NIIT Technologies

Financial Performance – Q1FY14
Outline

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- Shareholding Pattern
Financial Highlights – Q1FY14

- Consolidated Revenues at Rs 5419 Mn
  - Up 0.9% QoQ, Up 15.4% YoY
  - Flat QoQ constant currency growth

- Operating profits at Rs 782 Mn
  - Down 11.5% QoQ, Up 4.1% YoY
  - Operating Margins at 14.4%, Down 202 bps QoQ, Down 156 bps YoY

- Net Profits at Rs 532 Mn
  - Down 5.9% QoQ, Down 7.5% YoY
  - Other income gain of 206 Mn (LQ loss 14 Mn)
  - Net Margins at 9.8%, Down 71 bps QoQ, Down 248 bps YoY
  - Effective Tax Rate at 35.2% of PBT

- Order intake of $145 Mn
Business Highlights for Q1FY14

- **BFSI Up 0.8% QoQ, Contributes 30% (LQ 31%)**
  - Growth in top accounts in BFS offset by drop in revenues from insurance accounts

- **Transport Down 2.8% QoQ, Contributes 36% (LQ 37%)**
  - Weakness in Europe
  - $15 Mn+ renewal from existing client in USA
  - $60 Mn+ contract from Airport Authority of India
  - 4 additional new clients besides AAI

- **Manufacturing Up 4.4% QoQ, Contributes 6% (LQ 6%)**
  - Scale up in existing accounts

- **Government Up 19% QoQ, Contributes 13% (LQ 11%)**
  - AP finance program kicked off
Acknowledgements during the Quarter

- NIIT Technologies Inc. featured in Computerworld’s 100 Best Places to Work in IT 2013 list
- NIIT Media Technologies Limited included as a case study under the Innovation and Change Management segment by University of Cambridge
- NIIT Technologies two business cases - UTICA and ASSURANT mentioned in the compendium of case studies by Novarica, a U.S based research and advisory firm specializing in insurance and banking.
## Consolidated Qtrly Income Statement

### Particulars | Q1FY14 | Q4FY13 | QoQ% | Q1FY13 | YoY%
--- | --- | --- | --- | --- | ---
**Gross Revenues** | 5,419 | 5,372 | 0.9% | 4,696 | 15.4%
  - Direct Cost | 3,669 | 3,526 | 4.1% | 3,047 | 20.4%
**Gross Profit** | 1,750 | 1,846 | -5.2% | 1,649 | 6.1%
  - GM% | 32.3% | 34.4% | -208 Bps | 35.1% | -283 Bps
  - Selling / General And Administration | 968 | 962 | 0.6% | 898 | 7.7%
  - SG&A to Revenue % | 17.9% | 17.9% | -6 Bps | 19.1% | -127 Bps
**Operating Profit** | 782 | 884 | -11.5% | 751 | 4.1%
  - OM% | 14.4% | 16.5% | -202 Bps | 16.0% | -156 Bps
  - Depreciation and Amortization | 148 | 161 | -8.1% | 126 | 17.4%
  - Other Income (net) | 206 | (14) | -1564.4% | 210 | -1.9%
**Profit Before Tax** | 840 | 709 | 18.6% | 835 | 0.7%
  - PBT % | 15.5% | 13.2% | 231 Bps | 17.8% | -228 Bps
  - Provision for Tax | 296 | 129 | 130.3% | 246 | 20.3%
  - Minority Interest | 12 | 15 | -16.8% | 13 | -5.8%
**Profit After Tax (after Minority Int.)** | 532 | 566 | -5.9% | 575 | -7.5%
  - PAT% | 9.8% | 10.5% | -71 Bps | 12.3% | -248 Bps
**EPS - INR**
  - Basic | 8.82 | 9.40 | -6.1% | 9.60 | -8.1%

- Flat constant currency revenue growth QoQ due to weakness in Europe
- Reduction in operating margins primarily due to salary hike
- Increase in tax expenses as a result of dividend tax and higher other income
### Balance Sheet

--- | --- | --- | --- | --- | --- | --- | ---
Equity | 604 | 602 | 599 | Net Block | 4,590 | 4,383 | 4,428
Reserves & Surplus | 10,961 | 10,339 | 9,199 | Capital Work in Progress | 343 | 277 | 24
**NET Worth** | **11,565** | **10,941** | **9,798** | **Current Assets** | | | |
Borrowings | 89 | 92 | 422 | Cash and Cash Equivalent | 2,479 | 3,325 | 2,669
Minority Interest | 177 | 173 | 136 | Debtors | 5,822 | 4,538 | 4,118
|  |  |  | | Other Current Assets | 2,863 | 2,743 | 2,670
|  |  |  | | Current Liabilities | (4,490) | (4,182) | (3,815)
|  |  |  | | Defferred Tax Assets | 224 | 122 | 263
|  |  |  | **11,831** | **11,206** | **10,357** |

- Reserves and Surplus up 625 Mn (Profit up by INR 532 Mn, Hedge reserve down 217 Mn, CTR up 291 Mn and Share premium up 14 Mn)
- Borrowings at INR 89 Mn
- Cash and Bank Balances down by INR 846 Mn QoQ due to increase in working capital gap
- DSO – 98 (LQ – 82)
- Capex during the Qtr – INR 300 Mn including GNIDA spend of INR 66 Mn
Q1FY14
- Growth in USA and RoW
- Decline in Europe
Q1FY14
• Growth in BFSI and Manufacturing
• Decline in TTL due to weakness in Europe
• Strong growth in Govt segment
Q1FY14
- Strong growth in Non-Linear revenues to 24%
- Growth in SI&PI
- Decline in ADM
• 5 new customers added during the quarter in Travel Vertical
• $145 Mn order intake in the quarter leading to $263 Mn of firm business executable over next 12 months
• Geographical breakdown of order intake – US (44 Mn), EMEA (26 Mn), RoW (75 Mn)
Top Client Mix

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<td>Top 10</td>
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<td>65%</td>
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Q4'13 vs Q1'14
Shareholding Pattern

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<td>Others</td>
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<td>Promoters</td>
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<td>Banks/MF/FI's</td>
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<td>17%</td>
<td>18%</td>
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<tr>
<td>FIIs</td>
<td>23%</td>
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Thank You