



TAL Education Group Investor Presentation

April 2021



Disclaimer

This presentation has been prepared by TAL Education Group (the “Company”) solely for information purpose. By viewing or accessing the information contained in this material, you hereby acknowledge and agree that no representations, warranties or undertakings, express or implied, are made by the Company or any of its directors, shareholders, employees, agents, affiliates, advisors or representatives as to, and no reliance should be placed upon, the accuracy, fairness, completeness or correctness of the information or opinions presented or contained in this presentation. None of the Company or any of its directors, shareholders, employees, agents, affiliates, advisors or representatives accept any responsibility whatsoever (in negligence or otherwise) for any loss howsoever arising from any information presented or contained in this presentation or otherwise arising in connection with the presentation. The information presented or contained in this presentation is subject to change without notice and its accuracy is not guaranteed.

This presentation does not constitute an offer to sell or issue or an invitation or recommendation to purchase or subscribe for any securities of the Company for sale in the United States or anywhere else. No securities of the Company may be sold in the United States without registration with the United States Securities and Exchange Commission (the “SEC”) or an exemption from such registration pursuant to the Securities Act of 1933, as amended (the “Securities Act”) and the rules and regulations thereunder. No part of this presentation shall form the basis of or be relied upon in connection with any contract or investment decision in relation to any securities or otherwise. This presentation does not contain all relevant information relating to the Company or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of the Company. Nothing contained in this presentation shall be relied upon as a promise or representation as to the past or future performance of the Company. Past performance does not guarantee or predict future performance. You acknowledge that any assessment of the Company that may be made by you will be independent of this presentation and that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

Certain statements in this presentation, and other statements that the Company may make, are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. These statements reflect the Company’s intent, beliefs or current expectations about the future. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “projects,” “intends,” “anticipates,” “believes,” “confident” or words of similar meaning. These forward-looking statements are not guarantees of future performance and are based on a number of assumptions about the Company’s operations and other factors, many of which are beyond the Company’s control, and accordingly, actual results may differ materially from these forward-looking statements. The Company or any of its affiliates, advisers or representatives has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

Mission, Vision and Values



Mission

Making Education Better with Love and Technology



Vision

To be a Respectable Education Institution



Values

Customer Orientation, Pragmatism, Innovation, Cooperation



Company Highlights

Industry Leader in Large and Attractive Market

Strong Brand, Recognized for High Quality Teaching, Proprietary Content, and Student Outcomes

Significant Scale and Reach Offline and Online



Strong Operational Performance with Consistent Growth

High Visibility Recurring Revenue Model with Strong Cash Flow

Leading Edge of Science and Technology Development

What We Do – Core Business Units

We Cover Core Subjects in the K-12 School Curriculum ¹

	Primary School						Middle School			High School			
	K	1	2	3	4	5	6	7	8	9	10	11	12
Mathematics	●	●	●	●	●	●	●	●	●	●	●	●	●
English	●	●	●	●	●	●	●	●	●	●	●	●	●
Chinese	●	●	●	●	●	●	●	●	●	●	●	●	●
Physics								●	●	●	●	●	●
Chemistry										●	●	●	●
Biology								●	●	●	●	●	●
Politics								●	●	●	●	●	●
History								●	●	●	●	●	●
Geography								●	●	●	●	●	●



Small Class

学而思培优 学而思本地网课

First Leap 励步英语
FUTURE LEADERS' INSTITUTE

Mobby 摩比思维



Online School

学而思网校
— 每天进步一点点 —



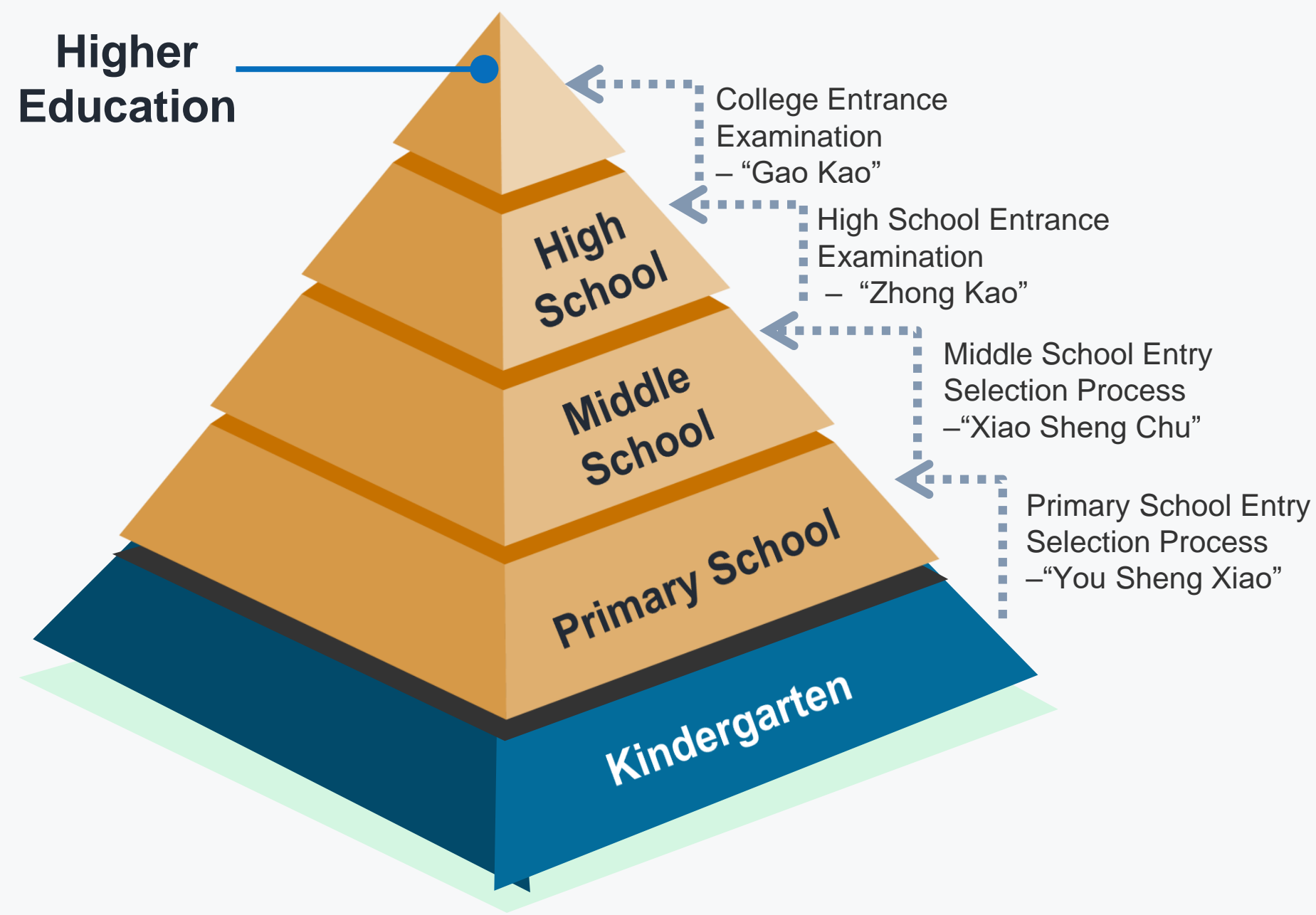
Personalized Premium
Services (1-on-1)

学而思·爱智康

¹ “●” Denotes currently offered course

Reform of College Entrance Examination Creates New Opportunities

Examination-Focused Education System



1

“3+Comprehensive Exam” to “3+3”

3+Comprehensive Exam: Choose between Comprehensive Liberal Arts and Comprehensive Science

3+3: Choose 3 courses among Physics, Chemistry, Biology, Politics, History and Geography

- Reform of college entrance exam has influenced High School Entrance Exam.
- Longer period, more Complicated rules and increased uncertainty push students to prepare earlier.

2

Gradually Uniform College Entrance Exam

- Efficiency of content development will improve.

Based Upon High Teaching Quality and Differentiated Proprietary Content

Optimized Teacher Management System



Selective Hiring Process

- Top university graduates
- Rounds of tests and interviews



Comprehensive Training

- Comprehensive new teacher training
- Regular ongoing training



Rigorous Evaluation Process

- Continuous evaluation
- Performance based compensation

Proprietary Content Development

Review local curriculum requirements

Analyze latest trends

Develop tailored course materials

Collect teacher and student feedback

Regular evaluation and improvement process

Experienced in-house content development team

External education experts hired as advisors

IP transfer and content license agreements with leading international publishers for English subject areas

Straightforward Strategy to Expand Scale Both Offline and Online



Further penetrate existing markets by both online and offline offerings



Enter new markets: Target to enter new cities each year



Polishing online and mobile offerings, expanding online engagement



Enhance content offering across subjects and grade levels



Maintain premium pricing while diversifying programs

Large Untapped Geographic Expansion Opportunity

Incremental Center Opportunities

City	Year of Entry	# of Small Class Centers		# of One-on-One Centers	# of Total Learning Centers
		# of Peiyou Centers	# of Firstleap and Mobby Centers		
Beijing	2003	94	35	26	155
Shanghai	2008	81	2	17	100
Guangzhou	2009	62	1	18	81
Nanjing	2011	49	22	8	79
Shenzhen	2010	63	1	15	79
Hangzhou	2011	58		7	65
Chongqing	2012	38	6	2	46
Tianjin	2008	39		6	45
Xi'an	2011	28		9	37
Wuhan	2008	30		5	35
Suzhou	2012	27	2	5	34
Shenyang	2012	15	9	2	26
Zhengzhou	2012	22		4	26
Chengdu	2011	20		6	26
Jinan	2014	13		4	17
Changsha	2014	15		1	16
Hefei	2016	10	4		14
Qingdao	2014	11		1	12
Taiyuan	2012	11		1	12
Shijiazhuang	2014	12			12
Fuzhou	2015	11			11
Nanchang	2015	8			8
Foshan	2017	8			8
Wuxi	2015	6			6
Zhenjiang	2017	6			6
Changzhou	2017	5			5
Ningbo	2015	5			5
Zibo	2018	5			5

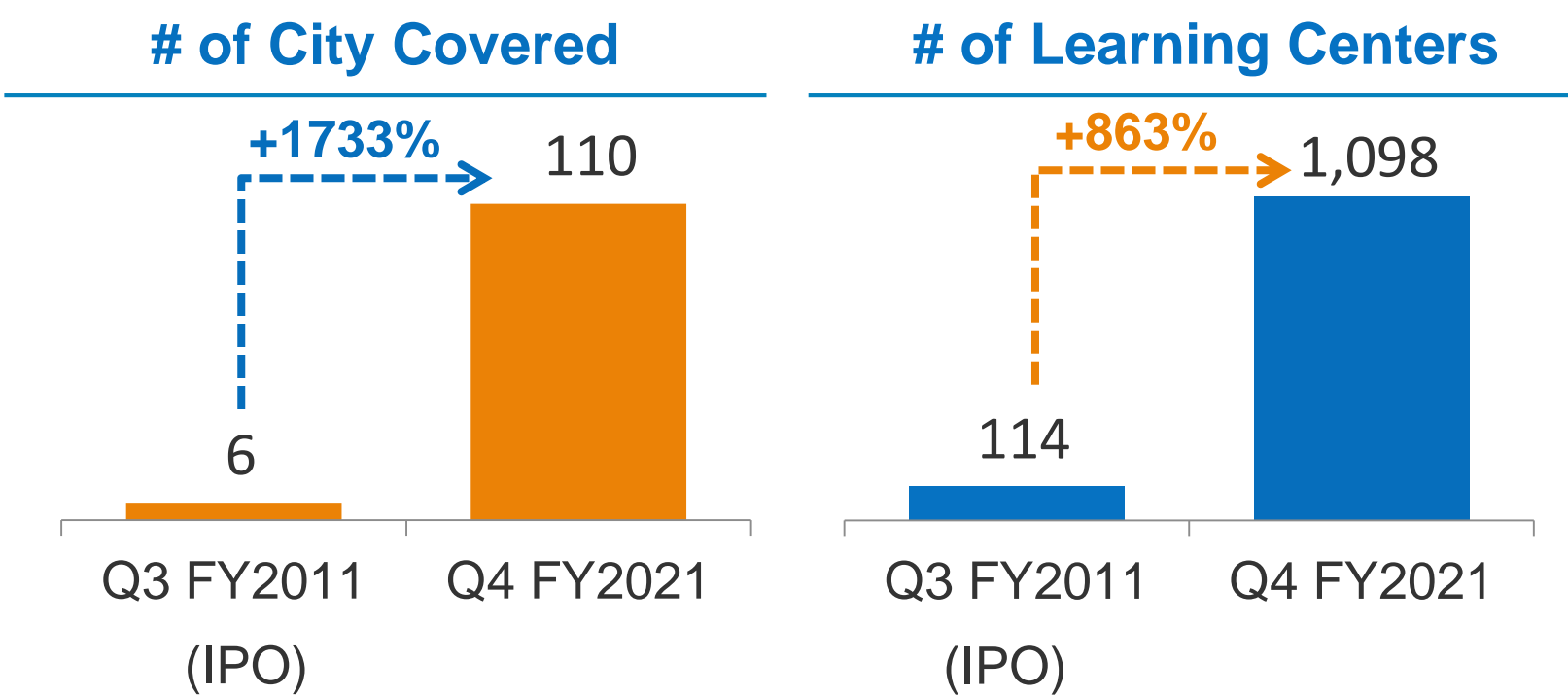
City	Year of Entry	# of Small Class Centers		# of One-on-One Centers	# of Total Learning Centers
		# of Peiyou Centers	# of Firstleap and Mobby Centers		
Guiyang	2016	4			4
Dongguan	2017	4			4
Xuzhou	2017	4			4
Lanzhou	2017	4			4
Wenzhou	2017	4			4
Yangzhou	2017	4			4
Huai'an	2018	4			4
Changchun	2016	3			3
Nantong	2017	3			3
Luoyang	2015	3			3
Dalian	2017	3			3
Huizhou	2018	3			3
Xiamen	2017	2			2
Yantai	2017	2			2
Zhongshan	2017	2			2
Shaoxing	2017	2			2
Kunming	2018	2			2
Yinchuan	2018	2			2
Weifang	2018	2			2
Hong Kong	2019	2			2
Langfang	2019	2			2
Yancheng	2019	2			2
Linyi	2018	2			2
Taizhou(台州)	2019	2			2
Lianyungang	2019	2			2
Wuhu	2020	2			2
Handan	2018	1			1
Nanning	2018	1			1

City	Year of Entry	# of Small Class Centers		# of One-on-One Centers	# of Total Learning Centers
		# of Peiyou Centers	# of Firstleap and Mobby Centers		
Urumchi	2018	1			1
Haikou	2018	1			1
Ha'erbin	2018	1			1
Hohhot	2018	1			1
Tangshan	2018	1			1
Jining	2019	1			1
Tai'an	2019	1			1
Suqian	2019	1			1
Jinhua	2019	1			1
Quanzhou	2019	1			1
Taizhou(泰州)	2019	1			1
Jiaxing	2019	1			1
Zaozhuang	2019	1			1
Zhangzhou	2019	1			1
Silicon Valley	2019	1			1
Yueyang	2020	1			1
Changde	2020	1			1
Hengyang	2020	1			1
Zhuzhou	2020	1			1
Xiangtan	2020	1			1
Zhanjiang	2020	1			1
Zhuhai	2020	1			1
Jiangmen	2020	1			1
Shantou	2020	1			1
Xiangyang	2020	1			1
Yichang	2020	1			1
Mianyang	2020	1			1
Deyang	2020	1			1

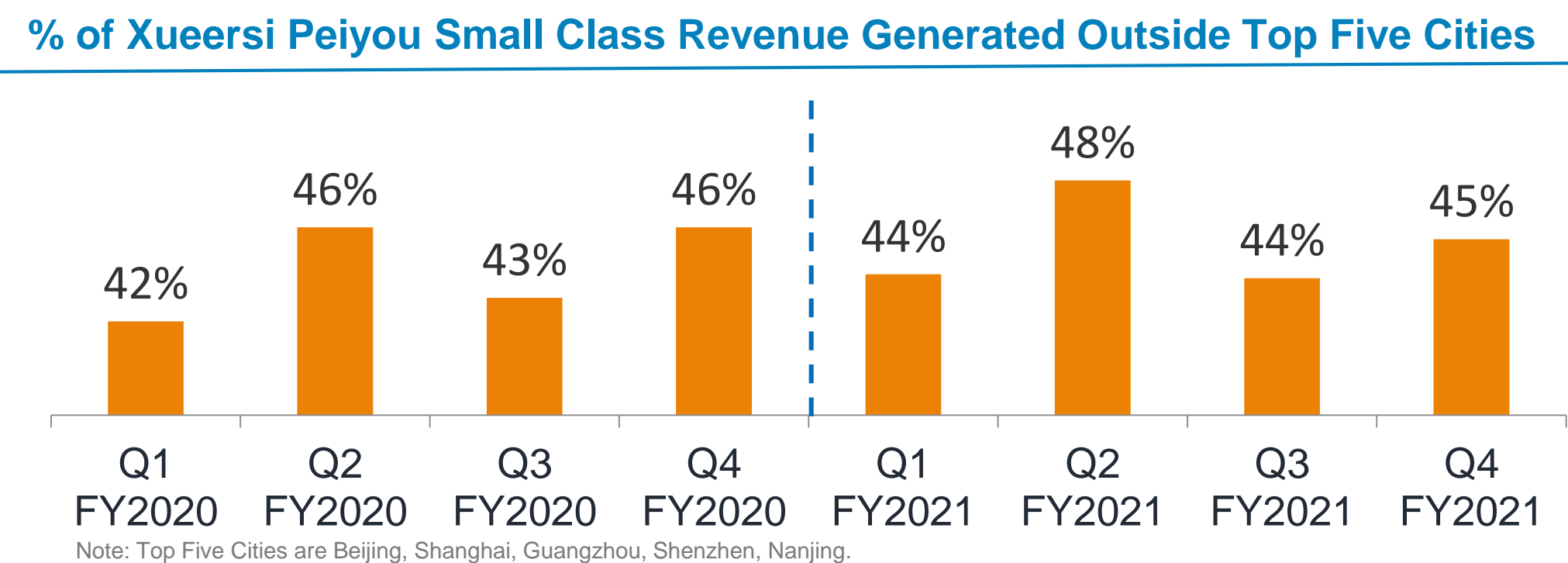
City	Year of Entry	# of Small Class Centers		# of One-on-One Centers	# of Total Learning Centers
		# of Peiyou Centers	# of Firstleap and Mobby Centers		
Liuzhou	2020	1			1
Zunyi	2020	1			1
Baotou	2020	1			1
Xining	2020	1			1
Baoji	2020	1			1
Baoding	2020	1			1
Xianyang	2020	1			1
Yulin	2020	1			1
Huzhou	2020	1			1
Ganzhou	2020	1			1
Jiujiang	2020	1			1
Chenzhou	2020	1			1
Dongying	2020	1			1
Dezhou	2020	1			1
Heze	2020	1			1
Binzhou	2020	1			1
Maoming	2020	1			1
Jieyang	2020	1			1
Ma'anshan	2021	1			1
Cangzhou	2021	1			1
Weihai	2021	1			1
Liaocheng	2021	1			1
Rizhao	2021	1			1
Yibin	2021	1			1
Nanchong	2021	1			1
Zhaoqing	2021	1			1
Total		879	82	137	1098

Ongoing Progress Since IPO in Fiscal Year 2011

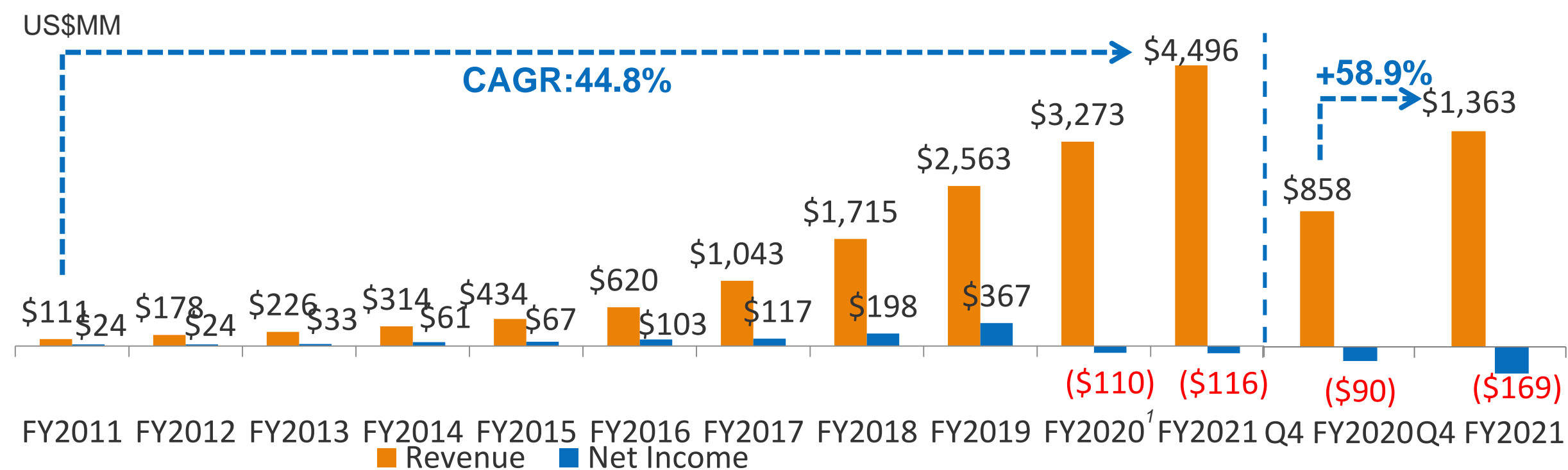
Expanding Scale



Increasing Geographical Footprint

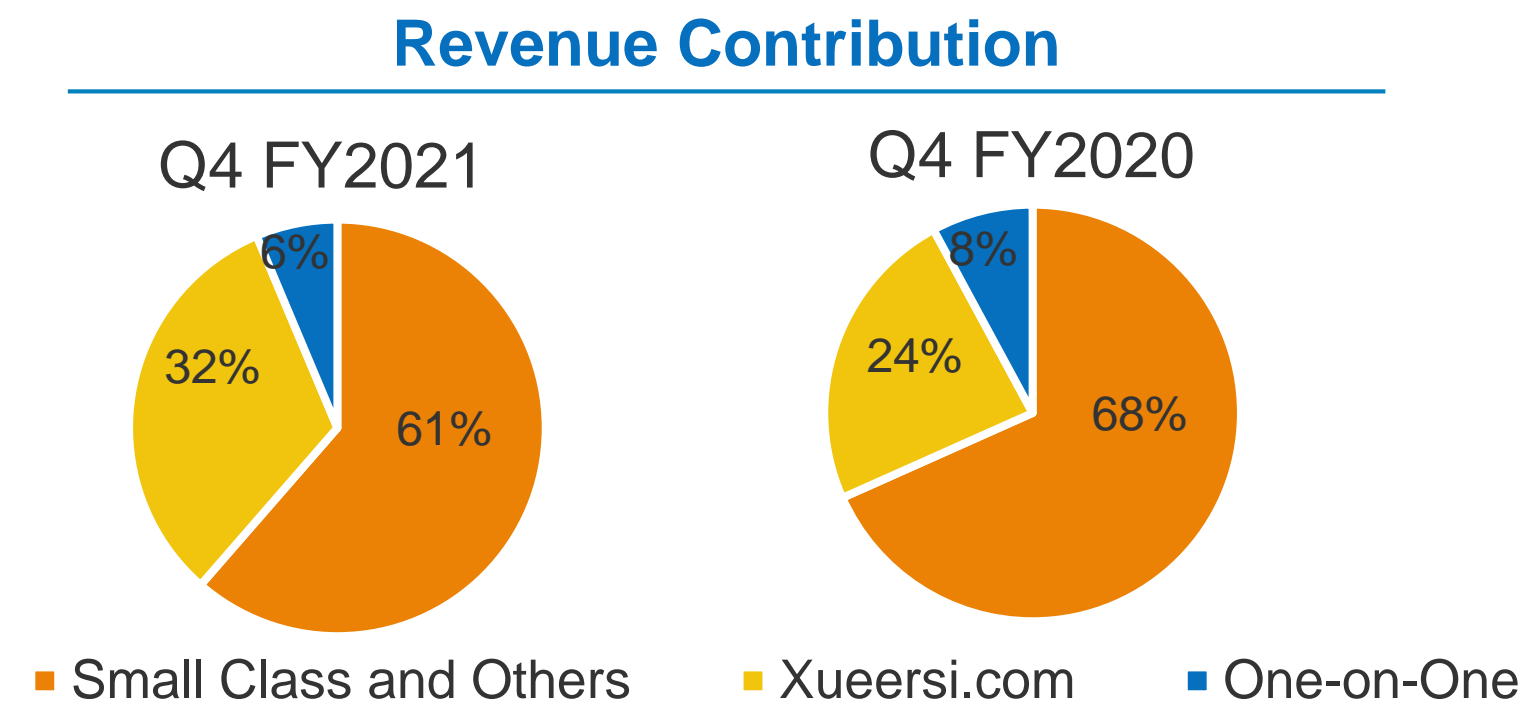
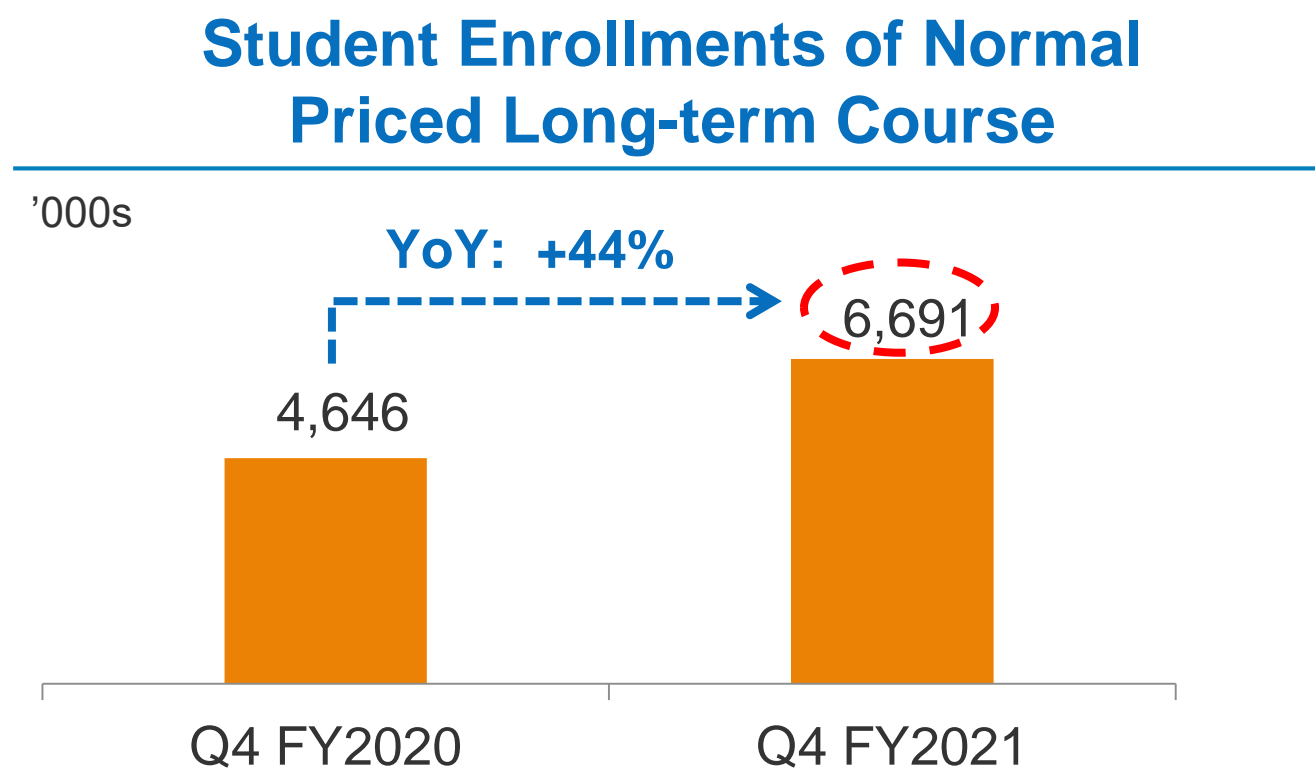
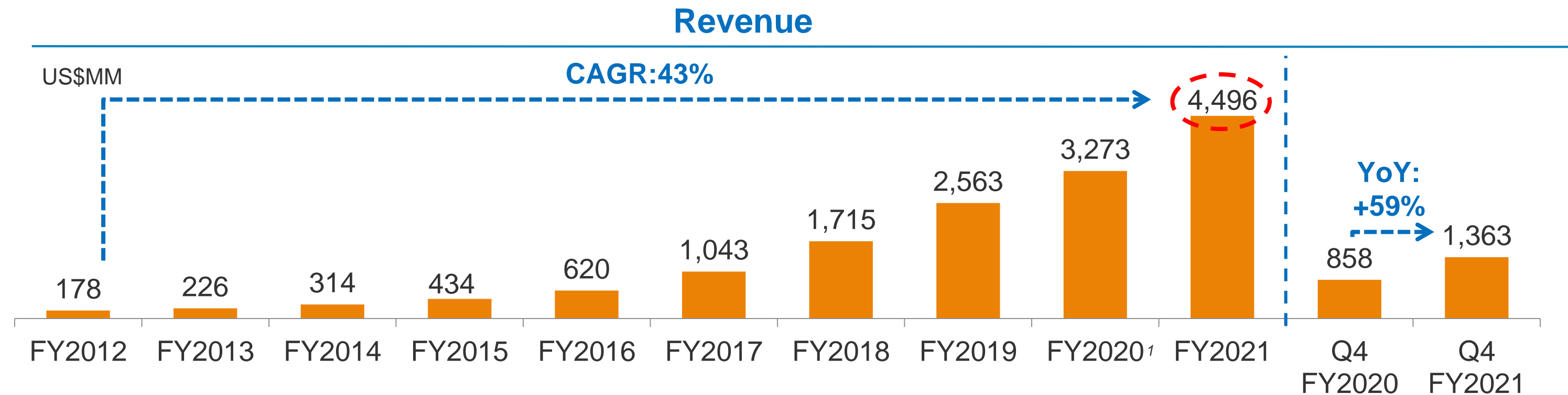


Growth in Revenue / Net Income



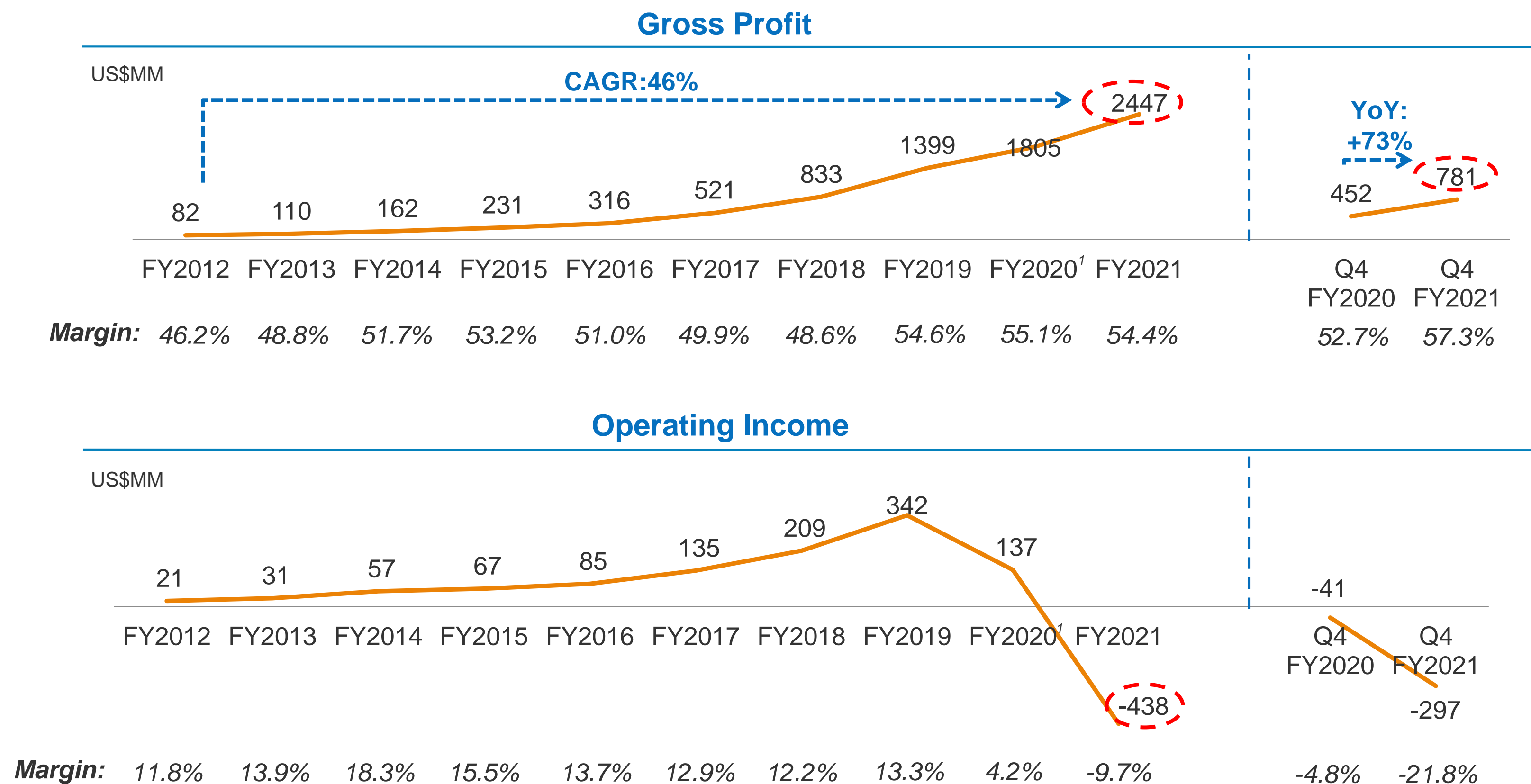
Note: Year and period are as per fiscal year.
1: Included the partial corrections in relation to "Light Class" business.

Topline Growth Driven by Online and Offline Business



¹: Included the partial corrections in relation to "Light Class" business.

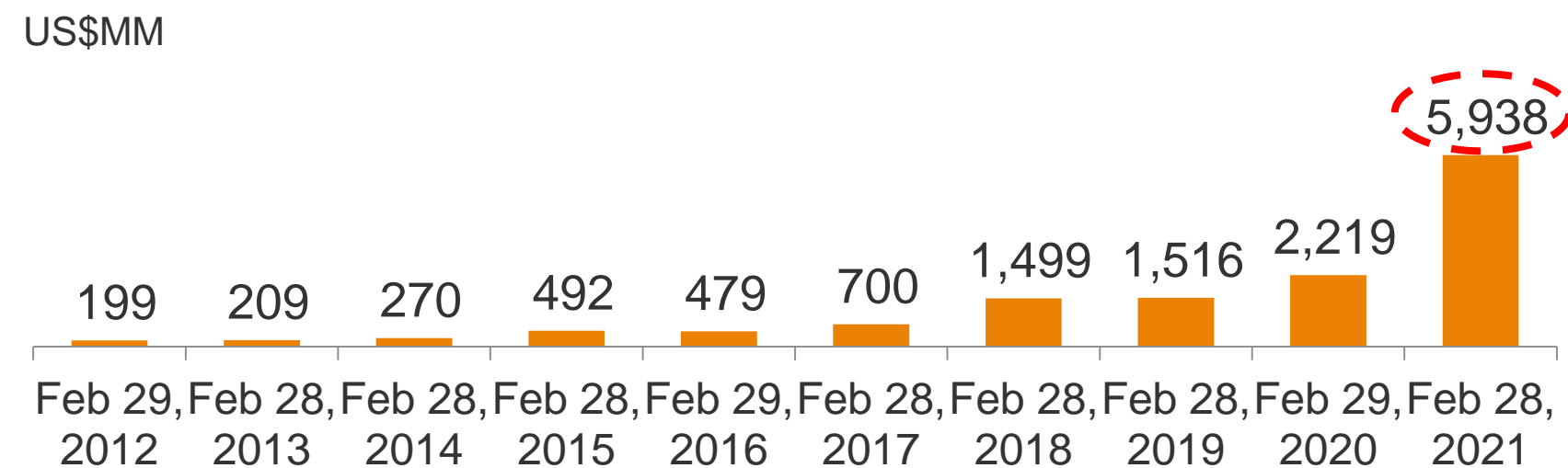
Ongoing Investments to Increase Future Growth



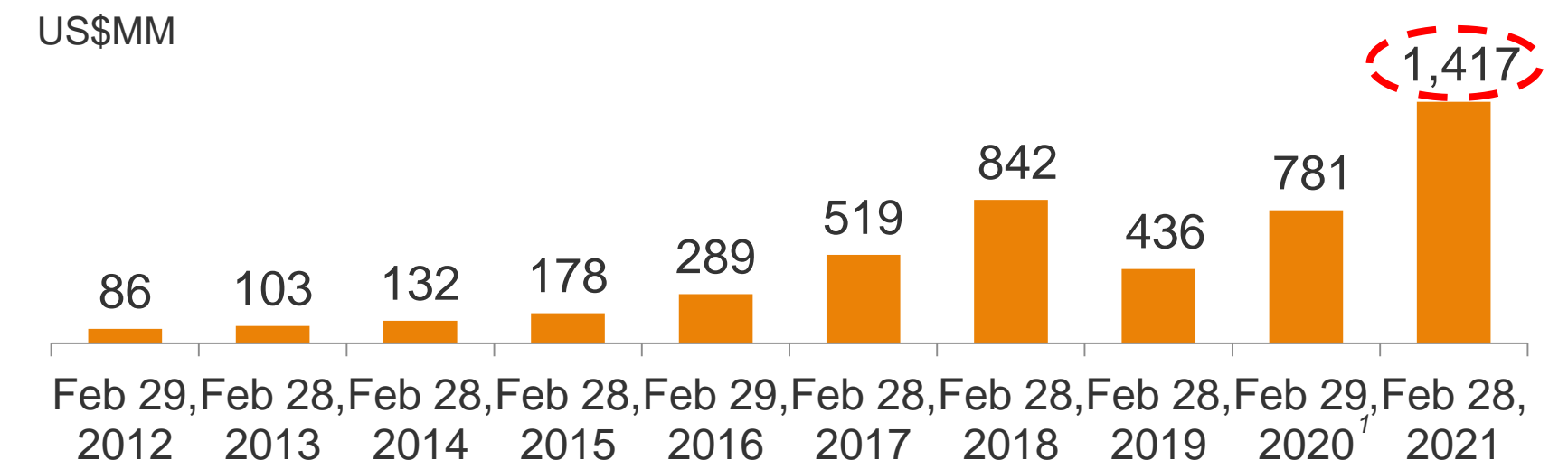
1: Included the partial corrections in relation to "Light Class" business.

While High Visibility Cash Flows Provide Strength to Balance Sheet

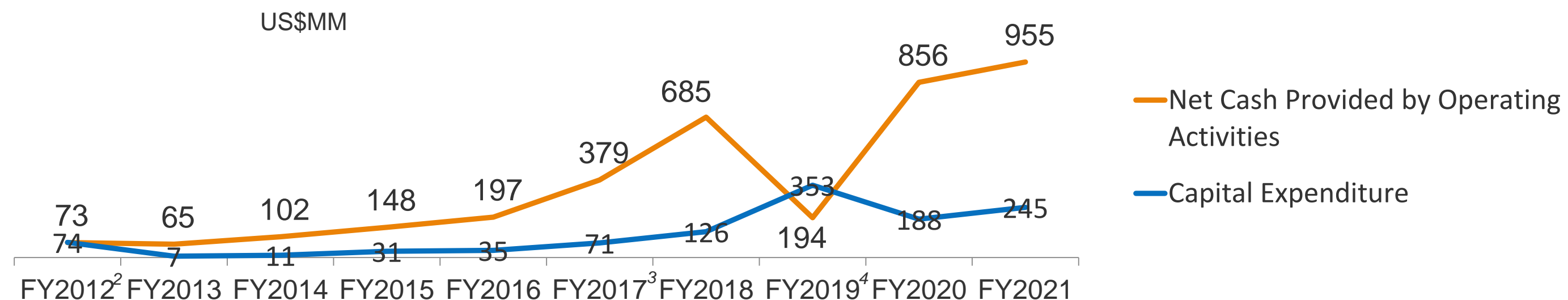
Cash, Cash Equivalents, Term Deposits and Short-term Investments



Deferred Revenues



Free Cash Flow



1: The Group adopted Revenue from Contracts with Customers ("Topic 606") on March 1, 2018. Reclassification was made from deferred revenue to accrued expenses and other current liabilities for tuition collected that may be refunded to the customers in the future if students withdraw from a course for any remaining classes. The Group adopted government policy from the Third Quarter of Fiscal Year 2019 that advanced tuition fees of more than three months may not be collected.

2: Capital expenditure in fiscal year 2012 was US\$74.3 million. The significant increase was primarily related to the purchase of office space for headquarter in Beijing in the amount of \$62.5 million.

3: The Group adopted ASU 2016-09 standard on March 1, 2017. The retrospective application resulted in a \$9.4 million and \$19.5 million reclassification of these cash outflows from operating activities to financing activities on our consolidated statements of cash flows for the years ended February 29, 2016 and February 28, 2017, respectively.

4: Capital expenditure in fiscal year 2019 was US\$353.3 million. The significant increase was mainly due to prepayments for purchase of land use right of \$209.9 million.

Experienced Management Team and Distinguished Board

Bangxin Zhang: CEO and Director since inception

Yunfeng Bai: Chairman since Jan 2020, President since Oct 2016, Senior VP of TAL from Apr 2011 to Oct 2016, 15+ years with TAL

Jane Jie Sun: Audit Committee Chair, Independent Director since Oct 2010, CEO and Director of Ctrip Inc.

Weiru Chen: Compensation Committee Chair, Independent Director since June 2015, associate professor of strategy at China Europe International Business School (“CEIBS”)

Kaifu Zhang: Nominating & Corporate Governance Committee Chair, Independent Director since Oct 2016, assistant professor of Marketing and the Xerox Junior Chair at the Tepper School of Business, Carnegie Mellon University

Yachao Liu: COO effective from Jun 2017, Company Director from Oct 2016 to Jan 2020, Senior VP of TAL from Apr 2011 to Oct 2016, 15+ years with TAL

Rong Luo: CFO effective from Nov 1st 2014, former CFO of eLong Inc.

Mi Tian: CTO effective from May 2020, joined TAL in May 2019



Thank You

Address: 15/F Danling SOHO, No. 6 Danling Street,
Haidian District, Beijing 100080

Email: ir@tal.com

Tel: +8610 5292 6658

