



GCC EDUCATION INDUSTRY

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Glossary

School and College-age Population: Population in the age group corresponding to pre-primary, primary, secondary, and tertiary education segments based on the official entrance age and duration

K-12: This comprises the pre-primary, primary, and lower and upper secondary education segments

Pre-primary Education: This is the first stage of formal education that aims to introduce and familiarize young students with the school environment through set-ups such as nurseries and kindergarten. The minimum permissible age of entry into pre-primary institutions is 3 years

Primary Education: This level of education offers basic formal training in the areas of reading and writing as well as introduces various subjects such as mathematics and science. This stage spans six years, with enrolments beginning at 5 years of age

Secondary Education: This stage is further classified into lower secondary education and upper secondary education. Lower secondary education covers subject-oriented basic education imparted by specialised teachers. This stage spans for three years, followed by the completion of 6 years of primary education. Mandatory education in the GCC countries ends at this stage. On completion of lower secondary education, students are eligible to pursue upper secondary education that entails a sharper subject specialization. Following the upper secondary education stage, students are expected to have completed nine years of basic education. The entry-level age is usually 15 to 16 years

Tertiary Education/Higher Education: This level entails post-secondary education, higher education as well as technical and vocational training. The course curriculum is mainly theory-based and is aimed at preparing the students to pursue advanced research programmes as well as professional courses such as medicine, engineering, accountancy, and architecture. Although it spans three years generally, it could extend to four or more years in cases where on-job training is part of curriculum

Technical and Vocational Education and Training (TVET): This level of education prepares students for a particular trade or occupation in fields such as engineering, accountancy, nursing, and pharmacy, amongst others

Community Schools: A type of private school run by the embassies of countries for their nationals residing in the country

Gross Enrolment Ratio (GER): This is the total enrolment at a particular education level, which is regardless of age and is expressed as a percentage of the eligible official school-age population, corresponding to the same level of education in a given school year

Pupil-Teacher Ratio: Average number of students per teacher at a given level of education, based on the number of students and teachers

"The education sector of the UAE has witnessed growth synonymous with Dubai's growth, driven by the need to keep up with the bold and unique vision of its leaders. Al Mawakeb Schools, launched in 1979, have integrated into this growth and have contributed significantly to it over the years.

To stay on this progress path and to continue to build an education system that delivers the required quality education, entrepreneurship needs to thrive, and operators must remain lean, fluid, modular and must adapt to serve economies of scale with changing times.

With covid, the education sector, like all others, faced its biggest challenge which threatened it to its core. The vision prevailed as schools adopted various levels of technology implementation and tirelessly delivered on their mission.

The transformation from the first lockdown in March 2020 to full online learning took 2 weeks. The implemented solution provided the needed alternative in a time of ambiguity and fear. Since then, operators have invested hundreds of millions of dirhams in setting up their tech platforms and building an ecosystem that provided for blended learning and beyond.

Covid taught all stakeholders that the need for continuous technology investments must be at the forefront for school operators and owners' budgetary plans.

Schools are not in the archways or hallways or playgrounds or technology hubs, They are in their Teachers. We have spent over 200 million dirhams to build our latest school in Al Mawakeb Al Khawaneej with sports centers, swimming pools, an auditorium, and a multitude of laboratories and libraries. All these will have life only if quickened by the human capital within them.

it is imperative for operators and schools to create innovative ways to identify, source, and retain teaching talent so that teachers continue to thrive and deliver freely for the sake of generations to come."

Adonis Nasr
CEO, Academia Management Solutions International, UAE

"Within the GCC education industry, quality operators that have been continually investing in technology are witnessing steady growth especially post COVID. The importance of technology to overcome difficult times and stay ahead of competition has come to the forefront. Technology has become very influential not only to enhance learning and teaching techniques but also to improve communication with students and parents. Our Metaverse lab has been set up to help students experience their learning in a way that they are able to sense, feel and correlate with what they are being taught. Post COVID, operators have been focusing on improving their standards, which has resulted in increasing the overall standard of education in the region. The sector is witnessing a surge of education tools and platforms which are user friendly and easy to navigate, investment in teachers' professional development has also increased multifold to keep them abreast with the latest modern and technological practices.

The GCC education sector continues to have a shortage of skilled teachers/educators across all curriculums. It's time that operators realized the importance of investing in professional development programs and creating a healthy environment by empowering teachers to work independently. These investments assist in lower attrition. Another challenge that the operators face is of getting real estate at the right price and location. Mitigating this challenge will allow operators to build and run quality affordable schools, the demand for which is on the rise.

On an overall basis, the education sector is witnessing growth as a result of new families moving to the UAE, the GCC governments' emphasis on quality education and an organic increase in population, especially in the pre-primary and primary segments. Local as well as international players could have several opportunities to enter or grow in the market as existing players may face capital constraints."

Dinesh Kothari
Chairman, Delhi Private School Dubai, UAE

“The education sector in the GCC presents boundless opportunities. The private sector has proven its positive impact and effective role, within the GCC and beyond. Notably, unlike other countries, subsidised public school education is not accessible to those who are not GCC citizens – for example, nearly 87% of the entire UAE student population is enrolled in private schools. Privatised education is an essential service for the sizeable expatriate population.

Undoubtedly, the COVID-19 pandemic disrupted the education sector. While online and blended learning gained prominence, the pandemic also underscored how children’s socializing and mental well-being are dependent on face-to-face learning in physical environments.

Post pandemic, the education sector is grappling with the headwinds of over-regulation, which can hinder growth across various areas. Established schools must also contend with fiscal burdens such as escalating rents, aging infrastructure requiring renovation, and inflexible fee mechanisms due to regulation. We must navigate these challenges to create an optimal learning ecosystem for our students.

A relentless focus on quality of education ensures that a school’s value is understood by the community. Delivering quality while achieving business objectives need not be mutually exclusive. Our belief is that with consistent focus on quality, we can ride any adversity.

Our students have performed well above the global average in international exams such as the IB and GCSEs, testifying to the high standards of private education here. Furthermore, governments have realized the significance of partnering with the private sector to modernize education, fostering the development of future-ready generations over time.

To prepare our students for a digital future, we must embrace technology, while also prioritizing their emotional well-being. AI tools, such as Chat GPT, and gamification in learning, present exciting avenues for exploration. We are also moving away from traditional classroom setups with learner-centric pedagogy and flexible space arrangements.

However, even as we navigate digitalisation, we must place utmost importance on social and emotional well-being, as well as instilling strong values and ethics in our students. By doing so, we can ensure holistic development and create a future generation equipped to thrive in the face of any challenges that come their way and ready to become the leaders and change-makers of tomorrow.”

Poonam Bhojani
CEO, Innoventures Education, UAE

“The GCC education industry has witnessed significant transformation, with a focus on providing quality education and promoting technological advancement. The UAE, in particular, has emerged as a hub of quality education, attracting students from around the world. Integration of technology has been a key development in the region, with educational institutions incorporating advanced technologies like virtual classrooms, e-learning platforms, and mobile apps to make education more accessible and efficient. In recent years, there has been increasing emphasis on innovation and entrepreneurship, which is leading to a rise of student-led startups.

The integration of technology in the education sector has also made the learning process more interactive and engaging. Online education allows for self-paced learning, while offline facilities provide practical exposure. This combination has enhanced learning outcomes and the overall educational experience. Despite the advancements, the sector faces some challenges. One of the major challenges is attracting and retaining human capital. Educational institutions are addressing this by implementing strategies to attract top talent, including fostering partnerships between academia and industry, promoting professional development opportunities, and offering competitive compensation packages. Another significant challenge in the education sector is bridging the gap between industry requirements and academic curriculum. There is a need to align educational programs with the evolving needs of industries, ensuring graduates possess the relevant skills and knowledge demanded by the job market.

The education industry has the potential to implement cutting edge technology to enable higher education and nurture a generation of individuals equipped with the knowledge, skills, and innovative mindset needed to thrive in a rapidly evolving world. With initiatives like attracting top international universities, providing scholarships, and fostering research and innovation, the region aims to become a global hub for quality education. Going forward, focus will be on empowering minds, unlocking potential, and building a promising future for the GCC education sector.”

Kamal Puri
Chairman, Skyline University College, UAE

“In the post-COVID era and within the competitive landscape of school operations, the focus on high-quality education aligned with national priorities and the aspirations of students and communities has universally, become more crucial than ever for operators in the region. Embracing partnerships and shared aspirations with government entities not only enhances credibility but also presents opportunities for collaboration and growth.

Investing in the recruitment, retainment and the continuing professional development of educators remains a top priority for all operators in the region. To ensure outstanding academic outcomes and recognition, operators must equip their teachers with the tools and knowledge needed to excel in their roles. Embracing innovative teaching methods and leveraging technology enables them to equip students with the skills necessary for the future. Our common goals are nurturing critical thinking, creativity, and adaptability in young people, thus equipping them with the skills they need to thrive in the future.

Taaleem's distinction as the sole school operator awarded government partnership schools across Abu Dhabi, Dubai, and the Northern Emirates reflects our commitment to excellence and positions us for future growth alongside other distinguished operators.

The continued expansion of our school network, including the acquisition of the prestigious Jebel Ali School and upcoming projects such as the launch of two new Dubai British Schools, reinforces our dedication to providing high-quality education that meets the increasing demand for world class education and choice in the UAE.

Maintaining an unwavering dedication to national priorities, demographic demands, education excellence, community engagement, and continuous improvement must be the common goals for all in the region.”

Alan Williamson
CEO, Taaleem, UAE

“The tertiary education sector in the GCC will continue to grow owing to increasing demand, affordability, and an enabling environment particularly in the UAE. The governments continue to make significant investments in educational infrastructure and in building collaborations with world class institutions from around the world to make the region a center of excellence in the middle of the globe. There is a progressive drive towards innovation in all aspects of development from agriculture, space, ocean economy, green energy, sustainability as well as in new areas like crypto, block chain and artificial intelligence. There is a direct correlation between academia and a culture of innovation which will continue to foster rapid growth. This is backed by strong service delivery, immigration facilitation including long term visas, particularly in the UAE, that had supported demographic growth within the expatriate community.

Covid has brought about a reality check on many factors. Essential learnings are that K-12 and undergraduate degrees are preferred face-to-face owing to the social aspects of learning. Collaborative and distributed learning pedagogy will supplement the use of technology in classrooms. The postgraduate and professional development segment will gravitate towards online learning but the need of forming personal networks will remain an essential component. The delivery side of the education platform in terms of curriculum design needs to evolve rapidly with more graphic content to make it more engaging.

Some of the challenges facing the GCC industry is an evolving but lagging regulatory regime, over-reliance on Western educational institutions with insignificant local research output, and a relatively small population that gets impacted by global economic trends. In every downturn, the population tends to shrink (expatriate downsizing), which creates uncertainty. The GCC market is also relatively small from a research and employment perspective and many students move to the developed world for post graduate studies or better job opportunities. The other major challenge is the absence of a student loan program as no financial institution provides credit to students against future earning potential. An area to keep an eye on in the future is growing costs in the GCC which will likely become a barrier.

Artificial Intelligence and the evolution of applications like ChatGPT are going to revolutionize the industry creating further fears about increasing unemployment. The real change we are going to see is in the integration of business into academia with corporates assisting with curriculum design as the cost of upskilling is in the billions of dollars and its easier to partner with educational institutions to create bespoke content for industry groups building a seamless environment between government (policy), academia (content, curriculum, and pedagogy) and business (content and employment). The day is not far when professors will be leading HR departments.”

Rakesh Wahi
Co-Founder, Transnational Academic Group, UAE

“The GCC education sector has emerged stronger and technologically advanced from the COVID-19 pandemic. Governments’ efforts to develop the education sector, growing population, high disposable incomes and sizeable budgetary allocations are factors that are expected to drive growth. Integration of technology to set up blended learning platforms, optimize operations and augment engagement levels of students has led to significant investments being made in the sector. However, pressure on profit margins due to high capital and operating costs along with increasing competition among the private players is impeding the growth of the education industry.

Widespread penetration of digital services has created multiple opportunities for educational technology (EdTech) service providers to further establish their presence in the GCC with innovative solutions, while also prompting many ventures to raise funds to support their expansion plans. The industry is also witnessing new competitive models including AI-based content, digital libraries, soft skill development, and real-time scenario engagements. Going forward, focus is likely to be directed towards value-creating opportunities with larger players targeting small to mid-sized players as well as EdTech providers to remain competitive in the current education landscape.”

Rohit Walia
Executive Chairman and CEO, Alpen Capital (ME) Limited

1. Executive Summary

The education sector in the GCC has advanced significantly in recent years, with the amalgamation of technology and substantial investments from the government. As the GCC nations look to diversify and expand, the need for educated and skilled workforce has become ever more critical for building a 'knowledge-based economy'. In addition to allocating a sizeable portion of their budgets towards the sector, the governments have taken several initiatives such as establishing quality assurance authorities, building favourable policies and guidelines, while also encouraging private sector participation to enhance the quality of education that is at par with standards seen in developed countries. Amid a growing school-age population and focus towards developing home-grown skills, the GCC nations have responded by developing their education system based on societal needs, leading to an increase in student enrolment. The sector remained resilient amid the COVID-19 pandemic that exposed challenges in delivering quality online education at scale to students. This transpired into a growth opportunity for the sector, resulting in utilizing technology in support of remote learning. Consequently, EdTech platforms have now become a core part of the education strategy for GCC governments. The segment has since started gaining traction as a valuable tool for increasing accessibility to learning.

However, the GCC education sector continues to face intensifying competition, high operational costs and a shortage of teachers, which has led to the increasing pressure on operators. To remain competitive, providers are pursuing consolidation and have started offering generous compensation packages to attract and retain the right teaching talent.

1.1 Scope of the Report

This report is an update to Alpen Capital's GCC Education Industry Report dated March 15, 2021. It focuses on the current state of the education industry across the GCC nations, including recent trends, growth drivers, and challenges. The report also provides an outlook of the industry until 2027 along with profiles of select education providers in the region.

1.2 Industry Outlook

- The total number of students in the GCC education sector is projected to increase by 1.1 million to reach 14.2 million by 2027, growing at a CAGR of 1.6% from an estimated 13.1 million in 2022.
- During the forecast period, the pre-primary segment is expected to grow at a CAGR of 2.2% while the primary and secondary segments are expected to witness a growth of 1.5% CAGR, respectively, between 2022 and 2027 to reach 10.8 million students cumulatively. At the same time, the tertiary segment is expected to grow at a CAGR of 1.7% over the five-year period.
- K-12 enrolments in the region are expected to grow at a CAGR of 1.5% during the period to reach 11.7 million by 2027. The number of students in private schools is projected to reach 3.1 million by 2027, growing at a CAGR of 1.7% since 2022. Enrolments at public schools are likely to increase, at a marginally slower pace, recording a CAGR of 1.5% to reach 8.7 million by 2027.
- Saudi Arabia is expected to remain the largest education market in the GCC. In terms of annualized growth, the number of students in Kuwait and UAE is projected to grow at a faster rate than the other member nations between 2022 and 2027.
- The demand for schools in the GCC is likely to increase at a CAGR of 0.7% from an estimated 34,081 schools in 2022 to 35,208 by 2027. While the demand for public schools is expected to increase at a CAGR of 0.4%, the number of private schools is anticipated to grow at a faster rate of 1.5% during the forecast period.

1.3 Key Growth Drivers

- According to the IMF, the GCC is expected to continue to grow at a higher pace as compared to developed countries like the US, UK, Singapore, Japan, and Germany. It is expected to surpass GDP growth projections of its peers over the

next five-year period with an average of around 3.4% as both hydrocarbon and private sector revenues continue to gain momentum. This is likely to help the regional governments' increase their budgets towards the education sector, while also allocating substantial funds towards infrastructure development programmes.

- The region's population is projected to reach approximately 64.0 million by 2027, growing at a CAGR of 1.9% since 2022. It is projected that the K-12 school age range, which encompasses 0-18 years, will rise from 16.7 million in 2022 to 17.1 million by 2027, recording a growth of 0.7% CAGR. At the same time, the tertiary population aged 19-23 years is projected to reach 4.0 million by 2027.
- Despite the recent global economic slowdown, the overall income levels in the GCC have remained robust due to growth in jobs, resulting in higher per capita income. This, coupled with a low-tax environment, has increased the propensity for the GCC population to spend on quality education.
- The rise in number of schools offering a broader curriculum that incorporates international educational frameworks have helped improving the quality of education standards in GCC and are also fostering a holistic approach to learning.
- Influx of expatriates and growth in high net-worth individuals across the GCC is likely to boost the region's private education sector as they seek for international schools offering high quality education, at par with global standards.
- Governments have started recognising students for academic excellence that would not only encourage them to continue to live and work in the GCC but also build a skilled workforce that can contribute to economic development.

1.4 Key Challenges

- Factors such as high cost of construction, inflationary pressure, long gestation period, rising competition, and lack of subsidies are increasing cost pressures and eroding profit margins for private operators in the GCC.
- Shortage of skilled teachers has been a prominent challenge in the GCC education sector, leading to increased dependence on expatriate talent to fill the gap. While nationalization drives may deter employment, a pipeline of new international schools is likely to further amplify the crisis of attracting skilled talent in the region.
- GCC students prefer pursuing higher education abroad in pursuit to acquire degrees and certifications from reputable international institutes, known for their high-quality education. This has impacted local enrolments in the tertiary segment.

1.5 Key Trends

- The regional governments, in collaboration with public and private participants, are playing a critical role in transforming traditional learning methods by blending digital capabilities to facilitate easy accessibility of education for students and teachers.
- To meet the growing demand for high-quality tertiary education, a number of foreign colleges and universities, particularly those from the UK and the US, have begun establishing their base across the GCC. This is encouraging students to pursue higher education and a career within the region, thus reducing outbound mobility.
- STEM education is gaining importance in the GCC, largely driven by the shifting job landscape that has evoked the need for a more specialized and dynamic skill set. Several international schools in GCC are integrating STEM education in their curricula with the aim to deepen students' understanding of critical concepts.
- The increasing cost of education has become a major cause of concern for parents across the region. The inequality between socio-economic groups exacerbated in the private school system due to the fee structures and corresponding levels of quality has led to the rise in demand for affordable schooling in GCC.

The GCC countries are making considerable investment towards the education sector in order to curate an ecosystem that meets international standards. Consequently, the sector has undergone significant transformation in recent years, particularly with the integration of technology. Building a strong technology infrastructure will not only complement the overall development of the GCC education ecosystem, but also further open up the sector for higher growth and investment opportunities.

2. The GCC Education Industry Overview

The education sector in the GCC has advanced significantly in recent years, with the amalgamation of technology and substantial investments from the government

The sector remained resilient amid the COVID-19 pandemic that exposed challenges in delivering quality online education at scale to students across the region

The GCC continued its economic recovery post the pandemic, supported by higher, albeit volatile, oil and gas prices

The education sector in the GCC has advanced significantly in recent years, with the amalgamation of technology and substantial investments from the government. As the GCC nations look to diversify and expand, the need for educated and skilled workforce has become ever more critical for building a 'knowledge-based economy'. In order to improve standards, the governments have taken several initiatives such as establishing quality assurance authorities, building favourable policies and guidelines, encouraging private sector participation and technology-driven education, among others. This has not only enhanced the quality of education but also advanced the entire ecosystem that is at par with standards seen in developed countries. The governments are also continuing to allocate sizable portions of their budget to the education sector as they look to develop a sustainable environment for economic and social development. While this made up for the supply side of the industry, the demand side has been driven by a number of factors such as rising school-age population (29.1% of the total population in 2021 was under 18 years of age)¹, high per capita income (GCC average for GDP per capita stood at US\$ 43,244.4 in 2022 compared to the World average of US\$ 12,236.6)², and rising expatriate population as a result of government policies providing long-term residency visas. This has led to a strong rise in demand for education within the region, providing an attractive opportunity for investors and school operators.

The sector remained resilient amid the COVID-19 pandemic that exposed challenges in delivering quality online education at scale to students across the region. The pandemic transpired into a growth opportunity for the sector resulting in utilizing technology in support of remote learning. Regional governments collaborated with several public and private organizations, including local universities and information technology providers to ensure continuity of education despite school closures. In order to foster e-learning, a variety of solutions were promoted through online platforms while the governments also deployed several tools such as TV and radio-based broadcasts that allowed for alternate means of learning for students³. This led to changes in the quality and provision of education across the region. Consequently, educational technology (EdTech) platforms have now become a core part of the education strategy for GCC governments. The segment has since started gaining traction as a valuable tool for increasing accessibility to learning with digital technologies such as artificial intelligence (AI), virtual reality (VR), blockchain, and internet of things (IoT) improving processes for learners and teachers. These solutions are now being integrated into core education and formal settings for training and upskilling initiatives.

Education budget continues to maintain strong allocation

The GCC continued its economic recovery post the pandemic, supported by higher, albeit volatile, oil and gas prices. Despite a slowdown in the global economy, the regional governments have succeeded in achieving the main objective of fiscal reforms, which were aimed at controlling high deficit rates to reach medium-term fiscal balance⁴. Consequently, education spending across the GCC nations has increased in 2023, averaging at 13.3%, compared to 13.1% in 2020. Majority of the GCC countries have earmarked significant proportion of spending for education, with Saudi Arabia allocating the highest expenditure at 17.0% in 2023 followed by Oman at 16.7%. Budget allocation for education in the UAE increased from 14.8% in 2020 to 15.5% in 2023, while Kuwait maintained a robust spending of 11.5% towards the sector. These allocations in Saudi Arabia, Oman, UAE, and Kuwait were higher than those in the US, the UK, and Germany (see Exhibit 1). However,

¹ Source: UNPD

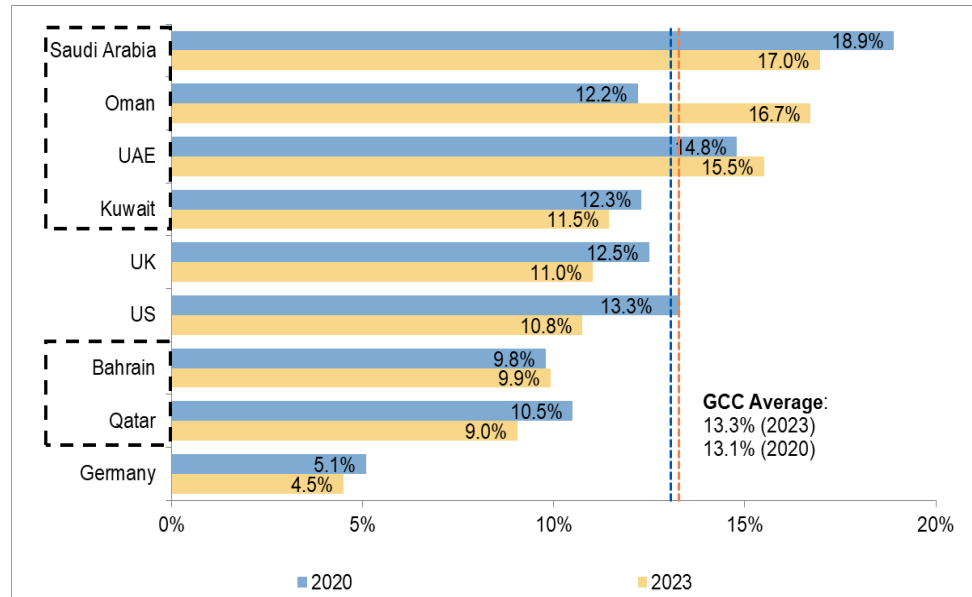
² Source: World Economic Outlook Database, April 2023, IMF

³ Source: "How countries are using edtech (including online learning, radio, television, texting) to support access to remote learning during the COVID-19 pandemic", World Bank, March 18, 2020

⁴ Source: "Gulf Countries Should Maintain Reform Momentum, Despite Oil Boom", IMF, November 29, 2022

government spending on education in Bahrain (9.9%), and Qatar (9.0%) remained below the regional average and lower than those seen in some developed nations as volatility in oil prices over the past two-years have affected the economies' fiscal positions⁵. Amid a slowdown in the economic environment, the GCC governments are working towards their objective to lower the public expenditure and raise private investment in the education sector.

Exhibit 1: Government Spending on Education as a % of Total Budgeted Expenditure, by Country (2020 and 2023)



Source: MoF Saudi Arabia, MoF UAE, US Government Spending, GOV.UK, The Federal Government of Germany, MoF Oman, MoF Qatar, MoF Kuwait, MoF Bahrain

Student enrolment across the region rises, albeit at a slow pace

Student enrolments across various education segments in the GCC is estimated to have reached over 12.6 million in 2021, registering a CAGR of 1.1% from 2016

Amid a growing school-age population and focus towards developing home-grown skills, the GCC nations have responded by developing their education system based on societal needs, leading to an increase in student enrolment. In addition to favourable demographics, the GCC education sector has been aided by an influx of private school operators in recent years. This has led to an increase in number of schools and higher institutions across the region. Student enrolments across various education segments⁶ in the GCC is estimated to have reached over 12.6 million in 2021, registering a CAGR of 1.1% from 2016 (see Exhibit 2). The enrolment rate in primary and secondary education recorded the highest average growth between 2016 and 2021 at 1.3%, while the tertiary segment grew at a CAGR of 1.0% during the period. On the other hand, the pre-primary segment recorded a decline of 1.4% CAGR over the five-year period⁷. While the tertiary segment was impacted by a decline in the flow of international students crossing borders to pursue higher education⁸ and many expatriates preferring to return to their home countries during the pandemic⁹, the pre-primary segment was amongst the last to reopen physical education post the pandemic¹⁰, leading to a slowdown during 2020 and 2021¹¹.

⁵ Source: Ministry of Finance – Budget Allocations 2023

⁶ In the report, the education segments comprise pre-primary, primary, secondary, and tertiary

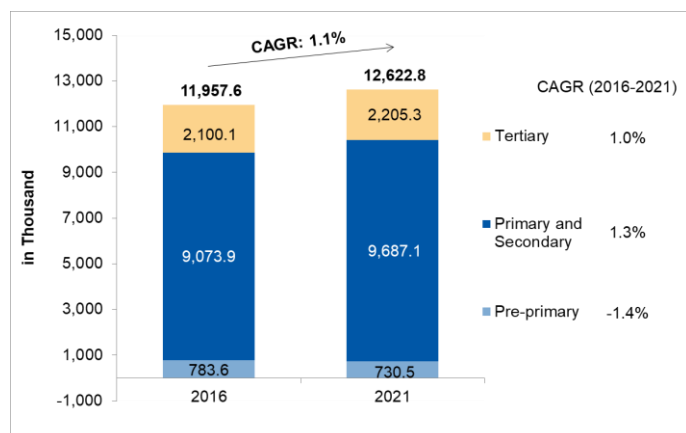
⁷ Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

⁸ Source: "Education trends for 2022 and beyond", Gulf Business, December 23, 2021

⁹ Source: "GCC Student Mobility in Higher Education and the Unique Opportunities in UAE", Higher Education Digest, October 14, 2020

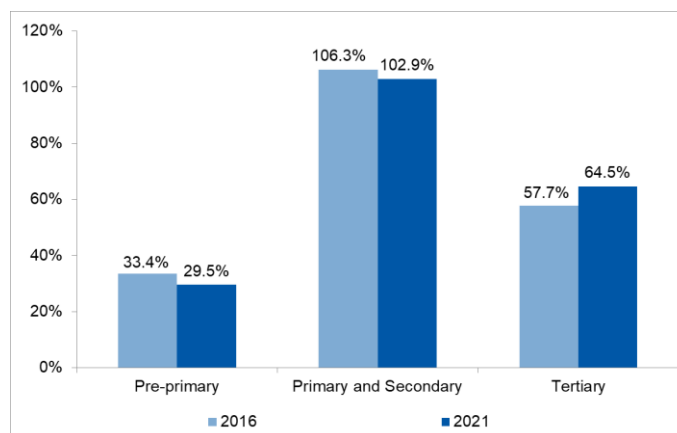
¹⁰ Source: "Saudi Arabia prepares to welcome children back to schools", Arab News, January 09, 2022

¹¹ Source: "No admission for new pupils in Sharjah nurseries when schools reopen", Khaleej Times, August 20, 2021

Exhibit 2: Student Enrolment in the GCC, by Segment


Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Note: Estimated for Pre-Primary (UAE, Bahrain), Primary (UAE, Bahrain), Secondary (UAE, Bahrain), Tertiary (UAE)

Exhibit 3: GER across the GCC, by Segment


Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Note: Estimated for Pre-Primary (UAE, Bahrain), Primary (UAE, Bahrain), Secondary (UAE, Bahrain), Tertiary (UAE)

GER for primary and secondary segments together is estimated to have reached 102.9% in 2021

Gross enrolment ratio (GER) for the pre-primary segment is estimated to have fallen to 29.5% in 2021 from 33.4% in 2016 (see Exhibit 3)¹², largely affected by the COVID-19 pandemic. As the COVID-19 situation started to abate, the GCC governments relaxed several restrictions with the respective Ministry of Education (MoE) permitting schools to conduct physical classes for pre-primary pupils in 2022, much later than the other classes for students aged 12+ years¹³. Nevertheless, the segment has regained momentum as utilization has improved post resumption of physical classes. Moreover, rising awareness among nationals about the importance of early childhood education and a boost from government initiatives is aiding growth of the segment.

GER for primary and secondary segments together is estimated to have reached 102.9% (see Exhibit 3)¹⁴ in 2021 as both levels remain mandatory in most GCC countries. Across the GCC, education is free for all nationals and is mandatory up to the primary level. This has helped the primary segment attain a GER of 101.8% in 2021. In some nations such as the UAE, Bahrain, Oman and Kuwait, education is mandatory up to the secondary level. This has contributed to the increasing enrolments across the secondary segment, wherein the GER reached 104.0% in 2021. Cumulatively, the primary and secondary segments accounted for 76.7% of the total enrolments in 2021, up from 75.9% in 2016¹⁵.

GER for the tertiary segment is estimated to have reached 64.5% as of 2021, an increase from 57.7% in 2016 (see Exhibit 3)¹⁶. This can be largely attributed to growing preference for higher education among nationals, the opening of international branch campuses and universities in the region, coupled with the availability of courses tailored to meet the demand of professionals with technical and cross-functional skills.

Overall, the GER at the secondary and tertiary level in the GCC outperformed the world average in 2021. While the GER at the primary level was at par with the global average, pre-primary level has largely underperformed (see Exhibit 4)¹⁷.

¹² Source: Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

¹³ Source: "Saudi Arabia prepares to welcome children back to schools", Arab News, May 28, 2023

¹⁴ Source: Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

¹⁵ Source: Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

¹⁶ Source: Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

¹⁷ Source: Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

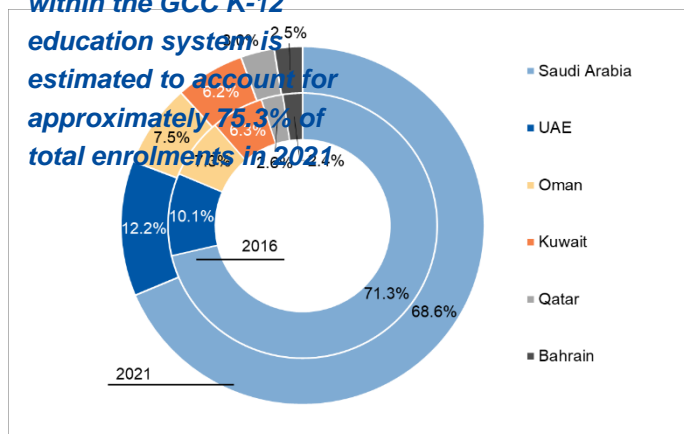
Exhibit 4: GER in the GCC and certain Developed Nations (2021)

Parameters	Pre-Primary	Primary	Secondary	Tertiary
Bahrain	52.6%	98.0%	97.2%	64.5%
Kuwait	48.6%	82.6%	86.3%	58.8%
Oman	27.4%	104.1%	106.0%	47.4%
Qatar	54.0%	102.2%	101.7%	25.0%
Saudi Arabia	18.3%	102.1%	111.1%	71.4%
UAE	100.4%	114.1%	83.6%	25.3%
GCC	29.5%	101.8%	104.0%	64.5%
World (2020)	60.9%	101.9%	76.8%	40.3%
Germany (2020)	108.0%	101.1%	97.1%	73.0%
UK (2020)	105.8%	99.7%	116.9%	69.5%
US (2020)	72.4%	100.3%	100.5%	87.6%

Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain, World Bank

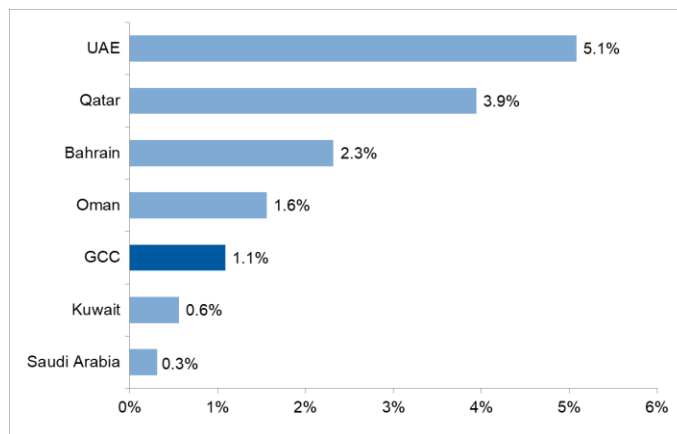
UAE recorded the highest growth in enrolment within the GCC between 2016 and 2021

Within the GCC, UAE is estimated to have posted the highest enrolment growth rate of 5.1% CAGR between 2016 and 2021, followed by Qatar (3.9% CAGR). On the other hand, both Oman and Bahrain reported a modest growth in enrolment during the five-year period (see Exhibit 6). Total enrolment in Saudi Arabia, the region's largest education market, is estimated to have remained below the GCC average while growth in Kuwait was relatively muted. As a result, both these countries witnessed a drop in their share of enrolment vis-à-vis other GCC nations in 2021 (see Exhibit 5)¹⁸.

Exhibit 5: Composition of Student Enrolment, by Country within the GCC K-12


Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Note: Estimated for Pre-Primary (UAE, Bahrain), Primary (UAE, Bahrain), Secondary (UAE, Bahrain), Tertiary (UAE)

Exhibit 6: Student Enrolment Growth (CAGR: 2016–2021)


Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Note: Estimated for Pre-Primary (UAE, Bahrain), Primary (UAE, Bahrain), Secondary (UAE, Bahrain), Tertiary (UAE)

Public school enrolment within the GCC K-12 education system is estimated to account for approximately 75.3% of total enrolments in 2021, relatively lower compared to its share in 2016. The highest growth rate of public enrolment was witnessed in the pre-primary segment (2.9% CAGR), whereas the primary and secondary segments together recorded a relatively subdued growth of 0.9% CAGR between 2016 and 2021 (see Exhibit 7). Saudi Arabia accounted for 77.9% of the total public school enrolments in the region, followed by Oman

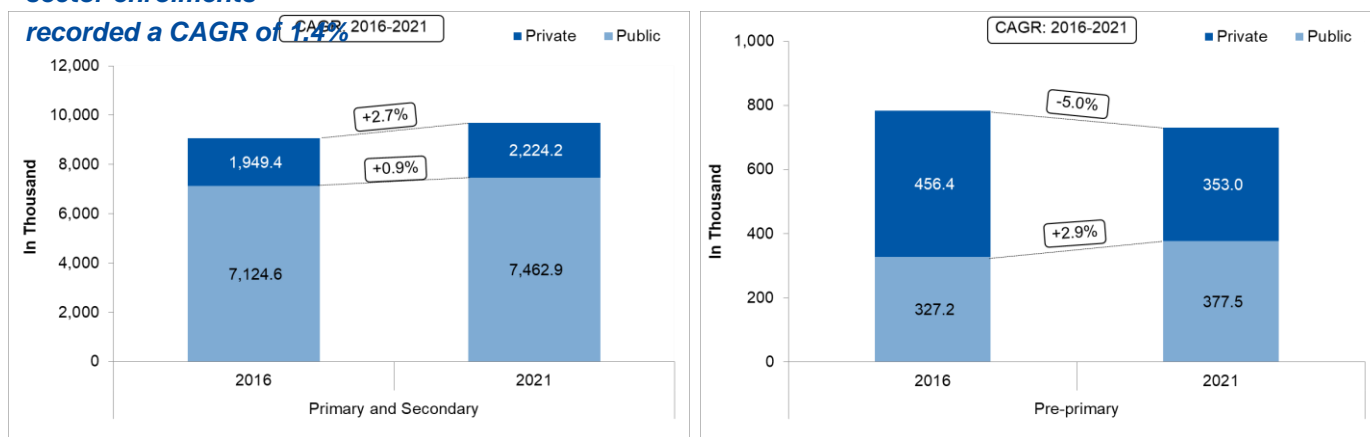
¹⁸ Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

(8.8%), and Kuwait (5.3%). Enrolments at private pre-primary schools witnessed a decline of 5.0% CAGR during the period, whereas those at the primary and secondary private schools cumulatively registered a CAGR of 2.7% (see Exhibit 7)¹⁹. The pre-primary segment, which is largely dominated by expatriate students, was impacted by a 32.4% y-o-y decline in 2021 due to COVID-19.

Total public sector enrolment across the GCC is estimated to have grown at a pace of 1.0% CAGR between 2016 and 2021 to reach 7.8 million compared to the private sector, which recorded a CAGR of 1.4% to reach 2.6 million²⁰, indicating a rising preference towards private education across the region. While the public sector enrolments have been relatively stable, private sector enrolments were impacted by expatriates returning to their home nations during the pandemic²¹. This led to the private sector witnessing a fall in enrolments of 8.7% y-o-y during 2021.

Public sector enrolments across the GCC grew at a CAGR of 1.0% between

2016 and 2021, Private sector enrolments recorded a CAGR of 1.4%



Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Note: Estimated for Primary (UAE, Bahrain), Secondary (UAE, Bahrain)

Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Note: Estimated for Pre-Primary (UAE, Bahrain)

The number of private schools in the GCC is estimated to have grown at a CAGR of 0.6% over the five-year period, reaching 6,771 in 2021, while the number of public schools is estimated to have fallen during the period to stand at 26,646 as of 2021, recording a decline of 1.8% CAGR²². Although governments continue to invest into public school infrastructure, the number of private schools in the region are expanding amid a strong demand from the expatriate population as well as local citizens²³. Moreover, factors including such as preference for private education, availability of British, American, and International Baccalaureate (IB) curricula, influx of private operators, growing awareness among nationals, coupled with governments' support to enhance the quality of education has helped boost the rise of private schools in the GCC.

The GCC nations recorded significant improvement in pupil-to-teacher ratio across all K-12 education segments

In GCC, the average pupil-to-teacher ratio improved in the pre-primary segment from 17.2 in 2016 to 14.7 in 2021²⁴. The pupil-to-teacher ratio in primary and secondary segments also improved across the region, with the average GCC ratio surpassing those in developed nations such as the US and UK. In primary and secondary education, the pupil-to-teacher ratio improved from 13.4 in 2016 to 12.9 in 2021 and 10.4 in 2016 to 10.2 in 2021,

¹⁹ Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

²⁰ Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

²¹ Source: "COVID-19: Gulf expats forced to leave for home as pandemic impacts jobs", Gulf News, June 18, 2020

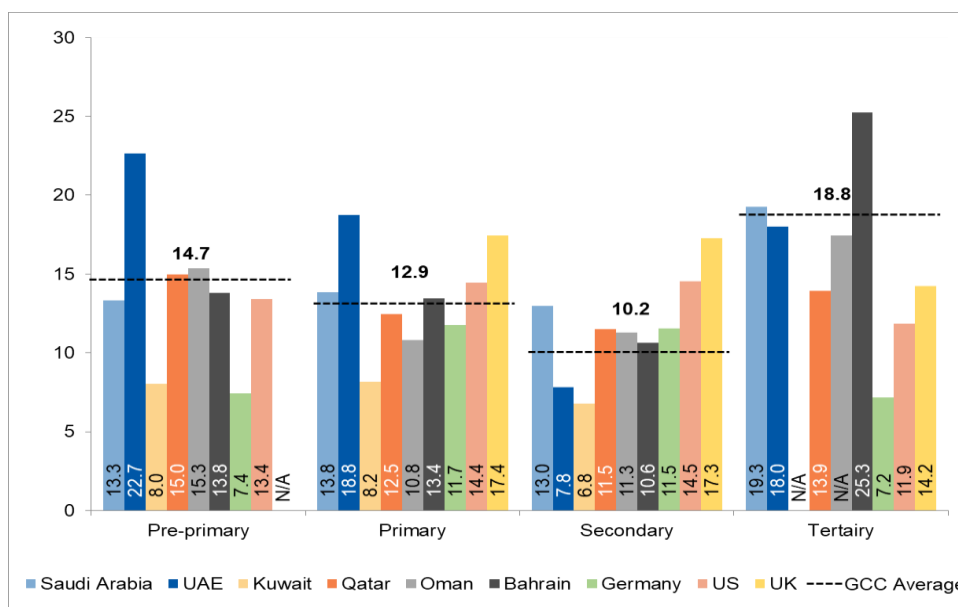
²² Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

²³ Source: Where to Invest Now in GCC Private Education, BCG, April 11, 2018

²⁴ Source: UNESCO

respectively. In tertiary education, the region's average pupil-to-teacher ratio declined from 18.0 in 2016 to 18.8 in 2021, thereby indicating a shortage of staff (see Exhibit 8)²⁵. However, regional governments such as Bahrain²⁶ and Saudi Arabia²⁷ have taken various measures as part of their long-term education strategies to address the intensifying challenges of shortage of teachers and to strengthen the number of qualified teaching staff. Moreover, several of the private schools across the GCC have started offering generous compensation packages to attract and retain the right teaching talent. At the same time, schools are planning to offer more professional development opportunities for teachers, including promotions, attending conferences, online courses while also encouraging flexibility at work during term time²⁸.

Exhibit 8: Pupil to Teacher Ratio in the GCC (2021)



Source: UNESCO, MoE of respective GCC countries

Note: Data for Germany, the US and the UK is as of 2020

2.1 The Saudi Arabian Education Sector

Saudi Arabia accounted for 67.9% of the total GCC school age population as of 2021

Saudi Arabia, owing to its expansive population base (~60% of the total GCC population as of 2021)²⁹, has the largest addressable market for the education sector in the region. The Kingdom accounted for 67.9% of the total GCC school age population as of 2021³⁰. In order to meet the rising demand for education, the Saudi government has increased its focus on expanding infrastructure, primarily through private sector participation³¹. The government has also introduced several reforms in the sector as part of its Vision 2030 economic diversification strategy to build a knowledge-based economy. These include enhancing the quality of education, rollout of modernised school curriculum that emphasises critical thinking, teacher development and retention programs, construction of new schools, modernizing the education system using technology, enhancing scientific research and knowledge production through specially designed initiatives, as well as decentralisation of its centrally steered school system³².

²⁵ Source: UNESCO

²⁶ Source: National Higher Education Strategy, Bahrain Higher Education Council

²⁷ Source: "Education in Saudi Arabia", World Education News + Reviews, April 9, 2020

²⁸ Source: "How GCC countries can attract the right teachers for the future workforce", Arab News, May 09, 2022

²⁹ Source: World Economic Outlook Database, April 2023, IMF

³⁰ Source: UNESCO

³¹ Source: "How Saudi Arabia is going private to bolster its education sector", Arabian Business, January 11, 2021

³² Source: KSA Vision 2030, National Transformation Program

Regulatory and Governance

Education in Saudi Arabia is managed by the Ministry of Education (MoE), the Ministry of Higher Education (MoHE), and the Technical and Vocational Training Corporation (TVTC). The Supreme Committee for Educational Policy is the top governing body in Saudi Arabia for administering and regulating the education system.

Infrastructure Developments

Currently, Saudi Arabia is home to over 50 public and private universities, over 27,455 schools (as of 2021)³³, a large number of colleges and several technical and vocational training institutions. Additionally, more than 30,000 schools, colleges and other institutions are in the pipeline³⁴. As of 2022, the Kingdom's TVTC established 8 training facilities of international technical colleges, 38 training facilities of strategic partnership institutes, 1,203 institutes for private sector training facilities, 138 training facilities of technical colleges, 65 training facilities of secondary industrial and architecture, and construction institutes³⁵. The MoE also runs vocational secondary schools, and several other government agencies operate institutes or training centers in their specialties. There are also a number of private training centers addressing the needs of the marketplace³⁶. In the K-12 education segment, public sector schools dominate the market, accounting for approximately 85.3% of the total as of 2019. On the other hand, private sector schools have grown at a CAGR of 0.9% between 2016 and 2019³⁷ (see Exhibit 9).

In the K-12 education segment, public sector schools dominate the market, accounting for approximately 85.3% of the total as of 2019

Exhibit 9: Infrastructure Development in K-12 Institutions (2016 and 2019)

Educational Institution	No. of Schools (2016)	No. of Schools (2019)
Public Schools	26,114	25,043
Private Schools	4,218	4,331
Total Schools	30,332	29,374

Source: General Authority for Statistics (Saudi Arabia)

Note: Data (segmentation between public and private schools) not available post 2019

Government Spending and Privatization Initiatives

In 2023, Saudi Arabia allocated US\$ 50.4 billion, equivalent to 17.0% of its total budget, towards education, which is lower than the 19.4% share in 2022³⁸. The reduction is due to the Kingdom's allocation strategy, which prioritized more on capital projects amid fiscal pressure created by the slowdown in hydrocarbon revenues. However, it stands highest among the GCC nations and is higher than select developed nations such as the US, UK, and Germany.

The Saudi government is seeking to advance the private sector in support and development of the education sector through PPP projects. MoE along with the other industry stakeholders are looking to build bridges of sustainable partnerships to implement development plans. These include several scientific research initiatives in universities, and infrastructure construction programs for national schools, among others³⁹.

As part of the government's long-term privatization goals, 27 new schools are being built in Jeddah and 33 schools in Makkah in Phase 1 of the western region PPP project to provide

Saudi Arabia allocated 17.0% of its budget towards education in 2023; higher than the US, UK, and Germany

The Saudi government is seeking to advance the private sector in support and development of the education sector through PPP projects

³³ Source: SAMA (2022)

³⁴ Source: "About Saudi Arabia - Education, The Embassy of the Kingdom of Saudi Arabia

³⁵ Source: Technical and Vocational Training Corporation (Saudi Arabia), UNESCO

³⁶ Source: Education, About Saudi Arabia – The Embassy of the Kingdom of Saudi Arabia

³⁷ Source: General Authority of Statistics, Saudi Arabia

³⁸ Source: Saudi Arabia's Ministry of Finance – Budget 2023

³⁹ Source: Partnerships in the Education Sector - Private Sector Partnership, Unified National Platform of Saudi Arabia Government

schooling for 50,000 pupils. The second phase will see Madinah getting 60 new schools for another 50,000 pupils, which is estimated to be completed by 2024⁴⁰. In April 2023, Saudi Arabia listed 11 new PPP education projects that includes privatisation of operation and maintenance of six Colleges of Excellence; develop additional capacity for special education boarding schools at five new sites (two in Asir, two in Riyadh and one in Jeddah); completing the construction of buildings, and equipping five university hospitals; and utilising the private sector to expand, develop and operate the infrastructure at Saudi Electronic University. The Phase 2 of this project aims to tender 180 educational buildings across the Kingdom and develop college buildings at the new branch of King Abdulaziz University to accommodate the anticipated increase of students and faculty members⁴¹.

Pre-primary, Primary, Secondary and Tertiary Segments

Student enrolment in the K-12 and tertiary segments across Saudi Arabia is estimated to have increased to 8.7 million in 2021 from 8.5 million in 2016, recording a CAGR of 0.3% (see Exhibit 11). Over the five-year period, the Kingdom's overall GER stood at 83.4% as of 2021 compared to 83.9% in 2016⁴².

In the pre-primary segment, total student enrolment is estimated to have witnessed a decline of 3.0% CAGR between 2016 and 2021 (see Exhibit 10), largely impacted by a slowdown in 2021 due to COVID-19. The Kingdom was forced to delay physical education for children under the age of 12 years old until the beginning of 2022 amid rising health concerns due to the omicron variant⁴³. The segment was affected by significant fall in enrolments in the private sector schools, which largely comprises of expatriate population. Although the growth in private enrolments have been healthy amid growing emphasis towards quality early childhood education⁴⁴, expatriates returning to their home nations during the pandemic led to a 62.6% fall in enrolments during 2021⁴⁵. This led to the private sector enrolments over the five-year period witness a decline of 16.6% CAGR (see Exhibit 12). GER for the pre-primary segment stood at 18.3% in 2021 compared to 22.2% recorded in 2016⁴⁶.

Primary and secondary segments are estimated to have accounted for over 95.3% of the total student enrolments in the K-12 education segment and recorded a GER of 102.1% and 111.1%, respectively, in 2021. While enrolments in the primary segment grew at a CAGR of 1.1% between 2016 and 2021, secondary education grew at a pace of 0.3% CAGR during the five-year period (see Exhibit 10)⁴⁷. The slowdown in these segments was largely driven by the relatively tepid annual growth rate in public school enrolments. However, the private sector enrolments in the primary and secondary segments witnessed a growth of 5.9% CAGR and 0.3% CAGR, respectively, during the period.

Enrolment in the tertiary segment is estimated to have recorded a fall of 0.6% CAGR between 2016 and 2021 (see Exhibit 10) due to slowdown of inward mobility amid the pandemic. Total enrolment in the tertiary segment is estimated to have reached 1.6 million in 2021. Over the five-year period, the tertiary-age population is estimated to have witnessed a decline of 1.8% CAGR. Consequently, the GER for the segment increased to 71.4% in 2021 from 67.3% in 2016⁴⁸.

Exhibit 10: Student Enrolment in Saudi Arabia, by Segment

⁴⁰ Source: "How Saudi Arabia is going private to bolster its education sector", Arabian Business, January 11, 2021

⁴¹ Source: "Saudi Arabia announces 11 education sector projects under PPP programme", Zawya, April 6, 2023

⁴² Source: UNESCO, General Authority for Statistics (Saudi Arabia)

⁴³ Source: "Saudi Arabia prepares to welcome children back to schools", Arab News, May 28, 2023

⁴⁴ Source: "Education in Saudi Arabia - Strengthening the foundations for learning", OECD Library

⁴⁵ Source: "COVID-19: Gulf expats forced to leave for home as pandemic impacts jobs", Gulf News, June 18, 2020

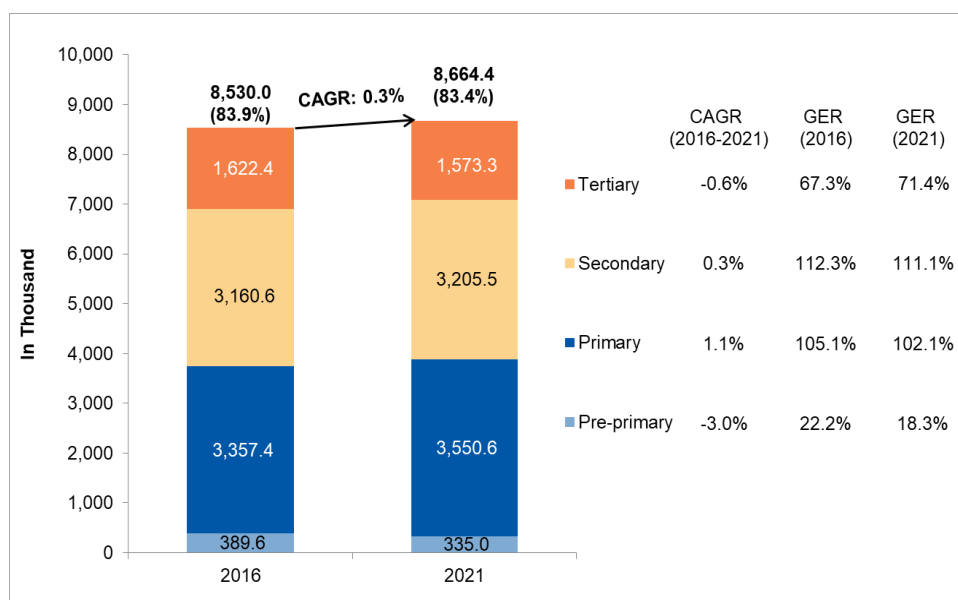
⁴⁶ Source: UNESCO, General Authority for Statistics (Saudi Arabia)

⁴⁷ Source: UNESCO, General Authority for Statistics (Saudi Arabia)

⁴⁸ Source: UNESCO, General Authority for Statistics (Saudi Arabia)

Overall GER across all levels of education stood at 83.4% in 2021

GER across the primary and secondary education levels stood at 102.1% and 111.1%, respectively, in 2021



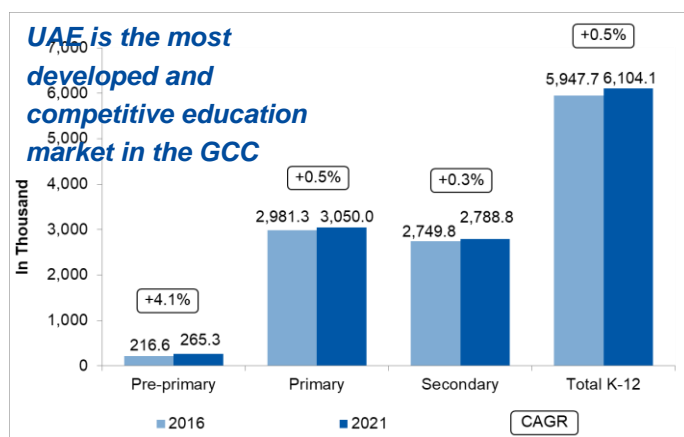
Source: UNESCO

Public schools in Saudi Arabia accounted for 85.3% of the K-12 enrolments in 2021

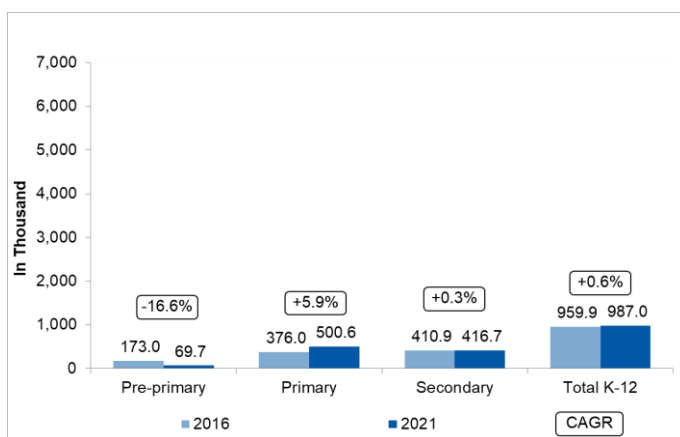
The total number of K-12 enrolments is estimated to have grown at a CAGR of 0.5% between 2016 and 2021. Consequently, the share of K-12 enrolments to total enrolments witnessed a marginal improvement from 81.0% in 2016 to 81.8% in 2021. Public schools in Saudi Arabia accounted for 85.3% of the K-12 enrolments in 2021, marginally down from 86.1% in 2016. This indicates the growing preference towards private education, which offers curricula followed by international boards. As a result, the K-12 private-school sector enrolments recorded a higher growth of 0.6% CAGR between 2016 and 2021 compared to the 0.5% CAGR in public school during the same period (see Exhibits 11 and 12)⁴⁹.

Exhibit 11: Student Enrolment in the Saudi Public Schools

Exhibit 12: Student Enrolment in the Saudi Private Schools



Source: UNESCO, General Authority for Statistics (Saudi Arabia)



Source: UNESCO, General Authority for Statistics (Saudi Arabia)

2.2 The UAE Education Sector

UAE is the most mature education market in the GCC, offering significant opportunities for investors, institutions, and students. This is largely due to the strong presence of expatriates in the country, who account for approximately 88.5% of the total population⁵⁰. The market is driven by government's increasing focus on privatization as part of its development strategy to build a knowledge-based economy. The country's long-term

⁴⁹ Source: UNESCO, General Authority for Statistics (Saudi Arabia)

⁵⁰ Source: "United Arab Emirates Population Statistics 2023", Global Media Insight, May 26, 2023

education plans such as Strategic Education Plan 2017-21⁵¹, Vision 2021⁵², and National Strategy for Higher Education 2030⁵³ aim to increase enrolment rates across all categories, create a first-rate education system, and achieve high scientific and professional education standards, respectively. The Ministerial Development Council is also currently reviewing a proposal for the preparation of a federal law on Higher Education, along with a number of other resolutions, initiatives and reports related to the government and the improvement of the institutions' performance in various sectors in the Federal Government⁵⁴. These policies broadly seek to equip future generation of students with technical and practical skills to strengthen the labour market. As such, private schools and universities in the country have been thriving offering various international curricula and programs. Private schools in the UAE offer around 17 different curricula with a predominance of UK, US, and Indian models⁵⁵. Within the UAE, Dubai and Abu Dhabi are the country's largest markets and account for approximately half of the total students in private K-12 schools. Both these Emirates have also launched their respective vision plans, Dubai Plan 2021 and Abu Dhabi Economic Vision 2030, which aim to improve the quality of education through improved curriculum and infrastructure. Such initiatives by the government have strengthened accreditation standards and developed curricula to match international standards, thus increasing the quality of education in the UAE.

Regulatory and Governance

Education in the UAE is managed by the Ministry of Education (MoE), which oversees all Emirates' education councils and authorities. Each Emirate has its own education council which is responsible for policies and reforms. The Abu Dhabi Education Council (ADEC) and the Knowledge and Human Development Authority (KHDA) along with the Dubai Education Council (DEC) are responsible for educational policies and quality inspections at schools in Abu Dhabi and Dubai, respectively. Higher education in the UAE is governed by the Ministry of Higher Education and Scientific Research, which is responsible for general planning of higher education and licensing private institutions.

Infrastructure Developments

As of 2019, the UAE was home to more than 94 higher education institutions and 1,262 K-12 schools within the private sector accounting for 51% of the total schools in the country. The number of private schools reached 643 in 2019, up from 567 schools in 2017, of which 97% are international schools – the second highest number in the world⁵⁶. The number of public schools in the UAE, which follow the Arabic curriculum, fell from 667 in 2016 to 619 in 2019 (see Exhibit 13)⁵⁷.

Exhibit 13: Infrastructure Development in K-12 Institutions (2016 and 2019)

Educational Institution	No. of Schools (2017)	No. of Schools (2019)
Public Schools	667	619
Private Schools	563	643
Total Schools	1,230	1,262

Source: Ministry of Education (UAE)

Note: Data not available post 2019

⁵¹ Source: UAE MoE Strategic Plan 2017-21

⁵² Source: Importance of education to the Government; UAE Government

⁵³ Source: First-rate education system; UAE Government

⁵⁴ Source: GCC Education Ecosystems: A Brief Overview, OER Live

⁵⁵ Source: "United Arab Emirates Education and Training Sector Snapshot", International Trade Administration, March 24, 2023

⁵⁶ Source: "25 Years of ISC Research and the International Schools Market", ISC Research, 2019

⁵⁷ Source: Ministry of Education, UAE

Government Spending and Privatization Initiatives

The UAE government has placed significant emphasis on establishing a robust education system in order to foster economic growth beyond the hydrocarbon industry and develop a competitive economy driven by knowledge. The government dedicated approximately US\$ 2.7 billion to the education sector in 2023, which accounts for 15.5% of the total budget. This allocation is slightly lower than the 16.3% allocated in 2022 and 15.7% allocated in 2021⁵⁸. Although fears of high inflation and pressure on oil prices have created fiscal constraints on the economy, the UAE has continued to remain committed towards the sector, with a budget allocation higher than that of the US, UK, and Germany.

UAE allocated 15.5% of its total budget towards education in 2023; higher than the US, UK, and Germany

The government has scaled up its initiative towards privatizing the education sector to fast track higher education, improve and modernize K-12 infrastructure, update curricula, improve the quality of education, and integrate technology in teaching and learning methods. In May 2022, ADEC awarded a major infrastructure PPP project under the Partnership Projects framework issued in collaboration with the Abu Dhabi Investment Office (ADIO) for the procurement of three new schools to a Belgian contractor Besix and Australia's Plenary Group. The Zayed City Schools PPP project includes the design, build, finance, maintenance and transfer of three new school campuses with a capacity of 5,360 students. The education services at each campus will be provided separately by a private sector chartered school operator⁵⁹. ADIO, in collaboration with Khalifa University, also launched a new PPP tender to deliver accommodation and associated facilities for 3,250 students in the Emirates. The tender covers the Main and Sas Al Nakhl campuses and includes the design, build, finance, maintenance and transfer of accommodation across the two locations⁶⁰. In June 2022, the Emirates Schools Establishment, a body which manages and operates public schools in Dubai, announced a new PPP model wherein Taaleem, Aldar Education and Bloom Education will run 10 public schools - Ajyal Schools or Generation Schools – in the first year with the number rising to 28 within three years. While operating expenses and tuition fees will be borne by the government, the private operators will be responsible for curriculum development with focus on science and mathematics⁶¹. In 2021, two schools were opened in the Mirdif and Barsha neighbourhoods under the brand 'Dubai Schools' in a deal between the government and Taaleem⁶².

Pre-primary, Primary, Secondary and Tertiary Segments

Student enrolment in the K-12 and tertiary segments across the UAE is estimated to have reached more than 1.5 million in 2021, up from 1.2 million in 2016. This translates to a CAGR of 5.1% over the five-year period, the highest amongst the GCC nations (see Exhibit 14). The country's overall GER stood at 85.0% in 2021 compared to 77.7% in 2016⁶³.

Enrolment in the pre-primary segment grew at a CAGR of 6.3% between 2016 and 2021 (see Exhibit 14)⁶⁴, primarily driven by rising awareness among parents about early childhood education and an emphasis on play-based learning⁶⁵. The GER for this segment increased significantly to 100.4% in 2021 compared to 78.7% in 2016⁶⁶.

Primary and secondary segments are estimated to account for over 83.0% of the total student enrolments in the K-12 education system and recorded a GER of 114.1% and

Student enrolment in K-12 and tertiary education across the UAE is estimated to have grown at a CAGR of 5.1% over the five-year period, the highest amongst the GCC nations

Primary and secondary segments are estimated to account for over 83.0% of the total student enrolments in the K-12 education system and recorded a GER of 114.1% and 83.6%, respectively, in 2021

⁵⁸ Source: UAE Ministry of Finance – Budget Statement 2023

⁵⁹ Source: "Three new schools to be developed as part of Abu Dhabi's first-of-its-kind PPP programme", Arabian Business, May 25, 2022

⁶⁰ Source: "Abu Dhabi offers latest PPP opportunity with launch of Khalifa University student accommodation tender process", The National News, January 10, 2023

⁶¹ Source: "Top private education groups to run government schools in new model", The National News, June 06, 2022

⁶² Source: "New UAE government schools will teach in English to prepare pupils for university", The National News, June 10, 2022

⁶³ Source: UNESCO, Ministry of Education (UAE)

⁶⁴ Source: UNESCO, Ministry of Education (UAE)

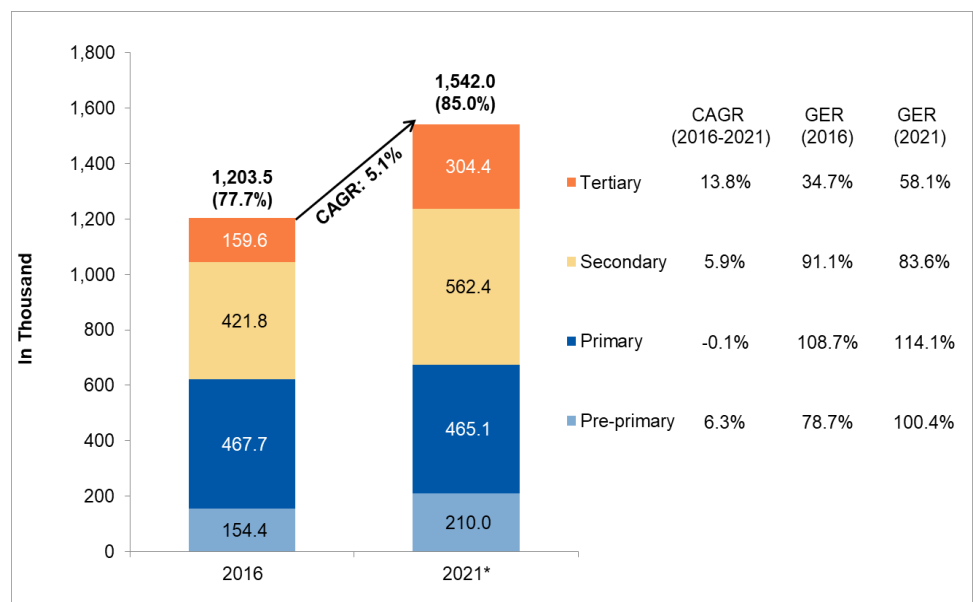
⁶⁵ Source: Quality Education in the UAE; Ministry of Education Website

⁶⁶ Source: UNESCO, Ministry of Education (UAE)

83.6%, respectively, in 2021⁶⁷. While enrolments in the primary segment remained relatively unchanged between 2016 and 2021 due to a slowdown in the public sector (see Exhibit 15), the secondary education segment grew at a pace of 5.9% CAGR during the same period (see Exhibit 14)⁶⁸. Growth in the secondary segment was driven by higher enrolment rates in both the public and private school sector (see Exhibits 15 and 16)⁶⁹.

Enrolment in the tertiary segment grew at a comparatively faster rate of 13.8% CAGR over the five-year period to reach 304,439 students in 2021 (see Exhibit 14)⁷⁰. This can be largely attributed to the influx of several top global universities and colleges in recent years, leading to a rise in demand from students across the GCC and abroad. Consequently, the tertiary segment GER witnessed a significant improvement from 34.7% in 2016 to 58.1% in 2021⁷¹.

Exhibit 14: Student Enrolment in the UAE, by Segment



Source: UNESCO, Ministry of Education (UAE)

Note: *Estimated

Total number of K-12 student enrolments grew at a CAGR of 3.5% between 2016 and 2021

The total number of K-12 student enrolments is estimated to have grown at a CAGR of 3.5% between 2016 and 2021. Amid a rise in the tertiary segment, the share of K-12 enrolments to total enrolments fell from 86.7% in 2016 to 80.3% in 2021. Private schools in the UAE accounted for approximately 73.1% of the K-12 enrolments in 2021, up from 72.1% in 2016. Consequently, the K-12 private-school sector enrolments grew at a faster rate of 3.7% CAGR compared to a 2.7% CAGR in the public school over the five-year period (see Exhibits 15 and 16)⁷².

Exhibit 15: Student Enrolment in the UAE Public Schools

Exhibit 16: Student Enrolment in the UAE Private Schools

⁶⁷ Source: UNESCO, Ministry of Education (UAE)

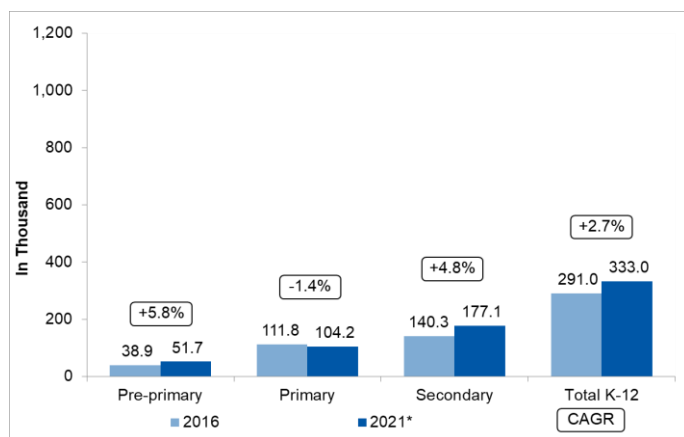
⁶⁸ Source: UNESCO, Ministry of Education (UAE)

⁶⁹ Source: UNESCO, Ministry of Education (UAE)

⁷⁰ Source: UNESCO, Ministry of Education (UAE)

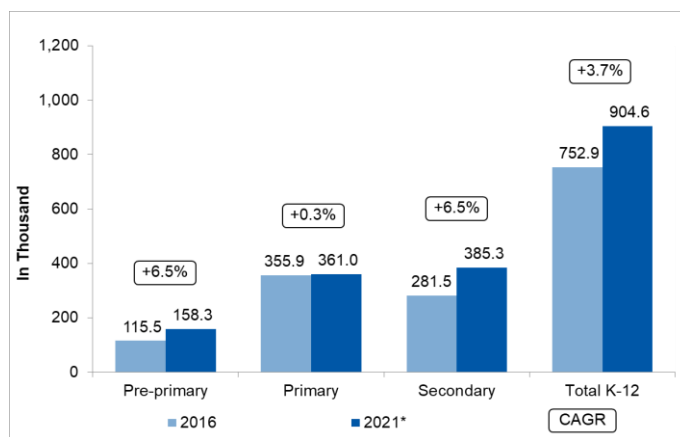
⁷¹ Source: UNESCO, Ministry of Education (UAE)

⁷² Source: UNESCO, Ministry of Education (UAE)



Source: UNESCO, Ministry of Education (UAE)

Note: *Estimated



Source: UNESCO, Ministry of Education (UAE)

Note: *Estimated

2.3 The Omani Education Sector

Oman has long considered education among one of the most important pillars of welfare and social development

Oman has long considered education among one of the most important pillars of welfare and social development. As part of its 'Vision 2040' plan, the education sector has been identified as key to the Sultanate's economic diversification strategy and in building a knowledge-based economy. Within the structure of 'Vision 2040', the 'National Strategy for Education 2040' was designed by the Education and Higher Education Councils to set a new framework for education, capacity building, transfer of jurisdiction and responsibilities to educational institutions, and the adoption of an outcome-based approach. Under this strategy, a National Training Fund has been established to bridge the skills gap through human capacity-building, and enhance skills of Omani job-seekers⁷³. The Omani government is also committed to achieving the UN Sustainable Development Goal 4 (SDG4) - Education 2030. In collaboration with the Oman National Commission, UNESCO assists in achieving these goals through sector-wide education policy and planning, strengthening the educational system for sustainable development including Green Schools, and making education more inclusive. The government is also proactively pursuing PPP projects to improve the infrastructure and quality of education in the Sultanate⁷⁴.

Regulatory and Governance

The Ministry of Education (MoE) is in charge of formulating the policies of education, administration and management of the public and private K-12 education system in Oman. The Ministry of Higher Education (MoHE) is responsible for regulating the higher education in public and private universities and colleges as well as recognition of certificates issued by educational institutions abroad. The Oman Academic Accreditation Authority (OAAA) is an independent authority responsible for reporting on the quality of higher education institutions and programmes in the Sultanate. The Education Council plays an important role in formulating the policies and provision of legislative proposals to both MoE and MoHE, as well as observing the performance of the educational institutions in the Sultanate. Meanwhile, the Ministry of Manpower (MoM) regulates all private and government technical and vocational education and training (TVET) through two directorate generals, with one for vocational training and the other for technical training.

Infrastructure Developments

As of 2018, Oman had 1,761 schools with the public sector accounting for 63.9% of the total

⁷³ Source: The National Strategy for Education 2040, Education Council of Oman

⁷⁴ Source: Oman's Education Sector, EduTrac Oman

As of 2018, Oman had 1,761 schools with the public sector accounting for 63.9% of the total⁷⁵. At the same time, there were six colleges of applied science, seven colleges of technology, and one higher college of technology in the Sultanate. Qaboos University, in Muscat, is the sole state university in Oman⁷⁶. Considering nationals account for approximately 56% of the total population⁷⁷, the share of K-12 private sector education has been relatively low in the Sultanate. However, rising awareness about the benefits associated with private education coupled with the government's privatization drive has led to an influx of private operators in Oman. Consequently, the total number of private schools in the country reached 636 in 2018, up from 530 in 2016 (see Exhibit 17)⁷⁸.

Exhibit 17: Infrastructure Development in K-12 Institutions (2017 and 2018)

Educational Institution	No. of Schools (2016)	No. of Schools (2018)
Public Schools	1,068	1,125
Private Schools	530	636
Total Schools	1,598	1,761

Source: National Center for Statistics and Information (Oman)

Note: Data not available post 2018

Government Spending and Privatization Initiatives

Oman's budget allocation for education reached approximately US\$ 1.9 billion, accounting for 16.7% of the total budget expenditure in 2023. This allocation is marginally lower than the 17.0% allocated in both 2022 and 2021⁷⁹. Despite the lower allocation, which can be attributed to unstable geopolitical events and uncertainty surrounding the global economy, the Omani government remains committed to prioritizing welfare expenditure, particularly in the field of education.

The government is currently working towards attracting foreign direct investments (FDI) in the higher education sector. It is offering private higher education establishments land plots and granting private universities 50% of their paid-up capital and a maximum of OMR 3 million (US\$ 7.8 million) with an exemption in tax and customs. It is also providing private higher education establishments with opportunities to initiate investments and commercial activities in the land offered to them to establish service projects supporting the educational process⁸⁰. In April 2022, the MoE announced the construction of 76 new school buildings, 42 of which will be established in partnership with the private sector that will accommodate about 80,000 students. The Sultanate's first PPP project for the K-12 segment includes design, construction, finance, operation, and maintenance of 42 school buildings by the private sector for more than 20 years⁸¹.

Pre-primary, Primary, Secondary and Tertiary Segments

In Oman, the total number of enrolled students in K-12 and tertiary segments is estimated to have reached more than 0.9 million in 2021, growing at a CAGR of 1.6% since 2016 (see Exhibit 18). The overall GER in the Sultanate stood at 82.1% in 2021 compared to 83.1% in 2016⁸². The increasing focus towards enhancing the quality of education coupled with encouraging the implementation of new academic and training programmes to create a knowledge-based economy has supported overall enrolment ratios in the country⁸³.

Oman allocated 16.7% of its total budget towards the education sector in 2023

Oman's overall GER stood at 82.1% in 2021 compared to 83.1% in 2016.

⁷⁵ Source: National Centre for Statistics and Information, Oman

⁷⁶ Source: Education System in Oman, Scholaro Database

⁷⁷ Source: National Centre for Statistics and Information, Oman

⁷⁸ Source: National Centre for Statistics and Information, Oman

⁷⁹ Source: Oman Ministry of Finance – Budget Statement 2023

⁸⁰ Source: Oman's Education Sector, EduTrac Oman

⁸¹ Source: "Details of 76 new schools revealed by Oman's Ministry", Zawya, April 03, 2022

⁸² Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

⁸³ Source: "Private education stepping in to meet rising demand in Oman", Oxford Business Group

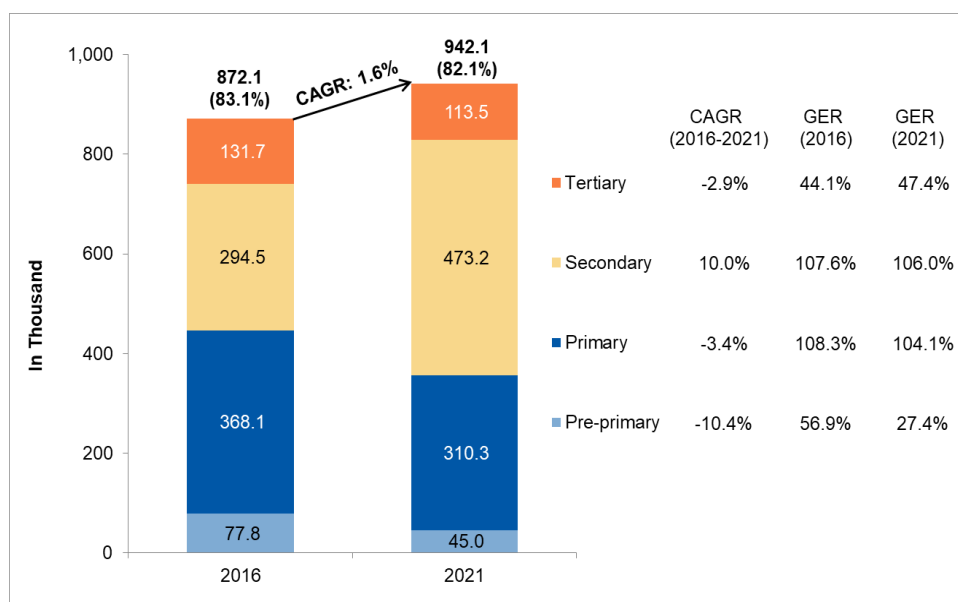
Oman's primary and secondary enrolments accounted for ~94.6% of the student enrolments in the K-12 education system in 2021

In 2021, pre-primary enrolment estimated to have reached 44,981, recording a decline of 10.4% CAGR since 2016 (see Exhibits 18). This was largely driven by a fall of 11.4% CAGR in the public and 10.0% CAGR fall in private sector school enrolments over the five-year period due to the COVID-19 pandemic (see Exhibits 19 and 20). Although the pre-primary segment grew at a healthy 4.1% CAGR between 2016 and 2020, a decline of 50.7% in enrolments during 2021 impeded overall growth. Consequently, GER for the segment is estimated to have fallen from 53.8% in 2016 to 27.4% in 2021⁸⁴.

Primary and secondary segment enrolments accounted for approximately 94.6% of the student enrolments in the K-12 education system in 2021, up from 89.5% in 2016. GERs in the primary and secondary segments stood at 104.1% and 106.0%, respectively, in 2021 as enrolments are mandatory for students aged 6 to 17 in the Sultanate. While enrolments in the secondary segment grew at a CAGR of 10.0% between 2016 and 2021, the primary segment witnessed a fall of 3.4% CAGR over the five-year period (see Exhibit 18)⁸⁵.

Enrolments at the tertiary segment fell at CAGR of 2.9% during the five-year period (see Exhibit 18). The GER for the segment is estimated to have increased from 44.1% in 2016 to 47.4% in 2021⁸⁶.

Exhibit 18: Student Enrolment in Oman, by Segment



Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

The total number of K-12 enrolments is estimated to have grown at a CAGR of 2.3% between 2016 and 2021

The total number of K-12 enrolments is estimated to have grown at a CAGR of 2.3% between 2016 and 2021. The share of K-12 enrolments to total enrolments in the country is estimated to have increased to 87.9% in 2021 from 84.9% in 2016⁸⁷. Public sector enrolments have dominated the market, increasing at a CAGR of 3.7% between 2016 and 2021 compared to 3.6% CAGR decline in private schools (see Exhibits 19 and 20). This can be largely attributed to the high enrolment rates of 9.9% CAGR witnessed in the public schools across secondary segment and a relatively slower decline in the primary segment compared to the private sector over the five-year period (see Exhibits 19 and 20)⁸⁸. As a

⁸⁴ Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

⁸⁵ Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

⁸⁶ Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

⁸⁷ Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

⁸⁸ Source: UNESCO

result, public schools in Oman accounted for 83.7% of the total K-12 enrolments in 2021, up from 78.1% in 2016⁸⁹.

Exhibit 19: Student Enrolment in Omani Public Schools

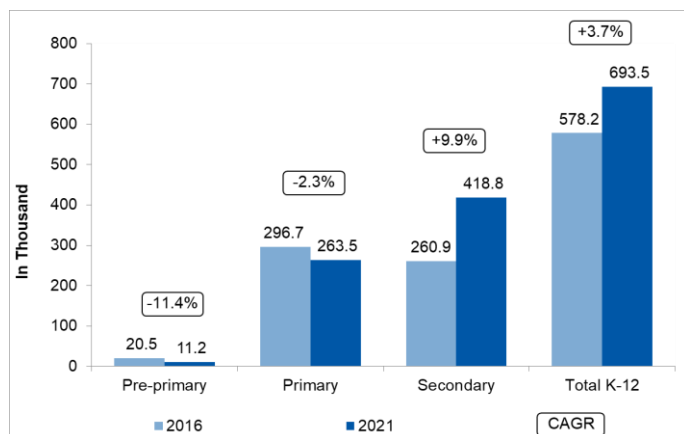
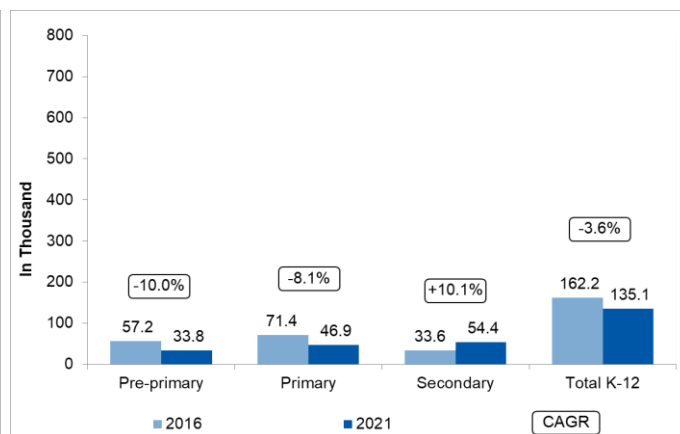


Exhibit 20: Student Enrolment in Omani Private Schools



Source: UNESCO, National Centre for Statistics, and Information (NCSI), Oman

Source: UNESCO, National Centre for Statistics, and Information (NCSI), Oman

2.4 The Kuwaiti Education Sector

The Kuwait MoE has begun to revamp its entire curriculum, starting at the primary school level; The initiative is to be phased over a five-year period and will cover all subjects

Kuwait has laid strong emphasis in modernizing its education system to bring it at par with global standards. Accordingly, the MOE has begun to revamp its entire curriculum, starting at the primary school level. The initiative is to be phased over a five-year period and will cover all subjects⁹⁰. The government has also established a 'National Development Plan 2035' that aims to reform and revitalise the country's education system. It primarily aims to introduce changes in public education to enhance national standards of teaching and student assessment; and meet the increasing demand for high-quality education through privatisation⁹¹. Moreover, the country has been regularly seeking advice of the World Bank with the aim to reform its education system and co-ordinating its courses with the requisites of the employment market. In order to build a knowledge-based economy, the government is encouraging studies in certain disciplines, including dentistry, nursing, and pharmacy, due to the high demand for healthcare workers, as well as science, technology and engineering (STEM) programs including cybersecurity and meteorology. These measures, coupled with the rise in expat population over the past few years, have fuelled the demand for private education in the country.

Regulatory and Governance

The MoE regulates all levels of non-state education from primary through secondary schools in Kuwait while the Ministry of Social Affairs and Labour regulates non-state nurseries and kindergartens. The MoHE oversees all matters related to non-state higher education and sets the general framework for policies and plans that are necessary for the development of higher education. Recently, the cabinet has granted the National Bureau for Academic Accreditation and Education Quality Assurance (NBAQ) new authorities that can determine requirements for academic accreditation for private universities, affirming their programs and reviewing their performance instead of the council of private universities. Vocational education institutions in the country are regulated by the Public Authority for Applied Education and Training (PAAET).

⁸⁹ Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

⁹⁰ Source: Education and Training – Kuwait, International Trade Administration

⁹¹ Source: "GCC Education Ecosystems: A Brief Overview", Business Live Me

As of 2021, Kuwait was home to 1,420 schools with the public sector accounting for 60.2% of the total

Infrastructure Developments

As of 2021, Kuwait was home to 1,420 schools with the public sector accounting for 60.2% of the total⁹². However, several international schools have set up their base in Kuwait, offering a range of international curricula. There are approximately 30 international schools, of which eight are American and the rest follow Canadian, British, French, or Indian curricula. The number of private schools in Kuwait has grown at a much faster rate of 2.2% CAGR compared to the public schools (1.1% CAGR) between 2016 and 2021 to reach 565 (see Exhibit 21)⁹³. There are 11 universities in Kuwait, of which Kuwait University is the only public university and rest are private. Some of the other state-funded higher education institutions include the College of Basic Education, and the Higher Institutes for Theatre and the Music Arts⁹⁴. There is also high demand for vocational and non-degree training in the country with different ministries such as Kuwait Chamber of Commerce and Industry and the Ministry of Defence offering programs in collaboration with foreign and domestic institutes. The Public Authority for Applied Education and Training provides programs for graduates seeking employment at government ministries, departments, and agencies⁹⁵.

Exhibit 21: Infrastructure Development in K-12 Institutions (2016 and 2021)

Educational Institution	No. of Schools (2016)	No. of Schools (2021)
Public Schools	809	855
Private Schools	507	565
Total Schools	1,316	1,420

Source: Ministry of Education (Kuwait)

Government Spending and Privatization Initiatives

The Kuwaiti government has consistently allocated a significant portion of its budget to the advancement of the education sector over the past few years. For the fiscal year 2023-24, Kuwait allocated US\$ 9.8 billion to the education sector, which is equivalent to 11.5% of the total budget. This allocation is slightly lower than the share allocated in FY 2022-23, which was 12.2%. However, in terms of value, there has been an increase of US\$ 455.6 million in FY 2023-24 compared to FY 2022-23⁹⁶.

In a bid to improve the quality of education and establish infrastructure that is at par with global peers, the government has been actively pushing for privatization and seeking FDI in the education sector. In January 2023, Public Authority for Housing Welfare (PAHW) announced plans to sign the development agreement for two private schools through PPP in Jaber Al-Ahmad City and Sabah Al-Ahmad City. The schools would be developed on design, build, finance, operation, maintenance and transfer basis with an operating period of 35 years. The project is anticipated to be completed by Q3 2025 and is estimated to cost US\$ 60 million⁹⁷.

Pre-primary, Primary, Secondary and Tertiary Segments

The total number of enrolled students in K-12 and tertiary education across Kuwait is estimated to have reached 779,330 in 2021, growing at a CAGR of 0.6% since 2016 (see Exhibit 22). The country recorded steady growth in enrolment across the secondary and

The total number of enrolled students in K-12 and tertiary education across Kuwait is estimated to have grown at a CAGR of 0.6% between 2016 and 2021

⁹² Source: National Centre for Statistics and Information, Oman

⁹³ Source: Ministry of Education (Kuwait)

⁹⁴ Source: Education System in Kuwait, Scholaro Database

⁹⁵ Source: Education and Training – Kuwait, International Trade Administration

⁹⁶ Source: Kuwait Ministry of Finance – Budget Statement 2023-24

⁹⁷ Source: "Kuwait expected to award PPP school project in Q1", Zawya, January 08, 2023

tertiary education segments over the five-year period, whereas witnessed a decline in the pre-primary and primary segments. The overall GER in the country stood at 75.2% in 2021⁹⁸.

Pre-primary enrolments have contracted at a CAGR of 6.1% over the five-year period, with an overall GER of 48.6% in 2021 compared to 68.4% in 2016 (see Exhibit 22)⁹⁹. The slowdown can be attributed to a 20.5% y-o-y decline in enrolments during 2021 due to the pandemic. The segment was affected by the significant fall in enrolments in the private sector schools, which largely comprises of expatriate population. Although the growth in private enrolments was healthy during the pre-pandemic era, expatriates returning to their home nations led to a 44.8% fall in enrolments during 2021¹⁰⁰. This led to the private sector enrolments over the five-year period witness a decline of 13.7% CAGR (see Exhibit 24)¹⁰¹.

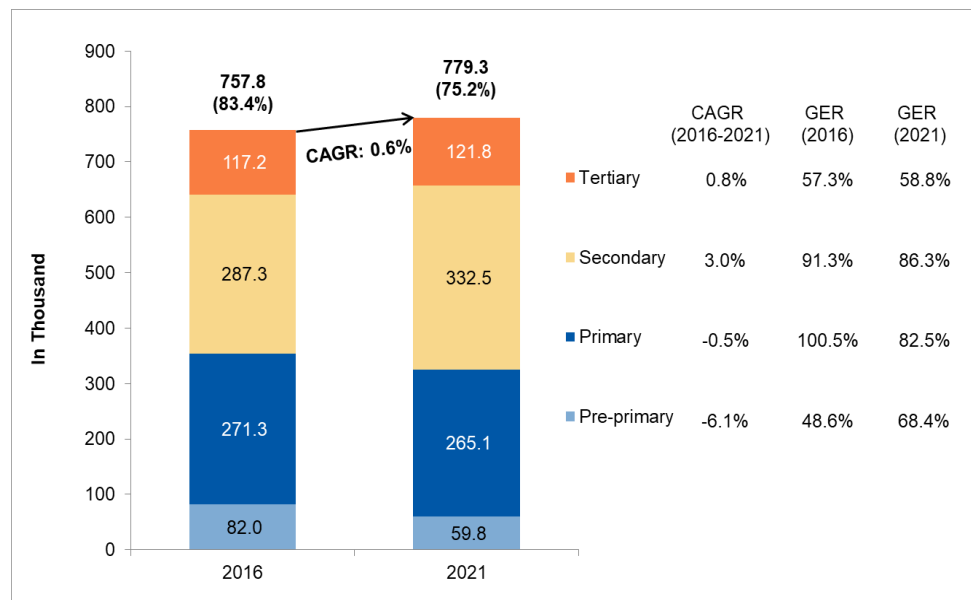
The primary and secondary segments is estimated to account for over 90.9% of the student enrolments in the K-12 education system in 2021

The primary and secondary segments accounted for 90.9% of the student enrolments in the K-12 education system in 2021, up from 87.2% in 2016. These segments recorded a GER of 82.6% and 86.3%, respectively, in 2021¹⁰². While enrolment in primary education witnessed a decline of 0.5% CAGR between 2016 and 2021, the secondary education segment grew by 3.0% CAGR amid higher enrolments in public sector (see Exhibit 23)¹⁰³.

Enrolment in Kuwait's tertiary segment is estimated to have grown at a CAGR of 0.8% between 2016 and 2021 (see Exhibit 22)¹⁰⁴. The GER for tertiary segment improved to 58.8% in 2021 from 57.3% in 2016¹⁰⁵. Growth in this segment has been largely aided by the government's strong emphasis towards higher education and provision of free tertiary education for nationals at public institutes.

Public schools in Kuwait accounted for 63.6% of the K-12 enrolments in 2021

Exhibit 22: Student Enrolment in Kuwait, by Segment



Source: UNESCO, Central Statistical Bureau (Kuwait)

The total number of K-12 enrolments is estimated to have grown at a relatively slower pace of 0.5% CAGR between 2016 and 2021 compared to the tertiary segment. This led to the share of K-12 enrolments to total enrolments decline marginally from 84.5% in 2016 to 84.4% in 2021. Public schools in Kuwait accounted for 63.6% of the K-12 enrolments in

⁹⁸ Source: UNESCO, Central Statistical Bureau (Kuwait)

⁹⁹ Source: UNESCO, Central Statistical Bureau (Kuwait)

¹⁰⁰ Source: "COVID-19: Gulf expats forced to leave for home as pandemic impacts jobs", Gulf News, June 18, 2020

¹⁰¹ Source: UNESCO, Central Statistical Bureau (Kuwait)

¹⁰² Source: UNESCO, Central Statistical Bureau (Kuwait)

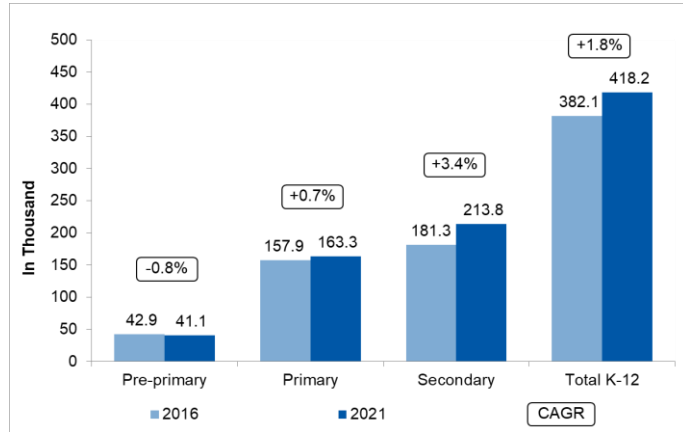
¹⁰³ Source: UNESCO, Central Statistical Bureau (Kuwait)

¹⁰⁴ Source: UNESCO, Central Statistical Bureau (Kuwait)

¹⁰⁵ Source: UNESCO, Central Statistical Bureau (Kuwait)

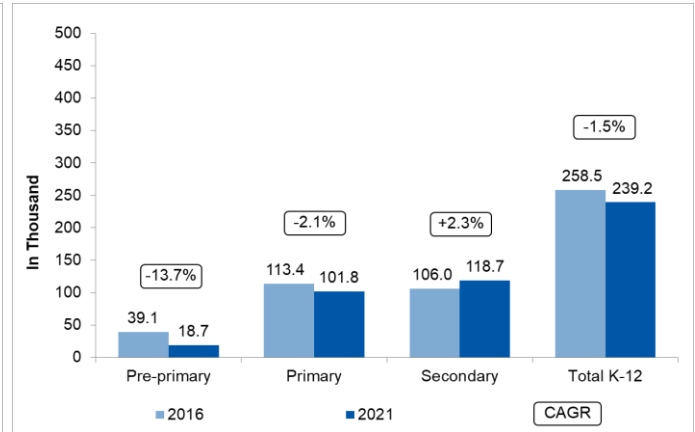
2021. Over the five-year period, the K-12 public school sector enrolment grew at a CAGR of 1.8% while private school sector enrolments declined at a CAGR of 1.5% (see Exhibits 23 and 24)¹⁰⁶. The slowdown in private sector is attributable to the expatriate population returning home during COVID-19 that led to contraction in enrolments across the pre-primary and primary education segments.

Exhibit 23: Student Enrolment in Kuwaiti Public Schools



Source: UNESCO, Central Statistical Bureau (Kuwait)

Exhibit 24: Student Enrolment in Kuwaiti Private Schools



Source: UNESCO, Central Statistical Bureau (Kuwait)

Qatar is gradually shifting the existing K-12 curricula to one that emphasizes on innovative thinking and creative ability to upskill resources

2.5 The Qatari Education Sector

Education plays a key role in Qatar's National Vision 2030, country's long-term framework to build a knowledge-based, sustainable and diversified economy. This has necessitated for a quality education system and improved infrastructure, leading to the government opening up the sector for private sector participation. Moreover, Qatar's second National Development Strategy 2018-2022, which aims at stepping up the quality of education at all levels, has laid special emphasis on both public and private schools to adopt e-learning platforms that can improve student engagement and provide personalized learning pathways. The country has also placed a strong focus on advancements in vocational training and blended learning environments. As such, it is gradually shifting the existing K-12 curricula to one that emphasizes on innovative thinking and creative ability to upskill resources¹⁰⁷. Consequently, there has been an influx of international institutions in the country while the shift towards increasing preference for private education has gained further momentum.

Regulatory and Governance

The education sector in Qatar is governed by the Ministry of Education and Higher Education (MOEHE). The MOEHE helps develop policies, supports and regulates K-12 public and private schools as well as higher education institutions. It also monitors the compliance of private schools with pre-approved educational plans. Qatar Foundation is the primary funding body for the education sector, with local and global accreditors overseeing and maintaining the quality standards. The MOEHE has formed the Qatar National School Accreditation (QNSA) to build a national accreditation system, which aims to improve the quality of schools and their adherence to advanced learning standards.

Infrastructure Developments

¹⁰⁶ Source: UNESCO, Central Statistical Bureau (Kuwait)

¹⁰⁷ Source: "Education Sector In Qatar - Current State Assessment Series, QDB 2021

As of 2021, Qatar was home to 1,004 schools, of which private schools made up for 68.3% of the total (see Exhibit 25)¹⁰⁸. The country has more than 32 universities with the higher education institutions offering over 366 educational programs. Education City, which is an initiative, founded by Qatar Foundation for Education, Science and Community Development is based in Al Rayyan operating 11 schools and 9 universities¹⁰⁹. The number of private schools in Qatar has grown at a much faster rate of 6.1% CAGR compared to the public schools (1.7% CAGR) between 2016 and 2021 to reach 686 (see Exhibit 25)¹¹⁰.

Exhibit 25: Infrastructure Development in K-12 Institutions (2016 and 2021)

Educational Institution	No. of Schools (2016)	No. of Schools (2021)
Public Schools	292	318
Private Schools	510	686
Total Schools	802	1,004

Source: Ministry of Education and Higher Education (Qatar)

Government Spending and Privatization Initiatives

In 2023, Qatar allocated 9.0% of the total budget towards education, marginally higher than the 8.7% in 2022

The Qatari government has consistently demonstrated its commitment to support education through its budget statements. In 2023, Qatar allocated US\$ 4.9 billion to the sector, which is equivalent to 9.0% of its total budget, marginally higher than the 8.7% earmarked in 2022¹¹¹. The allocation of funds aligns with the nation's objective to enhance the education sector through the expansion and advancement of schools and educational institutions.

As part of the Qatar Public-Private Partnership Schools Development Programmes, the MOEHE, in collaboration with the Ministry of Finance (MoF), had announced plans in 2019 to establish 45 schools with a PPP model over a five-year period¹¹². The schools are planned to be built in six phases, with eight schools to be set up by 2021 in the first phase, followed by six to eight schools in each of the following phases by 2022-23. Five of the eight new schools in the first phase started operating at the beginning of 2022-23 academic year. Each of these five schools will accommodate 786 students¹¹³. The project is expected to use the design, build, finance, operate, maintain and transfer model and is estimated to cost approximately QAR 4 billion (US\$ 1.1 billion)¹¹⁴.

Pre-primary, Primary, Secondary and Tertiary Segments

Qatar is estimated to have recorded the second highest growth in student enrolment across the GCC region, growing at 3.9% CAGR between 2016 and 2021

Qatar is estimated to have recorded the second highest growth in student enrolment across the GCC region, growing at 3.9% CAGR between 2016 and 2021. The total number of enrolled students in K-12 and tertiary education across the country is estimated to have reached 378,297 in 2021. The country's overall GER is estimated to have increased from 62.5% in 2016 to 70.9% in 2021, primarily driven by a rise in enrolments across the primary, secondary, and tertiary segments (see Exhibit 26)¹¹⁵.

Primary and secondary segments cumulatively accounted for over approximately 86.8% of the student enrolments in the K-12 education system in 2021

Total enrolment in the pre-primary segment is estimated to have witnessed a decline of 0.6% CAGR between 2016 and 2021 (see Exhibit 26)¹¹⁶ amid prolonged school closures during the pandemic. This impacted the enrolments in the private sector schools, which recorded

¹⁰⁸ Source: Ministry of Education (Qatar)

¹⁰⁹ Source: Higher Education in Qatar, Ministry of Education and Higher Education

¹¹⁰ Source: Higher Education in Qatar, Ministry of Education and Higher Education

¹¹¹ Source: Qatar Ministry of Finance – Budget Statement 2023

¹¹² Source: "Qatar schools PPP Development Program", Project Pipeline GI Hub, Q1 2019

¹¹³ Source: "Schools, Schools & More Schools", Marhaba, December 05, 2022

¹¹⁴ Source: Qatar Public Private Partnership Schools Development Program – Package 1 & 2

¹¹⁵ Source: UNESCO, Ministry of Education and Higher Education (Qatar)

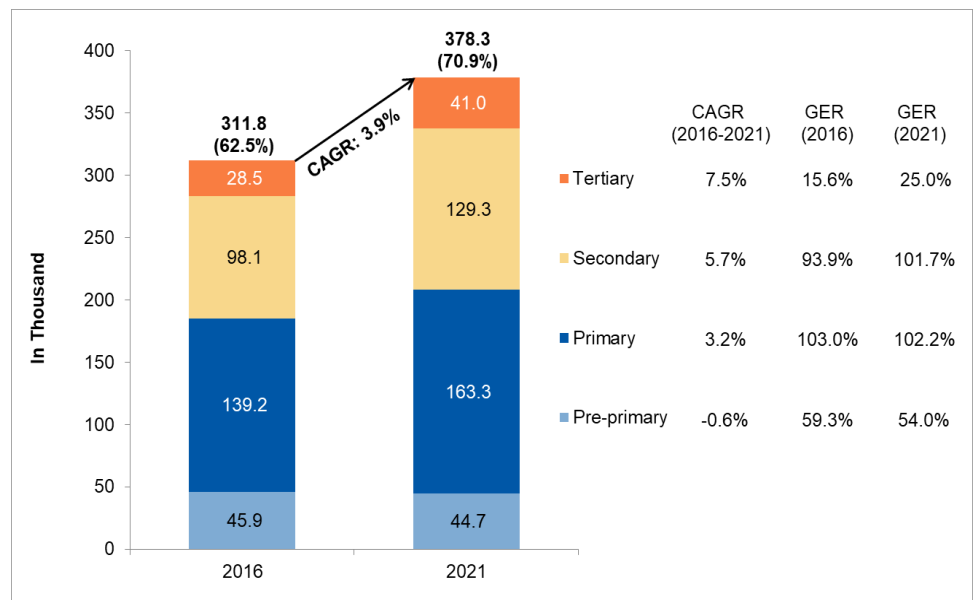
¹¹⁶ Source: UNESCO, Ministry of Education and Higher Education (Qatar)

a 14.0% y-o-y decline in 2021 alone. Consequently, the segment reported a GER of 54.0% in 2021, down from 59.3% in 2016¹¹⁷.

Primary and secondary segments cumulatively accounted for over 86.8% of the student enrolments in the K-12 education system and recorded a GER of 102.2% and 101.7%, respectively, in 2021. Enrolments at primary and secondary education segments increased at a CAGR of 3.2% and 5.7%, respectively, between 2016 and 2021 (see Exhibit 26)¹¹⁸.

The tertiary segment is estimated to have expanded at a CAGR of 7.5% over the five-year period (see Exhibit 26)¹¹⁹. Although the GER in the tertiary education segment has improved from 15.6% in 2016 to 25.0% in 2021, it still remains lowest amongst all the GCC nations due to an increasing preference among students to go abroad for better quality education¹²⁰.

Exhibit 26: Student Enrolment in Qatar, by Segment



Source: UNESCO, Ministry of Education and Higher Education (Qatar)

Private schools in Qatar is estimated to account for 59.8% of the total K-12 enrolments in 2021

The total number of K-12 enrolments is estimated to have grown at a CAGR of 3.6% over the five-year period, whereas the share of K-12 enrolments to total enrolments declined marginally from 90.9% in 2016 to 89.2% in 2021¹²¹. Private schools in Qatar is estimated to account for 59.8% of the total K-12 enrolments as of 2021. Between 2016 and 2021, the K-12 private-school sector enrolment is estimated to have grown at a CAGR of 3.1% while public school sector enrolments expanded at a CAGR of 4.3% (see Exhibits 27 and 28)¹²².

Exhibit 27: Student Enrolment in Qatari Public Schools

Exhibit 28: Student Enrolment in Qatari Private Schools

¹¹⁷ Source: UNESCO

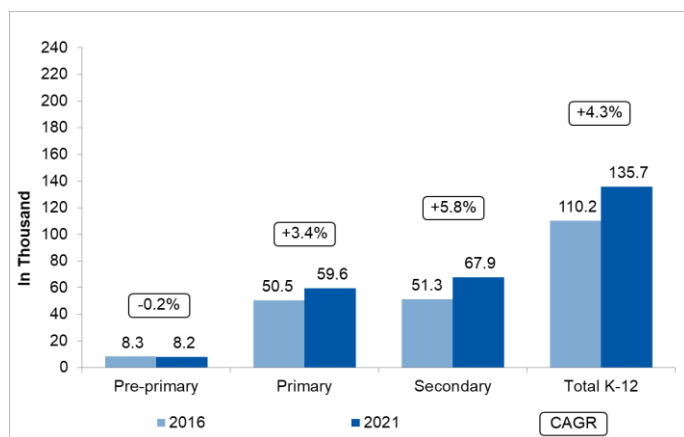
¹¹⁸ Source: UNESCO, Ministry of Education and Higher Education (Qatar)

¹¹⁹ Source: UNESCO, Ministry of Education and Higher Education (Qatar)

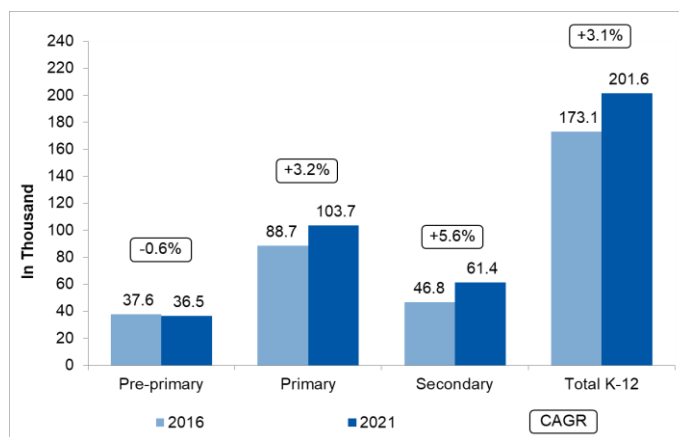
¹²⁰ Source: Education – Qatar, International Trade Administration

¹²¹ Source: UNESCO, Ministry of Education and Higher Education (Qatar)

¹²² Source: UNESCO, Ministry of Education and Higher Education (Qatar)



Source: UNESCO, Ministry of Education and Higher Education



Source: UNESCO, Ministry of Education and Higher Education

2.6 The Bahraini Education Sector

Despite its small population base, the Kingdom's education sector is expanding at a brisk pace amid rising demand for quality

Despite its small population base, the Kingdom's education sector is expanding at a brisk pace amid rising demand for quality education. The government is in the midst of developing a new strategy to develop education and training for the advancement of its economy as part of its Vision 2030 initiative¹²³. It aims at ensuring sustainable development, keeping pace with the best international practices for the development of education and training, providing the best opportunities for learners and trainees, and linking outputs to the needs of the labour market and future aspirations¹²⁴. The Education and Training Quality Authority (also known as the BQA), which monitors the education system in the country, was established under the 'National Education Reform Project' as part of the 'Economic Vision 2030' plan. The project aims at the transformation and advancement of education and vocational training in the country. Since its inception, BQA has performed numerous quality assurance activities, including setting performance standards, and carrying out objective reviews of all education and training institutions¹²⁵. The government has also formulated the National Higher Education Strategy 2014-24, laying emphasis on building a strong education system across the nation. The strategies focus on enhancing the quality of education and encouraging technology adoption to increase the strength of nationals in private sector jobs and reduce dependence on expatriate staff¹²⁶. The Kingdom is currently moving towards implementing a new education system, which is more flexible and enables students to obtain specified fields of education, namely Unified Track or Vocational Track, at the secondary level. The students who select the Unified Track can obtain Science, Literary and Commercial as an education stream while those who select the Vocational Education Track can obtain a technical stream which is divided into applied or technical vocational or the apprenticeship program¹²⁷.

Regulatory and Governance

The MoE is the main regulator of non-state educational institutions, which include nurseries, kindergartens, primary, intermediate, and secondary schools. The Department of Private Education under the MoE is responsible for overseeing non-state institutions. The MoE is also in charge of several regulatory bodies operating at the K-12 and post-secondary levels, including the Education and Training Quality Authority (BQA) and the Higher Education Council. The Ministry of Labour and Social Development (MLSD) also plays a key role in

¹²³ Source: Bahrain Economic Vision 2030

¹²⁴ Source: "Education 'top priority' in Bahrain", Zawya, May 18, 2022

¹²⁵ Source: Education and Training Quality Authority, Kingdom of Bahrain

¹²⁶ Source: National Higher Education Strategy 2014-2024, Higher Education Council

¹²⁷ Source: Bahrain's Education System – US Embassy of the Kingdom of Bahrain

regulating non-state educational institutions by overseeing nurseries and any non-state training and vocational institutions. Both non-state and state tertiary education is regulated by the Higher Education Council (HEC), which regulates, promotes, and monitors non-state higher education institutions.

Infrastructure Developments

As of 2019, Bahrain had a total of 481 schools with the private sector accounting for 56.3% of the total¹²⁸. The number of private schools in Bahrain has grown at a much faster rate of 3.0% CAGR compared to the public schools (0.3% CAGR) between 2016 and 2019 (see Exhibit 29)¹²⁹. There are currently 13 non-state universities operating out of a total of 17 higher education institutions in Bahrain. One of these institutions, the Royal University for Women, is a non-state, single-sex university¹³⁰.

Exhibit 29: Infrastructure Development in K-12 Institutions (2016 and 2019)

Educational Institution	No. of Schools (2016)	No. of Schools (2019)
Public Schools	208	210
Private Schools	248	271
Total Schools	456	481

Source: Ministry of Education (Bahrain)

Note: Data not available post 2019

Government Spending and Privatization Initiatives

During 2022, Bahrain allocated US\$ 860.8 million towards the education sector, equivalent to 9.9% of the Kingdom's total budget. It was marginally higher than 9.7% apportioned towards the sector in 2021 and 9.8% in 2020¹³¹.

As part of its National Higher Education Strategy (2014-2024), the HEC has outlined a PPP model for establishing shared EdTech infrastructure and higher education entry support. The key priorities under the shared EdTech infrastructure includes developing a PPP, potentially outsourced, national EdTech portal and cloud infrastructure for public institutions; fee-based access to private institutions at competitive prices due to shared service streamlining; standardization and upgrade of IT infrastructure across the board, and countless channels for e-learning and cloud computing all feeding into an integrated system; and establishing a national admissions portal for both public and private institution admissions. Key priorities under the higher education entry support include providing e-learning channels preparing entrants for admissions or entry exams; and an online foundation year mandatory for candidates that need extra support (English, math, and IT concentration)¹³².

Pre-primary, Primary, Secondary and Tertiary Segments

The total number of enrolled students across K-12 and tertiary segments in Bahrain is estimated to have reached 316,808 in 2021, growing at a CAGR of 2.3% between 2016 and 2021 (see Exhibit 30)¹³³. The country is estimated to have recorded steady growth in enrolment across the primary, secondary, and tertiary education segments over the five-year period. The overall GER for the country stood at 82.7% in 2021, up from 80.3% in 2016.

Bahrain allocated 9.9% of the Kingdom's total budget towards the development of the Education sector in 2022

The total number of enrolled students across K-12 and tertiary segments in Bahrain is estimated to have grown at a CAGR of 2.3% between 2016 and 2021

¹²⁸ Source: Ministry of Education (Bahrain)

¹²⁹ Source: Ministry of Education (Bahrain)

¹³⁰ Source: Non-State Actors In Education – Bahrain, UNESCO

¹³¹ Source: Bahrain Ministry of Finance – Budget Statement 2022

¹³² Source: National Higher Education Strategy (2014-2024), Higher Education Council of Bahrain, MoE

¹³³ Source: UNESCO, Ministry of Education (Bahrain)

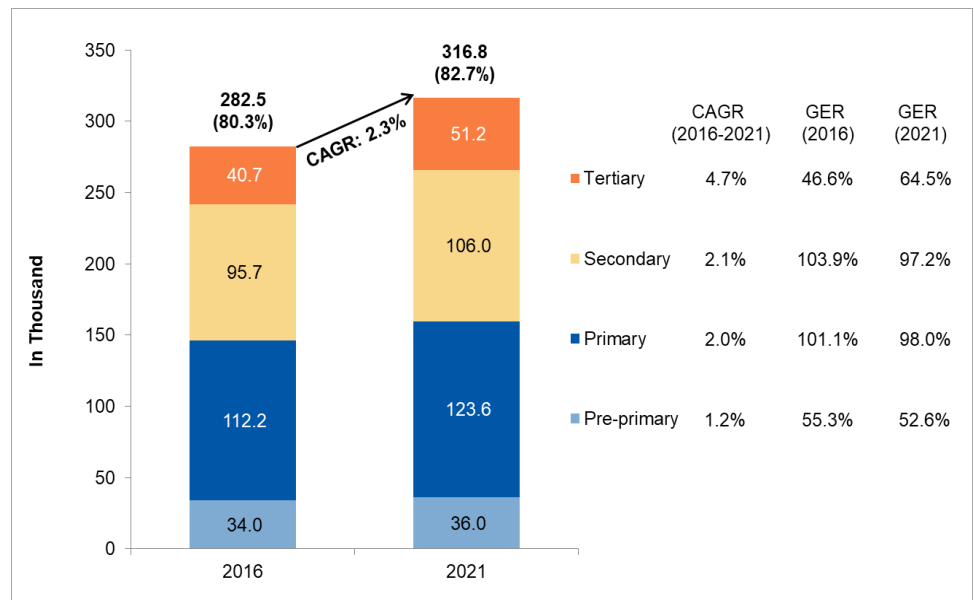
Primary and secondary segments have accounted for approximately 86.4% of the student enrolments in the K-12 education system in 2021

Pre-primary education in Bahrain, which is provided by the private sector only, is estimated to have grown at a CAGR of 1.2% between 2016 and 2021 (see Exhibit 30)¹³⁴. The total number of students in this segment is estimated to have reached 36,026 with a GER of 52.6% in 2021¹³⁵.

Primary and secondary segments have accounted for approximately 86.4% of the student enrolments in the K-12 education system and recorded a GER of 98.0% and 97.2%, respectively, in 2021. Enrolments at the primary and secondary segments increased at a CAGR of 2.0% and 2.1%, respectively, over the five-year period (see Exhibit 30)¹³⁶. The expanding school-age population coupled with mandatory education for children between 6 to 14 years have boosted enrolments in these two segments.

Enrolment in the tertiary segment is estimated to have grown at a CAGR of 4.7% over the five-year period (see Exhibit 30), the fastest among all the education levels in the country. GER for the tertiary segment has improved to 64.5% in 2021 from 46.6% in 2016¹³⁷. The growth can be largely attributed to the country's 'National Higher Education Strategy 2014-24' that has helped increase enrolments and graduation rates in the key priority areas of STEM-related field of study across its 17 universities¹³⁸.

Exhibit 30: Student Enrolment in Bahrain, by Segment



Source: UNESCO, Ministry of Education (Bahrain)

Note: 2021 numbers for Pre-Primary, Primary and Secondary are estimated

Public schools in Bahrain accounted for 58.7% of the K-12 enrolments in 2021, down marginally from 59.0% in 2016

The total number of K-12 enrolments grew at a CAGR of 1.9% between 2016 and 2021, whereas the share of K-12 enrolments to total enrolments declined from 85.6% in 2016 to 83.8% in 2021¹³⁹. Public schools in Bahrain accounted for 58.7% of the K-12 enrolments in 2021, down marginally from 59.0% in 2016. The K-12 public and private sector enrolment grew almost at par with each other at CAGRs of 1.8% and 2.0%, respectively, over the five-year period (see Exhibits 31 and 32)¹⁴⁰.

Exhibit 31: Student Enrolment in Bahraini Public Schools

Exhibit 32: Student Enrolment in Bahraini Private Schools

¹³⁴ Source: UNESCO, Ministry of Education (Bahrain)

¹³⁵ Source: UNESCO, Ministry of Education (Bahrain)

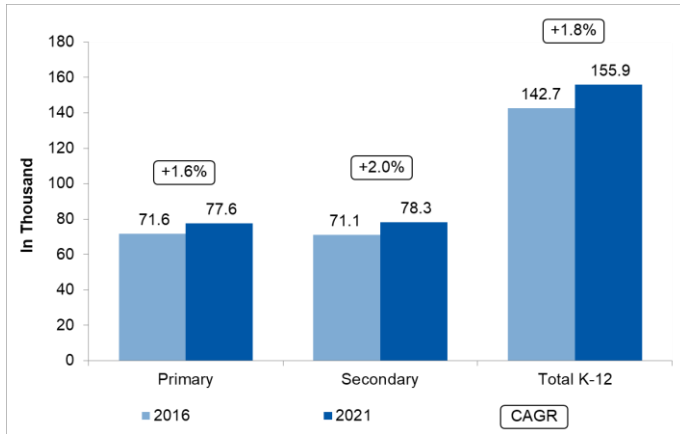
¹³⁶ Source: UNESCO, Ministry of Education (Bahrain)

¹³⁷ Source: UNESCO, Ministry of Education (Bahrain)

¹³⁸ Source: National Higher Education Strategy 2014-2024, Higher Education Council (Bahrain)

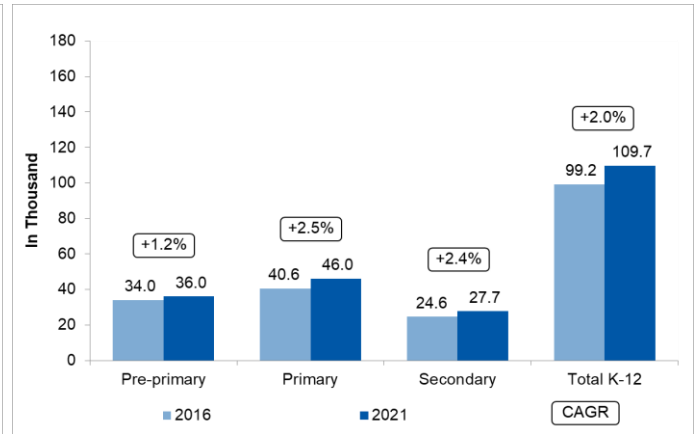
¹³⁹ Source: UNESCO, Ministry of Education (Bahrain)

¹⁴⁰ Source: UNESCO, Ministry of Education (Bahrain)



Source: UNESCO, Ministry of Education (Bahrain)

Note: 2021 numbers for Pre-Primary, Primary and Secondary are estimated



Source: UNESCO, Ministry of Education (Bahrain)

Note: 2021 numbers for Pre-Primary, Primary and Secondary are estimated

3. GCC Outlook

3.1 Forecasting Methodology

We have forecasted the total number of students and demand for schools in all the GCC countries through 2027. The projections are based on the past trend in enrolments, anticipated change in school and college age population, and government plans and measures announced in support of the sector.

The sources considered for the forecasts are:

- UNESCO, Global Competitiveness Index Report, IMF, UNPD, and respective country's statistical or ministry websites, for historic data on enrolments and calculating the school and college-age population; and
- UNPD, for forecasting the school and college age population (last updated in December 2022)

The methodology adopted for projecting the number of students and schools is as below:

- The school age population has been derived by adopting a regression model for all the GCC countries. For each education segment – pre-primary, primary, secondary, and tertiary – for all the constituent countries, the projections are based on past trends in enrolments and anticipated change in school age population.
- The total number of student enrolments in each of the education segments are a function of the expected GER, past trends and school age population.
- Projections of the number of schools in each country are arrived at by dividing the forecasted number of students by the existing average number of students per school in the private and public institutions.

Note: Historic data on student population provided by the UNESCO has been revised in December 2022. Consequently, the current projections are not comparable with the Alpen Capital's GCC Education Industry report dated November 13, 2018.

3.2 Outlook for the Number of Students

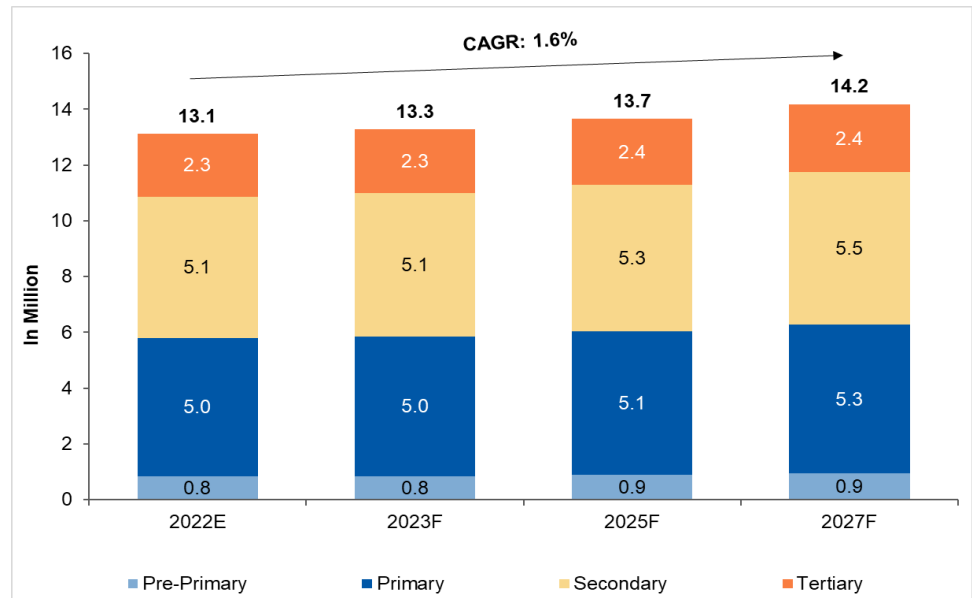
The total number of students in the GCC education sector is projected to reach 14.2 million by 2027, growing at a CAGR of 1.6% from an estimated 13.1 million in 2022

The total number of students in the GCC education sector is projected to increase by 1.1 million to reach 14.2 million by 2027, growing at a CAGR of 1.6% from an estimated 13.1 million in 2022 (see Exhibit 33). The development of an education sector that matches international standards has become a top priority for the GCC governments amid their long-term sustainable strategies of transforming into a diversified and knowledge-based economy. The growing school age population, high per capita income, sizeable budgetary allocations and favourable government initiatives are expected to drive future growth of the GCC education sector. Moreover, the growing adoption of technology and ramping up of investments in digitally aided platforms has helped boost the quality of education in the region. Technology integration has not only helped the regional governments and institutions to optimize operations and innovate for the overall development of the GCC education ecosystem, but also further open up the sector for higher growth and investment opportunities.

During the forecast period, the pre-primary and tertiary segments are expected to grow at a faster rate than the other segments. The pre-primary segment is expected to grow at a CAGR of 2.2% between 2022 and 2027, largely aided by the growing awareness among parents for the need of early-age education. Notably, Saudi Arabia (3.7% CAGR) and Kuwait (2.0% CAGR) are expected to contribute the highest to the rising trend in pre-primary enrolments over the five-year period.

At the same time, the tertiary segment is expected to grow at a CAGR of 1.7% between 2022 and 2027 owing to increasing demand, affordability, and an enabling environment. Recent initiatives taken by regional governments such as establishing PPP projects to build infrastructure, providing long-term visas to students in the UAE, coupled with stronger collaborations with foreign universities to improve the overall quality of higher education are expected to drive the number of enrolments across the tertiary segment. On the other hand, the primary and secondary segments are expected to witness a growth of 1.5% CAGR, respectively, over the five-year period to reach 10.8 million students cumulatively.

Exhibit 33: Forecast of Total No. of Students in the GCC, by Segments



Source: Alpen Capital

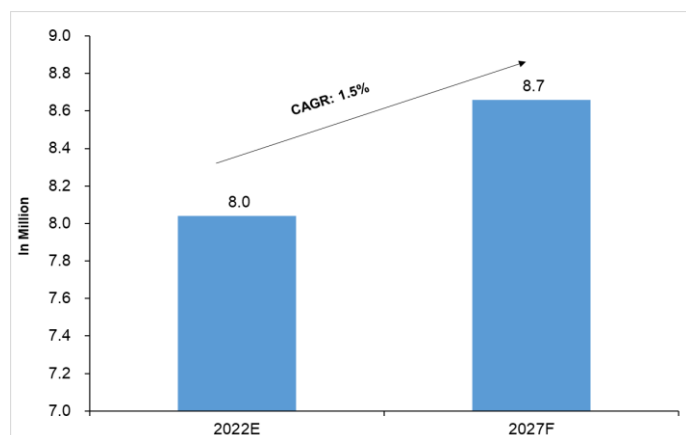
Note: E – Estimated, F – Forecasted

K-12 Students: Private vs. Public Institutes

During the forecasted period, K-12 enrolments in the region are expected to grow at a CAGR of 1.5% to reach 11.7 million by 2027. The number of students in private schools is projected to reach 3.1 million by 2027, growing at a CAGR of 1.7% over the five-year period. Enrolments at public schools are likely to increase, at a marginally slower pace than private schools, recording a CAGR of 1.5% to reach 8.7 million by 2027 (see Exhibits 34 and 35). Despite the slower than anticipated growth, public school enrolments is expected to continue to dominate the K-12 education segment in the GCC, accounting for approximately 73.8% of the total enrolments in 2027. On the other hand, the growing preference for international schools offering quality education, coupled with rising per capita income, and active support from the governments towards privatization is expected to further boost enrolments in private schools in the GCC.

The number of students in private schools is projected to grow at a CAGR of 1.7% compared to 1.5% CAGR in the public schools

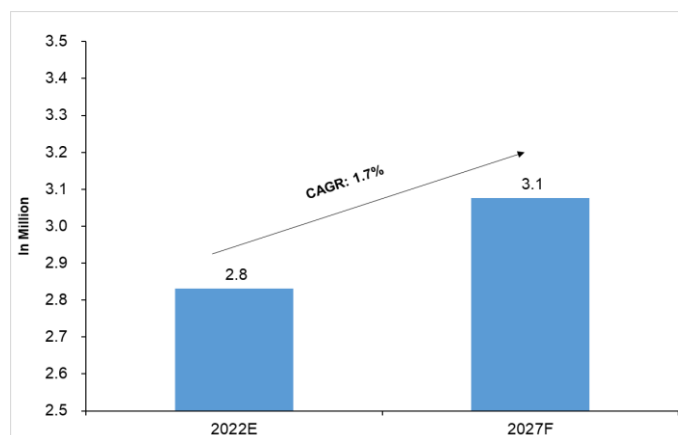
Exhibit 34: Forecast of K-12 Students in Public Institutes



Source: Alpen Capital

Note: E – Estimated, F – Forecasted

Exhibit 35: Forecast of K-12 Students in Private Institutes



Source: Alpen Capital

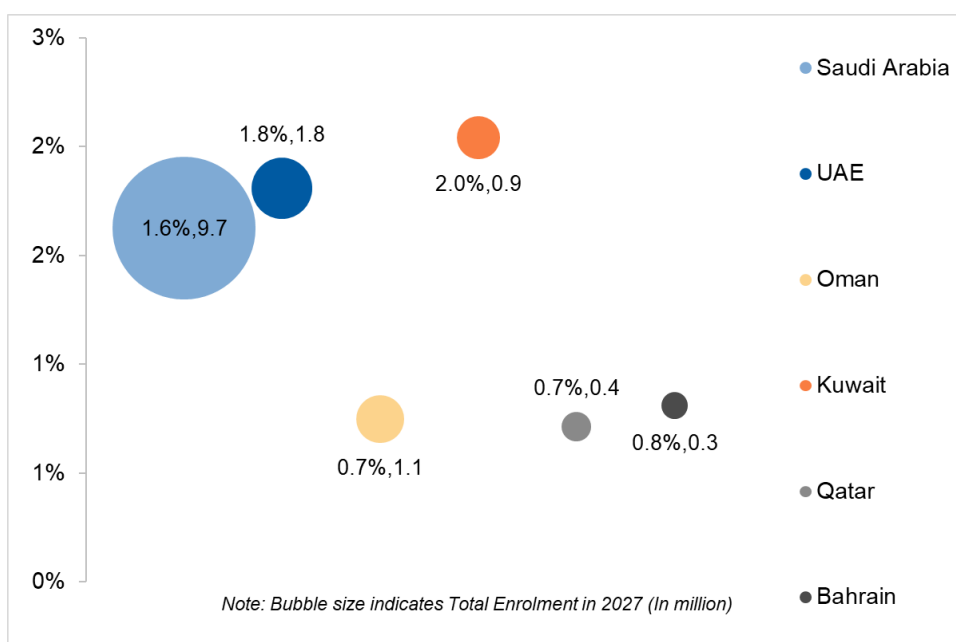
Note: E – Estimated, F – Forecasted

The number of students in Kuwait and UAE are projected to grow at a faster rate than the other GCC nations between 2022 and 2027

Total Students: Country-Wise

Saudi Arabia is expected to remain the largest education market in the GCC, accounting for around 68.4% of the region's total enrolments in 2027. In terms of annualized growth, the number of students in Kuwait (2.0% CAGR) and UAE (1.8% CAGR) is projected to grow at a faster rate than the other member nations between 2022 and 2027. While growth in Saudi Arabia is estimated to remain at par with the GCC average of 1.6% CAGR over the forecast period, enrolments across Bahrain (0.8% CAGR), Oman (0.7% CAGR), and Qatar (0.7% CAGR) are projected to remain relatively moderate (see Exhibit 36).

Exhibit 36: Forecast of Total No. of Students in the GCC (CAGR: 2022E – 2027F)



Source: Alpen Capital

Note: E – Estimated, F – Forecasted

The total number of student enrolments in Saudi Arabia is expected to reach 9.7 million in 2027, up from an estimated 8.9 million in 2022, representing a CAGR of 1.6%

Saudi Arabia

The total number of student enrolments in Saudi Arabia is projected to increase by more than 751,200 since 2022 to reach 9.7 million by 2027, representing a CAGR of 1.6% during the forecast period. The Kingdom's pre-primary segment is likely to witness the fastest growth with a CAGR of 3.7%, driven by government initiatives to open new nurseries and kindergarten as part of its Vision 2030 program emphasising the need for early childhood education¹⁴¹ coupled with the growing awareness among Saudi nationals of the importance of pre-primary education. The GER for the pre-primary segment is estimated to increase to 24.0% in 2027 from 21.5% in 2022 (see Exhibit 37). The market is also expected to witness significant growth in the tertiary segment, which is expected to surpass 1.7 million student enrolments in 2027, growing at a CAGR of 1.6% between 2022 and 2027. The GER for this segment is estimated to remain relatively flat over the five-year forecast period. The primary and secondary segments is expected to grow at a CAGR of 1.5%, respectively. GER for both these segments are expected to remain high and reach 103.0% and 111.7%, respectively, as of 2027 (see Exhibit 37).

The total number of students in the Kingdom's K-12 schools is projected to grow at a CAGR of 1.6% to reach approximately 8.0 million by 2027, from an estimated 7.4 million in 2022. The number of enrolments in private schools is expected to grow at a CAGR of 2.0% compared to 1.6% in public schools during the forecast period, reflecting a growing preference towards international schools that offer better quality education and a wider choice of curriculum.

Exhibit 37: Saudi Arabia – Gross Enrolment Rates

Parameters	2022E	2023F	2025F	2027F
Pre-Primary	21.5%	22.0%	23.0%	24.0%
Primary	102.3%	102.4%	102.7%	103.0%
Secondary	111.2%	111.3%	111.5%	111.7%
Tertiary	71.5%	71.5%	71.6%	71.7%

Source: Alpen Capital

Note: E – Estimated, F – Forecasted

The Saudi government has established long-term objectives for the education sector that include promoting private sector investment, raising educational quality standards, putting greater emphasis on critical thinking through the use of modernized school curricula, and ensuring at least five Saudi institutions are ranked among the top 100 universities globally. As part of the Kingdom's privatization goals, a total of 120 new schools are being built in Jeddah and Makkah to provide schooling for over 100,000 pupils, which is estimated to be completed by 2024¹⁴². Saudi Arabia has also listed 11 new PPP education projects for the higher education segment that includes construction, operation and maintenance of colleges and university buildings to accommodate the anticipated rise in number of students¹⁴³. The Kingdom is also emphasising on modernizing the education ecosystem using technology. In March 2023, the World Bank lauded Saudi Arabia's Education and Training Evaluation Commission (ETEC) for its plan to evaluate and accredit the Kingdom's schools in line with international best-practice. This mandate of ETEC is part of the Saudi Vision 2030 and the Humanitarian Capacity Development Programme, which aims to raise quality, efficiency and effectiveness of the education system, as well as support human development, national

¹⁴¹Source: "Early Childhood Education and the Saudi Vision 2030", Faculty of Education/Journal of Education, Najran University- Saudi Arabia, July 20, 2021

¹⁴² Source: "How Saudi Arabia is going private to bolster its education sector", Arabian Business, January 11, 2021

¹⁴³ Source: "Saudi Arabia announces 11 education sector projects under PPP programme", Zawya, April 6, 2023

economy and sustainable development¹⁴⁴. Such initiatives are likely to boost the education ecosystem in terms of quality while also attracting higher enrolments.

UAE

The total number of students in the UAE is forecasted to reach approximately 1.8 million by 2027 from an estimated 1.6 million in 2022, registering a CAGR of 1.8%

The total number of students in the UAE is forecasted to increase by more than 151,000 to reach approximately 1.8 million by 2027, registering a CAGR of 1.8% from an estimated 1.6 million in 2022. The anticipated growth can be attributed to higher enrolments in primary, secondary and tertiary segments driven largely by the growing school age population and government initiatives to support higher education. The primary and secondary segments is expected to grow at a CAGR of 1.9% and 2.0%, respectively, between 2022 and 2027. GER for both these segments are expected to stand at 113.1% and 84.1%, respectively, as of 2027 (see Exhibit 38). The tertiary segment is anticipated to grow at a CAGR of 2.2% over the five-year period with the GER for this segment forecasted to reach 56.6% as of 2027. On the other hand, growth in the pre-primary segment is expected to remain relatively flat over the five-year period with the GER anticipated to stand at 101.8% as of 2027 (see Exhibit 38).

The total number of students in the country's K-12 schools is projected to grow at a CAGR of 1.7% to reach approximately 1.4 million by 2027, up from an estimated 1.3 million in 2022. The estimated number of student enrolments in public and private schools is likely to remain at par (more than 1.7% CAGR) with each other during the forecast period.

Exhibit 38: UAE – Gross Enrolment Rates

Parameters	2022E	2023F	2025F	2027F
Pre-Primary	107.9%	100.8%	101.3%	101.8%
Primary	112.3%	112.5%	112.8%	113.1%
Secondary	83.6%	83.7%	83.9%	84.1%
Tertiary	55.3%	55.6%	56.1%	56.6%

Source: Alpen Capital

Note: E – Estimated, F – Forecasted

The UAE ranks among the most developed and competitive education markets in the GCC with a wide presence of public and private institutions. This can be largely attributed to the increased government spending and private sector investment through PPP in education, which are largely aimed at enhancing quality that can foster a knowledge-based economy. The country continues to emphasize the development of a first-rate education system, and transform the ecosystem and teaching methods through digital advancements. According to the 'Global Knowledge Index 2022', UAE ranked 25th and topped the GCC with the highest score¹⁴⁵. Moreover, new visa regulations such as extending visas for students post education from one to five years and up to 10 years for academically exceptional students, coupled with the 10-year Golden Visas to distinguished high school graduates is expected to draw students to pursue higher education in the UAE¹⁴⁶. These advancements are likely to contribute towards significant investments while also promote and reinforce enrolment across all the education segments in the country.

¹⁴⁴Source: "World Bank lauds Saudi education commission for plan to evaluate, accredit schools", Arab News, March 19, 2023

¹⁴⁵Source: "UAE top knowledge economy in GCC, report finds", Arabian Business, December 16, 2022

¹⁴⁶Source: "UAE Announces the coveted 10-year Golden Residency Visa to High School Toppers and their Families", Allen Overseas, July 26, 2022

The total number of students in Oman is forecasted to reach approximately 1.1 million by 2027, registering a CAGR of 0.7% since 2022

Oman

The total number of students in Oman is forecasted to increase by more than 39,100 to reach approximately 1.1 million by 2027, registering a CAGR of 0.7% since 2022. The growing enrolments in the private pre-primary, primary and secondary segments is expected to aid the overall growth in enrolments for the country. The GER for the primary and secondary segments are anticipated to remain high and relatively stable over the five-year period at 104.4% and 106.4%, respectively, as of 2027. On the other hand, GER for the pre-primary segment is expected to improve to 44.2% in 2027 from an estimated 43.3% in 2022. The tertiary segment is anticipated to grow at a CAGR of 0.9% over the five-year period with the GER for this segment estimated to reach 48.3% as of 2027 (see Exhibit 39).

The total number of students in the Sultanate's K-12 schools is projected to grow at a CAGR of 0.7% to reach approximately 0.95 million by 2027. Within the K-12 segment, private school enrolments are expected to grow at a CAGR of 0.9% while public school enrolments are likely to grow at a CAGR of 0.7% over the forecast period.

Exhibit 39: Oman – Gross Enrolment Rates

Parameters	2022E	2023F	2025F	2027F
Pre-Primary	43.3%	43.5%	43.8%	44.2%
Primary	104.1%	104.2%	104.3%	104.4%
Secondary	106.1%	106.2%	106.3%	106.4%
Tertiary	47.6%	47.7%	48.0%	48.3%

Source: Alpen Capital

Note: E – Estimated, F – Forecasted

The Sultanate's education sector is expected to benefit from the government's ambitious policies outlined within the 'National Strategy for Education 2040'. Majority of the initiatives currently being executed under the long-term strategy aims at building a new framework for education, capacity enhancement, and the adoption of an outcome-based approach among others¹⁴⁷. The government has also been actively advancing the education sector by introducing reforms and developing plans in association with UNESCO. Additionally, it is promoting privatization to improve quality of education in the Sultanate¹⁴⁸. Such measures are not only expected to build a sound infrastructure for the economy but also result in higher student enrolments across all education segments.

Kuwait

The total number of students in Kuwait is anticipated to reach approximately 0.9 million by 2027, up from an estimated 0.8 million in 2022, registering a CAGR of 2.0%

The total number of students in Kuwait is anticipated to increase by more than 86,100 to reach approximately 0.9 million by 2027, growing at a CAGR of 2.0% from an estimated 0.8 million in 2022. Growth is likely to be driven by steady increase in enrolments across all education segments during the forecast period. The tertiary segment is expected to record a CAGR of 2.2% between 2022 and 2027, driven by an expanding student base for the population above 18 years. GER for this segment is expected to increase from an estimated 58.9% in 2022 to 59.4% as of 2027 (see Exhibit 40). Enrolments in the primary and secondary segments is expected to grow at a CAGR of 1.9% and 2.1%, respectively, over the five-year period. The GER for both these segments are likely to remain relatively stable until 2027. On the other hand, the pre-primary segment is expected to grow at 2.0% CAGR

¹⁴⁷ Source: The National Strategy for Education 2040, Education Council of Oman

¹⁴⁸ Source: Oman's Education Sector, EduTrac Oman

between 2022 and 2027 with its GER recording a marginal improvement to 60.5% by 2027 (see Exhibit 40).

The total number of students in the country's K-12 segment is projected to grow at a CAGR of 2.0% to reach approximately 0.75 million by 2027. The estimated number of student enrolments in public and private schools is likely to remain at par (2.0% CAGR) with each other during the forecast period.

Exhibit 40: Kuwait – Gross Enrolment Rates

Parameters	2022E	2023F	2025F	2027F
Pre-Primary	60.2%	60.1%	60.3%	60.5%
Primary	82.5%	82.4%	82.6%	82.8%
Secondary	83.6%	83.5%	83.5%	83.4%
Tertiary	58.9%	59.0%	59.2%	59.4%

Source: Alpen Capital

Note: E – Estimated, F – Forecasted

The government of Kuwait has been actively advancing the education sector by introducing initiatives to bring it in line with global standards¹⁴⁹. In addition to revamping its existing curriculum, the government has established a 'National Development Plan 2035' that aims to reform and revitalise the country's education system through privatization¹⁵⁰. The government has also been working in close co-operation with the World Bank to improve the quality of education, especially focusing on STEM programs in advanced disciplines. Such developments are likely to bode well for the student enrolment across all education segments in the country.

Qatar

The total number of students in the Qatar is expected to reach 0.4 million by 2027, registering a CAGR of 0.7% since 2022

The total number of students in Qatar is anticipated to increase by more than 14,300 to reach 0.4 million by 2027, registering a CAGR of 0.7% since 2022. While each of the K-12 education segments is expected to record a moderate growth, the tertiary segment is likely to witness the fastest growth with a CAGR of 1.3% during the forecast period. The GER for the primary and secondary segments are anticipated to remain high and relatively stable over the five-year period at 102.8% and 102.0%, respectively, by 2027. On the other hand, GER for the tertiary segment is expected to improve to 26.3% by 2027 from an estimated 25.3% in 2022 (see Exhibit 41).

The total number of students in the country's K-12 segment is projected to grow at a CAGR of 0.6% to reach approximately 0.37 million by 2027. The estimated number of student enrolments in public and private schools is likely to remain at par with each other during the forecast period.

Exhibit 41: Qatar – Gross Enrolment Rates

Parameters	2022E	2023F	2025F	2027F
Pre-Primary	53.9%	53.8%	53.6%	53.4%
Primary	102.3%	102.4%	102.6%	102.8%
Secondary	101.6%	101.5%	101.7%	102.0%
Tertiary	25.3%	25.5%	25.9%	26.3%

¹⁴⁹ Source: Education and Training – Kuwait, International Trade Administration

¹⁵⁰ Source: "GCC Education Ecosystems: A Brief Overview", Business Live Me

Total student enrolment in Bahrain is expected to reach 0.3 million by 2027, growing at a CAGR of 0.8% since 2022

Source: Alpen Capital

Note: E – Estimated, F – Forecasted

The Qatari government is focused on promoting private education across the country through long-term strategies laid down by the government as part of its National Vision 2030. The MoE is already establishing 45 schools under a PPP model over a five-year period at a cumulative cost of US\$ 1.1 billion¹⁵¹. In addition to opening the sector for private participation, the government has also started transitioning into a knowledge-based economy by adopting e-learning modules. The country is gradually changing its existing K-12 curricula to place more emphasis on creative and innovative thinking in order to upskill its workforce¹⁵². These have led to a rise in number of international schools and private institutes setting up base in Qatar, which in turn is expected to drive enrolment rates in the long-run.

Bahrain

Total student enrolment in Bahrain is anticipated to increase by more than 13,500 to reach 0.3 million by 2027, growing at a CAGR of 0.8% since 2022. While the pre-primary, primary, and secondary segments are anticipated to grow at a CAGR of 0.7% each over the forecast period, the tertiary segment is expected to record the highest growth at 1.5% CAGR. While the GER for the pre-primary, primary, and secondary segments are anticipated to remain relatively unchanged over the five-year period, the tertiary segment GER is expected to improve to 67.2% by 2027 from an estimated 64.7% in 2022 (see Exhibit 42).

The total number of students in the country's K-12 schools is projected to grow at a CAGR of 0.7% to reach approximately 0.28 million by 2027, driven by equitable student enrolments in public and private schools during the forecast period.

Exhibit 42: Bahrain – Gross Enrolment Rates

Parameters	2022E	2023F	2025F	2027F
Pre-Primary	52.5%	52.6%	52.7%	52.8%
Primary	97.9%	97.9%	97.8%	97.7%
Secondary	97.2%	97.2%	97.1%	97.1%
Tertiary	64.7%	65.2%	66.2%	67.2%

Source: Alpen Capital

Note: E – Estimated, F – Forecasted

Bahrain is expected to benefit from government-led reforms focused on improving the quality of K-12 education and long-term development plans to improve the demand for education¹⁵³. The government's Vision 2030 plan aims to match global practises for the improvement of education and training, provide the best opportunities for students and trainees, and link the outcomes to the needs of the labour market with its long-term objectives¹⁵⁴. The government is also establishing a stronger infrastructure for the tertiary segment through the PPP model that primarily aims at digital advancements in teaching modules and collaborating with EdTech operators to support students pursuing higher education in the country¹⁵⁵. Such measures are likely to bode well for enrolment rates across all the education segments in Bahrain.

¹⁵¹ Source: "Barwa celebrates International Education Day, highlights PPP projects", The Peninsula Qatar, November 1, 2021

¹⁵² Source: "Education Sector In Qatar - Current State Assessment Series, QDB 2021

¹⁵³ Source: Bahrain Economic Vision 2030

¹⁵⁴ Source: "Education 'top priority' in Bahrain", Zawya, May 18, 2022

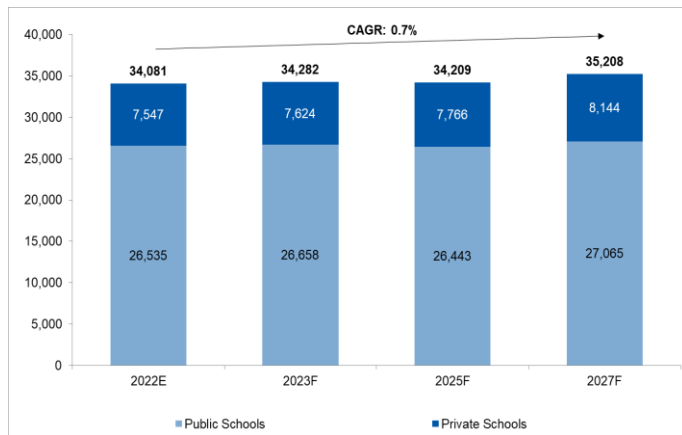
¹⁵⁵ Source: National Higher Education Strategy (2014-2024), Higher Education Council of Bahrain, MoE

3.3 Outlook on the Demand for Schools

The number of schools in the GCC is likely to increase at a CAGR of 0.7% from an estimated 34,081 in 2022 to 35,208 by 2027

The demand for schools in the GCC is likely to increase at a CAGR of 0.7% from an estimated 34,081 schools in 2022 to 35,208 by 2027 (see Exhibit 43). This translates to an addition of an estimated 1,127 schools over the five-year period. Most notably, Saudi Arabia is anticipated to account for the highest number of schools in the GCC by 2027 (see Exhibit 44). The overall composition of schools by country is likely to remain unchanged during the forecasted period. While the demand for public schools is expected to increase at a CAGR of 0.4% between 2022 and 2027, the number of private schools is anticipated to grow at a much faster rate of 1.5% during the forecast period.

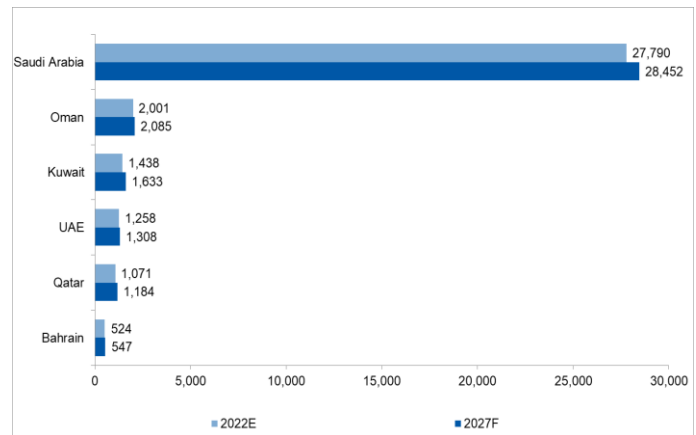
Exhibit 43: Forecast of Demand for Schools in the GCC



Source: Alpen Capital

Note: E – Estimated, F – Forecasted

Exhibit 44: Country-wise Demand for Schools



Source: Alpen Capital

Note: E – Estimated, F – Forecasted

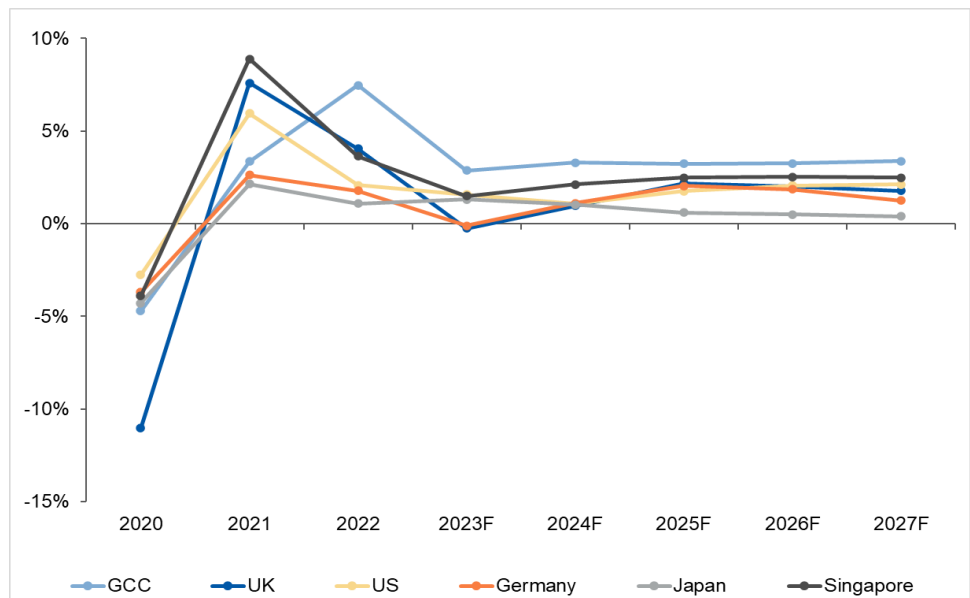
4. Growth Drivers

Economic Growth to Aid Education Budget

GCC's GDP grew by 7.5% in 2022 compared to 3.4% in 2021; It is further expected to expand at a pace of 2.9% in 2023

The GCC economies have witnessed a strong recovery from the slowdown caused by the pandemic and the decline in oil prices. In order to overcome the challenges, the regional governments introduced unprecedented reforms while also expediting its emphasis towards economic diversification and private sector participation. According to the IMF, the GCC nations grew by 7.5% in 2022¹⁵⁶ compared to 3.4% in 2021. It is further expected to expand at a pace of 2.9% in 2023¹⁵⁷. This can be attributed to the successful implementation of pandemic mitigation strategies, fiscal stimulus measures, positive business and tourism sentiment driven by mega events (EXPO 2020 Dubai and FIFA World Cup 2022), improving geo-political situation within the GCC in combination with the revival in oil and natural gas prices resulting in a significant increase in liquidity. Despite a series of global shocks, the region has remained resilient over the past five years with Real GDP recording a growth of 1.8% CAGR between 2017 and 2022. During this period, the GCC accelerated structural reforms while enhancing regulatory frameworks, strengthening governance, improving infrastructure development, and leveraged technology across key sectors to build a sustainable economic environment. As the global economy remains under pressure with new shocks, the reform momentum established by the GCC nations during the period of low oil prices will help maintain stability.

Exhibit 45: Real GDP Growth Projections – GCC vs Peer Markets (2020-2027F)



Source: IMF – April 2023

Note: E – Estimate, F – Forecast

The UAE is likely to be one of the fastest-growing economies within the region, expanding by 3.5% in 2023

According to the IMF, the GCC is expected to continue to grow at a higher pace as compared to developed countries like the US, UK, Singapore, Japan, and Germany with the region's GDP likely to grow at a pace of 2.9% in 2023. It is expected to further recover and surpass GDP growth projections of its peers over the next five-year period with an average of around 3.4% as both hydrocarbon and private sector revenues continue to gain momentum (see Exhibit 45)¹⁵⁸. The UAE is likely to be one of the fastest-growing economies within the region, expanding by 3.5% in 2023. Furthermore, it is expected to maintain this positive trajectory

¹⁵⁶ Source: World Economic Outlook Database, IMF, April 2023

¹⁵⁷ Source: World Economic Outlook Database, IMF, April 2023

¹⁵⁸ Source: World Economic Outlook Database, IMF, April 2023

with a growth rate of 3.4% by 2027. Comparatively, Saudi Arabia's economy is estimated to grow at a rate of 3.1% though 2023 - 2027. Qatar, Kuwait, Oman, and Bahrain are expected to experience GDP growth within the range of 0.9% to 3.0% in 2023, and are further projected to expand within the range of 2.6% and 3.7% by 2027¹⁵⁹. The confluence of these developments is likely to help the regional governments increase their budgets towards the education sector, which has remained constrained since the pandemic, while also allocating substantial funds towards infrastructure development programmes.

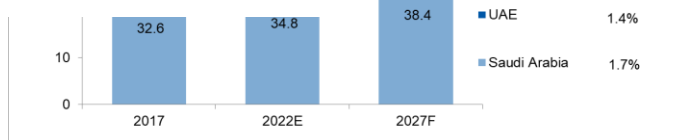
Growing Population

GCC is home to a growing base of young population, with the percentage of population under the age of 25 ranging from approximately 25% in Qatar to 50% in Oman

The GCC education sector is experiencing significant growth driven by favourable demographics, including improving infant mortality rates, increasing life expectancy at birth, and a high concentration of expatriate population. As of 2022, the population in GCC reached 58.3 million, up from 55.1 million in 2017. The region's population is projected to reach approximately 64.0 million by 2027, growing at a CAGR of 1.9% since 2022 (see Exhibit 46)¹⁶⁰. Saudi Arabia and the UAE collectively account for 76.6% of the total GCC population as of 2022, making them the most sought after destinations in the region.

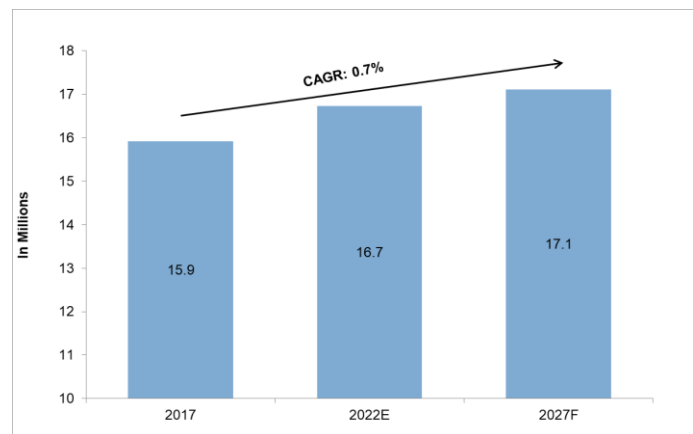
The region is also home to a growing base of young population, with the percentage of population under the age of 25 ranging from approximately 25% in Qatar to 50% in Oman. In the UAE, it stands at approximately 34%, while it is 35% in Bahrain, 40% in Kuwait and 46% in Saudi Arabia¹⁶¹. It is projected that the number of individuals within the K-12 school age range, which encompasses 0-18 years, will rise from 16.7 million in 2022 to 17.1 million by 2027, recording a growth of 0.7% CAGR. At the same time, the tertiary population aged 19-23 years is projected to reach 4.0 million by 2027 (see Exhibit 47)¹⁶². These demographic changes are expected to drive the demand for both K-12 and tertiary education.

Initiatives of recognising students for academic excellence would encourages them to continue to pursue higher education and work in the UAE, thus building a skilled workforce



Source: IMF

Exhibit 47: GCC School-Age Population (2017-27F)



Source: UNESCO

Moreover, the region has established itself as a hub for investors, entrepreneurs and is home to some of the world's wealthiest people and an increasing number of expatriates. The GCC's tax-efficient environment, global connectivity and ease of setting up a business, has enabled it to become a prime destination to park wealth. For instance, the UAE attracted more than 5,200 high net worth individuals (HNWIs) in 2022, the highest globally¹⁶³.

¹⁵⁹ Source: World Economic Outlook Database, IMF, April 2023

¹⁶⁰ Source: World Economic Outlook Database, IMF, April 2023

¹⁶¹ Source: Meeting the needs of the GCC region's growing youth population, Oxford Business Group

¹⁶² Source: World Population Prospects - United Nations Population Division (UNPD), World Bank

¹⁶³ Source: "Why the rich are migrating to UAE and what the country is doing to enhance its status", Zawya, June 17, 2023

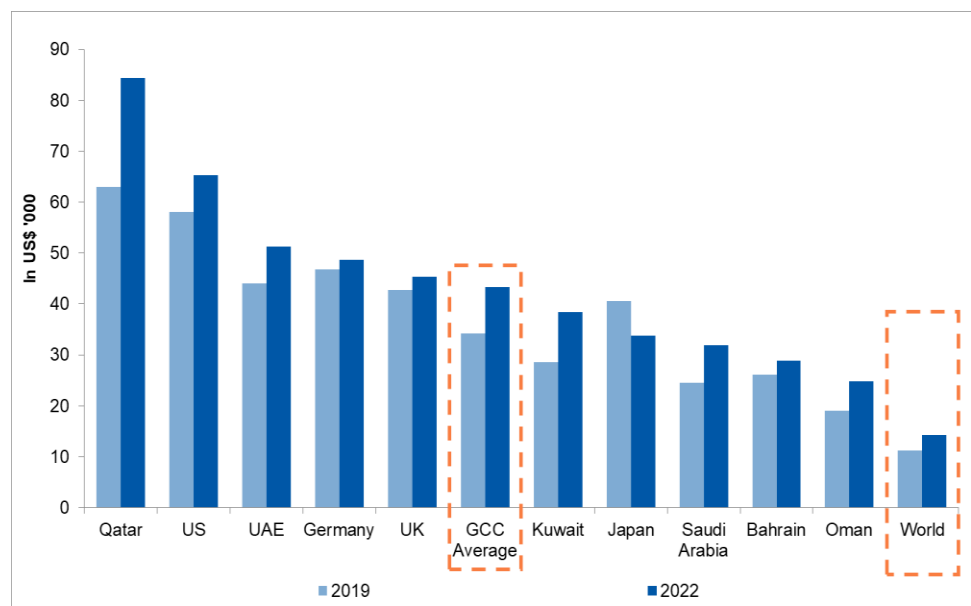
Average per capita income in the GCC was almost triple the global average, at USD 43,244 in 2022

Similarly, the number of millionaires in Saudi Arabia is expected to grow organically, boosted by rising oil prices and government investment. The influx of such affluent class is likely to boost the region's private education sector as they seek for international schools offering education at par with global standards. GCC countries have also introduced a series of new liberalised measures to encourage economic growth that includes new visa categories for tourists, investors, entrepreneurs, foreign businesses, exceptional talents, scientists, and outstanding students and graduates, among others. For instance, the UAE announced 10-year Golden Visas to distinguished high school graduates and their families in an effort to encourage and retain top talent in the region¹⁶⁴. Such initiatives of recognising students for academic excellence would encourage them to pursue higher education and work in the country, thus building a skilled workforce that can contribute to economic development.

High Per Capita Incomes Driving Demand for Quality Education

The GCC nations have primarily been driven by large reserves in the hydrocarbon sector, which has helped place the region amongst the wealthiest in the world. In addition to this, measures taken to attract businesses and skilled talent from all over the globe has also aided economic growth and boosted the non-oil sector. Despite the recent global economic slowdown, the overall income levels in the GCC region have thus remained robust due to growth in jobs, resulting in higher per capita income that has boosted consumer demand. GDP per capita (US\$ current prices) in the GCC has grown at a pace of 6.3% CAGR between 2017 and 2022 to reach US\$ 43,244 compared to the global average of US\$ 14,317. Most notably, the post pandemic period (2020-2022) recorded a high double digit rise of 21.7% in GDP per capita, signifying resurgence in business confidence and buoyancy in economic growth. Within the GCC, Qatar recorded the highest GDP per capita of US\$ 84,425 in 2022, surpassing developed nations including the US, UK, Germany, and Japan (see Exhibit 48). According to the IMF, per capita GDP in the GCC is expected to further grow at a CAGR of 1.3% between 2022 and 2027¹⁶⁵.

Exhibit 48: GCC GDP Per Capita (US\$ Current Prices)



Source: IMF

¹⁶⁵ Source: World Economic Outlook Database, IMF, April 2023

The region's high per capita income coupled with a low-tax environment has increased the propensity for the GCC population to spend on quality education. As a result, consumers in the region show a stronger inclination to invest towards quality education. Moreover, the presence of a large expatriate population and a preference for internationally recognized standards has increased the demand for private schools and universities in the GCC. This has led to several international schools, colleges and universities establishing and expanding their presence in the region.

Schools offering a broader curriculum have not only helped in improving the quality of education standards in the GCC but are also fostering a holistic approach to learning

Influx of International Schools Leading to Curriculum Expansion

The GCC countries have considered education a priority and made considerable investments to establish an ecosystem that meets international standards. The region's education sector, which continues to be dominated by public schools, is thus witnessing a transformation as the regional governments are scaling privatization initiatives to improve the quality of learning. In addition to several public schools being now operated by private institutions, demand for English schools by the expatriate population as well as local citizens is fuelling the rise of international schools in the region. Consequently, several curricula such as British, American, Indian, International Baccalaureate (IB), Canadian, French, and German are fast gaining prominence in the GCC¹⁶⁶. Across the GCC, the British and American curriculums remain the most sought after by expatriates and aspiring locals to keep pace with the rapidly expanding societal demands and prepare for career opportunities across the globe. In the UAE, British curriculum schools are the top choice (35%), followed by Indian curriculum (26%), US (16%) and IB (6%)¹⁶⁷. This has resulted in the rise in the number of K-12 private schools and private sector enrolments in the GCC¹⁶⁸. Amid increasing diversity of population in the region, newer languages, such as Chinese and Japanese, are also being offered as part of the curriculum. For instance, Saudi Arabia has included Chinese language as a curriculum at all stages of education in schools and universities¹⁶⁹. Similarly, Japanese education in the UAE has been on the rise¹⁷⁰.

Schools offering a broader curriculum that incorporates international educational frameworks, have not only helped in improving the quality of education standards in the GCC but are also fostering a holistic approach to learning. This appeals to parents who prioritize a well-rounded education for their children, emphasizing critical thinking, creativity, and global perspectives. Furthermore, international schools often boast state-of-the-art facilities, modern teaching methodologies, and highly qualified teachers from around the world. These factors enhance the overall educational experience and contributes to the reputation of these schools as Centers of Excellence. The rise of international private schools in the GCC has also had a significant impact on the regional economy. These institutions attract substantial investment from both domestic and foreign entities, stimulating economic growth and creating job opportunities within the education sector¹⁷¹.

¹⁶⁶ Source: Where to Invest Now in GCC Private Education, BCG, April 11, 2018

¹⁶⁷ Source: "Dubai: 4 new schools open in 2022-23 academic year; add 7,000 seats", Khaleej Times, August 30, 2022

¹⁶⁸ Source: UNESCO

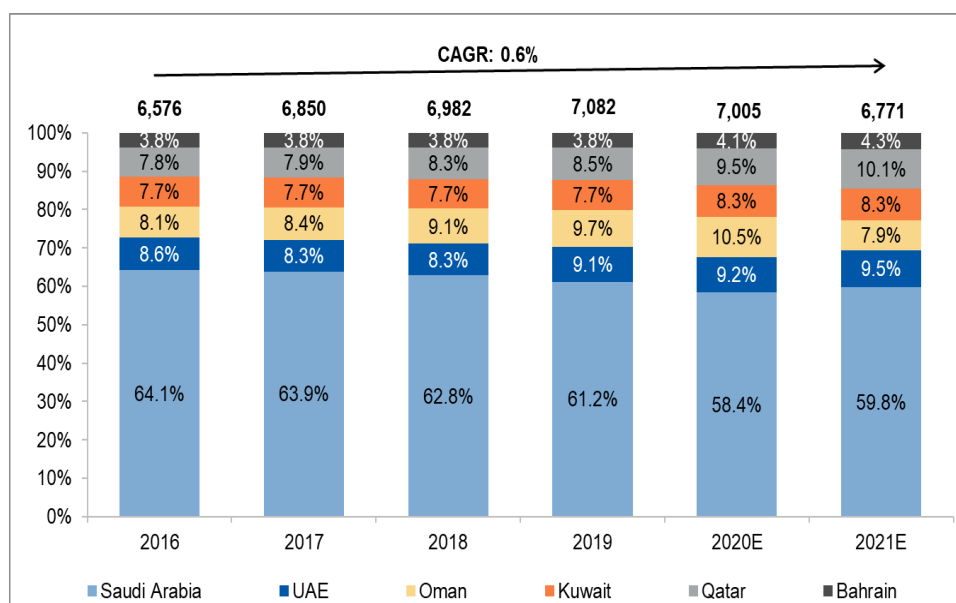
¹⁶⁹ Source: "A new era for the Chinese language in Saudi Arabia", Arab News, October 6, 2021

¹⁷⁰ Source: "UAE & Japan: Long-standing, comprehensive partnership spanning over 50 years", Zawya, July 17, 2023

¹⁷¹ Source: "Dubai's continuous growth lifts education market", AGBI, Apr 12, 2023

The demand for schools in the GCC is likely to increase at a CAGR of 0.7% from an estimated 34,081 schools in 2022 to 35,208 by 2027

Exhibit 49: Number of Private Schools in the GCC (2016-21E)



Source: MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Note: Private schools data for 2020 and 2021 is only available for Qatar and Kuwait, others are estimates

The number of private schools in the GCC is estimated to have reached 6,771 as of 2021, growing at a CAGR of 0.6% since 2016¹⁷². Saudi Arabia leads the region, accounting for 59.8% in the GCC (see Exhibit 49)¹⁷³. Qatar witnessed a significant surge in private school numbers over the five-year period, recording a CAGR of 6.1%. This has led to Qatar's share in the GCC increase from 7.8% in 2016 to 10.1% in 2021¹⁷⁴. The UAE, accounting for an estimated 9.5% share, is estimated to have witnessed a CAGR of 2.7% in the number of private schools over the five-year period¹⁷⁵. Going forward, the demand for schools in the GCC is likely to increase at a CAGR of 0.7% from an estimated 34,081 schools in 2022 to 35,208 by 2027. This equates to an addition of approximately 1,127 schools over the five-year period. Most notably, Saudi Arabia is anticipated to account for the highest number of schools in the GCC by 2027. The growth can be largely attributed to the region's increased focus towards privatization. For instance, Saudi Arabia is building 120 new schools in Jeddah and Makkah for over 100,000 pupils as part of a PPP project, which is estimated to be completed by 2024¹⁷⁶. The Kingdom has also listed 11 new PPP education projects for the higher education segment to accommodate the anticipated rise in number of students¹⁷⁷.

¹⁷² Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

¹⁷³ Source: UNESCO, General Authority of Statistics (Saudi Arabia)

¹⁷⁴ Source: UNESCO, MoE Qatar

¹⁷⁵ Source: UNESCO, MoE UAE

¹⁷⁶ Source: "How Saudi Arabia is going private to bolster its education sector", Arabian Business, January 11, 2021

¹⁷⁷ Source: "Saudi Arabia announces 11 education sector projects under PPP programme", Zawya, April 6, 2023

5. Challenges

Profit Margins Under Pressure

Amid rising demand for quality education, many private operators from across the globe have established their presence across the GCC in the last decade. However, factors such as high cost of construction, inflationary pressure, long gestation period, competition, difficulty in hiring skilled teachers, among others, are increasing cost pressures and eroding profit margins for the private education providers.

High Capital and Operating Costs

The recent economic slowdown due to the pandemic coupled with lower oil prices led to various austerity measures in the GCC, including cuts in government subsidies and introduction of the tax regime. This has resulted in increased cost of setting up schools, a major obstacle for many providers. The construction cost of a typical private school in Dubai ranges from AED 50 million to AED 350 million (US\$ 17 million to US\$ 95 million), depending on student capacity, urban area and quality of facilities. Majority of the private school construction projects are funded by private equity, sovereign wealth, pension funds, REITS, or family offices. Moreover, most schools draw bank loans to supplement their capital structure to invest upfront in the land, building, and furniture to create enough capacity to keep up with the rising demand. Without tapping into these sources of funding, schools cannot raise enough funds organically to open at the scale they need¹⁷⁸.

Another major cost that is putting pressure on the profitability of private players is the increasing cost of staff. To deliver a high-quality educational outcome, schools are always looking to recruit and retain the best talent. This leaves operators competing with other international schools and a limited teaching talent pool to choose from. Considering majority of the teachers in private schools across the GCC are expatriates, costs associated with visas, relocating, training, developing and housing staff has also added to the burden. In a bid to hire qualified teachers, schools and universities are offering higher packages in addition to other benefits¹⁷⁹. This has resulted in a substantial increase in cost of operations.

During the outbreak of the pandemic, a proportion of the region's expatriate population was forced to migrate back to their home countries amid job cuts¹⁸⁰. In an effort to combat the fall in enrolments and remain competitive, private school operators had started offering significant discounts and incentives as a part of school fees, while some offered personalized payment plans and deferment of fees¹⁸¹. However, these strategies eroded profitability, strained revenues and derailed any expansion strategy for the operators over the past two years.

Despite the transition to a virtual learning platform during the pandemic across all education levels, several challenges during the period continued to play a role in eroding profit margins¹⁸². For instance, the need to establish digital and virtual learning platforms, implement hybrid learning structures and acquire new technological expertise, became pronounced in the past year. Accordingly, schools and universities increased investment into building their digital education infrastructure that added to the existing high operating costs. The confluence of these factors resulted in lower revenue and pressure on profitability margins for both public and private schools and universities.

Majority of the private school construction projects in Dubai are funded by private equity, sovereign wealth, pension funds, REITS, or family offices

Schools and universities are offering higher packages in addition to other benefits to staff, thus increasing their cost of operations

Schools and universities have increased investment into building their digital education infrastructure that have added to the existing high operating costs

¹⁷⁸ Source: "Education Business Group reveals operating headers in private school cost structure", Zawya, October 13, 2022

¹⁷⁹ Source: "How GCC countries can attract the right teachers for the future workforce", Arab News, May 09, 2022

¹⁸⁰ Source: "COVID-19: Gulf expats forced to leave for home as pandemic impacts jobs", Gulf News, June 18, 2020

¹⁸¹ Source: "Parents being priced out of new Dubai schools – report", Arabian Business, June 24, 2019

¹⁸² Source: "The Economic Shock of COVID-19 May Hit Private School and Contract Teachers Hardest", Center for Global Development, November 24, 2020

Majority of the private schools across the GCC are not entitled to any subsidies, leading to them being subject to commercial market rates for all input costs

Regulations requiring prior MoE approval before raising fees have a significant impact on the profitability of private schools across the GCC

Majority of the private schools across the GCC are not entitled to any subsidies, leading to them being subject to commercial market rates for all input costs

Intensifying Competition and Stringent Regulations

As several new schools are opening up and are under development in the region, competition among the private players is increasing. The situation is further accentuated by the strong demand from the expatriate population as well as local citizens for quality education institutes¹⁸³. Despite stiffening competition, a number of new schools have opened up in a challenging economic environment, adding further pressure on institutions. This situation is more prominent in the UAE, especially Dubai, which saw opening of more than 20 new private schools since 2020. The KHDA announced that Dubai opened 10 new schools adding a total of 14,671 seats in the 2021-22 academic year¹⁸⁴. Moreover, four new private schools opened in the 2022-23 academic year, offering 7,000 additional seats. This has taken the total number of schools in the Emirate to 215 which offer more than 18 international curriculum choices¹⁸⁵. Similarly, Sharjah witnessed the opening of seven new private schools in the 2021-22 academic year while Abu Dhabi opened three¹⁸⁶. This oversupply of operators, especially within the K-12 school segment, has continued to strain margins.

Regulations requiring prior MoE approval before raising fees have a significant impact on the profitability of private schools across the GCC. Since the limit of the fee hike is regulated, private schools have to bear the increasing cost of providing education. For instance, in Dubai, the rate by which schools can increase their fees is tied to each school's most recent inspection rating from the Dubai Schools Inspection Bureau. Under the School Fees Framework of KHDA, private schools that maintain the same inspection rating will be eligible to increase their fees, while those whose ratings have dropped will not be permitted to increase their fees¹⁸⁷. According to the Ministry regulations, private schools are also required to hire a certain percentage of local teachers, which presents difficulties in many situations due to the shortage of qualified home-grown teachers.

Lack of Subsidies & Rising Taxation

Majority of the private schools across the GCC are not entitled to any subsidies, leading to them being subject to commercial market rates for all input costs. This includes costs of various sources of capital, costs of acquiring, constructing or leasing land and building, costs of utilities, sharing of public infrastructure costs, rates and taxes. Amid rising burden on government finances, the taxation landscape in the GCC has shifted in recent years. For instance, the UAE Ministry of Finance (MoF) announced that a new federal corporate tax system will be implemented, effective June 2023. The UAE introduced one of the lowest corporate income tax rates within the GCC region at a standard rate of 9%¹⁸⁸. The introduction of corporate tax in the UAE is primarily aimed at diversifying the country's revenue streams, reducing its reliance on oil revenues, and supporting its economic growth and development¹⁸⁹. Although this promotes transparency and compliance, international private schools will have to bear the new levies effective this year. On the other hand, Saudi Arabia has implemented Value Added Tax (VAT) rules, wherein the education related supplies are taxable at a standard rate of 5% for private education¹⁹⁰. As such, operators are seeking a reduction of governmental fees on the education sector including ease on

¹⁸³ Source: Where to Invest Now in GCC Private Education, BCG, April 11, 2018

¹⁸⁴ Source: "UAE schools opening in 2021-22", Education Middle East, September 4, 2021

¹⁸⁵ Source: "Dubai: 4 new schools open in 2022-23 academic year; add 7,000 seats", Khaleej Times, August 30, 2022

¹⁸⁶ Source: "UAE schools opening in 2021-22", Education Middle East, September 4, 2021

¹⁸⁷ Source: "Tuition hike approved for Dubai private schools for 2023-24 academic year", AlArabiya News, March 10, 2023

¹⁸⁸ Source: "Corporate Tax in the UAE", KPMG

¹⁸⁹ Source: "Impact of Recent Government Decisions on the UAE Corporate Tax Law", Taxmann, May 3, 2023

¹⁹⁰ Source: "How VAT impacts you - Education sector", PWC

certain administrative costs such as visa for teachers, fee adjusted rents (i.e. lower rents for lower fee charging schools) and preferential costs of utilities for education institutions¹⁹¹.

Shortage of Skilled Teachers and Educational Staff

Hiring and retaining high quality educational staff to match the rising standards among private schools has proven to be a challenge

While the GCC education sector is witnessing rapid changes with adoption of international curricula, it continues to grapple in upgrading the skills set of local teachers and educational staff to adapt to the changing environment. Consequently, the region remains dependent on expatriate talent to fill the gap. Moreover, the influx of high-quality international schools in the region has led to fierce competition for the availability of best teachers. The COVID-19 pandemic added to the woes as many expatriate teachers were either made redundant or had to take pay cuts, leading to an acute shortage of staff when schools reopened post the lockdown. This has led to a deficit in the availability of quality skilled teachers, especially in subjects such as English, maths and science¹⁹². Hiring and retaining high quality educational staff to match the rising standards among private schools has also proven to be a challenge. In order to attract and retain the right teaching talent, many international schools have started offering generous compensation packages, which in turn have made admission fees more expensive. Additionally, schools are planning to offer more professional development opportunities for teachers, including promotions, while also encouraging flexibility at work¹⁹³.

At the same time, GCC nations are focusing on lowering the number of expatriate teachers and build a self-dependent ecosystem comprising of home-grown talent. Nationalization drives such as 'Saudization', 'Omanization', and 'Kuwaitization' are restricting the number of expatriate teachers in these nations. Kuwait has undertaken a policy of nationalizing up to 25% of teaching jobs each year as the government works towards making all public sector staff Kuwaiti by 2022¹⁹⁴. This may deter the employment of education staff in the region while the crisis of attracting skilled talent is expected to further increase amid a pipeline of new international schools set to open doors in the next few years across the GCC.

Outbound Student Mobility Remains High for Tertiary Education

The UK, US and Canada are the most preferred destinations for the UAE students seeking higher education abroad

GCC students prefer pursuing higher education abroad as the desire to acquire degrees and certifications from reputable international institutes, known for their high-quality education, remains high. This, in turn, is impacting local enrolments in the tertiary segment within the region. In 2020, more than 127,000 students from the GCC went abroad for higher education, a number which has witnessed a decline over the past few years. This has been largely aided by several of the foreign institutes setting up base within the region, offering a wide range of curriculum that matches international standards. While outbound student mobility in Saudi Arabia, Bahrain and Oman has witnessed a fall between 2016 and 2020, Qatar, Kuwait and the UAE have witnessed an increase during the period (see Exhibit 50)¹⁹⁵. Notably, scholarship programs offered by the UAE government agencies and academic institutions have been a major factor encouraging Emirati students to prefer studying overseas. The UK, US, and Canada have emerged as the top study destinations for UAE students who aspire to improve their employment prospects through a high-quality education from foreign institutions. Moreover, several emerging nations such as Germany, the Netherlands, and Australia have started gaining traction as high growth destinations for

¹⁹¹ Source: "Education Business Group reveals operating headers in private school cost structure", Zawya, October 13, 2022

¹⁹² Source: "UAE head teachers speak of struggle to recruit talent amid global teacher shortage", The National News, April 15, 2022

¹⁹³ Source: "How GCC countries can attract the right teachers for the future workforce", Arab News, May 09, 2022

¹⁹⁴ Source: "Kuwait's Education Ministry to cut hundreds of foreign teachers", March 1, 2018

¹⁹⁵ Source: UNESCO

higher education. This can be largely attributed to the visa friendly norms for Arab students coupled with the affordability and work-study pattern that these countries offer¹⁹⁶. According to the survey by Zurich International Life and YouGov, 41% of UAE residents plan to send their children abroad with only 12% hopeful of getting a scholarship¹⁹⁷. At the same time, the rising cost of education in GCC is also compelling many expatriates to return to their respective home countries for pursuing higher education.

Exhibit 50: Outbound Internationally Mobile Tertiary Students Studying Abroad

Country	2016	2017	2018	2019	2020	CAGR (2016-20)
Bahrain	5,811	5,911	5,844	5,297	5,349	-2.0%
Kuwait	22,650	23,019	24,695	24,201	24,390	1.9%
Oman	16,615	16,284	16,307	15,817	15,733	-1.4%
Qatar	6,301	6,583	9,023	8,588	8,054	6.3%
Saudi Arabia	90,238	84,242	77,406	67,078	58,936	-10.1%
UAE	11,720	11,260	12,288	13,351	14,689	5.8%

Source: UNESCO

Note: The above data includes students that have crossed national borders to pursue education and are enrolled outside their country of origin

¹⁹⁶ Source: "GCC Student Mobility in Higher Education and the Unique Opportunities in UAE", Higher Education Digest, October 14, 2020

¹⁹⁷ Source: "Children's tuition fees a key concern for GCC professionals in pharma, telecom sector, reveals survey", Gulf Business, September 5, 2022

6. Trends

Growing Importance of Technology and EdTech Platforms

The GCC countries are making considerable investment towards the education sector in order to curate an ecosystem that meets international standards. Consequently, the education sector has undergone significant transformation in recent years, particularly with the integration of technology. Although digital transformation in education was already a focus for each GCC nation, the pandemic has accelerated this process and put a much greater emphasis on tech-enabled learning capabilities. The regional governments, in collaboration with the public and private sector participants, played a critical role in transforming traditional learning methods by blending digital capabilities and the widespread penetration of digital devices for easy accessibility among students and teachers. This has created multiple opportunities for educational technology (EdTech) service providers to further establish their presence in the GCC with innovative solutions, while also prompting many ventures to raise funds to support their expansion plans.

EdTech Enabling Personalized Learning Experiences

EdTech platforms across the GCC have grown exponentially in recent years to include adaptive learning, video content, gamification, and personalized learning solutions to change the way people learn. EdTech platforms are also enabling schools to provide higher engagement, flexibility, and accessibility in new and relevant ways. Technological advancements have also paved the way for new educational models that facilitates integration of digital resources into a traditional classroom setting and introduces content to students at home, allowing for a more personalised learning experience. Notably, some of the most prominent British EdTech service providers that are offering such personalized tools have forayed into the GCC markets¹⁹⁸. On the other hand, other prominent players in the GCC, are leveraging advanced technologies such as AI and robotics to ensure that the future generation is better equipped for the job market. Amid growing collaboration between EdTech firms and traditional schools, UAE-based iCademy Middle East, recorded a 25% increase in the enrolment of students in virtual and blended learning during 2022. The school, which is accredited by New England Association of Schools and Colleges, offers flexibility and balance to students to manage between their classes and interest-based pursuits¹⁹⁹.

Higher Adoption of Artificial Intelligence (AI)-based tools

There has already been a flurry of new remote learning opportunities in the region and further developments are likely to emerge as traditional providers partner with digital conveyors. While this amalgamation has already started conveying learning outcomes through the integration of video learning formats, the industry is also witnessing new competitive models including AI-based content, digital libraries, soft skill development, and real-time scenario engagements.

For instance, Saudi Arabia and the UAE have started tapping into generative AI technology as part of their broader AI strategies. Notably, universities across the GCC have attracted recognition for leveraging new technologies to improve educational outcomes. According to the ranking of 'Global Universities in 2023' by Times Higher Education, Saudi Arabia's King Abdulaziz University rose to 101st place and received a top score for UN Sustainable Development Goal 9: Industry, Innovation and Infrastructure²⁰⁰. As part of its Vision 2030 programme, the Kingdom plans to train 20,000 data and AI specialists by 2030 to support

EdTech platforms are also enabling schools to provide higher engagement, flexibility, and accessibility in new and relevant ways

The industry is witnessing new competitive models including AI-based content, digital libraries, soft skill development, and real-time scenario engagements

¹⁹⁸ Source: "How Britain and the GCC are shaping the future of education in a post-Covid world", March 17, 2021, Gulf Business

¹⁹⁹ Source: "Dubai's online school gets a 25% hike in enrolment this year", October 17, 2022, Times of India

²⁰⁰ Source: Events & NEWS, November 2022, KAUST Academy

its goals in the field. In November 2022, the Kingdom's King Abdullah University of Science and Technology launched a specialised programme for undergraduates in the field of AI²⁰¹. Similarly, the UAE's MoE recently announced plans to use AI chatbot tutors that would be used to generate content to encourage student learning. In February 2023, the UAE MoE launched a new innovation strategy that includes a platform known as DisruptED, intended to help students and professionals to embrace new skillsets as the digital economy evolves²⁰². In terms of higher education, the UAE's Mohamed bin Zayed University of Artificial Intelligence saw its inaugural class graduate in the key AI fields of computer vision and machine learning in early 2023²⁰³. Meanwhile, in March 2023, the Bahrain Institute of Banking and Finance launched its metaverse campus, which aims to provide students and professionals in business and finance with an immersive learning experience²⁰⁴. Bahrain's Nasser Vocational Training Centre launched the 'Smart Coders Initiative', which aims to train around 2,000 students annually to write computer code²⁰⁵. The country also ranked first in national female e-inclusion policies, female digital skills training and science, technology, engineering and maths (STEM) education in META's 2022 'Inclusive Internet Index'²⁰⁶.

Increasing Options for Higher Education with Quality Offerings

To meet the growing demand for high-quality tertiary education, a number of foreign colleges and universities have begun establishing their base across the GCC

To meet the growing demand for high-quality tertiary education, a number of foreign colleges and universities, particularly those from the UK and the US, have begun establishing their base across the GCC. The UAE has become an educational hub drawing reputed international colleges and universities and improving its global competitiveness. As one of the world's premier global cities, Dubai is home to 35 foreign or internationally accredited campuses. UK-based schools such as London Business School in Dubai, Brighton College Dubai, and North London Collegiate School have already established themselves in the UAE within the last few years. Some of the other major universities from the US that have forayed into the country offering certificate programs include University of Washington (Abu Dhabi), New York University (Abu Dhabi), Boston University (Dubai), INSEAD (Abu Dhabi) and Rochester Institute of Technology (Dubai). In July 2022, 82% of Dubai's international universities were given four and five-star ratings, as part of the Rating of International Higher Education Institutions in Dubai²⁰⁷.

As of 2022, UAE recorded 219,878 international students visiting the country; Its inbound mobility ratio is one of the highest in the world at 48.6%

As a result, inbound student mobility, especially in the UAE, has grown over the years. In comparison to the number of students who travel overseas for higher education, the UAE imparts knowledge to more international students by recruiting them²⁰⁸. Most notably, the country's inbound mobility ratio is one of the highest in the world at 48.6%, much higher than that of major global study destinations such as the US, the UK, and Australia. As of 2022, UAE recorded 219,878 international students visiting the country for higher education compared to 77,463 in 2016²⁰⁹.

Amid a rise in demand for quality education, some of the Ivy League business schools such as Harvard Business School (Dubai)²¹⁰, Wharton (Abu Dhabi)²¹¹, The Cornell University²¹²,

²⁰¹ Source: "GCC Countries Look To AI To Build A New Kind Of Workforce", April 22, 2023, Yahoo Finance

²⁰² Source: "UAE seeks 'global innovation centre' status in strategy", February 15, 2023, The Pie News

²⁰³ Source: "World's first AI university, Mohamed bin Zayed University of Artificial Intelligence honors inaugural graduates", February 02, 2023, PR Newswire

²⁰⁴ Source: "Bahrain Institute of Banking and Finance announces campus in the metaverse", March 11, 2023, Analytics Drift

²⁰⁵ Source: "NVTC and ThinkSmart launch 'Smart Coders' initiative", March 07, 2023, Bahrain News Agency

²⁰⁶ Source: "Bahrain tops in female digital skills training and Stem education", June 30, 2022, Zawya

²⁰⁷ Source: "Dubai: 82% of international universities achieve 4, 5-star ratings", July 02, 2022, Zawya

²⁰⁸ Source: "Why the UAE is attracting more foreign students than ever before?", Khaleej Times, June 20, 2023

²⁰⁹ Source: UNESCO

²¹⁰ Source: Harvard Business School, Middle East & North Africa

²¹¹ Source: Wharton, Middle East

²¹² Source: Cornell Club of UAE - American University in Dubai

(Dubai), and The Dartmouth University (Dubai)²¹³ have been expanding their presence in the GCC via partnerships, agreements, scholarships, student global expedition programs and online courses. The Ivy Council has expanded its activity scope with programs like Executive Management Programs, Ivy Leadership Summit, and student exchange opportunities in the Middle East, whereas Ivy League colleges have traditionally only offered their full-term MBA programs at their base campuses²¹⁴. The Saudi Arabian MoE is currently working on a plan to attract prestigious foreign universities to open their branches in the Kingdom²¹⁵. The Kingdom's King Abdullah University of Science and Technology (KAUST), already has collaborative ventures with 27 universities globally and has created five international academic excellence alliances. Similarly, Qatar has attracted and funded leading American and European institutions to set up campuses of foreign schools in a designated zone called Qatar Education City. Some of the top schools in this zone include Weill Cornell, Georgetown, and Texas A&M, Northwestern²¹⁶. Presence of these universities in the region gives an opportunity to the local students, entrepreneurs and executives to gain international certification and expand their horizons on business management, strategy and other areas.

At the same time, local universities from the UAE and Saudi Arabia have been gaining ground in global rankings based on their education modules and overall improvements. Saudi institutions have continued to improve their rankings in the 'Times Higher Education World University Rankings', attaining a leap of 40% compared to 2022. In the rankings, 21 Saudi universities were listed among international universities, with six universities entering the rankings for the first time, seven other universities improving their ranks, and six universities maintaining their existing rankings. King Abdulaziz University (KAU) ranked 101, topping the Saudi universities. Most notably, the Kingdom was recognized as the most improved nation in the world rankings in 2022 based on national average score. On the other hand, five of the six UAE universities were included in the overall world rankings for 2023, led by the United Arab Emirates University and the University of Sharjah, both of which have risen into the world's top 300 list²¹⁷. These indicate a marked achievement in quality of education, a key barometer for the growth of the tertiary segment in the GCC.

Prioritising STEM Education

Several international schools across the GCC, especially the UAE, are integrating STEM education in their curricula with the aim to deepen students' understanding of critical concepts

STEM education (Science, Technology, Engineering, and Mathematics) is gaining importance in the GCC education sector, largely driven by the shifting job landscape that has evoked the need for a more specialized and dynamic skill set. Governments and educational institutions across the UAE²¹⁸, Bahrain²¹⁹ and Oman²²⁰ have already established strategies that aim at providing students with the necessary skills and knowledge to succeed in STEM-related fields in a bid to fill the skills gap in the region and build a 'knowledge-based economy'²²¹.

STEM Education in the GCC is being prioritized by the governments as an ideal technique to provide students with practical hands-on learning experiences and prepare them for a career in this highly specialized field²²². Several international schools across the GCC are integrating STEM education in their curricula with the aim to deepen students' understanding

²¹³ Source: American University of Kuwait - Dartmouth College

²¹⁴ Source: "Ivy Council", Ivy Council website, WikiCU

²¹⁵ Source: "Saudi Arabia soon to have branches of prestigious foreign universities", Saudi Gazette, February 17, 2021

²¹⁶ Source: "The Growing Of Foreign Universities In The Gulf Region", ibtikarat Solutions, 2022

²¹⁷²¹⁷ Source: "21 Saudi universities listed in Times education ranking 2023; 40% increase compared to 2022", Saudi Gazette, June 20, 2023

²¹⁸ Source: Education and Vision 2021, UAE Government Website

²¹⁹ Source: National Higher Education Strategy 2014–2024, Higher Education Council

²²⁰ Source: The National Strategy for Education 2040, Education Council - Oman

²²¹ Source: "A Systematic review of STEM education research in the GCC", Ouci, 2022

²²² Source: "STEM labs Dubai", The Knowledge Hub

of critical concepts. Meanwhile, other schools are running STEM labs that offer elementary, middle and high school students a space to explore and investigate.

Demand for Affordable Schooling

GCC parents have started investing in education savings plans to ensure that they can support their children's education expenses

The increasing cost of education has become a major cause of concern for parents across the region. According to a survey conducted by Zurich International Life and YouGov, 62% of parents in the GCC use their monthly income for school-related expenses. It found that UAE parents in the education and academics industry spend approximately AED 91,000 (US\$ 27,776) annually for tuition fees compared to AED 46,500 (US\$ 12,660) per year by those employed in the public sector²²³. The survey found that the average annual cost of education stood at AED 45,676 (US\$ 12,436) with approximately 80% of families in the UAE setting aside 40% of their monthly income to pay tuition fees. Moreover, it indicated that families in the UAE are exhausting their personal savings towards educational expenses while also resorting to personal loans for financing their child's educational needs. Consequently, many parents have started investing in education savings plans to ensure that they can support their children's further education financially²²⁴. Moreover, authorities in the UAE announced that private schools in the country will increase fees by up to 5% in the next academic year²²⁵. Similarly, school fees have increased significantly in Saudi Arabia as the private sector continues to adopt American and British curriculum²²⁶. The inequality between socio-economic groups exacerbated in the private school system due to the fee structures and corresponding levels of quality has led to the rise in demand for affordable schooling across the region.

Fees charged by international schools offering British, American and IB curricula are the highest while the tuition fee for private schools offering Indian and Arabic curriculum is relatively lower

The cost of education in GCC varies widely based on the curriculum at offer and the infrastructure facilities available. Fees charged by international schools offering British, American and IB curricula are the highest while the tuition fee for private schools offering Indian and Arabic curriculum is relatively lower. Consequently, the demand for Indian curriculum, which promotes skill-based education, has been on the rise across the region. Several Indian schools in the region not only provide contemporary education but also offer new-age industry integrated programs relevant to the global needs at affordable cost (See Annexure). Internationalization of education and the growing number of expatriates in the region has also led to the demand for Arabic language coupled with French and German widely gaining prominence. For instance, the CBSE curriculum in Indian schools across the GCC, which currently has English and Arabic as compulsory languages, has introduced the choice of opting for French and German as per the offerings in their respective schools²²⁷.

²²³ Source: "Only 3 in 10 parents in UAE have a children's education savings plan: New GCC survey", Zawya, September 14, 2022

²²⁴ Source: "70 percent of parents in the UAE are concerned about tuition fees when planning their children's higher education: New GCC survey", Gulf News, August 31, 2022

²²⁵ Source: "UAE school fees to rise 5%", Arabian News, March 13, 2023

²²⁶ Source: "Saudi Arabia: 40% of private schools' fees range between \$2,666 and \$5,333", Zawya, August 26, 2022

²²⁷ Source: "Three Language Formula by CBSE Worries Parents in UAE", Edarabia

Larger operators are looking for tuck-in acquisitions to expand geographic presence; Likely to witness high interest in acquiring EdTech platforms to remain competitive

7. Merger and Acquisition (M&A) Activities

The GCC education sector has witnessed significant M&A activity over the past two years, including some big ticket transactions, largely driven by several of the GCC nations opening up the sector for privatization and foreign ownership. There were a few cross-border acquisitions in the region, with majority of the deals being intra-regional transactions as larger operators sought tuck-in acquisitions to broaden their geographic reach and increase their market share. Despite the downturn in operations due to the COVID-19 pandemic, there were five deals recorded in 2021. As the economic conditions witnessed a revival in 2022, M&A activity in the education sector gained further momentum with the region witnessing 11 M&As during the year. As of H1 2023, the region has witnessed four M&A transactions with several potential deals lined up for completion before the year-end (see Exhibit 51). While some of the deals have been organic and strategic in nature, primarily aimed at forming stronger entities to offset weak profitability, there has also been active participation from alternative investment firms including real estate investment trusts (REITs).

Uncertain global macroeconomic environment, coupled with rising cost of operations and inflationary pressure will likely motivate institutions to pursue consolidation. Increasing competition and an oversupply situation in many GCC nations is also likely to lead to higher consolidation. Moreover, normalization of valuations post COVID-19 and the need for school operators to build their digital infrastructure (an additional cost burden), and to remain competitive is likely to create a compelling M&A landscape in the GCC. Going forward, the focus is likely to be directed towards value-creating opportunities with larger players targeting small to mid-sized players as well as EdTech providers. Acquiring stakes in EdTech platforms or building collaborations with tech enablers is anticipated to be of particular interest to the region, especially as the pandemic has accelerated the need for distance learning and adoption of digitization to remain competitive in the current education landscape.

Exhibit 51: Major M&A Deals in the GCC Education Industry

Acquirer	Acquirer's Country	Target	Target's Country	Year	Consideration (US\$ Million)	Percent Sought (%)
Al Mal Capital REIT	UAE	Wesgreen Intl. School	UAE	2023	72.1	100%
Physics Wallah	India	Knowledge Planet	UAE	2023	NA	100%
Andalus Education Co.	KSA	Yusr International School	KSA	2023	NA	NA
National Bonds Co.	UAE	Taaleem Holding Group	UAE	2023	NA	5%
Taaleem	UAE	Jebel Ali School	UAE	2022	63.6	100%
Amanat	UAE	Human Devt. Co.	KSA	2022	58.7	60%
Al-Khaleej Train. & Edu. Co.	KSA	Al-Faisaliah National Schools Co.	KSA	2022	16.0	60%
Pansophic Learning	USA	BBD Education	UAE	2022	NA	NA
Mubadala Capital	UAE	Medicina UniFTC Salvador & Unesulbahia	Brazil	2022	NA	NA
NEMA Holding (Amanat Holdings)	UAE	Liwa College of Technology	UAE	2022	NA	100%



NEMA Holding (Amanat Holdings)	UAE	Khawarizmi Intl. College	UAE	2022	NA	100%
oktopi	UAE	Tutor House	UK	2022	NA	100%
AlGooru	KSA	ChillLearn	KSA	2022	NA	100%
Boubyan Petrochem. Co.	Kuwait	Edu. Holding Group	Kuwait	2022	NA	17%
Braeburn Schools	Kenya	GEMS Intl. School	UAE	2022	NA	100%
Britus Education	Bahrain	Athena Private School	Bahrain	2021	NA	100%
Inspired Education Group	UK	Ostaz	UAE	2021	NA	100%
SBX Capital, Farah AlHumaidhi	UK, Kuwait	Dawrat	Kuwait	2021	NA	40%
eMushrif	Oman	Tareeqi	Egypt	2021	NA	100%
Britus Education	Bahrain	The British Intl. School of Tunis	Tunisia	2021	NA	70%

Thomson Reuters Eikon

Note: Data sourced for the period 01 January, 2021 to 10 July, 2023. Only completed deals under consideration.

8. Annexure – Fee Structure in the GCC

The tuition fee across GCC private schools and colleges varies widely based on the curriculum offered. Fees charged by international schools offering British, American and IB curricula are the highest. Private schools providing primary to secondary education based on American curriculum charge an annual tuition fee in the range of US\$ 9,585 to US\$ 29,456 while the fee for British curriculum ranges between US\$ 9,395 and US\$ 32,004. Fee range for private schools offering IB curriculum currently ranges between US\$ 5,325 and US\$ 22,290. On a comparative note, the tuition fee charged by private schools offering Indian and Arabic curriculum is relatively lower (see Exhibits 52 and 53).

Exhibit 52: Tuition Fee Structure of Select Schools in the GCC (Academic Year 2022-23)

School Name	Curriculum	Annual Fee Range (US\$)*	
		Pre-primary	Primary & Secondary
UAE			
Al Ain Academy (Aldar Academies)	British	10,781 - 14,835	11,748 - 17,077
GEMS World Academy	British	18,437 - 23,063	23,063 - 32,004
GEMS Dubai American Academy	American	17,159	24,189
West Yas Academy	American	13,340 - 14,285	14,846 - 17,228
Emirates International School - Meadows	IB	7,516 - 9,864	9,864 - 22,290
Regent International School (Fortes Education)	IB	12,723	14,843 - 17,463
Indian High School, Dubai	Indian	1,007 - 1,013	1,504 - 2,849
Delhi Private School, Dubai	Indian	2,956	3,250 - 4,110
Saudi Arabia			
British International School of Al Khobar	British	12,396 - 15,541	15,541 - 21,557
Dhahran British Grammar School	British	7,990 - 14,393	14,393 - 22,629
Dhahran Elementary Middle School	American	14,393	14,393 - 22,629
American International School Riyadh	American	11,736 - 25,978	25,978 - 29,456
Rowad Al Khaleej International School – Mughrizat	IB	8,769 - 9,036	9,036 - 10,102
Jeddah Knowledge International School	IB	5,864 - 9,973	12,646 - 17,234*
Daratassalam International Delhi Public School	Indian	2,239 - 2,879	2,879 - 4,265
Qatar			
Newton International School	British	7,828 - 9,778	12,085 - 16,754
American School of Doha	American	9,475 - 15,801	15,801 - 20,548
Doha Modern Indian School (Taleb Group)	Indian	2,567	3,129 - 5,003
Birla Public School	Indian	1,703	2,197 - 3,435
Oman			
The British School-Muscat	British	10,234 - 12,805	13,767 - 24,806
The American International School of Muscat	American	13,367	22,078 - 27,455
Azzan Bin Qais International School (ABQIS)	IB	5,325 - 6,104	7,727 - 12,922

Respective websites of schools

*Notes: Fees are pertaining to the latest available data on the school websites; *The range includes fees for both girls and boys schools; The above fees are converted from the local currency to US\$ using the exchange rate as on July 20, 2023*

Exhibit 53: Tuition Fee Structure of Select Schools in the GCC (Academic Year 2022-23)

School Name	Curriculum	Annual Fee Range (US\$)*	
		Pre-primary	Primary & Secondary
Kuwait			
Kuwait English School	British	5,806 - 9,395	9,395 - 15,675
Kuwait American School	American	5,734 - 6,378	9,585 - 11,389
Indian Community School	Indian	1,110	1,234 - 1,594
Bahrain			
St. Christopher's School	British	8,995 - 11,781	11,781 - 21,971
The British School of Bahrain	British	7,968 - 10,540	10,540 - 20,825
Riffa Views International School	American	9,553 - 13,003	13,003 - 24,412
Bahrain Bayan School	IB	10,922	11,474 - 14,342
New Millennium School, DPS	Indian	2,643	2,643 - 4,561

Respective websites of schools

*Notes: Fees are pertaining to the latest available data on the school websites; *The range includes fees for both girls and boys schools; The above fees are converted from the local currency to US\$ using the exchange rate as on July 20, 2023*

Colleges and universities in the region charge fees for the undergraduate and graduate programs based on the credit hours earned or subjects (see Exhibit 54).

Exhibit 54: Fee Structure of Select Colleges and Universities in the GCC

College/University	Type of Courses	Fee Range (US\$)
The AMA International University (Bahrain)	General and MBA	137 – 239 per credit unit
Ahlia University (Bahrain)	Undergraduate Programmes / Postgraduate Programs	11,383 / 26,296 per year
Majan College (Oman)	Undergraduate Programmes / Post Graduate Programs	32,070 / 18,612 per year
American University of Kuwait	Undergraduate Program and Computer & Electrical Engineering	686 - 751 per credit hour
Qatar University	Graduate Programs / Master Degree	549 - 604 per credit hour / 604 – 714 per credit hour
Al Yamamah University (Saudi Arabia)	Undergraduate Programs / Graduate Programs	14,662 – 17,328 per year / 40,306 – 52,516 per year
Al Ghurair University (UAE)	Undergraduate Programs / Post Graduate Programs	327 – 422 per credit hour / 681 per credit hour
University of Wollongong in Dubai (UAE)	Undergraduate Programs/ Postgraduate Programs	11,566 – 17,031 per year/ 2,144 – 2,491 per year
American University in Dubai (UAE)	Undergraduate Programs/ Graduate Programs	1,143 per credit hour / 1,143 - 1,201 per credit hour
Skyline University College (UAE)	Bachelor's Program / Master Program	13,078 – 15,008 per year / 8,084 – 8,207 per year

Respective websites of colleges and universities

Notes: Fees are as per the latest available data on the school websites; The above fees are converted from the local currency to US\$ using the exchange rate as on July 20, 2023; Total number of subjects in the programs ranges between 10 to 17

Country Profiles

Saudi Arabia

Key Growth Drivers

- **Population:** Saudi Arabia's population is projected to increase at a CAGR of 2.0% to reach 38.4 million in 2027 from 34.8 million in 2022. The school age population of the K-12 segment reached 8.4 million in 2022, and by 2027, it is anticipated to grow at a CAGR of 1.4% to 9.0 million. As more people reach school age, there will be an increase in demand for education.
- **Rising Income Levels:** GDP per capita, based on PPP, is estimated to grow at an annualized rate of 3.0% between 2022 and 2027. Rising per capita income is likely to support the growing demand for quality education.
- **Government Measures:** In 2023, the government allocated 17.0% of its budget, equating to \$50.4 billion, to the education sector. As part of its Vision 2030 strategy, the government has introduced various reforms with the goal to build a knowledge-based economy.
- **Increasing Private Sector Participation:** Through PPP projects, the Kingdom seeks to promote private sector investment for the development of the education sector. As part of this, a total of 120 new schools are being built in Jeddah and Makkah.

Recent Industry Developments

- In June 2023, after the success of the ISS mission, Saudi Arabia announced a scholarship initiative to assist more students in pursuing higher study in space-related subjects.
- In May 2023, Saudi Arabia announced a resolution allowing female teachers to teach boys at international and private schools up to the end of primary school. The new decree aims to improve the quality of education across the Kingdom.
- In April 2023, Saudi Arabia announced 11 education-related PPP initiatives, largely targeting the higher education segment.
- In February 2023, Tatweer Educational Technology collaborated with Lenovo to provide a framework for future collaborations to drive digital transformation and promote EdTech across Saudi Arabia.
- In December 2022, Saudi Arabia finalised a new law governing private schools, which now requires international institutions to teach the Kingdom's history and national identity courses as part of its curriculum.

Macro-economic Indicators

Indicator	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	27.6%	-4.2%	3.5%	3.9%
GDP per capita at current prices (US\$ PPP)	61,807.6	64,836.3	68,933.7	72,906.4
Population (mn)	34.8	35.5	36.9	38.4
Inflation (%)	2.5	2.8	2.0	2.0

Source: IMF

Note: E – Estimated, F – Forecasted

Number of Students

Indicator	2022E	2025F	2027F	CAGR (2022-27)
Pre-primary	390,059	431,257	466,796	3.7%
Primary and Secondary	6,961,165	7,219,322	7,506,297	1.5%
Tertiary	1,597,084	1,662,065	1,726,441	1.6%

Source: UNESCO, General Authority for Statistics (Saudi Arabia), Alpen Capital

Note: E – Estimated, F – Forecasted

Gross Enrolment Rates

Indicator	2022E	2025F	2027F
Pre-primary	21.5%	23.0%	24.0%
Primary and Secondary	106.8%	107.1%	107.4%
Tertiary	71.5%	71.6%	71.7%

Source: UNESCO, General Authority for Statistics (Saudi Arabia), Alpen Capital

Note: E – Estimated, F – Forecasted

Key Operators

Company	Type
Arrowad Educational	Owns and operates schools
Ataa Educational Company	Owns and operates schools
International Schools Group	Owns and operates schools
Ma'arif For Education and Training	Owns and operates schools
National Company for Learning & Education	Owns and operates schools

UAE

Key Growth Drivers

- **Population:** The UAE's population is estimated to reach 10.7 million by 2027, up from 9.9 million in 2022, growing at a CAGR of 1.6%. The K-12 school age population reached 1.3 million in 2022, and is projected to rise to 1.5 million by 2027, growing at a CAGR of 1.8%. A constant increase in the school age population will increase demand for education.
- **Government Measures:** In 2023, the government boosted the education budget allocation to 15.5%, which equates to US\$ 2.7 billion. The government has increased the scope of its privatisation programme in order to accelerate higher education, upgrade and modernise K-12 infrastructure, update curricula, improve educational quality, and integrate technology into teaching and learning techniques.
- **Increase in Private Schools:** Private schools in the country increased from 567 in 2017 to an estimated 665 in 2022. The need for high-quality educational institutions in the UAE has been the primary driver for growth in private schools. Post the COVID-19 pandemic, UAE has established itself as one of the most robust economies in the world, offering a high standard of living and some of the best educational opportunities. As such, it has become a hub for foreign institutions in the GCC.
- **High Demand from International Students:** For overseas students, the country has established itself as a centre for higher education. Private elementary and secondary schools in the UAE that provide a variety of international curricula are also in high demand among the large expatriate community.

Recent Industry Developments

- In June, 2023, the UAE MoE announced the implementation of a new method to replace the 'university qualification equivalency' programme for degrees given by foreign higher education institutions. The new system will accept university diplomas from countries other than the UAE.
- In March 2023, the UAE announced that it would introduce ChatGPT-powered AI tutors in the classroom. The new systems will supplement, not replace, teachers.
- In February 2023, the UAE MoE released an innovation plan in an effort to foster 'the development of creative ideas and capabilities'. The strategy further aims to enhance the position of the UAE as a global centre in innovation.

Source: Government reports, Media reports, IMF, World Bank

Macro-economic Indicators

Indicator	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	22.3%	-1.7%	5.0%	5.5%
GDP per capita at current prices (US\$ PPP)	83,726.9	88,221.2	96,384.6	105,418.8
Population (mn)	9.9	10.1	10.4	10.7
Inflation (%)	4.8	3.4	2.0	2.0

Source: IMF

Note: E – Estimated, F – Forecasted

Number of Students

Indicator	2022E	2025F	2027F	CAGR (2022-27)
Pre-primary	224,068	219,222	229,318	0.5%
Primary and Secondary	1,074,739	1,134,503	1,184,188	2.0%
Tertiary	312,921	332,495	349,277	2.2%

Source: UNESCO, MoE (UAE), Alpen Capital

Note: E – Estimated, F – Forecasted

Gross Enrolment Rates

Indicator	2022E	2025F	2027F
Pre-primary	107.9%	101.3%	101.8%
Primary and Secondary	97.9%	98.3%	98.6%
Tertiary	55.3%	56.1%	56.6%

Source: UNESCO, MoE (UAE), Alpen Capital

Note: E – Estimated, F – Forecasted

Key Operators

Company	Type
Academia Management Solutions International	Owns and operates schools
Aldar Academies	Owns and operates schools
Amanat Holdings PJSC	Holding Co. with interests across education and healthcare
Evolve Knowledge Investments	Owns and operates schools
Emirates International School	Owns and operates schools
Fortes Education	Owner of chain of schools
GEMS Education	Operator of a chain of schools
Innoventures Education	Owns and operates schools
Taaleem	Owns and operates schools
Murdoch University Dubai	Private university
Skyline University	Private university

Oman

Key Growth Drivers

- **Population:** Oman's population is expected to reach 5.4 million by 2027, up from 4.6 million in 2022, growing at a CAGR of 3.2%. The K-12 school age population reached approximately 1.0 million in 2022, and is projected to rise by more than 31,000 additions until 2027. The country's education needs will continue to rise as the school-age population grows.
- **Government Measures:** Oman allotted 16.7% of its budget, equivalent to US\$ 1.9 billion, to the education sector in 2023. The government is providing property plots to private higher education facilities and granting private universities a tax and customs exemption for 50% of their paid-up capital up to OMR 3 million (US\$ 7.8 million). In April 2022, the MoE announced the construction of 76 new school buildings, 42 of which will be built in collaboration with the private sector and accommodate around 80,000 students.
- **Growth in Private Schools:** In 2022, the total number of private schools in the country stood at around 677, up from 578 in 2017, representing a 3.2% annualised increase. Private school enrolments have increased in tandem over the five-year period. The increase in number of enrolments is expected to further drive the private school sector going forward.

Recent Industry Developments

- In May 2023, the UAE MoE announced a co-operative deal with Oman. This agreement intends to improve collaboration and knowledge sharing between the two ministries.
- In February 2023, the MoE stated that a systematic plan for vocational and technical education would be implemented beginning with the next academic year (2023/2024). This will be done in compliance with best worldwide practices, national plan directions, and economic sector needs.
- In February 2023, the MoE issued a directive exempting some groups from paying registration fees in public schools and reducing expenses by half for children of overseas ministry employees.

Macro-economic Indicators

Indicator	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	30.0%	-8.5%	2.4%	3.4%
GDP per capita at current prices (US\$ PPP)	41,250.8	42,188.4	44,389.4	45,449.2
Population (mn)	4.6	4.8	5.1	5.4
Inflation (%)	2.8	1.9	2.0	2.0

Source: IMF

Note: E – Estimated, F – Forecasted

Number of Students

Indicator	2022E	2025F	2027F	CAGR (2022-27)
Pre-primary	74,374	76,349	77,783	0.9%
Primary and Secondary	838,144	858,296	868,601	0.7%
Tertiary	118,962	122,099	124,205	0.9%

Source: UNESCO, MoE (Oman), Alpen Capital

Note: E – Estimated, F – Forecasted

Gross Enrolment Rates

Indicator	2022E	2025F	2027F
Pre-primary	43.3%	43.8%	44.2%
Primary and Secondary	105.1%	105.3%	105.4%
Tertiary	47.6%	48.0%	48.3%

Source: UNESCO, MoE (Oman), Alpen Capital

Note: E – Estimated, F – Forecasted

Key Operators

Company	Type
Azzan bin Qais International School	School
Middle East College	Higher education institute
Oman Education and Training Investment Company	Education services

Kuwait

Key Growth Drivers

- **Population:** Kuwait's total population is expected to increase by 1.7% each year to 5.2 million by 2027, up from 4.8 million in 2022. The K-12 school age population reached 0.8 million in 2022, and is projected to grow at a CAGR of 2.0% to 1.0 million by 2027. This will further increase demand for the country's educational services.
- **Government Measures:** In fiscal year 2023-2024, the government allocated US\$ 9.8 billion for education, accounting for 11.5% of the entire budget. The government has also formed a 'National Development Plan 2035' with the goal of reforming and revitalising the country's education system. The MoE has started restructuring its whole curriculum, beginning with basic school. The restructuring project will be implemented gradually over a five-year period and will include all courses.
- **Growth in Private Education Market:** The overall number of private schools in the country increased from 527 in 2017 to 585 in 2022. Private school enrolment is estimated to have climbed from 38.9% in 2017 to 40.7% in 2022. The growing number of private businesses offering worldwide curricula, together with higher education institutes introducing a variety of advanced courses, is likely to drive the sector forward.

Recent Industry Developments

- In May 2023, the Kuwait MoE announced plans to hire 600 male and female instructors and teachers from Palestine and Jordan for the upcoming academic year 2023-2024.
- In May 2023, RCSI Bahrain and the MoHE in Kuwait signed a scholarship agreement. As part of the agreement, the Kuwait MoHE will guarantee a specific number of placements for Kuwaiti students to attend RCSI Bahrain's undergraduate medicine degree.
- In April 2022, Kuwait's Boubyan Petrochemical Co. reached an initial agreement with Educational Holding over a potential merger. Boubyan already owns 82.7% of the educational firm.
- In December 2021, Dawrat, a Kuwait-based educational technology business, announced entry into Saudi Arabia. Dawrat intends to capitalise on the expanding demand for skilled labour in MENA, particularly given the increased interest among young people in entrepreneurship.

Macro-economic Indicators

Indicator	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	34.9%	-10.8%	0.8%	1.8%
GDP per capita at current prices (US\$ PPP)	51,471.0	53,036.9	56,319.0	59,561.9
Population (mn)	4.8	4.9	5.1	5.2
Inflation (%)	3.9	3.3	2.0	2.0

Source: IMF

Note: E – Estimated, F – Forecasted

Number of Students

Indicator	2022E	2025F	2027F	CAGR (2022-27)
Pre-primary	72,718	76,826	80,309	2.0%
Primary and Secondary	607,075	643,536	670,826	2.0%
Tertiary	130,529	139,004	145,316	2.2%

Source: UNESCO, MoE (Kuwait), Alpen Capital

Note: E – Estimated, F – Forecasted

Gross Enrolment Rates

Indicator	2022E	2025F	2027F
Pre-primary	60.2%	60.3%	60.5%
Primary and Secondary	83.0%	83.0%	83.1%
Tertiary	58.9%	59.2%	59.4%

Source: UNESCO, MoE (Kuwait), Alpen Capital

Note: E – Estimated, F – Forecasted

Key Operators

Company	Type
Educational Holding Group	Owns and operates schools
Humansoft Holding Company KSCP	Owns and operates schools

Qatar

Key Growth Drivers

- **Population:** While the overall population of Qatar is likely to decrease between 2022 and 2027, the K-12 school age population is forecast to expand at a CAGR of 0.9%. The K-12 school age population stood at approximately 0.4 million in 2022, and is projected to rise by more than 11,000 additions until 2027. This will continue to aid demand for education.
- **Rising Income Level:** The GDP per capita, based on PPP, is estimated to grow at an annualized rate of 6.1% between 2022 and 2027. Rising per capita income is likely to support the growing demand for quality education.
- **Government Measures:** In 2023, the government allocated approximately 9.0% of the total budget to education. It intends to build 45 schools under a PPP model over a five-year period. The schools will be built in six phases, beginning with eight schools in the first package, followed by six to eight schools in each of the subsequent packages.
- **Growth in Private Schools:** The total number of private schools in the country is estimated to have reached 739 in 2022, up from 543 in 2017, representing an annualised growth rate of 6.3%. Enrolment in private schools is estimated to have increased at a CAGR of 3.0% between 2017 and 2022.

Recent Industry Developments

- In May 2023, Hamad Bin Khalifa University announced plans to collaborate with the Qatar Development Bank to deliver the second cycle of the 'Education City Innovative Entrepreneurship Program'. It aims to prepare future leaders with an entrepreneurial mind-set to shape novel solutions.
- In May 2023, The Qatar Career Development Centre, established by the Qatar Foundation, announced the start of registration for the fifth edition of the 'My Career-My Future' programme for 2023. It aims to provide high school students an opportunity to experience real work environments across various sectors in the country, including medicine, aviation, media, filmmaking, banking, social work, and education
- In October 2022, the MoEHE, in collaboration with Qatar Foundation, unveiled the 'Rasekh' initiative, a new online educational platform linked with Qatar Foundation that will be available to all schools across the country.

Macro-economic Indicators

Indicator	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	25.5%	-2.6%	5.2%	4.0%
GDP per capita at current prices (US\$ PPP)	115,044.8	124,833.7	139,613.6	157,651.0
Population (mn)	2.7	2.6	2.6	2.5
Inflation (%)	5.0	3.0	2.3	1.5

Source: IMF

Note: E – Estimated, F – Forecasted

Number of Students

Indicator	2022E	2025F	2027F	CAGR (2022-27)
Pre-primary	44,748	44,548	45,275	0.2%
Primary and Secondary	311,377	315,312	322,373	0.7%
Tertiary	41,506	42,789	44,359	1.3%

Source: UNESCO, MoE (Qatar), Alpen Capital

Note: E – Estimated, F – Forecasted

Gross Enrolment Rates

Indicator	2022E	2025F	2027F
Pre-primary	53.9%	53.6%	53.4%
Primary and Secondary	101.9%	102.2%	102.4%
Tertiary	25.3%	25.9%	26.3%

Source: UNESCO, MoE (Qatar), Alpen Capital

Note: E – Estimated, F – Forecasted

Key Operators

Company	Type
Artan Holding	Educational Institutes
Newton International School	Owns and operates schools
Taleb Group	Owns and operates schools

Bahrain

Key Growth Drivers

- **Population:** Bahrain's total population is expected to reach 1.7 million by 2027, growing at a CAGR of 2.5% over the past five years. In 2022, the K-12 school age population stood at 0.3 million, and is projected to rise by 11,000 additions until 2027. This will aid the rise in educational needs.
- **Government Measures:** In 2022, the government allocated US\$ 860.8 million, which is approximately 9.9% of the country's budget, towards the education sector. The government's 'National Higher Education Strategy 2014-24' outlines a PPP strategy for building shared EdTech infrastructure and higher education admission support. The shared EdTech infrastructure's primary aims include building a national EdTech portal, cloud infrastructure for public institutions, fee-based access to private institutions at competitive costs as a result of shared service simplification, among other things.
- **Growth in Private Schools:** In 2022, there were an estimated 303 private schools across Bahrain, up from 258 in 2017. Private schools now make up approximately 57.9% of all schools in the country, up from 55.2% in 2017. The rising demand for quality education is expected to boost private sector involvement and foreign institutions setting up base.

Recent Industry Developments

- In June 2023, Beacon Private School signed a management agreement with SEK Education Group. This agreement is expected to improve Bahrain's education sector and raise educational outcomes to international standards.
- In April 2023, Bahrain announced the launch of Aspire, a new project aimed primarily at assisting Bahraini postgraduate degree holders in their career growth.
- In March 2023, the Bahrain MoE unveiled its 2023-2026 strategic plan, which includes efforts targeted at increasing overall service levels and educational institution performance, as well as revising and developing curricula and teaching methods at all educational levels.
- In March 2023, Bahrain initiated talks with a number of Indian colleges on establishing campuses in the country for higher education and vocational training, as it seeks to increase its technical and skilled manpower.

Macro-economic Indicators

Indicator	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	12.9%	1.1%	4.8%	4.4%
GDP per capita at current prices (US\$ PPP)	58,083.1	60,595.7	64,302.0	66,927.6
Population (mn)	1.5	1.6	1.7	1.7
Inflation (%)	3.6	2.2	2.1	2.0

Source: IMF

Note: E – Estimated, F – Forecasted

Number of Students

Indicator	2022E	2025F	2027F	CAGR (2022-27)
Pre-primary	35,648	36,114	36,869	0.7%
Primary and Secondary	238,437	242,321	246,664	0.7%
Tertiary	54,834	56,992	58,936	1.5%

Source: UNESCO, MoE (Bahrain), Alpen Capital

Note: E – Estimated, F – Forecasted

Gross Enrolment Rates

Indicator	2022E	2025F	2027F
Pre-primary	52.5%	52.7%	52.8%
Primary and Secondary	97.6%	97.5%	97.4%
Tertiary	64.7%	66.2%	67.2%

Source: UNESCO, MoE (Bahrain), Alpen Capital

Note: E – Estimated, F – Forecasted

Key Operators

Company	Type
Ahlia University	Private university
Britus Education	Owns and operates schools

Company Profiles

Academia Management Solutions International (Privately Owned)

UAE

Company Description

Founded in 1979, Academia Management Solutions International (AMSI) has over 35 years of experience running schools and providing educational solutions. AMSI, led by an international advisory board, provides a comprehensive set of solutions to investors and academic enterprises, including turnkey solutions, feasibility studies, school management services, and consulting services in various areas. AMSI-managed schools have graduated over 7,000 students, and the university has educated over 250,000 students.

Business Segments/Services Portfolio

- **AI Mawakeb:** AI Mawakeb is a group of three Dubai-based schools that offer comprehensive university preparatory education to students of all backgrounds and nationalities. Despite the fact that English is the medium of instruction, the schools provide students in grades K–12 with a trilingual teaching program that includes English, French, and Arabic.
- **AI Mawakeb AI Garhoud:** Inaugurated in 1979, the school is well-known for its university placement program and is internationally recognised for its advanced e-learning curriculum
- **AI Mawakeb AI Barsha:** Founded in 1997, the school has state-of-the-art facilities for 2,500 students and is known for its advanced e-learning curriculum and placement program.
- **AI Mawakeb AI Khawaneej:** Inaugurated in 2018, the school is accredited by the New England Association of Schools and Colleges (NEASC) and offers an American curriculum.
- **The International School of Arts & Science (ISAS):** Established in 2007, the school provides an American curriculum based on California State Standards, but it is also designed to integrate UAE curricula. It offers a co-educational and international English language learning environment for students in kindergarten through grade 12. ISAS offers Pre-engineering, Pre-medicine, Pre-Communication, Pre-business, and Pre-ICT studies, as well as advanced courses in ICT, robotics, and computer courses. The school is fully accredited by NEASC and offers laboratories, workshops, libraries, music rooms, a visual arts and science centre, interactive classrooms, a document management centre, and a recording studio.
- **The International School, AI Koura, Lebanon:** Established in 1985, the school offers an International Curriculum to Lebanese students from kindergarten to grade 12. The campus is 43,000 sqm in size, and the school has two science labs, two computer labs, one conference room, one multipurpose room, four art rooms, a senior lounge, and a music room. The school has received numerous accolades and awards as a consequence of its dedication to sports and extracurricular activities. Soccer, futsal, volleyball, and basketball are among the varsity sports offered at the institution. Throughout the year, our students compete in a wide range of sports and dance contests (both on and off campus).

Recent Developments/Future Plans

- In August 2021, AMSI signed a MoU with Tes Global to provide AMSI teachers with 'The License to Teach Program' in line with the KHDA's requirements for Teacher Licensing in Dubai.

Al Rayan Holding Company (Privately Owned)

Kuwait

Company Description

Established in 2006, Al Rayan Holding Company (ARHC) is the education division of United Education Company. It offers education through a network of five schools, including Kuwait International English School (KIES), New Pakistan International School (NPIS), Fahaheel Al-Watanieh Schools (FAS), Fahaheel Al-Watanieh Indian Private School (FAIPS), and International British School (IBS), with a combined total capacity of over 14,000 students. ARHC offers several curricula in its schools, including the British Curriculum, the International General Certificate of Secondary Education (IGCSE) program, the Pakistani Curriculum, and the Arabic Curriculum, among others. Additionally, it operates through two subsidiaries, including Al-Noury Teaching Establishment and Al-Rayana

Business Segments/Services Portfolio

- **Kuwait International English School (KIES):** KIES serves students from kindergarten to grade 13. It offers the British Curriculum and is an authorised examination centre for the IGCSE Level, AS Level, and A Level. It was licenced by the Private Education Department of Kuwait and received accreditation from prestigious organisations, including BSME, the British Council, Edexcel, and Cambridge Assessment English. It also offers extracurricular activities and facilities, including science labs, drama studios, smart ICT suites, a library, etc. The school has over 600 students.
- **New Pakistan International School (NPIS):** Established in 1997, NPIS caters to over 2,500 students of 40 different nationalities and offers classes ranging from KG to IGCSE, AS level, and FBlSE (Federal Board of Intermediate and Secondary Education) Class II as well. It offers the Oxford system of education until Class 8, IGCSE for the students of classes 9 to 11, and Edexcel for grade 12 (AS Level), while also offering Pakistani and British curriculums. Additionally, it offers several facilities, including science laboratories, computer labs, medical care, multipurpose halls, etc. It is also affiliated with FBlSE, Cambridge University, and Edexcel.
- **Fahaheel Al-Watanieh Indian Private School (FAIPS):** Founded in 1997, FAIPS was established through the collaboration of Al-Rayana Holding Co., Kuwait, and Al-Nourie Teaching Establishment. It caters to students from kindergarten to high school and operates under the aegis of the Delhi Public School Society, New Delhi. It is affiliated with the CBSE, New Delhi, and offers the AISSE Examination for Class X and the AISSCE Examination for Class XII. It also offers a University of Cambridge-affiliated O'Level (IGCSE) course at Class IX for two years. It offers several facilities on campus, including libraries, science labs, computer labs, sports infrastructure, etc.
- **International British School (IBS):** Established in 2008, IBS serves students from Year 1 to Year 12 from 40 different countries. It offers the English National Curriculum and conducts Cambridge Assessment International Education examinations and Pearson Edexcel examinations for IGCSE (The International General Certificate of Secondary Education) and IASL (International Association of School Librarianship). Additionally, it received accreditation from prestigious organisations, including OFSTED (Office for Standards in Education, Children's Services and Skills), BSME (British School in the Middle East), the British Council, Edexcel, and Cambridge Assessment English. It also offers sports facilities, a large swimming pool, and extracurricular activities.
- **Fahaheel Al-Watanieh Schools (FAS):** Established in 1968, FAS caters to students at each education stage, including kindergarten to secondary. The school is open to the children of all nationalities and is recognized by the Ministry of Education,

Recent Developments/Future Plans

- In February 2021, ARHC's majority stake holder, United Education Company, invested US\$ 4.1 million in India-based Eupheus Learning.

Aldar Academies (Privately Owned)

UAE

Company Description

Founded in 2007, Aldar Academies operates one nursery and seven academies in Abu Dhabi and Al Ain in the UAE, educating children aged two to eighteen. More than 7,500 students are served by the academy's network of institutions, which offers four leading curricula and a wide range of extracurricular activities. Aldar Academies is a division of Aldar Education, which owns and operates 20 schools in the UAE, serving over 24,000 students. ADEK has given high ratings to all of the Aldar Academies' schools.

Business Segments/Services Portfolio

- **The Pearl Academy:** It is the group's first school, which opened in 2007. With a capacity of 7500 students, the academy serves students from nursery to year six, following the English National Curriculum (ENC). The British School Overseas (BSO) and ADEK have both awarded the school an 'Outstanding' rating.
- **Al Ain Academy:** Established in 2011, the school offers education from nursery to year 13 under the ENC and also incorporates the UAE curricula.
- **Al Bateen Academy (ABA):** Opened in 2011, ABA serves over 65 nationalities from FS2 to year 13 (primary and secondary). It offers the International Baccalaureate Primary Years Program to students in the primary segment, followed by the ENC in years 7 to 9. Students complete their IGCSE qualification in years 10 and 11, and the school offers the IB Diploma Program (IBDP) in years 12 and 13.
- **Al Mamoura Academy:** Opened in 2016, it is a co-educational primary (nursery to year 7) and girls' only senior school (year 7 to 13) that follows the ENC. The school's primary year students receive automatic placement at Al Bateen Academy when they progress to secondary school.
- **Al Muna Academy:** Established in 2009, the school serves approximately 600 students from nursery through sixth grade and follows the ENC curriculum.
- **Al Yasmina Academy:** Opened in 2008, more than 1,800 students from more than 70 different countries attend the school. It serves students from nursery to year 13 and provides the ENC as well as more than 60 extracurricular activities. Both ADEK and BSO rated the school 'Outstanding' in their assessments.
- **West Yas Academy:** Opened in 2016, the school is the first in Aldar Academies' network to offer an American Massachusetts Curriculum. It educates students of over 40 nationalities from kindergarten to grade 12. It is accredited by the NEASC and has an average class size of 24 students.

Recent Developments/Future Plans

- In February 2023, Aldar Education announced plans to open three new schools in Abu Dhabi in the next three years.
- In February 2022, Aldar plans to diversify its education portfolio with an investment of AED 1 billion (US\$ 0.3 billion).
- In March 2021, Aldar Education announced plans to expand across the wider MENA region. The plans include expanding into the mid-market and affordable education sectors in the UAE, starting with Abu Dhabi, with further aspirations to launch in Saudi Arabia and Egypt.

Al-Hussain Group (Privately Owned)

Saudi Arabia

Company Description

Established in 1956, Al-Hussan Group offers education services in the Eastern Province of Saudi Arabia through its network of 19 schools and other educational institutes. The group consists of three academic divisions, including Al-Hussan International School, Al-Hussan National School, and Al-Hussan Training, and serves over 12,000 students. It is equipped with innovative technologies such as a smartboard classroom and an e-learning management system for a better learning experience. The group has received nine recognitions, including the North Central Association Commission on Accreditation and School Improvement, Council of International Schools, Cambridge Assessment International Education, IB Diploma Program, College Entrance Examination Board SAT, International Arab Baccalaureate, Mawhiba, Western Association of Schools and Colleges, and the Saudi Arabian MoE. Furthermore, all of Al-Hussan's schools and training centres have received licences from the Saudi Arabian MoE.

Business Segments/Services Portfolio

- **Al-Hussan International Schools:** Al-Hussan International Schools are English-medium day schools that serve students from kindergarten to grade 12. It runs seven schools across Saudi Arabia and Egypt including Al-Hussan International School in Khobar, Al-Jubail International School in Jubail, Orbit International School in Khobar, Al-Hussan International School in Riyadh, Al-Hussan International School in Yanbu, Al-Hussan International Grammar School in Khobar, and The Royal College International School in Cairo (Egypt).
- **Al-Hussan National School:** It offers education of international standard from the pre-school to the secondary stage. It runs seven schools, including Dammam Boys School, Jubail Girls School, Dammam Girls School, Ajyal Al-Hussan School, Al-Hussan Model International School, Jubail Boys School, and Al-Hussan National School-Petro Rabigh. Additionally, it also runs an Innovation Centre and Mawhiba International Programs.
- **Al-Hussan Training:** It offers over 50 specialised training courses in a variety of fields, including networks and cyber security, management and finance, graphic and architectural design, programming, English language, computer skills, digital education technology, engineering, medical and cosmetic management, aviation, and tourism management, among others.

Recent Developments/Future Plans

.NA

Amanat Holdings PJSC (Publicly Listed)

UAE

Company Description

Amanat Holdings PJSC (Amanat) is a healthcare and education investment company based in the UAE with operations throughout the GCC. Their investment activities are divided into three categories: social infrastructure projects, platform investments, and corporate ventures. Their education portfolio includes investments in K-12, higher education, vocational training, specialised training, and online education, serving a total of 14,000 students.

Business Segments/Services Portfolio

Investments by Amanat Holdings in the education sector are as follows:

- **NEMA Holdings (NEMA):** NEMA is an educational group with a 20-year track record in Abu Dhabi, Al Ain, and Dubai. Approximately 9,000 students are currently enrolled in the group's offerings, which include higher education, vocational, and corporate training.
- **Middlesex University Dubai:** Middlesex University Dubai was established in 2005 as the first overseas campus of the Middlesex University in London (UK). It has a diverse student body of approximately 4,100 students spread across two campuses, from over 100 nationalities.
- **Human Development Company (HDC):** HDC was founded in 2007 and has since grown to become the leading provider of Special Education and Care (SEC) services in Saudi Arabia. It serves over 3,000 beneficiaries across six Saudi provinces through a network of 22 nursery schools, nine schools and specialised rehabilitation medical clinics.
- **BEGIN:** Amanat participated in the Series C funding round of BEGIN, an award-winning early education technology company based in the US. Some of the most well-known children's brands are among BEGIN's investors and partners, including Sesame Workshop, LEGO Ventures, Gymboree Play & Music, and Fisher-Price.
- **Real Estate:** Amanat owns the real estate assets of North London Collegiate School Dubai (NLCS). NLCS was founded in 2018 as a premium IB curriculum K-12 school, and it has been ranked among the top schools in the UK for academic results in the IB category for the past 12 years. The campus in Dubai has a total land area of 38,217 sqm and a built-up area of 41,143 sqm. NLCS has increased student enrolment to around 1,300 over the last five years.

Recent Developments/Future Plans

- In October 2022, Amanat acquired 60% stake in HDC for AED 215.3 million (US\$ 58.6 million) to strengthen its education platforms.
- In April 2021, Amanat sold 21.7% stake in Taaleem for AED 350 million (US\$ 95.3 million) through Talent Investments LLC, to Knowledge Fund Establishment, a Government of Dubai entity.

Source: Company website, Media reports

Current Price (US\$) 0.3

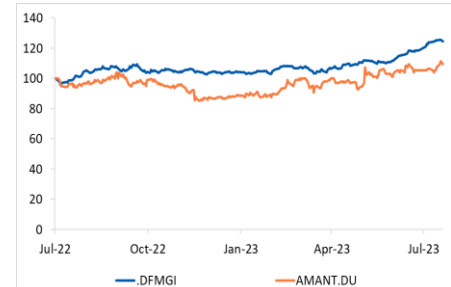
Price as on July 23, 2023

Stock Details

Thomson Reuters ticker	AMANT.DU
52 week high/low	0.2 / 0.3
Market Cap (US\$ mn)	713.4
Enterprise value (US\$ mn)	725.4
Shares outstanding (mn)	2,500

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2022	LTM
P/E (x)	18.6	21.5
P/B (x)	0.7	0.9
EV/S (x)	4.1	3.0
Dividend yield (%)	2.4	5.7

Source: Thomson Reuters

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	112.4	139.7
Operating Income	77.9	35.1
ROAE (%)	10.3	4.1
ROAA (%)	8.7	3.1

Source: Company Financial Reports

Shareholding Structure

TC Blitz Ltd	21.00%
Asset Management B.S.C.	10.00%
Al Salem Co Ltd	7.90%
Others	61.10%
Total	100.00%

Source: Thomson Reuters

Applied Science University (Privately Owned)

Bahrain

Company Description

Founded in 2004, Applied Science University (ASU) is one of the leading universities in Bahrain and offers both undergraduate and postgraduate degree programs in four disciplines, including science, technology, engineering, and mathematics (STEM), through its team of highly qualified teachers from 25 countries. ASU's new campus covers an area of 24,000 sqm and can accommodate over 2,100 students at a time and 6,300 if classes are distributed across mornings, evenings, and weekends. The new campus also offers state-of-the-art facilities, including e-learning infrastructure, design studios, lecture halls, computer labs, language and specialised labs, etc. It is an ISO 9001:2015 and ISO 21001:2018-certified university and is the first private university in Bahrain to be ranked in the QS Arab region university ranking and in the GreenMetric World University ranking. It has received accreditation from the British Quality Assurance Agency, Higher Education Council of Bahrain, Advance HE, etc. ASU has signed partnerships and collaborates with a wide range of organisations, including Association of Chartered Certified Accountants, Higher Education Academy, Association to Advance Collegiate School of Business, London South Bank University, Cardiff Metropolitan University, and The Association of Arab Universities, among others.

Business Segments/Services Portfolio

ASU offers academic programs through its four colleges, including the College of Administrative Sciences, the College of Laws, the College of Arts and Science, and the College of Engineering.

- **College of Administrative Sciences:** Established in 2005, the college boasts four academic departments that offer six bachelor's programs and three master's programs in a range of specialisations, including business administration, accounting & finance, political science, and management information systems. It also offers an authorised course by London South Bank University, including the BA (Hons) in Business Management.
- **College of Laws:** The college offers two bachelor's degree programs, including Bachelor in Law and LLB (Hons) Law, and two master's degree programs, including Master in Law and Master in Commercial Law. Additionally, in 2018, the degree program was placed on the National Framework of Qualifications, while the college in 2012 and 2015 acquired confidence and quality in the Bachelor in Law from the Education and Training Quality Authority (BQA).
- **College of Arts and Science:** Established in 2005/2006, the college boasts three academic departments, including the Department of Computer Science, which offers the Bachelor in Computer Science; the Department of Design and Arts, which offers the Bachelor in Interior Design and the Bachelor in Graphic Design; and the Department of General Studies, which offers general education courses to all university academic disciplines.
- **College of Engineering:** Established in 2017, the college offers four Bachelor Degree Programs in Engineering that are awarded by London South Bank University in the UK and are recognised by the HEC, including BEng (Hons) Architectural Engineering, BEng (Hons) Civil Engineering, BEng (Hons) Mechanical Engineering, and BEng (Hons) Electrical and Electronic Engineering.

Recent Developments/Future Plans

- In May 2022, ASU secured prestigious accreditation from the Quality Assurance Agency for Higher Education (QAA) in the UK.
- In October 2021, ASU secured the first place in Bahrain in the QS Arab region university rankings.
- In August 2021, ASU collaborated with College of Engineering and the London South Bank University to offer stronger focus on STEM.

Arrowad Group (Privately Owned)

Saudi Arabia

Company Description

Established in 1990, Arrowad Group is a group of institutions engaged in the fields of education, consultation, training, quality assurance, research, evaluation, continuous improvement, information technology, media, and social shelters across the GCC. The core activities of the group include developing human resources and improving institutional performance. In the education field, Arrowad Group runs two academic group institutions, namely Arrowad Educational and Arrowad for Higher Education. Arrowad Educational runs 10 schools under the brand names Arrowad International Schools, Al Rowad Schools, and Ruwward Al Sadara International Academy. Among them, Al Rowad Schools have received several awards and certificates, including Abha Award for Public Education, Saudization Award, Typical Educational Building, Educational Excellence, Science Club, Global Quality System, etc., from national and international agencies. Additionally, Arrowad International Schools are certified by Educational Testing Services (ETS) College Board and American Society for Supervision and Curriculum Development (ASCD). The schools have also received ISO Quality Management certificates from the International Organization for Standardization.

Business Segments/Services Portfolio

- **Arrowad Educational:** Established in 1990, the institute runs 10 schools and offers research and consulting services in areas related to education, strategic planning, and capacity building.
 - **Arrowad International Schools:** The group runs three international schools under this brand in Riyadh that offer IGCSE and SAT curricula. The curriculum also offers courses in Arabic language and Islamic culture. In addition, the group also runs the Ruwward Al Sadara International Academy in Jordan.
 - **Al-Rowad Schools:** The group runs six schools under this brand in the Kingdom across Abha, Riyadh, Buraydah, Bada, Mushait, and Al Rass. These schools are accelerated by the British Council, Cambridge Assessment International Education and College Board, among others.
- **Arrowad for Higher Education (AHE):** The group established AHE to offer services in three major fields, including tertiary education, scientific research, and community services. Consequently, Arrowad Group launched Arrowad University in Riyadh, Saudi Arabia, where academic study could potentially commence in September 2023. The group is also planning to launch new research centres specialising in law, administration, and education and support higher training institutes. Additionally, Arrowad obtained the approval of the MoE to establish three colleges offering bachelor's degrees in nine majors, including the College of Engineering (B.Sc. in Civil Eng., Architectural Eng., and Data Science); the College of Business Administration (B.Sc. in Islamic Banking and Finance, Marketing, Digital Marketing, Management Information Systems, and Business Intelligence); and the College of Law (BA in Commercial Law, Civil Law, and Foreign Investment Law). These colleges have received accreditation from five reputed universities, including the University of Sharjah, the New Jersey Institute of Technology, the American University of Sharjah, the University of California, and Yarmouk University.

Recent Developments/Future Plans

- The group is developing its three projects, including university education, which involves three private universities; public education, which consists of opening 25 diverse schools; and early education, which includes the opening of 75 kindergartens and early education institutes, collectively aimed at offering academic study to 100,000 students locally and internationally.

Ataa Educational Company (Publicly Listed)

Saudi Arabia

Company Description

Founded in 1992, Ataa Educational Company (AEC) has a presence in the private and public education sector, operating 21 educational complexes in the Riyadh region with a total floor space of 295,861 sqm with 2,445 classrooms that have a total capacity of over 59,949 students. AEC offers Saudi curriculum starting from K–12 in 11 complexes while also offering American, British, French, Indian, and Egyptian curriculums in its other 10 complexes. As part of its expansion strategy, AEC acquired Bader Private Schools, Al Oruba International Schools, and Al-Nukhbah Educational Schools, along with merging eight other schools with the company. Additionally, in partnership with the British Council, AEC manages an English language centre that conducts IELTS (International English Language Testing System) exams and English language assessment tests that are accredited by Cambridge English Language

Business Segments/Services Portfolio

AEC's portfolio consists of 11 schools that offer a national (Saudi) curriculum and 10 schools that offer an international curriculum:

Name of School (National Curriculum)	Number of Students	Name of School (Foreign Curriculum)	Number of Students
Rowad Ishbilila	3,921	New Middle East	4,662
Rowad Allzdihar	3,190	Al-Alson	4,653
Amjad Qurtabe	2,761	Middle East International	2,863
Al-jawdah	2,347	Modern Middle East	2,662
Rowad AlRawabi	2,232	Al-Oruba International	2,635
Rowad Al Mansoura	2,216	Al-Yasmin	2,301
Al-Manahij	1,700	Al-Elm Int. School	1,368
Al-wasat Schools	979	Jeel Al-majd	914
Nokhba Al-Kharj	946	Sulaimaniya International	654
Rowad AlAndalus	907	Rowad Ishbilila Int.	510
Al-Fikr School	607	NA	NA

Recent Developments/Future Plans

- In March 2023, AEC's subsidiary, The Arab Group Co. signed a deal to acquire 100% stake of Al Yasmin Company for SAR 18.3 million (US\$ 4.9 million).
- In July 2022, AEC, through its subsidiary, Arabian Education and Training Group Holding Co., concluded the full acquisition of Naba'a Educational Co.

Source: Company website, Company filings, Thomson Reuters

Current Price (US\$) 20.5

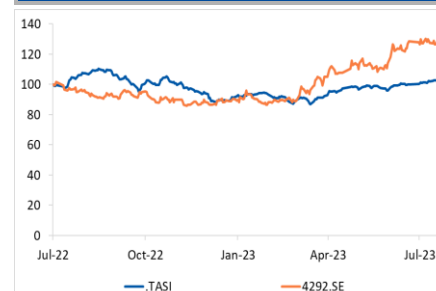
Price as on July 23, 2023

Stock Details

Thomson Reuters ticker	4292.SE
52 week high/low	13.6/21.4
Market Cap (US\$ mn)	864.1
Enterprise value (US\$ mn)	1,133.5
Shares outstanding (mn)	42.1

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2022	LTM
P/E (x)	33.0	67.7
P/B (x)	2.8	3.8
EV/S (x)	5.0	6.5
Dividend yield (%)	1.7	1.3

Source: Thomson Reuters

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	74.8	154.0
Operating Income	13.4	27.6
ROAE (%)	4.7	8.8
ROAA (%)	2.7	4.3

Source: Company Financial Reports

Shareholding Structure

Advanced National Creativity	19.00%
RZM Investment	15.10%
Ahmed Naser Al Muteb	14.40%
Others	51.50%
Total	100.00%

Source: Thomson Reuters

Azzan Bin Qais Education Group (Privately Owned)

Oman

Company Description

Established in 1990, Azzan Bin Qais Education Group (ABQ) is the education division of Zubair Corporation, which also has interests in automotive, finance, manufacturing, real estate, and hospitality. It is Oman's leading international school operator, providing education from kindergarten to grade 12. ABQ operates three premium international schools - ABQIS, Seeb International School, and Sohar International School; as well as three nurseries - ABQ Explorer Seeb, ABQ Explorer Sohar, and ABQ Explorer MQ. With a staff of over 450 people, it provides Cambridge and GED curricula in 21 subjects to 3,200 students from 72 different countries, with a student-teacher ratio of 12:1. ABQ has a total campus size of 80,000 sqm and an average class size of 22. Furthermore, it is accredited by several prestigious institutions and examination bodies, including CIS, Edexcel, COBIS, and BSME, among others. It also offers scholarships and runs a wide range of unique programs, including DYP, GEDx, Mobeen, etc.

Business Segments/Services Portfolio

- **ABQIS:** Acquired in 2009 by Al Omania Education (ABQ Education Group), the school relocated to a new campus in the 2022–23 academic year. It offers education from Pre-KG to grade 12 to students aged 3-18 years. The campus has a capacity of 1,500 students, with an average class size of 23. It has a student-teacher ratio of 22:1 and caters to students from over 39 nationalities. ABQIS categorises education into three stages, including the ABQ Explorer Curriculum, the Primary Curriculum, and the Secondary Curriculum. The ABQ Explorer Curriculum offers the UK-based International Early Years Curriculum (IEYC) and also provides music, physical education, and ICT lessons. The primary curriculum offers the Cambridge Primary Program in English, Math, and Science and also offers a blended curriculum in Music, Art, Physical Education, and ICT. The secondary curriculum consists of three key stages: Key Stage 3 (grades 7 and 8), Key Stage 4 (grades 9 and 10), and Senior. Key Stage 3 offers English, math, science, and Arabic subjects, while Key Stage 4 offers students the choice of either the IGCSE or the Omani GED. Senior students can opt for either A-Levels or the Omani GED. Additionally, ABQIS offers extracurricular activities and state-of-the-art facilities.
- **Seeb International School:** Established by Al Omania in 2013, it offers three curricula, including the ABQ Explorer Curriculum, the Primary Curriculum, and the Secondary Curriculum, with the same courses as in ABQIS. It is a KG-grade 12 day school that offers education in English and Arabic to students ages 18 months to 18 years of 36 nationalities. The campus has a capacity of 1,300 students, with an average class size of 22. It has a student-teacher ratio of 12:1. Additionally, it offers extracurricular activities and state-of-the-art facilities, including a library, computer labs, and a swimming pool, among others.
- **Sohar International School:** The school provides K–12 education in four languages, including English, French, Arabic, and Urdu, and offers the same international curriculum as ABQIS. The school has a capacity of 1,500 students and serves students ages 3 to 19 from over 39 nationalities with a student-teacher ratio of 13:1. It also offers extracurricular activities and state-of-the-art facilities. Furthermore, the school has won 20 Outstanding Cambridge Learners Award (Awards Issued by Cambridge Assessment International Education to recognise exceptional learners in Cambridge examinations around the world).
- **ABQ Explorer:** Established in 2022, it offers the IEYC curriculum in English and Arabic to Pre-KG and KG students aged 18 months to 4 years. It runs three nurseries in Oman, including ABQ Explorer MQ, ABQ Explorer Seeb, and ABQ Explorer Sohar. It also offers child-friendly technology, indoor and outdoor facilities, etc.

Recent Developments/Future Plans

- In January 2023, ABQ received the Signature Luxury 100 award for 'stellar academic experience in Oman'.
- In June 2022, ABQ's longest established school, ABQ Azzan Bin Qais International School moved to a new campus.

Britus Education (Privately Owned)

Bahrain

Company Description

Established in 2019, Britus Education (Britus) is a GFH Financial Group K-12 education brand. Britus has six schools in Saudi Arabia, UAE, and Bahrain: AMA International School, Bright Life International School, Education Castle International School, Education Gate International School, Education Gate International School 2, and The Sheffield Private School. The schools follow the British curriculum, which includes the EYFS for children aged 3 to 5, IGCSE qualification for students at the age of 16, and A-Levels in their final year at the age of 18.

Business Segments/Services Portfolio

Britus Education's portfolio consists of the following schools:

- **AMA International School (AMAI):** Founded in 2004, AMAI is a private school in Salmabad that provides the American curriculum to students in pre-school through secondary school. Britus Education acquired the school in November 2019.
- **Bright Life International School:** The school is located in Riyadh offering an international and Egyptian curriculum to educate its students. Bright Life International School provides a conducive learning environment that offers science labs, computer labs, smart classrooms, library, phonics labs, swimming pool, playgrounds, canteen, transportation, school clinic & gym centre.
- **Education Castle International Schools:** Established in 2013, it provides a curriculum that is based on the Common Core State Standards Initiative (CCSSI), a US educational initiative. The school is committed to provide a stimulating, safe and comfortable environment that is conducive to high levels of learning.
- **Education Gate International School- Al Murraba:** It is located in Riyadh and provides education to students in the KG, lower, and upper grades. The school provides a conducive learning environment that offers digital room, laboratory, sports centre, guidance counselling facilities and art & craft centre.
- **Education Gate International School – Al Rawdha:** Founded in 2013 in Riyadh, the school offers a curriculum based on the CCSSI from KG to grade 9. The school complex consists of 10 buildings that house 11 administrative offices, 17 teachers' rooms, 76 classrooms, four labs, two libraries, two swimming pools, and a variety of activity rooms.
- **The Sheffield Private School (TSPS):** TSPS was established in 2004 as a K-12 school in Dubai. It adheres to the British curriculum while also providing AS and A Level or BTEC Diploma (Business Technology Education Council) options. Over a 17 year period, Sheffield has built a strong reputation for delivering a high quality, fully inclusive education in the heart of Dubai.
- **British International School of Tunis:** The British International School of Tunis is Tunisia's only BSO (British School Overseas) and COBIS (Council of British International Schools) -accredited school. The school educates children aged 3 to 18 according to the National Curriculum of England and Wales (UK).
- **Britus International Schools Al Olaya:** Established in 2021, Britus International Schools Al Olaya, Riyadh that offers a cutting-edge curriculum, purpose-built facilities, and high academic standards. The school's modern curriculum, purpose-built facilities and exceptional academic standards are designed to provide a clear pathway for students to gain the skills and knowledge needed to be successful in an ever-changing world.

Recent Developments/Future Plans

- In December 2021, Britus Education announced the launch of Britus International Schools - Al Olaya, Riyadh (the company's fifth school in Saudi Arabia).
- In October 2021, Britus Education announced the acquisition of Athena Private School for Special Education's management and operations rights.
- In June 2021, Britus Education acquired The British International School of Tunis, expanding the group's investments in Tunisia.

Cognita Group (Privately Owned)

UAE

Company Description

Established in 2004, Cognita Group offers education services through its global network of over 100 schools spanning across five regions, including Asia, Europe, Latin America, the Middle East, and North America. It boasts of more than 15,000 teaching and support staff that serve over 80,000 students. Cognita runs seven schools in the UAE - six in Dubai and one in Abu Dhabi - under the names Repton, Horizon International School, Ranches Primary School, Horizon English School, and Royal Grammar School. Additionally, all schools offer the British Curriculum.

Business Segments/Services Portfolio

- **Dubai:** The group runs six schools in the Emirate.
 - **Repton Al Barsha:** Founded in 2013, the school offers the A Level, IGCSE and British Curriculums to students aged 3–18. For the comprehensive development of students, it offers over 65 extracurricular activities, with more than 50% specialist teachers, additional clubs, sporting venues, and hall space. It also supports students by offering scholarships in four divisions, including academic, creative arts, sports, and innovation.
 - **Repton Dubai:** Founded in 2007, the school offers the IB, A Level, IGCSE and British Curriculums with over 120 free extra-curricular activities to students aged 3-18. It is a day boarding school that serves over 1,850 students from over 80 countries and has the region's largest campus at 1.3 million sqft. Additionally, the school is accredited by the Cambridge and London University Exam Boards for better assessment. Furthermore, it offers scholarships in three areas, including academics, music, and sports.
 - **Horizon International School:** Founded in 2009, it is a day school that offers the IGCSE/GCSE and British Curriculum to students aged 3-18. This international school serves students of over 78 nationalities and also offers various facilities, including art and design, an auditorium, international school trips, sports and ECAs, and a swimming pool, among others. Additionally, the school is accredited by a wide range of institutes, including the British Council, British Schools in the Middle East, BSO, Edexcel, Primary Science Quality Mark, and the University of California International Examinations. It also offers scholarships to students.
 - **Ranches Primary School:** Founded in 2015, it is a co-educational primary day school that offers the British Curriculum for students aged 18 months to 11 years. It runs Ranches Nursery for young children aged 18-36 months that offers activities including Splash Play, The Story Lady Sand, Water & Messy Play, Gardening, Sports & Ball Skills, Arts & Crafts, etc.
 - **Horizon English School:** Founded in 1989, it is a private primary school that offers the British Curriculum to students aged 3-11 years. It offers academic expertise in several subjects, including STEM, music, sport, art & design, etc.
 - **Royal Grammar School Guildford:** Founded in 2020, it is a partnership between Cognita and its parent school, The Royal Grammar School Guildford, in the UK. It operates as a day school that offers British curriculum to students aged 3-18 years.
- **Abu Dhabi:** The group runs one school in the Emirate.
 - **Repton Abu Dhabi:** Founded in 2013, it is a modern school that offers A Level, IGCSE, and the British Curriculum to students aged 3-18. It offers education to students of more than 85 nationalities and has over 50% specialist teachers. Additionally, it provides scholarships in four areas, including academics, music, sports, and innovation.

Recent Developments/Future Plans

- In April 2023, Cognita announced a strategic partnership with Excella and Repton, which will bring benefits to the Repton UAE schools, including access to a global network of over 100 Cognita schools.

Educational Holding Group (Privately Owned)

Kuwait

Company Description

Established in 1982, Educational Holding Group (EDU) is one of Kuwait's largest educational investment firms. The group has a diverse portfolio of offerings and provides education and training services to students in the MENA region in accordance with Islamic and Shariah principles. EDU also has educational investments in East Asian emerging markets such as India and China. EDU encompasses K-12, tertiary education, vocational training and development, as well as children with special needs. In addition to real estate investment and development, the organisation offers business consulting and advertising services through its subsidiaries and associate companies.

Business Segments/Services Portfolio

- **AFAQ Education (AFAQ):** AFAQ provides educational services to Kuwaiti disabled children. It is made up of seven schools spread across Salmiya, Jahra, and Farwaniya. The schools are classified as regular, inclusive, conductive education, and conductive rehabilitation. Umm Hanni (up to grade 7), Al-Qabas (up to grade 12), and Mashael Aljahra (up to grade 12) are among the regular schools run by AFAQ. The group's inclusive schools include Umm Hanni and Al-Qabas, which both operate up to grade 7. EDU owns 86.9% stake in AFAQ.
- **Knowledge Village Education:** This subsidiary is involved in the construction and management of schools, nurseries, language centres, special needs institutes, and student and teacher housing. EDU owns 61.8% stake in AFAQ Knowledge Village Education.
- **EYAS for Higher & Technical Education Company (EYAS):** Established in 2000, EYAS is involved in the establishment and management of non-government schools and institutions. It provides education, network and communication consulting, and other ancillary services. EYAS owns and operates the Gulf University for Science and Technology in Kuwait. EDU owns 42% of EYAS.
- **SAMA Educational Company KSCC:** The company primarily operates in the education sector through its four institutions: American Creativity Academy (ACA) Hawally (Boys), Sylvan Institute, ACA Hawally (Girls), and ACA Salmiya Academy are schools that provide K-12 education. ACA Nursery is a private nursery that offers American curriculum; and Sytan Learning is an organisation that provides tutoring services for K-12 classes and courses for higher education preparation. EDU owns 41.7% stake in SAMA Educational Company.

Recent Developments/Future Plans

- In April 2022, Kuwait-based Boubayan Petrochemical Company (BPC) reached an initial agreement with EDU to enter into a merger deal. BPC, which already owned 82.7% of EDU, completed the acquisition of 16.9% stake in March 2023.

Emirates International School (Privately Owned)

UAE

Company Description

Founded in 1991, Emirates International School (EIS) is the umbrella name for two schools: Emirates International Jumeirah and Emirates International Meadows. Al Habtoor Group, a conglomerate with diverse business interests, operates the schools as a community service. The schools provide international education to over 3,830 students.

Business Segments/Services Portfolio

- **EIS Jumeirah:** Founded in 1991, the school follows the IB programs, which include the Primary Years Program (PYP), Middle Years Program (MYP), Diploma Program (DP), and Career-related Program (CP) for students from KG to year 13. EIS Jumeirah was the first school in Dubai to offer the International Baccalaureate Diploma Program. The school campus spans 12 acres and houses over 85 classrooms and serves over 2,000 students from over 80 different nationalities.
- **EIS Meadows:** Founded in 2005, the school provides IB programs - DP, MYP, and PYP - to students from KG to year 13. EIS Meadows also offers distance learning education to over 1,830 students representing over 80 different nationalities.

Recent Developments/Future Plans

N/A

Fortes Education (Privately Owned)

UAE

Company Description

Founded in 1981, Fortes Education is engaged in the business of owning, building, and operating schools and early education centres and offers international standards of education to thousands of students. It runs three academic institutions, including two schools, namely Sunmarke School and Regent International School, and a nursery brand, namely Jumeirah International Nurseries. It offers internationally renowned curricula, including the IB, British National Curriculum, American Placement (AP, American Curriculum), and CBSE. Fortes Education also offers a wide range of recognised courses, including the Positive Education Program, the PERMA Theory of Wellbeing, and Signature Programs. It has three academic divisions, including Foundation Stage, Primary School, and Secondary School, and boasts a team of over 900 educators. Additionally, it is accredited by several prestigious organisations, including the University of Cambridge International Examinations, Edexcel, BSME, KHDA, AQA, and the Duke of Edinburgh's International Award Foundation, among others.

Business Segments/Services Portfolio

- **Jumeirah International Nurseries (JINS):** Founded in 1981, JINS offers the British curriculum to children aged 45 days to 6 years. It offers early years education through the EYFS Principles and Framework. Over 12,000 children have graduated and received prestigious awards, including the Edarabia Parent Choice Award, DEWA Conservation Award, Mother, Baby, and Child Award 2021–22, etc. It owns nine centres in Dubai, including JINS Regent, The Greens, JINS Al Safa, JINS Downtown, JINS Sunmarke, JVT, JINS Ghorroob, Mirdif, JINS Villanova, JINS Ibn Battuta, JINS JBR, and JINS Palm Jumeirah.
- **Regent International School (RIS):** Founded in 1993, RIS offers education to over 1,000 students from the nursery to the secondary level. It offers an international curriculum, including the National Curriculum of England, as well as GCSE (General Certificate of Secondary Education) in Years 10 and 11, and A Level in Years 12 and 13. It boasts state-of-the-art infrastructure and also has an Applied Innovations Department that helps develop future skills in students in several fields, including collaboration, leadership, adaptability, communication, etc. It also offers a range of unique and innovative signature programs, including virtual reality, STEAM and design thinking, multiple academic paths, enrichment and extracurricular activities, among others. RIS is rated 'Outstanding' by the British School Overseas Inspection Authority and 'Very Good' by KHDA. To support students, it offers scholarships in four categories, including academic, sports, music, and student of the future.
- **Sunmarke School:** Inaugurated in 2016, Sunmarke School offers the British Curriculum to students from nursery (ages 45 days) to sixth form (ages 18 years) and has a total capacity of 3,000 students. It also offers other curricula, including IB, A-Level, and BTEC. It also offers several unique and innovative signature programs, including STEAM and design thinking, multiple academic pathways, positive education ethos, enrichment and extracurricular activities, and the Forest School Program, among others. Sunmarke has been rated 'Outstanding' by the British School Overseas Inspection Authority and 'Very Good' by the KHDA. It is also accredited by several organisations, including AQA, Edexcel, etc.

Recent Developments/Future Plans

- In March 2023, Fortes Education's JINS opened new early childhood centres in JBR and the Palm Jumeirah, Dubai (UAE).
- In November 2022, Fortes Education's JINS opened its 7th nursery at Ibn Battuta Mall, Dubai (UAE).
- In April 2022, Fortes Education's JINS opened its new nursery at Mirdif, Dubai (UAE).

GEMS Education (Privately Owned)

UAE

Company Description

Founded in 1959, GEMS Education is one of the oldest and largest K-12 private education providers in the world with a team of over 20,000 qualified teachers and staff. It offers academic expertise in seven international curricula, including IB, American, British, Indian, Egyptian, etc., in 16 countries, from the Middle East, North America, and Europe to Asia and Africa. It owns over 60 schools in the MENA region alone, which offer education services to over 130,000 students. GEMS has signed partnerships with several global organisations and institutions, including Tellal for training and development and ESM for sport management and coaching, among others. Additionally, it is accredited by a wide range of prestigious organisations, including AQA, NCA, and CBSE, among others. As part of its social responsibility, GEMS has launched the Varkey Foundation to support teachers and underprivileged children. GEMS is the education arm of Varkey Group, a UAE-based investment holding company.

Business Segments/Services Portfolio

GEMS Education runs a wide range of schools in the GCC, as follows, and offers international curriculums:

- **UAE:** GEMS runs 44 schools in the country including, GEMS Metropole School (British curriculum); GEMS Wellington Academy (British curriculum); GEMS World Academy (IB curriculum); GEMS Wellington Academy (British curriculum); GEMS FirstPoint School (British curriculum); GEMS Royal Dubai School (British curriculum); GEMS International School (IB curriculum); GEMS Al Barsha National School (British curriculum); GEMS Al Khaleej International School (American curriculum); GEMS Metropole School (British curriculum); GEMS Modern Academy (IB & Indian curriculum); GEMS Legacy School (Indian curriculum); GEMS Founder School (British curriculum); GEMS New Millennium School (Indian & British curriculum); GEMS Founders School (British curriculum); Cambridge International School (British curriculum); GEMS Jumeirah College (British curriculum); GEMS Jumeirah Primary School (British curriculum); GEMS Dubai American Academy (American & IB curriculum); GEMS: Our Own Indian School (Indian curriculum); The Millennium School (Indian curriculum); GEMS Wellington International School (IB & British curriculum); Our Own English High School (Indian curriculum); Our Own High School (Indian curriculum); GEMS Winchester School - Fujairah (British curriculum); The Westminster School (British curriculum); New Dubai Nursery (British & Indian curriculum); The Winchester School (British curriculum); GEMS World Academy (IB & British curriculum); GEMS American Academy (IB & American curriculum); GEMS United Indian School (Indian curriculum); GEMS Cambridge International School (British curriculum); Our Own English High School (British & Indian curriculum); Al Maharat Private School (British curriculum); GEMS Winchester School - Abu Dhabi (British curriculum); The Cambridge High School (British curriculum); Wesgreen International School (British curriculum); GEMS Cambridge International Private School (British curriculum); GEMS Westminster School – Sharjah (British curriculum); GEMS Millennium School (Indian curriculum); GEMS Westminster School - RAK (British curriculum); and GEMS Winchester School - Dubai (British curriculum).
- **Qatar:** In Doha, GEMS runs two schools, including GEMS American Academy (American curriculum) and GEMS Wellington School (British curriculum).
- **Saudi Arabia:** In Dammam, GEMS runs the GEMS Saudi International School (American curriculum).
- **Centre of Excellence (CoE):** GEMS launched five CoEs in advanced fields in its schools, including artificial intelligence and robotics at GEMS Dubai American Academy; digital industries and sustainability at GEMS FirstPoint School, The Villa; aviation and space at GEMS International School, Al Khail; performance and theatre technologies at GEMS Wellington Academy, Silicon

Recent Developments/Future Plans

- In March 2023, GEMS Education announced the opening of a new school, GEMS Metropole School-Al Waha.
- In January 2023, GEMS Millennium School, Sharjah, was awarded 'Outstanding' rating by the Sharjah Private Education Authority.

Source: Company website, Media reports

Innoventures Education (Privately Owned)

UAE

Company Description

Founded in 2004, Innoventures Education (IE) offers IB, UK, and American curriculums to over 7,750 students, ranging in age from 12 months to 18 years from over 100 different nationalities. It has diversified from one IB school to five multi-curriculum schools and eight nurseries. IE currently manages a wide range of schools and nurseries under the brand names Collegiate International School, Raffles, and Dubai International Academy. The school's governance has received accreditation from the Council of International Schools, the New England Association of Schools and Colleges, the International Baccalaureate, and the KHDA. IE has launched the 'Academic and Co-Curricular Excellence Scholarship' program, which offers scholarships in three categories, including sport, academics and co-curricular, and Emirati distinction, at Raffles International School and Collegiate International School. Additionally, for the development of staff, IE has launched the Innoventures Education Training Academy, which offers learning modules, certificate courses, and collaborative research.

Business Segments/Services Portfolio

- **Dubai International Academy (DIA), Emirates Hills:** Established in 2005, DIA is the UAE's first IB World School that offers the full continuum of the IB programs, including PYP, MYP, and DP, and serves over 2000 students from over 85 nationalities. It is accredited by the CIS and NEASC and is also a member of MEIBA, DPSG, THIMUN, and NESAC. The campus has a total floor space of 350,000 sqft that offers various facilities, including science labs, computer labs, a networked library, multi-purpose halls, swimming pools, a sky garden, among others.
- **Dubai International Academy (DIA), Al Barsha:** Established in 2018, it is an IB continuum school offering all IB PYP, MYP, and DP programs from pre-KG to Grade 12 and also providing extensive pastoral care, strong academics, holistic development, etc. The campus has a total floor space of 1,000,000 sqft that offers specialist rooms for design technology, computer technology, art, drama, music, outdoor learning areas, an auditorium, swimming pools, etc.
- **Collegiate International School (CIS):** Opened in 2011, CIS is authorised to deliver IB courses, including IB PYP for grades EY-5, IB MYP for grades 6-10, and IB DP for Grades 11-12, as well as a variety of advanced placement courses. The campus offers a wide range of facilities, including STEM labs, science labs, art studios, libraries, cafeterias, sports halls, gymnasiums, etc.
- **Raffles International School (RIS):** Established in 2007, RIS offers the Cambridge International Curriculum, including the CPP in Years 1 to 6, CS1 in Years 7 to 9, IGCSE from Years 10 to 11, and A-Levels in Years 12 and 13, as well as the Montessori Program in the foundation stage. It offers education to over 1,600 students from more than 90 nationalities.
- **Raffles World Academy (RWA):** Founded in 2008, it is a co-educational K-12 IB World School that offers IB PYP up to G5 (Year 6), IBMYP in G6-10 (Years 7-11), and the IB Diploma and Courses in G11-12 (Years 12-13) and caters to over 1,990 international students from more than 85 nationalities. The campus has a total floor space of 30,000 sqm and offers facilities including music rooms, science labs, computer labs, a soccer field, swimming pools, a sports hall, etc.
- **Raffles Nurseries (RN):** Founded in 2007, RN operates eight nurseries accredited and certified by the Pre-School Learning Alliance (UK) in Dubai and serves over 950 students from more than 80 nationalities. It offers two curricula, including the UK's EYFS and the Montessori Program.
- **Raffles Starters (RS):** Established in 2018, RS offers a bridge between a nursery and school atmosphere and offers English curricula of the EYFS and ENC for children aged between 3 and 6 years.

Recent Developments/Future Plans

- In February 2023, IE signed a partnership with Bahwan CyberTek to combat cyberbullying.
- In October 2022, IE entered the Guinness World Record for the largest space exploration lesson.

Source: Company website, Media reports

International Schools Group (Privately Owned)

Saudi Arabia

Company Description

Established in 1962, International Schools Group (ISG), formerly known as Saudi Arabian International Schools, is a not-for-profit, co-educational school organisation that provides US, UK, and international education from pre-KG to full secondary to over 3,000 students of over 70 nationalities. ISG runs five individual schools in Saudi Arabia, two of which are British School Dhahran (BSD) and Sara Village School, which offer the England and Wales Curriculum, while the other three are American School Dhahran (ASD), ISG Dammam, and ISG Jubail, which offer the American Curriculum. BSD is fully accredited by the Council of International Schools (CIS), British Schools Overseas (BSO), and British Schools of the Middle East (BSME), while the three American curriculum schools are fully accredited by the Middle States Association of Colleges and Schools. ISG also runs a Virtual Summer School that offers over 100 courses, including academic enrichment, preparatory, arts and crafts, compassion and wellbeing, and games and hobbies.

Business Segments/Services Portfolio

- **American School Dhahran (ASD):** In 2021, ASD was formed by merging Dhahran Elementary Middle School and Dhahran High School, although it was originally established in 1962. ASD is a fully accredited, not-for-profit K-12 international school that provides education to over 1,120 students of 54 nationalities and has a total floor space of 70,000 sqm. It offers three academic programs, including an American curriculum college-preparatory program that offers over 60 courses; the Advanced Placement Program, which offers over 20 AP courses; and a two-year IB diploma program that offers over 28 courses, including Theory of Knowledge. Additionally, it offers 12 IB certificate courses for students.
- **British School Dhahran (BSD):** Founded in 1981, BSD offers a full A-level program from Foundation Stage 1 to Year 13 for over 750 students of 60 different nationalities. The school is accredited as an examination centre for Cambridge Assessment International Examinations and Edexcel Pearson, and follows the National Curriculum for England with (I)GCSE examination.
- **ISG Dammam:** Founded in 1985, ISG Dammam is a not-for-profit American curriculum school that caters to over 850 students of 40 nationalities. It offers KG through Grade 12 and provides a wide range of academic programs, including mathematics, science, social studies, language and arts. It also offers a global language program in Arabic and French. Specialised programs offered by ISG Dammam include technology and English as an additional language, among others.
- **ISG Jubail School:** Established in 1978, ISG Jubail is a not-for-profit, KG-12 international coeducational day school with a total of 40 classrooms that provides education to over 500 students from 40 different countries. It follows the American standard-based curriculum and also offers the International Baccalaureate Diploma Program.
- **Sara Village School:** Established in 2010, it is a British-style primary school that serves children aged four to 11 years and follows the National Curriculum of England (UK). The school has a wide range of classes, including reception (Foundation 2) and Key Stages 1 and 2, with over 100 students from 10 different countries currently enrolled.

Recent Developments/Future Plans

NA

Interstar Advisory Services (Privately Owned)

UAE

Company Description

Founded by Dinesh C. Kothari, Interstar Advisory Services is a pioneering organisation that has earned a remarkable name in India and the UAE through a gradually developing network of schools, enterprises, and corporate responsibility. Over 16000 kids benefit from the quality education provided by the schools under its umbrella. The organization's goals are to provide whole-school management solutions, quality assurance in schools, strategic partnership facilitation, recruitment and leadership training, school setup, and brand building. The Interstar Group actively supports learner-centered, future-focused schools and is dedicated to delivering consistent, high-quality education.

Business Segments/Services Portfolio

- **Delhi Public School Jodhpur:** Established in 1998, the school provides a comprehensive learning atmosphere while offering a CBSE curriculum that is seamlessly complemented with numerous social, cultural, and sporting activities. The school has a remarkable reputation for its complex curriculum and stands tall amidst 15 acres of lush green terrain, providing a futuristic education to thousands of young learners.
- **Delhi Private School Sharjah:** Founded in 2000, Delhi Private School Sharjah provides a world-class education based on the Indian curriculum and approved by CBSE, from KG to Grade XII. The school is located in Industrial Area 16, Mweilah Commercial, Sharjah, and is outfitted with cutting-edge amenities such as huge libraries, advanced labs, STEM teaching centres, a well-connected communication system, and a high-end complete learning portal.
- **Delhi Private School Dubai:** Established in 2003, Delhi Private School Dubai is a co-educational private school in The Gardens, Jebel Ali, Dubai. From KG-I to Grade XII, the school is accredited with the Central Board of Secondary Education, India, and has a rich heritage of providing quality education for over 20 years. Delhi Private School Dubai has received plaudits in many subjects and is well-known for producing great results in external assessments such as TIMSS, PISA, PIRLS, and CBSE Board scores.
- **Delhi Private School Ras Al Khaimah:** Founded in April 2021, Delhi Private School Ras Al Khaimah is affiliated to the Central Board of Secondary Education. The school's curriculum is engaging, relevant, and challenging for learners' holistic growth at school and beyond.
- **Victory Heights Primary School Dubai:** Established in 2013, Victory Heights Primary School follows the British curriculum and serves children from the Foundation Stage through Year 6. It is a bright and pleasant learning centre in the heart of the Sports City community that emphasises the value of a 'all-round' education.
- **South View School Dubai:** Founded in 2018, South View School is a prominent British Curriculum Secondary School, providing the highest quality education for children of all nationalities and abilities at a competitive price in a distinctive, innovative, and inclusive learning environment. The school, located in Dubailand, offers the National Curriculum for England (NCFE) from the Foundation Stage to Year 13. It provides a tough and balanced curriculum for learners while also ensuring that they are fully and effectively supported in other areas, such as building good wellness and mental health.

Recent Developments/Future Plans

- In January 2021, Delhi Public School launched Dubai's first Upskilling Center for Indian Blue-Collar Workers.

Ma'arif for Education and Training (Privately Owned)

Saudi Arabia

Company Description

Established in 1970, Ma'arif Education is an educational group that offers academic excellence until K-12 through more than 80 schools, which include national and international kindergartens, primary, intermediate, and high schools spread across the Kingdom. With a team of over 2,800 teachers, it serves over 20,000 students. It owns a wide range of school brands, including Al Manarat Schools, Al Faisaliyah Islamic Schools, Noor Al Islam, Gems Saudi International Schools, Ajyal International Schools, and Green Hills International Schools, that offer national and international (British and American) curriculums. It has collaborated with renowned global organisations, including Dell, Microsoft, Pearson, CISCO, and KPMG, to broaden its education services.

Business Segments/Services Portfolio

- **Al Manarat Schools:** Under this brand, Ma'arif runs five schools at different locations, including Al Riyadh, Jeddah, Al Madina, Al Khobar, and Al Dammam. Al Riyadh, Jeddah, Al Madina, and Al Khobar schools offer both national and international curricula, while Al Dammam offers only national curricula. All Manarat campuses are accredited by AdvancED (International Accreditation).
- **Noor Al-Islam Schools:** Noor Al-Islam Private Schools are located in Dammam's Al-Shati area. They educate their students at the primary, intermediate, and secondary levels. The school's educational curriculum is based on an American curriculum.
- **Al Faisaliah Islamic School (FIS):** Located in Al Khober, it offers both national and international curricula. The campus is accredited by AdvancED. The school is authorised to enrol up to 988 children in the three schools, with classroom capacity of 18 in KG and 22 in other courses. FIS now serves 847 students in kindergarten through twelfth grade. The school is divided into three main buildings.
- **Green Hills International Schools:** The campus, located in Jeddah, offers international curricula. The school also offers co-curricular activities such as spelling bees, public speaking, math and science days, Quran recitation and debates. It is certified in terms of assurance by Cognia, the leading school accreditation organisation worldwide.
- **GEMS Saudi International Schools:** The campus, located in Dhahran, offers an American curriculum from KG-I to Grade 12. The curriculum is aligned to the California State Standards (US), including CCSS for English and math and GNSS for science. For better evaluations, the school is using American-standardised tests, including the Measures of Academic Progress (MAP) test. It also offers various facilities on campus, including science laboratories, media rooms, an innovation centre, ICT laboratories, libraries, a multi-purpose hall, a KG play area, a swimming pool, etc.
- **Ajyal International Schools:** The campus, located in Dhahran, offers an American curriculum from KG-I to Grade 9. The curriculum is oriented towards the California State Standards (US), including GNSS for science and CCSS for English and math. The school is utilising American-standardised tests, including the MAP test, for better assessment. It also offers various facilities on campus, including art & design rooms, auditorium, basketball courts, canteens, computer labs, culinary arts rooms, indoor recreation rooms, scout rooms, etc.

Recent Developments/Future Plans

- In January 2023, Maarif Education and Manarat Al Riyadh were awarded ISO certification (ISO 45001:2018).
- In September 2022, Maarif Education signed a partnership agreement with ACCEL to establish a multi-tier support system for special education in the Kingdom.
- In September 2022, Maarif Education, in collaboration with the Thunderbird School of Global Management, launched its first entrepreneurship summer program.

Majan University College S.A.O.G. (Publicly Listed)

Oman

Company Description

Established in 1995, Majan University College (MUC), the education arm of Human Investment LLC, is the first private higher education institute in Oman. It offers four programs, including undergraduate, postgraduate, foundational, and professional courses, and serves 2,100 students. It has signed academic affiliations with the University of Bedfordshire and the University of Bradford in the UK and also inked partnerships with organisations including ACCA, SAP University Alliance Partner, Advance HE, etc. It has also received accreditation from the Oman Authority for Academic and Quality Assurance of Education and operates under the supervision of Ministry of Higher Education, Research and Innovation (MOHERI), Oman. The campus boasts state-of-the-art facilities, including information technology infrastructure, an online library, a virtual learning platform (MOVE), etc.

Business Segments/Services Portfolio

- **Undergraduate:** The college offers nine courses in three academic disciplines, including business management, information technology, and English language studies. These courses are accredited by the University of Bedfordshire, UK and recognised by MOHERI, Oman. The courses include BA (Hons) in Business Administration, BA (Hons) in Accounting, BSc (Hons) in Computer and Internet Applications, BSc (Hons) in Networking, BA (Hons) in English Language, etc.
- **Postgraduate:** MUC established a postgraduate centre in 2004, and signed partnerships with the Universities of Glasgow, Leeds, Bedfordshire, and Tasmania. It offers programs including the MBA, MSc in Computer Science, MA International Human Resource Management, and MA in Applied Linguistics.
- **Foundational Program:** It is a two-semester preparatory program of one year's duration that helps students learn necessary skills, including the English language, IT, math, and study skills required in undergraduate studies.
- **Professional Courses:** MUC offers a wide range of professional finance courses, including ACCA, ACCA-Cert IFRS, ACCA-Cert IA, ACCA-DipIFR, CMA, and CIFE.
- **Majan Training Institute (MTI):** MUC runs MTI, which offers development courses and post-graduate preparation courses in the fields of finance, information technology, marketing, English language, leadership, and accounting. Additionally, in 2013, MTI became an approved centre by the Ministry of Manpower, and in 2022, it was authorised to operate as an institute by the Ministry of Labour and the MOHERI.

Recent Developments/Future Plans

- In June 2022, MUC signed an agreement with IDP Education Oman to become an IELTS test venue.
- In February 2022, MUC signed an agreement with Ethica Institute to offer Ethica's CIFE and ACIFE to its students, staff, and the Omani banking community.

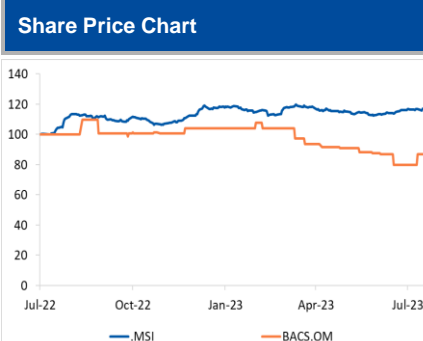
Source: Company website, Company filings, Thomson Reuters

Current Price (US\$) 0.3

Price as on July 23, 2023

Stock Details	
Thomson Reuters ticker	BACS.OM
52 week high/low	0.3/0.4
Market Cap (US\$ mn)	29.2
Enterprise value (US\$ mn)	12.0
Shares outstanding (mn)	90.0

Source: Thomson Reuters



Source: Thomson Reuters

Valuation Multiples		
	2022	LTM
P/E (x)	13.0	17.9
P/B (x)	1.1	0.9
EV/S (x)	1.0	1.1
Dividend yield (%)	9.2	10.0

Source: Thomson Reuters

Financial Performance		
US\$ Million	FY 2021	FY 2022
Revenue	13.1	12.4
Operating Income	4.6	4.2
ROAE (%)	11.1	8.3
ROAA (%)	9.3	7.4

Source: Company Financial Reports

Shareholding Structure	
Human Investment LLC	76.43%
Oman Chamber of Comm. & Industry	10.53%
Others	13.04%
Total	100.00%

Source: Thomson Reuters

Murdoch University Dubai (Privately Owned)

UAE

Company Description

Founded in 2007, Murdoch University Dubai (MUD) is an academic division of an Australia-based research university called Murdoch University. It serves over 550 students and has a total floor space of 2,500 sqm. It offers a wide range of courses, including foundation, diploma, undergraduate, and postgraduate in several disciplines like psychology, information technology, computer science, business, etc. All programs offered by MUD are accredited by the Tertiary Education Quality and Standards Agency (TEQSA) and the KHDA. It also runs a Study Abroad Program where foreign students can select subjects from over 100 different subjects, including business banking, accounting, education, health, etc. Additionally, to develop student learning experiences, it has partnered with recognised organisations, including Middle East Public Relations Association (MEPRA), Amazon Web Services, Public Relations Chartered Association (PRCA) MENA, and Project Management Institute (PMI), among others. It also offers scholarships to support pupils. MUD received a 5-star rating in the 2022 KHDA Higher Education Classification.

Business Segments/Services Portfolio

MUD offers four fundamental courses:

- **Foundation Program:** The program is structured into three parts that students from various fields can access. Core Units (for all streams), Additional Core Units (for IT and Business Streams), and Elective Units (for Arts and Communication, Business, and IT) are among them. The program includes instruction in essential mathematics, accounting, marketing, and public communication, among other subjects. The program's goal is to prepare students for undergraduate degree programs.
- **Diploma Programs:** MUD offers diploma programs in four key disciplines, including business, information technology, communication, and psychology, for the duration of 2-3 trimesters.
- **Undergraduate Programs:** This program offers nine bachelor's courses in various fields including psychology, finance, arts, management, marketing, journalism, strategic communication, business information systems, computer science, cyber security, and forensics. The university also offers criminology as a second major.
- **Postgraduate Programs:** MUD offers postgraduate degrees at two distinct stages - Graduate and Master's Certificate. The degrees include Graduate Certificate in Business Administration, Graduate Certificate in Education (Instructional Leadership), Graduate Certificate in Education (International Education), Master of Education, and Master of Business Administration.

Recent Developments/Future Plans

- In January 2023, MUD was recognised as an authorised test centre by Pearson's PTE Academy.
- In September 2022, MUD became the university partner of PRCA MENA, with the university staff members and students becoming entitled to full PRCA membership for the duration of their employment and undergraduate or postgraduate course.

National Company for Learning & Education (Publicly Listed) Saudi Arabia

Company Description

Established in 1958, the National Company for Learning and Education (NCLE) serves students from KG to secondary schools by offering two education curricula - the National Curriculum Program and the International Education Program. It operates 11 schools in the Kingdom under different brands, including TNS in Al-Ghad, Al-Khwarizmi, and Al-Salam. The total floor space of all schools spans over 30,000 sqm, with a combined student capacity of 24,000 and more than 2,000 staff members. NCLE has received numerous awards, including the King Abdul Aziz Quality Award, the King Khaled Award, and the International Accreditation Certificate, among others.

Business Segments/Services Portfolio

NCLE's portfolio consists of 11 schools, with two new schools to be added in the 2023-2024 session.

Name of School	Established Year	Maximum Capacity	Enrolled Students
TNS Al-Rayyan	1980	5,250	3,788
TNS Al-Rawabi	2009	4,375	3,736
TNS Al-Nuzha	2013	4,375	3,002
TNS Qurtubah	2017	1,050	1,050
TNS Buraidah	2019	2,625	1,551
Al-Ghad Schools	1990	2,200	1,693
Al-Khwarizmi Schools	2010	1,220	1,180
TNS Al-Qairwan	2020	4,550	3,205
TNS Al-Arid	2021	3,000	2,075
TNS Al-Dhahran	2022	2,300	443
Al-Salam Schools	1984	1,950	1,572
Educational complex – Al-Qairawan	2023-2024 (Upcoming Project)	1,720	-
Educational complex – Al-Arid	2023-2024 (Upcoming Project)	2,520	-

Recent Developments/Future Plans

- In April 2023, NCLE approved three new projects worth SAR 160 million (US\$ 42.7 million).
- In December 2022, NCLE acquired all the shares in Al-Salam Company.

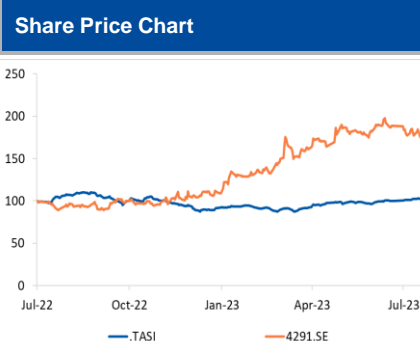
Source: Company website, Company filings, Thomson Reuters

Current Price (US\$) 28.4

Price as on July 23, 2023

Stock Details	
Thomson Reuters ticker	4291.SE
52 week high/low	14.5/33.1
Market Cap (US\$ mn)	1,221.5
Enterprise value (US\$ mn)	1,253.5
Shares outstanding (mn)	43.0

Source: Thomson Reuters



Source: Thomson Reuters

Valuation Multiples		
	2022	LTM
P/E (x)	35.5	51.9
P/B (x)	3.9	7.0
EV/S (x)	7.7	12.5
Dividend yield (%)	1.4	1.1

Source: Thomson Reuters

Financial Performance		
US\$ Million	FY 2021	FY 2022
Revenue	47.0	82.3
Operating Income	9.1	21.4
ROAE (%)	3.9	11.2
ROAA (%)	2.9	7.6

Source: Company Financial Reports

Shareholding Structure	
Mohamed Al Khudair RE De.	39.11%
Waqf of Mohd. Al Khudair	22.28%
Others	38.61%
Total	100.00%

Source: Thomson Reuters

Newton International School (Privately Owned)

Qatar

Company Description

Founded in 2006, Newton International School (NIS) offers a British curriculum from the early years to Year 13 with compulsory subjects of Arabic, Islamic, and Qatari history. The curriculum is divided into three stages, Early Years Foundation Stage, Primary & Secondary. With a team of over 1,500 staff, it runs nine schools in Doha and caters to over 10,000 students from 50 nationalities, and has a 15:1 student-teacher ratio. It also runs several innovative programs to build character, foster critical thinking, and cultivate curiosity. Additionally, it is accredited by several prestigious organisations, including the British Council, Edexcel, Cambridge International Examinations, BSO, and the Ministry of Education in Higher Education of Qatar, among others.

Business Segments/Services Portfolio

The schools operated by NIS include:

- **Newton International School - Lagoon:** Founded in 2006, it offers academic excellence to over 2000 students from 50 different nationalities, ranging from early years (3 years old) to studying for IGCSE in Year 11 and AS-Levels in Year 12
- **Newton International School - West Bay:** It offers the English National Curriculum, which is aligned with Qatar's MoE at each key stage, including EYFS and primary level. Founded in 2006, the school aims to positively encourage each student to achieve academic excellence, enjoy creative diversity, develop critical thinking skills and become lifelong learners and responsible citizens
- **Newton International Academy - Smash:** It caters to students from Foundation 1 to Year 11 by offering the National Curriculum of England and IGCSE. The campus has specialist facilities, including libraries, swimming pool, etc. Established in 2006, Newton International Academy – Smash provides diverse education in a safe, supportive environment that promotes self-discipline and motivation.
- **Newton International School - D-Ring Road:** Opened in 2007, it is a British International School that serves over 1,100 students from Foundation One to Year 8. It follows the English National Curriculum with the Qatar National Curriculum in Arabic, Islamic, and Qatari History. It is accredited by British Schools Overseas and Qatar National Schools.
- **Newton British School – Al Waab:** Founded in 2008, it offers education through a team of over 80 staff members and serves over 700 children. It offers the British National Curriculum in the EYFS and primary grades. It has over 30 classes on campus.
- **Newton International Academy – Barwa City:** Founded in 2013, it is a private international school that serves over 1,864 students from 70 different nationalities from Foundation 1 to Year 13 and offers the English National Curriculum and EYFS. The school is divided into three campuses, including two EYFS campuses and a primary/secondary campus. The school is accredited by QNSA Accreditation and the BSO.
- **Newton British Academy - Barwa City:** Opened in 2014, it is a private British international day school that offers the British National Curriculum from EYFS to KS5 to 1,352 students of 70 different nationalities. It is accredited by Qatar National School Accreditation (QNSA) and rated as 'Outstanding' in all eight educational areas by the AoBSO/Department of Education in the UK.
- **Newton British Academy - Al Dafna:** Founded in 2016, it is a private co-educational day school that offers the EYFS and the National Curriculum for Key Stages 1 and 2 and serves over 580 pupils from 30 different nationalities. Additionally, it is accredited by British Schools Overseas (BSO).
- **Newton British School - Muraikh:** Established in 2017, it offers academic excellence in the British curriculum at all stages of education, from EYFS to secondary, and also offers extracurricular activities including dance, chess, and sports for the comprehensive development of students

Recent Developments/Future Plans

N/A

Noor Al Khaleej International School (Privately Owned)

Qatar

Company Description

Established in 2002, Noor Al Khaleej International School (NAKIS) is a private educational institution that offers education to students aged 1 to 13 years of several nationalities. It is an authorised centre for Cambridge International Examinations and offers the IGCSE and British curriculum. It provides academic excellence at all important stages, including pre-school, primary, secondary, AS, and A level. NAKIS runs three campuses in Qatar, including the main school campus in Nuaija and two pre-school campuses (KG-1 and KG-2) at Hilal and Duhail. The school also offers remote learning services to students and faculty members.

Business Segments/Services Portfolio

NAKIS offers four stages of education on its campuses:

- **Pre-school:** NAKIS runs two individual kindergartens in Qatar, one in Hilal and the other in Duhail. Both kindergartens offer a well-designed curriculum, including language, math, science, Arabic, Islamic, practical life, art, music, and motor development, suited for children between the ages of 3 and 6 years old. The curriculum focuses on six key subject areas, including emotional, personal, and social development; communication, language, and literacy; knowledge and understanding of the world; memory enhancement; physical development; and creative and logical development. Additionally, NAKIS also offers field trips and on-site special events for extra-curricular developments.
- **Primary:** NAKIS primary classes offer the Cambridge-based curriculum and co-curricular and character development programs to develop knowledge, skills, capabilities, and attitudes in students. The Cambridge curriculum is composed of two key stages: Key Stage 1 (Lower Primary), which forms the foundation for students in Years 1 and 2, and Key Stage 2 (Upper Primary), which prepares students for secondary education in Years 3 to 6. The primary schools also help students learn educational technology like Microsoft 365 to gain computer literacy skills, etc.
- **Secondary:** It offers education between the primary and senior sections and caters to students aged between 9 and 16. NAKIS provides the Cambridge-based curriculum, and co-curricular & character development programs for comprehensive child development. The Cambridge curriculum is categorised into two stages: lower secondary (Key Stage 3), which covers students in Years 7 to 9, and upper secondary (Key Stage 4), which covers Years 10 and 11. In Lower Secondary, a wide range of compulsory subjects are taught, including English mathematics, physics, chemistry, biology, etc., and a choice is also given between Arabic and French for non-Arabic students. In upper secondary, IGCSE is offered with a range of subjects including English (second language), mathematics, physics/accounting, chemistry/economics, etc.
- **AS and A Level:** It offers education after the secondary phase and provides the Cambridge curriculum, which is recognised by universities and employers. In AS Level/A Level, a range of subjects are offered, including Group A-Mathematics (pure mathematics, mechanics, statistics)/Travel and Tourism/Computer Science, Group B-Physics/Biology/Business, and Group C-Economics/Arabic/Chemistry.

Recent Developments/Future Plans

N/A

Skyline University (Privately Owned)

UAE

Company Description

Established in 1990, Skyline University College (SUC) is one of the leading educational institutions in the Northern Emirates of the UAE and offers academic courses in a wide range of sectors, including information systems, marketing, aviation, hospitality, travel & tourism, business management, and finance, as well as training for human resources. It is the educational division of Skyline International Group, which is also engaged in services including investment and consultancy, tourism, agricultural-allied services, etc. The group also owns Skyline University in Nigeria. SUC offers various academic programs, including professional courses, the Professional Skills Development Program, and the General Education Program, among others, and has produced over 12,000 graduates. It has also signed partnerships with various colleges and universities in Canada, the UK, the US, Australia, Ireland, and India, among others that provide students with higher study opportunities.

Business Segments/Services Portfolio

SUC offers a wide range of courses, as follows:

- **Undergraduate Programs:** SUC operates primarily two schools at the undergraduate level, including the School of Business and the School of Computing. Under the School of Business, it offers bachelor's courses in eight disciplines, including accounting, business administration, public administration, etc. Under the School of Computing, it offers three courses, including software engineering, artificial intelligence, and enterprise computing.
- **Graduate Programs:** At the graduate level, SUC runs two programs, including a Master of Business Administration (MBA) programs in areas of e-governance, strategic management & leadership, international business & marketing, finance, strategic human resource management, sustainable development, and project management. The course help students learn the skills, knowledge, and competencies required at corporate, private, or government organisations.
- **Professional Courses:** Under this program, SUC offers a Centre for Continuous Learning (CCL), that provides specialised training and development courses offered by recognised certification bodies, including IATA, ACCA, CTH, CISCO, Oracle, the EC Council, and ICDL Arabia, to professionals and students in the public and private sectors. It offers competencies in the fields of soft skills, hospitality, management, leadership, etc. CCL is based on five pillars, including the Future Digital Centre, the Centre for Professional Development, the Centre for Executive Education, the Centre for Re-boot and Boot Camps, and the English Language Centre.
- **Professional Skills Development Program:** It builds the communication, research, and professional skills of students and makes them job-ready candidates.
- **General Education Program:** SUC runs this program at the graduate level for personality development and offers inclusive

Recent Developments/Future Plans

- In May 2023, SUC launched two new undergraduate programs that focus on rapid growing fields of artificial intelligence and software engineering.
- In October 2021, SUC signed a MoU with UOD's Library Department to cooperate in the fields of research, education, and e-resources.
- In October 2021, SUC signed a MoU with Mai Dubai. The partnership assists SUC in offering scholarships, internships, and workshops for students and employees.
- In September 2021, SUC signed a MoU with Kiams for collaborations in fields of research, conferences, and workshops. As part of the agreement, it has started offering exchange programs for both students and faculty.

Taaleem (Publicly Listed)

UAE

Company Description

Established in 2004, Taaleem is a leading owner and operator of premium K-12 schools in the UAE. It runs over 26 schools across the country that have over 27,022 students and 1,730 teachers with a 100% pass rate in IBDP, A-level, and GCSE. Taaleem schools offer three international curricula, including the UK National, IB, and American curricula. It also offers special projects, outreach activities, and initiatives, including Dubai Performing Arts, IB Workshops, National Bonds (A leading savings & investment company), etc. In November 2022, Taaleem was publicly listed on the Dubai Financial Market.

Business Segments/Services Portfolio

Taaleem owns a portfolio of 26 schools in the UAE, including 10 owned and operated premium private schools and 16 government-partnership schools.

- **American Curriculum:** In Dubai, Taaleem runs four schools, including the American Academy for Girls, Dubai Schools Mirdif, Dubai Schools Al Barsha, and Dubai Schools Nad Al Sheba. In Abu Dhabi, it runs nine charter schools. It also runs four Ajyal / Emirates Schools Establishment (ESE) schools across Dubai, Sharjah, RAK, and Fujairah.
- **IB Curriculum:** In Dubai, Taaleem runs three schools, including the Jumeirah Baccalaureate School, Uptown International School, and Greenfield International School, while in Abu Dhabi, it runs two schools, including Raha International School Gardens Campus and Raha International School Khalifa City Campus.
- **UK National Curriculum:** In Dubai, Taaleem runs four schools, including Dubai British School Emirates Hills, Dubai British School Jumeirah Park, Dubai British

Recent Developments/Future Plans

- In May 2023, Taaleem announced that the new British school, Dubai British School-Jumeirah, would open in the 2025-26 academic year.
- In November 2022, Taaleem was listed publicly in the Dubai Financial Market and raised AED 750 million (US\$ 204.2 million) in an IPO.
- In November 2022, Taaleem announced plans to open four new premium schools - three in Dubai and one in Abu Dhabi.
- In May 2022, Taaleem acquired Jebel Ali School for AED 185.5 million (US\$ 50.5 million).

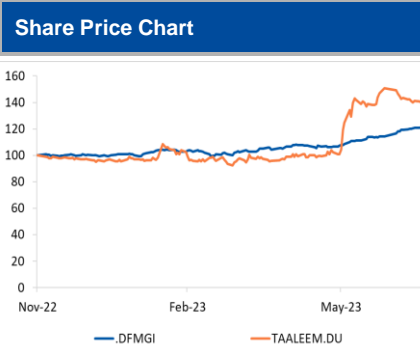
Source: Company website, Company filings, Thomson Reuters

Current Price (US\$) 1.0

Price as on July 23, 2023

Stock Details	
Thomson Reuters ticker	TAALEEM.DU
52 week high/low	0.7/1.1
Market Cap (US\$ mn)	1,029.3
Enterprise value (US\$ mn)	923.1
Shares outstanding (mn)	1,000

Source: Thomson Reuters



Source: Thomson Reuters

Valuation Multiples		
	2022	LTM
P/E (x)	NA	28.1
P/B (x)	1.7	2.1
EV/S (x)	4.8	13.9
Dividend yield (%)	NA	NA

Source: Thomson Reuters

Financial Performance		
US\$ Million	FY 2021	FY 2022
Revenue	141.9	169.7
Operating Income	26.5	25.1
ROAE (%)	8.7%	9.0%
ROAA (%)	5.1%	4.6%

Source: Company Financial Reports

Shareholding Structure	
National Bonds Corp.	22.41%
Knowledge Fund Est.	13.64%
Al Mal Capital	7.63%
Others	56.32%
Total	100.00%

Source: Thomson Reuters

Leading EdTech Platforms in the GCC

Noon Academy (Saudi Arabia)

Established in 2013, Noon Academy is a social learning platform that has presence in eight countries, including Saudi Arabia, Egypt, Iraq, and Pakistan, among others. With a team of over 100,000 teachers, it caters to over 16 million students worldwide and offers live interactive classes, allowing students to compete and socialise with their friends. It offers education aligned to the respective National Boards and serves students from Grade 1 to 12 in Saudi Arabia, Grade 1 to A Level in Egypt, Grade 4 to 12 in Iraq, and Class 6 to 2nd year in Pakistan, in all major subjects, including biology, chemistry, computer science, English, geography, history, math, physics, and science, among others.

Fund Raising Activity

Noon Academy has raised a total of US\$ 21.6 million in funding until date.

Date	Funding Details
May 30, 2022	Undisclosed amount raised from a venture round led by 500 Global
June 21, 2020	Raised US\$ 13 million from a Pre-Series B round led by STV
Jun 27, 2019	Raised US\$ 8.6 million from a Series A round led by Raed Ventures and STV

Established in 2016, Almentor is an e-learning and professional people development platform that serves the Middle East and Africa providing 3,453,140 learning experiences worldwide. It offers video courses and motivational/informative talks in a wide range of categories, including arts and design, soft skills, business management, sales and marketing, technology, science and productivity, parenting and relationships, kids' development, and entrepreneurship, among others, in Arabic and English. It also offers books and bundles, lifetime access, and certificates. Additionally, it has signed academic partnerships with several institutions, including ITMEA, Dynamic International, AHLN, Real Academy, and EgyCham, among others.

Fund Raising Activity

Almentor has raised a total of US\$ 24.5 million in funding until date.

Date	Funding Details
Mar 16, 2023	Raised US\$ 10 million from a Series C round led by e& capital
May 31, 2021	Raised US\$ 6.5 million from a Series B round led by Partech

Recent Developments/Future Plans

- In March 2023, Almentor secured a \$10 million investment round led by E&C Capital to deliver a wider range of education services to over 10 million Arabic speakers.
- In February 2023, Almentor signed a strategic partnership with Classera to develop the skills of corporate employees in the MENA region.

Abbreviations

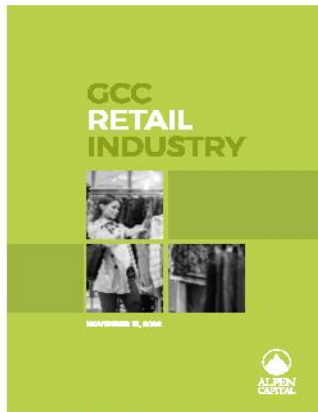
ABA: Al Bateen Academy	ABQ: Azzan Bin Qais Education Group
ABQIS: Azzan Bin Qais International School	ACA: American Creativity Academy
ACCA: Association of Chartered Certified Accountants	ADEK: Abu Dhabi Department of Education and Knowledge
AEC: Ataa Educational Company	AHE: Arrowad for Higher Education
AHLN: Al Hurriya Liberal Network	AMAI: AMA International School
AMSI: Academia Management Solutions International	AoBSO: Association of British School Overseas
AP: American Placement	AQA: Assessment and Qualifications Alliance
ARHC: Al Rayan Holding Company	ASCD: American Society for Supervision and Curriculum Development
ASD: American School Dhahran	ASU: Applied Science University
BSME: British School in the Middle East	BSME: British Society of Magazine Editors
BQA: Bachelor in Law from the Education and Training Quality Authority	BSD: British School Dhahran
BSO: British School Overseas	CBSE: Central Board of Secondary Education
CCL: Centre for Continuous Learning	CCSS: Common Core State Standard
CCSSI: Common Core State Standards Initiative	Cert IA: Certificate in International Auditing
CIFE: Certified Islamic Finance Expert	CIS: Council of International Schools
CMA: Certified Management Accountant	COBIS: Council of British International Schools
CoE: Centre of Excellence	CPP: Cambridge Primary Program
CTH: Confederation of Tourism & Hospitality	DIA: Dubai International Academy
DiplFR: Diploma in International Financial Reporting	DP: Diploma Program
DPS: Delhi Public School	DPSG: Dubai Private Schools Group
EIS: Emirates International School	ENC: English National Curriculum
ESE: Emirates Schools Establishment	ETS: Educational Testing Services
EYFS: Early Years Foundation Stage	FAS: Fahaheel Al-Watanieh Schools
FAIPS: Fahaheel Al-Watanieh Indian Private School	FBISE: Federal Board of Intermediate and Secondary Education
FIS: Al Faisaliah Islamic School	GCSE: General Certificate of Secondary Education
GED: General Education Diploma Graduates.	GNSS: Global Navigation Satellite System
HDC: Human Development Company	HEC: Higher Education Commission
IATA: International Air Transport Association	IASL: International Association of School Librarianship
IB: International Baccalaureate	IBDP: International Baccalaureate Diploma Program

IBS: International British School	ICDL: International Computer Driving License
ICT: Information & Communication Technology	IE: Innoventures Education
IELTS: International English Language Testing System	IEYC: International Early Years Curriculum
IFRS: International Financial Reporting Standards	IGCSE: International General Certificate of Secondary Education
ISAS: The International School of Arts & Science	ISG: International Schools Group
JBR: Jumeirah Beach Residence	JINS: Jumeirah International Nurseries
KG: Kindergarten	KHDA: Knowledge and Human Development Authority
KIES: Kuwait International English School	KS: Key Stages
MAP: Measures of Academic Progress	MBA: Master of Business Administration
MEIBA: Middle East International Baccalaureate Association	MEPRA: Middle East Public Relations Association
MoE: Ministry Of Education	MOHERI: Ministry of Higher Education, Research and Innovation
MTI: Majan Training Institute	MUC: Majan University College
MUD: Murdoch University Dubai	MYP: Middle Years Program
NAKIS: Noor Al Khaleej International School	NCA: National Committee on Accreditation (NCA)
NCFE: National Curriculum for England	NCLE: National Company for Learning and Education
NEASC: New England Association of Schools and Colleges	NESA: Near East South Asia Council of Overseas Schools
NPIS: New Pakistan International School	NLCS: North London Collegiate School Dubai
NIS: Newton International School	OFSTED: Office for Standards in Education, Children's Services and Skills
PERMA: Positive, Emotion, Engagement, Relationships, Meaning, and Accomplishment	PIRLS: Progress in International Reading Literacy Study
PISA: Programme For International Student Assessment	PMI: Project Management Institute
PRCA: Public Relations Chartered Association	PYP: Primary Years Program
QAA: Quality Assurance Agency for Higher Education	QNSA: Qatar National School Accreditation
RIS: Raffles International School	RN: Raffles Nurseries
RS: Raffles Starters	STEM: Science, Technology, Engineering, and Mathematics
SUC: Skyline University College	TEQSA: Tertiary Education Quality and Standards Agency
THIMUN: The Hague International Model United Nations	TIMSS: Trends in Mathematics and Sciences
TNS: Tarbya Namouthajiya Schools	TSPS: The Sheffield Private School

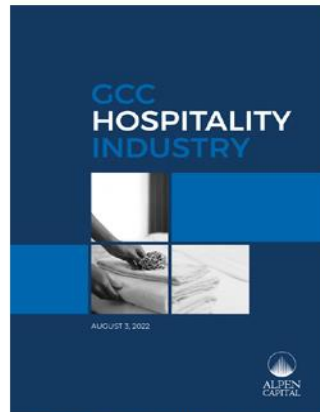


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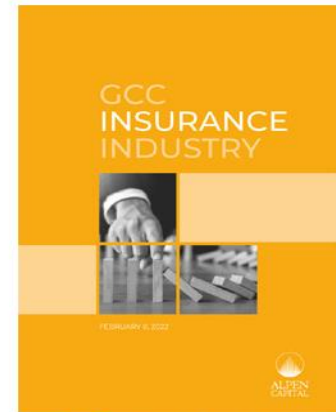
INDUSTRY RESEARCH



GCC Retail Industry
2009, 2010, 2011,
2012, 2015, 2017, 2019 & 2022



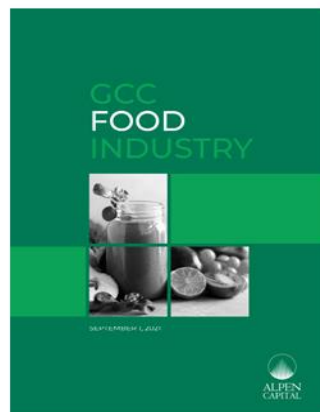
GCC Hospitality Industry
2011, 2012, 2014,
2016, 2018 & 2022



GCC Insurance Industry
2009, 2011, 2013,
2015, 2017, 2019 & 2022



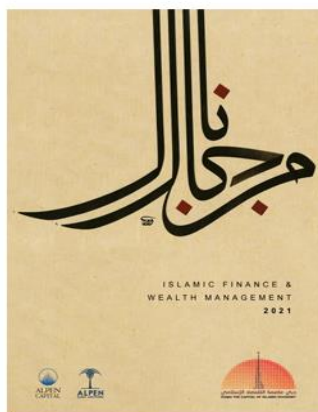
GCC Education Industry
2010, 2012, 2014,
2016, 2018 & 2021



GCC Food Industry
2011, 2013, 2015,
2017, 2019 & 2021



GCC Healthcare Industry
2009, 2011, 2014,
2016, 2018 & 2020



Islamic Finance
and Wealth Management
2021

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**Sale of 51% Equity Stake in
Al Kabeer Group of Companies**



to
Savola Group



Financial Advisor



RBL BANK LIMITED

US\$ 100,000,000
Unsecured Tier 2 Sub-ordinated Loan

Investor



Financial Advisor



**Sale of 100% Equity Stake in
Al Faysal Bakery and Sweets**



to
Agthia Group PJSC



Financial Advisor



INR 3,10,00,00,000
(~EUR 40 million)

Equity Capital

Investors



Financial Advisor



**Sale of 70% Equity Stake in
Pyramids Group, UAE**

to



A Ghobash Group Company

Financial Advisor



**Sale of 60% Equity Stake in Multi-Speciality
Healthcare Partner Holding Ltd.**



GFH Financial Group B.S.C.

Financial Advisor



IndusInd Bank

US\$ 75,000,000
Long Term Debt

Investor



Financial Advisor



**Sale of 100% equity stake in
Seven Seas Technology, UAE**

to



Softline Group Inc
(A London Stock Exchange Listed Entity)

Financial Advisor



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