

**AL KHALEEJ**  
TRAINING AND EDUCATION  
*Global knowledge. Local focus.*



**الخليج**  
للتدريب والتعليم  
*خبرات دولية ... رؤية محلية*

# Investor Presentation Summary

# Executive Summary

- Total revenue for YTD Mar 2019 amounts to SR 214 million compared to last year to SR 198 million
- YTD net profit before zakat for Mar 2019 amounts to SR 8.4 million compared to SR 4.7 million profit YTD Mar 2018.
- The increase in profits is mainly due to improvement in computer sector based on better performance for the current quarter.
- We expect to see improvement in 2<sup>nd</sup> half of the year

# YTD MAR 2019 Sector Comparison

Q-1	31 Mar 2019	Computer SR	Language SR	University	Fin & Mgst	Smart Link	School	Total SR
	Revenue	31,347,514	15,589,573	25,661,912	18,761,481	92,611,504	30,178,942	214,150,927
	Depreciation	2,764,722	1,488,697	30,078	823,967	2,322,088	4,087,219	11,516,771
	Profit Before Zakat	5,012,740	(1,054,844)	1,129	1,256,381	4,887,011	(1,616,086)	8,486,331
	Total Assets	283,113,513	145,846,355	16,011,203	53,522,996	290,241,921	618,639,673	1,407,375,662
	Total Liabilities	85,294,173	43,939,423	16,010,074	35,156,715	47,819,515	614,855,133	843,075,034
	Capital Expenditure	3,500,696	1,884,990	390,151	106,937	4,119,387	1,934,437	11,936,597
		15.99%	-6.77%	0.00%	6.70%	5.28%	-5.36%	3.96%

Q-1	31 Mar 2018	Computer SR	Language SR	University	Fin & Mgst	Smart Link	School	Total SR
	Revenue	23,055,046	16,310,830	22,330,876	23,450,988	82,486,071	30,735,009	198,368,820
	Depreciation	1,882,132	611,429	36,001	472,747	1,356,532	2,488,019	6,846,859
	Profit Before Zakat	(5,388,184)	(1,409,509)	584,368	2,971,072	6,032,250	1,956,126	4,746,124
	Total Assets	232,831,628	116,665,814	15,083,227	47,273,443	241,775,748	602,886,692	1,256,516,552
	Total Liabilities	22,757,674	17,878,837	15,234,855	26,581,040	13,860,491	589,885,330	686,198,227
	Capital Expenditure	1,846,842	948,746	292,777	962,059	1,203,034	3,385,199	8,638,657
		-23.37%	-8.64%	2.62%	12.67%	7.31%	6.36%	2.39%

# 1 Training Sector

- This segment provides training in IT, English Language, Soft Skills, and other areas
- This segment is expected to continue growth at 4% in 2019 and 4% in 2020.
- Further positive signs of improvement are expected during the year as new contracts are awarded to the company.
- We expect this segment to further improve on the profitability by controlling expenses while maintaining and/or improving on quality of service.

## 2 Education Sector - Schools Schools and Kindergartens

- A plan to open K3/K12 in the major cities, starting with 3 schools to be built by the end of 2019. Real Estate developers will build and we rent long term. Each Kindergarten will have a capacity of 550 students. Average tuition for the (K-12) is SAR 35K.
- The company will follow the model of having developers build purpose-built K-12 schools and Al Khaleej Training and Education Co. will lease and operate the school for 20 years.

Expected Number of Students						
Year	2019-20	2020-21	2021-22	2022-2023	2023-2024	2024-2025
Dammam 1	2,160	2,200	2,200	2,200	2,200	2,200
Dammam 2	560	640	700	700	700	700
Riyadh 1	836	950	1,200	1,400	1,800	2,400
Riyadh 2	100	200	300	500	500	500
Riyadh 3	0	100	200	300	500	500
Riyadh 4	0	100	200	300	500	500
KG-3 Format-Sahafa	250	250	250	250	250	250
KG-3 Format-Dhahran	250	250	250	250	250	250
School-Jeddah	800	1,200	1,950	2,200	2,450	2,500
School-Khobar	0	0	300	400	700	1,050
School-Jeddah 2	0	0	350	425	600	800
<b>TOTAL</b>	<b>4,956</b>	<b>5,890</b>	<b>7,900</b>	<b>8,925</b>	<b>10,450</b>	<b>11,650</b>

## 2 Education Sector - Schools

### Schools and Kindergartens

- As we have started new schools, the YTD 2019 consolidated profitability for schools is negative, however, as new schools ramp up to reach their mature stage, our net profit margins will improve.
- We expect to reach 20% net profit margins by 2022/23.

Expected Revenue						
Year	2019-20	2020-21	2021-22	2022-2023	2023-2024	2024-2025
Dammam 1	75,600,000	80,300,000	80,300,000	83,600,000	83,600,000	88,000,000
Dammam 2	8,400,000	9,600,000	11,200,000	11,200,000	11,900,000	11,900,000
Riyadh 1	25,080,000	30,400,000	38,400,000	49,000,000	63,000,000	84,000,000
Riyadh 2	2,000,000	6,000,000	9,000,000	17,500,000	17,500,000	19,000,000
Riyadh 3	-	2,000,000	6,000,000	9,000,000	17,500,000	17,500,000
Riyadh 4	-	2,000,000	6,000,000	9,000,000	17,500,000	17,500,000
KG-3 Format-Sahafa	6,250,000	7,000,000	7,750,000	7,750,000	8,250,000	8,250,000
KG-3 Format-Dhahran	7,750,000	7,750,000	8,250,000	8,250,000	8,750,000	8,750,000
School-Jeddah	20,000,000	30,000,000	58,500,000	66,000,000	78,400,000	80,000,000
School-Khobar	-	-	6,000,000	10,000,000	17,500,000	31,500,000
School-Jeddah 2	-	-	7,000,000	10,625,000	15,000,000	24,000,000
<b>TOTAL</b>	<b>145,080,000</b>	<b>175,050,000</b>	<b>238,400,000</b>	<b>281,925,000</b>	<b>338,900,000</b>	<b>390,400,000</b>

## 3 Educational Projects - Universities

**University Projects:- 17<sup>th</sup> year, a Preparatory Year Program launched by all Saudi Universities.**

- AlKhaleej is running all or part of these programs (English, IT, and Soft Skills).
- This sector is showing improvement as we received new projects:

2019	Revenue <u>85 Million</u>
2020	Revenue <u>90 Million</u>
2021	Revenue <u>95 Million</u>



## 4

## Smart Link Call Center

- The sector has managed to achieve required growth in 2018 and we expect to see sustainable growth over the forecast period
- As present, we have 1,700 seats and 3,500+ agents
- A great source of Saudization in the Company
- Expect this Sector to grow 10% YOY 2019, 2020 and 2021

Questions?

THANK YOU