

Ataa Educational Company

Investor Presentation H1 2020



Introduction to Ataa Educational Company (“Ataa”)

Ataa snapshot

166M SAR Revenues (H1 2020) 5% growth	158M SAR Revenues (H1 2019)	33M SAR Net Income (H1 2020)	33M SAR Net Income (H1 2019)
67M SAR EBITDA (H1 2020) 40% Growth on reported basis	47M SAR EBITDA (H1 2019)	83M SAR (FY2018) Net Income (FY2019)	82M SAR Net Income
27,682 Number Of Student (H1 2020) 4% growth	26,744 Number Of Student (H1 2019)	12.5 Student to teacher ratio (H1 2020)	12.3 Student to teacher ratio (H1 2019)

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

Note:

1. As of H1 2020 (ending January 2020), unless mentioned otherwise

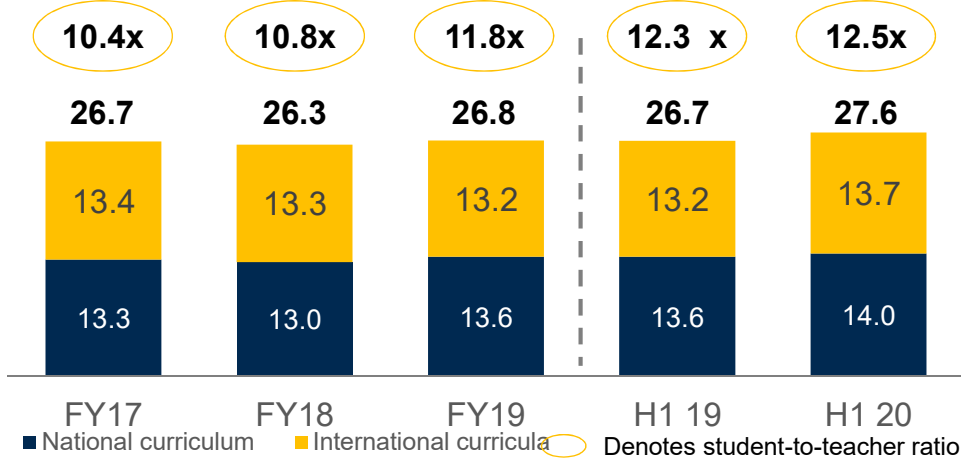


Key Financial Summary

Robust financial performance despite economic headwinds

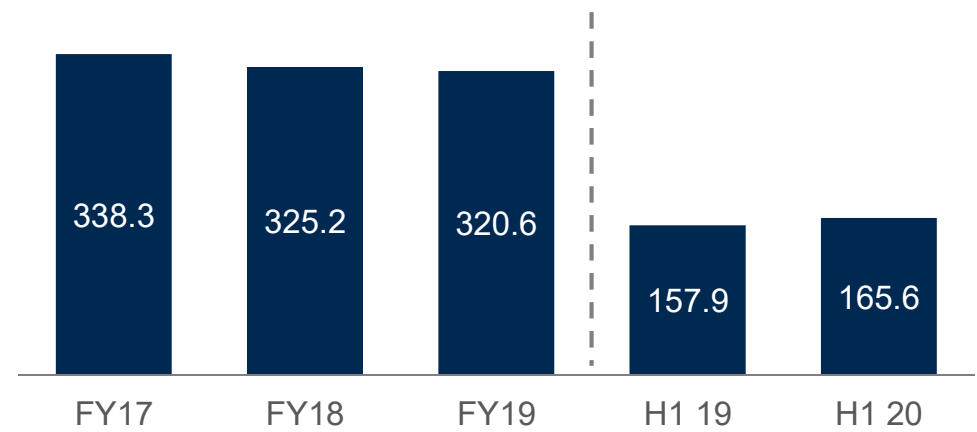
Number of students

Thousands



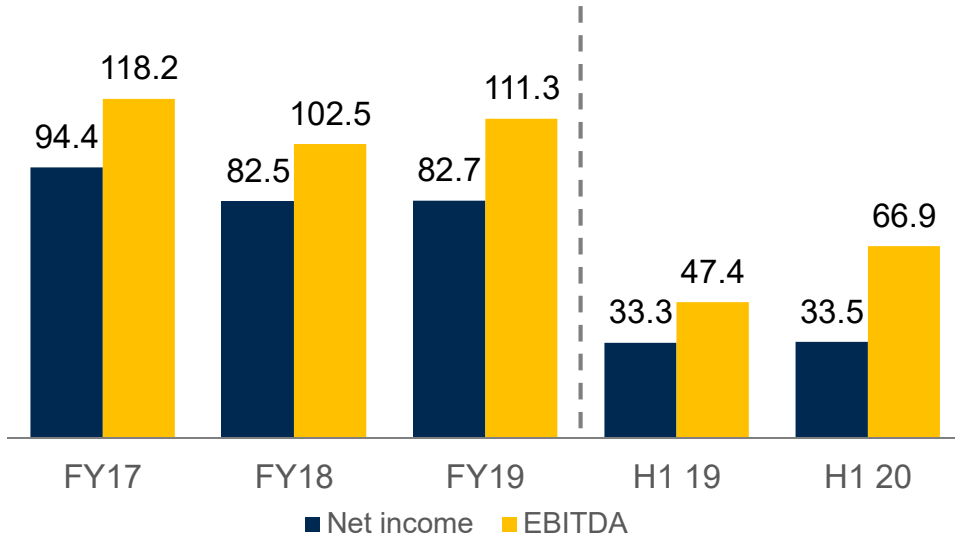
Revenues

SARm



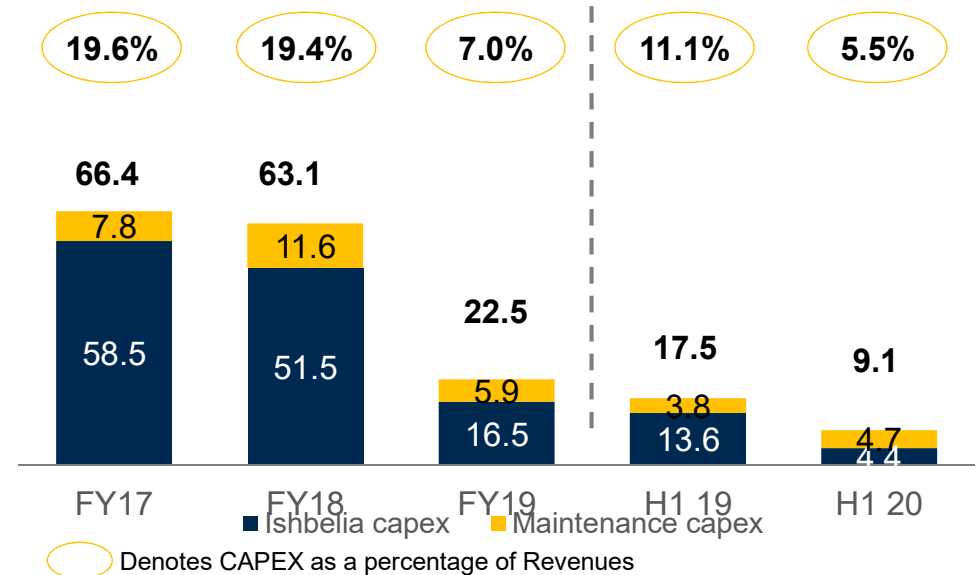
Net Income and EBITDA

SARm



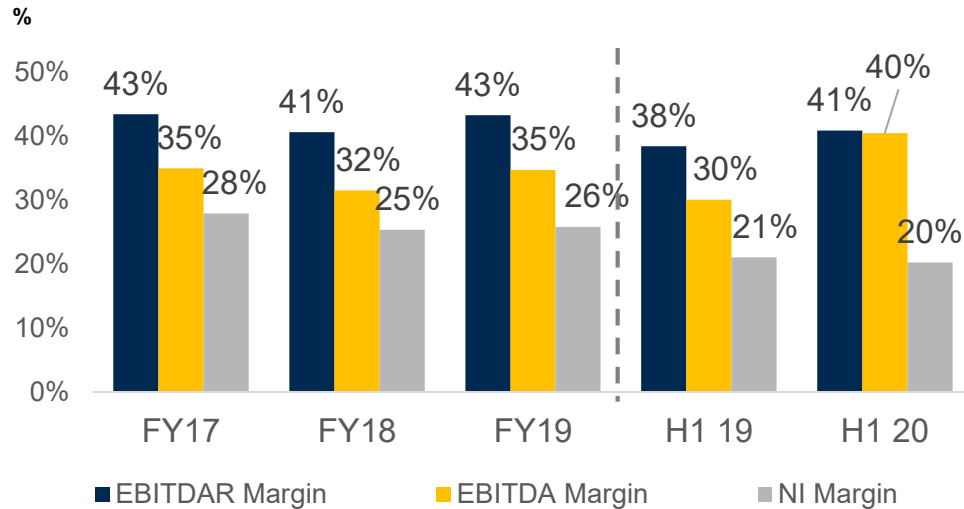
CAPEX

SARm

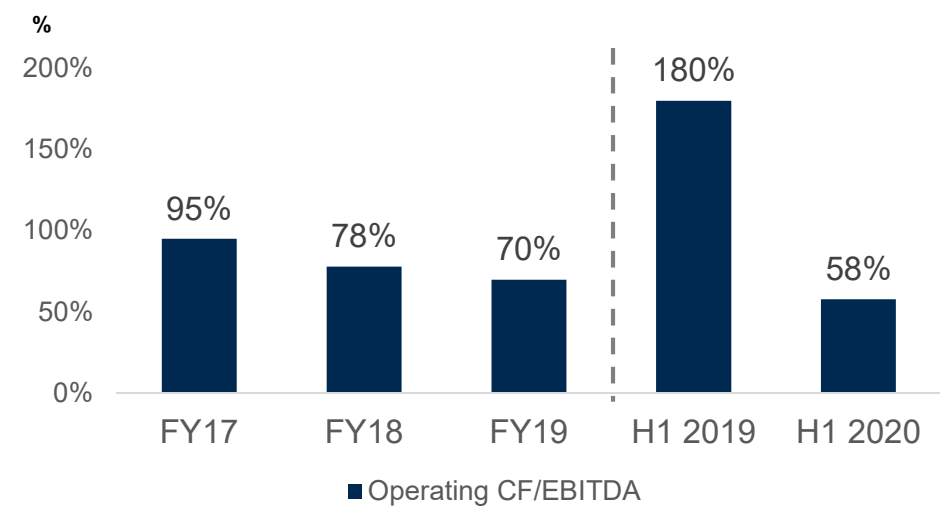


Strong margins to drive cash generation with significant headroom to grow

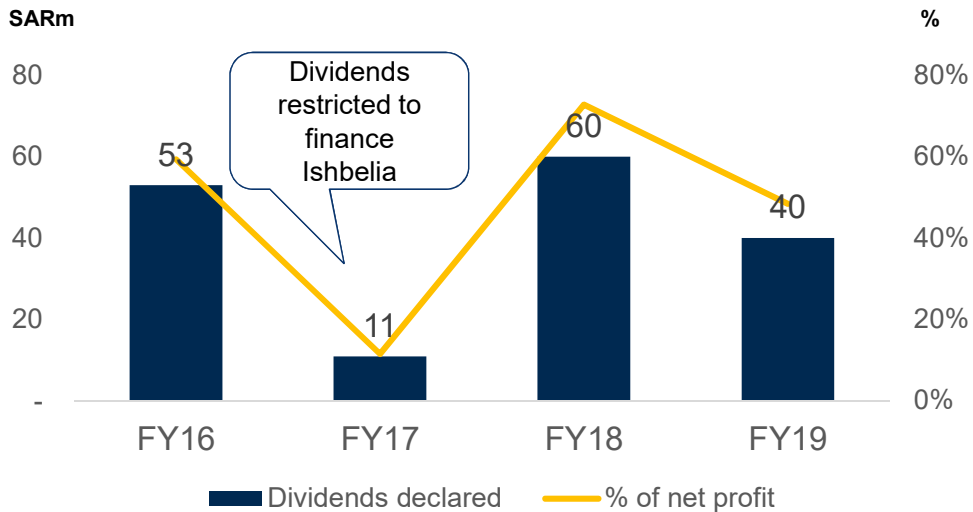
Strong sustainable margins...



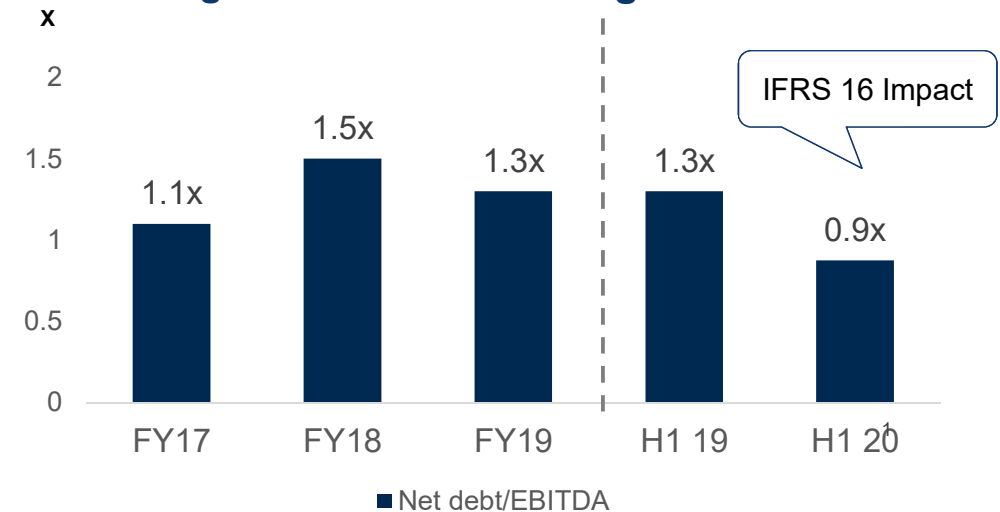
...driving cash generating profile...



...and dividends distributions...

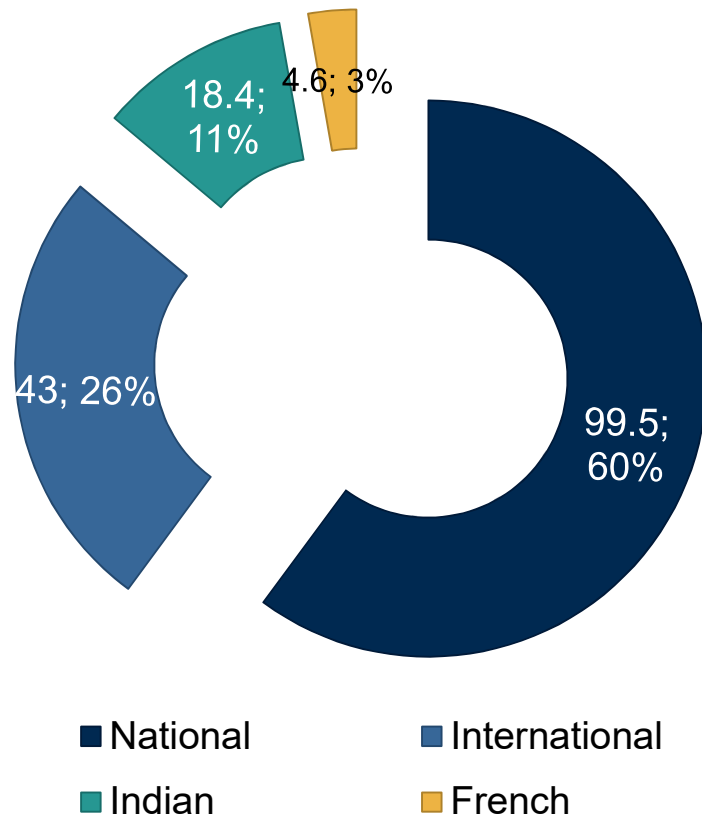


...with significant headroom to grow



Revenue Break-Down

Segment Reporting (%, H1 2020)

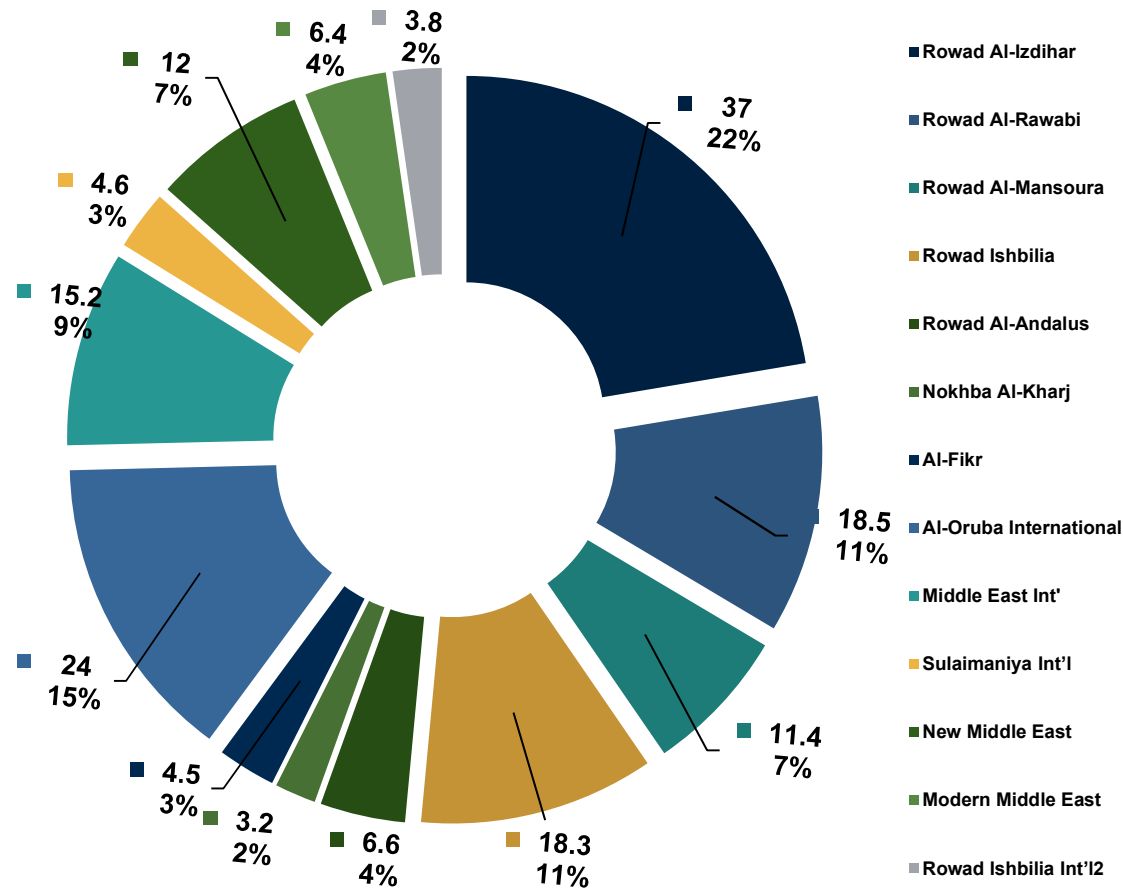


Segment Reporting

SR in 000s	H1 2019	%	H1 2020	%	Var (YTD 19-20)
National	96,170	61%	99,510	60%	3.5%
International	38,875	25%	43,082	26%	10.8%
Indian	18,330	11%	18,385	11%	0.3%
French	4,534	3%	4,612	3%	1.7%
Total net revenue	157,909		165,590		4.9%

Revenue Break-Down

Revenue by School (%, H1 2020)

















Revenue by Type

SR in 000s	H1 2019	%	H1 2020	%	Var (YTD 19-20)
Rowad Al-Izdihar	38,504	24%	36,962	22%	(4.0%)
Rowad Al-Rawabi	18,756	12%	18,531	11%	(1.2%)
Rowad Al-Mansoura	10,974	7%	11,374	7%	3.6%
Rowad Ishbilila	14,348	9%	18,329	11%	27.7%
Rowad Al-Andalus	6,520	4%	6,630	4%	1.7%
Nokhba Al-Kharj	2,729	2%	3,233	2%	18.4%
Al-Fikr	4,340	3%	4,451	3%	2.6%
Al-Oruba International	22,742	15%	24,019	15%	5.6%
Middle East Int'	14,480	9%	15,218	9%	5.1%
Sulaimaniya Int'l	4,534	3%	4,612	3%	1.7%
New Middle East	11,452	7%	12,030	7%	5.0%
Modern Middle East	6,878	4%	6,355	4%	(7.6%)
Rowad Ishbilila Int'l2	1,653	1%	3,844	2%	132.6%
Total net revenue	157,909		165,590		4.9%

Ataa school portfolio

Overview of national curriculum portfolio













	 Rowad Al-Izdihar	 Rowad Al-Rawabi	 Rowad Al-Mansoura	 Rowad Ishbilila	 Rowad Al-Andalus	 Nokhba Al-Kharj	 Al-Fikr
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%	58,5%	72.2%	70,8%	67%	82%	66%
Avg. net tuition (SAR)	19,405	14,076	10,589	10,078	12,293	8,100	13,434
EBITDA contribution ¹	25.8%	10.6%	6.2%	10.4%	3.6%	0.6%	2.3%

Note:

1. As of H1 2020 (ending January 2020), unless mentioned otherwise

Ataa school portfolio

Overview of international curriculum portfolio

	 Rowad Ishbilia Int'l²	 Al-Oruba International	 Middle East Int'	 Sulaimaniya Int'l	 New Middle East	 Modern Middle East
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	3,700	880	4,660	3,550
Utilization	18%	82.1%	56.7%	78%	96%	86%
Avg. net tuition (SAR)	13,824	15,348	14,558	13,553	4,188	3,560
EBITDA contribution ¹	1.4%	17.6%	8.2%	1.8%	5.7%	5.8%

Note:

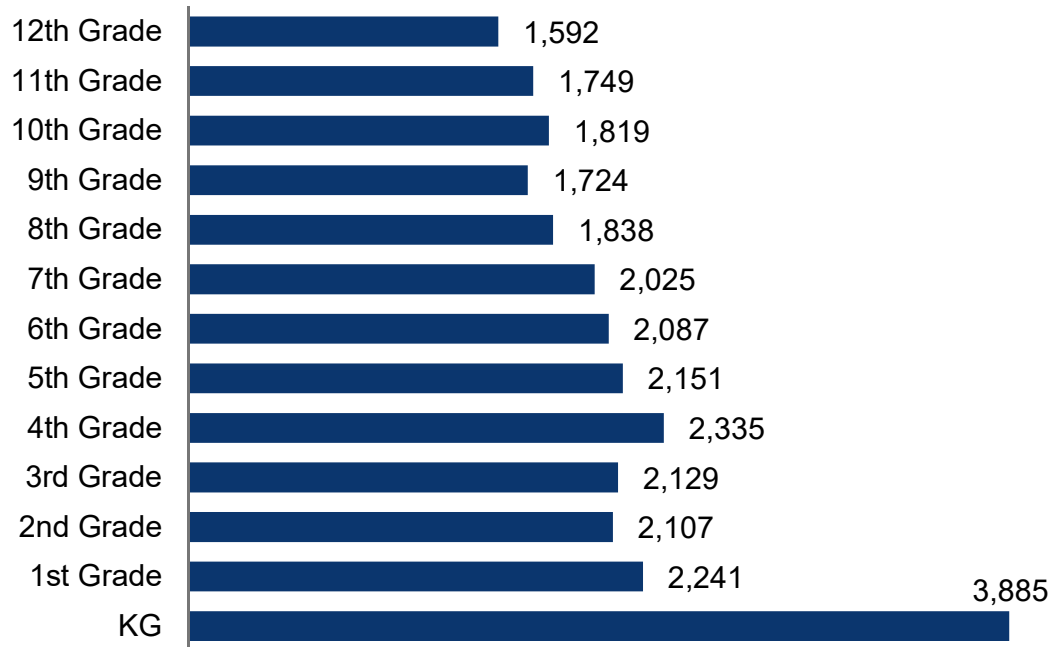
1. As of H1 2020 (ending January 2020), unless mentioned otherwise

Ataa school portfolio

Highly diversified student base with further room to consolidate

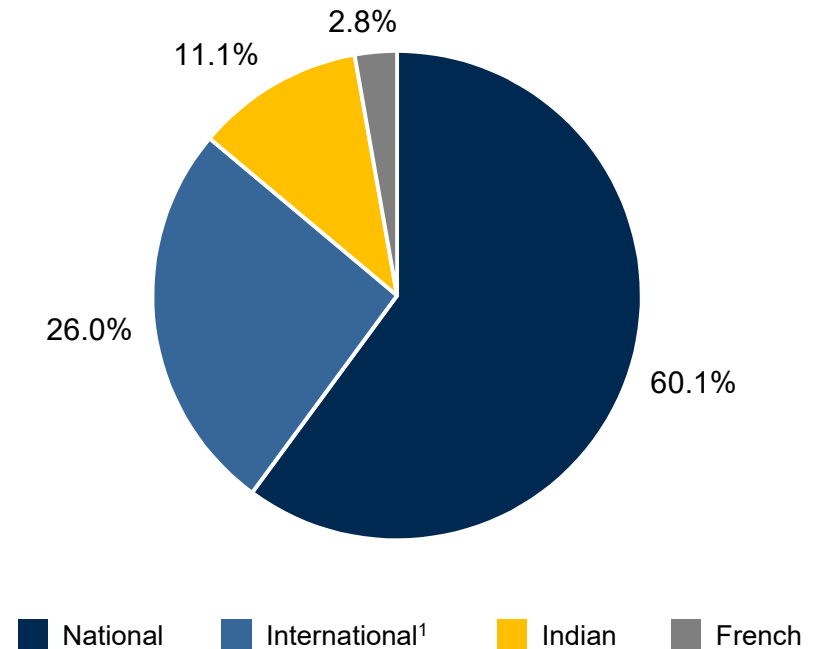
Stable student base across different grades...

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



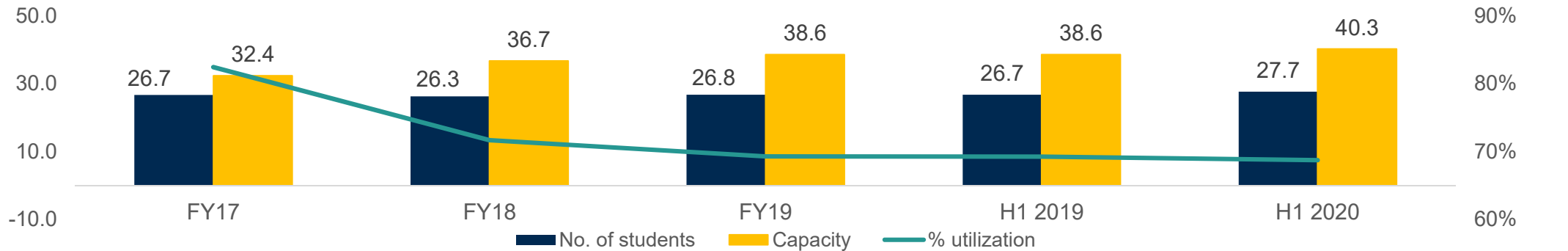
...with a diversified revenue base...

Net tuition revenue per curriculum (%) as of H1 2020



...and further room to consolidated...

No. of students (000)

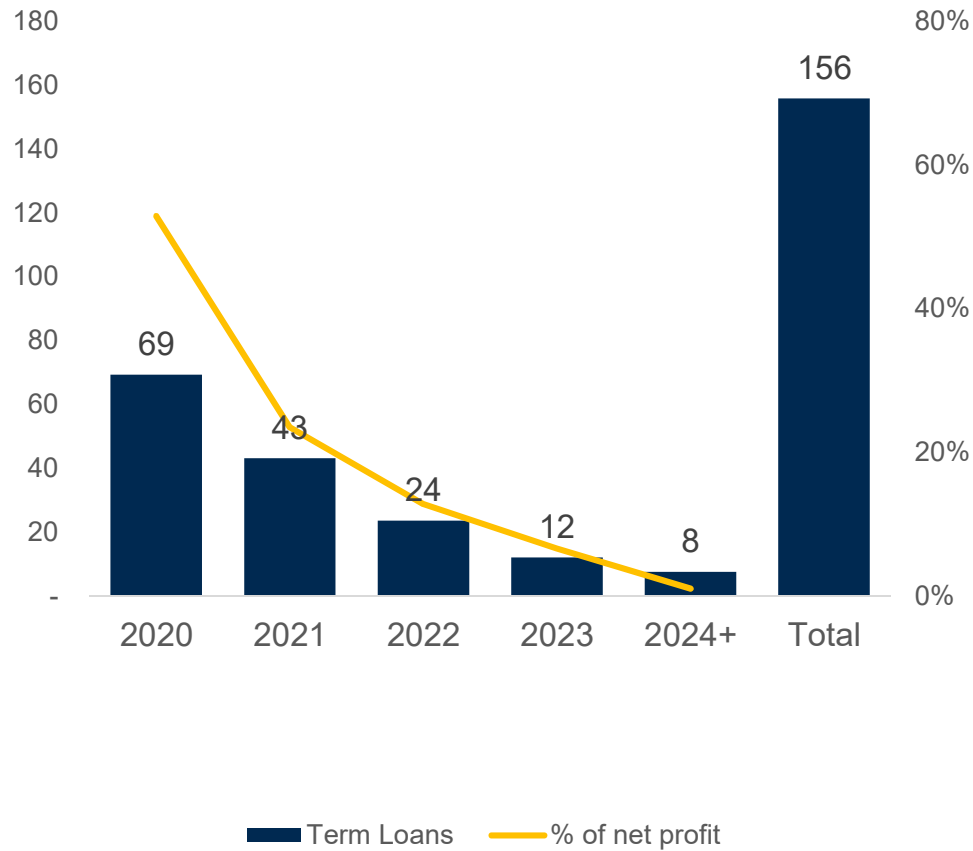


Notes:

1. International refers to the American and British Curriculums

. DEBT SUMMARY

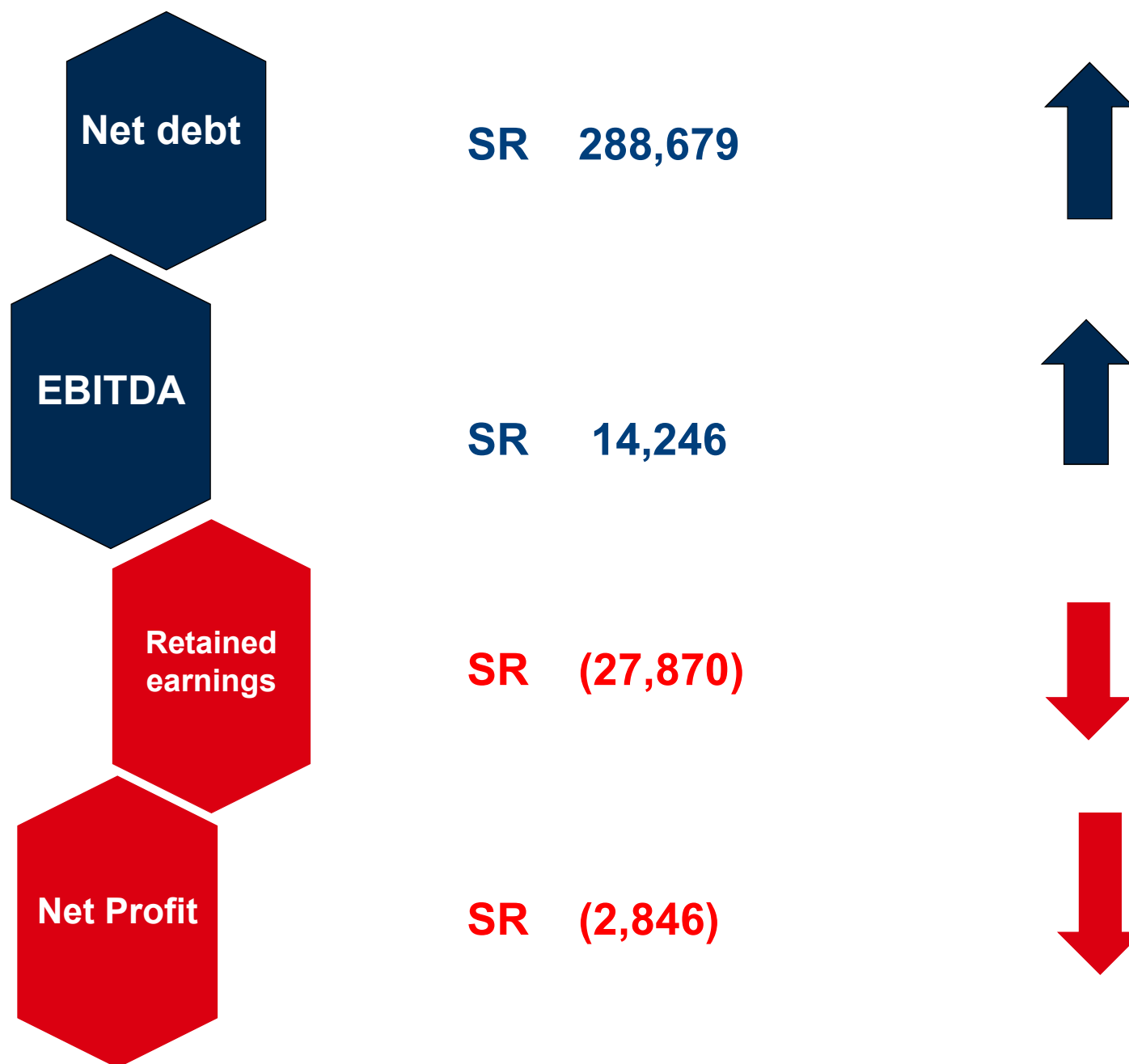
...DEBT MATURITY PROFILE ...



Term Loans

SR in 000s	H1 2020	%
2020	69,288	45%
2021	43,181	28%
2022	23,599	15%
2023	12,112	8%
2024	1,901	1%
2025	1,901	1%
2026	1,901	1%
2027	1,901	1%
Total	155,784	

IFRS 16 Impact





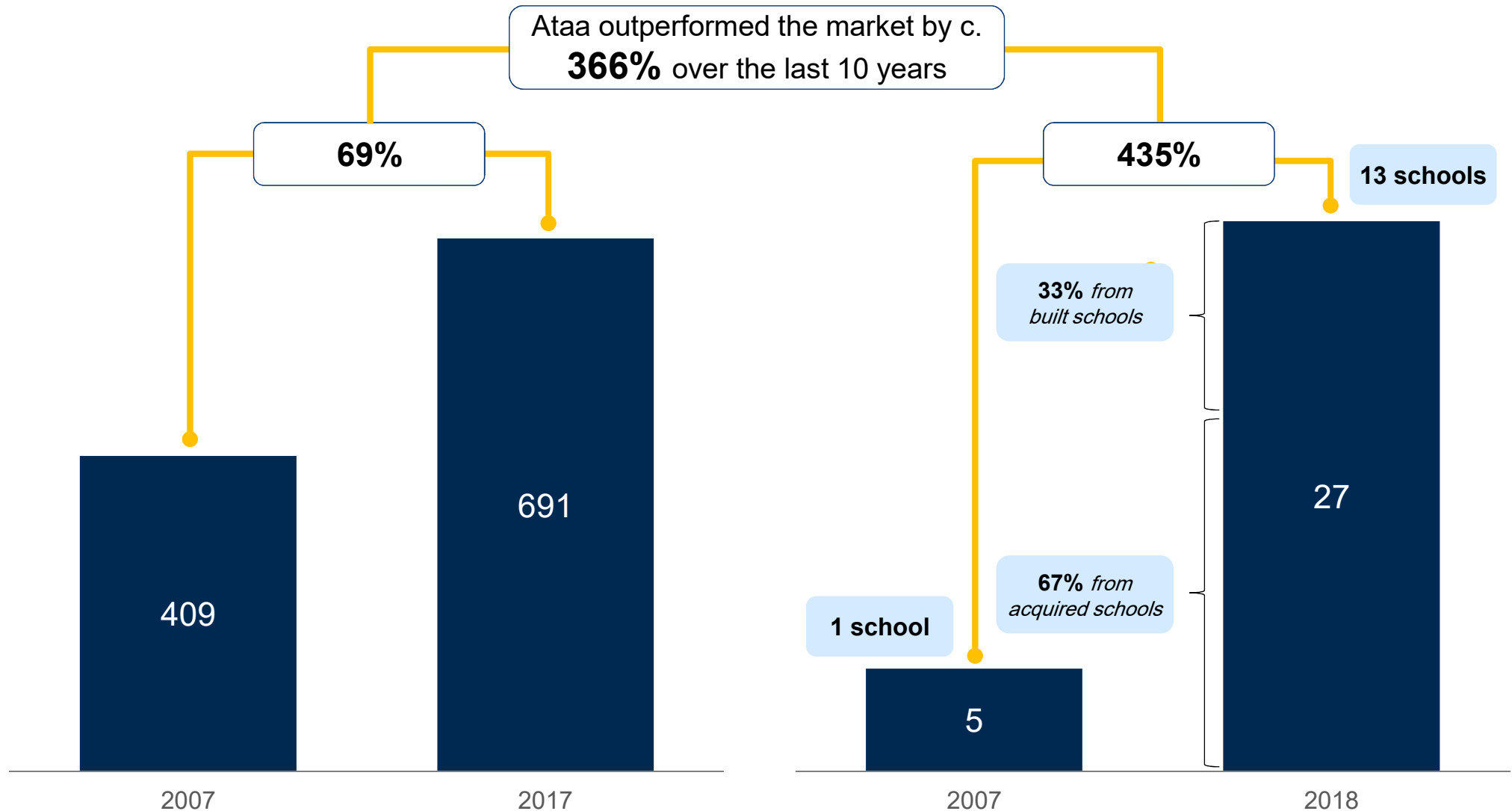
Educational market overview

Market fundamentals conducive to support growth

Putting Ataa's growth into perspective

KSA Private School Enrollments Evolution¹ ('000s)

Ataa Enrollments Evolution ('000s)



Source: General Authority for Statistics - KSA, ADL Analysis

Note:

1. k-12, including primary, intermediate and secondary

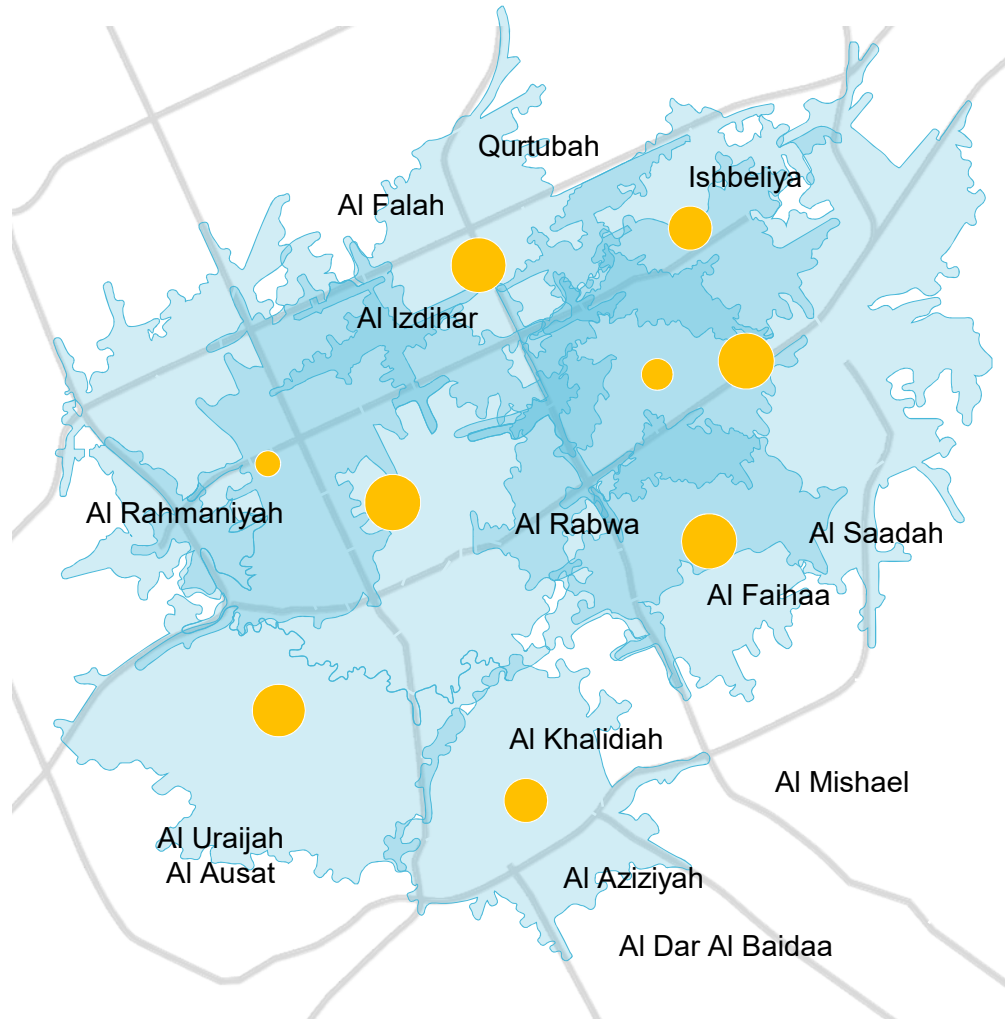
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Ataa is one of the leading providers of K-12 education in Riyadh

...capturing key catchment areas in Riyadh

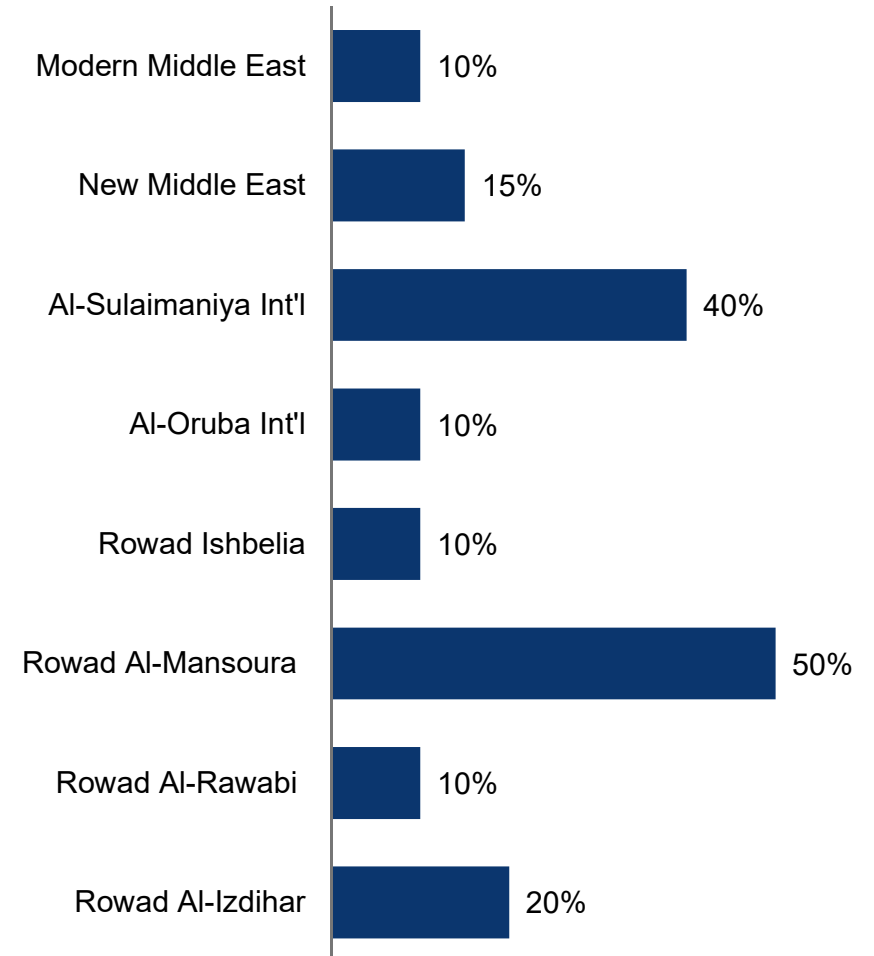
Ataa schools cover majority of Riyadh city...

Blue shading highlight catchment area^{1,2}



...with strong market share in respective catchment areas¹

% of student enrollments in relevant school catchment area (2017 selected schools)



Source: Arthur D Little

Note:

1. Catchment area to assess competition are defined at a travel distance of 10 minutes in case of national curriculum schools and 15 minutes in case of international curriculum schools, and take into account comparable tuition fee band
2. Yellow bubbles indicates Ataa schools. Larger bubble indicates number of students

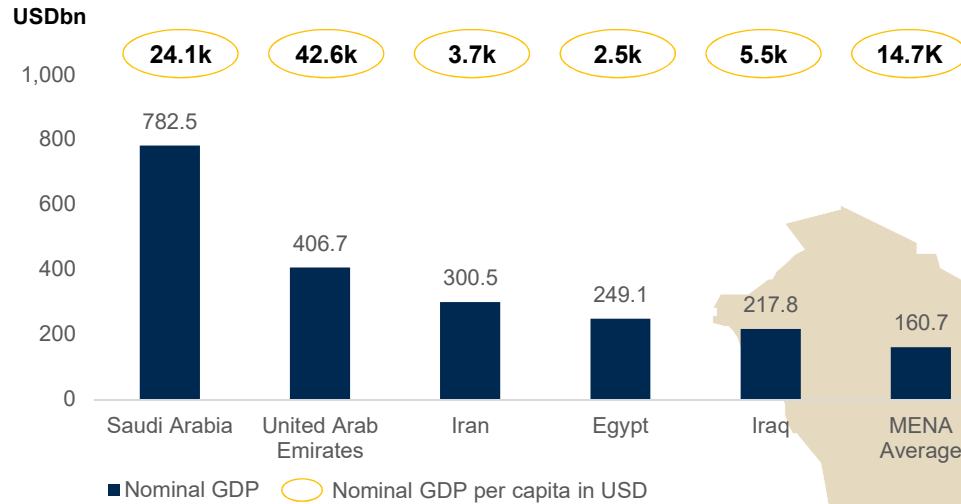


Investment Highlights

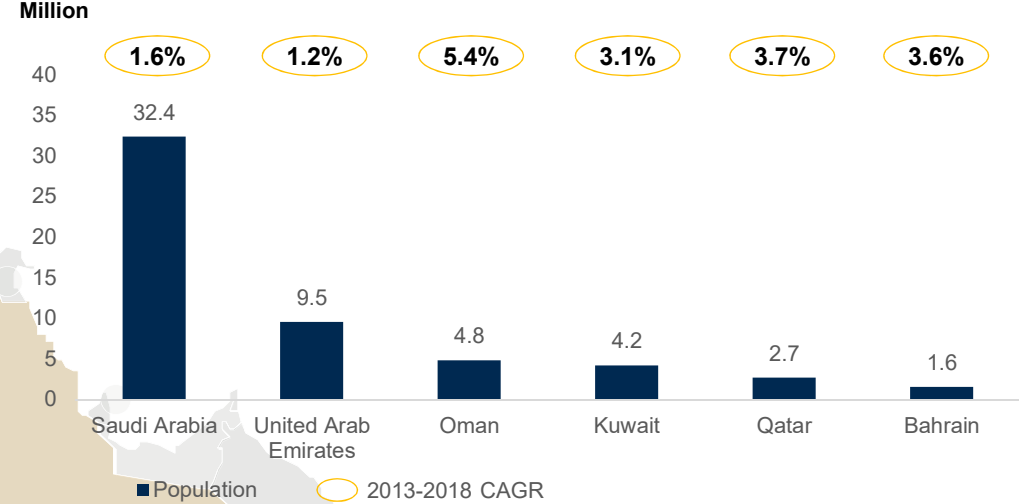
Leading K-12 operator with one of the most diversified offering in KSA

Saudi macroeconomic indicators are highly attractive

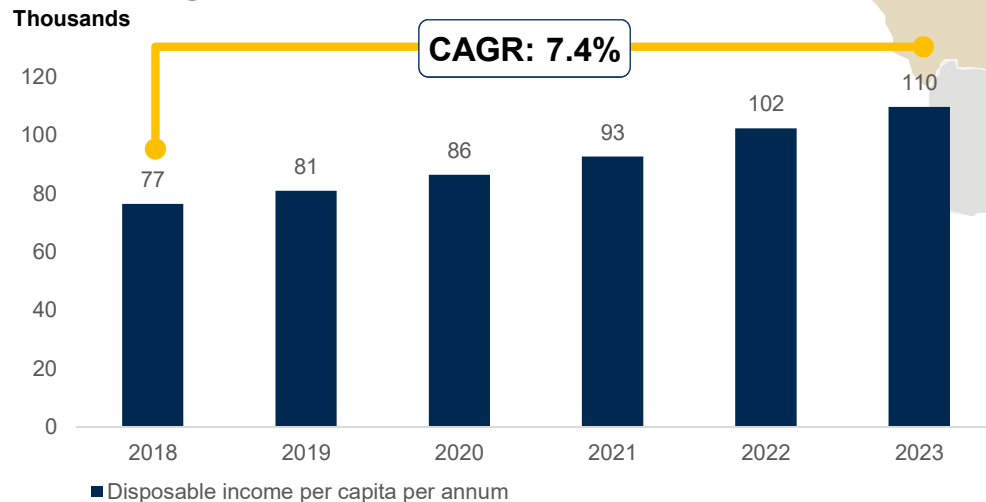
Largest economy in MENA...



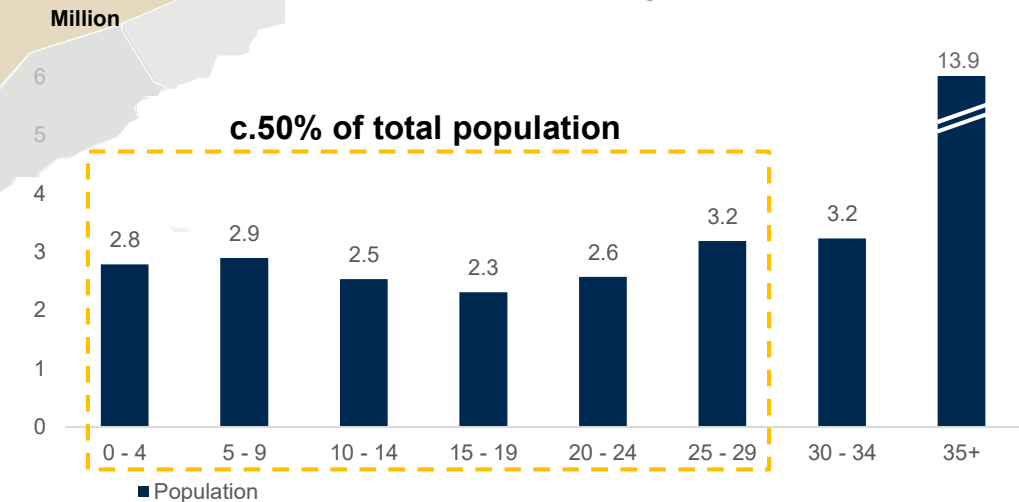
...with the largest population in GCC



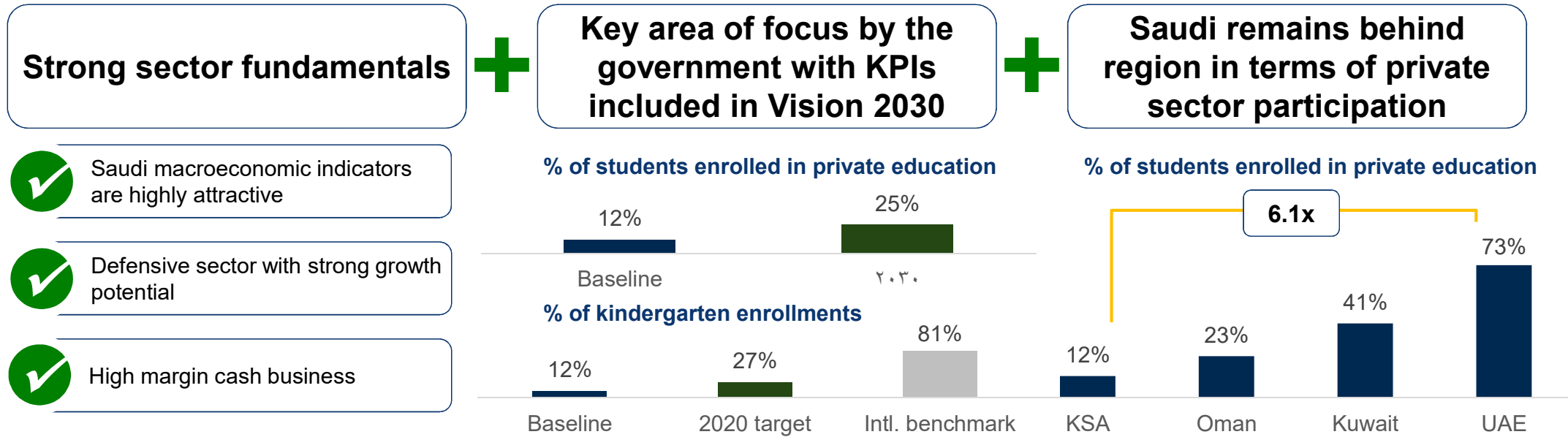
Increasing disposable income...



...with an attractive population dynamics

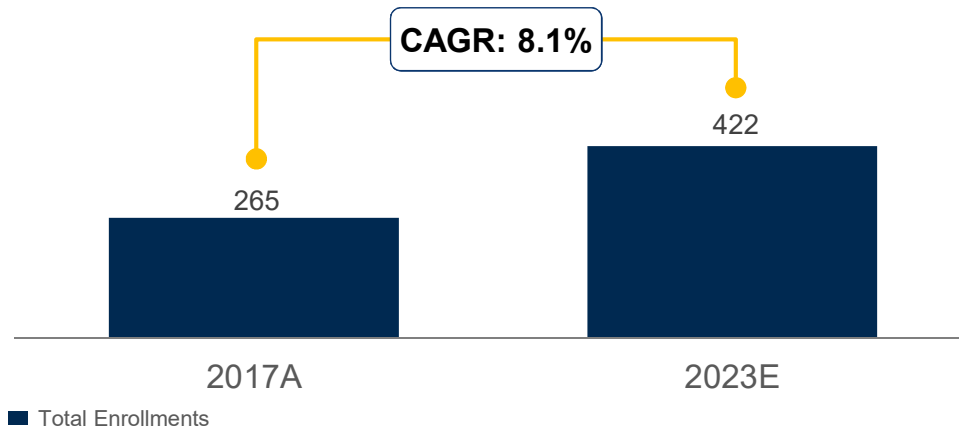


Market fundamentals conducive to support growth



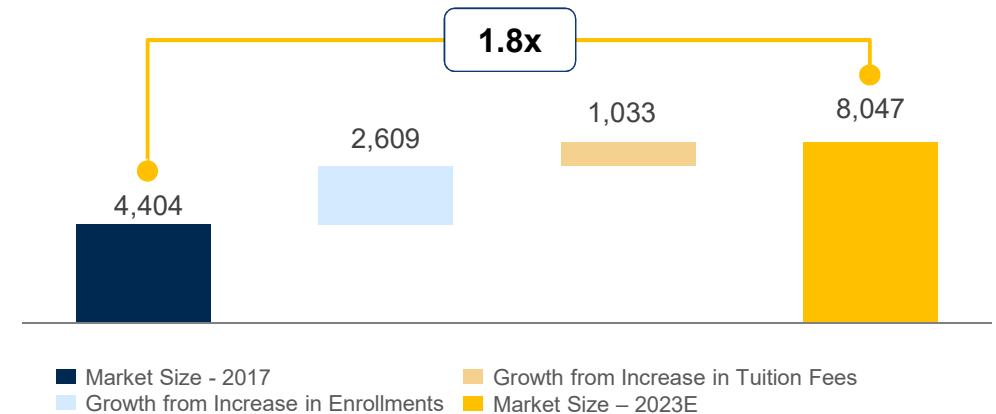
Strong expected growth in enrollments...

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



**Enhance academic
quality**



**Maximize schools'
utilization**



**Optimizing operational
efficiency**



**Enriching services
provided**

Cascade HoldCo strategy into objectives and targets by school

5-years targets

- Leading school in Qiyas Al qudrat and Tahseeli in its catchment areas
- Top scores in international curricula standardized test scores

- Reaching c. 37,000 students through organic and inorganic expansion

- Achieve a ~50% EBITDAR margin

- Increased partnerships with top universities and scientific institutes
- Enhancing non-tuition revenue

Enablers

- Attracting the best talent pool of teachers
- Incentivizing high performing students
- Implementation of best international practices

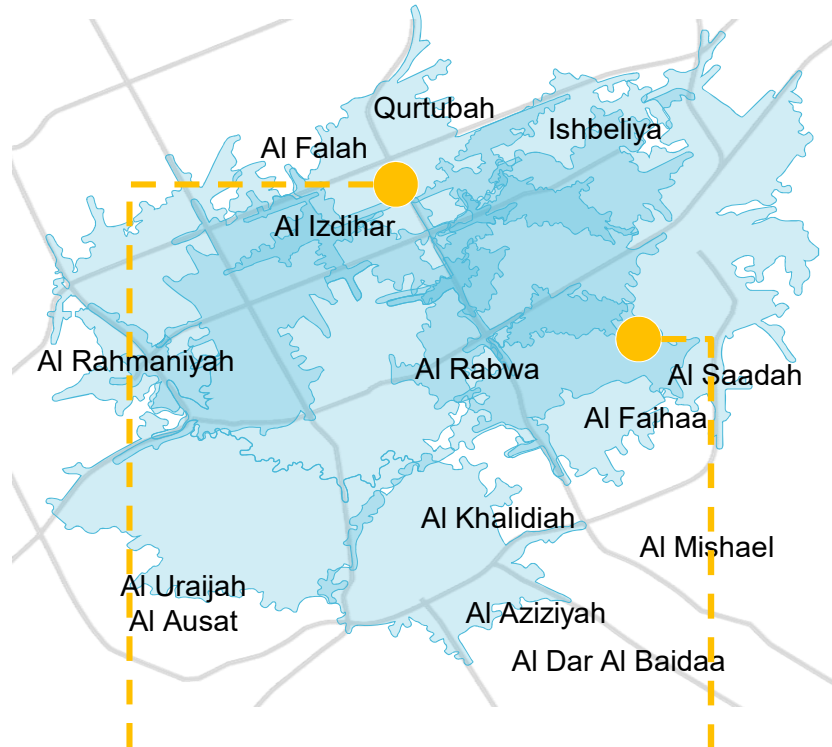
- Promoting Ataa's quality of education
- Focus on attracting students at early grades
- Acquisition strategy to enhance utilization levels

- Implementing Ataa's optimization initiatives
- Building performance management capabilities

- Engage with universities and scientific institutes
- Enhanced extra-curricular activities
- E-services/ e-learning

Growth to be driven by both greenfield and brownfield expansion

A Greenfield Expansion



Al-Izdihar Land

Plot size	17,000 sqm
MoE approval	

Al-Salam Land

Plot size	12,562 sqm
MoE approval	

B Brownfield Expansion

School utilization bolstering

Acquire schools to transfer students to existing Ataa school and **maximize utilization** of current schools

Coverage Increase

Expand catch area by acquiring schools outside current coverage

Offering Expansion

Expand offering by acquiring schools operating in different tuition segments or curriculums or education level

Competition absorption

Acquire competitors within existing area to increase local market share

Summary of Al Falah schools acquisition

12,800 SQM
Land Area

13,835 SQM
Built up Area

SAR 50M

The value of the deal

K-12

National Curriculum

SAR 17M

Total revenue (FY19 A)

SAR 3,5M

Net Profit (FY19 A)

SAR 4,2M

EBITDAR (FY19 A)

SAR 3,9 M

EBITDA (FY19 A)

21% Net income
margin

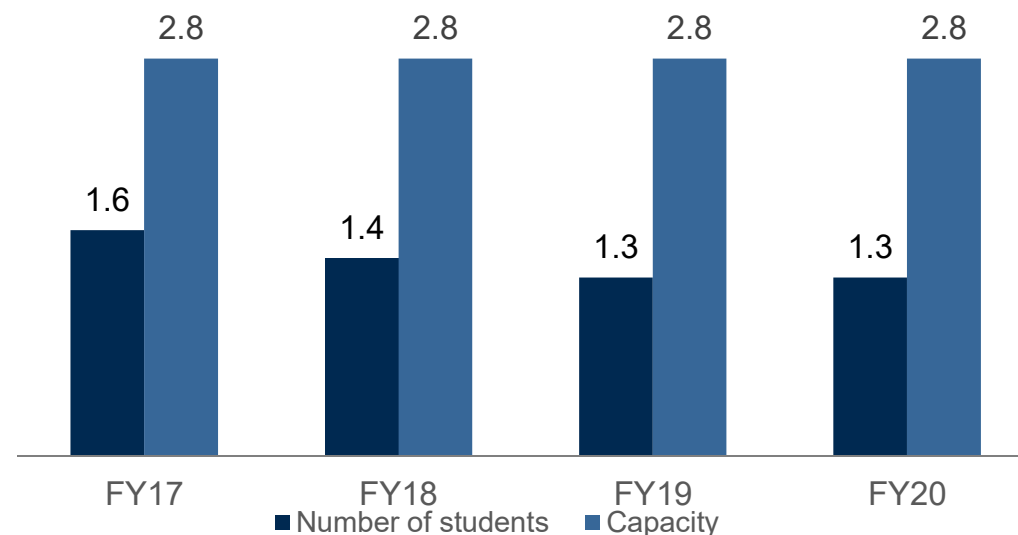
2,800

Student Capacity

1,256 Total number
of students (FY 19 A)

9.8 x
Student to teacher ratio
across schools

No. of students (000)



Net Income and EBITDA

