt to Equity


Enrolled students grew to 28.2 k in Q2 2024 compared to 23.4 k in Q2 2023

													
	TNS – Al-Rayyan	TNS – Al-Rawabi	TNS – Al-Nozha	TNS – Qurtubah	TNS – Buraidah	Al-Khwarizmi	Al-Ghad - King Abdullah	Al-Ghad – Al-Qairwan	TNS – Al-Qairwan	TNS – Al-Aridh	TNIS – Al-Aridh	TNIS – Dhahran	Al-Salam
Establishment	1980	2009	2013	2017	2019	2010	1990	2023	2020	2021	2023	2022	1984
Location	Riyadh	Riyadh	Riyadh	Riyadh	Qassim	Riyadh	Riyadh	Riyadh	Riyadh	Riyadh	Riyadh	Dhahran	Al-Khobar
Owned / Leased	Owned	Owned	Owned	Owned	Owned	Leased Land	Leased Building	Leased Building	Owned	Leased Building	Leased Building	Owned	Owned
Curriculum	 Int'l	 Int'l	 Int'l	 Int'l	 Int'l				 Int'l		Int'l	Int'l	
Optimal Capacity	5,250	4,375	4,375	1,280**	2,625	1,220	2,200	1,720	4,550	3,000	2,520	2,300	1,950
Enrolled Students	4,452*	4,155	3,346*	1,263	2,038	1,193	1,690	385	3,924	2,376	1,003	846	1,486
Utilization	85%	95%	76%	99%	78%	98%	77%	22%	86%	79%	40%	37%	76%

 37,365 Student
Q2 2024 Optimal Capacity

 28,157 Student
Q2 2024 Enrolled Students

 %75 Of Optimal Capacity
Q2 2024 Utilization Of Campuses

 Diversified Offering
National & International Programs

* Includes 447 Students from MEIA Academy Al-Rayyan and 644 MEIA Academy Al-Nozha.

** Qurtubah School's capacity increased from 1,050 students to 1,280 students by September 2023 as the company injected CAPEX of SAR 450 K for additional 10 classrooms to absorb increasing demand.





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2023/2024
Enrollments

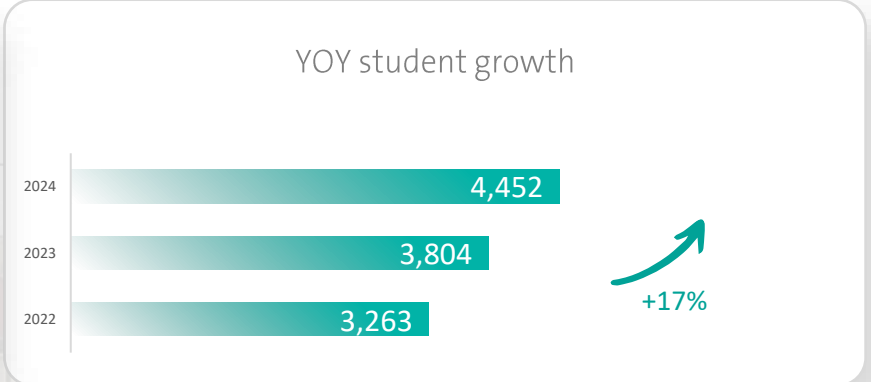
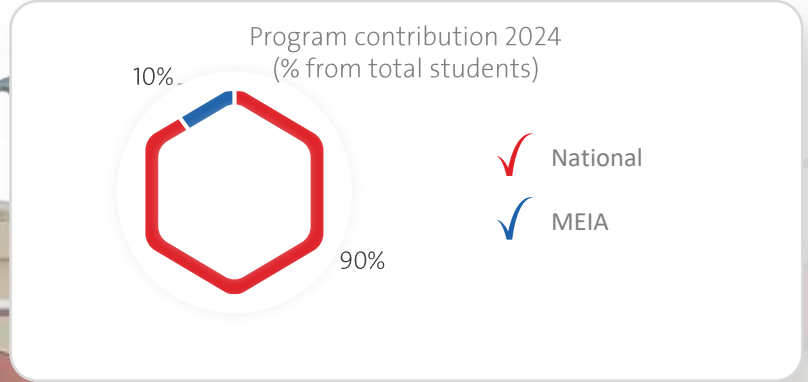
Al-Rayyan School Campus Highlight

 | 1980
Founded

 | National MEIA (Int'l)
Curriculum


 | 85%
Utilization


 | 5,250
Capacity



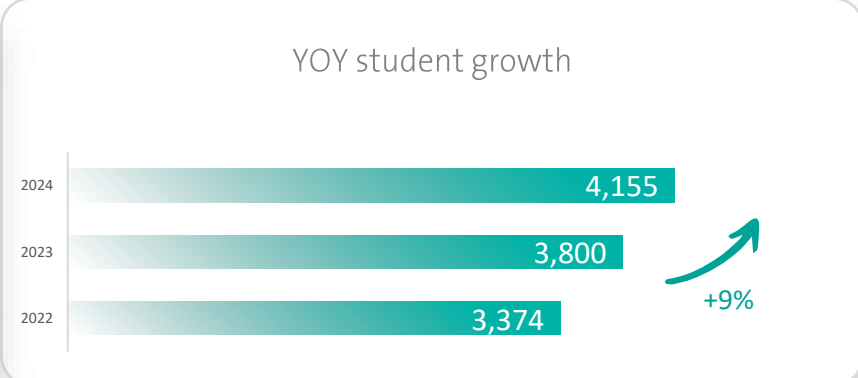
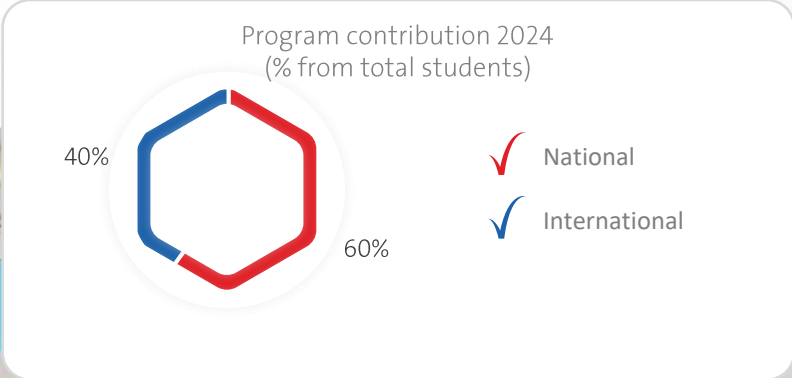
Al-Rawabi School Campus Highlight

 | 2009
Founded





 | National International
Curriculum

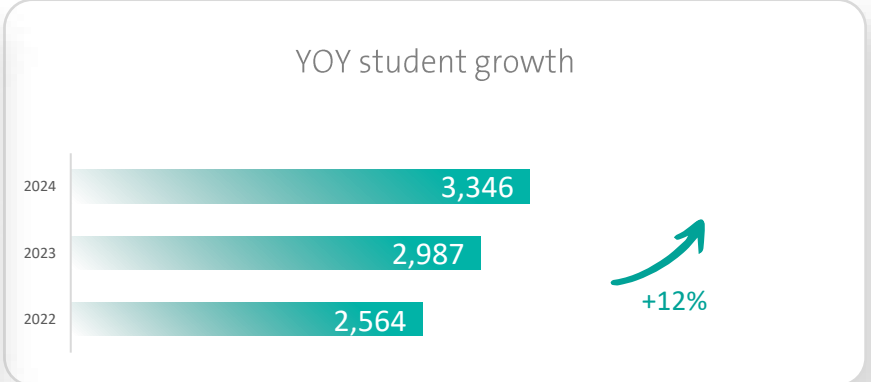
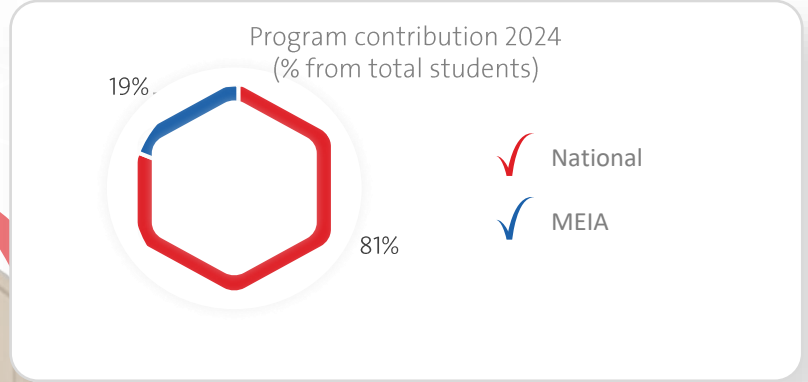
 | 95%
Utilization

 | 4,375
Capacity



Al-Nozha School Campus Highlight

 Founded	2013	 Curriculum	National MEIA (Int'l)	 Utilization	76%	 Capacity	4,375
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Qurtubah School Campus Highlight


Founded

2017


Curriculum

National
International

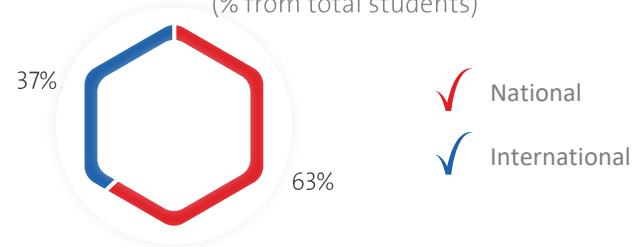

Utilization

99%

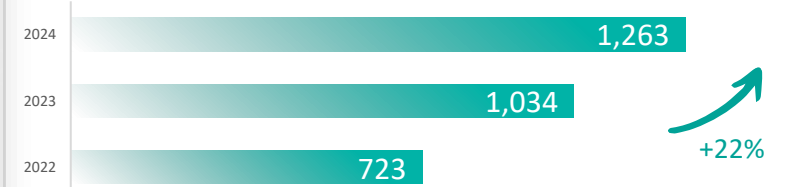

Capacity

1,280

Program contribution 2024
(% from total students)





YOY student growth




إدارة دار
رياض الأطفال

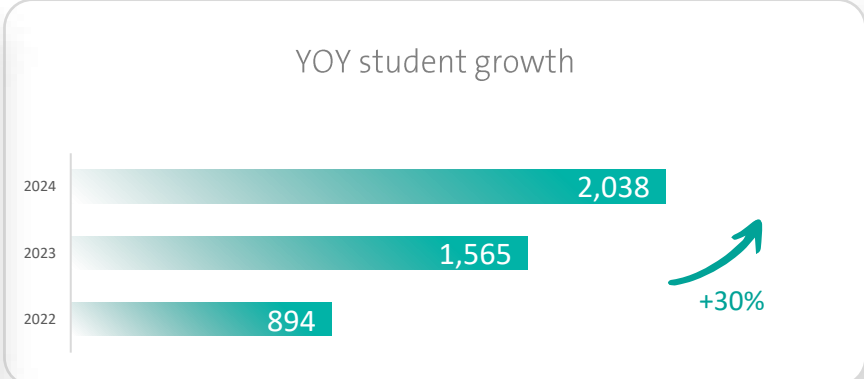
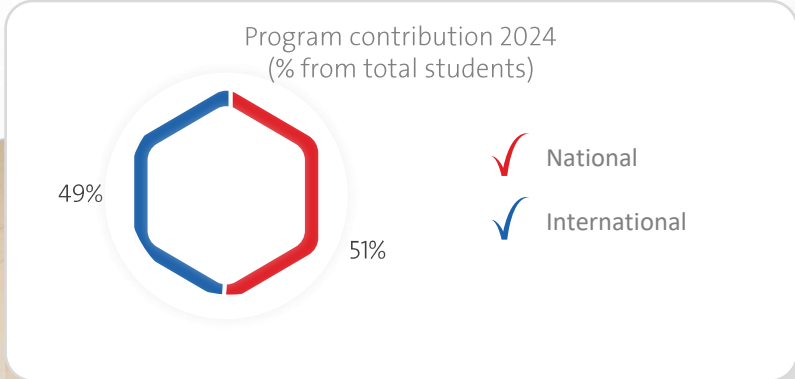
Buraidah School Campus Highlight

 | 2019
Founded

 | National International
Curriculum

 | 78%
Utilization

 | 2,625
Capacity



Al-Khwarizmi School Campus Highlight

 Founded

2010

 Curriculum

National

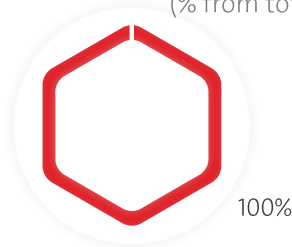
 Utilization

98%

 Capacity

1,220

Program contribution 2024
(% from total students)



 National

YOY student growth



Al Khwarizmi School
Creative Education

Al-Ghad – (King Abdullah district) School Campus Highlight

 Founded

1990

 Curriculum

National

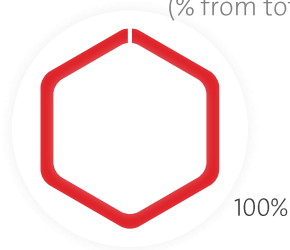
 Utilization

77%

 Capacity

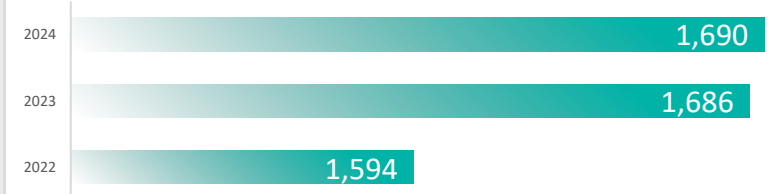
2,200

Program contribution 2024
(% from total students)





 National


YOY student growth



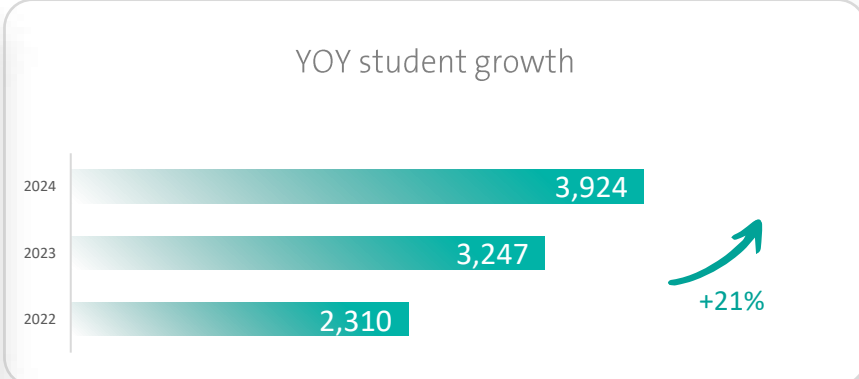
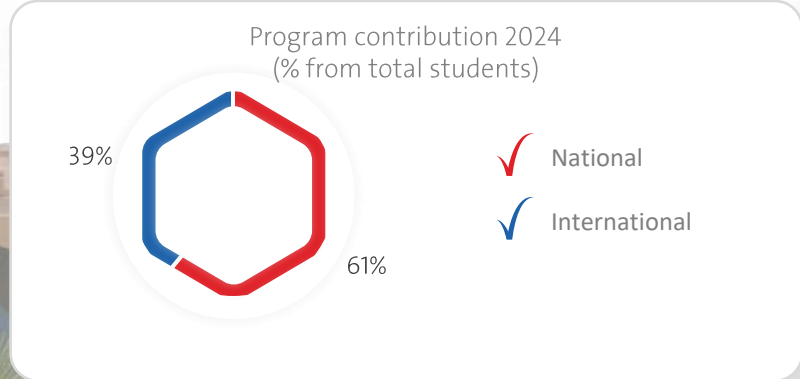
Al-Qairwan School Campus Highlight

 | 2020
Founded

 | National
International
Curriculum

 | 86%
Utilization

 | 4,550
Capacity



Al-Aridh National School Campus Highlight

 Founded

2021

 Curriculum

National

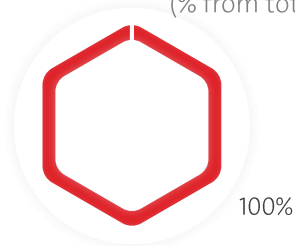
 Utilization

79%

 Capacity

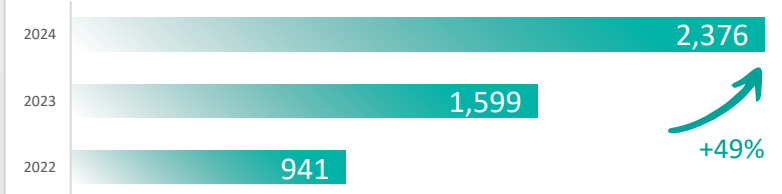
3,000

Program contribution 2024
(% from total students)



 National

YOY student growth*



* International curriculum students is excluded from the chart across the years as they were transferred to the new campus (Aridh 2) starting from 2023/2024 academic year.

Al-Dhahran School Campus Highlight


Founded

2022


Curriculum

International

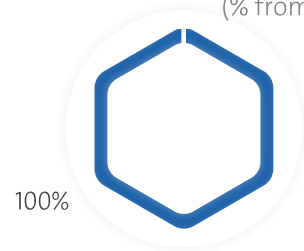

Utilization

37%


Capacity

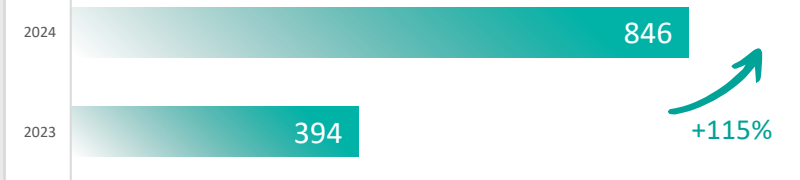
2,300

Program contribution 2024
(% from total students)



 International

YOY student growth



onal Schools



Tarbyah Namouthajiyah International Schools

مدارس التربية النموذجية العالمية


Administration | الإدارة العامة 1





مدارس التربية النموذجية العالمية
Tarbyah Namouthajiyah International Schools



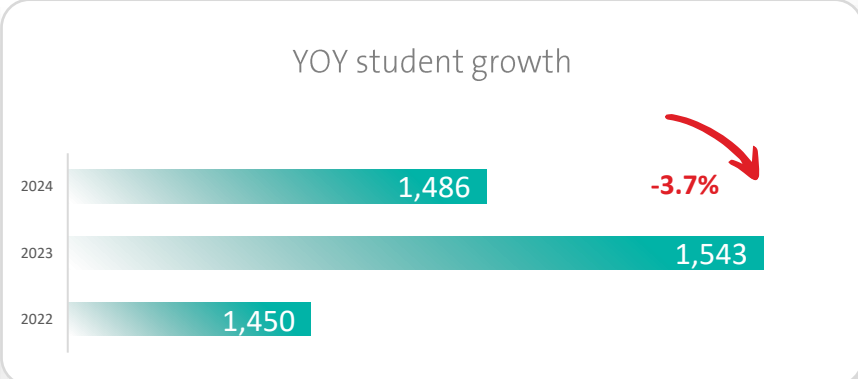
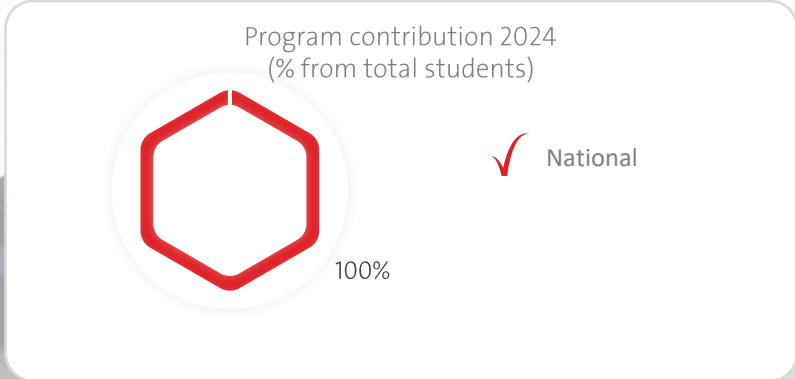
Al-Salam School Campus Highlight

 | 1984
Founded


 | National
Curriculum


 | 76%
Utilization


 | 1,950
Capacity



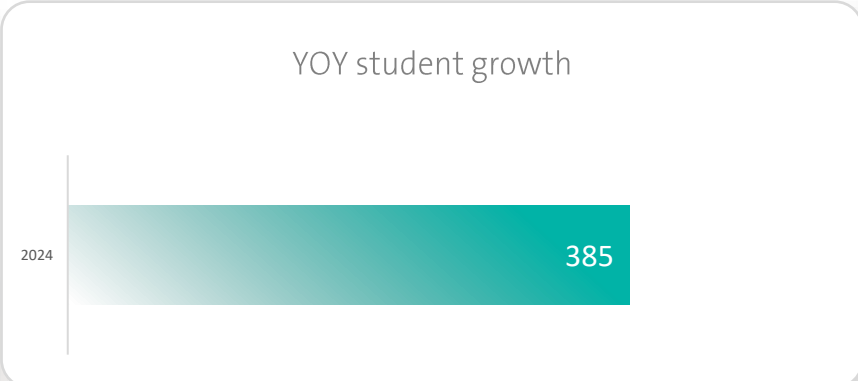
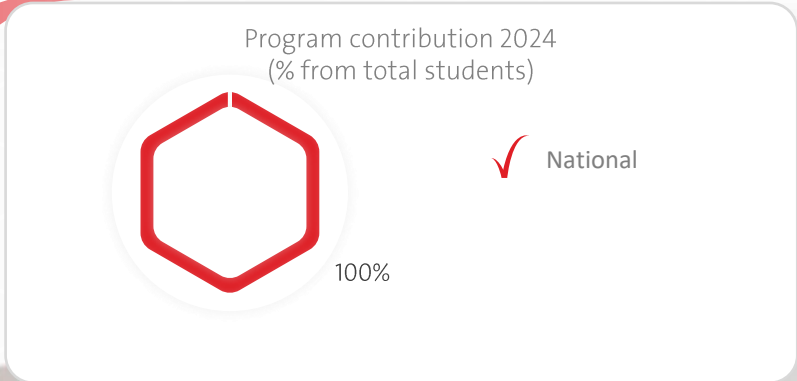
Al-Ghad - AlQairwan School Campus Highlight

 | 2023
Founded

 | National
Curriculum


 | 22%
Utilization


 | 1,720
Capacity



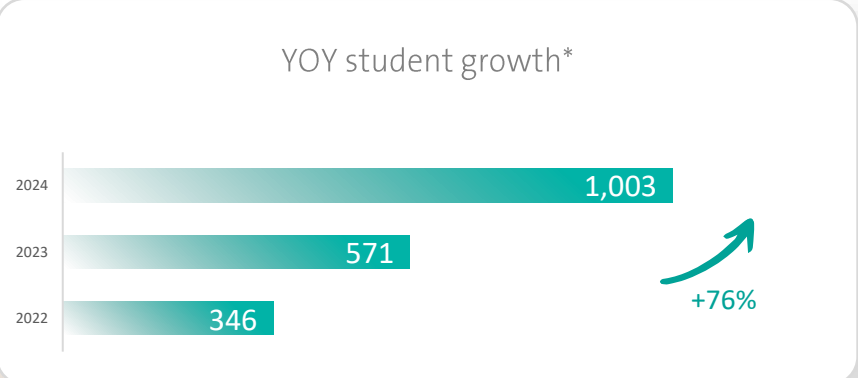
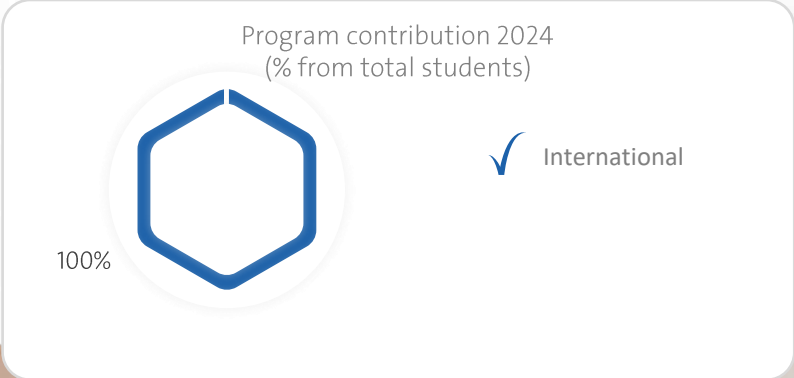
Al-Aridh International School Campus Highlight

 | 2023
Founded

 | International
Curriculum

 | 40%
Utilization

 | 2,520
Capacity



*Aridh 2 was opened in 2023/2024. '22&'23 Enrolment in chart reflect Int'l curriculum students enrolled in Aridh1 before Int'l students transferred in 2023/2024 academic year.



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Operational Updates

NCLE students excelled in 2023 academic year



NCLE won the labor award



8 NCLE students in the world robotic Olympiad



TNS 1st in table tennis among KSA schools



NCLE student won Hamdan bin Rashid prize



NCLE student 2nd in Karate among KSA schools



NCLE female students won the KSA schools football league



NCLE 8th in English Olympics in KSA



NCLE student 2nd in Taekwondo among KSA



NCLE student 1st in Gymnastic among KSA



NCLE students won 1st and 2nd in cultural awards



NCLE students first in Lego competition



NCLE female students won the KSA schools basketball league



NCLE student 1st in public speaking among KSA schools



NCLE student 6th in fencing among KSA schools



NCLE student 3rd in jujitsu among KSA schools

MEIA has played a pivotal role in championing the growth strategy for AI-Nozha and AI-Rayyan



01.

NCLE introduced MEIA in **AI-Rayyan** and **AI-Nozha** in academic year 2021/2022.



02.

MEIA was strategically formed to enhance the utilization of **AI-Rayyan** and **AI-Nozha** campuses.

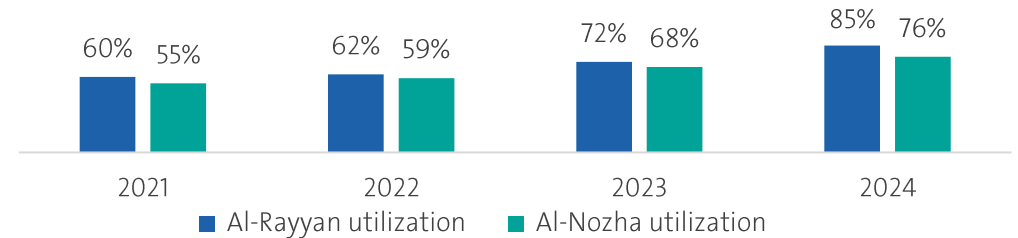


03.

MEIA innovated KSA education with a pioneering full-day system, meeting working parents' needs.



Contributed to utilization growth over the years



Delivered strong financial results



SAR 47 mn

Total revenue
(FY 2022 up to Q2 2024)



SAR 9 mn

Operating profit
(FY 2022 up to Q2 2024)



Driving growth going forward

77%

Contribution of **AI-Nozha** new student enrollment in 23/24 academic year

28%


Contribution of **AI-Rayyan** new student enrollment in 23/24 academic year

Al-Salam School flourished financially within a year post-acquisition


01. NCLE acquired Al-Salam school in Q2 of 2023.

02. The school made net loss of 2.7 mn in 2022.


03. Despite student number decline, Al-Salam achieved improved financial performance in Q2 2024.

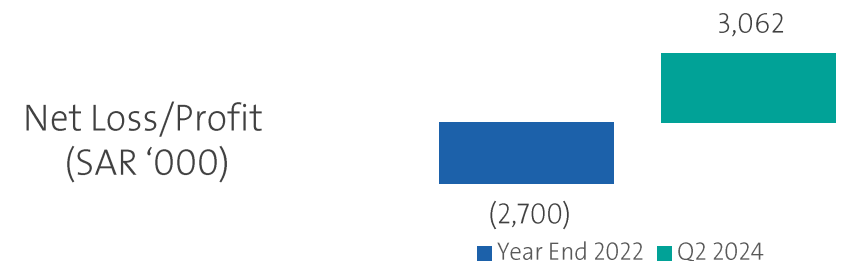
 Average tuition fees was increased in 23/24



 Efficiency improved as student to staff ratio increased



 Financial performance flourished as net profit soared



Strategic tuition and capacity adjustment has driven Qurtubah 1 growth trajectory



01.

NCLE injected minimal capital of SAR 450 K to add 10 additional classrooms in the school.



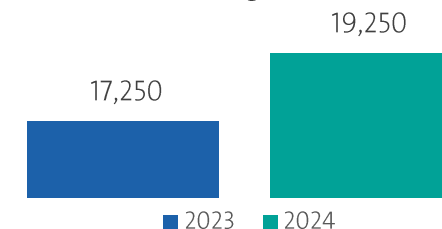
02.

Strategic tuition fee adjustment of 12% increase was introduced in the school.

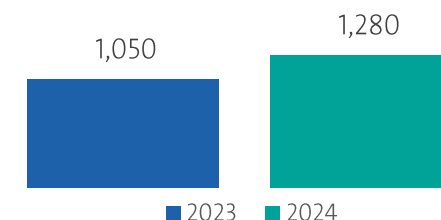


Average tuition fees was increased in 23/24

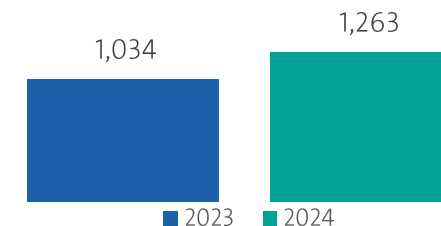
Annual average tuition (SAR)



Optimal capacity increased from 1,050 students to 1,280 students



Enrollment increased despite tuition fees hike



Al-Aridh 1 School remained unaffected even after relocating international curriculum students to the new facility, Al-Aridh 2



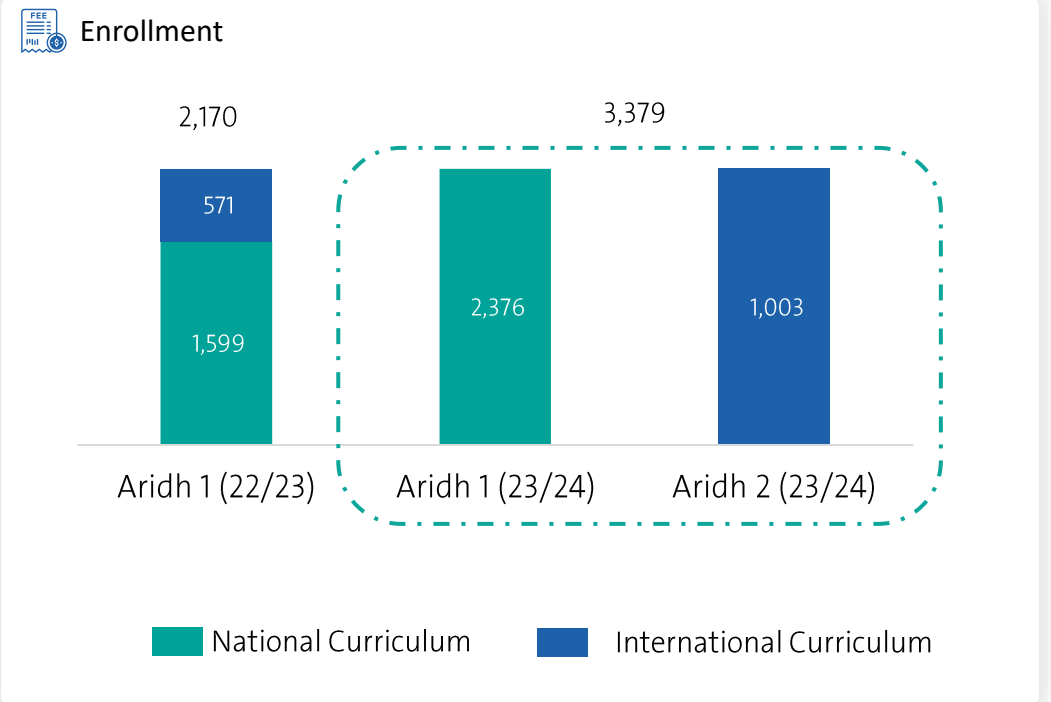
01.

NCLE leased a new building in Al-Aridh district (Aridh 2) which was opened in 23/24 academic year.



02.

The strategic operating model was to relocate international curriculum students from Al-Aridh 1 to the new building, Al-Aridh 2.





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Financial Outlook

NCLE recorded its highest earning in Q2 2024

28.2 K



Enrolled students

+21% Growth

From 23.4 k Six-month 2023

SAR 281.7 M



Revenue

+29% Growth

Compared to 218.4 M
Six-month 2023

SAR 103.4 M



EBITDA

+37% Growth

Compared to 75.7 M
Six-month 2023

SAR 65.1 M



Net profit

+22% Growth

Compared to 53.2 M
Six-month 2023

1.51 SAR



EPS

+22% Growth

Compared to 1.24 SAR
Six-month 2023

23.1%



Net profit margin

-1.3 % Decline

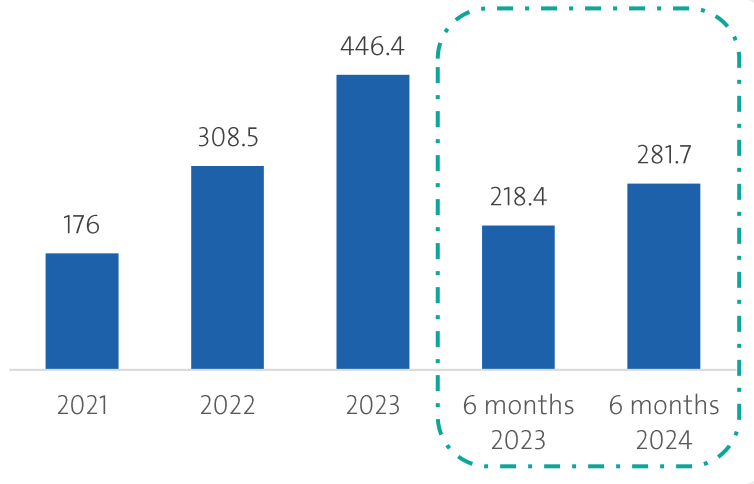
Compared to 24.4%
Six-month 2023

NCLE maintained healthy financial growth in Q2 2024



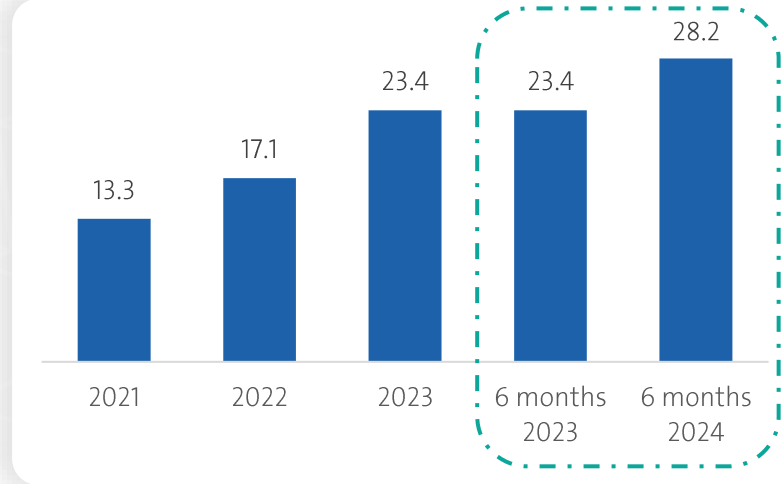
Revenues

SAR M



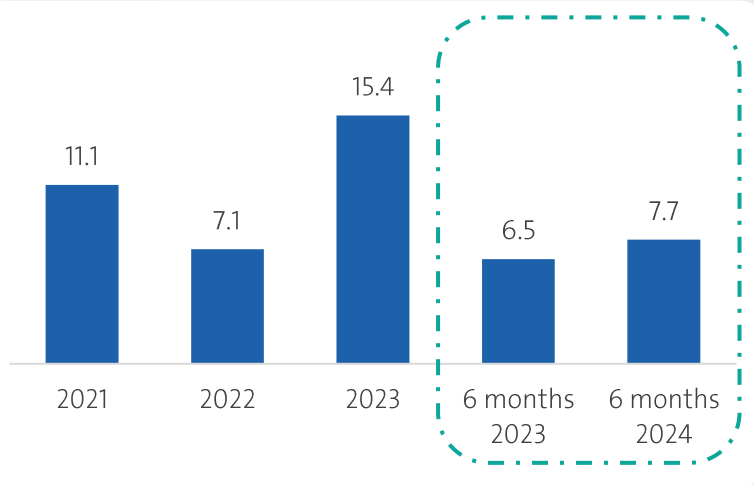
Students Numbers

Thousands



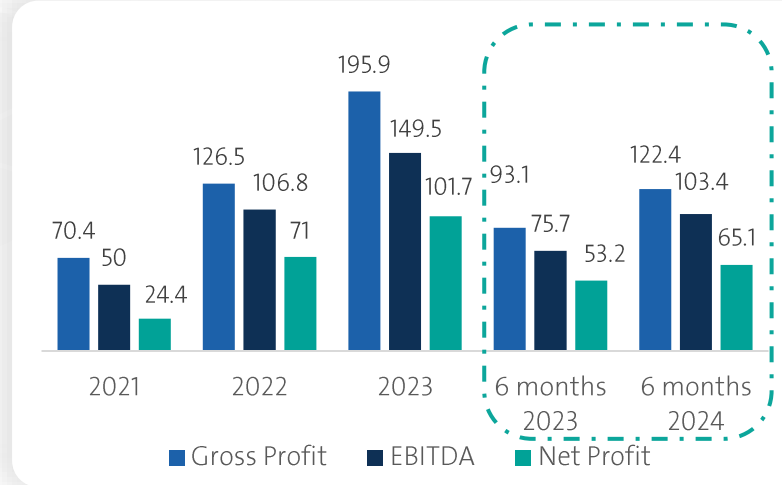
Government Grants & Subsidies

SAR M



Gross Profit /EBITDA/Net Profit

SAR M

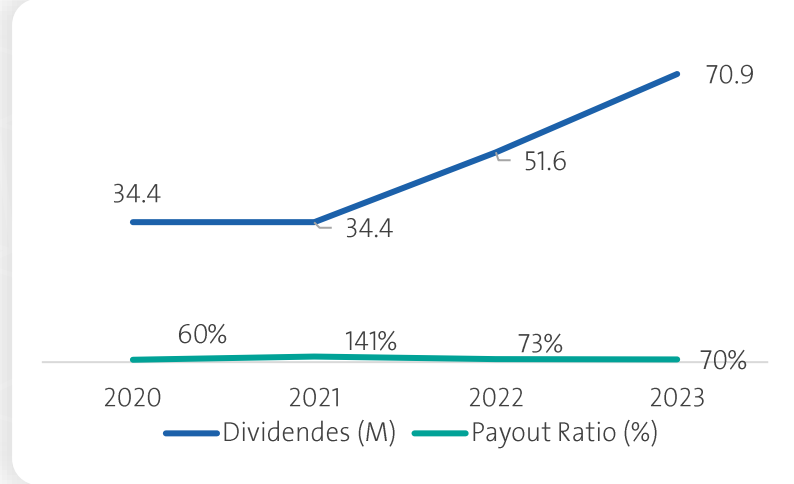
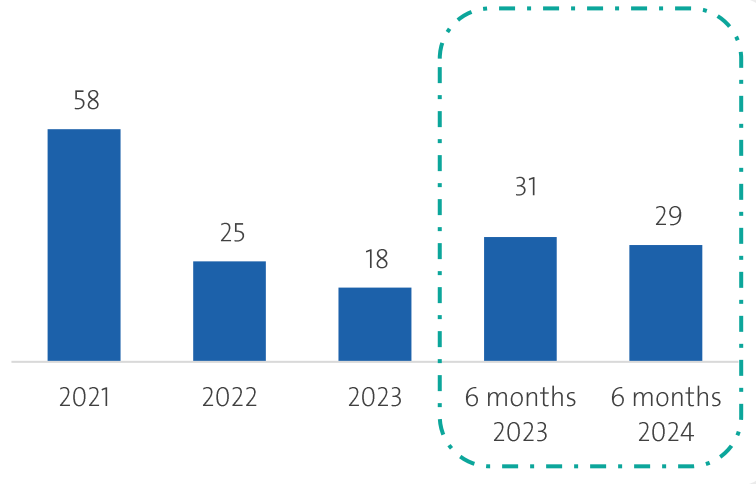


NCLE maintained healthy financial growth in Q2 2024



Accounts Receivable Days

Days

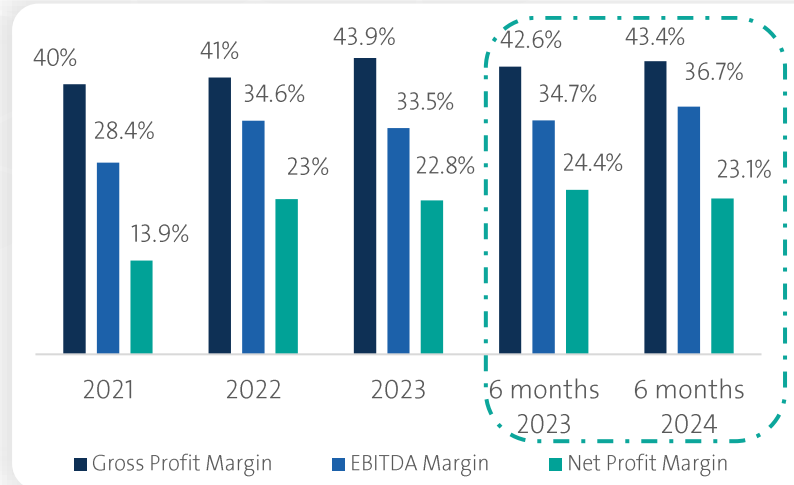
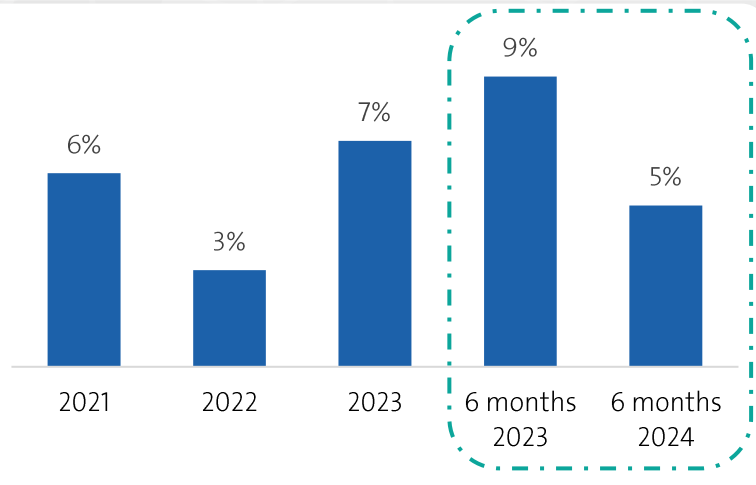


Dividends & Payout Ratio



Debt / Equity

Percentage



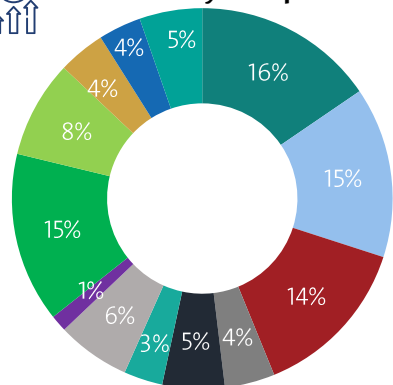
Margins

Percentage

NCLE campuses experienced healthy financial growth



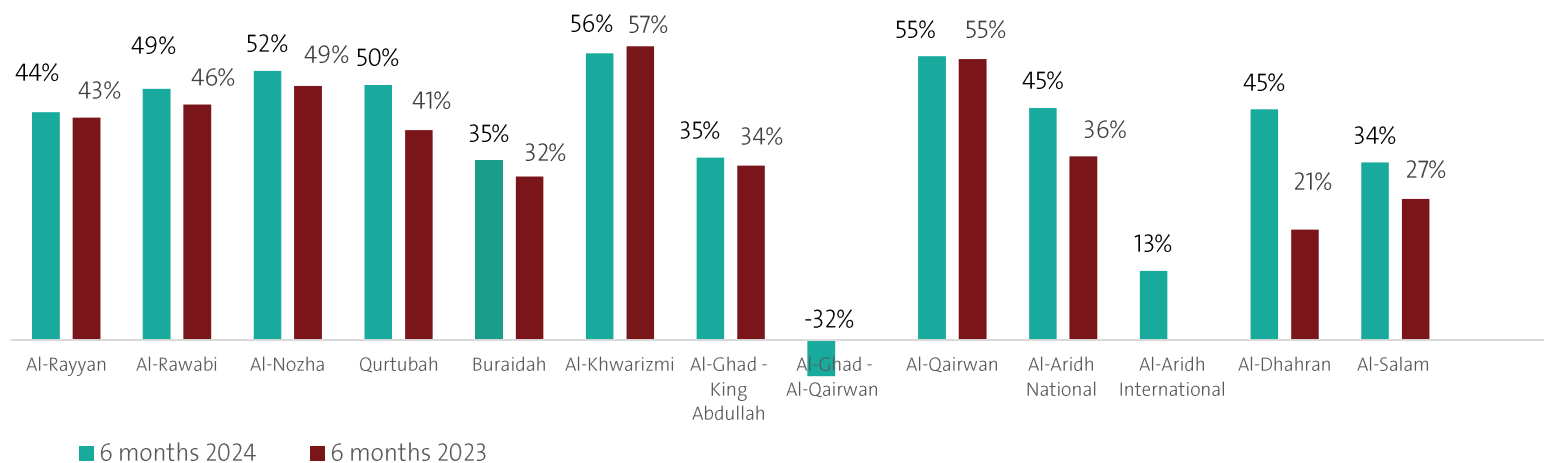
Revenue By Campus



- Al-Rayyan
- Al-Nozha
- Buraidah
- Al-Ghad - King Abdullah
- Al-Qairwan
- Al-Aridh International
- Al-Rawabi
- Qurtubah
- Al-Khwarizmi
- Al-Ghad - Al-Qairwan
- Al-Aridh National
- Al-Dhahran



Gross Margin by Campus



Campuses	Al-Rayyan	Al-Rawabi	Al-Nozha	Qurtubah	Buraidah	Al-Qairwan	Al-Aridh National	Al-Aridh International	Al-Khwarizmi	Al-Ghad - King Abdullah	Al-Ghad – Al-Qairwan	Al-Dhahran	Al-Salam
Revenue	43,582,910	40,866,343	39,042,101	12,010,841	14,896,328	40,714,512	23,299,248	11,257,685	9,289,100	17,550,776	3,980,007	10,220,761	15,021,247
Government Grants & Subsidies	1,091,000	643,500	896,900	472,600	906,800	1,206,500	978,500	349,000	-	468,140	178,000	319,832	191,750
Cost	(25,406,247)	(21,594,823)	(19,542,323)	(6,535,510)	(10,626,466)	(19,502,877)	(13,780,004)	(10,094,528)	(4,118,288)	(11,800,483)	(5,431,183)	(5,962,928)	(10,037,432)
Gross Profit	19,267,663	19,915,020	20,396,678	5,947,931	5,176,662	22,418,135	10,497,744	1,512,157	5,170,812	6,218,433	(1,273,176)	4,577,665	5,175,565



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NCLE Growth Drivers

External factors



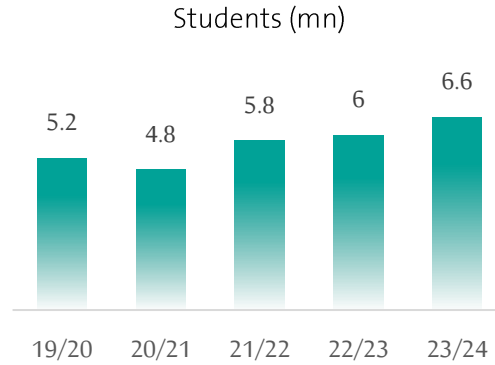
Market growth

Private school penetration shift

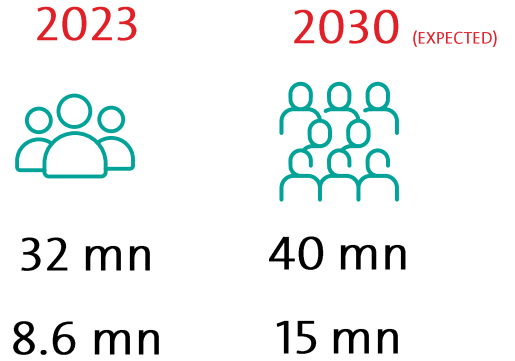
Internal factors



Student population grew by 5% CAGR in the last 5 years in KSA

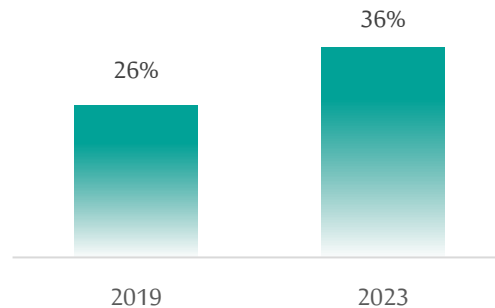


Riyadh population is expected to reach 15 million by 2030

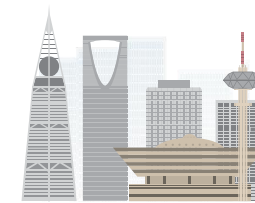


Rising female workforce participation is set to drive growth in private school enrollments

Female participation in workforce (%)



Premium Residency and Regional HQs is key contributor to growth



200+ companies moved regional HQs to Riyadh ahead of Saudi gov't contract policy



الإقامة المميزة
Premium Residency

KSA has launched premium residency

External factors



- Market growth
- Private school penetration shift

Internal factors



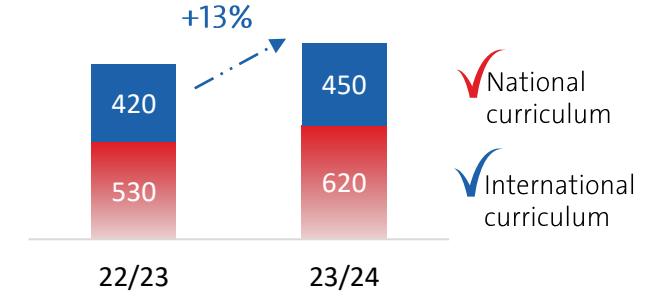
Private school penetration rate is the highest in its history

Private schools penetration rate (%)

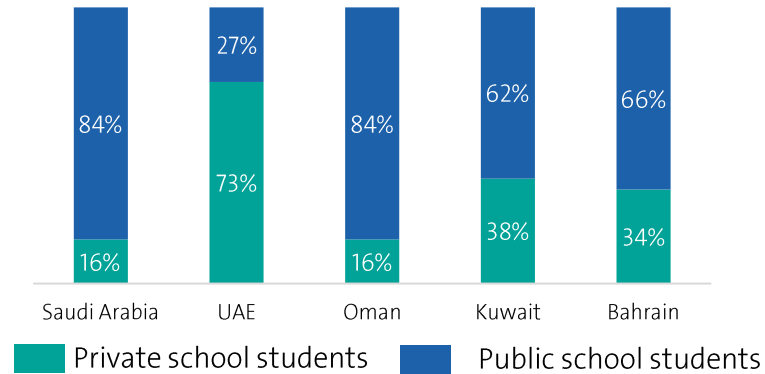


This year, the private education market grew by 13% led primarily by national curriculum growth

Enrollments ('000 students)

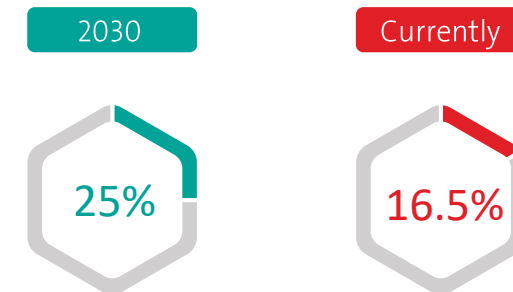


Private education market in KSA is still the lowest in GCC



Vision 2030 sets targets to unlock the potential of private education through privatization

Private schools penetration rate %



External factors ^

Internal factors v

Maturing newly opened schools

Hetteen school campus

Al-Narjis school campus




Qurtubah 2 school campus

Al-Qairawan 3 school campus

NCLE opened 6 greenfield projects in the last 5 years which are still growing






TNS – Buraidah

	Establishment :	2019
	Optimal Capacity :	2,625
	Utilization :	78%






TNS–Al-Qairwan

	Establishment :	2020
	Optimal Capacity :	4,550
	Utilization :	86%






TNS – Al-Aridh

	Establishment :	2021
	Optimal Capacity :	3,000
	Utilization :	79%






TNIS – Dhahran

	Establishment :	2022
	Optimal Capacity :	2,300
	Utilization :	37%






TNIS – Al-Aridh

	Establishment :	2023
	Optimal Capacity :	2,520
	Utilization :	40%



Al-Ghad –
Al-Qairwan

	Establishment :	2023
	Optimal Capacity :	1,720
	Utilization :	22%

External factors ^

Internal factors v

- Maturing newly opened schools
- Hetteen school campus
- Al-Narjis school campus
- Qurtubah 2 school campus
- Al-Qairawan 3 school campus

	<p>Land Area 12,650 sqm</p>		<p>Capacity 2 K</p>		<p>Opening Date Sep 2024</p>
	<p>Location Riyadh, Hetteen District</p>		<p>CAPEX 57 M SAR</p>		<p>Land Lease Agreement 20.5 years (including 1.5 year grace period) SAR 2.46 mn annually and increases of 10% every 5 years</p>





External factors ▾

Internal factors ▾

- Maturing newly opened schools
- Hetteen school campus
- Al-Narjis school campus
- Qurtubah 2 school campus
- Al-Qairawan 3 school campus

	<p>Land Area 9,991 sqm</p>		<p>Capacity 2 K</p>		<p>Opening Date Sep 2024</p>
	<p>Location Riyadh, Al-Narjis District</p>		<p>CAPEX 49 M SAR</p>		<p>Land Lease Agreement 20 years (Hijri Years) including 2 years grace period SAR 2.15 mn annually & an annual increase of 4% starting from 11th year</p>





External factors

Internal factors

- Maturing newly opened schools
- Hetteen school campus
- Al-Narjis school campus
- Qurtubah 2 school campus
- Al-Qairawan 3 school campus



Land Area

13,200 sqm



Capacity

2.5 K



Opening Date

Sep 2024



Location

Riyadh, Qurtubah District



CAPEX

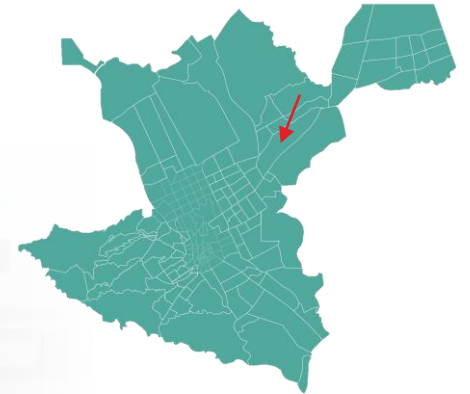
56 M SAR



Land Lease Agreement

27 years (including 2 years grace period)

SAR1.6 mn annually and increases of 10% every 5 years



External factors ▾

Internal factors ▾

- Maturing newly opened schools
- Hetteen school campus
- Al-Narjis school campus
- Qurtubah 2 school campus
- Al-Qairawan 3 school campus



Land Area
5,250 sqm



Capacity
1.4 K



Opening Date
Sep 2024



Location
Riyadh, Al-Qairawan District



Building Lease Agreement
20 years
SR 3.75 mn annually and increases of 10% every 5 years

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**Thank
You..**