



NIIT Technologies

Financial Performance – Q3FY16

January 15, 2016

Agenda

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

Financial Highlights – Q3FY16

- Consolidated Revenues at Rs 6,787 Mn
 - Up 14.0% YoY, up 0.1% QoQ
 - Currency gain 0.1%
- Operating Profit at Rs 1,236 Mn
 - Up 43.4 % YoY, Up 3.6% QoQ
 - Operating Margins at 18.2%, Up 373 bps YoY, Up 60 bps QoQ
- Net Profits at INR 742 Mn
 - Up 53.9% YoY, Up 8.8% QoQ
 - Net Margin at 10.9%, up 283 bps YoY, Up 87 bps QoQ
 - Effective Tax Rate at 21% of PBT
- Order intake of \$123 Mn

Business Highlights for Q3FY16

- BFSI up 2.1% QoQ Contributes 38% (LQ 37%)
 - ❑ Growth in US
 - ❑ Decline in Europe since NITL had higher revenues in Q2 on account of successful implementation of Navigator (Policy Management System)
- Transport down 3.7% QoQ, Contributes 36% (LQ 37%)
 - ❑ Lower revenues due to major programs going live last quarter in the US
 - ❑ 3 New Logos added
- Manufacturing/Distt. Up 8.1% QoQ, Contributes 9% (LQ 8%)
 - ❑ Higher revenues due to ramp up in Cloud engagement in key account
- Government up 30% QoQ, Contributes 3% (LQ 3%)
 - ❑ Major milestone sign-off in MSTD

OFCOM Deal

About Ofcom

Ofcom is the independent regulator and competition authority for the UK communications industries, with responsibilities across television, radio, telecommunications, wireless communications and postal services.

The deal size and contract duration

The value of the contract is £23m over a six year period which includes an initial term of 4 years and extensions.

Services to be provided

NIIT Tech will help Ofcom manage its infrastructure and application systems and offer a customer focused service to improve the users' experience of ICT services.

NIIT Tech will implement a dedicated service delivery model and new service management processes and tools. Key services will include the service desk, data centre services, application management and project management.

Transformational opportunities

Post transition, there will be opportunities to simplify the estate, rationalise the data centres and move applications to the cloud.

The award criteria was as follows:

1. Cultural alignment. Weighting 35
2. Transition, change and innovation. Weighting 20
3. Solution. Weighting 20
4. Commercial. Weighting 25

Acknowledgements during the Quarter

- NIIT Technologies positioned as 'Leader' within NelsonHall Digital Transformation Services NEAT
- Conferred with E-Governance Initiative of the year award by ASSOCHAM

Consolidated Qtrly Income Statement

| Particulars (INR Mn) | INR Mn. | | | | |
|---|--------------|--------------|----------------|--------------|----------------|
| | Q3FY16 | Q2 FY16 | QoQ% | Q3FY15 | YoY% |
| Gross Revenues | 6,787 | 6,779 | 0.1% | 5,953 | 14.0% |
| Direct Cost | 4,256 | 4,256 | 0.0% | 3,925 | 8.4% |
| Gross Profit | 2,532 | 2,523 | 0.4% | 2,028 | 24.8% |
| GM% | 37.3% | 37.2% | 8 Bps | 34.1% | 323 Bps |
| Selling / General And Administration | 1,296 | 1,329 | -2.5% | 1,166 | 11.2% |
| SG&A to Revenue % | 19.1% | 19.6% | -52 Bps | 19.6% | -49 Bps |
| Operating Profit | 1,236 | 1,194 | 3.6% | 862 | 43.4% |
| OM% | 18.2% | 17.6% | 60 Bps | 14.5% | 373 Bps |
| Depreciation and Amortization | 273 | 265 | 3.0% | 231 | 17.9% |
| Other Income (net) | 52 | 13 | 308.2% | 53 | -2.1% |
| Profit Before Tax (Before exceptional items) | 1,015 | 942 | 7.8% | 684 | 48.5% |
| PBT % (Before exceptional items) | 15.0% | 13.9% | 107 Bps | 11.5% | 347 Bps |
| Exceptional items | 13 | - | NA | - | NA |
| Profit Before Tax | 1,002 | 942 | 6.4% | 684 | 46.5% |
| PBT % | 14.8% | 13.9% | 87 Bps | 11.5% | 328 Bps |
| Provision for Tax | 212 | 216 | -1.8% | 178 | 19.2% |
| Minority Interest | 48 | 43 | 10.1% | 24 | 102.0% |
| Profit After Tax (after Minority Int.) | 742 | 682 | 8.8% | 482 | 53.9% |
| PAT% | 10.9% | 10.1% | 87 Bps | 8.1% | 283 Bps |
| EPS - INR | | | | | |
| Basic | 12.1 | 11.2 | 8.7% | 7.9 | 53.4% |

- Increased margins as a result of improvement in SG&A
- Exceptional items represents an additional provision for bonus related to the period April 1, 2014 to March 31, 2015 pursuant to retrospective amendment to "The Payment of Bonus Act 1965" notified on Jan 1, 2016

Balance Sheet

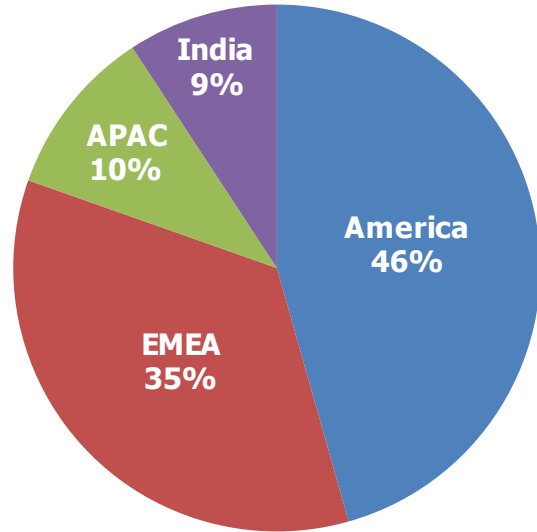
| Particulars | As at Dec 31 2015 | As at Sep 30 2015 | As at Dec 31 2014 | Particulars | As at Dec 31 2015 | As at Sep 30 2015 | As at Dec 31 2014 |
|--------------------|-------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| Equity | 611 | 611 | 610 | Net Block | 8,091 | 6,671 | 5,572 |
| Reserves & Surplus | 15,176 | 14,390 | 13,971 | Capital Work in Progress | 191 | 1,609 | 1,030 |
| NET Worth | 15,788 | 15,001 | 14,581 | Current Assets | | | |
| Borrowings | 93 | 568 | 612 | Cash and Cash Equivalent | 3,118 | 2,950 | 3,358 |
| Minority Interest | 572 | 524 | 204 | Debtors | 6,493 | 6,336 | 6,053 |
| | | | | Other Current Assets | 3,303 | 3,222 | 3,629 |
| | | | | Current Liabilities | (4,987) | (5,063) | (4,429) |
| | | | | Deferred Tax Assets | 242 | 368 | 184 |
| | 16,452 | 16,092 | 15,397 | | 16,452 | 16,092 | 15,397 |

- Reserves and Surplus up INR 787 Mn. Profit up INR 742 Mn
- Decrease in borrowing by INR 475 Mn due to repayment of working capital credit

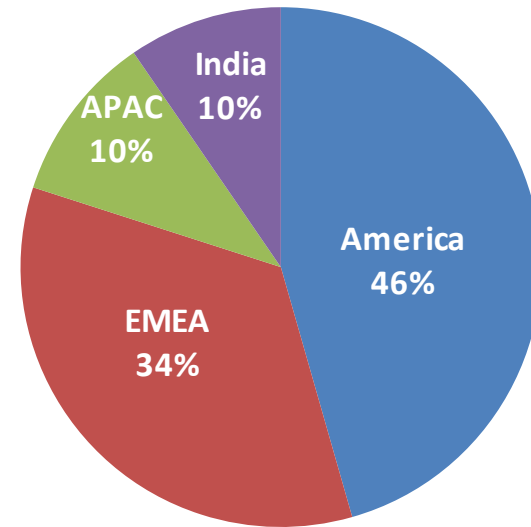
- DSO – 90 days (LQ – 89 days)
- Capex spend during the Qtr – INR 295 Mn (GNIDA Phase II – 170 Mn, BAU - 125 Mn)
- Increase in Net block due to capitalization of Greater Noida Phase II – INR 1613 Mn

Geography Mix

Q2 FY'16



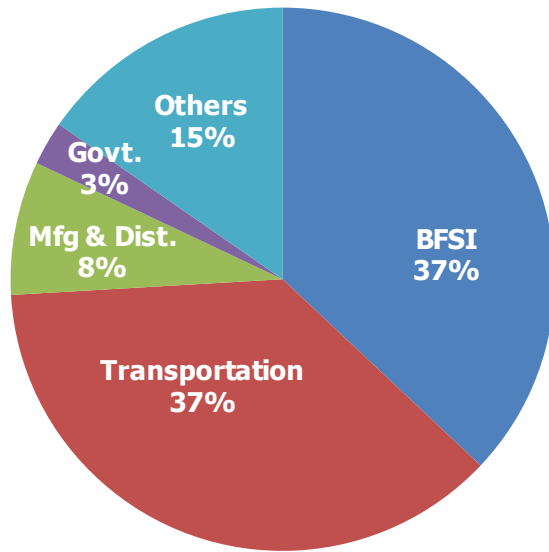
Q3 FY'16



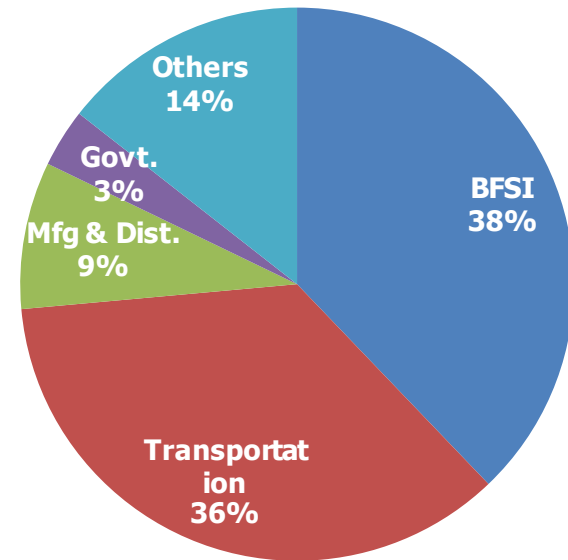
- Reduced share of EMEA reflects cross currency impact
- Increase in India due to milestones achieved at MSTD

Vertical Mix

Q2 FY'16

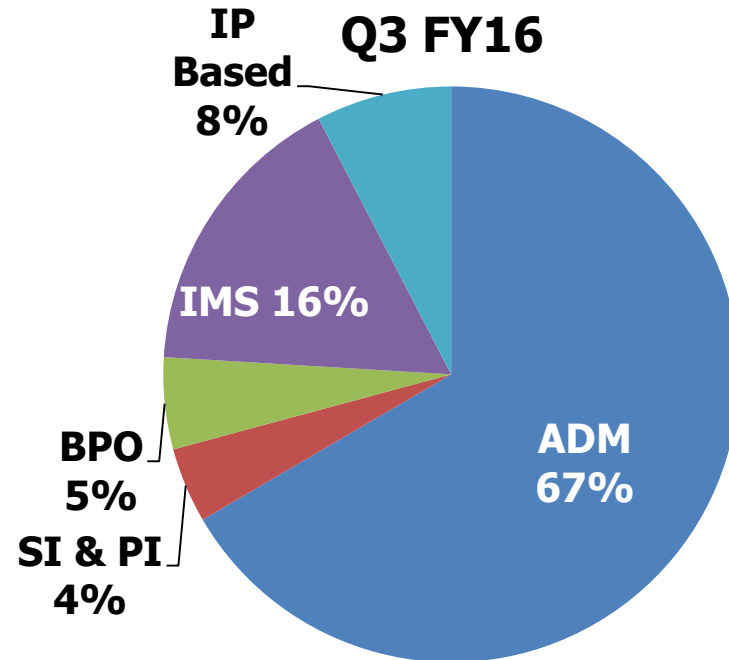
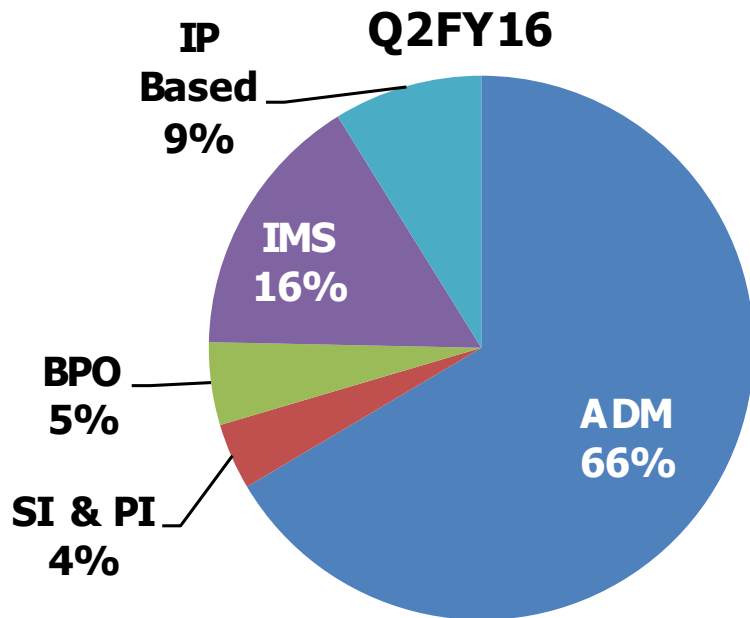


Q3 FY'16



- Growth in BFSI due to higher revenue in US
- Decline in TTL due to major programs in US gone live in Q2

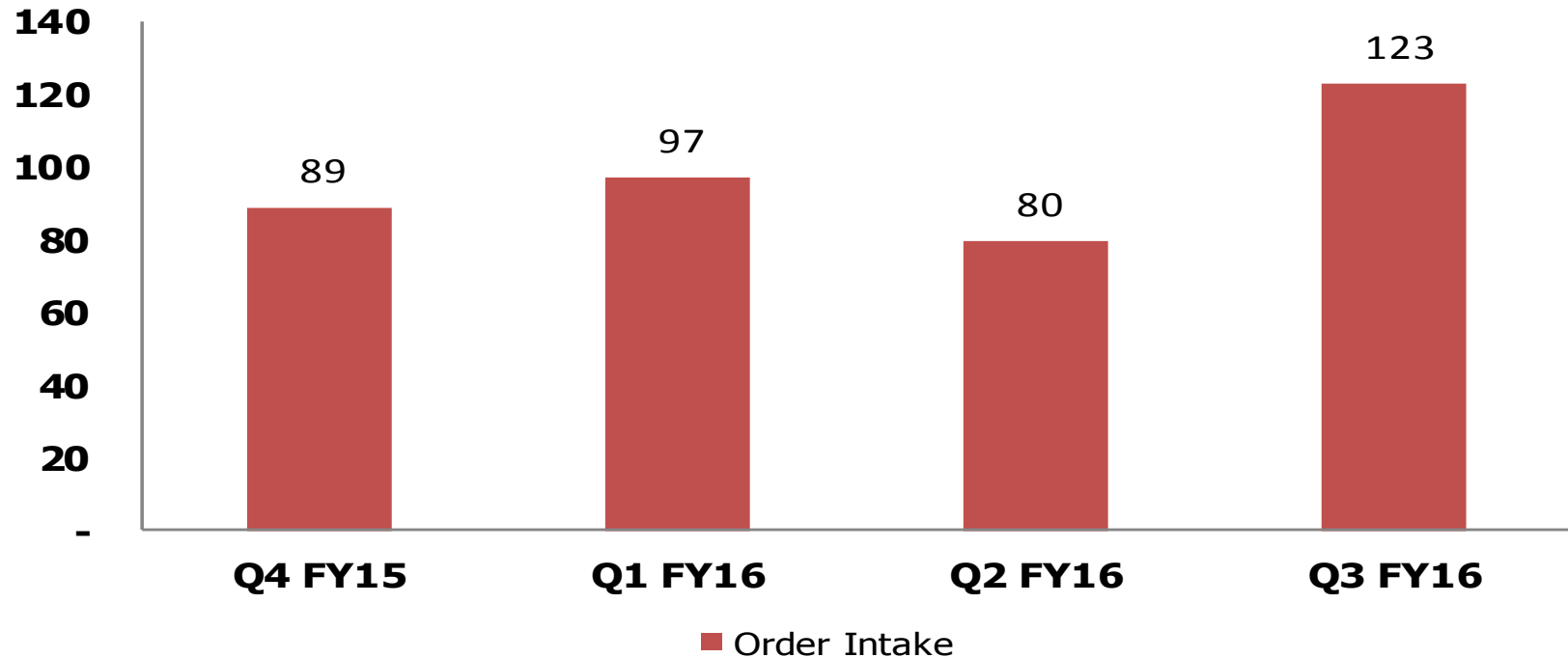
Service Mix



- Decline in IP Based revenues due to reduction in revenues in NITL
- Increase in SI & PI due to increased revenues from MSTD
- Digital Services at 15%

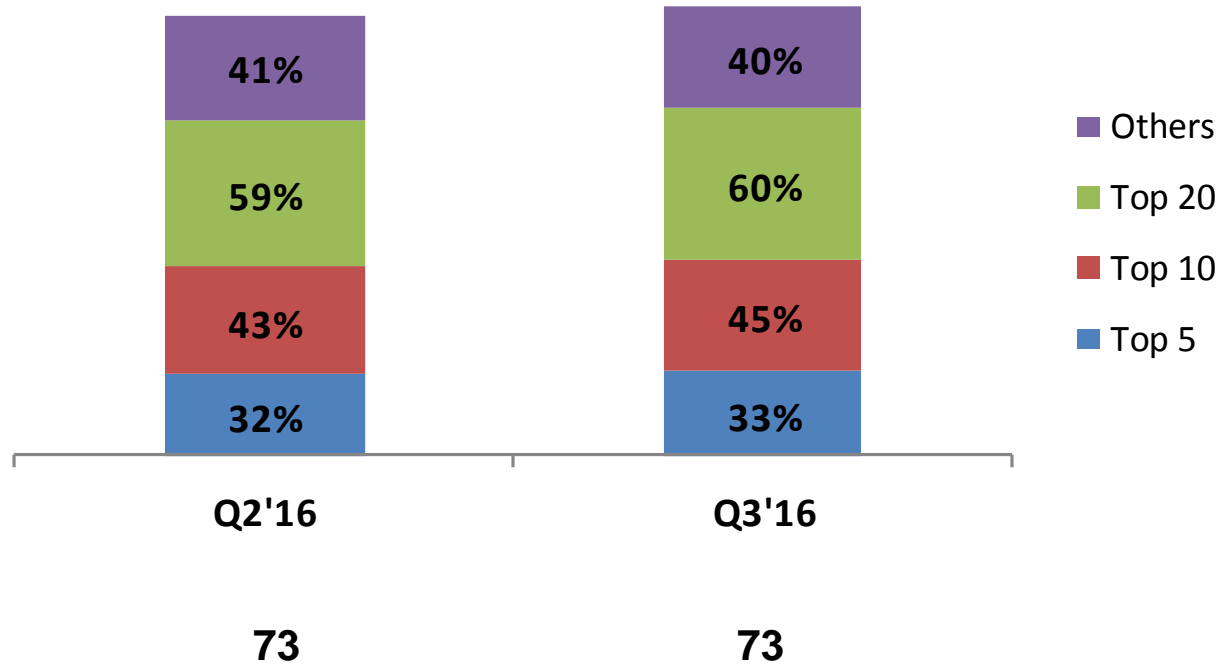
Order Intake

Order Intake (\$ Mn)



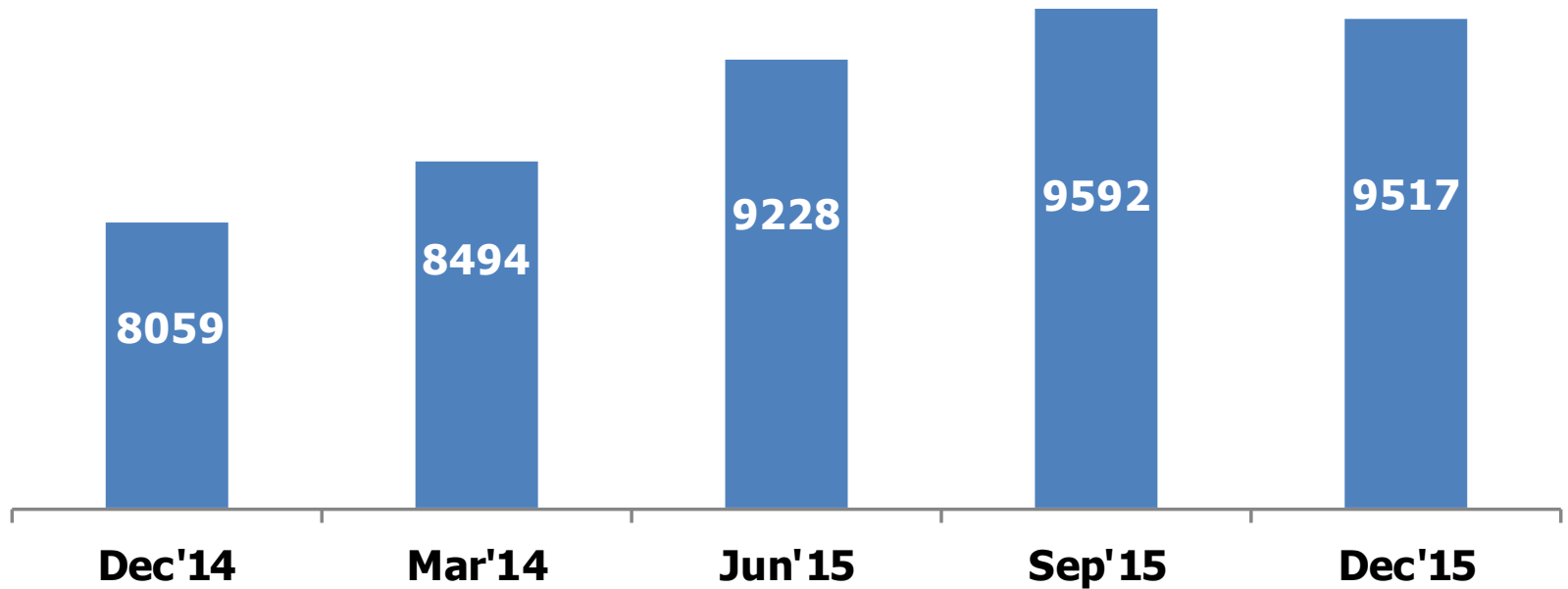
- 4 significant new customers added, including new large engagement with Ofcom
- Vertical break down of new customers: Travel & Transportation – 3, OTH – 1
- \$123 Mn order intake leading to \$301 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (50 Mn), EMEA (55 Mn), ROW (18 Mn)

Top Client Mix



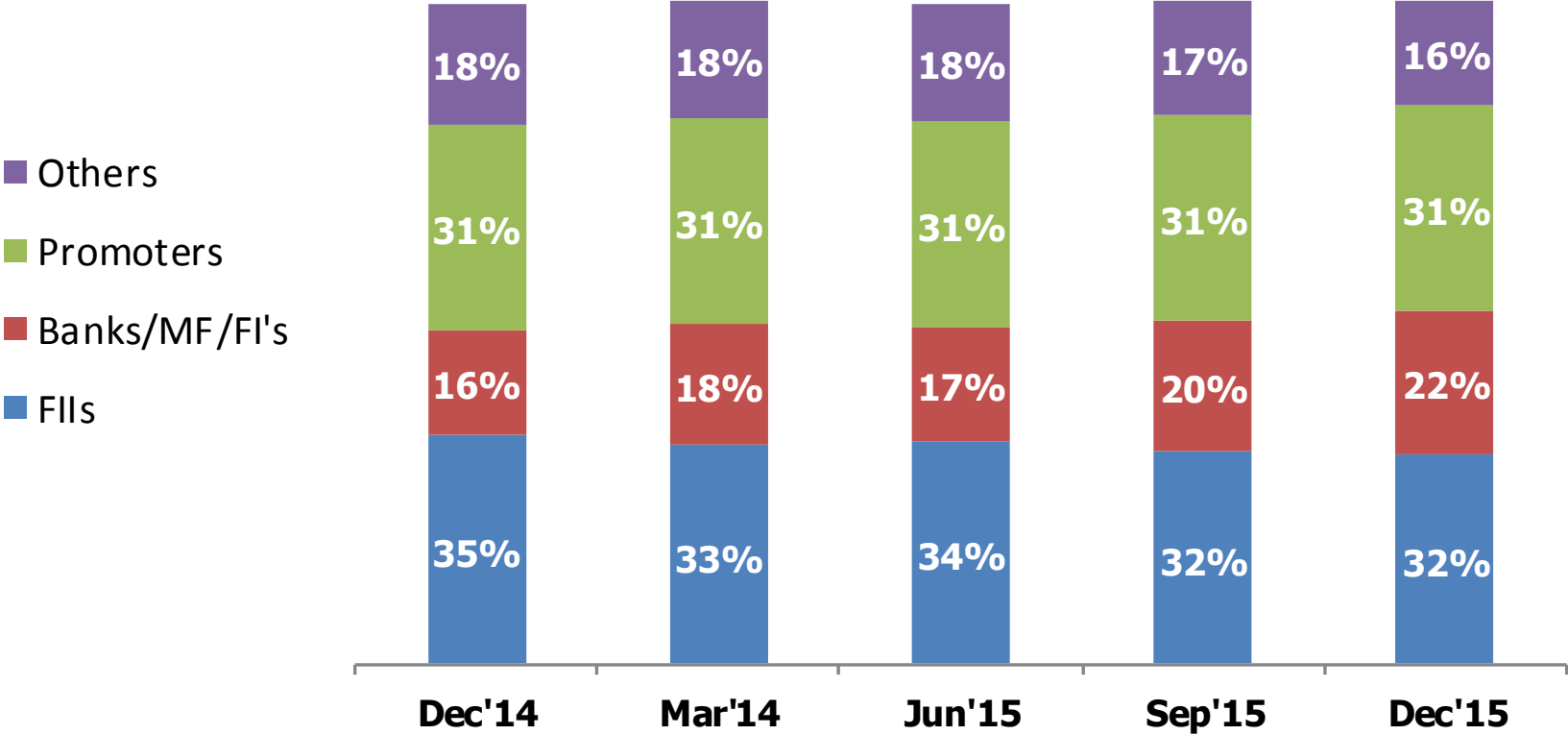
People Resources

People Data



| | | | | | |
|---------------|--------|--------|--------|--------|--------|
| Net Additions | -229 | 435 | 734 | 364 | -75 |
| Attrition% | 15.83% | 15.75% | 14.31% | 13.73% | 13.61% |
| Utilization | 78.80% | 79.00% | 79.50% | 79.70% | 78.70% |

Shareholding Pattern





Thank You