

# Repro India - Strategic Results : FY 2014-15

27 May 2015

## The Annual Strategic Direction...

- 1. Content Aggregation**
- 2. New Initiatives : Rapples, enhancing digital education**
- 3. New Initiatives : The exciting e-tailing opportunity**
- 4. Exports : Strategy of Large Volume Fulfillment and Cross-selling**
- 5. Domestic Market : Strategy of Value Addition and Margin Growth**

## **1. Content Aggregation**

*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*

*Publishers 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!*

## **1. Content Aggregation (cont.)**

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

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

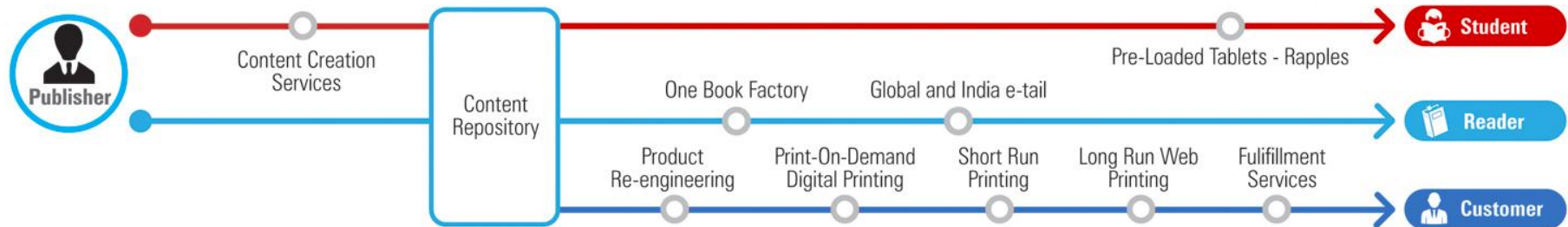
***Leveraging Repro's strong relationships with publishers over last 2 decades to become the largest aggregator of content, which gives Repro significant competitive advantage***

# Strategic Results : Annual 2014-15

## 1. Content Aggregation (cont.)

***Repro : “The In-Between Miles”***

### Content Aggregation to Effective Dissemination



## 1. Content Aggregation (cont.)

**Repro : Offering multiple opportunities for revenue multiplication to the Publishers with the same content**



**Content Aggregation and Effective Dissemination**

## 2. New Initiatives : Rapples, enhancing digital education

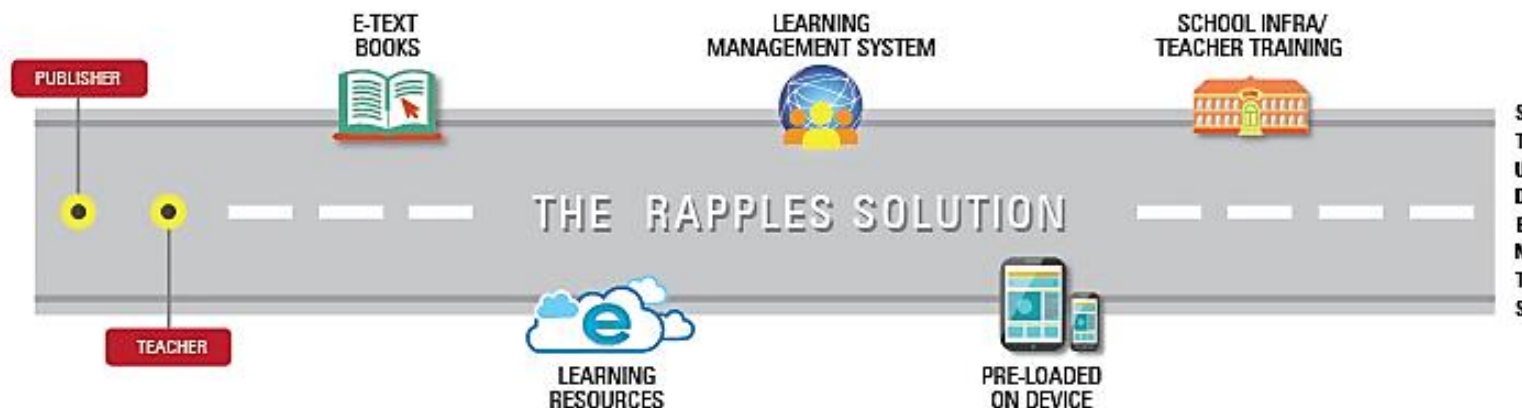
Rapples : changing the course of educational experience and outcome in India



- **State of Digital Education** : A Digital revolution is underway and this is changing the way Education is imparted
  - Customised Educational solutions are possible
  - Increased penetration of Mobile devices in schools
  - Digital Content and Personalised Learning is increasing
- **The Future Classroom : Blended Technology to augment Teacher capability**

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

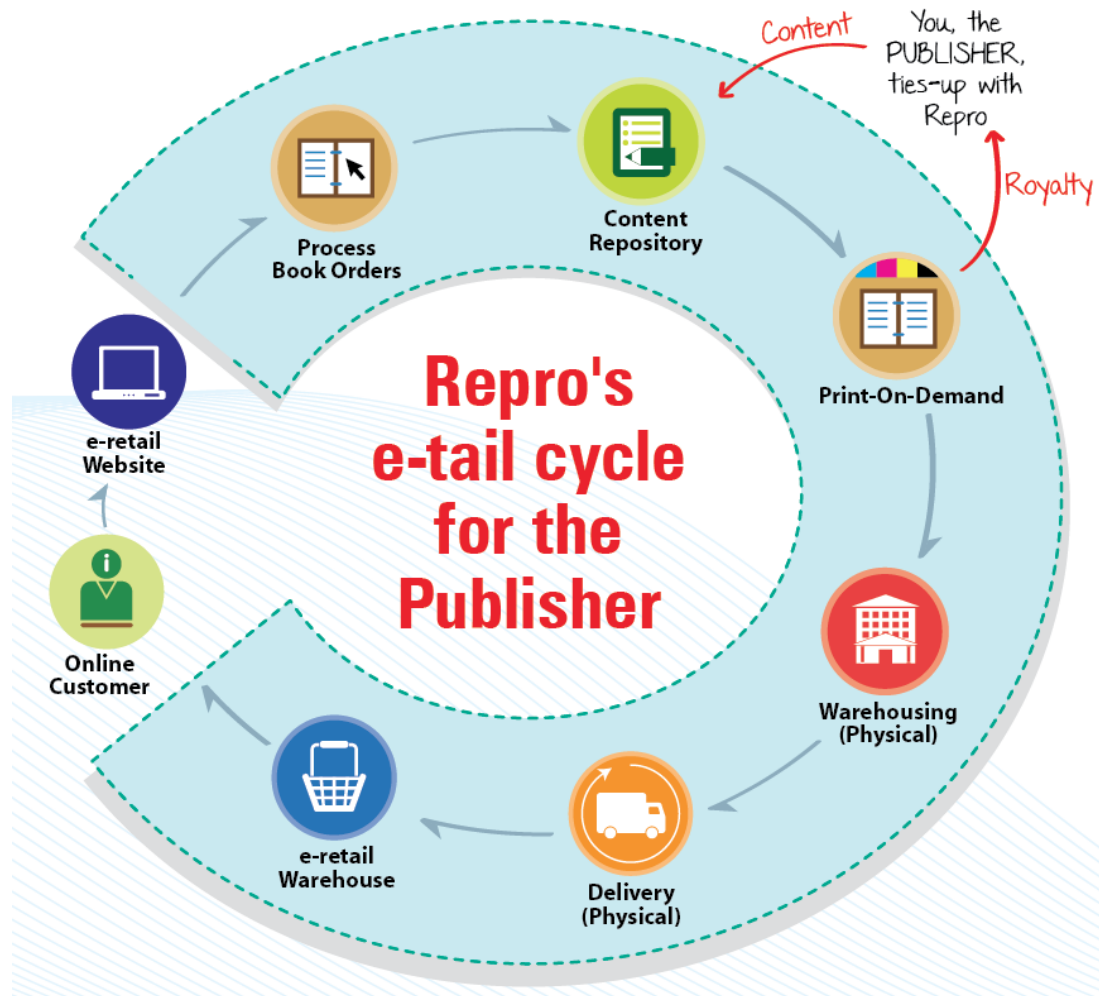
- Repro has created a customised solution **RAPPLES** : The **360 degree multi-sensory learning** experience with **pre-loaded textbooks delivered on tablet**



- Repro enables Publishers to create, store digitally, produce and reach their books to millions of children
- For students, the solution promotes “bagless” learning with the benefits of multimedia and interactive learning
- Repro has already invested Rs. 22 crores over the last 2 years in Rapples, all of which has been written off as expenses.

## 3. New Initiatives : The exciting e-tailing opportunity

e-Fulfillment Services: The Critical component



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

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



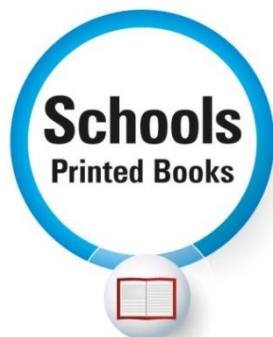
- Repro has tie-ups with international and Indian e-tailers enabling the listing of publishers titles on the e-tail site, giving the customers access to global titles with significantly reduced lead times and price
- Repro enables **publishers to increase their revenues and reach their e-tail customer** by providing a complete solution thereby improving efficiencies of the supply chain and reducing costs
- The solution includes offering the publisher a **state of the art technology content repository**, to **printing on Demand** – even a single book for the end customer – to **disbursing the royalties** back to the publisher

## 4. Exports : Strategy of Large Volume Fulfillment and Cross-selling



- 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
- Repro complements the Publishers by planning and mass producing the **right** product, at the **right** price, in the required time – **reaching it anywhere** in Africa
- **With the experience and the relationships, Repro opens additional revenue opportunities** to Indian and African publishers
- By offering them access to each other markets thus capitalising on their respective IPRs

## 5. Domestic Market : Strategy of Value Addition and Margin Growth



- Providing **integrated services and end to end solution** to content owners like educational publishers in India and globally
- Offering full services has improved the margins that Repro realises from the domestic market
- 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 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)

## The Financial Highlights

# Consolidated Financials FY2014-15

| Particulars   | 3 Months ended 31st March 2015 (Audited) | 3 Months ended 31st December 2014 (Unaudited) | 3 Months ended 31st March 2014 (Audited) | Year ended 31st March 2015 (Audited) | Year ended 31st March 2014 (Audited) |
|---|--|---|--|--------------------------------------|--------------------------------------|
| Net Sales   | 10,709                                   | 9,469   | 10,408                                   | 38,649                               | 41,136                               |
| Operating Income  | 257                                      | 199   | 171                                      | 915                                  | 973                                  |
| Total Income  | 10,966                                   | 9,669   | 10,578                                   | 39,565                               | 42,109                               |
| Expenditure   |  |   |  |                                      |                                      |
| Cost of Materials consumed  | 6,274                                    | 5,312   | 4,419                                    | 21,476                               | 21,567                               |
| Changes in inventories of finished goods, work-in-progress & stock-in-trade | (333)                                    | (38)  | 1,597                                    | 31                                   | (507)                                |
| Employee benefits expense   | 1,285                                    | 1,132   | 995                                      | 4,930                                | 4,455                                |
| Other expenses  | 2,535                                    | 1,988   | 2,656                                    | 8,444                                | 9,837                                |
| Total Expenditure   | 9,761                                    | 8,394   | 9,666                                    | 34,881                               | 35,351                               |
| Other Income  | 127                                      | 318   | 504                                      | 1,127                                | 444                                  |
| Gross Profit Before Interest, Depreciation and Tax (PBDIT)                  | 1,332                                    | 1,592   | 1,416                                    | 5,810                                | 7,202                                |
| Depreciation  | 503                                      | 454   | 450                                      | 2,006                                | 1,840                                |
| Interest  | 423                                      | 402   | 319                                      | 1,238                                | 1,931                                |
| Profit Before tax   | 406                                      | 736   | 647                                      | 2,567                                | 3,431                                |
| Tax Expenses  | 203                                      | 113   | 180                                      | 663                                  | 793                                  |
| Net profit after all taxes  | 203                                      | 623   | 467                                      | 1,904                                | 2,637                                |



# Year 14-15 over Year 13-14 - Consolidated

- 6% reduction in Revenue : 421.09 crs → 395.65crs
  - Exports reduced from 197 crores to 114 crores
    - Exports to West Africa reduced by 50% due to Ebola, Elections and Import duty scare
  - 26% Growth in Domestic (223 crores to 282 crores)
- PBT reduction from 34.31crs → 25.67crs
- PBT before Rapples & E-TAIL expense : 44.43crs → 40.17crs
  - Additional expense of 4.38 crores in New Initiatives (14.50 crores vs 10.12 crores)
- Reduction in margins due to reduced exports
  - Exports: Domestic Ratio = 29%:71% (CY) vs. 47%:53% (PY)
- Reduction in margins partially offset by growth in EBIDTA margins for domestic
  - Domestic EBIDTA improved from 9.14% to 14.2%
  - Export EBIDTA reduced from 31.2% to 17.2% (Reduction due to more government tenders, and allocation of fixed costs on lower volumes)



# 2014 – 15 Key Business Parameters

## Debtors:

| SEGMENT        | SALES  | DEBTORS | NO OF DAYS | No of days after ECGC |
|----------------|--------|---------|------------|-----------------------|
| Domestic Print | 260.31 | 95.00   | 133        | 133                   |
| Export         | 113.61 | 72.59   | 233        | 120                   |
| Digital        | 21.15  | 4.32    | 75         | 75                    |
| Total          | 395.07 | 171.91  | 158        | 126                   |

## Opening Order Book:

| SEGMENT  | ORDER BOOK 1.4.2015 | ORDER BOOK 1.4.2014 |
|----------|---------------------|---------------------|
| DOMESTIC | 33.52               | 33.18               |
| EXPORT   | 26.22               | 1.24                |
| TOTAL    | 59.74               | 34.42               |

## Capex:

Rs 19.3 crores (12.29 crores- Maintenance Capex and Balance New Equipment)



# Thank You

