



Knowledge is wealth

## INVESTOR PRESENTATION

as on 15<sup>th</sup> May, 2019

# A PREMIUM EDUCATION HOUSE



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# **COMPANY OVERVIEW**

Navneet Education Limited, founded by the Gala Family, is an educational syllabus-based supplementary content provider in Print & Digital medium and a manufacturer of Scholastic Paper stationery for domestic and international markets. New range of text books for students of CBSE and ICSE Boards are sold across India.

Over the years, the company has built a strong brand in the Educational Content & Scholastic Stationery gaining a leadership position. The company has a dominant market share of about 65% in western India.





**Vision**

To provide the highest quality of educational products and services to customers in the language / medium of their choice.



**Mission**

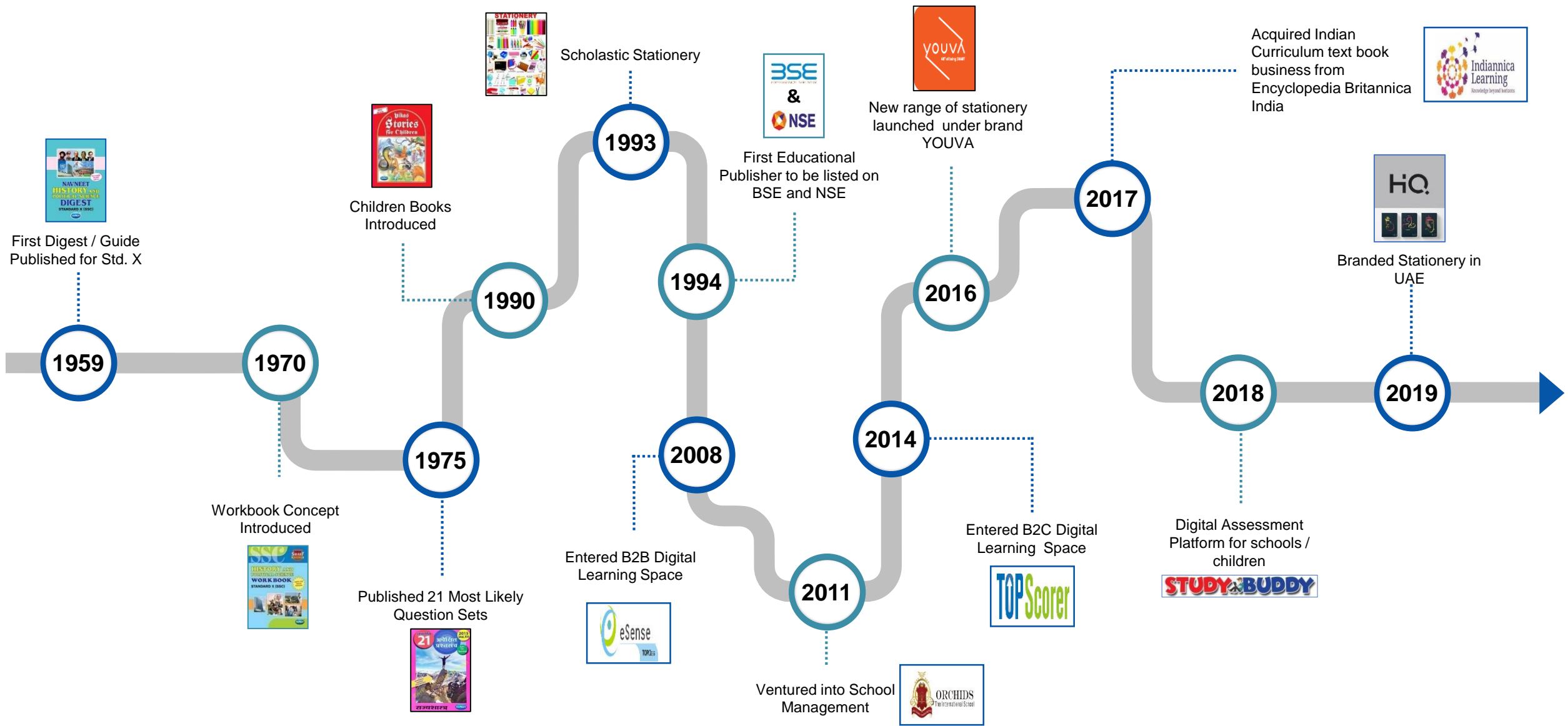
- To provide students with best quality supplementary study material and curriculum text books at affordable price.
- To harness the power of Information Technology and bring home its wonder to children through e-learning.
- To provide students with scholastic stationery products.

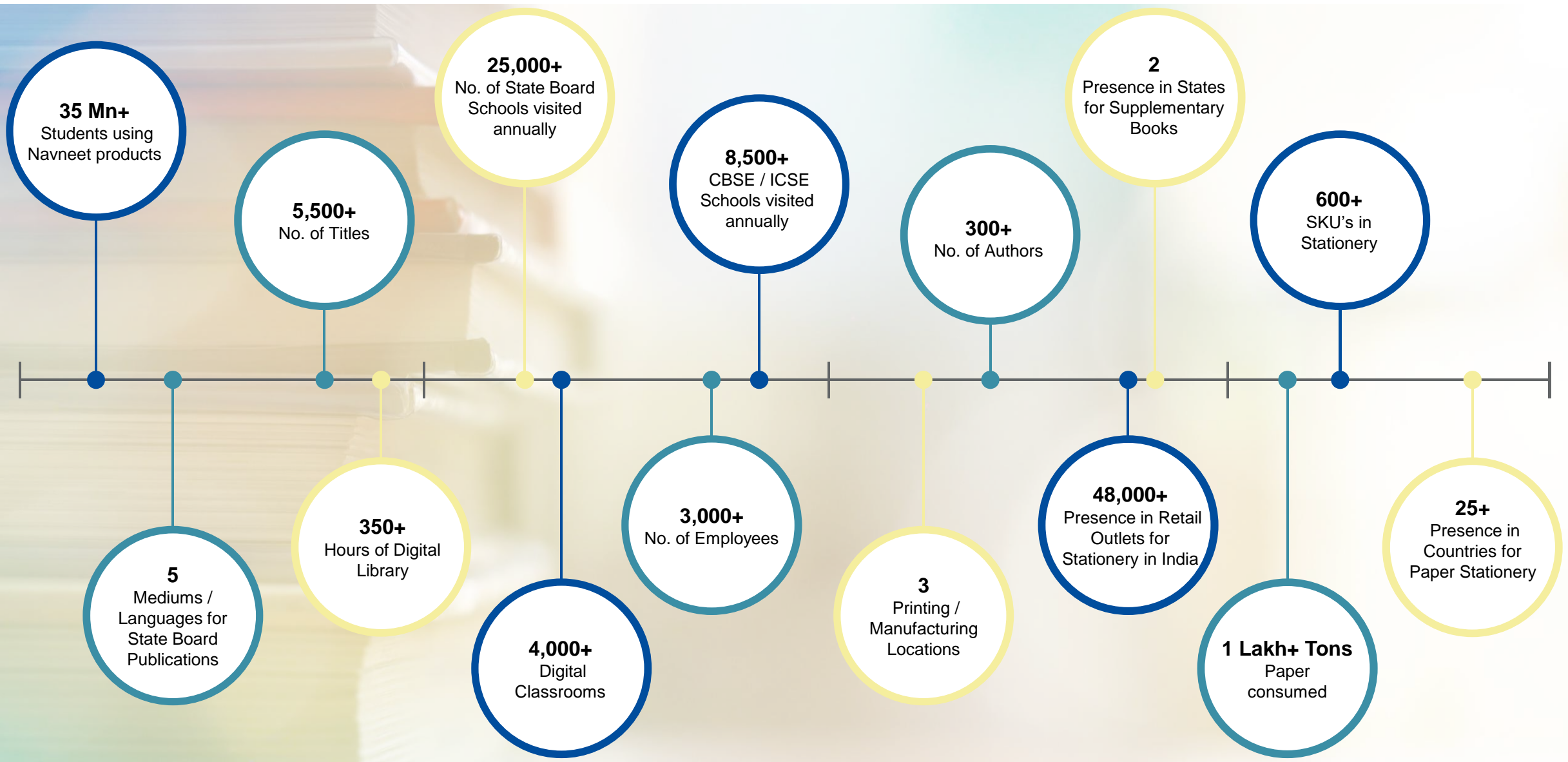


**Core Values**

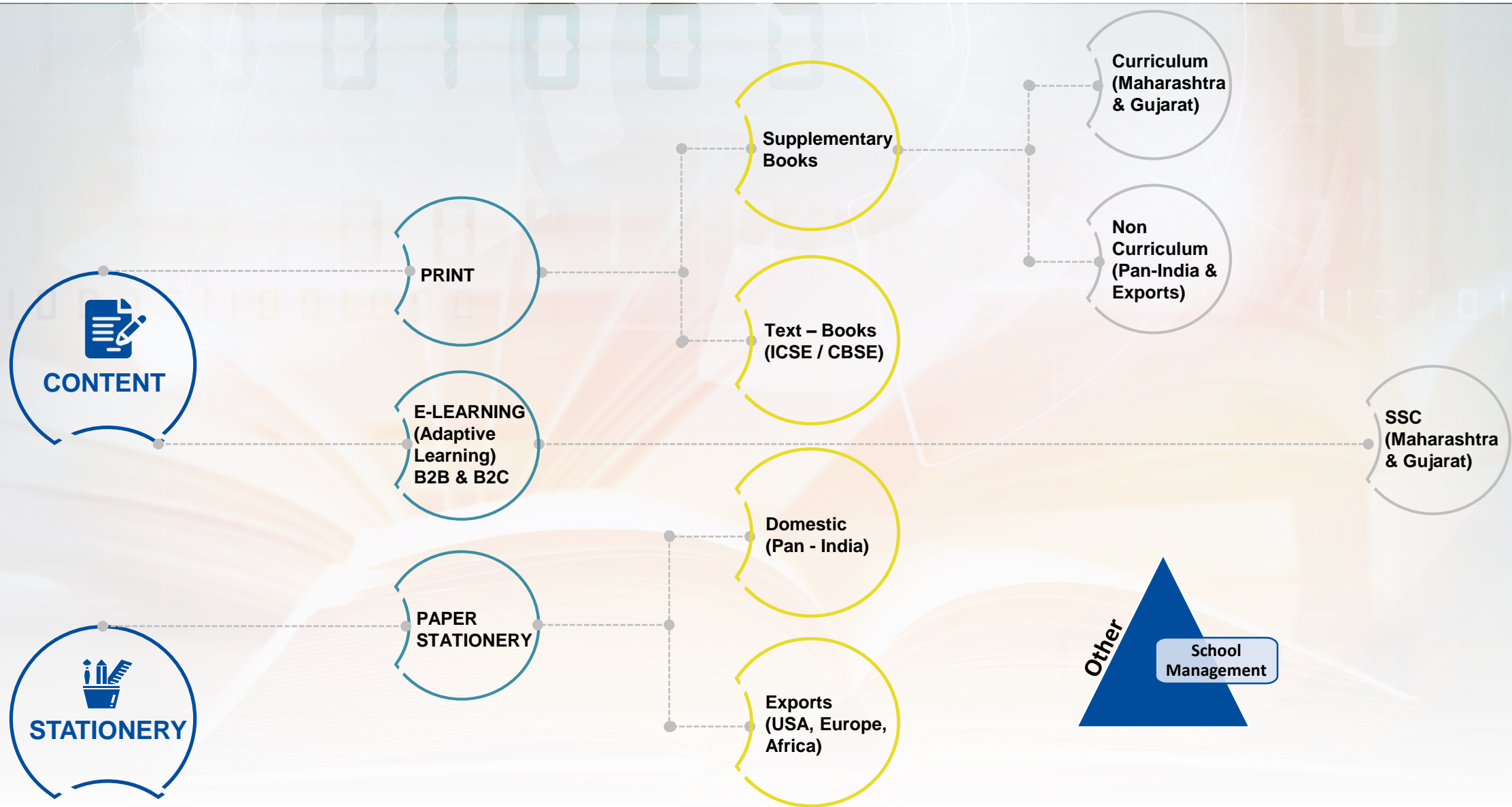
- Excellence**
- Proactive**
- Student Centric**
- Transparency**

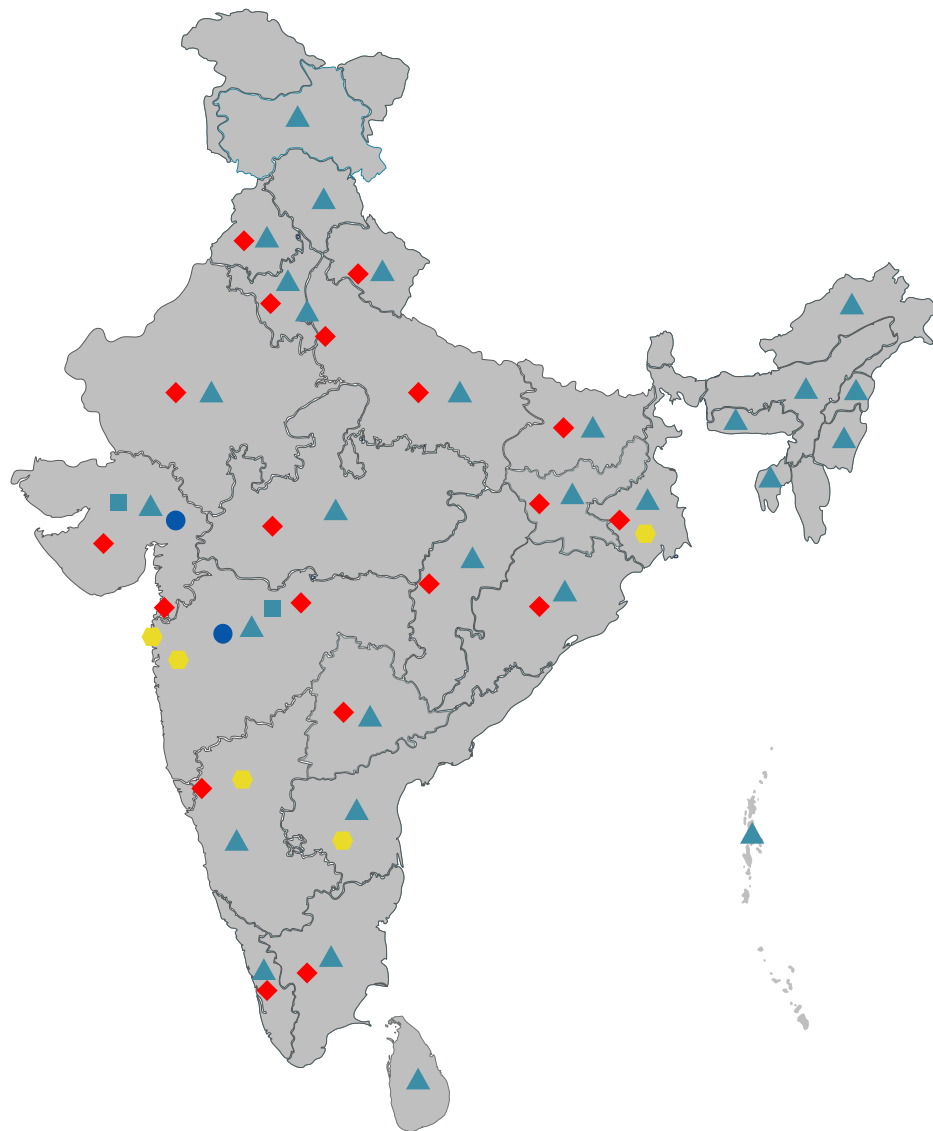
6 DECADES OF NAVNEET – A SNAPSHOT











**Supplementary Books**

Maharashtra & Gujarat



**Digital Presence**

Maharashtra & Gujarat



**Orchid International**

Mumbai, Pune, Bengaluru, Hyderabad and Kolkata



**Text Books**

Andaman & Nicobar, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand, West Bengal and Sri Lanka



**Stationery**

Maharashtra, Dadra & Nagar Haveli, Bihar, Jharkhand, Odisha, West Bengal, Karnataka, Kerala, Tamil Nadu, Telangana, Gujarat, Chhattisgarh, Delhi, Haryana, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand



- |             |                |             |             |              |                  |         |
|-------------|----------------|-------------|-------------|--------------|------------------|---------|
| 1. Canada   | 5. Jamaica     | 9. Ireland  | 13. Germany | 17. Ethiopia | 21. Zambia       | 25. UAE |
| 2. U.S.     | 6. Puerto Rico | 10. Norway  | 14. U.K.    | 18. Kenya    | 22. Madagascar   |         |
| 3. Mexico   | 7. Costa Rica  | 11. Sweden  | 15. Spain   | 19. Rwanda   | 23. South Africa |         |
| 4. Honduras | 8. Panama      | 12. Denmark | 16. Turkey  | 20. Tanzania | 24. New Zealand  |         |

INTERNATIONAL CUSTOMER PROFILE

Walmart

MORRISONS

TARGET

FAMILY DOLLAR

ASDA

BIG LOTS

DOLLAR TREE

Office DEPOT

Disney · PIXAR

nickelodeon

MATTEL

Disney

Walmart

Office DEPOT Max

WH S

TARGET

FSC

BSI

H

WOOLWORTH

METRO

TESCO

MANPA

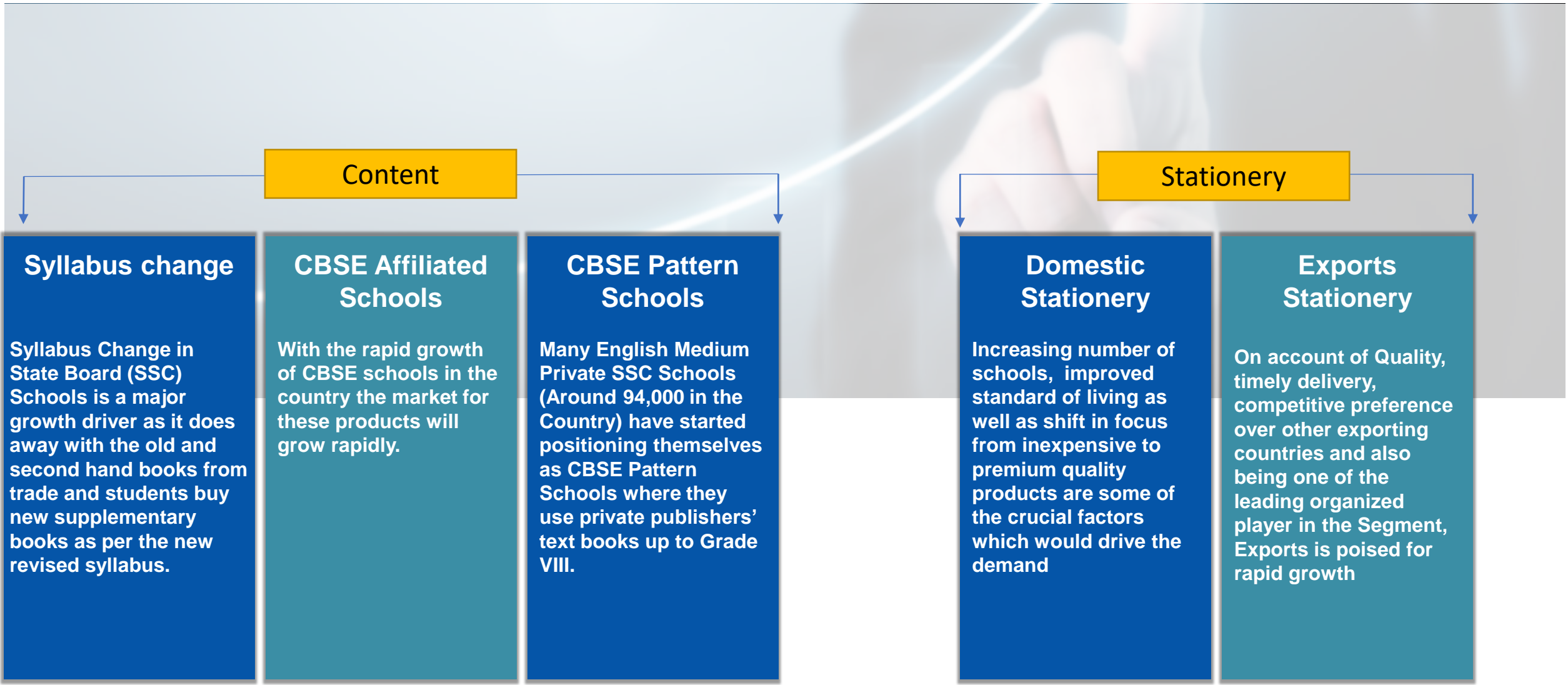
Esselte

primoa TOYS

Precious Moments

ESSENDANT

MARVEL



**4,000+**

Digital Classrooms using  
Top Class

**20,000+**

Teachers trained

**1,20,000+**

Students learning  
through Top Class

**150+**

Team of authors,  
Illustrators and animators

**350+**

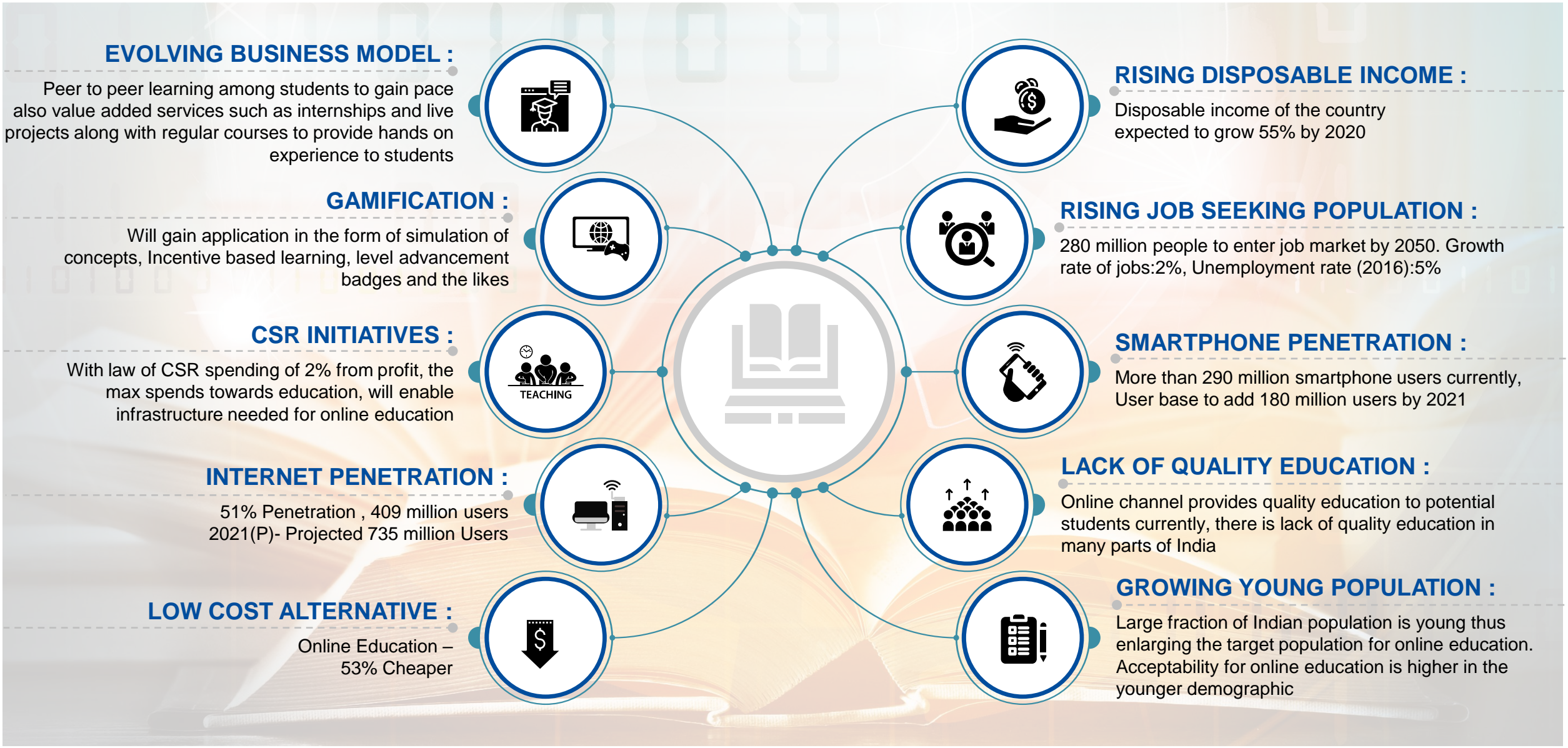
Hours of digital content

**15,000+**

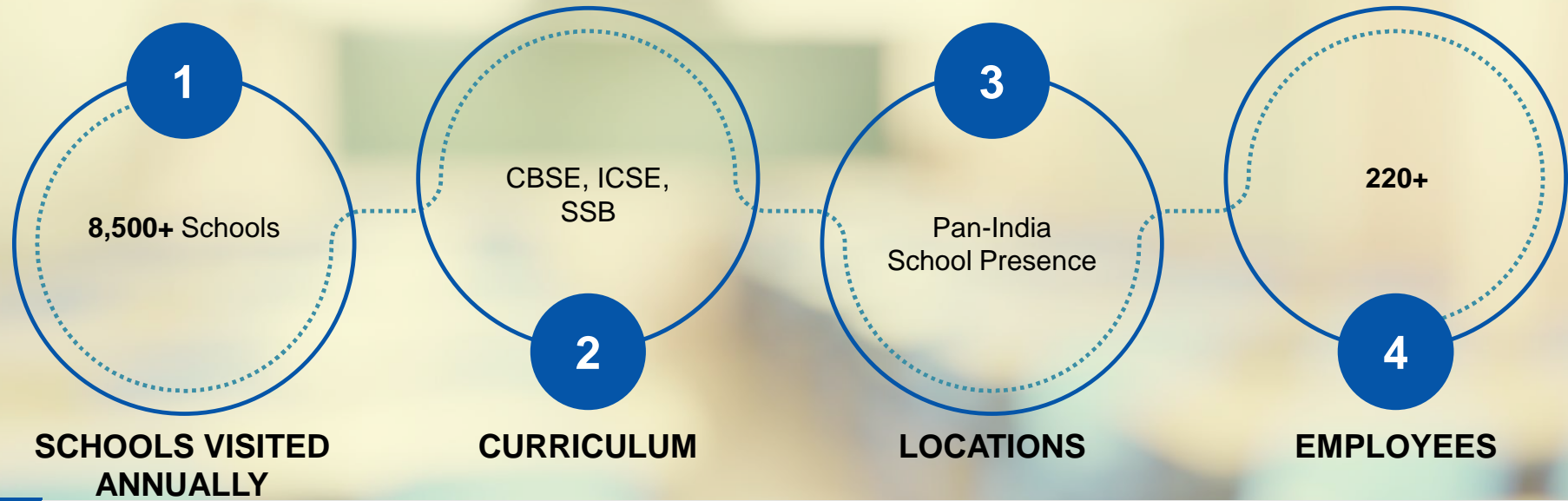
Videos

**2,00,000+**

MCQs



Source: KPMG



TARGET REACH

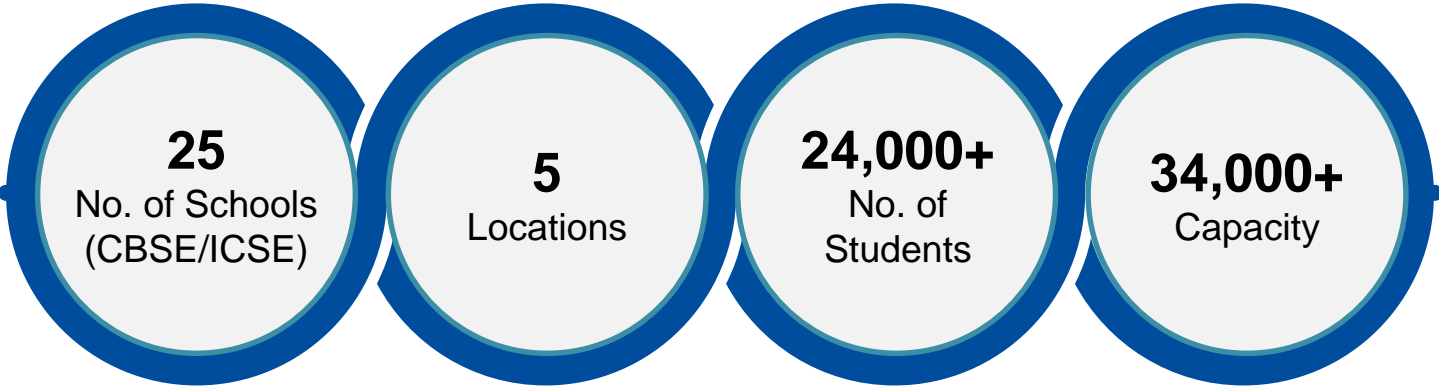
25,000+ CBSE / ICSE & 20,000+ SSC Schools

- Encyclopedia Britannica India (“EB India”) is one of India’s leading K-12 curricular educational publisher; started publishing operations in India in 2009.
- Extensive product catalogue comprising educational, instructional and information products & technology solution.
- Offers specialized curricular learning solutions consisting of textbooks, interactive student, teacher resources and training materials.
- Key export markets include Sri-Lanka, Nepal and GCC.

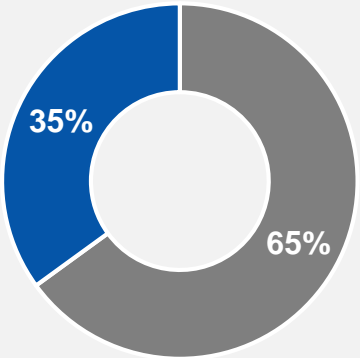
Over the last few years, quality Direct Education is in great demand in the Country and hence seen a sudden growth.



ORCHIDS – THE INTERNATIONAL SCHOOL



SHAREHOLDING



- Sequoia Capital
- Navneet Learning LLP

Locations	No. of Schools
Bangalore	11
Mumbai	9
Hyderabad	1
Pune	3
Kolkata	1
TOTAL	25

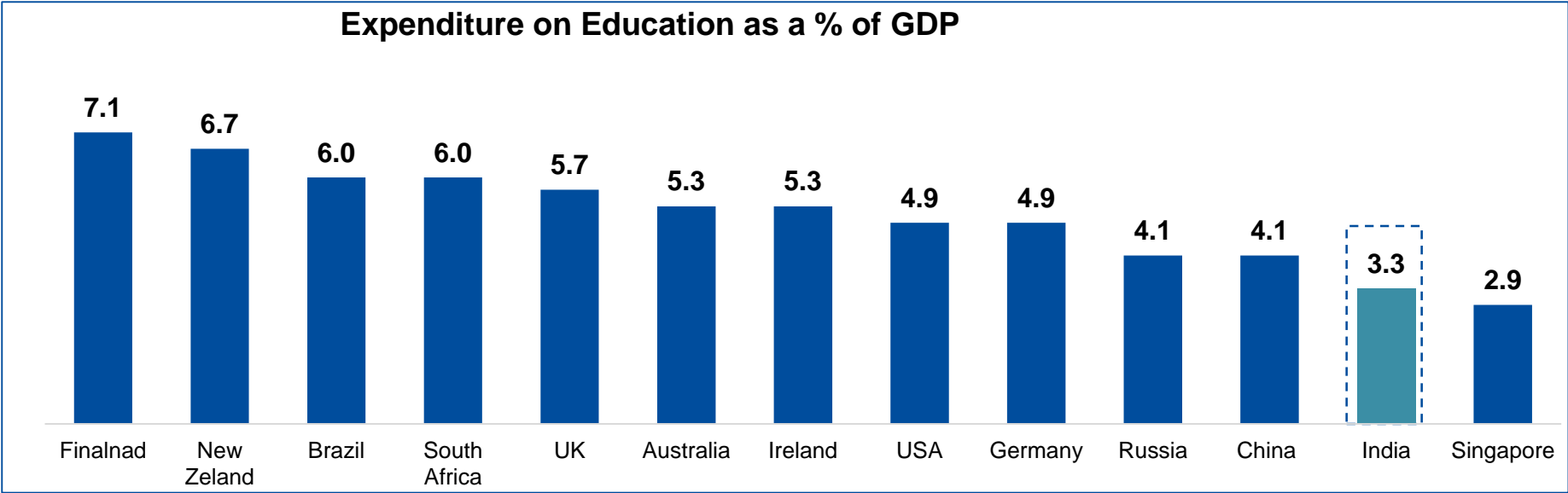
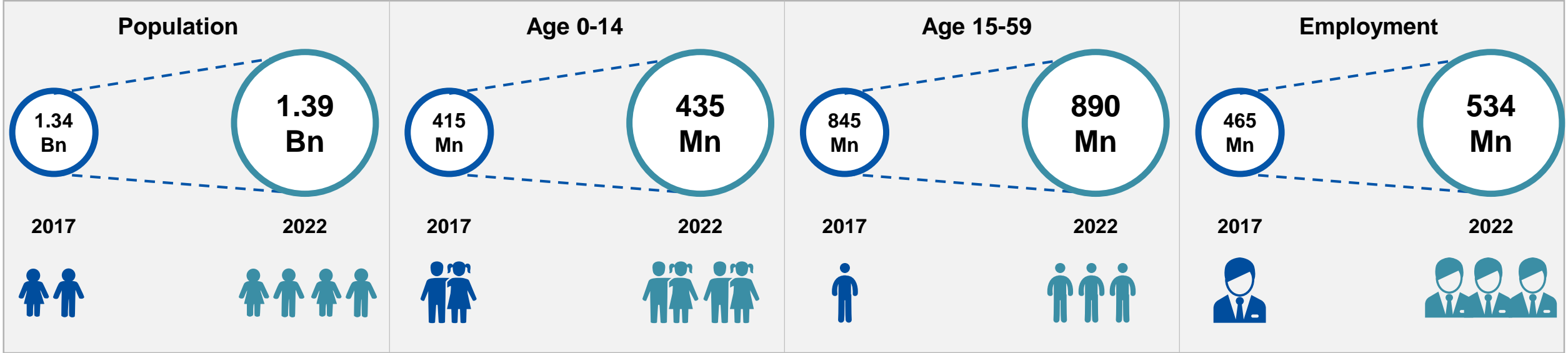
- 21,000+ children benefited in 117 classrooms digitalized in 87 schools in 18 districts through software learning program installation and hardware equipment
- 2,000 children and youth trained and developed for state, national and international sports competitions
- Economic empowerment for 5,000+ tribal women through distribution of vegetable seeds and fruit plants for agriculture employment generation
- Intervention during natural disasters such as floods, drought and earthquakes
- Low cost housing for the less privileged
- Water conservation projects in drought affected areas



- Three charitable hospitals established in Mumbai under the name Navneet Hospitals
- Free books & stationery distributed to under privileged children from over 60 trusts
- 6,000+ Teachers from 6 cities of Maharashtra trained through 108 training session on creative and participatory methods of teaching in languages and mathematics
- More than 2,400 scholarships for education for children in school and higher education for youth
- 700 Gaushalas (animal shelters) in Gujarat and Maharashtra supported for fodder and medical care
- Mega Medical camps providing treatment to more than 45,000 patients
- 20,000 patients treated monthly through supported medical centers

The background of the slide is a composite image. On the left, a semi-circular area shows a group of students in school uniforms running on a track. The rest of the slide has a light grey background with a repeating pattern of white line-art icons. These icons represent various fields of study and creative processes, including lightbulbs (ideas), gears (mechanics/engineering), a paint palette (art), a laptop (technology), a bar chart (business/math), a brain (biology/psychology), musical notes (music), and puzzle pieces (problem-solving).

# **INDUSTRY INSIGHTS**



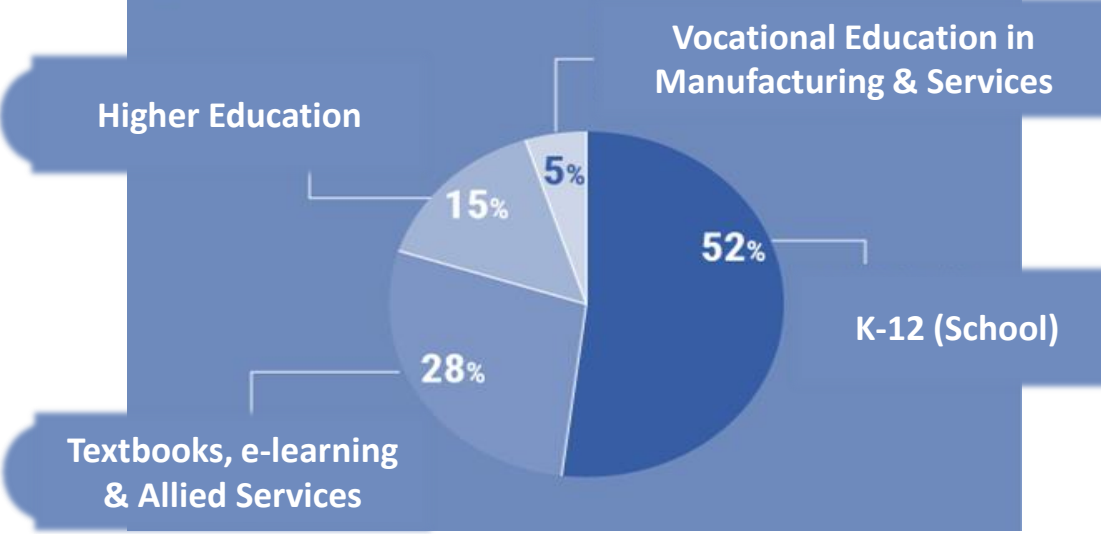
Source: World Bank, Census Data

# HOW BIG IS INDIA'S EDUCATION MARKET

K-12 segment offers the largest market in business



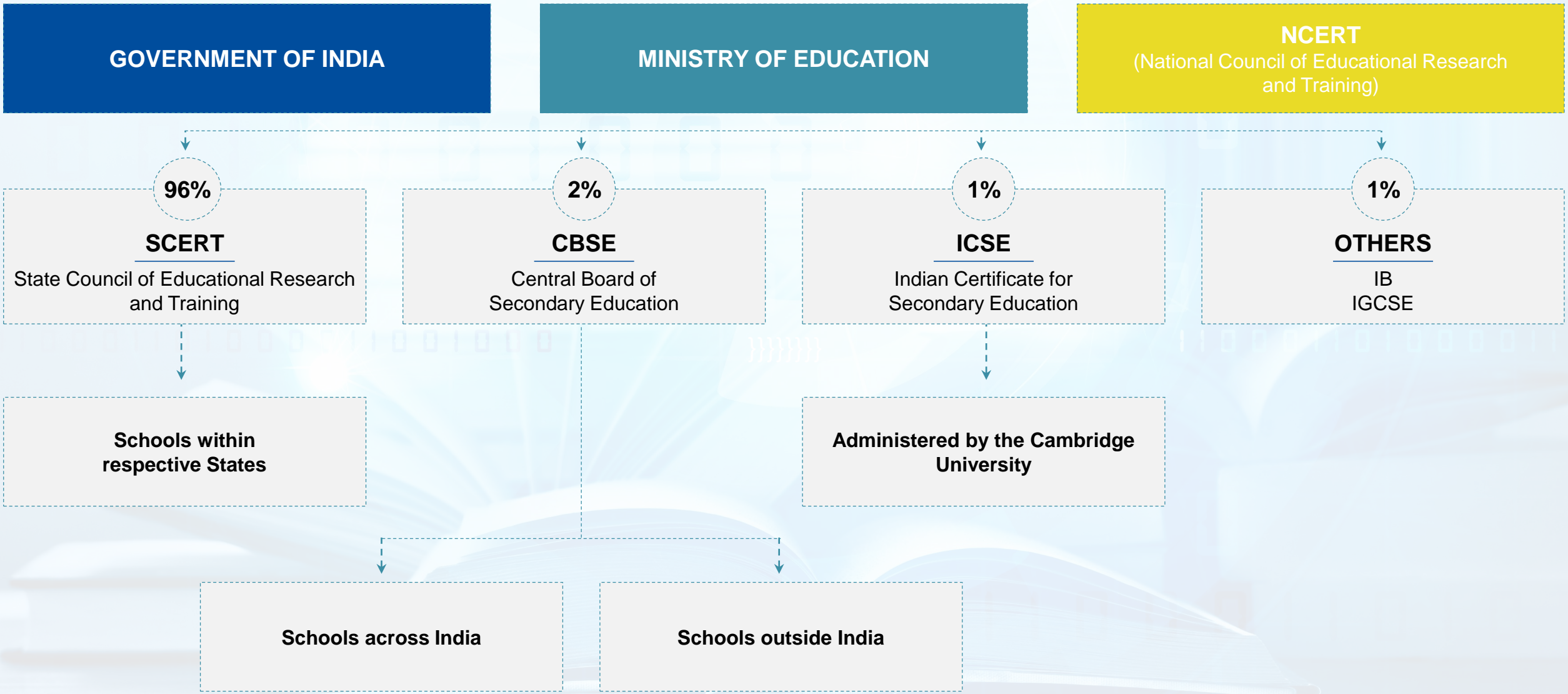
Figures in dollar and billion

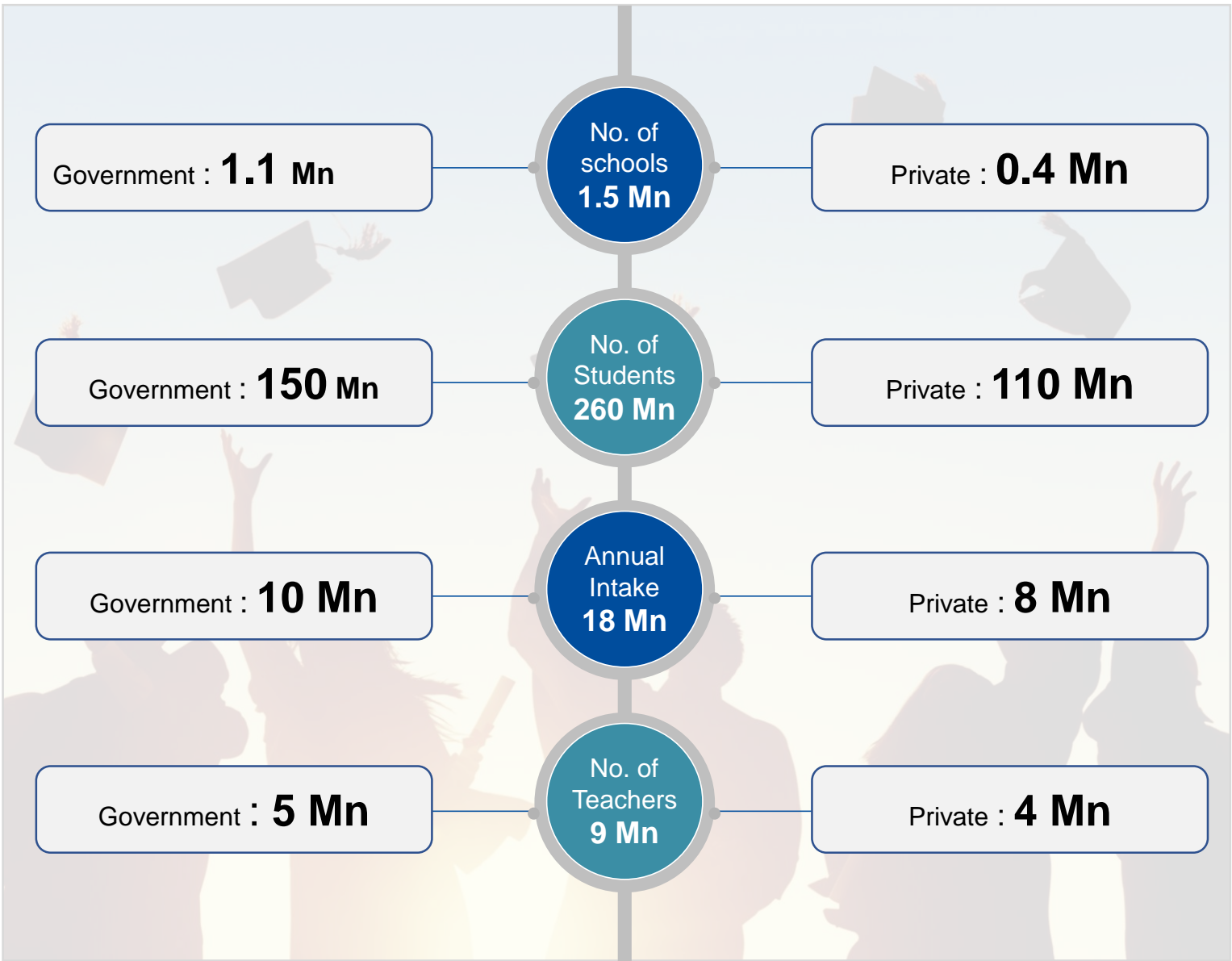
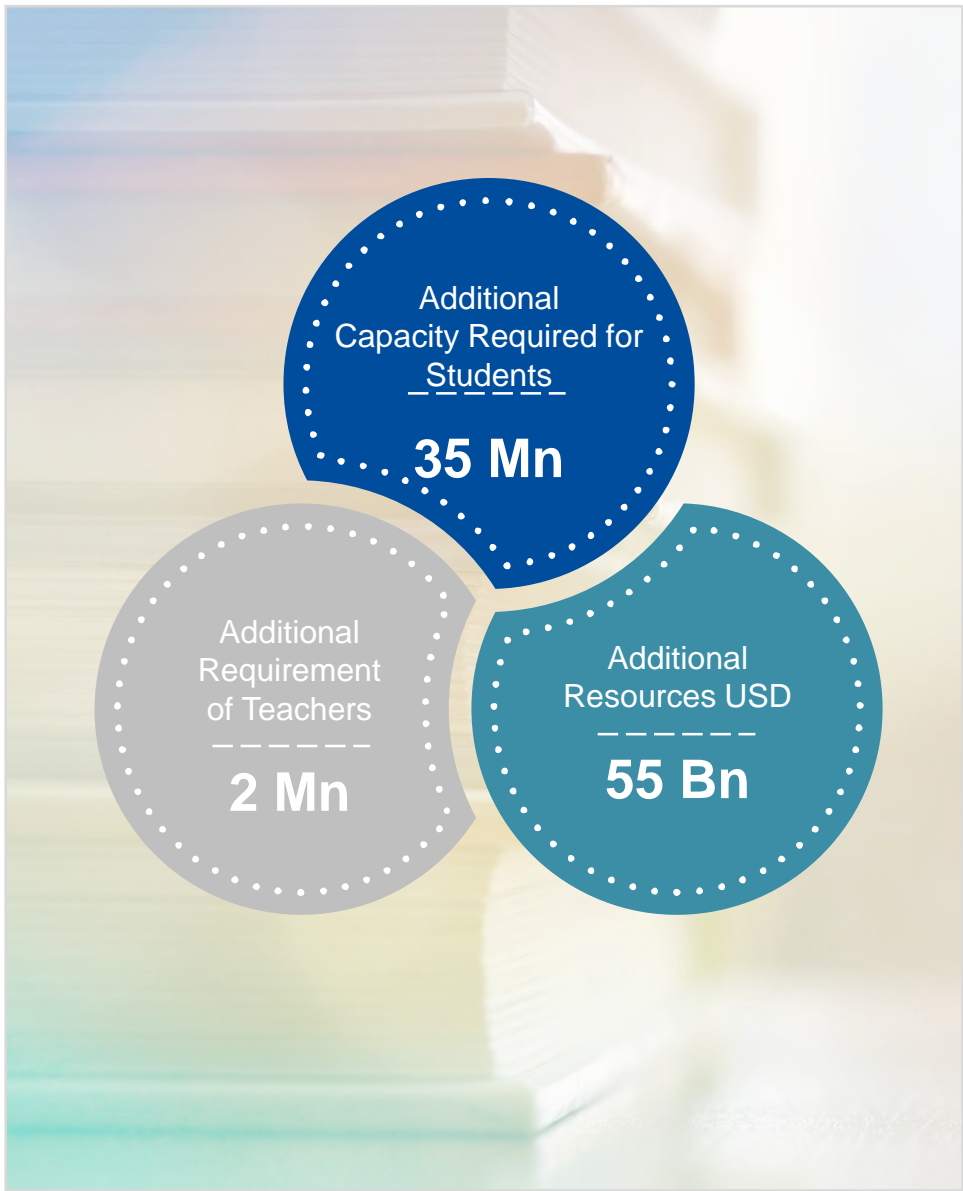


Source: Technopak Analysis

Segments  
Market Opportunity  
Regulations

Schooling	Higher Education	Vocational Education & Skill Development	Ancillary Segments
Early Childhood Education (Pre-schools)	Graduation (General & Professional)	Vocational Education in Manufacturing	Test Preparation and Tutoring
K-12 Schools	Post Graduation (General & Professional)	Vocational Education in Services	Content: Textbooks and e-Learning
	Research (PhD.)		Allied Services etc.
Market Size: \$52bn	Market Size: \$15bn	Market Size: \$5bn	Market Size: \$28bn
CAGR: 14%	CAGR: 20%	CAGR: 20%	CAGR: 22%
ECE: For Profit K-12: Not for Profit	Not for Profit	For Profit	For Profit
← Presence in both Schooling & Ancillary Segments →			





Source: DISE, State Boards, CBSE, ICSE Board

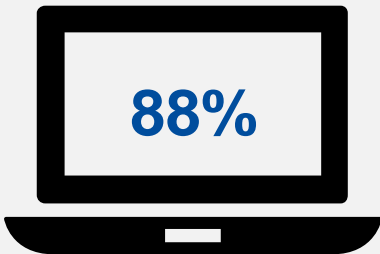
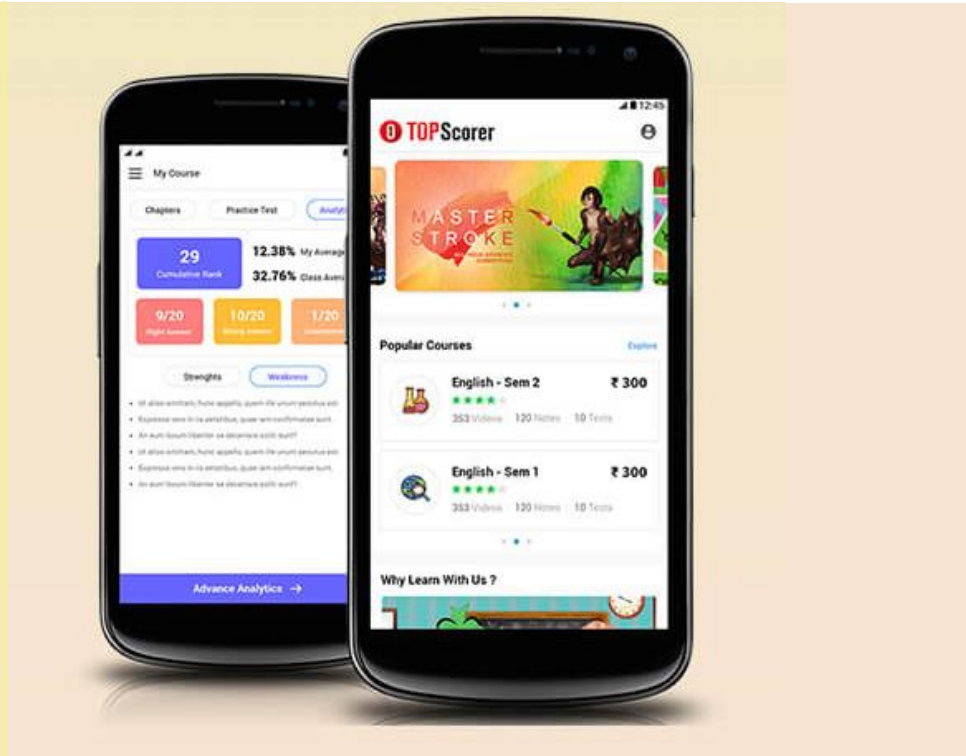
India's Online Education market size to grow by USD 1.96 billion in 2021

It is expected that Online Education sector will witness a growth of 44% CAGR. Userbase will rise to 9.6 million by 2021

The Growth in the market size will be backed by an increase in the number of paid users in online education

Indian students using Online Education rank 'quality of course content' as the top reason for selecting a specific brand

“  
Driven by combination of Demand, Supply & Macroeconomic drivers  
”



Students prefer laptops over mobile phones for accessing online course content

Source: KPMG



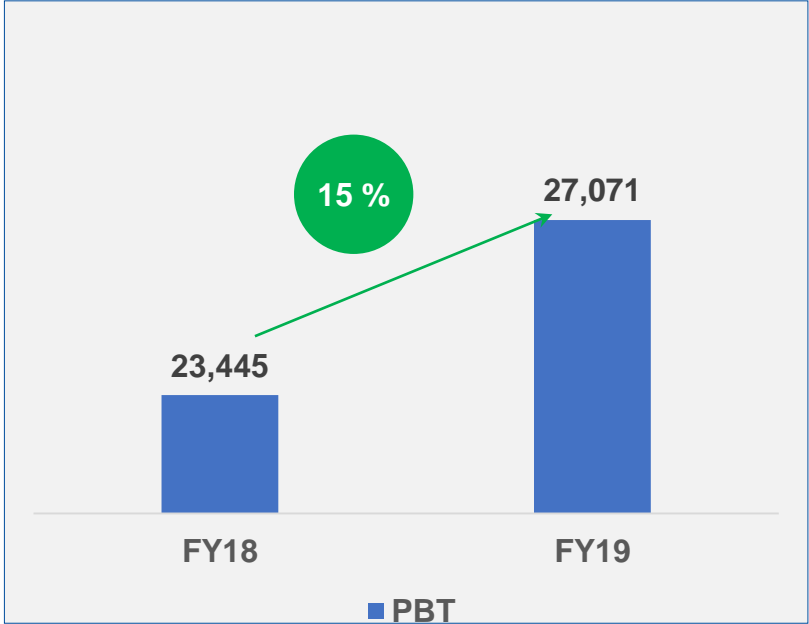
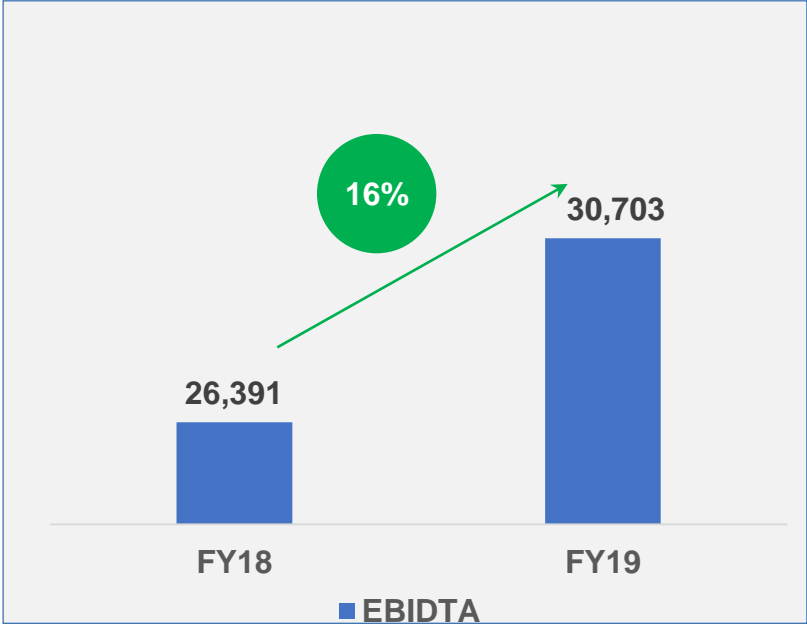
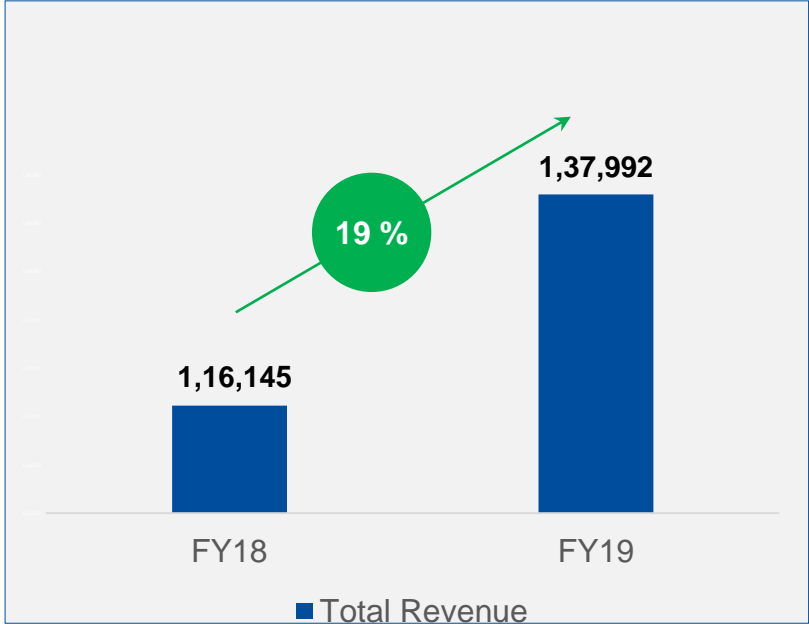
# **FINANCIAL PERFORMANCE FY 2018-19**

# STANDALONE FINANCIAL RESULTS – Q4 & FY19

(INR in Lakh)

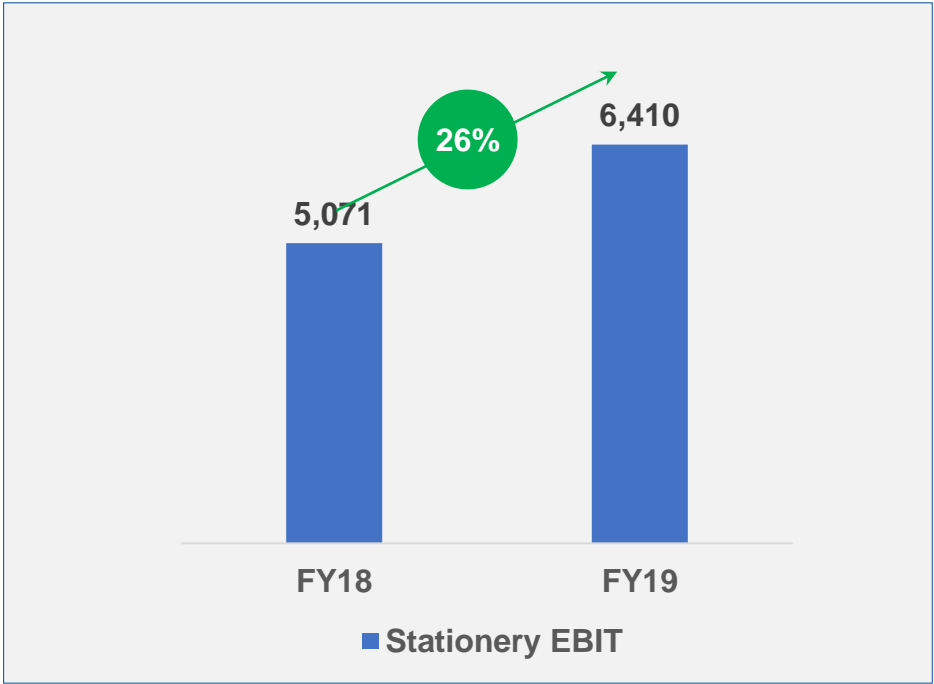
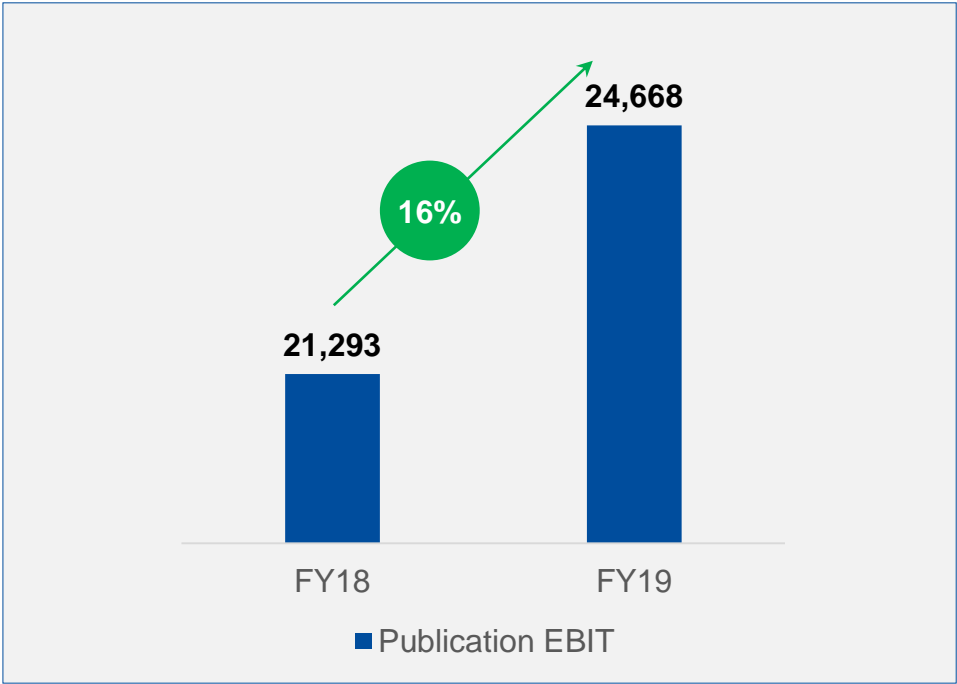
Particulars	Quarter ended Mar'19				Year ended Mar'19			
	Q4FY19 (Audited)	% of Revenue	Q4FY18 (Audited)	% of Revenue	YTD Mar'19	% of Revenue	YTD Mar'18	% of Revenue
Total Income from Operations	24,552		21,262		1,36,054		1,13,224	
Other Income	218		788		1,938		2,921	
<b>Total Revenue</b>	<b>24,770</b>		<b>22,050</b>		<b>1,37,992</b>		<b>1,16,145</b>	
(a) Cost of materials consumed	23,072		19,470		72,804		59,298	
(b) Purchases of stock-in-trade	20		13		89		525	
(c) Changes in inventories	(11,339)		(9,145)		(5,458)		(3,562)	
(d) Employee benefits expense	3,424		2,871		13,385		11,939	
(e) Depreciation and Amortisation	651		643		2,446		2,349	
(f) Other expenses	6,554		5,676		26,469		21,554	
Total Expenses	22,382		19,528		1,09,735		92,103	
<b>Profit / (Loss) from ordinary activities</b>	<b>2,388</b>	<b>9.7 %</b>	<b>2,522</b>	<b>11.9 %</b>	<b>28,257</b>	<b>20.5 %</b>	<b>24,042</b>	<b>20.7 %</b>
Finance Costs	423		172		1,186		597	
<b>Profit / (Loss) before tax</b>	<b>1,965</b>	<b>8.0 %</b>	<b>2,350</b>	<b>11.1 %</b>	<b>27,071</b>	<b>19.6 %</b>	<b>23,445</b>	<b>20.2 %</b>
(a) Provision for Taxation	514		652		9,534		8,287	
(b) Provision for Deferred Tax	(9)		181		(180)		(174)	
(c) Excess/(Short) Provision of the earlier year W/off / back	(8)		11		(26)		11	
<b>Net Profit / (Loss) after tax</b>	<b>1,471</b>	<b>5.9 %</b>	<b>1,506</b>	<b>6.8 %</b>	<b>17,747</b>	<b>12.8 %</b>	<b>15,321</b>	<b>13.1 %</b>
Other Comprehensive Income (OCI) net of tax	306		(377)		392		(470)	
<b>Total Comprehensive Income</b>	<b>1,777</b>	<b>7.2 %</b>	<b>1,129</b>	<b>5.1 %</b>	<b>18,139</b>	<b>13.1 %</b>	<b>14,851</b>	<b>12.8 %</b>

(INR in Lakh)



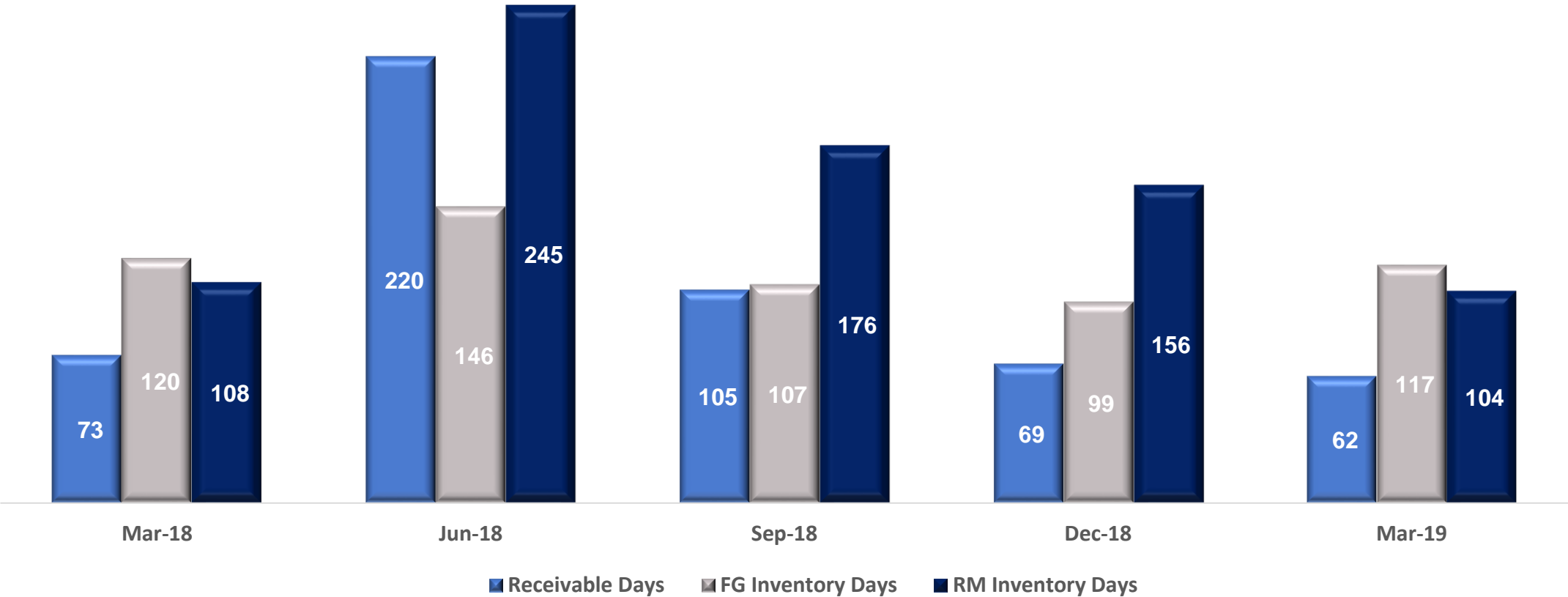
Segmental Revenue	Publications	Stationery - Domestic	Stationery - Exports
	<div>13%</div>	<div>2%</div>	<div>60%</div>
FY19	71,076	26,828	37,923
FY18	62,821	26,295	23,702

(INR in Lakh)



(INR in Lakh)

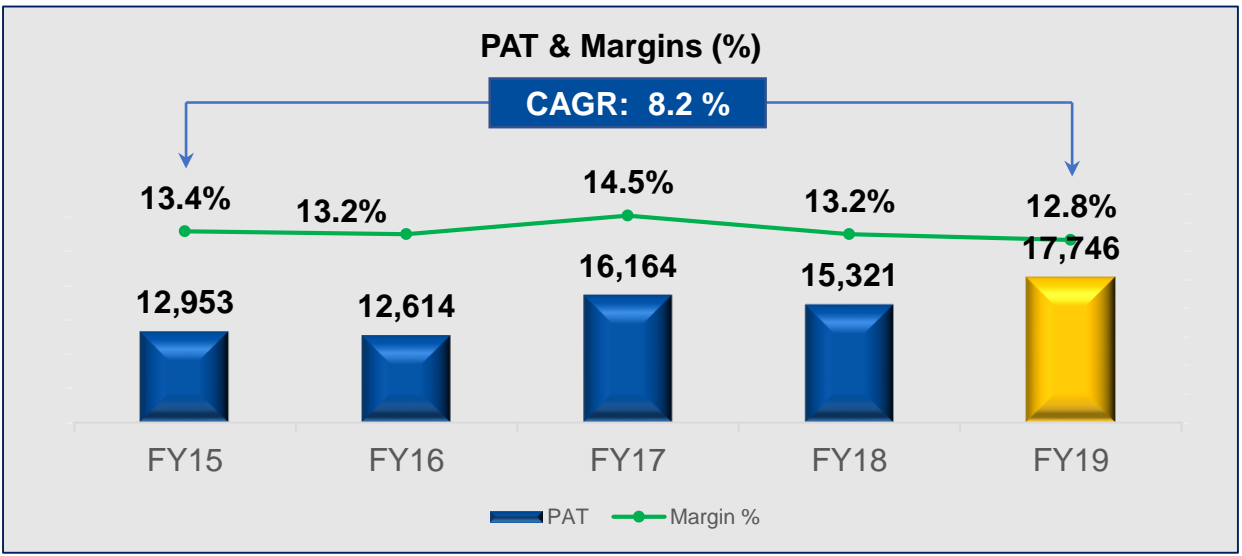
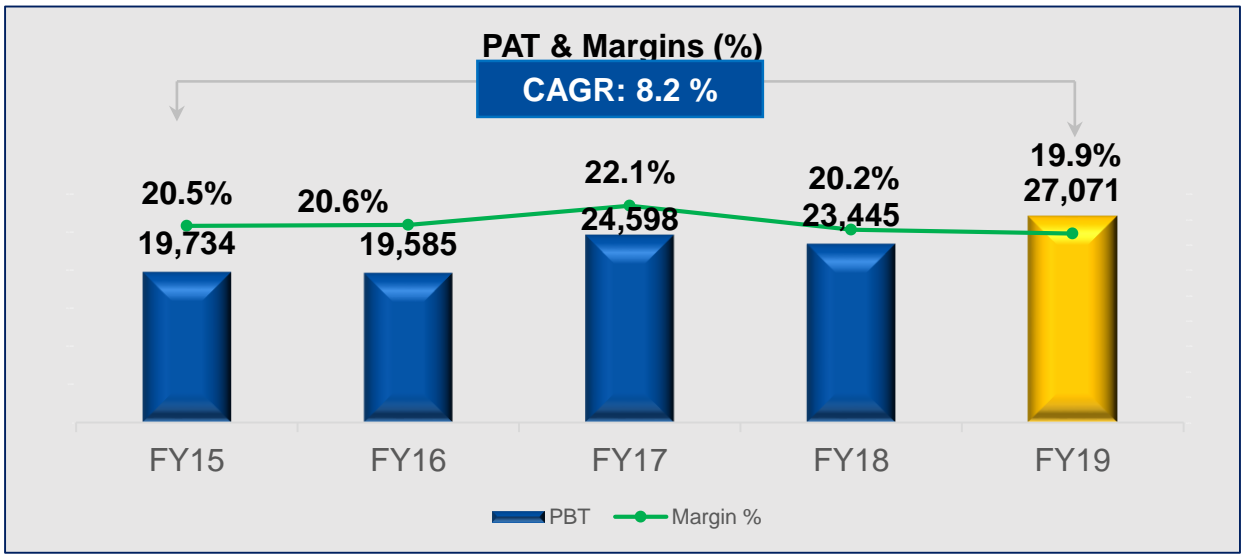
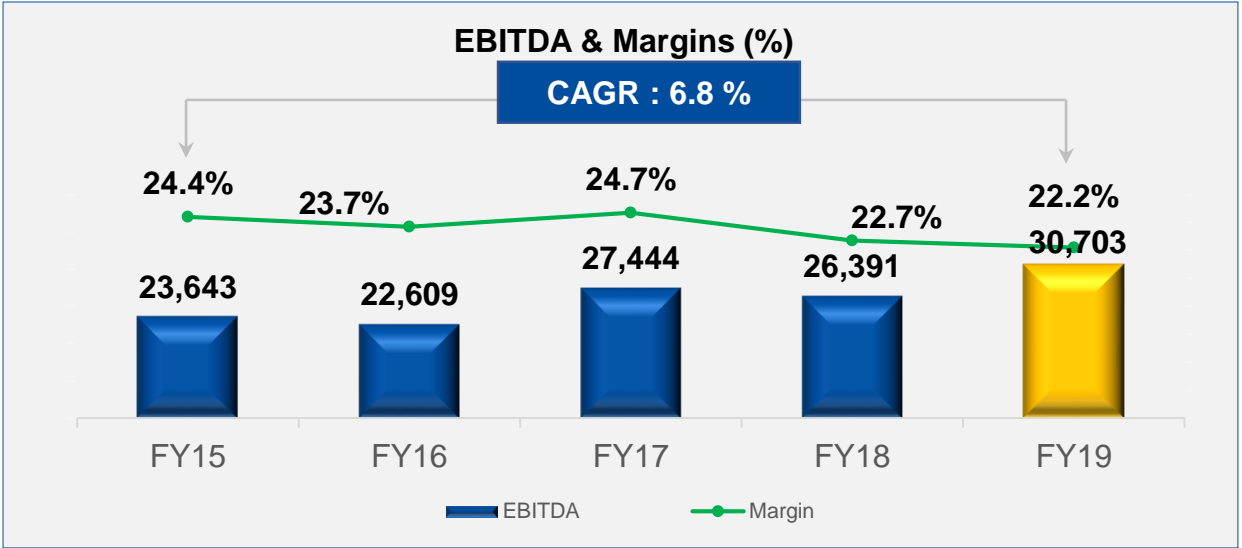
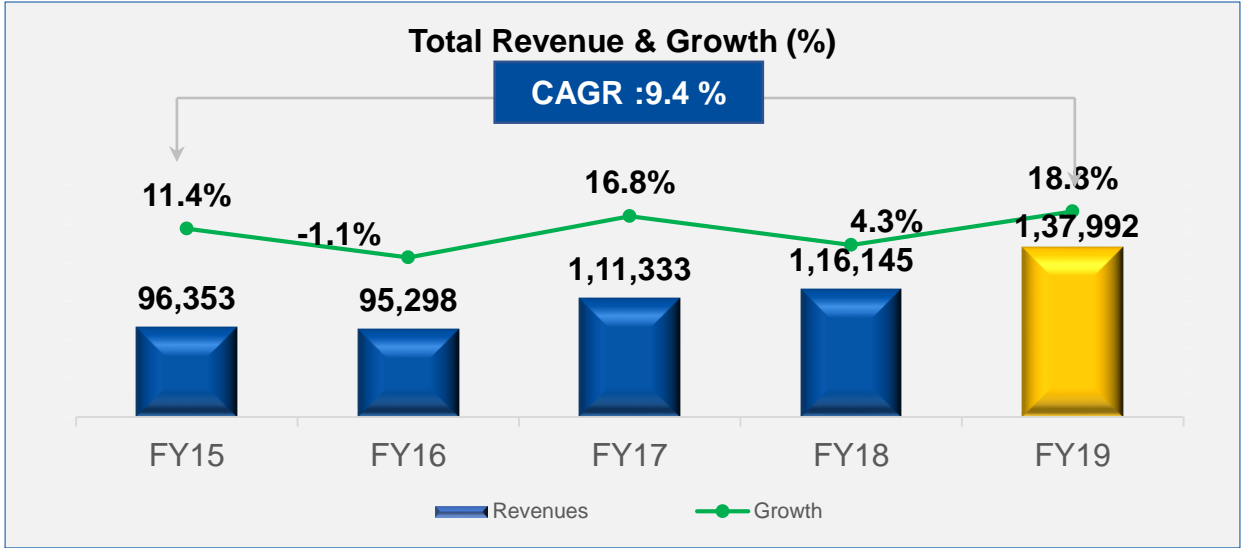
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>	43,496	39,169
<b>Current assets</b>		
(a) Inventories	52,774	41,234
(b) Financial assets	-	-
(i) Trade receivables	21,986	25,139
(ii) Cash and cash equivalents	1,804	558
(iii) Others	4,965	2,317
(c) Other Current Assets	4,548	5,103
<b>Total current Assets</b>	<b>86,078</b>	<b>74,351</b>
<b>TOTAL ASSETS</b>	<b>1,29,574</b>	<b>1,13,519</b>
<b>EQUITY</b>		
(a) Equity share capital	4,577	4,671
(b) Other equity	82,619	76,170
<b>Total equity</b>	<b>87,196</b>	<b>80,841</b>
<b>LIABILITIES</b>		
<b>Non-Current liabilities</b>	<b>1,542</b>	<b>1,364</b>
<b>Current liabilities</b>		
(a) Financial liabilities	-	-
Borrowings	29,501	21,197
(ii) Trade payables	5,212	5,064
(iii) Other financial liabilities	3,712	2,610
(b) Other current liabilities	2,410	2,441
<b>Total current liabilities</b>	<b>40,836</b>	<b>31,314</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,29,574</b>	<b>1,13,519</b>



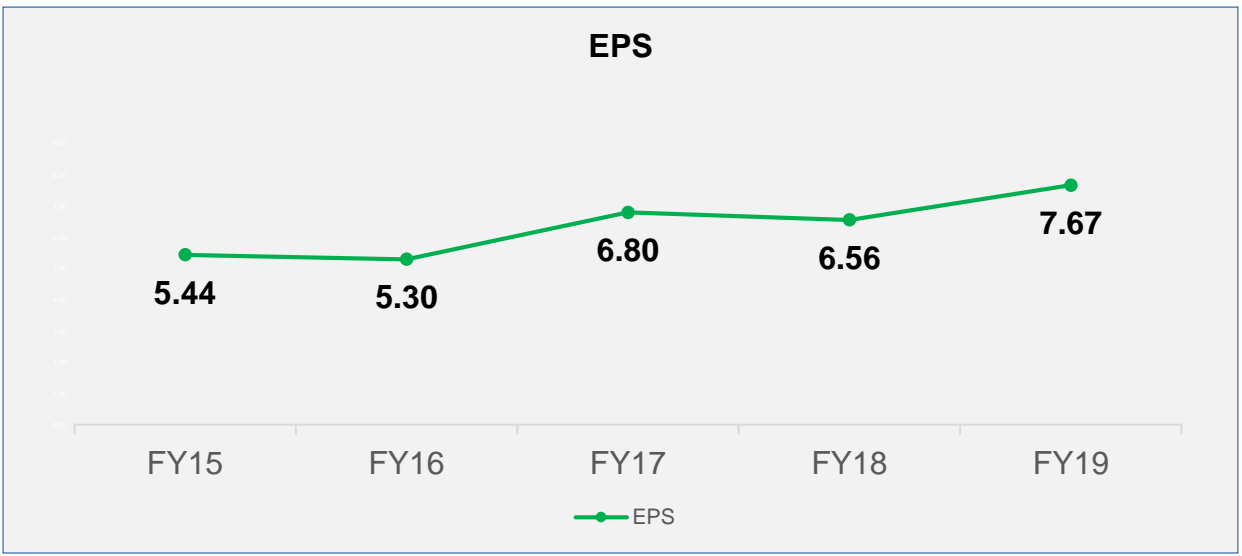
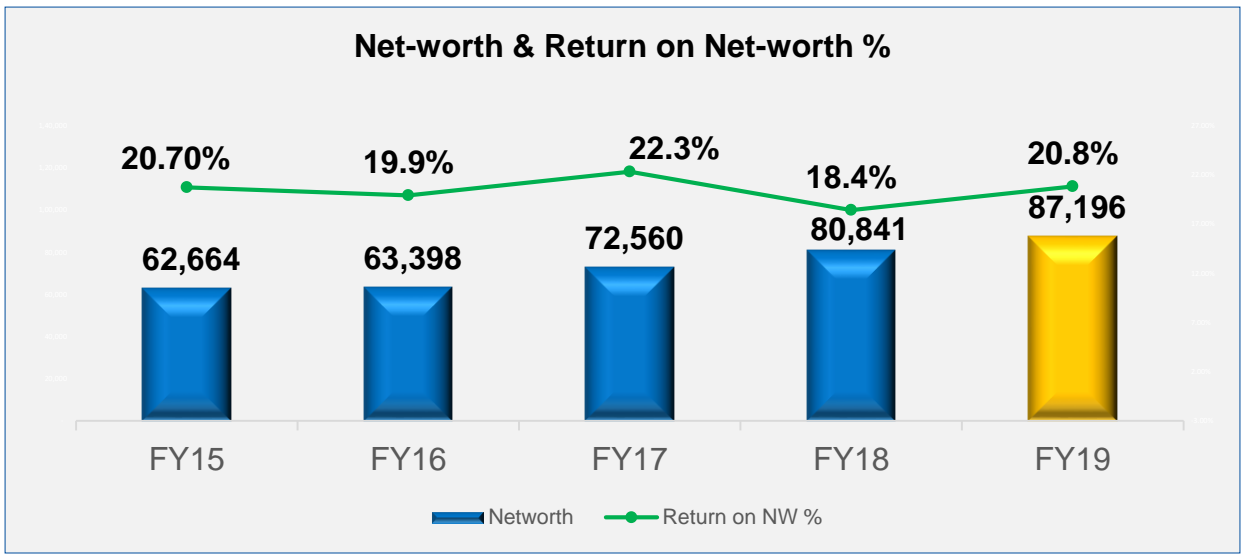
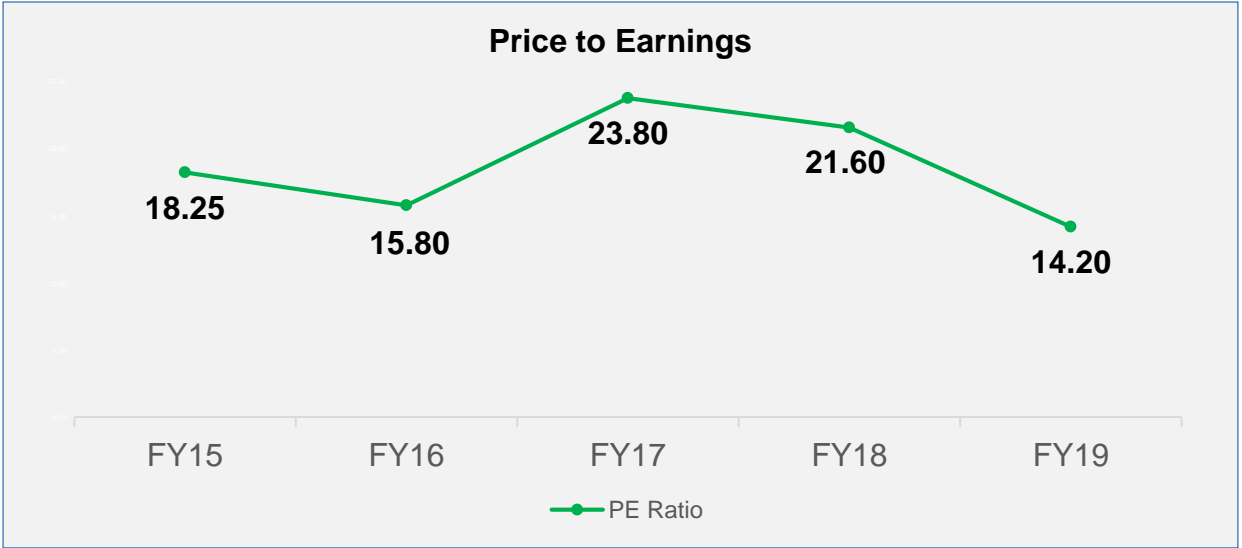
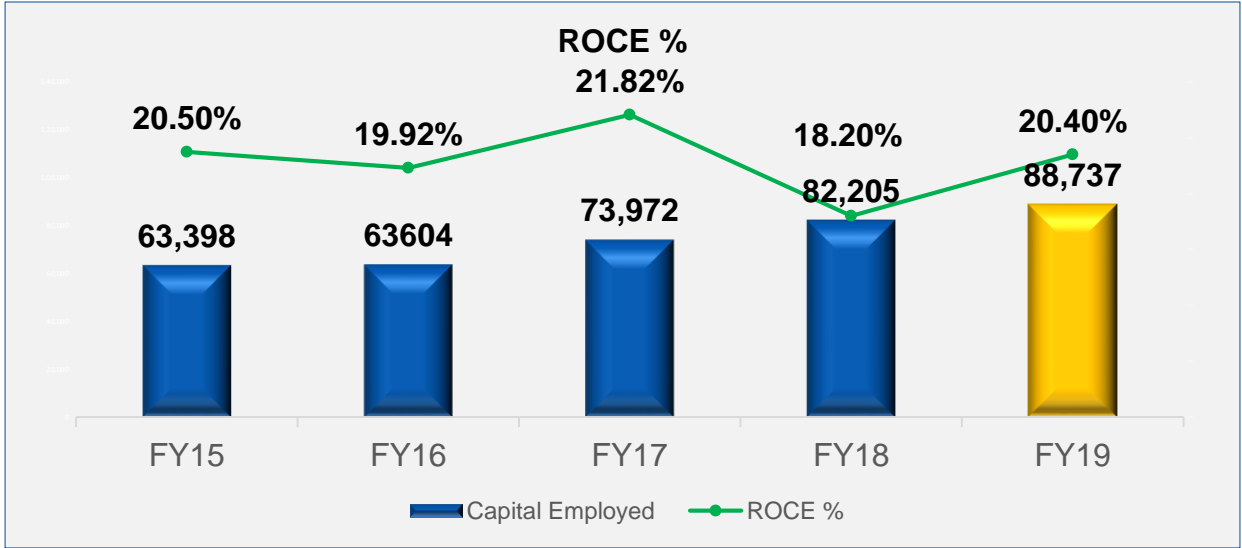
# STANDALONE FINANCIALS (LAST 5 YEARS)



(INR in Lakh)



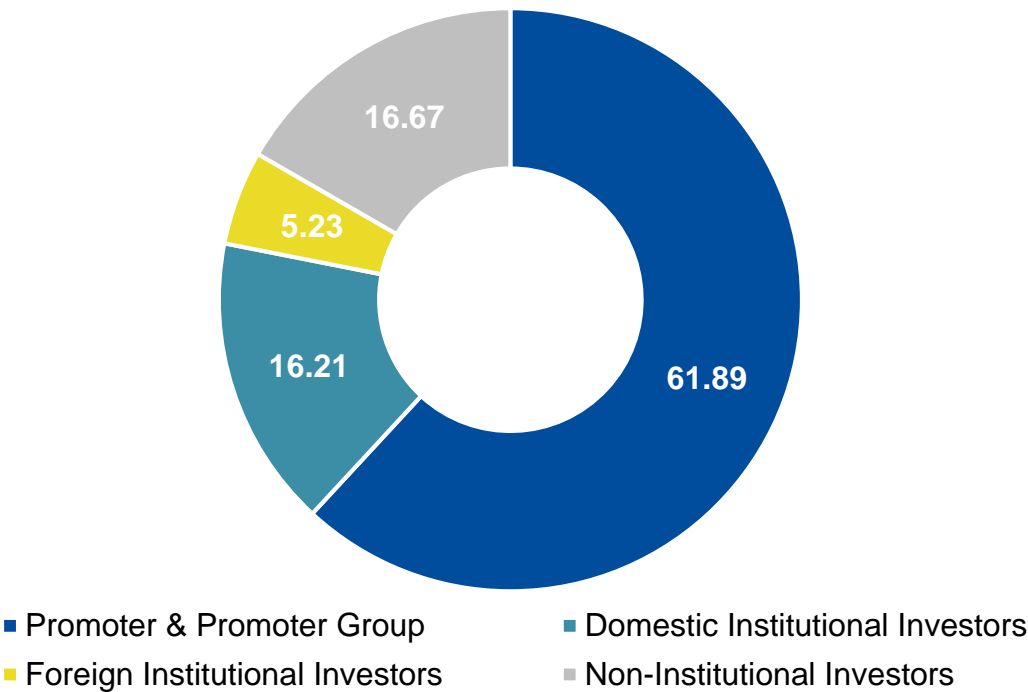
(INR in Lakh)



(INR in Lakh)

Revenue from Operations			Summary of EBITDA		Summary of PAT	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
NEL	1,36,054	1,13,224	30,703	26,392	17,747	15,322
eSense	2,330	1,730	291	(251)	(113)	(510)
Indiannica	6,447	5,740	(1,967)	(1,062)	(2,865)	(1,939)
NLLP	-	-	(2)	(2)	(2)	(2)
NHKL	213	-	(4)	(2)	(4)	(2)
K12	-	-	-	-	561	(14)
Inter co Adjust	(542)	(293)	(249)	(233)	(41)	(119)
<b>Total</b>	<b>1,44,501</b>	<b>1,20,400</b>	<b>28,772</b>	<b>24,843</b>	<b>15,282</b>	<b>12,736</b>

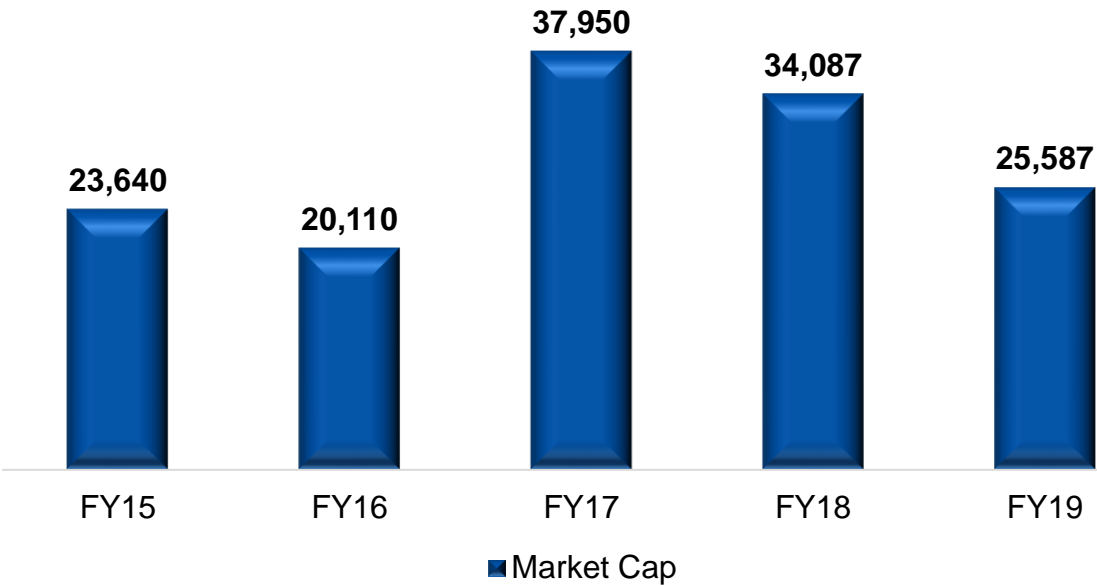
Shareholding as at Mar 31, 2019



Trusted by **25,000+** Shareholders

Face Value of **Rs. 2/-** per share

(INR Mn)



For analysts coverage on Navneet visit:  
<http://www.navneet.com/research-reports/>

**Stock Code:**

**BSE :** 508989

**NSE :** NAVNETEDUL

**Bloomberg / Reuters:** NELI IN / NAVN.BO

# CONTACT DETAILS



Knowledge is wealth



## **NAVNEET EDUCATION LIMITED**

Corporate Identity Number L22200MH1984PLC034055

**Corporate Office & Regd. Office :** Navneet Education Limited,  
Navneet Bhavan, Bhavani Shankar Road, Dadar-(West), Mumbai –  
400028.

**Website:** [www.navneet.com](http://www.navneet.com)

**E-mail Id:** [investors@navneet.com](mailto:investors@navneet.com)

### **Investor Relations Contact**

**Roomy Mistry | Head - Investor Relations | Navneet Education Limited**

**Address:** Navneet Education Limited | Navneet Bhavan | Bhavani Shankar Road, Dadar-(West), Mumbai – 400028.

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