

Alef Education delivers resilient Q1 2026 performance, maintaining sector leading EBITDA margins of 74.5%, and Net Profit growth of 2.5% YoY

- Q1 2026 revenues of AED 180.8 million, up 0.6% YoY, reflecting the continued stability of the core UAE portfolio and contributions from recently signed contracts across B2B/B2G segments.
- EBITDA grew 1.4% YoY to AED 134.6 million, with margin expanding 60 bps to 74.5%, while net profit increased 2.5% YoY to AED 118.1 million, lifting net profit margin by 120 bps to 65.4%, supported by higher revenues, continued cost optimization and stronger treasury income.
- Cash and cash equivalents increased to AED 675.6 million as at 31 March 2026 (+9.0% YTD), maintaining a strong liquidity position and a debt-free balance sheet.
- Alef Marketplace and Alef AI launched in Q1 2026, expanding the Group's product offering and supporting deepening engagement across B2B/B2G and private school segments.
- FY2025 dividend payments of AED 433.0 million representing 90% of FY2025 net profit were completed in full, including a guaranteed dividend of Fils 9.64 per share distributed to market shareholders, delivering an approximate 10% dividend yield.
- At the AGM on 31 March 2026, shareholders approved an interim dividend of 90% of H1 2026 net profit, payable post H1 2026 results.

Abu Dhabi, UAE – 12 May 2026: Alef Education Holding Plc (the “Group” or “Alef Education” or “ADX: ALEFEDT”), an award-winning AI-powered learning solutions provider redefining the educational experience for K-12 students, based in Abu Dhabi, today announced its financial results for the three-month period ending 31 March 2026 (“Q1 2026”).

Alef Education delivered a resilient start to FY 2026, reporting Q1 revenue of AED 180.8 million, up 0.6% YoY, supported by the stability of the core Abu Dhabi Department of Education and Knowledge (ADEK) portfolio and a broader contribution from private schools, non-school B2B/B2G contracts, and international engagements. Profitability remained strong, with EBITDA margin improving to 74.5%, up 60 bps from Q1 2025, reflecting a more efficient cost structure and the operating leverage of the Group’s platform-based model.

Geoffrey Alphonso, Chief Executive Officer of Alef Education, stated:

“This quarter showed that resilient education systems are no longer optional; they are essential.”

Our performance in Q1 2026 underscored the strength and visibility of our recurring revenue model, underpinned by contracted revenues extending to 2033, as well as the scalability of our platform. Importantly, the quarter demonstrated the critical role and robustness of our technology during a period of regional disruption, where the activation of distance learning across Abu Dhabi public schools drove a meaningful increase in teacher and student engagement, with teachers reaching ~80% adoption and student usage at 60–70%, ensuring uninterrupted continuity of education for all students that have access to our solutions.

Our strong performance reflects the structural resilience of our business model, underpinned by long-term contractual revenues, strong government partnerships, and a platform capable of scaling efficiently in both stable and dynamic operating environments. We also continued to execute on our growth strategy, expanding our private school footprint, advancing international and B2B engagements, and progressing key innovation initiatives, including Miqyas Al Dhad.”

Q1 2026 Continued Profitability Growth Supported by Scalable Operations and Cost Efficiency

Alef Education sustained its profitability momentum in Q1 2026, with results reflecting the strength of its recurring revenue base and continued efficiency improvements. Revenue grew 0.6% YoY to AED 180.8 million, supported by contributions from recently secured contracts. The B2B/B2G and private segments continued to diversify, with the core ADEK portfolio remaining stable.

EBITDA increased by 1.4% YoY to AED 134.6 million, with the EBITDA margin expanding to 74.5%, up 60 basis points compared to Q1 2025. The improvement was driven by continuous cost optimization efforts, including savings across software costs, lower support and service expenses from renegotiated contracts, and higher efficiency in product development efforts.

Net profit increased 2.5% YoY to AED 118.1 million, with net profit margin expanding to 65.4%, supported by higher revenue and stronger treasury income from improved working capital management, partly offset by higher corporate tax and amortization in line with continued investment in intangible assets.

The Group closed the quarter with AED 675.6 million in cash and cash equivalents as at 31 March 2026, maintaining a debt-free balance sheet. This strong financial position provides flexibility to fund ongoing ADEK commitments, invest in product development, and continue delivering consistent returns to shareholders.

Reliable and Attractive Dividend Policy

Alef Education's strong financial position and contracted ADEK revenue base continue to support reliable shareholder returns. For FY2025, the Group completed total dividend payments of AED 433.0 million, representing 90% of FY2025 net profit, including a guaranteed dividend of AED 9.64 per share to 20% market shareholders delivering an approximate 10% dividend yield, paid in two equal instalments of AED 67.5 million in August 2025 and April 2026. At the AGM held on 31 March 2026, shareholders further approved an interim cash dividend equivalent to 90% of H1 2026 net profit, payable following the release of H1 2026 financial statements, reinforcing the Group's commitment to attractive and sustainable returns.

Platform Resilience, Partnerships and Innovation

During Q1 2026, Alef Education progressed its domestic and international growth priorities while reinforcing the strategic importance of its platform amid regional geopolitical disruption. The robustness of the Alef Platform was demonstrated when distance learning was activated across Abu Dhabi public schools, resulting in a 44% increase in teacher active usage and a 19% increase in student active usage compared to normal schooling periods, supporting the uninterrupted continuity of education.

Alef Education continued to expand its presence in the UAE private school market, with the platform now serving approximately 188 private schools and around 223,000 active students, capturing approximately 37% of the UAE private school market. Active cross-sell and upsell activity with existing clients continues to deepen engagement, supported by strong marketplace and platform rollouts. Multiple deals have been executed for the academic year 2026-27, with revenue expected to be recognised in Q3/Q4 2026.

Our growing footprint continues to reinforce the strength and relevance of Alef Education's platform, as further evidenced by an independent efficacy study covering 116 schools and over 31,000 students across Grades 6 to 12, which found that students using the Alef Platform scored significantly higher across all five subjects examined, with greater engagement linked to stronger outcomes. Alef Education also continued to advance its AI innovation agenda through the launch of Alef AI, an end-to-end AI-powered solution for teachers, alongside ongoing R&D progress in AI-powered handwriting autograding.

Alef Pathways was awarded 'Best Educational Platform' at the 4th Kuwait Award for Educational Technology Conference & Exhibition 2026, and the Group received further recognitions at the Inc. Arabia Leaders of Tomorrow Award, the Sharjah International Summit on Improvement in Education, and the ADX Awards for Best Digital Annual Report and Best Annual Report Post-IPO.

In addition, the Group launched the Alef Marketplace, a beyond-curriculum content platform featuring programmes developed with government and corporate partners, including BADER (safety and emergency preparedness with Abu Dhabi Civil Defence Authority), ZOUD (financial literacy), Cybersecurity Awareness, AI Literacy, and Energy Efficiency Literacy with TAQA.

Outlook

For FY 2026, Alef Education is maintaining guidance, with revenue expected to grow 7% YoY, supported by strong visibility from its core ADEK partnership and other contracted inflows, an expanding B2B and B2G pipeline across the UAE and international markets, continued momentum in the UAE private school segment, and the commercial scaling of Miqyas Al Dhad. Q1 2026 performance further reinforced the resilience of the Group's contracted revenue base and its defensive qualities against the current regional geopolitical backdrop. The launch of Alef Marketplace, expansion of Pathways offerings, and the rollout of Alef AI for teachers are also expected to support product adoption and revenue diversification.

EBITDA is expected to grow by 4% YoY, with margins guided at above 68%, while net profit is projected to increase by 4% YoY, with margins above 60%. This outlook is supported by new contract wins, ongoing cost discipline, and continued investment in platform enhancements and product development.

Against the backdrop of an evolving regional environment, the Group remains confident in its ability to execute on its strategic priorities and preserve the resilience of its operating model. Alef Education also remains committed to its stable dividend policy, targeting a 90% payout ratio and reinforcing its focus on delivering attractive, sustainable shareholder returns while supporting long-term growth.

Financial Summary

<i>AED millions</i>	Q1 2026	Q1 2025	% Change
Revenues	180.8	179.7	+0.6%
Total Expenses	56.6	56.4	-0.4%
EBITDA*	134.6	132.8	+1.4%
<i>EBITDA Margin</i>	74.5%	73.9%	+60 bps
Net Profit	118.1	115.3	+2.5%
<i>Net Profit Margin</i>	65.4%	64.2%	+120 bps

* EBITDA is earnings before interest, tax, depreciation, amortization and lease expenses (interest and depreciation on right of use assets).

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About Alef Education

Founded in 2016, Alef Education (ALEFEDT on the Abu Dhabi Stock Exchange) is an award-winning AI-powered learning solutions provider that is redefining the educational experience for K-12 students. The Group has established a strong presence in the education technology sector, operating in over 19,000 schools across the UAE, Indonesia, and Morocco. Its flagship AI-integrated Alef Platform offers personalised learning experiences to approximately 2.0 million registered students, enabling them to work at their own pace and reach their full potential anytime, anywhere. With a 100% penetration rate in Cycle 2 (Grades 5-8) and Cycle 3 (Grades 9-12), Alef Education has a proven track record of improving student engagement and achievement, with test scores in Indonesia increasing by 8.5% in Arabic and Maths.

The award-winning Alef Platform provides AI-powered learning and teaching solutions that use real-time data to drive improvements across the education system. Alef Pathways is a student-centred, self-paced supplemental math program. Abjadiyat is an Arabic language learning platform that provides engaging and interactive content from kindergarten to Grade 4. Arabits is a complete Arabic learning system for non-native speakers that helps students of all ages learn, practice, and improve their Arabic language skills using AI.

Alongside supporting students throughout their educational journey, Alef Education supports over 84,000 educators with tools that enrich instruction and enable high-impact interventions to improve student learning outcomes. Alef Education promotes engagement, achievement and equity in learning, preparing students for success in an ever-evolving world.

For more information, visit www.alefeducation.com.

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