


The logo for NIIT, consisting of the letters 'NIIT' in a bold, blue, sans-serif font. In the top left corner, there is a stylized sunburst graphic with rays emanating from a central point.

**NIIT**

**Investor  
Presentation**

The main title 'Ride the Winds of change' is displayed in a large, black, sans-serif font. The word 'Winds' is significantly larger than 'Ride the' and 'of change'. Three autumn leaves (yellow, orange, and green) are placed over the letters 'i', 'n', and 'd' of 'Winds'. The words 'of change' are written in a smaller font size and are positioned to the right of 'Winds', with 'of' stacked above 'change'.

**Ride the  
Winds of  
change**

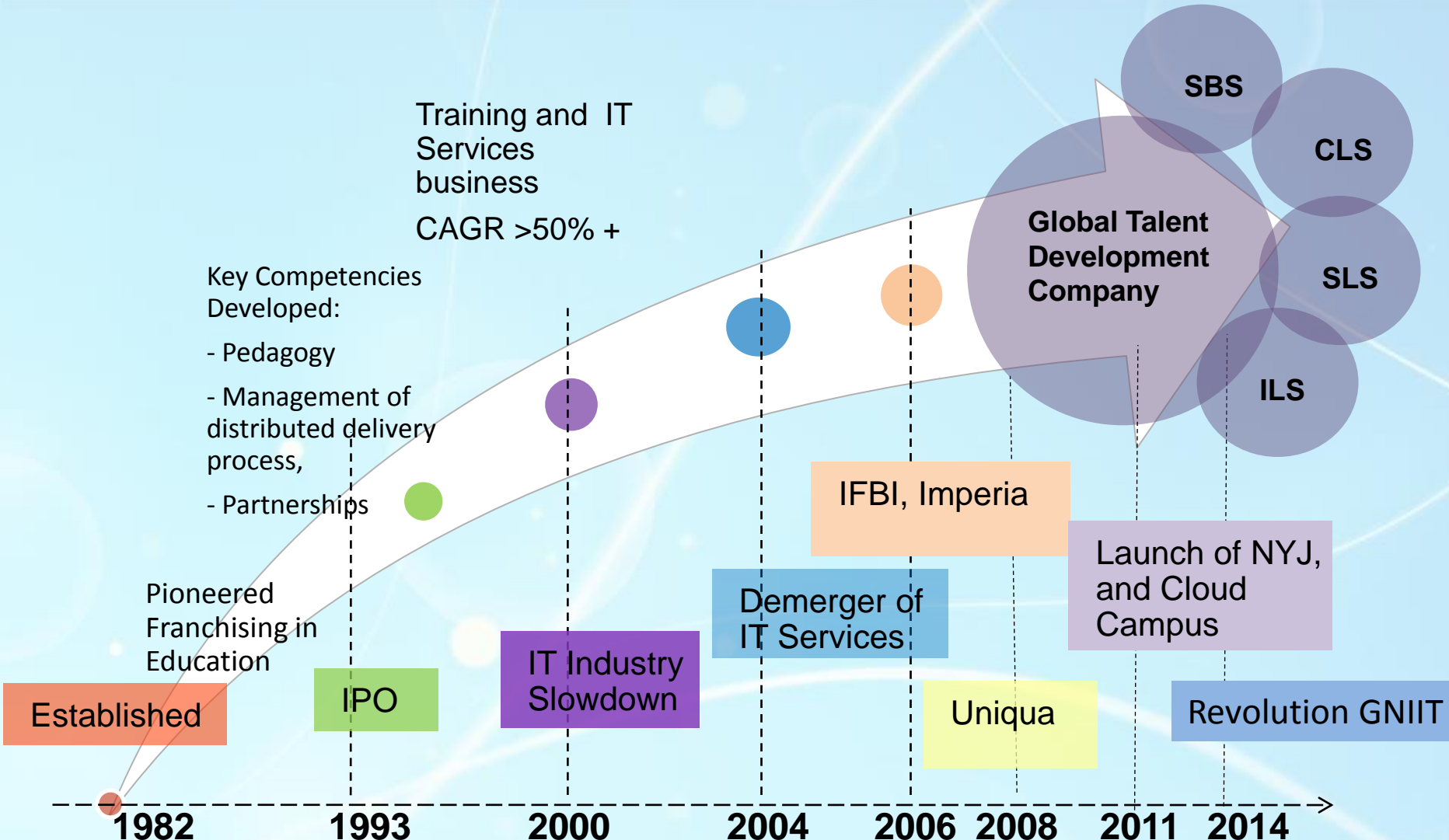
**August 2014**

- **NIIT: Company Overview**
  - **Individual Learning Solutions**
  - **Corporate Learning Solutions**
  - **School Learning Solutions**
  - **Skill Building Solutions**
- **Results Update**
- **Riding the Winds of Change**

# COMPANY OVERVIEW

**NIIT**





**NIIT has grown from being an IT training company to a global talent development corporation**

## NIIT

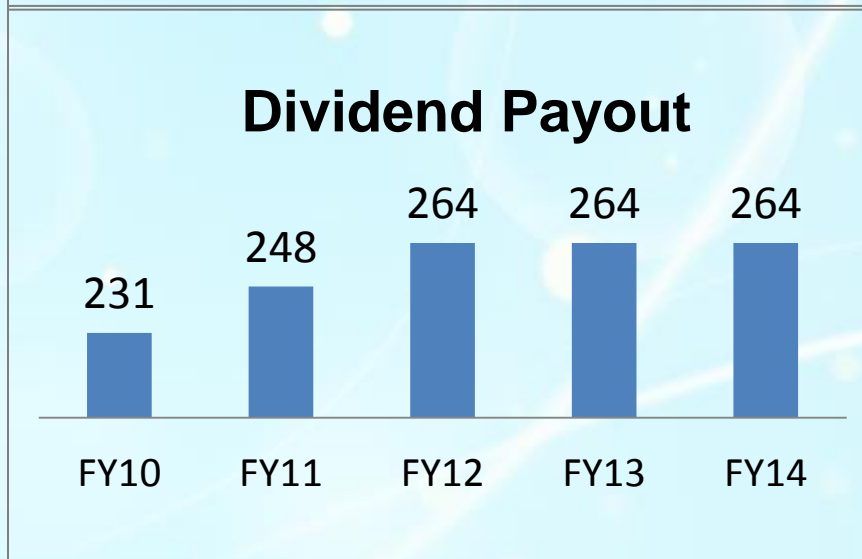
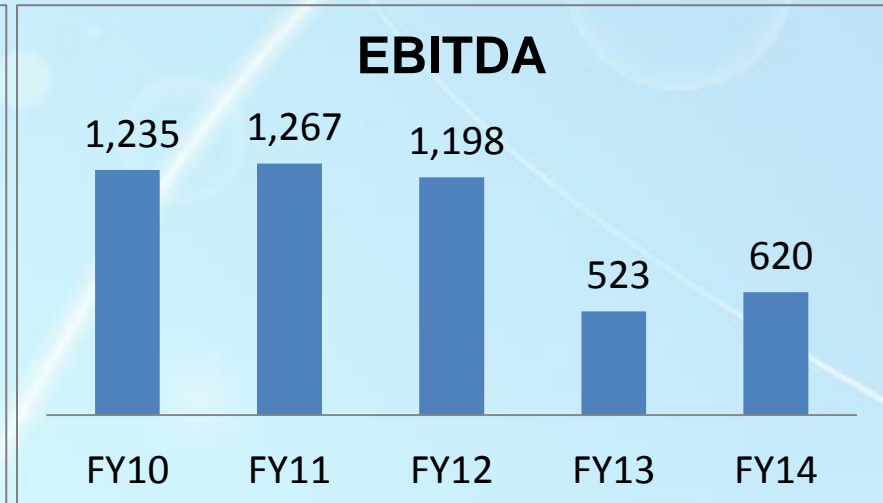
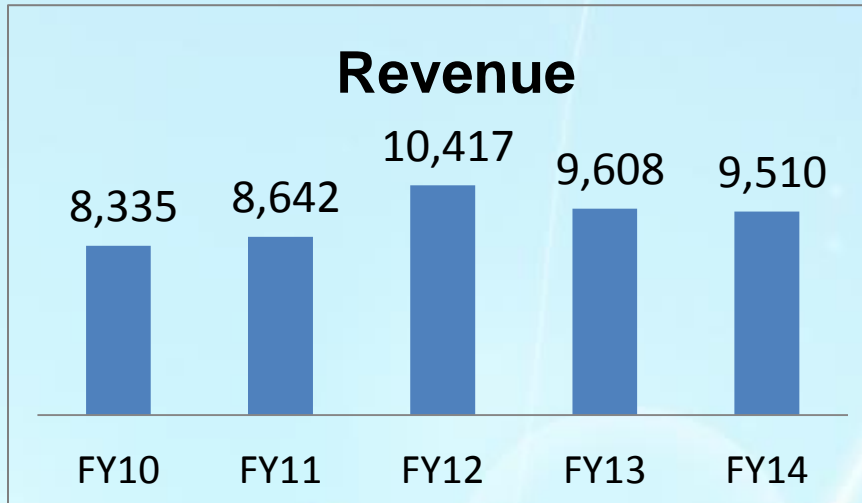
School Learning Solutions	Individual Learning Solutions	Skills Building Solutions	Corporate Learning Solutions
16%	42%	New Business	42%
Academics	Employability		Productivity
<ul style="list-style-type: none"> <li>• Multimedia Teaching &amp; Learning Content</li> <li>• IT Learning</li> <li>• Teacher Training</li> <li>• School Management Services</li> </ul>	<ul style="list-style-type: none"> <li>• IT, Business Process Management, Banking &amp; Finance, Management</li> <li>• Professional Life skills</li> </ul>	<ul style="list-style-type: none"> <li>• Vocational Skills</li> <li>• 9 Service Sectors including IT/ITES, Retail, Finance, Hospitality etc</li> </ul>	<ul style="list-style-type: none"> <li>• Managed Training Services</li> <li>• Learning Delivery</li> <li>• Custom Learning Solutions</li> </ul>

**\*NIIT Limited owns 23.9% of NIIT Technologies**

# NIIT: Last 5 Year Financial Track Record

NIIT

Rs Mn



- > **Number of Shares Outstanding:** 165.1 million (FV of Rs 2 each)
- > **Last Bonus, Split:** 5:1 Split, 3:2 Bonus; Sept 2008
- > **Credit Rating:**  
National Long-Term 'IND AA-  
National Short-Term 'IND A1+

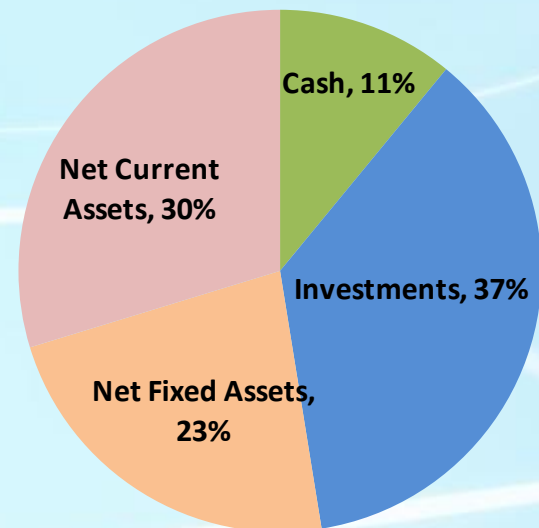
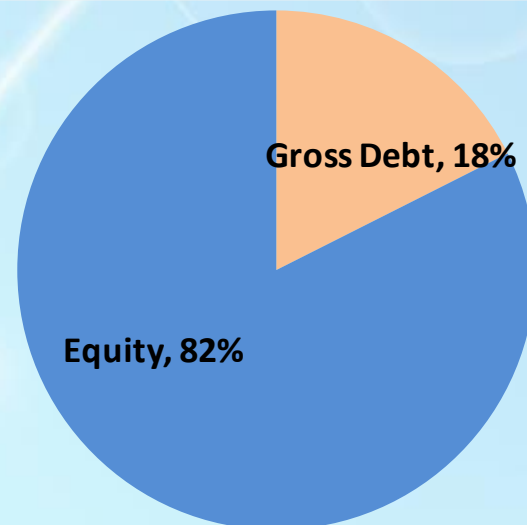
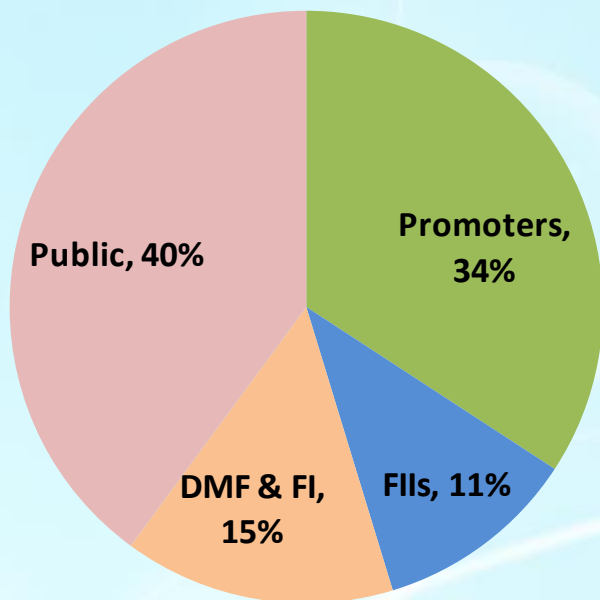
Proposed

Financials exclude Element K, which was divested by the company on October 14, 2011

- No of Shares – 165.1 Mn
- Face Value – Rs. 2 per share

Total Capital employed – Rs. 8,216 million

## Share Holding



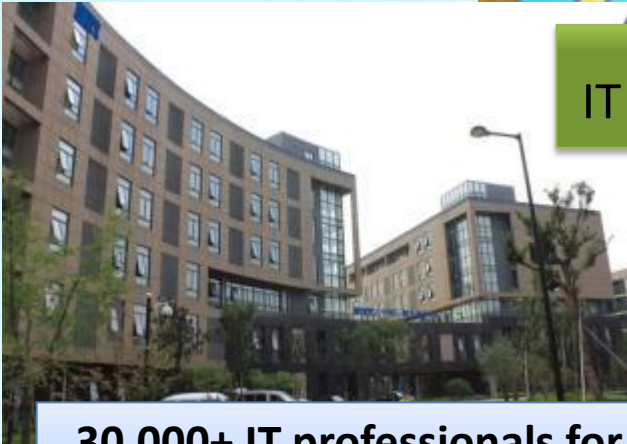
\* As of Jun 30, 2014

NIIT Limited owns 23.9% of NIIT Technologies

# NIIT has made significant contribution to training and education, globally ...over 30 million learners



Nurtured over 2000 entrepreneurs



IT Enabled **>10 Mn** school children



Helped over **4 Mn** individuals perform better at their jobs

30,000+ IT professionals for Chinese economy per annum

IT enablement for Bhutan and Maldives



Trained over 4 lac school teachers to leverage IT

Developed over 200,000 hrs of learning content

Enhanced income for more than **75,000 BPL families**





**Highest Rated Education Brand**



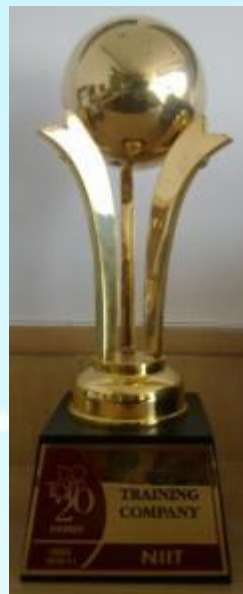
**Ranked 4<sup>th</sup> Best Company to work for in India. No 1. in Education and Training**



**14 Brandon Hall awards for corporate training**



**NIIT Nguru ICR@Home received Award for best "Use of Assistive Technology for Education"**



**NIIT received Dataquest 'Top IT Training Company' Award in 2013 for the 20<sup>th</sup> consecutive year**



**NIIT USA ranked among the Top 20 Companies in Training Outsourcing, 2014 by Training Industry, Inc. for the seventh consecutive time since 2008**

# BUSINESS OVERVIEW

**NIIT**



- Improving individual employability in IT Sector
- Career, Career-edge and skills upgrade courses for individuals
- For Engineers, Science/Arts/Commerce graduates, working professionals
- Instructor-led, enhanced through cloud based solutions
- India, China, Developing World



## Technology Partnerships\*



\*Selected

- In equity partnership with ICICI Bank
- Career, Career-edge and Skills upgrade courses for Individuals
- For graduates and working professionals
- Instructor-led, supplemented by e-learning



## Partnerships\*



\*Selected

- Joint venture between Genpact & NIIT
- Career, skills upgrade courses
- Offers training to meet the growing requirement for professionals skilled in business/knowledge process outsourcing sectors
- Onboarding, On-the-job Skills & Productivity enhancement and Leadership Development

## Partnerships\*



\*Selected



- Executive management education for individuals
- Career upgrade courses for working professional
- Synchronous learning delivery model
- Instructor-led, supplemented by e-learning

## Partnerships\*



\*Selected



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**ADVANCED ONLINE ADVERTISING PROGRAM**

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**NIIT IMPERIA**

CENTRE FOR ADVANCED LEARNING

**KPMG**

**1400 GLOBAL COMPANIES HAVE BEEN ADVISED BY KPMG FIRMS ON IFRS.**

**JOIN THE LEAGUE.**

PRESENTING ADVANCED CERTIFICATE PROGRAM\* ON IFRS IMPLEMENTATION AND COMPLIANCE BY KPMG IN INDIA AT NIIT IMPERIA.

NIIT Imperia Centre for Advanced Learning, has been created to provide customized learning solutions for organizations and professionals through the Synchronous Learning Platform. It offers you an IFRS course by KPMG in India, part of a leading global professional services organization. So come to NIIT Imperia and get trained from the best.

**Eligibility Criteria** – Graduates with minimum 2 years of experience. Experience requirement is waived off for CA, CS, CMA, MBA (Finance) and for corporate executives.

**No IFRS Advantage** – Currently working with over 100 companies in India on IFRS implementation & Training with international experience in implementing IFRS – Implementation oriented approach.

**NIIT IMPERIA**

\*Program design and leads by IFRS in India. ©2010 India IFRS Ltd. All rights reserved. IFRS Ltd. is an affiliate of business of IFRS International, a Swiss company. For further details log on to www.niitimperiacentre.com or call at 1800 100 0000 (INDIA, US/UK) or 011 0000 0000 (India) or SMS - IFRS - to 30570.



**India : 518 Centers**  
**China: 90 Centers**  
**ROW: 89 Centers**

© 2008 Tele Atlas  
© 2008 Europa Technologies  
© 2008 Basarsoft  
© 2008 Geocentre Consulting

© 2007 Google



## Over 50 Industry Awards



CHIEF LEARNING OFFICER  
Learning In Practice Awards

GOLD - 2008, 2009, 2010



**HRO** Baker's Dozen  
Customer Satisfaction Ratings  
**LEARNING PROVIDERS**  
2012 Winner



End to End servicing capability





Logos represented above are trademarks of respective companies

Customers across various industries



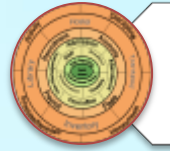
**ICR Cloud**



**Math Lab**



**Science Lab**



**Quick School @ Cloud**



**Web & Multimedia curriculum**



**Shared computing**



**NIIT has the widest range of offerings**

10 Mn +

Students

400 k +

Teachers

100 k +

Nodes

24 k +

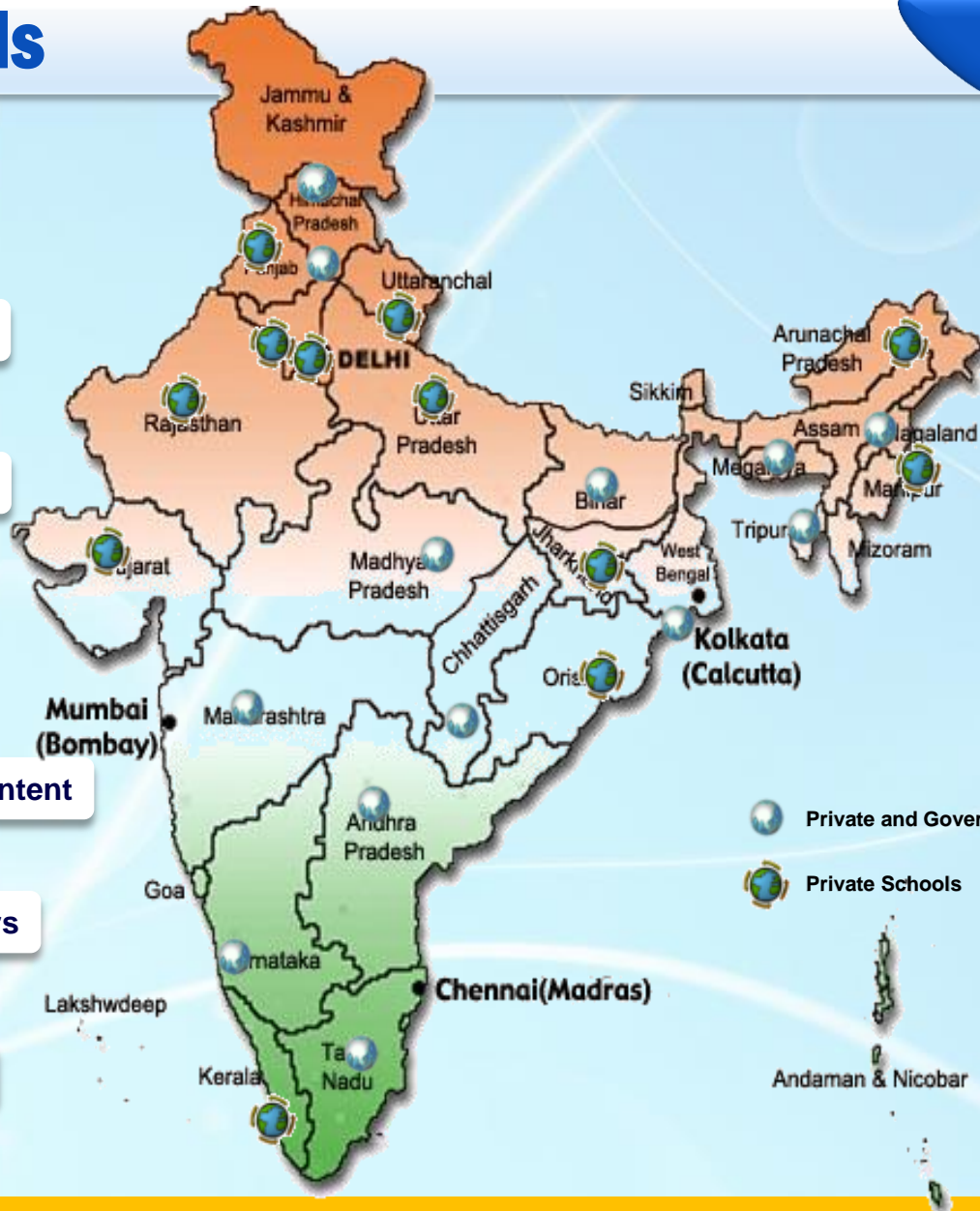
Hrs of Content

45 k +

Instructors

16 k +

Schools



Cumulative

NIIT has the widest reach in the market

- In equity partnership, and funding support from NSDC
- To set up over 1,500 centers in 1,000 cities, over 10 years
- To Transform over 7 million unskilled youth into readily employable professionals
- Segments: IT/ITES, Media & Entertainment, Education & Training Services, BFSI, Retail, Hospitality, Healthcare, Telecom & select informal sectors



**NIIT has the right credentials to deliver on the large opportunity**

## FOUNDATION MODULES



**VIDEOLOG 1**  
Pre-test



**VIDEOLOG 2**  
Post-test



**VIDEOLOG 3**  
Mock Interview



**Classroom Learning**

Using the mobile as an assessment tool



**Computer Lab**

IT and Self-Paced learning



**Skills Lab**

Facilitate occupational skill building



**Synchronous Learning**

Two way expert interaction



**CCTV and Biometric devices** to aid student management

# RESULTS UPDATE

**NIIT**

- Macro indicators are showing early signs of turn around, after 2 years of sub 5% growth. GDP expected to grow 5.5% in FY15
- However, the improvement has been feeble and clear signs of recovery are yet to emerge; Structural reforms needed to unlock India's growth potential
- High interest rates and geo-political uncertainty continue to impact business confidence. Forex volatility continues
- Sentiment towards IT education training remains weak due to muted on-ground hiring of fresh graduates
- Prolonged College admission cycles and uncertainty over university program structure delays student decision making.
- Changing technology trends and increase in just-in-time hiring of skilled workers creating new opportunities for training sector
- Spending on Corporate Training in USA & Europe remains robust, although sales cycles and transition periods remain stretched

**Business environment has been weak. Expect modest turn around during the year**

Rs. Mn	Q1FY15	Q1FY14	YoY	FY14	FY13	YoY
<b>Net Revenues</b>	2,253	2,222	1%	9,510	9,433	1%
Operating expenses	2,125	2,118	0%	8,890	8,910	0%
<b>EBITDA</b>	128	104	23%	620	523	19%
<b>EBITDA %</b>	6%	5%	101 bps	7%	6%	98 bps

## Q1'FY15

- Strong growth in Corporate Learning helps overcome weakness in IT training and completion of large GSA Contracts during FY14
- Aggressive cost optimization helps offset cost and wage inflation; EBITDA up 23% YoY
- Depreciation down 19% YoY, reflecting reduction in capital intensity
- DSO improved to 119 versus 157 in Q1'FY14

\* On continuing business basis and excluding pass through revenues in SLS



- **Corporate Learning Solutions**
  - Strong sequential and YoY growth in CLS
  - Revenue up 32% YoY; EBITDA margin at 12% (up 90 bps YoY)
  - MTS revenue up 53% YoY; contributes 86% to CLS revenues
  - 3 Letters of Award received; Contracts to be signed in Q2
  - Revenue visibility at \$ 180 Mn
- **Individual Learning Solutions**
  - Cloud campus and aggressive cost management counter the adverse impact of operating leverage and cost inflation
  - Revenues from Beyond-IT products contribute 32% to revenue mix; Multi stream, modular Revolution GNIIT launched; 20% enrolments for Beyond-IT Streams
- **School Learning Solutions**
  - NGSAs Revenue up 14% YoY; contributes 62% to revenue mix versus 50% in Q1 LY
  - Order Intake of INR 160 Mn; added 129 schools during the quarter
- **Overall**
  - Revenue at INR 2,253 Mn (up 1% YoY); EBITDA at INR 128 Mn (up 23% YoY)
  - EBITDA margin improves by 101 bps YoY to 6%; DSO at 119 days (vs 157 days YoY)

Rs. Mn	Q1FY15	Q1FY14	YoY	FY14	FY13	YoY
Net Revenues	1,113	844	32%	3,971	3,037	31%
EBITDA	128	90	43%	472	339	39%
EBITDA %	12%	11%	90 bps	12%	11%	73 bps

## Q1'FY15

- Revenue in USD terms up 8% QoQ, and up 23% YoY
- Strong business momentum, driven by 53% growth in MTS; MTS contributes 86% to CLS revenues vs 74% LY
- Order Intake of \$16.2 Mn; Pending Order Book: \$62.2 Mn; 72% executable over next 12 months
- Revenue Visibility @ \$180 Mn
- 3 Letters of Award received; Contracts to be signed in Q2

**8.06% Increase** in weekly average premium for agents trained by NIIT for one of America's largest insurers.

**30% Reduction** in time to proficiency for application training developed by NIIT for planners in a leading Oil & Gas company in 22 locations worldwide.

**Running Training Like Business**  
It's not about training. It's about results.

**\$15M Savings** in Learning Time projected for an onboarding curriculum developed by NIIT for a leading insurance organization.

**20% Growth** in revenue per client post NIIT training for a leading financial products and services company.

LEARNING  
ELITE

The best companies in learning + development

Rs. Mn	Q1FY15	Q1FY14	YoY	FY14	FY13	YoY
Net Revenues	726	948	-23%	3,957	4,582	-14%
EBITDA	1	5	-86%	145	119	21%
EBITDA %	0%	0%	-39 bps	4%	3%	106 bps

## Q1'FY15

- Student sentiment continues to remain weak; limited on-ground hiring activity for college students/ fresh graduates
- Multi-stream, modular Revolution GNIIT launched; 20% enrolments in GNIIT for Beyond-IT Streams
- Beyond-IT products contribute 32% to revenue mix versus 24% in Q1 FY14; Revenue from Beyond-IT up 3% YoY
- Beyond-IT enrolments up 31%
- Overall placements at 6,623



Rs. Mn	Q1FY'15	Q1FY'14	YoY	FY'14	FY'13	YoY
Net Revenues	394	424	-7%	1,554	1,805	-14%
EBITDA	22	32	-33%	99	156	-37%
EBITDA %	6%	8%	-214 bps	6%	9%	-232 bps

## Q1'FY15

- NGSA revenue up 14% YoY; contributes 62% to revenue mix versus 50% in Q1 LY
- Revenue impacted by completion of 4 GSA contracts last year
- 129 new schools added during the quarter; Order intake of INR 160 Mn
- Pending Order Book: INR 4,179 Mn, 26% executable over next 12 months



*\*Excluding pass through revenues*

Rs. Mn	Q1FY15	Q1FY14	YoY	FY14	FY13	YoY
Net Revenues	19	6	216%	27	10	185%
EBITDA	-23	-23	0 mn	-95	-92	-4 mn

## Q1'FY15

- Over 8,000 enrolments during the quarter; up 320% YoY
- NYJ programs now available at 74 locations
- Leveraging existing NIIT locations to rapidly expand reach
- Programs aligned with Sector Skills Council and mapped to NVEQF
- Order Intake of INR 76 million

**NIIT Yuva Jyoti**  
**का वादा पक्का. फायदे तीन.**

100% फीस वापिस. **Job** तो मिलेगा ही.  
**Govt.** सर्टिफिकेट भी.

Call: 1800 103 2020 (Toll Free)  
NIIT Yuva Jyoti is a Joint Venture of NIIT and NSIC in PPP mode of Govt. of India.

**ADMISSIONS OPEN** 10th/12th Graduates, apply now.

NIIT Yuva Jyoti, Dehradun Centre

**NIIT Yuva Jyoti**

**ट्रेनिंग के साथ JOB\***

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100% नौकरी में सहायता\* | 100+ कंपनियों

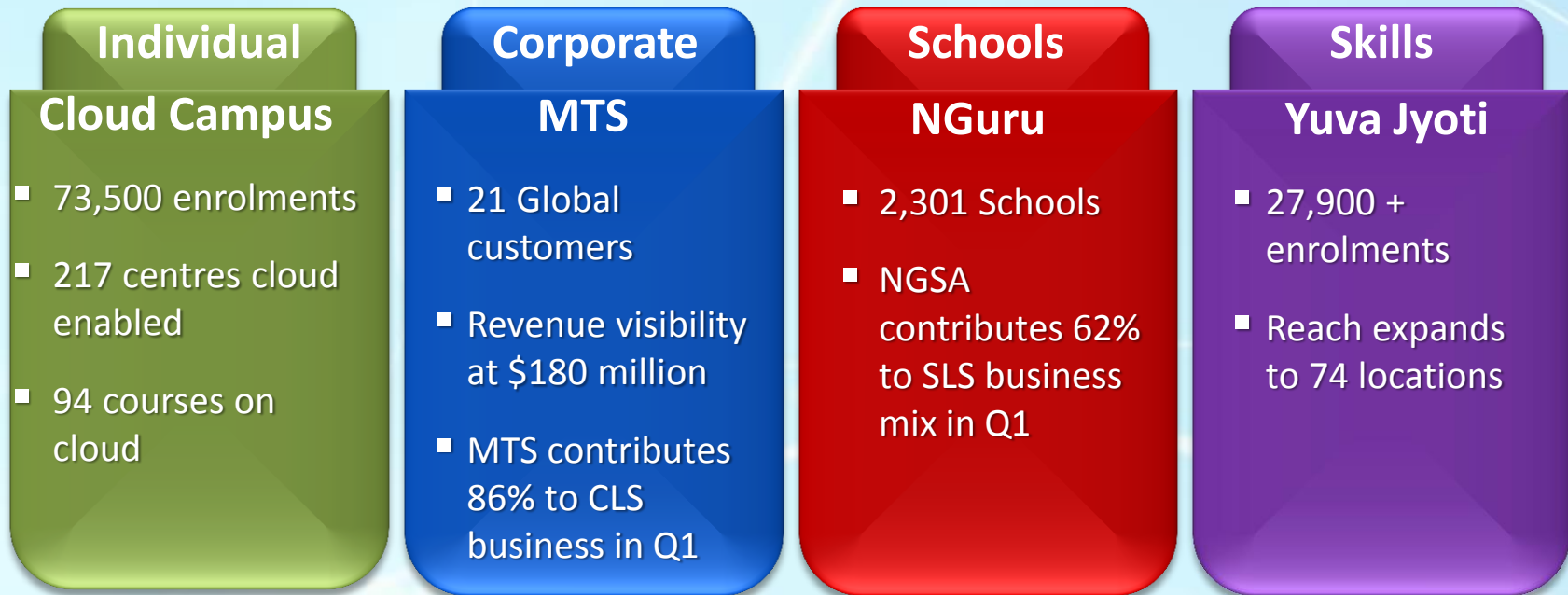
NIIT Yuva Jyoti, Dehradun Centre E-mail : nyj@niit.com

# RIDING THE WINDS OF CHANGE

**NIIT**

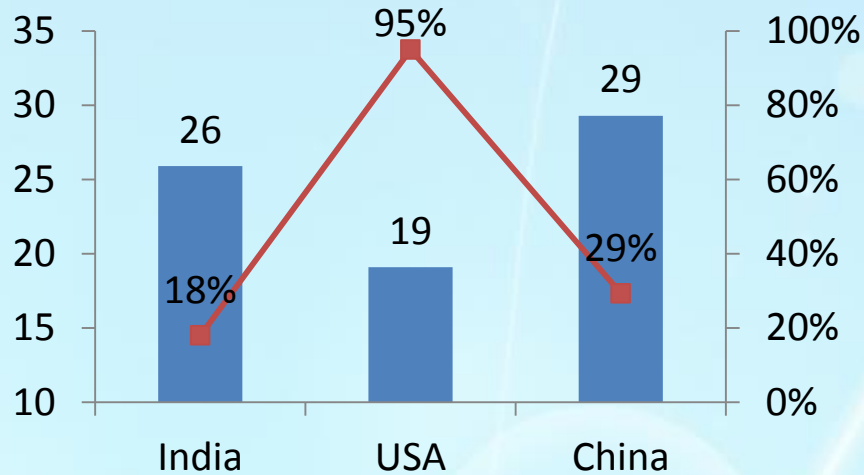


## NIIT



**Profitability, Liquidity and Capital Efficiency**

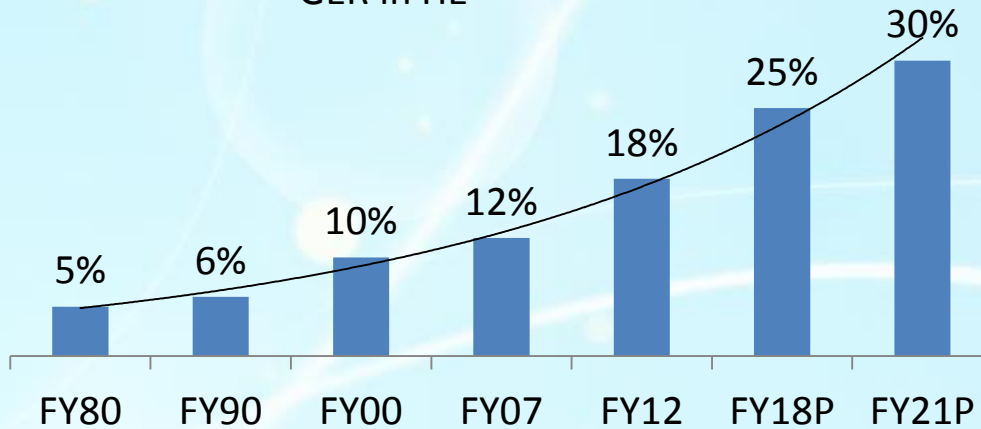
### HE GER and Enrolment Comparison



### GER in SE



### GER in HE



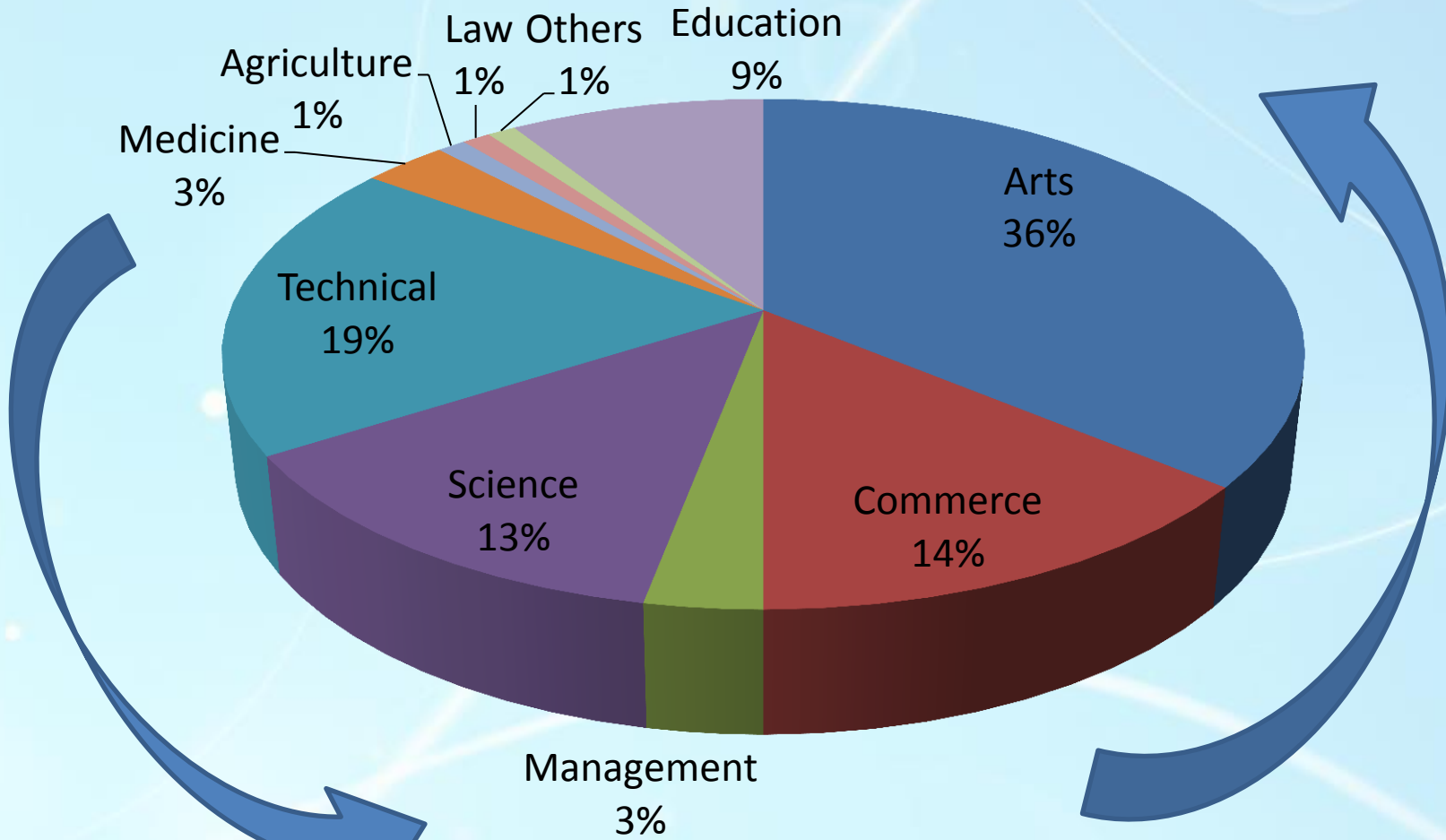
Source: Planning Commission

✓ Over 35 million students enrolled by FY17 (GER 25.2%) , and over 42 million by FY21 (GER 30%)

Large market with headroom for growth

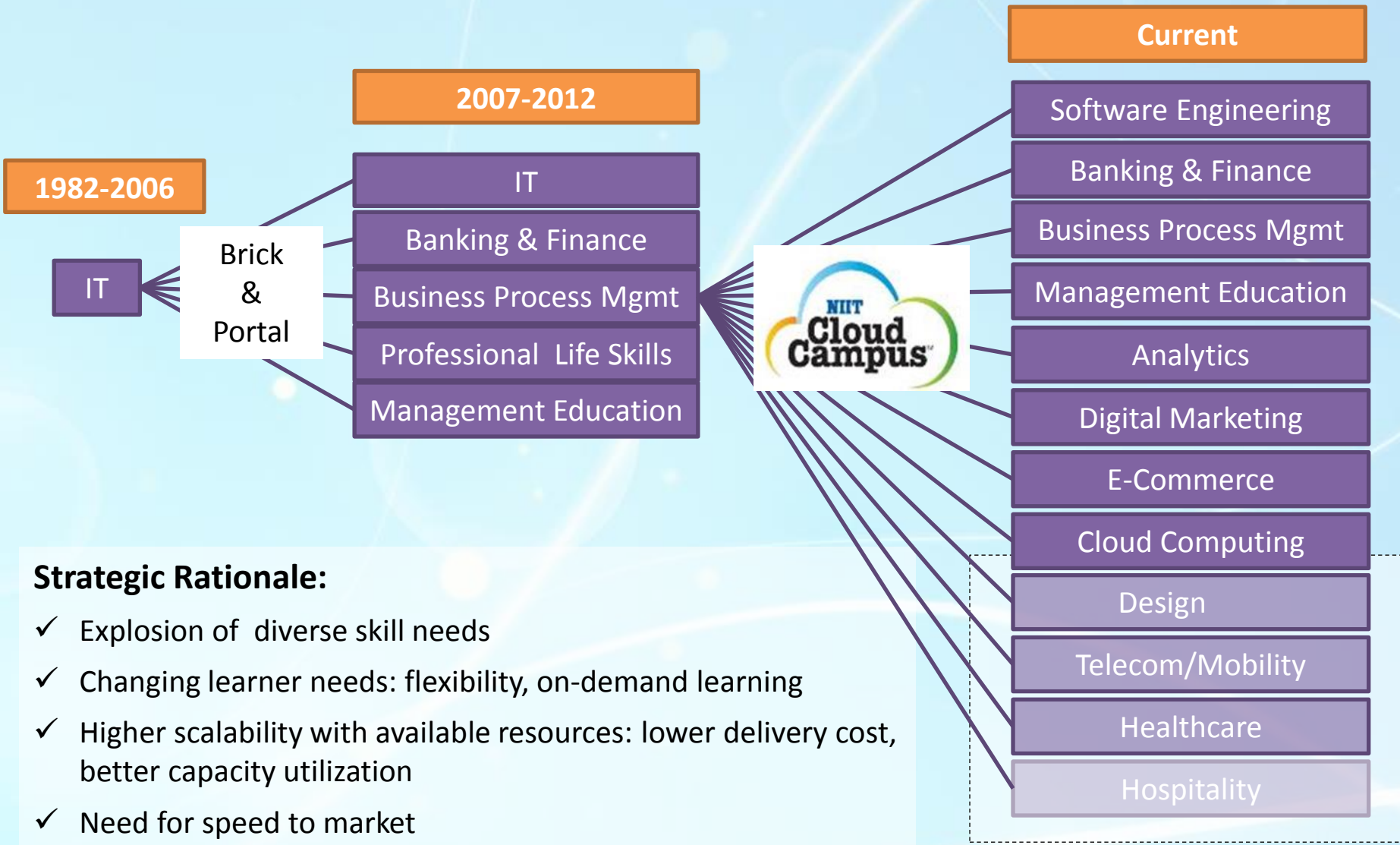


Total Under Graduate Landscape



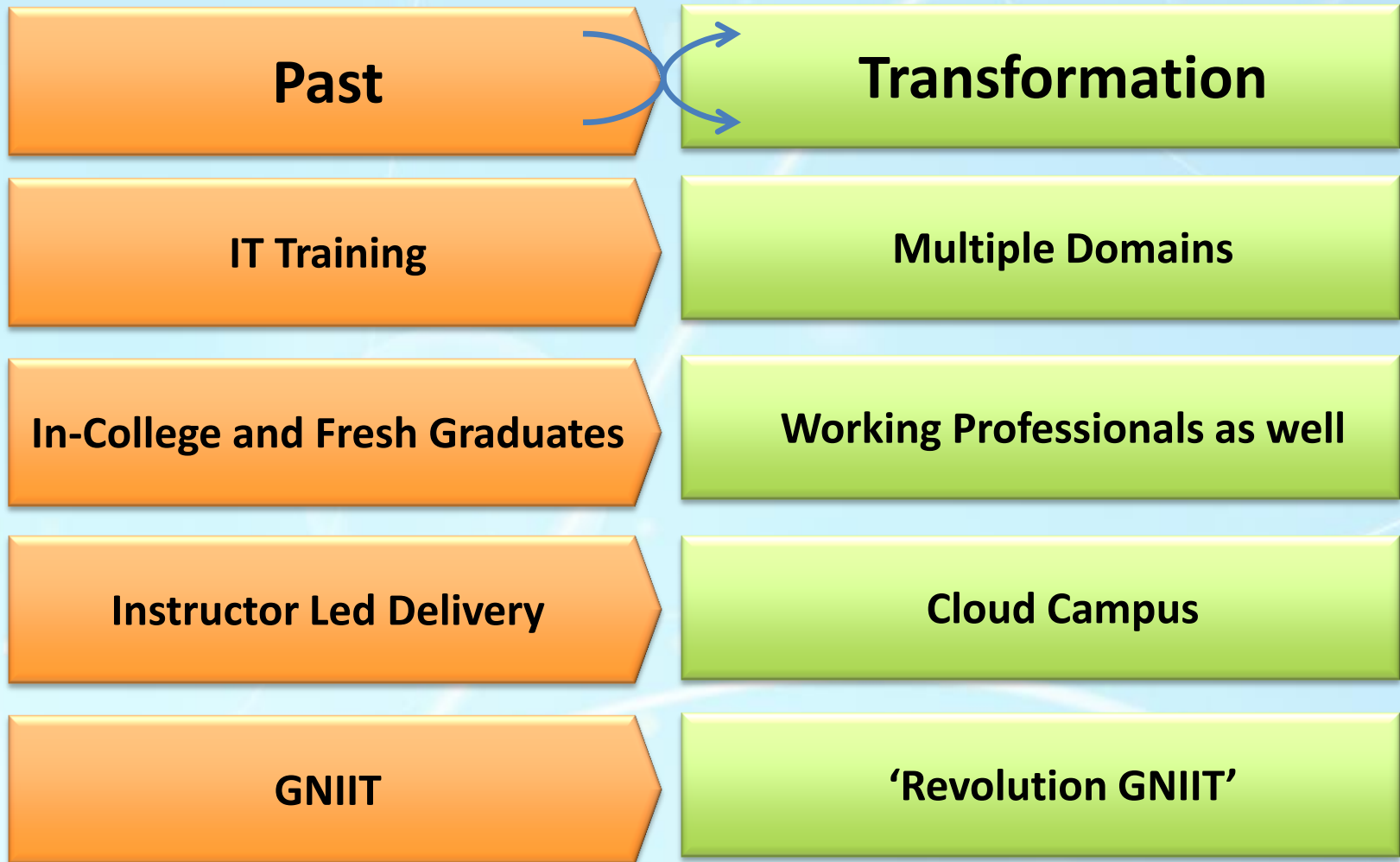
~ 20 million students are in college

Expanding addressable market

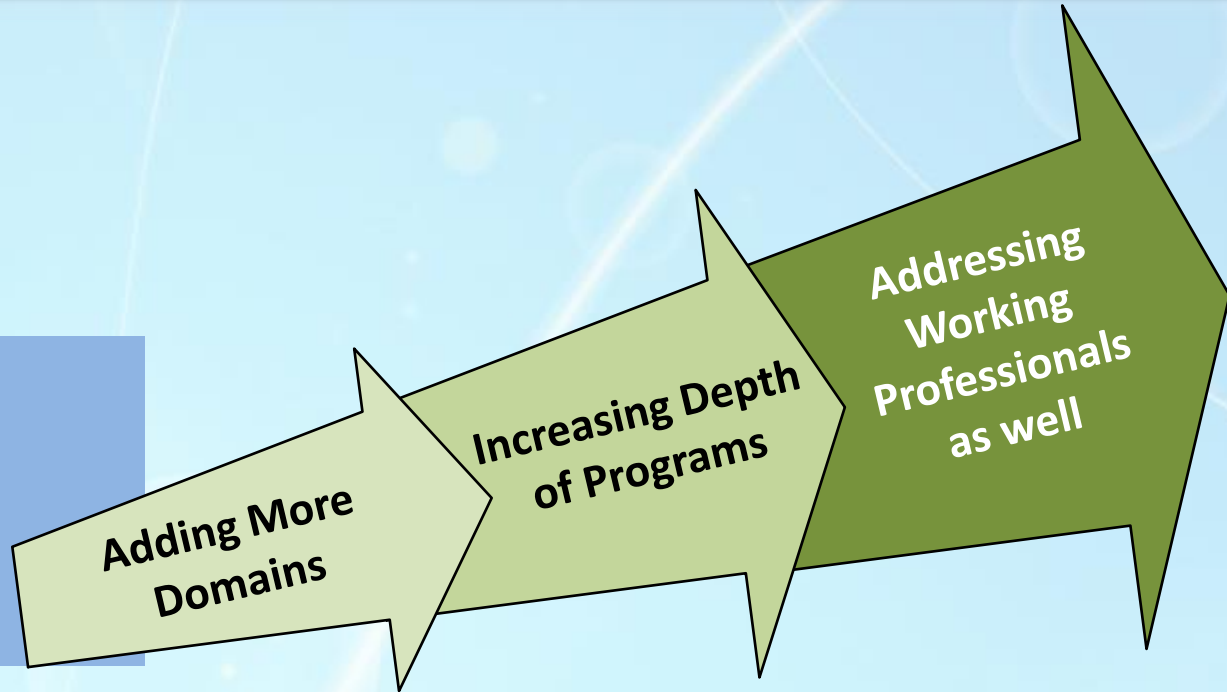


## Strategic Rationale:

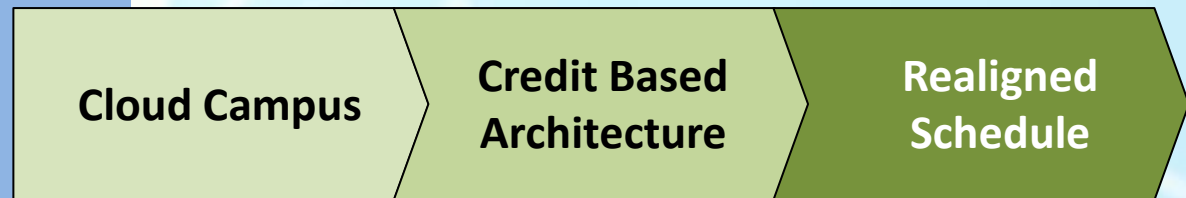
- ✓ Explosion of diverse skill needs
- ✓ Changing learner needs: flexibility, on-demand learning
- ✓ Higher scalability with available resources: lower delivery cost, better capacity utilization
- ✓ Need for speed to market



## 1. Expanded Coverage



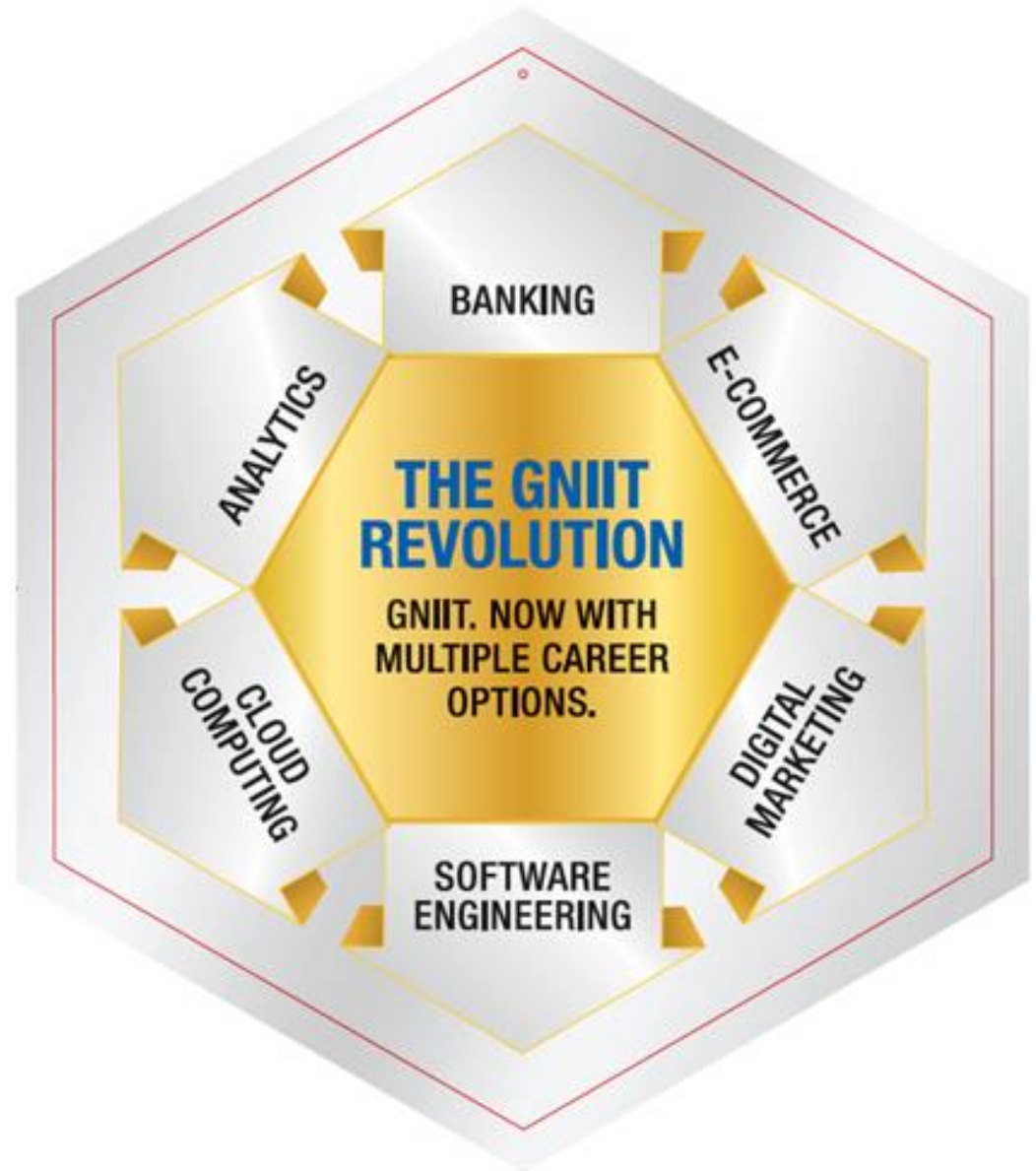
## 2. Increased Flexibility



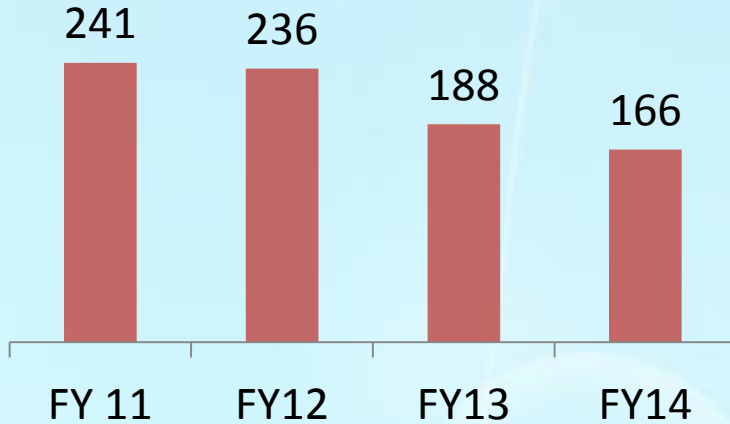
## ReVOLUTION GNIIT

**THE POWER TO CREATE  
YOUR OWN FUTURE.**

- ✓ Multiple Career Options in most sought after fields
- ✓ Future Ready skills set for careers of the future
- ✓ Dual qualification with any under graduate program
- ✓ Credit based academic architecture
- ✓ Leverage One NIIT
- ✓ Delivery on Cloud Campus

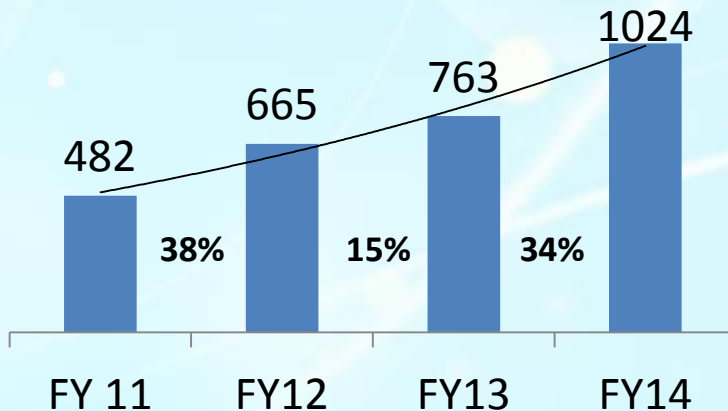


Net IT Hiring (in '000)

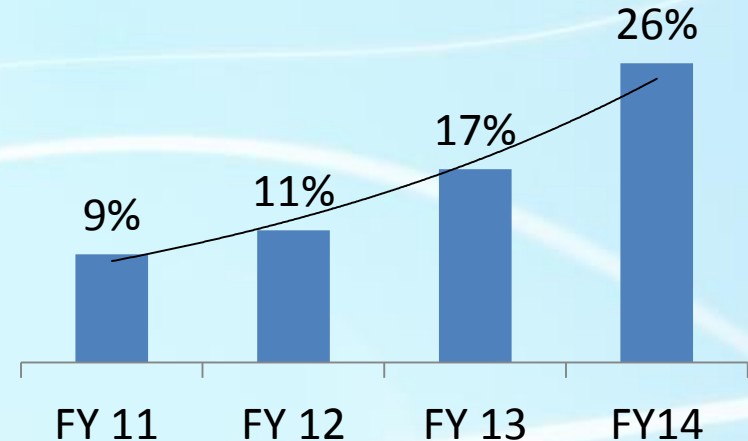


- ✓ Hiring of fresh graduates remains weak
- ✓ Large annual opportunity in skills upgrade for 3 million+ IT professionals
- ✓ Cloud campus to expand reach of new Programs
- ✓ Increasing contribution from Beyond-IT Products

Beyond-IT Products Revenue (Rs Mn)

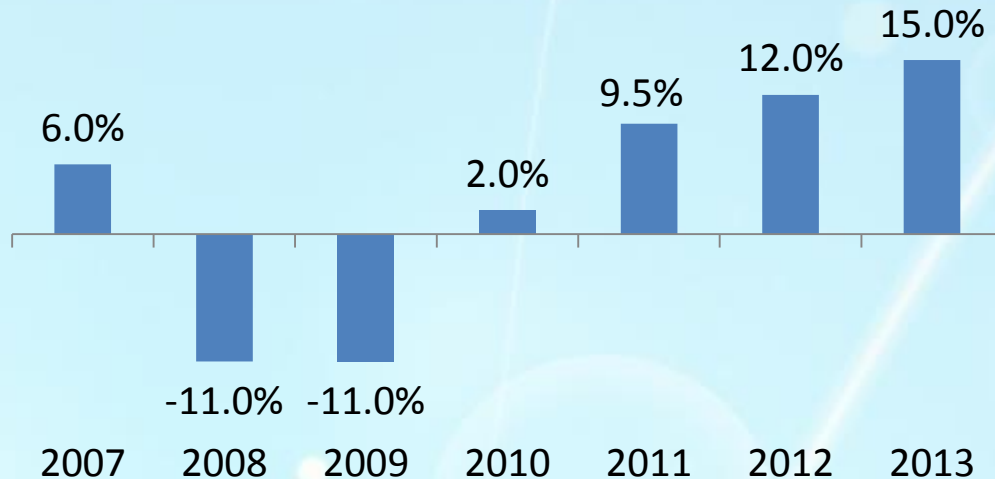


Share of Beyond-IT Products



Reducing dependence on IT

## Corporate Training Spending Growth



**Corporate Training Spend in USA: \$85+ Bn**  
**Global Training Spend: \$125Bn+**

Source: Bersin

- Skill development expertise is the new arsenal for business success
- Continued surge in corporate training spending, as US corporations focus on reskilling their workforce; underscores corporate commitment to training
- In house L&D footprint continues to shrink
- Training is a specialized function and organizations are increasingly relying on specialists to outsource training

**Corporate Training market represents a huge opportunity**



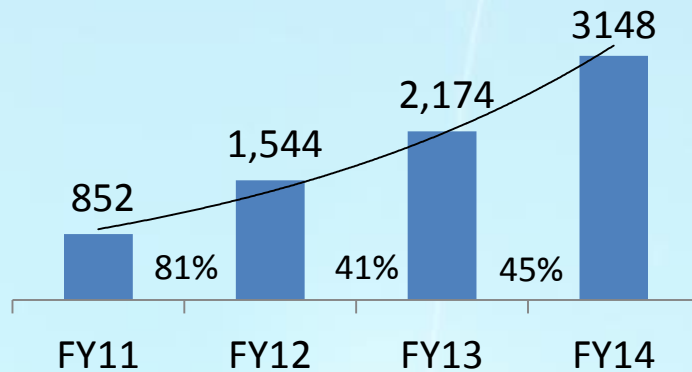




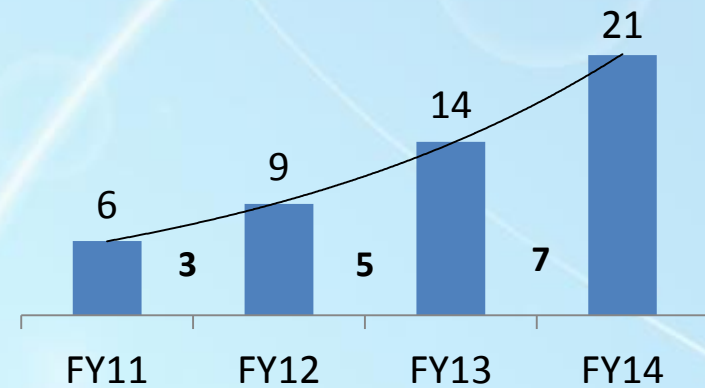
**Running Training Like a Business**  
It's Time to Transform.

NIIT's transformative learning outsourcing services are helping companies run training like a business to deliver value on both sides of the L&D equation.

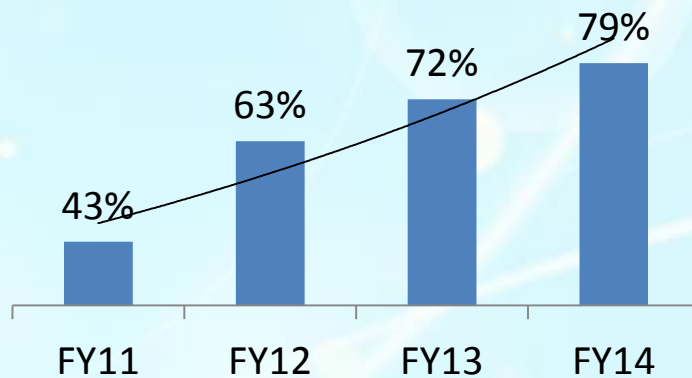
### MTS Revenue (Rs Mn)



### Number of MTS Customers

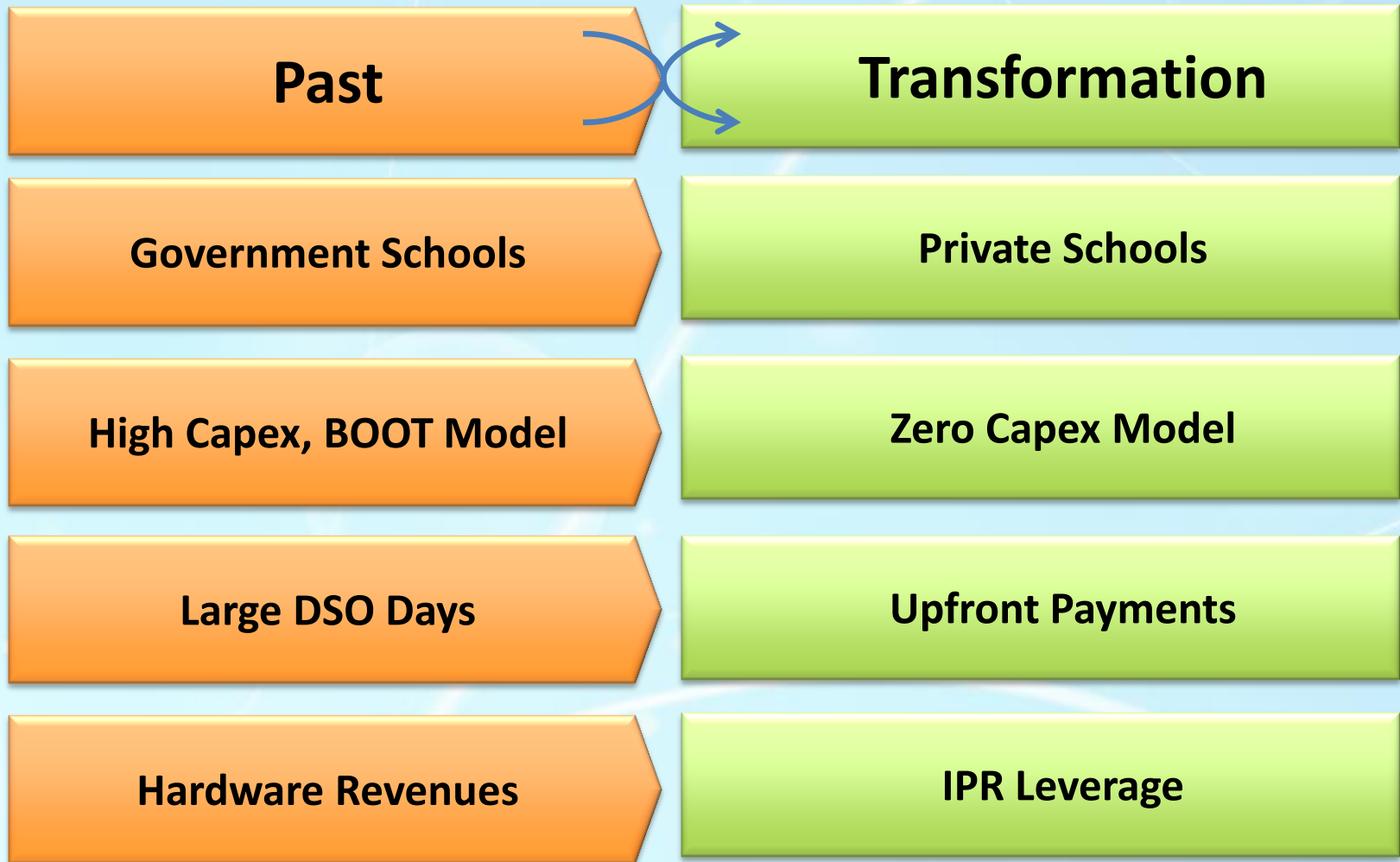


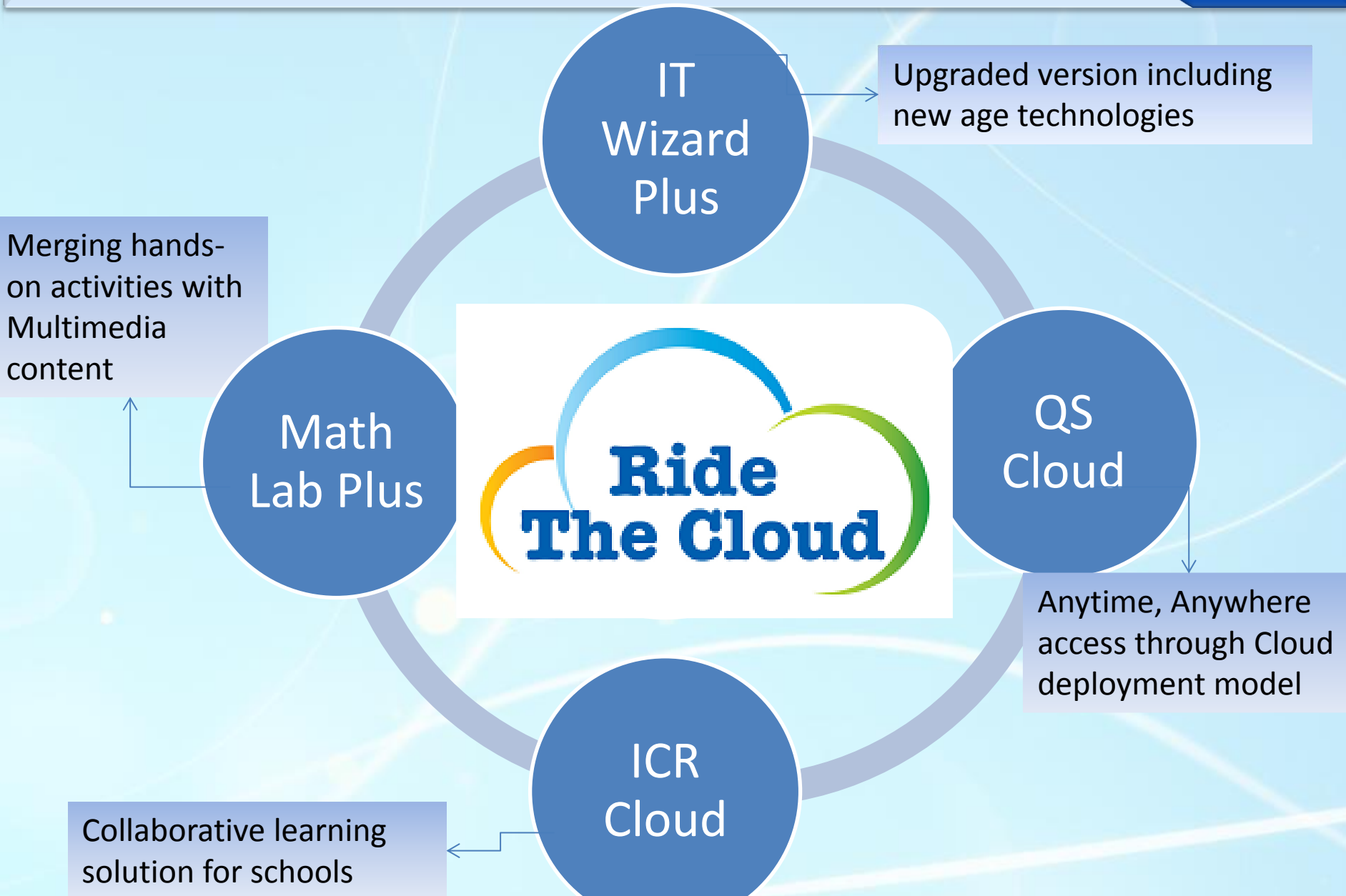
### MTS contribution to CLS



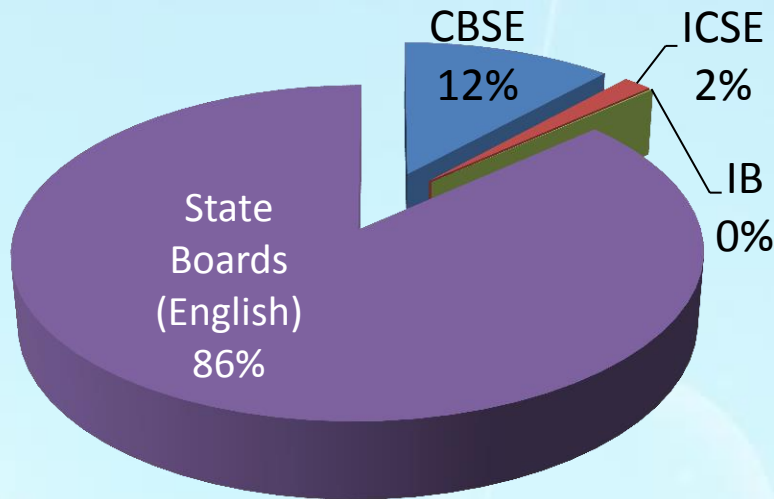
- Momentum in CLS driven by strong growth MTS. Revenue Visibility at \$180 Mn from existing contracts
- Increasing contribution from MTS
- Large market with attractive growth opportunity
- NIIT has a differentiated competitive positioning

**MTS to drive steady growth for CLS business**

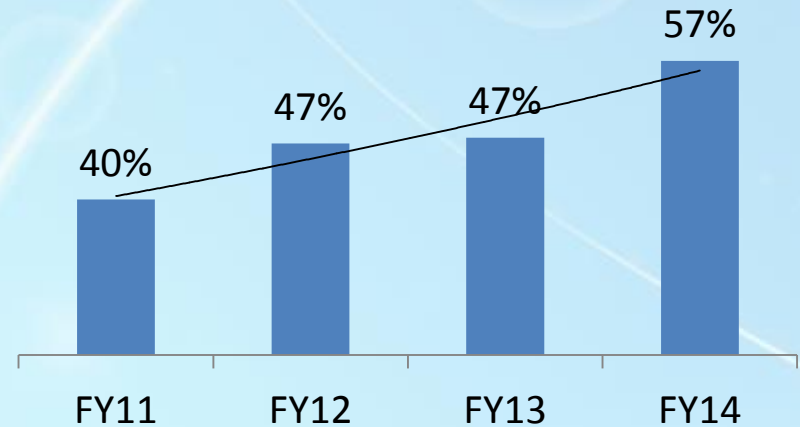




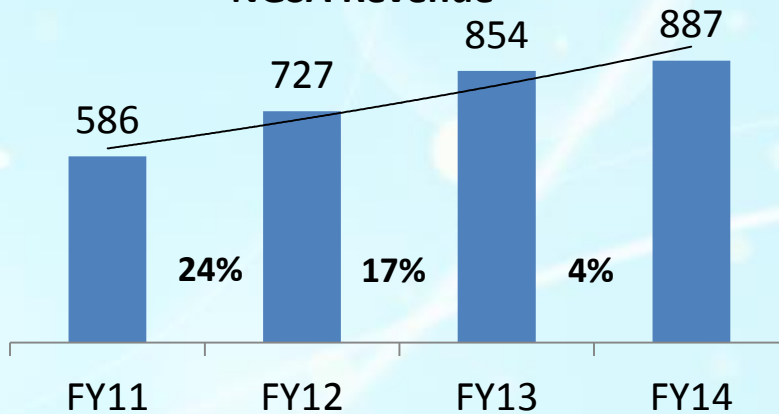
~120 K – Private Schools



Share of NGSA Revenue



NGSA Revenue



- ✓ Leadership position in white spaces (IT, Math Lab, QS etc)
- ✓ Exited from capex driven business models
- ✓ Sacrificed top line growth for quality of revenues.
- ✓ Achieved moderate growth of 5% in FY14 in NGSA

**nGuru to drive growth and margins for SLS business**

To address 9 Service Sectors offering 52.2 million jobs.

 <b>Retail</b>	 <b>BFSI</b>
 <b>IT/ITES</b>	 <b>Education Services</b>
 <b>Informal Sector</b>	
 <b>Hospitality</b>	 <b>Telecom</b>
 <b>Media &amp; Entertainment</b>	 <b>Healthcare</b>

## Target Audience

- Educational Profile:
  - Class X Completed
  - Non-Graduate
- Demographic Profile
  - Middle/Low Income Households.
  - Under employed Service Sector Workers

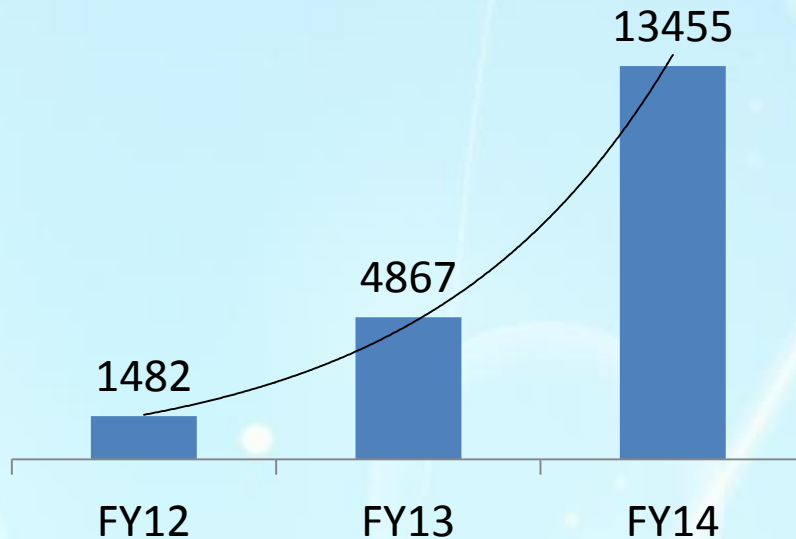
## Transformation

**Achieve scale by leveraging NIIT's reach**

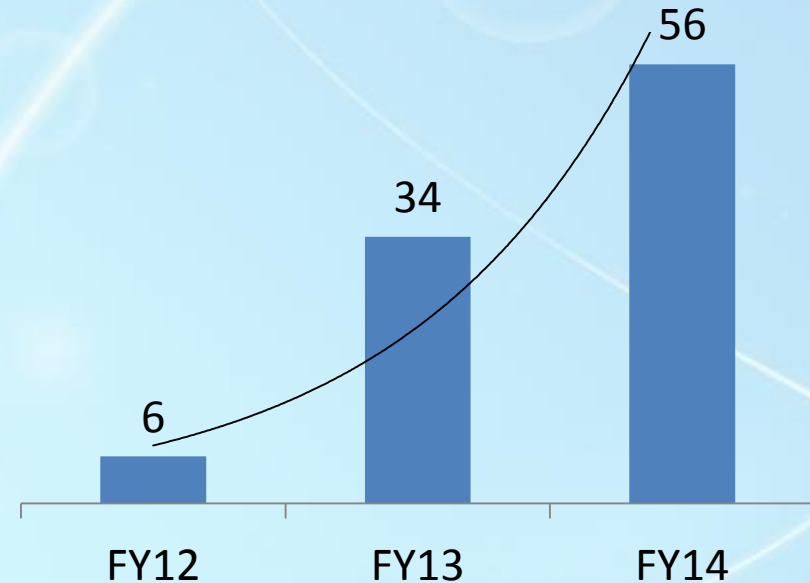
**Programs aligned to Sector Skills Councils (SSCs)**

**Courses mapped to NVEQF**

Enrolments

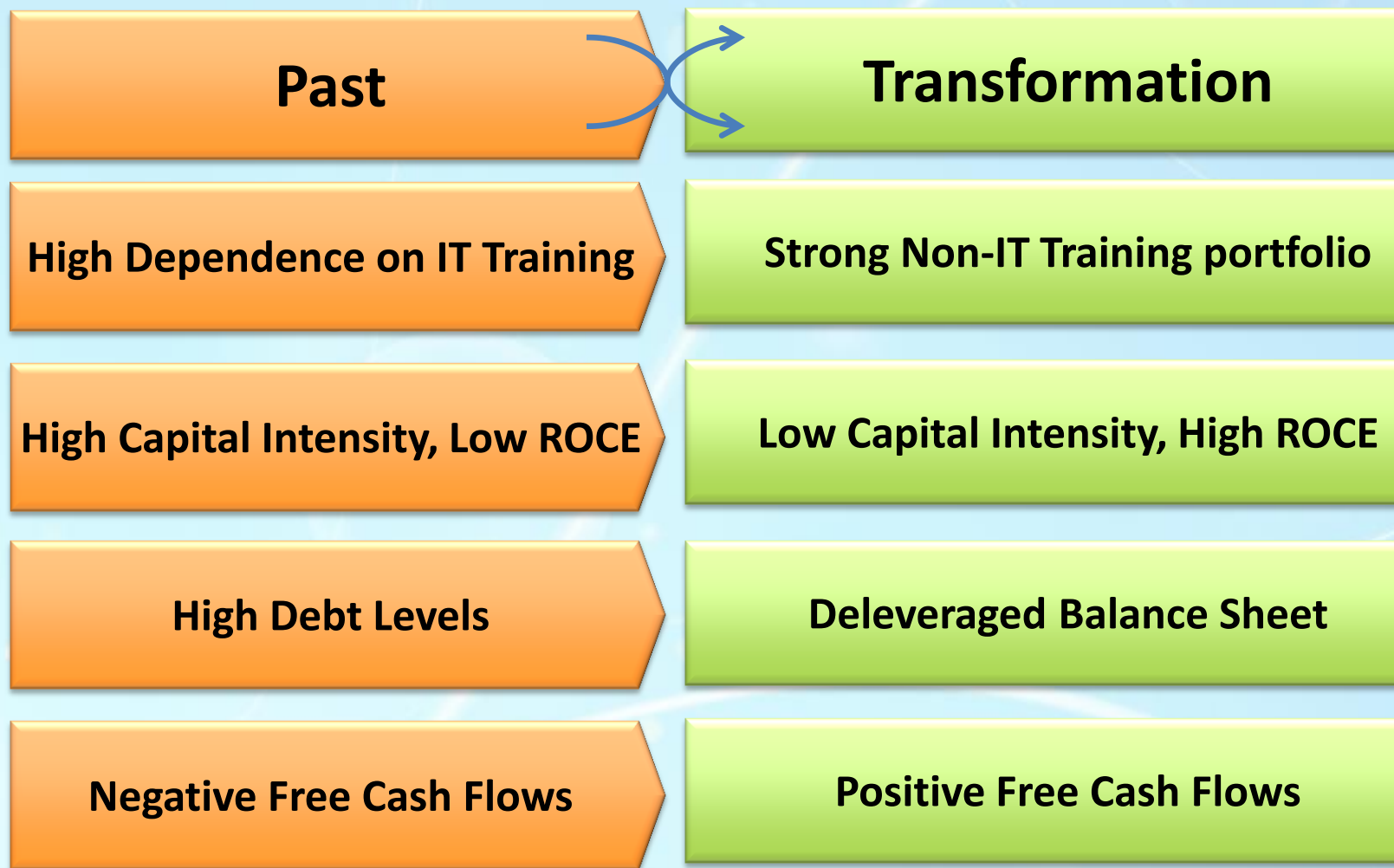


No of Locations



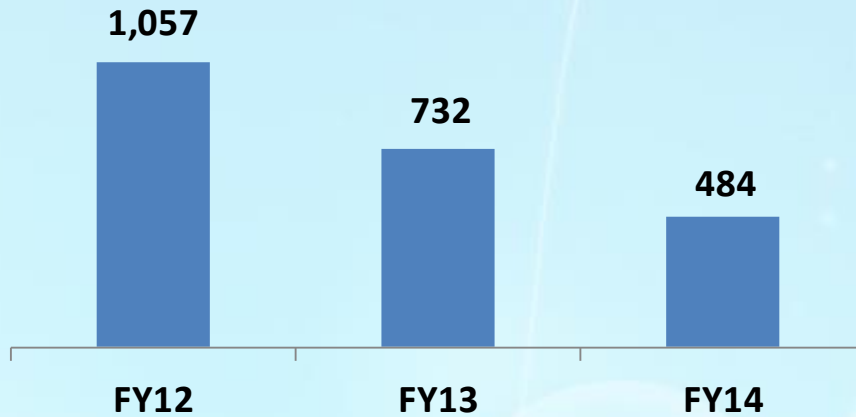
- ✓ Programs gaining traction within communities . Over 8000 enrolments in Q1FY15
- ✓ Leveraging NIIT network for expanding reach. Currently offer programs at 74 locations
- ✓ Strong order book to drive growth and margins. Execution expected to ramp up in next few quarters



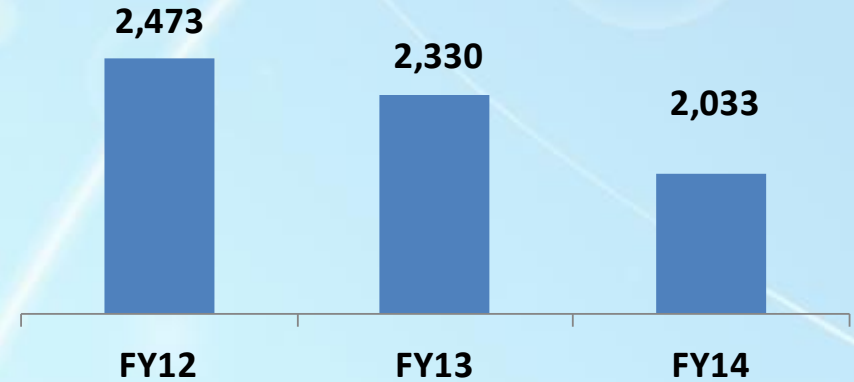


Fundamentally stronger despite headwinds in ILS business

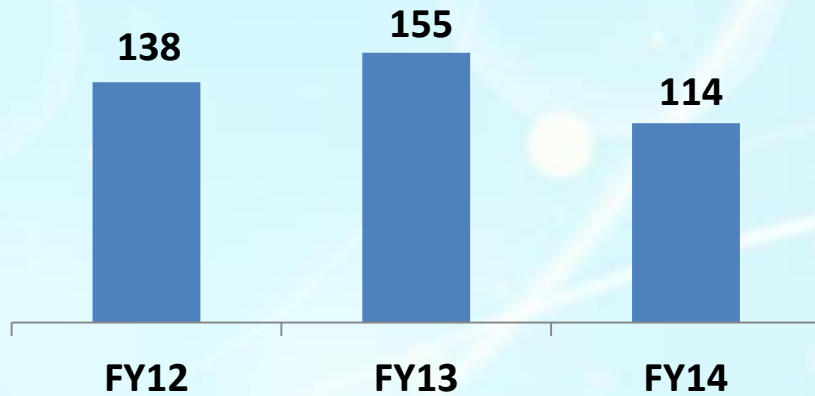
### Capex



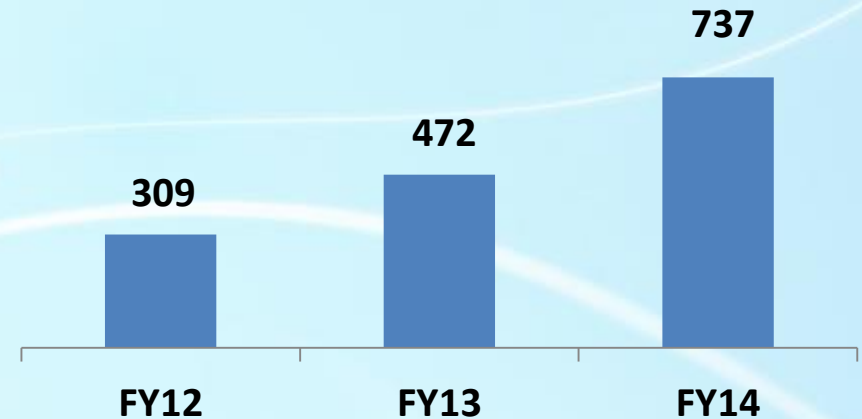
### Net Fixed Assets



### DSO



### Cash Flow from Operations



On continuing business basis

Exited high capex driven, low ROCE business models; Increased collections focus

## 1. Focus on four Platforms of Growth

- Individual: Cloud Campus
- Schools: nGuru
- Corporate: Managed Training Services
- Skills: Yuva Jyoti

## 2. Strengthening of Balance Sheet

- Releasing cash by exiting capital intensive businesses models
- Deleveraged balance sheet
- Growth through asset light business models

## 3. Business Mix Improvement

- Focus on free cash flow generation
- Improved margin and ROCE profile of continuing business
- Aligned to attractive markets, reduced dependence on single sector



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