

NIIT Technologies

Financial Performance – Q2FY13

October 16, 2012



Outline



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



- **Consolidated Revenues at INR 5001 Mn**
 - Up 6.5% QoQ, Up 34.8% YoY
 - Constant currency growth at 3%

- **Operating profits at INR 848 Mn**
 - Up 13% QoQ, Up 54.2% YoY
 - Operating Margins at 17%, Up 97 bps QoQ, Up 214 bps YoY

- **Net Profits at INR 431 Mn**
 - Down 25.1% QoQ, Down 5.8% YoY
 - Net Margins at 8.6%, Down 363 bps QoQ, Down 372 bps YoY
 - Loss of INR 151 Mn on account of revaluation of foreign currency current assets and liabilities resulted in lower net profits.
 - Effective Tax Rate at 24.5% of PBT

- **Order intake of \$ 93Mn**



- BFSI Up 4.3% QoQ, Contributes 33% (LQ 34%)
 - 1 New customer added
 - Decline in NITL revenues
- Transport Up 13.6% QoQ, Contributes 42% (LQ 40%)
 - Scale up in all top accounts
 - 1 New customer added
- Manufacturing & Distt down 2.2% QoQ, Contributes 6% (LQ 7%)
 - Closure of existing project
- Government down 29% QoQ, Contributes 5% (LQ 8%)
 - Tamil Nadu CCTNS considered as model project by NCRB

Acknowledgements during the Quarter

- NIIT Technologies Ranked No.1 globally in the 2012 ASTD (American Society for Training and Development) BEST Awards.
- Recognized as a Special Category Winner, ranked No.3 in Best Companies in Career Growth category in Great Place to work study, 2012.
- NIIT Technologies' "Intranet Prahari" bags Skoch Digital Inclusion Award 2012 for the 'Best Process Automation'
- Received Award for Excellence in HR through Technology at ASIA's Best Employer Brand Awards 2012.
- Conferred with Award for Excellence in Training at ASIA's Best Employer Brand Awards 2012
- Gartner favourably acknowledges NIIT Technologies for its ipf3 offering in the Insurance sector in the latest Gartner Insurance report on European Non-Life Policy Admin, 2012 - Report
- Chief Executive Officer Arvind Thakur conferred with the prestigious Gold Stevie Award in the Executive of the Year, Computer Services category, for the 9th Annual International Business Awards
- Chief People Officer, Rosita Rabindra conferred with HR Leadership Award at ASIA's Best Employer Brand Awards 2012
- NIIT Technologies receives BEST IN-HOUSE MAGAZINE award at 3rd CMO Asia Awards for excellence in Branding & Marketing, 2012

Consolidated Quarterly Income Statement

Particulars	Q2FY13	Q1FY13	QoQ%	Q2FY12	YoY%
Gross Revenues	5,001	4,696	6.5%	3,711	34.8%
Direct Cost	3,203	3,047	5.1%	2,301	39.2%
Gross Profit	1,798	1,649	9.0%	1,410	27.6%
GM%	36.0%	35.1%	84 Bps	38.0%	-203 Bps
Selling / General And Administration	950	898	5.8%	860	10.5%
SG&A to Revenue %	19.0%	19.1%	-13 Bps	23.2%	-417 Bps
Operating Profit	848	751	13.0%	550	54.2%
OM%	17.0%	16.0%	97 Bps	14.8%	214 Bps
Depreciation and Amortization	138	126	9.5%	83	65.7%
Other Income (net)	(115)	210	-154.9%	115	-200.1%
Profit Before Tax	595	835	-28.7%	582	2.3%
PBT %	11.9%	17.8%	-588 Bps	15.7%	-378 Bps
Provision for Tax	146	246	-40.6%	151	-3.5%
Minority Interest	18	13	34.7%	(27)	-165.5%
Profit After Tax (after Minority Int.)	431	575	-25.1%	458	-5.8%
PAT%	8.6%	12.3%	-363 Bps	12.3%	-372 Bps
EPS - INR					
Basic	7.18	9.60	-25.2%	7.72	-7.0%

- Strong international revenue growth and currency gains during the quarter resulted in improvement in operating margins
- QoQ decrease in other income as a result of loss on revaluation of foreign currency current assets and liabilities resulting in lower net margins.



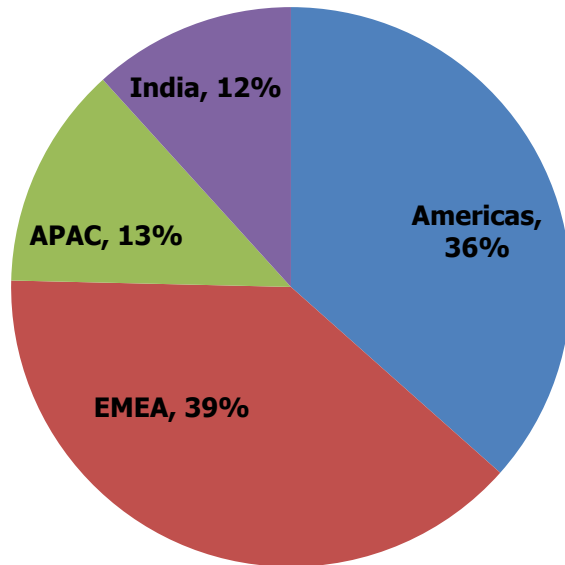
Particulars	As at September 30 2012	As at June 30 2012	As at September 30 2011	Particulars	As at September 30 2012	As at June 30 2012	As at September 30 2011
Equity	601	599	596	Net Block	4,431	4,428	3,854
Reserves & Surplus	9,692	9,199	7,801	Capital Work in Progress	35	24	144
NET Worth	10,293	9,798	8,397	Current Assets			
				Cash and Cash Equivalent	2,320	2,669	1,422
				Debtors	4,079	4,118	3,398
Borrowings	307	422	511	Other Current Assets	2,633	2,670	2,395
Minority Interest	154	136	123	Current Liabilities	(2,936)	(3,815)	(2,367)
				Deferred Tax Assets	192	263	185
	10,754	10,357	9,031		10,754	10,357	9,031

- Reserves and Surplus up 493 Mn (Profit up 431 Mn, CTR down 166 Mn, Hedge reserve up 207 Mn, Share Premium up 20 Mn)
- Borrowings down by INR 118 Mn due to repayment of GBP denominated loan.

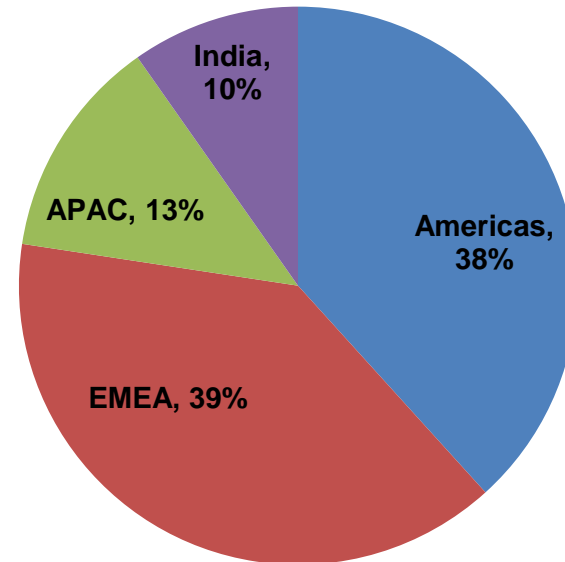
- DSO – 75 (LQ 84 days)
- Capex during the Qtr – INR 195 Mn (GNIDA – 49 Mn)
- Cash down by INR 349 Mn due to Dividend payout which was partially offset by improvement in DSO



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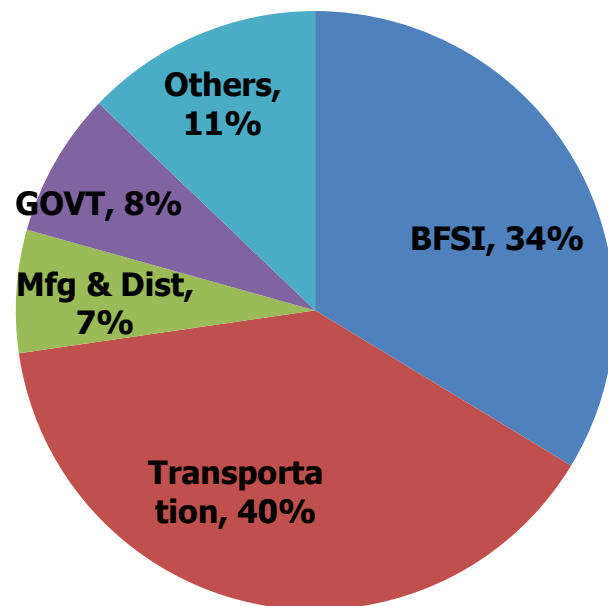
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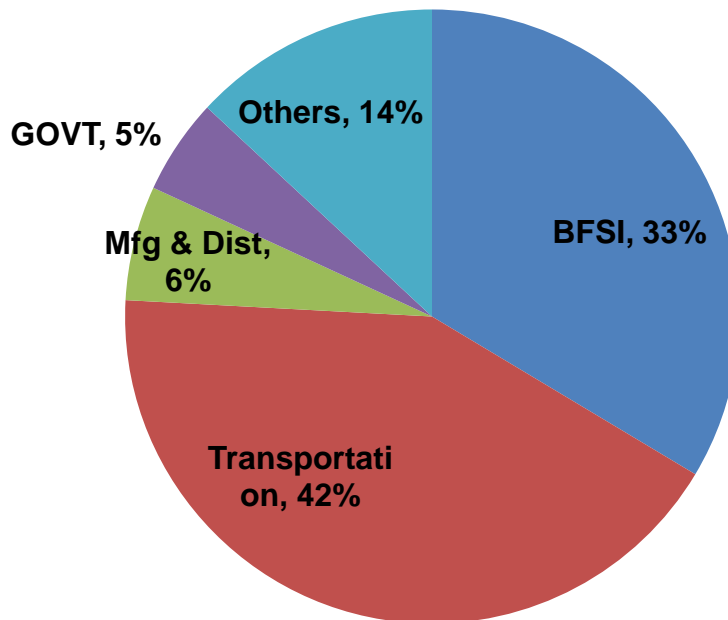
- Strong growth in International business
- Decline in domestic business due to lower GIS and India Govt.



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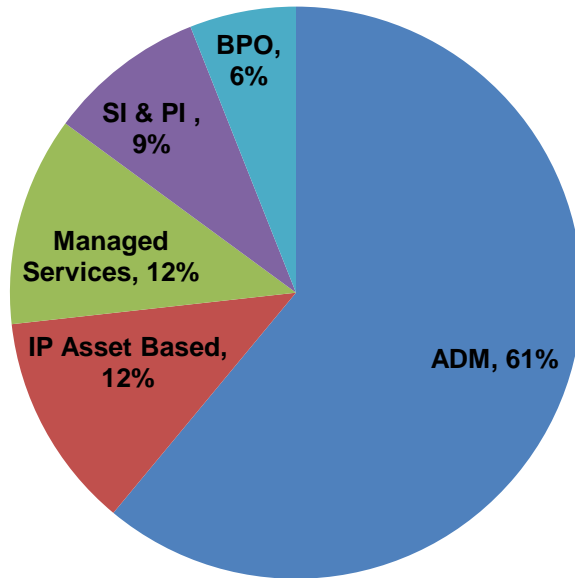
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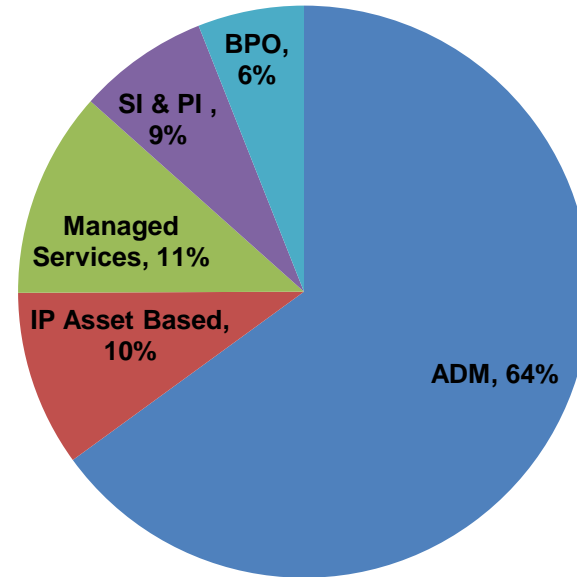
- Strong Growth in top TTL accounts
- BFSI share declined due to decline in NITL
- Decline in government share due to lower revenues in GIS and India govt business



Q1FY13

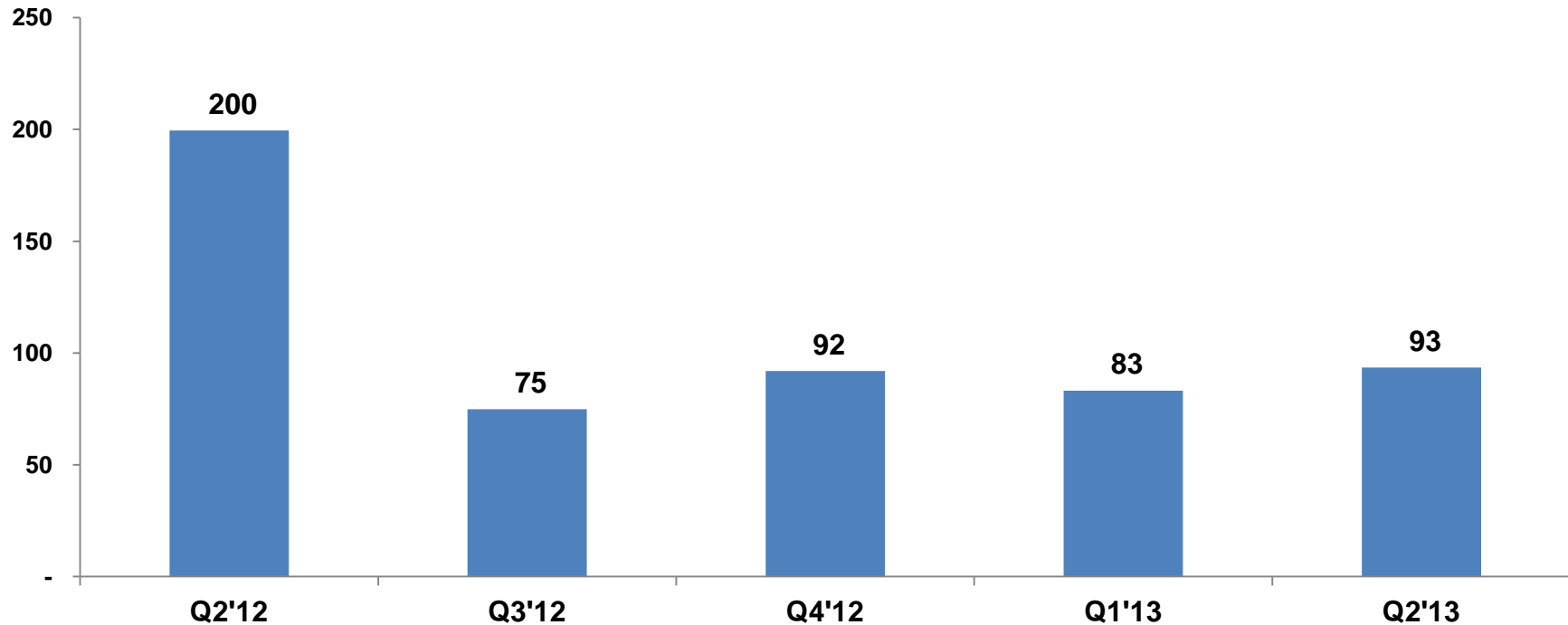


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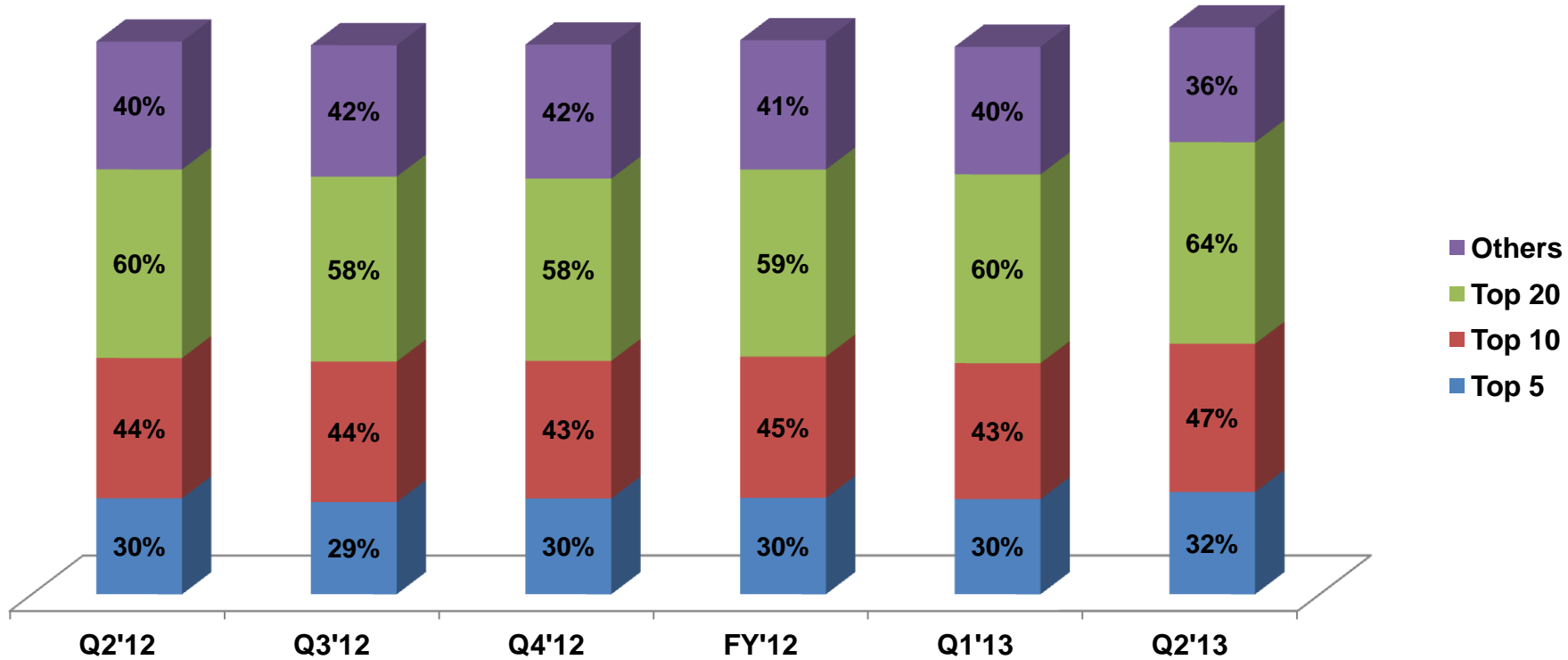
- Reduction in IP asset revenue due to lower NITL revenues
- Managed Services revenues increase by 4% Q-o-Q

Order Intake (\$ Mn)



- 3 new customers added during the quarter (Travel – 1; BFSI – 1, Others – 1)
- \$93 Mn order intake in the quarter leading to \$253 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (43 Mn), EMEA (33 Mn), ROW (17Mn)

Top Client Mix



Mn \$ Clients 52

56

61

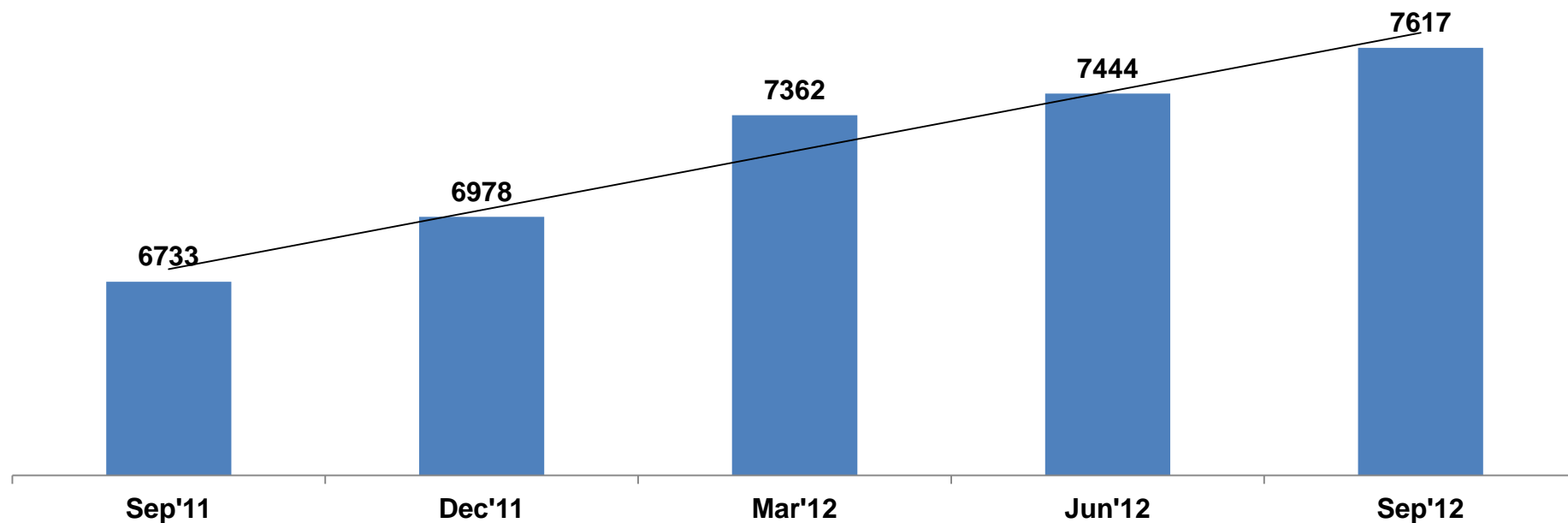
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Sequential increase in Million \$ Clients

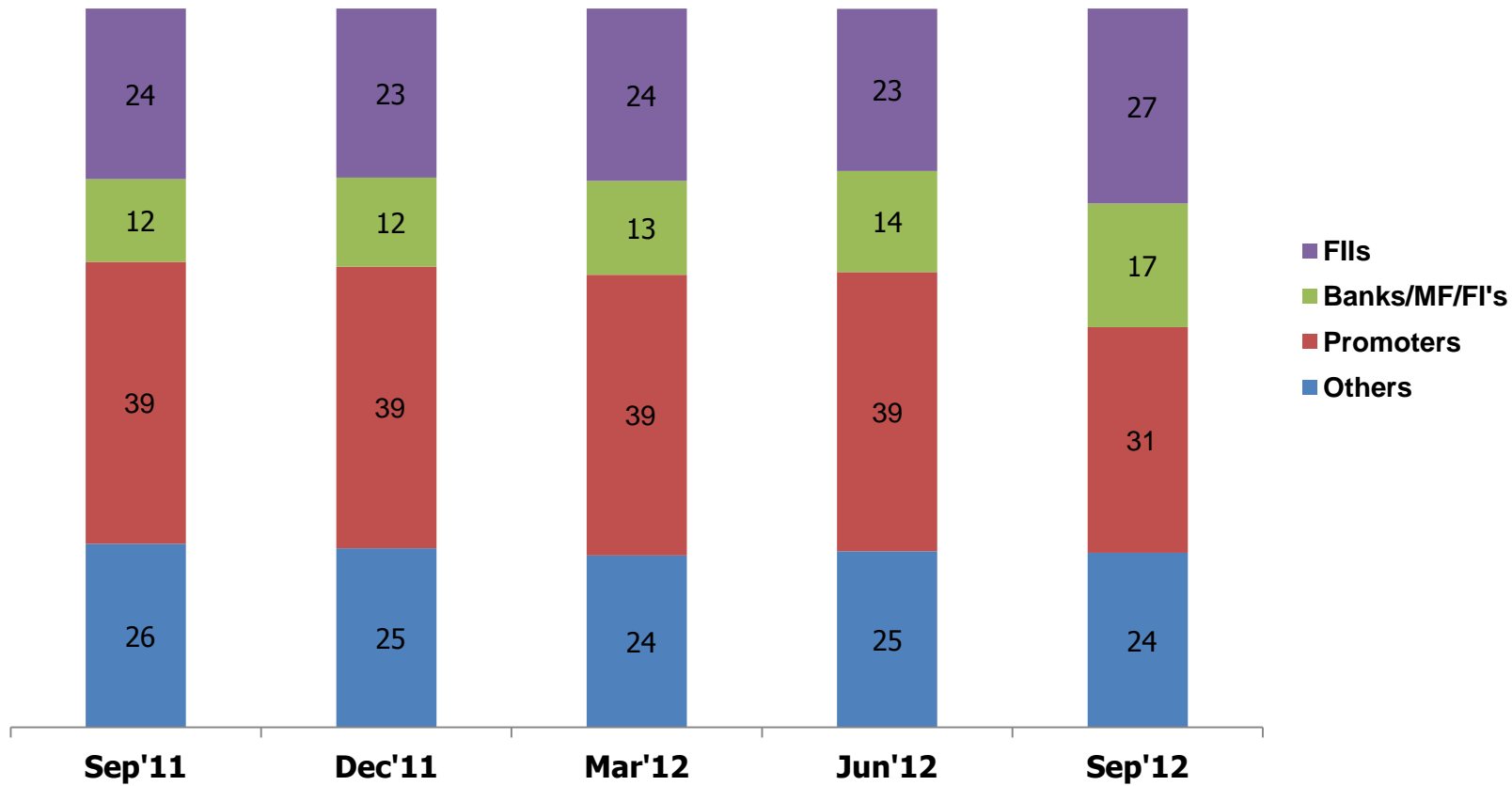


People Data



	Sep'11	Dec'11	Mar'12	Jun'12	Sep'12
Net Additions	468	245	384	82	173
Attrition%	13.25%	12.46%	12.08%	12.36%	12.67%
Utilization	82.46%	80.17%	79.00%	78.54%	79.80%

Shareholding Pattern



Thank You

