



Analyst Meeting – FY2021

24 February 2022

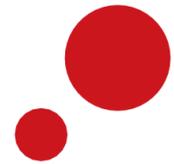




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Glossary



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



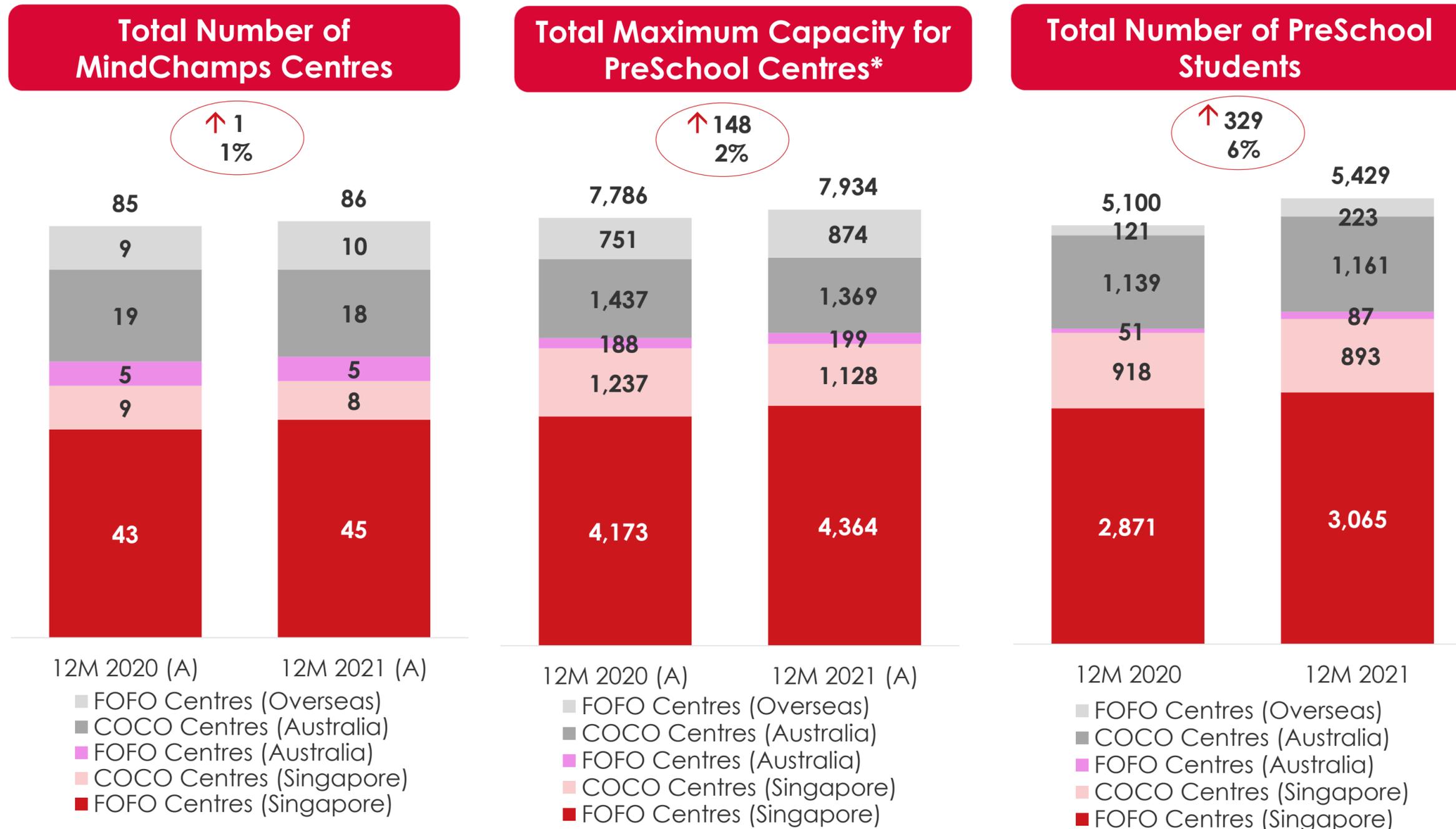
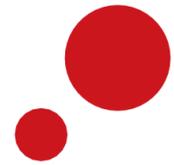


Non-Financial and Financial Highlights

Presented by Mr. Teo Wee Jone
Chief Financial Officer



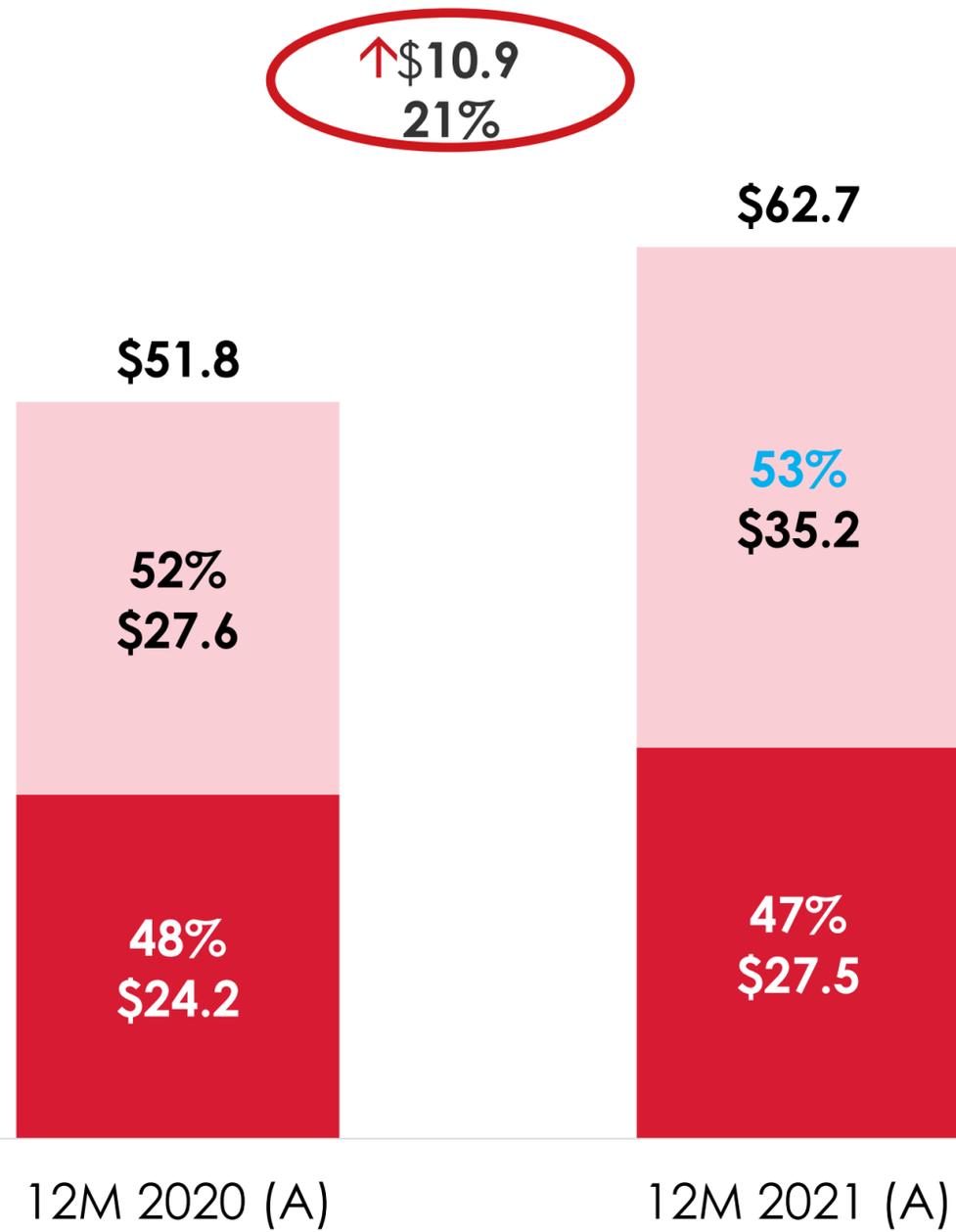
Y-o-Y Growth of MindChamps Centres and PreSchool Students Despite Ongoing COVID-19 Pandemic



* 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



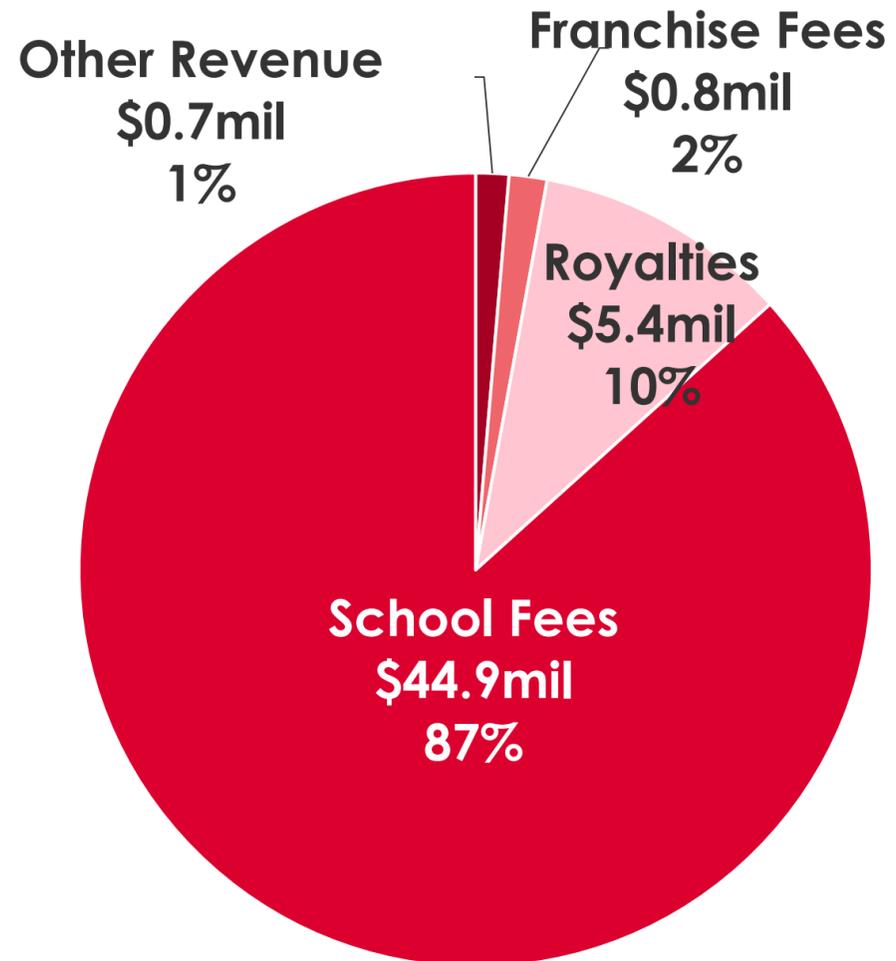
■ Singapore ■ Australia



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

**12M 2020
Actual**

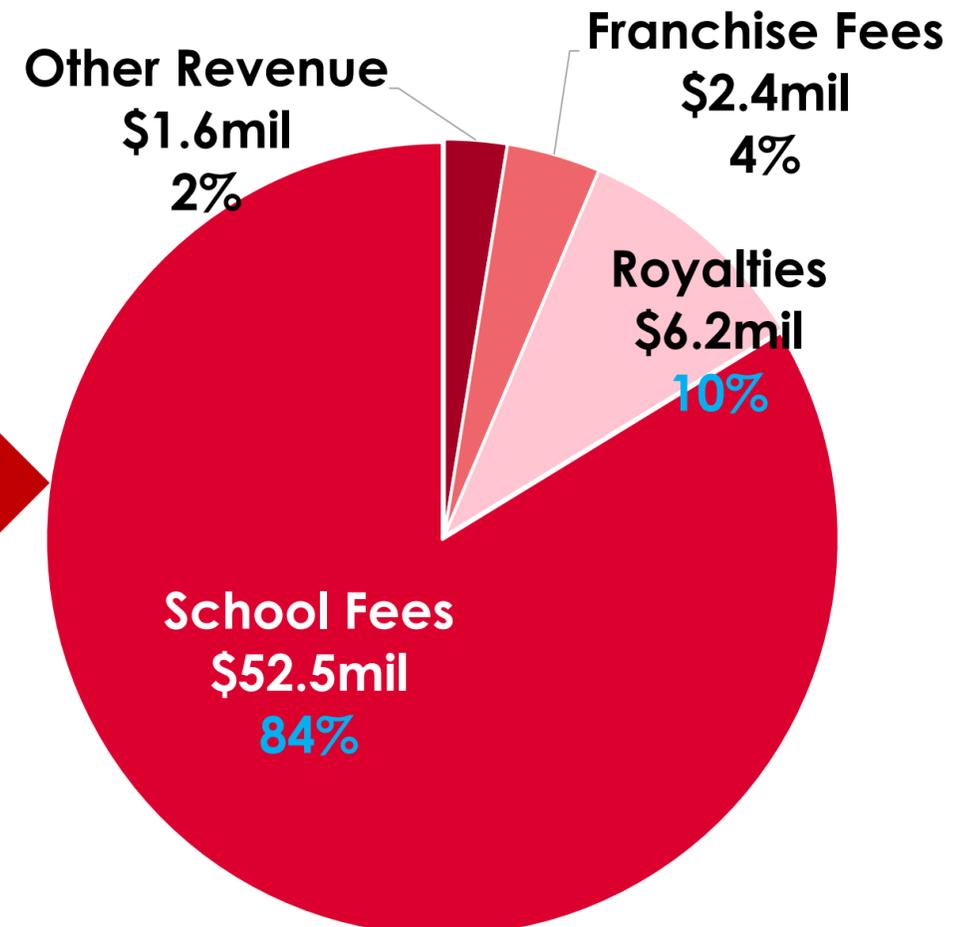
Total: \$51.8



- Other Revenue
- Franchise Fees
- Royalties
- School Fees

**12M 2021
Actual**

Total: \$62.7



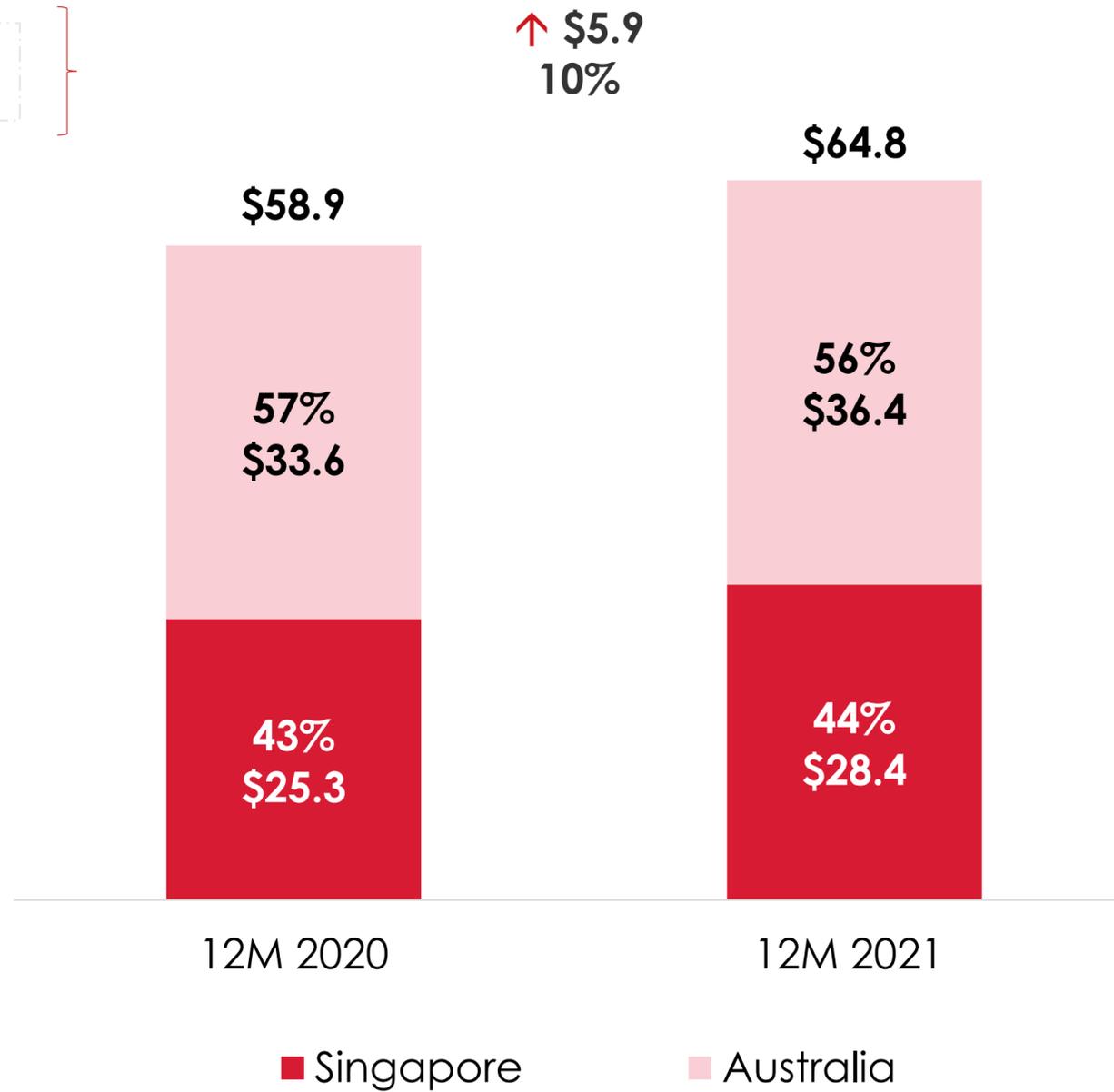
- Other Revenue
- Franchise Fees
- Royalties
- School Fees

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



Total Costs

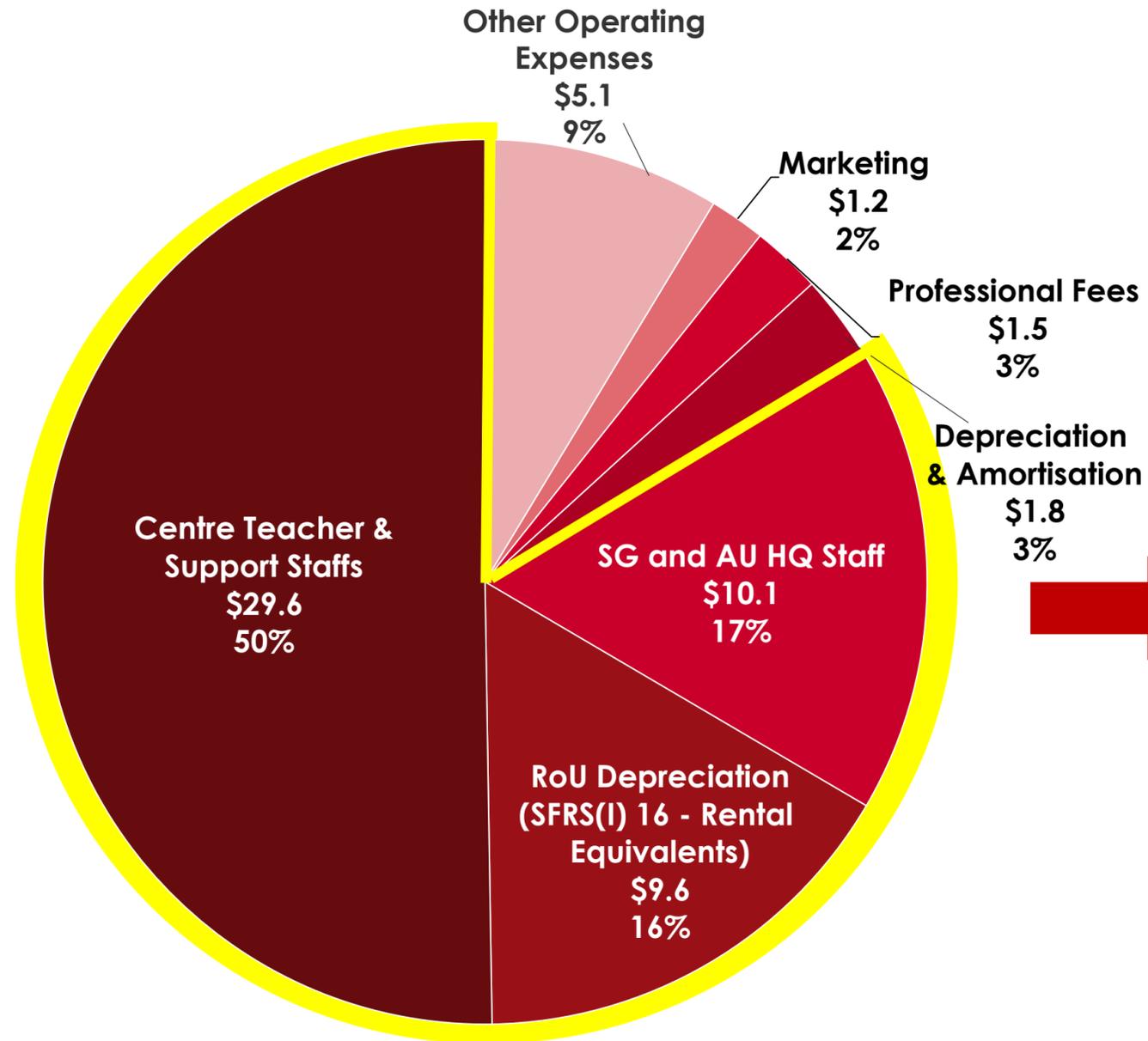
In tandem with revenue growth



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

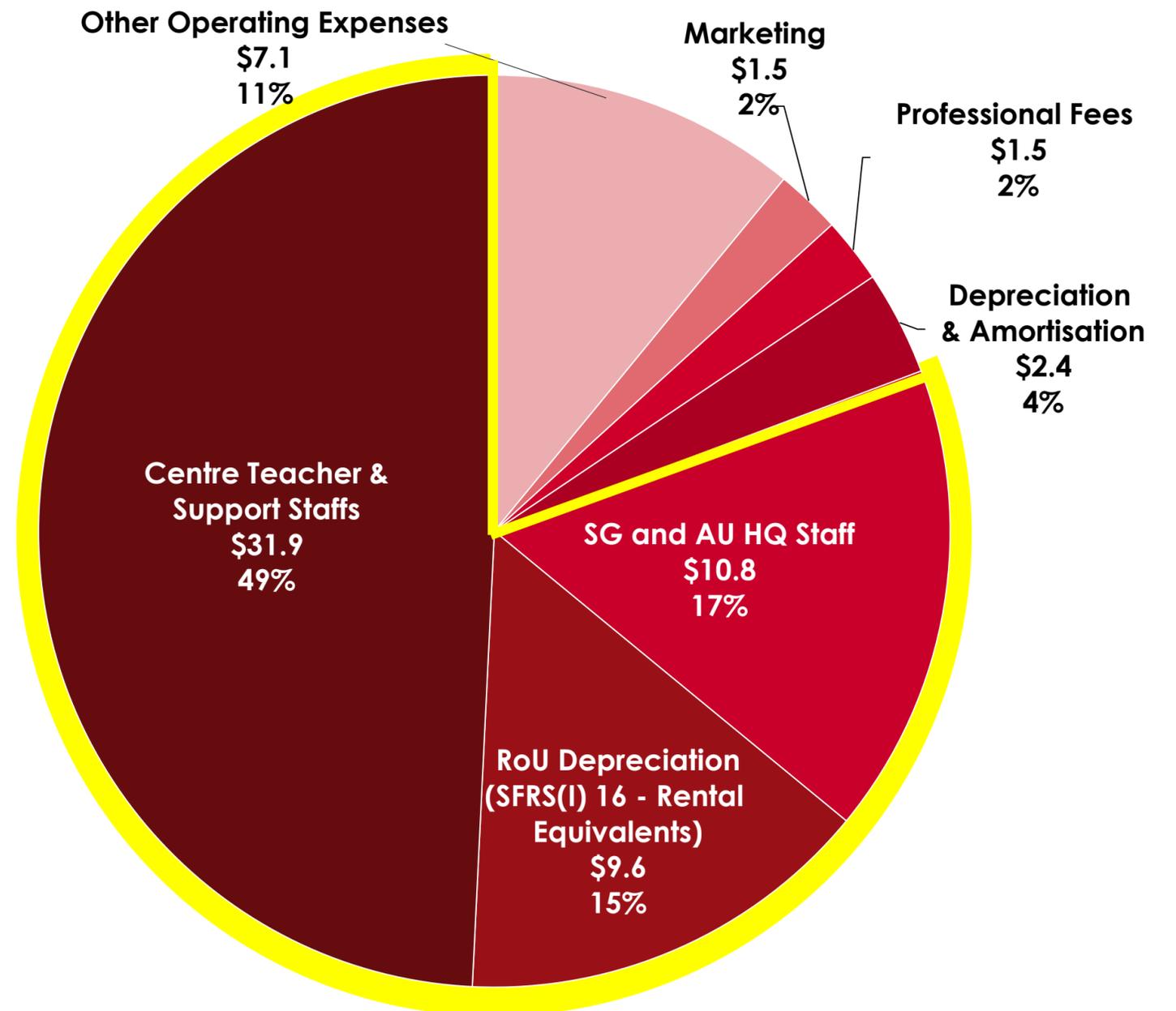
12M 2020

Total: \$58.9



12M 2021

Total: \$64.8



Group's FY 2021 Financial Performance: Profitable Despite Ongoing COVID 19 Pandemic

12M Financial Highlights (\$\$'000)

	12M 2020 Actual		12M 2021 Actual
Revenue	51,800	↑ 21%	62,709
Cost of Sales	(30,148)	↑ 8%	(32,415)
Gross Profit	21,652	↑ 40%	30,294
Other Income	13,628	↓ 54%	6,257
Expenses	(31,477)	↑ 10%	(34,508)
Other gains/(losses)	325	↓ N.M.	(115)
Gain/(Loss) on Corporate Transactions	-	↑ N.M.	258
Share of losses from associates and joint ventures	(293)	↓ 88%	(34)
Profit before Tax	3,835	↓ 44%	2,152
Profit after Tax	3,654	↓ 29%	2,604

Consolidated P&L

(12M 2021 vs 12M 2020)

(S\$'000)	12M 2021 Actual	12M 2020 Actual	Variance	Variance %
Revenue	62,709	51,800	10,909	21%
Cost of Sales	(32,415)	(30,148)	(2,267)	8%
Gross Profit	30,294	21,652	8,642	40%
<i>GP Margin</i>	<i>48%</i>	<i>42%</i>		<i>6%</i>
Other Income	6,257	13,628	(7,371)	(54%)
Other (Loss)/ Gain	(115)	325	(440)	(N.M.)
Expenses	(34,508)	(31,477)	(3,031)	10%
Gain on corporate transactions	258	-	258	(N.M.)
Share of Losses from Associates and Joint Ventures	(34)	(293)	259	(88%)
Profit Before Taxation	2,152	3,835	(1,683)	(44%)
<i>PBT Margin</i>	<i>3%</i>	<i>7%</i>		<i>(4%)</i>
Income Tax Credit / (Expense)	452	(181)	633	(N.M.)
Profit After Tax	2,604	3,654	(1,050)	(29%)
<i>PAT Margin</i>	<i>4%</i>	<i>7%</i>		<i>(3%)</i>

Highlights:

- During the COVID-19 pandemic, supported by government subsidies, the Group was required to offset certain percentage of school fees that resulted in revenue loss. The net gain experienced by the Group that resulted from these COVID-19 related measures in 2021 was \$1.3 million (\$2.6 million government subsidies less \$1.3 million mandated revenue loss) and 2020 was \$4.9 million (\$10.9 million government subsidies less \$6.0 million mandated revenue loss).
- Excluding these positive impacts of \$1.3 million (2021) and \$4.9 million (2020), results would have been profit before tax of \$0.9 million (2021) and a loss before tax of \$1.1 million (2020), an improvement of \$2.0 million in operational earnings year on year.

Consolidated Balance Sheet

(S\$'000)	As at 31.12.21	As at 31.12.20	Variance	Variance (%)
Current Assets	29,629	28,792	837	3%
Non-Current Assets	124,972	131,046	(6,074)	(5%)
Total Assets	154,601	159,838	(5,237)	(3%)
Current Liabilities	36,545	32,297	4,248	13%
Non-Current Liabilities	45,985	55,546	(9,561)	(17%)
Total Liabilities	82,530	87,843	(5,313)	(6%)
Net Assets	72,071	71,995	76	(N.M.)
Capital and Reserves Attributable to Equity Holders of the Company	71,672	71,924	(252)	(N.M.)
Non-Controlling Interests	399	71	328	N.M.
Total Equity	72,071	71,995	706	N.M.

Highlights:

- Decrease in total assets of \$5.2 mil was mainly attributable to:
 - ✓ the decrease in property, plant and equipment of approximately \$3.9 million mainly attributable to depreciation of right-of-use assets relating to leases held by the Group.
 - ✓ the decrease in intangible assets of approximately \$3.4 million mainly attributable to the depreciation of the Australian dollar arising from the translation of financial statements of the Group's Australian operations; and offset by
 - ✓ the increase in trade receivables of approximately \$1.4 million arising from the agreed payment milestones pertaining to franchise receivables in 2021;
 - ✓ the increase in trade and other receivables arising from franchise receivables.

- Decrease in total liabilities of \$5.3 mil was mainly attributable to the following:
 - ✓ the decrease in lease liabilities of approximately \$3.7 million mainly attributable to the lease payments made by the Group;
 - ✓ the decrease in borrowings of approximately \$1.6 million which resulted from the net movements of repayments of existing borrowings; and
 - ✓ the increase in contract liabilities of \$0.2 million pertains to the discounting effect applied on the non-current trade receivables with the settlement date agreed at more than 12 months from the current reporting date.

Consolidated Statement of Cash Flows

(12M 2021 vs 12M 2020)

(S\$'000)	12M 2021	12M 2020
Net Cash Provided by Operating Activities	13,047	14,445
Net Cash (Used in)/Provided by Investing Activities	(431)	2,603
Net Cash Used in Financing Activities	(17,857)	(11,915)
Net (Decrease)/increase in Cash and Cash Equivalents	(5,241)	5,133
Cash and Cash Equivalents at Beginning of Financial Period	11,335	5,762
Effects of Currency Translation on Cash and Cash Equivalents	(218)	440
Cash and Cash Equivalents at End of Financial Period	5,876	11,335

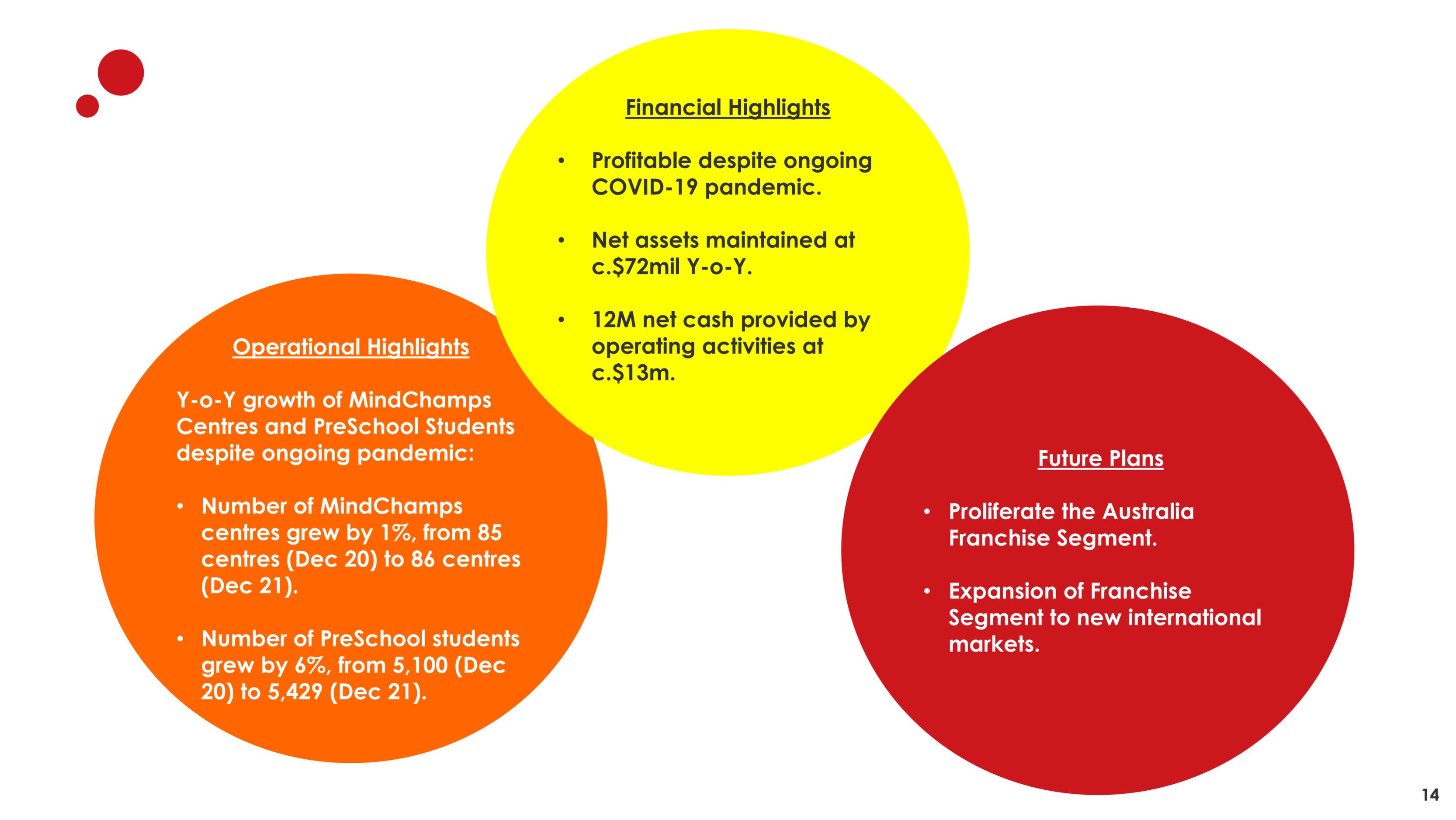
Highlights:

Major cash inflows during 2021 was:

- o net cash provided by operating activities of approximately \$13.0 million; and
- o procurement of Singapore government backed COVID-19 of approximately \$2.2 million for contingency purposes.

Major cash outflows during 2021 were:

- o repayments of principal and interest elements of lease payments in relation to the leasing of preschool centres of approximately \$8.9 million and \$1.0 million respectively;
- o repayments of principal and interest elements of borrowings amounting to approximately \$5.8 million and \$0.9 million respectively;
- o payments in relation to additions of intangible assets of approximately \$1.1 million in relation to the additions of the Group's courseware developments; and
- o bank balance amounting to \$3.1 million transferred to the reserve account in relation to existing borrowings.



Financial Highlights

- Profitable despite ongoing COVID-19 pandemic.
- Net assets maintained at c.\$72mil Y-o-Y.
- 12M net cash provided by operating activities at c.\$13m.

Operational Highlights

Y-o-Y growth of MindChamps Centres and PreSchool Students despite ongoing pandemic:

- Number of MindChamps centres grew by 1%, from 85 centres (Dec 20) to 86 centres (Dec 21).
- Number of PreSchool students grew by 6%, from 5,100 (Dec 20) to 5,429 (Dec 21).

Future Plans

- Proliferate the Australia Franchise Segment.
- Expansion of Franchise Segment to new international markets.



Thank You!

