

NIIT Ltd announces Q2 (July - Sept 2016) Consolidated Results FY 2016-17

NIIT records 10% EBITDA margin for the first time in 4 years, on a growth of 10%

- Revenue at Rs. 298.4 Cr, up 10% YoY
- Records EBITDA margin of 10%
- Operational PAT up 43% YoY; Net Debt down 30% QoQ
- Fuelled by 23% YoY revenue growth in Corporate Learning Group; and a EBITDA% of 9% in the Skills & Careers Group
- Appoints Barry Libert, renowned Digital Board Member & Author, as a Digital Advisor to the NIIT Board
- Acquires the business of EdTech start-up Perceptron Learning Solutions to further accelerate Digital Transformation initiatives

NIIT Limited Q2 (July - September 2016) Consolidated Financials at a Glance (in Rs. Cr)			
	Qtr ended Sep 30, 2015	Qtr ended Sep 30, 2016	Growth YoY
Net Revenue	272.5	298.4	10%
EBITDA	25.2	28.6	13%
EBITDA%	9%	10%	33 bps
Operational PAT	6.1	8.7	43%
PAT after Associate Profit	20.8	21.6	0.8 cr

New Delhi, October 19, 2016: NIIT Limited, a global leader in skills and talent development, today reported its results for the second quarter ending September 30, 2016. In this quarter, the company recorded a Net Revenue of Rs. 298.4 Cr, up 10 % YoY; Operational PAT of Rs. 8.7 Cr, up 43% YoY; and PAT (including Associate Profit) of Rs. 21.6 Cr up 4% YoY. The Company recorded EBITDA at Rs. 28.6 Cr up 13% YoY, on an Operating Margin of 10%, up 33 bps YoY. Net Debt reduced substantially to Rs. 91.7 Cr down 30% QoQ.

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

Speaking on the company's performance during the quarter, **Mr. Rahul Patwardhan, Chief Executive Officer, NIIT Limited** said, *"NIIT has demonstrated continued revenue growth for the 6th consecutive quarter on course to achieving a leadership role in the Digital Learning World. This comes on the back of a robust growth of 23% YoY this quarter in our Corporate Learning Business and a strong profit improvement in our Skills & Careers Business which recorded a 22% YoY growth in EBITDA. This quarter we also reduced net debt and made substantial improvement in working capital management"*.

In a significant development, towards driving digital transformation for tier 1 organizations in India, China and Emerging Markets, NIIT entered into an exclusive partnership with US based OpenMatters, LLC led by Barry Libert, renowned Digital Transformation Board Advisor. This initiative will enable the top leadership of top tier firms to become digital leaders who will drive digital transformation initiatives that lead to greater growth and value. In a related move, Barry Libert has been appointed as a Digital Advisor to the NIIT Board.

NIIT's current digital transformation training portfolio of StackRoute and DigiNxt focus on **Digital Innovator** training and **Digital Developer** training respectively. Now this new relationship with Barry Libert and OpenMatters will expand its digital offerings to **Digital Leader** training, and allow NIIT to address the end-to-end needs of organizations seeking to reskill their entire workforce from CXOs to frontline workers to succeed in the digital age.

Giving further impetus to NIIT's digital transformation agenda, the company recently acquired the business of Bangalore-based start-up **Perceptron** Learning Solutions Private Limited. The strategic acquisition brings together complementary technology platforms and capabilities of NIIT and Perceptron, enabling NIIT to further accelerate its Digital Transformation initiatives – StackRoute, digiNxt, NIIT.tv and Training.com. Together with existing platforms, this will become an integral part of NIIT's future multi-modal learning platform and 360 degree learning eco-system. Further, Perceptron's co-founders and engineering team will strengthen NIIT's technology talent pool with their proven expertise.

During the quarter NIIT unveiled www.training.com multi-modal learning platform, a direct-to-device initiative for advanced career programs. To commemorate the occasion a first-of-its-kind program, "Post Graduate Certificate in General Management" (PGCGM) was announced on www.training.com, to be offered in association with **Indian Institute of Management, Calcutta** (IIM-C). Through this partnership NIIT and IIM Calcutta aim to create high-impact learning experience by bridging the gap between quality, affordability and accessibility. Training.com also offers blended learning programs in partnership with **EdX**, from world leading universities like University of California & University of Berkeley.

Speaking on the occasion **Udai Singh, Chief Strategy Officer & Head of New Business Initiative, NIIT Limited** said, *"Carrying forward our commitment to act as an enabler for Digital Transformation, we have charted a two-pronged business strategy; First an internal initiative addressing the Digital Transformation of NIIT's entire business model to drive growth, value and profitability; and Second an external initiative focusing on training and consulting of individual and corporate customers to enable them to succeed in the digital world. To this effect we are pleased to welcome Barry Libert as the Digital Advisor to NIIT Board to further accelerate our quest to gain leadership in the digital learning domain."*

Corporate Learning Group (CLG) recorded net revenues of Rs. 178.6 Cr, up 23% YoY. Managed Training Services (MTS) continued to grow, contributing 94% to the total CLG revenue.

CLG continued to transform the user experience of its services through investments in digital platforms such as EASE and Sourcing Exchange. During the quarter, NIIT inaugurated delivery centre at Dublin by Minister for Education and Skills, Ireland, Richard Bruton TD.

Mr. Sapnesh Lalla, Group President, Corporate Learning Group (CLG), NIIT Limited said, *"During the quarter, NIIT's Corporate Learning Group continued to deliver strong profitability, recording an EBITDA of Rs 20.5 Cr, up 21% YoY. The overall CLG revenue visibility stood at USD 219.3 Mn up 15% YoY".*

Skills and Careers Group (SNC) recorded a net revenue of Rs. 98.1 Cr during Q2, with an Operating Margin at 9% up 198 bps (22%) YoY, due to sharp focus on high margin DigiNXT, Banking & Management portfolio.

NIIT unveiled its Flagship Training Centre at **Tongren Polytechnic College in China** to develop a pool of next generation IT professionals in the field of Big Data and Analytics. During the quarter NIIT entered into strategic tie-ups in **Vietnam, Myanmar, Bangladesh** and **Kenya** to offer programs in Digital Transformation.

NIIT further strengthened its Banking portfolio, by bagging contracts from leading Public Sector Banks namely – **United Bank of India, Bank of Maharashtra and Bank of Baroda.**

NIIT unveiled the futuristic **Angular 2** program, the leading framework for web apps development on training.com and launched **Big Data with Hadoop** – a futuristic program in data analytics under the **DigiNxt** Series.

[StackRoute™](#) an NIIT initiative to produce the world’s best full stack programmers has successfully created a talent pool of hundreds of Digital innovators for the IT industry in a short span of a year. The initiative has received an overwhelming response from the industry, with two of the top five IT Services firms using the platform to upskill their programmers.

Mr. Prakash Menon, President, Global Skills and Careers Group (SNC), NIIT Limited said *“During the quarter, SNC focussed on driving high margin, high potential DigiNxt, Banking and Management portfolio together with Source-Train-Hire contracts for corporate clients, and NIIT-in-Campus engagements with colleges and universities, to add significant incremental growth opportunities to the existing NIIT own and partner centre network. Going forward, our new online multi-modal platform www.training.com will further accelerate the growth of our retail business.”*

MindChampion Learning Systems Limited (MLSL) registered net revenue of Rs. 21.6 Cr during the quarter. It added 103 new school clients, up 58% YoY.

During the quarter, MLSL successfully completed the Maharashtra Government Schools contract with zero defect and made substantial improvement in collections from its government clients.

Mr. Gavin Dabreo, CEO of MLSL said, *“Am pleased to report that our asset-light go-forward business with private schools grew 13% YoY this quarter compared to 4% and 6% in last two quarters, indicating steady acceleration of the business”.*

Awards and acknowledgements:

- NIIT wins Eight **Brandon Hall** Group Excellence in Learning Awards jointly with customers.
- **NIIT.tv** - a disruptive innovation by NIIT, wins the coveted Award for **‘Education Technology’** at Indo-American Education Summit 2016. With over 5500 "live" as well as "on-demand" courses and over 5,00,000 users from 172 Countries, NIIT.tv is now the largest Indian MOOCs platform.
- NIIT Institute of Finance, Banking and Insurance (IFBI) successfully completed 10 years of operations during the quarter, having trained more than 1.7 lac BFSI professionals and placed more than 35,000 graduates in the banking and financial services sector.

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 Yuva Jyoti 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.

The **Training.com** learning platform, is an NIIT initiative for advanced career programs, which are delivered live by industry experts in an immersive and interactive online mode, combining instructor-led classrooms with the convenience of accessing the training sessions from anywhere.

NIIT has introduced - **StackRoute™**, an initiative to produce the world's best full stack programmers. StackRoute™ 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.

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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