



FY2023 Annual General Meeting

29 May 2024





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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





Business Updates

Presented by Mr. David Chiem Phu An
Founder Chief Executive Officer and Executive Chairman





Performance Highlights

Presented by Mr. Teo Wee Jone
Chief Financial Officer



Audited Consolidated Income Statement (2023 vs 2022)

(\$'000)	12M 2022	12M 2023	Variance	Variance %
Revenue	61,546	72,908	11,362	18%
Cost of Sales	(33,076)	(31,722)	1,354	4%
Gross Profit	28,470	41,186	12,716	45%
GP Margin	46%	56%		10%
Other Income	4,271	694	(3,577)	(83%)
Other Losses	(675)	(3,578)	(2,903)	N.M.
Expenses	(35,344)	(35,017)	327	1%
Gain on corporate transactions	5,110	3,235	(1,875)	(37%)
Share of (Losses) / Profit from Associates and Joint Ventures	1,010	(437)	(1,447)	(N.M.)
Profit Before Taxation	2,842	6,083	3,241	N.M.
PBT Margin	5%	8%		3%
Income Tax (Expense) / Credit	104	(926)	(1,030)	(N.M.)
Profit After Tax	2,946	5,157	2,211	75%
PAT Margin	5%	7%		2%

Highlights:

- Revenue improved by 18%.
- Profit Before Tax doubled.

Some major events in financial year 2023 were:

- Exclusive Business Sale transactions in the territories of United States and Western Australia of \$12.7 million; and
- OPEX maintained at \$35.0 million Y-o-Y.

Audited Consolidated Balance Sheet (2023 vs 2022)

(\$'000)	As at 31.12.22	As at 31.12.23	Variance	Variance (%)
Current Assets	31,665	24,825	(6,840)	(22%)
Non-Current Assets	108,699	113,420	4,721	4%
Total Assets	140,364	138,245	(2,119)	(2%)
Current Liabilities	41,774	37,533	(4,241)	(10%)
Non-Current Liabilities	30,288	28,577	(1,711)	(6%)
Total Liabilities	72,062	66,110	(5,952)	(8%)
Net Assets	68,302	72,135	3,833	6%
Capital and Reserves Attributable to Equity Holders of the Company	68,812	72,385	3,573	5%
Non-Controlling Interests	(510)	(250)	260	(N.M.)
Total Equity	68,302	72,135	3,833	6%

Highlights:

- **Net assets position improved by ~\$3.8 million.**

Some major movements during 2023 were:

- Decrease in bank borrowings by approximately \$8.0 million mainly attributable to the repayment of existing borrowings;
- Decrease in assets by approximately \$2.3 million in relation to divestment of subsidiaries.
- Increase in trade and other payables by approximately \$1.7 million mainly attributable to provisions.

Consolidated Statement of Cash Flows

(12M 2023 vs 12M 2022)

(\$'000)	12M 2022	12M 2023	Variance
Net Cash Provided by Operating Activities	11,596	13,332	1,736
Net Cash Provided by Investing Activities	4,657	3,601	(1,056)
Net Cash Used in Financing Activities	(19,509)	(13,360)	6,149
Net Increase / (Decrease) in Cash and Cash Equivalents	(3,256)	3,573	6,829
Cash and Cash Equivalents at Beginning of Financial Year	5,875	2,371	3,504
Effects of Currency Translation on Cash and Cash Equivalents	(248)	(213)	35
Cash and Cash Equivalents at End of Financial Year	2,371	5,731	3,360

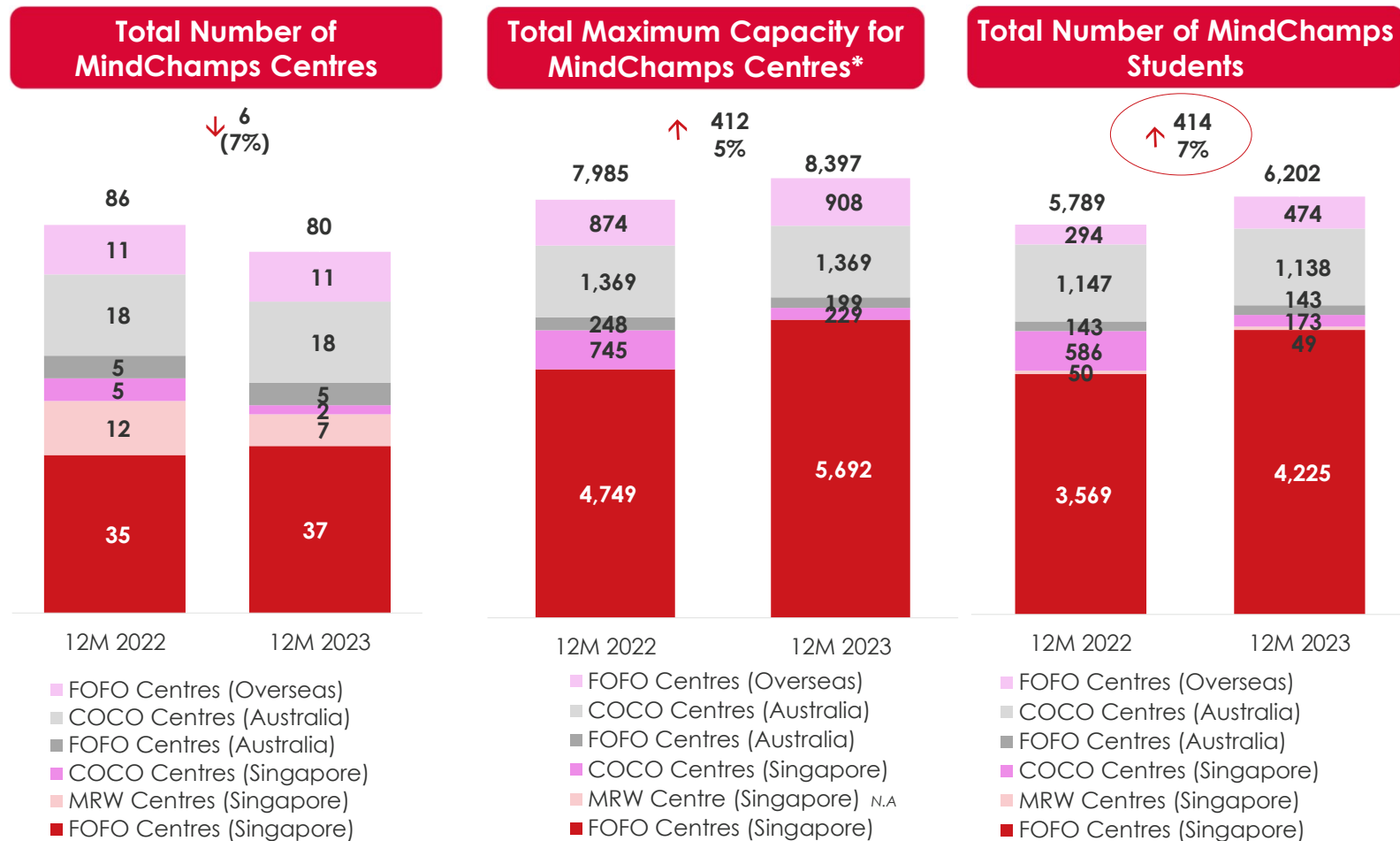
Highlights:

- **Net increase in cash and cash equivalent of approximately \$3.4 million.**

Some major cash flow movements during 2023 were:

- Net operating cash flow improvement of approximately \$1.7 million;
- Net financing cash flow improvement of approximately \$6.1 million mainly attributable to:
 - proceeds from refinancing borrowings of approximately \$15.9 million; and
 - repayment of principal element of borrowings amounting to \$21.8 million.

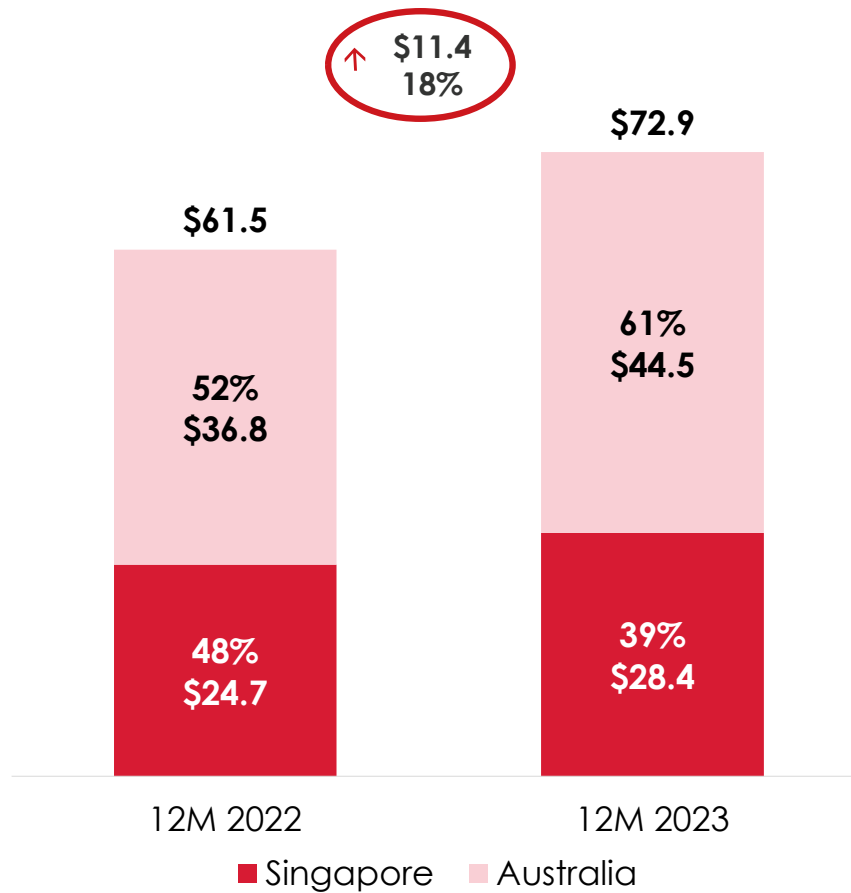
Number of MindChamps Centres and Students



* 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 (\$Mil)

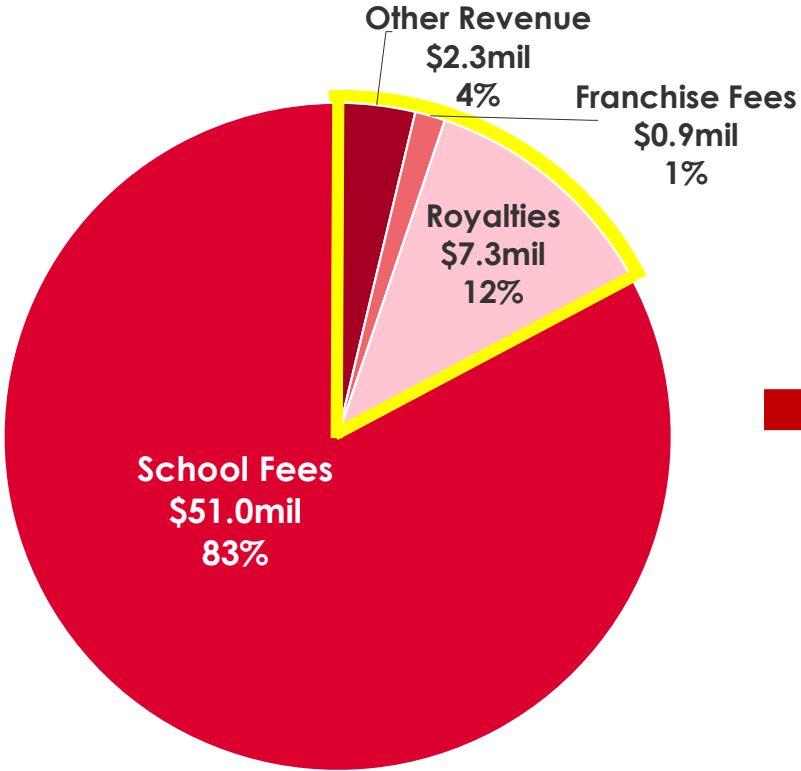
Total Revenue



**Revenue Mix, School Fees is Main Contributor (\$Mil)
Franchise Related Income Doubled from 17% to 39% (\$Mil)**

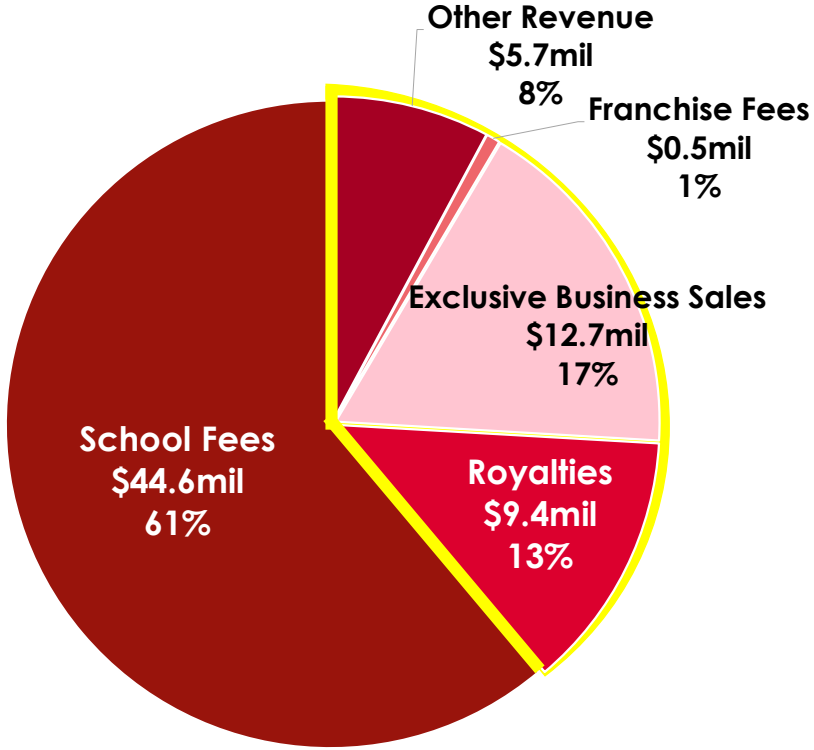
12M 2022

Total: \$61.5

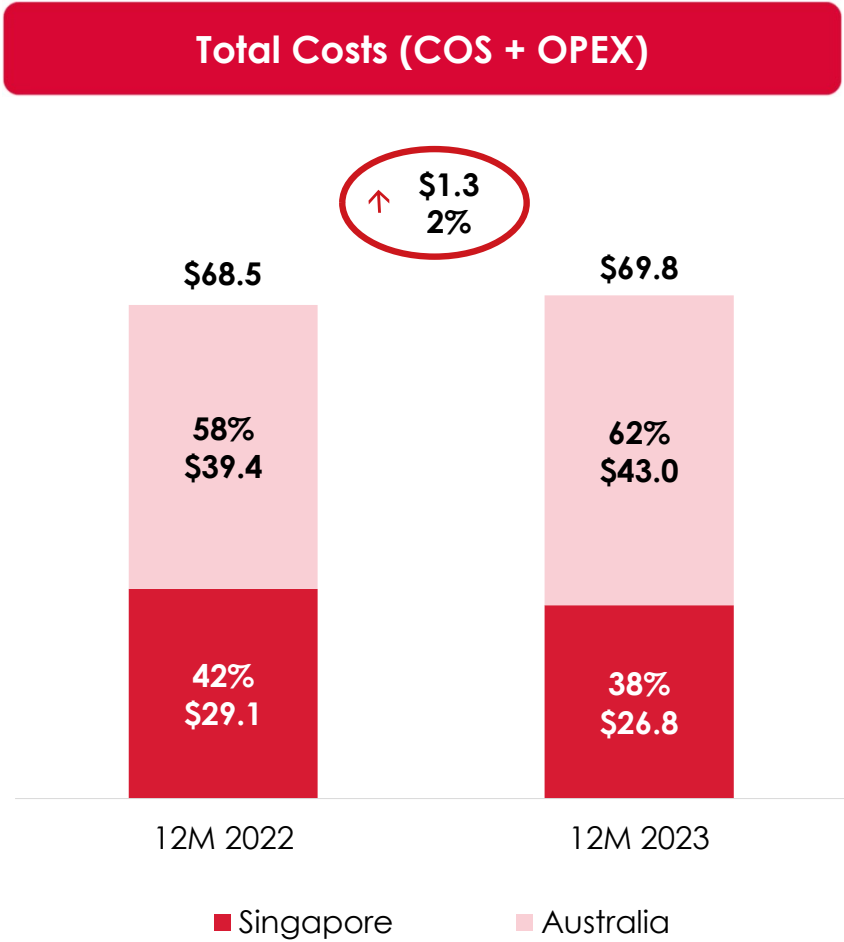


12M 2023

Total: \$72.9



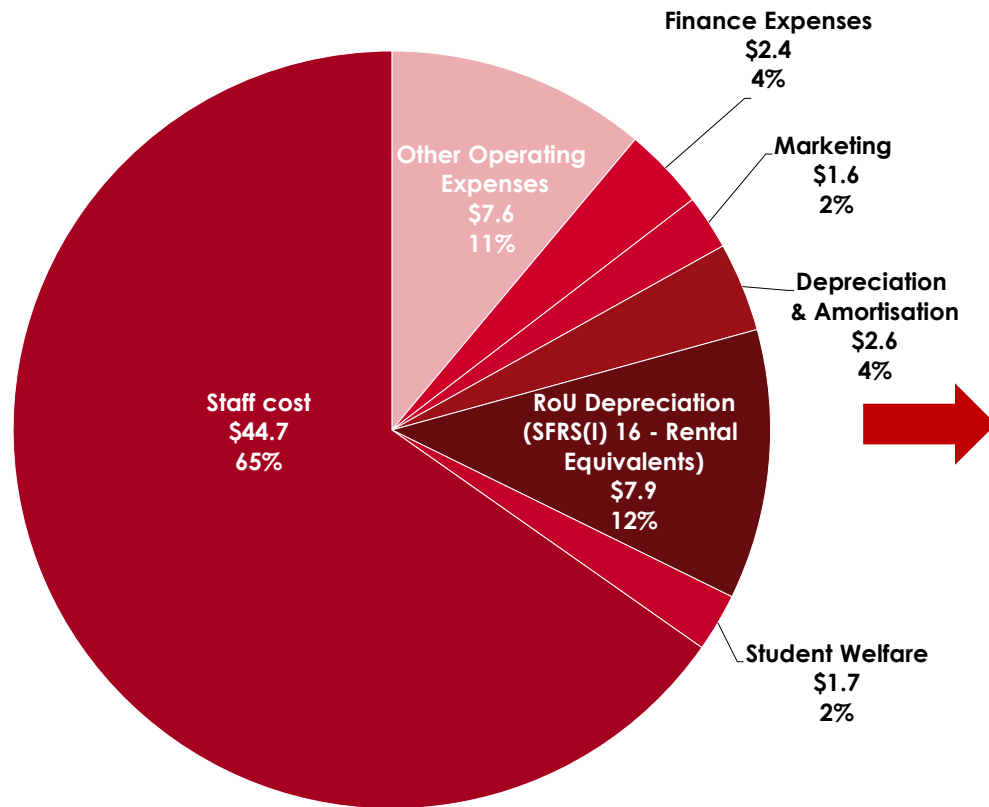
Total Cost Trend, Australia is Main Contributor (\$Mil)



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

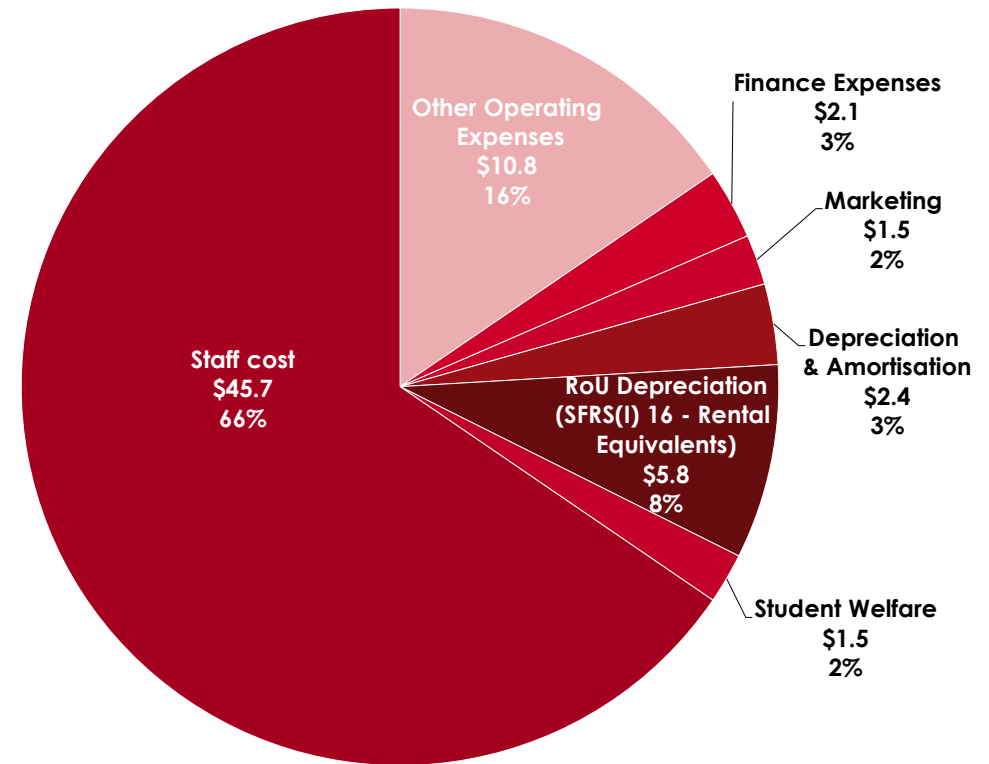
12M 2022

Total: \$ 68.5

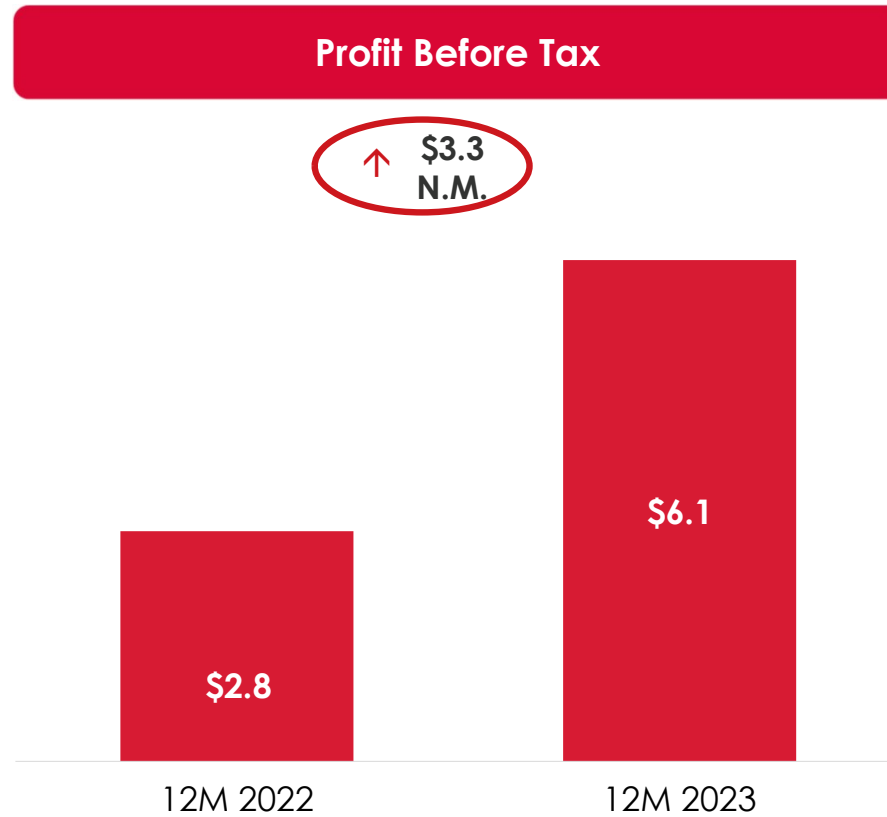


12M 2023

Total: \$69.8



Profit Before Tax Trend (\$Mil)





Financial Highlights

- PBT doubled to \$6.1mil (2022: \$2.8mil).
- Net assets improved to \$72.1mil (2022: \$68.3mil).
- \$13.3mil net cash generated from operating activities (2022: \$11.6mil).
- Bank borrowings reduced to \$17.6mil (2022: \$25.6mil).

Operational Highlights

Students growth in year 2023:

- Increase in maximum number of students by 412 or 4% from year 2022.
- Increase in number of students enrolled by 414 or 7% from year 2022.

Future Plans

- Expansion of Franchise related business globally.

MindChamps®
preschool

Thank you

