

A decorative graphic consisting of several overlapping, wavy lines in shades of light blue and yellow, flowing horizontally across the upper portion of the slide.

# NIIT Technologies

## Financial Performance – Q2FY14

Oct 15, 2013

# Outline

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

# Financial Highlights – Q2FY14

- **Consolidated Revenues at Rs 5873 Mn**
  - Up 8.4% QoQ, Up 17.4% YoY
  - 0.3% QoQ constant currency growth
- **Operating profits at Rs 886 Mn**
  - Up 13.2% QoQ, Up 4.4% YoY
  - Operating Margins at 15.1%, Up 65 bps QoQ, Down 188 bps YoY
- **Net Profits at Rs 624 Mn**
  - Up 17.2% QoQ, Up 44.7% YoY
  - Other income gain of 182 Mn
  - Net Margins at 10.6%, Up 80 bps QoQ, Up 200 bps YoY
  - Effective Tax Rate at 29.5% of PBT
- **Order intake of \$84 Mn**

# Business Highlights for Q2FY14

- BFSI Up 16% QoQ, Contributes 33% (LQ 30%)
  - ❑ Traction in the US
- Transport Up 13% QoQ, Contributes 37% (LQ 36%)
  - ❑ 3 new clients added in EMEA region
  - ❑ Renewals with large client
- Manufacturing/Distt. Up 5% QoQ, Contributes 6% (LQ 7%)
  - ❑ Scale up in international accounts offset by drop in accounts in India due to seasonality
- Government Down 19% QoQ, Contributes 10.0% (LQ 13.4%)
  - ❑ Jharkhand and Tamil Nadu CCTNS Go-Live

# Acknowledgements during the Quarter

- NIIT Technologies listed in the Forbes Asia's 200 Best under a Billion Companies
- Recognised for its Excellence in Training at Asia's Best Employer Brand Awards 2013
- NIIT Technologies' Progress, the Career Mobility centre acknowledged as the Innovation in Career Development at Asia's Best Employer Brand Awards 2013
- Spectrum won Best-in-house magazine award at CMO Asia Awards For Excellence in Branding and Marketing 2013 awards
- Received Asia's Most Promising Brand Award by World Consulting and Research Corporation
- Arvind Mehrotra, President Asia & Australia received Leadership Award from eIndia 2013 and "Business Leader of the Year" from World Consulting and Research Corporation

# Consolidated Qtrly Income Statement

INR Mn.

Particulars (INR Mn)	Q2FY14	Q1FY14	QoQ%	Q2FY13	YoY%
<b>Gross Revenues</b>	<b>5,873</b>	<b>5,419</b>	<b>8.4%</b>	<b>5,001</b>	<b>17.4%</b>
Direct Cost	3,893	3,669	6.1%	3,203	21.6%
<b>Gross Profit</b>	<b>1,980</b>	<b>1,750</b>	<b>13.1%</b>	<b>1,798</b>	<b>10.1%</b>
GM%	33.7%	32.3%	142 Bps	36.0%	-224 Bps
Selling / General And Administration	1,094	968	13.1%	950	15.2%
<b>SG&amp;A to Revenue %</b>	<b>18.6%</b>	<b>17.9%</b>	78 Bps	<b>19.0%</b>	-37 Bps
<b>Operating Profit</b>	<b>886</b>	<b>782</b>	<b>13.2%</b>	<b>848</b>	<b>4.4%</b>
OM%	15.1%	14.4%	65 Bps	17.0%	-188 Bps
Depreciation and Amortization	155	148	4.7%	138	12.2%
Other Income (net)	182	206	-11.6%	(115)	-258.4%
<b>Profit Before Tax</b>	<b>913</b>	<b>840</b>	<b>8.7%</b>	<b>595</b>	<b>53.4%</b>
PBT %	15.5%	15.5%	4 Bps	11.9%	365 Bps
Provision for Tax	269	296	-9.1%	146	84.2%
Minority Interest	20	12	64.2%	18	11.7%
<b>Profit After Tax (after Minority Int.)</b>	<b>624</b>	<b>532</b>	<b>17.2%</b>	<b>431</b>	<b>44.7%</b>
PAT%	10.6%	9.8%	80 Bps	8.6%	200 Bps
<b>EPS - INR</b>					
Basic	10.33	8.82	17.1%	7.18	43.9%

- Improvement in operating margins due to better utilization and currency benefit
- Higher other income on account of revaluation of foreign currency assets and liabilities

# Balance Sheet

INR Mn.

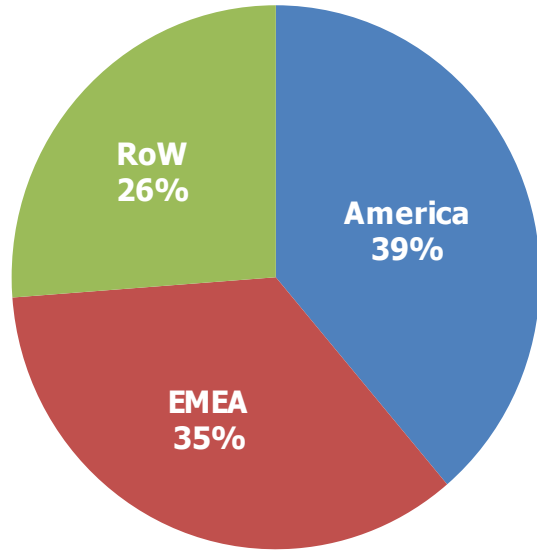
Particulars	As at Sep 30 2013	As at Jun 30 2013	As at Sep 31 2012	Particulars	As at Sep 30 2013	As at Jun 30 2013	As at Sep 31 2012
Equity	604	604	601	Net Block	4,690	4,590	4,431
Reserves & Surplus	11,797	10,961	9,692	Capital Work in Progress	436	343	35
<b>NET Worth</b>	<b>12,401</b>	<b>11,565</b>	<b>10,293</b>	<b>Current Assets</b>			
Borrowings	281	89	307	Cash and Cash Equivalent	2,120	2,479	2,320
Minority Interest	197	177	154	Debtors	5,987	5,822	4,079
				Other Current Assets	3,269	2,863	2,633
				Current Liabilities	(3,897)	(4,490)	(2,936)
				Defferred Tax Assets	274	224	192
	<b>12,879</b>	<b>11,831</b>	<b>10,754</b>		<b>12,879</b>	<b>11,831</b>	<b>10,754</b>

- Reserves and Surplus up 836 Mn (Profit up by INR 624 Mn, Hedge reserve down 109 Mn, CTR up 308 Mn and Share premium up 15 Mn)
- Borrowings at INR 281 Mn

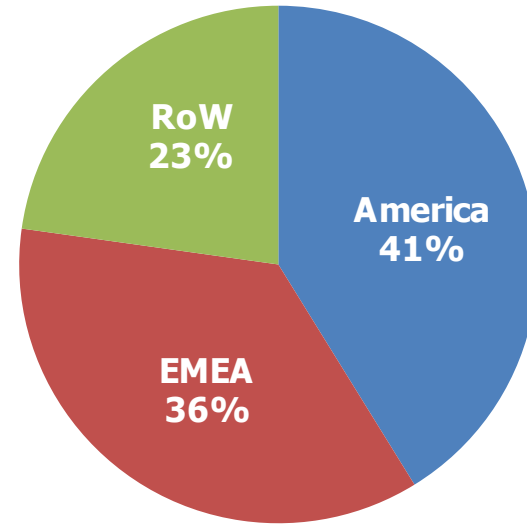
- Cash and Bank Balances down by INR 359 Mn QoQ due to payment of dividend and DT of INR 542 Mn
- DSO – 100
- Capex during the Qtr – INR 196 Mn including GNIDA spend of INR 78 Mn

# Geography Mix

**Q1 FY'14**



**Q2 FY'14**



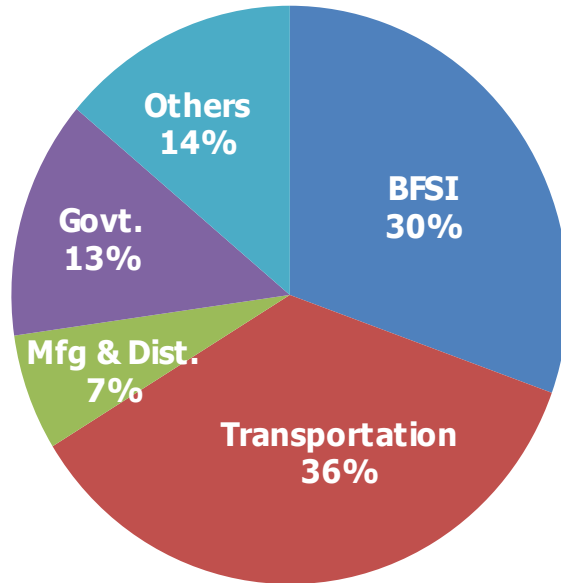
## Q2FY14

- Growth in US and EMEA
- Decline in RoW

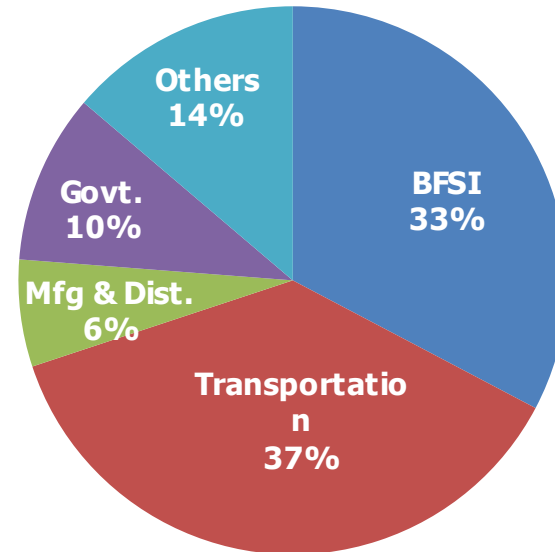


# Vertical Mix

**Q1 FY'14**



**Q2 FY'14**

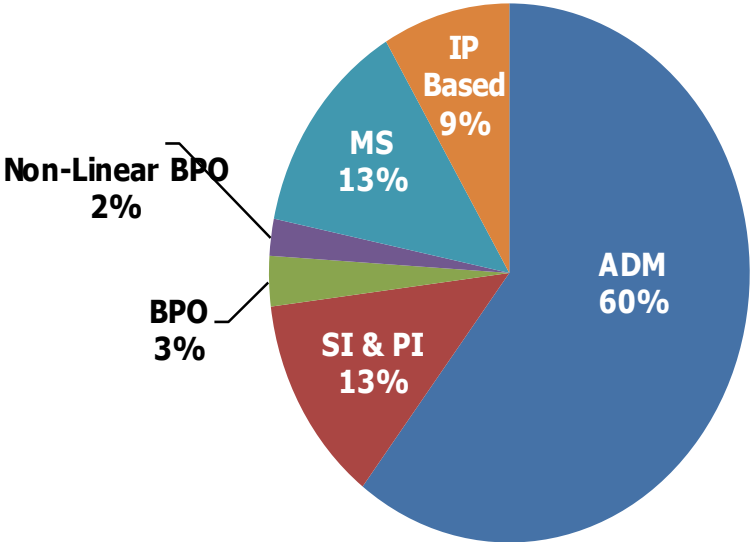


## Q2FY14

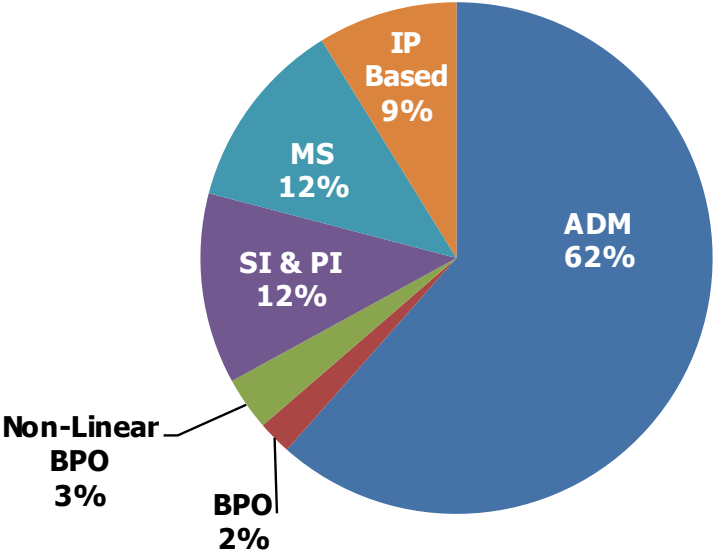
- Growth in BFSI and TTL
- Decline in Govt segment

# Service Mix

Q1 FY'14



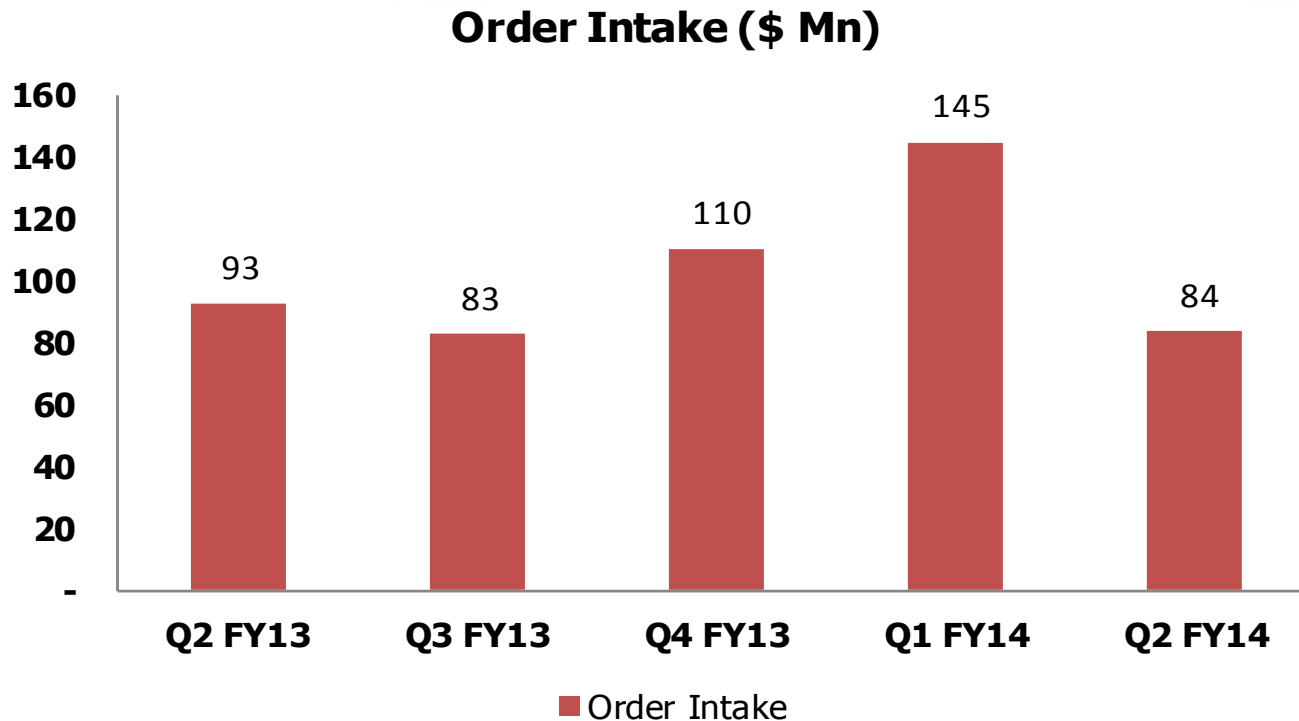
Q2 FY'14



Q2FY14

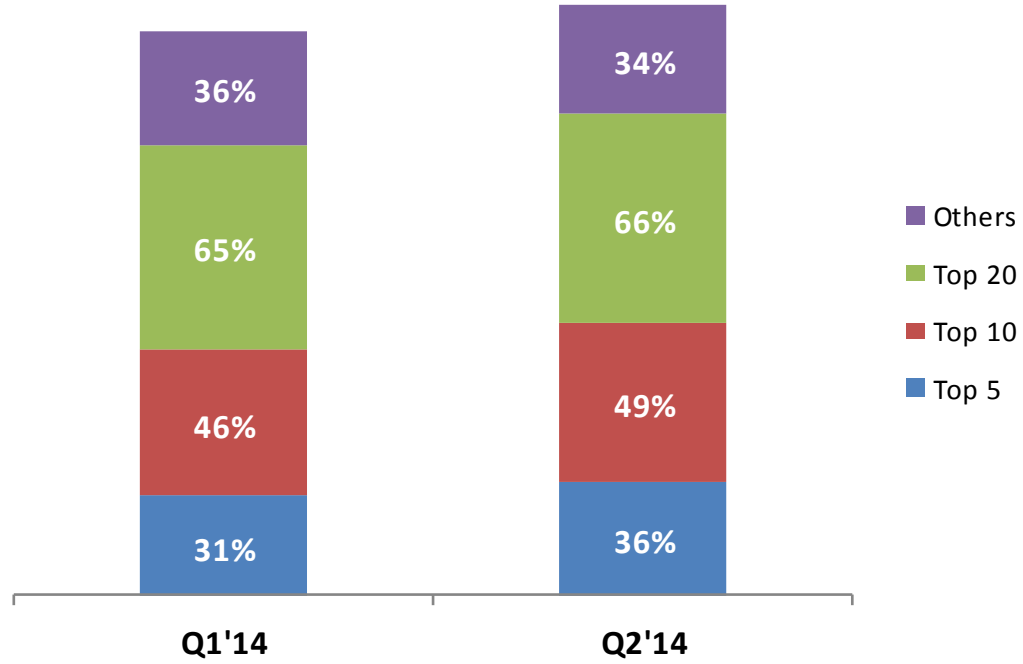
- Growth in ADM and Non-Linear BPO
- Decline in MS

# Order Intake



- 3 new customers added during the quarter in Travel Vertical
- \$84 Mn order intake in the quarter leading to \$248 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (16 Mn), EMEA (51 Mn), ROW (17 Mn)

# Top Client Mix



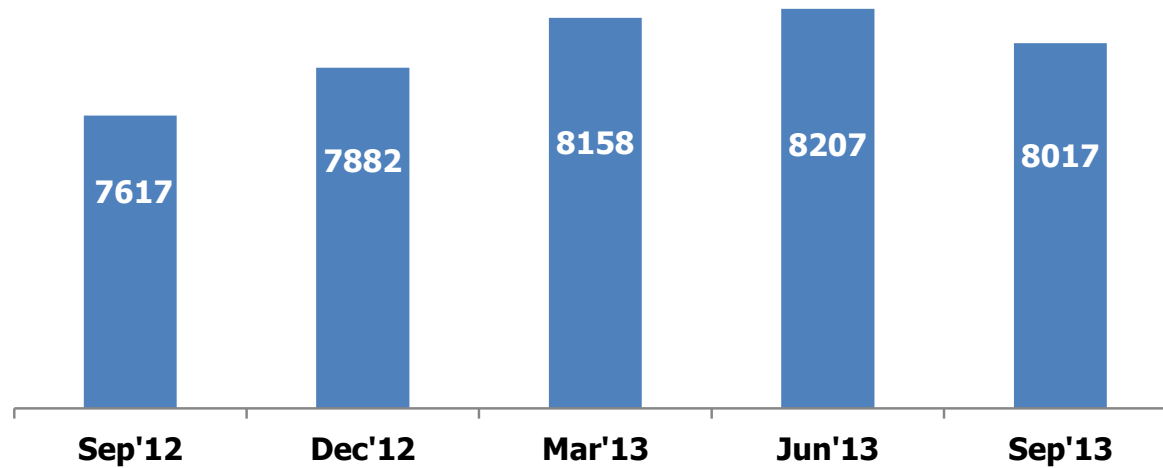
**MM \$ Clients**

**68**

**67**

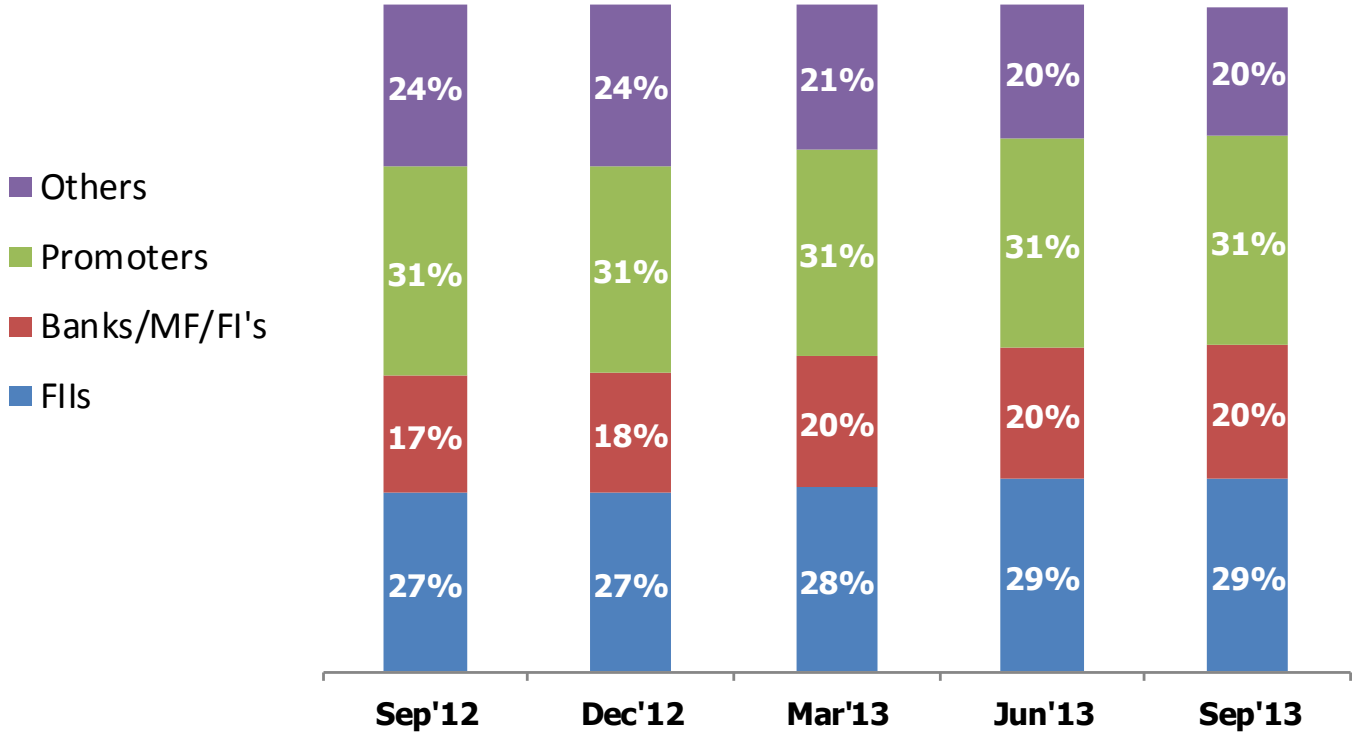
# People Resources

## People Data



	Sep'12	Dec'12	Mar'13	Jun'13	Sep'13
Net Additions	173	265	276	49	-190
Attrition%	12.67%	12.51%	12.21%	12.36%	12.44%
Utilization	79.80%	78.44%	78.24%	77.30%	80.30%

# Shareholding Pattern





# Thank You