

Company

Ataa Educational Company

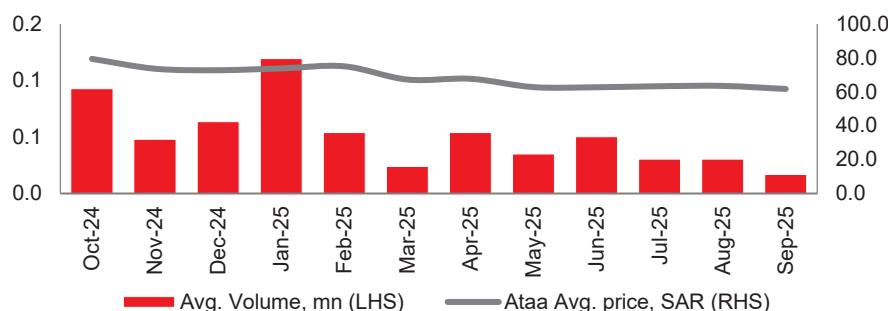
4Q24-25 Result Review

Rating**Buy****Bloomberg Ticker****ATAA AB****Date**

9 September 2025

Results

Target Price SAR	87.0
Upside/ Downside	40%

**Revenue falls in 4Q, rises marginally in FY24-25**

Ataa Education's revenue fell 8% YoY in 4QFY24-25 (ended Jul-25). However, revenue in FY24-25 inched up by 1% YoY, supported by a 2% YoY increase in enrolled students to 45.2 thousand.

Net profit surged by 50% YoY in 4Q, ahead of our estimate

Despite lower revenue in 4Q, operating profit surged 79% YoY, which boosted net profit by 50% YoY, exceeding our estimate. Net profit in FY24-25 rose sharply by 31% YoY. This was primarily driven by some non-recurring revenues and a 65% decline in losses from discontinued operations related to the training segment, which helped to offset a 23% decrease in grants and subsidies from the government.

U-Capital view

We remain optimistic about Ataa's prospects in the Kingdom's K-10 education sector. With its large and growing network of schools offering diverse curricula, Ataa remains well placed to capture upcoming growth opportunities. Hence, we maintain our SAR 87.0 target price on its stock and revise our recommendation to Buy, considering the upside from current levels.

Current Market Price (SAR)	62.2
52wk High / Low (SAR)	83.8/58.0
12m Average Vol. (mn)	0.1
Mkt. Cap. (USD/SAR mn)	697/2,616
Shares Outstanding (mn)	42.1
Free Float (%)	47.2%
3M ADTV (SAR mn)	2.2
6M ADTV (SAR mn)	2.4
P/E'26e (x)	26.0
EV/EBITDA'26e (x)	16.1
Dividend Yield '26e (%)	2.0%
Price Perf. (1m/3m) (%)	-1.7/0.9

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For our last report

**Financial Summary**

SAR mn	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	4QFY25e	YoY	QoQ	Var.	FY23-24	FY24-25	YoY
P&L												
Revenue	157	165	163	168	145	175	-8%	-13%	-17%	637	641	1%
Gross profit	61	51	41	49	58	66	-5%	19%	-11%	200	200	0%
Operating profit	36	32	24	27	64	37	79%	135%	72%	139	148	7%
Net profit	19	20	21	14	29	24	50%	106%	19%	63	83	31%
BS												
Sh. Equity	801	821	789	803	828		3%	3%		801	828	3%
Ratios												
Gross margin	39.1%	31.2%	25.2%	29.2%	40.3%	37.8%				31.4%	31.2%	
Operating margin	22.9%	19.4%	14.9%	16.3%	44.3%	21.3%				21.8%	23.1%	
Net profit margin	12.1%	11.9%	12.8%	8.3%	19.7%	13.7%				10.0%	12.9%	
EPS, SAR	0.45	0.47	0.49	0.33	0.68	0.57				1.51	1.97	
RoE (TTM)					10.2%							
TTM P/E (x)					31.6							

Source: Financials, Tadawul, Bloomberg, U Capital Research



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Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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