

TAALEEM POSTS RECORD REVENUE OF AED 258.7 MILLION FOR Q1 2023/24; ENROLMENTS UP 26.6% YoY; Net Profit up by 60.5% YoY; EBITDA UP 28.2% YoY

- Taaleem recorded strong top-line growth of 11.5% YoY to AED 258.7M and EBITDA growth of 28.2% YoY to AED 100.4M for the first quarter ending November 30, 2023;
- Net profit (before tax) increased by 60.5% YoY to AED 81.6M driven by enrolment growth, additional schools, interest gains on cash reserves, and low debt position;
- Record-breaking student enrolment of 35,715, up 26.6% YoY;
- Premium school capacity utilization increased in Q1 of 2023/24 by +8.3% YoY to 82.7%;
- Taaleem's Government Partnership portfolio saw the addition of five new government partnership schools during the quarter.

Dubai, United Arab Emirates, 11 January 2024: Taaleem Holdings PJSC (“**Taaleem**” or “**the Company**”), a leading K-12 premium education provider in the UAE with a portfolio consisting of 31 schools and listed on the Dubai Financial Markets (“**DFM**”) (SYMBOL: **TAALEEM**; ISIN: **AEE01136T220**), today announced its financial results for Q1 2023/24 period ending **30 November 2023**.

Enrolments**	Revenue	EBITDA	Net Profit (before tax)
35,715 Student +26.6% YoY	AED 258.7 M +11.5% YoY	AED 100.4 M +28.2% YoY	AED 81.6 M +60.5% YoY
K-12 Students** Premium Schools	No. of Premium Schools**	No. of Government Schools**	Students/Teacher Ratio***
13,947 82.7% utilization	10 schools 3 curricula	21 schools +5 new schools (90.8% utilization)	13.7 +2.8% YoY
<small>**2023/24 academic year ***excludes Charter Schools (ADEK) & ESE</small>			

Khalid Al Tayer, Chairman of Taaleem, commented:

“Empowering futures through education – Taaleem stands committed to transforming possibilities into realities.”

“I am immensely proud of the substantial progress made in realizing our strategic vision, delivered by our passionate colleagues across Taaleem and enabled by the leadership, ambition and continued growth of the UAE. Taaleem is committed to delivering the best possible educational outcomes in the UAE and to supporting the growth of our sector. Our record results for Q1 2023/24 demonstrate this commitment as we invest in expansion, innovation and improvements for the benefit of our students and our communities. The success of our strategy embodies Taaleem’s steadfast ambition to shape a brighter educational landscape in the UAE and I’m excited for the impactful milestones ahead.”

Alan Williamson, Chief Executive Officer of Taaleem, commented:

"At Taaleem, we're shaping futures, unlocking potential, and redefining possibilities through education"

"Our commitment to growth and quality education led to 26.6% rise in student enrolments year-on-year and the addition of five new government partnership schools. The remarkable increase of 8.3% in premium school capacity utilization and the additions to our portfolio reflect our unwavering commitment to providing educational excellence to an increasing number of students across the UAE. The construction of Dubai British School Jumeira and progress on Dubai British School Mira demonstrate our dedication to expanding educational horizons as we continue to deliver excellence and set new benchmarks in the education landscape."

Operational Highlights

Student Base

Student Base	Q1 2022/23	Q1 2023/24	% YoY
Number of Premium Schools	10	10	-
Number of Government Partnerships	16	21	+31.3%
Enrolled Students	28,218	35,715	+26.6%

During Q1 of 2023/24 academic year, Taaleem saw exceptionally strong growth in student enrolment, delivering a substantial 26.6% increase compared to the same quarter in the previous year. This expansion was primarily fueled by a significant uplift of 38.9% YoY in new students enrolled in government partnerships, along with an 11.2% YoY rise in enrolment within the premium schools portfolio. Additionally, Taaleem successfully secured five new government partnership schools, including one Charter School in Abu Dhabi and four more schools under the ESE 'Ajyal' Schools contract. These accomplishments solidify Taaleem's position as a preferred education provider aligned with the educational vision and objectives of the UAE.

Gap Reduction

Students numbers	Premium Schools - Asset Utilization				Government Partnerships - Scaling up the Business			
	Q1 2022/23	Q1 2023/24	Dif.	YoY Change	Q1 2022/23	Q1 2023/24	Dif.	YoY Change
Physical Capacity	16,856	16,856	-	-	16,916	23,961	7,045	41.6%
Average Enrollment	12,544	13,947	1,403	11.2%	15,674	21,768	6,094	38.9%
Gap Calculations	4,312	2,909	-1,403	-32.5%	1,242	2,193	+951	+76.6%

During the quarter, Taaleem's premium school segment saw a significant increase in student enrolment, achieving 82.7% capacity utilization compared to 74.4% in the same quarter in the previous year. This period saw the enrolment of 1,403 additional students, bringing the total to 13,947 compared to 12,544 in the previous year. Consequently, revenue from this vertical grew by 10.7% and EBITDA increased by 25.8% YoY, benefitting from better asset utilisation and economies of scale.

Following the successful addition of five new government partnership schools, students in this vertical increased by 6,094 to 21,768, compared to 15,674 in the same period last year. The government partnerships vertical allows Taaleem to diversify its revenue streams through a steady flow of management fees whilst contributing to the delivery of the National Agenda.

Financial Highlights

Revenue

Consolidated operating revenue for the Q1 of 2023/24 financial year, period ended 30 November 2023 increased 11.5% YoY to AED 258.7 million. This growth was driven by a 26.6% YoY rise in enrolments to 35,715 students for the 2023/24 academic year compared to 28,218 students in the same quarter in the previous year. In addition, revenue was further boosted by the ramp-up of existing schools as well as the addition of the five new schools within the government partnerships portfolio. Parallel to this, Taaleem's premium schools saw an improvement in capacity utilization, with the capacity-enrolment gap narrowing by 32.5% YoY at quarter end.

AED million	Q1 2022/23	Q1 2023/24	% YoY
Revenue (Operating)	231.9	258.7	11.5%

Earnings before interest, taxes, depreciation and amortization (EBITDA)

Taaleem's EBITDA grew by 28.2% YoY to AED 100.4 million in 2023/24 financial year, driven by the impact of higher enrolments and the company's continued focus on operational efficiency.

AED million	Q1 2022/23	Q1 2023/24	% YoY
EBITDA	78.3	100.4	28.2%
EBITDA Margin %	33.8%	38.8%	5.0%

With reference to the table above and on a comparable basis, Taaleem's EBITDA margin improved by 3.4% from 33.5% in the corresponding quarter of the previous year to 37.0% in Q1 of 2023/24 financial year. The comparable basis excludes the four new schools under the Emirates Schools Establishment programme, the one new school under ADEK Charter Schools and New Projects (two new 'Dubai British Schools') and one-off items.

Net Profit (before tax)

Net Profit (before tax) increased 60.5% YoY to AED 81.6 million, with margins strengthening to 31.5%, up from 21.9% in the same quarter last year. This growth was influenced by the net finance income derived from IPO proceeds that have not yet been fully utilized, coupled with the company's low debt position.

AED million	Q1 2022/23	Q1 2023/24	% YoY
Net Profit (before tax)	50.9	81.6	60.5%
Net Profit Margin (before tax) %	21.9%	31.5%	9.6%

With reference to the table above and on a comparable basis, Taaleem's Net Profit margin (before tax) improved by 7.2% from 23.0% in the corresponding quarter of the previous year to 30.1% in Q1 of 2023/24 financial year. The comparable basis excludes the four new schools under the Emirates Schools Establishment programme, the one new school under ADEK Charter Schools and New Projects (two new 'Dubai British Schools') and one-off items.

Net Profit (after tax)

Under UAE law, corporate tax was applied from 1 September 2023. The first payment is to be made to the Federal Tax Authority by May 2025. The current effective tax rate is 8.9%, however it reflects the timing of expenses and recognition of revenue at this stage of the year. The company recognized a one-off deferred tax liability provision of AED 27.7M in Q1 of 2023/24 on intangible assets arising from goodwill & other assets from business combinations / acquisitions executed in the UAE prior to the enactment of Corporate Tax Law. This accounting treatment is new to companies operating across the UAE and is the application of the International Accounting Standard 12 Income Taxes ('IAS 12') which requires companies to measure deferred tax assets and liabilities based on tax rates and laws. This is a provision and not an actual tax liability payable to the FTA; it will be released to the profit and loss as the Group amortizes some intangible assets annually and it will be fully reversed over the useful life of some intangible assets (excluding Goodwill).

AED million	Q1 2022/23	Q1 2023/24	% YoY
Net Profit (after tax)	N/A	46.6	N/A
Net Profit Margin (after tax) %	N/A	18.0%	N/A

Balance Sheet Strength

Taaleem's prudent financial management, coupled with the use of IPO proceeds not yet fully deployed, has driven significant earnings growth and bolstered its cash reserves. Reflecting a strong cash position and minimal debt, the company's net debt stands negative at AED 493.2 million as of 30 November 2023. The deliberate reduction in bank borrowings in FY2023 through early repayment was aimed at mitigating high interest rates without incurring additional costs. While new debt was raised to fund the construction of Dubai British School Jumeira, this strategic move aligns seamlessly with Taaleem's overarching financial objectives. Taaleem's focus remains on targeted M&A activities and the execution of its greenfield strategy, utilizing the IPO proceeds to optimize its capital structure. This robust cash position equips Taaleem with substantial funding to support investments and potential M&A endeavors, further facilitating the effective implementation of its growth strategy.

AED million	Q1 2022/23	Q1 2023/24	Dif.	YoY Change
Total Debt (A)	325.4	40.4	-285.0	-87.6%
Deposits (wakala / sukuk)	580.2	339.3	-240.9	-41.5%
Cash & cash equivalents	273.1	250.9	-22.2	-8.1%
Total Deposits, Cash & Cash Equivalents (B)	853.3	590.2	-263.1	-30.8%
Restricted Cash* (C)	22.9	56.7	33.8	147.2%
Net Debt (A-B+C)	-505.0	-493.2	11.8	-2.3%

*Restricted Cash relates to cash held by the Group on behalf of the Government for the purposes of managing the Charter Schools operations (ADEK and ESE) and is not available for use by the Group for its own school operations

Delivering on our growth strategy

Taaleem remains dedicated to its 5-Year Strategy, prioritizing the expansion of its Premium School portfolio, new school ventures, and aligned market pursuits. Immediate goals encompass completing construction at both Dubai British School Jumeira and the previously announced expansion of the Greenfield International School, adding 20 new classes for a scheduled launch in September 2024. Simultaneously, preparations are underway for the launch of the fifth Dubai British School Mira by September 2025.

In the initial quarter of the 2023/24 academic year, Taaleem showcased significant operational progress. Premium school utilization surged by 8.3%, welcoming five new government partnership schools. The construction of Dubai British School Jumeira, designed for 1,900 students, is over 70% complete and scheduled to open in September 2024. Successfully completing the design phase for the fifth 'Dubai British School', Dubai British School Mira, Taaleem is successfully navigating the approval process, with plans to commence full-scale construction in April 2024 and aim for completion by September 2025. These infrastructure investments will allow Taaleem to capitalise on high demand for its education services, putting it in a strong position to continue its growth trajectory.

Furthermore, Taaleem displays a strong commitment to sustainability through its Environmental, Social, and Governance (ESG) programme. Focused on minimizing environmental impact and fostering inclusivity and ethical governance, the company's inaugural ESG report launched in October 2023 marks the start of Taaleem's dedicated efforts and commitments. Actively developing a 5-year ESG policy, Taaleem is refining data collection, setting targets, and consolidating an effective governance structure. Notably, the company's engagement in COP 28's roundtable sessions with ESG experts from the GCC region highlights its commitment to responsible practices and sustainability.

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About Taaleem Holdings

Taaleem (**DFM: TAALEEM**) is one of the largest K-12 premium education providers in the UAE with a portfolio consisting of 31 schools, comprising 10 owned and operated premium private schools, and 21 government partnership schools operated on behalf of government entities. The Group has a student base of +35,715 students and the best teaching staff from across the world.

Q1 2023/24 Financial Year Earnings Call

Taaleem will host its Q1 2023/24 earnings call at 3:00 p.m. Dubai time on Tuesday, 16 January 2024, which will be available via live streaming. Please [click here](#) to register for the event.

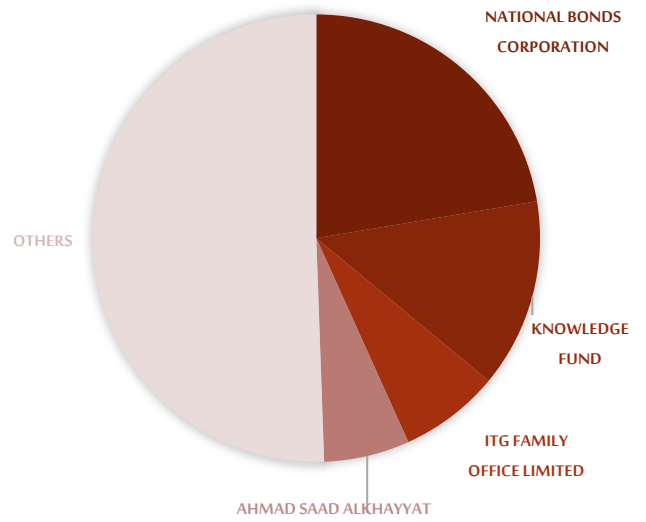
Upcoming Earnings Calls Schedule:

- Q2 2023/24 – Financial Year Earnings Call – **Tuesday, 2 April 2024**
- Q3 2023/24 – Financial Year Earnings Call – **Tuesday, 9 July 2024**
- Year End 2023/24 – Financial Year Earnings Call – **Tuesday, 8 October 2024**

Shareholders Structure (above 5% ownership) *

SHAREHOLDERS	PERCENTAGE
National Bonds Corporation	22.4%
Knowledge Fund Establishment	13.6%
Investment Trading Group LLC	7.2%
Ahmad Saad Al Khayyat	6.2%
Others	50.5%

* Dated: 9-January-2024



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