



**Excellence In Education. Since 1995**  
Q1 FY21-22 Investor Presentation

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## Core Values

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## Safe Harbor

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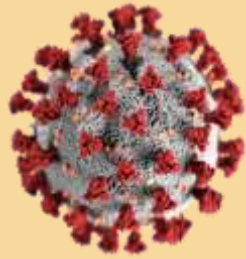
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FY 20-21 or FY 21 means the year ending March 31, 2021

FY 21-22 or FY 22 means the year ending March 31, 2022

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EdTech  
Environment &  
COVID-II



Business Updates



Financial Updates



Corporate Update

## Global EdTech Environment

- Tectonic shifts in China EdTech Sector
  - Private Tutoring & Equity Funding halted
- Global Business:
  - India & Global Markets remain impacted due to COVID
  - Second COVID Wave delayed exam seasons; Board & CUCET exams cancelled
  - Economic re-opening slowed down and back to normalcy deferred by at least 6 months
  - Higher Academic season delayed again impacting business season in Q1

# EdTech Sector : China Crisis



## Academic Shifts



- Govt. Decree - EdTech firms to be non-profit
- Online curriculum for Children under the age of 6 has been banned.
- No classes to be held after 9pm
- Foreign curriculum has been banned
- No tutoring allowed on holidays
- Running of Education franchisees has been banned
- After school tutoring not allowed

## Financial Shifts



- EdTech firms banned from raising capital / going public
- Limit on foreign ownership
- Current companies in freefall, huge investor losses
- M&A activities banned for EdTech firms

## Outcomes



- China's loss India's Gain
- Money likely to flow to India

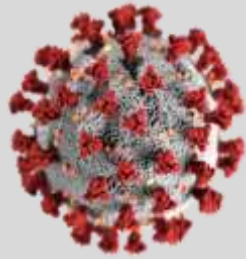


## COVID Impact – The Second Wave

- COVID 2<sup>nd</sup> Wave impacted start of Q1
  - No physical classes / No physical events
- Test Prep Biz – Serviced ~1.3 Lakh consumers; including 18K paid customers (Vis-à-vis ~1.2 Lakh customers in Jun 20)
- Postponement of exams remains a major concern for Test Prep Biz.
- Corporate Biz: Revenue up 18%.
- Institutional : Challenge persists due to ongoing second wave.
  - Opening of Institutions in Aug 21 seen as positive for the segment

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## Business Updates

### Q1 FY22

- Test Prep Biz: Total GMV up ~16%; Net Billing up ~17% despite the second wave.
- Sign of recovery in MBA & Law
  - MBA – Billing up 17%;
  - Law – Volumes up 17%; Billing up 28%
  - After 12 – Volumes up 52%; Billing up 55%
- Partner Biz up 18% (~17 Cr vis-à-vis ~14 Cr);
- Opening up of schools and institutions in Aug 21 a big positive.

## Enterprise & Publishing Business Update

### Enterprise

- Enterprise Corporate delivered ~18 Cr revenue
  - EBITDA Margin (Standalone) up from 3% LY to 9% CY
- Expect international markets to drive significant growth in FY'22
- Institutional Business impacted by:
  - Delayed examinations, admissions cycle and severely curtailed academic calendars
- Expanding Digital inventory to enhance margins.

### Publishing

- Online and institutional business showing signs of life
  - Offline business remains very limited
- Newly printed stock predominantly on POD model with no inventory
- Conscious decision to significantly reduce dependence on retail sales, expect it to be less than 10% going forward



Hybrid Platform Partner

5 - 6 April 2021 | Dubai, UAE

[www.mebankingai.com](http://www.mebankingai.com) | #mebankingai

**KESTONE WINS BIG AT**

**ACEF 10th GLOBAL CUSTOMER ENGAGEMENT FORUM AND AWARDS**

Winner for Successful use of CSR Activity

Winner for Creativity

Still wondering **WHICH SESSIONS TO ATTEND?**

I'll help you find

Artificial Intelligence  
**Virsa**

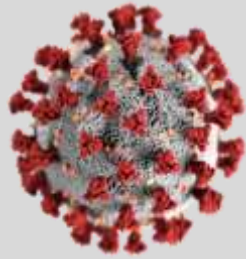
**PROUD TO BE SHORTLISTED AS A NOMINEE FOR**

**EVERYTAGS METTLE AWARDS**

Category  
**Mettle - Innovation**  
 An AI-powered and global virtual event platform

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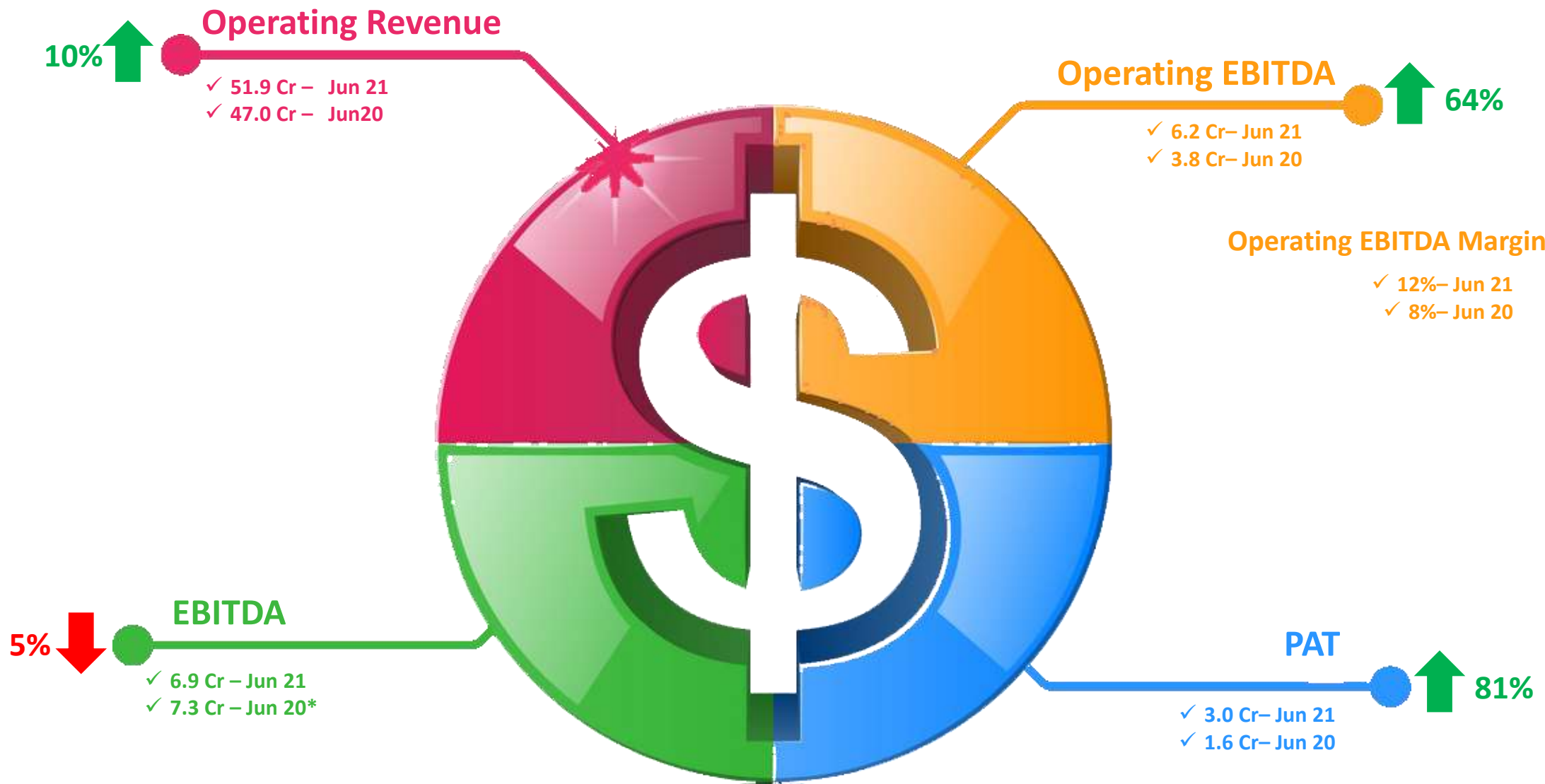
Corporate Update

## Summary

	<i>Rs. In Cr.</i>				
	Qtr. Jun 21	Qtr. Mar 21*	Q-o-Q Change	Qtr. Jun 20	Y-o-Y Change
Operating Revenue	51.9	45.8	13%	47.0	10%
Adjusted EBITDA	6.9	6.6	5%	7.3	-5%
Adjusted PAT	3.0	2.9	2%	1.6	81%
Adjusted ROCE	9.6%	9.2%	-	9.7%	-
Adjusted ROE	4.3%	4.3%	-	2.3%	-

- *Qtr. for Mar 21 includes one-time Vocational Write-Offs & Institutional Write-Offs; Adjusted EBITDA is net off One-Time Expenses*

## Financial Snapshot



\* Jun 20 includes few one-time incomes in the form of Liability write-back & IT refunds

## Consolidated Financials

*Rs. In Cr.*

	Jun 21	Jun 20	Y-o-Y Growth
<b>Revenue from Ops</b>	<b>51.9</b>	<b>47.0</b>	<b>10%</b>
Total Income	52.6	50.5	4%
<b>Operating EBITDA</b>	<b>6.2</b>	<b>3.8</b>	<b>64%</b>
EBITDA*	6.9	7.3*	-5%
<b>PBT</b>	<b>3.5</b>	<b>2.7</b>	<b>30%</b>
PAT	3.0	1.6	81%
<b>PAT Margin</b>	<b>6%</b>	<b>3%</b>	

*\* Jun 20 includes few one-time incomes in the form of Liability write-back & IT refunds*



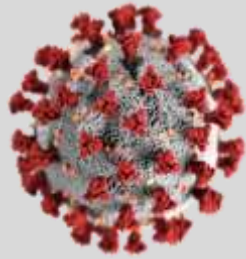
## Consolidated: Cash Position

*Rs. In Cr.*

	Jun 21	Mar 21	Jun 20
MF Investments	38.8	38.5	37.6
Fixed Deposits	13.8	13.0	24.7
Cash & Cash Equivalents	17.6	17.3	13.0
<b>Gross Cash</b>	<b>70.3</b>	<b>68.8</b>	<b>75.3</b>
Borrowings (Current & Non-Current)	39.8	38.4	41.5
Long Term Borrowings	4.6	5.7	3.2
<b>Net Cash</b>	<b>30.5</b>	<b>30.4</b>	<b>33.8</b>
Trade Payable	25.1	24.8	37.9
<b>Cash (Net off Payables)</b>	<b>5.4</b>	<b>5.6</b>	<b>(4.1)</b>

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## Corporate Updates

### Stock Split

- Stock Split approved by the Board of Directors
- New Face Value: Rs 5/-
- No. of Shares outstanding : 2.83 Cr (Vs 1.41 Cr)
- Objective: Increased liquidity & Higher participation from Retail Shareholders

### Others

- Merger - hearing held on July 30, report awaited from Tax Authorities, next hearing- October
- Faridabad Land Sale – in progress, hope to conclude in August
- EdTech + MarTech subsidiary & funding:
  - **Kestone**: Delayed; **CL**: Four Conversations underway
- Non-Binding term sheet signed.
  - #2 National player in non-MBA, non-Law segment
- 361DM – Signed Term sheet for Fund raise. Uptick for CLs Investment



# Thank You

## For Investor Relations Queries Contact

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WISDOM IR

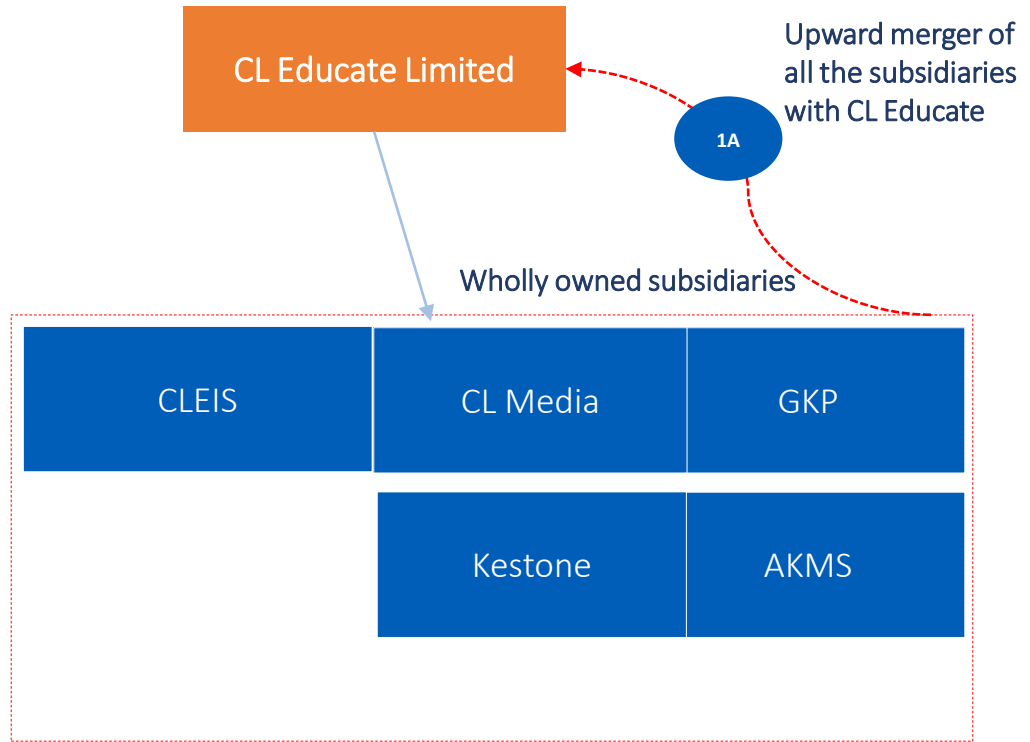
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# Annexures

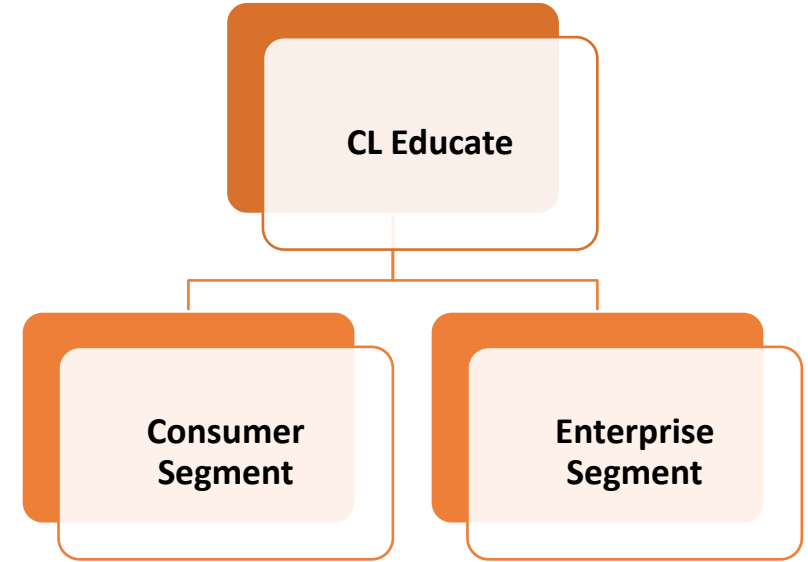
# Merger Scheme

## Pre-Merger Organization Structure



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

## Post-Merger Organization Structure

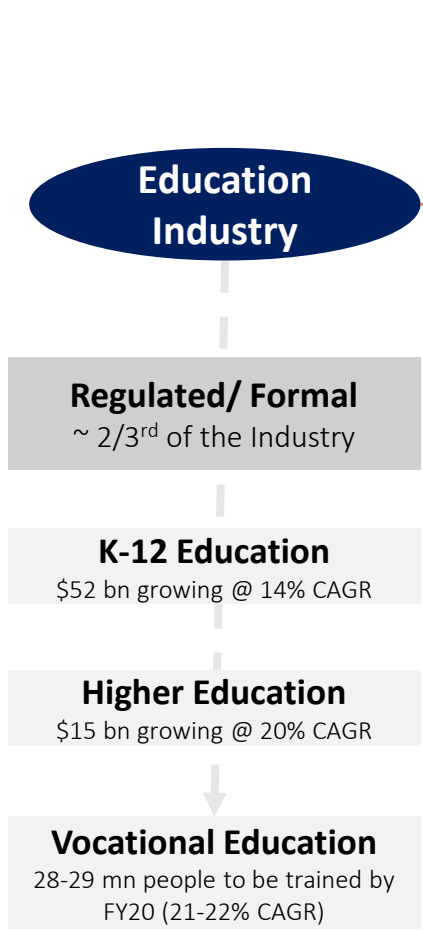


# Operating in sizable @\$100 bn+, fast-growing industry

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

Unregulated/ Informal/ Entrepreneurial

Test-prep/ Coaching

Publishing

Assessments

Research Services

Skill Training

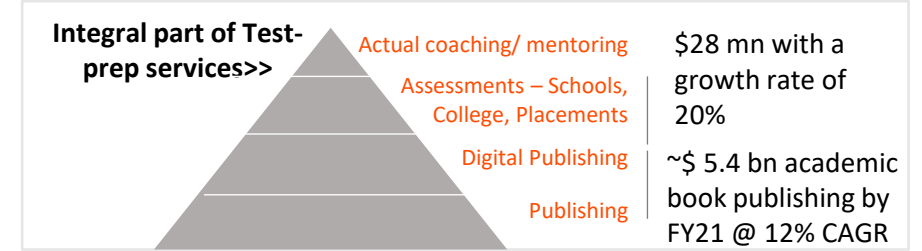
EdTech

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\*\*



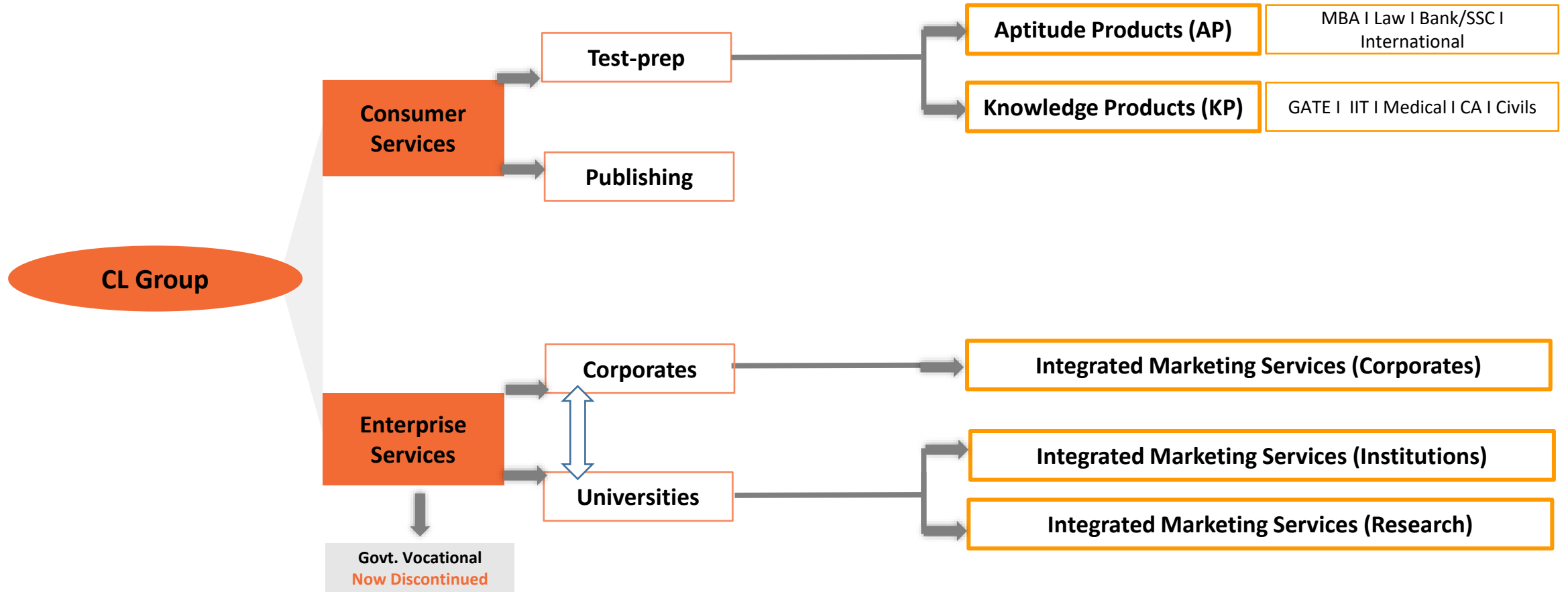
**Sunrise segment** - Boosted by recently introduced universities ranking (NIRF) by MHRD, increased corporate demand for innovation & research solutions

**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

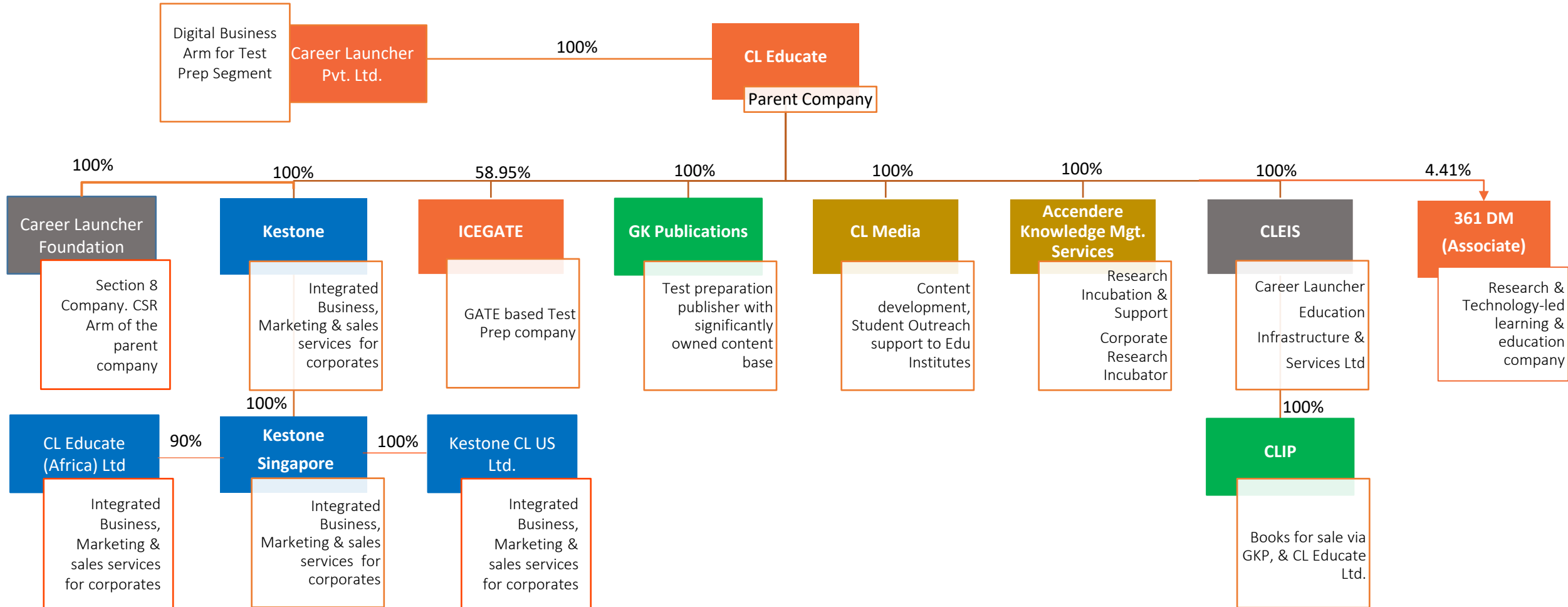
Source: Technopak, CAGR – 2016 to 2020  
\*\* Source: CRISIL, Google & KPMG

# Comprehensive product portfolio in Knowledge & Career Services





# 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**

**800**

NLU Calls – CLAT 19

**44**

Selections out of 73 in NLY Delhi in AILET 19

**25,825**

IIM Calls – CAT 19

**169**

CL Students who received interview Calls from IPM-IIM Rohtak & Indore

**77**

CL Students selected for IPM-IIM Indore & Rohtak

## Growing Brand Equity from Sustainable Strengths

- 1 **Most comprehensive product-reach portfolio:** 15 product groups + Network of 200+ centers pan India & ~4 Lakh consumers in FY21
- 2 **Household Test-Prep Brand** - Market leader in Aptitude Products (AP) MBA & Law offerings
- 3 **Scalable & asset-light business** – 200+ test prep centres in FY21
- 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. 79% digital enrolments in FY21
- 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

- 25+ 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

- 25+ 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

- 24+ 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

#### Piyush Sharma, Independent Director

- PhD in Marketing from Nanyang Technological University, Singapore (2006)
- Post Graduate diploma from IIM Bangalore
- Associated with Dabur, Becton, ITC, BHEL

#### 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 – Walker Chandiook & Co LLP

### Key Senior Management



#### Arjun Wadhwa, Chief Financial Officer (CFO)

- 15+ 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

- 24+ 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 20 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 20 years of experience in the education sector,
- Bachelor of Technology degree in Electrical Engineering from IIT Kharagpur;
- Post Graduate diploma from IIM Bangalore