India Market Study - Higher Education with focus on unregulated Markets

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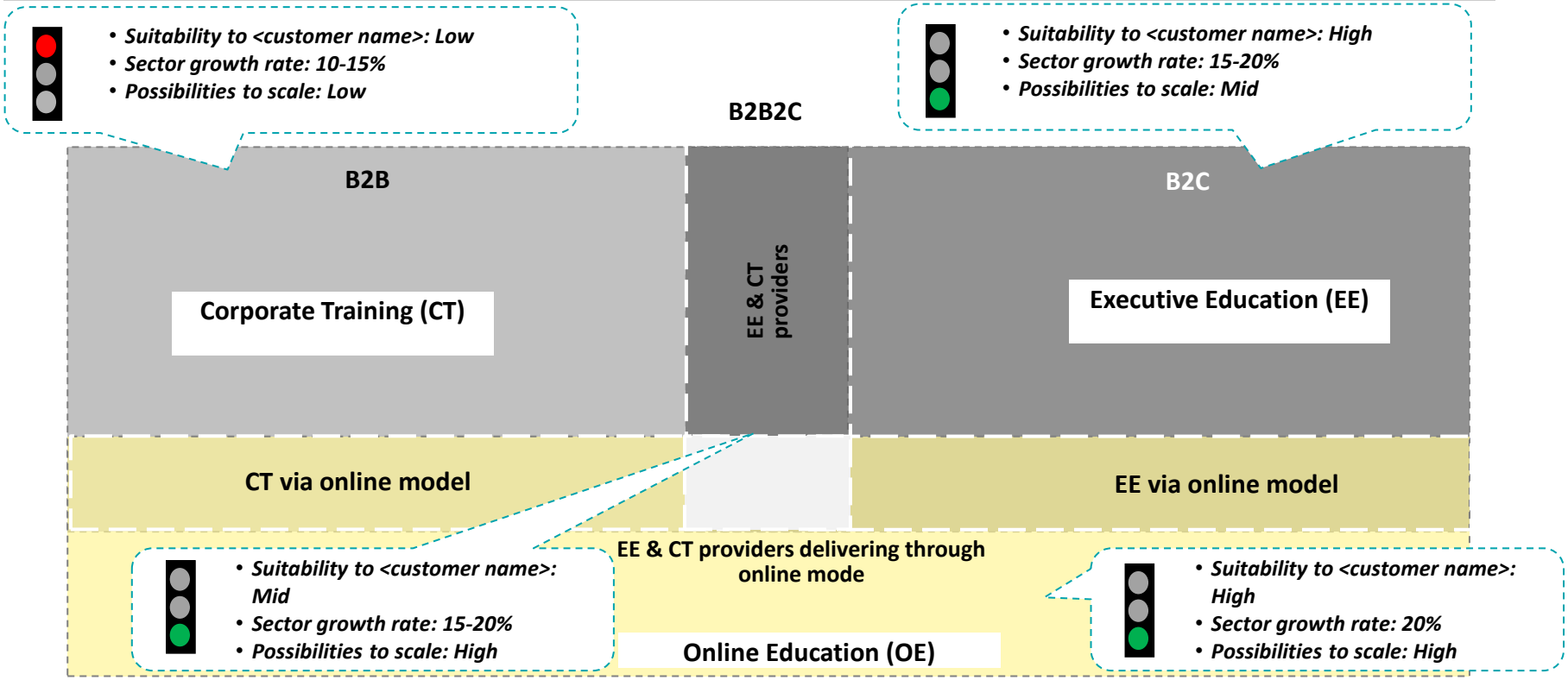


In Indian HE market, Scale has been attained by university models where as other models are either person dependent, operate regionally or target a micro customer segment

Legend

Overall opportunity prospects — Negative | Neutral | Positive

Executive summary – Corporate trainings (CT)

	Summary of findings
1 **Market size and growth**	► The total market for CT is USD 3.3 Bn and consists of working professionals across listed, unlisted and SME sector ► With increasing internet penetration and need for re-skilling, the overall market is expected to grow at ~10-15%
2 **Market segments**	► CT market has three main segments basis the level of training required viz. leadership, mid level and Jr. level ► With 5Mn base of potential users, 4% belong to leadership, 33% to mid level and 63% to Jr levels
3 **Competitive intensity**	► CT market in India is highly fragmented with multitude of players catering specific segments and sub segments ► Some players operate light with empanelled trainers, while others institutionalized organizations operate with on roll trainers. ► Many aggregators are mushrooming in this business which get passing margins but are becoming popular amongst target market
4 **Models**	► Pay per training, corporate partnerships, L&D consulting, Skill transformation are the major models of operations in CT space. ► Leaders segments are catered through offline or blended mode, whereas for Jr. levels both offline and online modes are common basis type of skill

Executive summary – Executive Education (EE)

Summary of findings

1

Market size and growth

- The total market for EE in India is USD 450 Mn with customer base ranging from working professionals across levels.
- With multitude of part time and online executive courses, overall EE market is expected to grow at ~15-20%

2

Market segments

- EE market in India is segmented in Degree seeking, certification seeking and upskilling customers basis the need and expectations of these customer groups.
- Upskilling segment is expected to grow at ~50% having current market size of USD 54 Mn. Degree seeking segment, the biggest pie of USD 375Mn expected to grow at 15%

3

Competitive intensity

- Degree seeking customers choose reputed institutes (e.g. IIMs ISBs, MDI etc.) , where as for certifications reputed online private players are giving tough competition to established institutes.
- For upskilling the market is cluttered with multiple small players operating
- Aggregators such as Eruditus have gained a lot traction with annual revenue of USD 3 Mn in FY17

4

Models

- Three prevalent models in EE are B2B, where employees (mainly leaders) are sent for executive courses in reputed universities, B2C, where employees pay for their education aiming at better career opportunities and B2B2C where employer enters in a partnership with universities to offer subsidized executive education to their employees

India has made significant changes in regulatory framework to promote autonomy and ease of doing business for private players, reinforcing HE ecosystem as compared to other emerging economies

Country	Malaysia	India	Chile	Turkey
HE system strength	23	26	31	42
Key highlights	For profit, Autonomy	Non profit, Autonomy, EODB	Profit to Non profit, Fee restrictions	Non profit, political instability affecting HE ecosystem

Regulatory landscape and their impact on private players

S.No	Name of regulation	Regulation	Impact
1	IOE	• Setup Institute of Eminence in India	Premium on quality; Partnerships and financial freedom ; Limited inputs
2	Graded autonomy	• Graded autonomy based on historic accreditation rating	Partnerships ; Joint programs ; Quality focus
3	New SPU	• Relaxed norms for upcoming university and higher autonomy for private institutes for courses and campus	Better financial and business control ; Quicker breakeven
4	Autonomous colleges	• Giving autonomous status to institutes basis their NAAC rating	Collaborations
5	Mandatory accreditation	• Mandatory for HEIs to get accredited after six years or passing out of two batches	Focus on quality ; Collaborations
6	HEERA	• Subsume multiple regulations into one umbrella regulation	Easy regulations ; Lower bureaucracy ; Access to govt. research funding
7	HEFA	• Setup market-linked education financing structure	Better access to structural finance

Source: Firm research, Universitas 21 and analysis

Firm approach to develop a market view on continuing Higher education market in India and implications for <customer name>

1 **Develop a comprehensive point of view on continuing Higher Education market in India**

Market view:

- Overview on HE and composition of unregulated HE market in India
- Market sizing of CT, OE and EE
- Detailed view on key players in each segment across capabilities, financial metrics and market positioning

2 **Detailed regulatory analysis of HE in India**

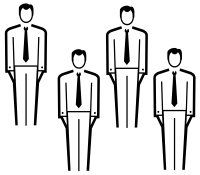
- India vs other emerging economies
- Identification of unregulated HE segments
- Regulatory analysis on running HE business in India (impact on ease of doing business)

3 **Identified potential synergies for <customer name> (mid-long term) indicating:**

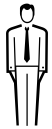
- Key segments to offer
- Size and scale
- Suite of offerings
- USP/ Differentiators
- Acquisition areas in continuing HE

Overview of HE market and introduction to continuing HE in India

Need of continuing education market in India is to stay and will be fuelled by transitioning skill requirements of industry and 20% of population in the age bracket of 15-25 yet to receive skill centric HE

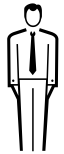


Of total workforce in 2022



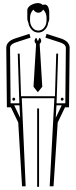
9%

Would be deployed in new jobs that do not exist today



37%

Would be deployed in jobs that have radically changed skill sets



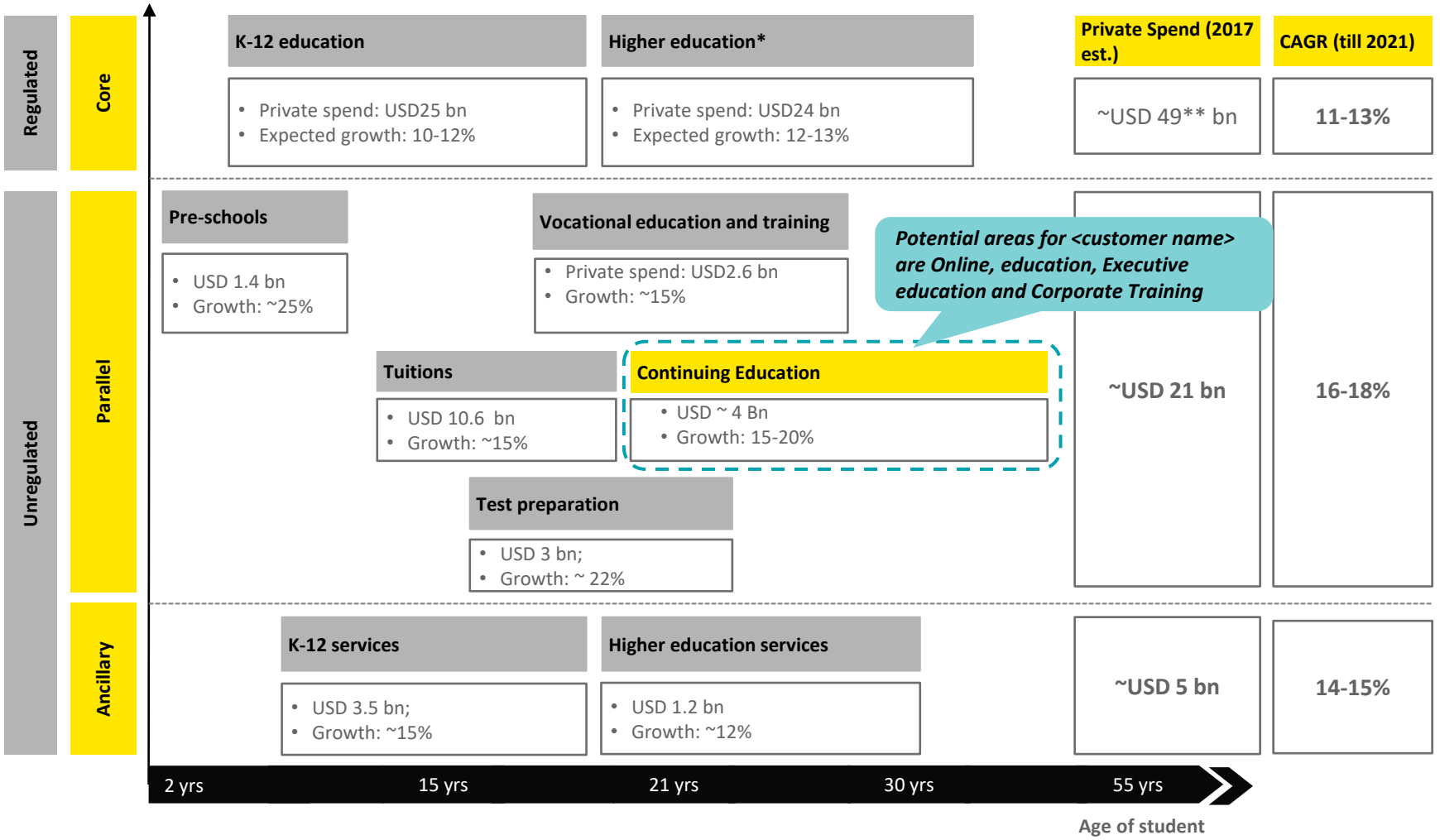
54%

Will fall under unchanged job category

	Reasons for need	Impact	Future of education
	Demand supply gap	Huge government push to improve GER, heavy investments in education	India has a low rate of enrolment in higher education, at only 18%, compared with 26% in China and 36% in Brazil. There is enormous unmet demand for higher education. By 2020, the Indian government aims to achieve 30%
	Globalization	India has witnessed growth rate of ~28% in FDI inflows over last three years	Service and computer software sector has attracted maximum FDI and will lead to creation of new jobs, demanding technical expertise
	Demographic changes	With 20% of Indian population in the age group of 15-25, will boost demand of Education and skill	59.7% of market share in education industry of India is contributed by higher education. Spending is expected to rise at more than 18% annually in India to cater to upcoming demands
	Adoption of Industry 4.0 / New technologies	Rapidly changing technological landscape will need workers / leaders to update their knowledge base	Industry collaboration to upgrade existing employees skillset to adopt latest technologies. Especially in BFSI and IT sector
	Lack of practical skills in K-12	Kids will have to learn practical skills through other channels	Kids will have to learn industry specific skill through other avenues to match up to global levels, with increasing internet penetration, online will become a go-to destination

Source: Firm research and analysis

Education sector in India is a ~USD 125 Bn - large chunk being a regulated play, Continuing and Vocational education offer unregulated play for HE at scale



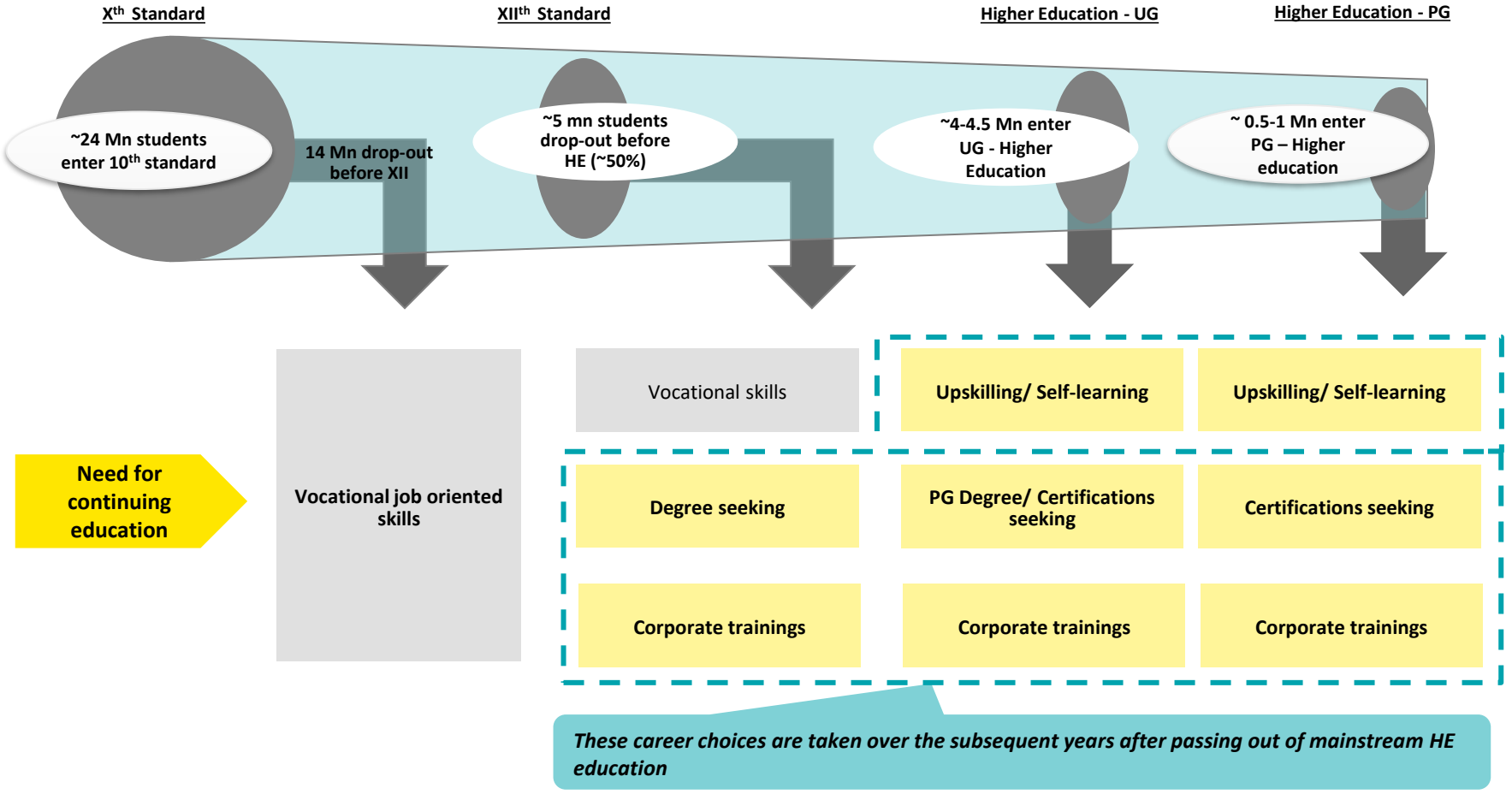
Source: Firmresearch and analysis

*includes Distance education and spend on foreign education

** equal spend by Government in Core Education

Demand for Continuing education is driven by need for constant personal need for better jobs/ recognition and upskilling/ reskilling of corporate workers

Almost all 24 Mn people entering workforce annually need some level of continuing/vocational education to remain relevant – due to outdated HE curriculum, changing job requirements and technical innovations. Nearly 10 Mn additional people get added to this potential market for continuing addition

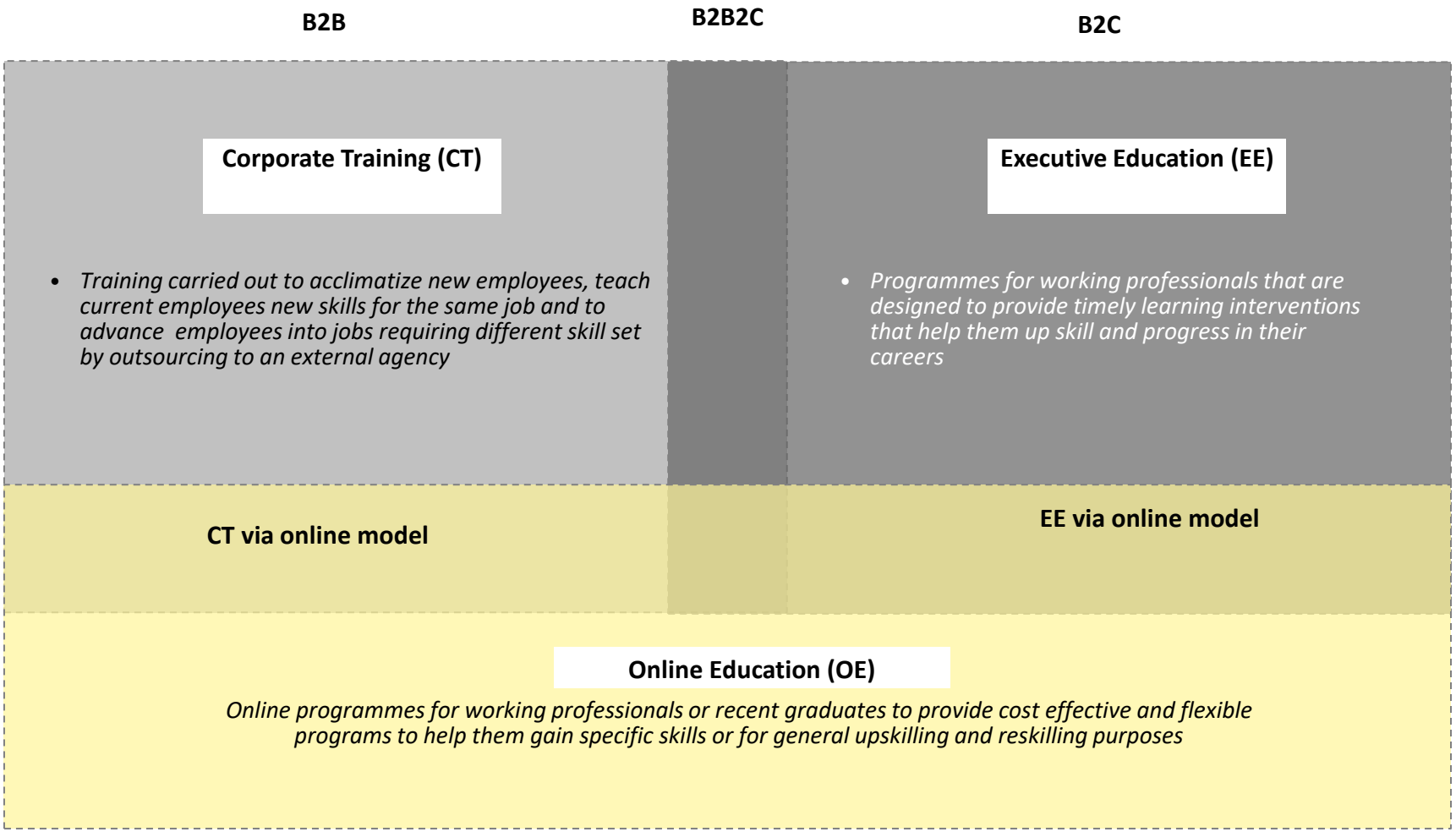


Source: Planning commission, MHRD, Firm analysis

Not part of current study

Part of current study

Continuing education market in India is estimated to be ~USD 4Bn; can be segmented as online, executive and corporate training markets with high fungibility of providers

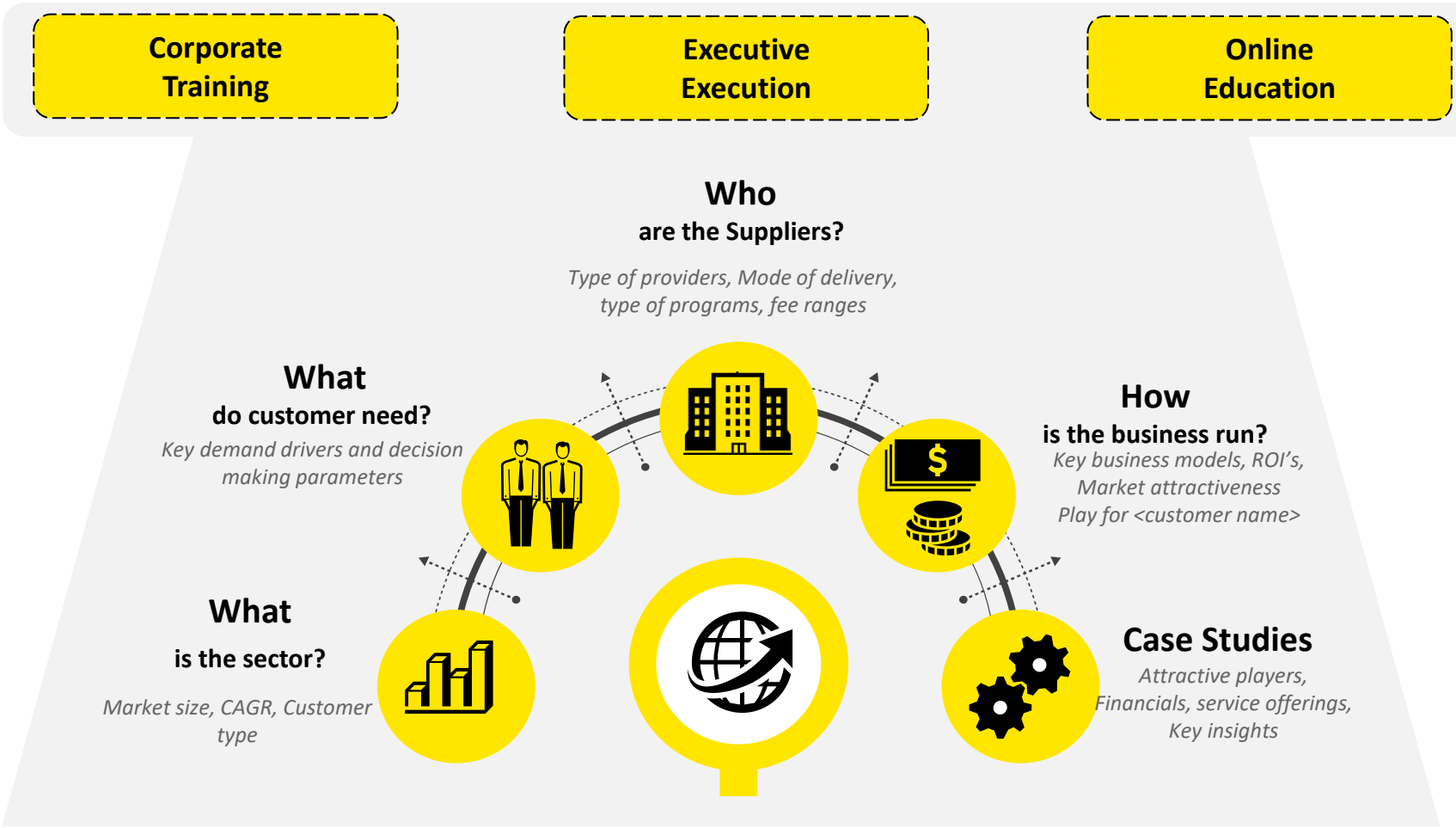


Source: Firm analysis

There are adjacent segments of Vocational Education for CT/EE segments, and K12 oriented online education segment. These adjacencies are not a part of the current study.

We have studied the Unregulated market: Corporate Training, Executive Education and Online Education across five aspects

Corporate Training | **Executive Execution** | **Online Education**



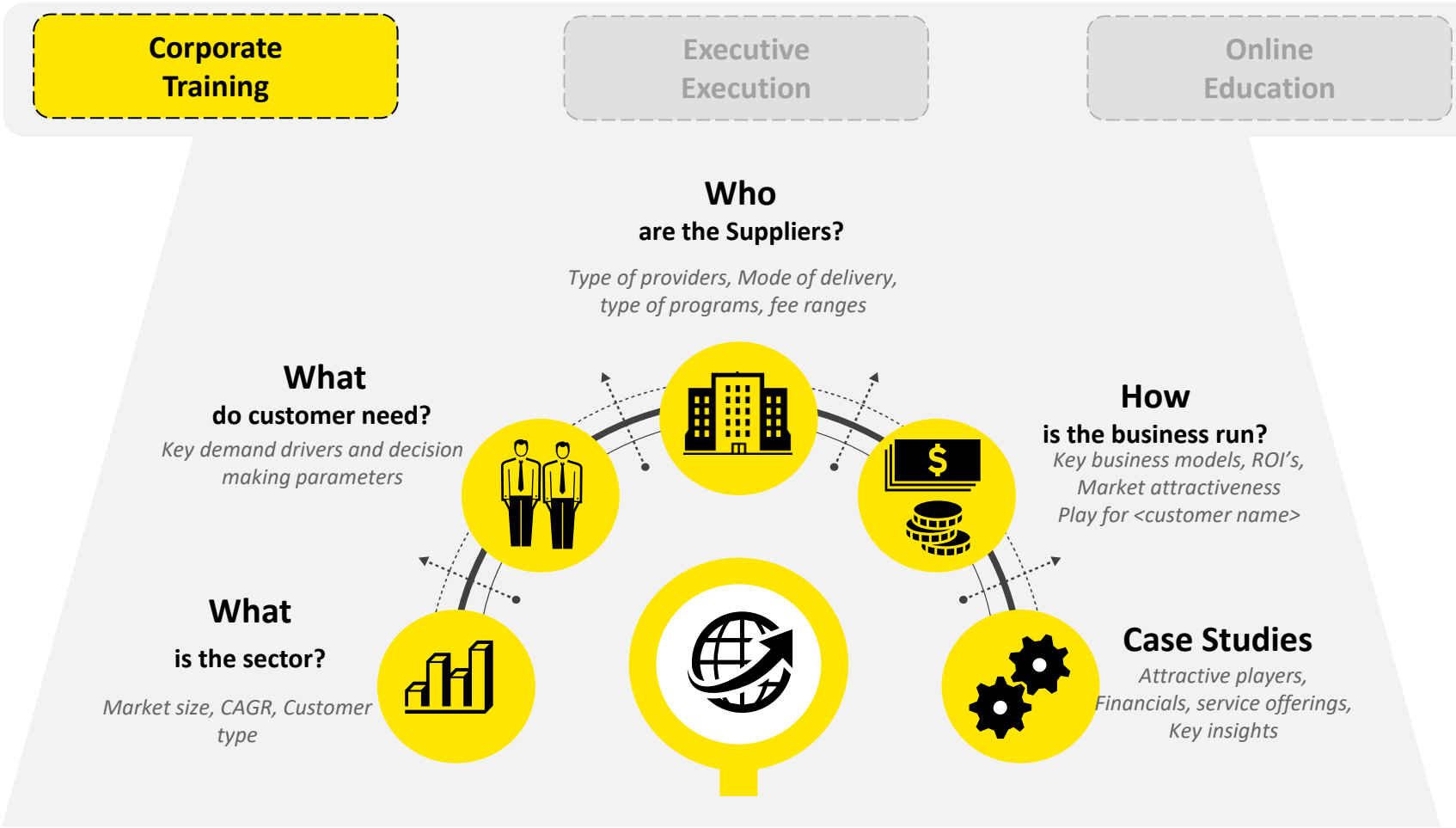
Corporate Training Segment

We studies and analysed Corporate training market across the 5 aspects of the framework

Corporate Training

Executive Execution

Online Education



Approach & methodology for market sizing of CT

The corporate training market in India is highly fragmented market with total market size of USD 3.3 Bn

Based on the market interactions and our past project experience we devised the following approach to arrive at the corporate training market size for India

BSE listed companies in India (~4100) + Top unlisted companies (200) + SME's

Sorted by Revenue, Number of employees and type of industry

~5 Mn

Total employees across talent pyramid – Leadership, Mid management (old), Mid management (new), Juniors (old), Juniors (new)

×

~USD 655

Average L&D spend across levels in a pyramid

=

USD 3.3 Bn.

Total addressable CT market in India

The Organized sector in India is the prime customer for CT–market can be further segmented as per the level of seniority of the learners

Level of Employment	Potential offerings	Potential customer base	Current market opportunity
Leadership (4%)	► Leadership training, mentorship and coaching ► Average price- USD 1100-1200 per person ► Duration of course: 1 – 5 Days / Long term coaching	~0.2 Mn	~USD 250 Mn
Mid Mgmt. (33%)	► Functional / Industry general management programs, re-skilling ► Average price- USD 700-800 per person ► Duration of course: 3 days – 3 mos / LDPs	~1.6 Mn	~USD 1,400 Mn
Junior employees (63%)	► Operational and functional skilling, re-skilling, certification programs ► Average price- USD 23-500 per person ► Duration of course: 3 days – 6 mos / LDPs	~3.1 Mn	~USD 1,650 Mn
		~5 Mn	**USD 3.3 Bn**

"CXOs and senior executives generally hire business coaches either by word of mouth or personal recommendations"

- CXO coach, Eminent steps

"For large scale skill based trainings we prefer building in house trainers. We hire trainers to train our employees to conduct trainings"

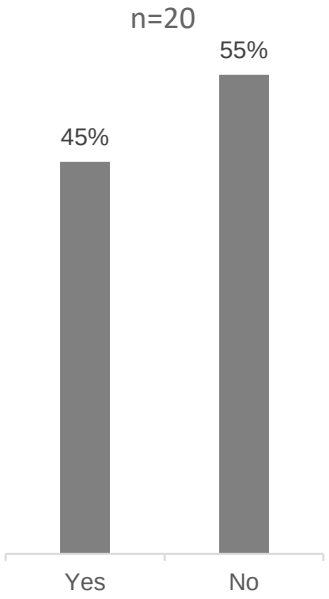
- HR head, Team computers

Source: Firm analysis

55% of employees consider CT non value adding, while L&D / HR consider price point as the key selection criteria for training partners

Do you feel corporate trainings in your organization add value ?

Q Employees



What do you consider while selecting training providers for your employees?

Q L&D/HR

What type of trainings does an employee in your organization undergo?

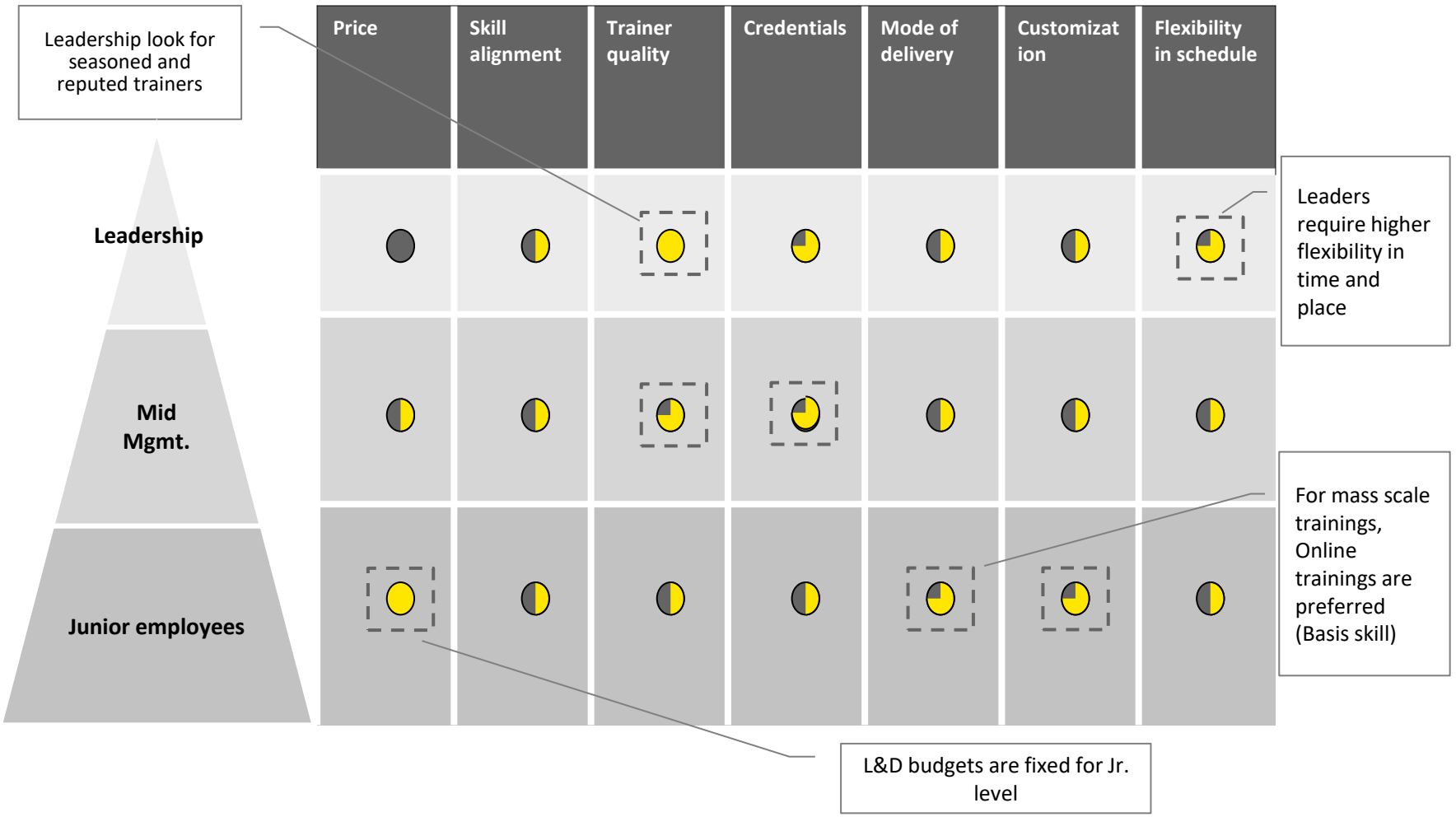
Q L&D/HR

- Broad training requirement gathering and individual interpretations by L&D team miss out on latent training needs of employees
- Most of the employees don't use / need the trainings they request in improvement areas section of performance appraisals
- Price being the primary factor to choose a trainer, on boarding new employees consume most amount of L&D spend
- ~70% of trainings are conducted by company employees and ~30% of corporate trainings are outsourced

Source: Firm analysis

Price is the key value drivers for Jr level, while the trainers credentials are the key decision driver in Mid-senior level CT markets

Who is the customer?



Source: Firm analysis

Highest rating

Least Important

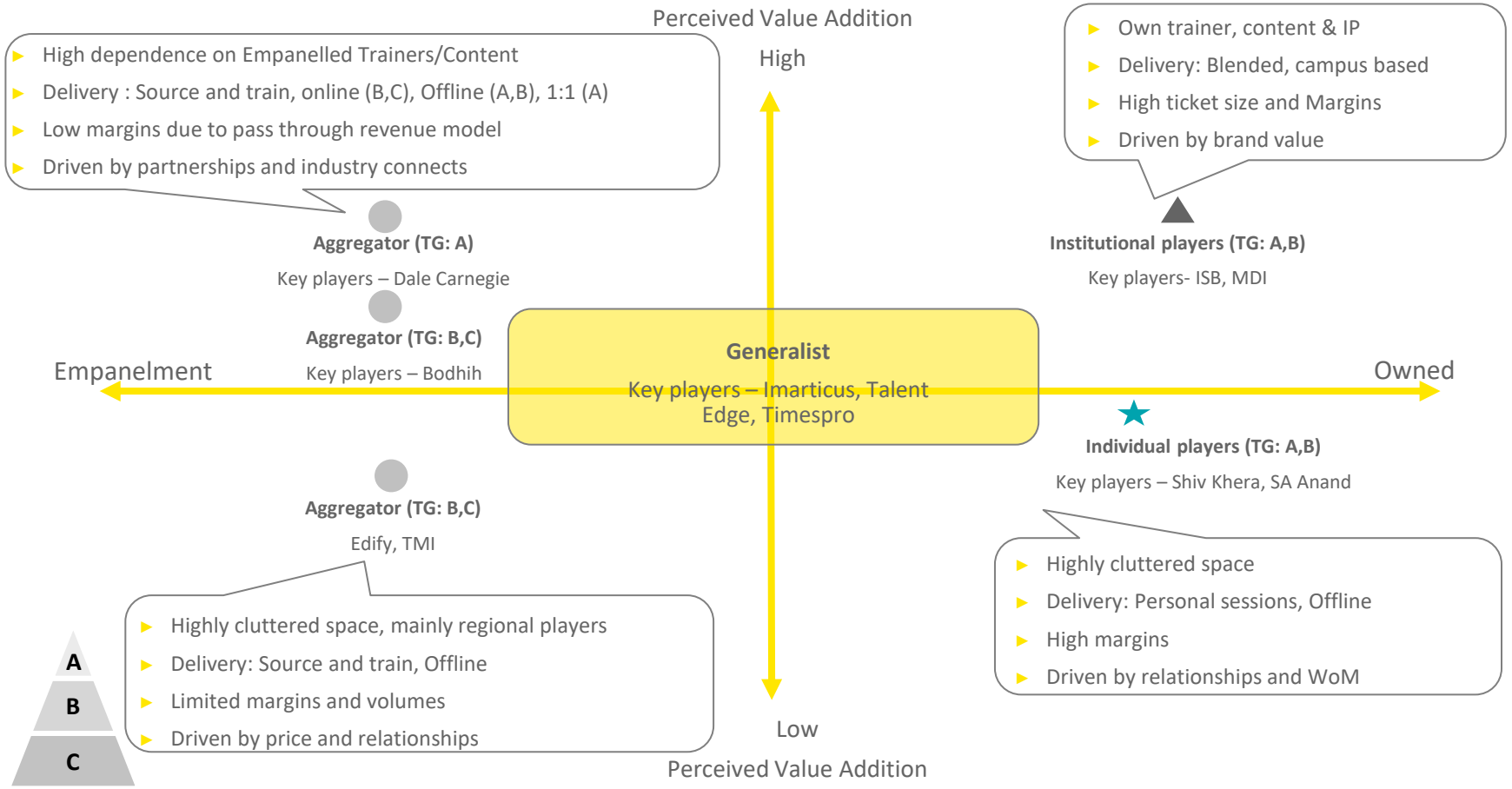
Most Important

The reliance upon relationship based decision making has led to a fragmented market with limited potential to scale – only B2B2C (HE institute) players being able to scale

	Player	Category	Target Segment	Business model	Mode of delivery	Course Fee	Revenue (USD)
1	**BODHIH**	Aggregator	Mid to leadership	B2B, B2C	Online, Offline	USD 450-1,250	0.2 Mn
2	**TMI**	Aggregator	Jr level	B2B	Offline	USD 23-150	4 Mn
3	**TALENT EDGE**	Generalist	Mid to leadership	B2B,B2C	Online	USD 600 – 2,000	4.5 Mn
4	**IMARTICUS**	Generalist	Jr- Mid	B2B,B2C	Blended	USD 500-3,000	6 Mn
5	**Times pro**	Generalist	Mid	B2B, B2C	Online, Blended	USD 2,500-12,000	1.4 Mn
6	**ISB**	Institution	Mid-Leadership	B2C, B2B	Offline, Blended	USD 25K-30K	33 Mn

Source: VCC Edge, Annual Reports, MoC, Firm analysis

Specialised players playing in the various segments - the trainer-driven model has led to a large segment being captured by star and empanelled trainers in an aggregator model

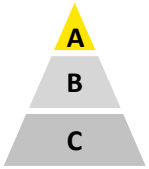
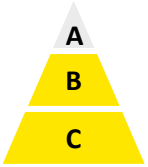
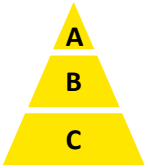
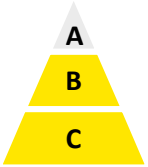
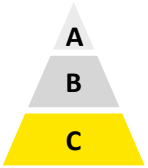


Player categories		
	Aggregators	Players providing CT in collaboration with various smaller empanelled trainers and have limited on-roll trainers
	Institutional players	Organizations (Companies/ Universities) conducting corporate trainings through on roll trainers mainly
	Generalist	Players providing wide array of services to clients starting from Corporate Trainings to L&D consulting
	Individual players	Individual trainers conducing corporate trainings using personal relations and repute. They may work with Aggregators

Source: Firm analysis

Generalist Aggregators Institutional players Individual players

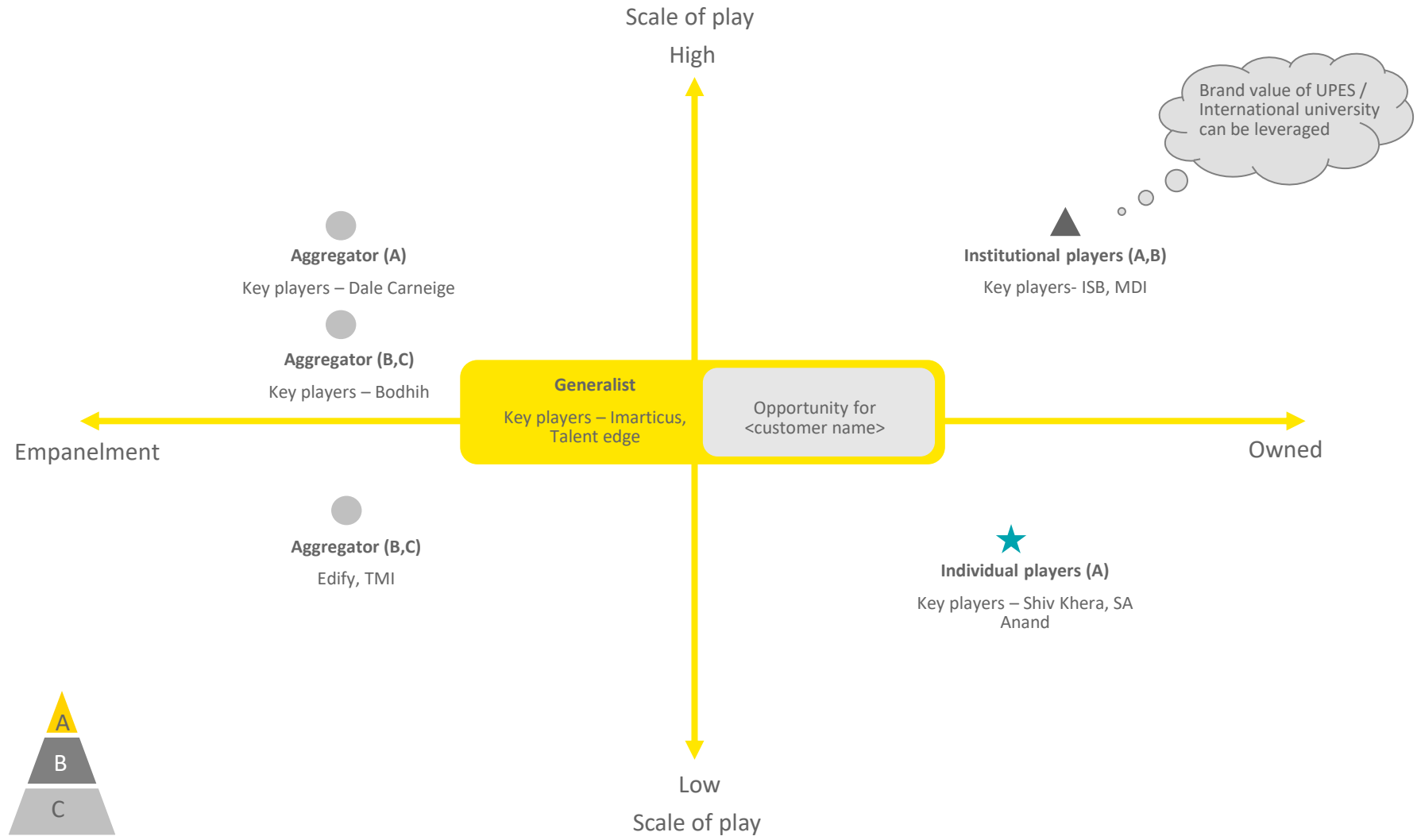
Most training companies use more than one model to engage with corporate customers

	Description	Level	Mode	Players
Pay per training	• Specific training modules are outsourced to CT companies • CT companies are paid Per head per day • Hourly coaching hours by senior trainers		Offline	Dale Carngie, Individual CXO trainers
Partnership model	• For large scale trainings (E.g. Onboarding), Internal L&D team calls in empaneled trainers to collectively conduct trainings • CTs are paid per day basis		Offline , Blended	Bodhih
L&D Consulting	• CT companies are involved at skill gap / learning requirement identification stage • CTs are identify and design curriculum to improve efficiency		Online, Offline, Blended	Centum, Edify
Skill transformation	• For technical trainings, companies opt for skilling large scale employees on specific job related skills • Periodic performance monitoring is done to asses efficacy of trainings		Largely Online	Udemy, Talent Edge, Imarticus
E2E- Hiring to skilling	• For technical trainings, companies opt for skilling large scale employees on specific job related skills • Periodic performance monitoring is done to asses efficacy of trainings		Offline, Blended	TMI

Model *Pay per training models are considered lucrative whereas L&D consulting models give companies opportunities to cross-sell to clients*

Source: Primary interviews, Firm analysis

There is an opportunity for <customer name> to use its university/ institutional brands to develop a CT portfolio



Source: Firm analysis

Generalist Aggregators Institutional players Individual players

Players opt for a combination of delivery arrangements catering to clients' and market demands

Prominent Business Models being followed in the executive education and corporate training market

Instructor Led

- *Training is carried out in a classroom kind of format*
- *More expensive in case of small groups*
- *This format of training is typically beneficial when the course material is new or complex*
- *Training module may be customized for a corporate group*

Market Type **B2B**

Potential to scale up

Return on investment

Online programs

- *Overall content localization & standardization and voice over, which enable training delivery in multiple languages*
- *Suitable self paced option for individuals who are hard pressed for time*
- *Internet based courses that can be accessed from anywhere*
- *More employees can have access to education instead of a select group*

Market Type **B2B/ B2C**

Potential to scale up

Return on investment

Open workshops

- *Focus on key skills trending in the market and Such workshops cover generic managerial and soft skills*
- *Target segment includes both individuals and corporate employees*
- *Pre defined dates are advertised in advance*
- *Fixed number of chargeable seats in each session*

Market Type **B2C**

Potential to scale up

Return on investment

Source and train model

- *Training carried out on demand*
- *Customized modules are per the Corporate's requirements*
- *Essentially for the mid and junior management level*

Market Type **B2B**

Potential to scale up

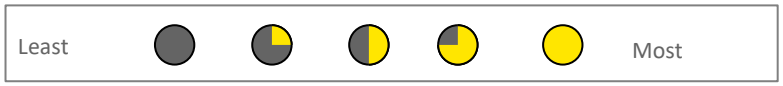
Return on investment

Source: Firm analysis

Low High

Market attractiveness and relative scalability of key players

S.no	Type of player	Player	Business Models	Market Attractiveness	Scalability	Rationale
1	**Individuals**	**Individual 1**	Instructor led			High margins, trainer dependent
2	**Aggregator**	**TMI**	Source & Train			Mass volume, location dependent
3	**Generalist**	**Imarticus**	Online, Blended			High demand courses, Scalable
		Talent edge	Online			Wide course portfolio, Easy to scale
4	**Aggregator**	**Bodhih**	Source & Train			Limited margins, Trainer dependent
5	**Institution Lead**	**ISB**	Blended			High ticket size, Campus based



Source: Firm analysis

Player Profile
BODHIH (2007)

Majority stake held by company directors – Vinesh Sikumaran, Deepa Prasanth & Bhagyanathan Roys

Geographical Reach
Delhi, Mumbai, Bangalore, Pune

Clients
*Narayana Health, Valspar, Gallagher, Larsen & Tourbo, 24*7, Force Motors, ACC, Man, Vertex, Walmart, ISRO, HP, SAP, IIMB*

Courses Offered

- *Communication Skills*
- *Leadership Skills*
- *Behavioral Skills*
- *Sales Skills*
- *HR*
- *Training*

Model Followed

B2C Offerings –
- *Train the trainer Certification*
- *Master Trainer Certification*
- *Foundation Course*

B2B Offerings-
- *Communication ; Leadership ; Behavioral/Soft Skill ; Sales; HR Training*

Fee Range
- *USD 500 – 1,500*

Course Duration
- *1 – 3 days*

Students Trained
~ 30,000

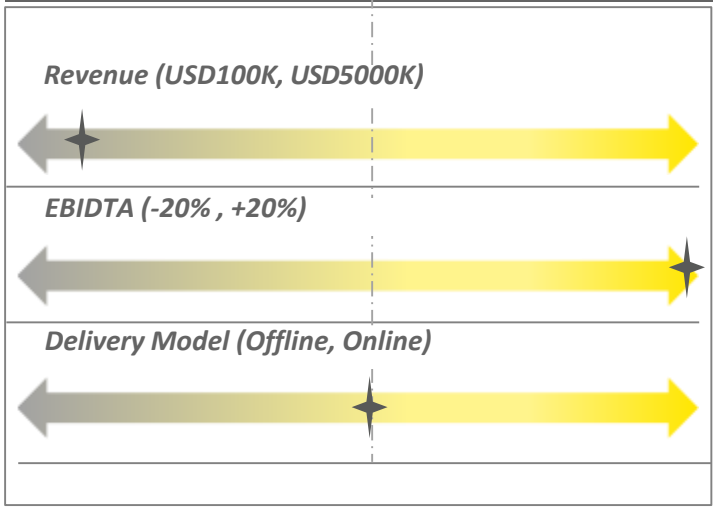
000 USD	Revenue	EBITDA	EBT	PAT
2017	260	151	1	1
2016	231	115	1	1
2015	208	119	8	8

In USD '000

Key Insights

- Major player in non technical training domain
- 3-5 on roll trainers, ~97 empaneled trainers
- Major revenues from pharma clients
- Recently started e-learning and LMS services
- One of the big segment is "Train the trainer" – internal capacity building for organization

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
TMI e2e ACEDEMY (2011)

Majority Stake is held by board members. Muralidharan T. , Sreedhar T and Ramakrishnan B Ravi

Geographical Reach

Pune, Noida, Hyderabad, Ernakulam, Kozhikode, Kollam,

Clients

Axis Bank, Univer Cells, Tata Motors, Coromandel, HDFC Sales, NSL Seeds, Mahindra

Courses Offered

- *Counselling & Coaching*
- *Job Guaranteed Training*
- *Direct Hiring*

Model Followed

B2B program

- *Financial Analysis with EY*
- *FinTech with Rise Mumbai*
- *Data Science*
- *Big Data and Machine Learning*

B2C Program

- *E-Learning programs*

Fee Range

- *USD 500 – USD 1,500*

Course Duration

- *1 – 4 days*

Students Trained

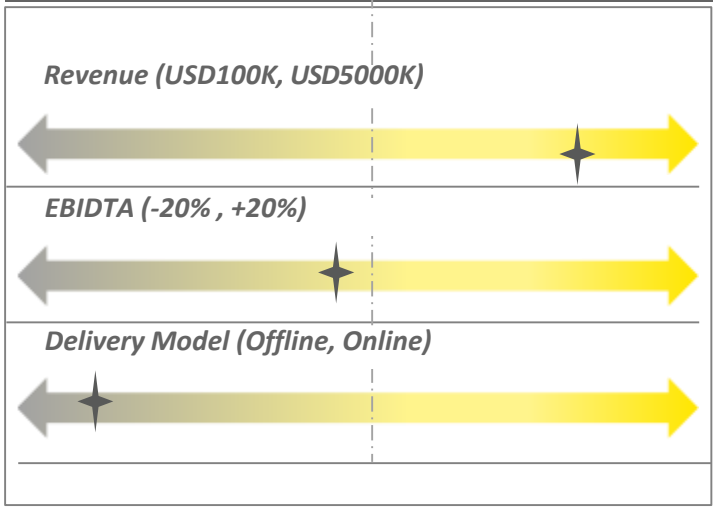
- *~50,000 (Hired & Trained);*
- *12,000 (Hired)*

In USD '000	Revenue	EBITDA	EBT	PAT
2016	4,008	(8)	(34)	2
2015	3,047	152	127	17
2014	3,122	238	173	15

Key Insights

- Recently launched a portal called jobsdialog.com which has already received 75k registration from employment seekers and ~2k from MSME employers
- Active mainly in BFSI sector
- General Batch size of 34-50

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
TimesPro (2007)

Majority Stake is held by Bennett Coleman & Company Limited and some by other members like Ashok Talwar, Amita Gola, Rajesh Kunnath, Abhishek Kakkar and Goapl Mohan

Geographical Reach
- *Mumbai, Kolkata, Pune, Hyderabad, Bengaluru, Delhi, Chennai*

Clients
- *ET Now, Times Now, Zoom, Movies Now, Romedy Now, Radio Mirchi*

Courses Offered
- *Digital Marketing*
- *Decision Science*
- *SAP Training Programs*
- *Post Graduate Diploma in Banking*
- *Amazon's E-Commerce Specialist*
- *MBA in Banking & Financial Services*
- *MBA in Business Analytics*

Model Followed
B2C Program
- *Provide certification courses and executive programs to customers*

B2B Programs
- *Provide corporate training and staffing solutions for corporate partners*

Fee Range
USD 2,500 – 11,900

Course Duration
- *20 days to 2 years*

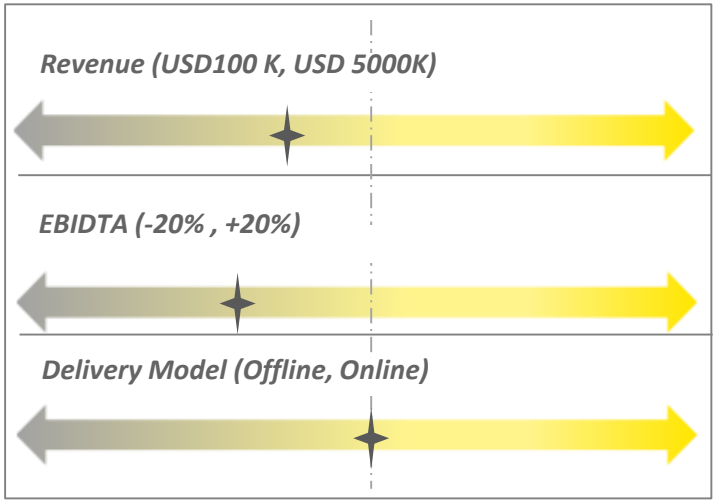
Students Trained
- *10,000 +*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	1,488	-1,713	-3,004	-3,004
2016	3,315	-4,977	-5,917	-5,917
2015	2,422	-4,268	-4,740	-4,740

Key Insights

- Times Pro has entered into an MoU with AP Mahesh Co-operative Urban Bank
- TimesPro ties up with Benett University for Industry oriented MBA programs
- Times Pro MBA is most accepted in with 90% placement.
- Times Pro partnered with Guru Nanak Institute of Management Studies for offering PGDM in BFSI which will offer multifold benefits to students.

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
TALENT EDGE (2012)

TALENTEDGE
Live & Interactive Digital Learning

Majority stake held by promotors– Pulkit Sekhsaria – 50%, Padmini Somani – 16.6%, Nalini Sekhsaria-16.67%, Narotam Sekhsaria-16.67%, Lumis partners (Undisclosed))

Geographical Reach
- *Gurgaon*

Clients
- *PVR, Viacom, OLX, PMKVY*

Courses Offered
- *Executive course*
- *Business management*
- *Cyber Security*
- *Finance*
- *Brand & Sales Marketing*
- *Analytics*
- *Strategy and leadership*
- *HR*
- *Entrepreneurship*
- *Certification courses: 6*

Model Followed

B2C Program
- *Provide certification courses and executive programs to customers*

Fee Range

USD 500– 3000

Course Duration
- *3 Months to 4 Years*

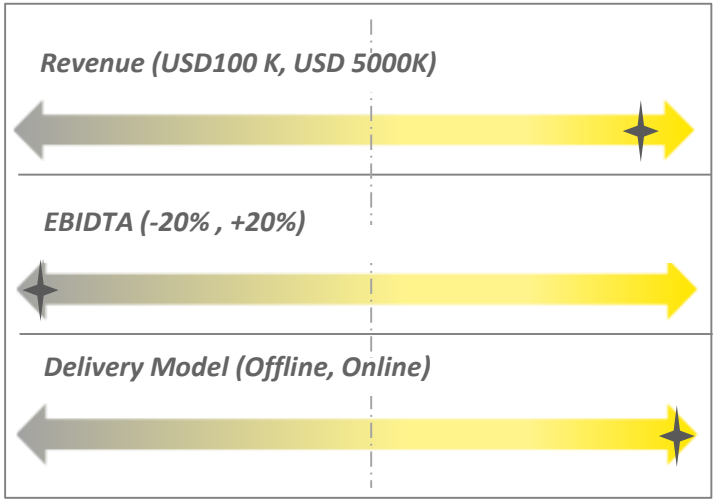
Students Trained
- *1,25,000 +*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	4,574.62	(1,598.31)	(1,815.38)	(1,861.54)
2016	4,558.92	(1,468.92)	(1,680.92)	(2,538.46)
2015	4,022.77	(1,489.38)	(1,699.54)	(1,753.85)

Key Insights

- Tie-ups with premier institutes like XLRI, MICA etc,
- Recently bagged corporate training offer from PVR cinemas for 11,000 trainees.
- Course composition – 70% university lecturer, 20% industry expert, 10% Certification body expert
- 16-17 active batches (3 month refresh), batch size of 70

Summary



Source: Vcc Edge, RoC filling Firm analysis

Parent company : Arriana education services pvt. Ltd

Player Profile
ISB (1997)

WIP

Majority stake -

Geographical Reach
- *Mohali, Hyderabad*

Clients
- *Apple Inc, Carlsberg, Cyient, Duracell, Flipkart,HCL, IBM, Jetairways, Mahindra*

Courses Offered
- *Advance Management Program*
- *Certificate Program of Business Analytics*
- *Management Program in Public policy*
- *Custom Programs*

Model Followed
B2C Program
- *Provide certification courses and executive programs to customers*

B2B Programs
- *Provide corporate training and staffing solutions for corporate partners*

Fee Range
USD 10,000– 17,712

Course Duration
- *2 days to 5 Days*

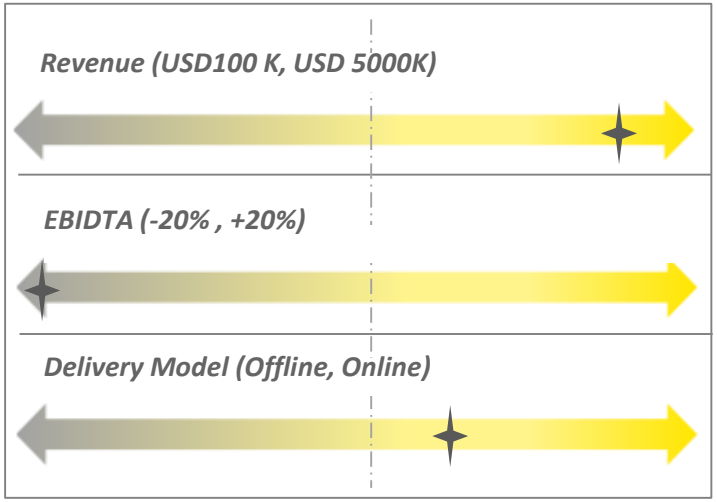
Students Trained
- *NA*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	NA	NA	NA	NA
2016	48.93	2.27	-3.41	-3.41
2015	45.94	1.78	-4.08	-4.08

Key Insights

- India Market Access Bridge (IMAB Program) is a nine month program that provides international start ups with tangible business opportunities, which is run by premier institutes like ISB.
- It has been ranked 28th in 2018 on the Global MBA Ranking
- Ashok Leyland works with ISB to build their own talent of resources.

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
IRMA (2012)

WIP

Case Study

Majority Stake is held by

Geographical Reach
- *Anand (Gujarat)*

Clients

Courses Offered
- *Executive Development Program for Fullerton India Credit Company Ltd*
- *Capacity Building Programme for Strategizing CSR*
- *Management Development program for Mid-Level Officers of Kudumbshree*
- *Faculty Development program on rural management*
- *Inventory Management*
- *Introduction to Finance*
- *Team Building*

Model Followed

B2C Program
- *Provide certification courses and executive programs to customers*

B2B Programs
- *Provide corporate training and staffing solutions for corporate partners*

Fee Range
- *USD 120- USD 400*

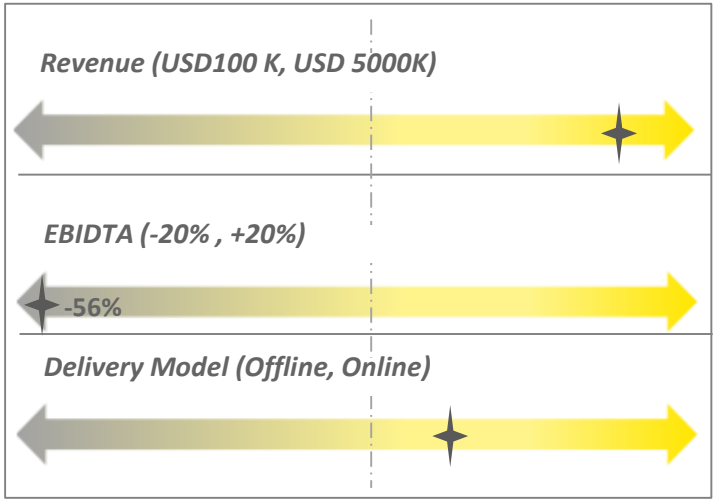
Course Duration
- *2 Days - 6 Days*

Students Trained
- *NA*

In USD '000	Revenue	EBITDA	EBT	PAT
2016	1195	NA	NA	NA
2015	685	NA	NA	NA
2014	995	NA	NA	NA

Key Insights

Summary



Source: Vcc Edge, RoC filling Firm analysis

Executive Education Market

We have studied the Unregulated market: Corporate Training, Executive Education and Online Education across five aspects

Corporate Training

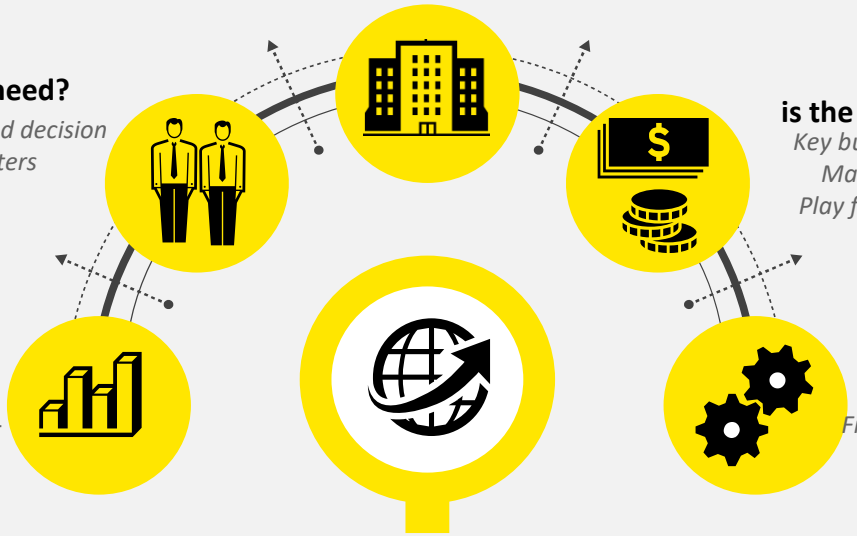
Executive Execution

Online Education

Who
are the Suppliers?
Type of providers, Mode of delivery, type of programs, fee ranges

What
do customer need?
Key demand drivers and decision making parameters

How
is the business run?
Key business models, ROI's, Market attractiveness Play for <customer name>



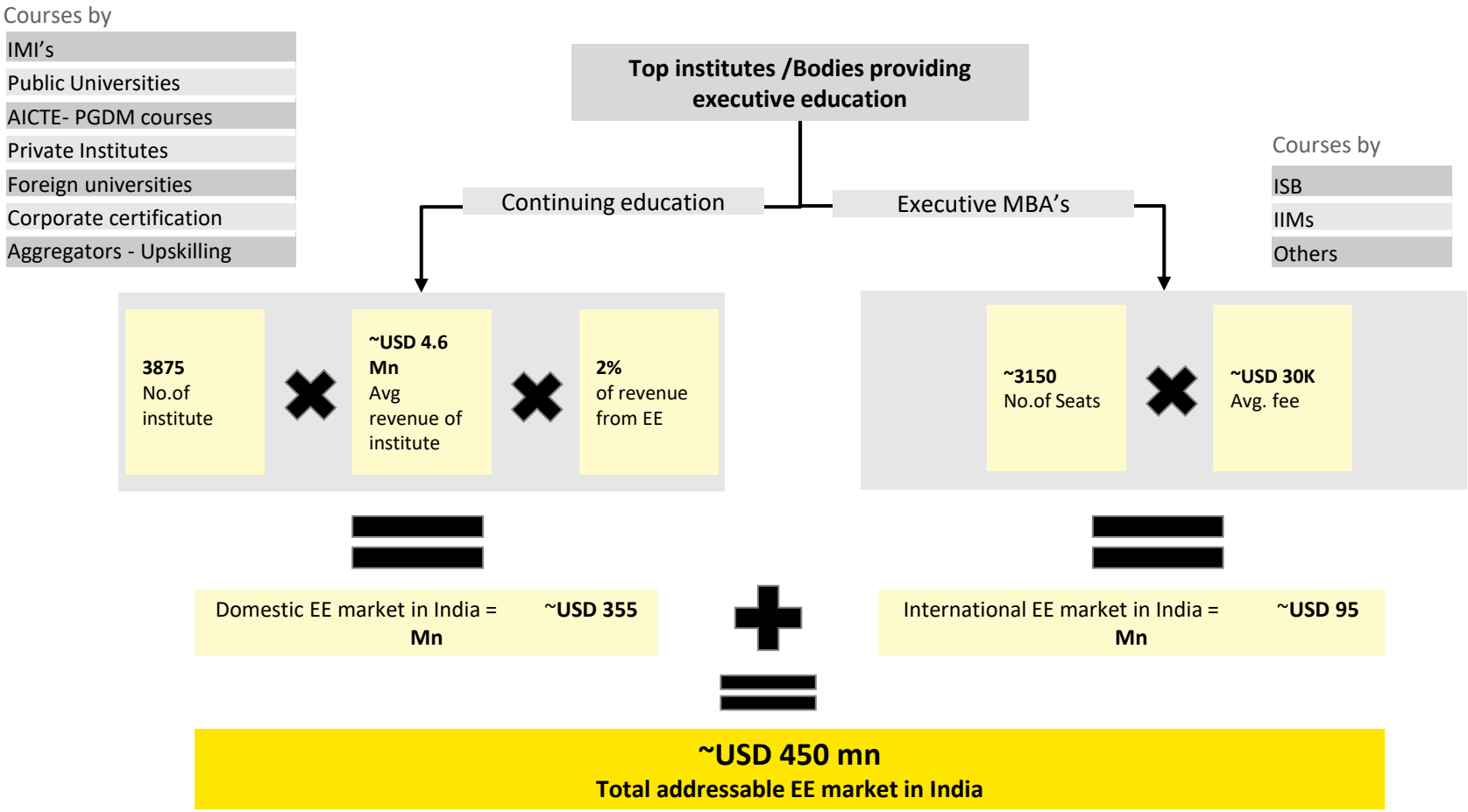
What
is the sector?
Market size, CAGR, Customer type

Case Studies
Attractive players, Financials, service offerings, Key insights

Approach & Methodology for market sizing of EE

The Executive Education market in India is highly fragmented market with total market size of ~USD 450 mn

Based on the market interactions and our past project experience we devised the following approach to arrive at the Executive education market size for India



Source: Primary interviews, Firm analysis

Upward mobility in jobs is the key motivation for the Executive education segment – with aspirations of credentials and upskilling – that could propel the learner to the next level

Target Group Needs	Potential offerings	Mode of delivery	Growth Rate	Potential opportunity
Degree Seeking • *University Certifications*	► Distance degrees ► Executive degree programs ► Short term functional programs ► Average price: USD 500-2,500	► Offline ► Blended	10-15%	~USD 375 Mn
Certification Seeking • *Corporate* • *University*	► Functional certifications ► Technical certifications ► Average price: USD 200-300 (corporate) ► Average price: USD 6,500-65,000 (university)	► Online ► Blended	10-15%	~USD 23 Mn
Upskilling	► New age skills ► Average price: USD 650 – 6,500	► Online ► Blended ► Workshops	~50%	~USD 54 Mn
			Total Market Size	**~USD 452 Mn**

Market drivers/ trends – Primary interactions:

"Certificate programs in digital marketing, Cloud computing and data analytics are in high demand"
- **Head (Consumer revenue), Upgrad**

"No. of Government employees pursuing exec ed programs have increased significantly over the years"
- **Program Manager, ISB**

"In technical professions, WILP by BITS Pilani and part time Mtech programs from IITs have high uptake"
- **Operations Manager, Tata chemicals Ltd.**

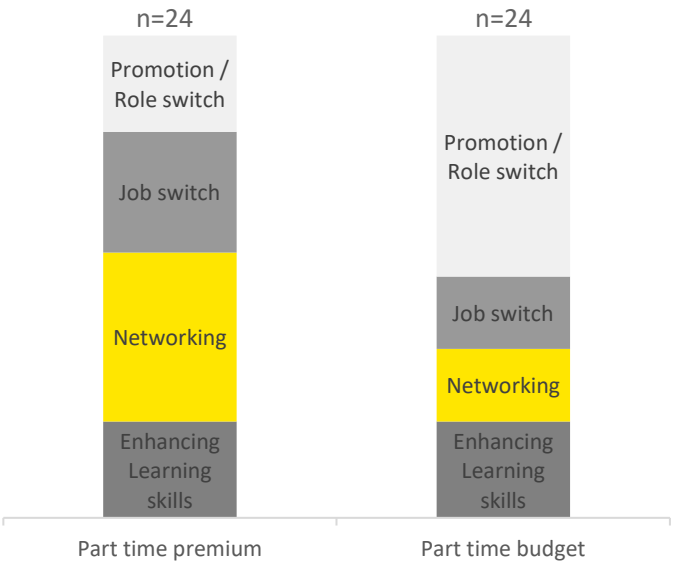
Source: Primary interactions, Firm analysis

Networking and role switch being the primary motivator, candidates look for peer profiles and brand value while choosing EE programs

What was your main motivation behind pursuing your current executive program?

Q

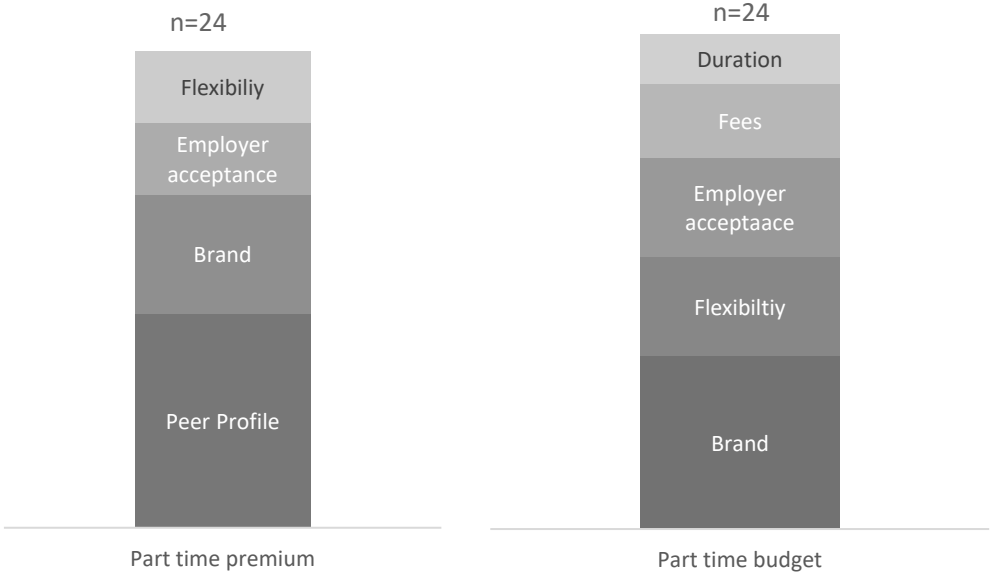
Students



What were your decision making criteria while choosing your current course? [Select Multiple]

Q

Students



Key highlights

- Promotions / Role change is a major motivator behind professionals looking for executive programs
- Flexibility and peer profile for leadership and employer acceptance for mid-jr level employees are key consideration factors.
- Brand value is one the most important factor across customer categories.

Source: Firm analysis

Degree seeking customers expect placement assurance whereas certification seeking customers appreciate more flexibility and networking opportunities

	Customer category	Job Support/ Placement : (Assistance in new and upgraded placements)	Networking and Peer Connect (Opportunity for networking, alumni connect)	Flexibility (Flexibility in terms of time and course structure)	Employer acceptance (Current employer preference in skill and sector to move to next level)	Brand (University / Institute reputation)	FEE (Fee structure)
1	Degree Seeking						
2	*Corporate* Certification Seeking *University*						
3	Upskilling						

Value drivers running across the target groups

Source: Primary interactions, Firm analysis

Highest rating

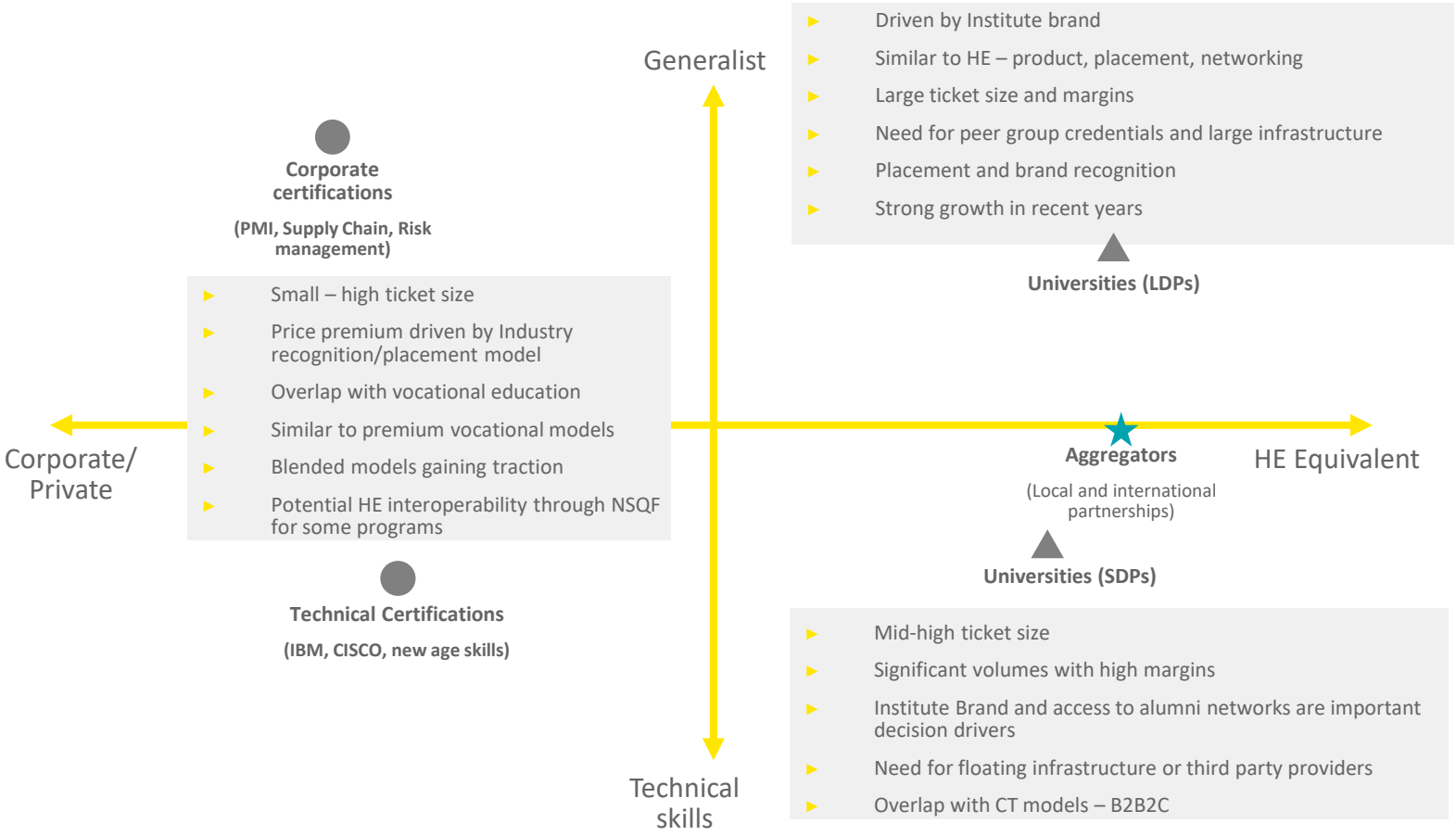
Least Important — Most Important

These providers - University, Aggregators and smaller players – offer a vari… of program formats , playing to their strengths

Parameters	Type of providers							
	University					Aggregators	Corporation	
	Full-Time Degree	Part-time degree	Distance Learning	SDP Certification	Foreign University	Multiple format courses	Certification Diploma	Private Certification
Select Providers	• IIMs • ISB PGP • XLRI	• ISB PGPMAX • XLRI • XIMB	• Symbiosis • Manipal NMIMS	• IIM Ahmedabad • IIM Bangalore • IMT Ghaziabad • REVA University • IRMA	• University of Chicago • University of Pennsylvania	• Hughes • Eruditus • NorthWest	• Koenig	• Imarticus • Bridgeschool • Inurture
Program Structure	• 100% on Campus	• Partial on-campus	• Distance	• Distance Learning And Classroom programs	• Online (+workshop at captive/ partnership center)	• Blend of online and on-campus courses	• Classroom and Online Courses	• Classroom, Online Instructor led and self paced courses
Duration	• 1-1.25 years	• 1.5-3 years	• 2 years	• 2 days – 6months	• 2 months – 8 months	• 1hr-6days	• 1-4 days	• 30mins- 3 years
Program Fee	• USD 17k-30k	• USD 17k-20k • ISB PGPMAX is at USD 50k	• USD 6k-12k	• USD 3000-12000	• USD 12,500-25,000	• USD 200-USD 600	• USD 240-USD 1800	• USD 180 – USD 700

Source: Primary interviews, Firm analysis

Industry acceptance and placement linkages are the most important decision drivers for EE players



Player categories	
Aggregators	Players providing Exec courses in collaboration with various universities and may or may not have courses of their own
Corporate certifications	Players providing certificate courses on technical and semi technical skills
Technical certifications	Players providing certificate courses on technical skills for e.g. Data analytics, Cloud computing, Digital marketing
Universities	University players providing Short term and long term duration courses in various specializations.

Source: Firm analysis

Corporate/ Private Universities Aggregators

University led programs, aggregators and corporate certifications offer better fitment to <customer name>'s existing portfolio

to be reviewed by SK

	Player Type	Target Group	Name of Players	Type of programs provided	Fitment with <customer name>	Rationale
1	**Technical Certifications**	Working professionals	IBM, CISCO	Technical (Data analytics, Cloud computing, Digital marketing)	↓	Highly cluttered market, Decent demand
2	**Corporate Certifications**	Working professionals	Project management Institute , Talent Edge	Generalist (PMI, supply chain, Risk management)	↑	Brand value and online infra will complement
3	**Aggregators**	Working professionals	Eruditus, Northwest education	3-6 month courses – Supply chain, Risk management, PMI etc.	↑	University tie-ups and online infra will complement
4	**University**	Higher Education + Working professionals	ISB	Long duration programs - management	↑	Better prospects with <customer name>s existing assets
5	**University**	Higher Education + Working professionals	ISB	Short duration programs – management	↔	Complex operations, Can provide courses in collaborations

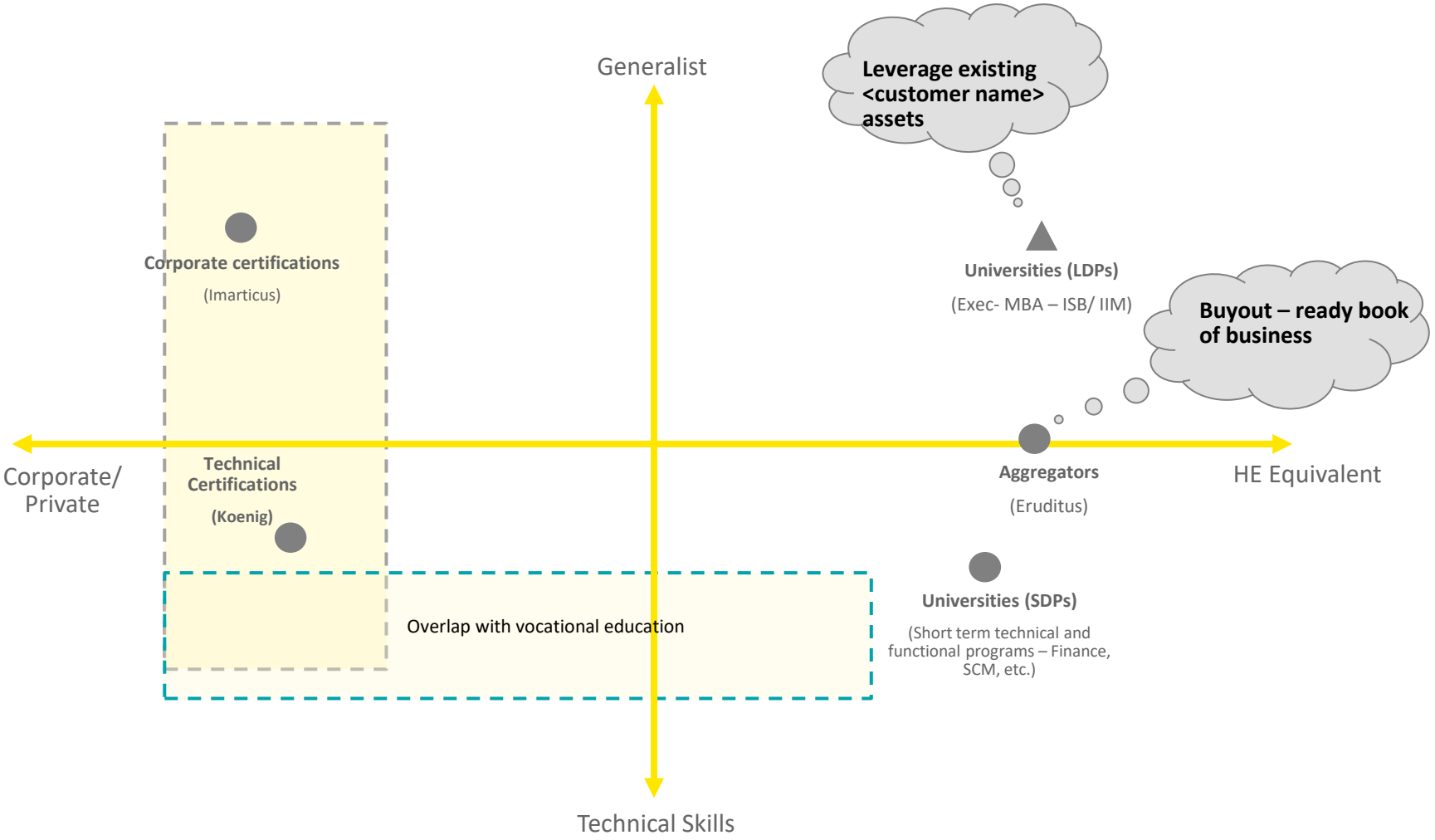
↑ Favourable ↔ Neutral ↓ Unfavourable

There has been a upswing in online/blended model uptake in EE – driven by negligible opportunity cost loss for the learners – "Learn while you earn"

	Player	Category	Target Segment	Business model	Mode of delivery	Course fee	Revenue
1	**Koenig**	Corporate certification	Jr- Mid level	B2C	Offline, Blended	USD 0.5-5K	16 Mn
2	**Eruditus**	Aggregator	Mid Level	B2C	Online	USD 4K- 29K	3 Mn
3	**NorthWest**	Aggregator	Mid Level	B2C	Blended	USD 8K- 60K	9 Mn
4	**iNurture**	Aggregator	Jr- Mid	B2C	Blended	USD 0.9-1.2K	3 Mn
5	**ISB**	Institute	Mid- Senior	B2C, B2B	Offline, Blended	USD 25-30K	33 Mn

Source: Vcc Edge, Annual Reports, MoC, Firm analysis

Aggregators and university partnered players provide better business prospective for <customer name>



Source: Firm analysis

Player Profile
ERUDITUS (2010)

ERUDITUS
EXECUTIVE EDUCATION

Majority stake held by company directors – Mr. Ashwin Damera and Mr. Chattanya Kalipatnapu

Geographical Reach
Delhi, Mumbai, Dubai, Singapore

Clients
Accenture, Vodafone, HSBC, Vodafone, TCS, Reliance , Bharat Petroleum, Asian Paints,

Courses Offered

- *Comprehensive Management programs: 12*
  - *Berkeley Data Analytics*
  - *Columbia Business School : Fintech, Digital, Analytics*
- *Short programs: 5*
  - *Wharton: Marketing, Strategic thinking and Leadership program*
- *Online Programs: 2*
- *Custom Programs*

Model Followed

B2C Offerings –
- *Online Programs, Management program*

B2B Offerings-
- *Custom programs, Marketing, Leadership, Business Acumen, Fintech, Digital, Analytics*

Fee Range
- *USD 4,000 – 29,000*

Course Duration
- *2 days -15 weeks*

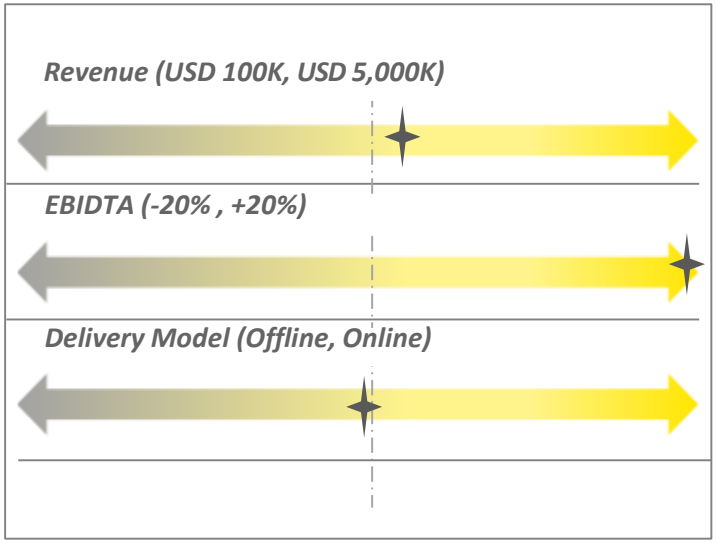
Students Trained
6,500

In USD '000	Revenue	EBITDA	EBT	PAT
2016	2,887	678	257	138
2015	3,928	128	804	684
2014	3,822	111	457	365

Key Insights

- Eruditus raised USD 7.9 Mn from Bertelsmann India in series-B round
- Aiming to train 20,000 by the end of 2018
- New target areas include artificial intelligence, machine learning, auto-driven cars and applied analytics

Summary



Source: VCCEdge, RoC fillings, Primary interactions, Firm analysis

Player Profile
NORTHWEST(2013)

NORTHWEST EXECUTIVE EDUCATION

Majority Stake is held by Mohit Jain , Tamhant Jain

Geographical Reach
Delhi, Mumbai and Bangalore

Clients
- *Corporate professionals*

Courses Offered
- *Accelerated Development programme- Chicago Booth*
- *UCLA PGPX*
- *Berkeley Executive management programme*
- *Yale Global executive leadership programme*
- *USC Analytics programme*

Model Followed

B2C Program
- *Accelerated development program and executive education programs in partnership with other universities*

Fee Range (INR)
- USD 8,000 – 60,000

Course Duration
- *2 months – 1 year*

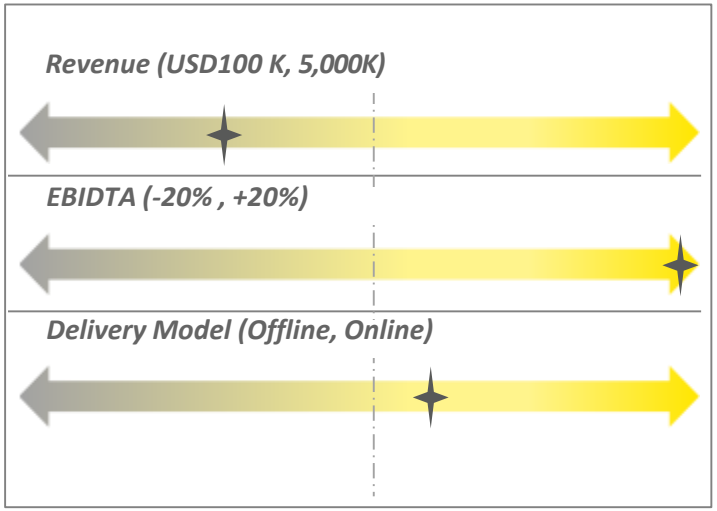
Students Trained
- *NA*

In USD '000	Revenue	EBITDA	EBT	PAT
2016	914	453	20	18
2015	758	335	15	14
2014	266	160	2	2

Key Insights

- Organises India Innovation forum annually to attract corporates, professionals and students
- University partners include Chicago Booth, YALE, Berkeley, UCLA, USC

Summary



Source: VCCEdge, RoC fillings, Primary interactions, Firm analysis

Player Profile
i-NURTURE (2009)

Majority Stake is held by Founder and Managing Director Ashwin Ajila and Chief Learning Officer R.Lakshminarayanan.

Geographical Reach
- *Bangalore*

Clients
- *NIIT*
- *HP*
- *EY*
- *TATA*
- *KPMG*

Courses Offered
- *Certified Management Accountant*
- *Wiley Certified Mobile Application Developer*

Model Followed

B2C Program
- *Provide certification courses and degree programs in partnership with universities*

Fee Range
- *USD 900 – 12,000*

Course Duration
- *4 Months to 5 years*

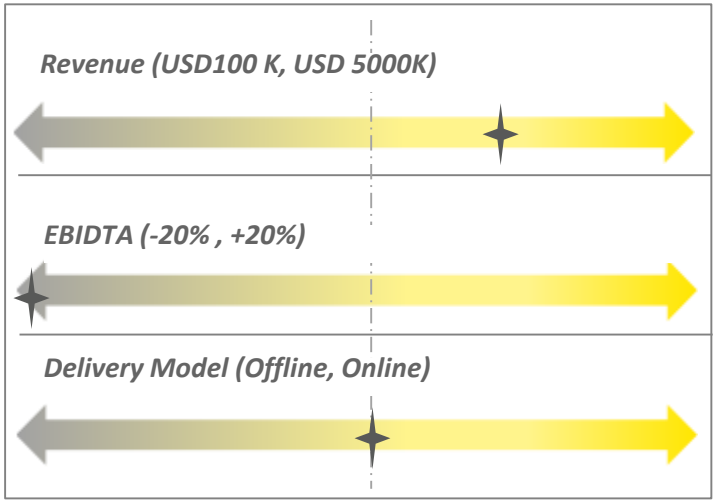
Students Trained
- *10000+*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	3,286	-2,760	-3,218	-3,218
2016	2,160	-2,589	-2,887	-2,887
2015	1,173	-1,528	-1,386	-1,386

Key Insights

- iNurture plays an instrumental role in managing the complete lifecycle of the degree programs and has strong relationship with its university partners
- The company has partnered with 25 universities across the country and has a student base of 3,500
- Raised over $22 Mn across multiple rounds

Summary



Source: VCCEdge, RoC fillings, Primary interactions, Firm analysis

Player Profile
KOENIG (1993)

Majority Stake is held by Rohit Aggarwal and Pooja Aggarwal

Geographical Reach
- *Delhi, Bangalore, Goa, Shimla, Dehradun, Dubai*

Clients
Corporate professionals and graduate students

Courses Offered
- *VMware vSphere: Install, Configure, Manage [V6.5]*
- *CCNA Routing & Switching v3.0*
- *Project Management Professional (PMP) Certification Prep*
- *Certified Ethical Hacker 9 (CEH v9) Training*
- *Certified Information Systems Security Professional (CISSP)*
- *Virtualization*
- *Cloud computation*

Model Followed
B2C Program
- *Provide certification courses for multiple technology platforms and analytics*

Fee Range
USD 500 – USD 5,000

Course Duration
- *2 days to 6 months*

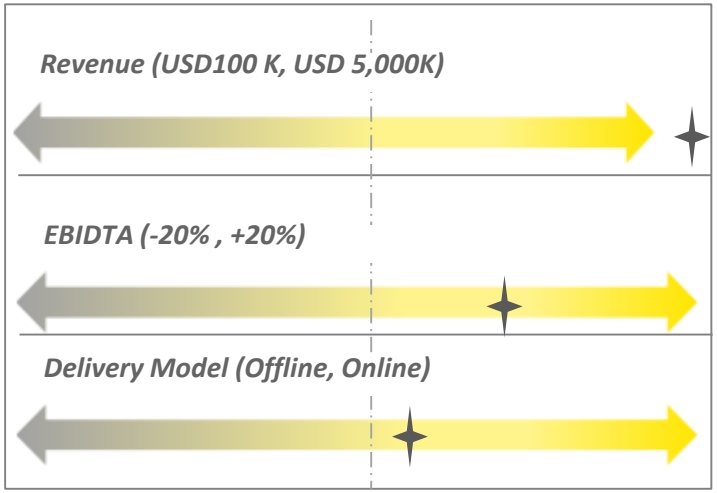
Students Trained
- *~88,000*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	16,302	804	804	582
2016	16,879	761	761	543
2015	15,074	623	623	596

Key Insights

- 30+ valued partners. E.g.: Oracle, CISCO, Microsoft
- 350+ certified trainers
- 50+ new courses added every month
- Some of the learning methods include : Classroom training, Flexible – Instructor led training, Theatre training, Topic based training and others

Summary



Source: Vcc Edge, RoC filling Firm analysis

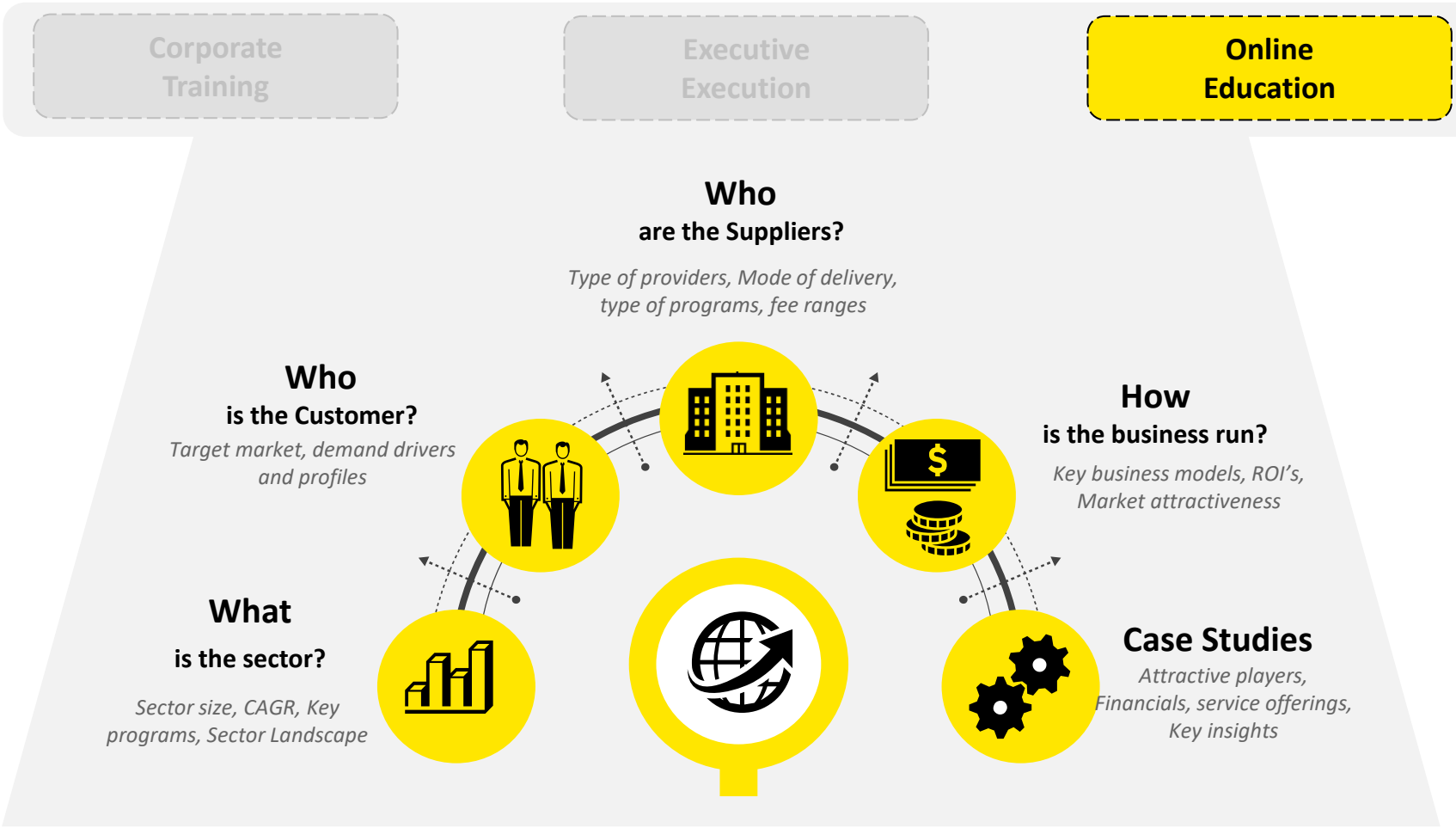
Online Education

We have studied the Unregulated market: Corporate Training, Executive Education and Online Education across five aspects

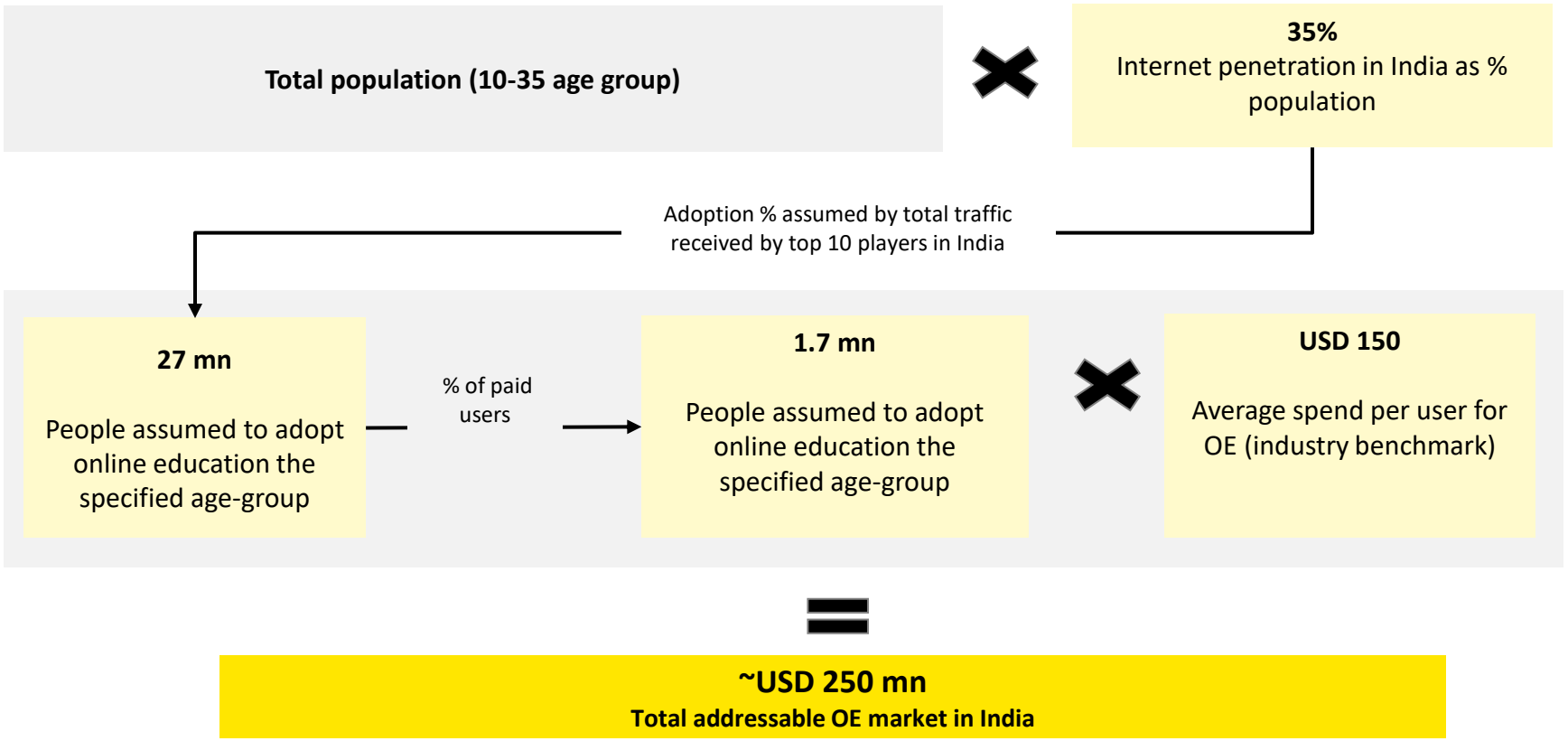
Corporate Training

Executive Execution

Online Education



Approach & methodology for market sizing of OE



Who is the customer?

Online Education is growing as a preferred delivery model for the continuing education and tutoring/test prep markets

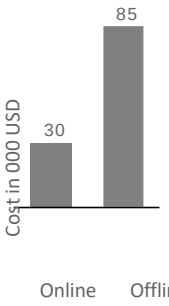
Level of Employment	Potential offerings	Potential customer base	Current market opportunity
Higher education and Working professionals (40-45%)	► Working professionals: Certification courses, Skill enhancement courses, Language and vocational education courses ► Higher education : Degree/ diploma courses as B2B offerings by institutions , Alternate online courses to higher education, Test preparation courses to higher education ► Fee range : USD 75-2,000	~0.9-1 Mn	~USD 100 Mn
K-12 (55-60%)	► Primary and secondary supplemental education : Smart class, online tutoring and private coaching for foundation education, higher secondary courses for STEM learning ► Duration of course: 1 – 5 days/ long term coaching ► Fee range : USD 150-300	~0.7-1 Mn	~USD 150 Mn
		~1.7-2 Mn	Total 250 mn

- Popular modes for training in OE include self paced learning, live learning and flexible online learning
- Prevalent models include MOOC (Massive Open Online Courses), COOC (Corporate Open Online Course) and Small Private Open Course (SPOC)

Source: Firm analysis

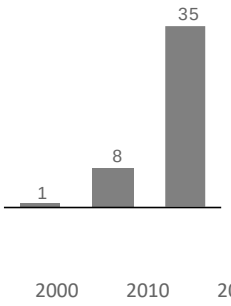
Demand drivers for OE

Cost of offline vs online course*

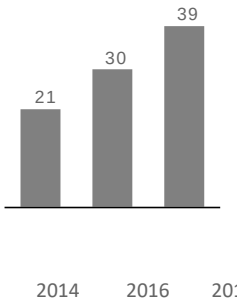


*The above refers to MBA cost from a foreign university

Internet penetration as % of total population



Smartphone users as a % of mobile users



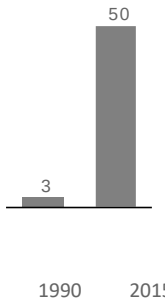
Govt. Initiatives

Skill India
कौशल भारत - कुशल भारत

eBasta

Digital India
Power To Empower

Households (mn.) in India with disposable income above USD10,000



Cost effectiveness

The cost of infrastructure for OE is minimal, additionally with economies of scale the overall cost goes down. Typically online is ~50% cheaper than offline course

Increasing internet penetration

The overall internet penetration in the country is ~35% and the penetration in metros is ~75%. The increasing growth every year will drive demand for OE in India

Smartphone ownership

With increasing mobile ownership and high % of smartphone owners along with increasing internet usage, the no. of OE users has been on the rise

Government initiatives

Initiatives expected to drive demand include Skill India, Digital India, eBasta,etc.

DeitY has supported e-learning-focused R&D projects at various academic educational institutes throughout India

Increasing household income

Indian middle class doubled in size over an eight year period from 300 million in 2004 to 600 million in 2012 who are spending anywhere between $2 and $10 per capita per day.

Source: Statistica, IAMAI

Up-to-date materials, live instructions, video content delivery, video conferencing options and self paced learning are some of key differentiators for online vs offline learning

Key reasons for opting for online education:

1 Supplementary education

- This segment is driven by K12 students who require further coaching and mentoring
- While formal education in India is still based on a traditional model with curriculum that is not frequently updated. Online courses are developed basis current industry needs giving a chance to learn on current trends

2 Test preparation

- This segment is driven by students preparing for various competitive examinations
- Self paced learning, convenience, flexibility and affordability have led to the growth of this market
- With many competitive exams being online,

3 Reskilling/ certifications

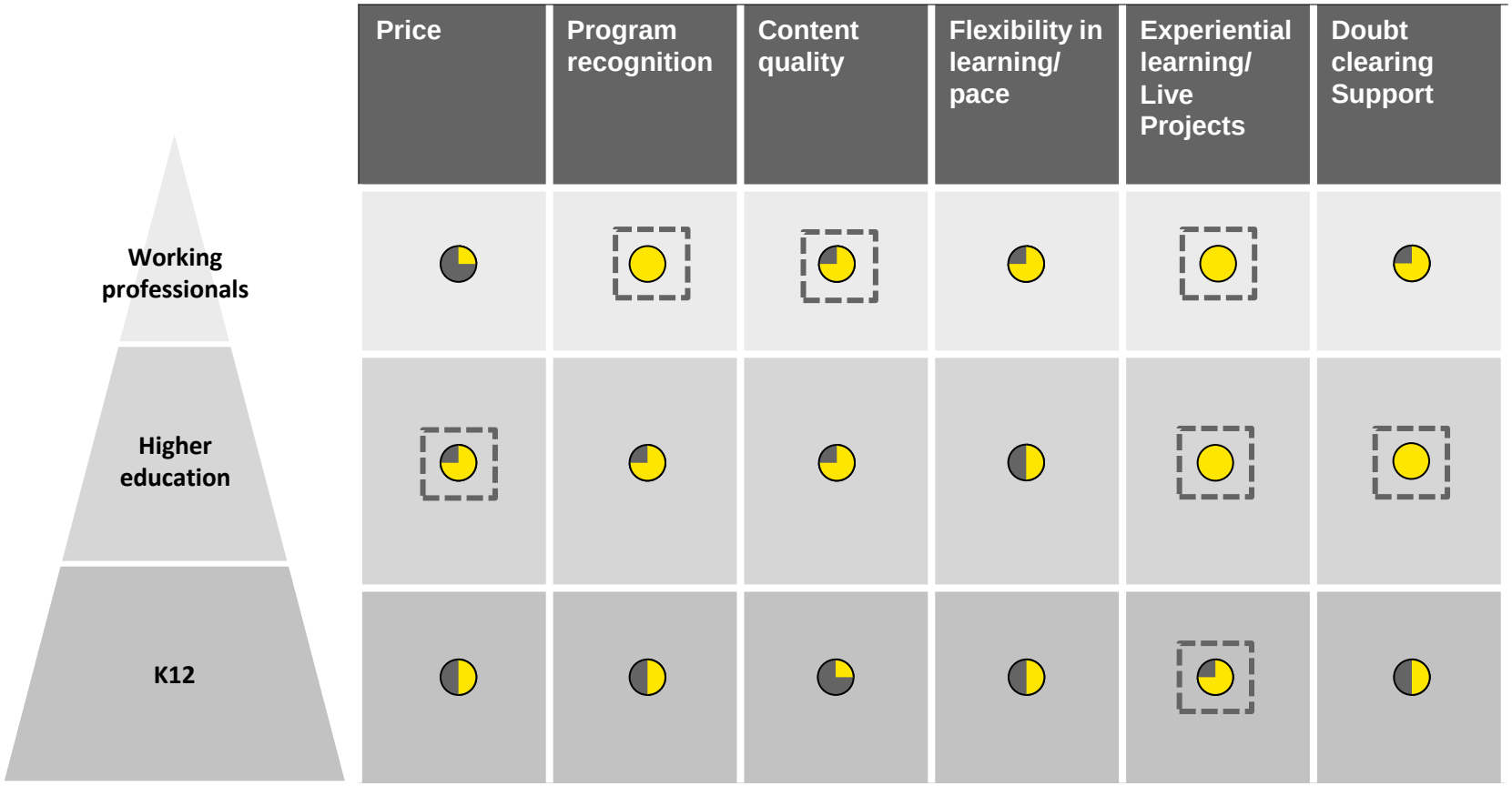
- This segment is driven by IT professionals who need to upskill and reskill with changing technology today
- As technology continues to develop, businesses find it increasingly challenging to keep their workforce updated on the latest trends
- Strategic training is a dire need in this respect and online education provides a convenient and effective way to bridge workplace skills gap

4 Vocational

- This segment has a high no. of subscribers, but the paying capacity is low
- Users opt for soft skills training such as –language, casual learning courses, personality development through online mode

Source: 20 primary interactions conducted across age groups 16-35 to arrive at the key reasons for opting for education

Due to the lack of accreditation and quality standards, industry recognition acts as the indicator of program quality – programs with strong industry connect are able to price at a premium



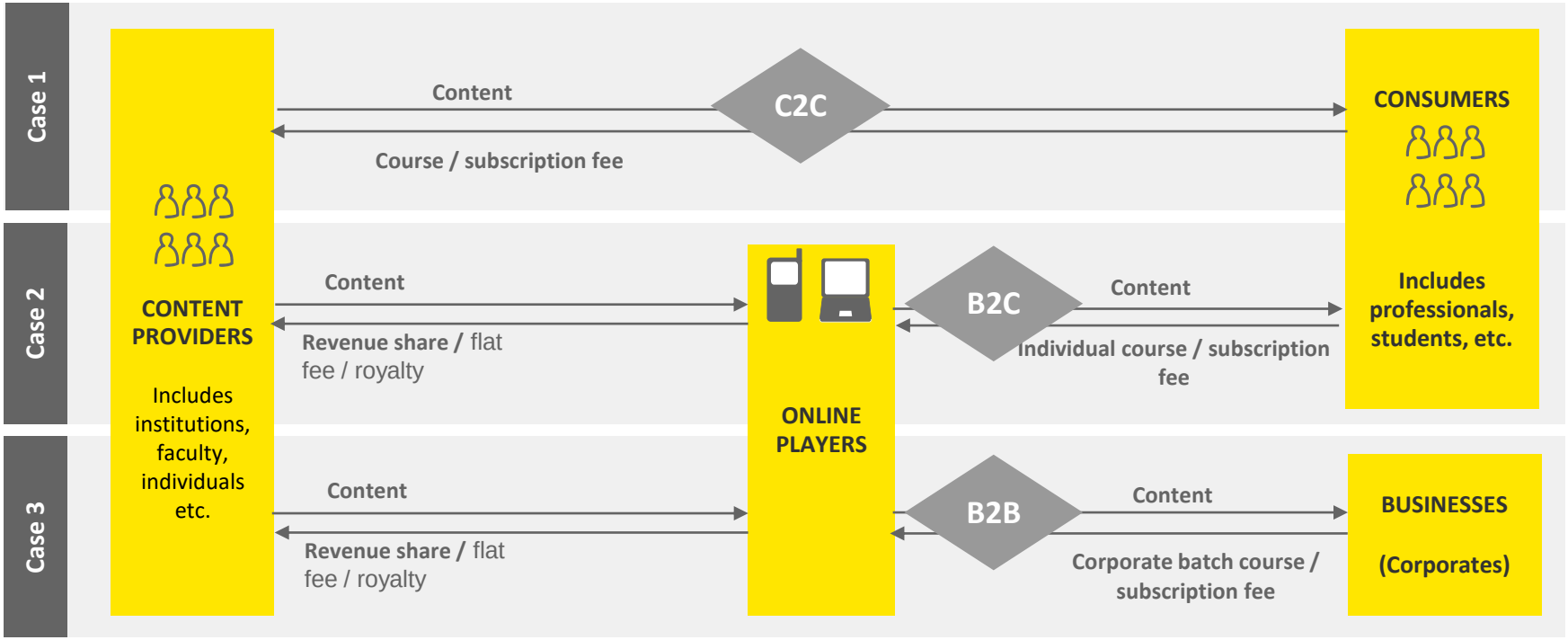
Source: Firm analysis

Highest rating

Least Important — Most Important

B2C and B2B are the two predominant models in the OE business; there is expected to be a shift in pricing model from per course to subscription

Existing business models in online education



Existing monetization models

1. Course fee
2. Subscription fee
3. Advertising
4. Content sharing
5. Free samples- charged later

Source: Primary interactions, Firm analysis

Online models have the potential to extend OE/CT education to the unserved markets, as also to enhance the RoI for traditional models by bringing down costs and gaining scale

SWOT analysis

INTERNAL FACTORS

Strengths

- Enables self paced learning
- Highly scalable to cover large and diverse learner populations
- Lower capex and opex requirements compared to traditional models of delivery
- Delivery cost is negligible leading to significant margins at scale

Opportunities

- Increasing accessibility in Tier 2 and Tier 3 towns due to increasing interment and smartphone penetration
- Ability to gain market share into dropout working population through credentialing
- Favorable regulatory changes promoting online
- Potential access to large vernacular population
- Lowering L&D cost for corporate buyers

Weaknesses

- Limited face to face interactions – needs a mental transition for the Indian learner of F2F teaching
- Low peer/social interaction against traditional models
- Limited handholding / individual tutoring options
- High upfront cost for quality content creation

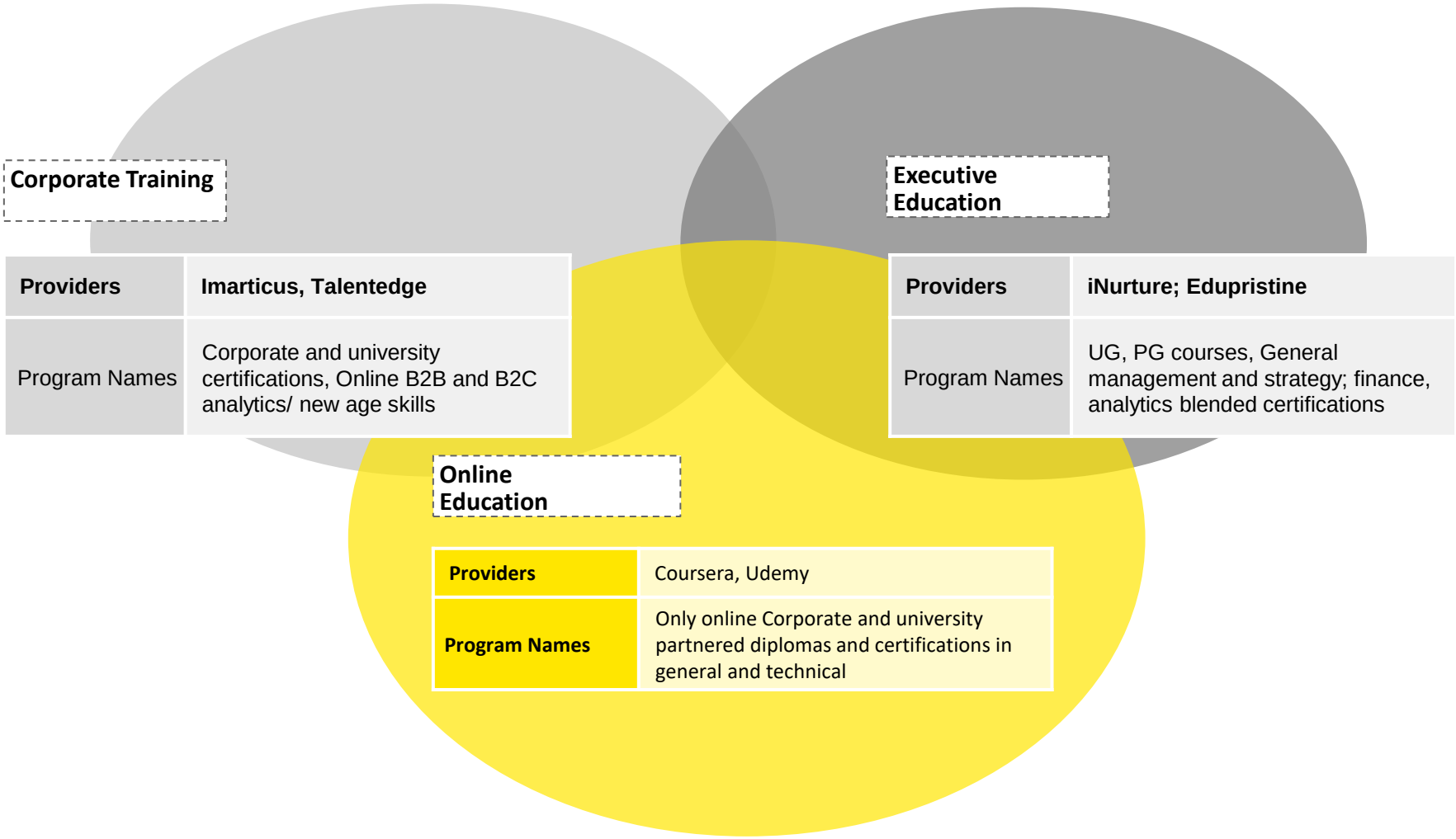
Threats/ Risks

- Democratization of content - large players providing free content/MOOC
- Low barriers to entry for basic programs
- Lack of brand loyalty among users
- Lack of standard accreditation – leading to limited credentialing options

EXTERNAL FACTORS

Source: Firm analysis

The importance given to teacher/mentor availability in learning paradigm has led to higher fungibility with CT/EE and thus few pure online players have scaled up on a paid model



Corporate Training	
Providers	**Imarticus, Talentedge**
Program Names	Corporate and university certifications, Online B2B and B2C analytics/ new age skills

Executive Education	
Providers	**iNurture; Edupristine**
Program Names	UG, PG courses, General management and strategy; finance, analytics blended certifications

Online Education	
Providers	Coursera, Udemy
Program Names	Only online Corporate and university partnered diplomas and certifications in general and technical

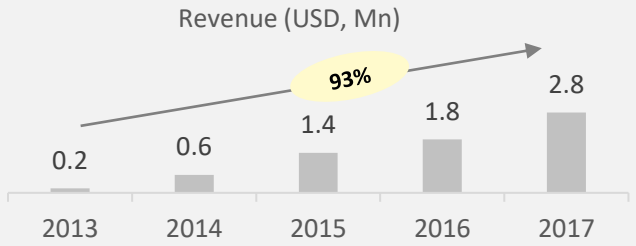
Most players in this space are currently operating at negative EBITDA

	Company Name	Mode of delivery	Revenue	Growth rate (3 year CAGR)	EBITDA	Year of inception	Fee range
1	Upgrad	B2B and B2C	USD 4,930	NA	-56%	2015	USD 475 – 4,310
2	Edupristine	B2B and B2C	USD 4,792	14%	-33.95%	2008	USD 148 – 3,000
3	Imarticus	B2B and B2C	USD 500 – 3,000	38%	17.8%	2012	USD 500 – 3,000
4	Coursera	B2B	USD 29-99	NA		2017	USD 29 – 99
5	Meritnation	B2B and B2C	USD 75-150	25.3%	-57.5%	2001	USD 75-150
6	Intellipaat	B2B and B2C	USD 158-2300	206%	3.19%	2012	USD 158-2300
7	Jigsaw	B2C	USD 500-3000	31.5%	-59.5%	2011	USD 32-750

Source: Vcc Edge, RoC filling Firm analysis

High growth rates, high ticket size courses and growing industry acceptance in online HE market present attractive opportunity

High growth



Online players like Imarticus, Upgrad witnessing growth rate of 40-50%

Acceptability of higher value courses

- One single course has 2500 enrolments with ~4,000 course fee. Single course generating revenue of the order of 10 Mn.
- Players like TalentEdge are also able to have enrolments against high ticket size courses

Growing industry acceptance

- Certified courses from reputed players are now widely accepted in industry
- During hiring and references, certifications are becoming an extra look out factor apart from usual degrees.

For <customer name>

Hence, <customer name> has a significant opportunity to play in higher education online market given its existing ecosystem readiness, Curriculum created over years and brand value in higher education landscape

Source: Firm analysis

Player Profile
UPGRAD (2015)

Majority Stake is held by Mr. Rohinton Screwvala and Ms. Trishya Screwvala with 41.67% holding each and Mr. Mayank Kumar with 16.66% shareholding

Geographical Reach
- *Pan India*

Clients
- *Apple Inc, Carlsberg, Cyient, Duracell, Flipkart,HCL, IBM, Jetairways, Mahindra*

Courses Offered
- *PG Diploma in Data Science*
- *Executive Program in Strategic Digital Marketing*
- *PG in Digital Marketing and Communication*
- *PG program in Management*
- *Product management certification program*
- *Entrepreneurship Certificate Program*
- *PG program in Big Data Engineering*
- *PG In Software Development*

Model Followed
B2C Program
- *Provide certification courses and executive programs to customers*

B2B Programs
- *Provide corporate training and staffing solutions for corporate partners*

Fee Range
USD 475 – 4,310

Course Duration
- *6 months to 11 Months*

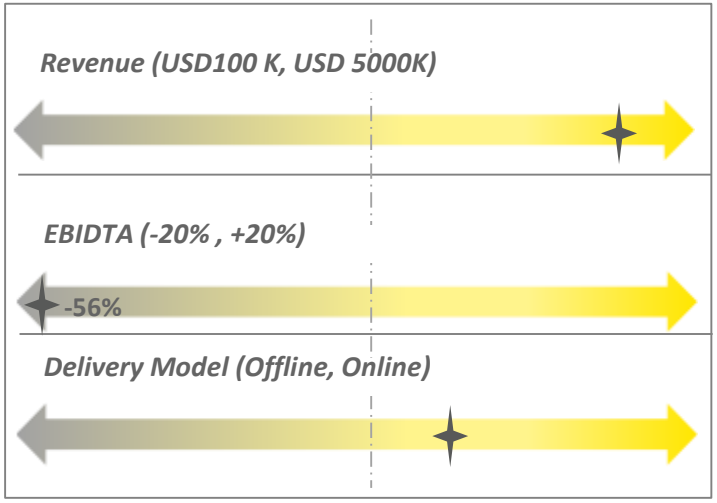
Students Trained
- *NA*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	4,930	-2,800	-2,900	-2,900
2016	1,580	1,460	-1,510	-1,510
2015	NA	NA	-70	-70

Key Insights

- UpGrad is looking at $40 million in external funding this year
- Online education company UpGrad has tied up with the Executive Education division of Cambridge Judge Business School to come up with a Digital Marketing Strategies program. The first batch of the Digital Marketing Strategies will begin in January 2018
- UpGrad has also earmarked Rs 200 Crore for international expansion into South-East Asia and Middle East markets

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
EDUPRISTINE (2008)

Majority stake is held by Atul Kumar (10.5%), Paramdeep Singh(14.5%), Sarita Chand (14.28%), Pawan Prabhat (7.76%), Global Education International BV(15%), Kaizen Private Equity (12%) and Kaizen Domestic Scheme (26%)

Geographical Reach
- *Delhi, Pune, Kolkata, Mumbai, Chennai, Bangalore, Hyderabad*
- *Global : US, Singapore, Oman, Muscat, Dubai and London*

Clients
- *Thermax, EY, Mahindra, JP Morgan, RBI, KPMG, ICICI Bank, TATA, Elara, HDFC*

Courses Offered
- *Accounts: CMA, CPA, Business Accounting, GST*
- *Finance: CFA Course, Financial Modelling, FRM, PGCFR, ACFM, Certificate in Investment*
- *Analytics*
- *Marketing*
- *Healthcare*

Model Followed
B2C Program
- *Provide certification courses and executive programs to customers*

B2B Programs
- *Provide corporate training and staffing solutions for corporate partners*

Fee Range
USD 148 – 3,000

Course Duration
- *6 months to 5 Years*

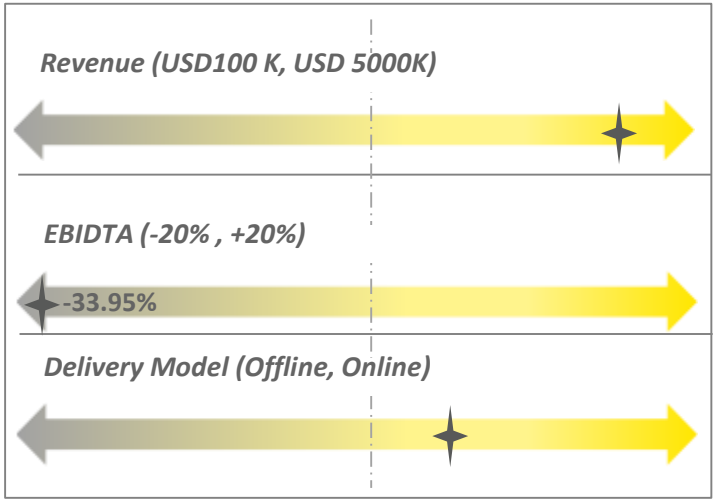
Students Trained
- *~50,000 (Hired & Trained);*
- *12,000 (Hired)*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	4,792	-1,627	-1,860	-1,860
2016	5,920	-280	-490	-490
2015	3,657	-242	-470	-470

Key Insights

- Mumbai-based Neev Knowledge Management Pvt. Ltd, which offers online and classroom-based certification courses under the brand EduPristine, raised $10 million from private equity fund Kaizen Management Advisors and US-based education company DeVry Inc

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
IMARTICUS (2012)

Majority Stake is held by Amit Nanavati and Nikhil Barshikar

Geographical Reach
- *Mumbai, Chennai, Pune, Coimbatore, Bangalore, Delhi NCR, Hyderabad*

Clients
- *Yes Bank, JP Morgan, RBS, Motilal Oswal, Wipro and others*

Courses Offered
- *Brand & Sales Marketing*
- *Analytics*
- *Finance*
- *Investment Banking Operations*
- *Financial Analysis with EY*
- *FinTech with Rise Mumbai (Co-created by Barclays)*
- *Wealth Management with Motilal Oswal*
- *Global Markets by MCX*
- *Banking & Wealth Management*

Model Followed
B2C Program
- *Provide certification courses and executive programs to customers*

B2B Programs
- *Provide corporate training and staffing solutions for corporate partners*

Fee Range
USD 500 – 3,000

Course Duration
- *3 days to 6 months*

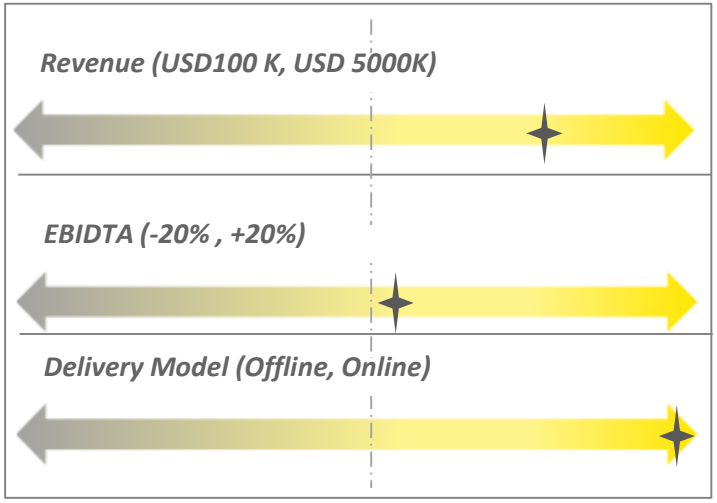
Students Trained
- *10,000 +*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	2,775	54	17	18
2016	1,997	22	-18	-18
2015	1,451	-6	-16	-18

Key Insights

- Focus on finance and analytics education
- Imarticus which expanded in Africa and is concentrating to move to South East Asia. They estimated a total market size of INR 74 billion for training across Finance and Analytics driven by e-learning and strong adoption by large companies
- 300 domestic and global companies tie-ups to ensure quality placements

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
COURSERA (2017)

Geographical Reach
- *Mumbai, Delhi NCR*

Clients
- *Axis Bank Ltd, Infosys Ltd, Tata Communication Ltd and others*

Courses Offered
- *Data Science*
- *Machine Learning*
- *Computer Science*
- *Personal development*
- *Life Science*
- *Language Learning*
- *Social Science*

Model Followed

B2C Program
- *Provide online training and exams*

B2B Programs
- *Live E-Classroom training*

Fee Range

USD 29– 99

Course Duration
- *4 weeks to 10 weeks*

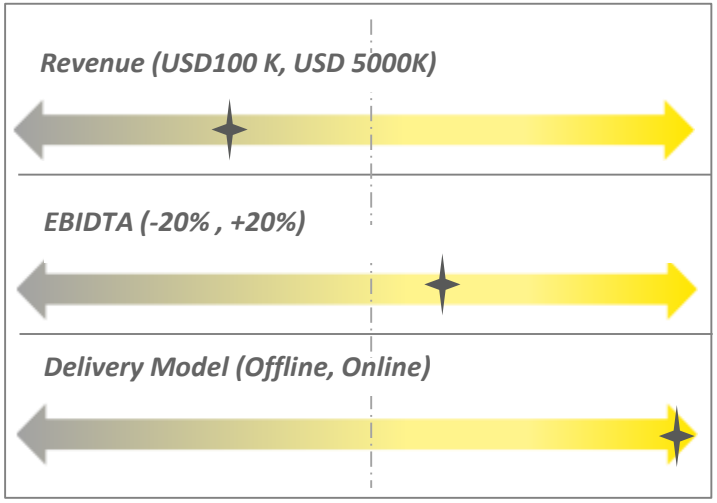
Students Trained
- *25,00,000*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	2000-2500	NA	NA	NA

Key Insights

- Coursera is expanding its market in other sectors like Corporate training and upskilling
- Coursera launched six new online degree by 2019 which are Master's in Computer Science and Master's in applied data science with various reputed International Universities like Arizona State University, Imperial College of London
- Coursera announced a session on deep learning, one of the emerging field in artificial intelligence. It is taken through five interconnected programs

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
MERITNATION (2001)

Majority Stake is held by Info Edge India Ltd. and Vivek Khare

Geographical Reach
- *Mumbai, Delhi NCR, Jabalpur, Hyderabad, Karnataka, Lucknow*

Clients
- *Students of K12 and Higher Education*

Courses Offered
- *Classes I-XII courses*
- *Entrance Exams*
- *Revision Notes*
- *Personality Test*

Model Followed
B2C Program
- *Provide online training and exams*

B2B Programs
- *Live E-Classroom training*

Fee Range
USD 75– 150

Course Duration
- *4 weeks to 6 weeks*

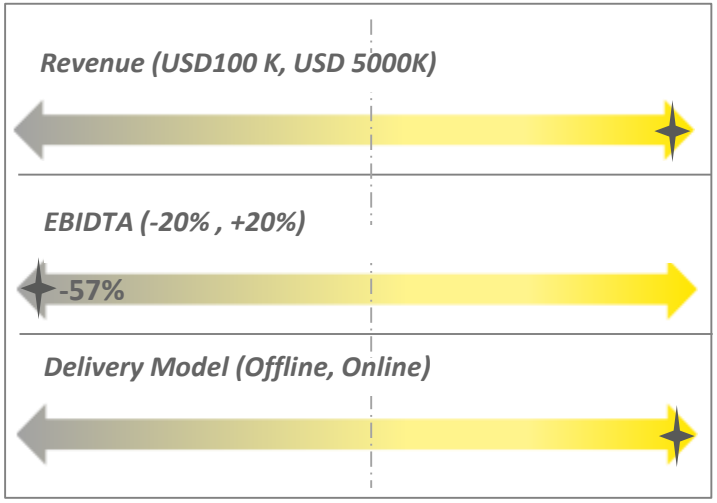
Students Trained
- *80,00,000*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	5,750	-3,310	-3,780	-3,360
2016	4,500	-6,100	-6,590	-6,580
2015	3,660	-3,430	-3,840	-3,840

Key Insights

- Meritnation launched Math tables app for kids
- Meritnation rolls out LIVE classes for classes 6-10 in India for Maths and Science
- InfoEdge India invests $5.84 Mn in Applect Learning Systems (MeritNation)
- Meritnation raised $3.93 million (INR 250 million) from InfoEdge India Ltd through preferential allotment

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
INTELLIPAAT (2012)

Geographical Reach
- *Bangalore*

Clients
- *Sony, Ericsson, Genpact, WIPRO, TCS, Tata Communications, Saint Gobain*

Courses Offered
- *Big Data*
- *Programming*
- *Business Intelligence*
- *Cloud Computing*
- *Data Science*
- *Mobile Development*
- *Project Management*
- *Oracle/SQL Database*
- *NoSQL*

Model Followed
B2C Program
- *Provide online training and exams*

B2B Programs
- *Live E-Classroom training*

Fee Range
USD 158– 2300

Course Duration
- *2 days to 37 days*

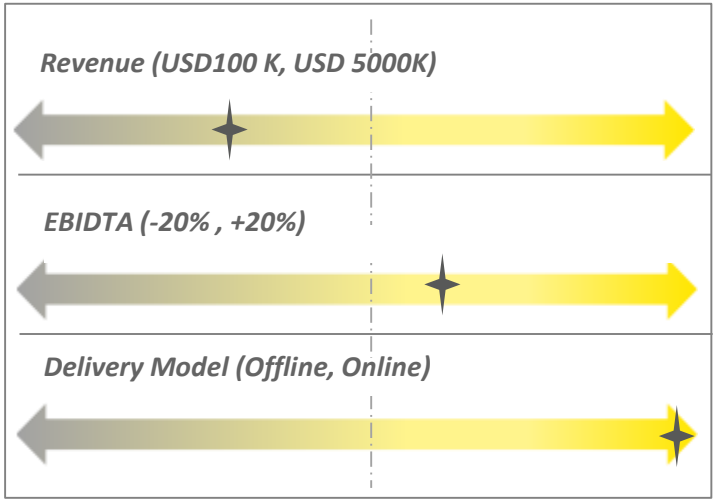
Students Trained
- *90,00,000 +*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	940	30	20	10
2016	450	20	10	10
2015	100	0	0	0

Key Insights

- Intellipaat grew to 1000% by 2015 as stated by CEO Diwankar Chittora.
- They started with a seed capital of INR 50,000 and through a series of funding of USD 3-5 Million.
- It offers training to the learners and customers of sectors like IT and Banking

Summary



Source: Vcc Edge, RoC filling Firm analysis

Player Profile
JIGSAW (2011)

JIGSAW ACADEMY
THE ONLINE SCHOOL OF ANALYTICS

Majority Stake is held by Directors and their relatives, Corporate Bodies and some other shareholders

Geographical Reach
- *Bangalore*

Clients
- *City & Guilds, European Union, BIFM, ILM, NOCN, Tata Communications, Saint Gobain*

Courses Offered
- *Introductory Courses on analytics and Big Data*
- *Foundation Course on Data Science, Data Analytics, Python, Machine Learning*
- *Domain Courses on E-commerce Analytics, Financial Analytics, HR Analytics, Social Media Marketing & Analytics, Supply Chain Analytics*
- *Advanced program on Apache Spark, Apache Storm, Random Forest*

Model Followed
B2C Program
- *Provide online training on the mentioned courses*

Fee Range
USD 32– 750

Course Duration
- *12 weeks to 24 weeks*

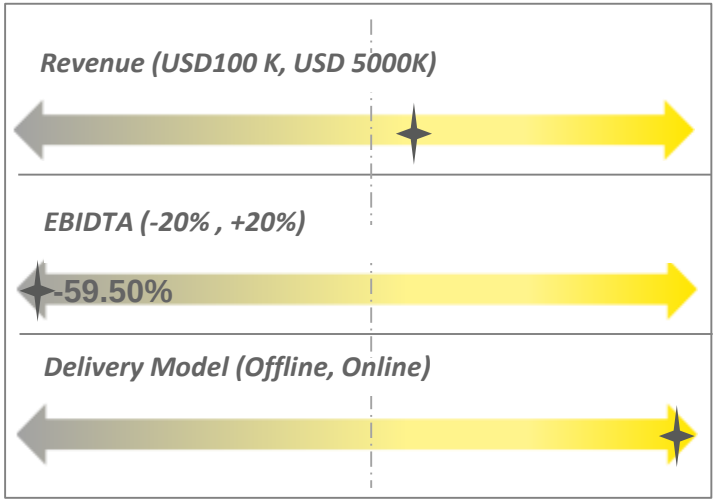
Students Trained
- *40,000 +*

In USD '000	Revenue	EBITDA	EBT	PAT
2017	2,300	-1,370	-1,550	-1,550
2016	1,790	-400	-520	-540
2015	1,330	120	60	60

Key Insights

- Acquiring skills in machine learning will help IT professionals boost their career as stated by COO and founder of Jigsaw Academy Sarita Digumarti.
- Jigsaw recently tied up with Graham School, University of Chicago, to launch an integrated course on data science and machine learning.
- Technavio announced top five vendors in the professional online courses market in India from 2016 to 2020 which includes Jigsaw.

Summary



Source: Vcc Edge, RoC filling Firm analysis

The Roadmap

Potential Synergies for <customer name> – middle to long-term (5-7 years)

1 **What will be the size, scale and profitability of the business?**

- Amongst the top **2-3** players in the online education industry
- Revenue of **~ USD 50** mn with presence across metros and online
- Financially attractive proposition with EBITDA **>20%**

2 **What will be the suite of <customer name>'s continuing offerings?**

- Quality EE offerings through existing expertise in the segments existing <customer name> brands / Institutes operate in.
- Online offerings from global content using a local player for learner support
- Under served course categories like Health management, New age technologies etc can be capitalized upon

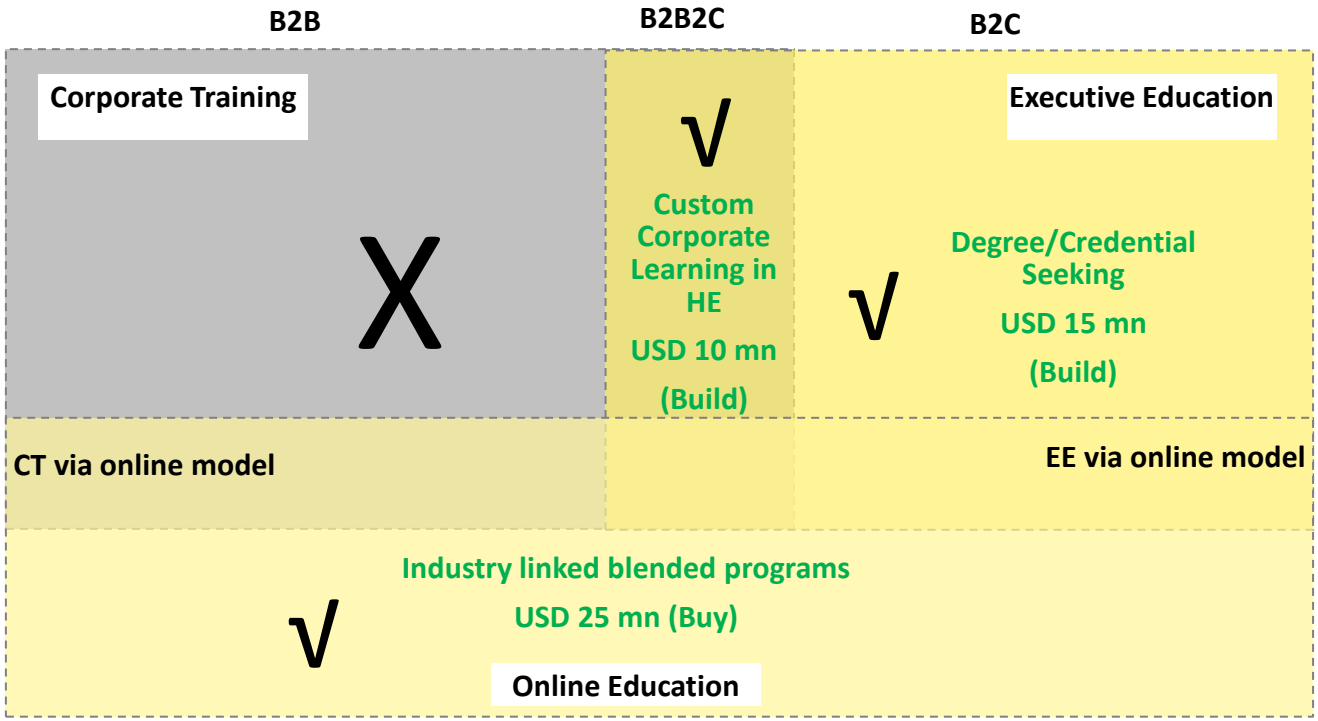
3 **How will <customer name>'s offerings differentiate in the market?**

Effective transformation to a "**new economy professional**' through :

- Superior 'student outcomes'- industry support, marquee live projects/ internships, imparting professional and functional skills, training for 'technology of the future', match-making for placements
- Linkage with global certifications from <customer name> brands
- **Through 'Best-in-class' training - exposure to best content of international standards**, relevant global technology and trends

Sources: Firm Analysis Note: Conversion Rate of 1USD= INR 67.88

There is a potential to develop a USD 50mn business for <customer name> – combining its existing HE brands/Online assets with potential acquisitions of local mid scale players



X

- Corporate training market is highly cluttered with multitude of small players.
- Players which are relatively large are either operating on low margins through aggregator model or have established scale through online

√

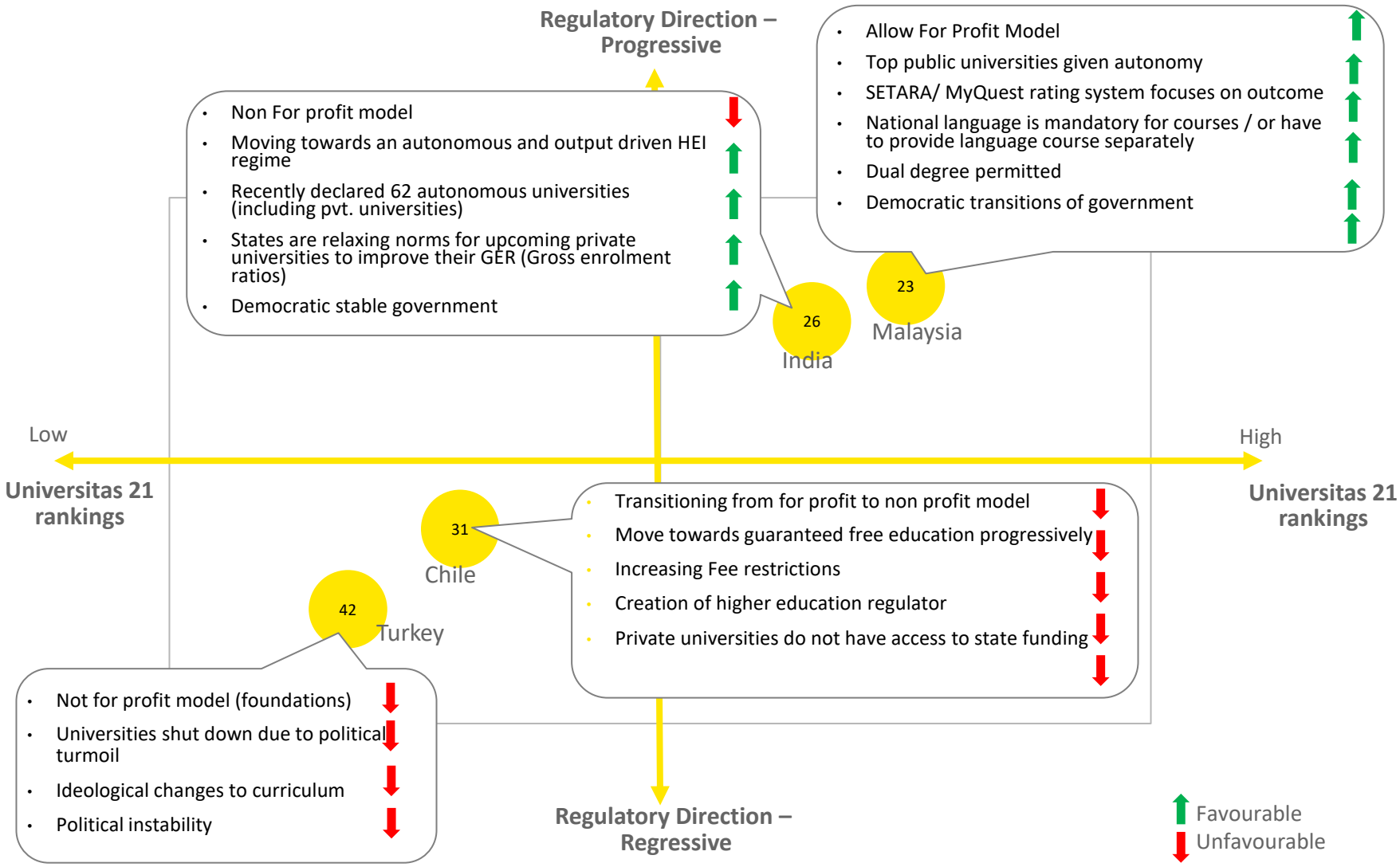
- Future of online education has better prospective attributed to increasing internet users and acceptability of online courses in industry
- Executive education is driven by brand values and have higher ticket sizes and margins

Given <customer name>'s existing asset portfolio, Online and executive education present better fitment and bright future prospects

Source: Firm analysis

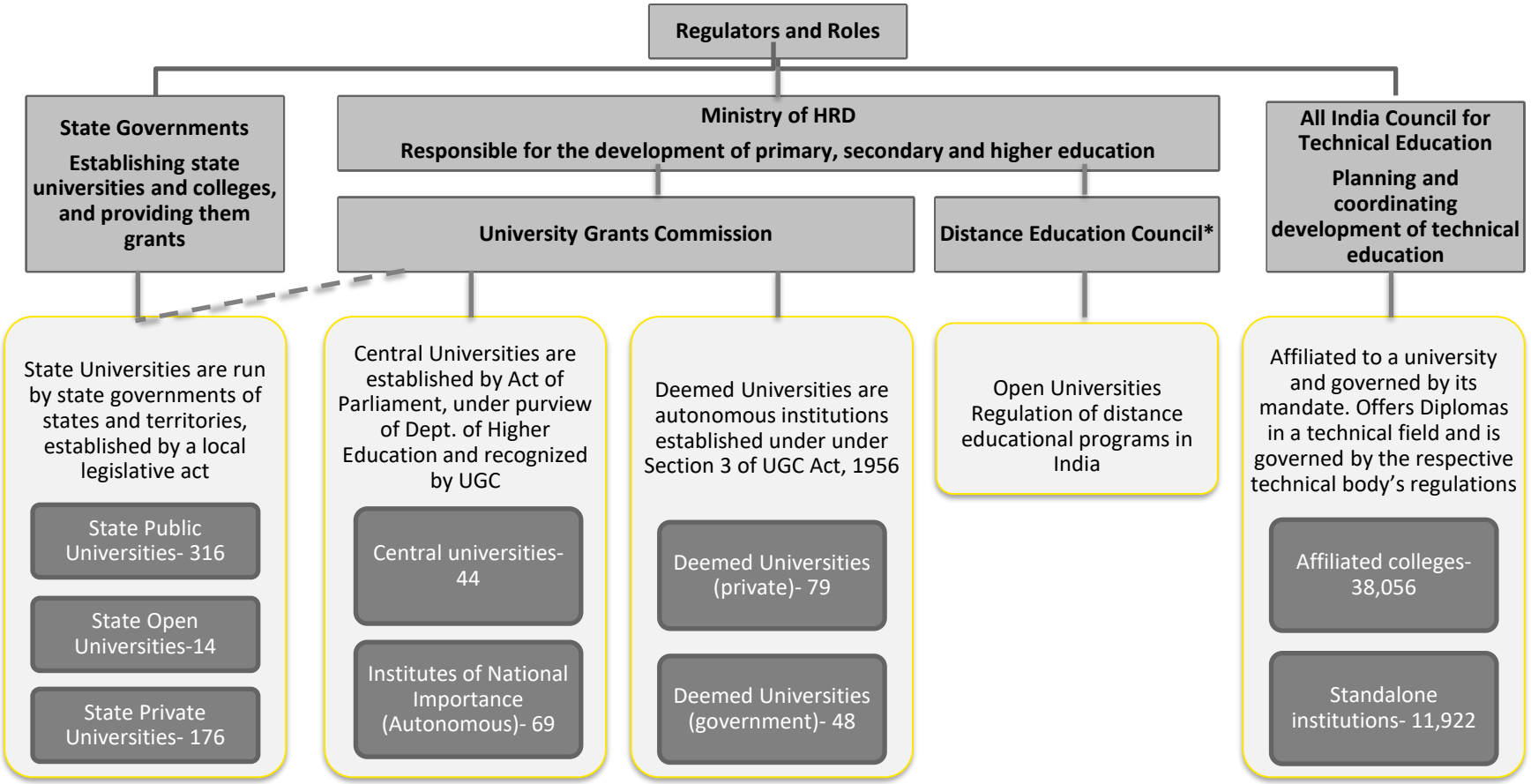
Overview - Regulatory Direction for HE in India

Amongst emerging economies, Indian HE system is large, quality driven and is moving towards progressive regulations



Source: Firm analysis, Universities 21, 2018 Rankings, nces.ed.gov

HE sector is regulated by multiple regulatory bodies; private HE institutes in the country exist in different formats

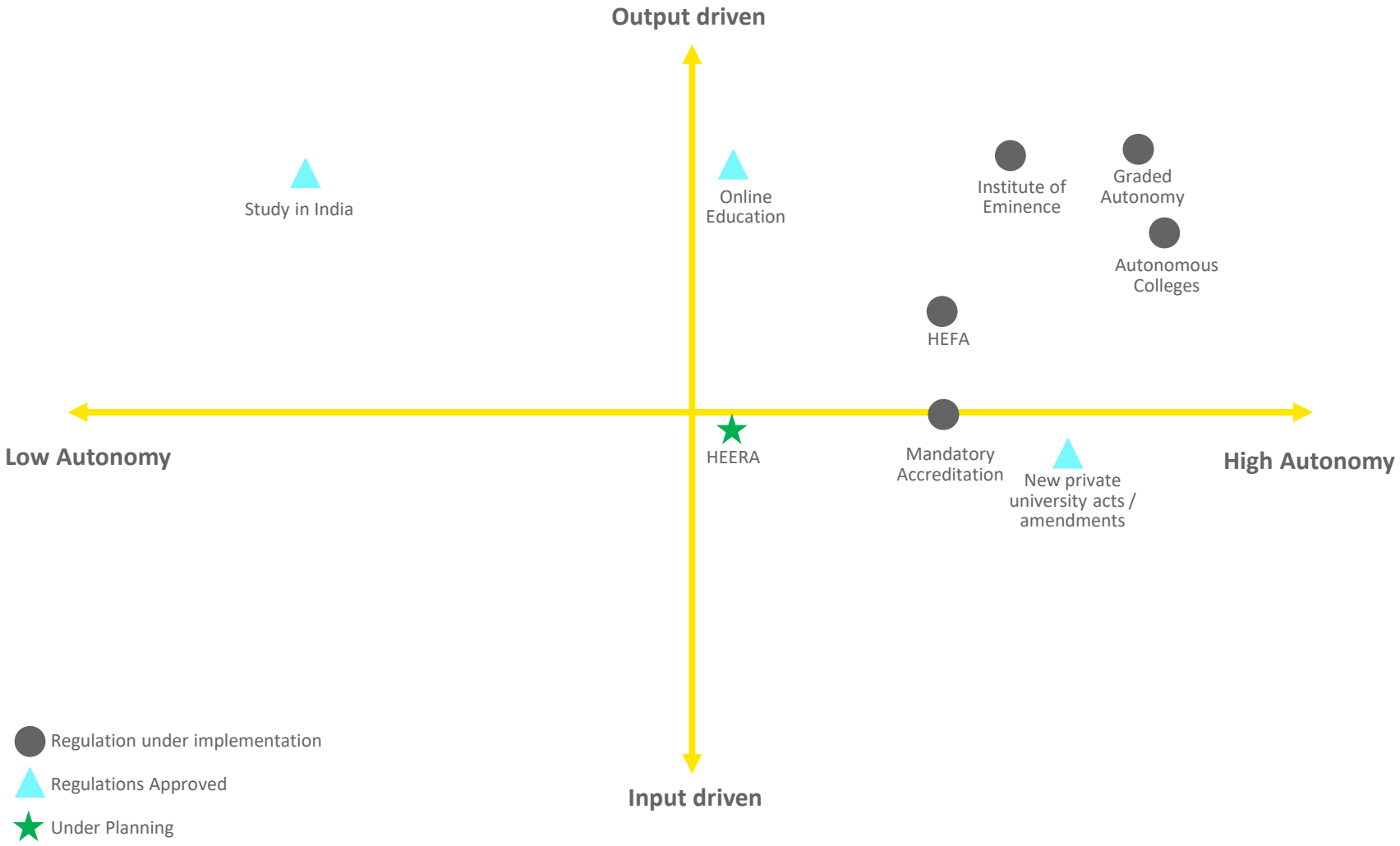


Unaffiliated colleges — Can provide only certifications; these are not recognized for Government jobs and any post graduate degrees

A degree / diploma-granting private higher education institute mandatorily needs to be "not-for-profit" and is governed by at least 2-3 regulatory bodies

* *DEC has been dissolved effective May 2013; expected to be brought under the anvil of UGC*

New regulations and amendments provide higher flexibility to HEI's while fostering education quality and alternate financial models



Source: Firm analysis

HEERA: Higher Education Empowerment Regulation Agency
HEFA: Higher Education Financing Agency

Regulatory landscape

Autonomy and output orientation

S. No.	Name of regulation	Regulation	Change	Impact
1.	IOE	• Setup 20 Institute of Eminence in India	• Output driven • Complete autonomy in operations, academics and finance • Freedom from free restriction • Freedom for collaborations	• Premium on quality • Partnerships and financial freedom • Limited inputs
2.	Graded autonomy	• Graded autonomy based on historic accreditation rating	• Academic and admin freedom • Freedom for collaboration and new campus establishment • Moving from state regulations to self regulation and information • Collaborative programs and 2+2 programs	• Partnerships • Joint programs • Quality focus
3.	New SPU	• Relaxed norms for upcoming university • Higher autonomy for private institutes for courses and campus	• Online and new campus permitted • Better autonomy	• Better financial and business control • Quicker breakeven
4.	Autonomous colleges	• Giving autonomous status to institutes basis their NAAC rating	• Freedom to design courses, conduct admissions, asses student performance and launch self financing courses.	• Collaborations
5.	Mandatory accreditation	• Mandatory for HEIs to get accredited after six years or passing out of two batches	• Advance academic quality • To facilitate HEIs to acquire international recognition and cross-border collaborations	• Focus on quality • Collaborations

Source: Firm analysis

IOE: Institute of Eminence

SPU: State private universities

Regulatory landscape

Ease of doing Business

S. No.	Name of regulation	Regulation	Change	Impact
6.	HEERA	• Subsume multiple regulations into one umbrella regulation	• Freedom from multitude of regulations – simpler regulatory landscape • Segregation of operational regulations and financing	• Easy regulations • Lower bureaucracy • Access to govt. research funding
7.	HEFA	• Setup market-linked education financing structure	• Access to market linked financing	• Better access to structural finance

Source: Firm analysis

HEERA: Higher Education Empowerment Regulation Agency
HEFA: Higher Education Financing Agency

Regulatory landscape

Autonomy and output orientation

S. No.	Name of regulation	Regulation	Change	Impact
1.	IOE	• Bring higher educational institutions in top 500 of world ranking in the next 10 years and in top 100 • Each Public Institution IoE will be provided financial assistance up to INR 1000 Cr over a period of five years • Till date, 91 universities have been recognised and listed as Institute of eminence	• Output driven • Complete autonomy in operations, academics and finance • Freedom from free restriction • Freedom for collaborations	• Premium on quality • Partnerships and financial freedom • Limited inputs

2.	Graded autonomy	• Graded autonomy based on historic accreditation rating
		• Classification of university by
		• Category 1: NAAC score – 3.5 or above or ranking in Top 50 of NIRF for 2 years continuously
		• Category 2: NAAC score – 3.01-3.49 or ranking from 51-100 in NIRF for 2 years continuously
		• Category 3: All universities that do not fall in category I or II
			• Graded autonomy will enable institutes to:
			• Start new courses
			• Setup off-campus centres
			• Run skill development courses
			• Enrol foreign faculties
			• Determine fee structure
			• Set their own syllabus
			• Run open distance learning programmes
			• Collaborative programs and 2+2 programs
				• Partnerships
				• Joint programs
				• Quality focus on
				  • Curricular aspects
				  • Teaching-learning and evaluation
				  • Research and innovations
				  • Infrastructure and learning resources
				  • Student support and progression

Source: Firm analysis

IOE: Institute of Eminence

SPU: State private universities

Regulatory landscape

Autonomy and output orientation

S. No.	Name of regulation	Regulation	Change	Impact
3.	New SPU	• Relaxed norms for upcoming university • Higher autonomy for private institutes for courses and campus • AP state private university act, provisions to affiliate and recognize any college or institution after five years of commencement • Uttar Pradesh government reduces land holding limited for private universities from 50 acres to 10 acres in urban and 20 acres in rural areas under UP private university act. State government grants (30-40 Lacs) to universities which will setup in unserved areas	• Online and new campus permitted • Better autonomy • Maharashtra government (Ref. Bongirwar committee's report) is planning to allow private universities to spread their multiple campuses across cities, and even offshore by revoking the clause of contiguous land at one place. • Bihar govt is also planning to reduce land holding limit for Private University • Following AP, Telangana passed private university act providing autonomy to upcoming universities to start various programs	• Better financial and business control • Greater flexibility to design and offer courses through multiple campuses/online • Relaxed norms and state support • Quicker breakeven

Source: Firm analysis

IOE: Institute of Eminence

SPU: State private universities

Regulatory landscape

Autonomy and output orientation

S. No.	Name of regulation	Regulation	Change	Impact
4.	Autonomous colleges	• Colleges of any discipline whether aided, partially aided and unaided/self financing, after completing minimum 10 years of existence are eligible for grant of autonomy. • The colleges must be accredited by either NAAC with minimum 'A' Grade or by NBA for at least three programme(s) with a minimum score of 675 individually or a corresponding accreditation Grade/score from a UGC empanelled accreditation agency	Colleges will be able to: • Determine and fix its own courses • Restructure and redesign the syllabi to suit local needs • Prescribe rules for admission in accordance with prevalent reservation policies • Evolve methods to assess students' performance • Conduct examinations and launch self-financing courses	• Collaborations • Greater freedom and flexibility to colleges and encourage them to compete with their peer groups at different levels
5.	Mandatory accreditation	• Mandatory for HEIs to get accredited after six years or passing out of two batches • Accord recognition to the existing quality and excellence of HEIs	• Advance academic quality • Enable students and other stakeholders to make informed choices • To facilitate HEIs to augment quality, by bench-marking • To facilitate HEIs to acquire international recognition, cross-border and trans-national collaborations	• Focus on quality • Healthy market Competition to strive for excellence • Collaborations

Source: Firm analysis

IOE: Institute of Eminence

SPU: State private universities

Regulatory landscape

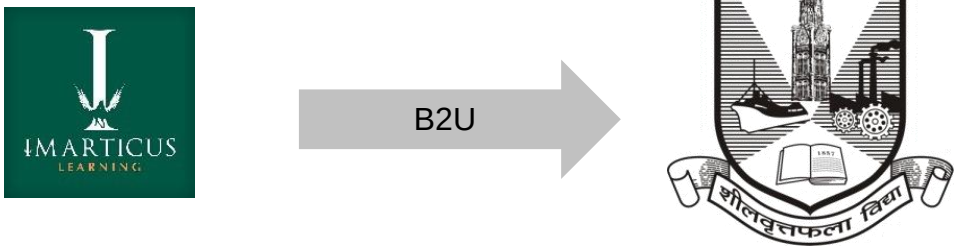
Ease of doing Business

S. No.	Name of regulation	Regulation	Change	Impact
1.	HEERA	• There exists two regulating bodies in higher education in India – UGC and AICTE • HEERA will subsume multiple regulations into one umbrella regulation	• Freedom from multitude of regulations – simpler regulatory landscape • Segregation of operational regulations and financing	• Easy regulations • Lower bureaucracy • Access to govt. research funding
2.	HEFA	• A body to leverage the equity to raise up to Rs. 20,000 crore for funding projects for infrastructure and development of world class labs in IITs/IIMs/NITs/others • Mobilise CSR funds from corporates for promoting research and innovation in these institutions on grant basis	• Access to market linked financing • Will setup market-linked education financing structure in India and a departure from the traditional grant-based system of funding higher educational institutions	• Better access to structural finance • Responsibility and Accountability

Source: Firm analysis

HEERA: Higher Education Empowerment Regulation Agency
HEFA: Higher Education Financing Agency

Innovative business arrangements like Business to Universities are picking momentum and will shape the future of Higher Education market



Imarticus : Online Education provider

Mumbai Vidyapeeth, Mumbai : University

Key Highlights

- Business to university arrangement (Imarticus, Mumbai Vidyapeeth arrangement facilitated by EY)
- Imarticus to offer online specialized courses like data analytics to students at Mumabi Vidyapeeth
- University may or may not subsidize courses by private players like Imarticus
- Training and Placement cell promotes industry relevant skills as it makes easier for students to land jobs
- Private players like Imarticus in future can enter into two way agreements of procuring content (or Producing new content with university faculty) from university to diversify their product portfolio

Abbreviations

S. No.	Name of regulation	Regulation
1.	HE	Higher Education
2.	EE	Executive Education
3.	OE	Online Education
4.	CT	Corporate Trainings
5.	HEI	Higher Education Institutes
6.	NAAC	National assessment and accreditation council
7.	IoE	Institute of Eminence
8.	SPU	State private university
9.	HEERA	Higher education empowerment regulation agency
10.	HEFA	Higher education financing agency
11.	HRD	Human resource development (Ministry)
12.	L&D	Learning and Development (Team)
13.	HR	Human Resource (Team)
14.	EBIDTA	Earnings before interest, depreciation, tax and amortization
15.	EBT / PBT	Earnings / Profit before tax
16.	PAT	Profit after tax

HEERA: Higher Education Empowerment Regulation Agency
HEFA: Higher Education Financing Agency

Thank you