

# NIIT Technologies

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## Financial Results – Q3FY12

**18 January 2012**



# Outline



- Financial Highlights
- Business Update
- Financial Statements
  - Income Statement
  - Balance Sheet
- Business Analysis

# Financial Highlights for Q3FY12

- Consolidated Revenues at Rs 4330 Mn
  - Up 16.7% QoQ, Up 44.1% YoY
  - Sequential Volume growth of 7.8%
- Operating profits at Rs 780 Mn
  - Up 41.8% QoQ, Up 25.4% YoY
  - Operating Margins at 18%, Up 319 bps QoQ, Down 268 bps YoY
- Net Profits at Rs 640 Mn
  - Up 39.8% QoQ, Up 33.8% YoY
  - EPS at 10.77
- Fresh order intake of \$75 Mn

# Business Highlights for Q3FY12

- **BFSI Up 7% QoQ, Contributes 36%**
  - 2 New clients added
  
- **Transport Up 23% QoQ, Contributes 38%**
  - Multimillion Dollar repeat business from top clients
  - 1 New Client added
  
- **Manufacturing/Distt Up 5% QoQ, Contributes 7%**
  - Expanded presence in Middle East
  - 1 New Client Added
  
- **Government Up 44% QoQ, Contributes 5%**
  - BSF Intranet Prahari Commissioned
  - CCTNS Program initiated

- NIIT Technologies enters the ET 500 List 2011
- Ms. Pratibha K. Advani, Chief Financial Officer was awarded "*Leading Woman Chief Financial Officer*" 2011, by iiGroup, the global organization that keeps executives up-to-date with industry trends
- Mr. Lalit Dhingra, President, NIIT Technologies, Inc. conferred an Honoree under the Business Leadership category in the prestigious Stevie Awards (American Business Awards)

# Consolidated Quarterly Income Statement

| (Rs Mn)                            | Q3'11        | Q2'12        | Q3'12        | QoQ (%)        | YoY (%)         |
|------------------------------------|--------------|--------------|--------------|----------------|-----------------|
| <b>Revenues</b>                    | <b>3006</b>  | <b>3711</b>  | <b>4330</b>  | <b>16.7%</b>   | <b>44.1%</b>    |
| Cost of Revenues                   | 1822         | 2301         | 2736         | 18.9%          | 50.2%           |
| SG&A                               | 561          | 860          | 814          | -5.4%          | 44.9%           |
| Total Operating Expenses           | 2383         | 3161         | 3550         | 12.33%         | 48.96%          |
| <b>Operating Profit</b>            | <b>622</b>   | <b>550</b>   | <b>780</b>   | <b>41.8%</b>   | <b>25.4%</b>    |
| <b>OPM (%)</b>                     | <b>20.7%</b> | <b>14.8%</b> | <b>18.0%</b> | <b>319 bps</b> | <b>-268 bps</b> |
| Depreciation                       | 71           | 83           | 92           | 10.3%          | 30.0%           |
| Other Income (net of interest)     | 27           | 115          | 174          | 51.6%          | -555.0%         |
| Tax                                | 90           | 151          | 224          | 48.2%          | 149.2%          |
| <b>PAT after Minority Interest</b> | <b>478</b>   | <b>458</b>   | <b>640</b>   | <b>39.8%</b>   | <b>33.8%</b>    |
| Net Margins (%)                    | 15.9%        | 12.3%        | 14.8%        | 244 bps        | -113 bps        |
| <b>EPS (Rs. Basic)</b>             | <b>8.09</b>  | <b>7.71</b>  | <b>10.77</b> | <b>39.6%</b>   | <b>33.1%</b>    |

- Q2 SG&A includes one time expense of INR 119 Mn on account of advisory services for Morris & Proyecta.
- Q3 Other income increased on account of gain on revaluation of assets and liabilities in foreign currency.

# Balance Sheet

| (Rs in Mn)         | Dec31,<br>2010 | Sep 30,<br>2011 | Dec 31,<br>2011 |                               | Dec 31,<br>2010 | Sep 30,<br>2011 | Dec 31,<br>2011 |
|--------------------|----------------|-----------------|-----------------|-------------------------------|-----------------|-----------------|-----------------|
| Equity             | 591            | 593             | 594             | Net Block                     | 1,899           | 3,854           | 3,931           |
| Reserves & Surplus | 6,819          | 7,799           | 8482            | Capital WIP                   | 1,321           | 144             | 233             |
| <b>Net worth</b>   | <b>7,411</b>   | <b>8,397</b>    | <b>9096</b>     | <b>Debtors</b>                | <b>2,969</b>    | <b>3,398</b>    | <b>3,689</b>    |
| Minority Interest  | 50             | 123             | 121             | <b>Cash &amp; Equivalents</b> | <b>1,298</b>    | <b>1,422</b>    | <b>2,083</b>    |
| <b>Loans</b>       | <b>172</b>     | <b>511</b>      | <b>599</b>      | Other Current Assets (OCA)    | 1,820           | 2,395           | 2,532           |
|                    |                |                 |                 | Current Liabilities           | (1,804)         | (2,367)         | (2,865)         |
|                    |                |                 |                 | Deferred tax Assets (DTA)     | 132             | 185             | 213             |
|                    | <b>7,633</b>   | <b>9,031</b>    | <b>9816</b>     |                               | <b>7633</b>     | <b>9,031</b>    | <b>9,816</b>    |

- Hedge reserve down by INR 92 Mn and CTR up by 125 Mn.

- Loans includes: GBP Loan- 412 Mn, Proyecta working Capital – 119 Mn.

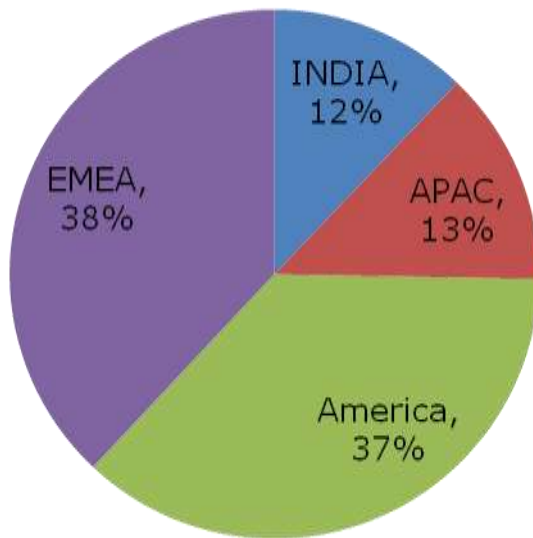
- DSO – 91 days

- Capex spend for the qtr Rs. 179mn (GNIDA – INR 49 Mn)

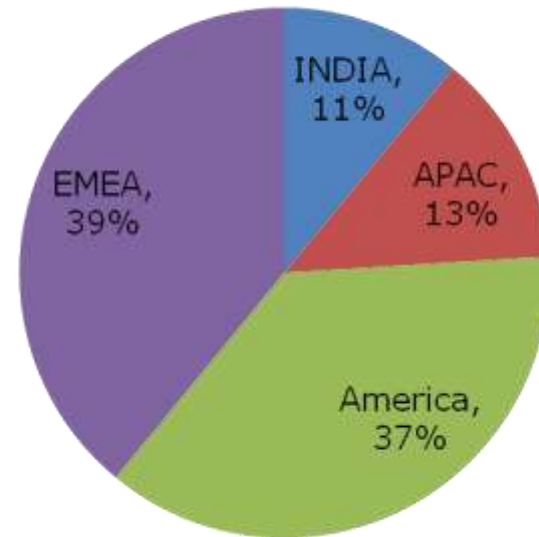
# Geographic Revenue Mix



**Q2FY12**



**Q3FY12**



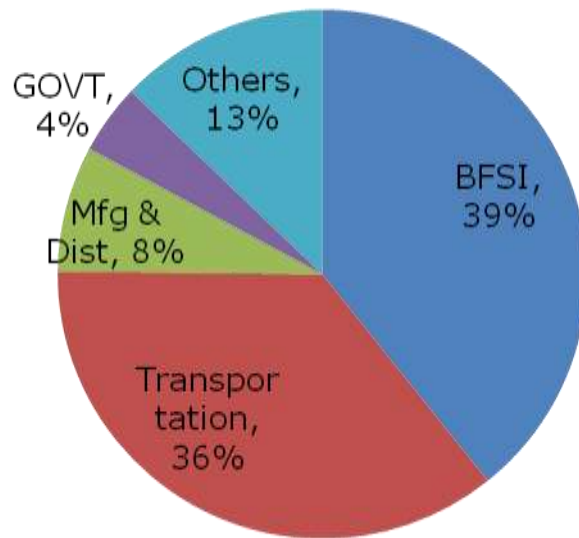
•Strong growth in USA and EMEA.



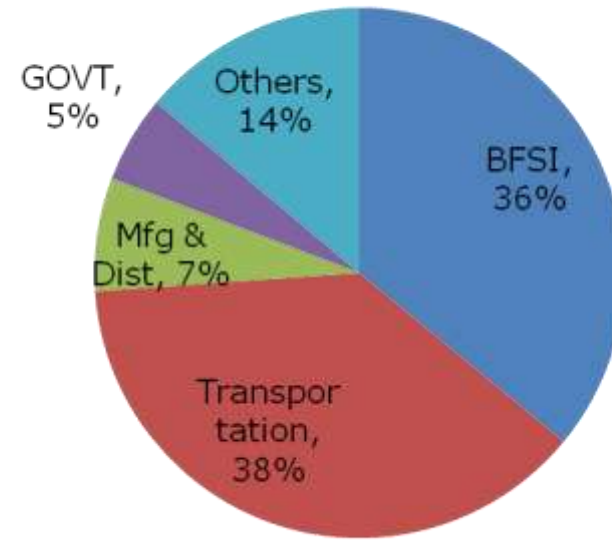
# Vertical Revenue Mix



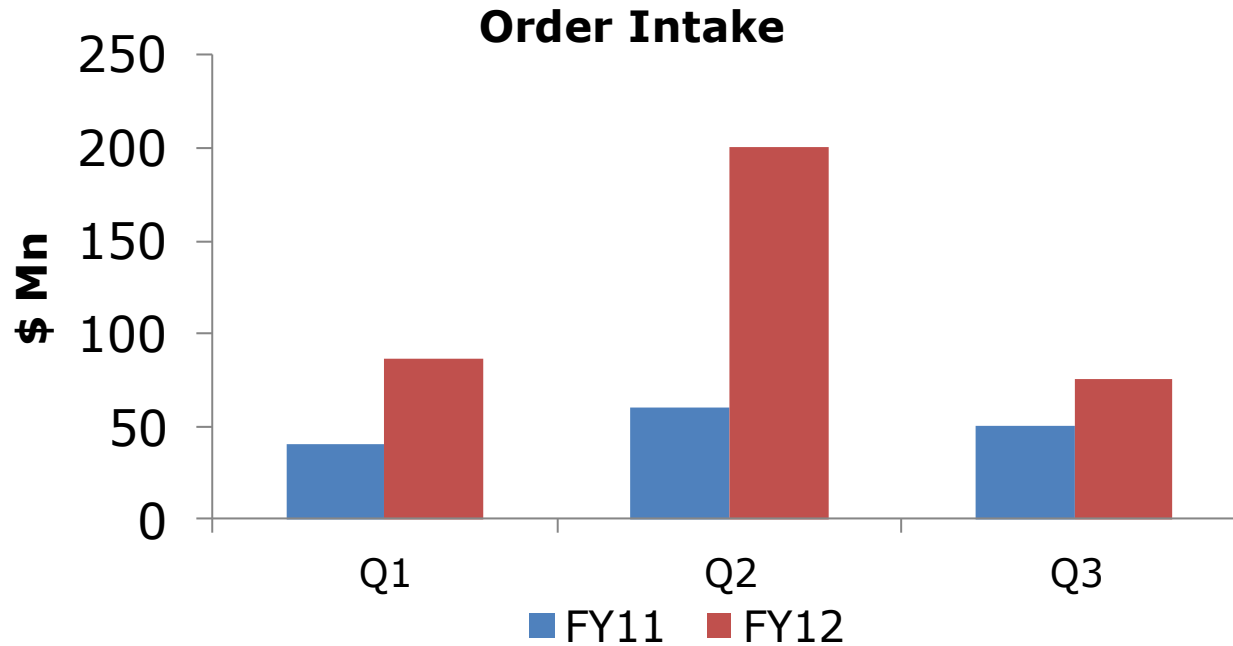
## Q2FY12



## Q3FY12

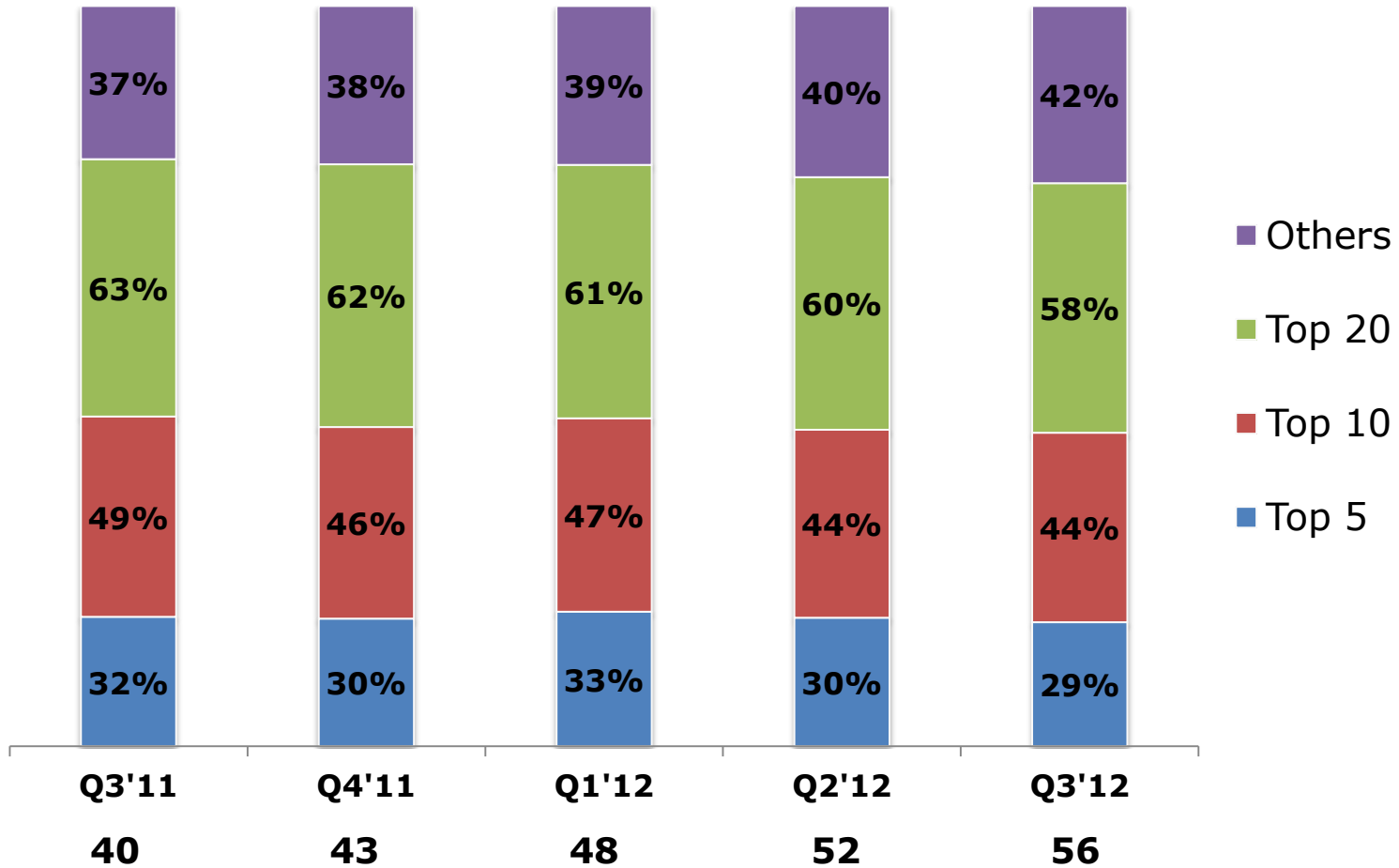


- Robust traction in Transportation vertical.

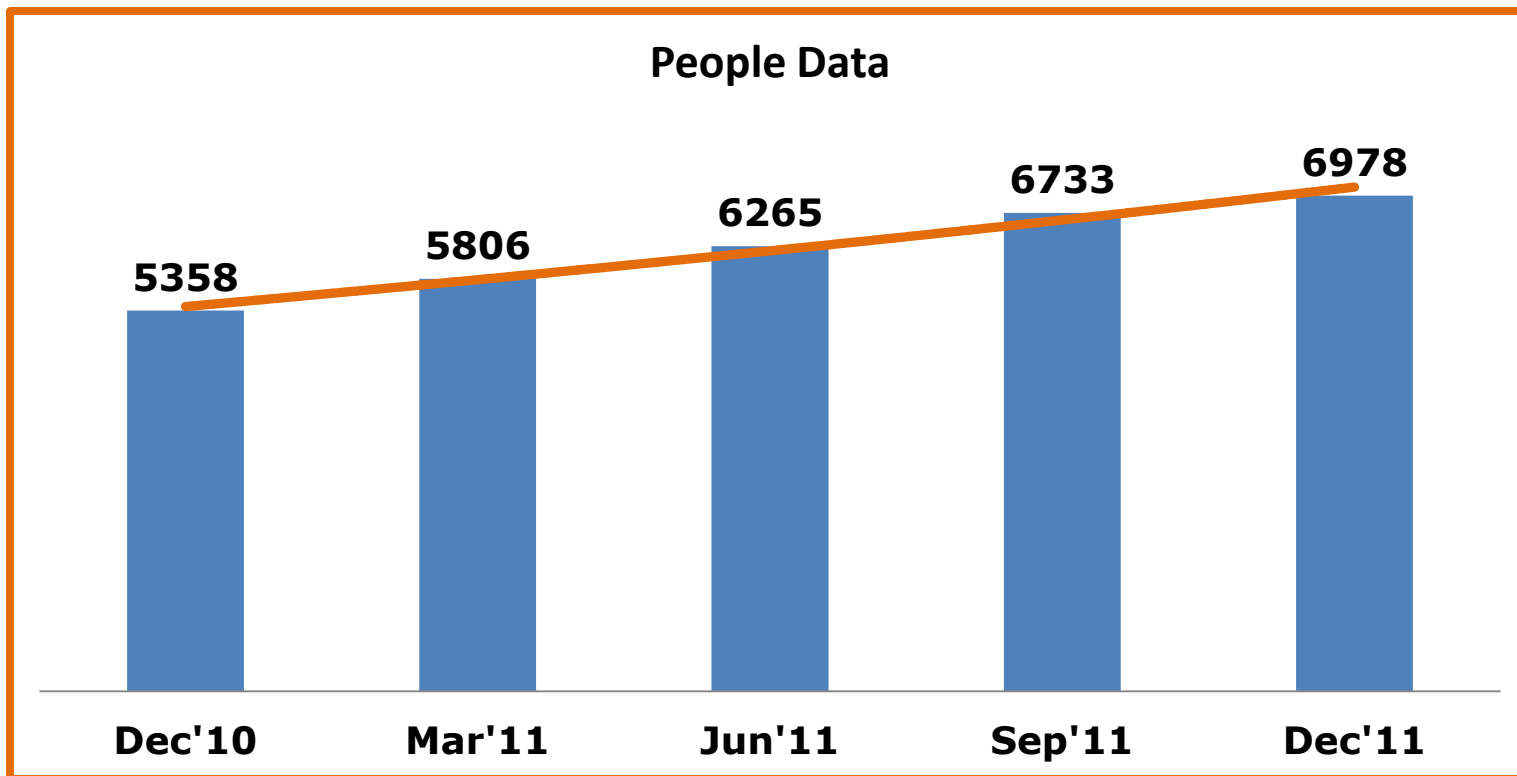


- 4 new customers added during the quarter
- \$75 Mn order intake in the quarter leading to \$245 Mn of firm business executable over next 12 months

# Top Client Mix

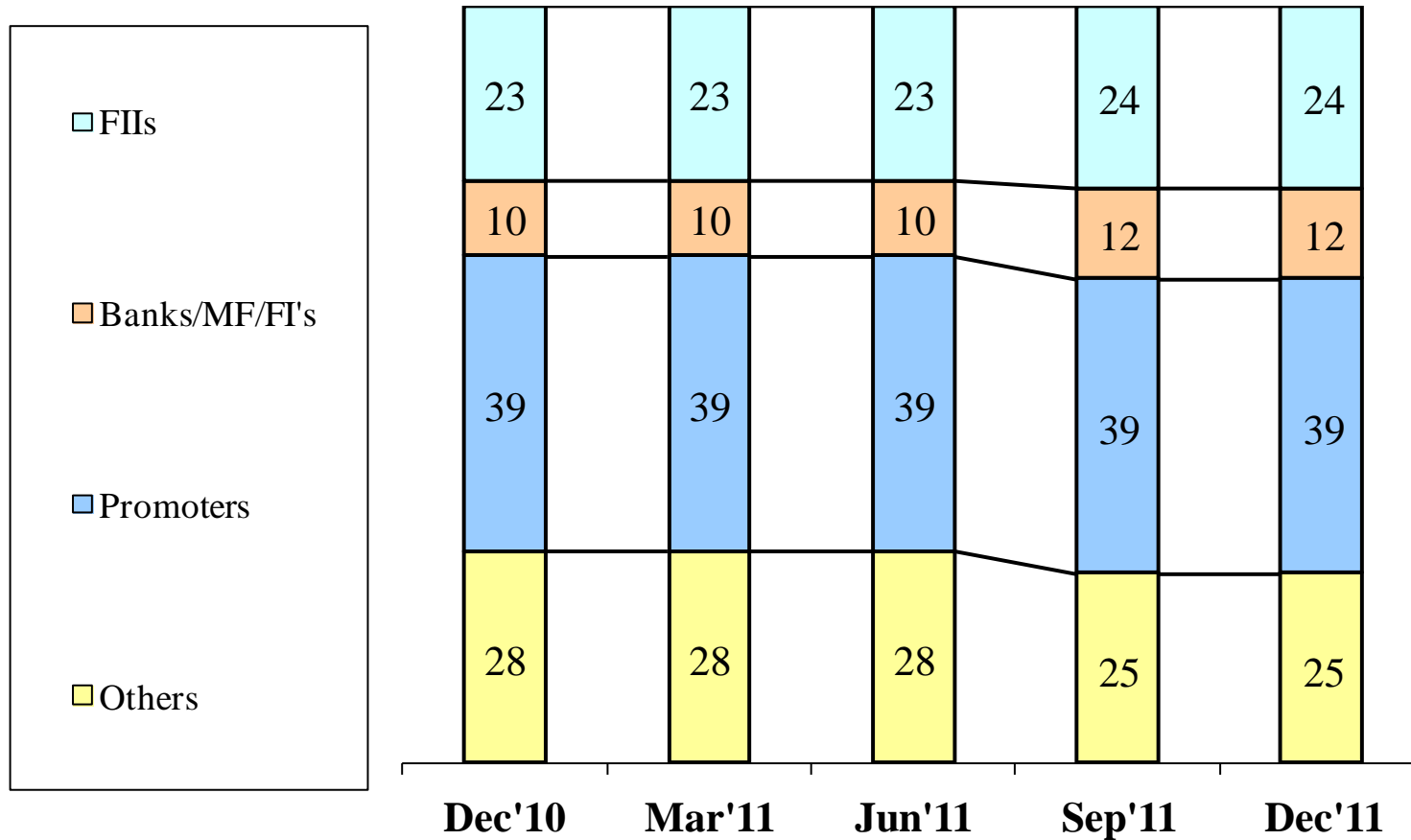


**Clients becoming more broad based  
Sequential increase in Million \$ Clients**



|               | Dec'10 | Mar'11 | Jun'11 | Sep'11 | Dec'11 |
|---------------|--------|--------|--------|--------|--------|
| Net Additions | 364    | 448    | 459    | 468    | 245    |
| Attrition%    | 18.40% | 17.50% | 15.80% | 13.30% | 12.50% |
| Utilization   | 84.40% | 83.60% | 79.60% | 82.50% | 80.20% |

# Shareholding Pattern



# Thank You

