



S Chand And Company Limited

Registered Office: A-27, 2nd Floor, Mohan Co-Operative Industrial Estate, New Delhi - 110044, India.

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Date: August 09, 2022

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: Investors Presentation-Financial Results-quarter ended June 30, 2022-pursuant to
Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015**

The presentation for the analysts and investors for the conference call scheduled to be held on Wednesday, August 10, 2022 at 1:00 P.M. to discuss the financial results for the quarter ended June 30, 2022 is 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.

Thanking You.

Yours Sincerely,

For S Chand And Company Limited

Jagdeep Singh

Company Secretary

Membership No: A15028

Address: A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi-110044

Encl: as above



S. Chand and Company Limited

**Q1 – FY2022-23
Investor Update
9th August 2022**

1.

Resurgence...

2.

Consolidated Financial
Performance

3.

Digital Business &
Investments



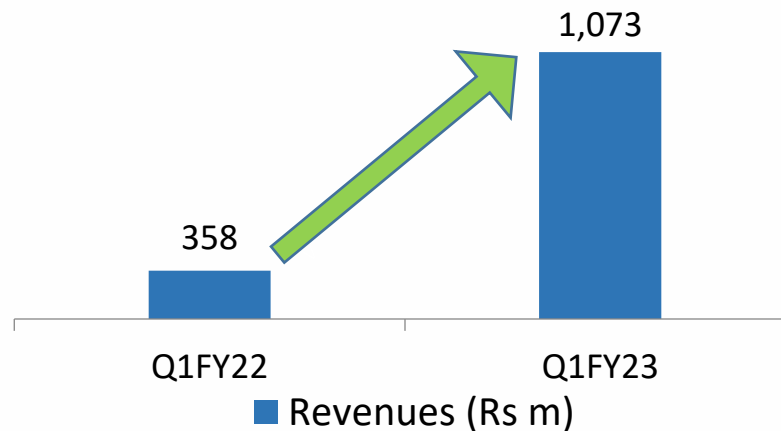
1.

Resurgence...

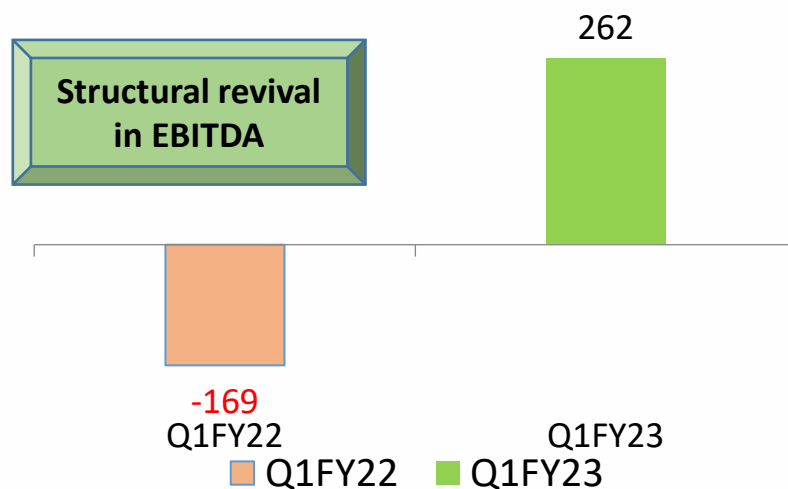
HIGHEST LEVEL OF Q1 REVENUES & PROFITABILITY

- **Highest ever:**
 - Q1 Sales
 - Q1 EBITDA
- **First ever PAT profitable Quarter 1**

Revenues from Operations (Rs M)

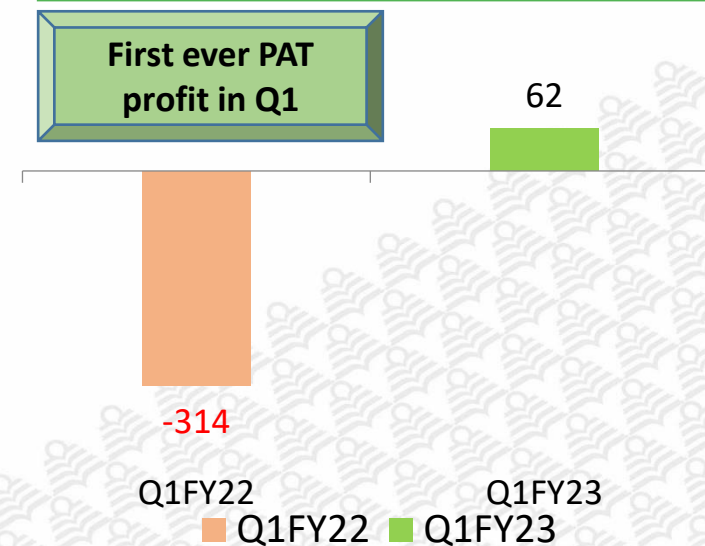


EBITDA (Rs M)



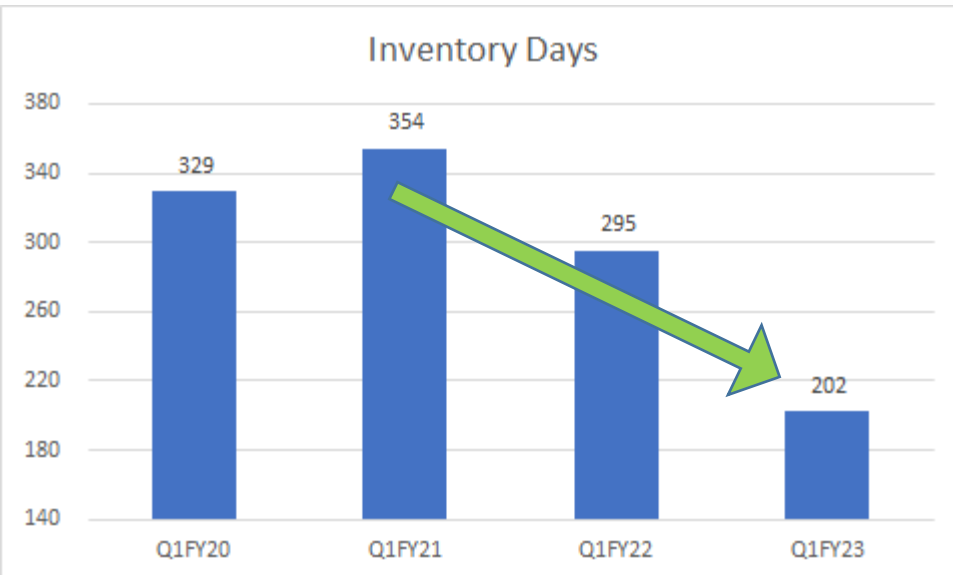
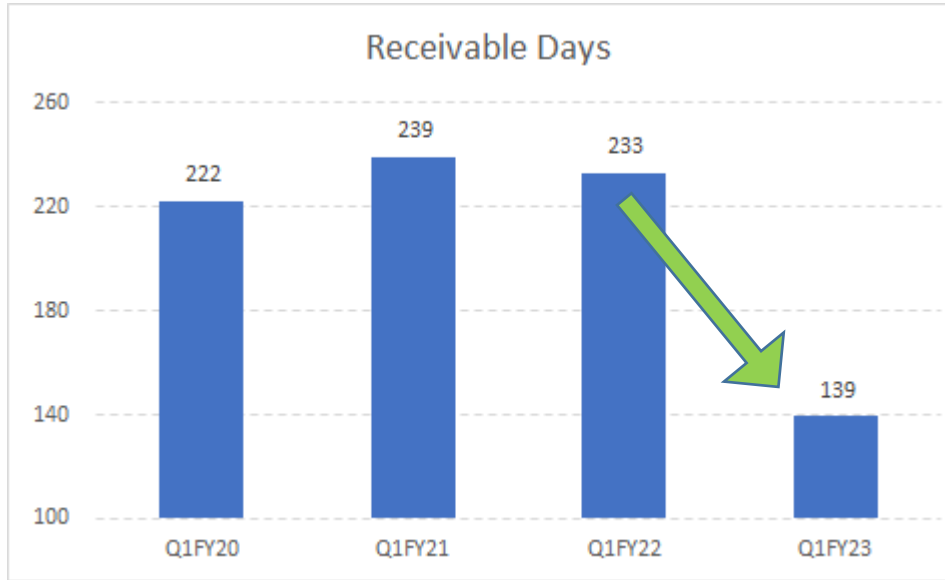
Q1FY23

PAT (Rs M)

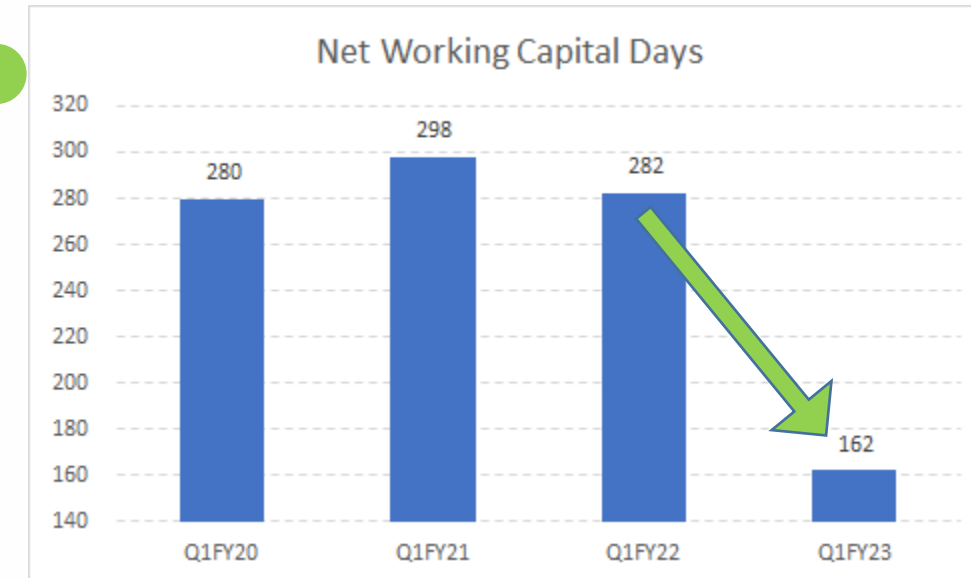


SOLID IMPROVEMENT IN WORKING CAPITAL METRICS

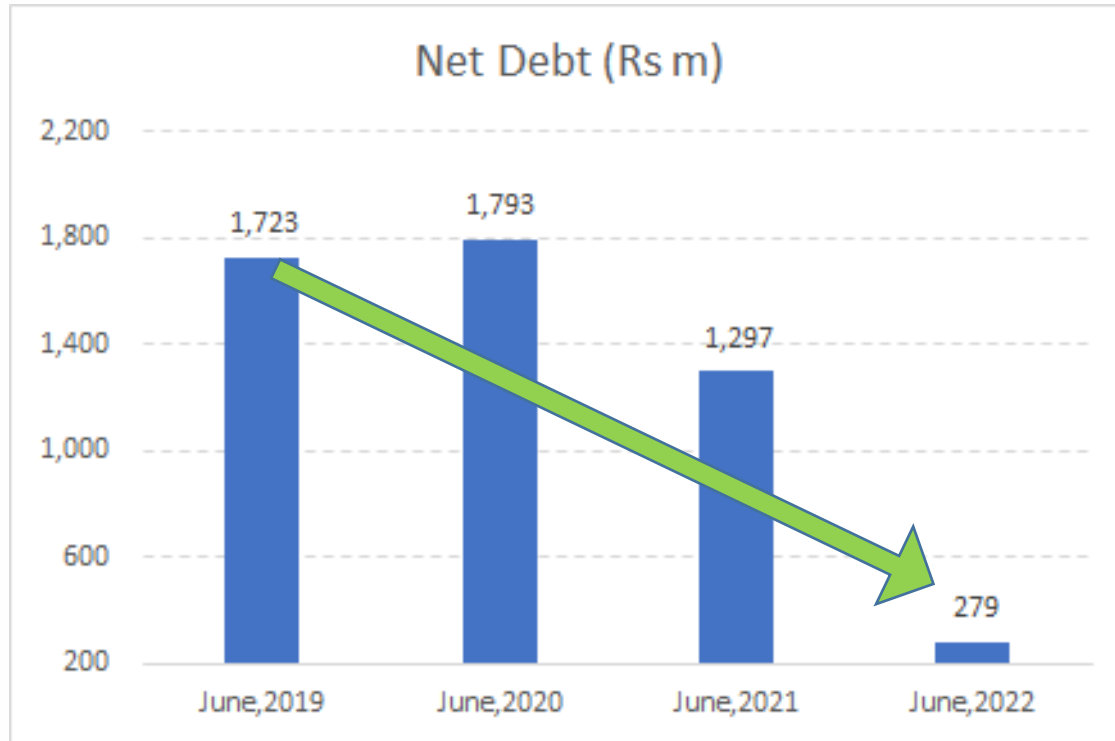
- Inventory days are Down 93 days on a YoY basis in spite of highest ever Q1 Sales in company's history.
- To understand the magnitude of this improvement, do keep in mind that receivables are down Rs812m over March, 22 in spite of Rs1,073m sales clocked in Q1FY23.



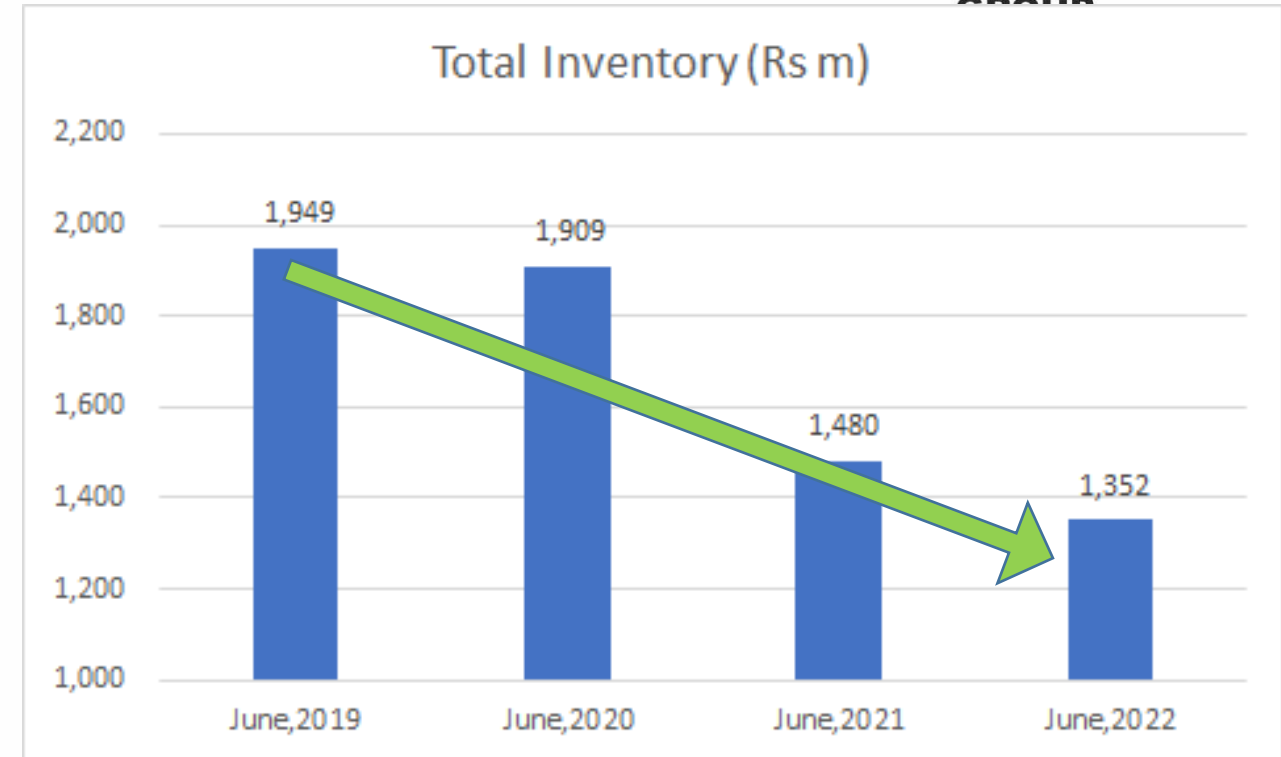
- Inventory days - Down 93 days (YoY).
- Receivable days - Down 94 days (YoY).
- Net Working capital days – Down 120 days (YoY).



SUSTAINABLE REDUCTION IN DEBT & INVENTORY LEVELS



We are firmly on our way to achieve our target of becoming **net debt zero by Q4FY23**. Net debt reduced by 78% over last year.



We are moving to a structurally lower inventory levels in the company. Current inventory has Rs301m raw material paper inventory as well.

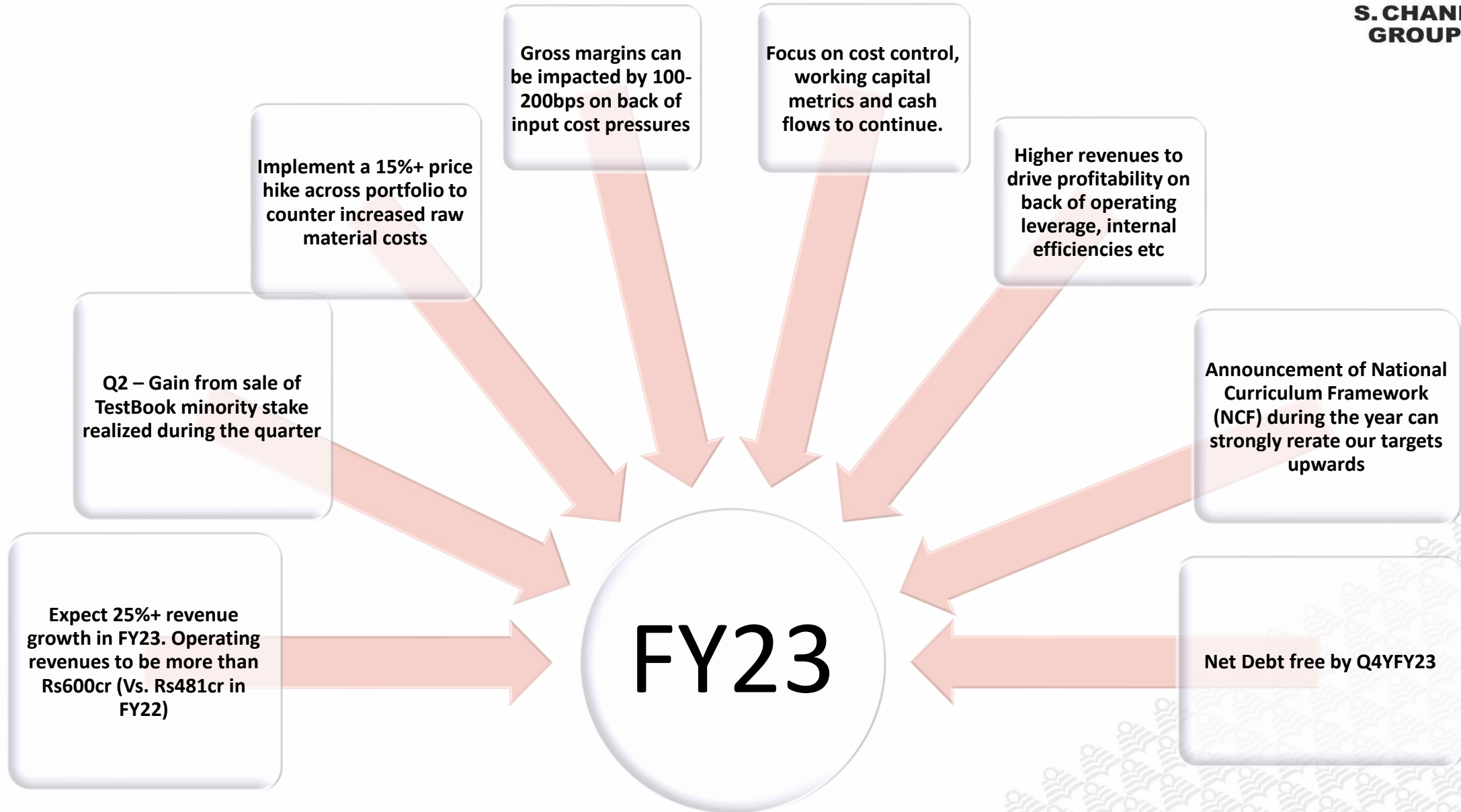
- **Working Capital Metrics**
 - **Trade Receivables** reduced to Rs2,109m during Q1FY23 vs. Rs2,485m during Q1FY22. **This is a Rs376m decrease in receivables YoY in spite of achieving incremental sales of Rs715m over in Q1 last year.**
 - In terms of receivable days, it stood at 139 days (vs. 233 days in Q1FY22), a reduction of 94 days over the previous year. **This is the lowest receivable days in Q1 in the past 5 years.**
 - **Inventory reduced** to Rs1,352m (vs Q1FY22: Rs1,480m). This improvement in inventory is driven by various steps that we took in controlling print runs and optimizing book titles. This inventory level includes raw material paper inventory of Rs301m (vs. Q1FY22: Rs234m)
 - In terms of inventory days, it stood at 202 days (vs. 295 days in Q1FY22), a reduction of 93 days over the previous year.
 - **Net Working Capital reduced** to 162 days (vs. 282 days in Q1FY22) which is a reduction of 120 days over the previous year. **This is the lowest net working capital days in Q1 in the past 5 years.**
- **Net Debt: Rs279m (vs. Rs1,297m in Q1FY22) and Gross Debt: Rs1,145m (vs. Rs1,862m in Q1FY22)**
 - **Net Debt has reduced by Rs1,018m on a YoY basis. This is the lowest Net Debt level since March 2018.**

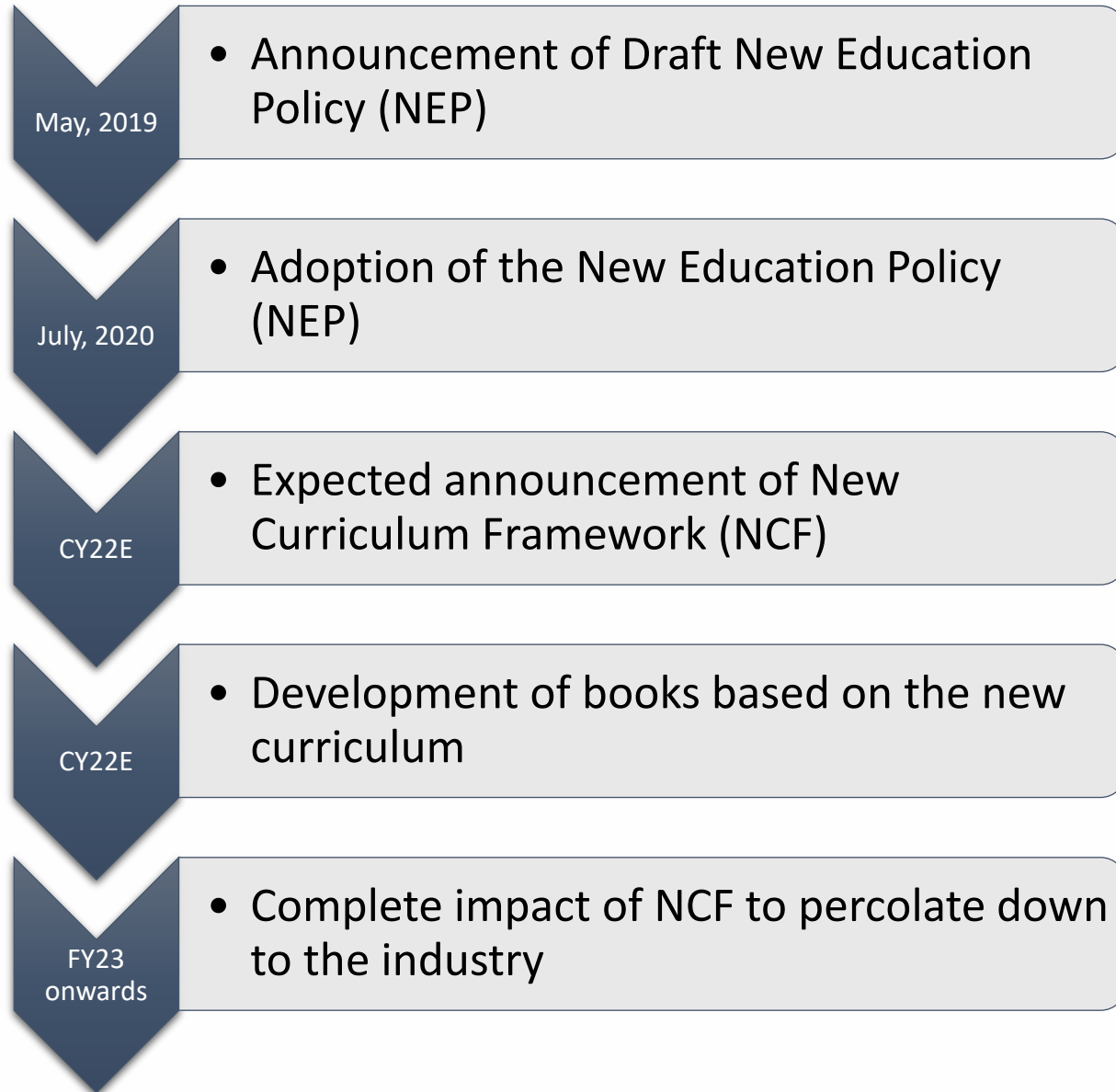
- Our strategy of focusing on the cash flows has yielded results with Net cash generated from operations of Rs633m in Q1FY23 (vs. Rs99m in Q1FY22 and Rs177m in Q1FY21 and Rs129m in Q1FY20).
- **This is the strongest CFO during quarter 1 in the recent past.**

(In Rs m)	Q1FY20	Q1FY21	Q1FY22	Q1FY23	FY22
Profit/(Loss) before tax	-452	-95	-349	111	46
Operating Profit/(Loss) before working capital changes	-255	166	-184	143	850
Net cash generated from operating activities (A)	129	177	99	633	1,066
Net cash used in investing activities (B)	-256	-41	-72	-425	-28
Net cash used in/generated from financing activities (C)	-351	-66	-272	-478	-848
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	-478	70	-245	-270	190

Over 6x Increase in Cash generated from operating activities in Q1FY23 over last year

- **We made our 1st profitable exit from one of our minority investments in July, 22 by selling our stake in TestBook for a consideration of approx. Rs180m. This translates into a 7.8x return over our initial investment made in 2015.**
- From an investment perspective, we are guided by the following principles for evaluating various proposals which come our way:
 - Investee company has to be in the Education space.
 - We have to evaluate areas where the S Chand group can add value to the Investee company. Strategic investment from the S Chand group should lead to incremental benefits for the investee company in their business.
 - We are typically looking for businesses which are plugging white spaces in our portfolio of offerings. Association with the S Chand group enable the investee company to build its B2B business and give access of to millions of users and thousands of channel partners.
 - Looking for a win-win association for both S Chand group and investee company as they go for their journey of growth and profitability.





- The New Education Policy (NEP) was formally adopted by the Union Government in July, 2020.
- **Expect release of the New National Curriculum Framework (NCF) after taking inputs from all stakeholders during CY2022E.**
- **Strong runway of growth for at least 2-3 years.** Since the New Curriculum is being developed after a gap of 15 years, it would eliminate sale of second-hand books and would lead to strong growth for at least 2-3 years.
- **Lessons from 2005 NEP/NCF roll out.** During the 2005 NCF announcement, the new syllabus was rolled out over a period of 3 years with 5 grades moving to the new syllabus in Year 1, another 5 grades moving to new syllabus in year 2 and 2 grades moving to new syllabus in year 3.
- **Impact of NCF on the company financials dependent on the timing of the NCF announcement by the government.**

2.

Consolidated Financial Performance

CONSOLIDATED FINANCIAL PERFORMANCE

(Rs m)	Q1FY20	Q1FY21	Q1FY22	Q1FY23	Q1FY22 vs. Q1 FY23
Revenue from Operations	613	714	358	1,073	199%
Other income	24	68	36	143	296%
Total income	637	783	395	1,216	208%
Cost of published goods/materials consumed	198	151	98	400	308%
Purchases of traded goods	13	3	17	2	-87%
(Increase)/decrease in inventories of finished goods and work in progress	61	67	-2	-52	na
Gross Margin	365	561	281	866	208%
Gross Margin (%)	57%	72%	71%	71%	
Employee benefits expenses	314	219	268	296	10%
Other expenses	326	254	182	308	69%
EBITDA	-276	88	-169	262	na
EBITDA Margin (%)	-43%	11%	-43%	22%	
Finance cost	84	83	74	41	-45%
Depreciation and amortization expense	88	96	103	110	7%
Profit/(Loss) before share of loss in associates, exceptional items and tax	-447	-91	-346	112	na
Share of gain/(loss) in associates	-4	-3	-2	-1	
Exceptional gain/(Loss)	0	0	0	0	
Profit/(Loss) before tax	-452	-94	-349	111	na
Tax expenses:					
1) Current tax	4	7	4	43	
2) Deferred tax	-77	3	-40	5	
Profit/(Loss) for the period/ year	-378	-104	-314	62	na
Profit/(Loss) per equity share (in ₹)					
1) Basic	-10.81	-2.99	-8.97	1.78	na
2) Diluted	-10.81	-2.99	-8.97	1.77	

1QFY23 Highlights

**Highest ever
Q1 Revenues**

**Highest ever
Q1 EBITDA**

**First ever PAT profit
during Q1 in the
company's history**

Note - Publication expenses are now included in Other expenses. Historical numbers have been updated to maintain consistency

CONSOLIDATED FINANCIAL PERFORMANCE



(₹ in millions)	As at 30 June 2022	As at 31 March 2022
Assets		
Non-current assets		
Property, plant and equipment	792	794
Right-of-use assets	370	380
Capital work-in-progress	4	4
Goodwill	3,381	3,381
Other intangible assets	1,071	1,134
Intangible assets under development	16	9
Investments accounted for using the equity method	128	31
Financial assets		
- Investments	59	59
- Trade receivables	-	-
- Loans	-	-
- Other financial assets	42	44
Deferred tax assets (net)	839	845
Other non-current assets	35	65
Total non-current assets	6,738	6,746
Current assets		
Inventories	1,352	1,276
Financial assets		
- Investments	442	153
- Trade receivables	2,109	2,921
- Cash and cash equivalents	339	609
- Bank balances other than cash and cash equivalents	63	66
- Loans	-	-
- Other financial assets	42	27
Other current assets	138	113
Total current assets	4,485	5,164
Asset held for sale	23	23
Total assets	11,246	11,933

(₹ in millions)	As at 30 June 2022	As at 31 March 2022
Equity and liabilities		
Equity		
Equity share capital	175	175
Other equity	8,206	8,139
- Retained earnings	1,637	1,572
- Other reserves	6,569	6,567
Non- controlling interests	157	159
Total equity	8,539	8,473
Non-current liabilities		
Financial liabilities		
- Borrowings	498	674
- Lease liabilities	134	145
- Trade payables	0	-
- Other financial liabilities	0	-
Other non-current liabilities	-	-
Provisions	60	66
Total non-current liabilities	693	885
Current liabilities		
Financial liabilities		
- Borrowings	646	898
- Lease liabilities	106	104
- Trade payables		
Micro enterprises and small enterprises	169	189
Other than micro enterprises and small enterprises	837	1,026
- Other financial liabilities	122	142
Other current liabilities	63	125
Provisions	43	42
Current tax liabilities (net)	27	49
Total current liabilities	2,014	2,575
Total equity and liabilities	11,246	11,933

S CHAND AND COMPANY LIMITED			
Cash Flow Statement (Consolidated)			
Particulars (Rs. Millions)	Period ended		
	30 June 2022	30 June 2021	
	Unaudited	Unaudited	
Profit (Loss) before exceptional items and tax	111	-349	
Depreciation / Amortisation	110	103	
Less: Non operating and non cash Incomes	-128	-13	
Add : Provision for Bad debts / Bad debts Written Off	5	15	
Add : Reversal of financial liability / Investment Impaired		-15	
Add : Interest on Borrowing	41	71	
Add: Non Cash and non operating expenses	5	4	
Operating profit before working capital changes	143	-184	
Movements in working capital:			
Increase(Decrease) in trade payables	-209	-219	
Increase in provisions	-3	3	
Increase (Decrease) in liabilities	-77	-56	
Decrease in trade receivables	833	721	
Decrease/(increase) in Inventories	-77	-103	
Decrease (Increase) in other current assets	57	-41	
Cash generated from operations	668	121	
Direct taxes paid (net of refunds)	-35	-23	
Net cash flow from operating activities (A)	633	99	

S CHAND AND COMPANY LIMITED			
Cash Flow Statement (Consolidated)			
Particulars (Rs. Millions)	Period ended		
	30 June 2022	30 June 2021	
	Unaudited	Unaudited	
Purchase (Net) of fixed assets, including CWIP and capital advances	-43	-39	
Acquisition of Subsidiary	-		
Interest received	5	4	
(Purchase)/Sale of Current Investments	-387	-69	
Net cash flow used in investing activities (B)	-425	-104	
Finance Cost	-35	-71	
Net Repayment of long term borrowings	-157	-134	
Proceeds (Repayment) of Short Term borrowing	-270	-35	
Proceed from Issue of Shares		0	
Lease Rental Payment	-16		
Net cash flow from/ (used in) financing activities (C)	-478	-240	
Net (decrease) in cash and cash equivalents (A+B+C)	-270	-246	
Foreign Exchange Difference		1	
Cash and cash equivalents at the beginning of the year	609	485	
Cash and cash equivalents at the end of the year	339	240	

Over 6x Increase in Cash generated from operating activities in Q1FY23 over last year

Market Data	As of 8th August, 2022
Market Capitalization (Rs Mn)	5,000
Price (Rs)	143
No. of shares outstanding (Mn)	35
Face Value (Rs.)	5.0

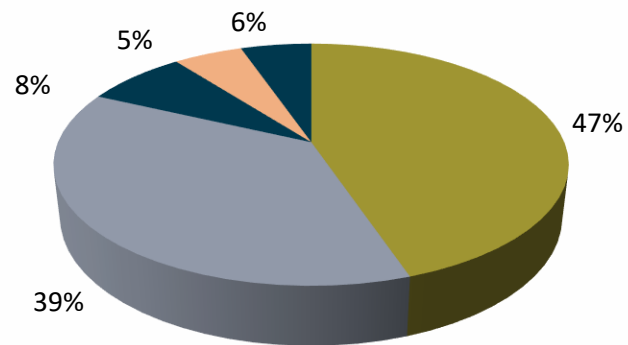
Key Institutional Investors - As of June 2022	% Holding
International Finance Corporation	8.0%
Trust Line Holdings	2.9%
Volrado Venture Partners Fund	2.4%
Blue Diamond Properties	2.0%

Source: www.bseindia.com, LinkINTime

Other Institutional Investors holding less than 1% - As of June 2022
Aadi Financial Advisors
Winro Commercial
Jhelum Investment Fund
Singularity Holdings

Source: LinkINTime

Ownership as of June, 2022



- Promoter
- FPI & Foreign Company
- AIF
- Others
- Corporate Bodies



We cordially invite you to the Earnings Call with

S Chand and Company Ltd.

Bloomberg Code: SCHAND IN | Reuters Code: SCHA.BO

to discuss the Q1FY23 Results

Represented by:

Mr. Himanshu Gupta – Managing Director

Mr. Saurabh Mittal – Group Chief Financial Officer

Mr. Atul Soni – Head – Investor Relations, Strategy and M&A

Wednesday, August 10, 2022, at 13:00 hrs IST
15:30 hrs SGT & HK / 07:30 hrs GMT / 03:30 hrs EDT / 12:30 hrs PDT

Dial- In Numbers:

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International Toll Number:

USA: +1 3233868721 | UK: +44 2034785524

Singapore: +65 31575746 | Hong Kong: +852 30186877

3.

Digital Business & Investments



- Smartivity was founded in 2015 with focus on S.T.E.M. Learning and DIY Kits.
- We have Angel funded approx. Rs20m in the company across various funding rounds.
- Their latest round of funding was done in June 2021 at a valuation of approx. Rs100cr. S Chand holds ~16% stake in the company.
- Other marquee investors include Ashish Kacholia (26% stake), Hemandra Kothari (8% Stake) in the company.
- At per the last valuation round, our investment is valued at approx. Rs150m.
- The company turned cash flow positive in Q1FY23.



- iNeuron was founded in 2019 with the focus on offering affordable online courses for College students and working professionals in the field of Data Sciences, Artificial Intelligence, Machine Learning, Cloud etc.
- Most of their courses are priced between Rs 3,000 to Rs 25,000 + GST which makes them affordable vs. competition.
- We hold ~6% stake in the company with an option of increasing our stake to ~10% during 2022.
- Since our investment, iNeuron has acquired the best Tech Educators on Youtube like Hitesh Chaudhary (LeadCodeOnline), Navin Reddy (Telusko) and many others with a consolidated subscriber base of over 12m.
- The company is in the process of raising its Series B funding round.



Exited

- Testbook was founded in 2014 with focus on online test preparation for government competitive exams like Civil services, Banks, Govt departments like railways, defense, police etc.
- We invested approx. Rs23m in the company in 2015.
- **We exited from our minority stake in July, 2022 for approx. Rs180m translating into a return of 7.8x over our initial investment.**



S Chand Academy (Youtube)

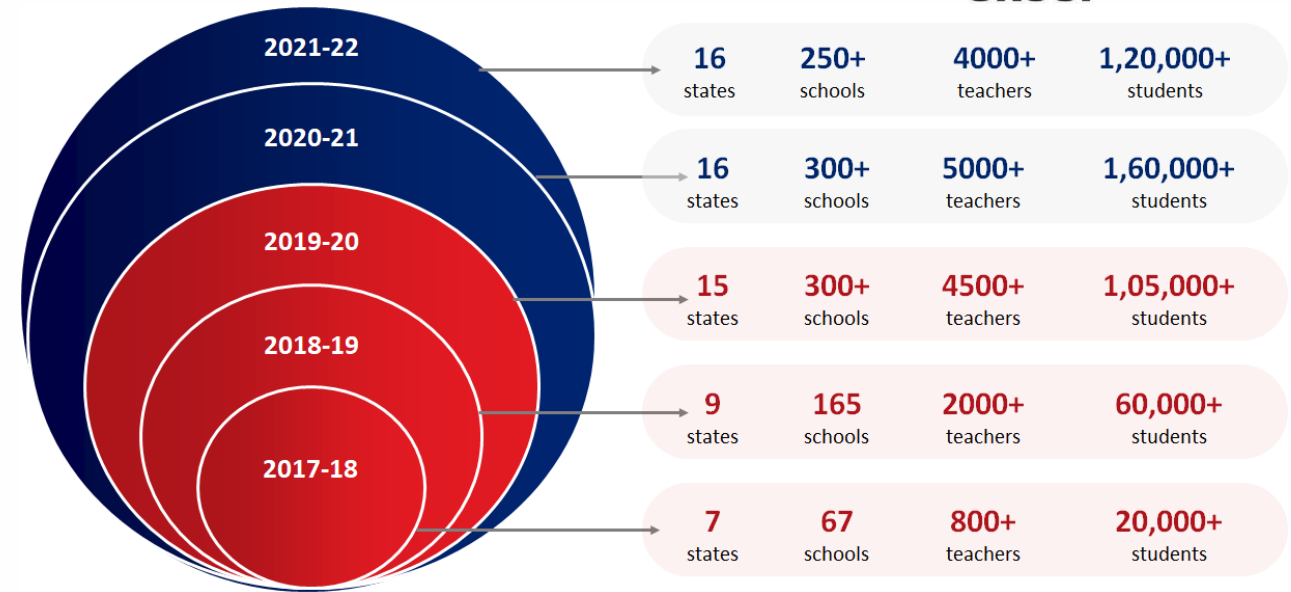
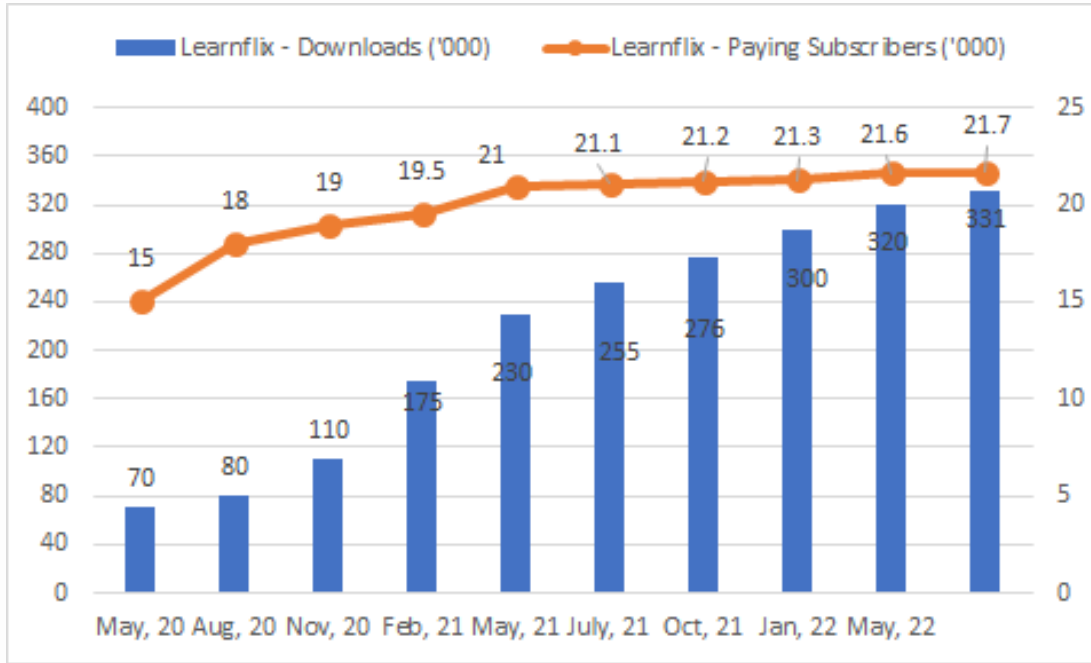
- Launched S Chand Academy channel on Youtube during FY22.
- The channel houses modules comprising of over 550 videos that have been prepared supplementing our S Chand Test Prep & College Content. The channel has showed strong growth **reaching over 4 million views**.
- **Adding 500+ videos taking the total to over 1,000 videos and reach 10m+ views during the year.**



- Have launched a revised and updated TestCoach app. The app has been downloaded over 170K times.
- The mock tests provided by the app covers over 100+ national and state level exams in English and Hindi.
- **Given the uptick in the number of test prep exams and government job openings, we expect strong adoption for TestCoach during the year.**

Duration	Test Name	Marks	Questions
60 Minutes	Free Test SBI Clerk	0 / 100	0 / 100
90 Minutes	Free Test RRB NTPC Phase I	0 / 100	0 / 100
60 Minutes	Free Test SSC CGL	-1 / 200	4 / 100
45 Minutes	Test 1 IBPS RRB Assistant	0 / 80	0 / 80

Section	Score	Accuracy
English Language	0/25	0.00%
General Awareness	4/25	4.00%
Quantitative Aptitude	0/25	0.00%
Reasoning	9/25	16.00%



- **Learnflix** App is targeted to the Next Half Billion (NHB) audience. The current product covers Maths, Science & SST for classes 6th to 10th.
- Learnflix Bangla launched in December, 2021.
- **Future Outlook:**
 - We expect strong growth on back of our enhanced product offering for an affordable price.
 - Adding English as a subject during FY23.
 - Adding Classes 11th & 12th

- **Mylestone:** Digitally enabled School Curriculum Solution for the K-8 segment.
- **Future Outlook:**
 - Affordable Private Schools would be enabled with this one stop solution for all their curriculum, content, teacher trainings and assessment needs.
 - We changed our strategy during the year of focusing on bigger schools giving business of at least Rs5L/annum. We look forward to more profitable growth in this segment based on our changed business strategy.



- **Madhubun Educate360** is our K-12 Blended learning solution for enabling schools to conduct online classes, student assessments, e-book support etc. This product is NEP 2020 compliant supporting the recommended pedagogies.
- **The solution is currently being implemented by over 55 paying schools and reaching approx 1 Lakh students.**
- **Outlook** - The schools have given very positive feedback and we are hopeful of a more conversions going ahead for the next academic session.

Product Package

-  Ease of Access
-  Digital Supplements
-  Teacher's Training
-  Teacher's Manual



-  E-book
-  Integrated Platform
-  Assessments
-  Concept Videos

PRODUCT TESTIMONIALS

We are happy to take the pilot of Educate 360 in our school. It has helped us to take online classes without any difficulty. Thank-you Madhubun for coming up with such an innovative product during this difficult time.

– Ms Rajitha K, Educator,
Don Bosco Senior Secondary School,
Emakulam, Kerala

Educate 360 is easy teaching learning platform for the student and especially teachers. It allows children to ask questions and also think beyond the books. With the use of Educate360 the confidence level of the children have increased gradually. Educate 360 is a professional training partner of our school in the true sense.

– Ms Amuthavalli, Educator,
UP Metric Hr.Sec.School, Tamil Nadu



Saurabh Mittal

Chief Finance Officer

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Email : investorrelations@schandgroup.com

Atul Soni

Head – Investor Relations, Strategy & M&A

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Mohan Co-operative Industrial Estate,
New Delhi 110044

Disclaimer

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These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond S. Chand’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of S. Chand.

In particular, such statements should not be regarded as a projection of future performance of S. Chand. It should be noted that the actual performance or achievements of S. Chand may vary significantly from such statements.