

S Chand And Company Limited

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Registered Office: Ravindra Mansion, Ram Nagar, New Delhi - 110055, India.

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Date: August 22, 2017

To Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001	To Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051
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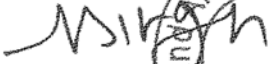
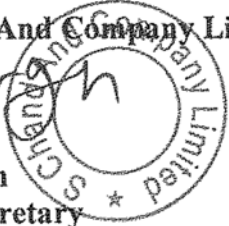
Dear Sir,

Re: Intimation of schedule of Analysts and Investors conference call pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Pursuant to Regulation 30 of the Listing Regulations, the presentation on the financial results for the quarter ended June 30, 2017 to be presented to the analysts and investors on Tuesday, August 22, 2017 at 12:00 P.M. is enclosed herewith.

Request you to kindly take note of the same.

For S Chand And Company Limited



Jagdeep Singh
Company Secretary
Membership No. A15028
Address: A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi-110044





S Chand and Company Limited

Q1 FY 2017-18

Results Presentation

August 21, 2017

This presentation may contain certain statements regarded as ‘forward looking statements’ within the meaning of applicable laws and regulations. These forward looking statements involve a number of risks , uncertainties, and other factors that could cause actual results, financial condition or performance of the Company to differ materially from those suggested or implied by the forward looking statements. The operations of the Company’s may be materially impacted by various factors outside the control of management including changes in the industry structure, significant changes in political and economic environment in India and overseas, regulatory environment, labor unrest, etc. Given these risks, uncertainties and other factors, recipients of this presentation are cautioned to not place undue reliance on these forward looking statements.

S Chand and Company Limited (SCCL) will not be in any way responsible for any action taken based on such statements and disclaims any obligation to publicly update these forward looking statements to reflect any subsequent events or developments.



1 Q1 FY 2018 Results Update

2 Industry Overview

3 Annexure : Group Profile





Q1 FY 2018 Results Update

Financial Performance : Q1 FY 2018 (3 Months)



S Chand And Company Limited Figure in INR Millions	Standalone		
	QE 30.6.17	QE 30.6.16	YE 31.3.17
Revenue from operations	294	158	3,025
Other income	46	24	96
Total Income	340	181	3,121
Material consumed, net of change in inventory	114	67	1,188
Publication expenses	48	22	317
Selling and distribution expenses	46	36	206
Employee benefit expenses	129	100	481
Other expenses	71	79	277
EBIDTA	(68)	(122)	652
Depreciation and amortization	11	14	65
Finance costs	40	23	149
Profit before taxation	(120)	(159)	438
Tax expenses	(41)	(51)	166
Profit after taxation for the period/ year from continuing operations	(79)	(109)	272
Total comprehensive income fro the period/year	(78)	(109)	272
Earnings per equity share (INR) (for continuing operations)			
• Basic	(2.40)	(3.64)	9.12
• Diluted	(2.40)	(3.64)	9.10

- I. Standalone revenues at INR 340 MN, higher by 88% YOY.**
 - Q1 is a low revenue quarter for S Chand, contributed < 6% of annual revenues in FY 2017.
 - S Chand standalone revenues constitute around 45% of group revenues.

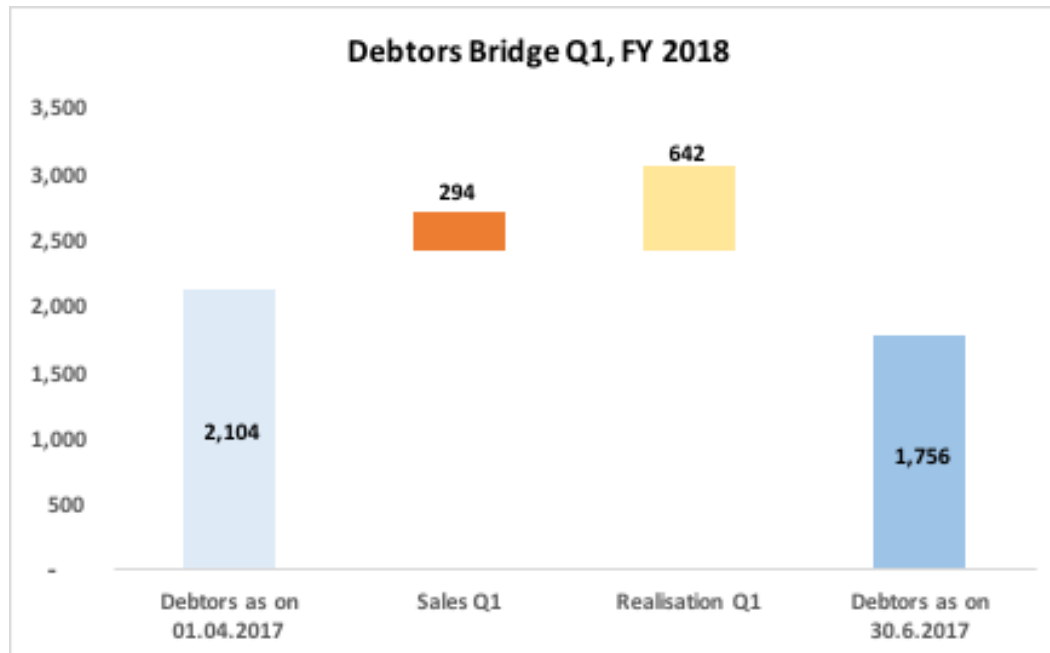
- II. Standalone Ebidta Loss at INR 68 MN vs Loss of INR 122 MN in Q1FY2017.**
 - Improvement on account of higher revenues.
 - Q1 is a negative ebidta quarter due to seasonal nature of business. (historical trend)

- III. Standalone Net Loss (after taxes) at INR 79 MN vs Loss of 109 MN in Q1FY2017.**
 - Higher finance costs due to acquisition loan for Chhaya , which was prepaid in May 2017.

- IV. Successfully raised INR 3,250 MN from Initial Public Offering in May 2017.**
 - Commenced trading on stock exchanges (NSE, BSE) on May 9, 2017.
 - INR 2,520 MN utilized to deleverage and reduce interest cost.

Debtors reduced from INR 2,104 Mn as on 01.04.17 to INR 1,757 Mn as on 30.06.17.

- ~ 30% debtors as at beginning of Q1 realized during the quarter.
- Closure of schools for summer break impacts recovery in Q1.



Figures in INR MN

S Chand Standalone Basis	On 30.6.17	On 31.3.17
Debtors	1,756	2,104
Inventory	563	601
Creditors	(725)	(900)
Net WC	1,594	1,805

Segment Performance Q1 FY2018

K-12 content revenues increased by 118% YOY, from INR 84MN to INR 182 MN.

K-12

- K-12 sales cycle peaks in Q4 and tapers off in Q1 when new academic session begins in central curriculum (CBSE, ICSE) schools.
- K-12 business contributes to around 80% of group revenues on an annualized basis.

Higher Education

Higher Education revenues increased by 24% YOY to INR 125 MN.

- Test Preparation content revenues at INR 23 MN vs INR 29 MN in Q1FY2017.
- College & University/ Technical & Professional content revenues at INR 103 Mn vs INR 72 Mn in Q1FY2017.

Debt Profile	On 30.6.17	On 31.3.17	
Gross Debt	570	2,129	IPO proceeds used to deleverage.
Net Debt	(247)	1,985	Net of cash and bank balance.
Shareholder funds	8,193	5,020	Increased by INR 3,250 MN against fresh equity shares issued in IPO.
Net Debt/ Equity Ratio	-	0.39	

Regulatory Compliances

- ✓ Transitioned into IND-AS from Indian GAAP with effect from Q1 FY 2018.
- ✓ Successfully upgraded its reporting and accounting systems to transition to GST as per stipulated timelines.

Business Restructuring

- ✓ Considering various options for restructuring of the business of the Company and its subsidiaries with the objective of simplifying the holding structure.

Minority Investments

- ✓ Invested INR 2.5 Mn in Smartivity Labs Private Limited, an existing investee company engaged in early learning.
Ownership at 23.5% on a fully diluted basis.

Utilization of IPO Proceeds



Particulars	Amount INR MN	Utilized till 30.06.17 INR MN	Remarks
Gross proceeds from IPO : Fresh Issue	3,250		
Objects			
Repayment of loan availed by S Chand utilized towards funding acquisition of Chhaya	1,000	1,000	
Repayment of loan availed by Eurasia Publishing House Private Limited (wholly owned subsidiary of S Chand) utilized towards funding acquisition of Chhaya	504	504	
Repayment of loans availed by S Chand	550	524	Company expects to utilize remaining funds in the next three quarters of FY 2017-18.
Repayment of loans availed by subsidiaries of S Chand	496	474	
General Corporate Purposes	491	44	
Share issue expenses	209	209	
Total	3,250	2,755	

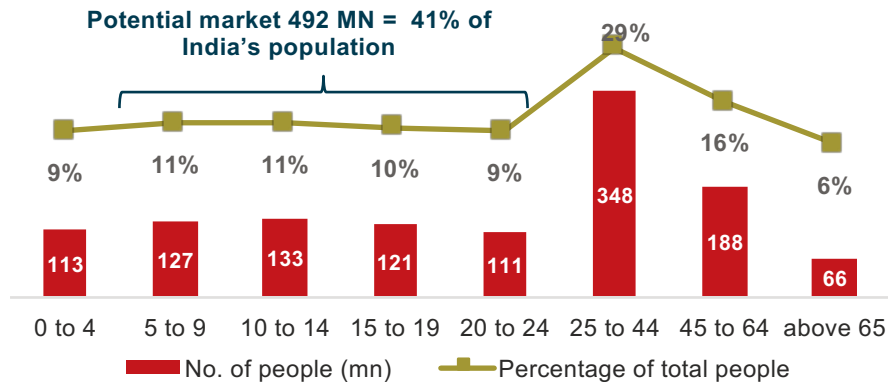


Industry Overview

Indian Education Sector : Inflection Point , Strong Potential

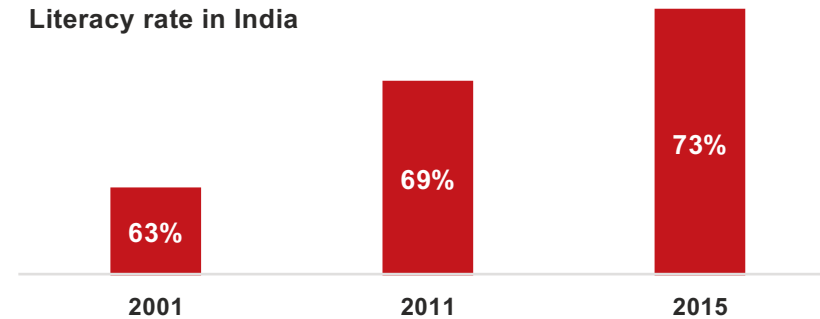


Age-wise population distribution in India : S Chand target market.

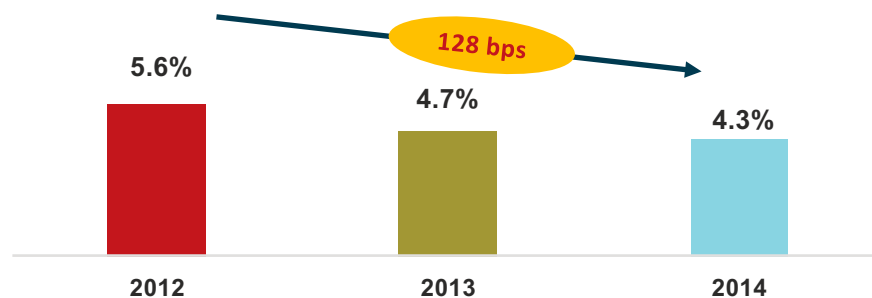


Literacy rate improving with higher participation from students.

Literacy rate in India



Decrease in drop-out rates for primary education in India.



S Chand well positioned to benefit from sector tailwinds.

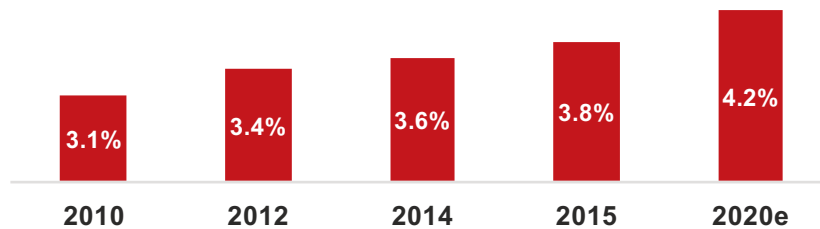
- Gross enrolment ratio and students completing primary & secondary education gradually improving in India.
- Falling dropout rates and increased girls participation led to improvement in literacy rate.
- Government promoting education through various schemes with budgetary support.

Increasing Household Expenditure On Education

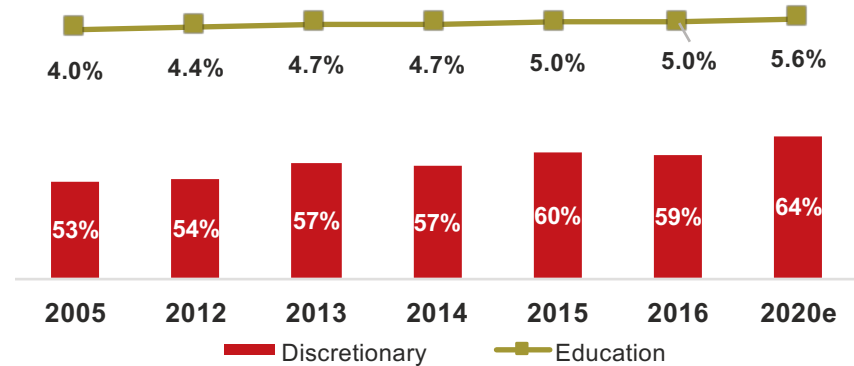


Investment in India's Education Sector

As a percentage of GDP



Higher Share of Education in Discretionary Spend

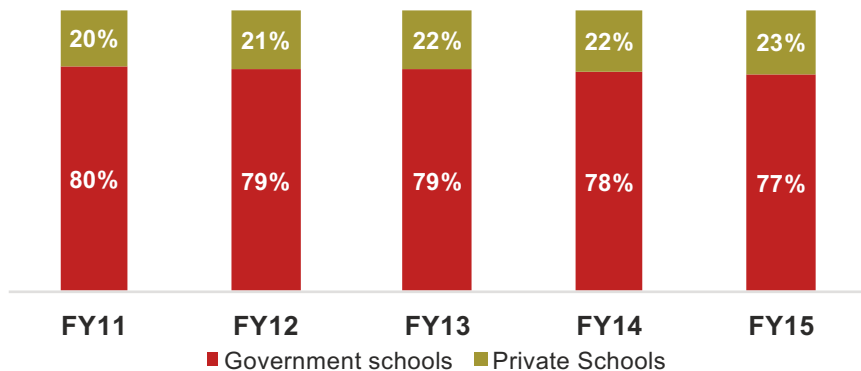


- ✓ Education and related expenses gradually increasing in India with rising affluence and increasing discretionary spend.
- ✓ Allocation towards education @ 5% of discretionary spend is amongst lowest in the world.
- ✓ Books and stationery constitute a small percentage of education spend.
- ✓ Average price of educational books prices in India is significantly lower at around US\$ 3 per book, lower than most emerging economies.
- ✓ Demand for educational content (books) is inelastic due to low prices and small share of total spend.

Preference Towards Private & Central Curriculum Schools



Private schools market share increasing every year



- ✓ Student share of private schools increasing consistently despite subsidised fees and free meals/ books in government schools.
- ✓ Government schools losing favour even amongst the rural and not so affluent population.
- ✓ CBSE and ICSE schools are preferred for their superior curriculum and better pedagogy.
- ✓ S Chand is a key beneficiary of increasing number of CBSE and ICSE schools, being the leading content provider to such schools amongst the private publishers.

CBSE & ICSE increasing faster amongst affiliated board schools

Boards	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	CAGR
CBSE	11,349	12,337	13,898	14,778	15,933	17,474	9.0%
ICSE	1,461	1,565	1,678	1,798	1,927	2,181	8.3%
State Boards	13,16,401	13,63,862	14,47,487	14,65,871	14,60,455	NA	2.6%
Total	13,29,211	13,77,764	14,63,063	14,63,447	14,78,315	NA	2.7%

(Source : Nielsen Research Report, School Board reports, DISE)

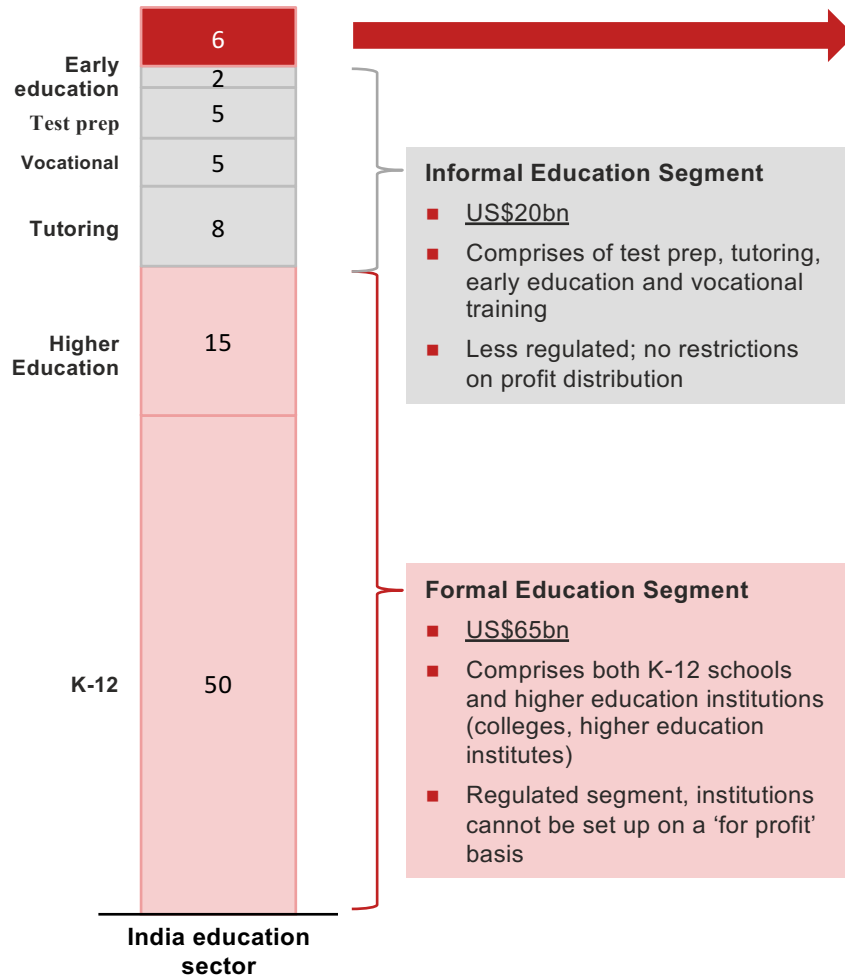


Large addressable opportunity



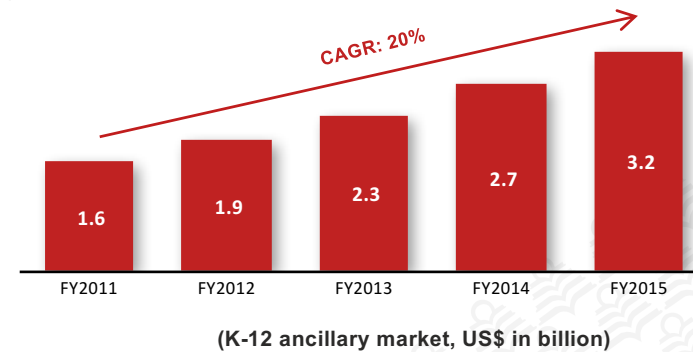
US\$90 billion market size for the Indian education sector

(Market size in US\$ billion)



US\$6bn Ancillary Education Segment

- S Chand operates in this segment (catering to K-12 and HE segments)
- Supports formal and informal education segments
 - Comprises of content, digital content and services such as curriculum management and facilities management
 - Mostly caters to K-12 & higher education institutions
- Less regulated; no restrictions on profit distribution
- K-12 ancillary market is fast growing segment with ~20% CAGR during 2011-15



- Presence of robust growth drivers
 - ~3mn annual enrolment in K-12 schools; Private unaided schools grew 10.4% during 2011-15
 - India has the largest number of education institutions in the world, with 777 universities, 38,498 colleges and 12,276 standalone institutions
- Highly fragmented sector providing room for growth

Source: Technopak Research Report. Nielsen: India Book Market Report 2015



Appendix: Others



Leading Indian Education Content Company spanning the education lifecycle

Delivering content, services and solutions...

...across the education continuum

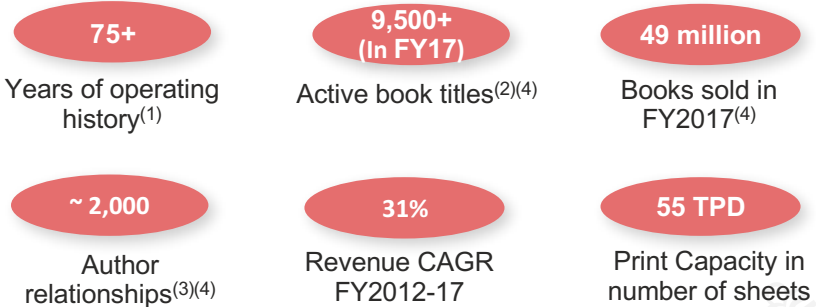
- Offerings spanning entire the education spectrum
 - Early learning
 - K-12
 - Higher education



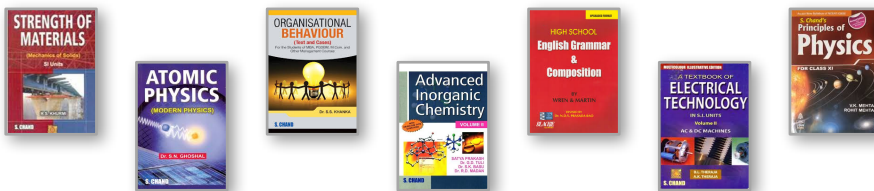
...with Pan India reach

- Pan-India sales and distribution network driving deep market reach
- Presence in Central (CBSE, ICSE) and State Board affiliated schools across India

- ✓ Long operating history of seven decades⁽¹⁾
- ✓ High brand equity across multiple brands
- ✓ Strong author relationships
- ✓ Keeping pace with time – transition from print into digital content and services



Strong content



Portfolio of brands to focus on varied capabilities in print and digital



(1) S. Chand & Co. has been in operation since 1939 which was later taken over by S. Chand & Company Private Limited which was incorporated in 1970
 (2) Includes Early learning, K-12 & higher education active titles.
 (3) Author relationships for more than 5 years as on March 31, 2017
 (4) Denotes combined figures for S Chand and Chhaya Prakashani , gross number of books sold.

Business segments



	K-12	Higher Education	Early Learning
Revenue contribution	80% of FY2017 revenues ⁽¹⁾ 45% revenue CAGR ⁽⁴⁾	18% of FY2017 revenues ⁽²⁾ 8% revenue CAGR ⁽⁴⁾	2% of FY2017 revenues ⁽³⁾
Target segment	School students (4 -18 years)	Test prep (>18 years) College students / professionals	Children
Description / highlights	<ul style="list-style-type: none"> Schools affiliated to Central / State Boards Largest K-12 player in India <ul style="list-style-type: none"> Dominant presence in Central Board affiliated schools Increasing presence in State Board affiliated schools Offers books and digital / hybrid content and solutions 	<ul style="list-style-type: none"> Colleges and universities (arts, science & commerce degrees) Test prep for competitive exams (engineering, government jobs) Offers books, e-books, web and mobile delivery of content 	<ul style="list-style-type: none"> Children books, educative games, activity based modules – experiential learning Also operates 6 pre-school centers under RiseKids brand
Digital / hybrid contribution	<ul style="list-style-type: none"> Around 24% contribution from hybrid offerings and ~ 5% contribution from purely digital offerings in FY2017 revenues 		
Strategy	<ul style="list-style-type: none"> Increase share of content spend within Central Board affiliated schools Expand presence in State Board affiliated schools 	<ul style="list-style-type: none"> Increase exam oriented content Increase regional content 	<ul style="list-style-type: none"> Complete presence across student lifecycle

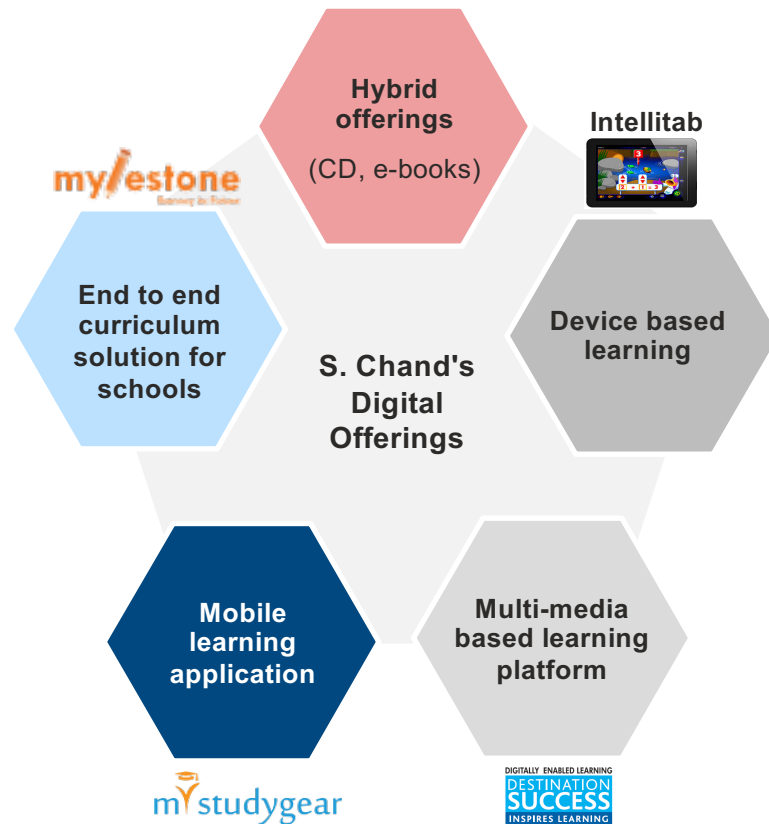


(1) Financials do not consolidate Edutor & Flipclass
 (2) Financials do not consolidate Edutor, Test book, OnlineTyari
 (3) Financials do not consolidate Smartivity
 (4) Revenue CAGR during FY2012 - 17

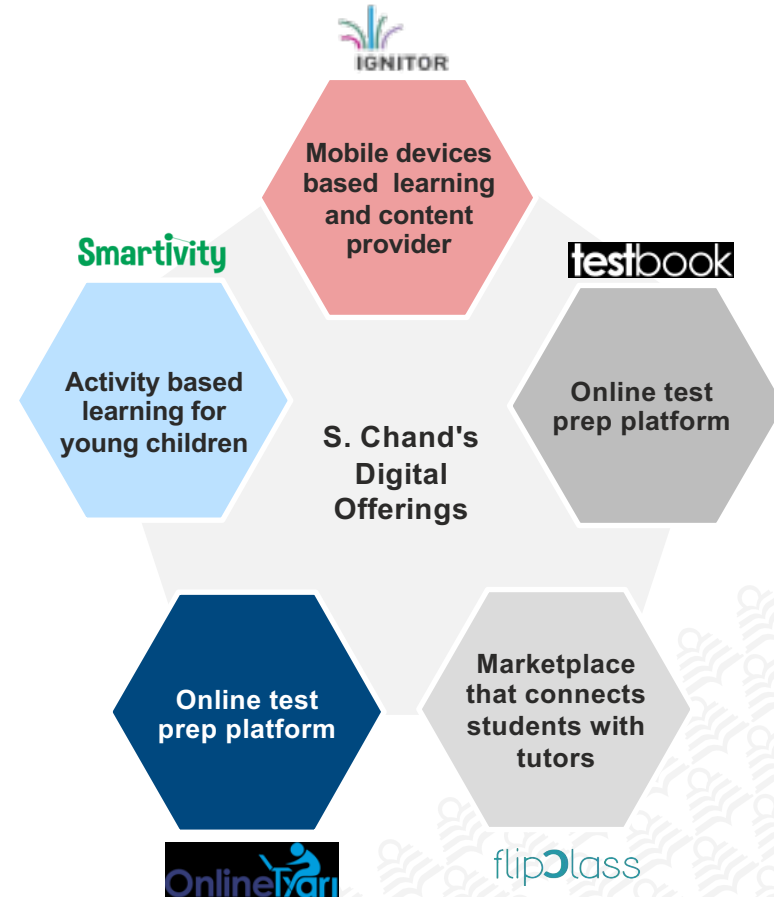
Business segments supported by digital/services platform that is at the forefront of innovative education delivery



Inhouse digital/ service platforms

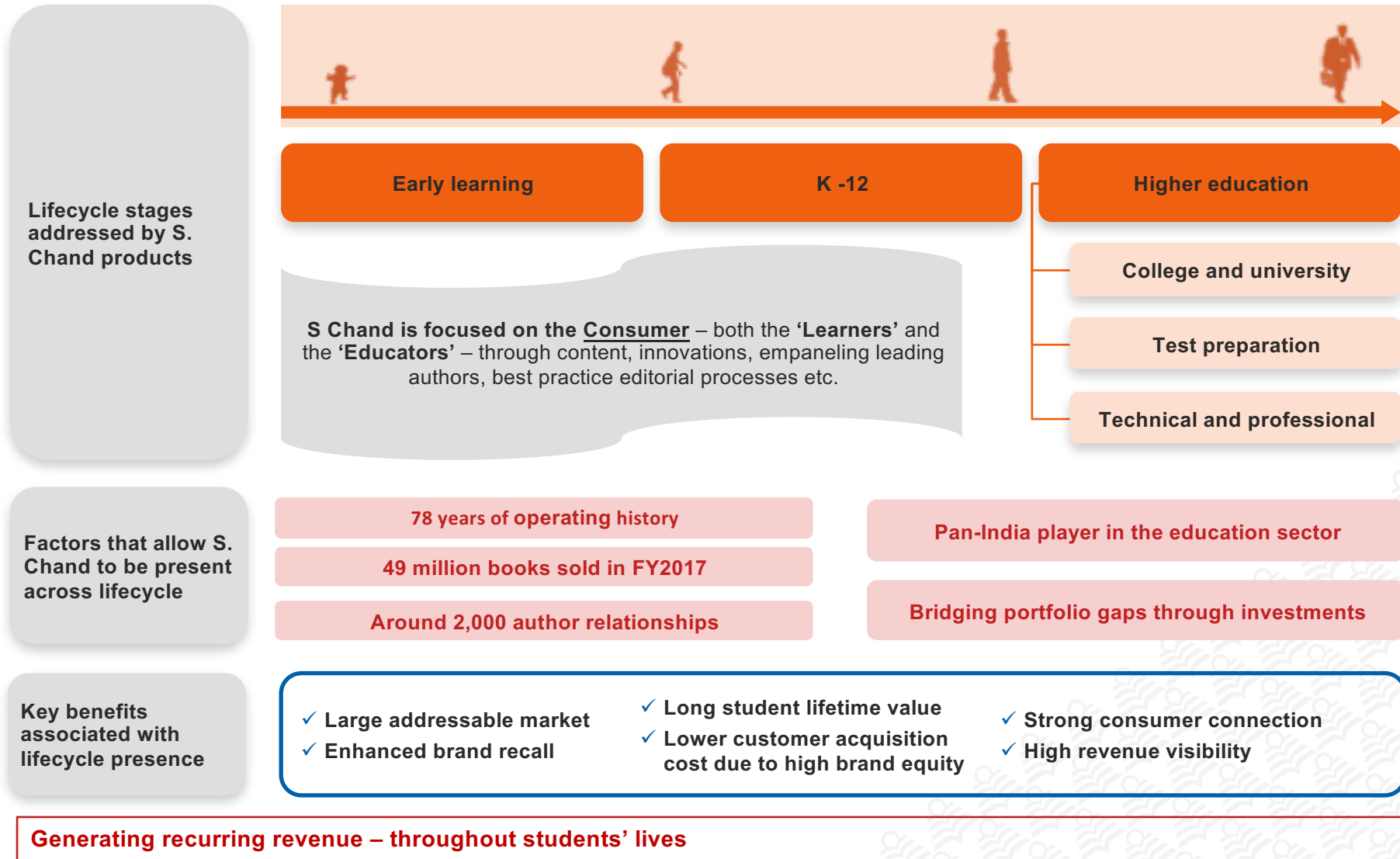


Digital investments (inorganic)



Focus of growth in digital / services platform is to supplement existing strength in K-12 / test prep domains

Comprehensive lifecycle-focused education content player



Pan-India sales and distribution network driving deep market reach

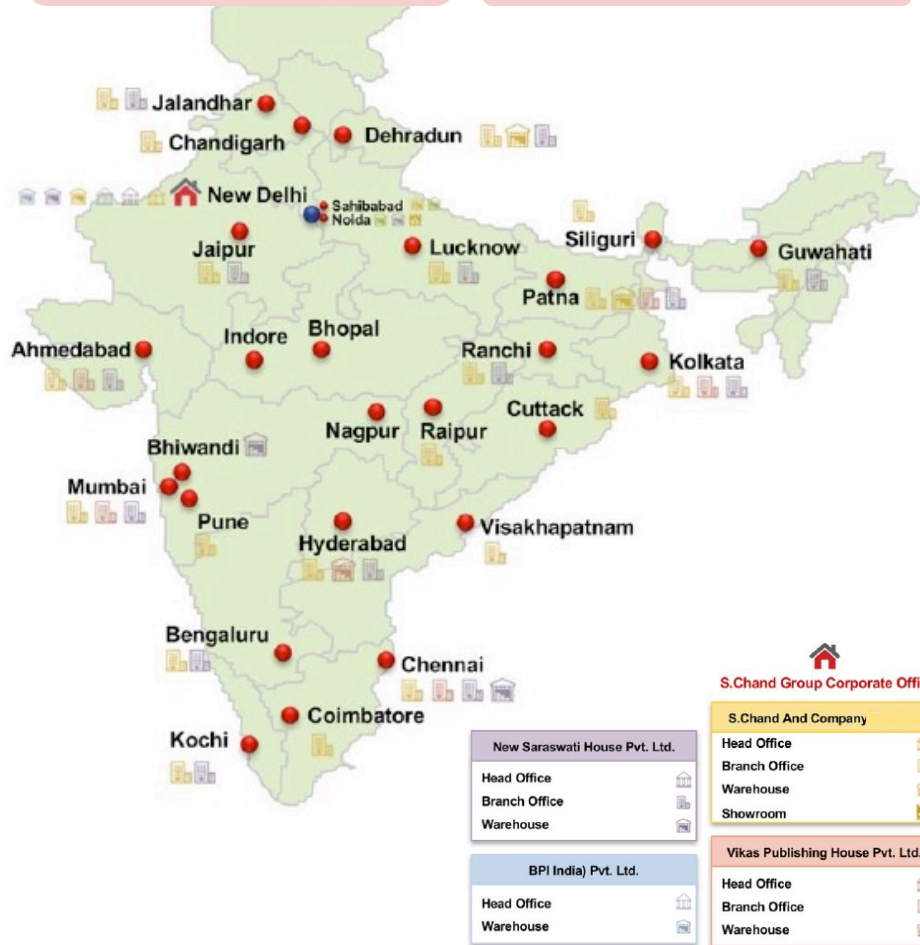


Pan-India presence of sales and distribution network

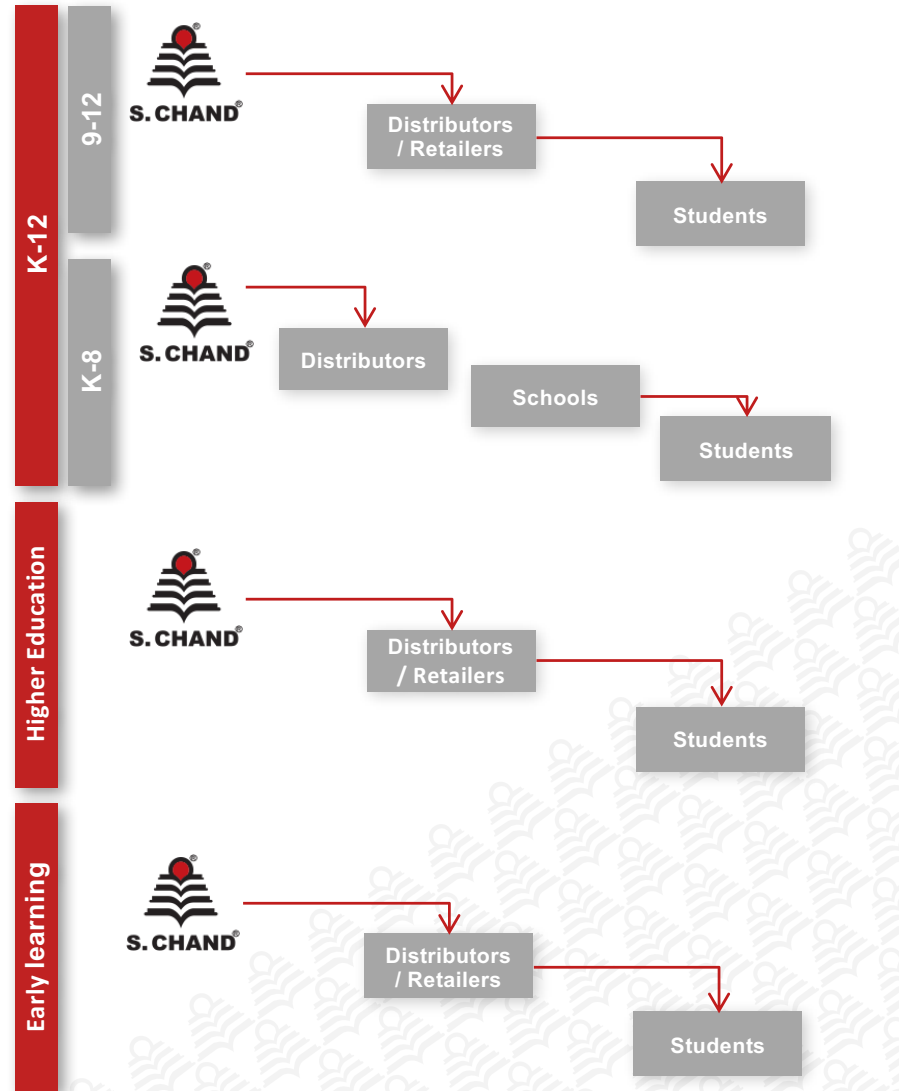
Spanning all Indian states

~6,500 distributors

800+ in-house sales force



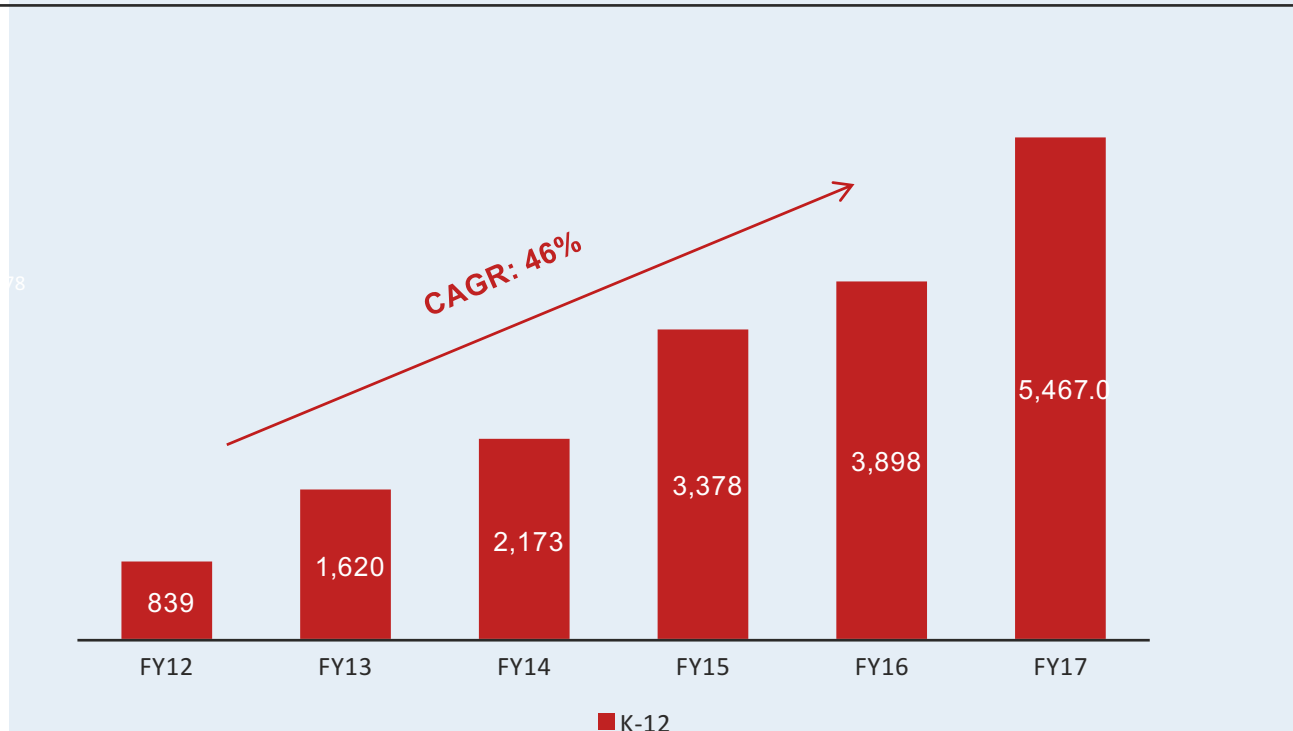
Distribution channel / sales



Strong position in the K-12 market



S. Chand's growth has been anchored by K-12's growth⁽³⁾



- ✓ Most S Chand brands provide core subject offerings (mathematics, science etc.)
- ✓ Hybrid offerings provide more value per unit to student compared to pure print content

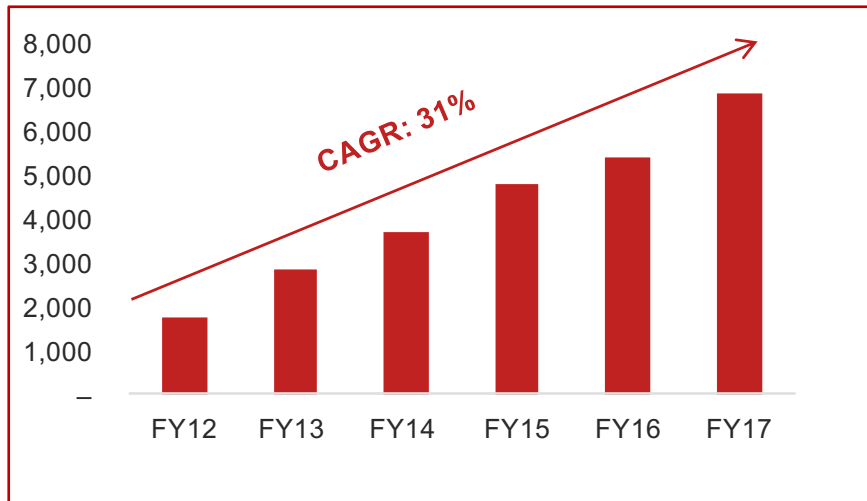
Next phase of growth

- ✓ Increase touch points / number of schools; consolidate position further in Central Board affiliated schools and increase penetration in State Board affiliated schools
- ✓ Increase share of wallet in each school through
 - Higher number of offerings in K-12 through multiple brands
 - Digital offerings / hybrid offerings in schools
 - Offering/cross-selling education services such as curriculum management, assessment tools etc.
- ✓ Continuous content development

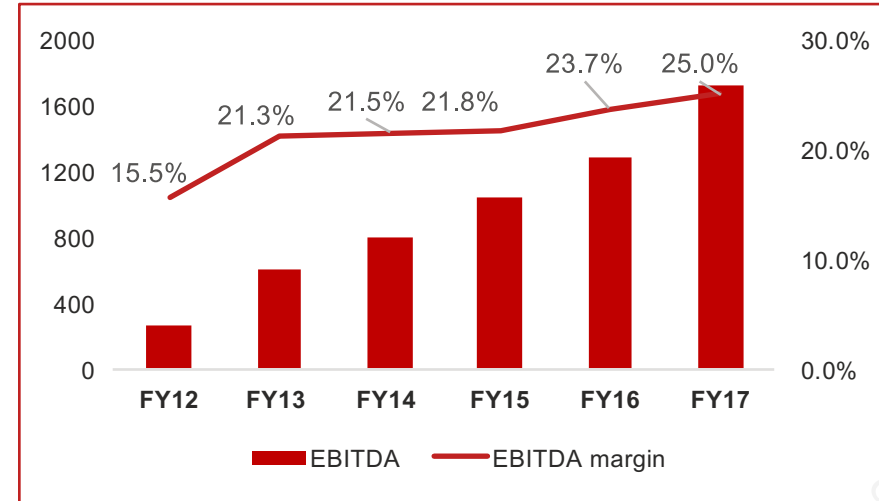
Strong Track Record



Revenue growth trajectory (INR MN)



EBITDA (INR MN) | EBITDA margin (%)



- Revenues increased from INR 1,746 MN in FY 2012 to INR 6,855 MN in FY 2017.
 - CAGR of 31.4% , combination of organic and inorganic growth.
 - K-12 content constitutes 80% of group revenues.
- EBITDA margins improved from >20% in FY 2012 to 25% in FY 2017.

For further information, please contact:

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