

# Ataa Educational Company

Investor Presentation  
31 July 2020



## Introduction to Ataa Educational Company (“Ataa”)

### Ataa snapshot

<b>336M SAR</b> <b>Revenues</b> ( FY2020) <b>5% growth</b>	<b>321M SAR</b> <b>Revenues</b> ( FY2019)	<b>76M SAR</b> <b>Net Income</b> ( FY2020)	<b>83M SAR</b> <b>Net Income</b> ( FY2019)
<b>145M SAR</b> <b>EBITDAR</b> ( FY2020) <b>5% Growth on reported basis</b>	<b>139M SAR</b> <b>EBITDAR</b> ( FY2019)	<b>68%</b> ( FY2020) <b>Utilization across schools</b>	<b>69%</b> ( FY2019 ) <b>Utilization across schools</b>
<b>27,260</b> <b>Number Of Student</b> ( FY2020) <b>2% growth</b>	<b>26,768</b> <b>Number Of Student</b> ( FY2019)	<b>12.4</b> <b>Student to teacher ratio</b> ( FY2020)	<b>12.3</b> <b>Student to teacher ratio</b> ( FY2019)

**Leading K-12 operator with one of the most diversified offerings in KSA**

Note:

1. As of 9M 2020 (ending April 2020), unless mentioned otherwise

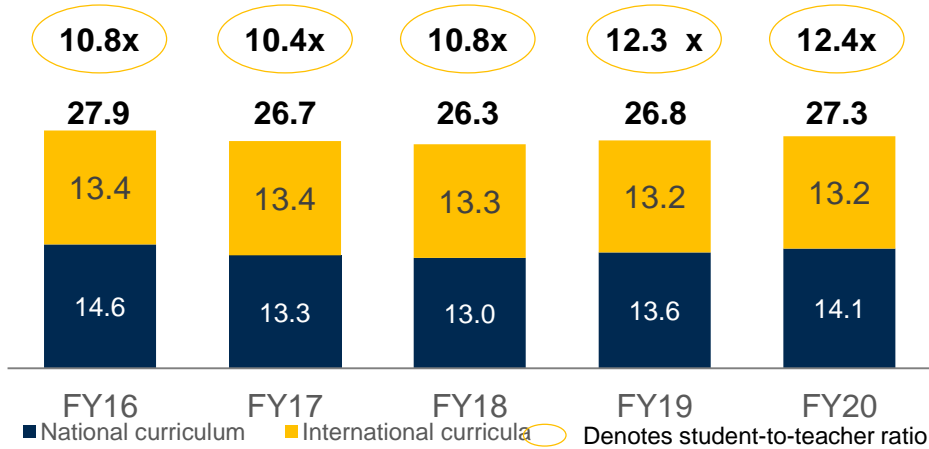


## Key Financial Summary

## Robust financial performance despite economic headwinds

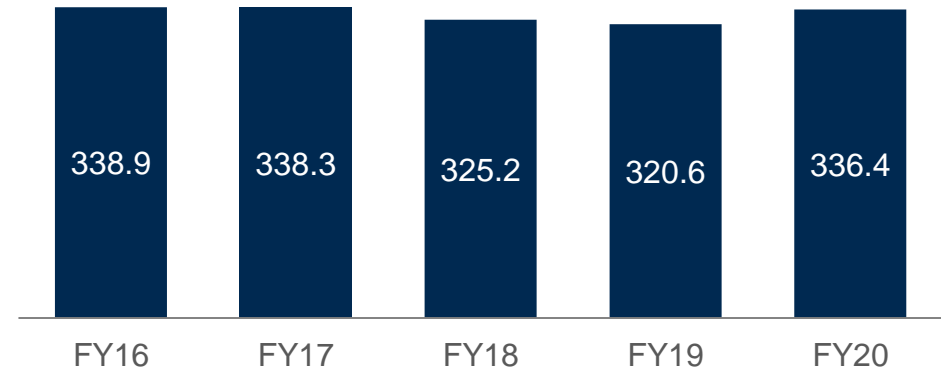
### Number of students

Thousands



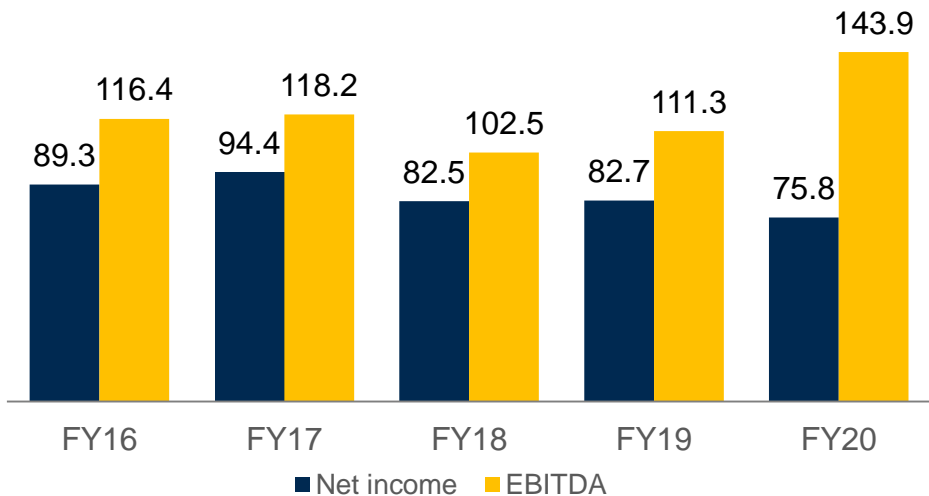
### Revenues

SARm



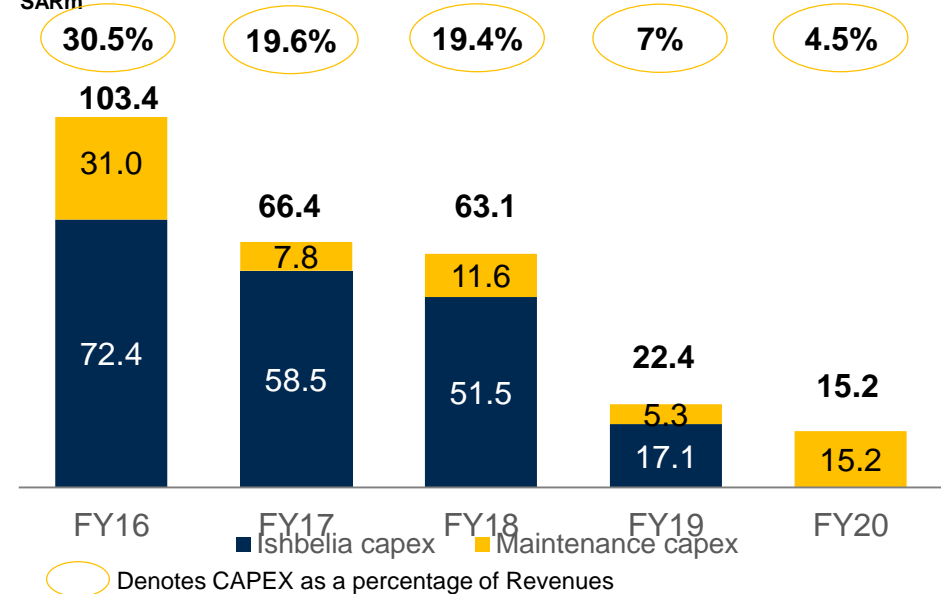
### Net Income and EBITDA

SARm



### CAPEX

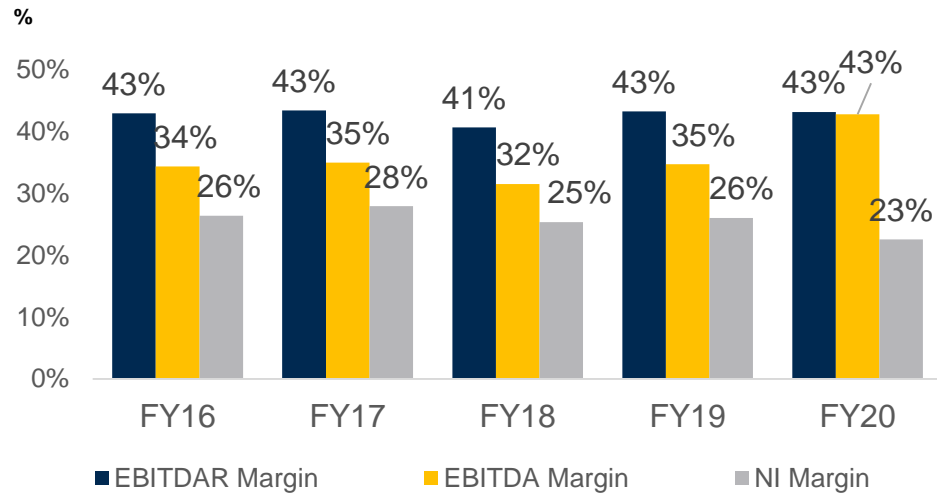
SARm



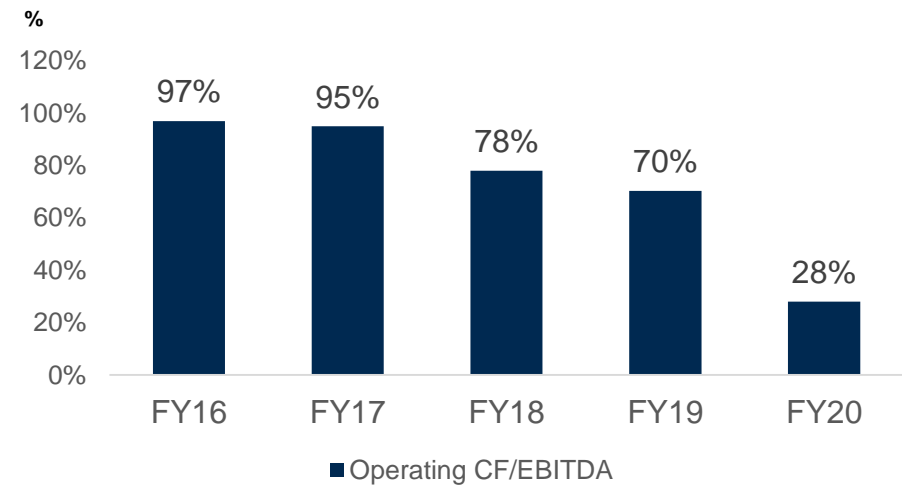


## Strong margins to drive cash generation with significant headroom to grow

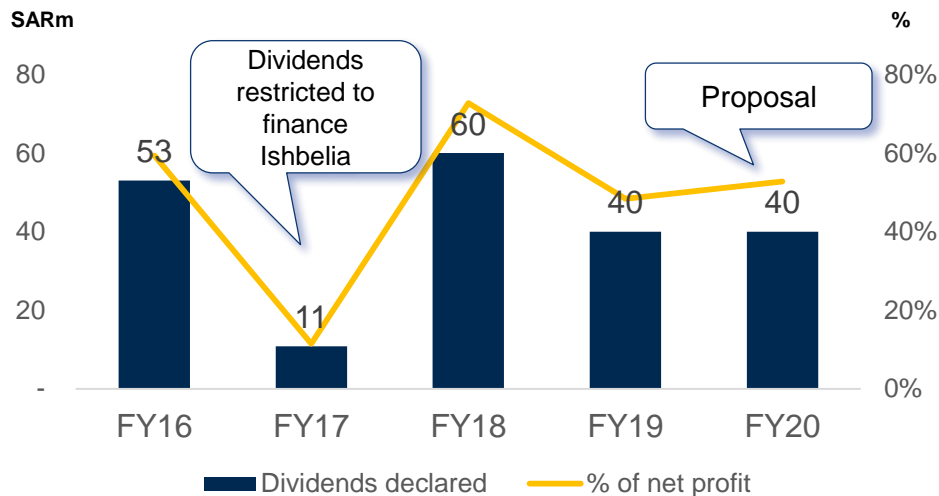
### Strong sustainable margins...



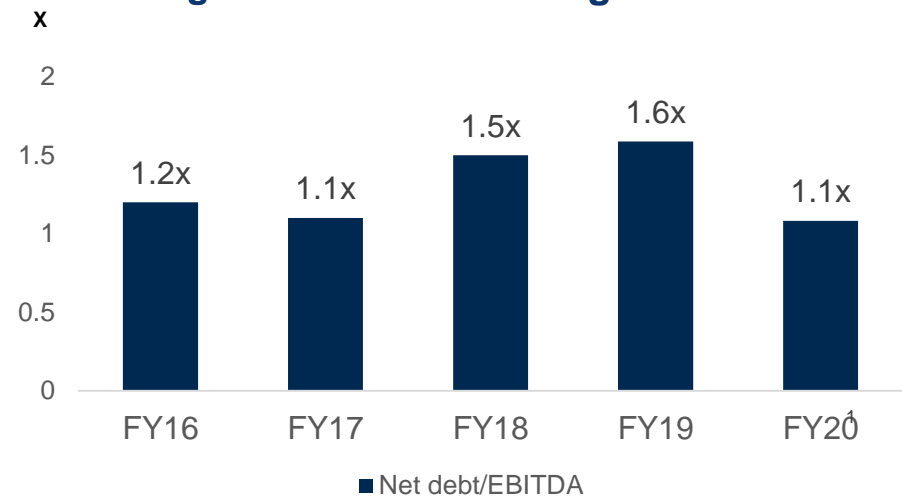
### ...driving cash generating profile...



### ...and dividends distributions...

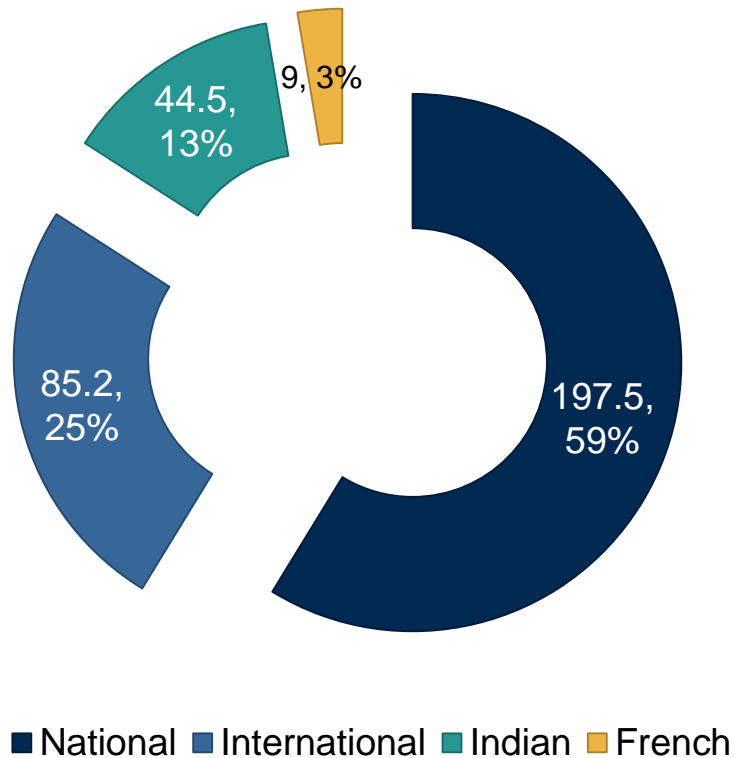


### ...with significant headroom to grow



# Revenue Break-Down

## Segment Reporting

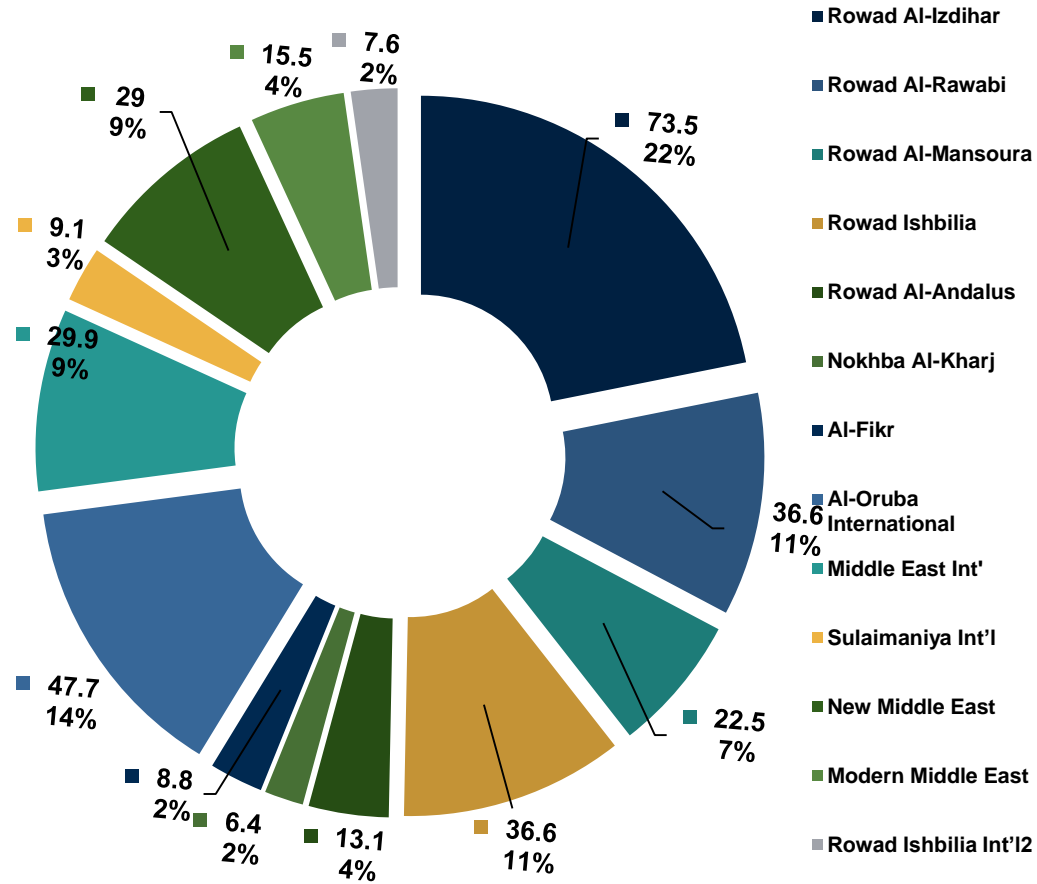


## Segment Reporting

SR in 000s	FY19	%	FY20	%	Var (YTD 19-20)
National	194,625	60%	197,556	59%	1.5%
International	73,633	23%	85,205	25%	15.7%
Indian	43,357	14%	44,522	13%	2.7%
French	8,970	3%	9,093	3%	1.4%
Total net revenue	320,585	100%	336,376	100%	4.9%

# Revenue Break-Down

## Revenue by School



SR in 000s	FY19	%	FY20	%	Var (YTD 19-20)
Rowad Al-Izdihar	76,256	24%	73,465	22%	(3.7%)
Rowad Al-Rawabi	37,728	12%	36,585	11%	(3.0%)
Rowad Al-Mansoura	21,868	7%	22,508	7%	2.9%
Rowad Ishbilila	28,084	9%	36,591	10%	30.3%
Rowad Al-Andalus	13,126	4%	13,139	4%	0.1%
Nokhba Al-Kharj	5,569	2%	6,432	2%	15.5%
Al-Fikr	8,638	3%	8,837	3%	2.3%
Al-Oruba International	45,310	13%	47,733	14%	5.3%
Middle East Int'	28,323	9%	29,881	9%	5.5%
Sulaimaniya Int'l	8,970	3%	9,093	3%	1.4%
New Middle East	27,227	8%	29,034	9%	6.6%
Modern Middle East	16,130	5%	15,488	4%	(4.0%)
Rowad Ishbilila Int'l2	3,355	1%	7,592	2%	126.3%
Total net revenue	320,585		336,377		4.9%

# Ataa school portfolio

## Overview of national curriculum portfolio

	 مجدرسن الرواد الإلهية Al-Rowad Private Schools الرياض Al-Riyadh	 مجدرسن الرواد الإلهية Al-Rowad Private Schools الرياض Al-Riyadh	 مجدرسن الرواد الإلهية Al-Rowad Private Schools الرياض Al-Riyadh	 مجدرسن الرواد الإلهية Al-Rowad Private Schools الرياض Al-Riyadh	 مجدرسن الرواد الإلهية Al-Rowad Private Schools الرياض Al-Riyadh		
Curriculum							
Area (sqm)	60,600	15,000	14,225	18,562	12,100	11,046	9,600
Ownership	Owned / leased	Owned	Owned	Owned	Owned	Leased	Leased
Classrooms	245	174	115	175	64	46	49
Capacity	6,125	4,350	2,875	4,375	1,600	920	980
Utilization	62%	59%	72%	72%	67%	83.5%	65%
Avg. net tuition (SAR)	19,405	14,291	10,811	11,668	12,188	8,375	13,786
EBITDA contribution <sup>1</sup>	23.4%	10.1%	5.9%	10.4%	3.5%	0.8%	2.4%
Student to teacher ratio	12	12,7	13,3	12,7	11,5	12,4	10,7

Note:

1. As of 9M 2020 (ending April 2020), unless mentioned otherwise



# Ataa school portfolio

## Overview of international curriculum portfolio

	 <b>Rowad Ishbilila Int'l<sup>2</sup></b>	 <b>Al-Oruba International</b>	 <b>Middle East Int'</b>	 <b>Sulaimaniya Int'l</b>	 <b>New Middle East</b>	 <b>Modern Middle East</b>
Curriculum						
Area (sqm)	9,240	19,485	4,558	2,641	7,981	14,000
Ownership	Owned	Leased	Leased	Leased	Leased	Leased
Classrooms	108	142	148	44	233	142
Capacity	2,700	3,550	3,600	880	4,660	3,550
Utilization	17%	82%	58%	78%	90%	80%
Avg. net tuition (SAR)	16,085	16,448	14,229	13,333	6,919	5,421
EBITDA contribution <sup>1</sup>	1.4%	16.9%	8.4%	1.8%	8.3%	6.7%
Student to teacher ratio	7,4	15,3	10,6	8,3	13,2	13,7

Note:

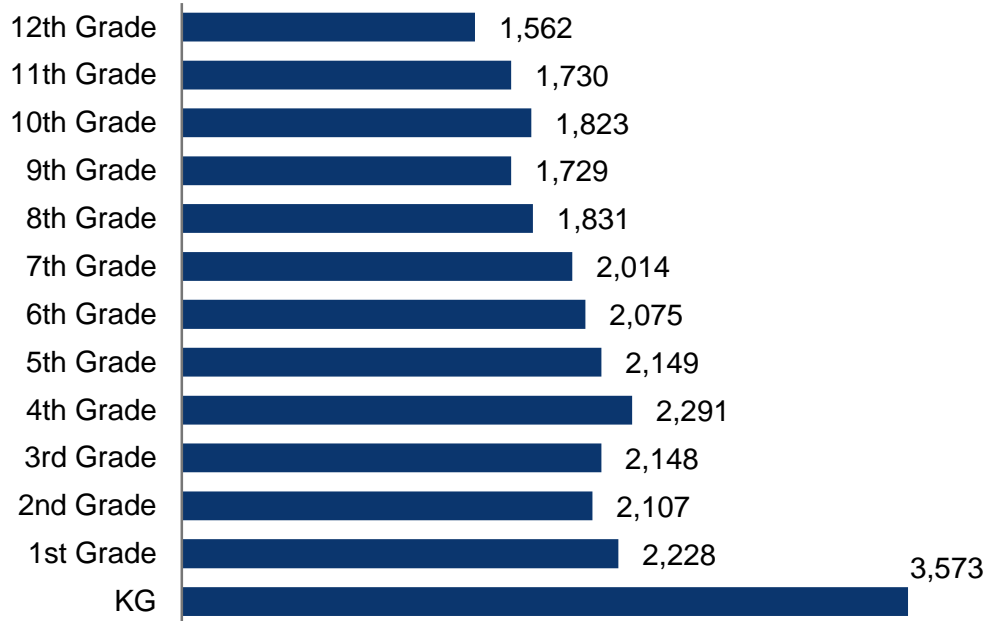
1. As of 9M 2020 (ending April 2020), unless mentioned otherwise

## Ataa school portfolio

Highly diversified student base with further room to consolidate

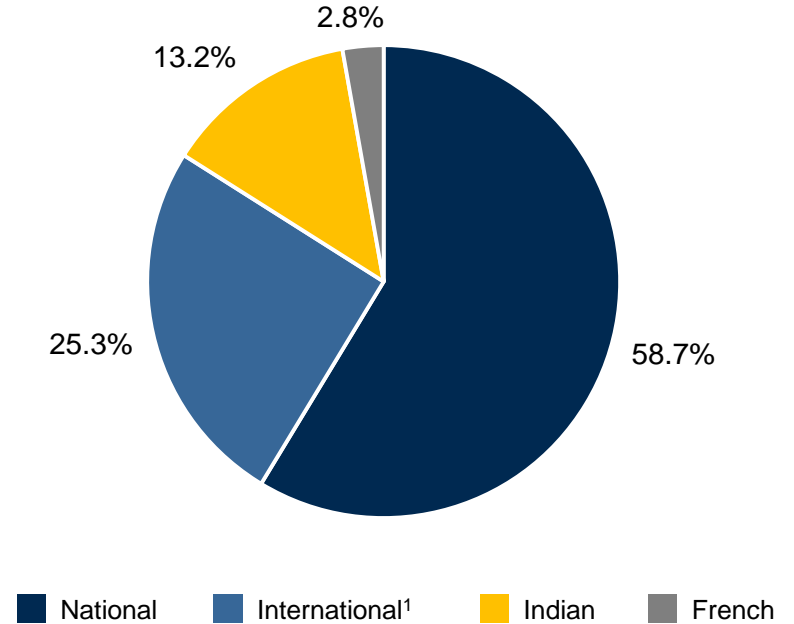
### Stable student base across different grades...

Number of students in each grade as of 2020(# students)



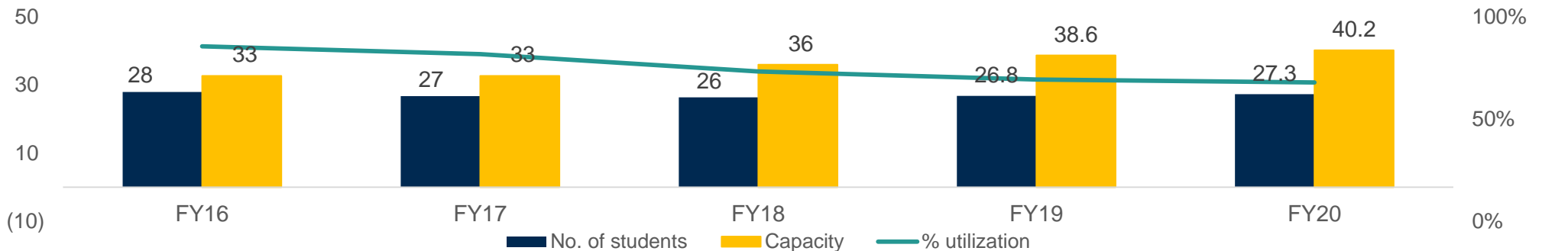
### ...with a diversified revenue base...

Net tuition revenue per curriculum (%)



### ...and further room to consolidated...

No. of students (000)

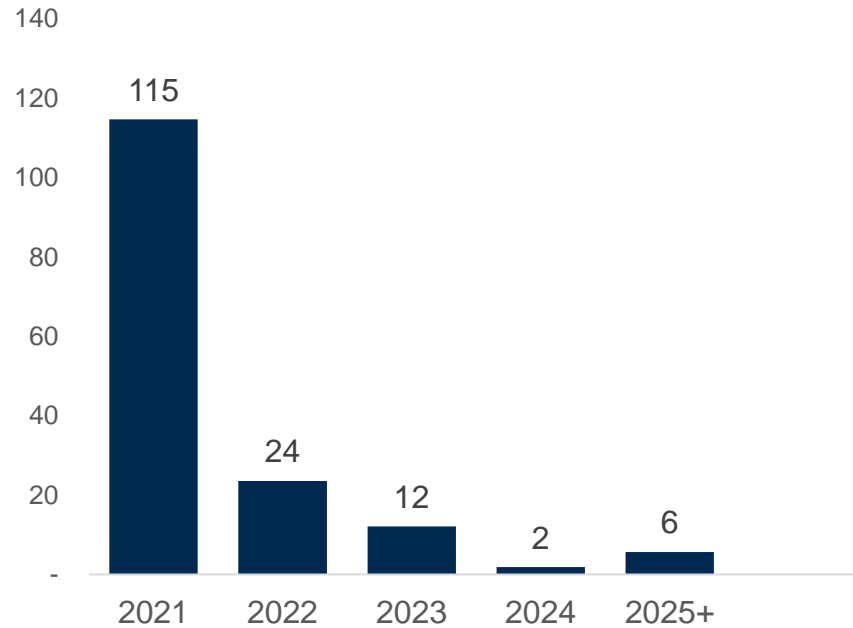


Notes:

1. International refers to the American and British Curriculums

## . DEBT SUMMARY

### ...DEBT MATURITY PROFILE ...



■ Term Loans

### Term Loans

	SR in 000s	%
2021	114,694	73%
2022	23,599	15%
2023	12,112	8%
2024	1,904	1%
2025	1,904	1%
2026	1,904	1%
2027	1,904	1%
<b>Total</b>	<b>158,021</b>	

# IFRS 16 Impact



**SR 293,649**



**SR (27,101)**



**SR (6,215)**



# Challenges

**1**

**Uncertainty associated with the Coronavirus pandemic and schooling return to the normal .**

**2**

**New decisions and regulations issued by the relevant authorities.**

# Opportunities

**1**

**Increased opportunities for acquisition .**

**2**

**Benefiting from the government trend to support the private sector in terms of increasing the private education participation rate to 25% .**

# Distance Learning Statistics

Starting From: march , 9 , 2020



## General Statistics

Number of Lessons

**318,269**

Content

**868,723**

Virtual Classes

**28,400**

Discussions

**236,564**

Published on  
the Courses Page

**86,946**



## Students Statistics

Number of  
Students

**27,283**

Login Rate

**92 %**



## Assignments and Tests

Published  
Tests

**41,526**

Published  
Assignments

**159,316**



مدارس الرواد الأهلية  
Al-Rowad Private Schools





## Numbers & Statistics

Distance Learning in Ataa Educational company



Virtual Classes

**24,0464**

Interactive Contents

**183,183**

Assignments

**49,206**

Number of questions

**365,754**

Exams & Quizzes

**15,949**

Number of Students

**24,629**



From 30/08/2020 to 07/11/2020

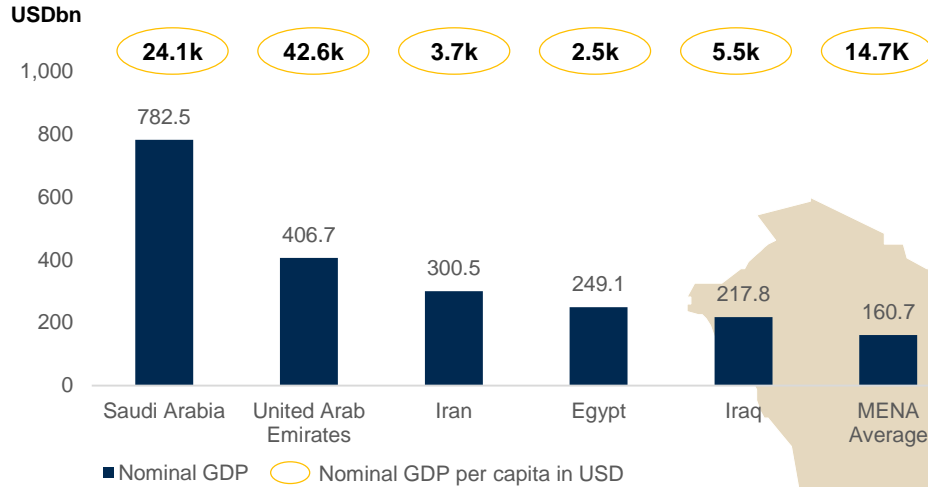


## **Investment Highlights**

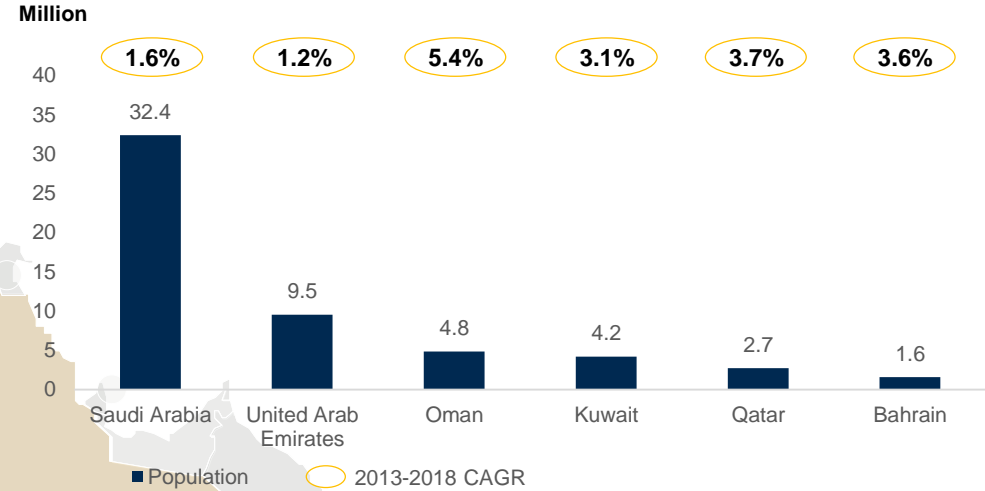
Leading K-12 operator with one of the most diversified offering in KSA

# Saudi macroeconomic indicators are highly attractive

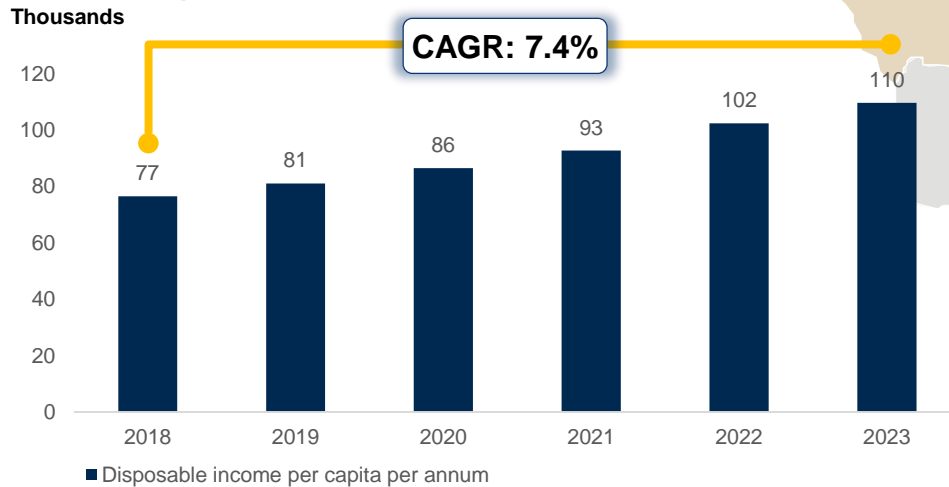
## Largest economy in MENA...



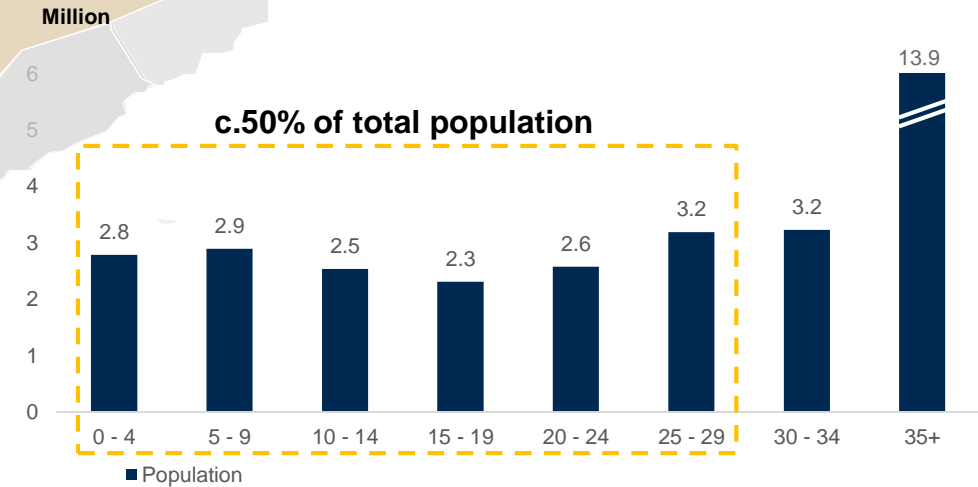
## ...with the largest population in GCC



## Increasing disposable income...



## ...with an attractive population dynamics



## Market fundamentals conducive to support growth

### Strong sector fundamentals



### Key area of focus by the government with KPIs included in Vision 2030



### Saudi remains behind region in terms of private sector participation



Saudi macroeconomic indicators are highly attractive



Defensive sector with strong growth potential

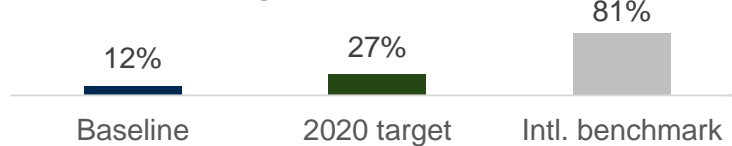


High margin cash business

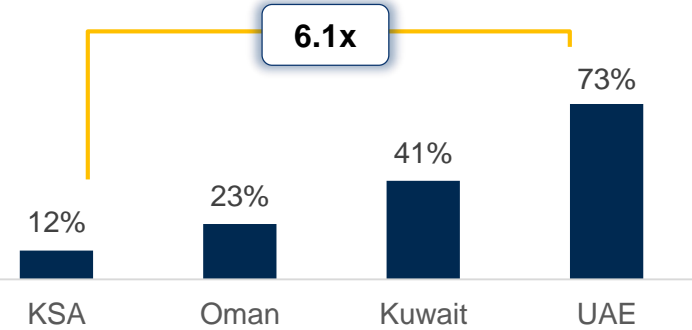
#### % of students enrolled in private education



#### % of kindergarten enrollments

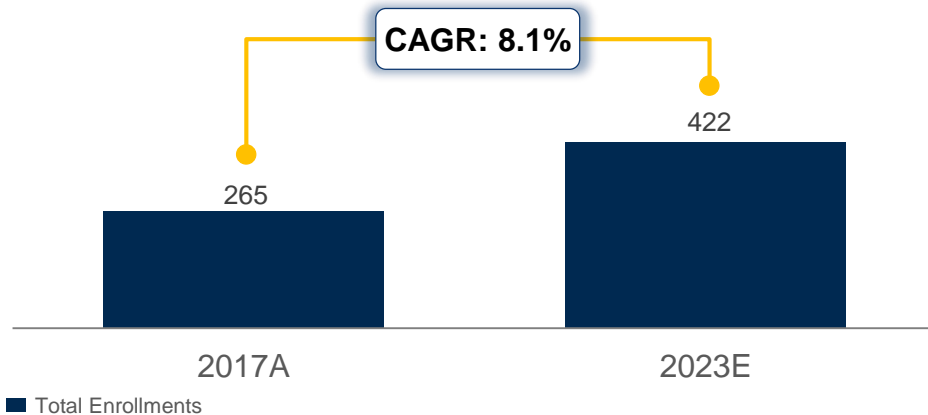


#### % of students enrolled in private education



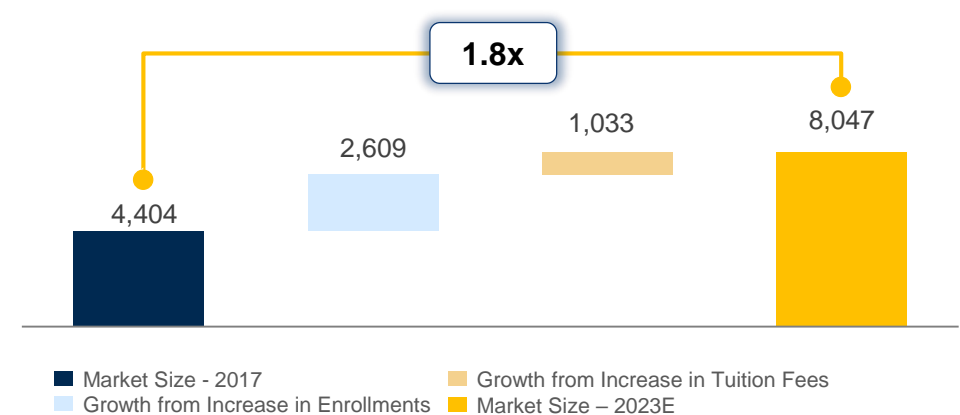
## Strong expected growth in enrollments...

Private School Enrollments Evolution – Riyadh City ('000s)



## ...and the overall market size

Market size growth – Riyadh (SARm)



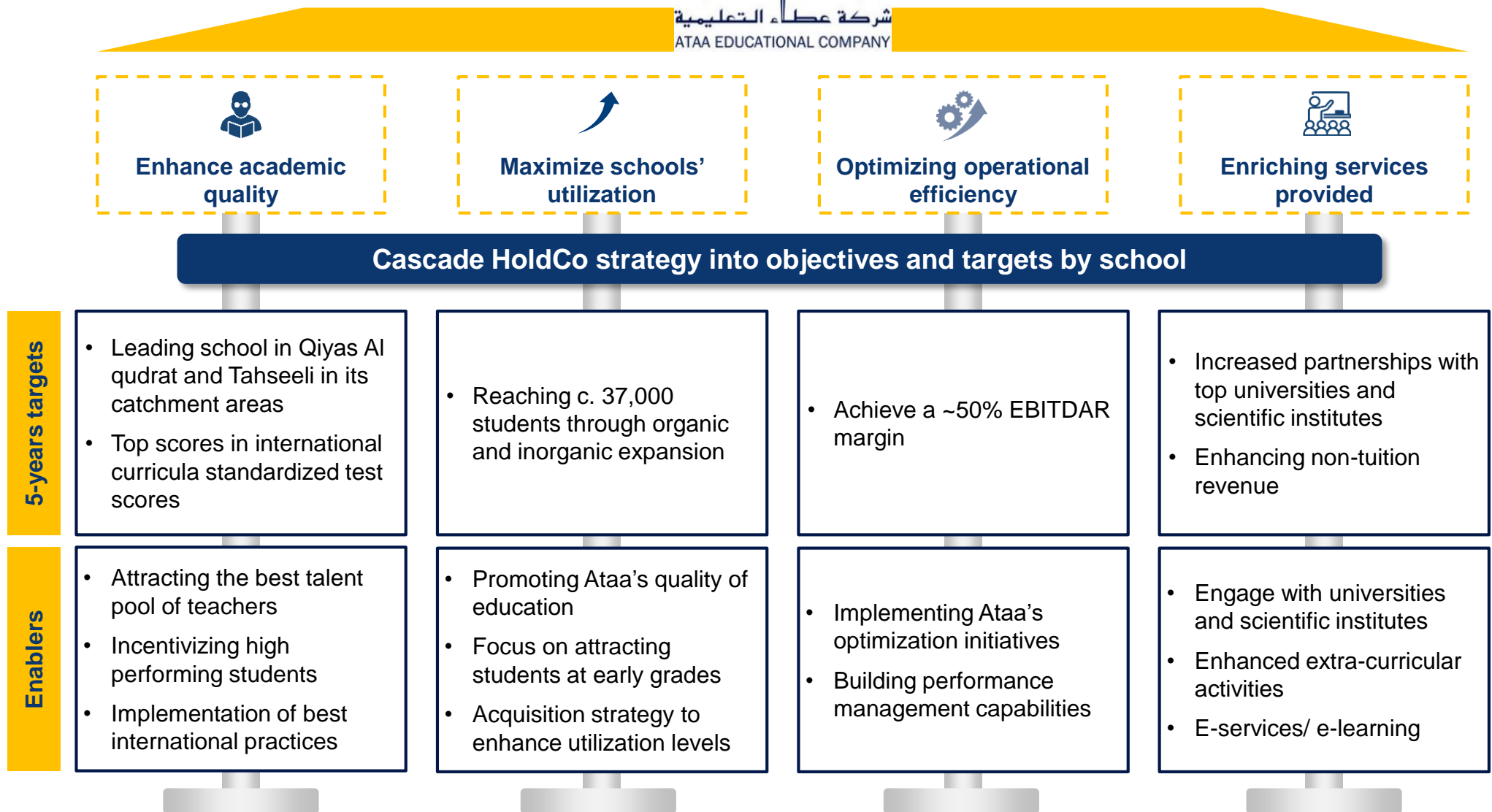




## **Ataa strategy overview**

Clear defined strategy to drive growth

## Clear defined strategy to drive growth





# Thank you for your time

## Q&A

