

# NIIT

**NIIT Limited**

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Guru Ravi Das Marg, Kalkaji  
New Delhi 110 019, India  
CIN: L74899DL1981PLC015865

www.niit.com

October 19, 2016

**The Manager**  
**BSE Limited**  
Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

**The Manager**  
**National Stock Exchange of India Ltd**  
Listing Department  
Exchange Plaza  
5<sup>th</sup> Floor, Plot no C/1, G Block  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051

**Subject: Presentation made to the Analysts and / or Institutional Investors**

**Scrip Code : BSE – 500304; NSE – NIITLTD**

Dear Sir,

Pursuant to the requirement of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the presentation made to the Analysts and/or Institutional Investors on the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2016.

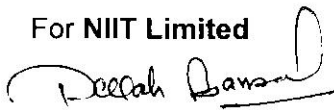
The same shall be available on our website i.e. [www.niit.com](http://www.niit.com).

This is for your information and records.

Thanking you,

Yours truly,

For NIIT Limited



**Deepak Bansal**  
**Company Secretary &**  
**Compliance Officer**



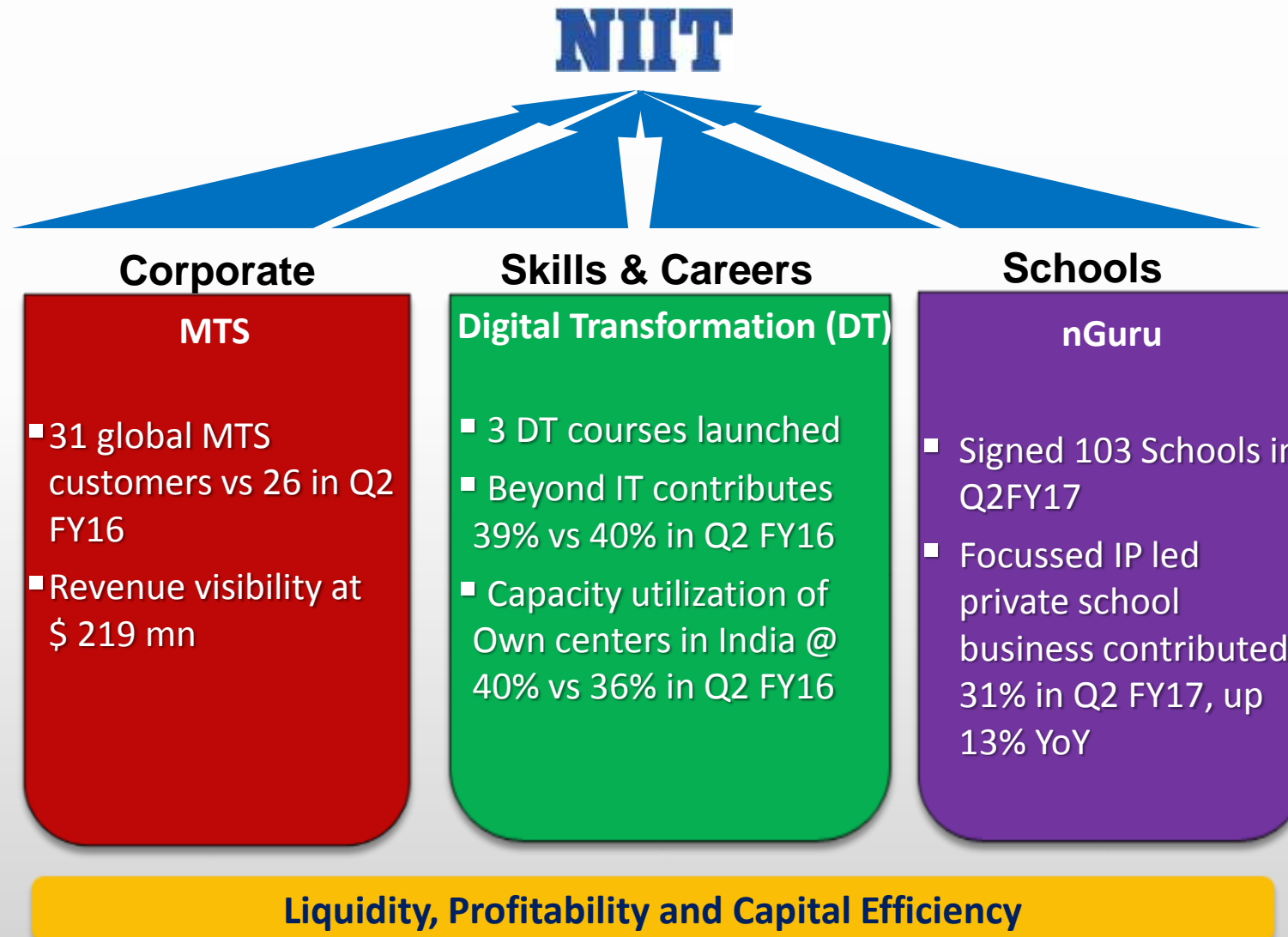
# FINANCIAL RESULTS

Q2 FY17

October 19, 2016

ESCAPE  
VELOCITY  
*THE NEXT FRONTIER*

- Geo-political uncertainty weighing down on growth outlook in a world of record debt, vulnerable banks and anaemic growth (IMF)
- Volatility in forex rates and commodity prices continues to impact corporate decision making
- India expected to remain a global growth hotspot with expected growth of 7.6% in 2016 and 7.7% in 2017 (World Bank)
- Signs of increased caution in hiring amongst employers in India as companies gauge the impact of the ongoing global slowdown compounded by automation in IT services (MEOS\*) . However, digital disruption leading to increasing demand for advanced skills
- Hiring by banking sector expected to remain robust driven by network expansion by private banks, set up of new banks and replacement of retiring staff by PSU banks
- Government continues to focus on skills development to drive sustainable and inclusive growth. The focus is on skilling for manufacturing skills
- Increasing adoption of digital tools for learning in the K-12 market and retail online market



## Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,786 Mn up 23% YoY; Constant currency growth @ 28% YoY; EBITDA margin at 12%
- 31 MTS customers now contribute 94% to CLG revenue
- Order Intake of \$ 26.9 Mn up 13% YoY; Revenue Visibility at \$ 219 Mn

## Skills & Careers Group (SNC): Renewal phase

- Revenue at INR 981 Mn; down 6% YoY due to transition to Digital Transformation curriculum
- EBITDA @ INR 84 Mn (9% vs 7% in Q2 FY16 and 4% in Q1 FY17), aided by stronger product mix
- Beyond-IT contributes 39% to SNC revenue compared to 40% in Q2 FY16

## School Learning Group (SLG): Move towards IP led asset light business model

- Revenue at INR 216 Mn down 7% YoY. Achieved 6% EBITDA same as in Q2 FY16 despite ramp down of government school projects
- Order Intake of INR 67 Mn; added 103 schools during the quarter
- Focussed IP led private school business contributes 31%; up 13% YoY

## NIIT: Growth & Profitability continues its march upwards – Firmly & Steadily

- Revenue at INR 2,984 Mn; up 10% YoY; Revenue from Focus-Business up 12% YoY
- EBITDA at INR 286 Mn at 10% of revenue; up 13% YoY
- Operating PAT at INR 87 mn up 43% YoY
- PAT at INR 216 Mn vs INR 208 Mn in Q2 FY16
- Operating ROCE at 9%
- Net Debt at INR 917 mn down INR 387 mn compared to last quarter

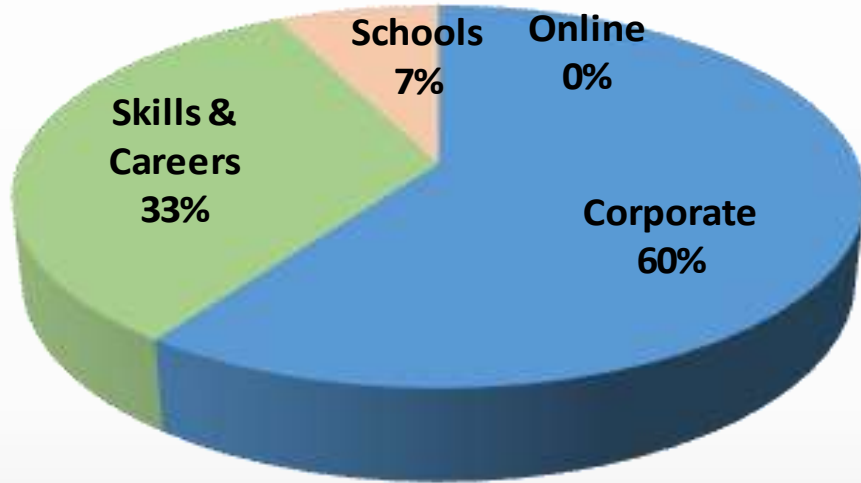
**Strong Operating performance**



INR Mn	Q2 FY'17	Q2 FY'16	YoY	Q1 FY'17	QoQ
<b>Net Revenue</b>	<b>2,984</b>	<b>2,725</b>	<b>10%</b>	<b>2,604</b>	<b>15%</b>
Operating expenses	2,698	2,473	9%	2,382	13%
<b>EBITDA</b>	<b>286</b>	<b>252</b>	<b>13%</b>	<b>222</b>	<b>29%</b>
EBITDA%	10%	9%	33 bps	9%	106 bps
Depreciation	133	129	3%	118	12%
<b>EBIT</b>	<b>153</b>	<b>123</b>	<b>24%</b>	<b>104</b>	<b>48%</b>
Net Other Income	-47	-51	5 mn	-93	46 mn
<b>Profit before Tax</b>	<b>106</b>	<b>72</b>	<b>48%</b>	<b>11</b>	<b>96 mn</b>
Tax	20	11	-8 mn	8	-12 mn
<b>Operational Net Profit</b>	<b>87</b>	<b>61</b>	<b>43%</b>	<b>3</b>	<b>84 mn</b>
Share of Profits from Associates	129	147	-18 mn	71	58 mn
<b>PAT</b>	<b>216</b>	<b>208</b>	<b>4%</b>	<b>74</b>	<b>193%</b>
<b>Basic EPS (Rs.)</b>	<b>1.3</b>	<b>1.3</b>	<b>0.0</b>	<b>0.4</b>	<b>0.9</b>

- Strong growth in Corporate Learning helps offset planned ramp down of government schools business
- EBITDA improved by 33 bps YoY on account of Business transformation and business mix
- Depreciation up 3% YoY

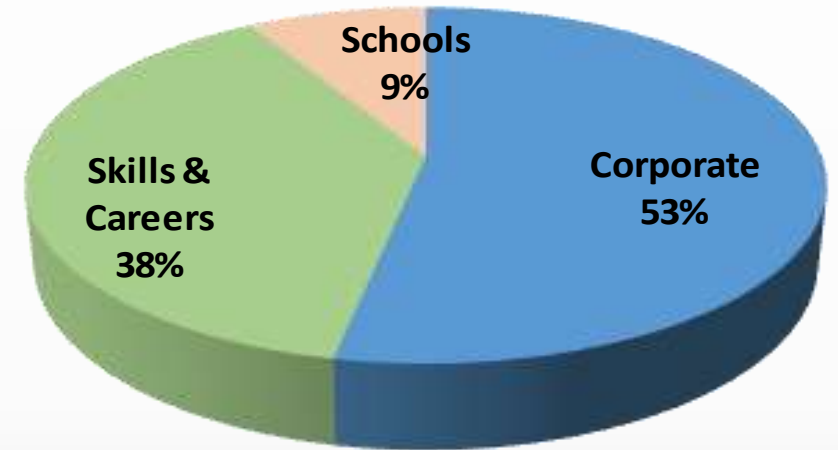
Q2 FY17



Net Revenue

	Growth
Corporate	23%
Skills & Careers	-6%
Schools	-7%
Online	0%
<b>NIIT</b>	<b>10%</b>

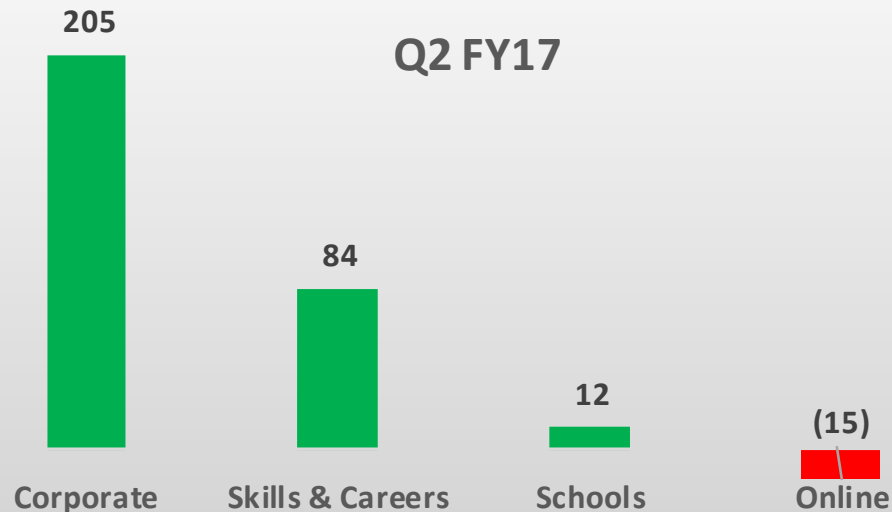
Q2 FY16



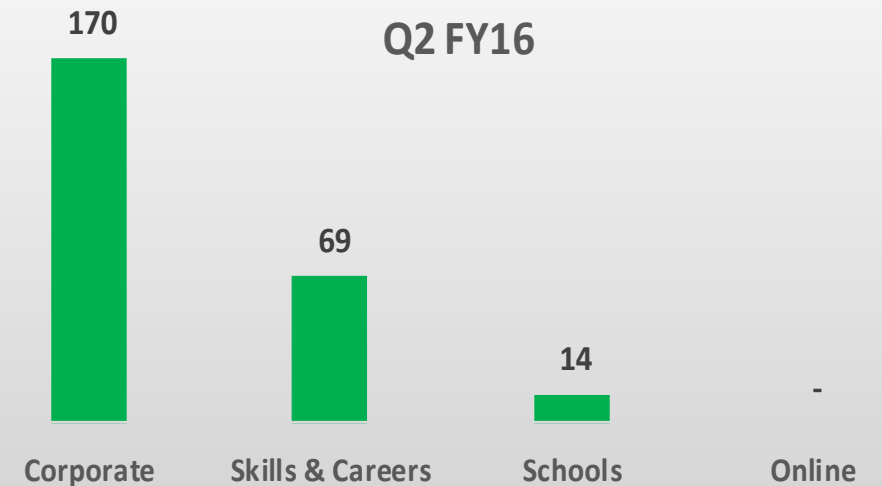
EBITDA

	Growth
Corporate	+36 Mn
Skills & Careers	+15 Mn
Schools	-2 Mn
Online	-15 Mn
<b>NIIT</b>	<b>+34 Mn</b>

Q2 FY17




Q2 FY16




INR Mn	Q2 FY17	Q2 FY16	YoY	Q1 FY17	QoQ
Net Revenues	1,786	1,448	23%	1,523	17%
EBITDA	205	170	21%	177	16%
EBITDA %	12%	12%	-22 bps	12%	-10 bps

- Revenue at INR 1,786 Mn up 23% YoY; Constant currency Revenue growth at 28% YoY
- Extended and expanded contract with an existing MTS customer in Life-Sciences vertical
- Strong momentum on back of 31 MTS customers which now contribute 94% to CLG revenue
- EBITDA consistent at 12%
- Revenue Visibility at \$ 219 Mn up 15% YoY





**CRITICAL MISTAKE ANALYSIS**  
Our proprietary methodology helps create effective hands-on learning experiences.



[LEARN MORE](#)



INR Mn	Q2 FY17	Q2 FY16	YoY	Q1 FY17	QoQ
Net Revenues	981	1,045	-6%	773	27%
EBITDA	84	69	22%	34	147%
EBITDA %	9%	7%	198 bps	4%	415 bps

- Revenue at INR 981 Mn
- EBITDA at INR 84 mn; 9% up 198 bps YoY
- Continued transformation of IT portfolio and cost saving lead to margin improvement
- Beyond-IT contributes 39% to SNC revenue vs 40% in Q2 FY16
- Successful turnaround on EBITDA & Cash
- 3 digiNxt Series courses launched



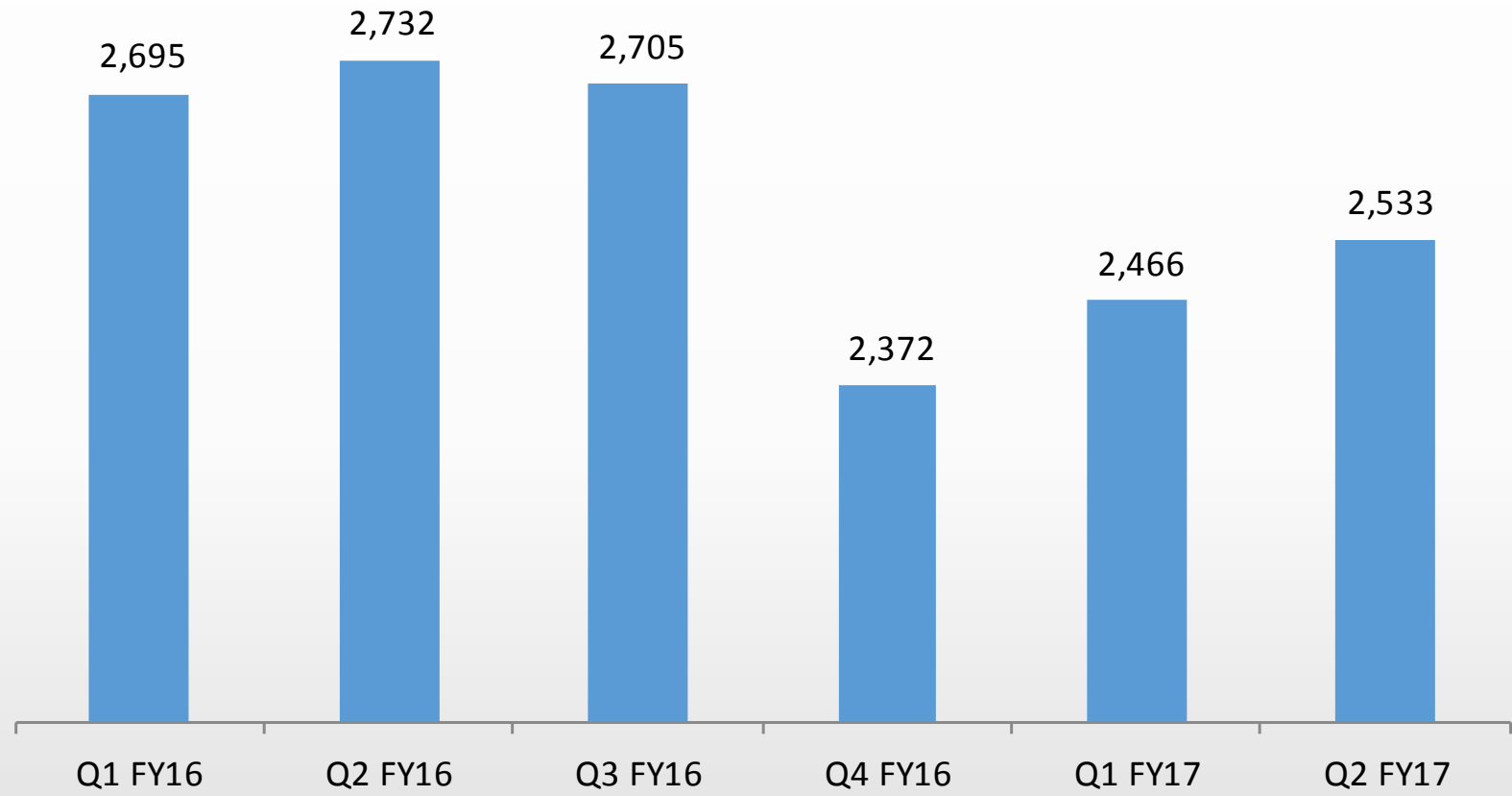
INR Mn	Q2 FY17	Q2 FY16	YoY	Q1 FY17	QoQ
Net Revenues	216	232	-7%	307	-30%
EBITDA	12	14	-12%	20	-42%
EBITDA %	6%	6%	-34 bps	7%	-114 bps

- Revenue at INR 216 Mn down 7% YoY
- Overall revenue impacted due to planned ramp down of government school projects
- EBITDA consistent at 6%
- Revenue from Focussed IP led private school business contributes 31% to SLG revenue; up 13% YoY
- Added 103 schools, Order intake of INR 67 Mn



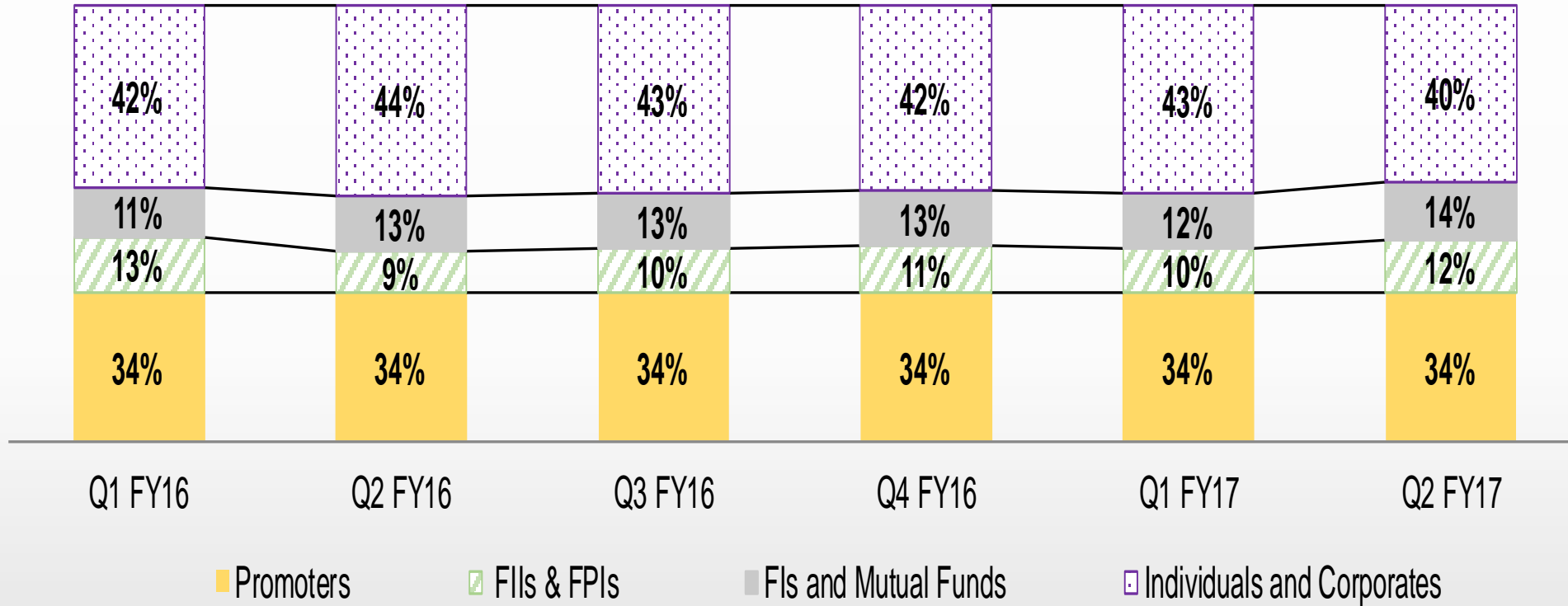
Turn classrooms  
interactive  
with the **new age  
digital learning  
classroom**  
solution

Interactive  
Classrooms



Headcount up 67 QoQ and down 199 YoY

*\* excludes project retainers*



Percentages may not add to 100% due to rounding



Thank you

