NATION BUILDING
THROUGH EDUCATION

THINK EDUCATION. THINK ZEE LEARN.

KIDZEE WHERE KIDS LOVE TO LEARN | Mount Litera World Preschool | Mount Litera Zee School Great School, Great Future | Mount Litera School INTERNATIONAL | ZIMA ZEE Institute of Media Arts www.zimainstitute.com | ZICA ZEE INSTITUTE OF CREATIVE ART

Essel GROUP

One of the largest media conglomerates in emerging markets

History of creating valuable businesses and capturing growth opportunities

Broadcasting

Zee Entertainment Enterprises Ltd

India's leading television, media and entertainment company having over 950+ million viewers across 169 countries.

Zee Media Corporation Ltd

India's foremost media companies with a strong presence in the national and regional news genre

Veria

24 hr HD channel offering programming, encompassing fitness/ exercise, lifestyle, interviews, debates, instructional and reality shows in USA

Distribution

Dish TV

India's first and Asia's largest DTH Company, is poised to become one of the top DTH companies in the world

Siti Cable Network Limited

Multi System Operator having product range of Analog Cable, Digital Cable, Broadband and Local Television Channels.

Print

Diligent Media Corp

Publishes DNA, a English language newspaper which has entrenched into the lives of the young and dynamic readers in India

Education

Zee Learn Ltd

Provides educational services through chain of preschools, K-12 schools and vocational training institutes

Industrial

Essel Utilities

Power and Water distribution along with Water management

Shirpur Gold Refinery

SHIRPUR GOLD REFINERY LTD

Gold and silver refining capacity of 217 mtpa each

Essel Finance

Essel Finance is India's leading private sector financial services Company.

Infrastructure

Essel Infraprojects

Roads, power plants, sports complexes and special economic zones

Diversified business conglomerate founded in 1982 by Mr. Subhash Chandra, a pioneer in Indian media

Mr. Chandra has been a pioneer in the Indian media industry and recipient of numerous industry awards and civic honors

THINK EDUCATION. THINK ZEE LEARN.

KIDZEE
WHERE KIDS LOVE TO LEARN

Mount Litera
World Preschool

Mount Litera
Zee School

Mount Litera School
INTERNATIONAL

ZIMA
ZEE Institute of Media Arts
www.zimainstitute.com

ZICA
ZEE INSTITUTE OF CREATIVE ART

Essel
GROUP

www.zeelearn.com

Our Brands

www.zeelearn.com

KIDZEE

WHERE KIDS LOVE TO LEARN

Business Model

- Franchise
- Company owned company operated (COCO)

Services

- Pedagogy, Curriculum & Content
- Teacher Training
- Marketing & Academic Center Audits
- Parenting Programs & Seminars

Strengths

- With R & D team of over 60 members, constant focus on pedagogy, curriculum design, content creation
- Flexible pedagogy christened iLLUME to observe children on pre-defined parameters and accordingly identify the preferred learning style

www.mountlitera.com

Mount Litera Zee School

Great School. Great Future

Business Model

- Franchise
- School Management Contract

Services

- Architectural designs
- Curriculum - Blended Learning Designs integrated with digital content
- Teacher Training, Marketing & Academic Audits
- Parenting Programs & Seminars
- Affiliation with the CBSE Board

Strengths

- State-of-the-art infrastructure, contemporary learning and teaching methods, well-researched proprietary content and constructive learning environment
- After years of research, we have created an integrated educational model, 'Litera Octave' which facilitates deeper concept understanding

ZEE INSTITUTE OF CREATIVE ART

Unleash Your Potential

ZIMA

ZEE Institute of Media Arts

www.zimainstitute.com

Business Model

- Franchise
- Company owned company operated (COCO)

Services

- Assists in Placements
- Faculty training
- Content
- Marketing support

Business Model

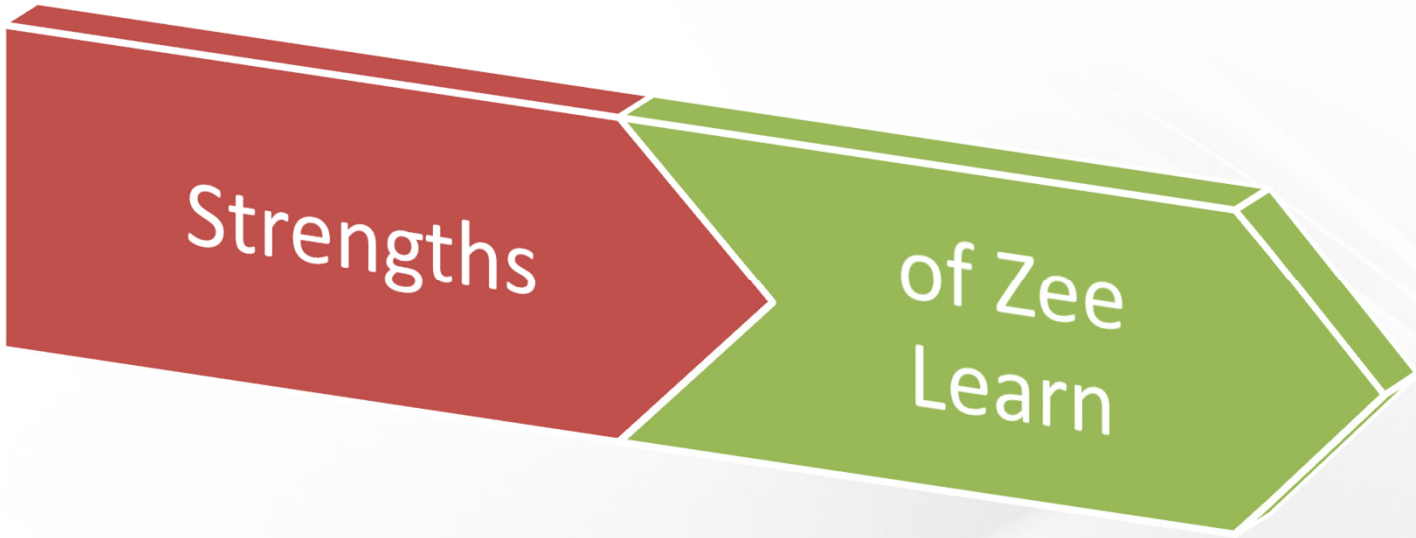
- Company owned company operated (COCO)

Services

- Assists in Placements
- Faculty training
- Content

Strengths

Through a mix of degrees, diplomas and certificate courses, we offer a plethora of options to both fresh graduates and professionals


Strengths
of Zee
Learn

Strongholds of Zee Learn

- Revenue grown at a CAGR of 36% from FY12 to FY19 i.e. Rs.61 Cr to Rs. 517 Cr (consolidated)
- Largest pre school chain in India with c.2000 operational centers
- MLZS with 129 operational schools is one of the fastest growing school chains
- Only organized pre-school chain operating with a business model wherein its share of royalty is collected in advance.
- Developed a strong base for annuity based business models in the preschool & K-12 schools domain
- The only player Maximizing Value with low risk
  - Huge Franchise base
  - Pedagogies created – ILLUME, Litera Octave
  - Developed school infrastructure through Brick & Mortar K-12 schools
- Uniquely positioned to cater to the large unmet needs in the child development and education domain enabled by strong brands
- Led by stable, performance driven, coherent management team that has played pivotal role in laying a strong foundation of the company and is now geared to take it to next level

Largest Pre School Chain in Asia

Particulars	Kidzee	Euro Kids	Bachpan	Shemrock	Little Millennium
Established since	2003	1997	2005	1989	2006
Nos of centres	**c.2000**	**c.900**	**c.1000**	**c.525**	**c.450**
Pedagogy	Propriety pedagogy 'illume'.	Propriety pedagogy	No Propriety pedagogy	Propriety pedagogy	Propriety pedagogy
Teaching Method	Multiple intelligences and Visual, Auditory & Kinesthetic (VAK) style of learning	Play-way	-	-	Multiple Intelligence and thematic
Differentiated Content	√	×	×	×	×
Model	Self Operated and Franchisee run centers	Self Operated and Franchisee run centers	Franchisee run centers	Franchisee run centers	Franchisee run centers
Presence	Pan India	Pan India	Concentrated in North	Concentrated in North	Pan India
Fee Point	Avg. 35,000/-	Avg.35,000/-	Avg.30,000/-	Avg.30,000/-	Avg.35,000/-

Source: Company estimates

Fastest Growing K-12 School Chain in India

Particulars	MLZS	DPS	Rayan International	Educomp	Euro School
Number of Schools	**129**	**210**	**120+**	**47**	**10**
Affiliated Board	CBSE	CBSE	CBSE,ICSE,IB,IGCSE	CBSE	CBSE
Pedagogy	Propriety pedagogy 'Litera Octave'.	NCERT with some additional books	No Propriety pedagogy	Propriety pedagogy 'Millennium Learning System'.	Propriety pedagogy
Differentiated Content	√	×	X	×	×
Model	Self Operated and Franchisee run schools	Self Operated and Franchisee run schools	Self Operated and Franchisee run schools	Self Operated	Self Operated and Franchisee run schools
Presence	Pan India	Pan India	Pan India	Pan India	Pan India
Fee point	Avg. 70,000/-	Avg. 65,000/-	Avg. 80,000/-	Avg. 65,000/-	Avg. 80,000/-

Source: Company estimates

Zee Learn's Strategic Growth Levers for existing businesses

Largest Foot Print

- Average new signups c.350 Pre Schools and 24 K-12 YoY
- Business model allows:
  - -Faster scale up of operations
  - -Increased geographical penetration (currently present in about 20% cities across India
  - -Enhanced control on the service delivery levels for desired outcomes

Best In Class Student experience

- Content is developed on our belief that every child is unique & different children learn differently.
- Developed digital content in house and activity based learning program that provides multiple pathways to learn for children.
- Integrated Parenting Curriculum empowers parents to facilitate child development in the right manner

Best In Class Product Portfolio

- This helps in Increasing share of wallet per customer by leveraging existing relationships with business partners resulting in higher Revenue per center/school.
- Partnerships for creating or sourcing differentiated Best In Class products from across the world strongly aligned with Indian Curriculum.

Growth Opportunities for Zee Learn

- Average enrollment per Kidzee centre is c.72, against full capacity of c.125 per centre
- Average enrollment per MLZS is c.500, against full capacity of c.1800 per school
- Our own operating K-12 schools have average enrollments of c. 600 per school, against full capacity of c.1800 per school
- With annual addition of c.250 operational Preschools and 12 K-12 schools, the company will be on continuous growth trajectory in coming years
- Private education revenues was at USD 30 bn in 2012 and are expected to grow at 19% and reach USD 110 bn by 2020
    - With its brands well established and widely accepted, ZLL is all set to participate in the growth of the education sector and tap the huge opportunity
- Pre-school segment revenues to increase at a CAGR of 15% from USD 1.5 bn in 2011 to USD 5 bn by 2020.
    - With Kidzee as the largest Preschool chain in India spread c.700 cities, ZLL is quite poised to tap on this opportunity
- Share of private institution in total enrolment of K-12 segment is expected to increase to 47% in 2015-16 from 42% in 2010-11
    - With MLZS amongst the fastest growing brand in K-12 segment with its footprint in c.80 cities, we are present to make a major impact in this field

Future outlook of
Education sector in India

Preschool - Segment Outlook

Market

- 2012 Market size c.Rs. 5200 Cr
- Expected CAGR 15%
- Expected Market size by 2020 Rs. 16,000 Cr
- Urban Penetration stands at 25% & Rural at 5%
- GER of 10.9% at all India level as compared to 100% in France or Scotland
- Current Penetration 14 Lakh children from a Preschool population of 1.3 crore preschool children

Growth Drivers

- Increased propensity to spend on quality education
- Rising urbanization
- Increase in population
- Demand Vs supply gap
- Increase in Consumer disposable Income /affordability
- Substantial improvement in the quality of pre-schools
- Success of the Franchise Model
- Ease of entering the segment and low investment

Key Challenges

- Lack of awareness
- High rental cost
- Unavailability of quality teachers
- Limited target population as they cater only to a small target market in the vicinity
- 70% Unorganized market

Source –Anand Rathi Research, Gyan Research & Fortress team research; Education outlook Technopak

School (K12) - Segment Outlook

Market

- 2012 Market Size ~ Rs 83850 crore
- Expected CAGR 17%
- Expected Market by 2020 ~ Rs 294450 crore
- Private schools account for 42% of enrolments(2010-11)
- Total no of schools – 14 Lakh
- Govt Schools – 11 Lakh
- Private Schools – 3 Lakh
- Private Aided - 80,000
- Private Unaided – 2.3 Lakhs
- Private Unaided premium (15k+ fees) - 70,000

Growth Drivers

- Huge market potential (population)
- Private schools preference by parents
- Higher stickiness (10 yr commitment)
- GER in elementary expected to reach 100% by 2016
- Govt push for private players to enter the market
- IB schools – growing the premium segment (900 schools by 2020)

Key Challenges

- Demand vs supply gap (private schools)
- 20000-25000 'Quality' schools required (NCERT)
- GER in India 16% whereas in developed nations like UK is 85% (Secondary section)
- Over regulated
- Teacher quality

Source –Anand Rathi Research, Gyan Research & Fortress team research

Higher Education - Segment Outlook

Market

- 2012 Market Size ~ Rs 31400 crores
- Expected CAGR 14%
- Expected Market size by 2020 ~ Rs 89700 crore
- Enrolment in India – 1.7 Crore out of 19 crore population in 15-24 age group (<10% Enrolment)
- Enrolment in USA – 1.8 Crore out of 3.1 crore population in 15-24 age group (58% Enrolment)
- Trend of getting into digital way of learning
- Distance education gaining momentum

Growth Drivers

- Distance education programs operationally profitable from yr 1
- Govt colleges university unable to handle current demand
- Growing importance and requirement of specialized and skilled manpower
- Increasing FDI presence in the sector

Key Challenges

- Front-loaded capex and back ended returns
- Returns sustainable after 7 yrs
- Suitable for technical courses(mechanical, IT, MBA,etc)
- Students going abroad for HE studies

Source –Anand Rathi Research, Gyan Research & Fortress team research

Future scope for expansion- Higher Education

- **There is a huge potential for quality education in this segment**
  - There is a dramatic drop in the enrolments post K12
  - Only 18% of addressable students in Indians go for higher studies as compared to 85% in developed countries like US & UK

- **University model can be considered for growth in the higher education space**
  - Group already have presence through Himgiri University based out of Dehradun which has a 50 acre campus
  - Multiple campuses
  - Front ended investment ; Long gestation period of about 8 yrs for returns

- **Key sectors that can be explored in the Higher Education will be the technical and professional education**
  - Engineering, MBA, Medical etc

- **Success of the University will be highly dependent on the reputation the university garners during the initial years which will be supported by**
  - High quality professors and assistant professors
  - World Class Infrastructure & facilities

- **Quality of Education in India can be improved by strategic tie-ups with reputed foreign Universities of UK, Canada, Australia, France**

Future scope for expansion- Teacher Training

Market

- Current Market Size Negligible
- Expected Market by 2020 ~ Rs 2700 Crore
- Currently no large players exist in this segment. Very fragmented market

Growth Drivers

- Growing unmet need of good quality teachers by Private schools
- Require 6.0mn more teachers by 2020 (govt & private)
- Translates into a requirement to train 0.75mn teachers p.a.

Key Challenges

- Tie up with Govt (maximum opportunity lies with them)
- Small pool of schools ready to invest in teachers

Source: Anand Rathi Research, Gyan Research & Fortress team research

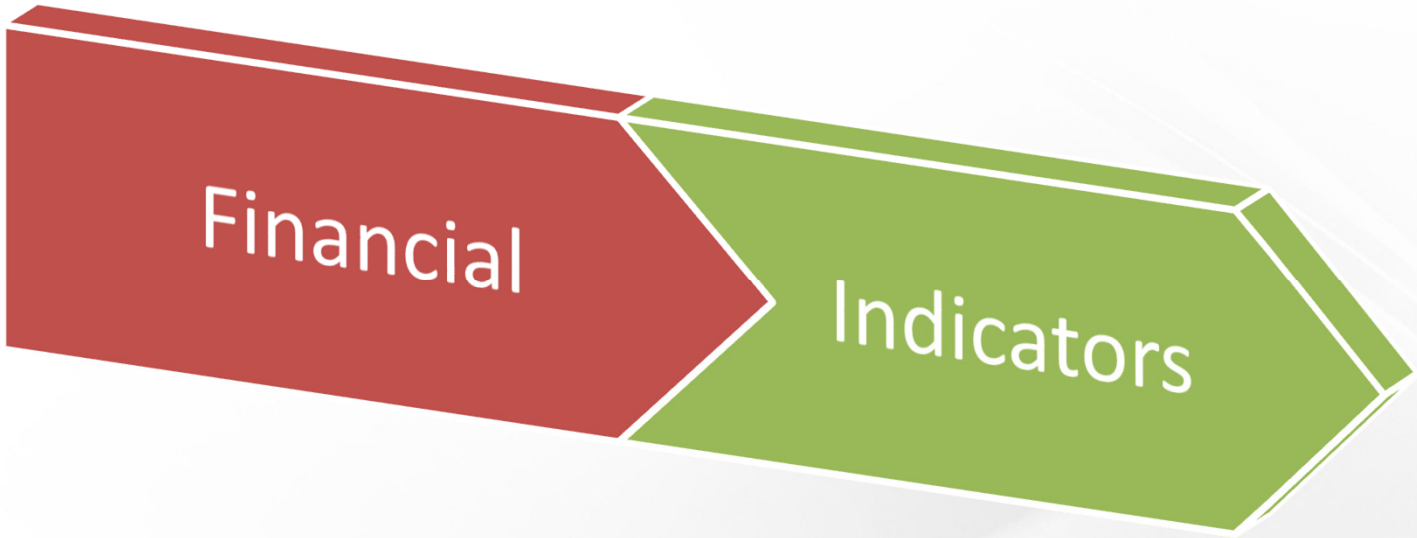
Includes : K12 tution fees, tutoring, Stationary & Content

Future scope for expansion- Other potential Growth drivers in the sector

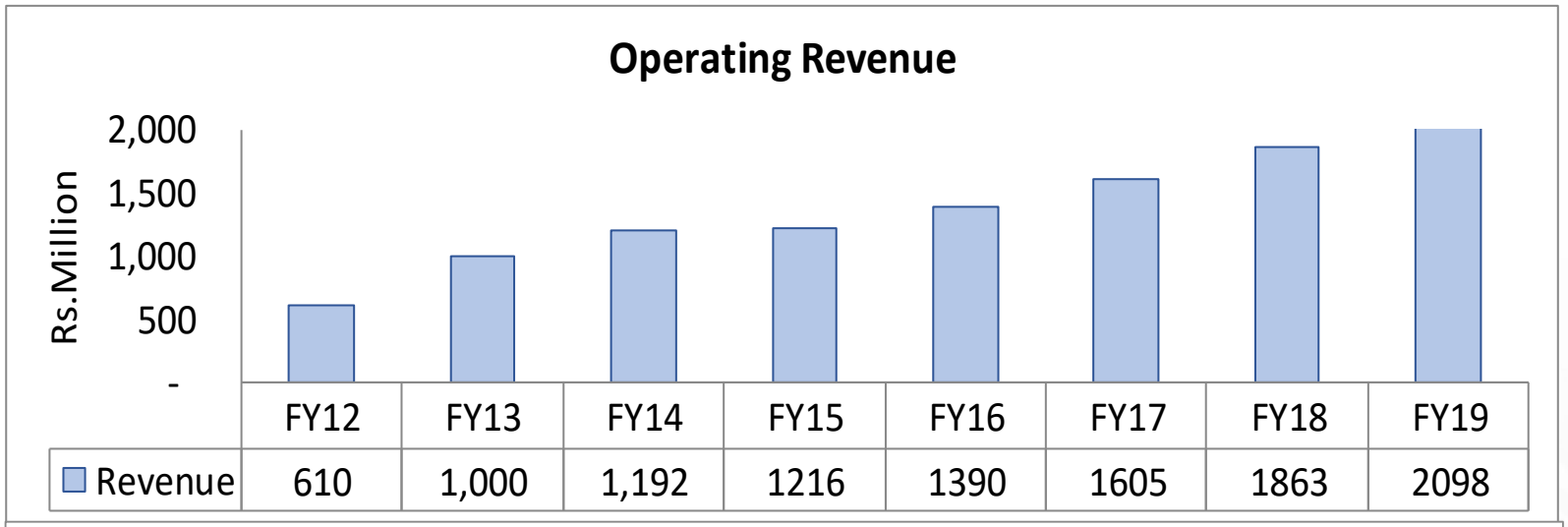
- **E-learning**
  - All forms of electronically supported learning and teaching, including educational technology and e-tutorials
  - Key players - NIIT, Aptech, Meritnation.com, Studymate.com
  - Expected Market size for E-learning in FY 2020 is more than Rs 24,000 crore

- **Coaching & Tutoring**
  - For professional courses like engineering, medical, MBA etc
  - Key players – FITJEE, Vidyalankar, Time, IMS
  - Expected Market size for Coaching & Tutoring in FY 2020 is Rs 59,000 Crore

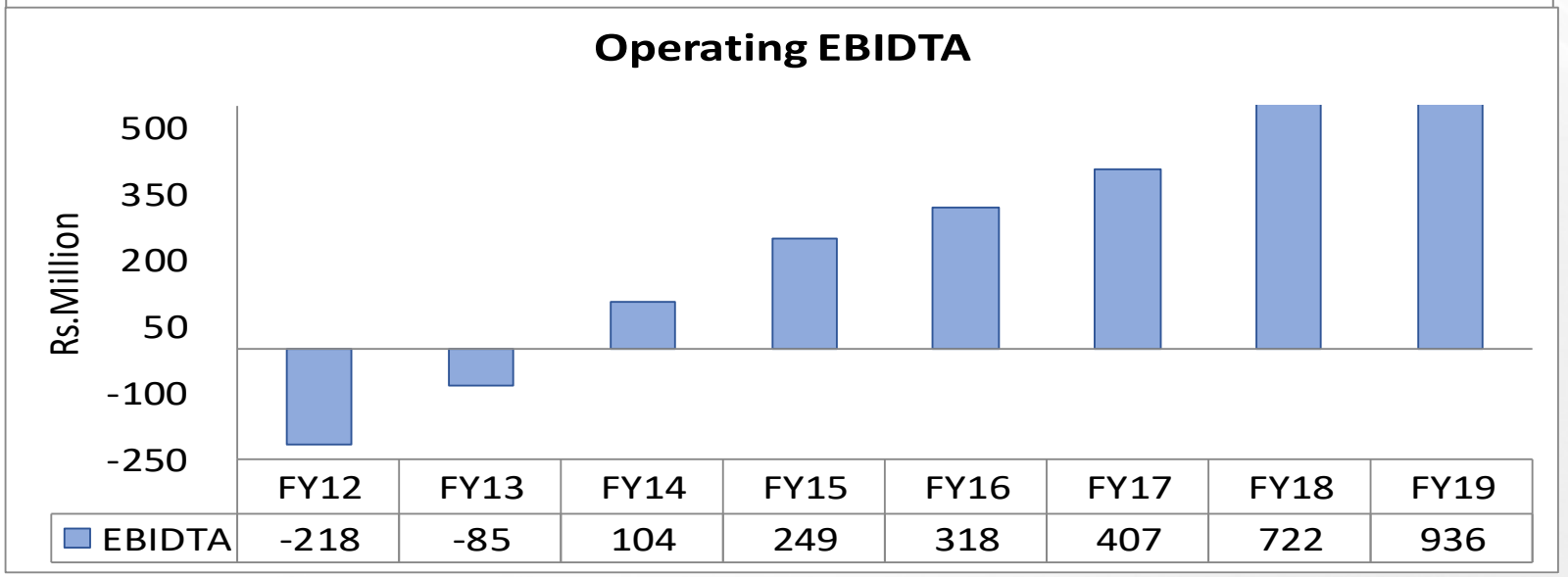
- **International Expansion of Kidzee and MLZS**


Financial
Indicators

Zee Learn Ltd– Operating Performance (Standalone)



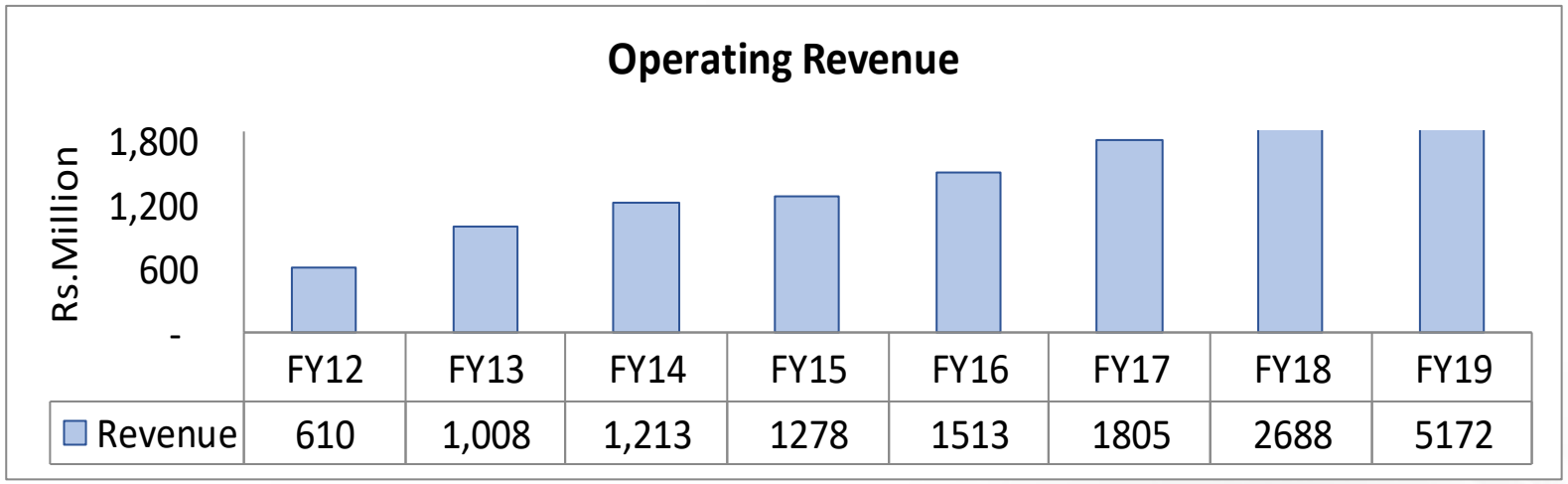
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Revenue	610	1,000	1,192	1216	1390	1605	1863	2098



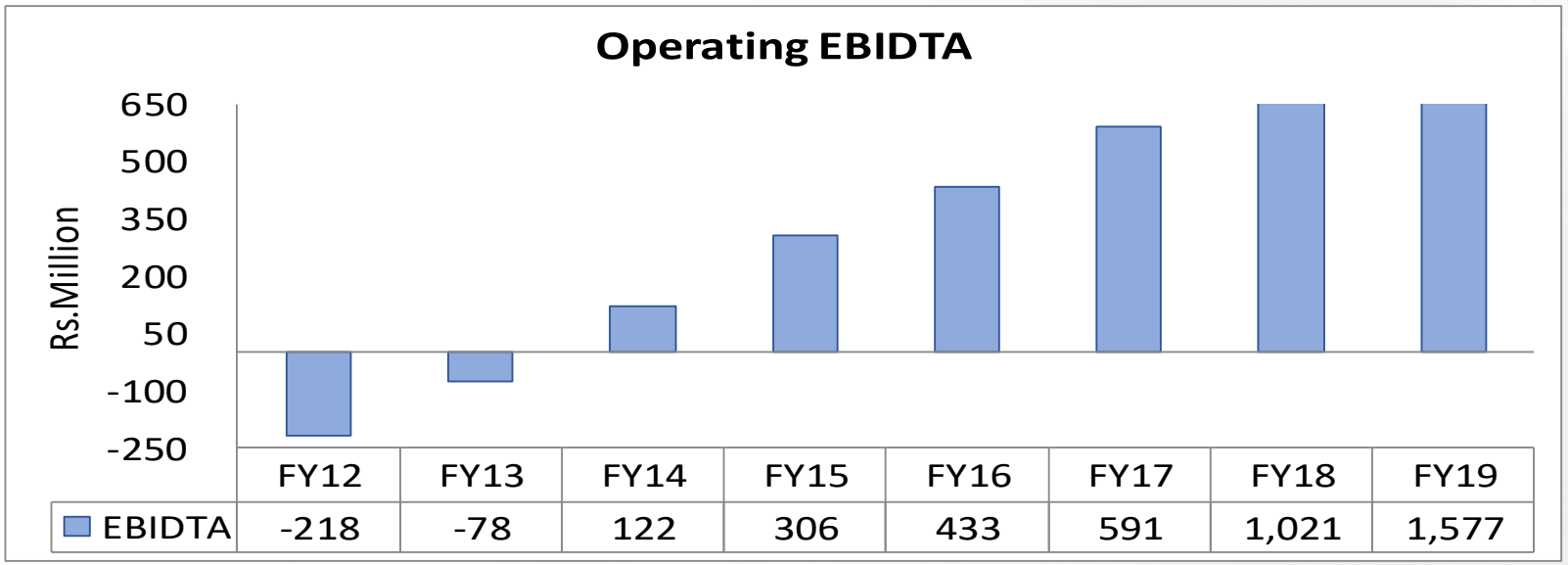
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
EBIDTA	-218	-85	104	249	318	407	722	936

(FY17 and FY18 figures as per IND-AS)

Zee Learn Ltd– Operating Performance (Consolidated)



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Revenue	610	1,008	1,213	1278	1513	1805	2688	5172



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
EBIDTA	-218	-78	122	306	433	591	1,021	1,577

(FY17 and FY18 figures as per IND-AS)

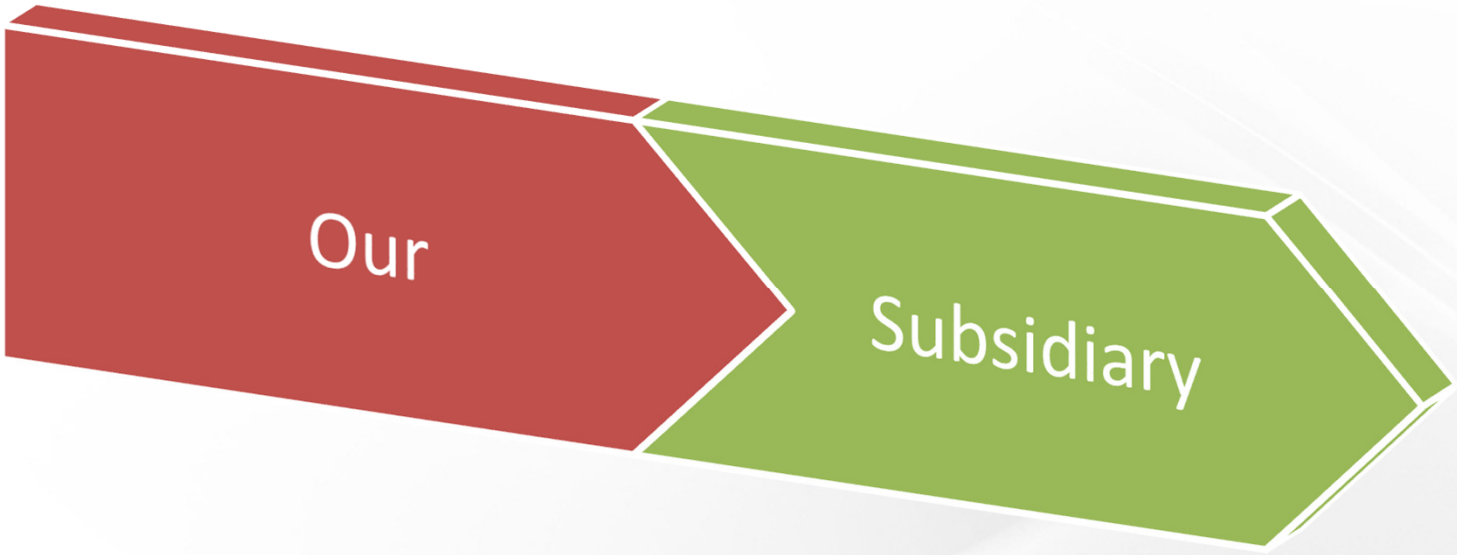
Consolidated Financial Highlights – Q2 FY20

Rs in Mn	Quarter Ended			Half Year Ended		Year Ended
Particulars	**Q2FY20**	**Q1FY20**	**Q2FY19**	**H1FY20**	**H1FY19**	**FY19**
Revenue from operations	1,366	1,548	1,260	2,914	2,392	5,172
Other Income	118	115	69	233	129	320
Total Revenue	**1,484**	**1,663**	**1,329**	**3,147**	**2,521**	**5,493**
Expenses						
COGS / Operational Cost	352	439	378	791	665	1,454
Employee benefits expense	335	384	363	720	643	1,416
Selling and marketing expenses	55	67	72	122	142	272
Other expenses	105	110	115	216	184	454
Total expenses	**848**	**1,000**	**927**	**1,848**	**1,634**	**3,595**
EBITDA	**518**	**548**	**333**	**1,066**	**758**	**1,577**
EBITDA %	**38%**	**35%**	**26%**	**37%**	**32%**	**30%**
Finance Cost	160	148	119	308	216	473
Depreciation and amortisation expenses	148	149	79	298	126	279
Profit before tax	**328**	**365**	**203**	**694**	**546**	**1,145**
Profit before tax %	**22%**	**22%**	**15%**	**22%**	**22%**	**21%**
Tax	84	99	63	184	164	311
Profit after tax	**244**	**266**	**141**	**510**	**382**	**834**
Profit after tax %	**16%**	**16%**	**11%**	**16%**	**15%**	**15%**

Financial Performance - YoY

Rs in Mn

	Standalone					Consolidated				
Particulars	**FY19 (IND-AS)**	**FY18 (IND-AS)**	**FY17 (IND-AS)**	**FY16**	**FY15**	**FY19 (IND-AS)**	**FY18 (IND-AS)**	**FY17 (IND-AS)**	**FY16**	**FY15**
Revenue	**2098**	**1,863**	**1,605**	**1,390**	**1,216**	**5172**	**2,688**	**1,805**	**1,513**	**1,278**
Expenditure	**1162**	**1,142**	**1,198**	**1,072**	**967**	**3596**	**1,668**	**1,214**	**1,080**	**972**
Operating EBITDA	**936**	**722**	**407**	**318**	**249**	**1576**	**1,021**	**591**	**433**	**306**
Other Income	168	157	133	34	47	320	37	38	20	38
Finance Cost	200	134	146	144	132	473	191	207	200	152
Depreciation and Amortization	38	31	40	57	68	279	111	98	102	93
Profit/(Loss) before Tax	**867**	**714**	**353**	**151**	**96**	**1145**	**756**	**324**	**151**	**99**
Provision for Tax	250	256	(11)	-	-	311	263	(11)	-	-
Profit/(Loss) after Tax	**617**	**458**	**364**	**151**	**96**	**834**	**493**	**335**	**151**	**99**

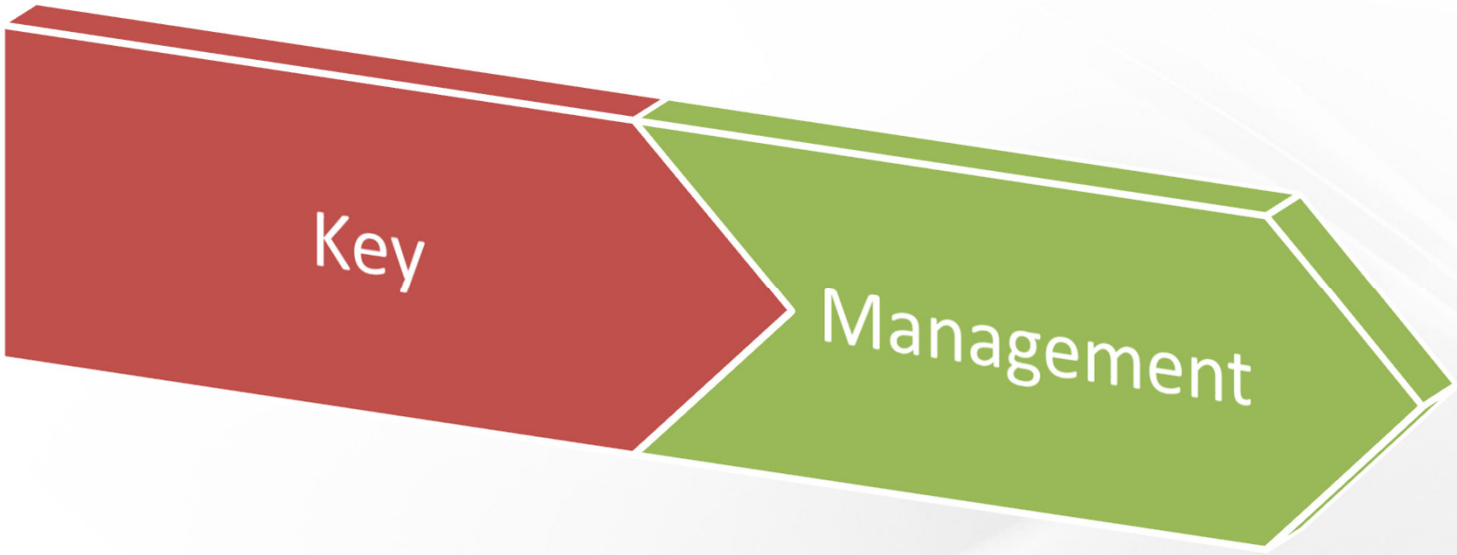

Our
Subsidiary

Digital Ventures Pvt. Ltd- 100% subsidiary

DVPL is engaged in owning, developing and leasing the school infrastructure and ancillary assets required in educational business

Sr. No.	Locations	Area	Peak Student Capacity	School Status for Academic Year 2019-20	Facilities
1	Bhatinda	Spread across 8 acres - appx. 1,33,000 sq.ft. built up **Land taken on long term lease**	c.1800	Upto Class 11	Multipurpose Hall, Sports ground, Science Lab, Computer Lab, Art and Music rooms, swimming pool, tennis court
2	Nagpur	Spread across 7.8 acres - appx. 1,25,000 sq.ft. built up **Land taken on long term lease**	c.1800	Upto Class 10	Multipurpose Hall, Sports ground, Science Lab, Computer Lab, Art and Music rooms, swimming pool, tennis court
3	Patiala	Spread across 5.73 acres - appx. 1,25,000 sq.ft. built up **Land taken on long term lease**	c.1800	Upto Class 10	Multipurpose Hall, Sports ground, Science Lab, Computer Lab, Art and Music rooms, swimming pool, tennis court
4	Karnal	Spread across 5.48 acres - appx. 1,25,000 sq.ft. built up **Land taken on long term lease**	c.1800	Upto Class 10	Multipurpose Hall, Sports ground, Science Lab, Computer Lab, Art and Music rooms, swimming pool, tennis court
5	Goa	Spread across 5 acres appx. 1,35,000 sq.ft. built up **Own Land**	c.1800	Upto Class 12	Multipurpose Hall, Sports ground, Science Lab, Computer Lab, Art and Music rooms, swimming pool, tennis court
6	Mumbai	Spread across 1.45 acres – appx. 274,000 Sq ft. built up **Land taken on long term lease**	c.1376	Upto Class 11	Basket ball court, badminton court, yoga room, gymnastics room, squash court, table tennis room, mini soccer field and outdoor play area, wifi campus, multi-media library, music and activity room, ICT and science lab, preview theater, ergonomically designed furniture, state of art class rooms, ipad/tablet enabled class room lectures

All schools are affiliated/in process with CBSE except for Mumbai school which is affiliated to International Baccalaureate (IB)


Key
Management

Debshankar Mukhopadhyay,
CEO

- With over 21 years of experience in Corporate Strategy and Finance, Mr. Mukhopadhyay carries extensive experience in Network and Channel development in the South Asia and has demonstrated leadership in business and operational excellence in multinational organizations and in multi-cultural environments including, setting up and developing green field projects and driving them to significant success.
- In the past, he has worked with Manipal Global Education Services, Western Union, Scholastic India, Zee Interactive Learning Systems Ltd. and DHL Worldwide.
- He is a Commerce Graduate from Kolkata University and has done Post Graduate Diploma in Business Management, IISWBM, Kolkata.

Vikash Kar,
Human Resource Head

- He has 15 years of progressive HR experience and has been associated with diverse sectors including Medical Devices, Pharmaceuticals, Light Engineering and Financial services and has comprehensive business HR experience in various facets of the function across verticals.
- He has worked with several companies including MSCI Inc, BP Ergo Limited (member HNI Corp), Wyeth Limited (a Pfizer company) and Famy Care Limited.
- He holds a post graduation degree in management studies and is a Certified Balanced Scorecard professional and a Belbin Team Roles facilitator.

Shayam Sunder Gudimella,
Head Content and Curriculum

- Shyam has over 15 years of varied leadership experience in Content Design & Implementation and Knowledge Management Solutions in education sector. He joins us from Reliance Jio Infocomm, where he was designated as General Manager/Lead - Training & Knowledge Management. Prior to this he was associated with Tata Interactive Systems and Tata ClassEdge as Director - Learning Design He has also worked with Triumphant Institute of Management Education (T.I.M.E.) as a Trainer and Learning Designer.
- He holds a Post Graduate Diploma in Business Management from XLRI Jamshedpur with specialization in Finance and Marketing and has a Bachelor's Degree in Science from Osmania University.

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CHANGE THE GAME

The Quantum Leap