

Repro India - Strategic Direction and Progress : Q2 2015-16

Content Aggregation to Effective Dissemination

November 10, 2015

Financial Year 2015-16 : The Annual Strategic Direction... A quick recap and progress in Q2

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

Progress Update - On course with the strategic direction

1. Content Aggregation to Effective Dissemination

Repro : “The In-Between Miles”

Bridging the ‘in-between’ miles between the publisher and his reader

From Content Designing to Digital Warehousing.....

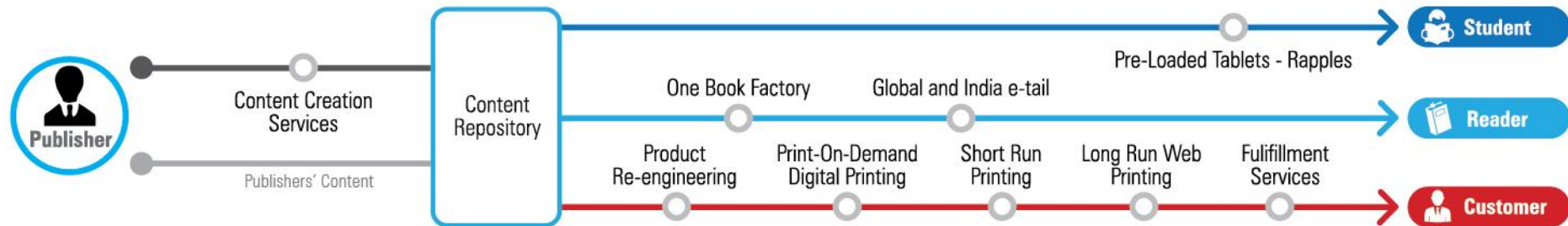
From Content Adaptation to Multimedia Enhancements

From producing millions of books for students

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

1. Content Aggregation (cont.) : Repro's Value Chain

Content Aggregation to Effective Dissemination



1. Content Aggregation (cont.)

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



Content Aggregation and Effective Dissemination

2. New Initiatives : The exciting e-tailing opportunity

Content Aggregation to Dissemination of even One Book to e-tail Customers



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-ups with global aggregators

FY 2015-16 – Q2 Strategic Results

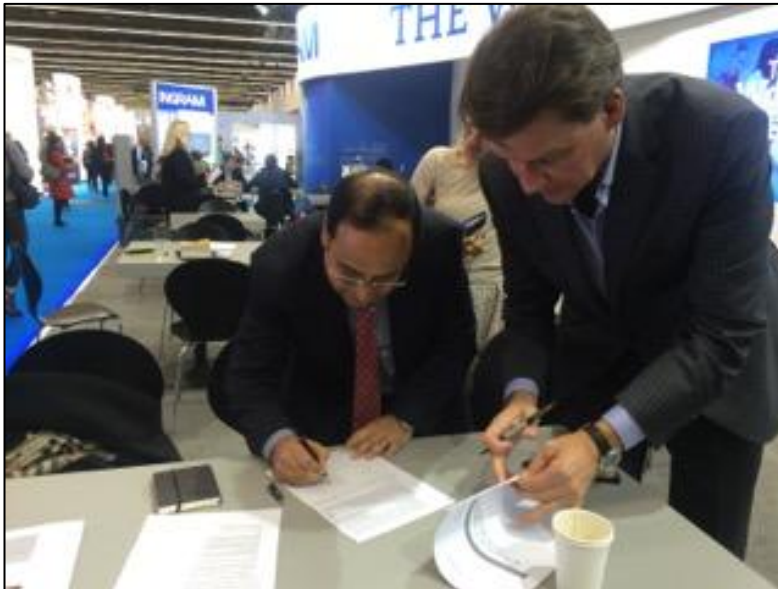
2. New Initiatives : The exciting e-tailing opportunity



finalises its tie-up with the over \$ 2 billion Ingram Group

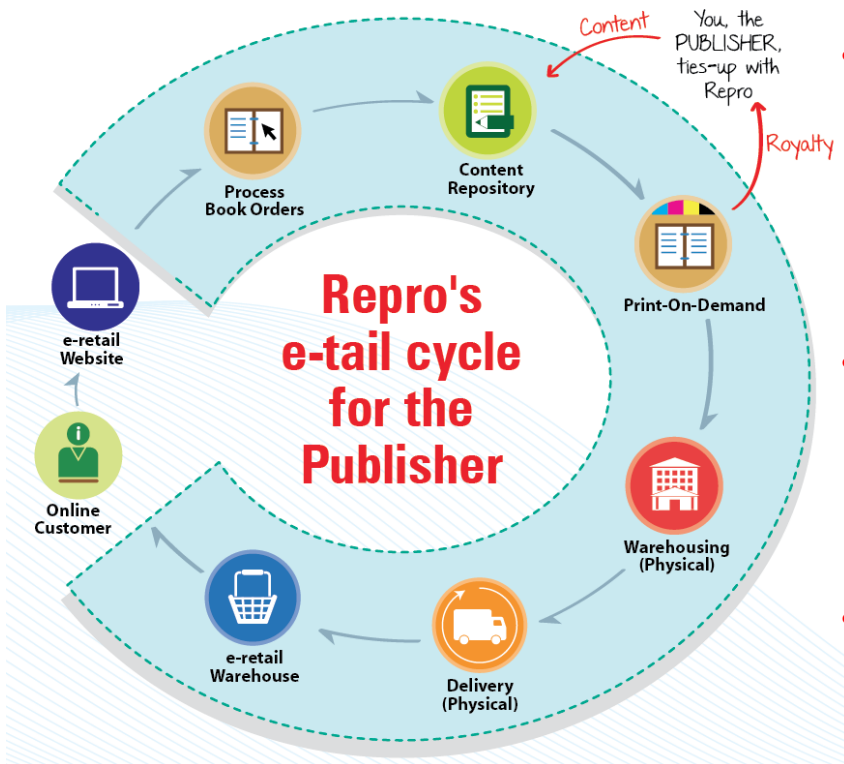


.. and **signs the Global Connect Partner Agreement** at the Frankfurt Bookfair becoming **one of only 8 partners** around the world



FY 2015-16 – Q2 Strategic Results

2. New Initiatives : The exciting e-tailing opportunity

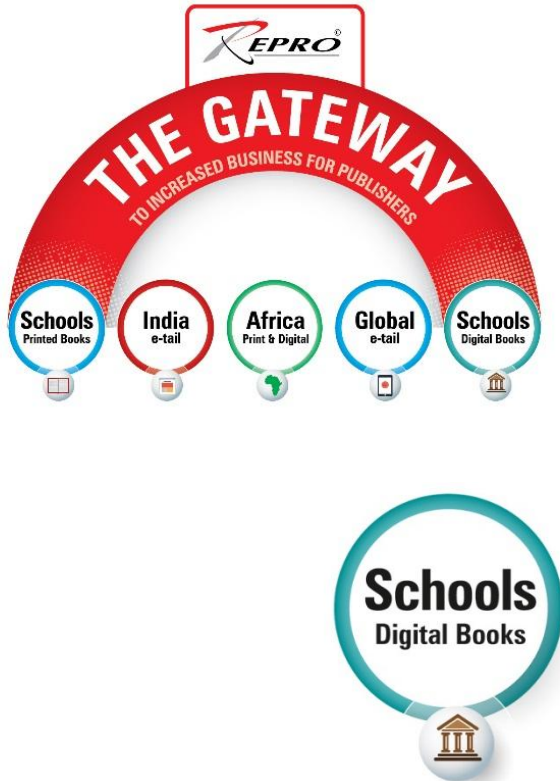


- **About Ingram :** The US-based Ingram Content Group is one of the world's largest content aggregators and distributors for books.
- Ingram started as a textbook depository and has transformed into a comprehensive publishing industry services company that offers numerous solutions, including **physical book distribution, print-on-demand and digital services.**
- Repro will be Ingram's **Global Connect Partner**, giving publishers from across the world the ability to make content available through local print-on-demand and distribution facility in India.
- Ingram will leverage **Repro's existing capabilities in providing content, print and fulfillment solutions** to publishers, education institutions and corporations.
- Global Publishers will benefit from the Repro **advantage to reach their content to e-tail customers** all over India – cost efficiently and in double quick time!

3. New Initiatives : Rapples, enhancing digital education

Rapples : changing the course of educational experience an outcome in India – the evolving model

- **Position paper- Educational Technology - NCERT, March 2006:**
 - In the absence of assured access to alternative support materials - textbooks have come to play a dominant role in the teaching-learning process.
 - Textbooks combined with examinations which test what has been memorized have exerted a stranglehold over the educational system in India.
 - 40% of Indian Publishing industry (Rs. 4,800 crore) – Curriculum books
 - **Catering to un-aided and semi-aided schools**
 - **Using their digital content for enhancing ebooks**



3. New Initiatives : Rapples, enhancing digital education



Rapples Junior at SE International

- **Rapples - Providing an architecture for active learning** inside the classroom & self learning outside the classroom (employ the architecture of Flip delivery) 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
- **The Future Classroom : Blended Technology to augment Teacher capability**
- **Rapples solution deployed for CBSE, ICSE, MSEB, IGCSE and IB Boards** for nearly 2000 students in over 15 schools



3. New Initiatives : Rapples, enhancing digital education



Rapples launch function at NPKT, Ville Parle

- **Rapples – A deepening engagement** : deployed in schools – some recent key highlights
 - Rapples launched at **NPKT, Vile Parle (E)**
 - 160 Students on Rapples
 - English, Hindi, Marathi and Gujarati apart from Maths and Science
 - Rapples Junior at **SE International**
 - Existing full scale deployment of 150 Students since last year
 - Another addition of 300 Students on RAPPLES junior...a tablab program for Pre-K till Primary
 - **Podar International School, Mumbai**
 - Over 750 Students ONLY on Rapples...100% digital
 - Scheduled Progression tests and Assessments on Rapples Ecosystem twice every week
 - Entire LESSON repository being created on Rapples
 - Conducted the first ever Terminal Examination on Rapples ecosystem successfully...!
 - **SM Shetty, Mumbai**
 - Leading IGCSE School...recently moved on to Rapples

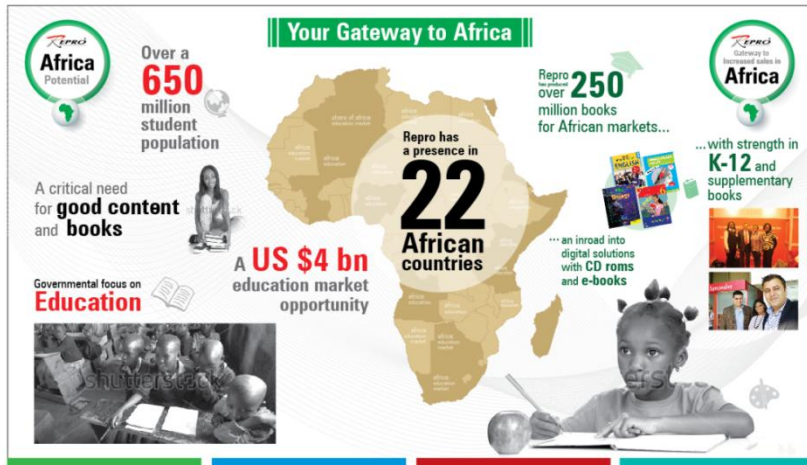
4. Exports : Strategy of volume growth and margin

Africa : Over a 1 billion \$ opportunity



- 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
- Focus on tender business not only in Africa but other developing countries

4. Exports : Strategy of volume growth and margin

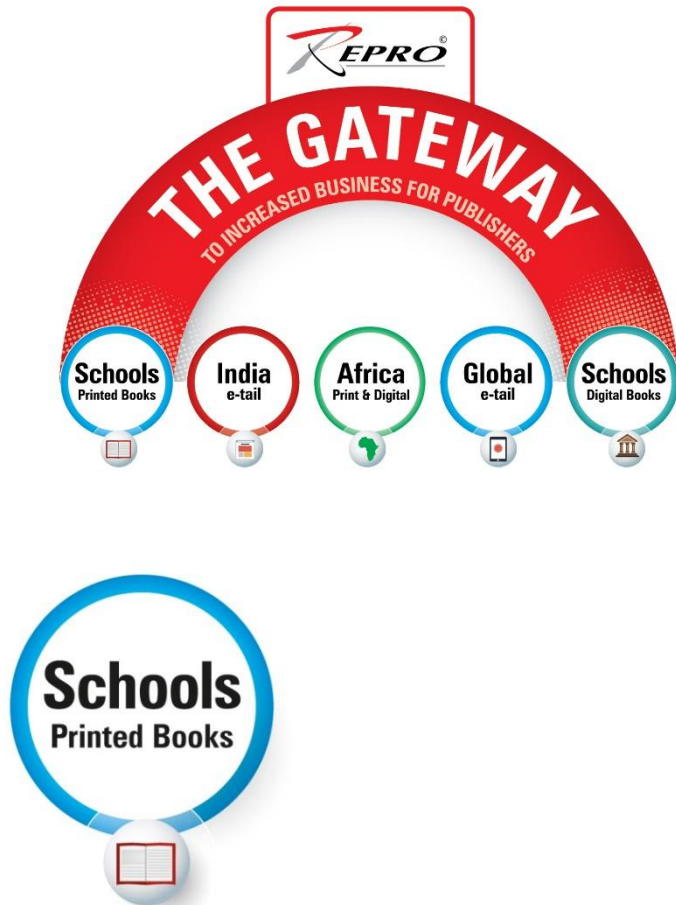


- Acquisition and seamless execution of Government Tenders :
 - Madagascar
 - Mauritius
 - Afghanistan
 - Malawi
- Apart from a strong presence with existing clients, the following have been added with a potential of \$ 15 to 30 Mn.
 - **Ghana** : Fonky, Flamingo, Icon, Legend Ventures
 - **Francophone Countries** : Fratmat / Vallesse
 - **East Africa** : Claim, RTI, EDC, Alston Publishing, Maiden
 - **South Africa** : Booklove, Lectio
 - **Nigeria** : Hannon Publisher and also identified new publishers potential - Thursmay Publishers \$ 1 Mn



5. Domestic Market : Strategy of Value Addition and Growth

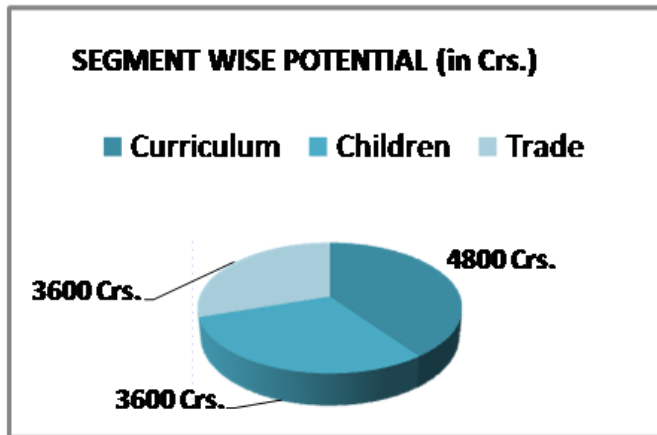
The Revolution in the Indian Publishing Industry : Repro's Role



- 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

5. Domestic Market : Strategy of Value Addition and Growth

The Revolution in the Indian Publishing Industry : Repro's Role



Inauguration of Educational Series created by Repro

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

- 12,000 crores; 16,000 Publishers; 4 million titles (estimated)
- Repro - Leveraging over 2 decade old relationships with publishers to aggregate their content
- Repro – Replicating Proven Global Production & Distribution model for physical and digital content
- **Tied-up businesses with the following MNC publishers for their India and Global Business :**
 - **OUP, CUP, Elsevier**
- Value addition in terms of a full service offering
 - Content services
 - Print – short and long run
 - Fulfillment services

Key Strategies to counter challenges

- **Increase in Debtors :**
 - Strategically increased sales in Africa
 - The exports thus increased from **Rs. 62 cr** in H1 '14-15 to **Rs. 95** crore in H1 '15-16 - 53% growth
 - Due to longer secured credit terms for exports there was an increase in debtors

- **Decrease in domestic business :**
 - While in business from India, the focus was on decreasing debtors, therefore many orders from Indian publishers not executed till payments received
 - This did result in lower outstandings and lower debtors
 - However also in lower level of sales

- **Global Uncertainties :**
 - In Nigeria and overall in Africa, the headwinds were very strong in terms of their foreign exchange fluctuations, political uncertainty, social unrest etc.
 - This resulted in higher reliance on government tenders which led to lower margins

- **Newer Initiatives :**
 - As discussed earlier, the e-tail business and Rapples will continue being the focus in terms of future businesses

Q2 2015 – 16 Financials Consolidated

Particulars	3 Months ended 30th September 2015 (Unaudited)	3 Months ended 30th June 2015 (Unaudited)	3 Months ended 30th September 2014 (Unaudited)	6 Months ended 30th September 2015 (Unaudited)	6 Months ended 30th September 2014 (Unaudited)	Year ended 31st March 2015 (Audited)
Net Sales	9,285	11,260	9,227	20,544	18,458	38,649
Operating Income	306	421	174	727	447	915
Total Income	9,591	11,681	9,401	21,272	18,905	39,565
Expenditure						
Cost of Materials consumed	4,796	5,876	4,744	10,672	9,736	21,476
Changes in inventories of finished goods,work-in-progress &stock-in-trade	80	159	27	239	402	31
Employee benefits expense	1,318	1,287	1,149	2,605	2,297	4,930
Other expenses	2,474	3,119	2,291	5,593	4,381	8,444
Total Expenditure	8,668	10,441	8,211	19,109	16,816	34,881
Other Income	43	92	148	135	765	1,126
Gross Profit Before Interest,Depreciation and Tax(PBDIT)	966	1,333	1,338	2,298	2,855	5,810
Depreciation	512	517	480	1,028	978	2,006
Interest	376	464	170	840	381	1,237
Profit Before tax	78	352	688	430	1,497	2,567
Tax Expenses	31	111	123	142	341	663
Net profit after all taxes	47	241	565	288	1,156	1,904



Segment wise Revenue H1 2015-16

	H1 15-16 Sales		H1 14-15 Sales		Growth
Domestic	11,725		12,665		-7%
Export	9,547		6,240		53%
Total	21,272		18,905		13%
Export	45%		33%		
Domestic	55%		67%		



H1 15-16 over H1 14-15

- 13% Growth in Revenue : 189.05crs → 212.72crs
- Operating Profit before Rapples & E-TAIL expense : 33.42crs → 31.43crs
- Operating Profit after Rapples & E-TAIL expense : 28.55crs → 22.98crs
- PBT before Rapples & E-TAIL expense : 19.84crs → 12.75crs
- **The total investment in new initiatives in H1 were Rs. 8.45 crores – this has been totally expensed out.**



Thank You