Taaleem maintains its impressive growth momentum in FY 2023/24, recording revenues of AED 945.2M fuelled by 33.1% enrolment growth; EBITDA surges 32.0% YoY.

Dubai | 3 October 2024 | Taaleem Holdings PJSC ("**Taaleem**" or the "**Company**", DFM Symbol: **TAALEEM**), a leading K-12 premium education provider in the UAE with a portfolio spanning 32 schools, today announced its financial results for the 12-month period ending August 31, 2024, with strong, double-digit top-and-bottom-line growth driven by the continued ramp-up in enrolment, coupled with enhanced economies of scale.

FY 2023/24 FINANCIAL & OPERATIONAL HIGHLIGHTS

Total Schools	Revenue	EBITDA	Net Profit (pre-tax)
32	AED 945.2M	AED 270.8M	AED 182.0M
schools	operating revenue*	+32.0% YoY	+55.1% YoY
6 New Government Partnerships	+15.5% YoY	(28.6% margin)	(19.3% margin)

Total Capacity	Total Enrolment	Capacity Added	Total Utilisation
42,891	37,930	9,119	88.4%
students	students	students	blended utilisation
+27.0% YoY	+33.1% YoY	+63.4% YoY	+4.1% YoY

** Excludes non-operating revenues of AED 11.1M recorded in FY 2023-24.*

Key Performance Highlights

- Taaleem has achieved robust revenue growth of 15.5% YoY reaching AED 945.2M in 2023/24, fuelled by a 33.1% surge in student enrolment, which rose by 9,440 YoY.
- Dubai British School (DBS) Jumeira, opened its doors in August 2024, making history as the first school in Dubai to open with 500+ students enroled.
- Taaleem capitalised on operational leverage leading to enhanced profitability, with EBITDA surging 32.0% YoY to AED 270.8M, reflecting a 3.6% expansion in EBITDA margin to 28.6%.
- Taaleem reported a negative net debt of AED 560.3M in FY2023/24, having increased its debt during the year to support the development of Dubai British Schools in Jumeira and Mira.
- The positive trend extended all the way down to the bottom line, with net profit (before tax) up 55.1%. YoY to AED 182.0M in FY 2023/24, reflecting an NPM improvement of 4.9% YoY to 19.3%.
- Free Cashflow to Firm recorded a strong performance of AED 243.6M in FY2023/24, highlighting the company's robust operations and financial health.

Note from the Chairman

Khalid Al Tayer,
Chairman of Taaleem

Our journey this year has been marked by impressive financial results and significant academic achievements. We have successfully demonstrated our ability to balance robust financial growth with operational efficiency, highlighted by a substantial increase in enrolment across our portfolio of schools. As we close FY 2023/24, we are strategically positioned for even greater growth within the UAE's thriving education sector.

Our commitment to growing our portfolio is clear and we are thrilled to move forward with the creation of two super-premium schools in Dubai and Abu Dhabi. Partnering with one of the leading education brands globally, the two schools are designed to cater to upper-income families seeking exclusive educational experiences.

In 2025, Dubai British School (DBS) Mira will open its doors to join the recently launched Dubai British School (DBS) Jumeira. Dubai British School (DBS) Jumeira *generated unprecedented interest from the community and welcomed a record number of new students for a Dubai premium school.*

With these and other initiatives, we are not only expanding our footprint in the market but also continually seeking to enhance the quality of education we provide, ensuring we meet the diverse needs of our growing communities.

Note from the CEO

Alan Williamson,
Chief Executive Officer of Taaleem

As the UAE continues to experience rapid population growth and establish itself as a global hub for innovation, the demand for high-quality education has never been greater. This influx of professionals and their families highlights the increasing need for diverse, world-class educational offerings that meet the aspirations of those who call the UAE home.

In response to this demand, and leveraging our reputation as one of the leading providers of premium education, we continue to invest in enhancing our portfolio and have delivered exceptional performance throughout the year as a result. Enrolment surged by 33.1% during the year, reaching 37,930 students, contributing to an impressive capacity utilisation rate of 88.4%, a testament to the strong demand for our educational services.

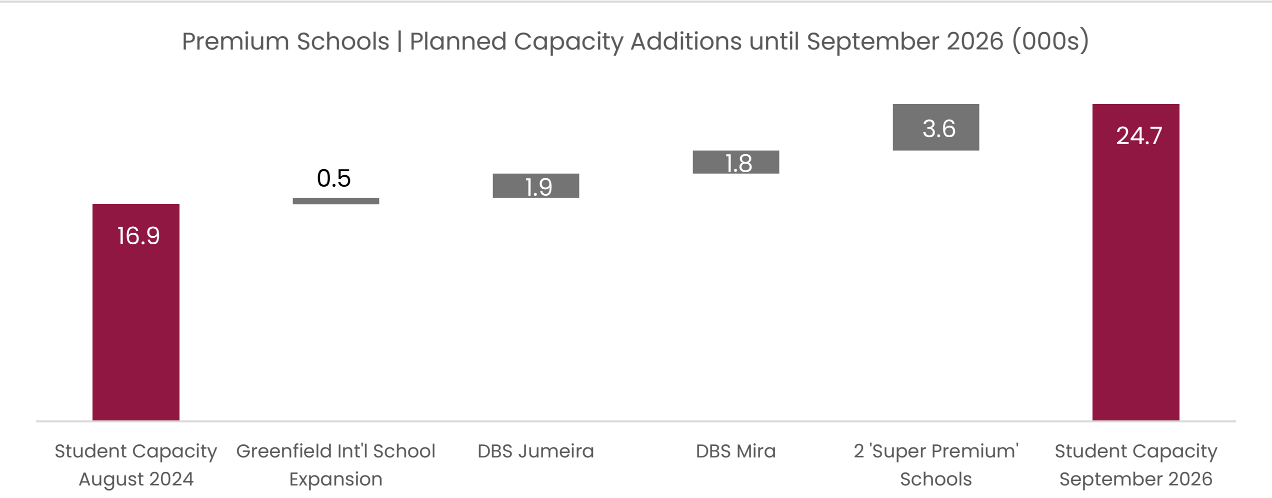
Our financial performance mirrored this growth, with total operating revenues increasing by 15.5% year-on-year to AED 945.2 million. This was largely driven by the expansion of our premium segment, which remains *a cornerstone of our growth strategy. EBITDA and net profit before tax also saw significant improvements of 32.0% and 55.1%, respectively, fuelled by operational efficiencies and well-executed strategic initiatives.*

These results are a testament to the strength of our leadership, effective management practices, and unwavering commitment to creating a thriving, sustainable educational environment. Looking ahead, our focus remains on sustained and purposeful growth, enhancing the quality of education and range of education opportunities we offer while continuing to contribute positively to the UAE's evolving educational landscape and national priorities.

Growth Strategy

Taaleem remains steadfast in executing its 5-Year strategy, with a clear focus on expanding its **premium school portfolio,** entering the **super-premium segment**, and strengthening its standing through key government partnerships.

Taaleem's premium segment is poised for growth with the introduction of four new schools slated to open over the next two years. Dubai British School (DBS) Jumeira has been completed on time and within budget, opening its doors to students in the final week of August 2024. Meanwhile, the construction of Dubai British School (DBS) Mira, the fifth branch of the Dubai British Schools network, is currently underway and on track for completion by August 2025. In addition, plans are underway for the development of two new super-premium schools in prime locations within Dubai and Abu Dhabi, specifically targeting the upper-income families. To this end, Taaleem secured an exceptional 34.6 thousand square meter plot for our super-premium school in Dubai, strategically situated in one of the most high-demand areas with key catchment convergence. This state-of-the-art facility will boast an impressive capacity of 1,800 students, ensuring it provides an enriching and exclusive educational experience for families who seek the highest standards for their children's learning and development



Moreover, Taaleem has entered the early learning segment by securing contracts with the Abu Dhabi government to operate four new nurseries, which will open in FY 2024/25 with a combined capacity of 1,153 children. This provides Taaleem with a strategic foothold in the growing early childhood education market.

Operational Performance

Premium Schools

Contributing 88.4% to FY 2023/24 revenues, Taaleem's premium education platform forms the core of its business, comprising 10 schools owned and operated by the Company. Spread across Dubai and Abu Dhabi, its portfolio of schools span the British, International Baccalaureate and American curricula, through 7 well-reputed brands, namely Dubai British Schools (DBS), Greenfield International School, Jebel Ali School, Raha International School, Uptown International Schools, Jumeira Baccalaureate School and American Academy for Girls.

Premium Schools	FY 2022/23	FY 2023/24	Difference	YoY ▲
Number of schools	10	10	0	0.0%
Student enrolment	12,712	14,004	1,292	10.2%
Student capacity	16,856	16,856	0	0.0%
Implied utilisation (%)	*75.4%*	*83.1%*	-	*7.7%*
Available seats	4,144	2,852	(1,292)	-31.2%
Student-Teacher Ratio*	13.2	13.3	0.1	0.8%
Av. Gross Tuition Fees (AED)	58,313	59,687	1,374	2.4%

** Calculation excludes Dubai Schools*

Taaleem's premium segment experienced a notable increase in student enrolment, rising by 10.2% YoY in FY 2023/24, representing an additional 1,292 students, bringing the total enrolment to 14,004 students. This growth was primarily driven by impressive performances across all three of Taaleem's International Baccalaureate (IB) schools in Dubai, with combined enrolment up by 13.0% YoY. Another significant contributor to growth was the 31.9% YoY surge in enrolment at Raha International School – Khalifa City in FY 2023/24, which was established to accommodate the excess demand from Raha International School – Gardens Campus, the latter achieving an impressive utilisation rate of 98.8% in FY 2023/24. Additionally, Taaleem's UK cluster saw increasing utilisation rates across all four schools, with Jebel Ali School leading this growth as a result of the successful implementation of its post-acquisition strategy.

In terms of capacity, the premium segment has successfully navigated a landscape of steady enrolment growth without new capacity additions, demonstrating strong operational efficiency in meeting increasing demand. Meanwhile, the blended utilisation rate saw a significant boost, increasing from 75.4% to 83.1%, underscoring the heightened demand for Taaleem's offerings. As a result, the number of available seats declined by 31.2% YoY, from 4,144 in FY 2022/23 to 2,852 seats in FY 2023/24, further reflecting the effective use of existing capacity to accommodate the growing student population.

The segment's student-teacher ratio remained relatively unchanged YoY, at 13.3 in FY 2023/24. Average gross tuition fees saw modest growth, rising 2.4% to AED 59,687 in FY 2023/24.

Government Partnerships

Taaleem manages 22 schools through operating contracts with government entities, including the Department of Education and Knowledge ("Abu Dhabi Charter" Schools), Knowledge Fund Establishment ("Dubai Schools"), and Emirates Schools Establishment ("Ajyal" Schools). Revenue from these ventures comes mainly from management fees, with costs covered by the government. Despite securing six new schools in FY 2023/24, this segment accounted for only 11.6% of total revenues, with the premium segment remaining the primary revenue driver.

Government Partnerships	FY 2022/23	FY 2023/24	Difference	YoY ▲
Number of schools	16	22	6	37.5%
Student enrolment	15,778	23,926	8,148	51.6%
Student capacity	16,916	26,035	9,119	53.9%
Implied utilisation (%)	*93.3%*	*91.9%*	–	*-1.4%*
Available seats	1,138	2,109	971	85.3%

Student enrolment at Taaleem's government partnership vertical surged by 51.6% YoY in FY 2023/24, adding 8,148 new students for a total of 23,926 students. This impressive growth was primarily fuelled by the addition of four new ESE "Ajyal" Schools, where combined enrolment more than doubled YoY. Enrolment at "Abu Dhabi Charter" Schools and "Dubai Schools" also showed strong double-digit growth in FY 2023/24, increasing by 40.6% and 30.8% YoY, respectively.

Overall student capacity in Taaleem's government segment rose by 53.9% YoY to 26,035 seats in FY 2023/24, with the number of available seats up by 85.3% YoY to 2,109. As a result of these substantial additions, utilisation experienced a slight decline of 1.4% YoY, yet still remained above the 90%-mark. At "Dubai Schools", where the fee structure operates on an enrolment basis similar to Taaleem's premium segment, a notable utilisation surge of 15.4% YoY was witnessed across all 3 of its schools to record a blended utilisation rate of 95.9% by FY 2023/24, on the back of a 30.8% YoY hike in combined enrolment during the period.

Consolidated Performance

Consolidated Performance	FY 2022/23	FY 2023/24	Difference	YoY ▲
Number of schools	26	32	6	23.1%
Student enrolment	28,490	37,930	9,440	33.1%
Student capacity	33,772	42,891	9,119	27.0%
Implied utilisation (%)	*84.4%*	*88.4%*	–	*4.1%*
Available seats	5,282	4,961	(321)	-6.1%

On the consolidated level, total student enrolment surged by 33.1% YoY in FY 2023/24, adding 9,440 students under Taaleem's umbrella and bringing up its total enrolment to 37,930 students across 32 schools. This surge in enrolment was supported by a 27.0% YoY increase in student capacity from 33,772 students to 42,891 students, with capacity growth solely attributed to the addition of 6 new schools through government partnerships. Resultingly, the overall utilisation rate climbed from 84.4% in FY 2022/23 to 88.4% in FY 2023/24, reflecting the effective use of Taaleem's resources to meet the rising demand for quality education.

Financial Performance

Revenues

Operating Revenues (AED M)	FY 2022/23	FY 2023/24	Difference	YoY ▲
Student enrolment	28,490	37,930	9,440	33.1%
Operating revenue	818.6	945.2	126.7	15.5%
Premium schools	743.0	836.0	92.9	12.5%
% of Operating Revenues	*90.8%*	*88.4%*	*n/a*	*-2.3%*
Government partnerships	75.6	109.3	33.7	44.6%
% of Operating Revenues	*9.2%*	*11.6%*	*n/a*	*2.3%*
Non-operating revenue	7.6	11.1	3.5	46.1%
Total revenues	826.2	956.4	130.2	15.8%

Taaleem's operating revenue grew by 15.5% YoY to AED 945.2M in FY 2023/24, supported by a 33.1% increase in student enrolment. This growth reflects Taaleem's effective expansion and demand-driven strategy, particularly within its premium schools segment, which continues to serve as the company's primary revenue driver. Premium schools contributed AED 836.0 million in FY2023/24, representing 88.4% of total operating revenues, with government partnerships contributing the remaining 11.6%. Non-operating revenue also rose significantly, by 46.1% to AED 11.1M, contributing to the overall revenue growth of 15.8% YoY to AED 956.4M.

Operating Expenses

Operating Expenses (AED M)	FY 2022/23	FY 2023/24	Difference	YoY ▲
Operating costs	482.9	552.8	69.9	14.5%
% of operating revenues	*59.0%*	*58.5%*	*-*	*-0.5%*
General & admin expenses	138.2	132.8	(5.4)	-3.9%
% of operating revenues	*16.9%*	*14.0%*	*-*	*-2.8%*
Total expenses	621.1	685.6	64.5	10.6%
% of operating revenues	*75.9%*	*72.5%*	*-*	*-3.3%*

Taaleem's operating expenses for FY 2023/24 reflect a controlled increase amidst significant revenue growth, rising from AED 482.9M in FY 2022/23 to AED 552.8M, marking a 14.5% increase YoY. As a result, the operating costs as a percentage of operating revenues saw slight decline from 59.0% to 58.5%.

General and administrative expenses declined by 3.9% YoY to AED 132.8M in FY 2023/24, representing a 2.8% YoY decline of these expenses relative to operating revenues to 14.0%. This was primarily driven by strong economies of scale, a result of Taaleem's focus on optimising its administrative functions and reducing overheads, all while maintaining its growth momentum. Expenses were brought down further by a normalisation of board remuneration, compensation, and other benefits following Taaleem's recent initial public offering (IPO).

EBITDA

EBITDA (AED M)	FY 2022/23	FY 2023/24	Difference	YoY ▲
EBITDA	205.1	270.8	65.6	32.0%
EBITDA margin %	*25.1%*	*28.6%*	*n/a*	*3.6%*
EBITDA per student (AED)	7,199.3	7,138.2	(61.1)	-0.8%
Premium schools	222.9	258.5	35.6	16.0%
EBITDA margin %	*30.0%*	*30.9%*	*n/a*	*0.9%*
EBITDA per student (AED)	17,531.8	18,459.8	928.1	5.3%
Government partnerships	(17.8)	12.3	30.1	-169.2%
EBITDA margin %	*-23.5%*	*11.2%*	*n/a*	*34.8%*
EBITDA per student (AED)	(1,126.6)	513.8	1,640.4	-145.6%

Taaleem's consolidated EBITDA increased significantly in FY 2023/24, from AED 205.1M to AED 270.8M, representing a robust 32.0% YoY growth, highlighting the Company's strong operational performance and strategic growth across both premium schools and government partnerships. This increase was complemented by an improvement in the EBITDA margin, which rose from 25.1% in FY 2022/23 to 28.6% in FY 2023/24.

Overall EBITDA growth was led by premium schools, with the vertical's EBITDA up by 16.0% YoY from AED 222.9M in 2022/23 to AED 258.5M in 2023/24. Similarly, the segment's EBITDA margin improved from 30.0% to 30.9%, reflecting the successful execution of Taaleem's premium offerings and its ability to generate higher returns per student. Additionally, government partnerships showed a remarkable turnaround, with EBITDA moving from a loss of AED 17.8M to a profit of AED 12.3M, indicating that

Taaleem's strategic portfolio expansion into government contracts is beginning to yield positive results.

Net Profit

Net profit (AED M)	FY 2022/23	FY 2023/24	Difference	YoY ▲
Net profit (before tax)	117.3	182.0	64.7	55.1%
NPM (Before tax) %	*14.3%*	*19.3%*	*n/a*	*4.9%*
Current Tax	0.0	16.7	16.7	n/a
Deferred Tax	0.0	27.3	27.3	n/a
Net profit (after tax)	117.3	138.0	20.7	17.6%
NPM (after tax) %	*14.3%*	*14.6%*	*n/a*	*0.3%*

Net profit before tax grew from AED 117.3M in FY 2022/23 to AED 182.0M in FY 2023/24, representing a substantial 55.1% YoY increase. This growth was accompanied by an improvement in the net profit margin (NPM) before tax, which rose by 4.9% YoY to 19.3% in FY 2023/24, reflecting the improvement in operational profitability over the period, and further bolstered by the increase in net finance income associated with unutilised IPO proceeds.

As of September 1, 2023, a new corporate tax has been introduced in the UAE, with the initial payment required by the Federal Tax Authority by May 2025. The current effective tax rate is set at 9.02%, which reflects the timing of revenue recognition and expense reporting at this point in the fiscal year. Furthermore, the company has recorded a one-time deferred tax liability of AED 27.3M during the 2023/24 fiscal year. This liability is related to intangible assets that arose from goodwill and other assets acquired through mergers and acquisitions in the UAE prior to the implementation of the Corporate Tax Law.

It's important to note that the deferred tax provision is not a tax liability effectively payable to the Federal Tax Authority. Instead, it will be recognised in Taaleem’s statement of profit and loss, as the company amortises certain intangible assets each year. Eventually, this provision will be fully reversed over the useful life of some intangible assets, while excluding Goodwill.

After accounting for these tax expenses, the net profit after tax stood at AED 138.0M in FY 2023/24, up from AED 117.3M in FY 2023/23, reflecting a 17.6% increase, with the net profit margin after tax up by a slight 0.3% YoY at 14.6%.

Balance Sheet Highlights

Summary Balance Sheet (AED M)	FY 2022/23	FY 2023/24	Difference	YoY ▲
Total Assets	2,443.0	2,742.0	299.0	12.2%
Property and equipment	1,168.9	1,360.8	191.9	16.4%
Goodwill & other intangible assets	278.4	275.8	(2.7)	-1.0%
Right of use assets on lease (IFRS 16)	211.4	260.3	48.8	23.1%
Cash and cash equivalents	227.5	374.0	146.4	64.3%
Others	556.7	471.2	(85.5)	-15.4%
Total Liabilities	771.6	1,028.5	256.9	33.3%
Lease liabilities	234.2	292.4	58.3	24.9%
Provisions and other payables	510.2	595.9	85.7	16.8%
Bank borrowings	27.2	140.2	113.0	415.0%
Total Liabilities & Shareholders' Equity	2,443.0	2,742.0	299.0	12.2%

Taaleem's total assets rose from AED 2,443.0M in FY 2022/23 to AED 2,742.0M in FY 2023/24, representing a steady YoY growth of 12.2%. The Company's strategic investment in property and equipment primarily contributed to this increase, booking AED 1,360.8M in FY 2023/24, up by 16.4% YoY. Moreover, cash and cash equivalents surged by an impressive 64.3%, climbing from AED 227.5M to AED 374.0M, significantly enhancing the Company's liquidity.

On the liabilities front, total liabilities grew from AED 771.6M in FY 2022/23 to AED 1,028.5M in FY 2023/24, marking a 33.3% YoY increase. A significant portion of this growth was attributed to a considerable rise in bank borrowings from AED 27.2M to AED 140.2M over the same period. Growth in liabilities was further propelled by the recognition of lease liabilities related to the new land lease for a super-premium school in Dubai, which saw lease liabilities increase by 24.9% YoY to reach AED 292.4M in FY 2023/24.

Despite the increase in liabilities, Taaleem's overall financial health remained robust, thanks in part to a strong liquidity position, providing the Company with the flexibility to manage its short-term obligations effectively while seizing new opportunities for growth.

Debt & Net Debt

Debt & Net Debt (AED M)	FY 2022/23	FY 2023/24	Difference	YoY ▲
Total Debt	27.2	140.2	113.0	415.0%
Deposits (wakala)	475.1	360.0	(115.1)	-24.2%
Cash & Cash Equivalents	227.5	374.0	146.4	64.3%
Total Deposits, Cash & Cash Equivalents	702.7	734.0	31.3	4.5%
Restricted Cash	*27.3*	*33.5*	*6.2*	*22.9%*
Net Debt	(648.2)	(560.3)	87.9	-13.6%

Taaleem has demonstrated exceptional financial oversight, effectively managing its resources while strategically deploying the proceeds from its Initial Public Offering (IPO), which remains partially invested. This disciplined approach has positioned Taaleem for impressive earnings growth and a fortified cash reserve. By effectively leveraging its IPO proceeds, the company seeks to refine its capital structure, ensuring it possesses the necessary resources to pursue investments and explore potential M&A opportunities.

As of August 31, 2024, the company booked a healthy cash position with minimal debt, culminating in a negative net debt of AED 560.3M. Notably, Taaleem increased its debt during the year to support the development of Dubai British Schools in Jumeira and Mira.

CAPEX

CAPEX (AED M)	FY 2022/23	FY 2023/24	Difference	YoY ▲
Plant, Property & Equipment	1,168.9	1,360.8	191.9	16.4%
Additions during the Period	77.8	271.7	194.0	249.4%
% of operating revenues	*9.5%*	*28.7%*	*n/a*	*19.2%*
Expansionary CAPEX	50.7	253.4	202.7	399.6%
Maintenance CAPEX	27.0	18.3	(8.8)	-32.4%

Capital expenditure (CAPEX) came in at AED 271.7M in FY 2023/24, with investments primarily attributed to expansionary CAPEX associated with the construction of Dubai British School (DBS) Jumeira and the expansion of GIS. This notable increase in CAPEX perfectly aligns with Taaleem's strategic vision to enhance its market presence by introducing cutting-edge educational facilities. By investing in these state-of-the-art campuses, Taaleem is not just expanding its footprint but also enriching the educational landscape, ensuring that it continues to provide exceptional learning experiences.

About Taaleem Holdings

Taaleem **(DFM: TAALEEM)** is one of the largest K-12 premium education providers in the UAE with a portfolio consisting of 32 schools, comprising 10 owned and operated premium private schools, and 22 Government partnership schools operated on behalf of Government entities. The Company boasts a student body of 37,930 students and world-class faculty from diverse backgrounds.

For more information, kindly visit www.taaleem.ae

FY 2023/24 Financial Year Earnings Call

Taaleem will host its FY 2023/24 earnings call at 3:00 p.m. Dubai time on Tuesday, October 8, 2024, which will be available via live streaming. Please click here to register for the event.

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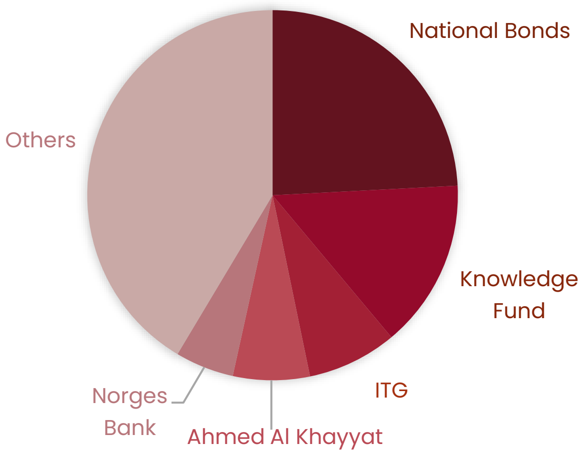
Shareholders Structure (above 5% ownership)*

SHAREHOLDERS	STAKE%
National Bonds Corporation	**22.4%**
Knowledge Fund Establishment	**13.6%**
Investment Trading Group LLC	**7.2%**
Ahmed Saad Al Khayyat	**6.2%**
Norges Bank	**5.5%**
Others	**45.1%**



* As of 31 August 2024