

NCLE Releases Results for the Nine-month Period Ended 30 April 2025

25 May 2025, Riyadh (Saudi Arabia) – National Company for Learning & Education “NCLE”, a leading provider of educational services in Saudi Arabia, announces its financial results for the third quarter and nine-month period ended 30 April 2025 (3Q 2024/25 and 9 Months 2024/25). The Company reported revenues of SAR 492.5 million in 9 Months 2024/25, Increasing by 16% compared to the same period of the previous year, driven by higher student enrollment and campus expansions. Net profit for the period increased by 21% YOY to SAR 120.8 million driven by an increase in revenue. In 3Q 2024/25, revenues stood at SAR 164.8 million, up slightly from the previous quarter, while net profit grew by 6% quarter-on-quarter, supported by the slight increase in the number of students enrolled during the third academic semester and improved operational efficiency which resulted in a decrease in the operating costs.

31.9 K

Enrolled students

+13% Growth

Compared to 28.2 K Nine-month 2024



SAR 492.5 M

Revenue

+16% Growth

Compared to 423.6 M Nine-month 2024



SAR 120.8 M

Net profit

+21% Growth

Compared to 99.9 M Nine-month 2024



SAR 188.1 M
EBITDA

+19% Growth

Compared to 157.8 M Nine-month 2024



24.5%

Net profit margin

+0.9% Growth

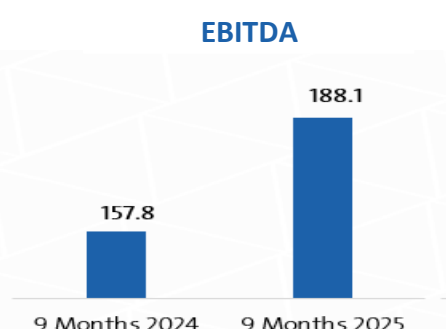
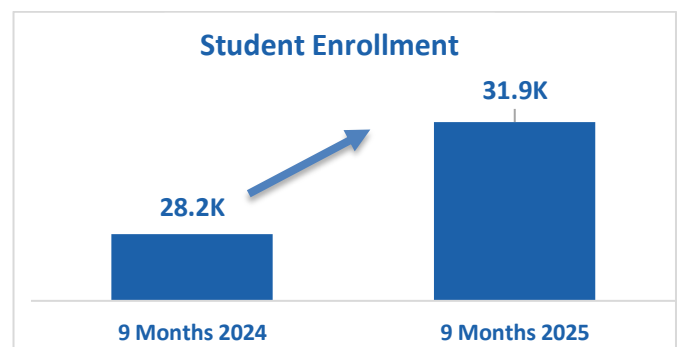
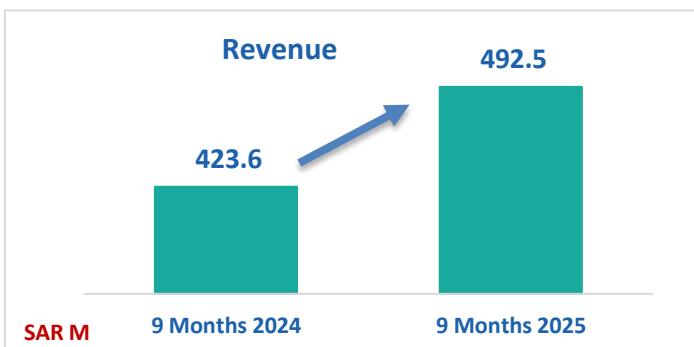
Compared to 23.6% Nine-month 2024



SAR 2.81
EPS

+21% Growth

Compared to 2.32 SAR Nine-month 2024



Profit & Loss Statement 3Q-2025

(SAR 000s)	3Q 2025	3Q 2024	9 Month 2025	9 Month 2024	YOY Change	Q-o-Q Change
Revenues	164,823	141,846	492,546	423,578	16%	16%
Government grants and subsidies	2,372	3,541	9,920	11,244	-12%	-33%
Cost of Revenues	(92,305)	(82,510)	(283,534)	(249,583)	14%	12%
Gross Profit	74,890	62,877	218,932	185,238	18%	19%
Gross Profit Margin	45.4%	44.3%	44.4%	43.7%	0.64%	1.1%
Marketing and advertising expenses	(834)	(163)	(7,045)	(656)	974%	413%
General and administrative expenses	(24,980)	(22,538)	(78,156)	(66,797)	17%	11%
Reversal of allowance / (allowance) for expected credit loss	1,000	-	5,025	(3,450)	-246%	100%
Other income	783	606	2,939	2,904	1%	29%
Operating profit	50,859	40,782	141,697	117,240	21%	25%
Finance cost and returns, net	-7,032	-5,364	(16,988)	(14,090)	21%	31%
Net profit for the period before Zakat	43,826	35,418	124,709	103,150	21%	24%
Zakat expense	(1,205)	(620)	(3,864)	(3,300)	17%	94%
Net profit for the period	42,621	34,798	120,845	99,850	21%	22%
Net Profit Margin	25.9%	24.5%	24.5%	23.6%	0.9%	1.4%
Earnings per share	0.99	0.81	2.81	2.32	21%	22%

Key Performance Highlights 9 Months

Revenues : NCLE recorded SAR 492.5 million in revenue for 9 Month 2024/25, The increase in revenue during the current period by 16% compared to the same period of the previous year is mainly due to the increase in the number of students enrolled in the company's schools by 13% from 28.2 thousand students in the same period of the previous year to 31.9 thousand students during the current period. In addition, 4 new educational campuses were opened in the city of Riyadh at the beginning of the current year 2024-2025, under the name of TNS in Qurtubah District, TNS in Al-Narjis District, National School in Hetteen District, and MEIA in Al-Qairawan District.

Net Profit: NCLE reported SAR 120.8 million in net profit for 9 Months 2024/25, The increase in net profit during the current period by 21% compared to same period of the previous year is due to the increase in revenue by 16% compared to the same period of the previous year.

The current period also recorded a reversal of a portion of the expected credit loss provision, due to improved collection rates of accounts receivable.

Additionally, the government grants and subsidies have decreased during the current period compared to the same period of the previous year due to the decrease in the wage subsidies provided by the Human Resources Development Fund.

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Furthermore, marketing and advertising expenses have increased during the current period compared to same period of the previous year. The increase is mainly due to the change in the company's fiscal year ending on July 31 instead of August 31. Since most of these expenses are typically incurred during July and August. Therefore, the current period included a portion of the marketing campaign expenses related to enrolment for the beginning of the school year, whereas the comparative period of the previous year did not include the months in which these marketing campaign expenses were incurred.

The financing costs have also increased during the current period compared to the same period of the previous year. This increase is due to the impact of the lease contract for the educational campus building of MEIA in Al-Qairawan district, which was opened at the beginning of the current academic year 2024–2025, in addition to the financing costs related to the loan used to partially fund the purchase of land plots in Al-Rabie District – Riyadh and North Obhur District – Jeddah.

Key Performance Highlights 3Q 2025

Revenues: NCLE recorded SAR 164.8 million in revenue for 3Q 2024/25, The slight increase in revenue during the current quarter compared to the previous quarter is due to the slight increase in the number of students enrolled in the company's schools during the third academic semester.

Net Profit: NCLE reported SAR 42.6 million in net profit for 3Q 2024/25, The increase in net profit during the current quarter by 6% compared to the previous quarter is due to the slight increase in revenue compared to the previous quarter, in addition to improved operational efficiency which resulted in a decrease in the operating costs.

The financing costs have also increased during the current quarter compared to the previous quarter. This increase is due to the financing costs related to the loan used to partially fund the purchase of land plots in Al-Rabie District – Riyadh and North Obhur District – Jeddah, in addition to the decrease in the realized return from short-term Islamic Murabaha during the current quarter compared to the previous quarter.

Balance Sheet Highlights

Summary Balance Sheet (SAR 000)	3Q 2025	Y2024
Total Assets	1,448,722	1,299,485
Property and equipment	889,679	797,009
Goodwill & other intangible assets	88,518	90,015
Right of use assets on lease (IFRS 16)	294,890	264,872
Cash & cash equivalents	25,314	36,344
Capital advances & other debit balances	54,919	58,938
Inventory	10,065	2,790
Accounts Receivable	85,337	49,519
Total Liabilities	625,929	506,163
Lease liabilities	318,959	282,595
Employee Benefits	69,072	62,426
Advance from customers	116,507	80,172
Islamic Murabaha	77,984	31,540
Other credit balances	37,577	42,845
Zakat Provision	5,830	6,584
Shareholders' Equity	822,793	793,322

Total assets increased due to strategic investments in property, plant, and equipment (PPE), right-of-use assets, and inventory expansion. The growth in PPE was primarily driven by the acquisition of new land plots, in Ishbiliyah District- Riyadh for SAR 14.7 million, in Al-Rabie District- Riyadh for SAR 35.7 million, in North Obhur District - Jeddah for SAR 27.9 million reflecting the company's ongoing expansion strategy. Additionally, the impact was driven by the new lease contract for the educational campus building of MEIA in Al-Qairawan district. Furthermore, the increase in inventory was primarily due to the remaining stock of school uniforms of the current academic year, including the additional stock for sale through the company's newly launched online store channels.

Total liabilities increased due to new financing arrangements and lease obligations. Significant drivers were:

- Islamic Murabaha financing obtained on 30 January 2025, amounting to SAR 28.56 million to fund the purchase of a plot in Al-Rabie District, Riyadh. The Islamic Murabaha will be repaid in eight equal semi-annual installments.
- Islamic Murabaha financing obtained on 9 February 2025, amounting to SAR 22.32 million to fund the purchase of a plot in North Obhur District, Jeddah. The Islamic Murabaha will be repaid in eight equal semi-annual installments.

Additionally, the increase in lease liabilities as of 30 April 2025 was driven by the new lease contract of MEIA Al-Qairawan Academy.

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Chief Executive's Review

I am pleased to share NCLE's 9M 2025 results, showcasing strong growth in both revenue and profitability. Our success reflects our commitment to expanding access to quality education, enhancing operational efficiency, and driving long-term value creation.

NCLE delivered a strong quarter, Revenue for 9M 2024/25 reached SAR 492.5 million, a 16% YOY increase, driven by a 13% rise in student enrollment to 31.9 thousand students and the successful launch of four new campuses in Riyadh.

Net profit for 9M 2024/25 grew 21% YOY to SAR 120.8 million, supported by revenue expansion and cost optimization. In 3Q 2024/25, net profit rose 22% YOY to SAR 42.6 million, with a net profit margin of 25.9 %.

In 3Q revenue showed a slight increase to SAR 164.8 million, and net profit grew 6.3% quarter-on- quarter due to the slight increase in revenue, in addition to improved operational efficiency which resulted in a decrease in operating costs.

Despite the pressure of opening 4 new educational campuses at the beginning of the current academic year, strategic cost management helped maintain profitability. NCLE remains focused on expanding its educational offerings, optimizing efficiency, and maximizing stakeholder value, positioning itself for sustainable growth in Saudi Arabia's premium education sector.

Mohammad AlKhudair
Chief Executive Officer

About National Company for Learning & Education

NCLE started an ambitious pioneering Journey by Sheikh Mohammed bin Ibrahim Al-Khudair in 1378 AH/ 1958, establishing the "Tarbya Namouthajiya Schools", which served both kindergarten and primary school for boys and girls and was the first school for girls in Riyadh, and had only 50 students in a rented building at its first headquarters in Al-Malaz neighborhood on 60th St. and then on Jarir St., until the construction of the first educational buildings in Al-Rayyan neighborhood in the year 1400 AH/1980. And what made the jewel in the crown of the company's fruitful journey is the qualitative shift that took place in the year 1423 AH/ 2002 by transforming this educational entity into the first closed joint stock company in the educational sector under the name of "National Company for Learning & Education" registered in the Kingdom of Saudi Arabia under Ministerial Resolution No. 346.

Contact

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