




**NIIT**

**Annual  
Investor Meet**

**Ride the  
Winds** of change



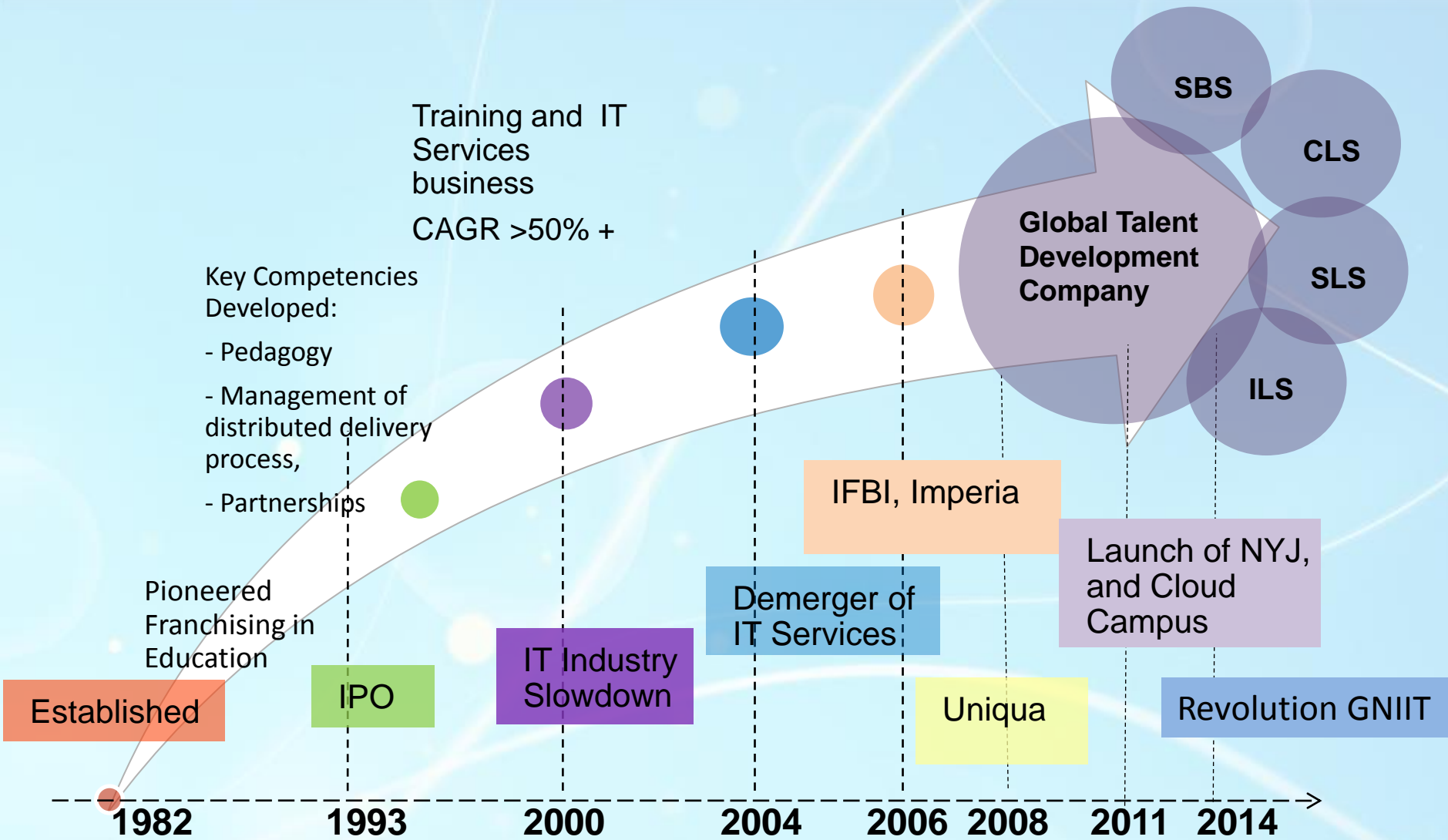
**May 2014**

- **NIIT: Company Overview**
  - **Individual Learning Solutions**
  - **Corporate Learning Solutions**
  - **School Learning Solutions**
  - **Skill Building Solutions**
- **FY14 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

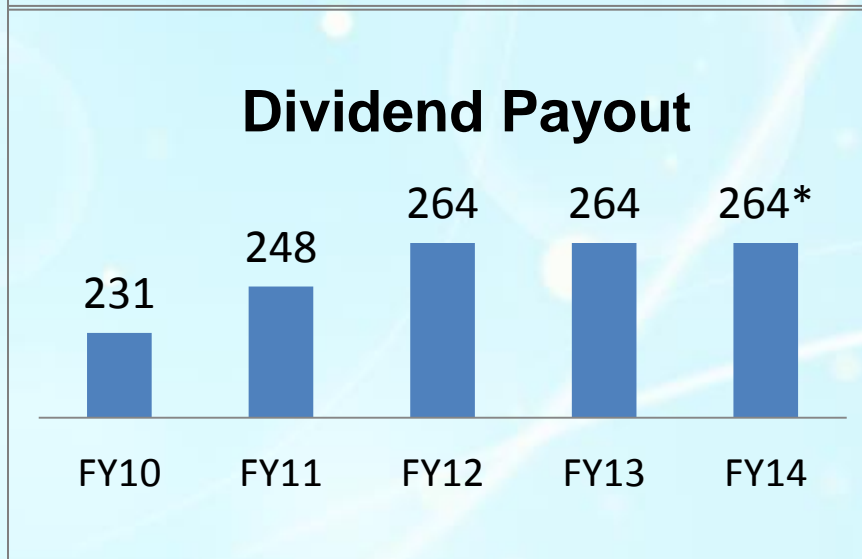
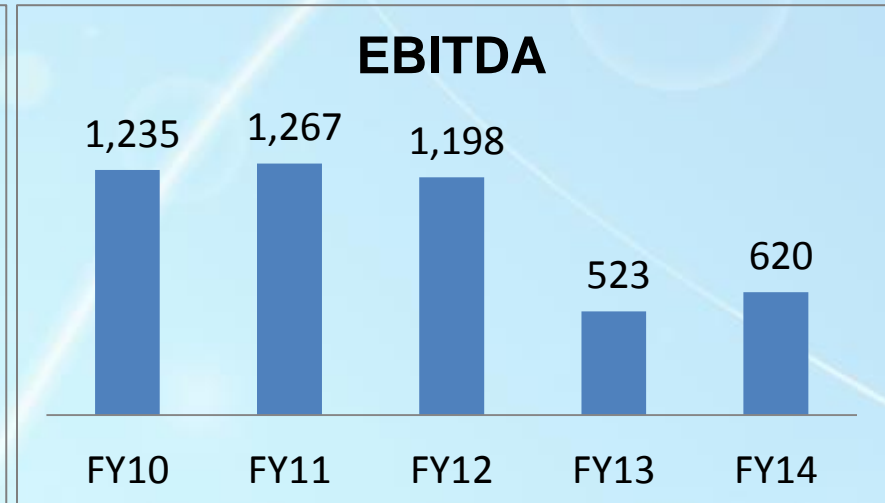
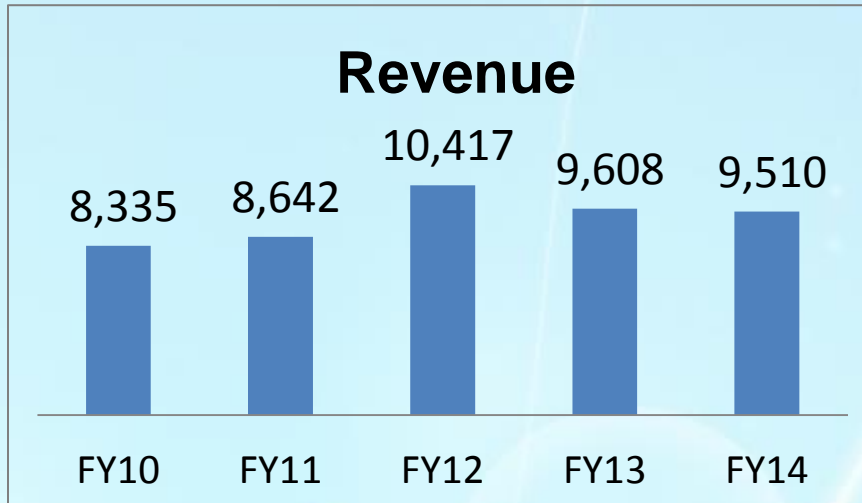
School Learning Solutions	Individual Learning Solutions	Skills Building Solutions	Corporate Learning Solutions
16%	42%	New Business	42%
Academics	Employability		Productivity
<ul style="list-style-type: none"> <li>• Multimedia Teaching &amp; Learning Content</li> <li>• IT Learning</li> <li>• Teacher Training</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 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+

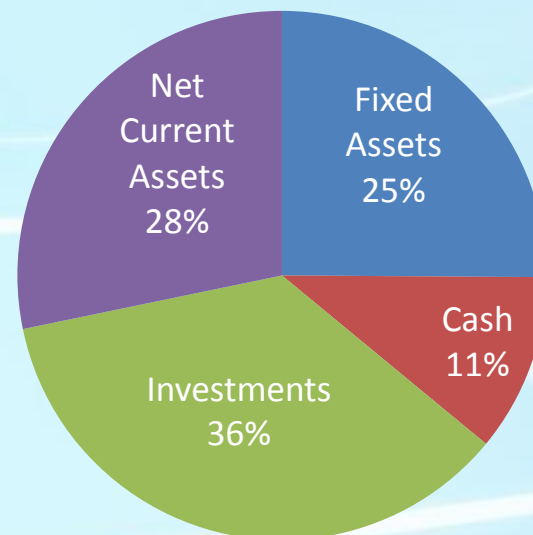
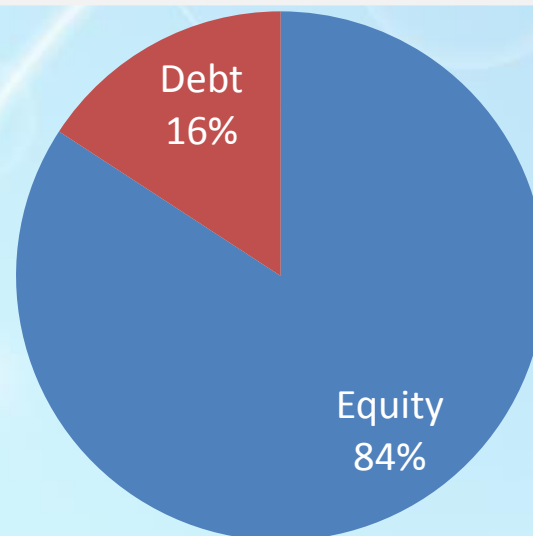
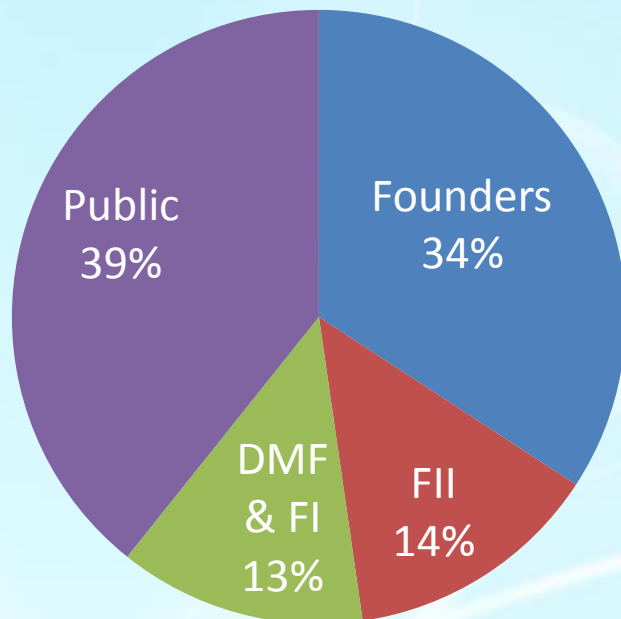
\*Proposed

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

Total Capital employed – Rs. 8,098 million

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

## Share Holding



\* As of Mar 31, 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



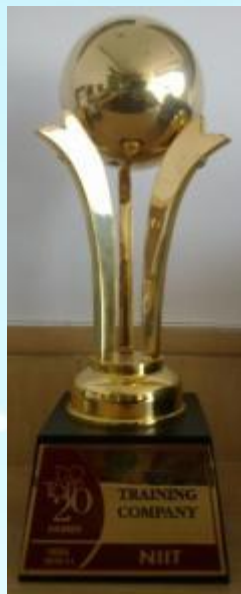
Ranked 4<sup>th</sup> Best Company to work for in India. No 1. in Education and Training



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



Certified by Google™

**ADVANCED ONLINE ADVERTISING PROGRAM**

Now in India

SIGN UP HERE

Delivered by IMPERIA

**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.

**Key KPMG Advantage** – Exclusivity 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.niitimperiacollege.com or call at 1800 100 0000 (INDIA) or 011 0000 0000 (INDIA) or SMS - IFRS - to 30670.



**India : 531 Centers**  
**China: 93 Centers**  
**ROW: 95 Centers**

© 2008 Tele Atlas  
© 2008 Europa Technologies  
© 2008 Basarsoft  
© 2008 Geocentre Consulting  
Streaming | 100%

© 2007 Google



## Over 50 Industry Awards



CHIEF LEARNING OFFICER  
Learning In Practice Awards

GOLD - 2008, 2009, 2010

**ASTD** Awards  
Excellence in Workplace Learning and Performance

BERNIN & ASSOCIATES  
**Learning Leaders**  
2008

**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



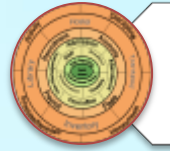
**ICR Cloud**



**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**

- India's economic growth remains tepid with a successive year of sub 5% growth. Economy constrained by high interest rates and sticky inflation
- Volume growth in IT sector expected to improve on recovery in developed markets, and lead to increased hiring. However, sentiment towards IT Training remained weak as on-ground hiring activity remains muted
- Uncertainty caused by General elections in India further impacted customer decision making
- Roller coaster ride in forex rates contributed to enhanced operational risks
- 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

**Environment remained weak for 2nd successive year. Expectations of turnaround in FY15 after elections**

Rs. Mn	Q4FY'14	Q4FY'13	YoY	FY'14	FY'13	YoY
System wide Revenues	3,069	3,174	-3%	14,065	15,260	-8%
<b>Net Revenues</b>	2,329	2,216	5%	9,510	9,433	1%
Operating expenses	2,198	2,145	2%	8,890	8,910	0%
<b>EBITDA</b>	131	71	85%	620	523	19%
<b>EBITDA %</b>	6%	3%	244 bps	7%	6%	98 bps
<b>PAT</b>	140	27	415%	178	263	-32%
<b>Basic EPS (Rs.)</b>	0.8	0.2	415%	1.1	1.6	-32%

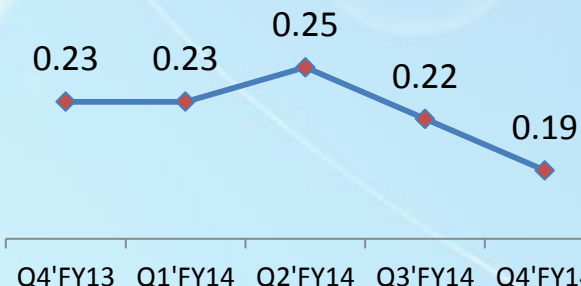
- Revenues up marginally during the year. Strong growth in Corporate Learning and Non-IT programs in ILS help overcome weakness in IT training and completion of large Government Schools Contracts
- Aggressive cost optimization and strong USD helps offset cost and wage inflation, and impact of operating leverage in ILS business

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

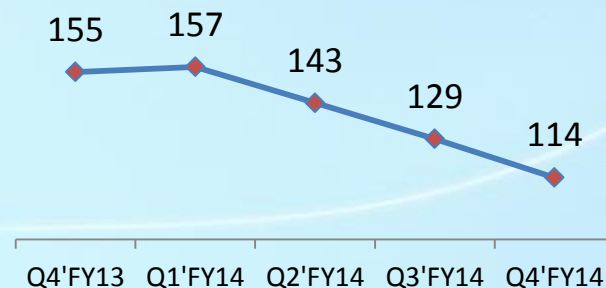


Rs Mn	As on Mar'14	As on Mar'13
Equity & Reserves	6,818	6,726
Debt	1,280	1,525
<b>Sources of Funds</b>	<b>8,098</b>	<b>8,252</b>
Net Fixed Assets	2,033	2,330
Investments	2,897	2,357
Cash and Cash Equivalent	881	1,063
Other Net Current Assets	2,288	2,501
<b>Application of Funds</b>	<b>8,098</b>	<b>8,252</b>
Debt / Equity	0.19	0.23

### Debt/Equity Ratio



### DSO



- Strong focus on collections leads to sharp improvement in DSO. Account Receivables at Rs 2,977 Mn, compared to Rs 4,069 Mn in March'13.
- Net Fixed assets reduced by Rs 297 Mn, on planned shift to asset light business models
- Net Debt down to Rs 329 Mn YoY

- **Corporate Learning Solutions**

- Overall revenues up 31% YoY; EBITDA margin at 12% (+73 bps YoY)
- MTS revenue up 45% YoY; contributes 79% to CLS revenues
- Servicing 21 MTS customers with addition of 7 new contracts

- **Individual Learning Solutions**

- Revenue contribution from Non IT products up 34% YoY; contribute 26% to revenue mix (vs 17% LY)
- Cloud campus and aggressive cost management offset the adverse impact of operating leverage and cost inflation, resulting in 106 bps margin improvement YoY

- **School Learning Solutions**

- Share of revenue from NGSA increases to 57% vs 47% in FY'13
- 668 schools added with Order Intake of Rs 909 million
- 4 GSA contracts completed during the year

- **Overall**

- Revenue at Rs 9510 Mn (+1%) with EBITDA 620 Mn (+19%)
- Strong focus on collections leads to BR reduction by INR 1,092 Mn;
- Board recommends dividend of 80%

Rs. Mn	Q4 FY14	Q4 FY13	YoY	FY14	FY13	YoY
Net Revenues	1,076	761	41%	3,971	3,037	31%
EBITDA	125	82	53%	472	339	39%
EBITDA %	12%	11%	85 bps	12%	11%	73 bps

## FY 14

- Strong growth in MTS during the year, driven by addition of 7 new customers; Now servicing 21 Global MTS customers
- Margin improves 73 bps YoY
- MTS contributes 79% to CLS revenues vs 72% LY
- Order Intake of \$76.1 Mn up 22% YoY
- Pending Order Book: \$64.7 Mn; 71% executable over next 12 months
- Revenue visibility at \$176 Mn

**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	Q4 FY14	Q4 FY13	YoY	FY14	FY13	YoY
System wide Revenues	1,564	1,940	-19%	8,513	9,918	-14%
Net Revenues	824	981	-16%	3,957	4,582	-14%
EBITDA	4	-24	-118%	145	119	21%
EBITDA %	1%	-2%	294 bps	4%	3%	106 bps

## FY14

- Non IT revenues up 34%, contribute 26% to net revenues vs 17% LY
- Student sentiment for traditional IT programs continues to be weak
- New Programs launched in Analytics, Digital Marketing and Mobile Apps, and Cloud Computing receive good response
- Aggressive cost management and Cloud campus volumes help ILS counter adverse impact of operating leverage and cost inflation
- Overall placements at 33,679



*\*Excluding pass through revenues*

Rs. Mn	Q4 FY14	Q4 FY13	YoY	FY14	FY13	YoY
Net Revenues	417	470	-11%	1,554	1,805	-14%
EBITDA	23	37	-37%	99	156	-37%
EBITDA %	6%	8%	-227 bps	6%	9%	-232 bps

## FY14

- Revenue down due to completion of 4 GSA contracts during the year
- Strong cash generation due to release of working capital from the business
- Moderate growth in private schools, despite planned exit from capex driven product models
- NGSA contribution to SLS revenue improves to 57%
- Strong Order Intake of Rs 909 Mn; Pending Order Book at Rs 4413 Mn



Rs. Mn	Q4 FY14	Q4 FY13	YoY	FY14	FY13	YoY
System wide Revenues	12	4	215%	27	10	18 mn
Net Revenues	12	4	215%	27	10	18 mn
EBITDA	-21	-24	-	-95	-92	-4 mn

## FY14

- 13,455 enrolments during the year, including 6500 in Q4; Enrolments up 176% YoY
- Programs aligned with Sector Skills Council and mapped to NVEQF
- Leveraging existing NIIT locations to rapidly expand reach
- NYJ programs now available at 56 locations
- Strong order Intake of INR 183 Mn; Execution to ramp up in the coming quarters

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

100% फेर 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\***

• शोरूम रिटेल • ऑटो रिटेल • फास्ट फूड • बीपीओ • अकाउंटिंग

100% नौकरी में सहायता\* | 100+ कंपनियों

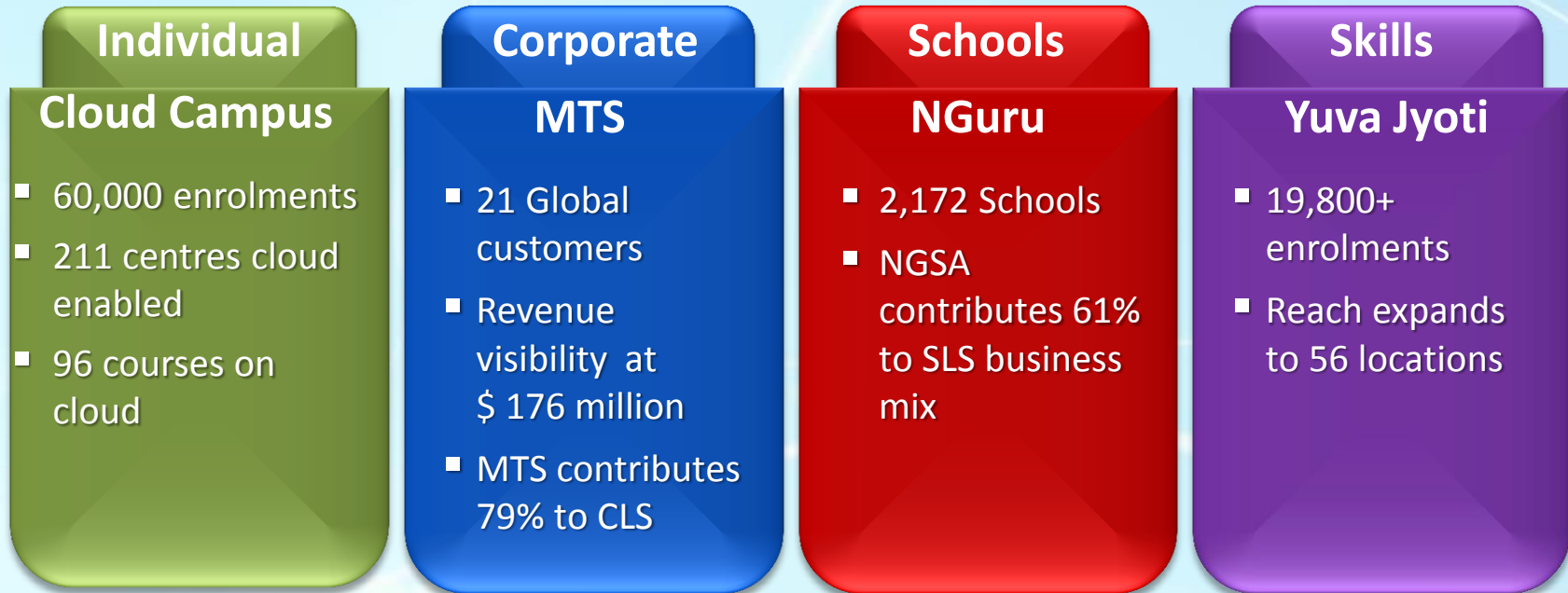
NIIT Yuva Jyoti, Dehradun Centre | E-mail : nyj@niit.com

# RIDING THE WINDS OF CHANGE

**NIIT**



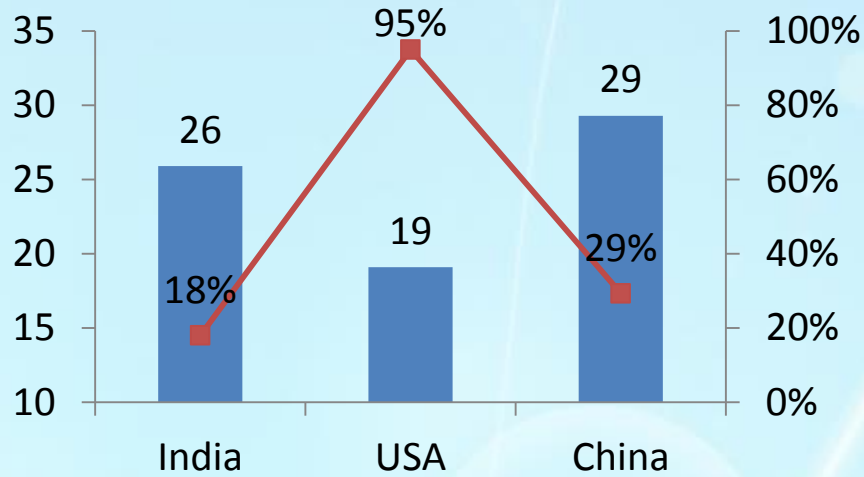
## NIIT



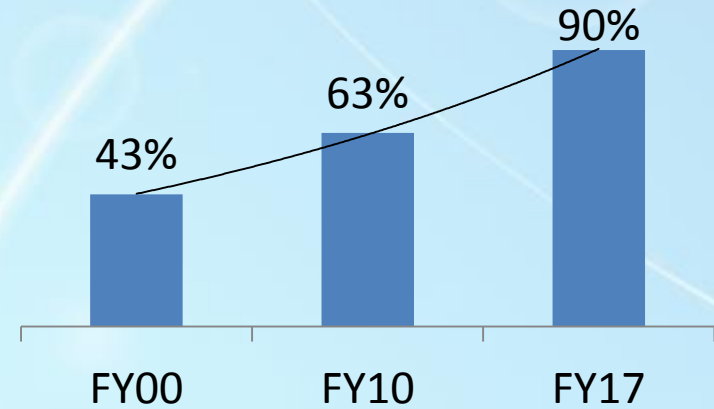
**Profitability, Liquidity and Capital Efficiency**



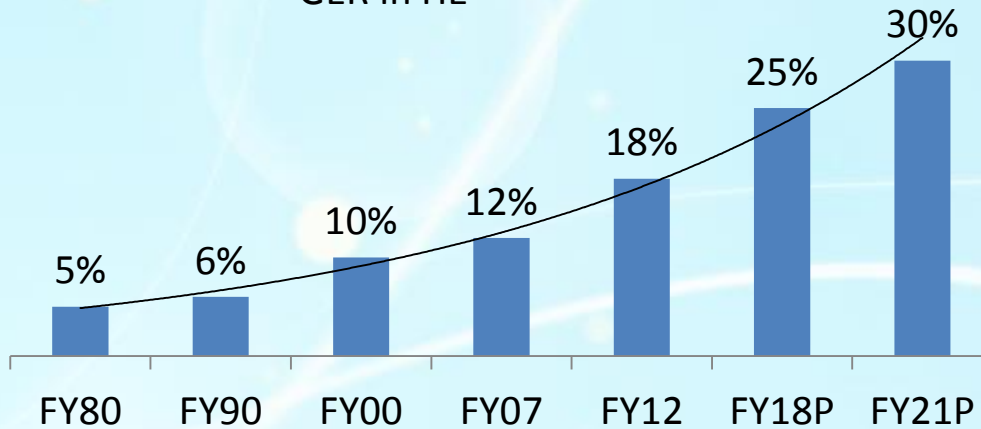
### HE GER and Enrolment Comparison



### GER in SE



### GER in HE

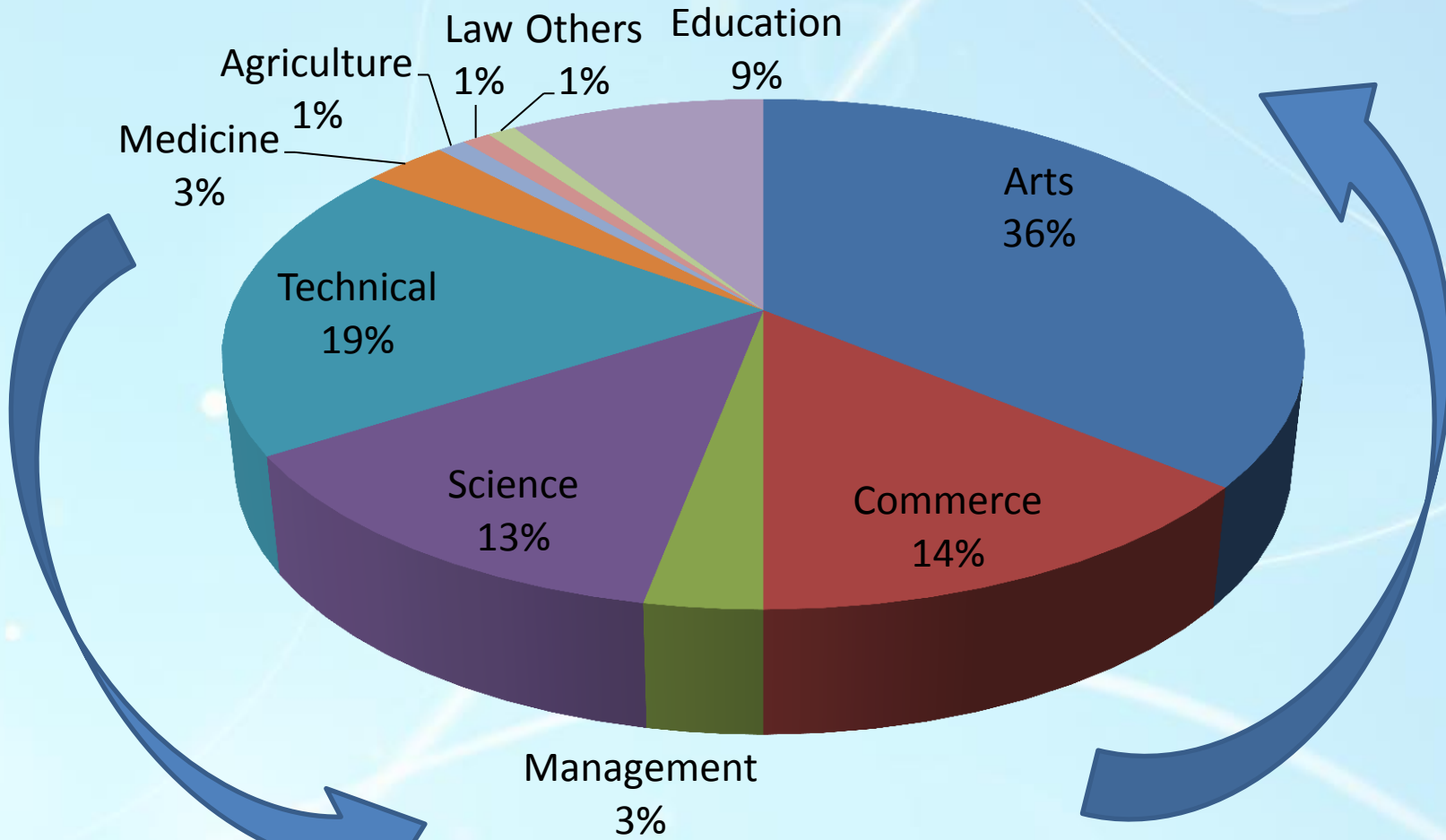


Source: Planning Commission

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

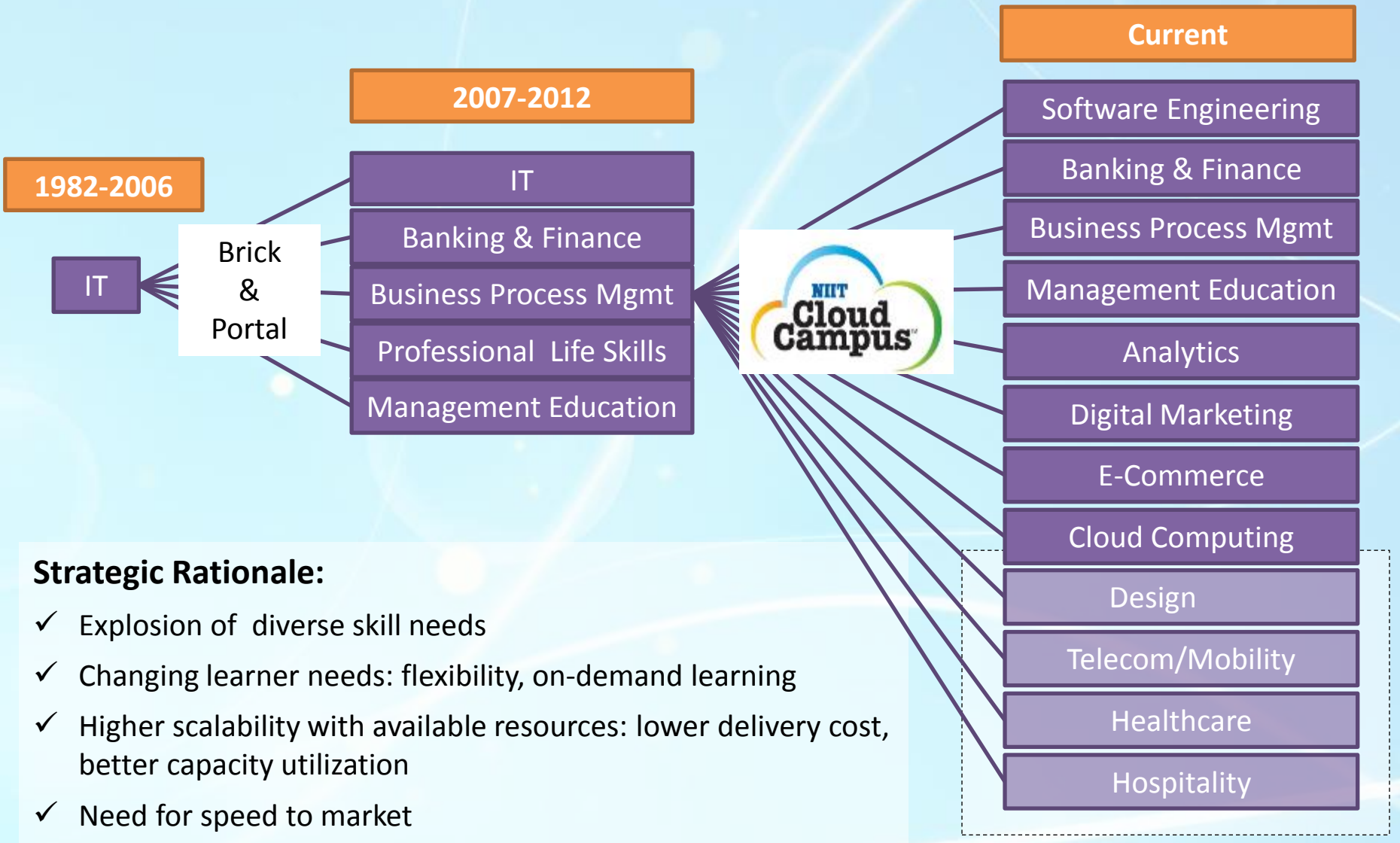
Large market with headroom for growth

Total UG Landscape



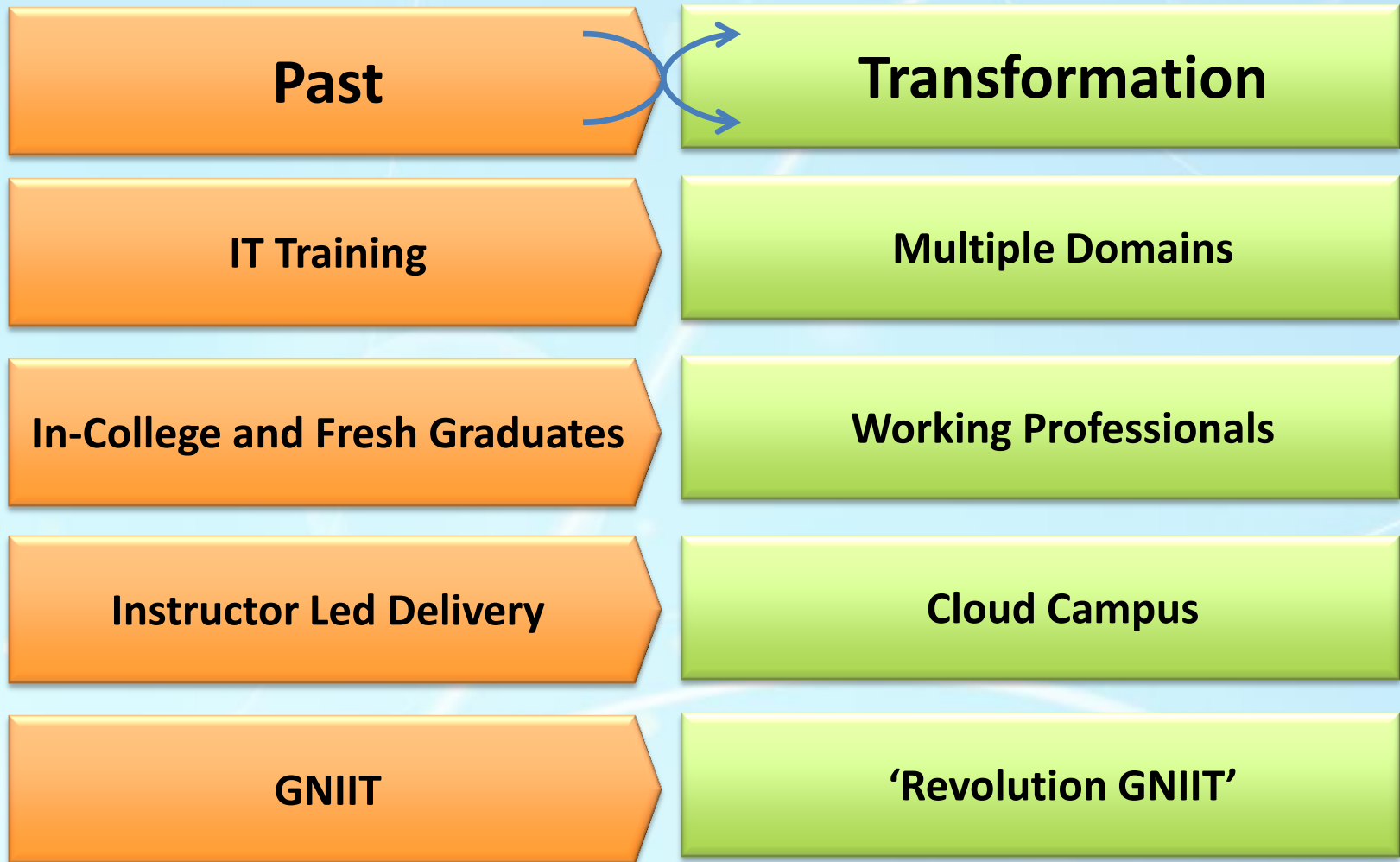
~ 20 million students are in college

Expanding addressable market



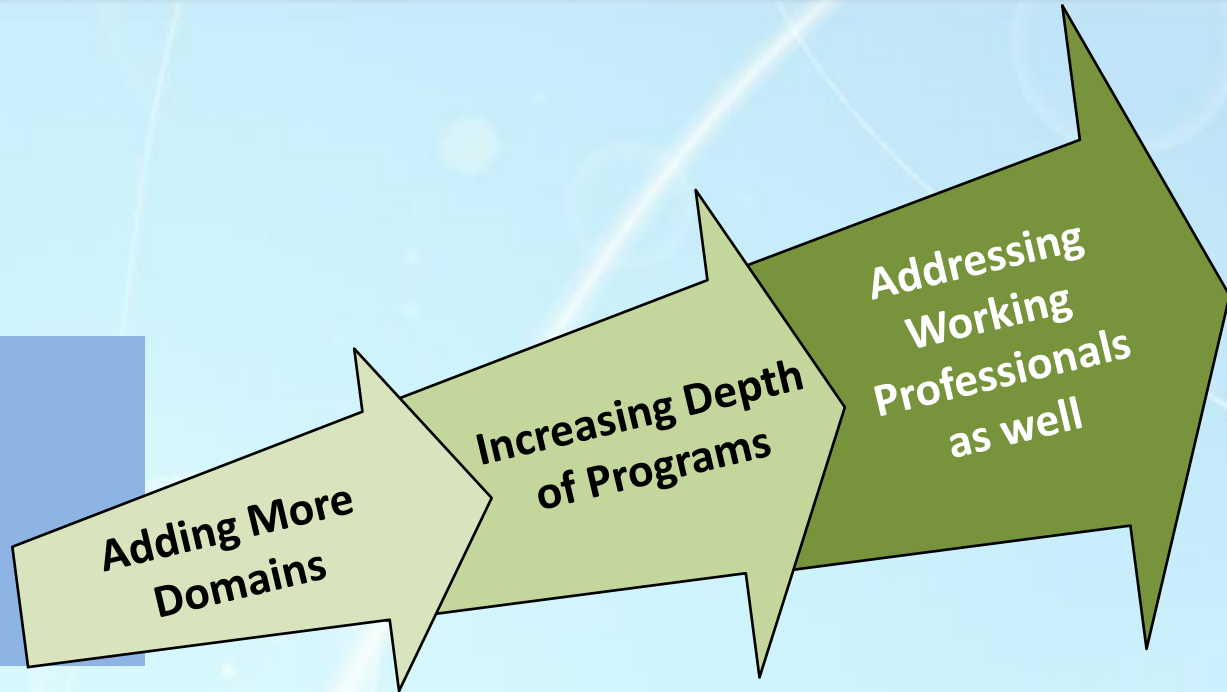
### Strategic Rationale:

- ✓ 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

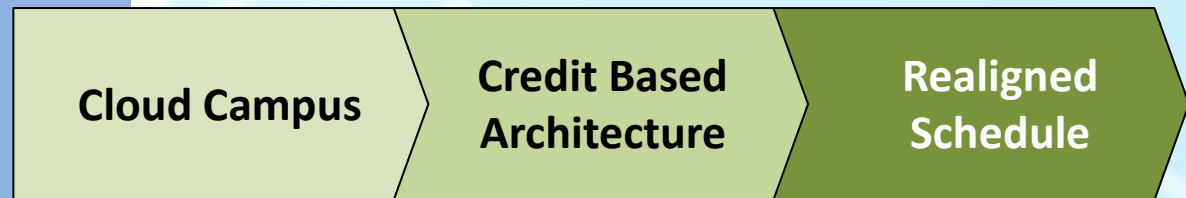


**Non-IT products and Working professionals segment to drive recovery for ILS**

## 1. Expanded Coverage



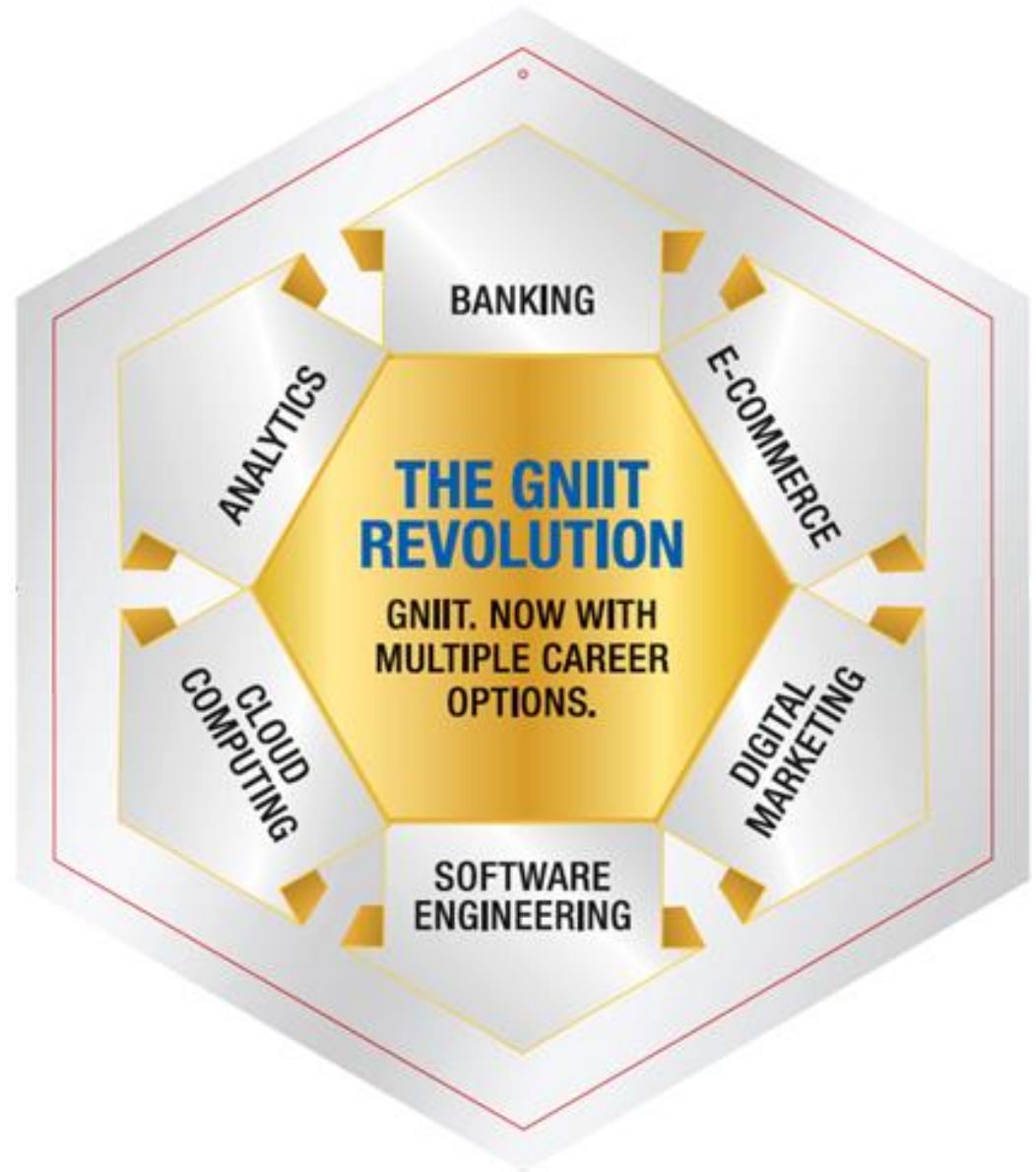
## 2. Increased Flexibility



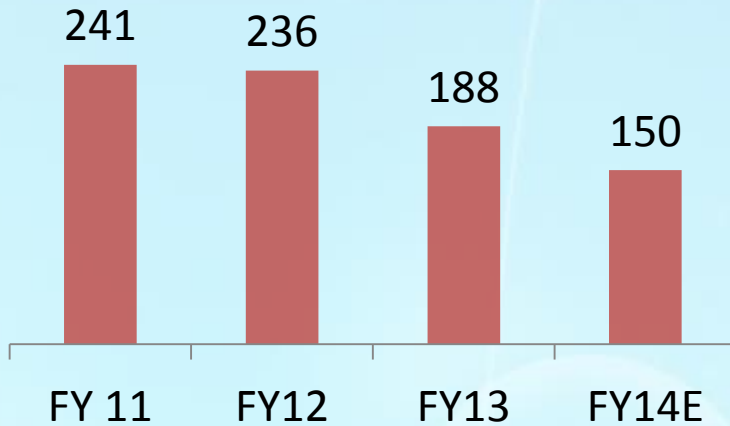
## ReVOLUTION GNIIT

**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

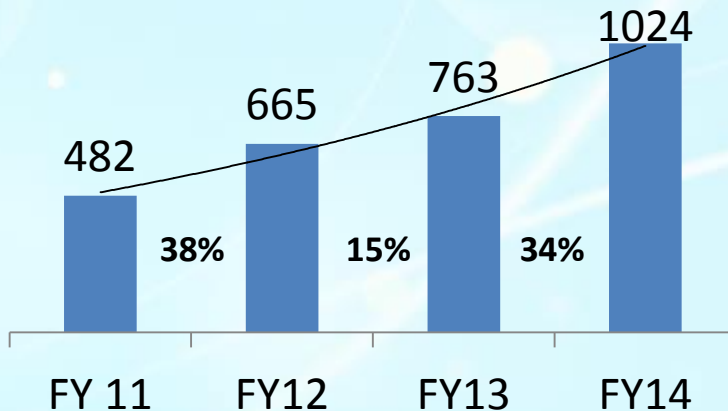


Net IT Hiring (in '000)

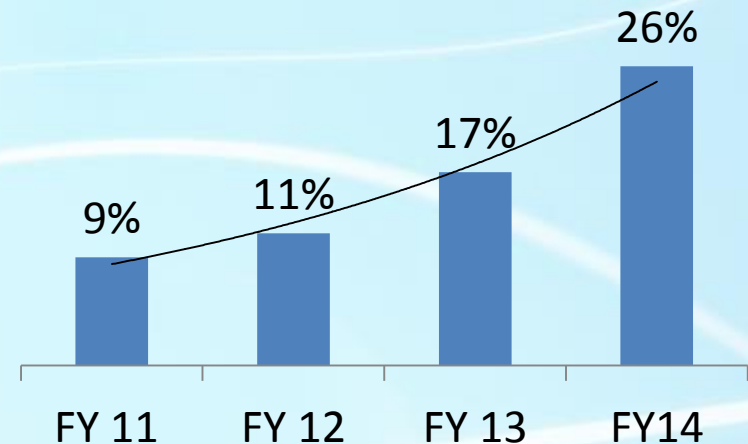


- ✓ Hiring of fresh graduates remains weak
- ✓ Large annual opportunity in skills upgrade for 3 million+ IT professionals
- ✓ Cloud campus to expand reach of new Programs
- ✓ Momentum in Non-IT products continues; Now contribute ~26%% to ILS Revenue

Non-IT Revenue (Rs Mn)

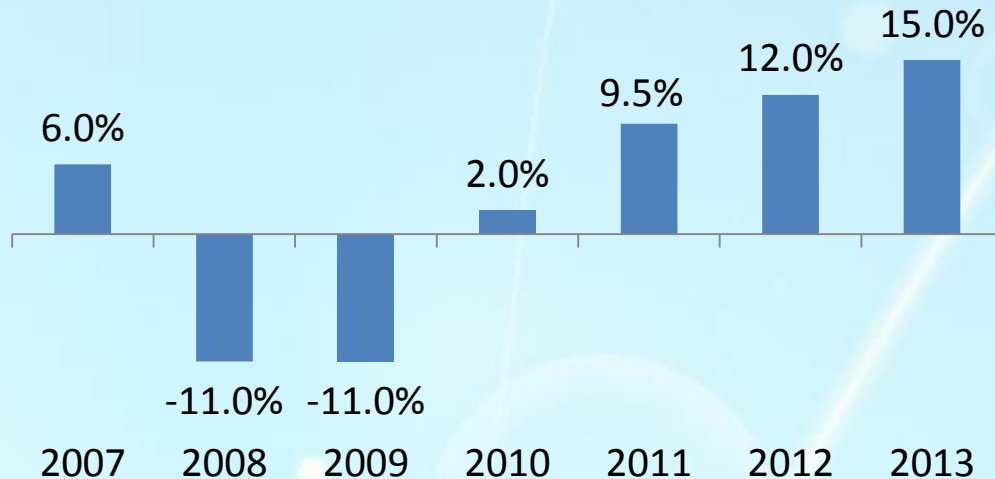


Share of Non-IT



**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



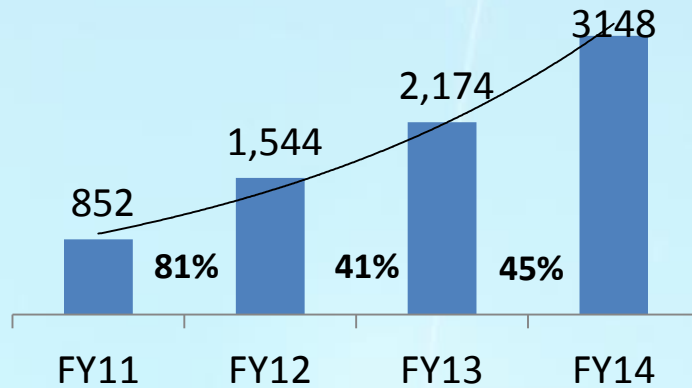




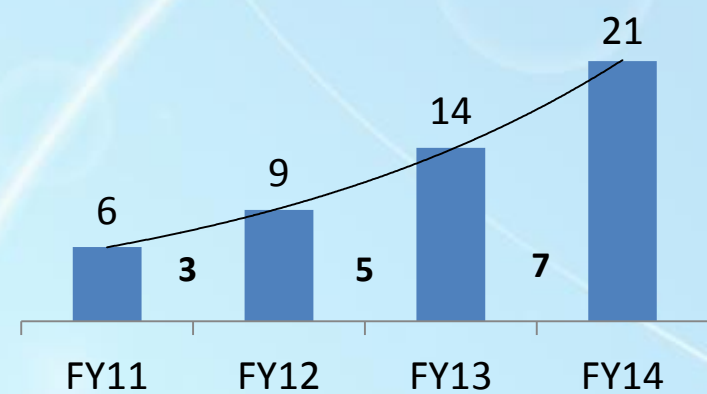
**Running Training Like a Business**  
It's Time to Transform.

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.

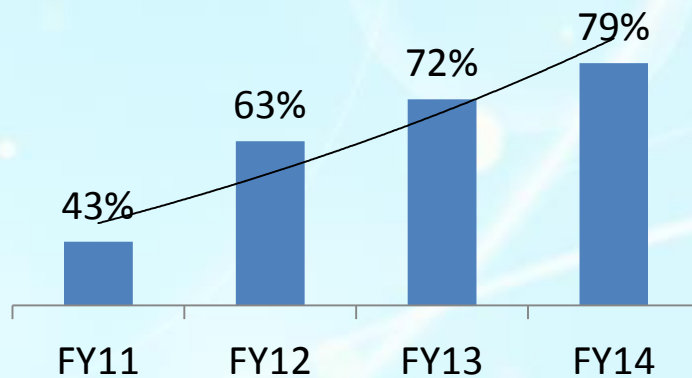
### MTS Revenue (Rs Mn)



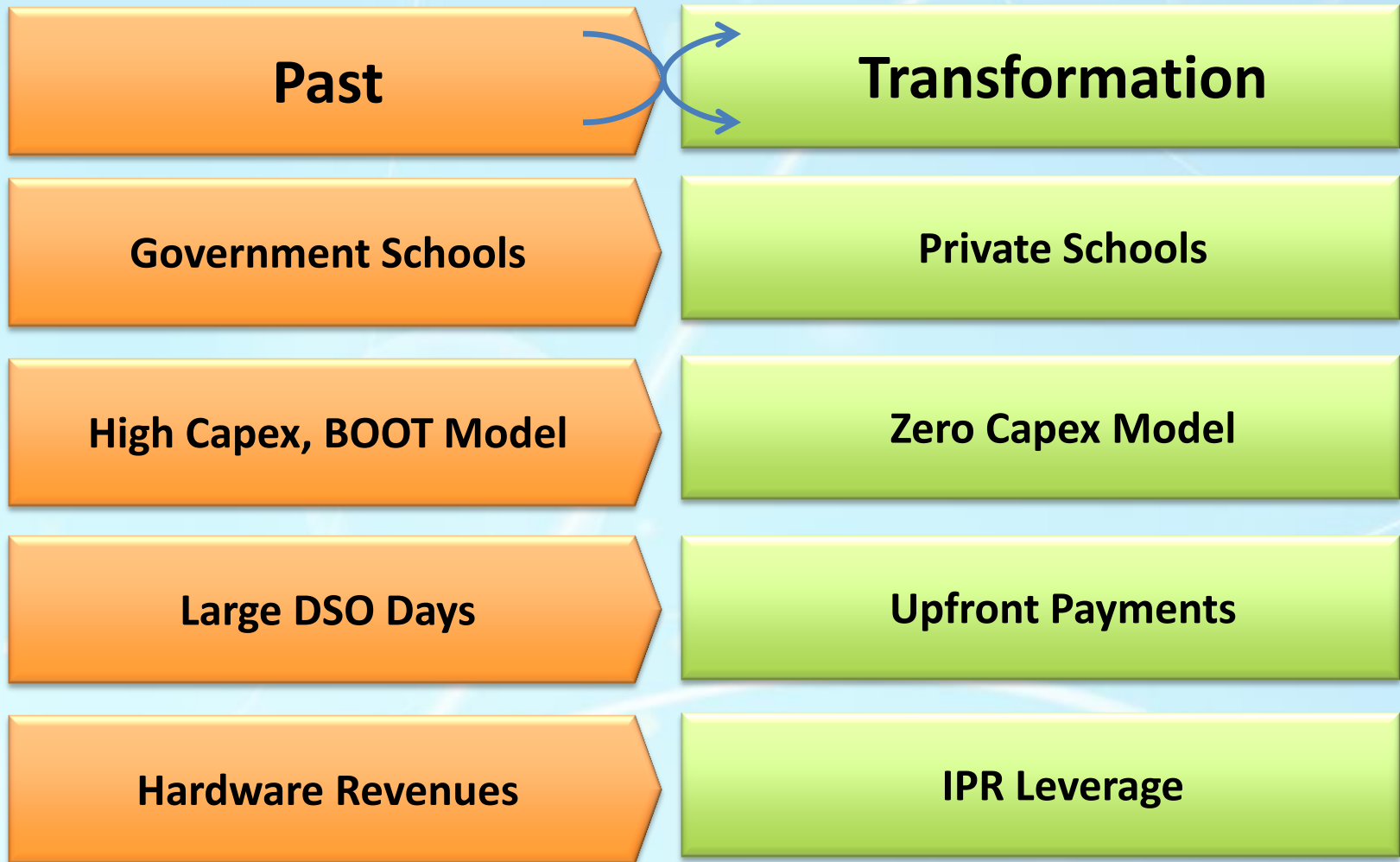
### Number of MTS Customers

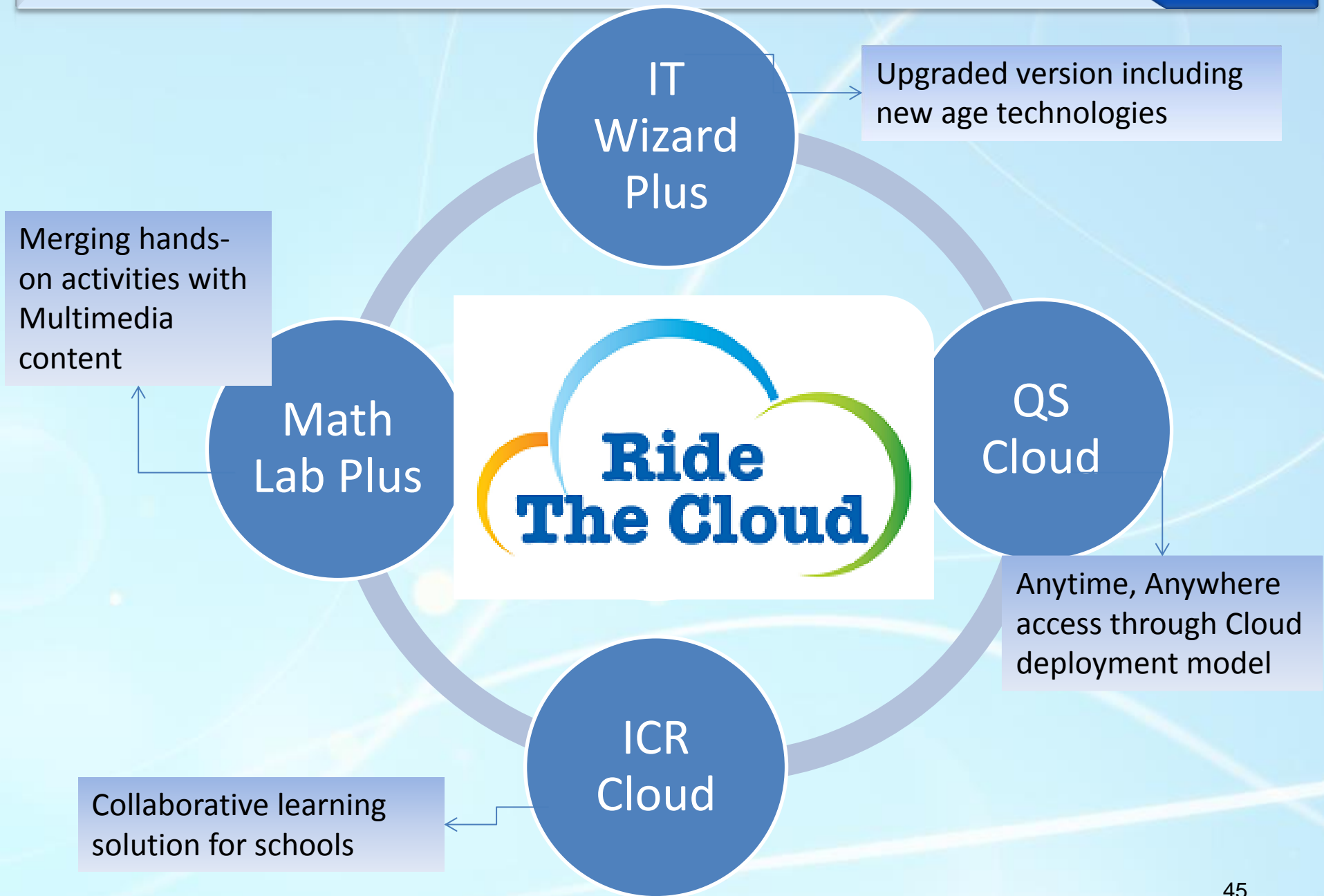


### MTS contribution to CLS

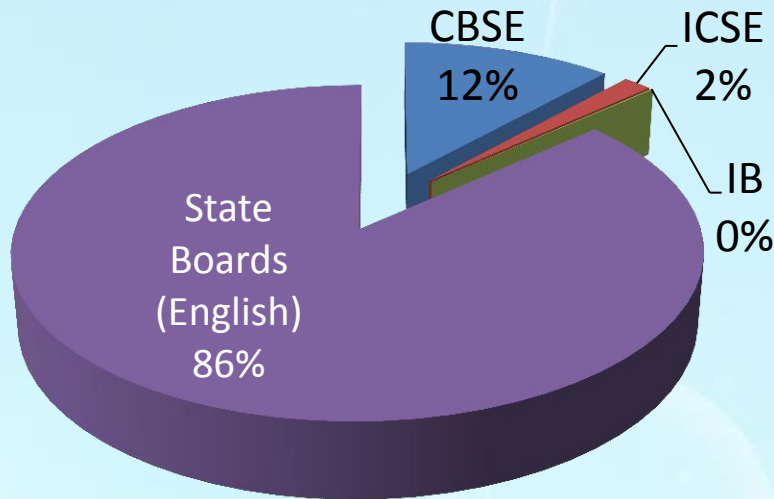


- MTS maintained growth momentum with 45% growth in FY14. Contributed 79% to CLS revenue
- Servicing 21 MTS customers
- Large market with attractive growth opportunity
- NIIT has a differentiated competitive positioning

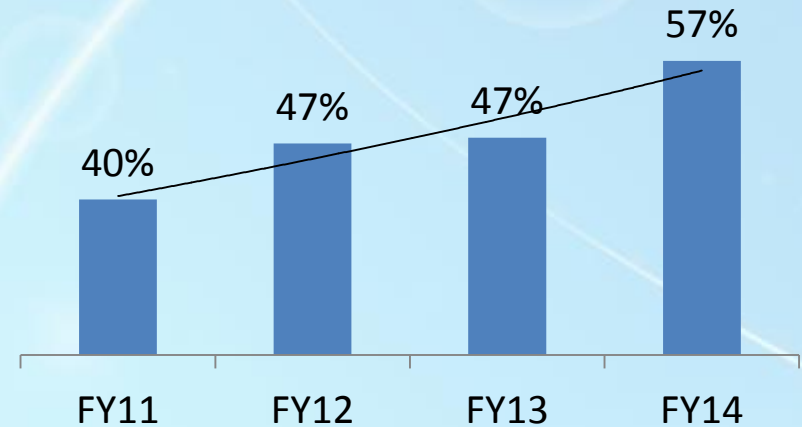




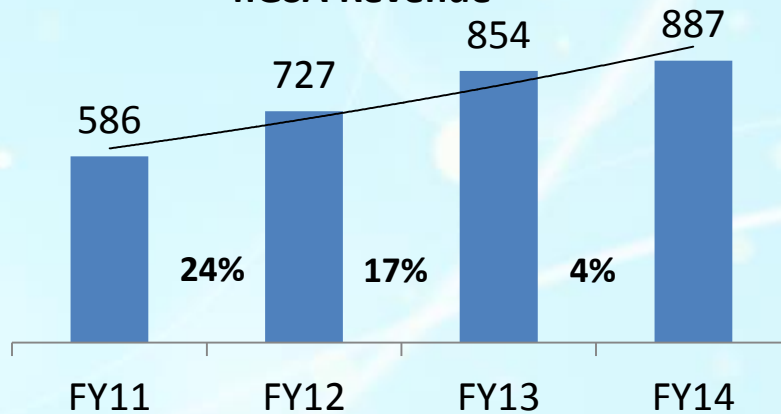
~120 K – Private Schools



Share of nGSA Revenue






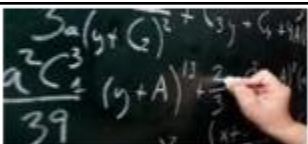





nGSA Revenue



- ✓ Leadership position in white spaces (IT, Math Lab, QS etc)
- ✓ Exited from capex driven business models
- ✓ Growth in FY14 has moderated to 5% YoY
- ✓ Sacrificed top line growth for quality of revenues

**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

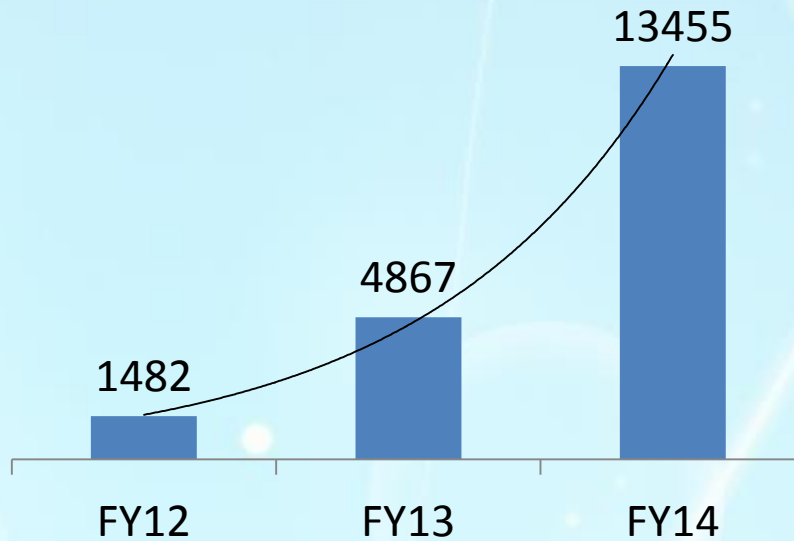
**Achieve scale by leveraging NIIT's reach**

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

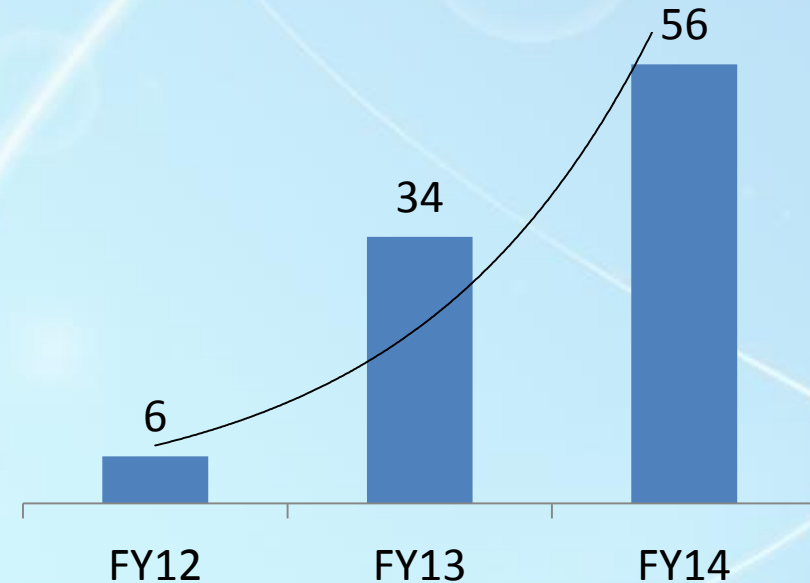
**Courses mapped to NVEQF**



Enrolments



No of Locations

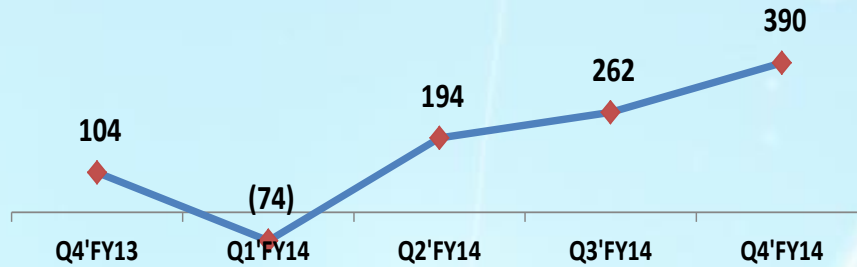


- ✓ Programs gaining traction within communities
- ✓ Leveraging NIIT network for expanding reach
- ✓ Strong order book to drive growth and margins

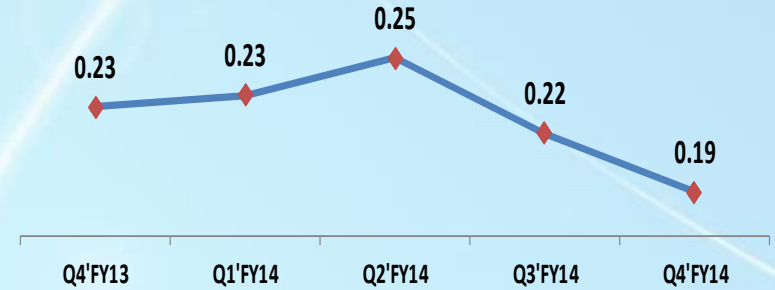


Fundamentally stronger despite headwinds in ILS business

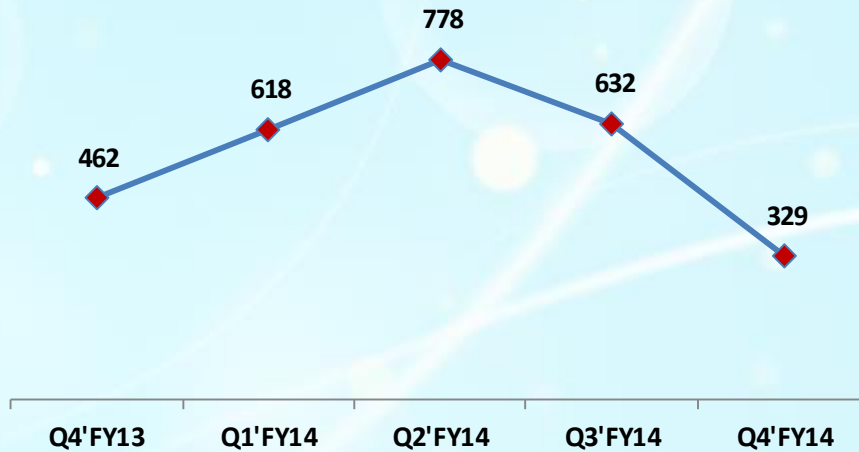
### Operating Cash Flow



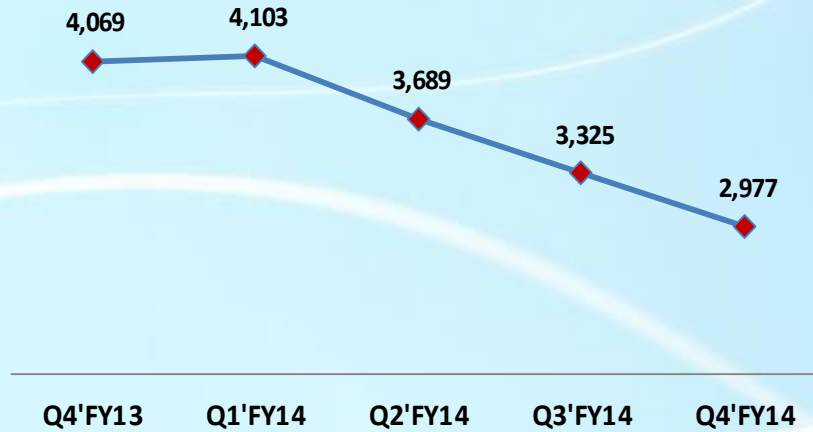
### Debt/Equity Ratio



### Net Debt



### Receivables



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

## 1. Focus on four Platforms of Growth

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

## 2. Strengthening of Balance Sheet

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

## 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



**Re**volution NIIT

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



[twitter.com/NIITLtd](https://twitter.com/NIITLtd)



[facebook.com/NIIT4u](https://facebook.com/NIIT4u)