



四季教育  
Four Seasons Education

**Investor Presentation**  
May 2021

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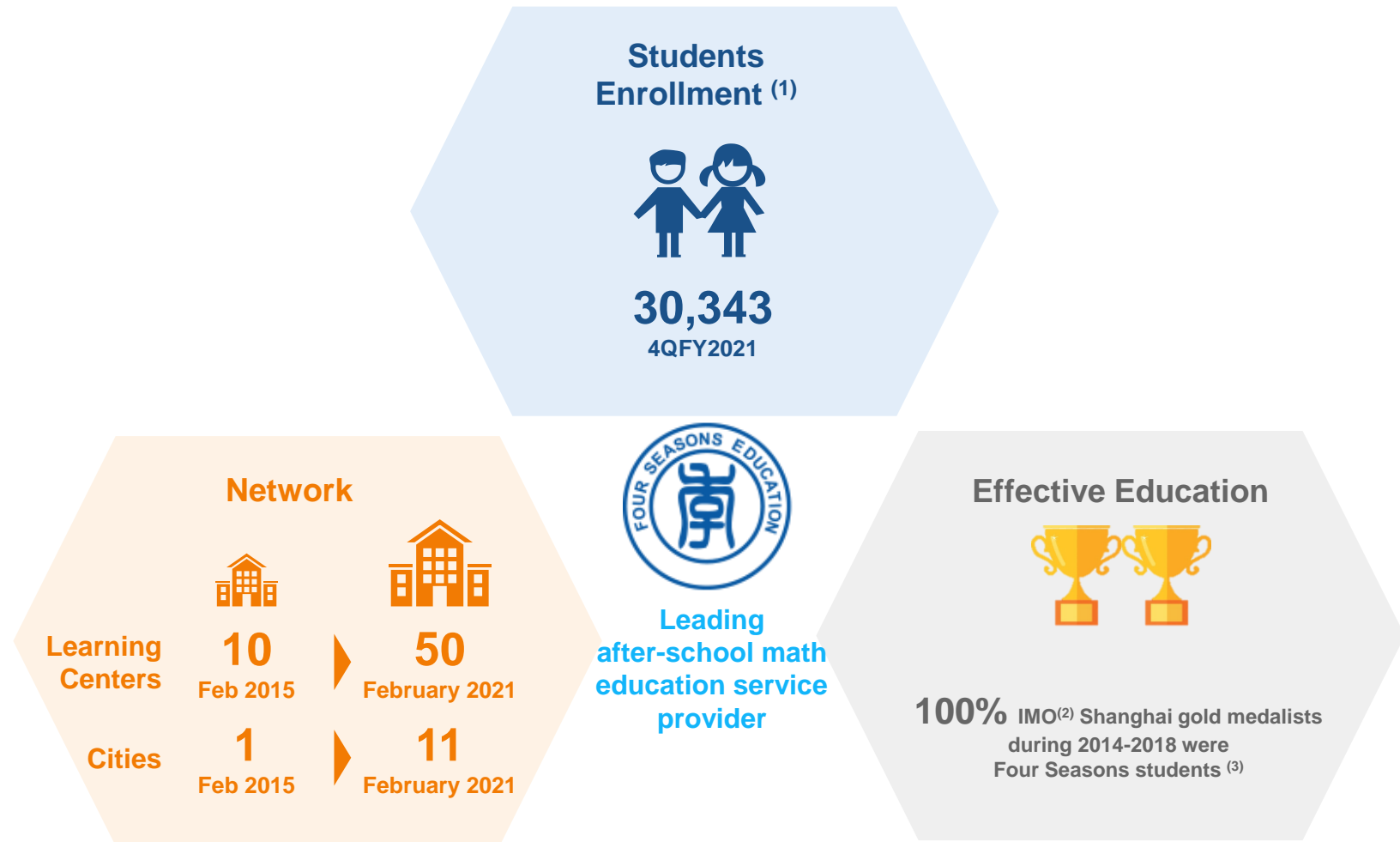


## Section 1

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# Company Overview

# Who We Are



## Notes

1. Student enrollment is defined as the cumulative number of courses enrolled in and paid for by our students during the respective period, including multiple courses enrolled in and paid for by the same student; for example, if a student enrolls in two courses, he/she is counted as two students

2. International Mathematical Olympiad

3. Considering only the China team members



# What We Do

## Kindergarten

Launched in 2015



- Focusing on logical thinking training and picture talking
- Developing basic logic and cognitive skills
- Acquisition of a renowned early childhood education tutoring provider in Shanghai

## Elementary School

Launched in 2010



- Offering synchronous tutoring programs and a variety of interest-oriented classes as an effective supplement to standard school study
- Nurturing a passion for math and learning at a critical stage in development
- Providing various Chinese and English tutoring programs

## Middle School

Launched in 2017



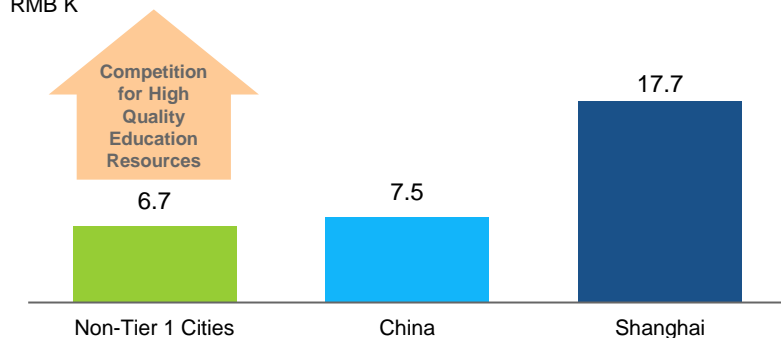
- Delivering courses of all middle school compulsory subjects, including math, physics, chemistry, etc.
- Addressing students' needs for synchronous tutoring programs which help review and consolidate knowledge therefore achieve better academic performance

# Growth Potential for K-12 After-School Education Services Market

## Robust Growth Forecast from Shanghai and Non-Tier 1 Cities<sup>(1)</sup>

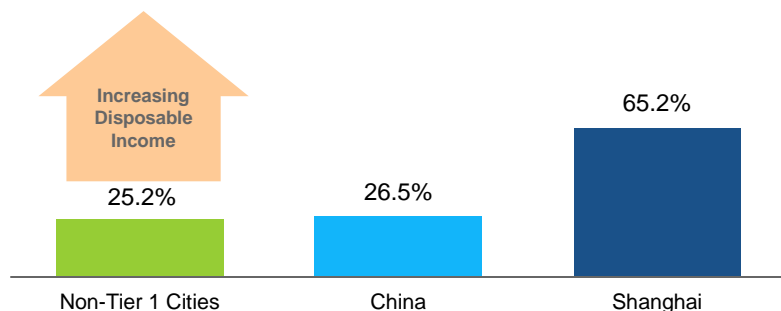
### Household Spending on After-school Educational Services in 2016

RMB K



### Penetration Rate of K-12 After-school Educational Services in 2016<sup>(2)</sup>

%



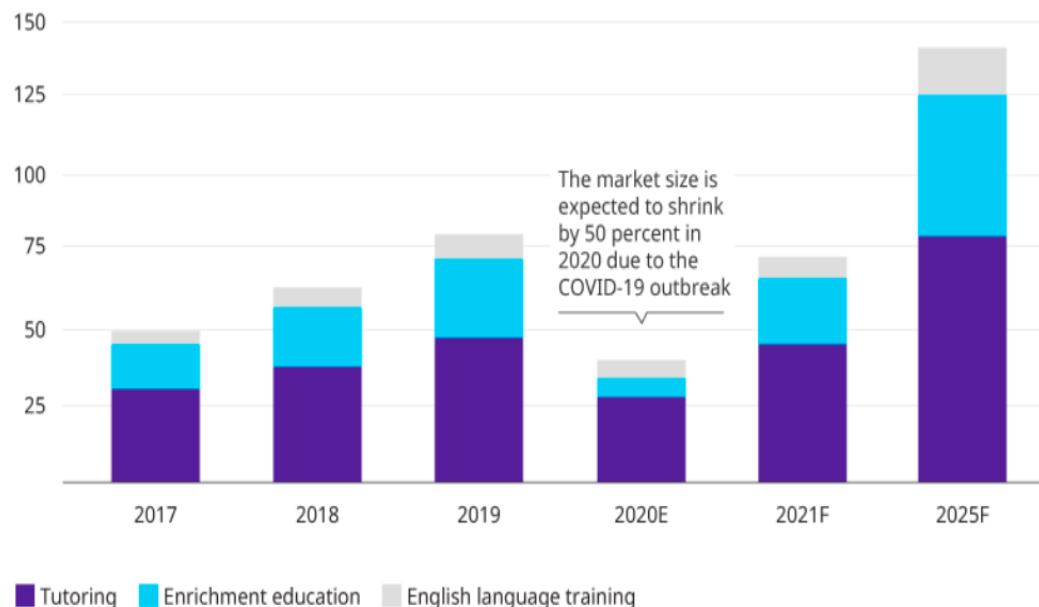
**Source:** (i) a report prepared at our request by Frost & Sullivan, an independent market research firm, in June 2017; (ii) 'A new era of education China education development report 2018', Deloitte Report; (iii) China K-12 After School Training To Business Market Report, China's National Institute of Education Sciences, the Tomorrow Advancing Life Group and Oliver Wyman, in July 2020

**Notes:**

1. Tier 1 cities refer to four most developed cities in China which features with strong economic development and high per capita disposable income, are recognized as densely populated as well as culturally and economically influential, namely Beijing, Shanghai, Guangzhou and Shenzhen, based on IPO prospectus

2. Penetration rate refers to the percentage of k-12 population who enrolled in after-school education services

### The Market Size of China's K-12 After-School Training Businesses (in RMB 10 billion)







## Section 2

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# Investment Highlights

# Investment Highlights



1

**Highly Effective Education**

2

**Strong Brand and Market Leadership**

3

**Proprietary Personalized Curriculum**

4

**Strong Faculty Supported by Stringent Recruiting and Training Programs**

5

**Standardized Operations and Highly Scalable Business Model**

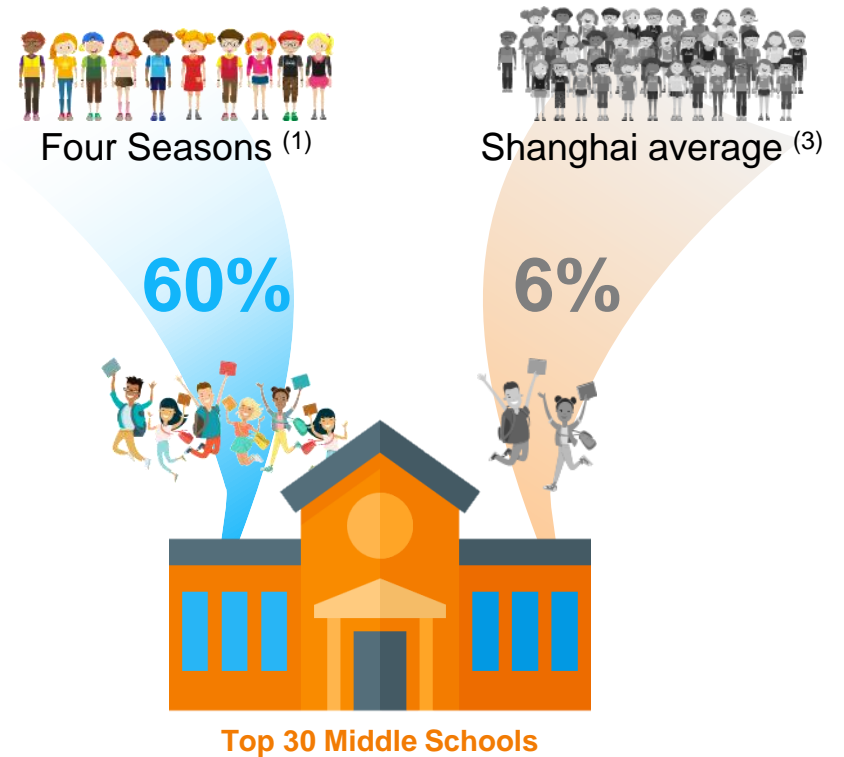
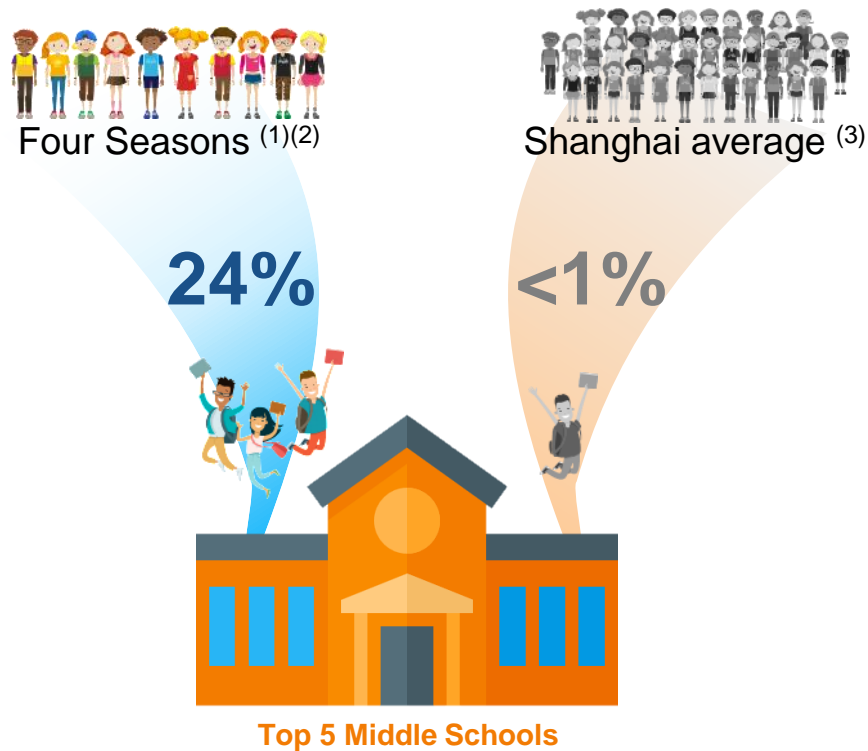




# 1 Highly Effective Education

## Exceptional Admission Rates Compared to Shanghai Average

In Shanghai in 2016



### Notes

1. Based on Company survey conducted in 2016 of students who have taken at least one Four Seasons course
2. 24% of Four Seasons' program graduates in 2016 were admitted into the top five middle schools in Shanghai
3. According to Frost & Sullivan Report

# 1 Our Programs are Widely Recognized for Their Effectiveness

## Recognized by Leading K-12 Schools



Proprietary curriculum  
delivered to K-12 schools



Shanghai Foreign  
Language Primary  
School Affiliated to SISU<sup>1</sup>



Shanghai World  
Foreign Language  
Middle School



Shanghai Pinghe  
Bilingual School

**Only** after-school educational service provider  
teaching proprietary math courses in K-12 schools  
in Shanghai

**Note**  
1. Shanghai International Studies University



## Our Students Excel in Various Competitions



Award-winning in

- ✓ 2020 China Sudoku Conference
- ✓ 2019 KenKen International Championship



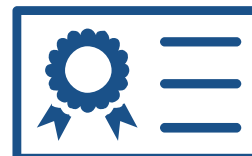
- ✓ First Yan'an Bridge Open
- ✓ 2019 "Wingsky Cup" National Bridge Open U18 Winner
- ✓ Runner-up in 2019 Jiaoneng National Open

## 2 Strong Brand and Market Leadership

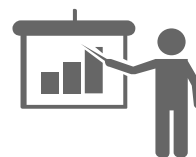


**#1**

after-school math education  
service provider for elementary  
school students in Shanghai <sup>(1)</sup>



The go-to brand for math  
education



Teaching proprietary math  
courses in K-12 schools.



Sales & marketing expenses  
only accounted for 12.1% of  
revenue <sup>(2)</sup>

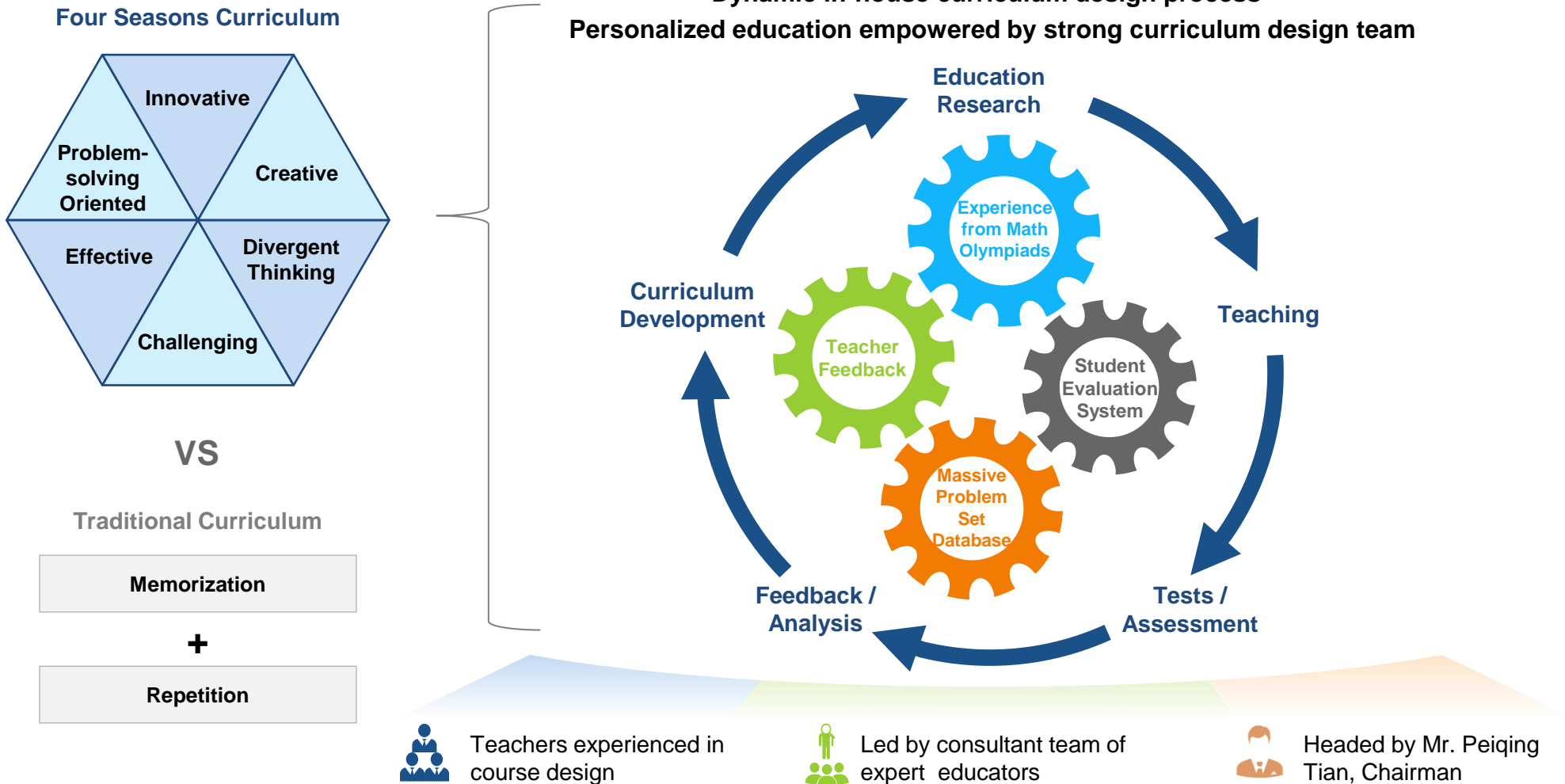


### Notes

1. Ranking by gross billings and number of students in 2016 and the six months ended June 30, 2017, according to Frost & Sullivan Report
2. Marketing expenses as % of revenue in 4QFY21



### 3 Proprietary Personalized Curriculum



## 4 Strong Faculty Supported by Stringent Recruiting and Training Programs

### Channels for Recruiting Teachers

- Graduates from normal universities and other renowned tertiary education institutions
- Principals and experienced teachers from public schools

### Recruitment

- Written exams and interviews
- Mock lectures
- Presentations to panels
- 37% candidates passing evaluation

### Pre-job Training

- Pre-class discussions
- Sitting in on experienced teachers' classes and substituting for absent teachers
- Feedback from experienced teachers

### Ongoing Training

1-2 Ongoing training sessions per week



Feedback from students



Training to provide better service to both parents and students



9-tier teacher promotion system

### On-the-job Satisfaction



Sense of satisfaction



Dedicated and capable educators



Culture of self-improvement

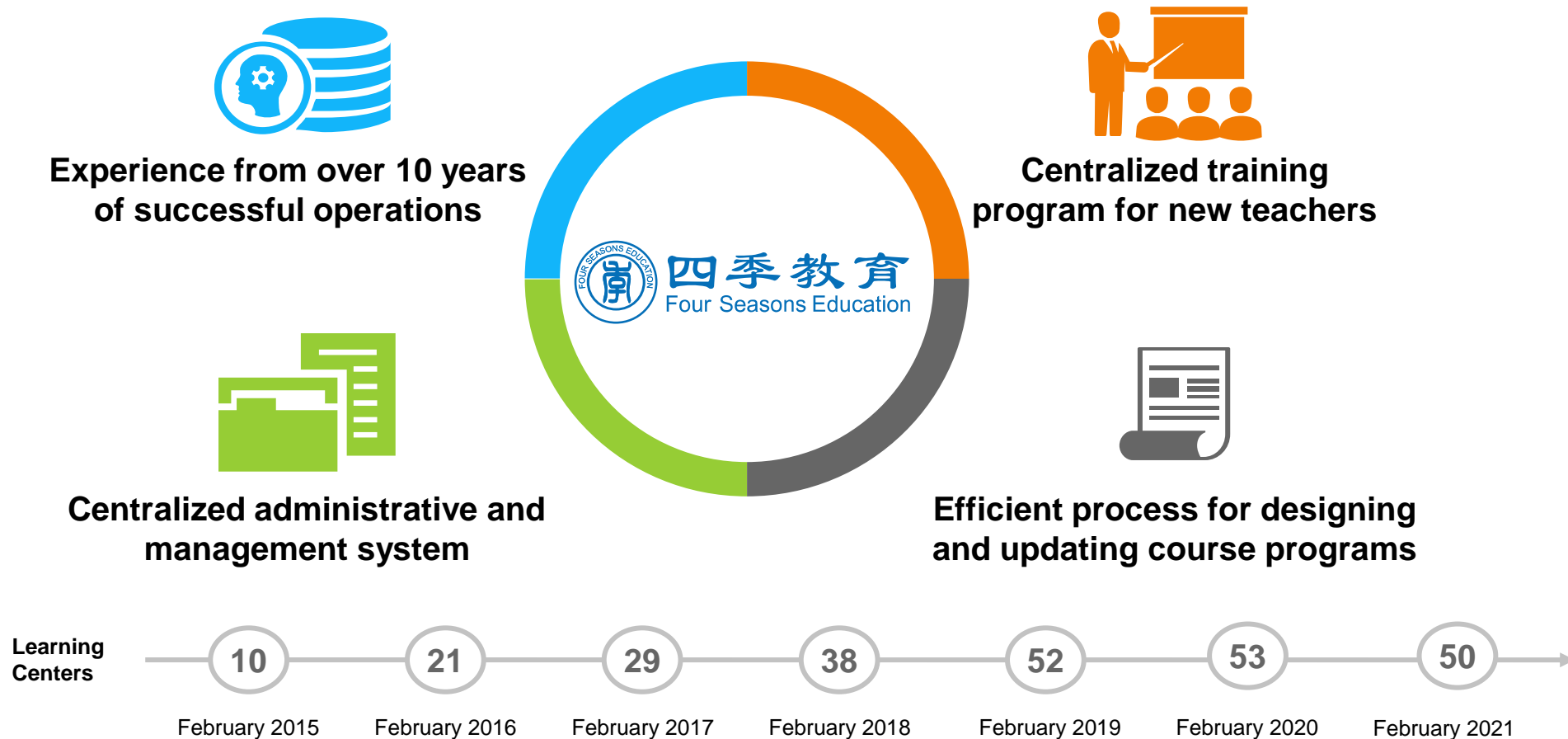


Encouraged to try innovative methods

Systematic recruitment and training programs facilitate scalable growth

## 5 Standardized Operations and Highly Scalable Business Model

Key factors supporting rapid and efficient expansion





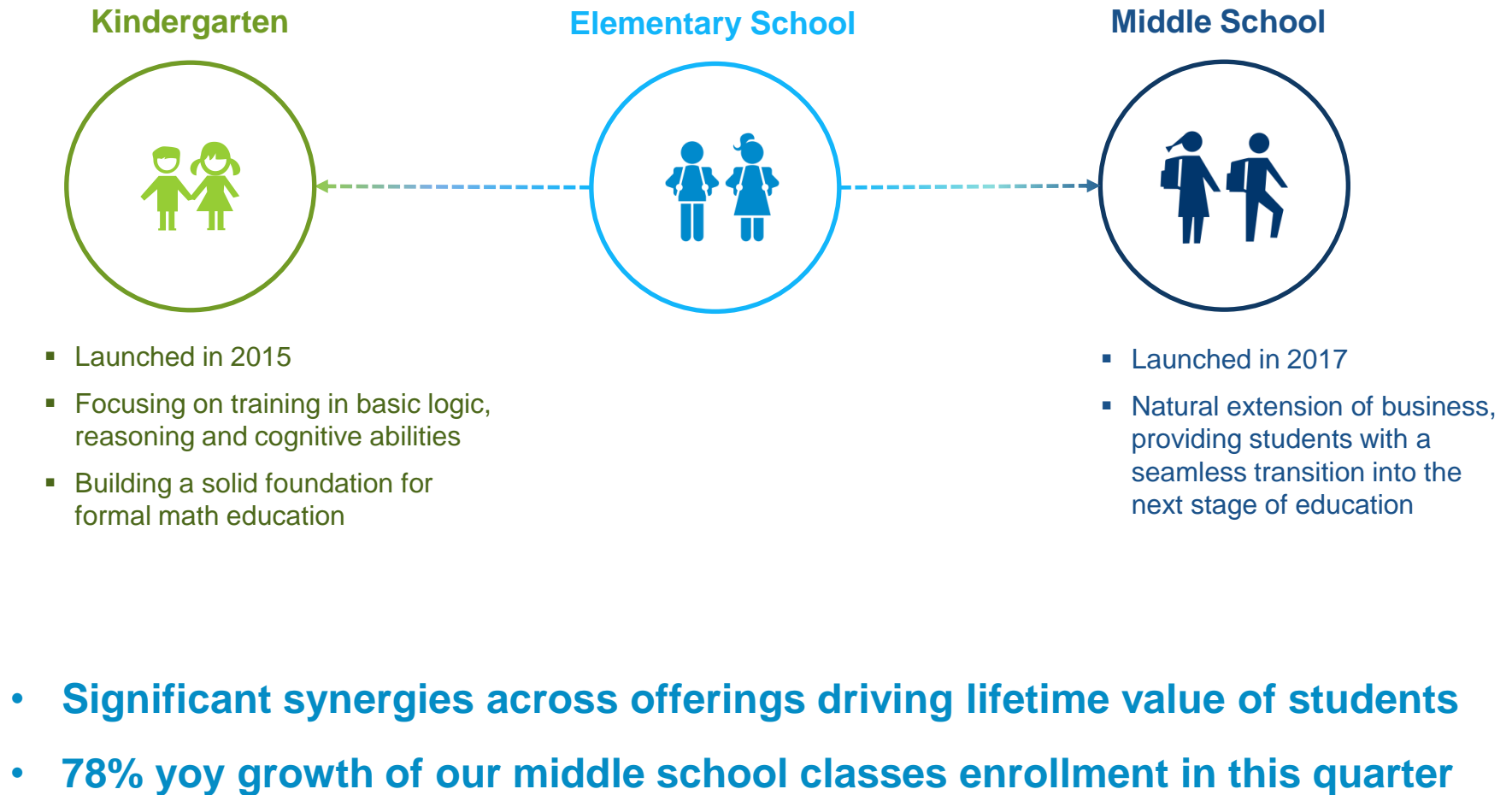
## Section 3

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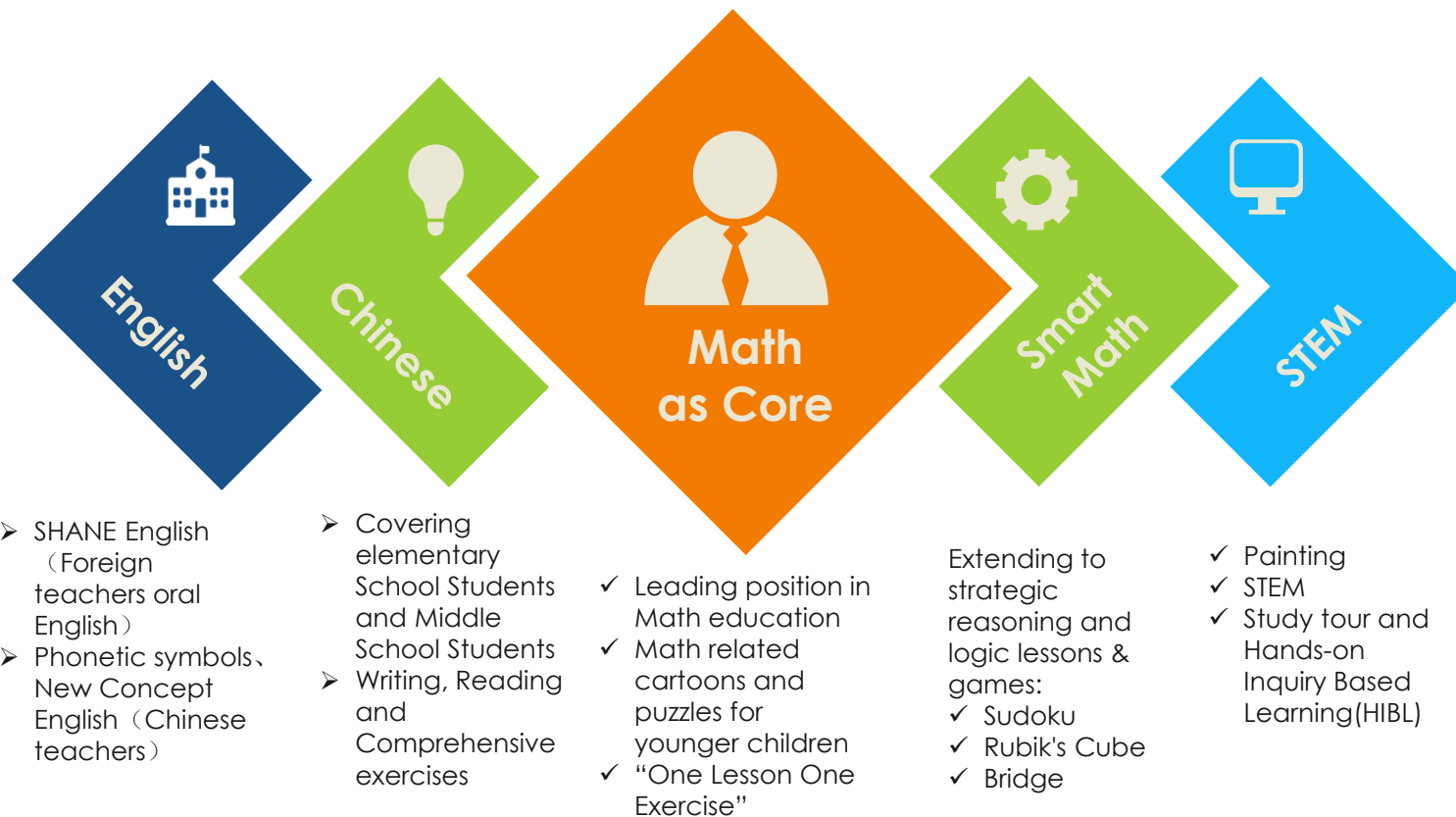
# Growth Strategies



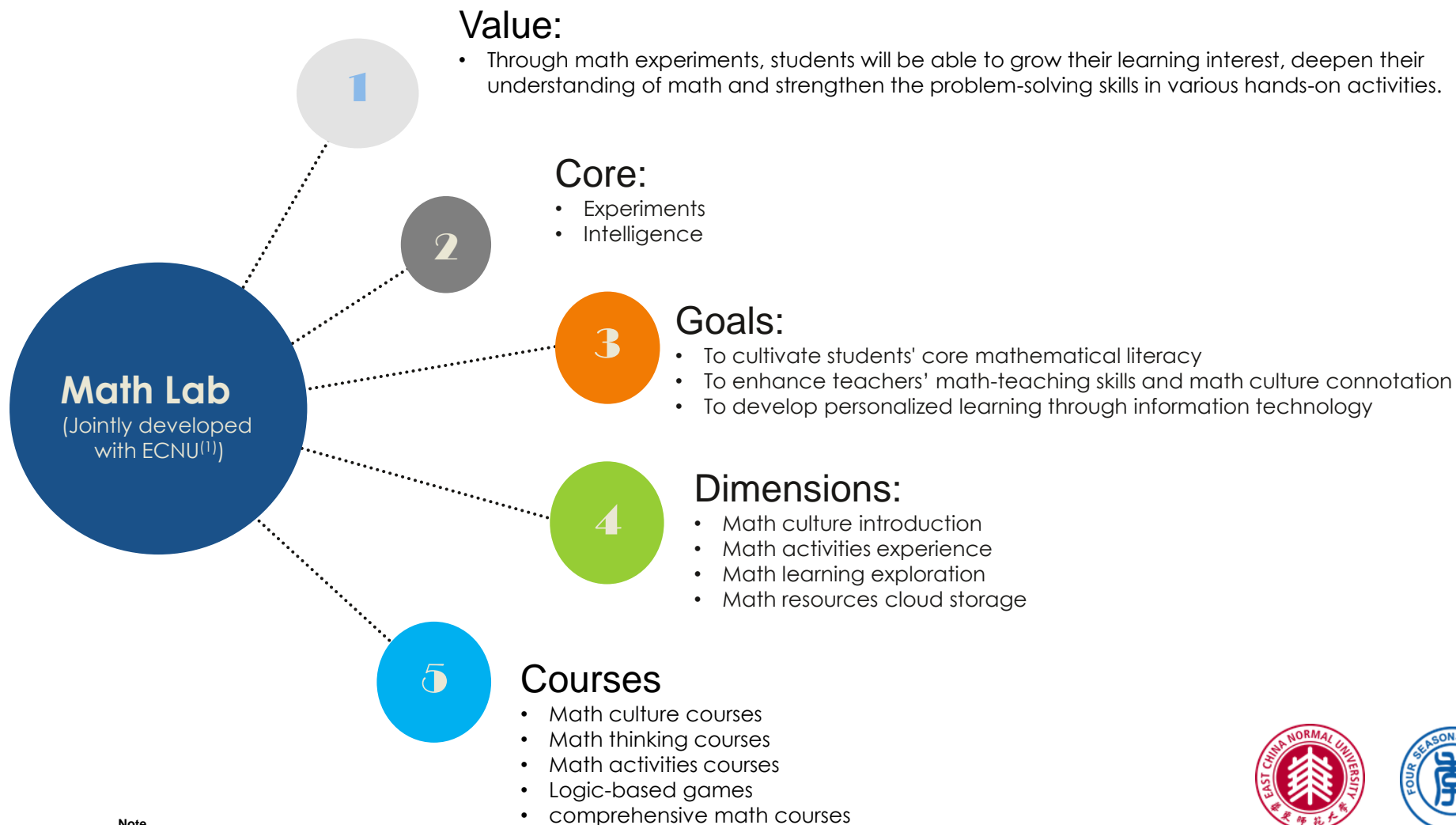
# Addressing Educational Needs Across Broader Age Groups



# Providing Broader and More Diversified Courses



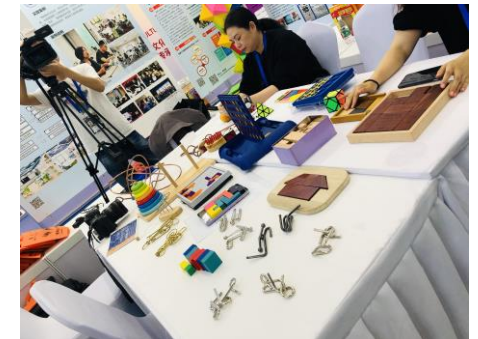
# Math Lab Project



**Note**  
1. East China Normal University

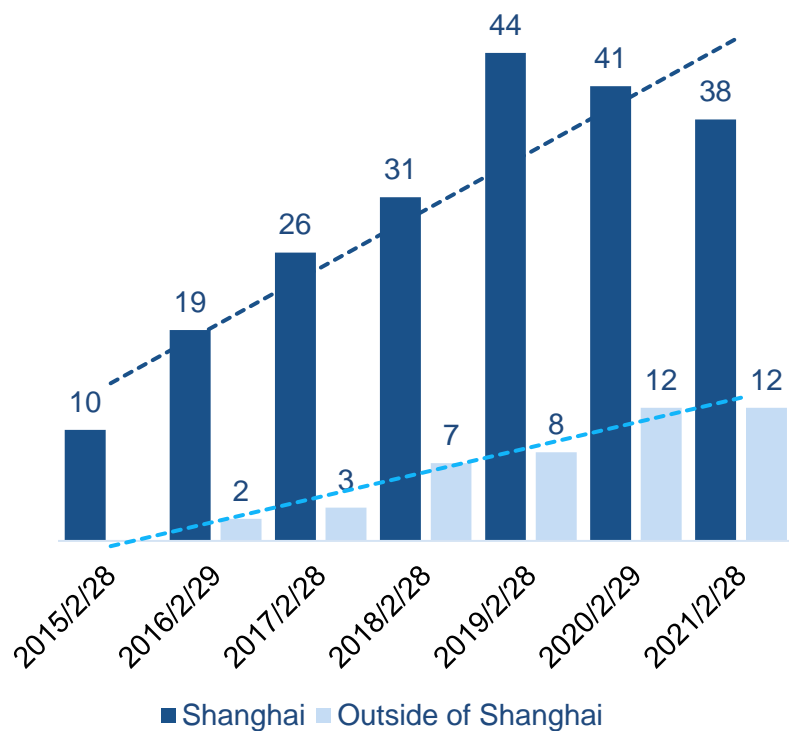


# Math Lab Project



# Expansion of Our Learning Center Network

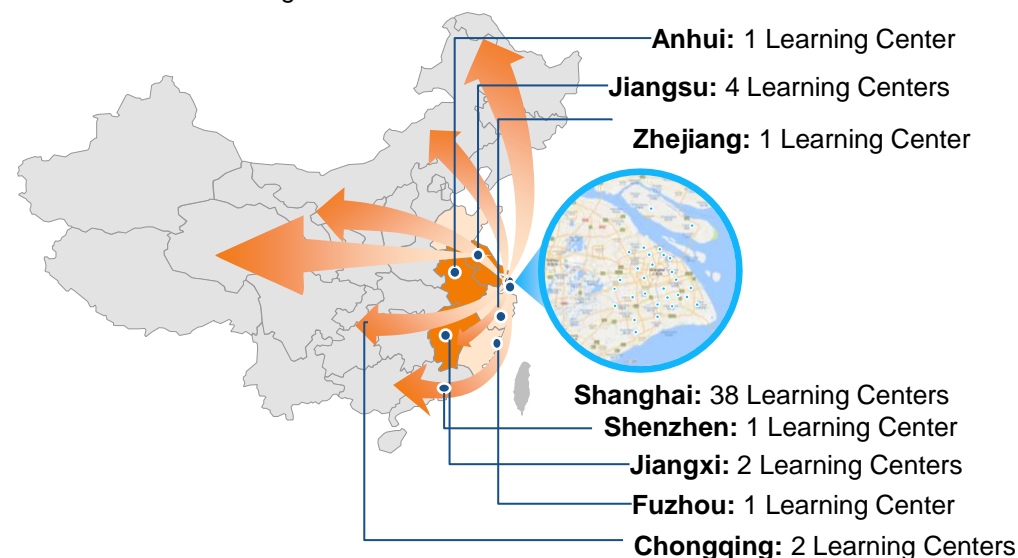
Number of learning centers <sup>(1)</sup>



## Increasing Presence outside of Shanghai

- Focusing on Yangtze River Delta
- Key cities: Shenzhen and Chongqing
- Tier 2 and tier 3 cities: Curriculum export

Our network of learning centers <sup>(1)</sup>



Notes:

1. As of February, 2021





## Section 4

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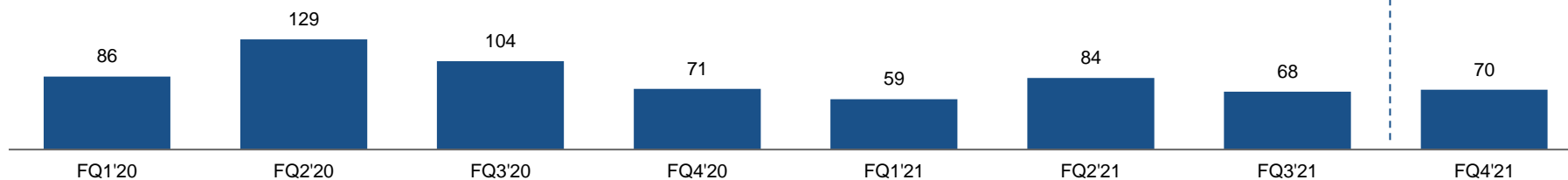
# Financial Highlights

# Financials Overview

Revenue and profitability are typically higher in FQ1 – FQ3 as fewer classes are offered in FQ4 because of Chinese New Year.

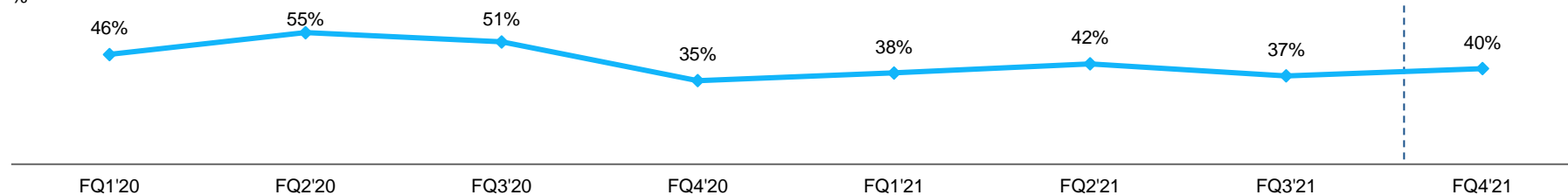
## Quarterly Revenue

RMB MM



## Quarterly Gross Margin

%







## Appendix

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# Consolidated Income Statement

## Condensed Income Statement <sup>(1)</sup>

RMB '000s

	FY2019	FY2020	FY2021	FQ4'20	FQ4'21
<b>Revenue:</b>					
<b>Total revenue</b>	<b>335,643</b>	<b>389,049</b>	<b>280,282</b>	<b>71,065</b>	<b>70,199</b>
<b>Total cost of revenue`</b>	<b>(171,822)</b>	<b>(200,933)</b>	<b>(168,832)</b>	<b>(46,277)</b>	<b>(41,910)</b>
<b>Gross Profit</b>	<b>163,821</b>	<b>188,116</b>	<b>111,450</b>	<b>24,788</b>	<b>28,289</b>
<i>% Gross margin</i>	<i>48.8%</i>	<i>48.4%</i>	<i>39.8%</i>	<i>34.9%</i>	<i>40.3%</i>
General and administrative expenses	(128,349)	(139,370)	(116,972)	(39,824)	(28,291)
Sales and marketing expenses	(33,783)	(34,367)	(30,953)	(7,710)	(8,500)
Impairment loss on intangible assets and goodwill	(557)	(145,416)	-	(145,416)	-
<b>Operating income</b>	<b>1,132</b>	<b>(131,037)</b>	<b>(36,475)</b>	<b>(168,162)</b>	<b>(8,502)</b>
<i>% Operating margin</i>	<i>0.3%</i>	<i>(33.7%)</i>	<i>(13.0%)</i>	<i>(236.6%)</i>	<i>(12.1%)</i>
<b>Adjusted operating income<sup>(2)</sup></b>	<b>33,936</b>	<b>45,238</b>	<b>(8,962)</b>	<b>(15,136)</b>	<b>(1,908)</b>
<i>% Adjusted operating margin</i>	<i>10.1%</i>	<i>11.6%</i>	<i>(3.2%)</i>	<i>(21.3%)</i>	<i>(2.7%)</i>
<b>Net income</b>	<b>(1,470)</b>	<b>(109,569)</b>	<b>(27,886)</b>	<b>(145,371)</b>	<b>(11,501)</b>
<i>% Net margin</i>	<i>(0.4%)</i>	<i>(28.2%)</i>	<i>(9.9%)</i>	<i>(204.6%)</i>	<i>(16.4%)</i>
<b>Adjusted net income <sup>(3)</sup></b>	<b>36,117</b>	<b>47,871</b>	<b>(2,521)</b>	<b>(4,706)</b>	<b>(4,200)</b>
<i>% Adjusted net margin</i>	<i>10.8%</i>	<i>12.3%</i>	<i>(0.9%)</i>	<i>(6.6%)</i>	<i>(6.0%)</i>

### Notes

1. Fiscal year ended February 28/29

2. Excluding share-based compensation expenses and impairment loss on intangible assets and goodwill.

3. Excluding share-based compensation expenses, fair value change of investments and impairment loss on intangible assets and goodwill (net of tax effect).



# Consolidated Balance Sheet

## Condensed Balance Sheet <sup>(1)</sup>

RMB '000s

	FY2019	FY2020	FY2021	FQ4'20	FQ4'21
Cash and cash equivalents	439,580	404,652	378,358	404,652	378,358
Property and equipment, net	27,000	19,749	15,804	19,749	15,804
<b>Total assets</b>	<b>932,054</b>	<b>1,037,616</b>	<b>967,193</b>	<b>1,037,616</b>	<b>967,193</b>
Deferred revenue	87,870	71,946	75,242	71,946	75,242
<b>Total liabilities</b>	<b>175,123</b>	<b>362,664</b>	<b>320,805</b>	<b>362,664</b>	<b>320,805</b>
<b>Total equity</b>	<b>756,931</b>	<b>674,952</b>	<b>646,388</b>	<b>674,952</b>	<b>646,388</b>
<b>Total liabilities mezzanine equity and equity</b>	<b>932,054</b>	<b>1,037,616</b>	<b>967,193</b>	<b>1,037,616</b>	<b>967,193</b>

### Note

1. Fiscal year ended February 28/29

