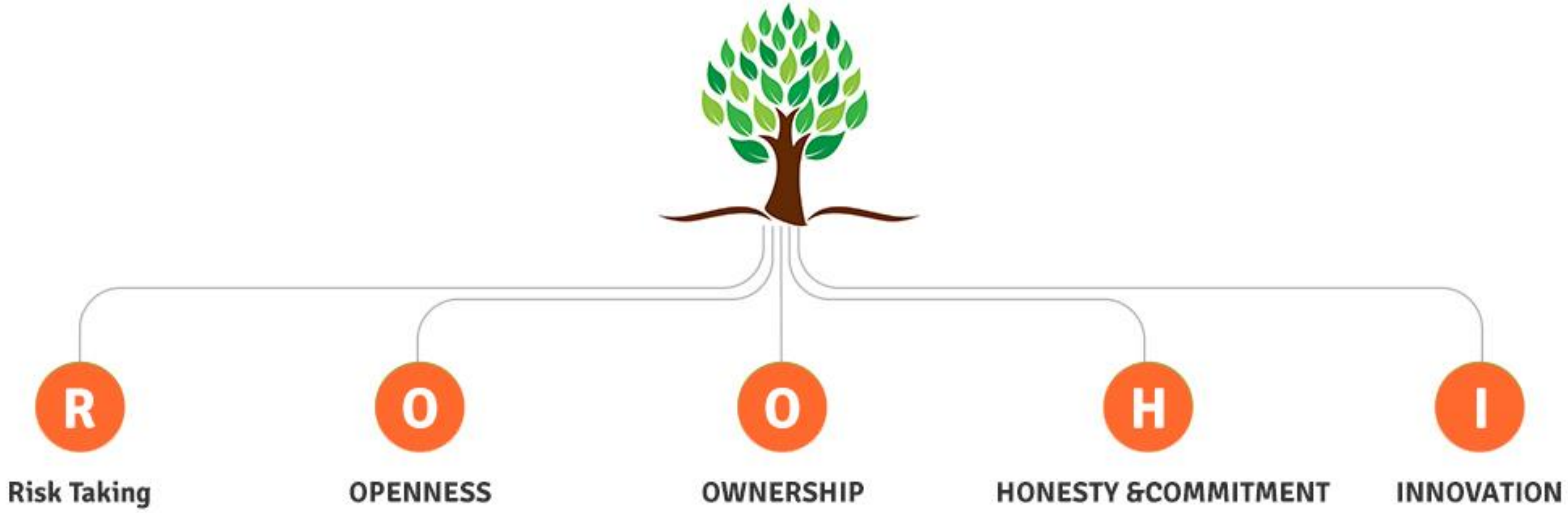
Excellence In Education. Since 1995

Q2 FY19-20 Investor Presentation

Presented by: **CL EDUCATE LIMITED**

Core Values


R
Risk Taking
O
OPENNESS
O
OWNERSHIP
H
HONESTY &COMMITMENT
I
INNOVATION

Safe Harbor

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FY 18-19 or FY 19 means the year ending March 31, 2019
FY 19-20 or FY 20 means the year ending March 31, 2020

H1 FY20 means half year ending Sep 30, 2019
H1 FY19 means half year ending Sep 30, 2018

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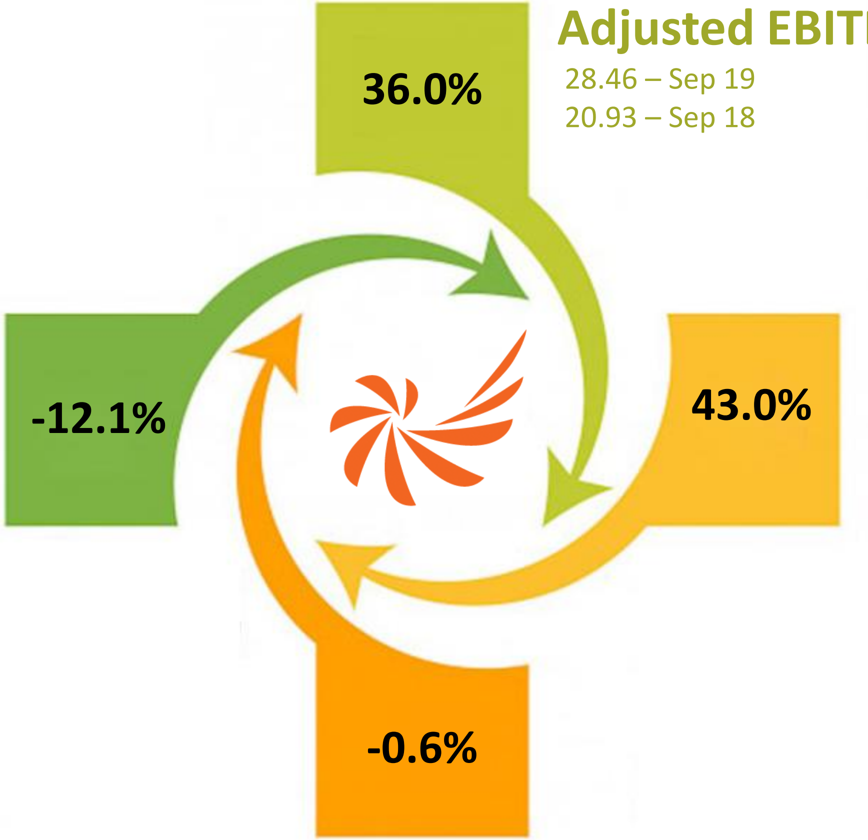
H1 Consolidated Financial Results – Brief Snapshot



Adjusted EBITDA
28.46 – Sep 19
20.93 – Sep 18

EBITDA
- ✓ 25.26 Cr – Sep. 19 (Margin: 13.1%)
- ✓ 23.99 Cr – Sep. 18 (Margin: 12.3%)

5.3%

Net Profit^
- ✓ 9.87 Cr – Sep. 19
- ✓ 11.22 Cr – Sep. 18

^Continued Ops

Total Enrollments
- ✓ 66,149 – Sep. 19
- ✓ 46,244 – Sep. 18

Revenue from Ops*
- ✓ 187.91 Cr – Sep 19
- ✓ 189.02 Cr – Sep 18

**IND AS 115 Impact*

H1 FY 2020 Consolidated Financial Results

Rs. In Cr.

	H1 FY20	H1 FY19	Y-o-Y (%)
Revenue from operations	187.91	189.02	-0.6%
Other income	4.86	6.08	-20.0%
Total Income	192.77	195.09	-1.2%
Total expenses	178.37	178.79	-0.2%
EBITDA	**25.26**	**23.99**	**5.3%**
PBT (Continued Ops)	**14.24**	**16.29**	**-12.6%**
PAT (Continued Ops)	**9.87**	**11.22**	**-12.1%**

	Sep 19	Sep 18
Basic EPS (In Rs.)	6.97	7.92
EBITDA Margin	13.1%	12.3%
Net Profit Margin	5.6%	6.5%

- Revenue from Operations impacted by IND AS 115.
  - IND AS 115 impact was being evaluated in H1 FY19; Accounted for in Later half

Results Link: Q2 FY20 Results

H1 FY 2020 Adjusted EBITDA

Rs. In Cr.

	H1 FY20	H1 FY19	%
EBITDA	**25.26**	**23.99**	**5.3%**
Adjustments			
Add: IND AS 115 (Net Impact)			
CL Media	*0.33*		
GKP	*0.24*		
Add: Vocational Write offs	2.75	1.20	
Less: SP One-time Revenue	0.11	1.20	
Less: Liabilities netted off	-	3.07	
Adjusted EBITDA	**28.46**	**20.93**	**36.0%**

H1 FY 2020 Segmental Metrics

Rs. In Cr.

	Particulars	H1 FY20	H1 FY19	YoY (%)
Revenue	Total Revenue from Operations	**187.91**	**189.02**	**-0.6%**
	Consumer ^	**125.34**	**129.76**	**-3.4%**
	- Test Prep	106.32	106.64	-0.3%
	- Publishing*	19.02	23.12	-17.7%
	Enterprise ^	**77.64**	**78.49**	**-1.1%**
	- Corporate	67.23	67.26	-0.1%
	- Institutional	10.42	11.23	-7.2%

^Without Segmental Elimination

* Impacted by IND AS 115 .

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FY 2019 Operational Performance

Consumer Business

Enterprise Business

Consumer Operating Metrics

Consumer KPIs	H1 FY20	H1 FY19
No. of Test - Prep Centers	182	188
No. of enrolled TP students	66,149	46,244
%age of online TP students	44.4%	30.2%
No. of books sold	541,586	612,209
%age of books sold to Online distributors	24.6%	21.4%

Rs. In Cr.

	Particulars	H1 FY20	H1 FY19	YoY (%)
Revenue ^	**Consumer**	**125.34**	**129.76**	**-3.4%**
	- Test Prep	106.32	106.64	-0.3%
	- Publishing	19.02	23.12	-17.7%

^Without Segmental Elimination

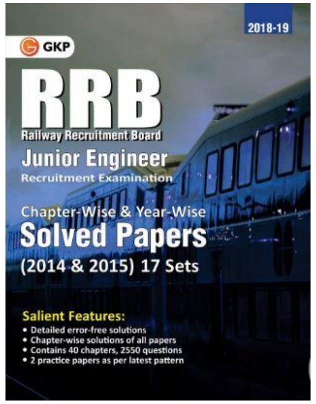
Key Highlights

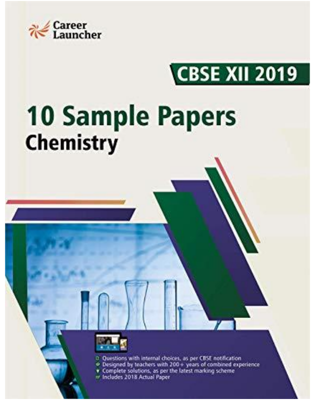
Digital & Sachet Biz – Powering Growth

- Digital Biz grew 27% (Y-o-Y)
  - Sachet programs – pilots launched : 21,000+ Students
    - GATEflix : ~14,000+ products sold in H1 FY20
    - AI / ML internships – Intel & AICTE; ~7,500 Students
- Growing volumes/Market share, Higher EBITDA, Digital Biz.
- MBA & Law stable yet increasingly competitive markets
- IPM showing positive traction

Capacity Building for Institutions through aspiration.ai

Key **Highlights**





Publishing - Snapshot

- Overall market slowdown coupled with IND AS 115 has reduced the topline
- Core BAU Biz:
  - Overall job market indicating a slowdown including Technical Jobs
  - GATE Test takers down ~36% from 2015 highs
- Traditional challenges of the industry on Inventory, Returns & Debtors remain
- Key Focus:
  - Improve payment cycle
  - Reduce old inventory

H1 FY 2020 Operational Performance

Consumer Business

Enterprise Business

MeltingPot 2020

Enterprise Operating Metrics

Rs. In Cr.

	Particulars	H1 FY20	H1 FY19	YoY (%)
Revenue^	**Enterprise**	**77.64**	**78.49**	**-1.1%**
	- Corporate	67.23	67.26	-0.1%
	- Institutional	10.42	11.23	-7.2%

^Without Segmental Elimination

- ✓ Corporate:
  - ➢ MeltingPot 2020 US edition – Good takeoff
  - ➢ Economic slowdown posing challenges due to reduced marketing spend by companies
  - ➢ Key focus:
    - ▪ International Business scaleup
    - ▪ Diversified offerings to existing clients
- ✓ Institutional:
  - ➢ TEQIP foundation laid. New projects in pipeline lined up.
  - ➢ Advertising business showing positive traction.

Contents

Operational Performance

Financial Performance

Organizational Updates

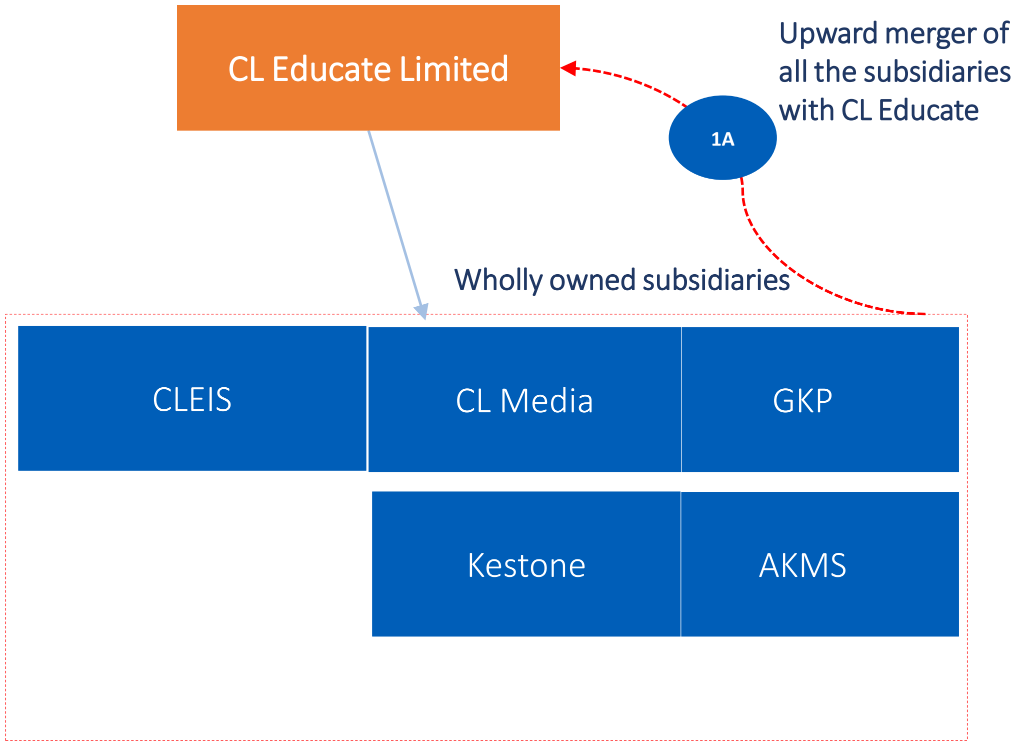
Organizational **Updates**

- ✓ Merger: NCLT Filing done. Next hearing scheduled : 14th Nov. 2019
- ✓ WAIN Fund: : Board has approved creation of a special vehicle to invest in new business opportunities

Read More

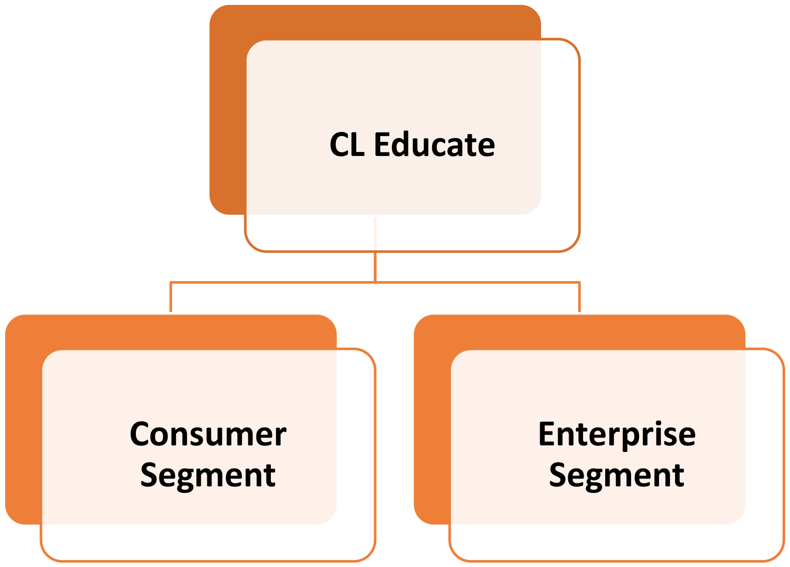
Merger Scheme

Pre-Merger Organization Structure



Composite Scheme: Merger of CLEIS, CL Media, GKP, AKMS and Kestone with CL Educate

Post-Merger Organization Structure



The 3-stage Value Proposition of Wain Fund

Univ Cloud Incubation Platform

01

- Focused on University / Corporate
- Laterals not barred

Incubation Studio

02

- 25-30 per year
- 1 Yr Accelerator
- Mentoring
  - Tech
  - GTM
  - Product

Incubation Capital

03

- 10-25K per Startup
- Part Contribution of CL CVV
- LPs: HNI & CCV & Universities
- $5Mn = 200 Startups
- $1Mn Follow-up co-investment

Thank You

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Annexures

Indian Education Landscape

Operating in sizable @$100 bn+, fast-growing industry

A $100 bn+ market growing @16% CAGR

7.2% GDP Growth expected in the $2.2 trillion Indian economy in FY18 (IMF)

Budget'19 allocation to education Is Rs 8,187 bn, Up 10% YoY

Education Industry

Regulated/ Formal
~ 2/3rd of the Industry

K-12 Education
$52 bn growing @ 14% CAGR

Higher Education
$15 bn growing @ 20% CAGR

Vocational Education
28-29 mn people to be trained by FY20 (21-22% CAGR)

CL's focus areas

Unregulated/ Informal/ Entrepreneurial

Figures in Rs Cr

Test-prep/ Coaching

JEE	GATE	Medical	MBA	Law	CA	UPSC, SSC, Bank PO
14,600	1,680	6,400	390	83	2,520	11,500

CL's market-leading offerings

Rs 37,800 Cr in FY16 growing @ 14% CAGR**

Publishing

Integral part of Test-prep services>>

Actual coaching/ mentoring
Assessments – Schools, College, Placements
Digital Publishing
Publishing

$28 mn with a growth rate of 20%

~$ 5.4 bn academic book publishing by FY21 @ 12% CAGR

Assessments

Research Services

Sunrise segment - Boosted by recently introduced universities ranking (NIRF) by MHRD, increased corporate demand for innovation & research solutions

Skill Training

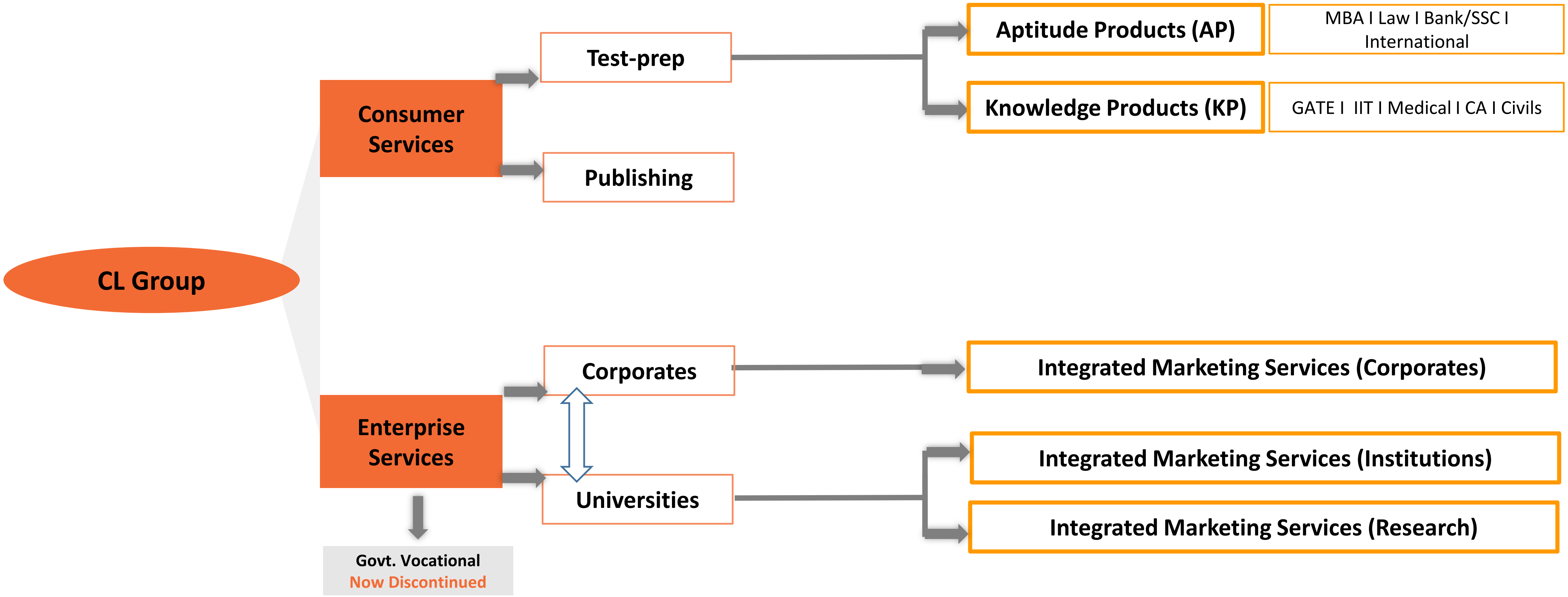
Huge Employability Skills demand – ~1mn youth enter the job market every month, Government encouraging Public Private Partnerships for Skill Training

EdTech

India's digital learning market is ~$2bn in 2016, and is expected to reach $ 5.7bn by 2020, , online market to 8-fold by 2021 to reach $2bn

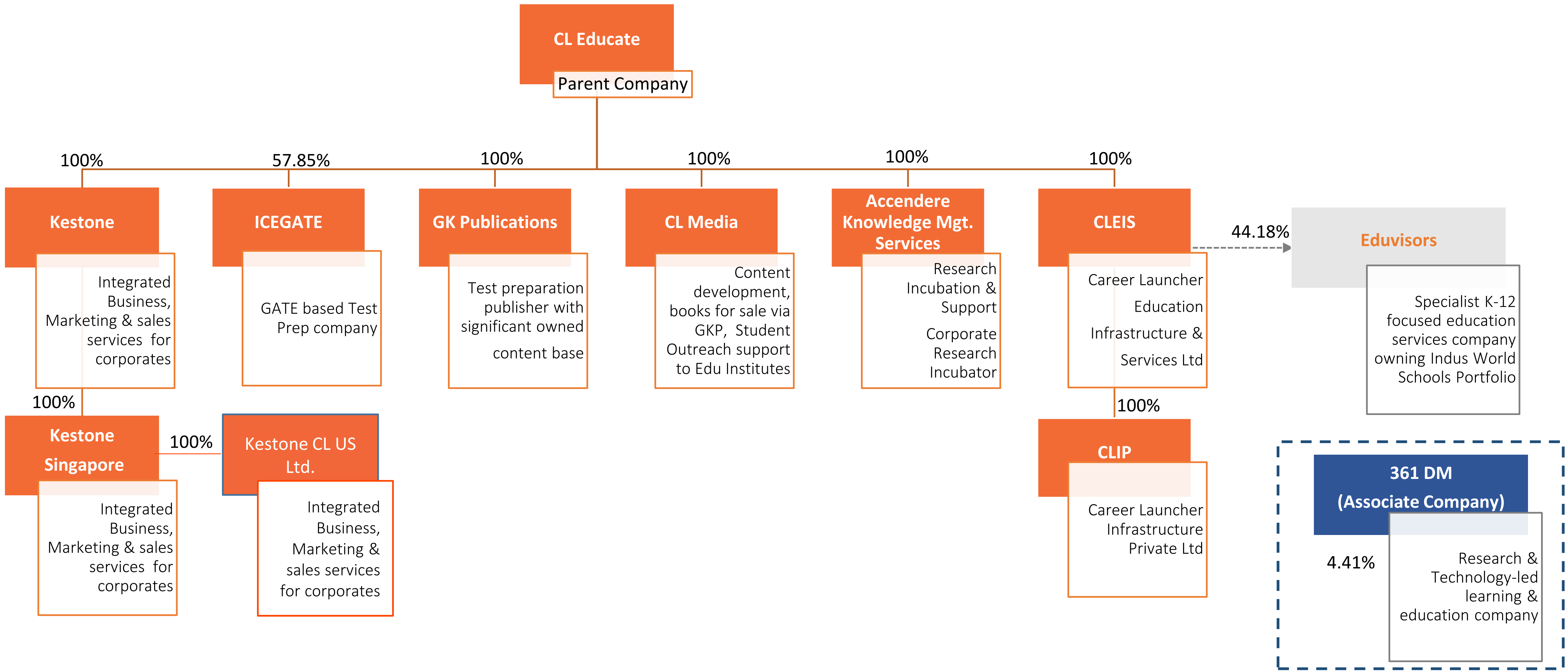
Source: Technopak, CAGR – 2016 to 2020
** Source: CRISIL, Google & KPMG

Comprehensive product portfolio in Knowledge & Career Services



CL Educate Ltd | GK Publications Pvt. Ltd | Kestone Integrated Marketing Services Pvt. Ltd | CL Media Pvt. Ltd | Accendere Knowledge Management Services Pvt. Ltd

Corporate Structure



Leader in Test-Prep Segment

Consumer

Bouquet of Products (MBA, Law, Civils, GATE, Engg, etc.)

National **Test-Prep** leader

Well known **Publications** for test-prep

Delivering Successful Outcomes

70
CL Students in top 100 in the CLAT (Law) exam in May 2018

6
out of Top 10 in CLAT 18 & AILET 18

2,939
Students received calls from at least one IIM in CAT 2016 out of 19,020 calls

233
CL Students cleared Civil services (Preliminary) Examination 2016

18
selected in final merit list of the Civil Services Examination 2016 from CL

125
CL students Shortlisted in SBI PO Mains Exam in 2017

Growing Brand Equity from Sustainable Strengths

1. **Most comprehensive product-reach portfolio**: 12 product groups + Network of 212* centers pan India & ~25K online users in FY18

2. **Household Test-Prep Brand** - Market leader in Aptitude Products (AP) MBA & Law offerings

CAREER LAUNCHER

3. **Scalable & asset-light business** - 212* test prep centres with 63* owned & 149 under partnership in FY18

4. **Strong Content** – Comprehensive, fully owned content, complemented by experienced faculty & trainers. *2,665 active titles (FY18) in Publishing*

5. **Technology driven** – Multiple modes to reach students via digital strategies. 28% digital enrolments in FY18

6. **New brand acquisitions** - Addition of Knowledge Products (KP) via ETEN CA & IAS business acquisition; planned majority in ICE GATE Academy

ETEN

I.C.E. Inspiring Creativity & Endeavour IES | GATE | PSU

Knowledge services for Corporates, Educational Institutions

Differentiated offerings + One of the best execution capabilities

Enterprise

Corporates
35% Share

Universities
3% Share

Unique Learning cum productivity DNA in **Corporate services**

Pioneer & Leader in **Research & Ranking** improvement services

Knowledge Services for Corporates

1 Kestone

2,500+
Creative, approachable, multidiscipline Kestonians

100+
Strong reach and infrastructure to Indian cities & 10 + global destinations

Sales
- Managed Manpower Services
- Training & Development

Marketing
- Marketing Communication
- Customized Engagement Programs
- Digital Marketing
- Experiential Marketing

Research Services & Innovation

2 CL Media

3 Accendere

For Corporate & Universities –facilitates wrt reaching out to the right student set and improving their quality of intake. Provides marketing services to corporates

For Universities – facilitates universities wrt improving their rankings through research and start-up incubation

Cross-leveraging between consumer & enterprise platforms

Brand recognition across learning life cycle

Multi-monetising of same customer at various stages of life

Using same infrastructure at different times of day and year for high ROI

CONSUMER

CL initial brand contact when she is in school….

G. K. PUBLICATIONS

Publishing division

Career Launcher

Test Prep Platform

ENTERPRISE

…She then meets us in college for test prep or experiences our research services…

ACCENDERE

Enlightenment Guaranteed

Institutional R&D platform for schools/colleges

…And then again in the workplace…

KESTONE

Corporate Marketing and manpower services

Cross sell publications to captive test prep/tutoring base

Indirect advertising for test-prep/tutoring in publications

Use Accendere to form tie-ups with schools/colleges and cross sell tutoring /test prep services

Gain student mindshare early through research projects at schools, can be later leveraged to cross sell test prep services

Leverage corporate network of Kestone to arrange industry partners for research projects at schools undertaken through Accendere

Corporate network to aid student placement services in B2B

Strong team, complete focus on governance & processes

Professionally qualified, experienced and active board

Satya Narayanan R.,
Chairman & Executive Director
- 19+ years of experience in the education sector
- Bachelor's degree in Computer Sciences from St Stephen's
- Post Graduate Diploma from IIM Bangalore

Gautam Puri,
Vice Chairman & Managing Director
- 19+ years of experience in the education sector
- Bachelor's degree in Chemical Engineering from Punjab Engineering College
- Post Graduate diploma from IIM Bangalore

Nikhil Mahajan,
Executive Director & CEO Enterprise business
- 18+ years of experience in finance and education
- Bachelor's degree in Electrical Engineering from Benaras Hindu University
- Post Graduate diploma from IIM Bangalore

Girish Shivani,
Independent Director, Chairman Audit Committee
- 23+ Yrs of exp in IT, Telecom, Media, Finance, Corporate Strategy & Operations
- Co-Founder & Managing Partner – Yournest Venture Capital

Imran Jafar,
Non-Executive & Non-Independent Director
- Co-Founder & Managing Partner Gaja Capital. 18+ Yrs exp. In PE, Pharma & Technology
- MBA from IIM-B, & Masters degree in software engineering from BITS Pilani

Viraj Tyagi,
Independent Director
- Over 21 years of experience in the financial services sector
- Post Graduate diploma from IIM Bangalore

Madhumita Ganguli,
independent Director
- Over 25 years of experience and heads a large part of HDFC

Sanjay Tapriya,
Additional Independent Director,
- CEO Uniworld Sugar Pvt Ltd
- CA & CS

High Corporate Governance

- ✓ Independent/ Nominee Directors are a majority on Board
- ✓ Internal Audit by a reputed external firm
- ✓ Audit Committee, Nomination & Remuneration Committees have only independent/ nominee directors
- ✓ Whistle-blower mechanism
- ✓ Statutory Auditors – Haribhakti & Co LLP

Key Senior Management

Arjun Wadhwa,
Chief Financial Officer (CFO)
- 10+ Yrs of Experience in education space
- Profitable entrepreneurship ventures – Thesportscampus.com & Goals for Souls.
- Post Graduate diploma from MDI, Gurgaon

R Shiva Kumar,
Chief Academic Officer
- 18+ years of experience in the private education sector,
- Bachelor's degree in Technology from IIT Madras,
- Post Graduate diploma from IIM Kolkata

Sreenivasan .R,
Chief Customer Officer
- Over 15 years of experience in the education sector,
- Master's degree in Technology from Jawahar Lal Nehru University;
- Master's degree in Business Administration from IIM Bangalore

Sujit Bhattacharyya,
Chief Digital Officer
- Over 15 years of experience in the education sector,
- Bachelor of Technology degree in Electrical Engineering from IIT Kharagpur;
- Post Graduate diploma from IIM Bangalore

Two Big Rocks - Corporate

Consolidation

Realignment

Big Rock 1

Consolidation (Capital Reallocation)

K12 ASSETS SALE

- BTA deal did not fructify; fund raising & related challenges
- Alternate asset sale conversations underway

GREATER NOIDA ASSET SALE

- Lack of demand – Outright Sale
- Potential Option – to lease out the infrastructure

Realignment (Effort and Capital)

GUIDING PRINCIPLES

- Strengthen Market Share, growth and profitability
- Strategic Entry into large addressable, scalable segments

YARDSTICKS

- Return of Investment in 3 – 4 years
- Post return, RoCE @ 20%

BUSINESS SEGMENT	PRODUCTS	BRANDS
CONSUMER	Civil Services/ CA	ETEN
	GATE	I.C.E. Inspiring Creativity & Endeavour IES | GATE | PSU
	IX-XII (Maha)	SCIENCE PARIVAR'S S. P. Classes Referred by winners, preferred by champions.
	Campus Training	Vista Mind Learn. Compete. Succeed.
ENTERPRISE	Research	ACCENDERE Enlightenment Guaranteed

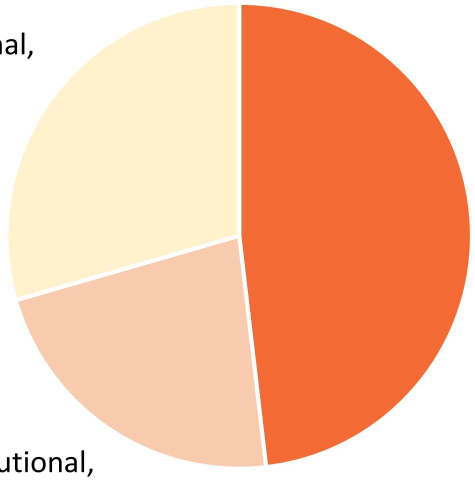
Capital Deployed since April 2017 – 22 crs

(FY 2018) 7,500 students, 26 crs Revenue, (4) crs EBITDA

(FY 2019 Estd.) 10,000 students, 37 crs Revenue, 4 crs EBITDA

Shareholding Pattern

Outstanding Shares (Sep 30, 2019)
14,165,678



Key investors > 1.75%

Investors	Shareholding %
GPE (INDIA) LTD / GAJA TRUSTEE COMPANY PRIVATE LIMITED	8.45
SUNDARAM MUTUAL FUND A/C	6.42
ARJUNA PTE LTD.	5.03
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	4.19
PRINCIPAL MUTUAL FUND	2.86
DSP SMALL CAP FUND	2.00
BLACKSOIL CAPITAL PRIVATE LIMITED	1.85