



# Analyst Meeting – First Half Ended 30 June 2020 (1H 2020)

14 August 2020





## Disclaimer

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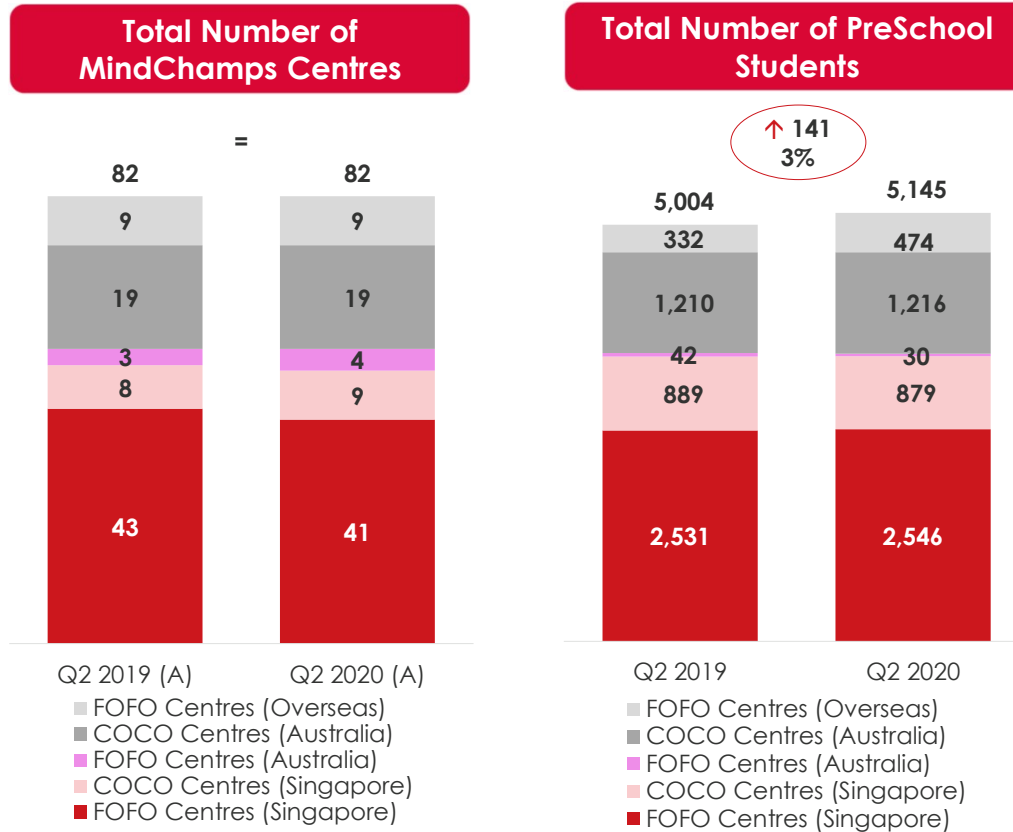


# Non-Financial and Financial Highlights

Presented by Mr. Yongky Widjaja  
Senior Director, Finance

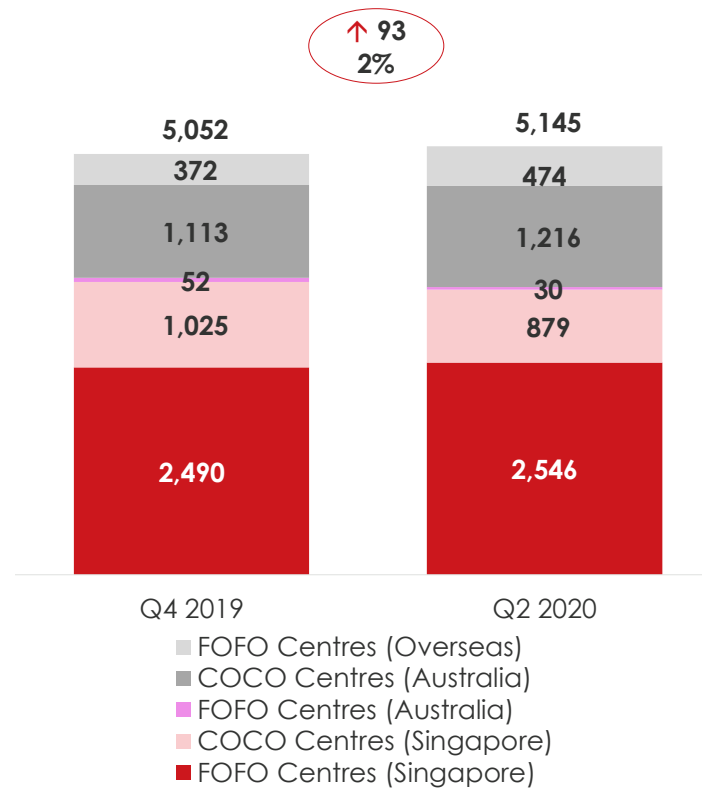


# Y-o-Y Growth of MindChamps Centres and PreSchool Students

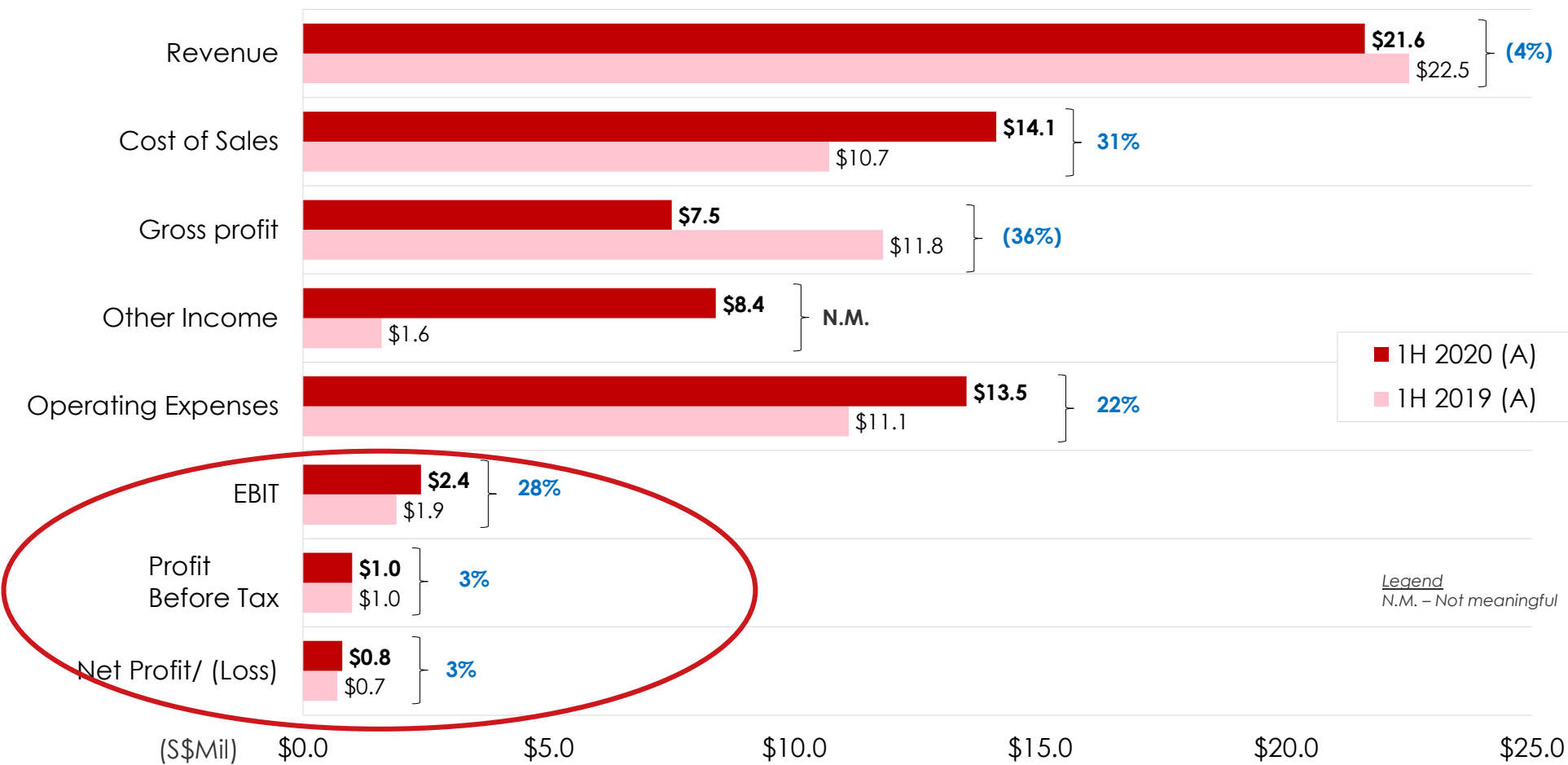


# Growth of MindChamps PreSchool Students Amid the COVID-19 Pandemic

## Total Number of PreSchool Students

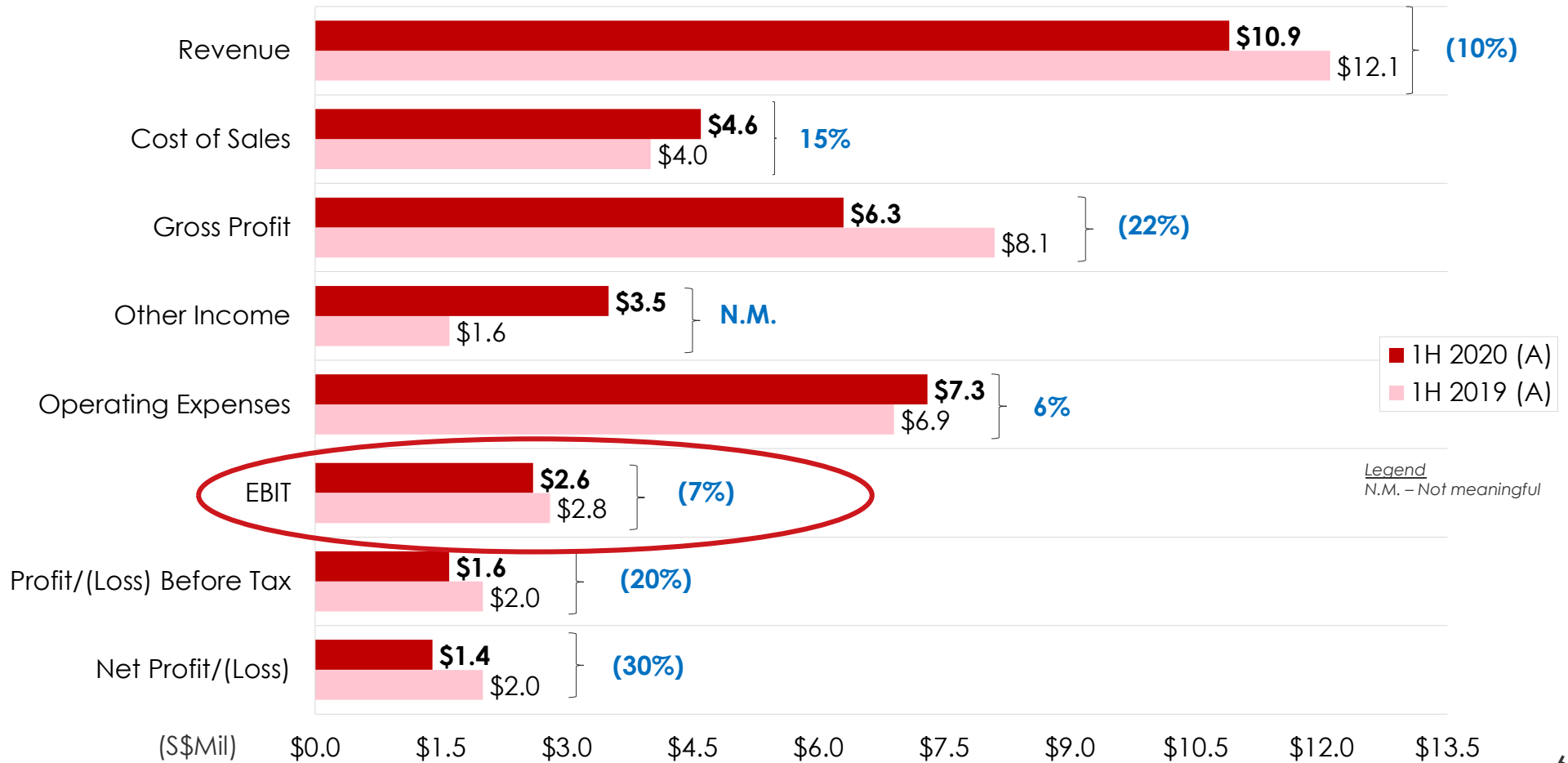


## Group 1H 2020 Financial Highlights (\$Mil)

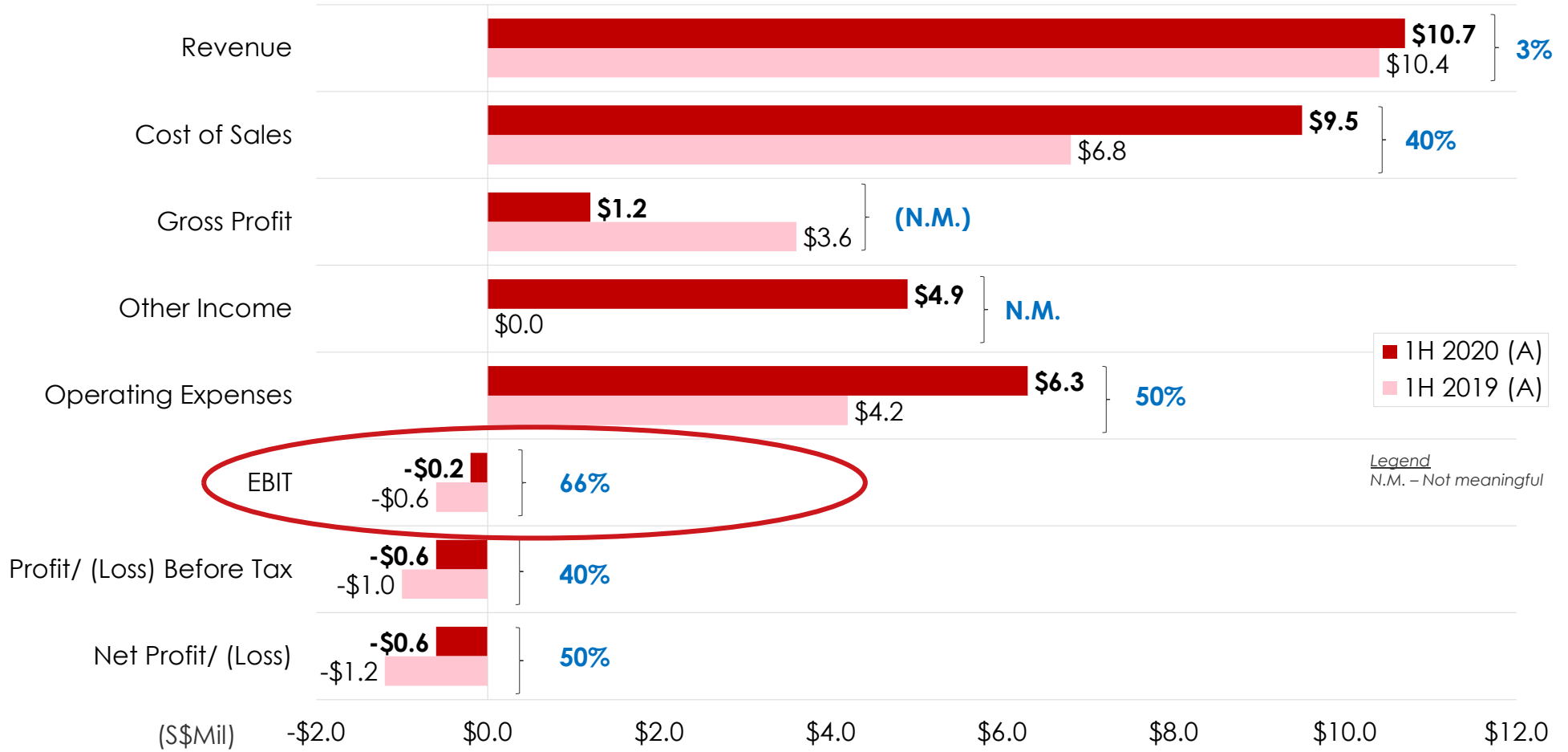




## Singapore Home Ground Operation Remains Profitable Amid COVID-19 Pandemic (\$Mil)



## Improvement in Australia's Performance (\$Mil)

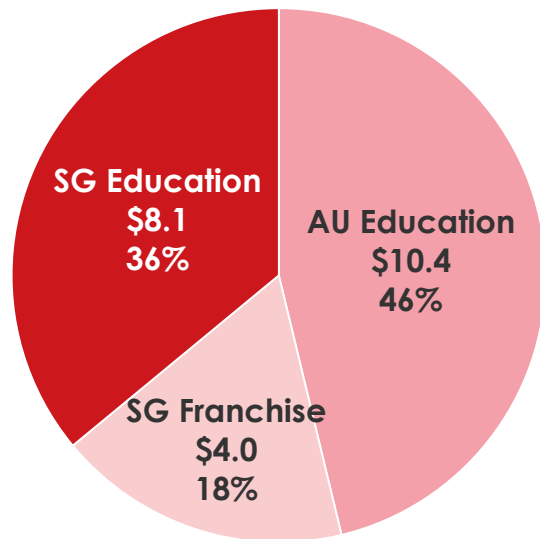




## Revenue Mix – Geographical SBUs (\$Mil)

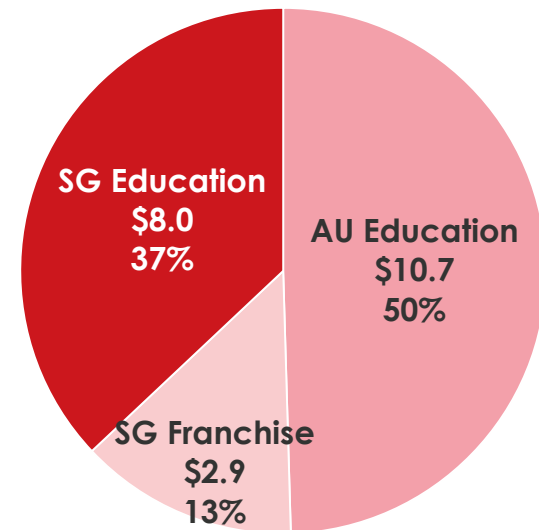
**1H 2019  
Actual**

**Total: \$22.5**



**1H 2020  
Actual**

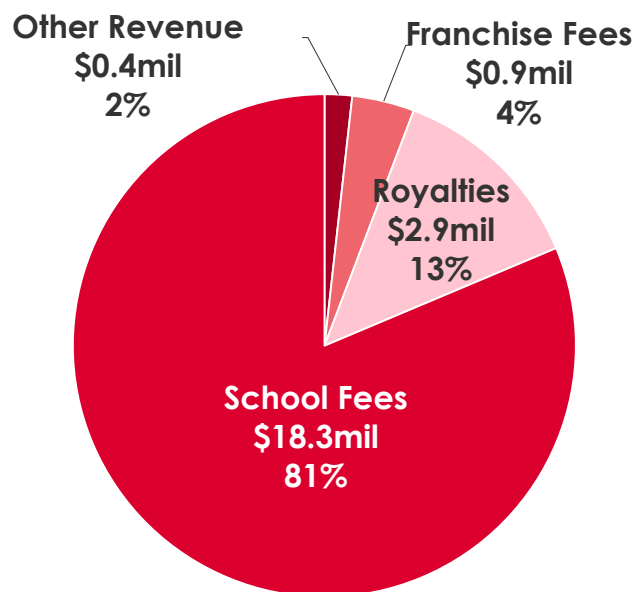
**Total: \$21.6**



## Revenue – Services Mix (\$Mil)

**1H 2019  
Actual**

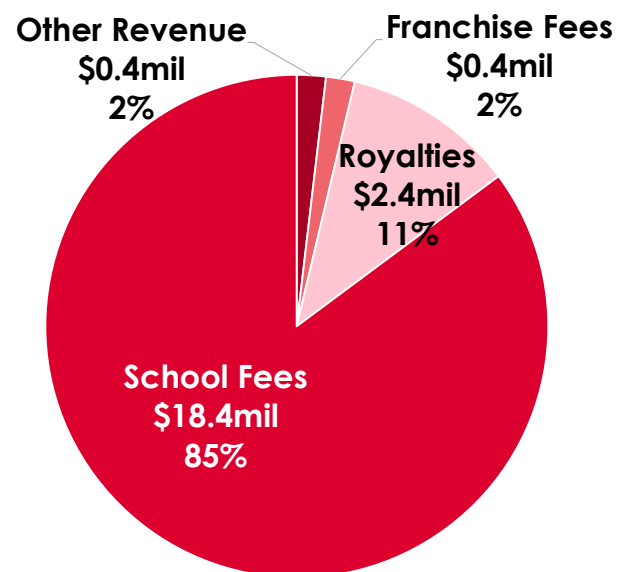
**Total: \$22.5**



- Other Revenue
- Franchise Fees
- Royalties
- School Fees

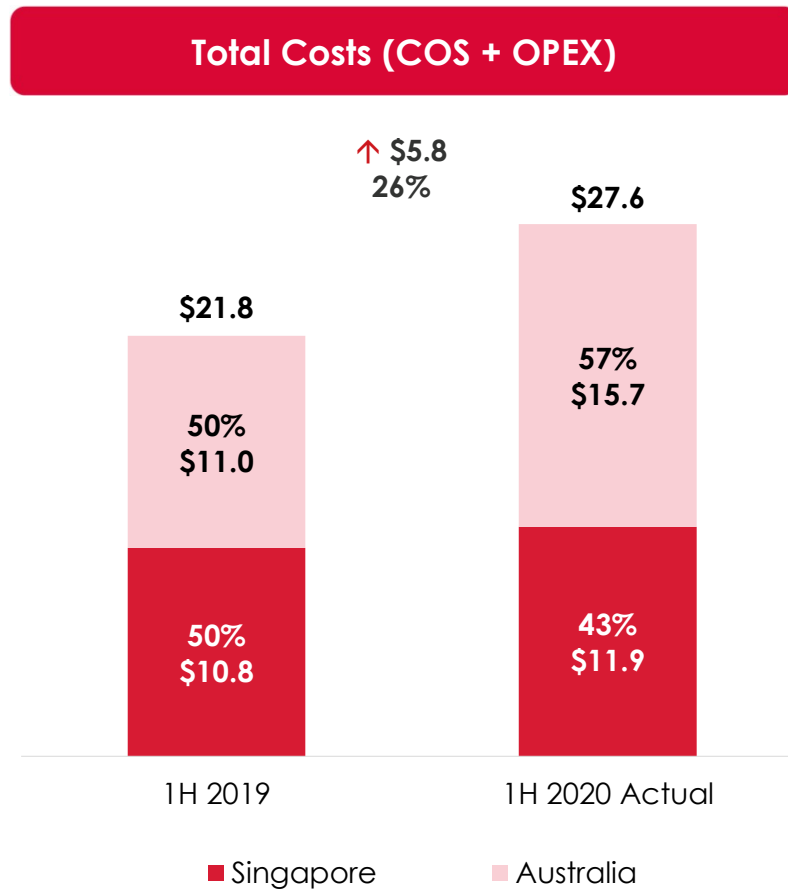
**1H 2020  
Actual**

**Total: \$21.6**



- Other Revenue
- Franchise Fees
- Royalties
- School Fees

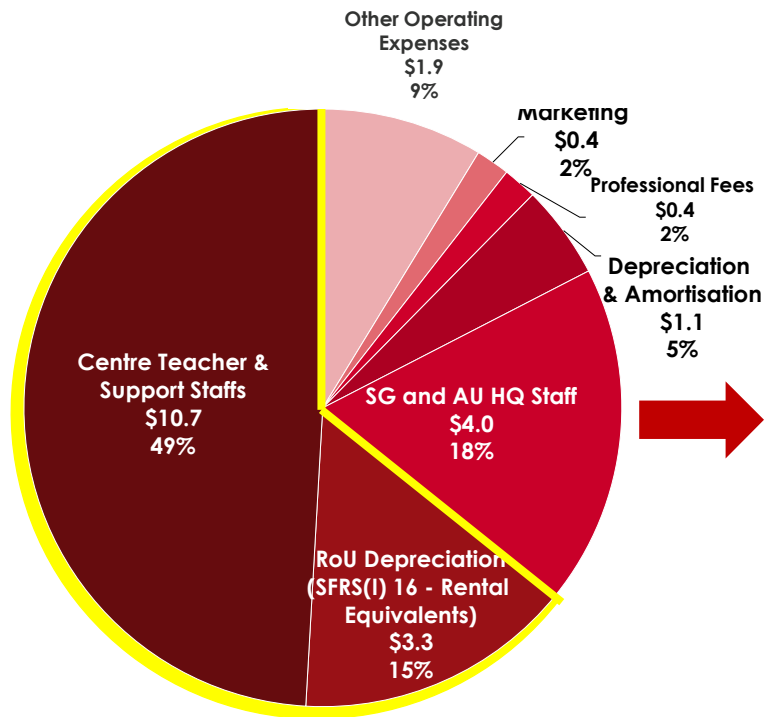
## Total Cost Trend (\$Mil)



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

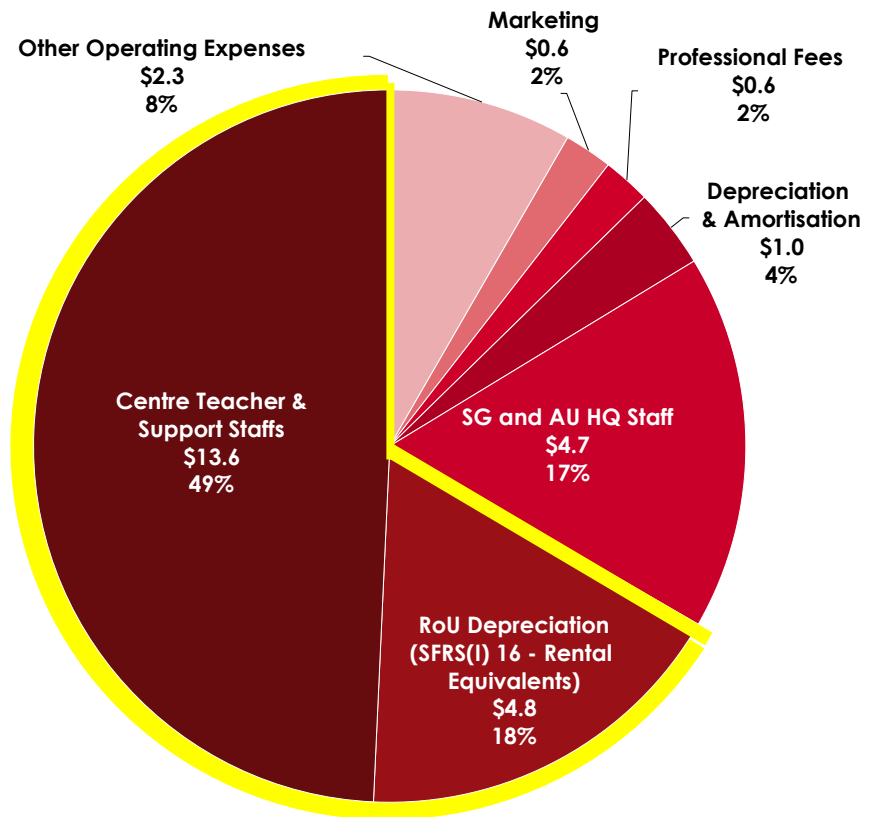
1H 2019

Total: \$21.8



1H 2020

Total: \$27.6

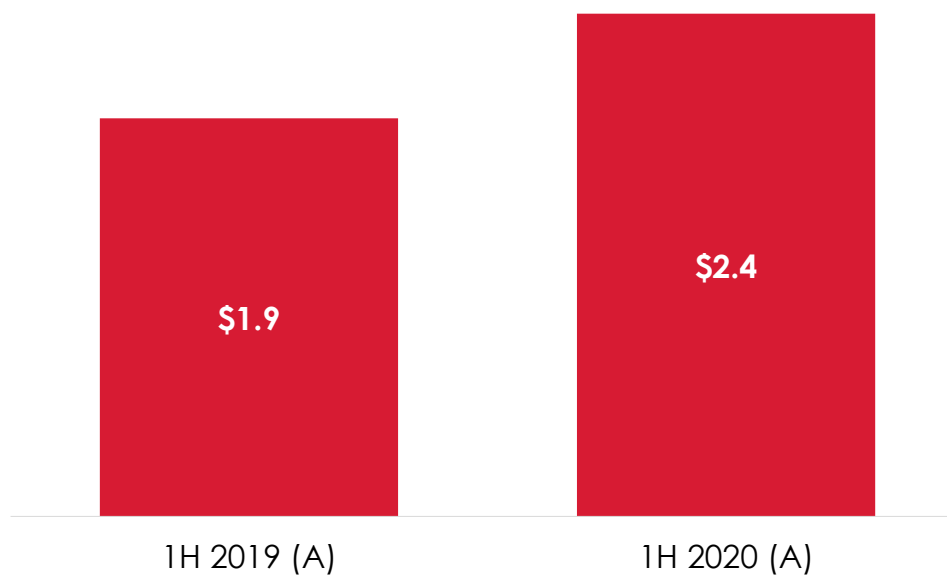




## 1H EBIT Trend (\$Mil)

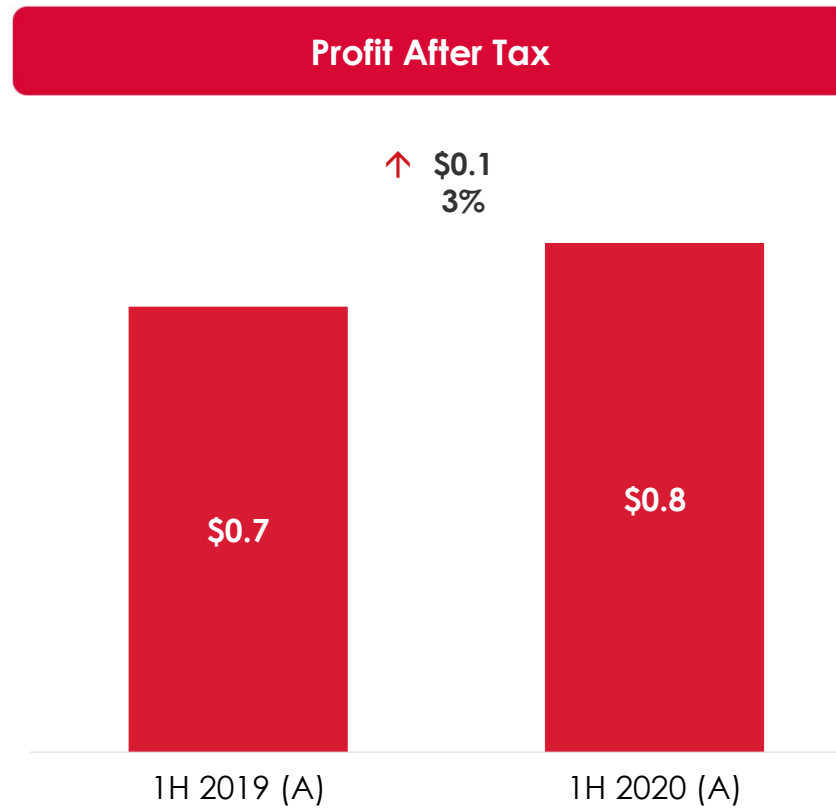
EBIT

↑ \$0.5  
28%



Legend  
N.M. - Not meaningful

## 1H Profit After Tax Trend (\$Mil)



Legend  
N.M. – Not meaningful

## 1H 2020 Consolidated P&L

(Actual vs Prior Year)

(S\$'000)	1H 2020 Actual	1H 2019 Actual	Variance	Variance %
Revenue	21,596	22,473	(877)	(4%)
Cost of Sales	(14,068)	(10,715)	(3,353)	31%
<b>Gross Profit</b>	<b>7,528</b>	<b>11,758</b>	<b>(4,230)</b>	<b>(36%)</b>
<i>GP Margin</i>	<i>35%</i>	<i>52%</i>		<i>(17%)</i>
Other Income	8,361	1,594	6,767	N.M.
Forex Translation Gain	186	-	186	N.M.
Operating Expenses	(14,982)	(12,401)	(2,581)	21%
Share of Loss of an Associated Company and Joint Ventures	(114)	-	(114)	N.M.
<b>Profit Before Taxation</b>	<b>979</b>	<b>951</b>	<b>28</b>	<b>3%</b>
<i>PBT Margin</i>	<i>5%</i>	<i>4%</i>		<i>1%</i>
Income Tax Expense	(214)	(206)	(8)	4%
<b>Profit After Tax</b>	<b>765</b>	<b>745</b>	<b>20</b>	<b>3%</b>
<i>PAT Margin</i>	<i>4%</i>	<i>3%</i>		<i>1%</i>

Legend

N.M. – Not meaningful

### Highlights:

- Revenue decreased by 4% was mainly attributable to the 50% mandated school fee reductions during Q2 2020 as part of the local government COVID-19 initiatives in Singapore and Australia. This reduction was netted by the increased number of enrolled students following the acquisitions of preschool centres in 2019.
- Cost of sales and operating expenses increased by 31% and 21% respectively, which resulted from the increased number in academic staff and higher daily costs (rent, utilities, etc) incurred by the acquired preschool centres from Q2 2019.
- Increased in other income by \$6.8 mil mainly due to the local government COVID-19 relief measures extended to Group's operations in Singapore and Australia during Q2 2020 in view of the 50% mandated school fee reductions during Q2 2020.
- Overall, the Group's PBT and PAT improved by 3% compared to the same period of last year.

## Consolidated Balance Sheet

(S\$'000)	30.06.20	31.12.19	Variance	Variance (%)
Current Assets	24,791	27,260	(2,469)	(9%)
Non-Current Assets	126,297	128,634	(2,337)	(2%)
<b>Total Assets</b>	<b>151,088</b>	<b>155,894</b>	(4,806)	(3%)
Current Liabilities	35,359	35,374	15	N.M.
Non-Current Liabilities	51,244	57,859	(6,615)	(11%)
<b>Total Liabilities</b>	<b>86,603</b>	<b>93,233</b>	(6,630)	(7%)
<b>Net Assets</b>	<b>64,485</b>	<b>62,661</b>	1,824	3%
Capital and Reserves Attributable to Equity Holders of the Company	64,794	62,883	1,911	3%
Non-Controlling Interests	(309)	(222)	(87)	39%
<b>Total Equity</b>	<b>64,485</b>	<b>62,661</b>	1,824	3%


### Highlights:

- Decrease in total assets of \$4.8 mil mainly due to:
  - Recovery of trade receivables by approximately S\$2.6 million as a result from the collections in 1H 2020; and
  - Reduction in property, plant and equipment by S\$2.2 million due to depreciation of fixed assets (mainly from the Rights of Use assets).
- Decrease in total liabilities of \$6.6 mil mainly due to the loan repayments made in 1H 2020.

### Legend

N.M. – Not meaningful





## Consolidated Statement of Cash Flows 1H 2020 vs 1H 2019

(\$S'000)	1H 2020	1H 2019
Net Cash Provided by Operating Activities	4,832	5,106
Net Cash Provided by/ (Used in) Investing Activities	3,589	(43,036)
Net Cash (Used in) / Provided by Financing Activities	(8,448)	15,162
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(27)</b>	<b>(22,768)</b>
Cash and Cash Equivalents at Beginning of Financial Period	5,762	35,437
Effects of Currency Translation on Cash and Cash Equivalents	92	(76)
<b>Cash and Cash Equivalents at End of Financial Period</b>	<b>5,827</b>	<b>12,593</b>

### Highlights:

Major cash inflows during 1H 2020 was:

- Net cash provided by operating activities of approx. S\$4.8 million; and
- Receipt of purchase consideration of approx. S\$4.8 million for a preschool centre divested in 2019.

Major cash outflows during 1H 2020 were:

- Repayment of principal element of borrowings of approx. S\$5.4 million; and
- Repayment of principal element of lease payments of approx. S\$3.0 million.



### Financial Highlights

- EBIT up by 28%, from \$1.9mil to \$2.4mil Y-o-Y.
- PBT up by 3% from \$951k to \$979k Y-o-Y.
- PAT up by 3% from \$745k to \$765k Y-o-Y.

### Operational Highlights

- Number of all MindChamps centres stabilised at 82 with zero centre closure amid the COVID-19 pandemic.
- PreSchool students grew by 2% amid the COVID-19 pandemic, from 5,052 as at Dec 2019 to 5,145 as at Jun 2020

### Future Plans

- Proliferating the Australia Franchise Segment.



**Thank You!**

