



الشركة الوطنية للتربية والتعليم
NATIONAL COMPANY FOR LEARNING & EDUCATION

INVESTOR PRESENTATION

Q3 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)



4%
Debt to Equity


Enrolled students grew to 28.2 k in Q3 2024 compared to 23.4 k in Q3 2023





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	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
Q3 2024 Optimal Capacity

 28,157 Student
Q3 2024 Enrolled Students

 %75 Of Optimal Capacity
Q3 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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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



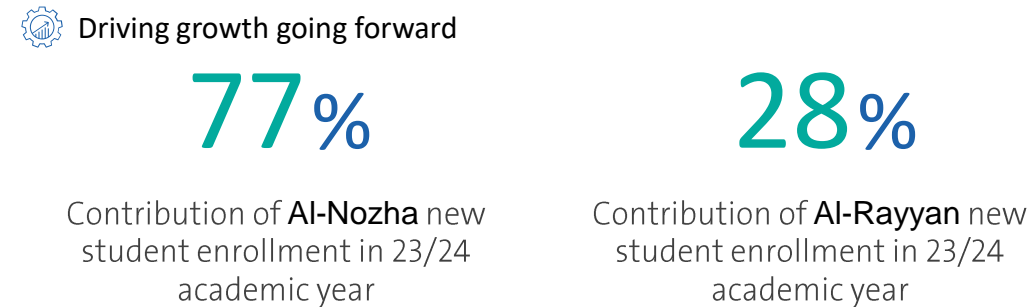
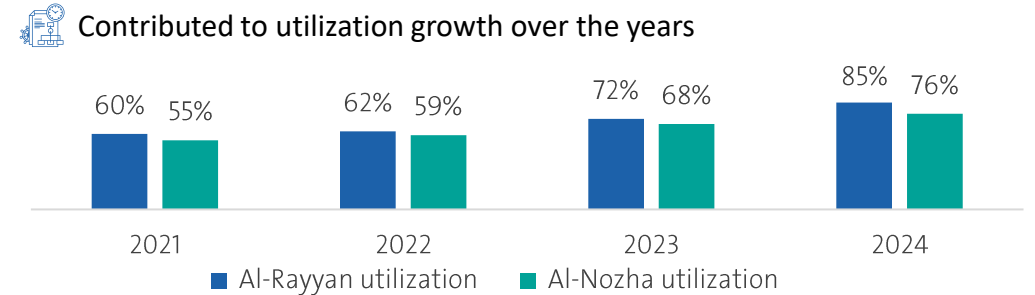
NCLE student 3rd in jujitsu among KSA schools

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.



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


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

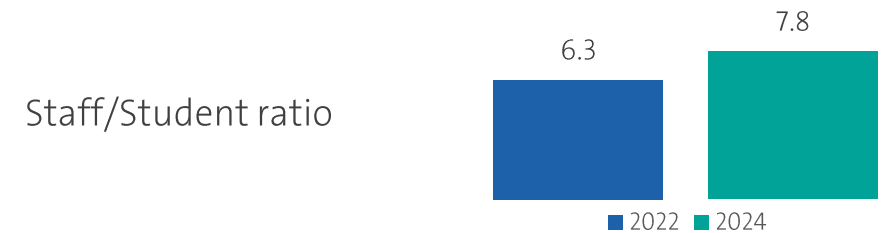
02. The school made net loss of 2.7 mn in 2022.

03. Despite student number decline, Al-Salam achieved improved financial performance in Q3 2024.

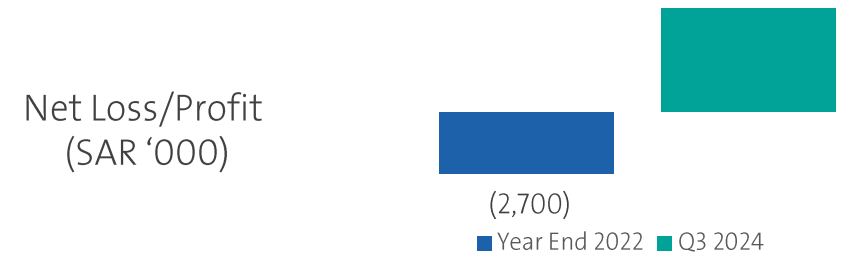
 Average tuition fees was increased in 23/24



 Efficiency improved as student to staff ratio increased



 Financial performance flourished as net profit soared 4,614



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.



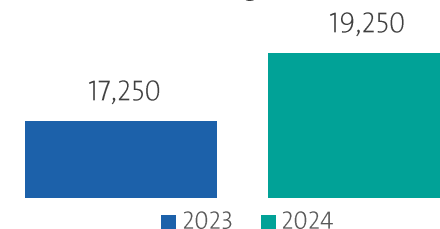
02.

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

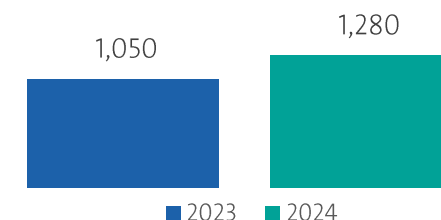


Average tuition fees was increased in 23/24

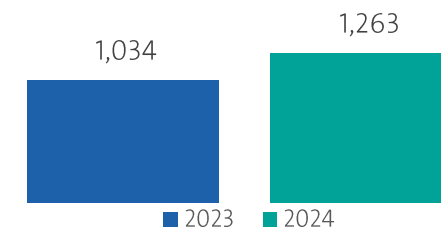
Annual average tuition (SAR)



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



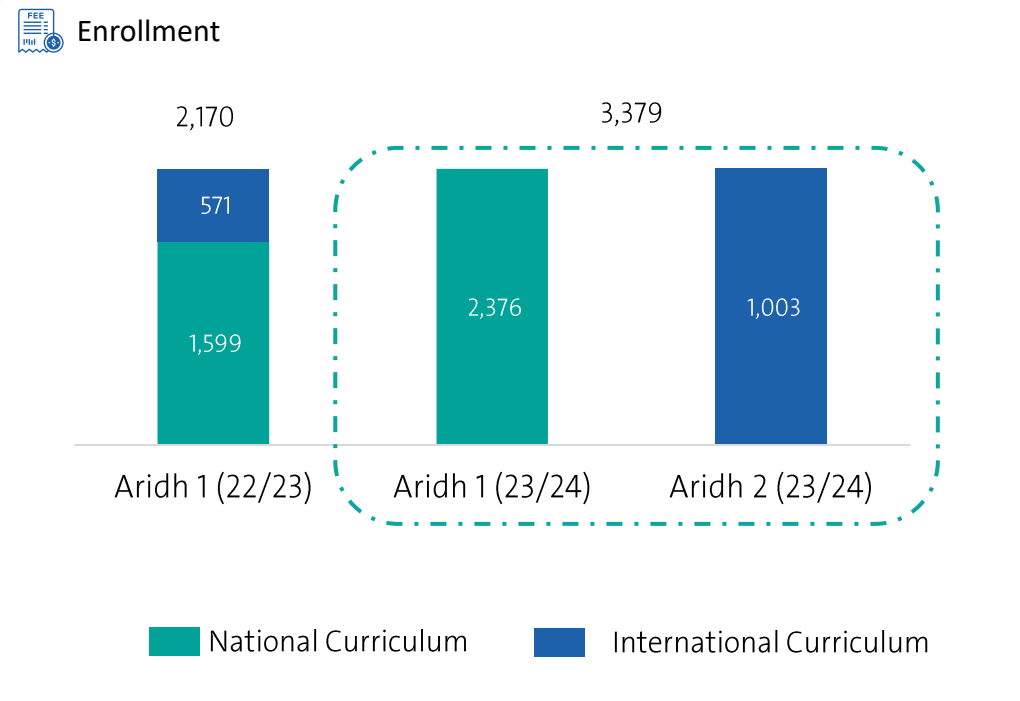
01.

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.



Change the Company's fiscal year end to July 31 instead of August 31 and transition plan in issuing its financial statements

01.

The Company will issue “audited” financial statements for the current fiscal year as an exceptionally Short Fiscal Year (11 Months) due to the execution of the transition, which starts on 1-September-2023 and ends on 31-July-2024.

02.

After which and starting from the First Quarter (ending on 31-October-2024) of the fiscal year ending on 31-July-2025, the Company will issue all financial statements for the fiscal periods from the fiscal year ending on 31-July-2025 and beyond in a normal manner and in correspondence with the fiscal years of NCLE.

03.

The execution of this transition will not have any effects on the Company's financial or operational performance.



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Financial Outlook

NCLE recorded its highest earning in Q3 2024

28.2 K



Enrolled students

+21% Growth

From 23.4 k Nine-month 2023

SAR 423.6 M



Revenue

+28% Growth

Compared to 332.2 M
Nine-month 2023

SAR 157.8 M



EBITDA

+36% Growth

Compared to 116.4 M
Nine-month 2023

SAR 99.9 M



Net profit

+23% Growth

Compared to 80.9 M
Nine-month 2023

2.32 SAR



EPS

+23% Growth

Compared to 1.88 SAR
Nine-month 2023

23.6%



Net profit margin

- 0.7 % Decline

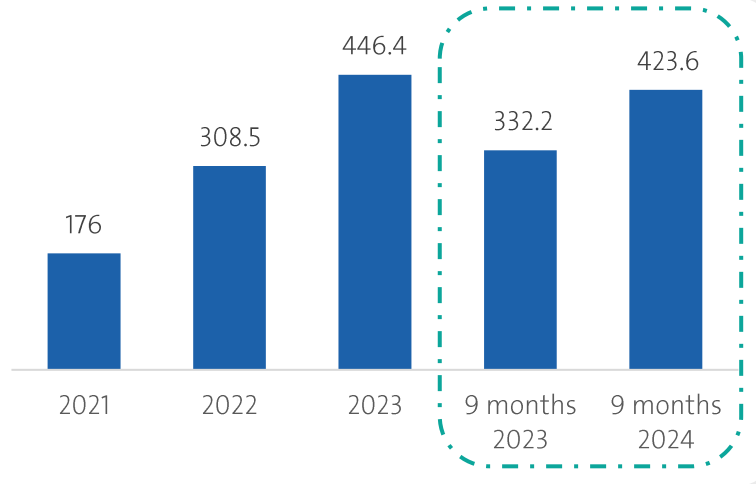
Compared to 24.3%
Nine-month 2023

NCLE maintained healthy financial growth in Q3 2024



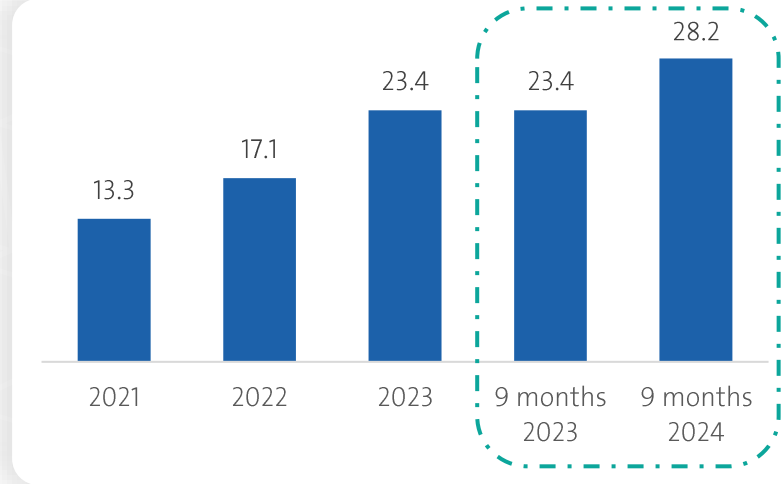
Revenues

SAR M



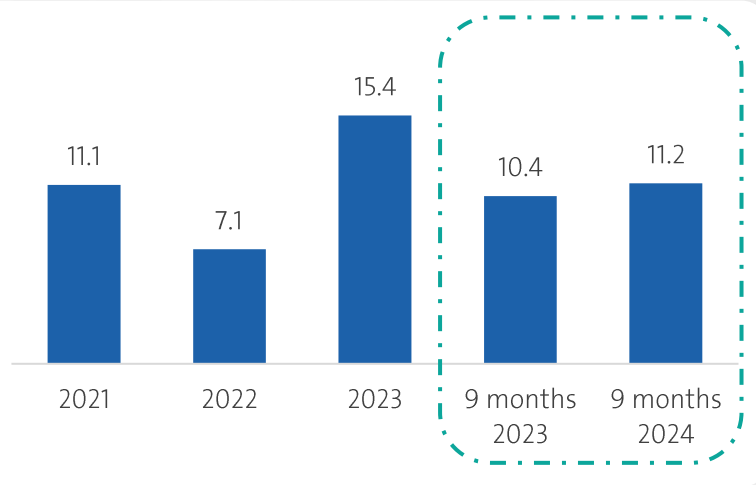
Students Numbers

Thousands



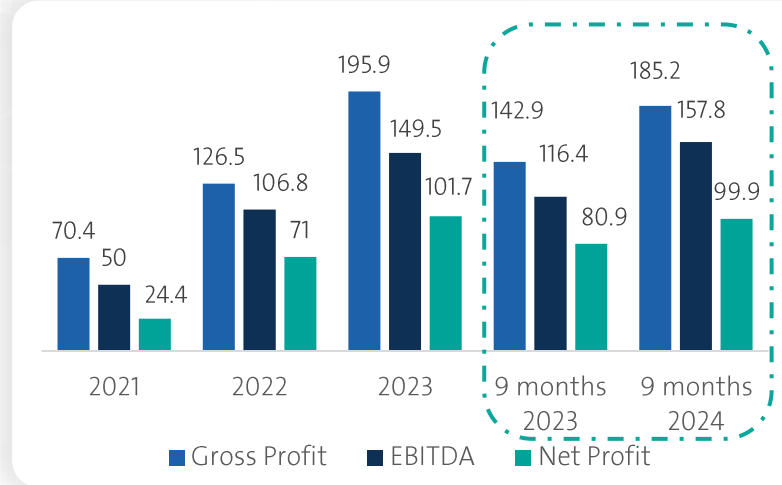
Government Grants & Subsidies

SAR M



Gross Profit /EBITDA/Net Profit

SAR M

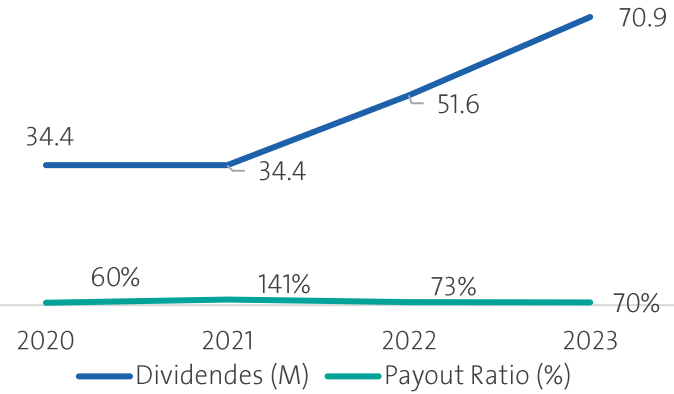
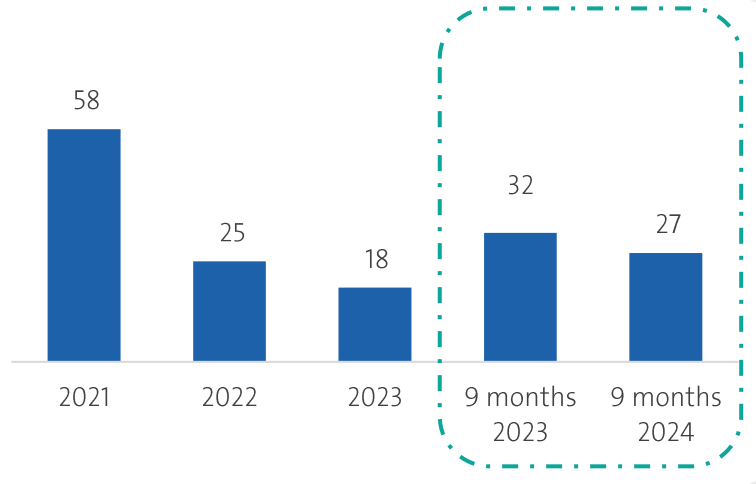


NCLE maintained healthy financial growth in Q3 2024



Accounts Receivable Days

Days

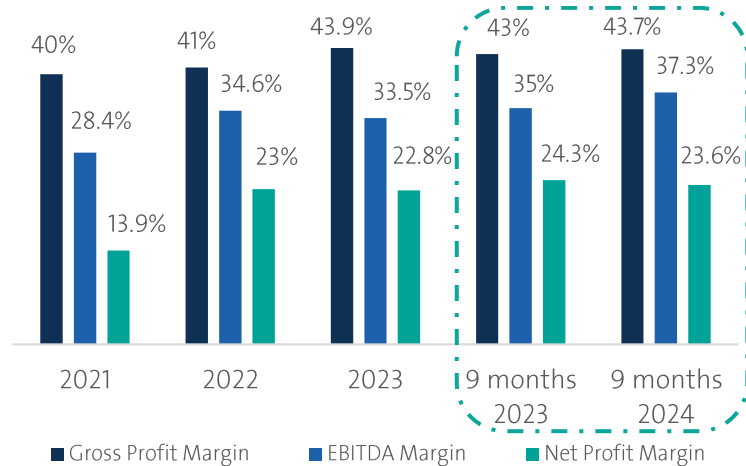
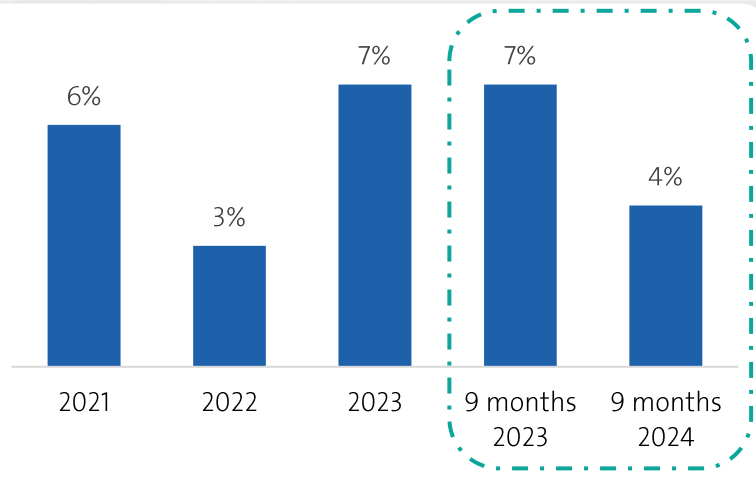


Dividends & Payout Ratio



Debt / Equity

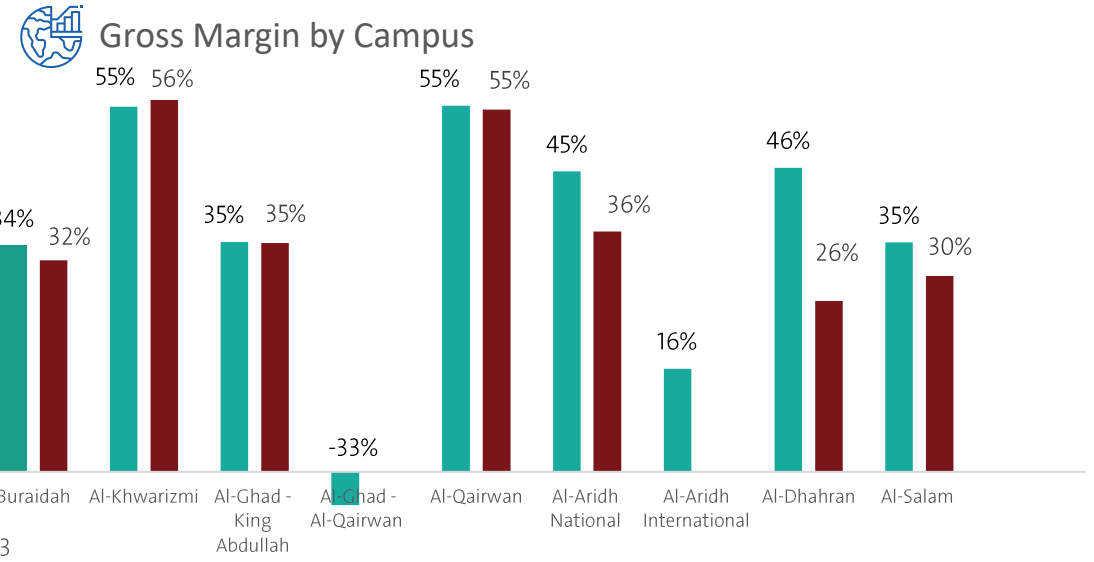
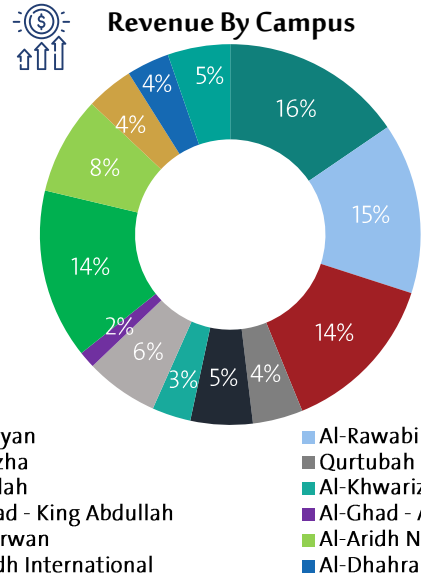
Percentage



Margins

Percentage

NCLE campuses experienced healthy financial growth



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	65,525,189	61,454,265	58,666,713	18,070,582	22,349,561	61,093,876	35,245,574	17,032,394	13,946,318	26,278,821	6,046,915	15,349,912	22,517,459
Government Grants & Subsidies	1,559,500	948,000	1,264,400	655,100	1,434,323	1,726,000	1,398,600	471,500	-	661,400	254,500	478,832	391,623
Cost	(37,683,912)	(32,229,413)	(28,944,260)	(9,775,058)	(16,138,994)	(29,050,670)	(20,661,264)	(14,856,781)	(6,260,957)	(17,823,841)	(8,280,252)	(8,787,427)	(15,110,992)
Gross Profit	29,400,777	30,172,852	30,986,853	8,950,624	7,644,890	33,769,206	15,982,910	2,647,113	7,685,361	9,116,380	(1,978,837)	7,041,317	7,798,090



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NCLE Growth Drivers

External factors



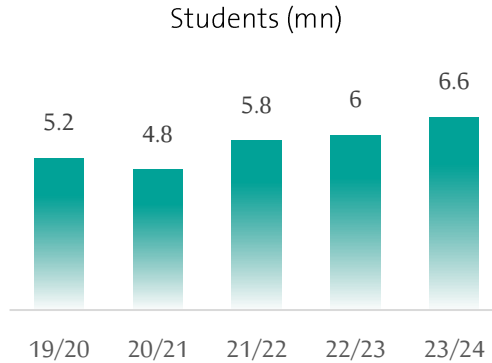
Market growth

Private school penetration shift

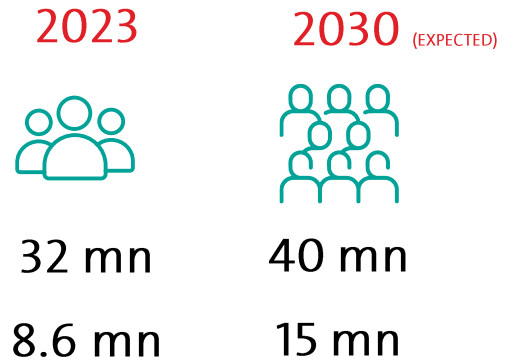
Internal factors



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

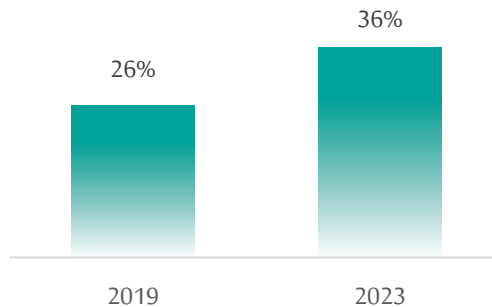


Riyadh population is expected to reach 15 million by 2030

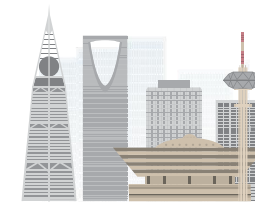


Rising female workforce participation is set to drive growth in private school enrollments

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



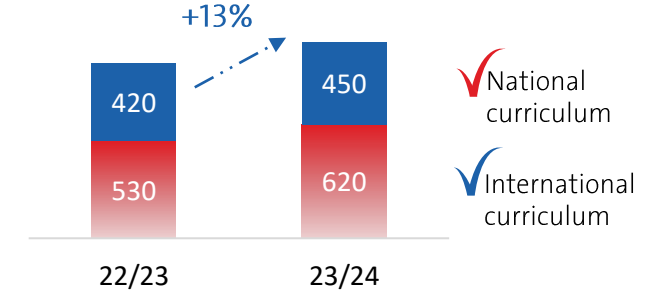
Private school penetration rate is the highest in its history

Private schools penetration rate (%)

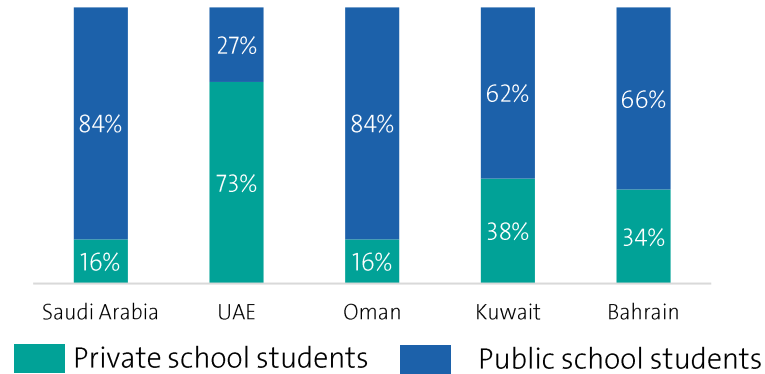


This year, the private education market grew by 13% led primarily by national curriculum growth

Enrollments ('000 students)

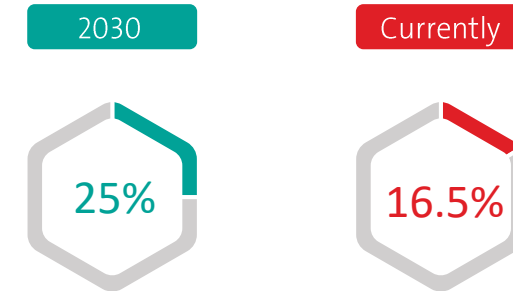


Private education market in KSA is still the lowest in GCC



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



Land Area

12,650 sqm



Capacity

2 K



Opening Date

Sep 2024



Location

Riyadh, Hetteen District



CAPEX

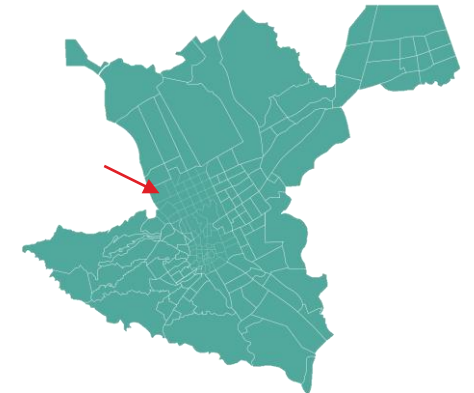
57 M SAR



Land Lease Agreement

20.5 years (including 1.5 year grace period)

SAR 2.46 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
9,991 sqm



Capacity
2 K



Opening Date
Sep 2024



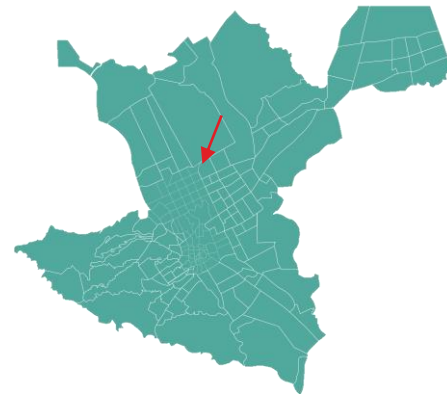
Location
Riyadh, Al-Narjis District



CAPEX
49 M SAR



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



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

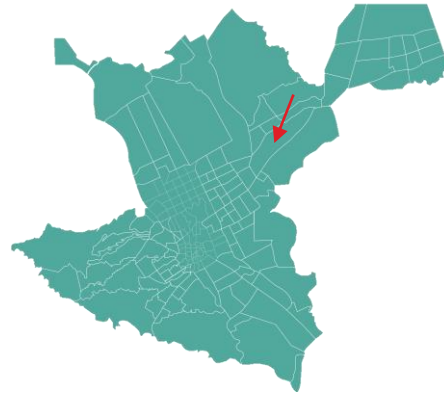
56 M SAR



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

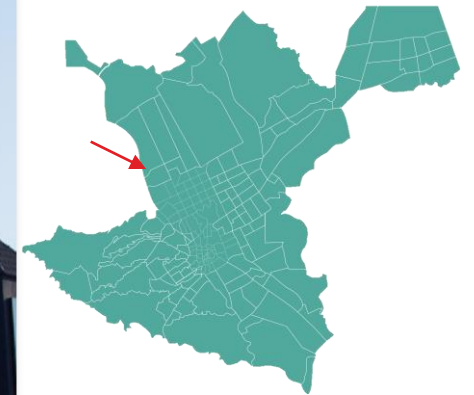
Riyadh, Al-Qairawan District



Building Lease Agreement

20 years

SR 3.75 mn annually and increases of 10% every 5 years





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Q&A

For more information, please contact us:
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