



Q4 and 12M 2019 Performance

Analyst Meeting
28 February 2020





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Q4 and 12M 2019 Financial and Non-Financial Highlights

Presented by Mr. Teo Wee Jone
Chief Financial Officer





Key Financial Indicators (S\$'000)

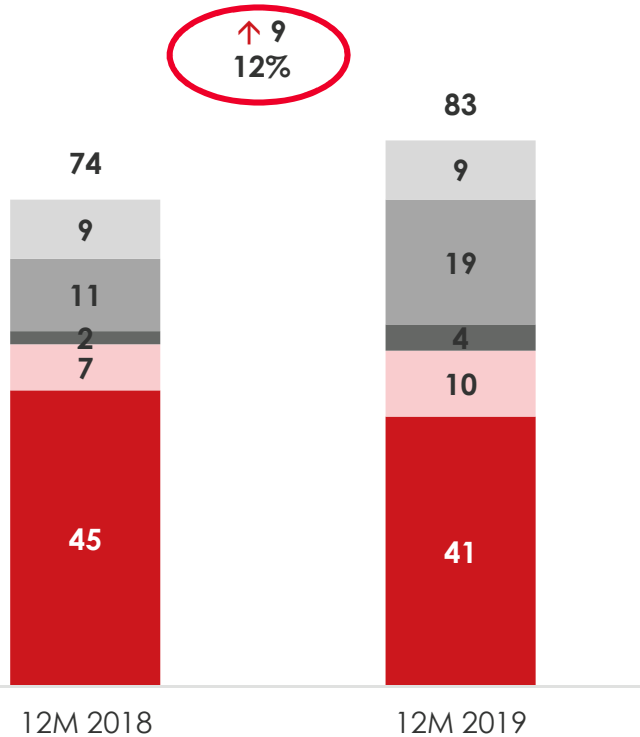
Financial Highlights

	Q4 2018		Q4 2019	12M 2018		12M 2019
Revenue	14,131	↑12%	15,810	36,960	↑46%	53,890
Cost of Sales	(5,297)	↑50%	(7,951)	(14,639)	↑81%	(26,453)
Gross Profit	8,834	↓11%	7,859	22,321	↑23%	27,437
Operating Expenses	(5,516)	↑42%	(7,853)	(17,724)	↑50%	(26,573)
EBIT	3,897	↑74%	6,793	7,399	↑33%	9,817
Profit Before Tax	3,668	↑65%	6,037	6,823	↑7%	7,310
Profit After Tax	3,762	↑56%	5,864	6,487	↑7%	6,948

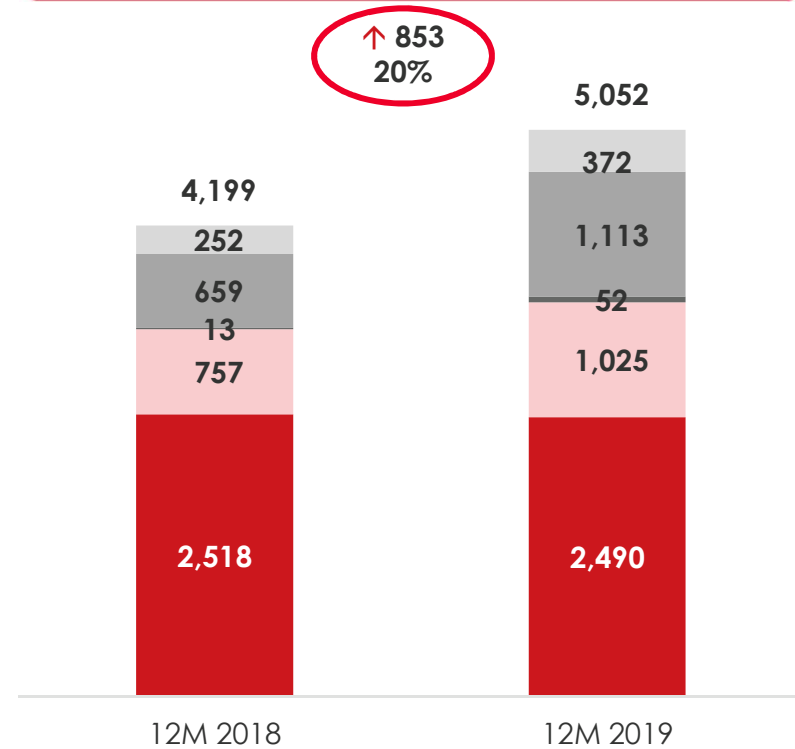


Growth of MindChamps Centres and PreSchool Students

Total Number of MindChamps Centres



Total Number of PreSchool Students

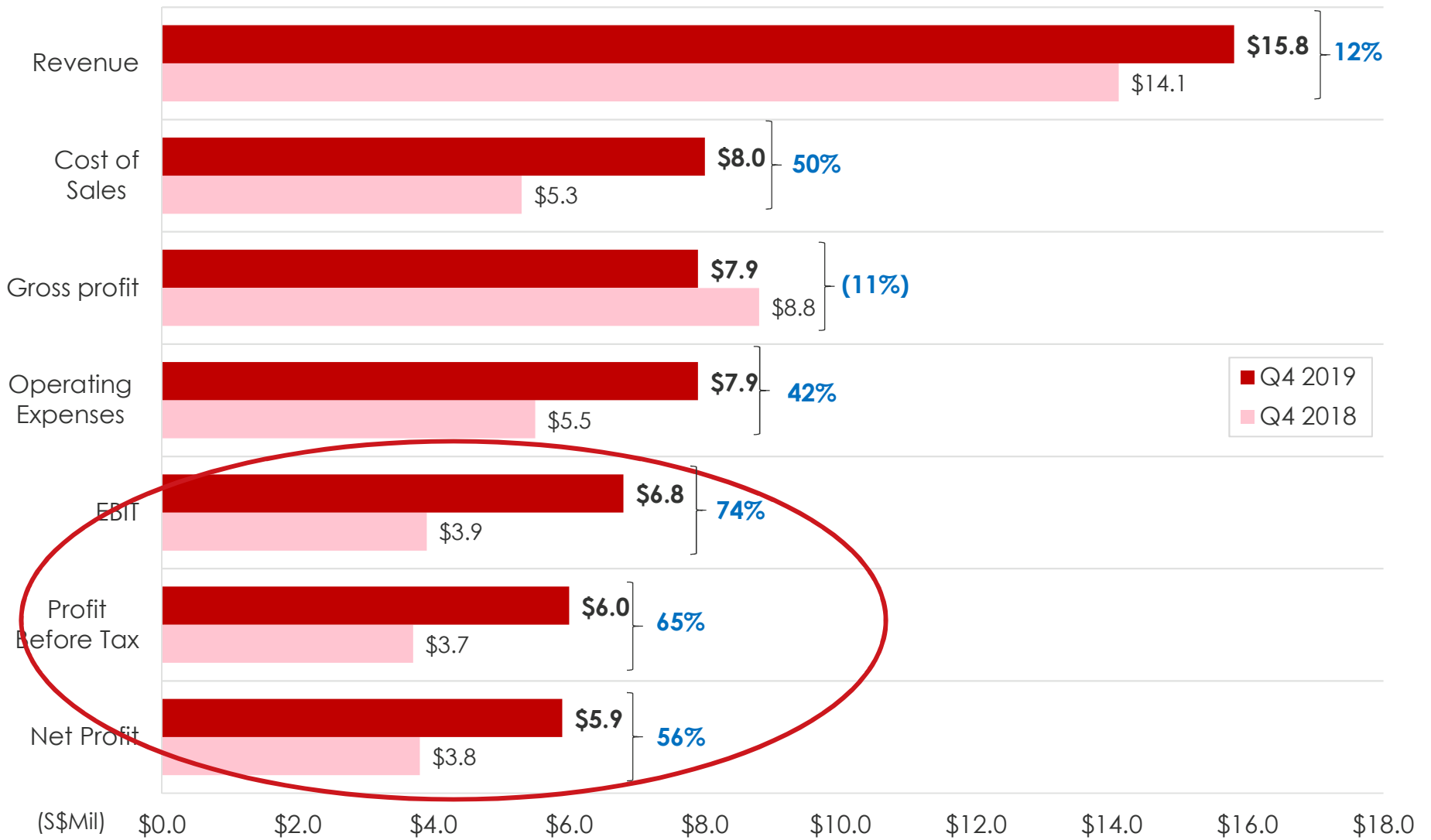


- FOFO Centres (Overseas)
- COCO Centres (Australia)
- FOFO Centres (Australia)
- COCO Centres (Singapore)
- FOFO Centres (Singapore)

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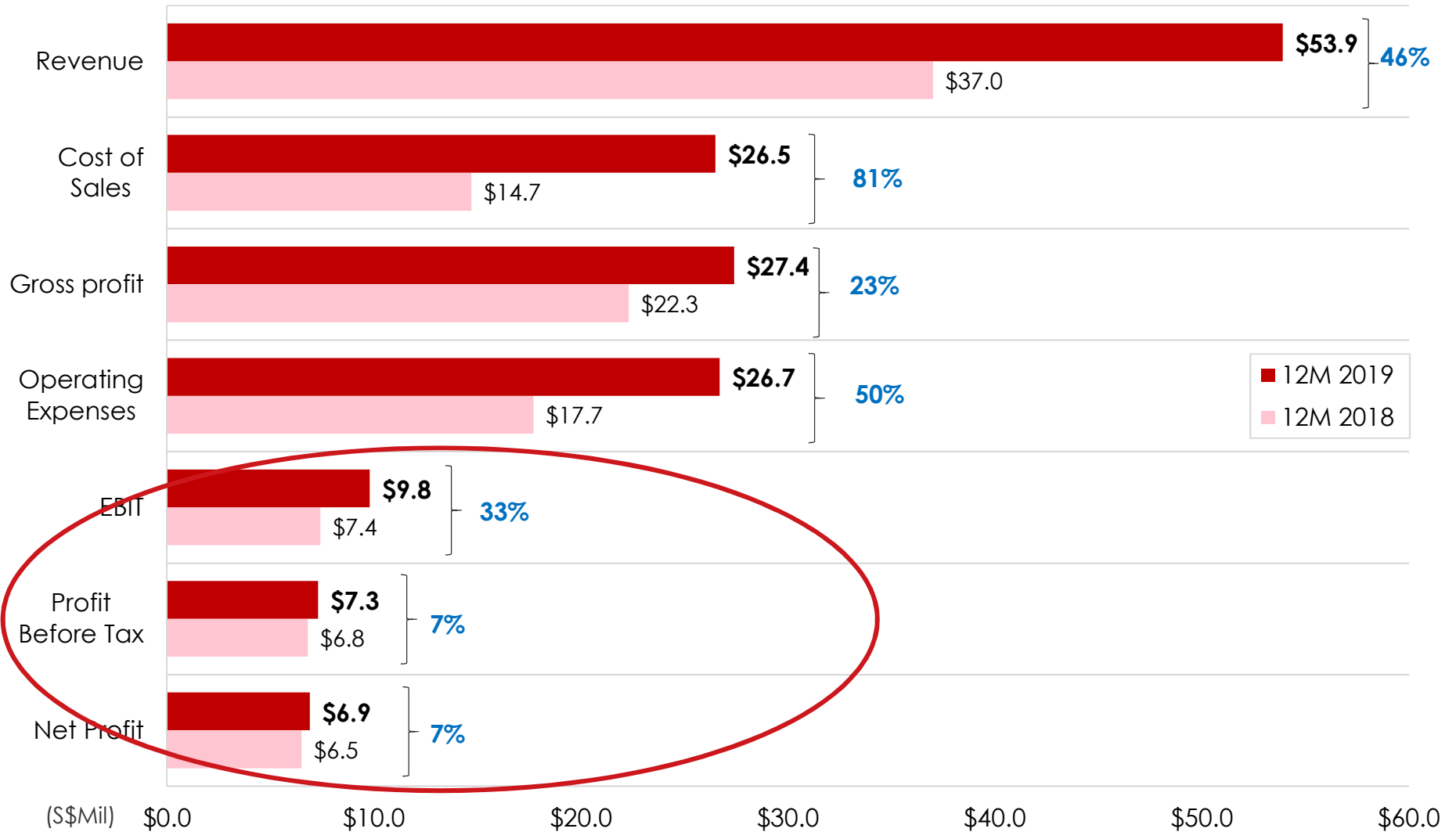


Group Q4 2019 Financial Highlights (\$Mil)



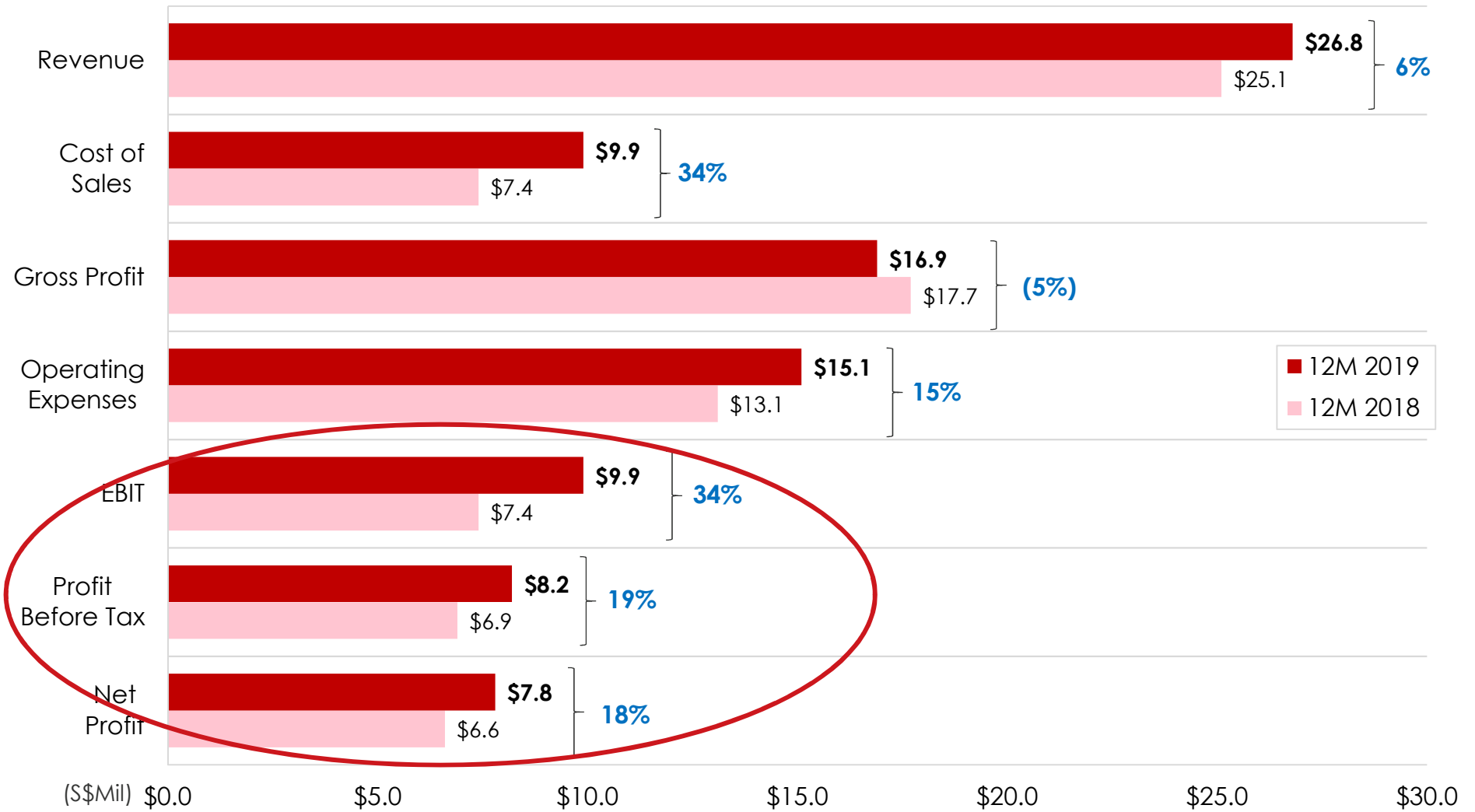


Group 12M 2019 Financial Highlights (\$Mil)



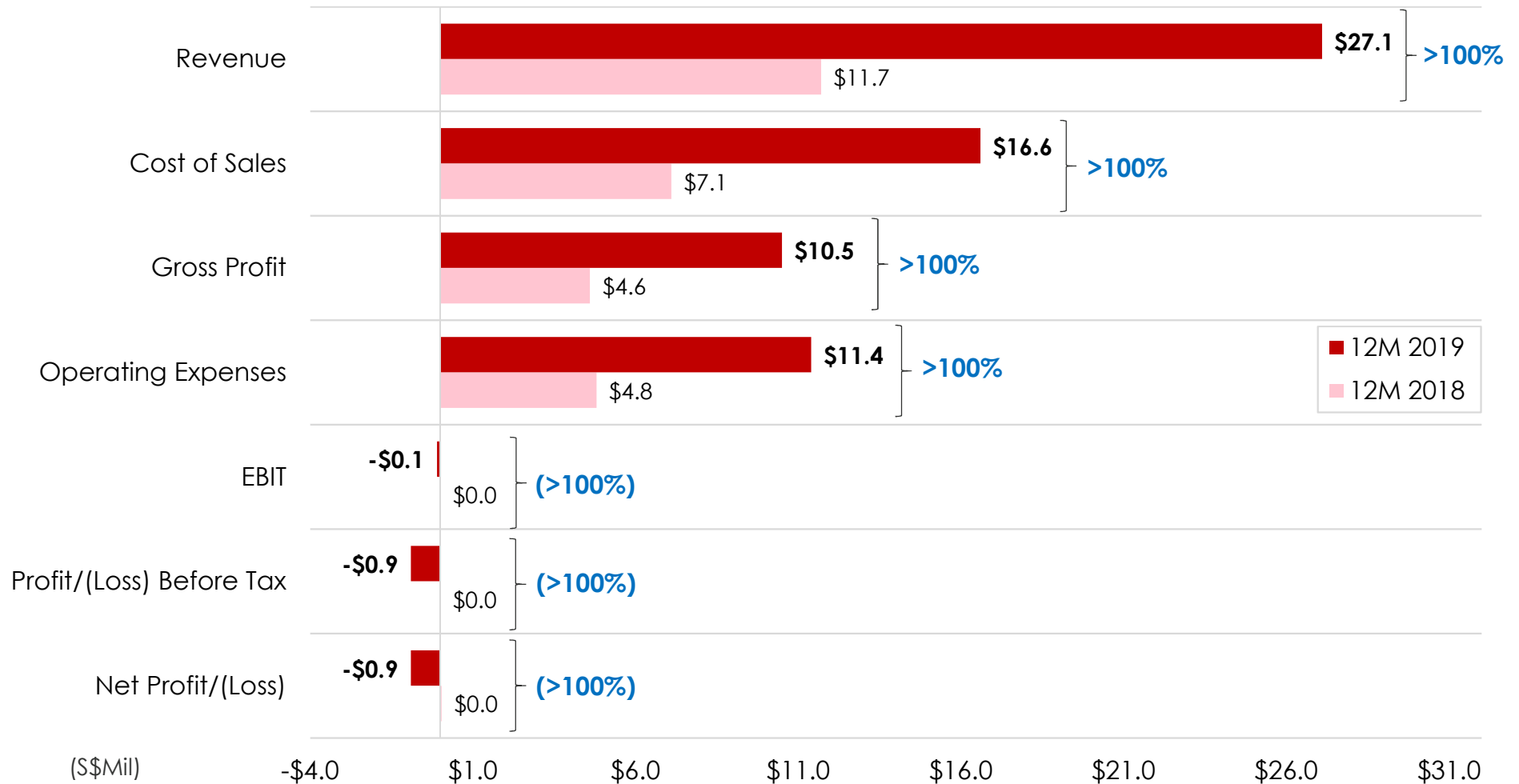


Singapore Home Ground Operation Remains Strong (\$Mil)





Integrating New Operation in Australia Market (\$Mil)





Performance Snapshot of New Operation in Australia Market (\$Mil)

12M 2018

12M 2019

**Growing PBT
in Education
Segment
(\$Mil)**

\$1.7

61%

\$2.8

**Franchising
Segment PBT
for Foundation
Building
(\$Mil)**

(\$1.8)

105%

(\$3.7)

Total

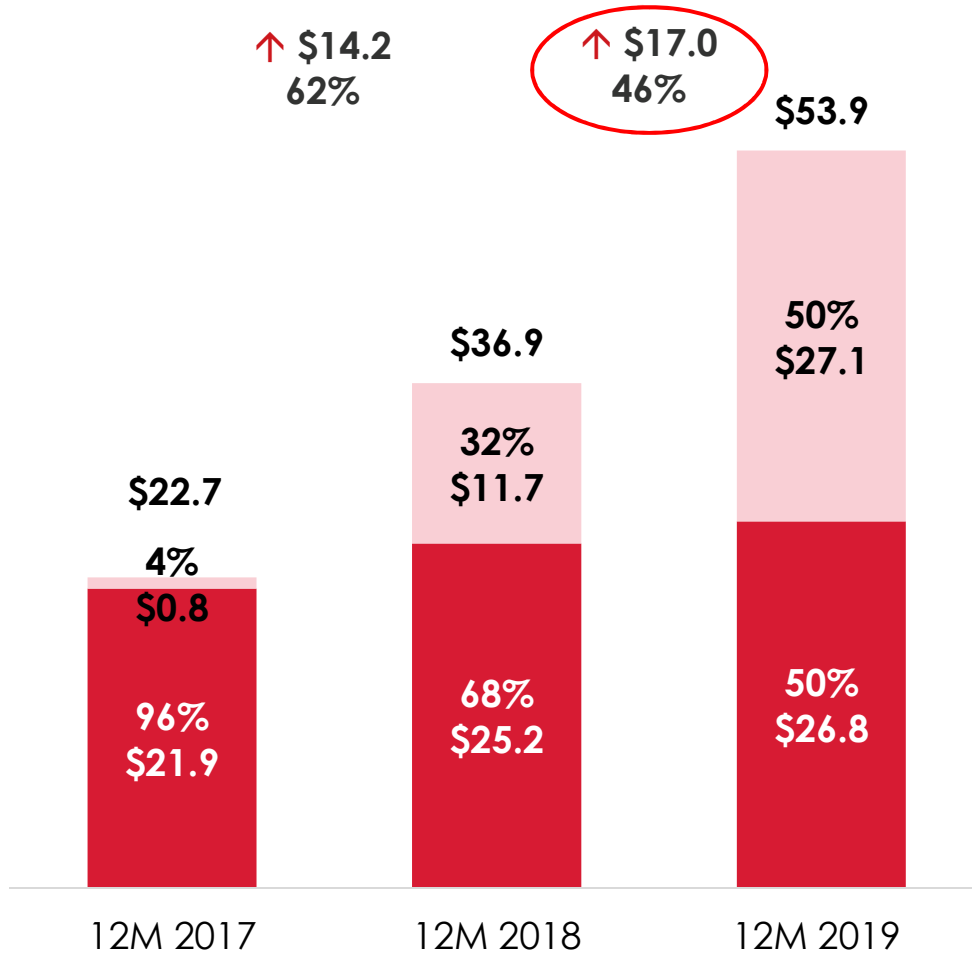
(\$0.1)

>100%

(\$0.9)

Australia, the Key Driver of Revenue Growth (\$Mil)

Total Revenue



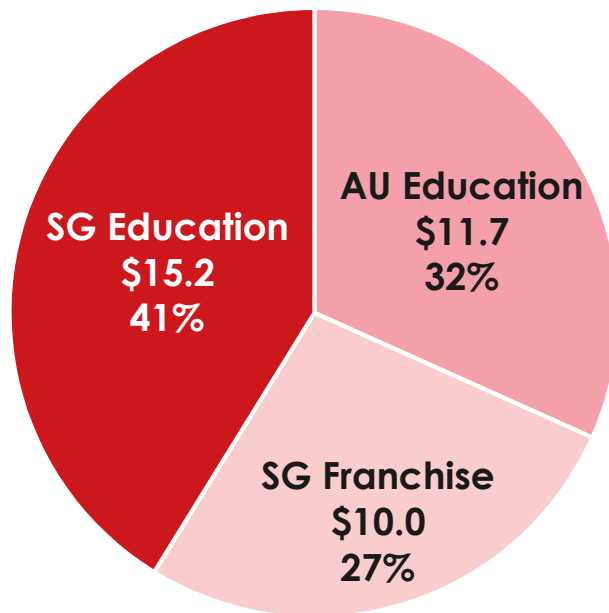
■ Singapore ■ Australia



Revenue Mix – Geographical SBUs (\$Mil)

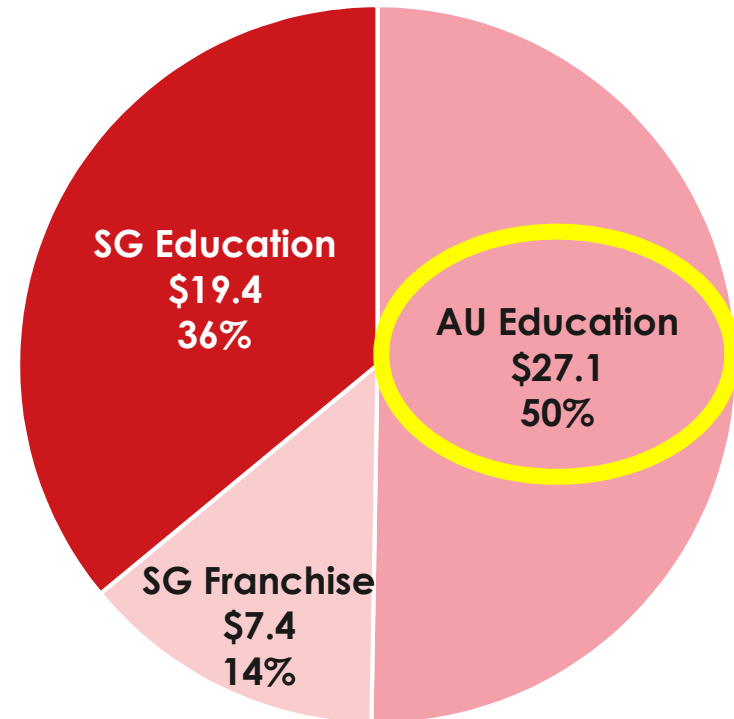
12M 2018

Total: \$36.9



12M 2019

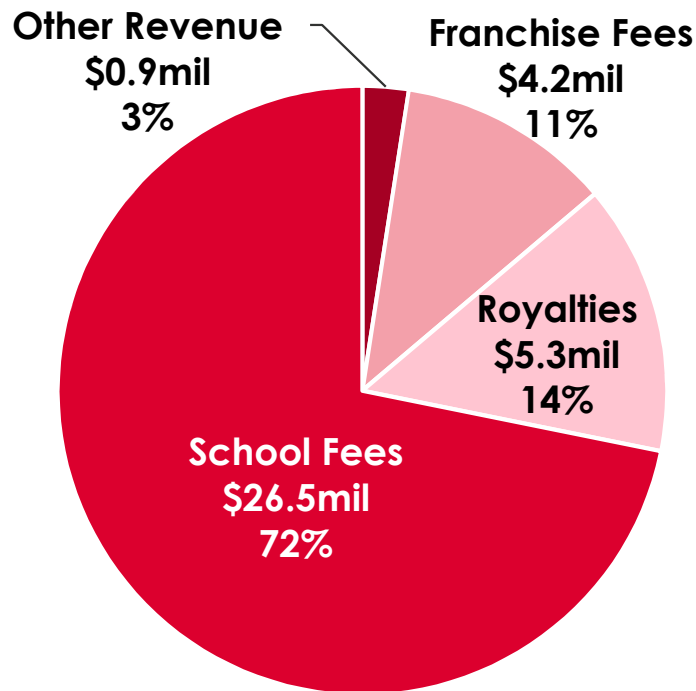
Total: \$53.9



46% Revenue Growth Driven by Australia Education Segment (\$\$Mil)

12M 2018

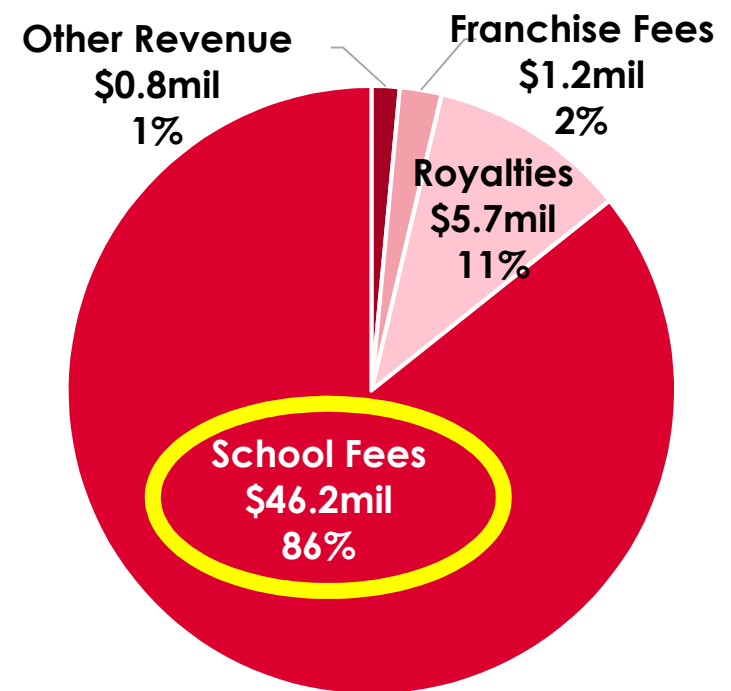
Total: \$36.9



- Other Revenue
- Franchise Fees
- Royalties
- School Fees

12M 2019

Total: \$53.9

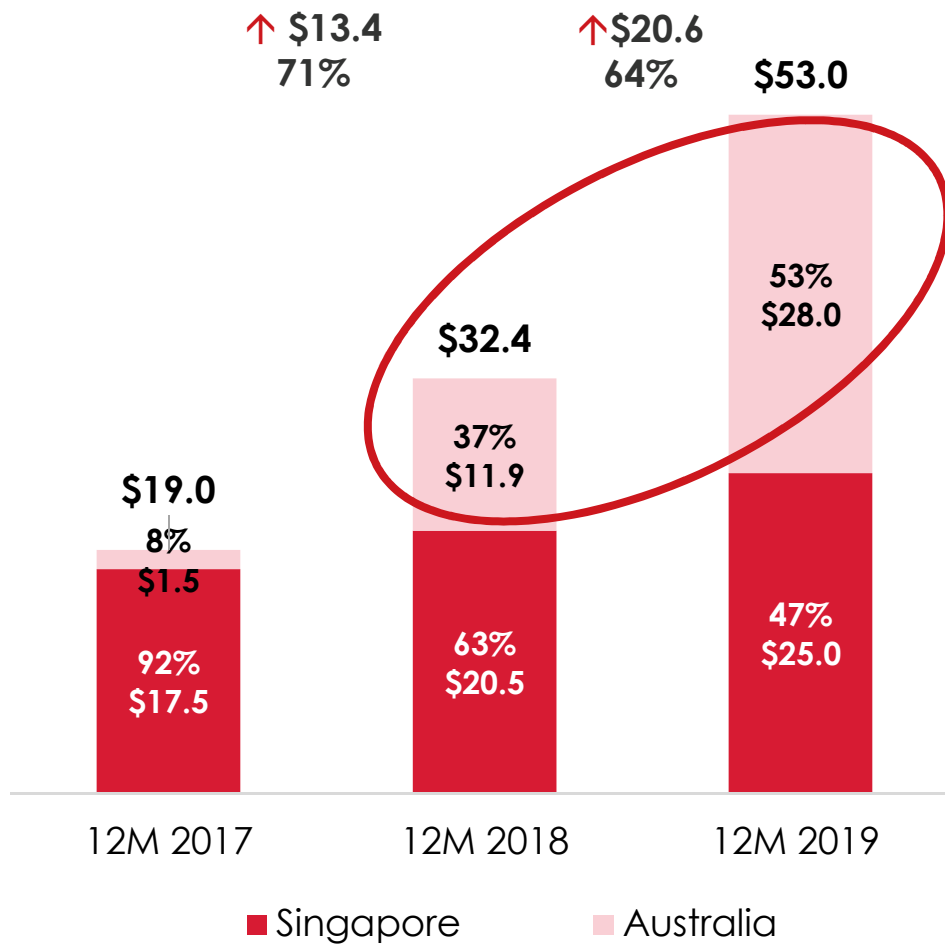


- Other Revenue
- Franchise Fees
- Royalties
- School Fees



Total Cost Trend (S\$Mil)

Total Costs (COS + OPEX)



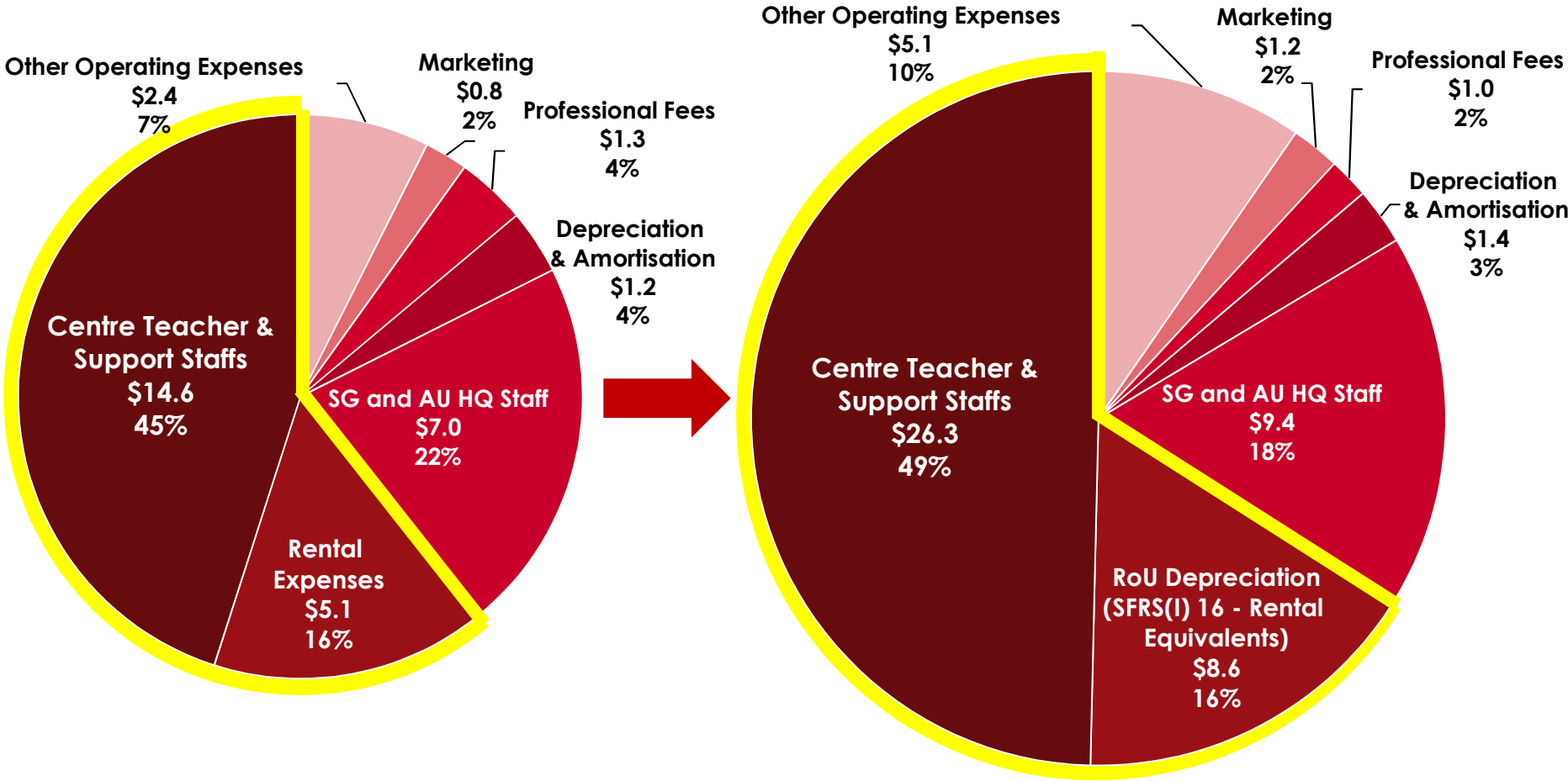
Teacher's Cost and Rental are Main Cost Drivers (\$\$'Mil)

12M 2018

Total: \$32.4

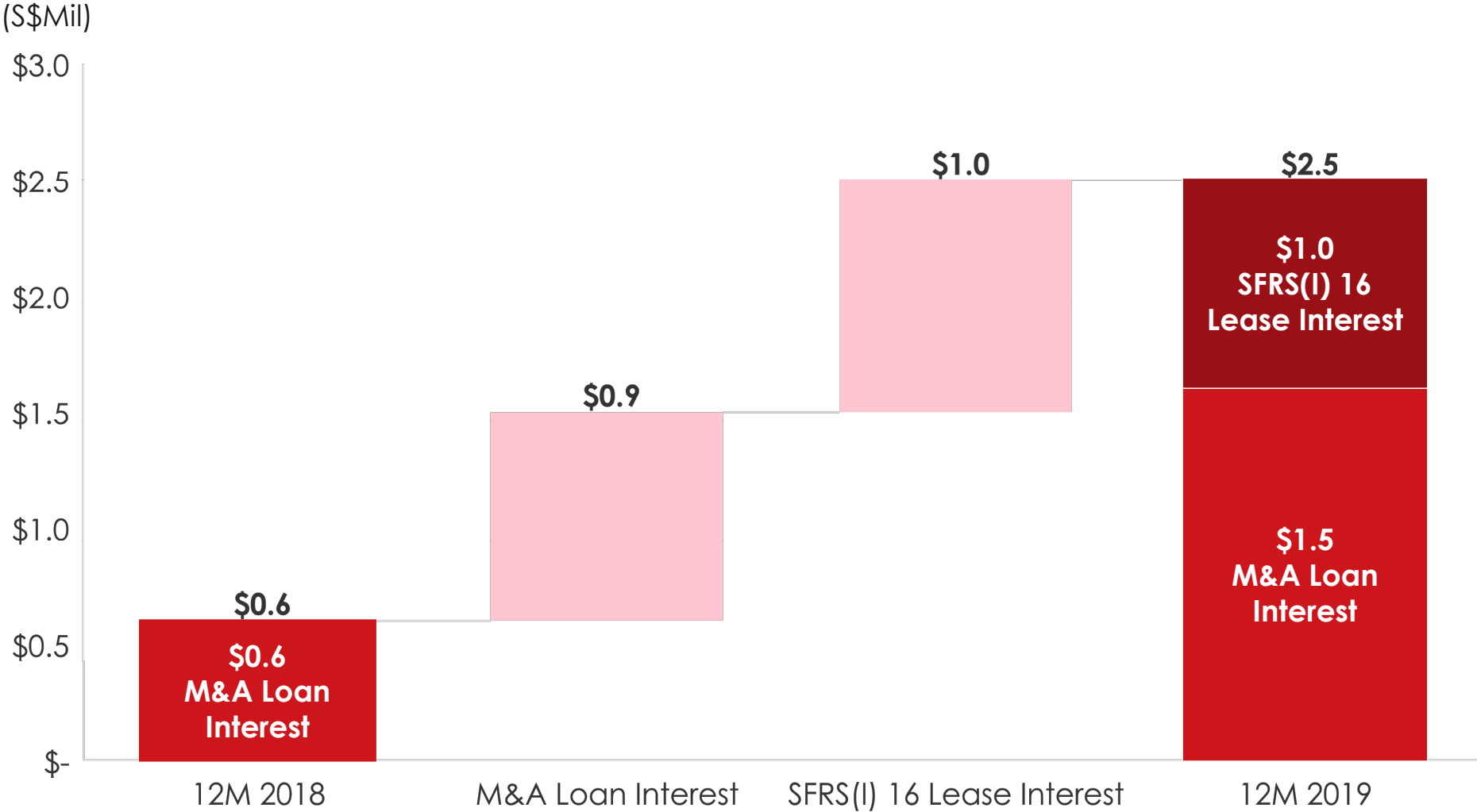
12M 2019

Total: \$53.0





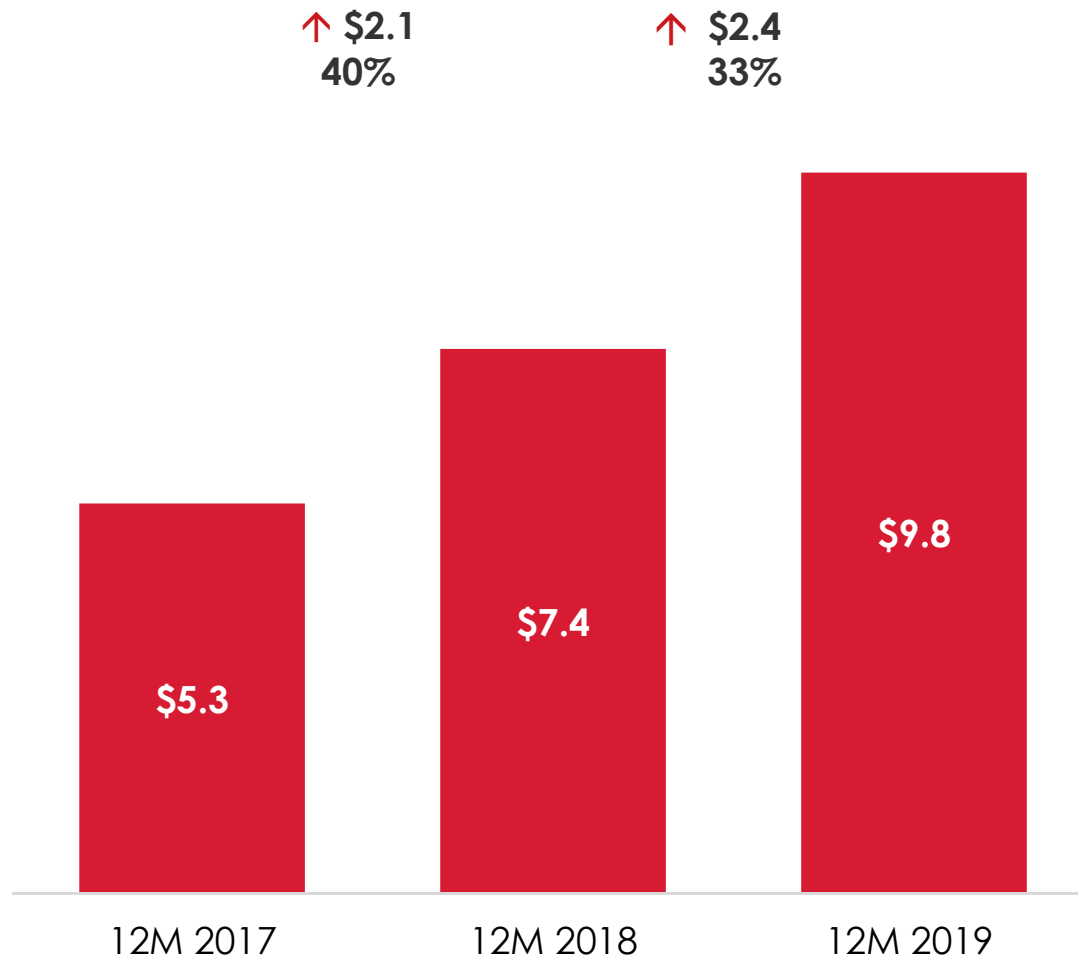
Finance Expenses Bridge





12M EBIT Trend (\$Mil)

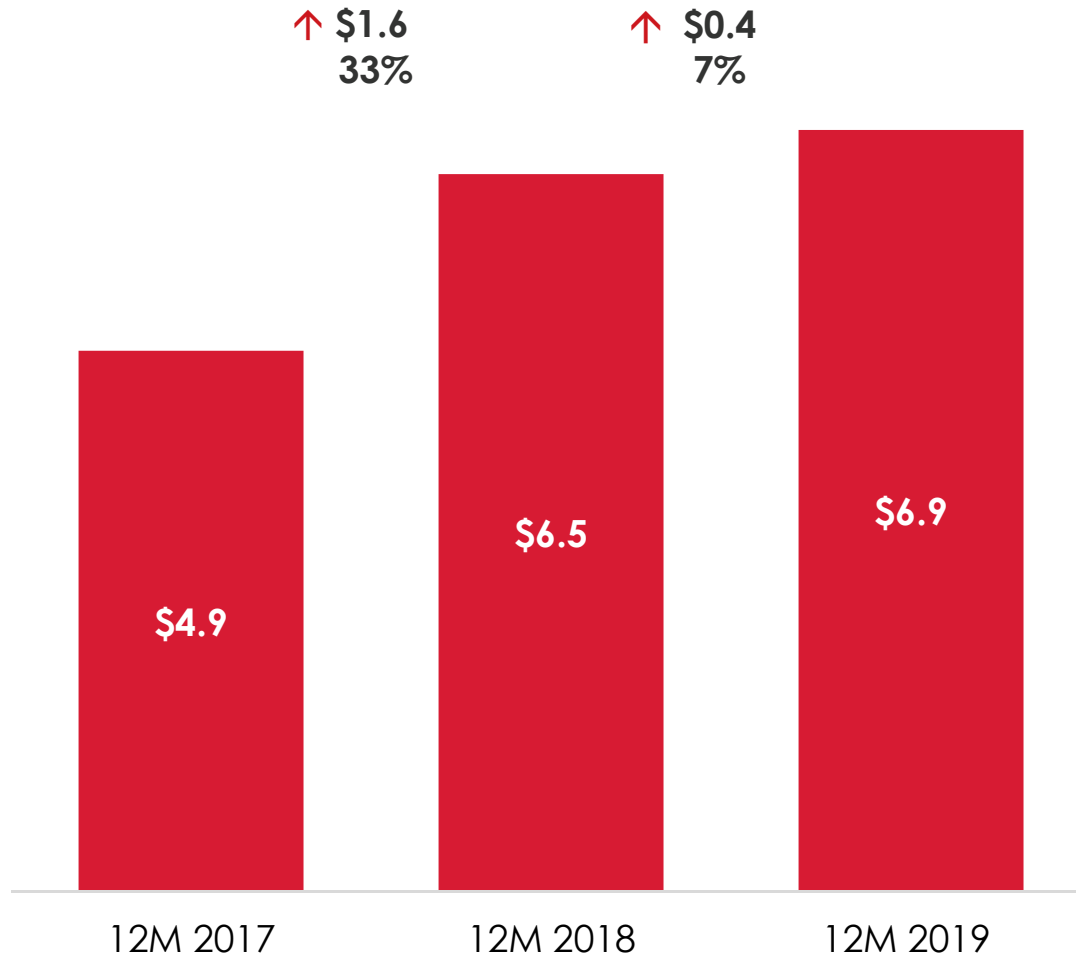
Earning Before Interest & Tax ("EBIT")





12M PAT Trend (\$Mil)

Profit After Tax ("PAT")





Consolidated Income Statement 12M 2019 vs 12M 2018

(S\$'000)	12M 2019	12M 2018	Variance	Variance %
Revenue	53,890	36,960	16,930	46%
Cost of Sales	(26,453)	(14,639)	(11,814)	81%
Gross Profit	27,437	22,321	(5,116)	23%
<i>GP Margin</i>	<i>51%</i>	<i>60%</i>		<i>(9%)</i>
Other Income	3,405	3,427	(19)	-*
Other Gain / (Losses)	5,985	(129)	5,856	N.M.
Expenses	(29,475)	(18,796)	(10,679)	57%
Share of Loss of an Associated Company and Joint Venture	(42)	-	(42)	N.M.
Profit Before Taxation	7,310	6,823	487	7%
<i>PBT Margin</i>	<i>14%</i>	<i>18%</i>		<i>(4%)</i>
Income Tax Expense	(362)	(336)	(26)	8%
Profit After Tax	6,948	6,487	461	7%
<i>PAT Margin</i>	<i>13%</i>	<i>18%</i>		<i>(5%)</i>

Legend:

N.M. – Not meaningful

* – Less than 1%

Geographical SBUs' Results

12M 2019 vs 12M 2018

	SINGAPORE OPERATIONS					AUSTRALIA OPERATIONS			GROUP
(\$'000)	Educ.	Fran.	Corp.	Others	Total	Educ.	Corp.	Total	Total
12M 2019									
Revenue	19,440	7,393	-	-	26,833	27,057	-	27,057	53,890
EBITDA	15,502	1,837	(3,190)	(55)	14,094	8,280	(3,706)	4,574	18,668
<i>EBITDA (%)</i>	<i>80%</i>	<i>25%</i>	<i>N.M.</i>	<i>N.M.</i>	<i>53%</i>	<i>31%</i>	<i>N.M.</i>	<i>17%</i>	<i>35%</i>
12M 2018									
Revenue	15,175	10,034	-	-	25,209	11,751	-	11,751	36,960
EBITDA	4,568	6,492	(2,958)	(13)	8,089	2,018	(1,924)	94	8,183
<i>EBITDA (%)</i>	<i>30%</i>	<i>65%</i>	<i>N.M.</i>	<i>N.M.</i>	<i>32%</i>	<i>17%</i>	<i>N.M.</i>	<i>1%</i>	<i>22%</i>
Variance									
EBITDA	10,934	(4,655)	(232)	(42)	6,005	6,262	(1,782)	4,480	10,485
<i>EBITDA (%)</i>	<i>N.M.</i>	<i>(72%)</i>	<i>(8%)</i>	<i>N.M.</i>	<i>74%</i>	<i>N.M.</i>	<i>(93%)</i>	<i>N.M.</i>	<i>N.M.</i>

Legend:

Corp. – Corporate

Educ. – Education

Fran. – Franchise

N.M. – Not meaningful



Consolidated Balance Sheet

(S\$'000)	31.12.2019	31.12.2018	Variance	Variance (%)
Current Assets	27,260	47,584	(20,324)	(43%)
Non-Current Assets	128,634	46,144	82,490	N.M.
Total Assets	155,894	93,728	62,166	66%
Current Liabilities	35,374	17,174	18,200	N.M.
Non-Current Liabilities	57,859	15,868	41,991	N.M.
Total Liabilities	93,233	33,042	60,191	N.M.
Net Assets	62,661	60,686	1,975	3%
Capital and Reserves Attributable to Equity Holders of the Company	62,883	60,735	2,148	4%
Non-Controlling Interests	(222)	(49)	(173)	N.M.
Total Equity	62,661	60,686	1,975	3%

Legend

N.M. – Not meaningful



Consolidated Statement of Cash Flows 12M 2019 vs 12M 2018

(S\$'000)	12M 2019	12M 2018
Net Cash Provided by Operating Activities	8,509	7,467
Net Cash Used in Investing Activities	(46,264)	(24,293)
Net Cash Provided by Financing Activities	8,168	13,098
Net Decrease in Cash and Cash Equivalents	(29,587)	(3,728)
Cash and Cash Equivalents at Beginning of Financial Period	35,437	39,377
Effects of Currency Translation on Cash and Cash Equivalents	(82)	(212)
Cash and Cash Equivalents at End of Financial Period	5,768	35,437

Legend

N.M. – Not meaningful

Financial Highlights

- 12M operating cash flow up by 14% from \$7.5 mil to \$8.5 mil;
- 12M revenue up by 46%, from \$36.9 mil to \$53.9 mil;
- 12M EBIT up by 33% from \$7.4 mil to \$9.8 mil; and
- 12M PAT up by 7% from \$6.5 mil to \$6.9 mil.

Operational Highlights

- No. of all MindChamps centres up by 12%, from 74 to 83; and
- PreSchool students up by 20%, from 4,199 to 5,052.

Future Plans

- Focusing on maximising profitability of acquired COCOs; and
- Reinvesting profits of education segment to create a franchise segment in Australia.