

Taaleem Reports its Q1 24/25 Results

Cairo, 16 January 2025, Taaleem Management Services announces its results for the Q1 24/25 period ending 30 November 2024.

Q1 24/25 Financial Highlights



AY 24/25 Operational Highlights¹



Q1 24/25 Key Financial Highlights

- **Total revenue** reached EGP 591 million, marking a strong 51% year-on-year (YoY) growth.
- **Gross profit** amounted to EGP 466 million, representing a 44% YoY increase and achieving a gross profit margin of 79%, an improvement of 340 basis points (bps) YoY.
- **EBITDA** stood at EGP 393 million, up 37% YoY, with a margin of 67%.
- **Net income** rose to EGP 299 million, reflecting a 35% YoY growth and a margin of 51%.
- **Cashflow** from operations increased over 100% YoY to EGP 313 million.
- **Cash and cash equivalents** totaled EGP 526 million, while total debt stood at EGP 1.9 billion, resulting in a net debt position of EGP 1.4 billion, aligned with Taaleem's growth and capital structure strategy.
- **Capital expenditures** reached EGP 447 million, driven by the development of phase one of Badya University, phase one of Memphis University, and the expansion of NUB's new faculties and University Hospital.

Latest Developments

- **On September 2nd, 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

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

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.

- **On November 3rd, 2024:** Taaleem announced significant enrollment growth for the 2024/25 academic year, with the total student base increasing by 33% to 12,251. This growth has been primarily fueled by Taaleem's medical faculties, which have recorded a remarkable 31% increase in enrollments, currently serving 7,969 students. Notably, the Faculty of Medicine achieved an exceptional 63% rise in enrollments year-on-year, highlighting the increasing demand for quality medical education. This surge not only reflects Taaleem's commitment to excellence in healthcare education but also underscores its pivotal role in meeting the growing needs of the medical sector in Egypt

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

"I am delighted to share a strong start to the fiscal year, underscoring the resilience of Taaleem's business model and the exceptional capabilities of our team. Our latest quarterly results highlight our commitment to financial and operational excellence while positioning us for sustained growth in the years to come.

In Q1 24/25, Taaleem delivered remarkable financial performance, with total revenue reaching EGP 591 million, a 51% year-on-year (YoY) growth. The EBITDA margin stood at an impressive 67%, reflecting our focus on cost efficiency and operational discipline. Net profit for the period was EGP 299 million, achieving a margin of 51%. These results underscore Taaleem's ability to generate robust financial outcomes while maintaining its operational priorities.

This strong performance was largely driven by a significant 33% YoY increase in total student enrollment, bringing the number of enrolled students to 12,251 for the 2024/25 academic year. Notably, our medical faculties saw a 31% rise in enrollment, serving 7,969 students—a testament to the growing demand for high-quality medical education at Taaleem's universities. The upcoming launch of Nursing and Medical Sciences programs at NUB will further support this momentum, enhancing our contribution to the healthcare education sector and meeting critical workforce demands. Additionally, Badya University's successful inaugural year, achieving its enrollment targets, reflects the strength of our strategic vision and execution.

Our expansion strategy is advancing steadily, with the first phase of Memphis University in East Cairo progressing as planned. This phase will include the Faculty of Medicine as a key offering, with a potential launch in September 2025, pending SCPU approval to operate without a university hospital. This development represents another milestone in our growth journey.

Taaleem now proudly operates three fully licensed universities, each designed to address the evolving educational needs of diverse communities. Our robust financial position and strategic focus place us in an excellent position to continue expanding our impact on Egypt's higher education sector. Together, we remain committed to equipping future generations with the knowledge and skills needed to thrive in a dynamic and modern workforce."

Q1 24/25 - Income Statement Highlights

EGP mn	Q1 2024	Q1 2025	Δ % YoY
Revenue	392	591	51%
Operating Costs	(70)	(125)	80%
Gross Profit	322	466	44%
Gross Profit Margin	82%	79%	(340 bps)
G&A Expenses	(53)	(93)	75%
Other Income	1	3	112%
EBITDA	286	393	37%
EBITDA Margin	73%	67%	(641 bps)
Adjusted EBITDA ²	288	401	39%
Adjusted EBITDA Margin	73%	68%	(548 bps)
Net Finance Income/(Cost)	15	14	-3%
Income from Investments in Associate	-	0	N/A
Tax Expense	(65)	(91)	41%
Net Profit	221	299	35%
Net Profit Margin	56%	51%	(571 bps)

- **Total revenue** reached EGP 591mn, reflecting a robust 51% YoY increase. This growth was driven by a 33% YoY increase in the total student body and a 13.6% rise in average revenue per student.
- **Operating cost** for the period recorded EGP 125mn, up by 80% YoY, mainly coming from the rise in salaries and wages by 83% YoY, reflecting the new hires to accommodate the increase in students in NUB and Badya's inaugural cohort of students, while recording a salaries/sales ratio of 8%, higher than the preceding year's 7%. Another factor is the rise in educational activities expenses by 141% YoY, driven by the increase in the number of students, in addition to the FX rate impact on educational cost items for both NUB and Badya (laboratory materials and affiliation payments). Additionally, utilities grew by 146%, reflecting the operational needs of the new campus.
- **G&A** grew 75% YoY, totaling EGP 93mn. Adjusting for the ESOP expense and other non-recurring items, G&A grew 69% YoY. The increase in G&A is owed to a 68% YoY increase in non-academic salaries and wages, recording a higher non-academic salaries /sale ratio of 5% compared to the preceding year's 4%, followed by the increase in professional Fees by 58%.
- **EBITDA** reached EGP 393mn, reflecting a 37% YoY increase and delivering a robust 67% margin, underscoring the company's strong operational efficiency and effective cost management. Adjusting for ESOP expenses—EGP 7.9 million in Q1 2025 and EGP 2.3 million in Q1 2024—and EGP 0.7 million in asset sales in Q1 2024, adjusted EBITDA grew by 39% YoY, with 68% margin
- **Net income** landed at EGP 299mn, marking a sustainable 35% YoY increase and a 51% margin.
- **CAPEX** reached EGP 447mn, with 24% allocated to NUB, 60% for Badya University's phase one , and 16% 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's launch, and the civil work of Memphis University's phase one, NUB's University Hospital, and the two faculties of Arts and Architecture.

² EBITDA is adjusted for EGP 7.9 ESOP expense in Q1 2025 and EGP 2.3mn ESOP expense and 0.7mn sale of assets in Q1 2024.

Q1 24/25 - Balance Sheet Highlights

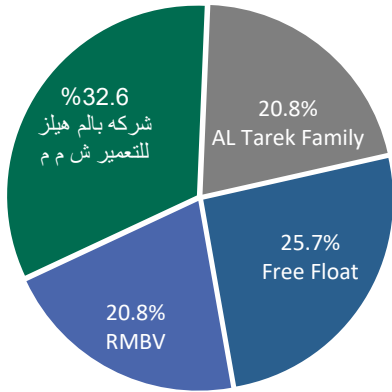
EGP mn	Q1 2024	Q1 2025	Δ % YoY
Total Assets	3,582	6,473	81%
Current Assets	497	737	48%
Non-current Assets	3,085	5,735	86%
Total Liabilities	2,206	3,839	74%
Current Liabilities	685	1,008	47%
Non-current Liabilities	1,521	2,830	86%
Total Equity	1,376	2,634	91%
Total Liabilities & Equity	3,582	6,473	81%

Q1 24/25 - Cash Flow Highlights

EGP mn	Q1 2024	Q1 2025	Δ % YoY
Cash Flow from Operations	154	313	103%
Cash Flow from Investing Activities	(352)	(291)	-17%
Cash Flow from Financing Activities	209	75	-64%
Net Changes in Cash & Cash Equivalents During the Period	11	98	816%
Cash & Cash Equivalents at the Beginning of the Period	429	428	0%
Cash & Cash Equivalents at the End of the Period	440	526	20%

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Shareholder Structure
As of December 31, 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 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
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. 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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