Knowledge is wealth

NEL/NSE/148/2019

Date: 13th November, 2019

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1,
'G' Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051.

Dear Sirs,

Ref: Scrip Code – NAVNETEDUL
Sub: Submission of presentation shared with analysts and institutional investors on Unaudited Financial Results

In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit Q2 FY20 presentation which is shared with analysts and institutional investors on Statement of Standalone And Consolidated Un-audited Financial Results for the Quarter and Half Year ended 30th September, 2019.

The said presentation is uploaded on Company's website www.navneet.com.

You are requested to take note of the above.

Thanking you,

Yours faithfully,
FOR **NAVNEET EDUCATION LIMITED**

NAVNEET EDUCATION LIMITED MUMBAI INDIA

AMIT D. BUCH
COMPANY SECRETARY

Encl.: As above

NAVNEET EDUCATION LIMITED
CIN: L22200MH1984PLC034055
Navneet Bhavan, Bhavani Shankar Road, Dadar (W), Mumbai 400 028. India
Tel.: 022 6662 6565 · Fax: 022 6662 6470 · email: nel@navneet.com · www.navneet.com · /navneet.india

NAVNEET®

Knowledge is wealth

Investor Presentation

As On 30th September 2019

VIKAS

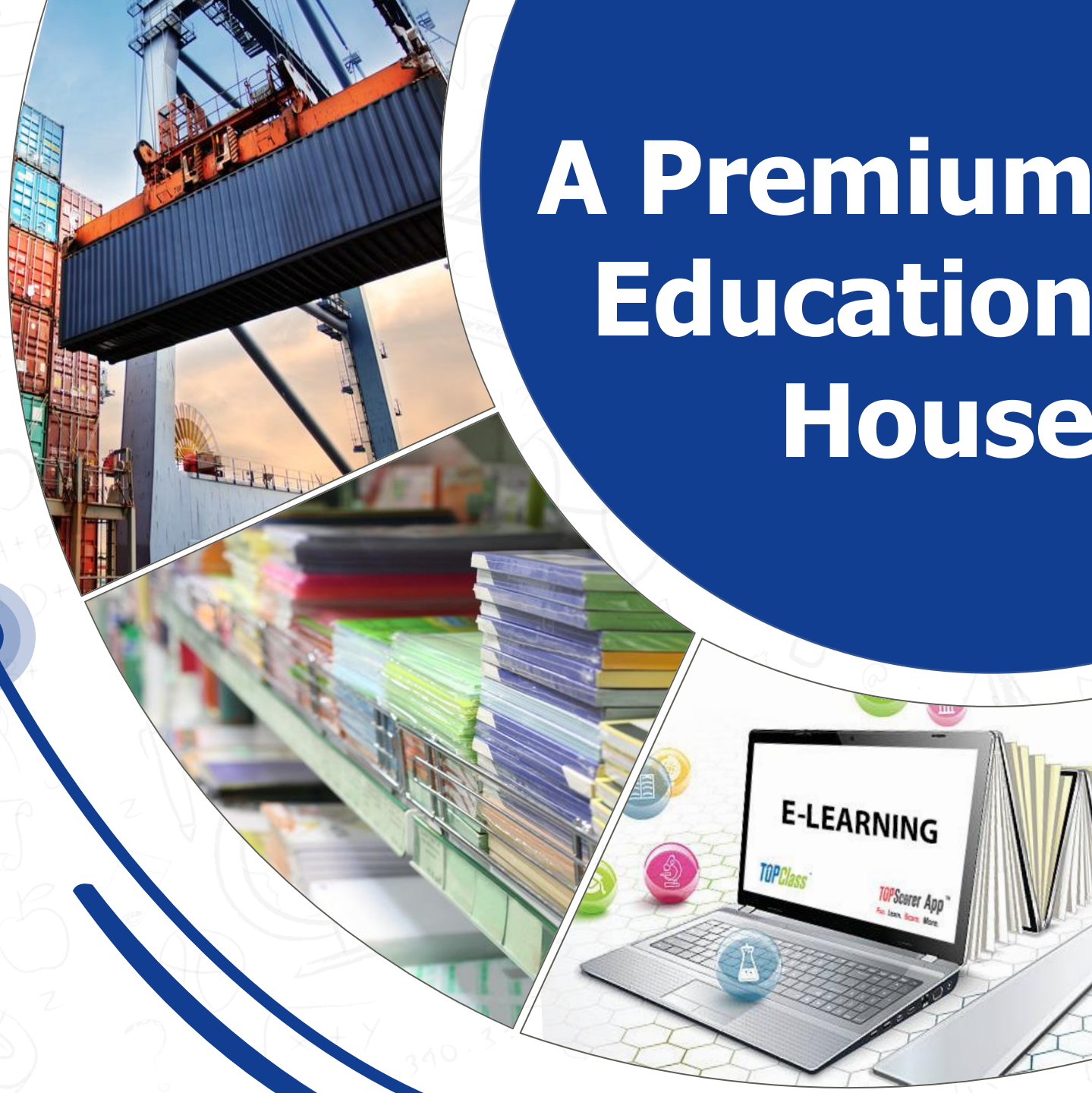
eSense Ensuring Success

YOUVA

GRAFALCO®

Indiannica Learning Knowledge beyond horizons

K12 Techno Services Pvt Ltd



A Premium Education House

Table Of Contents

1 Company Overview 03

2 Navneet Group Business Insights 08

3 E-Learning Business Overview 13

4 Indiannica Learning 15

5 K12 – School Management Company 16

6 Industry Insights 18

7 Financial Performance 24

8 Shareholders Information 37

COMPANY OVERVIEW

ABOUT NAVNEET

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, MISSION & CORE VALUES

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

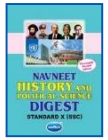
Proactive

Student Centric

Transparency

6 DECADES OF NAVNEET – A SNAPSHOT

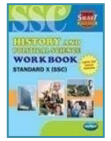
1959



First Digest / Guide Published for Std. X

1970

Workbook Concept Introduced



1975

Published 21 Most Likely Question Sets

1990

Children Books Introduced

1993

Scholastic Stationery

1994

First Educational Publisher to be listed on BSE and NSE

2008

Entered B2B Digital Learning Space

2011

Ventured into School Management

2014

Entered B2C Digital Learning Space

2016

New Stationery brand YOUVA launched, Acquired Indiannica Learning Pvt. Ltd. (earlier Encyclopaedia Britannica (India) Pvt. Ltd.)

2017

Achieved Milestone Turnover of ₹1,000 crores, Introduction of premium stationery products under brand "HQ"

2018

Digital Assessment Platform for schools / children

2019

Branded Stationery in UAE

Earnings Presentation

KEY FACTS

35 Mn+
Students using Navneet products

5
Mediums / Languages for State Board Publications

5,500+
No. of Titles

350+
Hours of Digital Library

25,000+
No. of State Board Schools visited annually

4,000+
Digital Classrooms

3,000+
No. of Employees

8,500+
CBSE / ICSE Schools visited annually

3
Printing / Manufacturing Locations

300+
No. of Authors

48,000+
Presence in Retail Outlets for Stationery in India

2
Presence in States for Supplementary Books

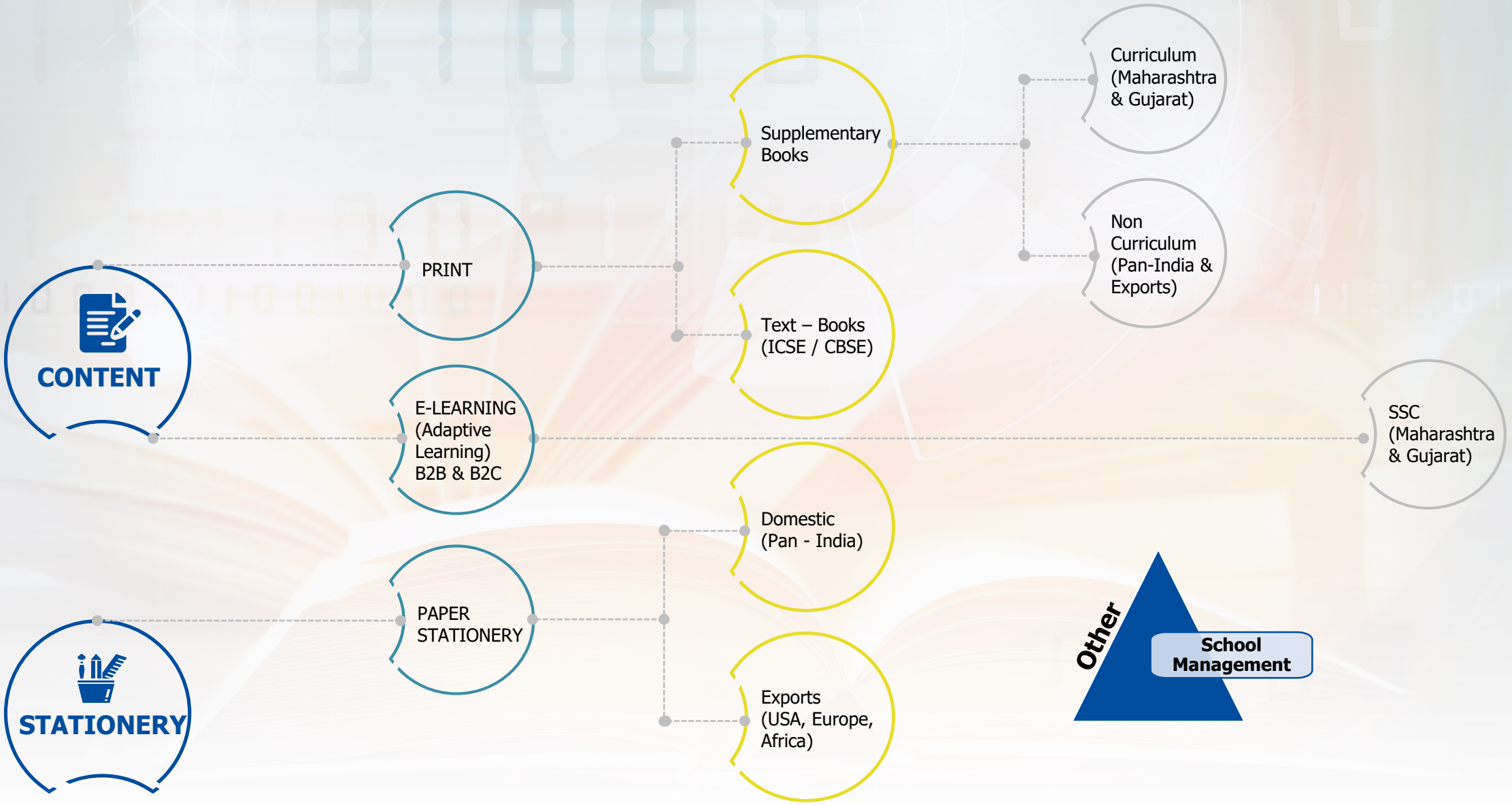
1 Lakh+ Tons
Paper consumed

600+
SKU's in Stationery

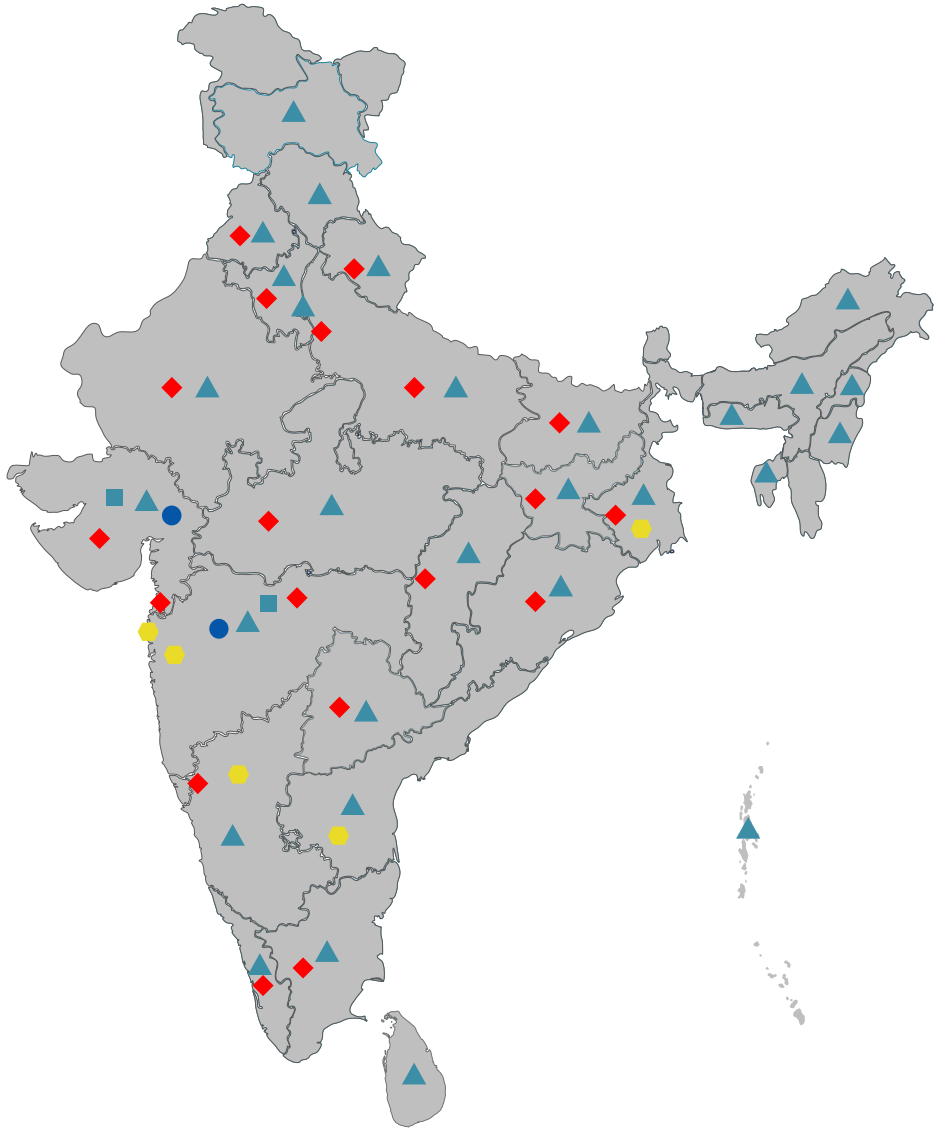
25+
Presence in Countries for Paper Stationery

NAVNEET GROUP BUSINESS

NAVNEET GROUP BUSINESS PORTFOLIO



NAVNEET'S PRESENCE



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

GLOBAL PRESENCE

1. Canada
2. U.S.
3. Mexico
4. Honduras
5. Jamaica

6. Puerto Rico
7. Costa Rica
8. Panama
9. Ireland
10. Norway

11. Sweden
12. Denmark
13. Germany
14. U.K.
15. Spain

16. Turkey
17. Ethiopia
18. Kenya
19. Rwanda
20. Tanzania

21. Zambia
22. Madagascar
23. South Africa
24. New Zealand
25. UAE

GROWTH DRIVERS FOR NAVNEET

Content

Syllabus change

Syllabus Change in State Board (SSC) Schools is a major growth driver as it does away with the old and second hand books from trade and students buy new supplementary books as per the new revised syllabus.

CBSE Affiliated Schools

With the rapid growth of CBSE schools in the country the market for these products will grow rapidly.

CBSE Pattern Schools

Many English Medium Private SSC Schools (Around 94,000 in the Country) have started positioning themselves as CBSE Pattern Schools where they use private publishers' text books up to Grade VIII.

Stationery

Domestic Stationery

Increasing number of schools, improved standard of living as well as shift in focus from inexpensive to premium quality products are some of the crucial factors which would drive the demand

Exports Stationery

On account of Quality, timely delivery, competitive preference over other exporting countries and also being one of the leading organized player in the Segment, Exports is poised for rapid growth

eSENSE LEARNING

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

GROWTH DRIVERS - E-LEARNING EDUCATION

EVOLVING BUSINESS MODEL :

Peer to peer learning among students to gain pace also value-added services such as internships and live projects along with regular courses to provide hands on experience to students

GAMIFICATION :

Will gain application in the form of simulation of concepts, Incentive based learning, level advancement badges and the likes

CSR INITIATIVES :

With law of CSR spending of 2% from profit, the max spends towards education, will enable infrastructure needed for online education

INTERNET PENETRATION :

51% Penetration , 409 million users
2021(P)- Projected 735 million Users

LOW COST ALTERNATIVE :

Online Education – 53% Cheaper

RISING DISPOSABLE INCOME :

Disposable income of the country expected to grow 55% by 2020

RISING JOB SEEKING POPULATION :

280 million people to enter job market by 2050. Growth rate of jobs:2%, Unemployment rate (2016):5%

SMARTPHONE PENETRATION :

More than 290 million smartphone users currently, User base to add 180 million users by 2021

LACK OF QUALITY EDUCATION :

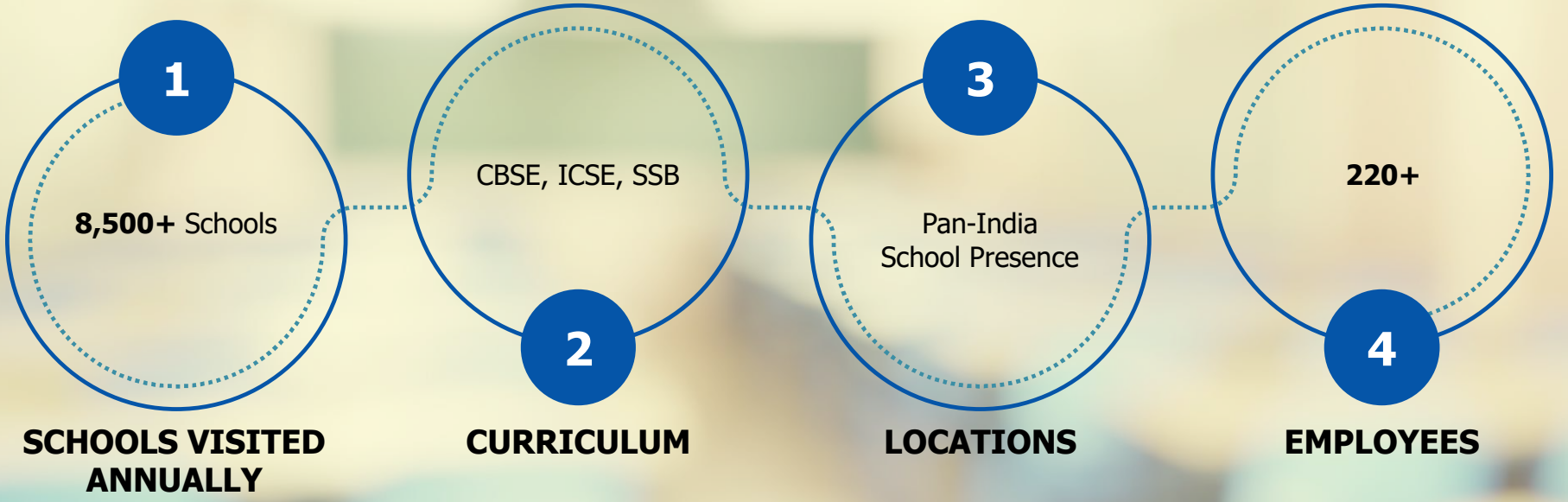
Online channel provides quality education to potential students currently, there is lack of quality education in many parts of India

GROWING YOUNG POPULATION :

Large fraction of Indian population is young thus enlarging the target population for online education. Acceptability for online education is higher in the younger demographic

Source: KPMG

INDIANNICA LEARNING (Formerly ENCYCLOPAEDIA BRITANNICA INDIA)



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

ORCHIDS – THE INTERNATIONAL SCHOOL

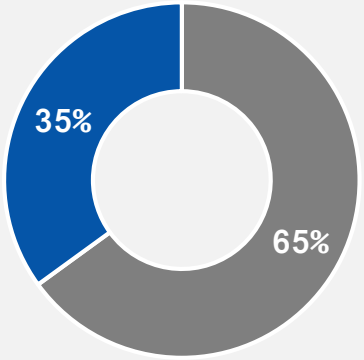
25
No. of Schools (CBSE/ICSE)

5
Locations

24,000 +
No. of Students

34,000 +
Capacity

SHAREHOLDING



- Sequoia Capital
- Navneet Learning LLP

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

CORPORATE SOCIAL RESPONSIBILITY

- 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

NAVNEET FOUNDATION

FOR IT IS IN GIVING THAT WE RECEIVE

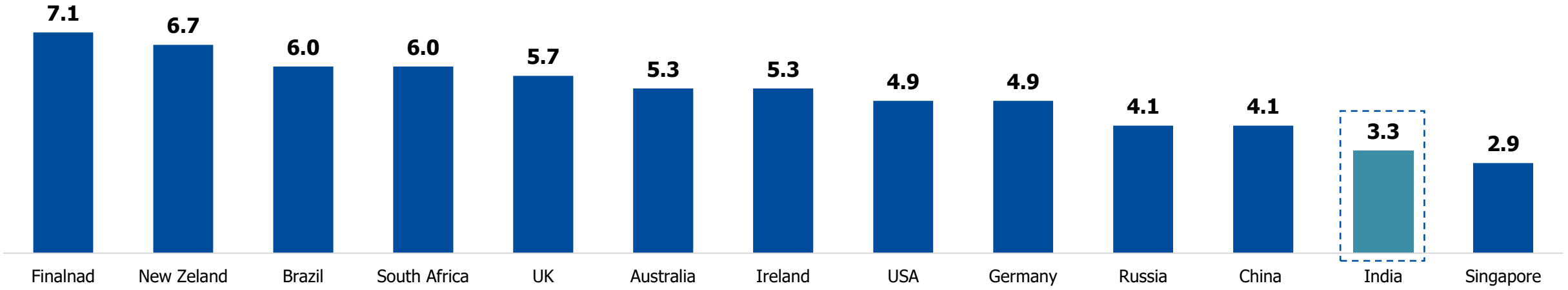
- Three charitable hospitals established in Mumbai under the name Navneet Hospitals
- Free books & stationery distributed to under privileged children from over 60 trusts
- 6,000+ Teachers from 6 cities of Maharashtra trained through 108 training session on creative and participatory methods of teaching 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

INDUSTRY INSIGHTS

INDUSTRY OVERVIEW

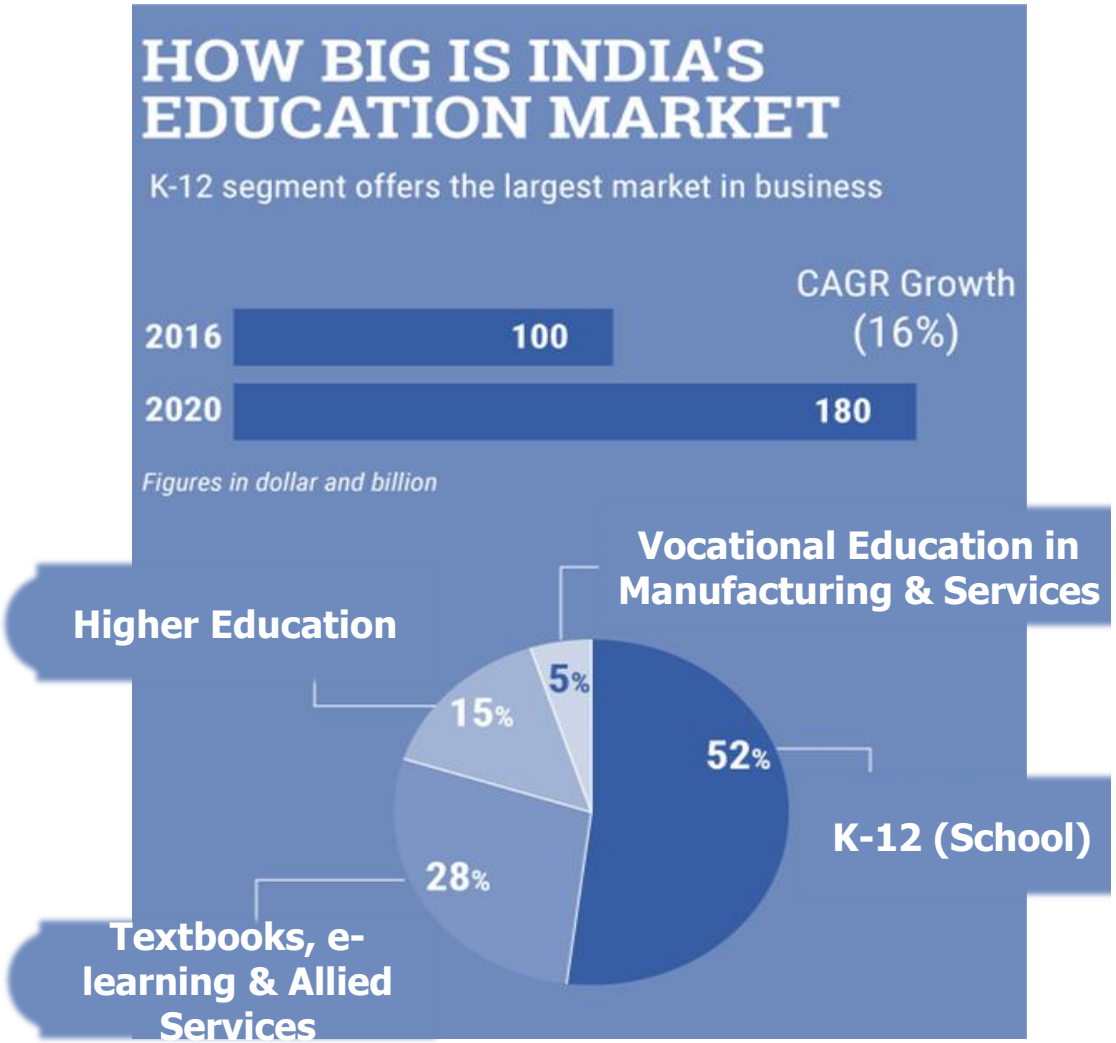
Population	Age 0-14	Age 15-59	Employment
2017: 1.34 Bn	2017: 415 Mn	2017: 845 Mn	2017: 465 Mn
2022: 1.39 Bn	2022: 435 Mn	2022: 890 Mn	2022: 534 Mn

Expenditure on Education as a % of GDP



Source: World Bank, Census Data

INDUSTRY OVERVIEW K-12



Source: Technopak Analysis

	Schooling	Higher Education	Vocational Education & Skill Development	Ancillary Segments
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 Opportunity	Market Size: $52bn	Market Size: $15bn	Market Size: $5bn	Market Size: $28bn
	CAGR: 14%	CAGR: 20%	CAGR: 20%	CAGR: 22%
Regulations	ECE: For Profit K-12: Not for Profit	Not for Profit	For Profit	For Profit

Presence in both Schooling & Ancillary Segments

INDUSTRY INSIGHTS – SCHOOL SYSTEM

GOVERNMENT OF INDIA

MINISTRY OF EDUCATION

NCERT
(National Council of Educational Research and Training)

96 %

SCERT
State Council of Educational Research and Training

2%

CBSE
Central Board of Secondary Education

1%

ICSE
Indian Certificate for Secondary Education

1%

OTHERS
IB
IGCSE

Schools within respective States

Administered by the Cambridge University

Schools across India

Schools outside India

INDIA'S K-12 SCENARIO

Additional Capacity Required for Students
35 Mn

Additional Requirement of Teachers
2 Mn

Additional Resources USD
55 Bn

Government : **1.1 Mn**	No. of schools **1.5 Mn**	Private : **0.4 Mn**
Government : **150 Mn**	No. of Students **260 Mn**	Private : **110 Mn**
Government : **10 Mn**	Annual Intake **18 Mn**	Private : **8 Mn**
Government : **5 Mn**	No. of Teachers **9 Mn**	Private : **4 Mn**

Source: DISE, State Boards, CBSE, ICSE Board

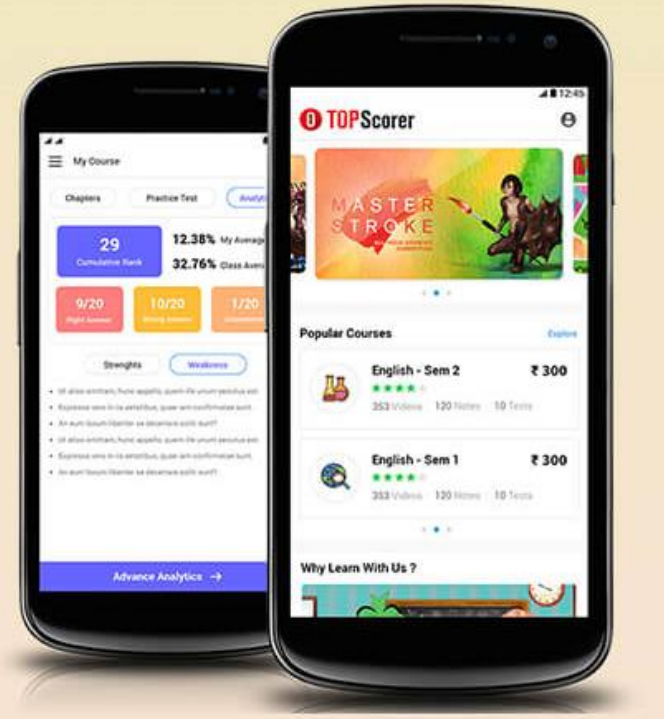
INDUSTRY OVERVIEW – E-Learning

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

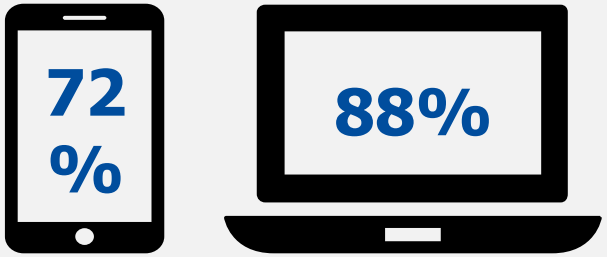
It is expected that Online Education sector will witness a growth of 44% CAGR. Userbase will rise to 9.6 million by 2021

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

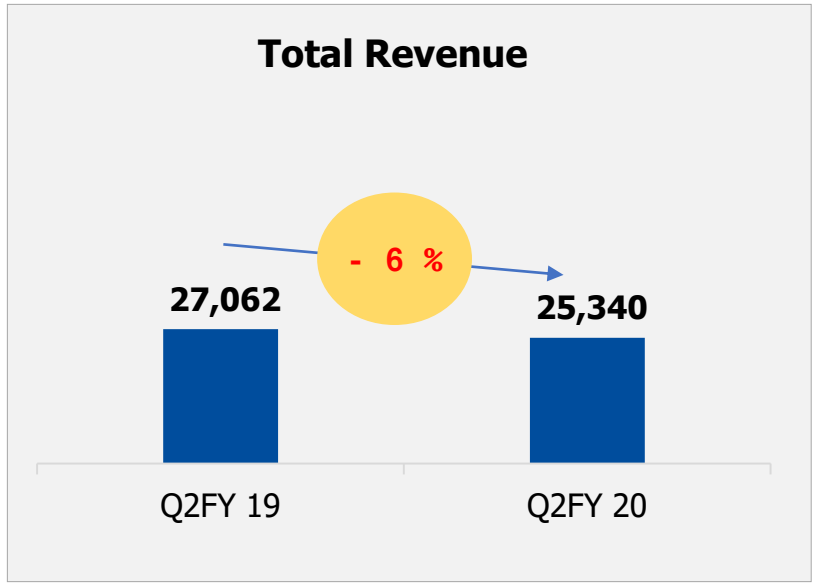
Source: KPMG

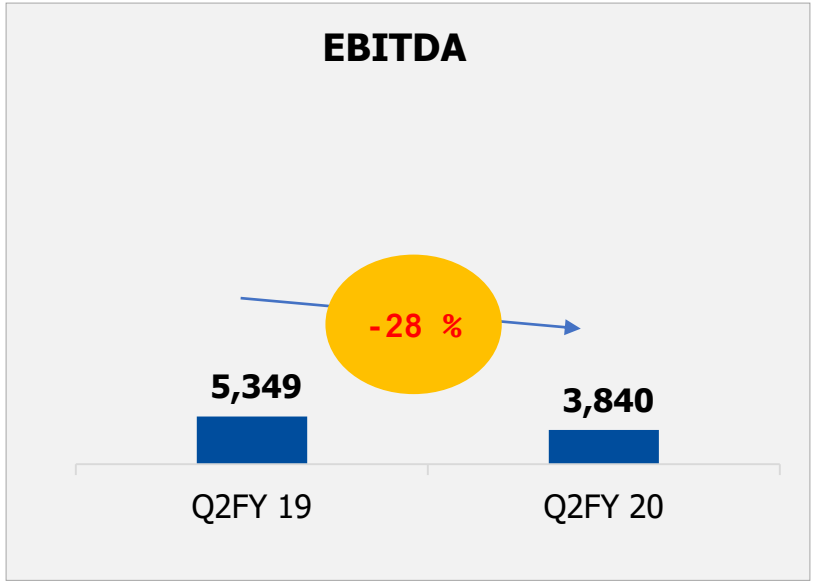
FINANCIAL PERFORMANCE

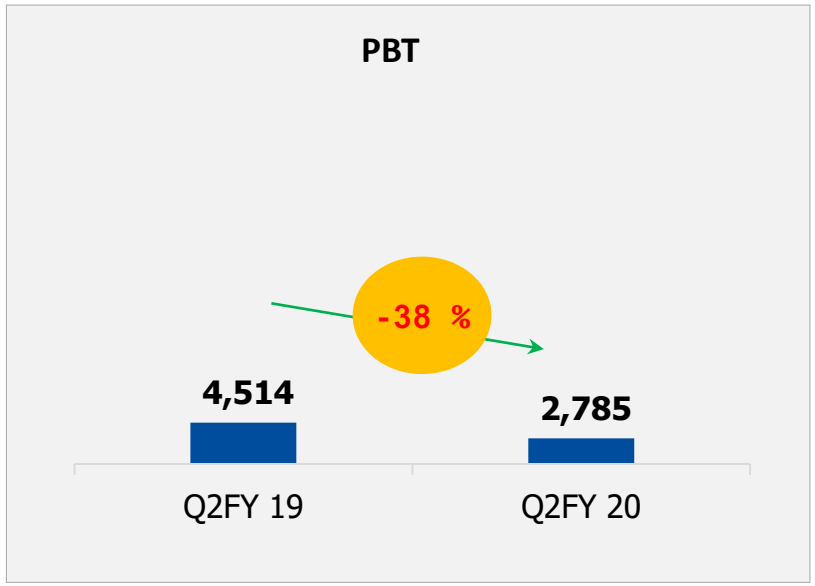
Q2FY20

SEGMENTAL REVIEW - QUARTERLY

(INR in Lakh)



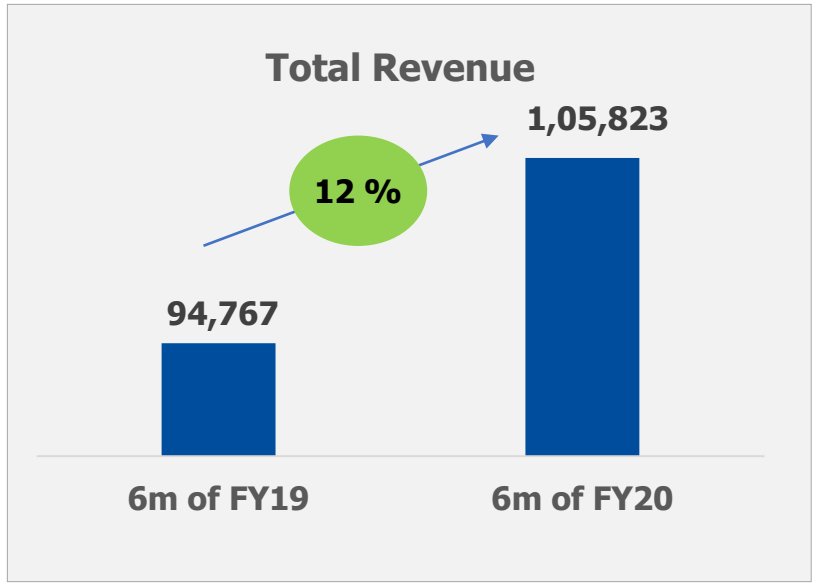


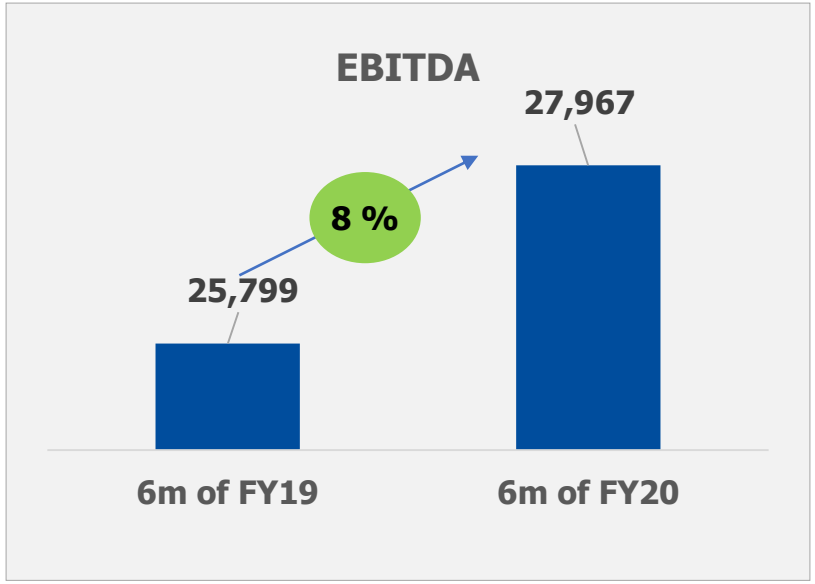


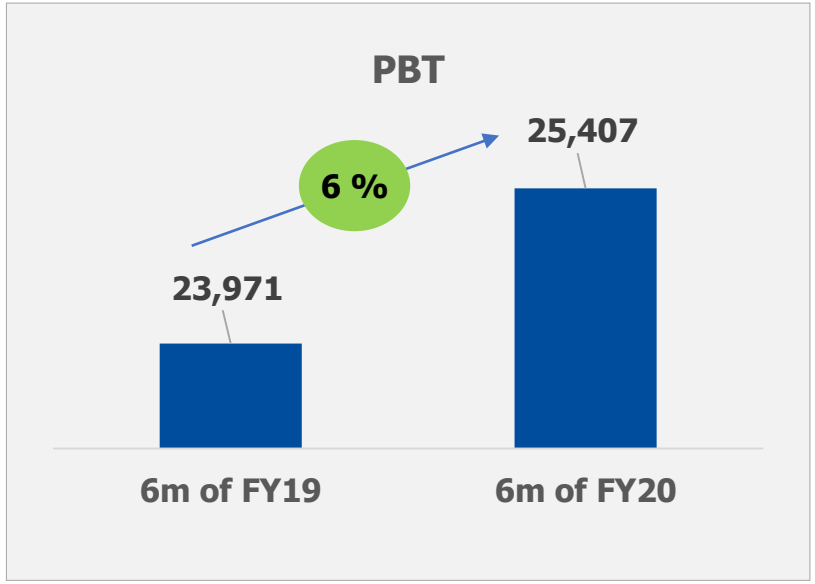
	Publications	Stationery - Domestic	Stationery - Exports
Segmental Revenue	28 % ↓	5 % ↓	61 % ↑
Q2 FY20	12765	2294	9571
Q2 FY19	17952	2425	5933

SEGMENTAL REVIEW – 6 months

(INR in Lakh)







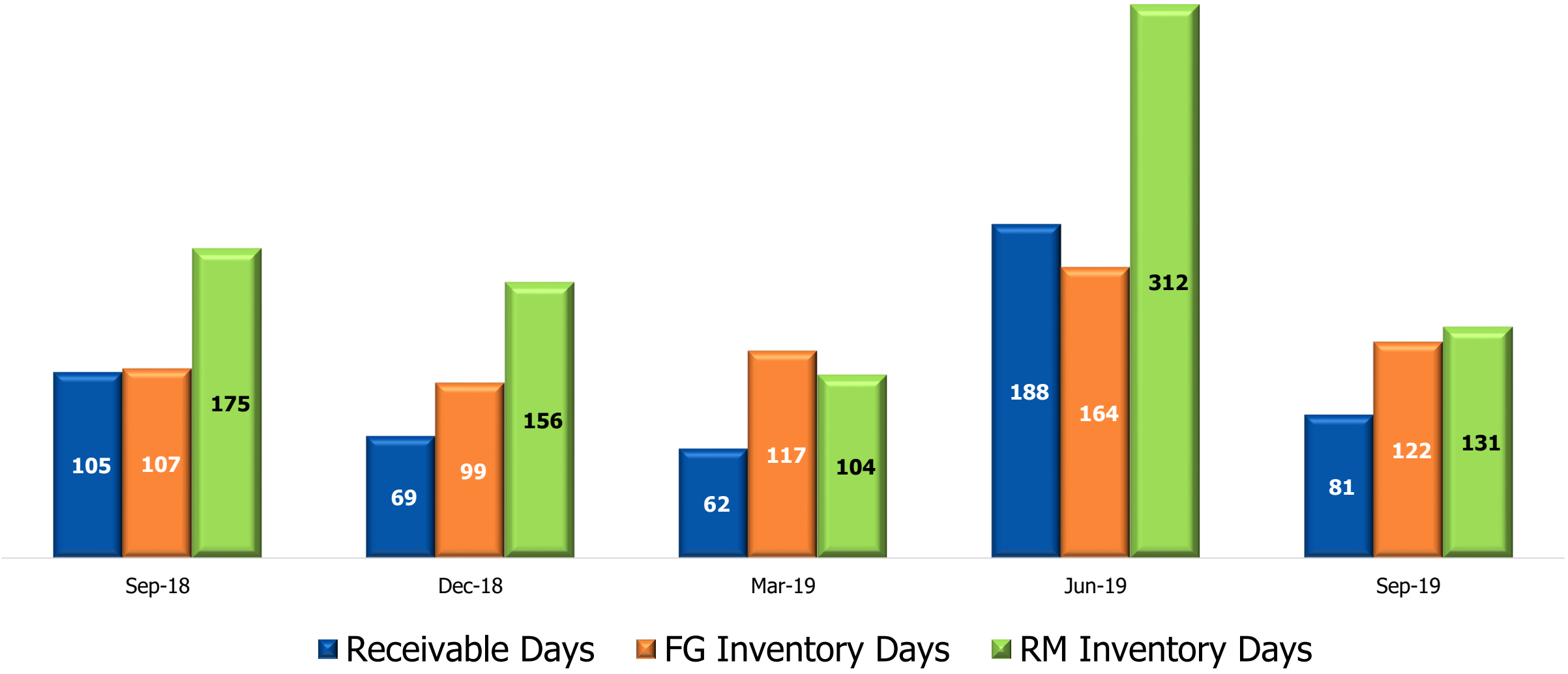
	Publications	Stationery - Domestic	Stationery - Exports
Segmental Revenue	2.6 %	4 %	35 %
6m of FY20	**55,983**	**13,238**	**34,875**
6m of FY19	**54,547**	**12,786**	**25,910**

STANDALONE FINANCIAL RESULTS – Q2 & YTD ended Sep'19 of FY 20

(INR in Lakh)

Particulars	Quarter ended Sep '19				YTD ended Sep '19 (6 months)			
	Q2 FY20 (Unaudited)	% of Revenue	Q2 FY19 (Unaudited)	% of Revenue	YTD- FY20 (Unaudited)	% of Revenue	YTD FY19 (Unaudited)	% of Revenue
Income from Operations	24,677		26,347		1,04,176		93,343	
Other Income	663		715		1,647		1,424	
Total Revenue	**25,340**		**27,062**		**1,05,823**		**94,767**	
(a) Cost of materials consumed	11,219		13,660		37,321		36,342	
(b) Purchases of stock-in-trade	9		12		34		45	
(c) Changes in inventories	1,118		(1,599)		16,761		10,936	
(d) Employee benefits expense	3,832		3,440		7,663		6,735	
(e) Depreciation and Amortisation	877		603		1,681		1,176	
(f) Other expenses	5,322		6,200		16,077		14,910	
Total Expenses	22,377		22,316		79,537		70,144	
Profit / (Loss) from ordinary activities	**2,963**	**12%**	**4,746**	**18%**	**26,286**	**25%**	**24,623**	**26%**
Exceptional Items	-		-					
Profit / (Loss) after exceptional Items	**2,963**	**12%**	**4,746**	**18%**	**26,286**	**25%**	**24,623**	**26%**
Finance Costs	178		232		879		652	
Profit / (Loss) before tax	**2,785**	**11%**	**4,514**	**17%**	**25,407**	**24%**	**23,971**	**25%**
(a) Provision for Taxation	(1,921)		1,777		6,570		9,006	
(b) Provision for Deferred Tax	456		(155)		(156)		(556)	
(c) Excess/(Short) Provision	-		-					
Net Profit / (Loss) after tax	**4,250**	**17%**	**2,892**	**11%**	**18,993**	**18%**	**15,521**	**16%**
Other Comprehensive Income (OCI) net	(302)		(332)		(620)		(717)	
Total Comprehensive Income	**3,948**	**16%**	**2,560**	**9%**	**18,373**	**17%**	**14,804**	**16%**

RECEIVABLES & INVENTORY DAYS



SNAPSHOT OF CONSOLIDATED FINANCIAL RESULTS

(INR in Lacs)

	Revenue from Ops		Summary of EBITDA		Summary of PAT	
	H1 of FY'20	H1 of FY'19	H1 of FY'20	H1 of FY'19	H1 of FY'20	H1 of FY'19
NEL	1,04,176	93,343	27,968	25,799	18,995	15,521
eSense	1,359	1,766	130	801	(119)	624
Indiannica	946	750	(1,262)	(1,971)	(2,044)	(2,343)
NLLP	-	-	(0)	(2)	(0)	(2)
NHKL	85	19	(1)	6	(1)	6
K12					80	306
Inter co Adjust	(84)	(274)	(191)	(164)	(23)	(84)
Total	**1,06,482**	**95,603**	**26,643**	**24,468**	**16,887**	**14,028**

OUTLOOK ON BUSINESS SEGMENTS

Publications

Publication Business for current year shall have marginal growth on account of limited changes in the syllabus in Maharashtra

Indiannica Learning Private Limited's acquisition looks promising this year onwards on account of introduction of new workbooks / content and also it's venturing into ICSE Board Content. Quarter 4 shall be crucial to know the growth.

eSense (E-Learning)

B2B sales expected to grow with more schools opting for digital learning.

Indiannica Learning Private Limited's content will add value to current library and promote sales in Q4

Stationery & Exports

Focus sales and branding efforts on selected States to maximize impact with marketing efforts will increase domestic business

Exports will continue to grow at a good pace backed by orders

OUTLOOK ON BUSINESS

3

As of March 2019, the Government of India is taking the initiative to encourage colleges to offer online courses in rural areas to ensure education for all

2

As of December 2018, internet penetration in India had reached 46.13 per cent. Increasing internet penetration will help in education delivery

4

With the tutoring in the schooling segment expected to grow from US$ 8 billion in 2011 to US$ 26 billion in 2020, there lies a large and fast-growing market for coaching and tutoring services imparted through innovative means, mainly the internet

1

In March 2019, India Ratings and Research (Ind-Ra) maintained a stable outlook for the education sector for FY20 with a marginal increase in enrollments

5

The Government has hiked the expenditure budget for education by Rs 10,000 crore (US$ 1.39 billion) to Rs 93,848 crore

DIGITIZATION IN EDUCATION

Educational system is getting influenced due to the digitalization era.

The educational system is going through rapid transformation due to which, the children of this generation are be limited to traditional textbooks.

"Digital India" aims to bridge this gap by connecting the remotest villages through WIFI and broadband

By 2030, India will have the largest population in the world resulting in increased bracket of students eligible for higher learning and educational courses.

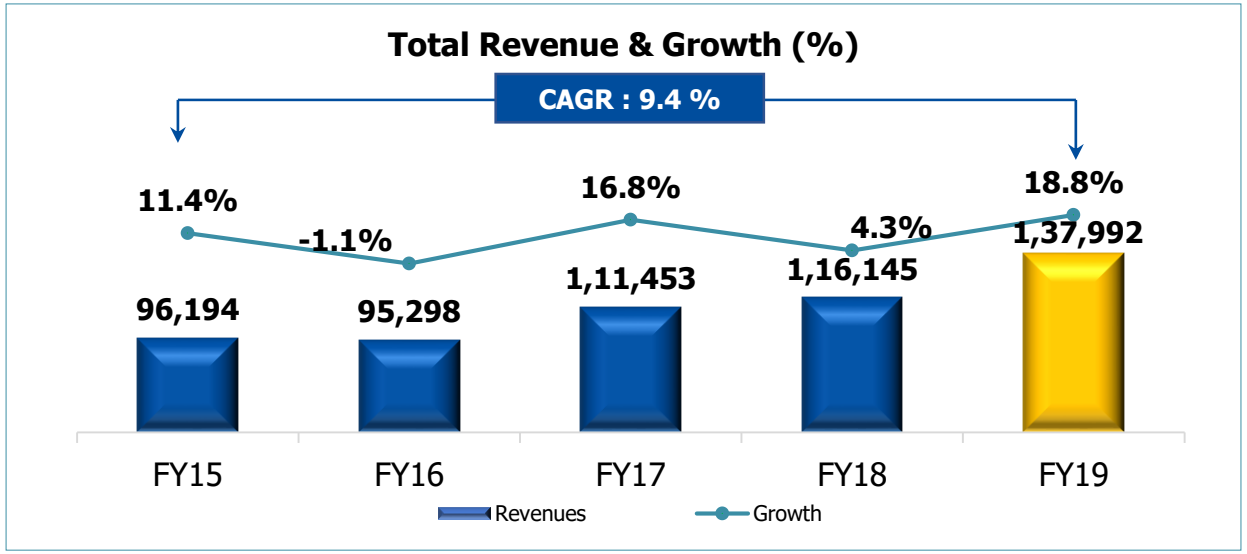
Various government initiatives are being adopted to boost the growth of distance education market, besides focusing on new education techniques, such as E-learning and M-learning.

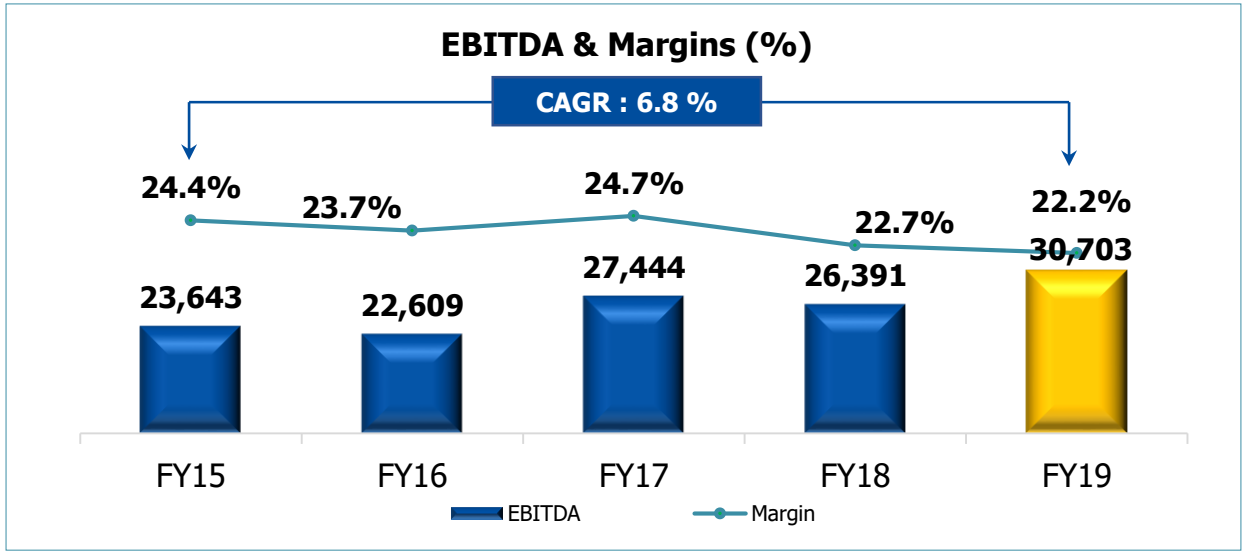
Operational autonomy, flexibility in norms for setting up of private institutions, modifying and implementations of education bill, and access to global curriculum design framework will not encourage the private players but also promote the cause of higher education in India to a whole new level.

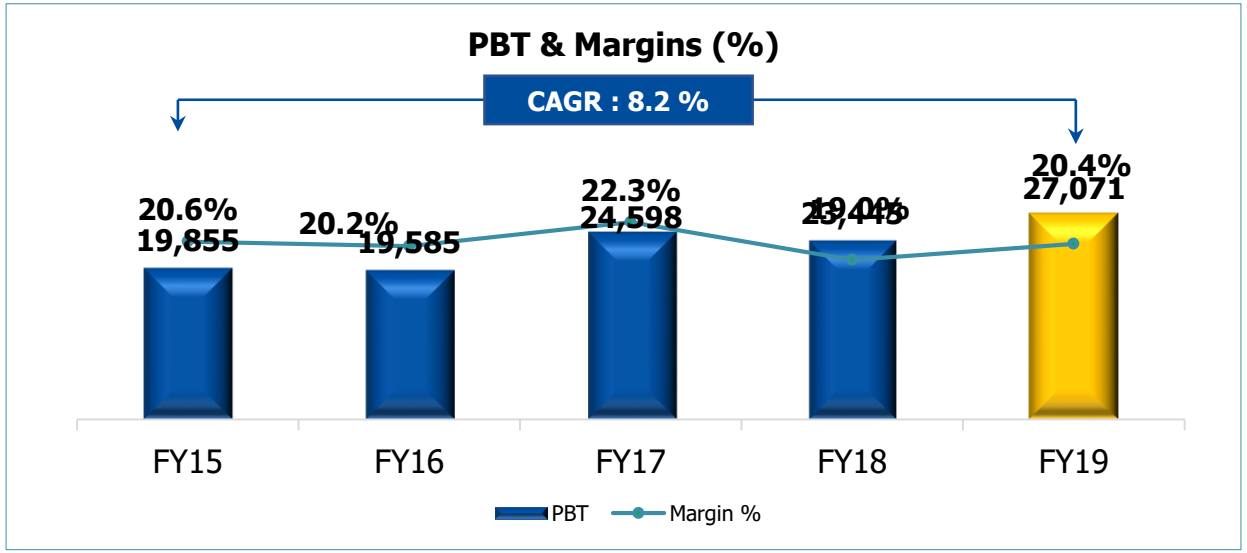
Technology is being utilized to reach to maximum number of people with a view to reduce digital illiteracy, rising opportunities in the field of educational providers, providing uniform education to students in rural and urban areas.

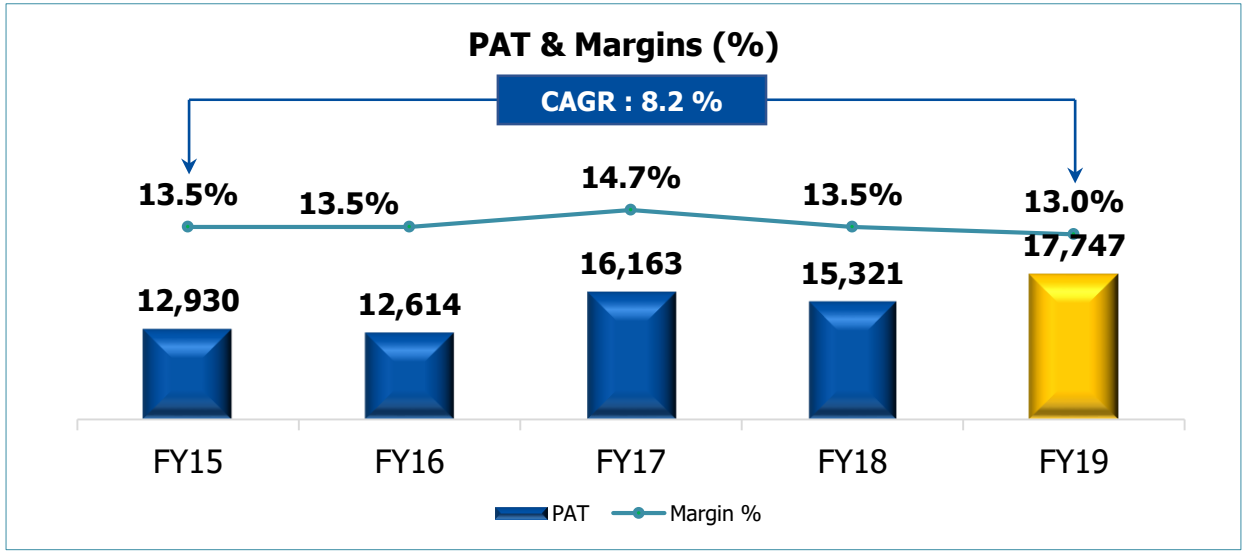
STANDALONE FINANCIALS (LAST 5 YEARS)

(₹ in Lakh)



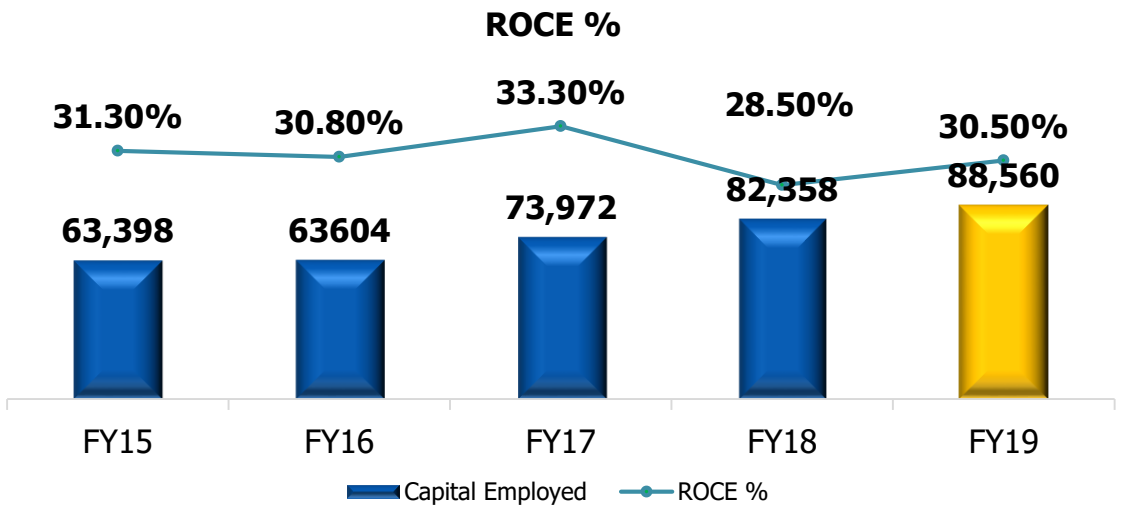


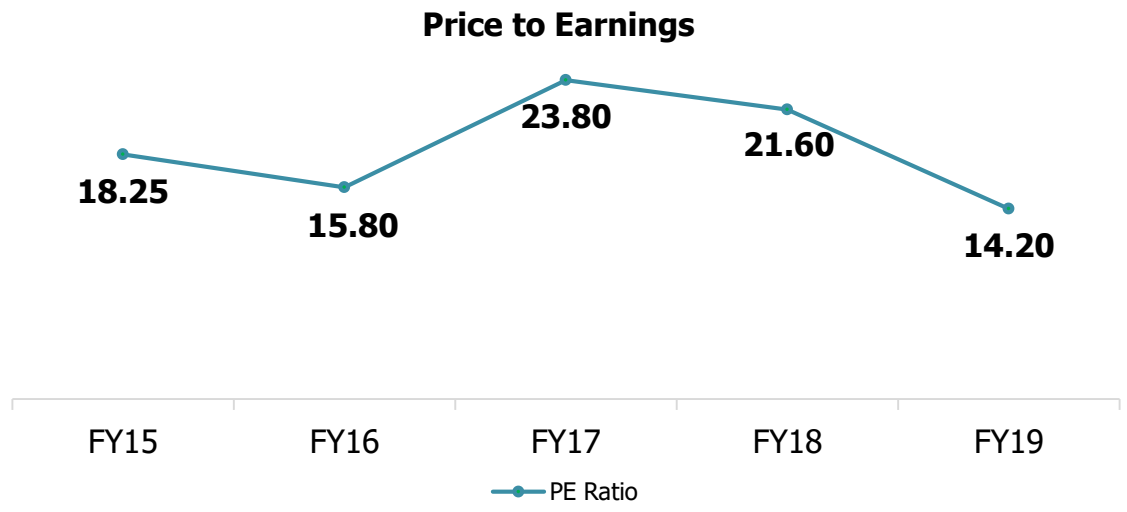


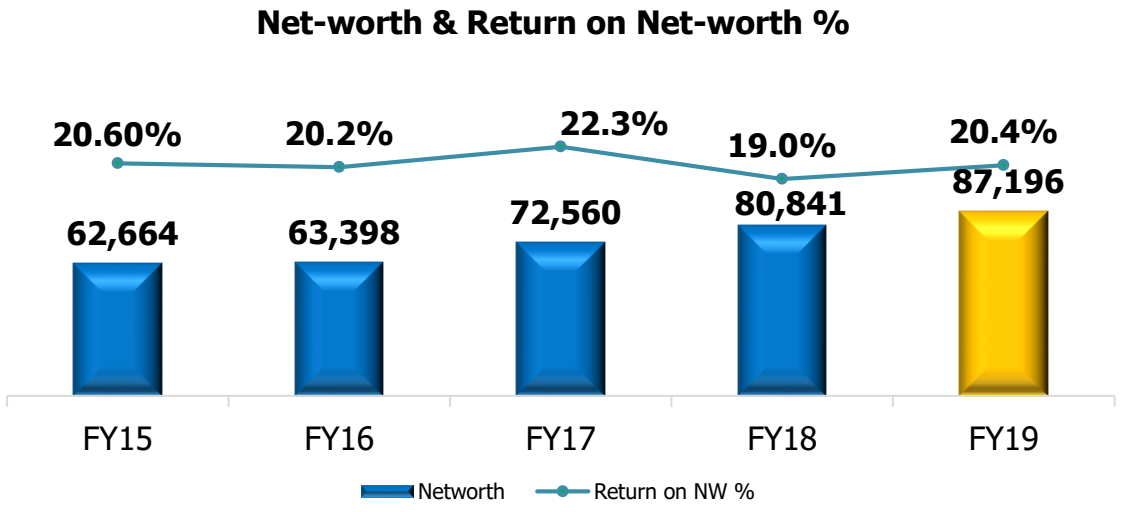


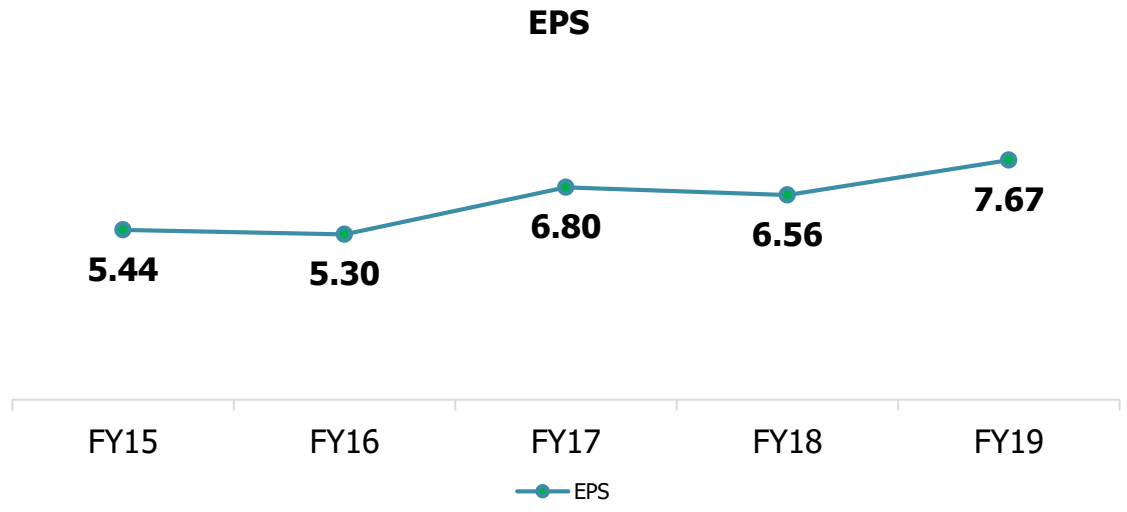
PROFITABILITY & OWNERSHIP PERFORMANCE

(₹ in Lakh)



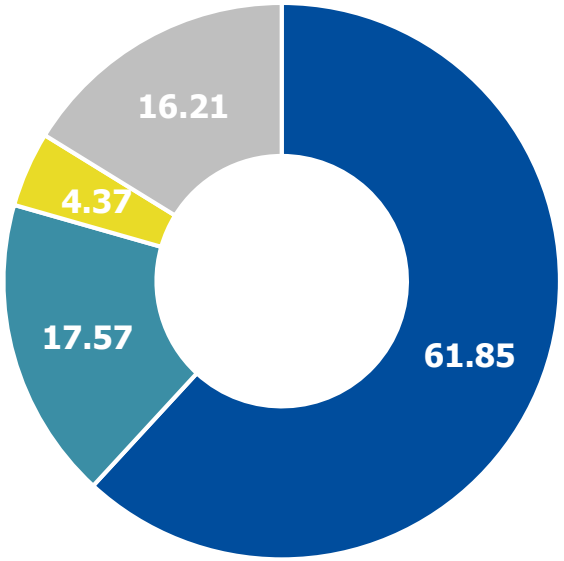






SHAREHOLDING PATTERN AND MARKET CAP

Shareholding as at September 30, 2019



- Promoter & Promoter Group
- Domestic Institutional Investors
- Foreign Institutional Investors
- Non-Institutional Investors

Trusted by **25,000+** Shareholders

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

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http://www.navneet.com/research-reports/

Stock Code:

BSE : 508989

NSE : NAVNETEDUL

Bloomberg / Reuters: NELI IN / NAVN.BO

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