



# Tree House Education & Accessories Limited

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Results press release dated August 5, 2015

## **Tree House Education & Accessories Limited announces** **32.79% growth in Operational EBITDA**

### **Financial Highlights for Q1 FY 2016**

- Revenue from Operations at INR 69.03 cr, up y-o-y by 28.05%
- Operational EBITDA at INR 44.19 cr, up y-o-y by 32.79%
- Profit after tax at INR 18.02 cr, up y-o-y by 12.20%
- EPS (Fully diluted) before exceptional item is Rs. 5.02
- Opened 35 preschool centers during the year, taking total to 647

Tree House Education & Accessories Limited (Treehouse) reported its audited financial results for the 1<sup>st</sup> quarter ending June 30, 2015.

Key highlights of the performance were as follows:

### **Financial Highlights for the year**

	Q1 FY2016	Q1 FY2015	Growth
Revenue from Operations (INR cr)	69.03	53.91	28.05%
Operational EBITDA (INR cr)	44.19	33.28	32.79%
Profit after Tax (INR cr)	18.02	16.06	12.20%
EBITDA Margin	64.02%	61.73%	229bps
PAT Margin	26.10%	29.79%	-369bps



### **New Pre Schools opened in Q1 FY2016**

- There was a net addition of 35 preschools in the Q1 of FY2016.
- Total number of centers as on June 30, 2015 is 647.
- The number of self-operated preschools is 540 as on June 30, 2015.
- Ratio of self operated preschools to total preschools is 83.46%.

### **Geographical coverage**

- Currently present in 97 cities in India.
- New cities launched in the Q1 FY 2016 are: Solapur, Sangli, Akola, Bareilly, Aurangabad, Satara, Amravati, Hoogly, and New Delhi.

### **K-12 school management services**

- The Company provides school management services to 24 K-12 schools in 3 states in India.

### **Staff strength**

- Total staff strength as on June 30, 2015 is 2271.
- Total teacher strength as on June 30, 2015 is 2155

### **Non-financial highlights**

- The Company has expanded its daycare foot print, now in 190 centers due to encouraging response from the parents and the Company believes that this service will contribute meaningfully in the future. The Company has entered into tie ups with large employers in the IT, ITES, banking and consulting space to provide daycare services for their employees.
- The Company's initiative to provide low cost quality pre-primary education under the GLOBAL CHAMPS brand is now available at 5 centers in Mumbai.
- The company has initiated '**Swachh Bharat Abhiyan**' and conducted its awareness in its schools across India.
- Company also imparted training to helper staff across its all center in India. Company has launched a unique scheme to impart training to women helper staff to enable them to become drivers of school bus.

***Commenting on the Q1 FY16 results, Mr. Rajesh Bhatia, Managing Director of Tree House, said,***

***"We have initiated the year on a positive note with Tree House reporting a solid financial and operating results for the first quarter. In Q1FY16, we opened 35 new centers and, as a result,***



we are today spread across 97 cities with our total pre-school count at 647. This has enabled to increase our topline by 28.05%.

We provide high quality education that is a strong launch platform to the lives of thousands of children across the country. Gaining nationwide acceptance, we continue to extend our pre-school network to a large number of new cities and have simultaneously penetrated into regions that already have Tree House centers.

In addition to the ongoing growth of pre-schools, we are steadily enhancing the number of day care centers that operate from common premises post school hours. We believe that there is significant untapped demand for daycare services and are confident that our offerings in this space, set to a high standard, will once again create new and successful trends in this segment.

A key area where we are continuing to focus on is the monetization of our K-12 assets. We are committed to the same.

For FY16, our priorities will be on leveraging our strong on-the-ground systems and processes to accelerate the expansion of our network. In FY16, we look forward to entering new markets like Delhi-NCR along with several other attractive markets across the country. We target 150 new pre-schools this fiscal year. With that, we are confident that our acknowledged position as a leading player in the pre-school education space will enable us to capitalize on the immense unlocked potential this sector presents.”

**Tree House Education & Accessories Limited**

Tree House Education and Accessories Limited (NSE code: TREEHOUSE; BSE code: 533540, MCX-SX : TREEHOUSE ) runs quality preschools and also provides educational services to K-12 schools throughout the country. TreeHouse has revolutionized the concept of pre-school pedagogy in India through the use of innovative teaching methods and child-focused personal care.

For more updates and information on the Company, please log on to [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net)

