

# Victor Group Holdings Limited (ASX:VIG)



**AGM Presentation 2020**



# Company Overview

Victor Group Holdings Limited ("VIG" or the "Company") was officially listed on the Australian Securities Exchange ("ASX") on May 9, 2014 under the stock code VIG (hereinafter referred to as the company abbreviation).

Since 2017 VIG's predominate focus is providing its customers with enterprise management services as well as acting as an operator of cloud-enabled smart education platforms.

VIG provides SaaS, IaaS & PaaS solutions to customers, building and operating education cloud platforms which bring together best-in-class resources and applications from strategic partners such as education service and e-learning content providers and offering a wide range of e-learning solutions for educational institutions, students and parents.

Education cloud platforms are digital educational resources enabled by cloud computing and other technologies. VIG connect with online leaning spaces and intelligent terminals to provide users with various supporting functions for teaching, learning, research, administration and social interactions, thereby facilitating a full and deep integration of information technologies and learning.

# Company Business Model



## VIG's Education Resources

Innovation according to the needs of customers in education through wide cooperation with partners to build a total solution from cloud to terminal.



A combination of VIG & Tencent to build an online college of International Vocational Education



## Tencent Online Edu. Platform

Tencent Classroom is a professional online education platform launched by Tencent. It integrates many high-quality educational institutions and famous teachers. It has vocational training, TOEFL IELTS, both primary and secondary education and many other online learning courses. VIG is the exclusive distributor in Australia.

# Company Business Model

## Business model 1: Cloud Education solution – Technical Support

Clients require cloud education tools for their existing Students, teachers and courses. Tencent & VIG provide technical services to achieve online lesson preparation, teaching, homework distribution and collection, and assessments.

*Potential Clients: RTO (including TAFE, university) and other educational institutions, such as Torrance University, VCE training school etc.*

Tencent Support:

1. Online Education Platform and regular maintenance;
2. Technical support for clients to upload their online courses;
3. Assist account opening and cancellation

## Business Model 2: Online Course Platform

VIG introduces and promotes online courses for students around the world. Courses are provided by VIG and its joint partners, and students can choose their own courses. RTOs are our main Business clients, these include TAFE, universities and other educational institutions as course partners such as Torrance University, GuotaiAn, Haitong, etc.

*Potential Clients: To C is Students all around the world, To B is companies or schools who would like to use our courses on the platform.*

Tencent Support: Statistics on the revenue of VIG cooperation courses

## Business model 3: Exclusive Reseller for the Courses on Tencent Classroom in Oceania

Potential Clients: Oceania students who requires more in-depth tutorial outside of their current curriculums.

Tencent Support: Tencent Classroom, and traffic statistics of Oceania students

## OVERVIEW OF THE TECENT EDUCATION PLATFORM -

Provide a comprehensive solution for online education, effectively connecting institutions/teachers and students , Supporting the operation of teaching and management

### market status

Link educational institutions / teacher and students

### Target student

Students who want to achieve job search, job change, advancement and personal modification through learning and training are mainly adults aged 18-35

### Product service

Comprehensive solution for online education, including online e-commerce platform, payment system, online teaching and interactive technical support, student management system

Basic experience ability

Live / recording + course type + operating system

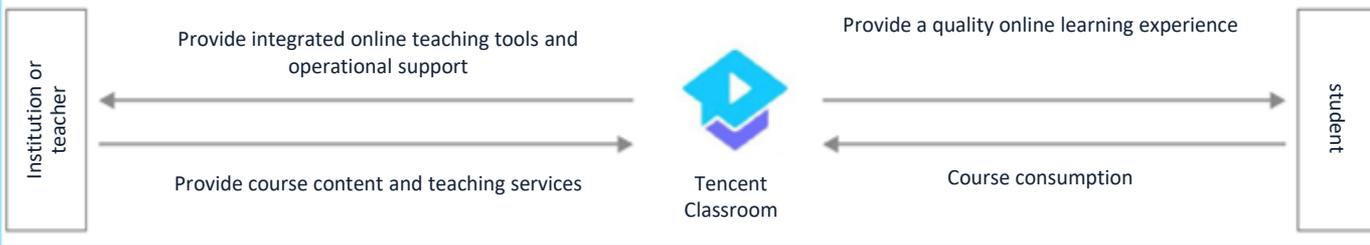
To B: Empowering and assisting institutions to monetize

**Marketing conversion tools:** spike, pre-sale, group sales, etc.; **Flow extension tools:** bargaining, study partners; **Consulting system:** Wechat small programs; **large-amount payment:** Jingdong Baitiao, Baidu has money; CRM

To C: Provide learning content and strengthen quality control

Excellent class plan, strict certification, personalized guidance system

### Business model



### Advantage

Flow advantage

Tool support

Rights Protection

# Financial Highlights (1/3)

AUD 000's	FY2019	FY2020
Training and consulting services	939	-
SaaS, IaaS and PaaS solutions	6,006	5,459
Cloud education	-	353
<b>Total Operating revenue</b>	<b>6,945</b>	<b>5,812</b>
<b>Gross Profit</b>	<b>948</b>	<b>729</b>
<i>Gross Profit Margin</i>	13.7%	12.6%
<b>Net Profit after Tax (NPAT)</b>	<b>105</b>	<b>(124)</b>
<i>NPAT Margin</i>	1.5%	(2.1%)
<b>Cash as at 30-Jun</b>	<b>1,375</b>	<b>397</b>
Total Assets as at 30-Jun	22,510	16,421
<b>Net Tangible Assets as at 30-Jun</b>	<b>6,855</b>	<b>8,541</b>

**Total revenue at \$5.8m in FY2020, down 16.3% compared to FY2019. Due in part to:**

- Discontinuation of VIG's Training and consulting services business in order for the Company to allocate resources to other initiatives with greater future potential.
- Decrease in SaaS, IaaS and PaaS solutions revenue due to the pause in economic activity brought on by the COVID-19 pandemic, resulting in reduced business activities from widespread restrictions on movement.
- Revenue from core operations – i.e. the SaaS, IaaS and PaaS solutions – down 9.1% vs 16.3% for total operating revenue.

**New Cloud Education service offering introduced generating \$353k in revenue:**

- Resilient business offering which is less affected from COVID-19 disruptions.
- Foundational aspects of building e-learning content commenced and expected to accelerate over coming years.

## Financial Highlights (2/3)

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**Gross profit margins slightly down from 13.7% in FY2019 to 12.6% in FY2020:**

- Predominantly due to higher input labour costs related to service offerings.

**NPAT down from \$105k in FY2019 to -\$124k in FY2020:**

- The COVID-19 pandemic has posed challenges for the business and affected profitability.
- Large restrictions in movement made it difficult as a customer-focused business to effectively engage with customers and suppliers.
- Reduction in revenue has flowed through our cost base to reduce profitability.

## Financial Highlights (3/3)

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**Net Tangible Assets as at 30-Jun-20 of \$8.5m**

**Cash at bank as at 30-Jun-20 of \$397k.**

**Capital Raising conducted during the period to raise \$1.58m**

- Used primarily to pay off approximately \$1m in shareholder loans made to VIG from a substantial shareholder.
- Capital raising introduced the company to new supportive shareholders, strengthening the Company's investor base.
- Success of capital raising allows the Company to seek out further capital management initiatives moving forward.



# Strategic Growth Initiatives

The current **COVID-19 pandemic** is determining a rethinking of consumers' **behaviour and purchasing decisions**. Businesses are trending towards embracing technology to collaborate. And in the educational space, most tertiary institutions are relying on online education as oppose to traditional offline classroom learning.

- VIG intend to capitalise on this on-going trend is to acquire and deliver more Australian approved tertiary courses through its cloud based infrastructure.
- VIG sees an opportunity to accelerate the implementation of our growth strategy through strategic investment and targeted acquisitions for complementary technology, Australian education content, market share and/or operations for further Australian expansion.
- VIG will also seek to implement initiatives which can drive students to utilise their cloud educational platforms.

## VIG The Cloud Solution for Vocational Education

Creating a precise and efficient vocational education platform which links between China and Australia, and radiating globally.

Online service platform

Online Course Platform



**Education is the foundation upon  
which we build our future!**



Thank you