



## 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.

P: +91 11 4973 1800 | F: +91 11 4973 1801 | E: info@schandgroup.com | www.schandgroup.com

Date: September 17, 2017

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,

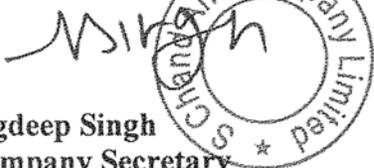
**Re: Intimation of meeting with analysts and investors-pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

Pursuant to Regulation 30 of the Listing Regulations, it is hereby informed that the management of the Company will be meeting the investors/analysts on 18<sup>th</sup>, 19<sup>th</sup> and 20<sup>th</sup> of September 2017 at Singapore/Honkong as per the schedule enclosed herewith. The presentation for the analysts/investors is also 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  
Address: A-27, 2<sup>nd</sup> Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044



**Schedule of Investors/Analysts meetings**

<b>Date of meeting</b>	<b>Time of meeting</b>	<b>Type of meeting</b>	<b>Name of fund/firm</b>
18.09.2017	10:30 A.M.-11:30 A.M.	One on One	Nomura Asset Management Singapore Limited
	12:00 P.M.-1:00 P.M.	One on One	Maybank Asset Management Singapore Pte. Ltd.
	1:15 P.M.-2:15 P.M.	One on One	Helios Capital Management Pte. Ltd.
	2:45 P.M.-3:45 P.M.	One on One	Kotak Offshore Limited
	4:00 P.M.-5:00 P.M.	One on One	Somerset Capital Management
	5:15 P.M.-6:15 P.M.	One on One	Nalanda Capital Pte Ltd
19.09.2017	10:30 A.M.-11:30 A.M.	One on One	Eastspring Investments (Singapore) Limited
	3:15 P.M.-4:15 P.M.	One on One	Sundaram MF
20.09.2017	2:45 P.M.-3:45 P.M.	One on One	Indus Capital Advisors (HK) Ltd.
	4:00 P.M.-5:00 P.M.	One on One	Rochdale Investment Management



**Investor Presentation**  
September 2017

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INDUSTRY OVERVIEW

COMPANY OVERVIEW

Q1 FY2018 RESULTS UPDATE

APPENDIX



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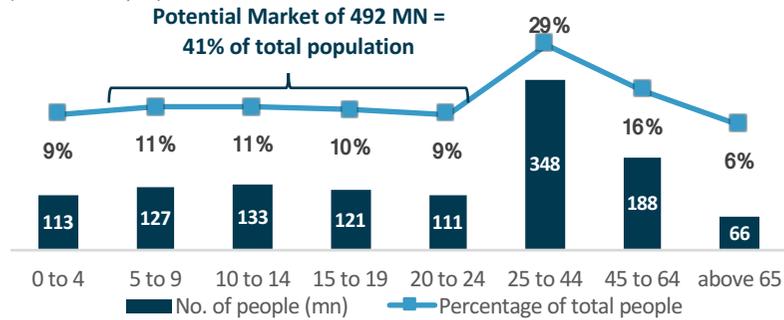
## INDUSTRY OVERVIEW



# Indian Education Sector : Inflection Point + Strong Potential

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

(Source: IBEF Report)



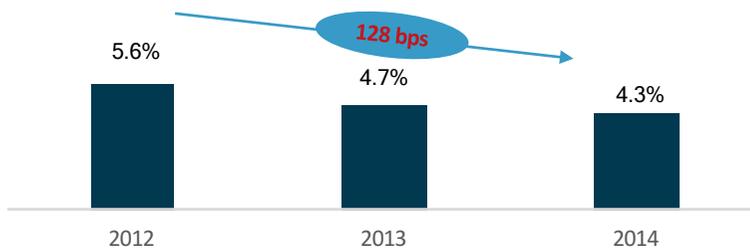
## Literacy rate improving with higher participation from students.

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

Level of Education	Estimated Population			
	% 2017 (MN)	% 2022 (MN)	% 2017 (MN)	% 2022 (MN)
<b>Illiterate</b>	<b>20%</b>	<b>269</b>	<b>18%</b>	<b>250</b>
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
<b>Literate</b>	<b>80%</b>	<b>1076</b>	<b>82%</b>	<b>1141</b>
<b>Total</b>	<b>100%</b>	<b>1345</b>	<b>100%</b>	<b>1391</b>

## Decrease in drop-out rates for primary education in India.

(Source: Nielsen Report)



## S Chand well positioned to benefit from sector tailwinds.

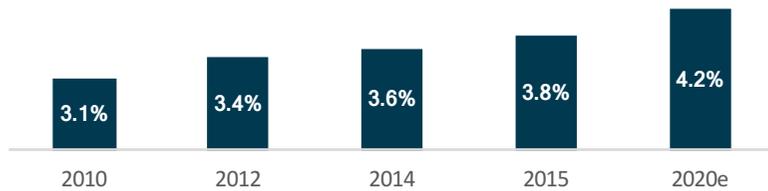
- ❖ Gross enrolment ratio and students completing primary & secondary education gradually improving in India.
- ❖ Falling dropout rates and increased girls participation led to improvement in literacy rate.
- ❖ Government promoting education through various schemes with budgetary support.

# Increasing Household Expenditure On Education

## Investment in India's Education Sector.

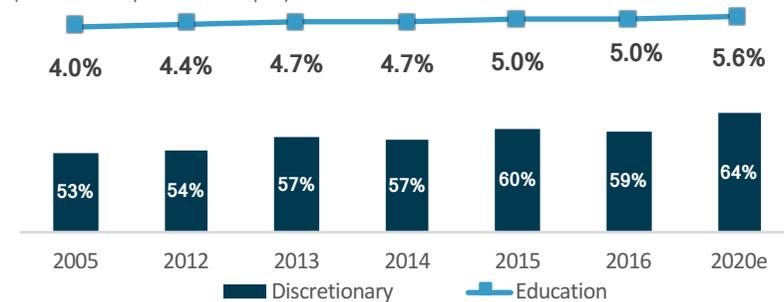
(Source: IBEF Report)

As a percentage of GDP



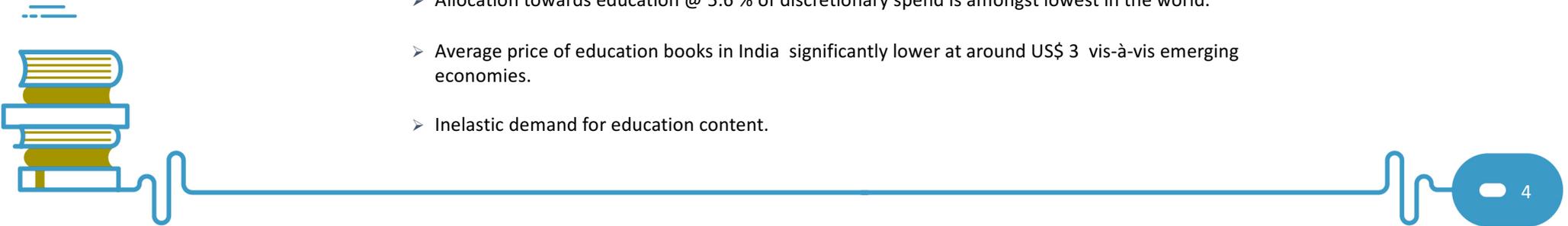
## Higher share of education in discretionary spend.

(Source: Technopak Research Report)



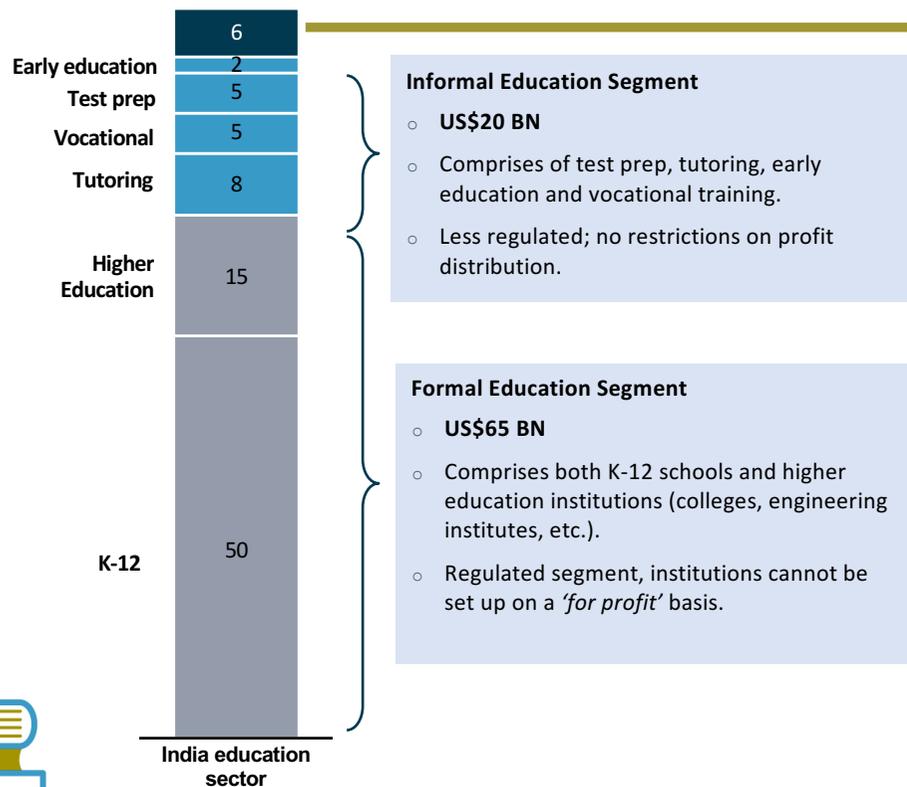
## Education sector poised for sustainable growth for the long term.

- Education and related expenses gradually increasing with rising affluence and discretionary spend. Books and stationery constitute a small % of education spend.
- Allocation towards education @ 5.6 % of discretionary spend is amongst lowest in the world.
- Average price of education books in India significantly lower at around US\$ 3 vis-à-vis emerging economies.
- Inelastic demand for education content.



# Large addressable opportunity

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



**Informal Education Segment**

- US\$20 BN
- Comprises of test prep, tutoring, early education and vocational training.
- Less regulated; no restrictions on profit distribution.

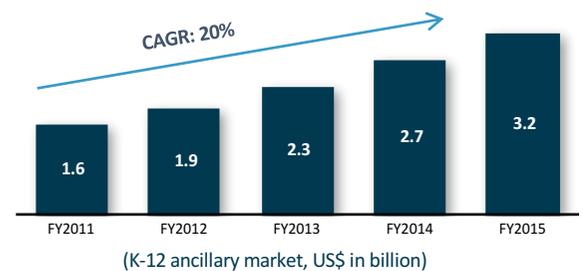
**Formal Education Segment**

- US\$65 BN
- Comprises both K-12 schools and higher education institutions (colleges, engineering institutes, etc.).
- Regulated segment, institutions cannot be set up on a 'for profit' basis.

## 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 fast growing with ~20% CAGR during 2011-15.**



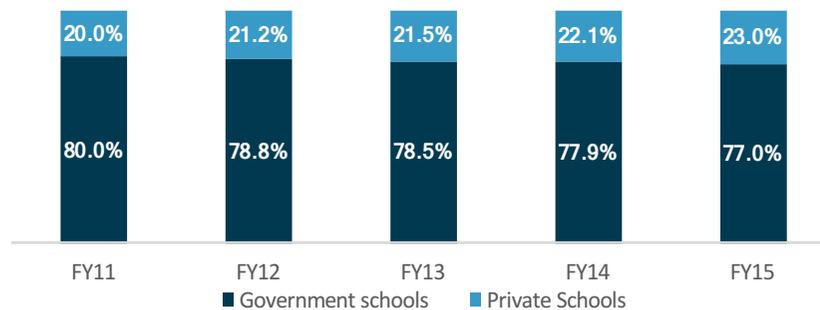
- **Robust growth drivers.**
  - Eligible K-12 population of about 296 MN students in age group 6 to 17 years.
  - Private unaided schools increased at average rate of 10.4% during 2011-15.
  - India has largest education system in the world with over 750 Universities & 35,000 colleges.
- **Highly fragmented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

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

# Preference Shifting Towards Private & Central Curriculum Schools

## 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
<b>Total</b>	<b>13,29,211</b>	<b>13,77,764</b>	<b>14,63,063</b>	<b>14,63,447</b>	<b>14,78,315</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

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

## Indian K-12 education infrastructure

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

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

## 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.

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## COMPANY OVERVIEW



# Leading Indian Education Content Company.



## 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.

- 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+	9,500+	48 MN
Years of operating history <sup>(1)</sup>	Active book titles <sup>(2)</sup>	Books sold in FY2017 <sup>(4)</sup>
~ 2,400	31%	55 TPD
Author relationships <sup>(3)</sup>	Revenue CAGR FY2012-17	Print Capacity in number of sheets

## Strong content, multiple best-sellers.

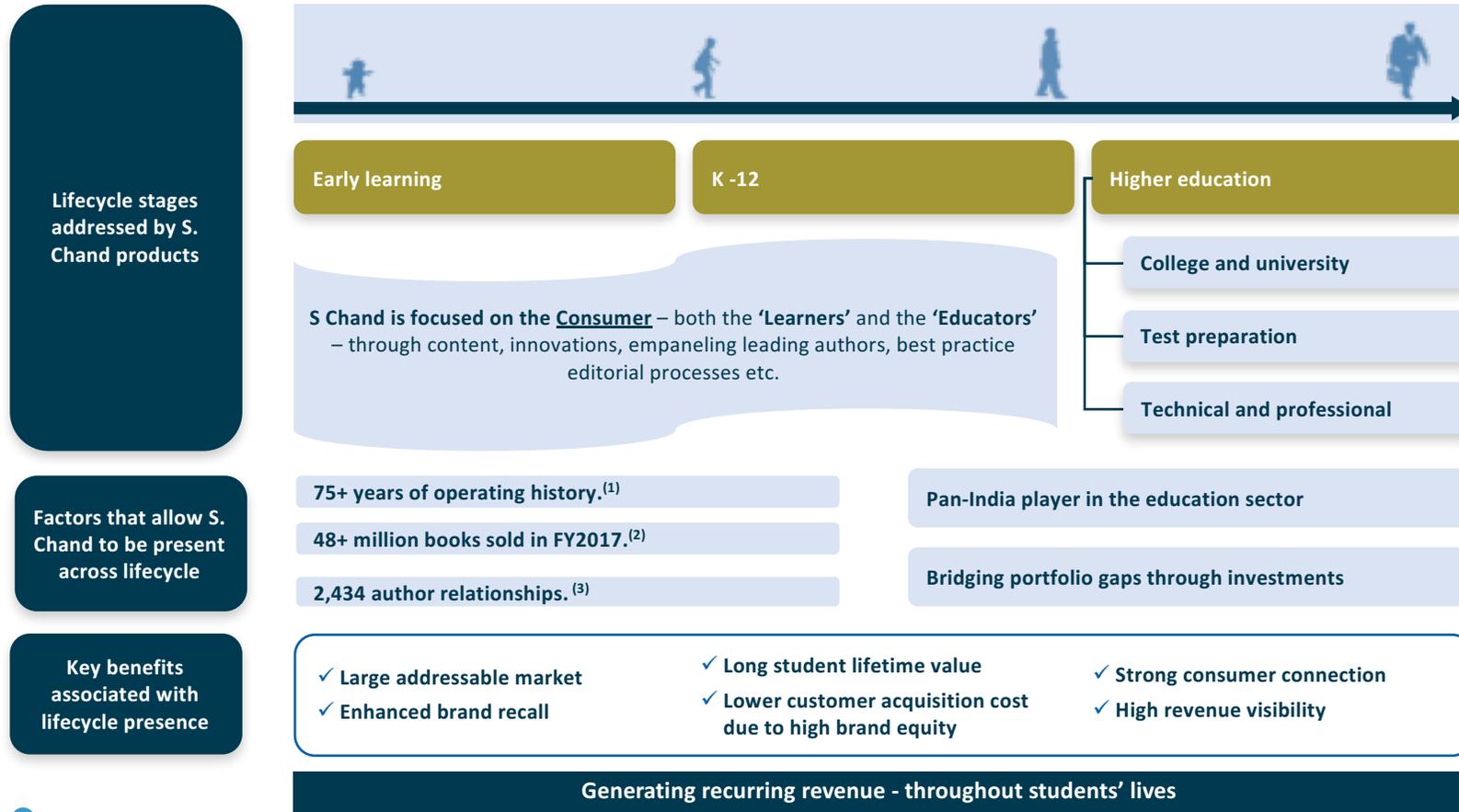


## Portfolio of brands focused on print / digital content.



(1) S. Chand & Co. has been in operation since 1939 which was later taken over by S. Chand & Company Private Limited which was incorporated in 1970.  
 (2) Includes Early learning, K-12 & higher education active titles.  
 (3) Author relationships as on March 31, 2017  
 (4) Denotes gross number of copies of all titles sold during the year.

# Comprehensive Lifecycle Focused Education Content Player.



(1) S. Chand & Co. has been in operation since 1939 which was later taken over by S. Chand & Company Private Limited which was incorporated in 1970  
 (2) Denotes gross number of copies sold.  
 (3) Author relationships as on 31.03.2017.



# Business Segments.



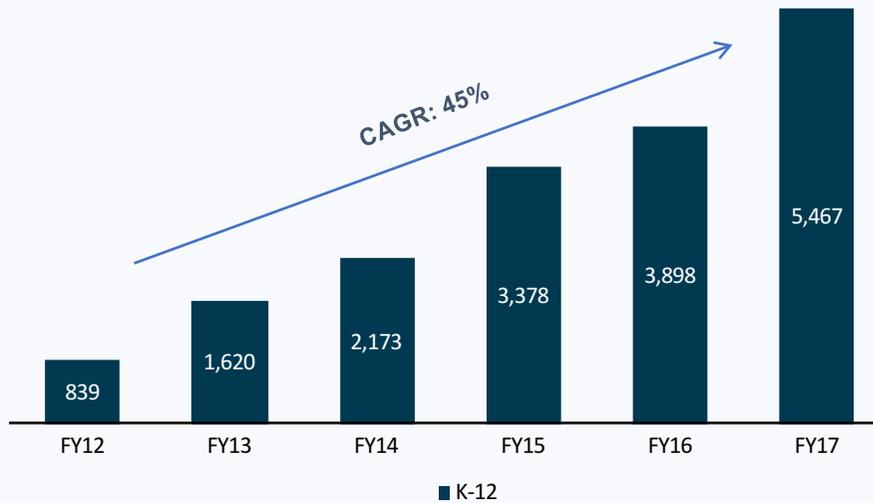
	K-12	Higher Education	Early Learning
<b>Revenue contribution</b>	80% of FY2017 revenues <sup>(1)</sup> 45% revenue CAGR <sup>(4)</sup>	18% of FY2017 revenues <sup>(2)</sup> 8% revenue CAGR <sup>(4)</sup>	2% of FY2017 revenues <sup>(3)</sup>
<b>Target Segment</b>	School students (4 -18 years)	Test prep (>18 years) College students / professionals	Children (2-5 Years)
<b>Description / Highlights</b>	<ul style="list-style-type: none"> <li>&gt; Schools affiliated to Central / State Board.</li> <li>&gt; Largest K-12 content player in India.                             <ul style="list-style-type: none"> <li>o Dominant presence in Central Board affiliated schools.</li> <li>o Increasing presence in State Board affiliated schools.</li> </ul> </li> <li>&gt; Offers print content (books) and digital / hybrid content and solutions.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Colleges and universities (arts, science &amp; commerce degrees).</li> <li>&gt; Test prep for competitive exams (engineering, government jobs).</li> <li>&gt; Offers books, e-books, web and mobile delivery of content.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; STEM based learning.</li> <li>&gt; Children books, educative games, activity based modules (<i>experiential learning</i>).</li> <li>&gt; Also operates 6 pre-schools under 'RiseKids' brand.</li> </ul>
<b>Digital / Hybrid Contribution</b>	<ul style="list-style-type: none"> <li>&gt; Around 25% revenue contribution from hybrid offerings and ~ 5% revenue contribution from pure digital offerings in FY2017.</li> </ul>		
<b>Strategy</b>	<ul style="list-style-type: none"> <li>&gt; Consolidate leadership position in Central curriculum schools as preferred content partner.</li> <li>&gt; Increase presence in large regional markets.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Exam oriented content for test preparation.</li> <li>&gt; Institutional partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Focus on digital to expand reach and product offering.</li> <li>&gt; Complete presence across student lifecycle.</li> </ul>
<b>Brands</b>			

(1) Financials do not consolidate Edutor & Flipclass.  
 (2) Financials do not consolidate Edutor, Test book, OnlineTyari.  
 (3) Financials do not consolidate Smartivity.  
 (4) Revenue CAGR for the period FY2012 - 17



# Strong Position In K-12 Segment.

## S. Chand's growth anchored by leadership in K-12 Segment.



- ✓ Best selling titles in core subjects (mathematics, science, English, Hindi) .
- ✓ Hybrid offerings provide more value per unit to student compared to pure print content

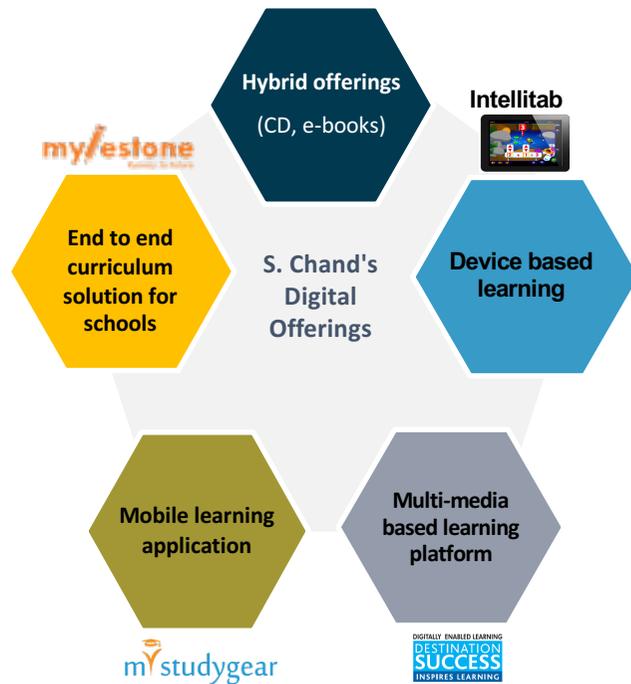
## Growth Strategy

- ❖ 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



# Digital & Services Platform : At Forefront of Innovative Education Delivery.

## In-house Digital/ Service Platforms



## Digital Investments (Inorganic)

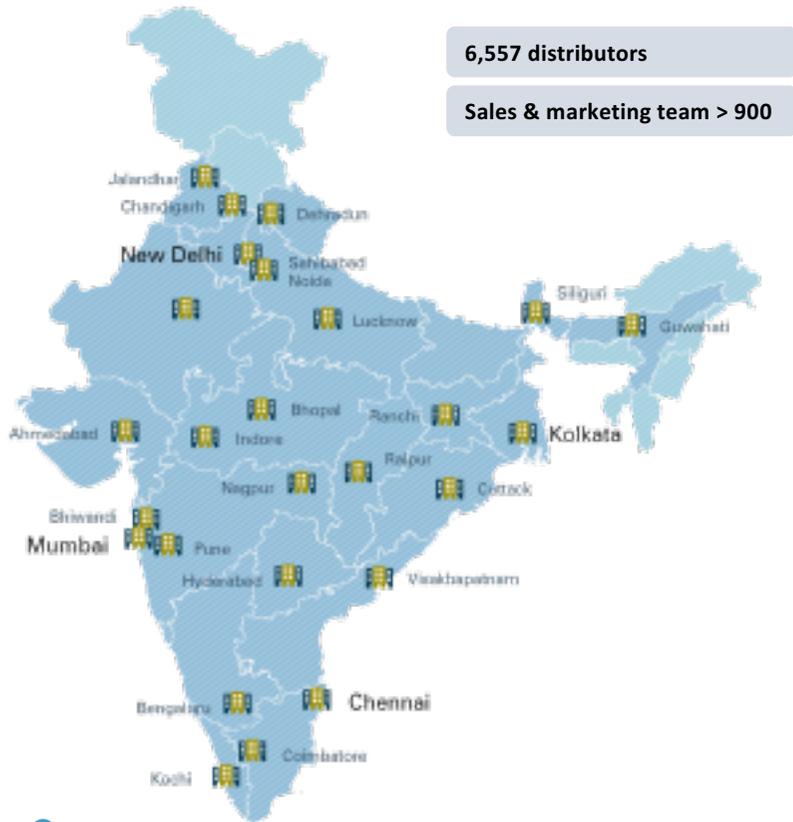


Growth in digital / services platform will supplement existing strength in K-12 and Test Prep domains.

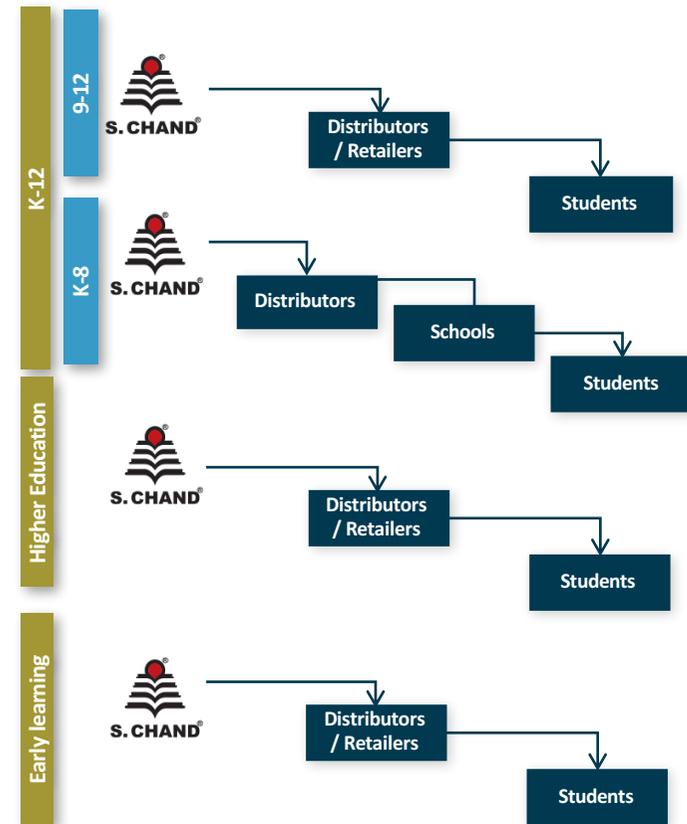
# Wide Geographical Reach Across the Country.



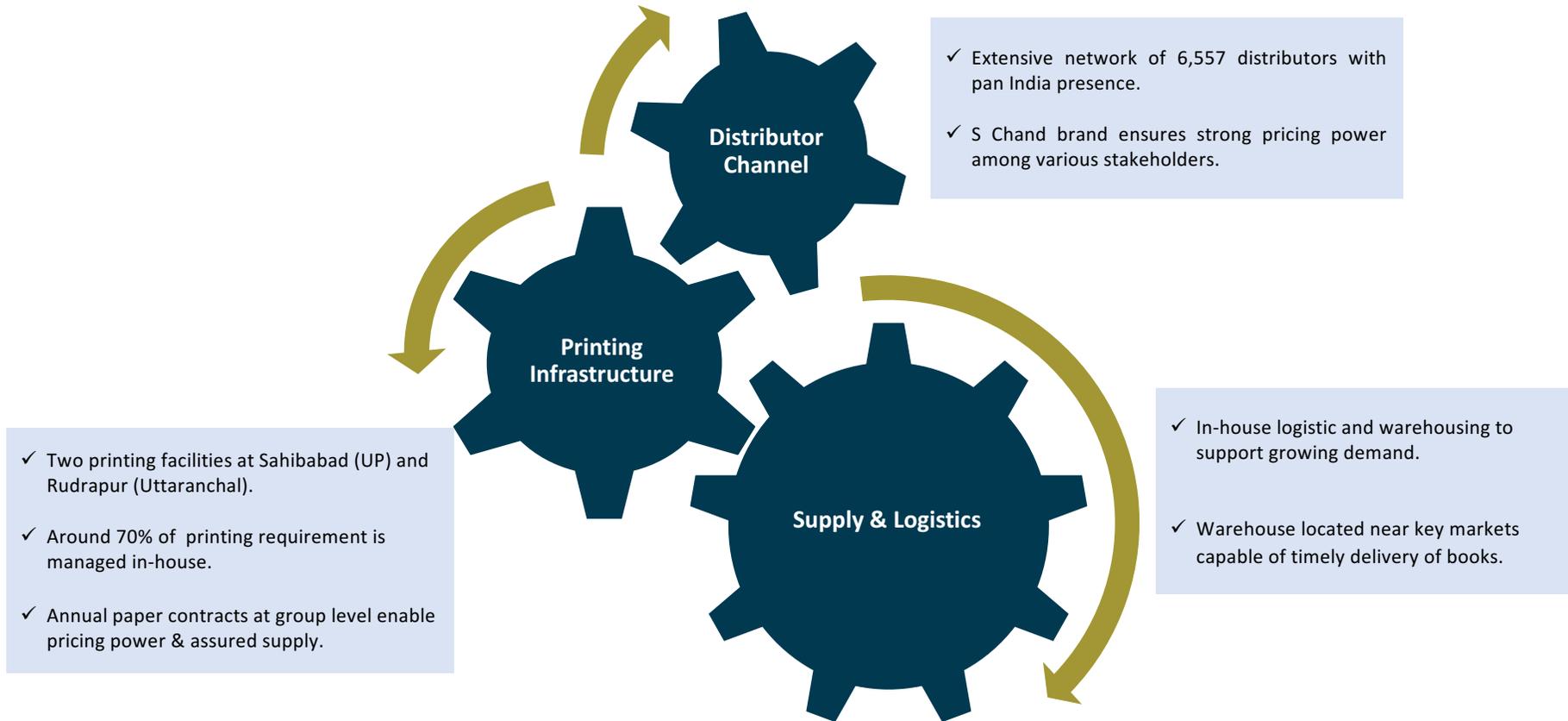
## Pan-India presence of sales and distribution network



## Distribution channel / sales

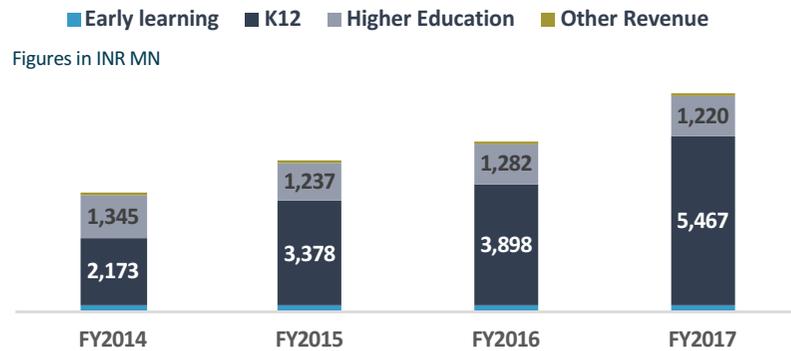


## Robust Infrastructure To Cater Growing Demand.

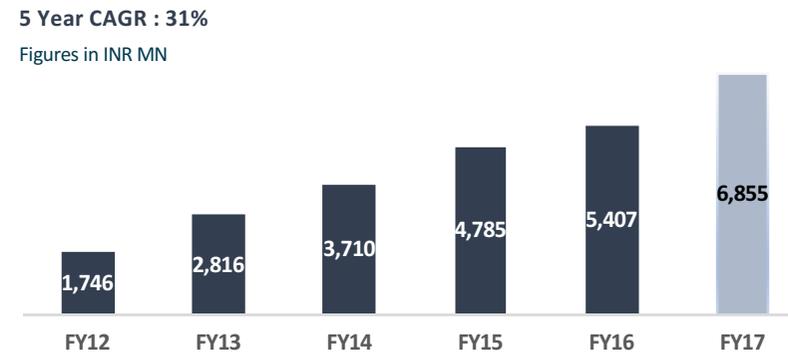


# Performance Trend.

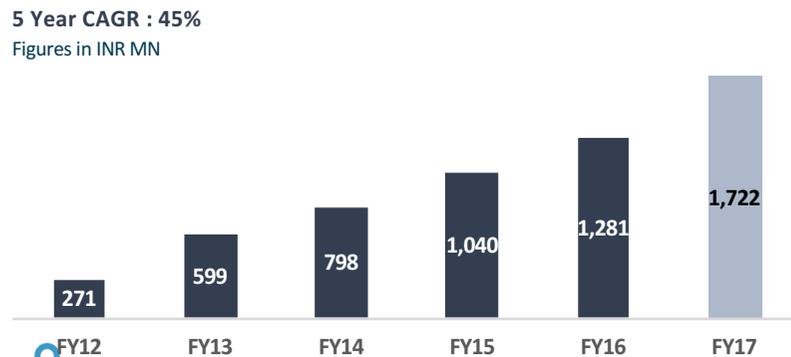
## Contribution of K-12 to Group Revenues Increasing ...



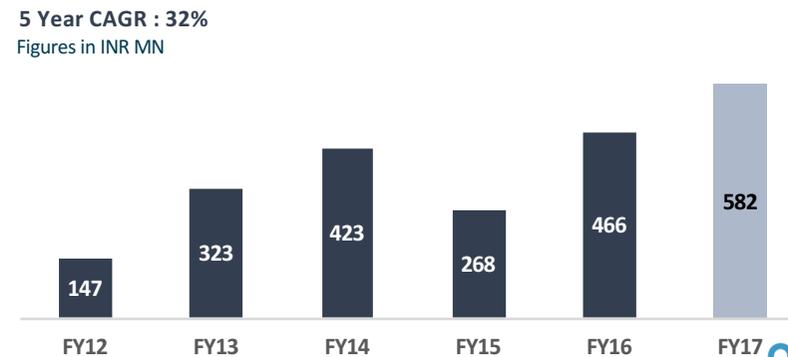
## Revenue Growth = Mix of Organic + Acquisitions



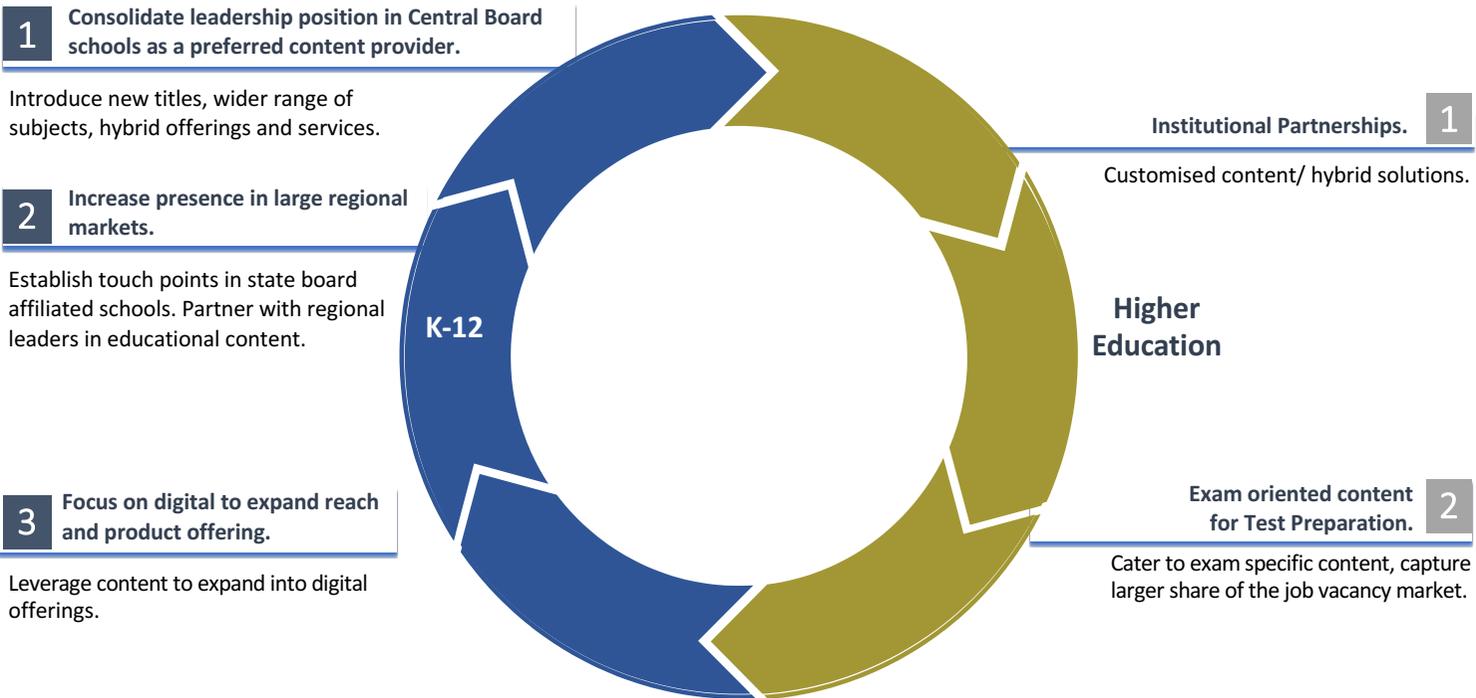
## EBIDTA Growing At Faster Pace



## Net Profit (After Minority) Growth



# Growth Strategy.



# Shareholding.

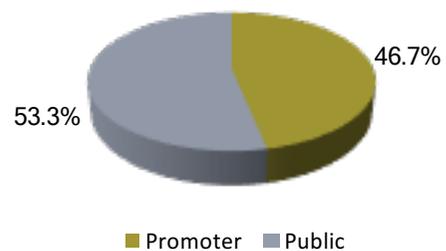
Market Data	On 05 <sup>th</sup> September 2017
Market Capitalization (INR MN)	17,153
No. of shares outstanding (MN)	34.8
Face Value (INR)	5.0
52 week High-Low (INR)	425 - 707

(Source: [www.bseindia.com](http://www.bseindia.com))

Key Institutional Investors	% Holding
Everstone Capital Partners II LLC	9.6
International Finance Corporation	8.1
HDFC Prudence fund	3.3
Nomura Trust And Banking Co. Ltd.	3.0
HSBC Global Investment Funds	1.3

(Source – Company / BSE as on 30<sup>th</sup> June 2017)

Ownership As On 30.6.2017



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Q1 FY2018 RESULTS UPDATE



## Financial Performance : Q1 FY 2018 (3 Months).

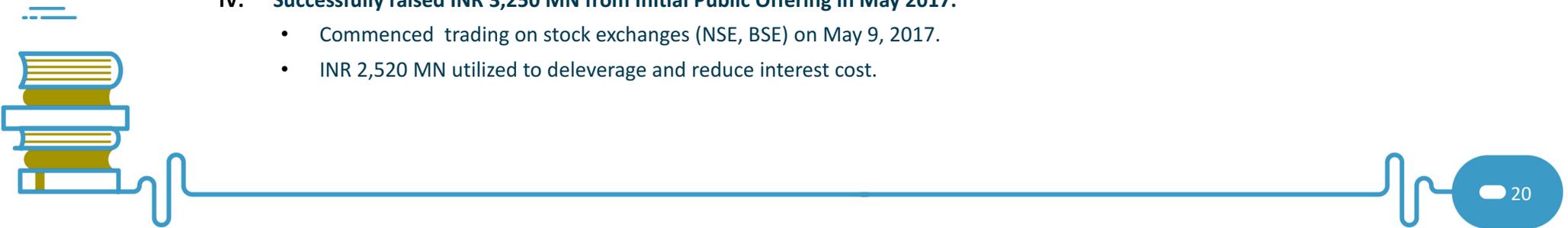
S Chand And Company Limited (Figure in Rupees MN)	Standalone		
	QE 30.6.17	QE 30.6.16	YE 31.3.17
Revenue from operations	294	158	3,025
Other income	46	24	96
<b>Total Income</b>	<b>340</b>	<b>181</b>	<b>3,121</b>
Material consumed, net of change in inventory	114	67	1,188
Publication expenses	48	22	317
Selling and distribution expenses	46	36	206
Employee benefit expenses	129	100	481
Other expenses	71	79	277
<b>EBIDTA</b>	<b>(68)</b>	<b>(122)</b>	<b>652</b>
Depreciation and amortization	11	14	65
Finance costs	40	23	149
<b>Profit before taxation</b>	<b>(120)</b>	<b>(159)</b>	<b>438</b>
Tax expenses	(41)	(51)	166
<b>Profit after taxation for the period/ year from continuing operations</b>	<b>(79)</b>	<b>(109)</b>	<b>272</b>
<b>Total comprehensive income fro the period/year</b>	<b>(78)</b>	<b>(109)</b>	<b>272</b>
Earnings per equity share (INR) (for continuing operations)			
• Basic	(2.40)	(3.64)	9.12
• Diluted	(2.40)	(3.64)	9.10



## Key Highlights.

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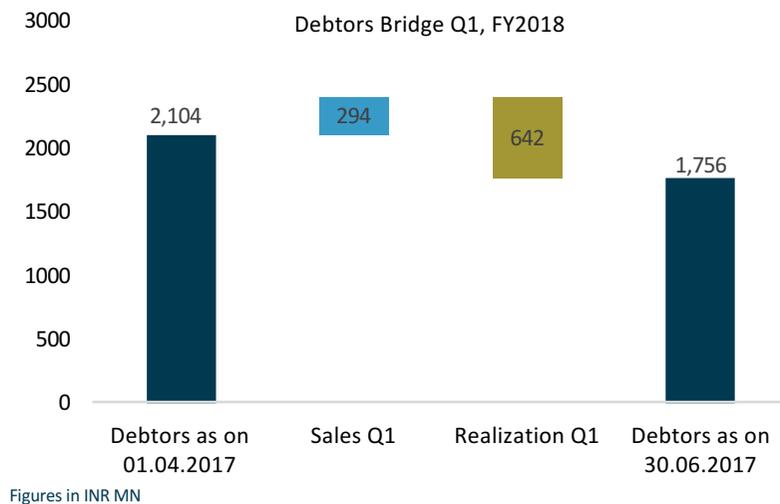
- I. **Standalone revenues at INR 340 MN, higher by 88% YOY.**
  - Q1 is a low revenue quarter for S Chand, contributed < 6% of annual revenues in FY 2017.
  - S Chand standalone revenues constitute around 45% of group revenues.
  
- II. **Standalone Ebidta Loss at INR 68 MN vs Loss of INR 122 MN in Q1FY2017.**
  - Improvement on account of higher revenues.
  - Q1 is a negative ebidta quarter due to seasonal nature of business. (historical trend)
  
- III. **Standalone Net Loss (after taxes) at INR 79 MN vs Loss of 109 MN in Q1FY2017.**
  - Higher finance costs due to acquisition loan for Chhaya , which was prepaid in May 2017.
  
- IV. **Successfully raised INR 3,250 MN from Initial Public Offering in May 2017.**
  - Commenced trading on stock exchanges (NSE, BSE) on May 9, 2017.
  - INR 2,520 MN utilized to deleverage and reduce interest cost.



# Working Capital Update.

Debtors reduced from INR 2,104 Mn as on 01.04.17 to INR 1,756 Mn as on 30.06.17.

- ~ 30% debtors as at beginning of Q1 realized during the quarter.
- Closure of schools for summer break impacts recovery in Q1.



S Chand Standalone Basis (INR MN)	On 30.6.17	On 31.3.17
Debtors	1,756	2,104
Inventory	563	601
Creditors	(725)	(900)
<b>Net WC</b>	<b>1,594</b>	<b>1,805</b>



# Performance Overview.

## Segment Performance Q1 FY2018

<b>K-12</b>	<p>K-12 content revenues increased by 118% YOY, from INR 84MN to INR 182 MN.</p> <ul style="list-style-type: none"> <li>▪ K-12 sales cycle peaks in Q4 and tapers off in Q1 when new academic session begins in central curriculum (CBSE, ICSE) schools.</li> <li>▪ K-12 business contributes to around 80% of group revenues on an annualized basis.</li> </ul>
<b>Higher Education</b>	<p>Higher Education revenues increased by 24% YOY to INR 125 MN.</p> <ul style="list-style-type: none"> <li>▪ Test Preparation content revenues at INR 23 MN vs INR 29 MN in Q1FY2017.</li> <li>▪ College &amp; University/ Technical &amp; Professional content revenues at INR 103 Mn vs INR 72 Mn in Q1FY2017.</li> </ul>

Debt Profile (INR MN)	On 30.6.17	On 31.3.17	
Gross Debt	570	2,129	IPO proceeds used to deleverage.
<b>Net Debt</b>	<b>(247)</b>	<b>1,985</b>	Net of cash and bank balance.
Shareholder funds	8,193	5,020	Increased by INR 3,250 MN against fresh equity shares issued in IPO.
<b>Net Debt/ Equity Ratio</b>	-	<b>0.39</b>	



## Business Updates.

### Regulatory Compliances

- ✓ Transitioned into IND-AS from Indian GAAP with effect from Q1 FY 2018.
- ✓ Successfully upgraded its reporting and accounting systems to transition to GST as per stipulated timelines.

### Business Restructuring

- ✓ Considering various options for restructuring of the business of the Company and its subsidiaries with the objective of simplifying the holding structure.

### Minority Investments

- ✓ Invested INR 2.5 Mn in Smartivity Labs Private Limited, an existing investee company engaged in early learning. Ownership at 23.5% on a fully diluted basis.



## Utilization of IPO Proceeds.

Particulars	Amount INR MN	Utilized till 30.06.17 INR MN	Remarks
<b>Gross proceeds from IPO : Fresh Issue</b>	<b>3,250</b>		
<b>Objects</b>			
Repayment of loan availed by S Chand utilized towards funding acquisition of Chhaya	1,000	1,000	
Repayment of loan availed by Eurasia Publishing House Private Limited (wholly owned subsidiary of S Chand) utilized towards funding acquisition of Chhaya	504	504	
Repayment of loans availed by S Chand	550	524	Company expects to utilize remaining funds in the next three quarters of FY 2017-18.
Repayment of loans availed by subsidiaries of S Chand	496	474	
General Corporate Purposes	491	44	
Share issue expenses	209	209	
<b>Total</b>	<b>3,250</b>	<b>2,755</b>	



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APPENDIX



# Quarterly Business Cycle.

7% - 8% 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 titles catalogue for next academic year (new titles/ revisions).
- Sales performance review. (regional/ branches)

6% - 7% 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.
- Test preparation sales based on government vacancy examinations.

8% - 9% 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.

76% - 80% Revenues  
Peak Receivables

**Q4 January - March**

- Printing of front list titles.
- Additional printing runs for back list / best seller titles based on demand.
- K-12 season sales and delivery to distributors/ schools. (Peak Season)

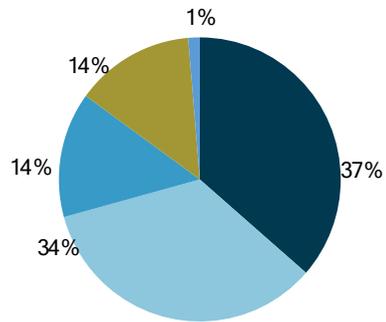


- HE (college/ technical content) sales builds up.

# Fiscal 2017 Revenue Analysis.

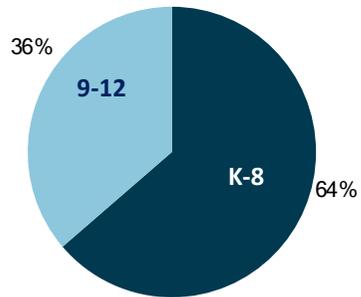


Group Revenues : Geography

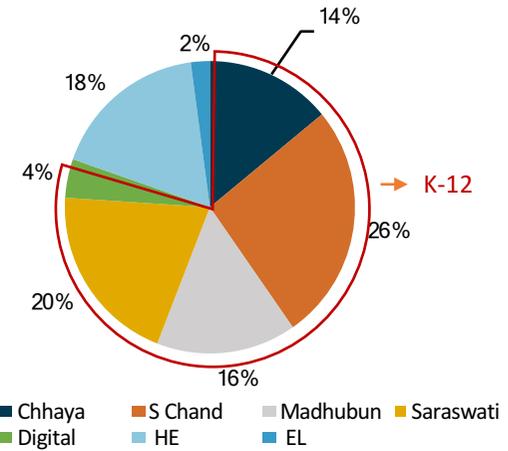


■ North ■ East ■ South ■ West ■ Exports

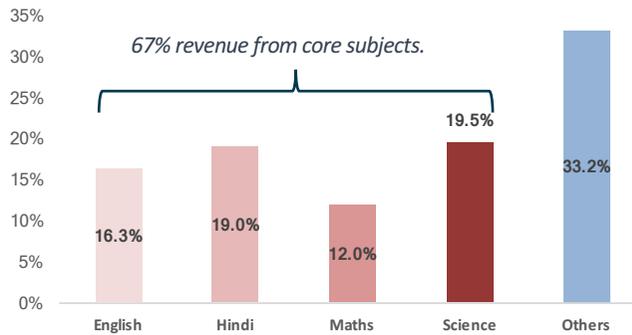
K-12 Revenue : Primary vs Secondary



Group Revenues : Segmental

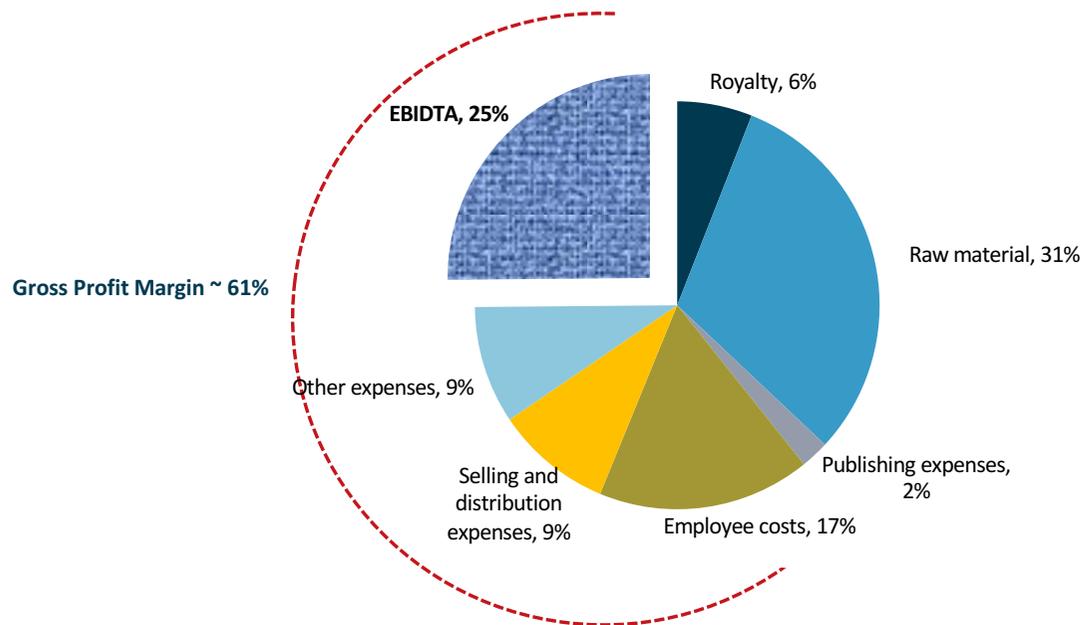


K-12 : Revenue from Core Subjects



# Fiscal 2017 Margin Analysis.

Positive Impact On Ebidta Margins With Increasing Contribution of K-12 Revenues



- Paper is the key raw material , constitutes ~ 22% of net revenues.
- Royalty costs have reduced to 6% (structural change) on account of lower royalty from new titles and increasing contribution from in-house titles.
- EBIDTA impacted by digital business which is at a growth stage with negative (net) margins.

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**For further information, please contact:**

**Samir Khurana**  
**Group Head (Strategy & Investments)**  
S Chand And Company Limited

Telephone + 91 11 4973 1800  
Email : [skhurana@schandgroup.com](mailto:skhurana@schandgroup.com)

