



NIIT Limited: Investor Presentation

May 2019



NIIT: Company Overview

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

FY19 Results Update

Future Direction

NIIT: At a Glance



38

YEARS OF
EXPERIENCE

40

COUNTRIES
WORLDWIDE

2565

NIITIANS

3

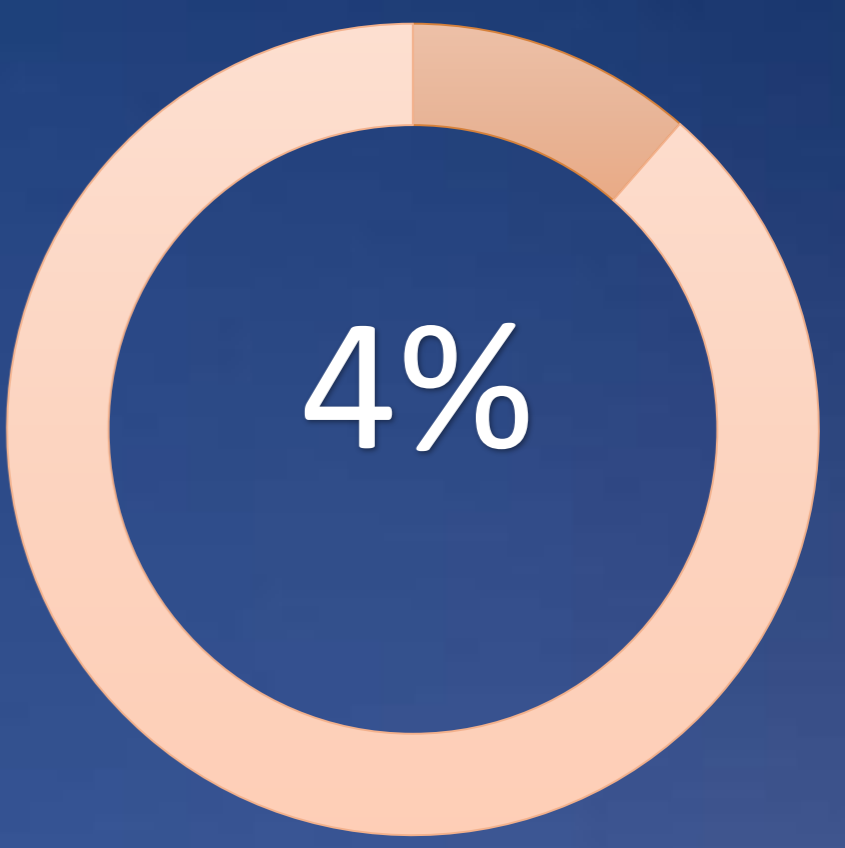
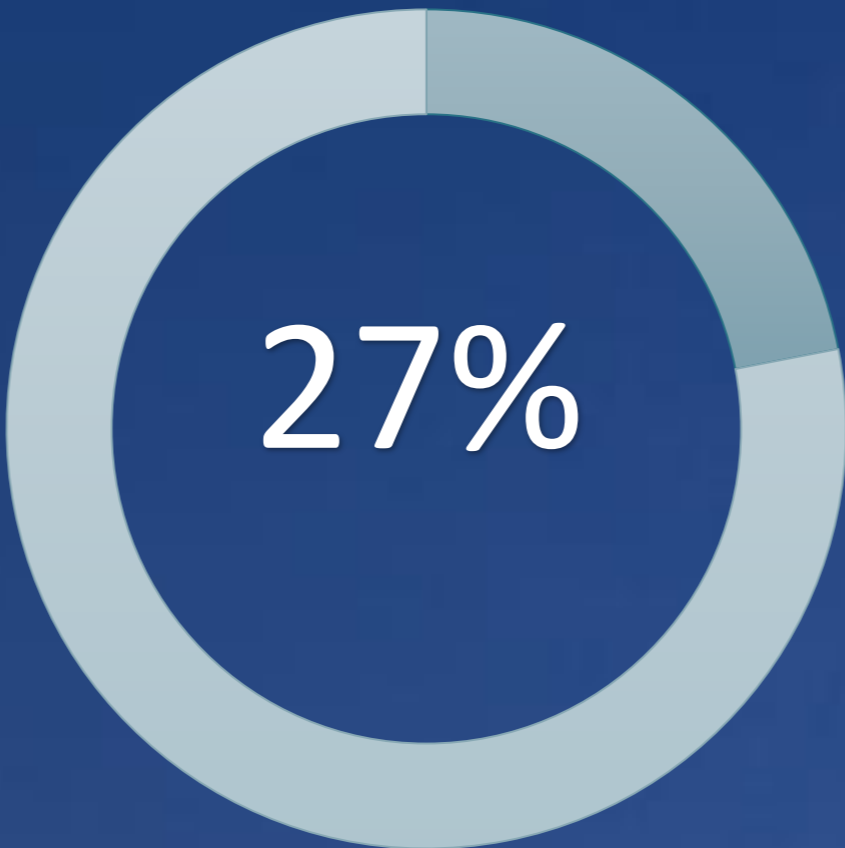
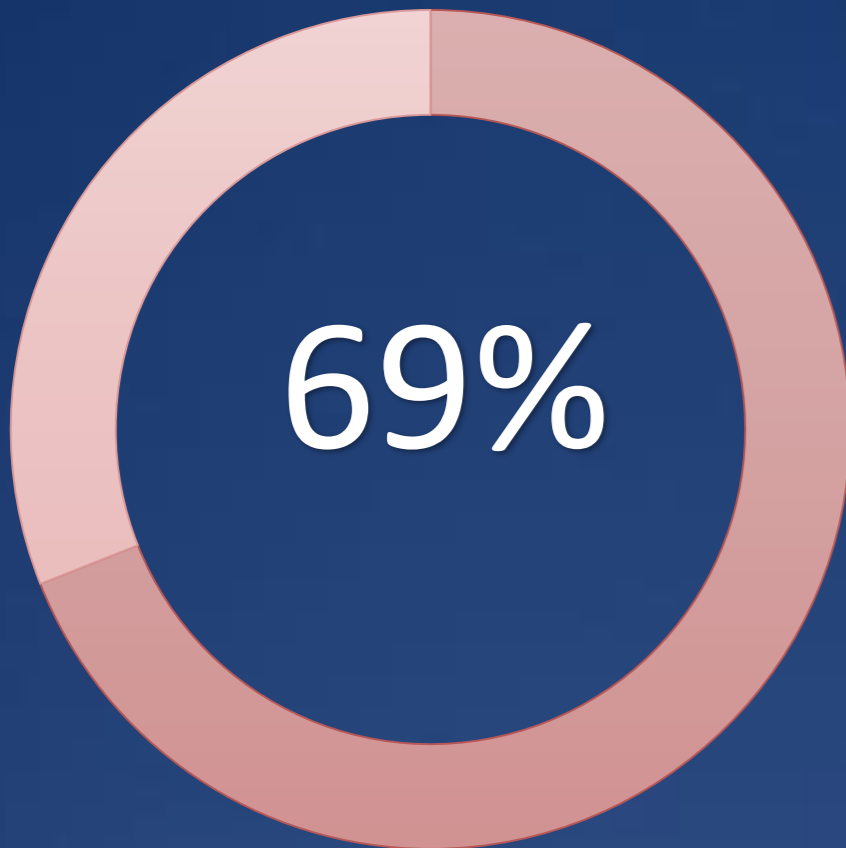
LINES OF BUSINESS

38

MILLION
LEARNERS
TRAINED

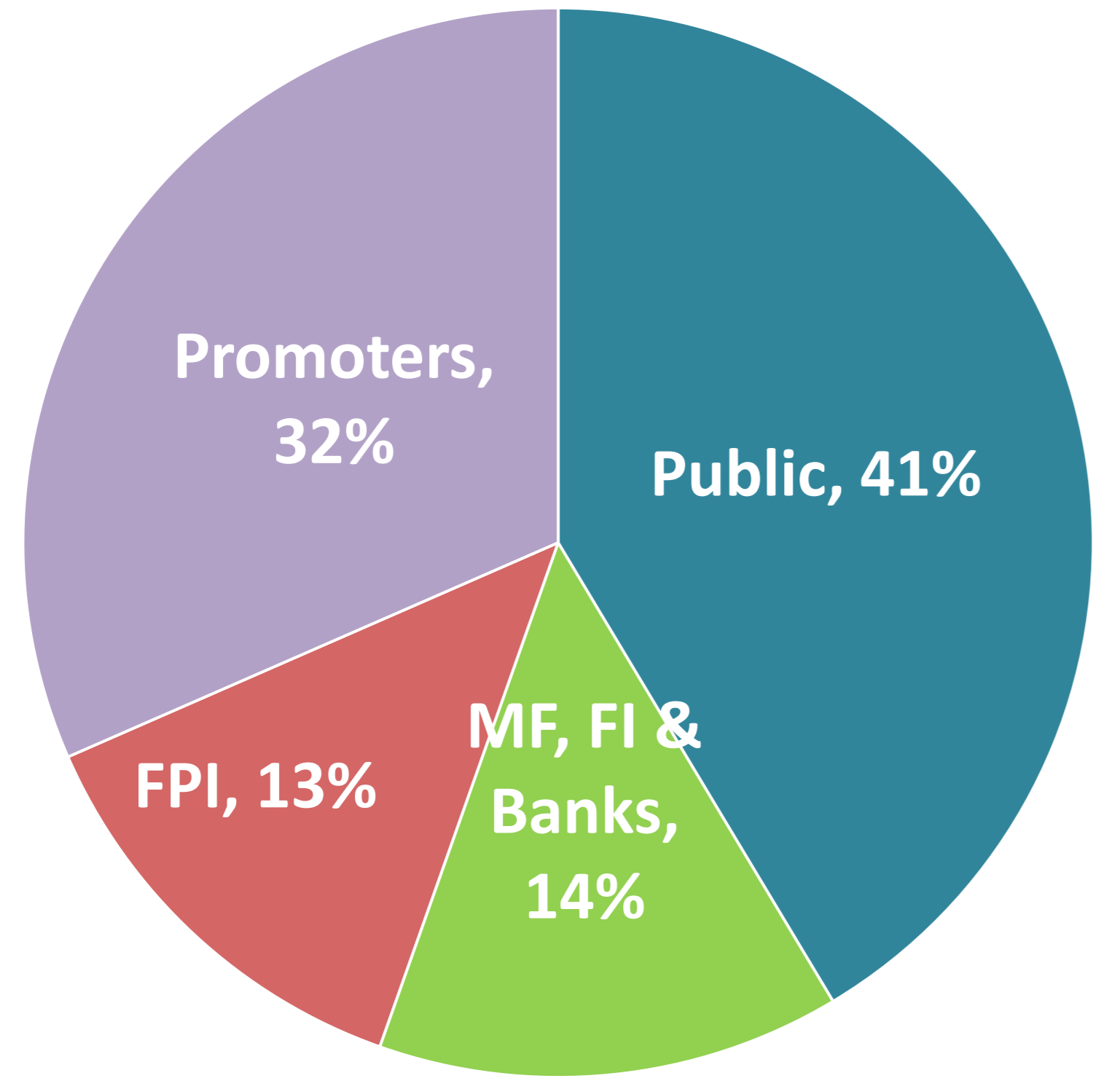


HQ IN GURGAON,
INDIA



CORPORATE LEARNING GROUP (CLG)	SKILLS & CAREERS GROUP (SNC)	SCHOOL LEARNING GROUP (SLG)
INR 6,324 MILLION	INR 2,428 MILLION	INR 350 MILLION
Productivity	Employability	Academics
North America, Europe, Oceania	India, China, Africa	India
Managed Training Services Application Rollout Training Learning Advisory Custom Projects	Service Sector Skills Professional Life Skills StackRoute TPaaS	Teaching and Learning Solutions School Services School-ERP Assessments

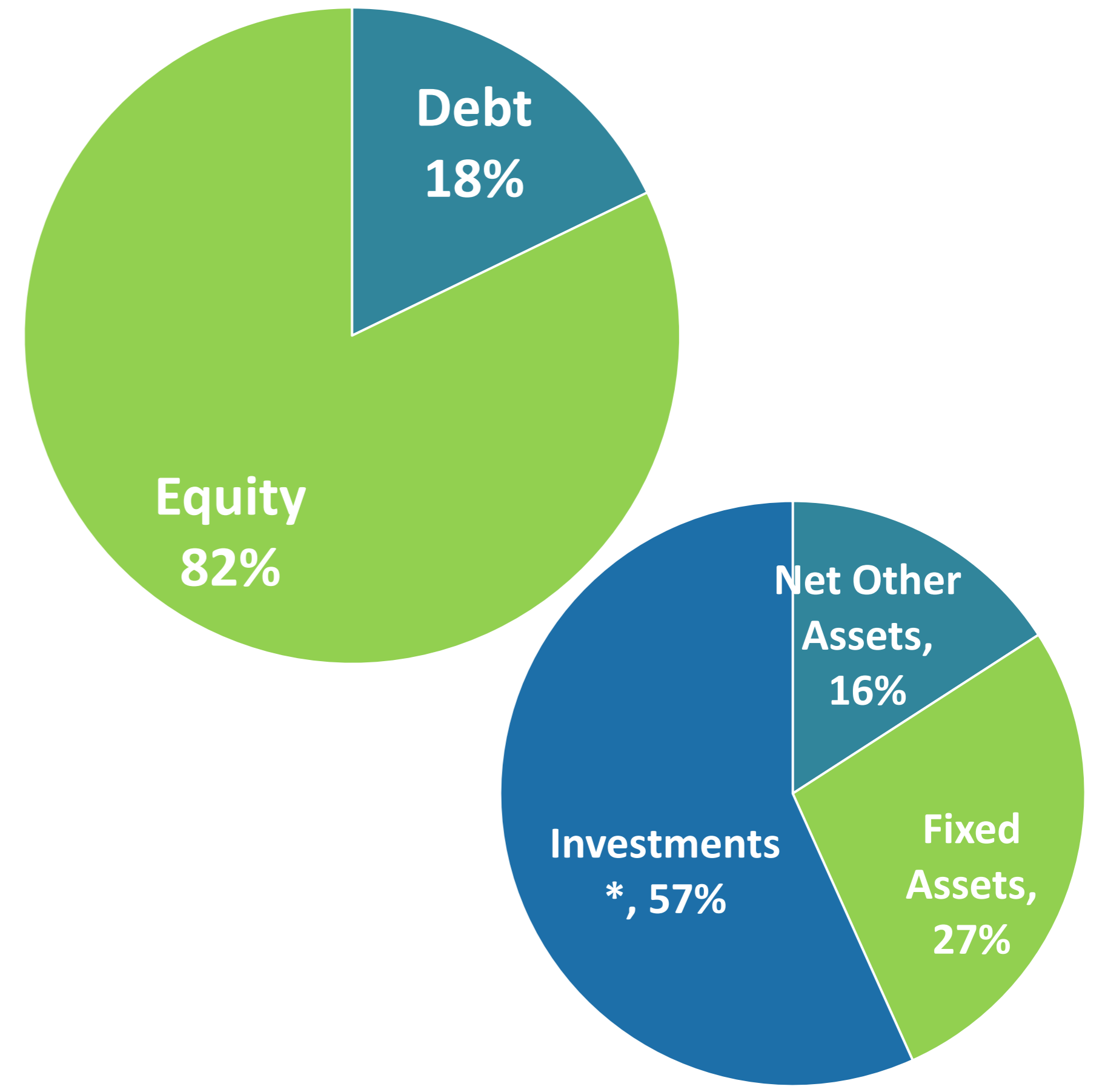
SHAREHOLDING



■ Public ■ MF, FI & Banks ■ FPI ■ Promoters

No of Shares: 167 million

TOTAL CAPITAL EMPLOYED – INR 10,263 MILLION



Capital Employed In Operations – INR 3,201 million**

*NIIT held 14.49 million shares of NIIT Technologies as of March 31, 2019. This has subsequently been divested at price of Rs 1,394 per share.

CORPORATE LEARNING



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



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



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

SKILLS AND CAREERS



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



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



298 B2C education centers

SCHOOL LEARNING



Technology enabled over 10 M school children



Trained over 400 K school teachers to leverage technology



74% students prefer learning mathematics with NIIT Math Lab

NIIT: Awards and Recognition



77 BRANDON HALL AWARDS
28 GOLD | 25 SILVER | 25 BRONZE



8 CHIEF LEARNING OFFICER LEARNING IN PRACTICE AWARDS



3 LEARNING TECHNOLOGIES UK AWARD



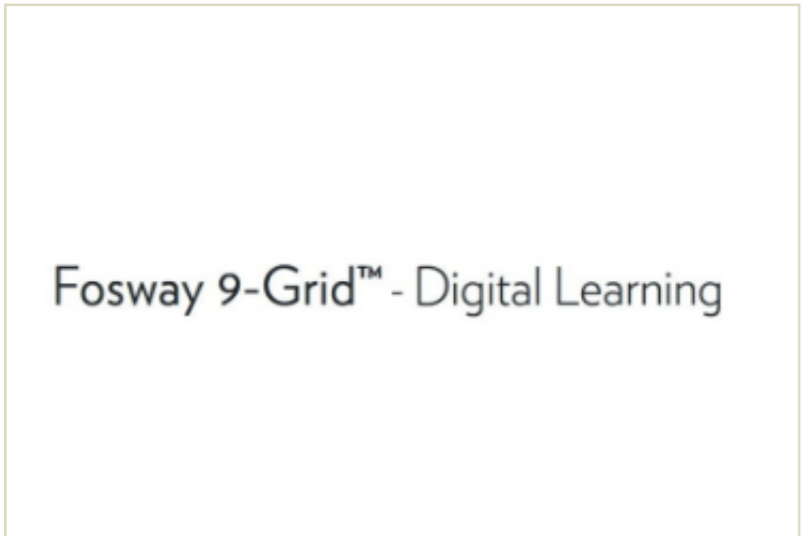
2 ATD EXCELLENCE IN PRACTICE AWARDS



LPI ACCREDITED LEARNING PROVIDER GOLD STANDARD - 2016-2018



LEADER IN NELSON HALL LEARNING BPS NEAT EVALUATION



FOSWAY 9-GRID DIGITAL LEARNING STRATEGIC CHALLENGER 2019



TOP 20 COMPANIES IN TRAINING OUTSOURCING 2008-2019



TOP 20 COMPANIES IN CONTENT DEVELOPMENT 2011-2018



TOP 20 COMPANIES IN GAMIFICATION 2014-2018



TOP 20 COMPANIES IN IT TRAINING 2008-2010, 2013-2018



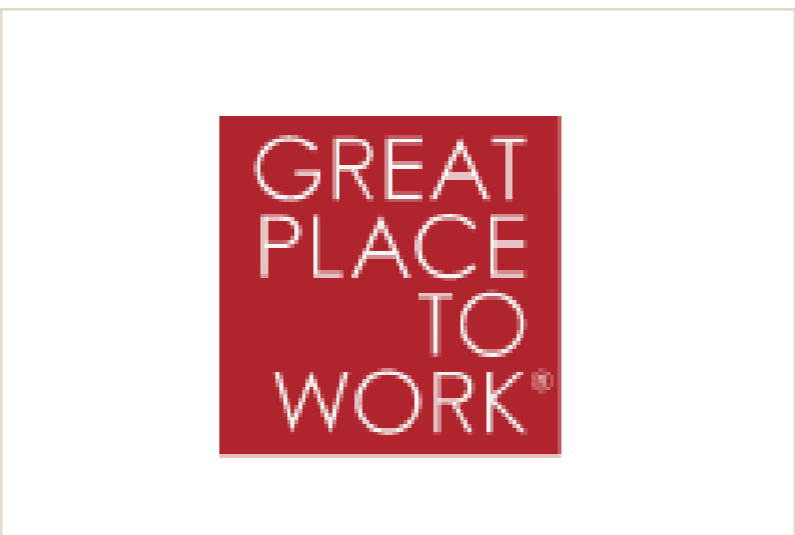
CLO LEARNING ELITE 2014-2018



DATAQUEST 'TOP IT TRAINING COMPANY' AWARD FOR THE 20TH CONSECUTIVE YEAR



NIIT NGURU AWARDED AS "BEST INTERACTIVE SOLUTION PROVIDER" BY ASSOCHAM



RANKED 4TH BEST COMPANY TO WORK FOR IN INDIA. NO 1 IN EDUCATION AND TRAINING



HIGHEST RATED TRAINING BRAND IN THE BRAND TRUST REPORT



TIMES ASCENT T&D AWARD FOR THE MOST INNOVATIVE LEARNING PARTNER FOR ENTERPRISES.



MOST INNOVATIVE LEARNING PARTNER FOR ENTERPRISES AT "EDUMEET 2018 & EDUCATION EXCELLENCE AWARDS" ASSOCHAM, INDIA



**CUSTOM CONTENT
AND CURRICULUM
DESIGN**



**LEARNING
DELIVERY**



**LEARNING
ADMINISTRATION**

**STRATEGIC
SOURCING**



**LEARNING
TECHNOLOGY**



**ADVISORY
SERVICES**



8.75K

Hours of custom programs developed annually

500

Full time instructional designers

25

Localization Services in 25 Languages

21K

Hours of custom content delivered annually

150K

Training Days delivered annually

40

Global training delivery in 40+ countries in 15 languages

2500

Global Network of 2500 instructors

130+

Industry Honors and Awards

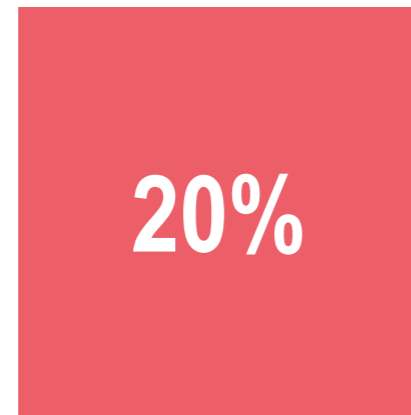
CLG: Marquee Customers



CLG: Proven Business Impact



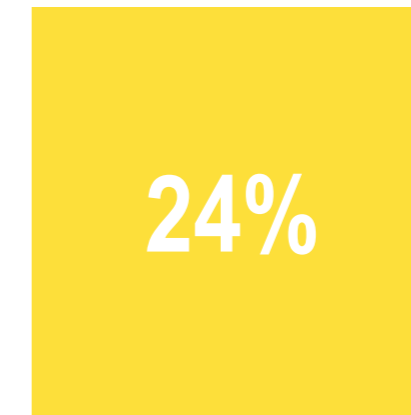
NIIT's application rollout training for Shell Primavera has helped reduce time to proficiency in application training for planners by 30% in 22 locations worldwide.



20% increase in average productivity and ticket size of business sold across 30 countries with 10% higher retention over 1 year for Sales Associates supported by the NIIT enabled Global Partner Learning Solutions program.



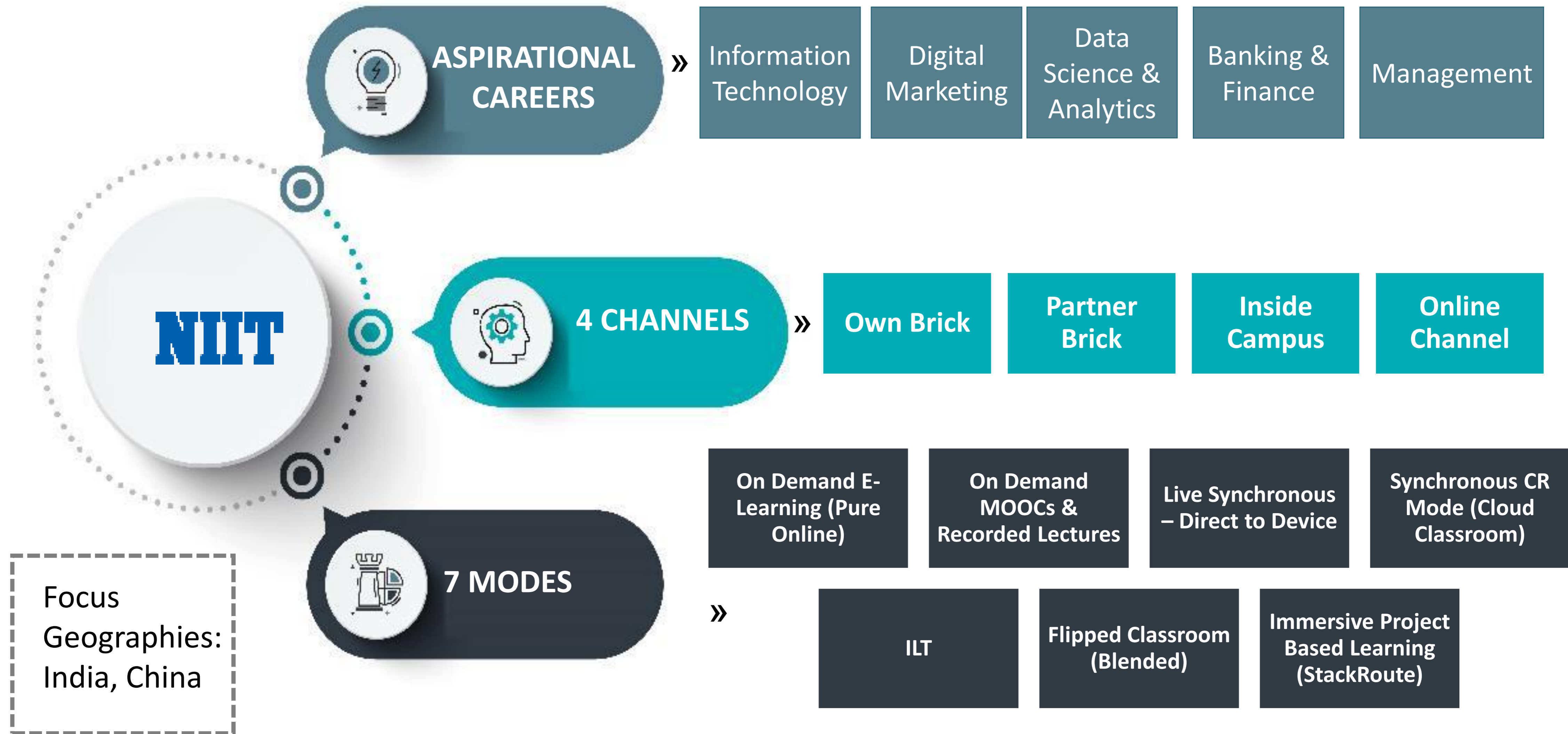
29.4% reduction in course length with a 16 Day reduction in time to proficiency for NIIT's Auto New-Hire Pipeline Reinvention course. The cost of labor redirected to productivity gains is \$4.3 million in total to date with projected savings of \$15 million over 12 months.



24% reduction in time to competency and 48% reduction in the direct cost to company on compensation because of NIIT's onboarding program for IQVIA.



NIIT's Rails blended learning program for mine train drivers in Australia has returned over 4 million dollars in reduced training costs.



**STACK
ROUTE**

NIIT | digiNxt

training.com





10 Mn+ STUDENTS



400K+ TEACHERS



100K+ NODES



24K+ HOURS OF CONTENT

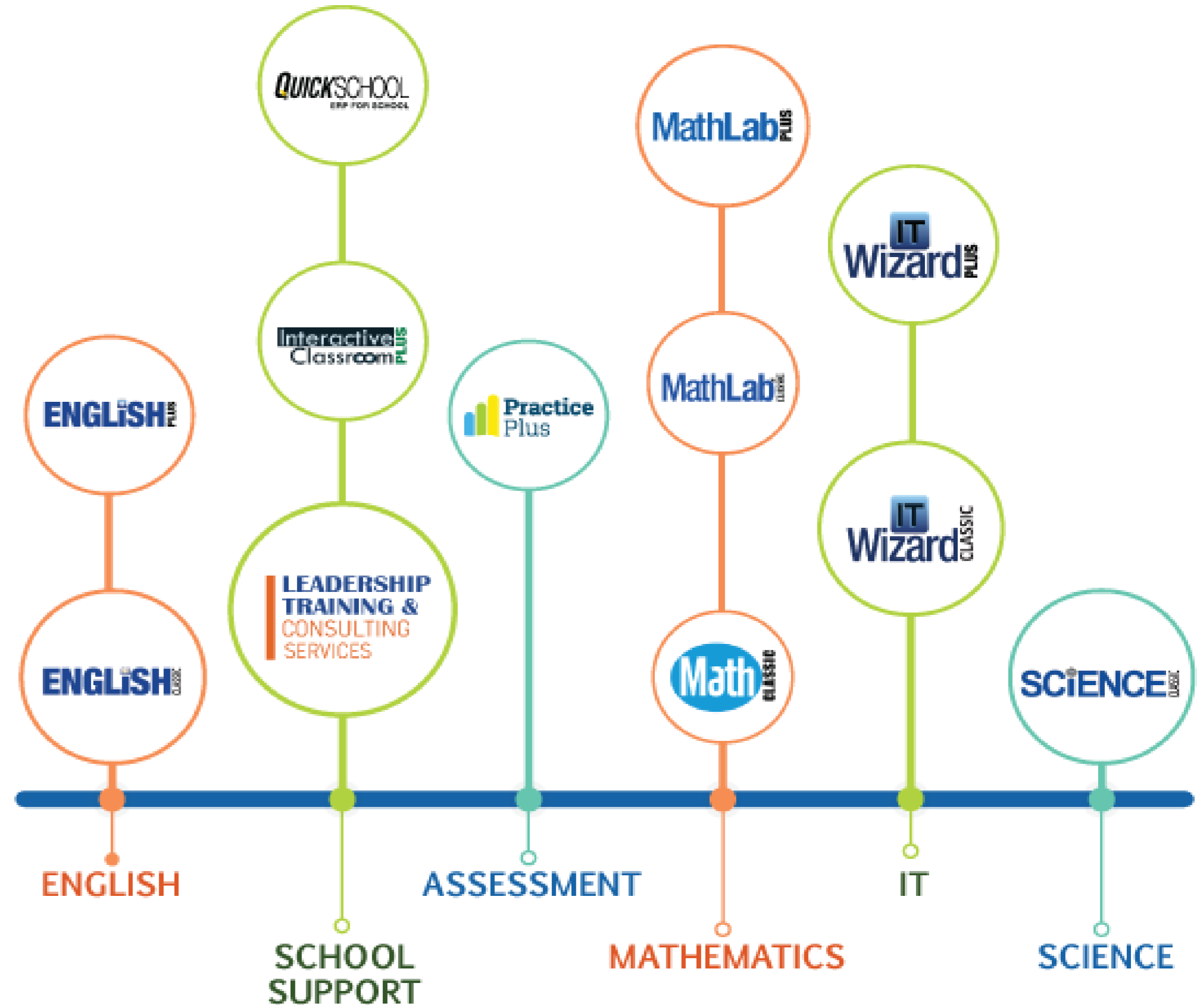


45K+ INSTRUCTORS

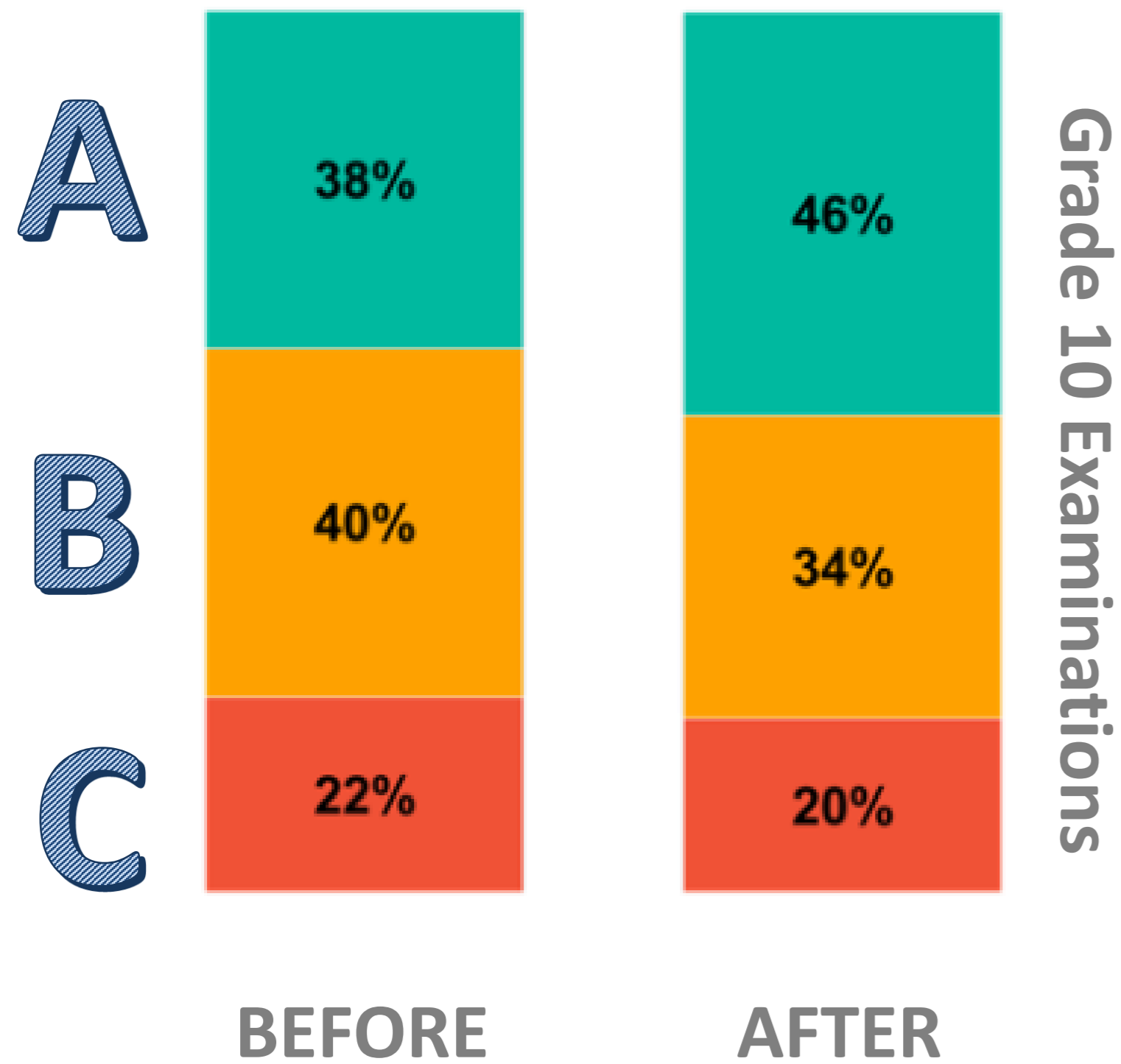


17K+ SCHOOLS

Cumulative



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



MathLab PLUS

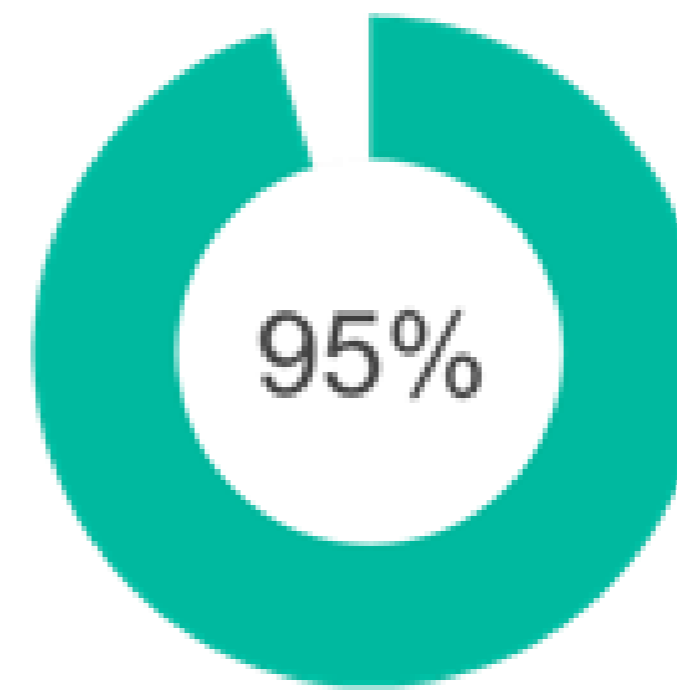
Impact Study Conducted by

Deloitte.

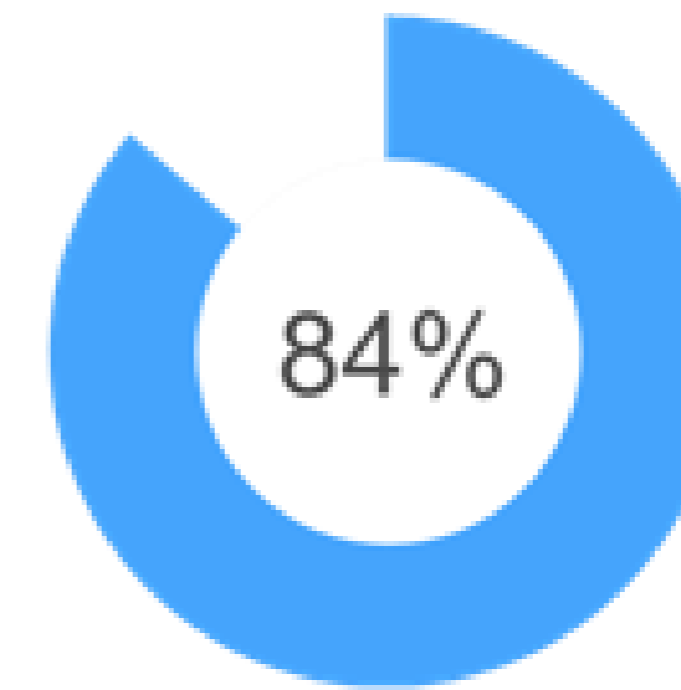
STUDENTS

TEACHERS

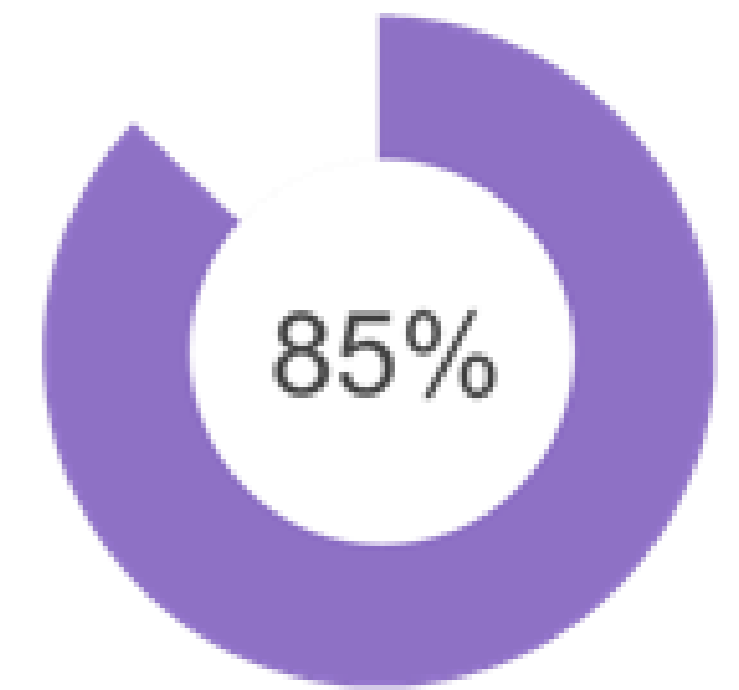
PRINCIPALS



Students



Teachers



Principals

% Respondents with positive rating on overall experience with MathLab

Q4 & FY19 RESULTS UPDATE



Environment

After strong growth in last couple of years, global economic activity slowed notably in FY19, reflecting a confluence of factors affecting major economies including regulatory tightening, geo politics and trade tensions. While there is some stabilization & expectation of recovery, downside risks persists (IMF))

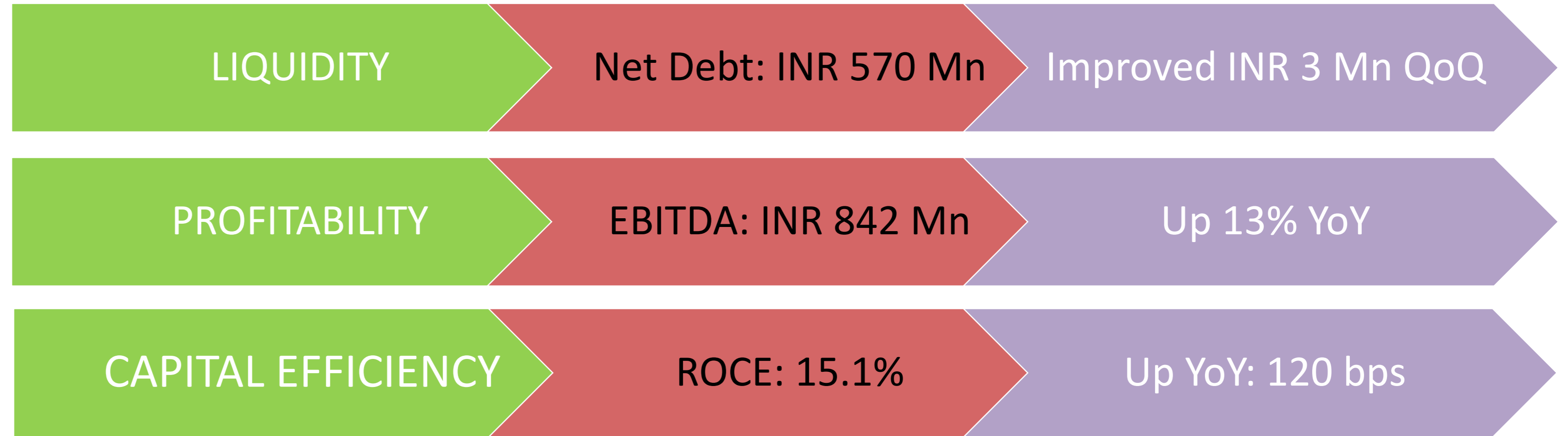
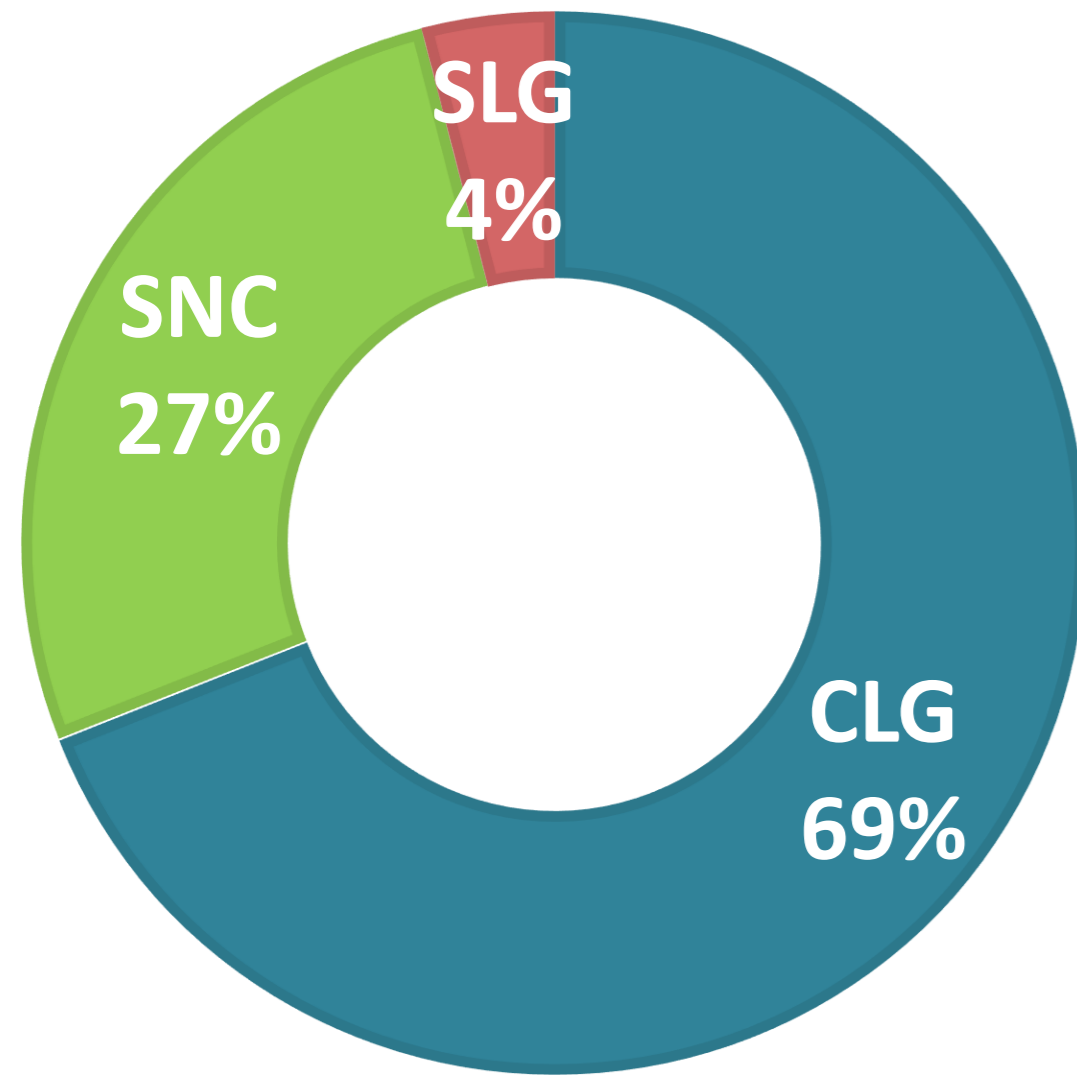
Spending on corporate L&D in advanced economies continues to be robust driven by higher employment, increased pace of technological change and increasing regulatory intensity. Industry consolidation continues to drive uncertainty in the near term

India GDP is expected to have grown at 7% in FY19 (CSO), representing a sharp slowdown in second half of FY19. Volatility in crude prices and currency, and tightening in global and local liquidity create near term uncertainty

Hiring by IT sector has seen a robust pick up led by digital technologies. Graduates with digital skills are able to command a material premium versus grads with traditional IT skills

NBFCs remain cautious on hiring. However pick up seen in Banks driven by demand for Advisory, Sales and Customer relationship roles

Decision making by schools continues to remain impacted due to regulatory uncertainty



Corporate:

- 46 global MTS customers
- Revenue visibility at \$ 245 million

Skills & Careers:

- 2400+ enrolments for New Career programs
- StackRoute delivery for 11 IT services majors

Schools:

- 761 School contracts in FY19
- Practice Plus platform : 6.7 lac users

NIIT

- Revenue at INR 2,397 Mn; up 8% YoY; Revenue from Go forward Business up 9% YoY
- EBITDA at INR 234 Mn (OM of 10%)
- PAT at INR 232 Mn; up 18% YoY
- Net debt at INR 570 Mn Vs INR 573 Mn in Q3 FY19; DSO at 66 days Vs 77 days LQ
- Operational ROCE at 15.1%; up 120 bps YoY

Corporate Learning Group (CLG)

- Revenue at INR 1,588 Mn up 9% YoY
- EBITDA margin at 14%
- Revenue Visibility at \$ 245 Mn (up 12% YoY)
- Added 5 new logos and 1 contract expansion during Q4 FY19. 46 MTS customers at end of FY19

Skills & Careers Group (SNC)

- Revenue at INR 629 Mn, up 5% YoY
- EBITDA at INR (10) Mn compared to INR (14) Mn in Q4 FY18

School Learning Group (SLG)

- Revenue at INR 180 Mn up 3% YoY
- 523 school contracts signed; Order Intake of INR 214 Mn up 70% YoY

NIIT

- Revenue at INR 9,102 Mn, up 7% YoY; Revenue from Go forward Business up 9% YoY
- EBITDA at INR 842 Mn; up 13% YoY (OM of 9%; up 48 bps YoY)
- PAT at INR 864 Mn; up 38% YoY
- Operational ROCE at 15.1%; up 120 bps YoY

Corporate Learning Group (CLG)

- Revenue at INR 6,324 Mn up 22% YoY; Constant currency Revenue grows at 14% YoY
- EBITDA margin at 14%
- Revenue Visibility at \$ 245 Mn (up 12% YoY)
- Added 9 new logos; 5 contract expansions and 2 renewals including one of the largest customer. Overall 46 MTS customers at end of FY19

Skills & Careers Group (SNC)

- Revenue at INR 2,428 Mn down 11% YoY
- EBITDA at INR 6 Mn compared to INR (30) Mn in FY18

School Learning Group (SLG)

- We have now completed all government schools projects; expect to collect balance receivables in FY20
- Revenue at INR 350 Mn

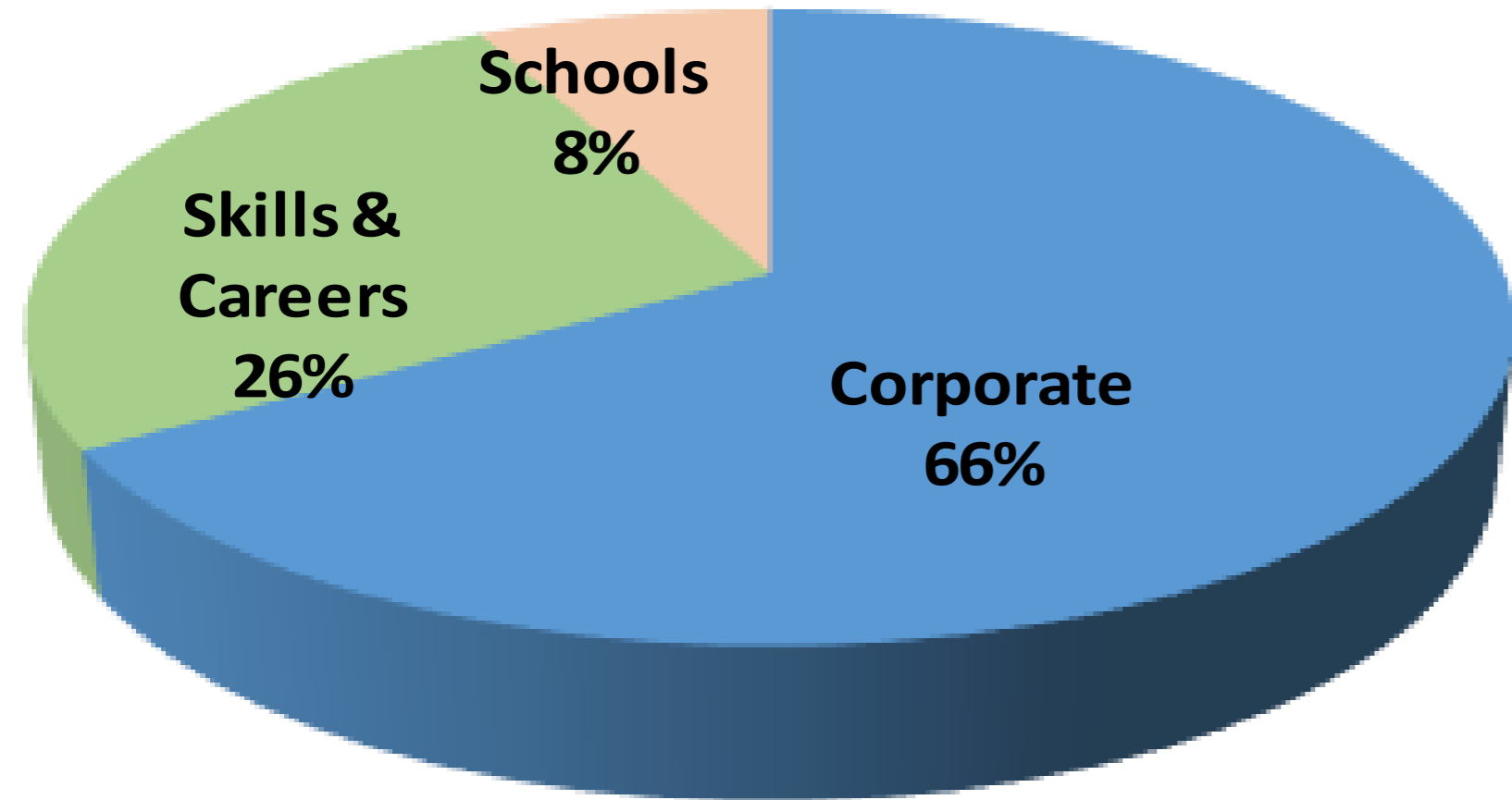
Key Financials



INR Mn	Q4 FY19	Q4 FY18	YoY	Q3 FY19	QoQ	FY'19	FY'18	YoY
System wide Revenue	2,969	3,151	-6%	2,923	2%	12,102	13,511	-10%
Net Revenue	2,397	2,228	8%	2,278	5%	9,102	8,505	7%
Operating expenses	2,163	2,007	8%	2,078	4%	8,260	7,759	6%
EBITDA	234	221	6%	200	17%	842	746	13%
EBITDA%	10%	10%	-18 bps	9%	98 bps	9%	9%	48 bps
Depreciation	88	92	-4%	95	-7%	361	401	-10%
EBIT	145	129	12%	105	39%	482	345	40%
Net Other Income/ (Expense)	-91	-63	-27 mn	-82	-9 mn	-285	-169	-116 mn
Operational PBT	55	66	-11 mn	23	32 mn	197	177	20 mn
Operational Tax	15	28	-48%	10	44%	72	66	10%
Associate Profit & Minority Share	246	200	23%	230	7%	939	649	45%
Tax on Associate Profit & Minority	55	41	35%	48	14%	199	135	48%
PAT	232	197	18%	194	19%	864	625	38%
Basic EPS (INR)	1.4	1.2	17%	1.2	19%	5.2	3.8	38%

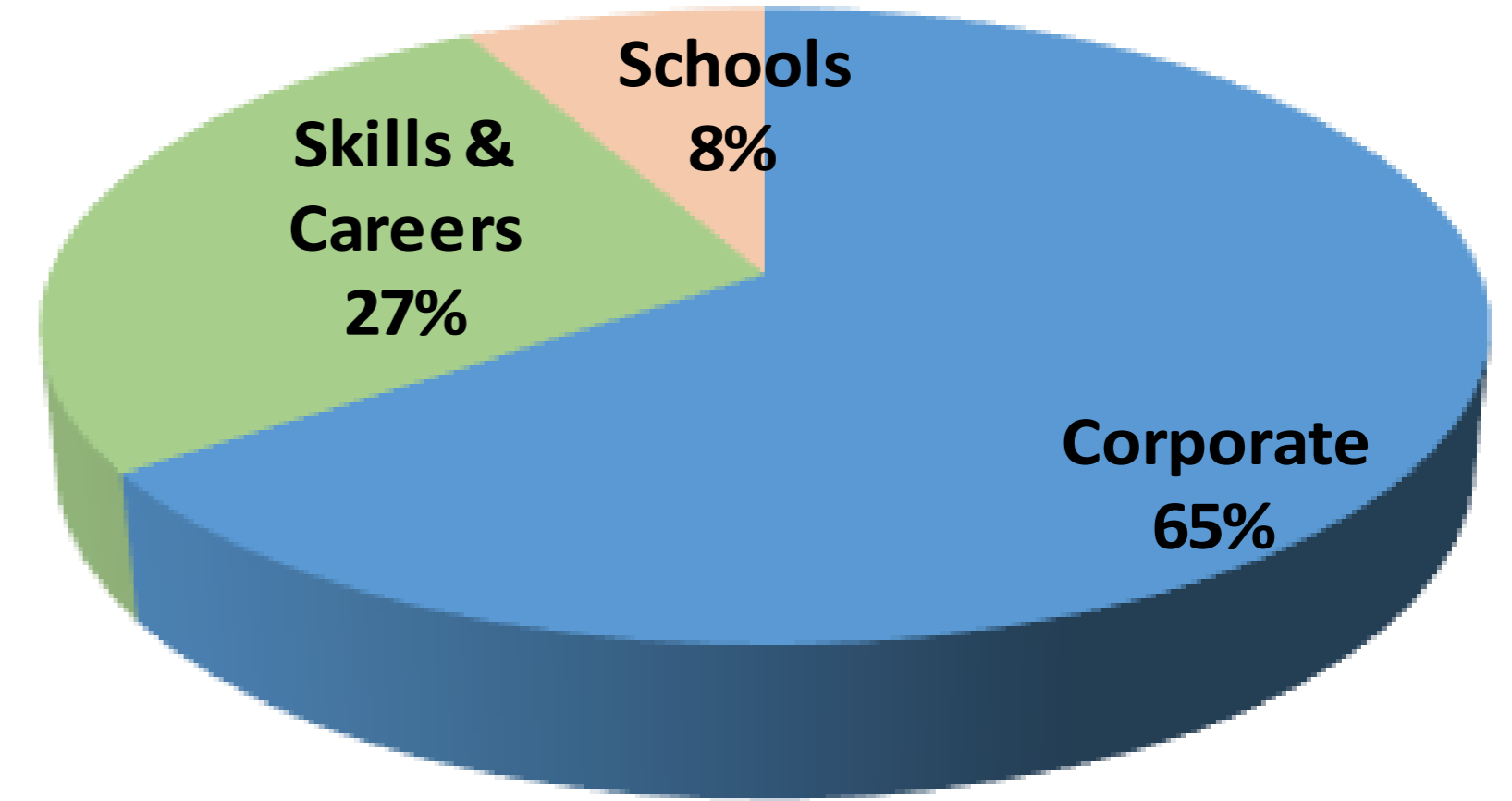
- Growth in Corporate Learning helps to offset planned ramp down of government schools business and transition in SNC business
- Adverse forex impact of INR 103 mn, primarily on account of re-statement of receivables due to currency volatility, and Net Interest Expense of INR 205 mn included in Net Other Income
- EBITDA margin @ 9% for FY19

Q4 FY19

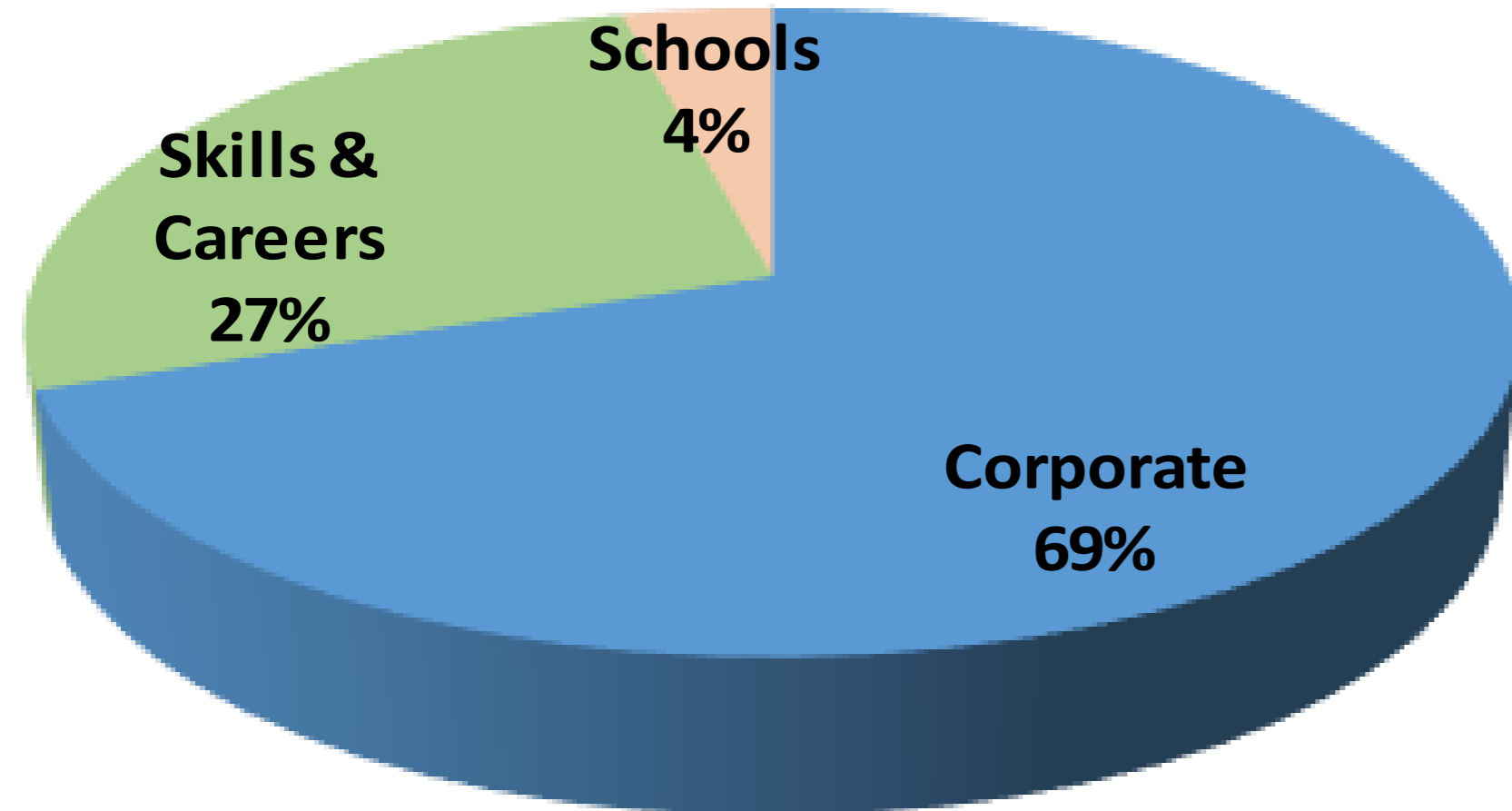


Business	Growth
Corporate	9%
Skills & Careers	5%
Schools	3%
NIIT	8%

Q4 FY18

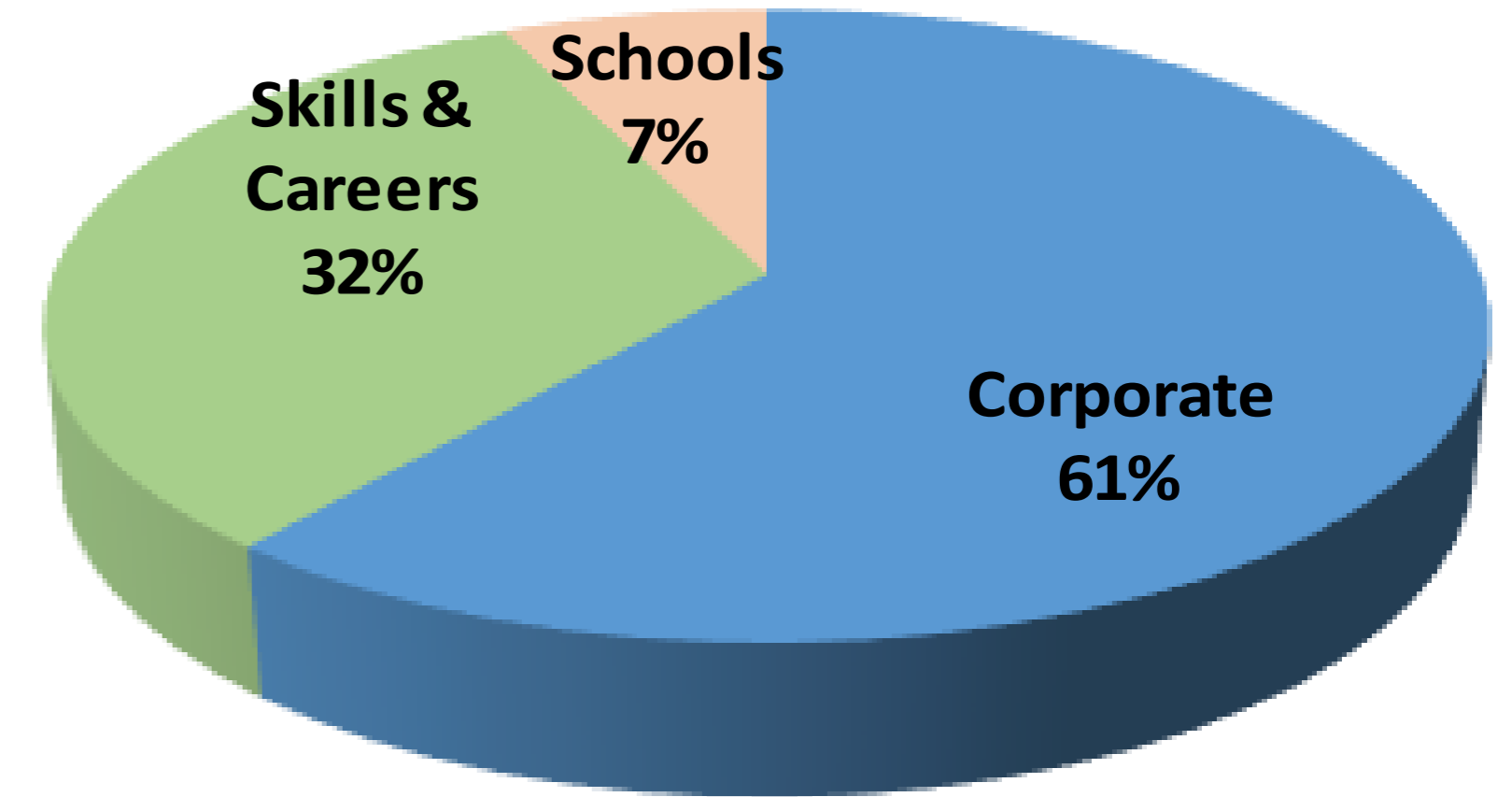


FY19



Business	Growth
Corporate	22%
Skills & Careers	-11%
Schools	-41%
NIIT	7%

FY18



INR Mn	Q4 FY19	Q4 FY18	YoY	Q3 FY19	QoQ	FY'19	FY'18	YoY
Net Revenues	1,588	1,451	9%	1,614	-2%	6,324	5,183	22%
EBITDA	215	196	10%	234	-8%	906	761	19%
OM%	14%	14%	5 bps	15%	-94 bps	14%	15%	-36 bps

Q4FY19

- Revenue at INR 1,588 Mn up 9% YoY.
- 5 new MTS customers & 1 contract expansion during the quarter

FY19

- Revenue at INR 6,324 Mn up 22% YoY. Up 14% in Constant Currency
- Added 9 new customers; 5 expansions & 2 renewals. Overall 46 MTS customers at end of FY19
- Revenue visibility of \$ 245 Mn, up 12% YoY
- Focus on Life Sciences industry resulted in signing two multi-year MTS customers in the sector



INR Mn	Q4 FY19	Q4 FY18	YoY	Q3 FY19	QoQ	FY'19	FY'18	YoY
Net Revenue	629	602	5%	634	-1%	2,428	2,729	-11%
EBITDA	-10	-14	4 mn	16	-26 mn	6	-30	120%
OM%	-2%	-2%	76 bps	3%	-415 bps	0%	-1%	136 bps



Q4 FY19

- Revenue at INR 629 Mn up 5% YoY
- On boarded 2500+ employees for a large PSU bank

FY19

- Revenue at INR 2,428 Mn down 11% YoY
- EBITDA back in black. Product mix change and cost rationalization offset impact of operating leverage and cost inflation
- StackRoute continues on strong growth momentum; now training Full Stack Developers for 11 companies
- Acquired a large PSU bank & Global system integrator as large customers



INR Mn	Q4 FY19	Q4 FY18	YoY	Q3 FY19	QoQ	FY'19	FY'18	YoY
Net Revenues	180	176	3%	30	497%	350	593	-41%
EBITDA	29	40	-28%	-50	79 mn	-70	15	-561%
OM%	16%	23%	-671 bps	-166%	18219 bps	-20%	3%	-2255 bps

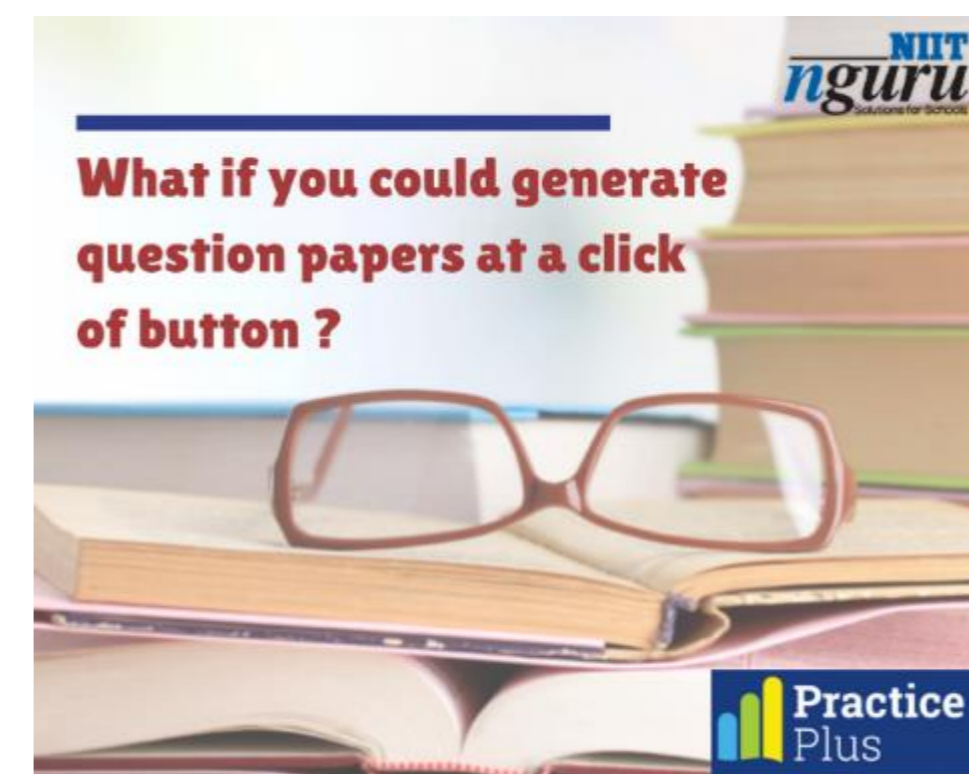


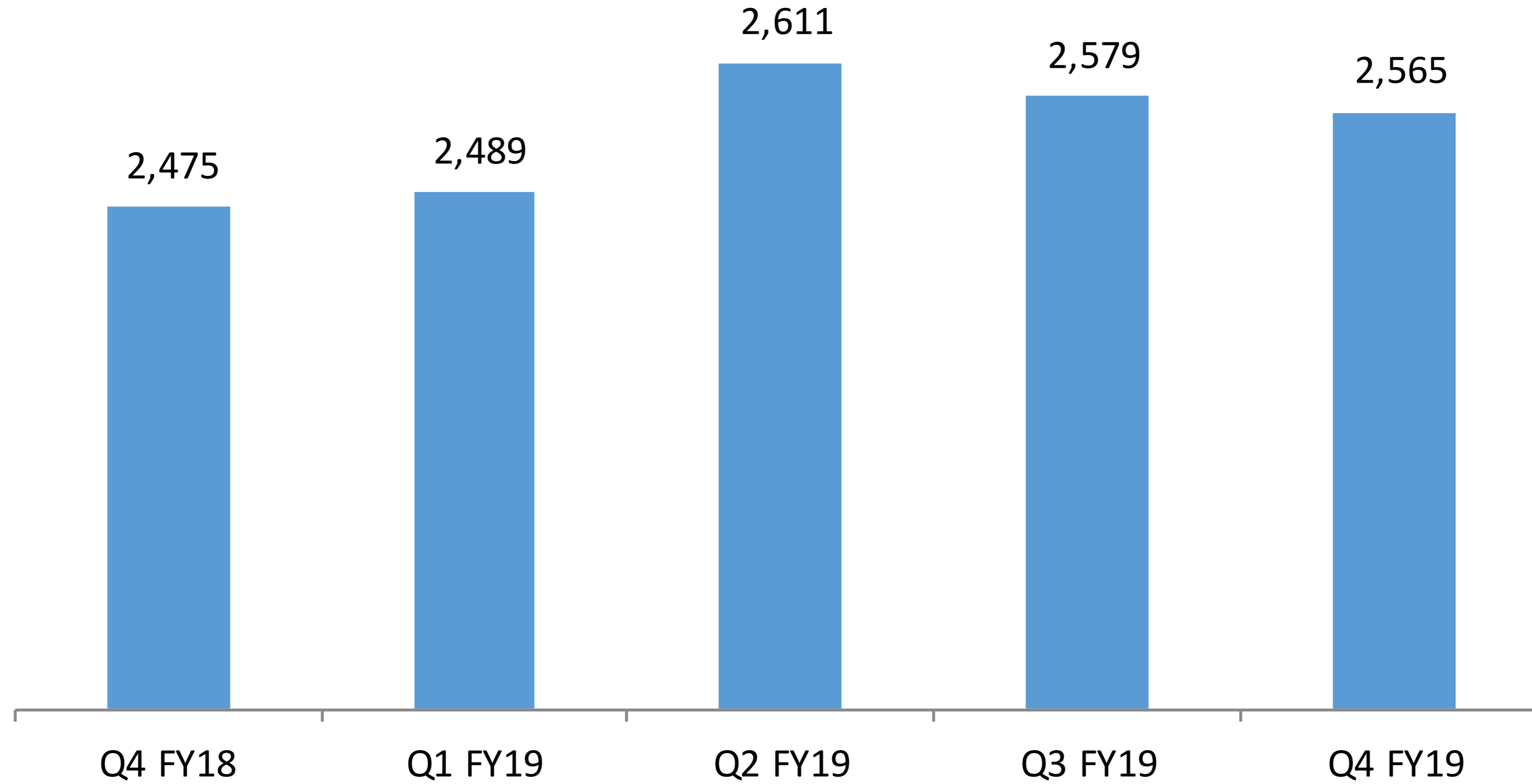
Q4 FY19

- Revenue at INR 180 mn
- Revenue from go forward private school business up 18%

FY19

- Overall revenue impacted due to planned ramp down of government school projects
- Completed execution & transition on government school contracts during the year. Balance receivables to be collected in FY20
- Launched Marshall Cavendish Math program
- 6.7 lacs users on Practice plus platform (including students and parents)





Headcount down 14 QoQ

- Includes Eagle headcount from Q4'FY18
- Excludes project retainers

FUTURE DIRECTION.



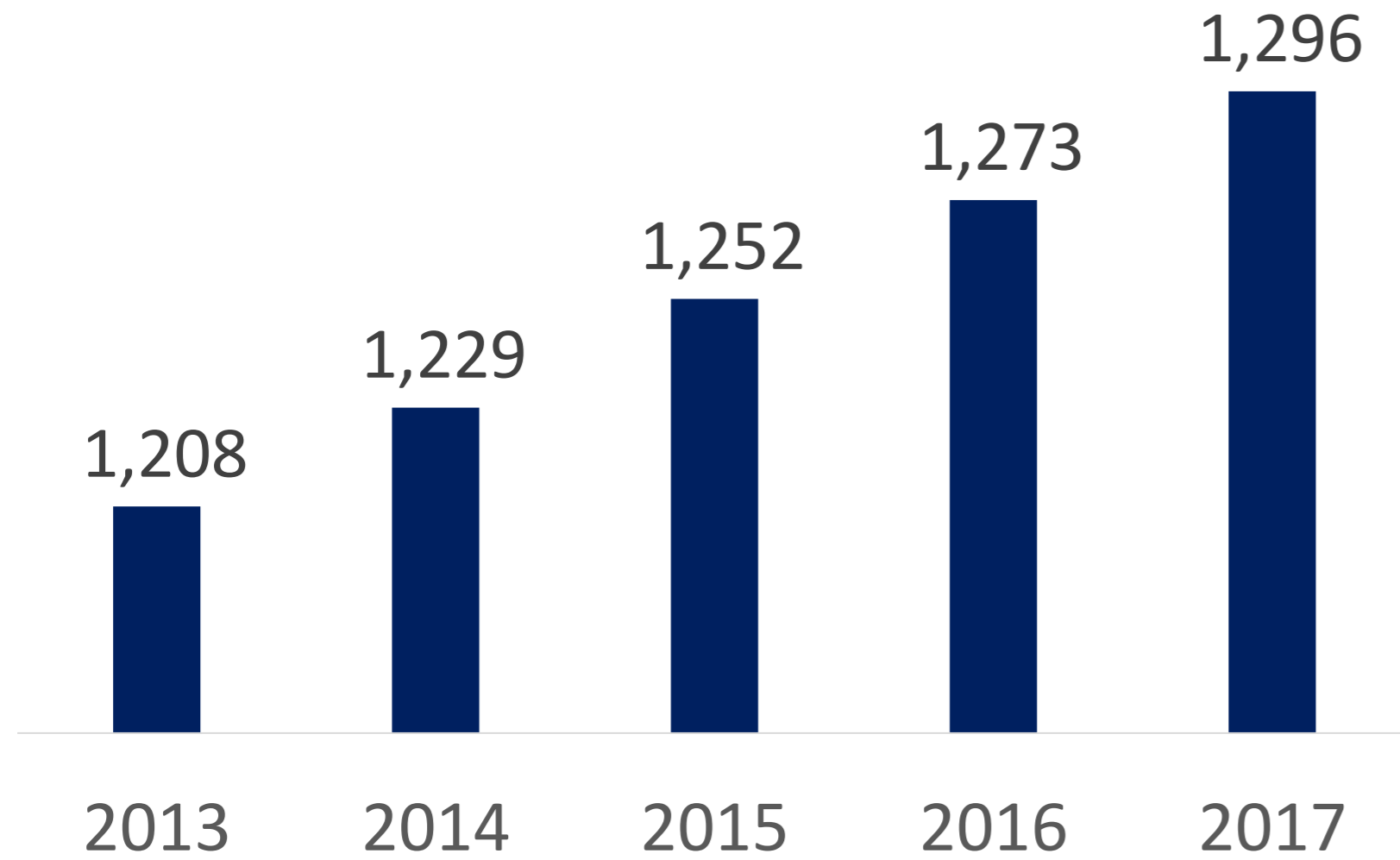
NIIT CORPORATE LEARNING
GROUP

We help clients
run training
like a business.

A Vision for Transforming L&D



Average Annual Spending Per Employee (USD)



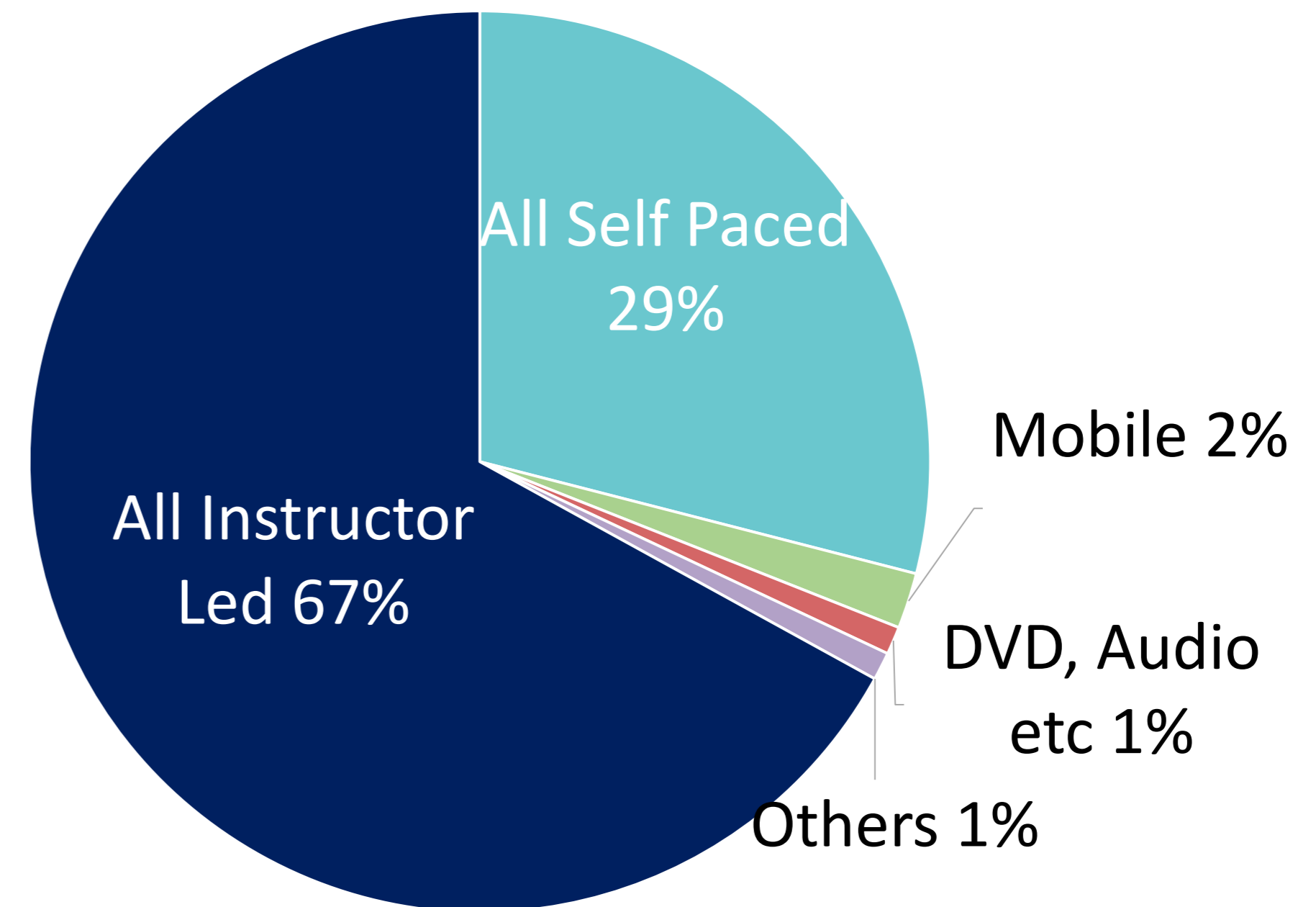
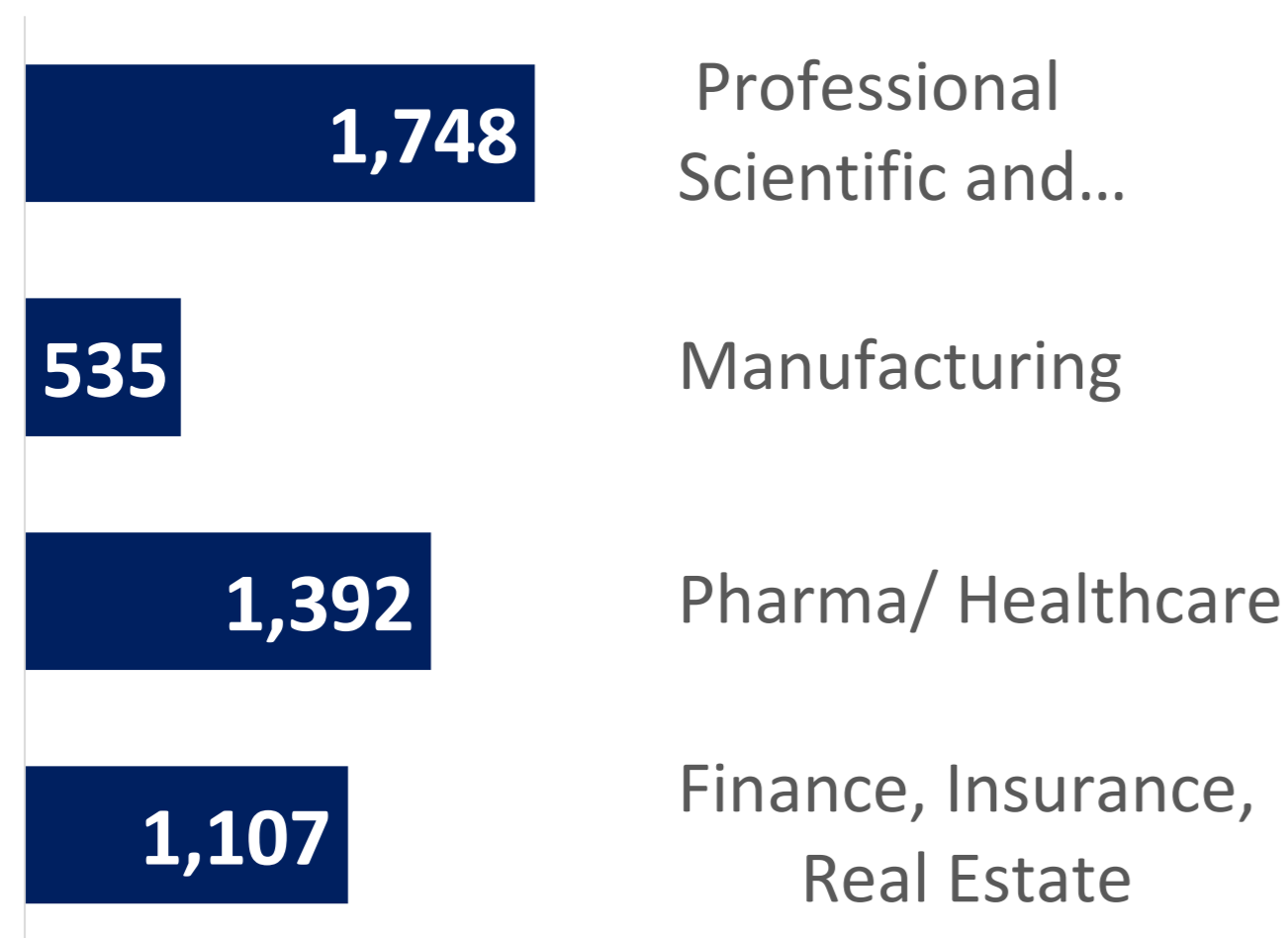
Direct Expenditure As Percentage of Revenue

1.16%

Direct Expenditure As Percentage of Payroll

3.3%

Average Spend Per Employee by Industry (USD)

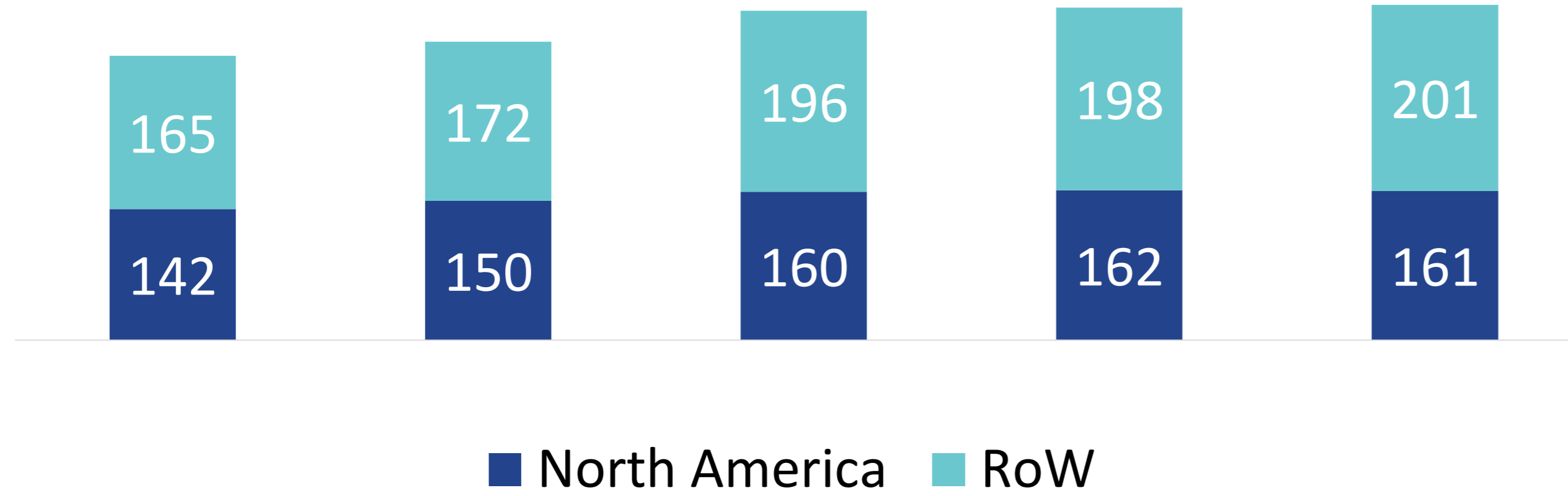


Source: ATD

CLG: Corporate Training Spending



Spending On Training (US\$ Billion)



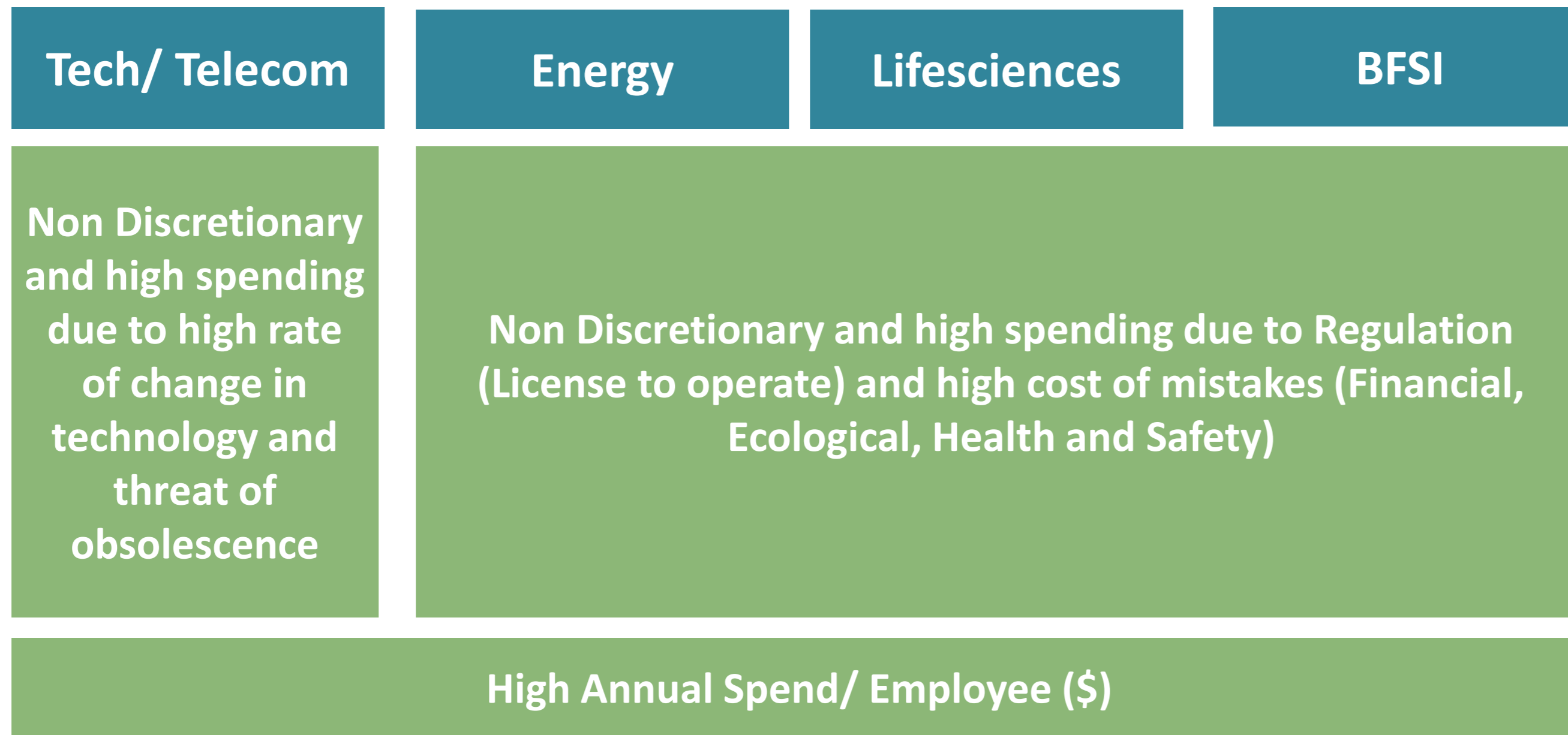
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CLG – Focus Industries



The Corporate Training market represents \$360+ billion opportunity

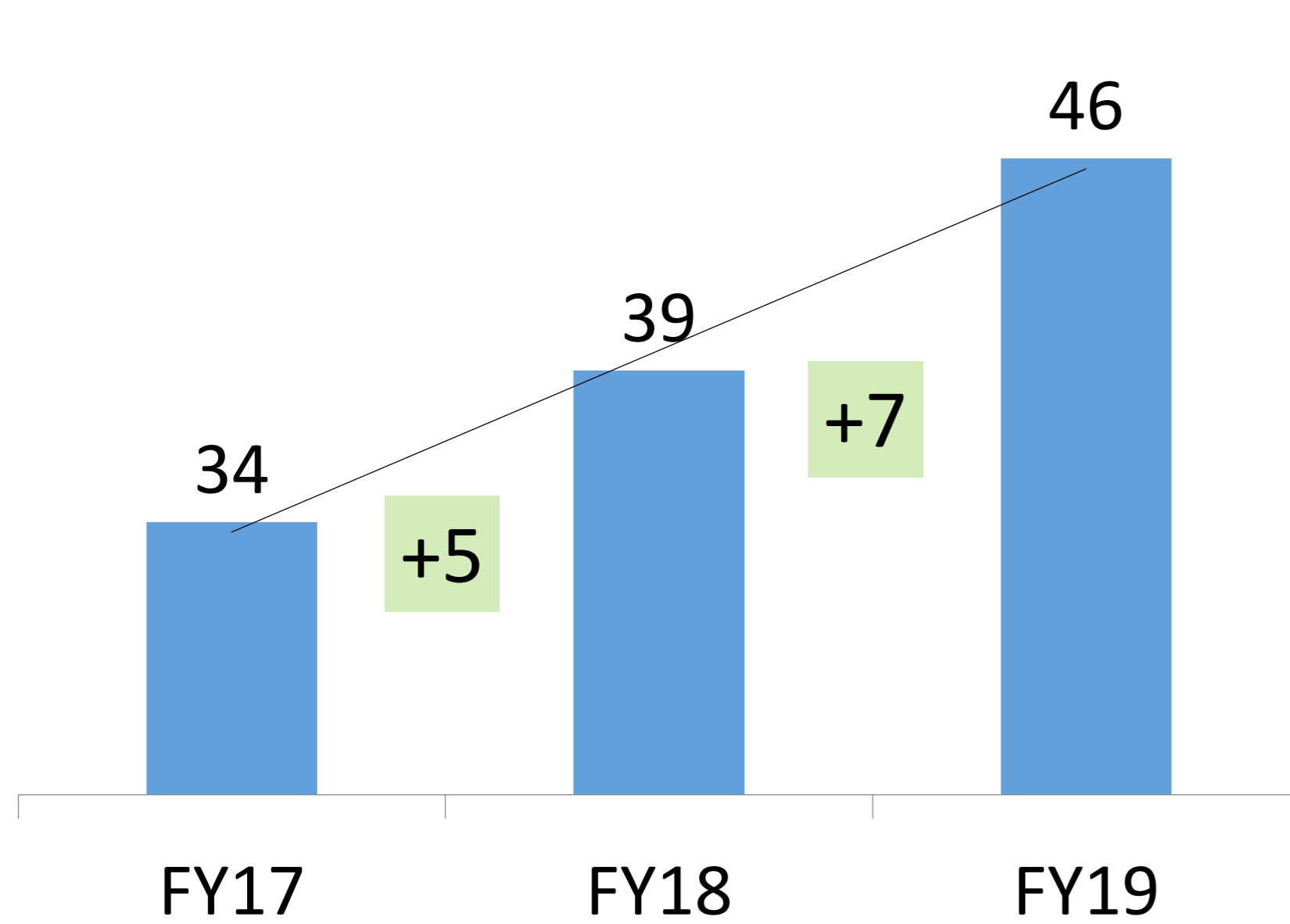
Spending on Training Continues to Grow

Increasing trend towards outsourcing. Less than 5% penetration

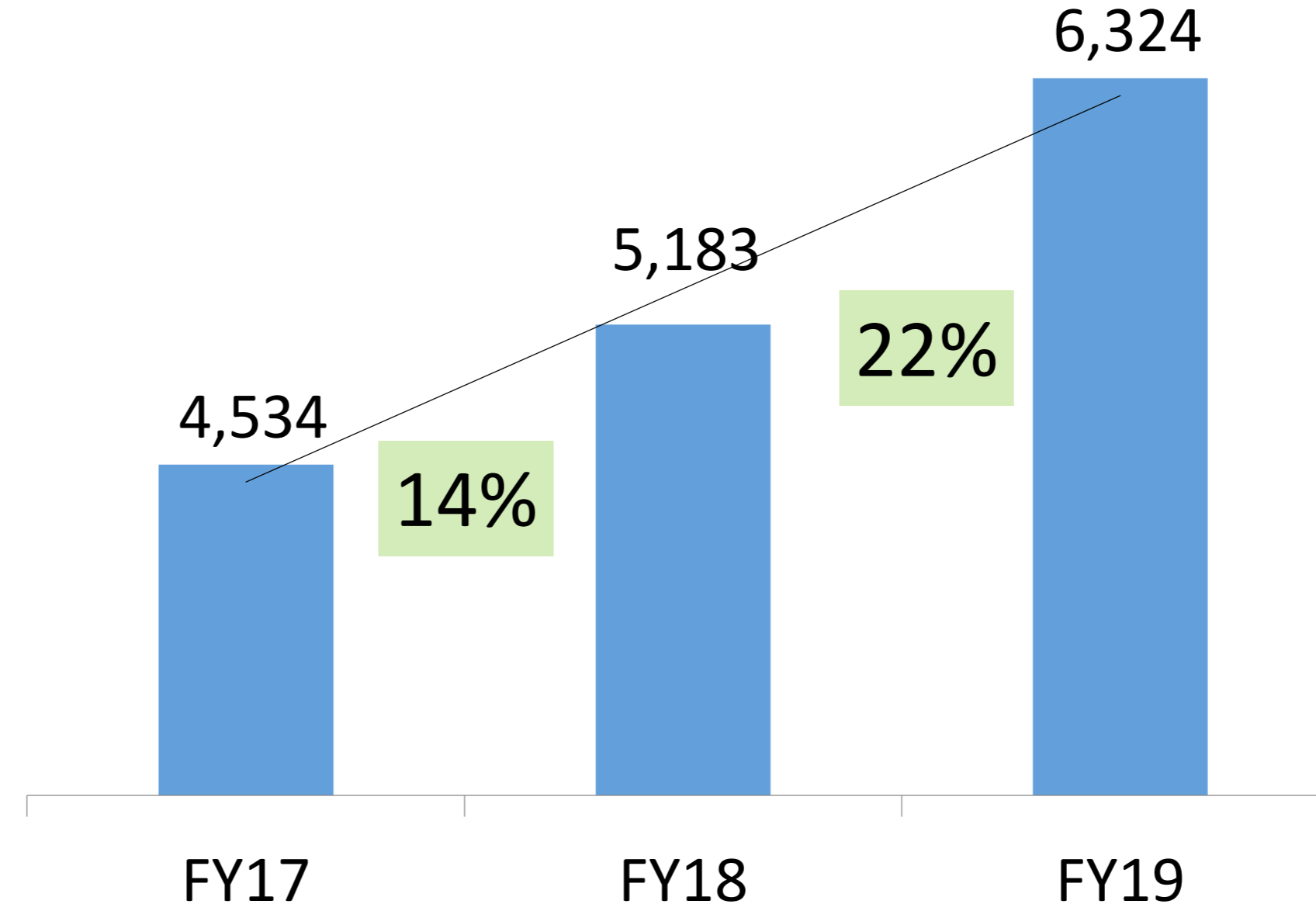
Focus on Technology/Telecom Energy, Lifesciences and BFSI Industries

Source: Statista.com Bersin By Deloitte, ATD

No of MTS Customers



CLG Revenue (Rs Mn)



16%

Revenue CAGR over last 7 years

Steady Addition of New Logos (9 new logos in FY19)

Differentiated competitive positioning

Strong revenue Visibility. \$245 Mn from existing contracts



PRODUCTIVITY

Step up people productivity and optimization of effort & resources through automation and tools

Improve margins for NIIT



ACCELERATE DEAL FLOW

Investments in S&M
Contract Expansion with Existing Customers
Improve Win Rates

Higher Sales Productivity



COMPREHENSIVE ENGAGEMENTS

Domain expertise
Global delivery capability
High Capability and Service Maturity
Big ticket annuity contracts

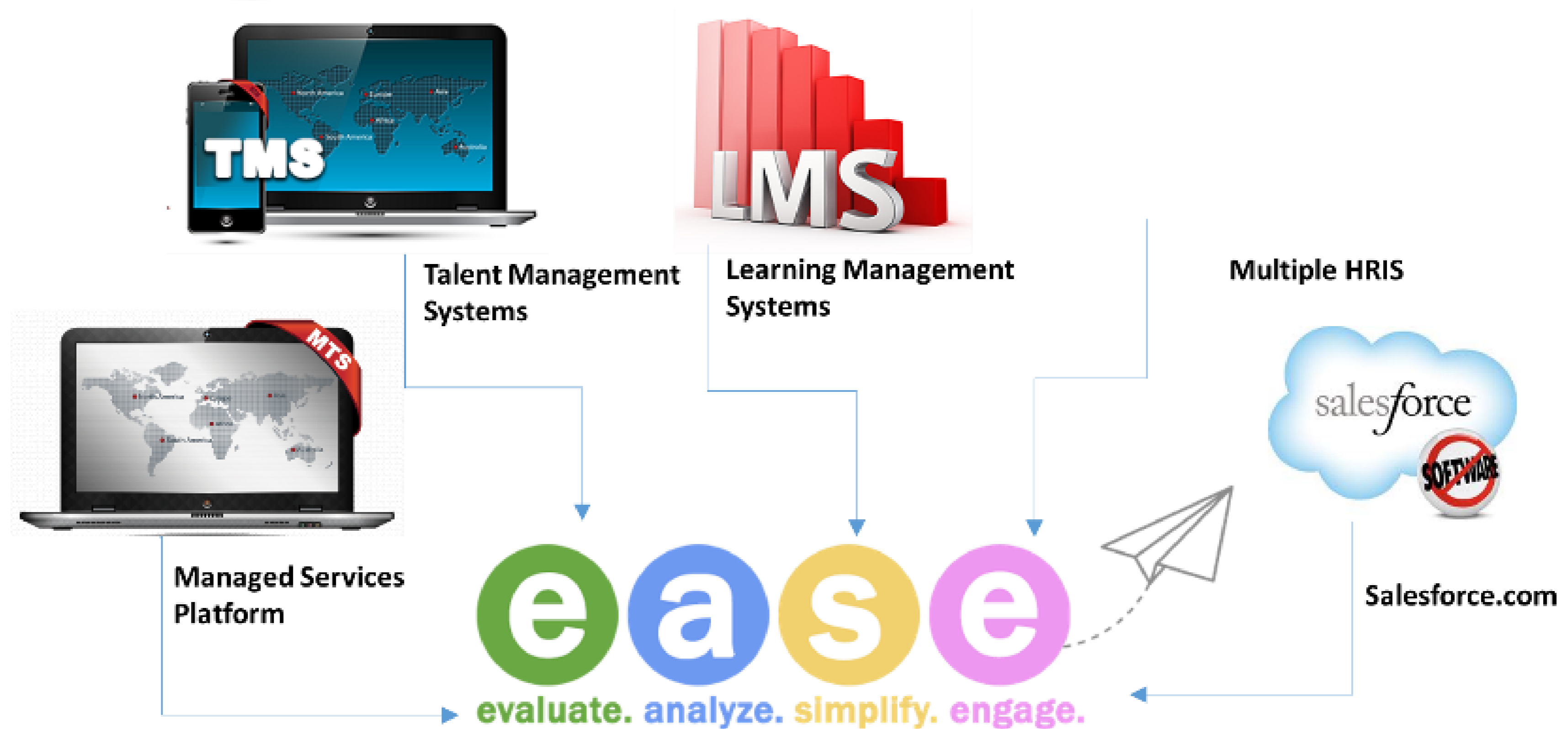
Improve Book to Bill ratio

Driving Scale and Profitability For CLG

Customer Demand

“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.”

NIIT Solution



NIIT SKILLS AND CAREERS

Shaping Future Skills And Careers

Transforming the Workforce of Tomorrow



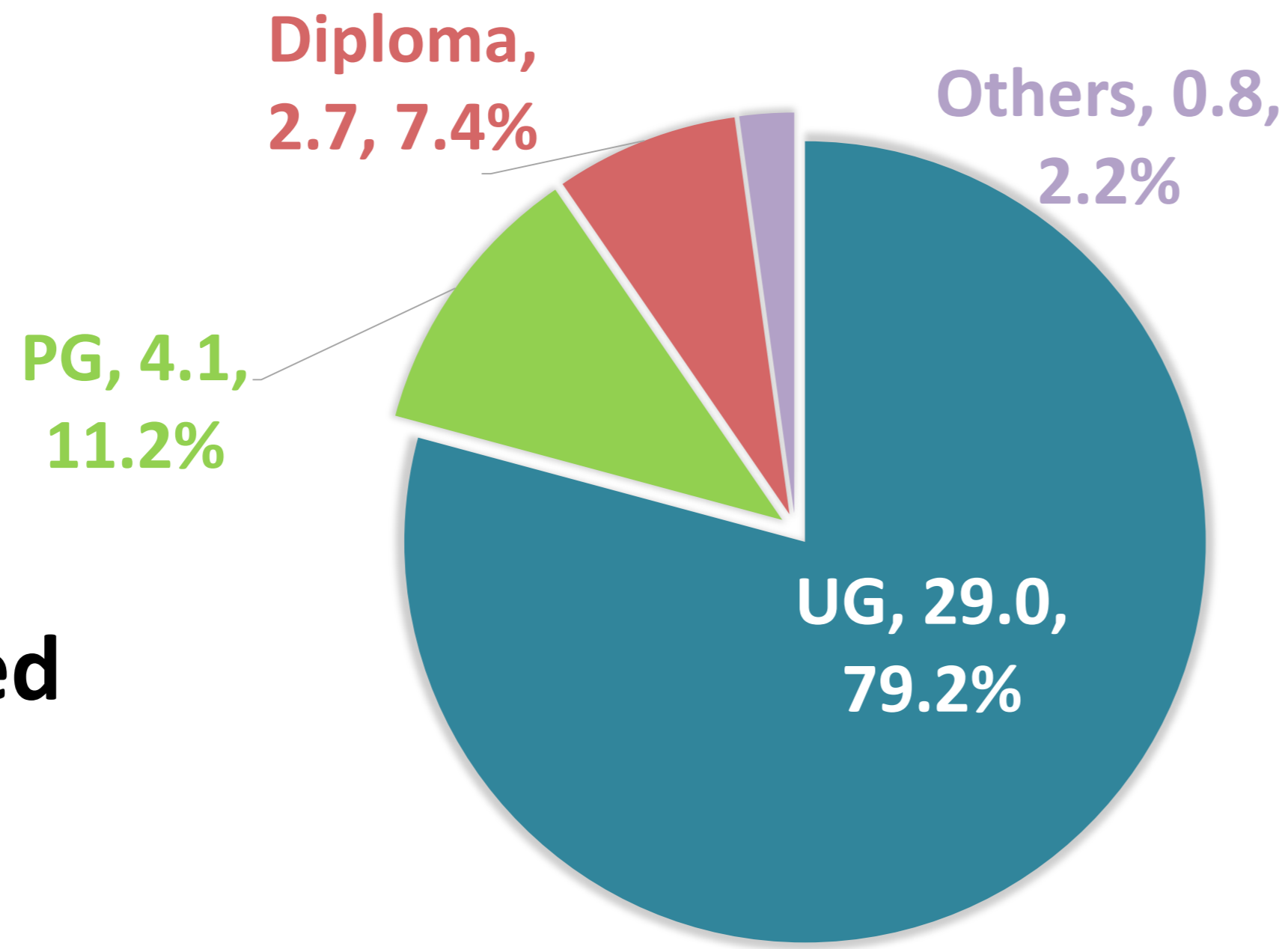
39,050
Colleges

903
Universities

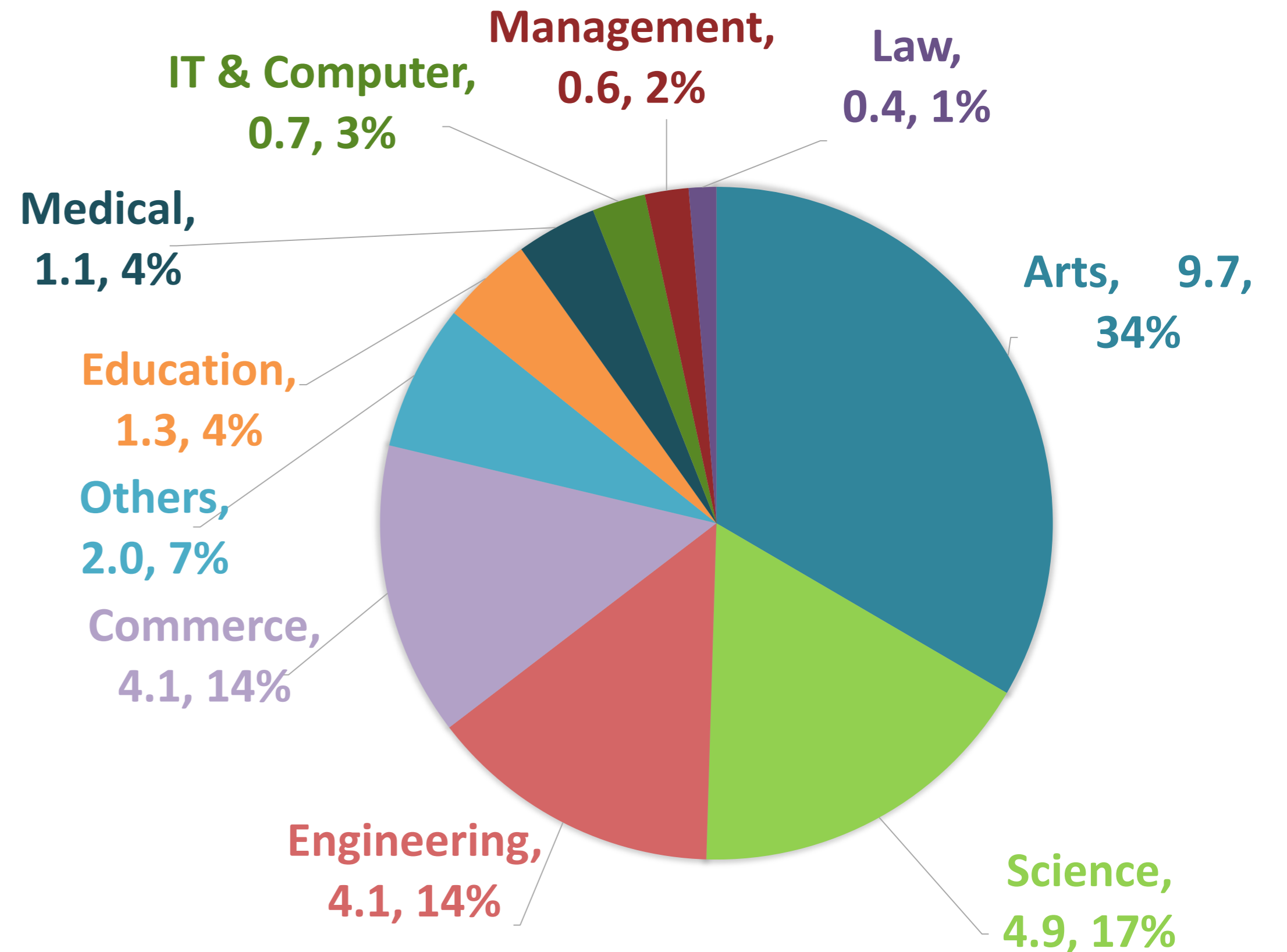
36.6 million
Students Enrolled

25.8%
GER

Enrollment by Level



UG Enrollments by Stream

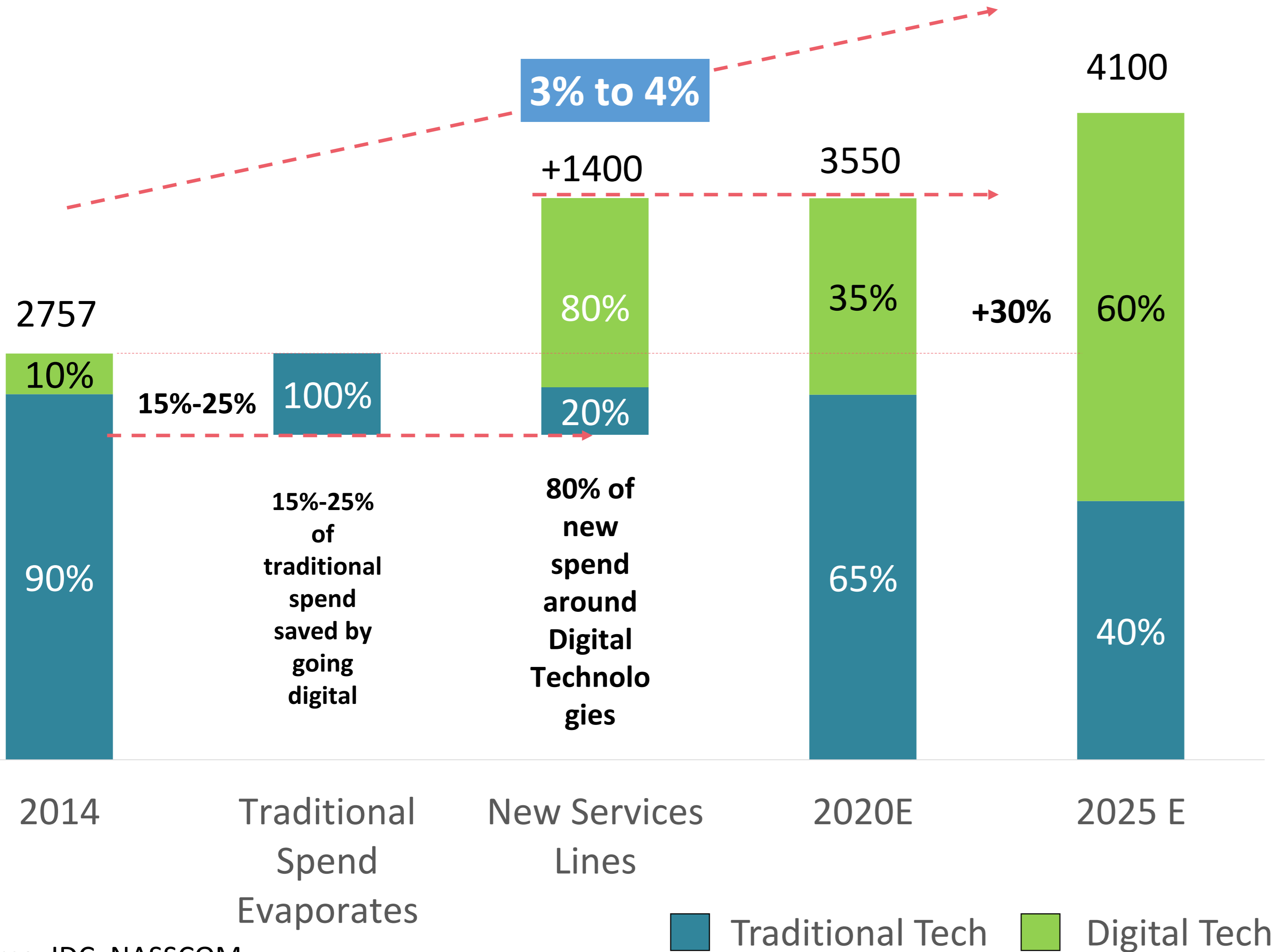


Source: AISHE 2017-18

SNC: Digital Transformation – IT Sector



Global Technology and Business Services Spend \$ Bn



India digital services experts growing at +30% (1.5x faster than global digital growth rates) and now ~20% of Industry Exports.

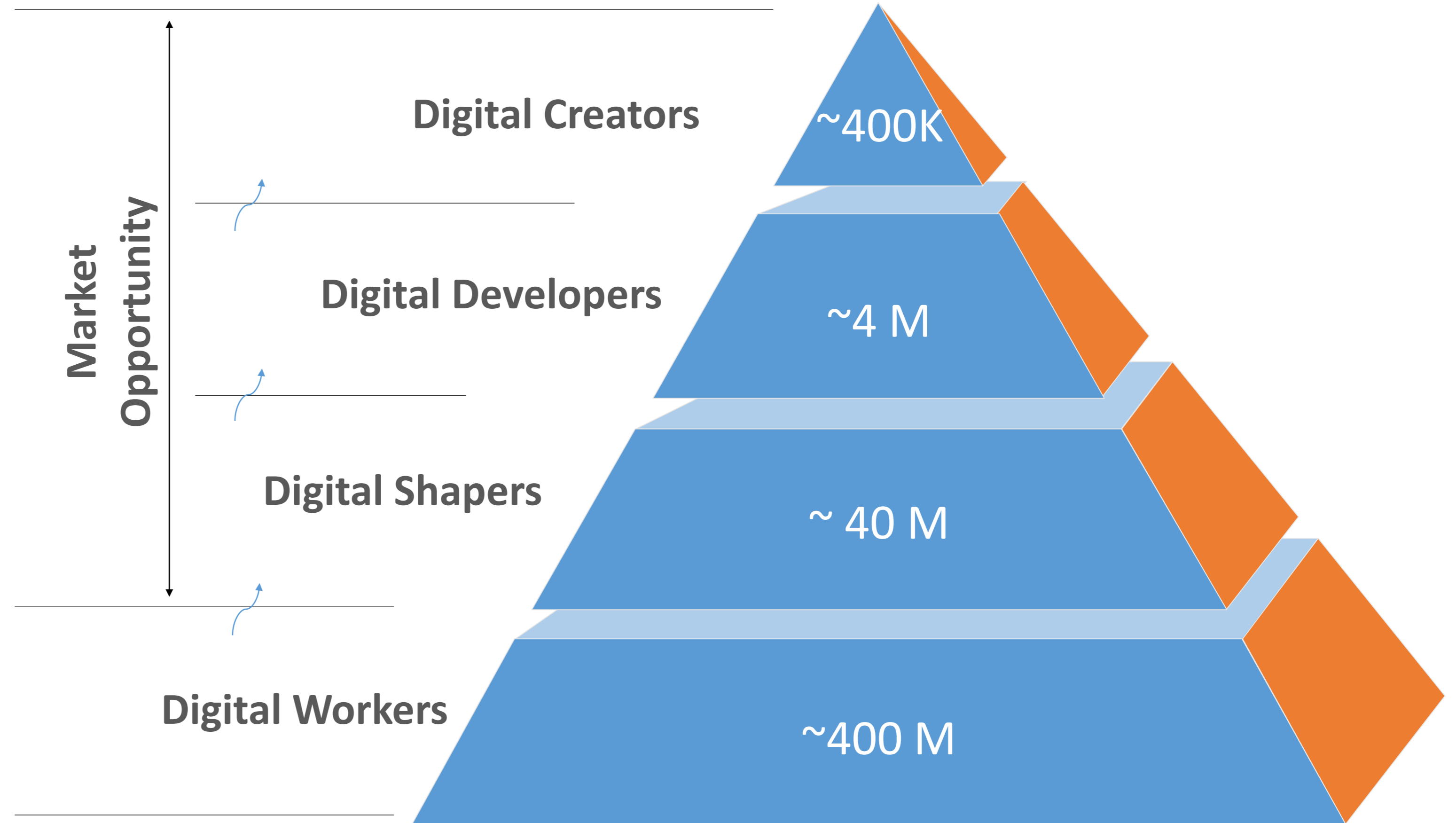
Global Technology and Business Services to Touch USD 4 Trillion by 2025

Share of Digital Technologies to increase to 60%

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

Source: IDC, NASSCOM

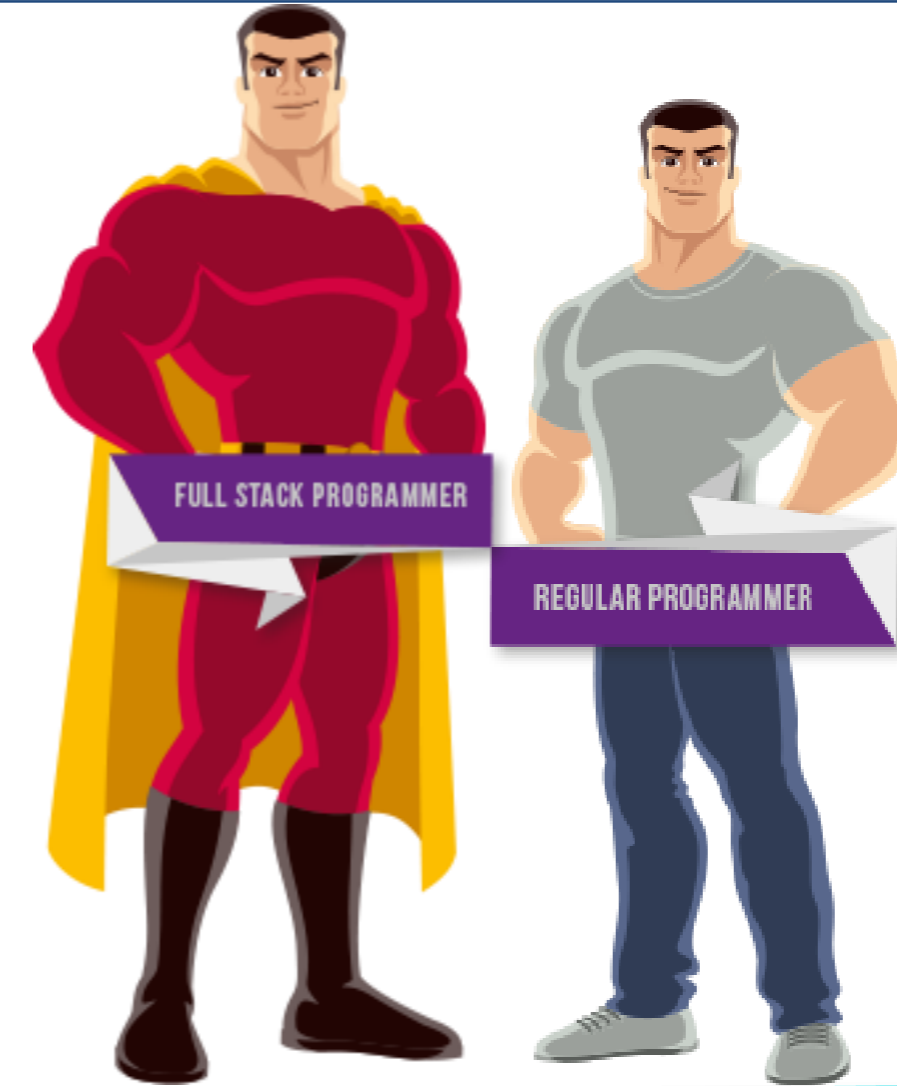
- Future is “Digital@Scale”
- Digital becoming all pervasive, blurring IT industry sector boundaries
- Digital projects more skill intensive than people intensive
- People need continuous reskilling with consulting and design capabilities
- Accelerating influx of new GICs; 1140+ nos.
- India emerging as key hub for Digital@scale



Source: NASSCOM



**STACK
ROUTE**



JAVA ENTERPRISE WITH DEVOPS

BIG DATA AND DATA SCIENCES

MEAN STACK

CLOUD STACK

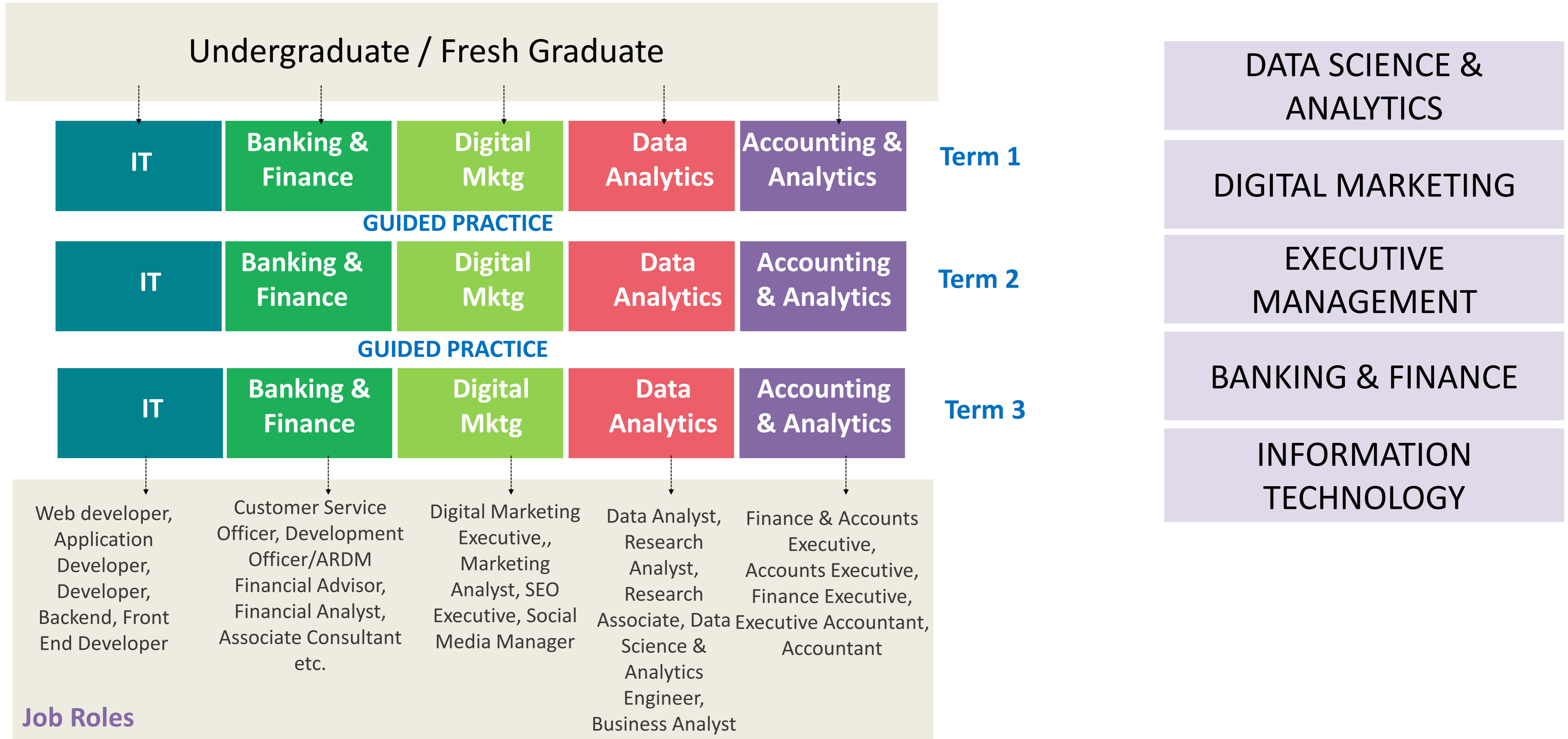
INTERNET OF THINGS (IOT)

ROBOTICS

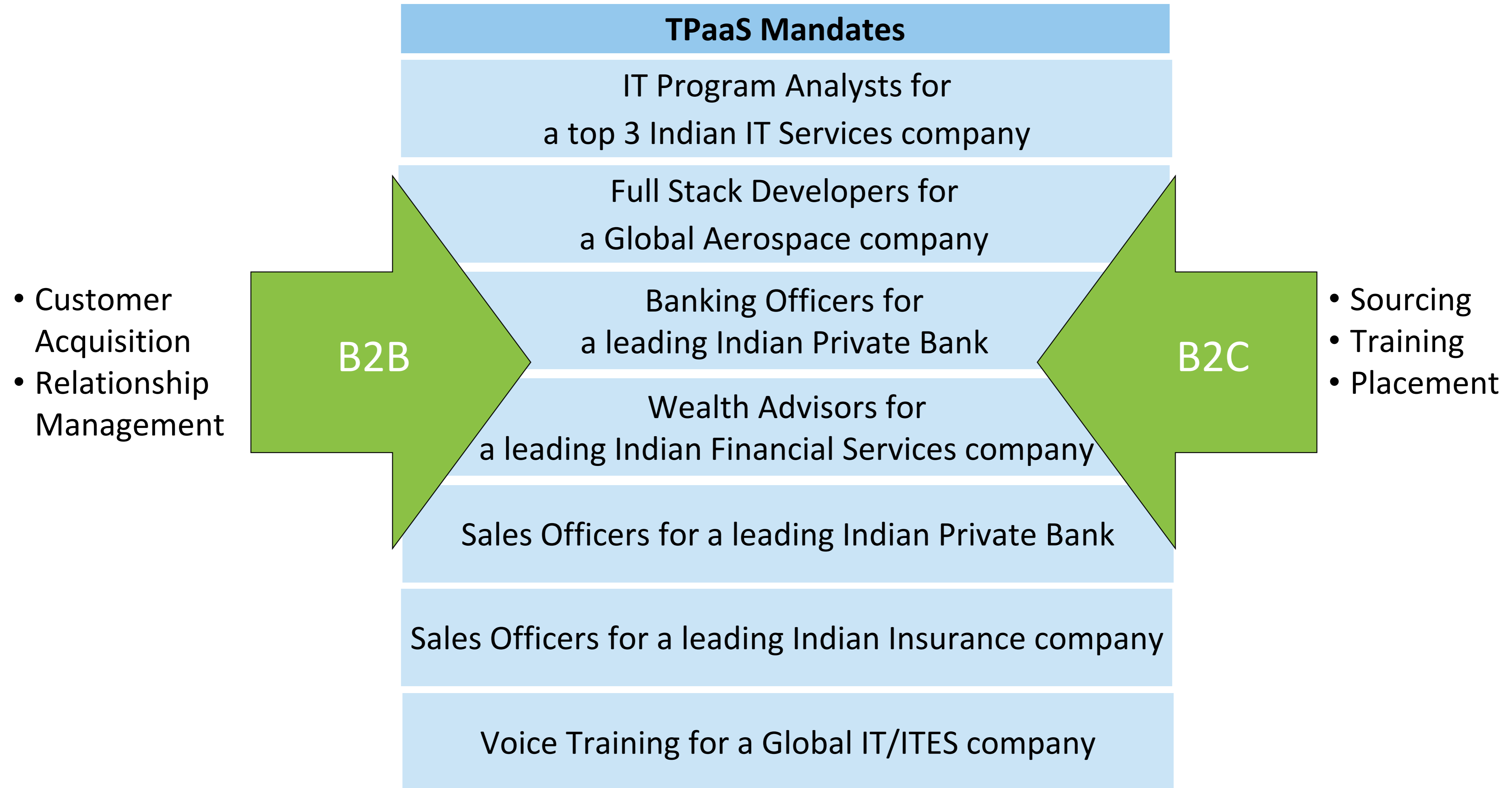
VIRTUAL REALITY

Expanded Portfolio of Career Programs

+ JIT Skills for Aspirational Careers



SNC: Talent Pipeline as a Service (TPaaS)



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

NIIT

You can't spell TRAINING without NIIT.