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NIIT Technologies

Financial Performance – Q2FY15

October 15, 2014

Outline

- Financial Highlights

- Business Update

- Financial Statements
 - Income Statement
 - Balance Sheet

- Business Analysis

Financial Highlights for Q2 FY15

- **Consolidated Revenues at INR 5,883 Mn**
 - Up 1.9% QoQ, Up 0.2% YoY
 - International revenues Up 5.6%
 - Hedge Gain of INR 96 Mn
 - In constant currency revenues down 0.8% QoQ, Services Revenue up 2.1%
- **Operating profits at INR 822 Mn**
 - Up 6.1% QoQ, Down 7.2% YoY
 - Operating Margins at 14.0%, Up 56 bps QoQ, Down 111 bps YoY
- **Net Profits at INR 401 Mn**
 - Down 7.2% QoQ, Down 35.7% YoY
 - Net Margins at 6.8%, Down 67 bps QoQ, Down 381 bps YoY
 - Depreciation at INR 254 Mn, (LQ INR 189 Mn, LY INR 155 Mn)
 - Other Income at INR (4) Mn, (LQ INR 36 Mn, LY INR 182 Mn)
 - Effective Tax Rate at 27.2% of PBT (LQ 26.0%)
- **Order intake of \$ 103Mn**

Business Highlights for Q2 FY15

- BFSI Down 1.4% QoQ, Contributes 33% (LQ 34%)
 - Softness in US insurance
 - 1 New Client Added
- Transport Up 9.5% QoQ, Contributes 42% (LQ 39%)
 - Growth in Top accounts across all regions
 - 3 New Clients Added
- Manufacturing & Distt Down 1.3% QoQ, Contributes 7% (LQ 7%)
 - Lower revenues in due to seasonality
- Government Down 52.1% QoQ, Contributes 2.6% (LQ 5.6%)
 - Completion of build phase in CCTNS and movement to O&M
 - 1 New Client Added

+Advantage Suite Launched in London, Oct 1, 2014



Acknowledgements during the Quarter

- NIIT Technologies felicitated for outstanding contribution in infrastructure development at The Economic Times Infra Focus Summit 2014.
- Won an award for the “Best US and India Business Collaboration” at the 5th annual USA India Business Summit, Atlanta.
- Conferred with the ‘Award for Excellence in HR Through Technology’ at the 5th Asia Best Employer Brand Awards 2014.
- Recognized for “Best in Training and Organization Development” at the Asian HR Leadership Awards 2014.
- Pratibha Advani, CFO NIIT Technologies, conferred with ‘Best Woman CFO award’ at Business Today Best CFO Awards 2014.

Consolidated Quarterly Income Statement

INR Mn

Particulars (INR Mn)	Q2FY15	Q1FY15	QoQ%	Q2FY14	YoY%
Gross Revenues	5,883	5,776	1.9%	5,873	0.2%
Direct Cost	3,921	3,877	1.1%	3,893	0.7%
Gross Profit	1,963	1,899	3.4%	1,980	-0.9%
GM%	33.4%	32.9%	48 Bps	33.7%	-35 Bps
Selling / General And Administration	1,140	1,124	1.4%	1,094	4.3%
SG&A to Revenue %	19.4%	19.5%	-8 Bps	18.6%	76 Bps
Operating Profit	822	775	6.1%	886	-7.18%
OM%	14.0%	13.4%	56 Bps	15.1%	-111 Bps
Depreciation and Amortization	254	189	34.0%	155	63.7%
Other Income (net)	(4)	36	-112.0%	182	-102.3%
Profit Before Tax	564	621	-9.1%	913	-38.2%
PBT %	9.6%	10.8%	-116 Bps	15.5%	-595 Bps
Provision for Tax	154	162	-4.8%	269	-42.8%
Minority Interest	10	27	-64.9%	20	-52.0%
Profit After Tax (after Minority Int.)	401	432	-7.2%	624	-35.7%
PAT%	6.8%	7.5%	-67 Bps	10.6%	-381 Bps
EPS - INR					
Basic	6.60	7.12	-7.4%	10.33	-36.1%

- QoQ Operating margins improved due to productivity benefits along with hedge gains, which was partially offset by higher transition costs
- Increase in depreciation due to capitalization of assets in AAI post go-live
- Lower PAT due to increase in depreciation and lower other income on account of currency fluctuation

Balance Sheet

INR Mn

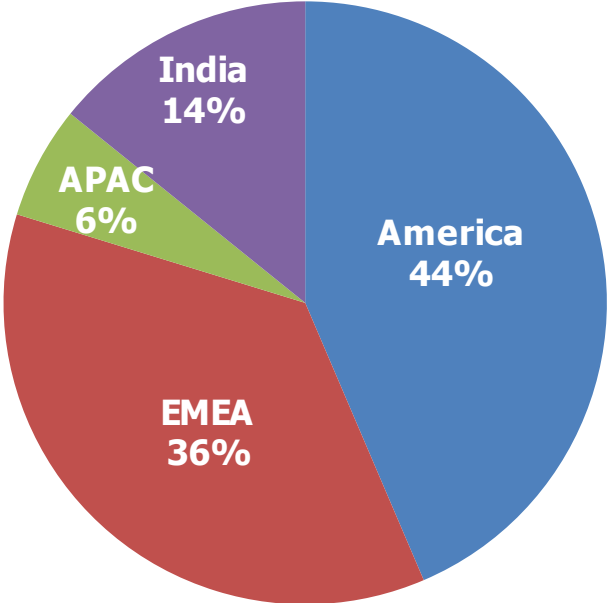
Particulars	As at Sep 30 2014	As at Jun 30 2014	As at Sep 30 2013	Particulars	As at Sep 30 2014	As at Jun 30 2014	As at Sep 30 2013
Equity	608	607	604	Net Block	5,432	5,103	4,690
Reserves & Surplus	13,510	13,127	11,797	Capital Work in Progress	1,117	1,256	436
NET Worth	14,118	13,734	12,401	Current Assets			
Borrowings	635	148	281	Cash and Cash Equivalent	2,638	1,951	2,120
Minority Interest	207	216	197	Debtors	5,780	6,105	5,987
				Other Current Assets	3,878	3,978	3,269
				Current Liabilities	(4,075)	(4,512)	(3,897)
				Deferred Tax Assets	190	217	274
	14,960	14,098	12,879		14,960	14,098	12,879

- Reserves and Surplus up 383 Mn (Profit up by INR 401Mn, CTR down by INR 14 Mn, Share premium up by 14 Mn, Hedge reserve down by INR 15 Mn)
- Borrowings up by INR 487 Mn due to working capital loan.

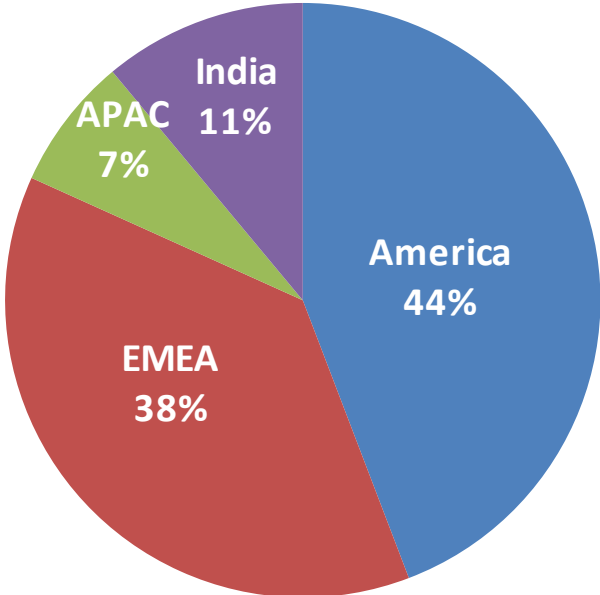
- DSO – 90 (LQ 95 days)
- Capex during the Qtr – INR 478 Mn (GNIDA – 76 Mn, AAI – 234 Mn, BAU – 168 mn)

Geographic Revenue Mix

Q1 FY'15



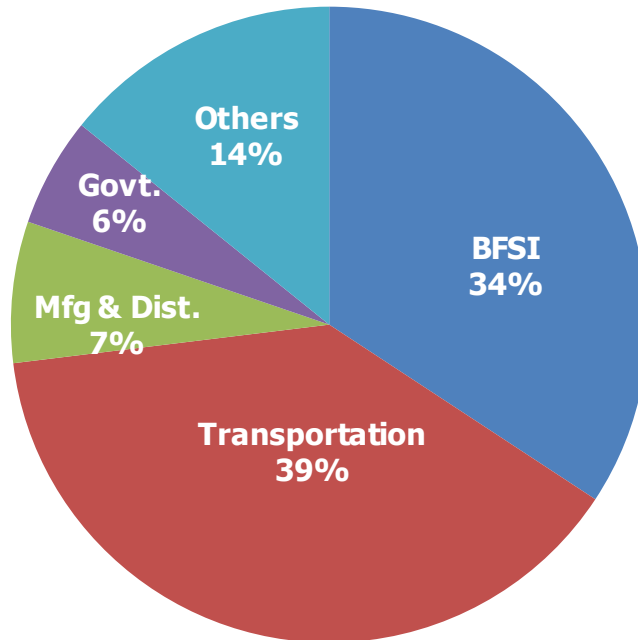
Q2 FY'15



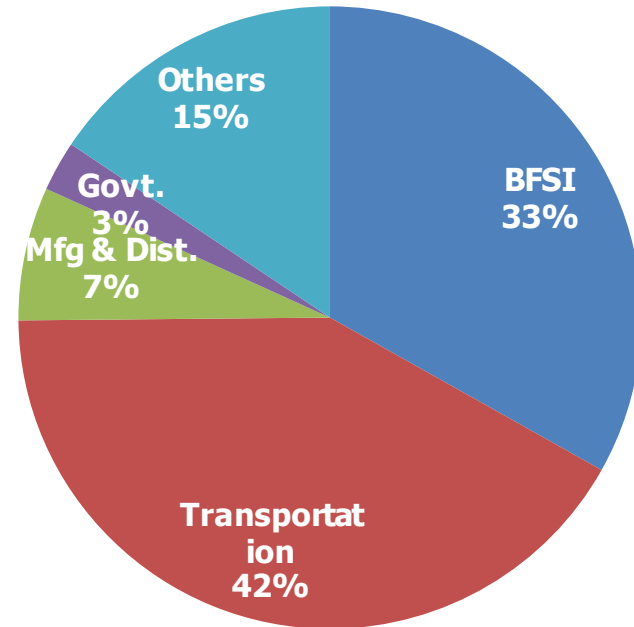
- Americas mix remains unchanged. Growth in Transportation offset by softness in insurance.
- EMEA mix improved due to growth in UK and Continent
- Decline in India due to lower revenues from India Gov

Vertical Mix

Q1 FY'15



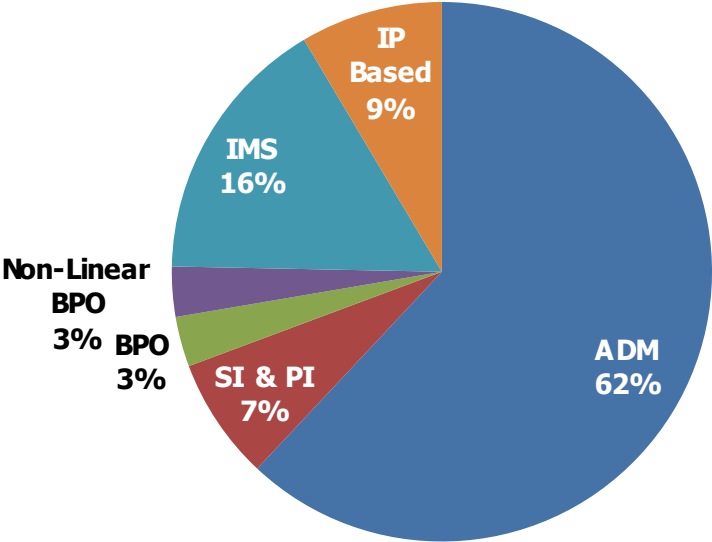
Q2 FY'15



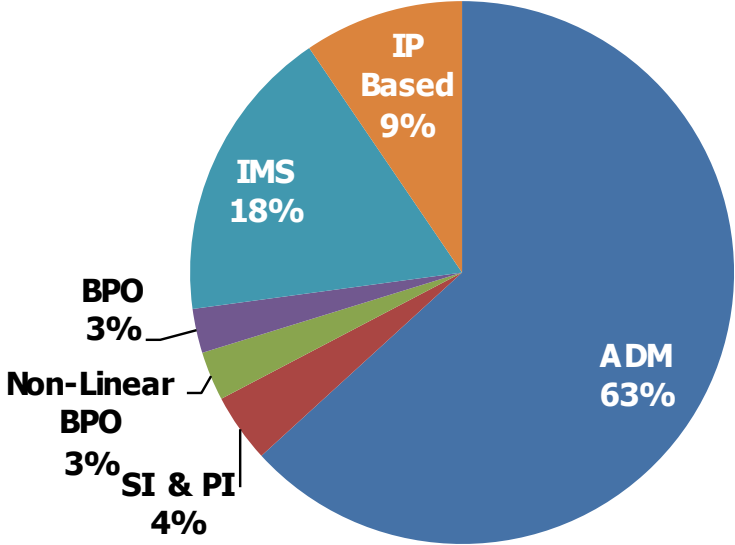
- BFSI declined because of softness in insurance in the US
- Increase in Transport due to new business execution and growth in Top accounts across all Geos
- Government declined due to movement from build to O&M phase in CCTNS

Service Mix

Q1 FY'15

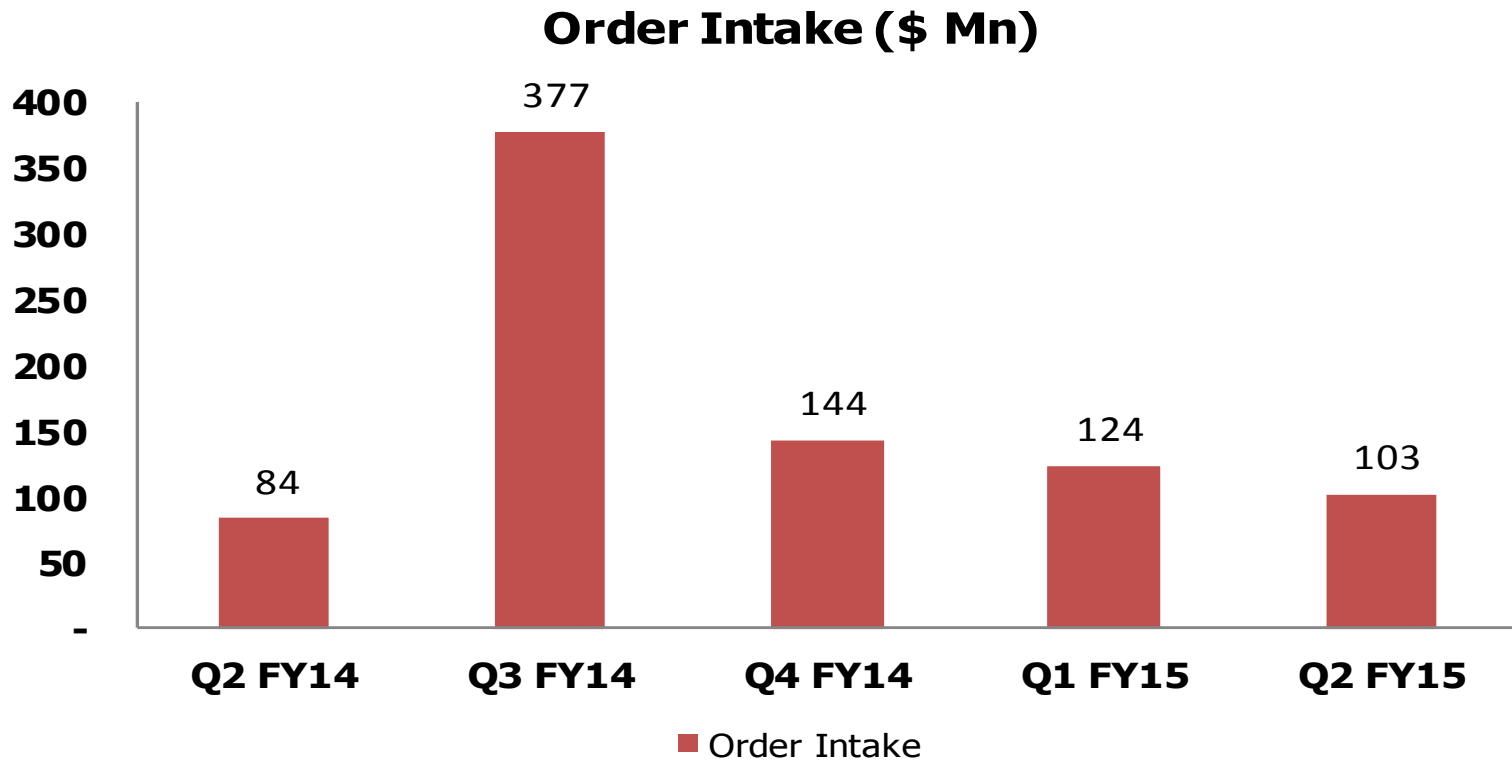


Q2 FY'15



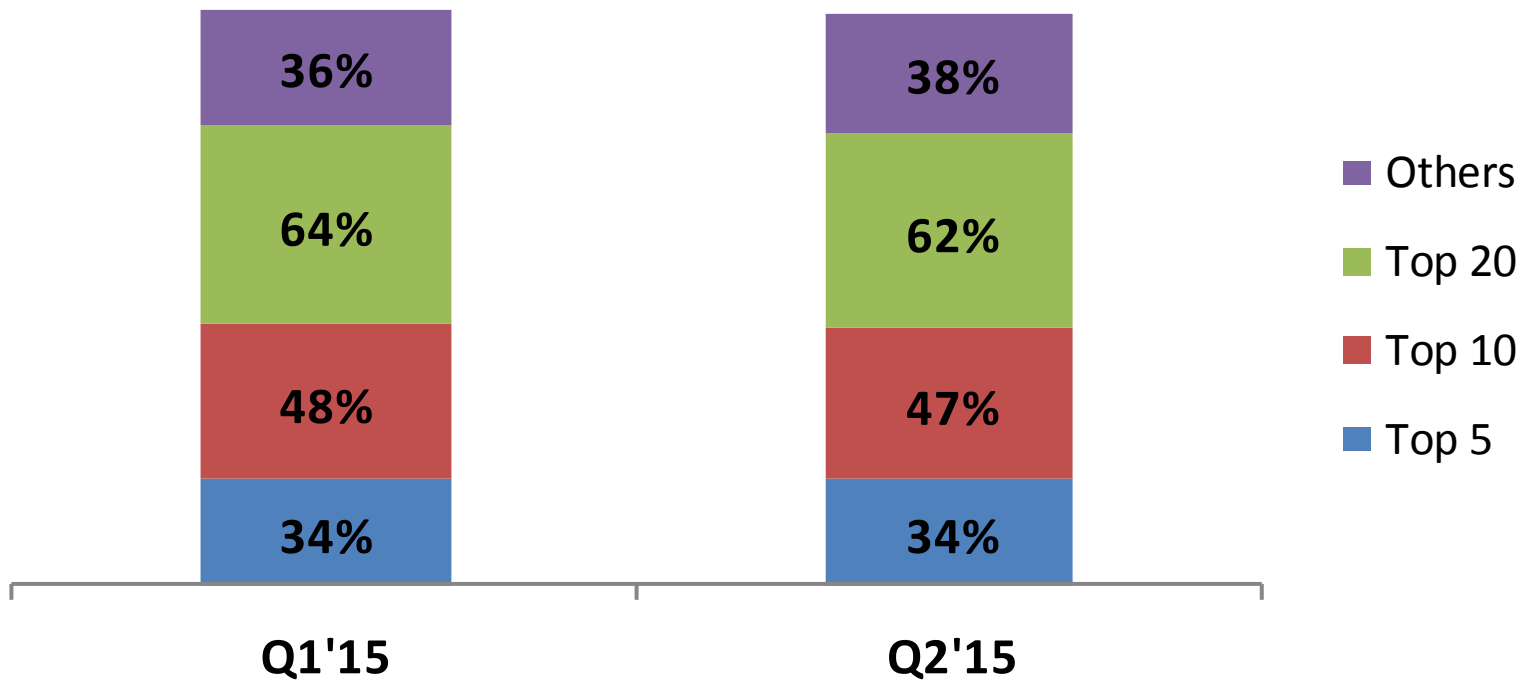
- Growth in Transportation contributed to growth in ADM
- New engagements in US contributed to increase in IMS
- SI & PI reduced due to movement from build to O&M phase in CCTNS

Order Intake



- 5 new customers added during the quarter (Transport – 3, Insurance – 1, Gov – 1)
- \$103 Mn order intake in the quarter leading to \$298 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (46 Mn), EMEA (21 Mn), ROW (36 Mn)

Top Client Mix



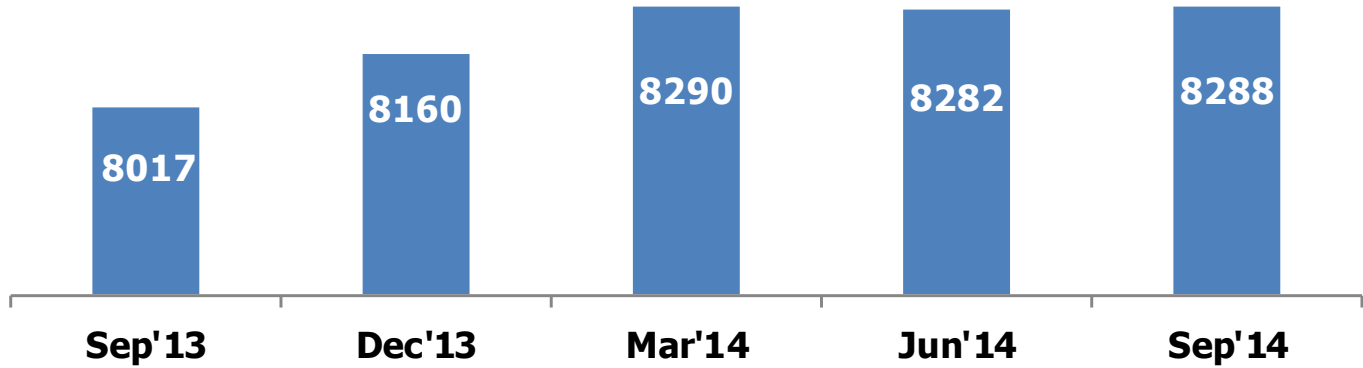
\$ Mn clients

64

63

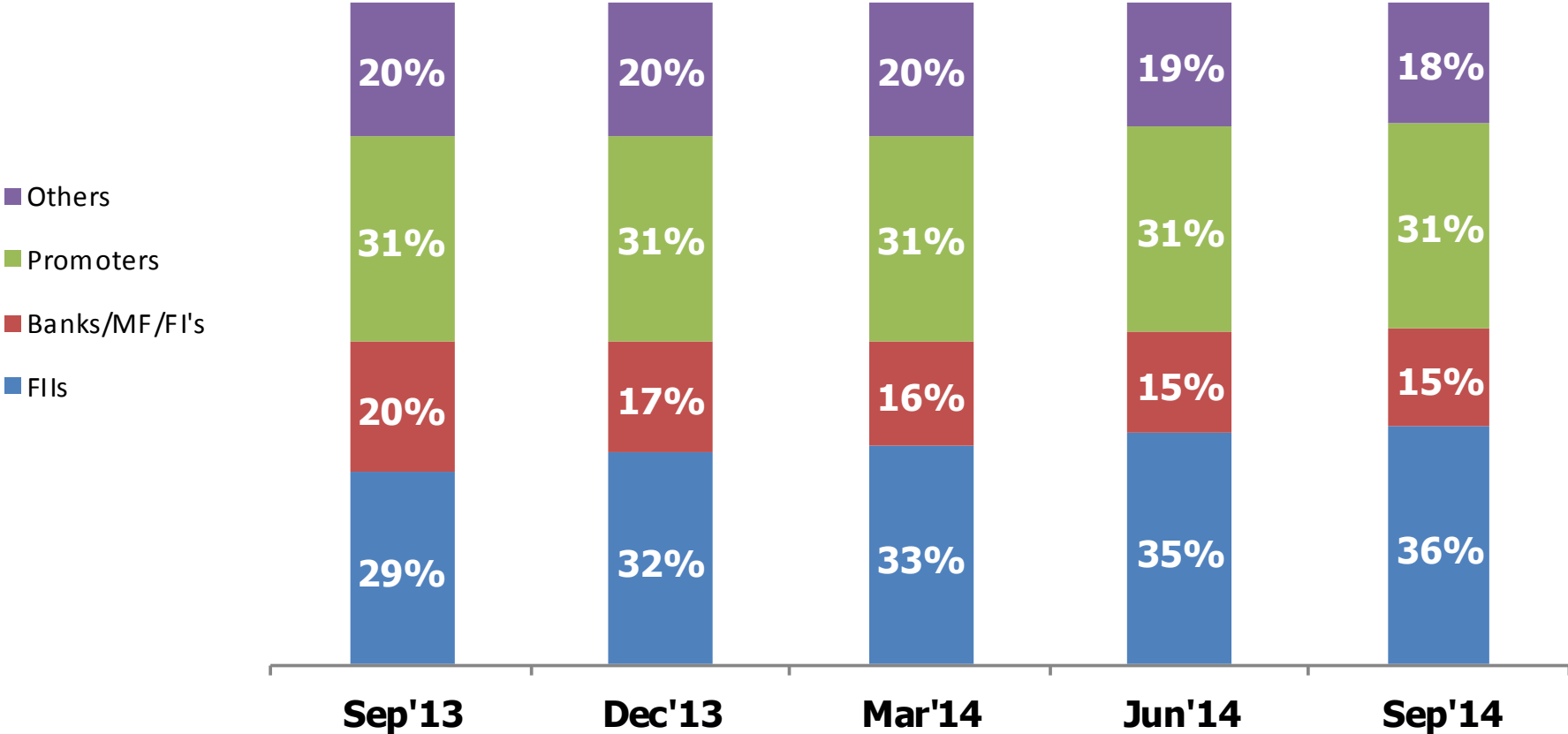
People Resources

People Data



	Sep'13	Dec'13	Mar'14	Jun'14	Sep'14
Net Additions	-190	143	130	-8	6
Attrition%	12.44%	13.37%	14.37%	15.40%	15.83%
Utilization	80.30%	78.40%	77.30%	78.03%	78.60%

Shareholding Pattern





Thank You