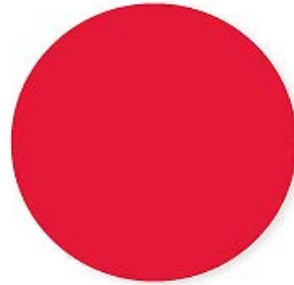


TAKING SINGAPORE'S  
NO. 1 PREMIUM PRESCHOOL  
TO THE WORLD



Annual General Meeting  
30 April 2019

MindChamps<sup>®</sup>  
preschool

# Disclaimer

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# Video: 2018 Highlights



# Video: Australia's Entrepreneurs TV



***Our Founder CEO David Chiem***

***Featured on Australia's Entrepreneurs TV as a***

***"VISIONARY WHO IS TRANSFORMING***

***THE WORLD OF EDUCATION."***

# Business Updates

**Presented by Mr David Chiem Phu An**

Chief Executive Officer

**Did You Know?**  
**MindChamps is**  
**THE ONLY...**



Emeritus Professor  
Allan Snyder FRS



## Mr Trevor H. Cairney OAM



- **Accorded the Order of Australia Medal (OAM) in 2012**
- **Adjunct Professor at the University of New South Wales, Department of Education**
- **President of the New South Wales Business Chamber**
- **Written nine books and over 200 reports, articles and book chapters on early learning, training, language acquisition and development**



# Ms Libby Gleeson AM

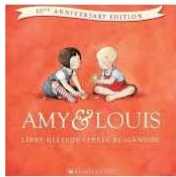


- **Member of the Order of Australia (2007)**
- **Adjunct Associate Professor at the University of Sydney, Department of Education and Social Work**
- **Award-winning writer for picture books and fiction titles, including Hannah and the Tomorrow Room, An Ordinary Day, and Amy and Louis**
- **Chair of WestWords, Western Sydney's Literature Development Organization for Young People**

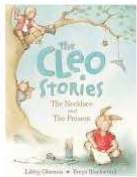


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- ruby red
- clancy
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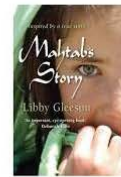
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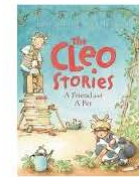
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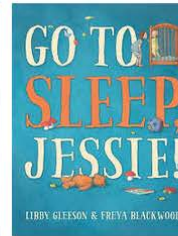
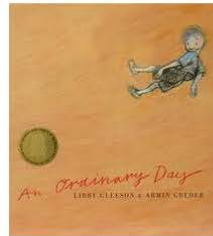
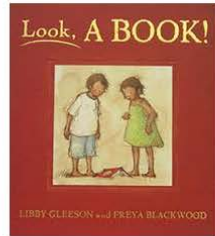
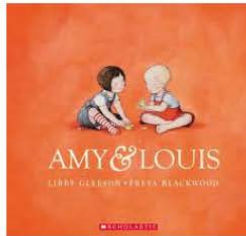
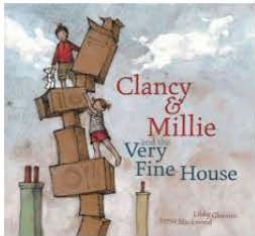
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Oscars nominated director  
Dr Scott Hicks

“One of the year’s best films.  
It’s brilliant, electrifying acting  
and filmmaking.”

— Jay Carr, THE BOSTON GLOBE

## 7 Academy Award Nominations



# Shine

FINE LINE FEATURES PRESENTS  
A MOMENTUM FILMS PRODUCTION A SCOTT FRICKS FILM SHINE  
ARVIN MIKELLER, SCHAL, MOAH TAYLOR, GEOFFREY BUSH  
LYNN REDGRAVE AND JOHN GIELGARD MUSIC BY SCOTT FRICKS COSTUME DESIGNER KEVIN HENSEN  
EDITED BY IZZY MULLINGER CASTING CONSULTANTS TONY AND VICKI NEEDS  
PRODUCTION DESIGNER GEOFFREY STUBSON EXECUTIVE PRODUCERS PIPP KARNEL AND DAVID HIRSCHFELDER  
PRODUCED BY JOHN SARGEY WRITTEN BY JANE SCOTT DIRECTED BY SCOTT FRICKS  
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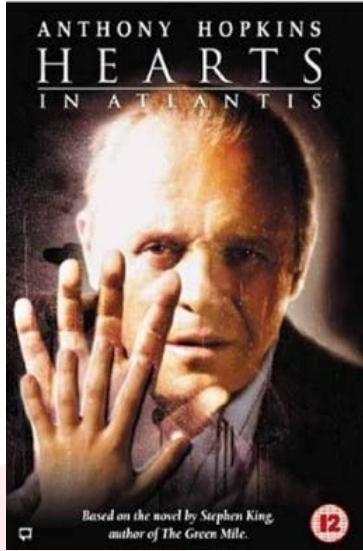
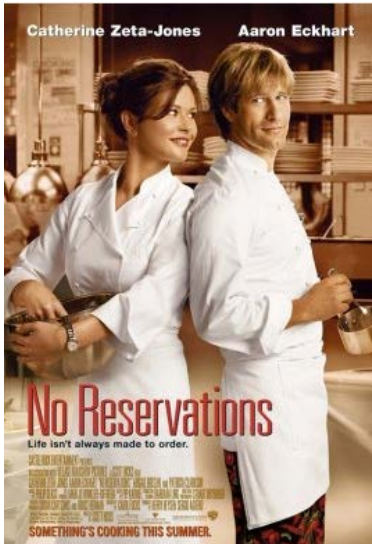
















# MindChamps Version 2.0

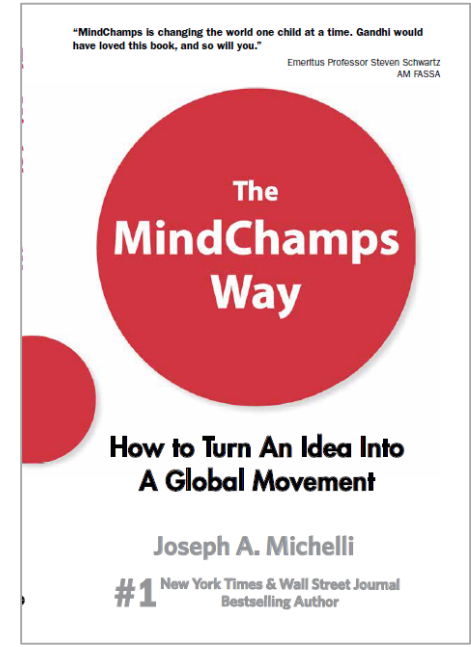
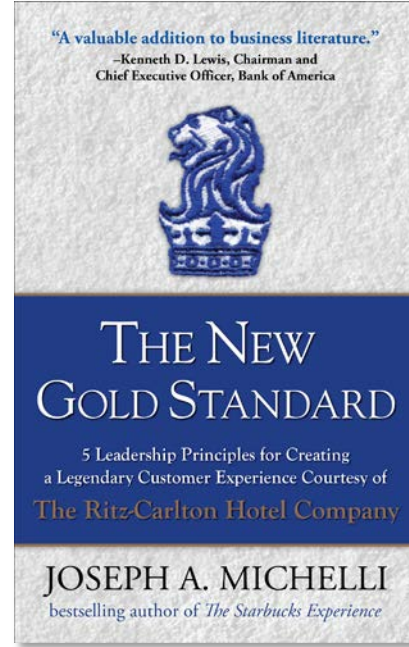
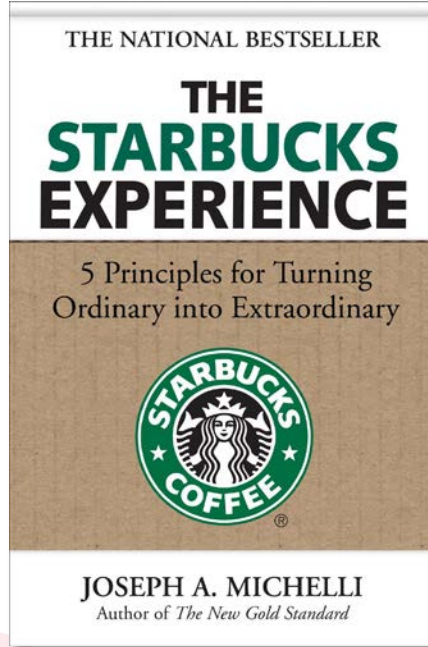
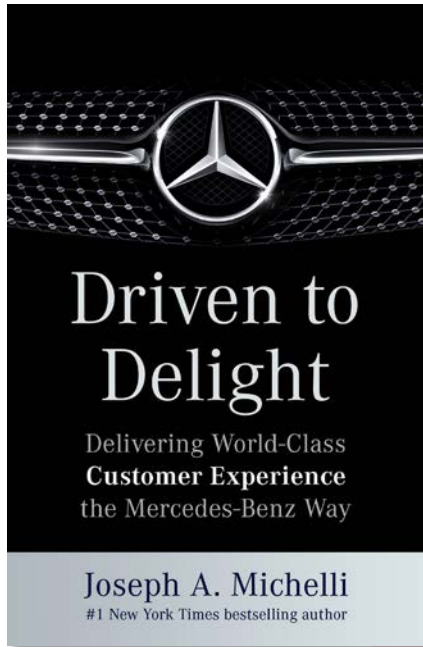


## Dr Joseph Michelli

#1 NYT & WSJ Best-selling author  
World-renowned master trainer

- **Wall Street Journal, USA Today, Publishers Weekly, Nielson Bookscan and New York Times #1 bestselling author**

# Books written by Dr Joseph Michelli



*While the companies featured in my prior books demonstrate impressive brand power, none of them have been in a position to fundamentally shape society on par with MindChamps. Given its industry, MindChamps is influencing the future of individuals, families, communities, countries, and the education system worldwide. The former President of South Africa, anti-apartheid crusader, and revolutionary Nelson Mandela put it this way:*

*"Education is the most powerful weapon which you can use to change the world."*

**Joseph A. Michelli**

"MindChamps is changing the world one child at a time. Gandhi would have loved this book, and so will you."

Emeritus Professor Steven Schwartz  
AM FASSA

**The MindChamps Way**

# The MindChamps Way

**How to Turn An Idea Into  
A Global Movement**

**Joseph A. Michelli**

**#1** New York Times & Wall Street Journal  
Bestselling Author

Joseph A. Michelli



*Almost a century ago, Mahatma Gandhi published a short newspaper article.*

*Gandhi was not concerned with petty politics, sports or the latest fad. His topic was sin. Not religious transgressions, but social evils such as wealth without work, commerce without morality, and knowledge without character.*

*Gandhi acknowledged that most people understood these sins intellectually, but few dedicated their hearts to eliminating them. The MindChamps team is clearly among those few. MindChamps has a moral vision and is driven by a mission — to provide high-quality education from the very earliest years of life. Placing integrity and ethics foremost, MindChamps provides the highest form of education, one that focusses on character as well as knowledge. As the MindChamps Way demonstrates, it is possible to be financially successful and still live up the highest virtues and ideals. MindChamps is changing the world one child at a time. Gandhi would have loved this book.*

**Emeritus Professor Steven Schwartz AM, FASSA**

*Former Chairman of the Australian Curriculum Assessment and Reporting Authority and former Vice-Chancellor of Macquarie University, Brunel University and Murdoch University*

# Performance Highlights

**Presented by Mr Teo Wee Jone**

Chief Financial Officer



# Key Financial Highlights (\$Mil)

Revenue

\$37.0

62% ↑

Gross Profit

\$22.3

47% ↑

Ops Profit

\$8.1

29% ↑

PBT

\$6.8

31% ↑

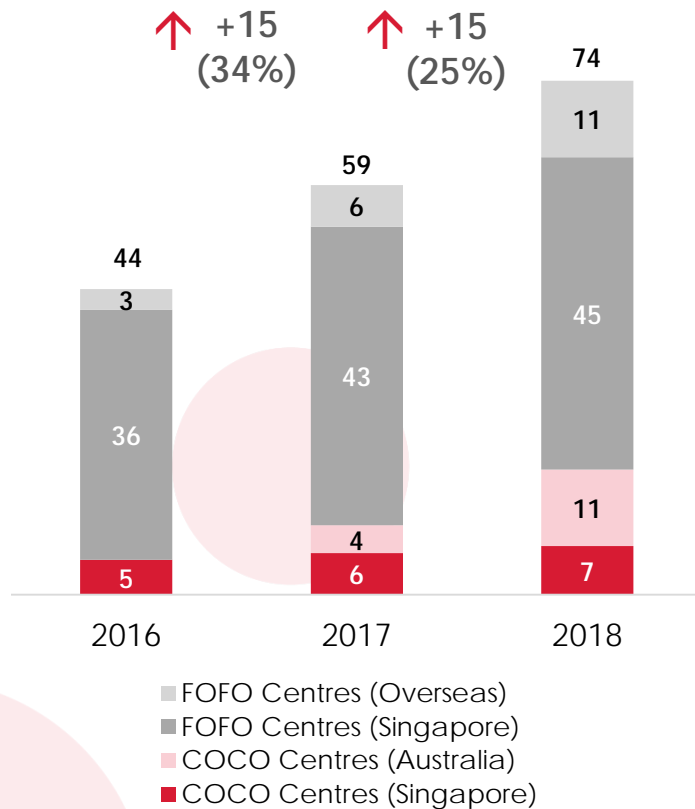
PAT

\$6.5

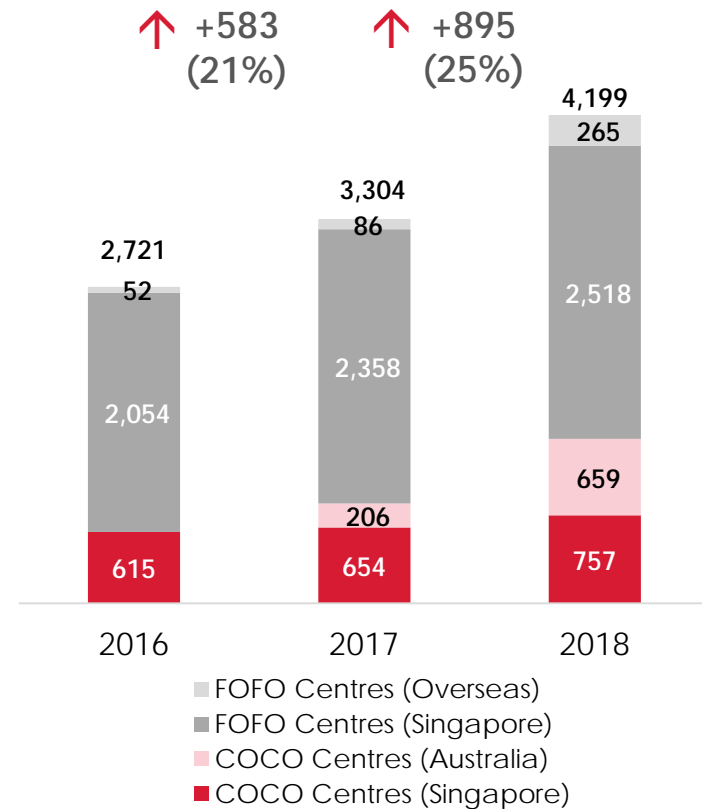
33% ↑

# Growth of MindChamps Centres and PreSchool Students

## Total Number of MindChamps Centres

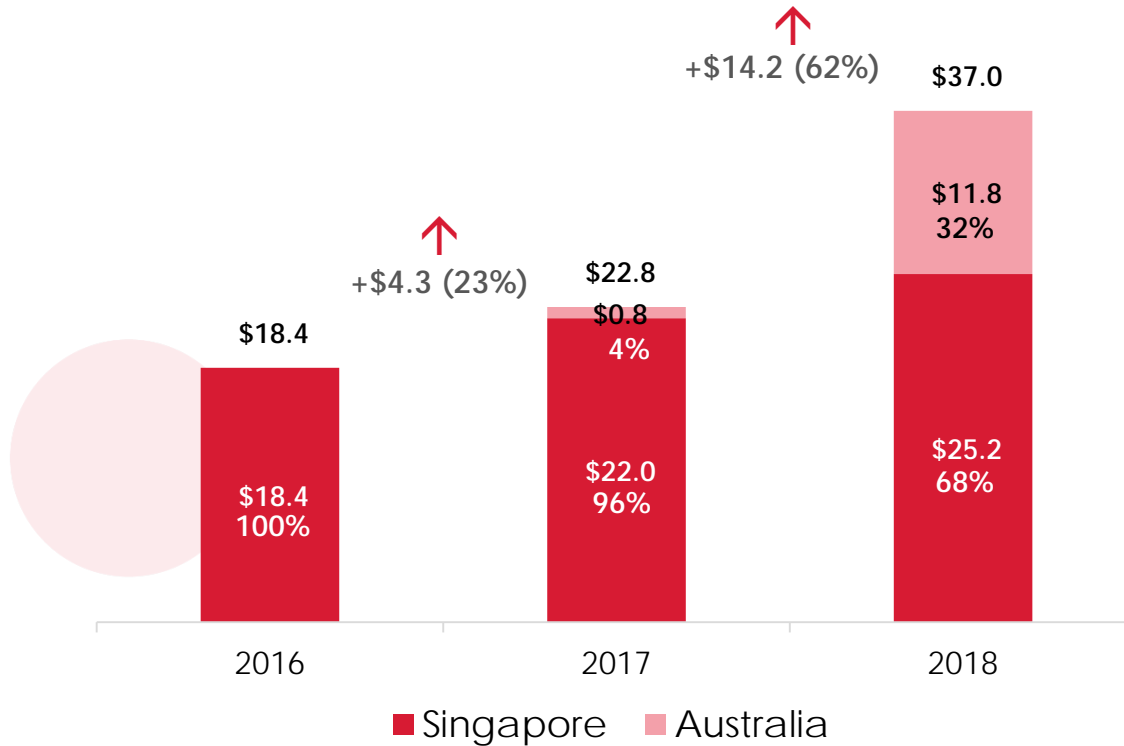


## Total Number of PreSchool Students



# Revenue Trend

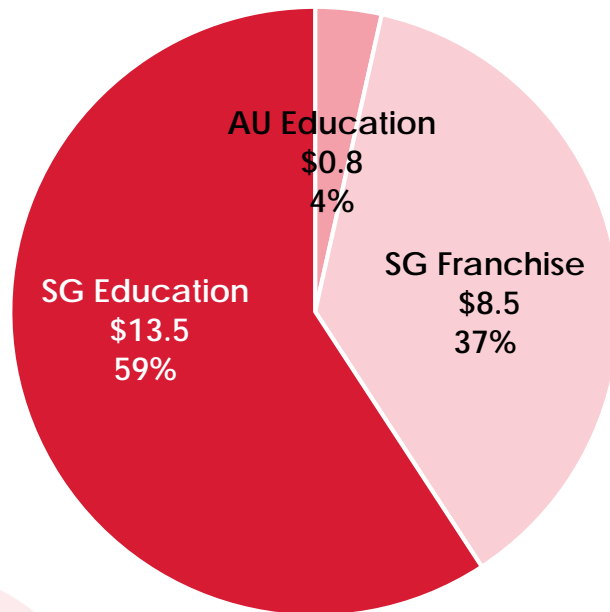
## Total Revenue (\$Mil)



# Revenue Mix (\$Mil)

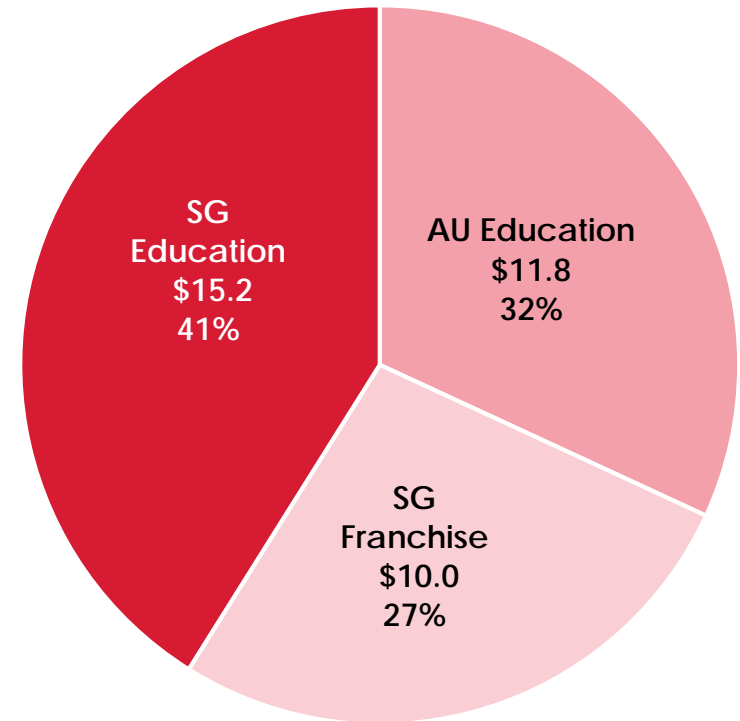
2017

Total: \$22.8

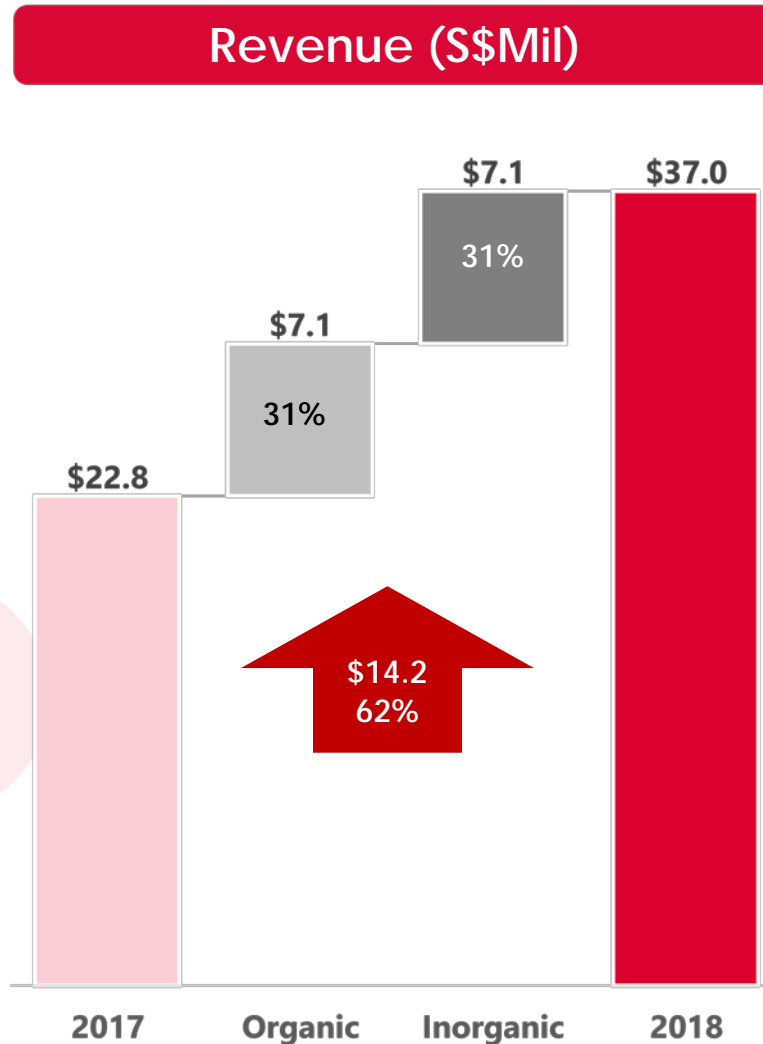


2018

Total: \$37.0

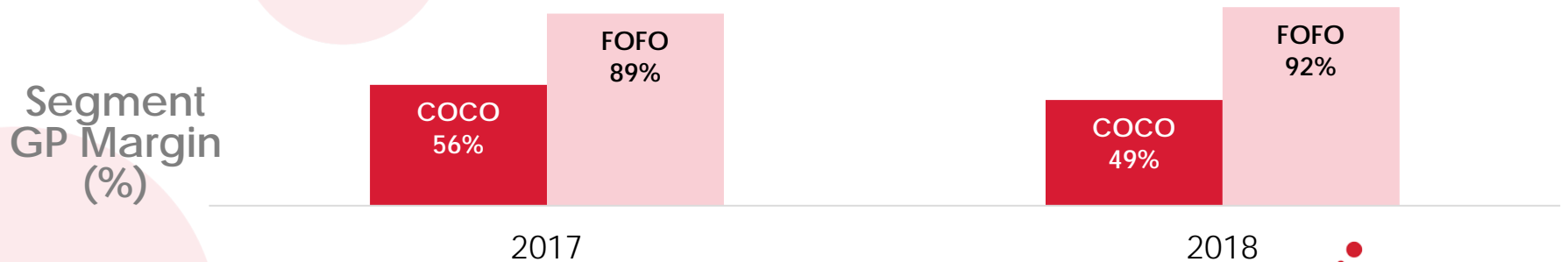
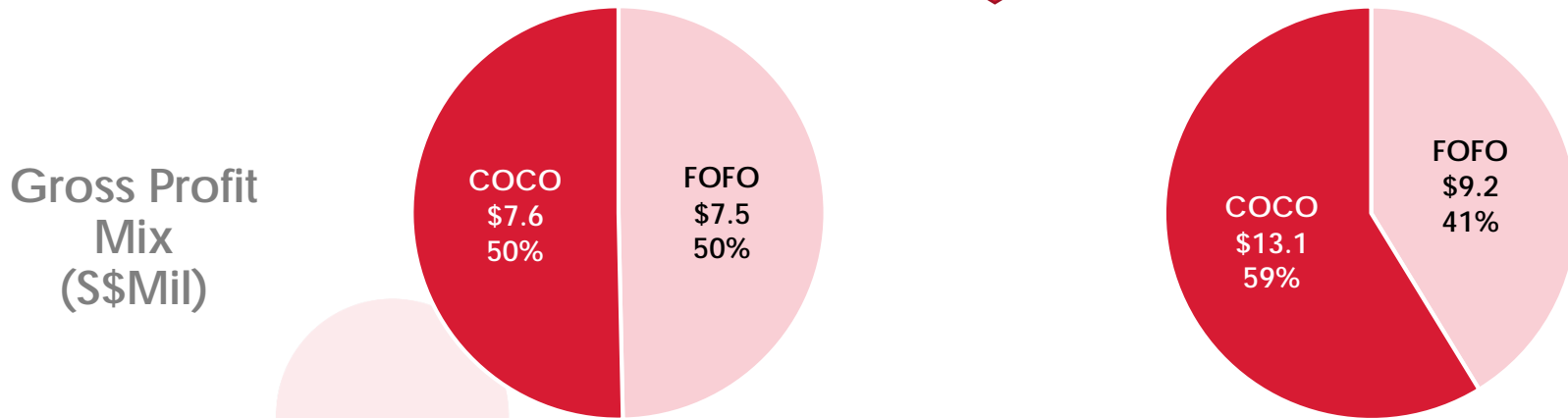


# Healthy Organic Revenue Growth



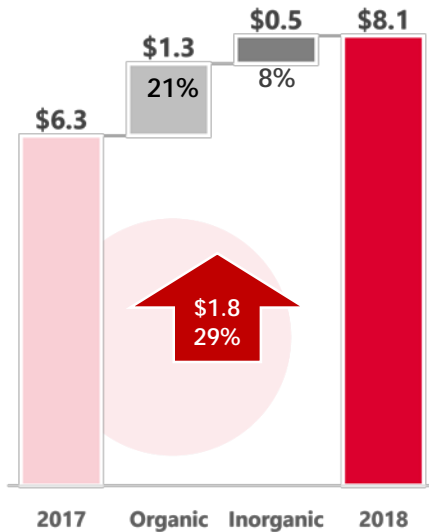
# Gross Profit Analysis

	2017		2018
Group GP (\$mil)	\$15.1	↑ 47%	\$22.3
Group GP Margin (%)	66%	↓ 6%	60%

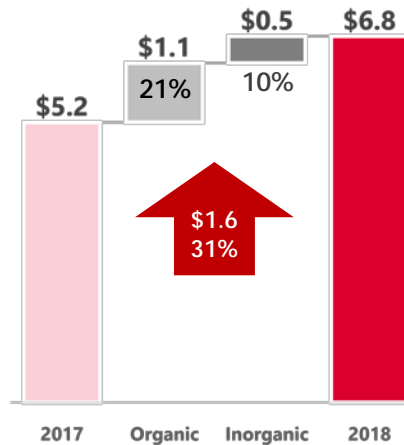


# Healthy Organic Profit Growth

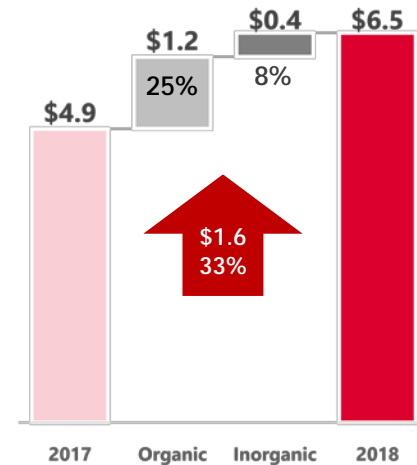
Operating Profit (\$Mil)



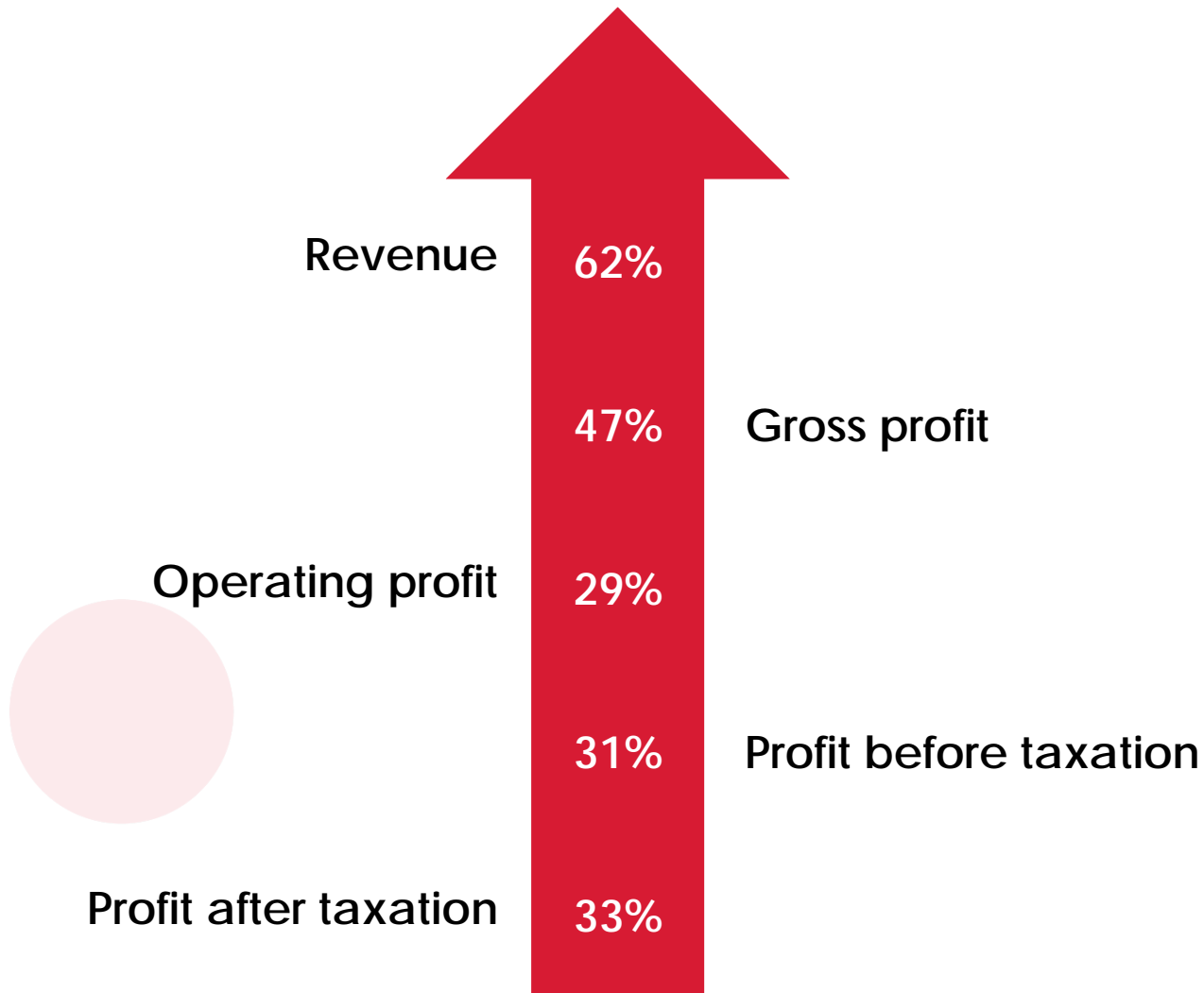
Profit Before Tax (\$Mil)



Profit After Tax (\$Mil)



# 2018 Financial Performance





# Consolidated Income Statement 2018 vs 2017

	2018 (\$'000)	2017 (\$'000)	Variance (\$'000)	Variance (%)
Revenue	36,960	22,791	14,169	62%
Cost of Sales	(14,639)	(7,656)	(6,983)	(91%)
<b>Gross Profit</b>	<b>22,321</b>	<b>15,135</b>	7,186	47%
<i>GP Margin</i>	60%	66%		(6%)
Other Income	3,427	1,442	1,985	N.M
Operating Expenses	(17,655)	(10,302)	(7,353)	(71%)
<b>Operating Profit</b>	<b>8,093</b>	<b>6,275</b>	1,818	29%
<i>OP Margin</i>	22%	28%		(6%)
Foreign Exchange Loss	(198)	(13)	(185)	N.M
Non-Operating Expenses	(1,072)	(1,060)	(12)	(1%)
<b>Profit Before Taxation</b>	<b>6,823</b>	<b>5,202</b>	1,621	31%
<i>PBT Margin</i>	18%	23%		(5%)
Income Tax Expense	(336)	(312)	(24)	(8%)
<b>Profit After Tax</b>	<b>6,487</b>	<b>4,890</b>	1,597	33%
<i>PAT Margin</i>	18%	21%		(3%)

N.M: Not Meaningful

# Consolidated Balance Sheet

	31.12.18 (\$'000)	31.12.17 (\$'000)	Variance (\$'000)	Variance (%)
Current Assets	47,584	47,411	173	0%*
Non-Current Assets	46,144	23,792	22,352	94%
<b>Total Assets</b>	<b>93,728</b>	<b>71,203</b>	22,525	32%
Current Liabilities	17,174	9,718	7,456	77%
Non-Current Liabilities	15,868	4,817	11,051	N.M
<b>Total Liabilities</b>	<b>33,042</b>	<b>14,535</b>	18,507	N.M
<b>Net Assets</b>	<b>60,686</b>	<b>56,668</b>	4,018	7%
Capital and Reserves Attributable to Equity Holders of the Company	60,735	56,700	4,035	7%
Non-Controlling Interests	(49)	(32)	(17)	N.M
<b>Total Equity</b>	<b>60,686</b>	<b>56,668</b>	4,018	7%

\* Variance less than 1%  
N.M: Not Meaningful

# Consolidated Statement of Cash Flows 2018 vs 2017

	2018 (S\$'000)	2017 (S\$'000)
Net Cash Provided by Operating Activities	7,467	5,494
Net Cash Used in Investing Activities	(24,293)	(18,906)
Net Cash Provided by Financing Activities	13,098	48,919
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(3,728)</b>	<b>35,507</b>
Cash and Cash Equivalents at Beginning of Financial Year	39,377	3,874
Effects of Currency Translation on Cash and Cash Equivalents	(212)	(4)
<b>Cash and Cash Equivalents at End of Financial Year</b>	<b>35,437</b>	<b>39,377</b>

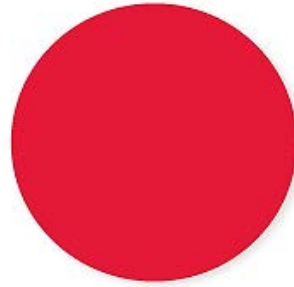
- No. of company owned centres up by 80%, from 10 to 18
- No. of all MindChamps centres up by 25%, from 59 to 74
- PreSchool Students up by 25%, from 3,304 to 4,199

- Revenue up by 62%, from \$22.8mil to \$37.0mil
- Op Profit up by 29%, from \$6.3mil to \$8.1mil
- PAT up by 33%, from \$4.9mil to \$6.5mil

- Current Ratio: 2.77
- Debt Ratio: 0.35
- ROIC: 13%
- Recommended Dividend: 1.34 cts / Share (approx. 2% yield as at 25<sup>th</sup> April 2019)
- Operating cashflow up by 36%, from \$5.5mil to \$7.5mil
- Free cashflow up by 47%, from \$4.3mil to \$6.4mil

- Ongoing M&A activities
- Focusing on Australia Franchise

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**Thank You**

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