





Follow me on  

This month we saw schools and universities across the region navigate the start of the academic year. In this month's letter, I will share my thoughts on three topics:

- **How our portfolio prepared for "Back to School" amidst COVID-19**
- **Adapting to online learning and enrolment trends**
- **Key success factors and the opportunity ahead**

# CEO MONTHLY

DR. MOHAMAD HAMADE

Friends,

The start of September marked the return to school and university for many institutions across the Gulf, albeit with strict social distancing protocol and in many cases a blended model of e-learning and classes. As a specialist education investor, we worked closely with management teams across our UAE education portfolio covering early years to higher and further education, to create safe and effective environments for in-person learning to resume.

A great deal of work took place behind the scenes over the summer to prepare for this moment. Schools across our portfolio have launched extensive testing programs for teachers and administrative staff, regular sterilization programs, implementation of one-way screening systems and adjusting to reduced capacity on school buses and in classrooms. While the preparation for the systematic non-contact premises of in-person learning was adopted across our education platform, there was a lot of work put into ensuring our community of teachers, staff, parents and students were adequately informed along the way. Consistent and clear communication was essential to facilitating home learning in the previous academic year and remains vital to adapt to various methods of learning provision. Moreover, open and regular dialogue with students and parents will be critical in response to potential breakouts.

We fully comprehend our responsibility and the importance of our role in ensuring a safe environment for students, teachers and staff. The teams across our portfolio have exerted a tremendous effort in ensuring we meet the highest standards of health and safety while providing quality education, which is paramount. Nonetheless, we believe that it is a collective responsibility for all stakeholders to ensure we continue to stride through these turbulent times while keeping our schools open and operating.

**“We believe that it is a collective responsibility for all stakeholders to ensure we continue to stride through these turbulent times while keeping our schools open and operating.”**

**Taaleem**, our portfolio company and one of the largest providers of early learning, primary and secondary education in the UAE with approximately 8,600 students delivered an exemplary illustration of preparing for the academic year and managed to retain the vast majority of its students that remained in the UAE alongside a strong September intake. Further emphasizing the strong efforts of the management team. Taaleem expanded its footprint in Abu Dhabi having successfully opened the doors to Phase 1 of the Raha Khalifa City school campus for the 2020/2021 academic year welcoming nearly 300 new students. The campus will have the potential capacity of c.3,000 students which will be launched in a phased approach. This was a commendable achievement despite construction delays as a result of the pandemic and the challenging macro-economic environment.

**Abu Dhabi University Holding Company** (“ADUHC”), a specialized leader in private higher education across Abu Dhabi and Al Ain with over 7,500 students also witnessed an unprecedentedly successful summer intake offering internationally competitive programs and prestigious accreditations. ADUHC’s success is attributable to the strong local brand affiliated with two universities across multiple campuses supporting management to focus on strong communication while investing in technological advancements of both education and services provision. ADUHC developed an online **platform** for recruitment, enrolment and student support while maintaining academic support to enhance student performance and engagement leading to very high levels of student satisfaction with distance education. Furthermore, ADUHC offers an array of programs, bolstered by the newly established College of Health Sciences.

One of the key trends we also witnessed was the redirection of students from universities ‘far away’ to ones closer to home. UAE has presented itself as a safe place to be with above average testing for the virus. This has had an impact on students who were originally destined for countries such as Canada, US and Australia now focusing their attention to universities closer to home with a higher chance of in-class attendance in the near term as well as wanting to avoid a COVID-19 hotspot at their first-choice school’s location. **Middlesex University Dubai**, another one of our portfolio companies with a diverse student body of over 3,200 students is an example of such a trend having witnessed an increase in domestic enrolments in addition to international student applicants wishing to begin the academic year remotely until COVID-19 travel restrictions are lifted and they are able to attend on-campus.

As we **enrolled** students for the new academic year, we had to rethink how these major changes to the sector would affect pricing over the medium- and long-term, particularly with large segments of the population affected by the economic headwinds caused by the pandemic. Parents and students were looking for affordable options without sacrificing the quality of education.

We discounted term three fees across the entire Taaleem portfolio of schools and made provisions for individual parent payment plans and re-enrolment package. By offering credit notes for the upcoming year Taaleem was able to collect almost 100% of fees. All the while, Taaleem pledged to retain its teachers and provide support for staff until normal operations resumed to maintain quality levels. Similarly, ADUHC also launched an initiative at a national level to provide full scholarships for Emirati citizens who are not able to pay their tuition fees in addition to a partnership with First Abu Dhabi Bank (“FAB”), to provide fee-loans to fund education, all in an effort to support their community of students and their families.

**“The key success factors of Amanat’s education assets was indeed their platform attributes and agile strategy”**

At Amanat, we believe that the best approach to investing in the regional healthcare and education sectors is to target companies which can be leveraged as **platforms** for further acquisitions, creating value through economies of scale and building larger and more attractive companies for monetization. What the COVID-19 era has ensured is that such investments have the potential to disseminate cost pressures by **extracting efficiencies** through leveraging the platform and improving cash management. More importantly, the incorporation of technology is more seamless by leveraging the brand equity, purchasing power and integration across the group of schools/universities.

The key success factors of Amanat’s education assets was indeed their platform attributes and **agile** strategy. Management teams across our portfolio were able to swiftly adopt to the changes in provision of education and related services while providing solutions to support students and their families affected by the pandemic and retaining teachers. This was done in tandem with maintaining a rein on costs and profitability without compromising on quality. We have already seen these efforts translate into a growth in enrolments which is testament to the scale, expertise, **quality** and clear strategy across our education platform.

**“We believe the digital role in education is a crucial one ahead”**

While the provision of online education has sparked the question of an aging education system known to us for centuries, the pandemic has accelerated the adoption and investment in technology. This has enabled us to savour and improve conventional learning systems now and in the future. We recognize the importance and relevance of **digital transformation** in today’s education world and its impact on stakeholders to enhance accessibility, learning frameworks, work streams and the development of data-driven tools. We believe the digital role in education is a crucial one ahead and we continue to watch closely to those enhancements and potential opportunities at the portfolio level but also at the holding level where we see plenty of opportunities to invest in **disruptive technologies**.