

NIIT

Financial Results Q4 & FY23

May 29, 2023

**# Unlock
With NIIT**

Global growth is expected to decelerate sharply to 1.7% in 2023, its third weakest pace in nearly three decades, overshadowed only by the 2009 and 2020 global recessions (WB).

While a global slowdown in growth is expected to have a limited spillover into India, growth is expected to be 6.6% in FY24 (WB). Banks & domestic consumption driven enterprises expected to see robust growth

GSIs & GCCs already rationalizing spends and holding discretionary investments. This is visible in headcount reduction across sectors, many of which had expected growth to continue post Covid

Net Hiring in IT turned negative in H2 FY23 as companies adjust talent inventory for uncertain demand outlook. Large layoffs announced by global tech majors reversing strong hiring during the pandemic

FY23 / Q4: In Perspective



The Composite Scheme of Arrangement for Transfer of Corporate Learning Business to NIIT Learning Systems Limited (NLSL) has been made effective on May 24, 2023. The Appointed Date for the Scheme is April 1, 2022. The financials for NIIT reflect impact of this transfer from the Appointed Date and not comparable to previously declared financials.

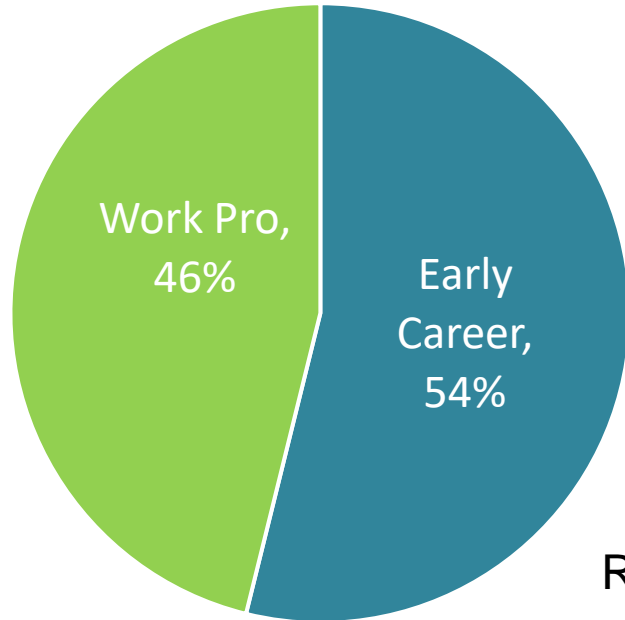
FY23

- Revenue for the year at INR 3,413 Mn; up 36% YoY
 - Early Career segment at INR 1,838 Mn (54% of total); grows 15% YoY
 - Work Pro segment at INR 1,574 Mn (46% of total); grows 73% YoY
- Organic revenue up 13% YoY despite impact of slowdown in hiring in H2FY23
- EBITDA at INR 10 Mn vs INR 25 Mn in FY22
- StackRoute & TPaaS Biz up 17% YoY and contribute 32% to SNC revenue
- Signed 5 new OEM partners during the year to take number of OEM partners to 30+

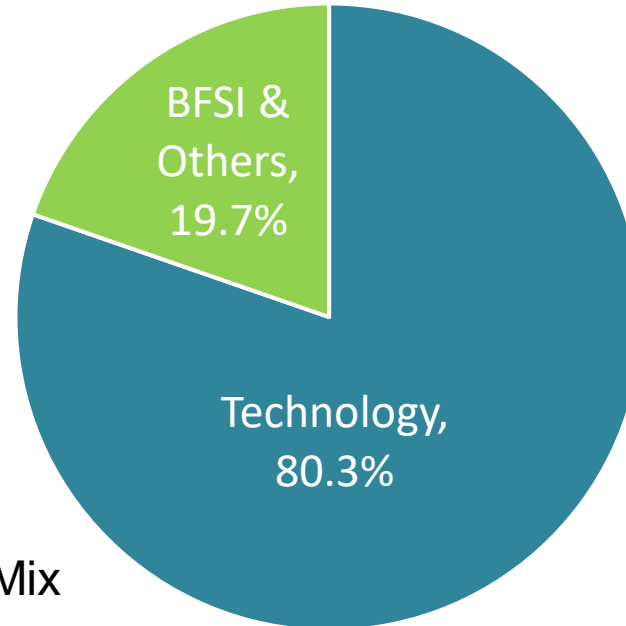
Q4 FY23

- Revenue at INR 600 Mn; down 26% YoY in a seasonally weak quarter, which was further impacted by temporary freeze in hiring in IT Sector as well as compression in spends, due to increased uncertainty in the environment. Training volume is expected to pick gradually during the year, with growth in second half of FY24
 - Early Career: INR 305 Mn (down 34% YoY)
 - Work Pro: INR 295 Mn (down 15% YoY)
- EBITDA at INR (95) Mn driven by operating leverage

FY23: Key Metrics



Revenue Mix



+178K
Enrollments in FY23
Across Early Career &
Working Professionals

>90%
Enterprise Revenue from
Repeat Customers

Key Financials

INR Mn	FY23	FY22	YoY	Q4 FY23	Q3 FY23	QoQ	Q4 FY22	YoY
Net Revenue	3,413	2,506	36%	600	932	-36%	812	-26%
Operating expenses	3,402	2,481	37%	696	852	-18%	809	-14%
EBITDA*	10	25	-59%	(95)	80	-219%	3	-3073%
Depreciation	164	154	7%	41	42	-1%	58	-28%
Net Other Income/ (Expense)	313	362	-48 mn	103	108	-5%	81	27%
Operational PBT	159	233	-32%	(34)	146	-123%	27	-227%
Tax	48	(84)	157%	63	(22)	391%	(119)	153%
Profit/ (loss) from discontinued Operations & Assets held for Sale	(28)	1,981	-101%	2	(11)	13 mn	539	-537 mn
Non Controlling Interests	(52)	(37)	-41%	1	(14)	15 mn	(10)	11 mn
PAT	32	2,262	-99%	(94)	143	-166%	674	

*Expenses of INR 41 Mn for FY23, attributable to ESOPs of NLSL (Transferee Company) held by employees of NIIT Limited have been regrouped with Other Expenses from the Appointed Date for analysis.

- Results are not comparable with previously declared results due to the transfer of the Corporate Learning Business undertaking to NLSL
- Net Results of Corporate Learning Business undertaking (INR 2021 Mn) included in discontinued operations in FY22 due to the demerger. Proforma PAT for FY22 at Rs 241 Mn and for Q4FY22 at Rs 133 Mn
- Revenue for FY23 at INR 3,413 Mn, up 36% YoY; EBITDA at INR 10 Mn
- Net Other Income for FY23 includes Treasury Income of INR 334 Mn

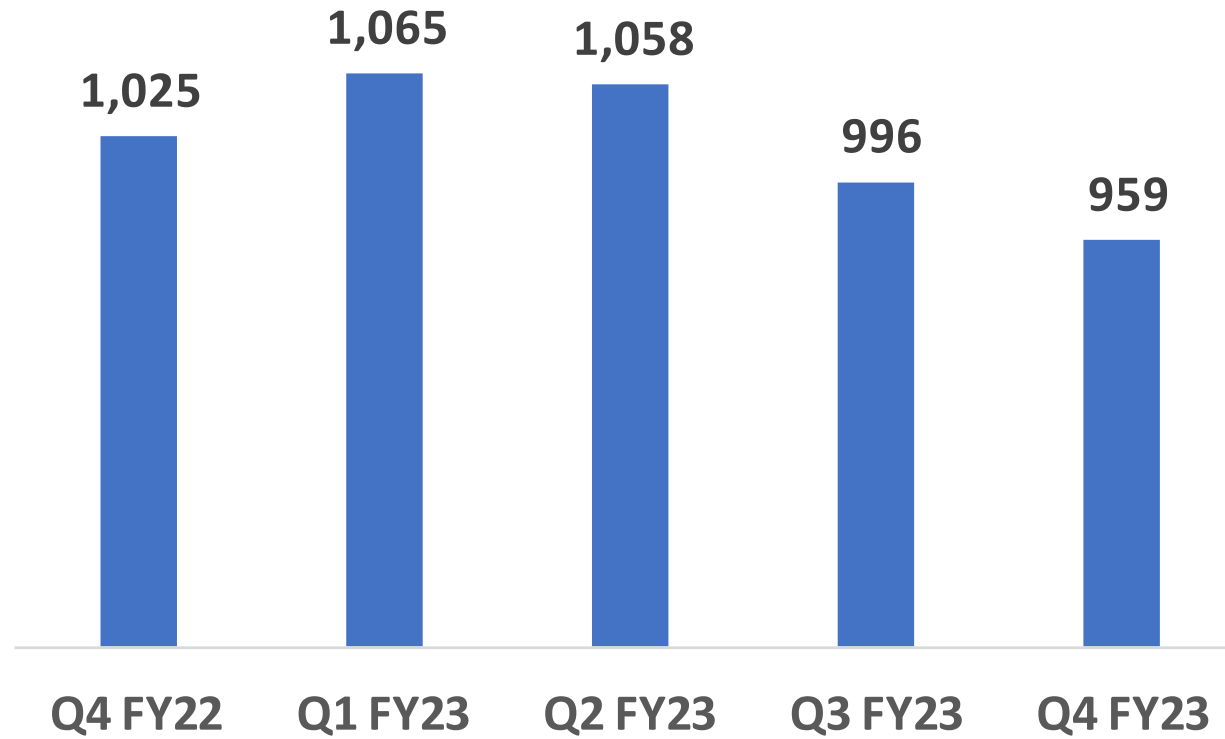
Balance Sheet

Mar-22	Mar-22	INR Mn	Mar-23
A	Proforma*		A
268	268	Share Capital	269
14,885	9,433	Reserves and surplus	9,690
40	40	Non Controlling Interests	42
15,193	9,740	Sources of Funds	10,001
2,435	1,601	Fixed assets (Including Land & Building)	1,669
1,179	835	Goodwill	835
152	115	Right-of-use assets	112
(162)	(124)	Lease Liabilities	(124)
293	148	Net Deferred tax assets	175
1,886	516	Trade receivables	306
12,525	7,356	Cash and cash equivalents*	7,157
2,598	981	Other Current & Non -Current assets	1,149
(5,714)	(1,687)	Current Liabilities	(1,278)
15,193	9,740	Application of Funds	10,001
14.9%	1.9%	ROE %	0.3%

- Net Fixed Assets include Land & Building of Rs 1,274 million
- Cash & Cash Equivalents at INR 7,157 Mn
- Goodwill of INR 835 Mn due to RPS Consulting
- Receivables at INR 306 Mn vs INR 516 million last year and INR 525 Mn LQ.
- DSO at 33 days compared to 53 days in Dec'22 and 60 days in Mar'22

* Proforma financials excluding the demerged business. Numbers have been regrouped for analysis

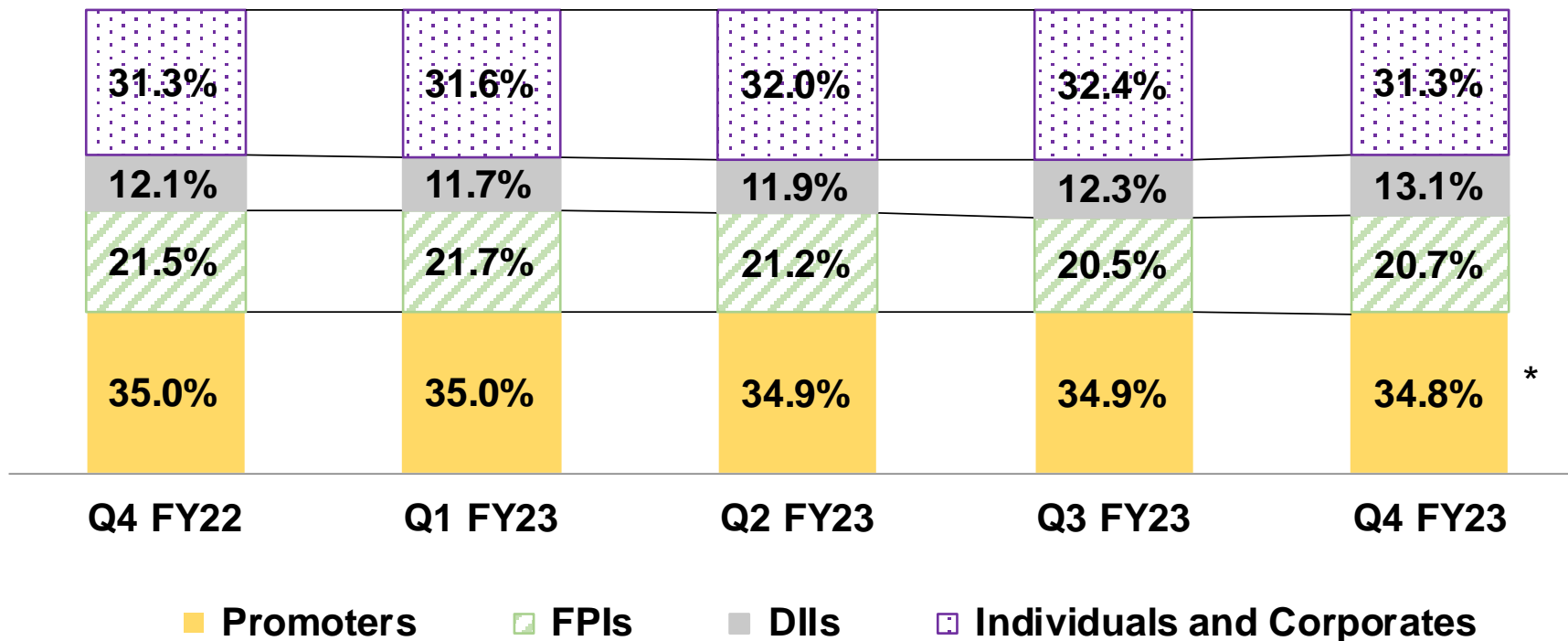
People



Headcount down 37 QoQ and down 66 YoY

* excludes project retainers

Share Holding Pattern



* Includes impact dilution of shareholding percentage due to exercise of ESOPs

OUR TIME IS
now



Thank You

**# Unlock
With NIIT**



MANAGED
TRAINING
SERVICES

**OUTPACE CHANGE WITH
LEARNING**



Financial Results Q4 & FY23

May 29, 2023

Environment

Global growth is expected to decelerate sharply to 1.7% in 2023, its third weakest pace in nearly three decades, overshadowed only by the 2009 and 2020 global recessions (WB)

Global companies already rationalizing spends and holding discretionary investments. This is visible in headcount reduction across sectors, many of which had expected growth to continue post Covid

Increase in number of opportunities for Learning Outsourcing with key focus on cost optimization

Real Estate Market in North America which had seen a sharp decline last year, is starting to see some stabilization in demand at lower levels, although uncertainty persists. Demand for RE careers is expected to follow similar trend

FY23 & Q4 FY23: In Perspective

The Composite Scheme of Arrangement for Transfer of Corporate Learning Business to NIIT Learning Systems Limited (NLSL) has been made effective on May 24, 2023. The Appointed Date for the Scheme is April 1, 2022. The financials for NLSL reflect impact of this transfer from the Appointed Date.

FY23

- Revenue at INR 13,618 Mn; up 20% YoY, CC Revenue growth at 14% YoY
- NIIT acquired St. Charles Consulting Group (StC) during the year
- Excluding StC, revenue up 11% YoY
- EBITDA at INR 3,154 Mn up 6% YoY; OM of 23% down 310 bps YoY
- Company added 12 new MTS customers. Customer tally at 80; Revenue visibility at USD 363 million
- PAT at INR 1,922 Mn & EPS of 14.3
- ROCE at 49.6%, and ROE at 29.2%

Q4 FY23

- Revenue at INR 3,857 Mn; up 30% YoY and 6% QoQ
- CC Revenue growth at 15% YoY and 4% QoQ
- Excluding StC, revenue up 6% YoY, reflecting reduced consumption due to macro uncertainty
- EBITDA at INR 948 Mn up 30% YoY; OM of 25% up 70 bps QoQ and up 3 bps YoY
- PAT at INR 539Mn & EPS of 4.0
- 4 new contracts added during the quarter, 1 scope expansion and 2 renewals

Company expects demerger to lead to acceleration in the medium to long term

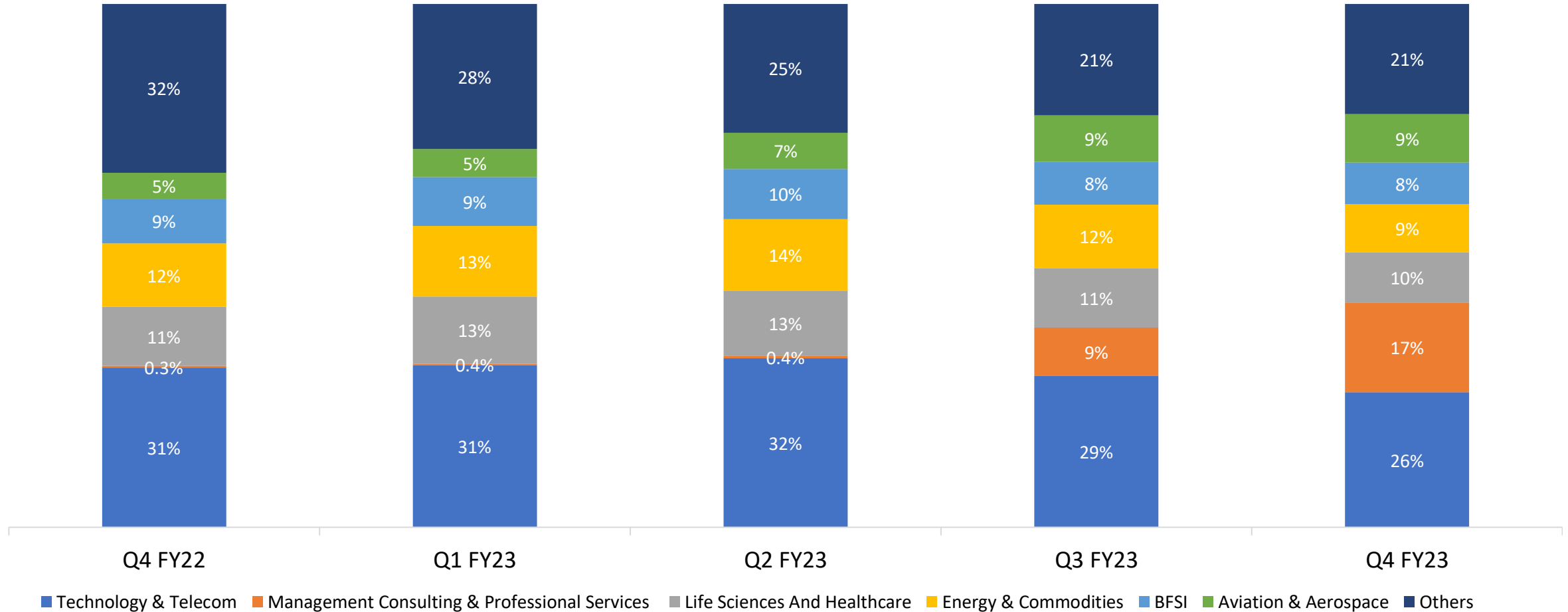
Key Financials

INR Mn	FY23	FY22	YoY	Q4 FY23	Q3 FY23	QoQ	Q4 FY22	YoY
Net Revenue	13,618	11,323	20%	3,857	3,633	6%	2,970	30%
Operating expenses	10,463	8,349	25%	2,909	2,766	5%	2,241	30%
EBITDA	3,154	2,974	6%	948	867	9%	729	30%
EBITDA [*] %	23%	26%	-310 bps	25%	24%	70 bps	25%	3 bps
Depreciation	471	423	11%	146	118	24%	99	48%
Net Other Income/ (Expense)	(398)	71	-469 mn	(153)	(184)	17%	15	-1111%
Operational PBT	2,285	2,622	-13%	649	566	15%	645	1%
Tax	363	601	-40%	109	105	4%	105	5%
PAT	1,922	2,021	-5%	539	460	17%	540	
EPS (INR)	14.3	17.5	-18%	4.0	3.4	17%	6.5	-38%

** Expenses of INR 97 Mn attributable to ESOPs of NIIT Limited (Transferor Company) held by employees of NLSL have been regrouped with Other Expenses from the Appointed Date for analysis.*

- Results include impact of transfer of the Corporate Learning Business undertaking to NLSL and may not be comparable to results declared prior to the demerger. EPS for FY22 has been calculated on basis of number of shares of NLSL prior to demerger.
- Net other expenses for FY23 include
 - Rs 150 million in transaction expenses related to acquisition of StC
 - INR 92 Mn non-cash expense related to fair value gain/loss on contingent consideration for StC
 - Forex loss of Rs 62 Mn
- Depreciation for FY23 includes non-cash charge of Rs 53 Mn related to amortization of StC intangibles recognized on purchase price allocation

Revenue Mix: By Sector



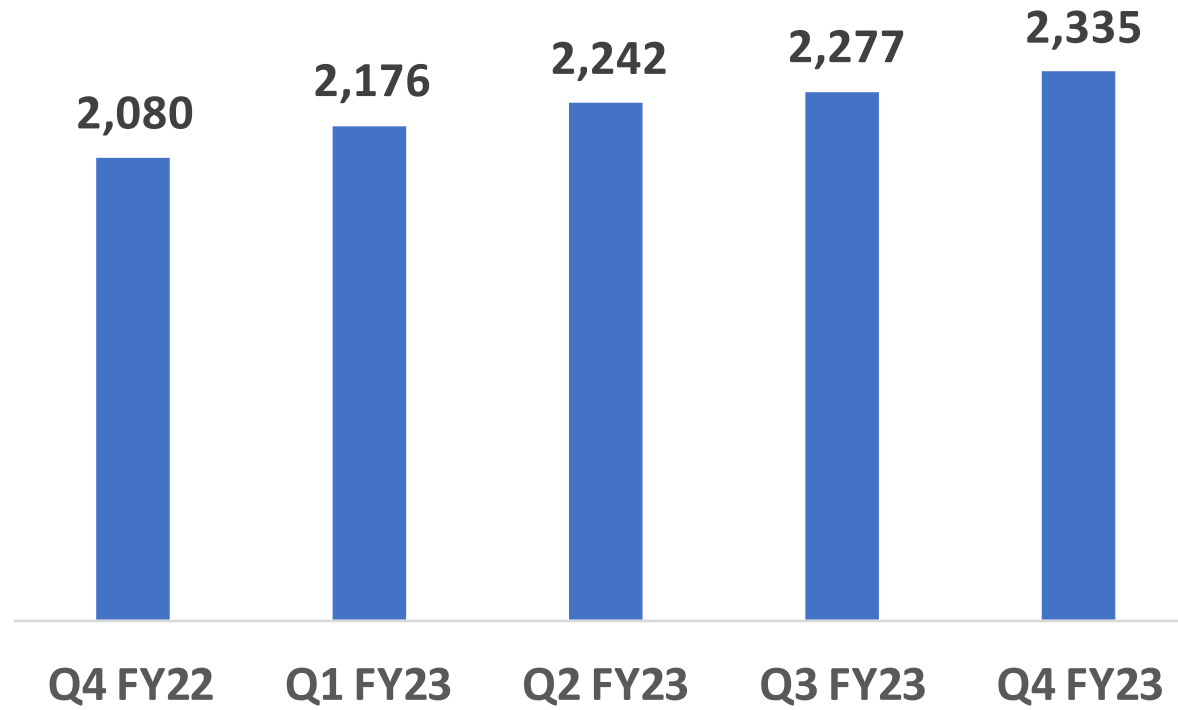
Balance Sheet

Mar-22	INR Mn	Mar-23
268	Share Capital	269
5,183	Reserves and surplus	7,434
80	Borrowings	1,159
5,532	Sources of Funds	8,861
834	Net Fixed assets	1,630
344	Goodwill	4,342
37	Right-of-use assets	120
(38)	Lease Liabilities	(130)
145	Net Deferred tax assets	178
1,394	Trade receivables	2,155
5,169	Cash and cash equivalents*	5,722
1,544	Other Current & Non-Current Assets	2,907
(3,897)	Current Liabilities	(8,063)
5,532	Application of Funds	8,861
62.5%	ROCE %	49.6%
42.7%	ROE %	29.2%

- StC Intangibles @ INR 636 Mn due to purchase price allocation included in Net Fixed Assets
- Goodwill pertaining to StC at Rs 3,970 Mn
- Receivables at INR 2,155 Mn as against INR 2,466 Mn in last quarter and Rs 1,394 Mn.
- DSO at 52 days compared to 62 days in Dec'22 and 45 days in Mar'22 on change in business mix
- Net Cash at Rs 4,563 Mn
- ROCE* at 49.6% & ROE at 29.2%

Re-grouped for like-like analysis, *Including Cash

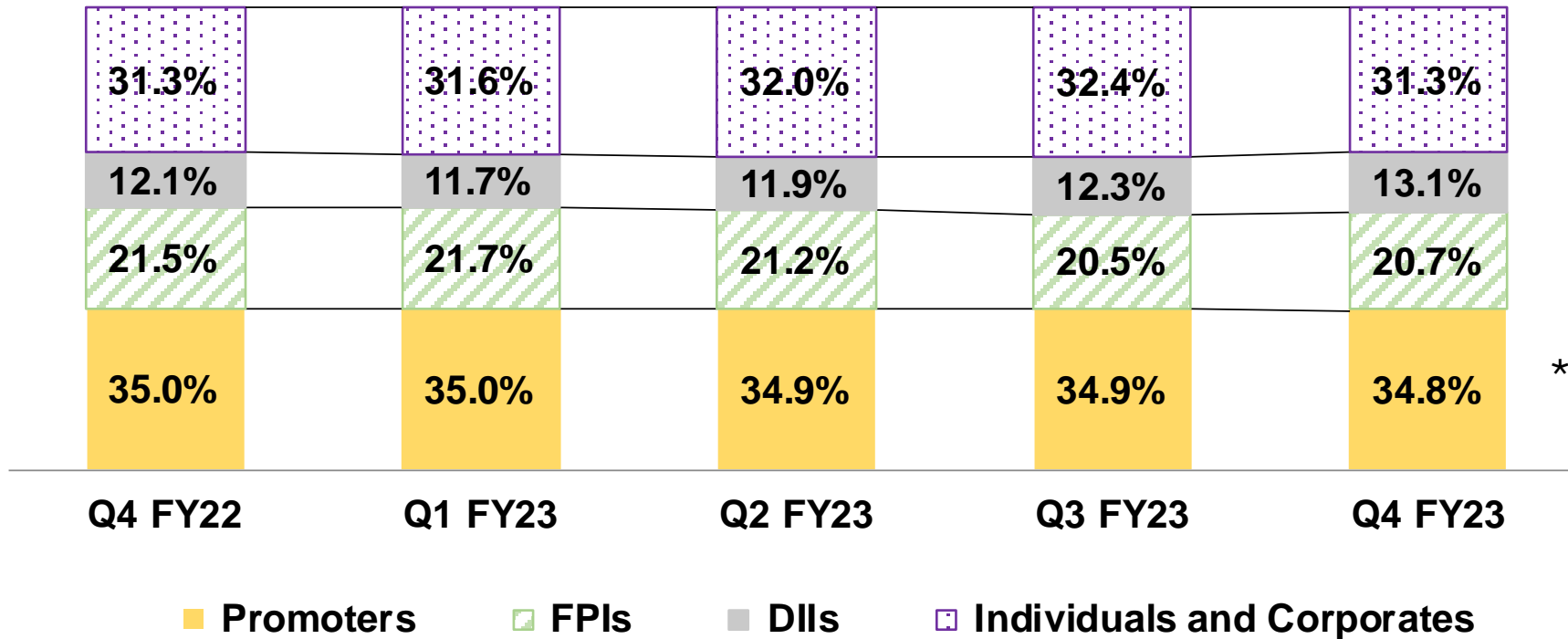
People



Headcount up 58 QoQ and up 255 YoY

* excludes project retainers

Share Holding Pattern



Share holding of NLSL shall be mirror copy of shareholding of NIIT Limited as on the Record Date of June 8, 2023. Chart above represents shareholding movement for NIIT Limited for FY23

* Includes impact of dilution of shareholding percentage due to of exercise of ESOPs

