

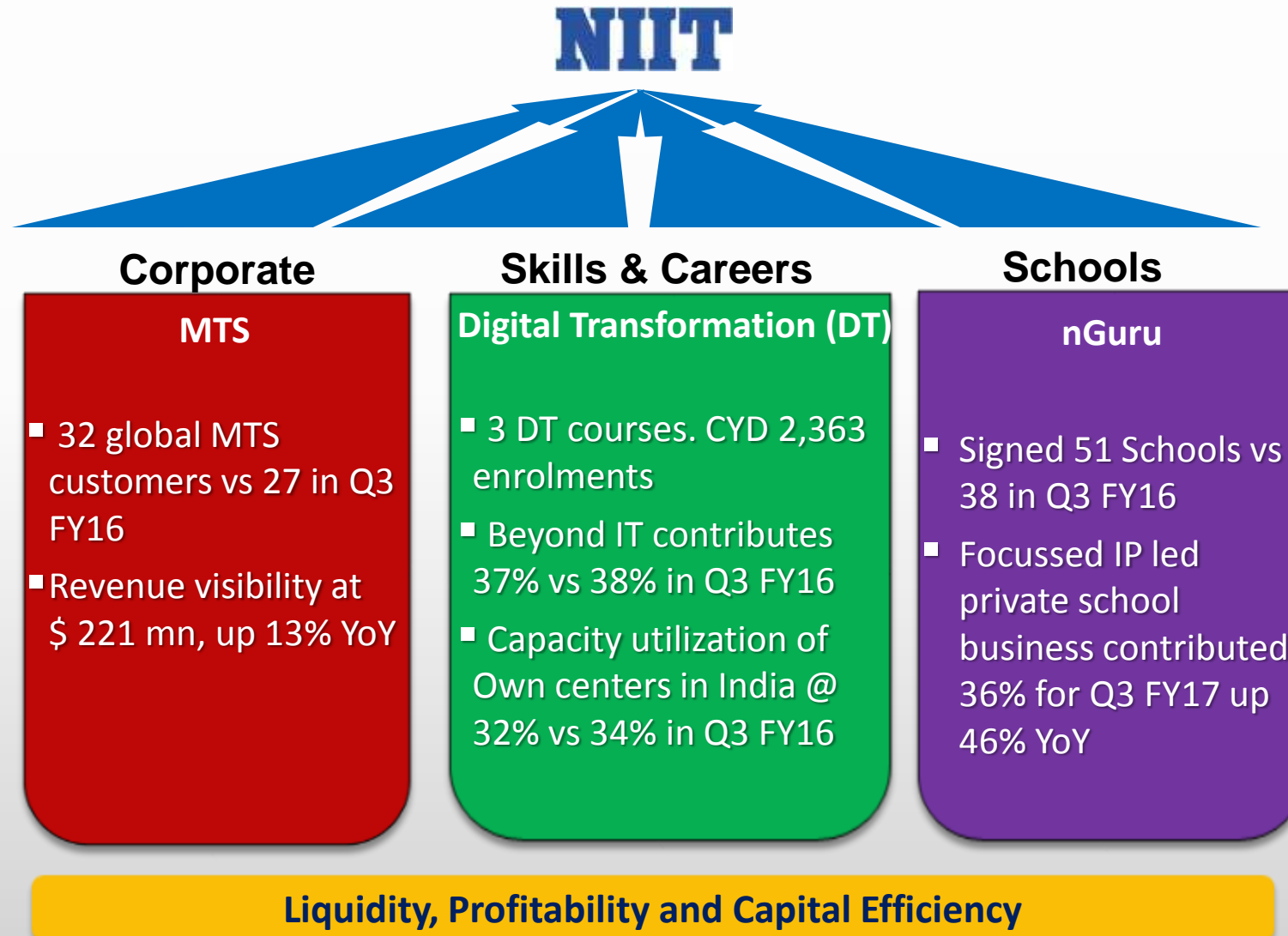
# FINANCIAL RESULTS

Q3 FY17

January 20, 2017

ESCAPE  
VELOCITY  
*THE NEXT FRONTIER*

- Global GDP growth expected to improve. However recent political developments lead to increased risks and uncertainty (IMF). Volatility in forex rates and commodity prices continues to impact corporate decision making
- India is likely to lose 'fastest growing major economy' tag in 2016-17 as economy adjusts to recent government moves on demonetization. IMF has downgraded GDP growth forecast to 6.6% versus earlier forecast of 7.6%
- Corporate earnings impacted by slowdown in spending as consumers cut back on discretionary spending due to low liquidity
- Indian employers project a considerably slower pace compared to last year. Following four consecutive quarters of gradual decline, hiring intentions are the weakest reported since 3Q 2013, weakening by 7 and 19 percentage points QoQ and YoY respectively (MEOS\*).
- Banks deferred scheduled training to enable increased availability of workforce at branches and bank offices to handle increased workload due to demonetization.
- Government continues to focus on skills development to drive sustainable and inclusive growth. The focus is on skilling for manufacturing skills
- Increasing adoption of digital tools for learning in the K-12 market and retail online market



### Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,774 Mn up 12% YoY; Constant currency growth @ 14% YoY;
- EBITDA margin at 10%; impacted by loss of one client due to external regulatory change
- Added 2 MTS customers; 32 MTS customers now contribute 95% to CLG revenue
- Order Intake of \$ 26.4 Mn; Revenue Visibility at \$ 221 Mn up 13% YoY

### Skills & Careers Group (SNC): Renewal phase

- Revenue at INR 724 Mn; down 13% YoY due to short term impact of demonetization
- EBITDA @ INR (59) Mn
- DT enrolments growing as per plan
- Beyond-IT contributes 37% to SNC revenue compared to 38% in Q3 FY16

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

- Revenue at INR 174 Mn down 17% YoY due to despite ramp down of government school projects
- Order Intake of INR 35 Mn; added 51 schools during the quarter
- Focussed IP led private school business contributes 36%; up 46% YoY

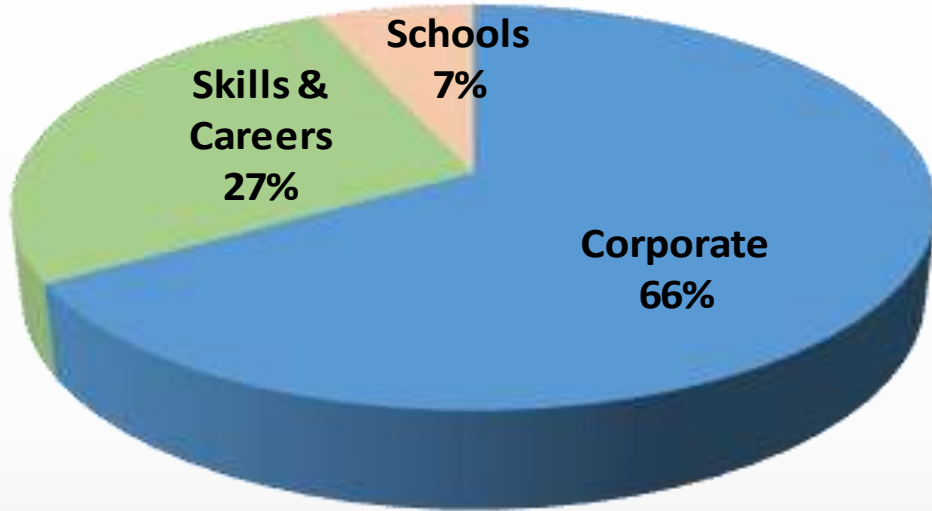
### NIIT: Growth & Profitability continues its march upwards

- Revenue at INR 2,673 Mn; up 2% YoY; Revenue from Focus-Business up 7% YoY
- EBITDA at INR 80 Mn at 3% of revenue
- PAT at INR 60 Mn vs INR 137 Mn in Q3 FY16
- Net Debt at INR 1,038 mn up INR 120 mn compared to last quarter

INR Mn	Q3 FY'17	Q3 FY'16	YoY	Q2 FY'17	QoQ
<b>Net Revenue</b>	2,673	2,623	2%	2,984	-10%
Operating expenses	2,594	2,459	5%	2,698	-4%
<b>EBITDA</b>	80	164	-51%	286	-72%
EBITDA%	3%	6%	-326 bps	10%	-661 bps
Depreciation	109	117	-7%	133	-18%
Net Other Income	-41	-67	26 mn	-47	6 mn
<b>Profit before Tax</b>	<b>-70</b>	<b>-21</b>	<b>-49 mn</b>	<b>106</b>	<b>-177 mn</b>
Tax	22	5	-17 mn	20	-3 mn
<b>Operational Net Profit</b>	<b>-93</b>	<b>-26</b>	<b>-67 mn</b>	<b>87</b>	<b>-179 mn</b>
Share of Profits from Associates	152	163	-11 mn	129	23 mn
<b>PAT</b>	<b>60</b>	<b>137</b>	<b>-57%</b>	<b>216</b>	<b>-72%</b>
<b>Basic EPS (Rs.)</b>	<b>0.4</b>	<b>0.8</b>	<b>-0.5</b>	<b>1.3</b>	<b>-0.9</b>

- Growth in Corporate Learning helps offset planned ramp down of government schools business
- Revenue growth & EBITDA impacted by Demonetisation and loss of one Corporate client due to external regulatory change
- Depreciation down 7% YoY driven by shift to asset light business model

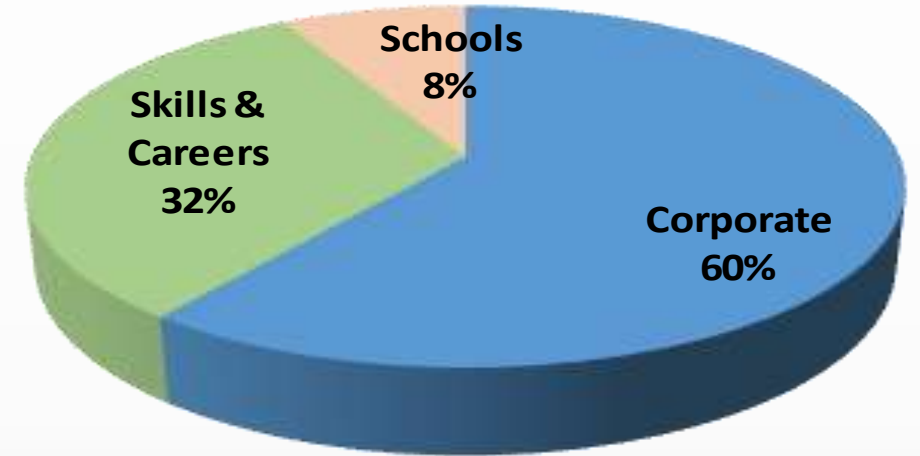
## Q3 FY17



### Net Revenue

	Growth
Corporate	12%
Skills & Careers	-13%
Schools	-17%
Online	0%
<b>NIIT</b>	<b>2%</b>

## Q3 FY16



### EBITDA

EBITDA Q3 FY17	
Corporate	170
Skills & Careers	(59)
Schools	(9)
Online	(23)
<b>NIIT</b>	<b>80</b>


Growth YoY	
Corporate	-14 Mn
Skills & Careers	-64 Mn
Schools	+17 Mn
Online	-23 Mn
<b>NIIT</b>	<b>-84 Mn</b>

EBITDA Q3 FY16	
Corporate	184
Skills & Careers	5
Schools	(25)
Online	-
<b>NIIT</b>	<b>164</b>


INR Mn	Q3 FY17	Q3 FY16	YoY	Q2 FY17	QoQ
Net Revenues	1,774	1,586	12%	1,786	-1%
EBITDA	170	184	-7%	205	-17%
EBITDA %	10%	12%	-201 bps	12%	-192 bps

- Revenue at INR 1,774 Mn up 12% YoY; Constant currency revenue growth at 14% YoY
- Revenue growth & EBITDA margin impacted by loss of one client due to external regulatory change
- Added 3 new customers (including 2 MTS); 1 extension with scope enhancement
- Strong momentum on back of 32 MTS customers which now contribute 95% to CLG revenue
- Revenue Visibility at \$ 221 Mn up 13% YoY





**CRITICAL MISTAKE ANALYSIS**  
Our proprietary methodology helps create effective hands-on learning experiences.



LEARN MORE

**DOWNLOAD EBOOK.**

INR Mn	Q3 FY17	Q3 FY16	YoY	Q2 FY17	QoQ
Net Revenues	724	828	-13%	981	-26%
EBITDA	-59	5	-1298%	84	-171%
EBITDA %	-8%	1%	-877 bps	9%	-1671 bps

- Revenue at INR 724 Mn down 13%; Revenue from go forward Biz down 6%; Short term impact on business on account of demonetization during Q3 FY17
- Beyond-IT contributes 37% to SNC revenue vs 38% in Q3 FY16
- DT enrolments ramping as per plan, despite challenging environment; 75 centres enabled for DT; offer 3 DigiNxt courses



NIIT

What will you be tomorrow?  
An IT professional  
or a Digital Transformation expert?

NIIT | digiNxt

We are sure  
about your  
career.  
**Are you?**

Join the digiNxt combo program in Big Data with Hadoop and Java enterprise with DevOps. Get placed in top companies at the end of your course.  
**Or get your tuition fee\* back. Guaranteed!**

Digital Transformation Technology Programs for In-demand Careers.  
Project-based Learning | Expert Faculty | Digital Learning Resources  
Personal Tech Mentors | 100% Placement Assistance  
Duration: 6 months  
Eligibility: Graduates and Undergraduates in STEM (Science, Technology, Engineering & Mathematics)

NIIT | digiNxt

1800 102 6448 | www.nitdiginxt.com  
9599-489-888 (WhatsApp messages only)

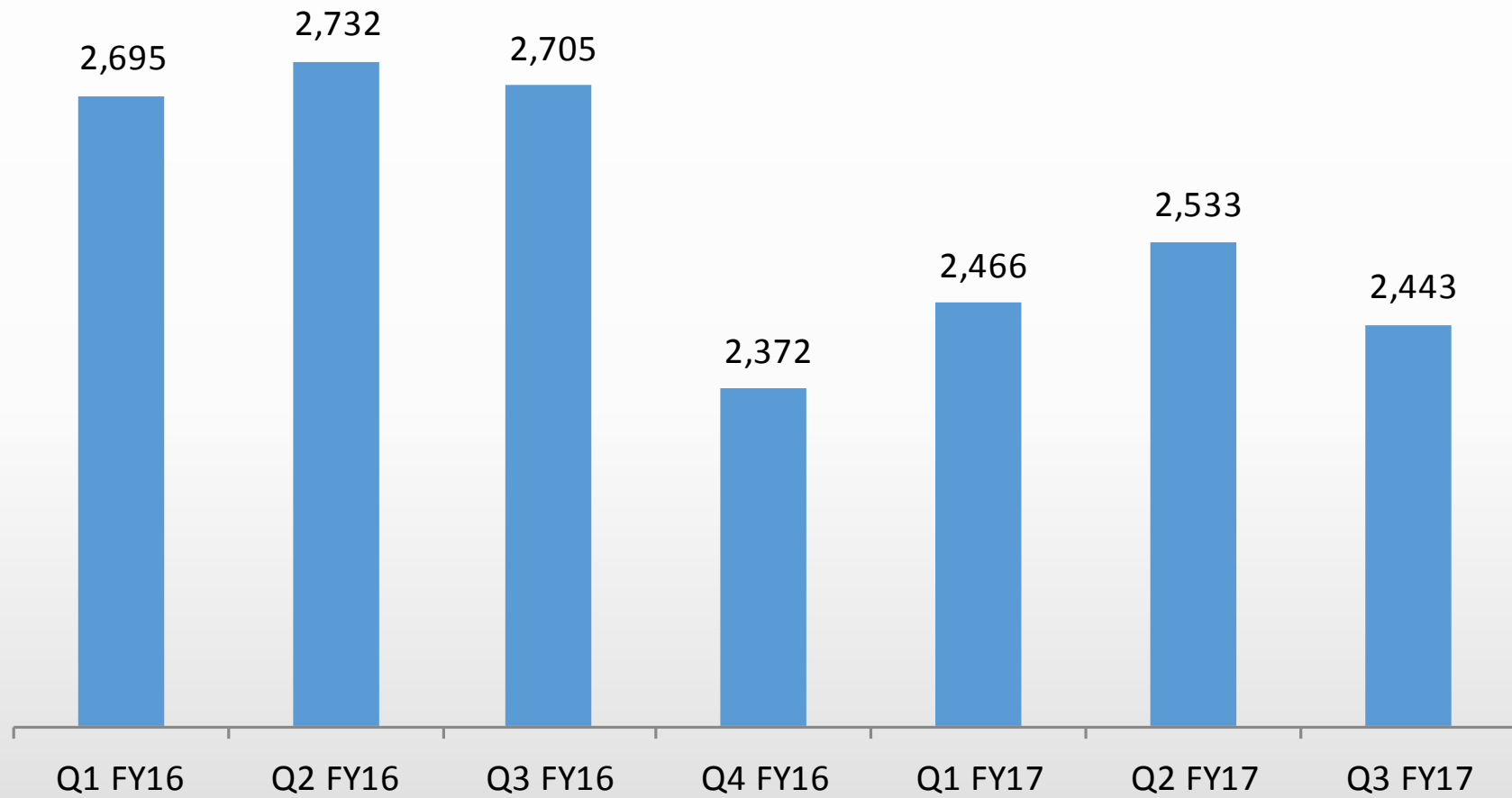
\*100% Tuition fee equivalent to ₹10000/- Conditions Apply.



INR Mn	Q3 FY17	Q3 FY16	YoY	Q2 FY17	QoQ
Net Revenues	174	209	-17%	216	-20%
EBITDA	-9	-25	-66%	12	-172%
EBITDA %	-5%	-12%	709 bps	6%	-1043 bps

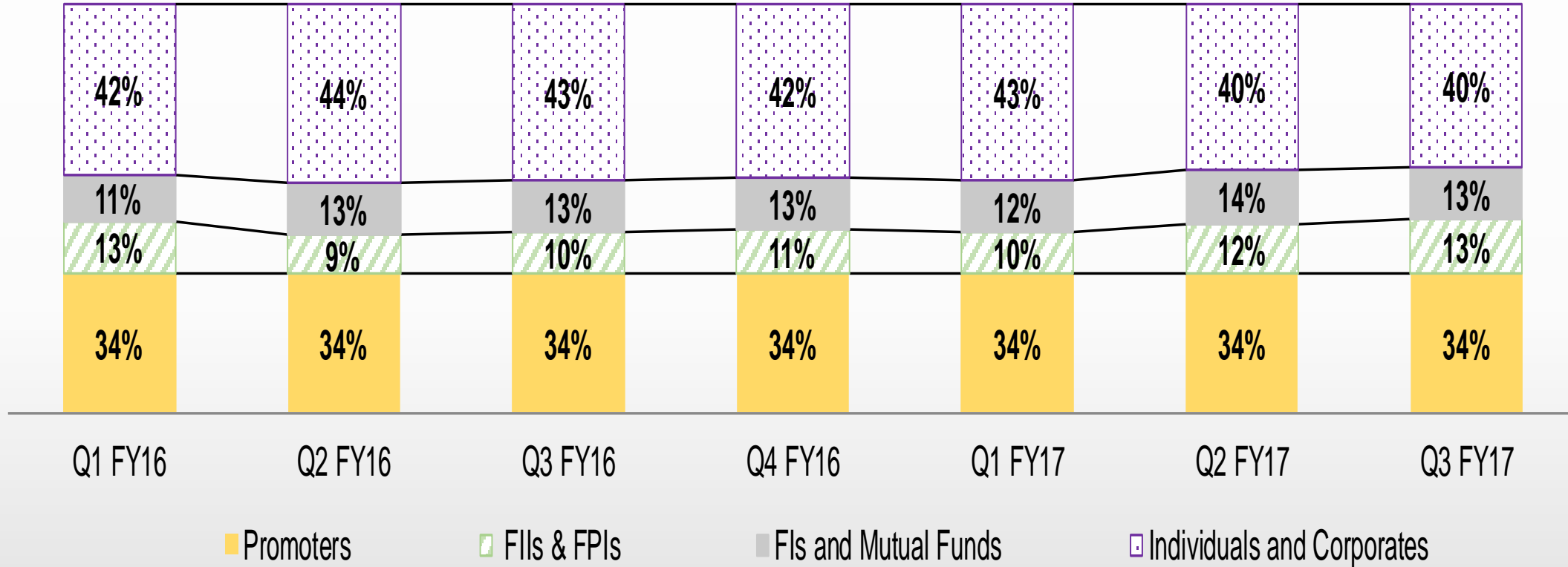
- Revenue at INR 174 Mn down 17% YoY
- Overall revenue impacted due to planned ramp down of government school projects
- Revenue from Focussed IP led private school business contributes 36% to SLG revenue; up 46% YoY
- Added 51 schools; Order intake of INR 35 Mn





Headcount down 90 QoQ and down 262 YoY

*\* excludes project retainers*



Percentages may not add to 100% due to rounding

NiiT

digiNxt

training.com

ease  
evaluate. analyze. simplify. engage.

NIIT  
*nguru*  
Solutions for Schools

STA  
CK  
ROUTE