



Q3 FY2018 Analyst Meeting

9 Nov 2018



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Business Updates

Presented by Mr. David Chiem Phu An

Founder Chief Executive Officer and Executive Chairman



Financial Highlights

Presented by Mr. Teo Wee Jone

Chief Financial Officer

Consolidated Statement of Comprehensive Income 9M 2018

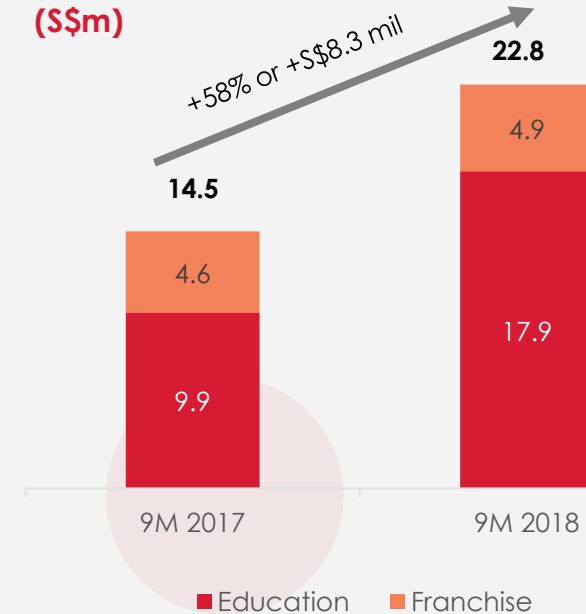
	Nine Months		
	30.09.2018	30.09.2017	+/-
	S\$'000	S\$'000	%
Revenue	22,829	14,474	58%
Cost of sales	(9,342)	(5,718)	63%
Gross profit	13,487	8,756	54%
Other income	2,633	959	N.M.
Expenses			
- Administrative	(11,734)	(6,559)	79%
- Marketing	(504)	(265)	90%
Operating profit	3,882	2,891	34%
Other (loss)/gain - net	(130)	4	N.M.
Non-operating expenses			
- Finance	(347)	(3)	N.M.
- Mergers and acquisitions	(250)	-	N.M.
Share of loss of an associated company and a joint venture	-*	-	N.M.
Profit before income tax	3,155	2,892	9%
Income tax expense	(430)	(268)	60%
Net profit	2,725	2,624	4%

Consolidated Statement of Comprehensive Income Q3 2018

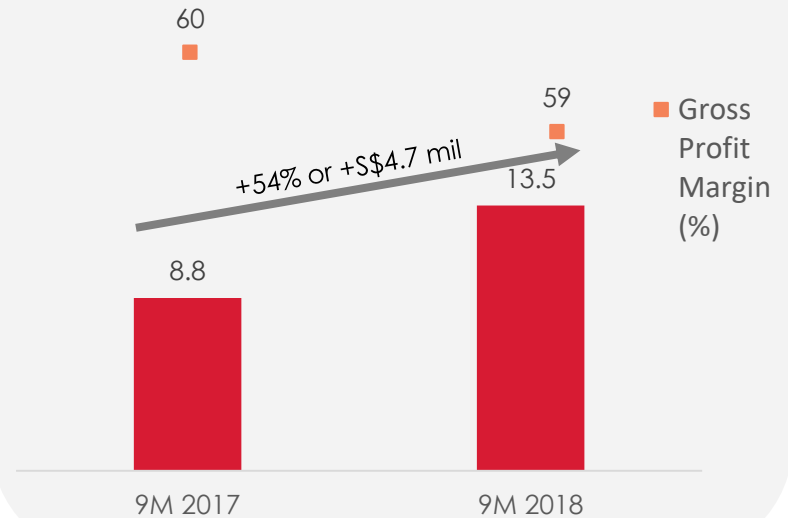
	Third Quarter		
	30.09.2018	30.09.2017	+/-
	S\$'000	S\$'000	%
Revenue	9,172	5,271	74%
Cost of sales	(3,995)	(1,867)	N.M.
Gross profit	5,177	3,404	52%
Other income	1,037	297	N.M.
Expenses			
- Administrative	(4,329)	(2,293)	89%
- Marketing	(194)	(114)	70%
Operating profit	1,691	1,294	31%
Other (loss)/gain - net	(67)	(12)	N.M.
Non-operating expenses			
- Finance	(167)	(1)	N.M.
- Mergers and acquisitions	(155)	-	N.M.
Share of loss of an associated company and a joint venture	-*	-	N.M.
Profit before income tax	1,302	1,281	2%
Income tax expense	(135)	(153)	(12%)
Net profit	1,167	1,128	3%

Strong Growth in Revenue and Gross Profit

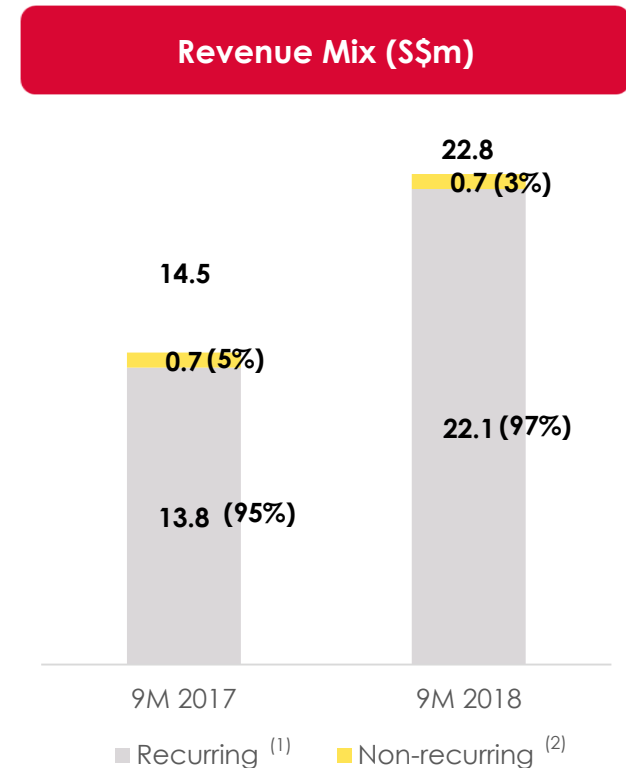
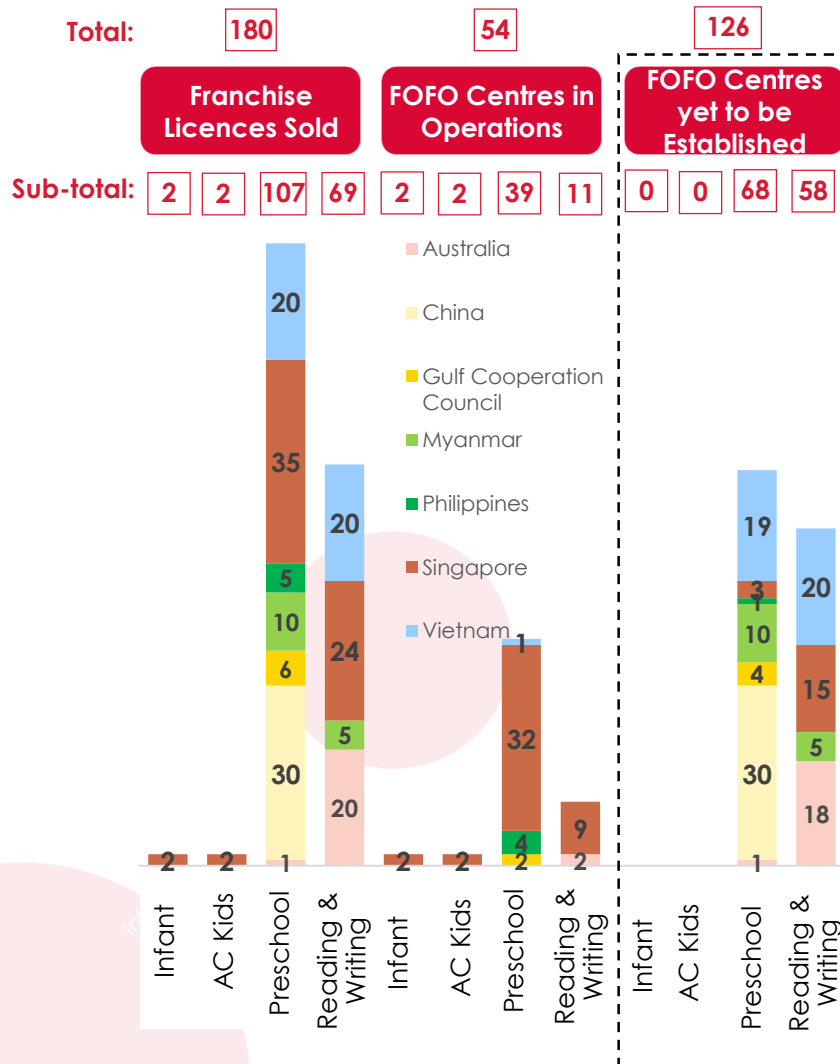
Revenue
(\$m)



Gross Profit (\$m) and Gross Profit Margin (%)



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



Notes:

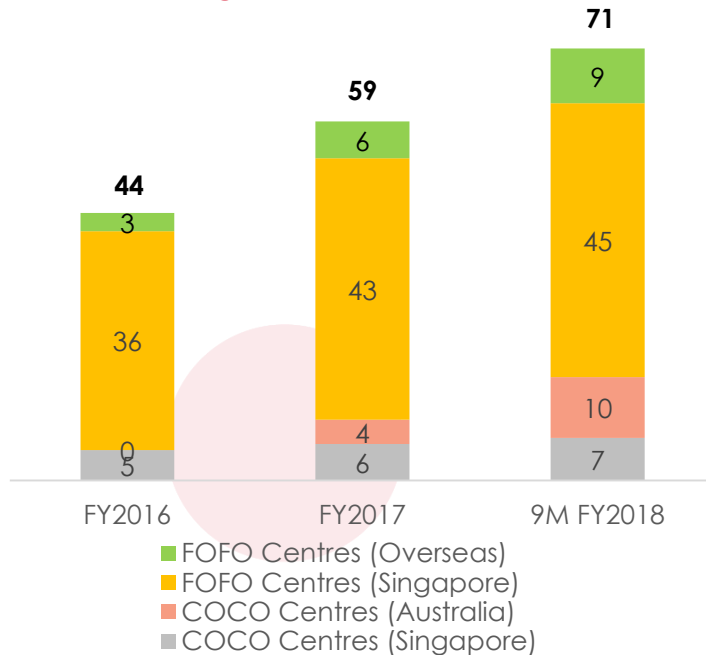
1. Comprises school fees, royalty fees, sales of merchandise, school event income and other income that recur periodically

2. Comprises franchise income resulting from franchise sales

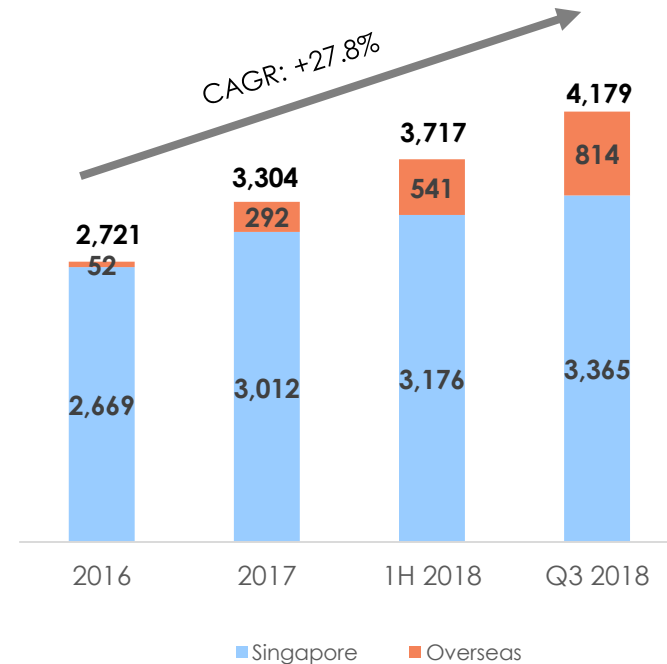
Scalability and Rapid Growth Through Our Robust Franchise and Education Businesses

Total Number of Centres

- CAGR in Singapore: 50.0%⁽¹⁾
- CAGR in Singapore and overseas: 54.8%⁽²⁾



Total Number of Students



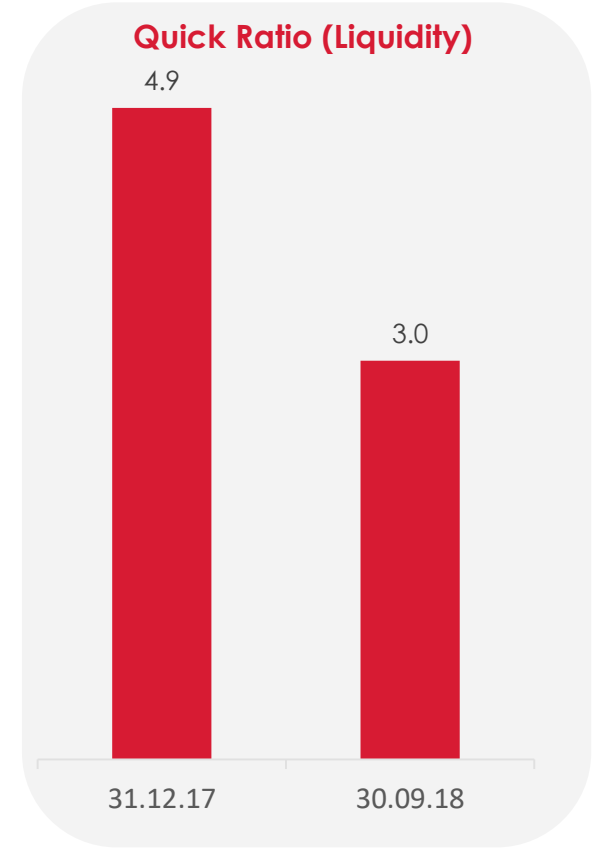
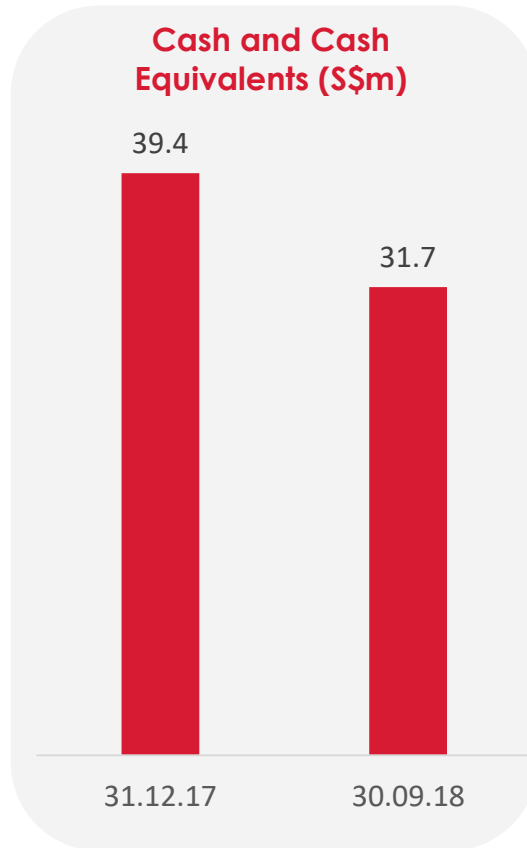
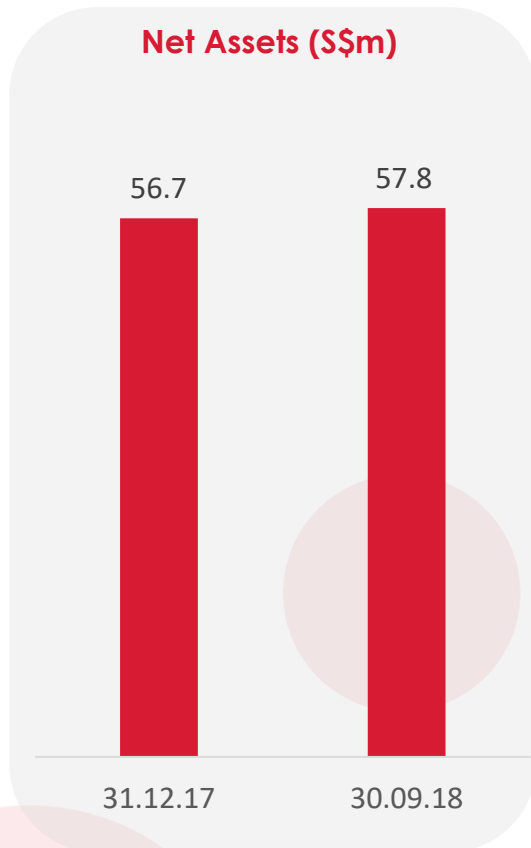
Notes:

1. From 1 to 52 centres (from inception in 2008 to 9M FY2018)
2. From 1 to 71 centres (from inception in 2008 to 9M FY2018)

Consolidated Balance Sheet

	Group	
	As at 30.09.2018 S\$'000	As at 31.12.2017 S\$'000
ASSETS		
Current assets		
Cash and cash equivalents	31,744	39,377
Trade and other receivables	13,130	7,944
Inventories	154	90
	<u>45,028</u>	<u>47,411</u>
Non-current assets		
Property, plant and equipment	1,989	1,725
Intangible assets	40,942	21,679
Deferred income tax assets	207	388
Investments in subsidiary corporations	-	-
Investment in an associated company	-*	-
Investment in a joint venture	-*	-
	<u>43,138</u>	<u>23,792</u>
Total assets	<u>88,166</u>	<u>71,203</u>
LIABILITIES		
Current liabilities		
Trade and other payables	7,292	5,046
Deferred income	2,241	1,635
Borrowings	5,327	2,315
Current income tax liabilities	258	722
	<u>15,118</u>	<u>9,718</u>
Non-current liabilities		
Borrowings	14,524	4,636
Deferred income tax liabilities	17	17
Provision for reinstatement costs	715	164
	<u>15,256</u>	<u>4,817</u>
Total liabilities	<u>30,374</u>	<u>14,535</u>
NET ASSETS	<u>57,792</u>	<u>56,668</u>
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	49,301	49,301
Currency translation reserve	(1,656)	(175)
Retained profits	10,290	7,574
	<u>57,935</u>	<u>56,700</u>
Non-controlling interests	<u>(143)</u>	<u>(32)</u>
TOTAL EQUITY	<u>57,792</u>	<u>56,668</u>

Underpinned by Strong Financial Position



Consolidated Statement of Cash Flow 9M 2018

	Nine Months	
	30.09.2018	30.09.2017
	S\$'000	S\$'000
Cash flows from operating activities		
Net profit	2,725	2,624
Adjustments for:		
- Amortisation of intangible assets	408	297
- Depreciation of property, plant and equipment	445	289
- Interest expense	347	3
- Interest income	(320)	(36)
- Income tax expense	430	268
- Mergers and acquisitions expenses	250	-
- Property, plant and equipment written off	5	-
- Share of loss of an associated company and a joint venture	-*	-
- Unrealised currency translation losses/(gain)	141	(16)
	4,431	3,429
Change in working capital:		
- Trade and other receivables	(3,074)	(1,199)
- Inventories	(64)	(25)
- Trade and other payables	1,970	2,213
- Deferred income	590	287
Cash generated from operations	3,853	4,705
Income tax paid	(742)	(484)
Net cash provided by operating activities	3,141	4,221
Cash flows from investing activities		
Additions to property, plant and equipment	(361)	(281)
Additions to intangible assets	(549)	(298)
Acquisition of a subsidiary corporation, net of cash acquired	(1,122)	-
Acquisitions of preschool businesses	(19,099)	-*
Acquisition of non-controlling interests	-	(387)
Acquisitions related expenses paid	(325)	-
Acquisitions of an associated company and a joint venture	-*	-
Provision of a deposit to a third party in the form of loan	(2,093)	-
Interest received	236	36
Net cash used in investing activities	(23,313)	(930)
Cash flows from financing activities		
Dividend paid to equity holders of the Company	-	(2,500)
Dividend paid to non-controlling interests	(120)	(110)
Interest paid	(297)	(3)
Proceeds from borrowings	15,186	-
Repayments of finance lease liabilities	(31)	(30)
Repayments of borrowings	(2,132)	-
Net cash provided by/(used in) financing activities	12,606	(2,643)
Net (decrease)/increase in cash and cash equivalents	(7,566)	648
Cash and cash equivalents		
Beginning of financial period	39,377	3,874
Effects of currency translation on cash and cash equivalents	(67)	9
End of financial period	31,744	4,531



Q&A Session



Thank You

