## Bright Scholar Announces Unaudited Financial Results for Third Fiscal Quarter Ended May 31, 2017

FOSHAN, China, July 26, 2017 /PRNewswire/ -- Bright Scholar Education Holdings Limited ("Bright Scholar," the "Company," "we" or "our") (NYSE: BEDU), the largest operator of international and bilingual K-12 schools in China*, today announced its unaudited financial results for the third fiscal quarter ended May 31, 2017

* In terms of student enrollment as of September 1, 2016, according to an industry report commissioned by Bright Scholar and prepared by Frost \& Sullivan in 2017.

Third Fiscal Quarter Ended May 31, 2017 Financial Highlights (in comparison to the same period of last fiscal year)

- Revenue was RMB406.7 million, up 28.1\%
- Gross profit was RMB183.8 million, up 51.5\%; gross margin was $45.2 \%$, up from $38.2 \%$
- Operating income was RMB121.8 million, up 66.5\%; operating margin was $30.0 \%$, up from $23.1 \%$
 was 26.4\%, up from 18.2\%
- EPS was RMB1.05, up 150.0\%; adjusted EPS ${ }^{(2)}$ was RMB1.05, up $150.0 \%$
- Adjusted EBITDA ${ }^{(3)}$ was RMB145.2 million, up 59.3\%; adjusted EBITDA margin ${ }^{(3)}$ was $35.7 \%$, up from $28.7 \%$

Nine Months Ended May 31, 2017 Financial Highlights (in comparison to the same period of last fiscal year)

- Revenue was RMB1,052.9 million, up $28.2 \%$
- Gross profit was RMB399.7 million, up $55.1 \%$; gross margin was $38.0 \%$, up from $31.4 \%$
- Operating income was RMB231.5 million, up 731.2\%; operating margin was $22.0 \%$, up from $3.4 \%$
 margin ${ }^{(1)}$ was $18.6 \%$, up from $12.4 \%$
- EPS was RMB1.74, up $721.4 \%$; adjusted EPS ${ }^{(2)}$ was RMB1.74, up $145.1 \%$
- Adjusted EBITDA ${ }^{(3)}$ was RMB296.5 million, up 72.2\%; adjusted EBITDA margin ${ }^{(3)}$ was $28.2 \%$, up from $21.0 \%$

(2) Adjusted EPS is defined as adjusted net income divided by the weighted average number of ordinary shares or American depositary shares (each an "ADS"), each
representing one Class A ordinary share of the Company, on an as-converted basis
 amortization expenses) excluding share-based compensation expenses. Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue.
 GAAP and Non-GAAP Results" set forth at the end of this release.

Mr. Junli He, Bright Scholar's Chief Executive Officer, commented, "Today we announce our first quarterly earnings as an NYSE-listed public company."



 execution of our mission to deliver quality education to students.

 as of May 31, 2017."
 our schools, and optimized fee levels across all segments."
"We have laid down growth strategies to deliver long-term success," Mr. He added. "We will continue to expand and enhance our school network nationwide through our





 July 2017."

 leadership, and reward students and shareholders alike with greater value."

## THIRD FISCAL QUARTER ENDED MAY 31, 2017 UNAUDITED FINANCIAL RESULTS

## Revenues

Revenues for the third fiscal quarter were RMB406.7 million, representing $28.1 \%$ increase from RMB317.4 million in the same period of last fiscal year.
The table below sets forth a breakdown of revenues:

|  | Third Fiscal Quarter <br> Ended May 31, 2017 | Third Fiscal Quarter <br> Ended May 31, 2016 | YoY \% Change |
| :--- | :---: | :---: | :---: |
|  | (RMB in million) | (RMB in million) |  |
| International Schools | 157.8 | 127.0 | $24.3 \%$ |
| Bilingual Schools | 126.9 | 98.1 | $29.4 \%$ |
| Kindergartens | 96.1 | 76.2 | $26.1 \%$ |
| Complementary | 25.9 | 16.1 | $60.9 \%$ |
| Total | $\mathbf{4 0 6 . 7}$ | $\mathbf{3 1 7 . 4}$ | $28.1 \%$ |

International Schools: Revenue for the quarter was RMB157.8 million, representing a $24.3 \%$ increase from RMB127.0 million, accounting for $38.8 \%$ of total revenues as
 average tuition and fees from RMB23,248 to RMB24,298 during the comparison periods.

 tuition and fees from RMB8,543 to RMB9,582 during the comparison periods

 tuition and fees from RMB8,228 to RMB9,063 during the comparison periods.
 in the same period of last fiscal year, primarily due to an increase in the revenue of élan English learning centers from RMB12.5 million to RMB24.1 million during the comparison periods

## Cost of Revenues


million increase in staff costs as a result of an increase in the number of teachers and educational staff needed to support the expansion of our school network. The average number of our teachers and instructors increased by $9.8 \%$ from 2,870 to 3,150 during the comparison periods.

International Schools: Cost of revenues for the quarter was RMB90.9 million, representing a $13.8 \%$ increase from RMB79.9 million in the same period of last fiscal year.
Bilingual Schools: Cost of revenues for the quarter was RMB70.9 million, representing a $13.8 \%$ increase from RMB62.3 million in the same period of last fiscal year.
Kindergartens: Cost of revenues for the quarter was RMB46.5 million, representing a $6.6 \%$ increase from RMB43.6 million in the same period of last fiscal year.
Complementary: Cost of revenues for the quarter was RMB14.8 million, representing a $41.9 \%$ increase from RMB10.4 million in the same period of last fiscal year, primarily due to an increase in teaching staff cost and rental cost from élan English training business.

## Gross Profit and Gross Margin

Gross profit for the quarter was RMB183.8 million, representing a $51.5 \%$ increase from RMB121.3 million in the same period of last fiscal year. Gross margin for the quarter was $45.2 \%$, as compared to $38.2 \%$ in the same period of last fiscal year, primarily due to the ramp up of our existing schools, increased average tuition and fees, and improved operating efficiency.
International Schools: Gross profit for the quarter was RMB67.0 million, representing a $42.1 \%$ increase from RMB47.2 million in the same period of last fiscal year. Gross margin for the quarter was $42.4 \%$, as compared to $37.1 \%$ in the same period of last fiscal year.
Bilingual Schools: Gross profit for the quarter was RMB56.0 million, representing a $56.4 \%$ increase from RMB35.8 million in the same period of last fiscal year. Gross margin for the quarter was $44.1 \%$, as compared to $36.5 \%$ in the same period of last fiscal year.

Kindergartens: Gross profit for the quarter was RMB49.7 million, representing a $52.3 \%$ increase from RMB32.6 million in the same period of last fiscal year. Gross margin for the quarter was $51.7 \%$, as compared to $42.8 \%$ in the same period of last fiscal year.

Complementary: Gross profit for the quarter was RMB11.1 million, representing a $95.7 \%$ increase from RMB5.7 million in the same period of last fiscal year, primarily due to an increase in the gross profit of élan English training business. Gross margin for the quarter was $42.9 \%$, as compared to $35.2 \%$ in the same period of last fiscal year.

## Selling, General and Administrative Expenses and Adjusted SG\&A Expenses (4)

 year, accounting for $16.0 \%$ of total revenues as compared to $15.5 \%$ in the same period of last fiscal year, primarily due to an approximately RMB10.0 million in expenses incurred in connection with the Company's IPO in the third fiscal quarter of 2017.
 $16.0 \%$ of total revenues as compared to $15.5 \%$ in the same period of last fiscal year.
(4) Adjusted SG\&A Expenses are defined as selling, general and administrative expenses excluding share-based compensation expenses.

## Operating Income and Operating Margin

 quarter was $30.0 \%$, as compared to $23.1 \%$ in the same period of last fiscal year.

## Net Income and Adjusted Net Income




## Earnings per ordinary share/ADS and Adjusted Earnings per ordinary share/ADS

Basic and diluted net income per ordinary share/ADS attributable to ordinary shareholders/ADS holders, on an as-converted basis, for the quarter was RMB1.05 and RMB1.05, respectively, as compared to RMB0.42 and RMB0.42, respectively, in the same period of last fiscal year.

Adjusted basic and diluted net income per ordinary share/ADS attributable to ordinary shareholders/ADS holders, on an as-converted basis, for the quarter was RMB1.05 and RMB1.05, respectively, as compared to RMB0.42 and RMB0.42, respectively, in the same period of last fiscal year.

## Adjusted EBITDA

Adjusted EBITDA for the quarter was RMB145.2 million, representing a $59.3 \%$ increase from RMB91.1 million in the same period of last fiscal year.

## FIRST NINE MONTHS ENDED MAY 31, 2017 UNAUDITED FINANCIAL RESULTS

## Revenues

Revenues for the first nine months of 2017 were RMB1,052.9 million, representing $28.2 \%$ increase from RMB821.1 million in the same period of last fiscal year.
The table below sets forth a breakdown of revenues:
$\left.\left.\begin{array}{|l|c|c|c|}\hline & \begin{array}{c}\text { Nine Months } \\ \text { Ended May 31, 2017 } \\ \text { (RMB in million) }\end{array} & \begin{array}{c}\text { Nine Months } \\ \text { Ended May 31, 2016 }\end{array} & \text { YoY \% Change }\end{array} \right\rvert\, \begin{array}{l}\text { (RMB in million) }\end{array}\right]$

International Schools: Revenue for the period was RMB410.1 million, representing a $20.1 \%$ increase from RMB341.4 million, accounting for $38.9 \%$ of total revenues as compared to $41.6 \%$ in the same period of last fiscal year, primarily due to a $17.0 \%$ increase in the average number of students from 5,448 to 6,372 , and a $2.7 \%$ increase in the average tuition and fees from RMB62,668 to RMB64,355 during the comparison periods.

Bilingual Schools: Revenue for the period was RMB330.3 million, representing a $27.0 \%$ increase from RMB260.0 million, accounting for $31.4 \%$ of total revenues as compared to $31.7 \%$ in the same period of last fiscal year, primarily due to a $15.3 \%$ increase in the average number of students from 11,424 to 13,169 , and a $10.2 \%$ increase in the average tuition and fees from RMB22,760 to RMB25,079 during the comparison periods.

Kindergartens: Revenue for the period was RMB245.6 million, representing a $23.6 \%$ increase from RMB198.7 million, accounting for $23.3 \%$ of total revenues as compared to $24.2 \%$ in the same period of last fiscal year, primarily due to a $13.6 \%$ increase in the average number of students from 8,862 to 10,071 , and a $8.8 \%$ increase in the average tuition and fees from RMB22,418 to RMB24,391 during the comparison periods.

Complementary: Revenue for the period was RMB66.9 million, representing a $218.0 \%$ increase from RMB21.0 million, accounting for $6.4 \%$ of total revenues as compared to $2.6 \%$ in the same period of last fiscal year, primarily due to an increase in the revenue of élan English learning center from RMB14.2 million to RMB55.3 million during the comparison periods. We acquired élan English proficiency training business in January 2016.

## Cost of Revenues

Cost of revenues for the period was RMB653.2 million, representing $15.9 \%$ increase from RMB563.4 million in the same period of last fiscal year, primarily due to a RMB74.5 million increase in staff costs as a result of an increase in the number of teachers and educational staff needed to support the expansion of our school network. The average number of our teachers and instructors increased by $9.3 \%$ from 2,857 to 3,122 during the comparison periods.
International Schools: Cost of revenues for the period was RMB267.7 million, representing a $13.7 \%$ increase from RMB235.5 million in the same period of last fiscal year.

Bilingual Schools: Cost of revenues for the period was RMB206.0 million, representing a $11.6 \%$ increase from RMB184.6 million in the same period of last fiscal year.
Kindergartens: Cost of revenues for the period was RMB137.1 million, representing a $6.0 \%$ increase from RMB129.3 million in the same period of last fiscal year.
 to an increase in teaching staff cost and rental cost from élan English training business. We acquired élan English proficiency training business in January 2016.

## Gross Profit and Gross Margin


 efficiency.
 for the quarter was $34.7 \%$, as compared to $31.0 \%$ in the same period of last fiscal year.
 the quarter was $37.6 \%$, as compared to $29.0 \%$ in the same period of last fiscal year.
 quarter was $44.2 \%$, as compared to $34.9 \%$ in the same period of last fiscal year.
 increase in the gross profit from élan English training business. Gross margin for the quarter was $36.7 \%$, as compared to $33.6 \%$ in the same period of last fiscal year.

Selling, General and Administrative Expenses and Adjusted SG\&A Expenses (4)


 the compensation and benefits we paid to additional general and administrative personnel to support our growing business in the nine months ended May $31,2017$.
 $16.8 \%$ in the same period of last fiscal year, primarily due to expenses incurred in connection with the Company's IPO and increase in staff compensation expenses.
(4) Adjusted SG\&A Expenses are defined as selling, general and administrative expenses excluding share-based compensation expenses.

## Operating Income and Operating Margin

 period was $22.0 \%$, as compared to $3.4 \%$ in the same period of last fiscal year.

## Net Income and Adjusted Net Income

Net income attributed to the Company for the period was RMB195.5 million as compared to RMB6.8 million in the same period of last fiscal year.

Earnings per ordinary share/ADS and Adjusted Earnings per ordinary share/ADS
 respectively, as compared to loss of RMB0.28 and RMB0.28, respectively, in the same period of last fiscal year.
 RMB1.74, respectively, as compared to RMB0.71 and RMB0.71, respectively, in the same period of last fiscal year.

## Adjusted EBITDA

Adjusted EBITDA for the period was RMB296.5 million, representing a $72.2 \%$ increase from RMB172.2 million in the same period of last fiscal year.

## Cash and Working Capital



## Conference Call

 recent business activities.

To participate in the conference call, please dial the following number five to ten minutes prior to the scheduled conference call time:
4001-201-203
Hong Kong: 800-905945
United States: 1888-346-8982
Canada Toll
Free
1855-669-9657
International: 1-412-902-4272
*Please ask to be joined into Bright Scholar Education Holdings Limited's
call.
The Company will also broadcast a live audio webcast of the conference call. The webcast will be available athttp://ir.brightscholar.com.
Following the earnings conference call, an archive of the call will be available by dialing:

| United States: | 1-877-344-7529 |
| :---: | :---: |
| International: | 1-412-317-0088 |
| Canada Toll |  |
| Free: | 855-669-9658 |
| Replay Passcode: | 10110364 |
| Replay End Date: | August 3, 2017 |

## STATEMENT REGARDING UNAUDITED FINANCIAL INFORMATION

The unaudited financial information set forth above is subject to adjustments that may be identified when audit work is performed on the Company's year-end financial statements, which could result in significant differences from this unaudited financial information.

## NON-GAAP FINANCIAL MEASURES





 interests in Impetus in January 2016.

We present the non-GAAP financial measures because they are used by our management to evaluate our operating performance and formulate business plans. Such non-GAAP measures, including adjusted EBITDA and adjusted net income/(loss), enable our management to assess our operating results without considering the impact of non-cash charges, including depreciation expenses and share-based compensation expenses, and without considering the impact of non-operating items such as interest income and income tax benefit and expenses. We also believe that the use of the non-GAAP measure facilitate investors' assessment of our operating performance.

The non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. The non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using these non-GAAP financial measures is that they do not reflect all items of income and expense that affect our operations. Interest income, income tax benefit and expenses, depreciation expenses and share-based compensation expenses have been and may continue to be incurred in our business and are not reflected in the presentation of these non-GAAP measures, including adjusted EBITDA or adjusted net income/(loss). Further, these non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited.

## About Bright Scholar Education Holdings Limited

Bright Scholar is the largest operator of international and bilingual K-12 schools in China*. The Company is dedicated to providing quality international education to Chinese students and equipping them with the critical academic foundation and skillsets necessary to succeed in the pursuit of higher education overseas. It also complements its international offerings with Chinese government-mandated curriculum for students who wish to maintain the option of pursuing higher education in China. As of May 31, 2017, Bright Scholar operated 52 schools covering the breadth of K-12 academic needs of its students across seven provinces in China. In the first nine months of the 2017 school year ended May 31, 2017, Bright Scholar had an average of 29,613 students enrolled at its schools.

* In terms of student enrollment as of September 1, 2016, according to an industry report commissioned by Bright Scholar and prepared by Frost \& Sullivan in 2017.


## Safe Harbor Statement

This announcement contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, the Company's business plans and development, can be identified by terminology such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. Such statements are based upon management's current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company's control, which may cause the Company's actual results, performance or achievements to differ materially from those in the forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.

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## UNAUDITED CONDENSED COMBINED AND CONSOLIDATED BALANCE SHEETS

BRIGHT SCHOLAR EDUCATION HOLDINGS LIMITED (Amounts in thousands)

## ASSETS

## Current assets

Cash and cash equivalents
Restricted cash
Held-to-maturity investments
Accounts receivable
Amounts due from related parties
Other receivables, deposits and other assets
Inventories
Total current assets
Property and equipment, net
Land use right, net
ntangible assets
Goodwill
Prepayment for construction contract
Deferred tax assets, net
Other non-current assets
Total non-current assets
TOTAL ASSETS

## LIABILITIES AND EQUITY

Current liabilities
Accounts payable (including accounts payable of the consolidated VIESs without recourse to Bright Scholar of RMB63,605 and RMB57,715 as of August 31, 2016 and May 31,2017)
Amounts due to related parties (including amounts due to related parties of the consolidated VIESs without recourse to Bright Scholar of RMB64,988 and RMB96,418 as of August 31, 2016 and May 31, 2017)
Accrued expenses and other current liabilities (including accrued expenses and other current liabilities of the
consolidated VIESs without recourse to Bright Scholar of RMB200,092 and RMB207,796 as of August 31, 2016 and May 31,2017 )
Income tax payable (including income tax payable of the consolidated VIESs without recourse to Bright Scholar of RMB16,169 and RMB25,936 as of August 31, 2016 and May 31, 2017)
Current portion of deferred revenue (including deferred revenue of the consolidated VIESs without recourse to Bright Scholar of RMB644,201 and RMB394,119 as of August 31, 2016 and May 31,2017)
Total current liabilities
Deferred tax liabilities, net (including deferred tax liabilities of the consolidated VIESs without recourse to Bright Scholar of RMB5,924 and RMB5,452 as of August 31, 2016 and May 31,2017)
Deferred revenue (including deferred revenue of the consolidated VIESs without recourse to Bright Scholar of RMB1,202 and RMB1,051 as of August 31, 2016 and May 31,2017)
Other non-current liabilities (including non-current liabilities of the consolidated VIESs without recourse to Bright Scholar of RMB58,696 and RMB59,242 as of August 31, 2016 and May 31,2017)
Total non-current liabilities
TOTAL LIABILITIES
EQUITY
Share capital
Additional paid-in capital
Statutory reserves
Accumulated deficit
Shareholders' equity
Non-controlling interests
Total equity

| As of |  |  |
| :---: | :---: | :---: |
| $\begin{gathered} \hline \text { August 31, } \\ 2016 \end{gathered}$ | $\begin{gathered} \hline \text { May 31, } \\ 2017 \\ \hline \end{gathered}$ |  |
| RMB | RMB | USD |
| 356,018 | 1,447,822 | 212,609 |
| 6,433 | 7,655 | 1,124 |
| 30,500 | 56,000 | 8,223 |
| 2,066 | 183 | 27 |
| 138,091 | 4,379 | 643 |
| 29,348 | 28,863 | 4,238 |
| 9,580 | 10,906 | 1,602 |
| 572,036 | 1,555,808 | 228,466 |
| 431,377 | 416,989 | 61,234 |
| 35,667 | 34,938 | 5,131 |
| 23,830 | 21,807 | 3,202 |
| 102,332 | 104,035 | 15,277 |
| 2,421 | 3,060 | 449 |
| 26,942 | 21,040 | 3,090 |
| 44,627 | 43,917 | 6,449 |
| 667,196 | 645,786 | 94,832 |
| 1,239,232 | 2,201,594 | 323,298 |

BRIGHT SCHOLAR EDUCATION HOLDINGS LIMITED.
UNAUDITED CONDENSED COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except for shares and per share data)

|  | Three Months Ended May 31, |  |  | Nine Months Ended May 31 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2016 | 2017 |  | $\begin{array}{\|c} \hline 2016 \\ \hline \text { RMB } \end{array}$ | 2017 |  |
|  |  | RMB | USD |  | RMB | USD |
| Revenue <br> Cost of revenue | $\begin{array}{r} 317,399 \\ (196,142) \end{array}$ | $\begin{array}{r} 406,739 \\ (222,988) \end{array}$ | $\begin{array}{r} 59,728 \\ (32,745) \end{array}$ | $\begin{array}{r} 821,148 \\ (563,450) \end{array}$ | $\begin{array}{r} 1,052,909 \\ (653,166) \end{array}$ | $\begin{aligned} & 154,617 \\ & (95,916) \end{aligned}$ |
| Gross profit <br> Selling, general and administrative expenses Other operating income | $\begin{array}{r} \hline \mathbf{1 2 1 , 2 5 7} \\ (49,272) \\ 1,179 \end{array}$ | $\begin{array}{r} \hline \mathbf{1 8 3 , 7 5 1} \\ (65,245) \\ 3,336 \end{array}$ | $\begin{gathered} \mathbf{2 6 , 9 8 3} \\ (9,581) \\ 490 \end{gathered}$ | $\begin{array}{r} \mathbf{2 5 7 , 6 9 8} \\ (233,347) \\ 3,503 \end{array}$ | $\begin{array}{r} \mathbf{3 9 9}, \mathbf{7 4 3} \\ (172,993) \\ 4,763 \end{array}$ | $\begin{array}{r} \mathbf{5 8 , 7 0 1} \\ (25,404) \\ 699 \end{array}$ |
| Operating income Interest income, net Investment income Other expense | $\begin{array}{r} \hline \mathbf{7 3 , 1 6 4} \\ 115 \\ 399 \\ (72) \end{array}$ | $\begin{array}{r} \hline \mathbf{1 2 1 , 8 4 2} \\ 262 \\ 4,101 \\ (38) \end{array}$ | $\begin{array}{r} \hline 17,892 \\ 38 \\ 602 \\ (5) \end{array}$ | $\begin{array}{r} 27,854 \\ 1,419 \\ 399 \\ (149) \end{array}$ | $\begin{array}{r} \hline \mathbf{2 3 1 , 5 1 3} \\ 1,380 \\ 7,338 \\ (535) \end{array}$ | $\begin{array}{r} 33,996 \\ 203 \\ 1,078 \\ (78) \end{array}$ |
| Income before income taxes Income tax expense | $\begin{array}{r} 73,606 \\ (15,706) \end{array}$ | $\begin{aligned} & 126,167 \\ & (18,671) \end{aligned}$ | $\begin{aligned} & 18,527 \\ & (2,742) \end{aligned}$ | $\begin{array}{r} 29,523 \\ (22,747) \end{array}$ | $\begin{aligned} & 239,696 \\ & (44,229) \end{aligned}$ | $\begin{aligned} & \hline 35,199 \\ & (6,495) \end{aligned}$ |
| Net income | 57,900 | 107,496 | 15,785 | 6,776 | 195,467 | 28,704 |
| Net income attributable to non-controlling interests | 15,922 | - | - | 33,531 | 20,034 | 2,942 |
| Net (loss) incomeattributable to ordinary shareholders/ADS holders | 41,978 | 107,496 | 15,785 | $(26,755)$ | 175,433 | 25,762 |
| Net earnings (loss) per share attributable to ordinary shareholders/ADS holders (expressed in RMB per share) Basic and diluted | 0.42 | 1.05 | 0.15 | -0.28 | 1.74 | 0.26 |
| Weighted average shares used in calculating net loss per ordinary share/ADS: Basic and diluted | 100,000,000 | 102,119,565 | 102,119,565 | 95,970,474 | 100,714,286 | 100,714,286 |

Net cash (used in) from operating activities
Net cash (used in) from investing activities Net cash (used in) provided by financing activities

Net change in cash and cash equivalents
and restricted cash
Cash and cash equivalents, and restricted cash at beginning of the year

Cash and cash equivalents, and restricted cash at end of the year
UNAUDITED CONDENSED COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS (Amounts in thousands)

## Reconciliations of GAAP and Non-GAAP Results

|  | Three Months Ended May 31, |  |  | Nine Months Ended May 31 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2016 | 2017 |  | $2016$ | 2017 |  |
|  | RMB | RMB | USD | RMB | RMB | USD |
| Net income | 57,900 | 107,496 | 15,785 | 6,776 | 195,467 | 28,704 |
| Add: Share-based compensation expense | - | - | - | 95,070 | - | - |
| Adjusted net income | 57,900 | 107,496 | 15,785 | 101,846 | 195,467 | 28,704 |
| Net income | 57,900 | 107,496 | 15,785 | 6,776 | 195,467 | 28,704 |
| Less: interest income, net | (115) | (262) | (38) | $(1,419)$ | $(1,380)$ | (203) |
| Add: income tax expense | 15,706 | 18,671 | 2,831 | 22,747 | 44,229 | 6,495 |
| Add: depreciation and amortization expense | 17,630 | 19,281 | 2,742 | 49,004 | 58,217 | 8,549 |
| EBITDA | 91,121 | 145,186 | 21,320 | 77,108 | 296,533 | 43,545 |
| Add: Share-based compensation expense | - | - | - | 95,070 | - | - |
| Adjusted EBITDA | 91,121 | 145,186 | 21,320 | 172,178 | 296,533 | 43,545 |
| Selling, general and administrative expenses | 49,272 | 65,245 | 9,581 | 233,347 | 172,993 | 25,404 |
| Less: Share-based compensation expense | - | - | - | $(95,070)$ | - | - |
| Adjusted selling, general and administrative expenses | 49,272 | 65,245 | 9,581 | 138,277 | 172,993 | 25,404 |
| Weighted average shares/ADSs used in calculating earnings per share/ADSs: |  |  |  |  |  |  |
| Basic and diluted | 100,000,000 | 102,119,565 | 102,119,565 | 95,970,474 | 100,714,286 | 100,714,286 |
| Adjusted net income attributable to Bright Scholar's ordinary shareholders/ADS holders |  |  |  |  |  |  |
|  | 0.42 | 1.05 | 0.16 | 0.71 | 1.74 | 0.26 |

https://bedultd.investorroom.com/2017-07-26-Bright-Scholar-Announces-Unaudited-Financial-Results-for-Third-Fiscal-Quarter-Ended-May-31-2017?pagetemplate=widgetpopup

