



الشركة الوطنية للتربية والتعليم
NATIONAL COMPANY FOR LEARNING & EDUCATION

INVESTOR PRESENTATION

Q1 2024

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NATIONAL COMPANY FOR LEARNING & EDUCATION

NCLE Overview



NCLE is celebrating its 66th anniversary since its inception in 1958



66 Years
Of Excellence in
K-12 Education



13
School Campuses
Under Operation



28 k
Enrolled Students



37.4 k
Existing Students
Capacity



2.9 K
Academic Staff



6
Greenfield Schools
Launched Last 5 yrs



3
Upcoming School
Projects



14% CAGR
5-Year Enrollment



SAR 1.3 Billion
Total Assets



15%
Return on Equity



SAR 70.9 M
Dividends
(FY 2023)



5%
Debt to Equity

Enrolled students grew to 28 k in Q1 2024 compared to 21.6 k in Q1 2023

	 TNS – Al-Rayyan	 TNS – Al-Rawabi	 TNS – Al-Nozha	 TNS – Qurtubah	 TNS – Buraidah	 AI-Khwarizmi	 AI-Ghad - King Abdullah	 AI-Ghad – Al-Qairwan	 TNS – Al-Qairwan	 TNS – Al-Aridh	 TNIS – Al-Aridh	 TNIS – Dhahran	 Al-Salam
Establishment	1980	2009	2013	2017	2019	2010	1990	2023	2020	2021	2023	2022	1984
Location	Riyadh	Riyadh	Riyadh	Riyadh	Qassim	Riyadh	Riyadh	Riyadh	Riyadh	Riyadh	Riyadh	Dhahran	Al-Khobar
Owned / Leased	Owned	Owned	Owned	Owned	Owned	Leased Land	Leased Building	Leased Building	Owned	Leased Building	Leased Building	Owned	Owned
Curriculum	 Int'l	 Int'l	 Int'l	 Int'l	 Int'l				 Int'l		Int'l	Int'l	
Optimal Capacity	5,250	4,375	4,375	1,280**	2,625	1,220	2,200	1,720	4,550	3,000	2,520	2,300	1,950
Enrolled Students	4,440*	4,150	3,333*	1,266	2,035	1,190	1,701	378	3,917	2,316	977	838	1,485
Utilization	85%	95%	76%	99%	78%	98%	77%	22%	86%	77%	39%	36%	76%

 37,365 Student
Q1 2024 Optimal Capacity

 28,026 Student
Q1 2024 Enrolled Students

 %75 Of Optimal Capacity
Q1 2024 Utilization Of Campuses

 Diversified Offering
National & International Programs

* Includes 452 Students from MEIA Academy Al-Rayyan and 644 MEIA Academy Al-Nozha.

** Qurtubah School's capacity increased from 1,050 students to 1,280 students by September 2023 as the company injected CAPEX of SAR 450 K for additional 10 classrooms to absorb increasing demand.



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2023/2024
Enrollments

Al-Rayyan School Campus Highlight


Founded

1980


Curriculum

National
MEIA (Int'l)

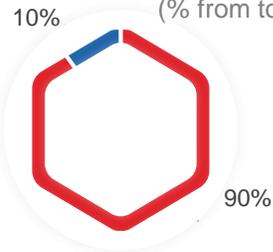

Utilization

85%


Capacity

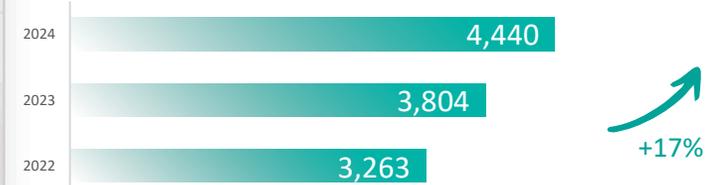
5,250

Program contribution 2024
(% from total students)



-  National
-  MEIA

YOY student growth



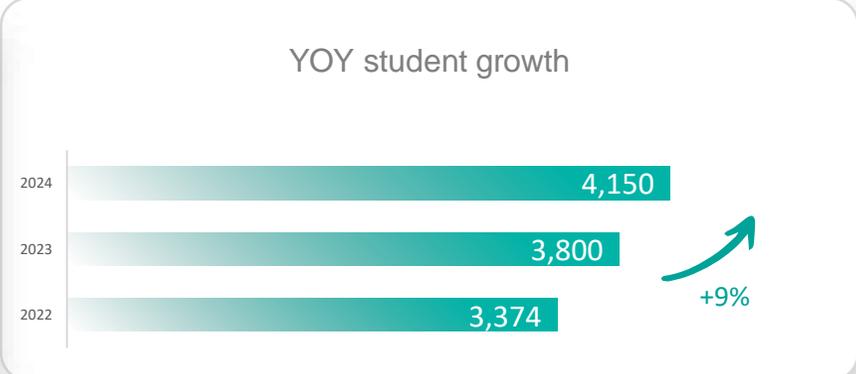
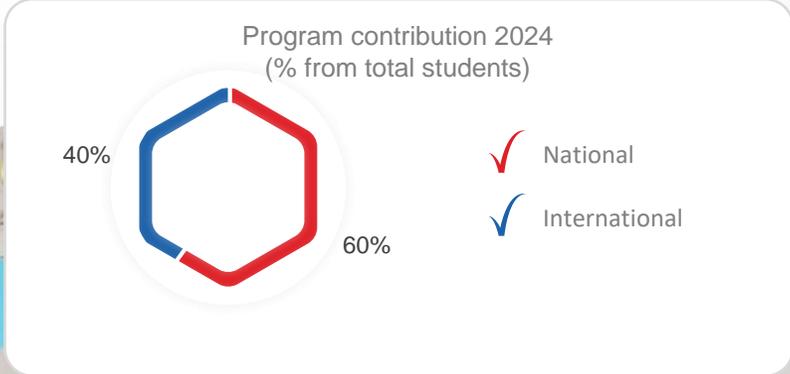
Al-Rawabi School Campus Highlight

 **Founded** | 2009

 **Curriculum** | National International

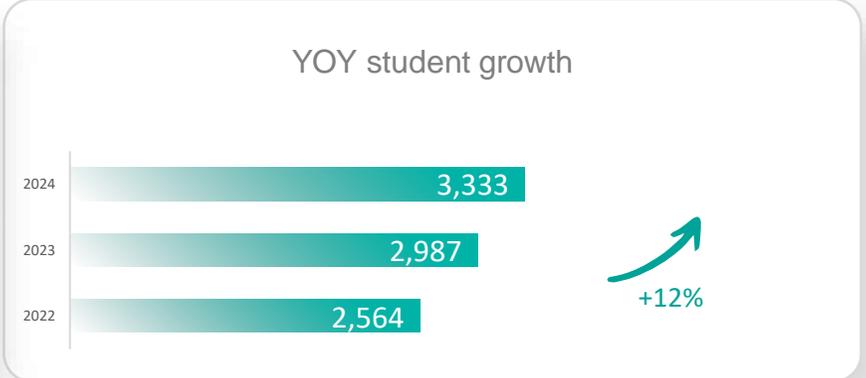
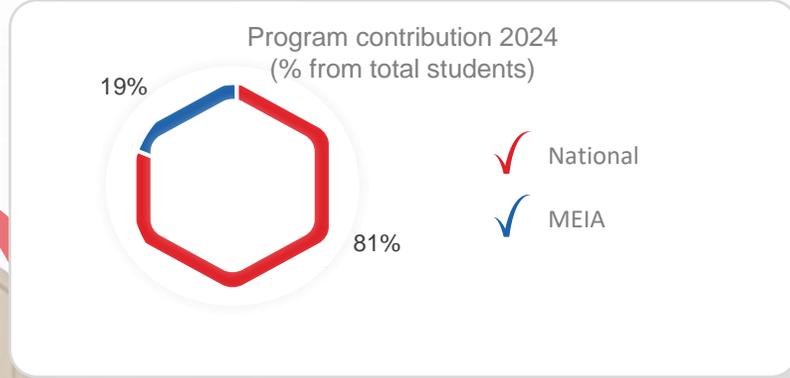
 **Utilization** | 95%

 **Capacity** | 4,375



Al-Nozha School Campus Highlight

 Founded	2013	 Curriculum	National MEIA (Int'l)	 Utilization	76%	 Capacity	4,375
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Qurtubah School Campus Highlight


Founded

2017


Curriculum

National
International

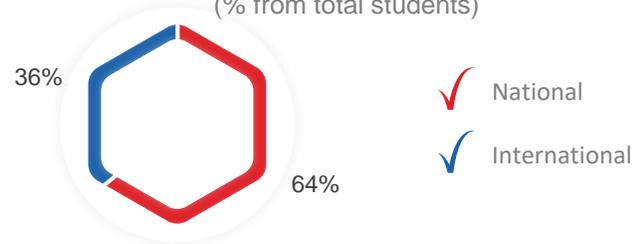

Utilization

99%


Capacity

1,280

Program contribution 2024
(% from total students)



YOY student growth



إدارة داربي
رياض الأطفال

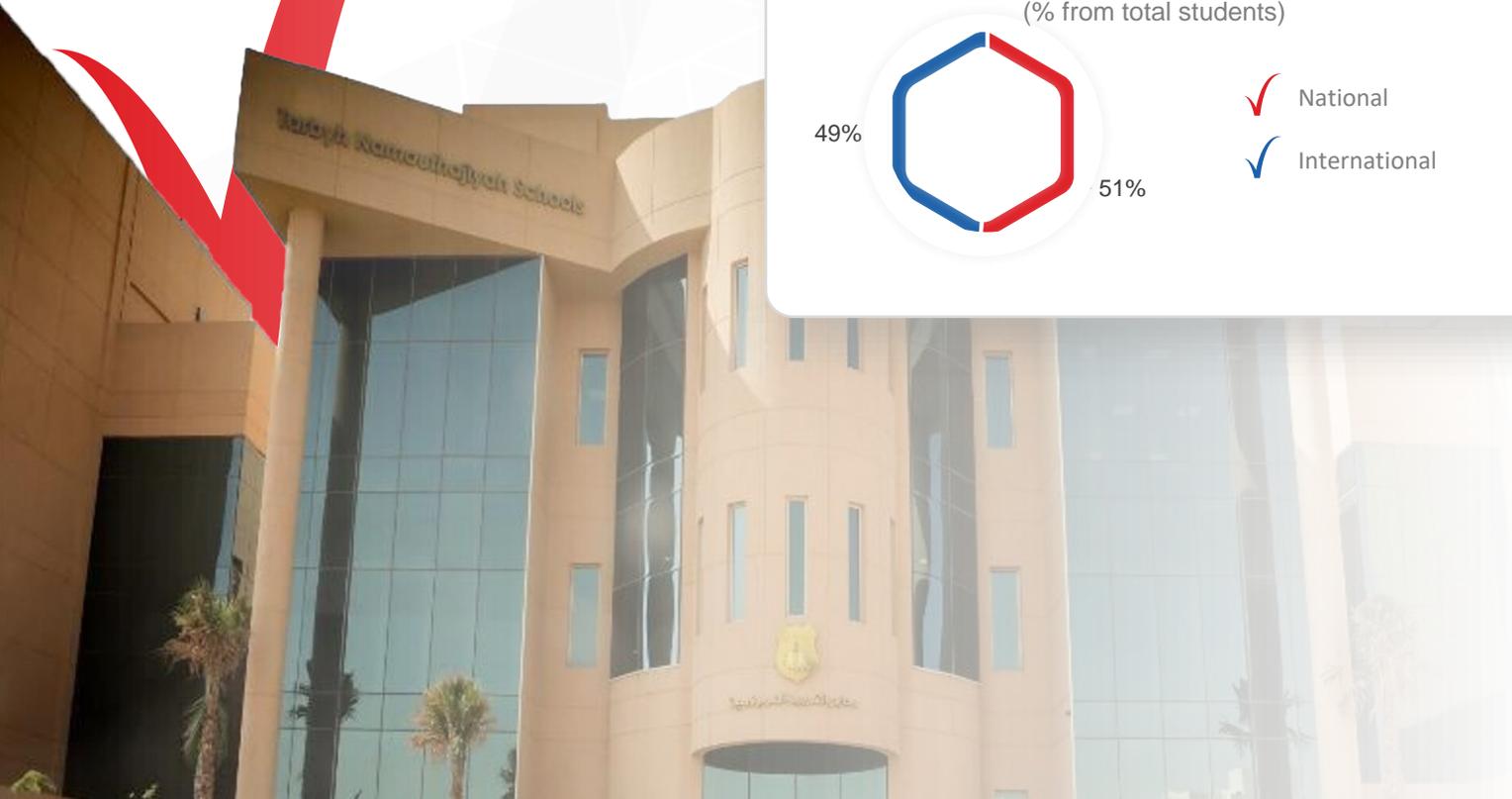
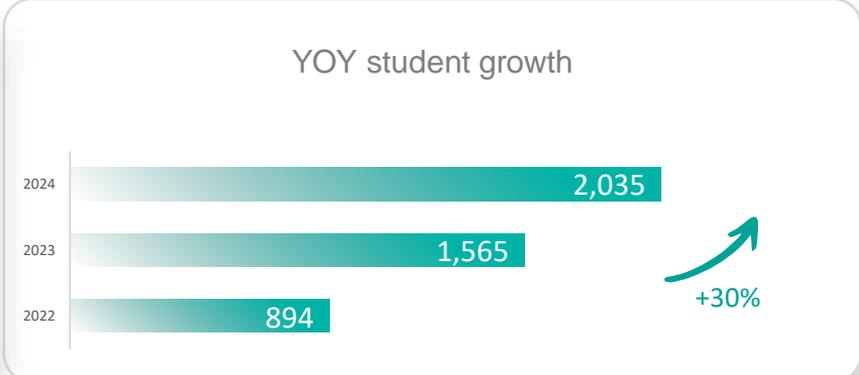
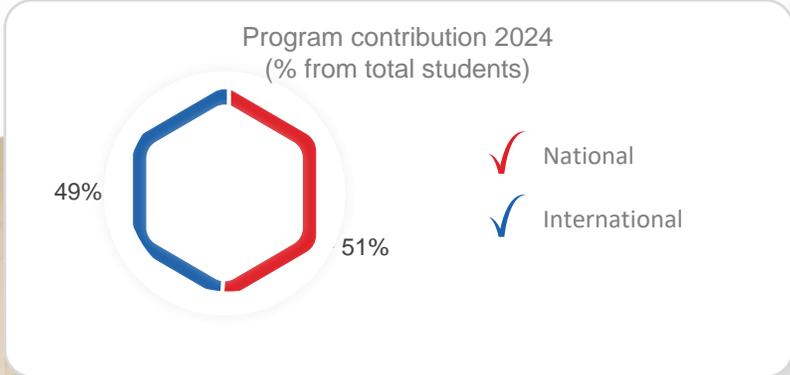
Buraidah School Campus Highlight

 | 2019
Founded

 | National International
Curriculum

 | 78%
Utilization

 | 2,625
Capacity



Al-Khwarizmi School Campus Highlight


Founded

2010


Curriculum

National

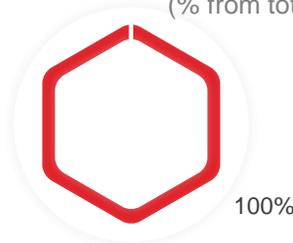

Utilization

98%


Capacity

1,220

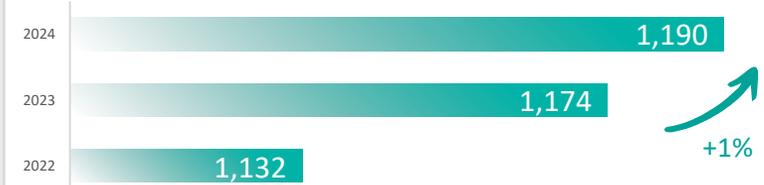
Program contribution 2024
(% from total students)



100%

 National

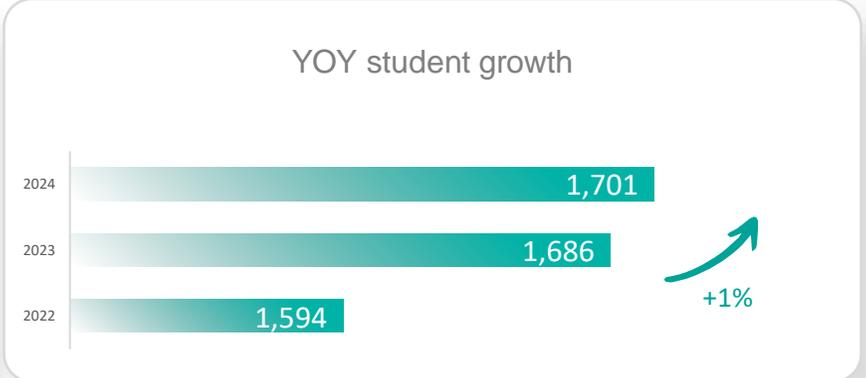
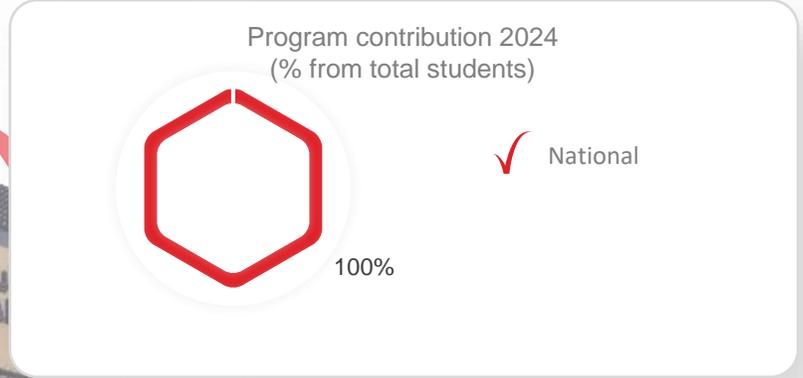
YOY student growth



Al Khwarizmi School
Creative Education

Al-Ghad – (King Abdullah district) School Campus Highlight

 Founded	1990	 Curriculum	National	 Utilization	77%	 Capacity	2,200
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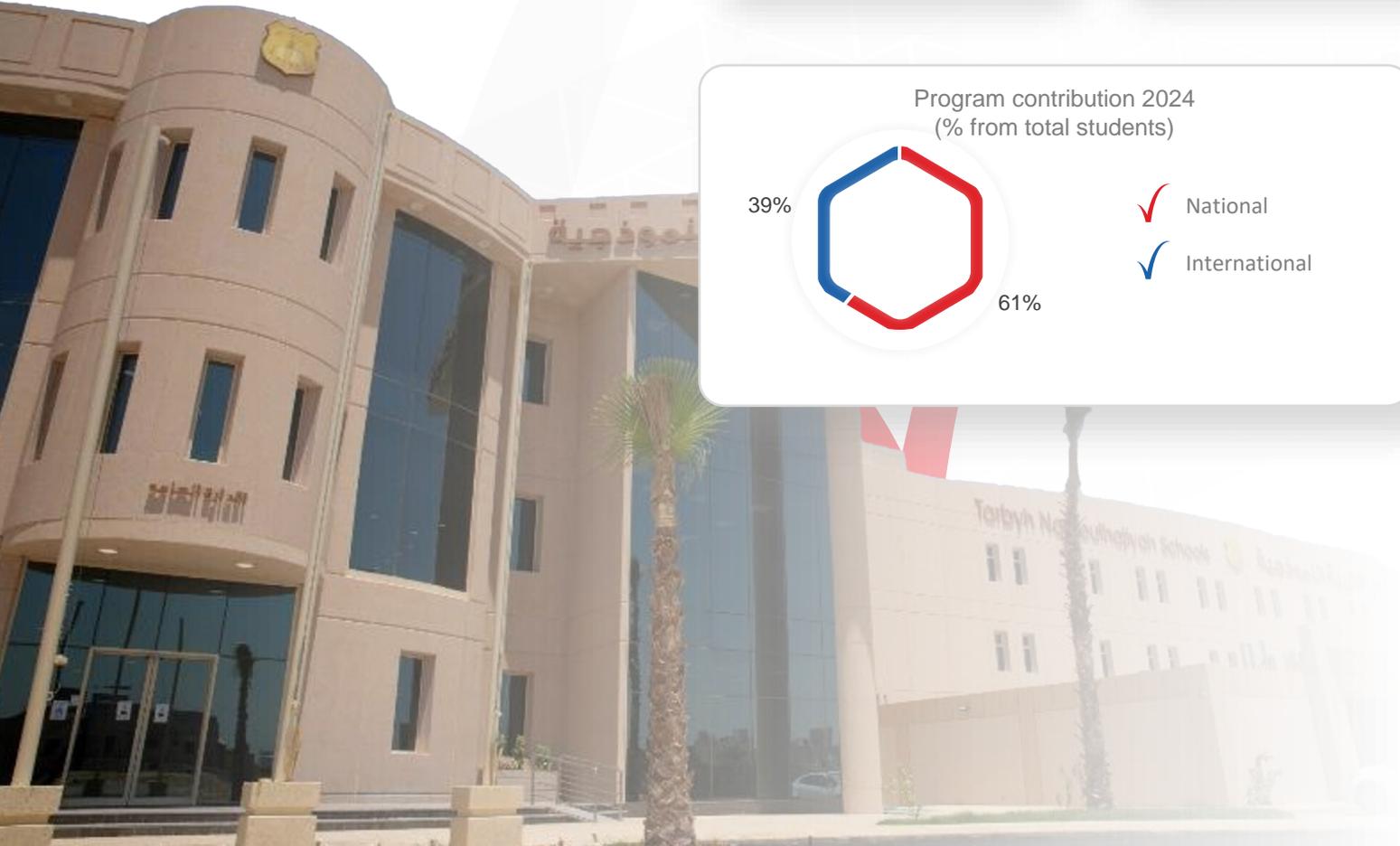
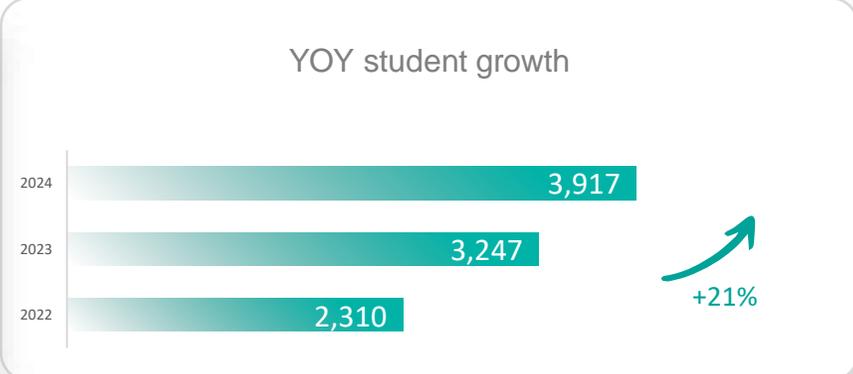
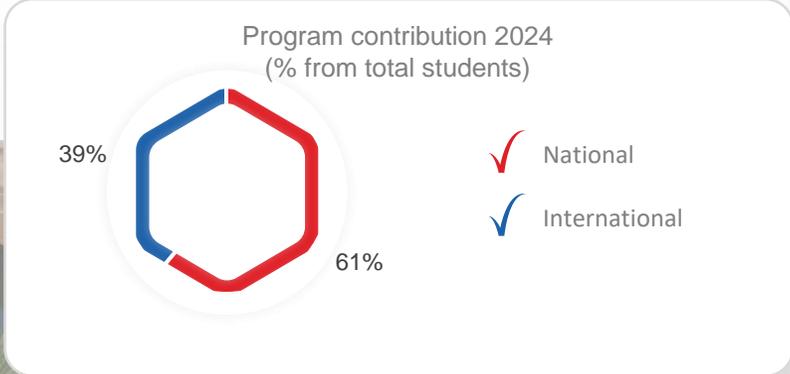
Al-Qairwan School Campus Highlight

 | 2020
Founded

 | National
International
Curriculum

 | 86%
Utilization

 | 4,550
Capacity



Al-Aridh National School Campus Highlight


Founded

2021


Curriculum

National

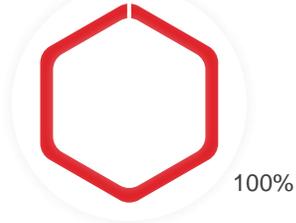

Utilization

77%


Capacity

3,000

Program contribution 2024
(% from total students)



 National

YOY student growth*



* International curriculum students is excluded from the chart across the years as they were transferred to the new campus (Aridh 2) starting from 2023/2024 academic year.

مدارس التربية النموذجية
Tarbyh Namouthajiyah Schools



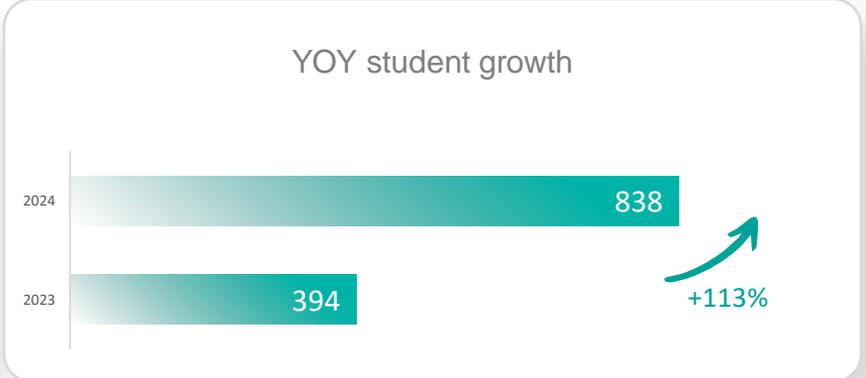
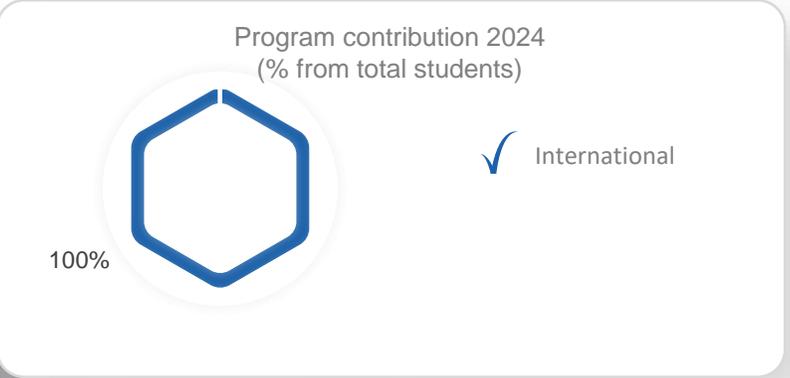
Al-Dhahran School Campus Highlight

 | 2022
Founded

 | International
Curriculum

 | 36%
Utilization

 | 2,300
Capacity



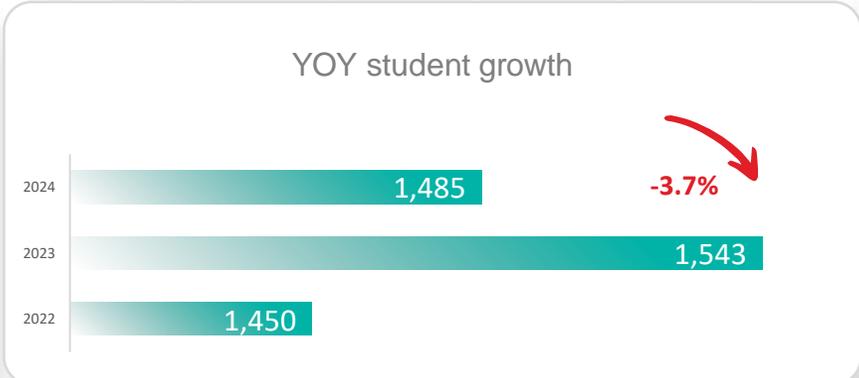
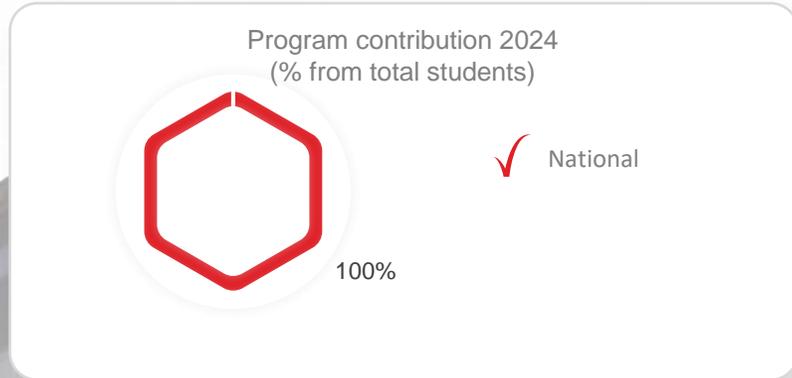
Al-Salam School Campus Highlight

 | 1984
Founded

 | National
Curriculum

 | 76%
Utilization

 | 1,950
Capacity



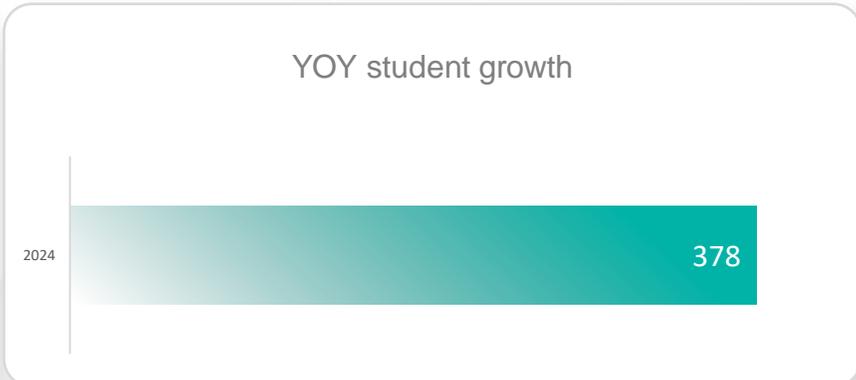
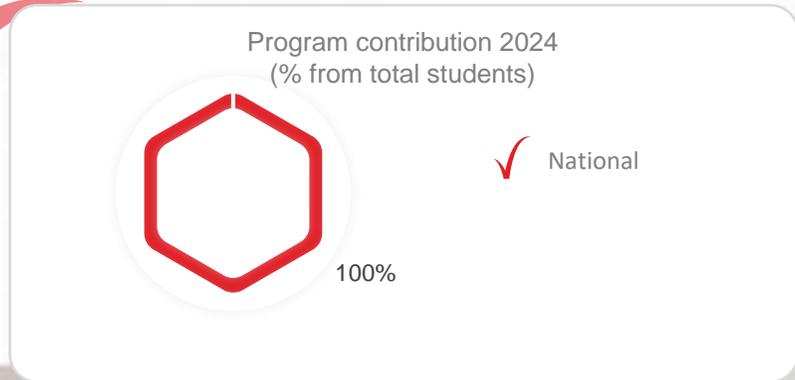
Al-Ghad - AlQairwan School Campus Highlight

 | 2023
Founded

 | National
Curriculum

 | 22%
Utilization

 | 1,720
Capacity



Al-Aridh International School Campus Highlight


Founded

2023


Curriculum

International

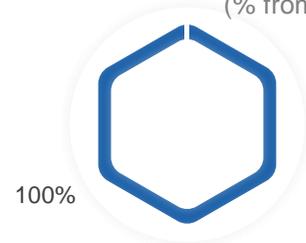

Utilization

39%


Capacity

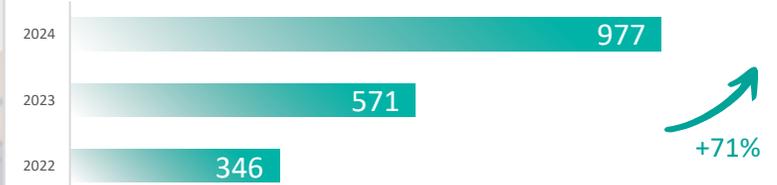
2,520

Program contribution 2024
(% from total students)



 International

YOY student growth*



*Aridh 2 was opened in 2023/2024. '22&'23 Enrolment in chart reflect Int'l curriculum students enrolled in Aridh1 before Int'l students transferred in 2023/2024 academic year.



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Operational Updates

NCLE students excelled in 2023 academic year



NCLE won the labor award



8 NCLE students in the world robotic Olympiad



TNS 1st in table tennis among KSA schools



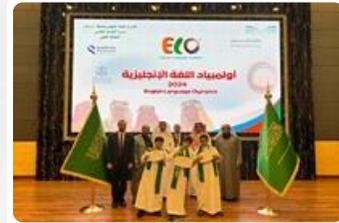
NCLE student won Hamdan bin Rashid prize



NCLE student 2nd in Karate among KSA schools



NCLE female students won the KSA schools football league



NCLE 8th in English Olympics in KSA



NCLE student 2nd in Taekwondo among KSA



NCLE student 1st in Gymnastic among KSA



NCLE students won 1st and 2nd in cultural awards



NCLE students first in Lego competition



NCLE female students won the KSA schools basketball league



NCLE student 1st in public speaking among KSA schools



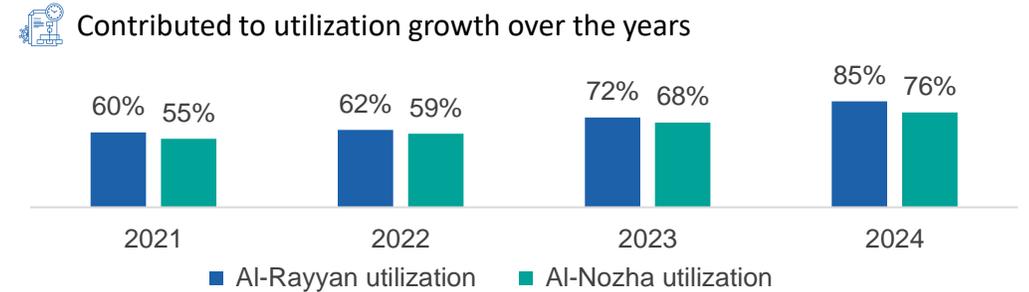
NCLE student 1st in fencing among KSA schools



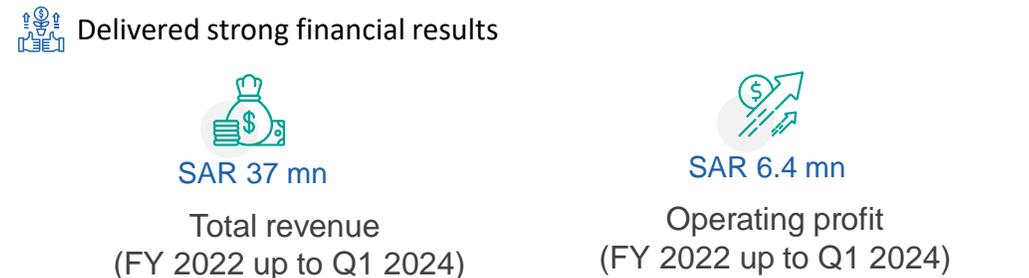
NCLE student 1st in jujitsu among KSA schools

MEIA has played a pivotal role in championing the growth strategy for Al-Nozha and Al-Rayyan

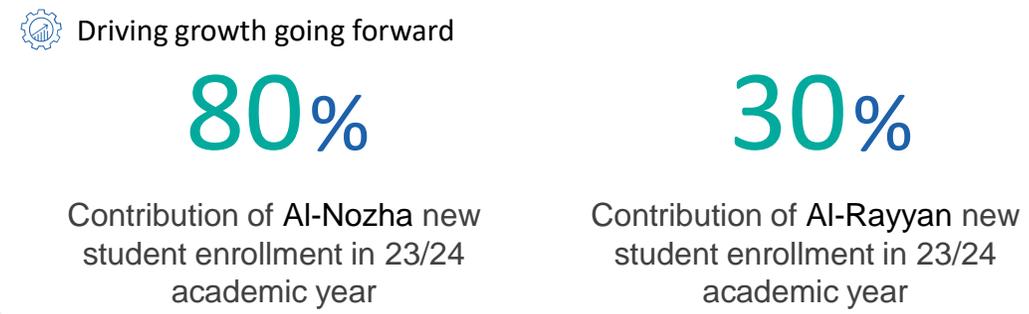
01. NCLE introduced MEIA in Al-Rayyan and Al-Nozha in academic year 2021/2022.



02. MEIA was strategically formed to enhance the utilization of Al-Rayyan and Al-Nozha campuses.



03. MEIA innovated KSA education with a pioneering full-day system, meeting working parents' needs.



Al-Salam School flourished financially within a year post-acquisition

01. NCLE acquired Al-Salam school in Q2 of 2023.

02. The school made net loss of 2.7 mn in 2022.

03. Despite student number decline, Al-Salam achieved improved financial performance in Q1 2024.

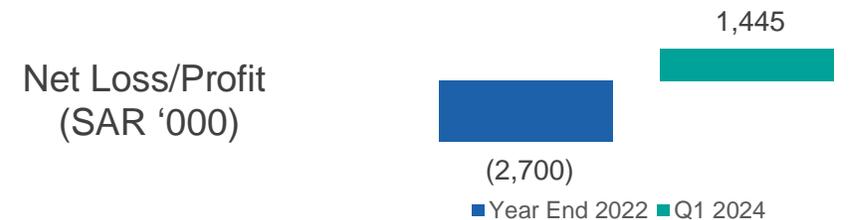
 Average tuition fees was increased in 23/24



 Efficiency improved as student to staff ratio increased



 Financial performance flourished as net profit soared



Strategic tuition and capacity adjustment has driven Qurtubah 1 growth trajectory



01.

NCLE injected minimal capital of SAR 450 K to add 10 additional classrooms in the school.



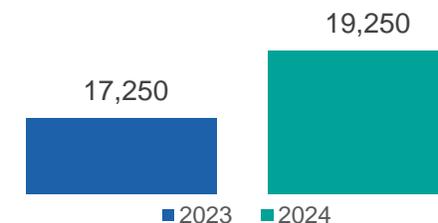
02.

Strategic tuition fee adjustment of 12% increase was introduced in the school.

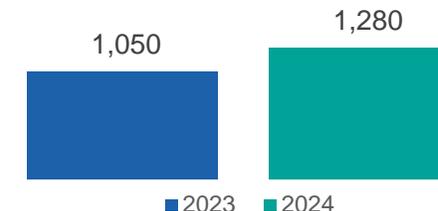


Average tuition fees was increased in 23/24

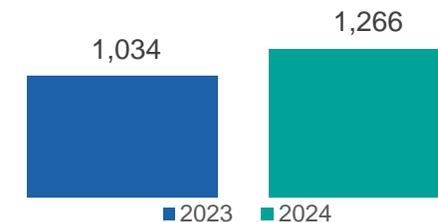
Annual average tuition (SAR)



Optimal capacity increased from 1,050 students to 1,280 students



Enrollment increased despite tuition fees hike



Al-Aridh 1 School remained unaffected even after relocating international curriculum students to the new facility Al-Aridh 2



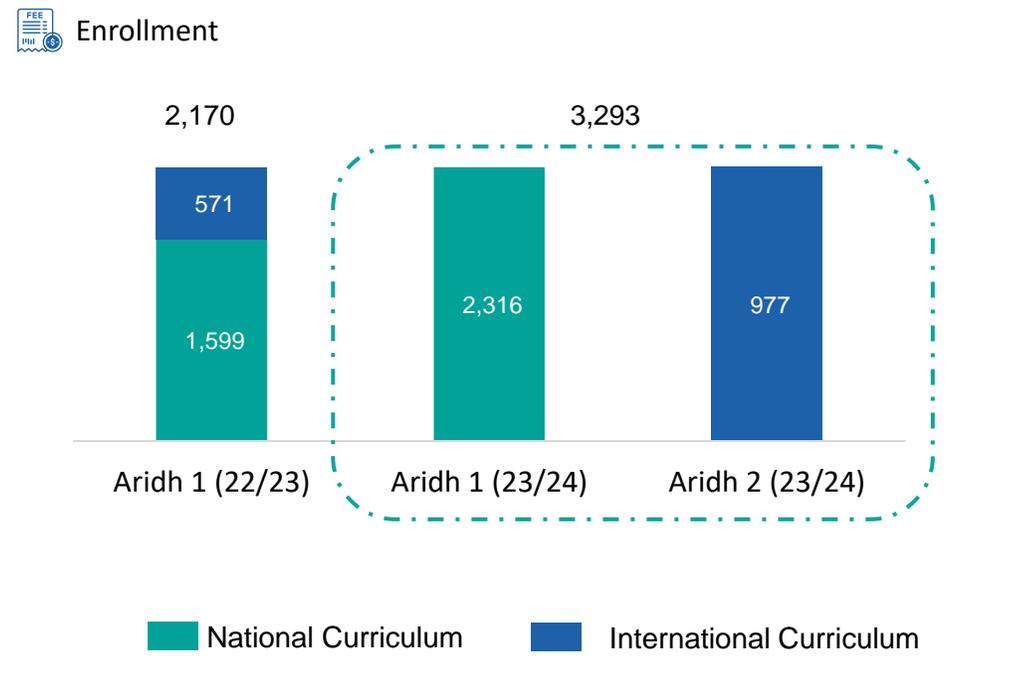
01.

NCLE leased a new building in Al-Aridh district (Aridh 2) which was opened in 23/24 academic year.



02.

The strategic operating model was to relocate international curriculum students from Al-Aridh 1 to the new building Al-Aridh 2.





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Financial Outlook

NCLE recorded its highest earning in Q1 2024

28 K



Enrolled students

+30% Growth

From 21.6 k in Q1 2023

SAR 140.7 M



Revenue

+34% Growth

Compared to 105 M in Q1 2023

SAR 49.7 M



EBITDA

+38% Growth

Compared to 36 M Q1 2023

SAR 31.1 M



Net profit

+20% Growth

Compared to 25.9 M Q1 2023

0.72 SAR



EPS

+20% Growth

Compared to 0.60 SAR
in Q1 2023

22.1%



Net profit margin

2.5% Decline

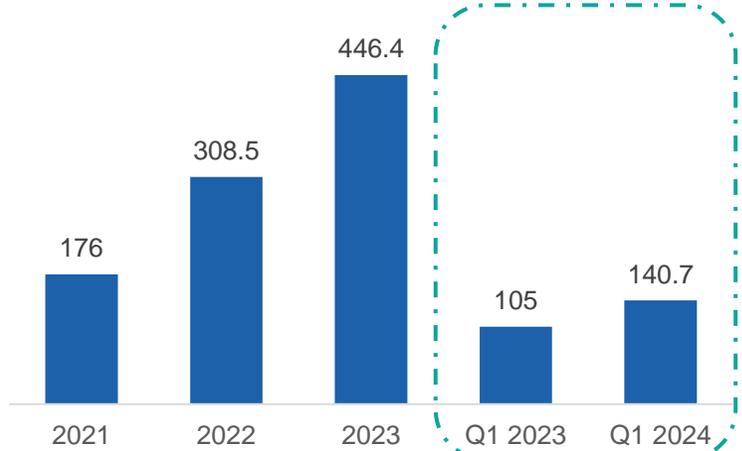
Compared to 24.6% in Q1 2023

NCLE maintained healthy financial growth in Q1 2024



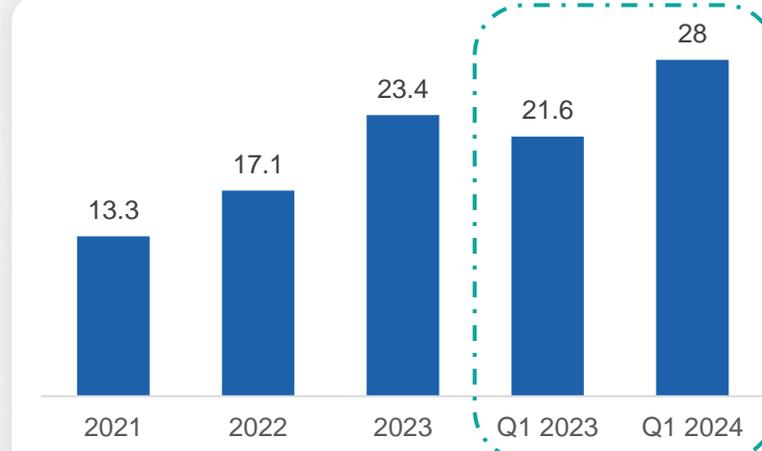
Revenues

SAR M



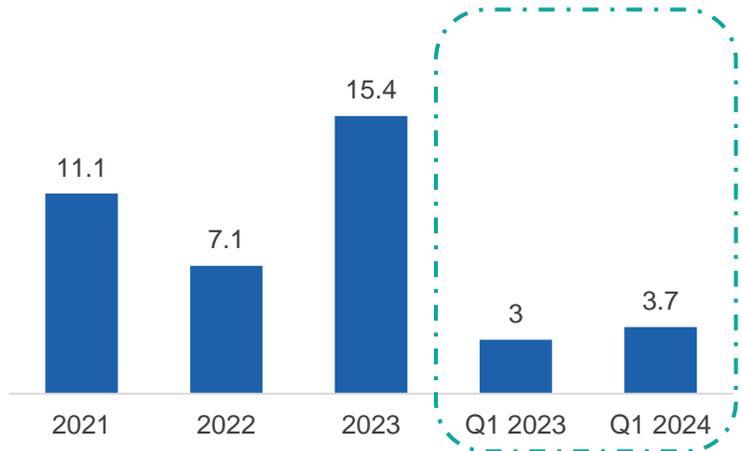
Students Number

Thousands



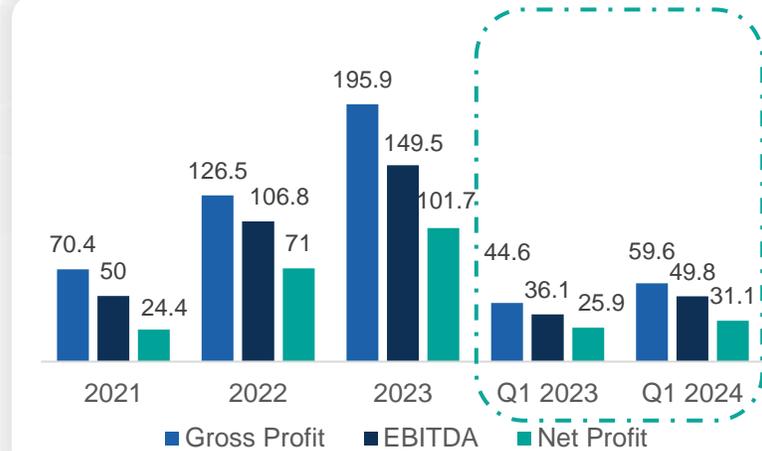
Government Grants & Subsidies

SAR M



Gross Profit /EBITDA/Net Profit

SAR M



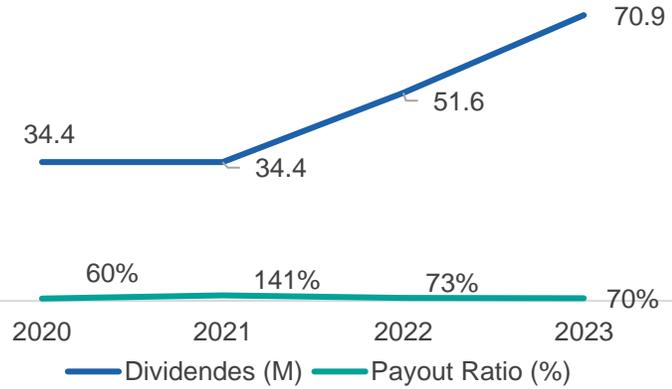
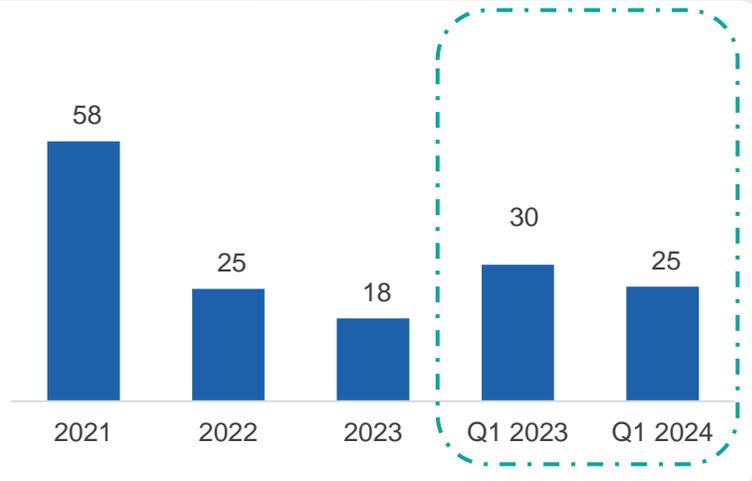
Quarter

NCLE maintained healthy financial growth in Q1 2024



Accounts Receivable Days

Days

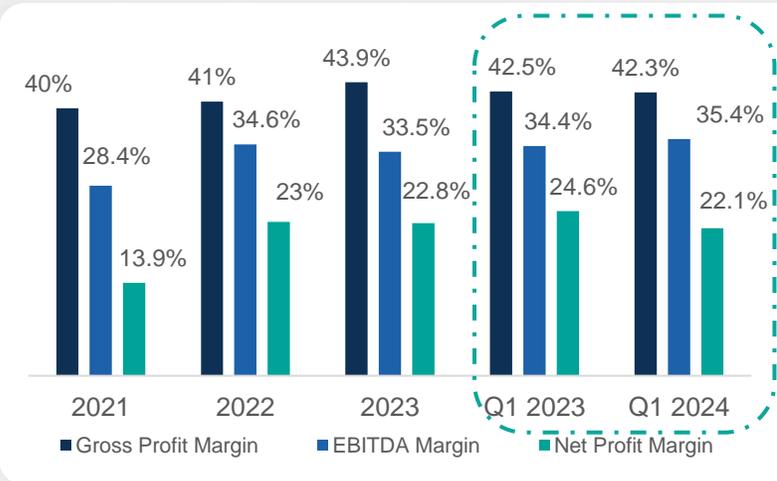
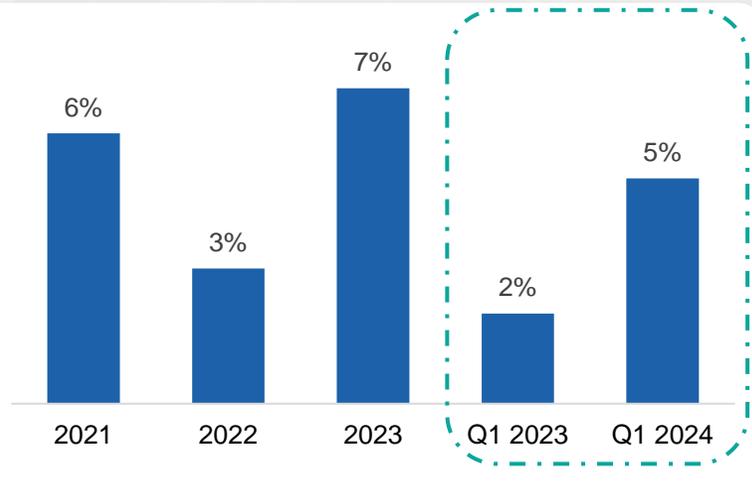


Dividends & Payout Ratio



Debt / Equity

Percentage



Margins

Percentage

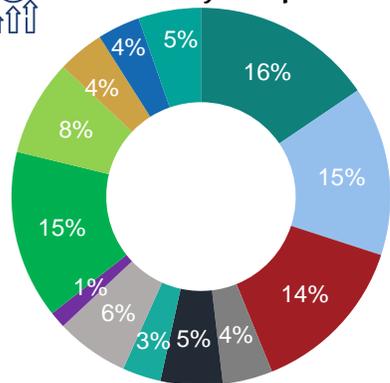


Quarter

NCLE campuses experienced healthy financial growth



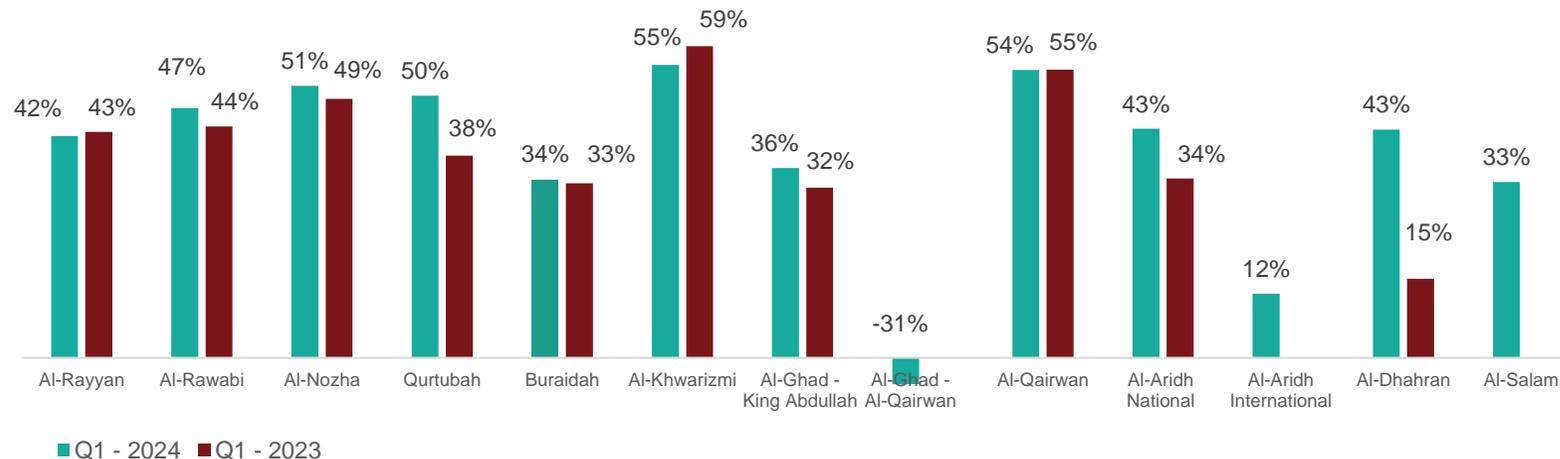
Revenue By Campus



- Al-Rayyan
- Al-Nozha
- Buraidah
- Al-Ghad - King Abdullah
- Al-Qairwan
- Al-Aridh International
- Al-Salam
- Al-Rawabi
- Qurtubah
- Al-Khwarizmi
- Al-Ghad - Al-Qairwan
- Al-Aridh National
- Al-Dhahran



Gross Margin by Campus



Campuses	Al-Rayyan	Al-Rawabi	Al-Nozha	Qurtubah	Buraidah	Al-Qairwan	Al-Aridh National	Al-Aridh International	Al-Khwarizmi	Al-Ghad - King Abdullah	Al-Ghad – Al-Qairwan	Al-Dhahran	Al-Salam
Revenue	21,808,501	20,422,881	19,515,187	6,001,648	7,442,315	20,305,258	11,577,694	5,596,862	4,626,396	8,781,307	1,984,271	5,109,606	7,523,113
Government Grants & Subsidies	517,500	290,000	429,700	232,600	478,000	535,000	421,000	171,500	-	255,100	94,000	153,332	143,250
Cost	(13,169,222)	(11,060,426)	(9,904,150)	(3,257,479)	(5,407,021)	(9,782,464)	(6,981,556)	(5,088,329)	(2,061,523)	(5,885,289)	(2,690,051)	(3,055,608)	(5,165,797)
Gross Profit	9,156,779	9,652,455	10,040,737	2,976,769	2,513,294	11,057,794	5,017,138	680,033	2,564,873	3,151,118	(611,780)	2,207,330	2,500,566



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NCLE

Growth Drivers



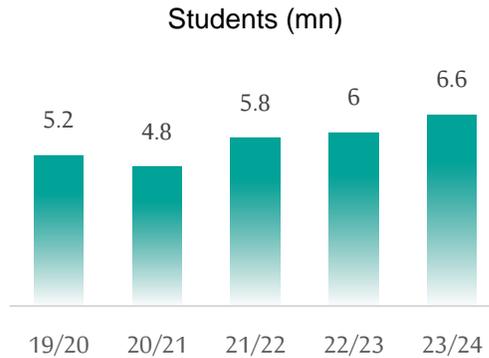
External factors

Market growth

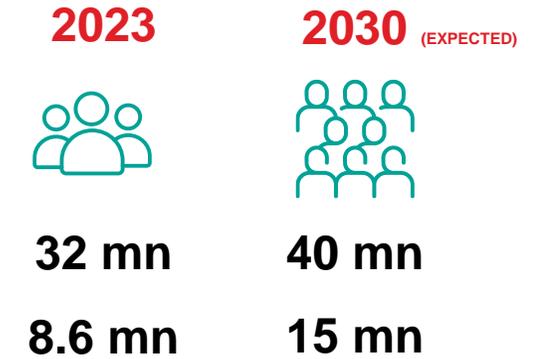
Private school penetration shift

Internal factors

Student population grew by 5% CAGR in the last 5 years in KSA

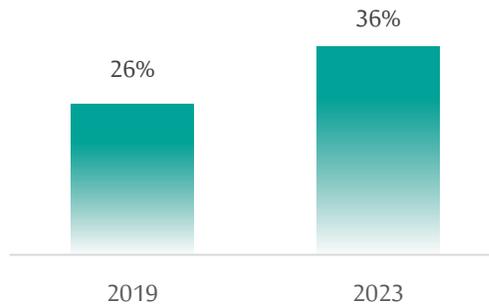


Riyadh population is expected to reach 15 million by 2030



Rising female workforce participation is set to drive growth in private school enrollments

Female participation in workforce (%)



Premium Residency and Regional HQs is key contributor to growth



200+ companies moved regional HQs to Riyadh ahead of Saudi gov't contract policy



الإقامة المميزة
Premium Residency

KSA has launched premium residency

External factors



Market growth

Private school penetration shift

Internal factors



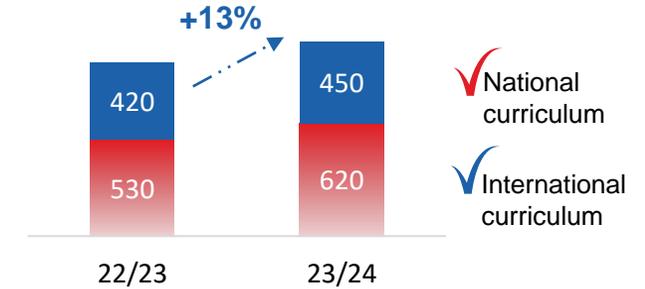
Private school penetration rate is the highest in its history

Private schools penetration rate (%)

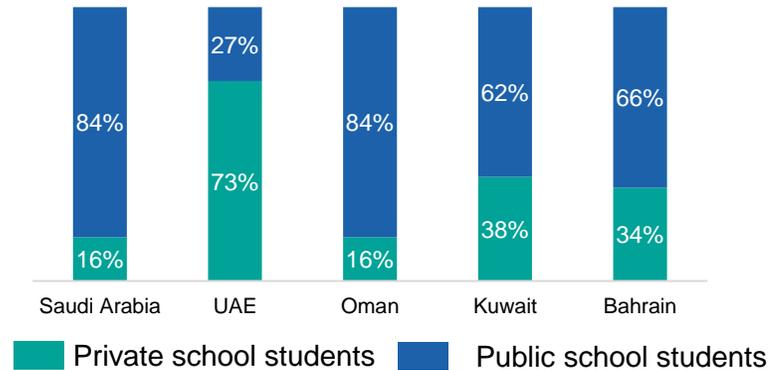


This year, the private education market grew by 13% led primarily by national curriculum growth

Enrollments ('000 students)

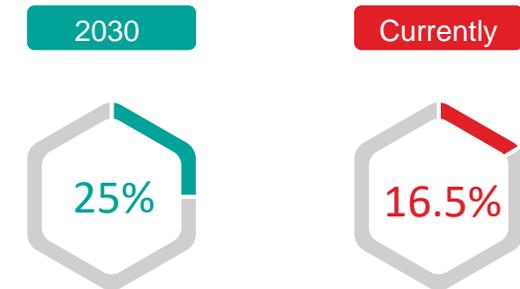


Private education market in KSA is still the lowest in GCC



Vision 2030 sets targets to unlock the potential of private education through privatization

Private schools penetration rate %



External factors ^

Internal factors ∨

Maturing newly opened schools

Hetteen school campus

Al-Narjis school campus

Qurtubah 2 school campus

NCLE opened 6 greenfield projects in the last 5 years which are still growing



TNS – Buraidah

 Establishment :	2019
 Optimal Capacity :	2,625
 Utilization :	78%



TNS–Al-Qairwan

 Establishment :	2020
 Optimal Capacity :	4,550
 Utilization :	86%



TNS – Al-Aridh

 Establishment :	2021
 Optimal Capacity :	3,000
 Utilization :	77%



TNIS – Dhahran

 Establishment :	2022
 Optimal Capacity :	2,300
 Utilization :	36%



TNIS – Al-Aridh

 Establishment :	2023
 Optimal Capacity :	2,520
 Utilization :	39%



Al-Ghad –
Al-Qairwan

 Establishment :	2023
 Optimal Capacity :	1,720
 Utilization :	22%

External factors ^

Internal factors v

• Maturing newly opened schools

• **Hetteen school campus**

• Al-Narjis school campus

• Qurtubah 2 school campus



Land Area
12,650 sqm



Capacity
2 K



Opening Date
Sep 2024



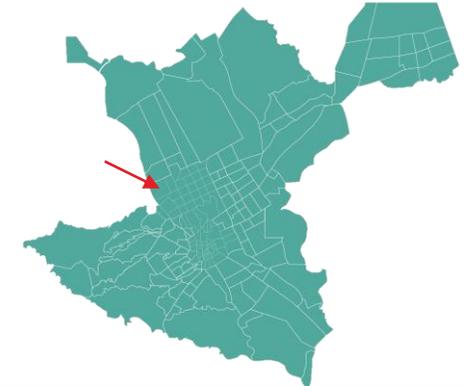
Location
Riyadh, Hetteen District



CAPEX
57 M SAR



Land Lease Agreement
20.5 years (including 1.5 year grace period)
SAR 2.46 mn annually and increases of 10% every 5 years



External factors ▾

Internal factors ▾

- Maturing newly opened schools
- Hetteen school campus
- **Al-Narjis school campus**
- Qurtubah 2 school campus

	<p>Land Area 9,991 sqm</p>		<p>Capacity 2 K</p>		<p>Opening Date Sep 2024</p>
	<p>Location Riyadh, Al-Narjis District</p>		<p>CAPEX 49 M SAR</p>		<p>Land Lease Agreement 20 years (Hijri Years) including 2 years grace period SAR 2.15 mn annually & an annual increase of 4% starting from 11th year</p>





External factors ▾

Internal factors ▾

- Maturing newly opened schools
- Hetteen school campus
- Al-Narjis school campus
- **Qurtubah 2 school campus**



Land Area
13,200 sqm



Capacity
2.5 K



Opening Date
Sep 2024



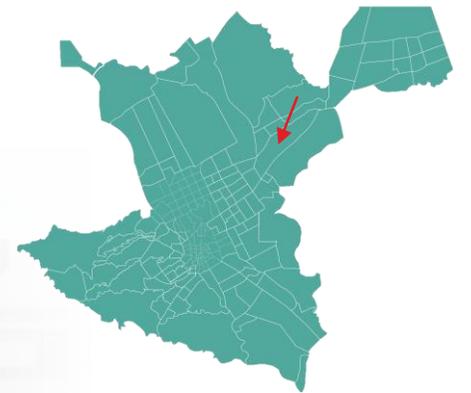
Location
Riyadh, Qurtubah District



CAPEX
56 M SAR



Land Lease Agreement
27 years (including 2 years grace period)
SAR 1.6 mn annually and increases of 10% every 5 years





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Q&A

For more information, please contact us:
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**Thank
You..**