MindChamps® preschool

Analyst Meeting – 12M 2020 Performance

25 February 2021



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MindChamps® preschool

Non-Financial and Financial Highlights

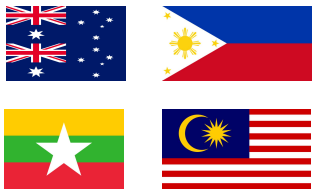
Presented by Mr. Teo Wee Jone
Chief Financial Officer



Stayed Resilient in 2020 Despite COVID-19 Pandemic and Ready for Growth in 2021

2019

Increasing Global Presence



2020

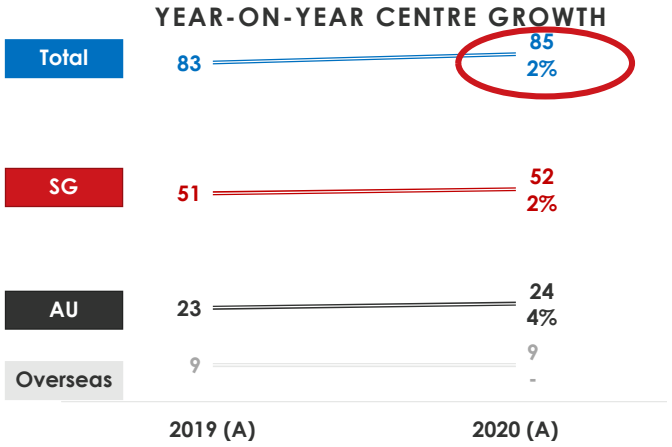
Staying resilient throughout COVID-19 Pandemic

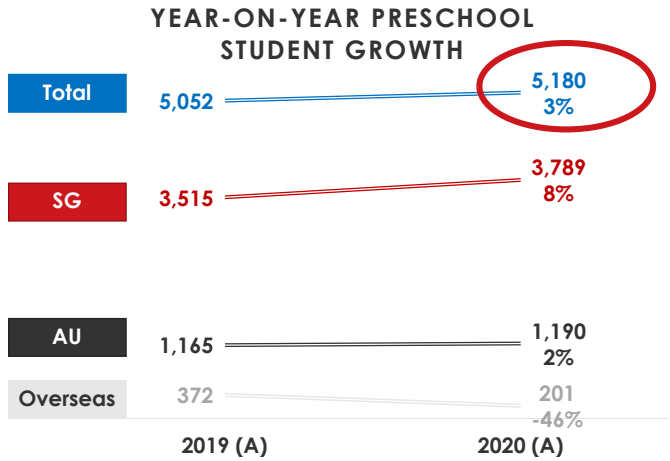
2021

Two Key Growth Drivers

Maximising student enrolment for COCOs and FOFOs in Australia and Singapore

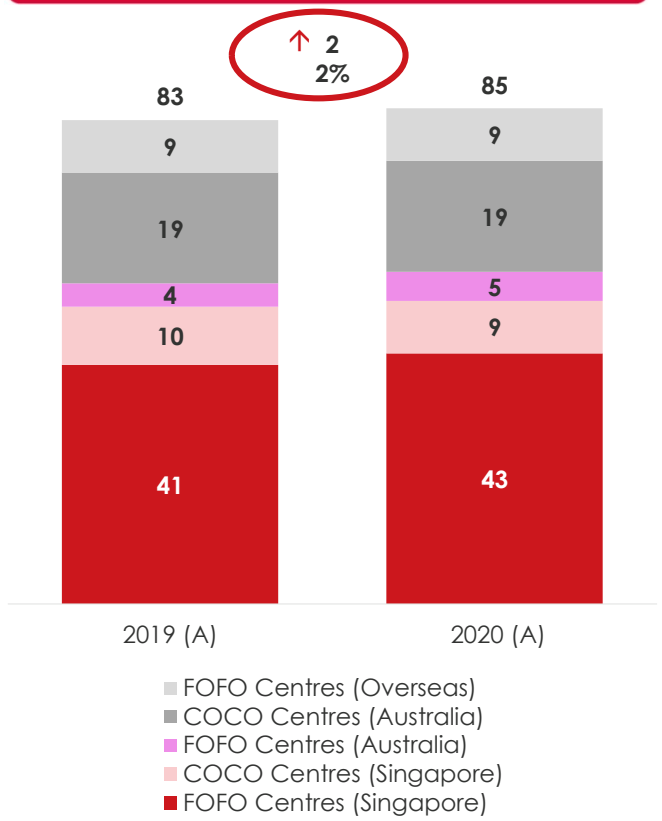
Growing the Australia franchise segment



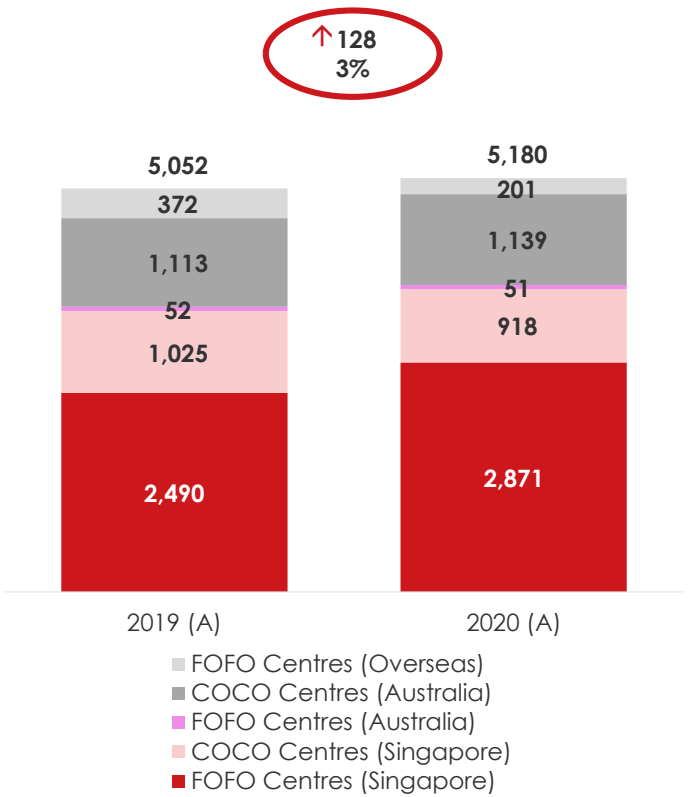


Y-o-Y Growth of MindChamps Centre and No. of PreSchool Students

Total Number of MindChamps Centres



Total Number of PreSchool Students



Profit After Tax and Margin Improved as Occupancy Grew in 2H 2020 (S$'000)

1H vs 2H 2020 Financial Highlights

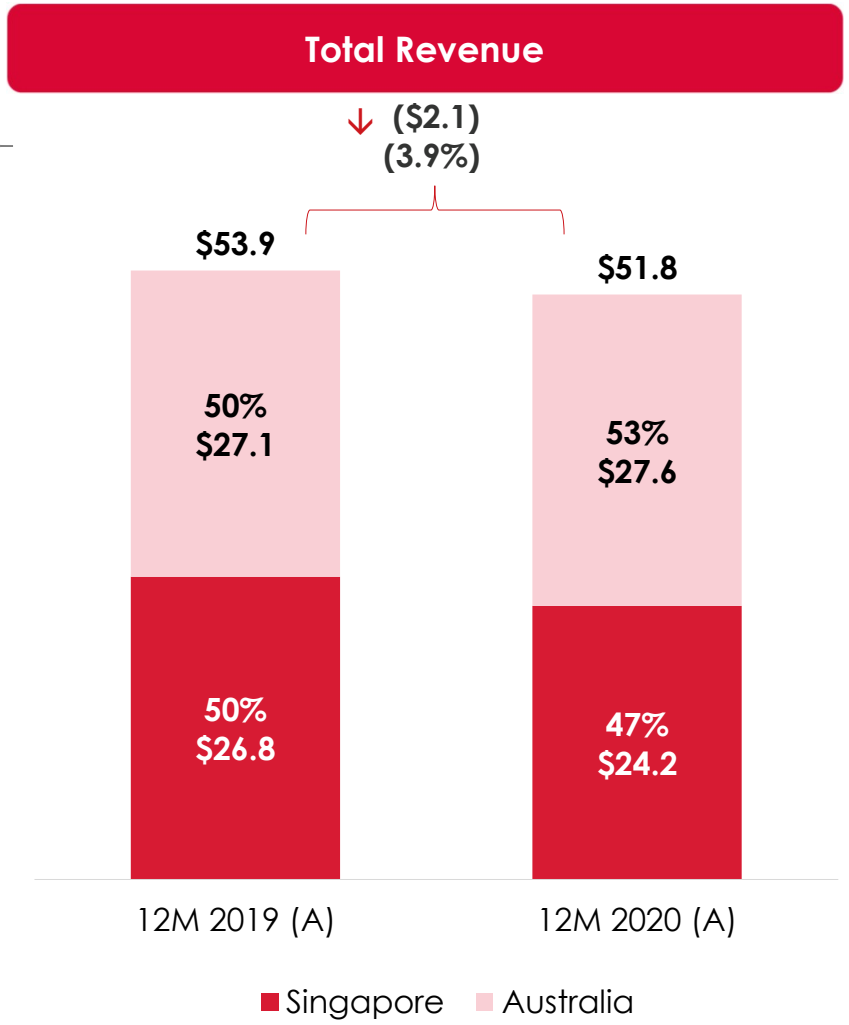
	1H 2020 Actual		2H 2020 Actual
Revenue	21,596	40%	30,204
Cost of Sales	(14,068)	14%	(16,080)
Gross Profit	7,528	88%	14,124
Other Income	8,361	37%	5,267
Operating Expenses	(13,545)	13%	(15,281)
EBIT	2,344	75%	4,097
Profit Before Tax	979	N.M.	2,856
PBT Margin (%)	5%	4%	9%
Profit After Tax	765	N.M.	2,889
PAT Margin (%)	4%	6%	10%

Group's FY2020 Financial Performance

	12M Financial Highlights		
	12M 2019 Actual		12M 2020 Actual
Revenue	53,890	4%	**51,800**
Cost of Sales	(26,451)	14%	**(30,148)**
Gross Profit	27,439	21%	**21,652**
Other Income	3,405	N.M.	**13,628**
Operating Expenses	(26,574)	8%	**(28,808)**
EBIT	9,817	34%	**6,441**
Profit Before Tax before gain from corporate transactions	1,103	N.M.	**3,835**
Gain from corporate transactions	6,207	N.M.	**-**
Profit before Tax	7,310	48%	**3,835**
PBT Margin (%)	14%	7%	**7%**
Profit after Tax	6,948	47%	**3,654**
PAT Margin (%)	13%	5%	**7%**

Revenue Trend Amid COVID-19 Pandemic (S$Mil)

Due to government-imposed revenue reduction



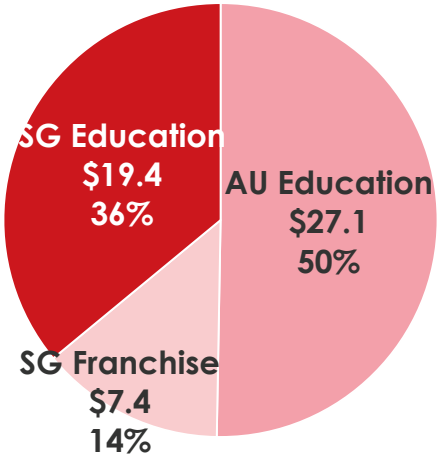

MindChamps Early Learning @ Mascot 2


MindChamps PreSchool @ Punggol Northshore

Revenue Mix – Geographical SBUs , Australia is Main Contributor (S$Mil)

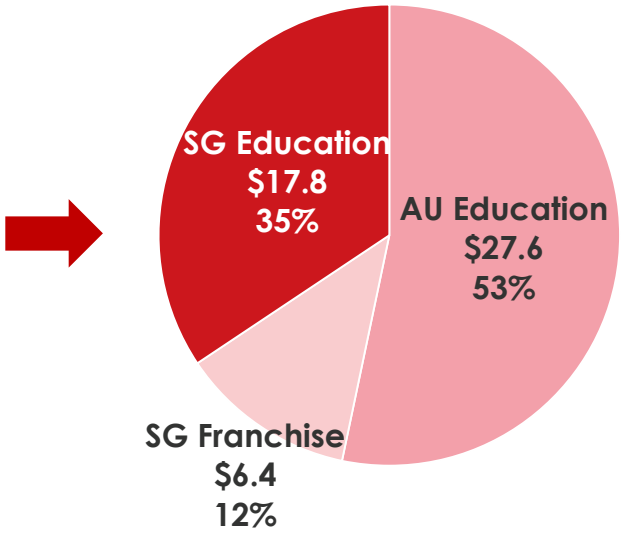
12M 2019 Actual

Total: $53.9



12M 2020 Actual

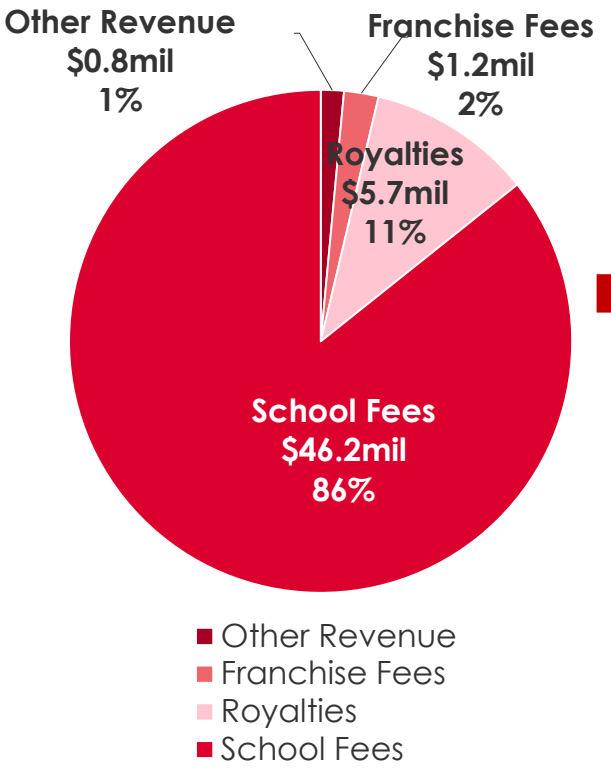
Total: $51.8



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

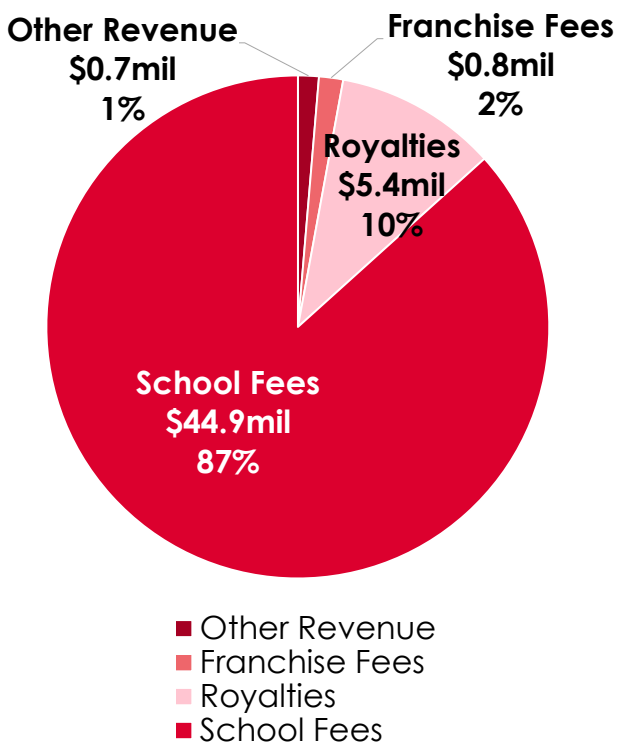
12M 2019 Actual

Total: $53.9

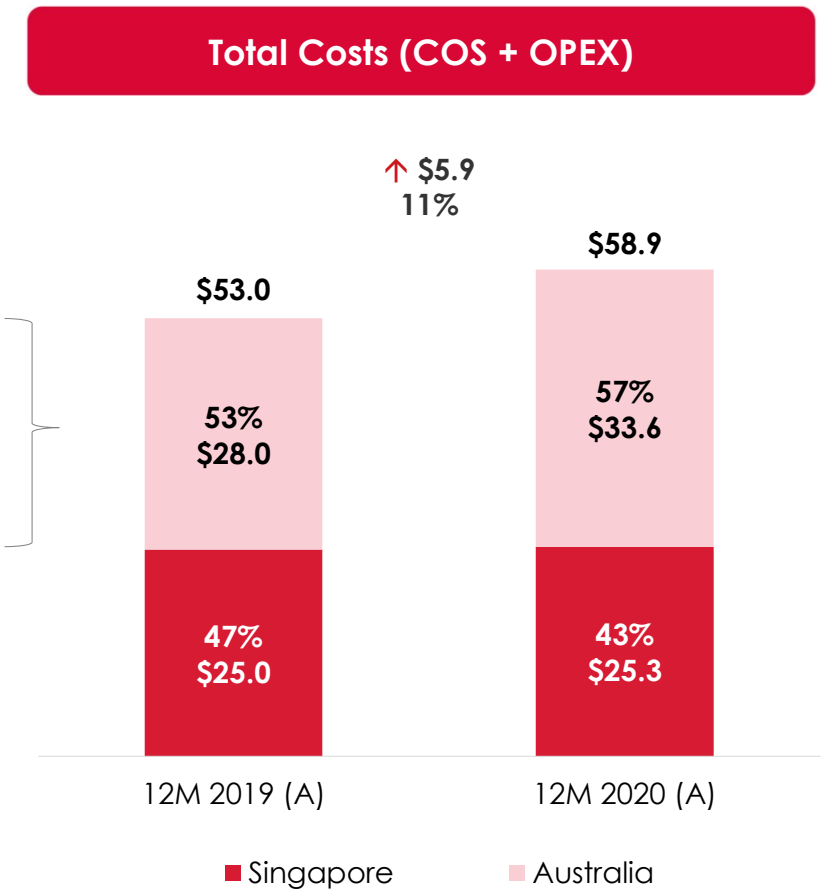


12M 2020 Actual

Total: $51.8



Total Cost Trend (S$Mil)

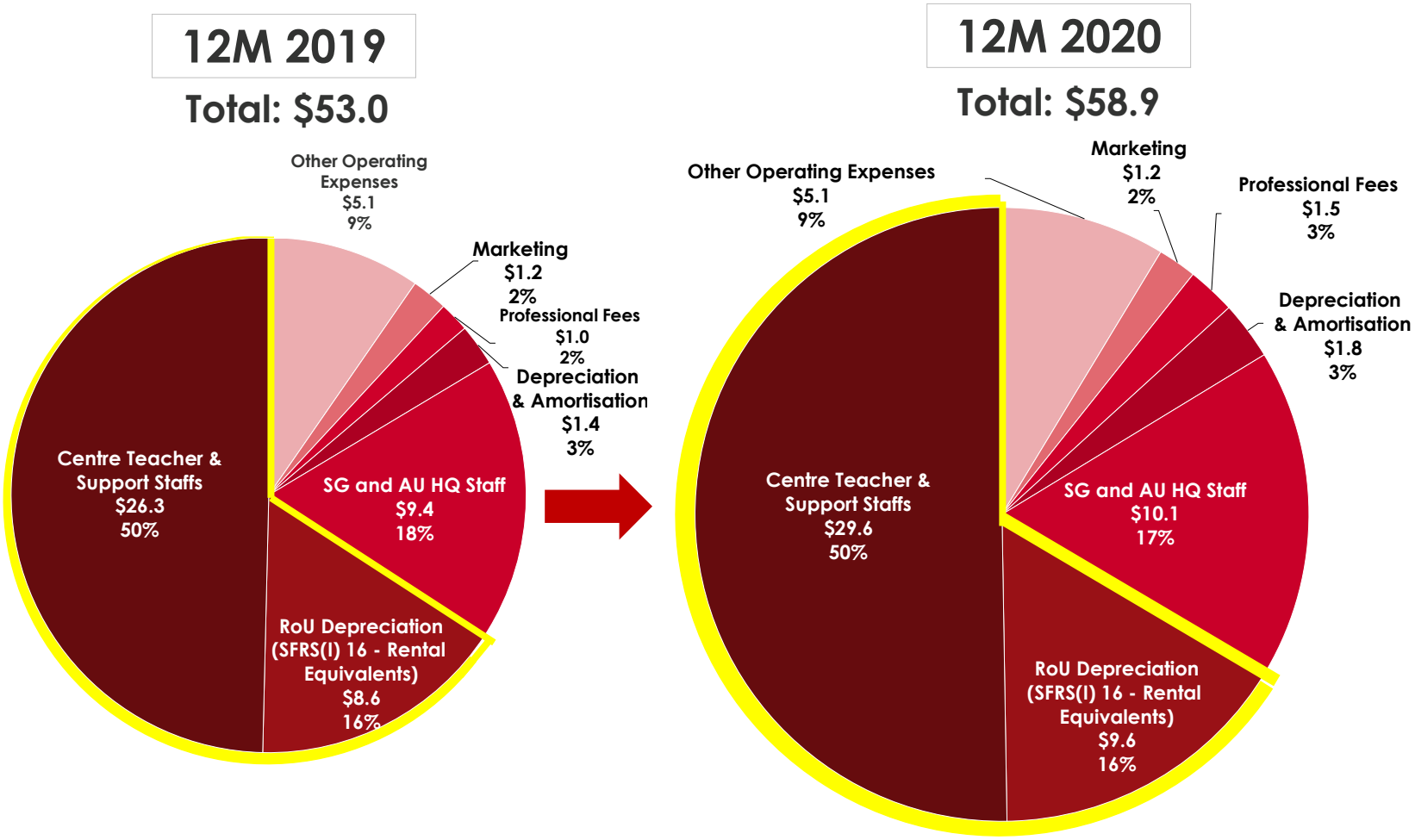


Increase mainly due to full year effect in 2020 of academic staff costs associated with the acquisition of preschool centres in Australia in 2019

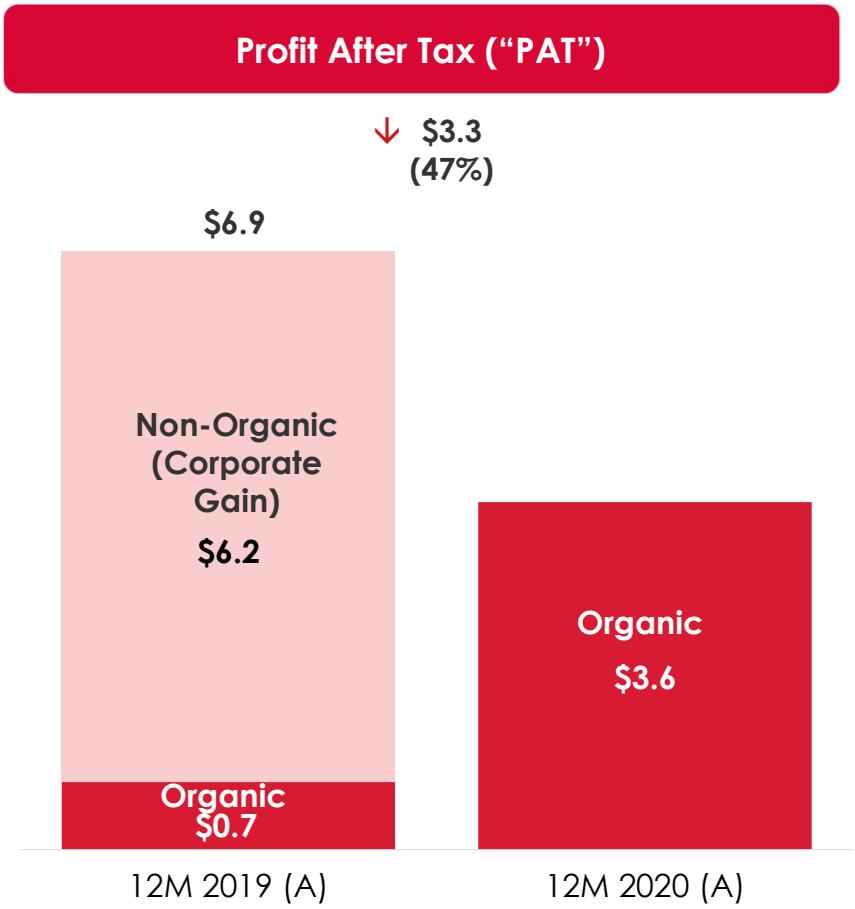

MindChamps Early Learning Centre @ Albion Park


MindChamps Early Learning Centre @ Kemps Creek

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



12M PAT Trend (S$Mil)



Consolidated Balance Sheet

(S$'000)	As at 31.12.20	As at 31.12.19	Variance	Variance (%)
Current Assets	28,876	27,241	1,635	6%
Non-Current Assets	131,046	128,634	2,412	2%
Total Assets	**159,922**	**155,875**	4,047	3%
Current Liabilities	32,383	35,374	(2,991)	(8%)
Non-Current Liabilities	55,543	57,859	(2,316)	(4%)
Total Liabilities	**87,926**	**93,233**	(5,307)	(6%)
Net Assets	**71,996**	**62,642**	9,354	15%
Capital and Reserves Attributable to Equity Holders of the Company	71,917	62,864	9,053	14%
Non-Controlling Interests	79	(222)	301	N.M.
Total Equity	**71,996**	**62,642**	9,354	15%

Highlights:

Increase in net assets by $9.3 mil mainly due to:

- a decrease in total liabilities of $5.3 mil, which mainly attributable to the lease payments made by the Group in 2020; and
- an increase in total assets of $4.0 mil, which mainly attributable to the appreciation of Australia Dollars arising from the translation of financial statements of the Group's Australian operations in 2020.

Consolidated Statement of Cash Flows

12M 2020 vs 12M 2019

(S$'000)	12M 2020	12M 2019
Net Cash Provided by Operating Activities	14,657	9,209
Net Cash Provided by / (Used in) Investing Activities	2,397	(46,914)
Net Cash (Used in) / Provided by Financing Activities	(11,921)	8,112
Net Increase / (Decrease) in Cash and Cash Equivalents	**5,133**	**(29,593)**
Cash and Cash Equivalents at Beginning of Financial Year	5,762	35,437
Effects of Currency Translation on Cash and Cash Equivalents	440	(88)
Cash and Cash Equivalents at End of Financial Year	**11,335**	**5,762**

Highlights:

Major cash inflow during 12M 2020 was:

- Net cash provided by operating activities of approximately S$14.7 million; and
- Procurement of Singapore government backed COVID-19 borrowings of approximately S$8.4 million for contingency purposes.
- Receipt of purchase consideration of approximately S$4.8 million for a preschool centre divested in 2019.

Major cash outflows during 12M 2020 were:

- Repayments of principal element of existing borrowings in relation to past acquisitions of preschool centres amounting to approximately S$10.7 million; and
- Repayment of principal element of lease payments of approx. S$6.9 million.
- Purchase of property plant and equipment and intangible asset of approximately S$3.2mil

Resilience in 2020 Amid COVID-19 Pandemic, Positioned for Growth in 2021

Financial Highlights

- 2H20 PAT $2.8mil up (1H20 PAT: $0.8mil)
- 12M PAT (excluding gain from corporate transaction) up by 414% from $0.7mil to $3.6mil Y-o-Y.
- 12M net cash provided by operating activities up by 60% from $9.2mil to $14.7mil Y-o-Y.
- 12M cash and cash equivalents up by 97% from $5.8mil to $11.3mil Y-o-Y.
- 12M net debt down by 21% from $35.6mil to $27.8mil Y-o-Y.

Operational Highlights

- Number of all MindChamps centres increased by 2 amid the COVID-19 pandemic. Total 85 centres in 2020.
- PreSchool students grew by 3% amid the COVID-19 pandemic, from 5,052 as at Dec 2019 to 5,180 as at Dec 2020.

Future Plans

- Maximising student enrolment for COCOs and FOFOs in Australia and Singapore.
- Proliferating the Australia Franchise Segment (Secured interest to operate 10 franchised preschools in Australia).

Thank You!

