



الشركة الوطنية للتربية والتعليم  
NATIONAL COMPANY FOR LEARNING & EDUCATION

# INVESTORS CONFERENCE CALL

Q1 2021 - FINANCIAL RESULTS

January 2021

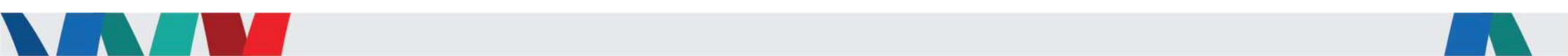


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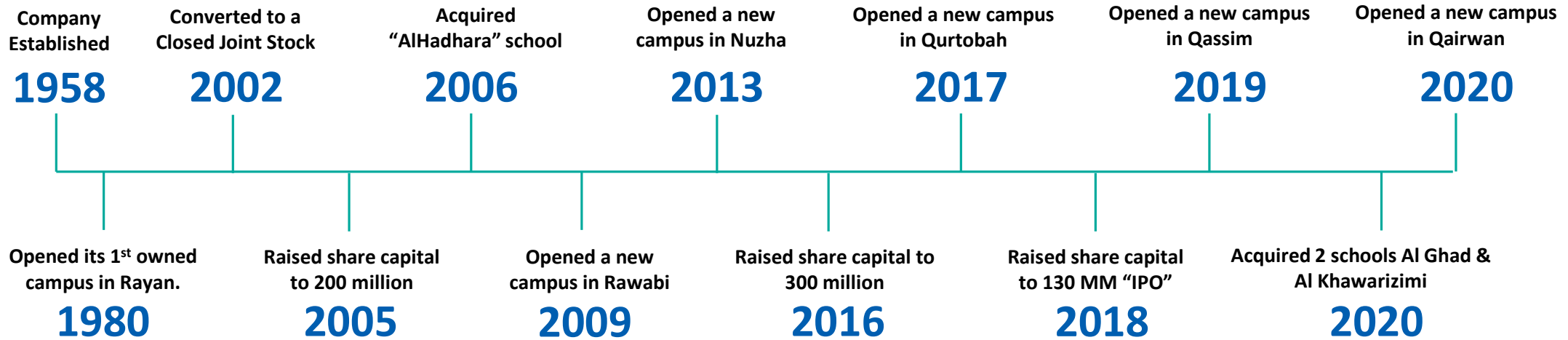
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# NCLE OVERVIEW



# NCLE celebrates its 63<sup>rd</sup> 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

**3<sup>rd</sup>**

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 %	55 %	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

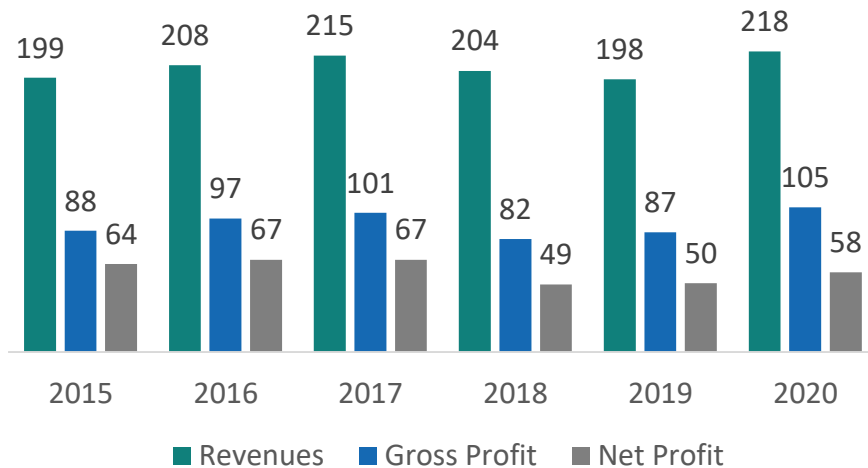
% 80

- 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

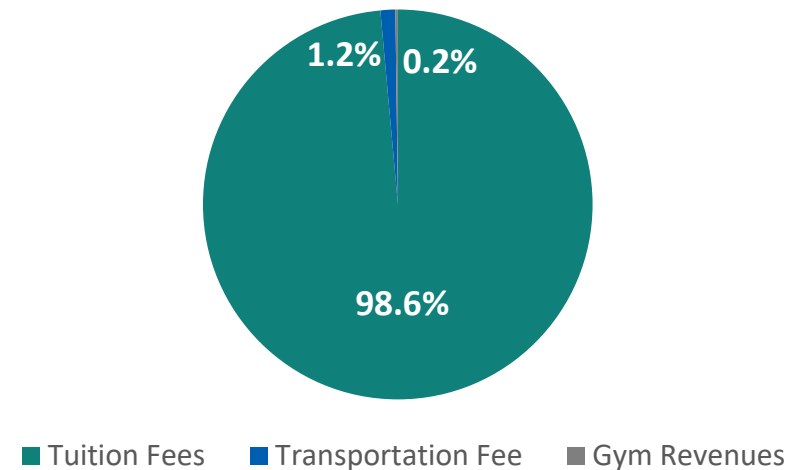


# In 2020, NCLE maintained its performance with a net profit growth of 15%

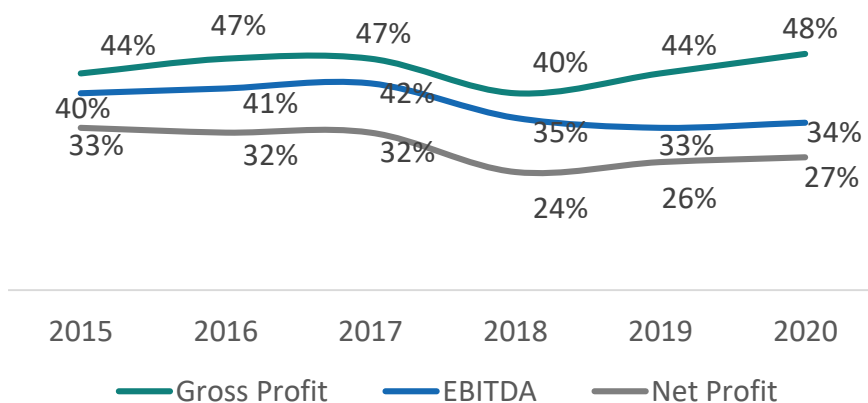
Financial Performance (million SR)



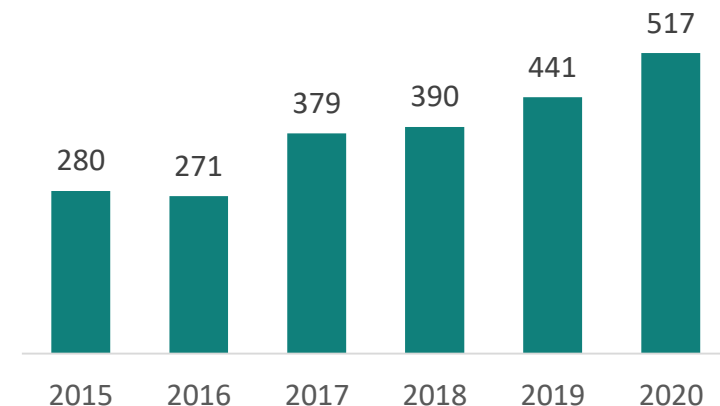
Revenue Breakdown (2020)



Margins %



PP&E (million SR)



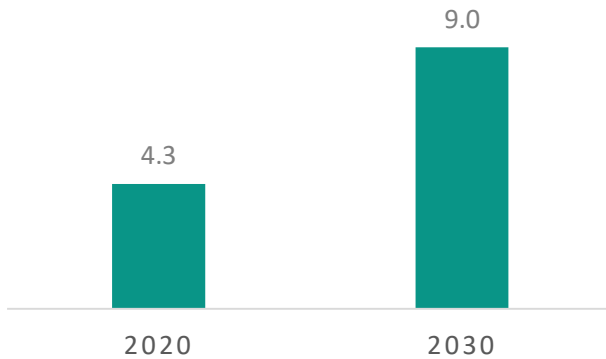


# MARKET OVERVIEW & PRIVATE EDUCATION SECTOR GROWTH DRIVERS



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

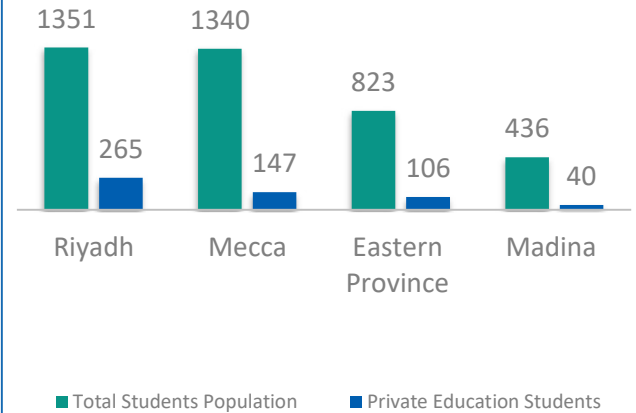
Market Size (USD bn) of Private Education in KSA\*



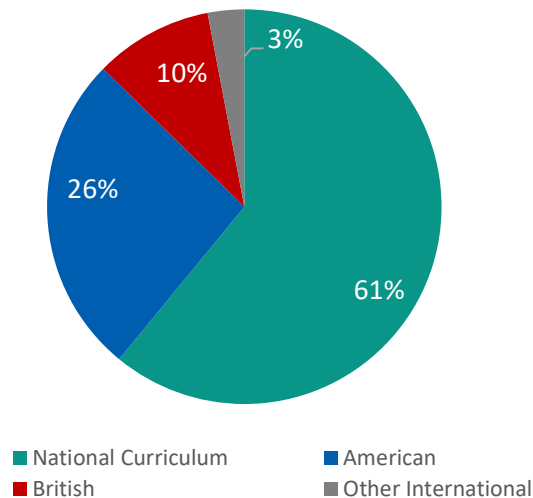
Students distribution in the education system \*\*



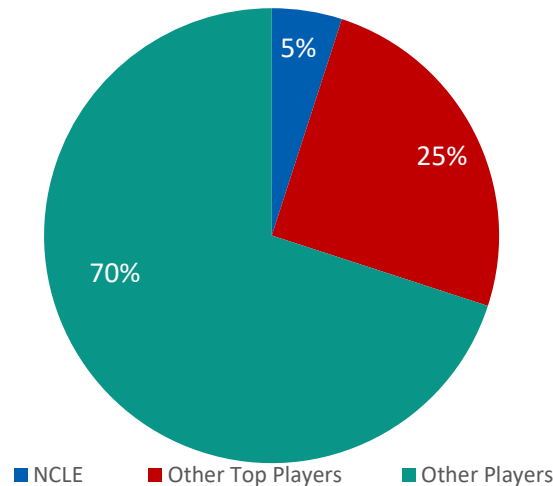
Riyadh City is the Largest Private Education Market In Saudi Arabia\*\*\*



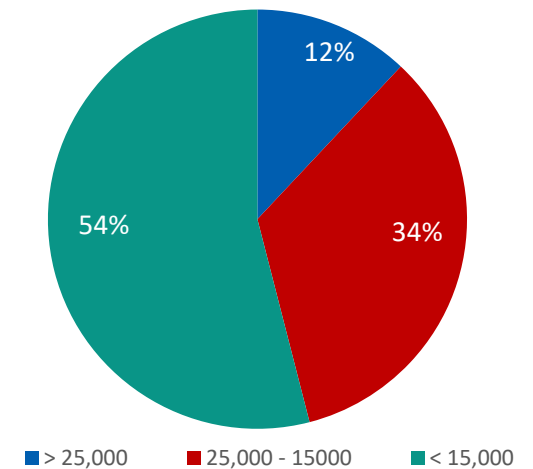
Private Schools Distribution Based On Curriculum



Market Share of Major Players in Private Education in Riyadh Province



Private Schools Distribution Based On Tuitions per Student (SR)

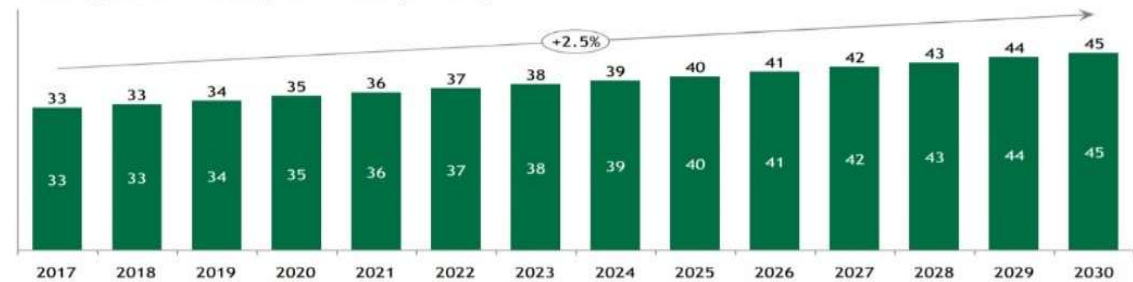


# NCLE is committed to continue growing given the growth drivers in place

1

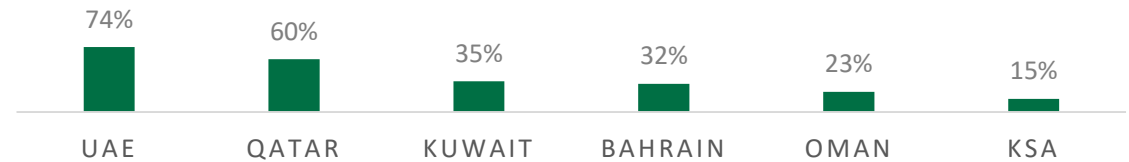
Population growth will add 2M students in 10 years

Total Population forecast, 2017 - 2030 (Millions)



2

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



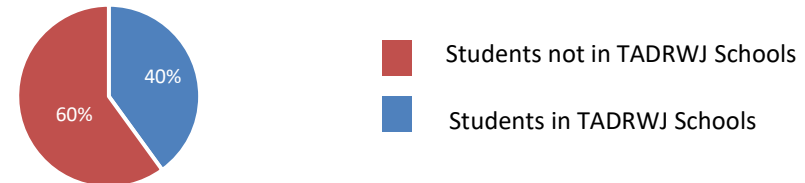
3

High fragmentation in the industry, which drives for more consolidation



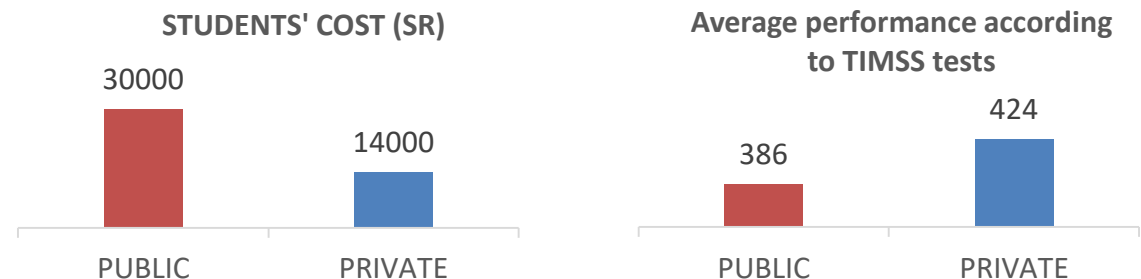
4

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



5

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



# NCLE EXECUTIVE UPDATE



# EXECUTIVE UPDATE

M&A  
transactions

Organic  
Expansion

New offerings

E-learning  
success

Academic  
excellence

Financial  
performance

- Successfully obtained approvals from official authorities to acquire Refan Company for Operation & Maintenance Limited (limited liability company).
- The acquisition mainly will result in:
  - 1) Reduction in operational expenses.
  - 2) Establishing a new segment specialized in providing educational supporting services given the company expansion in opening new schools.





# EXECUTIVE UPDATE

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Successful completion of Al-Qairawan campus construction and enrolling ~1000 students in 2020





# EXECUTIVE UPDATE

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- Opened registration of new grades in Buraydah Campus following a grand opening ceremony.
- Launching a discounts program of tuition fees for all Grades.
- Activating new training programs on NOA online academy as an extra-curricula courses and online activities, with great increase of members.



# EXECUTIVE UPDATE

M&A  
transactions

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New offerings

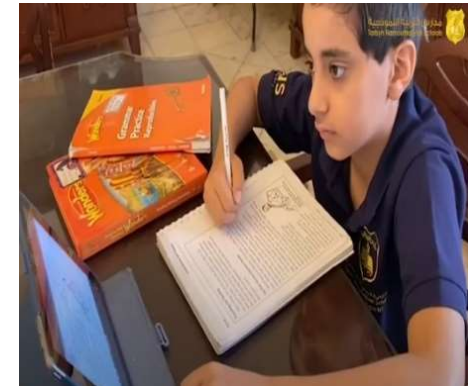
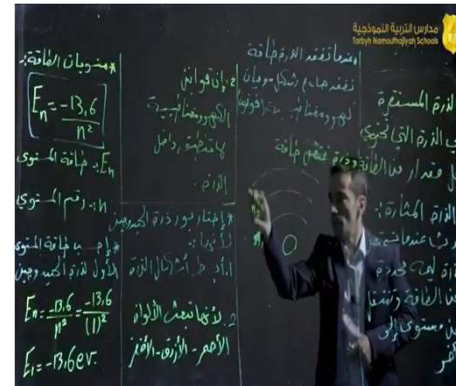
E-learning  
success

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

M&A  
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performance

- 2nd place in KSA in the global Olympiad robot competition and 22<sup>nd</sup> globally
- AIAA reaccreditation for the international program for the next 5 years
- Follow-up of the skills of (Grade 1) students by visiting them at home by NCLE teachers to ensure that most of the basic skills at this stage have been tested.





# 2020 EXECUTIVE UPDATE

M&A  
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Organic  
Expansion

New offerings

E-learning  
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performance

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



مدارس التربية النموذجية  
Tarbyh Namouthajiyah Schools

الدفع الإلكتروني

المكرم ولي الأمر الرجاء إدخال رقم الهوية / الإقامة الخاصة بكم

رقم هوية / إقامة ولي الأمر

التالي

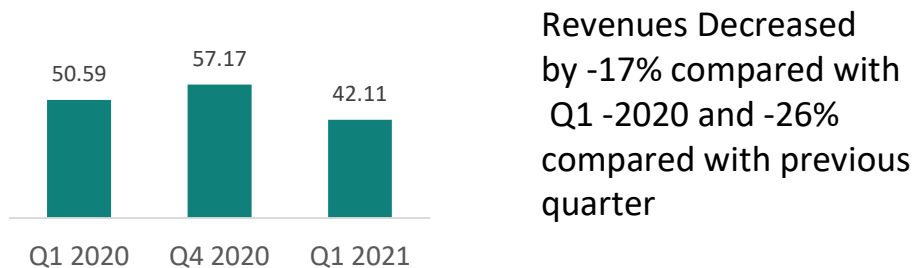


# Q1 2021 FINANCIAL RESULTS

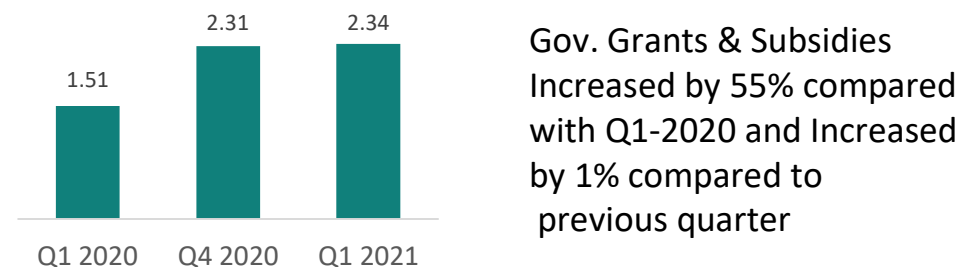


# Q1 RECORDED A -17% DECREASE IN REVENUES AND -67% DECLINE IN NET PROFIT

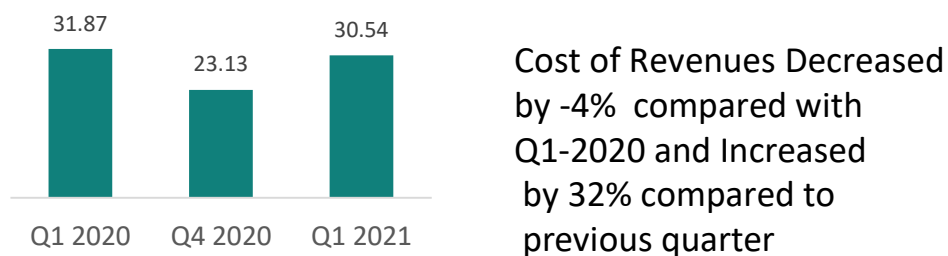
## Revenues (million SAR)



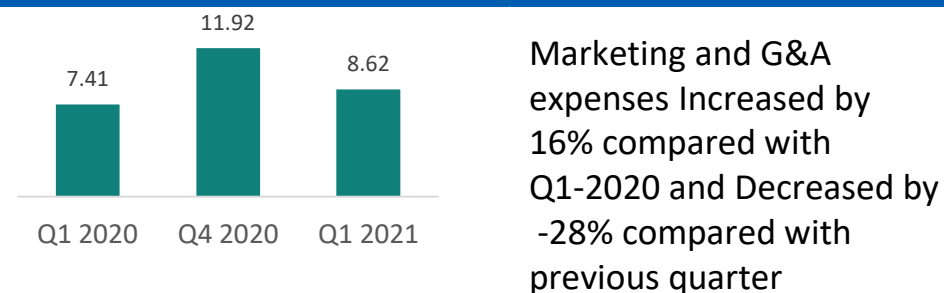
## Government Grants & Subsidies (million SAR)



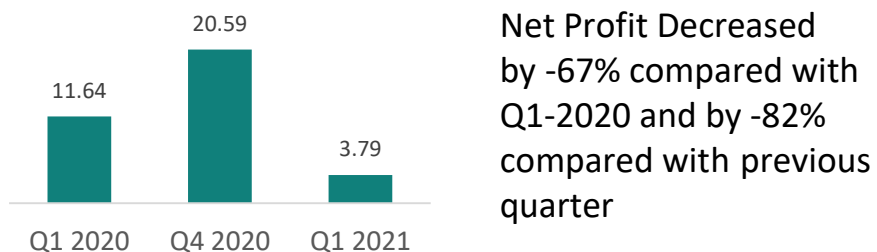
## Cost of Revenues (million SAR)



## Marketing and G&A (million SAR)



## Net Profit (million SAR)



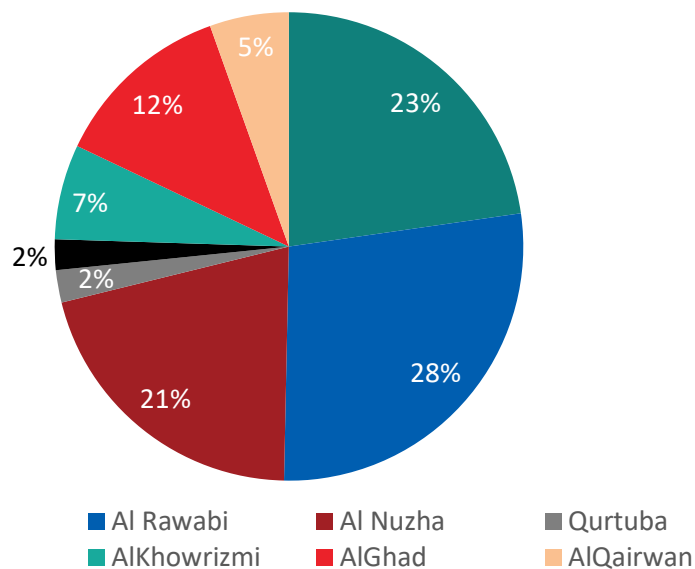
### The Decrease in net profit for Q1,2021 compared to Q1,2020 is due to:

- Decrease in revenue resulting from: Providing discounts with different rates from 20% to 50% on the first semester tuitions of the current academic year, concurring with the Ministry of Education announcement of the online education for the first semester
- 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-Khawarzmi Education Company and Al-Ghad National Schools Company Limited.

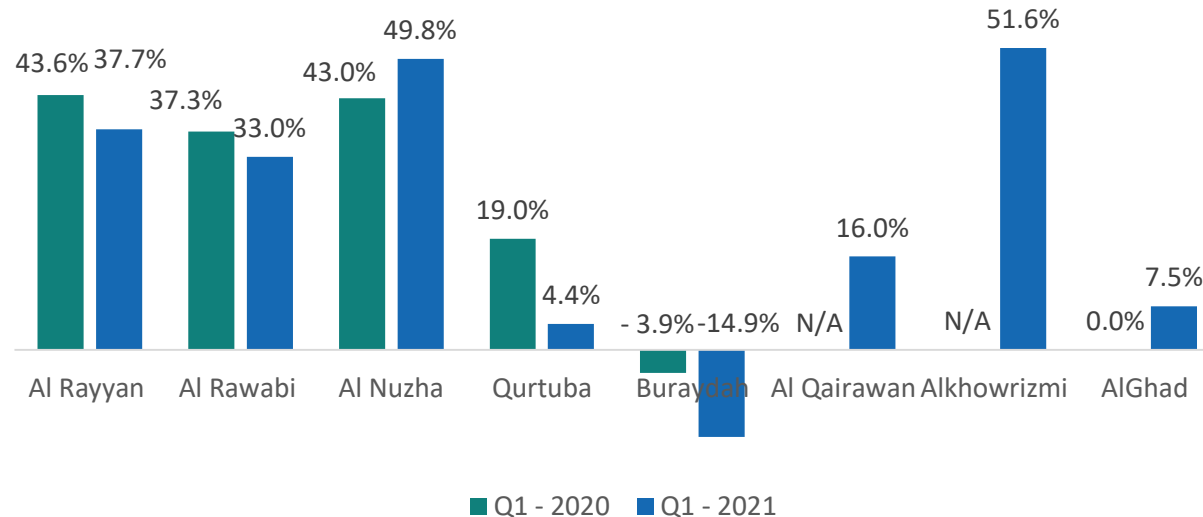


# Campus Result in Q1- 2021

Revenue By Campus



Gross Margin by Campus



	Al Rayyan	Al Rawabi	Al Nuzha	Qurtuba	Buraydah	Al Qairwan	Al Khowrizmi	Al Ghad
Revenue	9,574,295	11,622,878	8,771,558	932,147	895,121	2,305,326	2,762,594	5,251,019
Government Grants & Subsidies	585,539	592,965	643,858	76,982	101,308	61,678	135,135	139,798
Cost	(6,551,159)	(8,382,410)	(5,049,470)	(967,714)	(1,129,840)	(1,989,685)	(1,472,200)	(4,999,165)
Gross Profit	3,608,675	3,833,433	4,365,946	41,415	(133,411)	377,319	1,425,529	391,652

# THANK YOU

## (Q&A)

**For more information, please contact us on:**  
[investor.relations@edu.com.sa](mailto:investor.relations@edu.com.sa)