



NIIT

**REIMAGINING
LEARNING**
THE NEXT WOW

Financial Results FY20

June 4, 2020



Environment

Covid-19 has disrupted businesses & economies globally. US unemployment rate swings from record lows (3.5% in February) to all time high (14.7% in April) due to disruption of businesses

Centrals banks and Governments have announced unprecedented stimulus measures to revive economic activity. Despite this, global GDP is expected to contract sharply in CY 2020 vs expectations of 3.3% growth at the start of the year (IMF)

India's GDP growth dropped to 3.1% in Q4 FY20 as Covid-19 related restrictions impacted economic activity. FY20 growth declined to 4.2% (vs 6.1% in FY19)

Corporates adjusting to new normal. After initial shock, many companies working on continuity and transformation plans for training. Many plan to continue WFH for substantial proportion of workforce

Companies across sectors including IT and BFSI have hit brakes on hiring plans, However demand for digital skills is likely to pick up

Learners have adopted online learning, with VILT replacing ILT in majority of the cases. Technology driven immersive learning expected to gain prominence

Covid-19: Sudden and Extraordinarily Intense Impact



- **Substantial Impact in Q4**
 - Operations of education centres in China suspended from 3rd week of January
 - Similarly, in India and RoW, centre operations were restricted from early March and suspended in last 2 weeks
 - B2B business across US, Europe, and India saw significant deferrals of planned in-person Learning events starting early March
 - Demand side impact for some category of customers such as IT Services & BFSI in India due to slowdown in hiring
- **Global slowdown expected in FY21; business volume to be impacted in near term. However...**
 - Recessionary pressures likely to increase propensity to Outsource in the medium term
 - Compression of adoption cycle for Digital Learning
- **Our Response**
 - Cancellation of Confluence and Annual Day events
 - Move to global WFH protocol
 - Transition to Digital Delivery and Customer Acquisition
 - New Offers and New Customer Segments
 - Continuous and intense focus on Cash conservation & cost control
 - Rationalization of key initiatives
 - Decision to exit School business and accelerated digital transformation of Career Education Business
 - Push for increased outsourcing and ramp-up NIIT Digital

FY20: In Perspective



Corporate Learning Group (CLG)

- Revenue at INR 6,913 Mn up 9% YoY; Constant currency revenue growth @ 9% YoY
- EBITDA at INR 931 Mn; OM at 13%;
- Added 14 MTS customers; Highest ever addition of new logos in a year. Customer tally reaches 54
- Revenue Visibility at \$ 263 Mn; up 8% YoY

Skills & Career Group (SNC)

- Revenue at INR 1,979 Mn; down 15% YoY
- EBITDA at INR (35) Mn

Overall NIIT

- Revenue at INR 8,892 Mn; up 3% YoY; Go forward business grows @ 5% YoY
- EBITDA at INR 852 Mn (OM of 10%).
- PAT at INR 13,275 Mn. EPS of INR 82.9 per share
- Final Dividend of Rs 2 Per share recommended by the board.
- Cash and Equivalents of Rs 12,088 million (Rs 85.4 per share). Net Cash of Rs 11,447 million
- Final Dividend of Rs 2 Per share recommended by the Board. This follows an interim dividend of Rs 8 per share declared in February, 2020

Q4 FY20: In Perspective

Corporate Learning Group (CLG)

- Revenue at INR 1,754 Mn up 10% YoY; Constant currency revenue growth @ 10% YoY
- EBITDA at INR 143 Mn; OM at 8%;
- Added 5 MTS customers
- Revenue Visibility at \$ 263 Mn; up 8% YoY
- Launched a series of new offerings to assist customers:
 - Digital Assessment Services
 - Virtual Selling Skills
 - Rapid Portfolio Digitalization

Skills & Career Group (SNC)

- Revenue at INR 358 Mn; down 41% YoY
- EBITDA at INR (100) Mn
- Stackroute B2C & NIIT Digital Launched

Overall NIIT

- Revenue at INR 2,112 Mn; down 4% YoY; Go forward business down @ 2% YoY
- EBITDA at INR 31 Mn

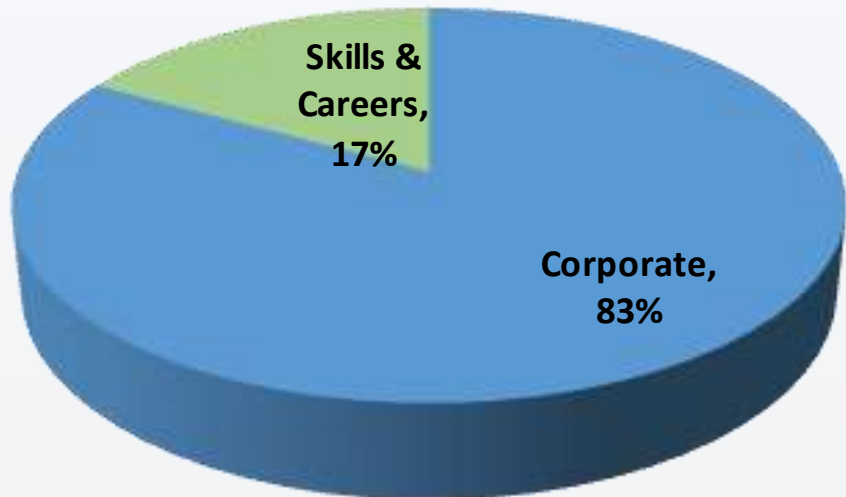
Key Financials

INR Mn	Q4 FY20	Q4 FY19	YoY	Q3 FY20	QoQ	FY'20	FY'19	YoY
Net Revenue	2,112	2,192	-4%	2,439	-13%	8,892	8,653	3%
Operating expenses	2,081	2,003	4%	2,152	-3%	8,040	7,716	4%
EBITDA	31	189	-84%	287	-89%	852	938	-9%
EBITDA%	1%	9%	-713 bps	12%	-1028 bps	10%	11%	-126 bps
Depreciation	182	79	130%	169	7%	598	329	82%
Net Other Income/ (Expense)	112	(74)	186 mn	259	-147 mn	13,879	(290)	14169 mn
Tax	(112)	70	-260%	48	-333%	556	271	105%
Profit/ (loss) from discontinued Operations & Assets held for Sale	(66)	20	-440%	(59)	-13%	(305)	(122)	-151%
Associate Profit & Non Controlling Interests	-	246	0%	2	0%	3	939	-100%
PAT	6	232	-97%	271	-98%	13,275	864	1436%
EPS (INR)	0.0	1.4	-97%	2.2	-98%	82.9	5.2	1501%

- Schools business has been classified as 'Asset held for Sale'. *Net Profit/ (Loss) i.e. Revenue less Expense of discontinued operations and Assets held for Sale have been presented as separate line below operating results. Previous results have been restated in accordance with Ind AS 105*
- Business volume impacted by Covid-19 restrictions during Q4 FY20
- Increased depreciation during the year includes impact of INDAS 116 and amortisation of investments in project intangibles

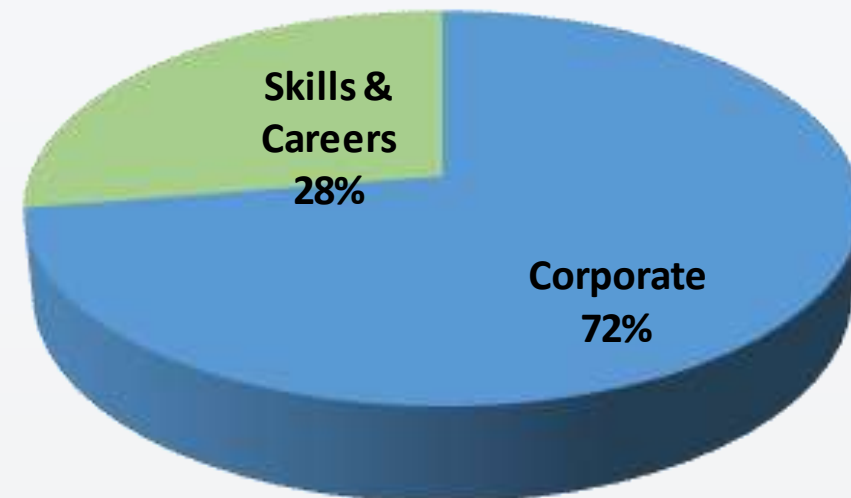
Revenue Mix

Q4 FY20

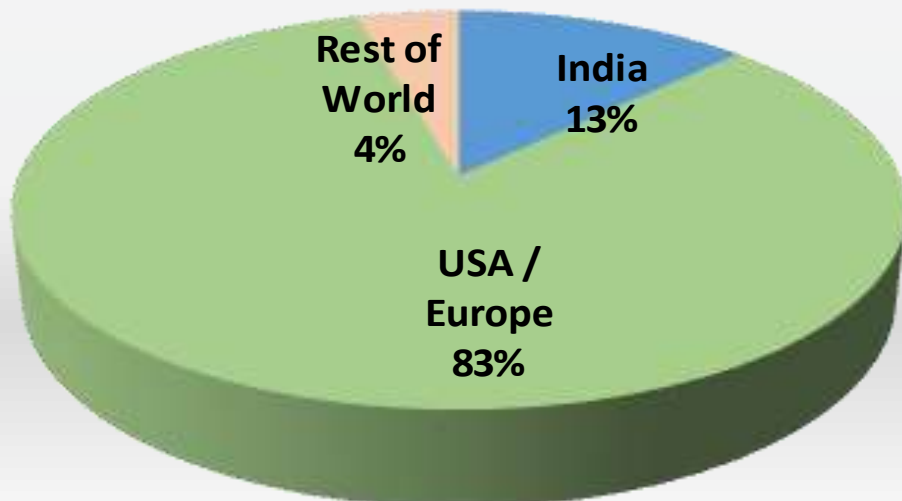


Business	Growth
Corporate	10%
Skills & Careers	-41%
NIIT	-4%

Q4 FY19

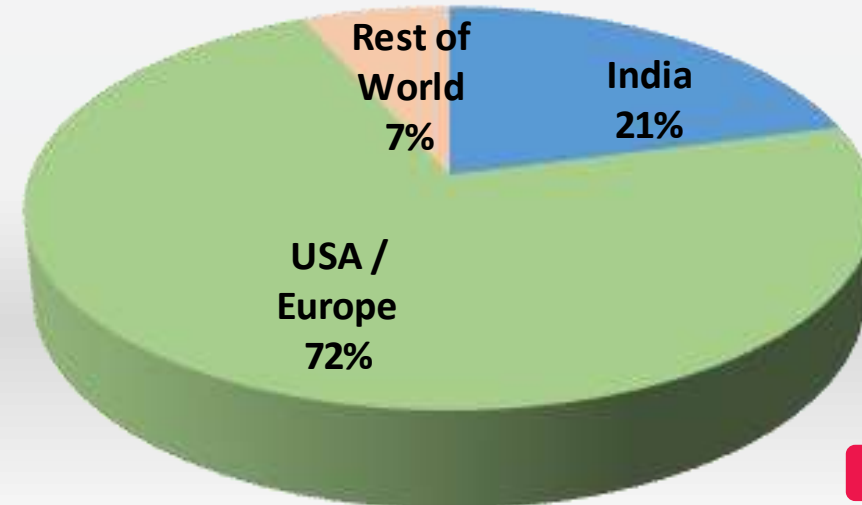


Q4 FY20



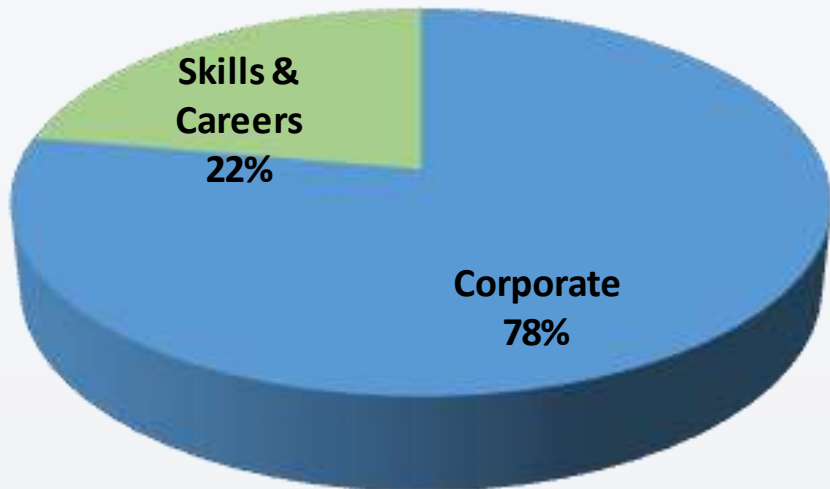
Geo	Growth
India	-42%
USA / Europe	10%
Rest of World	-36%
NIIT	-4%

Q4 FY19



Revenue Mix

FY20

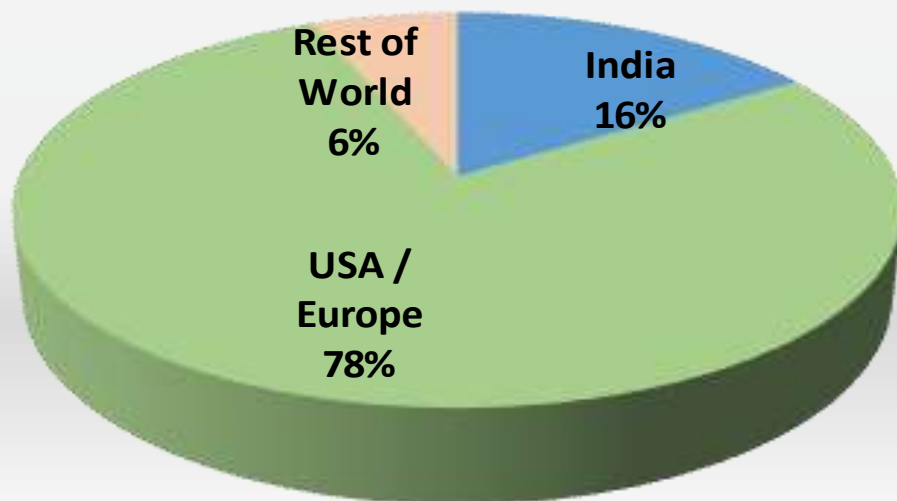


Business	Growth
Corporate	9%
Skills & Careers	-15%
NIIT	3%

FY19

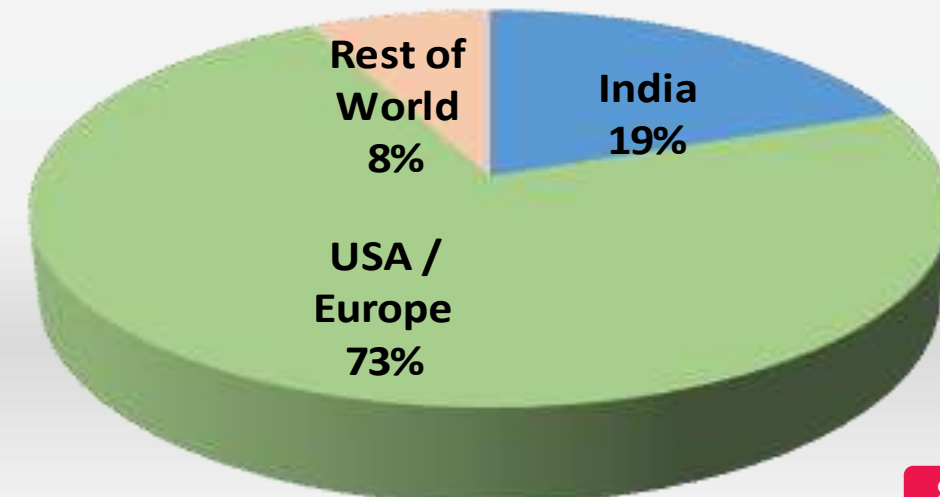


FY20



Geo	Growth
India	-15%
USA / Europe	9%
Rest of World	-14%
NIIT	3%

FY19



Corporate Learning Group

INR Mn	Q4 FY20	Q4 FY19	YoY	Q3 FY20	QoQ	FY'20	FY'19	YoY
Net Revenue	1,754	1,588	10%	1,895	-7%	6,913	6,324	9%
EBITDA	143	215	-73 mn	294	-151 mn	931	906	3%
OM%	8%	14%	-543 bps	16%	-739 bps	13%	14%	-87 bps

Q4FY20

- Revenue at INR 1,754 Mn up 10% YoY
- Biz impacted due to deferral / cancellation of events in March due to Covid; partial recovery due to conversion to digital learning
- Added 5 MTS customers during Q4 FY20
- Launched a series of new offerings:
 - Digital Assessment services
 - Virtual Selling Skills
 - Rapid Portfolio Digitalization

FY20

- Revenue at INR 6,913 Mn up 9% YoY
- Added 14 MTS customers; Highest ever addition of new logos in a year. Customer tally reaches 54
- Revenue Visibility at \$ 263 Mn; up 8% YoY



Skills & Careers Group

INR Mn	Q4 FY20	Q4 FY19	YoY	Q3 FY20	QoQ	FY'20	FY'19	YoY
Net Revenue	358	604	-41%	544	-34%	1,979	2,329	-15%
EBITDA	-100	8	-108 mn	6	-105 mn	-35	89	-139%
OM%	-28%	1%	-2,921 bps	1%	-2888 bps	-2%	4%	-555 bps

Q4FY20

- Revenue at INR 358 Mn down 41% YoY
- Biz impacted due to Covid19 restrictions on education centers (China impacted from Jan, India & RoW impacted from March)
- Transition to NIIT Digital helped to counter some of the impact

FY20

- Revenue at INR 1,979 Mn down 15% YoY
- Focussed initiatives Stackroute & TPaaS together grow at 17% YoY; contribute 40% to SNC's revenue



Maximising our capabilities and developing new ones to meet the needs of tomorrow is not difficult. It is easier than ever before – 'Stay Ahead with StackRoute Webinars' presents Udai Singh and Ramanujam Thirumalai on a live webcast.

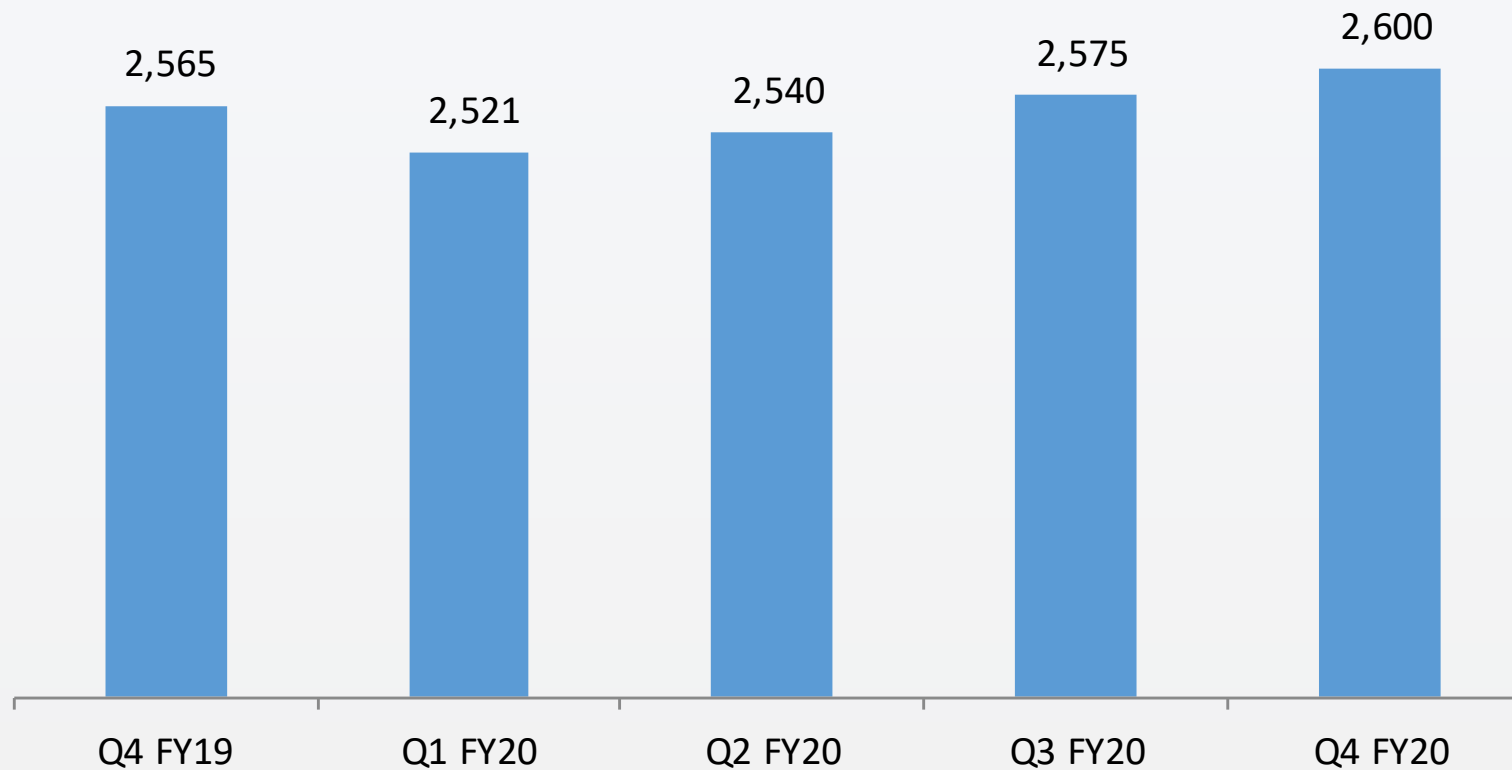
Balance Sheet

As on Mar '19	INR Mn	As on Dec '19	As on Mar '20
335	Equity	283	283
7,996	Reserves and Surplus	16,243	14,925
8,331	Shareholders' Funds	16,526	15,208
103	Non Controlling Interests	30	27
2,044	Loan Funds	655	660
915	Deferred Tax Liability	6	3
11,394	Total Sources of Funds	17,217	15,897
2,812	Net Fixed Assets (incl. CWIP)	3,027	2,973
	Right of use - Assets	806	800
	Lease Liabilities	(831)	(824)
246	Deferred Tax Asset	188	295
1,654	Accounts Receivables	1,670	1,378
1,240	Cash and Cash Equivalent	13,583	12,088
2,206	Other Current Assets	2,364	2,369
5,100	Current Assets	17,618	15,835
(3,501)	Current Liabilities	(3,591)	(3,254)
6,737	Net Assets classified as held for sale	-	72
11,394	Total Application of Funds	17,217	15,897
18.5%	Operational ROCE %	14.7%	6.8%

- Strong balance sheet and liquidity position. Cash and Equivalents of Rs 12,088 million (Rs 85.4 per share). Net Cash of Rs 11,447 million
- Interim Dividend of Rs 8 per share paid in Q4. Final Dividend of Rs 2 Per share recommended by the Board.
- Increase in net fixed assets on account of capitalization for RECO project
- Overall DSO at 57 days against 66 days in Q3 FY20 and 67 days in Q4 FY19.
- Operational ROCE @ 6.8 % down vs Q3 FY20 on account of lower EBIT

* Re-grouped for like to like analysis

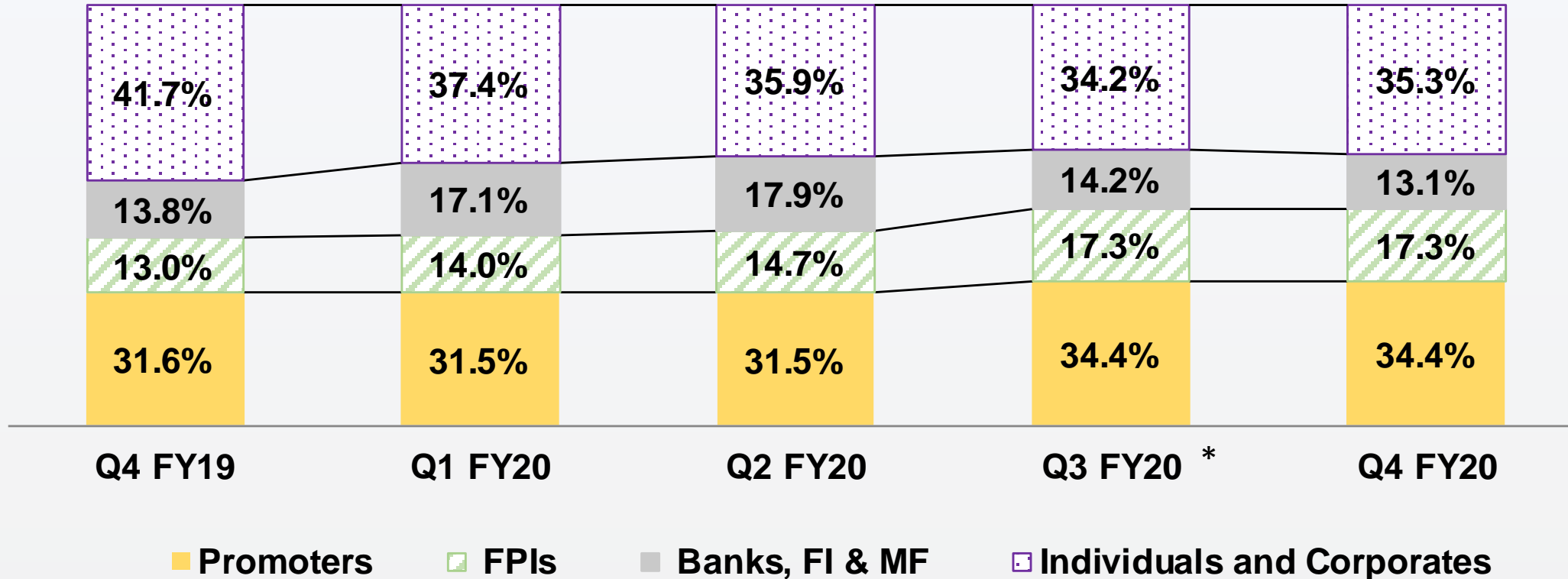
People



Headcount up 25 QoQ and up 35 YoY

* *excludes project retainers*

Share Holding Pattern



*Completed buyback of 26.8 million shares during Q3 FY20. Total No. of shares outstanding as of Mar 31 at 141.5 Mn

Thank you



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