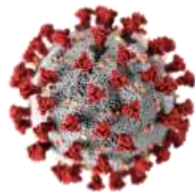




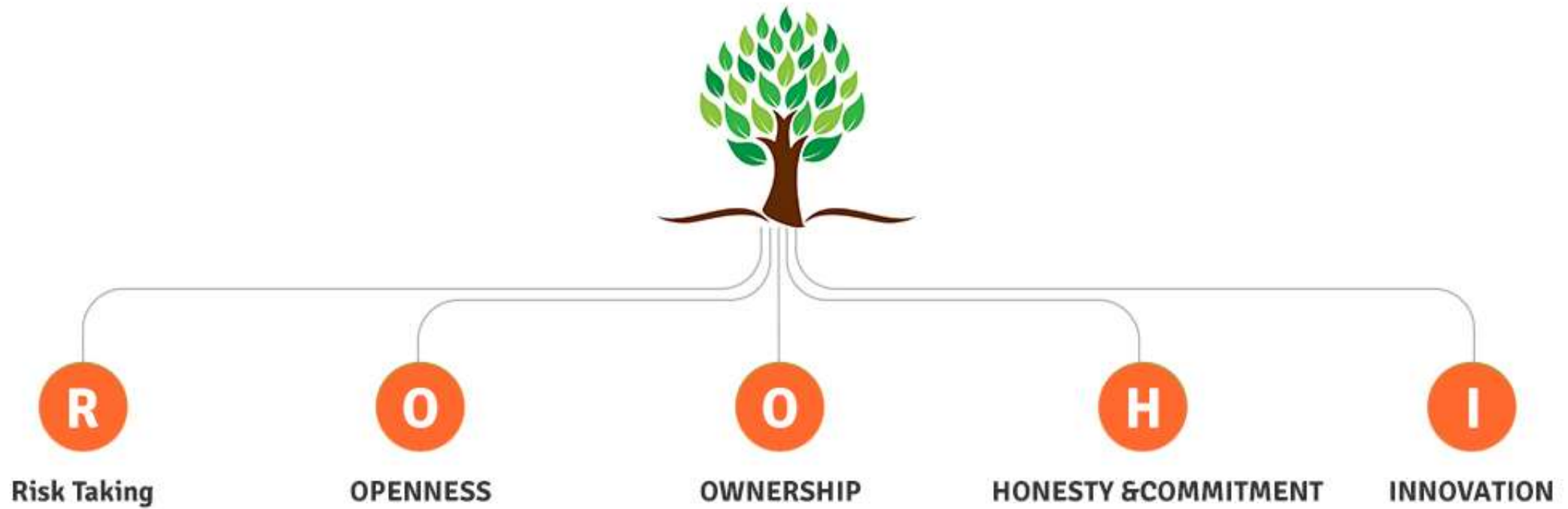
**Excellence In Education. Since 1995**  
Q4 FY19-20 Investor Presentation

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# Core Values

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## Safe Harbor

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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.

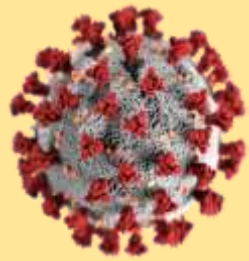
FY 18-19 or FY 19 means the year ending March 31, 2019

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

Q4 FY20 means period ending Mar 31, 2020

Q4 FY19 means period ending Mar 31, 2019

# Contents



COVID Impact



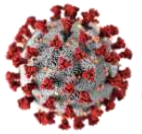
Business Updates



Asset Light Model



Financial Updates



# COVID 19

- Reduced Industry segment – Touch & Non-Touch; Education (non-Touch) → Premium Education (Touch)
- New business development – Consumer & Enterprise – restricted to digital services

## Impact

- Enterprise Biz – Q4 struggles; Consumer Biz – Second half Mar 20 washed out
- FY21 to be hugely affected

## Observations

- Uncertainty is a reality – Exams postponed; Semester start dates unknown; Conducting exams is challenge
- Wallets tightly held – Corporate cost cuts; Personal consumption reduced. Pricing pressure increases.
- Psychological factors – Fear, Uncertainty, Job losses, Health risk.

### 3 Challenges

- Growth
- ARPU sharp decline
- Re-writing - Organization & Mindset

### 3 Opportunities

- Disruptive state
- Basket expansion with no Additional capital
- Building Digital Competencies

### 3 Strategies

- Defend the defensible – Financial health priority
- Unified & Rewired for “No Touch” Era
- Focus on Cash & Vol – Upfront cash, Minimize Bad Debts

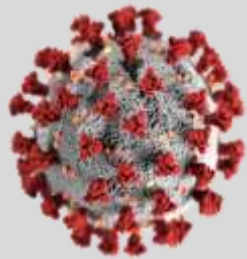
### 3 Outcomes

- Revenue Impact ~ 25 Cr
- BCP Kicked-in: WFH, BRG, SAAS, Project Unified
- Cost Management - Fixed: People, Rent, Admin / Var: FRP, Project, etc.

## Product Focus Matrix

A1	B1	C1	Top Tier
A2	B2	C2	Mid Tier
A3	B3	C3	Sachet
Mature	Growth	Incubation	

# Contents



COVID Impact



Business Updates



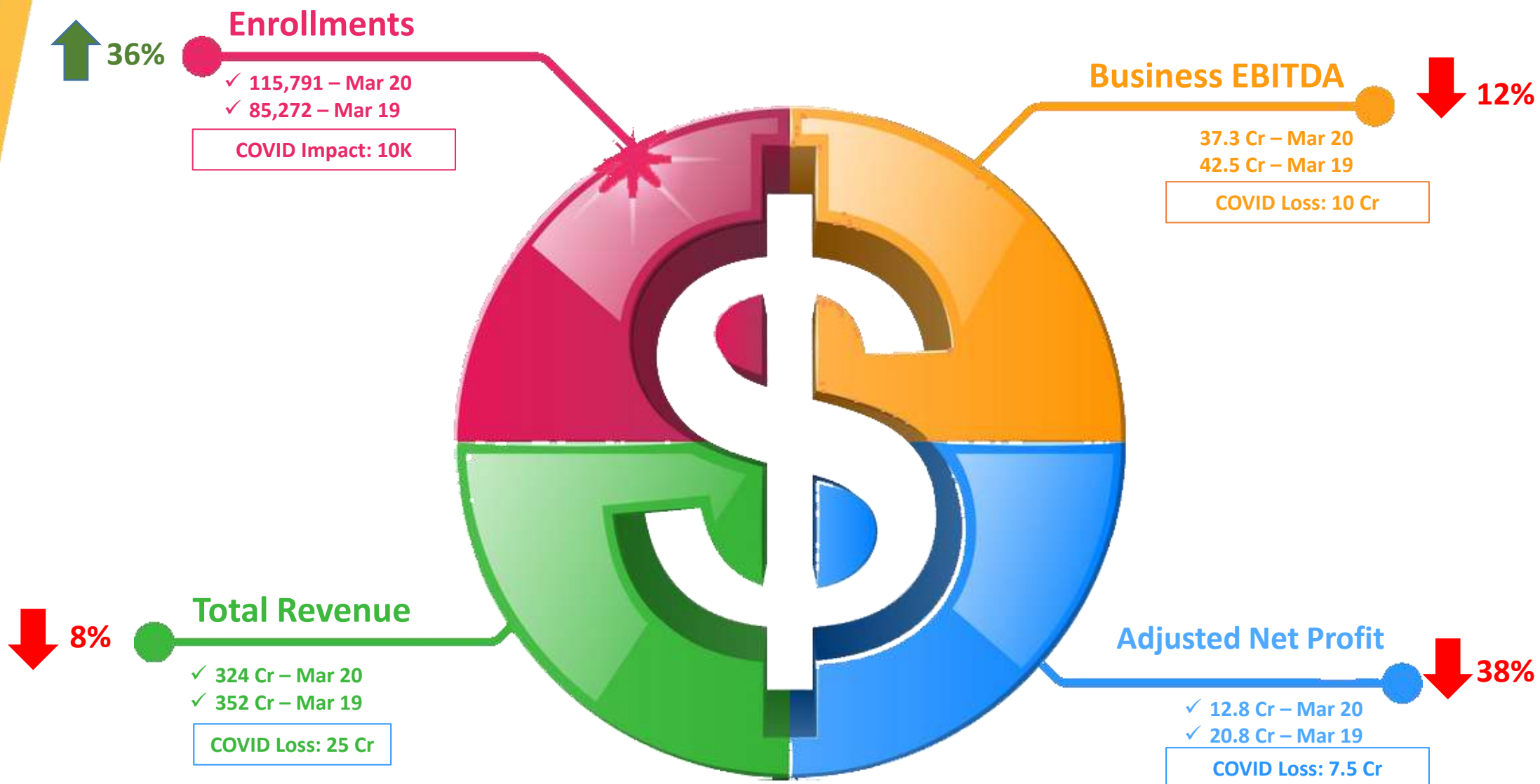
Asset Light Model



Financial Updates



# FY20 Consolidated Business Snapshot



# Business Update - Consumer Segment



Consumer KPIs	FY20	FY19
No. of Test - Prep Centers	211	203
No. of enrolled TP students	115,791	85,272
%age of online TP students	49.3%	30.6%
No. of books sold	981,674	1,150,433
%age of books sold to Online distributors	19.6%	20.7%

## Digital & Sachet Biz – Powering Growth

- Enrolments up ~36%. All products showing +ve growth
- Engg & Medical enrolments up by ~90%; IPM up by ~44%
- Billing Flat (~198Cr) due to Covid impact.
- Digital Biz grew 30% (Y-o-Y). Enrolments through digital mode – 2x
- Sachet programs – pilots launched : ~30,000 Students
- 27 New Business Partners added

## Publishing - Snapshot

- Higher returns taken due to change in e-commerce environmental conditions.
- Significant COVID impact

## The Virtual Events Platform (VEP)



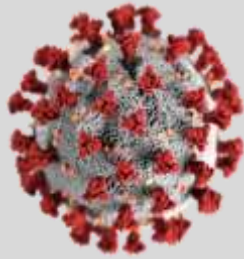
<https://www.youtube.com/watch?v=ipg4aHF-IS4>

## Enterprise Biz - Snapshot

- Corporate:
  - Biz impact of COVID 19 felt during entire Q4 FY20. ~10 Cr
  - Singapore Biz doubled.
  - Digital channels being accessed for delivery of services
  - VEP looks promising
- Institutional:
  - Advt Biz has been flat. Covid impact seen in final quarter.
  - Digital / Online inventory being monetized. DIY being explored.
  - Research Biz saw several key tie-ups during the year – IIT-Kanpur, T-hub (Andhra Govt Project)

# Contents

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COVID Impact



Business Updates



Asset Light Model

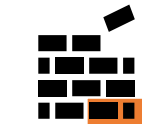


Financial Updates

## Focus on **Continuing Business Lines**

- Merger
  - Consolidation of entities
    - ✓ Acquired businesses
    - ✓ Related entities
    - ✓ Legacy businesses
  
- Discontinued lines of Operation
  - Write-Offs
    - ✓ Lighter Balance Sheet
    - ✓ Easier to decipher
    - ✓ Financial Statements reflect active business lines

# One-time Exceptional Write-Offs FY20



## Vocational

- Outstanding FY-19 ~24.6 Cr
- Write Off Taken: ~10.3 Cr
- No new projects since 2015
- Existing Projects wound-up
- ECL + Provisioning: ~ 6 Cr
- Effective Balance: ~11.67 Cr



## Schools

- Impairment Taken: ~41.5 Cr
- Related Asset Impairments: ~9.1 Cr
- Total Impact: ~ 50.6 Cr
- Legal Action initiated against B&S

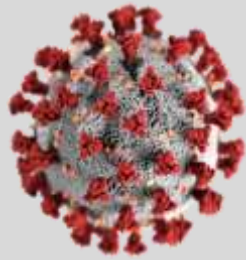


## Others

- Write Off Taken: ~5.8 Cr
- BP Balances & Other Receivables: ~1.9 Cr
- DTA Correction: ~3.9 Cr

**Total One-time Write-offs Taken during the year: ~66 Cr**

# Contents



COVID Impact



Business Updates



Asset Light Model



Financial Updates

# FY20 Consolidated Financial Snapshot

## EBITDA

- ✓ 8.6 Cr – Mar 20
- ✓ 40.1 Cr – Mar 19

Adjusted EBITDA  
37.3 Cr – Mar 20

## Net Profit

- ✓ (52.6) Cr – Mar 20
- ✓ 20.1 Cr – Mar 19

Adjusted PAT  
12.8 Cr – Mar 20

## Total Revenue

- ✓ 323.9 Cr – Mar 20
- ✓ 352.5 Cr – Mar 19

## ROCE

- ✓ (1.8%) – Mar 20
- ✓ 8.6% – Mar 19

Adjusted ROCE  
7.8% – Mar 20





## FY 2020 Business EBITDA & PAT

Rs. In Cr.

	FY20	FY19
<b>Business EBITDA</b>	<b>37.3</b>	<b>42.5</b>
Add: SP Revenue	0.1	2.4
Less: Vocational write off	10.3	4.8
Less: One time Write-Offs (NF, BPs, etc.)	18.6	-
<b>EBITDA</b>	<b>8.6</b>	<b>40.1</b>
Finance Cost	8.3	6.2
Depreciation	14.1	9.5
<b>Adjusted PBT</b>	<b>15.0</b>	<b>26.8</b>
<b>Adjusted Net Profit for the year</b>	<b>12.8</b>	<b>20.8</b>
<b>Adjusted EBITDA Margin</b>	<b>11.5%</b>	<b>12.1%</b>
<b>Adjusted ROCE</b>	<b>7.8%</b>	<b>9.3%</b>

- ✓ Exceptional items: 41.5 Cr – One-time impairment write-off
- ✓ School Related Asset Impairment: 9 Cr
- ✓ Vocational Write offs: Rs 10.3
- ✓ IND AS 116 impact(5.6 Cr) taken in FY20, will be present in all upcoming financials
- ✓ Effective Tax rate:
  - ✓ FY20: 25%
  - ✓ FY19: 31%

## FY2020 Consolidated Financial Results

	FY20	FY19	Y-o-Y (%)
Revenue from operations	308.7	339.3	-9.0%
Total Income	323.9	352.5	-8.1%
Total expenses	337.6	328.1	2.9%
<b>EBITDA</b>	<b>8.6</b>	<b>40.1</b>	<b>-78.5%</b>
Exceptional items	41.5	-	
<b>Net Profit</b>	<b>(52.6)</b>	<b>20.1</b>	
<b>Adjusted Net Profit</b>	<b>12.8</b>	<b>20.8</b>	<b>-38.2%</b>

	Mar 20	Mar 19
Business EBITDA Margin	11.5%	12.1%
Adjusted Net Profit Margin	4.0%	5.9%
Adjusted ROCE	7.8%	9.3%

## FY 2020 Segmental Metrics

Rs. In Cr.

Particulars		FY20	FY19	YoY (%)
Revenue	Total Revenue from Operations <sup>^</sup>	308.4	339.0	-9.0%
	<b>Consumer</b>	173.0	194.5	-11.1%
	- Test Prep	174.6	182.1	-4.1%
	- Publishing*	(1.6)	12.5	-112.6%
	<b>Enterprise</b>	135.4	144.5	-6.3%
	- Corporate	115.4	126.0	-8.5%
	- Institutional	20.0	18.4	8.5%

\* Negative figure due to higher returns taken during the year pertaining to previous years

<sup>^</sup> Excludes "Others"

## Consolidated: Cash Position

*Rs. In Cr.*

Cash Position	Jun 20*	Mar 20	Mar 19
MF Investments	37.8	37.2	27.4
Fixed Deposits	21.6	9.4	16.5
Cash & Cash Equivalents	21.1	11.4	10.4
<b>Total</b>	<b>80.5</b>	<b>58.0</b>	<b>54.4</b>

\* Management Estimates (Unaudited Figures)

## Merger Update

- Merger process stalled due to COVID
  - ✓ Last 4 Hearings postponed
  - ✓ Next Date is in July
- NCLT Chandigarh moving to VC mode, but not hearing Merger matters yet
- As things stand:
  - ✓ Best Case Scenario: December
  - ✓ More Realistic: March '21



# 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)

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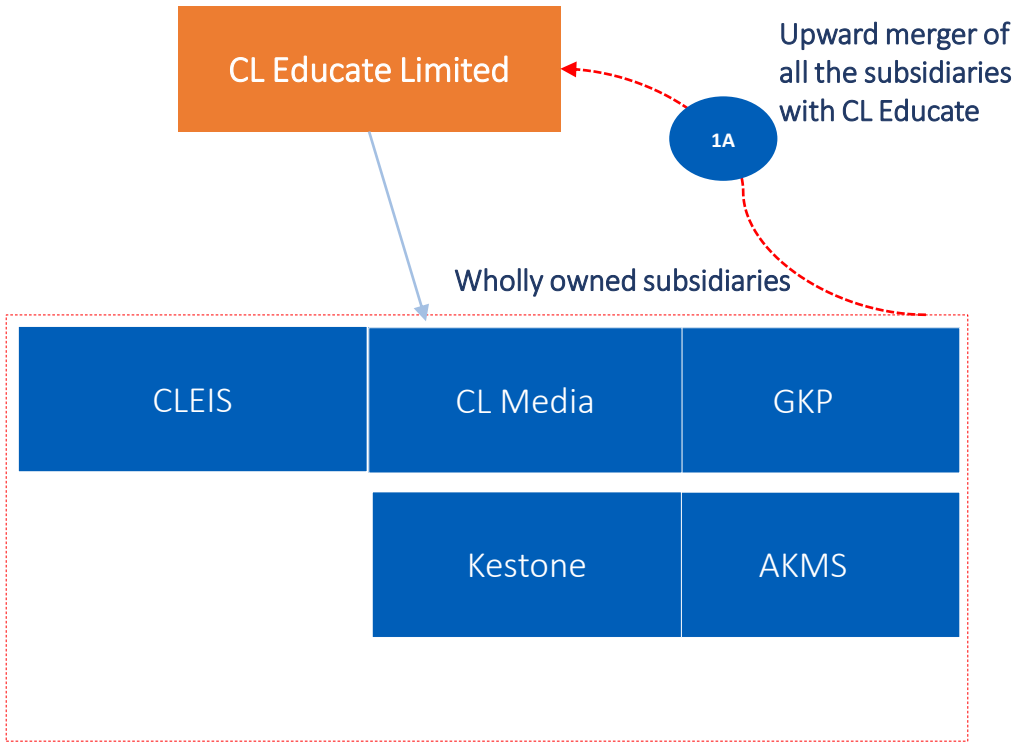
Ajay Jindal: [ajay@wisdomsmith.com](mailto:ajay@wisdomsmith.com)

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

# Annexures

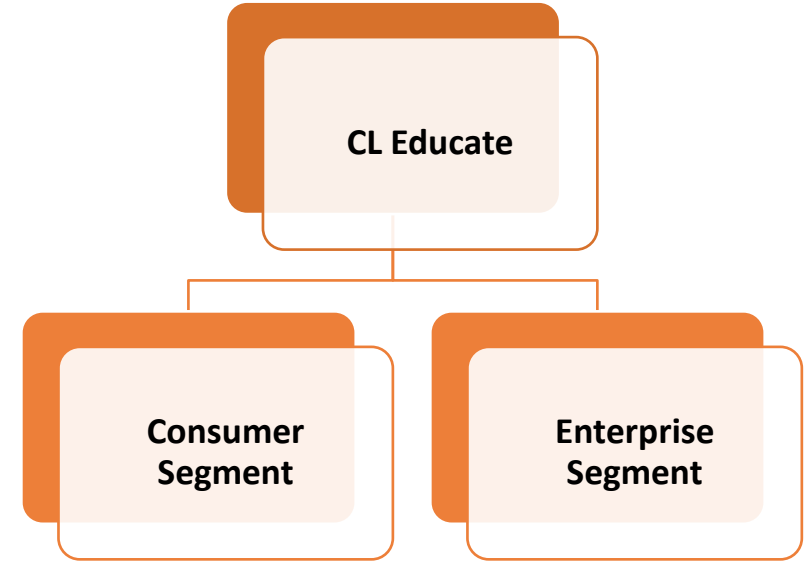
# Merger Scheme

## Pre-Merger Organization Structure



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

## Post-Merger Organization Structure



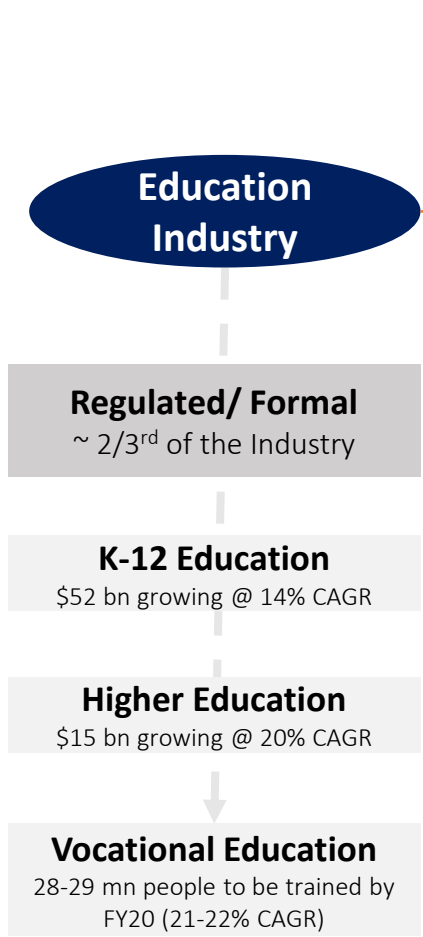


# Operating in sizable @\$100 bn+, fast-growing industry

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



## CL's focus areas

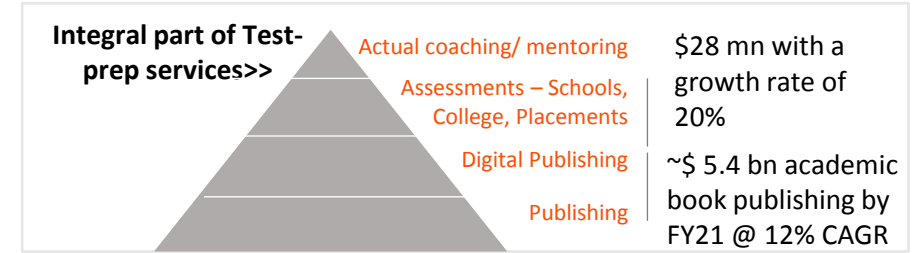


Figures in Rs Cr

JEE 14,600	GATE 1,680	Medical 6,400	MBA 390	Law 83	CA 2,520	UPSC, SSC, Bank PO 11,500
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CL's market-leading offerings

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



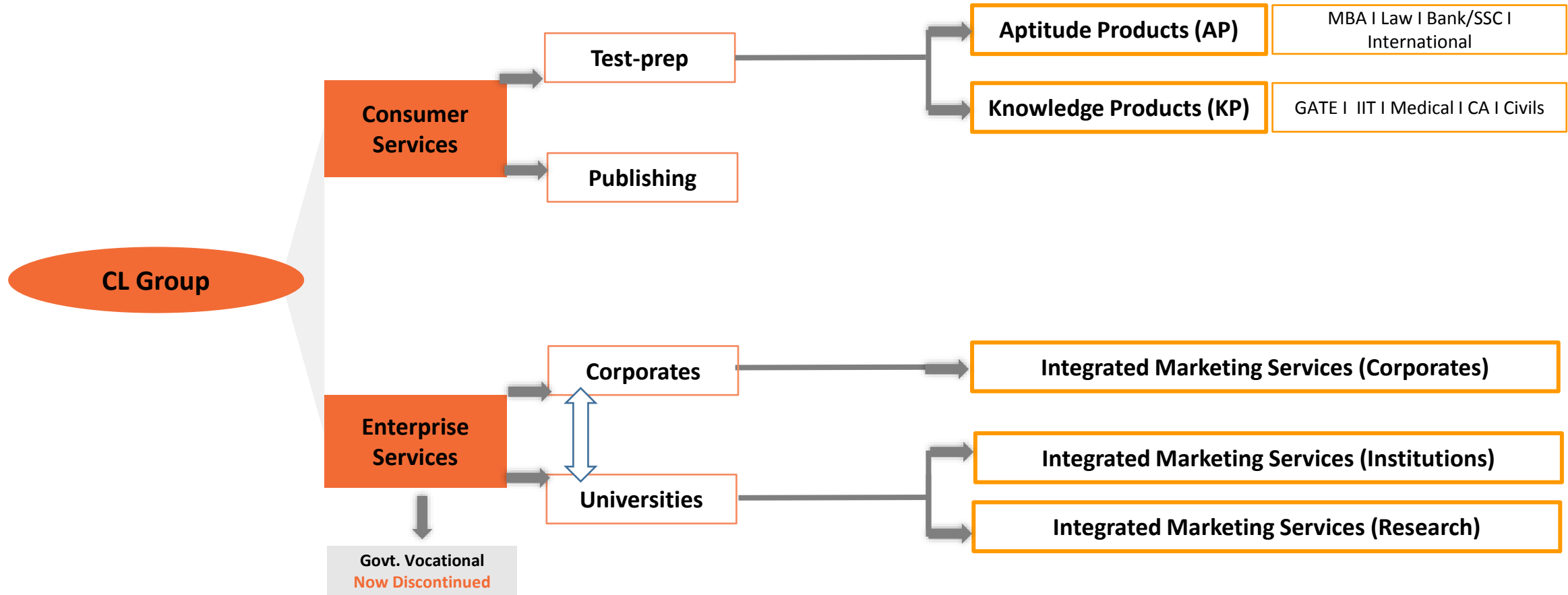
**Sunrise segment** - Boosted by recently introduced universities ranking (NIRF) by MHRD, increased corporate demand for innovation & research solutions

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

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

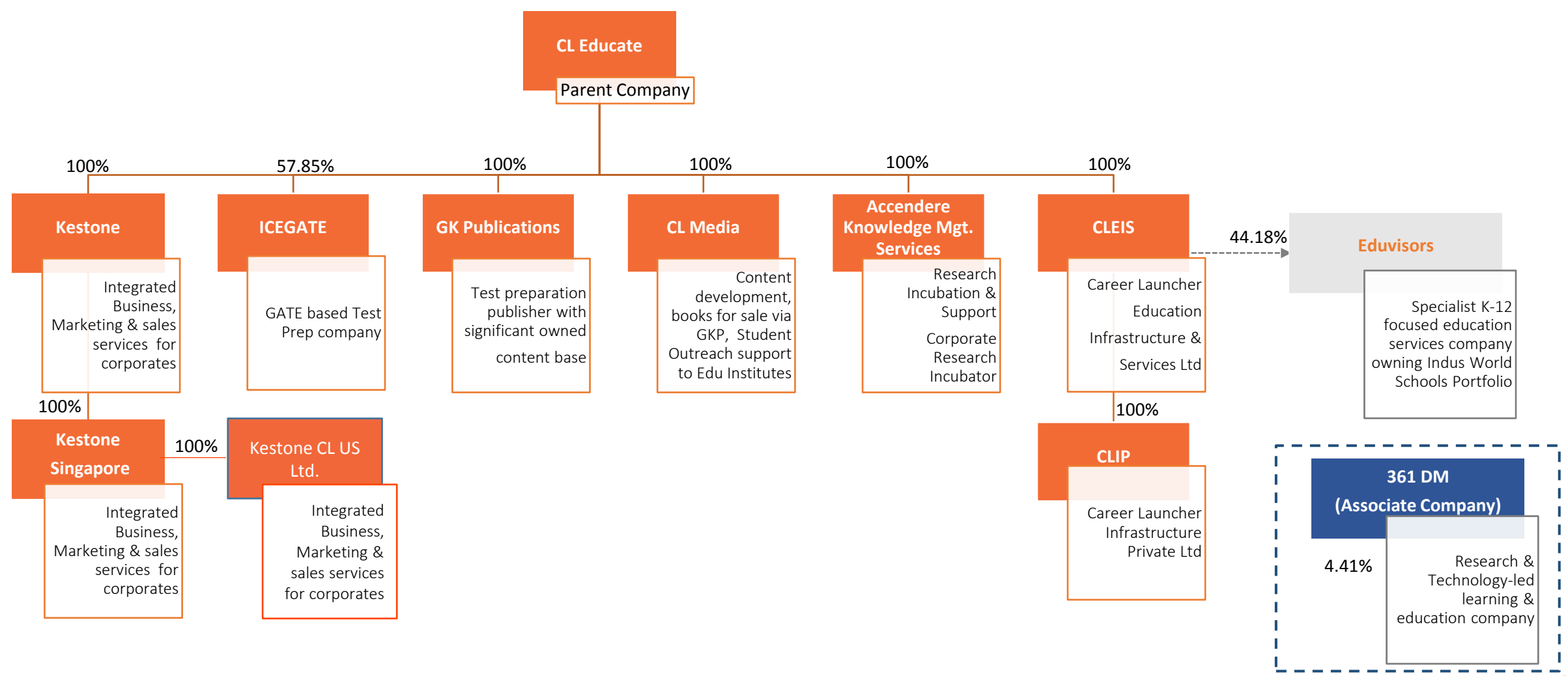


CL Media Pvt. Ltd



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


- 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

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



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