



# NIIT Technologies

## Financial Performance – Q2FY16

October 16, 2015

# Agenda

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

# Financial Highlights – Q2FY16

- **Consolidated Revenues at Rs 6,779 Mn**
  - Up 15.2% YoY, up 5.7% QoQ
  - International geos grew by 8%
  - Currency gain 1.6%
- **Operating Profit at Rs 1,194 Mn**
  - Up 45.2 % YoY, Up 14.6% QoQ
  - Operating Margins at 17.6%, Up 364 bps YoY, Up 135 bps QoQ
  - Currency gain 10 bps
- **Net Profits at INR 682 Mn**
  - Up 70.3% YoY, Up 16.5% QoQ
  - Net Margin at 10.1%, up 325 bps YoY, Up 93 bps QoQ
  - Effective Tax Rate at 23% of PBT
- **Order intake of \$80 Mn**

# Business Highlights for Q2FY16

- BFSI up 8.3% QoQ Contributes 37% (LQ 36%)
  - Growth in Insurance Business in US and UK
  - Growth in BFS with integration of Incessant
- Transport up 6.6% QoQ, Contributes 37% (LQ 37%)
  - Broad based growth in accounts in US and EMEA
  - 3 New Logos added: 2 in EMEA and 1 in USA
- Manufacturing/Distt. Up 32.2% QoQ, Contributes 8% (LQ 6%)
  - Acceptance of change request in key account
  - Scale up in transaction based engagement
- Government down 48.2% QoQ, Contributes 3% (LQ 5%)
  - Lower revenues on account of reduced PFR

# Acknowledgements during the Quarter

- Recognized by 'Great Place To Work® Institute as one of India's 50 Best IT - BPM Company to Work For in 2015.
- Among top 5 large (>5000 people) best places to work in IT-BPO industry in Nasscom Great Places to Work 2015 survey.
- Conferred with "HR Technology leader" award by Business World HR Excellence.
- NIIT Technologies BPO conferred with two awards at National Awards for Excellence in Outsourcing & BPO 2015 by Asia Outsourcing Congress.
  - o 'BPO Contract of the Year' and
  - o 'Award for Skills Development Program of the year'
- Received 'Talent Management' award at the Knowledge Management Leadership Awards by Asia Pacific HRM Congress.

# Consolidated Qtrly Income Statement

Particulars (INR Mn)	Q2FY16	Q1FY16	QoQ%	Q2FY15	YoY%
	Reported	Reported	Reported	Reported	Reported
<b>Gross Revenues</b>	<b>6,779</b>	<b>6,411</b>	<b>5.7%</b>	<b>5,883</b>	<b>15.2%</b>
Direct Cost	4,256	4,080	4.3%	3,921	8.5%
<b>Gross Profit</b>	<b>2,523</b>	<b>2,330</b>	<b>8.3%</b>	<b>1,963</b>	<b>28.6%</b>
GM%	37.2%	36.4%	86 Bps	33.4%	386 Bps
SG&A	1,329	1,288	3.2%	1,140	16.7%
<b>SG&amp;A to Revenue %</b>	<b>19.6%</b>	<b>20.1%</b>	<b>-49 Bps</b>	<b>19.4%</b>	<b>23 Bps</b>
<b>Operating Profit</b>	<b>1,194</b>	<b>1,042</b>	<b>14.6%</b>	<b>822</b>	<b>45.2%</b>
OM%	17.6%	16.3%	135 Bps	14.0%	364 Bps
Depreciation and Amortization	265	276	-4.2%	254	4.2%
Other Income (net)	13	79	-84.0%	(4)	NA
<b>Profit Before Tax</b>	<b>942</b>	<b>844</b>	<b>11.5%</b>	<b>564</b>	<b>67.0%</b>
PBT %	13.9%	13.2%	72 Bps	9.6%	430 Bps
Provision for Tax	216	219	-1.6%	154	40.3%
Minority Interest	43	40	10.1%	10	334.9%
<b>Profit After Tax (after Minority Int.)</b>	<b>682</b>	<b>585</b>	<b>16.5%</b>	<b>401</b>	<b>70.3%</b>
PAT%	10.1%	9.1%	93 Bps	6.8%	325 Bps
<b>EPS - INR</b>					
Basic	11.2	9.6	16.6%	6.6	69.3%

- Improved margins as a result of increased revenues from International Geos
- Reduction in ETR due to lower domestic business and growth in International business being serviced from SEZ

# Balance Sheet

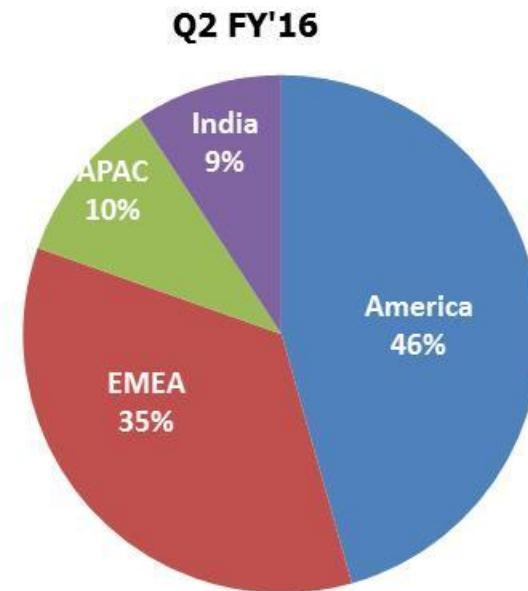
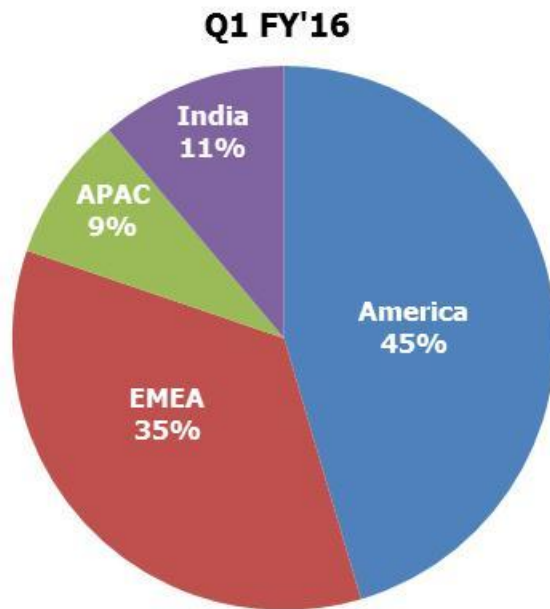
INR Mn.

Particulars	As at Sep 30 2015	As at Jun 30 2015	As at Sep 30 2014	Particulars	As at Sep 30 2015	As at Jun 30 2015	As at Sep 30 2014
Equity	611	611	608	Net Block	6,671	6,784	5,432
Reserves & Surplus	14,390	13,673	13,510	Capital Work in Progress	1,609	1,420	1,117
<b>NET Worth</b>	<b>15,001</b>	<b>14,284</b>	<b>14,118</b>	<b>Current Assets</b>			
Borrowings	568	84	635	Cash and Cash Equivalent	2,950	2,624	2,638
Minority Interest	524	468	207	Debtors	6,336	6,385	5,780
				Other Current Assets	3,222	3,350	3,878
				Current Liabilities	(5,063)	(6,197)	(4,075)
				Deferred Tax Assets	368	470	190
	<b>16,092</b>	<b>14,836</b>	<b>14,960</b>		<b>16,092</b>	<b>14,836</b>	<b>14,960</b>

- Reserves and Surplus up INR 733 Mn. Profit up INR 682 Mn
- Increase in borrowing by INR 480 Mn due to working capital loan

- DSO – 89 days (LQ – 92 days)
- FCF - INR 482 during the quarter
- Capex spend during the Qtr – INR 365 Mn (GNIDA Phase II – 159 Mn, BAU - 206 Mn)
- Decrease in current liabilities due to payment of Dividend of INR 653 Mn

# Geography Mix

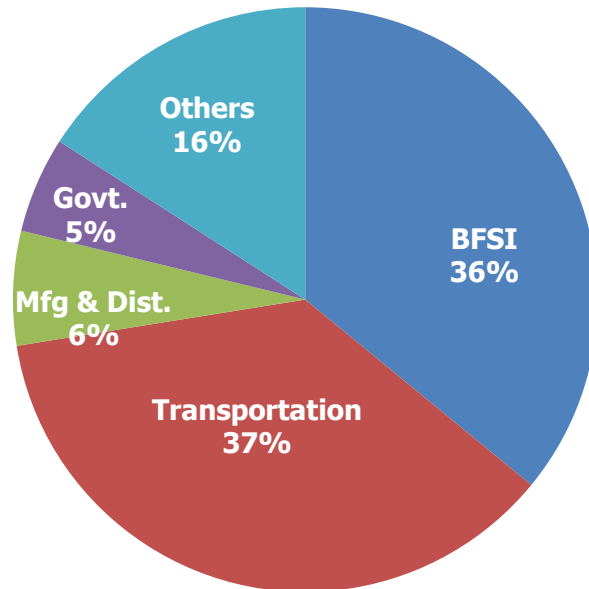


- Strong growth in international geos on back of growth in BFSI & TTL
- Decline in India due to reduced PFR

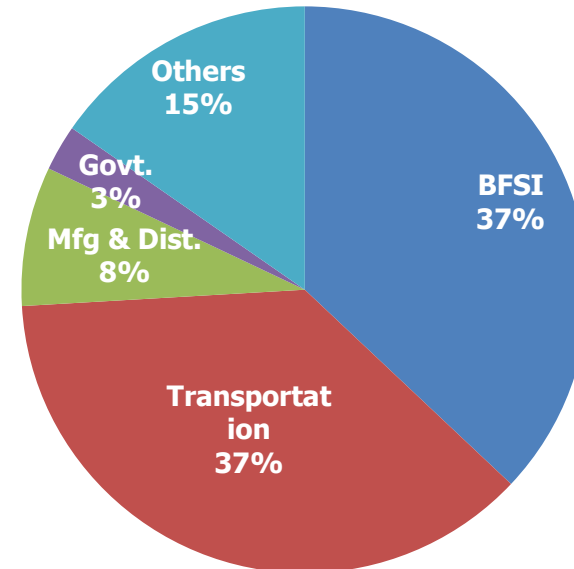


# Vertical Mix

Q1 FY'16



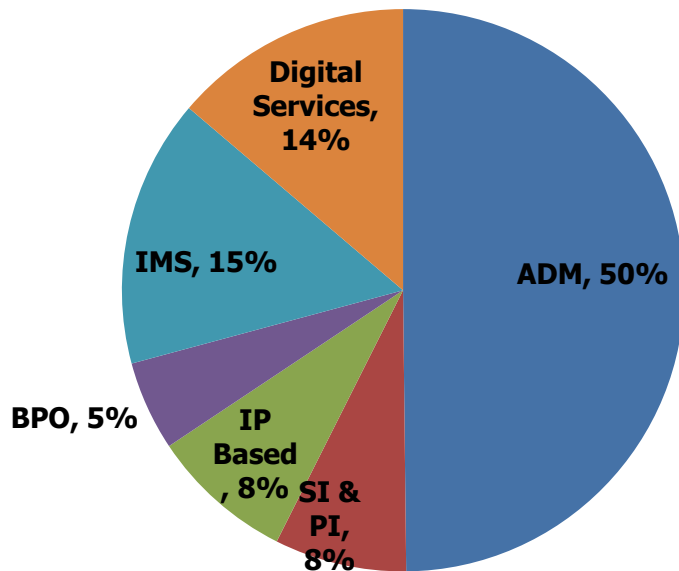
Q2 FY'16



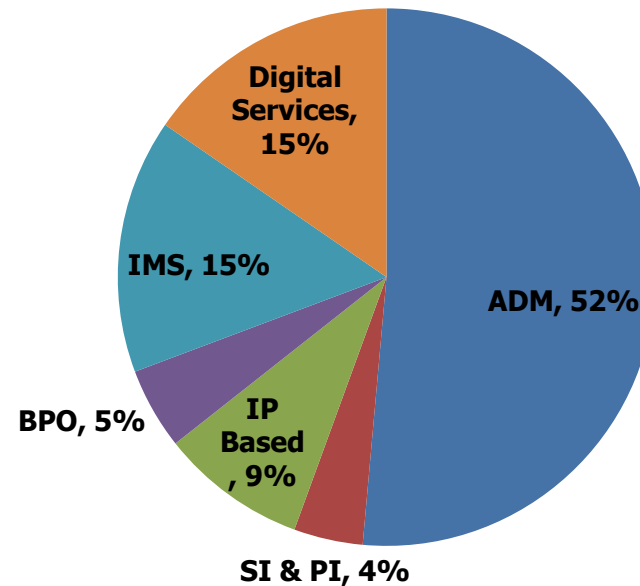
- All round growth in all verticals of focus
- Decline in Govt due to reduced PFR

# Service Mix

Q1FY16



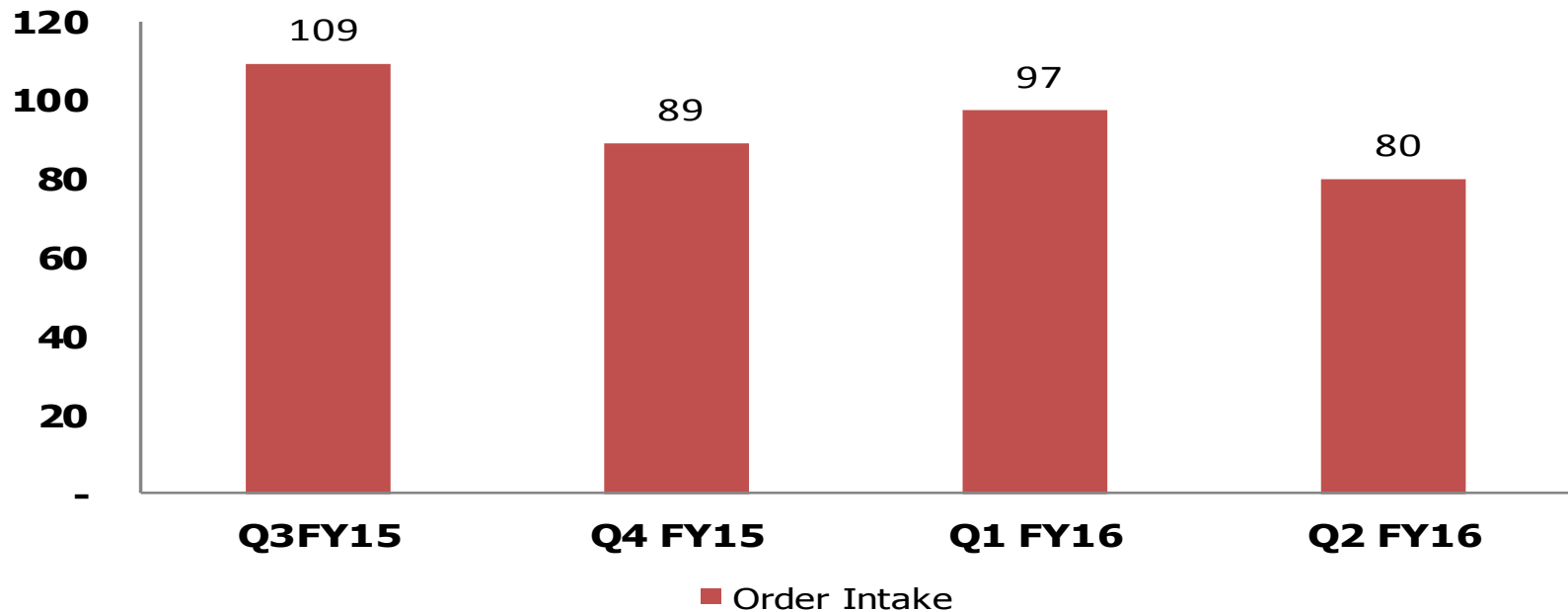
Q2FY16



- Growth in IP Based revenues due to increase license revenues at NITL
- Decline in SI & PI due to reduced PFR
- Digital revenues at 15%

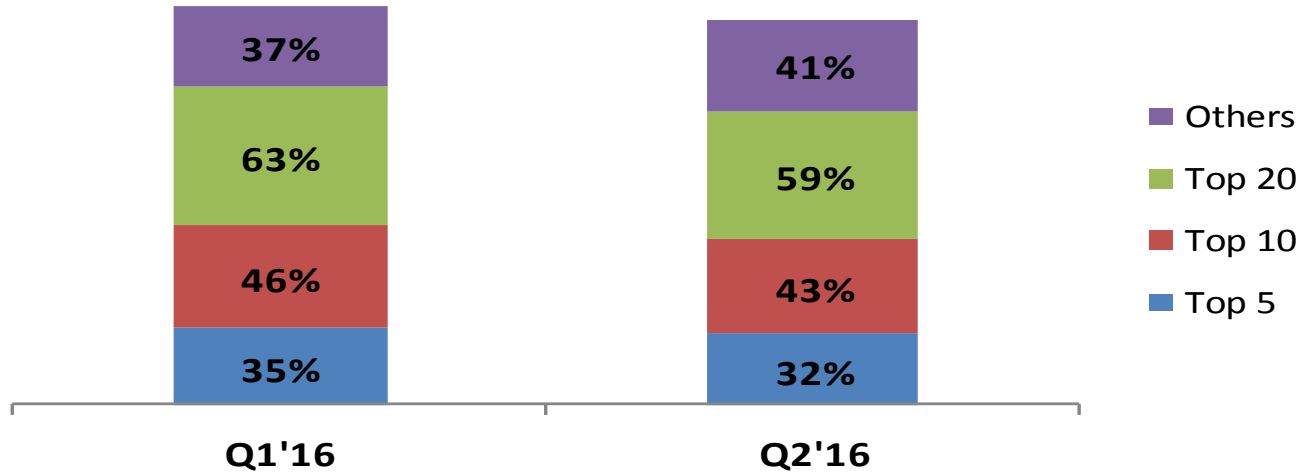
# Order Intake

## Order Intake (\$ Mn)



- 4 significant new customers added
- Vertical break down of new customers: Travel & Transportation – 3, OTH - 1
- \$80 Mn order intake leading to \$300 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (29 Mn), EMEA (34 Mn), ROW (17 Mn)

# Top Client Mix



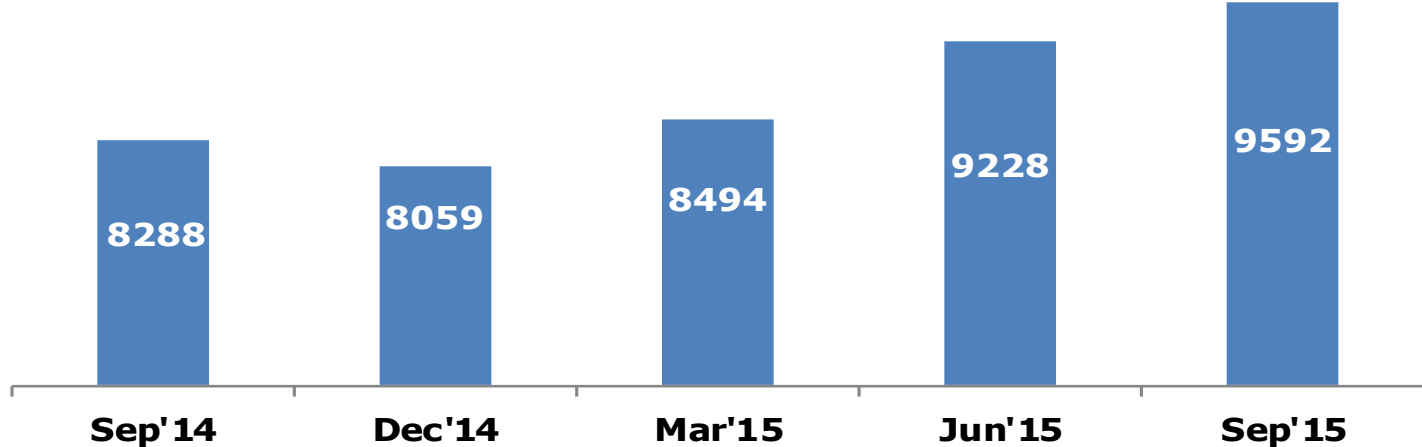
MM \$ Clients

71

73

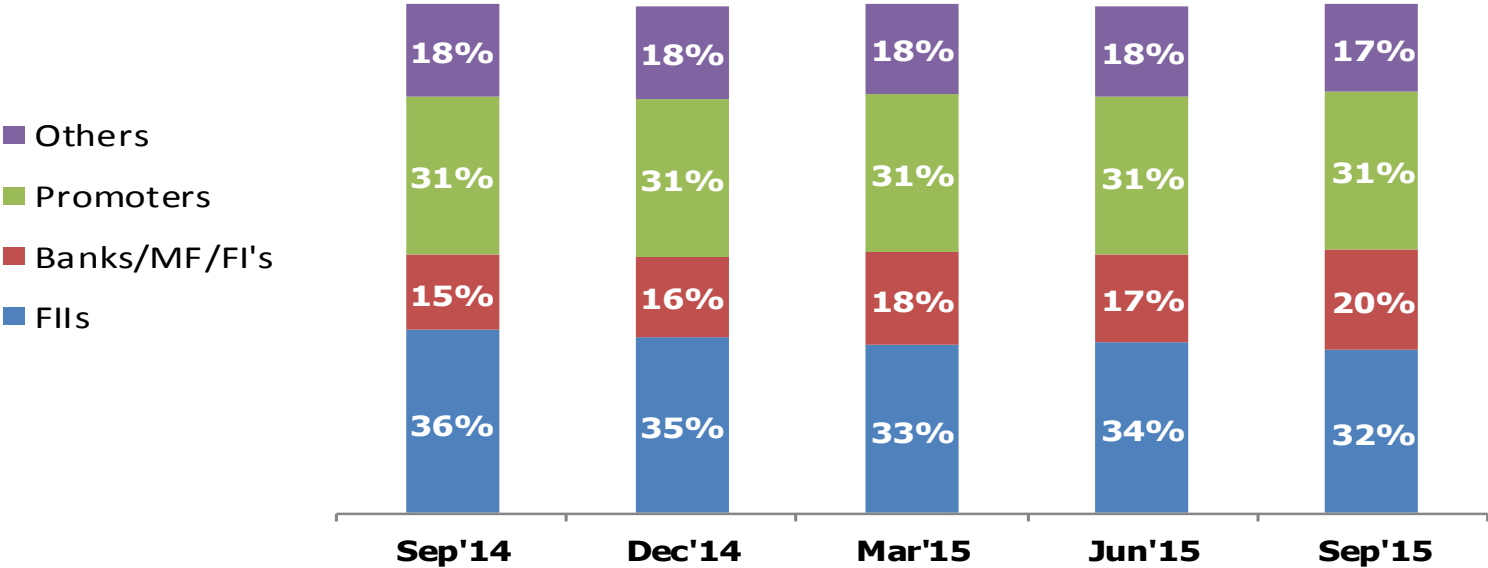
# People Resources

## People Data



People Data	Sep'14	Dec'14	Mar'15	Jun'15	Sep'15
Net Additions	6	-229	435	734	364
Attrition%	15.83%	15.83%	15.75%	14.31%	13.73%
Utilization	78.60%	78.80%	79.00%	79.50%	79.70%

# Shareholding Pattern





# Thank You