



# Q2 FY2021-22 Results & Investor Presentation

Aptech Limited – November 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. In the bottom left foreground, the back of a person's head and shoulders are visible, looking towards the buildings. A thick yellow horizontal bar is positioned across the middle of the image, just above the title text.

# Q2 FY2021-22 FINANCIAL PERFORMANCE

# P&L PERFORMANCE

## Key Highlights

### ELEVATED YOY REVENUE GROWTH

Global Retail grew by 73% due to 112% jump in Domestic Retail top line

Enterprise Business revenue growth of 65%

### SUBSTANTIAL YOY MARGIN EXPANSION

PBT of Global Retail up from 32% to 43% and of Enterprise from 4% to 15%

Unallocable Expenses at 10% of Total Revenue vs 18%

### HIGHEST QUARTERLY PBT IN DECADE+

Highest Quarterly PBT before Exceptional Items (for ex-China biz) in more than a decade

Rs. 16 crores vs. Rs. 3 crores in Q2 FY21

# P&L FINANCIALS – COMBINED

	Q2 FY22	Q2 FY21	YOY
Global Retail (Continuing Operations)	3,394	1,958	73%
Enterprise Business (Discontinued Operations)	2,414	1,463	65%
<b>Total Operating Revenue</b>	<b>5,808</b>	<b>3,422</b>	<b>70%</b>
Inventory	43	20	117%
Employee Benefit Expenses + ESOP	1,233	1,222	1%
Other Expenses	3,125	1,713	82%
<b>Total Operating Expenses</b>	<b>4,401</b>	<b>2,955</b>	<b>49%</b>
<b>Operating EBITDA</b>	<b>1,407</b>	<b>467</b>	<b>201%</b>
Other Income	392	161	144%
<b>EBITDA</b>	<b>1,799</b>	<b>628</b>	<b>187%</b>
Depreciation	224	324	-31%
<b>EBIT</b>	<b>1,575</b>	<b>304</b>	<b>419%</b>
<b>PBT</b>	<b>1,572</b>	<b>251</b>	<b>526%</b>
Tax	441	67	560%
<b>PAT</b>	<b>1,131</b>	<b>184</b>	<b>513%</b>

Financial numbers in Rs. Lakhs



# PROFITABILITY

	Q2 FY22	Q2 FY21
<b>Combined</b>		
Operating EBITDA	24.2%	13.6%
EBITDA	29%	17.5%
EBIT	25.4%	8.5%
PBT	25.4%	7%
PAT	18.3%	5.1%
<b>Continuing</b>		
Operating EBITDA	28.6%	15%
EBITDA	35.9%	21.4%
EBIT	31.9%	11.4%
PBT	31.9%	9.2%
PAT	21.3%	7.1%

# SEGMENT & OPERATING PARAMETERS

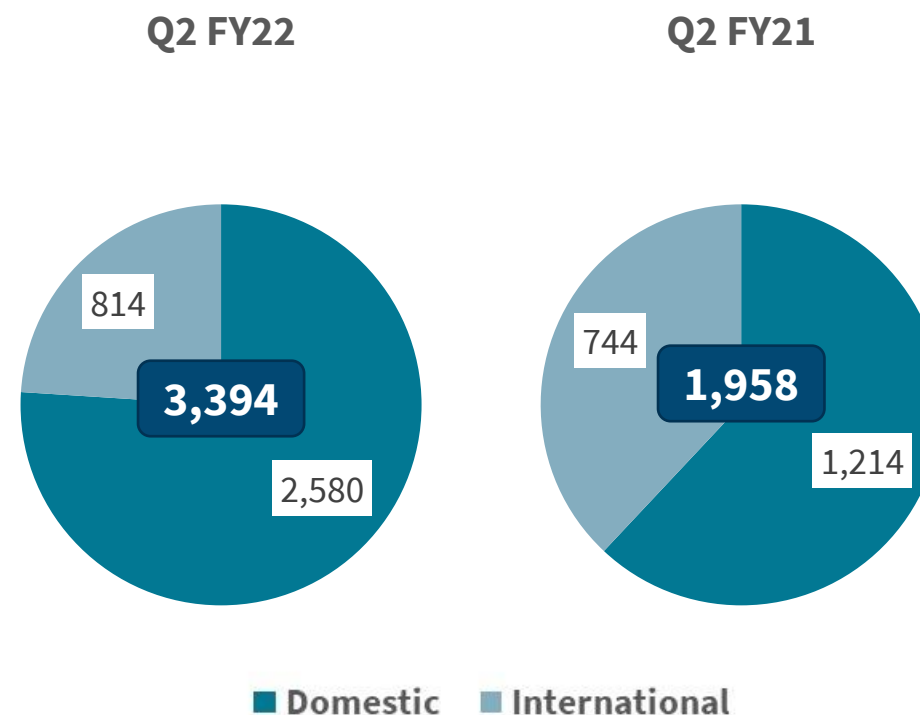
## Segment PBT

	Q2 FY22	Q2 FY21	YOY
Global Retail	1470	634	132%
Enterprise Business	368	57	545%
Corporate or Unallocable	-265	-440	40%
<b>Total PBT</b>	<b>1,572</b>	<b>251</b>	<b>56%</b>

## Collection to Revenue

	Q2 FY22	Q2 FY21	YOY
Collection from Students	11,284	7,023	61%
Student-driven Income	2,815	1,639	66%
<b>Aptech Share of Student Collection</b>	<b>25%</b>	<b>23%</b>	

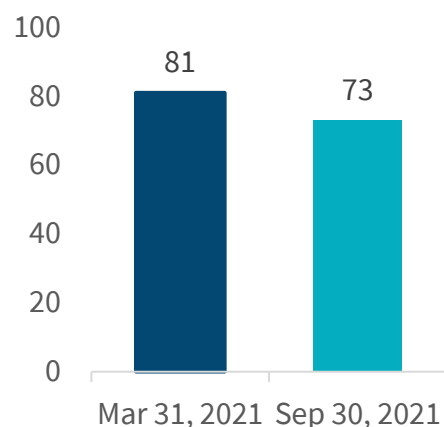
## Global Retail Revenue Distribution



Financial numbers in Rs. Lakhs

# BALANCE SHEET/ RATIO HIGHLIGHTS

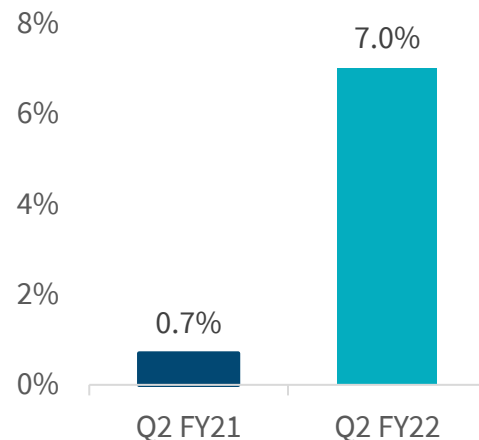
As on September 30, 2021



**CASH\***

## Zero Debt on the books

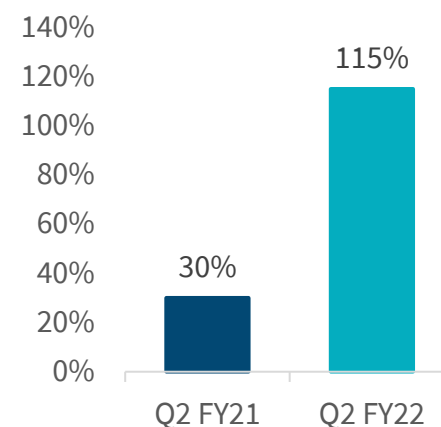
Impact of high unbilled revenue in Enterprise Business & Dividend pay-out



**QUARTERLY ROE**

## COMPANY

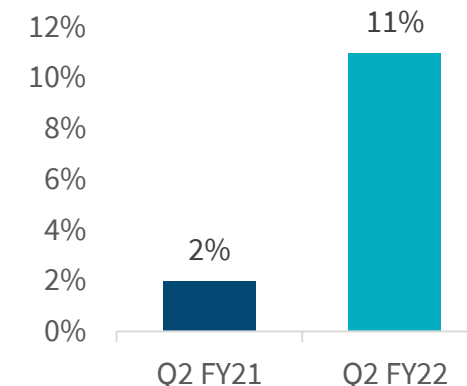
Major impacts due to increase in PAT and write-off of BJBC China Investment of Rs. 108 cr .



**QUARTERLY ROCE**

## GLOBAL RETAIL

Primarily driven by ~2.5 times increase in Segment PBT



**QUARTERLY ROCE**

## ENTERPRISE

Primarily driven by ~6.5 times increase in Segment PBT

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

# H1 FY22 CASH FLOW KEY POINTS

## Cash Flow from Operating Activities

**-Rs. 17  
crores**

**-Rs. 9  
crores**

**-Rs. 9  
crores**

Increase in unbilled revenue of Enterprise Business as project execution concentrated towards end of the quarter. Lower revenues in previous 2 quarters.

Reclassification of Bank FD from Other Non-current Financial Assets to Other Current Financial Assets as the maturity was now below 12 months

Dividend Pay-out (incl. DDT) in May 2021 of Rs. 2.25 per share

Adjusting for the Bank FD reclassification impact, the Cash Flow generated from Operating activities (Continuing) would be ~ Rs. 10 crores



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# Q2 FY2021-22 BUSINESS HIGHLIGHTS





Trending Pro

Creosouls User Statistics (as on November 15, 2021)				
Brand	Users	Students	Projects	Jobs
Arena	57,435	41,229	133,679	4,446
MAAC	34,056	19,518	11,201	4,386
LAPA	10,655	16,854	22,876	499
<b>Total</b>	<b>102,146</b>	<b>77,601</b>	<b>167,756</b>	<b>9,331</b>

# KEY HIGHLIGHTS

## DOMESTIC CENTER OPERATIONS

Centers in domestic market started offline sessions after restrictions were lifted in most parts of the country

## ENROLLMENTS IN DOMESTIC MARKET

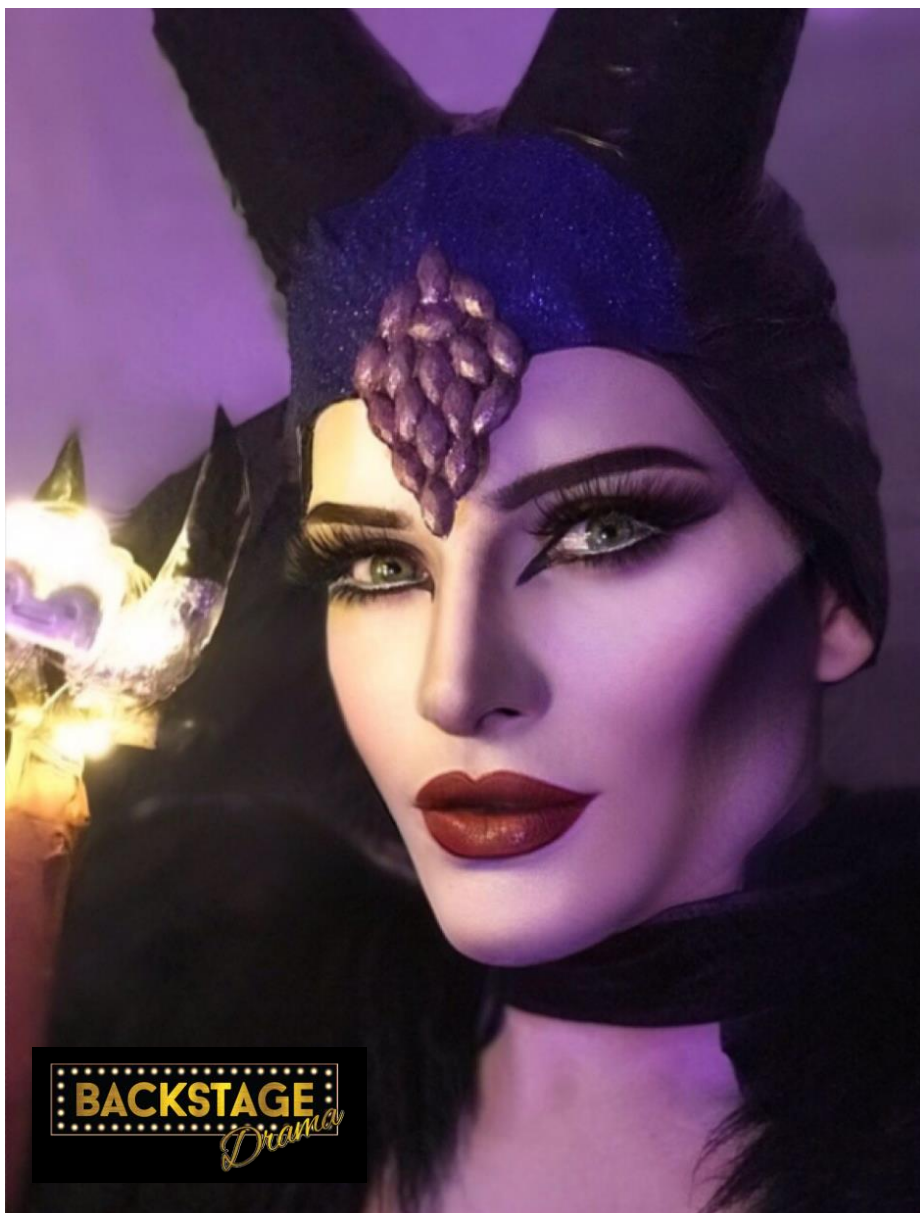
Double or higher enrollment growth (YOY) in key brands; Further room for growth to touch pre-COVID levels in M&E brands

## COVID IMPACT IN INTERNATIONAL

Some key markets such as Vietnam witnessed rise in COVID cases in Q2 FY22 impacting performance

## NETWORK EXPANSION

New center sign-ups picked up momentum in Q2 FY22. 33 centers signed-up, including 4 in International, vs. 19 in Q2 FY21 (Intl – 1)



# KEY HIGHLIGHTS

## 24FPS ONLINE

First-ever Virtual 24FPS International Animation Awards with 2600+ entries, including 1,000+ entries from 75+ countries, and over 9000 concurrent viewers

## BACKSTAGE DRAMA CONTEST – LAPA

Silver won by Lakme at 10<sup>th</sup> edition of ACEF Asian Leaders Forum & Awards in the Excellence in Customer Experience category

## PROALLEY LAUNCH

ProAlley, Aptech's Edtech venture, launched in September 2021 with initial courses focused on Media & Entertainment domain

## INTERNATIONAL

Highest every monthly Booking and Billing in September 2021 despite lockdowns in South-East Asian and many other markets





7/15/2021

Aptech Limited - Investor Presentation

LAKMÉ





*Catch a glimpse of this hugely  
successful and grand event!*



7/15/2021

Aptech Limited - Investor Presentation

MAAC



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# COMPANY OVERVIEW





# ABOUT US

A Global Learning Solutions company with a ~35 year track record of making a difference in lives of millions of students globally through its skill-focused, job-enablement driven course offerings. With a presence across verticals in 5 continents through more than 800 learning centers and ProAlley, an Edtech offering, Aptech has established an extensive reach.

# 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

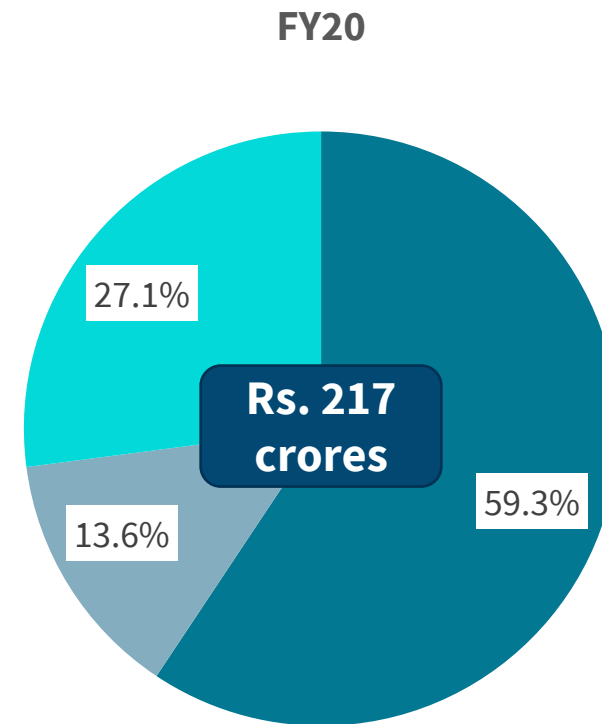
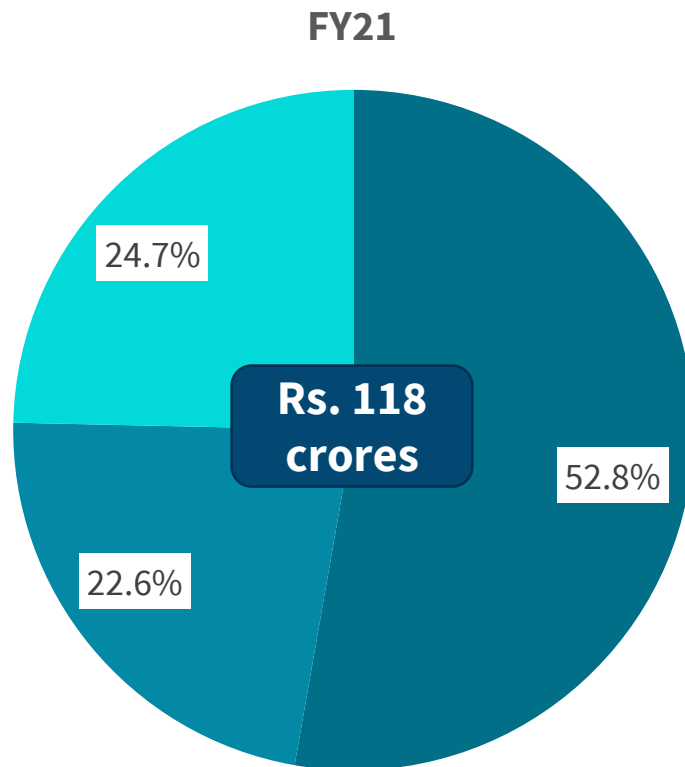
**Discontinued**



# BUSINESS DIVISIONS

## Revenue Distribution

■ Domestic Retail ■ International Retail ■ Enterprise



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# GLOBAL RETAIL



# 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

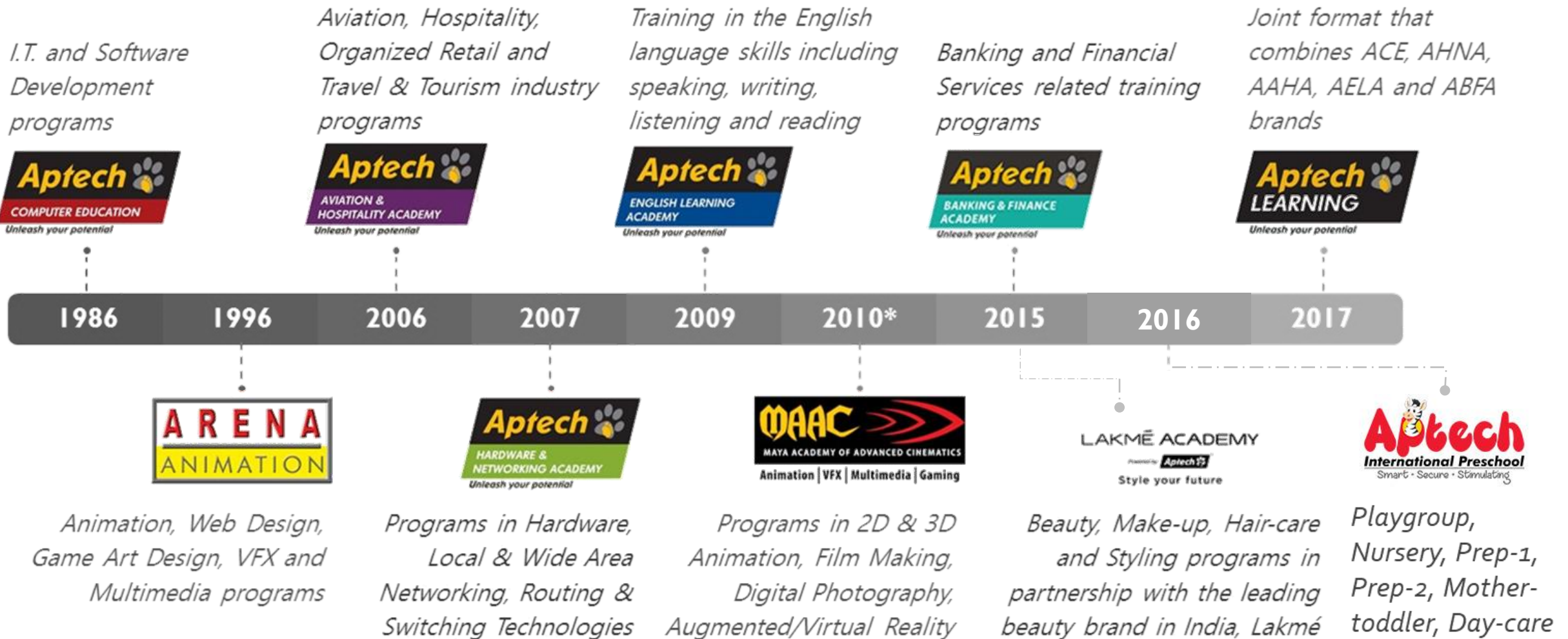
Holistic and experiential learning that is geared towards skills that help students get a job and develop a career.

## PLATFORM

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



# GLOBAL RETAIL BRAND PORTFOLIO

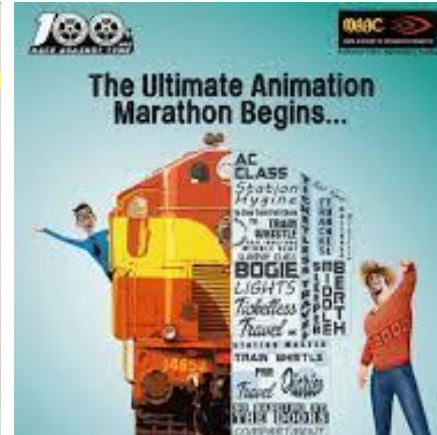




# VALUE PROPOSITION



**Latest Courses & Curriculum**



**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)**



**AR-integrated Courseware**



**Alliances for Formal Ed Pathways**

# STAKEHOLDER SPEAK



## Student

**Suraj**

Make-up Artist  
Alum of LAPA, Kanpur



## Recruiter

**Sandeep Chakraborty**

Cimpress India  
HR



## Franchisee

**Mr. Đinh Trí Dũng**

Aprotrain - Vietnam  
Aptech, Arena and MAAC Franchisee

## ***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/ Franchisees

Scale, reach, high retention rate, multi-center franchisees, 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

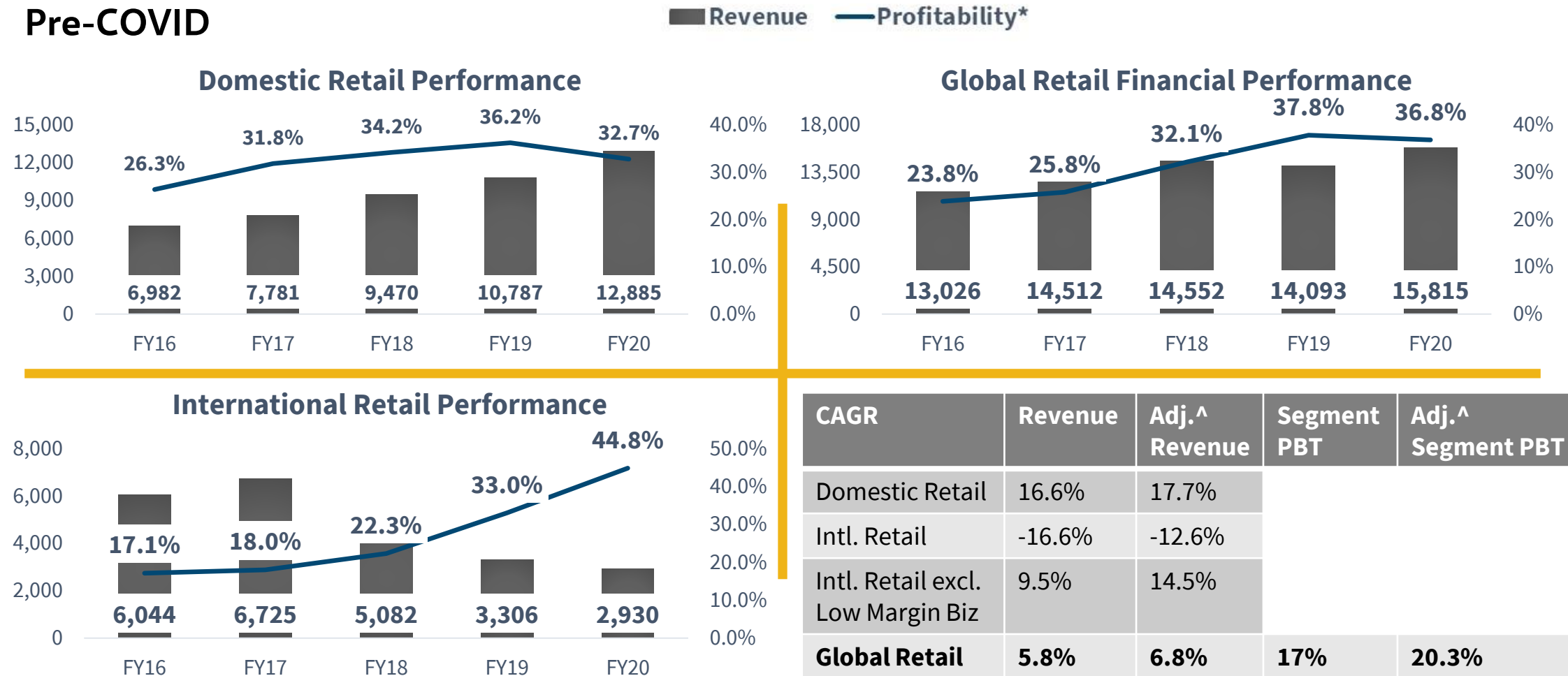
## INTERNATIONAL RETAIL

- 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



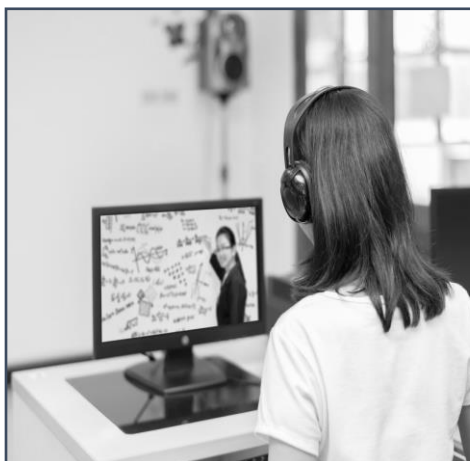
<sup>^</sup> Assume same YOY growth as 9M FY20 for Q4 FY20 to negate COVID impact  
 \*Division-wise profitability as per internal MIS

> Financial numbers in Rs. Lakhs

# 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**



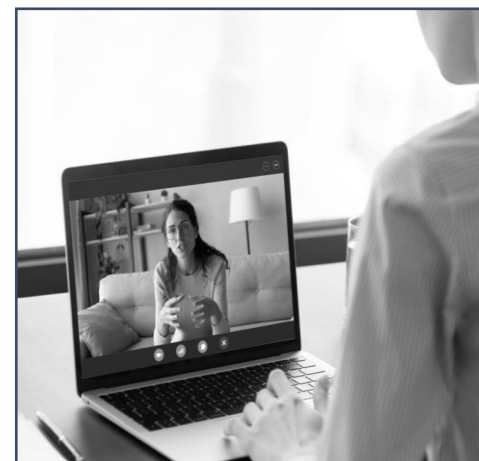
## ONLINE CLASSES

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



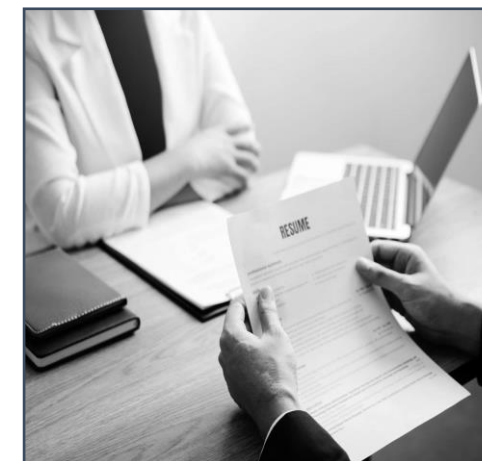
## ONLINE COUNSELING

125k+ prospects counseled and 30k+ students enrolled



## INDUSTRY INTERFACE

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

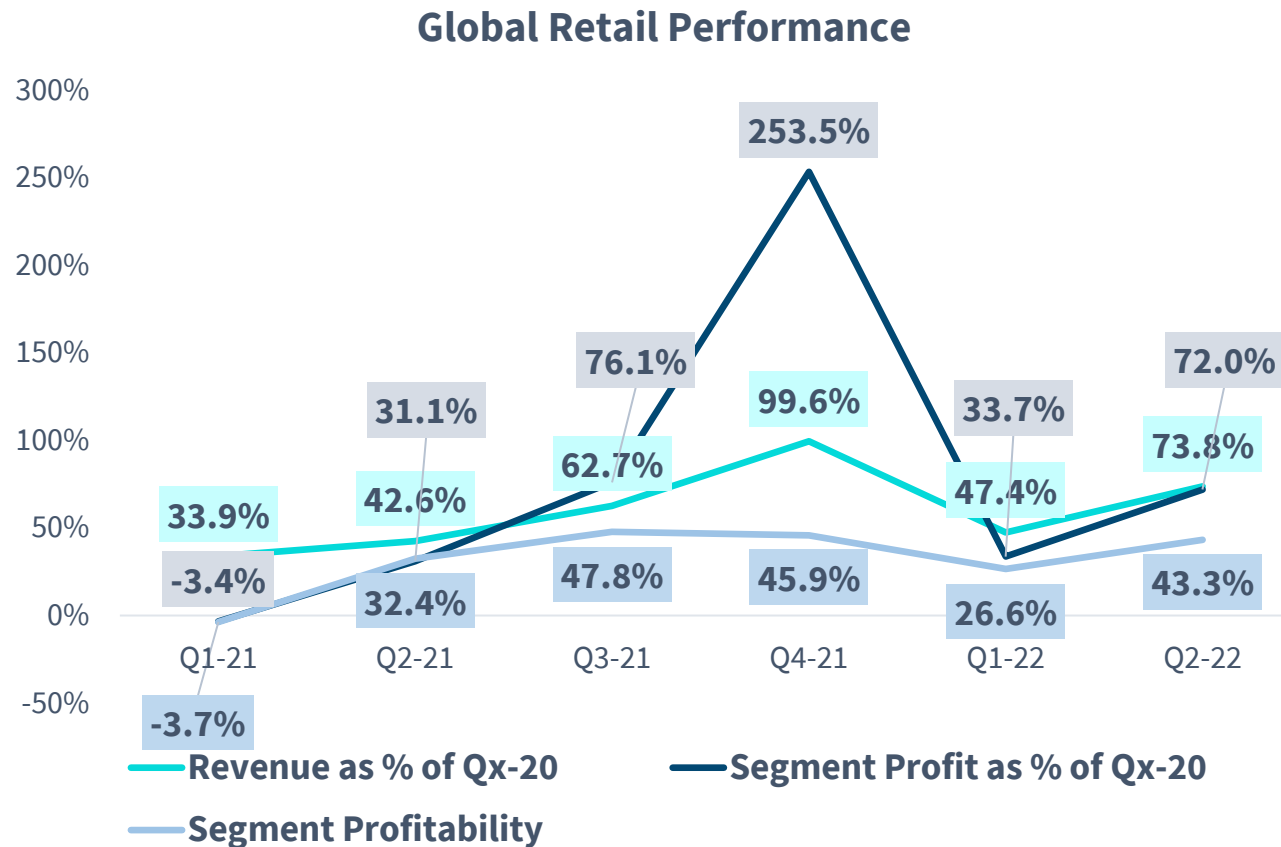


## PLACEMENTS

~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 FY21 was 35.7% vs. 36% in FY20 in spite of top line declining by 43.7%
- Enrollments and Collections yet to touch pre-COVID levels, except for LAPA



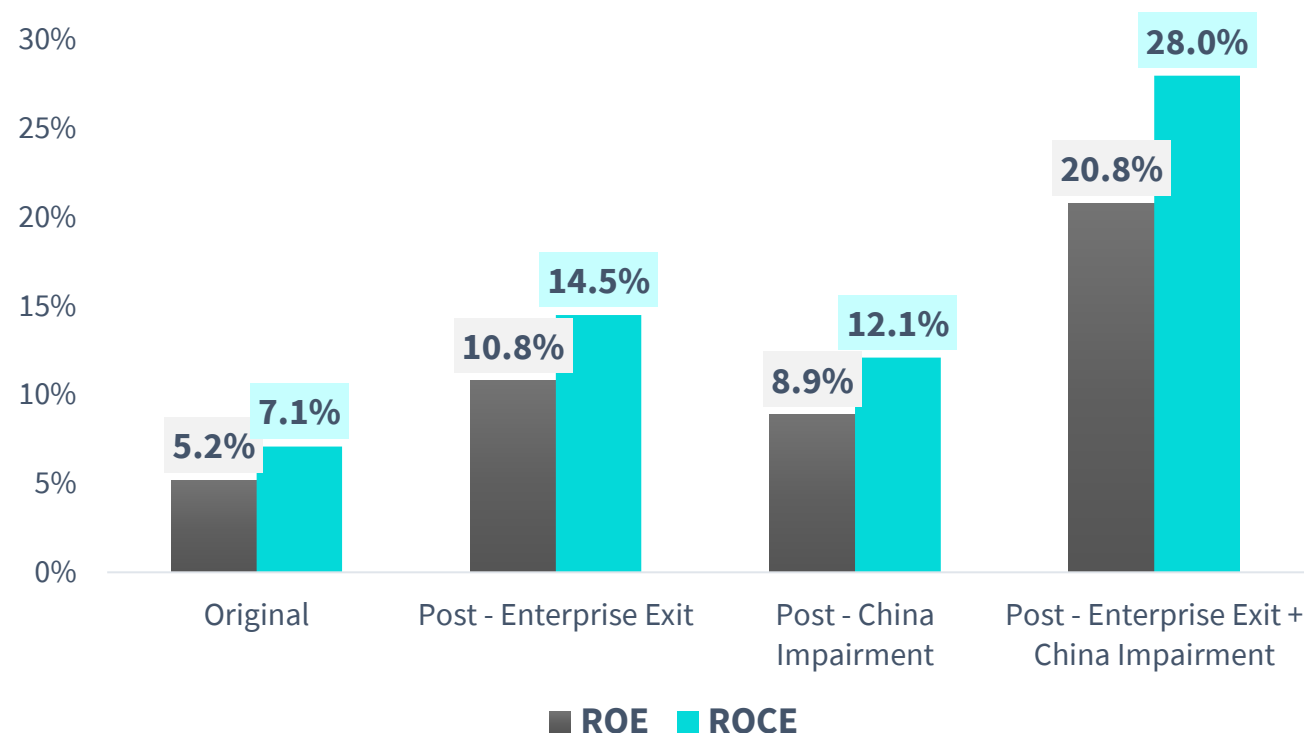
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# STRATEGIC ACTIONS

# BUSINESS PORTFOLIO REVAMP

## Strategic Initiatives

Impact on FY20 Return Ratios of Initiatives for Financial Performance Improvements



- **Entry into Edtech (*Business Growth*):**  
In line with increasing acceptance of online, self-paced learning programs for career development, developed and launched ProAlley, a self-paced online learning platform currently offering courses in Media & Entertainment vertical
- **Enterprise Business Exit (*Financial Performance*):**  
Strategic decision to sell/ exit the Enterprise Business Division and focus on the Global Retail business
- **Impairment of entire investment in BJBC, China carried at cost in March 2021 (*Financial Performance*):**  
Considering legal advice and absence of availability of any financial statements to estimate the fair value, the Company has recognized the provision for diminution in the value of its investment in BJBC, China and impaired it to the full extent of its carrying cost





# 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)





# ADDITIONAL SLIDES

# Q2 FY22 FINANCIALS – CONTINUING

	Q2 FY22	Q2 FY21	YOY
<b>Operating Revenue</b>	<b>3,394</b>	<b>1,958</b>	<b>73%</b>
Inventory	43	20	117%
Employee Benefit Expenses + ESOP	927	887	4%
Other Expenses	1,454	758	92%
<b>Total Operating Expenses</b>	<b>2,423</b>	<b>1,665</b>	<b>46%</b>
<b>Operating EBITDA</b>	<b>971</b>	<b>294</b>	<b>230%</b>
Other Income	385	161	140%
<b>EBITDA</b>	<b>1,356</b>	<b>454</b>	<b>198%</b>
Depreciation	149	213	-30%
<b>EBIT</b>	<b>1,206</b>	<b>241</b>	<b>401%</b>
<b>PBT</b>	<b>1,204</b>	<b>194</b>	<b>520%</b>
Tax	400	44	813%
<b>PAT</b>	<b>805</b>	<b>150</b>	<b>435%</b>

Financial numbers in Rs. Lakhs

# Q2 FY22 FINANCIALS – DISCONTINUED

	Q2 FY22	Q2 FY21	YOY
<b>Operating Revenue</b>	<b>2,414</b>	<b>1,463</b>	<b>65%</b>
Employee Benefit Expenses + ESOP	307	335	-8%
Other Expenses	1,671	955	75%
<b>Total Operating Expenses</b>	<b>1,978</b>	<b>1,290</b>	<b>53%</b>
<b>Operating EBITDA</b>	<b>437</b>	<b>173</b>	<b>152%</b>
Other Income	7	0	-
<b>EBITDA</b>	<b>443</b>	<b>173</b>	<b>156%</b>
Depreciation	74	110	-33%
<b>EBIT</b>	<b>369</b>	<b>63</b>	<b>488%</b>
<b>PBT</b>	<b>368</b>	<b>57</b>	<b>545%</b>
Tax	41	23	79%
<b>PAT</b>	<b>327</b>	<b>34</b>	<b>861%</b>

Financial numbers in Rs. Lakhs



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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# Aptech Ltd

## Q2FY22 Earnings Conference Call

### 17 Nov 2021 (Wed)

**Haitong International is delighted to invite you to the  
Q2FY22 Earnings Conference Call with**



**COMPANY:** Aptech Ltd | Mcap: USD 205mn

**DATE & TIME:** 17 Nov 2021 (Wed) | IST 5:00 PM / HKT 7:30 PM

**COMPANY REPRESENTATIVE:** Dr Anil Pant, Managing Director & CEO | Mr Saurabh Gada, Consultant – Investor Relations

**LANGUAGE:** English

**COMPANY HIGHLIGHTS:**

Aptech is a pioneer in non-formal vocational training and Job-Enablement segment of the Education industry. It has a multi-brand and multi-vertical presence across ~35 countries with leadership position in many verticals and countries. The courses of Aptech's various brands address the need for skilled workforce in Media & Entertainment, Beauty & Styling, IT, Retail, Aviation, and many other verticals. It has recently ventured into the Edtech space with a job-enablement focused offering, ProAlley. With the growing need for skilled workforce across industries and the structural problem of unemployability, Aptech is uniquely placed to address this market and with the recent initiatives to enhance balance sheet quality and operational performance the Company's performance is likely to go up many notches.

**WEBEX MEETING LINK:** <https://tinyurl.com/2s6cb92y>

**MEETING PASSWORD:** mPdKc4dr5M2