Financial Performance – Q4FY18

May 04, 2018
Agenda

- Financial Highlights
  - Q4FY18
  - FY18
- Business Update
- Financial Statements
  - Income Statement
  - Balance Sheet
- Business Analysis
- Shareholding Pattern
Q4FY18 Financial Analysis

Note: YoY Comparison excludes impact of settlement with a government entity in Q4FY17 financials

Consolidated Revenues at INR 7,888 Mn
- Up 4.3% QoQ, Up 9.9% YoY

Operating profits at INR 1,417 Mn
- Up 9.4% QoQ, up 12.4% YoY
- Operating Margins at 18.0%, Up 85 bps QoQ, Up 40 bps YoY
- Constant currency operating margins at 18.3%

Net Profits at INR 861 Mn
- Up 13.7% QoQ, Up 16.3% YoY
- ETR at 22.9%

Order Intake at $145 Mn
- $ 339 Mn of firm business executable over next 12 months
### Financial Highlights – FY18

**Consolidated Revenues at INR 29,914 Mn**
- Up 6.8% YoY
- Constant currency revenue growth of 9.7%

**Operating profits at INR 5,012 Mn**
- Up 3.5% YoY
- Operating Margins at 16.8%, Down 54 bps YoY
- Constant currency operating margins at 17.4%

**Net Profits at INR 2,802 Mn**
- Up 12.1% YoY
- Net Margins at 9.4% (LY 8.9%)
- ETR at 23.5%

**Order Intake at $507 Mn**
- $339 Mn of firm business executable over next 12 months
Business Highlights for Q4FY18

- BFSI up 5.4% QoQ, Contributes 44% (LQ 43%)
  - Ramp up in top accounts in US and digital engagements in EMEA
  - Growth in NITL
  - 3 New accounts added

- T&T Flat QoQ, Contributes 26% (LQ 27%)
  - Selected by one of the busiest airport in the world for IT support
  - Delay in start of new projects
  - 1 New Logo added

- Manufacturing/Media & Others up 6.8% QoQ, Contributes 30% (LQ 30%)
  - Increase in revenues in GIS and Digital Engagements
  - Morris ramp down
  - 3 New accounts added
Acknowledgements during the Quarter

• Conferred with Aegis Graham Bell Award for “Innovation in Cloud” category and “Innovative Enterprise Solutions” category for ESRI India

• Won EE Employee Engagement award in UK

• Esri India recognized as “Best Smart Cities Solution Provider in GIS” at the ET Now CSR Global Leadership Awards

• NIIT Technologies positioned as a Leader in the NelsonHall 2018 Wealth & Asset Management BPS NEAT
**Consolidated Qtrly Income Statement**

<table>
<thead>
<tr>
<th>Particulars (INR Mn)</th>
<th>Q4FY18</th>
<th>Q3FY18</th>
<th>QoQ%</th>
<th>Q4FY17</th>
<th>YoY%</th>
<th>Q4FY17 (excl. Settlement)</th>
<th>YoY% (excl. Settlement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenues</td>
<td>7,888</td>
<td>7,565</td>
<td>4.3%</td>
<td>7,447</td>
<td>5.9%</td>
<td>7,176</td>
<td>9.9%</td>
</tr>
<tr>
<td>Direct Cost</td>
<td>5,000</td>
<td>4,811</td>
<td>3.9%</td>
<td>4,625</td>
<td>8.1%</td>
<td>4,578</td>
<td>9.2%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>2,888</td>
<td>2,753</td>
<td>4.9%</td>
<td>2,822</td>
<td>2.4%</td>
<td>2,599</td>
<td>11.1%</td>
</tr>
<tr>
<td>GM%</td>
<td>36.6%</td>
<td>36.4%</td>
<td>21 Bps</td>
<td>37.9%</td>
<td>-128 Bps</td>
<td>36.2%</td>
<td>40 Bps</td>
</tr>
<tr>
<td>Selling / General And Administration</td>
<td>1,470</td>
<td>1,458</td>
<td>0.8%</td>
<td>1,298</td>
<td>13.3%</td>
<td>1,338</td>
<td>10.0%</td>
</tr>
<tr>
<td>SG&amp;A to Revenue %</td>
<td>18.6%</td>
<td>19.3%</td>
<td>-64 Bps</td>
<td>17.4%</td>
<td>121 Bps</td>
<td>18.6%</td>
<td>1 Bps</td>
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<tr>
<td>Operating Profit</td>
<td>1,417</td>
<td>1,295</td>
<td>9.4%</td>
<td>1,523</td>
<td>-6.9%</td>
<td>1,261</td>
<td>12.4%</td>
</tr>
<tr>
<td>OM%</td>
<td>18.0%</td>
<td>17.1%</td>
<td>85 Bps</td>
<td>20.5%</td>
<td>-248 Bps</td>
<td>17.6%</td>
<td>40 Bps</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>305</td>
<td>311</td>
<td>-2.0%</td>
<td>312</td>
<td>-2.3%</td>
<td>312</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Other Income (net)</td>
<td>148</td>
<td>5</td>
<td>2833.7%</td>
<td>(12)</td>
<td>-1348.1%</td>
<td>(12)</td>
<td>-1348.1%</td>
</tr>
<tr>
<td>Profit Before Tax (Before exceptional items)</td>
<td>1,261</td>
<td>989</td>
<td>27.4%</td>
<td>1,199</td>
<td>5.0%</td>
<td>937</td>
<td>34.4%</td>
</tr>
<tr>
<td>PBT % (Before exceptional items)</td>
<td>16.0%</td>
<td>13.1%</td>
<td>290 Bps</td>
<td>16.1%</td>
<td>-1610 Bps</td>
<td>13.1%</td>
<td>291 Bps</td>
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<tr>
<td>Exceptional items</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>(140)</td>
<td>-100.0%</td>
<td>-</td>
<td>NA</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>1,261</td>
<td>989</td>
<td>27.4%</td>
<td>1,339</td>
<td>-6.0%</td>
<td>937</td>
<td>34.4%</td>
</tr>
<tr>
<td>PBT %</td>
<td>16.0%</td>
<td>13.1%</td>
<td>290 Bps</td>
<td>18.0%</td>
<td>-202 Bps</td>
<td>13.1%</td>
<td>291 Bps</td>
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<tr>
<td>Provision for Tax</td>
<td>288</td>
<td>163</td>
<td>77.1%</td>
<td>245</td>
<td>8.8%</td>
<td>125</td>
<td>129.4%</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>112</td>
<td>70</td>
<td>59.5%</td>
<td>72</td>
<td>54.9%</td>
<td>72</td>
<td>54.6%</td>
</tr>
<tr>
<td>Profit After Tax (after Minority Int.)</td>
<td>861</td>
<td>756</td>
<td>13.7%</td>
<td>1,003</td>
<td>-14.2%</td>
<td>739</td>
<td>16.3%</td>
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<tr>
<td>PAT%</td>
<td>10.9%</td>
<td>10.0%</td>
<td>91 Bps</td>
<td>13.5%</td>
<td>-256 Bps</td>
<td>10.3%</td>
<td>60 Bps</td>
</tr>
<tr>
<td>EPS - INR</td>
<td>Basic</td>
<td>Basic</td>
<td>Basic</td>
<td>Basic</td>
<td>Basic</td>
<td>Basic</td>
<td>Basic</td>
</tr>
</tbody>
</table>

- Operating margins improve as a result of increased digital and products business and operating efficiencies
- Higher other income due to currency gain on revaluation of current assets and current liabilities
- Q3 included tax benefit on claiming investment written off as business expense in one of the subsidiaries
## Annual Income Statement

<table>
<thead>
<tr>
<th>Particulars (Amount in INR Mn)</th>
<th>FY 18</th>
<th>FY 17</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenues</td>
<td>29,914</td>
<td>28,021</td>
<td>6.8%</td>
</tr>
<tr>
<td>Direct Cost</td>
<td>19,179</td>
<td>17,904</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>10,736</td>
<td>10,117</td>
<td>6.1%</td>
</tr>
<tr>
<td><strong>GM%</strong></td>
<td>35.9%</td>
<td>36.1%</td>
<td>-22 Bps</td>
</tr>
<tr>
<td>Selling / General And Administration</td>
<td>5,723</td>
<td>5,272</td>
<td>8.6%</td>
</tr>
<tr>
<td>SG&amp;A to Revenue %</td>
<td>19.1%</td>
<td>18.8%</td>
<td>32 Bps</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>5,012</td>
<td>4,845</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>OM%</strong></td>
<td>16.8%</td>
<td>17.3%</td>
<td>-54 Bps</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>1,274</td>
<td>1,277</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Other Income (net)</td>
<td>298</td>
<td>159</td>
<td>87.2%</td>
</tr>
<tr>
<td><strong>Profit Before Tax (Before exceptional items)</strong></td>
<td>4,036</td>
<td>3,727</td>
<td>8.3%</td>
</tr>
<tr>
<td>PBT % (Before exceptional items)</td>
<td>13.5%</td>
<td>13.3%</td>
<td>19 Bps</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>-</td>
<td>221</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>4,036</td>
<td>3,506</td>
<td>15.1%</td>
</tr>
<tr>
<td>PBT %</td>
<td>13.5%</td>
<td>12.5%</td>
<td>98 Bps</td>
</tr>
<tr>
<td>Provision for Tax</td>
<td>949</td>
<td>785</td>
<td>20.9%</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>285</td>
<td>220</td>
<td>29.4%</td>
</tr>
<tr>
<td><strong>Profit After Tax (after Minority Int.)</strong></td>
<td>2,802</td>
<td>2,501</td>
<td>12.1%</td>
</tr>
<tr>
<td>PAT%</td>
<td>9.4%</td>
<td>8.9%</td>
<td>44 Bps</td>
</tr>
<tr>
<td><strong>EPS - INR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>45.6</td>
<td>40.8</td>
<td>11.8%</td>
</tr>
</tbody>
</table>
### Balance Sheet

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at Mar 31 2018</th>
<th>As at Dec 31 2017</th>
<th>As at Mar 31 2017</th>
<th>Particulars</th>
<th>As at Mar 31 2018</th>
<th>As at Dec 31 2017</th>
<th>As at Mar 31 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>615</td>
<td>614</td>
<td>614</td>
<td>Fixed Assets</td>
<td>4,500</td>
<td>4,471</td>
<td>4,802</td>
</tr>
<tr>
<td>Reserves &amp; Surplus</td>
<td>17,126</td>
<td>16,881</td>
<td>16,251</td>
<td>Capital Work in Progress</td>
<td>7</td>
<td>57</td>
<td>-</td>
</tr>
<tr>
<td>NET Worth</td>
<td>17,740</td>
<td>17,495</td>
<td>16,864</td>
<td>Intangible Assets</td>
<td>4,293</td>
<td>4,289</td>
<td>3,674</td>
</tr>
<tr>
<td>Borrowings</td>
<td>224</td>
<td>233</td>
<td>253</td>
<td>Cash and Cash Equivalent</td>
<td>8,057</td>
<td>6,906</td>
<td>7,321</td>
</tr>
<tr>
<td>Deferred Tax Liability</td>
<td>455</td>
<td>460</td>
<td>387</td>
<td>Debtors</td>
<td>5,911</td>
<td>5,672</td>
<td>4,758</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>222</td>
<td>197</td>
<td>237</td>
<td>Other Current Assets</td>
<td>2,701</td>
<td>2,514</td>
<td>2,976</td>
</tr>
<tr>
<td>NET Worth</td>
<td>18,641</td>
<td>18,385</td>
<td>17,742</td>
<td>Current Liabilities</td>
<td>(5,115)</td>
<td>(4,368)</td>
<td>(4,479)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Future Acquisition Liability</td>
<td>(2,943)</td>
<td>(2,313)</td>
<td>(2,282)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Deferred Tax Assets</td>
<td>1,231</td>
<td>1,156</td>
<td>972</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18,641</td>
<td>18,385</td>
<td>17,742</td>
</tr>
</tbody>
</table>

- Reserves and Surplus up INR 245 Mn over LQ.
- Cash and Bank Balances up by INR 1,151 Mn over LQ
- DSO – 70 days (LQ 70 days)
- Capex during the Qtr – INR 162 Mn
- Future acquisition liability is on account of obligation to buy balance stake in Incessant and RuleTek

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**Geography Mix**

**Q4FY18:**
- Marginal growth in US despite ramp down in Morris
- Strong growth in EMEA due to growth in NITL and Digital engagements
- Growth in RoW due to strong growth in GIS and ramp up in Digital engagements in APAC

**FY18:**
- Growth in US at the back of growth in top accounts in BFSI
- Revenues in EMEA remained flat due to ramp down in large travel client
- Growth in RoW due to growth in Digital Engagements in APAC
**Vertical Mix**

**Q4FY18:**
- Growth in BFSI due to continued ramp up in US top clients, NITL and Digital engagements
- Growth in Mfg, Med & Others due to seasonal growth in GIS business & digital engagements
- TTL revenues remained flat due to delay in start of new projects

**FY18:**
- Growth in BFSI due to continued ramp up in US top clients, NITL and Digital engagements
- Growth in Mfg, Med & Others due to digital engagements
- TTL revenues declined due to ramp down in key client in EMEA
Service Mix

Q4FY18:
- Growth in ADM due to growth in digital engagements
- Digital revenues at 26%, reflecting sequential growth of 9%
- Growth in NITL expansion in existing clients
- Growth in IMS despite Morris ramp down

FY18:
- Growth in ADM due to growth in digital engagements
- Growth in IMS due to expansion in BFSI clients
- Digital revenues at 24%, reflecting annual growth of 27%
- Growth in NITL due to increase in client base
Order Intake

- 7 new customers added: 2 in US, 4 in EMEA and 1 in ROW
- $145 Mn order intake in the quarter leading to $ 339 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (43 Mn), EMEA (69 Mn), ROW (33 Mn)
Top Client Mix

Q3’18

- Others: 30%
- Top 20: 54%
- Top 10: 42%
- Top 5: 30%

Q4’18

- Others: 29%
- Top 20: 54%
- Top 10: 40%
- Top 5: 29%

MM $ Clients

Q3’18: 78
Q4’18: 80
People Resources

People Data

<table>
<thead>
<tr>
<th></th>
<th>Jun'17</th>
<th>Sep'17</th>
<th>Dec'17</th>
<th>Mar'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Additions</td>
<td>8,963</td>
<td>9,022</td>
<td>9,081</td>
<td>9,423</td>
</tr>
<tr>
<td>Attrition%</td>
<td>12.12%</td>
<td>11.36%</td>
<td>10.57%</td>
<td>10.47%</td>
</tr>
<tr>
<td>Utilization</td>
<td>81.20%</td>
<td>79.50%</td>
<td>79.00%</td>
<td>79.50%</td>
</tr>
</tbody>
</table>
Shareholding Pattern

- **Promoters**
  - Mar’17: 31%
  - Jun’17: 22%
  - Sep’17: 18%
  - Dec’17: 16%
  - Mar’18: 14%

- **Banks/MF/FI’s**
  - Mar’17: 29%
  - Jun’17: 33%
  - Sep’17: 36%
  - Dec’17: 39%
  - Mar’18: 41%

- **FIIs**
  - Mar’17: 18%
  - Jun’17: 20%
  - Sep’17: 15%
  - Dec’17: 14%
  - Mar’18: 15%

- **Others**
  - Mar’17: 22%
  - Jun’17: 20%
  - Sep’17: 15%
  - Dec’17: 14%
  - Mar’18: 15%
Thank You