

Taaleem Reports its 9M 22/23 Results

Cairo, 17 July 2023, Taaleem Management Services announces its results for the 9M 22/23 period ending 31 May 2023.

9M 22/23 Financial Highlights

Revenue EGP 718 _{mn} ↑ 20% YoY	Gross Profit EGP 544 _{mn} ↑ 23% YoY 76% Margin	EBITDA EGP 474 _{mn} ↑ 19% YoY 66% Margin	Net Income EGP 345 _{mn} ↑ 24% YoY 48% Margin
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AY 22/23 Operational Highlights

Licensed Capacity 12,350 Students ↑ 9% YoY	Enrolled Students 6,913 Students ↑ 13% YoY 56% Utilization	Professors 561 Professors 12.3 STR	Faculties 10 Licensed 9 Operational Faculties
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9M 22/23 Key Financial Highlights

- **Total revenue** came in at EGP 718mn, achieving a 20% YoY increase.
- **Gross profit** came in at EGP 544mn, a strong 23% YoY growth, with a gross profit margin of 76%, up by 148 bps YoY.
- **EBITDA** recorded EGP 474mn, growing 19% YoY with a strong 66% margin.
- **Net income** reached EGP 345mn, up by 24% YoY, yielding a strong margin of 48%.
- **Cash & cash equivalents** amounted to EGP 287mn, while total debts stood at EGP 350mn, reflecting a Net Debt position of EGP 62mn in line with Taaleem's growth and capital structure optimization plans.
- **CAPEX/revenue** reached 24%, reflecting expenditures on NUB's new Faculties and University Hospital in the campus expansion.

Latest Developments

- **March 23, 2023:** Mohamed El Rashidi, Taaleem's MD & CEO, Hossam El Malahy, NUB's President, and Hany Ghoneim, Beni Suef's Governor officially inaugurated phase 1 of NUB's University Hospital built on an area of 51k sqm in partnership with the Medical University of Vienna International (MUVI). The hospital has a capacity of 167 beds and includes an Intensive Care Unit, external clinics covering all medical fields, 7 operating rooms, and multiple facilities such as scanning rooms, dialysis rooms and equipment etc.

- **March 30, 2023:** Taaleem and Palm Hills Development (PHD) announced that the Cabinet has approved Badya University's file, with the licensing process now pending only the issuance of the presidential decree, which is the final step of Badya University's regulatory approval process. The University's first phase is scheduled to be launched in the academic year of 2024/2025.
- **May 28, 2023:** Taaleem announced that it has completed the acquisition of a university under development in New Cairo after fulfilling all the transaction's conditions and required regulatory approvals, which brings Taaleem's ownership of the university to 32% through a capital injection of about EGP 300mn, with full operational and financial control over the university. The capital increase will be utilized to expedite the university's construction and development. The university file is pending only the Cabinet's approval and the presidential decree.

Mohamed El Rashidi, Taaleem's Managing Director & Chief Executive Officer commented:

"I am delighted to announce that Taaleem has achieved outstanding financial results in the 9M 22/23 period. Throughout this pivotal year, we have consistently demonstrated operational and financial excellence, establishing a solid foundation for our future growth plans.

Our financial results for 9M 22/23 reflect significant operational growth and efficiency. We have recorded a total revenue of EGP 718 million, marking a remarkable 20% year-on-year increase. Additionally, our strong EBITDA margin of 66% showcases our success in cost efficiencies and revenue growth. Notably, we have achieved a net profit of EGP 345 million, with a healthy margin of 48%.

I am also pleased to share that we are making steady progress with our expansion plans on multiple fronts. At NUB, our operational asset, we are expanding our medical offerings by working on the development of two new faculties, namely Nursing and Health Sciences. We aim to finalize the licensing process and complete the development of these faculties in the upcoming academic year, with operations set to begin in the academic year of 24/25.

Furthermore, the construction of the first phase of our under-development asset, Badya University, is progressing as planned. This phase includes the faculties of Dentistry, Physiotherapy, Business, and Computer Science. Subject to receiving the presidential decree, we anticipate opening Badya University to students in September 2024.

Regarding our new asset in East Cairo, I am pleased to report the completion of excavation work and the finalization of the tender process. We have awarded the project to a main contractor, and construction will commence soon. The first phase of the university, encompassing the faculties of Dentistry, Engineering, and Business, is expected to be completed by the academic year of 24/25. We are currently awaiting the Cabinet's approval and the issuance of the presidential decree for the licensing of the university.

With our robust financial performance and steady growth trajectory, Taaleem is well-positioned to fulfill its expansion plans and deliver value to all stakeholders."

Financial Performance Discussion

9M 22/23 - Income Statement Highlights

EGP mn	Q3 2023	Q3 2022	Δ % YoY
Revenue	290	263	10%
Operating Costs	(60)	(54)	10%
Gross Profit	230	209	10%
Gross Profit Margin	79%	79%	1 bps
G&A Expenses	(39)	(33)	19%
EBITDA	207	193	7%
EBITDA Margin	71%	73%	189 bps
Adjusted EBITDA	207	193	7%
Adjusted EBITDA Margin	71%	73%	189 bps
Net Finance Income/(Cost)	6	1	351%
Tax Expense	(45)	(41)	11%
Net Profit	153	138	11%
Net Profit Margin	53%	52%	(35 bps)

EGP mn	9M 2023	9M 2022	Δ % YoY
Revenue	718	597	20%
Operating Costs	(175)	(154)	13%
Gross Profit	544	443	23%
Gross Profit Margin	76%	74%	(148 bps)
G&A Expenses	(118)	(95)	24%
EBITDA	474	398	19%
EBITDA Margin	66%	67%	71 bps
Adjusted EBITDA	477	398	20%
Adjusted EBITDA Margin	66%	67%	31 bps
Net Finance Income/(Cost)	19	8	129%
Tax Expense	(102)	(82)	25%
Net Profit	345	277	24%
Net Profit Margin	48%	46%	(156 bps)

- **Total revenue** landed at EGP 718mn, with an increase of 20% YoY, despite the base effect coming from recognizing 47% of AY 20/21 summer semester revenue in 9M 21/22. Normalizing for the difference in summer term recognition, 9M revenue grew by 22%, mainly on the 13% YoY rise in the student base, reaching 6,913 students. The growth is also driven by the ramp up of the Faculties of Medicine and Physiotherapy and the replacement effect.
- **Operating costs** rose by 13% YoY, reaching EGP 175mn, mainly on the rise in salaries and wages by 17% YoY, recording a Salaries/Sales ratio of 9%, equal to that of the comparable period, along with an increase in educational activities expenses by 26% YoY, driven by inflation.
- **G&A** grew by 24% YoY, landing at EGP 118mn with an unchanged G&A/Sales ratio of 16% compared to the preceding year. The increase in G&A is primarily owed to a 25% YoY increase in salaries and wages, recording a Salaries/Sales ratio of 6%, equal to 9M 21/22, followed by the 51% YoY increase in professional fees due to the additional services related to Taaleem's M&A and new projects.

- **EBITDA** recorded EGP 474mn, growing 19% YoY with a strong 66% margin. Excluding the ESOP reserve that amounted to EGP 2.9mn, adjusted EBITDA grew by 20% YoY.
- **Net income** landed at EGP 345mn, reporting a 24% YoY growth and a strong 48% margin.
- **CAPEX** reached EGP 175mn, 17% less than 9M 2021/22, recording a CAPEX/Revenue ratio of 24%. 92% of Taaleem's CAPEX for the period was disbursed on growth initiatives, including the University Hospital and the new Faculties of Arts and Architecture.

9M 22/23 - Balance Sheet Highlights

EGP mn	9M 2023	9M 2022	Δ % YoY
Total Assets	2,461	1,743	41%
Current Assets	432	218	98%
Non-current Assets	2,029	1,524	33%
Total Liabilities	804	359	124%
Current Liabilities	396	198	100%
Non-current Liabilities	408	161	153%
Total Equity	1,657	1,384	20%
Total Liabilities & Equity	2,461	1,743	41%

9M 22/23 - Cash Flow Highlights

EGP mn	9M 2023	9M 2022	Δ % YoY
Cash Flow from Operations	316	274	15%
Cash Flow from Investing Activities	(446)	(197)	127%
Cash Flow from Financing Activities	311	(35)	-997%
Net Changes in Cash & Cash Equivalents During the Period	180	43	320%
Cash & Cash Equivalents at the Beginning of the Period	107	92	16%
Cash & Cash Equivalents at the End of the Period	287	135	112%

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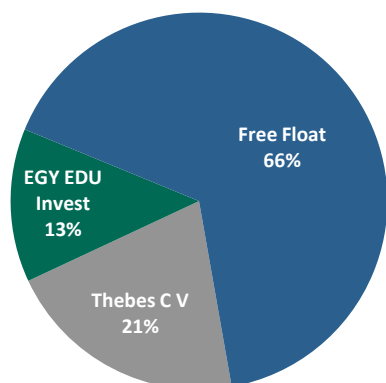
About Taaleem Management Services

Established in 2015, Taaleem is one of Egypt's leading providers of higher education services and is the tertiary education sector's only pure play firm. The company operates a platform-based model designed to be sustainably scalable across multiple assets. Taaleem's platform enables it to centralize supporting functions, generate synergies, and exploit economies of scale, allowing its academic institutions to focus on providing accessible, high-quality education that equips students with the skills needed to secure thriving professional careers. Taaleem's platform-based model has demonstrated its ability to create sustainable value with its success at Nahda University in Beni Suef (NUB), the company's first asset.

Strategically located in Egypt's most populous region, NUB is Upper Egypt's first and largest private university, catering to highly underpenetrated regional market and providing students with access to high-quality education and skill-based learning at competitive price points. Taaleem's second institution, Badya University, is located in West Cairo and is currently under development. Badya University is being developed in partnership with Palm Hills, one of Egypt's leading real estate developers. Taaleem completed the acquisition of its third institution, a university under development, in East Cairo. Taaleem is constantly exploring new opportunities for sustainable growth, whether through mergers and acquisitions or greenfield projects, with an eye to extending its long record of successes.

Learn more at: www.taaleem.me

Shareholder Structure As of June 30, 2023



Share Information

EGX	TALM.CA
Shares Outstanding	730,250,000
Paid-In Capital (EGP)	730,250,000

INVESTOR RELATIONS

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Forward-Looking Statements

This document has been prepared by Taaleem Management Services and contains certain forward-looking statements that reflect the current views of the Company's management, which have not been independently verified. They are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied in this document.

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