



FINANCIAL RESULTS

Q1 FY17

July 26, 2016

- Global geo-political and economic uncertainty continues. Britain's surprise vote to leave the European Union weighs on consumer confidence and investor sentiment (IMF).
- Volatility in forex rates and commodity prices impacts corporate decision making.
- US & European multinationals increasingly open to outsourcing L&D; significant opportunities in BFSI and in Commodities sectors
- In India, while GDP growth has remained strong, uncertainty on timing of reforms continues to impact investment sentiment. Overall, new job creation remains weak
- While Industry remains optimistic on net hiring, Net Employment Outlook at +35% is weakest since Q4 2013 (Manpower Employment Outlook Survey)
- India's IT services industry projected to lose 6.4 lakh "low-skilled" jobs to automation in the next five years (HfS Research). However, increasing pace of shift in demand for the IT services sector to digital services expected to drive demand for Digital Skills
- Hiring by banking sector expected to remain robust driven by network expansion by private banks, set up of new banks and replacement of retiring staff by PSU banks.
- Government continues to focus on skills development to drive sustainable and inclusive growth. Union cabinet has approved an outlay of Rs 12,000 Cr over the next 4 years under PMKVY
- MHRD has released the draft of new education policy 2016 based on the recommendations of TSR Subramanian committee report. Shift in focus from quantity to quality and transparency

NIIT

Corporate

MTS

- 31 global MTS customers vs 25 in Q1 FY16
- Revenue visibility at \$ 208 mn

Skills & Careers

Beyond IT & Digital Transformation

- Beyond IT contributes 45% vs 39% in Q1 FY16
- DigiNXT series launched
- Capacity utilization of Own centers in India @ 35% vs 34% end FY16

Schools

nGuru

- Signed 139 Schools in Q1FY17; addressed 3,102 schools
- Focused IP led private school business contributed 33% for Q1 FY17 up 6% YoY

Liquidity, Profitability and Capital Efficiency

Q1'FY17: In Perspective

Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,523 Mn up 19% YoY; Constant currency growth @ 13% YoY; EBITDA margin at 12% (rock steady consistency)
- 31 MTS customers now contribute 91% to CLG revenue
- Revenue Visibility at \$ 208 Mn

Skills & Careers Group (SNC): Renewal phase

- Revenue at INR 773 Mn (up 7% YoY vs -3% in Q1 FY16)
- Revenue from Focus-Business up 11% YoY
- Q1 FY17 EBITDA INR 34 Mn (4% vs 0% in Q1FY16), aided by improved product mix
- Beyond-IT contributes 45% to SNC revenue compared to 39% in Q1 FY16

School Learning Group (SLG): Move towards IP led asset light business model

- Revenue at INR 307 Mn down 5% YoY. Achieved 7% EBITDA vs 6% in Q1 FY16 despite planned ramp down of government school projects
- Order Intake of INR 106 Mn; added 139 schools during the quarter
- Focussed IP led private school business contributes 33%; up 6% YoY

NIIT: Growth & Profitability continues its march upwards – Firmly & Steadily

- Revenue at INR 2,604 Mn; up 12% YoY; Revenue from Focus-Business up 15% YoY
- EBITDA at INR 222 Mn at 9% of revenue; up 151 bps YoY
- PAT at INR 74 Mn vs INR 150 Mn in Q1 FY16 due to impact of exceptional items in associate company profit
- Operating ROCE at 8%

Strong Operating performance

Key Financials

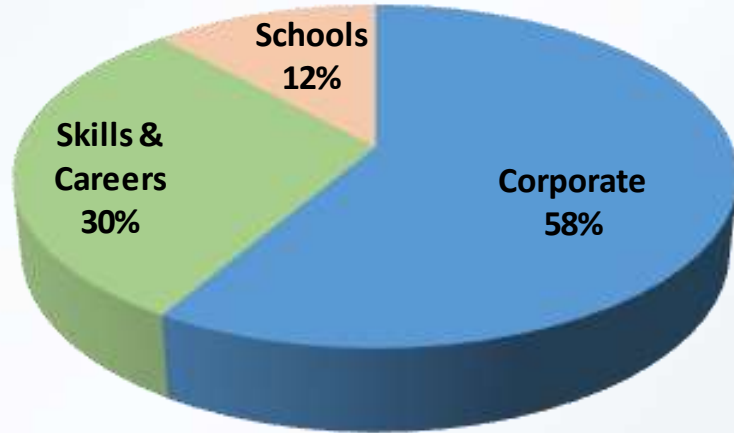
INR Mn	Q1 FY17	Q1 FY16	YoY	Q4 FY16	QoQ
Net Revenue	2,604	2,332	12%	2,389	9%
Operating expenses	2,382	2,168	10%	2,256	6%
EBITDA	222	164	36%	132	68%
EBITDA%	9%	7%	151 bps	6%	298 bps
Depreciation	118	130	-9%	116	2%
Net Other Income	-93	-14	Rs -79 mn	-14	Rs -79 mn
Profit before Tax	11	20	Rs -10 mn	3	Rs 8 mn
Tax	8	6	Rs 2 mn	14	Rs -6 mn
Operational Net Profit	3	14	Rs -12 mn	-11	Rs 14 mn
Share of Profits from Associates	71	136	Rs -64 mn	189	Rs -118 mn
PAT	74	150	Rs -76 mn	178	Rs -104 mn
Basic EPS (Rs.)	0.4	0.9	-0.5	1.1	-0.6

- Strong growth momentum in Corporate Learning and continuing acceleration of Skills & Careers Group helps offset planned ramp down of government schools business
- EBITDA improved by 151 bps YoY for FY16 on account of Business transformation and change in business mix
- Depreciation down 9% YoY, reflecting planned reduction in capital intensity
- Profit after tax impacted by adverse forex fluctuation (impact INR 33 mn for Q1FY17 against a gain of INR 19 mn in Q1FY16) and exceptional items contributing to lower Associate profit

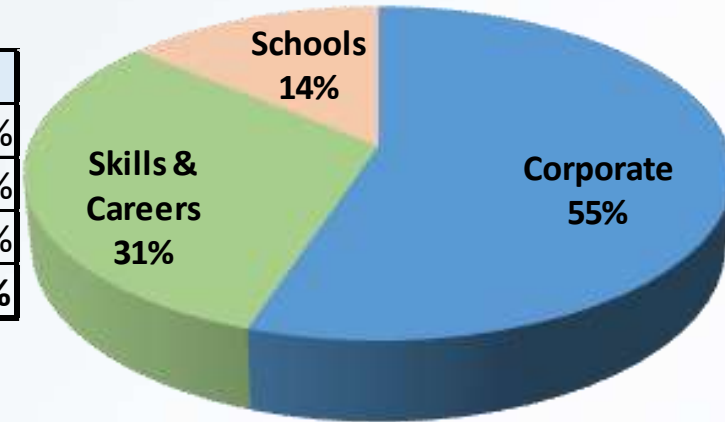
Business Mix

Net Revenue

Q1 FY17

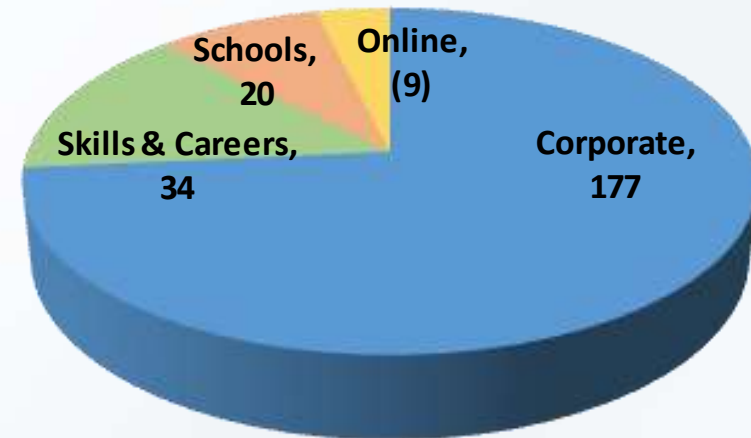


Q1 FY16



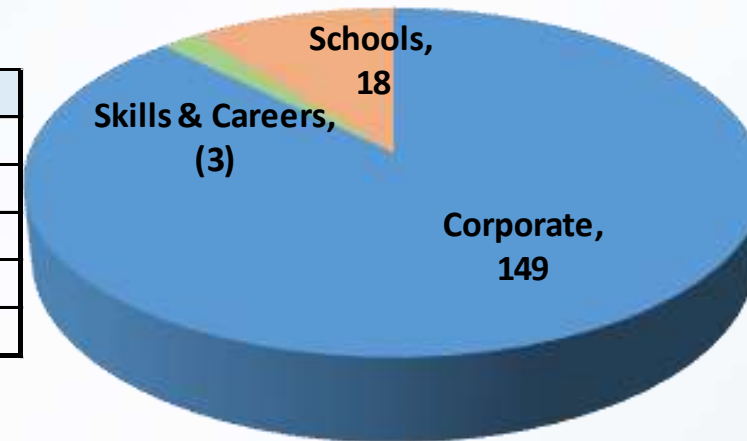
	Growth
Corporate	19%
Skills & Careers	7%
Schools	-5%
NIIT	12%

Q1 FY17



EBITDA

Q1 FY16



	Growth
Corporate	+28 Mn
Skills & Careers	+37 Mn
Schools	+3 Mn
Online	-9 Mn
NIIT	+58 Mn

INR Mn	Q1 FY17	Q1 FY16	YoY	Q4 FY16	QoQ
Net Revenues	1,523	1,285	19%	1,360	12%
EBITDA	177	149	18%	158	12%
EBITDA %	12%	12%	0 bps	12%	-1 bps

- Revenue at INR 1,523 Mn, up 19% YoY; Constant currency Revenue growth at 13% YoY
- Strong momentum on back of 31 MTS customers which now contribute 91% to CLG revenue vs 89% in Q1FY16
- Two new contract wins and one major contract extension from our existing MTS customers during the quarter
- EBITDA consistent at 12%
- Revenue Visibility at \$ 208 Mn

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INR Mn	Q1 FY17	Q1 FY16	YoY	Q4 FY16	QoQ
Net Revenues	773	725	7%	728	6%
EBITDA	34	-3	37 mn	-19	53 mn
EBITDA %	4%	0%	487 bps	-3%	696 bps

- Revenue at INR 773 Mn up 7% YoY
- Revenue from Focus-Business up 11% YoY
- Beyond-IT contributes 45% to SNC revenue vs 39% in Q1 FY16
- Successful turnaround on Revenue, EBITDA & Cash
- Launched DigiNxt Series

**STACK
ROUTE**



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An IT professional
or a Digital Transformation expert?



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Digital Transformation



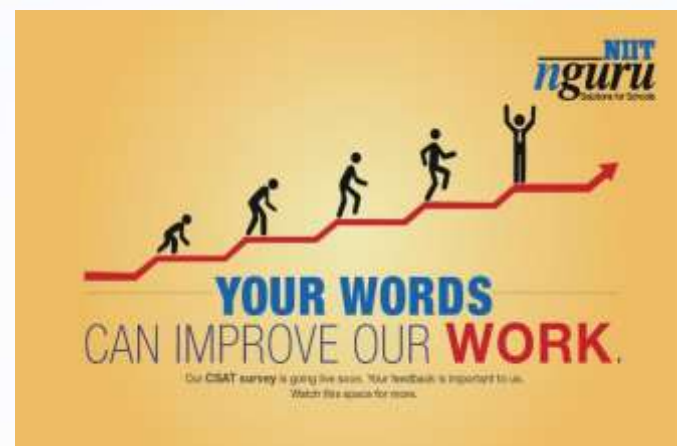
- JAVA ENTERPRISE WITH DEVOPS
- BIG DATA AND DATA SCIENCES
- MEAN STACK
- CLOUD STACK
- INTERNET OF THINGS (IOT)
- ROBOTICS
- VIRTUAL REALITY

- Project Based Learning, Real Project Experience
- Live life as a developer – Coding, Timeliness, Quality
- Attitudinal shift : “Student” mindset to Professional
- New culture in the classroom: responsible learning
- Showcase the work done to the employer, with conviction

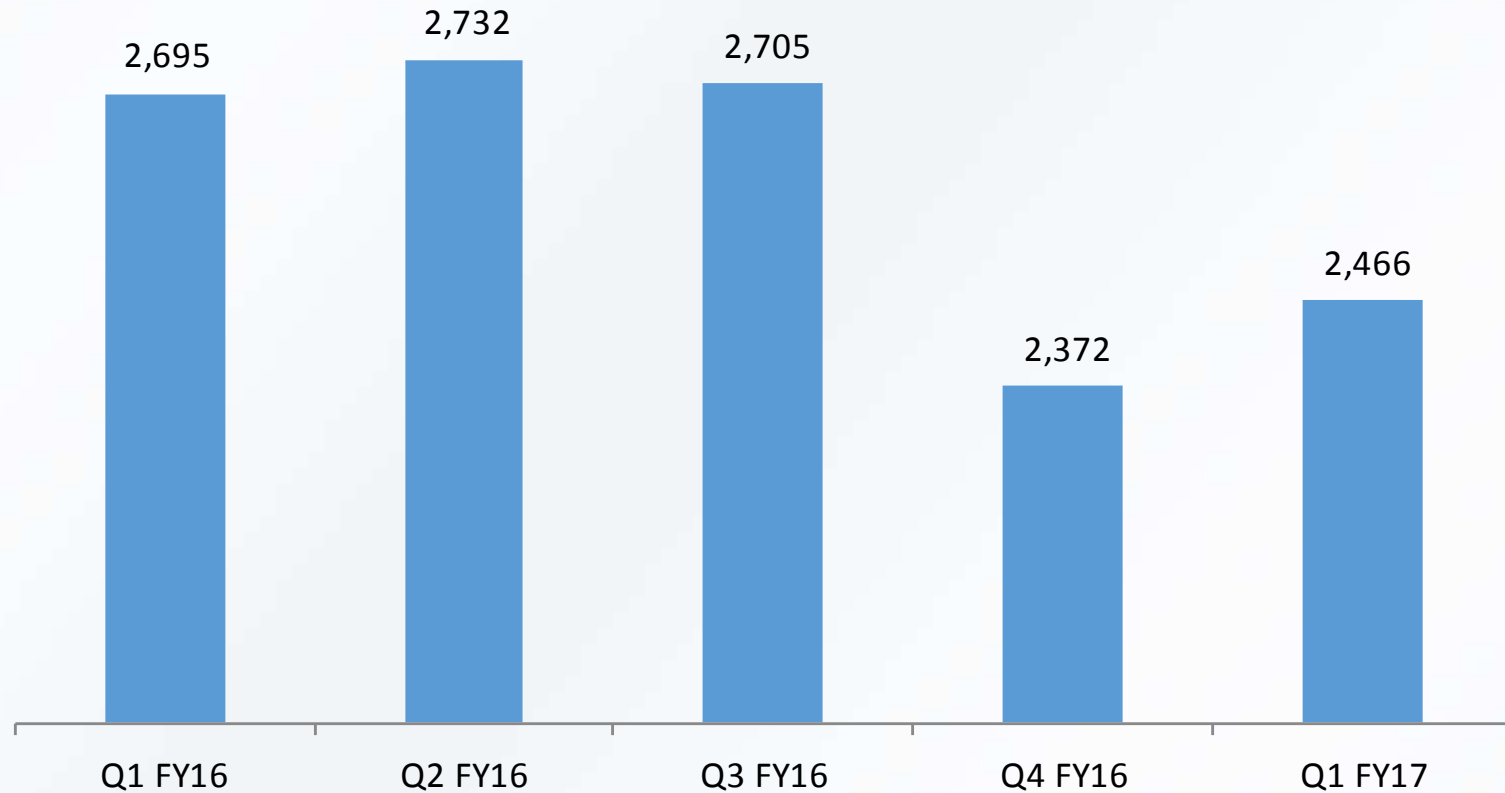
School Learning Group

INR Mn	Q1 FY17	Q1 FY16	YoY	Q4 FY16	QoQ
Net Revenues	307	322	-5%	301	2%
EBITDA	20	18	15%	16	31%
EBITDA %	7%	6%	111 bps	5%	147 bps

- Revenue at INR 307 Mn down 5% YoY;
- Overall revenue impacted due to planned ramp down of government school projects
- EBITDA consistent at 7%
- Revenue from Focussed IP led private school business contributes 33% to SLG revenue; up 6% YoY
- Added 139 schools, Order intake of INR 106 Mn



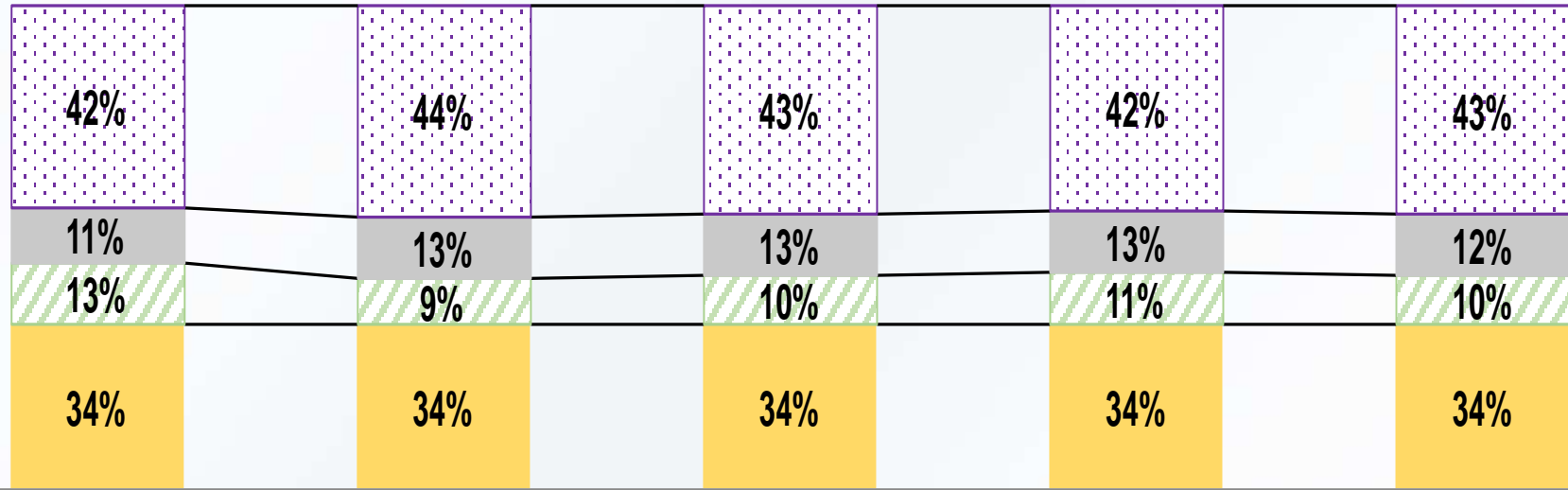
People



Headcount up 94 QoQ and down 229 YoY

** excludes project retainers*

Shareholding Pattern



■ Promoters
 ▨ FIs & FPIs
 ■ FIs and Mutual Funds
 ▨ Individuals and Corporates

Percentages may not add to 100% due to rounding



Thank you