



**9M 2019  
Analyst Meeting**

**8 November 2019**



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# 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

# IPO Proceeds – Fully Deployed as Planned

Use of proceeds	Amount allocated (S\$'Mil)	Amount utilised (S\$'Mil)	Amount unutilised (S\$'Mil)
Partial repayment of drawn down and outstanding amounts under Acquisition Loan (as defined in the Prospectus)	6.1	(6.1)	-
For payment of underwriting commissions and IPO expenses	3.0	(3.0)	-
For funding of our expansion plans, including potential acquisitions	34.5	(34.5)	-
For general corporate and working capital purposes	4.0	(4.0) <sup>(1)</sup>	-
<b>Total</b>	<b>47.6</b>	<b>(47.6)</b>	<b>-</b>

(1) The general corporate and working capital of S\$4.0 million was used for the provision of security deposits to landlords to secure the leases and the payments of monthly operational commitments for newly acquired preschool centres in FY2018 and FY2019.

# Key Performance Indicators

	No. of centres		No. of students	
	Q3 2018	Q3 2019	9M 2018	9M 2019
Group comprising of:	71	82	4,179	5,240
		↑ 15%		↑ 25%
AU	10	20	670	1,324
		↑ 100%		↑ 98%
SG	52	51	3,345	3,552
		↓ 2%		↑ 6%
Others	9	11	164	364
		↑ 22%		N.M.



# Key Financial Indicators

## Financial Highlights (\$S'000)

	Q3 2018	Q3 2019	9M 2018	9M 2019
Operating Cashflow	3,037	↓ 8%	3,141	↑ N.M.

### Narratives:

Acquired COCOs have contributed significant increase in operating cash flows;

Revenue	9,172	↑ 70%	15,607	22,829	↑ 67%	38,080
Cost of Sales	(3,995)	↑ 95%	(7,787)	(9,342)	↑ 98%	(18,502)
Gross Profit	5,177	↑ 51%	7,820	13,487	↑ 45%	19,578
Operating Expenses	(4,523)	↑ 69%	(7,611)	(12,238)	↑ 54%	(18,753)
Operating Profit	1,691	↓ 29%	1,207	3,882	↓ 12%	3,417
Profit Before Tax	1,302	↓ 75%	322	3,155	↓ 60%	1,273
Profit After Tax	1,167	↓ 71%	339	2,725	↓ 60%	1,084

Increase in Cost of Sales was mainly due to increase in teachers in the acquired COCOs;

Increase in Operating Expenses was mainly due to increase in rental related expenses from acquired COCOs;

SFRS(I) 16 effects, M&A Due Diligence Fees and Interest Expenses lowered Profit Before Tax and Profit After Tax; and

Business integration of acquired COCOs in progress to enhance profitability.

#### Movements:

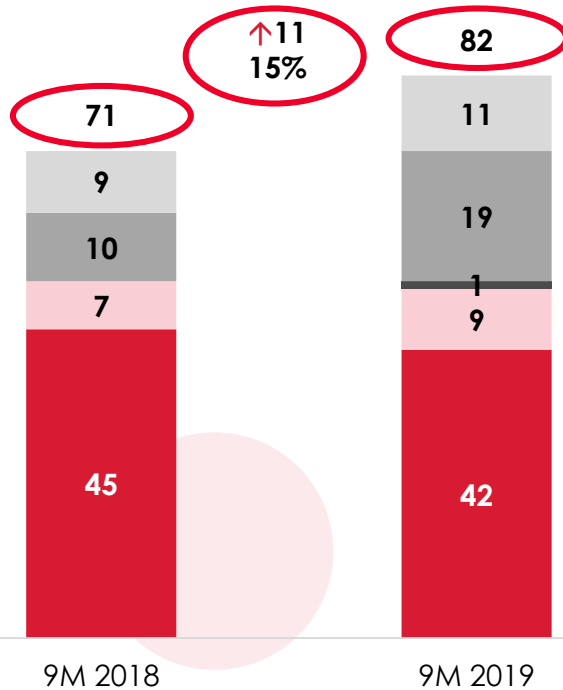
(167)	M&A Loan Interest	(468)
(155)	M&A Due D. Fees	-
-	SFRS(I) 16 Effects	(365)

#### Movements:

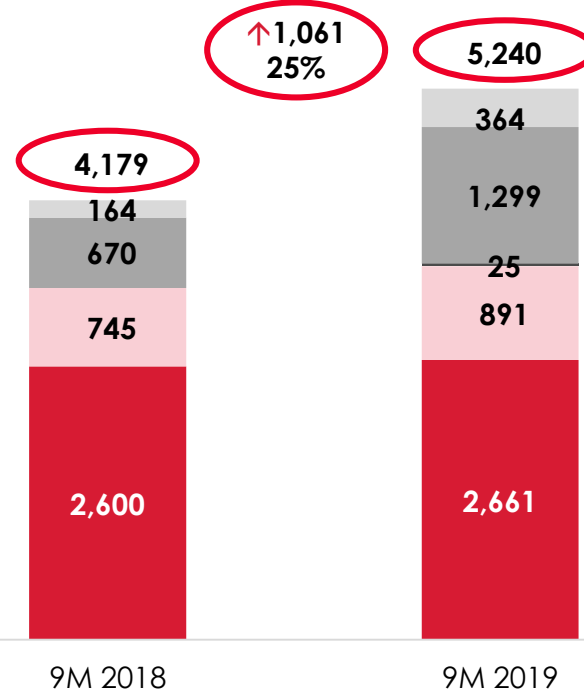
(347)	M&A Loan Interest	(1,051)
(250)	M&A Due D. Fees	(302)
-	SFRS(I) 16 Effects	(700)

# Growth of MindChamps Centres and PreSchool Students

Total Number of MindChamps Centres



Total Number of PreSchool Students



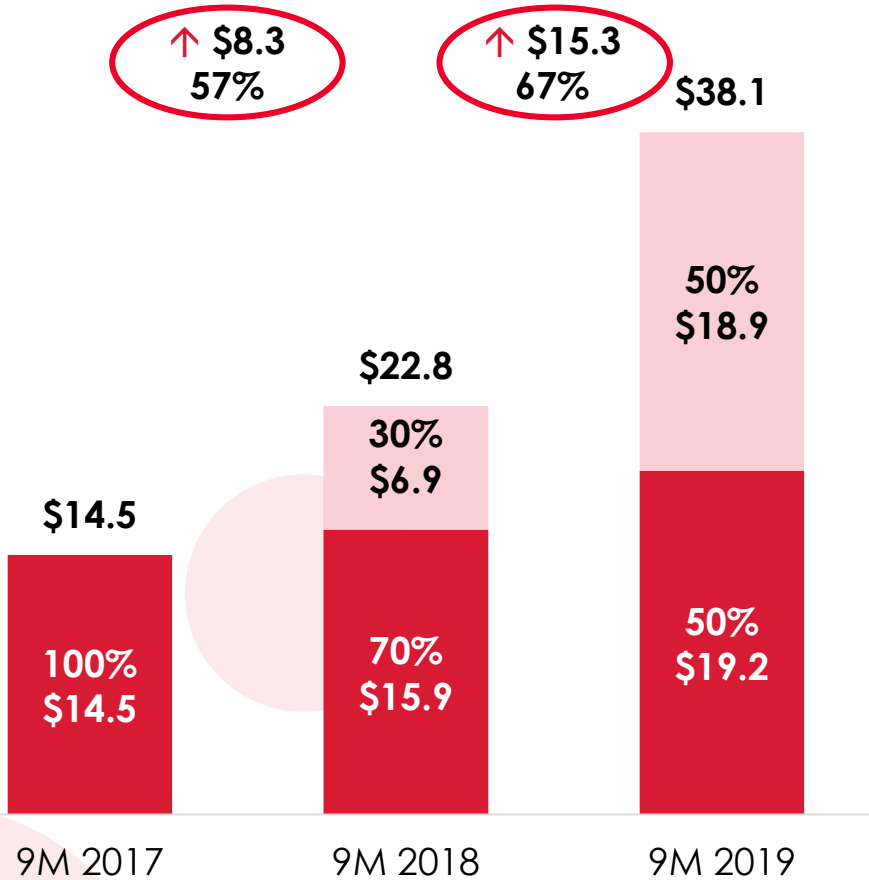
- FOFO Centres (Overseas)
- COCO Centres (Australia)
- FOFO Centres (Australia)
- COCO Centres (Singapore)
- FOFO Centres (Singapore)

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



# Revenue Trend (S\$'Mil)

## Total Revenue



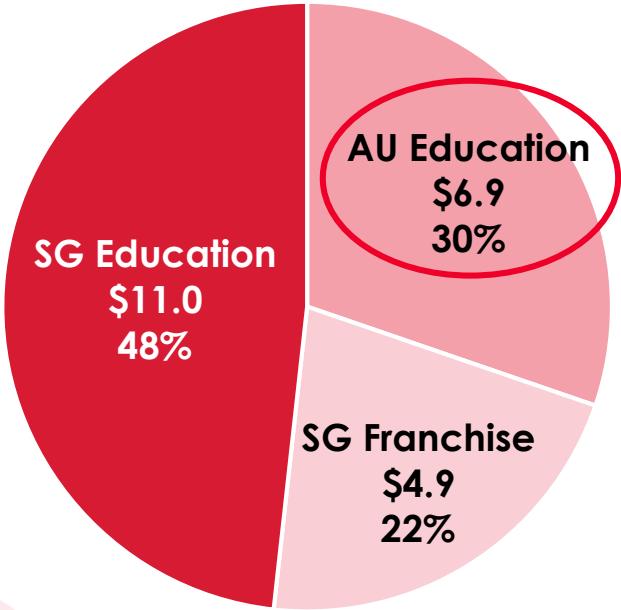
■ Singapore ■ Australia



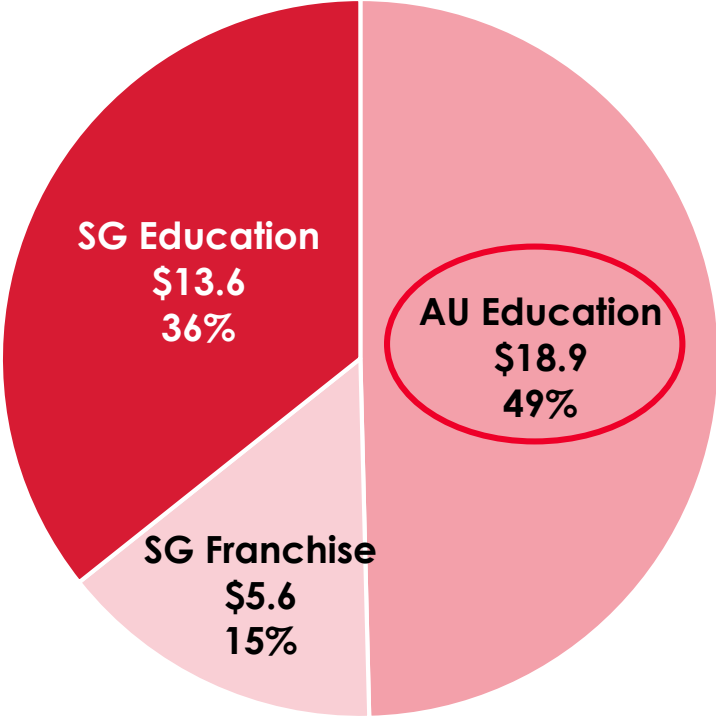
MindChamps<sup>®</sup>  
preschool

# Revenue Mix – Growth in Australia (\$\$'Mil)

**9M 2018**  
Total: \$22.8

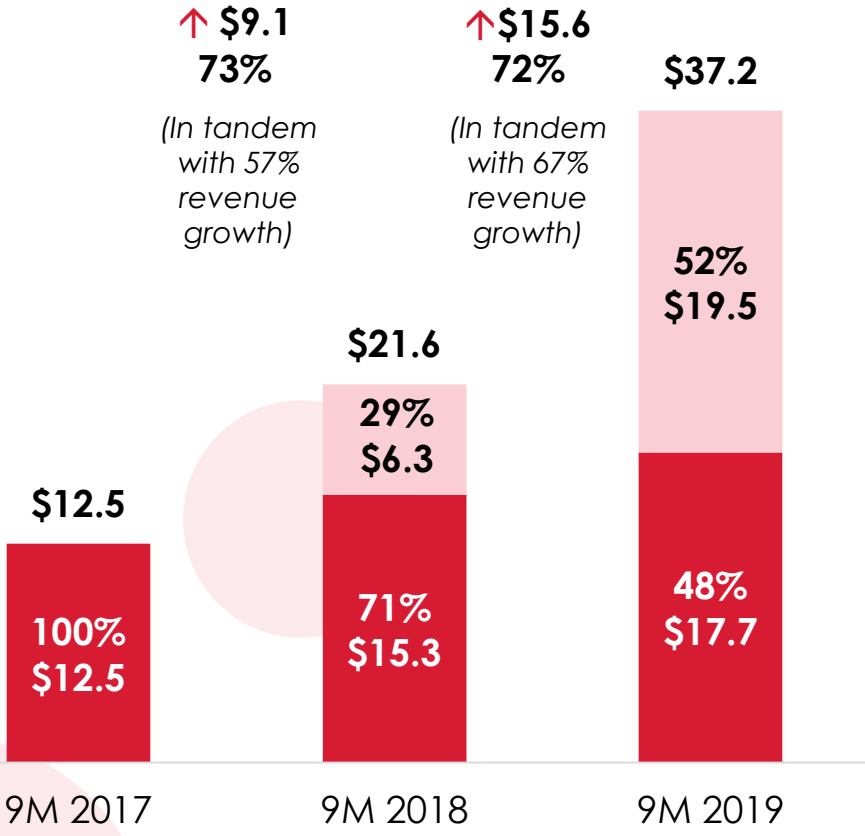


**9M 2019**  
Total: \$38.1



# Total Operating Cost Trend – Growth in Australia (S\$'Mil)

## Total Operating Costs (COS + OPEX)



MindChamps Early Learning Centre @ Albion Park



MindChamps Early Learning Centre @ Kemps Creek

■ Singapore      ■ Australia



# Consolidated Income Statement

## Q3 2019 vs Q3 2018

(S\$'000)	Q3 2019	Q3 2018	Variance	Variance (%)
Revenue	15,607	9,172	6,435	70%
Cost of Sales	(7,787)	(3,995)	3,792	95%
<b>Gross Profit</b>	<b>7,820</b>	<b>5,177</b>	<b>2,643</b>	<b>51%</b>
<i>GP Margin</i>	<i>50%</i>	<i>56%</i>		<i>(6%)</i>
Other Income	998	1,037	(39)	(4%)
Operating Expenses	(7,611)	(4,523)	3,088	68%
<b>Operating Profit</b>	<b>1,207</b>	<b>1,691</b>	<b>(484)</b>	<b>(29%)</b>
<i>OP Margin</i>	<i>8%</i>	<i>18%</i>		<i>(10%)</i>
Foreign Exchange Loss	(52)	(67)	(15)	(22%)
Non-Operating Expenses	(833)	(322)	511	N.M.
<b>Profit Before Taxation</b>	<b>322</b>	<b>1,302</b>	<b>(980)</b>	<b>(75%)</b>
<i>PBT Margin</i>	<i>2%</i>	<i>14%</i>		<i>(12%)</i>
Income Tax Credit / (Expense)	17	(135)	152	N.M.
<b>Profit After Tax</b>	<b>339</b>	<b>1,167</b>	<b>(828)</b>	<b>(71%)</b>
<i>PAT Margin</i>	<i>2%</i>	<i>13%</i>		<i>(11%)</i>

# Consolidated Income Statement

## 9M 2019 vs 9M 2018

(S\$'000)	9M 2019	9M 2018	Variance	Variance (%)
Revenue	38,080	22,829	15,251	67%
Cost of Sales	(18,502)	(9,342)	9,160	98%
<b>Gross Profit</b>	<b>19,578</b>	<b>13,487</b>	<b>6,091</b>	<b>45%</b>
<i>GP Margin</i>	<i>51%</i>	<i>59%</i>		<i>(8%)</i>
Other Income	2,592	2,633	(41)	(2%)
Operating Expenses	(18,753)	(12,238)	6,515	53%
<b>Operating Profit</b>	<b>3,417</b>	<b>3,882</b>	<b>(465)</b>	<b>(12%)</b>
<i>OP Margin</i>	<i>9%</i>	<i>17%</i>		<i>(8%)</i>
Foreign Exchange Loss	(91)	(130)	(39)	(30%)
Non-Operating Expenses	(2,053)	(597)	1,456	N.M.
<b>Profit Before Taxation</b>	<b>1,273</b>	<b>3,155</b>	<b>(1,882)</b>	<b>(60%)</b>
<i>PBT Margin</i>	<i>3%</i>	<i>14%</i>		<i>(11%)</i>
Income Tax Expense	(189)	(430)	(241)	(56%)
<b>Profit After Tax</b>	<b>1,084</b>	<b>2,725</b>	<b>(1,641)</b>	<b>(60%)</b>
<i>PAT Margin</i>	<i>3%</i>	<i>12%</i>		<i>(9%)</i>

# Consolidated Balance Sheet

(S\$'000)	30.09.19	31.12.18	Variance	Variance (%)
Current Assets	24,036	47,584	(23,548)	(49%)
Non-Current Assets	120,052	46,144	73,908	N.M.
<b>Total Assets</b>	<b>144,088</b>	<b>93,728</b>	50,360	54%
Current Liabilities	29,945	17,174	12,771	74%
Non-Current Liabilities	56,042	15,868	40,174	N.M.
<b>Total Liabilities</b>	<b>85,987</b>	<b>33,042</b>	52,945	N.M.
<b>Net Assets</b>	<b>58,101</b>	<b>60,686</b>	(2,585)	(4%)
Capital and Reserves Attributable to Equity Holders of the Company	58,302	60,735	(2,433)	(4%)
Non-Controlling Interests	(201)	(49)	(152)	N.M.
<b>Total Equity</b>	<b>58,101</b>	<b>60,686</b>	(2,585)	(4%)

# Consolidated Statement of Cash Flows

## Q3 2019 vs Q3 2018

(S\$'000)	Q3 2019	Q3 2018
Net Cash Provided by Operating Activities	2,797	3,037
Net Cash Used in Investing Activities	(3,973)	(14,024)
Net Cash (Used in)/Provided by Financing Activities	(1,746)	9,603
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(2,922)</b>	<b>(1,384)</b>
Cash and Cash Equivalents at Beginning of Financial Period	12,593	33,165
Effects of Currency Translation on Cash and Cash Equivalents	(61)	(37)
<b>Cash and Cash Equivalents at End of Financial Period</b>	<b>9,610</b>	<b>31,744</b>

# Consolidated Statement of Cash Flows

## 9M 2019 vs 9M 2018

(S\$'000)	9M 2019	9M 2018
Net Cash Provided by Operating Activities	7,901	3,141
Net Cash Used in Investing Activities	(47,007)	(23,313)
Net Cash Provided by Financing Activities	13,416	12,606
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(25,690)</b>	<b>(7,566)</b>
Cash and Cash Equivalents at Beginning of Financial Period	35,437	39,377
Effects of Currency Translation on Cash and Cash Equivalents	(137)	(67)
<b>Cash and Cash Equivalents at End of Financial Period</b>	<b>9,610</b>	<b>31,744</b>





## Q&A Session

### Operational Highlights

- No. of company owned centres up by 65%, from 17 to 28;
- No. of all MindChamps centres up by 15%, from 71 to 82; and
- PreSchool students up by 25%, from 4,179 to 5,240.

### Financial Highlights

- 9M operating cash flow up by \$4.8mil;
- 9M revenue up by 67%, from \$22.8mil to \$38.1mil; and
- 9M operating profit remains stable at \$3.4mil.

### Future Plans

- Focusing on maximising profitability of acquired COCOs; and
- Proliferating the Australia Franchise Segment.

### Capital

- Fully deployed S\$47.6 million of IPO proceeds

# MindChamps<sup>®</sup> preschool

**Thank You!**

