

NIIT

Investor Presentation

February 2018



Agenda

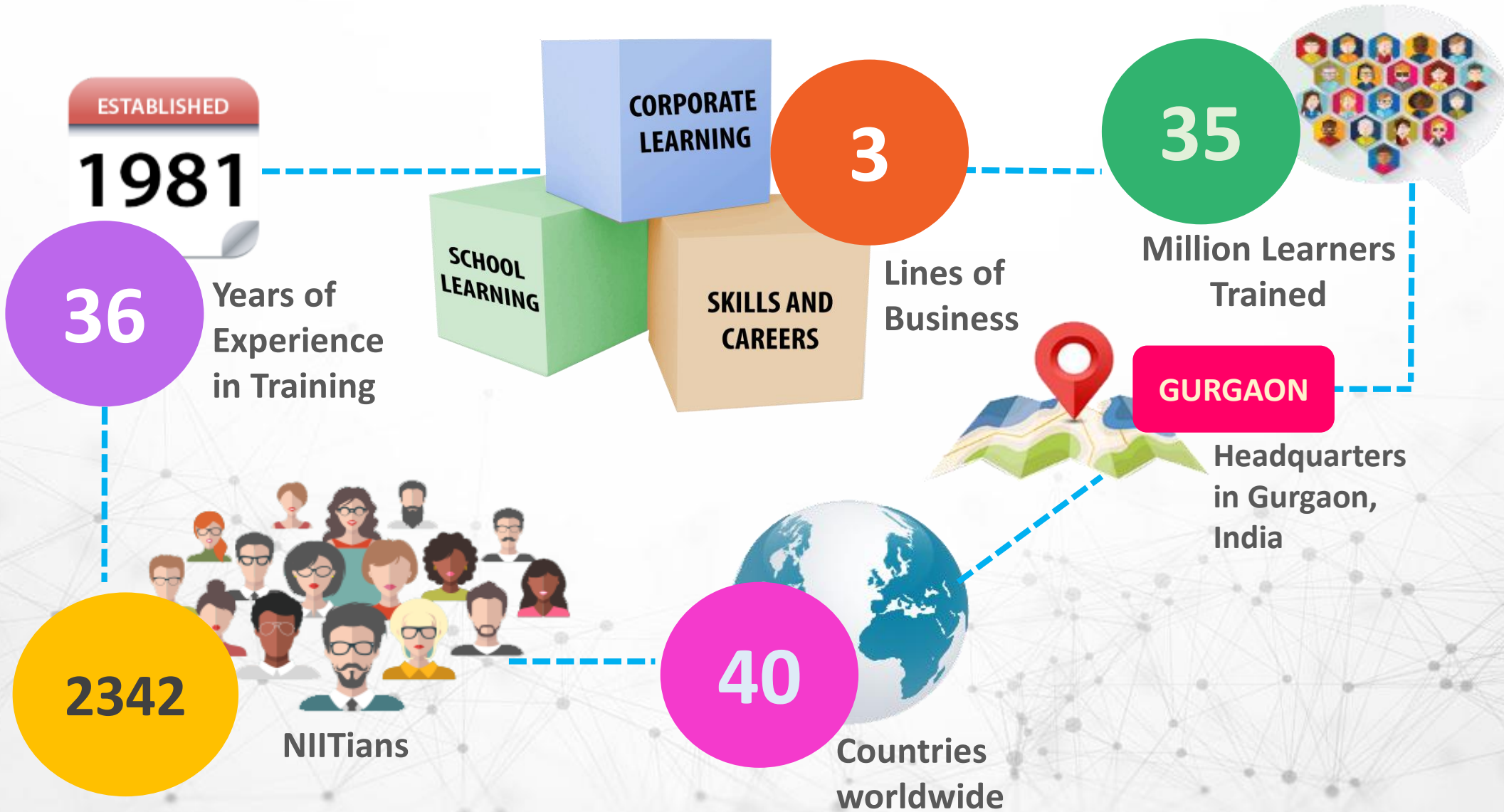
NIIT: Company Overview

- Corporate Learning Group
- Skills & Careers Group
- School Learning Group

Q3 FY18 Results Update

The Next Frontier: Future Direction

NIIT at a Glance



NIIT: Business Structure

CORPORATE LEARNING GROUP (CLG)

Rs. 7,662 Million, 65%

Productivity

US, Europe

- Managed Training Services
- Custom Projects

SKILLS AND CAREERS GROUP (SNC)

Rs. 3,236 Million, 27%

Employability

India, China

- Service Sector skills
- Professional Life skills

SCHOOL LEARNING GROUP (SLG)

Rs. 979 Million, 8%

Academics

India

- Teaching & Learning Solutions
- School Services

Percentages reflect share of Net Revenue (I-GAAP) for the business for FY17, and are rounded to nearest integer.

NIIT: Our Credentials

20%



20% higher premiums for agents on-boarded for a leading Insurance company

25%



Reduction of learning expenditures by 25% for a diversified Health and Well-being company

30%



Reduced time to proficiency by 30% in 22 locations worldwide for a global Energy major

Corporate Learning

1/3



We've trained 1/3rd of the IT workforce in India

4 MN



Skilled over 4 M students over the last 10 years across IT, ITES, BFSI, Mgmt, Retail, Telecom sectors

370



B2C education centers

Skills & Careers

10M



Technology enabled over 10 M school children

400K



Trained over 400 K school teachers to leverage technology

74%

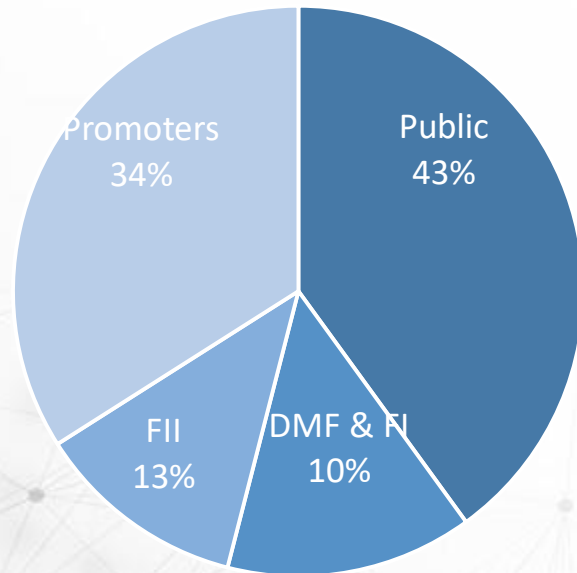


74% students prefer learning mathematics with NIIT Math Lab

School Learning

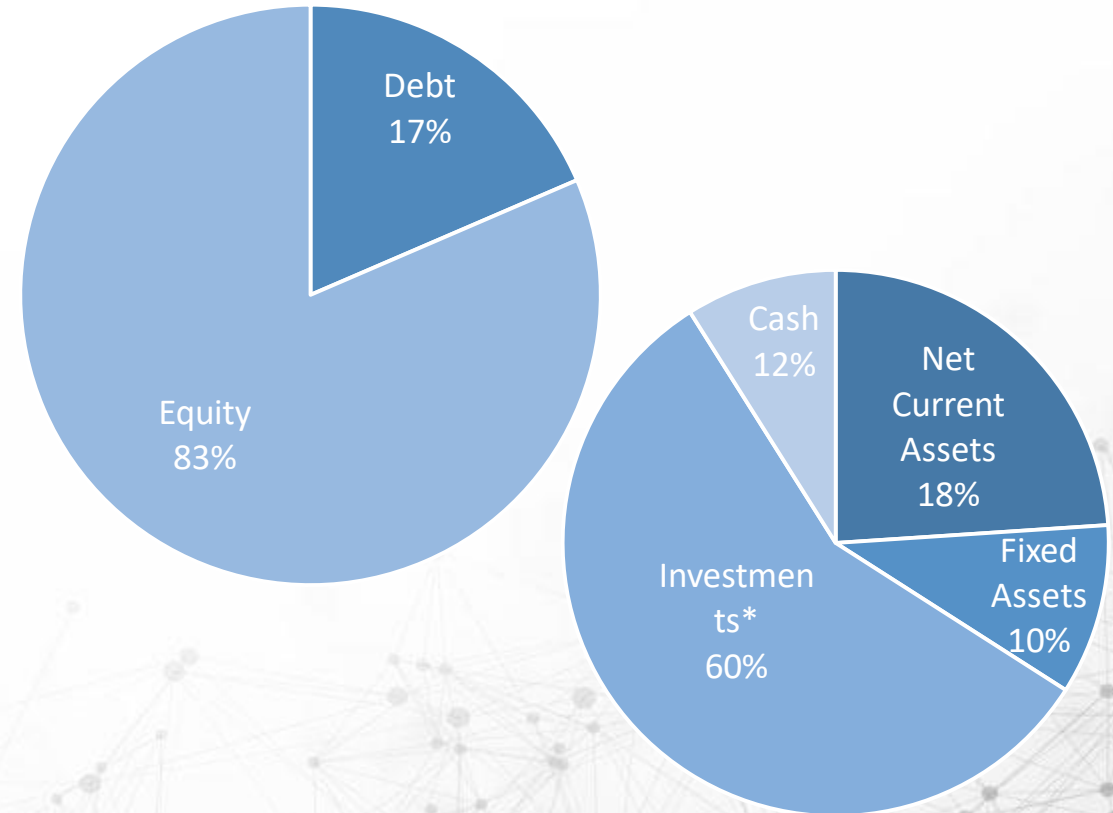
NIIT: Capital Structure

Shareholding



No of Shares: 165.7 million

Total Capital Employed – Rs. 10,380 million



Net Capital Employed – Rs. 2,913 million**

As of March 31, 2017, *NIIT Limited owns 23.7% of NIIT Technologies, ** Net of cash and investment

Awards & Recognition



NIIT received Dataquest 'Top IT Training Company' Award for the 20th consecutive year

Highest Rated Training Brand



Ranked 4th Best Company to work for in India. No 1 in Education and Training



NIIT Nguru awarded as "Best Interactive Solution Provider" by ASSOCHAM



38 Brandon Hall awards for Corporate Training. Earned 8 awards jointly with Shell, GE, MetLife, Zurich NA and Westfield Insurance in 2016



Gold Chief Learning Officer Learning Elite Award



NIIT USA ranked among the Top 20 Companies in Training Outsourcing. for the tenth consecutive year

NIIT

Business Overview



Managed Training Services



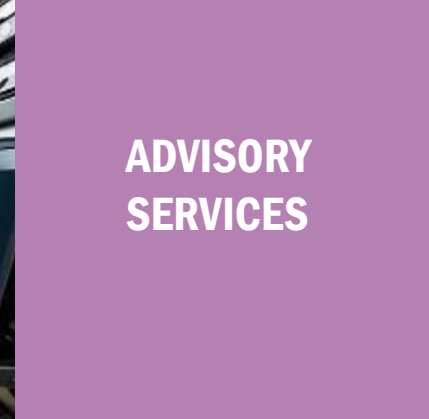
**CUSTOM CONTENT
AND CURRICULUM
DESIGN**



**LEARNING
DELIVERY**



**LEARNING
ADMINISTRATION**



Corporate Learning: What we do

8.75K

Hours of custom programs
developed annually

500

Full-time instructional
designers

100K

Training Days
delivered annually

25

Localization Services in
25 Languages

21K

Hours of custom content
delivered annually

40

Global Training delivery
in 40+ countries
in 15 languages

2500

Global Network
of 2500 Instructors

100+

Industry Honors and
Awards

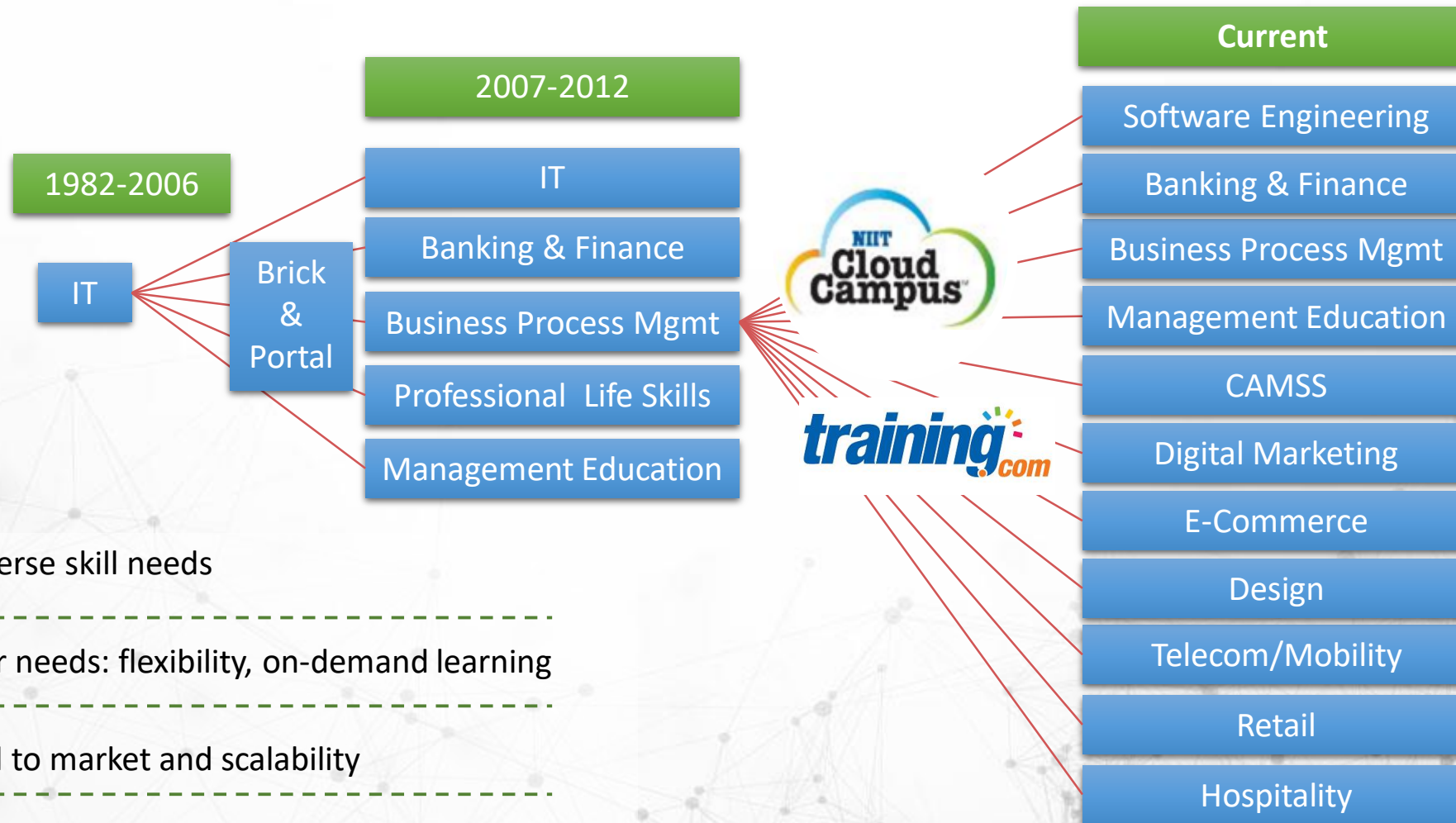
#1

In quality - SEI-CMM Level
5 & ISO 9001 certified

Corporate Learning: Marquee Customers



Skills & Careers: Expanding Product Portfolio



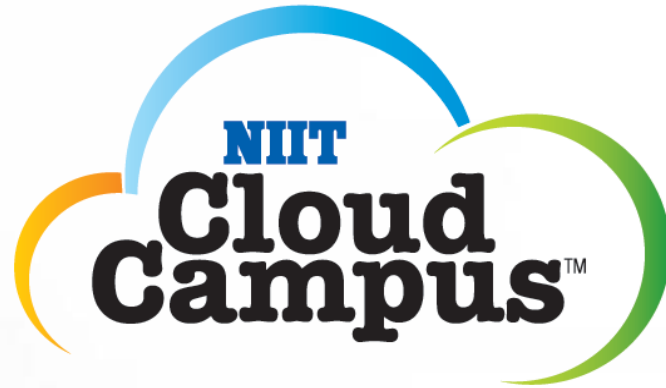
Explosion of diverse skill needs

Changing learner needs: flexibility, on-demand learning

Improved speed to market and scalability

Lower delivery cost, better capacity utilization

Skills & Careers: A New Way Of Learning



India:
295

China:
43

ROW:
60

School Learning: Portfolio And Credentials



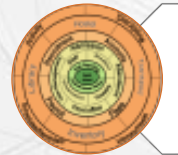
Teacher Training



Math Lab



School Consultancy



Quick School @
Cloud



IT, Web &
Multimedia

10 Mn +

Students

400 k +

Teachers

100 k +

Nodes

24 k +

Hrs of Content

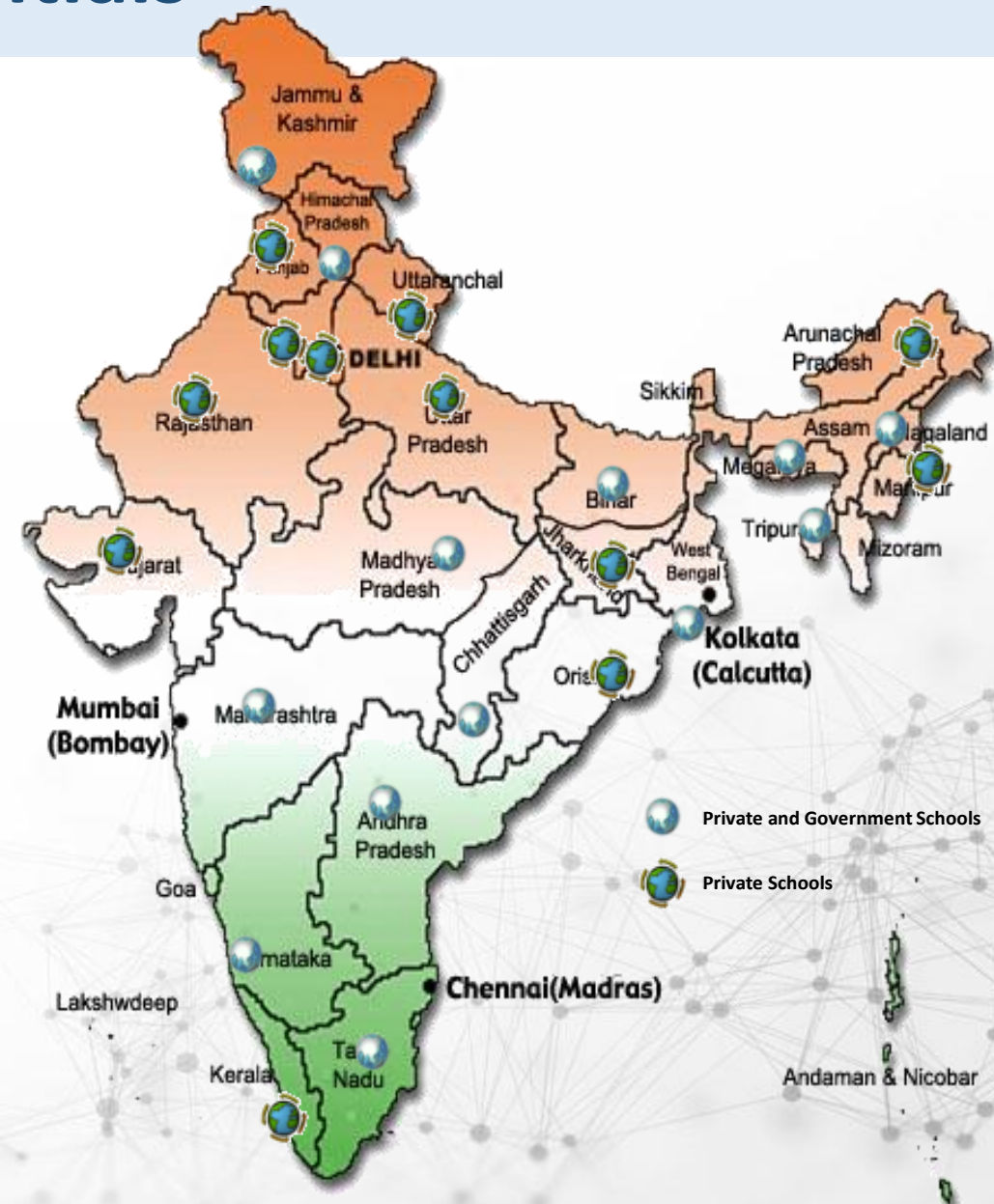
45 k +

Instructors

17 k +

Schools

Cumulative

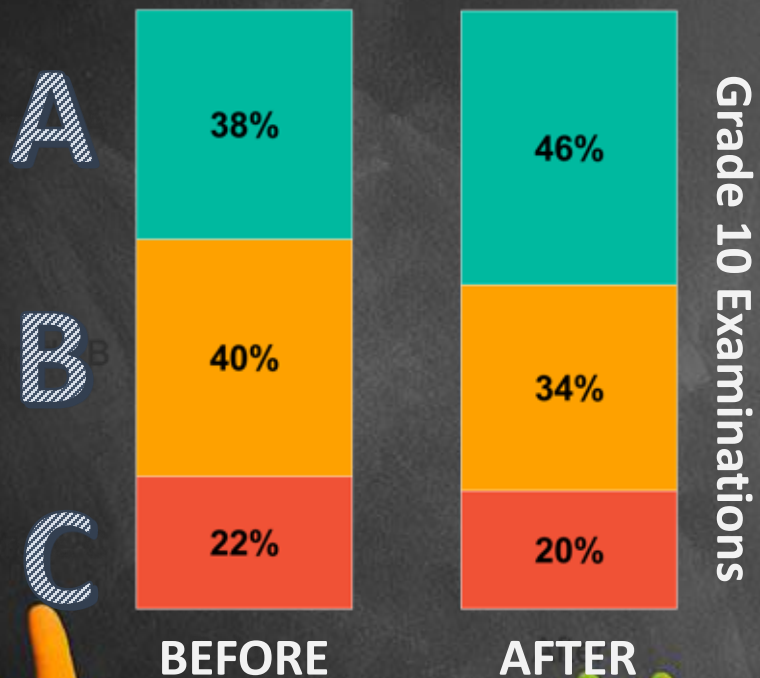


School Learning: Creating Measurable Impact

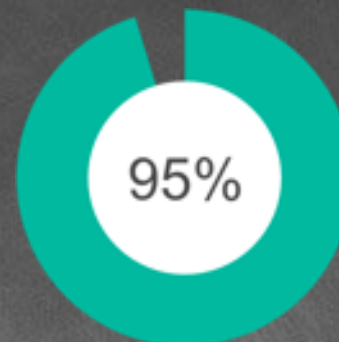
MathLab^{PLUS}

Impact Study Conducted by Deloitte.

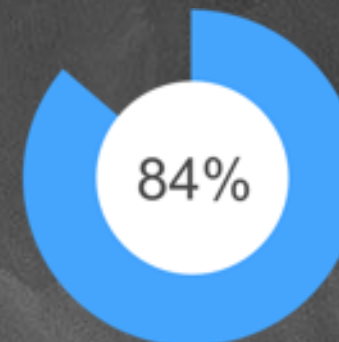
Share of A grade increased from 38% to 46% after nGuru MathLab implementation



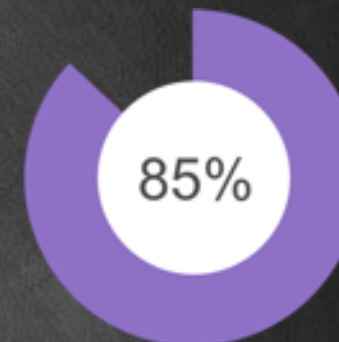
STUDENTS



TEACHERS



PRINCIPALS



% Respondents with positive rating on overall experience with MathLab



Q3 FY18 Results Update

Environment

- Growth in advanced economies strengthened in 2017, helped by a increase in capital spending and exports. The recovery has been led by Europe. (World Bank)
- Global GDP growth to edge up to 3.1 percent in 2018 but substantial downside risks remain, including the possibility of financial stress, increased protectionism, and rising geopolitical tensions. Focus on reforms including improvements in education and health systems, high-quality investment, and labour market could yield sustained long term dividends (World Bank)
- India GDP growth is expected to recover to 7.3% in FY19, after declining for last two years, as economy recovers from short term disruptions due to multiple transitions in the regulatory framework
- Global corporate L&D spending continues to increase as technology disruption and regulation continues to drive demand for training . Share of spending outsourced to specialist training providers continue to go up
- Hiring by IT companies remains subdued. Net hiring by major IT companies down more than 90% YoY YTFY18. Freeze on hiring in Banks
- Increased demand for Sales and Customer relationship roles across sectors

NIIT: Growth Platforms

NIIT

Corporate

MTS

- 38 global MTS customers
- Revenue visibility at \$ 199 mn vs \$ 195 mn in Q2 FY18

Skills & Careers

Digital Transformation (DT)

- DigiNxt courses added 1,628 enrolments
- Beyond IT contributes 35% vs 38% in Q3 FY17
- 1500+ learners on Training.com

Schools

nGuru

- 85 School contracts vs 51 in Q3 FY17
- Go forward Focused IP led private school business contributed 76%
- Practice Plus platform launched. 1.5 lac users

Liquidity

Net Debt	Down QoQ
INR 459 Mn	INR 419 Mn

Profitability

EBITDA	Up YoY
INR 109 Mn	INR 184 Mn

Capital Efficiency

ROCE	Up QoQ
7.7%	11%

Transitioned to Ind AS

Concepts:

- Retrospective application of all the standards unless exempted
- Concept of Substance over Legal form of the arrangement
- Certain optional exemptions are available for the ease of transition to Ind-AS. Under this Fair Valuation of Land and Investments in Subsidiaries / Associates is under consideration.
- Multiple deliverables in a contract are to be identified based on customer's perspective and is measured at its fair value.
- Concept of Control over the entity as against majority shareholding to consolidate as subsidiary or associate.

Impact Areas:

- Recognition of Revenue basis fair value for multiple deliverables
- Strategic Sourcing Revenue is recognized on Net basis
- Recognition of Deferred Tax Liability on undistributed profits of subsidiaries/ Associates
- Provision for doubtful debts – on “Expected Credit Loss” model as against “Incurred Loss” model.
- ESOP expenses are recognized in P&L based on Fair Value as per Black Scholes method.
- Impact due to actuarial assumptions gets classified in “Other Comprehensive Income” (OCI)
- Discounting of Long Term Assets & Liabilities to present value

Q3 FY18: In Perspective

Overall NIIT

- Revenue at INR 2,094 Mn; up 4% YoY; Constant currency Revenue from Go forward Business up 8% YoY
- EBITDA at INR 184 Mn (9%) up 69% YoY; EBITDA margin up 339 bps YoY
- Sustained improvement in PAT; at INR 197 Mn in Q3 FY18 vs INR 44 Mn in Q3 FY17
- Strong Balance sheet. Continued control on Capex & Collections. Net Debt at INR 419 mn

Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,294 Mn up 12% YoY; Constant currency Revenue grows at 14%
- EBITDA margin at 15%; up 204 bps YoY
- Revenue Visibility at \$ 199 Mn (up 44% YoY)
- Overall 38 MTS customers; Renewed one contract; Received 5 MTS LOI's including one renewal

Skills & Careers Group (SNC): Rebuild phase

- Revenue at INR 691 Mn; down 1% YoY;
- EBITDA margin at 3%; up 514 bps YoY due to cost optimization
- Hosted NIIT's flagship customer event – 2018, The Confluence at Goa

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

- Revenue at INR 92 Mn down 42% YoY due to ramp down of government school projects
- Order Intake of INR 50 Mn; signed 85 school contracts during the quarter (up 67% YoY)
- Focussed IP led private school business contributes 76%; up 16% YoY

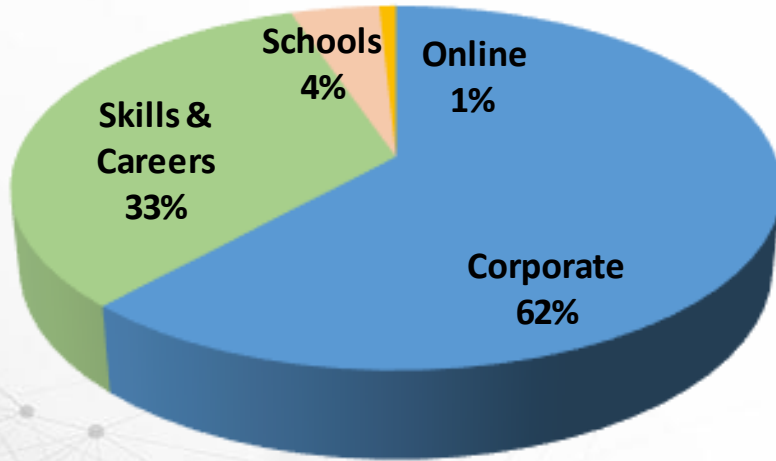
Key Financials

INR Mn	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ
System wide Revenue	3,405	3,203	6%	3,367	1%
Net Revenue	2,094	2,020	4%	2,084	1%
Operating expenses	1,910	1,910	0%	1,906	0%
EBITDA	184	109	69%	178	4%
EBITDA%	9%	5%	339 bps	9%	26 bps
Depreciation	102	109	-6%	104	-2%
Net Other Income/ (Expense)	-6	-42	36 mn	-55	49 mn
Operational PBT	76	-42	117 mn	18	57 mn
Share of Profits from Associates	174	145	20%	155	12%
Tax	52	60	-13%	47	12%
PAT	197	44	350%	127	55%
Basic EPS (Rs.)	1.2	0.3	348%	0.8	55%

- Growth in Corporate Learning helps offset planned ramp down of government schools business and exit from de-focussed SNC business
- Currency volatility YoY negatively impacted Revenue by INR 26 Mn & EBITDA by Rs 11 Mn
- Depreciation down 6% YoY reflecting continued reduction in capital intensity

Business Mix

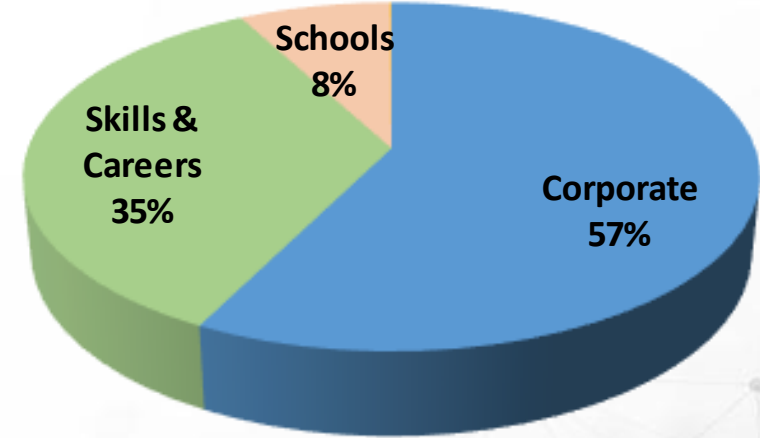
Q3 FY18



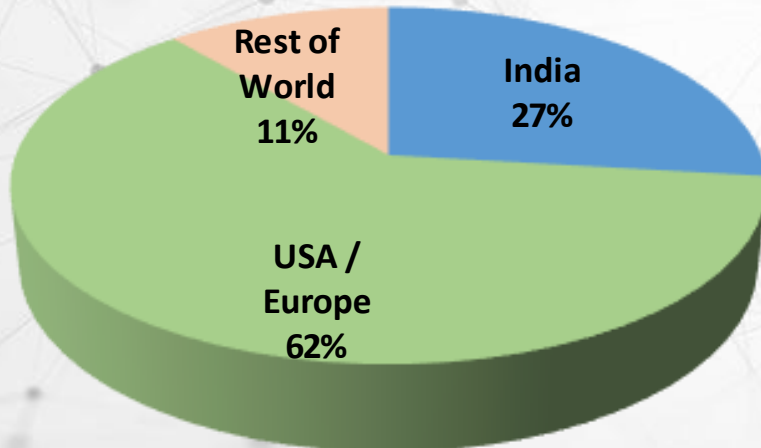
Revenue Mix - Biz

	Growth
Corporate	12%
Skills & Careers	-1%
Schools	-42%
Online	1766%
NIIT	4%

Q3 FY17



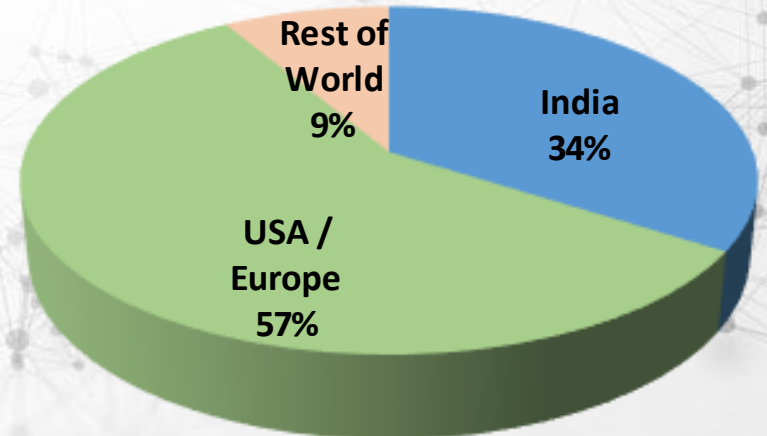
Q3 FY18



Revenue Mix - Geo

	Growth
India	-18%
USA / Europe	12%
Rest of World	37%
NIIT	4%

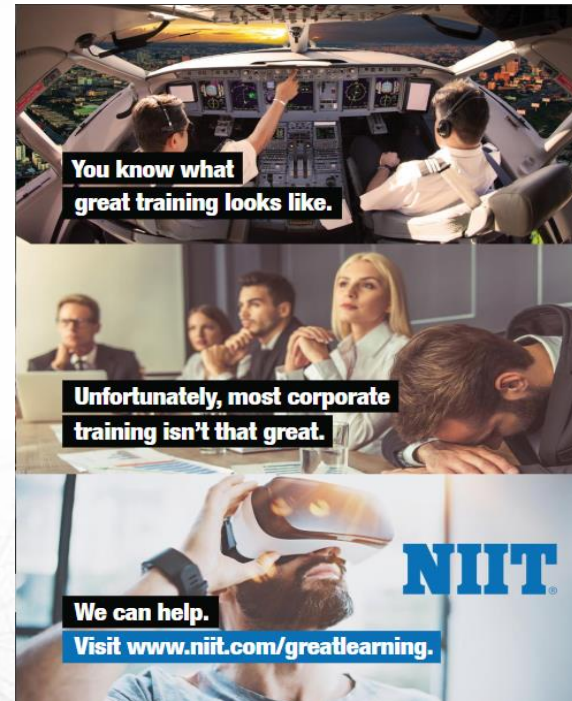
Q3 FY17



Corporate Learning Group

INR Mn	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ
Net Revenues	1,294	1,160	12%	1,263	2%
EBITDA	198	154	29%	196	1%
EBITDA %	15%	13%	204 bps	16%	-23 bps

- Revenue up 14% YoY in Constant currency
- Revenue Visibility increases to \$ 199 Mn up 44% YoY
- Renewed contract with one MTS customer. Overall 38 MTS customers
- Received 5 MTS LOIs including one renewal
- Strong pipeline of new orders



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

LEARNING ELITE
The best companies in learning + development

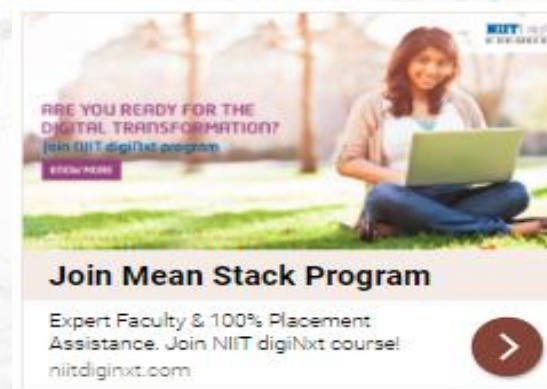
Skills & Careers Group

INR Mn	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ
Net Revenues	691	701	-1%	714	-3%
EBITDA	18	-18	36 mn	19	-5%
EBITDA %	3%	-3%	514 bps	3%	-4 bps

- India business impacted because uncertainty in hiring & training slowdown in BFSI
- Q3 a seasonally weak quarter. Recovered profitability despite slightly lower revenue due to cost optimization
- Green shoots visible in IT training, especially around reskilling



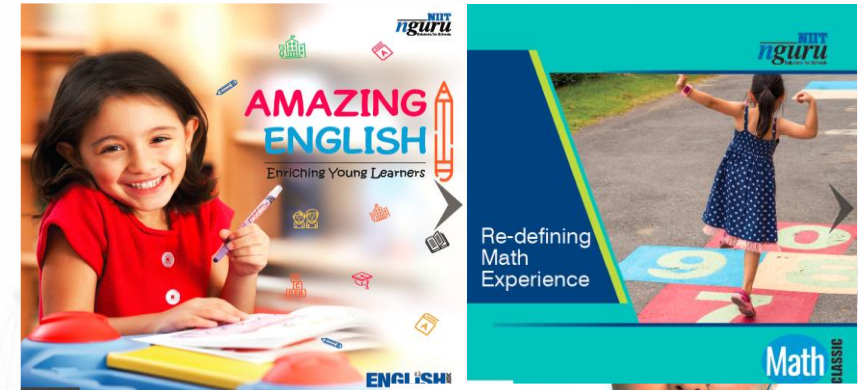
**STACK
ROUTE**



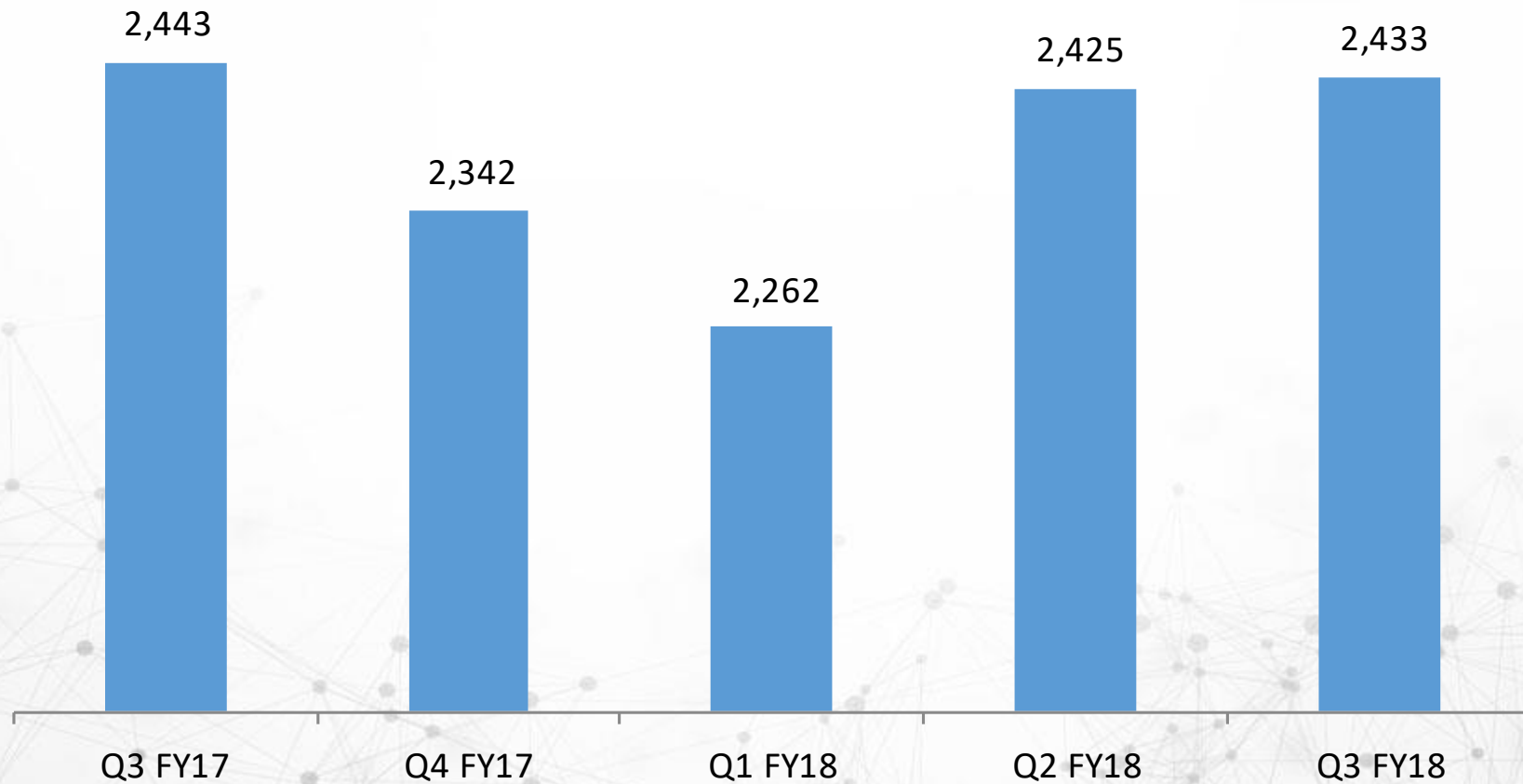
School Learning Group

INR Mn	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ
Net Revenues	92	158	-42%	93	-1%
EBITDA	-21	-4	-17 mn	-21	1 mn
EBITDA %	-22%	-2%	-2008 bps	-23%	61 bps

- Overall revenue impacted due to planned ramp down of government school projects. EBITDA impacted by closure of a large government contract
- Revenue from Go Forward, IP led private school business contributes 76% to SLG revenue; up 16% YoY
- 85 school contracts signed during the Qtr; up 67% YoY
- Practice Plus platform launched. 1.5 lacs users

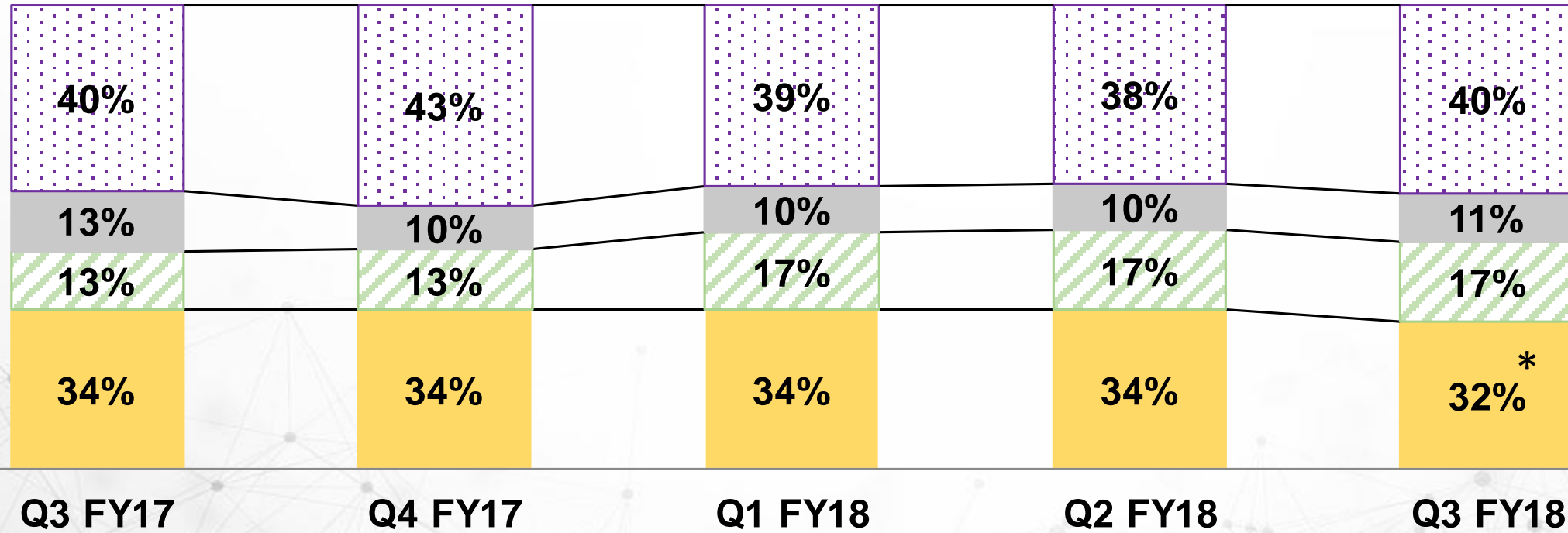


People



Headcount up 8 QoQ and down 10 YoY

Share Holding Pattern



*Reclassification in Q3FY18 for a shareholder, earlier classified as a promoter

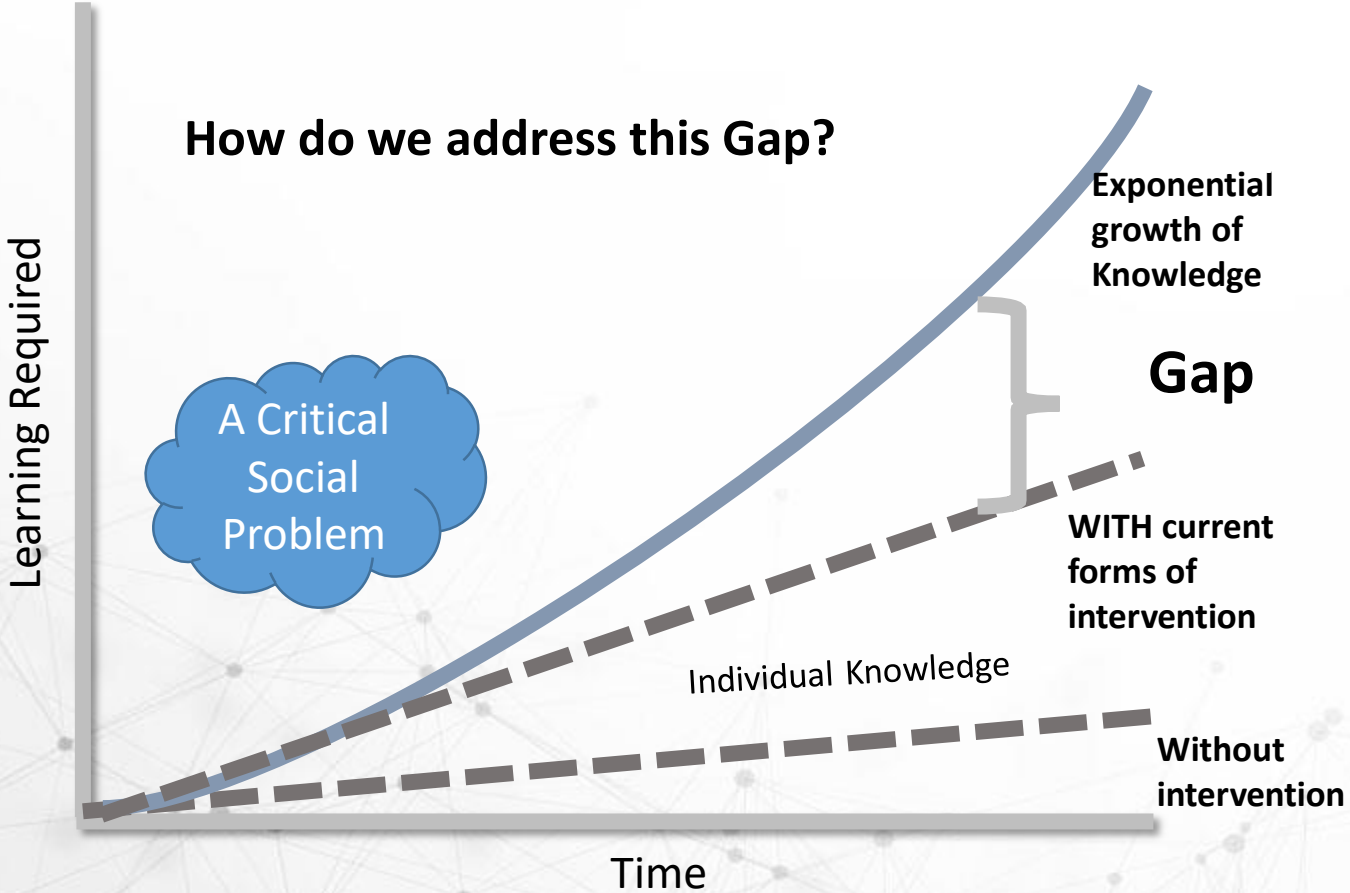
■ Promoters
 ▨ FIs & FPIs
 ■ FIs and Mutual Funds
 ▨ Individuals and Corporates

NIIT

Future Direction



Future of Learning



Imperatives

- Life Long Competency Assurance
- Universal Human Competency Index
- Accelerated Competency Building Environment

Millennials In The Workspace

Length of a Career



60- 70 Years

Average Tenure



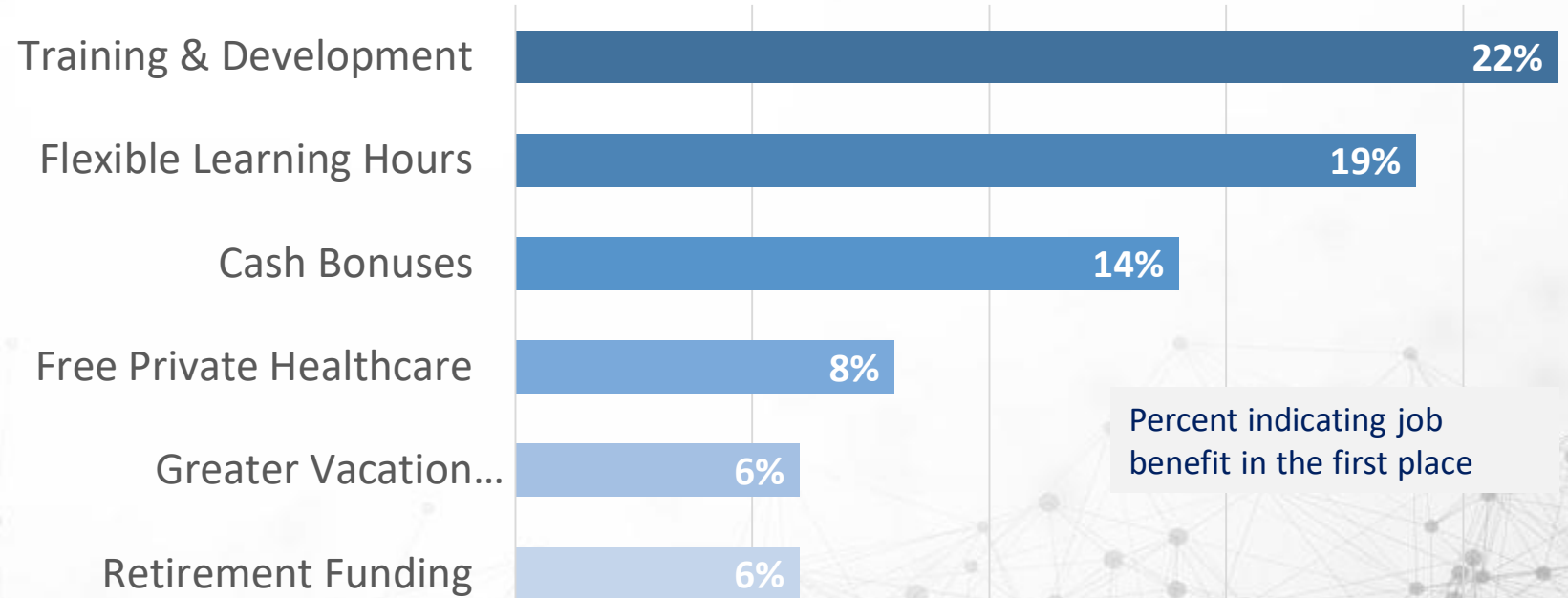
4.5 Years

Half-life of a Skill



5 Years

For Millennials, Training & Development is the most coveted job benefit

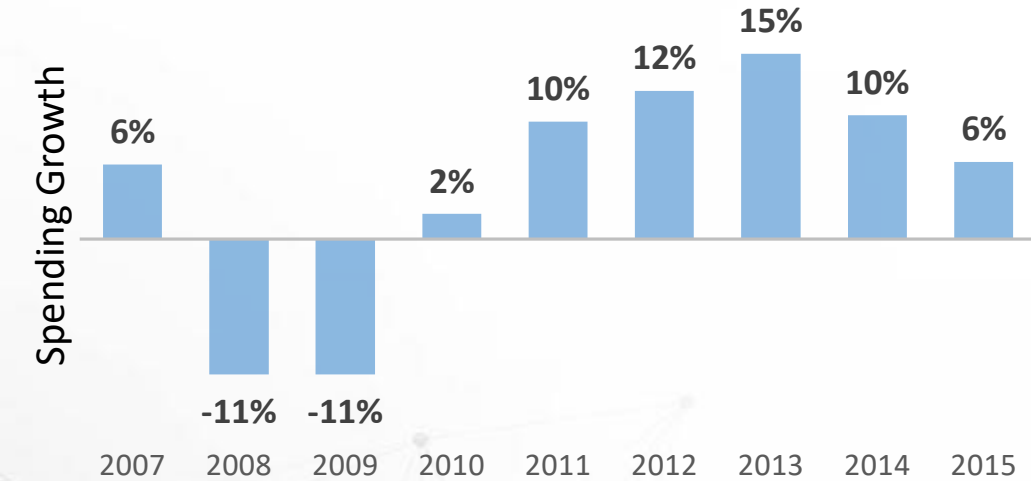


Percent indicating job benefit in the first place

Corporate Learning Group

Future Direction

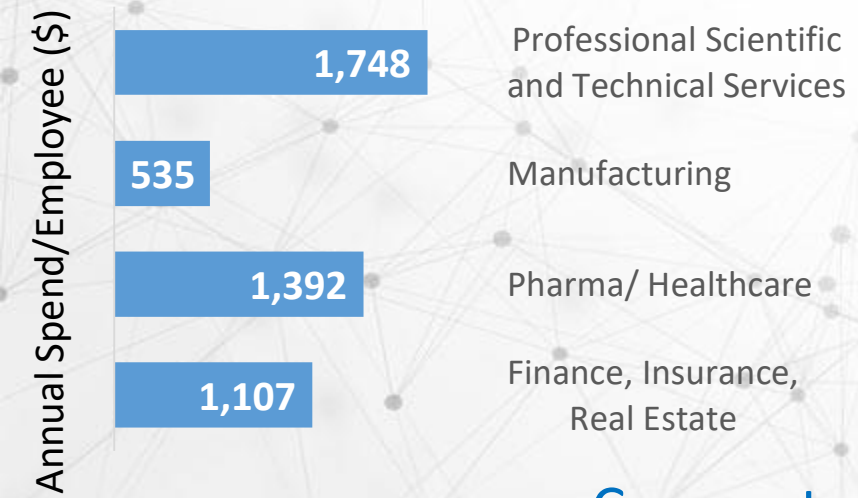
CLG: Corporate Training Spending



Corporate Training Spend in USA: \$90+ Billion
Global Training Spend: \$135Bn+

Spending on Training Continues to Grow

Increasing trend towards outsourcing



Focus on Technology/Telecom Energy, Lifesciences and BFSI Industries

Corporate Training market represents a huge opportunity

CLG: Learning Trends We Are Tracking

	Technology	Pedagogy	Business
Today	<p>Games Ubiquitous Learning Video</p>	<p>Flipped Classrooms Curated Content Mastery Learning Accelerated curricula Competency Based Design</p>	<p>Running Training Like a Business Instructor Quality Reinvention Learning Economics</p>
Coming Soon...	<p>Virtual Reality Augmented Reality & Learner Aware Systems</p>	<p>Neuroscience</p>	<p>“Learning Insurance” Influx of startups</p>

CLG: E.A.S.E. Platform

“I need a one-stop shop to get all my data so that I can make business decisions. My LMS won't give me this.”



Customer Demand



Talent Management Systems



Learning Management Systems

Multiple HRIS



Salesforce.com



Managed Services Platform

NIIT Solution

e a s e
evaluate. analyze. simplify. engage.



CLG: Managed Training Services



NIIT
BUSINESS IMPACT ACCELERATED.

Running Training like a Business

Proven Approach, Transformative Results.

It's no secret that corporate executives today want to radically change the way training is managed. According to industry experts, learning transformation therefore is no longer optional. At NIIT, our principles of running training like a business are at the core of helping organizations transform training to dramatically improve effectiveness and efficiency.

Learn how running training like a business can work for you: www.niit.com/rliab.

CURRICULUM AND CONTENT LEARNING DELIVERY LEARNING ADMINISTRATION STRATEGIC SOURCING LEARNING TECHNOLOGY

www.niit.com

8 in 10 HR Functions are completing or will soon undergo an HR Transformation. Are you one of them?

Transforming L&D can transform your HR strategy more than anything else.

While organizations look broadly at HR, it is our belief that training and development should be at, or near the top, of your HR transformation strategy. If you are seeking to create transformative value from the investments your organization makes in training, discover how NIIT can help you Run Training like a Business. Explore how you can dramatically improve the efficiency and effectiveness of your training capability at www.niit.us/transformHR.

Running Training like a Business.
Enabling the HR Transformation Strategy.

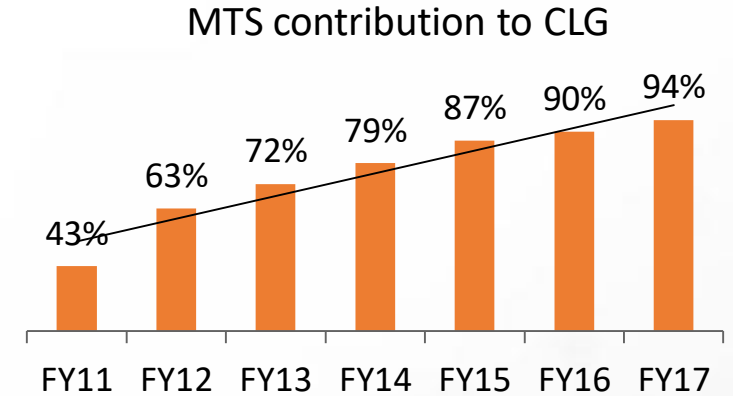
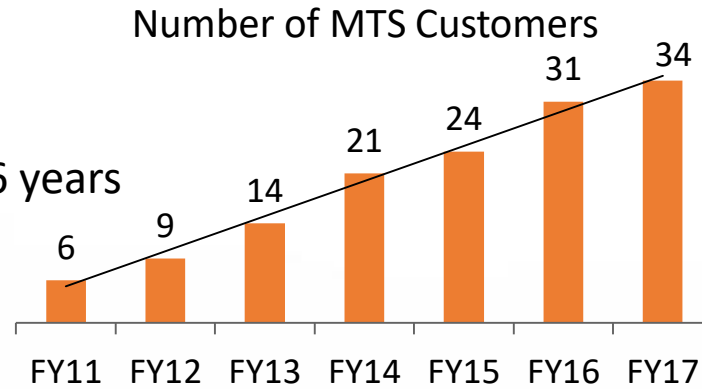
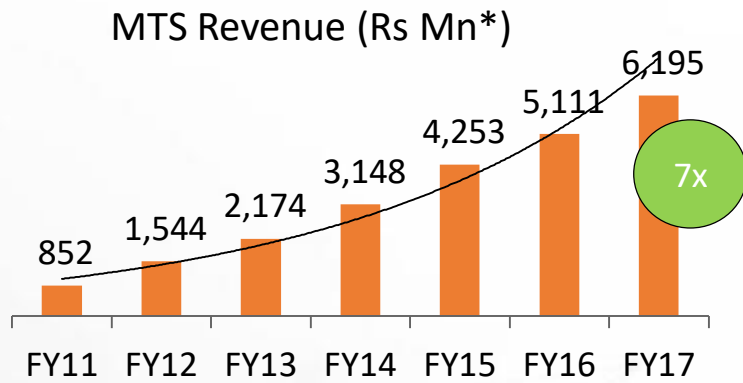
CURRICULUM AND CONTENT LEARNING DELIVERY LEARNING ADMINISTRATION STRATEGIC SOURCING LEARNING TECHNOLOGY

NIIT

www.niit.com

Delivering Efficiency and Effectiveness In Training

CLG: Managed Training Services



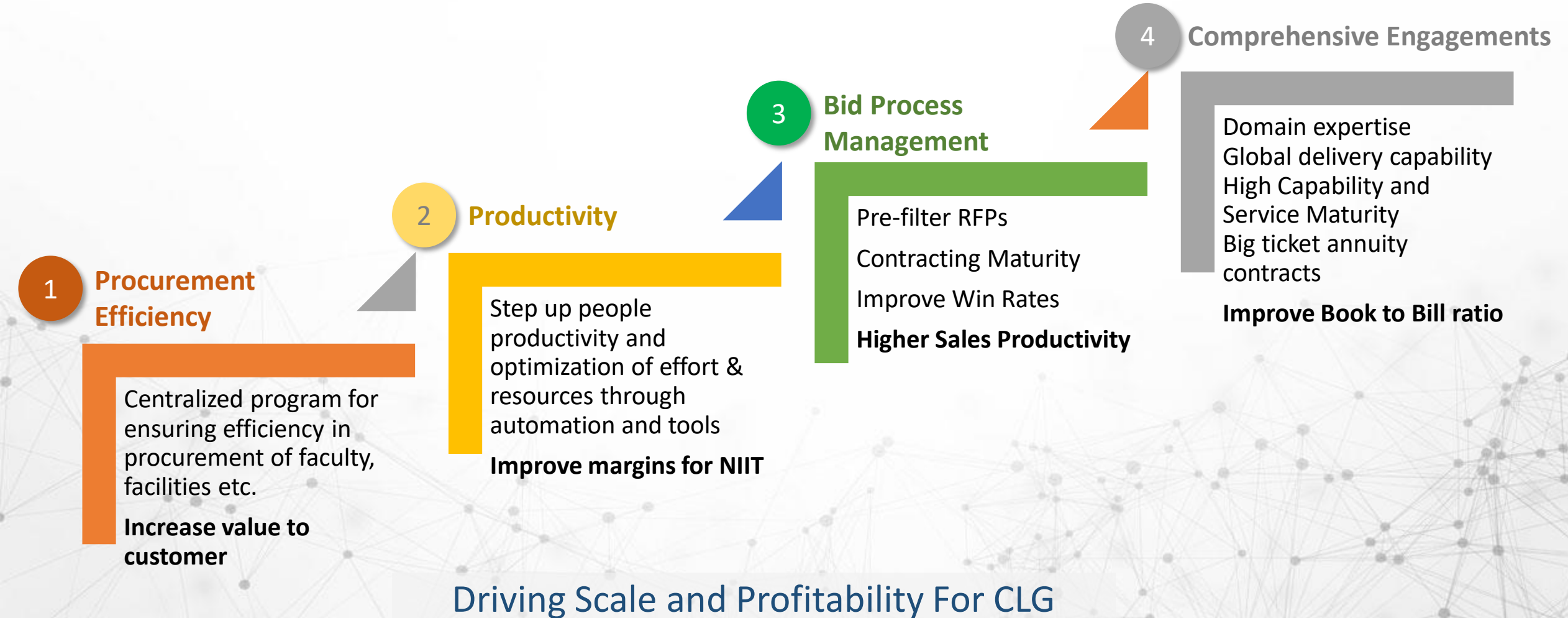
Increasing contribution from MTS

Differentiated competitive positioning

Revenue Visibility at \$249 Mn from existing contracts

MTS continues drive steady growth for CLG business

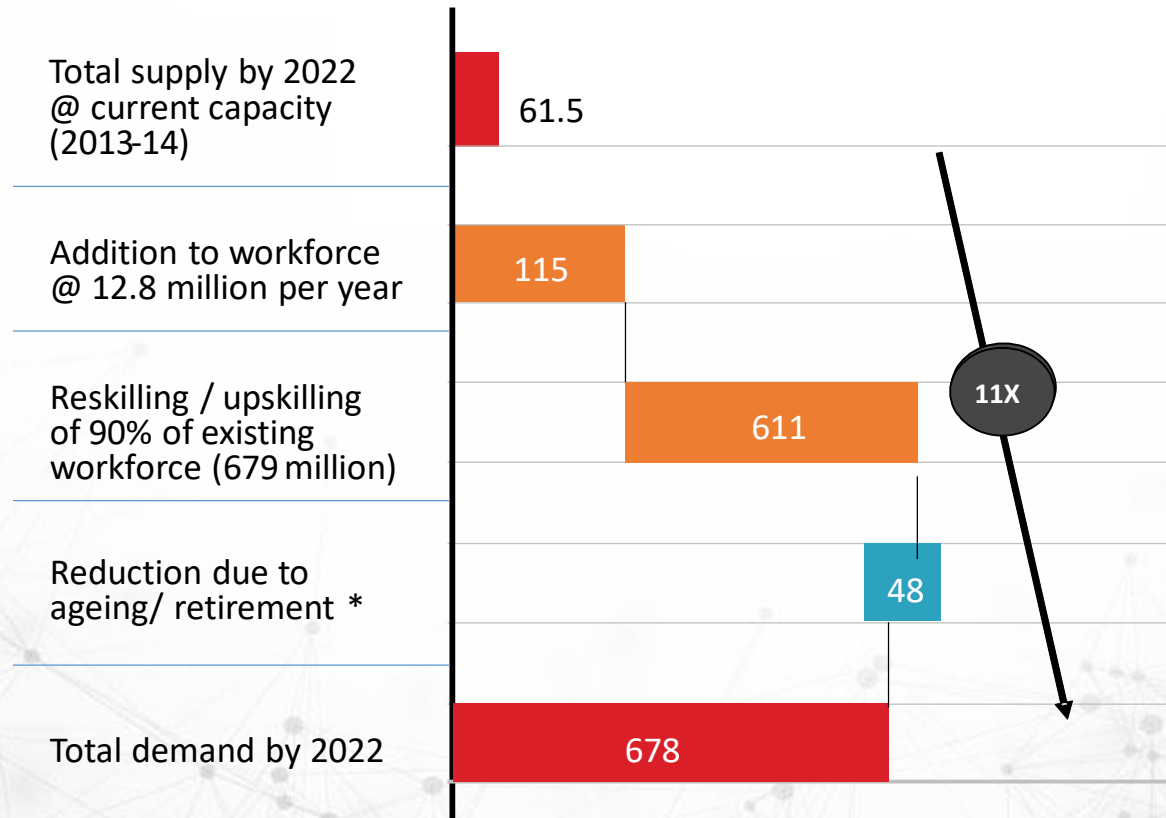
CLG: Taking MTS to Next Level Of Growth



Skills and Careers Group

Future Direction

2022 Projections: Huge Capacity Creation Required

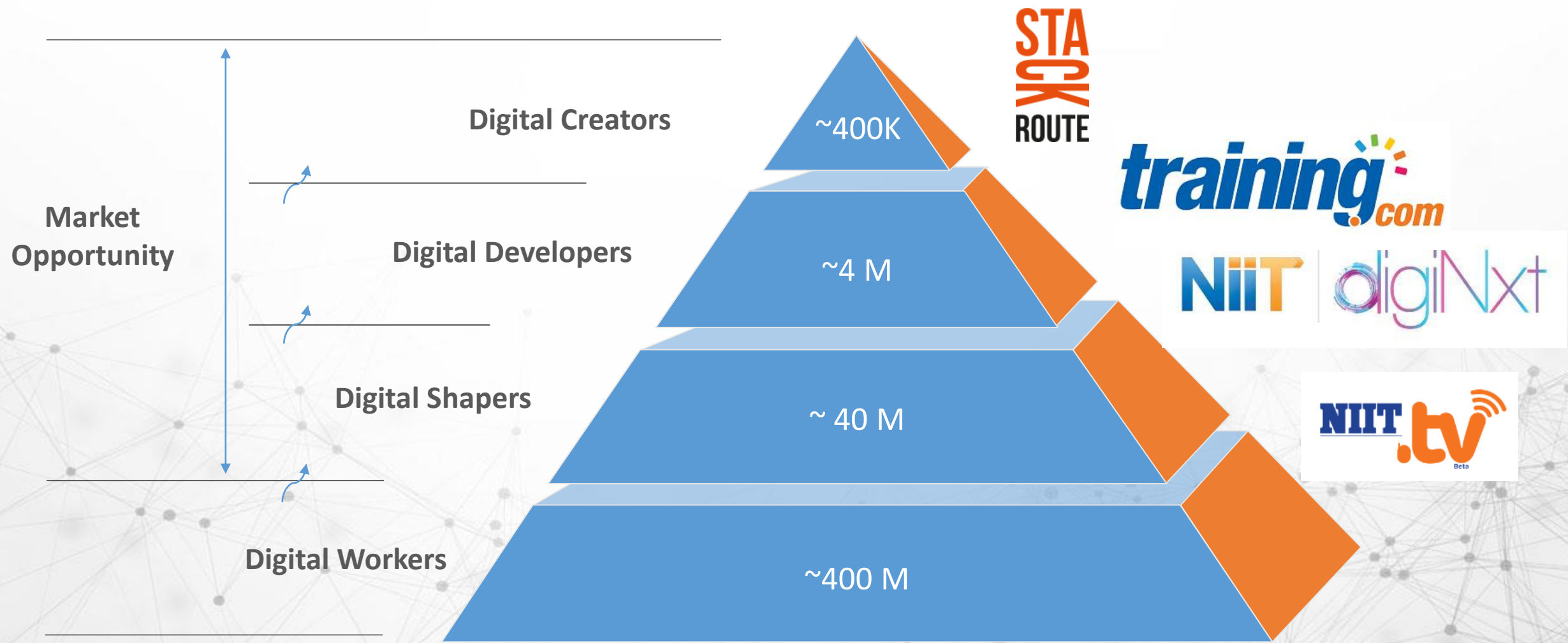


Source: McKinsey analysis; Census 2011; ILO World Development Indicators 2012, NSDA data

*Assuming that the existing workforce in the age group of 51-59 will not be re-skilled

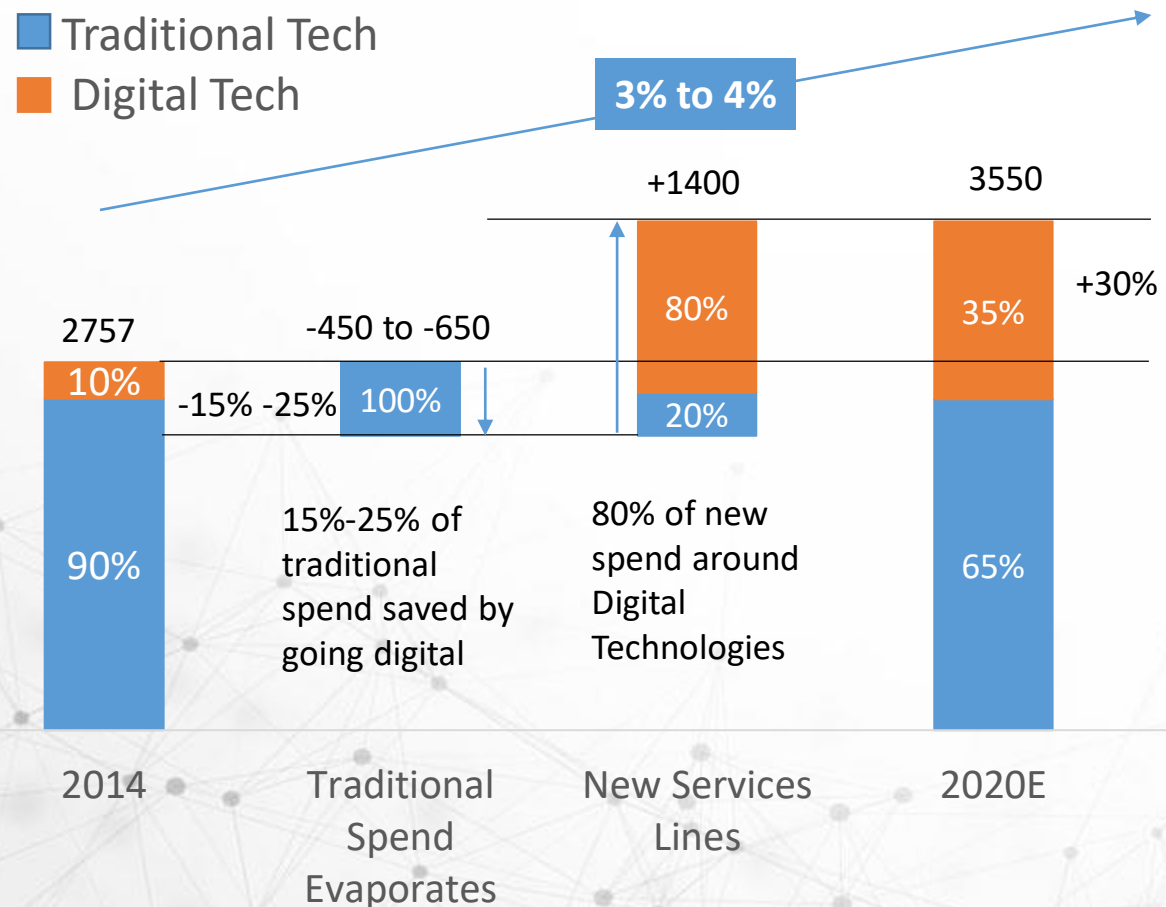
Eleven-fold increase in capacity is required to meet aspirations

SNC: Digital Opportunity Landscape



Digital Transformation – IT Sector

Global Technology and Business Services Spend



Global Technology and Business Services to Touch USD 4 Trillion by 2025

Share of Digital Technologies to increase to 60%

50% - 60% of today's workforce needs to be reskilled to be relevant by 2020

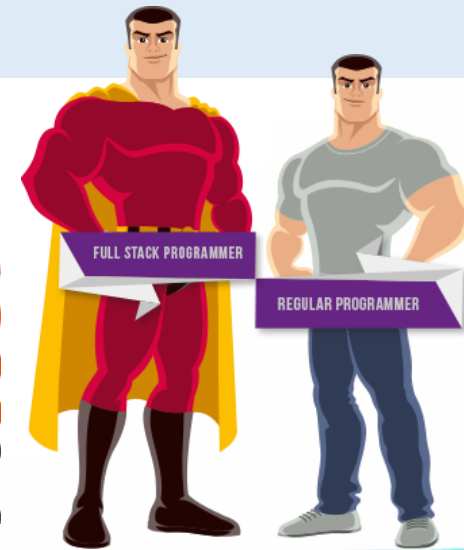
Source: IDC, NASSCOM

SNC: Digital Transformation

NIIT | digiNxt



STACK
ROUTE



JAVA ENTERPRISE WITH DEVOPS

BIG DATA AND DATA SCIENCES

MEAN STACK

CLOUD STACK

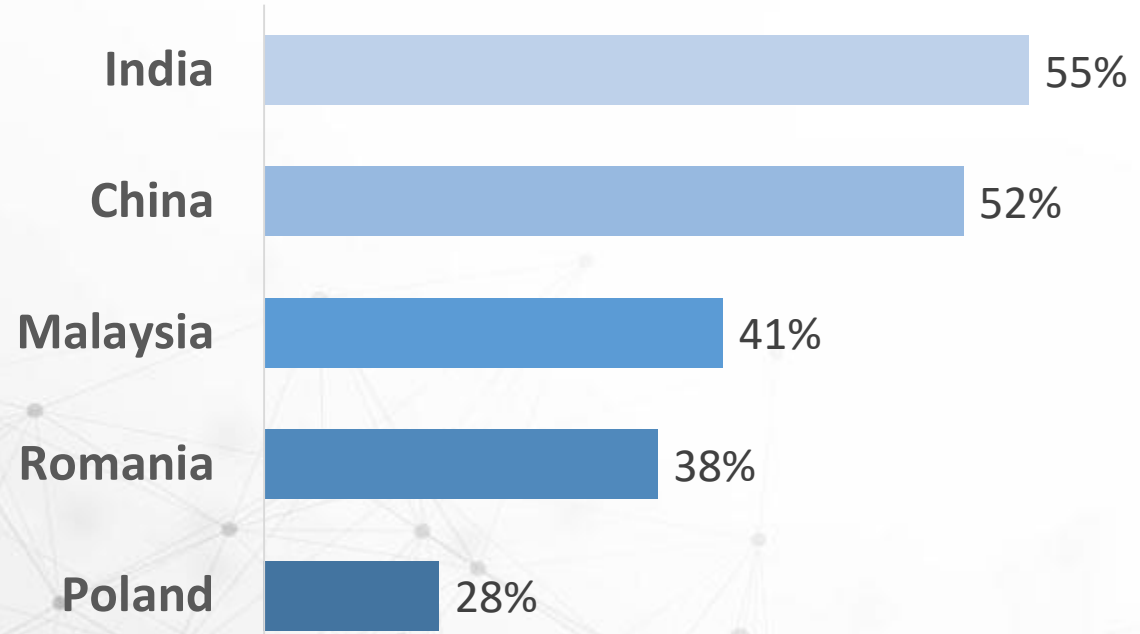
INTERNET OF THINGS (IOT)

ROBOTICS

VIRTUAL REALITY

SNC: Online Learning Market

Growth in Online Learning



Source: eLearningindustry.com

India

India part of a Flat World – Global business model

Fastest growing market for Online Learning

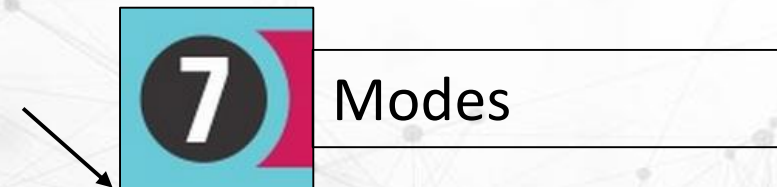
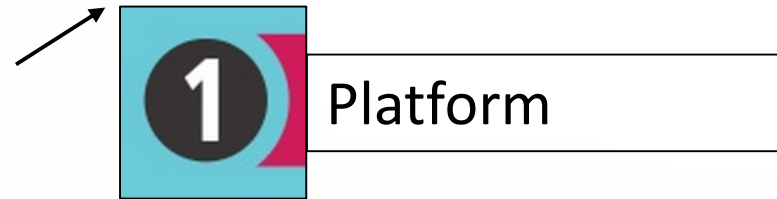
Next battleground for Online Learning

SNC: Multi-Modal Platform

From Primarily a
Single Mode Brick-
and-Portal Business

to

Multi-Modal
Platform Based
Business



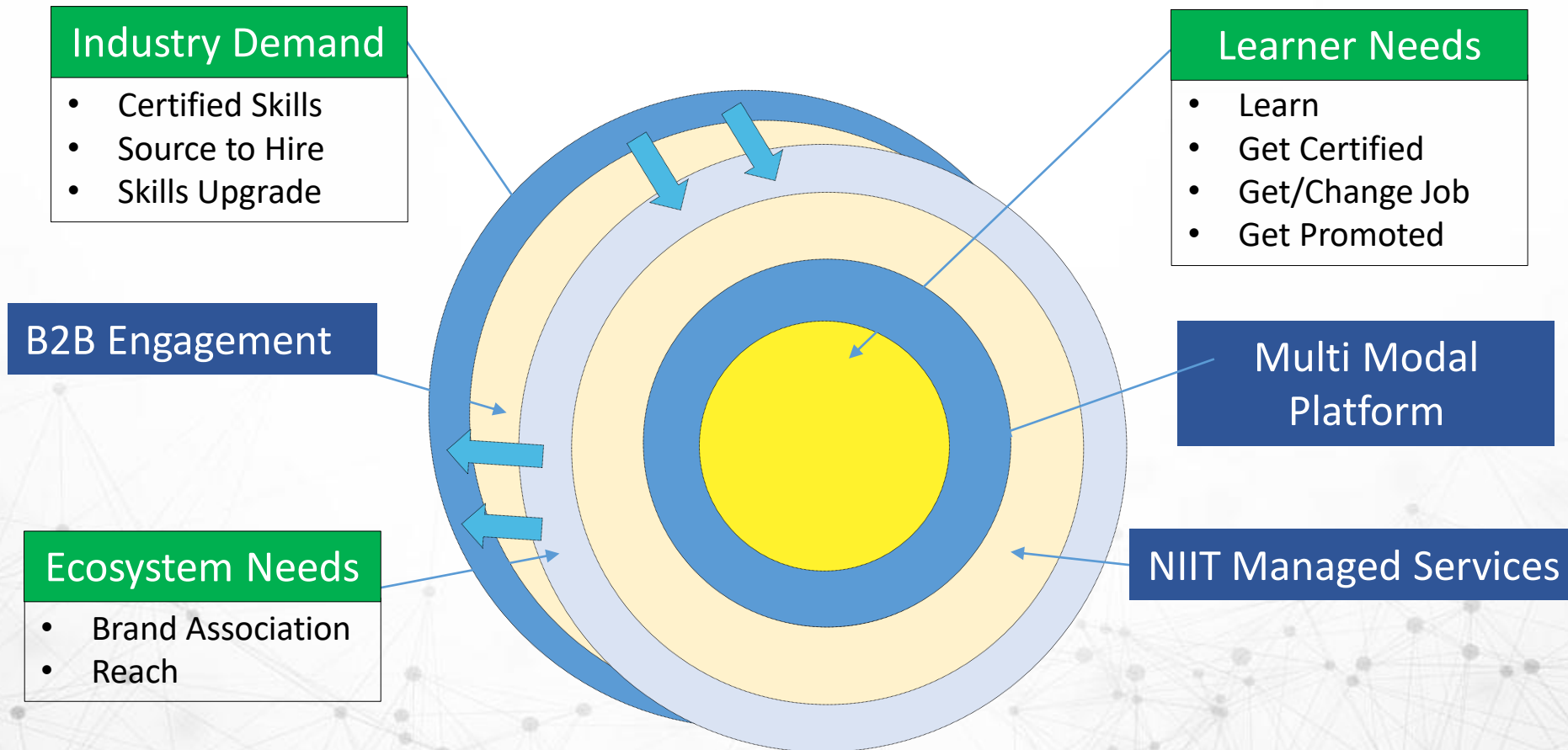
Channels

Own Brick, Partner Brick, Inside
Campus, Online Channel

Modes

1. On Demand E-Learning (Pure Online)
2. On Demand MOOCs & Recorded Lectures
3. Live Synchronous – Direct to Device
4. Synchronous CR Mode (Cloud Classroom)
5. Local ILT
6. Flipped Classroom (Blended)
7. Immersive Project Based Learning (StackRoute)

SNC: 360 Degree Partner Ecosystem

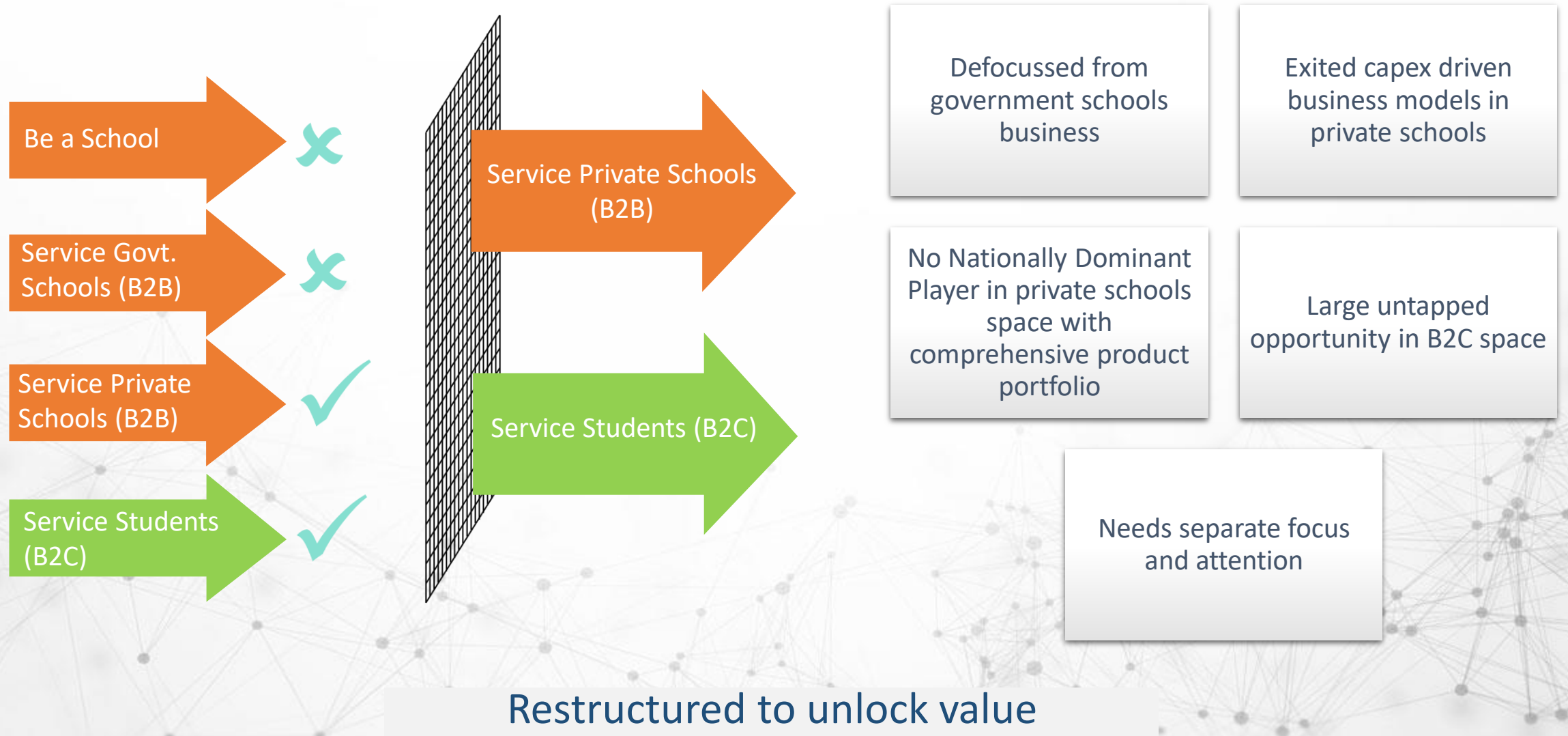


Building a Comprehensive Skills & Careers Ecosystem

School Learning Group

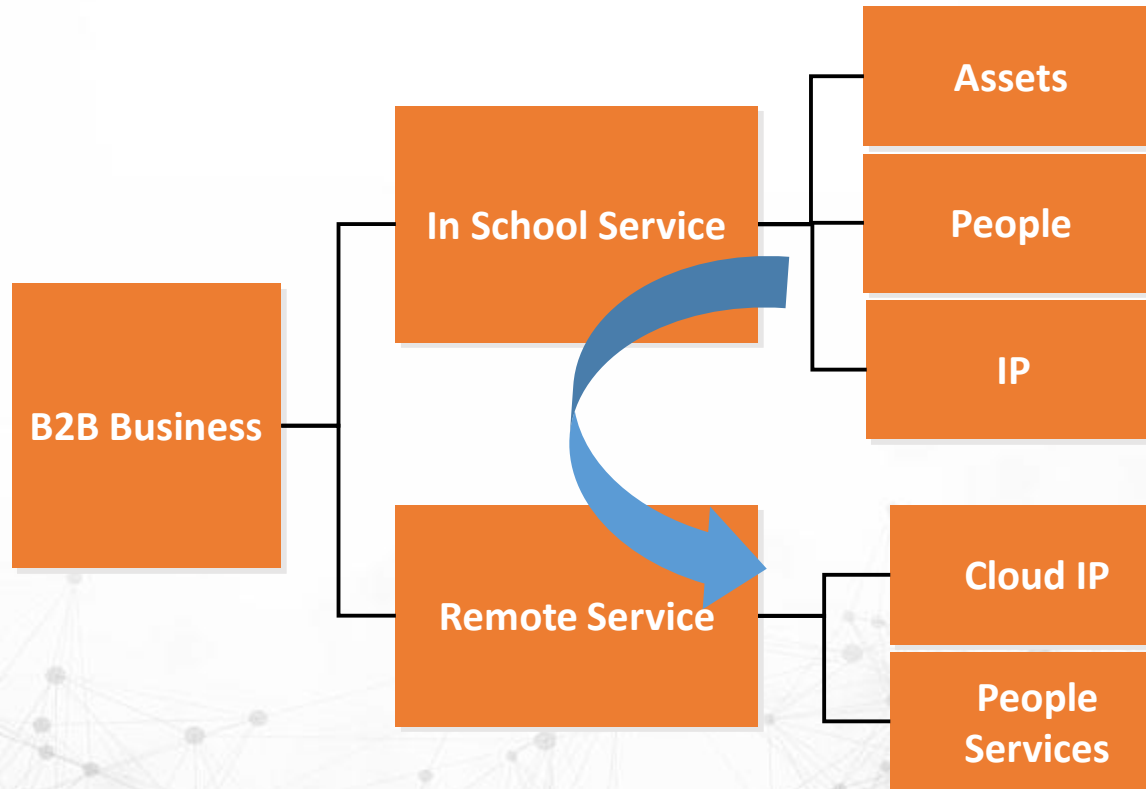
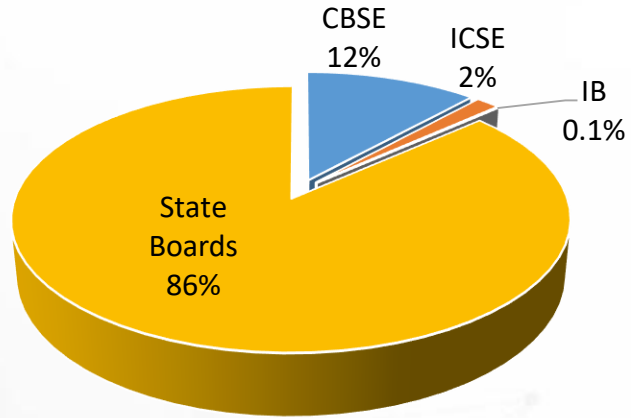
Future Direction

SLG: Focus Areas



SLG: Next Frontier For B2B Business

~120K Private Schools

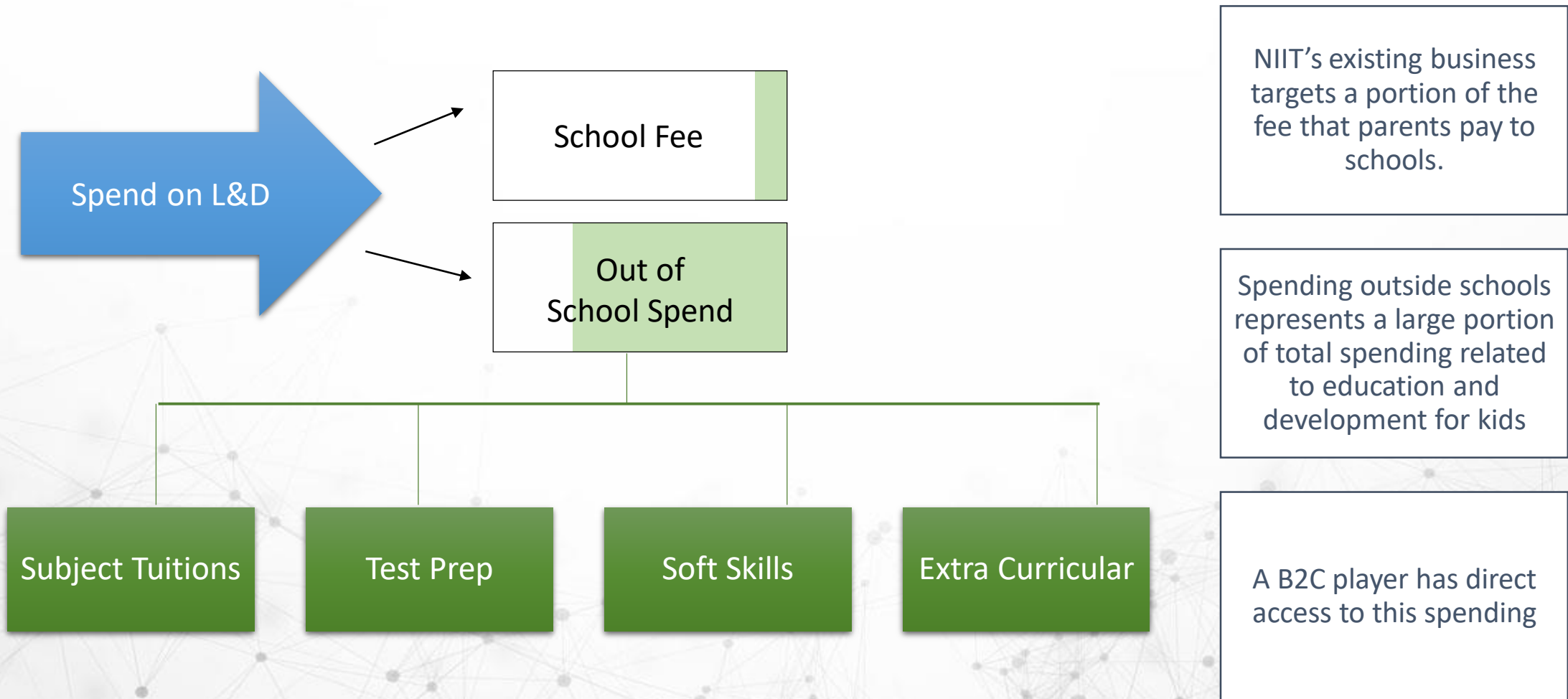


- High capital intensity
- High people dependence
- Diminished value of IP
- Linear, non-scalable

- IP driven
- Asset light
- Technology intensive
- Non linear, highly scalable

Move to asset light, technology intensive, IP driven business model

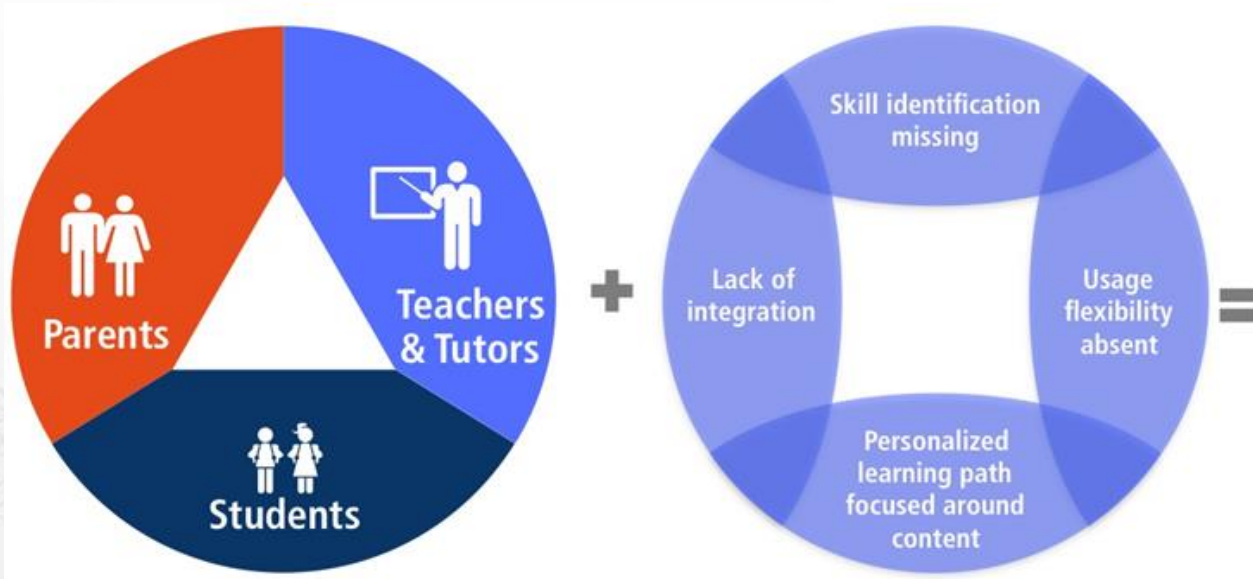
SLG: K-12 Landscape



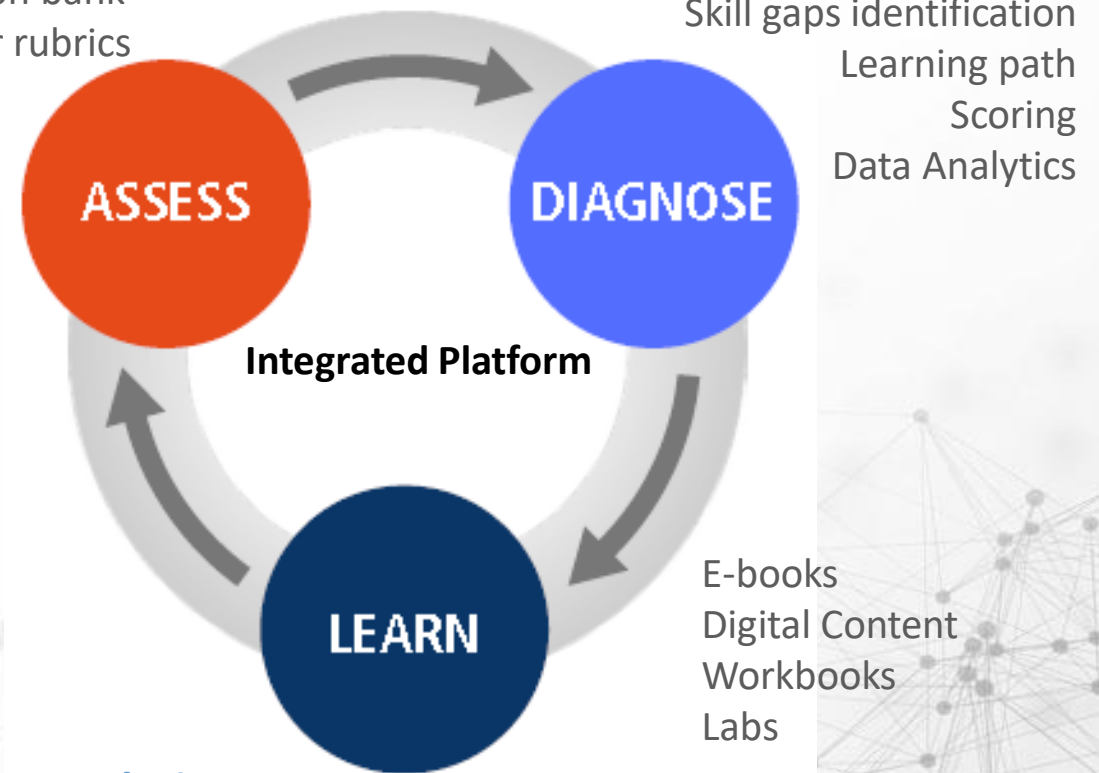
*Representative

Large Untapped Opportunity in B2C Segment

SLG: B2C Opportunity



Practice tests
Testing platform
Question bank
Answer rubrics



Problem

- Academic Results

Gaps

- Skill Identification
- Usage Flexibility
- Fixated on Content
- No Integration

Solution

- An integrated platform with diagnostics that allows the learner to individualize their learning path

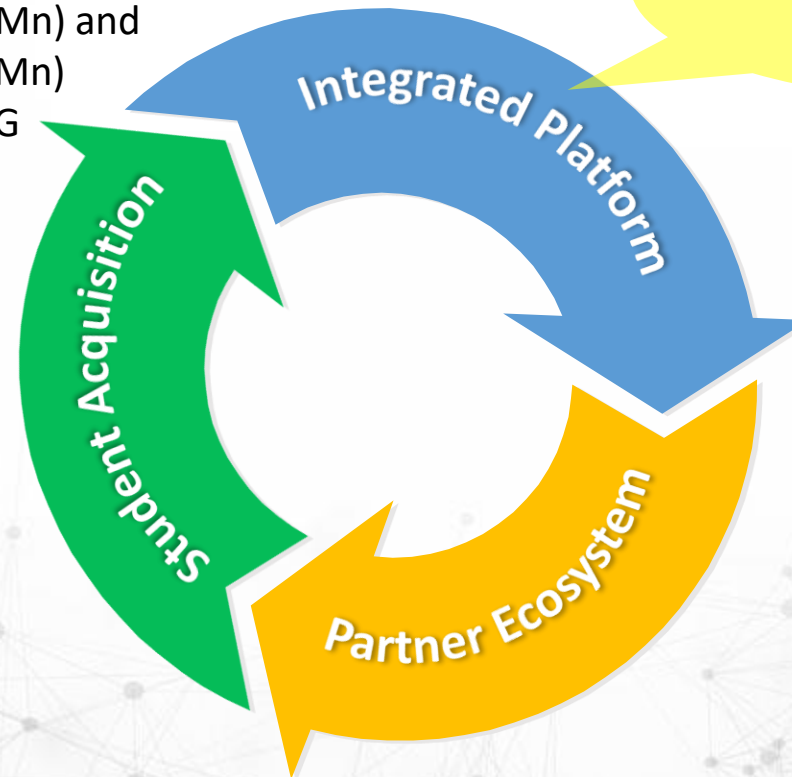
SLG: Democratize Quality Education

Leverage Existing Assets

- Students in Private (1.5Mn) and Government schools (2Mn) students serviced by SLG
- NIIT Students/Alumni
- Schools IP
- NIIT Brand
- Offline Reach

Monetization Models

- Freemium
- Subscription
- Pay as you go
- Product specific fees



Data Driven Platform

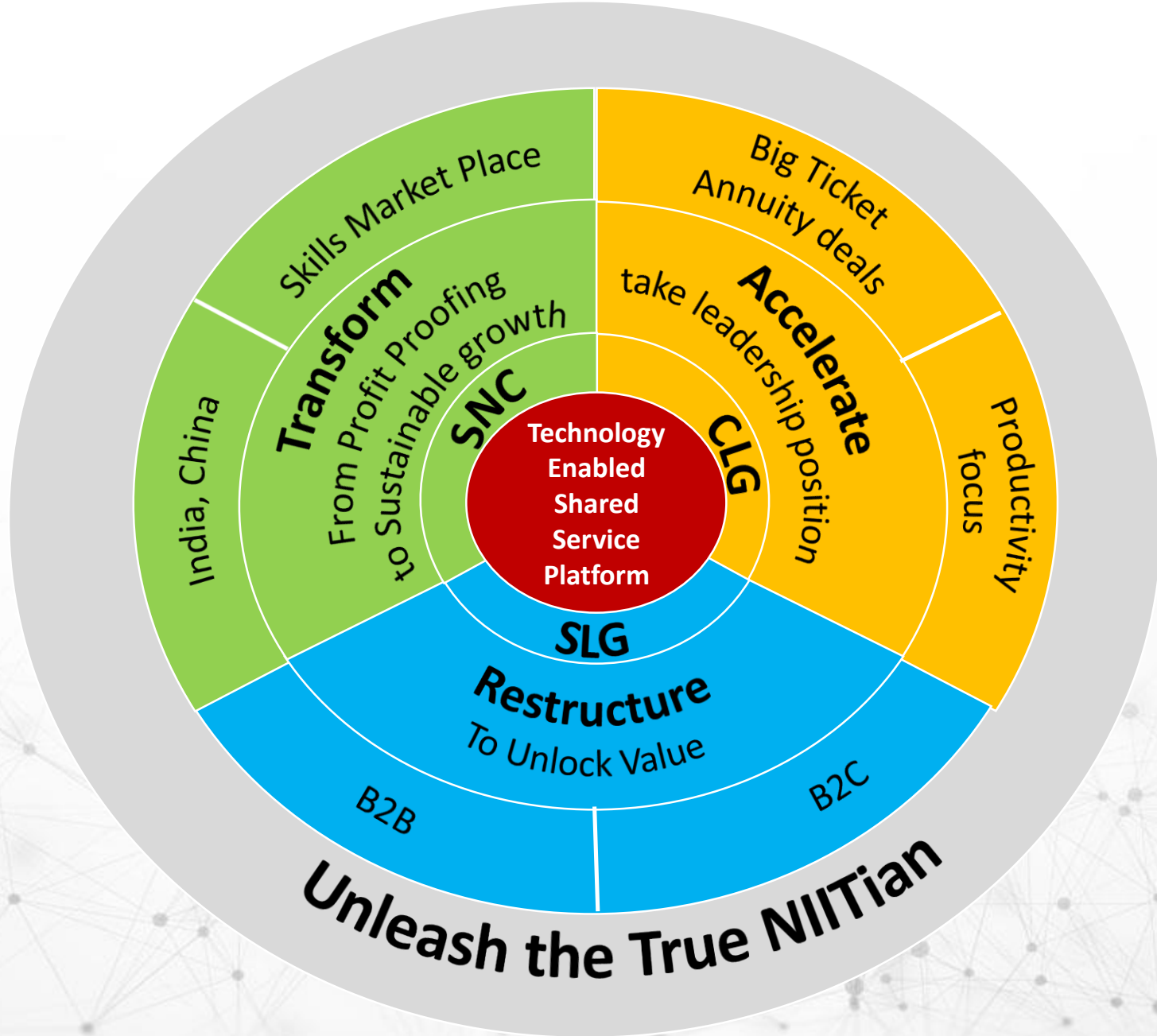
- Learning Analytics
- Adaptive Learning

EDUTAINMENT
USEFUL INFORMATION
SELF-PRACTICE
SELF-ASSESSMENT
COLLABORATION
SELF-LEARNING
TUTOR ACCESS
E-MARKETPLACE

Opportunity to leverage existing assets to gain scale

Overall

Future Direction





You can't spell
TRAINING without

NIIT®