

## Taaleem Reports its H1 23/24 Results

Cairo, 23 April 2024, Taaleem Management Services announces its results for the H1 23/24 period ending 29 February 2024.

### H1 23/24 Financial Highlights



### AY 23/24 Operational Highlights<sup>1</sup>



### H1 23/24 Key Financial Highlights

- **Total revenue** reached EGP 690mn, reflecting an impressive 61% YoY growth. Normalizing for the difference in revenue days recognized between H1 2024 and H1 2023, H1 2024 revenue increased by 58% YoY.
- **Gross profit** came in at EGP 547mn, recording 74% YoY growth and a gross profit margin of 79%, up 600 bps YoY.
- **EBITDA** recorded EGP 463mn, achieving a robust 73% YoY growth with an outstanding 67% margin.
- **Net income** reached EGP 358mn, up 86% YoY, yielding a remarkable margin of 52%.
- **Cash & cash equivalents** amounted to EGP 462mn, while total debts stood at EGP 1.1bn, reflecting a net debt position of EGP 603mn in line with Taaleem's growth and capital structure optimization plans.
- **CAPEX** totaled EGP 818mn, reflecting the development of phase one of Badya University and NUB's new faculties and University Hospital in the campus expansion.

<sup>1</sup> excluding university campuses under construction

### Latest Developments

- **March 20, 2024:** Taaleem announced that the Cabinet has granted approval for the establishment of Memphis University, Taaleem's third asset located in East Cairo, with the regulatory approval process now pending only the issuance of the presidential decree, following a similar path to Badya University which obtained its approval in August 2023. On the development side, the construction of the first phase of Memphis University, encompassing the three faculties of Medicine, Engineering, and Business & Economics, is progressing steadily towards the University's planned inauguration in September 2025.

### Mohamed El Rashidi, Taaleem's Managing Director & Chief Executive Officer, commented:

"Our H1 23/24 results continue the robust growth trajectory established in the first quarter. This performance reflects strong enrollment numbers at NUB and our focused approach to managing costs. I am thrilled to announce that our total revenue reached EGP 690 million, marking an impressive 61% year-over-year increase. Our EBITDA margin at 67% underscores our efficiency in cost control paired with consistent revenue gains, and our net profit for the period was EGP 358 million, reflecting a significant 52% profit margin.

Looking ahead to 2024, Taaleem is set to achieve critical milestones that will shape our future direction. A key highlight is the upcoming inauguration of Badya University, following the Presidential Decree last year, which facilitated its construction on schedule. The first student intake is scheduled for September 2024, and marketing preparations are already underway.

Regarding Memphis University, we are pleased with the Cabinet's recent approval for its establishment, which advances our strategic expansion plans. We are close to completing the regulatory approvals and awaiting the Presidential Decree. Construction of the first phase is underway, with the university's launch planned for September 2025.

We are proud of our progress and are excited about the opportunities ahead. Our commitment to delivering premier higher education in Egypt while creating value for our shareholders and the community remains unwavering."

### H1 23/24 - Income Statement Highlights

EGP mn	Q2 2023	Q2 2024	Δ % YoY
Revenue	199	298	50%
Operating Costs	(59)	(73)	24%
Gross Profit	140	225	60%
<b>Gross Profit Margin</b>	<b>70%</b>	<b>75%</b>	<b>500 bps</b>
G&A Expenses	(39)	(66)	67%
Other Income	1	2	135%
EBITDA	117	177	50%
<b>EBITDA Margin</b>	<b>59%</b>	<b>59%</b>	<b>30 bps</b>
Adjusted EBITDA <sup>2</sup>	118	179	51%
<b>Adjusted EBITDA Margin</b>	<b>59%</b>	<b>60%</b>	<b>68 bps</b>
Net Finance Income/(Cost)	8	15	74%
Income from Investments in Associate	-	3	N/A
Tax Expense	(26)	(42)	61%
Net Profit	84	137	63%
<b>Net Profit Margin</b>	<b>42%</b>	<b>46%</b>	<b>377 bps</b>

EGP mn	H1 2023	H1 2024	Δ % YoY
Revenue	429	690	61%
Operating Costs	(115)	(143)	25%
Gross Profit	314	547	74%
<b>Gross Profit Margin</b>	<b>73%</b>	<b>79%</b>	<b>600 bps</b>
G&A Expenses	(79)	(119)	50%
Other Income	2	3	99%
EBITDA	267	463	73%
<b>EBITDA Margin</b>	<b>62%</b>	<b>67%</b>	<b>482 bps</b>
Adjusted EBITDA <sup>3</sup>	270	467	73%
<b>Adjusted EBITDA Margin</b>	<b>63%</b>	<b>68%</b>	<b>471 bps</b>
Net Finance Income/(Cost)	12	29	135%
Income from Investments in Associate	-	3	N/A
Tax Expense	(57)	(107)	86%
Net Profit	192	358	86%
<b>Net Profit Margin</b>	<b>45%</b>	<b>52%</b>	<b>708 bps</b>

- **Total revenue** reached EGP 690mn, reflecting an impressive 61% YoY growth. This remarkable growth was primarily fueled by a substantial 33% YoY increase in the student base and a 12% rise in average revenue per student. The variance in revenue recognition days had a minor impact on H1 figures, demonstrated by the strong 58% YoY revenue increase for H1 23/24, after normalization.

<sup>2</sup> EBITDA is adjusted for EGP 2.3mn ESOP expense in Q2 2024 and for EGP 0.8mn ESOP expense in Q2 2023.

<sup>3</sup> EBITDA is adjusted for EGP 4.7mn ESOP expense and EGP 0.7mn proceeds from the sale of assets in H1 2024 and EGP 2.9mn ESOP expense in H1 2023.

- **Operating cost** for the period recorded EGP 143mn, up by 25% YoY, mainly coming from the rise in salaries and wages by 33% YoY, reflecting the annual salary raise and the cost of new hires to accommodate the increase in students, while recording a salaries/sales ratio of 8%, lower than the preceding year's 10%. Another factor is the rise in educational activities expenses by 27% YoY, driven by the increase in the number of students, in addition to the FX rate impact on educational cost items (laboratory materials and affiliation payments).
- **G&A** grew 50% YoY, totaling EGP 119mn. Adjusting for the ESOP expense and other non-recurring items, G&A grew 49% YoY. The increase in G&A is mainly owed to a 41% YoY increase in non-academic salaries and wages, recording a lower salaries/sale ratio of 5% compared to the preceding year's 6%, followed by a 63% YoY increase in advertising costs due to the preparation of Badya University's marketing and branding strategy.
- **EBITDA** reached EGP 463mn, growing 73% YoY with a strong 67% margin. Excluding the ESOP expense and non-recurring items, adjusted EBITDA maintained its 73% YoY growth with a 68% margin. Normalizing for the difference in revenue recognition days, normalized EBITDA grew by 69% YoY.
- **Net income** landed at EGP 358mn, marking a significant 86% YoY increase and a robust 52% margin.
- **CAPEX** reached EGP 818mn, with 25% allocated to NUB and 75% for Badya University's phase one. During this period, 97% of Taaleem's CAPEX was disbursed on growth initiatives, including phase one of Badya University, NUB's University Hospital, and the two faculties of Arts and Architecture.

### H1 23/24 - Balance Sheet Highlights

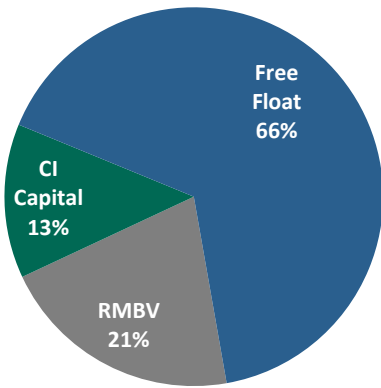
EGP mn	H1 2023	H1 2024	Δ % YoY
<b>Total Assets</b>	<b>2,277</b>	<b>4,058</b>	78%
Current Assets	585	535	-8%
Non-current Assets	1,692	3,522	108%
<b>Total Liabilities</b>	<b>773</b>	<b>2,531</b>	227%
Current Liabilities	302	756	150%
Non-current Liabilities	471	1,775	277%
<b>Total Equity</b>	<b>1,504</b>	<b>1,527</b>	1%
<b>Total Liabilities &amp; Equity</b>	<b>2,277</b>	<b>4,058</b>	78%

### H1 23/24 - Cash Flow Highlights

EGP mn	H1 2023	H1 2024	Δ % YoY
<b>Cash Flow from Operations</b>	<b>188</b>	<b>263</b>	<b>40%</b>
<b>Cash Flow from Investing Activities</b>	<b>(90)</b>	<b>(708)</b>	<b>682%</b>
<b>Cash Flow from Financing Activities</b>	<b>287</b>	<b>477</b>	<b>66%</b>
<b>Net Changes in Cash &amp; Cash Equivalents During the Period</b>	<b>385</b>	<b>33</b>	<b>-92%</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Period</b>	<b>107</b>	<b>429</b>	<b>302%</b>
<b>Cash &amp; Cash Equivalents at the End of the Period</b>	<b>491</b>	<b>462</b>	<b>-6%</b>

-End-

**Shareholder Structure**  
As of March 31, 2024



**Share Information**

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

**About Taaleem Management Services**

Established in 2015, Taaleem is one of Egypt’s leading providers of higher education services and is the tertiary education sector’s only pure-play firm. The company operates a platform-based model designed to be sustainably scalable across multiple assets. Taaleem’s platform enables it to centralize supporting functions, generate synergies, and exploit economies of scale, allowing its academic institutions to focus on providing accessible, high-quality education that equips students with the skills needed to secure thriving professional careers. Taaleem’s platform-based model has demonstrated its ability to create sustainable value with its success at Nahda University in Beni Suef (NUB), the company’s first asset.

Strategically located in Egypt’s most populous region, NUB is Upper Egypt’s first and largest private university, catering to a highly underpenetrated regional market and providing students with access to high-quality education and skill-based learning at competitive price points. Taaleem’s second institution, Badya University, is located in West Cairo and is currently under development. Badya University is being developed in partnership with Palm Hills, one of Egypt’s leading real estate developers. Taaleem completed the acquisition of its third institution, Memphis University, an under-development university in East Cairo. Taaleem is constantly exploring new opportunities for sustainable growth, whether through mergers and acquisitions or greenfield projects, with an eye to extending its long record of successes.

Learn more at: [www.taaleem.me](http://www.taaleem.me)

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**Forward-Looking Statements**

This document has been prepared by Taaleem Management Services and contains certain forward-looking statements that reflect the current views of the Company’s management, which have not been independently verified. Such statements 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 in this document.

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