



# Let Education Borderless Make Learning Accessible

Samebest Co., Ltd.

Presented by: General Manager, Mr. Hong-tai Wei



# Company Overview

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# Company Profile

**Founded** 30<sup>th</sup> October 2006

**Chairman** Yong-xin Shi **GM** Hong-tai Wei

**No. of Employees** 339 (up to 2007/07/31)

**Paid-up Capital** NT\$300MM

## Major Business

- ▶ 3-18 years old (K-12) digital learning product R&D, deployment and services
  - Course design
  - Platform development
  - Content production
  - Deployment & services
- ▶ Licensing and general agent of domestic and international celebrated brands
  - POLI
  - Posegal Workshop
  - Sweet Summer

# Management Team



## Chairman

**Yong-xin Shi**

Samebest, GM  
EDT, GM  
Great China Int' l Edu., GM  
Disney Taiwan, Chief Supervisor

## GM

**Hong-tai Wei**

Samebest, CSO  
Ru-lin-TP, TC, CY, Li-cheng-TP, Physics  
Teacher

## Host Exe. Dep. GM

**Ming-shan Yu**

Samebest, CFO  
EDT, GM  
Great China Int' l Edu., Deputy GM

## Direct Dept. Exe. Dep. GM

**You-quan Zhang**

Tai-da-TP, Exe. COO  
Wen-cheng-TC, Exe. COO  
Wen-cheng-KH, Exe. COO

## Sales Dept. Dep. GM

**Jian-li Lin**

FL Culture, Director

## Edu & Counseling CEO

**Yu-zhang Fan**

Kidcastle, CTO  
TTV, Leader of Children Eng. Learning  
Program Planning  
Sesame St. Eng., CTO

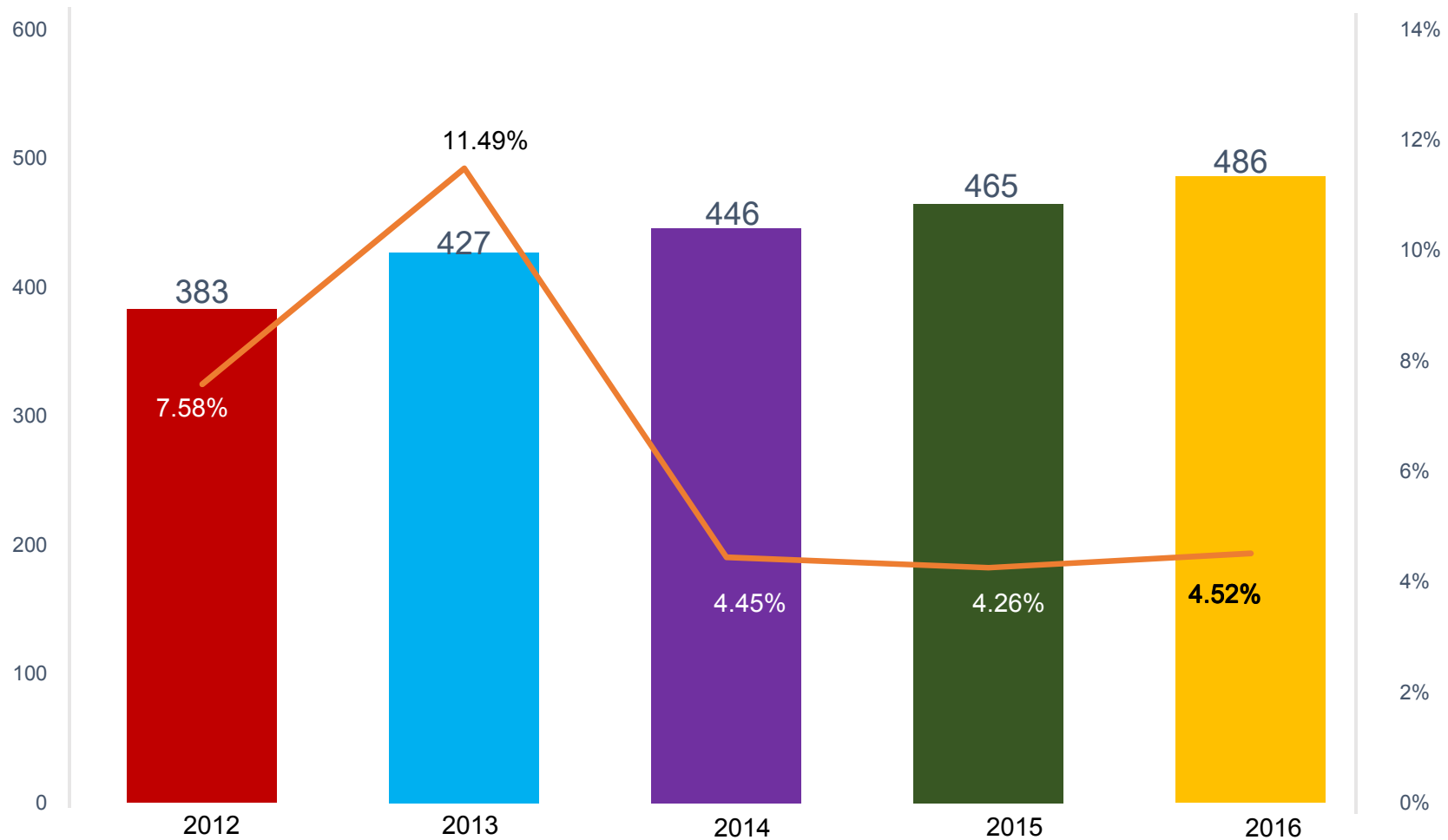


# Industry Overview

# Market Size

## Global Digital Learning

- 2012~2016 global digital learning market size and growth rate (estimated)



Source: 2015 American Ambient Insight

# Digital Education Gradually Replacing Tutorials and Tutoring

## Output value calculation for Traditional tutorial classes

$$= 2,172,172 \times 0.6 \times 3 \times 43,500 = \text{NT\$} \mathbf{170} \text{Bli.}$$

Calculation basis:

- According to the Ministry of Education, in 2016 no. of Taiwan children in elementary school + junior high school + senior high school (general) was 2,172,172
- An average of 6 students out of 10 will pay for tuition (the company's survey + tuition industry statistics)
- Students who pay for the tuition will pay for an average of 3 subjects (the company's survey + tuition industry statistics)
- Each parent spends an average of NT\$43,500 per year in each subject (the company's survey + tuition industry statistics)

### Remarks

In the article entitled "The Era of Digital Tutorial" published by the Digital Education Institute of IFII on 2009/03/26, the annual output value of Taiwan's supplementary education is estimated to be close to NT\$150 billion, which is close to the Company's estimate.

## Digital learning industry output value

= Digital material + Platform tool + Learning service  
 = 17.9 billion + 5.86 billion + 41.86 billion

$$= \text{NT\$} \mathbf{65.62} \text{Bli.}$$

Source: Digital Learning Industry Cross-Domain Improving Project, IFII, 2016/11

## K-12 Digital learning output value

$$= \text{Digital learning industry output value} / 3 = 65.62 / 3 = \text{NT\$} \mathbf{21.87} \text{Bli.}$$

Calculation basis:

Digital learning can be divided into 3 main areas

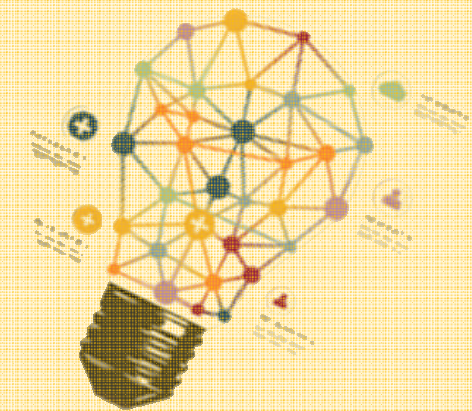
1. K-12
2. Adult learning and certification
3. English + corporate training

From the company's survey, the proportions of these 3 areas are similar.

## Digital learning replacement rate

$$= \frac{\text{K-12 Digital Learning Output Value}}{\text{K-12 Traditional Tutorial Output Value}}$$

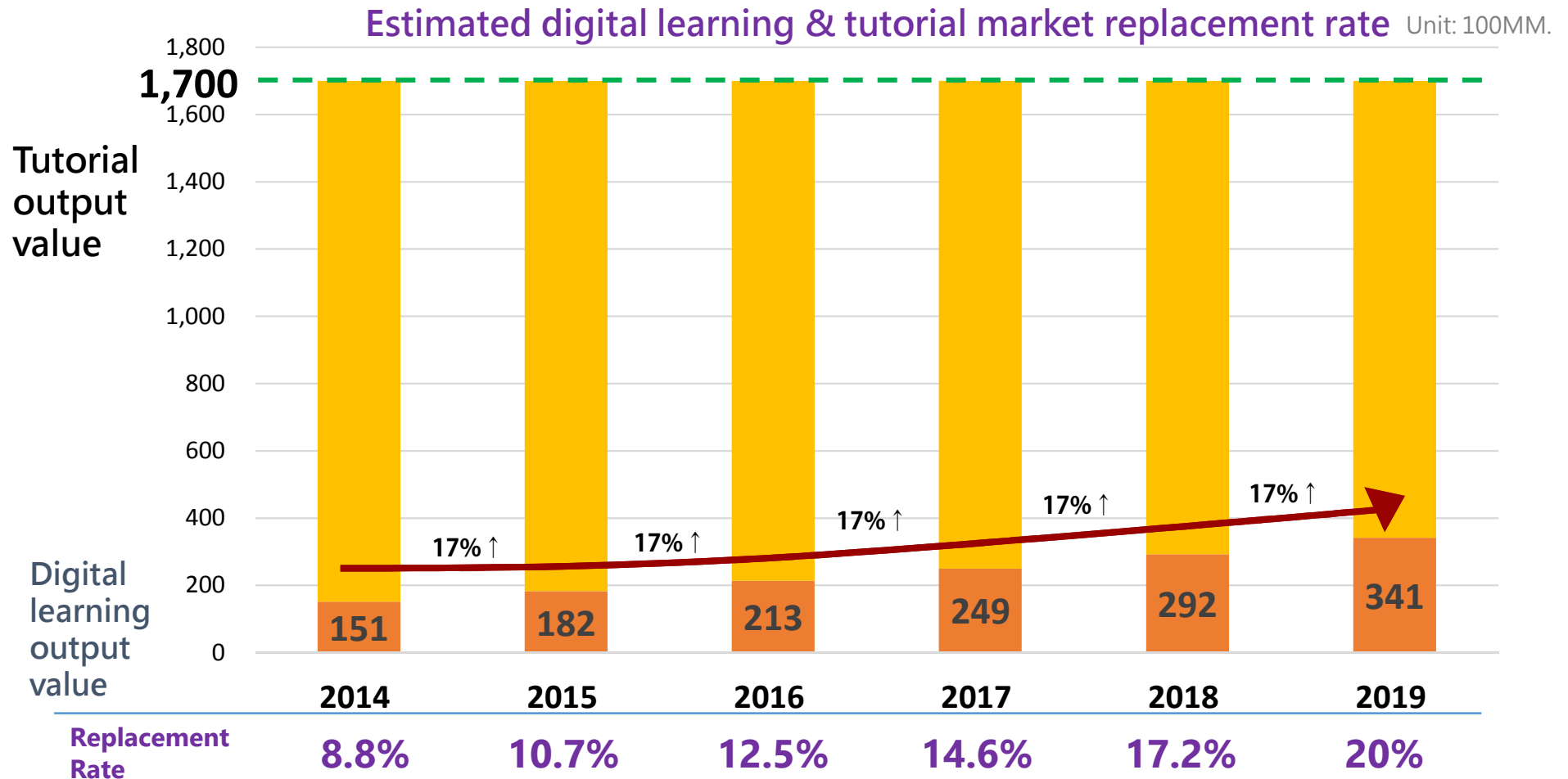
$$= \frac{21.87}{170} \times 100\% = \mathbf{12.87\%}$$



# Replacement Rate

## Taiwan Digital Learning & Tutorial Market

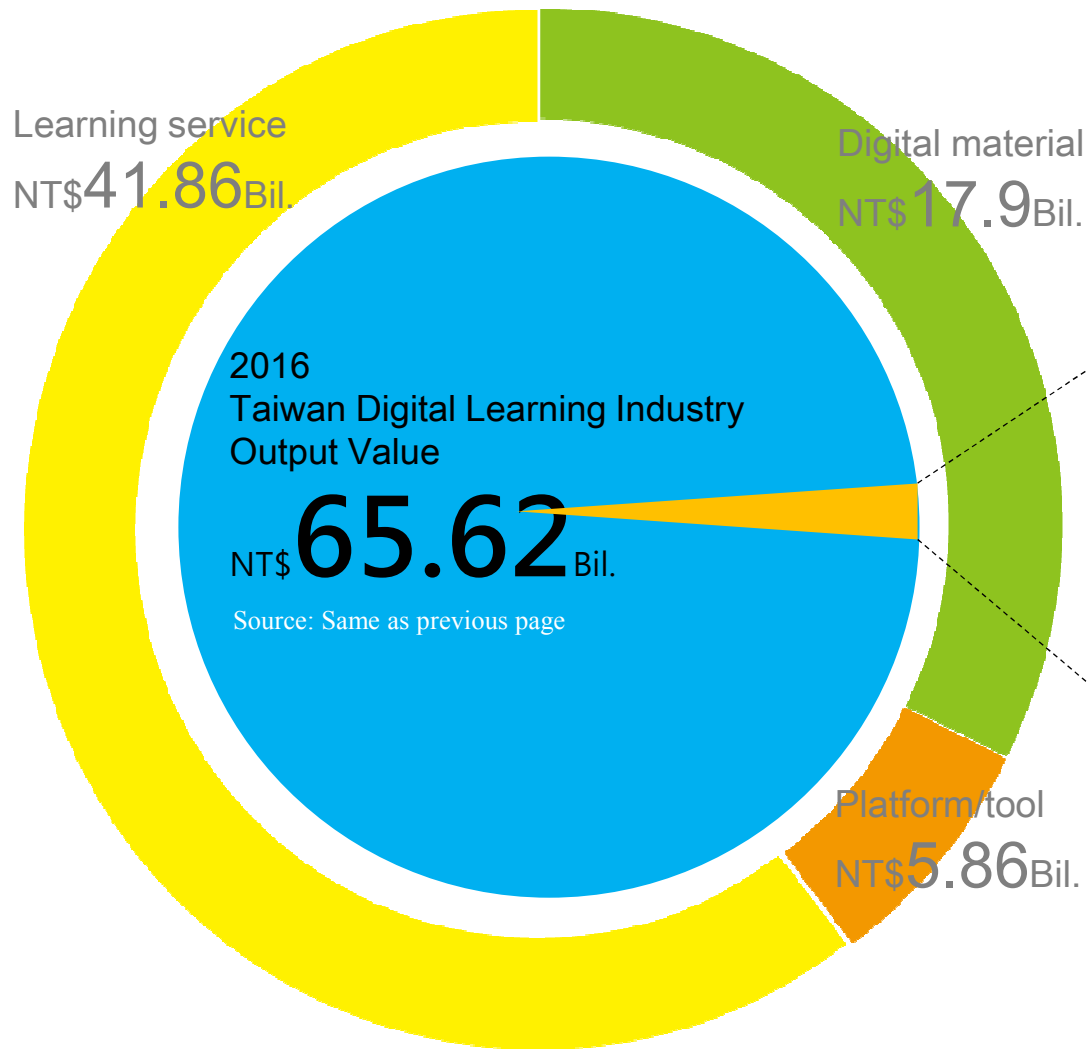
According to South Korean Ministry of Education, Science and Technology survey, South Korea grade 1 - 12 supplementary school annual output value is about NT\$469 billion, and digital learning courses are accounted for about 30% of the market.



Source: Industry Bureau Digital Learning Industry Cross-Domain Improvement Plan (2015.11), Digital Collection and Learning Industry Development and Promotion Program, Institute for Information Industry



# Taiwan Digital Education Market Development Rate is still **Low**



2015  
Samebest Income

NT\$ **677** MM.

2016  
Samebest Income

NT\$ **768** MM.

Development Rate: **1.17%**



# Major Products



3-6 Years Old (Kindergarten)

2015 Share : 28.02%

Film : 19018

2016 Share : 14.53%

Animation : 1643

2017 Q2 Share : 14.74%

Game : 260



INITIAL COGNITIVE TRAINING



Present knowledge learning by games, not only arise learning motivation, but also train hand-eye coordination!



Accomplish the task with children! Under accompanying by parents, not only the study effect is doubled, the parent-child relationship is enhanced!



Stars can always lead to infinite imagination of children, the use of somatosensory exercise allows children to "immerse" in the space to know the eight planets!

LIMB MOVEMENT DEVELOPMENT



Use Kinect somatosensory game design to play the game, and train large muscle development and coordination



Use rocker and pedal to break through the game, and develop muscles and limb rhythm coordination



Taiwan's most prosperous fruit family brings series of well-planned singing and dancing sessions, so that children can enjoy in the rhythm and at the same time get into the artistic appreciation of music.

SOCIAL AWARENESS DEVELOPMENT



Use animation to edit fairy tale, provide socialized teaching materials, influence personality unconsciously, inspire children's mind



Brother Banana and Brother Monkey visit the whole Taiwan introducing local skillful people, let children know the diversified society



The curriculum is designed using daily life situations, and presented by animations / videos



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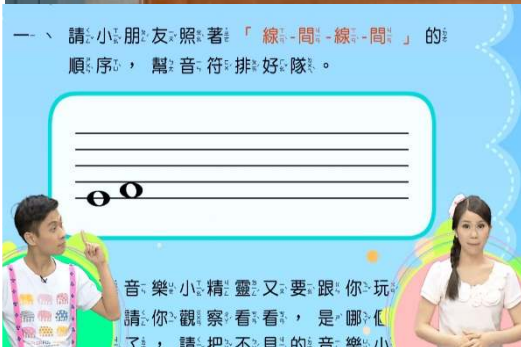


# Grade 1-3

2015 Share : 1.39%  
2016 Share : 1.41%  
2017 Q2 Share : 10.11%



Chinese      English      Math  
Society      Science      Social Science





# Grade 1-3

2015 Share : 1.39%  
2016 Share : 1.41%  
2017 Q2 Share : 10.11%



這是一個什麼聲音？



Cc Aa  
Hh Ee Ii  
Dd Ff Gg Bb



# Grade 4-6

2015 Share : 5.31%  
 2016 Share : 6.47%  
 2017 Q2 Share : 10.33%



**Math**  
**Society**  
**Science**  
**Chinese**  
**English**



Grade 4-6

2015 Share : 5.31%  
2016 Share : 6.47%  
2017 Q2 Share : 10.33%







# Grade 7-9

2015 Share : 27.81%  
2016 Share : 38.31%  
2017 Q2 Share : 27.91%



## Teacher Lineup

Citizen-Shao Ye  
Biology-Zeng Che  
Earth Science-Cai Hongtai  
History-Chen Qipeng

Geography-Liu Chenglin  
English-Qi Bin  
Chinese-Duan Yu

Chinese-Dong Ze  
Physics & Chemistry-Chen Yi  
Math-Zhang Songhao



# Grade 7-9

2015 Share : 27.81%  
2016 Share : 38.31%  
2017 Q2 Share : 27.91%





# Grade 10-12

2015 Share : 35.20%  
2016 Share : 36.57%  
2017 Q2 Share : 33.27%



Citizen-Chen Sheng  
Chemistry-Wang Yu  
Biology-Yu Xia  
Math-Lin Mingyang

Geography-Wu Hongli  
Physics-Wei Hongtai  
English-Wu Hansheng

Chinese-Yang Mo  
Math-Xu Zhe  
History-Lu Jie

## Teacher Lineup

# 40%

In 2016, out of the 138 students with full score, 55 were from Samebest, accounted for



# Competitive Advantage



Competitive Advantage

# Full Ranges



Kindergarten



Elementary School



Junior High School



Senior High School



好未来



好未来



腾讯教育



腾讯教育



腾讯教育



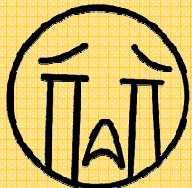
# Knowledge Points-Diagnose-Rescue



No Knowledge Points=Huge Differences

With Knowledge Points  
=Easy Learning & Understanding

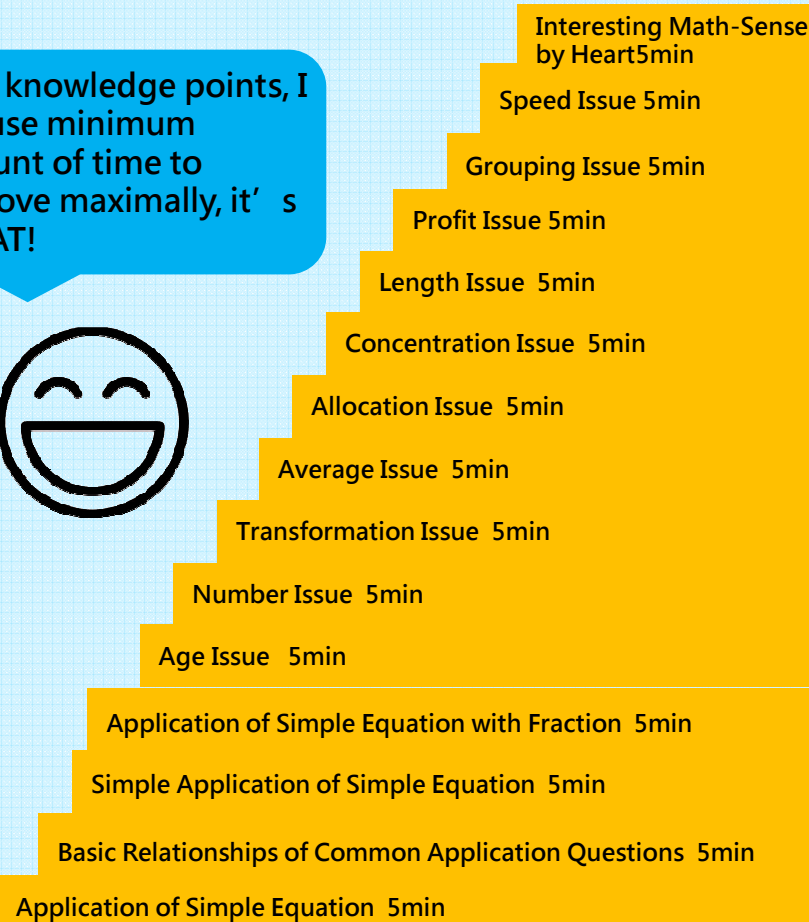
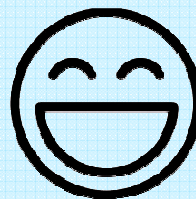
The head will be burst after reading a unit for 100min..



Linear  
with one  
unknown  
(100min)

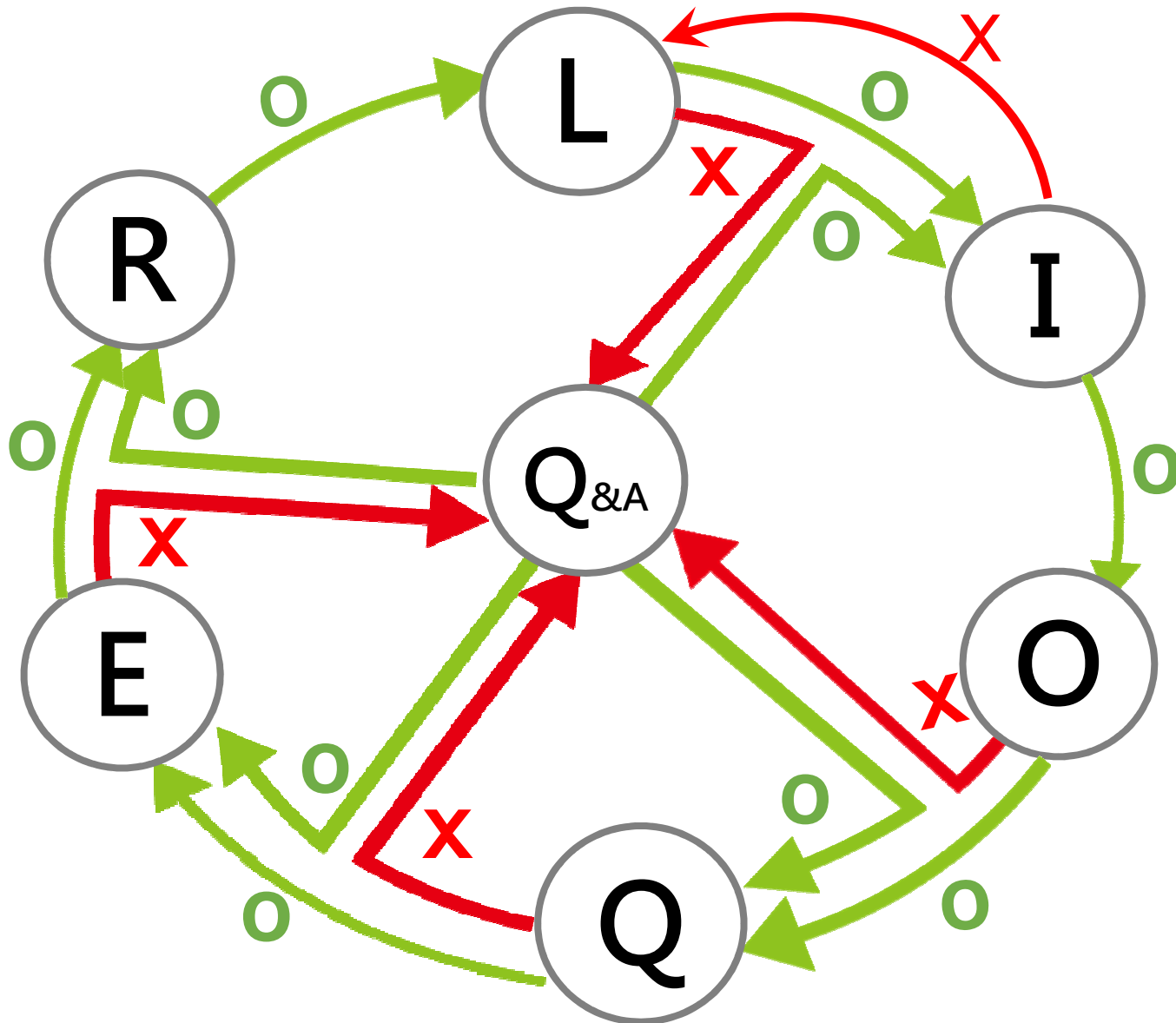
Simple Equation

With knowledge points, I can use minimum amount of time to improve maximally, it's GREAT!



Simple Equation

# Competitive Advantage Full Functions



Learn

Interactive

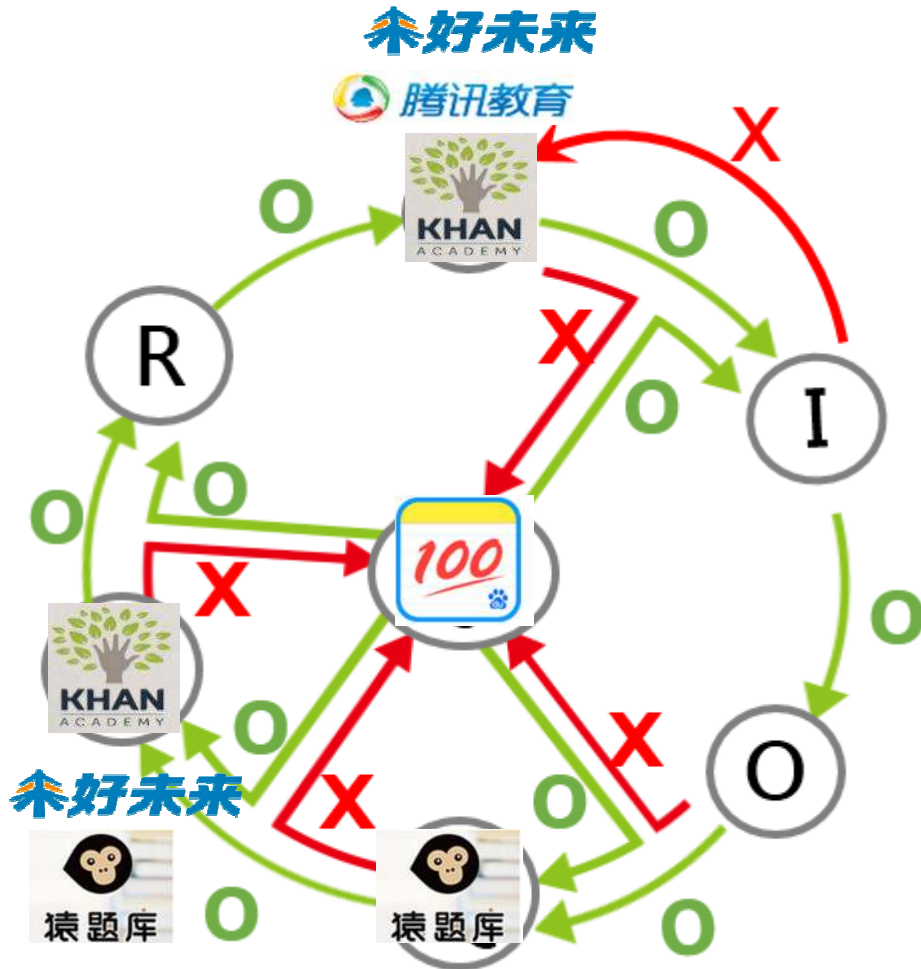
Organize

Quiz

Exam

Review

# Competitive Advantage Full Function





Competitive Advantage

# All Platforms



PC



iOS  
PHONE



ANDROID  
PHONE



iOS  
iPAD



ANDROID  
PAD



# Student Performance (2016)



恭喜！武陵高中張荷莉👑國高中滿分雙料王、宜蘭高中林仕倫、台南一中許庭偉和台中女中陳芊仔 勇奪105年學測滿級分75分



張荷莉

Wuling High School  
Membership No. : BJ130722004  
Purchasing Date : 2013/07/22



國高中滿分雙料王



林仕倫

I-Lan High School  
Membership No. : KC130513001  
Purchasing Date : 2013/05/13



許庭偉

Tainan First High School  
Membership No. : FT130520002  
Purchasing Date : 2013/05/20



陳芊仔

Taichung Girls' High School  
Membership No. : KG130729004  
Purchasing Date : 2013/07/29



# Competitive Advantage



## Talent

Education  
Technology  
Marketing

## Product

Course Barrier  
Program Barrier

## Experience

20 yr Middle and High Cram School  
15 yr Online Course Marketing  
10 yr Elementary School  
10 yr Kindergarten  
7 yr Private High School



# Operating Performance

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# 成績提升 封閉環境檢驗

◦ 104/09 Chia-yi City 2 classes, 88 students

	Normal	Use Programs	Diff
104/06 會考成績	30.3級分	30.1級分	-0.7%
104/09 Entrance Test	348	346	-0.6%
104/10 1 <sup>st</sup> Midterm Exam	362	372	2.8%
104/11 2 <sup>nd</sup> Midterm Exam	371	392	5.7%
105/01 Final Exam	352	384	9.1%
105/04 1 <sup>st</sup> Midterm Exam	366	390	6.6%
105/05 2 <sup>nd</sup> Midterm Exam	375	398	6.1%
105/06 Final Exam	361	389	7.7%
104.9-105.6 Average	365	387	6.0%
Gap	17	41	240%

# No. of Members



	2014	2015	2016	2017Q2
No. of <b>New Free</b> Members	14,735	18,832	151,630	40,348
No. of <b>new Large Amount</b> Members (All subjects, 3 years)	6,283	7,618	8,492	4,935
No. of <b>Effective High</b> Amount Members	~18,700	~20,500	~22,500	約~25,000

# Operational Risk



## Customer Risk

### Return

2015 Rate: 2% 2016 Rate: 4% 2017 Rate: 6%



**Active Services** Consultants, House keepers, Student Club  
**Parent Cloud** Learning records, Online dates, Synchronous test results

## Product Risk

### Curriculum Revision

2015 Rate: 2% 2016 Rate: 1% 2017 Rate: 1.52%



Dismantle the course with knowledge points and record with micro course.  
Every year, the course is quickly made available to students.

### Piracy or Resale



Smart lock encryption mechanism  
Smart lock timing mechanism

### Peer imitation



Higher School Entering Program 2.0 full function higher the barrier  
Higher School Entering Program 3.0 knowledge points higher the barrier

## Industry Risk

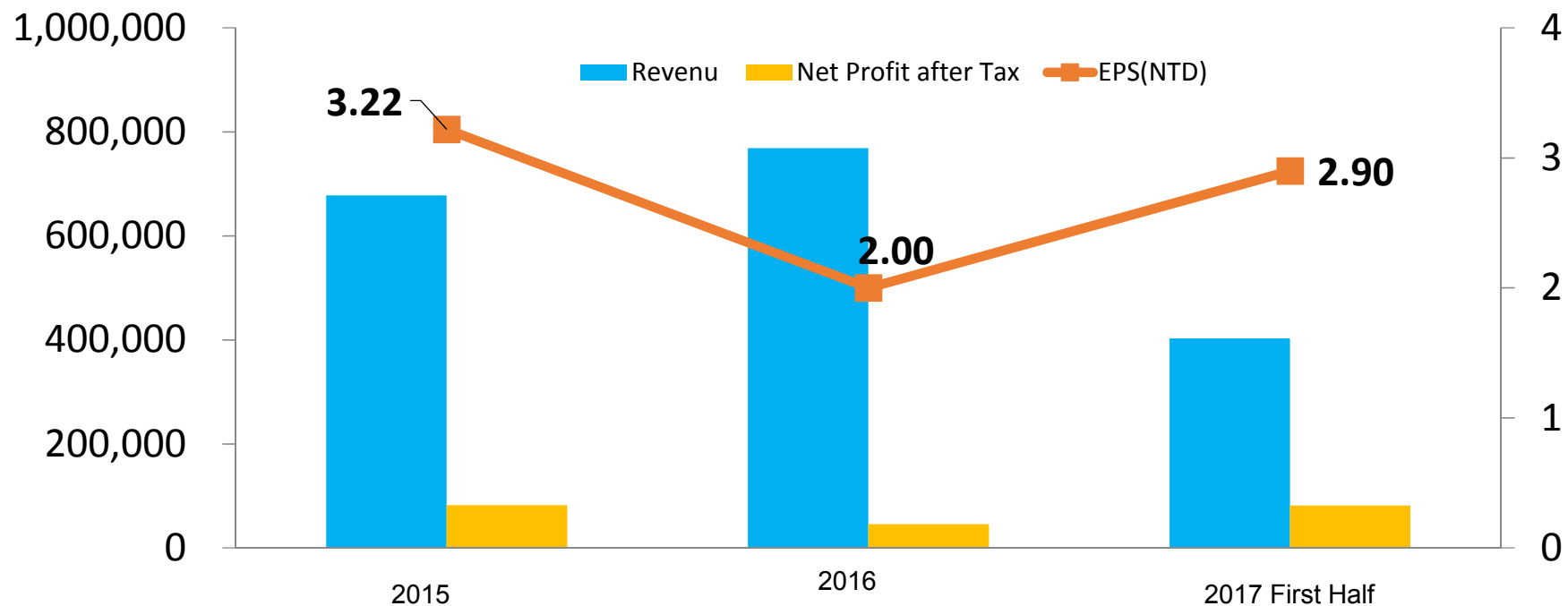
### Tutorials & large entrepreneur compete in digital market



At present the digital learning market is still a huge course.  
Technology & operation integrations are difficult

# Operational Performance

3 years income statement



	2015	2016	2017 First Half
<b>Revenue</b> (unit: Thousand NTD)	677,964	768,273	402,464
<b>YOY</b>	42.50%	13.32%	4.77%
<b>Net profit after Tax</b> (unit: Thousand NTD)	69,783	45,764	81,505
<b>EPS</b> (unit: NTD)	3.22	2.00	2.90



# Financial Structure

2 years Comparison

Unit: Thousand NTD



	2015	2016	2016 Increase	2017 Adjustment
Operating Income	677,964	768,273	90,309	
Cost of sales	105,401	124,804	19,403	
Gross margin	84%	84%		
Operating expenses	499,910	587,966	88,056	
▷sales <small>2016 approximately 200 people in average</small>	379,523	438,787	59,264	salary +30,000 Commission +16,000 Advertisement +10,000 -20,000 -5,000
▷management <small>2016 approximately 80 people</small>	52,560	59,623	7,063	
▷R&D <small>2016 approximately 110 people</small>	67,827	89,556	21,729	IPO related +7,000 -7,000
Operating expense rate	74%	77%		Junior High v3.0 new photo +10,000 Mainland Grade10 major subjects +10,000 -7,000 -10,000
Operating profit rate	10%	7%		



# Future Outlook

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# Push Up No. of Members



	Grade	Population	Increased high amount of members(2016)	2016 % of share
Easy Learning Program	K1 ●	210,383	1,533	0.7%
	K2	199,113		
	K3	229,481		
Elementary Learning Program	Grade 1 ●	196,627	641	0.3%
	Grade 2	166,886		
	Grade 3	191,310		
Higher School Entering Program-Pre-learning	Grade 4 ●major clients	198,733	979	0.5%
	Grade 5	204,414		
	Grade 6	204,459		
Higher School Entering Program-Junior High	Grade 7 ●	205,854	2,352	1.1%
	Grade 8	216,419		
	Grade 9	227,070		
Higher School Entering Program-Senior High	Grade 10 ●	103,136	2,964	2.9%
	Grade 11	103,737		
	Grade 12	106,474		

# Future Plan

2017Q3

2017Q4

2018Q1

2018Q2

2019Q1

2019Q2

2019Q3

**Online  
Content**

## Digital Content

K-12 Revenue Growth Rate 5-15% , Profit rate keep 20-25%  
> Adult Course

**Taiwan  
O2O**

## Taiwan Edu-Platform

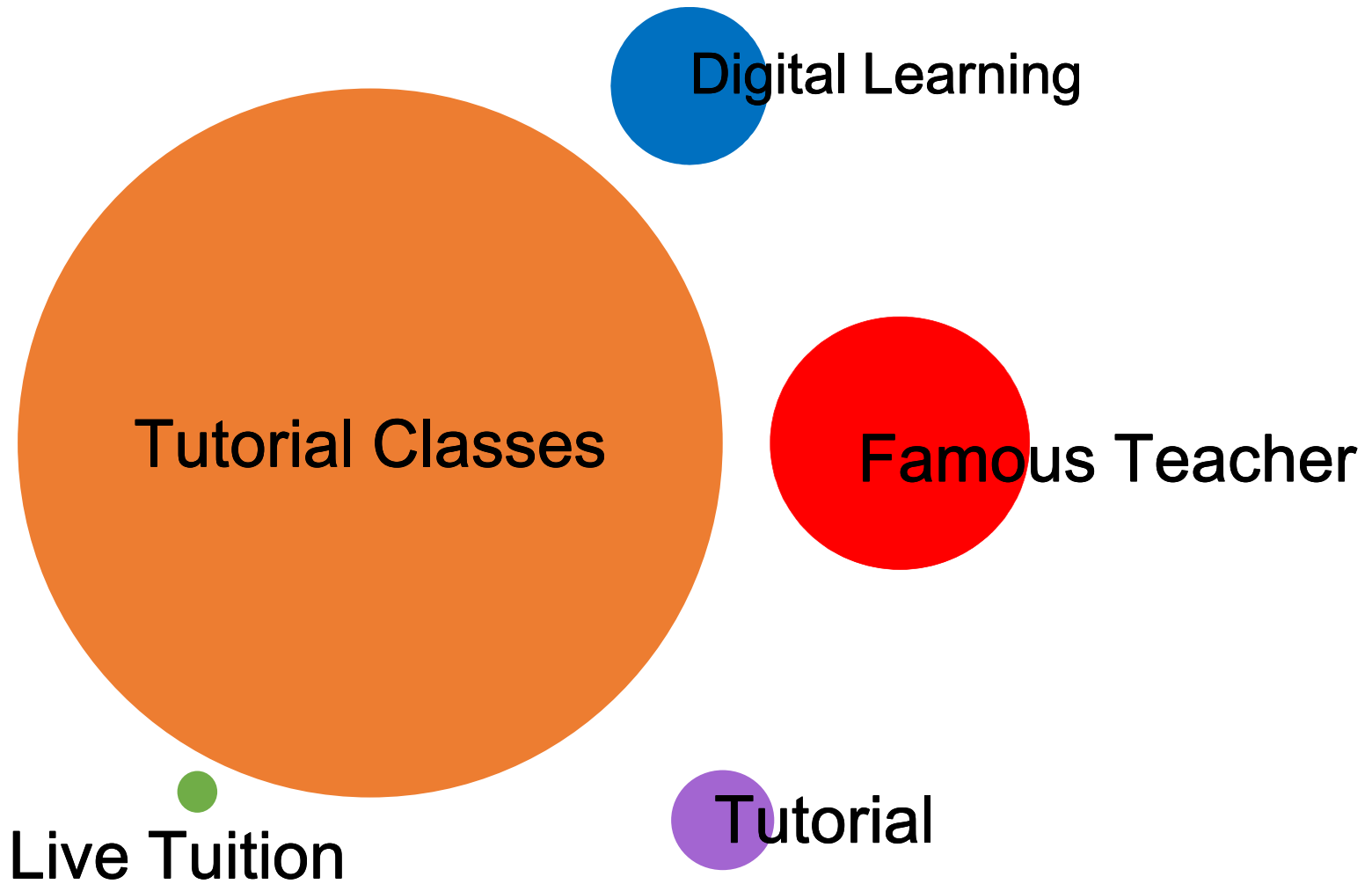
> Acquire Cram School  
> Live Education

**Asia  
O2O**

## Asia Edu-Platform

> Acquire China Cram School  
> China Online Course  
> China Live Education

# Education Platform



# Education Platform



**Live  
Tuition platform**

**Samebest  
Digital  
content**

**Famous  
Teacher**

# Education Platform



**Live  
Tuition platform**

**Samebest  
Digital  
content**

**Famous  
Teacher**

**Tutorial  
Classes**

# Education Platform



**Live  
Tuition platform**

**Best  
Teacher  
in area**

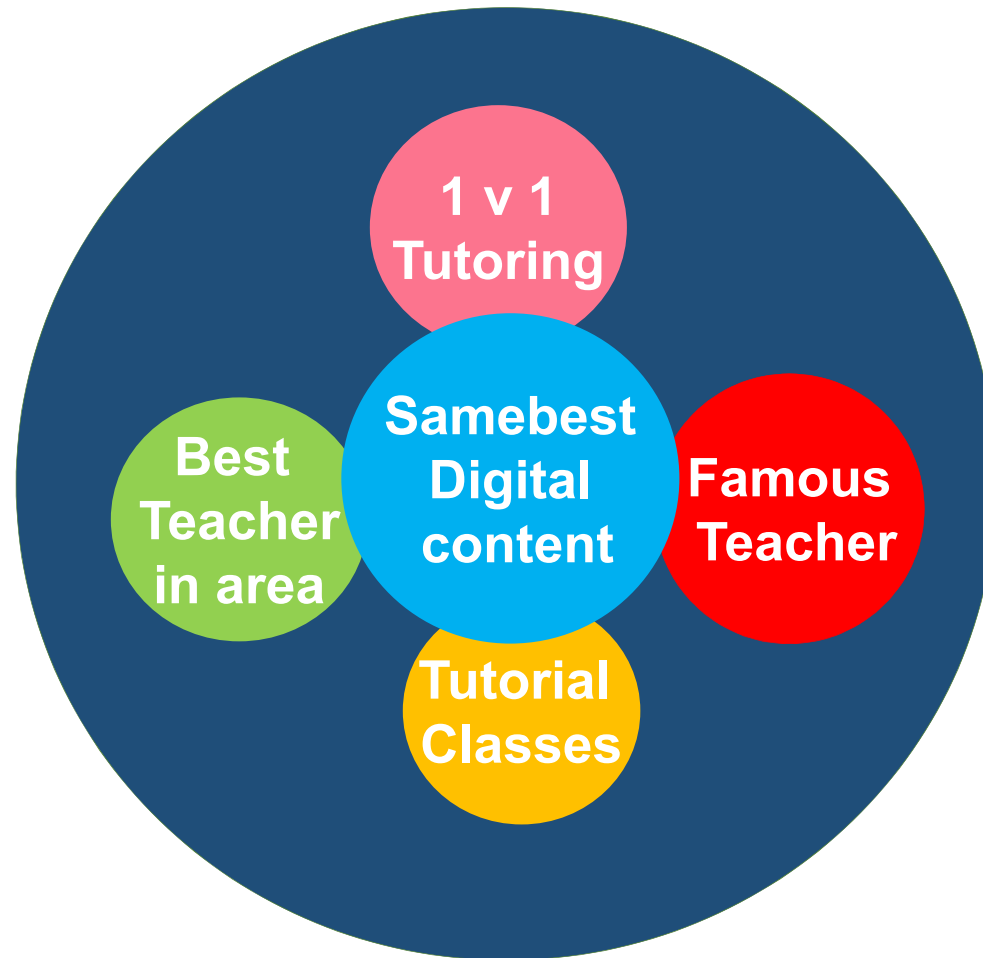
**Samebest  
Digital  
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# Education Platform



# Education Platform



Best  
Teacher  
in area

Tutorial  
Classes

Live  
Tuition

Tutoring

Digital  
content

Popular  
Teacher

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Samebest Educational Platform





**THANK  
YOU**

