



Knowledge is wealth



NAVNEET EDUCATION LIMITED
Investor Presentation
November 2023

**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 the second quarter, there was a 20% decline in revenues, primarily attributed to our publication business. Despite our initial growth expectations, our standalone publication business encountered some unforeseen challenges majorly attributable to the some of the external factors.

Firstly, over the past few quarters, there has been an unprecedented increase in paper prices. To offset these rising costs, the company had to raise prices on some of its publication category products. This, in turn, has had an impact on demand. Additionally, the higher prices of new books have led consumers to opt for existing second-hand books.

Secondly, in the state of Gujarat, there has been a certain changes in the paper pattern of certain standards. Related Examination books are always released in second quarter of the year are now scheduled in the third quarter. This change has disrupted the usual demand patterns for study materials.

Lastly, during the months of June and July, the company experienced a higher volume of sales returns than originally anticipated.

Our stationery business has remained resilient and is performing well. In the domestic market, Q4 and Q1 are traditionally strong quarters, but on a positive side we have seen similar trend to continue in Q2FY23. We are confident of achieving +12%-15% growth for FY24.

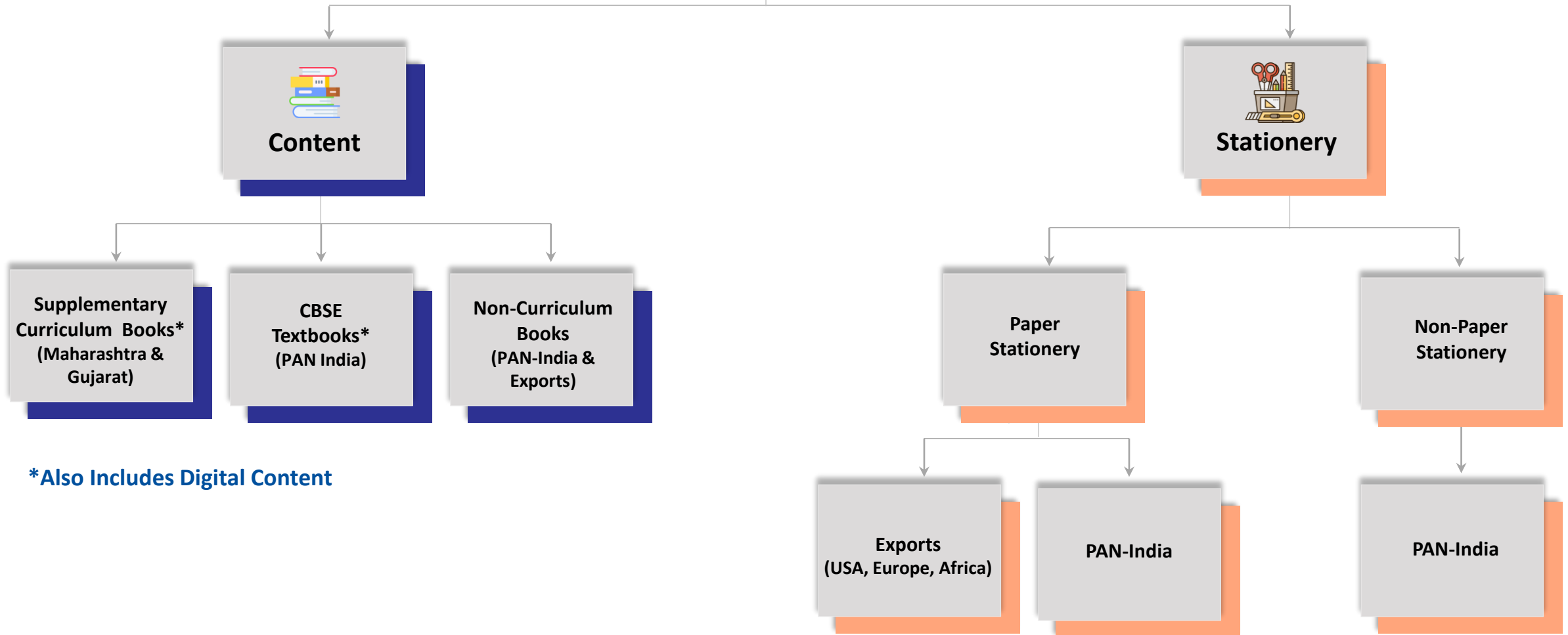
Our export stationery division too have demonstrated strong performance, thanks to Navneet’s strong brand equity and long-standing partnerships with major retail outlets in the US and across the globe. Furthermore, our capacity to innovate and provide new product categories in paper and non-paper based segments has played a vital role in substantially boosting our export revenues. For this vertical we anticipate reasonable growth in FY24 despite having reviewed for ADD in one of our product category in the US. For H1 FY24, the overall Stationery business registered a revue of Rs. 547 crores and EBIT of Rs. 71 cores (margin of ~12.9%)

Amidst the prevailing uncertainties and volatility in paper prices, we were able to safeguard our margins to a significant extent by leveraging our long-term contracts with paper mills and maintaining sufficient inventory. Going forward, we remain confident in our ability to protect our margins and will continue to adapt to changing market conditions.”



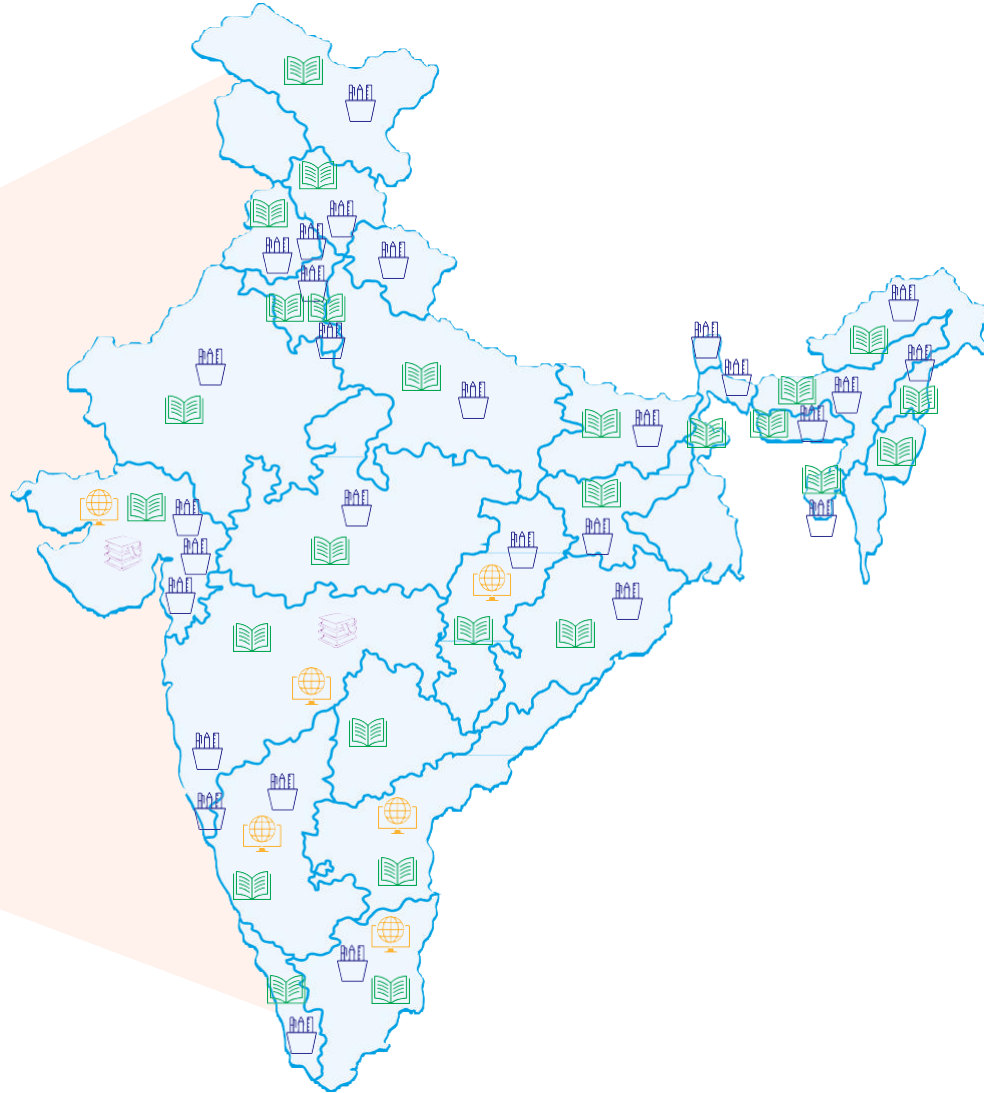


Navneet Education Limited



*Also Includes Digital Content

DOMESTIC PRESENCE – PUBLICATION & STATIONERY BUSINESS

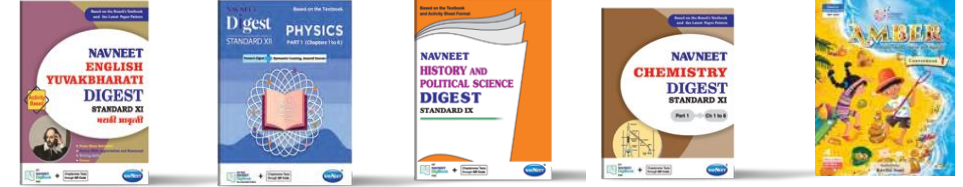


Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy

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 endeavors, 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

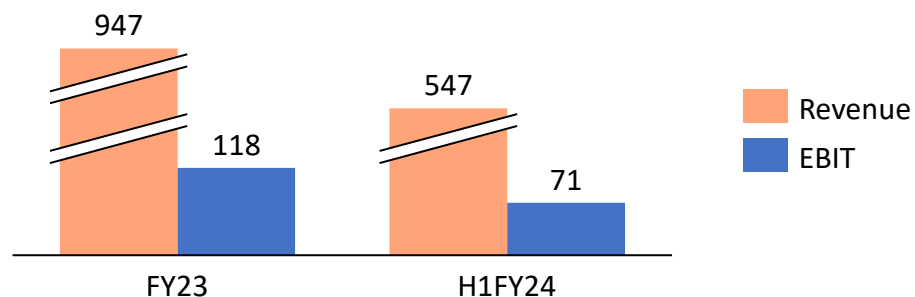
Developed till date for Domestic Market



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
- NEL has successfully added new stationery products to its export portfolio for the US market and other Export Market.
 - However, one of our product categories is currently being evaluated for the potential anti-dumping duty in the USA.
 - As a result, orders from this category were not received during H1 FY24. This category generally constitutes ~8%-10% of our export revenue in a year.
 - Adopted appropriate measures to accommodate the orders from customers in this category going forward
 - Export Revenue : Confident of achieving reasonable growth in FY24
- Additionally, several products under non-paper stationery are under various stages of Evaluation and R&D which will be introduced to 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

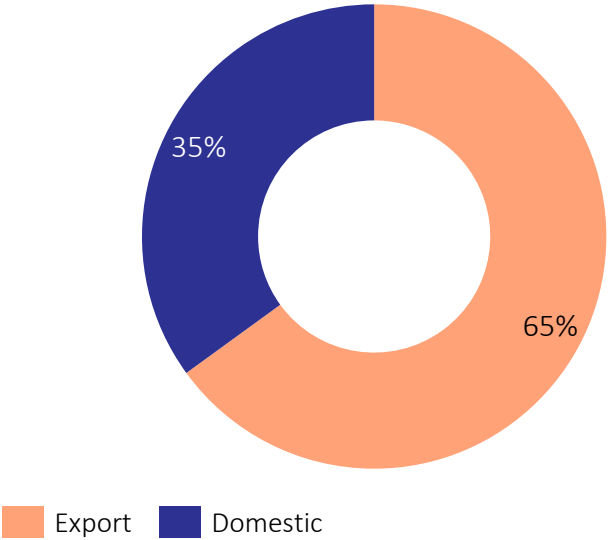


Knowledge is wealth



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H1 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**



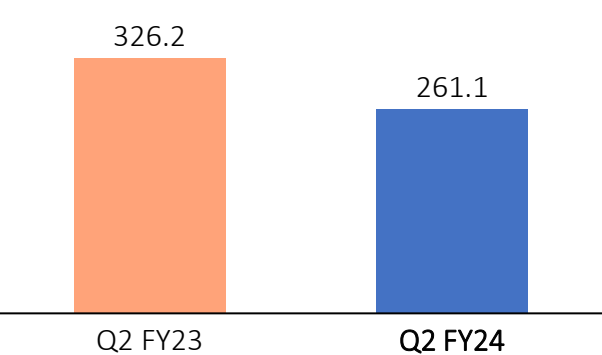
Standalone & Consolidated Financial Highlights

Q2 & H1 FY24

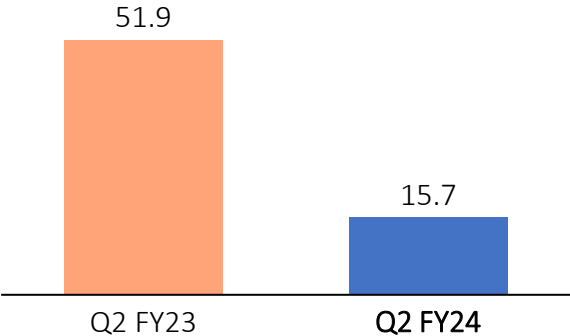


STANDALONE PERFORMANCE HIGHLIGHTS – Q2 FY24

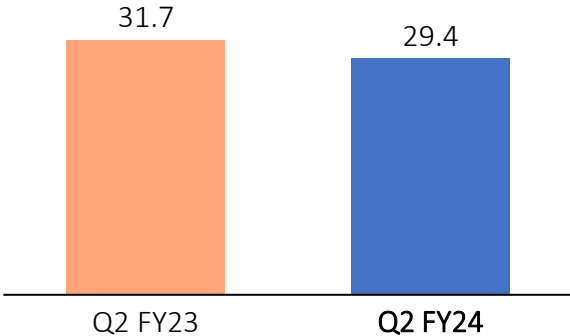
Revenue from Operations (Rs. In Crores)



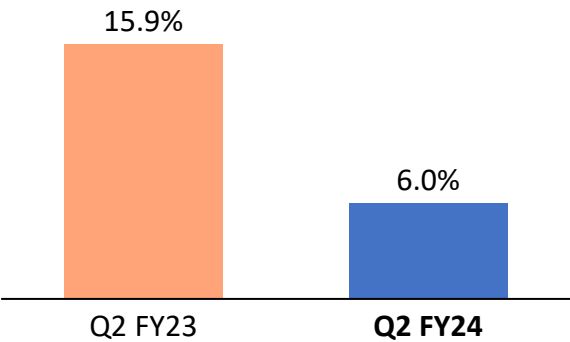
EBITDA (Rs. In Crores)



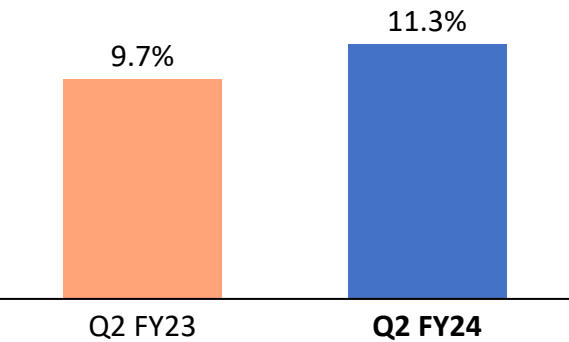
Profit After Tax (Rs. In Crores)*



EBITDA Margin



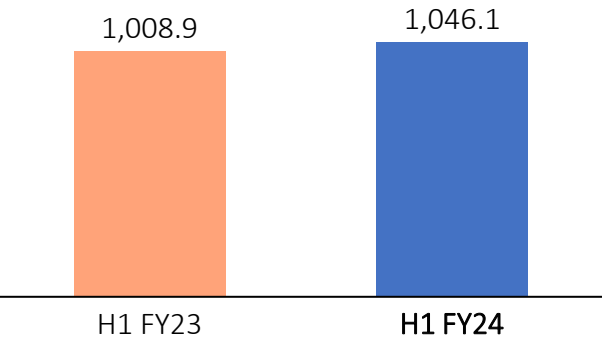
Profit After Tax



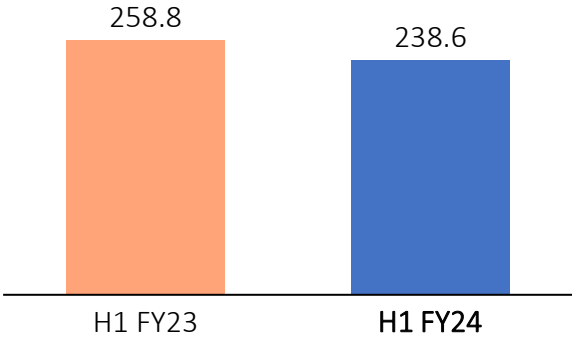
Note: * Q2FY24 Rs. 30.23 crs. is towards profit on sale land and building at Ghuma, Gujarat

STANDALONE PERFORMANCE HIGHLIGHTS – H1 FY24

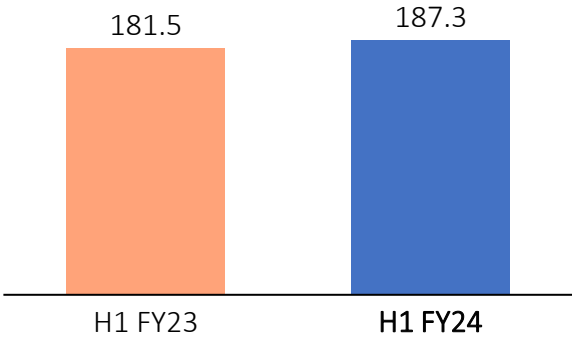
Revenue from Operations (Rs. In Crores)



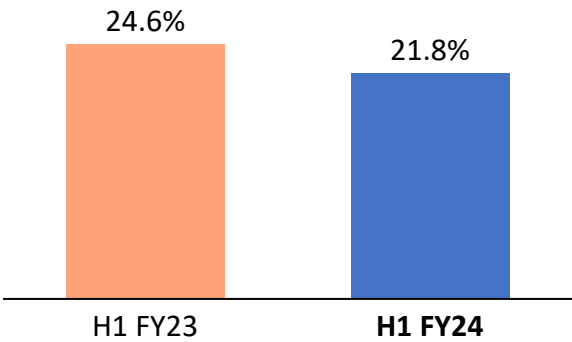
EBITDA (Rs. In Crores)



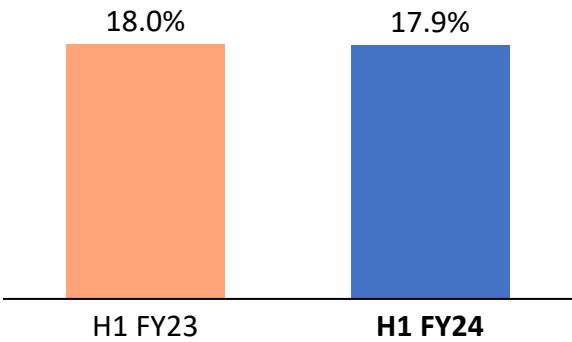
Profit After Tax (Rs. In Crores)*



EBITDA Margin



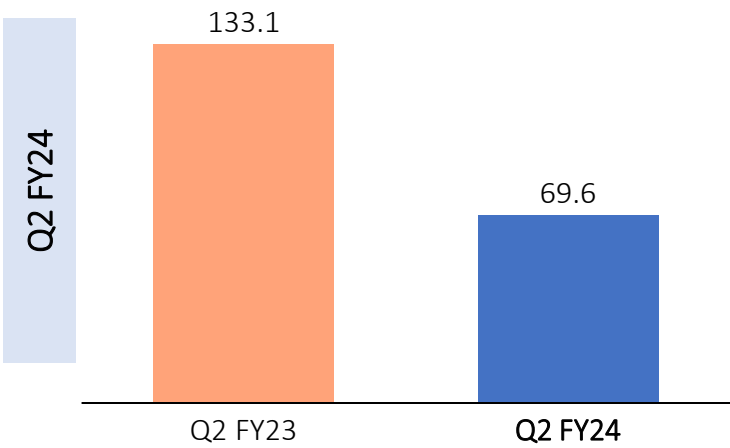
Profit After Tax



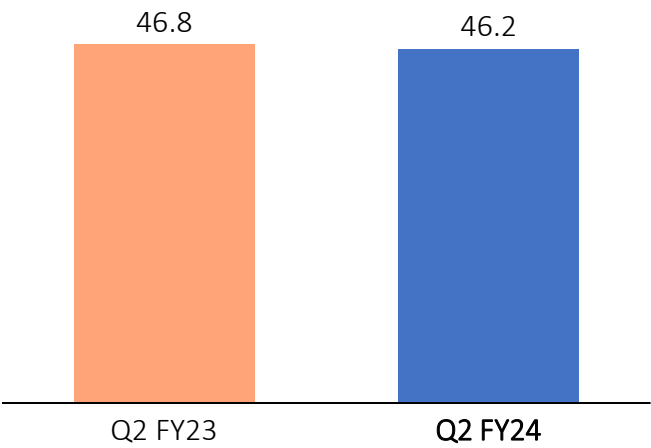
Note: * H1 FY24 Rs. 30.23 crs. is towards profit on sale land and building at Ghuma, Gujarat

STANDALONE SEGMENT PERFORMANCE HIGHLIGHTS

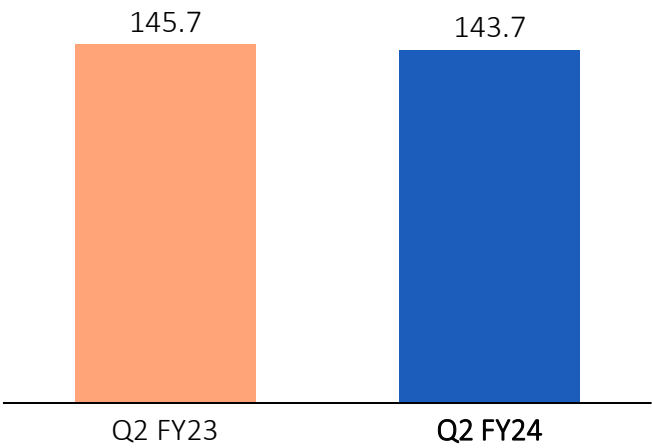
Publications Revenue (Rs. In Crores)



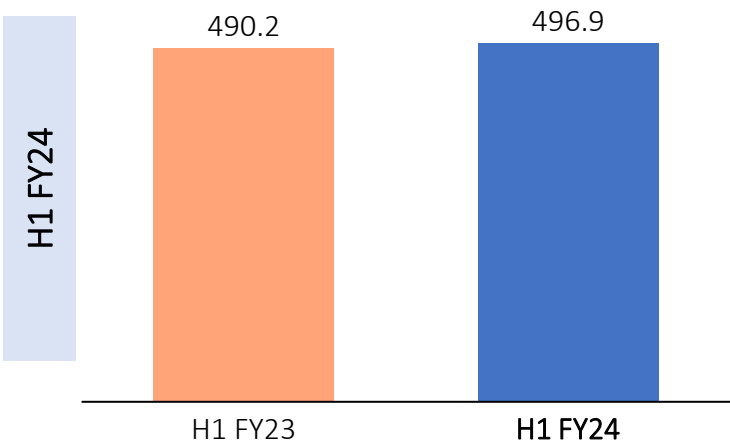
Stationery Revenue - Domestic (Rs. In Crores)



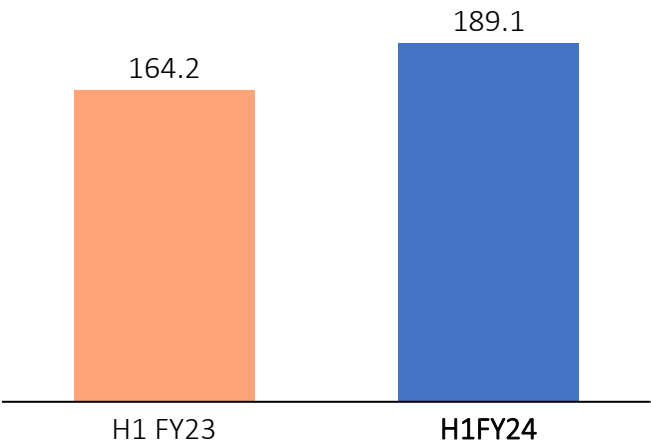
Stationery Revenue - Exports (Rs. In Crores)



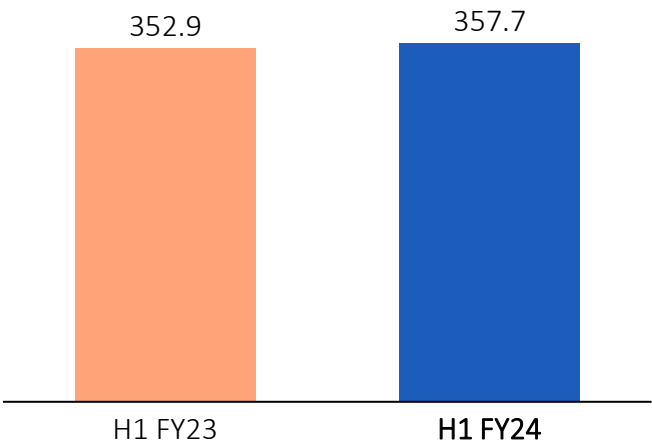
Publications Revenue (Rs. In Crores)



Stationery Revenue - Domestic (Rs. In Crores)



Stationery Revenue - Exports (Rs. In Crores)



STANDALONE PROFIT & LOSS ACCOUNT – Q2 FY24

Profit and Loss (in Rs. Crs)	Q2FY24	Q2FY23	YoY	H1FY24	H1FY23	YoY
Revenue from Operations	261.1	326.2	-19.9%	1,046.1	1,008.9	+3.7%
Cost of Goods Sold	150.7	190.8		600.7	565.1	
Employee Cost	49.6	38.7		99.4	82.3	
Other Expenses	45.2	44.7		107.4	102.8	
EBITDA	15.7	51.9	-69.8%	238.6	258.8	-7.8%
EBITDA Margin	6.0%	15.9%		22.8%	25.7%	
Depreciation	9.1	10.9		17.4	18.9	
Other Income	2.6	3.7		6.6	8.5	
EBIT	9.2	44.8	-79.5%	227.8	248.4	-8.3%
EBIT Margin	3.5%	13.7%		21.8%	24.6%	
Finance Cost	2.5	1.1		9.1	3.1	
Exceptional Item Gain / (Loss)	30.2	0.0		30.2	0.0	
Share in Profit/(loss) in JV and Associates	0.0	0.0		0.0	0.0	
Profit before Tax	36.9	43.8	-15.7%	248.9	245.3	+1.5%
Profit before Tax Margin	14.1%	13.4%		23.8%	24.3%	
Tax	7.4	12.0		61.6	63.9	
Profit After Tax	29.4	31.7	-7.3%	187.3	181.5	+3.2%
Profit After Tax Margin	11.3%	9.7%		17.9%	18.0%	
EPS	1.30	1.40		8.28	8.02	

Standalone Balance Sheet Statement

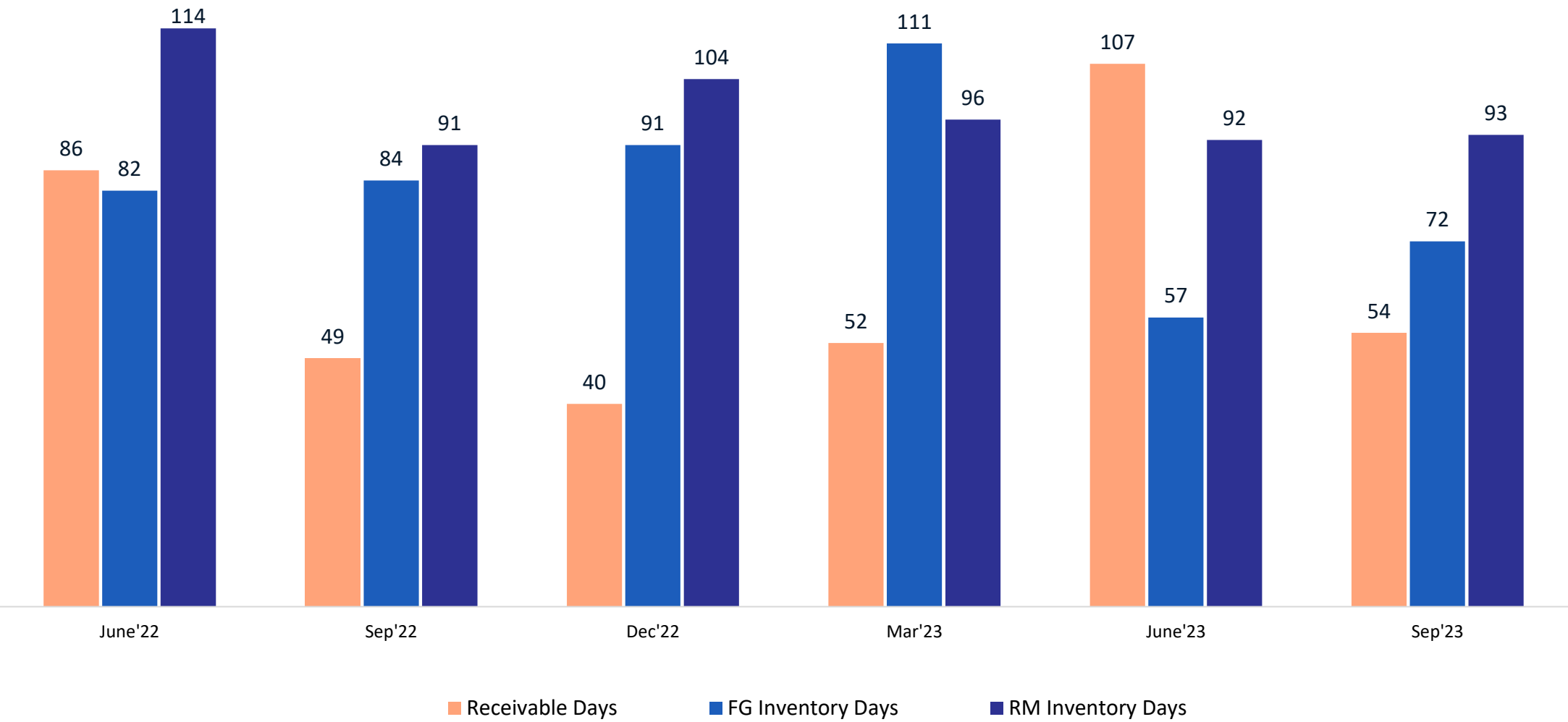
Assets (in Rs. Crs)	Sep-23	Mar-23
Non - Current Assets	816.7	762.2
Property Plant & Equipments	174.2	161.5
CWIP	6.4	0.7
Investment property	13.9	14.3
Intangible assets	11.1	7.3
Right of use asset	7.2	8.6
Intangible assets under development	0.1	2.6
Investments accounted for using the equity method	0.0	0.0
Financial Assets		
Investments	550.5	515.1
Bank Balance	0.0	0.0
Trade receivables	0.0	0.0
Loans	19.0	19.4
Other Financial Assets	6.7	6.4
Security Deposits	0.0	0.0
Deferred Tax Assets (Net)	0.0	0.0
Other Non - Current Assets (Net)	24.4	23.9
Other Non-Current Tax Assets (net)	3.2	2.4
Current Assets	842.9	966.8
Inventories	447.8	606.6
Financial Assets		
(i) Investments		0.0
(ii) Trade receivables	248.5	272.1
(iii) Cash and cash equivalents	67.5	14.1
(iv) Loans	22.5	18.0
Other Financial Assets	6.1	21.8
Current Tax Assets (Net)	0.0	0.0
Other Current Assets	50.5	34.3
Total Assets	1,659.5	1,729.0

Equity & Liabilities (in Rs. Crs)	Sep-23	Mar-23
Total Equity	1,482.4	1,352.6
Share Capital	45.2	45.2
Reserves & Surplus	1,437.1	1,307.3
Non-Controlling Interest		
Non-Current Liabilities	7.2	4.8
Financial Liabilities		
(i) Borrowings	0.0	0.0
(ii) Trade Payables	0.0	0.0
(iii) Lease Liabilities	2.6	0.0
(iv) Other Financial Liabilities	0.0	0.0
Provisions	0.0	0.0
Other Non-Current Liabilities	0.0	0.0
Deferred Tax Liabilities	4.6	4.8
Current Liabilities	170.0	371.6
Financial Liabilities		
(i) Borrowings	0.0	230.3
(ii) Trade Payables	41.2	52.2
(iii) Lease	5.8	10.8
(iv) Other Financial Liabilities	26.1	26.5
Other Current Liabilities	6.0	12.9
Current tax liabilities (net)	39.5	9.2
Provisions	51.4	29.7
Total Equity & Liabilities	1,659.5	1,729.0

Standalone Cash Flow Statement

Particulars (Rs. Crs)	Sep-23	Sep-22
Net Profit Before Tax	248.9	245.3
Adjustments for: Non -Cash Items / Other Investment or Financial Items	-5.7	17.9
Operating profit before working capital changes	243.2	263.2
Changes in working capital	179.8	20.6
Cash generated from Operations	423.0	283.8
Direct taxes paid (net of refund)	-31.9	-36.4
Net Cash from Operating Activities	391.1	247.4
Net Cash from Investing Activities	-41.6	-73.3
Net Cash from Financing Activities	-304.1	-111.8
Net Decrease in Cash and Cash equivalents	45.4	62.3
Add: Cash & Cash equivalents at the beginning of the period	11.0	18.9
Cash & Cash equivalents at the end of the period	56.4	81.3

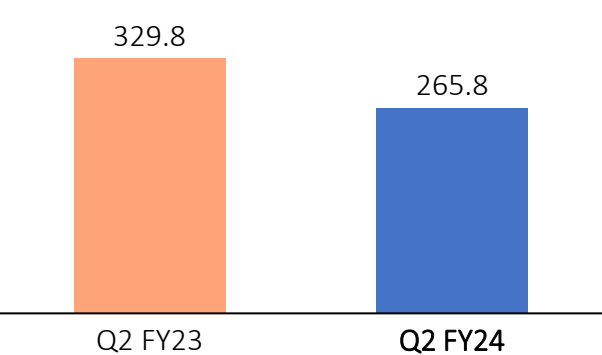
WORKING CAPITAL CYCLE



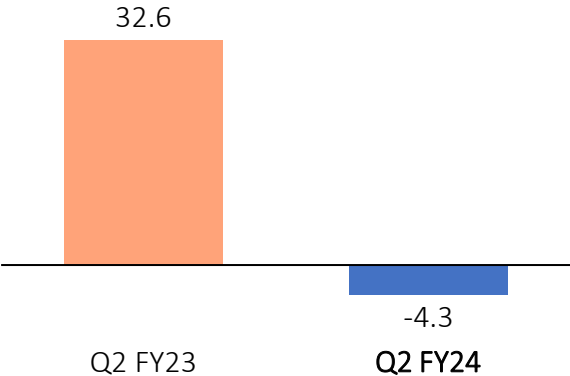
Note: on TTM basis

CONSOLIDATED PERFORMANCE HIGHLIGHTS – Q2 FY24

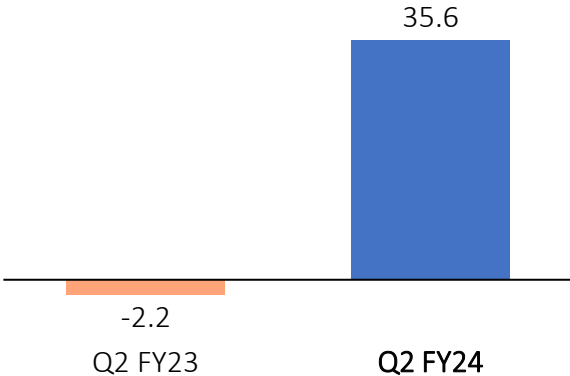
Revenue from Operations (Rs. In Crores)



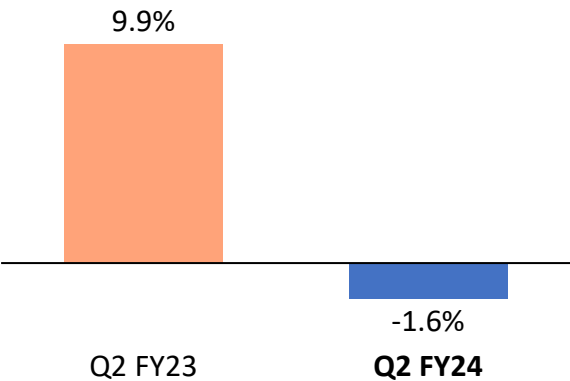
EBITDA (Rs. In Crores)



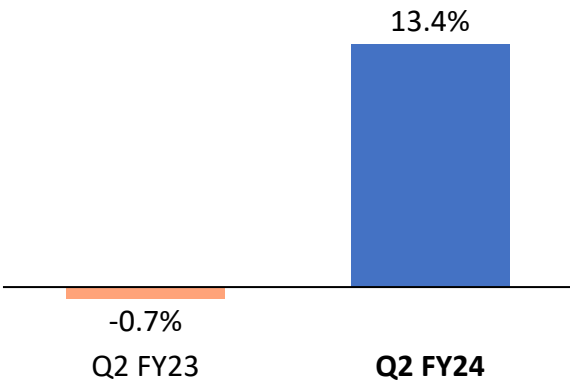
Profit After Tax (Rs. In Crores)*



EBITDA Margin



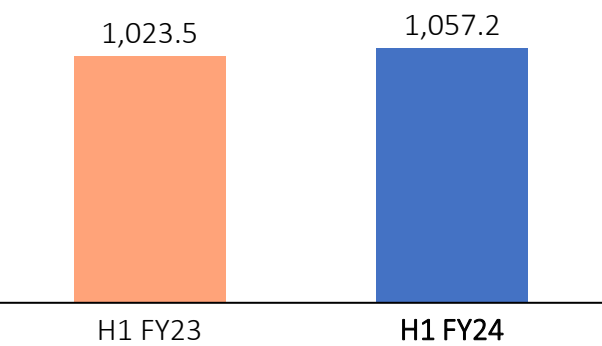
Profit After Tax



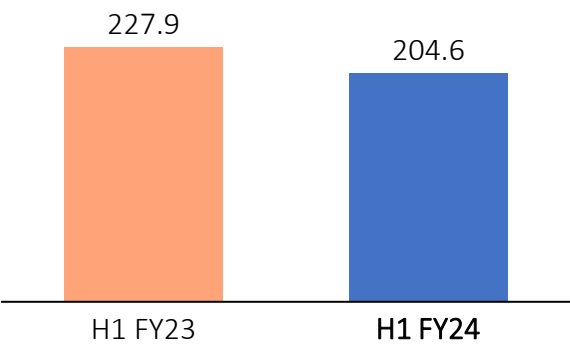
Note: * Q2 FY24 Rs. 30.23 crs. is towards profit on sale land and building at Ghuma and Rs. 37.93 crores on dilution of group shares from an associate company

CONSOLIDATED PERFORMANCE HIGHLIGHTS – H1 FY24

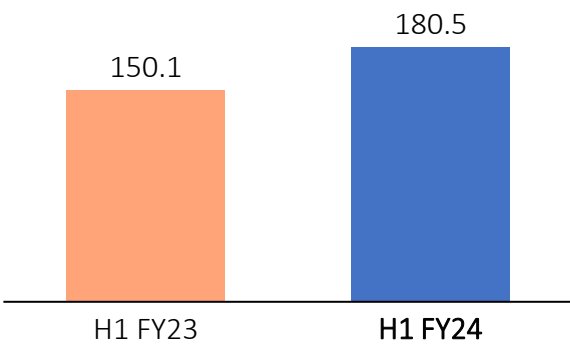
Revenue from Operations (Rs. In Crores)



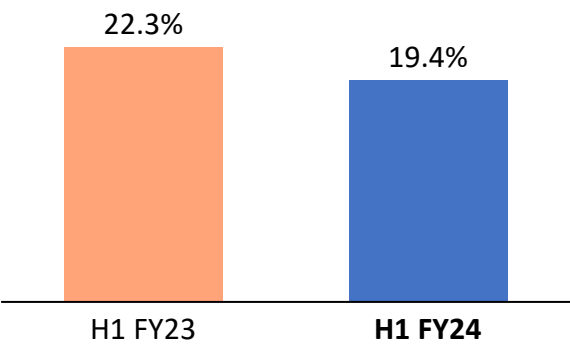
EBITDA (Rs. In Crores)



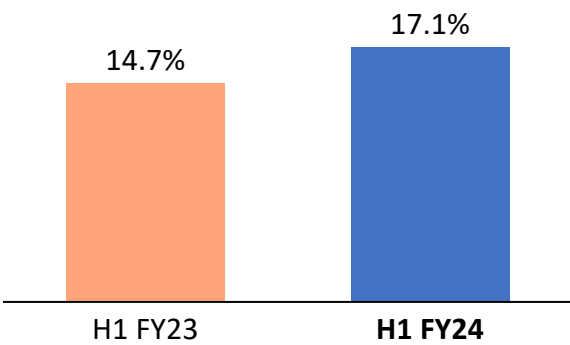
Profit After Tax (Rs. In Crores)*



EBITDA Margin



Profit After Tax



Note: * H1 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 – H1 FY24[§]

Revenue from Operations (Rs. In Crores)

Particulars	H1FY24	H1FY23
NEL	1,046.1	1,008.9
NFL (eSense)	9.0	6.6
Indiannica	4.1	8.7
NHKL	2.5	2.3
GeNext (Be Masterly)	0.2	0.0
Inter co Adjust	-4.7	-3.0
Total	1,057.2	1,023.5

EBITDA* (Rs. In Crores)

H1FY24	H1FY23
245.2	267.3
-10.2	-15.9
-13.9	-10.0
0.1	0.1
-10.2	-4.1
-0.8	-1.8
210.2	235.5

PAT (Rs. In Crores)

H1FY24	H1FY23
187.3	181.5
-18.0	-19.6
-18.6	-14.0
0.1	0.1
-11.1	-4.7
-8.4	-1.5
131.2	141.8

* Includes Other Income

§ Without considering NEL's share in Associate Companies

COSOLIDATED BALANCE SHEET STATEMENT

Assets (in Rs. Crs)	Sep-23	Mar-23
Non - Current Assets	678.1	602.0
Property Plant & Equipments	189.1	176.9
CWIP	6.4	0.7
Investment property	0.0	0.0
Intangible assets	57.2	54.3
Right of use asset	14.5	9.3
Intangible assets under development	5.9	6.7
Investments accounted for using the equity method	218.4	169.2
Financial Assets		
Investments	129.5	130.3
Bank Balance	0.0	0.0
Trade receivables	0.0	0.0
Loans	19.0	19.4
Other Financial Assets	7.3	6.8
Security Deposits	0.0	0.0
Deferred Tax Assets (Net)	0.0	0.0
Other Non - Current Assets (Net)	25.8	24.4
Other Non-Current Tax Assets (net)	5.0	3.9
Current Assets	888.1	1,054.5
Inventories	466.9	624.7
Financial Assets		
(i) Investments	0.0	0.0
(ii) Trade receivables	275.2	331.4
(iii) Cash and cash equivalents	75.7	27.5
(iv) Loans	3.2	2.5
Other Financial Assets	6.5	22.7
Current Tax Assets (Net)	0.0	0.0
Other Current Assets	60.6	45.7
Total Assets	1,566.2	1,656.5

Equity & Liabilities (in Rs. Crs)	Sep-23	Mar-23
Total Equity	1,273.4	1,150.3
Share Capital	45.2	45.2
Reserves & Surplus	1,228.1	1,105.1
Non-Controlling Interest	0.2	0.4
Non-Current Liabilities	60.1	41.7
Financial Liabilities		
(i) Borrowings	0.0	0.0
(ii) Trade Payables	0.0	0.0
(iii) Lease Liabilities	9.1	0.4
(iv) Other Financial Liabilities	0.0	0.0
Provisions	1.6	1.1
Other Non-Current Liabilities	3.6	2.8
Deferred Tax Liabilities	45.9	37.4
Current Liabilities	232.5	464.1
Financial Liabilities		
(i) Borrowings	31.7	276.2
(ii) Trade Payables	47.6	64.5
(iii) Lease	6.8	11.2
(iv) Other Financial Liabilities	27.8	32.3
Other Current Liabilities	11.9	18.3
Current tax liabilities (net)	39.5	9.2
Provisions	67.3	52.4
Total Equity & Liabilities	1,566.2	1,656.5

CONSOLIDATED CASH FLOW STATEMENT

Particulars (Rs. Crs)	Sep-23	Sep-22
Net Profit Before Tax	250.8	214.0
Adjustments for: Non -Cash Items / Other Investment or Financial Items	-41.2	16.7
Operating profit before working capital changes	209.6	230.7
Changes in working capital	197.0	-0.5
Cash generated from Operations	406.6	230.2
Direct taxes paid (net of refund)	-32.1	-36.0
Net Cash from Operating Activities	374.5	194.2
Net Cash from Investing Activities	-13.3	-43.5
Net Cash from Financing Activities	-311.0	-83.8
Net Decrease in Cash and Cash equivalents	50.2	66.9
Add: Cash & Cash equivalents at the beginning of the period	-18.0	-11.6
Cash & Cash equivalents at the end of the period	32.2	55.3

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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