

February 13, 2025

To The Secretary BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 543514	To The Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Scrip Code: VERANDA
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Dear Sir/Madam,

Sub: Press Release and Investor Presentation on Financial Results pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Please find enclosed the press release and investor presentation titled "Veranda Learning Solutions announces Q3 FY 2024-25 Financial Results" pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Kindly take the same on record and display the same on the website of your exchange. This information will also be available on the Company's website at <https://www.verandalearning.com/web/index.php/stock-exchange-intimations>

**Thanking you,
For Veranda Learning Solutions Limited**

**S Balasundharam
Company Secretary & Compliance Officer
M. No: ACS-11114**

✉ contact@verandalearning.com

🌐 www.verandalearning.com

☎ ++91 44 4690 1007

G.R. Complex First floor No.807-808,
Anna Salai, Nandanam,

Chennai -600 035

CIN: L74999TN2018PLC125880

Veranda Learning Solutions Reports Q3 & 9M FY25 Performance

Targets revenue of over Rs. 500 crores for the full year, pre-adjusted pro forma EBITDA of Rs. 130 crores

Chennai, 13th February 2025: Veranda Learning Solutions Limited, a public listed Education company (BSE: 543514, NSE: VERANDA) and a pioneer in the industry offering end-to-end Education services and solutions, announced its financial results for the **third quarter and nine-month period ended December 31, 2024**. During the quarter, the pre-adjusted operating revenue stood at Rs. 110.33 crores, reflecting a 20% year-on-year growth from Rs. 91.84 crores. The company has achieved an EBITDA of Rs. 11.96 crores adjusted for one-time impacts. Overall, the total pre-adjusted operating revenue for 9MFY25 stood at Rs. 367.93 crores, as compared to Rs. 259.12 crores in 9MFY24.

Q3FY25 was impacted by a combination of academic and market factors. On one hand, delays in notifications by Government for the competitive exams relating to public sector hiring impacted revenues. On the other hand, changes in the CA exam pattern and delayed results announcement led to lower-than-expected enrolments & delayed bookings, shifting revenue recognition to the upcoming quarters. The lower CA foundation pass rates affected student demand, with only 13,000 students passing in 2024 compared to over 40,000 in 2023. However, these challenges are transient in nature and are expected to normalize moving forward.

Veranda 2.0 - Veranda Learning Solutions has successfully executed the first phase of its growth strategy, which focused on rapid scale-up through the acquisition of marquee brands. As the company transitions into the second phase—integrating these acquisitions, unlocking synergies, and driving organic growth—it has undertaken a one-time, comprehensive review of all the businesses as well as assess and standardize practices across companies.

In addition, Veranda has adopted conservative estimates for expected credit loss, aligning such estimates at its subsidiaries with the parent company. During the current quarter, based on the prevailing business environment and with the objective of enhancing synergies between its business units, some subsidiaries have renegotiated their existing contracts and arrangements as well as reassessed the useful life of certain intangible assets, leading to accelerated amortisation of these assets.

Additionally, Veranda has considered impairment of certain assets considering the current and future pipeline of revenue contracts, and global challenges in the territories and industries in which its customers operate. Further, legal advisory costs that are one-time in nature were also accounted for during this quarter, in line with the repayment of related financial liabilities.

While these adjustments have led to a short-term one-off impact mostly non-cash in nature, Veranda has made significant progress in fortifying its operational foundation. With disciplined risk management, improved gross margins, and a more streamlined business model, the company remains set for long-term growth and has set the stage for a strong performance in the coming quarter and coming financial year.

Key Segment Wise Operational Highlights:

1. Academics:

Veranda's academic segment, which provides management and support services to K-12 schools, presently services five CBSE schools and two international Cambridge schools

9MFY25 result review –This Segment grew its revenue to Rs. 20.57 crores this year. During the same period the EBITDA grew from Rs. 3.41 crores to Rs. 11.48 crores. EBITDA margin stood at 55.79%.

Operational Outlook: The full year EBITDA is expected to scale to over Rs. 15 crores. Plans to sign up and manage five new schools in Q4FY25 with significant increase in numbers of schools planned over the coming years.

2. Commerce Test Preparation:

JK Shah Classes recorded a 26.87% year-on-year revenue increase in 9MFY25, with EBITDA reaching Rs 36.55 crores.

9MFY25 result review – The overall Commerce segment grew its revenue from Rs. 82.27 crores to Rs. 138.20 crores year-on-year. During the same period the EBITDA grew from Rs.30.26 crores to Rs. 60.92 crores.

Operational Outlook: Recent acquisitions of BB Virtuals and Navkar Institute will fuel expansion in both online and offline markets. The company is also expanding its managed commerce colleges with a target of tying up with 100 new colleges in the coming years. With the addition of these assets to the Commerce segment, the proforma revenue is expected to be Rs. 280 crores and proforma EBITDA of Rs. 113 crores.

3. Government Test Preparation:

Veranda RACE revenue recorded a 34.72 % year-on-year growth in 9MFY25, with future growth planned through geographic expansion

9MFY25 result review – This segment grew its revenue by 39.85%, increasing from Rs. 80.80 crores to Rs.112.99 crores, contributing 30.71 % of the total revenue.

Operational Outlook: The company is targeting significant growth through expansion of its product offerings in government exam preparation segment.

4. Vocational Training:

Veranda's vocational training segment, powered by brands like Edureka and Six Phrase, continues to thrive. This segment leverages Veranda's existing student base to cross-sell vocational courses.

9MFY25 result review – This segment grew its revenue from Rs. 86.09 crores to Rs. 95.92 crores year-on-year and EBITDA grew by over 70% compared to the same period last year.

Operational Outlook: EBITDA growth for this segment is expected to be driven by leveraging cross-selling opportunities within the group. Revenue for the full year is expected to be Rs. 129.48 crores.

Consolidated Financial Highlights:

Particulars (Rs. Crores)	Q3 FY25	Q3 FY25 (Pre Adj.)	Q3 FY24	Y-o-Y	Q2 FY25	Q-o-Q	9M FY25	9M FY25 (Pre Adj)	9M FY24	Y-o-Y
Revenue from Operations	99.15	110.33	91.84	20%	138.62	-20%	356.75	367.93	259.12	42%
Other Income	-0.77	1.23	3.51		1.83		8.49	10.49	6.99	50%
Total Income	98.38	111.56	95.36	17%	140.45	-21%	365.24	378.42	266.11	42%
Gross Profit	51.49	62.67	55.06	14%	84.17	-26%	208.10	219.28	150.07	46%
<i>Gross Profit Margin (%)</i>	51.93%	56.80%	59.95%		60.72%		58.33%	59.60	57.92%	
Operating Expenses										
Advt. & Business Promotion	14.05	14.05	10.62	32%	15.83	-11%	45.93	45.93	35.36	30%
Corporate Costs	6.35	6.35	5.35	19%	6.22	2%	18.43	18.43	10.11	19%
Other Expenses	30.06	30.06	23.16	30%	31.43	-4%	90.13	90.13	67.13	47%
Non-Operating Expenses										
ESOPs/RSU	1.49	1.49	2.25	-34%	2.12	-30%	5.31	5.31	4.89	-1%
One time expenses	32.18	-	-		-		32.18	-	-	
EBITDA	-33.40	11.96	17.19	-30%	30.40	-61%	24.61	69.97	39.57	77%

Finance Cost	33.20	NA	19.91	33.23		96.35	NA	38.67
Depreciation	25.07	NA	17.70	24.22		71.63	NA	42.82
Depreciation One Time	114.47	NA				114.47	NA	
Tax Expenses	-3.21	NA	-3.71	3.32	-	0.62	NA	-4.34
PAT	-202.94		-16.71	-30.37		-258.46		-37.57

Key Consolidated Financial Highlights:

- Total Income (Pre-Adjustment) for Q3FY25 stood at **Rs. 111.56 crores**, marking a 17% year-on-year growth from **Rs. 95.36 crores** in Q3FY24, while maintaining Gross Margin of 56.8%. Total Income (Pre-Adjustment) for 9MFY25 grew to **Rs. 378.42 crores**, representing an impressive 42% year on year growth, driven by strong performance across the business segments.
- The EBITDA (Pre Adjustment) for the quarter stood at **Rs. 11.96 crores** reflecting the typical seasonality of the third quarter, which has historically been a lean period. Additionally, delays in government exam notifications, changes in the CA exam pattern and results have led to a deferral of bookings into the subsequent quarter. However, this is expected to normalize moving forward.
- For 9MFY25, EBITDA (Pre-Adjustment) reached **Rs. 69.97 crores**, marking a substantial 77% year-on-year increase from **Rs. 39.57 crores** in 9MFY24, highlighting the company's strong operational momentum and strategic execution.
- The Finance cost for the quarter stood at **Rs. 33.20 crores**, which includes **Rs.21.30 crores** cash interest (including accrued premium) on the NCDs raised by the company and **Rs. 7.26 crores** in non-cash expenses pertaining to the acquisition related liabilities.
- The Depreciation cost for the quarter stood at **Rs. 139.54 crores**, which includes a one-time non-cash accelerated depreciation charge of **Rs 114.47 crores** recorded for intangible assets.

Veranda Learning Solutions – Management Statement on Q3FY25 Performance

Mr. Suresh S. Kalpathi, Executive Director and Chairman of Veranda Learning Solutions, added, *“We have made strong progress towards our goal of becoming a leading education company. I am pleased to announce that we have successfully completed the first phase of our strategy—building a portfolio of strong brands and offerings that encompass the entire lifecycle of a student. With this, we mark the end of our acquisition-led growth phase and now embark on the next phase, which will be largely driven by the organic expansion of our current offerings. Additionally, we will leverage synergy benefits through brand extensions and resource sharing.*

As we consolidate our acquisitions, we have conducted a comprehensive strategic review of our existing practices and intangible assets and set the stage for designing and adoption of industry best practices. This has led to one-time adjustments, primarily non-cash, to adopt a more conservative approach and provide a clearer reflection of our business performance. In this process, we reassessed all assets and identified certain intangible assets for write-off, considering changes in the competitive landscape. This non-cash depreciation adjustment will positively impact the company’s financials going forward.

Furthermore, we reviewed all alliances and acquired businesses, impairing assets with relatively stagnant long-term value and limited growth potential. This strategic refinement allows us to focus our resources on high-potential area while the rationale behind these acquisitions has been realized, and synergies have been leveraged.

Additionally, seasonal factors and shifts in the pattern of exams and notifications have led to a moderate Q3 performance. However, we are confident of a strong performance in the coming quarters as we continue executing our strategic initiatives.”

Key Business Highlights of the Quarter:

Veranda Partners with Nursing Europe AS(NE)

Veranda has partnered with Nursing Europe AS to train and place Indian nurses in Europe, addressing critical staffing shortages. This initiative is projected to generate ₹200 crores in revenue over the next 3-5 years. Veranda's acquisitions enable cross-selling opportunities, from K-12 to vocational training, driving deeper product penetration and operational efficiencies. Veranda Learning remains on track for continued growth, with a focus on expanding its national footprint, strengthening online offerings, and capitalizing on synergies across its diverse portfolio. The company is well-positioned to lead India's education sector in the coming years.

Veranda Learning Solutions to Raise funds for Strategic Acquisitions and Expansion

Veranda Learning Solutions has announced plans to raise funds through a preferential issue of equity and warrants to fund acquisition of residual stakes in BB Virtual, an online platform for CA aspirants, and Navkar Digital Institute, a leading CA coaching provider in Gujarat. The acquisitions of these brands will help strengthen Veranda's position in the education sector, particularly in commerce coaching.

About Veranda Learning Solutions:

Veranda Learning Solutions is a leading provider of educational services in India, offering K-12 education, test preparation, vocational training, and professional certifications. The company combines online and offline models for scalable, efficient growth and is committed to empowering individuals for global career opportunities.

Company Contact:	Investor Relations:
Mr. Vivek Raghuram, Head Investor Relations	Ms. Sheetal Khanduja
Veranda Learning Solutions Limited	Ms. Soumya Chhajed
vivek.r@verandalearning.com	Go India Advisors
	sheetal@goindiaadvisors.com
	soumya@goindiaadvisors.com

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DISCLAIMER:

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labor relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof



Investor Presentation | Q3FY25

Veranda

Veranda Learning Solutions

Affordability | High-quality Content | Outcome-oriented Approach



Safe Harbor

- This presentation and the following discussion may contain “forward looking statements” by Veranda Learning Solutions Limited (“Veranda Learning” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Veranda Learning about the business, industry and markets in which Veranda Learning operates.
- These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Veranda Learning’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.
- Such statements are not, and should not be construed, as a representation as to future performance or achievements of Veranda Learning. In particular, such statements should not be regarded as a projection of future performance of Veranda Learning. It should be noted that the actual performance or achievements of Veranda Learning may vary significantly from such statements.



One of the **Leading Education Players in India**



Company at a glance

- **Diversified and integrated learning solutions in online, offline & hybrid blended formats to students, aspirants, graduates, professionals & corporate employees**
- **Technology driven, asset light & scalable business model**
- **Successfully acquired legacy brands which are market leaders in their respective segments**



Business Segments



Academics



Commerce Test Prep



Government Test Prep



Vocational



Financial Metrics*

Financial Metrics 9MFY25

Revenue growth: 42% YoY

EBITDA : 69.97 INR Crores

EBITDA Margin: 18.49%

200+ Centers spread across India.

100+ students secured top rank in competitive exams each year

Mr. Kalpathi S Suresh**Chairman & Executive Director**

- He holds a B.Tech. from IIT Madras and M.S. from Clemson University
- Experienced in software development, education, business purchase and integration
- Selected for the 'Outstanding Entrepreneur of the Year' in 1999 by Ernst & Young, India

Management Statement on Q3FY25 Performance

"We have made strong progress towards our goal of becoming a leading education company. I am pleased to announce that we have successfully completed the first phase of our strategy—building a portfolio of strong brands and offerings that encompass the entire lifecycle of a student. With this, we mark the end of our acquisition-led growth phase and now embark on the next phase, which will be largely driven by the organic expansion of our current offerings. Additionally, we will leverage synergy benefits through brand extensions and resource sharing.

As we consolidate our acquisitions, we have conducted a comprehensive strategic review of our accounting practices and intangible assets. This has led to one-time adjustments, primarily non-cash, to adopt a more conservative approach and provide a clearer reflection of our business performance. In this process, we reassessed all assets and identified certain intangible assets for write-off, considering changes in the competitive landscape. This non-cash depreciation adjustment will positively impact the company's financials going forward.

Furthermore, we reviewed all alliances and acquired businesses, impairing assets with relatively lower long-term value and growth potential. This strategic refinement allows us to focus our resources on high-potential area while the rationale behind these acquisitions has been realized, and synergies have been leveraged.

Additionally, seasonal factors and shifts in the pattern of exams and notifications have led to a temporary dip in Q3 performance. However, we are confident of a strong performance in the coming quarters as we continue executing our strategic initiatives."



Q3FY25 Income Statement

- Total Income (Pre-Adjustment) for Q3FY25 stood at Rs. 111.56 crores, marking a 17% year-on-year growth from Rs. 95.36 crores in Q3FY24 and 9MFY25 grew to Rs. 378.42 crores, representing an impressive 42% year on year growth
- **Government Delays:** Delays in notifications for competitive exams related to public sector hiring impacted revenues in Q3FY25.
- **CA Exam Changes and Delays:** Changes in the CA exam pattern and delayed results led to lower enrolments and shifted revenue recognition to the upcoming quarter.
- **Lower CA Foundation Pass Rates:** Only 13,000 students passed the CA foundation exam in 2024, compared to over 40,000 in 2023, reducing student demand.
- *These challenges are expected to be temporary and should normalize in future quarters.*

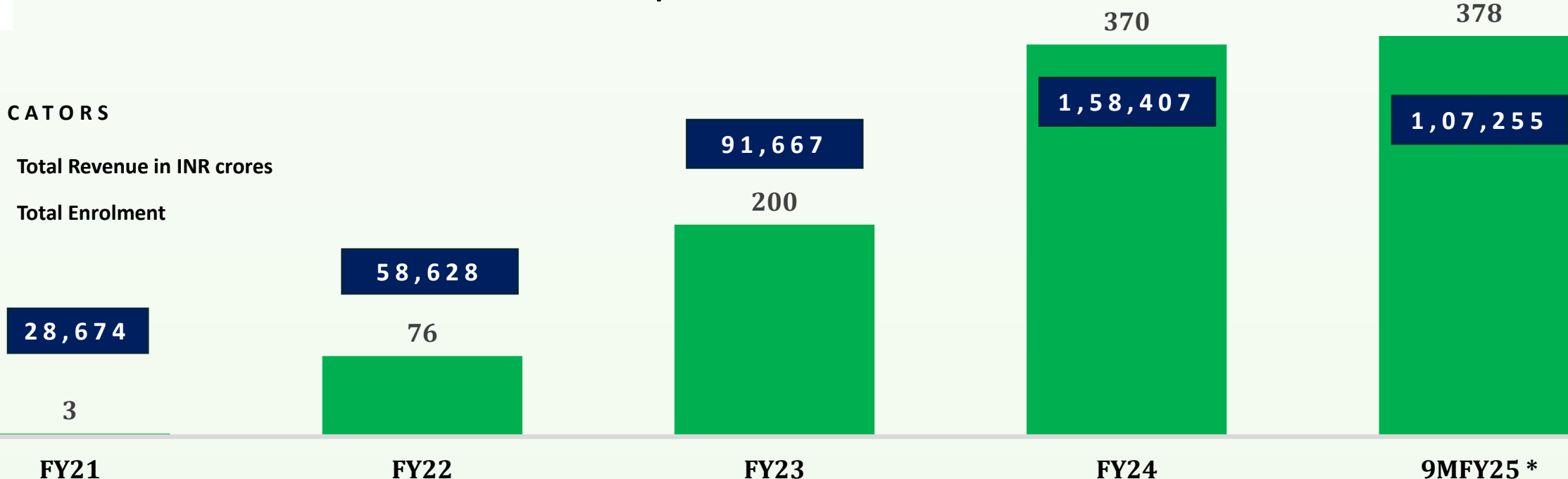
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PAT	-202.94		-16.71		-30.37		-258.46		-37.57	



Veranda 1.0: Identified and acquired Profitable brands...

INDICATORS

- Total Revenue in INR crores
- Total Enrolment



FY21

FY22

FY23

FY24

9MFY25*

Key Acquisitions

- Dec 2020:** Acquired Content, brand, education materials through Veranda Race; & thereafter commenced operations
- Dec 2020:** Launched own mobile app comprising all integrated courses

New Launches

- Jul 2021:** Started CA courses
- Aug 2021:** Started offering courses for UPSC preparation
- Sep 2021:** Acquired Edureka, enabling Veranda to establish global footprints

IPO Listing & New Acquisitions

- Apr 2022:** Company was listed on BSE & NSE at INR 137
- Oct 2022:** Acquired J. K. Shah Classes

Expansion

- Jan 2023:** Business Transfer Agreement with Chennai Race
- May 2023:** Announces acquisition of 6 new companies
- Jul 2023:** Announces partnership with Logic School of management
- Jan 2024:** Announces to acquire Tapasya
- Dec 2024:** Announces to acquire BB Publications & Navkar



Brands

Veranda K-12



K-12



Academic

Catering K-12: Veranda's K-12 segment, includes **five CBSE** and **two international Cambridge schools**. The company is targeting significant growth in Northern India and enhancing its product offerings in government exam preparation

Brands



Post Schooling Education



Commerce Test Prep

Catering for Higher Ed
Dedicated coaching for CA, ACCA, CMA, CFA and other foreign commerce courses. Acquisitions like **BB Virtuals** and **Navkar Institute** will fuel expansion in both online and offline markets. The company is expanding its commerce colleges in southern states with a target of tying up with **100 new colleges**.

Brands



Professional development



Government Test Prep

Specialized coaching for various competitive & civil services exams (**PSC, SSC, RRB, TNPSC, KPSC, Banking**). The company is targeting significant growth in Northern India and enhancing its product offerings in government exam preparation.

Brands



Vocational

Skill Training & Internships, Upskilling Courses, Recruitment Training in the **BFSI sector**. Growth for this segment is expected to be driven by **leveraging cross-selling** opportunities within the group



Key Strategic Highlights - 9MFY25

Partnership with Nursing Norway



This initiative is projected to generate ₹200 crores in revenue over the next 3-5 years

- ✓ Veranda has partnered with Nursing Europe AS to train and place Indian nurses in Europe, addressing critical staffing shortages.

Leading CA Coaching Center in Gujarat



Virtual Platform for CA Aspirants



Veranda Learning Solutions plans to raise up to ₹250 crores through a preferential issue

- ✓ The funds will be used to acquire BB Virtuals and Navkar Digital Institute.
- ✓ BB Virtuals is an online platform for CA aspirants, while Navkar is a leading CA coaching provider in Gujarat.
- ✓ These acquisitions strengthen Veranda's position in the commerce coaching sector.



Segment-Wise Operational Highlights- 9MFY25

ACADEMICS

- **Veranda's Academic segment**, which provides management and support services to K-12 schools, presently services five CBSE schools and two international Cambridge schools
- **9MFY25 result review:** This Segment grew its revenue to Rs. 20.57 crores this year. During the same period the EBITDA grew from Rs. 3.41 crores to Rs. 11.48 crores. EBITDA margin stood at 55.79%..
- **Operational Outlook:** The full year EBITDA is expected to scale to over Rs. 15 crores. Plans to sign up and manage five new schools in Q4FY25 with significant increase in numbers of schools planned over the coming years.

COMMERCE TEST PREP

- **JKShah Classe** JK Shah Classes recorded a 26.87% YoY revenue increase in 9MFY25 with EBITDA reaching Rs 36.55 crores.
- **9MFY25 result review:** The overall Commerce segment grew its revenue from Rs. 82.27 crores to Rs. 138.20 crores YoY. During the same period the EBITDA grew from Rs.30.26 crores to Rs. 60.92 crores.
- **Operational Outlook:** Recent acquisitions of BB Virtuals and Navkar Institute will fuel expansion in both online and offline markets. With these assets along with growth in managed colleges, the Commerce segment's proforma revenue is expected to be Rs. 280 crores and proforma EBITDA of Rs. 113 crores.

GOVERNMENT TEST PREP

- **Veranda RACE** recorded a 34.72% YoY revenue growth in 9MFY25, with future growth planned through geographic expansion
- **9MFY25 result review:** This segment grew its revenue by 39.85%, increasing from Rs. 80.80 crores to Rs.112.99 crores, contributing 30.71 % of the total revenue.
- **Operational Outlook:** The company is targeting significant growth through expansion of its product offerings in government exam preparation segment.

VOCATIONAL TRAINING

- **Vocational Training:** Veranda's vocational training segment, powered by brands like Edureka and Six Phrase, continues to thrive. This segment leverages Veranda's existing student base to cross-sell vocational courses.
- **9MFY25 result review:** This segment grew its revenue from Rs.86.09 crores to Rs. 95.92 crores y-o-y and EBITDA grew by over 70% compared to the same period last year.
- **Operational Outlook:** EBITDA growth for this segment is expected to be driven by leveraging cross-selling opportunities within the group. Revenue for the full year is expected to be Rs. 129.48 crores.



Let's Connect!

Veranda Learning Solutions Limited

Company Contact

Mr. Vivek Raghuram, Head Investor Relations

vivek.r@verandalearning.com

Investor Relations Contact

Ms. Sheetal Khanduja

Head of Investor Relations

sheetal@goindiaadvisors.com

Ms. Soumya Chhajed

Research Analyst

Soumya@goindiaadvisors.com