



**1H 2019  
Analyst Meeting**

**7 August 2019**



## Disclaimer

This presentation and the discussion that follows may contain forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of MindChamps PreSchool Limited (the “Company”) and its subsidiaries or related entities (the “Group”) to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. None of the Group, its advisers, or its representatives, is representing or warranting that the Group’s actual future results, performance or achievements will be as discussed in such forward-looking statements. Investors are advised that the actual performance, achievements, investment decisions and operations of the Group may vary significantly from such statements. This presentation is for information purposes only and does not constitute or form any part of an offer of, or invitation or solicitation to purchase or subscribe for, any shares or securities in any jurisdiction in the Company. None of the Group, its advisers, or its representatives, shall be liable whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this presentation or the contents herein.



# Business Updates

**Presented by Mr. David Chiem Phu An**

Founder Chief Executive Officer and Executive Chairman



# Performance Highlights

**Presented by Mr. Teo Wee Jone**

Chief Financial Officer

## Key Financial Indicators

(\$'000)	As at 30.06.19	As at 31.12.18	Variance	Variance (%)
Cash and bank balances	12,593	35,437	(22,844)	(64%)
Property, plant and equipment*	4,187	1,940	2,247	116%
Goodwill	81,573	41,945	39,628	94%
Net Assets	57,376	60,686	(3,310)	(5%)

### Highlights

- S\$40.6 million of IPO proceeds allocated for M&A.
- Deployed S\$39.6 million (98%) YTD.
- Acquired COCOs have contributed significant increase in operating cash flow.

(\$'000)	Q2 2019	Q2 2018	1H 2019	1H 2018
Net Cash Provided by Operating Activities	4,940	53	5,106	104
Net Cash Used in Investing Activities	(41,686)	(6,318)	(43,036)	(9,289)
Net Cash Provided by Financing Activities	18,356	3,660	15,162	3,003
<b>Cash and Cash Equivalents at End of Financial Period</b>	<b>12,593</b>	<b>33,165</b>	<b>12,593</b>	<b>33,165</b>

5

\* Less Right-of-use Assets

# Key Financial Indicators

Q2 2019 v Q2 2018		1H 2019 v 1H 2018
↑ 64%	Revenue	65% ↑
↑ 115%	Cost of Sales	100% ↑
↑ 43%	Operating Expenses	44% ↑
↓ (12%)	Operating Profit	1% ↑
↓ (67%)	Profit Before Tax	(49%) ↓
↓ (74%)	Profit After Tax	(52%) ↓

## Highlights

- Increase in COS was due to increase in teachers in the acquired COCOs.
- Business integration of acquired COCOs in progress to enhance profitability.
- Higher M&A due diligence fees and finance expenses lowered PBT and PAT.

# 1H 2019 Key Financial Highlights (\$Mil)

**Ops. Cash Flow**

**\$5.1Mil**

**N.M.**



**Revenue**

**\$22.5Mil**

**65%**



**Gross Profit**

**\$11.8Mil**

**41%**



**Ops Profit**

**\$2.2Mil**

**1%**



**PBT**

**\$1.0Mil**

**(49%)**



**PAT**

**\$0.8Mil**

**(52%)**



7

N.M.: Not Meaningful

# Q2 2019 Key Financial Highlights (\$Mil)

**Ops. Cash Flow**  
**\$5.0Mil**  
**N.M.** ↑

**Revenue**  
**\$12.5Mil**  
**64%** ↑

**Gross Profit**  
**\$6.6Mil**  
**34%** ↑

**Ops Profit**  
**\$1.3Mil**  
**(12%)** ↓

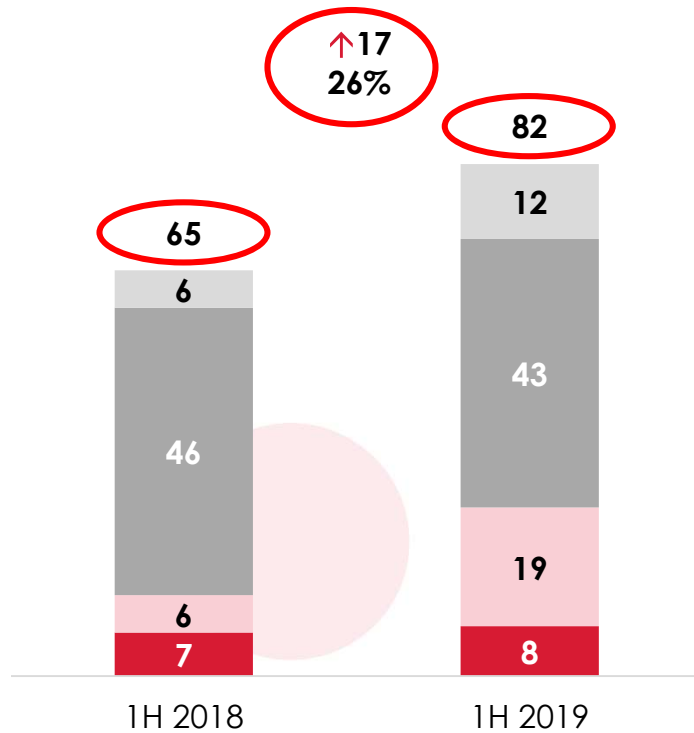
**PBT**  
**\$0.4Mil**  
**(67%)** ↓

**PAT**  
**\$0.3Mil**  
**(74%)** ↓

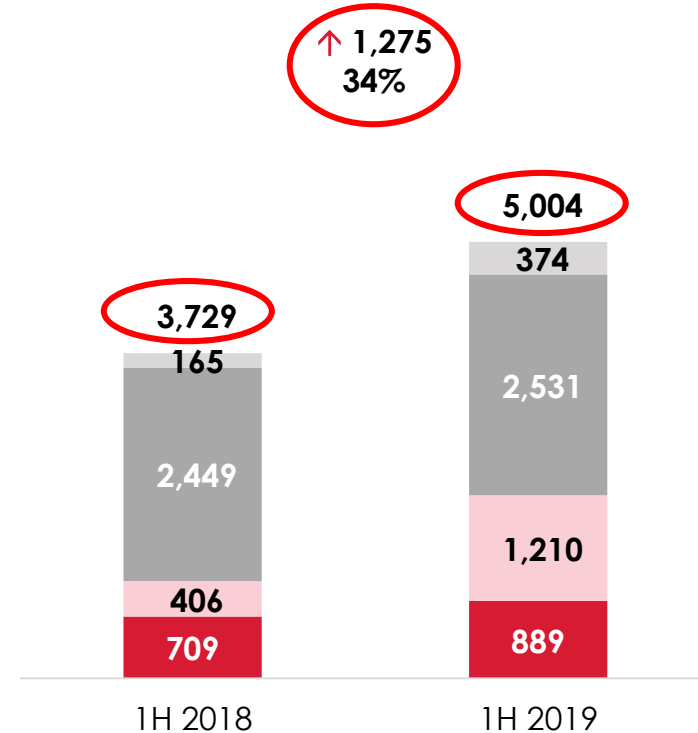


# Growth of MindChamps Centres and PreSchool Students

Total Number of MindChamps Centres



Total Number of PreSchool Students

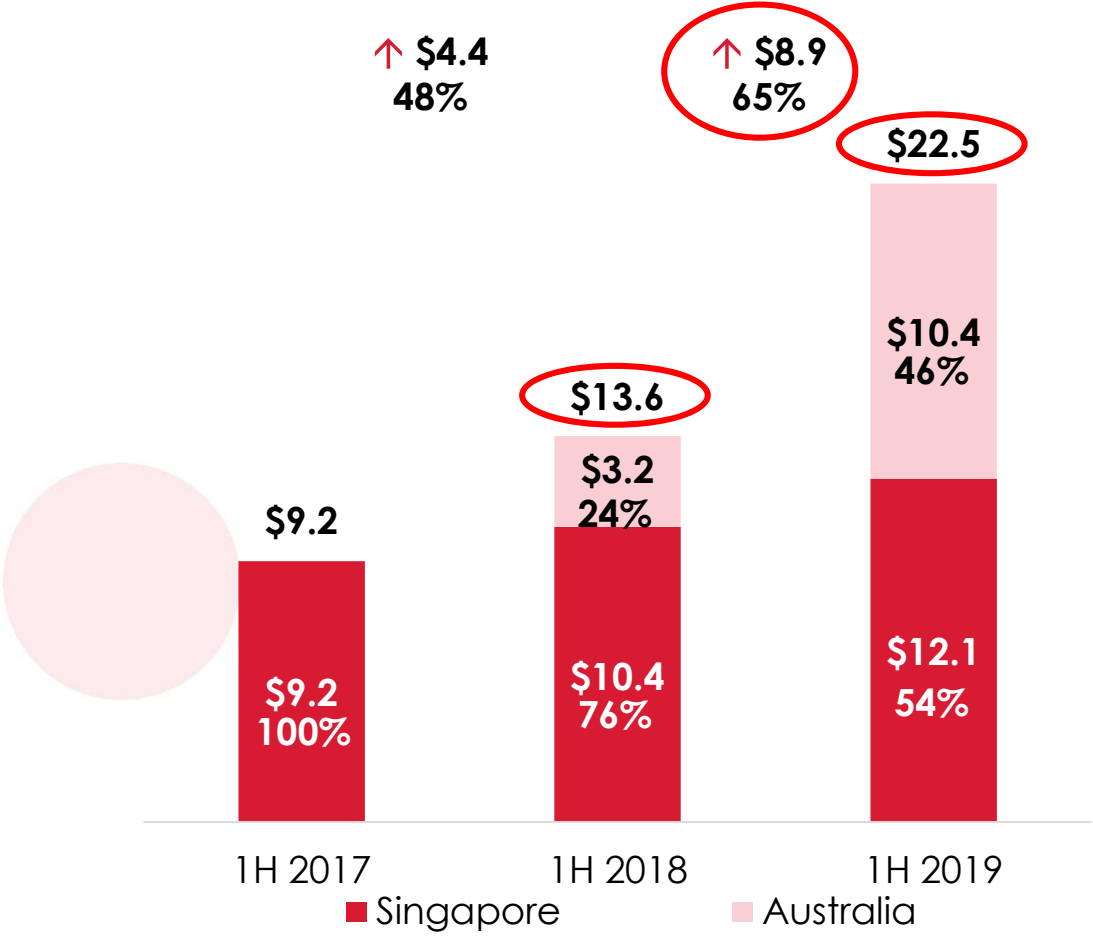


- FOFO Centres (Overseas)
- FOFO Centres (Singapore)
- COCO Centres (Australia)
- COCO Centres (Singapore)

- FOFO Centres (Overseas)
- FOFO Centres (Singapore)
- COCO Centres (Australia)
- COCO Centres (Singapore)

# Revenue Trend (\$Mil)

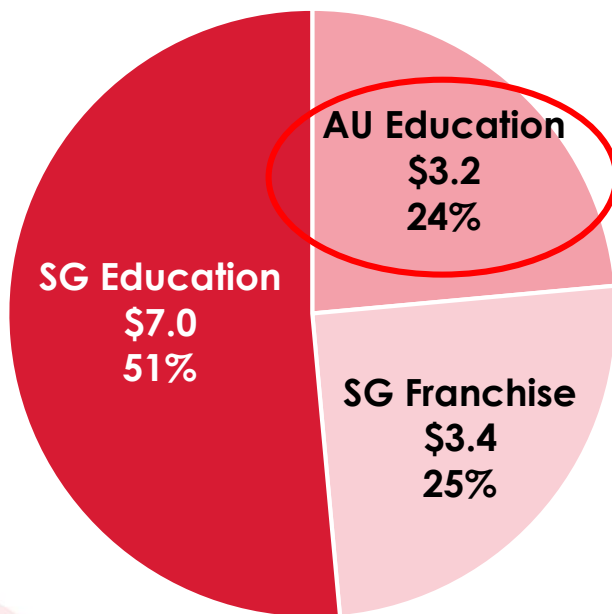
## Total Revenue



# Revenue Mix – Geographical SBUs (\$Mil)

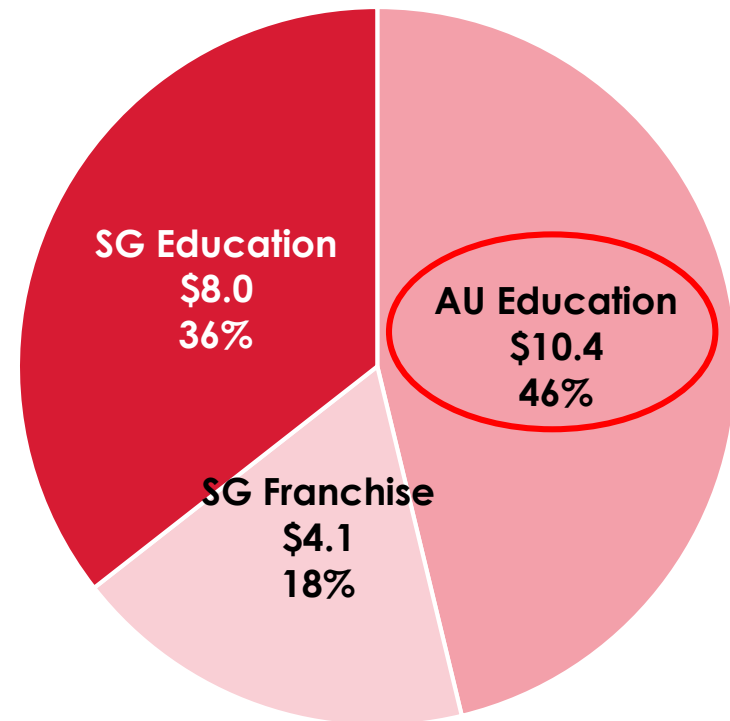
**1H 2018**

**Total: \$13.6**

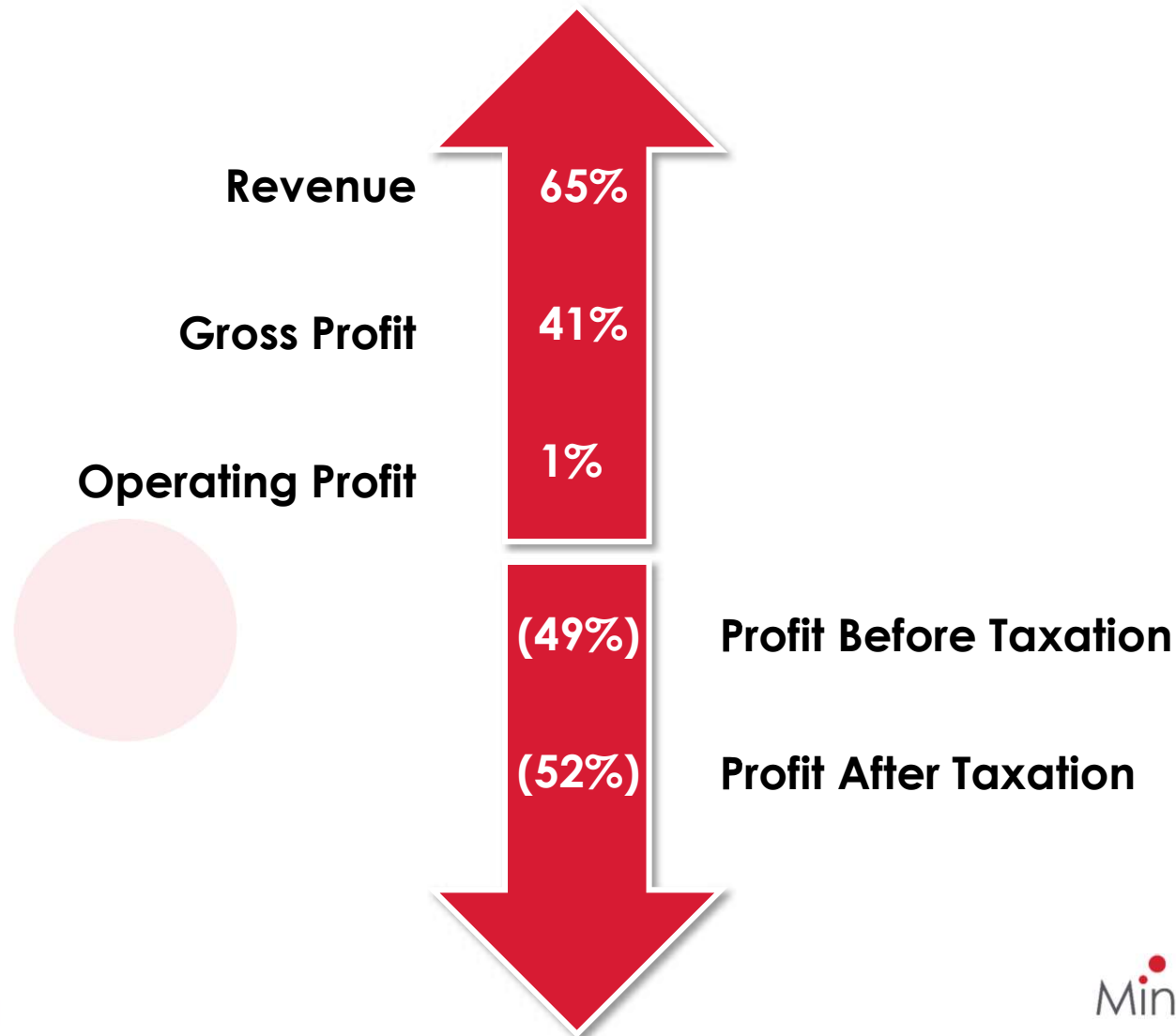


**1H 2019**

**Total: \$22.5**



# 1H 2019 vs 1H 2018 Financial Performance



# Consolidated Income Statement

## 1H 2019 vs 1H 2018

(S\$'000)	1H 2019	1H 2018	Variance	Variance (%)
Revenue	22,473	13,657	8,816	65%
Cost of Sales	(10,715)	(5,347)	5,368	N.M.
<b>Gross Profit</b>	<b>11,758</b>	<b>8,310</b>	<b>3,448</b>	<b>41%</b>
<i>GP Margin</i>	<i>52%</i>	<i>61%</i>		<i>(9%)</i>
Other Income	1,594	1,596	(2)	(0%*)
Operating Expenses	(11,142)	(7,715)	3,427	44%
<b>Operating Profit</b>	<b>2,210</b>	<b>2,191</b>	<b>19</b>	<b>1%</b>
<i>OP Margin</i>	<i>10%</i>	<i>16%</i>		<i>(6%)</i>
Foreign Exchange Loss	(37)	(63)	(26)	(41%)
Non-Operating Expenses	(1,222)	(275)	947	N.M.
<b>Profit Before Taxation</b>	<b>951</b>	<b>1,853</b>	<b>(902)</b>	<b>(49%)</b>
<i>PBT Margin</i>	<i>4%</i>	<i>14%</i>		<i>(10%)</i>
Income Tax Expense	(206)	(295)	(89)	(30%)
<b>Profit After Tax</b>	<b>745</b>	<b>1,558</b>	<b>(813)</b>	<b>(52%)</b>
<i>PAT Margin</i>	<i>3%</i>	<i>11%</i>		<i>(8%)</i>

# Consolidated Income Statement

## Q2 2019 vs Q2 2018

(S\$'000)	Q2 2019	Q2 2018	Variance	Variance (%)
Revenue	12,516	7,649	4,867	64%
Cost of Sales	(5,950)	(2,763)	(3,187)	N.M.
<b>Gross Profit</b>	<b>6,566</b>	<b>4,886</b>	<b>1,680</b>	<b>34%</b>
<i>GP Margin</i>	<i>52%</i>	<i>64%</i>		<i>(12%)</i>
Other Income	685	771	(86)	(11%)
Operating Expenses	(5,901)	(4,122)	1,779	43%
<b>Operating Profit</b>	<b>1,350</b>	<b>1,535</b>	<b>(185)</b>	<b>(12%)</b>
<i>OP Margin</i>	<i>11%</i>	<i>20%</i>		<i>(9%)</i>
Foreign Exchange Loss	(28)	2	(30)	N.M.
Non-Operating Expenses	(875)	(174)	701	N.M.
<b>Profit Before Taxation</b>	<b>447</b>	<b>1,363</b>	<b>(916)</b>	<b>(67%)</b>
<i>PBT Margin</i>	<i>4%</i>	<i>18%</i>		<i>(14%)</i>
Income Tax Expense	(128)	(124)	4	3%
<b>Profit After Tax</b>	<b>319</b>	<b>1,239</b>	<b>(920)</b>	<b>(74%)</b>
<i>PAT Margin</i>	<i>3%</i>	<i>16%</i>		<i>(13%)</i>

# Consolidated Income Statement

## Q2 2019 vs Q1 2019

(S\$'000)	Q2 2019	Q1 2019	Variance	Variance (%)
Revenue	12,516	9,957	2,559	26%
Cost of Sales	(5,950)	(4,765)	1,185	25%
<b>Gross Profit</b>	<b>6,566</b>	<b>5,192</b>	<b>1,374</b>	<b>26%</b>
<i>GP Margin</i>	<i>52%</i>	<i>52%</i>		-
Other Income	685	909	(224)	(25%)
Operating Expenses	(5,901)	(5,241)	660	13%
<b>Operating Profit</b>	<b>1,350</b>	<b>860</b>	<b>490</b>	<b>57%</b>
<i>OP Margin</i>	<i>11%</i>	<i>9%</i>		2%
Foreign Exchange Loss	(28)	(9)	19	N.M.
Non-Operating Expenses	(875)	(347)	528	N.M.
<b>Profit Before Taxation</b>	<b>447</b>	<b>504</b>	<b>(57)</b>	<b>(11%)</b>
<i>PBT Margin</i>	<i>4%</i>	<i>5%</i>		(1%)
Income Tax Expense	(128)	(78)	50	64%
<b>Profit After Tax</b>	<b>319</b>	<b>426</b>	<b>(107)</b>	<b>(25%)</b>
<i>PAT Margin</i>	<i>3%</i>	<i>4%</i>		(1%)

# Consolidated Balance Sheet

(S\$'000)	30.06.19	31.12.18	Variance	Variance (%)
Current Assets	27,057	47,584	(20,527)	(43%)
Non-Current Assets	119,357	46,144	73,213	N.M.
<b>Total Assets</b>	<b>146,414</b>	<b>93,728</b>	52,686	56%
Current Liabilities	30,451	17,174	13,277	77%
Non-Current Liabilities	58,587	15,868	42,719	N.M.
<b>Total Liabilities</b>	<b>89,038</b>	<b>33,042</b>	55,996	N.M.
<b>Net Assets</b>	<b>57,376</b>	<b>60,686</b>	(3,310)	(5%)
Capital and Reserves Attributable to Equity Holders of the Company	57,616	60,735	(3,119)	(5%)
Non-Controlling Interests	(240)	(49)	191	N.M.
<b>Total Equity</b>	<b>57,376</b>	<b>60,686</b>	(3,310)	(5%)



# Consolidated Statement of Cash Flows

## 1H 2019 vs 1H 2018

(S\$'000)	1H 2019	1H 2018
Net Cash Provided by Operating Activities	5,106	104
Net Cash Used in Investing Activities	(43,036)	(9,289)
Net Cash Provided by Financing Activities	15,162	3,003
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(22,768)</b>	<b>(6,182)</b>
Cash and Cash Equivalents at Beginning of Financial Period	35,437	39,377
Effects of Currency Translation on Cash and Cash Equivalents	(76)	(30)
<b>Cash and Cash Equivalents at End of Financial Period</b>	<b>12,593</b>	<b>33,165</b>

# Consolidated Statement of Cash Flows

## Q2 2019 vs Q2 2018

(S\$'000)	Q2 2019	Q2 2018
Net Cash Provided by Operating Activities	4,940	53
Net Cash Used in Investing Activities	(41,686)	(6,318)
Net Cash Provided by Financing Activities	18,356	3,660
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(18,390)</b>	<b>(2,605)</b>
Cash and Cash Equivalents at Beginning of Financial Period	31,050	35,772
Effects of Currency Translation on Cash and Cash Equivalents	(67)	(2)
<b>Cash and Cash Equivalents at End of Financial Period</b>	<b>12,593</b>	<b>33,165</b>



## Q&A Session

- No. of company owned centres up by 108%, from 13 to 27
- No. of all MindChamps centres up by 26%, from 65 to 82
- PreSchool Students up by 34%, from 3,729 to 5,004

- Operating cash flow up by \$5.0mil
- Revenue up by 65%, from \$13.6mil to \$22.5mil
- Operating Profit remains stable at \$2.2mil
- Profit After Tax down by 52%, from \$1.5mil to \$0.8mil

- Focusing on business integration of acquired COCOs to enhance profitability.
- Focusing on Australia Franchise

- S\$40.6 million of IPO proceeds allocated for M&A.
- Deployed S\$39.6 million (98%) YTD.
- Acquired COCOs have contributed significant increase in operating cash flow.

MindChamps®  
preschool

Thank You

