



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: August 12, 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 June 30, 2024-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 Tuesday, August 13, 2024 at 01:00 P.M. to discuss the financial results for the quarter ended June 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

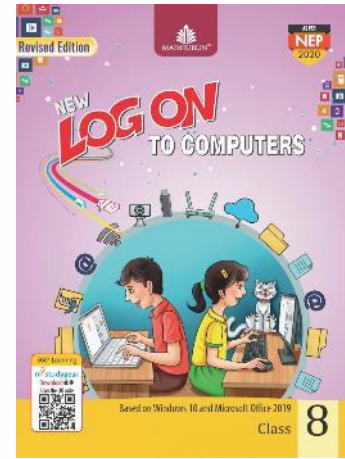
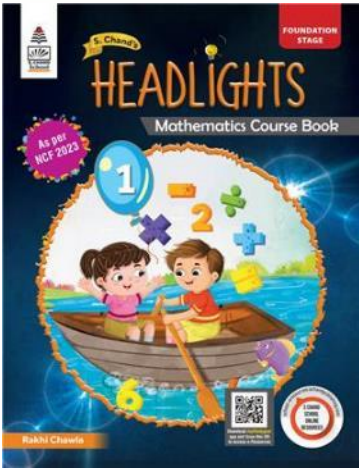
Jagdeep Singh
Company Secretary
Membership No: A15028
Address: A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi-110044



Encl: as above

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

**Q1 – FY2024-25
Investor Update
12th August 2024**



1.

Key Highlights –1QFY25

2.

Consolidated Financial Performance

3.

Status of Digital Business &
Investments



1.

Key Highlights – 1QFY25

Performance Highlights, Mr. Himanshu Gupta, Managing Director:

“Q1FY25 was steady quarter in terms of sales in spite of headwinds faced due to the National Elections in the country.

We had an exceptional quarter in terms of delivering the lowest working capital metrics for Q1 in the company’s history. We continued our strong cash flow generation and remained net debt free at the end of the quarter with an increased net cash balance of Rs882m (Vs. Q4FY24: Rs600m).

We are excited to share that we are 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:

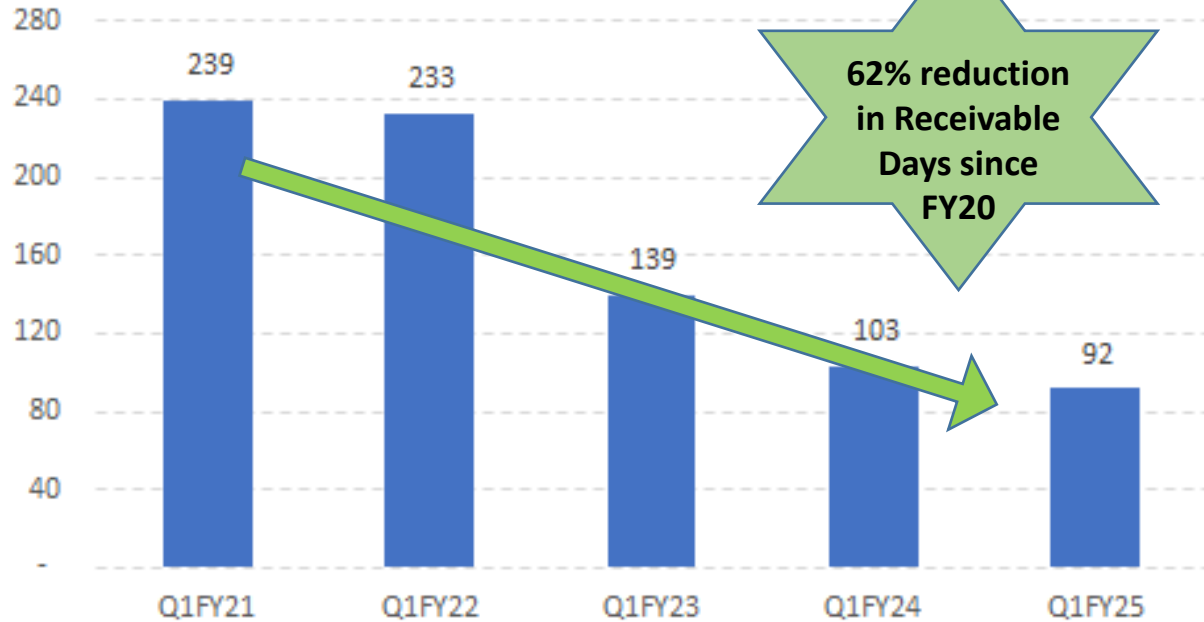
“Our consolidated revenues reached Rs1,111 million, EBITDA of Rs84 million and a marginal PAT Loss of Rs30 million.

- We achieved the highest ever Gross Margins at 72% in the history of the company.*
- One of the strongest features of the company’s results are our working capital metrics –Inventory Days and Net Working Capital (NWC) days which are at historic lows for Q1 in the company’s history.*
 - Our Q1 receivable days are below 100 days for the 1st time in the company’s history.*
 - Our Q1 Net Working capital days was at 132 days which is the lowest in company’s history.*
- All these efforts resulted in steady operating cash flows, and we ended the quarter with a strong Net cash balance of Rs882m (Vs. Q4FY24: Rs600m)”*

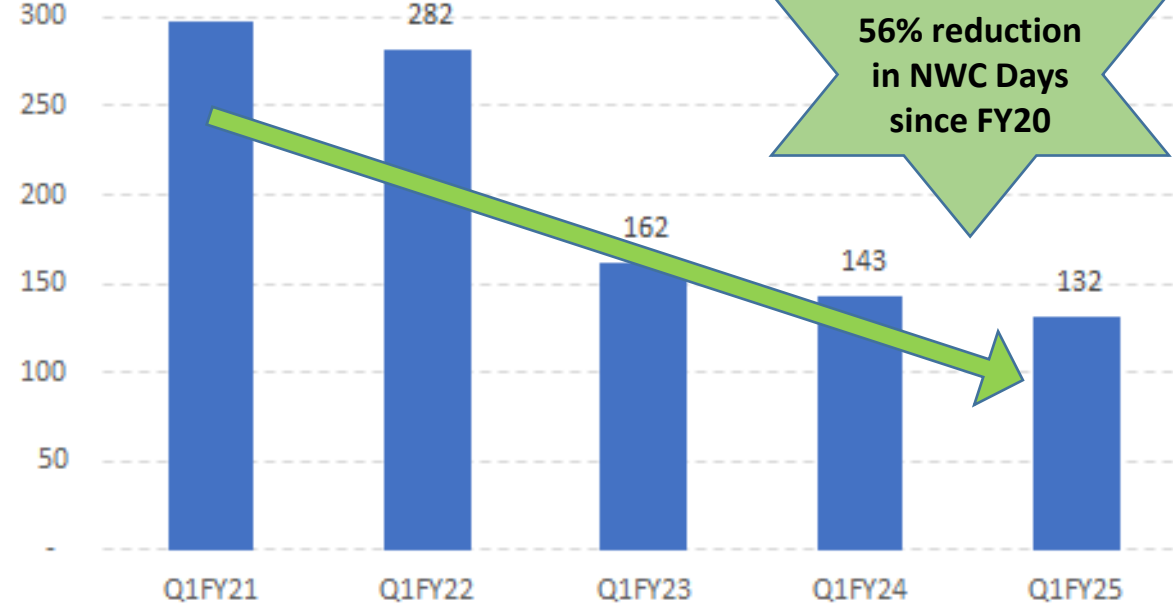
LOWEST HISTORICAL WORKING CAPITAL METRICS EVER



Receivable Days



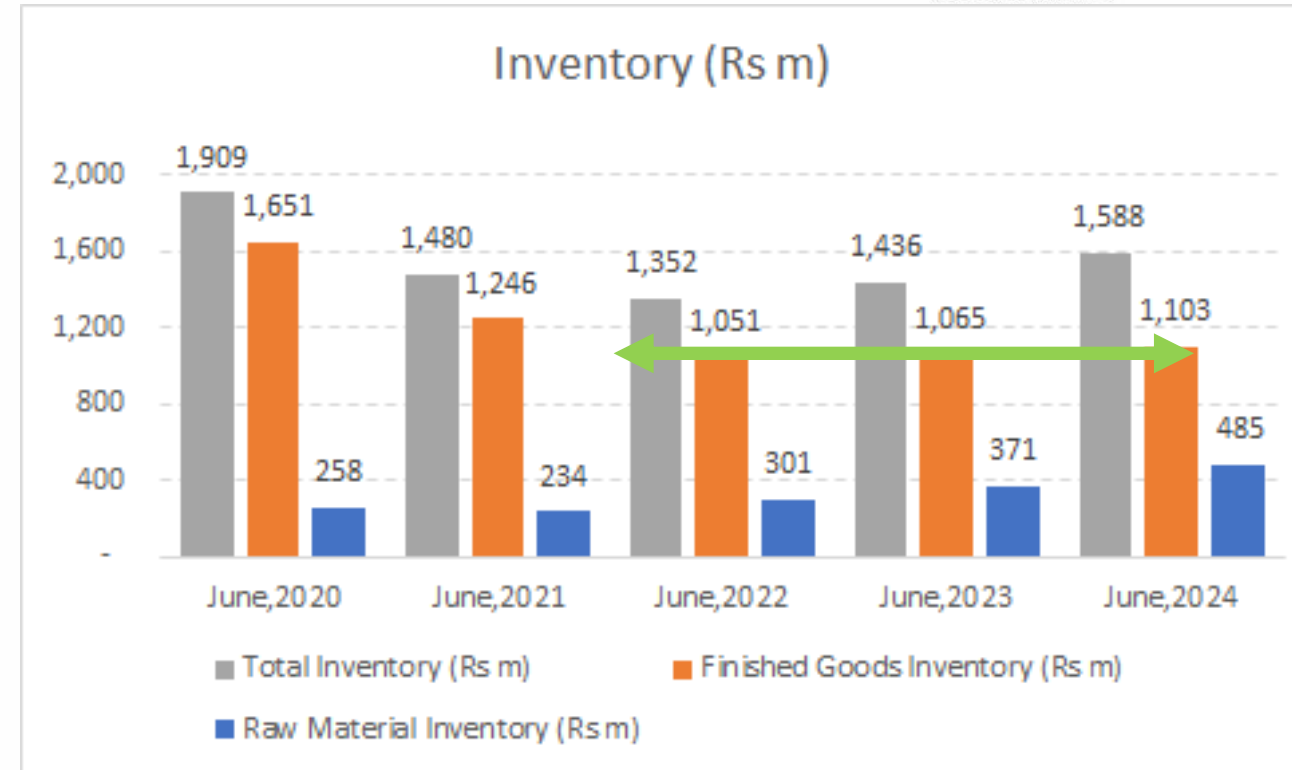
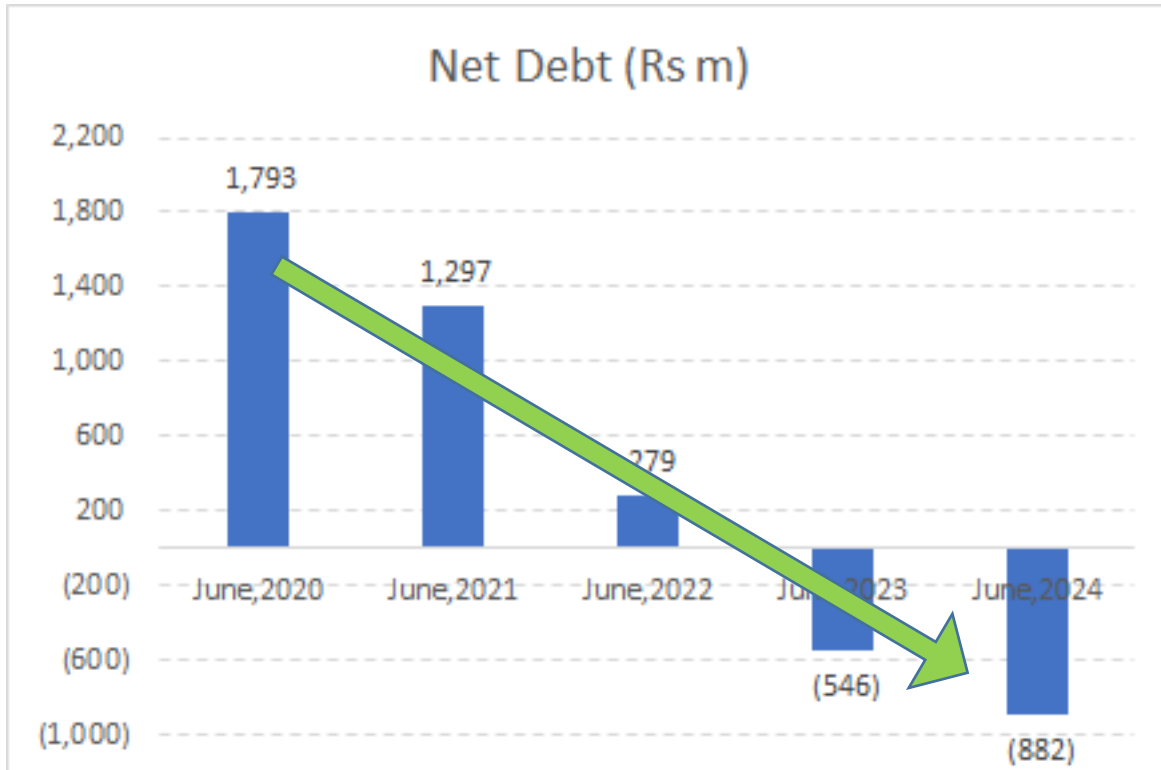
Net Working Capital Days



- Q1 Receivable days below 100 days for the first time ever in company's history.
- Lowest Q1 Receivable days in the company's history.

- Improved Working capital efficiency has translated into strong cash flows leading to continued net debt free status at the end of Q1FY25.

NET DEBT FREE WITH CONTROLLED INVENTORY



- Company continues to be net debt free.
- We aspire to remain net debt free for 3 quarters in a year.

- Finished Goods inventory is at approx. same level since June, 22.
- Total Inventory has Rs485m raw material paper inventory (vs. Rs371m in Q1FY24).

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

- Our strategy of focusing on the cash flows has yielded results with Net cash generated from operations of Rs353m in Q1FY25. **This is a steady start to a year where we expect NCF benefits to flow through in the sales season.**
- Lower Operating Cash flows vs. Q1FY24 is primarily due to Rs300m+ additional payments made during Q1FY25 to paper vendors for last year's paper purchases. Do keep in mind that 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 year.**

(In Rs m)	Q1FY21	Q1FY22	Q1FY23	Q1FY24	Q1FY25
Profit/(Loss) before tax	-95	-349	111	27	-16
Operating Profit/(Loss) before working capital changes	166	-184	143	172	125
Net cash generated from operating activities (A)	177	99	633	691	353
Net cash used in investing activities (B)	-41	-72	-425	-328	-534
Net cash used in/generated from financing activities (C)	-66	-272	-478	-411	-654
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	70	-245	-270	-48	-835



Content Creation by S Chand Editorial Teams

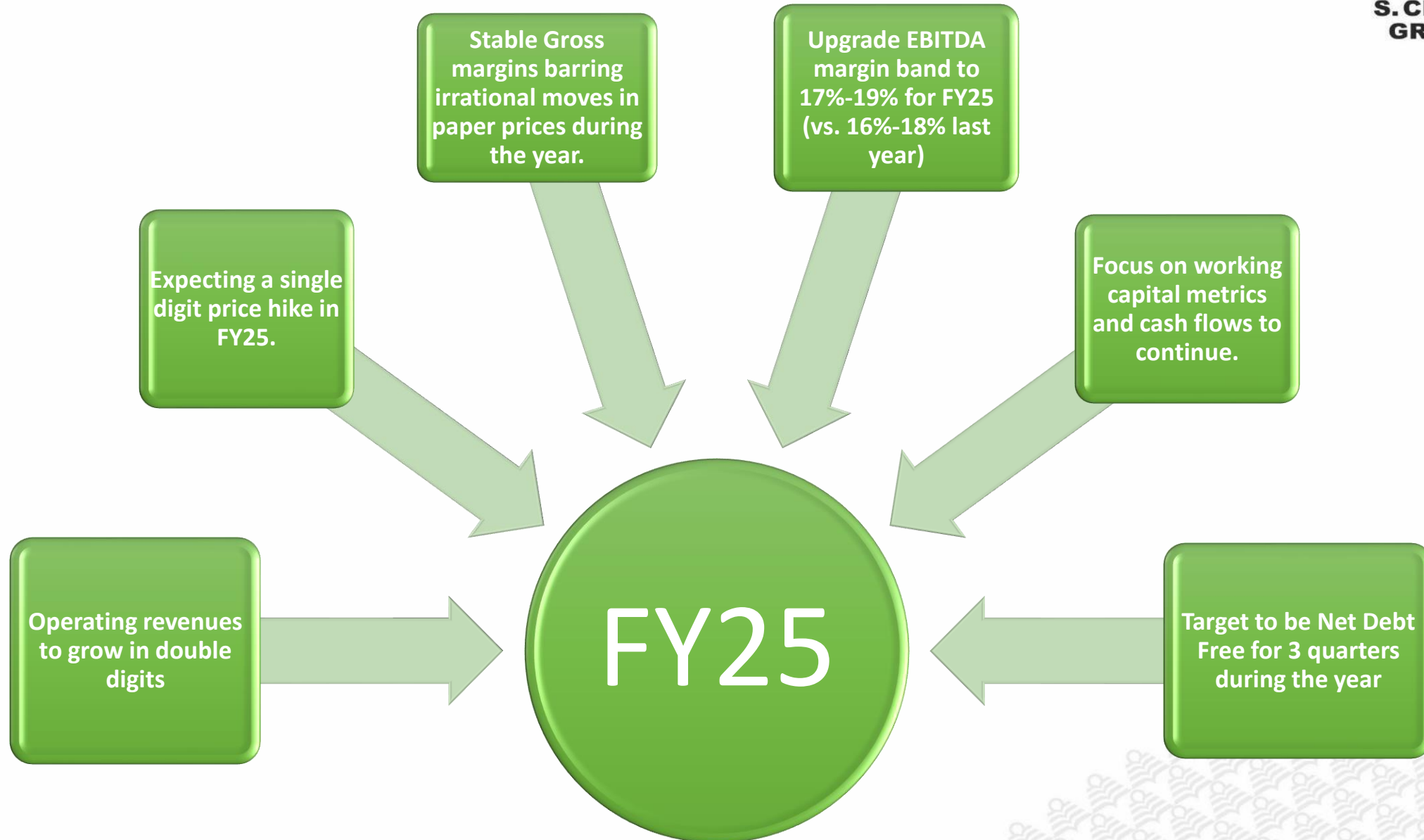
- We shall continue to create content based on the new syllabus during CY24.
- This should lead us into FY25 sales season with a much larger repository of new syllabus books for our target customer.

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

**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**

(Rs m)	Q1FY21	Q1FY22	Q1FY23	Q1FY24	Q1FY25	Q1FY25 vs. Q1 FY24
Revenue from Operations	714	358	1,073	1,111	1,107	0%
Cost of published goods/materials consumed	151	98	400	283	271	-4%
Purchases of traded goods	3	17	2	2	5	127%
(Increase)/decrease in inventories of finished goods and work-in-progress	67	-2	-52	61	29	-54%
Gross Margin	493	245	723	765	802	5%
Gross Margin (%)	69%	68%	67%	69%	72%	
Employee benefits expenses	219	268	296	334	385	15%
Other expenses	254	182	308	295	333	13%
EBITDA	20	-205	119	136	84	-38%
EBITDA Margin (%)	3%	-57%	11%	12%	8%	
Finance cost	83	74	41	28	28	-1%
Depreciation and amortization expense	96	103	110	108	102	-6%
Operating Income	-159	-383	-31	-1	-46	na
Operating Income Margin (%)	-22%	-107%	-3%	0%	-4%	
Other income	68	36	143	28	30	6%
Profit/(Loss) before share of loss in associates, exceptional items and tax	-91	-346	112	27	-16	na
Share of gain/(loss) in associates	-3	-2	-1	0	0	
Exceptional gain/(Loss)	0	0	0	0	0	
Profit/(Loss) before tax	-94	-349	111	27	-16	na
Tax expenses:						
1) Current tax	7	4	43	29	18	
2) Deferred tax	3	-40	5	-14	-5	
Profit/(Loss) for the period/ year	-104	-314	62	11	-30	na
Profit/(Loss) per equity share (in ₹)						
1) Basic	-2.99	-8.97	1.78	0.74	-0.58	
2) Diluted	-2.99	-8.97	1.77	0.74	-0.58	

Q1FY25 Highlights

Higher ever Gross Margins in Q1 in the company's history: 72%

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

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Balance Sheet (₹ in millions)	As at 30 June 2024	As at 31 March 2024
Assets		
Non-current assets		
Property, plant and equipment	784	798
Right-of-use asset	435	379
Capital work-in-progress	1	-
Goodwill	3,325	3,325
Other intangible assets	698	739
Intangible assets under development	5	-
Financial assets		
- Investments	219	219
- Other financial assets	43	36
Deferred tax assets (net)	831	829
Income tax assets (net)	183	182
Other non-current assets	12	10
Total non-current assets (A)	6,537	6,517
Current assets		
Inventories	1,588	1,761
Financial assets		
- Investments	956	402
- Trade receivables	1,663	2,601
- Cash and cash equivalents	373	1,208
- Bank balances other than cash and cash equivalents	30	64
- Other financial assets	21	32
Current tax assets (net)	42	6
Other current assets	160	142
Total current assets (B)	4,835	6,218
Total assets (A+B)	11,372	12,734

Consolidated Balance Sheet (₹ in millions)	As at 30 June 2024	As at 31 March 2024
Equity and liabilities		
Equity		
Equity share capital	176	176
Other equity	9,220	9,234
Non-controlling interests	19	29
Total equity (C)	9,415	9,439
Non-current liabilities		
Financial liabilities		
- Borrowings	166	209
- Lease liability	226	177
Provisions	105	111
Total non-current liabilities (D)	497	497
Current liabilities		
Financial liabilities		
- Borrowings	317	873
- Lease liability	82	70
- Trade payables		
- total outstanding dues of micro enterprises and small enterprises	56	135
- total outstanding dues of creditors other than micro enterprises and small enterprises	806	1,382
- Other financial liabilities	128	177
Other current liabilities	67	140
Provisions	4	4
Current tax liabilities (net)	0	16
Total current liabilities (E)	1,459	2,798
Total equity and liabilities (C+D+E)	11,372	12,734



CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated Statement of Cash flow (₹ in millions)	Year ended 30 June 2024	Year ended 30 June 2023
	Unaudited	Unaudited
A. Cash flow from operating activities		
Profit before tax	-16	27
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	102	108
Loss on sale of property, plant and equipment (net)	1	-0
Finance costs	28	28
Interest income	-3	-2
Amounts written-back	-6	-1
Fair value loss on financial instruments at fair value through profit or loss	-	0
Fair value gain on investment at fair value through profit or loss	-12	-8
Net gain on sale of investments	-0	-0
Unrealised foreign exchange gain (net)	0	0
Employee stock option expense	1	-
Provision for expected credit loss and advances	23	9
Assets written off	-	-
Bad debt written off	7	11
Operating profit before working capital changes	125	172
Adjustments for movement in:		
Inventories	174	126
Trade receivables	908	901
Other assets	-11	-22
Provisions	1	-12
Trade payables	-649	-323
Other liabilities	-123	-106
Cash generated from operations	425	736
Direct taxes paid (net of refunds)	-72	-45
Net cash generated from operating activities (A)	353	691

Consolidated Statement of Cash flow (₹ in millions)	Year ended 30 June 2024	Year ended 30 June 2023
	Unaudited	Unaudited
B. Cash flows from investing activities		
Purchase of property, plant and equipment including intangible assets and capital work-in-progress	-20	-19
Proceeds from sale of property, plant and equipment	-5	-
Purchase of current investments	-912	-270
Proceeds from sale of current investments	330	13
Purchase of non-current investments	-	-30
Disposal of non-current investment	40	-
Investment in deposits with banks	-150	-500
Investment in deposits redeemed	181	475
Interest received	0	3
Net cash used in investing activities (B)	-534	-328
C. Cash flows from financing activities		
Proceed from issue of equity shares including securities premium	-	5
Proceed from non-current borrowings	4	1
Repayment of non-current borrowings	-72	-66
(Repayment)/ proceeds of current borrowings (net)	-531	-298
Payment of lease liabilities for principal portion	-26	-26
Payment of lease liabilities for interest portion	-8	-5
Dividend paid	-	-
Interest paid on borrowings	-21	-23
Net cash used in financing activities (C)	-654	-411
Net increase in cash and cash equivalents (A+B+C)	-835	-48
Foreign exchange difference	-	-
Cash and cash equivalents at the beginning of the year	1,208	769
Cash and cash equivalents at the end of the year	373	720

- Reduction in OCF is driven by higher payables on back of higher paper purchases last year.

- **Working Capital Metrics**
 - **Trade Receivables** reduced to Rs1,663m during Q1FY25 vs. Rs1,732m during Q1FY24. **This is a Rs69m decrease in receivables YoY.**
 - **In terms of receivable days, it stood at 92 days (vs. 103 days in Q1FY24),** a reduction of 11 days over the previous year. **This is the lowest receivable days in Q1 in in the company's history.**
 - **Inventory increased** to Rs1,588m (vs Q1FY24: Rs1,436m) on back of higher level of raw paper inventory. This inventory level includes raw material paper inventory of Rs485m (vs. Q1FY24: Rs371m). **Finished goods inventory was almost at the same level as last year.**
 - In terms of inventory days, it stood at 261 days (vs. 238 days in Q1FY24), an increase of 23 days over last year. This is driven by increase in raw material inventory rather than finished goods inventory.
 - **Net Working Capital reduced to 132 days** (vs. 143 days in Q1FY24) which is a reduction of 11 days over the previous year. **This is the lowest net working capital days in Q1 in the company's history.**
- **Net Cash balance of Rs882m (vs. Net Cash balance of Rs546m in Q1FY24) and Gross Debt: Rs483m (vs. Rs906m in Q1FY24)**
 - **We remain Net Debt Free at the end of the quarter on back of strong collections.**

Market Data	As of 9 th August 2024
Market Capitalization (Rs Mn)	7,950
Price (Rs)	225
No. of shares outstanding (Mn)	35
Face Value (Rs.)	5.0

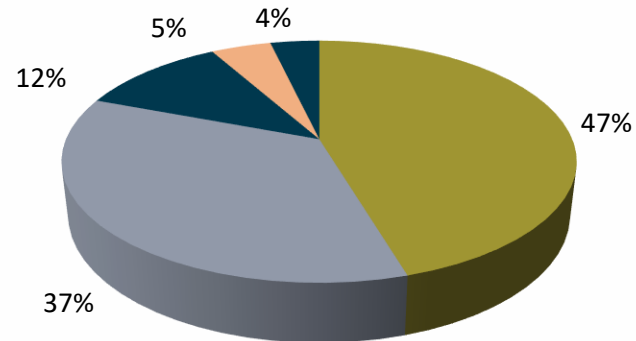
Key Institutional Investors - As of June 2024	% Holding
Miri Strategic Emerging Markets Fund Lp	6.5%
International Finance Corporation	3.7%
Trust Line Holdings	3.0%
Blue Diamond Properties	2.0%
Volrado Venture Partners Fund	1.4%

Source: www.bseindia.com, LinkINTime

Other Institutional Investors holding less than 1% - As of June 2024
Aadi Financial Advisors
Acadian Asset Management Inc
Fiducian India Fund
Zen Securities
Acadian Emerging Markets
Singularity Holdings
Blue Horizon
Winro Commercial

Source: www.bseindia.com, LinkINTime

Ownership as of June, 2024



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



We cordially invite you to the Earnings Call with

S Chand and Company Ltd.

Bloomberg Code: SCHAND IN | Reuters Code: SCHA.BO

to discuss the Q1FY25 Results

Represented by:

Mr. Himanshu Gupta – Managing Director

Mr. Saurabh Mittal – Group Chief Financial Officer

Mr. Atul Soni – SVP – Investor Relations, Strategy and M&A

Tuesday, August 13, 2024, at 13:00 hrs IST

15:30 hrs SGT & HK / 07:30 hrs GMT / 02:30 hrs EDT / 23:30 hrs PDT (previous day)

Dial-In Numbers:

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For further information, please contact
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Dhvanit Shah | DhvanitShah@PLIndia.com

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 BY LEAPS AND BOUNDS



S Chand Academy (Youtube)

- The channel houses modules comprising of over 1,800 videos that have been prepared supplementing our S Chand Test Prep & College Content. The channel has showed strong growth reaching ~250k subscribers and over 22 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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BOOK REVIEW **INDIAN ECONOMY** VIVEK SINGH 3:52

Business Cycle By Suman Si Assistant Professor, SPOC University of Delhi 28:27

Rent Concept By Suman Si Assistant Professor, SPOC University of Delhi 31:15

How to Manage Mixed Ability in Large Class 4:00 - 5:08 PM

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Logical Reasoning 9 videos
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B.Sc Chemistry, First Semester 15 videos
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Engineering Physics Laser - 1 58 videos
B.Sc Chemistry 2nd Year, Third Semester 15 videos

Verbal Reasoning ▶ Play all

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Disclaimer

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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.