



S Chand And Company Limited

Corporate Office: A-27, 2nd Floor, Mohan Co-Operative Industrial Estate, New Delhi - 110044, India.

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

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Date: November 05, 2018

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,


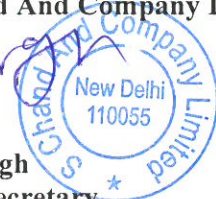
Re: Investors Presentation-Financial Results-Q2 FY 2018-19 -pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The presentation for the analysts and investors for the conference call scheduled to be held on Monday, November 12, 2018 at 12:00 P.M. to discuss the financial results for the quarter ended September 30, 2018 is attached herewith.

The Company shall also disseminate the above information on the website of the Company i.e. www.schandgroup.com.

Request you to kindly take note of the same.

For S Chand And Company Limited

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

Encl: As above



S. Chand and Company Limited
Q2 – FY2018-19
Results Presentation
November 05, 2018

- KEY HIGHLIGHTS: Q2FY19
- SEASONAL NATURE OF OUR BUSINESS
- CONSOLIDATED FINANCIALS: Q2FY19
- WORKING CAPITAL CYCLE
- SHAREHOLDING STRUCTURE
- LOOKING AHEAD
- ANNEXURE:
 - China vs India – A Case Study in Education Sector
 - Indian Education Sector - Overview
 - S Chand – Group Profile
 - S Chand - Historical Financial Performance



- **Strong focus on improving balance sheet metrics**

- Due to the seasonal nature of our business, **Q2 historically contributes only a minor portion of our annual revenues.**

Therefore, our focus during the quarter remains on improvement in debtor days, net working capital etc.

- Our Debtor days has reduced by 53 days QoQ to 178 days (vs. 290 days during Q4FY18 & 231 days in Q1FY19)
- Our Net Working capital days has reduced by 33 days QoQ to 202 days (vs. 253 days during Q4FY18 & 235 days in Q1FY19)

- **Update on Chetana Publications LLP acquisition – Going as planned**

- In line with our roll up strategy, we announced the acquisition of a beneficial 51% stake in Chetana Publications LLP in August, 2018 with an investment of Rs585m. We are focused on completing the necessary approvals and are planning for a successful integration of Chetana Publications LLP with S Chand during FY19.
- Chetana Publications LLP is a leading state board player in Maharashtra which derives ~85% of revenues during the April- June quarter which is a lean quarter for S Chand. This acquisition should significantly help in reducing the Q4 heavy nature of our business.
- We look forward to driving synergies with the help of our group's leadership position and resources including distribution network , printing infrastructure, preferred paper prices, digital content etc.

- **Update on Chhaya Prakashani acquisition of the remaining 26% stake**
 - S Chand had acquired 74% stake in Chhaya Prakashani in December, 2016.
 - We are in the process of acquiring additional 26% and taking our stake to 100% in the company during the year.
- **Update on restructuring of our business subsidiaries to gain tax efficiency, cost rationalization and improved capital allocation**
 - We are in process of implementing a scheme of amalgamation of our subsidiaries - Blackie & Son (Calcutta) Private Limited, Nirja Publishers & Printers Private Limited. DS Digital Private Limited, Safari Digital Education Initiatives Private Limited into S Chand And Company.
 - We look forward to completing this process within the current financial year.

SEASONAL NATURE OF OUR BUSINESS



Less than 10% of annual revenues;
Negative WC

Q1 April - June

- Last leg of K-12 sales for new academic session and delivery of books to distributors/ schools.
- New academic session commences in April for CBSE/ ISCE schools.
- Annual paper contracts negotiated.
- Finalisation of title catalogue for next academic year (new and revised titles).
- Sales performance review. (regional/ branches)

Less than 5% of annual revenues;
Negative WC

Q2 July - September

- Content revision/ development by editorial team in collaboration with authors.
- Engagement with schools & teachers. (training sessions, workshops, etc.).
- Sample distribution. (September)
- Return of unsold stock from distributors as per contractual agreement.
- Semester 1 (Higher Education) and Test preparation sales based on government vacancy examinations.

Less than 10% of annual revenues;
Peak Inventory

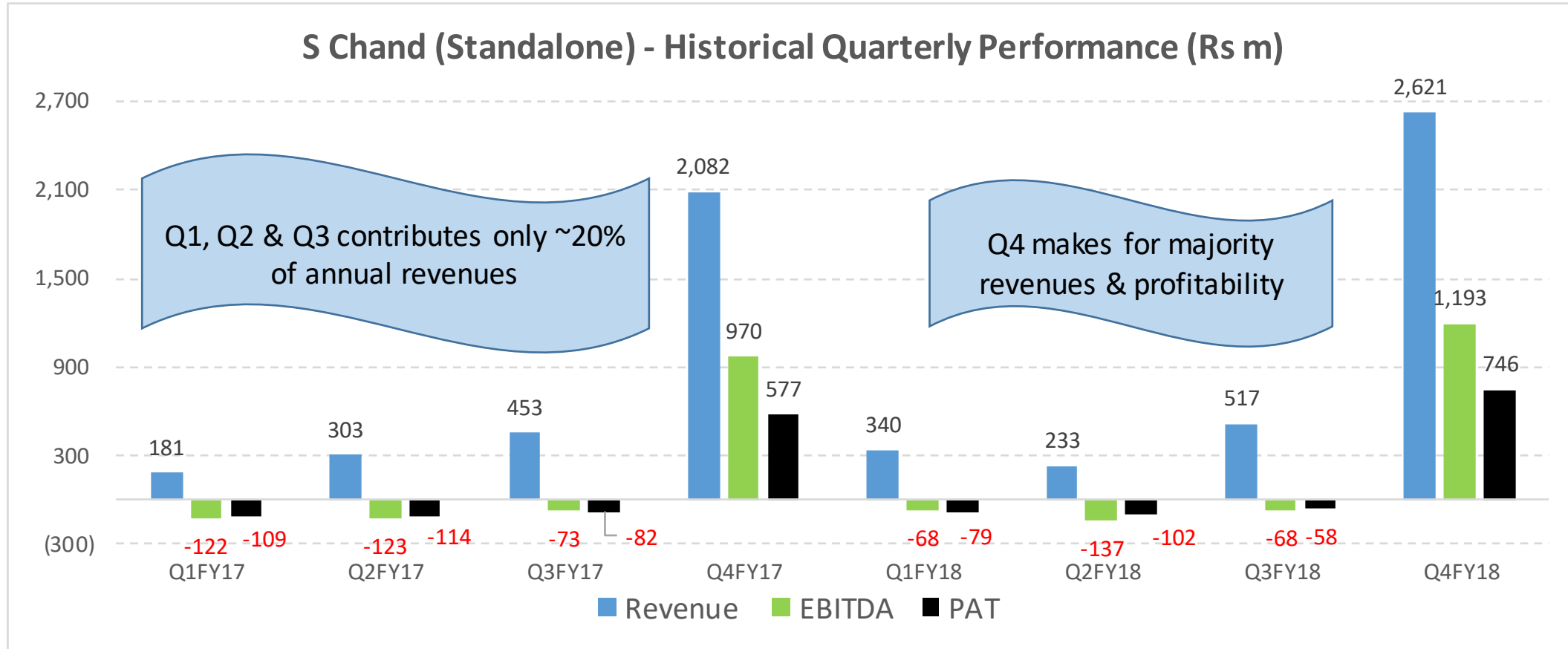
Q3 October - December

- Sample distribution and evaluation by schools.
- Printing of back list and best seller titles.
- Final reconciliation and closure of distributor accounts before commencement of season sales.
- Order visibility from schools starts building up.
- Significant sales quarter for HE segment.

75% to 80% of annual revenues;
Peak Receivables

Q4 January - March

- K-12 season sales and delivery to distributors/ schools. (Peak Season)
- Semester 2 (Higher Education) and Test preparation sales based on government vacancy examinations.
- Printing of front list titles.
- Additional printing runs for back list / best seller titles based on demand.



The chart clearly highlights the seasonal nature of our industry. The company makes up the whole year profits in Q4 after posting negative profitability in the first three quarters.

CONSOLIDATED FINANCIAL PERFORMANCE: Q2FY19



S Chand and Company Limited (Figures in INR Million)	Consolidated		
	Q2FY19	Q2FY18	FY18
Revenue from Operations	106	113	7,944
Other Income	17	15	127
Revenues	123	127	8,072
Cost of goods (net of inventory change)	7	58	2562
Publication expenses	64	55	683
Selling & distribution expenses	209	154	737
Employee benefit	367	330	1386
Other expenses	234	183	650
EBIDTA	(758)	(652)	2,054
Depreciation and amortization	55	45	193
Finance costs	57	44	240
Profit before tax	(871)	(741)	1,622
Share of profit/(loss) in associates	(4)	0	(12)
Exceptional Items	-	-	-
Tax expenses	(304)	(190)	539
Profit after taxation	(571)	(551)	1,071
Earnings per equity share (INR) (for continuing operations)			
Basic	(16.33)	(15.41)	31.14
Diluted	(16.33)	(15.41)	31.06

Historical business seasonality played out during the quarter as Q2 is typically the lowest revenue quarter with contribution of only a minor portion of annual revenues.

CONSOLIDATED FINANCIAL PERFORMANCE: Q2FY19



**S. CHAND
GROUP**

₹ in millions)	30 Sep 2018	31 Mar 2018
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	1,060	1,074
Intangible assets	4,067	4,068
Capital work-in-progress	105	7
Intangible assets under development	103	61
Financial assets		
- Investments	238	233
- Loans	158	93
- Other financial assets	11	12
Other non-current assets	276	135
Deferred tax assets (net)	675	220
Total non-current assets (A)	6,693	5,903
Current assets		
Inventories	1,938	1,562
Financial assets		
- Investments	570	468
- Loans	50	83
- Trade receivables	3,866	6,312
- Cash and cash equivalents	112	665
- Other financial assets	80	29
Other current assets	201	139
Total current assets (B)	6,816	9,259
Total assets (A+B)	13,509	15,162

₹ in millions)	30 Sep 2018	31 Mar 2018
	Unaudited	Audited
Equity and liabilities		
Equity		
Equity share capital	175	175
Other equity		
- Retained earnings	2,224	3,334
- Other reserves	6,490	6,489
Non controlling interests	29	42
Total equity (C)	8,917	10,039
Non-current liabilities		
Financial liabilities		
- Borrowings	165	266
- Trade payables	6	6
- Other financial liabilities	4	3
Net employee defined benefit liabilities	67	70
Other non-current liabilities	8	8
Total non current liabilities (D)	251	353
Current liabilities		
Financial liabilities		
- Borrowings	1,862	1,448
- Trade payables		
- micro enterprises and small enterprises	33	50
- other than micro enterprises and small enterprises	1,394	2,060
- Other financial liabilities	805	730
Net employee defined benefit liabilities	7	7
Other current liabilities	151	222
Other provisions	89	251
Total current liabilities (E)	4,341	4,769
Total equity and liabilities (C+D+E)	13,509	15,162

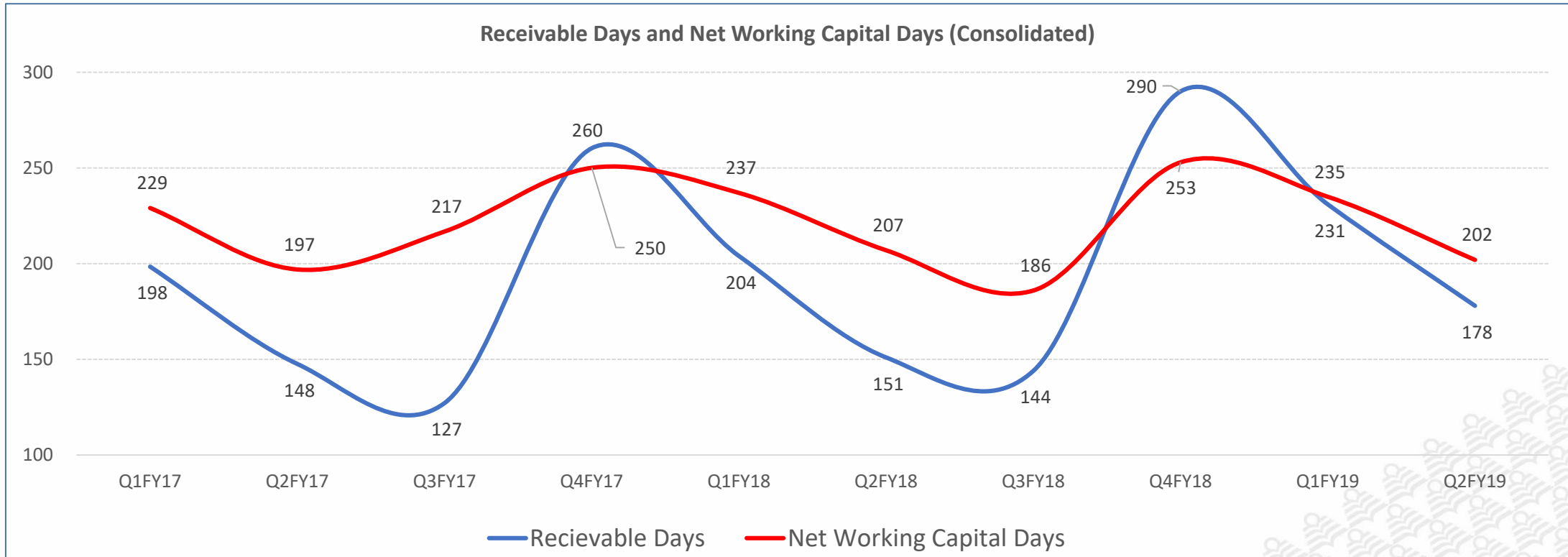
- Net Debt as of 30th Sep 2018 stands at Rs1,494m.

WORKING CAPITAL CYCLE – ELEVATED IN Q4, REDUCTION CONTINUES TILL Q3



Working Capital : Debtors reduced from Rs6,312m as of Q4FY18 to Rs3,866m as of Q2FY19 (vs Rs5,016 in Q1FY19)

- ~ 22% debtor realization during the quarter
- Overall working capital down from peak of 253 days to 202 days



Industry phenomenon of peak receivables in Q4 followed by reduction over following Q1, Q2 and Q3

SHAREHOLDING STRUCTURE

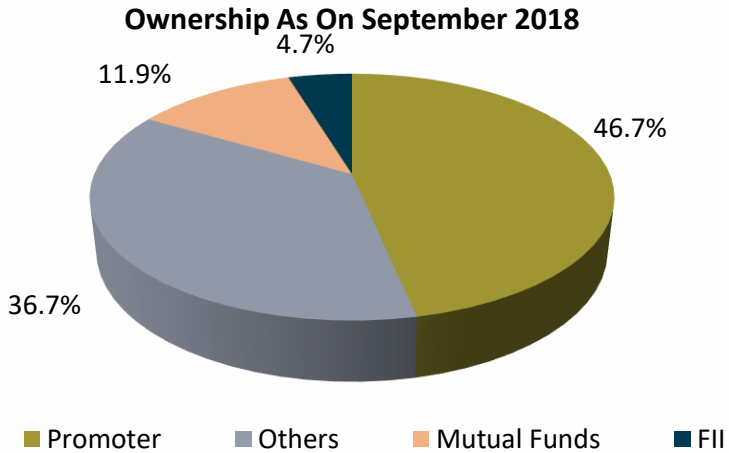


Market Data	As of 2 nd Nov, 2018
Market Capitalization (Rs Mn)	6,930
Price (Rs)	198
No. of shares outstanding (Mn)	34.95
Face Value (Rs.)	5.0

(Source: www.bseindia.com)

Key Institutional Investors - September 2018	% Holding
Everstone Capital Partners II LLC	9.5%
International Finance Corporation	8.0%
HDFC Mutual Fund	7.1%
Aditya Birla Sun Life Mutual Fund	2.9%
Volrado Venture Partners Fund	2.6%
Indus India Fund	1.9%
Sundaram Mutual Funds	1.1%
Eastspring Investments	0.9%

(Source: www.bseindia.com)



(Source: www.bseindia.com)

- **Q3FY19**

- Working with sales teams to focus on the peak season from Dec/Jan onwards.
- Continued focus on reducing receivables while inventory levels would start to increase in order to capitalise on the peak season for the industry.
- Historically, Q3 accounts for less than 10% of the annual revenues of the company

- **FY19**

- Focused on achieving strong YoY growth for the company as we are enter peak season.
- Closure on the ongoing transactions for Chetana Publications, Chhaya Prakashani and internal reorganization of subsidiaries.



Annexure:

- **China vs India – A Case Study in Education Sector**
- **Indian Education Sector - Overview**
- **S Chand – Group Profile**
- **S Chand - Historical Financial Performance**

CHINA 2006

- GDP per capita US\$ 2,100.
- Private education market < US\$ 50 Billion*.

INDIA 2017

- GDP per capita US\$ 1,940
- K-12 market growing at ~ 20%.
- Private education market ~ US\$ 30 Billion*.
- Education market expected to double to US\$ 180 Billion by 2020.



230 MN

Student Population

315 MN



CHINA 2017

- GDP per capital US\$ 8,836
- K-12 market doubled in last 5 years.
- Private education market at US\$ 260 Billion, expected to touch US\$ 330 Billion by 2020.
- Largest global educational companies in book publishing, digital and vocational learning. (TAL - \$ 21B, New Oriental - \$ 15B, China South Publishing – \$ 4 B).



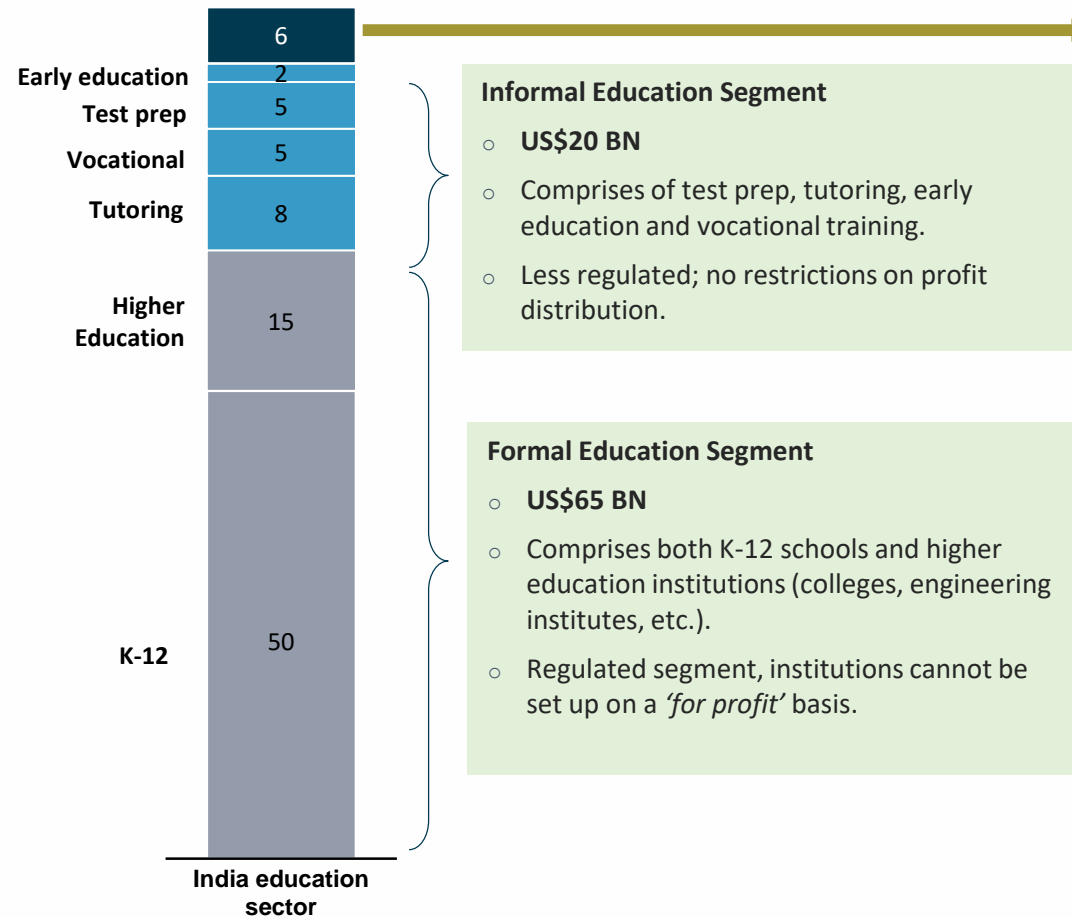
INDIA 2025

- GDP per capita expected ~ US\$ 3,600**.
- Over 50% students expected to enroll in private schools.
- Emergence of private education market led by K-12 segment.
- Billion dollar enterprises in education industry.



* Industry estimates. ** Per market estimates of GDP being US\$ 5 trillion by 2025.

US\$90 BN Market Size for the Indian Education Sector

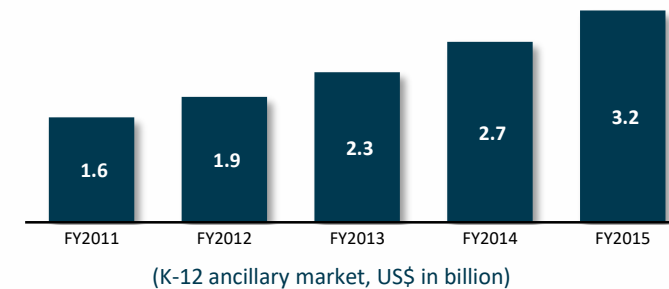


(Source: Technopak Research Report. Technopak Outlook on India's Schooling Segment June 2017. Nielsen: India Book Market Report 2015)

US\$6 BN Ancillary Education Segment

S. Chand operates in this segment (K-12/ Higher Education content).

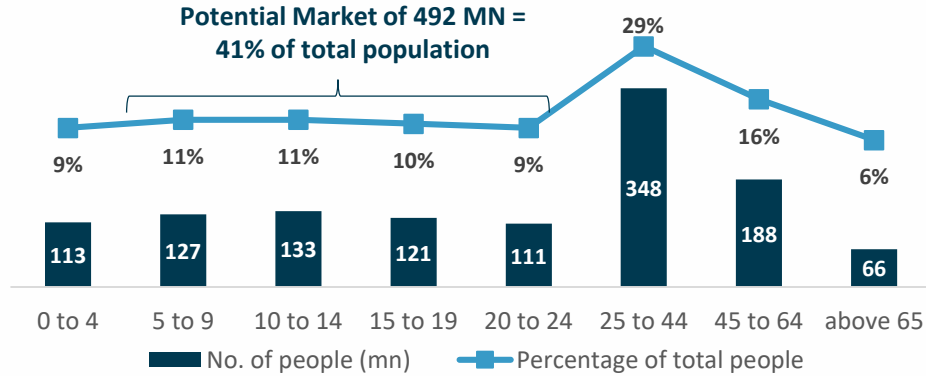
- Supports formal and informal education segments.
 - Comprises of content, digital content & services like curriculum management.
 - Mostly caters to K-12 & higher education institutions.
- Less regulated; no restrictions on profit distribution.
- K-12 ancillary market is a fast growing segment.



- Robust growth drivers.
 - Eligible K-12 population of about 296 MN students in age group 6 to 17 years.
 - Private unaided schools increased at average rate of 10.4% during 2011-15.
 - India has largest education system in the world with over 750 Universities & 35,000 colleges.
- Highly fragmented segment providing room for growth.

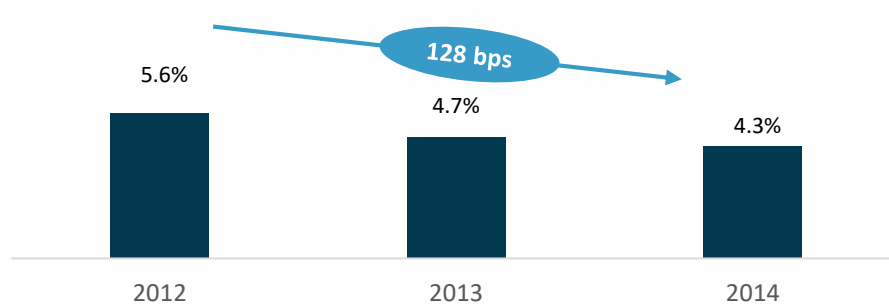
Age-wise population distribution in India : S. Chand target market

(Source: IBEF Report)



Decrease in drop-out rates for primary education in India

(Source: Nielsen Report)



Literacy rate improving with higher participation from students

(Source: Technopak's Outlook on India Schooling Segment)

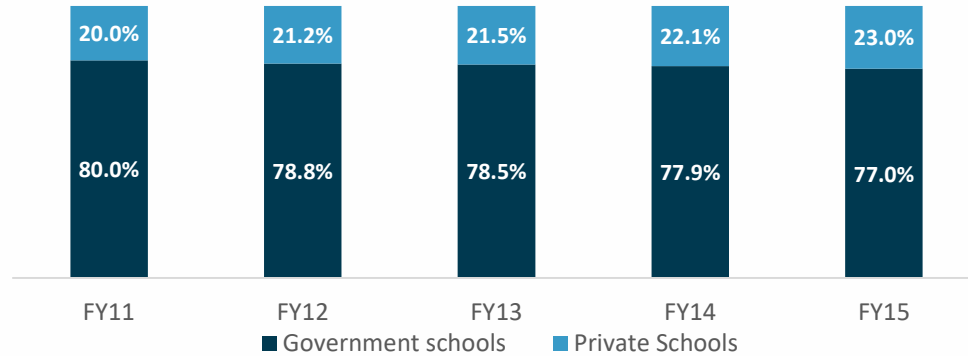
Level of Education	Estimated Population			
	% 2017 (MN)	% 2022 (MN)	% 2017 (MN)	% 2022 (MN)
Illiterate	20%	269	18%	250
Literate but no formal schooling	2%	27	1%	14
School - Up to 5th standard	35%	471	36%	501
School - Up to 10th standard	18%	242	18%	250
School - Up to 12th standard	11%	148	11%	153
Some college but not graduate	5%	67	5%	70
Graduate	6%	81	7%	97
Postgraduate	3%	40	4%	56
Literate	80%	1076	82%	1141
Total	100%	1345	100%	1391

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.

Private schools market share increasing every year

(Source: IBEF Report)



CBSE & ICSE increasing faster amongst affiliated board schools

Board	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	CAGR
CBSE	11,349	12,337	13,898	14,778	15,933	17,474	19,446	9.4%
ICSE	1,461	1,565	1,678	1,798	1,927	2,181	2,295	7.8%
State Boards	13,16,401	13,63,862	14,47,487	14,65,871	14,60,455	NA	NA	NA
Total	13,29,211	13,77,764	14,63,063	14,63,447	14,78,315	NA	NA	NA

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

Indian K-12 education infrastructure

(Source: Technopak's Outlook on India's Schooling Segment)

Number of Schools: 1.5 MN	
Government: 1.1 MN	Private: 0.4 MN
Number of Students: 260 MN	
Government: 150 MN	Private: 110 MN
No. of Teachers: 9 MN	
Government: 5 MN	Private: 4 MN
Annual Intake: 18 MN	
Government: 10 MN	Private: 8 MN
Additional Capacity Required: 36 MN	
Additional Requirement of Teachers: 2 MN	
Additional Resources: USD 55 BN	

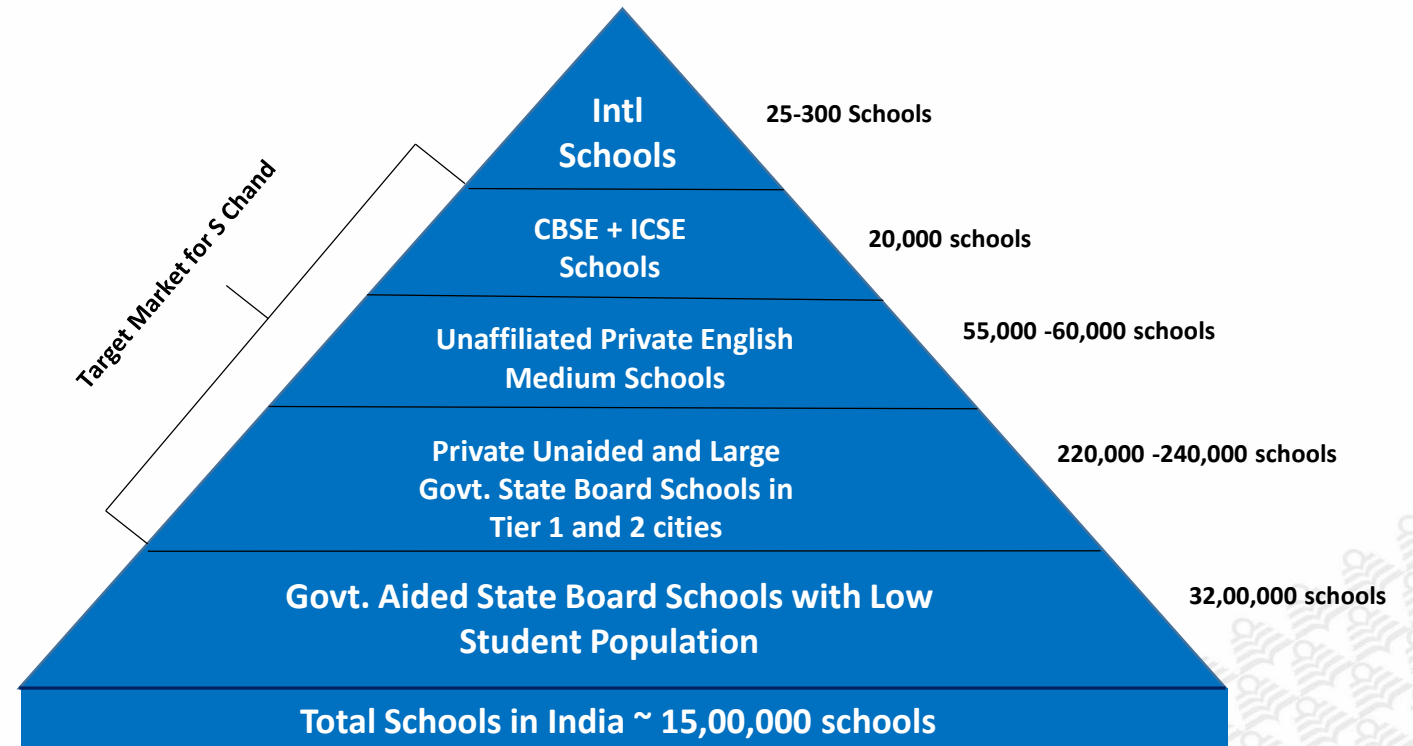
Preference towards private schools continue to rise

- 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.

PREFERENCE TOWARDS PRIVATE, CENTRAL CURRICULUM SCHOOLS

Target Market is 3,00,000 schools – growing at 8-10 % annually and student strength growing at 7-8%

- Currently covering 38,000 schools in the target market
- Target market growing at 8-10% annually in the no. of schools
- Total student strength in India is est. 260 million
- Students strength in the target market is est. 120 million and growing at 7-8 annually.



Delivering content, services and solutions...

...across the education continuum

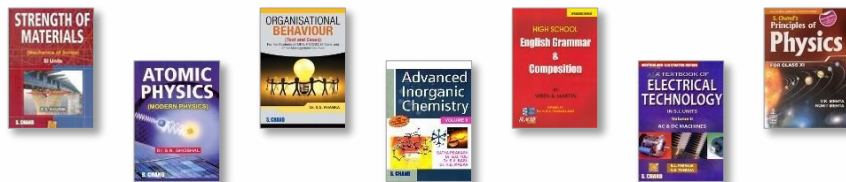
- Offerings spanning entire the education spectrum
 - Early learning
 - K-12
 - Higher education



...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.

Strong content, multiple best-sellers.



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

75+	10,000+	53 MN
Years of operating history	Active book titles	Books sold in FY2018
~ 2,443	29%	90 TPD
Author relationships	Revenue CAGR FY2012-18	Print Capacity in number of sheets

Portfolio of brands focused on print / digital content.





K-12

Higher Education

Early Learning

Revenue contribution

80% of FY2018 revenues
40% revenue CAGR (2012-2018)

18% of FY2018 revenues
9% revenue CAGR (2012-2018)

2% of FY2018 revenues

Target Segment

School students (4 -18 years)

Test prep (>18 years)
College students / professionals

Children (2-5 Years)

Description/ Highlights

- Schools affiliated to Central / State Board.
- Offers print content (books) and digital / hybrid content and solutions.
- Largest K-12 content player in India. Dominant presence in Central Board affiliated schools and increasing presence in State Board affiliated schools.

- 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.

- STEM based learning.
- Children books, educative games, activity based modules (experiential learning).
- Also operates 6 pre-schools under 'RiseKids' brand.

Strategy

- Consolidate leadership position in Central schools as preferred content partner.
- Increase presence in large regional markets.

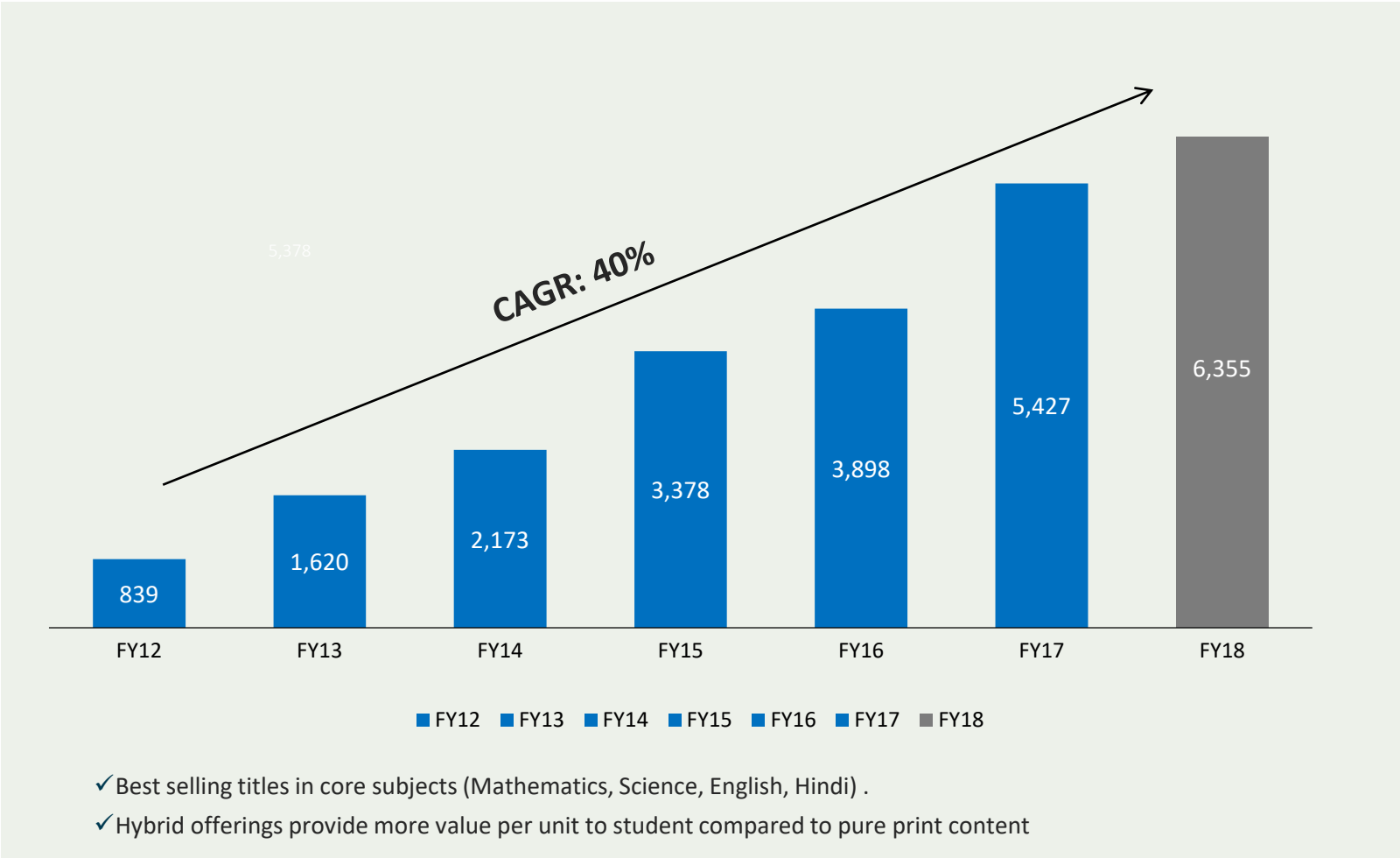
- Exam oriented content for test preparation.
- Institutional partnerships.

- Focus on digital to expand reach and product offering.
- Complete presence across student lifecycle.

Brands



S CHAND GROUP - GROWTH ANCHORED BY LEADERSHIP IN K-12 SEGMENT



Growth Strategy

- ❖ Consolidated leadership in CBSE/ ICSE schools as preferred content provider.
- ✓ More offerings in K-12 through multiple brands.
- ✓ Curriculum management.
- ❖ Geographical diversification in large regional markets/ state board schools.
- ✓ Acquisitions/ Joint Ventures.
- ❖ Higher share of education spend with enhanced content offerings.
- ✓ Digital/ hybrid offerings.
- ❖ Continuous content development

Connecting with Learners

- Art of Book making tour of the Printing Facilities
- Mystudygear App
- Social Media

Connecting with Teachers with

- Teacher Conclaves and Awards
- Over 2000 Workshops
- The Progressive Teacher magazine

Connecting with School Leadership

- Best Practices in Education Tour to Finland
- The Progressive School magazine

Connecting with Channel Partners

- Dealer Meets , Events and Awards
- Monthly mailer “Sampark”

Increasing Brand presence

- Brand Ambassador
- Strategic Advertising



1 Maintain Leadership

- Continue to dominate share of K-12 content market (CBSE/ICSE/WBB).
- Improve share of wallet & student reach.
- Cover 100,000 schools by FY 2023 from current reach of 40,000+ schools.



2 Leverage Reach & Expand

- Expand into regional markets through strategic alliances/ acquisitions.
- "Phygital" to broaden reach and improve outcome.
- Expand digital & service offerings to new geographies and segments.

3 Be Future Ready

- Smart books for the mobile generation.
- Education streaming for learners.
- Activity based learning tools (STEM).





STRATEGIC ALLIANCES / ACQUISITIONS

- Strengthen penetration in the CBSE, ICSE Schools and expand into regional markets.
- Made multiple successful acquisitions in the past, integrating companies with S. Chand Group philosophy
- Alliances with HMH (USA) , Sigong Media (S. Korea), Robosoft
- Acquisitions made by the Group in the recent past:



Driver for acquisition

Complemented S. Chand portfolio of books specially Hindi, Commerce , Management , Distance Learning Program



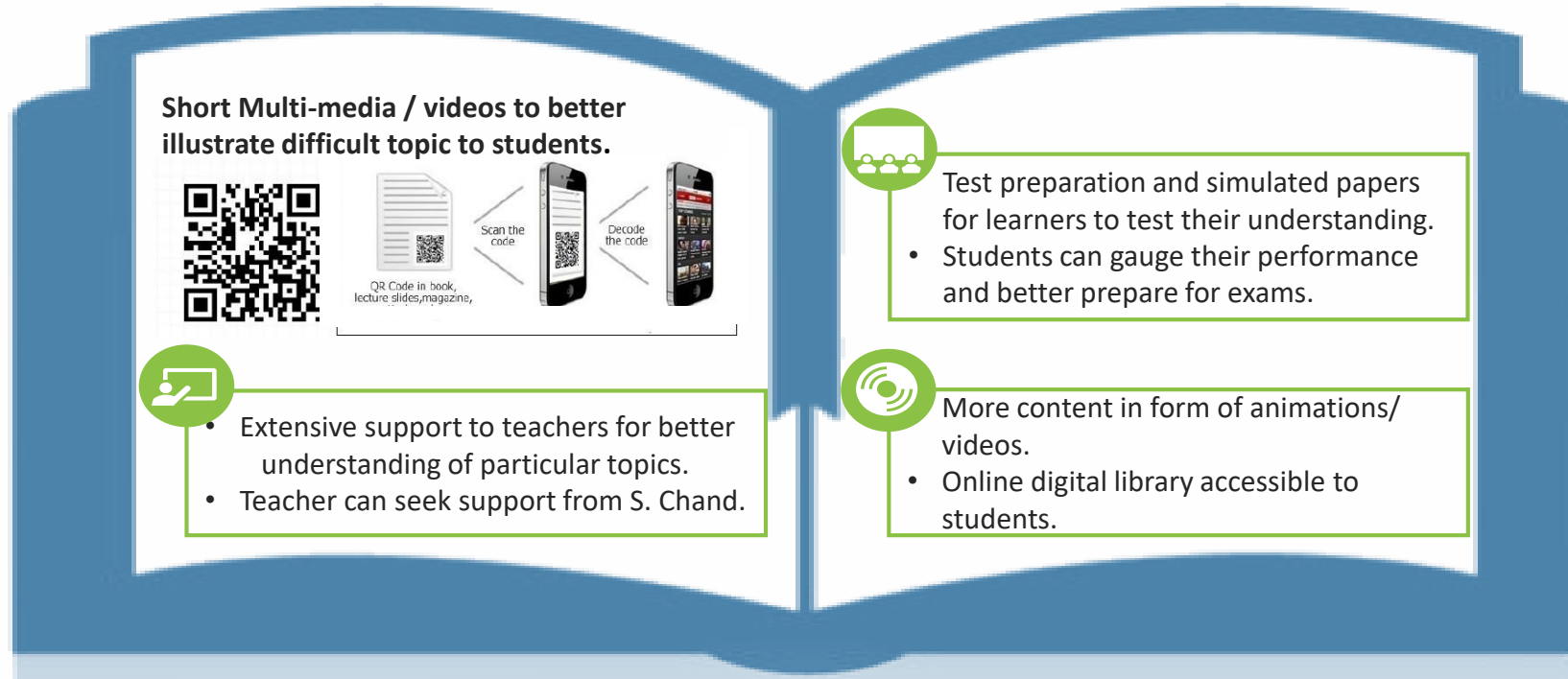
Driver for acquisition

Complemented S. Chand portfolio of books specially Sanskrit, French , Art & Craft , Physical Education , Regional Languages



Driver for acquisition

Expansion in Regional Market of West Bengal, State Board, Supplementary and text book business



Hybrid Offerings through e-books, QR Codes, mystudygear etc.

- Complements existing books / content, not a compete / alternative.
- Not an independent revenue stream but acts as a sales multiplier of the books relative to the books from unorganized players.
- Price of the book includes cost of digital access / content. Incremental Revenue ~ ₹600 million (FY18)

In-House (Revenue Stream)



- Offerings include **digital classroom learning solutions, learning management systems and curriculum management** which contribute to the revenue streams in the business.
- Approximated Investments ₹976 million.

Digital Investments (Inorganic)



- Focused on investing in **early stage digital companies**.
- Total investments in digital investee companies is **~Rs.304 mn.**
- Currently, Investment portfolio commands a valuation of around 2X as per the latest funding rounds for respective companies.
- Focus is on **establishing synergies with core business** along with investment returns.

+ 18% yoy
Revenue growth
FY 2017-18

+ 21% yoy
Ebidta growth
FY 2017-18

+ 73% yoy
PAT growth
FY 2017-18

INR 31.1
Earning Per Share
FY 2017-18

Summary : Consolidated Figures in INR Mn	FY 2018 Audited	FY 2017 Proforma*	YOY%	FY 2017 Audited
Total Revenues	8,072	6,868	18%	6,622
Ebidta	2,054	1,705	21%	1,687
Profit before taxation	1,622	1,081	50%	1,069
Profit after taxation	1,071	619	73%	613
EPS (in INR)	31.1	20.7	-	20.5

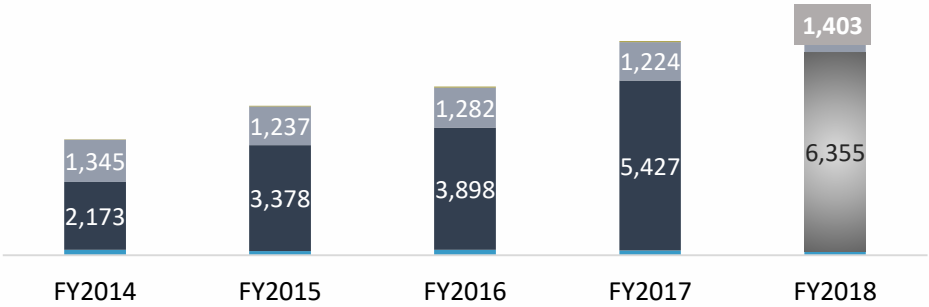
Financial results have been prepared in accordance with IND-AS.

* 2017 Proforma includes consolidation of operational performance of Chhaya for the full year.



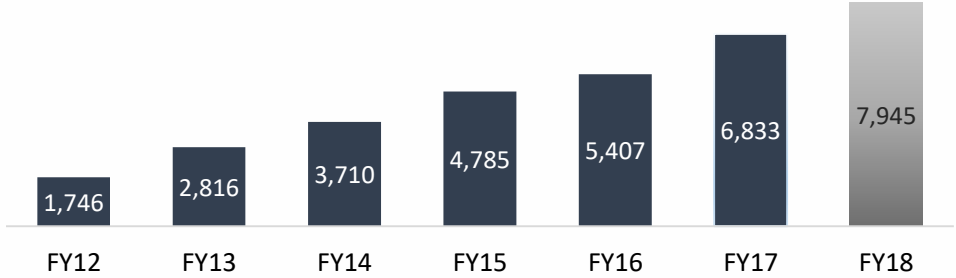
Increasing Contribution of K-12 to Group Revenues.

■ Early learning ■ K12 ■ Higher Education ■ Other Revenue



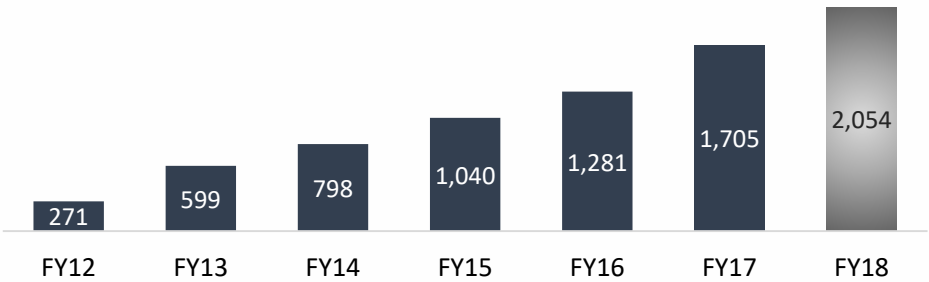
Revenue Growth = Organic Growth + Acquisitions.

6 - Year CAGR : 29%



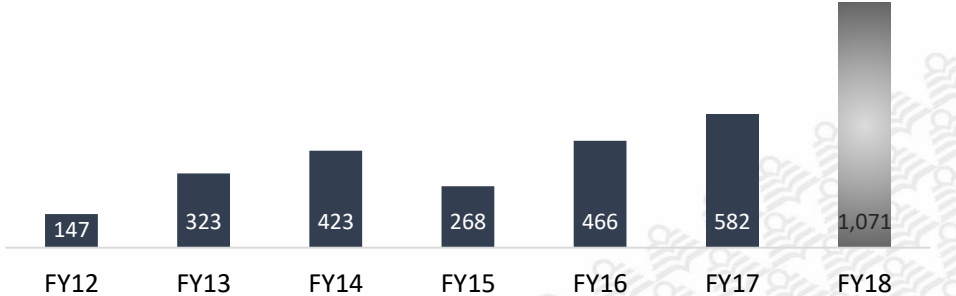
EBIDTA Growth at a Faster Pace.

6 - Year CAGR : 40%



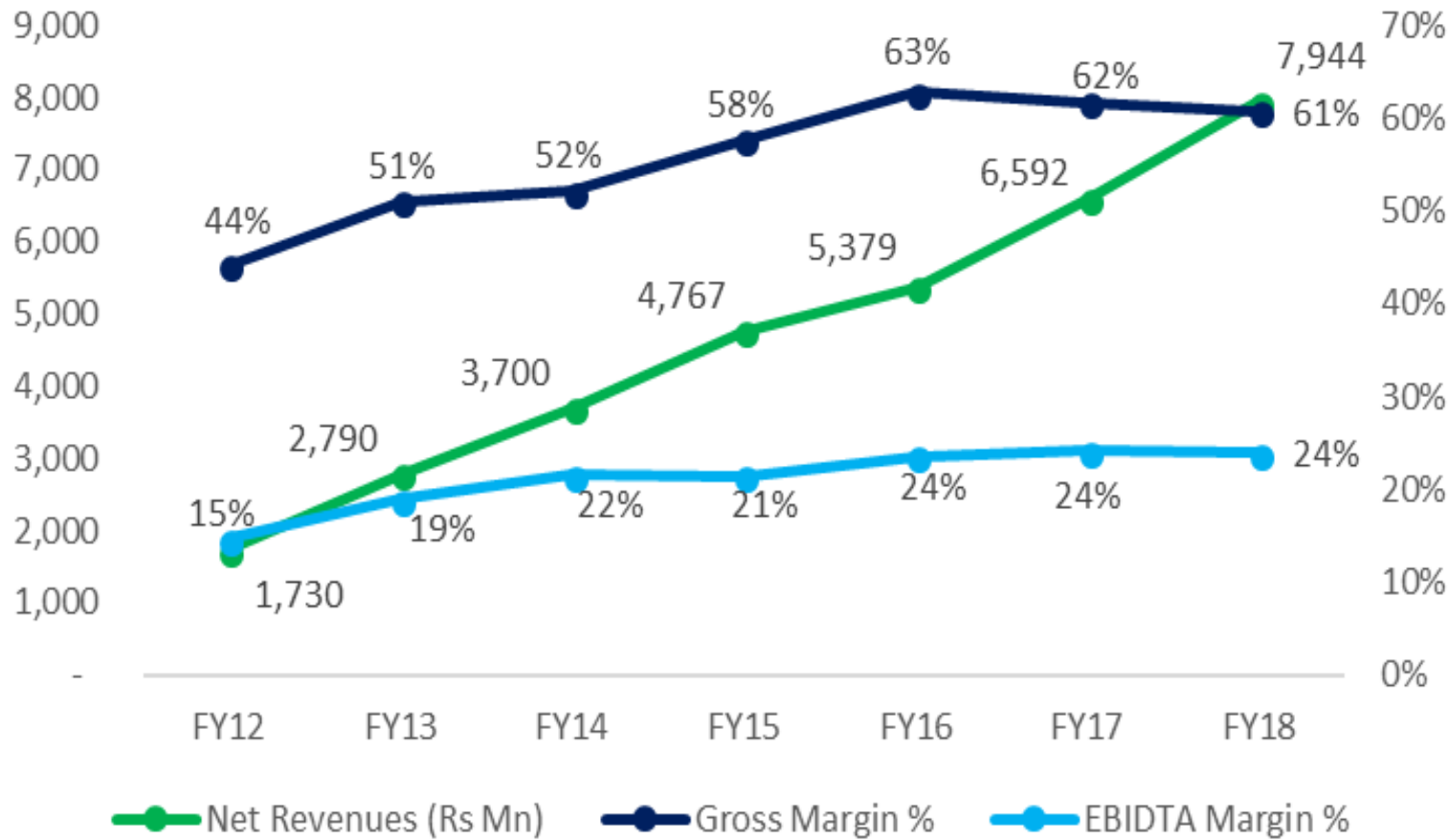
Net Profit Growth (excluding minority).

6 - Year CAGR : 39%



Figures for FY 2017 & FY 2018 are as per IND-AS. Prior year figures are as per Indian GAAP and may be fully comparable.

Historical trend - Revenue, Gross margin, EBITDA margin



Improving Margin Profile

- Economies of scale
- Production Efficiency
- Rationalization of Royalty
- Improved realization from DEBs
- Operating Leverage



Saurabh Mittal

Chief Finance Officer

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Atul Soni

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Disclaimer

This presentation and the following discussion may contain “forward looking statements” by S. Chand & Company Limited (“S. Chand” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of S. Chand about the business, industry and markets in which S. Chand operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond S. Chand’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of S. Chand.

In particular, such statements should not be regarded as a projection of future performance of S. Chand. It should be noted that the actual performance or achievements of S. Chand may vary significantly from such statements.