

Repro India - Strategic Results : 2015-16 Q1

Content Aggregation to Effective Dissemination

August 12, 2015

Financial Year 2015-16 : The Annual Strategic Direction... A Quick Recap

- 1. *Content Aggregation***
- 2. *New Initiatives : Rapples, enhancing digital education***
- 3. *New Initiatives : The exciting e-tailing opportunity***
- 4. *Exports : Strategy of growth in value and margin***
- 5. *Domestic Market : Strategy of Value Addition and Growth***

Financial Year 2015-16 : The Annual Strategic Direction... A Quick Recap

*The first mile is Content Creation –
the core competence of content owners ie. Publishers*

*The last mile is Content Delivery -
to the customer ie. students or readers (e-books and p-books),
on any media – book, computer, tablet or mobile*

Content Owners strive to increase revenues by maximising the reach of their content

In the required time

At the required price

To Students

to Readers

All over the world, physically or digitally!

Financial Year 2015-16 : The Annual Strategic Direction... A Quick Recap

Bridging the 'in-between' miles between the publisher and his reader

From Content Designing to Digital Warehousing.....

From Content Adaptation to Multimedia Enhancements

From producing millions of books for students

To Just One Book on Demand for the e-Commerce /e-Tailers' customer

To capitalise on the growing education markets in India and Africa.....

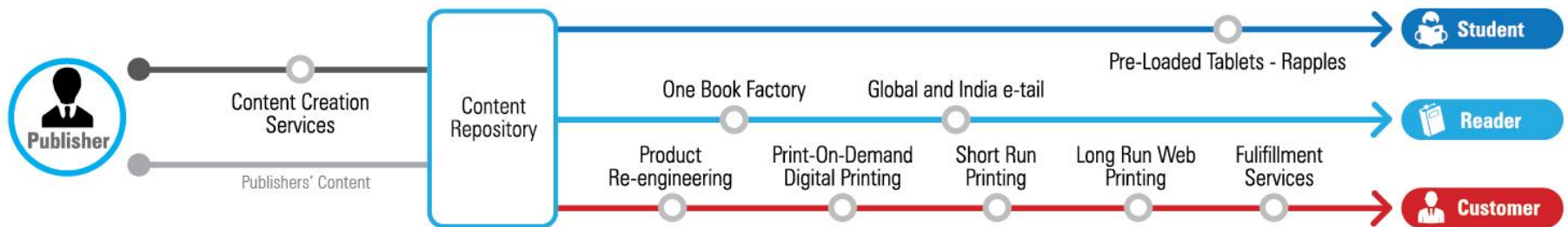
*To pioneer Digital and "Bagless" Educational opportunity
(multimedia textbooks on tablets)*

To participate and enhance the burgeoning e-retail markets – India and Global

1. Content Aggregation

Repro : “The In-Between Miles”

Content Aggregation to Effective Dissemination



1. Content Aggregation (cont.)

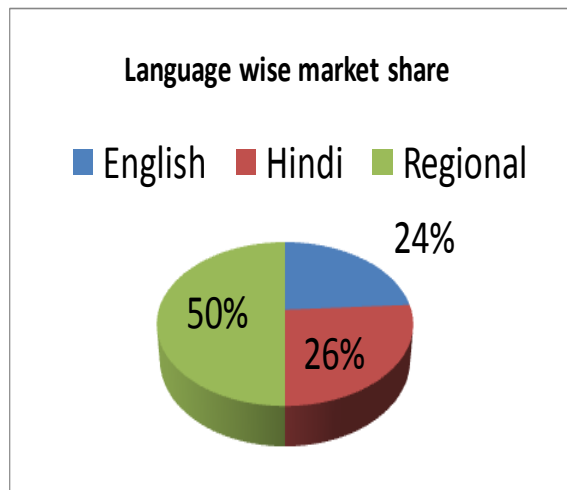
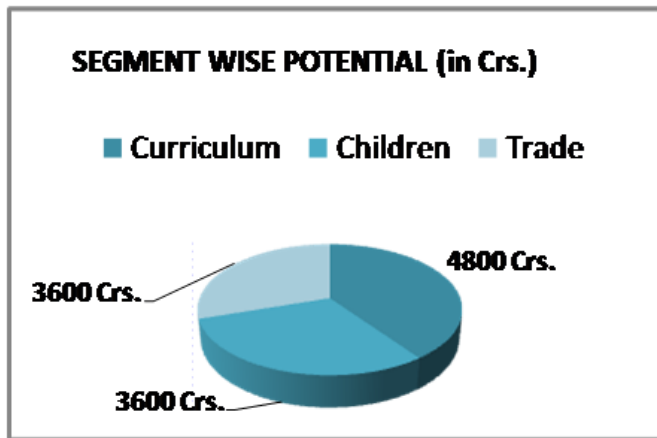
Repro : Offering the “In Between Miles” to Content Owners ie Publishers



Progress Update - On course with the strategic direction in all the vertical businesses

1. Content Aggregation (cont.)

The Revolution in the Indian Publishing Industry :



Repro – Ideally positioned to take advantage of the technology disruption in the publishing industry in India

- 12,000 crores; 16,000 Publishers; 4 million titles (estimated)
- Sales through Direct sales or channels
- Technology Disruption in the Publishing Industry
- Strong E-commerce channels accounting for majority of retail sales
- One-Book Production Technology in place to service demand immediately
- Acceptance of Digital Books in Education – thrust for lighter bags in schools

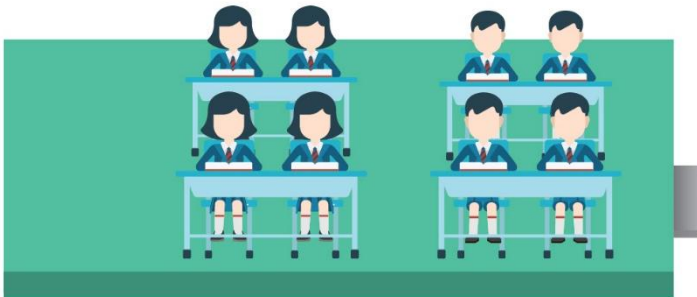
1. Content Aggregation (cont.)

The Revolution in the Indian Publishing Industry :



Repro – Ideally positioned to take advantage of the technology disruption in the publishing industry in India

- Leveraging 2 decade old relationship with publishers to aggregate content
- Repro – Replicating Proven Global Production & Distribution model for physical and digital content in India
- Set up the One Book Factory to service immediate demand from e-retail channels
- Successfully Implemented Digital education in schools for all grades, all subjects, all curriculums



2. New Initiatives : Rapples, enhancing digital education

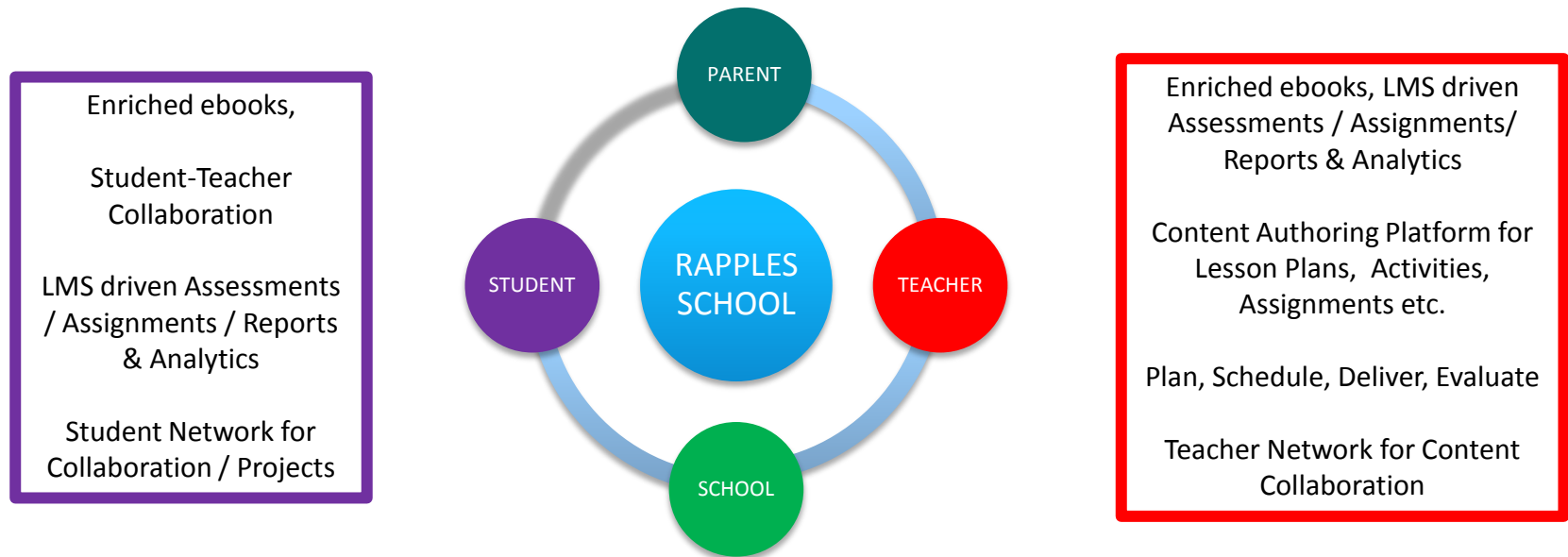
Rapples : changing the course of educational experience and outcome in India



- The Future Classroom : **Blended Technology to augment Teacher capability**
- **Rapples :**
 - Providing an architecture for Active learning inside the classroom
 - Self Learning outside the classroom using :
 - School selected / teacher determined enriched text-book with teacher resources
 - Attached Ideal Questions and Answers, Teachers work, Practice Questions
 - Creating own content on book, Issue resolution and Practice through books

2. New Initiatives : Rapples, enhancing digital education (cont.)

Student Performance, Test Analytics, Remedial measures



Student Performance, Teacher Performance Matrix, CCE Reports, Centralized Control and Delivery Mechanism

- Currently deployed in schools across the country ranging from Podar International school in Mumbai, Mount Litera Zee School in Hosur, Schools in the west, north and the south
- Rapples solution deployed for CBSE, ICSE, MSEB, IGCSE and IB Boards for over 1500 students in more than 10 schools

3. New Initiatives : The exciting e-tailing opportunity (cont.)

e-Fulfillment : E-Tail – The “carts”“deals” ... etc.



- Repro has tie-ups with international and Indian e-tailers enabling the listing of publishers titles on the e-tail site
- Repro to become the partner of choice for Indian online and off-line book retailers and publishers
- Repro to provide current book customers with more choice in terms of the kinds of books that are made available to them,
 - competitive prices for those books and
 - faster and more efficient delivery.

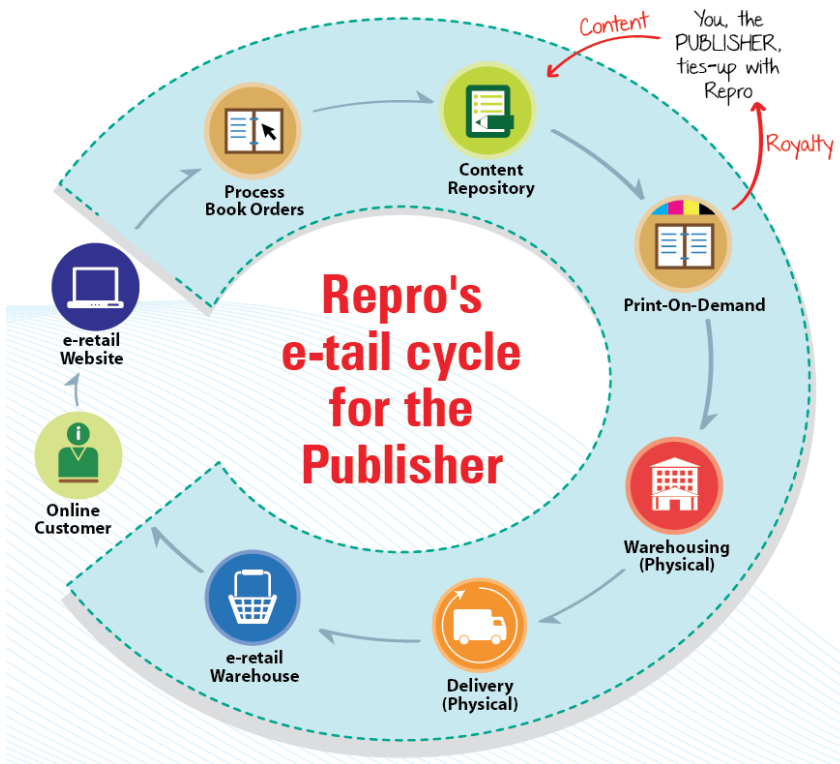
FY 2015-16 – Strategic Results : Q1

3. New Initiatives : The exciting e-tailing opportunity

e-Fulfillment Services: The Critical component

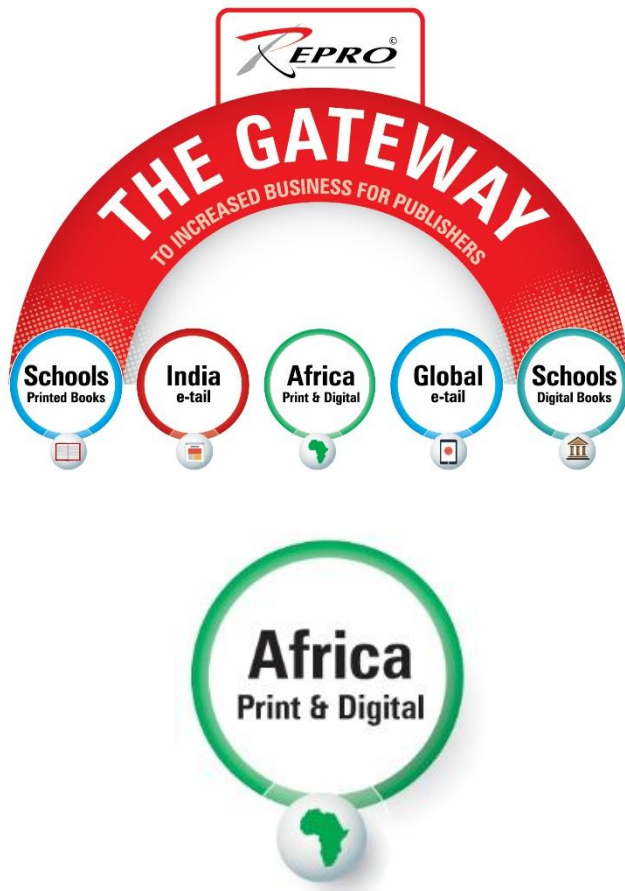
Repro offers the following value propositions :

- Established relationships with major publishers, which has allowed Repro to build a large repository of book titles for print on demand use
- The ability to print on demand as low as 1 copy per title
- The ability to expand across the country as and when demand increases
- The ability to provide last mile delivery services to reduce overall turn around time
- The ability to provide international titles at competitive prices and at low SLA's through tie-up with Global Aggregators
- E-tail fulfilment model successfully tested with over 1500 titles available for domestic distribution; Over 100 orders fulfilled in test run



4. Exports : Strategy of growth in value and margin

Africa : Over a 1 billion \$ opportunity : **CAGR 18%**



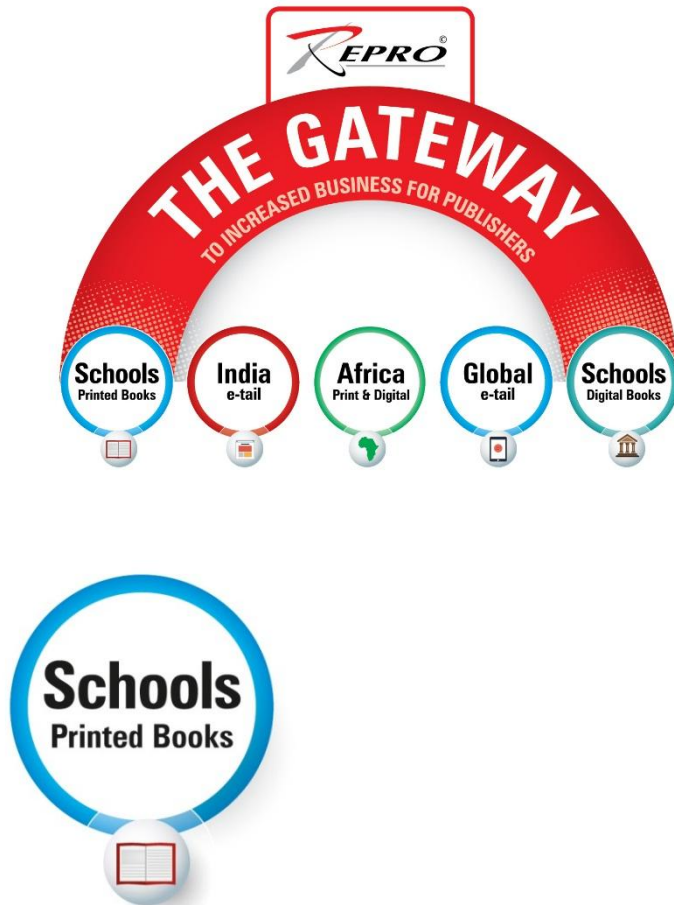
- Africa Publishing Industry : **Repro – Ideally positioned to fulfill the requirements with deliveries in certain cases directly to schools**
- Repro has **strong relationships with the key publishers in over 22 countries** – and a **first mover** advantage
- Deep understanding of the business environment, the model and the deliverables
- Total Books market size \$1.5 bn.
- Books Print Services market estimated to be over \$0.5 billion
- Potential for the market to grow to over \$4 bn if all students are provided with books

4. Exports : Strategy of growth in value and margin



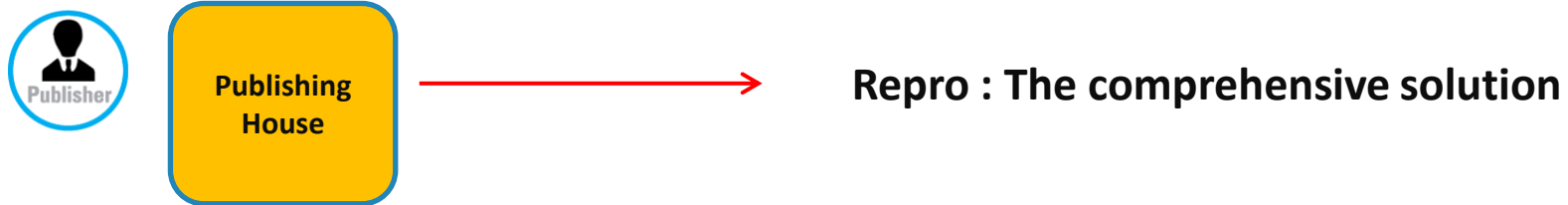
- Exports growing once again after the various challenges that were overcome in the last few quarters
- Exports now increased to 45% of sales as compared with 37% of sales over the previous quarter
- Executed print order for 1 million books from Malawi.

5. Domestic Market : Strategy of Value Addition and Growth



- India Publishing Industry : **Repro – providing value added services as a partner to publishers across the country – leading to growth in sales and margin enhancement due to services provided**
- Providing **integrated services and end to end solution** to content owners like educational publishers in India and globally
- Repro complements the Publishers by planning and mass producing the **right** product, at the **right** price, in the required time – **reaching it anywhere** in India
- Repro has strong relationships and partnerships with MNCs and large Indian publishing houses
- Repro has customised offerings based on Clients requirements and also the experience and expertise to fulfill demand effectively whether it is for
 - 1 million books (web based production)
 - Or 1 book (POD based production)

5. Domestic Market : Strategy of Value Addition and Growth



Shifting the Business Paradigm : Creating a new business model

1. Partnership rather than transactional business
2. Understanding of business – so more value added services as per the clients needs
3. Loyalty and tied in to relationship – long-term view and planning
4. Predictable Annual business
5. More value for services – better realisation and hence better margins
6. Entry barriers extremely high – model difficult to replicate

The Repro Potential : Full Service Model x multiple Publishers

Result : Enhanced Margin growth for Repro

Financial Highlights

Q1 2015 – 16 Financials Consolidated

Particulars	3 Months ended 30th June 2015 (Unaudited)	3 Months ended 31st March 2015 (Audited)	3 Months ended 30th June 2014 (Unaudited)	Year ended 31st March 2015 (Audited)
Net Sales	11,260	10,720	9,232	38,649
Operating Income	421	264	273	915
Total Income	11,681	10,984	9,504	39,565
Expenditure				
Cost of Materials consumed	5,876	6,363	4,992	21,476
Changes in inventories of finished goods,work-in-progress &stock-in-trade	159	(333)	375	31
Employee benefits expense	1,287	1,380	1,148	4,930
Other expenses	3,119	2,323	2,090	8,444
Total Expenditure	10,441	9,733	8,604	34,881
Other Income	92	82	617	1,126
Gross Profit Before Interest,Depreciation and Tax(PBDIT)	1,333	1,332	1,517	5,810
Depreciation	517	540	498	2,006
Interest	464	441	210	1,237
Profit Before tax	352	351	809	2,567
Tax Expenses	111	206	218	663
Net profit after all taxes	241	145	591	1,904

FY 2015-16 – Strategic Results : Q1

Q1 '15-16 over Q1 '14-15

Highlights

- 23% growth in revenue – increase from Rs. 95.04 crores to Rs. 116.81 crores
- 47% growth in exports: increase from Rs. 35.46 crores to 52.13 crores
- 8.5% growth in domestic: increase from Rs. 59.59 crores to 64.68 crores
- 38% growth in EBITA before other income – increase from Rs. 9.00 crores to Rs. 12.41 crores
- 46% growth in EBITA (before Rapples less other income) – increase from Rs. 11.41 crores to 16.65 crores
- Ratio of Raw material to Total income down from 52.5% to 50.3%
- Total Investment in new initiatives: Rs. 4.23 crores

Segment wise Revenue Q1

	Q1 15-16 Sales		Q1 14-15 Sales
Domestic	6,468		5,959
Export	5,213		3,546
Total	11,681		9,504
Export	45%		37%
Domestic	55%		63%

Q1: 2015 – 16

Quarter 1 15-16			Quarter 1 14-15	
	Rs.in Lacs	Contribution %	Rs.in Lacs	Contribution %
Revenue	11,681		9,504	
PBDIT before Rapples & E-TAIL	1,756	15%	1,758	19%
Profit before Depn& Interest-PBDIT	1,333	11%	1,517	16%
Profit Before Tax	352	3%	809	9%
Tax	111	1%	218	2%
Profit After Tax PAT	241	2%	591	6%

Q1: 2015 – 16

Quarter 1 15-16			Quarter 4 14-15	
	Rs.in Lacs	Contribution %	Rs.in Lacs	Contribution %
Revenue	11,681		10,984	
PBDIT before Rapples & E-TAIL	1,756	15%	1,867	17%
Profit before Depn& Interest-PBDIT	1,333	11%	1,332	12%
Profit Before Tax	352	3%	351	3%
Tax	111	1%	206	2%
Profit After Tax PAT	241	2%	145	1%

Segment wise Revenue Q1 2015-16

	Q1 15-16 Sales		Q4 14-15 Sales
Domestic	6,468		7,427
Export	5,213		3,557
Total	11,681		10,984
Export	45%		32%
Domestic	55%		68%

FY 2015-16 – Strategic Results : Q1

Key Financial Indicators:

Debtors:

SEGMENT	SALES	DEBTORS	NO OF DAYS 30.06.2015	NO OF DAYS (31.3.2015)	No of days after ECGC Coverage
Domestic Print	58.62	91.14	141	133	141
Export	49.19	109.89	203	233	152
Digital	5.78	4.26	67	75	67
Total	113.59	205.29	164	158	126

Order Book:

RS.INR CR

SEGMENT	ORDER BOOK1.7.2015	ORDER BOOK 1.7.2014	ORDER BOOK 1.4.2015	ORDER BOOK 1.4.2014
DOMESTIC	17.03	16.14	33.52	33.18
EXPORT	16.02	11.94	26.22	1.24
TOTAL	33.05	28.08	59.74	34.42

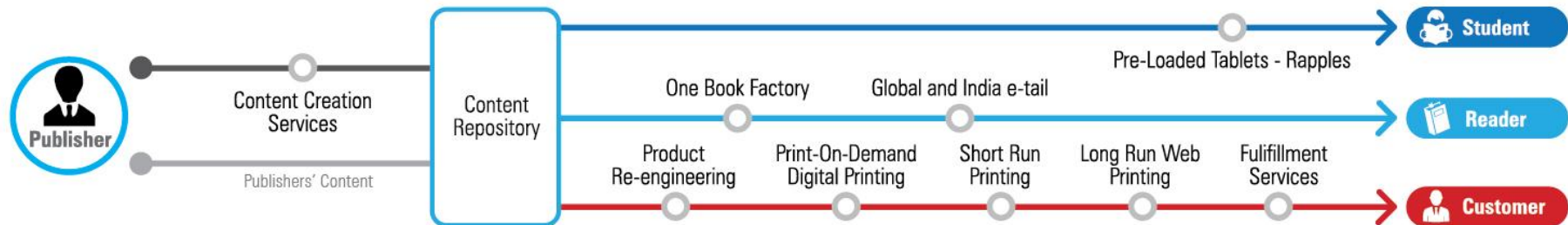
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Key Financial Indicators:

Consolidated	Jun 15	Mar 15	Rs. Lacs Jun 14
Total Sales	11,681	10,984	9,504
Other Income	92	82	617
EDITDA	1333	1332	1517
%	11.4%	12.1%	16.0%
EDITDA before Other Income	1241	1250	900
%	10.6%	11.4%	9.5%
Rapples & EtailExpenses	424	534	241
EBIDTA Before Rapples	1757	1866	1758
PBT before Rapples	776	885	1050
EDITDA Before Rapples less other Income	1665	1784	1141
%	14.3%	16.2%	12.0%

	Q1 15-16	Q4 14-15	Q1 14-15
Domestic	11.5%	14.7%	10.2%
Exports	17.8%	19.1%	15.1%

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Thank You !