

NCLE Releases Results for the Three-month Period Ended 31 Oct 2025

04 December 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 first quarter ended 31 October 2025 (1Q 2025/26). During the period, the Company reviewed its methodology for recognizing revenue from educational services (tuition fees), whereby **revenue is now recognized over the academic year rather than the financial year, in accordance with the requirements of IFRS 15 “Revenue from Contracts with Customers”** as adopted in the Kingdom of Saudi Arabia and the explanatory notes issued by SOCPA on 16 July 2025. The review also included recalculating and allocating vacation costs related to the teaching staff to the educational service contracts in accordance with that interpretative guidance. This review resulted in identifying a financial impact related to the revenue re-measurement, and this impact was adjusted in the interim condensed consolidated financial statements for the three-month period ended 31 October 2024. **It should be noted that this adjustment is limited to the quarterly periods and has no effect on the annual financial statements.**

Revenues reached SAR 185.3 million, increasing by 7% QoQ despite a 10% increase in student enrollment. revenue growth was impacted by the difference in the number of days recognized for revenue between the two periods; Revenue for the current quarter was recognized based on 79 days out of the total 314 days of the 2025/2026 academic year, whereas revenue for the same quarter of the previous year was recognized based on 85 days out of the total 321 days of the 2024/2025 academic year. **This variance resulted from differences in the academic year start dates and the total number of school days in each period**, which reduced the positive impact of the increase in student enrollment on the revenue growth rate. **It is worth noting that, had the revenue for the same quarter of the previous year been recognized based on the same number of revenue-recognized days applied in the current quarter and in line with the total number of days in the current academic year, revenue growth for the current quarter would be estimated at approximately 13% compared to the same quarter of the previous year.**

The variation in the number of days recognized during the first quarter led to a decrease in net profit of 7.3 million SAR compared to the same quarter of the previous year. The quarter’s financial performance was also influenced by changes in government grants and subsidies, marketing expenses, credit loss provisions, and financing costs. **It is worth noting that, had the revenue for the same quarter of the previous year been recognized based on the same number of revenue-recognized days applied in the current quarter and in line with the total number of days in the current academic year, the net profit growth for the current quarter would be estimated at approximately 3% compared to the same quarter of the previous year.**

35.1 K



Enrolled students

+10% Growth

Compared to 31.8 K in the same quarter of the previous year.

SAR 185.3 M

SAR 185.3 M



Revenue

+7% Growth

Compared to the same quarter of the previous year

+13% Growth

Compared to the same quarter of the previous year, adjusted for revenue recognition days and school days for the current quarter

SAR 35.5 M



Net profit

(17%) Decline

Compared to the same quarter of the previous year

+3% Growth

Compared to the same quarter of the previous year, adjusted for revenue recognition days and school days for the current quarter

SAR 60.5 M



EBITDA
(5.7%) Decline

Compared to the same quarter of the previous year

+9% Growth

Compared to the same quarter of the previous year, adjusted for revenue recognition days and school days for the current quarter

19.2%



Net profit margin

(5.6%) Decline

Compared to the same quarter of the previous year

(1.7%) Decline

Compared to the same quarter of the previous year, adjusted for revenue recognition days and school days for the current quarter

0.83 SAR



EPS

(17%) Decline

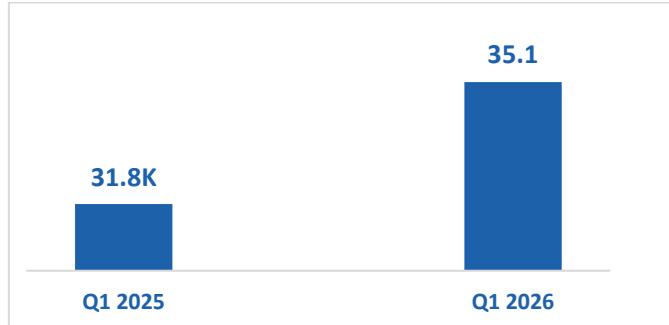
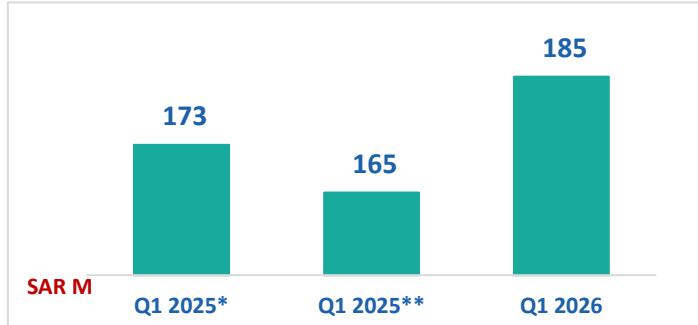
Compared to the same quarter of the previous year

+3% Growth

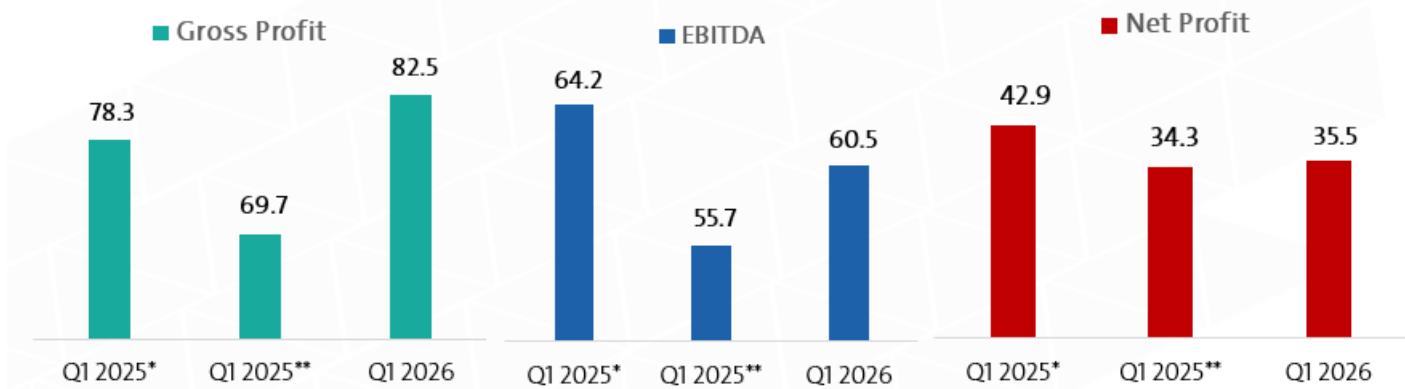
Compared to the same quarter of the previous year, adjusted for revenue recognition days and school days for the current quarter

Revenue

Enrolled students



Millions



* According to the financial statements.

** Figures adjusted based on revenue recognition days and school year days for the current quarter.

Profit & Loss Statement 1Q-2026

(SAR 000s)	Q1 2026	Q1 2025 *	Q-o-Q Change
Revenue	185,318	173,239	7%
Government grants and subsidies	2,334	4,607	-49%
Cost of revenue	(105,115)	(99,583)	5.6%
Gross profit for the period	82,537	78,263	5.5%
Gross Profit Margin	44.5%	45.2%	-0.6%
Marketing and advertising expenses	(8,082)	(5,614)	44%
General and administrative expenses	(30,341)	(26,943)	12.6%
Reversal of allowance / (allowance) for expected credit loss	(2,800)	2,350	-219%
Other income	1,164	676	72%
Operating profit for the period	42,478	48,733	-12.8%
Finance cost and returns, net	(6,154)	(4,692)	31%
Net profit for the period before Zakat	36,324	44,041	-17.5%
Zakat expense	(790)	(1,164)	-32%
Net profit for the period	35,534	42,877	-17%
Net Profit Margin	19.2%	24.8%	-5.6%
Earnings per share	0.83	1.00	-17%

* According to the financial statements.

Key Performance Highlights 1Q

Revenues: NCLE recorded SAR 185.3 million in revenue for 1Q 2025/26. The increase in revenue during the current quarter by 7% compared to the same quarter of the previous year, despite a strong 10% increase in student enrollment, with total students increasing from 31.8 thousand to 35.1 thousand. This difference is mainly due to revenues in the current quarter being recognized over only 79 academic days, while the comparative quarter included 85 days because the academic year started six days later this year. This variance resulted from differences in the academic year start dates and the total number of school days in each period, which reduced the positive impact of the increase in student enrollment on the revenue growth rate.

It is worth noting that, had the revenue for the same quarter of the previous year been recognized based on the same number of revenue recognized days applied in the current quarter and in line with the total number of days in the current academic year, revenue growth for the current quarter would be estimated at approximately 13% compared to the same quarter of the previous year.

Net Profit: NCLE reported SAR 35.5 million in net profit for 1Q 2025/26. Despite revenues increasing by 7% during the current quarter compared to the same quarter of the previous year, net profit declined by 17% compared to the same quarter of the previous year. This decrease is primarily attributable to the difference in the number of days recognized for tuition-fee revenue between the two periods, while operating costs and expenses are recognized over the full financial period of (90 days) irrespective of the number of days recognized for tuition-fees revenue, which resulted in a negative impact on net profit for this particular quarter.

Additionally, government grants and subsidies decreased during the current quarter compared to the same quarter of the previous year. This was mainly due to the decrease in the wage subsidies provided by the Human Resources Development Fund, in addition to the fact that the same quarter of the previous year included the receipt of an annual grant from the Ministry of Education covering two financial years.

The advertising and marketing expenses increased during the current quarter, as marketing campaigns for the current academic year were concentrated mainly in August, while the prior year's campaigns were distributed between July and August, causing their impact to extend across two financial quarters.

Finance costs also increased during the current quarter compared to the same quarter of the previous year. The increase was driven by borrowings used to finance part of the purchase cost of Al-Rabie District land in Riyadh and North Obhur District land in Jeddah, in addition to the impact of the land lease contract related to the Dhahrat Laban project under development in Riyadh.

It is worth noting that, had the revenue for the same quarter of the previous year been recognized based on the same number of revenue-recognized days applied in the current quarter and aligned with the total number of days in the current academic year, net profit growth for the current quarter would have reached approximately 3% compared to the same quarter of the previous year.

Balance Sheet Highlights

Summary Balance Sheet (SAR 000)	Q1 2026	Y2025
Total Assets	1,659,304	1,489,297
Property and equipment	957,531	909,441
Goodwill & other intangible assets	90,657	87,967
Right of use assets	319,042	325,167
Cash & cash equivalents	115,059	26,527
Capital advances & other debit balances	70,451	55,307
Inventory	11,261	9,604
Accounts receivable	95,304	75,285
Total Liabilities	762,142	627,306
Lease liabilities	328,592	351,537
Employee benefits	70,783	69,750
Advance from customers	216,805	71,998
Islamic Murabaha	86,608	88,744
Other credit balances	54,823	41,535
Zakat provision	4,532	3,742
Shareholders' Equity	897,162	861,991

Total assets: Cash and cash equivalents saw a significant increase with the start of the new academic year, contributing strongly to the overall growth in total assets. This increase was supported by continued investments in property and equipment. The increase in Property and Equipment as of 31 October 2025 is primarily due to payments of SAR 27 million for furniture and technology for new expansions and additions to existing and new campuses, as well as SAR 29 million for additions to projects under construction during the current period.

Total liabilities increased primarily due to a substantial increase in advances from customers, which grew by SAR 145 million which represents tuition fees received in advance for the educational services for the remaining period of current academic year. This item represents the main driver of the overall increase in liabilities.

Chief Executive's Review

I am pleased to present NCLE's first-quarter results, which highlight the continued strength of our operations and the solid demand for our educational services. While the revised revenue-recognition mechanism and the delayed start of the academic year temporarily affected quarterly profitability, our underlying performance remains strong, supported by a 10% increase in student enrollment and sustained operational efficiency. These fundamentals reinforce our confidence in the Company's strategic direction and our ability to deliver consistent value. As we navigate this transitional period in reporting standards, we remain focused on expanding capacity, elevating educational quality, and investing in initiatives that support long-term, sustainable growth for our students, partners, and shareholders.

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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