



AGIC

Prepared based on 2018 data





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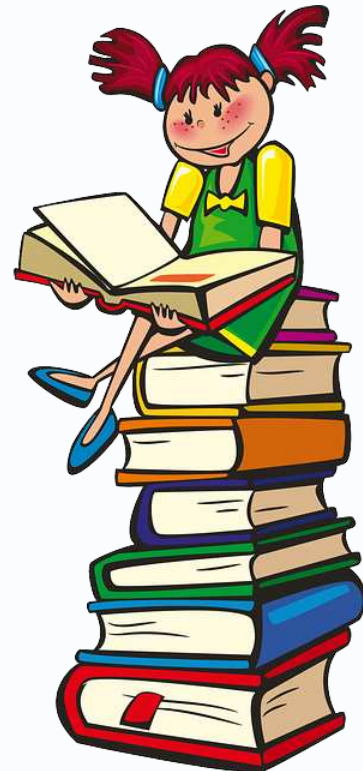
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reason of research The present study serves as an overview of private schools, identifying current trends, based on the 2018 financial statements of second and third tier institutions. The report presents the average financial indicators of the sector, which forms the "benchmark" of the sector and provides information on its financial condition.



Methodology

The data used in the study are taken from the website of the reporting portal, where the annual financial statements are published in accordance with the legislation of Georgia.

These private schools belong to the second and third size category companies, of which five reports are audited. This information is based on the data of 2018, the study will consider private schools, the total number of which is 38.

The study focuses on the overview of private schools, in particular their number, regional distribution, number of students and teachers and financial indicators, data taken from the Ministry of Education, Science, Culture and Sports of Georgia, as well as the National Statistics Office of Georgia.





Research Results

The study reviews private schools with a total turnover of more than 104 million GEL, a total assets of 150 million GEL, and a total profit before tax of 13 million GEL.

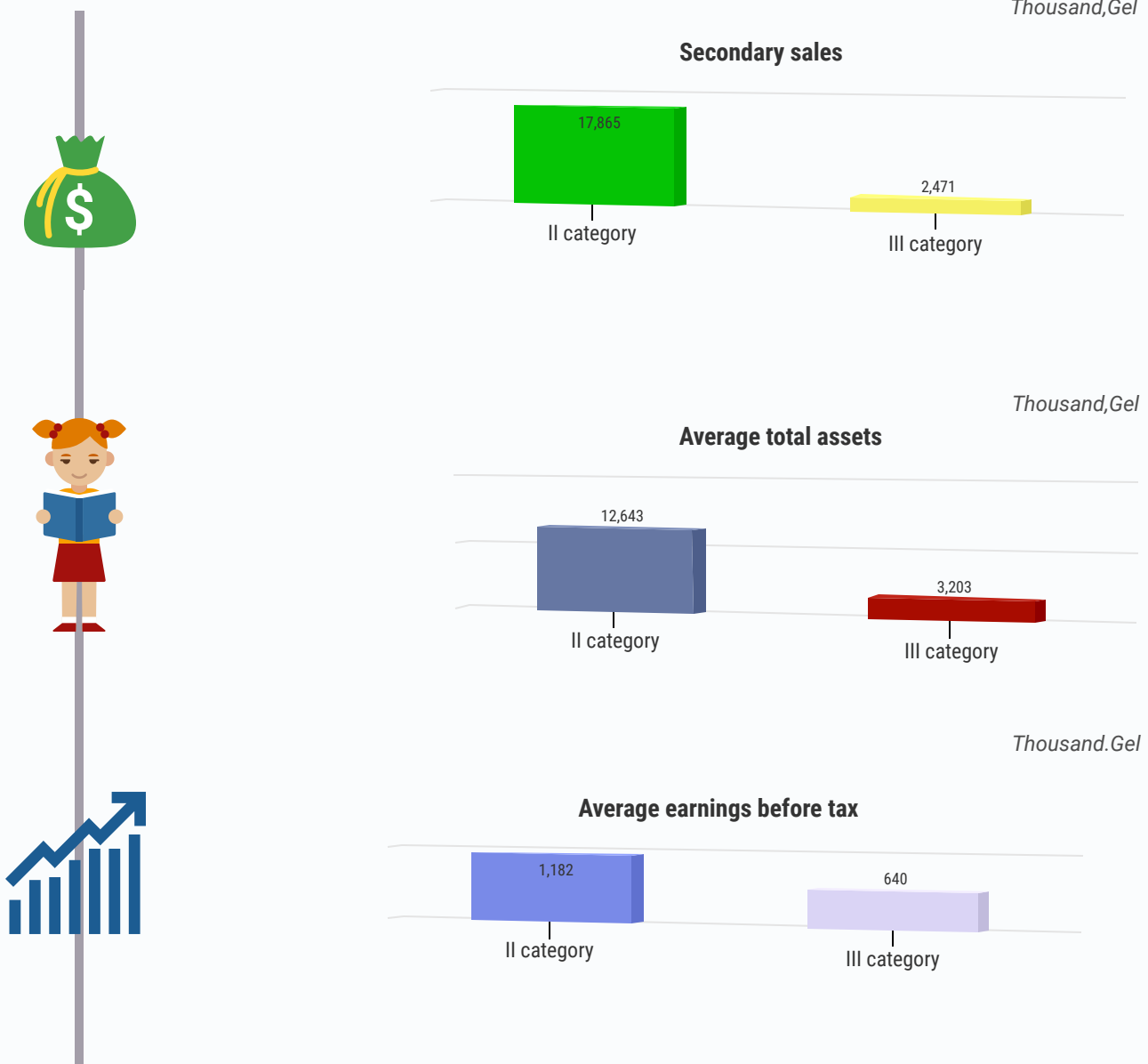
The study identified industry-leading private schools in terms of revenue, assets and profits. The analysis of the data showed that Georgian private schools have the following financial indicators: return on assets averaged (ROA) 8%, and return on equity (ROE) 22%. In addition, financial ratios on the industry average liquidity and solvency were determined.





Research Results

The survey also revealed the average private school data for 2018. Of the 38 schools, 3 belong to the second category and 35 to the third.

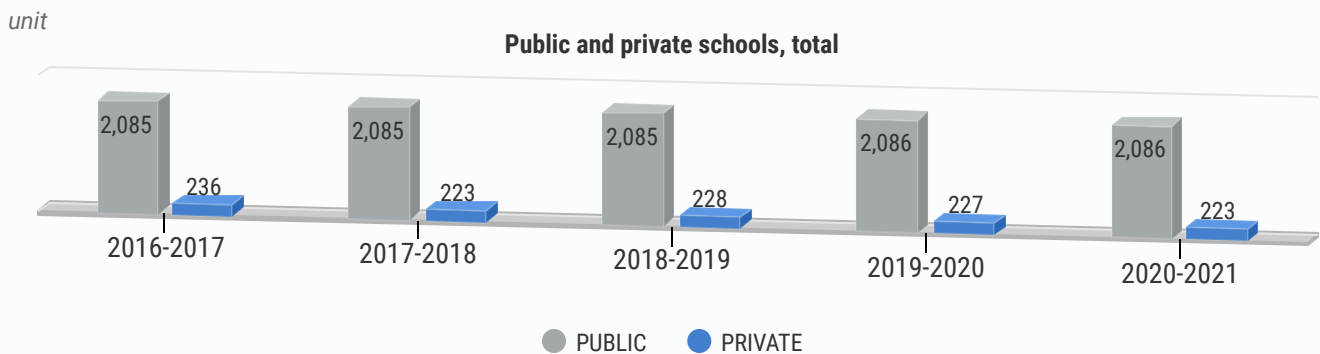


Overview of general education institutions



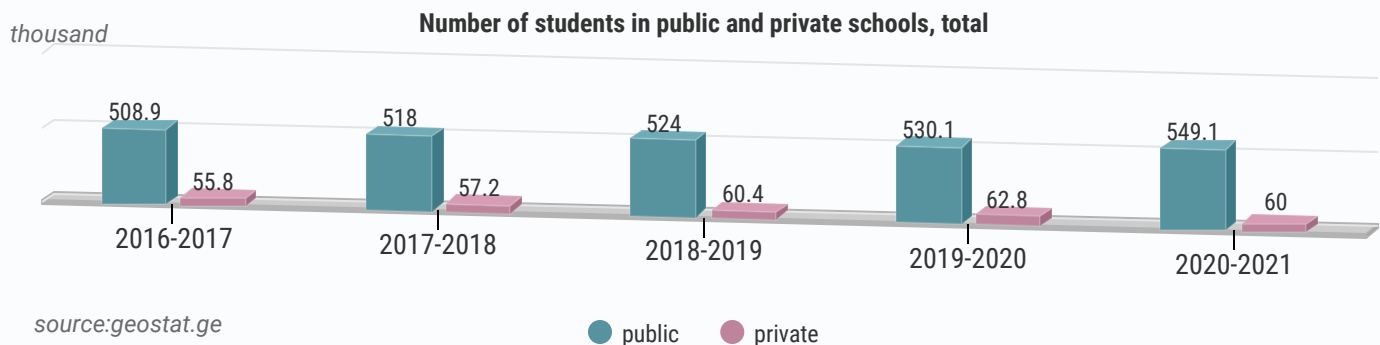
The number of public schools in Georgia is quite stable, although the number of private schools from 2016 to 2020 decreased by 13 units (6%), which indicates competition in the field. Against the background of the growing trend in the number of students from year to year (with the exception of 2020/2021, the number of private school students when there was a decrease of 4% compared to the previous year). Gradually, general education institutions make changes and introduce appropriate standards that

Meets the requirements of both Georgia and the world, which will be a prerequisite for success. According to the reporting portal website, in 2018-2019, the number of general education institutions amounted to 2,313 units. Below are the general education institutions and the number of students in them in the case of private and public schools (for the beginning of the school year) during the last five years, according to the official data of Geostat.



source:geostat.ge

As can be seen from the graph, the number of public schools in the last five years far exceeds the number of private schools. As for the redistribution of the number of students, it is as follows:



source:geostat.ge

The above statistics show that there are many more students in public schools, which can be determined by the cost of tuition fees.

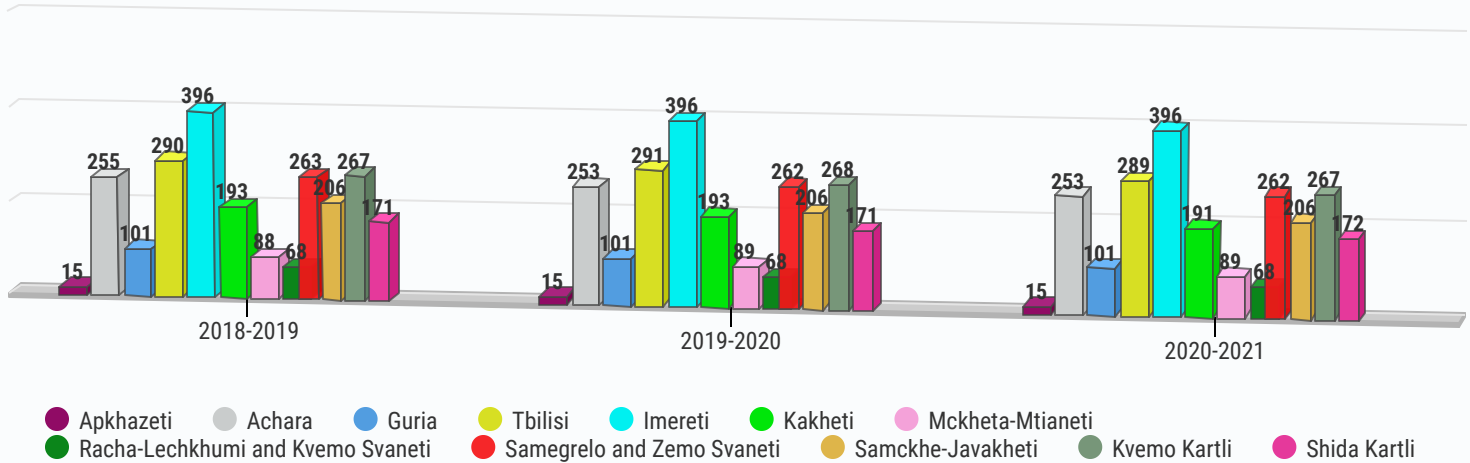
Overview of general education institutions



unit

The number of general education schools in Georgia by regions (for the beginning of the school year) is as follows:

Number of secondary schools by regions

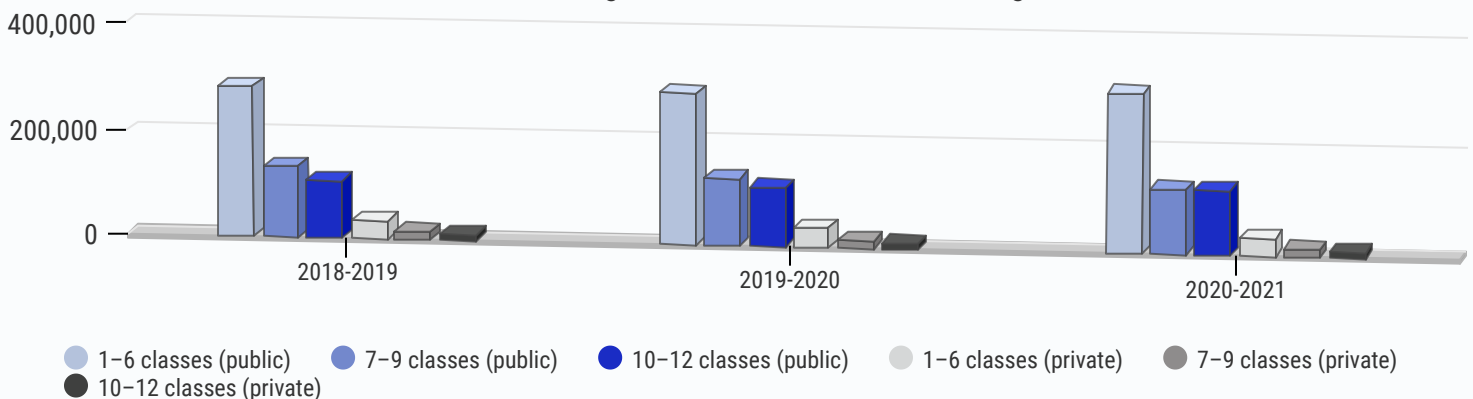


source:geostat.ge

As can be seen from the diagram, according to 2020-2021, the largest number of secondary schools is in Imereti - 396, followed by Tbilisi - 289 schools, and Kvemo Kartli - 267 schools. As for the distribution of students by grades (for the beginning of the school year), it is as follows:

human

Distribution of students in general education institutions according to classes



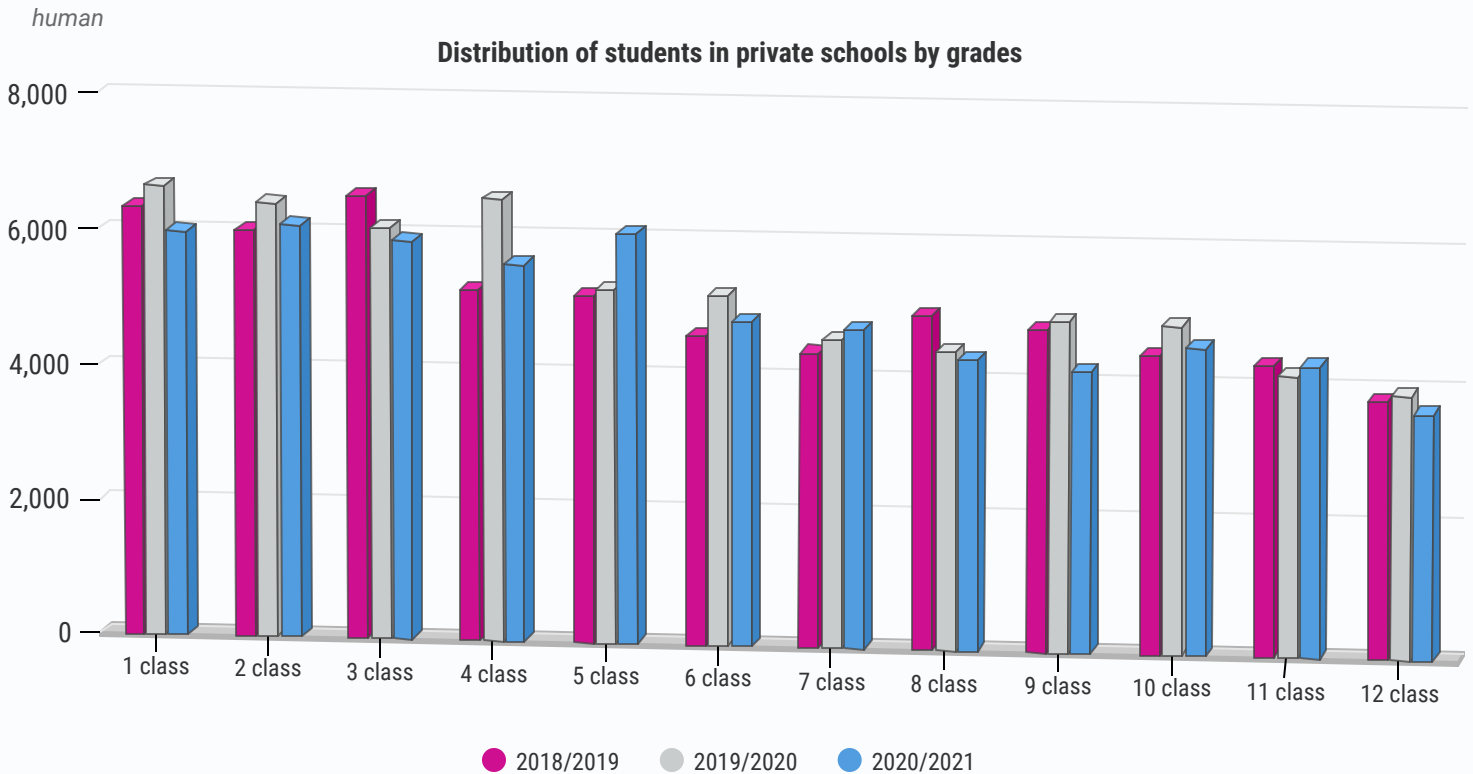
source:geostat.ge

As can be seen from the diagram, most students are enrolled in grades 1-6, with 302,149 students enrolled in 2020-2021. A similar trend is observed in the case of private schools, with 20,423 students enrolled in grades 1-6 in 2020-2021.



Overview of general education institutions

According to the Georgian National Statistics Office, the distribution of private school students by grade over the last three years (beginning of the school year) is as follows:



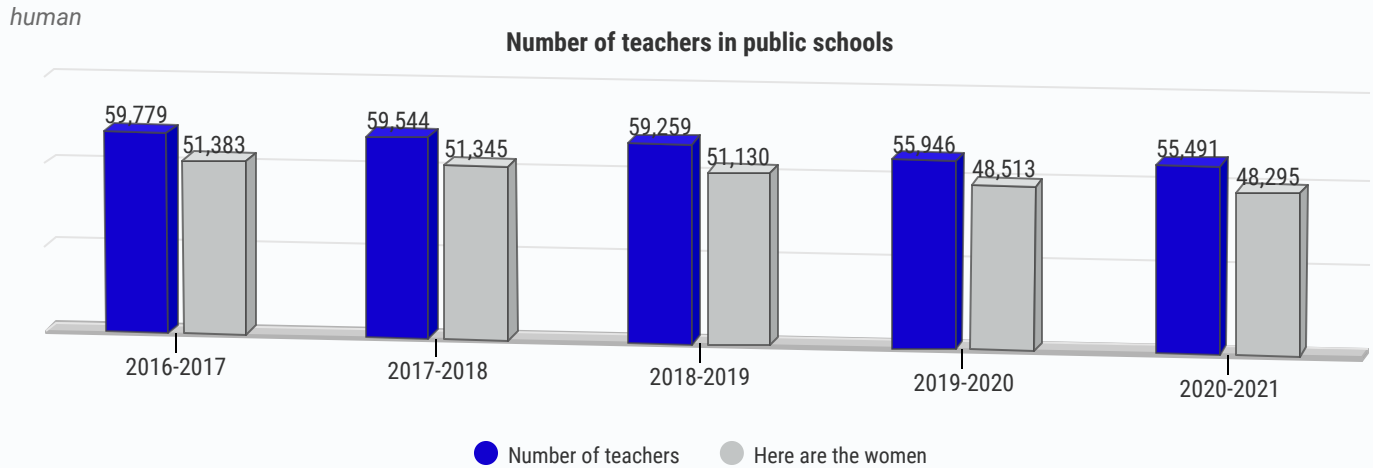
source:geostat.ge

As can be seen from the graph, the number of students in the last three years is much higher than the level of primary general education, in the case of private schools. During the last three years in 2019-2020, the maximum number of students in the first grade was 6,648, while in the same year 3,881 students were registered in the twelfth grade. If we look at the current statistics, we can say that only half of the students complete school and receive general education. In 2020-2021, the lowest number of students was recorded, both in the first -5991 and in the twelfth grade - 3612.



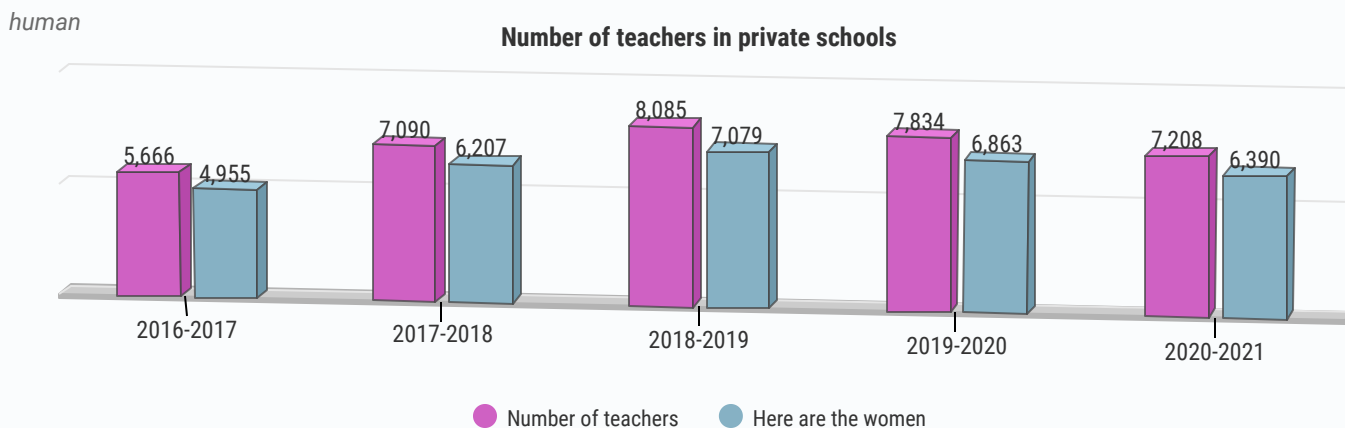
Overview of general education institutions

According to the National Statistics Office of Georgia, in 2018-2019 (for the beginning of the school year) the number of teachers in general education institutions was 67,344, of which the number of female teachers was 58,209.



source:geostat.ge

As can be seen from the graph, the number of teachers has decreased in recent years and in 2020-2021 the number of teachers in public schools was 55,491, of which the number of female teachers is 48,295 (87%). As for the number of teachers in private schools (for the beginning of the school year), the following are for the last five years:



source:geostat.ge

As can be seen from the graph, the number of teachers in private schools is much smaller compared to the public, which is logical given the number of institutions and students. During the last five years, in 2018-2019, the maximum number of teachers was recorded - 8 085, of which women - 7 079.

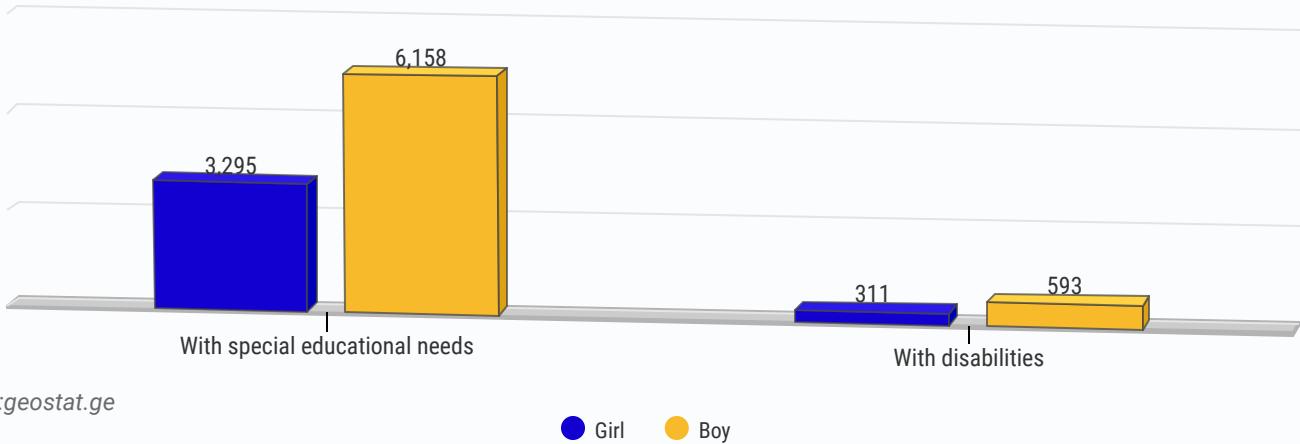


Overview of general education institutions

According to the National Statistics Office of Georgia, the number of students with special educational needs and disabilities in general education schools was 10,545. From here they study in public schools:

unit

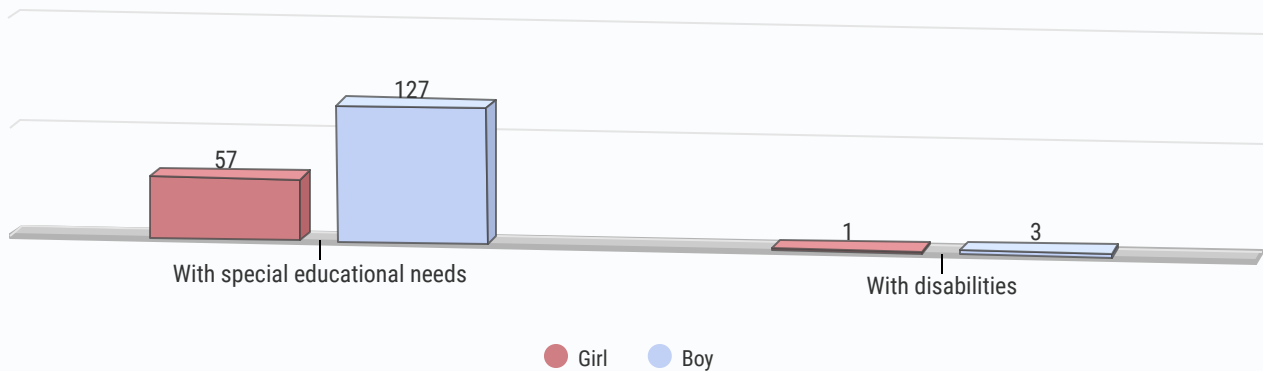
Distribution of students in public schools according to social status



source:geostat.ge

unit

Distribution of students in private schools according to social status



source:geostat.ge

As can be seen from the graphs, the number of students with special educational needs and disabilities in public schools is much higher than in private schools.

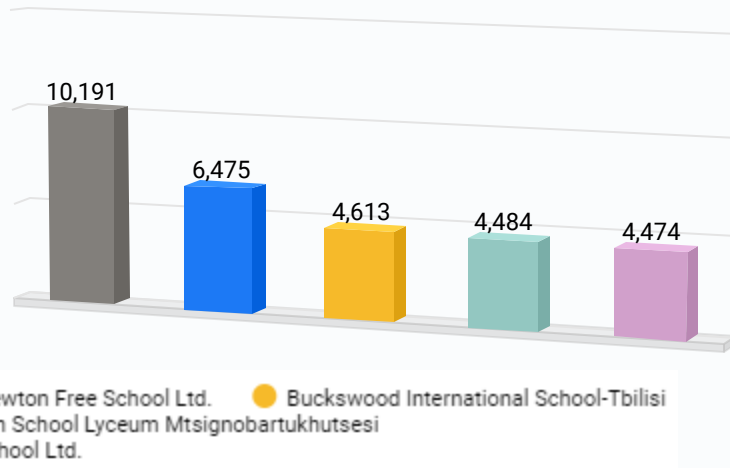


Top 5 Private Schools by Revenue (2018)

thousand,Gel

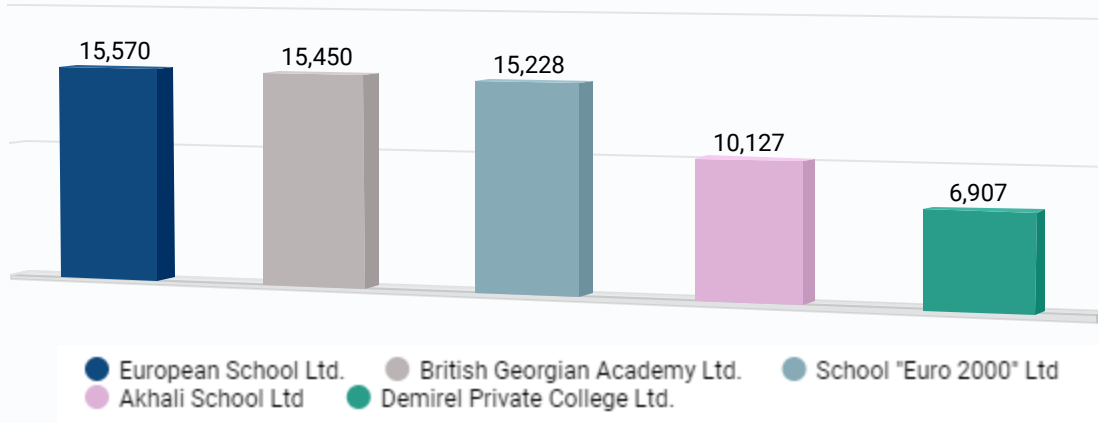
The total income of these schools represents 37% of the total income of the other private schools.

Top 5 Private Schools by Revenue (2018)



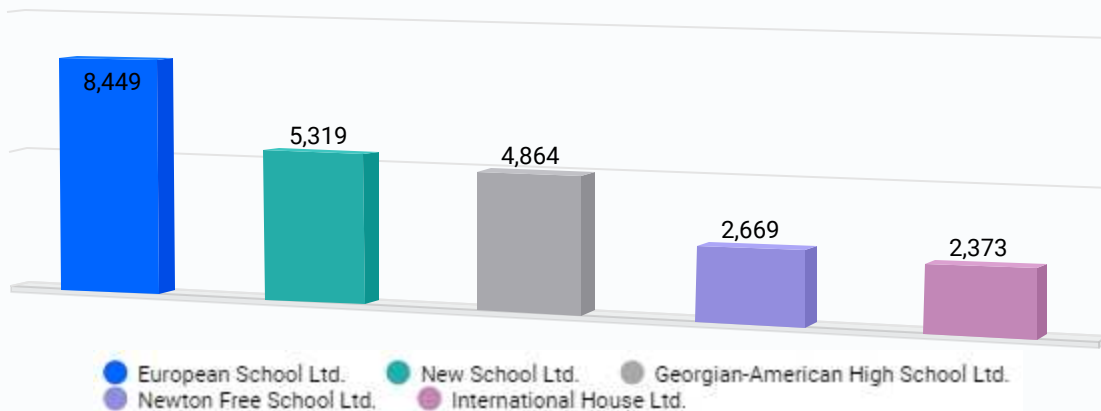
thousand,Gel

Top 5 Private Schools by Total Assets (2018)



thousand,Gel

Profit before taxation, Top 5 private schools (2018)

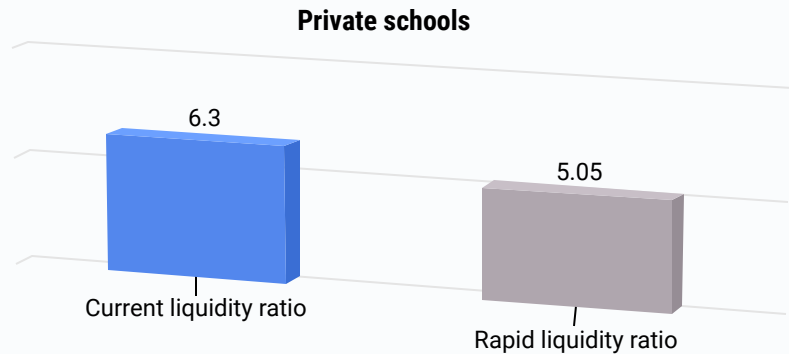




Average industry financial ratios (2018)

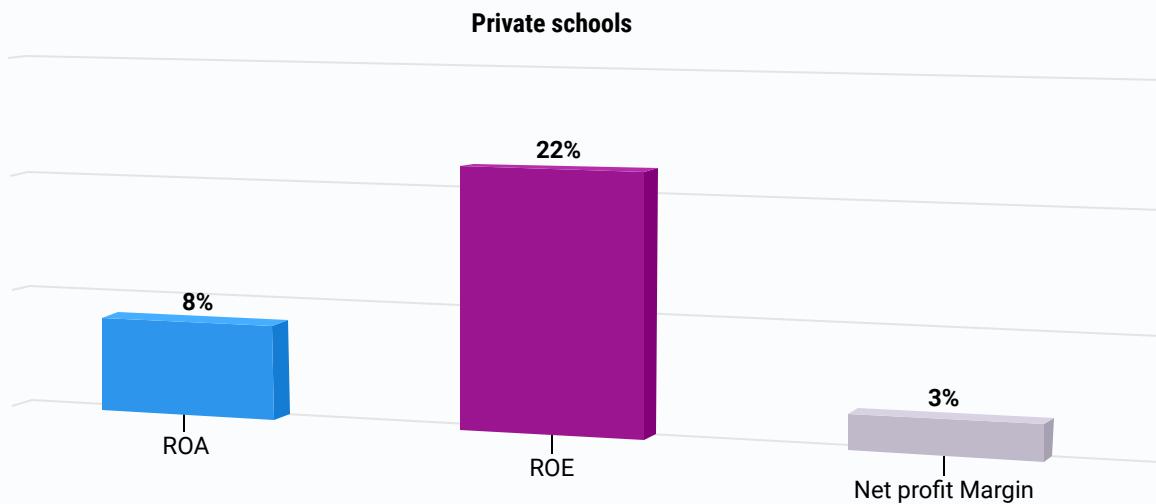
Liquidity ratios

The study revealed the liquidity ratios of private schools. Current and rapid liquidity ratios of 6.3 and 5.05, when the liquidity ratio is greater than 1, the indicator is considered satisfactory.



Profitability ratios

Private school profitability ratios were as follows: Annual return on assets for producers (ROA) was 8%, while return on equity was ROE of 22%, notably high costs in the industry, leaving a net profit margin of only 3%.

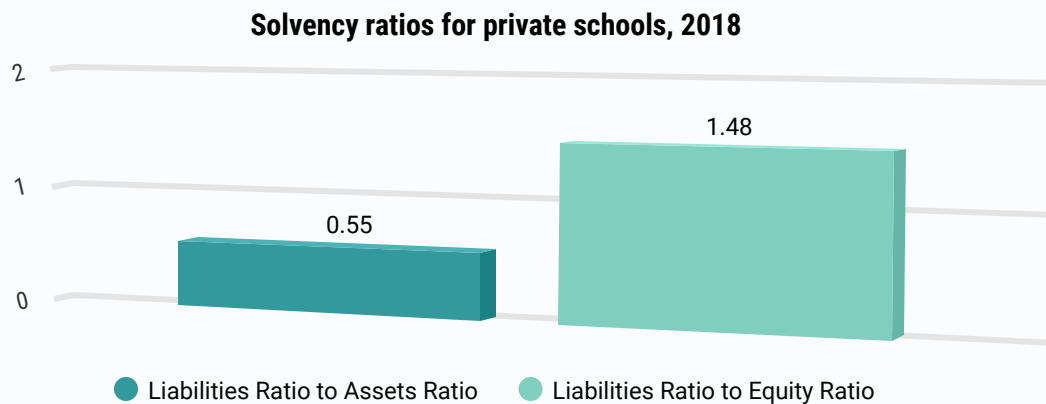




Average industry financial ratios (2018)

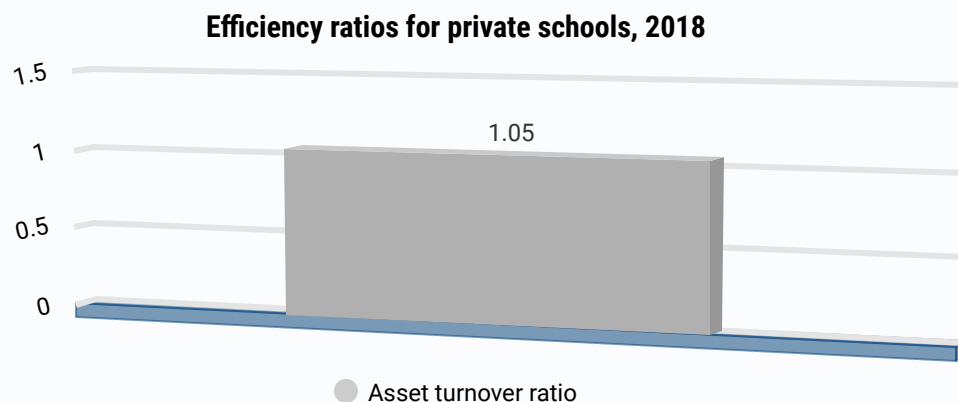
Solvency ratios

Liabilities The ratio of assets to liabilities shows the ratio of total assets to liabilities. For private schools, this figure is equal to 0.55, also noteworthy is the ratio of liabilities to equity, which is 1.48, which indicates how much the liabilities exceed capital expenditures.



Efficiency ratios

In the case of private schools, the asset turnover ratio is equal to 1.05. The higher this ratio, the more efficiently the company is able to use its assets in terms of sales volume.





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0171, p. Kavtaradze #10, I lane, Floor 4,
Tbilisi, Georgia



(995 322) 500 130



(995 599) 34 33 48



info@agic.ge

