

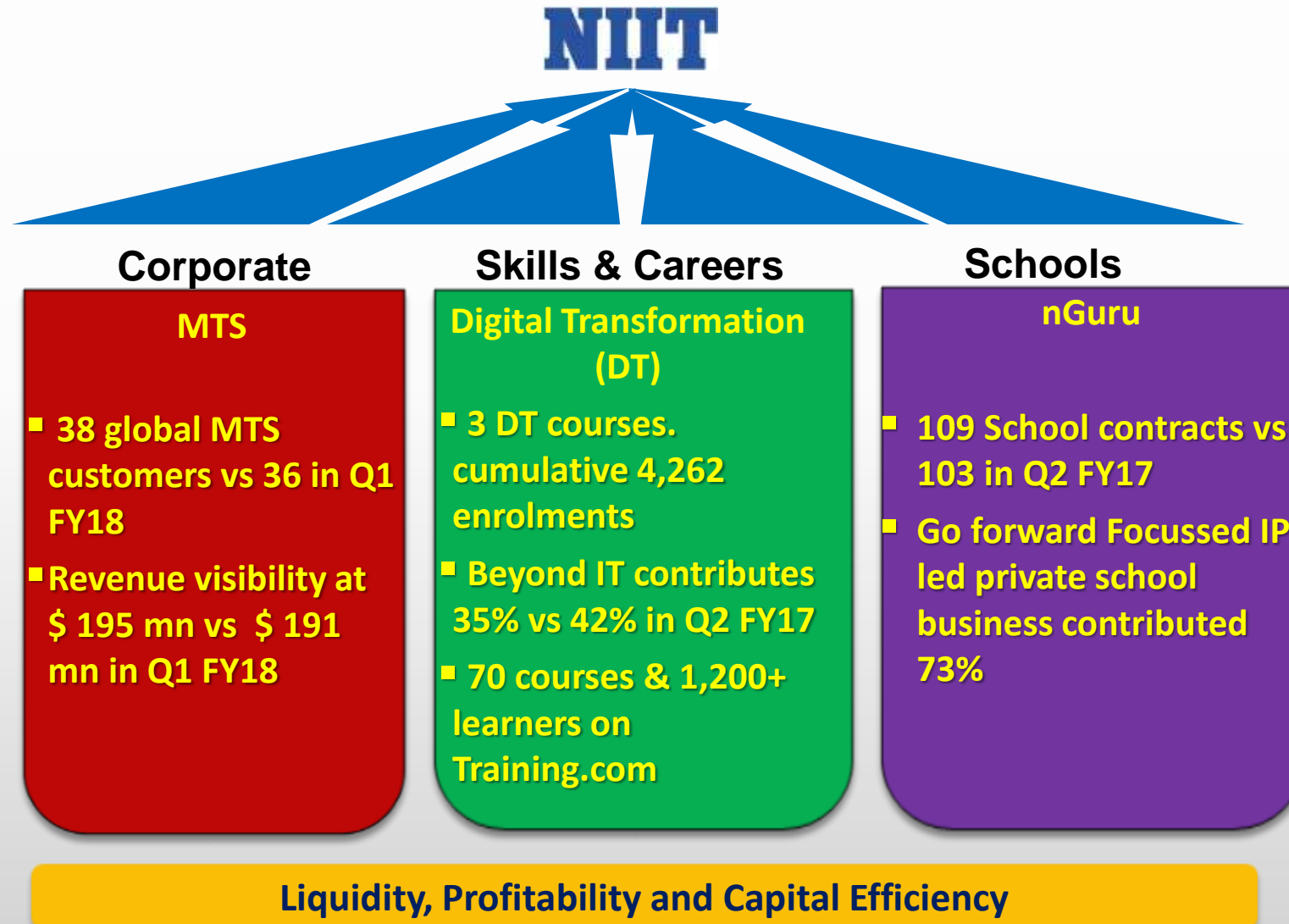
FINANCIAL RESULTS

Q2 FY18

October 25, 2017

ESCAPE
VELOCITY
THE NEXT FRONTIER

- IMF increased its forecast for Global GDP growth to 3.6% in 2017 and 3.8% in 2018. However risks remain due to policy uncertainty and increased protectionism (IMF), and fragile macro-economic environment and volatile forex rates & commodity prices continue to impact pace of decision making in global companies
- Global corporates continue to spend more on training to meet rapidly changing needs for workforce productivity and open to outsourcing training to specialist training providers
- India GDP growth declined to 5.7% in Q1 FY18 marking 5th straight quarter of decline in pace of growth, driven by weakness in consumer confidence and uncertainty. Exports picked up toward the end of Q2
- Multiple transitions in the regulatory framework driven by economic reforms (e.g. GST implementation) affected volume growth and pace of business during the quarter
- Reduced volume growth, policy uncertainty, and increased automation lead to reduced hiring across sectors.
- Hiring by IT companies remains at multi-quarter lows. Banks remain cautious on hiring & training spends. Starting to see demand for reskilling in digital skills to address digital transformation requirements. Push for financial inclusion to drive hiring in BFSI



Overall NIIT

- Revenue at INR 2,084 Mn; down 7% YoY; Constant currency Revenue from Go forward Business flat YoY
- EBITDA at INR 178 Mn (9%); up 77 bps QoQ and down 42 bps YoY
- Sustained improvement in PAT. PAT at INR 127 Mn vs INR 108 Mn in Q2 FY17
- Strong Balance sheet. Continued control on Capex & Collections. Net Debt at INR 459 mn

Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,263 Mn up 10% YoY; Constant currency Revenue grows at 14%
- EBITDA margin at 16%; up 92 bps QoQ & 6 bps YoY
- Added 3 new MTS customers & expanded 2 contracts, CLG now has 38 MTS customers
- Revenue Visibility at \$ 195 Mn (up 32% YoY); Order Intake of \$ 32.9 Mn (up 94% YoY)
- Transition for the large RECO Canada contract on schedule

Skills & Careers Group (SNC): Rebuild phase

- Revenue at INR 714 Mn; down 22% YoY; India business impacted because of hiring & training slowdown in BFSI, delayed decision making in China and delays due to transition to GST framework
- EBITDA margin at 3%; up 210 bps QoQ & down 56 bps YoY

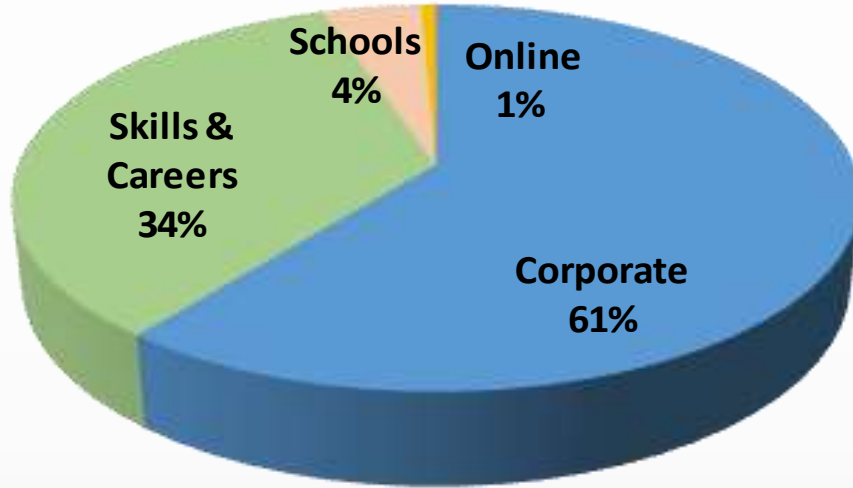
School Learning Group (SLG): Move towards IP led asset light business model

- Revenue at INR 93 Mn down 49% YoY due to ramp down of government school projects
- Order Intake of INR 57 Mn; signed 109 school contracts during the quarter (up 6% YoY)
- Focussed IP led private school business contributes 73%; up 3% YoY

INR Mn	Q2 FY18	Q2 FY17	YoY	Q1 FY18	QoQ
System wide Revenue	3,367	3,594	-6%	3,587	-6%
Net Revenue	2,084	2,238	-7%	2,099	-1%
Operating expenses	1,906	2,038	-6%	1,936	-2%
EBITDA	178	200	-11%	163	9%
EBITDA%	9%	9%	-42 bps	8%	77 bps
Depreciation	104	119	-13%	102	2%
Net Other Income	-55	-49	-6 mn	-44	-11 mn
Operational PBT	18	32	-13 mn	17	2 mn
Share of Profits from Associates	155	128	22%	120	30%
Tax	47	51	-9%	33	41%
PAT	127	108	18%	104	23%
Basic EPS (Rs.)	0.8	0.7	17%	0.6	22%

- Growth in Corporate Learning helps offset planned ramp down of government schools business and exit from de-focussed SNC business
- Depreciation down 13% YoY reflecting planned reduction in capital intensity

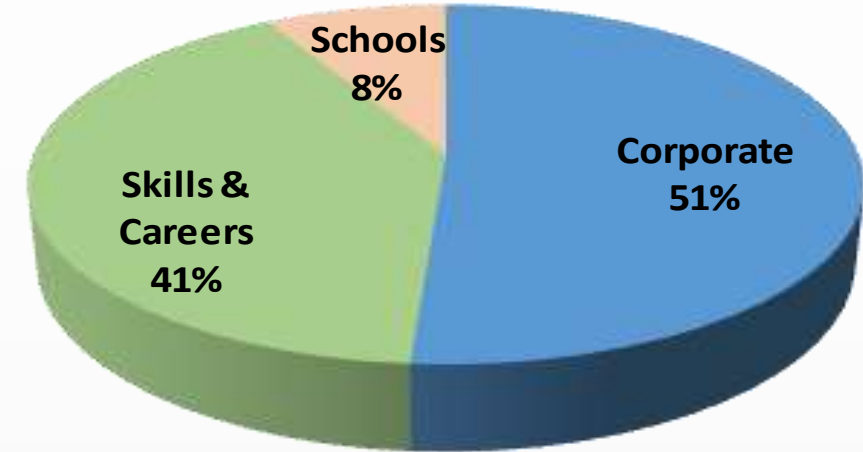
Q2 FY18



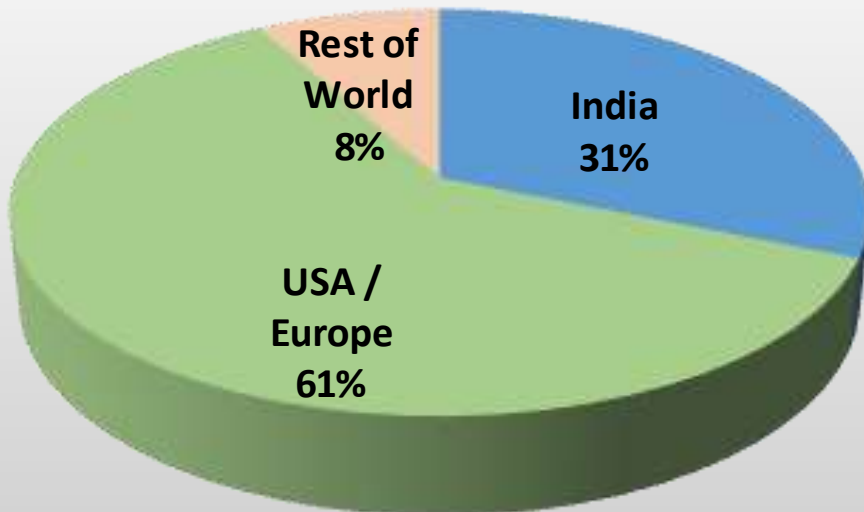
Revenue Mix - Biz

	Growth
Corporate	10%
Skills & Careers	-22%
Schools	-49%
Online	1264%
NIIT	-7%

Q2 FY17



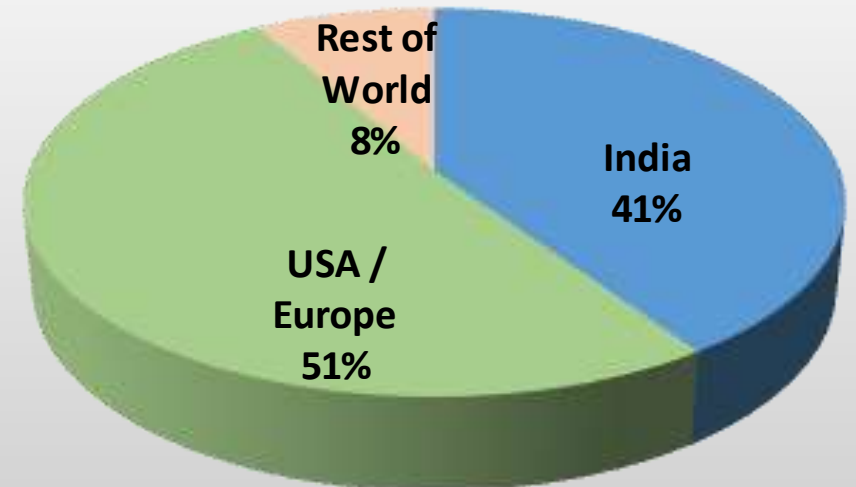
Q2 FY18



Revenue Mix - Geo

	Growth
India	-28%
USA / Europe	10%
Rest of World	-9%
NIIT	-7%

Q2 FY17



INR Mn	Q2 FY18	Q2 FY17	YoY	Q1 FY18	QoQ
Net Revenues	1,263	1,145	10%	1,175	7%
EBITDA	196	177	11%	172	14%
EBITDA %	16%	15%	6 bps	15%	92 bps



- Revenue up 14% YoY in Constant currency
- Best ever Qtr for Order Intake & Customer addition results in Order Intake of \$ 32.9 Mn up 94% YoY. Revenue Visibility increases to \$ 195 Mn
- Signed 3 new MTS customers and expanded 2 existing customers. Overall 38 MTS customers
- Strong pipeline of new deals. RECO contract progressing on schedule
- Twenty Brandon Hall Group HCM Excellence Awards



INR Mn	Q2 FY18	Q2 FY17	YoY	Q1 FY18	QoQ
Net Revenues	714	909	-22%	681	5%
EBITDA	19	29	-35%	3	437%
EBITDA %	3%	3%	-56 bps	1%	210 bps



- India business impacted because of hiring & training slowdown in BFSI, delayed decision making in China and delays due to transition to GST framework
- Beyond-IT contributes 35% to SNC revenue
- Maintained profitability despite lower revenue
- Cumulative 4,262 DT enrolments
- IT shows early signs of revival especially around reskilling



INR Mn	Q2 FY18	Q2 FY17	YoY	Q1 FY18	QoQ
Net Revenues	93	183	-49%	232	-60%
EBITDA	-21	5	-540%	18	-222%
EBITDA %	-23%	3%	-2555 bps	8%	-3047 bps

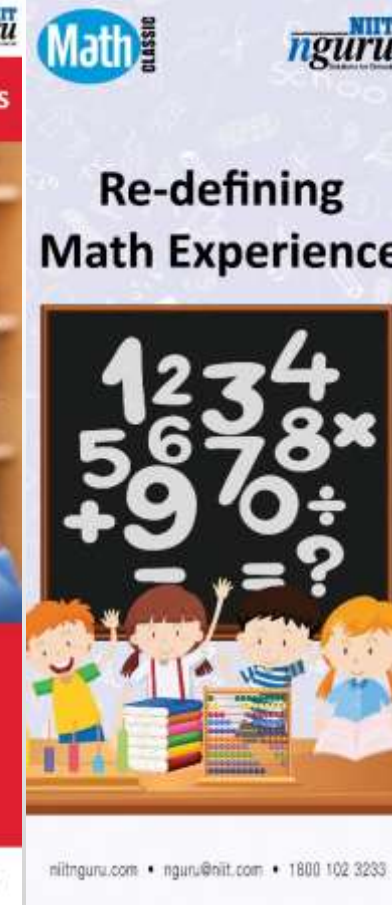
- Overall revenue impacted due to planned ramp down of government school projects
- Revenue from Go Forward IP led private school business contributes 73% to SLG revenue; up 3% YoY
- 109 school contracts signed during the Qtr; up 6% YoY
- Launched new curriculum products for – English, Math, Science & IT for grades 1-8
- Won 3 awards at the 3rd South Asia Education Summit



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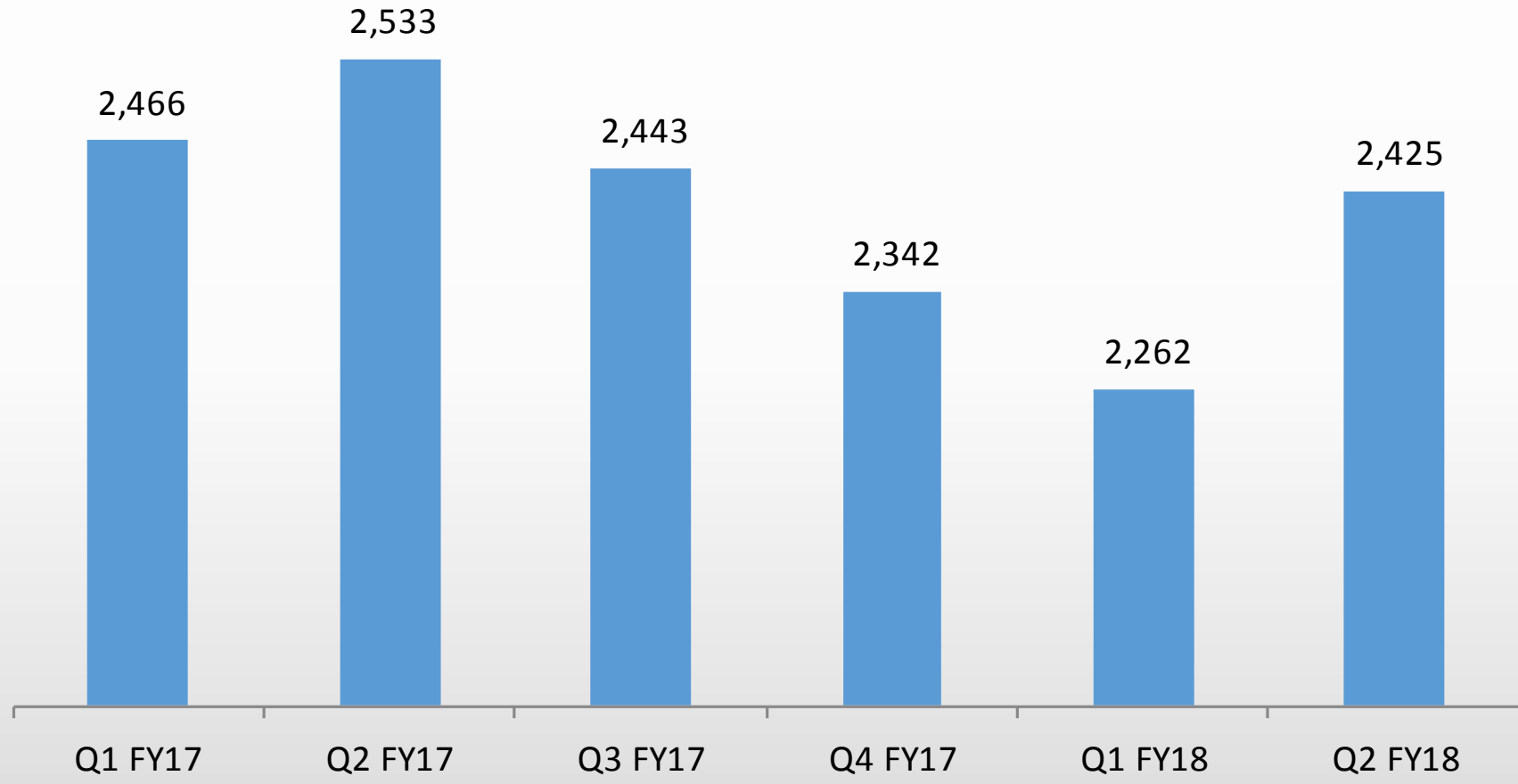
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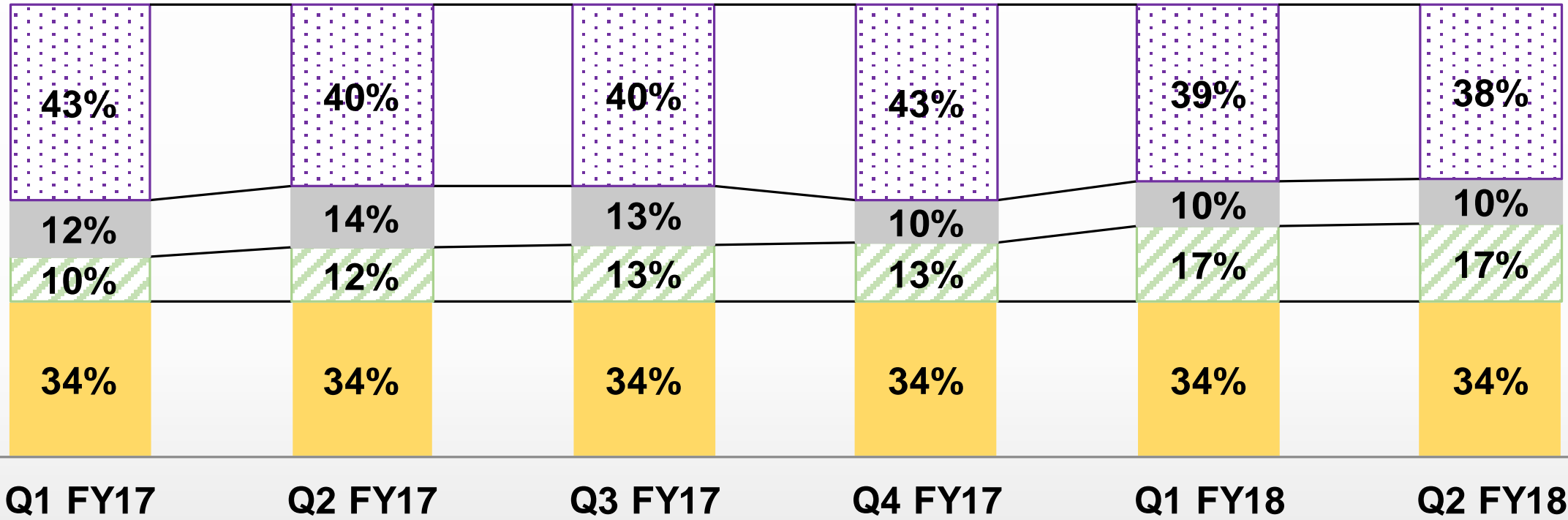
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Headcount up 163 QoQ and down 108 YoY

* excludes project retainers



■ Promoters
 ▨ FIs & FPIs
 ■ FIs and Mutual Funds
 ▨ Individuals and Corporates

Percentages may not add to 100% due to rounding



Thank you

