

## NIIT Q2 results: Net profit doubles to Rs 52 cr

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### Synopsis

Net revenue was higher by 44 per cent at Rs 314.2 crore in the quarter under review compared to Rs 218.9 crore in the year-ago period.



New Delhi: Skills and talent development company **NIIT** Ltd on Wednesday said its consolidated net profit has more than doubled to Rs 52.4 crore in the September 2021 quarter. The company had registered a net profit of Rs 26 crore in the year-ago period.

Net revenue was higher by 44 per cent at Rs 314.2 crore in the quarter under review compared to Rs 218.9 crore in the year-ago period.

"This has been a very significant quarter from two or three perspectives, one of which is that overall, NIIT has done reasonably well. One of the businesses that was going through a significant amount of transformation, that transformation journey has now been completed and we are back to the growth path and this quarter, both the businesses have done fairly well," NIIT Vice Chairman and Managing Director Vijay K Thadani said.

It's been a very good quarter from both corporate learning as well as skills and careers group, he added.

"NIIT delivered robust revenue growth of 44 per cent year-on-year with improved margins. The Corporate Learning business continues to strengthen its market position and has added a record six new MTS contracts during the quarter. Our key initiatives in India - TPaaS and StackRoute - delivered strong volume growth," he said.

NIIT's Corporate Learning Group (CLG) business recorded net revenue of Rs 272.2 crore, up 40 per cent year-on year.

CLG added a record six new (MTS) contracts during the quarter - two in FMCG segment, two in BFSI and two in specialised consulting.

The number of MTS customers stands at 63 and revenue visibility at the end of the quarter was at USD 294 million.

"Both the Corporate Learning Group (CLG) and the Skills and Careers Group (SNC) continued to accelerate and grow during the quarter. As the war for talent intensifies, our core value proposition of providing training interventions that deliver outcomes at scale, continues to resonate with our customers," NIIT Ltd CEO and Executive Director Sapnesh Lalla said.

SNC recorded net revenue of Rs 42 crore during the second quarter, up 70 per cent year-on-year, driven by significant acceleration in StackRoute and TPaaS (Talent Pipeline as a Service).

Asked about the demand environment, Lalla said the environment has created significant tailwinds for the India business.

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"There is a war for talent, digital talent. GSIs who are enablers of digital transformation, GCCs who are early adopters of digital transformation as well as Indian enterprises are looking at ramping up activity and pursuing growth through accelerated digital transformation," he said.

That has created significant demand for talent that is digitally capable and NIIT is very well positioned to take advantage of that opportunity, he added. Lalla explained that the company is starting to see acceleration and its continued investment in digital platform as well as its pedagogy is "going to keep us in good stead and keep our customers happy with reliable talent as they look at NIIT as their training partner".

"We've added record six new MTS customer contracts this past quarter. In addition, our good work has enabled us to increase the wallet share in several of our existing customers.

"So while from an overall training consumption perspective, our customers are not consuming more, but we are getting a higher share of their wallet and there are more customers who having heard about us services or pursuing focus, are starting to become a customer," he added.

NIIT had acquired majority stake in RPS Consulting Pvt Ltd, a provider of training programs on emerging digital technologies for experienced technology professionals, specifically addressing the needs of Global Systems Integrators (GSIs) and Global Capability Centres of large multinational companies.

This acquisition creates new opportunities to deliver innovative learning solutions in emerging digital technologies including Software Architecting and Engineering, Data Science, Cloud, Automation and DevOps, for both working professionals and new hires.

Further, it will help NIIT expand its Managed Training Services portfolio to include technology training as a Managed Service for its global customers. The transaction was closed on October 1, 2021 and the financial results of RPS Consulting will get consolidated from the third quarter.

"With the acquisition of RPS, we are able to get into the experienced learners space or the working professional space, and specifically upskilling, cross-skilling and re-skilling working professionals to take advantage of digital technologies, get adapted and help organisations achieve digital transformation - that's really the key value," Lalla said.

It also brings to NIIT a number of OEM partnerships. RPS has 25 OEM partnerships with the likes of Microsoft, RedHat, AWS, Google and others and these partnerships would be very valuable not just from an India perspective, but also from a global perspective, he added.

"Similarly, through these partnerships, NIIT's CLG can expand and pursue business opportunities with respect to digital training with its set of customers that it already has. So overall, I feel that this acquisition will create value in India by allowing us to pursue a new audience segment and also bring depth to our relationships with GSIs and GCCs, while also helping increase wallet share with corporate customers," he said.

At the end of September 2021 quarter, the company had 2,661 employees.