**Press Release**

## NIIT Limited announces Q1 (April - June 2016) Consolidated Results FY 2016-17

> ➢ **Delivers Significant Acceleration of NIIT's Revenue Growth & EBITDA**
> ➢ **Charts Clear Path to Leadership role in the Digital Learning World**

- **Records Revenue at Rs. 260.4 Cr, up 12% YoY, delivering double digit growth after 16 quarters**

- **EBITDA grows 36% YoY to Rs. 22.2 Cr in Q1 FY 16-17, a substantial increase from Rs. 16.4 Cr EBITDA in Q1 FY15-16**

- **Corporate Learning Group delivers 19% YoY revenue growth, while profitability remains steady at 12%**

- **Skills & Careers Group accelerates revenue to 7% YoY and EBITDA% to 4% with a 487 bps rise over Q1 FY15-16**

| NIIT Limited Q1 (April - June 2016) Consolidated Financials at a Glance (in Rs. Cr) | | | |
|---|---|---|---|
| | Qtr ended June 30, 2015 | Qtr ended June 30, 2016 | Growth YoY |
| **Net Revenue** | 233.2 | 260.4 | 12% |
| **EBITDA** | 16.4 | 22.2 | 36% |
| **EBITDA%** | 7% | 9% | 151 bps |
| **PAT** | 15 | 7.4 | - 7.6 Cr |

**New Delhi, July 26 2016: NIIT Limited, a global leader in skills and talent development**, today reported its results for the first quarter ending June 30, 2016. In this quarter, the company recorded a Net Revenue of Rs. 260.4 Cr up 12% over last year, and an EBITDA of Rs. 22.2 Cr up 36% YoY and EBITDA% of 9% up 151 bps over last year. *Profit after Tax was recorded at Rs. 7.4 Cr (Vs Rs. 15 Cr for Q1 FY 15-16) primarily on account of impact of exceptional items on profit of associate company.*

This quarter reflects that NIIT's YoY revenue has started picking up real momentum, registering a robust growth of 12%, a significant improvement over the more gradual 4%, 5%, 6%, 7% growth increase that was witnessed last year in Q1, Q2, Q3 and Q4 respectively and the first time in 16 quarters to enter double digits. More importantly, the Go-Forward business Q1 growth (excluding government schools and international geographies already exited) was a robust 15% YoY.

The results were taken on record at the meeting of the Board of Directors here today.

With a strong focus on assuming a leadership role in the Digital Learning World and to further accelerate NIIT's growth and profitability, the company has charted a two-pronged business strategy: firstly an **Internal Initiative** addressing the Digital Transformation of the entire business model of NIIT and secondly an **External Initiative** which focuses on training and consulting of individual and corporate customers to enable them to prepare successfully for their digital transformation.

Under the **Internal Initiative** the company in this quarter has initiated multiple platform based services like a Training Analytics portal and a Global Strategic Sourcing portal in the Corporate Learning Group; just launched its multi-modal online retail training portal in the Skills and Careers Group with strategic eco-system partnerships with edX, Microsoft as well as many other technology vendors, academic institutions and experts. Further, it will soon roll-out a unique B2C learning portal in the School Learning Group. In addition, there is a focused program to digitally transform internal processes of the company across all functions & businesses, interactions with its customers, suppliers and employees.

The **External Initiative** on the other hand focuses on providing training and consulting to individual and corporate customers to help them re-invent themselves & their organisation through Digital Transformation. The key offerings include a new portfolio which aims to groom leaders and managers into *Digital Shapers* of the future of their companies; **StackRoute** which focuses on creating *Digital Innovators* by building an elite breed of Full-stack programmers; **DigiNXT** which addresses the urgent need to help India's IT Services industry source fresh staff as well as retrain 4 million of their existing staff into *Digital Developers* with skills in Data Sciences/Analytics, Robotics, Internet of Things, Artificial Intelligence, Cyber Security, and so on; and finally **NIIT.tv** that aims to create *Digital Workers* and *Digital Citizens* by bringing skilling from NIIT classrooms to every digitally connected Indian, for free, at any time and place of their choice to train the masses to evolve their skills and participate productively in the future digital world.

Speaking on the company's performance during the quarter, **Mr. Rahul Patwardhan, Chief Executive Officer, NIIT Limited said,** *"With a 12% YoY revenue increase in Q1, NIIT is firmly back on the growth path, with a strong focus on leading the industry in each of the business verticals that we are engaged in. We aim to play a leadership role in the Digital Learning World, exploiting the exciting new age Digital Technologies that are impacting every industry and every company; and we will do this by preparing as well as re-training a pool of trained professionals armed with Digital Transformation skills to take up challenging assignments in companies & start-ups across the globe."*

**Corporate Learning Group (CLG)** recorded net revenue of Rs. 152.3 Cr, up 19% YoY, maintaining a steady operating margin of 12%. This was backed by a strong growth in its MTS (Managed Training Services) offerings, which now contributes 91% of CLG revenues.

During the quarter, NIIT extended and expanded its relationship with some of its MTS customers. NIIT extended its contract with a global Technology major for 3 years; was awarded a contract for outsourcing of Administration and Content Design and Development from one of the world's largest Metals and Mining Corporations; and was awarded a contract for outsourcing of Learning Administration from a global Oil major.

**Mr. Sapnesh Lalla, Group President, Corporate Learning Group, NIIT Limited** said, *"Corporate Learning Group has registered a robust growth of 19% YoY backed by two new contract wins and one major contract extension from our existing MTS customers. I am confident about our continued growth trajectory."*

**Skills and Careers Group (SNC) recorded** net revenue of Rs. 77.3. Cr up 7% YoY during Q1. EBITDA was recorded at Rs 3.4 Cr and EBITDA% stood at 4% up 487 bps over last year.

Revolutionizing the IT training and education landscape once again and re-aligning the focus of the Skills & Career Group to the changing future-skill-set requirements of the industry, NIIT has unveiled **DigiNXT** to develop a pool of **Digital Transformation** professionals. Under the **DigiNXT** portfolio, NIIT is rapidly shifting its retail consumer IT education and training portfolio towards futuristic technologies like Java Enterprise Apps with Dev Ops, Big Data, Robotics, IoT, Virtual Reality, Cyber-Security, Artificial Intelligence and Machine Learning, etc. The company offers pioneering programs to young aspirants who wish to enter the digital services industry, as well as to IT professionals wishing to urgently reskill themselves to remain relevant in the new digital world.

**'Java Enterprise Apps with Dev Ops',** the first program under Digital Transformation to be launched, is an avant garde program based on student centred pedagogy of project-based learning that encompasses the various aspects of enterprise app development.

**MEAN Stack**, the second program in Web App Development under the DigiNXT Series was also unveiled during the quarter. The cutting-edge program will use student-centred pedagogy of project-based learning to help them carve successful career in the emerging digital era.

During the quarter, NIIT announced the launch of **GNIIT Digital Transformation (DT)** - a path-breaking GNIIT program that equips college students to ride the wave of digital transformation - the process of shifting from traditional approach to new ways of working and thinking using digital, social, mobile and emerging technologies.

Speaking on the company's strategy to strengthen Skills and Careers Group, **Mr. Prakash Menon, President, Global Skills and Careers Group,** said, *"Firmly committed to playing a pioneering role in developing digitally skilled talent for the industry, we have completely transformed our Skills and Careers business. DigiNxt has been very well received by the industry and our students alike, helping us garner a healthy revenue in this quarter and reassuring us that we are on the right track to deliver on the goals we have set for the year."*

NIIT's India corporate business continued on its rapid growth path with the company bagging its first MTS deals in the Indian market, with one of the largest telecom services company as well as a leading mobile handset player. The company also entered into two strategic tie-ups – a Pan India deal with a leading automobile company for providing Learning Development and content; and with a telecom company to build customized content and conduct end-to-end on-boarding training. In another significant development in the BFSI sector, NIIT won a large contract with one of the leading Public Sector Banks - United Bank of India.

NIIT entered into a strategic partnership with IIM- Ahmedabad to help deliver management education in the form of e-learning programs in this quarter.  As a leading player in educational technology in India, NIIT has been at the forefront of technological & pedagogical innovations in learning, keenly aware of the challenges that the higher education sector is faced with. Through this association with IIMA, NIIT will work towards developing innovative learning models to deliver IIMA's management programs at scale, by providing best-in-class technology based solutions.

NIIT announced the launch of their first interactive live, online course in **Digital Marketing**. The program offered in association with Digital Marketing Institute (Ireland) was made available online for the first time.

Professional Diploma in Digital Marketing (PDDM) – is uniquely designed for current and aspiring marketing professionals, to help them transform into digital marketers of the future. NIIT has already trained more than 1700 students in digital marketing.

During the quarter, **NIIT and edX** entered into a strategic partnership to redefine the online education space in India. Through this partnership NIIT and edX aim to create high-impact learning experiences for learners by offering next generation Blended Learning MOOC model that provides an engaging and live interactive experience that goes much beyond the core MOOC content.

During the quarter, **NIIT.tv -** A disruptive innovation by NIIT, entered into a tie up with **Hindustan Unilever Ltd. (HUL),** to provide skill-based courses on mobiles to 5 million women across India by 2020. NIIT.tv received 'Best online education platform' award at Indian Education Awards 2016.

Strengthening its position in China, NIIT entered into two strategic agreements - with **Guiyang Municipal Government** and **Guizhou Professional College of Electronics in Gui'An New District**, to develop a pool of next generation IT professionals in Big Data and Analytics. Through these partnerships NIIT aims to develop the Human Capital in line with China's vision to promote Guizhou province as the hub of Big Data industry in China and the world.

**MindChampion Learning Systems Limited (MLSL)** registered a net revenue of Rs 30.7 Cr during the quarter, maintaining an Operating margin of 7% up 111 bps YoY.

**Mr. Gavin Dabreo, CEO of MLSL** said, *"We see the key need to improve academic outcomes for school going children. As we progress during the year, we shall increasingly focus on this goal with all our products and services. We believe personalised learning is a step in this direction. We shall also soon offer similar products and services online to school going children."*

**Other highlights:**

- NIIT bagged ASSOCHAM National Brand Summit & Excellence Awards 2016 as the **'Best Innovation Brand' in the Education sector.** NIIT has received the coveted award for company's continuous quest to offer path breaking industry-aligned education and training programs
- NIIT was awarded **2016 CLO LearningElite Gold Award.** The annual ranking, lists the organizations that outperform the benchmark standard for implementation of learning and development (L&D) best practices for their workforces.
- During the quarter, NIIT has been selected as a **2016 Top 20 Training Outsourcing Company** for the ninth year by TrainingIndustry.com.
- NIIT announced that it has been selected as a **2016 Top 20 Content Development Company** for the sixth consecutive year by TrainingIndustry.com
- Department of Information Technology, Government of Meghalaya in association with NIIT felicitated students from across Meghalaya who successfully cleared NIIT's cutting-edge certification programs as part of 'Sponsored IT program of Department of Information Technology, Government of Meghalaya', over the last one year.
- The 17th National Scholarship in Nigeria was announced during Q1. For the first time scholarships were offered in futuristic cutting-edge programs in Digital Transformation under digiNxt series.

**About NIIT**

Established in 1981, NIIT Limited, a global leader in Skills and Talent Development, offers multi-disciplinary learning management and training delivery solutions to corporations, institutions, and individuals in over 40 countries. NIIT has three main lines of business across the globe- Corporate Learning Group, Skills and Careers Group, and School Learning Group.

**NIIT's Corporate Learning Group (CLG)** offers Managed Training Services (MTS) to market-leading companies in North America, Europe, Asia, and Oceania. The comprehensive suite of Managed Training Services includes custom Curriculum Design and Content Development, Learning Administration, Learning Delivery, Strategic Sourcing, Learning Technology, and Advisory Services.

With a team of some of the world's finest learning professionals, NIIT is dedicated to helping customers increase the business value of learning and development (L&D). Built on the sound principles of 'Running Training like a Business', NIIT's Managed Training Services and best-in-class training processes enable customers to align business goals with L&D, reduce costs, realise measurable value, benefit from rock-solid operations, and increase business impact.

**NIIT's Skills and Careers Group (SNC)** delivers a diverse range of learning and talent development programs to millions of individual and corporate learners in areas including Banking, Finance & Insurance, Retail Sales Enablement, Management Education, Multi-Sectoral Vocational Skills, Digital Media Marketing, and programs in digital transformation technologies. These programs are delivered through a hybrid combination of the 'Cloud Campus' online platform, satellite-based 'Synchronous Learning Technology' and a physical network of hundreds of learning centers in India, China, and select markets in Asia & Africa. The flagship multi-disciplinary course offerings include the industry-endorsed GNIIT – Digital Transformation program and a set of **DigiNxt** Programs for students from different streams, apart from a wide range of specialist short duration programs.

To further strengthen its SNC portfolio in India, NIIT has tied up with industry majors like ICICI Bank for NIIT Institute of Finance Banking Insurance& Training Limited, IFBI; leading business schools in India for NIIT Imperia; Genpact for NIIT Uniqua; and a joint venture with NSDC for NIIT YuvaJyoti Limited. Besides this, for the China market, NIIT has tied up with governments and software parks in Guian, Chongqing, Wuxi, Suzhou, Changzhou, Zhangjiagang, Haikou and Dafeng, for state-of-the-art public-private partnership centres.

NIIT has introduced - **StackRoute$^{TM}$,** an initiative to produce the world's best full stack programmers. StackRouteTM aims to create multi-skilled, and multi-disciplinary programmers who can become key members of high-performance teams in top notch product engineering companies, start-ups, and IT firms. Further the company has also launched **NIIT.tv** – a digital learning initiative that brings skilling from NIIT classrooms to every digitally connected Indian, for free, at any time and place of their choice. A disruptive innovation by NIIT for the education space. NIIT.tv will deliver for the very first time, skill-based live courses as well as on-demand courses to the masses, through the digital medium.

As NIIT's wholly owned subsidiary for its K-12 school learning initiative - **MindChampion Learning Systems Limited,** is providing technology based learning to around 2,000 private schools across India, reaching out to more than a million students. The futuristic NIIT nGuru range of learning solutions for schools comprises

Interactive Classrooms with digital content, technology-driven Math Lab, IT Wizard programs and Quick School - an Education Resource Planning software.

As the Most Trusted Training Brand in India for 4th year in a row (Brand Trust Report, 2016), NIIT's learning and talent development solutions, continue to receive widespread recognition globally. NIIT has been named among the Top 20 Training Outsourcing Companies for the past nine consecutive years by Training Industry, Inc. USA. Further, leading Indian ICT journal Dataquest has conferred upon NIIT the 'Top Training Company' award successively for the past 20 years, since the inception of this category. NIIT has also been featured as the 'Most Respected Education Company'- 2016 by leading financial magazine, Business World.

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