



Investor Presentation

Aptech Limited – August 2022



35+ Years

5 Continents

~1,100 Centres

7 Retail Brands

9 Verticals

COMPANY OVERVIEW

BUSINESS PORTFOLIO

Branded Retail Learning Centers



Skill-based job-enablement face-to-face programs offered through learning centers. Domestic and International Retail divisions

Branded Pre-schools

Pre-school and day-care non-formal schools (part of Retail division)



EdTech

Skill-based job-oriented self-paced online training programs. Recent launch.



EdOpsTech

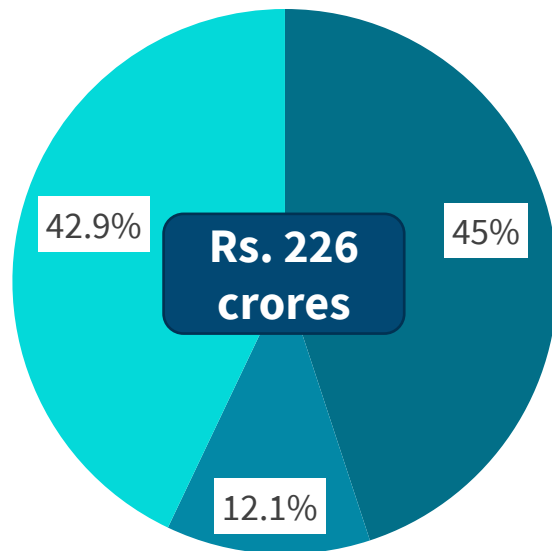
Computer-based assessments (online and offline); Digital Evaluation

BUSINESS DIVISIONS

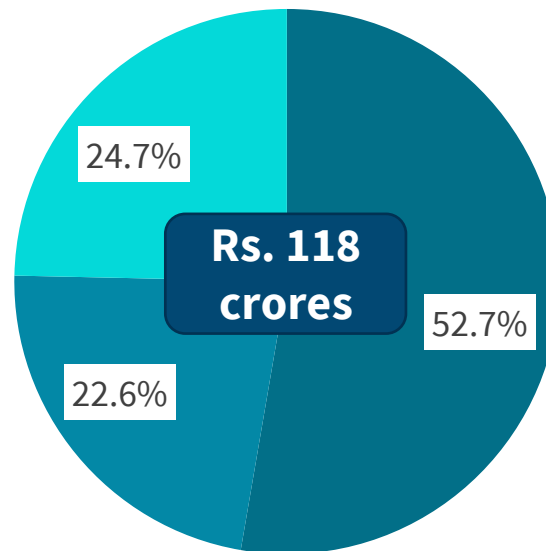
Revenue Distribution

■ Domestic Retail ■ International Retail ■ Enterprise

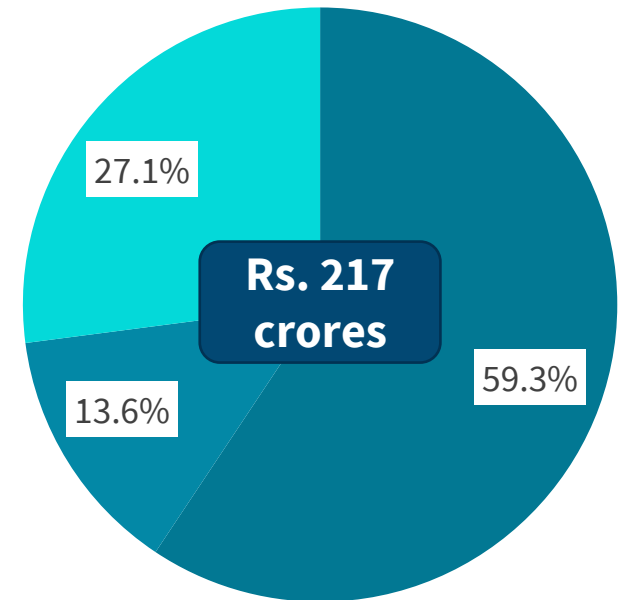
FY22



FY21



FY20





GLOBAL RETAIL

August 2022

Aptech Limited - Investor Presentation

GLOBAL RETAIL: A Branded Lifecycle Job- enablement Platform

A PLATFORM IS WHEN
THE ECONOMIC VALUE
OF EVERYBODY THAT
USES IT, EXCEEDS THE
VALUE OF THE
COMPANY THAT
CREATES IT.

BILL GATES

BRANDED

Diverse and distinct brands with high recall catering to specific verticals and industry segments

LIFECYCLE

Job-skill-focused training programs for “Before Job” to “After Job” lifecycle.

JOB-ENABLEMENT

Holistic and experiential learning that is geared towards skills that help students get a job and develop a career.

PLATFORM

Replicable franchise business model delivering student payback, Business Partner viability and sustainable ROI across many verticals.



RETAIL BRAND PORTFOLIO

I.T. and Software Development programs



1986

Aviation, Hospitality, Organized Retail and Travel & Tourism industry programs



2006

Training in the English language skills including speaking, writing, listening and reading



2009

Banking and Financial Services related training programs



2015

Joint format that combines ACE, AHNA, AAHA, AELA and ABFA brands



2017



Animation, Web Design, Game Art Design, VFX and Multimedia programs

1996



Programs in Hardware, Local & Wide Area Networking, Routing & Switching Technologies



Programs in 2D & 3D Animation, Film Making, Digital Photography, Augmented/Virtual Reality

2010*



Beauty, Make-up, Hair-care and Styling programs in partnership with the leading beauty brand in India, Lakmé

2016



Playgroup, Nursery, Prep-1, Prep-2, Mother-toddler, Day-care

* Acquisition



SOUL OF
Aptech 

VALUE PROPOSITION



Fast Pay Back (< 1 year) and High ROI (Avg. CTC of 3X fees)



Working with Teams and Deadlines



Events & Industry Connect

Onlinevarsity™

Study on-the-go Learning Platform



Social Career Platform; Marquee Recruiters



Equal Emphasis on Practical Sessions



Masterclass & Seminars by Industry Experts



100hr Employability Enhancement Program (Free)



Latest Courses & Curriculum with AR-integrated



Alliances for Formal Ed Pathways

STAKEHOLDER SPEAK



Student

Kaira

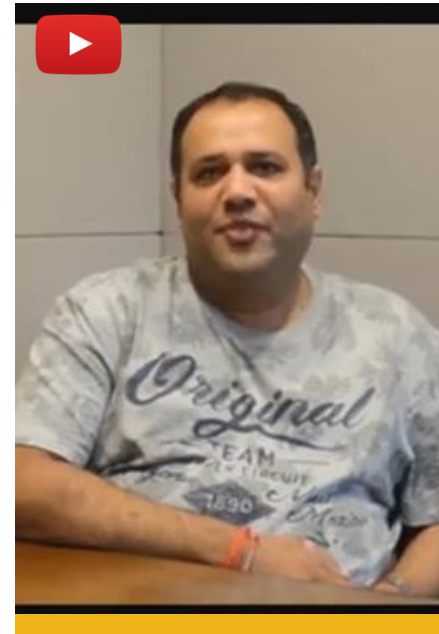
19-year-old Make-up Artist
Alum of LAPA



Recruiter

Sunny Arrora

Broadcast to Work
CEO



Business Partner

Mr. Alkesh Vyas

Arena – Malad & Vasai

5-pillars Philosophy:

We roll-out new initiatives if they improve the value for these top three stakeholders of Aptech, as they will always be in the greater interest of other stakeholders, viz. Employees and Shareholders.

VALUE DRIVERS



Job-enablement Platform

Opportunity, know-how, replicable



Brands

Trusted, high recall, targeted, category growth



Business Model

Scaling-up, operating leverage, high ROCE



Network/ Business Partners

Scale, reach, high retention rate, multi-center BPs, terms of trade



Alum Network/ Testimonials

Industry connect, student connect, word-of-mouth, marketing



International Presence

Scale, operating leverage, brand value, hedge, formal pathways



Industry Connect

Job placements, insights, product dev, trainer pool, future monetization



Systems & Innovations

Competitive edge, student engagement, future monetization

STRATEGY – GROWTH BRANDS

MEDIA & ENTERTAINMENT

- Dominate the market as a leader with unmatched customer value
- Category expansion through messaging directed at parents
- Meet industry skill needs and maintain share in new hires

BEAUTY & STYLING

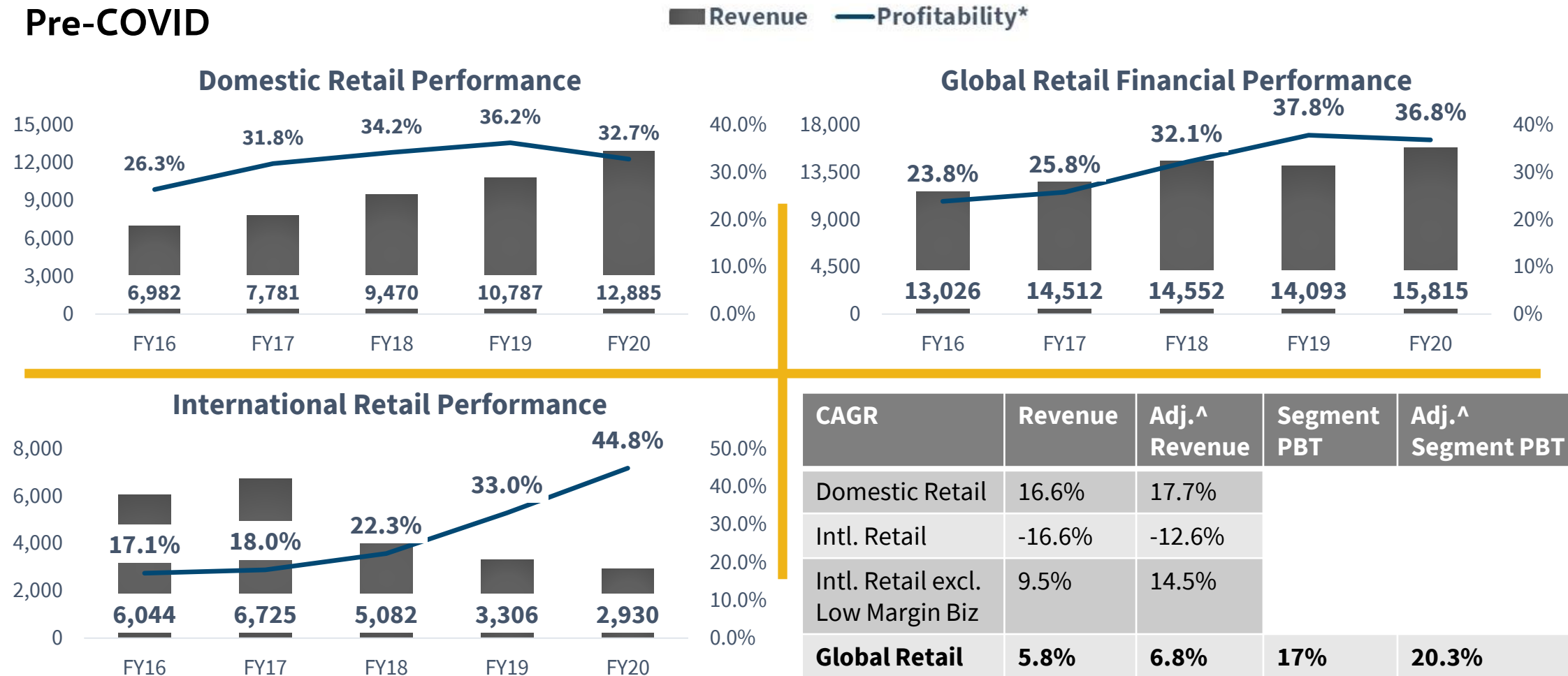
- Continued focus on network expansion across the country
- Product and customer experience innovations to maintain competitive edge

INTERNATIONAL RETAIL

- Match network management and customer value proposition in large markets to India levels
- Length, Breadth and Depth approach for network growth
- Keep adding relevant formal pathways for key markets

PERFORMANCE TRACK RECORD

Pre-COVID



^ Assume same YOY growth as 9M FY20 for Q4 FY20 to negate COVID impact
* Division-wise profitability as per internal MIS

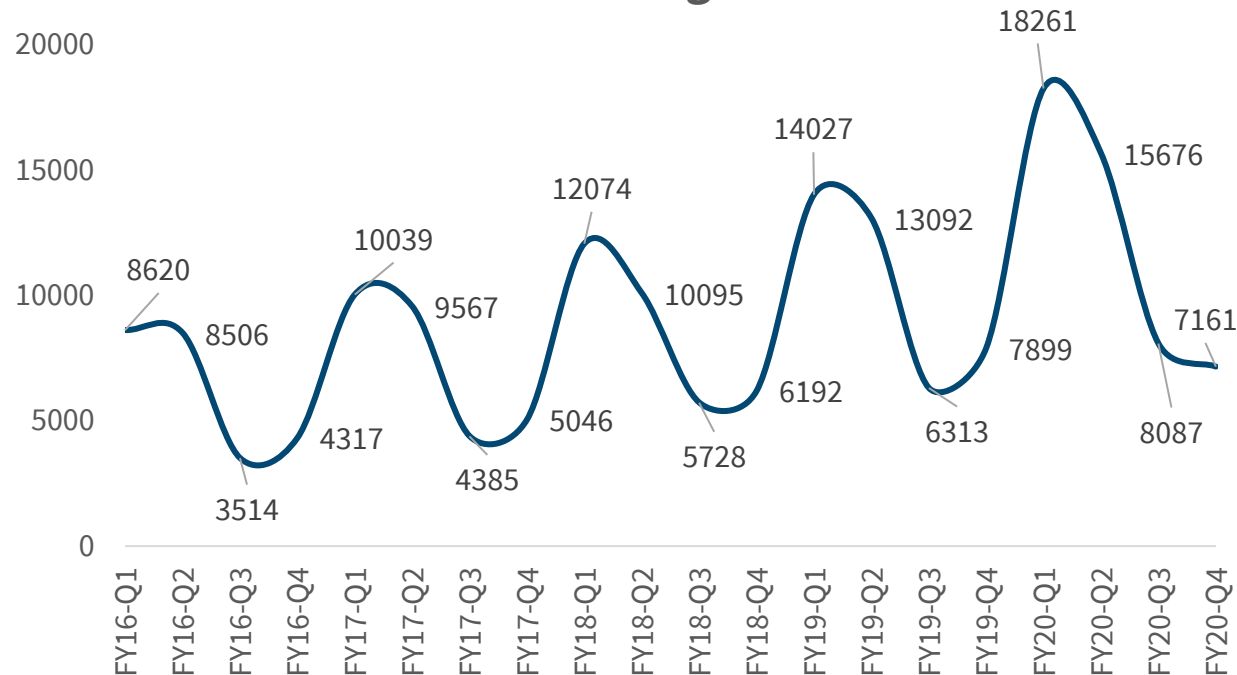
> Financial numbers in Rs. Lakhs

PERFORMANCE TRACK RECORD

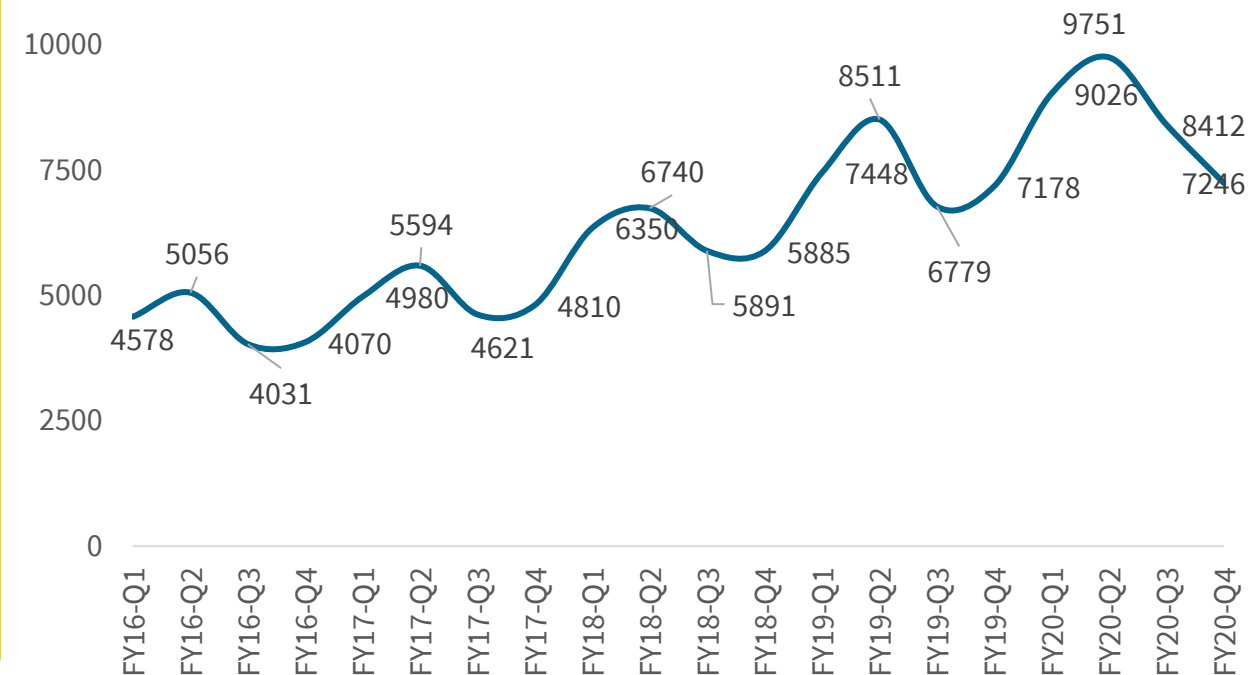
Domestic Retail Pre-COVID

- Continuous growth with steady rhythm
- Seasonality – High Q1, Q2; Low Q3, Q4
- Collections also linked to opening order book

Booking



Collection

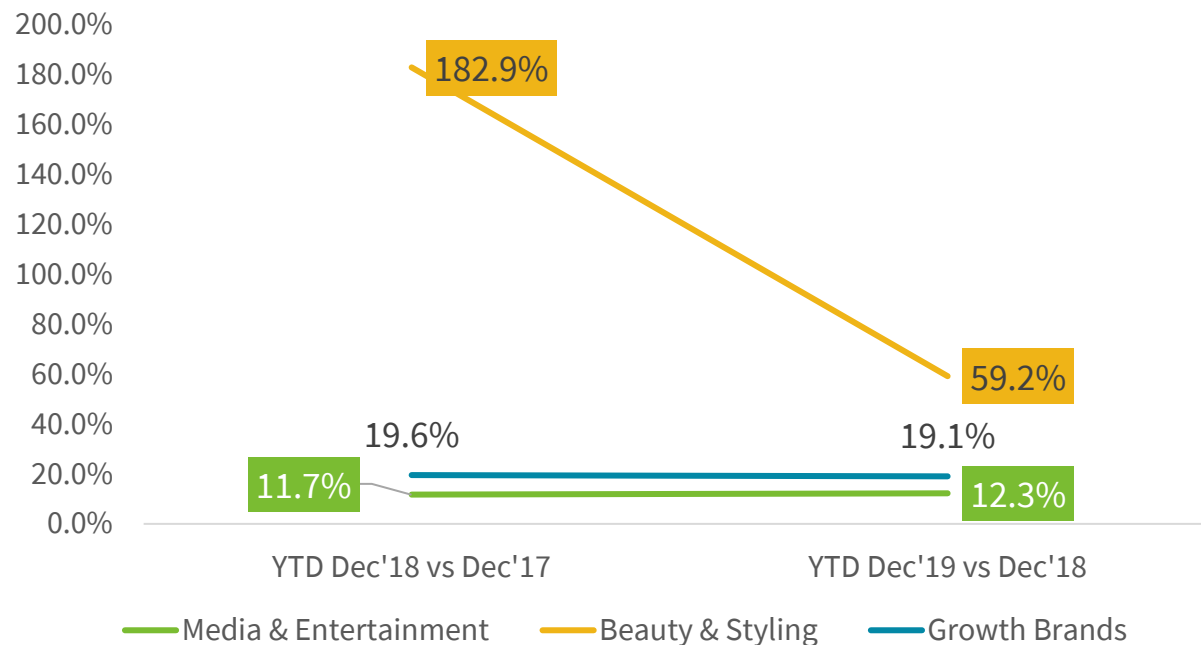


Financial numbers in Rs. Lakhs

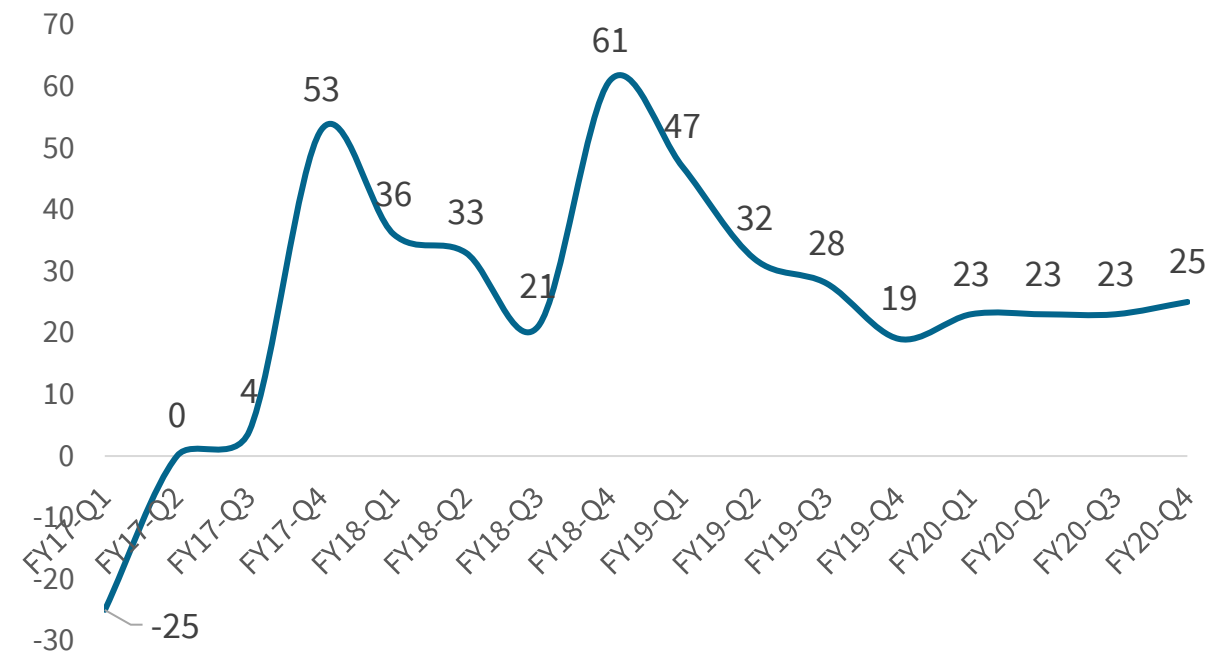
PERFORMANCE TRACK RECORD

Domestic Retail Pre-COVID

Same Store Growth - Billing



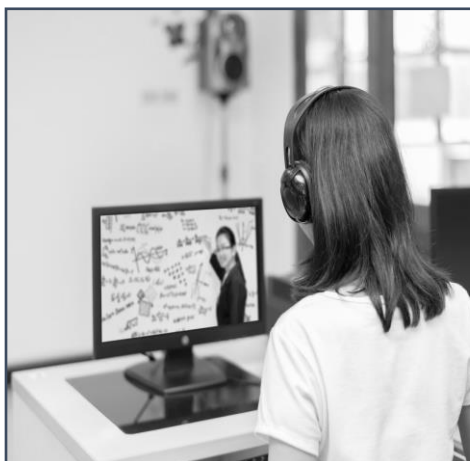
Net Centre Addition



DIGITAL PIVOT EXPERIENCE

Observation: Change in parent and student mindset towards online education

Total Transition of Enrolment to Employment activities to Digital Platform* due to COVID



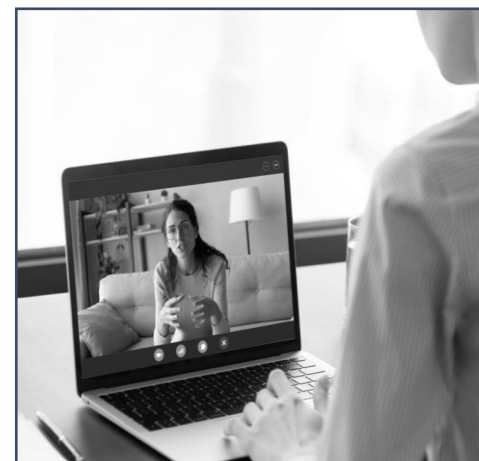
ONLINE CLASSES

~5 million student training hours and ~1 million tutor hours. 15,000 students in International market also engaged through online classes



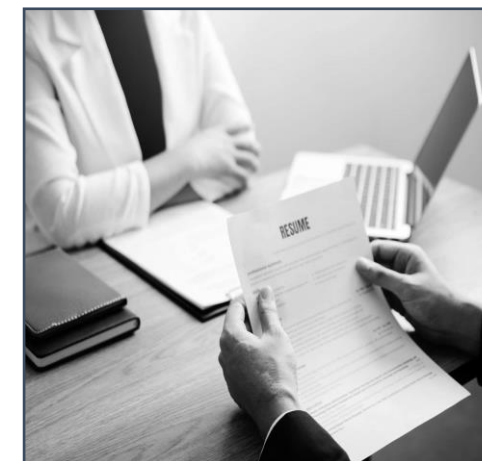
ONLINE COUNSELING

125k+ prospects counseled and 30k+ students enrolled



INDUSTRY INTERFACE

1,000+ Industry I/f sessions including paid webinars and ~75,000 student hours logged

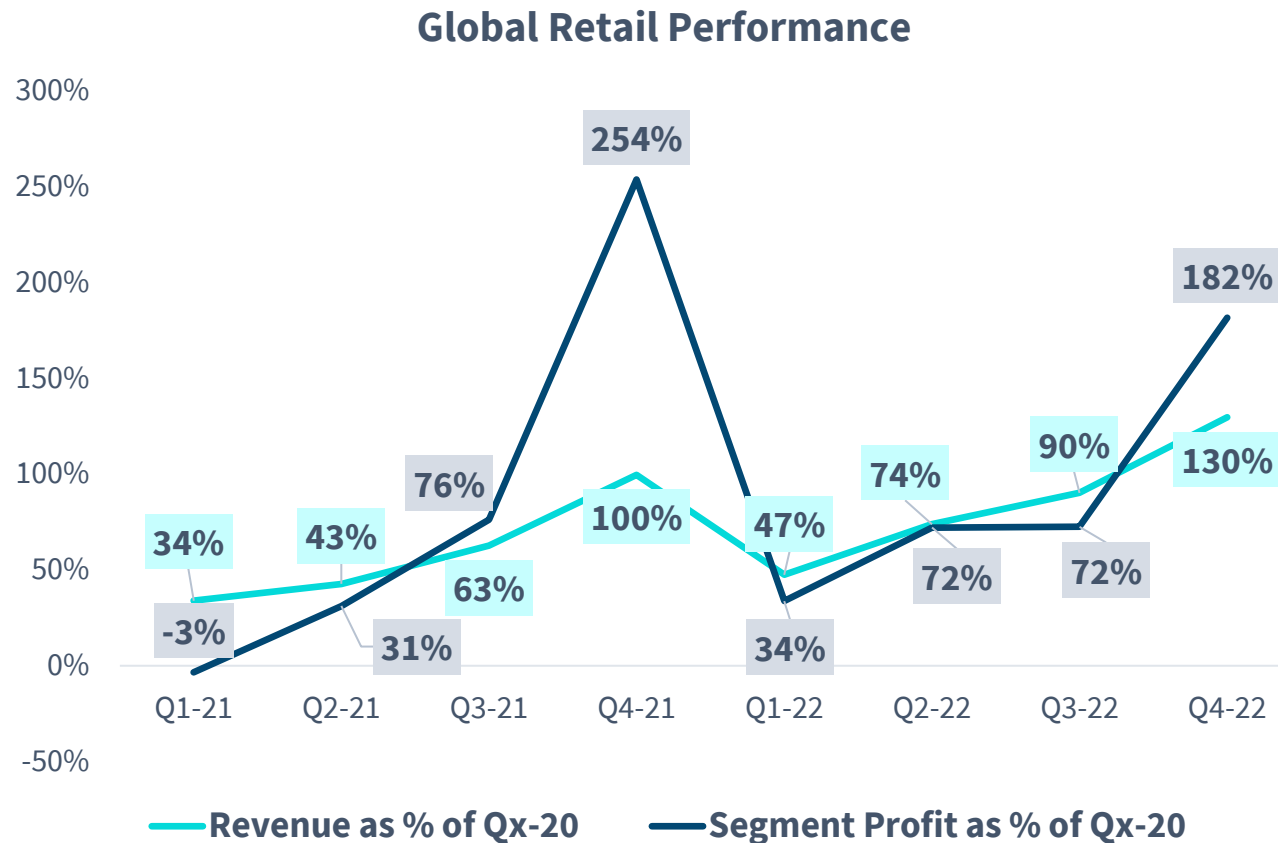


PLACEMENTS

~6,000 students placed during lockdowns

PERFORMANCE TRACK RECORD

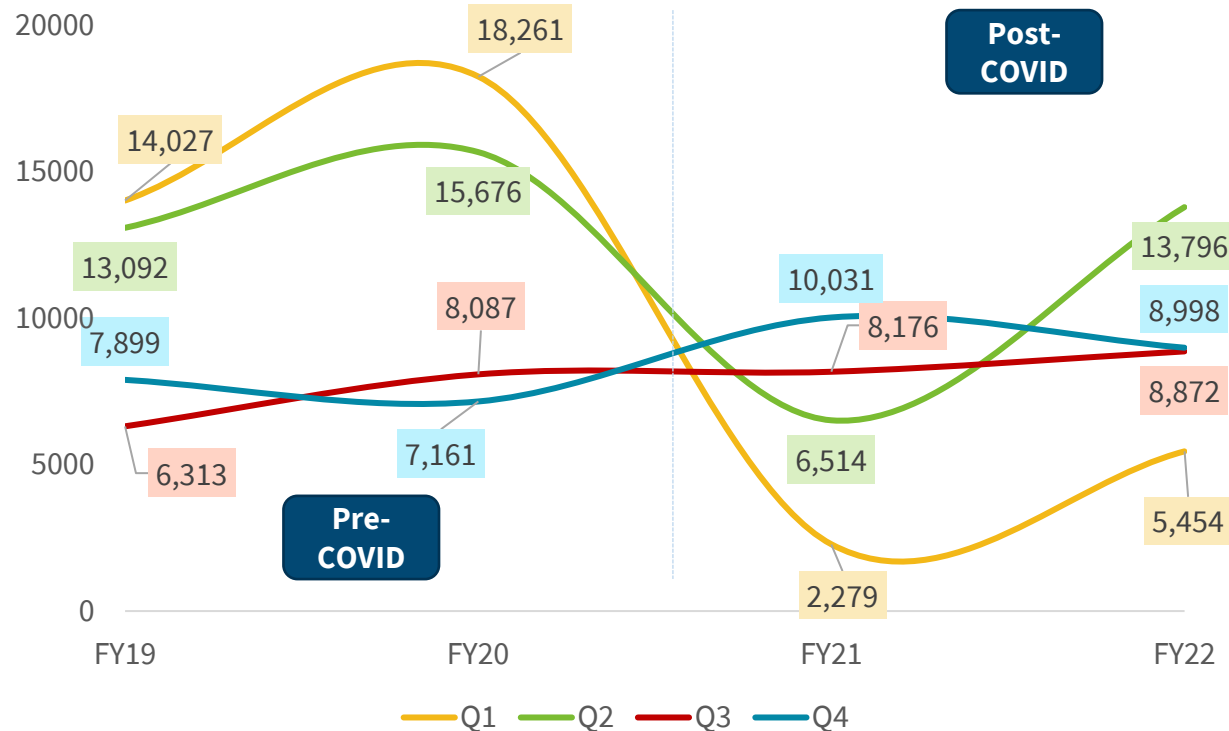
Post-COVID



- Domestic Retail segment majorly affected by COVID from Q1 FY21 onwards
- International Retail was affected from Q4 FY20, but the impact was mixed across markets
- Digital Pivot helped in registering a smart recovery which was impacted for a bit in Q1 FY22 again due to the second wave in India
- Cost rationalizations and recovery also helped in restoring the operating profitability to pre-COVID levels
- Consolidated profitability of Global Retail for FY22 was 32.2% and FY21 was 35.7% vs. 36% in FY20
- Enrollments and Booking close to pre-COVID levels in major brands on the last 9-month basis in FY22

PERFORMANCE TRACK RECORD

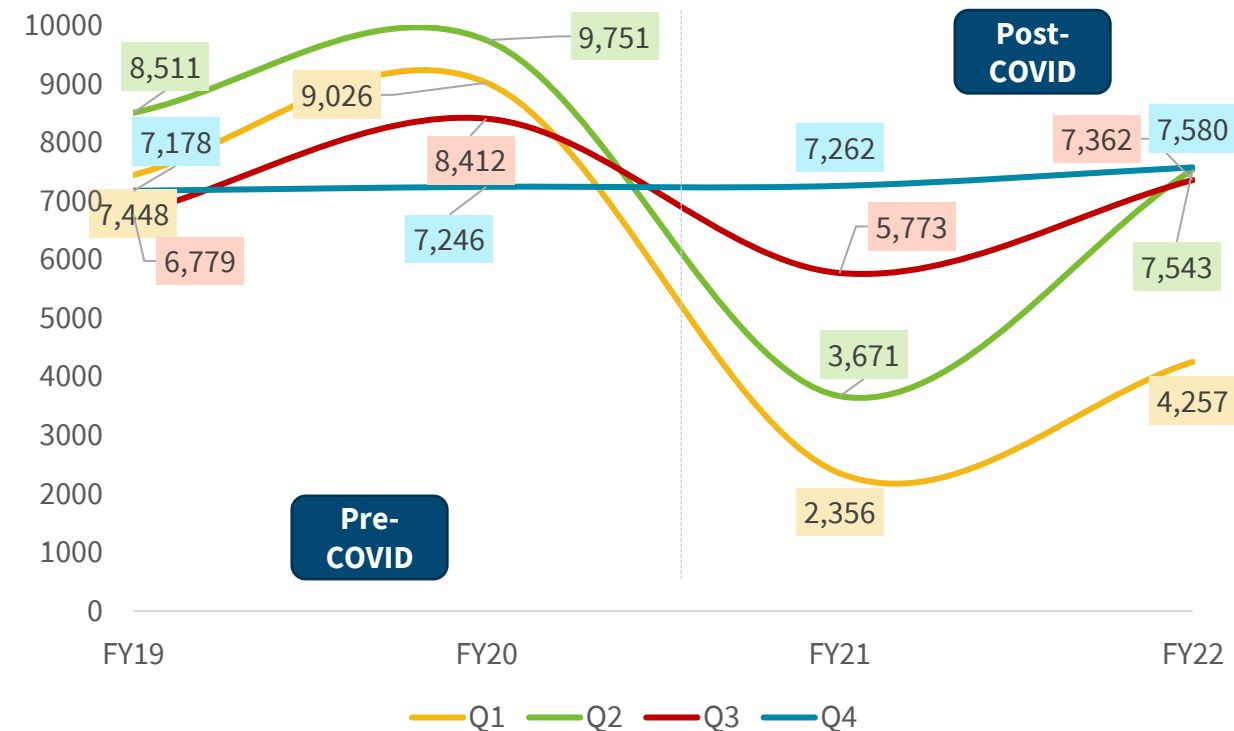
Domestic Retail Post-COVID



Booking

Financial numbers in Rs. Lakhs

- Impact in peak season
- Sharp recovery in FY22 Q2
- Lower opening order book for FY22 (high collection/ low booking)

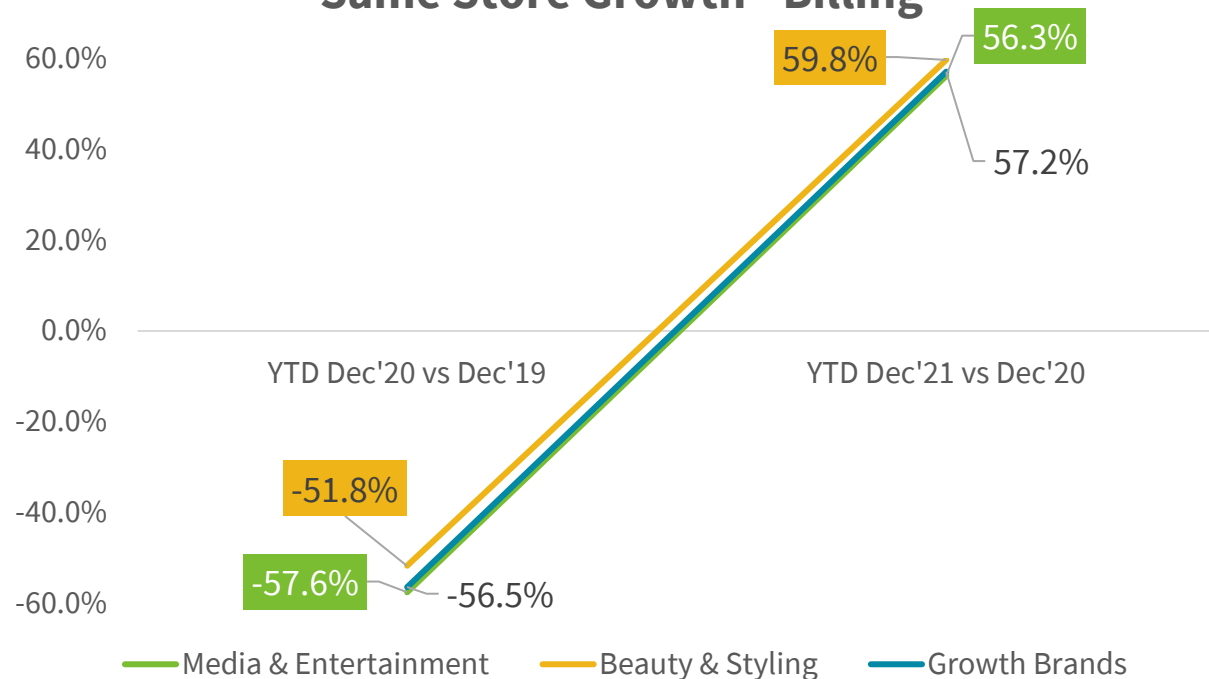


Collection

PERFORMANCE TRACK RECORD

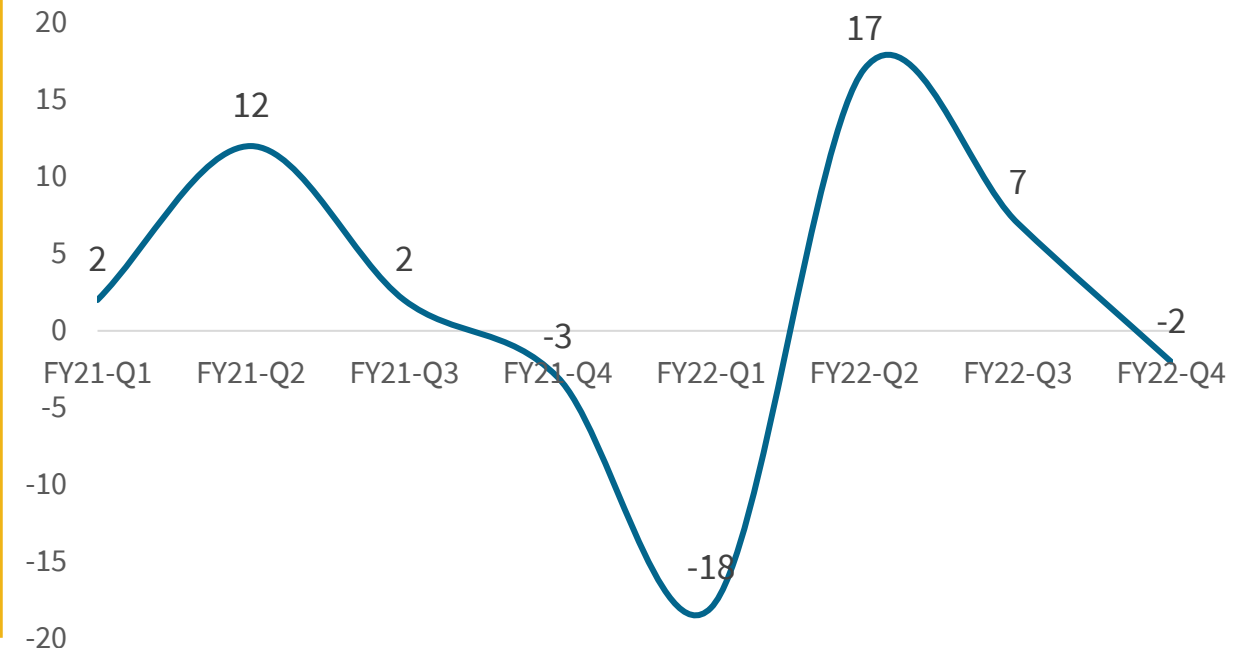
Domestic Retail Post-COVID

Same Store Growth - Billing



Financial numbers in Rs. Lakhs

Net Centre Addition





PLATFORM DETAILS

IDENTITY

Pro stands for Professional and Alley refers to the road leading towards career growth and prosperity.

VISION

To be India's largest online skill development organization with tangible outcomes for learners

MISSION

Offer impact-oriented learning programs through strengths in Technology, Pedagogy and Alliances to make learners job-ready

BASIC DETAILS

- Self-paced Online Learning Platform
- 2 plans: Pro and ProPlus
- Common Features: Self-paced, Downloadable working files, Self-assessment, Course completion certificate
- Additional Features in Pro-Plus: Assignments with Evaluation, Mentor Sessions, Placement Assistance, Portfolio Projects
- Media & Entertainment courses to be launched at the beginning

SCALE-UP STRATEGY

Organic (rational customer acquisition budgets)

Differentiation:

- Job placement
- Industry validated courses
- Domain specialisation – Media & Entertainment
- Industry connect & Mentors
- Virtual Labs (at a later stage)

6 courses launched as of end December 2021

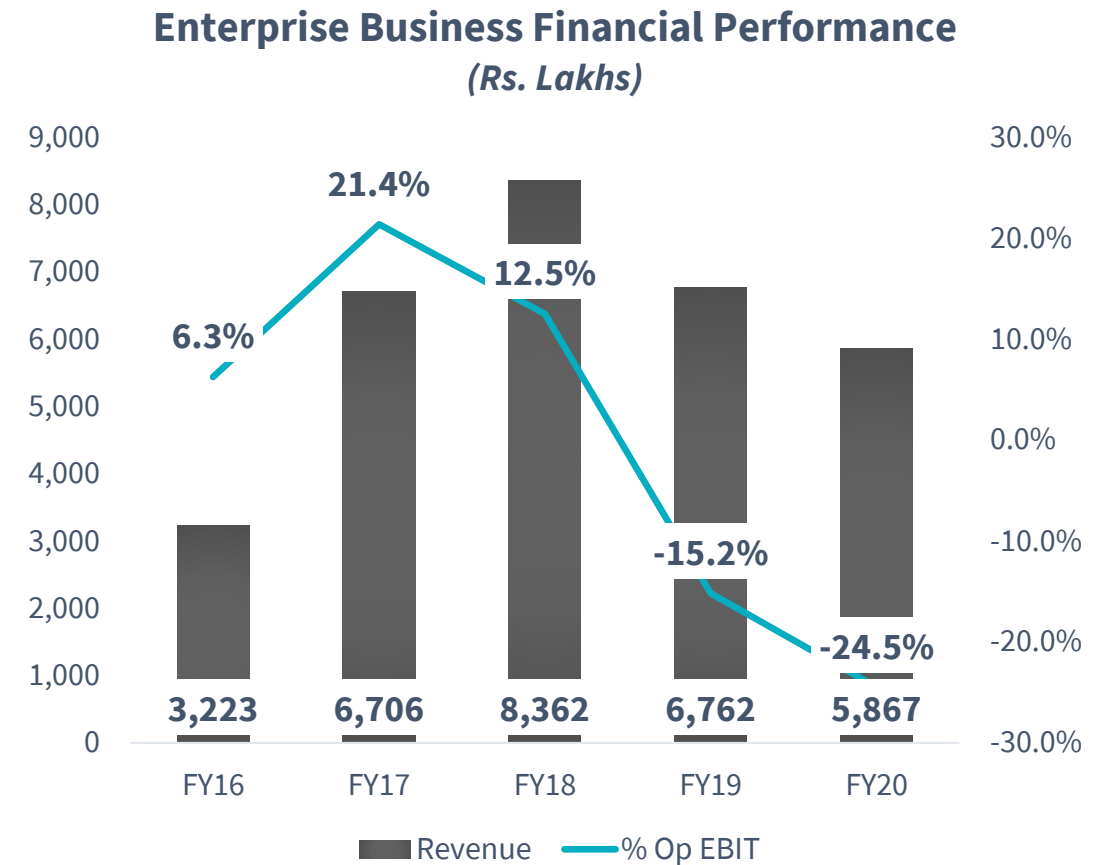
A black and white photograph taken from a low angle looking up at several tall, modern skyscrapers. The buildings are made of glass and steel, with many windows reflecting light. In the bottom left foreground, the back of a person's head and shoulders are visible, looking up towards the buildings. A thick yellow horizontal bar is positioned across the middle of the image, just above the main title.

ENTERPRISE BUSINESS

Pre-COVID[^] Trajectory

Enterprise Business	CAGR	FY20 / FY19
Revenue	16.2%	-13.2%
Adjusted* Revenue	22.9%	25.5%*
Segment Results	-	-39.8%
Adj.* Segment Results	-	62.8%*

- **Revenue CAGR from FY16 to FY18 was 61.1%**, but from FY18 to FY20 revenue declined at the rate of -16.2% due to **operational issues faced in FY18**
- **Mismatch in pace of fixed cost investments and revenue scale-up** resulted in profitability falling from 21.4% in FY17 to 12.5% in FY18 and losses in subsequent years
- Cost rationalization measures adopted in late 2018 and 2019 to show full impact from FY21 onwards although partial impact seen before COVID hit in the **9-month period of FY20 with segment loss down to 10.5% from 15.2% loss in FY19**



[^] Q4 FY20 had COVID impact; 9M performance is pure pre-COVID
 * Assume same YOY growth as 9M FY20 for Q4 FY20 to negate COVID impact

New Approach

Significantly improved financial and operational performance by focusing on minimizing risks and improving efficiencies with a revised strategy.

*Even after scaling back of fixed costs, existing business structure can **support a revenue run-rate of 2.5x – 3x** resulting in operating leverage for accelerating profitability.*



Go-to-market

- Widening the customer base to diversify execution risk
- Targeted medium sized projects with lower execution risks

- Delivered more than **Rs. 230+ crores of business** from FY19 till date **without any further issues**



Product Portfolio

- Addition of new products to move away from over reliance on Computer Based Testing

- Evaluated **~2 mn answer sheets** till date with **ApMark**, Computer Based Evaluation product
- **~1 million Online Internet-based Tests** conducted
- Launched Learning Content Management Solution (LCMS)

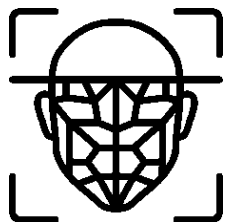


Cost Base

- Rationalization of fixed cost base to reduce the breakeven point
- Focus on liquidity and collectability

- Fixed costs reduced by 1/3rd from the peak levels
- Much lower bad debts levels from ~Rs. 230+ crores billed from FY19 till date

Revamp of Game Changer Test Platform*



Automated Facial Validation process (Cognitive)



Web Based Module – IP Change Detection



3 Level Biometric Authentication during Exam with Automated Biometric Validation Process



Web Based Module – Auto Report generation



Network On/Off to Restrict Remote Access



Identification & Isolation from Alien (Known) Network



OTP Based Data Security



Independent of Network Fluctuations



Question Timer Function

External Security
Internal Security

Unique Security Innovations Added

* Used for Computer Based Tests

Post-COVID Performance

Enterprise Business (Numbers in Rs. Lakhs)	FY21	FY22
Revenue	2,911	9,707
Segment Results	-861	1,617
% Op. EBIT	-29.6%	16.7%

Highest-ever revenue and profits in the entire history of Enterprise Business was delivered in FY22 even with practical wash-out quarter of Q1 FY22 due to COVID-19 second wave.

- Strategic decision to sell-off the division called-off due to turnaround performance and good prospects
- Many new customers added during pandemic period of FY21 and FY22
- Increased contribution from Education segment thus de-risking reliance on Government clients
- Healthy order book with significant contribution from long term contracts

Enterprise Business in FY2021-22 (Post-COVID)

Rs. 97 crores

Highest-ever revenue

Despite of losing out on almost 4 – 5 months due to COVID during the year FY2021-22

Rs. 94 crores

Highest-ever collections

In FY2021-22

Rs. 16 crores

Highest-ever PBT

In FY2021-22

Rs. 13 crores

Cash from Operations

In FY2021-22

Zero

Bad Deliveries

In the last 4 years

5 million

Tests Executed

In FY2021-22. Many long-term orders and a sustainable order book

57%

ROCE

In FY2021-22 with room to improve the Fixed Asset Turnover Ratio

Rs. 55 crores

New Breakeven Level

Reduced from a range of Rs. 90 - 100 crores in the past



FY2021-22 FINANCIAL PERFORMANCE

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27

P&L FINANCIALS – FY22 vs FY21

	FY22	FY21	YOY
Operating Revenue	22,610	11,808	91.5%
Inventory	142	102	39.3%
Employee Benefit Expenses + ESOP	5,240	4,739	10.6%
Other Expenses	13,107	5,433	141.3%
Total Operating Expenses	18,488	10,274	80.0%
Operating EBITDA	4,121	1,534	168.6%
Other Income	1,069	756	41.4%
EBITDA	5,190	2,290	126.6%
Depreciation	830	1,247	-33.4%
EBIT	4,360	1,043	317.9%
Depreciation	18	165	-89.4%
PBT	4,342	878	394.7%
Tax	-601	-348	-72.7%
PAT	4,944	1,226	303.3%

Financial numbers in Rs. Lakhs

NEW COMMERCIAL ARRANGEMENT – ACCOUNTING IMPACT

Financial Impact during the period	Q4 FY22	FY22
Student Delivery Income	1,043	1,926
Corresponding Royalty Income (as per old method)	578	1,152
Incremental Income	465	774
Expenses For Student Delivery Income	719	1,305
Expenses For Corresponding Royalty Income	74	128
Incremental Costs	646	1,177
Incremental Profit	-181	-403

* Q4FY22 P&L and YOY comparison assuming reporting as per the old method

P&L	FY22	FY22*	FY21	YOY	YOY*
Operating Revenue	22,610	21,836	11,808	91.5%	84.9%
Inventory	142	142	102	39.3%	39.3%
Employee Costs + ESOP	5,240	5,240	4,739	10.6%	10.6%
Other Expenses	13,107	11,930	5,433	141.3%	119.6%
Total Operating Costs	18,488	17,312	10,274	80.0%	68.5%
Operating EBITDA	4,121	4,524	1,534	168.6%	194.9%
Other Income	1,069	1,069	756	41.4%	41.4%
EBITDA	5,190	5,593	2,290	126.6%	144.2%
Depreciation	830	830	1,247	-33.4%	-33.4%
EBIT	4,360	4,763	1,043	317.9%	356.6%
Finance Costs	18	18	165	-89.4%	-89.4%
PBT	4,342	4,745	878	394.7%	440.6%

Financial numbers in Rs. Lakhs

OTHER MAJOR REASONS FOR YOY MOVEMENT IN PROFITABILITY

**Rs. 11.8
crores**

**Rs. 2.8
crores**

Reset Towards Normalcy

- Employment Expenses: Restoration of salaries cut in Q1 FY21 and increments on restored salaries from October 1, 2021. Addition in people count.
- Higher gross marketing expenses especially in digital
- Resumption in travel

ProAlley Investments

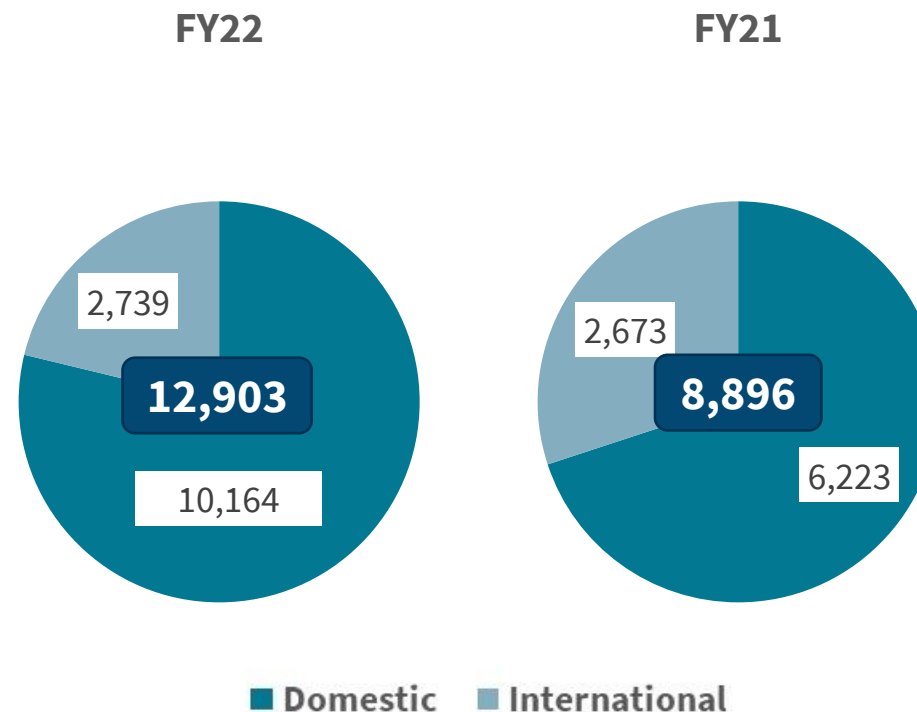
- Incremental P&L impact of the online Edtech venture over FY21
- Major chunk already considered in employment expense and marketing expense increases

SEGMENT & OPERATING PARAMETERS

Segment Results

	FY22	FY21	YOY
Global Retail	12,903	8,896	45.0%
Enterprise Business	9,707	2,911	233.4%
Total Operating Revenue	22,610	11,808	91.5%
Global Retail	4,157	3,173	31.0%
Enterprise Business	1,617	-861	287.8%
Corporate or Unallocable	-1,431	-1,435	0.3%
Total PBT	4,342	878	394.7%

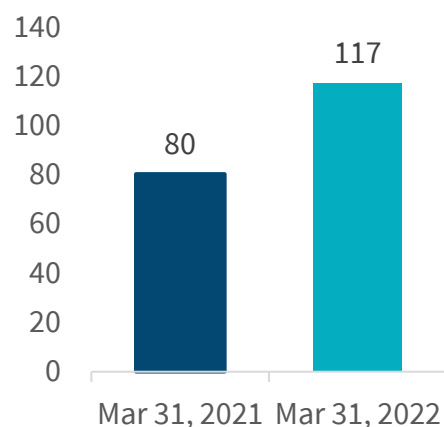
Global Retail Revenue Distribution



Financial numbers in Rs. Lakhs

BALANCE SHEET/ RATIO HIGHLIGHTS

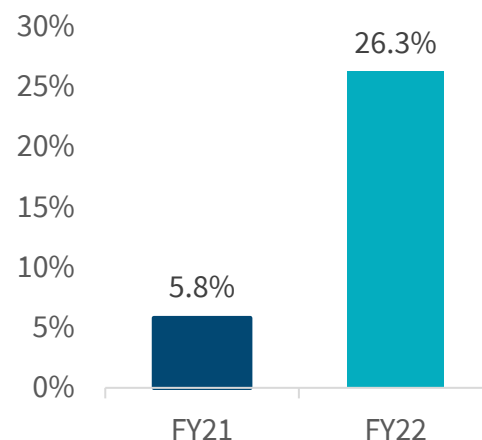
As on March 31, 2022



CASH*

Zero Debt on the books

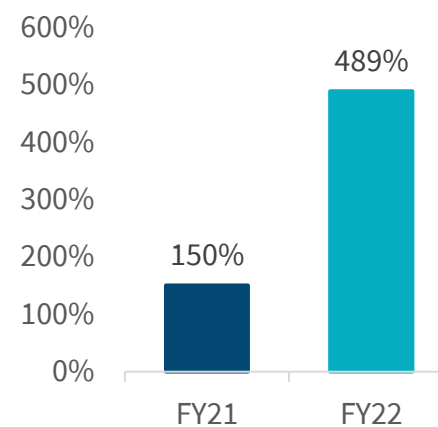
An interim dividend of Rs. 5 declared by the Board



ROE

COMPANY

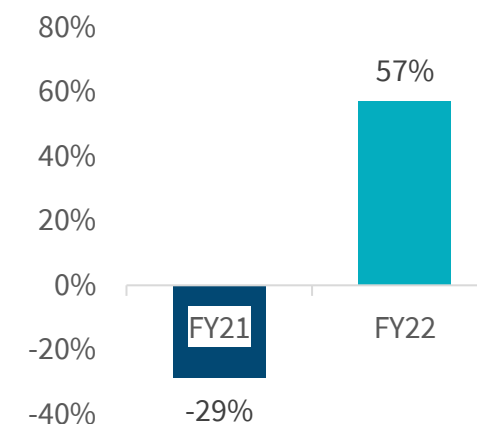
Major impact due to increase in PAT and impairment of BJBC China Investment of Rs. 108 cr .



ROCE

GLOBAL RETAIL

Primarily driven by increase in profits from FY21 to FY22 due to higher revenue



ROCE

ENTERPRISE

~2.5 times increase in Segment Top Line that led to ~3 times increase in PAT

* Cash, Cash Equivalents & Investments in Financial Instruments in Rs. crores

FY22 CASH FLOW

Cash Flow from Operating Activities

**Rs. 59.1
crores**

**Rs. 13.3
crores**

**-Rs. 27.4
crores**

Global Retail

Operating Profit before working capital changes of Rs. 50 crores

Enterprise Business

Operating Profit before working capital changes of Rs. 18.4 crores

Corporate/ Un-allocable

Includes Operating Profit before working capital changes of -Rs. 18.8 crores and income taxes paid of Rs. 16.4 crores



NOTES ON COMMERCIAL ARRANGEMENT CHANGE IN DOMESTIC RETAIL

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34

CHANGE IN COMMERCIAL ARRANGEMENT WITH THE NETWORK

- From April 1, 2021, Aptech has, for Domestic Retail (excluding pre-schools), started to move over to Student Delivery model. In this model, the recognition of income would be on the basis of the progress of students' study over the course duration
- The Student Delivery income for a study center would commence consequent upon the migration to the Student Delivery model by the Business Partner
- The entire network of centers would, over a period, get converted from the hitherto Royalty model to the Student Delivery model by Aptech. During the transition phase, there would be both streams of income viz; Royalty and the Student Delivery incomes
- While the Royalty income would continue for the students in the system enrolled before effective migration date for the study center, the Student Delivery income would be for students enrolled on or after the effective migration date
- Since Aptech would be recognizing the income on Student Delivery, there would be simultaneous recognition of Student Delivery expenses as well
- **The changes will be restricted to revenue and expenses recognition with no change in the cash flow**

Accounting Impact		
Factor	Old Method (Royalty Income)	New Method (Student Delivery Income)
Span of Revenue Recognition (i.e., Gross vs. Net Share of Student Fee)	Net Aptech Share of Student Fees recognized as Revenue	Gross Student Fees recognized as Revenue (Business Partner Share recognized as Cost)
Basis of Revenue Recognition	Aptech share based on Collection of Fees	Accrual-based against Service Delivery

NEW COMMERCIAL ARRANGEMENT – ACCOUNTING IMPACT

Sample Student – Course Data		Fee Details	Total Fee	Aptech Share
Course Start Date	03-08-21	Booking Amount	1,96,200	51,200
Actual Course Start Date	23-08-21	Course Fees	1,44,700	28,948
Course End Date	14-07-23	Exam Fees	7,500	1,500
		Courseware	15,000	15,000
Assumption: Future payment & delivery as per plan		Alliance	28,760	5,752

Sample Student P&L	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Total
Payments	33,898	33,898	64,406			21,000	21,000	21,798		
Royalty Model										
Aptech Income & Profit	18,780	6,780	12,881			4,200	4,200	4,360		51,200
Cumulative % of Total Profit	36.7%	49.9%	75.1%	75.1%	75.1%	83.3%	91.5%	100.0%	100.0%	
Student Delivery Model										
Aptech Income	31,835	33,119	24,242	20,768	18,268	19,363	16,863	19,363	12,179	196,200
Aptech Profit	18,367	6,624	4,848	4,154	3,654	3,873	3,373	3,873	2,436	51,200
Cumulative % of Total Profit	35.9%	48.8%	58.3%	66.4%	73.5%	81.1%	87.7%	95.2%	100.0%	

Certain statements in this presentation describing goals, projections, prospects may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may materially differ from those stated or implied in this presentation as our operations involve a number of risks and uncertainties that could cause these variations. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in Education industry, factors that may affect operations of our learning center network across the world, slowdown in recruitment for sectors addressed by us, HR management, liability for damages on our service contracts, political instability, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements in our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time forward to time by or on behalf of the company.



THANK YOU

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