



الشركة الوطنية للتربية والتعليم
NATIONAL COMPANY FOR LEARNING & EDUCATION

Earnings Presentation

FY Q3 2022



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NCLE Overview



NCLE is celebrating its 64th anniversary since its inception in 1958



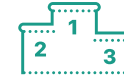
64 Years
Of Excellent
Education



K-12
National & International
Curriculum



17.1k
Enrolled Students
2021/2022



3rd
Ranking in Market
Share in Riyadh



10 Campuses
9 In-Operation
& 1 Under Construction



29 k
Optimal Capacity
Q3 2022



SAR 918 M
Total Assets
Q3 2022



SAR 34.4 M
Dividends
FY2021



Q3 2022 Financials



NCLE recorded its highest quarter earning in nine-month period Q3 2022

17.1k

Enrolled students

From 13.3k last year



SAR 229 M

Revenue

Compared to 130 M nine-month 2021

SAR 54.9 M

Net profit

Compared to 17.5 M nine-month 2021



24%

Net profit margin

Compared to 13.4% nine-month 2021

Enrolled students grew to 17.1 in Q3 of 2022 compared to 13.3k in Q3 of 2021

	 TNS – Al-Rayyan	 TNS – Al-Rawabi	 TNS – Al-Nuzha	 TNS – Qurtubah	 TNS – Buraidah	 Al-Khwarizmi	 Al-Ghad	 TNS – Al-Qairwan	 TNS – Al-Aridh	 TNS – Dhahran
Establishment	1980	2009	2013	2017	2019	2010	1990	2020	2021	2022 Expected Opening
Location	Riyadh	Riyadh	Riyadh	Riyadh	Qassim	Riyadh	Riyadh	Riyadh	Riyadh	Dhahran
Curriculum										
Optimal Capacity	5,250	4,375	4,375	1,050	2,625	1,220	2,200	4,550	3,000	2,625
Enrolled Students	3,263*	3,374	2,564**	723	894	1,132	1,594	2,310	1,287	NA
Utilization	62 %	77 %	59 %	69 %	34 %	93 %	73 %	51 %	43 %	NA

* Included 110 Students from (MEIA Academy Al-Rayyan) **Included 183 Students from (MEIA Academy Al-Nuzha)



28,645
Student

FY2022 Optimal Capacity



17,141
Student

FY2022 Enrolled Students



60% Of Optimal
Capacity

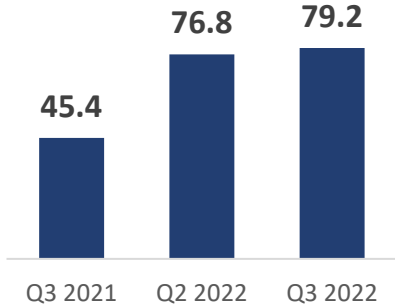
FY2022 Utilization Of Campuses

Diversified
Offering

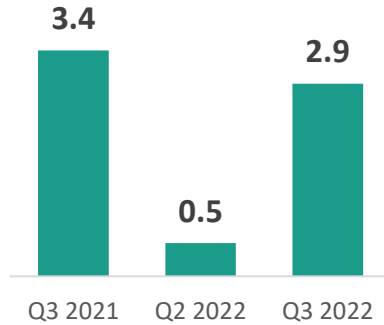
National & International Programs

NCLE maintained a healthy financial growth in Q3 of 2022

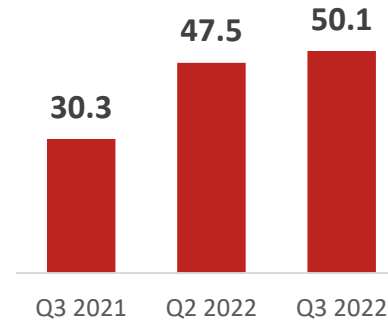
Revenues
SAR M



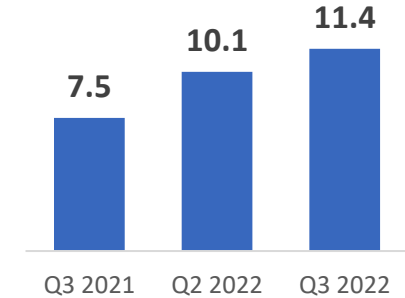
Gov. grants
SAR M



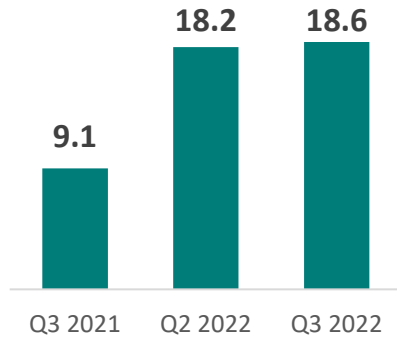
Cost of revenues
SAR M



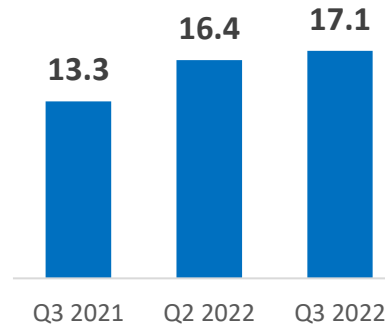
Marketing, G&A
SAR M



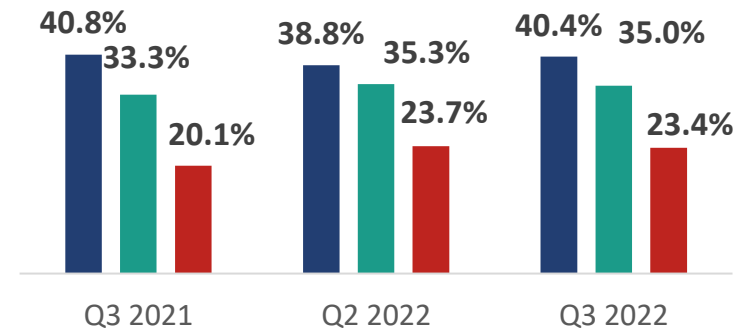
Net profits
SAR M



No. students
In thousands



Margins
Percentage



■ Gross Profit Margin

■ EBITDA Margin

■ Net Profit Margin

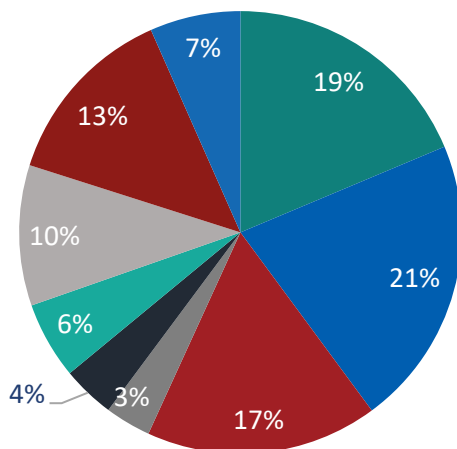
NCLE maintained a healthy financial growth in Q3 of 2022

Key highlights for Q3 of 2022

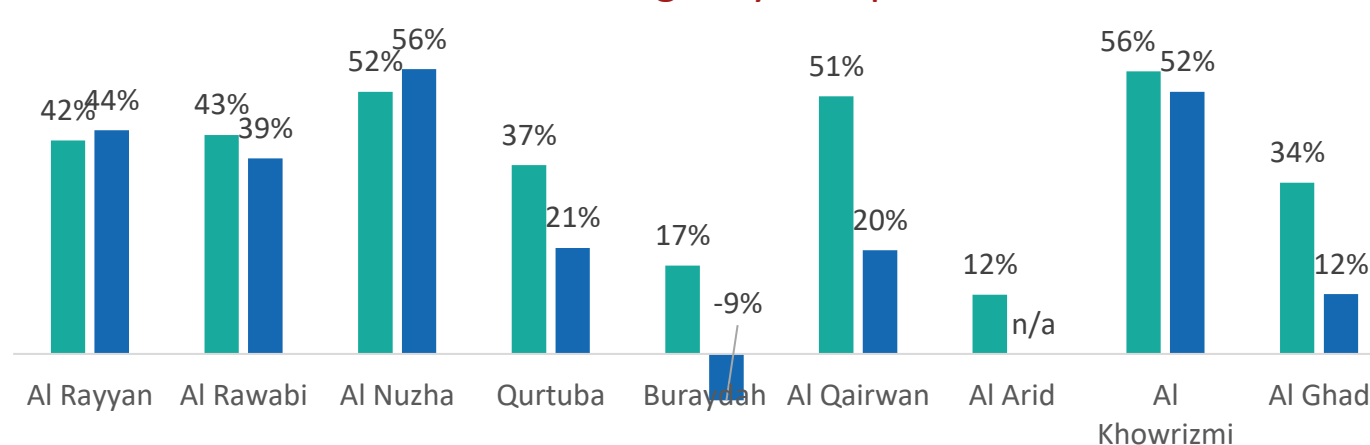
- The increase in net profit was driven by growth of revenue by 74% compared to the same quarter of the previous year which resulted mainly from:
 - ❖ Increase in number of students enrolled by 29% from 13.3 k students in last year to 17.1 k students in the current quarter coinciding with the third semester.
 - ❖ Increase in tuition fees compared to the last year that included exceptional discounts related to the repercussions of the Corona pandemic that the company announced at that time.
- NCLE continues achieving its growth targets, as a new educational campus was opened- Tarbyh Namouthajiyah Schools (TNS) in Al-Arid district at the beginning of the current year 2021/2022, which contributed to the increase in the number of students during the current quarter.
- Growth in the number of students is witnessed in the newly operated educational campuses (TNS - Al-Qairawan campus and TNS - Qassim campus).
- NCLE achieved the profitability rates it used to achieve prior to the pandemic, despite the high operational costs of operating new campuses.
- Revenues grew by 74% compared to same quarter of past year which led to net profit growth by 103% compared to the same quarter.
- Cost of revenues grew by 65% compared to same quarter of last year due to growth of students, and nature of expenses in operating newly opened schools.

NCLE campuses experienced healthy financial growth

 Revenue By Campus



 Gross Margin by Campus



■ Al-Rayan
 ■ Al-Rawabi
 ■ Al-Nozha
 ■ Qurtobah
 ■ Buraidah
■ Al-Khwarizmi
 ■ Al-Ghad
 ■ Al-Qairawan
 ■ Al-Arid

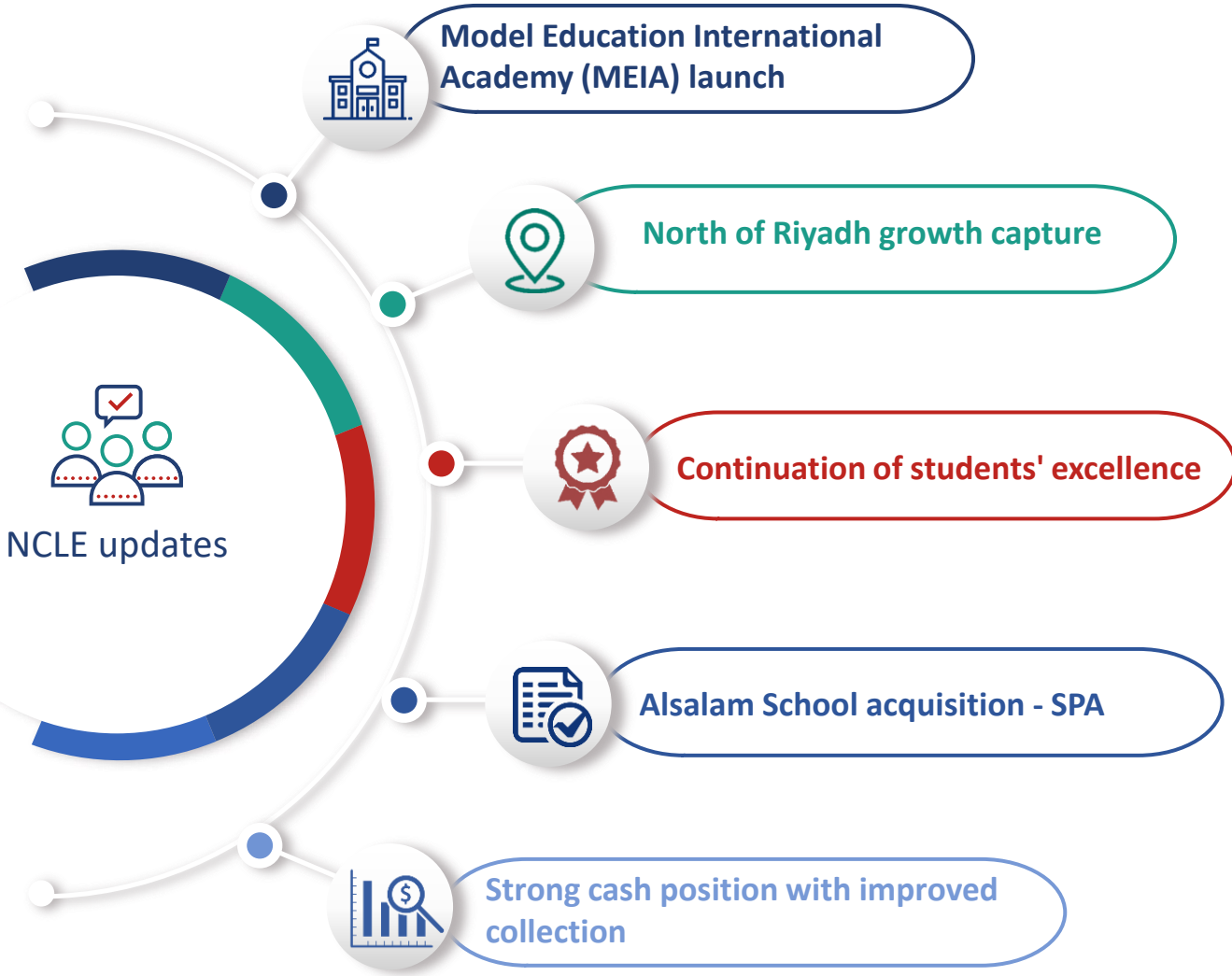
■ nine-month 2022
 ■ nine-month 2021

Campuses	Al-Rayan	Al-Rawabi	Al-Nuzha	Qurtubah	Buraidah	Al-Qairwan	Al-Aridh	Al-Khwarizmi	Al Ghad
Revenue	42,798,613	48,618,874	38,827,308	7,689,321	8,807,183	30,848,890	15,189,564	12,893,478	23,533,805
Government Grants & Subsidies	923,590	707,572	694,460	339,377	270,466	533,180	450,250	215,747	374,342
Cost	(25,750,809)	(28,373,682)	(19,500,963)	(5,172,892)	(7,545,632)	(15,747,218)	(13,867,137)	(5,939,059)	(15,978,889)
Gross Profit	17,971,394	20,952,764	20,020,805	2,855,806	1,532,017	15,634,852	1,772,677	7,170,166	7,929,258

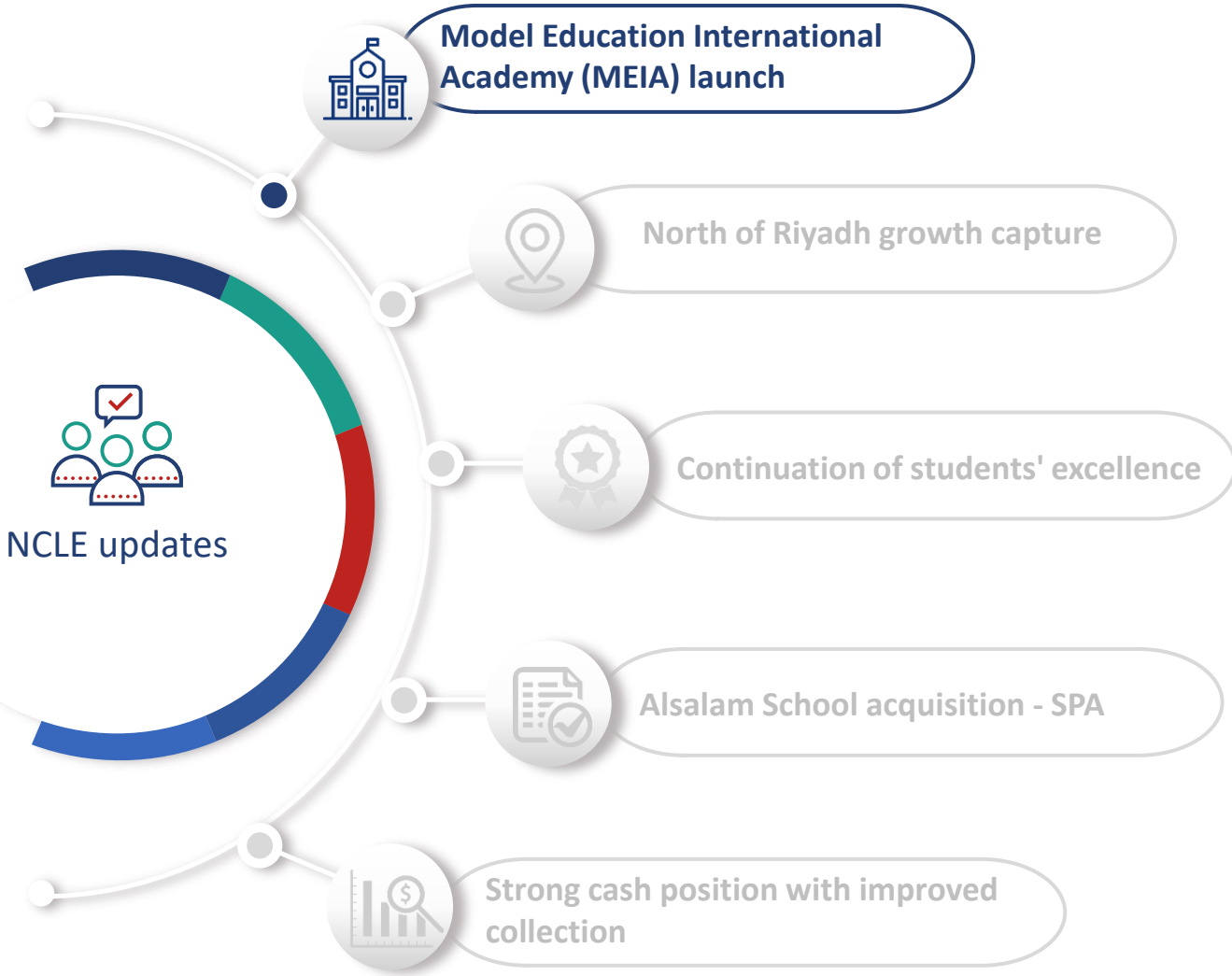
NCLE Executive Updates



NCLE updates



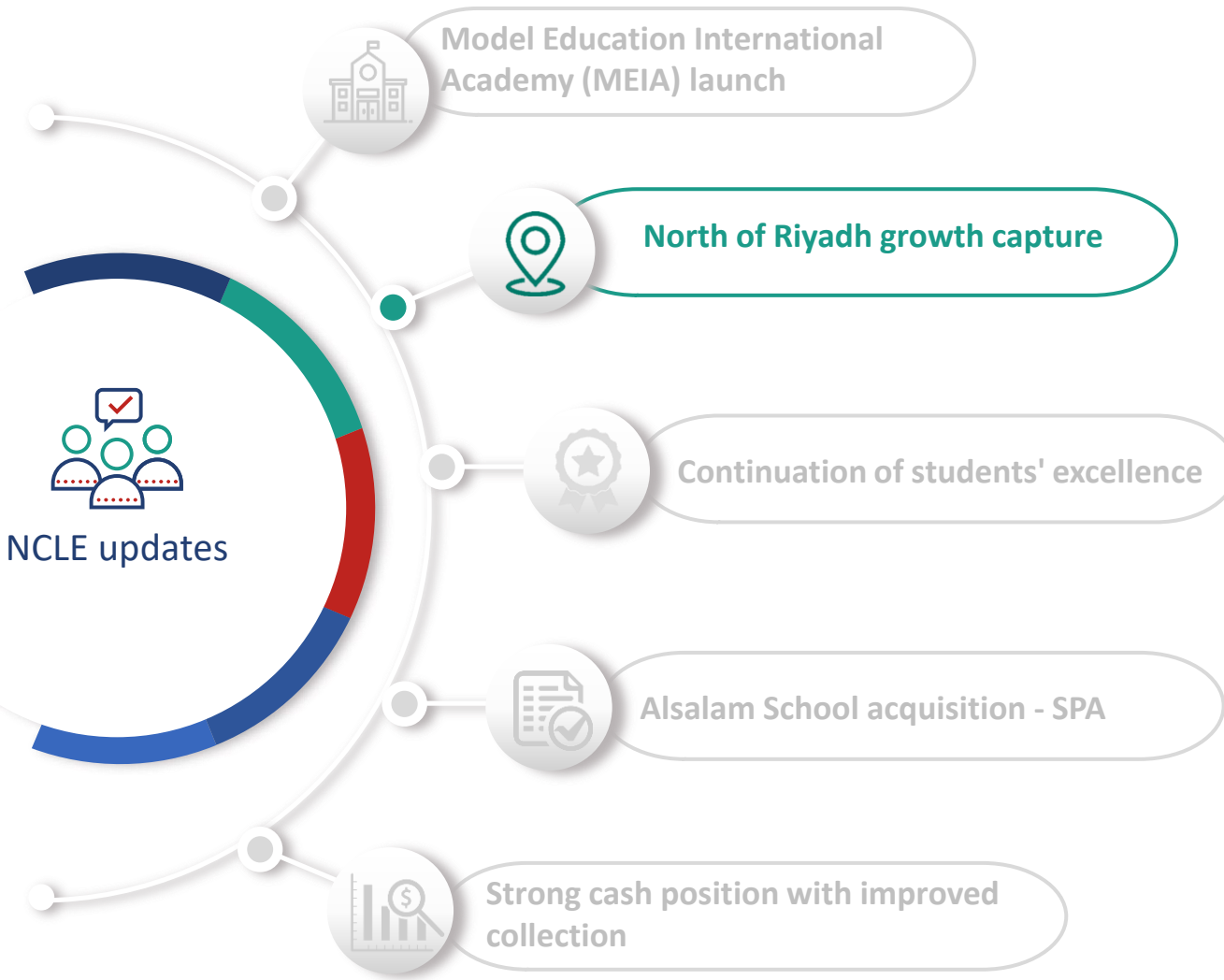
NCLE updates



- MEIA is a 7:30 am to 4:30 pm international school
- Students attend classes, have lunch, do homework, and enjoy various activities
- NCLE launched MEIA in Rayan and Nuzha campuses to diversity offering, increase utilization, and fill the needs of new generation of parents
- Successful launch with 293 students enrolled

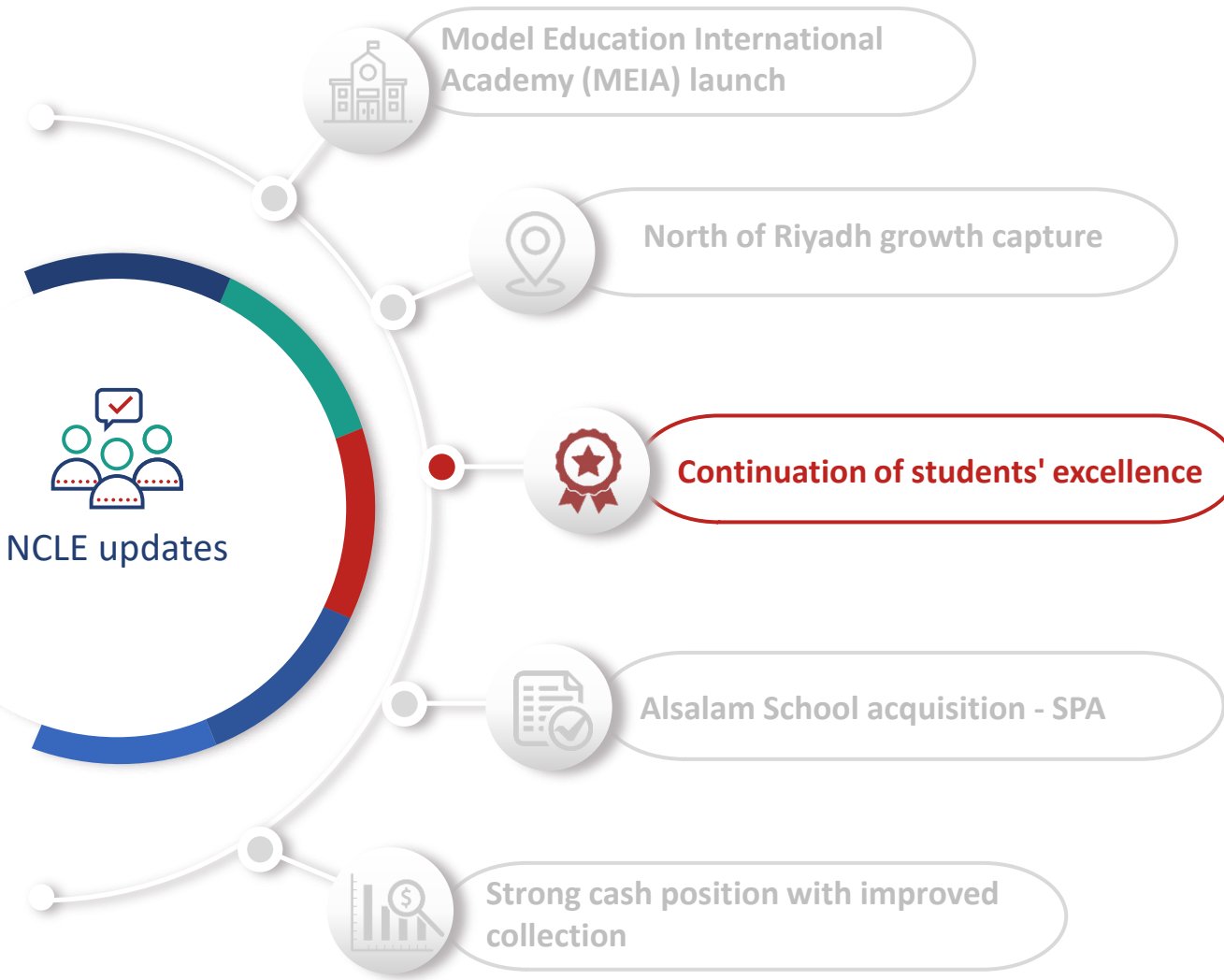


NCLE updates



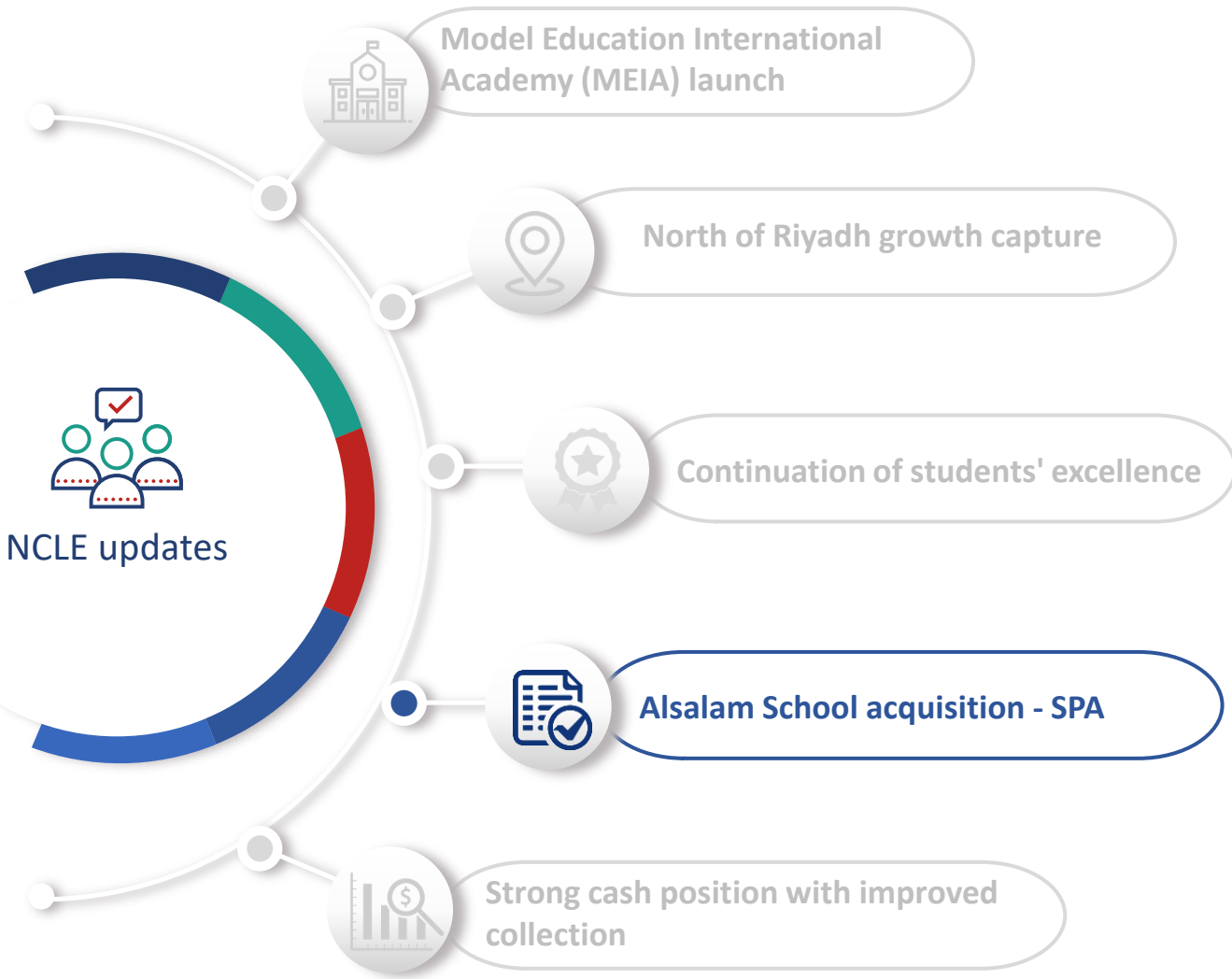
- NCLE managed to establish strong roots in North of Riyadh with a capacity of 7500+ students through Qairawan and Aridh campuses
- Al-Qairwan enrollment doubled in its 2nd year of operation with over 2,300 students
- Al-Aridh successful launch resulted in over 1,200 students in 1st year of operation

NCLE updates



- NCLE schools has been maintaining strong performance in student success
- 1st place in KSA - Kangaroo Global Math Competition
- 1st place in KSA – First Lego league challenge for Engineering Excellence in robot competition
- 1st place in Al-Qassim 2nd place in Riyadh in the global Olympiad robot competition
- Cognia reaccreditation for the international program for the next 5 years
- Hamdan Bin Rashed Excellence Award for Educational Performance
- Scientific Creativity Award from the Ministry of Education
- 2 out of NCLE's 10 schools were in top 20 schools in KSA in qudurat and tahsili exams

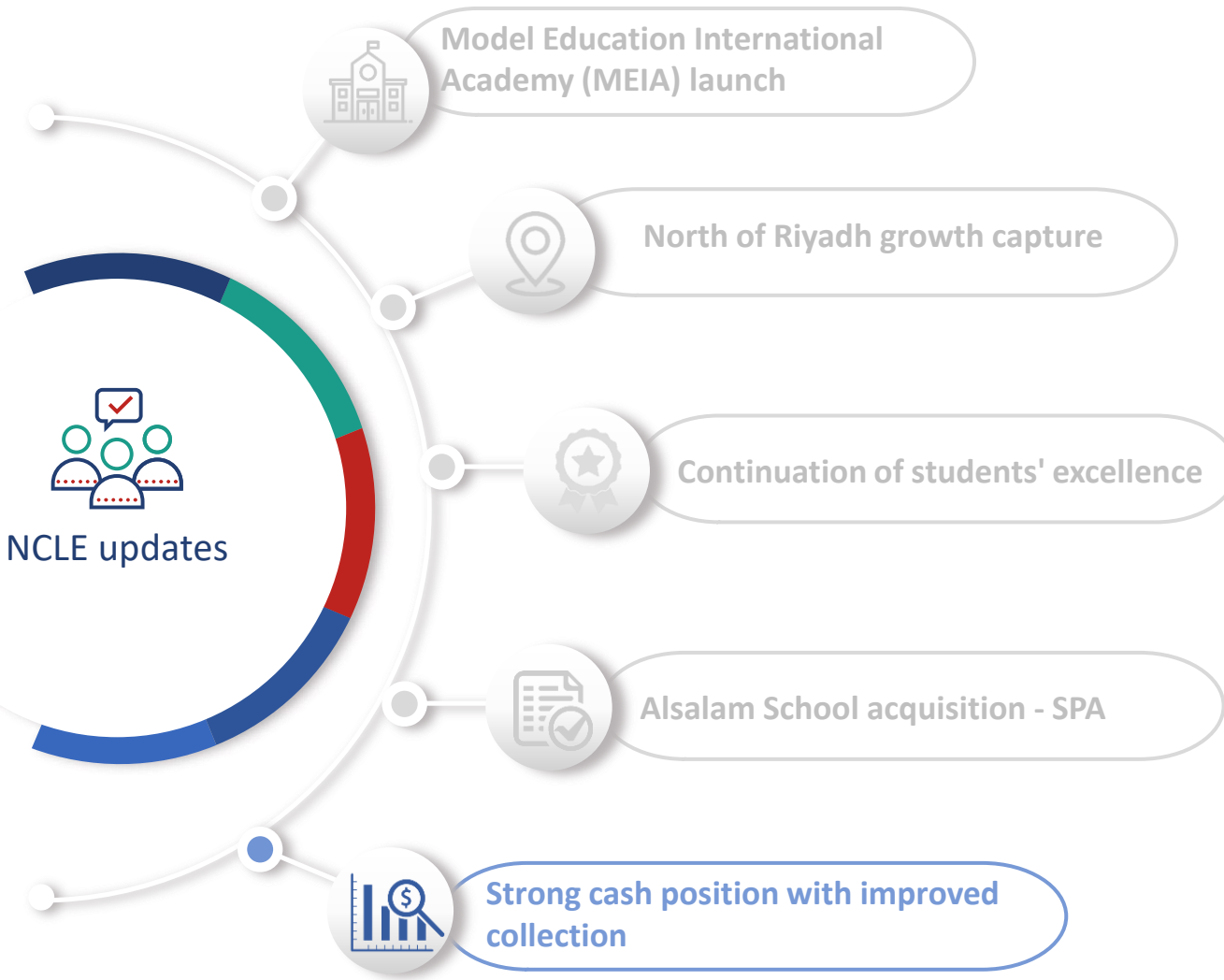
NCLE updates



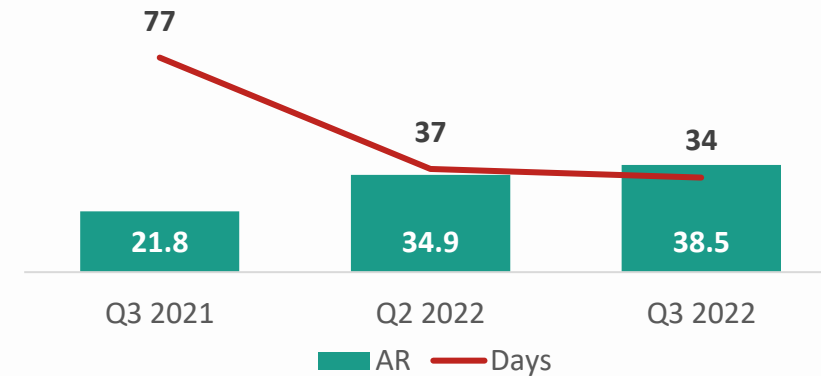
Khobar, Eastern Province	1500 student	1950 students
Location	Number of students	Capacity
280 staff	10,480 sqm	SAR 18,500
Number of staff	Land size	Average tuition

- NCLE signed an SPA with Al-Salam in Al-Khobar with amount SR 72 million.
- The agreement contains several conditions precedent that must be fulfilled by the Sellers within (150) days from the date of signing the agreement.
- The assets of Al-Salam include the land and building of the educational complex for Al-Salam Schools
- Al-Salam recorded a revenue of SR 28.5 million, SR 25.1 million, and SR 22.3 million in 2019, 2020 and 2021, respectively. Additionally, it recorded a net profit (loss) of SR 2.9 million, SR 2.4 million and SR (1.4 million) in 2019, 2020 and 2021, respectively.
- NCLE recognizes the opportunity to improve the profit margins of Al-Salam. It is also part of the Company's strategy for expansion through acquisitions and purchase of existing high-quality educational complexes across the Kingdom of Saudi Arabia.

NCLE updates



- Enhanced collections through various initiatives (i.e. online payment channels and early payment discounts)
- Maintained dividends distribution levels despite the pandemic with SR 34,4 million Represent 8% of the share capital and dividends yield of 140%.



Q&A



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