

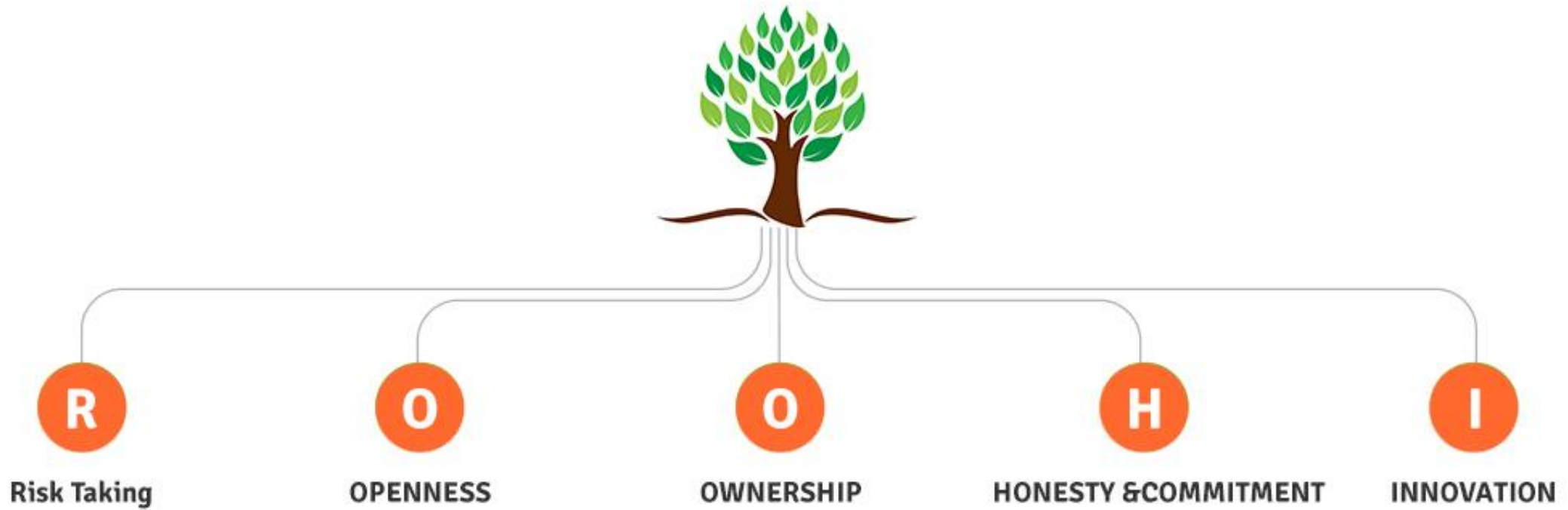


**Excellence In Education. Since 1995**  
Q2 FY19-20 Investor Presentation

---

# Core Values

---



## Safe Harbor

---

This presentation has been prepared by CL Educate Limited (the “Company”) solely for information purposes without any regard to any specific objectives, financial situations or information needs of any particular person. This presentation and its contents are confidential and should not be copied, distributed, disseminated, published or reproduced, in whole or part, or disclosed by recipients directly or indirectly to any other person. Data and comments contained in the presentation are based on what the Company believes are a reasonable representation of its businesses.

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

CL Educate Ltd. will not be in any way responsible for any action taken based on such data or comments or statements and undertakes no obligation to publicly update these data or comments or forward-looking statements to reflect subsequent events or circumstances.

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

Contents


---



Financial  
Performance

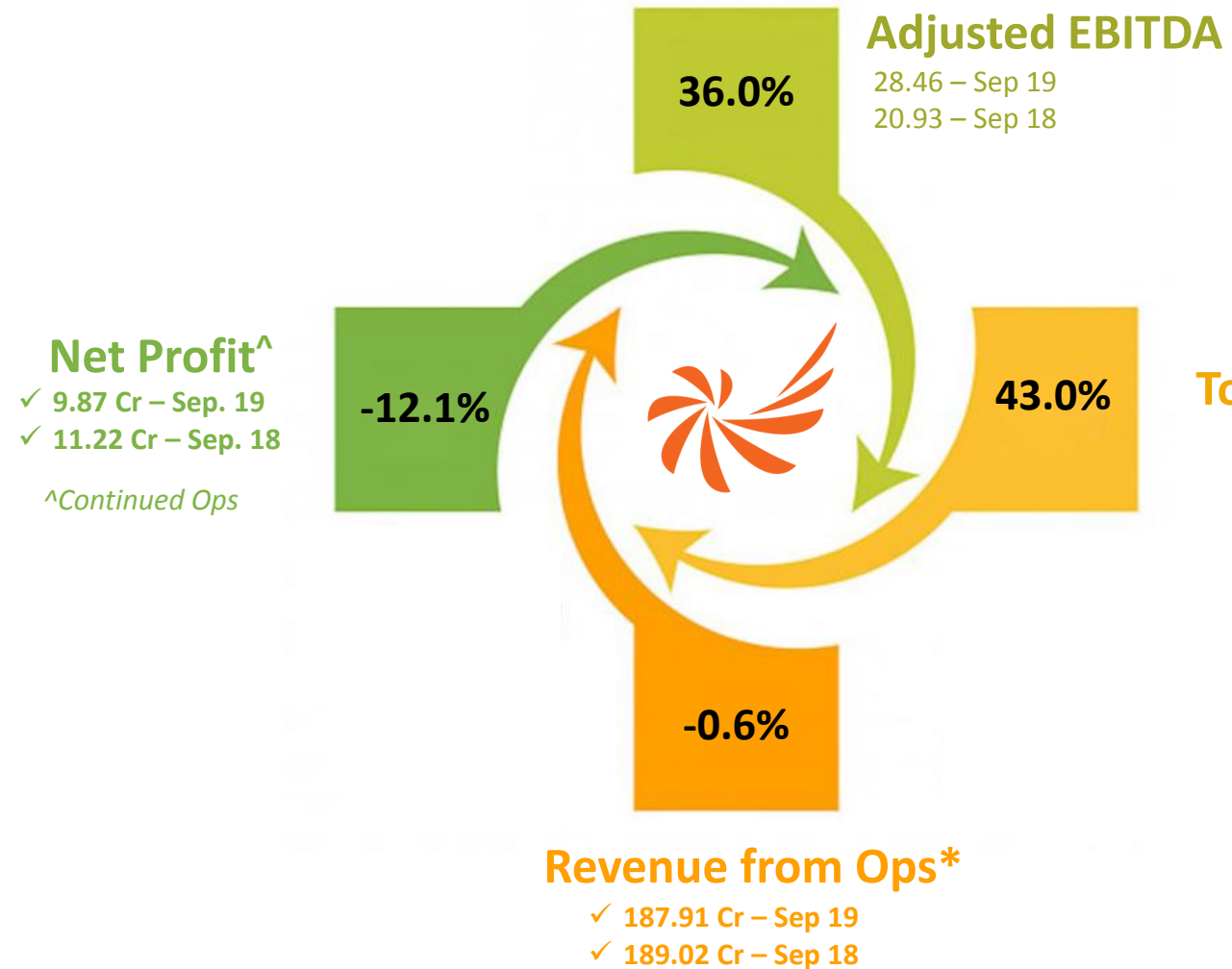


Operational  
Performance



Organizational  
Updates

# H1 Consolidated Financial Results – Brief Snapshot



EBITDA	
✓ 25.26 Cr – Sep. 19 (Margin: 13.1%)	<b>5.3%</b>
✓ 23.99 Cr – Sep. 18 (Margin: 12.3%)	

\*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	<b>25.26</b>	<b>23.99</b>	<b>5.3%</b>
PBT (Continued Ops)	<b>14.24</b>	<b>16.29</b>	<b>-12.6%</b>
PAT (Continued Ops)	<b>9.87</b>	<b>11.22</b>	<b>-12.1%</b>

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

## H1 FY 2020 Segmental Metrics



Rs. In Cr.

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

^Without Segmental Elimination

\* Impacted by IND AS 115 .



## Contents

---



Financial  
Performance



Operational  
Performance



Organizational  
Updates

## 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%

		<i>Rs. In Cr.</i>		
Particulars		H1 FY20	H1 FY19	YoY (%)
Revenue ^	<b>Consumer</b>	<b>125.34</b>	<b>129.76</b>	<b>-3.4%</b>
	- Test Prep	106.32	106.64	-0.3%
	- Publishing	19.02	23.12	-17.7%

^Without Segmental Elimination

## Key Highlights



SELECT THE SUBJECT OF YOUR CHOICE

₹ 49

Mechanical Engineering  
Electronics Engineering.  
Electrical Engineering.  
Computer Science and IT.  
Civil Engineering.  
Instrumentation Engineering.

## 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

### Machine Learning Internship

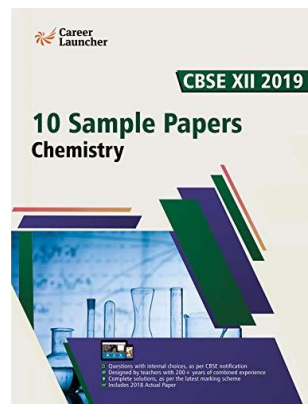
Machine Learning is one of the fastest growing fields in the world today and a Machine Learning Internship opens hitherto unknown opportunities for the participants.

This is what you will get from the AICTE endorsed Machine Learning Internship - A Chance to Transform your Career.

Duration: 8 weeks    Mode: Online    [Join Forum](#)    [WhatsApp](#)

Endorsed by     Software & Training Partner 

# 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

Particulars		H1 FY20	H1 FY19	YoY (%)
Revenue <sup>^</sup>	<b>Enterprise</b>	<b>77.64</b>	<b>78.49</b>	<b>-1.1%</b>
	- Corporate	67.23	67.26	-0.1%
	- Institutional	10.42	11.23	-7.2%

<sup>^</sup>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

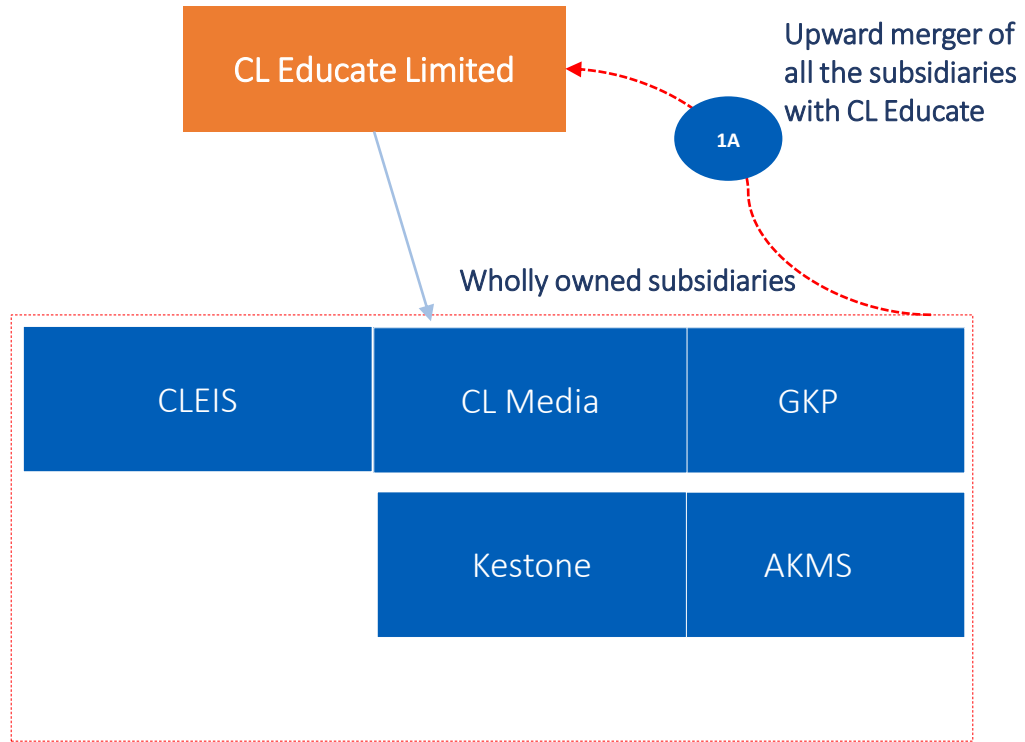
- ✓ Merger: NCLT Filing done. Next hearing scheduled : 14<sup>th</sup> Nov. 2019
- ✓ WAIN Fund: : Board has approved creation of a special vehicle to invest in new business opportunities

[Read More](#)



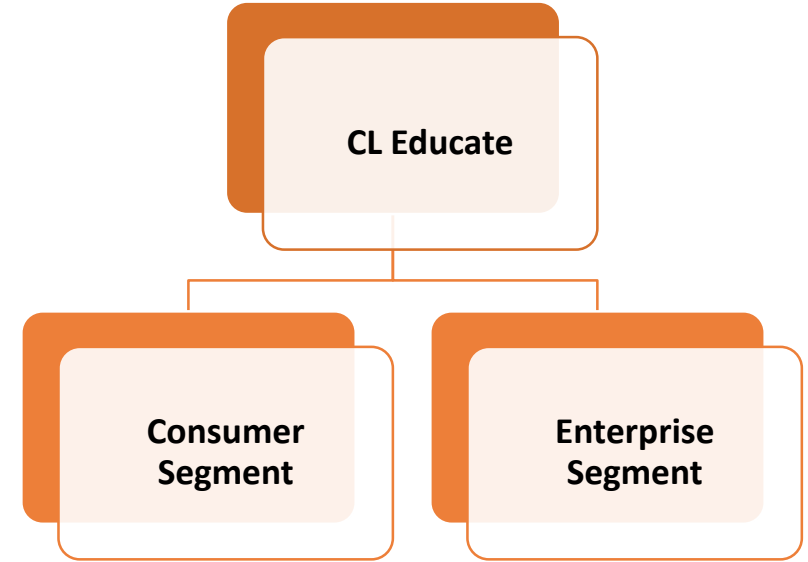
# Merger Scheme

## Pre-Merger Organization Structure

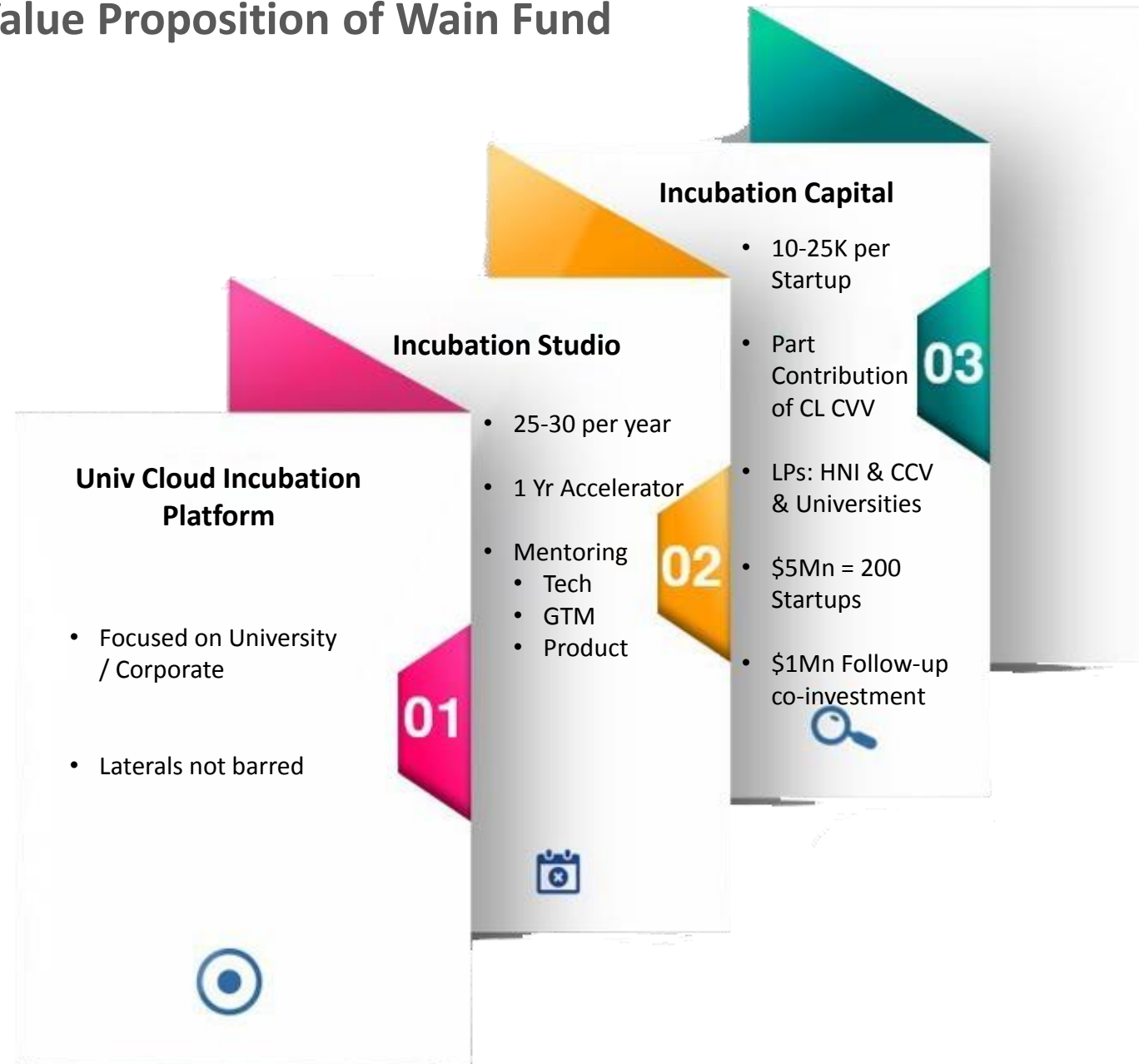


**Composite Scheme:** Merger of CLEIS, CL Media, GKP, AKMS and Kestone with CL Educate

## Post-Merger Organization Structure



# The 3-stage Value Proposition of Wain Fund





# Thank You

## For Investor Relations Queries Contact

Arjun Wadhwa  
Chief Financial Officer

**CL Educate Ltd.**

Call: +91-98116 17289

E-mail: [investors@careerlauncher.com](mailto:investors@careerlauncher.com)  
[arjun.wadhwa@careerlauncher.com](mailto:arjun.wadhwa@careerlauncher.com)

Amit Kanabar  
Investor Relations

**CL Educate Ltd.**

Call: +91-88009 76683

E-mail: [investors@careerlauncher.com](mailto:investors@careerlauncher.com)  
[amit.kanabar@careerlauncher.com](mailto:amit.kanabar@careerlauncher.com)

WISDOM IR

Ajay Jindal: [ajay@wisdomsmith.com](mailto:ajay@wisdomsmith.com)

Nirjhar Gupta: [nirjhar@wisdomsmith.com](mailto:nirjhar@wisdomsmith.com)

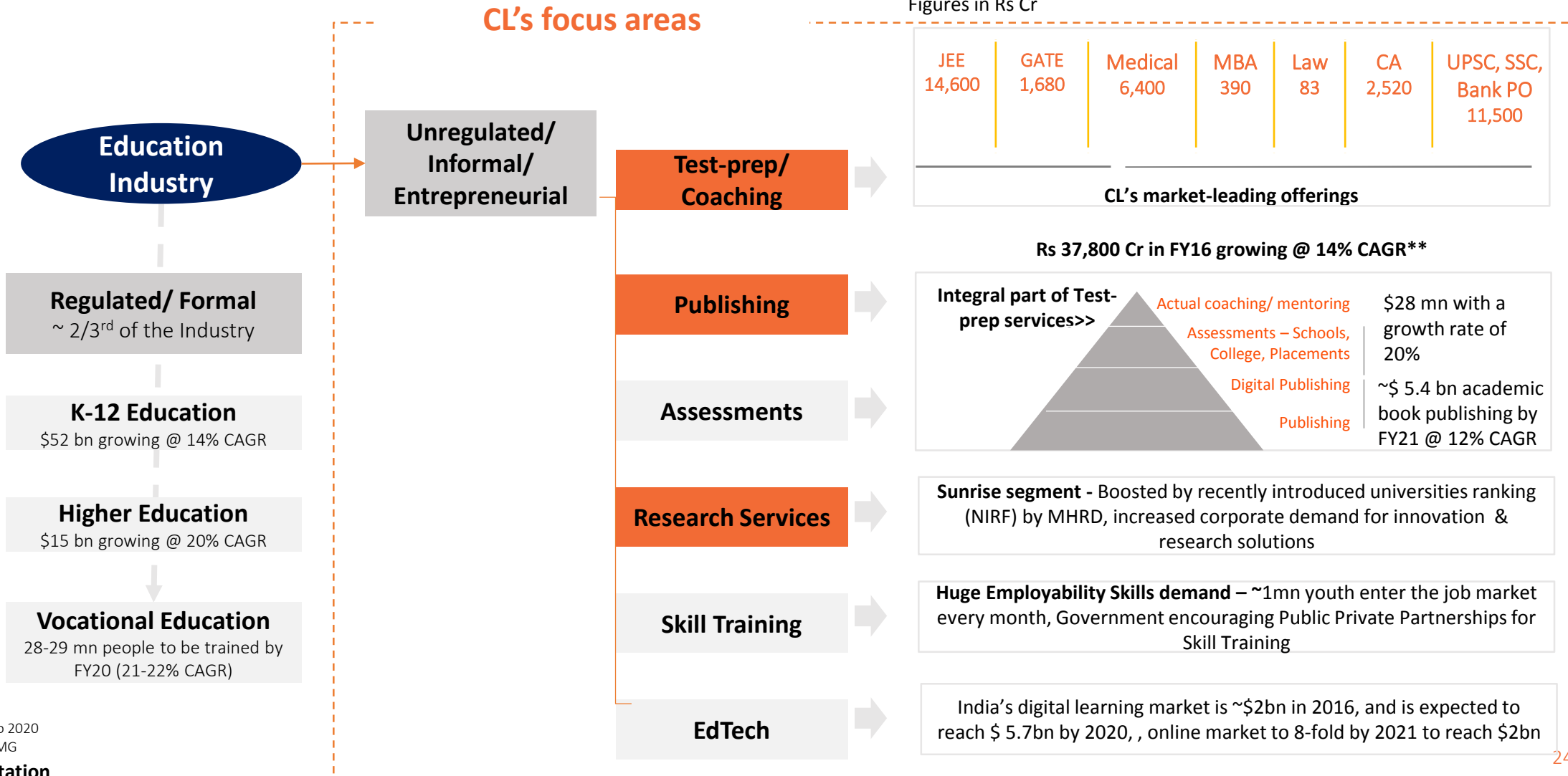
# Annexures

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

A \$100 bn+ market growing @16% CAGR

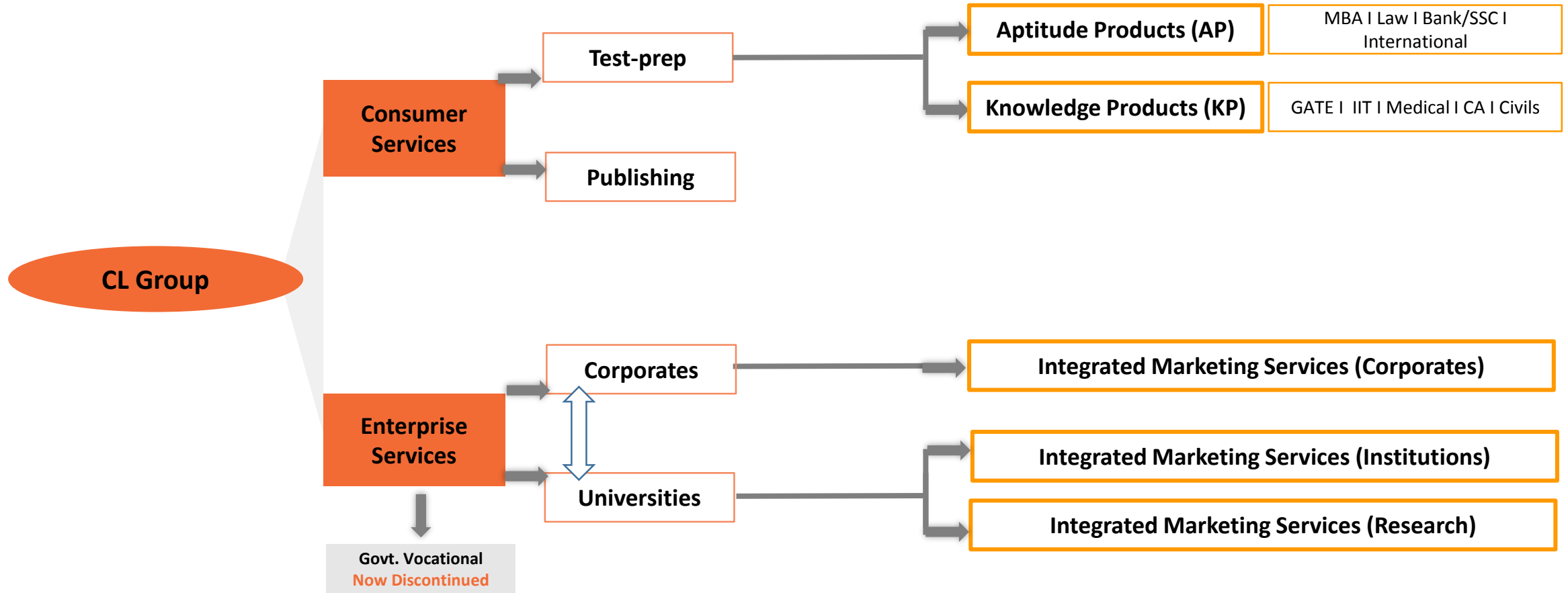
7.2% GDP Growth expected in the \$2.2 trillion Indian economy in FY18 (IMF)

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



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



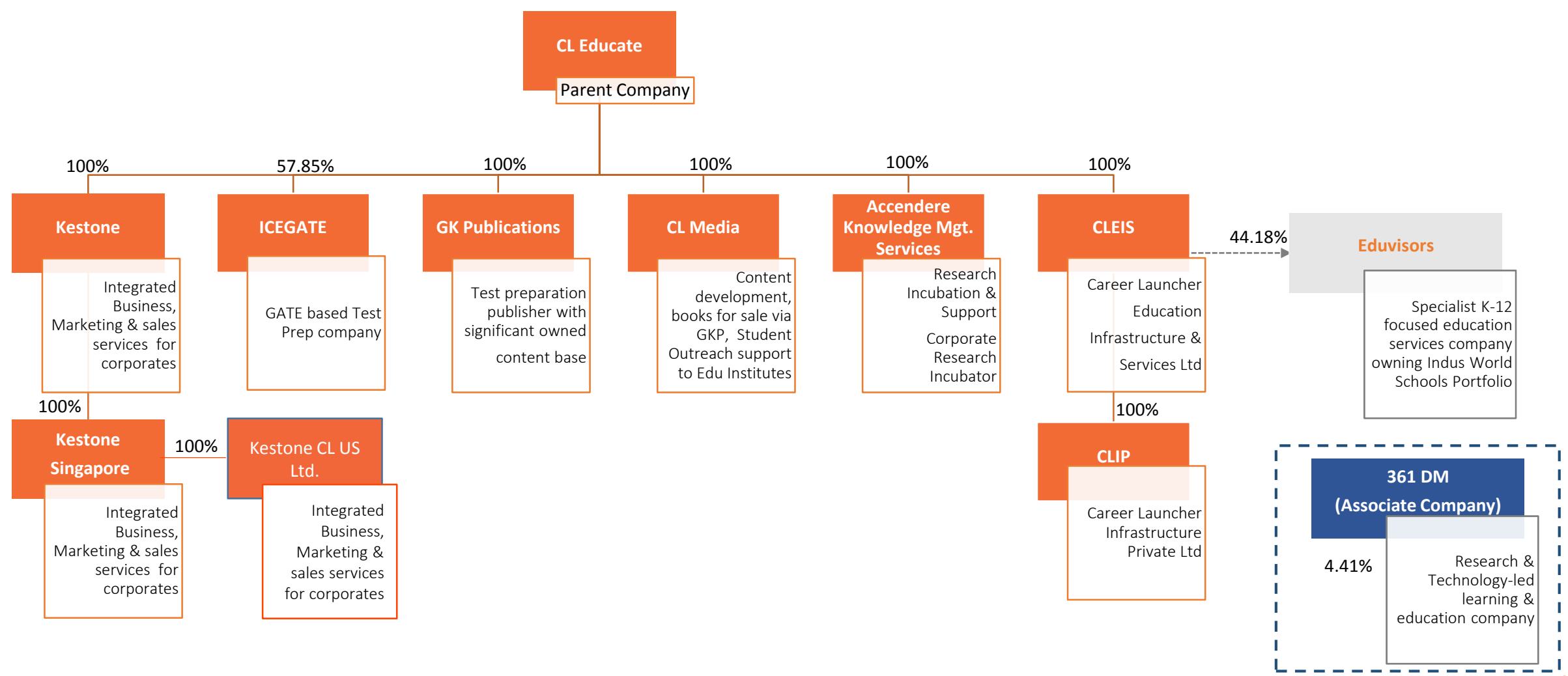
CL Media Pvt. Ltd



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
- 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



# 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

**CONSUMER**

**ENTERPRISE**

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

CL initial brand contact when she is in school....



**G. K. PUBLICATIONS**  
Publishing division

**Career Launcher**  
Test Prep Platform

...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 ethos

# 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

# 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	BUSINESS SEGMENT	PRODUCTS	BRANDS
<ul style="list-style-type: none"> <li>Strengthen Market Share, growth and profitability</li> <li>Strategic Entry into large addressable, scalable segments</li> </ul>	CONSUMER	Civil Services/ CA	
		GATE	
		IX-XII (Maha)	
		Campus Training	
<p><b>YARDSTICKS</b></p> <ul style="list-style-type: none"> <li>Return of Investment in 3 – 4 years</li> <li>Post return, RoCE @ 20%</li> </ul>	ENTERPRISE	Research	

**Capital Deployed since April 2017 – 22 crs**

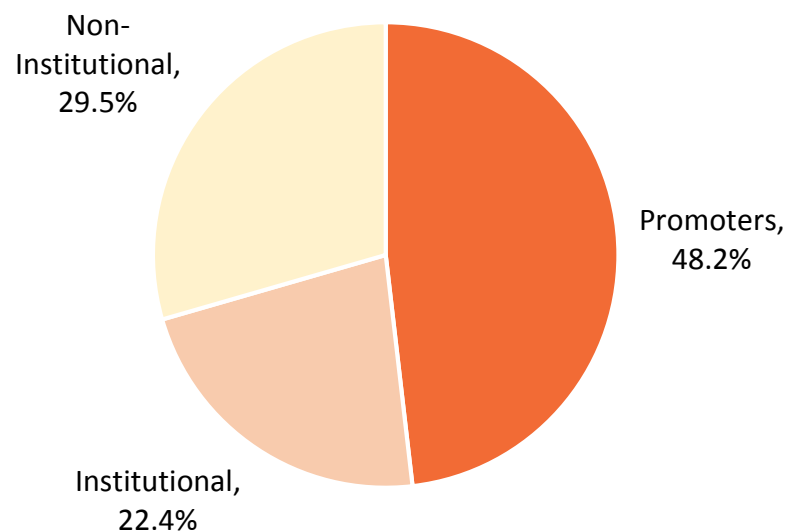
(FY 2018) 7,500 students, 26 crs Revenue, (4) crs EBITDA

(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