

Taaleem Reports H1-2020/21 Results

Taaleem records another solid set of results on healthy enrolment growth and ongoing ramp-up in capacity utilization rates.

H1-2020/21 Financial Highlights

Revenue	Gross Profit
EGP 317 mn	EGP 228 mn
↑ 17% y-o-y	↑ 21% y-o-y 72% Margin
Adj. EBITDA ¹	Net Profit
EGP 184 mn	EGP 130 mn
↑ 14% y-o-y 58% Margin	↑ 18% y-o-y 41% Margin

Q2 2020/21 Financial Highlights

Revenue	Gross Profit
EGP 182 mn	EGP 137 mn
↑ 33% y-o-y	↑ 47% y-o-y 75% Margin
Adj. EBITDA ¹	Net Profit
EGP 113 mn	EGP 71 mn
↑ 44% y-o-y 62% Margin	↑ 32% y-o-y 39% Margin

Operational Highlights

Licensed Capacity	Enrolled Students	Students Intake	Faculties	Teaching Staff
11k Students	6k Students	1.8k Students	8 Faculties	514 Staff
↑ 44% y-o-y	↑ 12% y-o-y 57% Utilization	↑ 36% y-o-y 80% Utilization	2019/20: 7 Faculties	↓ 0% y-o-y

Cairo, 15 April 2021

Taaleem Management Services (“Taaleem” or the “Company”, TALM on the Egyptian Exchange), one of Egypt’s leading providers of higher education services, announced today its financial results for the six-month period ending 28 February 2021 (H1-2020/21). The Company reported revenues of EGP 317.1 million in H1-20/21, up by 17.1% year-on-year (y-o-y) from the top line recorded for the same period of the previous year. Taaleem registered a net income of EGP 129.6 million for the six-month period, up by 17.5% y-o-y and yielding a net profit margin of 40.9% vs. 40.7% in H1-2019/20. The Company reported revenues of EGP 182.3 million for the three-month period ended 28 February 2021 (Q2-20/21), representing a y-o-y increase of 33.2%. Taaleem’s bottom line climbed by 31.9% y-o-y to book EGP 71.5 million for Q2-20/21, yielding a quarterly net profit margin of 39.2%.

1. Adjusted EBITDA is defined as operating profit for the period/year before depreciation and amortization charges; legal, advisory, and other expenses incurred in connection with acquisitions and related transaction fees subsequently paid by the Company on behalf of the shareholders; discontinued operations and one-off gains/expenses which are not recurring in the ordinary course of the Company’s operations and do not entail further accrual of the same nature or for the same purpose in the future; capital gain or loss resulting from the sale of fixed assets; and on-off expenses in relation to the listing of the Company shares.

Key Financial & Operational Highlights

- Taaleem reported **total operating revenues** of EGP 317.1 million in H1-20/21, up by 17.1% y-o-y, reflecting heightened intake and upward adjustment of tuition price points during the period. Double-digit top-line growth comes despite an interim delay in revenue recognition following the postponement of the start of the second semester at Nahda University Beni Suef (NUB) to 27 February (against 8 February for the 2019/20 academic year) due to the COVID-19 pandemic. Adjusting for these 20 days of delayed revenue recognition yields a revenue growth rate of 32.0% y-o-y for H1-2020/21.
- NUB registered 6,273 **students** in H1-20/21, up by 12.5% y-o-y. **Intake** recorded 696 students against 179 in H1-19/20, reflecting the launch of the **physiotherapy faculty** in H1-20/21 and NUB's success at attracting students and accommodating strong demand during the period, particularly at the faculty of medicine, where intake quotas were up by 60% y-o-y. **Total available student capacity** rose to 11,035 from 7,685 in 2019/20, despite a downward revision of ministry-mandated quotas for pharmacy and dentistry faculties.
- **Gross profit** recorded EGP 227.6 million for H1-20/21, up by 21.1% y-o-y, driven by the ramp-up of intake utilization at higher-margin faculties. Taaleem's **gross profit margin** reported 71.8% for H1-20/21 against 69.4% in H1-19/20.
- **General & administrative (G&A) expenses** reported EGP 82.0 million for the period, up by 53.9% y-o-y. Normalizing for **one-time listing expenses** of EGP 12.5 million, G&A expenses record EGP 69.6 million for H1-20/21, up by 30.5% y-o-y and driven by growth in rent and VAT outlays, as well as the implementation of a Board of Directors remuneration scheme.
- Normalizing for nonrecurring expenses, Taaleem delivered an **adjusted EBITDA** of EGP 184.0 million for H1-2020/21, up by 14.2% y-o-y. Taaleem's **adjusted EBITDA** margin reported 58.0% in H1-20/21 against the 59.7% reported for H1-2019/20. Further normalizing for the 20 days of delayed revenue recognition sustained during H1-2020/21 yields an adjusted EBITDA growth rate of 39.0% y-o-y for the period.
- Taaleem recorded a **net profit** of EGP 129.6 million for H1-20/21, up by 17.5% y-o-y to yield a **net profit margin** of 40.9% versus 40.7% in the prior year period. Excluding the impact of non-recurring items (mainly the costs related to the IPO), adjusted net profit growth for H1-20/21 is up 26% vs. the comparable period last year.
- Taaleem held **total assets** of EGP 1,636.6 million as at 28 February 2021, up from EGP 1,550.2 million at the end of FY-19/20 on 31 August 2020, driven by growth in property and equipment. **Working capital**¹ recorded negative EGP 307.9 million as at 28 February 2021, down from negative EGP 226.3 million on 31 August 2020. **Cash and cash equivalents** reported EGP 282.0 million as at 28 February 2021, down from the EGP 329.1 million reported on 31 August 2020. The Company has no debt.

Taaleem's 2021 Operational Priorities

- Continued progress is being made toward establishing Taaleem's second institution, **Badya University** in West Cairo, having received conceptual approval from the regulator on the project, and finalized the university's design with construction to begin in 2021. Student intake expected by September 2022.
- Taaleem continues to make progress on NUB's expansion plan and is in the process of finalizing designs and acquiring the licenses necessary to begin construction. The Company has received approval from the SCPU to establish its new **faculty of arts**, and approval is pending for **its faculty of architecture**.
- Construction of NUB's new **teaching hospital** attached to NUB's faculty of medicine will commence before the end of the current academic year. The facility will increase the quality and range of medical services available to residents of Upper Egypt.

¹ Working capital is calculated as (Inventories + Trade and Other Receivables) – (Trade and Other Payables + Deferred Revenue).

Management Comment

It brings me great pride to report Taaleem's first set of financial results as a publicly listed company. Our mission at Taaleem is to serve communities with high-quality, fit-for-purpose, skill-based higher education to improve our graduates' employability potential. Thousands of students and their families trust us to provide a service that maximizes their chances of finding fulfilling and remunerative career paths. We bear this responsibility both with great pride and with a strong commitment to continuously enhancing the academic offering and student experience at our existing institution, Nahda University in Beni Suef (NUB). These are commitments we expect to replicate at Badya University, our institution under development in West Cairo, and across all future universities under our care.

Taaleem embarks on its journey as a listed company from a position of financial and operational strength. The Company's revenues rose by 17.1% year-on-year (y-o-y) in H1-2020/21 supported by double-digit growth in student intake at NUB University, which counted 6,273 registered students at the close of H1-20/21, up from 5,577 one year previously. This increase in intake reflects the launch of NUB's physiotherapy faculty during the period, which brings the total number of faculties at the university to eight. It also reflects strong and increasing demand for admission to the university, and particularly to the faculty of medicine launched in the previous year. NUB's medical faculty is Upper Egypt's first and largest private school of medicine and enjoys an unrivalled educational partnership with the Medical University of Vienna (MUVI). Overall capacity at NUB grew strongly during the period as we increased our intake quotas at the university's faculties of engineering and computer science.

It is worth noting that Taaleem has generated these impressive results despite recognizing only two days of second semester revenue during H1-2020/21, against the 22 days recognized in H1-2019/20. This comes as the start date of NUB's second semester was postponed to 27 February from 8 February as a result of the COVID-19 pandemic. We have successfully weathered the disruptions associated with COVID-19, rapidly and efficiently introducing distance learning protocols when and as required, with minimal effects on the quality of instruction. Adjusting for these lost 20 days of revenue recognition yields revenue and adjusted EBITDA growth of 32% and 39%, respectively.

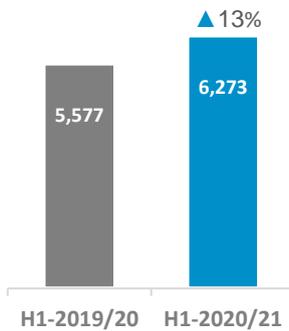
Taaleem continues to make tangible progress on its targeted expansion plan. We applied for initial approval to begin the university licensing process at Badya University, receiving a notification of consent from the Supreme Council of Private Universities (SCPU) to this effect and representing the regulator's conceptual approval on the project. Our engineering and construction partners EHAF have also finalized the project's designs, with an eye to proceeding with tendering and construction on the campus in the coming months. Taaleem remains on track for first student intake at Badya University by September 2022. At NUB, Taaleem has obtained the SCPU's approval to pursue the establishment of a new faculty of arts. Approval of Taaleem's request to establish an architecture faculty at NUB is pending the next session of the SCPU's Board. Meanwhile, work has begun on a teaching hospital attached to NUB's faculty of medicine. The facility will increase the quality and range of medical services available to residents of Upper Egypt, while providing students with an outstanding platform for applied clinical study – further boosting NUB's attractiveness to prospective students.

As we begin the next chapter of the Taaleem story, we reiterate the Company's commitment to building Egypt's leading provider of higher education, and to doing so while respecting the highest standards of transparency and corporate governance. Taaleem is also firmly committed to pursuing the highest standards with respect to its ESG practice, continuously developing and enhancing our frameworks with a focus on quality of education and female employee participation targeting 45% of the work force. To that end, management believes that Taaleem is ideally positioned to provide students, teachers, investors, employers, and other stakeholders with sustainable value for many years to come.

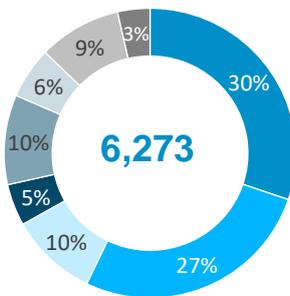
Mohamed El Rashidi, Managing Director

Operational Developments

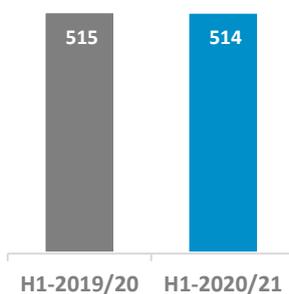
Enrolled Students



Students by Faculty (H1-2020/21)



Teaching Staff



Taaleem's portfolio includes one operational institution of higher education, **Nahda University in Beni Suef (NUB)**, and one institution under development: **Badya University**, located in West Cairo and scheduled for launch in 2022. Taaleem has operated Nahda University in Beni Suef (NUB) since 2015. Strategically located in Egypt's most populous region, NUB is Upper Egypt's first and largest private university. The university caters to a highly underpenetrated regional market, with one of Egypt's lowest higher education penetration rates and only three operating private universities.

The first half of Taaleem's financial year coincides with the first semester of NUB's academic year and typically captures a segment of NUB's second semester, which begins in February. However, as part of its response to the COVID-19 pandemic, Egypt's Supreme Universities Council (SUC) shifted the start date of the second semester of academic year 2020/21 to 27 February 2021 versus 8 February 2020 for academic year 2019/20. This delay resulted in the recognition of only two days of second semester revenue by Taaleem in H1-20/21, down from the 22 days of second semester revenue recognized in H1-19/20.

NUB counted 6,273 students at the close of H1-20/21, up by 12.5% y-o-y from 5,577 enrolled for the same period of the previous year. The intake of students at private universities is subject to quotas imposed by Egypt's Ministry of Higher Education (MoHE), with distinct, faculty-specific limits set on the number of students admitted annually to a given faculty each academic year. NUB's total MoHE-mandated student capacity stood at 11,035 at the close of H1-20/21, up from 7,685 in 2019/20 and from 6,500 in 2018/19. Students at the university are served by eight academic faculties. **In H1-20/21 NUB launched its physiotherapy faculty**, adding to its existing faculties of pharmacy, dentistry, engineering, computer science, media, marketing & business administration, and medicine.

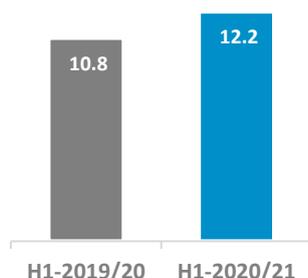
The y-o-y increase in student capacity during H1-20/21 reflects NUB's launch of its physiotherapy faculty in H1-20/21, its earlier launch of the faculty of medicine in 2019/20, and intake quota increases at the faculties of medicine, computer science, and engineering for 2020/21. Total capacity rose during the period despite a downward revision of MoHE-mandated quotas for private and public faculties of pharmacy and dentistry instituted from 2019/20.

NUB's net addition of 696 students in H1-20/21 represents an increase of 289% y-o-y from the net increase of 179 for H1-19/20, with the university's intake quota utilization recording 80% in H1/20-21 against 87% in 1H/19-20. Intake utilization rates fell y-o-y despite an increase in student intake during the period, reflecting growth in NUB's overall capacity as a result of heightened intake quotas at NUB's engineering and computer science faculties. Heightened intake came as NUB successfully attracted students and accommodated strong demand during the period, particularly at the faculty of medicine. Taaleem successfully accommodated strong demand at the medical faculty by **increasing its intake quota by 60% y-o-y to 400 students from 250 one year previously**, reflecting the quality of education on offer at the faculty, Egypt's largest private faculty of medicine. The faculty benefits from an exclusive partnership with the **Medical University of Vienna (MUVI)**, which is ranked among the top 60 universities globally in clinical medicine.

NUB's faculties of pharmacy and dentistry represent the university's two largest sources of enrolment, pending the ramp-up of capacity utilization at remaining and newly introduced faculties. Approximately 30% of NUB students were enrolled at the faculty of pharmacy in H1-20/21, down from the share of 35% recorded one year previously. Meanwhile, the faculty of dentistry held 27% of enrolled students during the period, down from 32% in H1-19/20. The year-on-year declines in these faculties' student shares reflect the abovementioned revision of MoHE-mandated capacity quotas, the

introduction of the physiotherapy faculty, and the enrollment of the second cohort of medical students in H1-20/21. NUB's faculty of medicine held 10% of students in H1-20/21, doubling its H1-19/20 share of 5%, while the faculty of engineering accounted for a further 10% of students (2019/20: 12%). Meanwhile, NUB's physiotherapy faculty held 5% of students in its first full semester of operations, with the remainder of students accounted for by the computer science, marketing & BA, and media faculties.

NUB Student-Teacher Ratio

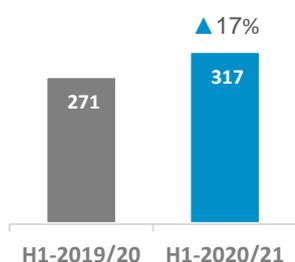


NUB recorded an average tuition per student of EGP 87.8 thousand in H1-20/21, up by 14.2% y-o-y from the EGP 76.9 thousand charged one year previously. This increase follows on a multiyear upward trend, reflecting the adjustment of tuition fees in light of evolving market dynamics and a continuous enhancement in the quality of NUB's academic offering.

NUB counted a total of 514 staff in H1-20/21, stable against the level of 515 recorded one year previously and up from 429 in H1-18/19. The long-term increase in staff stems from the launch of NUB's faculties of medicine and physiotherapy, as well as efforts to accommodate double-digit student intake growth during the period. **NUB recorded a student-teacher ratio of 12.2x in H1-20/21, up from 10.8x in H1-19/20.** The university's student-teacher ratio remains well below the national private university average of 18.6x and the Upper Egypt average of 20.3x, facilitating the delivery of high-quality, skills-based education, particularly in life science faculties. As newly launched faculties approach full utilization, NUB's low student-teacher ratio facilitate the extraction of cost efficiencies at the teaching-staff level.

Financial Performance

Revenue (EGP mn)



Summary Income Statement

EGP mn	H1-20/21			H1-19/20		
	H1-20/21	H1-19/20	Change	Q2-20/21	Q2-19/20	Change
Revenue	317.1	270.8	17.1%	182.3	136.9	33.2%
Gross Profit	227.6	187.9	21.1%	137.2	93.6	46.6%
Gross Profit Margin	71.8%	69.4%	2.4 pts	75.2%	68.3%	6.9 pts
Adjusted EBITDA	184.0	161.7	13.8%	113.1	78.5	44.1%
Adjusted EBITDA Margin	58.0%	59.7%	-1.7 pts	62.1%	57.3%	4.7 pts
Net Profit	129.6	110.3	17.5%	71.5	54.2	31.9%
Net Profit Margin	40.9%	40.7%	0.2 pt	39.2%	39.6%	-0.4 pt

Revenue Breakdown

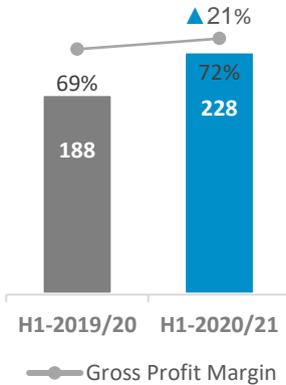


Taaleem reported total operating revenues of EGP 317.1 million in H1-20/21, up by 17.1% y-o-y from the EGP 270.8 million recorded one year previously. Rapid top-line growth was driven by a combination of increased intake and upward adjustment of tuition price points during the period.

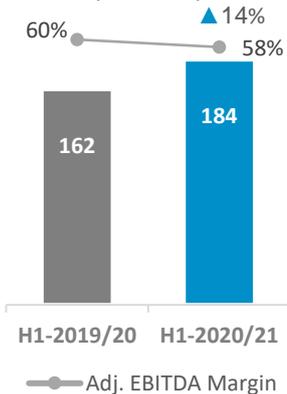
Revenue from tuition fees climbed by 18.1% y-o-y to record EGP 305.4 million for H1-20/21, contributing 96.3% of the Company's consolidated top line during the period. It should be noted that Taaleem collects tuition fees prior to the beginning of each NUB semester and recognizes the resulting revenue as educational services are provided over the course of the semester. Meanwhile, revenue from student housing and bus subscriptions declined by 32.8% and 60.7% y-o-y, respectively, reflecting the impact of the COVID-19 pandemic. Revenues from other educational fees rose by 21.3%, reflecting expanded intake during the period.

Operating costs registered EGP 89.5 million for the six-month period, representing a y-o-y increase of 8.1% from the EGP 82.8 million reported in H1-19/20.

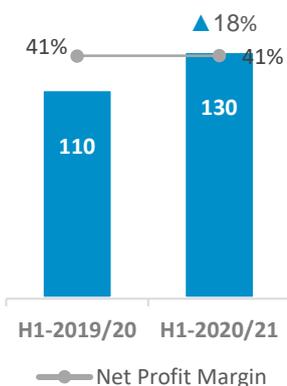
Gross Profit
(EGP mn)



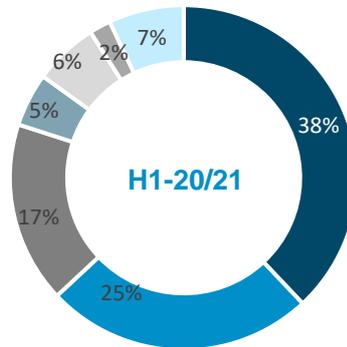
Adjusted EBITDA
(EGP mn)



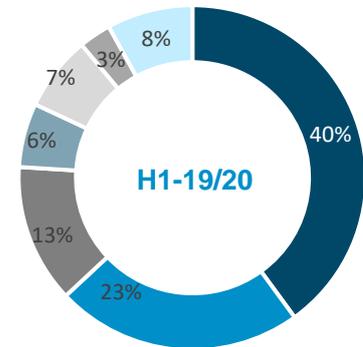
Net Profit
(EGP mn)



Operating Costs Breakdown



- Salaries & Wages
- Dep.
- Edu. Activities
- Utilities
- Gov. Fees
- Rent
- Other



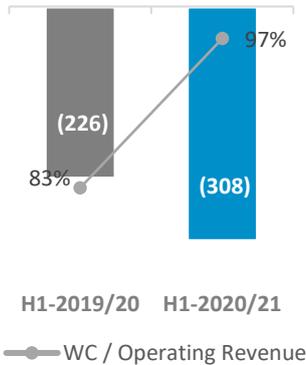
- Salaries & Wages
- Dep.
- Edu. Activities
- Utilities
- Gov. Fees
- Rent
- Other

Salaries and wages comprised the largest single share of Taaleem’s operating cost base in H1-20/21, at 38.3%. Outlays on salaries and wages rose by 4.0% y-o-y, reflecting the optimization of NUB’s teaching staff costs and the university’s student-teacher ratio. Depreciation expenses were the second largest component of Taaleem’s operating costs in H1-20/21, representing 25.4%. Depreciation expenses climbed by 17.7% y-o-y in H1-20/21, driven by the addition of buildings attached to the newly launched physiotherapy faculty and a newly developed learning resources center. Expenses on educational activities represented 17.3% of operating costs in H1-2020/21. Such outlays increased by 42.3% y-o-y, driven by an expansion in the scope of NUB’s academic partnership with MUVI to include certificate attestation, quality assurance, access to MUVI material, and broader operational supervision, with a resulting increase in annual partnership costs at the faculties of medicine and dentistry to EUR 1.17 million for academic year 2020/2021 from EUR 0.75 million for academic year 2019/2020 to. **As a percentage of revenues, Taaleem’s operating costs recorded 28.2% in H1-20/21, down from 30.6% in H1-2019/20.**

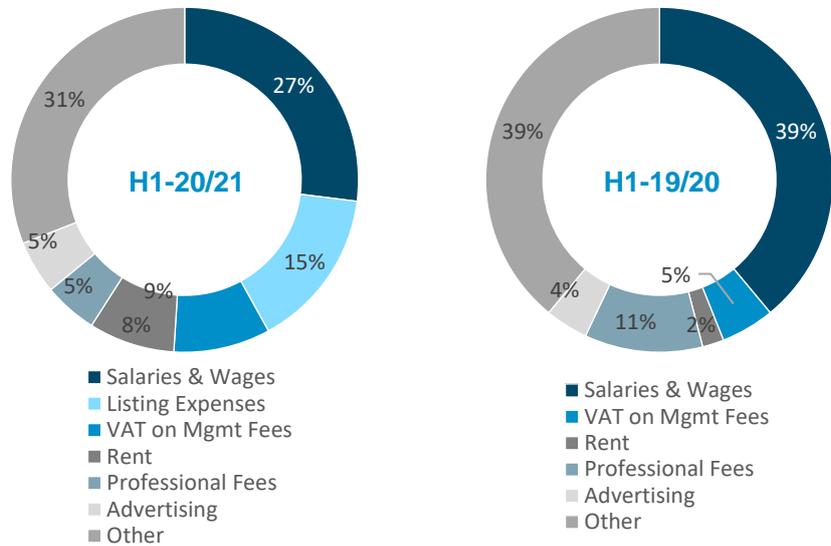
Taaleem’s gross profit came in at EGP 227.6 million for H1-20/21, up by 21.1% y-o-y from EGP 187.9 million in H1-2019/20. This rapid increase reflects the ramp-up of intake utilization at higher-margin faculties during the period. As Taaleem’s operating costs are mostly fixed in nature, the Company enjoys significant operating leverage. **The Company reported a gross profit margin of 71.8% for H1-20/21, an increase of 2.4 percentage points on the 69.4% reported one year previously.**

General & administrative (G&A) expenses recorded EGP 82.0 million for the six-month period, representing a y-o-y increase of 53.9% from the EGP 53.3 million reported in H1-2019/20. G&A outlays for H1-20/21 included EGP 12.5 million in one-time listing expenses, related to Taaleem’s initial public offering, and are thus inflated relative to the comparable period. **Normalizing for one-time listing expenses, G&A expenses record EGP 69.6 million for H1-20/21, up by 30.5% y-o-y on the back of increased rent and value-added tax (VAT) outlays, and the implementation of a Board of Directors remuneration scheme.**

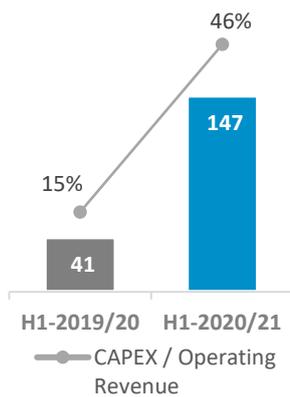
Working Capital
(EGP mn)



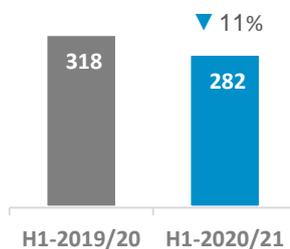
G&A Expenses Breakdown



CAPEX
(EGP mn)



Net Cash
(EGP mn)



Non-academic salaries and wages represented 27.1% of Taaleem’s G&A outlay in H1-20/21. Such expenses rose by 6.2% y-o-y, an efficient rate of increase given the ongoing operational expansion at NUB. One-time listing expenses represented another 15.2% of Taaleem’s G&A outlay during the period. Meanwhile, VAT on management fees composed 9.1% of total G&A expenses in H1-20/21. Such VAT expenses more than doubled y-o-y, reflecting the widened scope of services provided to NUB by Taaleem and a resulting increase in fees charged by Taaleem to the university. Rent expenses formed 7.9% of G&A outlays in H1-20/21, up from a share of 2.4% in H1-19/20. Rent expense rose during the period as Taaleem leased a facility at the Beni Suf Smart Village business district, enabling the Company to implement an asset-light expansion plan in launching the physiotherapy faculty, while facilitating increased student intake quotas at the computer science and engineering faculties. **As a percentage of revenues, G&A expenses reported 25.9% in H1-20/21 against 19.7% in H1-19/20. On a normalized basis, G&A expenses as a percentage of revenues recorded 21.9% for H1-20/21.**

Normalizing for nonrecurring, one-time outlays, Taaleem records an adjusted EBITDA of EGP 184.0 million for H1-2020/21, up by 14.2% y-o-y from an adjusted H1-2019/20 EBITDA of EGP 161.7 million and yielding an adjusted EBITDA margin of 58.0% versus the 59.7% reported for H1-2019/20. This climb in adjusted EBITDA reflects strong top-line growth and Taaleem’s ability to generate strong expansions in profitability from given increases in revenue, coming despite an increase in G&A expenses during the period and lower interim revenue recognition days compared to H1-2019/20.

Taaleem reported a net profit of EGP 129.6 million for the six-month period, an increase of 17.5% y-o-y from the EGP 110.3 million recorded one year previously. The Company’s net profit margin stood at 40.9% for H1-2020/21, up from 40.7% for the same period of the previous year. Strong bottom-line performance reflects a solid expansion in operational profitability and Taaleem’s ability to effectively translate revenue growth into increased profitability. Moreover, enhanced net profitability comes despite the interim delay in revenue recognition and the recognition of nonrecurring outlays related to the listing of Taaleem’s shares on the Egyptian Exchange during the period. The bottom line was further supported by an increase of 58.9% y-o-y in interest income to EGP 14.5 million for the period.

As at 28 February 2021, Taaleem held total assets of EGP 1,636.6 million, up by 5.6% from the position of EGP 1,550.2 million reported at the close of FY-19/20 on 31 August

2020. This increase was driven by growth in property and equipment, which rose by 19.0% in the YTD to record EGP 775.3 million at the close of H1-20/21.

The Company has committed EGP 147.2 million in CAPEX in the YTD, recording 46.4% as a percentage of revenues for the period. CAPEX was up by 259.0% y-o-y from the EGP 41.0 million committed during H1-19/20. Approximately 74% of CAPEX outlays were allocated to the purchase and capitalization of land allocated to NUB's existing campus in January 2021, with 19% of outlays allocated to the development of the university's physiotherapy faculty and a learning resources center.

Taaleem recorded a working capital position of negative EGP 307.9 million as at 28 February 2021, as against a position of negative EGP 226.3 million reported at 31 August 2020.² The Company typically maintains a negative working capital position, as tuition fees are collected prior to the beginning of each NUB semester, yielding a negative cash conversion cycle.

Taaleem reported EGP 282.0 million in cash and cash equivalents as at 28 February 2021, down 14.3% YTD from the EGP 329.1 million reported on 31 August 2020. The Company's strong cash position combined with its unlevered balance sheet provides it with the flexibility to pursue its value-enhancing investments.

² Working capital is calculated as (Inventories + Trade and Other Receivables) – (Trade and Other Payables + Deferred Revenue).

Latest Corporate Developments

Taaleem Enters Badya University JV With Palm Hills

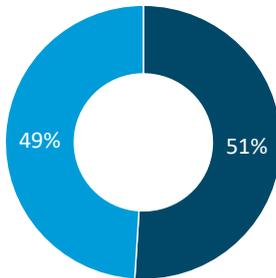
On 1 February, Taaleem established a joint venture with Palm Hills Developments (PHD), one of Egypt's leading real estate companies. The resulting entity, Egyptian International Higher Education S.A.E. will develop the Badya University complex at PHD's Badya project in West Cairo. The complex will include a private Egyptian university and an international branch campus. On 7 February 2021, Taaleem applied for initial approval to begin the university licensing process, receiving a notification of consent from the Supreme Council of Private Universities to this effect. Taaleem has finalized Badya University's design process with the Company's engineering consultant, with an eye to proceeding with tendering and construction of the campus.

Taaleem Acquires Land Plot for Development of Second NUB Beni Suef Campus

Taaleem has finalized the acquisition of a 27-acre land plot in Beni Suef, allocated for the development of a second NUB campus. The new campus will accommodate the university's ongoing expansion, housing three new faculties and a teaching hospital attached to the faculty of medicine. Taaleem continues to make progress on NUB's expansion plan and is in the process of finalizing designs and acquiring the licenses necessary to begin construction. Taaleem has applied for approval of its planned launch of an arts faculty at NUB to the Supreme Council of Private Universities, and has obtained the Council's approval to pursue issuance of the Cabinet approval and Presidential Decree required to establish the faculty. Approval of Taaleem's request to establish an architecture faculty at NUB is pending the next session of the Board of the Supreme Council of Private Universities.

Shareholder Structure

(H1-2020/21)



■ Sphinx Obelisk BV ■ Free Float

Share Information

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

About Taaleem Management Services

Taaleem is a leading higher education provider in Egypt, which operates Nahda University in Beni Suef (“NUB”) with two campuses in Beni Suef Governorate, 100 km south of Greater Cairo. The university is the largest private university in Upper Egypt with a total capacity of just over 11,000 students and more than 6,270 enrolled students for the 2020/2021 academic year, serving Egypt’s most populous and one of its most underserved regions. Taaleem’s flagship university, NUB, hosts a wide spectrum of high- quality education, including pharmacy, dentistry, engineering, computer science, media, marketing and business administration, medicine, and physiotherapy. NUB’s faculty of medicine is Egypt’s largest private medical faculty, and one of only five nationwide, with an exclusive partnership with the Medical University of Vienna International (“MUVI”), an internationally ranked university and one of the oldest medical universities in Europe. NUB plans to launch three new faculties over the next three years, subject to obtaining regulatory approvals, which are expected to boost student capacity by 27%. In addition to NUB, the Company is in the process of launching Badya University in West Cairo, subject to regulatory approvals, with a potential total capacity of 9,160 students. Learn more at: www.taaleem.me

INVESTOR RELATIONS

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Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “aims”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company’s management (“Management”) on future events, which 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 by these forward-looking statements. The occurrence or non- occurrence of an assumption could cause the Company’s actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward- looking statements.

The Company’s business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

Income Statement

EGP	H1-20/21	H1-19/20	Change	Q2-20/21	Q2-19/20	Change
Operating Revenues:						
<i>Tuition Fees</i>	305,395,729	258,529,334	18.1%	175,521,727	130,769,368	34.2%
<i>Student Housing Subscription</i>	3,378,780	5,029,678	-32.8%	1,989,433	2,514,390	-20.9%
<i>Bus Subscription</i>	200,278	509,462	-60.7%	121,394	249,420	-51.3%
<i>Other Educational Fees</i>	8,131,276	6,701,942	21.3%	4,677,152	3,381,904	38.3%
Total	317,106,063	270,770,416	17.1%	182,309,706	136,915,082	33.2%
Operating Costs	(89,538,031)	(82,828,913)	8.1%	(45,141,855)	(43,361,918)	4.1%
Gross Profit	227,568,032	187,941,503	21.1%	137,167,851	93,553,164	46.6%
<i>Gross Profit Margin</i>	71.8%	69.4%	2.4%	75.2%	68.3%	6.9%
G&A Expenses	(82,038,121)	(53,321,904)	53.9%	(49,325,131)	(27,506,465)	79.3%
Other Income	8,677,573	1,729,398	401.8%	554,753	816,766	-32.1%
Operating Profit	154,207,484	136,348,997	13.1%	88,397,473	66,863,465	32.2%
<i>Operating Profit Margin</i>	48.6%	50.4%	-1.7%	48.5%	48.8%	-0.3%
Net Finance Income:						
Interest Income	14,496,018	9,125,326	58.9%	4,898,870	3,977,216	23.2%
Interest Expense	(466,732)	-	-	(466,732)	-	-
FX Gain (Loss)	142,600	(656,084)	-	121,573	(317,336)	-
Total	14,171,886	8,469,242	67.3%	4,553,711	3,659,880	24.4%
Profit Before Tax	168,379,370	144,818,239	16.3%	92,951,184	70,523,345	31.8%
Current Tax Expense	(38,010,752)	(33,778,735)	12.5%	(20,864,637)	(16,790,974)	24.3%
Deferred Tax (Expense)/Income	(767,927)	(756,964)	1.4%	(602,286)	475,695	-
Net Profit	129,600,691	110,282,540	17.5%	71,484,261	54,208,066	31.9%
<i>Net Profit Margin</i>	40.9%	40.7%	0.1%	39.2%	39.6%	-0.4%
EPS	0.37	74.02		0.11	36.99	

Balance Sheet

EGP	H1-20/21	FY-19/20	Change
Cash and Cash Equivalents	281,996,903	172,411,849	63.6%
Inventories	5,098,453	5,058,857	0.8%
Trade and Other Receivables	32,148,779	21,742,954	47.9%
Due from Related	3,000,600	3,498,963	-14.2%
Treasury Bills	-	156,667,952	-
Total Current Assets	322,244,735	359,380,575	-10.3%
Property and Equipment	775,252,671	651,326,133	19.0%
Intangible Assets	522,223,102	522,326,711	0.0%
Trade and Other Receivables	16,835,398	17,118,386	-1.7%
Total Non-Current Assets	1,314,311,171	1,190,771,230	10.4%
Total Assets	1,636,555,906	1,550,151,805	5.6%
Provisions	5,623,614	5,623,614	0.0%
Trade and Other Payables	92,684,437	74,150,746	25.0%
Deferred Revenue	252,508,406	178,999,459	41.1%
Due to Related Parties	-	32,880	-
Current Income Tax Liability	38,132,533	46,048,374	-17.2%
Total Current Liabilities	388,948,990	304,855,073	27.6%
Deferred Tax Liabilities	100,919,075	100,151,148	0.8%
Trade and Other Payables	63,237,879	54,132,219	16.8%
Total Non-Current Liabilities	164,156,954	154,283,367	6.4%
Paid-In Capital	730,250,000	730,250,000	0.0%
Legal Reserves	1,495,196	125,000	1096.2%
Retained Earnings	341,851,158	351,770,583	-2.8%
Capital and Reserves	1,073,596,354	1,082,145,583	-0.8%
Non-Controlling Interests	9,853,608	8,867,782	11.1%
Total Equity	1,083,449,962	1,091,013,365	-0.7%
Total Liabilities and Equity	1,636,555,906	1,550,151,805	5.6%

Cash Flow Statement

EGP	H1-20/21	H1-19/20
Cash Flows from Operating Activities:		
Profit Before Tax	168,379,370	144,818,239
Adjustments For:		
Depreciation	23,276,342	19,677,472
Amortization	103,609	152,125
Impairment of Due From Related	926,525	2,798,129
Interest Income	(14,496,018)	(9,125,326)
Operating Cash Flows Before Changes in Assets and Liabilities	178,189,828	158,320,639
Changes in Current and Non-Current Assets and Liabilities		
Inventories	(39,596)	(31,725)
Trade and Other Receivables	(8,877,068)	(12,710,477)
Due from Related	(428,162)	(1,510,661)
Trade and Other Payables	27,639,351	140,098,654
Deferred Revenue	73,508,947	(38,592,269)
Due to Related	(32,880)	-
Income Tax Paid	(45,926,593)	(29,703,641)
Net Cash Flows Generated from Operating Activities	224,033,827	215,870,520
Cash Flows from Investing Activities		
Payments to Purchase Fixed Assets	(147,202,880)	(41,044,467)
Interest Received	13,250,249	9,125,326
Net Cash Flows Used in Investing Activities	(133,952,631)	(31,919,141)
Cash Flows from Financing Activities		
Settlement of Deferred Consideration for the Acquired Subsidiary	-	(730,263,466)
Capital Increase	-	598,600,000
Profit Share Distribution to Employees	(7,756,084)	(7,336,554)
Dividends to Shareholders	(110,267,750)	-
Payments to Acquire Investments in Subsidiaries	-	(32,500)
Tax On Dividends Related to Expected Distribution to Shareholders	(19,140,260)	(2,000,000)
Net Cash Flows Used in Financing Activities	(137,164,094)	(141,032,520)
Net Change in Cash and Cash Equivalents for the Period	(47,082,898)	42,918,859
Cash and Cash Equivalents at the Beginning of the Period	328,879,801	274,919,412
Cash and Cash Equivalents at the End of the Period	281,796,903	317,838,271