

# Alkhaleej Training and Education Company Investor Presentation

For the month ending Sept 30, 2021

**CONFIDENTIAL**

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# Alkhaleej Training and Education Co

## Business Units, Subsidiaries and Investments

### UAE

Franklin Covey  
Middle East  
61%

FastLane  
80%

ADMS  
90%

Online Trading  
Academy  
100%

### KSA

Alkhaleej  
Training  
100%

Smart Link  
BPO/CC  
100%

Schools &  
Universities  
100%

Others  
100%

### Egypt

Alkhaleej  
Training  
57%

Jobzella  
60%

### US/UK

Linguaphone  
UK  
100%

New Horizon  
US  
15%

The background is a dark blue field filled with various geometric shapes. There are several large circles in yellow, teal, red, and light blue. A white handprint is centered in the upper half. A light blue stylized figure is at the bottom. A horizontal semi-transparent blue bar with a white arrow pointing right is in the middle. The text 'Training Overview' is written in white on the left side of this bar.

# Training Overview

# Vision and Mission



*To be the clients' first choice through their journey of knowledge*

*We are empowered and inspiring leaders who facilitate your journey of knowledge for a better career through the use of innovative training methodologies*



# Values



## VALUES

- Professional conduct in all endeavors (trust, quality, work ethic, honesty)
- Passion (initiative, drive, empowered)
- Exceptionally positive attitudes (inspiring, innovative)
- Teamwork (shared mission, effective communication, mutual respect, caring)
- Commitment (loyalty, and dedication)
- Customer Oriented (clients as partners)
- Think and act like owners (manage resources and financial affairs, serve the customers, look for opportunities to promote and grow the business)
- Safety for our trainees & staff
- Social Responsibility to the community & environment

# Timeline – Training

## Overview

### Computer Training



#### Innovative Training Solutions for Corporates and Individuals

- New Horizons has become the largest training center throughout the Kingdom.
- New Horizons is officially recognized by the largest world manufacturing Software companies.

### Computer Training



#### English for young children from 4 to 10+ years

- Provides a stimulating, fun and safe environment
- Has flexible classes to best suit your child's needs and abilities
- Develops fundamental creative and educational skills
- Uses an extensive range of multimedia learning and support materials
- Employs qualified, bilingual, native English speakers

### English Language Training



#### Very easy English Language Teaching style

- Direct English develops the English skills
- It is a Program that is designed to simulate human language learning process :  
Listening, Speaking, Reading and Writing

### Management, Leadership, Stock, Forex Financial and Insurance Training



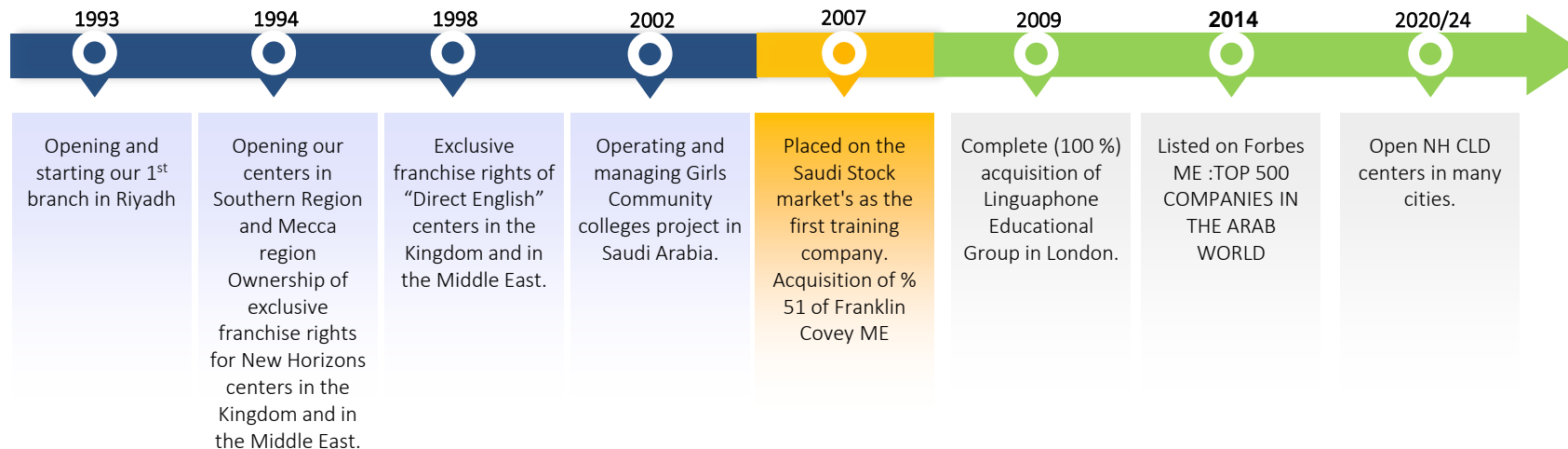
#### NEW DIMENSION is specialized in Management Training

- It aims at introducing and providing programs to administrative audiences in the different levels of the management.
- In co-operation with regional and international recognition parties

## Company foundation & NH – DE acquisitions

## IPO – AKTE

## POST IPO



# Business Overview

- One of the largest independent training company in the Kingdom of Saudi Arabia with a highly qualified team of more than 800 employees
- Training Sector has more than 80 branches for ladies and men across KSA, and serves more than 2,500 corporates and over 50,000 individual clients annually

## Service Offerings

### Computer & IT

- Provides innovative training solutions for Corporates & Individuals
- Owns franchisee of New Horizon Company in the Middle East region

### Language

- Owns franchisee of Direct English which provides English language training to corporates & Individuals
- Also, offers English language training courses for young children from 4 to 10+ years

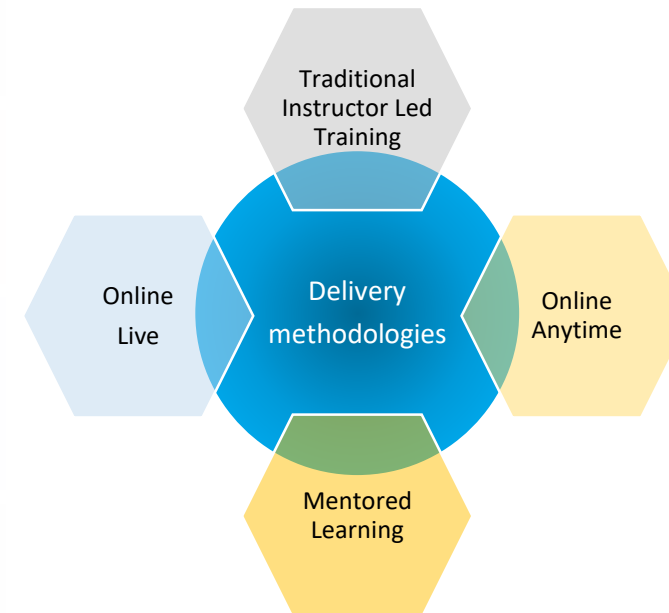
### Financial & Management

- Provides courses in management, leadership, forex, stock trading, and other
- Owns franchises of New Dimension, specialized in Management training, and Online Training Academy, specialized in teaching trading and stock market skills

### Others

- Vocational training programs for women in the area of Hair-cutting and Makeup arts
- Specialized training on Marine Safety and Security for individuals, locals and international corporate

## Delivery Methodologies





# Services

*Computer & English Language Training are currently the largest contributors to revenues within the Training Sector, with limited scope for exponential growth. Training Sector aims to extend its service offerings in the Financial & Management Training vertical to tap the next wave of economic growth in KSA*

## Industry

### *Vocational Education and Training*

- *Technical*
- *Non-technical*



## Current Service Offerings

*Computer and IT Training*

*English Language Training*

*Financial & Management Training (Communication, Leadership, Finance, etc.)*

*Others (Marine Safety, Makeup & Hair, etc.)*

# Products

Master franchise agreements with international brands for KSA and the Middle East region allows the company to offer training across verticals . Going forward, Training sector plans to leverage on the same business model to expand its products/ service offerings




New Horizons Computer Learning

Provides a computer training solutions for Corporates and Individuals



Direct English

Provides English Language training



Pingu's English

Teach English to children between the ages of 4-10 years old




New Horizons Computer Learning

specialized in Management Training



Online Training Academy

specialized academy in teaching trading and stock market skills




Formula'A

Provides vocational training programs for women in the area of Hair-cutting and Makeup art



M&O Arabia

Provides specialized training on marine safety for individuals, locals and international corporate

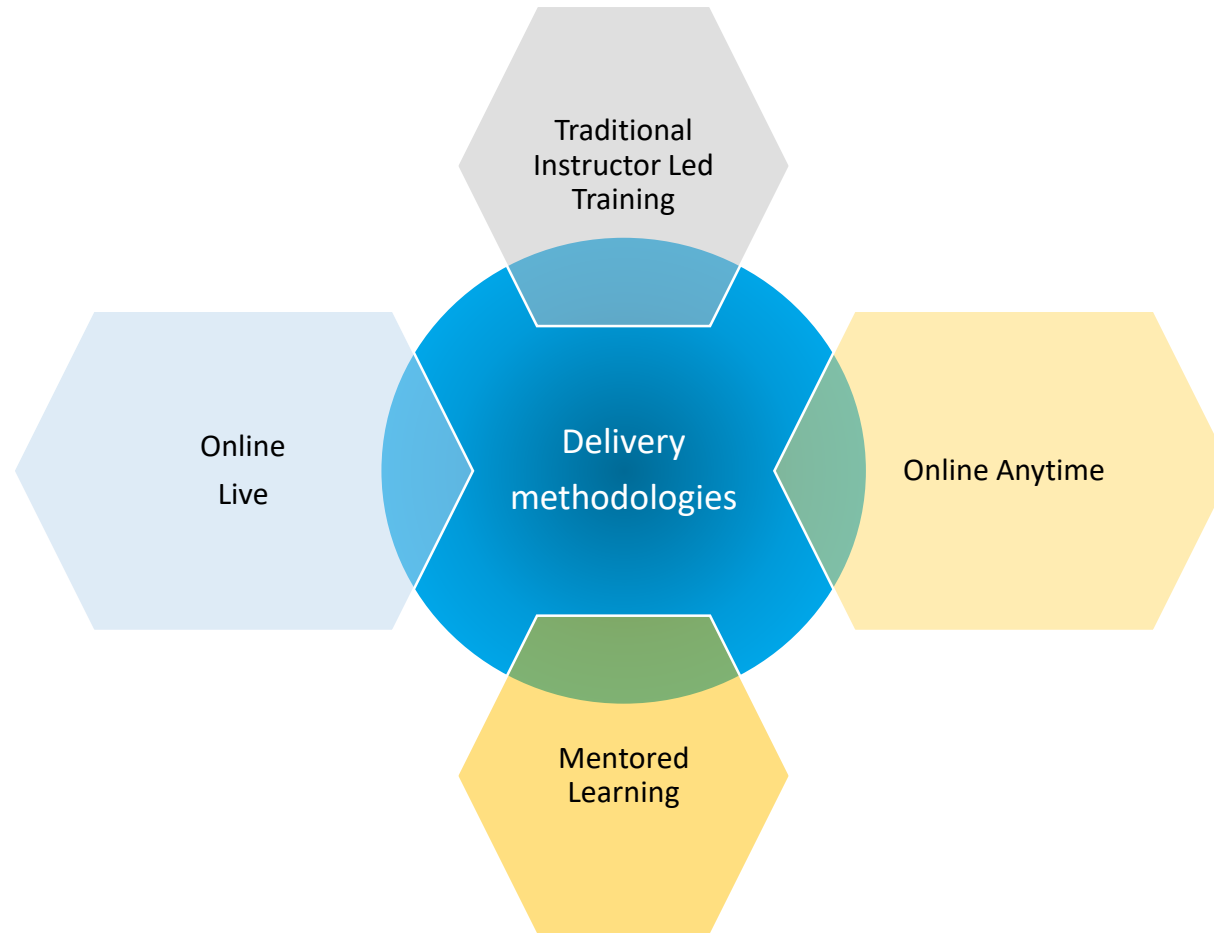


Kawader Recruitment Center

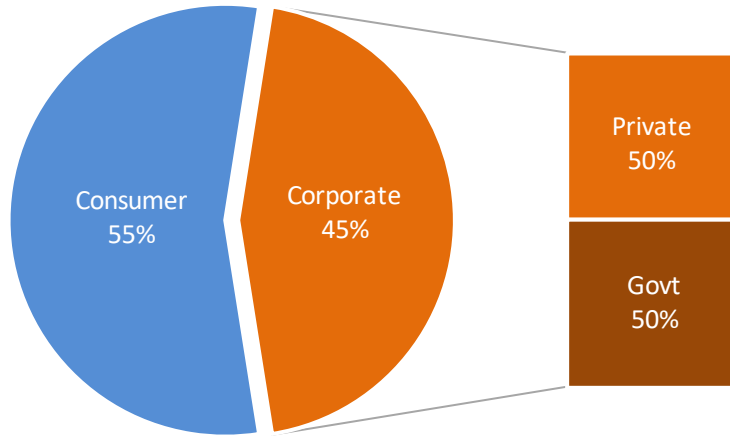
Provides recruitment services for individuals and corporates

# Delivery Methodology

*Currently, Traditional Instructor Led Training (TILT) is the dominant delivery medium. However, given the market potential and increasing acceptance of online/ e-Learning medium, Training Sector is increasingly expanding its offerings in Online Anytime and Online Live to grow its market share*



# Our Valued Clients



# Geographic Markets

*Training Sector offers comprehensive range of product/services with wide geographic spread across the country, and is looking to expand its geographic footprint outside KSA predominantly, in the Middle East region to strengthen its market position*

## Saudi Arabia

Cities	Men	Ladies
Abha	Yes	Yes
Al-Ahsa		Yes
Al-Kharj		Yes
Al-Khobhar	Yes	Yes
Buraidh	Yes	Yes
Hail		Yes
Jeddah	Yes	Yes
Khamees		Yes
Madinah	Yes	Yes
Makkah	Yes	Yes
Riyadh (Rawdah)	Yes	
Riyadh (Mugarrazat)		Yes
Riyadh (Suwedi)	Yes	Yes

## Outside Saudi Arabia

Locations Outside KSA	Men	Ladies
Cairo	Mixed	
Dubai	Mixed	



# Competitive Landscape

*Training Sector does not perceive any of the players operating in Saudi market as its direct competitor due to market leadership position it enjoys and the variety of courses it offers across various verticals. However, below can be considered as the company's closest peers in the respective verticals*





# Education – International Schools Overview

# Vision and Mission



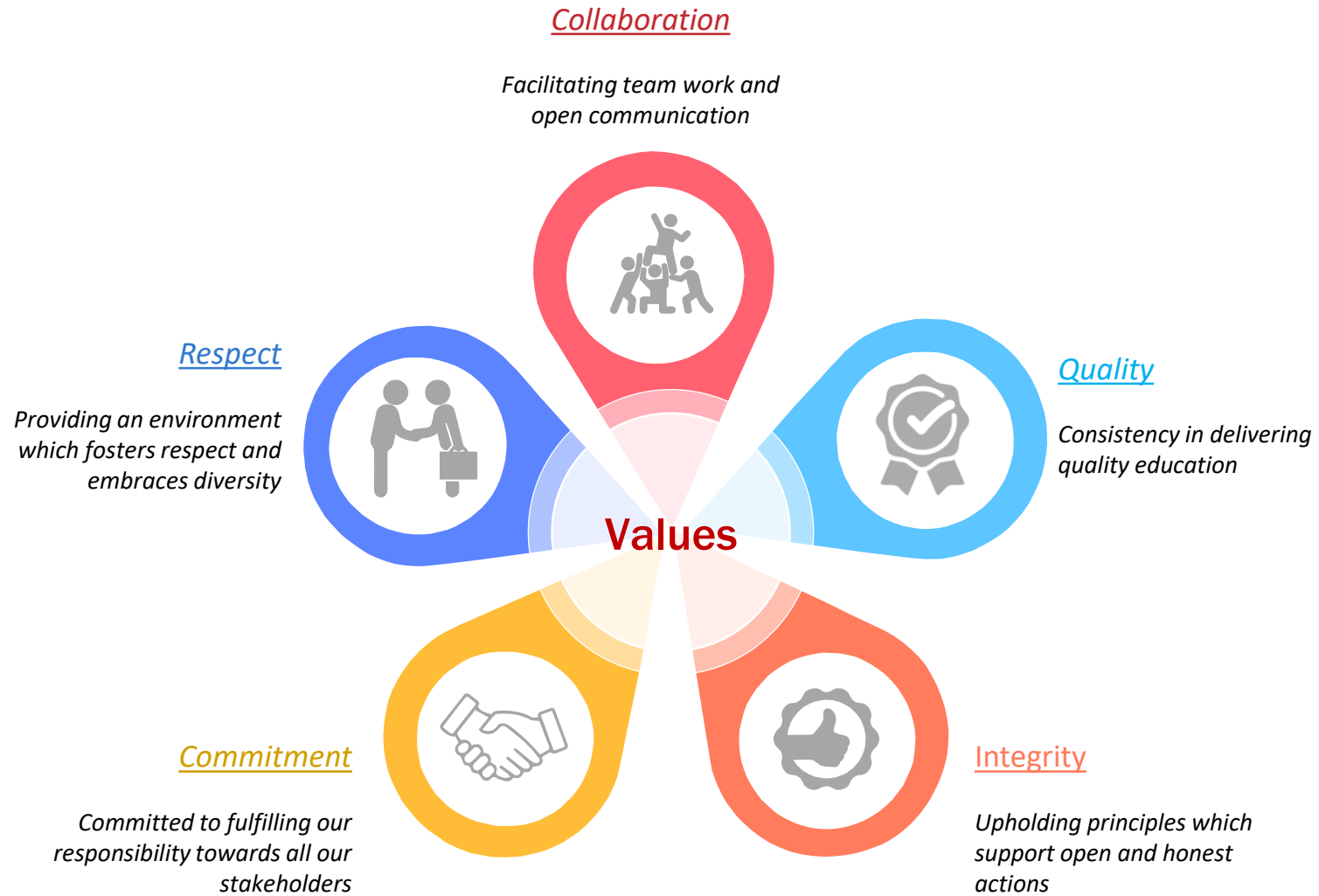
*To be the first choice for K-12 education in the Kingdom of Saudi Arabia*

*To empower students to think creatively, to value diversity, to pursue a passion for learning and to contribute in a positive way to society while continuing to embrace the values of society.*





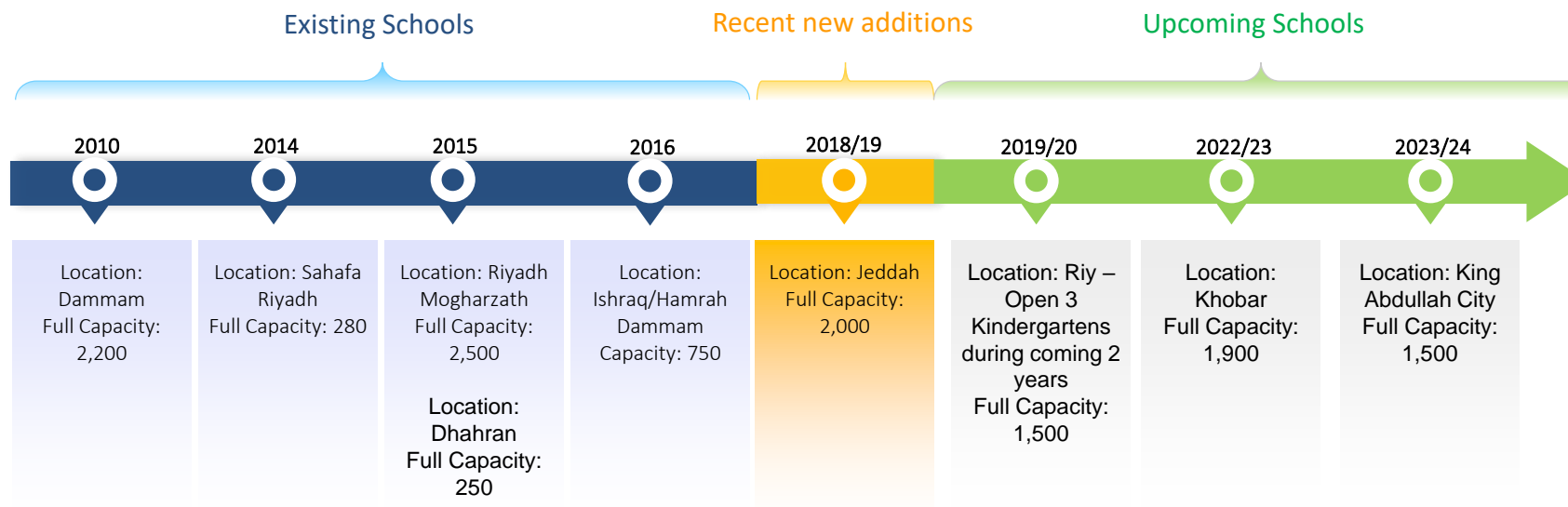
# Values



# Timeline – Schools

## Overview

- ▶ The Group operates a series of K-3 and K-12 schools and offers both Arabic and international curriculum
- ▶ Currently, the segment manages and operates following schools chain in Saudi Arabia
  - Rowad Al Khaleej International School
  - Baraem Rowad Al Khaleej International School
  - Pingu’s Kindergarten



# Service

*Education Sector operates a chain of Kindergarten, K-3 & K-12 schools which offer a combination of Arabic and American Curriculum*

Industry

*Education*



Current Service Offerings

*K-3 schools (for children 4 to 8 years)*

*K-12 schools*

Target Market

*Saudi families which fall in middle and high-income bracket and are interested in exposing their children to American curriculum while not compromising on their Arabic roots/ culture*

# Current Business Model

Currently, Education Sector is following Owner-Operator and Land & Building business models

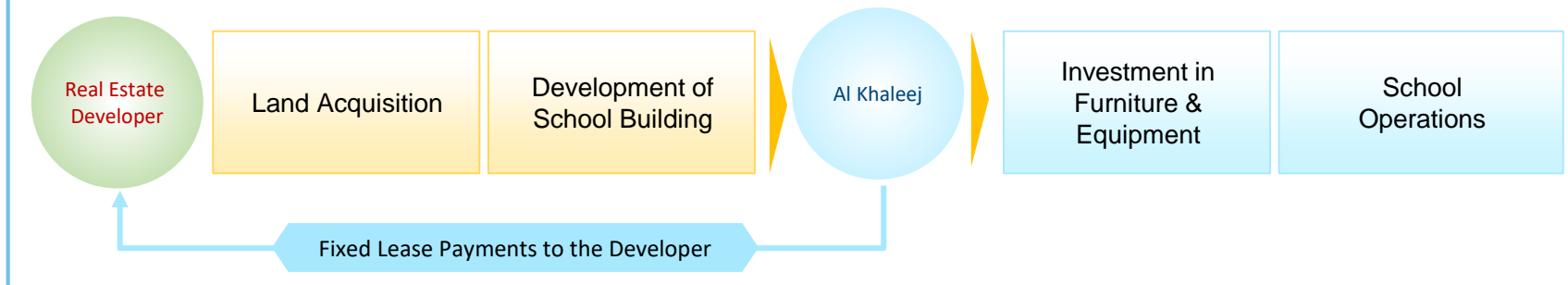
## Owner - Operator Model

Responsible for all activities from Land acquisition to school operations



## Land & Building Lease Model

Takes new school building on a long-term operating lease from real estate developers and manages school operations

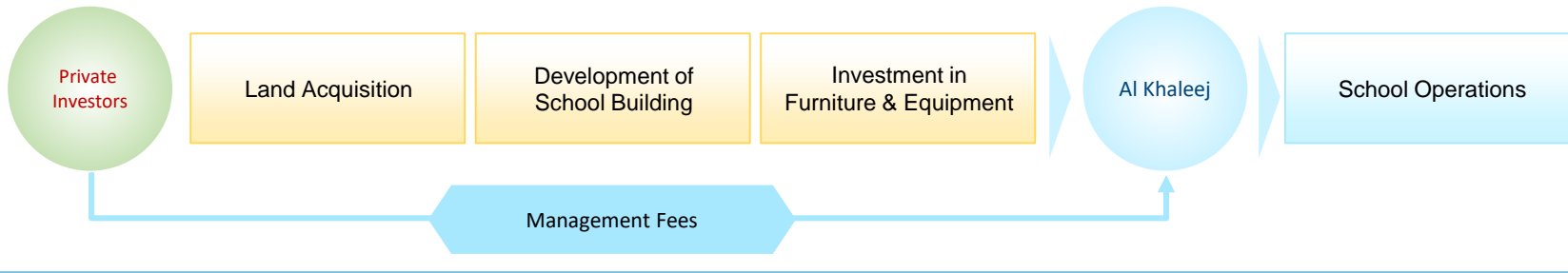


# New Business Model

*Education Sector is leveraging on its brand to explore new business models to further accelerate its growth and penetrate new markets by focusing on its core competency of operating schools*

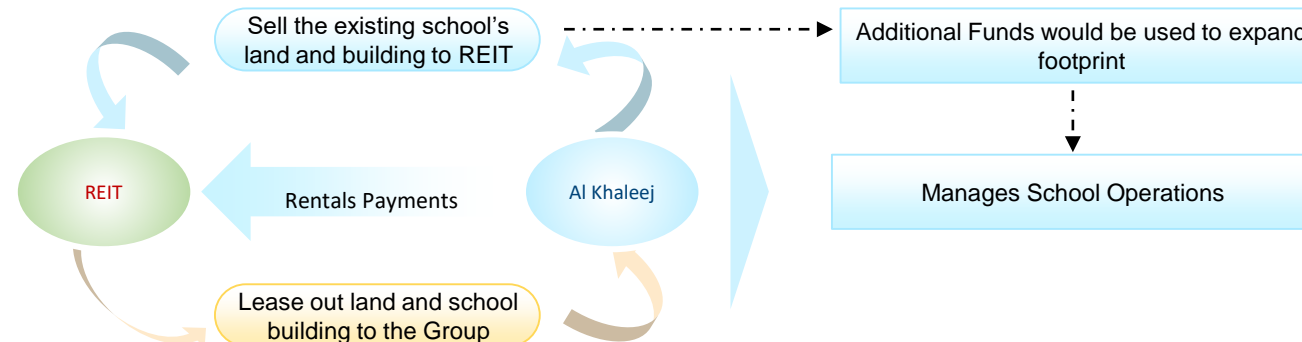
## Operator Model

Land and buildings are owned by a third party and the school operations are managed by the Group



## REIT Model

Sell existing portfolio of schools to REIT in order to unlock real estate value and free up capital for business purposes



# Acquisitions

## *Acquisition Update - Schools*

### **AL-ROQI SCHOOLS:**

Alkhaleej Training and Education Company have signed the final agreement for (60%) acquisition and got the approval of the General Authority of competition.

The existing occupancy of this School is 1069 students which we are targeting to reach 2200 after the acquisition.







# Geographic Markets

*Education Sector is present in three major cities namely, Riyadh, Dammam, & Jeddah, and is mulling to expand its geographic presence in Tier-2 and Tier-3 cities across KSA and other GCC/ regional markets*



# Competitive Landscape

## Key Players in K-12 Segment in Saudi Arabia

Company Name	Overview	Curricula	Accreditation
 <p>الحصان للتعليم ALHUSSAN EDUCATION</p>	Operates national & international schools and training centers	National Schools: Arabic Curriculum International schools: IGCSE-A Level	Ministry of Education, AdvancEd, CIS Accredited, Cambridge Assessment International Education, College Board
 <p>KINGDOM SCHOOLS</p>	Part of GEMS Global Network of schools and operates 7 school in Saudi Arabia	National Curriculum (Grade 10 to 12) & International Program from KG that leads to the American Diploma in Grades 9-12	Ministry of Education; AdvancEd
 <p>معارف للتعليم والتدريب Ma'arif For Education &amp; Training</p>	Operates Arabic & international schools from KG to high school and also runs international programs	British and American Curricula	Ministry of Education, AdvancED
 <p>مجما' الرواد Arrowad Group المعرفة المتكاملة - Integrated Know-How</p>	Operates 6 schools across KSA, and also provides research and consulting services in areas education and strategic planning	Saudi National curricula, IGCSE and SAT curricula	Ministry of Education, Cambridge International Examination, AdvancED, College Board
 <p>مدارس المجموعة العالمية INTERNATIONAL SCHOOLS GROUP</p>	Operates 8 schools across KSA	National Curriculum of England and Wales (I)GCSE	Ministry of Education
 <p>تدریس TADREES</p>	Invests in and operates 5 schools in KSA and also manages professional training and educational services institutions	British and American Curricula	Ministry of Education



A nighttime photograph of a grand university building. The building features a large, illuminated dome on the right side and a long, multi-story structure with many arched windows on the left. The scene is lit with warm yellow lights from the building and streetlights, with palm trees in the foreground. A semi-transparent orange and blue banner is overlaid across the middle of the image, containing the text "Education – Universities Overview".

# Education – Universities Overview

# Vision and Mission

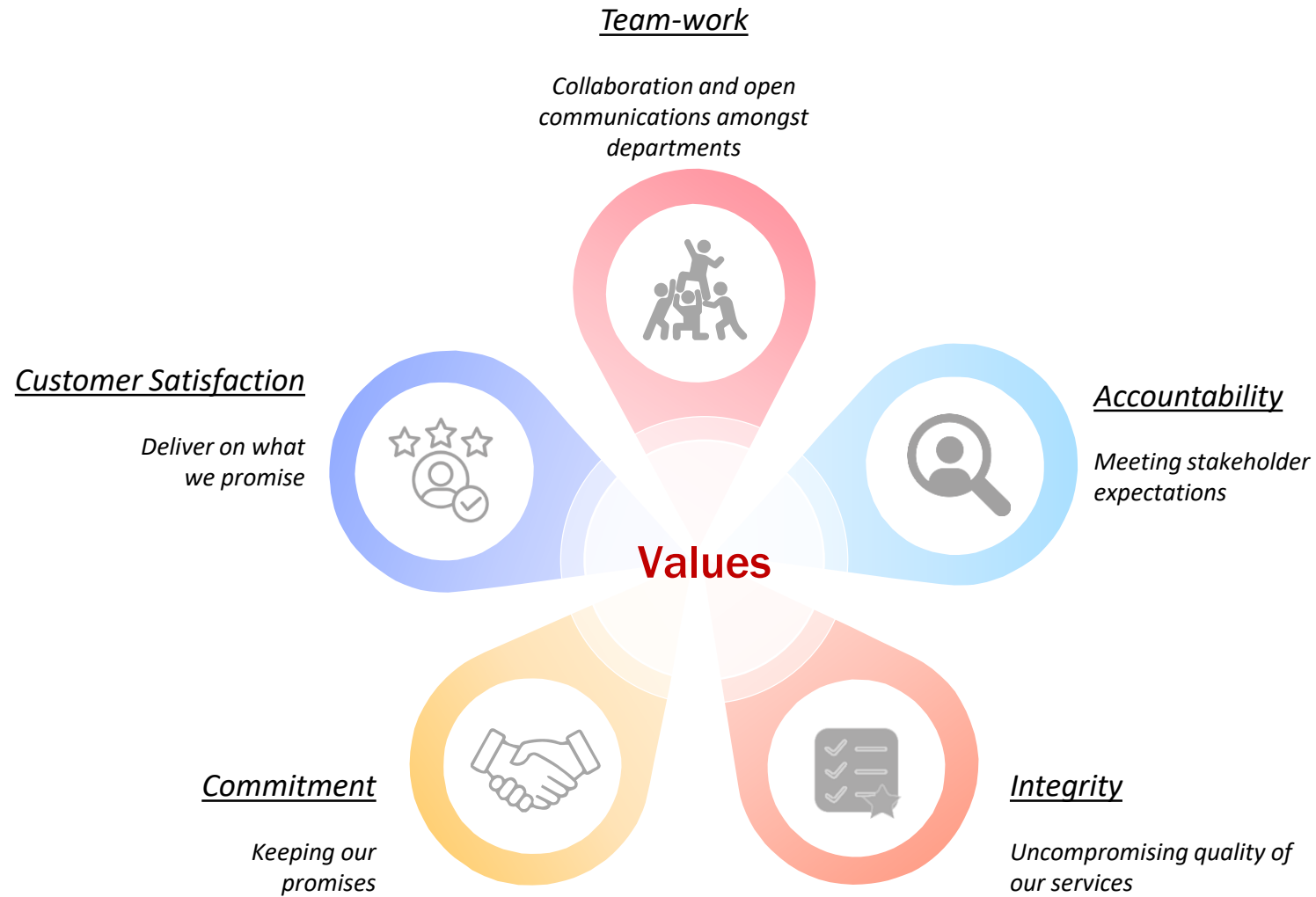


*To be the first choice for Universities in their journey of knowledge*

*To promise the benefit of our international educational experience  
to provide education for life which develops human resources and  
businesses*



# Values



# Business Overview

*University Projects Division has the license to operate only in the Education sector, however, the division is considering opportunities to offer existing services in other sectors as well*

## Universities



# Service

*University Projects Division generally provides manpower and staffing services to universities for managing Preparatory Year Programs (PYPs), and is mulling to provide current service offerings to allied and other sectors such as Healthcare*

Industry

*Education Services*



Current  
Service  
Offerings

*Manages and runs all or part of Preparatory Year programs (English, IT, and Soft Skills) in some of Saudi Universities*

# Target Customers

Focuses on educational projects related to preparatory years in Saudi universities, where it manages and provides universities with professional teaching staff



Universities  
Projects



University of Tabuk



Qassim University



Majmaah University



University of Hail



King Khalid University



University of Bisha

# Geographic Markets

*University Projects Division provides service offerings to Universities in Saudi Arabia*



# Competitive Landscape

*As the division operates only in Saudi Arabia, below can be considered as it's closest peers in the domestic market*





# BPO/Call Centers Overview



# Vision & Mission



## VISION

*To lead and dominate the BPO industry at a national, regional and global level, while providing the best working environment for ambitious youth*

*To constantly provide BPO services in an exemplary manner, leading by example & continuously raise the bar towards excellence*



## MISSION

# Values

## Honesty

We tell our clients exactly what to expect from us, and what we really are capable of providing them with

## Smartness

*We hire smart people, we provide smart training, we implement smart technology, we follow smart standards and we link all these components Smarty*

## Commitment

We do our best to keep our promise to deliver...the best of whatever the clients ask for, the best technology, the best people, the best training, the best service and best performance... all with the best intentions at heart

## Values

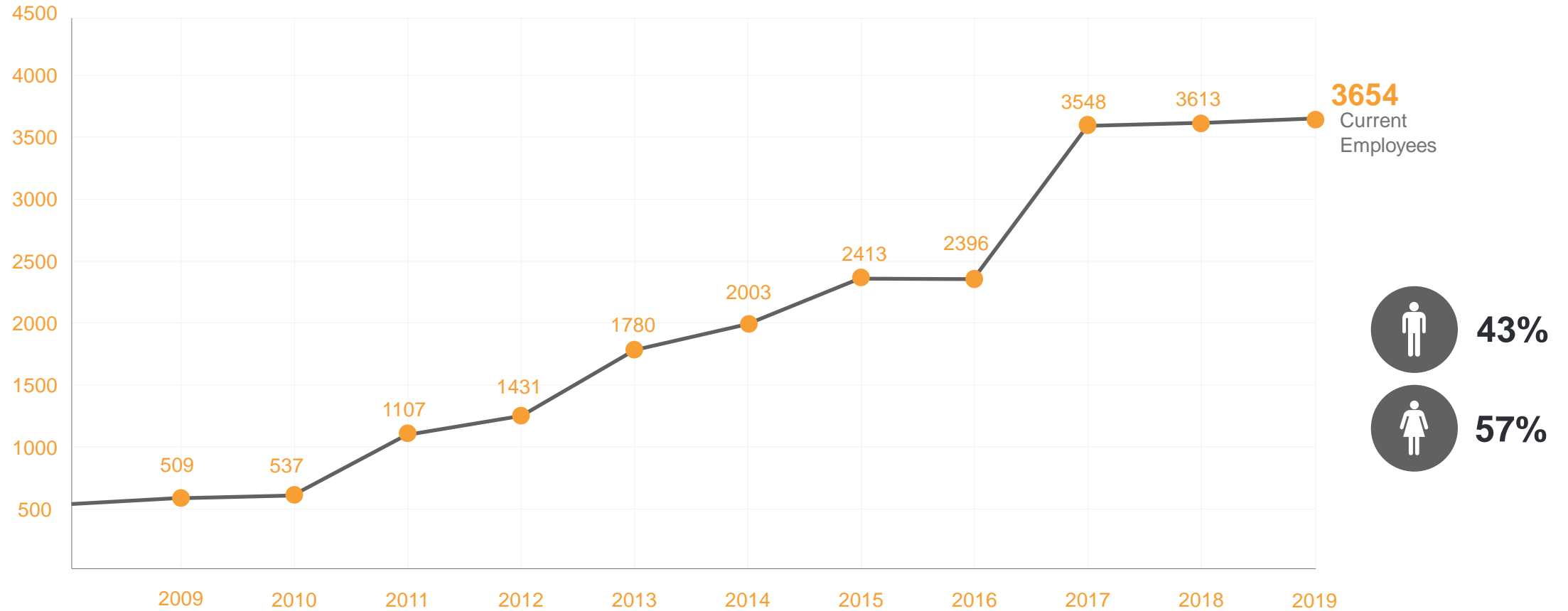
## Transparency

*We let our clients in, we show them what we're doing for them and exactly how we do it. With no exaggeration or extravagant display*

## Uniqueness

*By learning from past experiences, building up our legacy and reputation of always being the pioneers on the farthest frontiers of excellence*

# Timeline – Contact Center



# Service

*Currently, Contact Center services constitute majority of revenues for Smart Link. Going forward, the Company intends to focus on growing Outsourced Manpower Provision and Business Process Outsourcing Services*

**Industry**

**IT Services:  
Business Process Outsourcing**



## Current Business Activities



***Contact Center Services***

***Business Process Outsourcing Solutions***

***Outsource Manpower Provision***

# Services



**Out-sourced / In-housed contact center** development, operation and management.



**BPO, qualified staff provision, operation & management**



**Customer service Systems & Applications** development and integration solutions



**IT & Contact Center Enterprise Infrastructure** solutions implementation & management



**Customer services operation** strategy development, consultancy & assessment



**General/Advanced customer** interaction skills, technical support **Training**

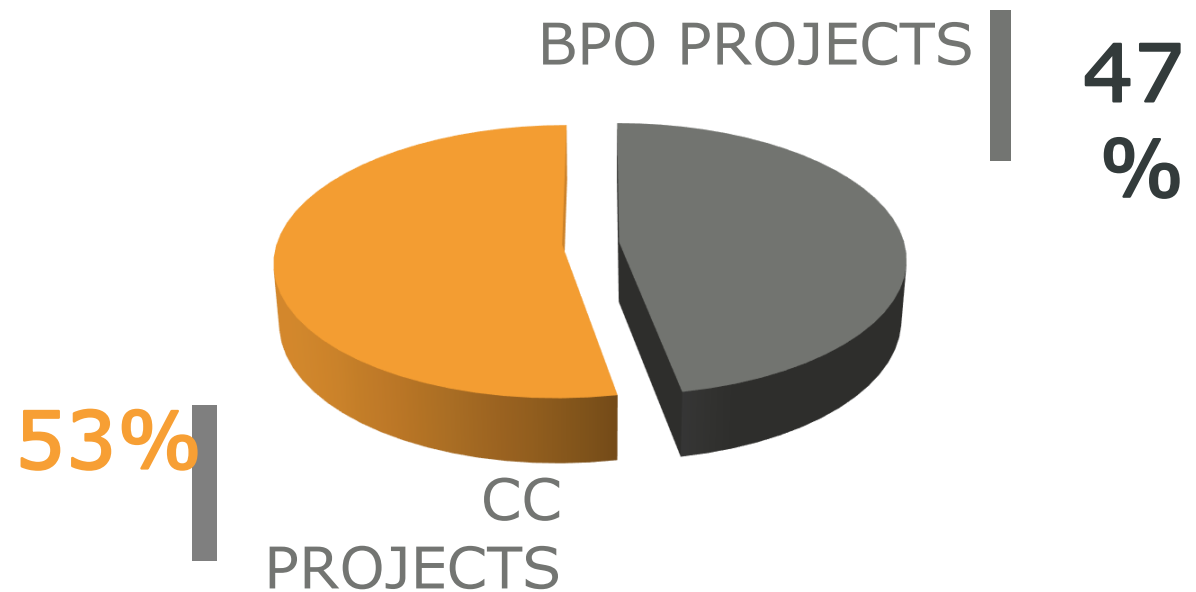
# Target Customers

## Operational Performance

Smart Link is a regional pioneer in various contact centre aspects as of technical, administrative, advisory and operations for both government and private business sectors

CLIENTS  
SERVED  
**+84** CLIENTS

CURRENT  
CLIENTS  
**60** CLIENTS



# Seats/Geographic Markets

*Smart Link enjoys wide presence across the Kingdom and plans to expand its reach both in the domestic and international markets*

## Saudi Arabia

- Jeddah 520 Seats
- Riyadh 3,150 Seats

## Egypt

- Cairo 100 Seats

## Seats

- Total Seats 3,770





# Competitors

*Smart Link is the largest standalone contact center service provider in Saudi Arabia and the broader Middle East region*

## Local

SolexPlu



Extensya



CCC



Excellent Solutions  
Trading Co. Ltd.



Etisal International

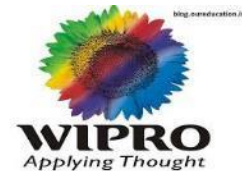


## International Peers

TCS BPO



WIPRO BPO



SERCO



A nighttime aerial view of a city, likely Dubai, with numerous skyscrapers and buildings illuminated. A prominent skyscraper in the center has a purple outline. A blue arrow-shaped overlay points to the right, containing white text.

**For month ending Sept 30, 2021 Results &  
Segment Analysis**

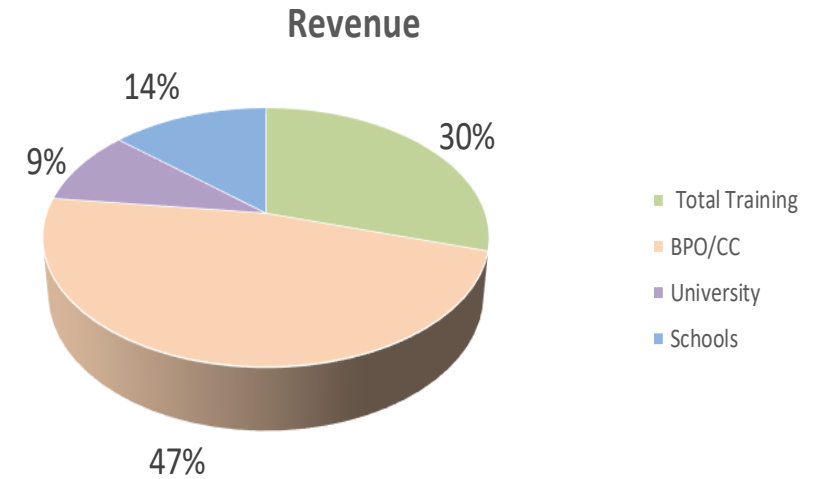
## Executive Summary

- Total revenue as of Sept 30 2021 amounts to SR 611 million, compared to last year YTD Sept 30 2020 amounts to SR 579 million.
- YTD net profit for Sept 30 2021 amounts to SR 1.5 million compared to SR 15.5 million YTD Sept 30 2020
- The drop in profit for the year 2021 YTD is mainly related to accurate lease expenses from IFRS 16 schedules as well as the same period of 2020 was having SANED and salary reductions
- We expect to see recovery in the coming years from normalization of consumer sales as well as growth in Schools.

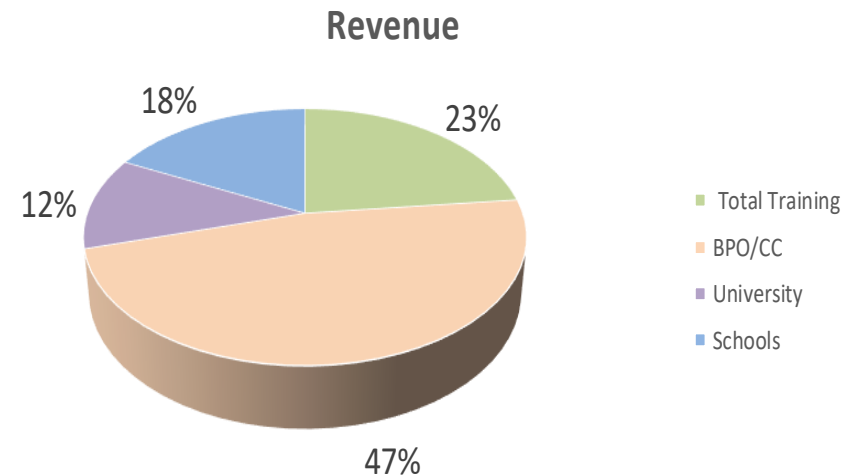
# ALKHALEEJ TRAINING AND EDUCATION COMPANY

PO BOX 295300, Riyadh 11351 - Kingdom of Saudi Arabia – www.alkhaleej.com.sa

Sep 30 2021	Training				BPO/CC	University	Schools	Total
	Computer	Language	Fin & Mgst	Total Training				
Revenue	79,264,113	43,930,543	57,693,922	180,888,577	288,749,734	58,010,619	82,858,775	610,507,705
Depreciation	7,603,591	1,885,241	1,343,923	10,832,755	11,170,559	191,097	20,601,760	42,796,171
Profit before Zakah	155,022	(4,474,370)	10,279,625	5,960,277	820,921	2,271,548	(5,374,950)	3,677,795
Total assets	385,241,830	18,756,855	83,702,646	487,701,332	256,079,036	62,501,788	886,008,338	1,692,290,494
Total liabilities	59,690,260	29,901,597	90,690,744	180,282,601	70,417,545	55,479,177	716,319,224	1,022,498,546
Net margin before Zakah	0%	-10%	18%	3%	0%	4%	-6%	1%



Sep 30 2020	Training				BPO/CC	University	Schools	Total
	Computer	Language	Fin & Mgst	Total Training				
Revenue	63,054,991	26,742,247	44,847,893	134,645,131	274,345,661	68,072,905	102,261,907	579,325,604
Depreciation	7,577,393	4,080,135	1,466,281	13,123,809	7,401,940	83,128	15,359,554	35,968,431
Profit before Zakah	7,150,962	(4,515,421)	(2,156,042)	479,499	11,418,465	2,112,630	2,515,251	16,525,844
Total assets	260,477,161	140,256,933	60,501,252	461,235,346	336,091,860	58,117,913	868,474,994	1,723,920,113
Total liabilities	25,721,787	13,850,193	55,780,077	95,352,057	78,773,073	55,065,265	848,124,270	1,077,314,665
Net margin before Zakah	11%	-17%	-5%	0%	4%	3%	2%	3%



# 1

## Training Sector

- This segment provides training in IT, English Language, Soft Skills, and other areas
- This segment is expected to continue growth at 2 - 3% in 2022 and 4% in 2023.
- The sector showed positive numbers during the year as new contracts were 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.

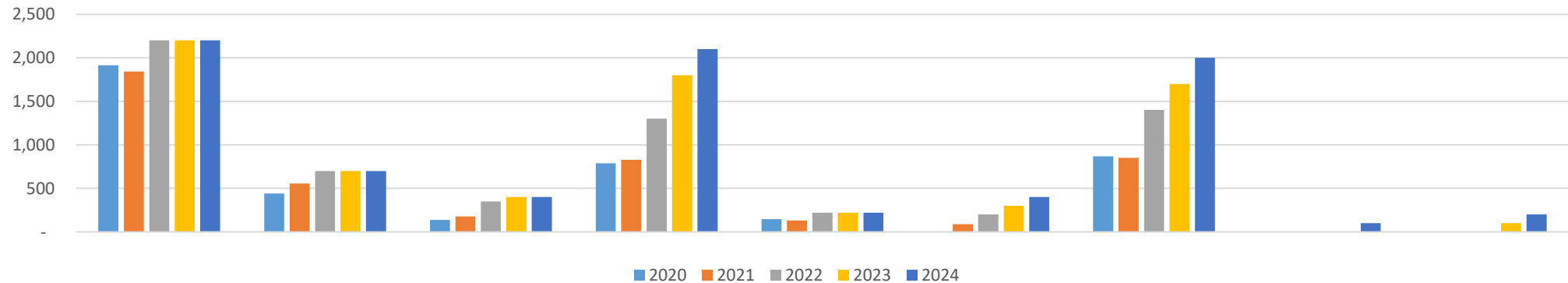
# 2

## Education Sector - Schools

### Schools and Kindergartens

The company will follow the model of having developers build purpose-built K-12 schools and Al Khaleej Training and Education Company will lease and operate the school on long term basis

Year	2020-21	2021-22	2022-2023	2023-2024	2024-2025
Dammam 1	1,913	1,842	2,200	2,200	2,200
Dammam 2	440	557	700	700	700
Dammam 3	138	177	350	400	400
Riyadh 1	788	827	1,300	1,800	2,100
Riyadh 2	147	131	220	220	220
Riyadh 3		89	200	300	400
Jeddah 1	867	851	1,400	1,700	2,000
Jeddah 2					100
Khobar 1	0	0	0	100	200
<b>TOTAL</b>	<b>4,293</b>	<b>4,474</b>	<b>6,370</b>	<b>7,420</b>	<b>8,320</b>



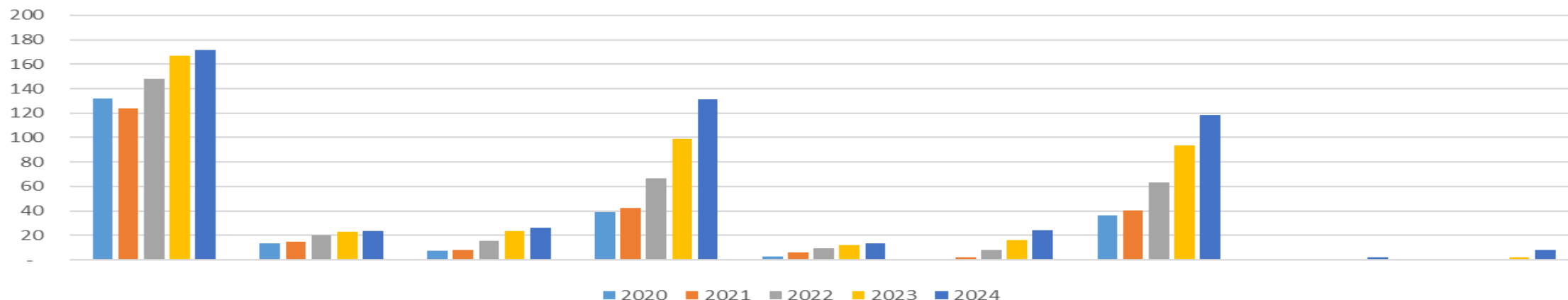
# 2 Education Sector - Schools

## International Schools and Kindergartens

We expect to reach 20% net profit margins by 2024/25.

### Expected Revenue

Year	2020-21	2021-22	2022-2023	2023-2024	2024-2025
Dammam 1	59,111,700	64,470,000	83,600,000	83,600,000	88,000,000
Dammam 2	5,808,000	8,912,000	11,200,000	11,900,000	11,900,000
Dammam 3	3,036,000	5,310,000	10,500,000	13,200,000	13,200,000
Riyadh 1	17,336,000	24,810,000	41,600,000	57,600,000	73,500,000
Riyadh 2	2,716,560	3,406,000	5,720,000	6,600,000	6,600,000
Riyadh 3	0	1,780,000	6,000,000	10,500,000	14,000,000
Jeddah 1	16,906,500	23,828,000	39,200,000	54,400,000	64,000,000
Jeddah 2	0	0	0	0	2,000,000
Khobar 1	0	0	0	2,000,000	6,000,000
<b>TOTAL</b>	<b>104,914,760</b>	<b>132,516,000</b>	<b>197,820,000</b>	<b>239,800,000</b>	<b>279,200,000</b>



# 3 Educational Projects - Universities

**University Projects:- 18<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:

2021	Revenue <u>78 Million</u>
2022	Revenue <u>84 Million</u>
2023	Revenue <u>90 Million</u>



# 4

## BPO/Call Centers

- The sector has managed to achieve required growth in 2020 & 2021 under the current circumstances and we expect to see sustainable growth over the forecast period
- As present, we have 3,770 seats and 3,700+ agents
- A source of Saudization in the Company
- Expect this Sector to grow 7-10% YOY 2021, 2022 and 2023

A panoramic view of a city at night, likely Dubai, with numerous skyscrapers and buildings illuminated. A prominent skyscraper in the center has a purple outline at its top. A semi-transparent blue horizontal band is overlaid across the middle of the image, containing the text "END OF PRESENTATION" in white, bold, uppercase letters.

**END OF PRESENTATION**