

Taaleem Reports Record 9M 23/24 Results

Cairo, 10 July 2024, Taaleem Management Services announces its results for the 9M 23/24 period ending 31 May 2024.

9M 23/24 Financial Highlights



AY 23/24 Operational Highlights¹



9M 23/24 Key Financial Highlights

- **Total revenue** reached EGP 1,149mn, reflecting an impressive 60% YoY growth.
- **Gross profit** came in at EGP 927mn, recording 70% YoY growth and a gross profit margin of 81%, up 496 bps YoY.
- **EBITDA** recorded EGP 777mn, achieving a robust 64% YoY growth with an outstanding 68% margin.
- **Net income** reached EGP 613mn, up 78% YoY, yielding a remarkable margin of 53%.
- **Cash & cash equivalents** amounted to EGP 437mn, while total debts stood at EGP 1.3bn, reflecting a net debt position of EGP 838mn in line with Taaleem's growth and capital structure optimization plans.
- **CAPEX** totaled EGP 1,191mn, reflecting the development of phase one of Badya University and NUB's new faculties and University Hospital in the campus expansion.

¹ excluding university campuses under construction at Badya University and Memphis University

Latest Developments

- **July 03, 2024:** Taaleem announced the completion of the licensing process for Memphis University, its third institution located in East Cairo. This milestone follows the issuance of the private university's presidential decree, marking the end of rigorous regulatory approval process. Meanwhile, the construction of the first phase of Memphis University, encompassing the three faculties of Medicine, Engineering, and Business & Economics, is progressing steadily towards the University's planned inauguration in September 2025.

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

"Our 9M 23/24 results demonstrate the consistent upward trend we achieved in the first half, driven by the substantial enrollment growth at NUB and our strategic approach to cost management. Therefore, I am thrilled to announce that our revenue reached a remarkable milestone of EGP 1,149 million, showcasing a robust 60% YoY increase. This growth filtered down to a 64% YoY increase in EBITDA with a substantial margin of 68%, reflecting our efficiency in cost control paired with consistent revenue gains. Notably, we have achieved a net profit of EGP 613 million, with a strong 53% margin, highlighting our sustained momentum and impressive performance.

Taaleem eagerly anticipates the launch of Badya University, scheduled for September 2024. Construction is progressing as planned, and our marketing team is diligently executing various promotional and outreach initiatives. These efforts encompass advertising campaigns through digital channels, print media, and other relevant platforms throughout Egypt. We are confident that Badya University will offer students a world-class higher education experience characterized by exceptional academic quality and a rich student experience, thereby equipping them for successful futures both professionally and personally.

Concerning Memphis University, we are pleased to announce the completion of its licensing process following the receipt of the presidential decree. This represents a significant milestone in the institution's development. Construction of the first phase is currently underway, with the university's opening planned for September 2025, transforming Taaleem into an owner-operator of 3 leading universities in Greater Cairo and Bani Suef.

We take pride in these significant achievements and look forward to the future with great optimism. As we prepare for the launch of Badya University and continue our progress toward establishing Memphis University, we remain committed to delivering robust financial results. Our unwavering dedication to financial and operational excellence is central to our vision of becoming Egypt's leading higher education services provider."

9M 23/24 - Income Statement Highlights

EGP mn	Q3 2023	Q3 2024	Δ % YoY
Revenue	290	459	58%
Operating Costs	(60)	(79)	32%
Gross Profit	230	380	65%
Gross Profit Margin	79%	83%	345 bps
G&A Expenses	(39)	(83)	112%
Other Income	1	2	162%
EBITDA	207	314	52%
EBITDA Margin	71%	69%	(290 bps)
Adjusted EBITDA ²	207	331	60%
Adjusted EBITDA Margin	71%	72%	79 bps
Net Finance Income/(Cost)	6	34	442%
Income from Investments in Associate	-	1	N/A
Tax Expense	(45)	(79)	76%
Net Profit	153	255	67%
Net Profit Margin	53%	56%	288 bps

EGP mn	9M 2023	9M 2024	Δ % YoY
Revenue	718	1,149	60%
Operating Costs	(175)	(222)	27%
Gross Profit	544	927	70%
Gross Profit Margin	76%	81%	496 bps
G&A Expenses	(118)	(201)	70%
Other Income	2	6	121%
EBITDA	474	777	64%
EBITDA Margin	66%	68%	170 bps
Adjusted EBITDA ³	477	798	67%
Adjusted EBITDA Margin	66%	69%	311 bps
Net Finance Income/(Cost)	19	64	239%
Income from Investments in Associate	-	4	N/A
Tax Expense	(102)	(186)	82%
Net Profit	345	613	78%
Net Profit Margin	48%	53%	538 bps

- **Total revenue** reached EGP 1,149mn, reflecting an impressive 60% YoY increase. This growth is driven by a 33% YoY rise in the student base, reaching 9,213 students, and a 12% YoY rise (annualized) in average revenue per student supported by the ramp-up of the Faculties of Medicine, Physiotherapy, and Arts, and the replacement effect.

² EBITDA is adjusted for EGP 16.9mn ESOP expense in Q3 2024.

³ EBITDA is adjusted for EGP 21.6mn ESOP expense and EGP 0.7mn proceeds from the sale of assets in 9M 2024 and EGP 2.9mn ESOP expense in 9M 2023.

- **Operating cost** for the period recorded EGP 222mn, up by 27% YoY, mainly coming from the rise in salaries and wages by 36% YoY, reflecting the annual salary raise and the cost of new hires to accommodate the increase in students, while recording a salaries/sales ratio of 8%, lower than the preceding year's 9%. Another factor is the rise in educational activities expenses by 34% YoY, driven by the increase in the number of students, in addition to the FX rate impact on educational cost items (laboratory materials and affiliation payments).
- **G&A** grew 70% YoY, totaling EGP 201mn. Adjusting for the ESOP expense and other non-recurring items, G&A grew 56% YoY. The increase in G&A is mainly owed to a 37% YoY increase in non-academic salaries and wages, recording a lower salaries/sale ratio of 5% compared to the preceding year's 6%, followed by a 182% YoY increase in advertising costs due to the execution of Badya University's marketing and branding strategy.
- **EBITDA** reached EGP 777mn, growing 64% YoY with a strong 68% margin. Excluding the ESOP expense and non-recurring items, adjusted EBITDA increased by 67% YoY growth with a 69% margin.
- **Net income** landed at EGP 613mn, marking a significant 78% YoY increase and a robust 53% margin.
- **CAPEX** reached EGP 1,191mn, with 22% allocated to NUB and 78% for Badya University's phase one. During this period, 98% of Taaleem's CAPEX was disbursed on growth initiatives, including phase one of Badya University, NUB's University Hospital, and the two faculties of Arts and Architecture.

9M 23/24 - Balance Sheet Highlights

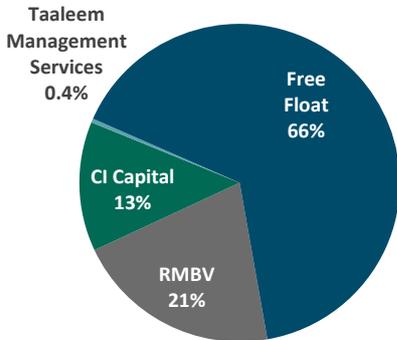
EGP mn	9M 2023	9M 2024	Δ % YoY
Total Assets	2,461	4,439	80%
Current Assets	432	537	24%
Non-current Assets	2,029	3,901	92%
Total Liabilities	804	2,616	226%
Current Liabilities	396	633	60%
Non-current Liabilities	408	1,983	386%
Total Equity	1,657	1,822	10%
Total Liabilities & Equity	2,461	4,439	80%

9M 23/24 - Cash Flow Highlights

EGP mn	9M 2023	9M 2024	Δ % YoY
Cash Flow from Operations	316	375	19%
Cash Flow from Investing Activities	(446)	(1,050)	135%
Cash Flow from Financing Activities	311	683	120%
Net Changes in Cash & Cash Equivalents During the Period	180	8	-96%
Cash & Cash Equivalents at the Beginning of the Period	107	429	301%
Cash & Cash Equivalents at the End of the Period	287	437	52%

-End-

Shareholder Structure As of June 30, 2024



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

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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. Such statements 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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