



FINANCIAL RESULTS

Q2 FY'19
October 25, 2018

Environment

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- Global GDP growth outlook remains robust at 3.7 percent for both 2018 and 2019. However this is 0.2 percentage points lower than previous forecasts reflecting negative effects of trade measures, rising interest rates, geopolitical tensions and rising crude prices
- Focus on reforms including improvements in education and health systems, high-quality investment, and labour market could yield sustained long term dividends (World Bank)
- Corporate L&D spending in advanced economies continues to be robust. Lowest unemployment rates in US coupled with shift to digital is leading to a huge war for talent and investments in workforce development. Learning Outsourcing starting to take steam
- India GDP growth is expected to accelerate to 7.3% in FY19 versus 6.7% in 2017(IMF) as it recovers from transitory shocks of currency exchange initiative and GST implementation. However, rising crude prices, depreciating currency and tightening liquidity create near term uncertainty
- Hiring by IT sector seeing pick up led by digital technologies. Graduates with new age skills demanding significant premium in wages
- Banks remain cautious on hiring. Increased demand for Sales and Customer relationship roles across BFSI sectors
- Decision making in schools remains slow due to regulatory uncertainty

NIIT Growth Platforms

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- 40 global MTS customers
- Revenue visibility at \$ 226 million

**CORPORATE
Managed
Training
Services**



**SCHOOLS
nGuru**



- 51 School contracts
- Go forward Focussed IP led private school business contributed 83%
- Practice Plus platform : 4.1 lac users

**SKILLS AND
CAREERS
Digital
Transformation**



- 1350+ enrolments for New Career programs
- Stackroute delivery for 9 IT services majors
- 8 TPaaS mandates for 9880 professionals

LIQUIDITY

Net Debt:
INR 599
Mn

Improved
by INR
453 Mn

PROFITABILITY

EBITDA: INR
219 Mn

Up 23%
YoY

CAPITAL
EFFICIENCY

ROCE:
13.6%

Up YoY:
593 bps

Q2 FY19: In Perspective

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Overall NIIT

- Revenue at INR 2,285 Mn; up 10% YoY; Revenue from Go forward Business up 11% YoY
- EBITDA at INR 219 Mn (OM of 10%) up 23% YoY; EBITDA margin up 105 bps YoY
- PAT at INR 259 Mn (@ 11%) up 104% YoY; Margin up 526 bps YoY
- DSO of 74 days (71 days in Constant currency basis) Vs 77 days last year

Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,616 Mn up 28% YoY; Constant currency Revenue grows at 18%
- EBITDA margin at 15%
- Added 1 new customer and 3 contract expansions and 1 contract renewal; 40 MTS customers at end Q2
- Revenue Visibility at \$ 226 Mn (up 16% YoY)
- Selected as the partner of choice for one comprehensive RFP; currently under contracting

Skills & Careers Group (SNC): Rebuild phase

- Revenue at INR 617 Mn
- EBITDA at INR 10 Mn compared to INR 3 Mn in Q2 FY18

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

- We have now completed all government projects and are left with transition activities (handover and collection)
- Revenue at INR 51 Mn

Key Financials

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INR Mn	Q2 FY19	Q2 FY18	YoY	Q1 FY19	QoQ
Net Revenue	2,285	2,084	10%	2,143	7%
Operating expenses	2,066	1,906	8%	1,953	6%
EBITDA	219	178	23%	190	15%
EBITDA%	10%	9%	105 bps	9%	73 bps
Depreciation	84	104	-19%	93	-10%
Net Other Income	-53	-55	Rs 2 mn	-59	Rs 5 mn
Operational PBT	82	18	Rs 63 mn	38	Rs 44 mn
Operational Tax	29	14	100%	19	52%
Operational PAT	53	4	1246%	19	177%
Associate Profit & Non Controlling Interests	261	155	68%	201	30%
Tax on Associate Profit	54	32	69%	41	32%
PAT	259	127	104%	179	45%
EPS (INR)	1.6	0.8	103%	1.1	45%

System Wide Revenue at INR 2,848 Mn in Q2 FY19

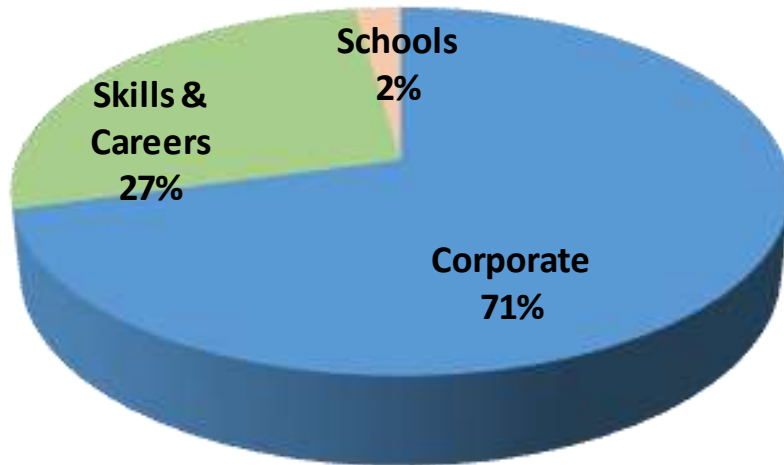
- Growth in Corporate Learning helps to offset planned ramp down of government schools business and transition in SNC business
- EBITDA margin @ 10% for Q2 FY19; up 105 bps YoY

Revenue Mix

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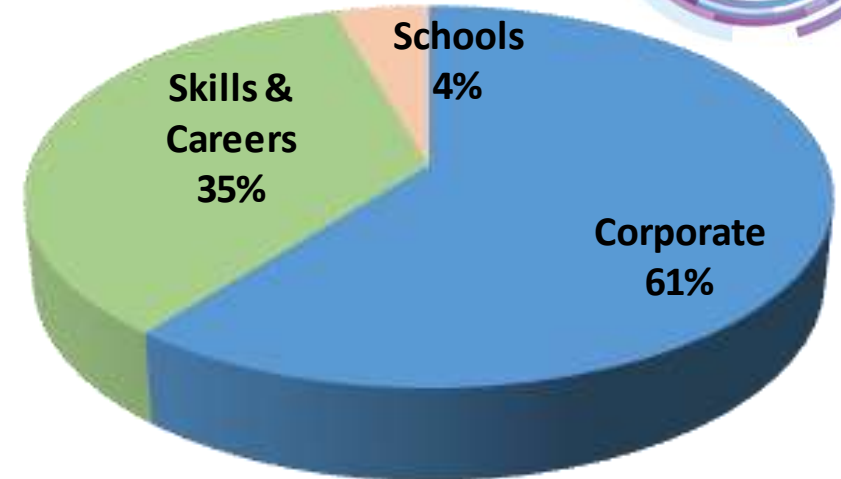


Q2 FY19

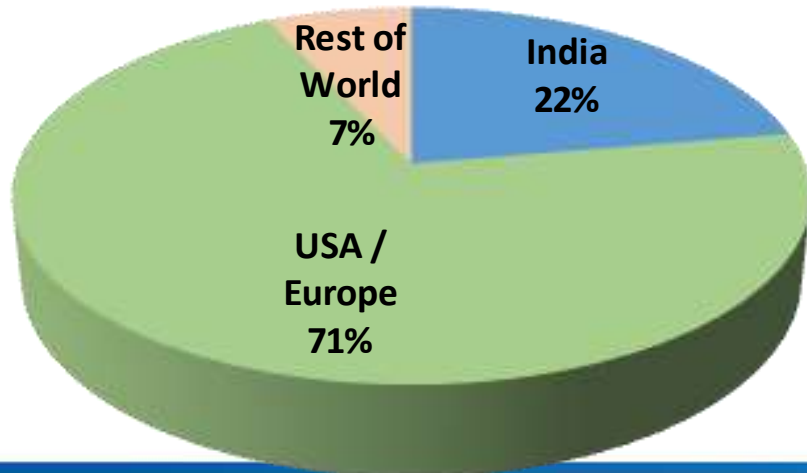


Business	Growth
Corporate	28%
Skills & Careers	-15%
Schools	-45%
NIIT	10%

Q2 FY18

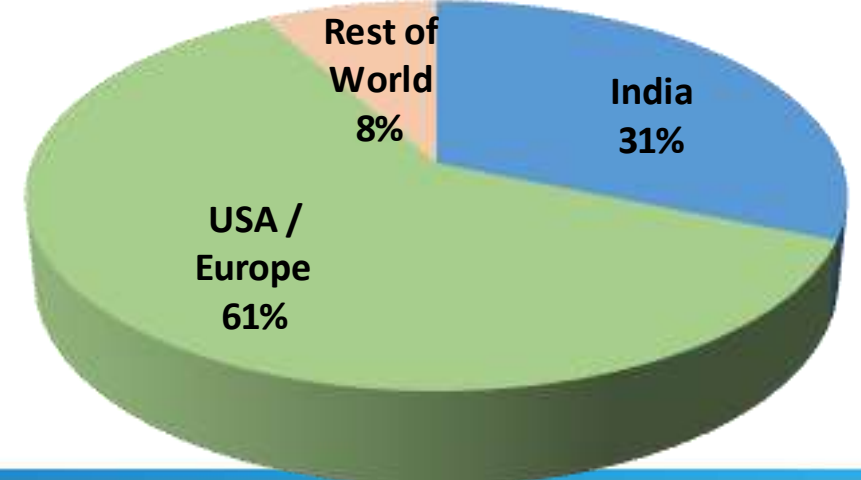


Q2 FY19



Geo	Growth
India	-22%
USA / Europe	28%
Rest of World	-7%
NIIT	10%

Q2 FY18



Corporate Learning Group

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INR Mn	Q2 FY19	Q2 FY18	YoY	Q1 FY19	QoQ
Net Revenues	1,616	1,263	28%	1,506	7%
EBITDA	238	196	21%	219	8%
EBITDA %	15%	16%	-81 bps	15%	15 bps

- Revenue at INR 1,616 Mn up 28% YoY
- Signed 1 new MTS customer, 3 contract expansions & 1 contract renewal
- Selected as the partner of choice for one comprehensive RFP; currently under contracting. 3rd comprehensive deal in last year and a half
- 40 MTS customers at end of Q2
- Revenue visibility of \$ 226 Mn, up 16% YoY



NIIT

Running Training like a Business.
Proven Approach. Transformative Results.

As business leaders deal with rising customer expectations, lower productivity, and severe cost pressures, there is increased pressure on training functions to reduce costs, increase value, become more relevant, and focus on the strategic elements of the business. NIIT's managed training services are built on the principles of running training like a business and help leading global companies demonstrably transform the effectiveness and efficiency of their training. Learn how running training like a business can work for you - www.niit.com/rtlab

2017 TOP 20 COMPANY (CONTENT DEVELOPMENT)
2017 TOP 20 COMPANY (TRAINING OUTSOURCING)
2016 TOP 20 COMPANY (SIMPLIFICATION)
2016 TOP 20 COMPANY (IT TRAINING)

CURRICULUM AND CONTENT | LEARNING DELIVERY | LEARNING ADMINISTRATION | STRATEGIC SOURCING | LEARNING TECHNOLOGY

www.niit.com

Skills & Careers Group

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**STACK
ROUTE**

INR Mn	Q2 FY19	Q2 FY18	YoY	Q1 FY19	QoQ
Net Revenues	617	727	-15%	548	13%
EBITDA	10	3	202%	-9	203%
EBITDA %	2%	0%	112 bps	-2%	327 bps

- Product mix change and cost rationalization offset impact of operating leverage and cost inflation
- StackRoute continues on strong growth momentum; New Career Products and TPaaS mandates contribute to improved Order Intake
- StackRoute now training Full Stack Developers for 9 IT majors
- India enrolments grow YoY and drive increase in OI YoY; Sustained pickup to drive revenue recovery
- TPaaS mandates from 8 organizations for 9,880 professionals



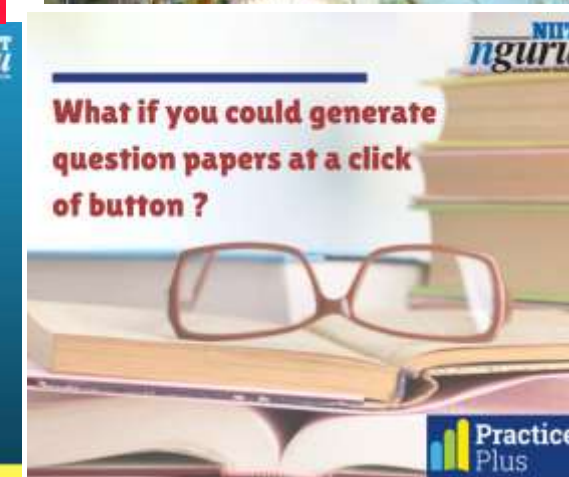
School Learning Group

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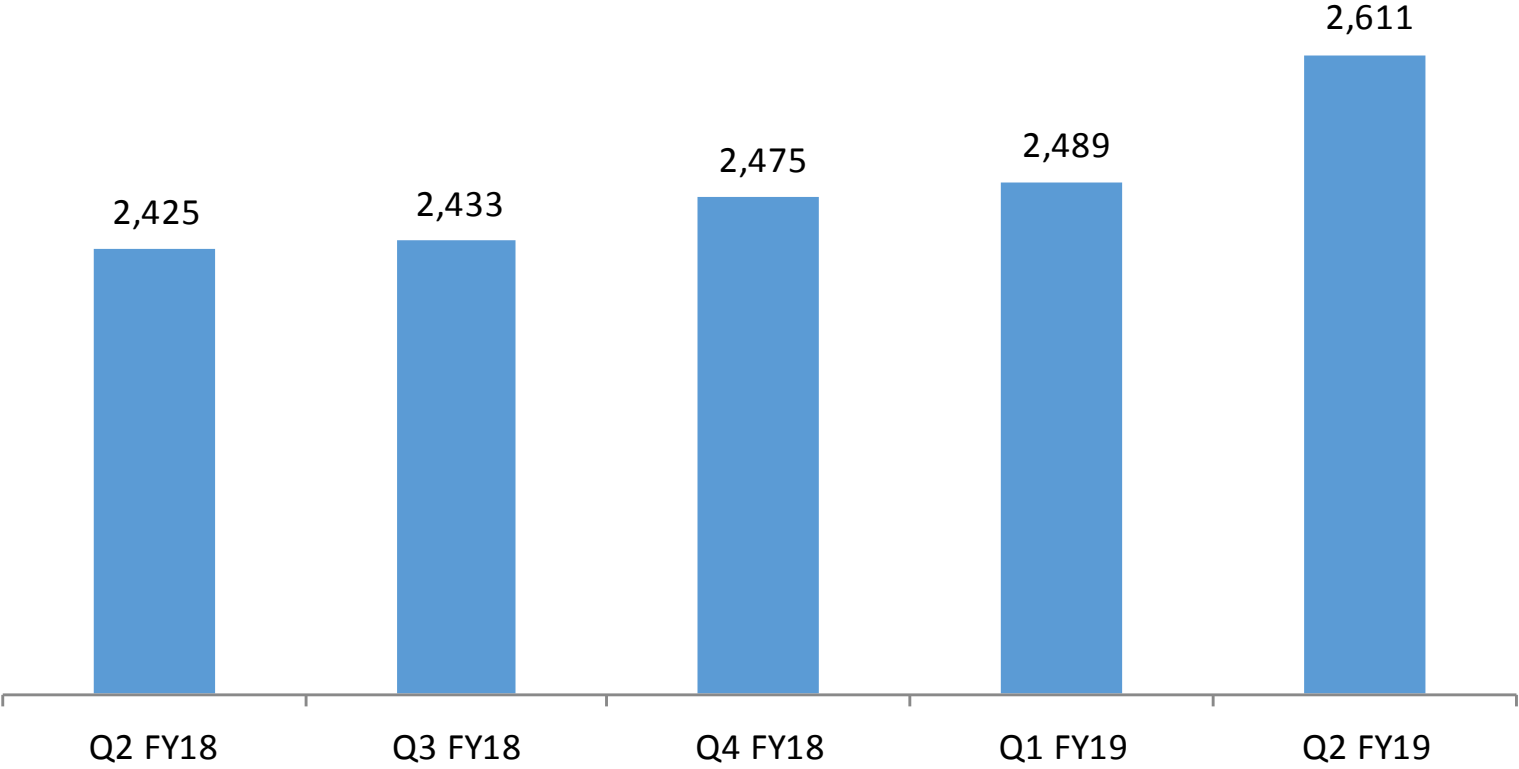
INR Mn	Q2 FY19	Q2 FY18	YoY	Q1 FY19	QoQ
Net Revenues	51	93	-45%	88	-42%
EBITDA	-28	-21	-32%	-20	-41%

- Completed execution on all government schools contracts during the quarter. Projects under transition (handover and collections)
- Overall revenue impacted due to planned ramp down of government school projects and slowdown of decision making by schools
- Released new curriculum products in Math, Science and English
- 4.1 lacs users on Practice plus platform (including students and parents)



People

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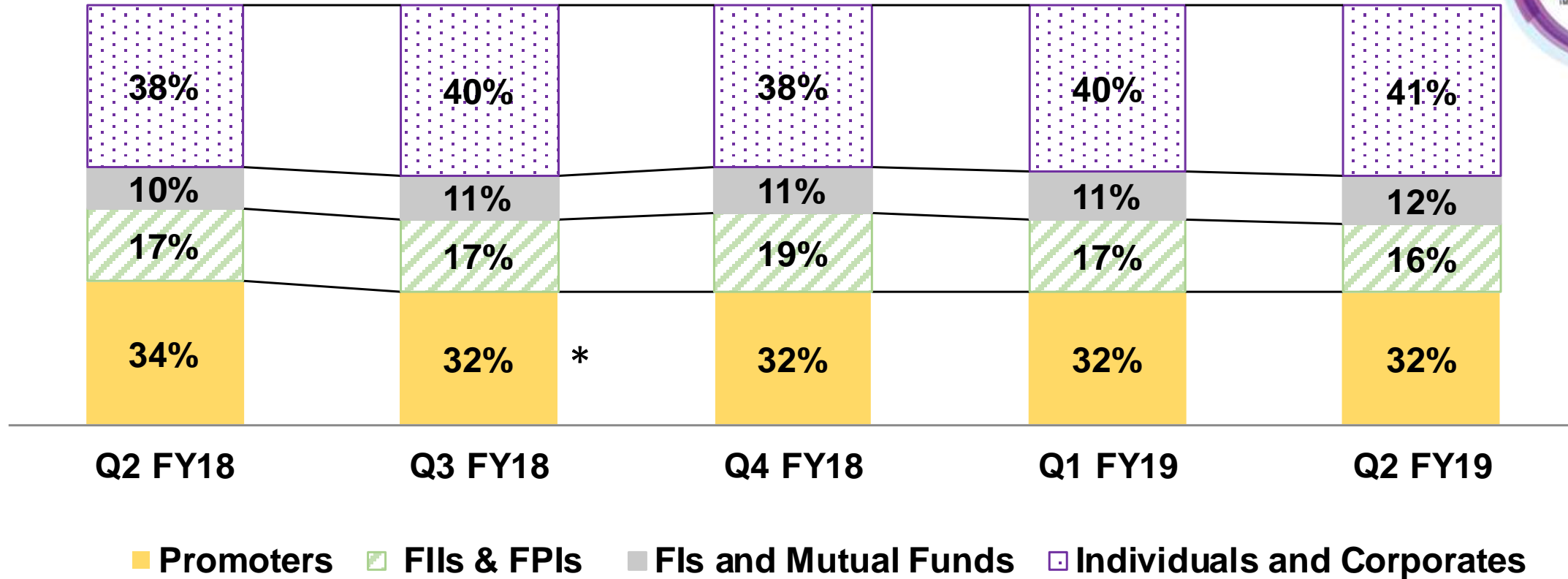


Headcount up 122 QoQ and up 186 YoY

* excludes project retainers

Share Holding Pattern

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* Change in promoter share holding only due to reclassification

Percentages may not add to 100% due to rounding



Thank you

