



# Q4 FY13 and FY13 Investor Update

*30<sup>th</sup> May 2013*

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# Forward Looking Statement

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

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# Agenda

Financial Highlights

Business update

Appendix

# FY13 Consolidated Results (Full Year)

Rs mn	FY13	FY12	YoY (%)
Operational Revenue	12,109	14,913	-19%
Other Income	455	312	46%
<b>Total Revenue</b>	<b>12,564</b>	<b>15,224</b>	<b>-17%</b>
<b>EBITDA</b>	<b>3,219</b>	<b>4,443</b>	<b>-28%</b>
<b>EBITDA Margin (%)</b>	<b>26%</b>	<b>29%</b>	
Exceptional Items	(548)	0	
EBITDA after exceptional items	2,672	4,443	-40%
EBITDA%	22%	30%	
Depreciation	1,218	1,070	14%
EBIT	1,454	3,374	-57%
EBIT Margin (%)	12%	22%	
Interest	2,490	1,433	74%
<b>PAT</b>	<b>(1,328)</b>	<b>1,355</b>	<b>-198%</b>
<b>Cash Profit/(Loss)</b>	<b>1,022</b>	<b>2,425</b>	<b>-58%</b>

Note – Exceptional items, among others, largely relate to impairment/provisioning of businesses being shutdown and some current assets

# Q4 FY13 Consolidated Results

Rs mn	Q4 FY13	Q4 FY12	YoY (%)	Q3 FY13	QoQ (%)
Operational Revenue	3,364	5,136	-35%	2,471	36%
Other Income	41	102	-60%	148	-72%
<b>Total Revenue</b>	<b>3,405</b>	<b>5,239</b>	<b>-35%</b>	<b>2,619</b>	<b>30%</b>
<b>EBITDA</b>	<b>1,227</b>	<b>1,540</b>	<b>-20%</b>	<b>300</b>	<b>309%</b>
<b>EBITDA Margin (%)</b>	<b>36%</b>	<b>30%</b>		<b>12%</b>	
Exceptional Items	(1,248)	0		700	
EBITDA after exceptional items	(21)	1,540		1,000	
Depreciation	287	275	4%	322	
EBIT	(308)	1,265		678	
Interest	904	443	104%	602	
<b>PAT</b>	<b>(1,479)</b>	<b>615</b>		<b>66</b>	
<b>Cash Profit/(Loss)</b>	<b>(60)</b>	<b>890</b>	<b>-107%</b>	<b>388</b>	

Note – Exceptional items, among others, largely relate to impairment/provisioning of businesses being shutdown and some current assets

# FY13 Standalone Results (Full Year)

Rs mn	FY13	FY12	YoY (%)
Operational Revenue	7,331	10,765	-32%
Other Income	173	154	12%
<b>Total Revenue</b>	<b>7,504</b>	<b>10,919</b>	<b>-31%</b>
<b>EBITDA</b>	<b>1,271</b>	<b>3,789</b>	<b>-66%</b>
<b>EBITDA Margin (%)</b>	<b>17%</b>	<b>35%</b>	
Exceptional Items	173	0	
EBITDA after exceptional items	1,443	3,789	-62%
EBITDA%	20%	35%	
Depreciation	528	474	11%
EBIT	915	3,315	-72%
EBIT Margin (%)	12%	30%	
Interest	1,389	902	54%
<b>PAT</b>	<b>(407)</b>	<b>1,889</b>	<b>-122%</b>
<b>Cash Profit/(Loss)</b>	<b>533</b>	<b>2,363</b>	<b>-77%</b>

Note – Exceptional items, among others, largely relate to impairment/provisioning of businesses being shutdown and some current assets

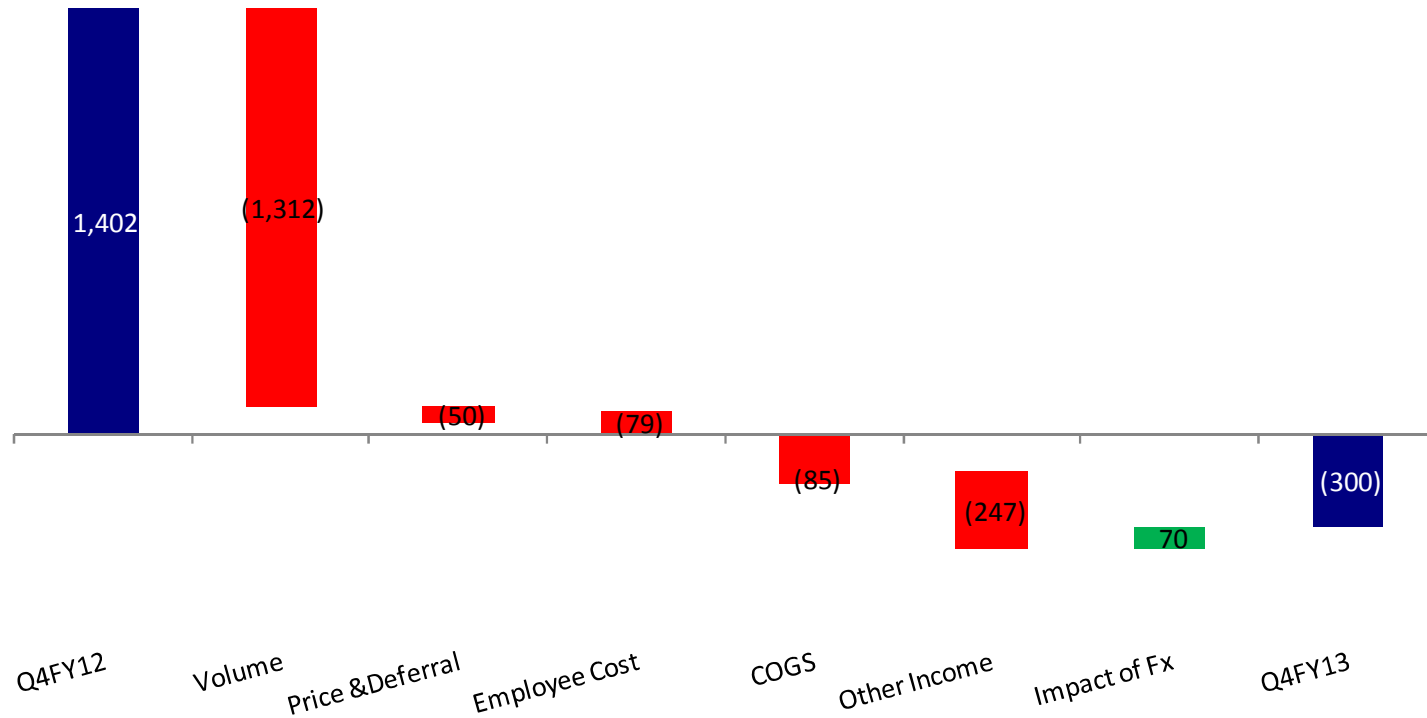
# Q4 FY13 Standalone Results

Rs mn	Q4 FY13	Q4 FY12	YoY (%)	Q3 FY13	QoQ (%)
Operational Revenue	2,240	4,082	-45%	1,254	79%
Other Income	56	29	90%	49	15%
<b>Total Revenue</b>	<b>2,296</b>	<b>4,111</b>	<b>-44%</b>	<b>1,302</b>	<b>76%</b>
<b>EBITDA</b>	<b>283</b>	<b>1,431</b>	<b>-80%</b>	<b>(13)</b>	
<b>EBITDA Margin (%)</b>	<b>13%</b>	<b>35%</b>		<b>-1%</b>	
Exceptional Items	(527)	0		122	
EBITDA after exceptional items	(244)	1,431		109	
Depreciation	133	124	7%	139	
EBIT	(378)	1,307		(30)	
Interest	409	305	34%	398	
<b>PAT</b>	<b>(772)</b>	<b>783</b>		<b>158</b>	
<b>Cash Profit/(Loss)</b>	<b>(226)</b>	<b>907</b>		<b>297</b>	

Note – Exceptional items, among others, largely relate to impairment/provisioning of businesses being shutdown and some current assets

# EBITDA Bridge (Standalone basis) (Q4FY13 v/s Q4FY12)

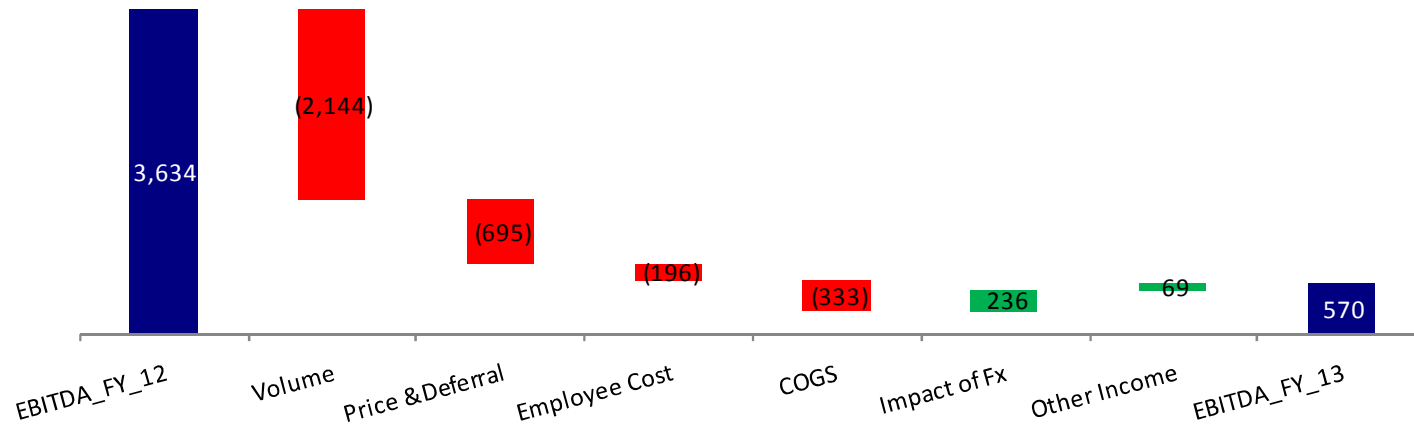
EBITDA Bridge (INR Million)





# EBITDA Bridge (Standalone basis) (FY13 v/s FY12)

EBITDA Bridge (INR Million)



# Cash Flow Statement – Q4 FY13 Consolidated

Rs mn	Q4 FY13	Q3 FY13	FY13	FY12
PAT	(1,479)	66	(1,328)	1,355
Depreciation	287	322	1,218	1,070
<b>Cash Profit "A"</b>	<b>(1,192)</b>	<b>388</b>	<b>(110)</b>	<b>2,425</b>
Capex (net)	218	590	1,962	3,812
Changes in Working Capital (net)	743	(143)	3,898	4,775
Investments (net)	(1,187)	(25)	(1,196)	298
Sub-total "B"	(227)	421	4,665	8,885
<b>Cash Surplus / (deficit) from Operations "C= A-B"</b>	<b>(966)</b>	<b>(33)</b>	<b>(4,775)</b>	<b>(6,460)</b>
Dividend "D"	7	29	36	81
Net Surplus / (deficit) after Dividend "E = C-D"	(972)	(62)	(4,811)	(6,541)
Increase / (dec) in Borrowed Funds "F"	(993)	1,340	1,093	4,401
Increase / (dec) in Equity "G"	563	0	2,654	31
Overall Cash Surplus / (deficit) " H =E+F+G"	(1,402)	1,277	(1,063)	(2,109)
Others "I"	588	(661)	(75)	(174)
<b>Overall Cash Surplus / (deficit) " J =H+I"</b>	<b>(814)</b>	<b>616</b>	<b>(1,138)</b>	<b>(2,284)</b>
Opening Cash & Bank Balances	1,881	1,265	2,205	4,489
<b>Closing Cash &amp; Bank Balances</b>	<b>1,067</b>	<b>1,881</b>	<b>1,067</b>	<b>2,205</b>

# Cash Flow Statement – Q4 FY13 Standalone

Rs mn	Q4 FY13	Q3 FY13	FY13	FY12
PAT	(772)	158	(407)	1,889
Depreciation	150	139	544	474
<b>Cash Profit "A"</b>	<b>(623)</b>	<b>297</b>	<b>137</b>	<b>2,362</b>
Capex (net)	119	161	501	604
Changes in Working Capital (net)	797	442	4,147	2,028
Investments (net)	(90)	(389)	443	3,351
Sub-total "B"	826	215	5,091	5,983
<b>Cash Surplus / (deficit) from Operations "C= A-B"</b>	<b>(1,449)</b>	<b>82</b>	<b>(4,954)</b>	<b>(3,621)</b>
Dividend "D"	(0)	36	36	57
Net Surplus / (deficit) after Dividend "E = C-D"	(1,448)	46	(4,990)	(3,678)
Increase / (dec) in Borrowed Funds "F"	(753)	1,701	1,796	2,781
Increase / (dec) in Equity "G"	633	0	2,724	31
Overall Cash Surplus / (deficit) " G =E+F"	(1,569)	1,747	(470)	(866)
Others "H"	1,028	(1,331)	(373)	(139)
<b>Overall Cash Surplus / (deficit) " I =G+H"</b>	<b>(541)</b>	<b>416</b>	<b>(843)</b>	<b>(1,005)</b>
Opening Cash & Bank Balances	854	438	1,156	2,161
<b>Closing Cash &amp; Bank Balances</b>	<b>313</b>	<b>854</b>	<b>313</b>	<b>1,156</b>

# Consolidated Balance Sheet

Rs mn	as on 31-Mar-2013	as on 31-Dec-2012	as on 31-Mar-2012
<b>Liabilities</b>			
Shareholder Funds	26,847	28,071	25,045
Non-Current Liabilities	14,910	15,089	10,004
Current Liabilities	11,820	13,130	14,813
Minority Interest	2,341	2,438	2,762
<b>Total Liability</b>	<b>55,918</b>	<b>58,727</b>	<b>52,624</b>
<b>Assets</b>			
Goodwill	10,962	11,159	10,694
Net Fixed Assets (Including CWIP)	16,932	17,137	16,958
Investments	978	979	988
Other non-current assets	8,366	8,710	8,948
Cash and banks balances	1,068	1,881	2,205
Trade receivables	15,340	14,110	10,289
Other current assets	2,273	4,752	2,542
<b>Total Assets</b>	<b>55,918</b>	<b>58,727</b>	<b>52,624</b>

# Balance Sheet – Debt Position (Consolidated)

Rs mn	as on 31-Mar-2013	as on 31-Dec-2012	as on 31-Mar-2012
Gross Debt	20,611	21,525	19,438
Cash & Bank Balance	1,068	1,881	2,205
Overall Net Debt	19,544	19,644	17,233

Note:

Additional Debt with partial/full recourse to ESL	13,255	13,255	12,179
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# Segmental Results – Q4 FY13 Consolidated

Rs mn	Q4 FY13	Q4 FY12	YoY (%)	Q3 FY13	QoQ (%)	FY12
<b>School Learning Solutions (SLS)</b>						
Revenue	1,842	4,079	-55%	1,075	71%	10,570
EBIT	19	1,529	-99%	52	-64%	4,299
EBIT Margin (%)	1%	37%		5%		41%
<b>K-12 Schools</b>						
Revenue	468	447	5%	426	10%	1,756
EBIT*	318	90	254%	170	87%	538
EBIT Margin (%)	68%	20%		40%		31%
<b>Higher Learning Solutions</b>						
Revenue	199	151	31%	216	-8%	627
EBIT	-52	-94		-96		-375
EBIT Margin (%)	NM	NM		NM		NM
<b>Online, Supplement &amp; Global</b>						
Revenue	856	460	86%	754	14%	1,961
EBIT	-159	-126		-33		-247
EBIT Margin (%)	NM	NM		NM		NM

\*Before exceptional items

# Segmental Results – FY13 Consolidated

Rs mn	FY13	FY12	YoY (%)
<b>School Learning Solutions (SLS)</b>			
Revenue	6,384	10,570	-40%
EBIT	1,093	4,299	-75%
EBIT Margin (%)	17%	41%	
<b>K-12 Schools</b>			
Revenue	1,886	1,756	7%
EBIT *	903	538	68%
EBIT Margin (%)	48%	31%	
<b>Higher Learning Solutions</b>			
Revenue	782	627	25%
EBIT	-305	-375	
EBIT Margin (%)	NM	NM	
<b>Online, Supplement &amp; Global</b>			
Revenue	3,057	1,961	56%
EBIT	-305	-247	
EBIT Margin (%)	NM	NM	

\*Before exceptional items

# Smartclass at a glance

Rs mn	Q4 FY13	Q3 FY13	QoQ (%)	FY13	FY12	YoY (%)
<b>Operating Revenues</b>	<b>991</b>	<b>737</b>	<b>35%</b>	<b>4,552</b>	<b>9,392</b>	<b>-52%</b>
<b>EBITDA</b>	<b>94</b>	<b>53</b>	<b>76%</b>	<b>1,120</b>	<b>4,307</b>	<b>-74%</b>
EBITDA Margin (%)	9%	7%		25%	46%	
No of schools added	262	269		2,171	6,114	
No of classrooms added	3,482	3,084		17,829	40,023	
<b>Avg No of Classrooms per school</b>	<b>13.3</b>	<b>11.5</b>		<b>8.2</b>	<b>6.5</b>	
Cumulative No of Students covered (mn)	6.9	6.7		6.9	6.1	
<b>Avg Selling Price per classroom (Rs lakh)</b>	<b>3.73</b>	<b>3.70</b>	<b>1%</b>	<b>3.46</b>	<b>3.62</b>	<b>-4%</b>



# Educomp Infrastructure & School Management Ltd

EISML Consolidated Financials						
Rs mn	FY13	FY12	YoY (%)	Q4FY13	Q4FY12	YoY (%)
<b>Operational Revenue</b>	<b>1421</b>	<b>1033</b>	<b>38%</b>	<b>446</b>	<b>262</b>	<b>70%</b>
<b>EBITDA</b>	<b>1145</b>	<b>647</b>	<b>77%</b>	<b>309</b>	<b>171</b>	<b>81%</b>
margin %	81%	63%		69%	65%	
Exceptional items	455	0		455	0	
EBITDA after exceptional items	690	647		-146	171	
EBITDA%	49%	63%		-33%	65%	
<b>EBIT</b>	<b>922</b>	<b>184</b>	<b>400%</b>	<b>279</b>	<b>132</b>	<b>111%</b>
margin %	65%	18%		63%	51%	
<b>EISML Standalone Financials</b>						
Rs mn	FY13	FY12	YoY (%)	Q4FY13	Q4FY12	YoY (%)
<b>Operational Revenue</b>	<b>1,421</b>	<b>1,033</b>	<b>38%</b>	<b>465</b>	<b>222</b>	<b>109%</b>
<b>EBITDA</b>	<b>1,143</b>	<b>731</b>	<b>56%</b>	<b>378</b>	<b>133</b>	<b>185%</b>
margin %	80%	71%		81%	60%	
Exceptional items	505	0		505	0	
EBITDA after exceptional items	638	731		-127	133	
EBITDA%	45%	71%		-27%	60%	
<b>EBIT</b>	<b>460</b>	<b>585</b>	<b>-21%</b>	<b>(157)</b>	<b>94</b>	<b>-267%</b>
margin %	32%	57%		-34%	42%	

# Agenda

Financial Highlights

Business update

Appendix

# Business update (1/3)

- **Smartclass**

- Smartclass reorganization has since been initiated
- New products have been launched (a) Smartclass tablet solution (b) assessment product Edulgnite (c) English language labs – English Mentor
- Started moving resource coordinators on school payrolls with marginally positive impact on gross margins.
- Cost optimization drive underway
- Significant improvement in monthly collections (doubled in last 9 months)
- Engagements underway for outsourcing of Implementation and Support

- **Edureach**

- Focusing on content / services based PPP projects

- **K-12**

- New leadership institutionalized in EISML
- Corporate expenses reduced by 50%
- Focus in FY14 on improving margins by limiting expansion of fixed cost base
- JV model to focus on “consulting business” as well

# Business update (2/3)

- **ECCPL**
  - Business turned around, EBIDTA positive for first time
  - New leadership in place
  - Year of further consolidation and growth
- **Vidyamandir Classes**
  - Changes in JEE exam pattern (including weightage to board examinations) having a positive impact on business given demise of KOTA model. Cities which have a very comprehensive school system should benefit.
  - Growth in School integrated programs where-in JEE preparation is integrated with school's curriculum
- **Gateforum**
  - Largest corporate player in GATE preparation
  - Growth in GATE aspirants given that 14 PSU's currently use GATE as selection criteria for recruitments.
  - Focus on stabilizing new product - Egate

# Business update (3/3)

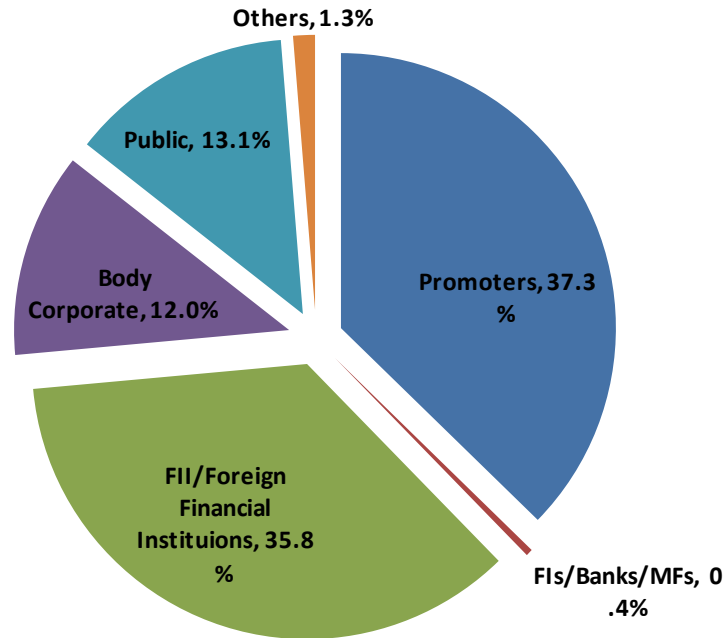
- **Wizlearn**
  - Focus on institutional and corporate sales given limited headroom in Schools.
  - Growth in international markets including Asia Pac, Middle East and Australia.
- **Higher Education**
  - Focus on improving capacity utilization.
- **Global**
  - Limited success in Africa and Middle East
  - Historical performance of Edumatics business has remained flat
  - Reviewing the continuation of these businesses

# Update on Asset Sales & Closure

- Sold entire 50% stake in the vocational training business “IndiaCan”
- Third exit in a series of divestments
  - Earlier in the year, Eurokids was sold to a group of investors led by GPE India, and
  - Kaizen PE & Bertelsmann invested primary capital in online education company Authorgen
- Exit in line with stated business transformation agenda, which is to focus on (i) digital content & IP offerings (ii) asset-backed offerings like schools and colleges.
- Divestments/Shutdown of other identified businesses is underway

# Shareholding Pattern – As on Mar 31, 2013

**Equity Shares Outstanding – 119,427,554**



**Face Value Rs 2/share**

# Contact Us

**For any Investor Relations queries  
please contact:**

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Thank you

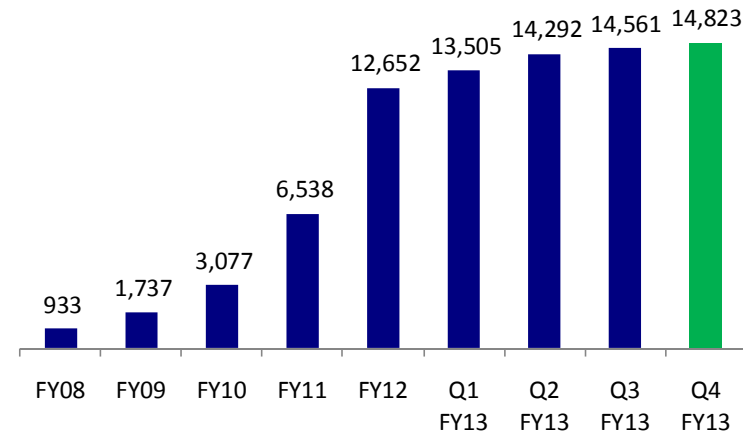
# Appendix

# School Learning Solutions Update

## SmartClass:

- Added 262 Schools in Q4 FY13
- Avg. Price per Classroom for Q4 was 3.7 lakh per classroom as compared to price of 3.6 lakh per classroom in Q3
- SmartClass reach has increased to 6.8 mn students across 14,823 schools

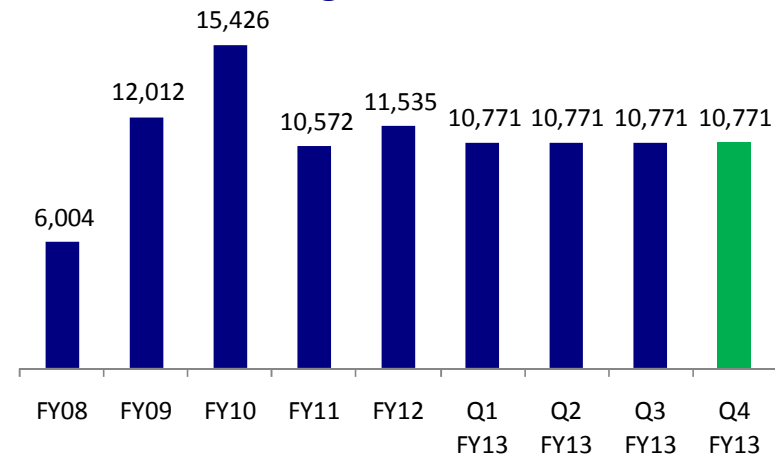
## No. of schools signed with Smartclass



## EduReach:

- EduReach program currently reaches 10,771 schools and 5.1 million students

## No. of schools signed with Edureach



# K-12 Segment Update



## K-12 Schools

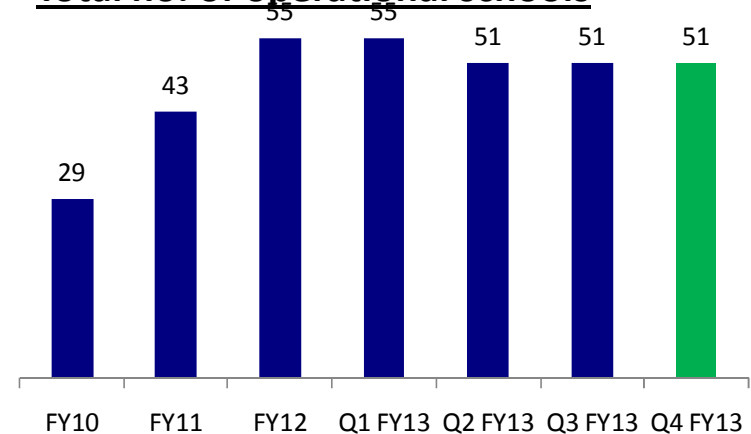
- Over 23,300 students enrolled in the network of Educomp Schools
- Focus on asset light JV model for future growth



## Pre-School:

- 225 pre-schools operational under Little Millennium
- Over 8,800 kids enrolled

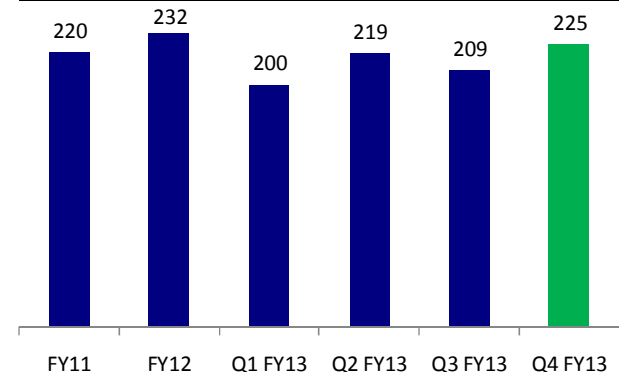
### Total no. of operational schools



Note –

1 Franchisee school removed from the portfolio

### Total no. of operational pre-schools





**Educomp Solutions Limited: FACTSHEET - Q4 FY13**

<b>SmartClass</b>												
	<b>Q4FY13</b>	<b>Q3FY13</b>	<b>Q2FY13</b>	<b>Q1FY13</b>	<b>Q4FY12</b>	<b>Q3 FY12</b>	<b>Q2 FY12</b>	<b>Q1 FY12</b>	<b>Q4 FY11</b>	<b>Q3 FY11</b>	<b>Q2 FY11</b>	<b>Q1 FY11</b>
No of Schools added	262	269	787	853	2,622	1,923	905	664	1,004	949	664	844
No of Classrooms added	3,482	3,084	5112	6151	17,815	10,102	6,818	5,288	8,010	7,085	5,309	6,750
Average No of Classrooms per school	13.3	11.5	6.5	7.2	6.8	5.3	7.5	8.0	8.0	7.5	8.0	8.0
Cumulative No of Schools covered	14,823	14,561	14,292	13,505	12,652	10,030	8,107	7,202	6,538	5,534	4,585	3,921
Cumulative No of Students covered (Million)	6.9	6.7	6.6	6.4	6.1	5.3	4.8	4.5	4.3	3.9	3.6	3.4
<b>Edureach (ICT)</b>												
	<b>Q4FY13</b>	<b>Q3FY13</b>	<b>Q2FY13</b>	<b>Q1FY13</b>	<b>Q4FY12</b>	<b>Q3 FY12</b>	<b>Q2 FY12</b>	<b>Q1 FY12</b>	<b>Q4 FY11</b>	<b>Q3 FY11</b>	<b>Q2 FY11</b>	<b>Q1 FY11</b>
No of New Schools signed	-	-	-	-	1,054	185	582	NIL	540	NIL	NIL	NIL
Cumulative No of Schools covered	10,771	10,771	10,771	10,771	11,535	11,122	10,937	10,572	10,572	10,550	13,814	15,426
Cumulative No of Students covered (Million)	5.9	5.9	5.9	5.9	6.3	6.1	6.0	5.8	5.8	5.8	7.4	8.2
No of Schools for which the contractual period has expired	0	0	0	764	641	0	217	0	518	3,264	1,612	0
<b>Pre Schools</b>												
	<b>Q4FY13</b>	<b>Q3FY13</b>	<b>Q2FY13</b>	<b>Q1FY13</b>	<b>Q4FY12</b>	<b>Q3 FY12</b>	<b>Q2 FY12</b>	<b>Q1 FY12</b>	<b>Q4 FY11</b>	<b>Q3 FY11</b>	<b>Q2 FY11</b>	<b>Q1 FY11</b>
No of 'Little Millennium' Pre Schools	225	209	219	200	232	242	233	232	220	220	228	224
<b>K12 Schools</b>												
	<b>Q4FY13</b>	<b>Q3FY13</b>	<b>Q2FY13</b>	<b>Q1FY13</b>	<b>Q4FY12</b>	<b>Q3 FY12</b>	<b>Q2 FY12</b>	<b>Q1 FY12</b>	<b>Q4 FY11</b>	<b>Q3 FY11</b>	<b>Q2 FY11</b>	<b>Q1 FY11</b>
No of K12 Schools operational	51	51	51	55	55	53	49	43	43	39	32	29
- No of K12 Schools operational under Educomp (Greenfield)	35	35	35	36	36	35	35	31	31	29	24	
- No of K12 Schools operational under Educomp (Acquired)	2	2	2	2	2	2	2	2	2	1	1	29
- No of K12 Schools operational under Educomp (Dry Mgmt/JV)	14	14	14	17	17	16	12	10	10	9	7	
No of Schools under construction/ land sites/ JVs signed	48	48	48	48	43	43	36	27	27	42	47	44
No of K12 Schools with visibility*	99	99	99	103	98	96	85	70	70	81	79	73
Breakup of Greenfield schools under Educomp:												
- No of K12 Schools operational in 0th year	-	-	-	-	4	4	4	9	9	5	ND	ND
- No of K12 Schools operational in 1st year	4	4	4	4	10	9	9	8	8	8	ND	ND
- No of K12 Schools operational in 2nd year	10	10	10	10	8	8	8	11	11	12	ND	ND
- No of K12 Schools operational in 3rd year	8	8	8	8	11	11	11	0	0	1	ND	ND
- No of K12 Schools operational in 4th year and above	14	14	14	14	3	3	3	3	3	3	ND	ND
<b>Higher Education - Raffles JV</b>												
	<b>Q4FY13</b>	<b>Q3FY13</b>	<b>Q2FY13</b>	<b>Q1FY13</b>	<b>Q4FY12</b>	<b>Q3 FY12</b>	<b>Q2 FY12</b>	<b>Q1 FY12</b>	<b>Q4 FY11</b>	<b>Q3 FY11</b>	<b>Q2 FY11</b>	<b>Q1 FY11</b>
No of Colleges**	7	7	7	8	8	8	8	8	7	7	7	7
<b>Supplemental Education</b>												
	<b>Q4FY13</b>	<b>Q3FY13</b>	<b>Q2FY13</b>	<b>Q1FY13</b>	<b>Q4FY12</b>	<b>Q3 FY12</b>	<b>Q2 FY12</b>	<b>Q1 FY12</b>	<b>Q4 FY11</b>	<b>Q3 FY11</b>	<b>Q2 FY11</b>	<b>Q1 FY11</b>
No of VMC + Gateforum centers operational	92	90	89	84	81	70	69	65	62	30	17	17
No of students enrolled in VMC & Gateforum programs	17,599	36,723	27,343	18,294	12,564	23,773	17,965	10,417	7,058	3,170	1,150	1,150