



الشركة الوطنية للتربية والتعليم
NATIONAL COMPANY FOR LEARNING & EDUCATION

INVESTORS CONFERENCE CALL

2020FY - FINANCIAL RESULTS

9/12/2020



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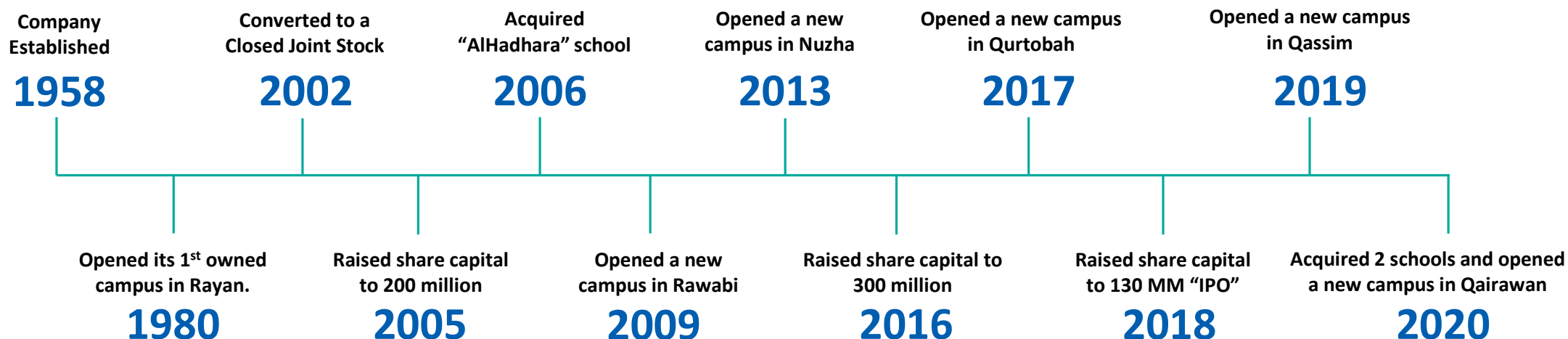
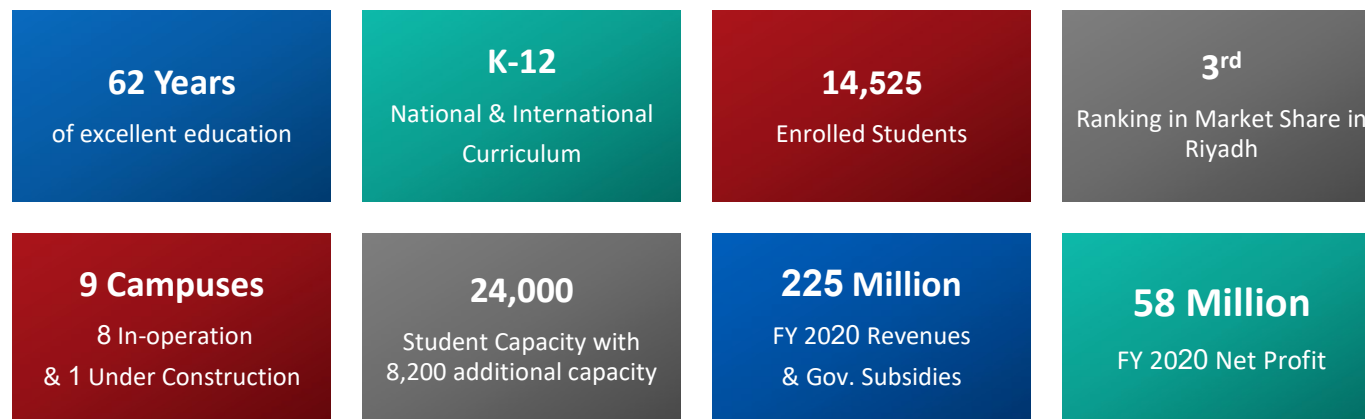
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NCLE OVERVIEW




NCLE CELEBRATES 62 YEARS SINCE ITS FOUNDING TO MAINTAIN ITS VISION



NCLE AIM TO BE A LEADING EDUCATION COMPANY THROUGH EXPANSIONS

Number of Students at the end of Academic Year **2019-2020 ***


	 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	4,003	4,171	2,976	406	145	1,212	1,571	TBA	NA
Utilization	76 %	95 %	68 %	39 %	6 %	99 %	71 %	TBA	NA

* Updated enrollment will be disclosed during 2021 Q1 earning call following financials disclosure for Q1

Opened for current academic year


24,000 Student
Current Capacity

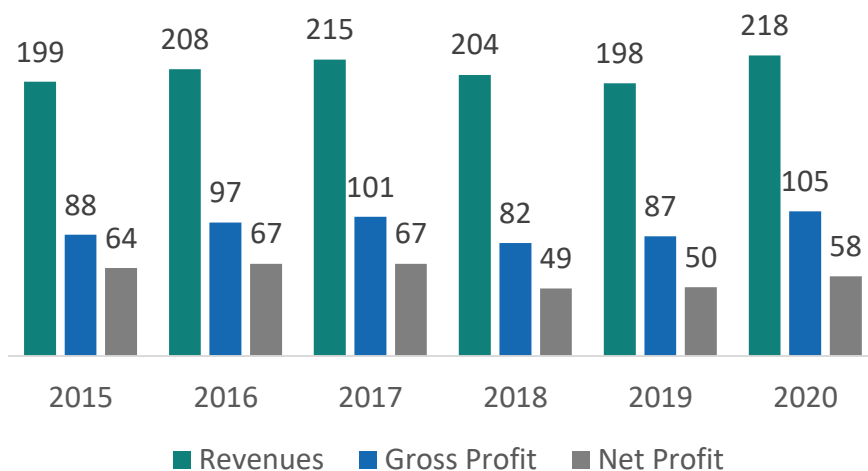

8,200 Student
Additional Capacity


14,525 Student
Enrolled Students

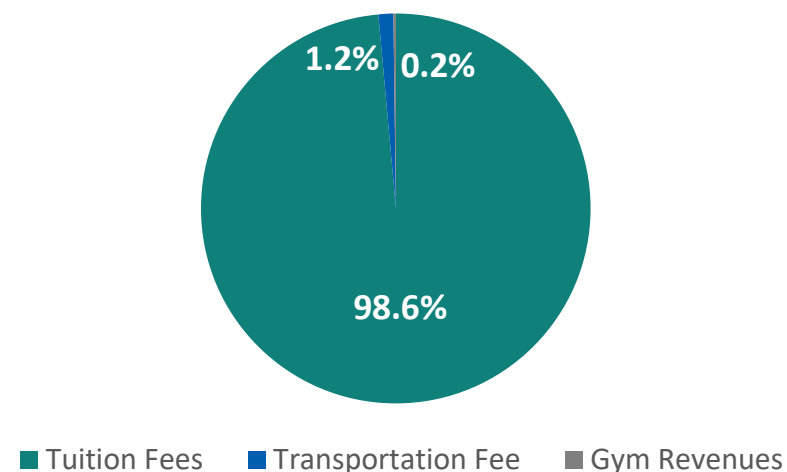

Diversified Offering
National & International Programs

NCLE MAINTAIN ITS PERFORMANCE WITH NET PROFIT GREW BY 15% IN 2020

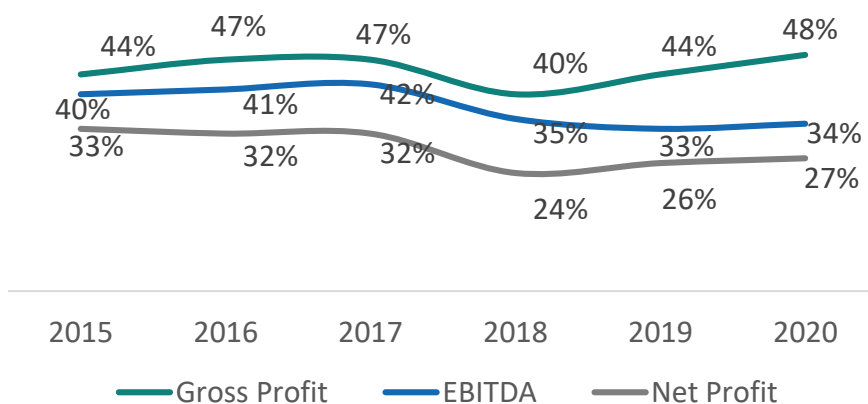
Financial Performance (million SR)



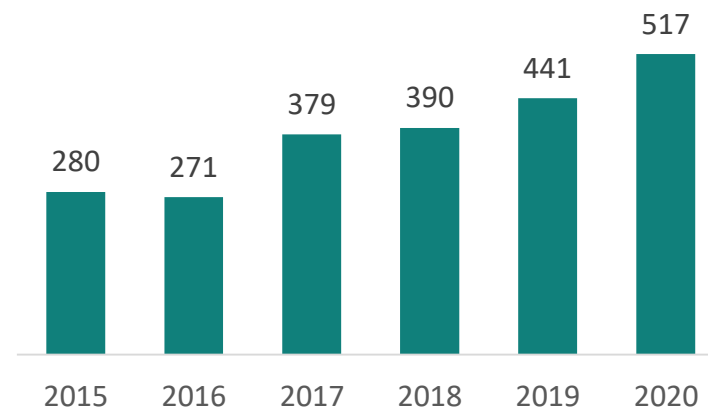
Revenue Breakdown (2020)



Margins %



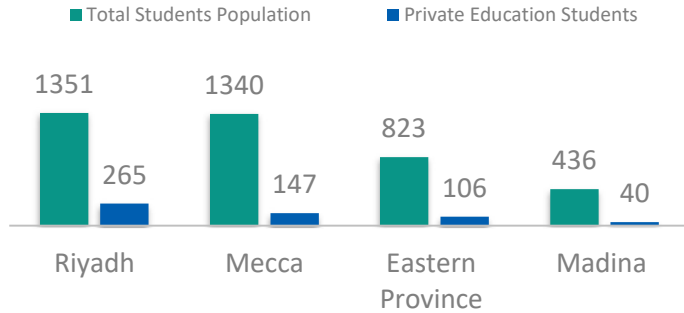
PP&E (million SR)



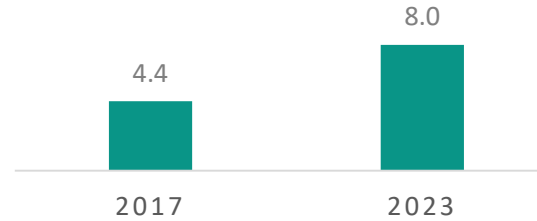
MARKET OVERVIEW



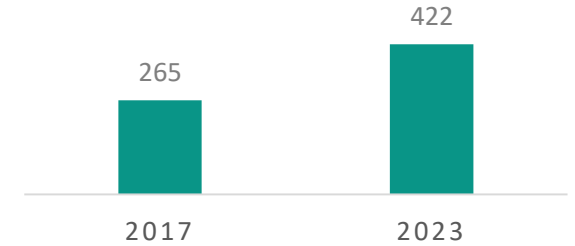
MARKET OVERVIEW



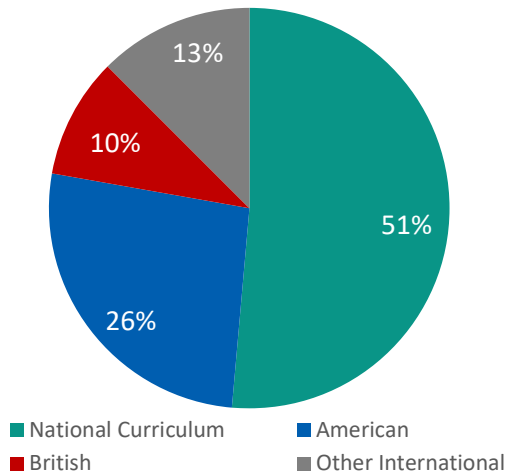
Riyadh is the Largest Private Education Market In Saudi Arabia**



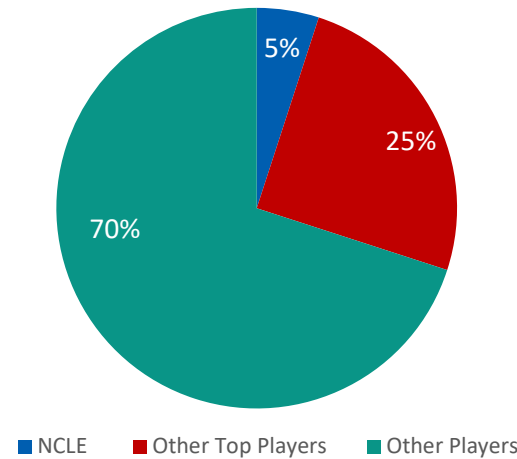
Market Size (SAR billion) of Private Education in Riyadh Province*



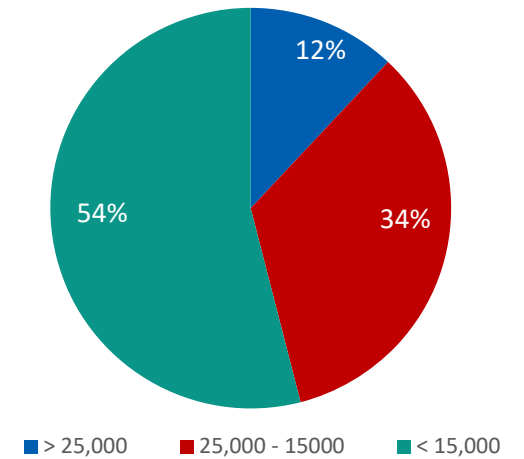
Enrolment (thousand students) in Private Education in Riyadh Province*



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)

DESPITE ECONOMIC CHALLENGES, NCLE IS COMMITTED TO CONTINUE GROWING

Challenges

Opportunities

NCLE drivers

Financial pressure on expenses related to employment costs (non-Saudi)

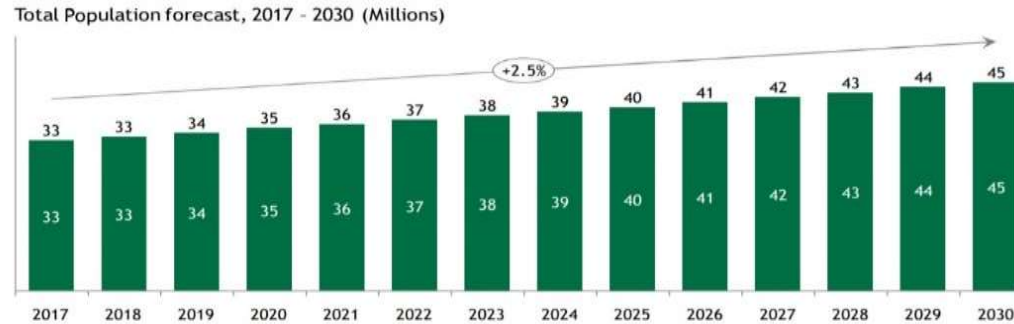
HRDF subsidy decrease going forward

Estimated Total private schools student population decrease by ~15% in 2020 due to COVID-19 *

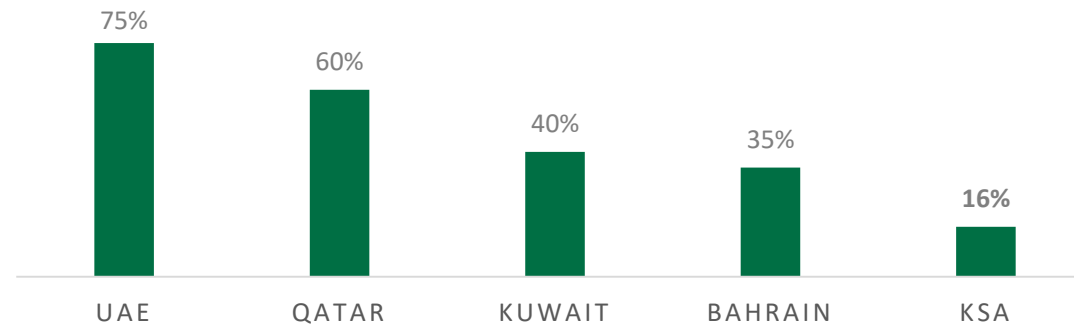
DESPITE ECONOMIC CHALLENGES, NCLE IS COMMITTED TO CONTINUE GROWING

Challenges

- POPULATION GROWTH WILL ADD 2 MILLION STUDENTS IN 10 YEARS¹



- MOE HAS SET KPIS ON PRIVATE SECTOR TO ACHIEVE PENETRATION OF 25% BY 2030



- High fragmentation along with 40% of students go to 'Tadaruj' schools which lead for high level consolidation

Opportunities

NCLE drivers

DESPITE ECONOMIC CHALLENGES, NCLE IS COMMITTED TO CONTINUE GROWING

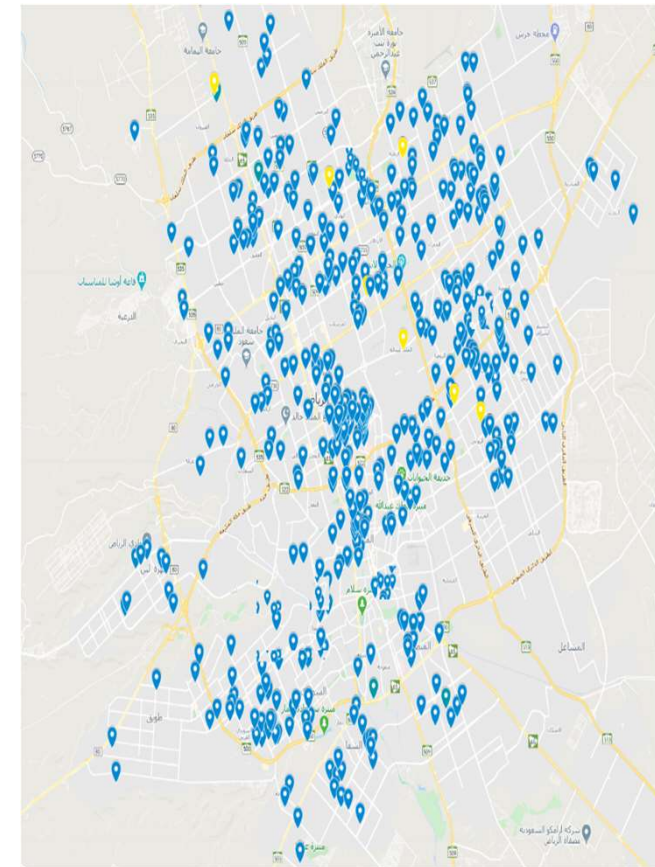
Challenges

- NCLE operates 6 campuses in Riyadh with total capacity of 24,000 students
- New campus (Al-Qairawan) opened in September 2020 with total capacity of 5,000 students

Opportunities

- NCLE schools are well positioned in high population growth areas
- High growth in demand for international curriculum is an opportunity for NCLE to offer both national and international curriculum
- NCLE strategy involves diversification in offering and target students via acquiring Al-Ghad & Al-Khawarizmi schools

NCLE drivers



 NCLE School  Private School

NCLE 2020 EXECUTIVE UPDATE



2020 EXECUTIVE UPDATE

M&A
transactions

Organic
Expansion

New offerings

E-learning
success

Academic
excellence

Financial
performance

Successful completion of acquiring Alkhawarizmi school and Alghad Schools adding ~2900 students to NCLE's student population



2020 EXECUTIVE UPDATE

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Successful completion of Al-Qairawan campus construction and enrolling new students for 2020



2020 EXECUTIVE UPDATE

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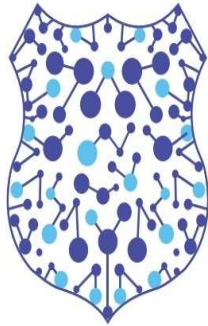
New offerings

E-learning
success

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Financial
performance

- Opened registration of new grades in Buraydah Campus following a grand opening ceremony
- Launched international curriculum in Al-Nuzha Campus
- Launched NOA online academy for extra-curricula courses and online activities



NOA

Namouthajiya Online Academy

نواة

أكاديمية النموذجية الافتراضية



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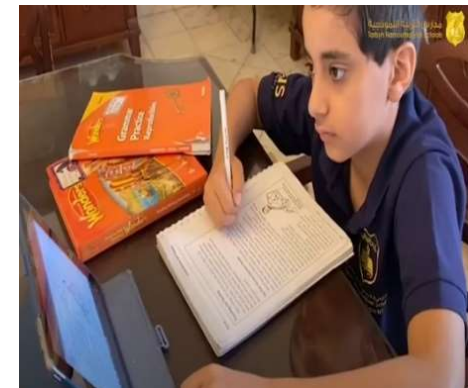
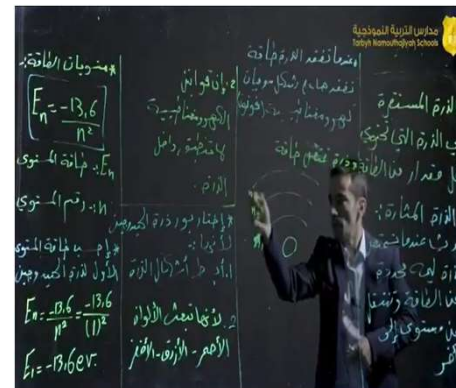
E-learning
success

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 36,000+ interactive contents
- Conducted around 12,400 virtual classes
- Opened around 13,600 discussion rooms
- Uploaded 20,000+ homework and quizzes
- Early graders visit the school twice/week



2020 EXECUTIVE UPDATE

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- 1st place in the National Robotics Olympiad (STEM).
- 1st place in KSA in the Kangaroos Global Math Competition with 63 medals.
- 2nd place in KSA in the global Olympiad robot competition and 22nd globally
- AIAA reaccreditation for the international program for the next 5 years



2020 EXECUTIVE UPDATE

M&A
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Financial
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 Namoulhajiyyah Schools

الدفع الإلكتروني

المكرم ولي الأمر الرجاء إدخال رقم الهوية / الإقامة الخاصة بكم

رقم هوية / إقامة ولي الأمر

التالي

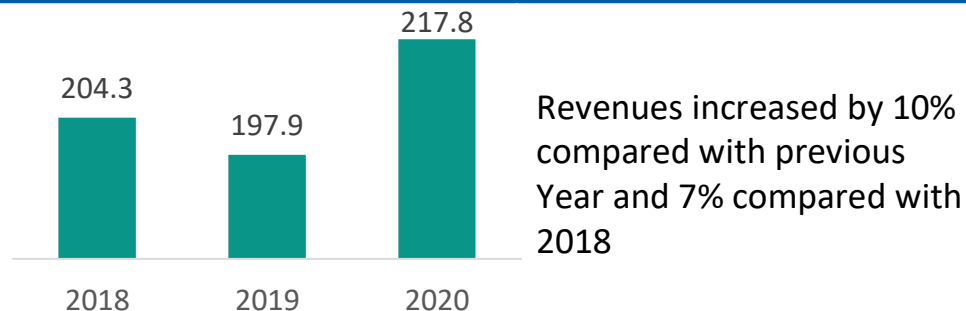


2020 FINANCIAL RESULTS

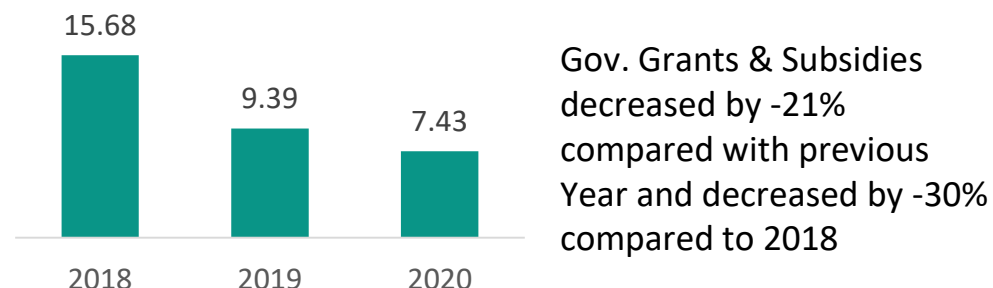


NCLE MAINTAIN ITS PERFORMANCE WITH NET PROFIT GREW BY 15% IN 2020

Revenues (million SAR)



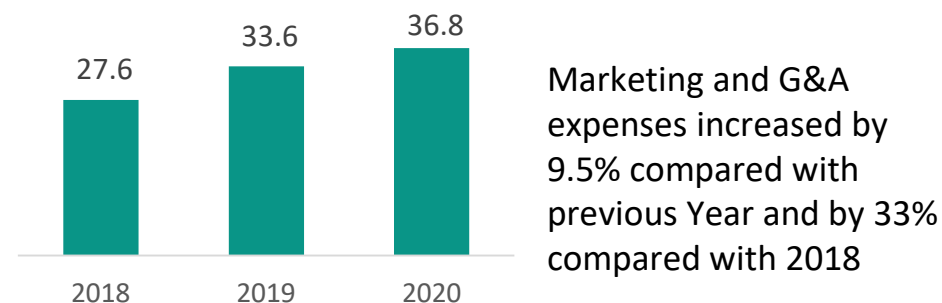
Government Grants & Subsidies (million SAR)



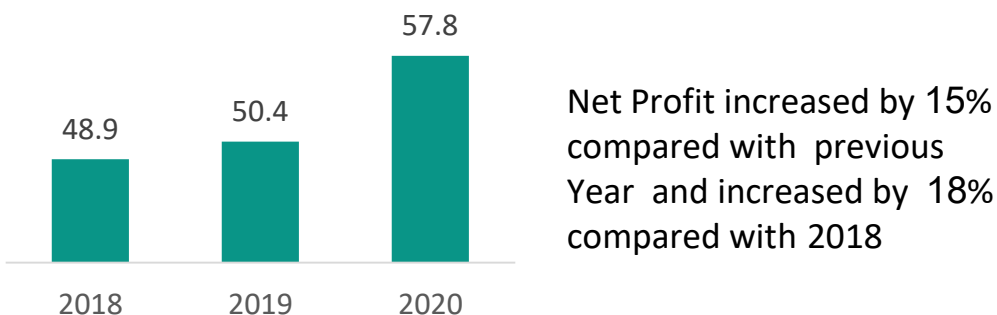
Cost of Revenues (million SAR)



Marketing and G&A (million SAR)



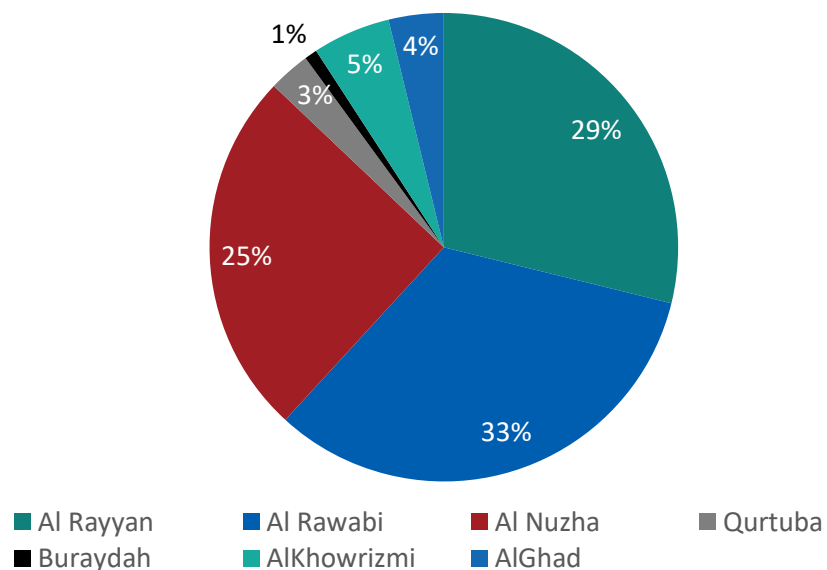
Net Profit (million SAR)



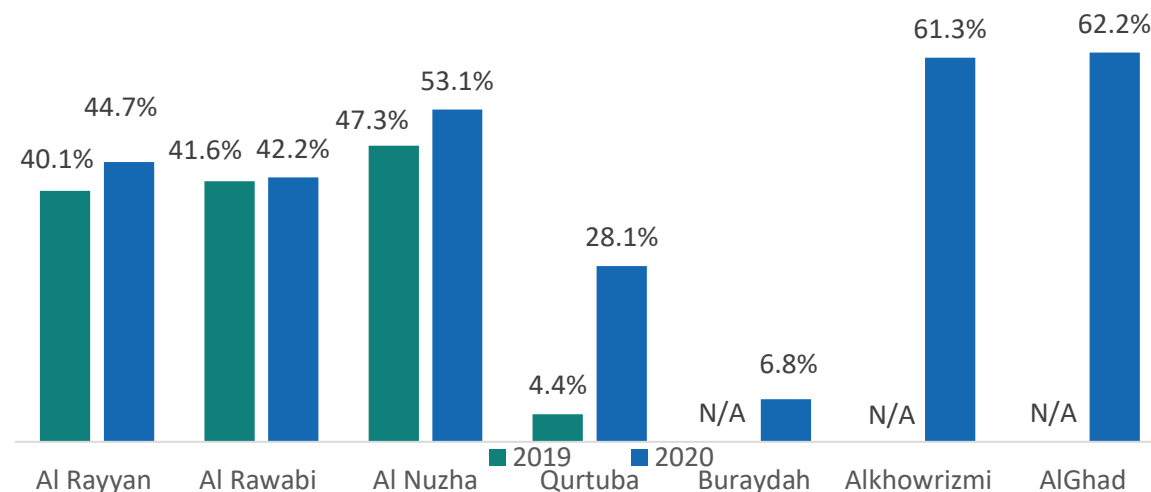
- **The net profits of the NCLE increased by 15% to reach 57.7 million Saudi riyals for the fiscal year 2020 . The reason for the increase in net profits is due :**
- Revenue growth of 10% over the previous year
- The acquisition of Al-Khawazmi Educational Company and Al-Ghad National Schools Company and the consolidation of their financial statements
- Decrease in depreciation expense during the current year compared to the previous year as a result of changing the useful lives of some fixed asset categories

Campus Result in 2020

Revenue By Campus



Gross Margin by Campus



	Al Rayyan	Al Rawabi	Al Nuzha	Qurtuba	Buraydah	Al Khowrizmi	Al Ghad
Revenue	62,843,304	71,847,640	55,009,094	6,265,168	1,892,000	11,693,848	8,289,584
Government Grants & Subsidies	1,805,253	2,405,019	2,505,460	309,082	154,581	135,200	119,200
Cost	(35,767,769)	(42,903,537)	(26,979,161)	(4,728,364)	(1,907,331)	(4,573,868)	(3,181,693)
Gross Profit	28,880,788	31,349,122	30,535,393	1,845,886	139,250	7,255,180	5,227,091

BOARD OF DIRECTORS' DIVIDENDS RECOMMENDATION

Dividend per Share	Total Payout	% of Capital	% of Earnings
0.8 SR	34,400,000 SR	8%	60%

- NCLE announced the Board of Directors recommendation to distribute cash dividends to its shareholders for the fiscal year ended August 31, 2020 (announced on Nov 22, 2020)
- The eligibility of dividends shall be for the shareholders registered in the Securities Depository Center (Edaa) at the end of the second trading day following the date of the General Assembly meeting (which will be announced later)
- NCLE management aim to ensure stable dividends distributions taking into considerations the company's financials positions and expansion plans

RECENT ANNOUNCED UPDATES ON IPO PROCEEDS

Full Utilization of IPO Proceeds

The net IPO proceeds after deducting all expenses related to the IPO were (230,985,697) Saudi Riyals.

- 1) Total amount of (45.7) million Saudi Riyals were allocated to fund the construction and operation of Al-Qassim Educational campus in Buraidah City, Qassim Province.
- 2) Total amount of (12.8) million Saudi Riyals were allocated to fund the construction and operation of Tilal Al-Doha Educational campus in Dhahran City, Eastern Province.
- 3) The amount of (66.7) million Saudi Riyals were allocated to fund the acquisition of Al-Ghad National Schools Company Limited and Al-Khawarzmi Education Company.
- 4) The amount of (42.7) million Saudi Riyals were allocated to complete funding the construction, equipping, furnishing and operation of Al-Qairawan Educational campus in Riyadh City.
- 5) An amount of (53.1) million Saudi riyals were allocated to fund the company's operational activities .

THANK YOU

(Q&A)

For more information, please contact us on:
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