

# NIIT Technologies

## Financial Results – Q4FY12

**May 4, 2012**





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

- Consolidated Revenues at Rs 4435 Mn
  - Up 2.4% QoQ, Up 40.5% YoY
  - Constant currency growth at 4.8%
  - Hedge loss of INR 56.6 Mn
- Operating profits at Rs 745 Mn
  - Down 4.5% QoQ, Up 15.1% YoY
  - Operating Margins at 16.8%, Down 121 bps QoQ, Down 371 bps YoY
  - Constant currency operating margins at 18.5%, up 50 bps QoQ
- Net Profits at Rs 462 Mn
  - Down 27.7% QoQ, Down 7.5% YoY
  - Net Margins at 10.4%, Down 435 bps QoQ, Down 540 bps YoY
  - Effective Tax Rate at 18.83% of PBT
- Order intake of \$92 Mn



- Consolidated Revenues at Rs 15,765 Mn
  - Up 27.9% YoY
  - Revenue loss on account of hedging 131 mn (LY 282 mn)
  
- Operating profits at Rs 2,684 Mn
  - Up 11.65% YoY
  - Operating Margins at 17%, Down 248 bps
  
- Net Profits at Rs 1,972 Mn
  - Up 8.24% YoY
  - Net Margins at 12.5% (LY 14.8%)
  - Effective tax rate at 24.51%
  - EPS at Rs 33.21 (LY 30.91)
  
- Order intake of \$453 Mn, up 70% over FY11

- **BFSI Down 3% QoQ, Contributes 34% (LQ 36%)**
  - Decline in NITL (formerly Room) revenues
  - 1 new customer added
- **Transport Up 5% QoQ, Contributes 39% (LQ 38%)**
  - Scale up in top clients
  - 2 new clients added
- **Manufacturing Down 15% QoQ, Contributes 6% (LQ 7%)**
  - Closure of existing project
- **Government Up 34% QoQ, Contributes 7% (LQ 5%)**
  - BSF commissioning done and INR 42 Crores collected
  - 1 new state acquired for CCTNS program

- NIIT Technologies featured in the Leaders category in the '2012 Global Outsourcing 100 service providers' list
- Recognized as a notable exception among the mid-tier vendors in Forrester's 'Changing Services Landscapes requires New Sourcing Practices 2012' report
- Pratibha K. Advani, Chief Financial Officer was recognized in the category 'Winning Edge in Corporate Governance/Financial Control', in The CFO100 2012 'Roll of Honour List'

# Consolidated Qtrly Income Statement

Particulars (INR Mn)	Q4FY12	Q3FY12	QoQ%	Q4FY11	YoY%
<b>Gross Revenues</b>	<b>4,435</b>	<b>4,330</b>	<b>2.4%</b>	<b>3,157</b>	<b>40.5%</b>
Direct Cost	2,824	2,736	3.2%	1,897	48.9%
<b>Gross Profit</b>	<b>1,611</b>	<b>1,594</b>	<b>1.1%</b>	<b>1,260</b>	<b>27.9%</b>
GM%	36.3%	36.8%	-47 Bps	39.9%	-359 Bps
Selling / General And Administration	867	814	6.5%	613	41.4%
<b>SG&amp;A to Revenue %</b>	<b>19.5%</b>	<b>18.8%</b>	<b>75 Bps</b>	<b>19.4%</b>	<b>13 Bps</b>
<b>Operating Profit</b>	<b>745</b>	<b>780</b>	<b>-4.5%</b>	<b>648</b>	<b>15.0%</b>
OM%	16.8%	18.0%	-122 Bps	20.5%	-372 Bps
Depreciation and Amortization	111	92	20.5%	92	21.0%
Other Income (net)	(46)	174	-126.6%	21	-324.5%
<b>Profit Before Tax</b>	<b>588</b>	<b>863</b>	<b>-31.9%</b>	<b>577</b>	<b>1.9%</b>
PBT %	13.2%	19.9%	-667 Bps	18.3%	-502 Bps
Provision for Tax	111	224	-50.6%	66	66.7%
Minority Interest	15	(2)	-969.2%	10	40.6%
<b>Profit After Tax (after Minority Int.)</b>	<b>462</b>	<b>640</b>	<b>-27.8%</b>	<b>500</b>	<b>-7.5%</b>
PAT%	10.4%	14.8%	-436 Bps	15.8%	-541 Bps
<b>EPS - INR</b>					
Basic	7.76	10.77	-27.9%	8.49	-8.5%

- QoQ operating margins decline due to depreciation of all major currencies
- QoQ higher depreciation due to capitalization of a floor in Greater Noida
- QoQ decrease in tax expenses in Q4 as a result of recognition of DTA
- Net Profits down due to revaluation of foreign currency assets and liabilities

# Annual Income Statement

Particulars (INR Mn.)	FY 12	FY 11	YoY%
<b>Gross Revenues</b>	<b>15,765</b>	<b>12,323</b>	<b>27.9%</b>
Direct Cost	9,877	7,768	27.2%
<b>Gross Profit</b>	<b>5,888</b>	<b>4,555</b>	<b>29.3%</b>
GM%	37.4%	37.0%	39 Bps
Selling / General And Administration SG&A to Revenue %	3,204 <b>20.3%</b>	2,151 <b>17.5%</b>	48.9% <b>287 Bps</b>
<b>Operating Profit</b>	<b>2,684</b>	<b>2,404</b>	11.7%
OM%	17.0%	19.5%	-248 Bps
Depreciation and Amortization	364	315	15.9%
Other Income (net)	282	88	220.3%
<b>Profit Before Tax</b>	<b>2,602</b>	<b>2,177</b>	<b>19.5%</b>
PBT %	16.5%	17.7%	-117 Bps
Provision for Tax	638	323	97.4%
Minority Interest	(8)	32	-125.0%
<b>Profit After Tax (after Minority Int.)</b>	<b>1,972</b>	<b>1,822</b>	<b>8.2%</b>
PAT%	12.5%	14.8%	-228 Bps
<b>EPS - INR</b>			
Basic	33.21	30.91	7.4%

- Revenue growth on back of large engagements and growth in top accounts
- Lower operating margins mainly due to one time and transition expenses in transformational deals
- Lower net margins due to higher taxes as a result of sun-set of tax holiday



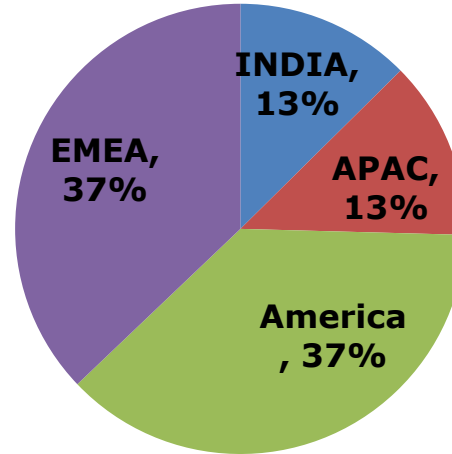
# Balance Sheet

Particulars	As at Mar 31 2012	As at Dec 31 2011	As at Mar 31 2011	Particulars	As at Mar 31 2012	As at Dec 31 2011	As at Mar 31 2011
Equity	596	594	593	Net Block	4,231	3,931	1,893
Reserves & Surplus	8,505	8,482	6,885	Capital Work in Progress	2	233	1,437
Share Application Money	-	16	-	<b>-Current Assets</b>			
ESO Outstanding	-	4	-	Cash and Cash Equivalent	2,871	2,083	1,637
<b>NET Worth</b>	<b>9,101</b>	<b>9,096</b>	<b>7,478</b>	Debtors	3,492	3,689	2,871
Borrowings	506	599	110	Other Current Assets	2,459	2,532	2,157
Minority Interest	123	121	43	Current Liabilities	(3,533)	(2,865)	(2,508)
				Deferred Tax Assets	207	213	143
	<b>9,730</b>	<b>9,816</b>	<b>7,631</b>		<b>9,730</b>	<b>9,816</b>	<b>7,631</b>

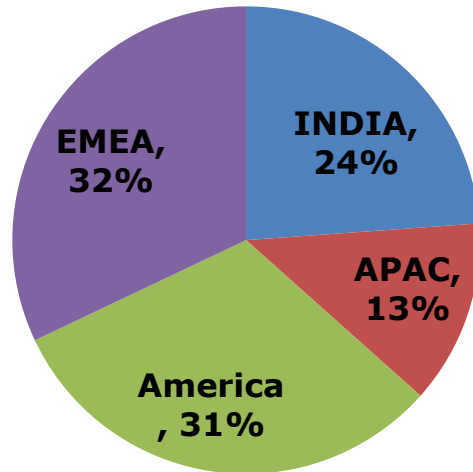
• Loans includes: GBP denominated loan – INR 407 Mn, Working Capital loan in Spain – INR 16 Mn

• DSO – 81 (LY – 85)  
 • Capex during the year – INR 1126 Mn: (*Capacity build-up – INR 297 Mn, Acquisition – INR 366 Mn, BAU – 463 Mn*)

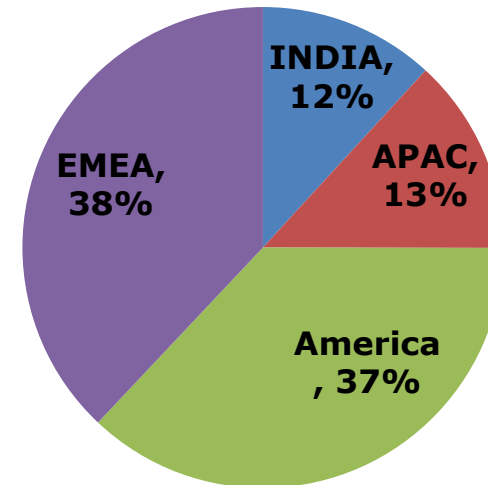
### Q4'12



### FY'11



### FY'12



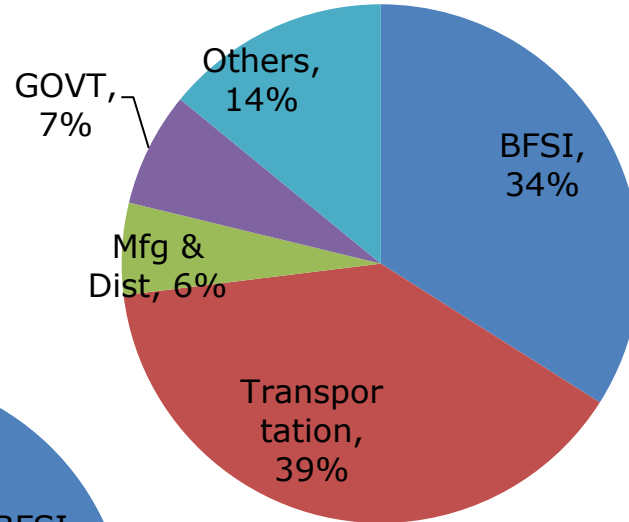
#### Q4FY12

- Growth in US and APAC
- Q-o-Q growth in India

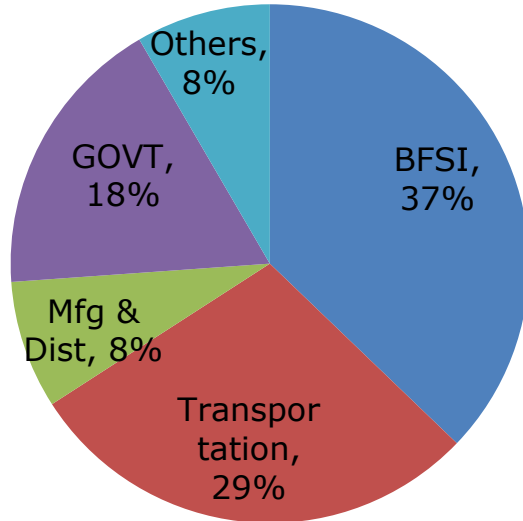
#### FY12

- Strong growth in international geographies
- Decline in India

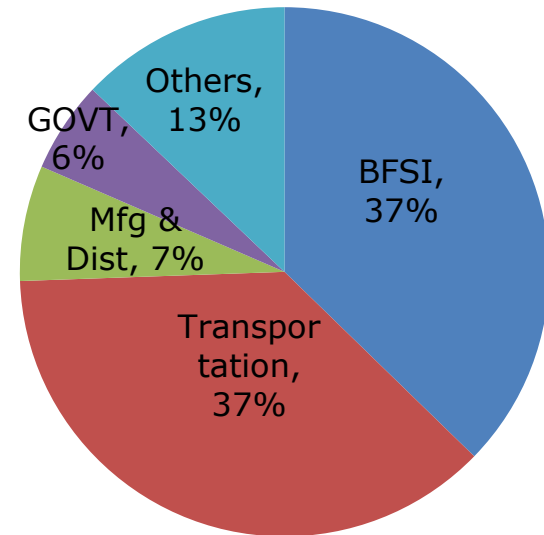
### Q4'12



### FY11



### FY12



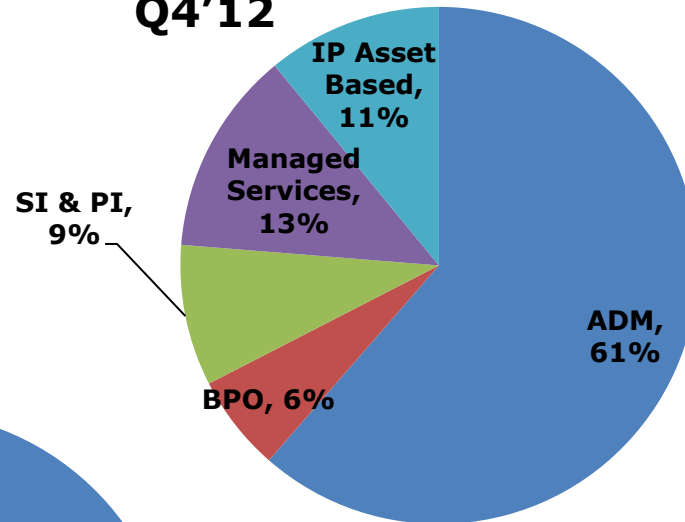
### Q4FY12

- Strong growth in TTL
- Q-o-Q growth in Govt
- Y-o-Y growth in BFSI and Q-o-Q decline

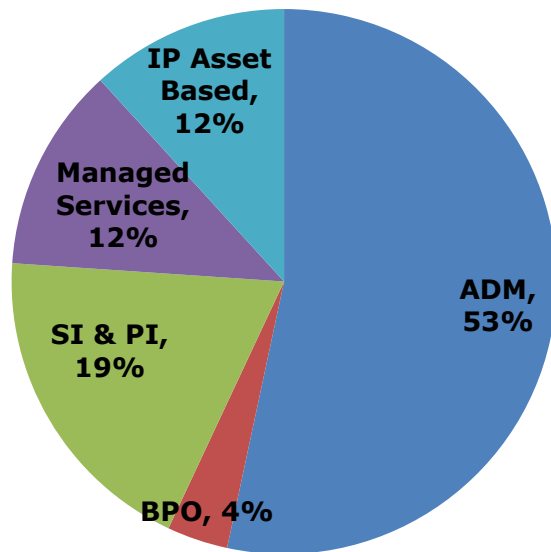
### FY12

- Strong growth in TTL
- Growth in BFSI

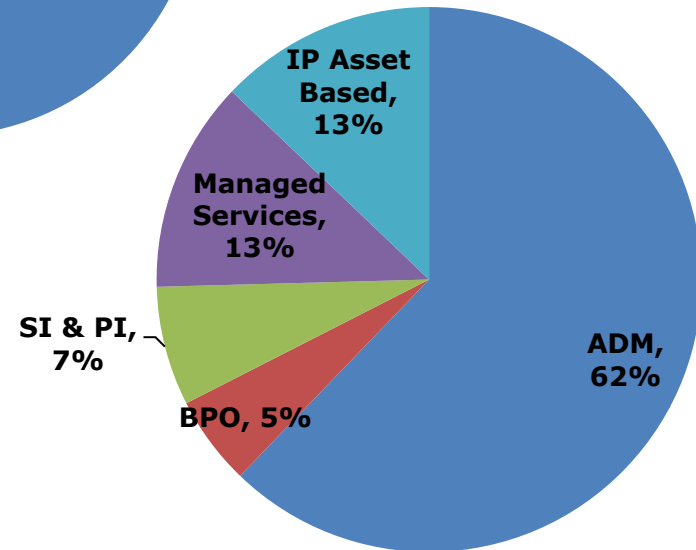
**Q4'12**



**FY'11**



**FY'12**

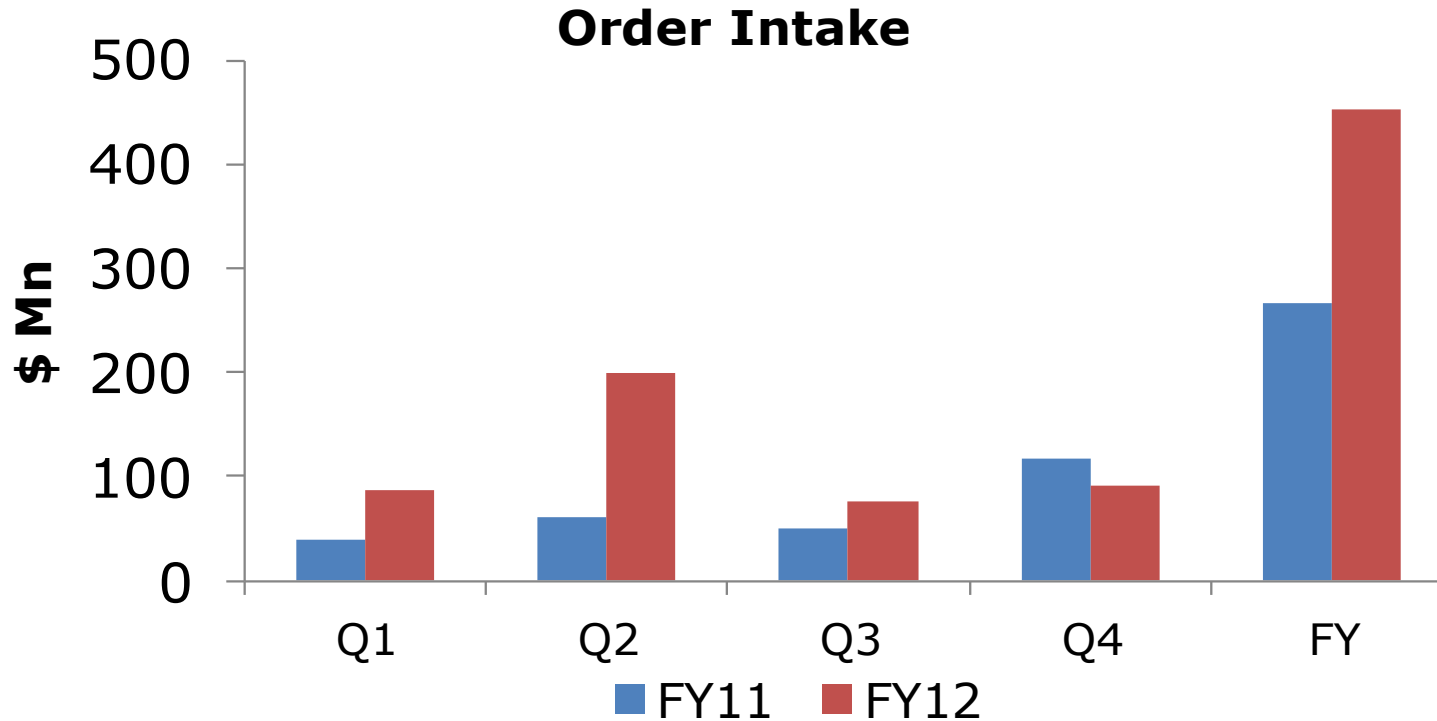


**Q4FY12**

- Y-o-Y growth in ADM
- Strong growth in MS, SI & PI
- Q-o-Q decline in IP Assets

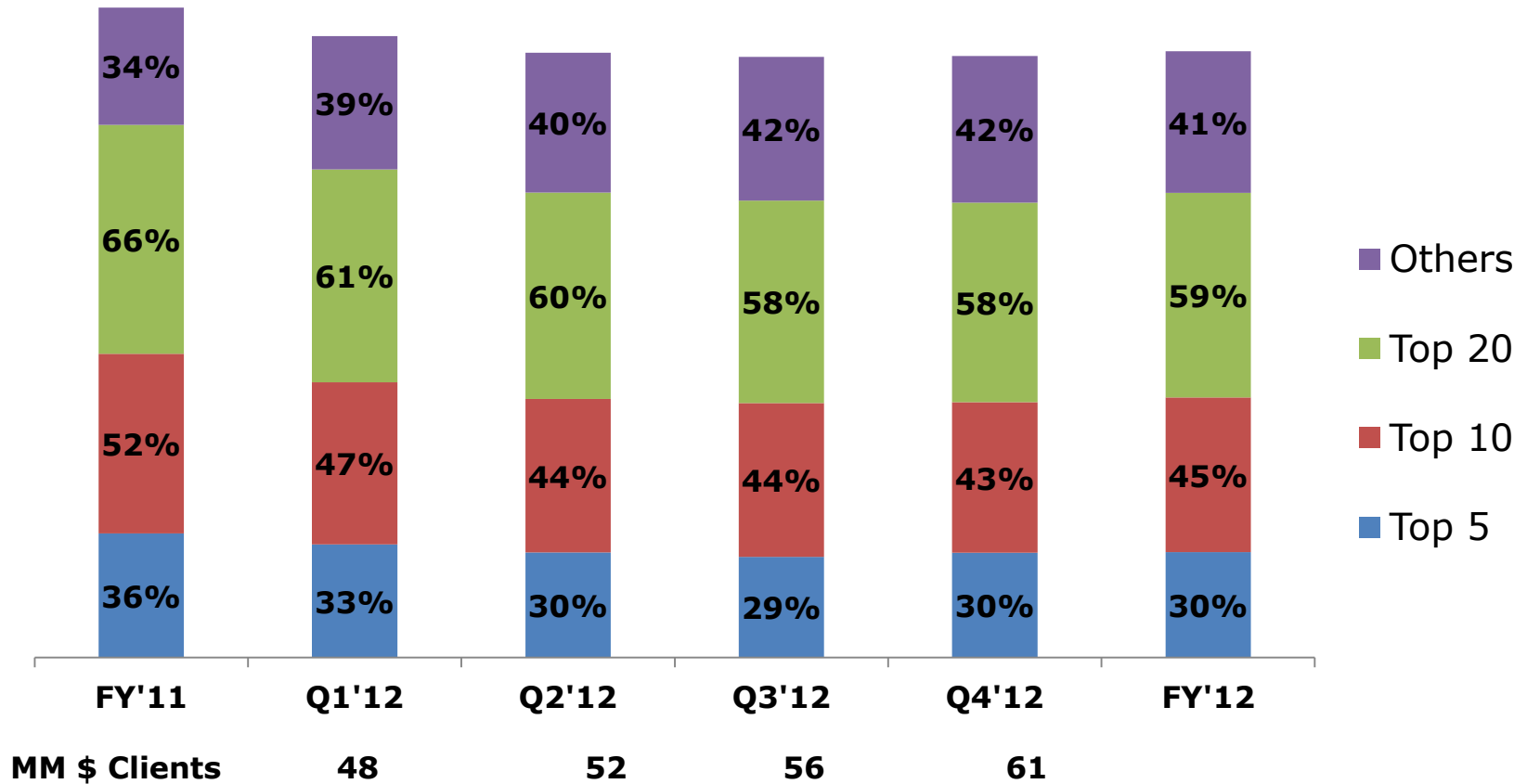
**FY12**

- Strong growth in ADM, MS and IP assets
- Decline in SI & PI



- 4 new customers added during the quarter
- \$92 Mn order intake in the quarter leading to \$243 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (35 Mn), EMEA (17 Mn), ROW (40Mn)

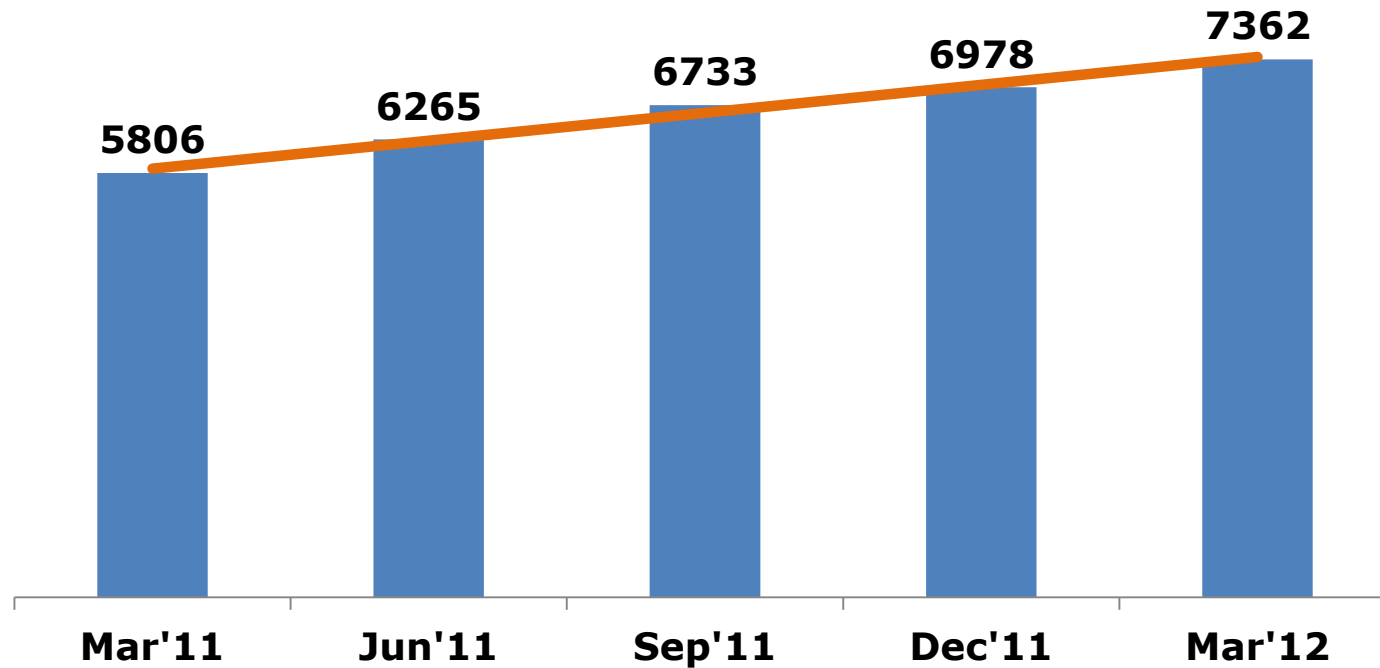
# Top Client Mix



**Sequential increase in Million \$ Clients**

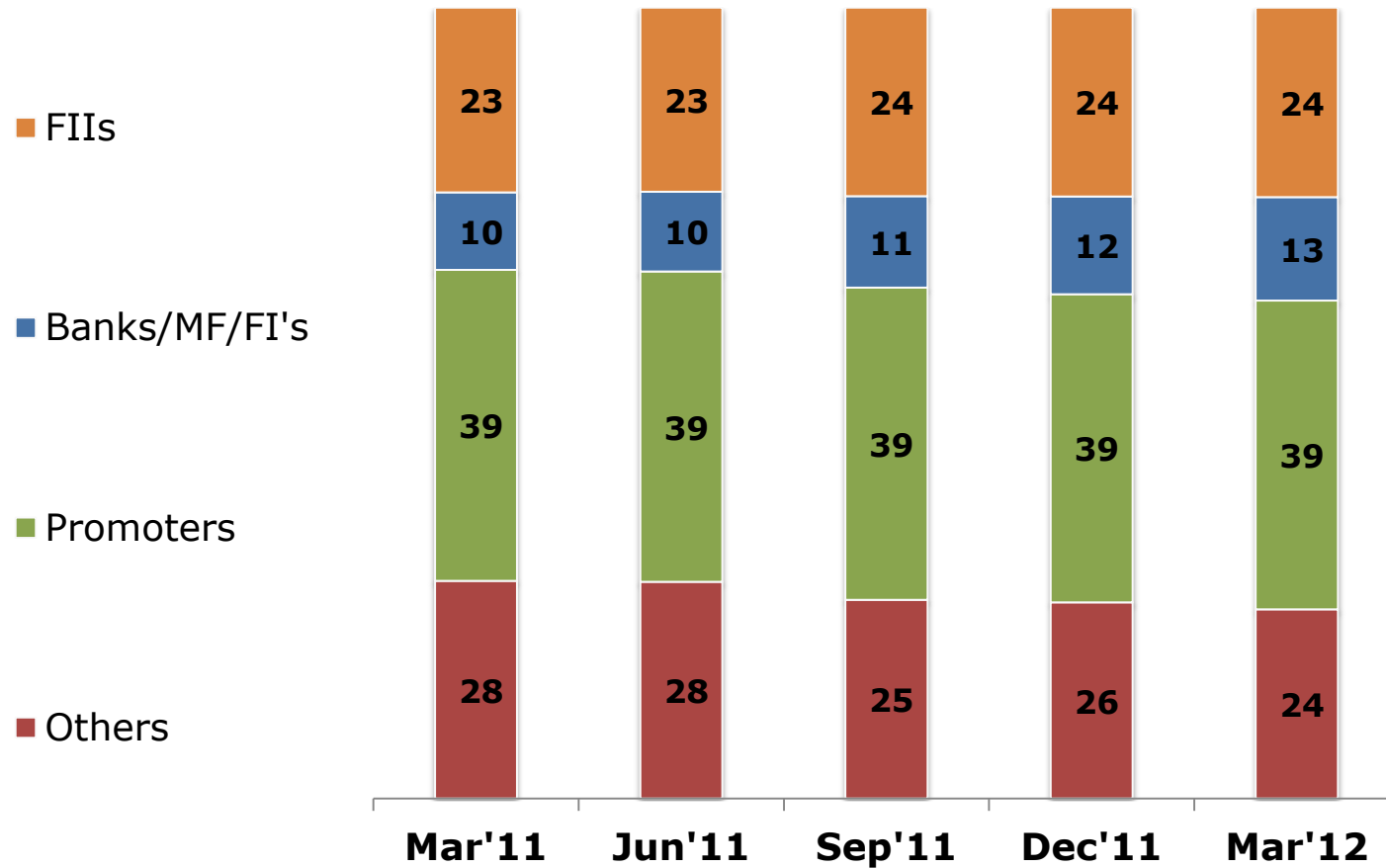


## People Data



	Mar'11	Jun'11	Sep'11	Dec'11	Mar'12
Net Additions	448	459	468	245	384
Attrition%	17.51%	15.75%	13.25%	12.46%	12.08%
Utilization	83.60%	79.64%	82.46%	80.17%	79.00%

# Shareholding Pattern





# Thank You

