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Financial Results Q1FY23

July 28, 2022

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Environment



After rebounding to ~5.5 % in 2021, global growth expected to decelerate markedly in 2022. The outlook remains clouded by various downside risks (WB)

Amidst uptick in consumer & business confidence, demand conditions resilient in India. Corporates remain cautiously optimistic on private consumption and investments

Macro uncertainty is likely to lead to slowdown in decision making in the near term. Need for increased efficiency and effectiveness would continue to drive long term demand for L&D outsourcing

Real Estate Market in North America seeing sharp slowdown in activity levels; In addition, return to full time jobs post the pandemic is impacting demand for courses for 2nd careers

Hiring in IT companies at multi year high driven by growth in Digital, transformational orders and uptick in attrition. Corporates remain optimistic despite emerging economic uncertainty. Some cooling off in hiring by startups on slowdown in funding

Large opportunity in global corporate training and digital learning continues to attract interest from PE and strategic investors

Q1FY23: In Perspective



Overall NIIT

- Revenue at INR 4,048 Mn; up 34% YoY and up 8% QoQ
- EBITDA at INR 740 Mn vs INR 732 Mn in Q4FY22; up 5% YoY; EBITDA % at 18%
- PAT at INR 443 Mn vs INR 674 Mn in Q4FY22; EPS of INR 3.3 vs INR 5.0 in Q4FY22
- DSO at 49 days vs 51 days in Q1FY22; Operational ROCE (excluding cash) at 81.9%

Corporate Learning Group (CLG)

- Revenue at INR 3,125 Mn up 18% YoY and up 6% QoQ
- Constant currency revenue grows 14% YoY and 3.2% QoQ
- Growth in majority of customers partially offset by lower volumes in couple of significant customers
- EBITDA at INR 739 Mn; EBITDA % at 24%; down 57 bps QoQ
- Sustained velocity of new customer acquisition. Added 4 MTS customers during the quarter; expanded scope with 1 existing customer and renewed 1 contract; MTS customer tally at 68
- Revenue Visibility at \$ 304 Mn; Strong pipeline

Skills & Career Group (SNC)

- Revenue at INR 923 Mn; up 145% YoY and up 16% QoQ
- EBITDA at INR 1 Mn compared to INR (51) Mn Q1 FY22
- Stackroute & TPaaS Biz up 114% YoY; contributed 39% to SNC revenue

Sustained deal velocity; Growing contribution of new customers; Opportunity acceleration in India; Scaling up investment for growth



Key Financials



INR Mn	Q1 FY23	Q4 FY22	QoQ	Q1 FY22	YoY
Net Revenue	4,048	3,750	8%	3,023	34%
Operating expenses	3,308	3,018	10%	2,316	43%
EBITDA	740	732	1%	707	5%
EBITDA%	18%	20%	-124 bps	23%	-510 bps
Depreciation	139	157	-11%	144	-3%
Net Other Income/ (Expense)	3	96	-93 mn	129	-98%
Operational PBT	604	671	-67 mn	692	-13%
Tax	127	(14)	141 mn	146	-13%
Profit/ (loss) from discontinued Operations	(15)	(1)	-1090%	(28)	45%
Non Controlling Interests	(19)	(10)	-83%	(4)	-365%
PAT	443	674	-34%	514	-14%
EPS (INR)	3.3	5.0	-34%	3.8	-12%

- Revenue for Q1FY23 at INR 4,048 Mn up 34% YoY & up 8% QoQ
- Operating expenses include impact of growth investments, change in mix and partial resumption of travel and premise expenses
- PAT affected by Rs. 10.5 Cr reduction in treasury income YoY, led by mark-to-market impact on fixed income investments
 - DSO at 49 days vs 51 days in Q1FY22; Operational ROCE (excluding cash) at 81.9%
 - Net Cash at INR 12,593 Mn

Corporate Learning Group



INR Mn	Q1 FY23	Q4 FY22	QoQ	Q1 FY22	YoY
Net Revenues	3,125	2,957	6%	2,645	18%
EBITDA	739	716	3%	758	-2%
EBITDA %	24%	24%	-57 bps	29%	-499 bps

- Revenue at INR 3,125 Mn up 18% YoY and up 6% QoQ
- Revenue in constant currency grows 14% YoY and 3.2% QoQ
- EBITDA at INR 739 Mn; EBITDA % at 24%; down 57 bps QoQ
- Sustained velocity of new customer acquisition. Added 4 MTS customers during the quarter; expanded 1 existing contract and renewed 1; MTS customer tally at 68
- Revenue Visibility at \$ 304 Mn; Strong pipeline

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2022 TOP 20 COMPANY

LEARNING SERVICES

TRAINING INDUSTRY

15 years of consistent **LEADERSHIP** in learning services

Skills & Careers Group



INR Mn	Q1 FY23	Q4 FY22	QoQ	Q1 FY22	YoY
Net Revenues	923	793	16%	378	145%
EBITDA	1	16	-15 Mn	-51	52 Mn
EBITDA %	0%	2%	-189 bps	-14%	1,362 bps

- Revenue at INR 923 Mn up 16% QoQ
- EBITDA at INR 1 Mn vs INR 16 Mn in Q4FY22
- Scaling up investments in digital learning
- Stackroute & TPaaS
 - ✓ Contribute 39% to SNC revenue
 - ✓ Up 114% YoY
- Banks are starting to hire for replacements in demand recovery
- Entered into partnerships with HDFC Bank, Kotak Mahindra Bank & Bajaj Finserv

HDFC Bank signs MoU with **NIIT** to train and hire Data Engineers

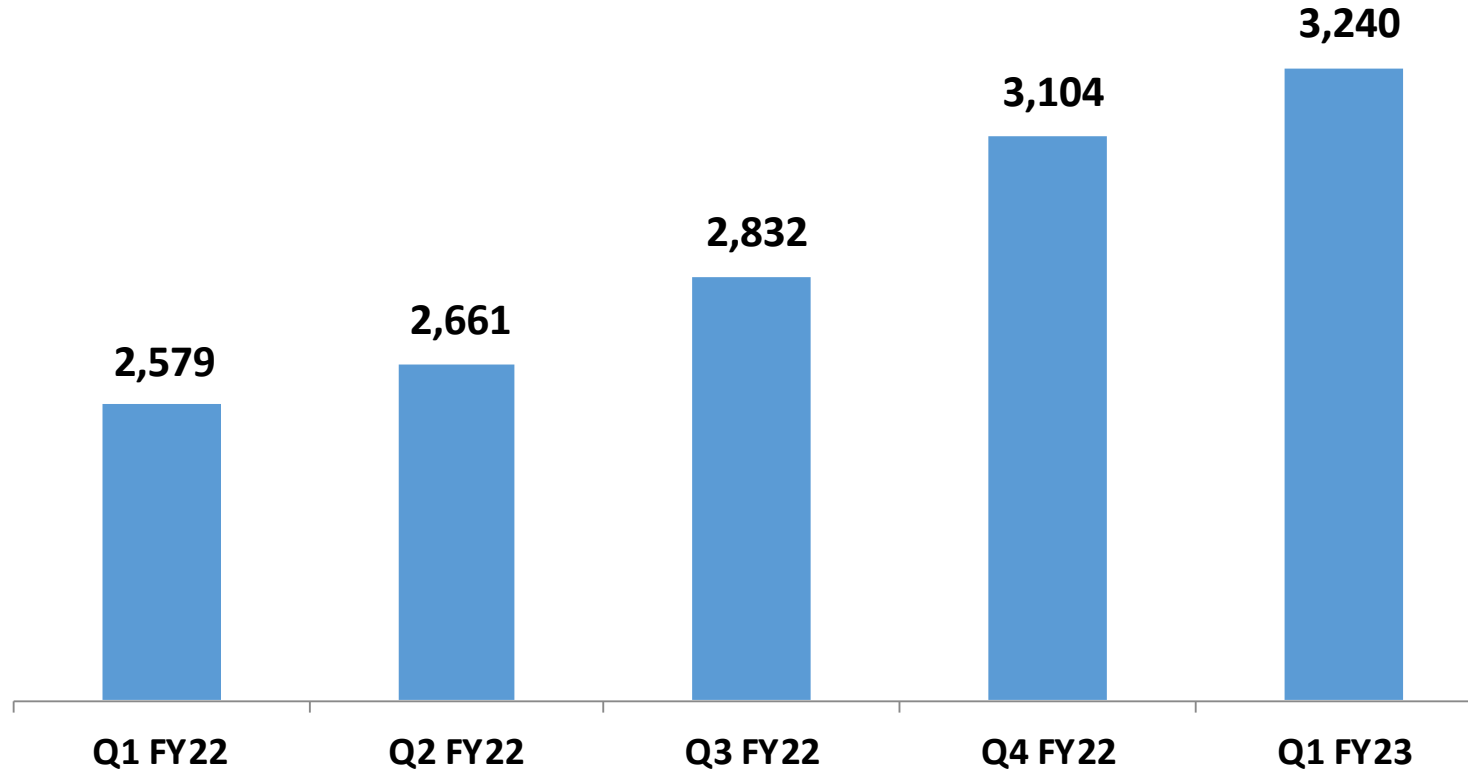


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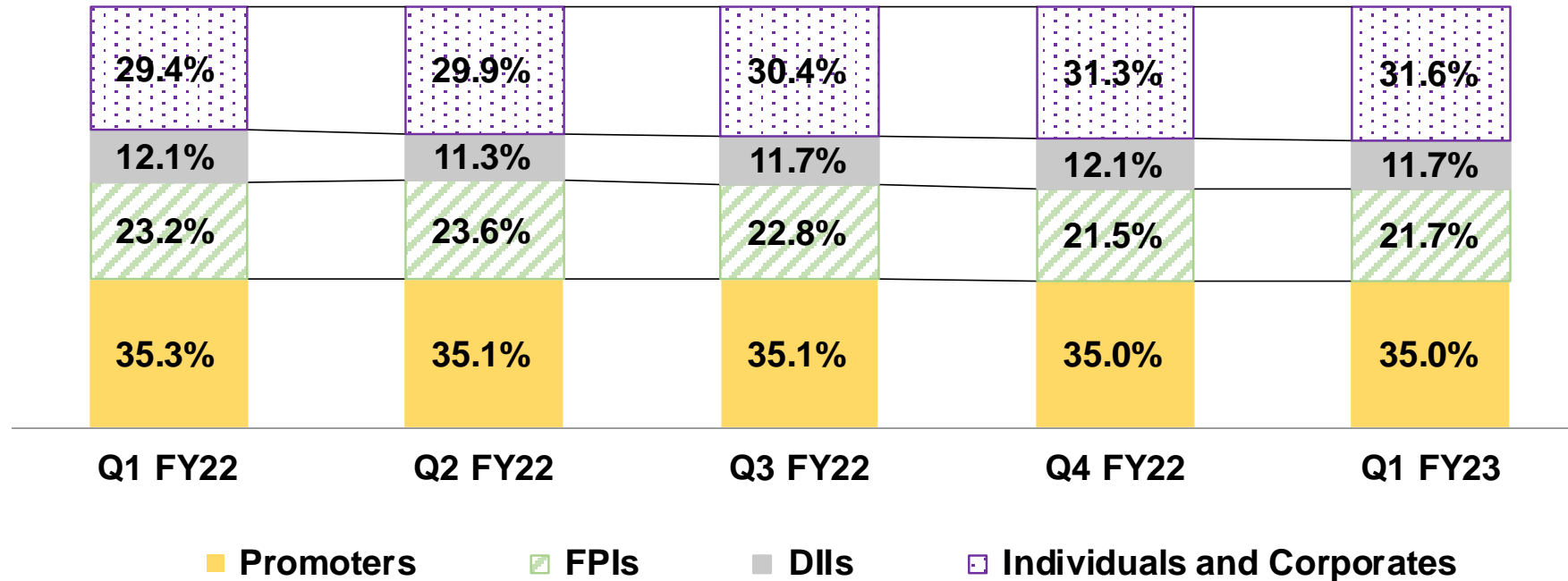
People



Headcount up 136 QoQ and up 661 YoY

**excludes project retainers*

Share Holding Pattern



Shareholding movement includes impact of Buyback of 9.87 Mn shares completed in Q1FY22 and of conversion of ESOPs

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Thank You

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