

## NCLE Releases Results for the Six-month Period Ended 31 Jan 2026

**11 March 2026, Riyadh (Saudi Arabia)** – National Company for Learning & Education “NCLE”, announces its financial results for the (2Q 2025/2026) for the three and six-month period ended 31 January 2026. During the period, the Company reviewed the 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 and six-month period ended 31 January 2025. **It should be noted that the methodology for recognizing tuition fee revenues based on the academic year period is affected by differences in the start and end dates of the academic year, as well as the number of school days from year to year. However, this impact is limited to interim quarterly periods in terms of the timing of revenue recognition and does not have any effect on the Company’s annual financial results, as the total tuition-fees revenue for the academic year is recognized in full without any change.**

Revenues reached SAR 397.5 million, increasing by 11% on a semi-annual basis. The growth in revenues is mainly due to the increase in the number of students enrolled in the company’s schools by 10% from 31.9 thousand students in the same period of the previous year to 35.1 thousand students during the current period.

However, revenue growth was impacted by the difference in the number of days recognized for revenue between the two periods; revenue for the current period was recognized based on 169 days out of the total 314 days of the 2025/2026 academic year, whereas revenue for the same period of the previous year was recognized based on 175 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 enrolment on the revenue growth rate.

Although revenue increased by 11% during the current period compared to the same period of the previous year, net profit increased by 3% compared to the same period of the previous year. This is attributable to the difference in the number of days recognized for tuition-fees revenue between the two periods. In contrast, operating costs and expenses are fully charged to the period of (180 days) irrespective of the number of days recognized for tuition-fees revenue, which affected the growth rate on net profit for the current period.

**35.1 K**

Enrolled students



+10% Growth

Compared to 31.9 K in the same period of the previous year

**SAR 397.5 M**

Revenue



+11% Growth

Compared to 357.3 M from the same period of the previous year

**SAR 100.6M**

Net profit



+3% Growth

Compared to 98 M from the same period of the previous year

**SAR 152.6 M**

EBITDA



+8% Growth

Compared to 141.5 M the same period of the previous year

**25.3%**

Net profit margin



(2.1%) Decline

Compared to 27.4% from the same period of the previous year

**2.34 SAR**

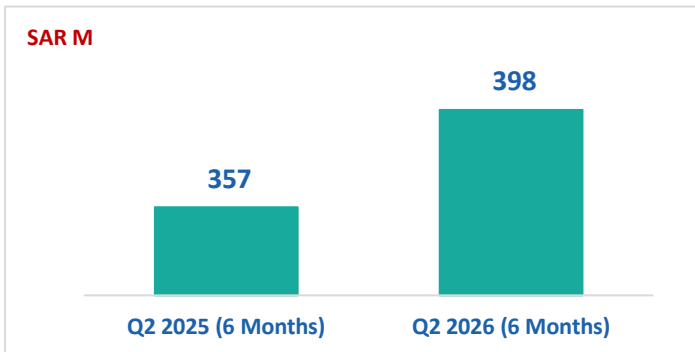
EPS



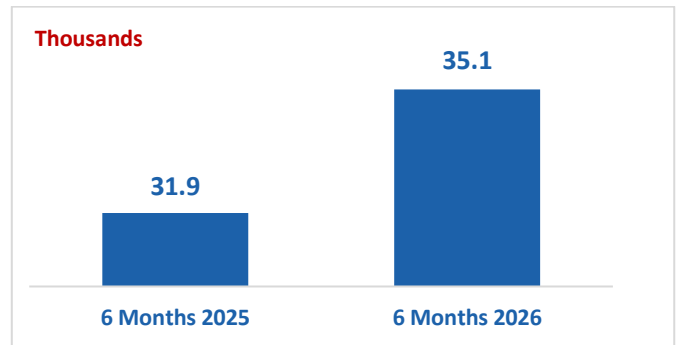
+3% Growth

Compared to 2.28 from the same period of the previous year

## Revenue



## Enrolled students



## Profit & Loss Statement 2Q-2026

(SAR 000s)	Six-Month period ended		Three-Month period ended		Change %	
	31 January 2026	31 January 2025	31 January 2026	31 January 2025	Period compared to the same period	Quarter compared to the same quarter
Revenues	397,545	357,274	212,227	184,036	11%	15%
Government grants and subsidies	5,456	7,548	3,122	2,941	-28%	6%
Cost of Revenues	(217,550)	(201,020)	(112,435)	(101,438)	8%	11%
<b>Gross Profit</b>	<b>185,451</b>	<b>163,802</b>	<b>102,913</b>	<b>85,539</b>	<b>13%</b>	<b>20%</b>
Gross Profit Margin	46.6%	45.8%	48.5%	46.5%	0.8%	2%
Marketing and advertising expenses	(9,318)	(6,211)	(1,235)	(596)	50%	107%
General and administrative expenses	(59,437)	(53,175)	(29,096)	(26,233)	12%	11%
(Allowance) / reversal of allowance for expected credit loss	(2,800)	4,025	-	1,675	-170%	-100%
Other income	2,038	2,156	874	1,480	-5%	-41%
<b>Operating profit</b>	<b>115,934</b>	<b>110,598</b>	<b>73,456</b>	<b>61,865</b>	<b>5%</b>	<b>19%</b>
Finance cost and returns, net	(12,687)	(9,955)	(6,533)	(5,264)	27%	24%
Net profit for the period before Zakat	103,247	100,643	66,923	56,601	3%	18%
Zakat expense	(2,619)	(2,659)	(1,829)	(1,495)	-2%	22%
<b>Net profit for the period</b>	<b>100,629</b>	<b>97,983</b>	<b>65,094</b>	<b>55,106</b>	<b>3%</b>	<b>18%</b>
Net Profit Margin	25.3%	27.4%	30.7%	29.9%	-2.1%	0.7%

## Key Performance Highlights 6 Month 1H

**Revenues:** NCLE recorded SAR 397.5 million in revenue for 1H 2025/26, representing an increase of 11% in revenue compared to the same period of the previous year, which is mainly due to the increase in the number of students enrolled in the company's schools by 10% from 31.9 thousand students to 35.1 thousand students during the current period. However, revenue growth was impacted by the difference in the number of days recognized for revenue between the two periods; revenue for the current period was recognized based on 169 days out of the total 314 days of the 2025/2026 academic year, whereas revenue for the same period of the previous year was recognized based on 175 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.

**Net Profit:** NCLE reported SAR 100.6 million in net profit for 1H 2025/2026. Although revenue increased by 11% during the current period compared to the same period of the previous year, net profit increased by 3% compared to the same period of the previous year. This is attributable to the difference in the number of days recognized for tuition-fees revenue between the two periods. In contrast, operating costs and expenses are fully charged to the period of (180 days) irrespective of the number of days recognized for tuition-fees revenue, which affected the growth rate on net profit for the current period.

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

The advertising and marketing expenses increased during the current period, 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.

Furthermore, an expected credit loss provision was recorded during the current period, driven by a higher proportion of receivables falling within older aging brackets compared to the same period of the previous year.

Financing costs also increased during the current period compared to the same period 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 Dhahrat Laban project in progress in Riyadh.

## Balance Sheet Highlights

Summary Balance Sheet (SAR 000)	31 January 2026	31 July 2025
<b>Total Assets</b>	1,608,415	1,489,297
Property and equipment	985,814	909,441
Goodwill & other intangible assets	89,941	87,967
Right of use assets	313,365	325,167
Cash & cash equivalents	26,961	26,527
Capital advances & other debit balances	78,208	55,307
Inventory	10,917	9,604
Accounts receivable	103,209	75,285
<b>Total Liabilities</b>	754,509	627,306
Lease liabilities	332,972	351,537
Employee benefits	73,732	69,750
Advance from customers	166,518	71,998
Islamic Murabaha	128,999	88,744
Other credit balances	49,406	41,535
Zakat provision	2,883	3,742
<b>Shareholders' Equity</b>	853,906	861,991

**Total assets:** increased during the current period compared to the previous year, mainly due to the increase in property and equipment, which is attributable to the progress in projects under construction amounting to SAR 61.3 million during the current period. Accounts receivable also increased during the current period compared to the previous year, in line with the growth in revenue, in addition to changes in collection seasons resulting from the transition of the academic year from three semesters to two semesters.

**Total liabilities:** increased mainly due to a significant rise in advance payments from customers, which increased by SAR 94.5 million. This amount represents tuition fees received in advance for educational services for the remaining period of the current academic year. This item is the primary driver of the overall increase in liabilities. In addition, Islamic Murabaha increased during the current period compared to the previous year as a result of borrowings used to finance projects under construction.

## Chief Executive's Review

I am pleased to present NCLE's results for the six-month period ended 31 January 2026, 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 the current period's 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

### Investor Relations

[investor.relations@edu.com.sa](mailto:investor.relations@edu.com.sa)