



“CL Educate Limited H1 FY 2026 Earnings Conference Call”

November 10, 2025

Management Attendees:

Mr. Satya Narayanan R –	Chairman, CL Educate Limited
Mr. Gautam Puri –	Vice Chairman & Managing Director, CL Educate Limited
Mr. Nikhil Mahajan –	Group CEO & Executive Director, CL Educate Limited
Mr. Arjun Wadhwa –	CFO, CL Educate Limited

Earnings Call Link: [CL Earnings Conference Call H1 FY26](#)

Results Link:

 [Consolidated Results – H1 FY26](#)

 [Standalone Results – H1 FY26](#)

CL EDUCATE LIMITED

H1 FY26 Investor / Analyst Conference Call Transcript

(Held on the Metaverse Platform – VOSMOS)

Opening Remarks

Arjun Wadhwa: Welcome to CL Educate Limited's Q2 FY26 Analyst Call. My name is Arjun Wadhwa. I'm the CFO of CL Educate and I'll be your host today. Welcome once again to our metaverse platform called VOSMOS, which we have been using for more than three years now for our analyst call. This call, as always, will be recorded, transcribed and made available in the investor zone on our website within the next 24 to 48 hours.

Should you have any questions during this session, please just type them out in the chat box in the bottom right-hand corner of your screen. We'll address them towards the end of the session. Joining me on this conference call today are Mr. Satya Narayanan, Mr. Gautam Puri, and Mr. Nikhil Mahajan, as always. Mr. Satya Narayanan is our founder and chairman. Mr. Gautam Puri is our co-founder, Vice-Chairman, and Managing Director. Gautam takes direct reporting of the EdTech business which includes our test prep business and Mr. Nikhil Mahajan is our CEO and Executive Director who anchors the MarTech business.

I'm moving forward to slide number eight. We've divided this presentation into three parts. First, I'll give you a quick corporate update and then an update on the finance side, which will be followed by short updates from Mr. Gautam Puri and Mr. Nikhil Mahajan on the EdTech and MarTech businesses respectively, followed by a brief update on the assessment business by me.

Corporate Update – DEXIT Global

I'm now on slide number 10 if you're following along. I'd like to start by giving you an update on DEXIT Global and its progress on integration within the CL Educate group. As you all know, the acquisition of NSEIT Limited now, rechristened as DEXIT Global, was one of our most strategic moves over the last year. And it has enabled CL Educate to build a strong third pillar of growth alongside our EdTech and MarTech businesses. During H1 FY26, we have achieved a smooth and complete integration on all operational fronts with our businesses. All client contracts have been successfully rolled over, ensuring absolutely zero business disruption. New client acquisition is also progressing well, exactly as planned. The brand name changes which we were also concerned about has been fully implemented across all systems and client interfaces. And the transition from being an NSE company to a CL educate group company has been very smooth and very successful so far. And our teams, which of course are our bread and butter across business development, finance, operations and technology are now working seamlessly under a unified leadership.

And most importantly, what we now see is synergies playing out between DEXIT and CL Educate in areas such as test simulation for students, institutional assessments, and business development. In short, DEX is now fully embedded into the CL ecosystem and is contributing significantly to both consolidated revenues and profits while retaining its independence to scale.

Moving forward, I'll move into the finance updates. The total revenue for the H1 period has grown from Rs. 194 crores in H1 last year to Rs. 319 crores this year, reflecting a growth of about 64 % year on year. This growth has been driven largely by DEXIT, where the revenue contribution, as you can see from this slide, was Rs. 139 crores in the first half of the year.

This line, of course, didn't exist in the first three quarters of the last financial year. From an EBITDA perspective, correspondingly, DEXIT's EBITDA has also contributed Rs. 38 crores to the overall EBITDA. And as a group, our EBITDA has now grown from Rs. 25 crores to Rs. 50 crores, up 101 % from last year. From a bottom-line perspective, the consolidated PAT is now at one and a half crores versus about seven and a half crores in the same period last year. The reduced profit of course is, as you're all aware, attributable to a significantly higher finance cost of 26 crores versus just one crore in H1 last year, primarily reflecting the full impact of the acquisition related borrowings and due to higher depreciation, which has grown from Rs. 8 crores last year to about Rs. 19 crores this year following the capitalization of intangible assets post the purchase price allocation process that we spoke about in the last quarter as well. My key takeaways for you from this slide is that the operating performance remains strong and the decline in PAT is purely due to structural accounting impacts from the acquisition. We are now as a business very much operating as a three-engine platform, each showing both growth momentum and margin discipline. We continue to maintain strong cost controls and are focused on debt reduction from a medium to long term perspective.

Moving forward into the EdTech business, Gautam, I'd like to request you to please take over.

EdTech Business Update

Gautam Puri: So let me just take it from here. As far as test prep is concerned, as I've been saying in the last couple of meetings also, this is a period of flux for the test prep with a significant, let's say, number of students moving between offline to online. And as far as the market is concerned for the products that we are dealing in, by and large, while the market size has remained the same, the propensity of the stores to go for coaching and the kind of coaching they are going for is changing. However, the good thing still is that by and large, we are able to hold on to volumes. The market share has been retained. However, when I look at the pricing, obviously pricing is under a bit of pressure.

Because when you're competing with the online players and yes, we also have online programs when we are competing with this kind of a market which is in the flux pricing pressures do come in. And what we have also seen is the segments which have grown the most, especially in MBA. I'll talk about BBA and IPM here in a minute, especially in MBA. Also, the segment which has grown is the kind of segment, which is the so-called low-price segment, which is a test series, self-study programs.

Similarly, there are programs which do not cater to the complete syllabus but focus on a specific domain only. So those are the programs which are being picked up more and we have been able to retain our volumes. We have launched a few programs already and we are in the process of launching more programs along these lines, so that we are able to increase our market share further. BBA-IPM, the second segment that we're looking at, has also done well. Though it's a small base, but this seems to be promising. And with the number of IIMs coming out with the programs focused on the UG segment, we see this to be going on to increase further. So at this point of time, IIM-Bangalore, IIM-Kozhikode, IIM-Indore, IIM-Bodhgaya, IIM-Jammu and a couple of others have already launched their programs and going forward more such opportunities will come in and in general BBA we think or BBA-IPM or

this UG programs are the ones which are going to be driving a growth going forward while MBA will retain itself. But this is where the growth is likely to come.

CUET is still an issue and given the kind of paper which has been there, given the way it was implemented, given the glitches in terms of conducting the test, it has, let me say, lost the flavour of the market. And it is still a work in progress, I would say. However, there is a small green shoot. And it might be a little early to say that because we know only in the next six months. The small green shoot is that the last couple of years, the paper has become a little more difficult. Earlier this was a paper in which you could do well with virtually zero presentation and even students who had not done well in their board exam were getting good scores, which meant that the universities or the institutes were unable to differentiate between good and not so good students. So last couple of years we have seen slowly that the level of difficulty of the paper is increasing and there is a differentiation which is happening between good and not so good students. And if this continues for another couple of years, think there is a possibility of CUET becoming what we thought it would become.

Law is something which has gone through its change and from a program which was conducted or the test which was conducted in April-May-June of the year, it was shifted to December half a year ago. And this has been on for the last four-five years. What that has done is it has wiped out one segment of the market which is the last-minute crash course students who would wake up at the last minute after board exam and say - I want to prepare. But what it has also done is it has shifted students to a longer-term program. So, at this point of time, you'll find that practically all these students who are interested in Law tend to come in early. And the one year and the two-year programs are the ones which are driving this particular product. Overall, the market size remains what it is. And we don't see an increase in the market size. But here again, we will be a lot on the testing the smaller variants because there is a significant market for that segment also.

Platform monetization is doing well out here. This is a place where we help institutes, whether MBA, Law, BBA-IPM reach out to students, our captive students as well as outside. And that has been doing well, and we hope to improve as we go along.

Publishing again, moving towards the product of things, are looking at instead of books, can we start selling services also? Which means bundle services along with books. And not only that, when we say bundle services along with books, we also look at providing services such as study material or study packages, to tuition centers and smaller players. The idea also is to focus more on gkpublications.com because when we look at our own platform, if we're able to sell a larger number of books from here, we save on the commission which we typically have to incur when these are sold to other retailers or to Amazon and Flipkart and other online channels. In terms of the market action, as I had already mentioned, we are continuously launching new variants as per the market requirements and that's an ongoing process. It will continue. There's nothing out of the world about it, but based on the requirements, we keep on launching more and more. And as I said, at this point of time, the focus is more towards smaller ticket size products, products which do not take care of all aspects of the program but take care of a specific pain point of the storm.

We have been incorporating AI into our academic support. We started this last year with the SOP analyzer, means Statement of Purpose, SA analyzer, and those kinds of stuff. Now we are shifting. We are in a situation where we are able to also look at doubt solving for students who are AI driven academic support. In terms of business, we are also expanding into institutional partnership with schools. We have had a few institutional partnerships in the last six months. Yes, they have been signed. And the impact of this hopefully will be visible in the next academic year because signing is one part of the story and getting students to enrol is the second part.

We also talked with a few schools and college for in school kind of programs, but that's a little distance away at this point of time. Arjun mentioned about integration with DEX platform. Yes, that is something which is very, very useful from our point of view. All the tests that we conduct, that we prepare students for, Law, CLAT and IELTS. CLAT and IELTS are paper-based tests. All the other tests happen to be computer-based tests.

And that is where DEX comes in very, very useful for us. We have for MBA done a couple of tests on the DEX platform where students typically go to the DEX center and take a test there like an actual test environment. And there has been very, very positive feedback from the students. And we look at expanding it more to other programs. So as far as the current situation is concerned, we have done it only for MBA. But going forward, we will also be looking at the tests which are the BBA-IPM tests, all of which are computer based. And these will be conducted in May, June. So immediately after board exam. We're launching similar tests for other segments also. EasyApply is something that we incorporated in our platform. And we can now get our students to enrol for the premium tests I would say except for CAT practically all the important tests are available on our platform and students instead of going to the XAT, SNAP, NMAT platform they can straight away apply for these exams through the Career launcher - EasyApply platform. In addition to this they can also apply to colleges, so EasyApply now is available for both the aspects - application to colleges as well as application for exams for this segment. So, while we have looked at this for MBA at this point of time, we will be extending this BBA-IPM also, where again we think there is a significant possibility. For law, will be only colleges. For BBA-IPM, we will be looking at both the exams as well as the colleges. At present, we have over 15 institutes on board apart from the one which I mentioned. In addition to this, we have also been expanding in terms of creating a partner network which is outside the conventional CL network. The conventional CL network consists essentially of the business partners or the so-called franchising; I prefer to call them business partners. But we are also looking at tuition partners, tuition centers and other similar players to get them onto a platform so that their students will also have the benefit of EasyApply

Arjun, back to you.

Arjun Wadhwa: Thanks, Gautam. I'd now like to request Nikhil to provide an update on the MarTech business. Nikhil, over to you.

MarTech Business Update

Nikhil Mahajan: Yeah. Thanks, GP. Thanks, Arjun. So MarTech business has been stable, growing at a reasonable pace. There are always certain movements depending upon certain seasonality and activities, some of the activities which get moved from one quarter to the other depending upon client requirements. So basically, our revenues have grown by about 6% on a year-to-year basis with a significant growth accruing wealth as has been the trend in our international market operations. With Rs. 21 crores going to over Rs. 28 crores. India business has declined slightly from Rs. 57 to Rs. 54 crores with some of the action moving from Q1 to H1 to some parts in H2 depending upon seasonality. As I shared, Dell, Google continue to be some of our largest clients and have been growing pretty stably, not just in India, but also abroad.

New activities like CXO engagement and audience generation programs, which are based through our demand generation process, have been gaining steady traction. And over the last six odd months, we have specifically focused on CXO engagement. And that has drawn significant pull from a lot of corporates in the IT sector. Going forward, we are positioning our company more to be driven by

international revenues, technology revenues and digital services. Digital revenues in H1 have grown by about 28% over the same period last year with about 40% of it coming from outside India.

We have added new customers, especially internationally, like Tetra Pack and Hilton, with significant amount of digital contribution in terms of the wallet share.

Utsav, which we were incorporated at the end of last financial year, is now in the first year of its business development and execution. The first round of business executions, especially for the weddings, will come up in this quarter and in Q4 for this year. This business currently being in an investment phase will continue to remain so for the next four to six quarters before it starts accreting a bit for of the overall MarTech business. So, you will also see that because of the investments made in manpower, business development on all the associated services, there has been a very marginal 3% drop in the EBITDA.

But that's predominantly because of the investments. I think next four odd quarters, it will keep on having a minor drag on the overall profitability. But overall Kestone in the MarTech business, will continue to grow at a reasonable pace at a steady profitability over the next four quarters. I think that's the brief update on MarTech business.

Digital Assessment Business Update

Arjun Wadhwa: Thanks, Nikhil. I'll also just provide a quick update on the DEX business before we throw the floor open to questions. As shared previously, DEXIT continues to deliver strong performance and stability post the integration. In H1 specifically, the revenues have grown from about Rs. 125 crores last year to Rs. 139 crores this year which is about a 12% growth. Also, last year's H1 revenues were slightly bloated by a demand due to ICAI not having had their exams for a period of time before they signed up with us as their new service provider. So last year's H1 numbers were boosted significantly by that. So, if I were to do an apples-to-apples comparison, I would probably say it's grown from about Rs. 115 – Rs. 117 crores to about Rs. 139 crores this year. The EBITDA is also up more than 40% from Rs. 27 crores to about Rs. 38 crores driven by higher volumes, better operating mix and capacity utilization across our 237 centers.

As shared before, on the business side, we continue to do well in terms of client retention. All our clients that were there as part of NSEIT have successfully transitioned to becoming DEXIT Global clients. The loss of the NSE brand name has had no impact in terms of things on the business side. In fact, the migration to being a part of the CL Educate group has largely been seen very positively by most clients. And you should hear from us in the coming quarters on the synergies that the businesses can derive as a part of being a part of the CL group as a whole.

The DEX team has also successfully executed several new contracts, including projects from the Ayush Ministry, IIBF, UIDAI. And as a group, DEXIT has also delivered more than 27 lakh assessments in the half year period spanning marquee clients such as IRDA, NISM, ICAI, the Director General of Training and the National Testing Agency, reaffirming our position as one of the largest standalone digital assessment platforms globally. What's particularly encouraging is that the new brand identity especially has been extremely well received.

Q&A

What we'll do now is I'll pause for a few minutes and then we'll throw the floor open to questions. Once again, thank you to all our investors, our partners, lenders and analysts for your continued trust and engagement. That concludes our business and financial updates for this quarter. We'll pause right now while we take your questions.

So, we have a question from Madhur Rathi. Why is the interest cost on the higher side despite being debt free? Madhur, I'm sorry. I don't think we've interacted previously, but we are not debt free at present. Last year, we had taken an additional Rs. 200 crores of debt over and above our working capital requirements to fund the acquisition of NSEIT Limited and it's a six-year debt that we have taken on our balance sheet, which we hope to clear prematurely. So, the interest costs are on account of that and on account of the accounting adjustments related to INDAS.

Another question from Madhur is, how is seasonality in the DEX business? Can H1 performance be annualized or is this business skewed towards H1 and H2? Madhur, the DEX business is actually divided into two parts. There's Certifications and Examinations, which tend to flow in one particular way. And then there's on-demand testing, which tends to flow differently in terms of accreditations. So, for example, our IRDA client is a 12-month annuity business which flows right through the year. The only dip that happens is sometimes during holidays like Diwali, where the number of students who write the exam over a week or 10 days might be a little bit lower. But then there are also one-off exams which get executed between a seven-day window or a 10-day window. And that would impact a specific quarter's performance. But on an overall level, because our business is fairly well distributed, there is a little bit of a mix between different quarters. There will be a little bit of higher quarters and lower quarters, but not too much significantly, unless there are very, very specific large one of exams.

While I would not recommend looking at it purely from converting H1 numbers into two and annualizing it, we do hope that H2 would be a little bit better than H1, given the number of exams and the nature of exams that we have in our pipeline. But this year it could be fairly similar. Over the years, it might tend to spread itself out a little bit.

There are questions from Pratik. Pratik, Aditya, you're looking for guidance on the future and investments that we will be making in capacity expansion and so on across the different business lines. While again, while we don't specifically provide a guidance on what H2 will look like, we can share that as and when the business demands are such that it requires us to make investments, whether that's in people, whether that's in product, or whether that's in technology, we continue to do so. We don't constrain ourselves from that perspective.

There's a question on what the standalone business is expected to provide over the coming months and why has the test prep business declined? Gautam, would you like to take this question?

Okay, I believe there's an issue at Gautam's end. Satya, would you like to take that question?

Satyanarayanan: Yeah, so I think GP did cover it in his commentary while going through the presentation. And the test prep in different segments, as we said, it is in a bit of a flux. There are segments where we are seeing certain shifts in student choices. There is a shift that we are observing in terms of classroom versus online. Long duration program versus short duration programs. And in that mix, one of the things that consciously our business leaders are making a choice, are making a choice is to make sure that we hold on and improve our market shares. And in that battle, the ARPUs, the realizations per ticket is where it's getting a little compromised.

We think that as GP has said today and he said it in the past also, this is something that will continue for a few quarters. I think we should look at it for the next academic year when the next season starts. How does this happen? The silver lining in that is that a couple of new undergraduate programs have begun to get introduced. So, if CUET quality gets better in terms of toughness, IIM-Bangalore undergrad program gets launched. There could be new revenue streams in and around career services and test prep. For now, inside the BAU, the MBA one is slightly challenged. And maybe you people have also noticed that there was a slight drop in the number of applications this year for CAT, which closed recently. Back to you Arjun.

Arjun Wadhwa: Right, thanks Satya. There is a question from one of our regulars, Rahul Bansali. Are we looking for strategic investment in DEX or are we looking at also doing some fundraising in the EdTech and MarTech businesses going forward?

Satyanarayanan: I'll take that, Arjun. Yes, I think in the next quarter, there are certain plans and there are some discussions that are already underway. We wanted to wait for the first two quarters post-integration to pan out well. Now since that has happened, we are putting together our updated plans for 2027 and 2028, and the board will convene shortly to debate various options. Chances are that it might be an equity raise, but when and how and how much, etc., we would request you to hold on for us to unveil that or share that maybe at the end of the next quarter.

Arjun Wadhwa: Thanks, Satya. There's a question from Nitya Shah about the near Rs. 200 crores of cash on the balance sheet. Nitya, think you might have missed one of our earlier calls, but there is a capital reduction scheme that has come as part of the NSEIT acquisition that we undertook. And there's about Rs. 183 crores of cash that NSE had left behind on the balance sheet which belongs to them. Its interest will accrue to them, and we are simply the custodians of that while the capital reduction scheme is concluded. Those funds are not ours, they're held in an escrow account, and they'll be transferred to NSE investments on the conclusion of the capital reduction scheme which we're hoping will get concluded in Q3 and Q4.

There's a question from Pratik Giri on the margins in the DEX business and whether we should expect them to go down from here given that expenses are being incurred and there's a parallel question on DEX from another one of our investors on how does the pricing work and Is there a price increase that we can expect on contracts going forward?

Satyanarayanan: Yeah, sure, I can take that, Arjun. So, I think for margins, we should consider this as it is. can keep it. It won't move dramatically either upwards or downwards. So, I don't see shrinking of margins happening. As far as pricing is concerned, some of those which will be newer contracts, they might get a little better. Those that are already done and sealed for two years or three years or four years, with those terms already signed in on both sides, those will remain as they are. But I think on both sides, pricing as well as margins, I think we are in a good place. There are no significant investments that we foresee that are not linked to the commensurate growth with revenues or bottom line, EBITDA for the next four to eight quarters.

Arjun Wadhwa: Thank you, Satya. There's another question. And in fact, it's our last one on the interest cost and what is the quantum of the accounting entry. Pratik, the accounting entry here is to the tune of about Rs. 5 crores a quarter. And this is on account of the Redeemable Preference Shares and their fair valuation that is done as part of INDAS. This will continue probably through most of Q3 till the capital reduction is completed. And then from that quarter onwards, hopefully you will see that portion

of our finance cost dissipating. So, the actual cash outflow you can calculate by knocking off approximately five crores per quarter from the reported finance costs.

Closing Remarks

That's it in terms of the questions Satya. Gautam and Nikhil, thank you so much everyone for joining in today and making time. We look forward to catching up with you for our Q3 analyst call towards early February.

Satyanarayanan: Thank you so much and see you later. Bye. Thank you, Arjun.

Safe Harbor Statement

Certain statements in this document relating to future business, financial performance, operating plans, strategies, objectives, and expectations may be forward-looking statements under applicable laws and regulations. These statements are based on management's current assumptions, estimates, projections, and expectations and are subject to known and unknown risks, uncertainties, and other factors. Actual results could differ materially from those expressed or implied. CL Educate Limited undertakes no obligation to publicly update or revise any forward-looking statements, except as required by law.

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[Annual Report](#) | [Financial Statements](#) | [Quarterly Results](#) | [Telegram Channel](#)

For further information, please contact:

Amit Kanabar

Chief Manager – Finance & Strategy
CL Educate Limited
Tel: +91 88009 76683
Email: amit.kanabar@careerlauncher.com