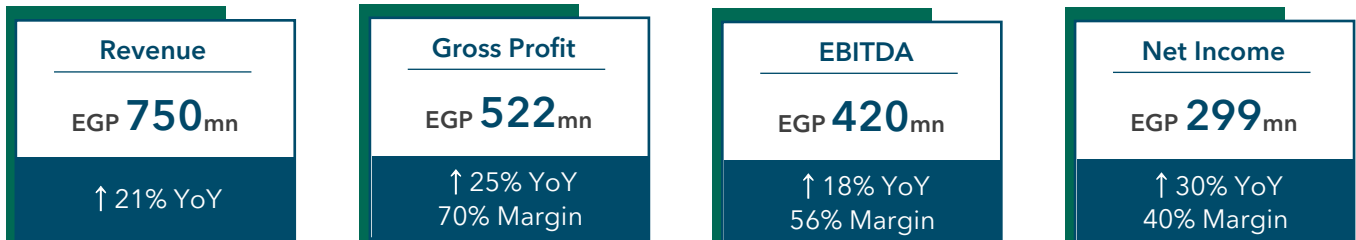


## Taaleem Reports its FY 22/23 Results

Cairo, 26 October 2023, Taaleem Management Services announces its results for the FY 22/23 period ending 31 August 2023.

### FY 22/23 Financial Highlights



### AY 23/24 Operational Highlights



### FY 22/23 Key Financial Highlights

- **Total revenue** came in at EGP 750mn, achieving a double-digit growth of 21% YoY.
- **Gross profit** came in at EGP 522mn, a substantial 25% YoY growth, with a gross profit margin of 70%, up by 221 bps YoY.
- **EBITDA** recorded EGP 420mn, growing 18% YoY with a substantial 56% margin.
- **Net income** reached EGP 299mn, up by 30% YoY, yielding a solid margin of 40%.
- **Cash & cash equivalents** amounted to EGP 429mn, while total debts stood at EGP 589mn, reflecting a net debt position of EGP 160mn in line with Taaleem's growth and capital structure optimization plans.
- **CAPEX/revenue** reached 119%, reflecting the development of phase one of Badya University and NUB's new faculties and University Hospital in the campus expansion.

### Latest Developments

- **August 22, 2023:** Taaleem and Palm Hills Development (PHD) announced the completion of the licensing process of Badya University. This achievement comes after receiving Badya's presidential decree, signifying the conclusion of a rigorous regulatory approval process. The construction of the university's first phase, encompassing the faculties of Dentistry, Physiotherapy, Business & Economics, and Computer Science, is progressing as planned to commence operations in the academic year starting September 2024.
- **September 10, 2023:** Taaleem signed a construction contract with El-Hazek Construction for its third higher education institution, Memphis University in East Cairo, marking the commencement of phase one of its development. The first phase of the university includes the faculties of Dentistry, Engineering, and Business.

### **AY 23/24 Enrollment Update**

NUB has witnessed exceptional enrollment for the ongoing Academic Year (AY) of 2023/24. The number of enrolled students for the current academic year has increased NUB's student base by 33% YoY to reach 9,213 students. Notably, the number of students enrolled in NUB's four medical faculties - Medicine, Dentistry, Pharmacy, and Physiotherapy - increased by 37% YoY, from 4,427 to 6,061. This growth is a testament to NUB's excellence in the medical segment, which will be further strengthened by the full launch of NUB's university hospital this year followed by the addition of the new faculties of Nursing and Medical Sciences in the following years.

We attribute the notable surge in NUB's enrollment to the university's outstanding academic offerings and its formidable reputation. Additionally, we continue to witness significant organic growth in the number of high school graduates eligible to pursue higher education, a pattern that is expected to continue according to the most recent data from CAPMAS on K-12 student enrollment in the Egyptian education system.

NUB has hired 95 new professors, bringing the total to 656, to cater to its growing student population. The student-teacher ratio has increased to 14x, up from 12.3x the preceding year, which is within the targeted optimum range for NUB and still well below the national private university average of 17.9x and the public university average of 23.9x. ensuring students receive excellent quality academic instruction.

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

"As we come to the end of yet another year full of unprecedented global and local economic challenges, I am delighted to announce that Taaleem has demonstrated outstanding financial and operational performance, achieving significant milestones. Our effective strategy and robust business model have enabled us to achieve record-breaking financial results across the board. Furthermore, we are excited for the upcoming year and anticipate even better performance, thanks to the exceptional enrollment achieved at NUB for the academic year 2023/24. The number of enrolled students at NUB has significantly increased by 33% to reach 9,213 students. Alongside the remarkable financial results, Taaleem has accomplished several milestones in its growth plan this year. With a solid financial and operational foundation, Taaleem will move forward confidently to implement its ambitious expansion plans that promote growth on multiple fronts.

I am pleased to announce that Taaleem has successfully regained its double-digit top-line growth trend this year. Our revenue reached EGP750mn, which is a significant increase of 21% YoY. This growth filtered down to an 18% YoY increase in EBITDA with a substantial margin of 56% and a net profit of EGP 299mn, with a healthy margin of 40%, showcasing our success in achieving sustainable revenue growth while maintaining profitability.

In line with our growth plan, NUB's licensed Faculty of Architecture is scheduled to start in the academic year 2024/25. Additionally, Taaleem intends to expand NUB's offerings in the medical segment by introducing two new faculties, namely Nursing and Medical Sciences. These new faculties are currently in their licensing process and will be launched within the next couple of years. I am also proud to announce that the university hospital is in its final stages of development and is set to launch fully in the current academic year of 2023/24.

Over and above that, we are delighted with the completion of the licensing process of Badya University after receiving the presidential decree, marking a significant step forward in the institution's development. On the construction side, the university's first phase is on track to launch starting September 2024. The first phase will include the faculties of Dentistry, Physiotherapy, Business & Economics, and Computer Science. Meanwhile, Taaleem is working on an international academic partnership with a reputable university.

As for our plans for Memphis University, our most recent acquisition in East Cairo, excavation work has been completed, and we have signed a construction contract with El-Hazek Construction, marking the beginning of phase one development. The first phase will include the faculties of Dentistry, Engineering, and Business and is expected to launch in the academic year of 2024/25 or 2025/26, depending on licensing and construction progress. Currently, we are waiting for the cabinet's approval followed by the presidential decree issuance for the university's licensing process to be completed.

Taaleem remains dedicated to creating, maximizing, and sharing value with our students, parents, employees, shareholders, and the wider community and to being the trusted partner of choice for higher education services in Egypt."

## Financial Performance Discussion

### FY 22/23 - Income Statement Highlights

EGP mn	FY 2023	FY 2022	Δ % YoY
Revenue	750	618	21%
Operating Costs	(228)	(201)	13%
Gross Profit	522	416	25%
<b>Gross Profit Margin</b>	<b>70%</b>	<b>67%</b>	<b>(221 bps)</b>
G&A Expenses	(167)	(127)	31%
EBITDA	420	355	18%
<b>EBITDA Margin*</b>	<b>56%</b>	<b>57%</b>	<b>137 bps</b>
Adjusted EBITDA	424	355	20%
<b>Adjusted EBITDA Margin</b>	<b>57%</b>	<b>57%</b>	<b>87 bps</b>
Net Finance Income/(Cost)	28	7	324%
Tax Expense	(87)	(69)	26%
Net Profit	299	230	30%
<b>Net Profit Margin</b>	<b>40%</b>	<b>37%</b>	<b>(268bps)</b>

\*Adjusted EBITDA excludes ESOP expense that amounted to EGP 3.7mn

- **Total revenue** recorded at EGP 750mn, achieving a robust 21% YoY increase on the back of a 13% increase in the student base, reaching 6,913 students and the increase of 8% YoY in the average revenue per student, mainly driven by the rollout of the faculties of Medicine and Physiotherapy, in addition to the replacement effect.
- **Operating cost** for the period recorded EGP 228mn, up by 13% YoY, mainly driven by the rise in salaries and wages by 18% YoY, while maintaining a stable operating staff/sales ratio of 12% compared to the preceding year, along with an increase in educational activities expenses by 31% YoY, driven by inflation and payments of international partnership fees.

- **G&A** grew 31% YoY, totaling EGP 167mn, with a G&A/sales ratio of 22% up from 21% compared to the preceding year. The increase in G&A is mainly due to a 28% YoY increase in salaries and wages, recording an admin staff/sales ratio of 8%, flat compared to the preceding year, followed by a 107% YoY increase in professional fees due to additional services related to Taaleem's M&As and new projects. Normalizing for the ESOP expense booked in FY 22/23, G&A grew only by 28% YoY.
- **EBITDA** landed at EGP420mn, growing 18% YoY with a substantial 56% margin due to ongoing cost management efforts. Excluding the ESOP expense that amounted to EGP 3.7mn, adjusted EBITDA grew by 20%.
- **Net income** landed at EGP 299mn, reporting a 30% YoY growth and a solid 40% margin.
- **CAPEX** reached EGP893mn, with 36% allocated to NUB and 64% for Badya's Phase 1. During this period, 98% of Taaleem's CAPEX was disbursed on growth initiatives, including Badya University, NUB's university hospital, and the new faculties of Arts and Architecture.

### FY 22/23 - Balance Sheet Highlights

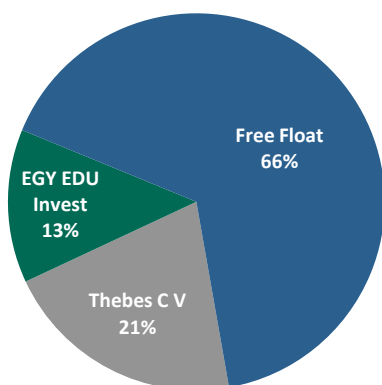
EGP mn	FY 2023	FY 2022	Δ % YoY
<b>Total Assets</b>	<b>3,217</b>	<b>1,781</b>	81%
Current Assets	485	184	163%
Non-current Assets	2,731	1,597	71%
<b>Total Liabilities</b>	<b>2,013</b>	<b>444</b>	353%
Current Liabilities	650	282	131%
Non-current Liabilities	1,363	163	738%
<b>Total Equity</b>	<b>1,203</b>	<b>1,337</b>	-10%
<b>Total Liabilities &amp; Equity</b>	<b>3,217</b>	<b>1,781</b>	81%

### FY 22/23 - Cash Flow Highlights

EGP mn	FY 2023	FY 2022	Δ % YoY
<b>Cash Flow from Operations</b>	<b>859</b>	<b>335</b>	<b>156%</b>
<b>Cash Flow from Investing Activities</b>	<b>(1,153)</b>	<b>(283)</b>	<b>307%</b>
<b>Cash Flow from Financing Activities</b>	<b>616</b>	<b>(37)</b>	<b>N/A</b>
<b>Net Changes in Cash &amp; Cash Equivalents During the Period</b>	<b>322</b>	<b>15</b>	<b>N/A</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Period</b>	<b>107</b>	<b>92</b>	<b>16%</b>
<b>Cash &amp; Cash Equivalents at the End of the Period</b>	<b>429</b>	<b>107</b>	<b>301%</b>

-End-

**Shareholder Structure**  
As of August 31, 2023



**Share Information**

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

**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 a 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, Memphis University, an under-development university 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](http://www.taaleem.me)

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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.

The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this document. This document does not constitute an offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares of the Company and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This document has been made solely for informational purposes and is subject to amendment. This document (or any part of it) may not be reproduced or redistributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person or published in whole or in part for any purpose without the prior written consent of the Company.