



Knowledge is wealth



NAVNEET EDUCATION LIMITED
Investor Presentation
February 2024

**BUILDING ON
A STRONG
FOUNDATION**

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Navneet Education Limited - A Panoramic View

Navneet Education Limited is a leading educational syllabus-based provider that offers high-quality content across both print and digital mediums. With **over 60 years of experience as an educational publisher and stationery manufacturer**, the Company enjoys a robust brand recognition and a prominent market standing in the educational content and scholastic stationery segments

The Company's proficiency, responsiveness, and preparedness have enabled it to consistently evolve with the times, remaining aligned with the latest developments in the field of education and technology.

The presentation hereon, in a nutshell, encompasses elements that render the Company's distinction and competitive advantage in the market.





Performance Highlights, Mr. Gnanesh (Sunil) Gala, Managing Director:

“During 9M FY24, the publication business has been consistently influenced by external factors, such as lower-than-anticipated offtake of channel inventory, an unprecedented increase in paper prices, and a recent surge in the resale of second-hand books, attributed to no major change in curriculum in last 6 years.

Despite having such a challenging landscape, our performance from the segment has held steady. Revenues from operations stood at ~Rs. 1,299 crores, while EBITDA stood at ~Rs. 264 crores, and PAT stood at ~Rs. 199 crores.

For the SSC State board publishing business, we are still awaiting curriculum change announcements from the State boards of Maharashtra and Gujarat post which we anticipate better volume growth.

Additionally, for our CBSE publishing business (PAN India presence), the ongoing trend of students transitioning from private English medium SSC schools to CBSE schools is expected to have a significant positive impact on our addressable market.

Furthermore, our strategy of complementing our edtech business with our traditional publication business and offering products beyond conventional learning is gradually progressing. Altogether, it is expected to fuel an increased demand in our publication vertical in the coming years.

With rich brand equity of over six decades, the Company has established strong presence in paper-based and modern non-paper stationery products, including global export markets of the USA, Middle East, and the parts of Africa. Additionally, the Company is the largest Indian exporter of stationery to highly reputed retail chains in the US.

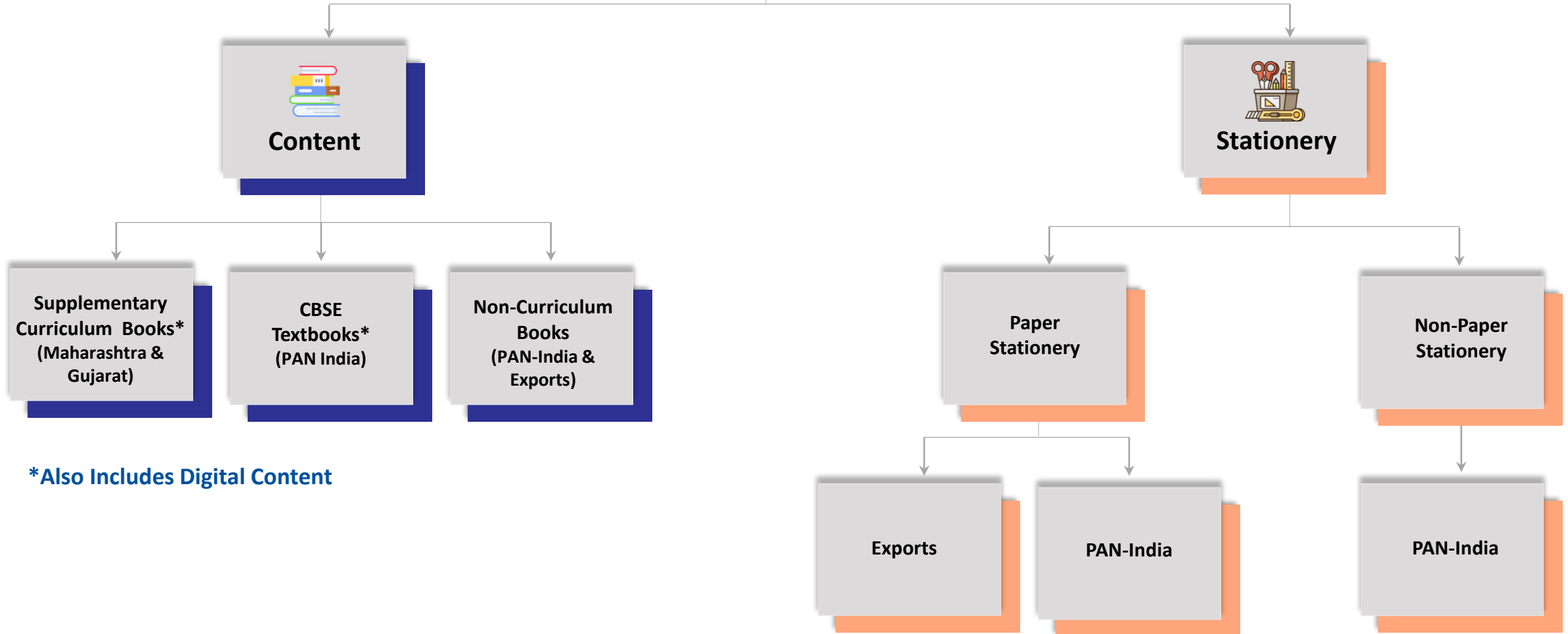
Even in the domestic market, the Company’s stationery brands like ‘YouVa’ & ‘HQ’ have gained popularity in offering a diverse range of stationery products catering to a wide range of customers’ needs.

For 9M FY24, while the export stationery business marginally de-grew by 1% year on year to ~Rs. 456 crores, The domestic business grew by 11% to ~Rs. 257 crores. We're optimistic that the domestic stationery business will continue to gain momentum and grow by 12% to 15% in FY24.

In summary, we are working towards capitalising the emerging opportunities and resolving existing challenges in the ever-evolving industry landscape.”

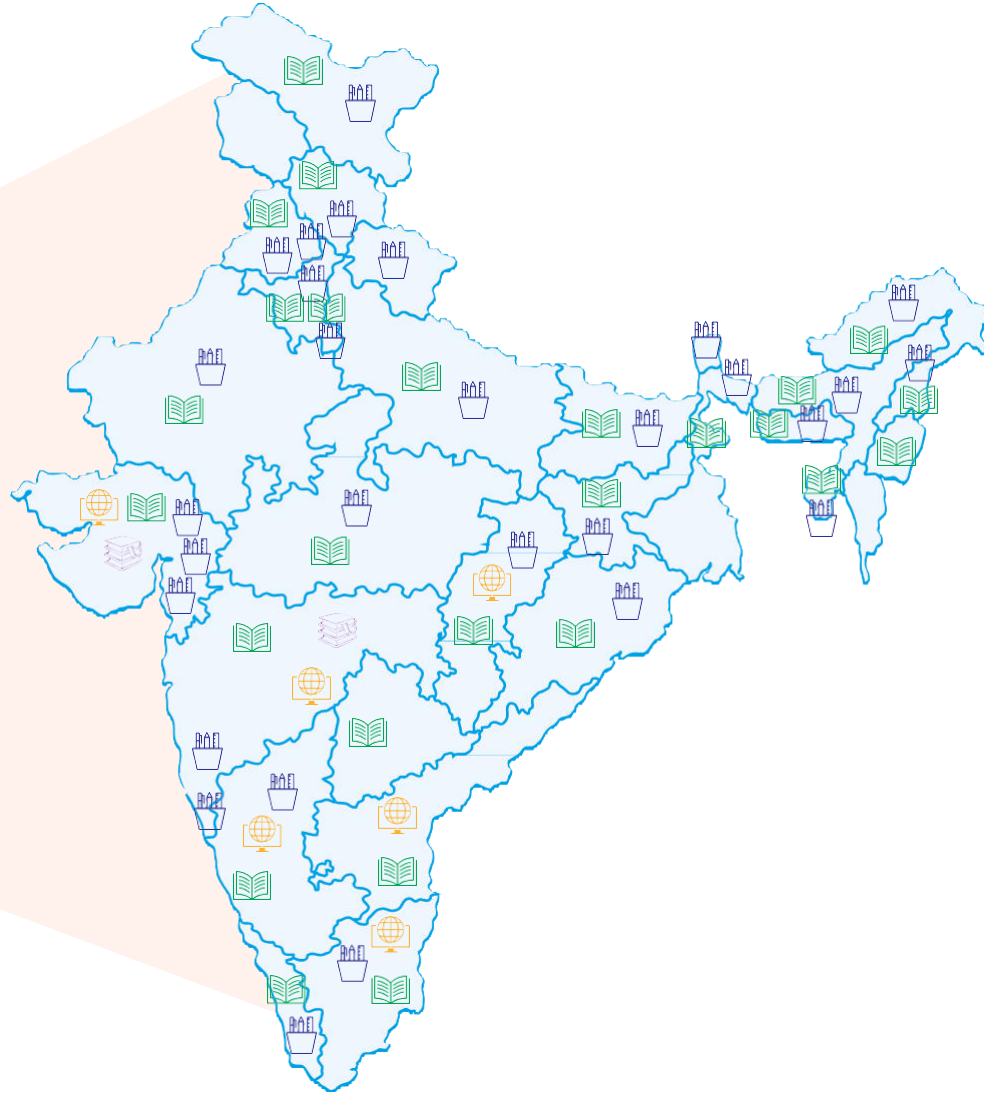


Navneet Education Limited



*Also Includes Digital Content

DOMESTIC PRESENCE – PUBLICATION & STATIONERY BUSINESS

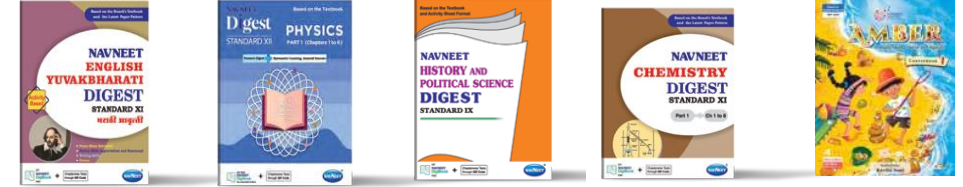


Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy

Note: *The Company also supplies Textbooks to Sri Lanka



Supplementary Books : Maharashtra & Gujarat



Text-Books : Pan India & Sri Lanka*



Stationery : Pan India



Digital Presence

- Maharashtra
- Andhra Pradesh
- Karnataka
- Chhattisgarh
- Gujarat
- Telangana
- Tamil Nadu

Our portfolio encompasses an array of stationery products catering to academic and non-academic segments, including global exports. Through our unique offerings, we establish and reinforce our brand's essence within the educational landscape.



1,550+ SKUs

Developed till date for export market



1,400+ SKUs

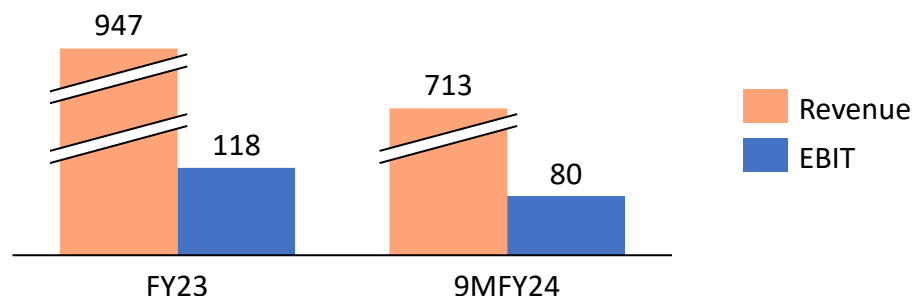
Developed till date for domestic market



30+ Countries Globally

Extensive reach in India and across the Globe

Revenue & EBIT (Rs. In Crores)



Wide range of product portfolio in paper-based and modern non-paper stationery



Outlook & Way forward

- Post-Covid-19 pandemic, stationery business in India is seeing consolidation. Organised players are growing their market share, and this will help NEL to grow faster going forward.
 - Domestic Revenue : Confident of achieving 12%-15% growth in FY24
- Export Stationery Business
 - Successfully added new stationery products to its export portfolio for the US market and other export markets.
 - As communicated earlier, one of our product categories is currently being evaluated for the potential anti-dumping duty in the USA. We expect to service orders from this category in FY25 as necessary arrangements are being done.
 - We are seeing early signs of slowdown in the US markets due to supply chain constraints resulting in unprecedented increase in freight costs from India which we believe to be a temporary phenomena.
- Additionally, several products under non-paper stationery are under various stages of evaluation and R&D which will be introduced in both export and domestic markets in the coming quarters.
- Overall Stationery : Confident of achieving 11%-13% EBIT margins in FY24

BUILDING A STRONG GLOBAL PRESENCE

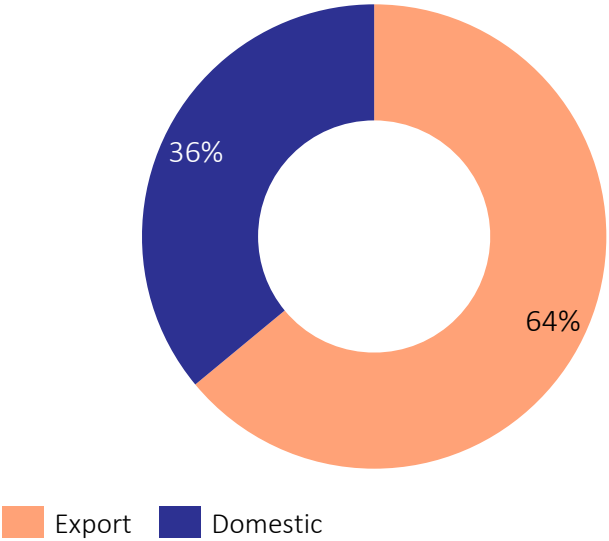


Knowledge is wealth



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9M FY24 - Revenue Breakup of Stationery Business



Export to 30+ countries globally

- | | | | |
|---------------|-----------|----------------|---------------------|
| • Canada | • Ireland | • Ethiopia | • U.A.E. |
| • USA | • Norway | • Kenya | • Trinidad & Tobago |
| • Mexico | • Sweden | • Rwanda | • Mozambique |
| • Honduras | • Denmark | • Tanzania | • Congo |
| • Jamaica | • Germany | • Zambia | • Senegal |
| • Puerto Rico | • U.K. | • Madagascar | • Ivory Coast |
| • Costa Rica | • Spain | • South Africa | • Ghana |
| • Panama | • Turkey | • New Zealand | • Nepal |

Achieving lean and efficient manufacturing to drive transition

- The Company has always been ahead of the curve in its pursuit of operational excellence.
- Manufacturing capital for the Company is using its assets to effectively produce products locally while serving constituencies locally and internationally.
- The Company's manufacturing capabilities and solution-focused approach will help in serving its customers with quality products at a reasonable price, at a consistent pace.



**Dantali Village,
Kalol Taluka,
Gandhinagar,
Gujarat**



**Sayali Village,
Silvassa,
Dadra & Nagar Haveli
Union Territory**



**Khaniwade Village, Taluka Vasai, Palghar District,
Maharashtra**



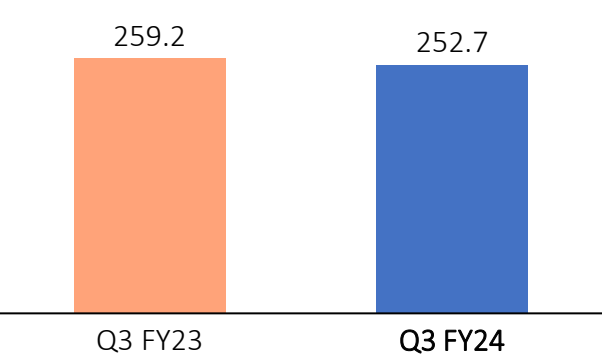
Standalone & Consolidated Financial Highlights

Q3 & 9M FY24

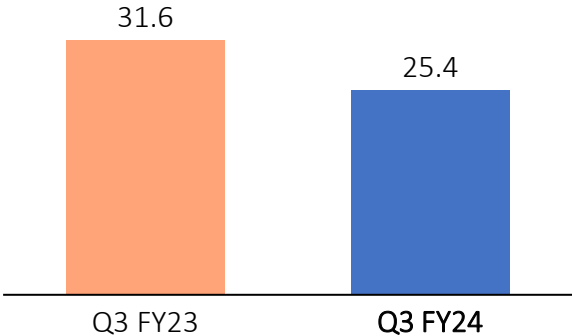


STANDALONE PERFORMANCE HIGHLIGHTS – Q3 FY24

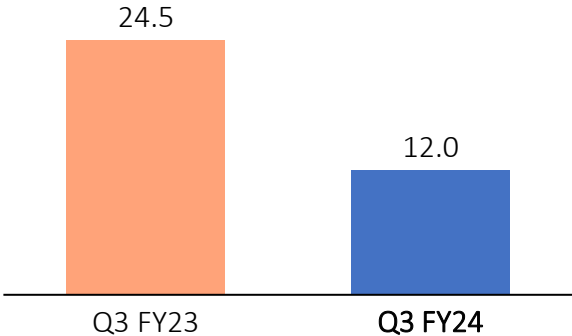
Revenue from Operations (Rs. In Crores)



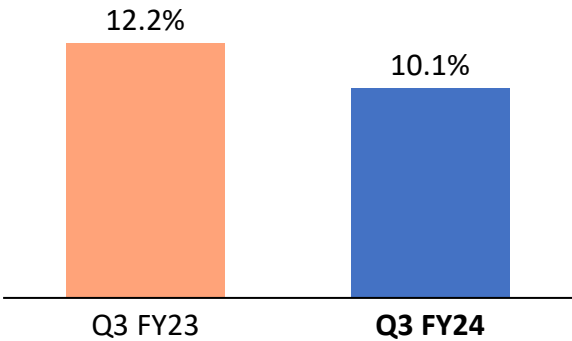
EBITDA (Rs. In Crores)



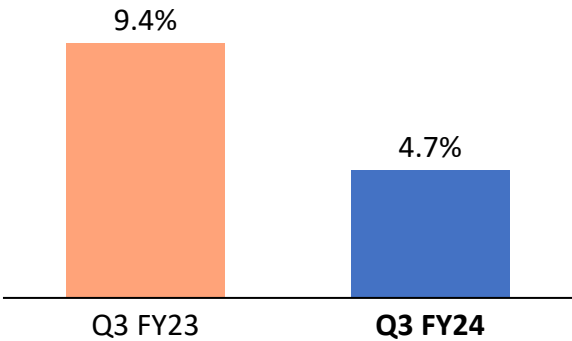
Profit After Tax (Rs. In Crores)*



EBITDA Margin

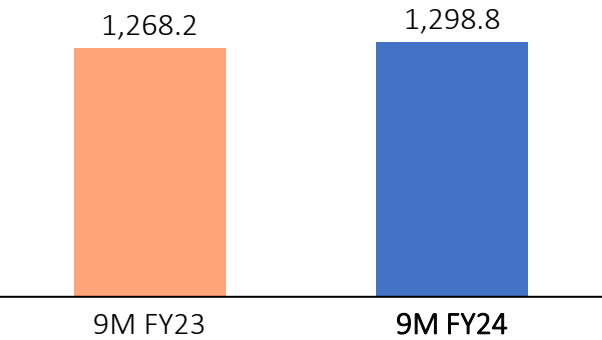


Profit After Tax

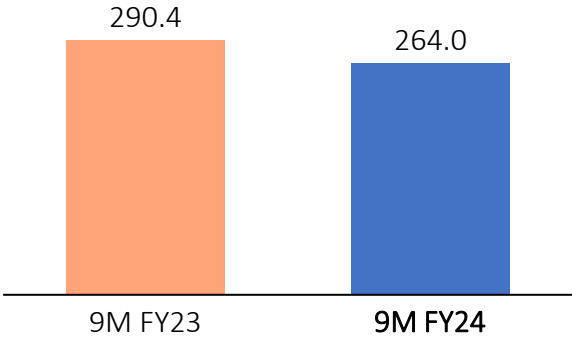


STANDALONE PERFORMANCE HIGHLIGHTS – 9M FY24

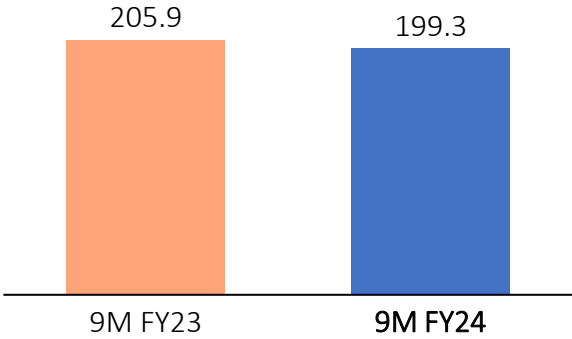
Revenue from Operations (Rs. In Crores)



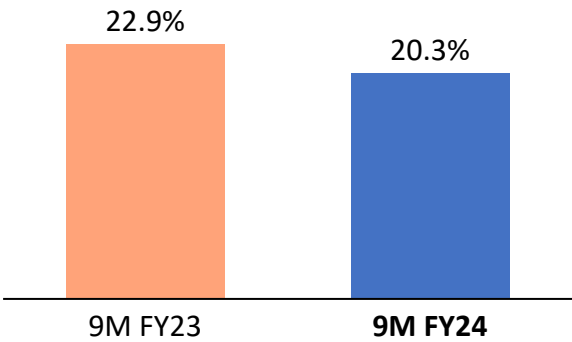
EBITDA (Rs. In Crores)



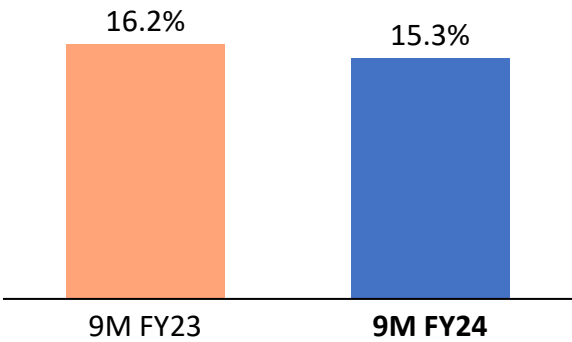
Profit After Tax (Rs. In Crores)*



EBITDA Margin



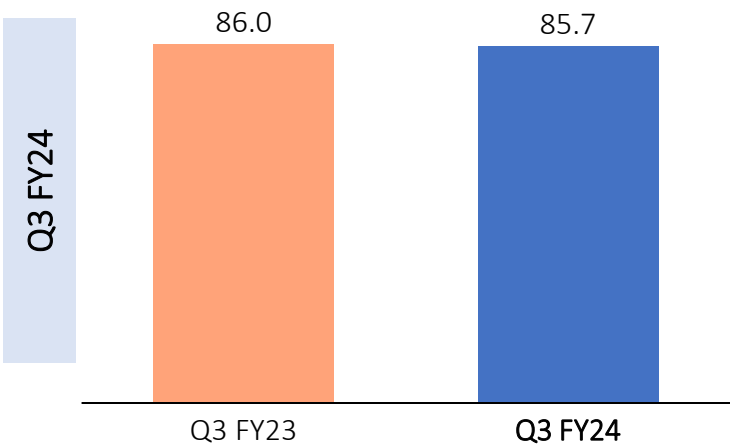
Profit After Tax



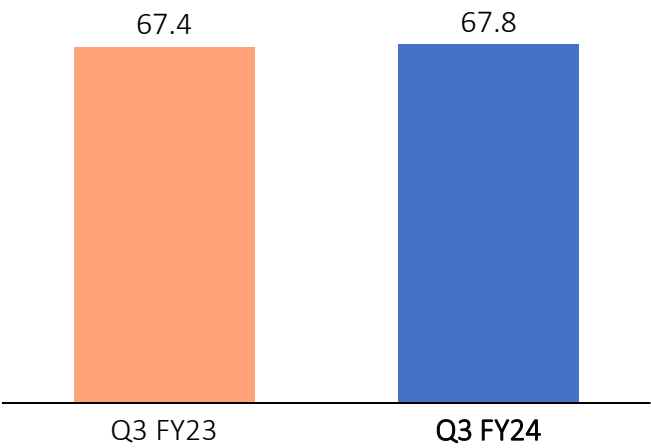
Note: * 9M FY24 Rs. 30.23 crs. is towards profit on sale land and building at Ghuma, Gujarat

STANDALONE SEGMENT PERFORMANCE HIGHLIGHTS

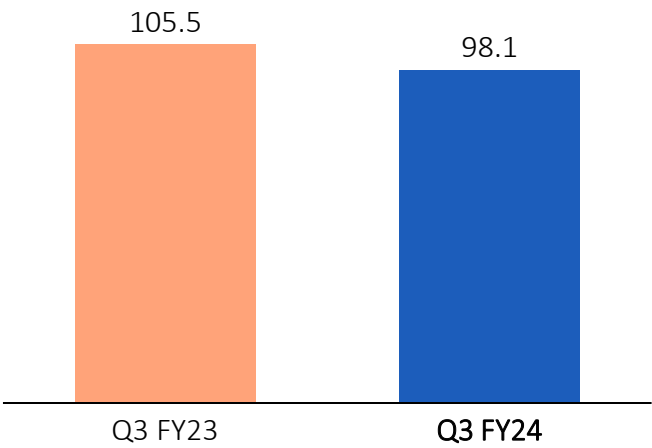
Publications Revenue (Rs. In Crores)



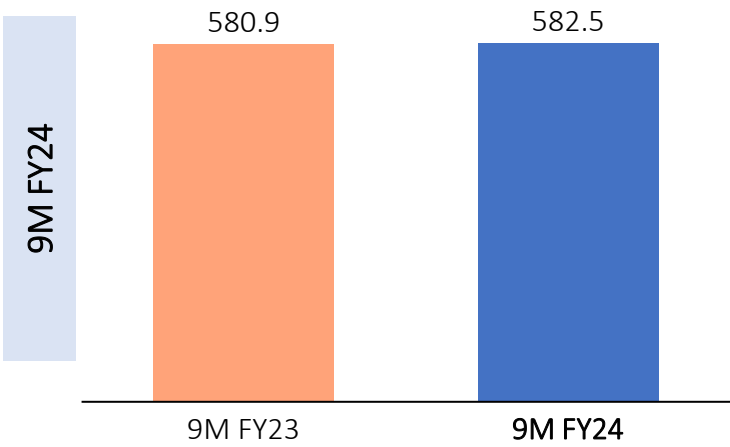
Stationery Revenue - Domestic (Rs. In Crores)



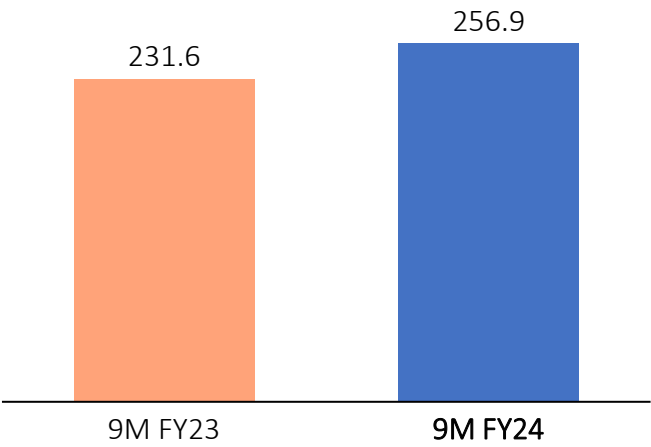
Stationery Revenue - Exports (Rs. In Crores)



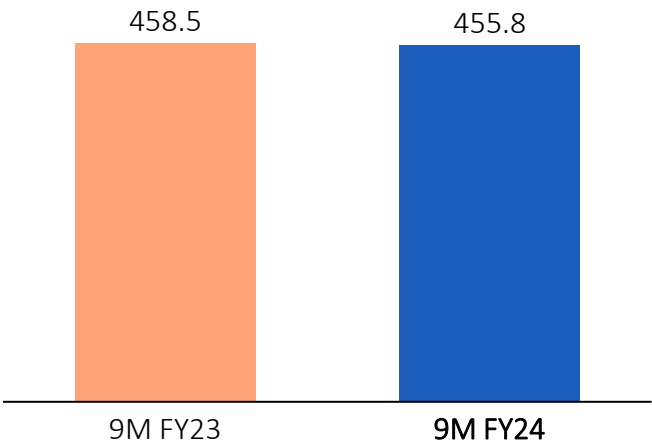
Publications Revenue (Rs. In Crores)



Stationery Revenue - Domestic (Rs. In Crores)



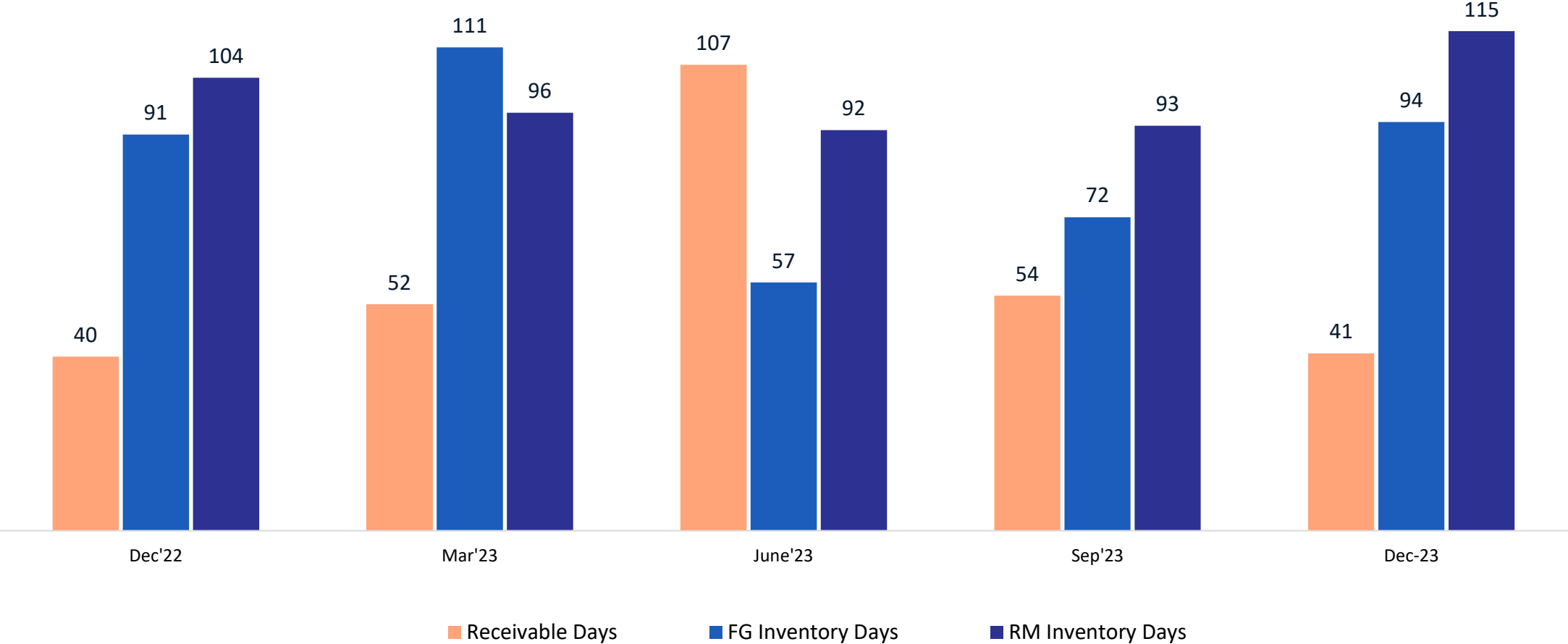
Stationery Revenue - Exports (Rs. In Crores)



STANDALONE PROFIT & LOSS ACCOUNT – Q3 FY24

Profit and Loss (in Rs. Crs)	Q3FY24	Q3FY23	YoY	9MFY24	9MFY23	YoY
Revenue from Operations	252.7	259.2	-2.5%	1,298.8	1,268.2	2.4%
Cost of Goods Sold	140.4	148.9		741.0	714.0	
Employee Cost	52.2	47.0		151.6	129.2	
Other Expenses	34.8	31.8		142.2	134.6	
EBITDA	25.4	31.6	-19.7%	264.0	290.4	-9.1%
EBITDA Margin	10.1%	12.2%		20.3%	22.9%	
Depreciation	10.9	8.4		28.3	27.2	
Other Income	4.0	3.6		10.6	12.1	
EBIT	18.5	26.8	-31.1%	246.3	275.2	-10.5%
EBIT Margin	7.3%	10.3%		19.0%	21.7%	
Finance Cost	2.4	1.9		11.5	5.0	
Exceptional Item Gain / (Loss)	0.0	6.3		30.2	6.3	
Share in Profit/(loss) in JV and Associates	0.0	0.0		0.0	0.0	
Profit before Tax	16.1	31.3	-48.6%	265.0	276.6	-4.2%
Profit before Tax Margin	6.4%	12.1%		20.4%	21.8%	
Tax	4.1	6.8		65.7	70.7	
Profit After Tax	12.0	24.5	-51.1%	199.3	205.9	-3.2%
Profit After Tax Margin	4.7%	9.4%		15.3%	16.2%	
EPS	0.53	1.08	-50.9%	8.81	9.10	-3.2%

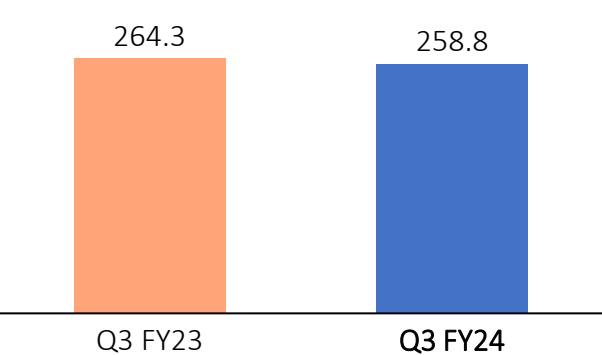
WORKING CAPITAL CYCLE



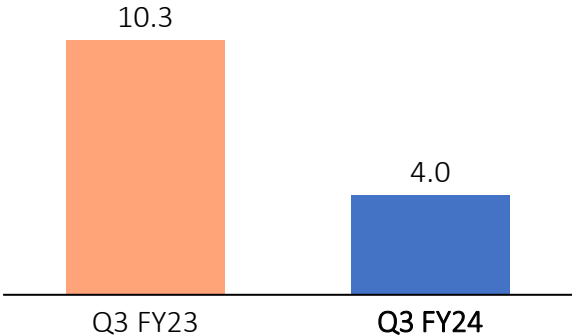
Note: on TTM basis

CONSOLIDATED PERFORMANCE HIGHLIGHTS – Q3 FY24

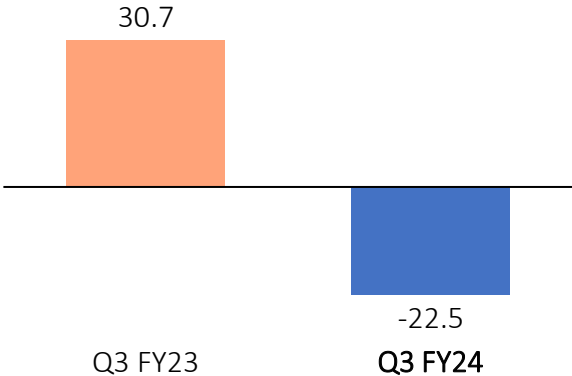
Revenue from Operations (Rs. In Crores)



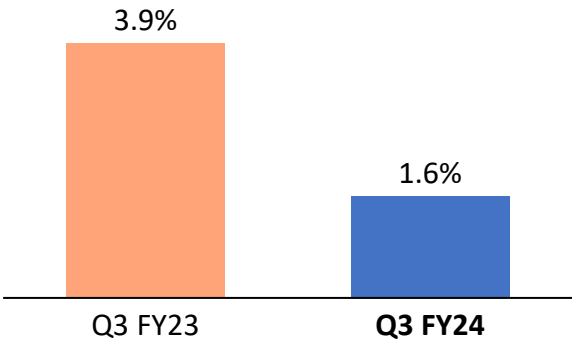
EBITDA (Rs. In Crores)



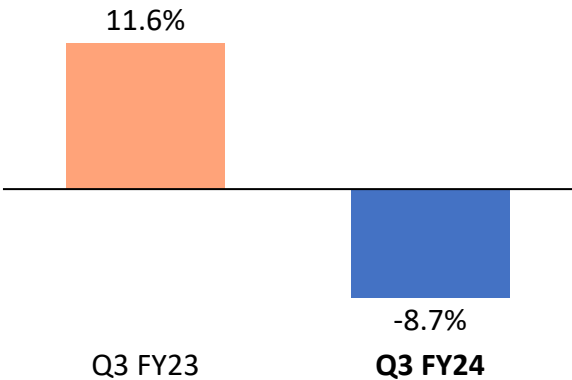
Profit After Tax (Rs. In Crores)*



EBITDA Margin



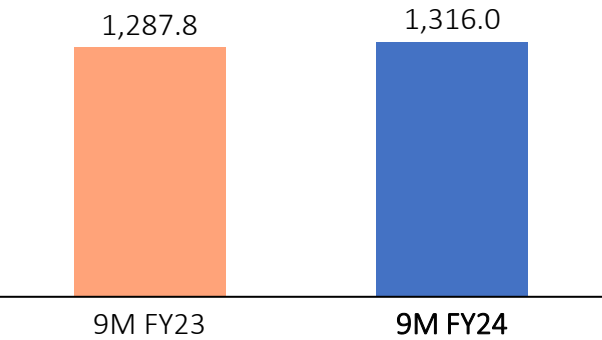
Profit After Tax



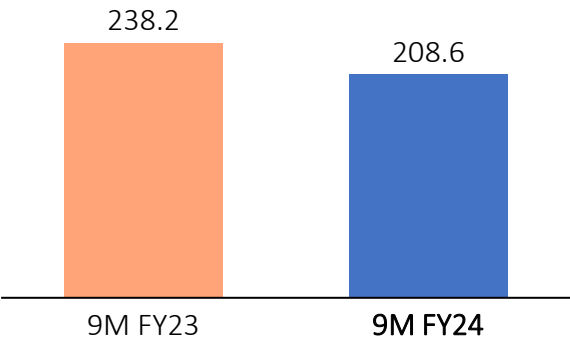
Note: *Q3 FY23 there was an exceptional gain of Rs. 57.8 crores on dilution of the group’s share from an associate company and Rs. 6.3 crores on profit on sale of property

CONSOLIDATED PERFORMANCE HIGHLIGHTS – 9M FY24

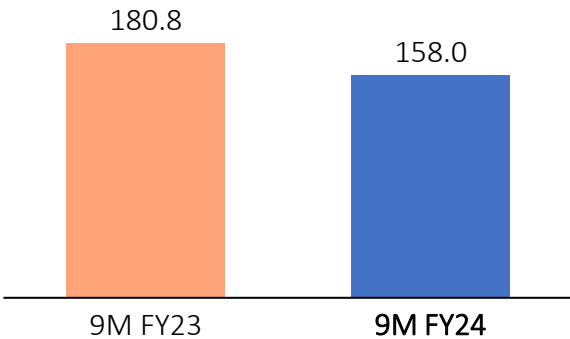
Revenue from Operations (Rs. In Crores)



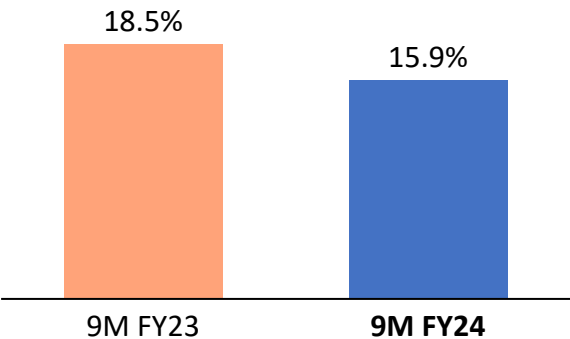
EBITDA (Rs. In Crores)



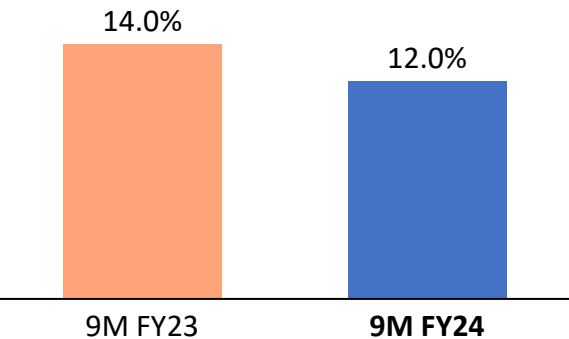
Profit After Tax (Rs. In Crores)*



EBITDA Margin



Profit After Tax



Note: *9M FY23 there was an exceptional gain of Rs. 57.8 crores on dilution of the group’s share from an associate company and Rs. 6.3 crores on profit on sale of property

* 9M FY24 Rs. 30.23 crs. is towards profit on sale land and building at Ghuma and Rs. 37.93 crores on dilution of group shares from an associate company

CONSOLIDATED PROFIT & LOSS ACCOUNT – 9M FY24\$

Revenue from Operations (Rs. In Crores)

Particulars	9MFY24	9MFY23
NEL	1,298.8	1,268.2
NFL (eSense)	13.9	8.6
Indiannica	0.5	12.5
NHKL	10.8	4.0
GeNext (Be Masterly)	0.3	0.1
Share of profit from Associates	0.0	0.0
Inter co Adjust	-8.3	-5.5
Total	1,316.0	1,287.9

EBITDA* (Rs. In Crores)

9MFY24	9MFY23
274.6	302.5
-14.7	-26.0
-29.0	-18.7
0.3	0.1
-11.4	-7.0
17.2	9.2
-2.6	-2.2
234.4	257.9

PAT (Rs. In Crores)

9MFY24	9MFY23
169.1	199.6
-27.1	-33.0
-36.0	-24.7
0.2	0.1
-12.8	-8.1
5.5	-2.4
-9.2	-14.8
89.7	116.8

* Includes Other Income

\$PAT before OCI and exceptional item of Rs. 68.2 crores in 9MFY24 and Rs. 64.1 crores in 9MFY23

Investments by Navneet Group

- K12 Techno Services
- SFA Sporting Services
- Carveniche Technologies
- Elation Edtech



INVESTMENTS BY NAVNEET GROUP

Business
Segment
Customers
Products
Investments



Link to Company's Website – [Click Here](#)

The K12 education model provides elementary education to students from kindergarten to 12th grade through its brand 'Orchids, the International School'. The group is fast expanding and gaining prominence in the EdTech space by delivering high-quality education services that leverage the latest advancements in technology.

Schools (B2C & B2B)

Schools, B2C – Kindergarten to 10th grade

LMS, School Management

NEL's Stake: ~20.25%
(Invested ~Rs. 118.59 crores)



SFAPLAY.COM

Link to Company's Website - [Click Here](#)

Fully integrated digital plus on-ground multi-sport platform, the official partner of the IOA — Tokyo Olympics 2020, CWG 2022 & Asian Games 2022, builds technology to enable high precision for executing large-scale, multisport competitions to identify and nurture talent across sports at the grassroots level in India

Sports (B2C & B2B)

Government/Federations
Schools
Athletes/Childrens

Event Management Services (EMA)
SFA Championship
Game Management System (GMS) – SFA Tech

NFL's Stake: 14.29%
(Invested Rs. 75 Crores)



Link to Company's Website - [Click Here](#)

AI-driven personalized adaptive learning math platform for kids. It generates a learning plan for every child automatically based on the standard and grade-level curriculum

Math (B2C)

B2C – Kids aged 4-16 years
(USA and Middle East)

Math & Coding Curriculum
Summer Camps with influencers

NFL's Stake: 46.84%
(Invested Rs. 18.67 Crores)



Link to Company's Website - [Click Here](#)

STEM-based learning kits for kids offering online coding classes. Also, enables students to build technical skills and job-related skills for the future

Coding (B2B)

B2B – Schools

Coding Curriculum
STEM Kits
STEM Labs

NFL's Stake: 14.40%
(Invested Rs. 5.25 Crores)



Contact Information

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