



FY2017 Financial Results

1 March 2018



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Today's Presenters



David Chiem
*Executive Chairman &
Founder CEO*

- More than 19 years of experience in the education sector
- Author and publisher of 6 critically-acclaimed novels on parenting and early education
- Awarded the 2008 Entrepreneur of the Year by Rotary-ASME, the Outstanding Entrepreneur Award (Asia-Pacific Entrepreneurship Awards) by Enterprise Asia in 2010, the CEO Brand Leader of the Year award by Brand Alliance in 2016
- Bachelor of Arts in Communication from the University of Technology, Sydney
- Specialist Extension Course Certificate in Producing from the Australian Film Television and Radio School



Teo Wee Jone
CFO

- More than 17 years of finance experience in the education and information and communication technology industries
- Prior to joining our Group, he was most recently Finance Director, China Operations at Singapore Computer Systems Limited from 2006 to 2007
- Fellow Chartered Accountant of Singapore and Fellow of CPA Australia
- Bachelor of Economics majoring in Accounting from Macquarie University, Australia and a Master of Business Administration from the University of Melbourne, Australia

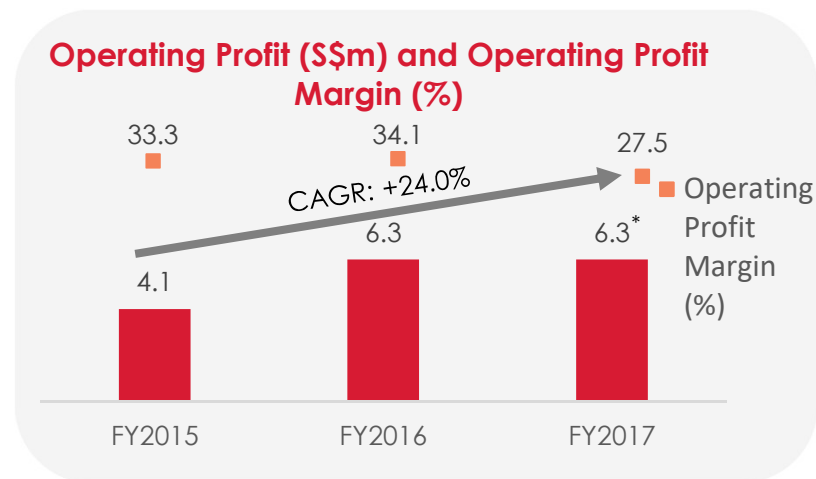
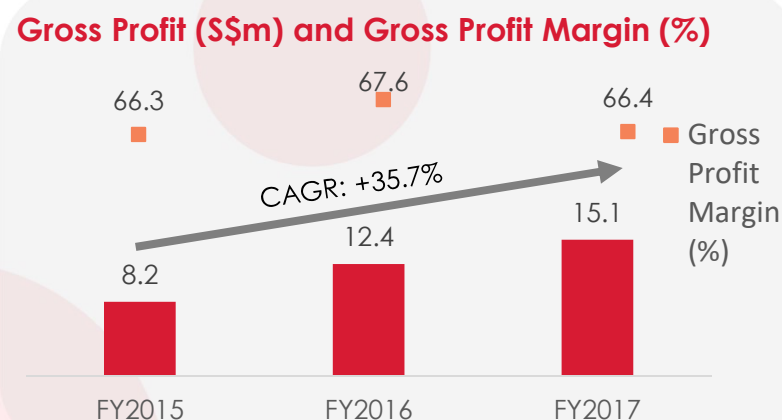
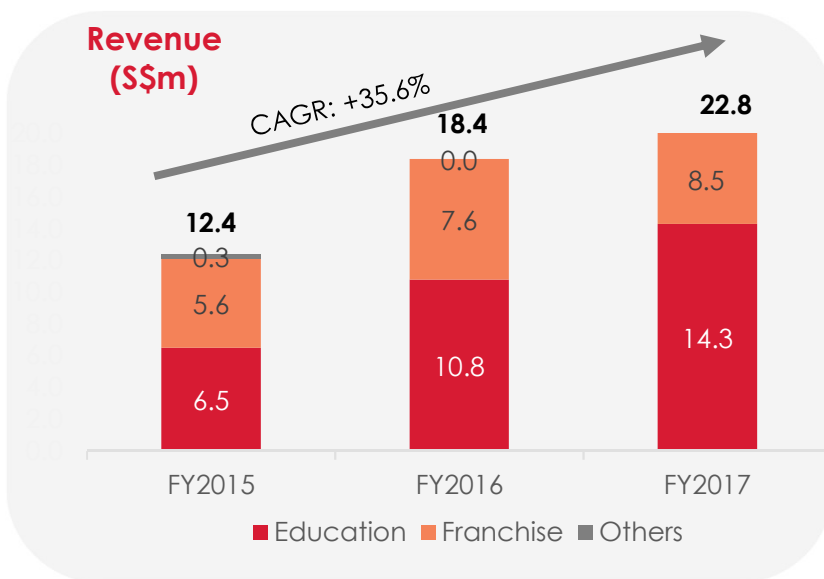


Financial Highlights

Consolidated Statement of Comprehensive Income

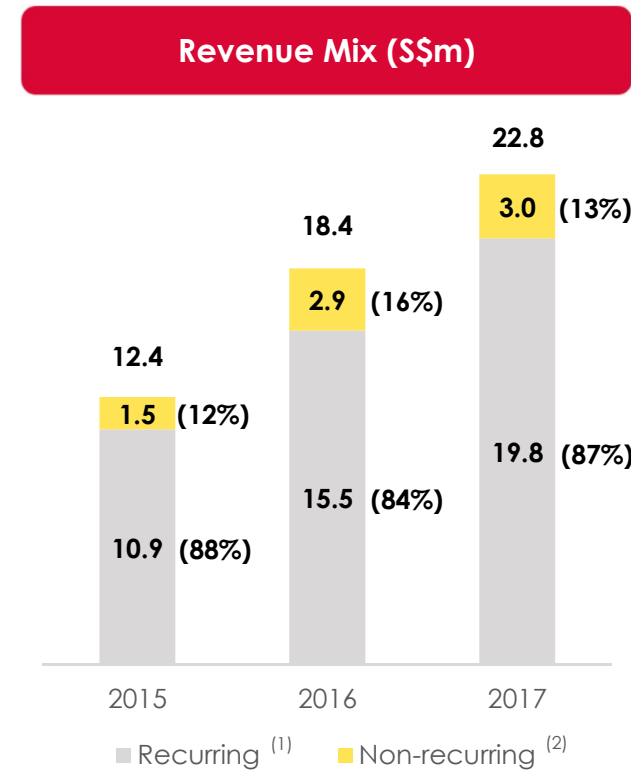
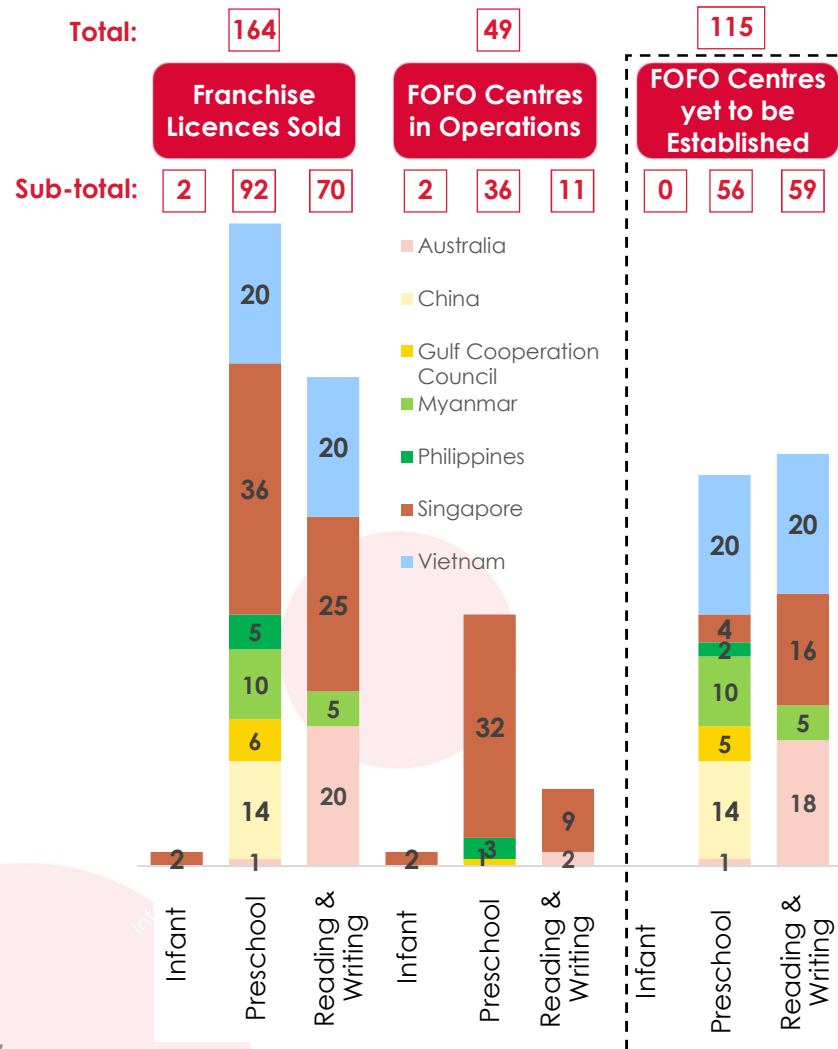
	Group	
	FY2017	FY2016
	S\$'000	S\$'000
	Unaudited	Audited
Revenue	22,791	18,418
Cost of sales	(7,656)	(5,974)
Gross profit	15,135	12,444
Other income	1,442	1,214
Expenses		
- Administrative	(9,742)	(7,031)
- Marketing	(560)	(358)
Operating profits	6,275	6,269
Other (loss)/gain - net	(13)	16
Non-operating expenses		
- Finance	(58)	(5)
- Initial public offering	(495)	-
- Mergers and acquisitions	(507)	-
Profit before income tax	5,202	6,280
Income tax expense	(312)	(447)
Net profit	4,890	5,833
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences arising from consolidation - (Loss)	(212)	(3)
Total comprehensive income	4,678	5,830
Profit attributable to:		
Equity holders of the Company	4,565	5,391
Non-controlling interests	325	442
	4,890	5,833
Total comprehensive income attributable to:		
Equity holders of the Company	4,353	5,388
Non-controlling interests	325	442
	4,678	5,830

Strong Growth in Revenue, Gross Profit and Operating Profit



*Excluding IPO and Mergers and Acquisitions Expenses

Strong Earnings Through Franchise Business Model and High Proportion of Recurring Revenue



Notes:

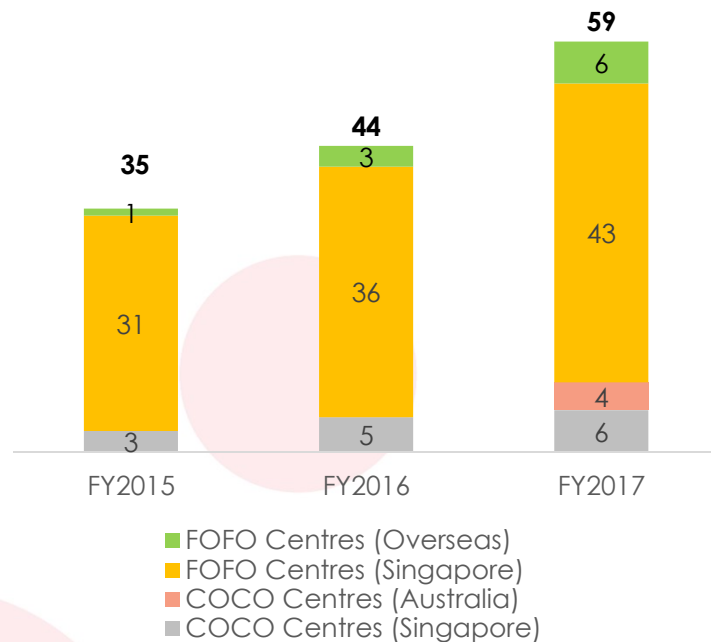
1. Comprises school fees, royalty fees, sales of merchandise, school event income and other income that recur periodically

2. Comprises franchise income resulting from franchise sales

Scalability and Rapid Growth Through Our Robust Franchise and Education Businesses

Total Number of Centres

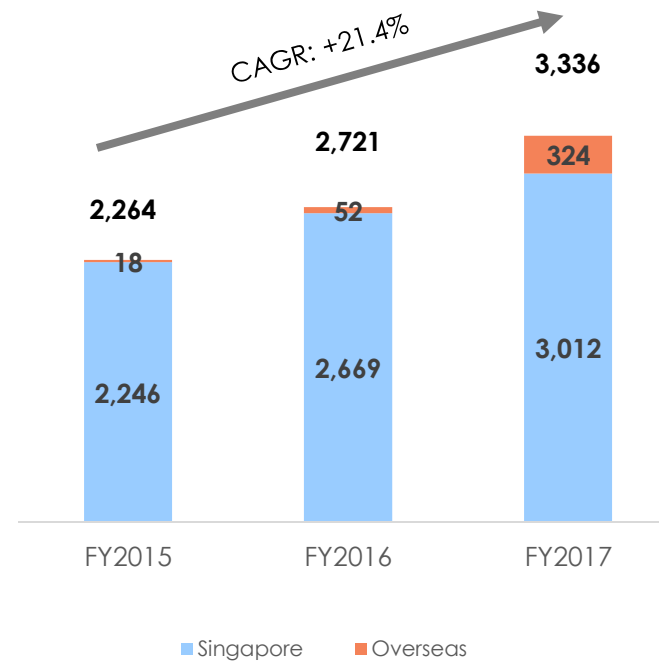
- CAGR in Singapore: 54.1%⁽¹⁾
- CAGR in Singapore and overseas: 57.3%⁽²⁾



Notes:

1. From 1 to 49 centres (from inception in 2008 to 2017)
2. From 1 to 59 centres (from inception in 2008 to 2017)

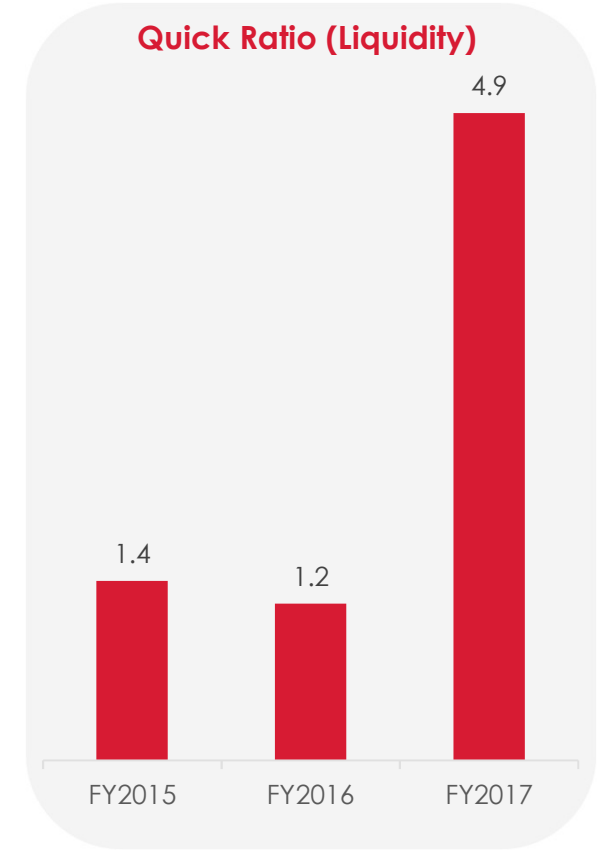
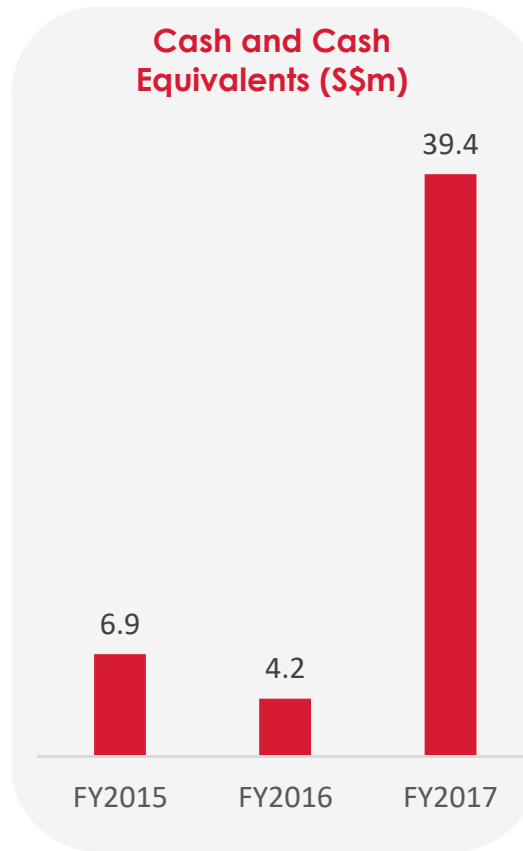
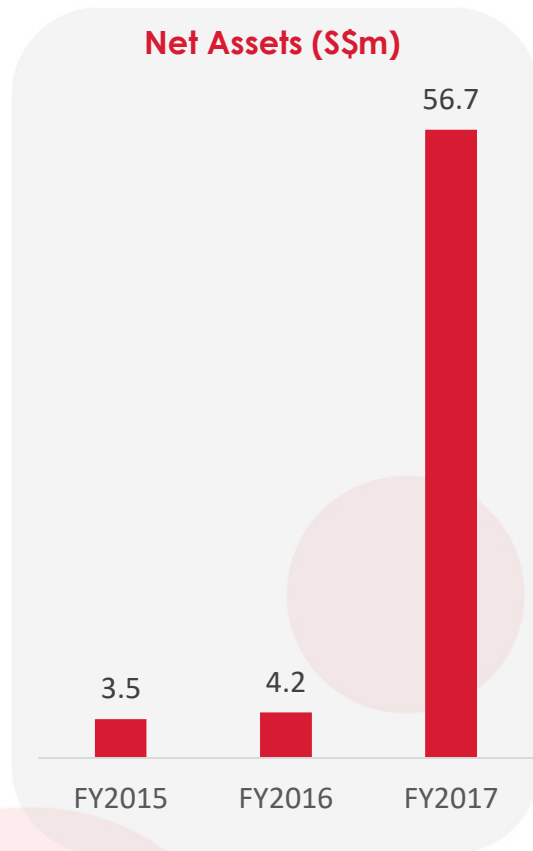
Total Number of Students



Consolidated Balance Sheet

	Group	
	As at 31 December 2017 S\$'000 Unaudited	As at 31 December 2016 S\$'000 Audited
ASSETS		
Current assets		
Cash and cash equivalents	39,377	3,874
Trade and other receivables	7,944	5,404
Inventories	90	80
	<u>47,411</u>	<u>9,358</u>
Non-current assets		
Property, plant and equipment	1,725	1,147
Intangible assets	21,679	5,429
Deferred income tax assets	388	-
Investments in subsidiary corporations	-	-
	<u>23,792</u>	<u>6,576</u>
Total assets	<u>71,203</u>	<u>15,934</u>
LIABILITIES		
Current liabilities		
Trade and other payables	5,046	5,218
Deferred income	1,635	2,089
Borrowings	2,315	40
Current income tax liabilities	722	484
	<u>9,718</u>	<u>7,831</u>
Non-current liabilities		
Other payables	-	3,737
Borrowings	4,636	56
Deferred income tax liabilities	17	-
Provision for reinstatement costs	164	145
	<u>4,817</u>	<u>3,938</u>
Total liabilities	<u>14,535</u>	<u>11,769</u>
NET ASSETS	<u>56,668</u>	<u>4,165</u>
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	49,301	500
Currency translation reserve	(175)	37
Retained profits	7,574	3,187
	<u>56,700</u>	<u>3,724</u>
Non-controlling interests	<u>(32)</u>	<u>441</u>
TOTAL EQUITY	<u>56,668</u>	<u>4,165</u>

Underpinned by Strong Financial Position



Consolidated Statement of Cash Flow

Net profit
Adjustments for:
- Amortisation of intangible assets
- Depreciation of property, plant and equipment
- Write-down of property, plant and equipment
- Interest expense
- Interest income
- Income tax expense
- Initial public offering expenses paid
- Mergers and acquisitions expenses paid
- Unrealised currency translation losses

Change in working capital:
- Trade and other receivables
- Inventories
- Trade and other payables
- Provision for reinstatement costs
- Deferred income

Cash generated from operations
Income tax refund
Income tax paid

Net cash provided by operating activities

Cash flows from investing activities
Additions to property, plant and equipment
Additions to intangible assets
Acquisitions of subsidiary corporations, net of cash acquired
Acquisitions of preschool businesses
Acquisitions of non-controlling interests
Interest received
Acquisitions related expenses paid

Net cash used in investing activities

Cash flows from financing activities
Dividend paid to equity holders of the Company
Dividend paid to non-controlling interests
Interest paid
Repayments of finance lease liabilities
Repayments of bank borrowings
Proceeds from bank borrowings
Proceeds from initial public offering
Bank borrowings transaction cost paid
Initial public offering expenses paid

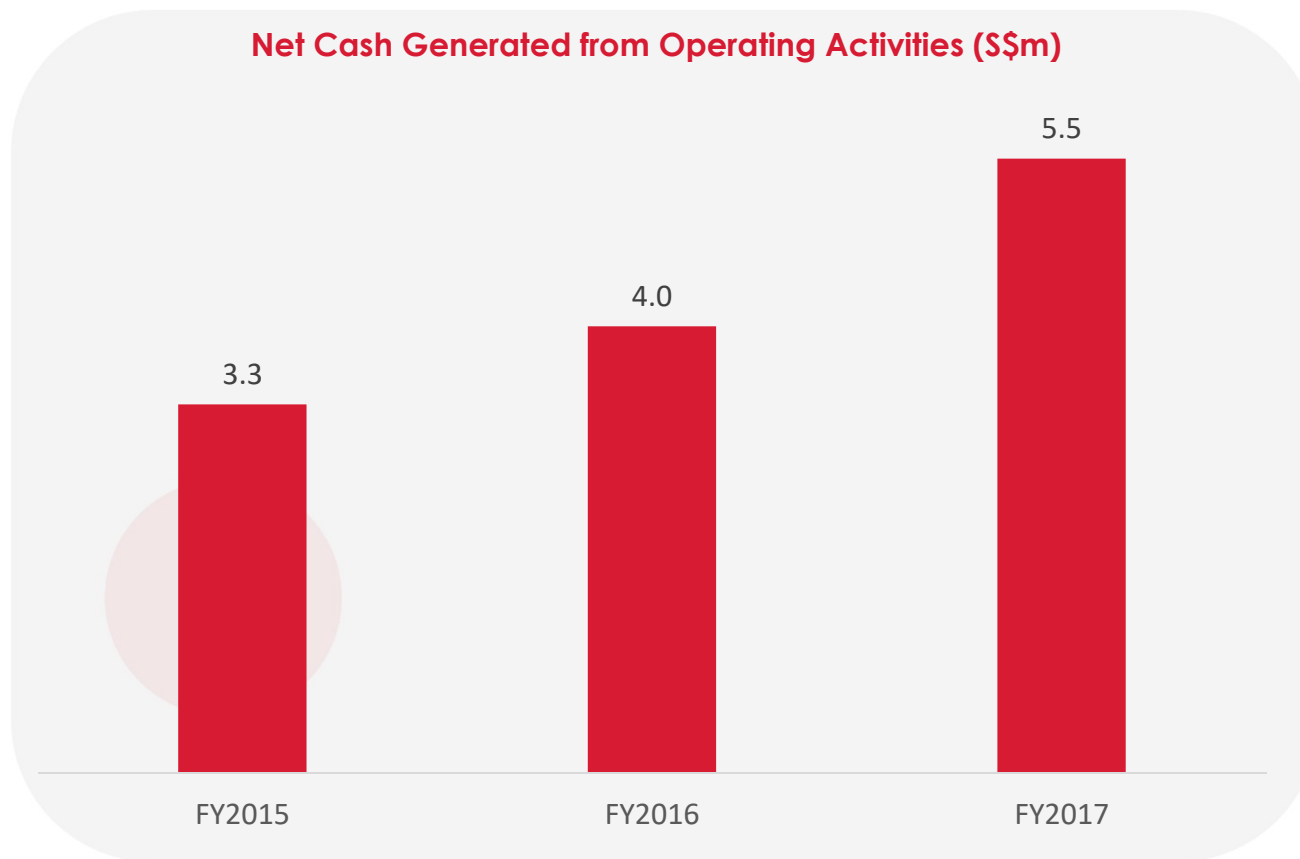
Net cash provided by/(used in) financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents
Beginning of financial year
Effects of currency translation on cash and cash equivalents
End of financial year

Group	
FY2017	FY2016
S\$'000	S\$'000
Unaudited	Audited
4,890	5,833
509	305
421	240
-*	-
58	5
(40)	(24)
312	447
507	-
495	-
17	1
<u>7,169</u>	<u>6,807</u>
(2,387)	(2,161)
(9)	(25)
2,042	(255)
19	65
<u>(876)</u>	<u>(92)</u>
5,958	4,339
39	36
<u>(484)</u>	<u>(385)</u>
<u>5,513</u>	<u>3,990</u>
(439)	(650)
(723)	(458)
-	(611)
(16,629)	-
(680)	-
40	24
<u>(495)</u>	<u>-</u>
<u>(18,926)</u>	<u>(1,695)</u>
(2,500)	(5,050)
(110)	(237)
(33)	(5)
(40)	(38)
(6,298)	-
13,306	-
47,566	-
(137)	-
<u>(2,834)</u>	<u>-</u>
<u>48,920</u>	<u>(5,330)</u>
35,507	(3,035)
3,874	6,912
<u>(4)</u>	<u>(3)</u>
<u>39,377</u>	<u>3,874</u>

Underpinned by Strong Operating Cashflows





Q&A Session



Thank You

