



Analyst Meeting – First Half Ended 30 June 2022 (1H 2022)

11 August 2022

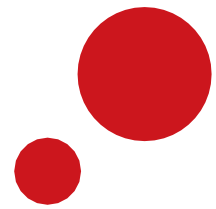




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Glossary



S/N	Acronyms	Definitions
1	COCO	Company-Owned-Company-Operated preschool centres
2	FOFO	Franchisee-Owned-Franchisee-Operated preschool centres
3	N.M.	Not meaningful



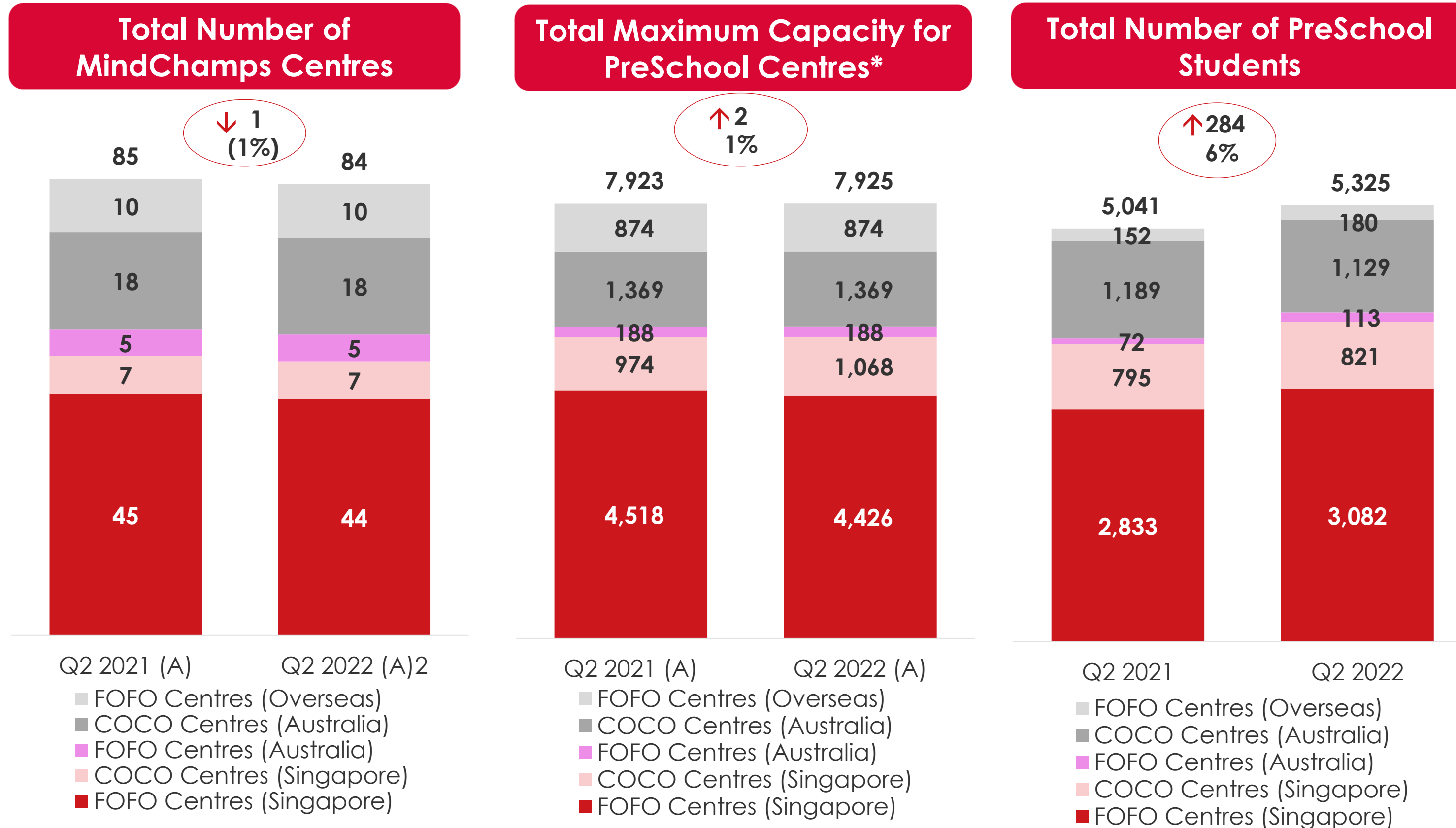
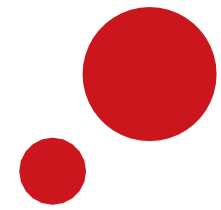


Non-Financial and Financial Highlights

Presented by Mr. Teo Wee Jone
Chief Financial Officer



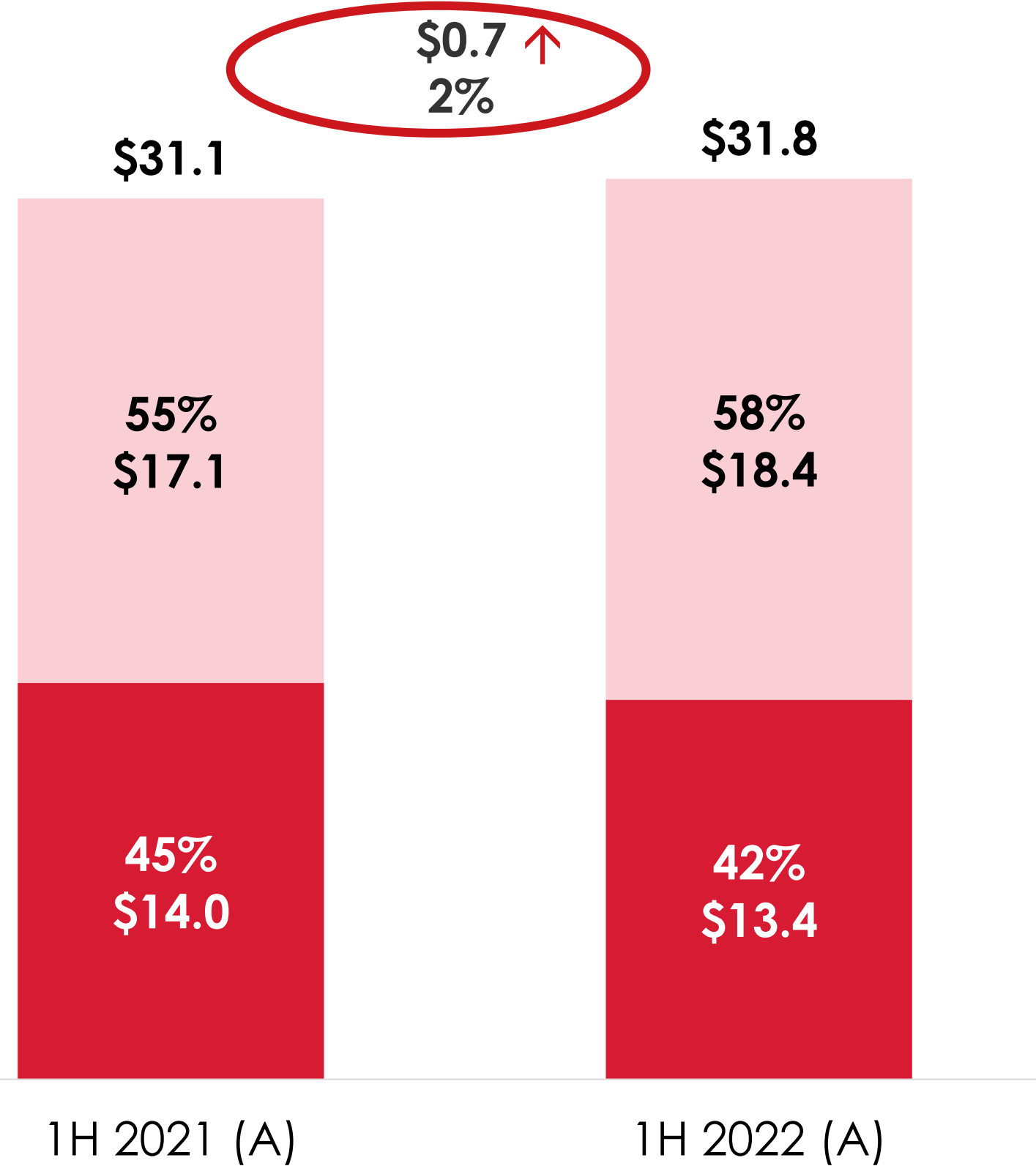
Number of MindChamps Centres and PreSchool Students



* For FOFO Centres in countries where maximum capacity is not regulated, estimated maximum capacity is proxied by Singapore's ECDA regulations.

Revenue Trend, Australia is Main Contributor (S\$Mil)

Total Revenue



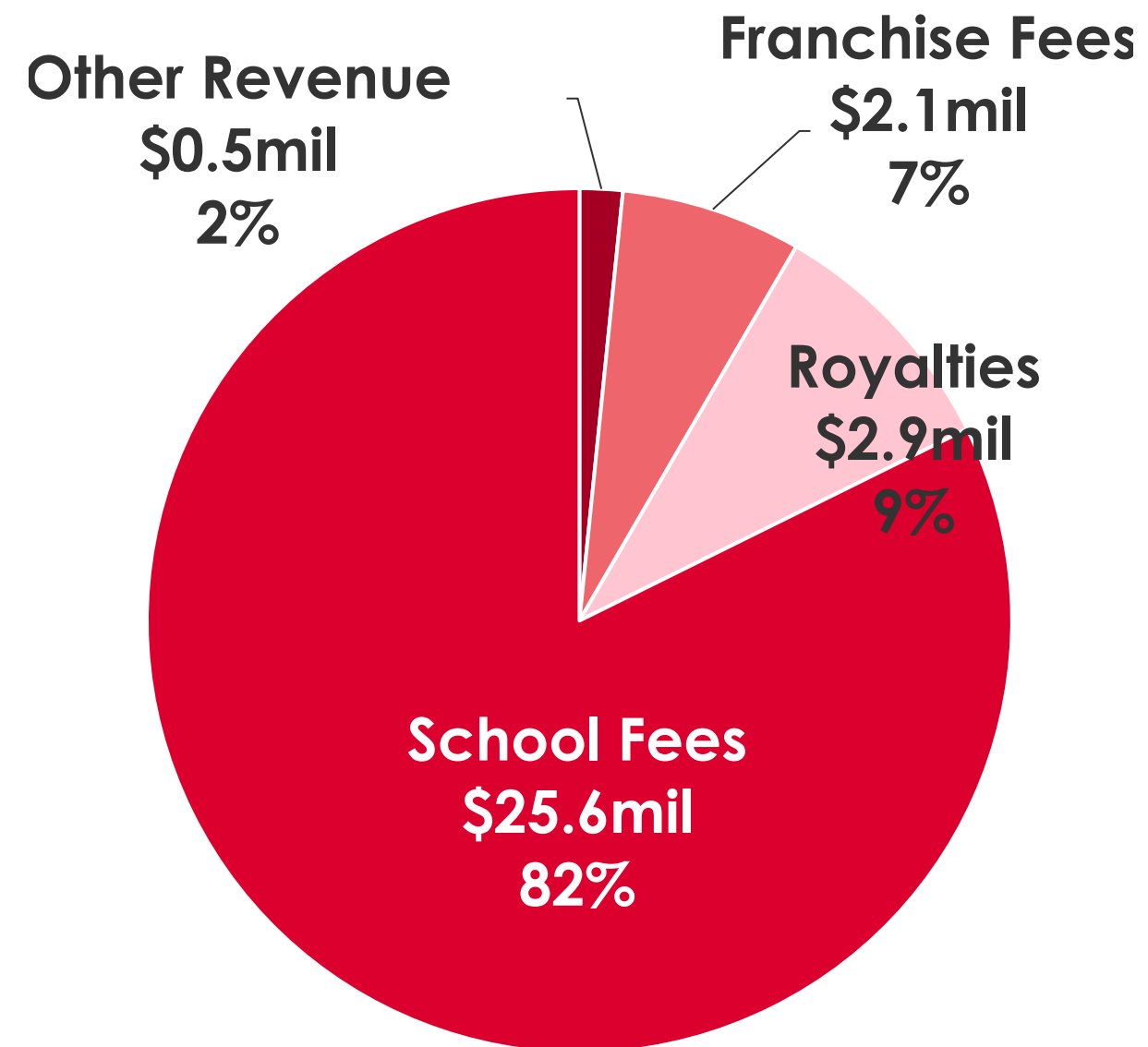
■ Singapore ■ Australia



Revenue – Services Mix, School Fees is Main Contributor (\$Mil)

**1H 2021
Actual**

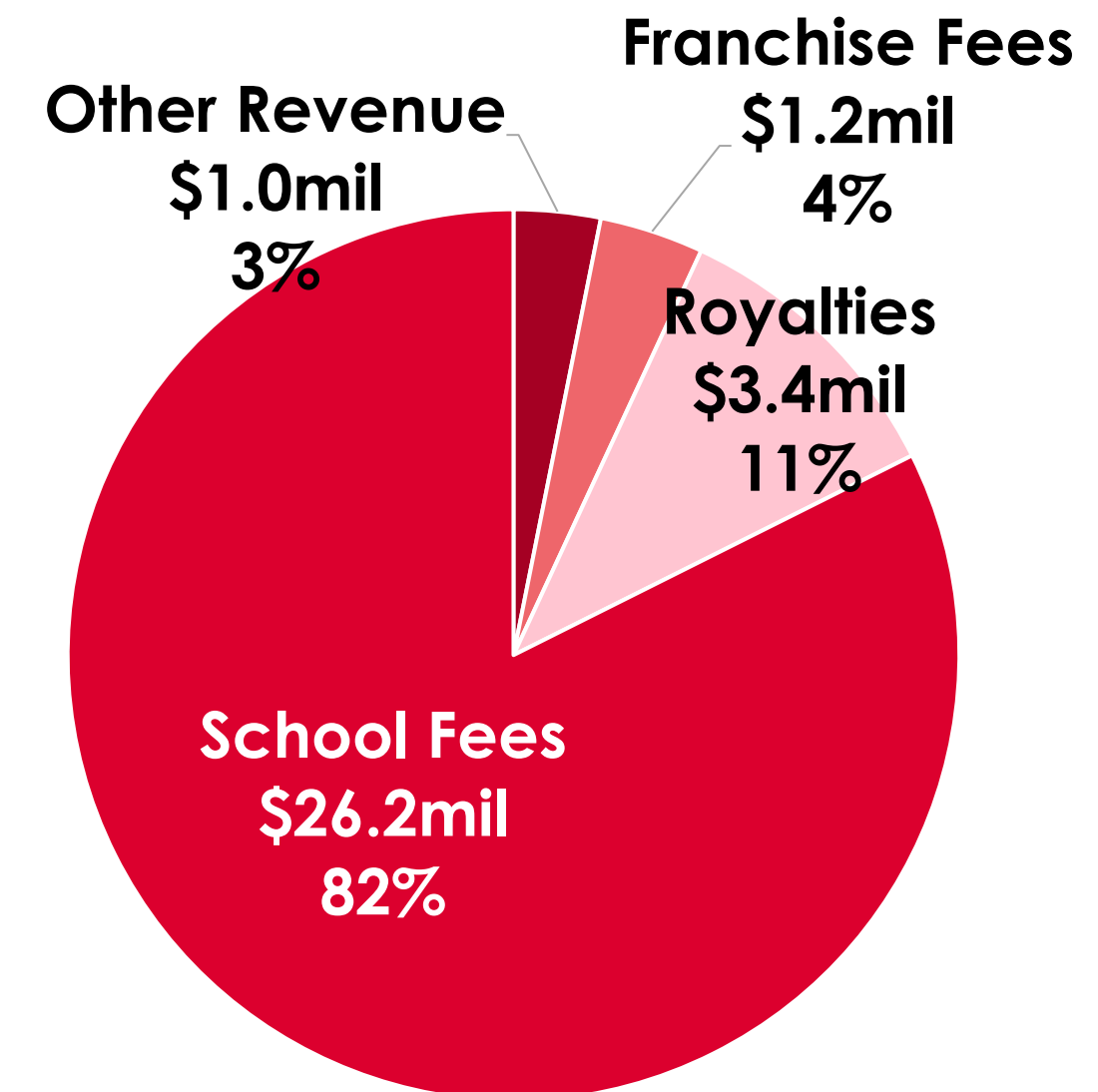
Total: \$31.1



- Other Revenue
- Franchise Fees
- Royalties

**1H 2022
Actual**

Total: \$31.8



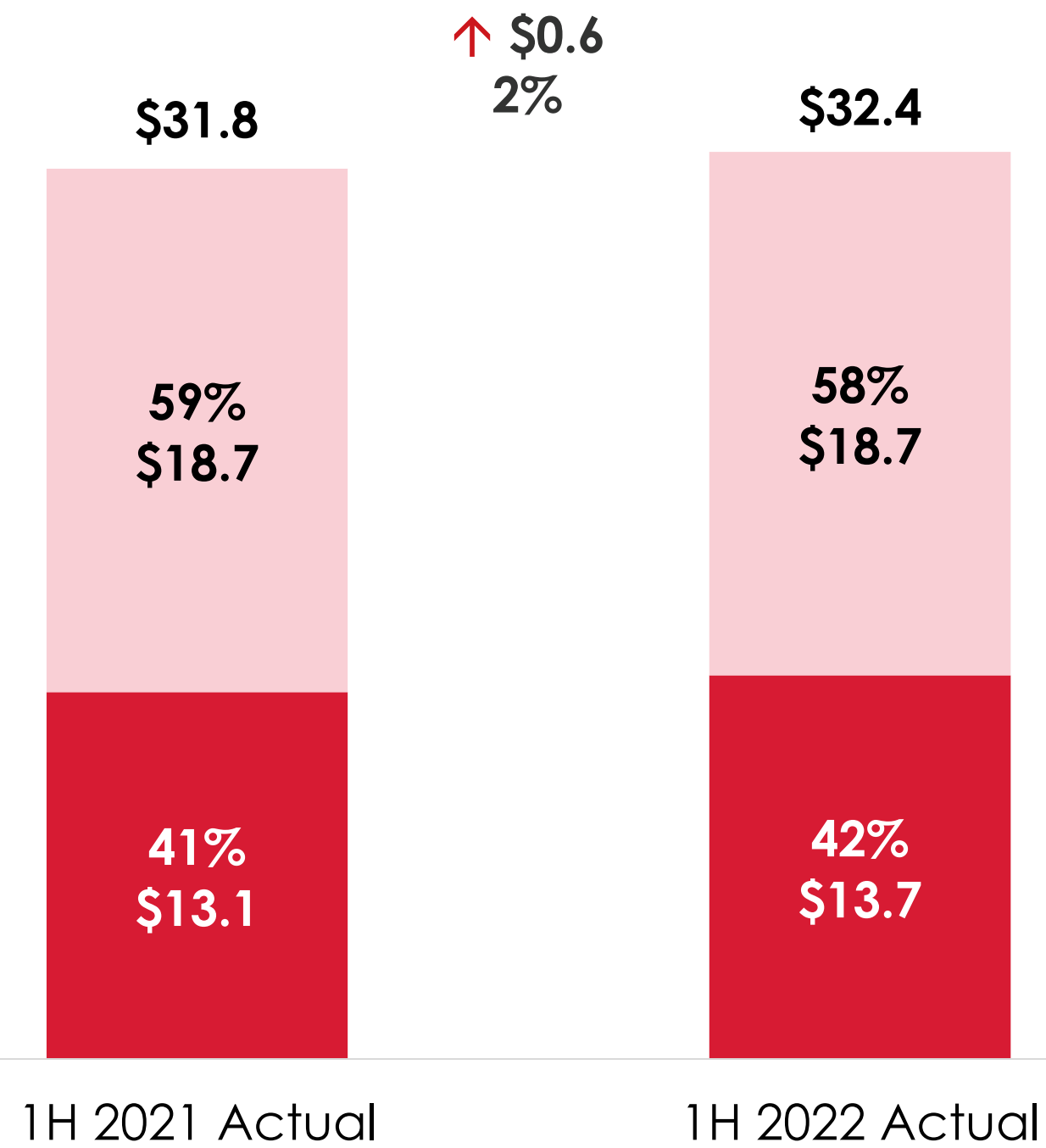
- Other Revenue
- Franchise Fees
- Royalties



Total Cost Trend, Australia is Main Contributor (\$Mil)

Total Costs (COS + OPEX)

In tandem with 2% revenue growth



■ Singapore

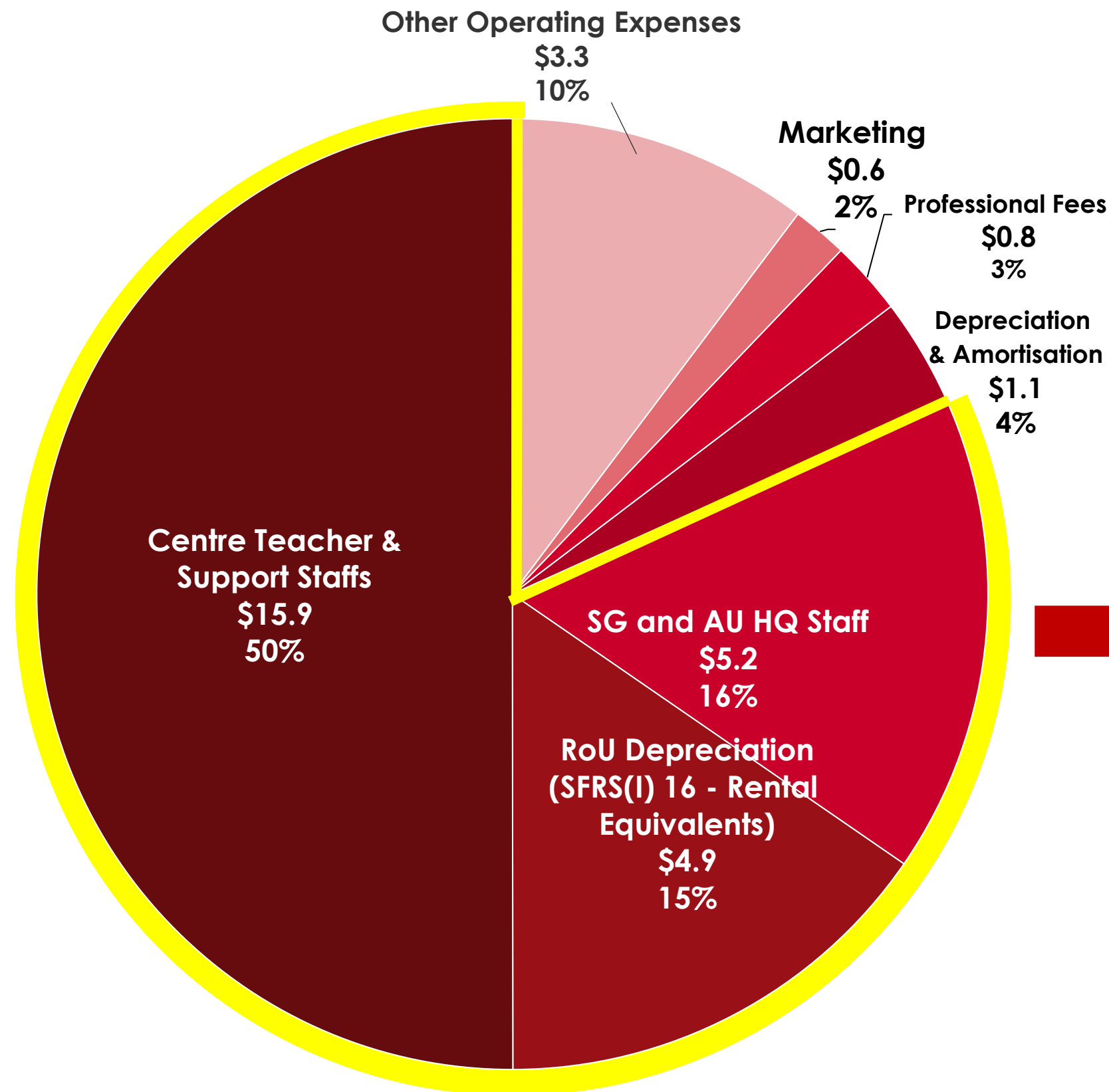
■ Australia



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

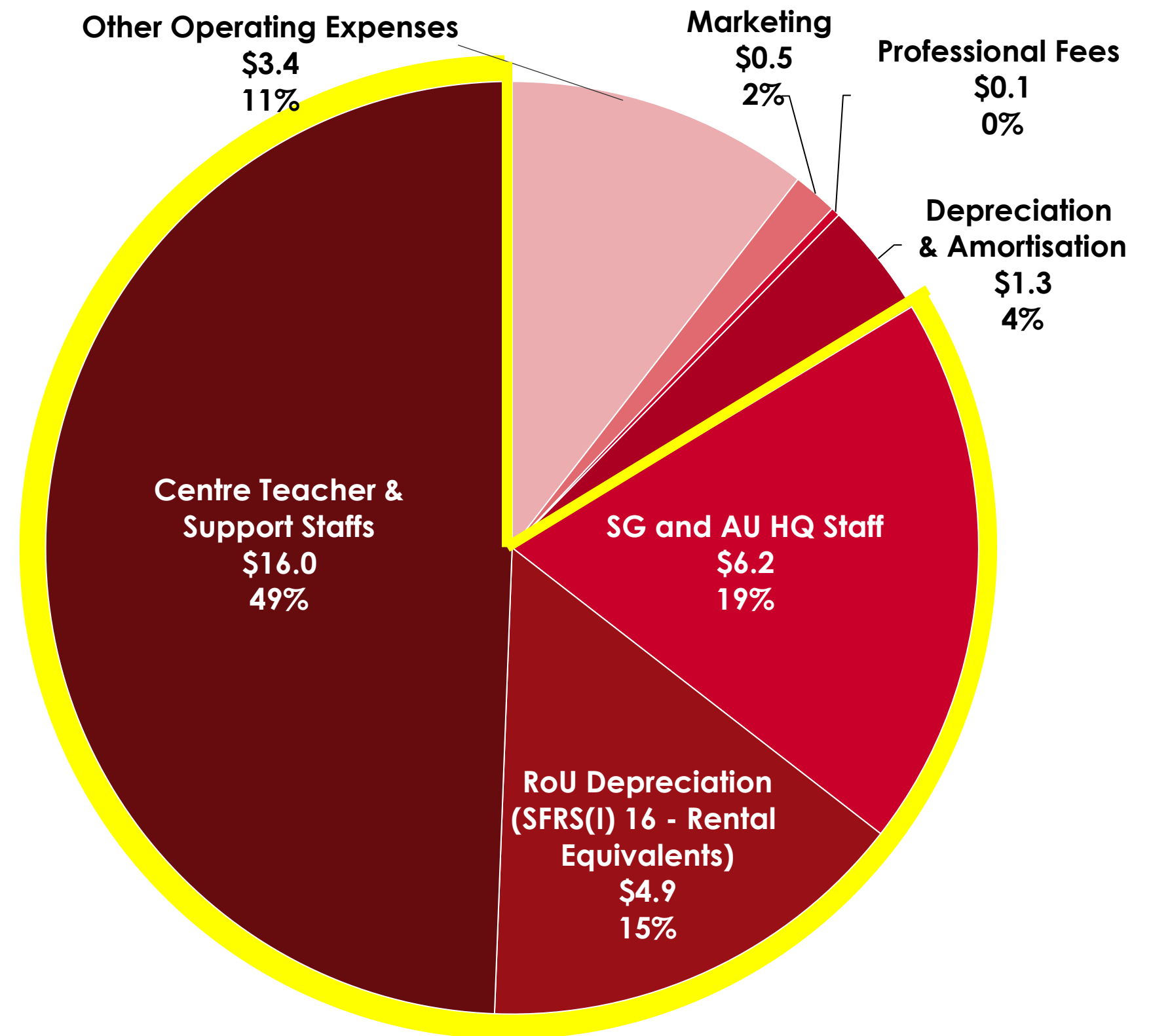
1H 2021

Total: \$31.8



1H 2022

Total: \$32.4



Group's 1H 2022 Financial Performance: Y-o-Y Improvement

1H 2022 Financial Highlights (\$S'000)

	1H 2021 Actual		1H 2022 Actual
Revenue	31,143	↑ 2%	31,840
Cost of Sales	(16,271)	↑ N.M.	(16,300)
Gross Profit	14,872	↑ 4%	15,540
Other Income	2,006	↑ 10%	2,211
Expenses	(16,709)	↑ 3%	(17,190)
Other gains/(losses)	(41)	↑ 32%	(54)
Profit before Tax before Divestment	128	↑ N.M.	507
Gain from divestment of COCO	258	↑ N.M.	1,265
Profit before Tax	386	↑ N.M.	1,772

Consolidated P&L

(1H 2022 vs 1H 2021)

(\$S'000)	1H 2022 Actual	1H 2021 Actual	Variance	Variance %
Revenue	31,840	31,143	697	2%
Cost of Sales	(16,300)	(16,271)	(29)	1%
Gross Profit	15,540	14,872	668	4%
<i>GP Margin</i>	<i>49%</i>	<i>48%</i>		<i>1%</i>
Other Income	2,211	2,006	205	10%
Forex Translation (Loss)/ Gain	(42)	(20)	(22)	N.M.
Expenses	(17,190)	(16,709)	(481)	3%
Gain on corporate transactions	1,265	258	1,007	N.M.
Share of Losses from Associates and Joint Ventures	(12)	(21)	9	(43%)
Profit Before Taxation	1,772	386	1,386	N.M.
<i>PBT Margin</i>	<i>6%</i>	<i>1%</i>		<i>5%</i>
Income Tax Expense	(145)	(60)	(85)	N.M.
Profit After Tax	1,627	326	1,301	N.M.
<i>PAT Margin</i>	<i>5%</i>	<i>1%</i>		<i>4%</i>

Highlights:

- Revenue increased by approximately \$0.7 million or 2%, from \$31.1 million in 1H 2021 to \$31.8 million in 1H 2022. The increase was mainly attributable to
 - an increase of \$0.9 million in school fees and royalty revenue contributed by the organic increase in preschool fees year on year;
 - an increase of \$0.6 million in commission income in relation to centralised childcare enrolment business acquired in 1H 2021
 - a decrease of \$0.8 million which was attributable to the translation of the Group's Australian operations with the depreciation of the Australian dollar against the Singapore dollar during 1H 2022. The Group's Australian operations is not exposed to currency risks as it receives and pays in Australian dollars.
- Other income increased by approximately \$0.2 million or 10%, from \$2.0 million in 1H 2021 to \$2.2 million in 1H 2022. The increase was mainly attributable to higher interest income, training and other service income earned from the Group's operations in 1H 2022
- Gain from corporate transactions increased by approximately S\$1.0 million, from \$0.3 million in 1H 2021 to S\$1.3 million in 1H 2022. The increase was mainly due to the divestment of subsidiary corporations in 1H 2022 on a turnkey basis to franchisees to continue to operate such preschool centres under the MindChamps PreSchool brand name to achieve the Company's desired mix of company-owned and franchised centres via divestment of brownfield centres

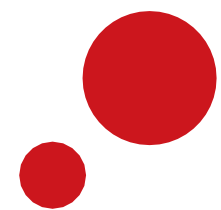
Consolidated Balance Sheet

(1H 2022 vs 1H 2021)

(\$S'000)	As at 30.06.22	As at 31.12.21	Variance	Variance (%)
Current Assets	35,553	28,891	6,662	23%
Non-Current Assets	118,117	124,799	(6,682)	(5%)
Total Assets	153,670	153,690	(20)	(N.M.)
Current Liabilities	41,854	36,167	5,687	16%
Non-Current Liabilities	41,013	45,809	(4,796)	(10%)
Total Liabilities	82,867	81,976	891	1%
Net Assets	70,803	71,714	(911)	(1%)
Capital and Reserves Attributable to Equity Holders of the Company	71,083	71,316	(233)	(N.M.)
Non-Controlling Interests	(280)	398	(678)	(N.M.)
Total Equity	70,803	71,714	(911)	(1%)

Highlights:

- Decrease in total assets of \$0.01 mil was mainly attributable to:
 - ✓ the increase in current assets of approximately \$6.7 million mainly attributable to increase in trade and other receivables arising from balance purchase considerations receivable in Q3 2022 in relation to divestment of subsidiary corporations on 30 June 2022; and offset by
 - ✓ the decrease in non-current assets of approximately \$6.7 million mainly attributable to decrease in intangible assets from the divestment of subsidiary corporations and depreciation of Australian dollars arising from the translation of financial statement of the Group Australian operations;
- Increase in total liabilities of \$0.9 mil was mainly attributable to the following:
 - ✓ the increase in current liabilities of approximately \$5.7 million mainly attributable to increase in trade and other payables arising from deferred settlements payable in Q3 2022 in relation to divestment of subsidiary corporations on 30 June 2022;
 - ✓ the increase in non-current lease liabilities of approximately \$1.3 million mainly attributable to the renewal of leases in relation to preschool centres; and offset by
 - ✓ the decrease in non-current borrowings of approximately \$6.1 million which resulted from repayments of existing borrowings.



Consolidated Statement of Cash Flows

(1H 2022 vs 1H 2021)

(\$'000)	1H 2022	1H 2021
Net Cash Provided by Operating Activities	3,528	4,342
Net Cash Provided by/ (Used in) Investing Activities	496	(93)
Net Cash (Used in) / Provided by Financing Activities	(11,975)	(10,290)
Net Decrease in Cash and Cash Equivalents	(7,951)	(6,041)
Cash and Cash Equivalents at Beginning of Financial Period	10,986	11,335
Effects of Currency Translation on Cash and Cash Equivalents	(52)	4
Cash and Cash Equivalents at End of Financial Period	2,983	5,298

Highlights:

Major cash inflow during 1H 2022 was:

- net cash provided by operating activities of approximately \$3.5 million; and
- divestment of subsidiary corporations of \$1.3 million.

Major cash outflows during 1H 2022 were:

- repayments of principal element of borrowings amounting to approximately \$4.7 million;
- repayments of principal element of lease payments in relation to the leasing of preschool centres and corporate offices of approximately \$4.2 million;
- bank balance amounting to \$2.1 million transferred to the reserve account; and
- repayments of interest in relation to existing borrowings and lease payments of \$1.0 million.



Financial Highlights

- Net profit of \$1.6m.
- Net assets maintained at c.\$71mil Y-o-Y.
- 6M net cash provided by operating activities maintained at c.\$4m Y-o-Y.

Operational Highlights

Y-o-Y growth of PreSchool Students:

- Number of PreSchool students grew by 6%, from 5,041 (Jun 21) to 5,325 (Jun 22).

Future Plans

- Proliferate the Australia Franchise Segment.
- Expansion of Franchise Segment into USA and new international markets.



Thank You!

