

Taaleem Reports its FY 23/24 Results

Cairo, 03 November 2024, Taaleem Management Services announces its results for the FY 23/24 period ending 31 August 2024.

FY 23/24 Financial Highlights



AY 24/25 Operational Highlights¹



FY 23/24 Key Financial Highlights

- **Total revenue** reached EGP 1,211mn, achieving a robust growth of 62% YoY.
- **Gross profit** came in at EGP 919mn, a 76% YoY growth and a gross profit margin of 76%, up 629bps YoY.
- **EBITDA** recorded EGP 673mn, growing 60% YoY with an outstanding 56% margin.
- **Net income** reached EGP 552mn, up 84% YoY, yielding a remarkable margin of 46%.
- **Cash & cash equivalents** amounted to EGP 428mn, while total debts stood at EGP 1.8bn, reflecting a net debt position of EGP 1.3bn in line with Taaleem's growth and capital structure optimization plans.
- **CAPEX** totaled EGP 2.3bn, reflecting the development of phase one of Badya University, Memphis University's phase one, and NUB's new faculties and University Hospital in the campus expansion.

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 2026.

¹ Including Badya University and excluding university campus under construction at Memphis University

- **September 02, 2024:** Taaleem announced that Nahda University in Beni Suef (NUB) has received the presidential decree to establish two new faculties, namely Nursing and Medical Sciences, marking the completion of the licensing process. NUB's unwavering commitment to enhancing its academic offerings has reached a significant milestone with the addition of the two new medical faculties. This expansion brings the total number of licensed medical faculties to six, complemented by the University Hospital, further solidifying NUB's position as a leading medical education provider.

AY 24/25 Enrollment Update

Taaleem has experienced impressive growth in enrollments for the 2024/25 academic year, with the total student base across its universities rose by 33% to 12,251 students. This strong performance is further reflected in the new intake quota utilization, which stands at an outstanding 93%. This achievement highlights the Company's operational efficiency, market demand, and competitiveness, positioning Taaleem for continued growth and financial success.

The primary driver behind this growth has been Taaleem's medical faculties, which have seen a remarkable 31% increase in enrollments, now serving 7,969 students. The Faculty of Medicine, in particular, has posted an exceptional 63% year-on-year (YoY) rise in enrollments, underscoring the growing demand for high-quality medical education at Taaleem's institutions.

In addition to the strong performance in medical education, the Faculty of Computer Science within Taaleem's universities has seen an impressive 63% increase in enrollments, reflecting a growing demand for technology-related studies.

NUB's Medical Faculties have experienced a significant surge in enrollments, further solidifying the university's reputation as a leader in medical education, with medical students currently comprising 64% of the total student population. This growth is complemented by the recent issuance of presidential decrees completing the licensing process for the new Faculties of Nursing and Health Sciences, and the upcoming launch of the University Hospital, further solidifying NUB's position as a key healthcare and medical training hub in the region.

Furthermore, Badya University, in its inaugural year of operations, welcomed a remarkable 88% of its students into the medical faculties, supported by a strategic partnership with the University of Texas Medical Branch (UTMB).

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

" Reflecting on a year filled with both challenges and accomplishments, the 2023/24 academic year has truly tested our resilience and adaptability. I am pleased to highlight an exceptional year for Taaleem in the 2023/24 academic year. Our effective strategy and robust business model have driven record-breaking financial results across the board. Building on this success, we eagerly anticipate the 2024/25 academic year as Taaleem's enrollment has surged by 33%, bringing the total student body to 12,251 across all universities. Leading this surge is the exceptional performance of our medical faculties, which have seen a remarkable 31% rise in enrollments, now serving 7,969 students. This growth is a testament to the rising demand for our programs and the trust placed in Taaleem's quality education.

In a year defined by achievement and resilience, I am proud to report exceptional financial performance, with total revenue soaring to EGP 1,211mn, reflecting an impressive year-on-year increase of 62%. Our EBITDA grew by 60%, resulting in a margin of 56%, and we achieved a strong net income of EGP 552mn, yielding an outstanding 84% YoY growth. These results underscore our effective cost management in the face of global and local challenges.

Our growth strategy focuses on expanding educational offerings to meet student and job market demands. A key example is Nahda University in Beni Suef, which has built a strong reputation as a leader medical education provider. In response to rising demand, we have expanded our Faculty of Medicine's intake and secured licenses for two new faculties: Nursing and Medical Sciences. This strategic move enhances our offerings, bringing our total to six medical faculties, all of which are further supported by our university hospital.

I am also thrilled to announce the successful launch of Badya University, achieving its enrollment targets in its inaugural year. Meeting these goals underscores the high demand for the university and the trust students and families place in our institution. This milestone reflects our commitment to educational excellence and expanding our impact in the higher education sector.

As for our plans for Memphis University in East Cairo, it has completed its licensing process and received a presidential decree, marking a significant milestone in our expansion plan. With construction progressing well, the first phase will include the faculties of Medicine, Engineering, and Business & Economics, all set to welcome students in the 2026/27 academic year. Taaleem proudly owns three fully licensed universities across key areas, further strengthening our commitment to expanding access to quality education.

Looking ahead, I am confident that Taaleem will continue to lead in shaping the future of education in Egypt. With robust financial performance and a strong operational framework, we are well-positioned to drive our expansion plans, making a significant impact on the higher education landscape. I extend my heartfelt gratitude to our dedicated team for their exceptional contributions and commitment to our vision. Together, we will empower the next generation of learners with the skills and knowledge they need to thrive."

FY 23/24 - Income Statement Highlights

EGP mn	Q4 2023	Q4 2024	Δ % YoY
Revenue	31	63	99%
Operating Costs	(53)	(70)	31%
Gross Profit	(22)	(7)	-66%
Gross Profit Margin	-70%	-12%	5,825 bps
G&A Expenses	(48)	(113)	135%
Other Income	1	1	45%
EBITDA	(54)	(104)	94%
EBITDA Margin	-171%	-166%	470 bps
Adjusted EBITDA ²	(53)	(95)	79%
Adjusted EBITDA Margin	-168%	-152%	1,673 bps
Net Finance Income/(Cost)	9	32	256%
Income from Investments in Associate	-	(4)	N/A
Tax Expense	15	31	105%
Net Profit	(45)	(61)	35%
Net Profit Margin	-144%	-98%	4,642 bps

² EBITDA is adjusted for EGP 9.2 ESOP expense in Q4 2024 and EGP 0.8 EGP ESOP expense in Q4 2023.

EGP mn	FY 2023	FY 2024	Δ % YoY
Revenue	750	1,211	62%
Operating Costs	(228)	(292)	28%
Gross Profit	522	919	76%
Gross Profit Margin	70%	76%	629 bps
G&A Expenses	(167)	(315)	89%
Other Income	3	7	101%
EBITDA	420	673	60%
EBITDA Margin	56%	56%	(46 bps)
Adjusted EBITDA ³	424	703	66%
Adjusted EBITDA Margin	57%	58%	152 bps
Net Finance Income/(Cost)	28	95	244%
Income from Investments in Associate	-	0	N/A
Tax Expense	(87)	(155)	78%
Net Profit	299	552	84%
Net Profit Margin	40%	46%	562 bps

- **Total revenue** reached EGP 1,211mn, reflecting an impressive 62% YoY increase. Normalizing for the difference in revenue days recognized between FY 2024 and FY 2023, 2024 revenue increased by 61% YoY on the back of a 33% YoY increase in the student body, along with the increase in the average revenue per student by 21%.
- **Operating cost** for the period recorded EGP 292mn, up by 28% YoY, mainly coming from the rise in salaries and wages of 35% YoY, reflecting the annual salary rise and the cost of new hires to accommodate the 33% increase in students, while recording a salaries/sales ratio of 10%, lower than the preceding year's 12%. Another factor is the rise in educational activities expenses by 44% 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 89% YoY, totaling EGP 315mn. Adjusting for the ESOP expense and other non-recurring items, G&A grew 76% YoY. The increase in G&A is owed to a 50% YoY increase in non-academic salaries and wages, recording a higher G&A /sale ratio of 23% compared to the preceding year's 20%, followed by a 387% YoY increase in advertising costs due to the preparation of Badya university's marketing and branding strategy.
- **EBITDA** reached EGP 673mn, growing 60% YoY with a strong 56% margin. Excluding the ESOP expense of EGP 30.8mn and proceeds from the sale of assets of EGP 0.7mn in FY 2024 and ESOP expense of EGP 3.7mn in FY 2023, adjusted EBITDA grew by 66% YoY with a 58% margin.
- **Net income** landed at EGP 552mn, marking an impressive 84% YoY increase and a robust 46% margin.
- **CAPEX** reached EGP 2,257mn, with 17% allocated to NUB, 72% for Badya University's phase one, and 11% for Memphis University's phase one. During this period, 99% of Taaleem's CAPEX was disbursed on growth initiatives, including phase one of Badya University, and Memphis University's phase one, NUB's University Hospital, and the two faculties of Arts and Architecture.

³ EBITDA is adjusted for EGP 30.8 ESOP expense and EGP 0.7mn proceeds from the sale of assets in FY 2024 and EGP 3.7mn ESOP expense in FY 2023.

FY 23/24 - Balance Sheet Highlights

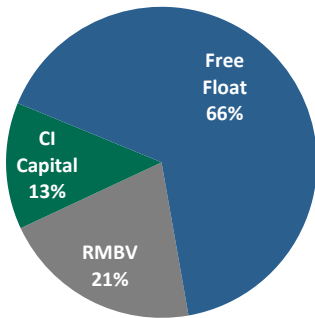
EGP mn	FY 2023	FY 2024	Δ % YoY
Total Assets	3,863	5,881	52%
Current Assets	771	593	-23%
Non-current Assets	3,091	5,288	71%
Total Liabilities	2,164	3,540	64%
Current Liabilities	661	831	26%
Non-current Liabilities	1,503	2,709	80%
Total Equity	1,699	2,341	38%
Total Liabilities & Equity	3,863	5,881	52%

FY 23/24 - Cash Flow Highlights

EGP mn	FY 2023	FY 2024	Δ % YoY
Cash Flow from Operations	807	339	-58%
Cash Flow from Investing Activities	(821)	(1,929)	135%
Cash Flow from Financing Activities	616	1,305	112%
Net Changes in Cash & Cash Equivalents During the Period	603	(285)	-147%
Cash & Cash Equivalents at the Beginning of the Period	107	710	563%
Cash & Cash Equivalents at the End of the Period	710	428	-40%

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Shareholder Structure
As of August 31, 2024



Share Information

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

About Taaleem Management Servicesp

Established in 2015, Taaleem is the only pure play in the tertiary education sector in Egypt. The company operates a platform-based model designed to be replicated across its assets, focusing on centralizing its supporting functions, creating synergies, and exploiting economies of scale, which enables the academic units to focus solely on providing accessible high-quality education and rich student experience. Taaleem’s platform-based model demonstrated its ability to create value through its first asset, Nahda University Beni in Suef (NUB), the largest and first private university in Upper Egypt, enabling students from a very populous and under-served region to gain access to high quality education and skill-based learning. Taaleem, in partnership with Palm Hills Developments, has launched Badya University, its new university campus in West Cairo, as the second asset in the company’s portfolio. Furthermore, Taaleem has completed the licensing for its third asset, Memphis University, an under-development university in East Cairo, expanding its geographic presence and offerings in the market. Taaleem adopts a growth strategy and is constantly exploring new opportunities, whether through M&A or greenfield projects, to continue its record of success.

Learn more at: www.taaleem.me

**INVESTOR
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Forward-Looking Statements

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