

Tree House Education & Accessories Ltd.

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Press release dated Nov 11, 2013

Financial Highlights

H1FY 2014

- Revenue from Operations at INR 82.16 cr, up y-o-y by 47.21%
- Operational EBITDA at INR 45.71 cr, up y-o-y by 45.99%
- Profit after tax at INR 23.77 cr, up y-o-y by 32.42%

Tree House Education & Accessories Limited (Treehouse) reported its financial results for the 2nd quarter of FY2014 and half year ended September 30, 2013.

Key highlights of the performance were as follows:

Financial Highlights for the quarter

- Revenue from operations for the 2nd quarter of FY2014 is INR 41.29 cr compared to INR 28.28 cr for the 2nd quarter of FY2013, representing 46.00% y-o-y growth.
- Operational EBITDA for the 2nd quarter of FY2014 is INR 22.93 cr compared to INR 15.52 cr for the 2nd quarter of FY2013, representing 47.74% y-o-y growth.
- Profit after tax for the 2nd quarter of FY2014 is INR 11.47 cr compared to INR 9.93 cr for the 2nd quarter of FY2013, representing 15.50% y-o-y growth. **However, Q2FY13 PAT was buoyed by one-time other income of INR 2.40 cr. Excluding this, PAT has grown by 39.36%**
- Operational EBITDA margin for Q2 FY2014 is 55.53%.
- Net profit margin for Q2 FY2014 is 27.64%.

New Pre Schools opened in Q2 FY2014

- Net addition of 16 pre schools in the 2nd quarter of FY2014.
- Total number of centers as on September 30, 2013 is 426.
- Out of this, the number of self operated preschools is 322.
- Ratio of self operated preschools to total preschools is 75.59%.



Geographical coverage

- Currently present in 55 cities in India.
- New cities launched in the quarter are : Jabalpur , Indore , Khopoli , Ichalkaranji and Ghaziabad

Same self-operated preschool centers: a comparative study

- Year-on-year (Q2FY2014 vs. Q2FY2013) revenue growth in same store self-operated preschool centers has been 30%.

K-12 school management services

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

Staff strength

- Total staff strength as on September 30, 2013 is 1848, showing a net addition of 158 employees in the quarter.
- Total teacher strength as on September 30, 2013 is 1758, representing a net addition of 155 teachers during this quarter.

Mr. Rajesh Bhatia, Promoter and Managing Director, TreeHouse said, “ Treehouse is spreading its roots across the country. We are now present in 18 of the top 20 cities in India, with market leadership in 9 of these in terms of center penetration. We have identified the cities where we plan to grow in the next 6 months. We plan to open 100 self-operated centers in the current financial year, of which we have already opened 22.

We would be announcing asset sales within the next 6 months. Becoming asset light shall increase the efficiency of capital employed and free capital resources for future growth.

We continue to strengthen our curriculum and content delivery and are looking forward to maintaining growth over the coming year.”

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

