



الشركة الوطنية للتربية والتعليم
NATIONAL COMPANY FOR LEARNING & EDUCATION

INVESTORS CONFERENCE CALL

Q 2 2021 - FINANCIAL RESULTS

April, 2021



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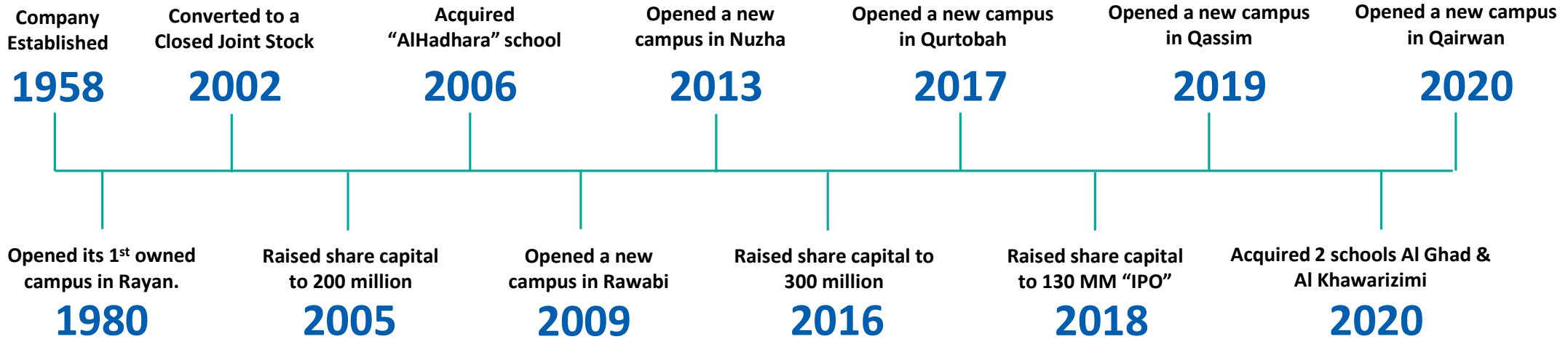
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NCLE OVERVIEW



NCLE celebrates its 63rd anniversary this year ...



NCLE aspires to be the market leader in terms of education quality, and business growth

63 Years

of excellent education

K-12

National & International
Curriculum

13,300

Enrolled Students

3rd

Ranking in Market Share in
Riyadh

9 Campuses

8 In-operation
& 1 Under Construction

≈ 29,000

Student Capacity with 3,000
additional capacity

225 Million

FY 2020 Revenues
& Gov. Subsidies

58 Million

FY 2020 Net Profit



مدارس التربية النموذجية
Tarbyh Namouthajiyah Schools



















tns
International

مدارس الغد الأهلية
AL Ghad Schools



مدارس
الأهلية
الخوارزمي

NCLE aspires to be the market leader in terms of education quality, and business growth

	 TNS – Al-Rayyan	 TNS – Al-Rawabi	 TNS – Al-Nuzha	 TNS – Qourtuba	 TNS – Buridah	 Al-Khawarzmi	 Al-Ghad	 TNS – Qairawan	 TNS – Tilal Al-Doha
Establishment	1958	2009	2013	2017	2019	2010	1990	2020	2022 Under Construction
Location	Riyadh	Riyadh	Riyadh	Riyadh	Qassim	Riyadh	Riyadh	Riyadh	Riyadh
Curriculum									
Optimal Capacity	5,250	4,375	4,375	1,050	2,625	1,220	2,200	4,550	2,625
Enrolled Students	3,166	3,462	2,404	402	380	1,129	1,402	955	NA
Utilization	60 %	79 %	54%	38 %	14.5 %	92 %	64%	21 %	NA

Due to the global pandemic, NCLE witnessed a minor decline in the number of students in 2021

Total Students 2020

14,525

Total decline rate in
2021

% 9

Total Students 2021

13,300

KG and G1 decline % of
the total decline

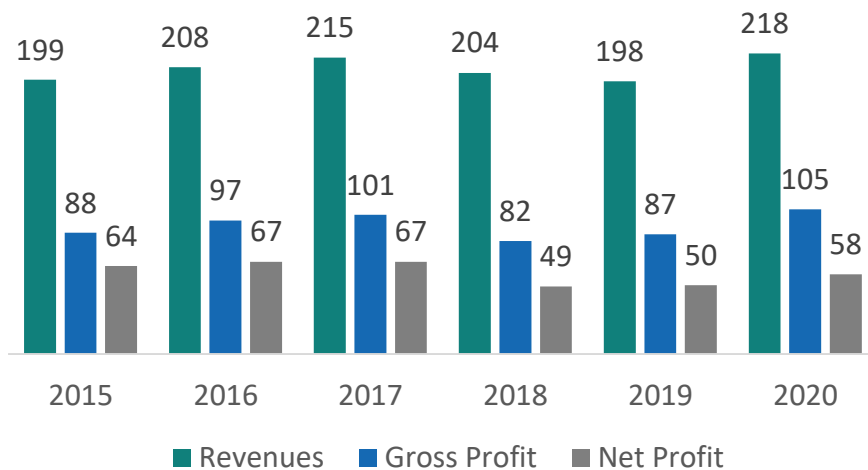
% 80

- The total number of students in the current year (2021) decreased by 9% compared to the previous year (2020)
- 80% of the total decrease resulted from the decline in enrollment of kindergarten and first grade students, while 20% was enrolled students who transferred out

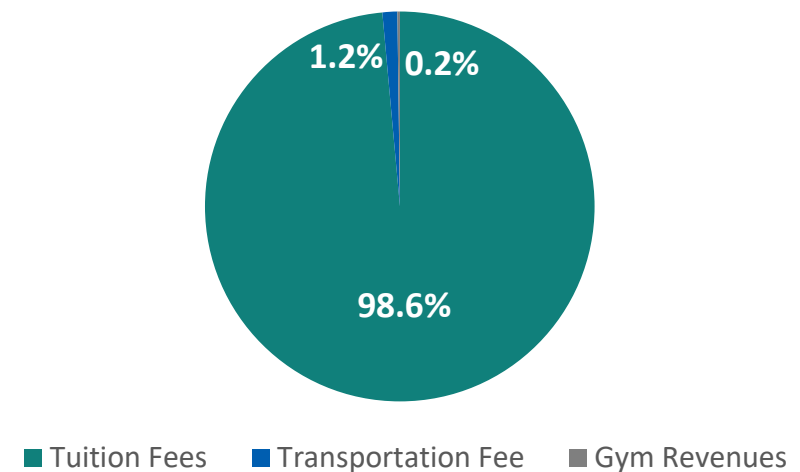


In 2020, NCLE maintained its performance with a net profit growth of 15%

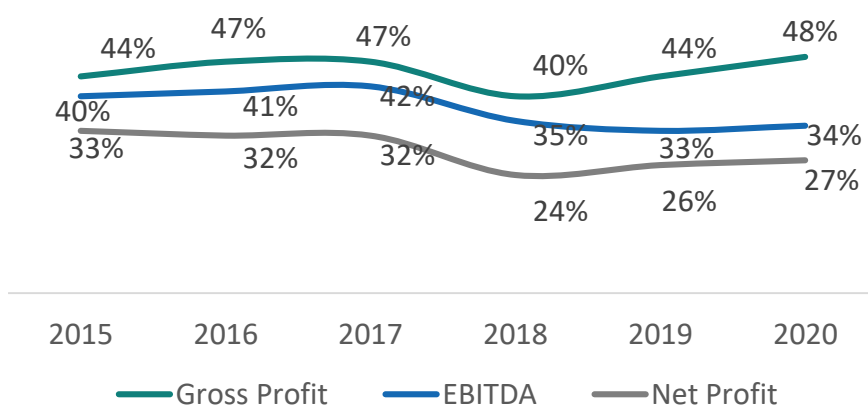
Financial Performance (million SR)



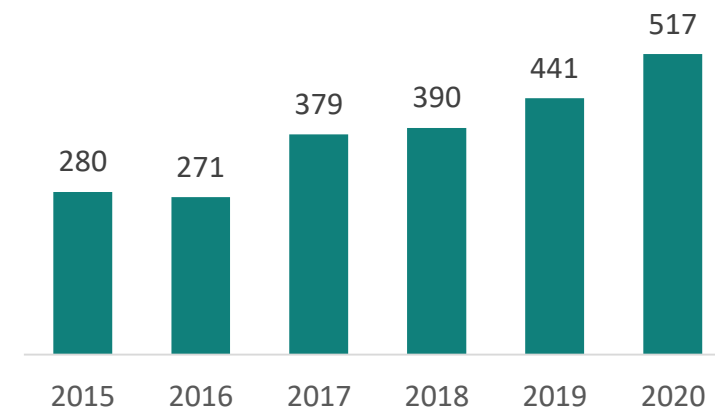
Revenue Breakdown (2020)



Margins %



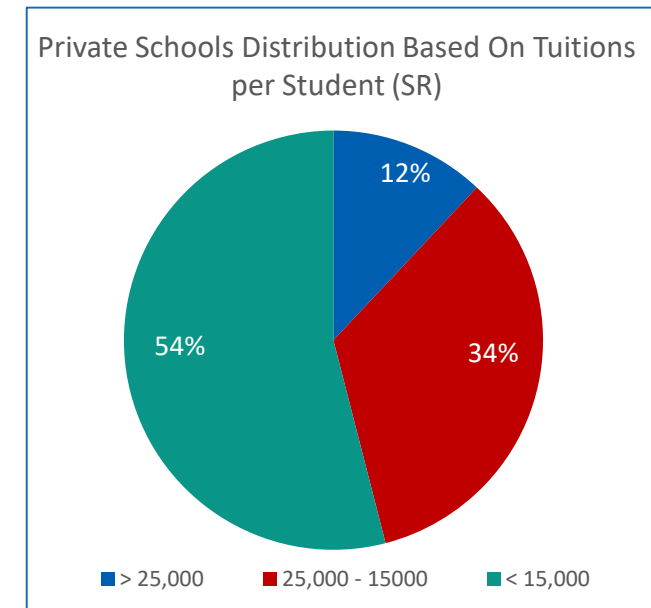
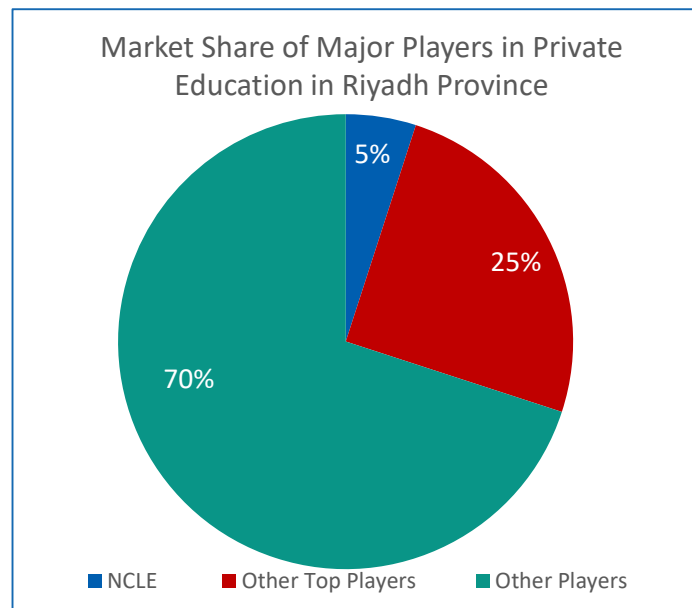
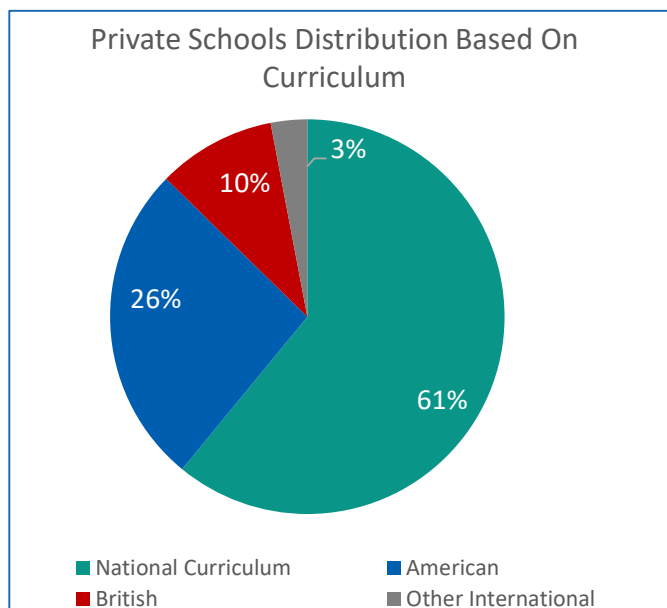
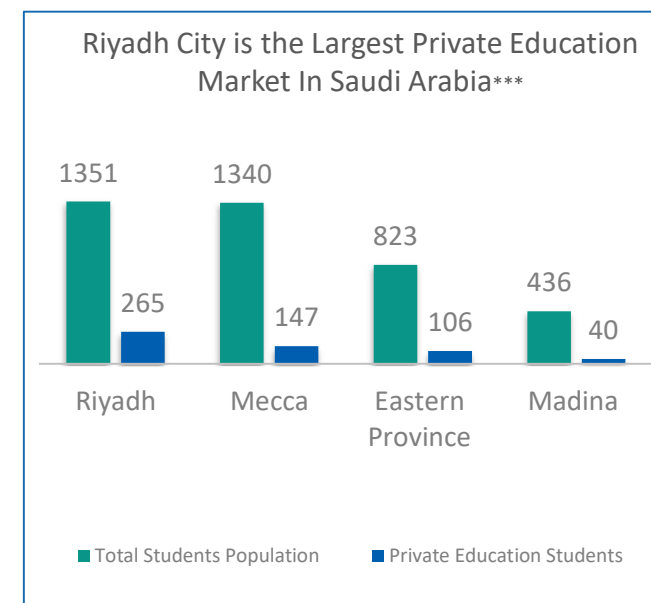
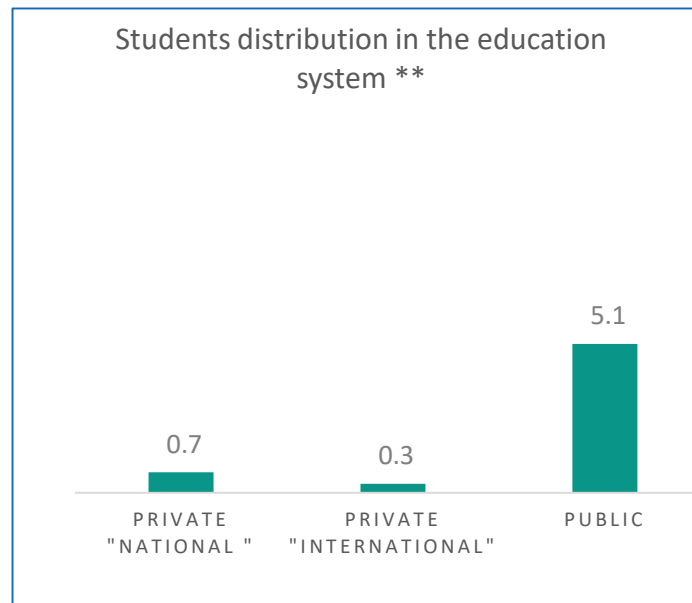
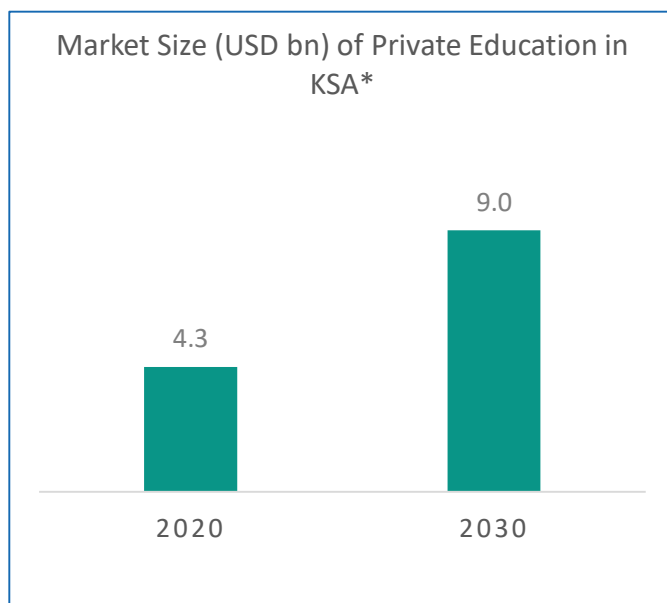
PP&E (million SR)



MARKET OVERVIEW & PRIVATE EDUCATION SECTOR GROWTH DRIVERS



The private education market is expected to double in the next 10 years ...



* Saudi Arabia MoE, General Authority of Statistics, team analysis

** 2019

*** 2017

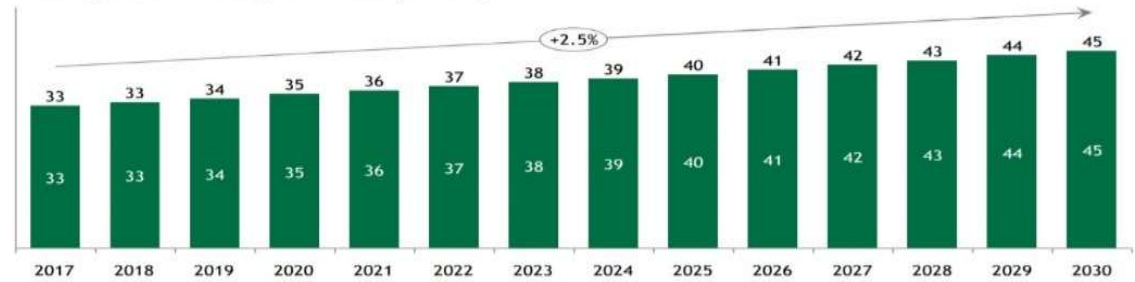
NCLE is committed to continue growing given the growth drivers in place

40 % of KSA Population < 25 Years old

1

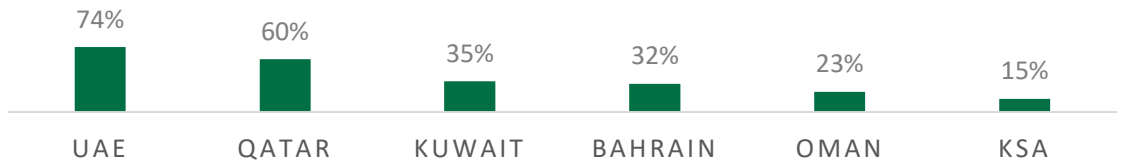
Population growth will add 2M students in 10 years

Total Population forecast, 2017 - 2030 (Millions)



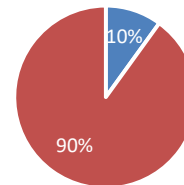
2

Enrollment rate in private education is still the lowest in KSA compared to neighboring countries



3

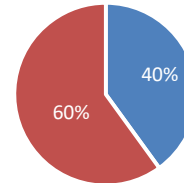
High fragmentation in the industry, which drives for more consolidation



Other Players
Top 10 Players

4

Non-educational building schools accommodate 40% of private education students



Students not in TADRWJ Schools
Students in TADRWJ Schools

5

Public schools operation is an opportunity to improve cost efficiency and education quality



NCLE EXECUTIVE UPDATE



EXECUTIVE UPDATE

Organic Expansion

New offerings

E-learning success

Academic
excellence

Financial
performance

- Successful completion of Al-Qairawan campus construction and enrolling ~1000 students in 2020
- Continuation of the construction operations of Doha Hills Educational Complex in the Eastern Region, to be operational in September 2022 according to the project schedule.



EXECUTIVE UPDATE

Organic Expansion

New offerings

E-learning success

Academic
excellence

Financial
performance

- Opened registration of new grades in Buraydah & Qairawan Campuses for National & International curriculums.
- Launching a discounts program of tuition fees for all Grades.
- Continue activating the training programs on NOA online academy as an extra-curricula courses and online activities, with great increase of members.



EXECUTIVE UPDATE

Organic Expansion

New offerings

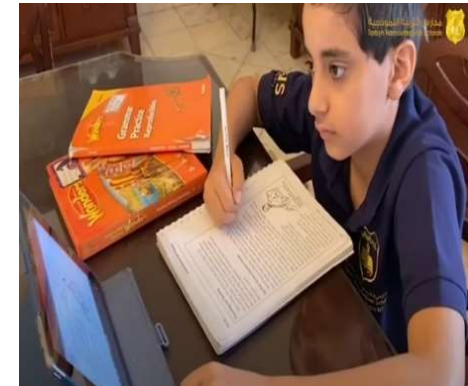
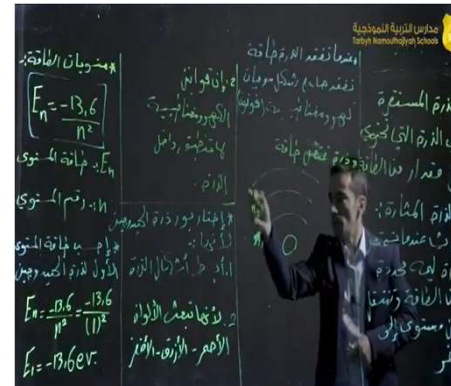
E-learning success

Academic
excellence

Financial
performance

NCLE has ensured continuity of its education programs virtually with blended component:

- 91% daily students attendance
- 100% teachers' daily attendance
- Produced 566,500 + interactive contents
- Conducted around 208,318 virtual classes
- Opened around 66,370 discussion rooms
- Uploaded 92,000 + homework and quizzes
- Early graders visit the school twice/week



2020 EXECUTIVE UPDATE

Organic Expansion

New offerings

E-learning success

Academic
excellence

Financial
performance

- Home visits continue to visit male and female students (first grade of primary school) in their homes to check on the level of our children, evaluate them, and ensure their mastery of basic skills.
- Distinguished results in the My School Digital Competition and representation of the Riyadh region at the level of the Kingdom of Saudi Arabia.



2020 EXECUTIVE UPDATE

Organic Expansion

New offerings

E-learning success

Academic
excellence

Financial
performance

- Enhanced collections through new initiatives using effective online payment channels
- Full utilization of IPO proceeds effectively
- Continuation of capturing key opportunities for expansion (Organic and M&A)

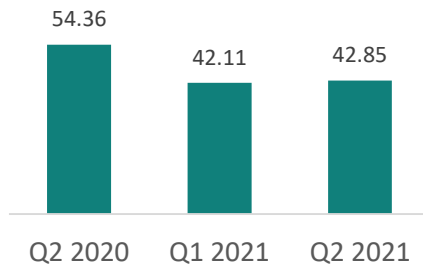


Q2 2021 FINANCIAL RESULTS



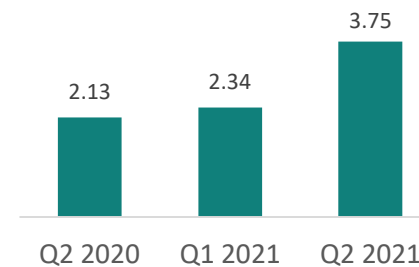
Q 2 RECORDED A -21% DECREASE IN REVENUES AND -66% DECLINE IN NET PROFIT

Revenues (million SAR)



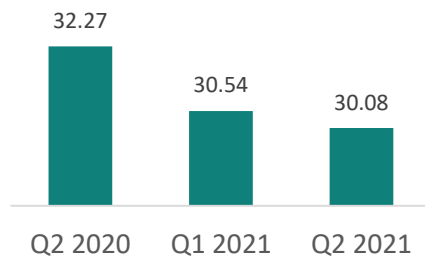
Revenues Decreased by -21.17% compared with Q2 -2020 and increased by 1.74% compared with previous quarter

Government Grants & Subsidies (million SAR)



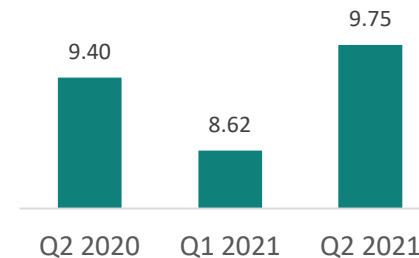
Gov. Grants & Subsidies Increased by 75.95% compared with Q2-2020 and Increased by 60.42% compared to previous quarter

Cost of Revenues (million SAR)



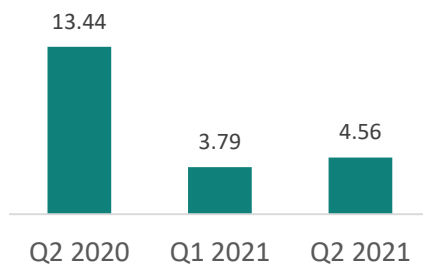
Cost of Revenues Decreased by -6.77% compared with Q2-2020 and -1.50% compared to previous quarter

Marketing and G&A (million SAR)



Marketing and G&A expenses Increased by 3.69% compared with Q2-2020 and 13.09% compared with previous quarter

Net Profit (million SAR)

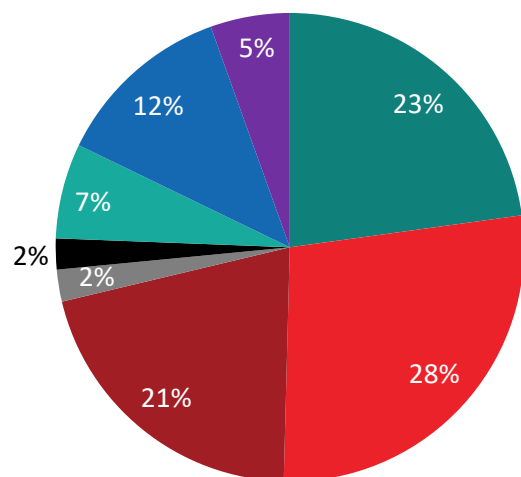


Net Profit Decreased by -66.05% compared with Q2-2020 and Increased by -20.49% compared with previous quarter

- **The Decrease in net profit for current quarter compared to the same quarter of the previous year is due to:**
- providing discounts with different rates from 10% to 50% on the tuitions of the current academic year, concurring with the Ministry of Education announcement of the online education for the 2020/2021
- suspension of school transportation services and canteens
- finance cost has increased during the current year as a result of the decrease in earned revenue of short-term Islamic Murabaha
- IFRS 16 application on lease contracts of Al-Ghad National Schools Company Limited.

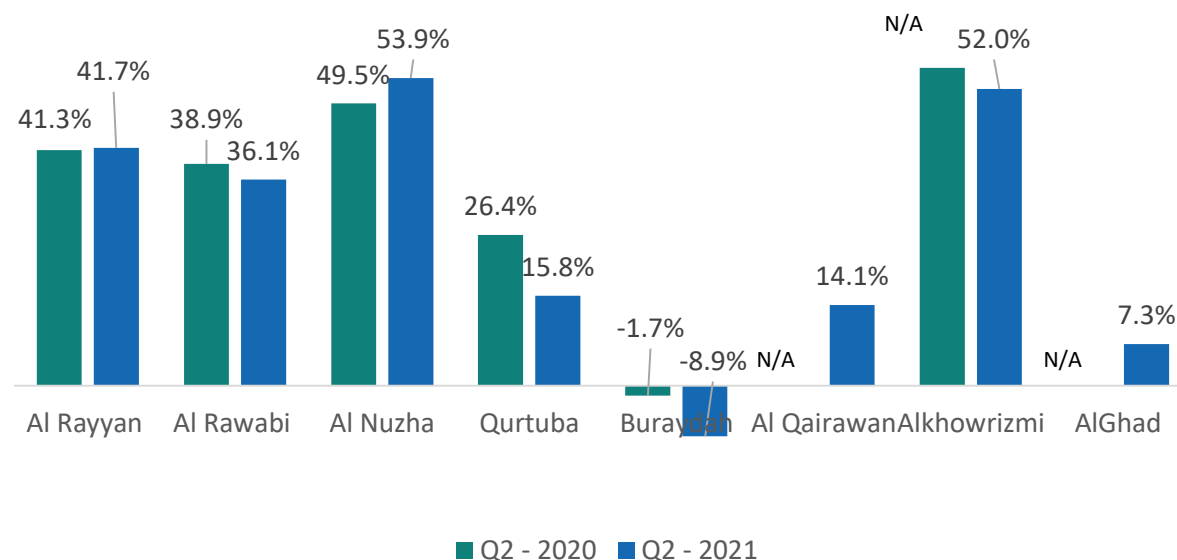
Campus Result in Q2- 2021

Revenue By Campus



■ Al Rayyan ■ Al Rawabi ■ Al Nuzha ■ Qurtuba
■ Buraydah ■ AlKhowrizmi ■ AlGhad ■ AlQairwan

Gross Margin by Campus



■ Q2 - 2020 ■ Q2 - 2021

	Al Rayyan	Al Rawabi	Al Nuzha	Qurtuba	Buraydah	Al Qairwan	Al Khowrizmi	Al Ghad
Revenue	19,204,190	23,245,756	17,544,817	1,864,294	1,790,242	4,610,651	5,525,188	10,396,498
Government Grants & Subsidies	1,450,056	1,705,224	1,484,799	272,599	443,805	222,745	226,476	281,095
Cost	(12,643,999)	(16,548,408)	(9,567,714)	(1,842,463)	(2,392,485)	(4,181,390)	(2,876,833)	(9,918,278)
Gross Profit	8,010,247	8,402,572	9,461,902	294,430	(158,438)	652,006	2,874,831	759,315

THANK YOU

(Q&A)

For more information, please contact us on:
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