



“Career Point Limited Q4 / FY2017-18
Management Commentary”

**MANAGEMENT: MR. PRAMOD MAHESHWARI – CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR – CAREER POINT**

**MR. MAHESH BHANGRIYA - VICE PRESIDENT, CORPORATE
STRATEGY– CAREER POINT**

Pramod Maheshwari: Good day ladies and gentlemen. I am glad to share the company's performance and recent business development during fourth quarter of the current financial year. This is followed by an update by my colleague, Mr. Mahesh Bhangriya – Vice President – Corporate Strategy and Investor Relations on Career Point's financial performance during fourth quarter and fiscal 2017-18. The copy of our earning updates is also available on Investor Relations section at our website www.cpil.in.

I am pleased to update that the diversification of the business divisions and the service delivery channels has been perfectly in-line with our strategic plan to transform company to a complete educational service provider. Larger growth in formal education, skill development and the coaching services delivery through school association network ascertained sustainability to the businesses and provided new avenues for a long-term growth.

Other growing verticals i.e. e-Learning, publications and skill development are also accounted in other wholly owned subsidiaries. Hence, it would be fair to compare year on year performance of the company at CONSOLIDATED LEVEL. The improved financials at top-line as well as at profit levels for consolidated operations are quite exciting. All these positive developments hold up management's bullish views on overall business prospects going forward.

With expansion through new centers; Career Point group network is now reached at 83 different units in 70 cities across 21 states of the country. Total enrollments were reported at 29,509 (FY2017: 29,086) including 11,274 in formal education division (FY2017: 8,029) and 18,235 in informal education division (FY2017: 21,057).

A remarkable growth of more than 40% (y-o-y) in formal education enrollments is a result of increased admissions in all three sub-verticals including higher education, school education and vocational division.

In tutorial division, Career Point has been growing the network by more efficient delivery channels i.e. school integrated programs and franchisee centers. Growing through school association and franchisee centers with right partners are in-line with expansion strategy for tutorial division.

We expect the medical division to contribute significantly in the growth of tutorial businesses. The number of aspirants is increased up to 1.3 million in recently held NEET (National Eligibility cum Entrance Test) which is compulsory to qualify to get admission in all medical colleges across India.

In addition to this, the health ministry of India has also made NEET qualification mandatory when applying for foreign medical courses.

Now, Indian Citizens/Overseas Citizen of India intending to obtain primary medical qualification from any medical institution outside India, on or after May 2018, will be required to pass NEET in order to obtain an eligibility certificate (EC).

Moving to CP Gurukuls which are residential school integrated with coaching facilities, the performance has been quite phenomenal – in terms of academics as well as extra-curricular. 36 students of CP Gurukul won Gold Medals in Various Scholarship Exams last year. Bronze medals in 2nd TFF Minime Series & Thailand Fencing Championships 2017 and Mousetrap event (MacFare) held at CMS, Lucknow were secured by CP Gurukul students. Similar performance has been delivered by the students at CP-Gurukul Mohali (Punjab).

With dual advantage of best quality academics with holistic development of CP Gurukul students and seamlessly integrated school education with competitive examination preparation; CP Gurukuls are now positioned in a different league. The institutions are now home to produce students with all round success. CP Gurukul Kota has recently been featured in Forbes Marquee Edition - Great Indian Schools 2018.

Career Point's experience of last 25 years in delivering quality education is also reflected in the chain of Career Point schools located in Rajasthan as well as outside Rajasthan. Career Point World Schools are also on their pathway to establish an edge over other players in their respective regions.

In higher education both the universities - Career Point University at Kota, Rajasthan and Career Point University at Hamirpur, Himachal Pradesh - are performing extremely well on all fronts including academics, placements, new enrollments, industry collaborations, return on investments and brand equity.

Last month, 9th Indian Youth Science Congress was held at Career Point University Hamirpur which was chaired by honorable Vice President of India. Similar prestigious events are regularly conducted at Career Point Institutions. Recently, Career Point University Kota was selected by Ministry of HRD, Govt of India for implementation of Unnat Bharat Abhiyan.

Career Point University Law College organized a national seminar in association with Rajasthan Legal Services Authority on Juvenile justice. More than 200 innovative products and projects were presented by Career Point Students in Technovation - popular event for innovations in the area of science & technology. Career Point University Kota's convocation also took place in the month of Feb-2018.

Coming to Industry partnerships, we, at Career Point, build more collaborative, strategic and meaningful partnerships between our institutions and industries to establish pathways that lead to successful careers. Though we are 'student focused'; however we are 'industry facing'. For us the partnership is not a buzzword; we have a more strategic engagement functional model. These meaningful partnerships help is in delivering one of the best placements in the region. More than 1400 Career Point students are placed in 167 reputed companies in this short span of time.

Our new verticals including skill development, pre-school and publication division are continually growing and providing multiple avenues towards building a stronger, more agile Career Point.

In Pre-school division, we continue to grow through franchisee network across nation. The enrollments in Skill Development are almost tripled vs same period of previous year. Our focus on Skill Assessments is strengthening.

Overall the business including different divisions and their sub-verticals are performing well in-line with company's growth strategy and we are quite excited with company's well positioned development matrix.

Mahesh Bhangriya:

Good day ladies and gentlemen. I am pleased to share an overview of our financial result for the fourth quarter and twelve months ended at March 31st, 2018.

Let me start highlighting the increased contributions from the subsidiaries businesses. The subsidiaries contribution in Operating EBITDA and Profit After Tax was 29% and 12% respectively during FY2016-17. Now in FY2017-18; the contribution by subsidiaries has increased to 48% at operating and 42% at net profit level. Hence, the consolidate numbers represent a right picture of business operations in the company.

The income from operations was Rs.71.1 Crores in FY2017-18 with a YoY growth with about 2% decline on the account of business movement from parent to subsidiaries. It was done because these businesses were ancillary to main business and it also improved the tax efficiency.

A prudence accounting policy of booking B2B revenue only on receipt basis is further explained a decline in revenue. That revenue will be booked on payment receipts. At console level the revenue from operations for the period at rupees 89.6 crores witnessed a growth of 8% over same period last year.

The total income which is including the other income has reached to rupees 100 crores figure. A mark-to market gain on investment income is added back in previous year's numbers due to Ind-AS conversion. This results higher other income in previous year.

The decrease in inventory at console level against March 31st numbers of previous year is our sale of investment in bonds at NBFC subsidiary, which eventually results in to the decline in total borrowings as well.

The increased contribution from new school association projects and other high margin verticals resulted a higher growth at the operating level. However, as explained above, the business movement and an accounting policy of revenue booking gave a decline in operating profits. The reported EBITDA on standalone basis came at Rs. 8 Crores for the quarter and Rs.15.8 Crores for last twelve months with the EBITDA margin of 22.2%. At console level, the company reported operating performance with a YoY growth of 7% in EBITDA and margins of 34.1%.



Moving to net profit, which was positively impacted by relatively lower tax rates as against previous year; the net income at standalone level was reported at Rs.12.8 Crores at standalone and rupees 22.1 crores at consol with PAT margin of 16% and 22% respectively.

As on 31 March 2018, the net worth of the company was Rs.404 Crores and cash and cash equivalents were Rs.58 Crores excluding loans, advances and long-term investments. The company holds Rs 123 Crores as net current assets including current loans, long-term investments and excluding all borrowings.

In conclusion the increased contribution from school integrated programs and larger growths from more sustainable businesses are some of the key highlights for the period.

In case you have any further queries, please feel free to mail us or call us at:

Mr. Mahesh Bhangriya: mahesh@cpil.in, +91 - 744 – 3040022

Mr. Tarun Jain: tarun.jain@cpil.in, investors@cpil.in +91 -744 -3040000

Mr.Pramod Maheshwari: pramod@cpil.in +91-744 -3040101