

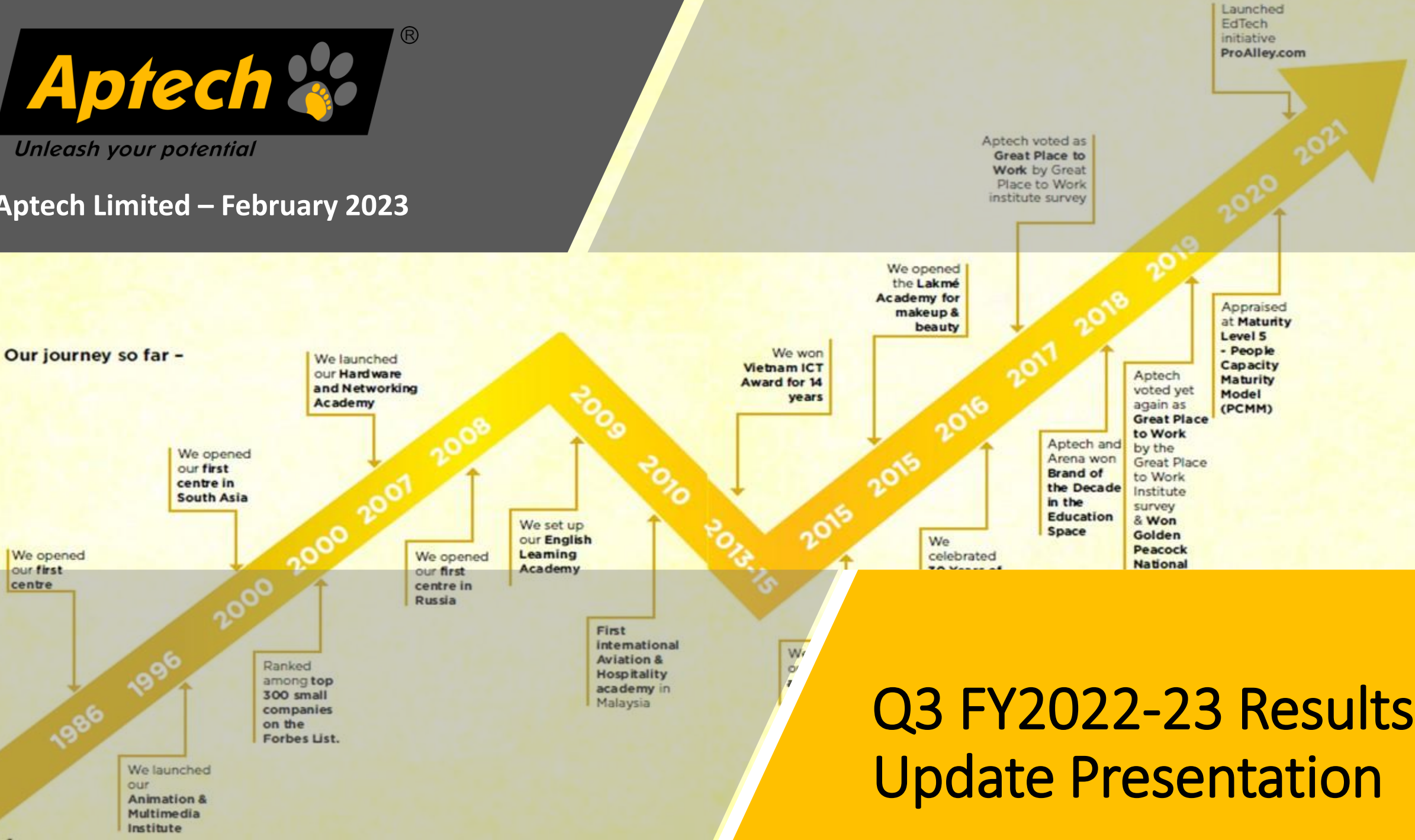
Aptech



Unleash your potential

Aptech Limited – February 2023

Our journey so far -



Q3 FY2022-23 Results Update Presentation

Performance Highlights: Q3 FY2022-23

Management Commentary

On Financial Performance

With all 3 business divisions firing in unison, Q3 FY23 was another record-breaking quarter for the Company. On a like-to-like basis, our quarterly operating revenue and PBT (before exceptional items) were the best in more than a decade. After Q1 FY22 (2nd COVID wave in India), we have shown a consistent and continuous trend every quarter, of improvement and growth in our financial performance. For the 9M FY23 period, all our businesses have shown across the board growth over the pre-COVID period of 9M FY20. The operating leverage in our businesses has helped our profitability ratios (on a like-to-like basis) significantly. At the PBT level, our 6-year CAGR from FY17 to FY23 was 18.2% and 16.1% for December-ending quarter and YTD periods, respectively.

On Operating Performance

Our unwavering focus on delivering a superior 360° learning experience to our students and innovations in product offering and pedagogy have helped deliver a sustained uptick in our booking and billing numbers for the Domestic and International Retail divisions. The new sub-vertical of Gaming has already started contributing a significant share to our AVGC Booking. Our marketing efforts are also getting the deserved industry recognition such as inclusion in the Economic Times Best Brands of 2022. In the Enterprise Business, we have completed all deliveries to the satisfaction of our customers and also received letters of appreciation from some. We have recently enhanced our delivery capabilities by topping the capacity to execute 100,000+ exams per shift.

On the Outlook and Way Ahead

While our growth brands continue to accelerate, we are also quietly confident of a turnaround in other brands in the Domestic market. Our strategic intent in the Retail business remains to tackle unemployability at a mass scale by leveraging our unique job-enablement platform to address increasing number of job areas, including in newer verticals. With a significant part of our order book in the Enterprise Business, including part of the major order from an autonomous education body, already delivered, we are very close to achieving the guidance of Rs. 135 crore order book for H2 FY23 given by us during the previous quarter results. Hence, we are on track to deliver one of the best years in terms of financial performance and the trend shall continue for the near future.

- **Dr. Anil Pant**
MD & CEO
16th Feb 23

Performance Highlights: Q3 FY2022-23

GLOBAL RETAIL

- **~25% YOY jump** in Revenue*, Booking and Billing
- **DOUBLE-DIGIT growth** in Student Revenue*, Booking and Billing **over Q3 FY20**

DOMESTIC GROWTH BRANDS

- **YOY-basis**, Booking grew by **28%** and Billing by **32%**
- Booking grew **46%** and Billing grew **20% over Q3 FY20**

INTERNATIONAL RETAIL

- **BEST-EVER 3rd quarter performance** across operational parameters such as Enrolment, Booking and Billing

GLOBAL RETAIL

- Segment profits were **HIGHEST ever for a Q3 in more than a decade** for Global Retail
- **42%** growth over Q3 FY22

ENTERPRISE BUSINESS

- On track to execute the **estimated^ TOV of ~Rs. 135 Crore** in H2 FY23.
- Revenue and profitability **top the previous best** in Q3 FY22

CASH FLOW FROM OPERATIONS

- Including Bank Deposits < 12 months maturity, went up 2.5 times **on a YOY basis**

* After estimated adjustments for the impact of Accrual method of accounting under the Student Delivery Model

^ Based on projected test registrations and subject to satisfactory delivery of project milestones

Operating Metrics: Global Retail

Active Centres	Q3 FY23	Q3 FY22	Q3 FY20
Domestic	944	926	882
International	212	219	208
Global Retail	1,156	1,145	1,090

New Centres	Q3 FY23	Q3 FY22	Q3 FY20
Domestic	21	19	54
International	0	0	6
Global Retail	21	19	60

Same Store Growth - Domestic	Q3 FY23	FY22
Booking	52.5%	31.8%
Billing	45.3%	38.3%

Enrolments	Q3 FY23	Q3 FY22	YOY Var	Q3 FY20	% of Pre-COVID
Domestic	15,864	14,015	13.2%	14,112	112.4%
International	18,033	14,872	21.3%	11,496	156.9%
Global Retail	33,897	28,887	17.3%	25,608	132.4%

Booking	Q3 FY23	Q3 FY22	YOY Var	Q3 FY20	% of Pre-COVID
Domestic	11,391	8,872	28.4%	8,087	140.8%
International	6,603	5,803	13.8%	4,211	156.8%
Global Retail	17,994	14,675	22.6%	12,298	146.3%

Billing	Q3 FY23	Q3 FY22	YOY Var	Q3 FY20	% of Pre-COVID
Domestic	9,763	7,362	32.6%	8,500	114.9%
International	4,374	3,874	12.9%	3,127	139.9%
Global Retail	14,137	11,236	25.8%	11,627	121.6%

Quarterly Segment Financials

Operating Revenue

Operating Revenue	Q3 FY23	Q3 FY22	YOY Var	Q3 FY20	% of Pre-COVID
Global Retail	7,413	3,721	99.2%	4,130	179.5%
EBG	4,333	4,215	2.8%	1,254	345.5%
Total	11,746	7,936	48.0%	5,384	218.2%
Global Retail*	4,354	3,436	26.7%	4,130	105.4%
Total*	8,687	7,651	13.5%	5,384	161.3%

Global Retail Revenue Distribution

Operating Revenue	Q3 FY23	Q3 FY22	YOY Var	Q3 FY20	% of Pre-COVID
Domestic	6,533	2,953	121.2%	3,338	195.7%
International	880	768	14.6%	792	111.1%
Domestic*	3,474	2,668	30.2%	3,338	104.1%

Segment PBT

Segment PBT	Q3 FY23	Q3 FY22	YOY Var	Q3 FY20	% of Pre-COVID
Global Retail	1,701	1,198	42.0%	1,654	102.9%
EBG	1,241	1,004	23.5%	-241	615.7%
Corporate	-539	-444	-21.4%	-614	87.7%
Total	2,403	1,758	36.7%	799	300.7%
Global Retail*	1,811	1,314	37.9%	1,654	109.5%
Total*	2,513	1,874	34.1%	799	314.5%

Retail Operating Revenue	Global	Domestic	International
% of Pre-COVID after excluding Sign-up and Renewal Fee*	117.2%	112.3%	139.4%

* After estimated adjustments to negate the impact of transition to Accrual method of accounting under the Student Delivery Model

9M Segment Financials

Operating Revenue

Operating Revenue	9M FY23	9M FY22	YOY Var	9M FY20	% of Pre-COVID
Global Retail	21,128	9,073	132.9%	12,858	164.3%
EBG	6,718	7,062	-4.9%	4,834	139.0%
Total	27,846	16,136	72.6%	17,692	157.4%
Global Retail*	13,384	8,765	52.7%	12,858	104.1%
Total*	20,101	15,827	27.0%	17,692	113.6%

Global Retail Revenue Distribution

Operating Revenue	9M FY23	9M FY22	YOY Var	9M FY20	% of Pre-COVID
Domestic	18,226	6,944	162.5%	10,369	175.8%
International	2,902	2,129	36.3%	2,489	116.6%
Domestic*	10,482	6,635	58.0%	10,369	101.1%

Segment PBT

Segment PBT	9M FY23	9M FY22	YOY Var	9M FY20	% of Pre-COVID
Global Retail	5,645	3,188	77.1%	5,286	106.8%
EBG	768	1,100	-30.2%	-509	250.8%
Corporate	-1,799	-953	-88.7%	-1,966	91.5%
Total	4,614	3,335	38.3%	2,811	164.1%
Global Retail*	6,079	3,411	78.2%	5,286	115.0%
Total*	5,047	3,558	41.9%	2,811	179.6%

Retail Operating Revenue	Global	Domestic	International
% of Pre-COVID after excluding Sign-up and Renewal Fee*	112.7%	108.3%	131.2%

* After estimated adjustments to negate the impact of transition to Accrual method of accounting under the Student Delivery Model

Key Highlights

Global Retail

- Gaming focused initiatives in Arena and MAAC:
 - New course on 3D Real-time Content Creation launched in Arena.
 - Arena launched Cyber Ninja, its first mobile gaming marathon, with 1,200+ students.
 - 3 new gaming courses launched under MAAC.
 - Segment off to a great start with 12% contribution to Booking in Q3 for AVGC brands as a whole.
- 19th 24FPS organized in hybrid-mode with 6,000+ student entries across 101 countries. Physical attendance topped 1,500 students with 250+ media delegates and online live viewers were 19,000+!
- Lakme Academy's mega beauty competition The Showcase saw participation from 80 teams of 400+ students across 3 categories of Hair & Make-up, Skin and Nails.
- In International Retail, all key markets grew with Nigeria delivering the highest revenue growth and Egypt contributing the most enrolments.

Enterprise Business & Awards

- Enterprise Business successfully delivered the pilot project as part of the multi-year large order bagged from an autonomous education body under Ministry of Education (GOI).
 - Successful execution paved the way for the division to execute the much larger primary project in Q4.
- The division effectively delivered recruitment exams for Staff Selection Boards of two key border states despite challenging operating environment.
- The division has been moving towards broadening its key customer base as seen in the 35% YOY growth in revenue contribution from the bottom 7 among its top 10 customers in Q3 FY22. Hence, reducing dependency on Top 3 customers.
- Aptech was honored as one of the ET Best Brands 2022 at the 5th Edition of 'Economic Times Best Brand Conclave' based on the parameters like brand value, years of existence, annual turnover, growth rate, brand recall value etc.

Quarterly P&L

	Q3 FY23	Q3 FY22	YOY Var	Q3 FY20	% of Pre-COVID
Operating Revenue	11,746	7,936	48.0%	5,384	218.2%
Inventory	48	32	47.9%	73	65.7%
Employee Benefit Expenses + ESOP	1,624	1,454	11.7%	1,532	106.0%
Other Expenses	7,807	4,717	65.5%	2,750	283.9%
Total Operating Expenses	9,479	6,204	52.8%	4,355	217.7%
Operating EBITDA	2,267	1,732	30.9%	1,029	220.2%
Other Income	283	219	29.5%	135	209.5%
EBITDA	2,550	1,950	30.7%	1,165	218.9%
Depreciation	147	189	-22.1%	348	42.2%
EBIT	2,403	1,762	36.4%	816	294.3%
Finance Costs	-	3	-100.0%	17	0.0%
PBT	2,403	1,758	36.7%	799	300.7%
Tax	626	483	29.6%	126	497.9%
PAT	1,777	1,275	39.3%	673	263.9%
EPS (Diluted)	4.28	3.10	38.1%	1.64	261.2%

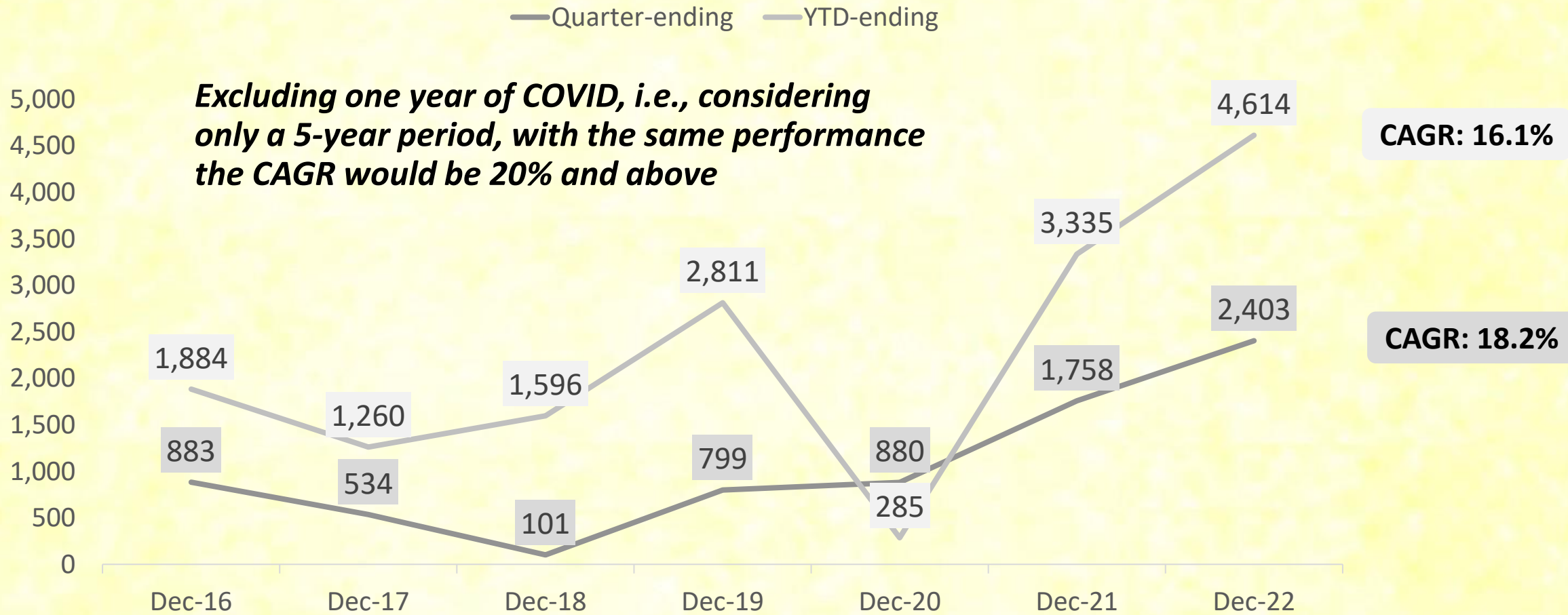
* Increase in Bank Deposits of less than 12 months maturity and interest receivable are included

9M P&L

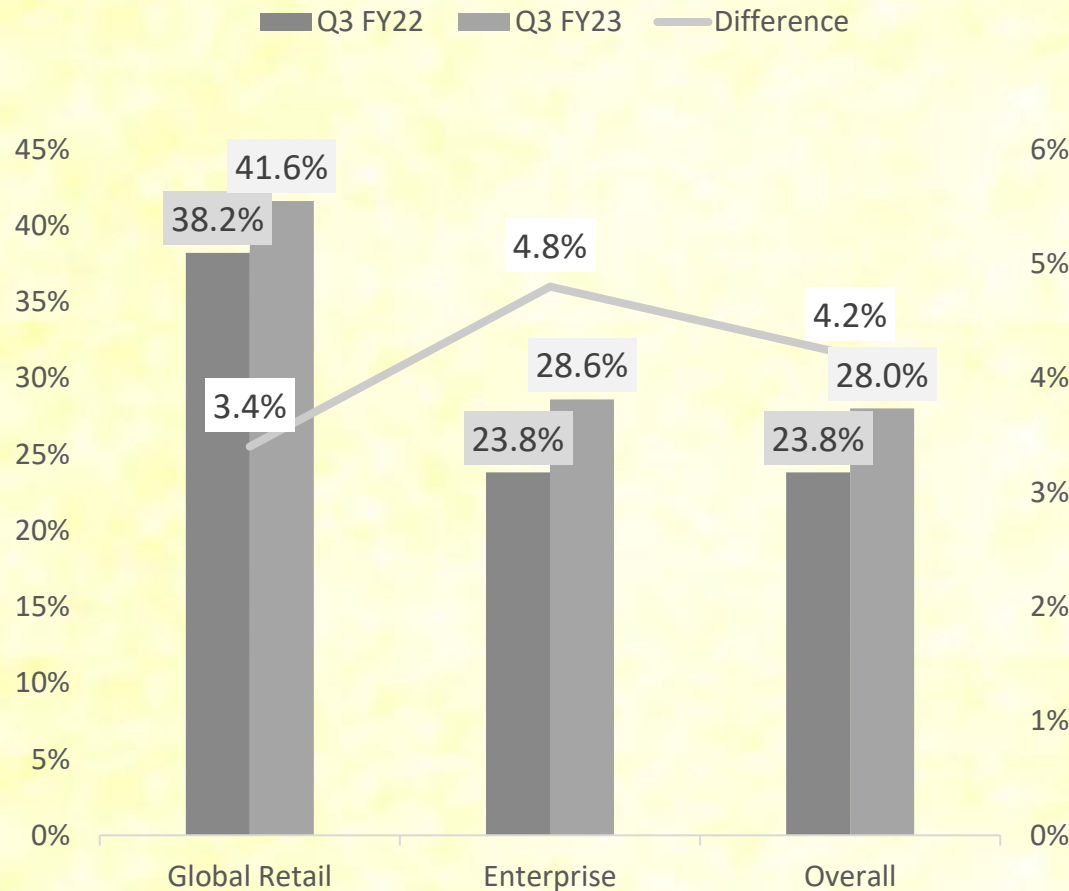
	9M FY23	9M FY22	YOY Var	9M FY20	% of Pre-COVID
Operating Revenue	27,846	16,136	72.6%	17,692	157.4%
Inventory	148	94	57.2%	268	55.3%
Employee Benefit Expenses + ESOP	4,894	3,791	29.1%	4,751	103.0%
Other Expenses	18,728	9,098	105.8%	9,168	204.3%
Total Operating Expenses	23,770	12,983	83.1%	14,187	167.5%
Operating EBITDA	4,075	3,153	29.3%	3,505	116.3%
Other Income	1,016	843	20.5%	380	267.3%
EBITDA	5,091	3,996	27.4%	3,885	131.0%
Depreciation	477	648	-26.4%	987	48.3%
EBIT	4,614	3,348	37.8%	2,898	159.2%
Finance Costs	0	13	-96.2%	87	0.6%
PBT	4,614	3,335	38.3%	2,811	164.1%
Tax	1,180	946	24.8%	733	161.0%
PAT	3,433	2,389	43.7%	2,078	165.2%
EPS (Diluted)	8.27	5.80	42.5%	5.06	163.3%

* Increase in Bank Deposits of less than 12 months maturity and interest receivable are included

Long-term PBT Performance Trend for Periods Ending in December



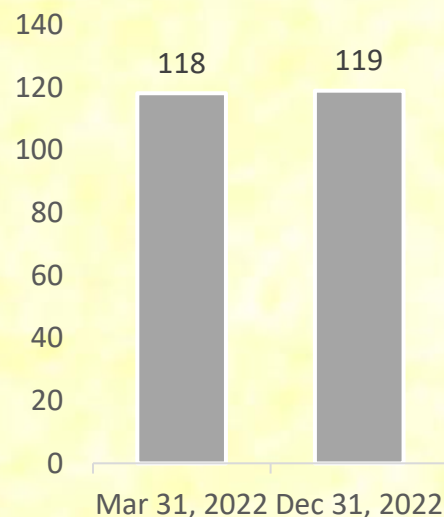
YOY Profitability Comparison*



- Global Retail profitability jumped by 340 basis points despite increase in advertising intensity by 205 basis points from Q3 FY22 to Q3 FY23.
 - In absolute terms, the Advertising and Promotion expenses went up by Rs. 178 lakhs.
- Enterprise Business profitability went up by 480 basis points on a YOY basis primarily on account of higher gross margin deliveries.
- Employment costs (excluding ESOP expenses) were higher by Rs. 212 lakhs over Q3 FY22.
- Overall PBT margin went up by 420 basis points over Q3 FY22 despite Corporate Overheads as a % of Operating Revenue being higher by 80 basis points in Q3 FY23.

* For a like-to-like comparison, the % PBT is calculated after estimated adjustments to negate the impact of transition to Accrual method of accounting under the Student Delivery Model

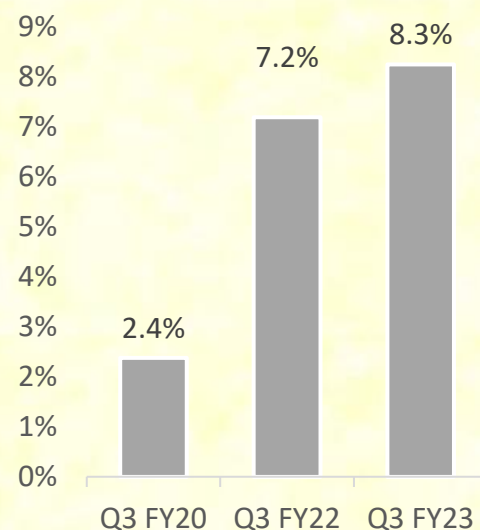
Balance Sheet & Ratios



CASH*

Zero Debt on the books

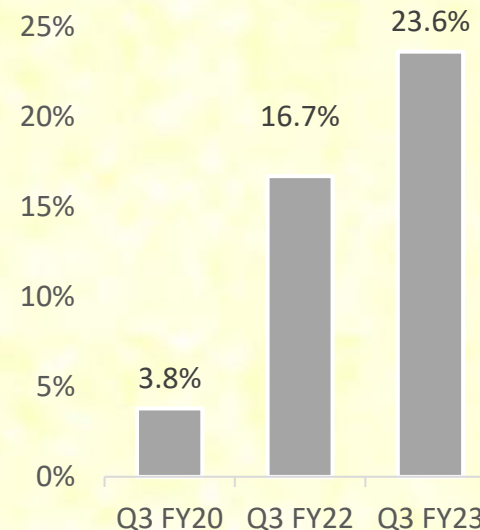
After dividend pay-out of Rs. 20.67 crores in Q1 FY23



ROE

Not Annualised

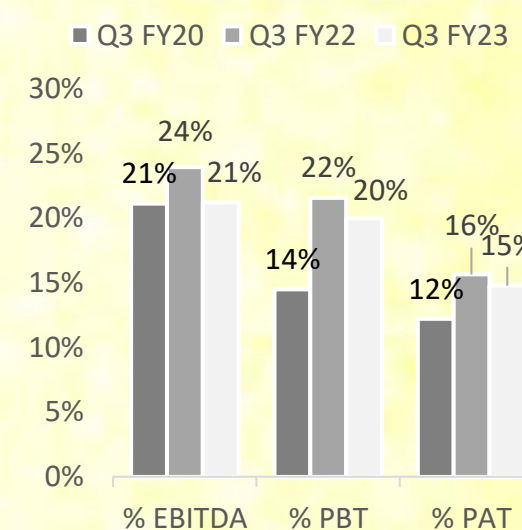
Reduction in Equity base due to impairment of BJBC China Investment of Rs. 108 cr.



ROCE*

Not Annualised

Switch to Student Delivery model reducing the Capital Employed for Retail segment



Profitability Ratios

If adjusted for impact of the Student Delivery model, Q3 FY23 ratios would have been ~800 basis points higher

* Cash includes Cash, Cash Equivalents & Investments in Financial Instruments in Rs. Crores. Capital Employed is adjusted for the Cash on the balance sheet.

Behind The Numbers

Q3 FY2022-23

Award in Q3 FY2022-23



Receiving the recognition as one of the **ET Best Brand of 2022** from Mr. Leander Paes at the 5th Edition of 'Economic Times Best Brand Conclave'



Highlights of the 19th Edition of 24FPS



MAAC Ad Film: Father & Daughter



Highlights of Arena Fest 2022 (6,500+ students)



Arena Gaming Ad



Lakmé Academy's Mega Beauty Competition



Welcome Zindagi: The Story of Shabana



Certain statements in this presentation describing goals, projections, prospects may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may materially differ from those stated or implied in this presentation as our operations involve a number of risks and uncertainties that could cause these variations. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in Education industry, factors that may affect operations of our learning center network across the world, slowdown in recruitment for sectors addressed by us, HR management, liability for damages on our service contracts, political instability, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements in our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time forward to time by or on behalf of the company.

THANK YOU

Saurabh Gada

+919833133353

sgada@aptech.ac.in

www.aptech-worldwide.com