



The First 25 Years

Congratulations to you for the first 25 years of your company, and for her committed service to society through education.

Way back in 1995, Career Launcher, in her very idea or seed, was an experiment of audacity. It was an attempt to eke out an eternity out of the ephemeral. I used to find the thought of transacting my life for a monthly salary an enervating one. It instantly robbed me of my energy, and tagged me as a purpose-less mercenary. I wanted to do something that will outlast me in multiple ways—name, existence, utility to society, livelihood; as well as wealth creation for many, and so on. Career Launcher was a fortuitous offspring of that deep internal seed meeting the generous society that always welcomes creativity fired by purposefulness.

In a blink, CL is 25 years old! This is a very important moment to pause and celebrate this feat. Not all entrepreneurs, founding teams are fortunate enough to see their efforts grow into an organization. CL has not only done that but has also gone on to achieve some remarkable milestones. Becoming a household brand that is respected and reckoned with in large geographies is no mean feat. Going on to list your company on the stock exchanges is written in the fate of a minuscule percentage of entrepreneurs. Reinventing yourself every time there is a crisis; and staying relevant, is not a

very often-seen phenomenon. CL has done all of these.

Most importantly, CL Educate has stayed young, foolish, and hungry, as she takes guard for the next 25 years.

Towards a better Return on Capital

Your company has made a number of nimble changes over the past year and a half towards providing better shareholder value. Specifically, we have stayed clear of capital intensive lines of business, choosing to focus more on technology-enabled, asset-light businesses. We have been attempting to exit legacy businesses like Vocational and K-12 schools, and increase our focus on Digital as a medium for our other lines of business – be it test-prep, skill-building or marketing services. We initiated the merger process for related businesses that we acquired or that have grown well organically, in the previous financial year, and this year, we have lightened our balance sheet further by taking prudent write-offs in the aforementioned discontinued business lines. In addition to making our financials easier to decipher, it ensures that going forward, our financial statements will predominantly reflect active business lines; and not be weighed down by our past. This one-time exercise of write-offs has resulted in an accounting loss (no cash impact) in the current financials, however, our Business EBITDA (adjusted for one-time write-offs) continues to be healthy despite recent global events, and would have shown significant growth had it not been for the

Pandemic.

COVID-19: The Watershed Event

Your company has witnessed the dotcom bubble, the Y2K panic, and the South East Asia crisis. These events that played out in the last 20 years washed away many a 'hyperbole' and 'poster' companies across the globe, including in India. These occasions also led to some less-fancied entities, start-ups, and organizations emerge as winners for the next phase. CL Educate is counted among the men who got separated from the boys during each such crisis!

COVID-19 is going to be no exception, in my view. The last quarter of the Financial Year 2020 began to see the impact of COVID in parts of geographies and businesses. It was a full-blown crisis by the time we entered March 2020. The financial impact of the same is evidenced in the numbers for the year. But that was just a start.

As I write this piece, COVID-19 has had the entire world in her grip for over 100 days. Dozens of billion-dollar—as well as 100-year-legacy—companies have disappeared in that period. The businesses have got categorized into two simple baskets: Touch and Non-touch. While the former has come to a grinding halt, and is yet to see any sign of forward movement, the latter could convert this situation into an unprecedented opportunity provided they were ready for it.

CL's Response to COVID: The Outlook

Our preparedness and agility proved to be a boon yet again. Our Digital business has become the engine of growth on both sides: consumer and enterprise. The offline teams too pivoted to minimize the damage that, otherwise, could have meant a certain death.

The organization, structure, strategies, KPIs, roles, GTM timelines, and the product plan for the future have all been rapidly—and painstakingly—transformed to respond to the COVID-19 realities. As you know, these are stuff of case studies at a business school and cool topics to discuss. However, what it takes to conjure those up, while meeting the day-to-day business activities, is something to be experienced.

In short, it takes a yogic detachment, if you will. I would like to congratulate the entire CL Educate team, including Kestone and Career Launcher Groups, for the spirit, doggedness, and agility shown in the current situation.

I believe that CL Educate will emerge stronger than ever before to be counted among the most formidable EdTech companies of the coming decade. There is a certain shrinkage in the topline that we will witness. However, we will be sturdier on a bunch of KPIs that are critical in

the new and altered digital era; without giving a short shrift to the fundamentals of business, i.e., profitability and sustainable growth. CL holds this as an important part of her approach to building shareholder wealth.

I look forward to the future with as much trepidation and excitement as I felt when CL was incorporated in 1995. Our team is still a start-up that is imagining herself celebrating her 50th year in 2045! The batons shall have passed on long before that exciting day. I also always believe that it is important to visualize the future; and then work towards making it a reality. Today, we are rededicating ourselves to the next 25 years of commitment and service to the society through education. Shareholder wealth will have taken care of itself when we do justice to all the stakeholders that are important to our purpose and journey. Most importantly, the Learner. Across the globe!

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