



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: November 11, 2024

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 ended September 30, 2024-pursuant to Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The presentation on the financial results of the Company for the quarter ended September 30, 2024 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

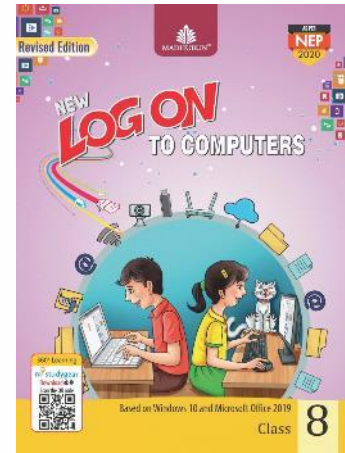
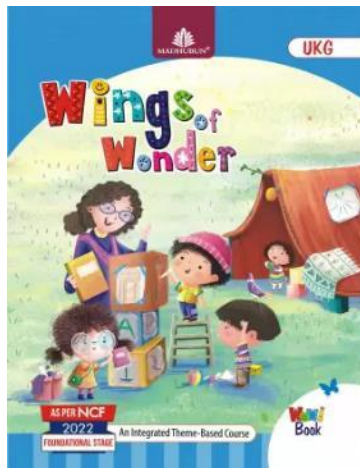
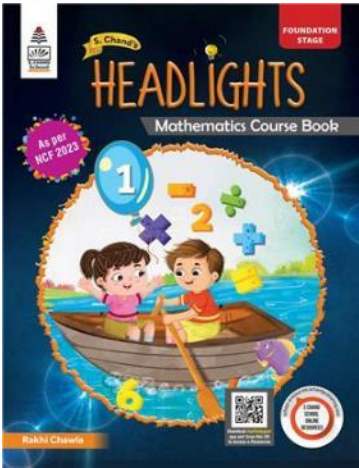
Jagdeep Singh
Company Secretary
Membership No: A15028
Address: A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi-110044



Encl: as above

S. Chand and Company Limited – Look forward to a strong NCF implementation in FY25

**Q2 – FY2024-25
Investor Update
11th November 2024**



1.

Key Highlights –2QFY25

2.

Consolidated Financial Performance

3.

Status of Digital Business &
Investments



1.

Key Highlights – 2QFY25

Performance Highlights, Mr. Himanshu Gupta, Managing Director:

“Q2FY25 was steady quarter in terms of sales on a YoY basis. Do note that the 2nd quarter is the smallest quarter in terms of revenues in the whole year.

We continued our journey of improvement in terms of delivering the lowest working capital metrics for Q2 in the company’s history. We remained net debt free at the end of the quarter with a net cash balance of Rs93m.

We continue to be engaged in a content licensing partnership with leading Tech majors to power their Gen AI Large Language Models (LLMs).

We look forward to NCERT releasing books on the new syllabus over the course of the year. We are fully equipped to utilize this opportunity over the next 2-3 years. We expect FY25 and FY26 to see maximum adoption of the new syllabus books which should help our growth trajectory for the company.”

Performance Highlights, Mr. Saurabh Mittal, Group CFO:

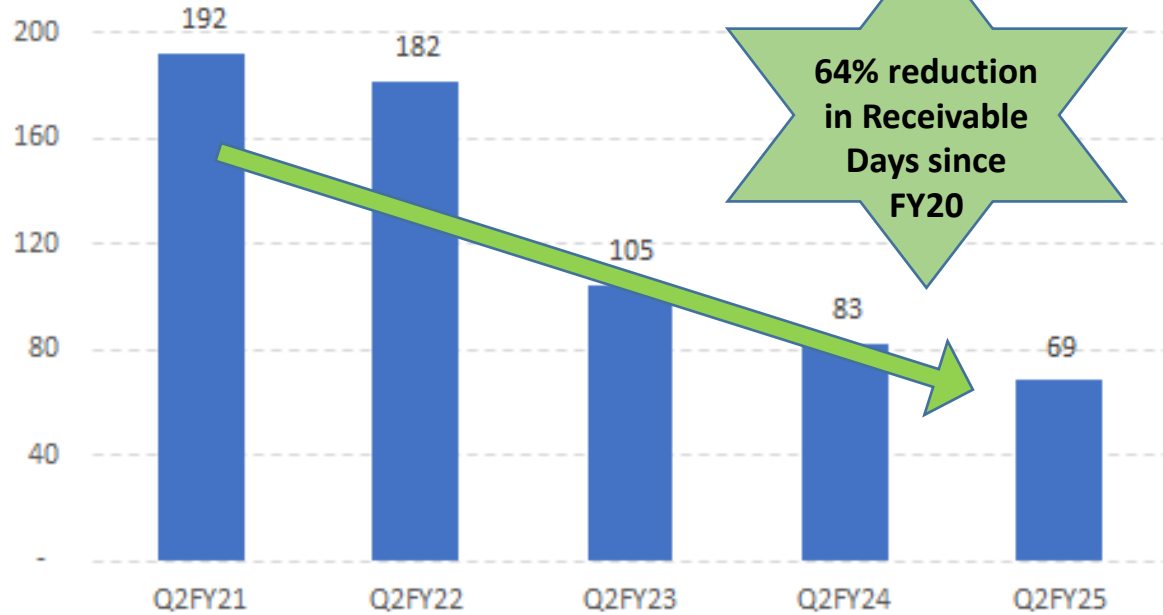
“We ended the quarter with consolidated revenues of Rs376 million and a PAT Loss of Rs563 million. Do keep in mind that the 2nd quarter is the smallest quarter in terms of revenues in the whole year.

- *We had an improved Gross Margins of 53% on a YoY basis (Q2FY24: 48%)*
- *One of the strongest features of the company’s results are our working capital metrics –Receivable Days and Net Working Capital (NWC) days which are at record lows in the company’s history.*
 - *Our Q2 receivable days was at 69 days (vs. 83 days in 2QFY24). This is the lowest Q2 receivable days in the company’s history.*
 - *Our Q2 Net Working capital days was at 136 days which is at similar levels as last year.*
- *All these efforts resulted in the S Chand group being net debt free with a net cash balance of Rs93m. With this, we are on track to be net debt free for 3 quarters in FY25.”*

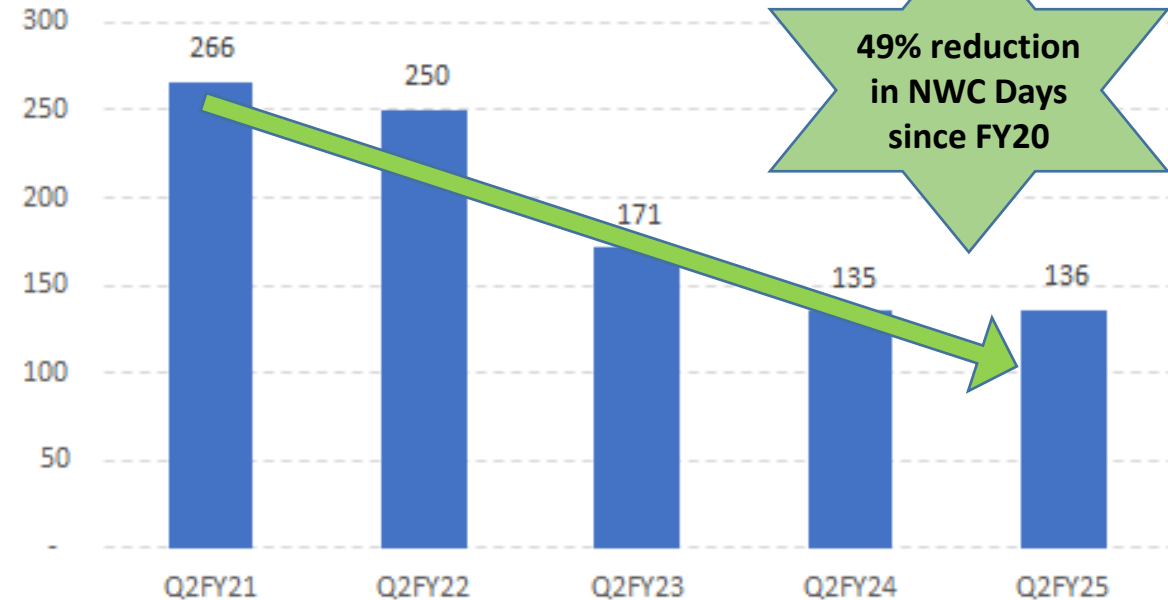
LOWEST HISTORICAL WORKING CAPITAL METRICS EVER



Receivable Days



Net Working Capital Days

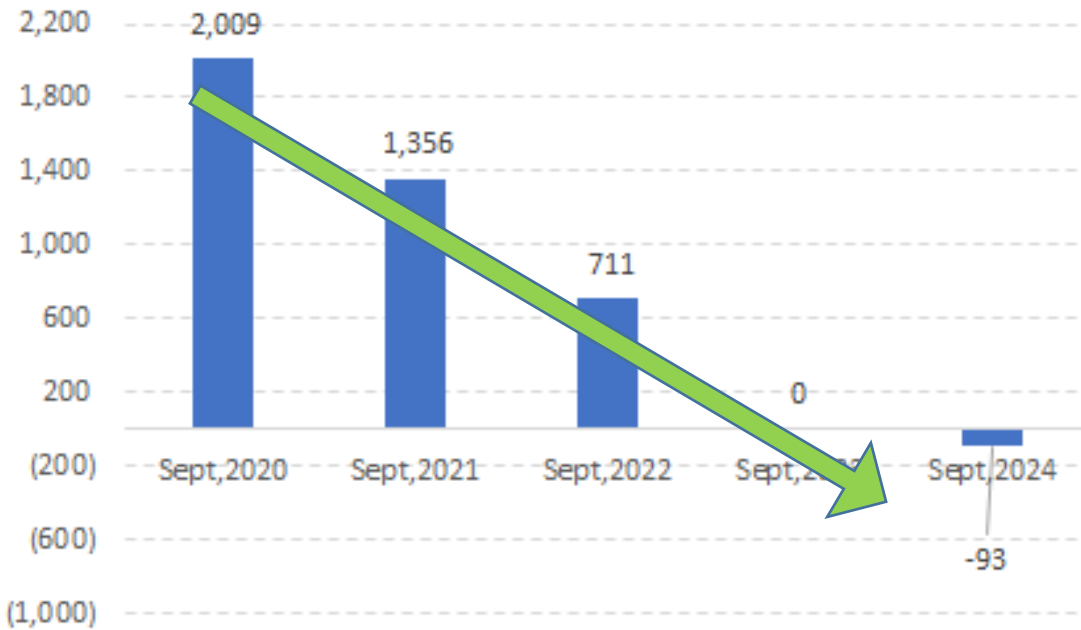


- Lowest Q2 Receivable days in the company's history.

- Improved Working capital efficiency has translated into continued net debt free status at the end of Q2FY25.

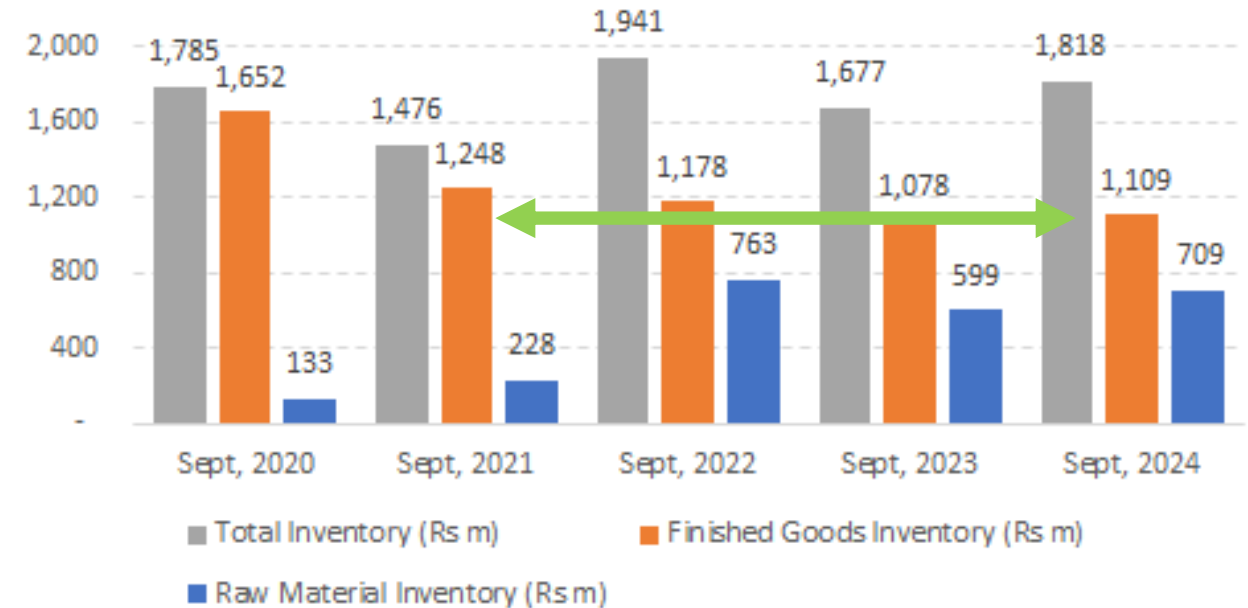
NET DEBT FREE WITH CONTROLLED INVENTORY

Net Debt (Rs m)



- Company continues to be net debt free.
- We would achieve our target of remaining net debt free for 3 quarters in a year.

Inventory (Rs m)



- Finished Goods inventory is at similar levels as last year.
- Total Inventory has Rs709m raw material paper inventory (vs. Rs599m in Q2FY24).

Note – Do keep in mind while comparing Inventory in value terms across the years that Paper prices increased by more than 50% in 2022.

Content Creation by S Chand Editorial Teams

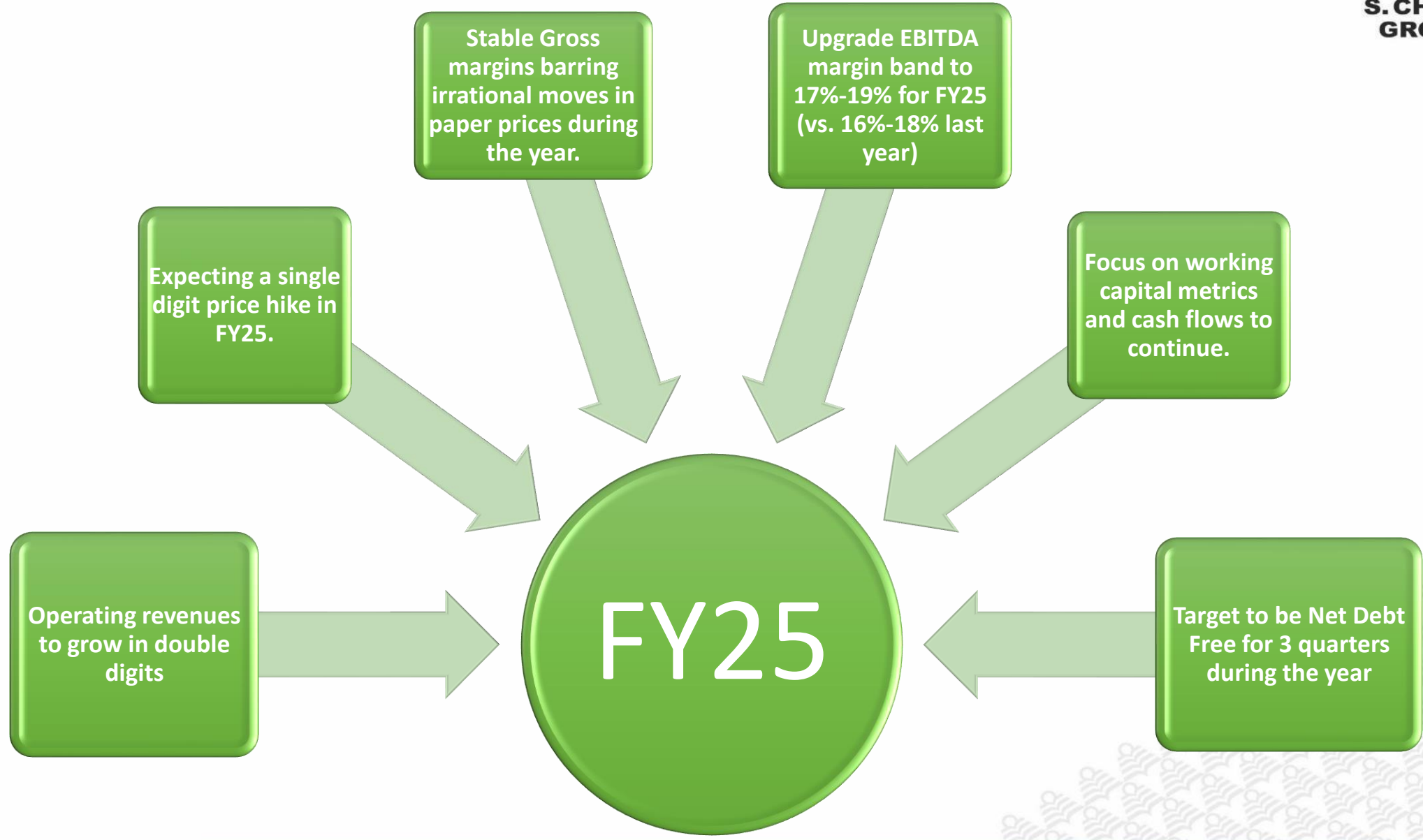
- We shall continue to create content based on the new syllabus during CY24.
- This should lead us into FY25 sales season with a much larger repository of new syllabus books for our target customer.

FY25 should see higher adoption rates of new syllabus books

- We expect the promotion & sales season of FY25 to see higher adoption of new curriculum books by schools vs. FY24.
- NCERT has announced new syllabus books for Classes 3rd and Class 6th in April, 24.
- We expect further announcements of new syllabus books for more classes to happen during the year.

Strong runway of growth for FY25- FY26

- Since the New Curriculum has been developed after a gap of 18 years, it would substantially reduce the second-hand book market, and which would spur volumes.
- We expect 100% adoption of new NCF by schools to happen over the next 2-3 years which translates into a strong runway of growth for the company during FY25-27.



2.

Consolidated Financial Performance

SEASONAL NATURE OF OUR BUSINESS

**15%-20% of annual revenues;
Reduction in WC**

Q1 April - June

- Final 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.
- Sales performance reviews and budgeting exercises.

**5%-10% of annual revenues;
Reduction in WC**

Q2 July - September

- Finalisation of title catalogue for next academic year (new and revised titles).
- Content revision/development by editorial team in collaboration with authors.
- Engagement with schools & teachers. (training sessions, workshops, etc.).
- Start of Sample distribution.
- Return of unsold stock from distributors.
- Start of Semester 1 (Higher Education) and Test preparation sales based on government vacancy examinations.

**5%-10% of annual revenues;
Peak Inventory**

Q3 October - December

- Sample distribution and evaluation by schools.
- Start of Printing for the season.
- Final reconciliation and closure of distributor accounts before commencement of season sales.
- Order visibility from schools starts building up.
- Start of Semester 2 (Higher Education) and Test preparation sales based on government vacancy examinations.

**70% to 80% of annual
revenues;
Peak Receivables**

Q4 January - March

- Peak Season for K-12 sales and delivery to distributors/schools.
- Semester 2 (Higher Education) and Test preparation sales continues.
- Peak printing for titles based on demand.

CONSOLIDATED FINANCIAL PERFORMANCE



**S. CHAND
GROUP**

Particulars (₹ in millions)	Q2FY20	Q2FY21	Q2FY22	Q2FY23	Q2FY24	Q2FY25	Q2FY25 vs Q2FY24 (%)
Revenue from Operations	266	365	518	473	380	374	-1%
Cost of published goods/materials consumed	125	109	180	295	189	175	-8%
Purchases of traded goods	13	5	22	4	17	6	-67%
(Increase)/decrease in inventories of finished goods and WIP	18	92	(4)	(119)	(9)	(5)	-47%
Gross Margin	110	159	321	292	183	199	9%
Gross Margin (%)	41%	43%	62%	62%	48%	53%	
Employee benefits expenses	313	248	292	317	365	415	14%
Other expenses	434	274	293	270	316	358	13%
EBITDA	(637)	(363)	(264)	(294)	(498)	(574)	15%
EBITDA Margin (%)	-239%	-100%	-51%	-62%	-131%	-153%	
Other income	10	14	53	2	14	22	55%
Finance cost	89	81	62	41	31	23	-26%
Depreciation and amortization expense	90	97	100	109	120	101	-16%
Profit/(Loss) before share of loss in associates, exceptional items and tax	(805)	(528)	(373)	(442)	(635)	(676)	6%
Share of gain/(loss) in associates	(3)	1	(1)	-	-	-	
Exceptional items			(0)	156	-	-	
Profit/(Loss) before tax	(808)	(527)	(374)	(286)	(635)	(676)	6%
Tax expenses:							
1) Current tax	8	9	2	10	-23	-37	
2) Deferred tax	(214)	(63)	35	(97)	(129)	(111)	
3) Adjustments to taxes pursuant to merger					(65)	-	
Profit/(Loss) for the period/ year from continuing operations	(603)	(473)	(412)	(199)	(418)	(528)	26%
Profit/(Loss) per equity share (in ₹) (for continuing operations)							
1) Basic	(17.24)	(13.52)	(11.77)	(5.66)	(11.45)	(14.67)	28%
2) Diluted	(17.24)	(13.52)	(11.77)	(5.66)	(11.45)	(14.67)	28%

Q2FY25 Highlights

Flat sales and Increased expenses lead to minor dip in EBITDA and profitability vs. last year.

We are confident of a strong sales season on back of new syllabus books in January, 25 - March, 25.

CONSOLIDATED FINANCIAL PERFORMANCE



**S. CHAND
GROUP**

H1FY25 Highlights

Flat sales and Increased expenses lead to minor dip in EBITDA and profitability vs. last year.

We are confident of a strong sales season on back of new syllabus books in January, 25 - March, 25.

Particulars (₹ in millions)	H1FY20	H1FY21	H1FY22	H1FY23	H1FY24	H1FY25	H1FY25 vs H1FY24 (%)
Revenue from Operations	879	1,080	877	1,546	1,491	1,481	-1%
Cost of published goods/materials consumed	323	260	278	695	472	446	-6%
Purchases of traded goods	26	8	39	6	19	11	-45%
(Increase)/decrease in inventories of finished goods and WIP	79	160	(6)	(171)	52	24	-55%
Gross Margin	451	652	566	1,015	948	1,001	6%
Gross Margin (%)	51%	60%	65%	66%	64%	68%	
Employee benefits expenses	627	467	560	612	699	800	14%
Other expenses	759	529	476	578	611	691	13%
EBITDA	(936)	(344)	(469)	(175)	(362)	(490)	35%
EBITDA Margin (%)	-106%	-32%	-54%	-11%	-24%	-33%	
Other income	33	82	89	145	42	51	23%
Finance cost	172	164	137	82	60	51	-14%
Depreciation and amortization expense	178	193	203	219	228	203	-11%
Profit/(Loss) before share of loss in associates, exceptional items and tax	(1,252)	(619)	(720)	(331)	(608)	(692)	14%
Share of gain/(loss) in associates	(8)	(2)	(3)	(1)	-	-	
Exceptional items				156	-	-	
Profit/(Loss) before tax	(1,260)	(621)	(723)	(176)	(608)	(692)	14%
Tax expenses:							
1) Current tax	12	16	7	53	7	-19	
2) Deferred tax	(291)	(60)	(4)	(92)	(143)	(115)	
3) Adjustments to taxes pursuant to merger					(65)	-	
Profit/(Loss) for the period/ year	(981)	(578)	(725)	(136)	(407)	(558)	37%
Profit/(Loss) per equity share (in ₹) (for continuing operations)							
1) Basic	(28.05)	(16.51)	(20.74)	(3.89)	(10.71)	(15.26)	42%
2) Diluted	(28.05)	(16.51)	(20.74)	(3.89)	(10.71)	(15.26)	42%

CONSOLIDATED FINANCIAL PERFORMANCE

Particulars (₹ in millions)	As at	As at	Particulars (₹ in millions)	As at	As at
	30 September 2024	31 March 2024		30 September 2024	31 March 2024
	Unaudited	Audited		Unaudited	Audited
Assets			Equity and liabilities		
Non-current assets			Equity		
Property, plant and equipment	781	798	Equity share capital	176	176
Right-of-use asset	417	379	Other equity	8,594	9,234
Goodwill	3,325	3,325	Non-controlling interests	9	29
Intangible assets	653	739	Total equity (C)	8,778	9,439
Intangible assets under development	19	-	Non-current liabilities		
Financial assets			Financial liabilities		
- Investments	219	219	- Borrowings	152	209
- Other financial assets	68	36	- Lease liability	209	177
Deferred tax assets (net)	944	829	Provisions	120	111
Income tax assets (net)	318	182	Total non-current liabilities (D)	481	497
Other non-current assets	54	10	Current liabilities		
Total non-current assets (A)	6,798	6,517	Financial liabilities		
Current assets			- Borrowings	566	873
Inventories	1,818	1,761	- Lease liability	84	70
Financial assets			- Trade payables		
- Investments	399	402	- total outstanding dues of micro enterprises	55	135
- Trade receivables	1,244	2,601	- total outstanding dues of creditors other than micro enterprises	544	1,382
- Cash and cash equivalents	350	1,208	- Other financial liabilities	228	177
- Bank balances other than cash and cash equivalents	32	64	Other current liabilities	106	140
- Other financial assets	21	32	Provisions	4	4
Current tax assets (net)	6	6	Current tax liabilities (net)	-	16
Other current assets	179	142	Total current liabilities (E)	1,587	2,798
Total current assets (B)	4,048	6,218			
Total assets (A+B)	10,846	12,734	Total equity and liabilities (C+D+E)	10,846	12,734

CONSOLIDATED FINANCIAL PERFORMANCE



₹ in millions)	Year ended 30 September 2024	Year ended 30 September 2023	Year ended 31 March 2024	₹ in millions)	Year ended 30 September 2024	Year ended 30 September 2023	Year ended 31 March 2024
	Unaudited	Unaudited	Audited		Unaudited	Unaudited	Audited
A. Cash flow from operating activities				B. Cash flows from investing activities			
Profit before tax	-692	-608	582	Purchase of property, plant and equipment including intangible assets and capital work-in-progress	-65	-71	-176
Adjustment to reconcile profit before tax to net cash flows				Proceeds from sale of property, plant and equipment	3	0	7
Depreciation and amortisation expense	203	228	462	Purchase of current investments	-365	-270	-761
Loss on sale of property, plant and equipment (net)	2	1	5	Proceeds from sale of current investments	395	219	730
Finance costs	51	60	153	Purchase of non-current investments	-	-30	-27
Interest income	-7	-7	-12	Investment in deposits with banks	-230	-501	-150
Amounts written-back	-6	-1	-3	Investment in deposits redeemed	285	469	124
Fair value gain on financial instruments at fair value through profit or loss	-11	-10	2	Interest received	5	7	12
Net gain on sale of investments	-17	-11	-29	Dividend income received	0	-	-
Dividend income	-0	-	-	Net cash used in investing activities (B)	28	-177	-241
Unrealised foreign exchange loss/ (gain) (net)	0	-0	-0	C. Cash flows from financing activities			
Employee stock option expense	3	-	3	Proceed from issue of equity shares including securities premium	-	5	5
Provision for expected credit loss, advances and bad debts written off	72	44	109	Proceed from non-current borrowings	6	1	168
Operating loss before working capital changes	-402	-303	1,281	Repayment of non-current borrowings	-93	-203	-243
Adjustments for movement in:				(Repayment)/ proceeds of current borrowings (net)	-277	110	-110
Inventories	-56	-115	-199	Payment of lease liabilities for principal portion	-52	-48	-92
Trade receivables	1,286	1,238	-76	Payment of lease liabilities for interest portion	-15	-14	-25
Other assets	-121	-44	31	Interest paid on borrowings	-36	-46	-127
Provisions	9	-5	-38	Net cash used in financing activities (C)	-468	-195	-530
Trade payables	-912	-271	442	Net increase in cash and cash equivalents (A+B+C)	-859	-138	440
Other liabilities	-89	-128	1				
Cash (used in)/ generated from operations	-285	373	1,443				
Direct taxes paid (net of refunds)	-133	-139	-232				
Net cash (used in)/ generated from operating activities (A)	-418	233	1,211				

- Q2FY25 Operating Cash flows are lower by Rs651m vs. Q2FY24.** This is **driven by the Rs641m incremental reduction in Trade Payables vs. last year on back of payments made during H1FY25 to paper vendors for last year's paper purchases.** We built up higher levels of paper inventory last year to capture demand from new syllabus books but due to the lower adoption of new syllabus book during the sales season, we finished FY24 with higher-than-expected raw paper inventory. **We fully expect to utilize this inventory during the course of the current sales season.**

- **Working Capital Metrics**
 - **Trade Receivables** reduced to Rs1,244m during Q2FY25 vs. Rs1,371m at the same time last year.
 - In terms of receivable days, it stood at 69 days (vs. 83 days in Q2FY24). **This is the lowest receivable days in Q2 in the past 5 years.**
 - **Inventory increased** to Rs1,818m (vs Q2FY24: Rs1,677m). Our inventory includes raw material paper inventory of Rs709m (vs. Q2FY24: Rs599m).
 - In terms of inventory days, it stood at 302 days (vs. 276 days in 2QFY24).
 - **Net Working Capital was stable at 136 days** (vs. 135 days in Q2FY24). **This is the one of the lowest net working capital days in Q2 in the past 5 years.**
- We continue to be a net debt free company in 2QFY25 with a net cash balance of Rs93m. Gross Debt stood at Rs718m (vs. Rs1,176m in Q2FY24).

Market Data	As of 8 th November 2024
Market Capitalization (Rs Mn)	7,550
Price (Rs)	215
No. of shares outstanding (Mn)	35
Face Value (Rs.)	5.0

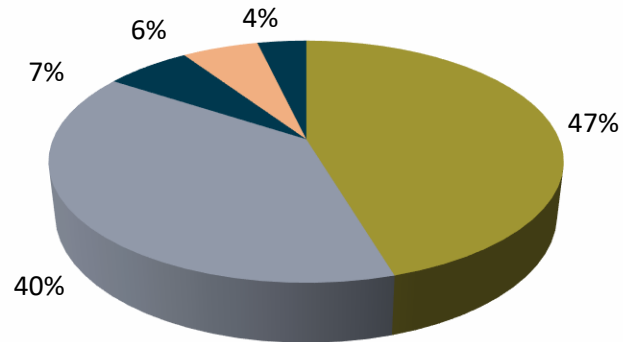
Key Institutional Investors - As of September 2024	% Holding
Miri Strategic Emerging Markets Fund Lp	4.5%
Trust Line Holdings	3.1%
Blue Diamond Properties	2.0%
Volrado Venture Partners Fund	1.4%
Zen Securities	1.2%

Source: www.bseindia.com, LinkINTime

Other Institutional Investors holding less than 1% - As of September 2024
Aadi Financial Advisors
Acadian Asset Management Inc
Quadrature Capital
International Finance Corporation
Acadian Emerging Markets
Singularity Holdings
Blue Horizon
Winro Commercial

Source: www.bseindia.com, LinkINTime

Ownership as of September, 2024



- Promoter
- FPI & Foreign Company
- AIF
- Others
- Corporate Bodies

3.

Digital Business & Investments



Smartivity

- Smartivity (<https://www.smartivity.in/>) was founded in 2015 with focus on S.T.E.M. Learning and DIY Kits.
- We have Angel funded approx. Rs20m in the company across various funding rounds.
- Their last round of funding was done in Sept 2022 at a valuation of approx. Rs100cr. S Chand currently holds ~16% stake in the company. Other marquee investors in the company include Ashish Kacholia (26% stake) and Hemandra Kothari (8% Stake).
- At per the last valuation round, our investment is valued at approx. Rs150m.
- Smartivity has turned EBITDA positive in FY24 and is very close to being PAT positive. They have shown revenue growth of 17% YoY and strong Gross margin expansion in FY24.



ixamBee

Prepare 50% Faster

- ixamBee (<https://www.ixambee.com/>) was founded in December 2016 in Delhi NCR. The company's objective is to help graduates and undergraduates prepare effectively for Government examinations like banks, insurance companies, Railways etc.
- ixamBee has raised funds from Mumbai Angels Network, JITO Angel Network, Inflection Point Ventures (IPV), Firstport Capital, Keiretsu Forum , MSFT, Keyur Joshi (co-founder MakeMyTrip) etc.
- We have invested Rs30m for ~4.3% stake in the company in April, 2023.

S CHAND ACADEMY ON YOUTUBE GROWING STEADILY



S Chand Academy (Youtube)

- The channel houses modules comprising of over 1,850 videos that have been prepared supplementing our S Chand Test Prep & College Content. The channel has showed strong growth reaching ~270k subscribers and over 24 million views so far.

S Chand Academy
Study Smartly

Videos 1760+ Subscribers 223 K+ Watch Time 615K+ Hours Views 20.4 M+

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Verbal Reasoning ▶ Play all

Welcome to the "Verbal Reasoning lectures" playlist by S Chand Academy! Explore a comprehensive series of educational videos covering essential topics in verbal reasoning, design...



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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.