

TAALEEM POSTS RECORD REVENUE OF AED 548.7M FOR HI 2023/24; ENROLMENTS UP 33.2% YoY

- Taaleem recorded strong top-line growth of 15.0% YoY to AED 548.7M and EBITDA growth of 32.5% YoY to AED 222.3M for the first six month of the financial year ending February 29, 2024;
- Net profit (before tax) increased by 53.0% YoY to AED 182.8M primarily fueled by enrolment growth, additional schools, interest gains on cash reserves, and low debt position;
- Record-breaking student enrolment of 37,961, up 33.2% YoY;
- Strong progress on strategic execution with utilization up +7.8% YoY and enrolments increasing 33.2% YoY;
- Good progress on greenfield projects with Dubai British school Jumeira on track for handover by May 2024;
- Taaleem's Government Partnership portfolio welcomed six new Government partnership schools in HI of 2023/24, including one additional school during Q2 of 2023/24;

Dubai, United Arab Emirates, March 28, 2024: Taaleem Holdings PJSC (“Taaleem” or “the Company”), a leading K-12 premium education provider in the UAE with a portfolio consisting of 32 schools and listed on the Dubai Financial Markets (“DFM”) (SYMBOL: **TAALEEM**; ISIN: **AEF01136T220**), today announced its financial results for HI 2023/24 period ending **February 29, 2024**.

Enrolments**	Revenue	EBITDA	Net Profit (before tax)
37,961 Students +33.2% YoY	AED 548.7 M +15.0% YoY	AED 222.3 M +32.5% YoY	AED 182.8 M +53.0% YoY
K-12 Students** Premium Schools	No. of Premium Schools**	No. of Government Schools**	Students/Teacher Ratio***
13,983 83.0% utilisation	10 schools 3 curricula	22 schools +6 new schools (91.9% utilisation)	13.6 +2.8% YoY

2023/24 academic year *excludes Charter Schools (ADEK) & ESE

Khalid Al Tayer, Chairman of Taaleem, commented:

“Taaleem is committed to delivering excellence in education and driving positive change in the UAE.”

“I am proud of the significant progress achieved in realizing our strategic vision, thanks to the dedication of our staff and the support of the UAE's leadership and growth. Taaleem remains steadfast in delivering top-tier educational outcomes and supporting sector growth. Our record results for HI 2023/24 reflect this commitment, as we invest in expansion, innovation, and enhancements for our students and communities. This success reflects Taaleem's unwavering ambition to shape a brighter educational landscape in the UAE, and I look forward to the impactful milestones ahead.”

Alan Williamson, Chief Executive Officer of Taaleem, commented:

“Empowering education through innovation and inclusivity,

“Over the previous half-year, we have continued to uphold our commitment to excellence in education through significant strides in enhancing our campuses, curriculum, and community. With an investment exceeding AED 10 million, we've upgraded our facilities to include state-of-the-art canteens and substantial

Taaleem invests in excellence, sustainability, and the holistic growth of every learner."

improvements in facilities across a number of schools, ensuring our environments inspire and facilitate learning at the highest levels. Our dedication to inclusive education remains unwavering, as evidenced by the introduction of new BTEC Courses and further investment in our flagship inclusion base for autistic children. Sustainability and responsible stewardship of our environment are at the heart of our operations, a commitment reflected in gaining approvals to implement solar panels across all Taaleem Schools an initiative complemented by the integration of associated science education programs into our curriculum."

Operational Highlights

Growing Student Enrolments

Student Base	H1 2022/23	H1 2023/24	% YoY
Number of Premium Schools	10	10	-
Number of Government Partnerships	16	22	+37.5%
Enrolled Students	28,503	37,961	+33.2%

During H1 of the 2023/24 academic year, Taaleem experienced robust growth in student enrolment, with a substantial increase of 33.2% compared to the same period in the previous year. This growth was driven primarily by a significant uplift of 51.5% YoY in new students enrolled in Government partnerships and a 10.3% YoY rise in enrolment within the premium schools' portfolio. Additionally, Taaleem expanded its reach by securing six new Government partnership schools during the first half of the year, with an additional school added in Q2 of 2023/24 to the Charter School's vertical in Abu Dhabi. These achievements further solidify Taaleem's position as a preferred education provider aligned with the educational vision and objectives of the UAE.

Increasing Capacity Utilization

Students' numbers	Premium Schools - Asset Utilisation				Government Partnerships - Scaling up the Business			
	H1 2022/23	H1 2023/24	Dif.	YoY Change	H1 2022/23	H1 2023/24	Dif.	YoY Change
Physical Capacity	16,856	16,856	-	-	17,025	26,095	9,070	53.3%
Average Enrolment	12,672	13,983	1,311	10.3%	15,831	23,978	8,147	51.5%
Gap Calculations	4,184	2,873	-1,311	-31.3%	1,194	2,117	+923	+77.3%

During H1, Taaleem's premium school segment saw a significant increase in student enrolment, achieving 83.0% capacity utilisation compared to 75.2% in the same period of previous year. This period saw the enrolment of 1,311 additional students, bringing the total to 13,983 compared to 12,672 in the previous year. Consequently, revenue from this vertical grew by 12.3% YoY and EBITDA increased by 24.6% YoY, benefitting from better asset utilisation and economies of scale.

Following the successful addition of six new Government partnership schools during H1 of 2023/24, students within the vertical increased by 8,147 to 23,978, compared to 15,831 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 H1 of 2023/24 financial year, period ended February 29, 2024, saw a substantial surge of 15.0% YoY to AED 548.7M. In Q2 of 2023/24, the revenue experienced a notable increase of 20.3% YoY, reaching AED 289.9M compared to AED 240.9M in the same period of previous year. This growth was driven by a 33.2% YoY rise in enrolments to 37,961 students for the 2023/24 academic year compared to 28,503 students in the same period of previous year. Furthermore, the revenue received a significant boost from the increased utilisation of existing schools and the inclusion of six new schools in the Government partnerships portfolio, with an additional charter school incorporated during Q2 of 2023/24. Parallel to this, Taaleem's premium schools saw an improvement in capacity utilisation, with the capacity-enrolment gap narrowing by 31.3% YoY at the period end.

AED million	H1 2022/23	H1 2023/24	% YoY
Revenue (Operating)	447.1	548.7	15.0%

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

Taaleem's EBITDA witnessed robust growth, increasing by 32.5% YoY to AED 222.3M in H1 of 2023/24 financial year. In Q2 of 2023/24, EBITDA experienced an even more notable increase of 36.2% YoY, reaching AED 121.9M compared to AED 89.5M in the same period of previous year. This growth was primarily driven by the positive impact of higher enrolments and the company's sustained focus on operational efficiency.

AED million	H1 2022/23	H1 2023/24	% YoY
EBITDA	167.8	222.3	32.5%
EBITDA Margin %	35.2%	40.5%	5.3%

Net Profit (before tax)

Net Profit (before tax) increased 53.0% YoY to AED 182.8M, with margins strengthening to 33.3%, up from 25.0% in the same period of last year. In Q2 of 2023/24, Net profit (before tax) surged by 47.4% to AED 101.2M compared to AED 68.7M in the same period of previous 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	H1 2022/23	H1 2023/24	% YoY
Net Profit (before tax)	119.5	182.8	53.0%
Net Profit Margin (before tax) %	25.0%	33.3%	8.3%

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 27.6M in H1 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	H1 2022/23	H1 2023/24	% YoY
Net Profit (after tax)- Current*	N/A	166.4	N/A
Net Profit (after tax)- Cur. & Def.	N/A	138.8	N/A
Net Profit Margin (after tax) %-Current*	N/A	30.3%	N/A
Net Profit Margin (after tax) %-Cur. & Def.	N/A	25.3%	N/A

*Excludes the impact of 27.6M one-off deferred tax liability provision.

Balance Sheet Strength

Taaleem's prudent financial management, coupled with the use of Initial Public Offering (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 453.7M as of February 29, 2024. During the H1 2023/24, Taaleem acquired a new debt to facilitate the construction of Dubai British School Jumeira, a strategic decision that is in strong alignment with the company's overarching financial objectives. Taaleem's strategic focus continues to be on targeted Mergers and Acquisitions (M&A) initiatives, along with the execution of its greenfield strategy, utilizing the proceeds from the IPO to optimize its capital structure. This strong cash position provides Taaleem with ample funding to support investments and potential M&A opportunities, thereby enhancing the efficient execution of its growth strategy.

AED million	FY 2022/23	H1 2023/24	Dif.	YoY Change
Total Debt (A)	27.2	95.8	68.6	251.9%
Deposits (wakala)	475.2	308.5	-166.7	-35.1%
Cash & cash equivalents	227.5	290.8	63.3	27.8%
Total Deposits, Cash & Cash Equivalents (B)	702.7	599.3	-103.4	-14.7%
Restricted Cash* (C)	27.3	49.8	22.5	82.5%
Net Debt (A-B+C)	-648.2	-453.7	194.5	-30.0%

*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 steadfast in its commitment to the 5-Year Strategy, focusing on expanding its premium school portfolio, venturing into new school projects, and pursuing aligned market opportunities. Immediate objectives include finalizing construction at both Dubai British School Jumeira and the previously announced expansion of the Greenfield International School, with plans to introduce 20 new classes scheduled to open by September 2024. Simultaneously, preparations are underway for the launch of the fifth Dubai British School Mira by September 2025.

In H1 of 2023/24 academic year, Taaleem showcased significant operational progress. Premium school utilisation increased by 10.3%, closing the capacity gap by 31.3% compared to the previous year. Additionally,

the company welcomed six new Government partnership schools, with an additional Charter School joining the portfolio during the Q2 of 2023/24. Construction of the Dubai British School Jumeira, intended for +1,900 students, is on track with handover planned by the beginning of May 2024, and is currently accepting enrolment applications for the academic year 2024/25. The fifth 'Dubai British School', Dubai British School Mira, has entered the mobilisation phase following the successful completion of the design stage by Taaleem. Full-scale construction is set to begin in April 2024, and aim for completion by September 2025. The expansion of Greenfield International School is underway, with the foundation expected to be completed by April 2024, followed by the installation of the superstructure. The project remains on track to welcome students by September 2024. Given the strong demand for our quality education services, Taaleem is looking at options to launch a super premium school offering in the UAE. To this end, we have signed a lease contract spanning 50,000 sqm in Dubai and are also making progress on the Abu Dhabi location. 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.

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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 32 schools, comprising 10 owned and operated premium private schools, and 22 Government partnership schools operated on behalf of Government entities. The Group has a student base of +37,961 students and the best teaching staff from across the world.

H1 2023/24 Financial Year Earnings Call

Taaleem will host its H1 2023/24 earnings call at 3:00 p.m. Dubai time on Tuesday, April 2nd, 2024, which will be available via live streaming. Please [click](#) here to register for the event.

Upcoming Earnings Calls Schedule:

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

Shareholders Structure (above 5% ownership) *

SHAREHOLDERS	PERCENTAGE
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%

* Dated: 28-Mar-2023

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