

Press Release

August 24, 2017, New Delhi

---

Q1 billing grows by 12percent. ETEN Centres more than doubled in Q1 to 62 post acquisition. Research revenue grows by more than 100pc

CL Educate announced their first quarter results post their IPO debut in March 2017. At an overall group level, CL Educate billings grew by 11 percent while core testprep business grew by 12percent on IGAAP basis. However, due to the transition to INDAS and consequent adjustments, the revenue growth for the quarter was pegged 2 percent.

ETEN, the testprep division acquired from Pearson, has been integrated completely. ETEN has grown from 27 centres to 62 centres in the first quarter while the MBA prep business grew by 25 percent in billing and law prep grew by over 15 percent. Gautam Puri, Vice chairman and CEO of testprep business said "our focus now is on enrolment growth and geographical penetration."

On the enterprise side, research revenues from Accendere (acquisition completed in April 2017), has renewed all old university clients for the ensuing academic year. This results in a more than 100pc growth in revenues. Nikhil Mahajan, CEO of enterprise business said "we have also added top reputed public universities including the IITs for the current year. On the corporate side, due to GST transition, the quarter was slower on account of conservative marketing spends by clients. It is settling now. We should do well in the next three quarters"

Post IPO, the company has retired the long term debt to the tune of Rs 27 crores and the overdraft limits have declined by about 65 percent to Rs 25 crores. Sudhir Bhargava, CFO said "we expect to save about Rs 6 crores in interest costs on a full year basis which is almost at about 60 percent of last year levels. The K12 transition is complete with respect to school operations. The asset transfer of schools is a top priority for us".

"We have made an encouraging start to the new year with growth in both mature and new businesses. We are now focused on building on this good start" said Satya Narayanan, Chairman, CL Educate.

