

PROJECT ELIXIR

Opportunity to invest in an Ed-tech player in Test Preparation Space

March 2021



Project Elixir: Ed-tech Platform Well Poised To Capture Fast-growing Online Test Preparation Space

Business Overview

- In-house developed Ed-Tech platform launched in 2017 catering to the Test-prep segment
- The Company is a 100% subsidiary of a leading Brand in Test-prep space with over 25 years of existence and has strong hybrid pan-India presence with 224 physical study centers across 100+ cities in India and the Middle East (32 owned & 192 via network partners)
- Courses offered include test prep for entrance exams for MBA, Law, IPM, GRE/GMAT, Bank PO, IAS, K-12 Tuitions, GATE, International courses, etc. Courses compiled by sectional tests, mock full-length like tests & video content for various topics
- Powerful, online, 24x7 support platform; access as soon as students enroll with the brand. Progressive testing modules, vocab-building, mentor interactions, peer forum, updates, etc.
- Present in the most attractive space in Test Prep: Content Manufacturing for 16+ years age group. Well positioned to leverage brand's experience in MBA (~35%), Law (~40%) and IPM/ML (45% market share)

~4 Lakh

Online accounts
registered on platform

~INR 260 bn

TAM*

INR 90 crs+

GMV of platform

~58,000

Videos on platform

~25 mn

tests taken on platform

~60,000 hrs

Video content on platform

~650 mn

questions attempted on
platform

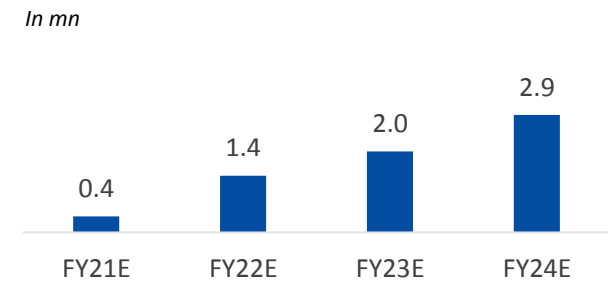
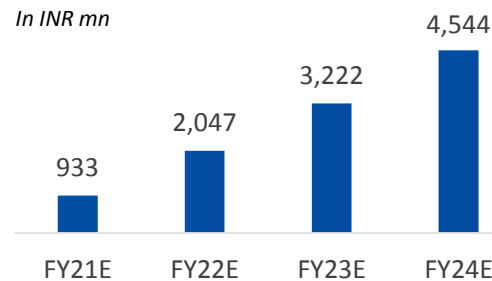
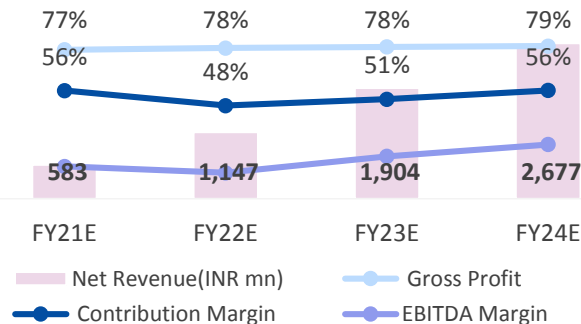
~13 lakh hrs

Of Videos viewed (FY21)

Robust Financial Performance

~5x rise in GMV expected over next 4 years

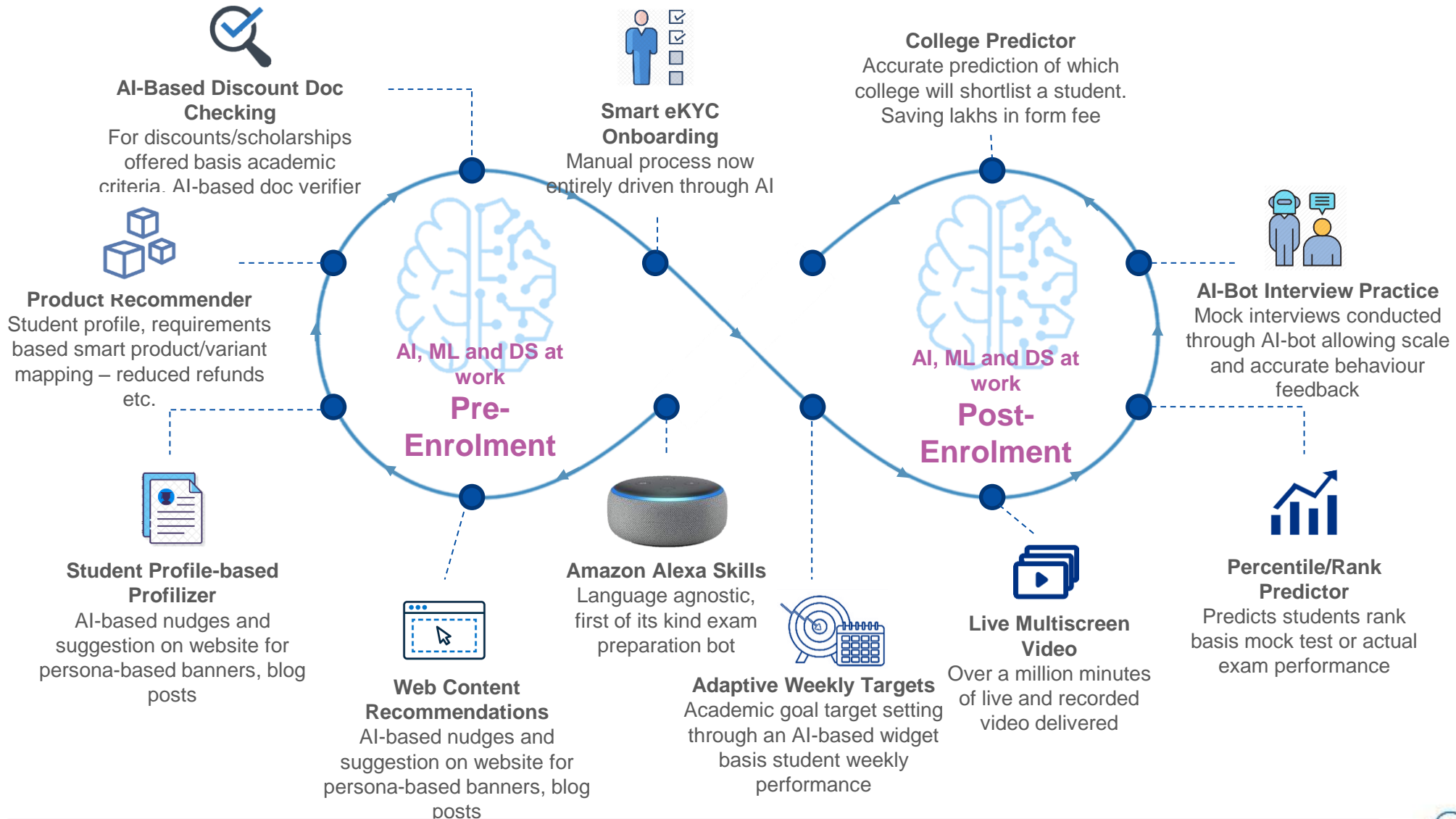
~7x increase in online accounts over next 4 years



Gross Margin: Revenue – (Direct Manpower + Delivery & Internet Cost)
Contribution Margin: Gross Profit – (Study Material + Royalty to CL Educate + Sales & Marketing expenses)

*TAM calculated basis inputs from Company 2. Aptitude also includes International products like CFA, FRM, SAT, GRE

Pure Play Ed-tech Platform Incorporating Artificial Intelligence In Course Enrollment & Delivery



Leveraging AI-Tech to make a difference at every customer touchpoint driving scalability

Key Investment Highlights (2/2)



Large Opportunity Supported By Industry Tailwinds

Online Test preparation space is expected to become INR 100 bn (USD 1.4bn) market by 2024 → one of the fastest growing (49% CAGR) sub-segment of the Indian Ed-Tech space driven by:



Highly skewed
Teacher: Pupil Ratio in
classrooms



Highly
competitive &
difficult courses



Attractive salary
packages offered to
successful candidates



Increase in adoption of
online tools helping rapid
spread of content



Increased reach in Tier
1 & 2 cities leading to
higher enrollments



High Brand Value & Expansion Into Diverse Courses

- ✓ High market share: (~30-35%) in MBA, (~35-40%) in Law & (40-45%) IPM/ML for FY20
- ✓ High brand value & recall to drive low cost of student acquisitions, assisted by word of mouth, successful results, etc.
- ✓ Has expanded to offer a bouquet of courses under jobs, aptitude & technical segments



Expertise Developed Over 25+ Years Of Content Manufacturing & Large Repository Of Content

- ✓ Test Preparation requires extensive & in-depth curation of course content
- ✓ Video Content length: 60,153 hours, No. of videos: 58,211 & hours of Videos viewed (FY21): 12,86,511 Hrs
- ✓ Strong presence in course content manufacturing for test prep segment for 16+ years age group and thus differentiates itself from the likes of other large Ed-Tech players in India

Key Investment Highlights (1/2)



Online Content Delivery Model : Scalability & Economies Of Mass Reach-out

- ✓ Through the online delivery mode, a content once created can be disseminated to a wider student base thereby unlocking economies of scale
- ✓ Faculty productivity will also improve significantly

	FY21E	FY24E		FY21E	FY24E
Gross Margins:	77%	79	EBITDA Margins:	17%	28%



Highly Effective Student Acquisition & Retention Strategy

Well defined KPIs to engage & retain student base:

- ✓ Identifying student cohort basis their geography, family background, etc.
- ✓ Launching new products every year
- ✓ Adding new features, gamification, buttons and screens
- ✓ Cross selling & traffic tie-ups
- ✓ Referrals
- ✓ Social media engagement through Facebook & Instagram
- ✓ Releasing free content



Young Leadership Team & High Governance Standards

- ✓ Young & dynamic leadership that understands the pulse of the ed-tech space
- ✓ Leadership with strong academic pedigree
- ✓ Defined leadership to plan & execute business objectives for every course

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