



S Chand And Company Limited

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

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Date: February 04, 2022

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-quarter and nine months ended December 31, 2021-pursuant to Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The presentation for the analysts and investors on the financial results for the quarter and nine months ended December 31, 2021 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.

Thanking You.

Yours Sincerely,

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

Encl: as above



S. Chand and Company Limited

**Q3 – FY2021-22
Investor Update
4th February 2022**

1.

Key Highlights

2.

Digital Business Update

3.

Looking Ahead

1.

Key Highlights

48%

**Increase in Q3
Revenue
from
Operations
(YoY)**

89%

**Increase in
Q3 Gross
Margins
(YoY)**

49%

**9M Gross
Margins
(%)**

4%

**Reduction
in Q3 PAT
Losses
(YoY)**

60%+

**Vaccination
status for age
group 15yr-
18yr
(As of Jan,22)**

**Acquires Minority stake
in iNeuron Intelligence**

**Strategic
investment in
a profitable
Edtech venture**

**Launched
'Learnflix Bangla'**

**India's most
affordable
Bengali language
learning app for
Science and
Math launched
in December,21**

Rs112m

**Cash flow from
operations in
9MFY22**

STATUS OF PHYSICAL OPENING OF EDUCATION INSTITUTIONS ACROSS INDIA

Education Institutions	Jan, 21	Feb, 21	March,21 - 1st Half	March,21 - 2nd Half	April,21 - July ,21	Aug, 21	Sept, 21	Oct, 21	Nov, 21	Dec, 21	Jan, 22	Feb, 22 (E)	March, 22 (E)
K1- K5	Red	Red	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green	Green
K6-K8	Green	Green	Green	Red	Red	Green	Green	Green	Green	Green	Red	Green	Green
K9-K12	Green	Green	Green	Red	Red	Green	Green	Green	Green	Green	Red	Green	Green
Higher Education	Green	Green	Green	Red	Red	Green	Green	Green	Green	Green	Green	Green	Green

- December, 21 – January, 22 saw the full impact of the Covid-19 Omicron variant wave across the country.
- We saw schools and higher education institutes revert to the Digital medium of instruction and in certain cases decision was taken to shift the dates of the winter holidays as well.
- The Omicron variant wave receded faster than previous waves and we are seeing many states starting physical classes as well. The pace of school openings is heartening and increases confidence of a normal sales season for FY22.
- We are going into the sales season on back of strong tailwinds of school re-openings in full swing after 2 years and price hike across our product portfolio.
- Vaccination for 15-18 year age group started in January, 22 and is also going at a strong pace. As per latest news reports, over 60% of the target population in the age group of 15yr-18yr has taken their first dose. We expect this age group to be fully vaccinated by March, 22.

STATUS OF KEY STATES - REOPENING OF EDUCATIONAL INSTITUTES



S. CHAND
GROUP

Delhi

- Schools to open K9-K12 from Feb 7th and K1-K8 from Feb 14th onwards.

Haryana

- Schools have opened for senior classes.

Punjab

- Schools have opened in February.

Rajasthan

- Schools reopened for senior classes. Class 6th onwards will start from February 10th.

Madhya Pradesh

- Schools have opened from February 1st.

Telangana

- Schools have opened in February.

Maharashtra

- Schools have opened in February.

Jharkhand

- Schools have opened in February.

Tripura

- Schools have opened in February.

Karnataka

- Schools have reopened from February 3rd.

Tamil Nadu

- Schools have opened from February 1st

West Bengal

- Schools have opened from February 3rd.

Sources: TOI, News18, ABP, Economic Times

We expect the entire country to reopen all classes during February, 22 on back of-

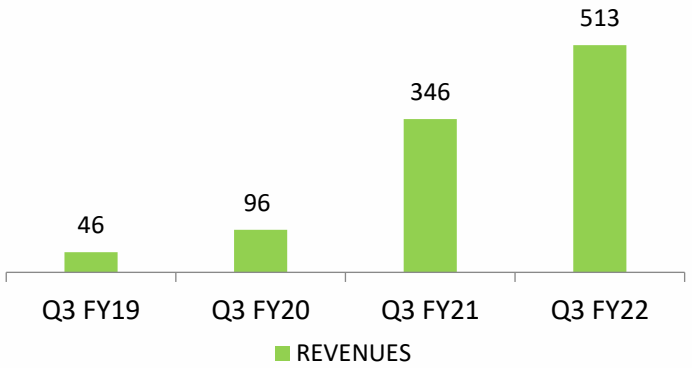
- Decrease in reported covid cases on a consistent basis.
- Willingness of the schools, parents and children to restart the physical education experience at the earliest.
- High rate of vaccination for students in age group of 15-18 years. We expect this age group to be fully vaccinated by March, 2022.

STRONG Q3, LOOK FORWARD TO A NORMAL SALES SEASON



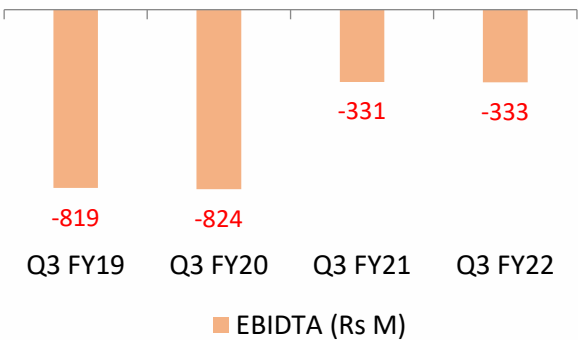
Q3FY22

Revenues from Operations (Rs M)



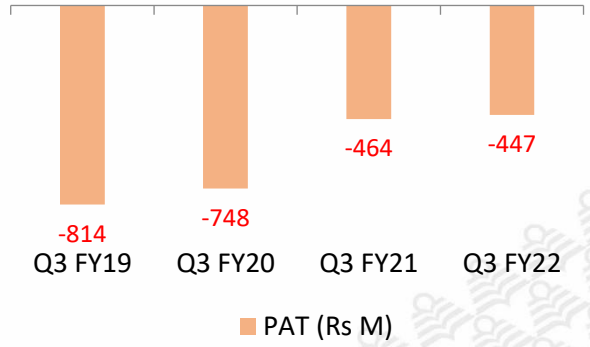
**UP 48%
YoY**

EBITDA (Rs M)



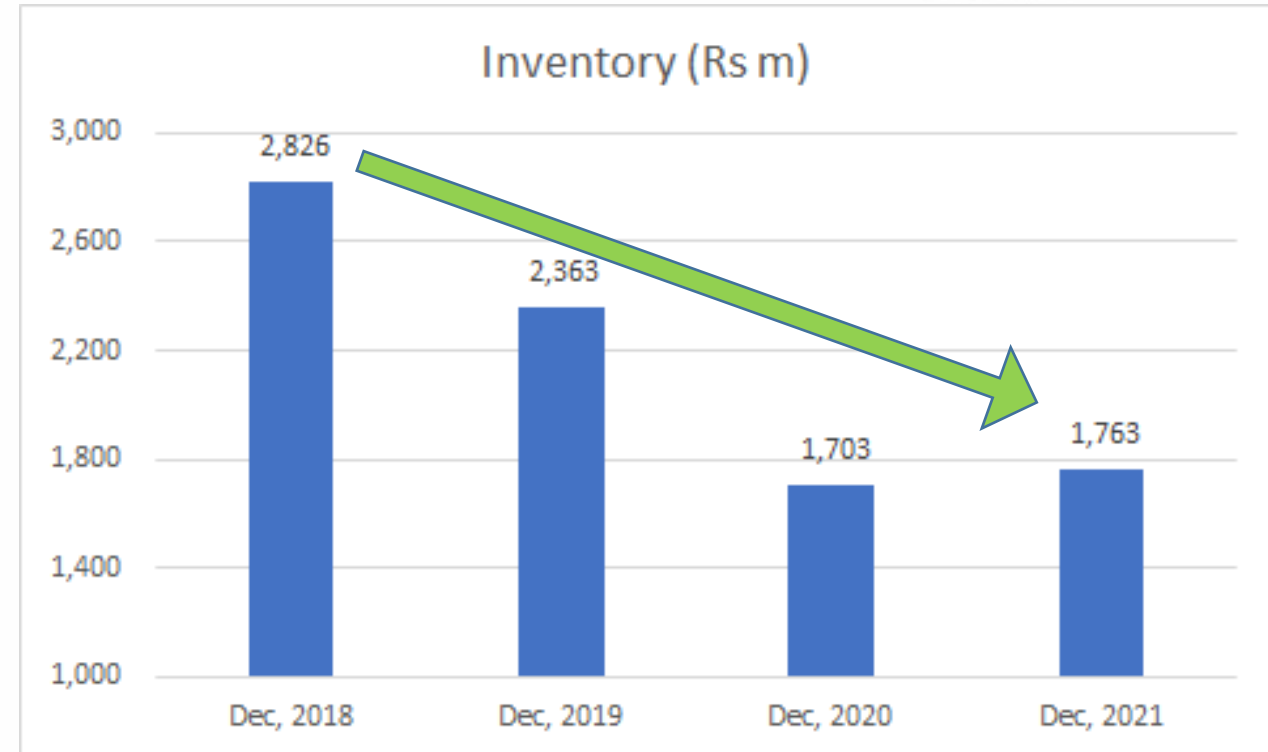
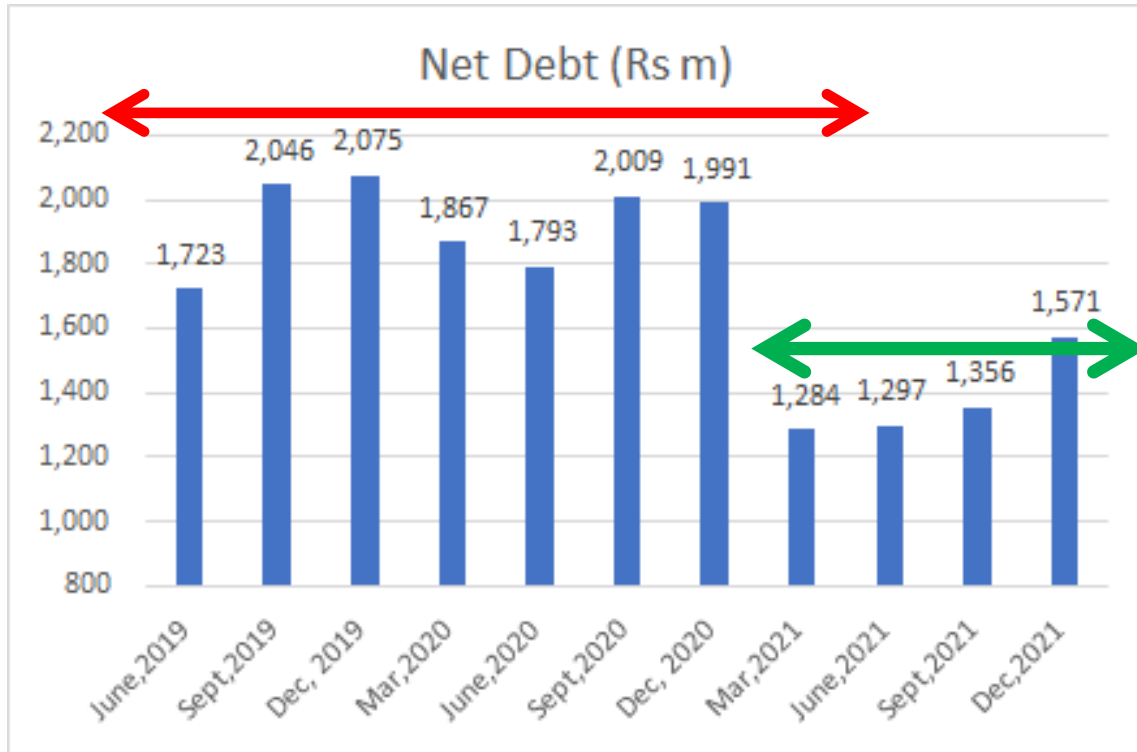
EBITDA levels maintained in spite of higher input costs

PAT (Rs M)



PAT Loss lower by 4% YoY

We look forward to a normal sales season in FY22 on back of strong tailwinds of school re-openings in full swing after 2 years, speedy vaccinations roll out and price hike across our product portfolio.



We have moved to a fundamentally lower debt profile for the company. We are looking to reach net debt zero levels by Q4FY23 on back of increased cash flow generation.

We are moving to a structurally lower inventory levels in the company. We are targeting Rs800m- Rs1,000m inventory by Q4FY22.

CONSOLIDATED FINANCIAL PERFORMANCE

Particulars (₹ in millions)	Q3FY19	Q3FY20	Q3FY21	Q3FY22	Year ended FY21	Q3FY22 vs Q3FY21 (%)
Revenue from Operations	46	96	346	513	4,252	48%
Other income	32	7	22	6	201	-72%
Total income	78	103	368	520	4,453	41%
Cost of published goods/materials consumed	611	388	135	349	1,000	159%
Purchases of traded goods	32	52	28	44	86	59%
(Increase)/decrease in inventories of finished goods and WIP	(734)	(252)	58	(150)	486	-358%
Publication expenses	80	89	47	87	358	86%
Gross Margin	88	-175	100	188	2,524	89%
Gross Margin (%)	113%	-170%	27%	36%	57%	
Employee benefits expenses	403	320	255	293	993	15%
Other expenses	504	329	176	229	784	30%
EBITDA	(819)	(824)	(331)	(333)	748	1%
EBITDA Margin (%)	-1045%	-801%	-90%	-64%	17%	
Finance cost	71	86	78	65	323	-17%
Depreciation and amortization expense	67	93	95	103	416	9%
Profit/(Loss) before share of loss in associates, exceptional items and tax	(957)	(1,003)	(503)	(501)	9	-1%
Share of gain/(loss) in associates	(10)	(13)	0	(5)	(7)	-7900%
Exceptional items	(226)				(2)	
Profit/(Loss) before tax	(1,193)	(1,015)	(503)	(505)	(0)	0%
Tax expenses:						
1) Current tax	12	11	(2)	9	123	
2) Deferred tax	(390)	(278)	(37)	(67)	(58)	
Profit/(Loss) after tax	(814)	(748)	(464)	(447)	(65)	-4%
Profit/(Loss) per equity share (in ₹) (for continuing operations)						
1) Basic	(23.26)	(21.40)	(13.27)	(12.77)	(1.86)	-4%
2) Diluted	(23.26)	(21.40)	(13.27)	(12.77)	(1.86)	-4%

CONSOLIDATED FINANCIAL PERFORMANCE

Particulars (₹ in millions)	9MFY19	9MFY20	9MFY21	9MFY22
Revenue from contract with customers	729	975	1,425	1,390
Other income	74	40	104	96
Total income	803	1,015	1,530	1,486
Cost of published goods/materials consumed	1,173	711	395	627
Purchases of traded goods	98	78	36	83
(Increase)/decrease in inventories of finished goods and WIP	-1,007	-173	218	(155)
Publication expenses	221	193	138	197
Gross Margin	318	206	743	734
Gross Margin (%)	40%	20%	49%	49%
Employee benefits expenses	1,127	948	722	853
Other expenses	1,256	985	614	595
EBITDA	(2,065)	(1,726)	(592)	(714)
EBITDA Margin (%)	-257%	-170%	-39%	-48%
Finance cost	182	258	243	201
Depreciation and amortization expense	177	271	288	306
Profit/(Loss) before share of loss in associates, exceptional items and tax	(2,424)	(2,255)	(1,123)	(1,221)
Share of gain/(loss) in associates	(19)	(20)	(2)	(8)
Exceptional items	(284)	-	-	(0)
Profit/(Loss) before tax	(2,728)	(2,276)	(1,125)	(1,228)
Tax expenses:				
1) Current tax	6	23	27	15
2) Deferred tax	(849)	(569)	(110)	(71)
Profit/(Loss) after tax	(1,884)	(1,729)	(1,042)	(1,173)
Profit/(Loss) per equity share (in ₹)				
1) Basic	(53.45)	(49.45)	(29.78)	(33.47)
2) Diluted	(53.45)	(49.45)	(29.78)	(33.47)

- 9MFY22 is not comparable with 9MFY21 since H1FY21 had sales overflow from Q4FY20 (which was impacted by the national lockdown on 21st March 2020)
- 9MFY22 as compared to 9MFY20 has 43% higher sales, lower EBITDA losses by 59% and lower PAT losses by 32%. This shows the impact of our S Chand 3.0 implementation and focus on cash flows during the last 24 months.

CONSOLIDATED FINANCIAL PERFORMANCE



Balance Sheet (In Rs M)	As at 31 March 2021	As at 31 Dec 2021
Assets		
Non-current assets		
Property, plant and equipment	869	819
Right-of-use assets	481	414
Capital work-in-progress	3	3
Goodwill	3,381	3,381
Other intangible assets	1,249	1,122
Intangible assets under development	22	49
Investments accounted for using the equity method	22	29
Financial assets		
- Investments	38	94
- Loans	3	2
- Other financial assets	55	47
Deferred tax assets (net)	674	752
Other non-current assets	76	93
Total non-current assets	6,873	6,804
Current assets		
Inventories	1,377	1,763
Financial assets		
- Investments	258	128
- Trade receivables	3,221	1,728
- Cash and cash equivalents	419	131
- Bank balances other than cash and cash equivalents	66	66
- Loans	16	30
- Other financial assets	21	40
Other current assets	108	102
Total current assets	5,486	3,987
Total assets	12,359	10,792

Balance Sheet (In Rs M)	As at 31 March 2021	As at 31 Dec 2021
Equity and liabilities		
Equity		
Equity share capital	175	175
Other equity	8,008	6,860
- Retained earnings	1,455	296
- Other reserves	6,553	6,564
Equity attributable to equity holders of the parent	8,183	7,036
Non- controlling interests	189	177
Total equity	8,371	7,213
Non-current liabilities		
Financial liabilities		
- Borrowings	760	686
- Lease liabilities	249	173
- Trade payables	-	22
- Other financial liabilities	-	4
Other non-current liabilities	-	0
Provisions	65	75
Total non-current liabilities	1,074	961
Current liabilities		
Financial liabilities		
- Borrowings	1,271	1,209
- Lease liabilities	102	106
- Trade payables		
Micro enterprises and small enterprises	223	232
Other than micro enterprises and small enterprises	956	709
- Other financial liabilities	155	116
Other current liabilities	117	176
Provisions	90	70
Total current liabilities	2,914	2,618
Total equity and liabilities	12,359	10,792



CONSOLIDATED FINANCIAL PERFORMANCE

Cash Flow Statement (In Rs M)	9MFY20	9MFY21	9MFY22
	Unaudited	Unaudited	Unaudited
Profit before exceptional items and tax	(2,276)	(1,125)	(1,228)
Depreciation / Amortisation	271	288	306
Less: Non operating and non cash Incomes	(34)	(71)	(44)
Add: Non Cash and non operating expenses/Interest	519	472	330
Operating profit before working capital changes	(1,519)	(436)	(637)
Movements in working capital:			
Increase (Decrease) in trade payables	(792)	(732)	(216)
Increase (Decrease) in provisions	2	22	14
Increase (Decrease) in liabilities	83	(105)	18
(Increase) in trade receivables	2,667	1,072	1,391
Decrease/(increase) in Inventories	(315)	310	(386)
Decrease (Increase) in other current assets	45	40	(22)
Cash generated from operations	169	171	162
Direct taxes paid (net of refunds)	(73)	80	(50)
Net cash flow from operating activities (A)	96	251	112

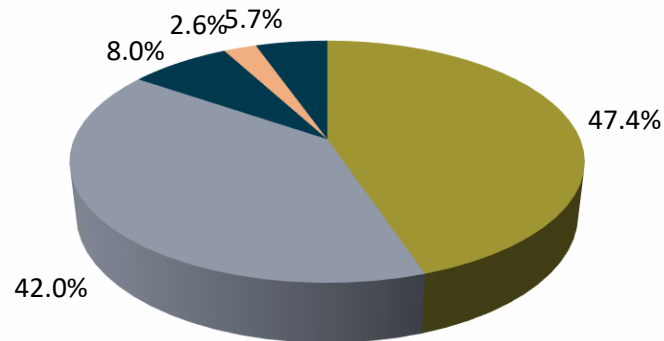
Cash Flow Statement (In Rs M)	9MFY20	9MFY21	9MFY22
	Unaudited	Unaudited	Unaudited
Purchase of fixed assets, including CWIP and capital advances	(195)	(99)	(93)
Purchase of Non Current Investments			(57)
Interest received	11	22	17
(Purchase)/Sale of Current Investments	180	27	135
Net cash flow used in investing activities (B)	12	(50)	3
Finance Cost	(261)	(211)	(175)
Proceeds from Equity Issuance (ESOPS)			5
Repayment of long term borrowings	(63)	(27)	(147)
Proceeds (Repayment) of Short Term	(149)	167	12
Lease Rental Payment	(103)	(74)	(98)
Net cash flow from/ (used in) financing	(590)	(146)	(403)
Net Increase in cash and cash equivalents	(483)	56	(288)

- **Receivables:** Strong collection in 9M over comparable period last year in spite of the pandemic represents better quality of sales achieved in FY21.
- **Inventory:** Increase in inventory is driven by higher raw material paper stock over last year.

- **Working Capital Metrics**
 - **Trade Receivables reduced** to Rs1,728m during Q3FY22 vs. Rs3,221m as of Q4FY21.
 - In terms of receivable days, it stood at 150 days (vs. 276 days in Q4FY21), **a reduction of 126 days during 9M.**
 - **Inventory** was at Rs1,763m (vs Q3FY21: Rs1,703m). The inventory level is higher on back of increased raw material paper inventory that we are holding this year of Rs360m (vs. Rs201m in Q3FY21). Otherwise on a like to like basis, our inventory levels are lower than last year.
 - **Net Working Capital reduced** to 221 days (vs. 226 days in Q3FY21) which is a reduction of 5 days on a YoY basis.
- **Gross Debt: Rs1,896m (vs. Rs2,292m in Q3FY21) and Net Debt: Rs1,571m (vs. Rs1,991m in Q3FY21)**
 - **Gross Debt has reduced by Rs396m on a YoY basis.**
 - **Net Debt has reduced by Rs420m on a YoY basis.**
 - We are at a comfortable Debt to Equity ratio and we expect debt levels to reduce going ahead on back of higher free cash flow generation from business.

Market Data	As of 4th Feb, 2022
Market Capitalization (Rs Mn)	4,220
Price (Rs)	120
No. of shares outstanding (Mn)	34.95
Face Value (Rs.)	5.0

Ownership as of Dec, 2021



- Promoter
- FPI & Foreign Company
- AIF
- Others
- Mutual Funds

Key Institutional Investors - As of Dec 2021	% Holding
International Finance Corporation	8.0%
TrustLine Holdings	2.8%
HDFC Mutual Fund	2.6%
Volrado Venture Partners Fund	2.4%
Blue Diamond Properties	2.0%

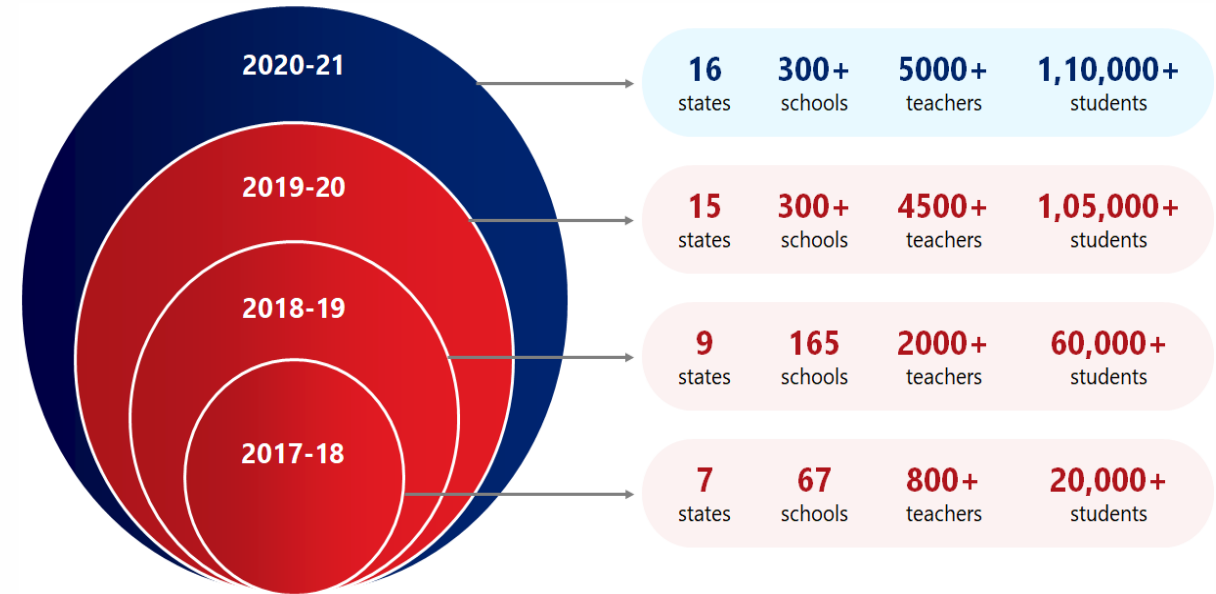
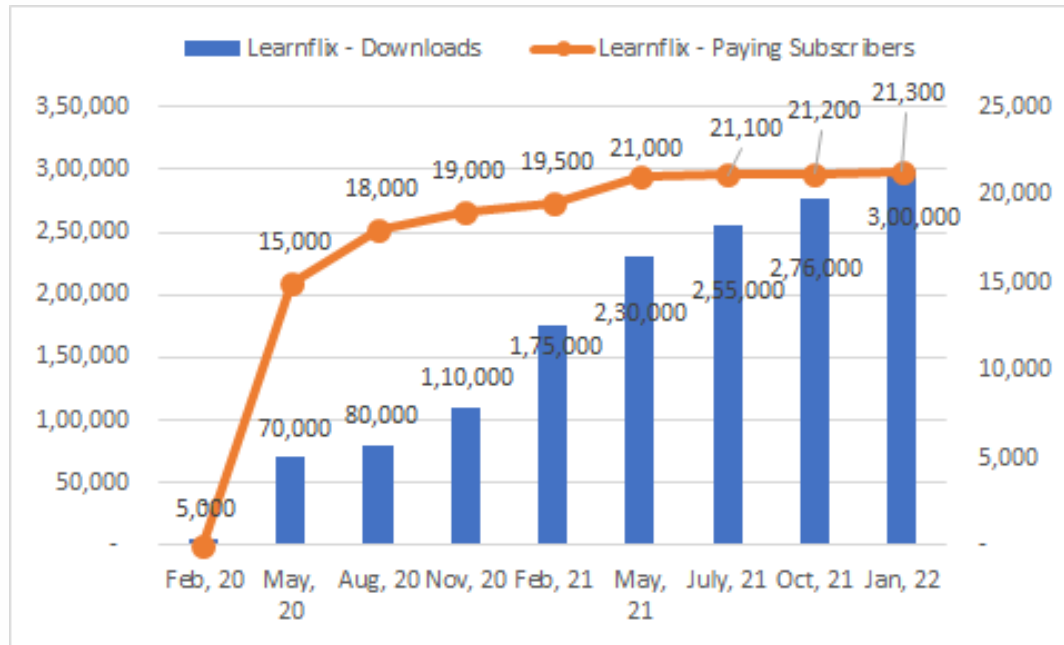
(Source: www.bseindia.com)

Other Major Investors holding less than 1% - As of Dec 2021
Aadi Financial Advisors
Winro Commercial
Jhelum Investment Fund
Polaris Banyan Holding
Singularity Holdings

(Source: www.bseindia.com)

2.

Digital Business Update



- **Learnflix** App (Affordable Personalised Student App) targeted to the Next Half Billion (NHB) audience has got strong response since launch. The current product covers Maths and Science for classes 6th to 10th.
- Learnflix Bangla launched in December, 2021.
- **Future Outlook:**
 - Adding English and SST as a subject
 - Adding Classes 11th & 12th

- **Milestone:** Digitally enabled School Curriculum Solution for the K-8 segment is now ready to grow exponentially.
- **Future Outlook:**
 - Affordable Private Schools would be enabled with this one stop solution for all their curriculum, content, teacher trainings and assessment needs.
 - Enabling Schools with the Mylestone Teacher and Student App will increase the retention.
 - Expecting strong growth in FY22 on back of school openings and increased adoption of digitally enabled solutions by schools.



- Launched the vernacular version of our digital learning mobile app Learnflix – ‘Learnflix Bangla’ targeted at the West Bengal Board students.
- Learnflix Bangla is initially being launched for Classes IX & X with Math and Science subjects. It includes numerous high-quality videos, series of figures (SOF), revision notes, assessments, sample papers based on WBBSE Syllabus.
- Content for classes XI and XII will be released in the coming months.
- The launch received extensive local media coverage.



- **Madhubun Educate360** is the newly conceived K-12 Blended learning solution for enabling schools to conduct online classes, student assessments, e-book support etc. as a response to the Covid-19 crisis. This product is NEP 2020 compliant supporting the recommended pedagogies.
- **The solution is currently being implemented by over 25 paying schools.**
- **Outlook** - The schools have given very positive feedback and we are hopeful of a more conversions going ahead for the next academic session.

Product Package

-  Ease of Access
-  Digital Supplements
-  Teacher's Training
-  Teacher's Manual



-  E-book
-  Integrated Platform
-  Assessments
-  Concept Videos

PRODUCT TESTIMONIALS

We are happy to take the pilot of Educate 360 in our school. It has helped us to take online classes without any difficulty. Thank-you Madhubun for coming up with such an innovative product during this difficult time.

– Ms Rajitha K, Educator,
Don Bosco Senior Secondary School,
Emakulam, Kerala

Educate 360 is easy teaching learning platform for the student and especially teachers. It allows children to ask questions and also think beyond the books. With the use of Educate360 the confidence level of the children have increased gradually. Educate 360 is a professional training partner of our school in the true sense.

– Ms Amuthavalli, Educator,
UP Metric Hr.Sec.School, Tamil Nadu



- Convergia houses Learnflix and Mylestone.
- Convergia is a subsidiary of S Chand only to be diluted through capital raise or ESOP allotment.
- Additional Ed-Tech solutions may also be hived into this entity as and when they mature.
- It also includes the newly launched Learnflix Bangla in partnership with Chhaya.

DIGITALLY ENABLED LEARNING
**DESTINATION
SUCCESS**
INSPIRES LEARN



Other Inhouse Digital Offerings

- Destination Success – Enabling Digital classrooms (CBSE/ICSE/IB and State Board Schools).
- Smart K - Early Learning Curriculum solutions (Pre Schools) – B2C package to be launched.
- Test Coach – Focused on govt exams market. **Has crossed 100K app installations.**
- Chhaya Learning App – Bengali/English Learning with books with over 500,000 app installations.
- VRX – Virtual Reality with books with over 100,000 + users.
- S Chand Academy – Youtube channel focused on Higher Education.



testbook

- Testbook was founded in 2014 with focus on online test preparation for government competitive exams like Civil services, Banks, Govt departments like railways, defense, police etc.
- We had invested approx. Rs 25m in 2016.
- Their last round of funding was done in January 2020 at a valuation of Rs2,580m. S Chand holds ~8% stake in the company.
- Testbook is one of our most promising investee companies. Other marquee investors include Matrix Partners, Iron Pillar etc.
- At per the last valuation round, our investment is valued at approx. Rs200m.



Smartivity

- Smartivity was founded in 2015 with focus on S.T.E.M. Learning and DIY Kits.
- We have Angel funded approx. Rs20 m in the company across various funding rounds.
- Their latest round of funding was done in April 2021 at a valuation of approx. Rs100cr. S Chand holds ~16% stake in the company.
- Other marquee investors include Ashish Kacholia (26% stake), Hemandra Kothari (8% Stake) in the company.
- At per the last valuation round, our investment is valued at approx. Rs150m.



iNeuron

- iNeuron was founded in 2019 with the focus on offering affordable online courses for College students and working professionals in the field of Data Sciences, Artificial Intelligence, Machine Learning, Cloud etc with the motto “Education as a Service”.
- Most of their courses are priced between Rs 3,000 to Rs 15,000 + GST which makes them affordable vs. competition.
- We hold ~6% stake in the company with an option of increasing our stake to ~10% during 2022. The last investment round valued the company at a post money valuation of approx. Rs100cr.

3.

Looking Ahead

Twin Growth Drivers in place -: (1) NEP based new curriculum for print business, (2) Increased adoption of our Ed-Tech solutions in a post Covid world

FY22

Medium Term

Looking forward to a normal sales cycle for print business on back of strong school reopening's.

Strong adoption of Digital Offerings during FY22.

Increased vaccinations in school going children supports our sales season.

Implement a price hike across portfolio on back of increased raw material cost.

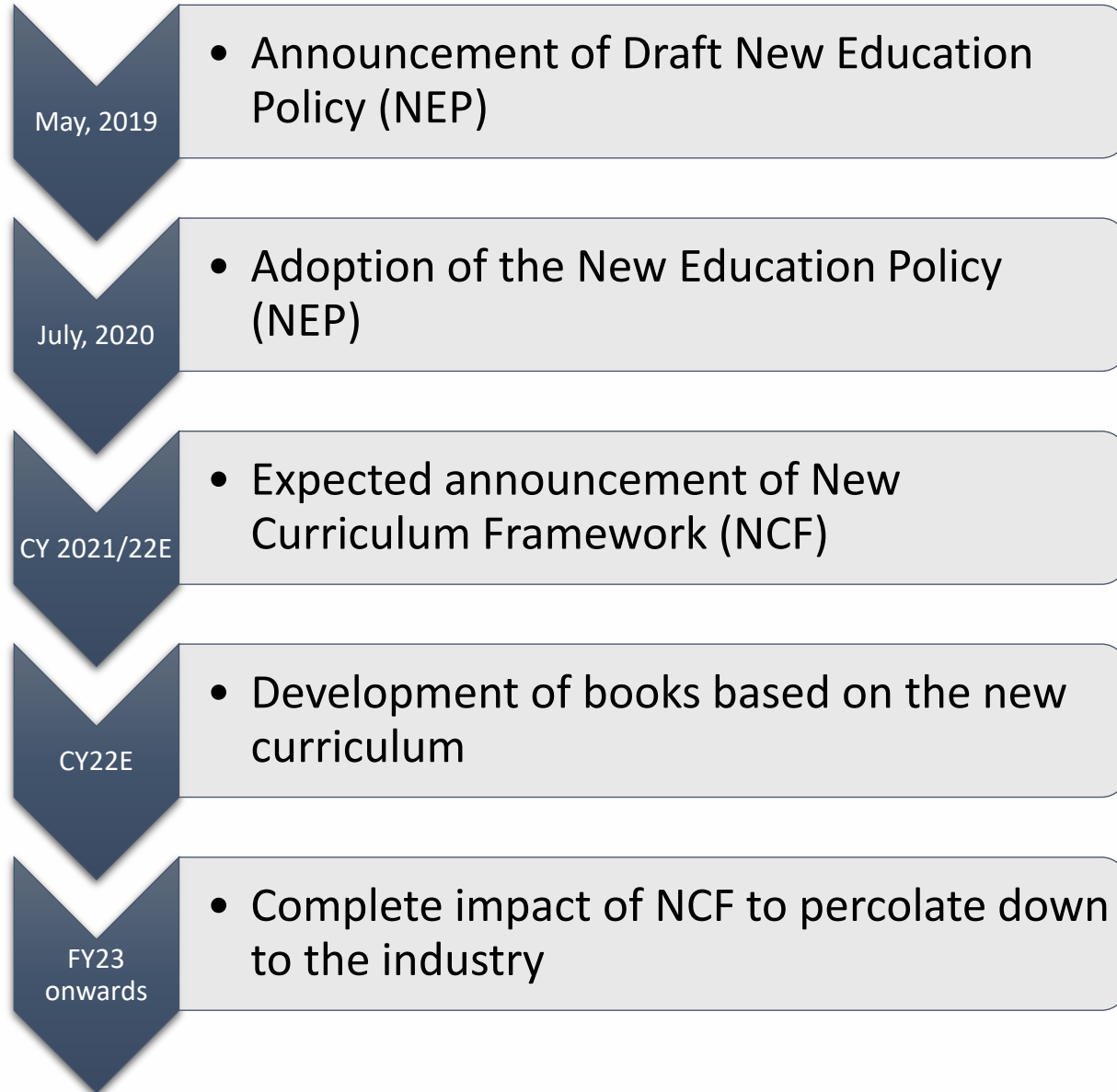
Development of new content based on the National Curriculum Framework (NCF).

Debt free in 2 years through focus on free cash flows.

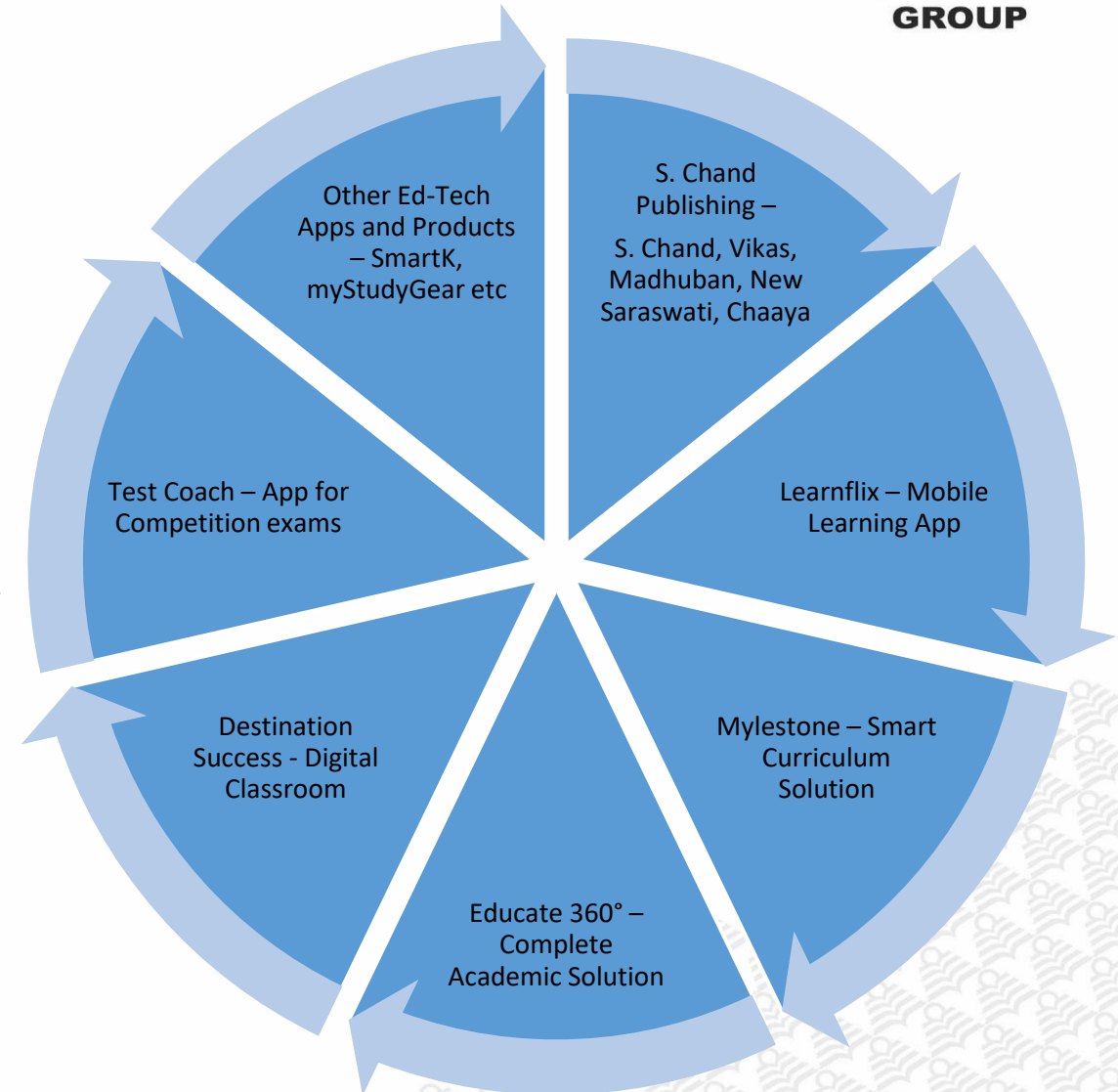
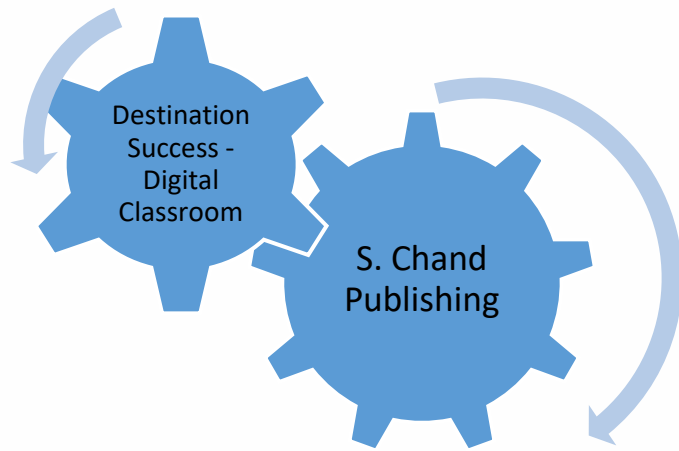
Increasing the share of Ed-Tech revenues to 20-25% over the next 3 years.

Target over 5m users across S. Chand's Ed-Tech properties.

Monetization of S Chand's Ed-Tech Investments.



- **The New Education Policy (NEP) was formally adopted by the Union Government in July, 2020.**
- Expected release of the New National Curriculum Framework (NCF) after taking inputs from all stakeholders during CY2021/22E.
- **Strong runway of growth for at least 2-3 years.** Since the New Curriculum is being developed after a gap of 15 years, it would eliminate sale of second-hand books and would lead to strong growth for at least 2-3 years.
- **Lessons from 2005 NEP/NCF roll out.** During the 2005 NCF announcement, the new syllabus was rolled out over a period of 3 years with 5 grades moving to the new syllabus in Year 1, another 5 grades moving to new syllabus in year 2 and 2 grades moving to new syllabus in year 3.
- Impact of NCF on the company financials dependent on the timing of the NCF announcement by the government.



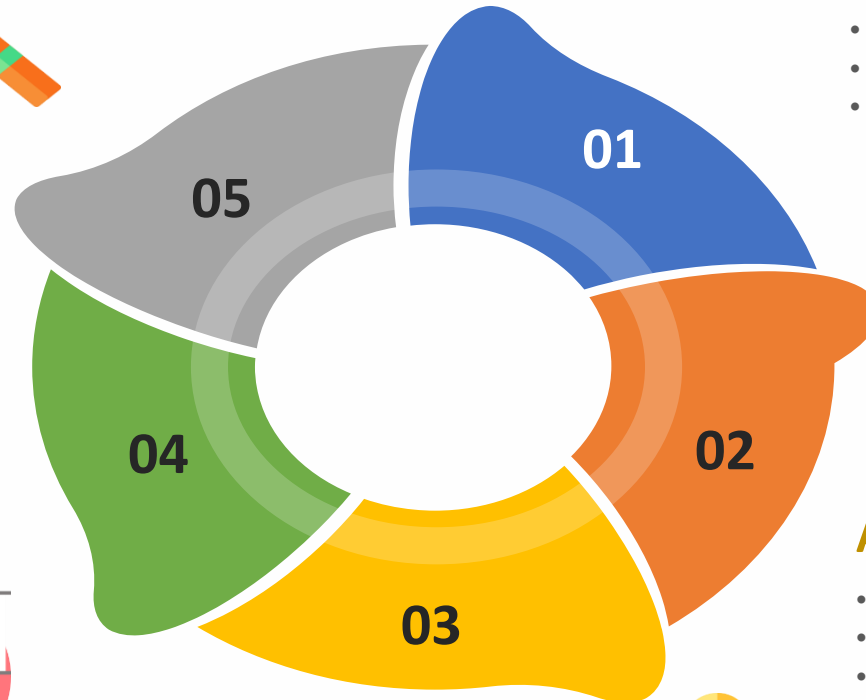


Analytics and Insights

- Student
- Teacher
- School
- Parent

Teacher Connect

- Teacher published content
- Notifications
- Doubts
- Teacher aids
- Lesson plans



Digital Content

- Textbooks
- Multimedia
- Practice Tests

Live Classes

- Video conferencing platform
- Calendar scheduling
- Recorded classes



Assessments

- Homework
- Assignments
- Objective tests
- Subjective Tests



S. Chand group's suite of products and solutions cater to the complete education paradigm across K-12, Higher Education and Competition.



Saurabh Mittal

Chief Finance Officer

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Atul Soni

Head – Investor Relations, Strategy & M&A

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Mohan Co-operative Industrial Estate,
New Delhi 110044

Disclaimer

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