

Ataa Educational Company

Investor Presentation Q1 2020



Introduction to Ataa Educational Company (“Ataa”)

Ataa snapshot

81M SAR Revenues (Q1 2020) 5% growth	78M SAR Revenues (Q1 2019)	16M SAR Net Income (Q1 2020)	17M SAR Net Income (Q1 2019)
33M SAR EBITDA (Q1 2020) 40% Growth on reported basis	24M SAR EBITDA (Q1 2019)	83M SAR Net Income (FY2019)	82M SAR Net Income (FY2018)
27,563 Number Of Student (Q1 2020) 4% growth	26,522 Number Of Student (Q1 2019)	12.3 Student to teacher ratio (Q1 2020)	12.3 Student to teacher ratio (Q1 2019)

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

Note:

1. As of Q1 2020 (ending October 2019), unless mentioned otherwise

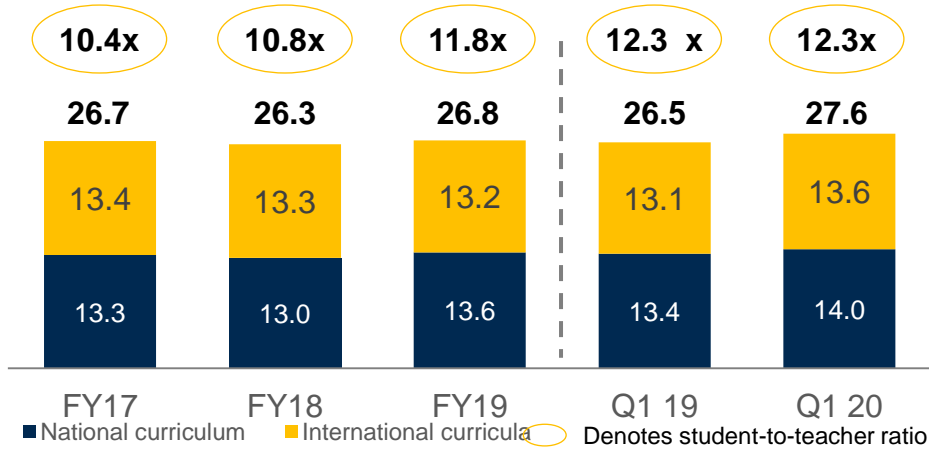


Key Financial Summary

Robust financial performance despite economic headwinds

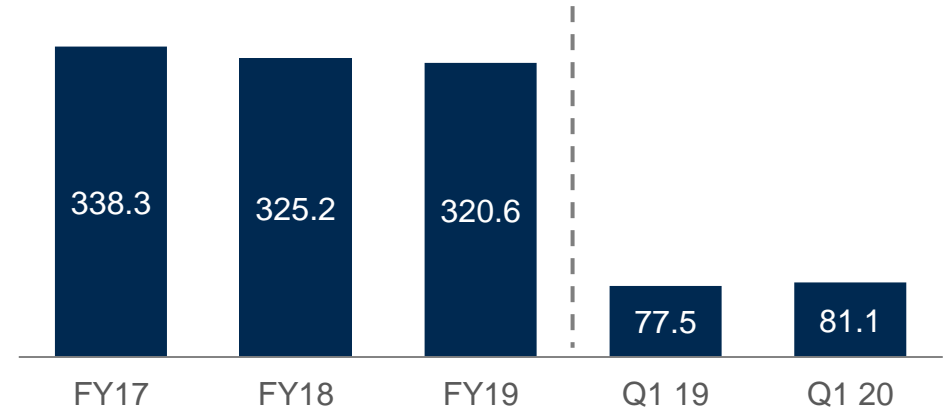
Number of students

Thousands



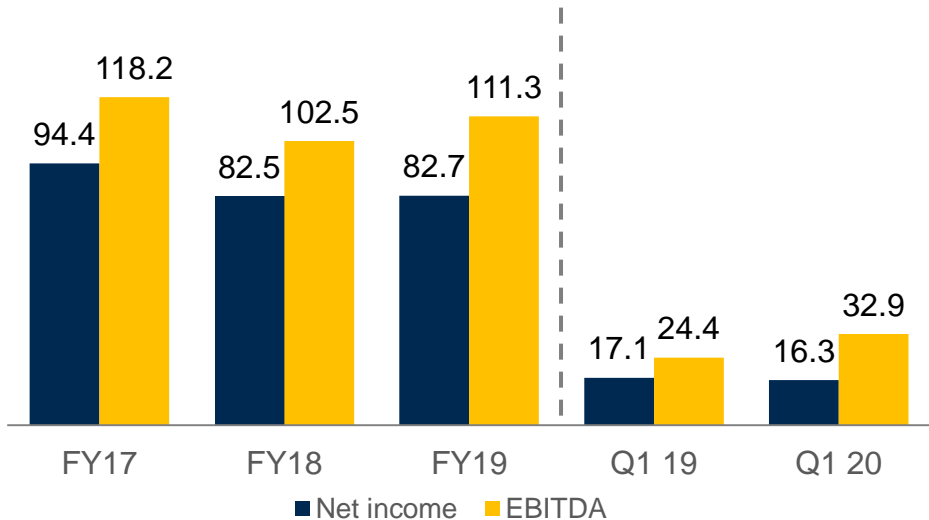
Revenues

SARm



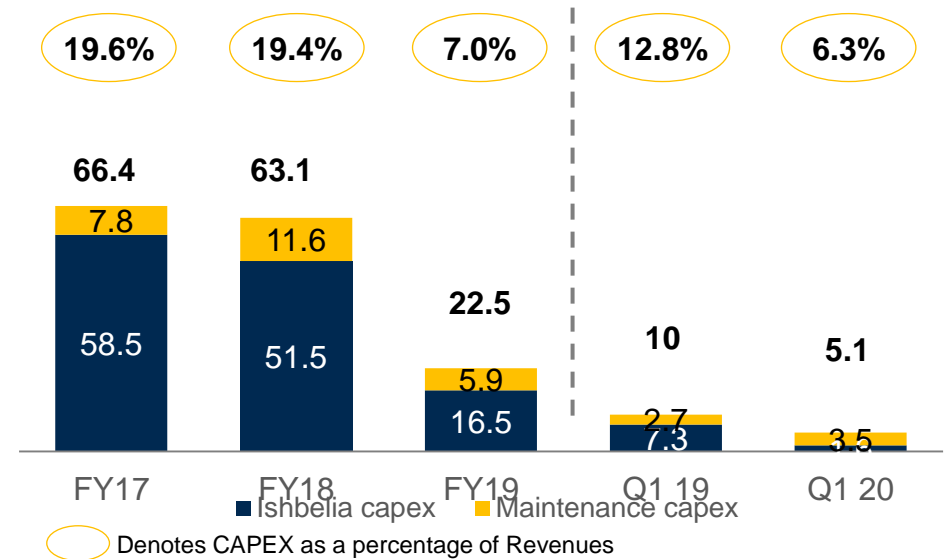
Net Income and EBITDA

SARm



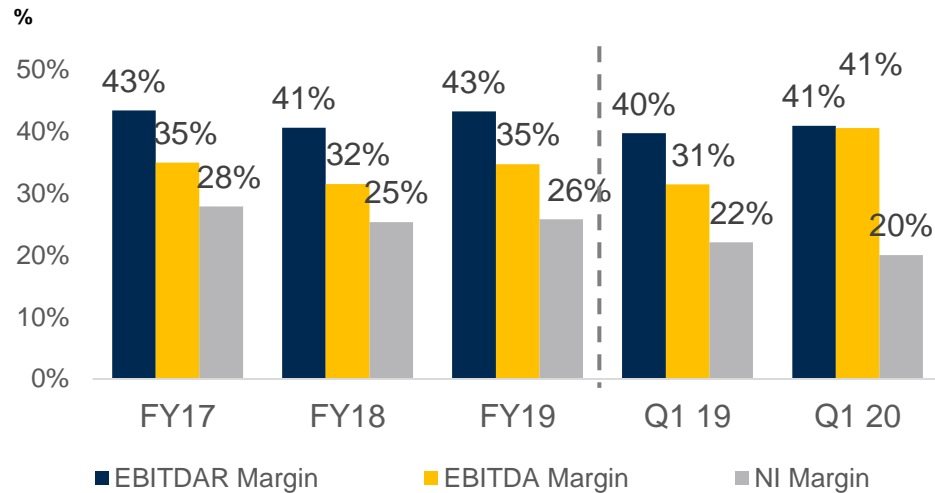
CAPEX

SARm

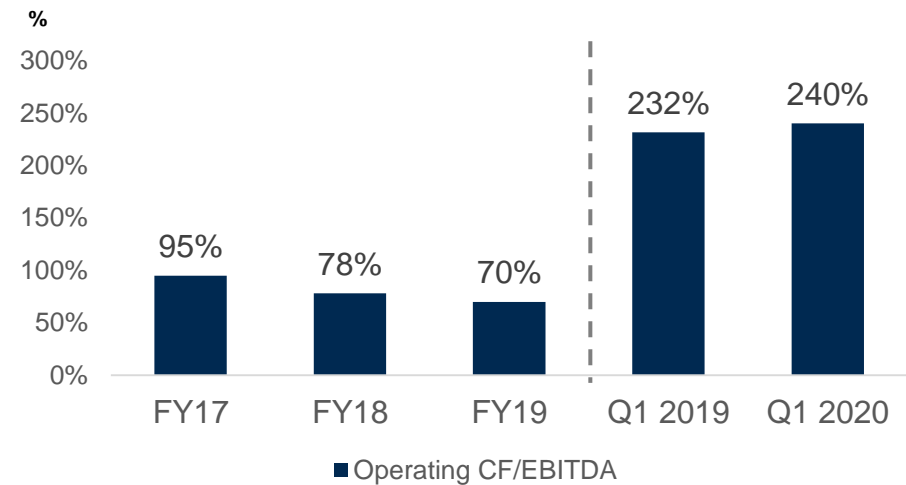


Strong margins to drive cash generation with significant headroom to grow

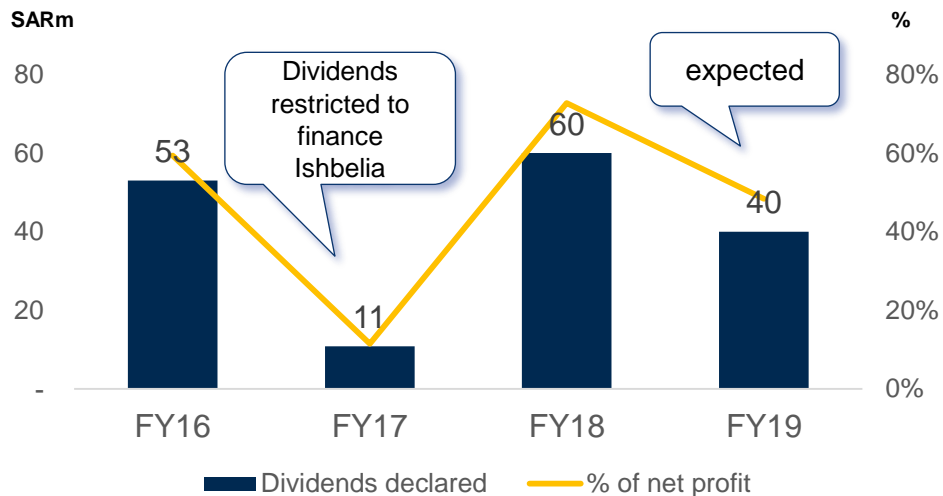
Strong sustainable margins...



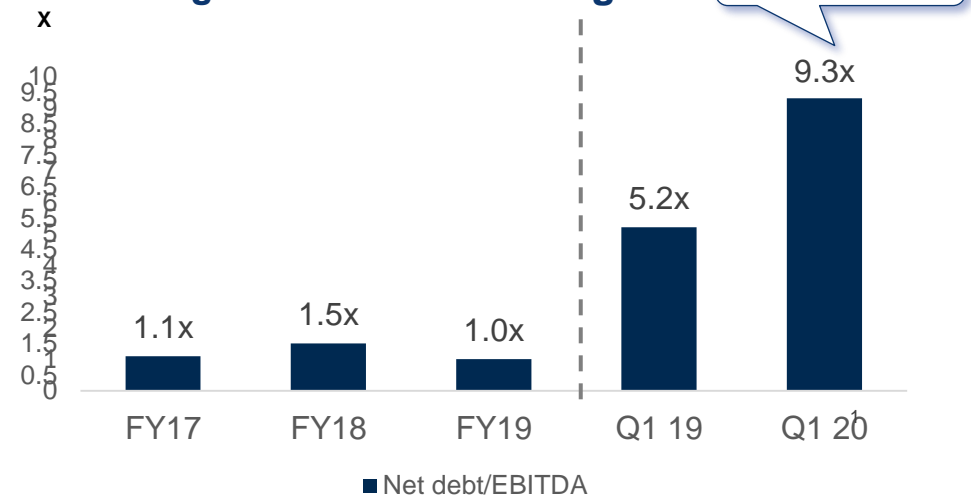
...driving cash generating profile...



...and dividends distributions...

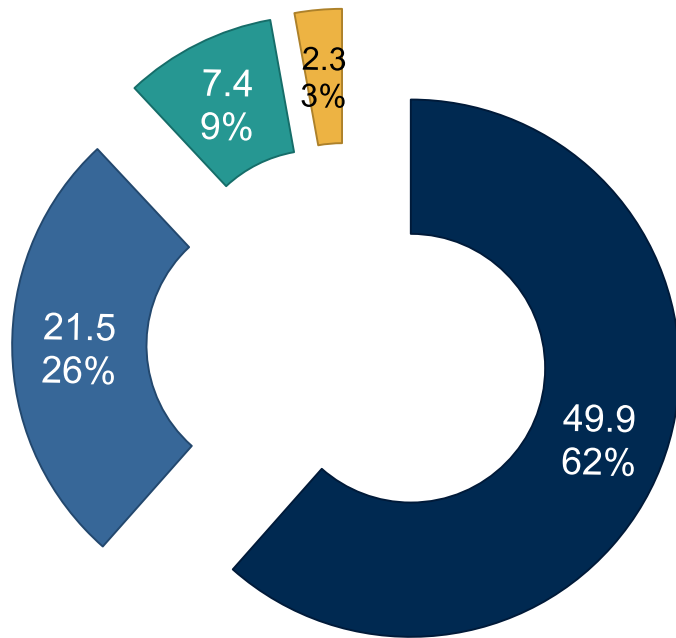


...with significant headroom to grow



Revenue Break-Down

Segment Reporting (% , Q1 2020)



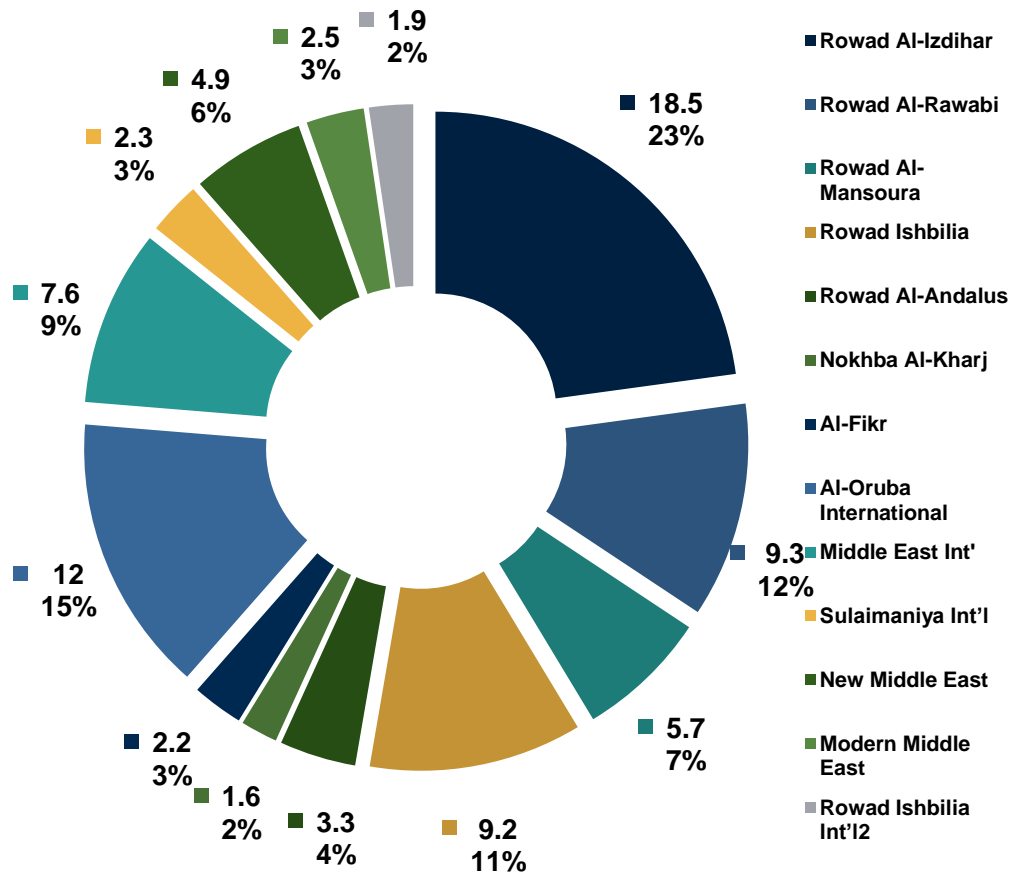
■ National ■ International

Segment Reporting

SR in 000s	Q1 2019	%	Q1 2020	%	Var (YTD 19-20)
National	48,307	62%	49,892	62%	3.3%
International	19,464	25%	21,533	26%	10.6%
Indian	7,472	10%	7,378	9%	(1.3%)
French	2,279	3%	2,307	3%	1.2%
Total net revenue	77,523		81,110		4.6%

Revenue Break-Down

Revenue by School (%, Q1 2020)

















Revenue by Type

SR in 000s	Q1 2019	%	Q1 2020	%	Var (YTD 19-20)
Rowad Al-Izdihar	19,427	25%	18,534	23%	(4.6%)
Rowad Al-Rawabi	9,341	12%	9,312	12%	(0.3%)
Rowad Al-Mansoura	5,505	7%	5,707	7%	3.7%
Rowad Ishbilila	7,230	9%	9,151	11%	26.6%
Rowad Al-Andalus	3,269	4%	3,339	4%	2.2%
Nokhba Al-Kharj	1,350	2%	1,615	2%	19.6%
Al-Fikr	2,184	3%	2,234	3%	2.3%
Al-Oruba International	11,359	15%	12,032	15%	5.9%
Middle East Int'	7,283	9%	7,597	9%	4.3%
Sulaimaniya Int'l	2,279	3%	2,307	3%	1.2%
New Middle East	4,722	6%	4,868	6%	3.1%
Modern Middle East	2,749	4%	2,510	3%	(8.7%)
Rowad Ishbilila Int'l2	822	1%	1,904	2%	131.5%
Total net revenue	77,523		81,110		4.6%

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%	58,3%	72%	70,9%	67,6%	82%	66,3%
Avg. net tuition (SAR)	19,405	14,076	10,589	10,078	12,293	8,100	13,434
EBITDA contribution ¹	27.6%	10.5%	6.2%	10.3%	3.6%	0.4%	2.1%

Note:

1. As of Q1 2020 (ending October 2019), unless mentioned otherwise

Ataa school portfolio

Overview of international curriculum portfolio

	 Rowad Ishbilila 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	103	44	233	142
Capacity	2,700	3,550	2,060	880	4,660	3,550
Utilization	17.4%	81.6%	100%	77.7%	95.6%	84.8%
Avg. net tuition (SAR)	13,824	15,348	14,558	13,553	4,188	3,560
EBITDA contribution ¹	1.9%	18.6%	9.4%	2.2%	4.2%	3%

Note:

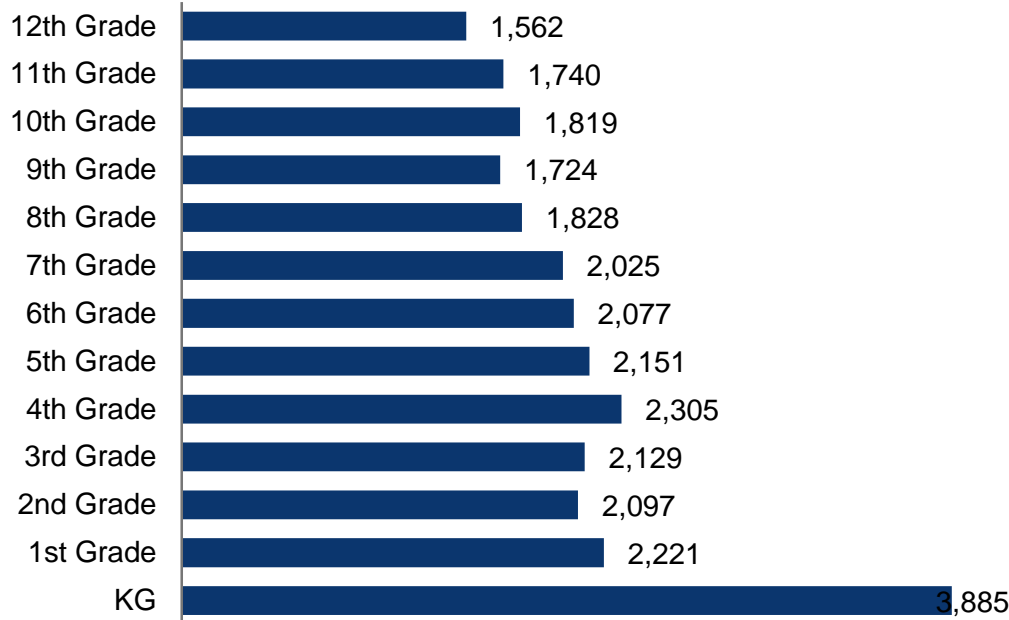
1. As of Q1 2020 (ending October 2019), unless mentioned otherwise

Ataa school portfolio

Highly diversified student base with further room to consolidate

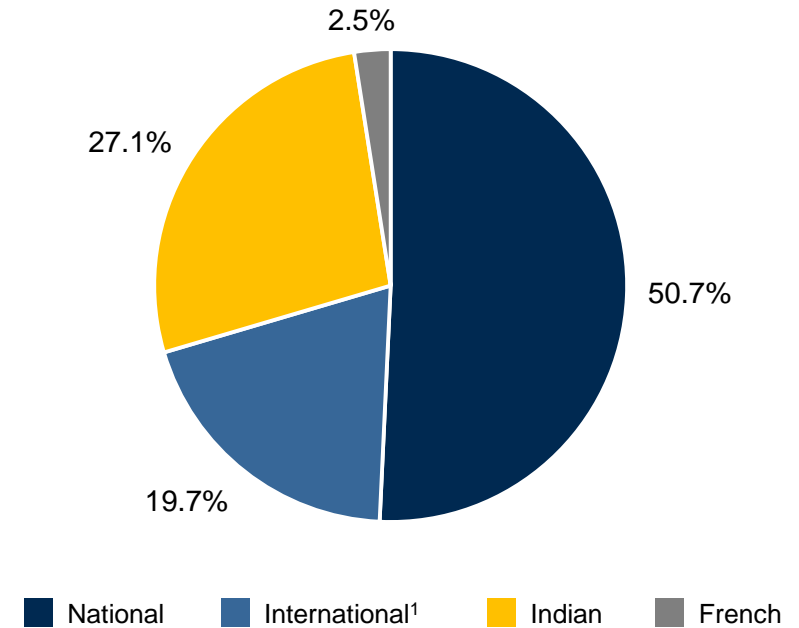
Stable student base across different grades...

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



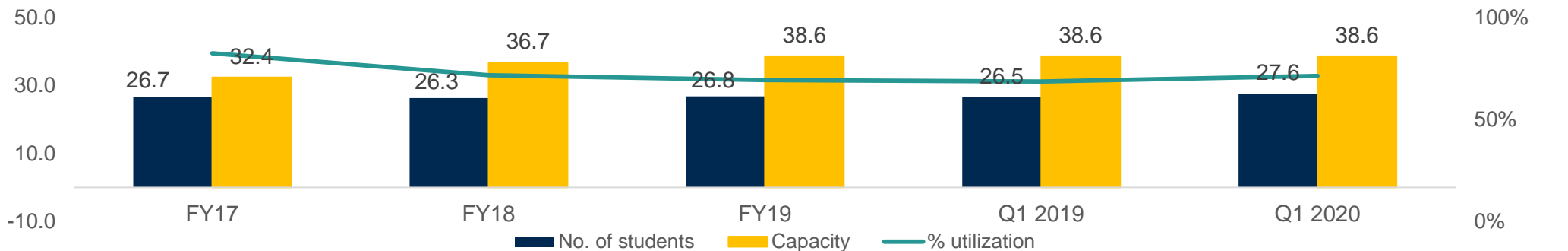
...with a diversified revenue base...

Net tuition revenue per curriculum (%) as of Q1 2020



...and further room to consolidated...

No. of students (000)

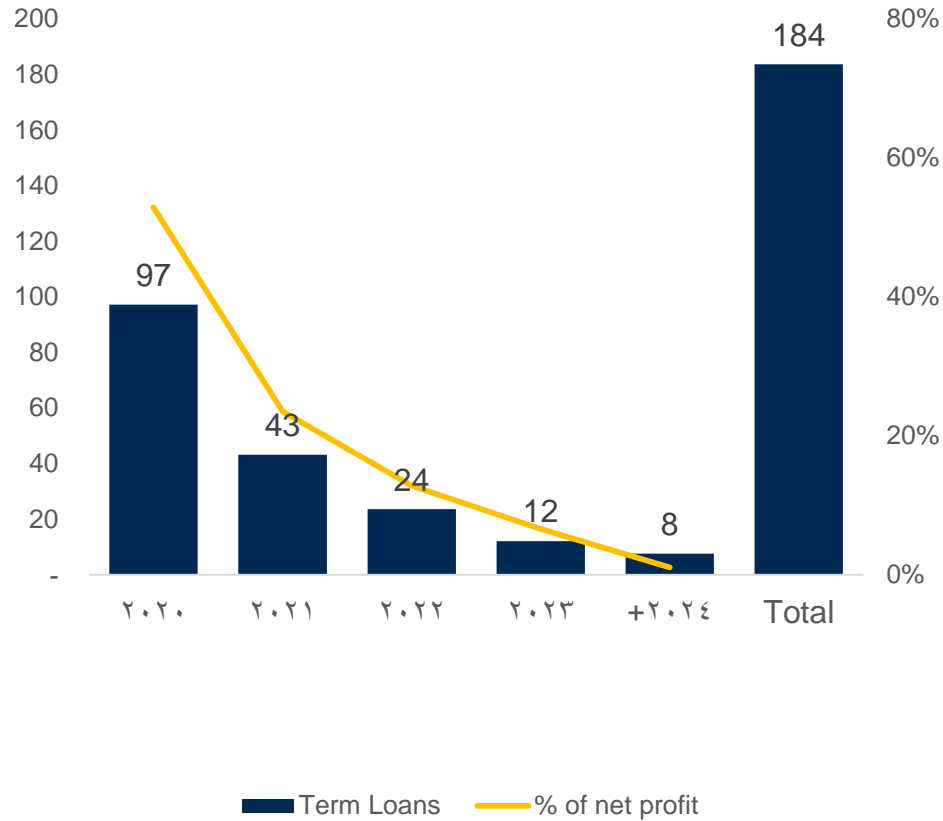


Notes:

1. International refers to the American and British Curriculums

. DEBT SUMMARY

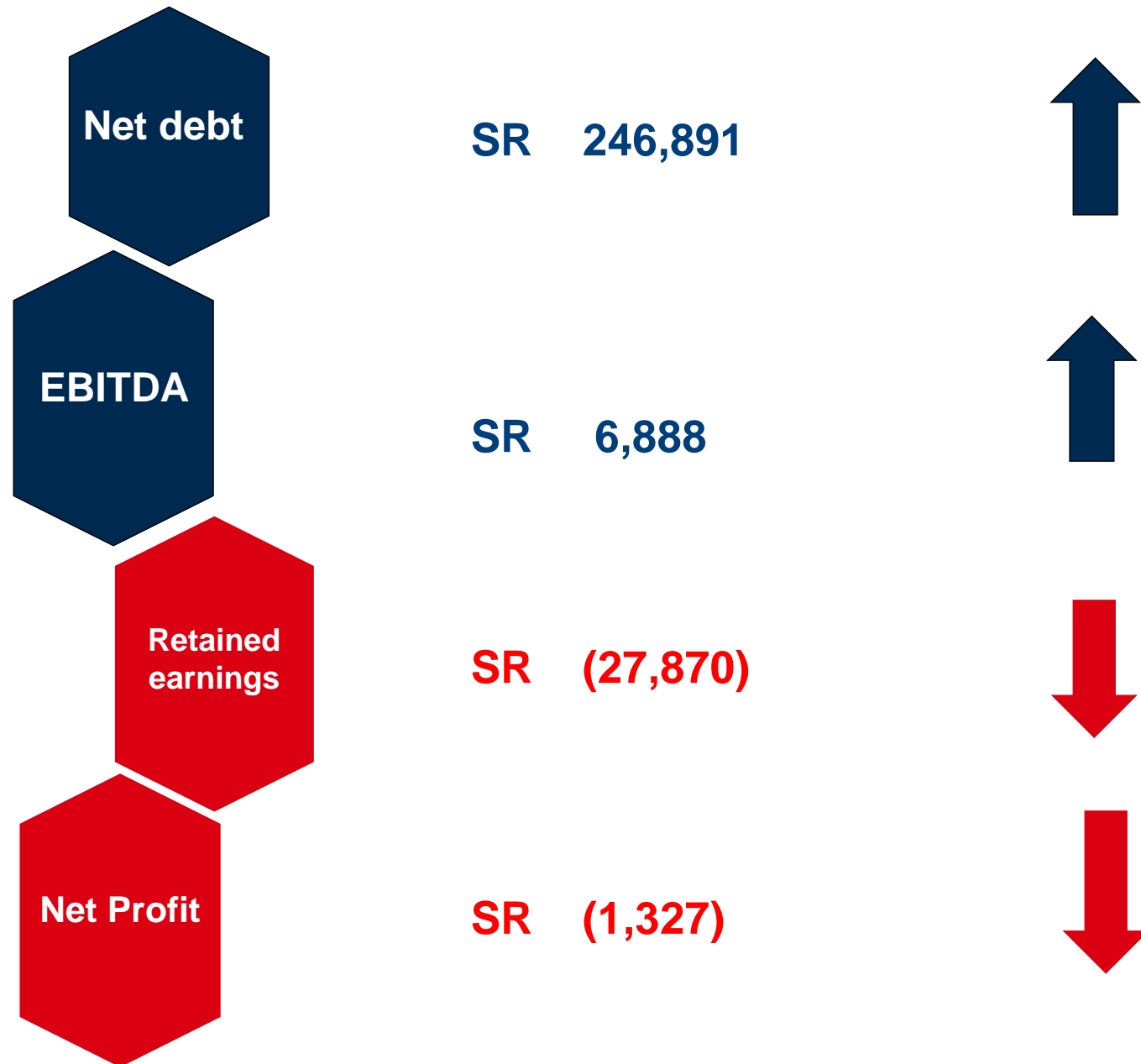
...DEBT MATURITY PROFILE ...



Term Loans

SR in 000s	Q1 2019	%
2020	97,240	52%
2021	43,181	24%
2022	23,599	13%
2023	12,112	7%
2024	1,901	1%
2025	1,901	1%
2026	1,901	1%
2027	1,901	1%
Total	183,736	

IFRS 16 Impact





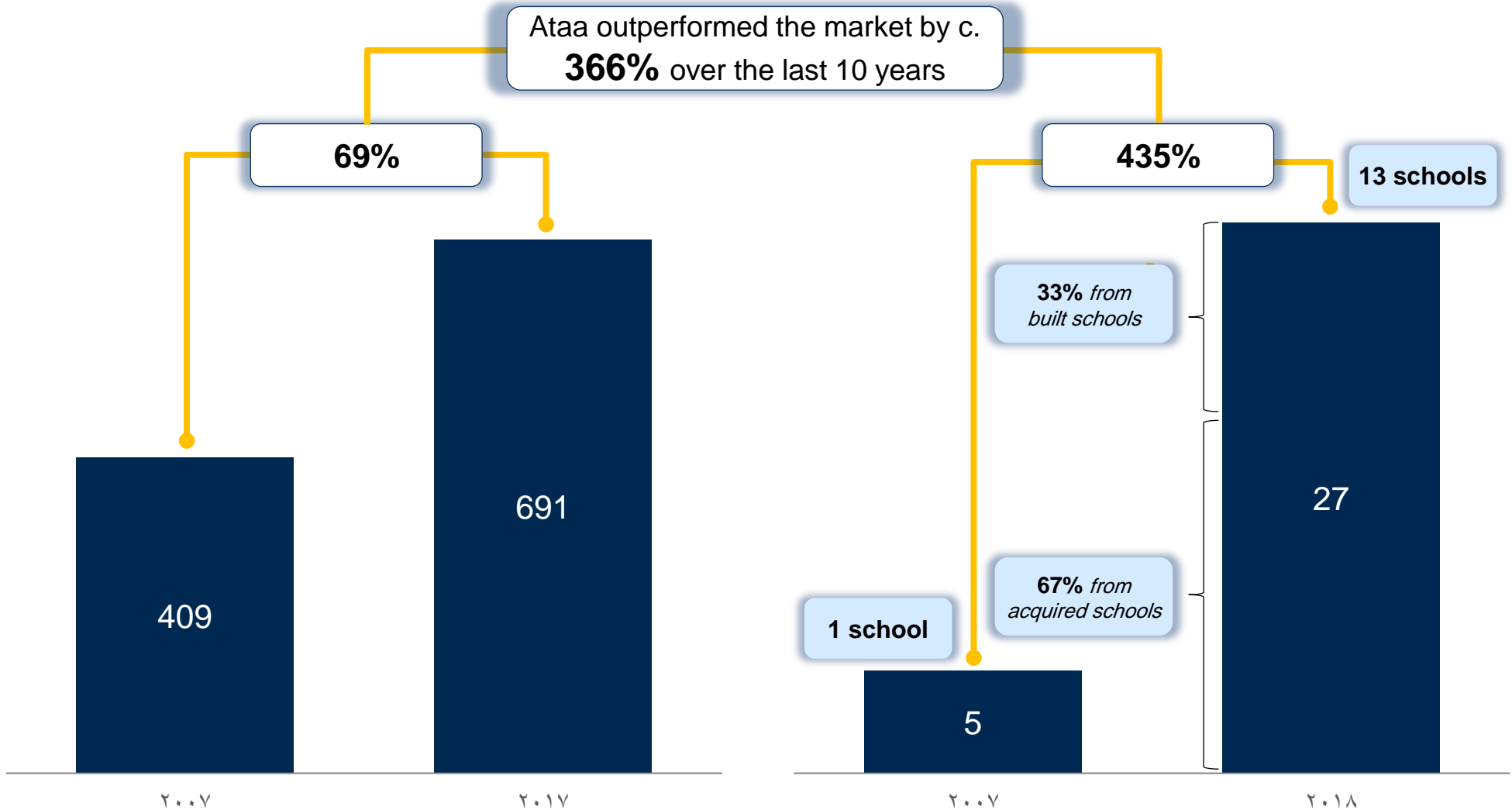
Educational market overview

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

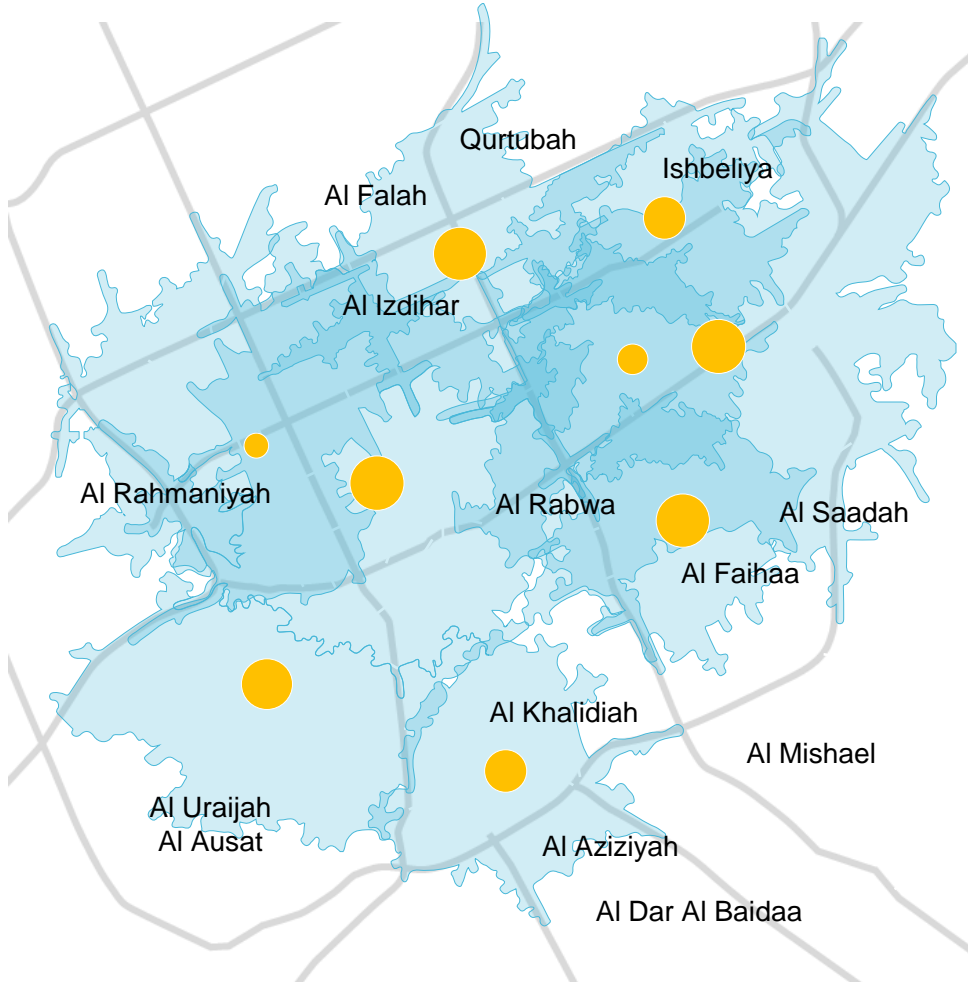
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Ataa is one of the leading providers of K-12 education in Riyadh

...capturing key catchment areas in Riyadh

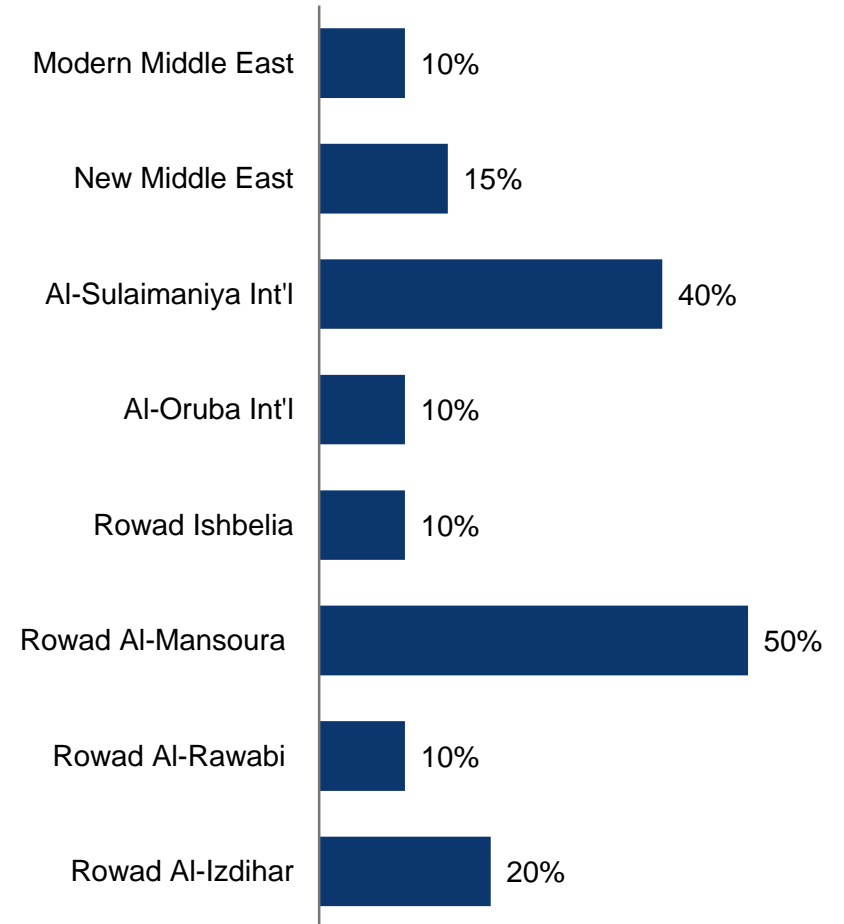
Ataa schools cover majority of Riyadh city...

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

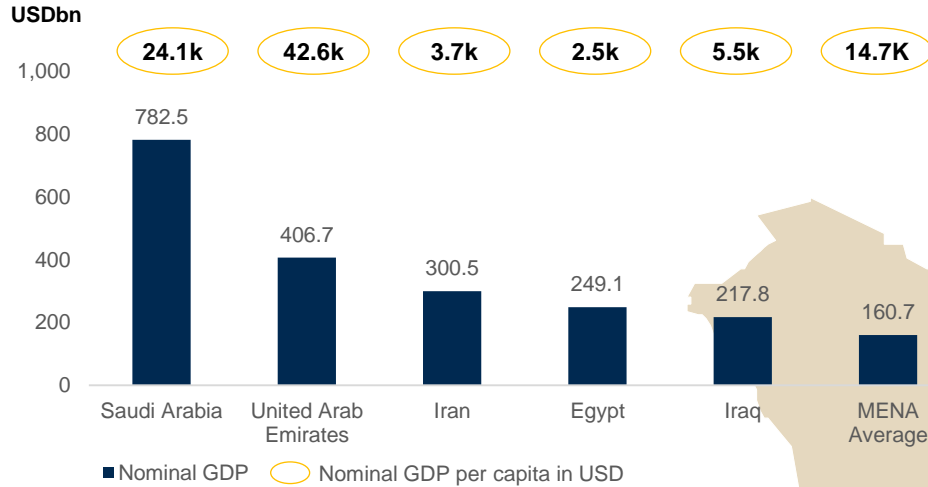


Investment Highlights

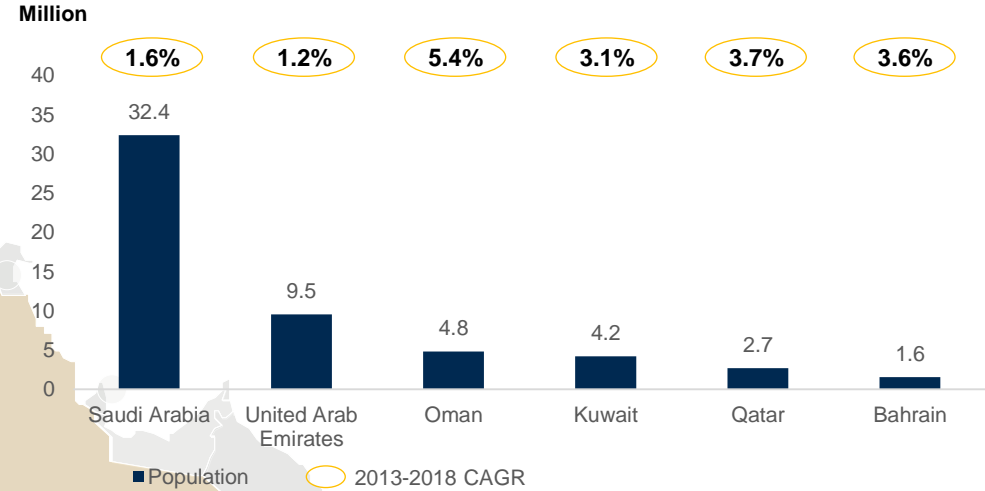
Leading K-12 operator with one of the most diversified offering in KSA

Saudi macroeconomic indicators are highly attractive

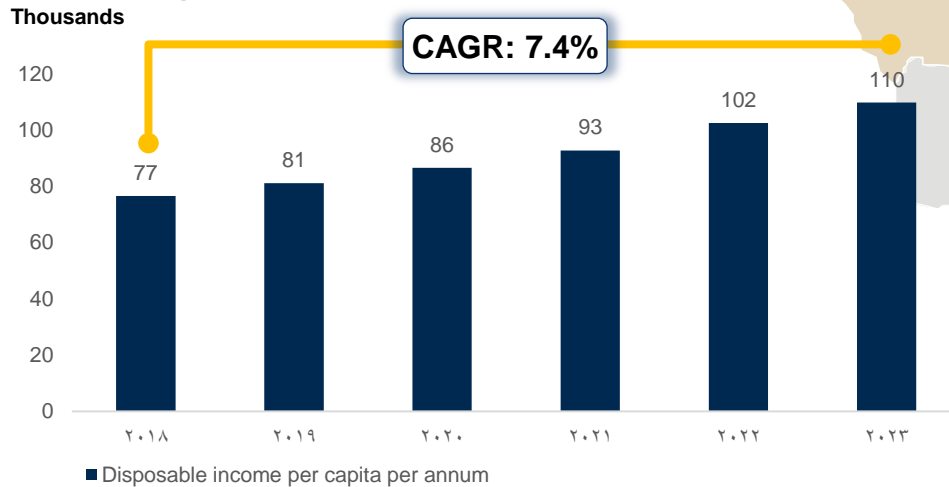
Largest economy in MENA...



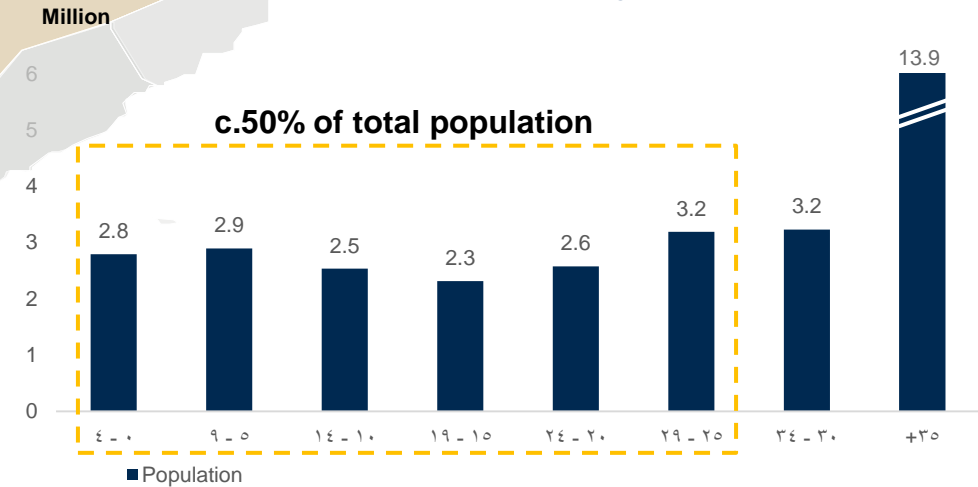
...with the largest population in GCC



Increasing disposable income...



...with an attractive population dynamics



Market fundamentals conducive to support growth

Strong 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

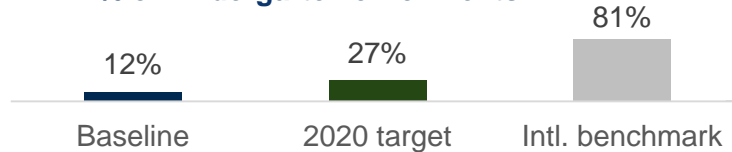


High margin cash business

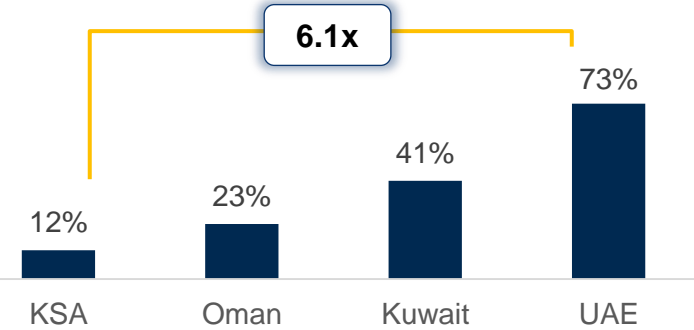
% of students enrolled in private education



% of kindergarten enrollments

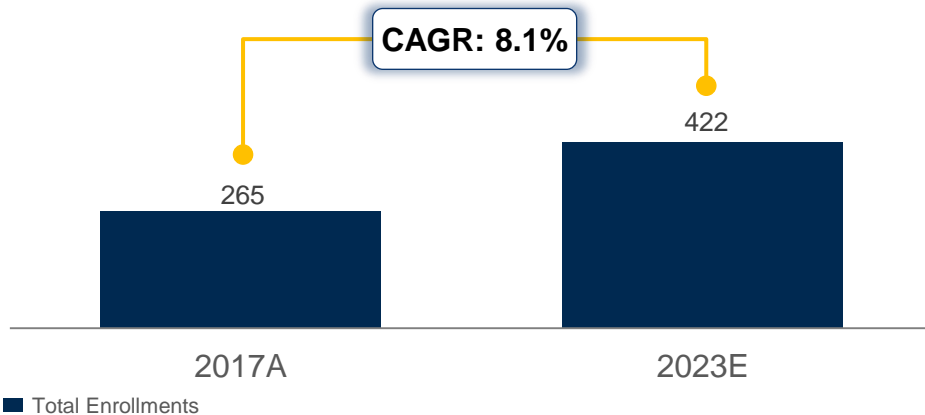


% of students enrolled in private education



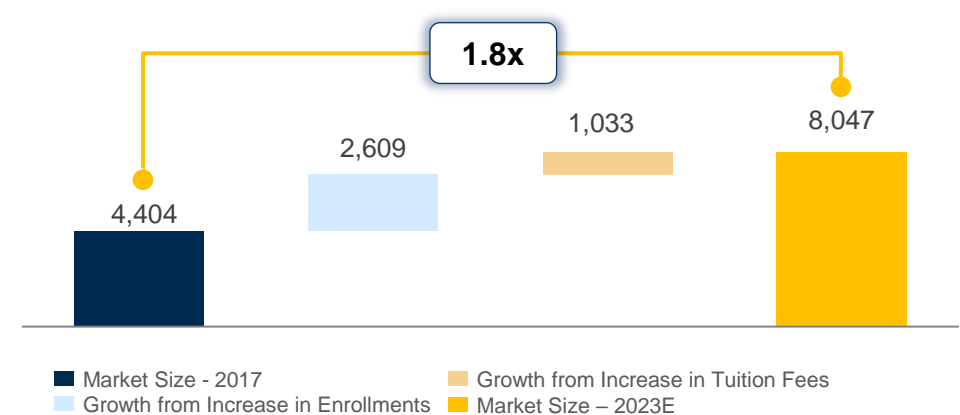
Strong expected growth in enrollments...

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



...and the overall market size

Market size growth – Riyadh (SARm)

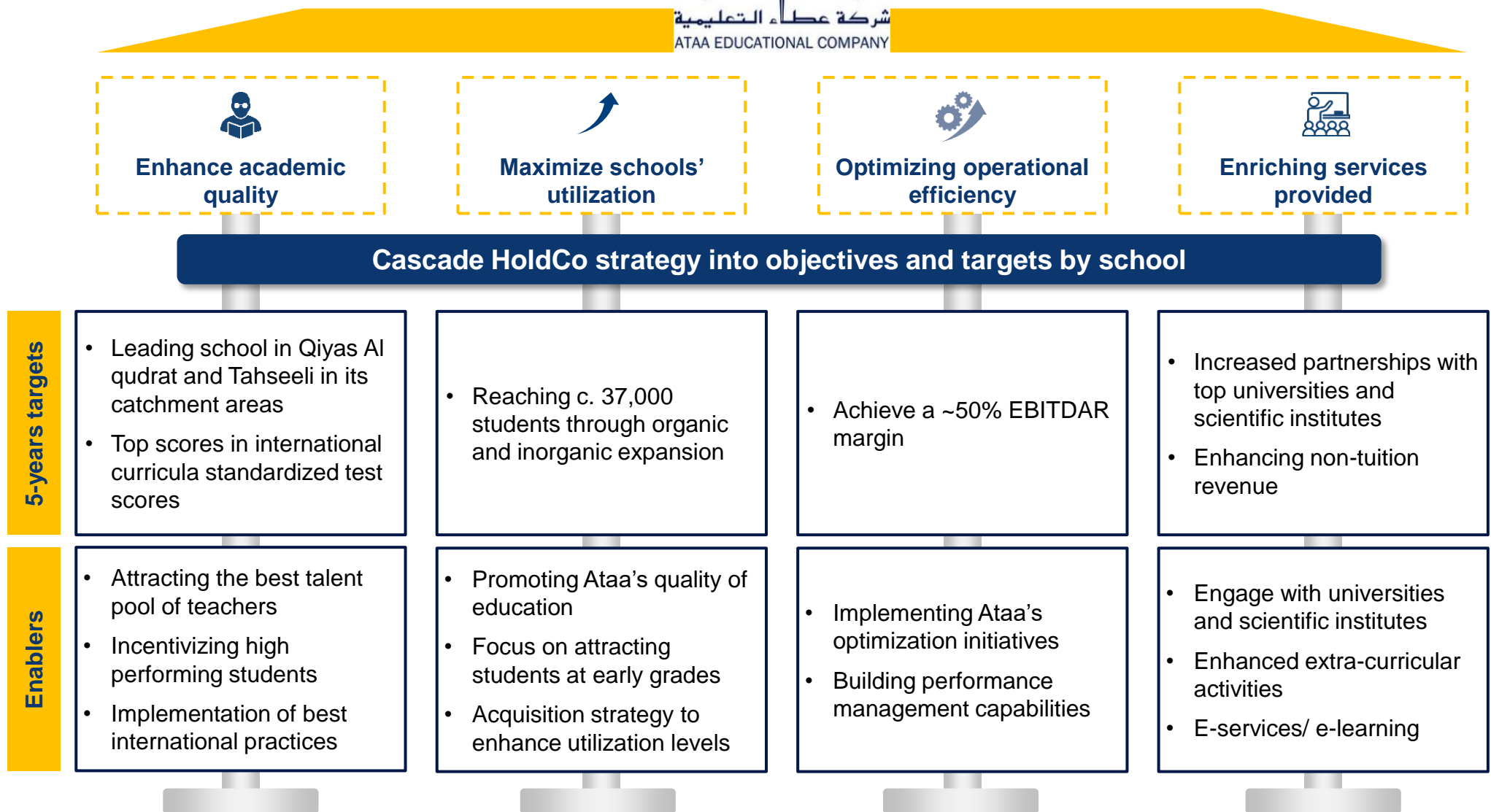




Ataa strategy overview

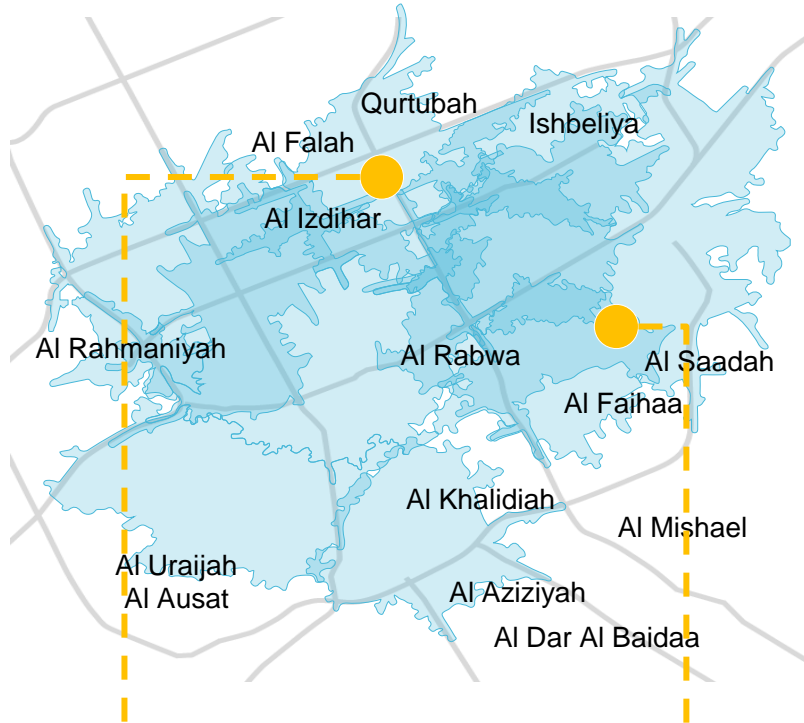
Clear defined strategy to drive growth

Clear defined strategy to drive growth



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