

NIIT

Financial Results Q3FY23

January 31, 2023

**# Unlock
With NIIT**

Environment

Global growth is expected to decelerate sharply to 1.7 percent in 2023, roughly half the rate expected just six months ago (WB). IMF expects recession to hit a third of the world including Europe in 2023. US economy to see relatively moderate slowdown

Global headwinds impacting growth outlook for India as well. WB now expects GDP to grow for FY23 at 6.9% owing to global headwinds. While still robust, it is meaningfully lower than 9.2% expected at the time of budget and 8.7% growth achieved in FY22

CEO already preparing companies for impending recession, although timing and magnitude of slowdown is uncertain (EY CEO Survey). Companies holding spends in rationalizing spends and holding discretionary spends but keeping their options open

While pace of decision making has been impacted, corporates looking at outsourcing to specialist firms to achieve greater efficiency and effectiveness

Real Estate Market in North America has seen steeper than expected drop in activity levels, in addition to continuing strength in overall labor market, is lowering demand for RE licensures as supplementary career option

Net Hiring has turned negative in Q3 as companies adjust talent inventory for uncertain demand outlook. Large layoffs announced by global tech majors reversing strong hiring during the pandemic

Q3FY23: In Perspective



Overall NIIT

- Revenue at INR 4,546 Mn; up 16% QoQ and up 18% YoY
- EBITDA at INR 908 Mn vs INR 560 Mn in Q2FY23; EBITDA % at 20%; up 570 bps QoQ
- PAT at INR 550 Mn vs INR 396 Mn in Q2 FY23; EPS of INR 4.1 vs INR 2.9 in Q2FY23
- ROCE at 19.8% vs 16.8% in Q2FY23 (Including Cash)
- NIIT acquired St Charles Consulting Group (StC) during Q3.
- NIIT purchased additional 20% stake in RPS Consulting to take holding in company to 90%

Corporate Learning Group (CLG)

- Revenue at INR 3,636 Mn; up 21% QoQ and up 22% YoY. Revenue up 17% QoQ and up 15% YoY in CC
- Excluding StC, Revenue at INR 3,298 Mn; up 10% QoQ and up 11% YoY. Revenue up 8% QoQ and up 6% YoY in CC
- EBITDA at INR 845 Mn; EBITDA % at 23%
- Sustained velocity of new customer acquisition and 100% renewals; Added 1 MTS customers during the quarter; and renewed 7 customer contracts; MTS customer tally at 71. Revenue Visibility at \$ 321 Mn
- Strong pipeline

Skills & Career Group (SNC)

- Revenue at INR 910 Mn up 4% YoY and down 1% QoQ
- EBITDA at INR 63 Mn vs INR 25 Mn in Q2FY23. Margin improves 417 bps
- StackRoute & TPaaS Biz up 11% YoY

Key Financials

INR Mn	Q3 FY23	Q2 FY23	QoQ	Q3 FY22	YoY
Net Revenue	4,546	3,922	16%	3,847	18%
Operating expenses	3,638	3,362	8%	3,024	20%
EBITDA	908	560	62%	823	10%
EBITDA%	20%	14%	570 bps	21%	-141 bps
Depreciation	160	150	6%	136	17%
EBIT	749	410	83%	686	9%
Net Other Income/ (Expense)	(37)	103	-136%	76	-148%
Operational PBT	712	513	39%	763	-7%
Tax	145	96	50%	181	-20%
Profit/ (loss) from discontinued Operations & Assets held for Sale	(2)	(2)	-1 mn	(9)	6 mn
Non Controlling Interests	(14)	(20)	6 mn	(24)	10 mn
PAT	550	396	39%	550	0%
EPS (INR)	4.1	2.9	39%	4.1	0%

- StC included in consolidated financials from Nov 5, 2022. Excluding StC, Revenue @INR 4,208 Mn, up 7% QoQ and 9% YoY, and EBITDA @INR 812 Mn, OM of 19% up 502 bps QoQ
- Net Other Income includes Interest income of INR 137 Mn offset by Rs. 174 million in expenses primarily related to the StC acquisition including one time financing cost

Corporate Learning Group



INR Mn	Q3 FY23	Q2 FY23	QoQ	Q3 FY22	YoY
Net Revenues	3,636	3,004	21%	2,972	22%
EBITDA	845	535	58%	731	16%
EBITDA %	23%	18%	544 bps	25%	-134 bps

- Revenue at INR 3,636 Mn; up 21% QoQ and up 22% YoY (Up 17% QoQ and up 15% YoY in CC)
- Excluding StC, Revenue at INR 3,298 Mn; up 10% QoQ and up 11% YoY (up 8% QoQ and up 6% YoY in CC)
- EBITDA at INR 845 Mn; EBITDA margin at 23%
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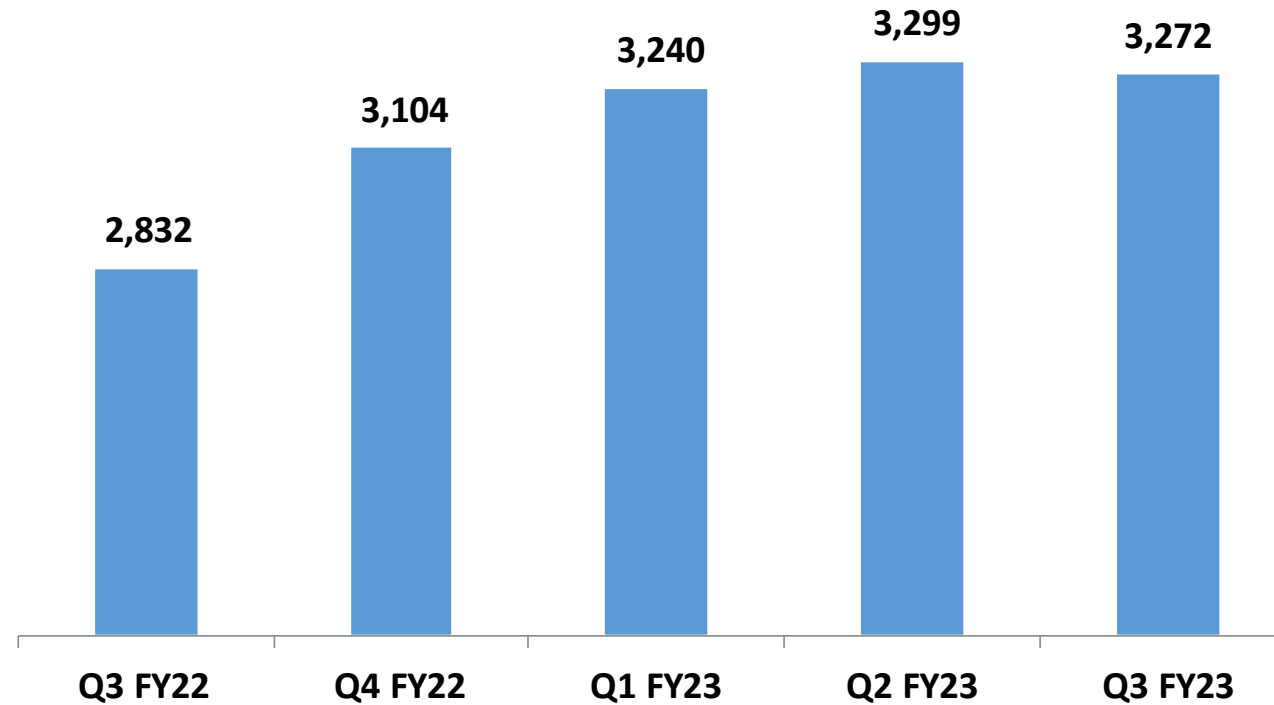
Skills & Careers Group

INR Mn	Q3 FY23	Q2 FY23	QoQ	Q3 FY22	YoY
Net Revenues	910	918	-1%	874	4%
EBITDA	63	25	150%	92	-31%
EBITDA %	7%	3%	417 bps	11%	-359 bps

- Revenue at INR 910 Mn up 4% YoY and down 1% QoQ
- EBITDA at INR 63 Mn vs INR 25 Mn in Q2FY23. Margin improves 417 bps
- Stackroute & TPaaS
 - ✓ Revenue up 11% YoY
 - ✓ Contribute 35% to SNC revenue
- Volume impact due to compression in consumption by GSIs & Tech OEMs while BFSI and others grow. Focusing on increasing business opportunities in upskilling and re-skilling
- Strong deal wins with leading private sector banks and other Enterprises



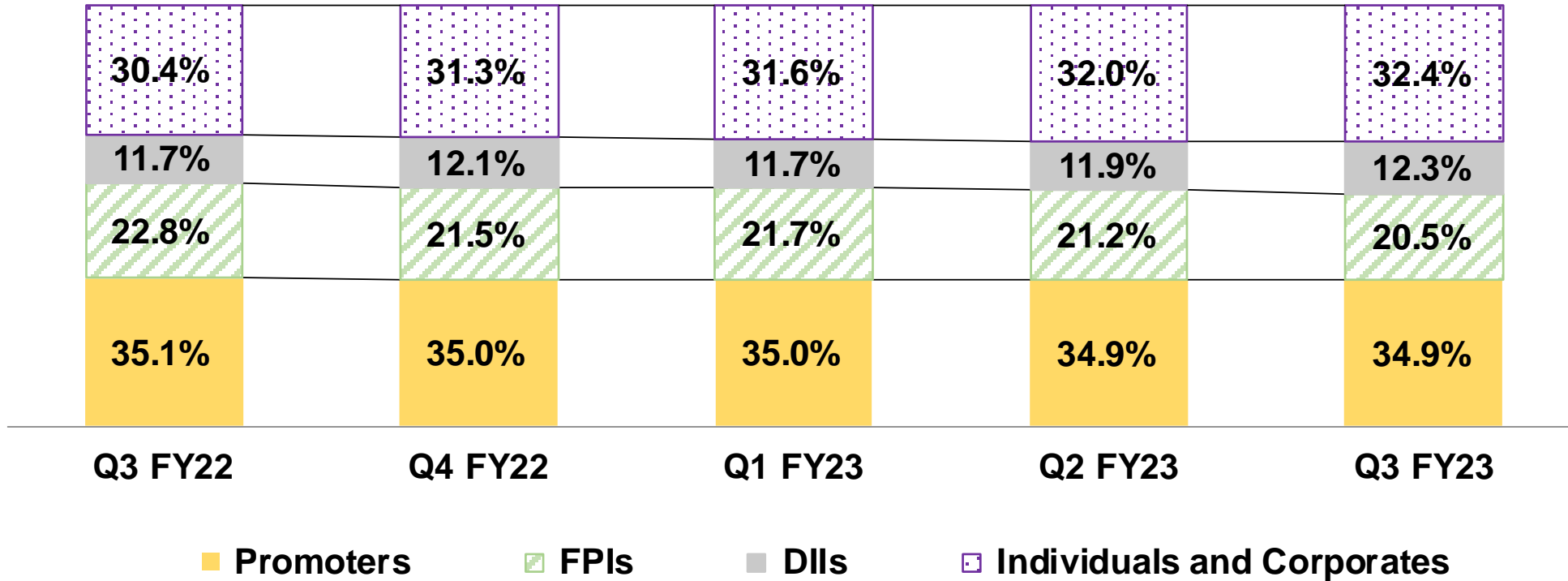
People



- Headcount down 27 QoQ and up 440 YoY

** excludes project retainers*

Share Holding Pattern



* Includes impact of conversion of ESOPs

The logo consists of the letters "NIIT" in a bold, white, sans-serif font, centered within a solid black circle. The background of the entire image is a blue-tinted photograph of a city skyline at night, with various skyscrapers and a multi-level highway interchange visible.

NIIT

You can't spell TRAINING without NIIT.