

# Forecast by Segment

# Q2 Summary

- Total revenue in Q2 amounts to SR 373.9 million compared to 339.2 million in Q2 2017, an increase of 10% YOY
- Loss before zakat in Q2 2018 amounted to SR 2.1 million compared to SR 17.2 million profit in Q2 2017.
- The drop in profit is related to increase in direct expenses and reduction in HRDF
- We expect to see recovery in H2 when new contracts will be awarded at revised rates
- Onwards 2019, we expect to see steady growth as our schools will mature and prices will be revised for new contracts.

# Q2 2018 Sector Comparison

Q-2	30-Jun-17	Computer SR	Language SR	University	Fin & Mgst	Smart Link	School	Total SR
	Revenue	41,416,991	36,550,471	35,817,076	28,011,106	151,994,138	45,506,806	339,296,588
	Depr.	1,705,947	1,075,998	1,356,414	947,973	1,488,752	3,262,628	9,837,712
	Profit Before Zakat	(1,670,418)	1,861,434	1,051,192	1,716,634	13,175,308	1,088,916	17,223,066
	Total Assets	234,668,703	117,334,352	15,644,580	23,466,870	261,665,952	561,348,172	1,214,128,629
	Total Liabilities	48,188,473	24,094,236	3,212,565	4,818,847	52,398,197	551,804,153	684,516,471
	Capital expenditure	3,979,254	1,989,627	265,284	397,925	3,452,265	45,253,922	55,338,277
	Net	-4.03%	5.09%	2.93%	6.13%	8.67%	2.39%	5.08%
Q-2	30-Jun-18	Computer SR	Language SR	University	Fin & Mgst	Smart Link	School	Total SR
	Revenue	43,780,370	28,001,097	42,700,781	46,613,238	164,953,506	47,873,211	373,922,203
	Depr.	1,803,753	1,127,346	1,578,284	941,592	2,396,123	4,641,450	12,488,547
	Profit Before Zakat	(6,593,216)	(6,452,953)	2,188,752	5,137,066	9,891,577	(6,323,463)	(2,152,237)
	Total Assets	235,807,394.78	117,903,697.39	14,737,962.17	52,892,573	264,601,749	605,776,049	1,291,719,425
	Total Liabilities	63,487,107.65	31,743,553.82	3,967,944.23	31,126,170	31,043,057	601,120,051	762,487,884
	Capital expenditure	3,725,949.73	1,925,074.03	558,892.46	1,420,922	5,455,757	5,173,227	18,259,822
		-15.06%	-23.05%	5.13%	11.02%	6.00%	-13.21%	-0.58%

# 1 Training Sector

- This segment provides training in IT, English Language, Soft Skills, and other areas
- This segment is expected to continue growth at 4% in 2018 and 4% in 2019
- Further positive signs of improvement are expected during the year as new contracts are awarded to the company
- We expect this segment to further improve on the profitability by controlling expenses while maintaining and/or improving on quality of service

## 2

# Education Sector - Schools

## Schools and Kindergartens

- A plan to open K3/K12 in the major cities, starting with 3 schools to be built by the end of 2019. Real Estate developers will build and we rent long term. Each Kindergarten will have a capacity of 450 students. Average tuition for the (K-12) is between SAR 35K with the exception of Dammam 2 which will be converted to International School from 18/19.
- The company will follow the model of having developers build purpose-built K-12 schools. Al Khaleej Training will lease for 20-25 years. This will be applied in with new schools. This will result in improving the company cash flow.

Expected Number of Students					
Year	2017-18	2018-19	2019-20	2020-21	2021-22
Dammam 1	2,091	2,150	2,200	2,200	2,200
Dammam 2	468	650	750	800	850
Riyadh 1	317	650	1,200	1,800	2,200
Riyadh 2	71	300	800	1,200	1,500
KG-3 Format-1-Sahafa	184	200	250	250	250
KG-3 Format-2-Dhahran	217	250	250	250	250
School-3-Jeddah	0	300	600	1,000	1,400
School-4-Khobar	0	0	300	700	1,000
School-5-KAEC	0	0	200	400	600
3 KG-3 Format	0	0	500	1,000	1,500
<b>TOTAL</b>	<b>3,348</b>	<b>4,500</b>	<b>7,050</b>	<b>9,600</b>	<b>11,750</b>

## 2

# Education Sector - Schools

## Schools and Kindergartens

Expected Revenue					
Year	2017-18	2018-19	2019-20	2020-21	2021-22
Dammam 1	73,186,400	75,250,000	77,000,000	77,000,000	77,000,000
Dammam 2	8,426,880	13,000,000	18,750,000	28,000,000	29,750,000
Riyadh 1	11,093,600	22,750,000	42,000,000	63,000,000	77,000,000
Riyadh 2	2,469,600	10,500,000	28,000,000	42,000,000	52,500,000
KG-3 Format-1-Sahafa	6,428,800	7,000,000	8,750,000	8,750,000	8,750,000
KG-3 Format-2-Dhahran	7,604,800	8,750,000	8,750,000	8,750,000	8,750,000
School-3-Jeddah	-	10,500,000	21,000,000	35,000,000	49,000,000
School-4-Khobar	-	-	10,500,000	24,500,000	35,000,000
School-5-KAEC	-	-	7,000,000	14,000,000	21,000,000
3 KG-3 Format	-	-	17,500,000	35,000,000	52,500,000
<b>TOTAL</b>	<b>109,210,080</b>	<b>147,750,000</b>	<b>239,250,000</b>	<b>336,000,000</b>	<b>411,250,000</b>

# 3 Educational Projects - Universities

**University Projects:- 14<sup>th</sup> year, a Preparatory Year Program launched by all Saudi Universities.**

- AlKhaleej is running all or part of these programs (English, IT, and Soft Skills).
- This sector is showing improvement as we received new projects:

2018	Revenue <u>80 Million</u>
2019	Revenue <u>85 Million</u>
2020	Revenue <u>90 Million</u>

# 4

## Smart Link Call Center

- The sector has managed to achieve required growth in 2017 and we expect to see sustainable growth over the forecast period
- As present, we have 1,400 seats and 2,300 agents
- A great source of Saudization in the Company
- Expect this Sector to grow 10% YOY 2018, 2019 and 2020



Questions?

THANK YOU