

# Investor Presentation

February 2019

# ■ Agenda

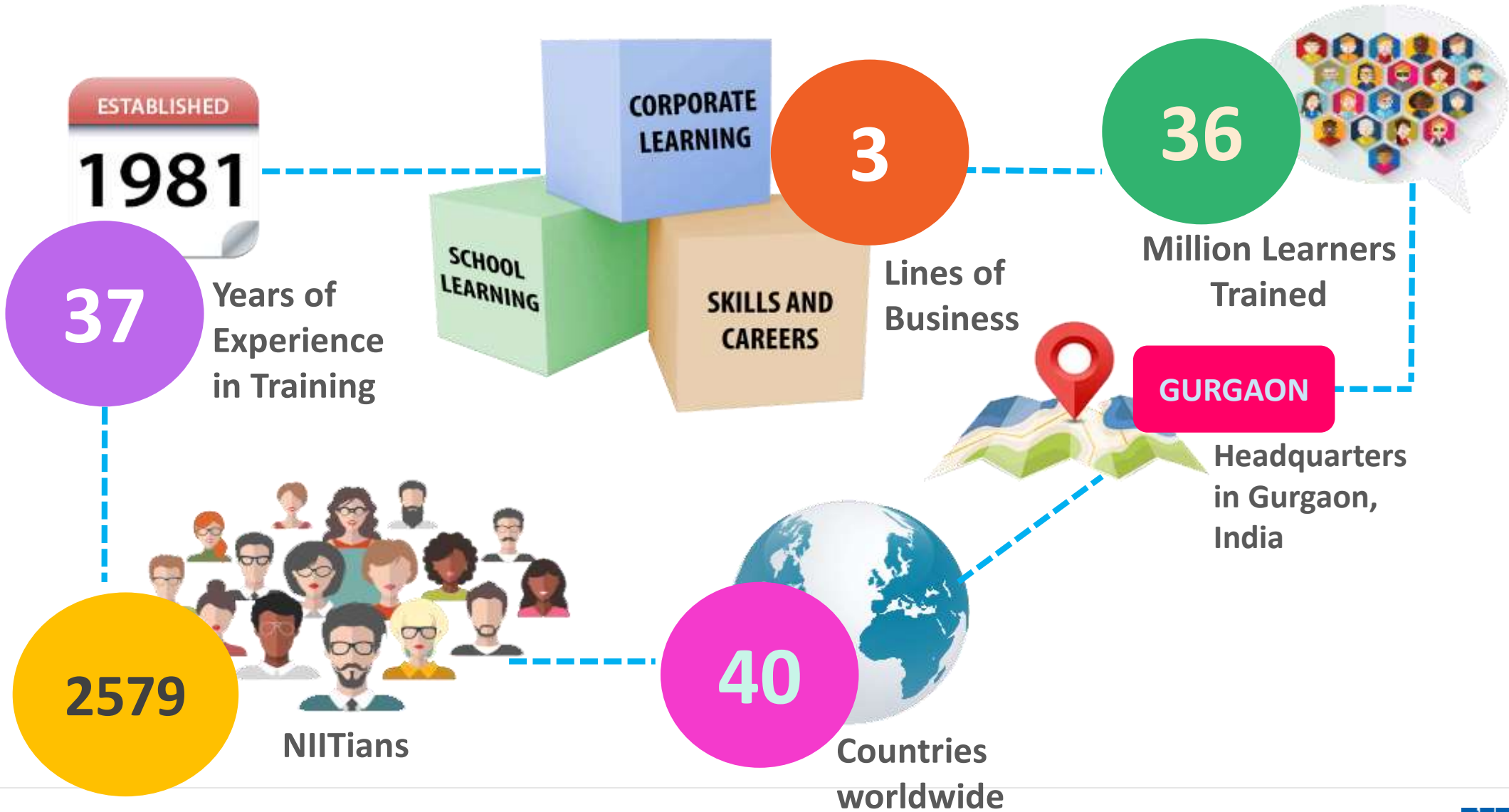
## NIIT: Company Overview

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

## Q3 FY19 Results Update

## Future Direction

# NIIT: AT A GLANCE



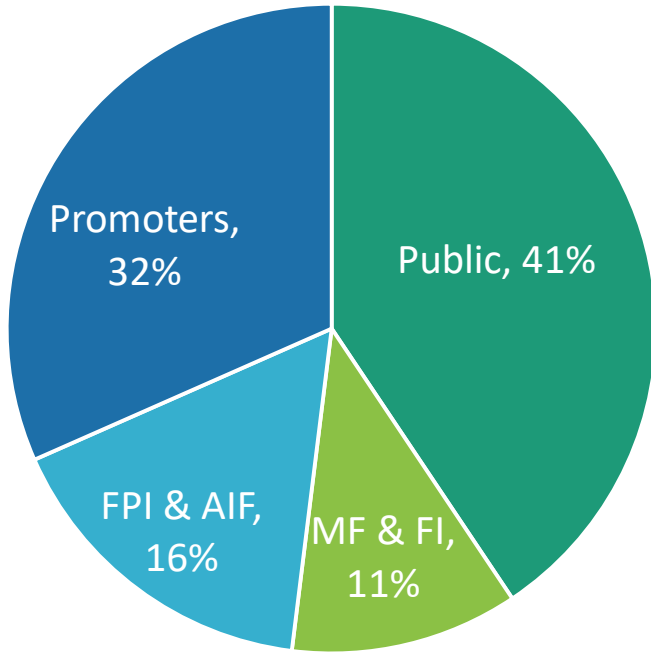
# ■ NIIT: BUSINESS STRUCTURE



Based on LTM Financials as of Dec 31, 2018

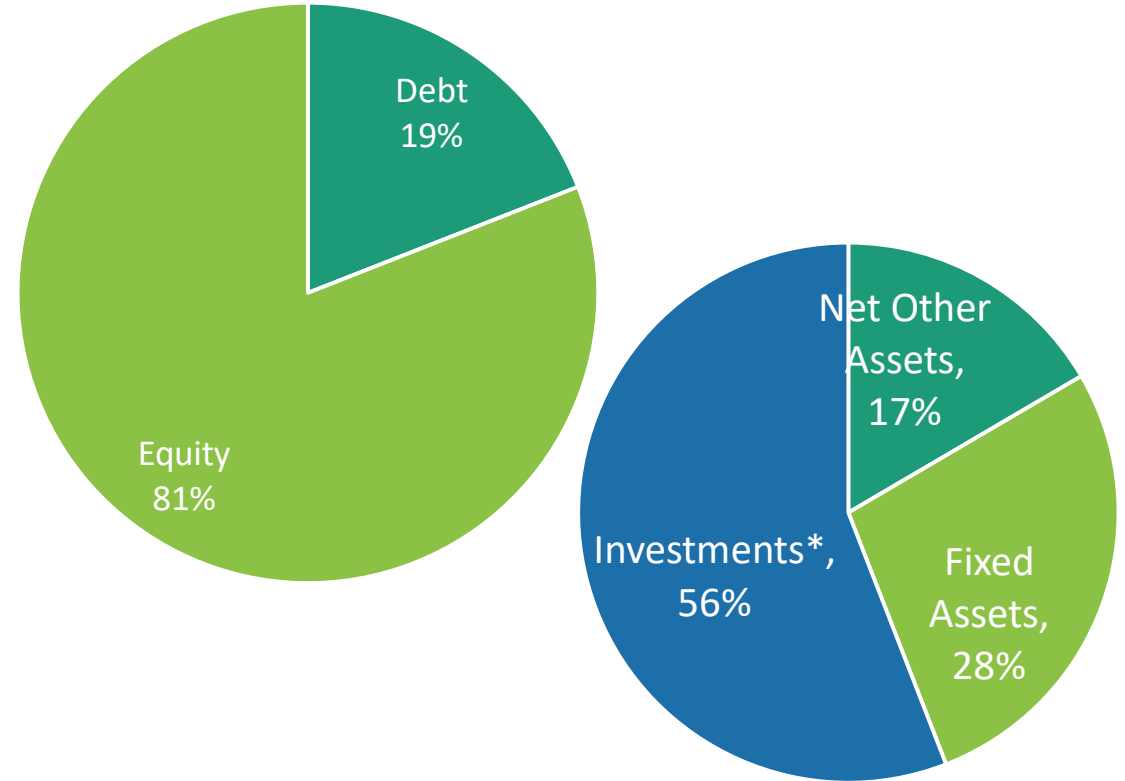
# ■ NIIT: CAPITAL STRUCTURE

## SHAREHOLDING



No of Shares: 167 million

## TOTAL CAPITAL EMPLOYED – RS. 10,011 MILLION



Capital Employed In Operations– Rs. 3,156 million\*\*

\*NIIT Limited owns 23.51% of NIIT Technologies Limited as of Dec 31, 2018

\*\* Net of Cash (Rs 1,260 million) and Investments

# ■ NIIT: OUR CREDENTIALIALS



20%

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



1/3

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



10M

Technology enabled over 10 M school children



25%

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



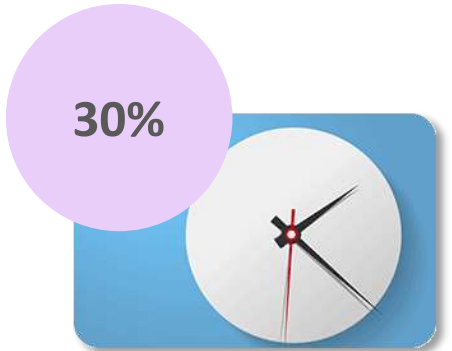
4 MN

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



400K

Trained over 400 K school teachers to leverage technology



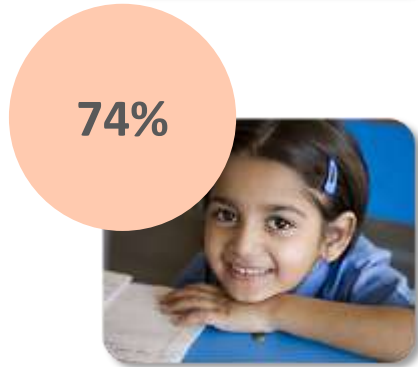
30%

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



298

B2C education centers



74%

74% students prefer learning mathematics with NIIT Math Lab

**Corporate Learning**

**Skills & Careers**

**School Learning**

# AWARDS AND RECOGNITION



58 BRANDON HALL AWARDS  
20 GOLD  
20 SILVER  
19 BRONZE



2008 - 2018  
TOP 20 COMPANIES  
IN TRAINING  
OUTSOURCING



TOP 20 COMPANIES  
IN GAMIFICATION,  
CONTENT  
DEVELOPMENT AND  
IT TRAINING



NIIT received  
Dataquest 'Top IT  
Training Company'  
Award for the 20<sup>th</sup>  
consecutive year



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



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



HIGHEST  
RATED  
TRAINING  
BRAND



6 CHIEF LEARNING  
OFFICER LEARNING IN  
PRACTICE AWARDS

The background of the slide is a black and white photograph of a modern multi-story office building with a glass facade. Many windows are lit from within, creating a grid of light and dark rectangles. A solid blue horizontal band is overlaid across the middle of the image, containing the text "Business Overview".

# Business Overview



# CLG: MANAGED TRAINING SERVICES



**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 CORPORATE LEARNING CUSTOMERS



## Running Training Like a Business

It's not about training.  
It's about results.

30%



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.

25%



Philips improved global delivery efficiency by 25% with NIIT's unified Learning Administration processes in the very first year of operation.

40%



NIIT's onboarding program for AON Hewitt has resulted in these graduates being job-ready from day one. This has not only reduced costs by 20% and training cycle time by 40%, but has also helped the current in-house training team of our customer save 95% of their time to focus on training needs other than onboarding.

20%



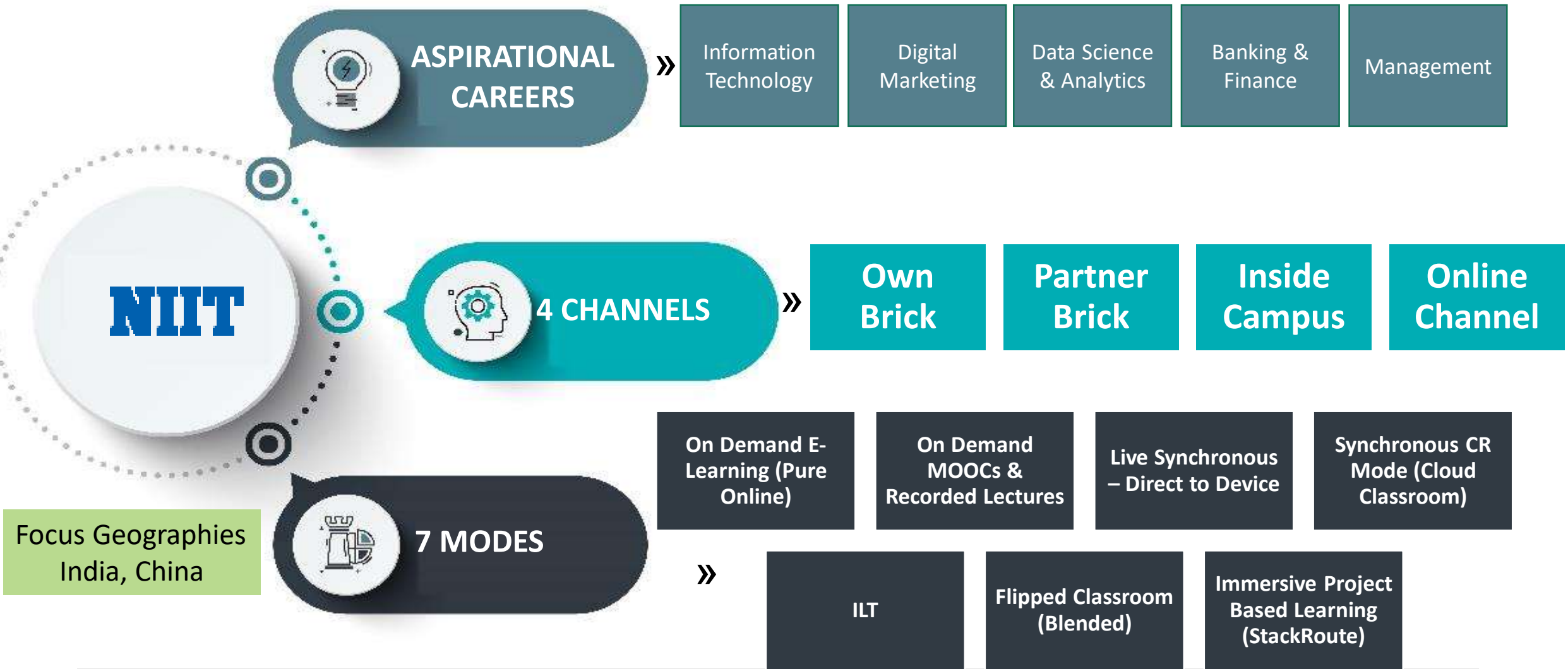
20% increase in average productivity and ticket size of business sold across 30 countries with 10% higher retention over 1 year for Sales Associates supported by the NIIT enabled Global Partner Learning Solutions program

40%



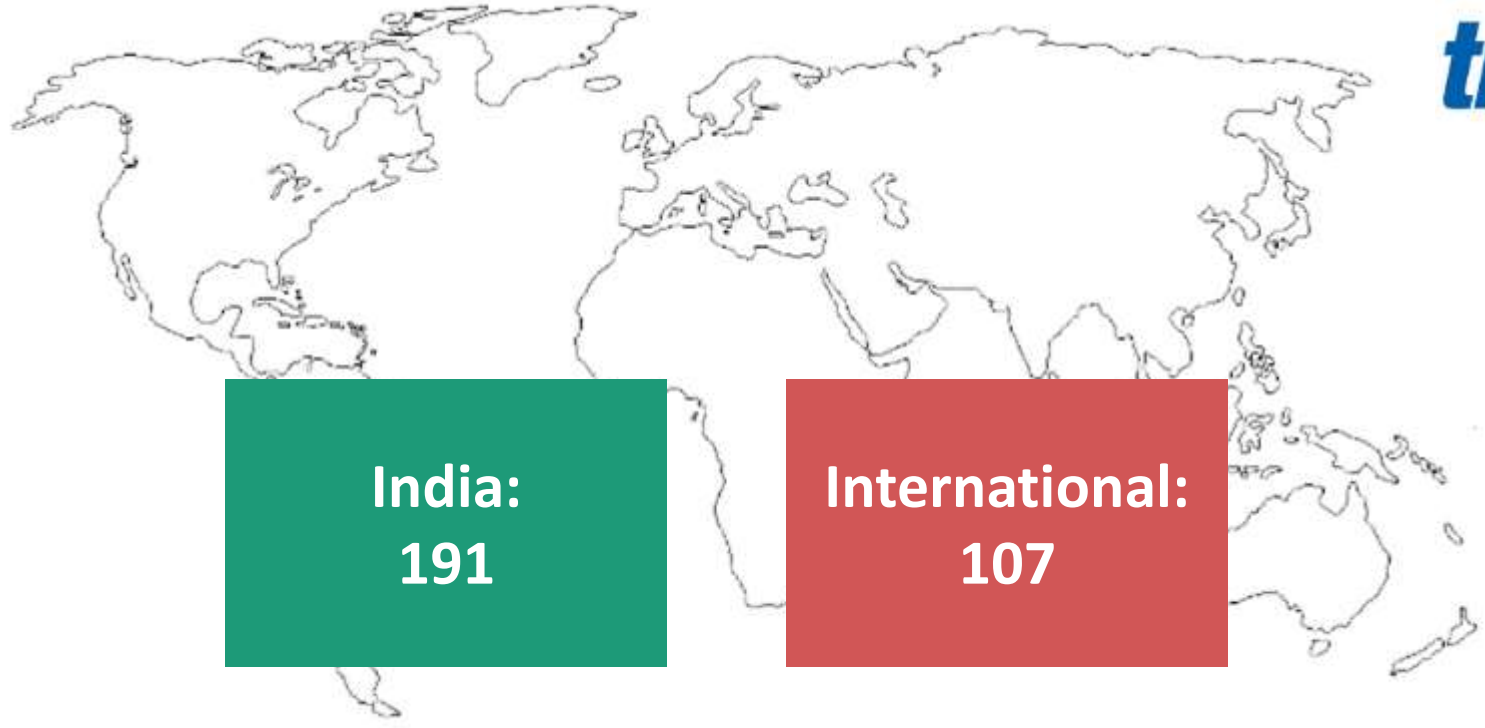
Agents trained by the NIIT Transformative Agency Model reported strong results within a quarter of training with a 0.95% increase in weekly average premiums and a 9.88% increase in weekly average quotes.

# SNC: IMPROVING EMPLOYABILITY IN ASPIRATIONAL CAREERS



Focus Geographies  
India, China

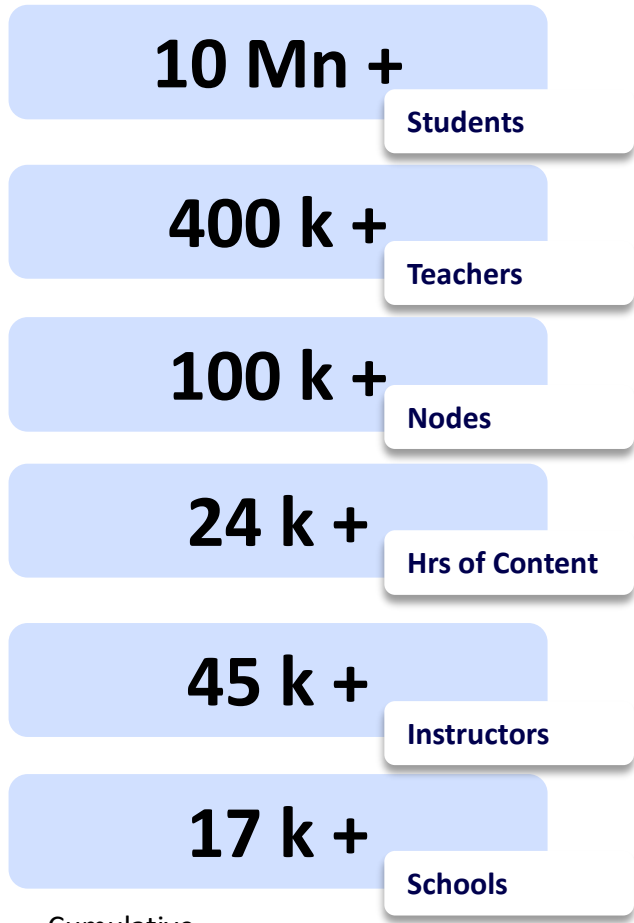
# Skills & Careers: OUR REACH



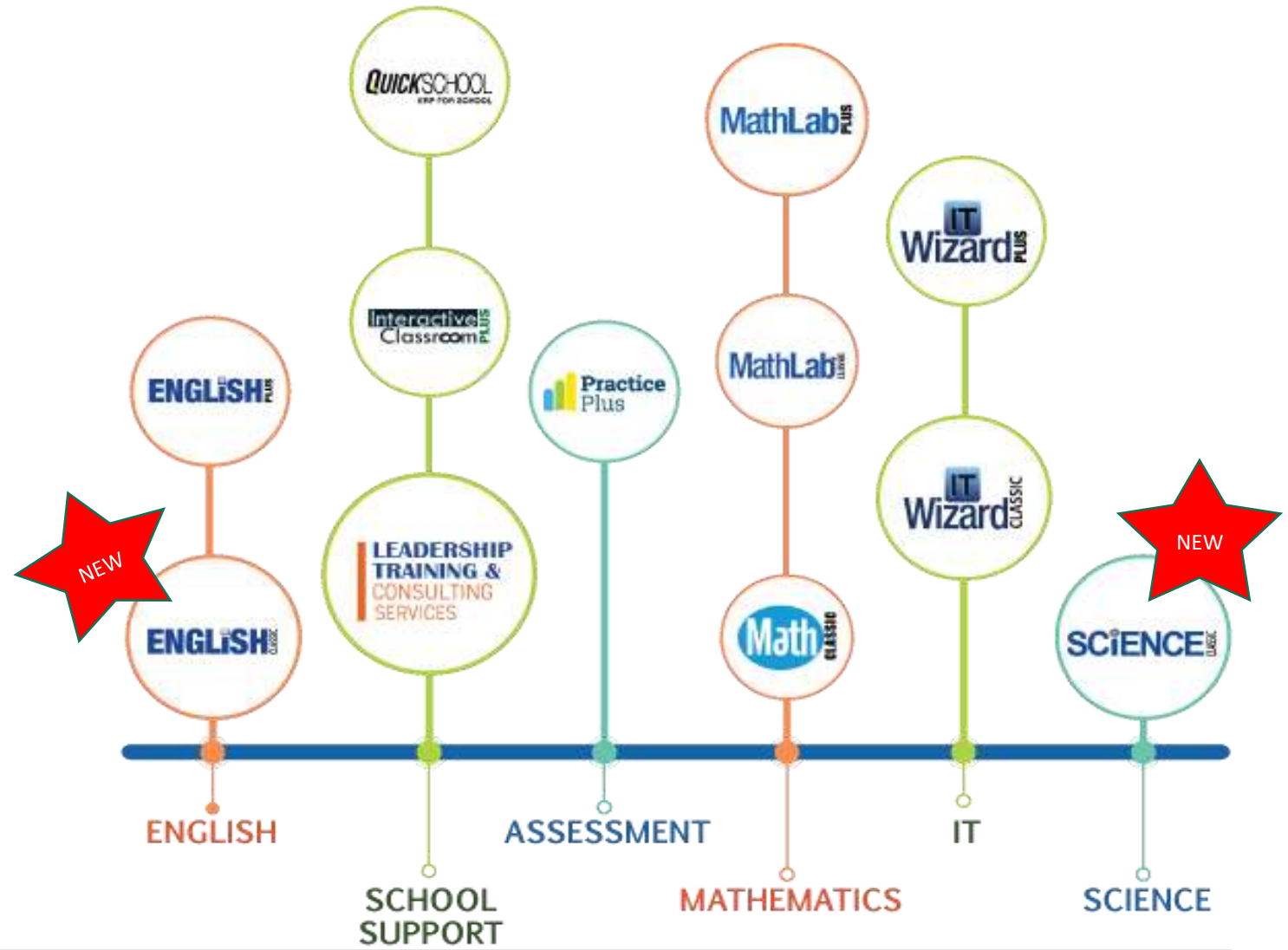
**India:  
191**

**International:  
107**

# SCHOOL LEARNING: PORTFOLIO AND CREDENTIALS

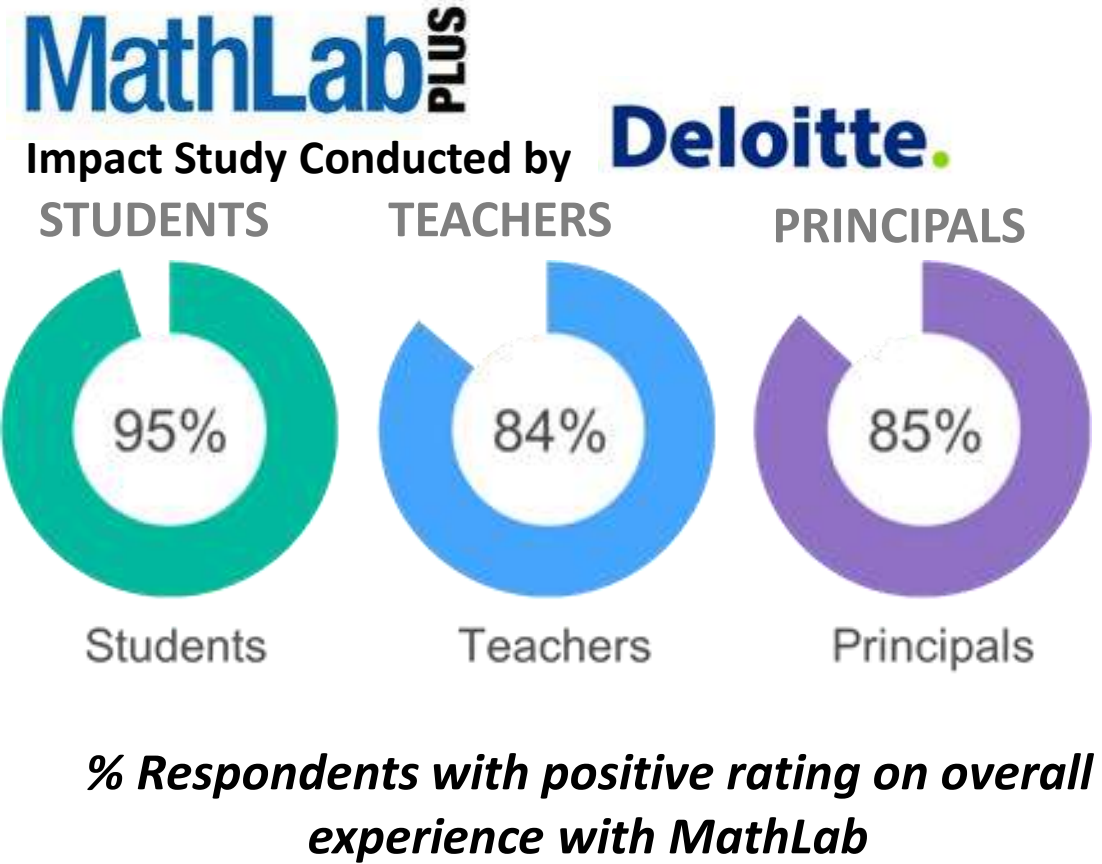
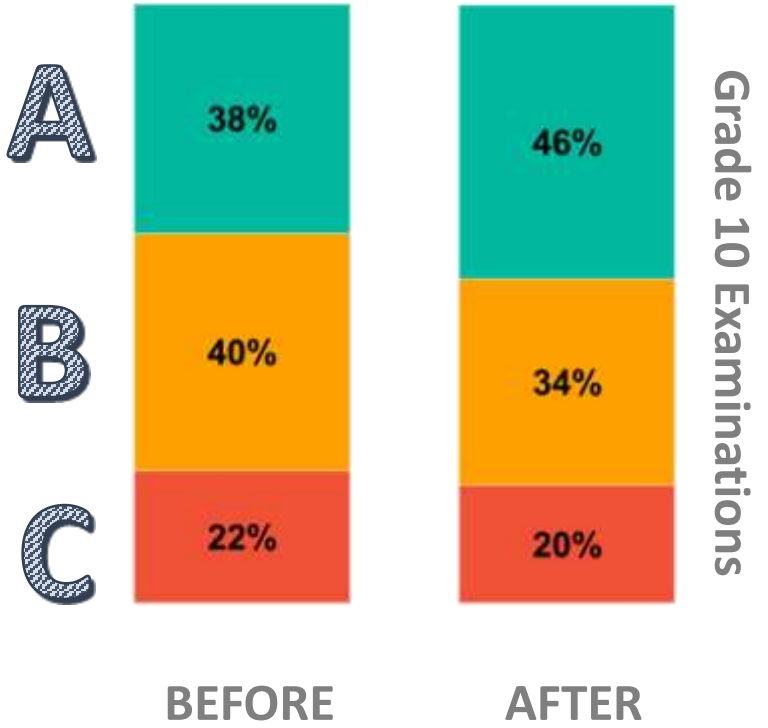


Cumulative



# SCHOOL LEARNING: CREATING MEASURABLE IMPACT

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



# Q3 FY19 RESULTS UPDATE



## ■ ENVIRONMENT

- “Storm Clouds Are Brewing for the Global Economy. Global economic growth is projected to soften from a downwardly revised 3 percent in 2018 to 2.9 percent in 2019. Downside risks have become more acute. Financial market pressures and trade tensions could escalate”– World Bank
- 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.
- India GDP is expected to achieve 3 year high growth of 7.2% in FY19 (CSO). However this represents a slowdown in growth in second half of the financial year to 6.76% versus 7.75% achieved in the first half. Volatile crude prices & forex rates currency and tightening global and local liquidity create near term uncertainty
- Hiring by IT sector has seen a pick up led by digital technologies. Graduates with digital skills are able to command a material premium versus traditional IT skills.
- Banks and NBFCs remain cautious on hiring. Increased demand for Advisory, Sales and Customer relationship roles across BFSI sectors
- Procurement by schools skew towards Q4 due to regulatory uncertainty

## ■ NIIT: Q3 HIGHLIGHTS

CLG (71%)

SNC (28%)

SLG (1%)



### Corporate:

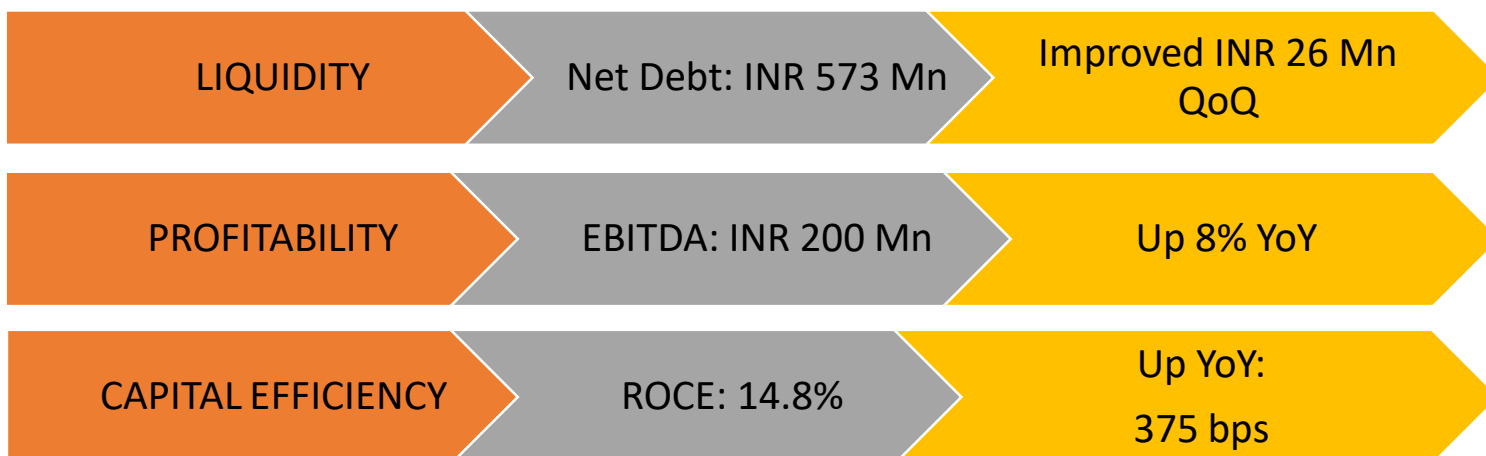
- 42 global MTS customers
- Revenue visibility at \$ 255 million

### Skills & Careers:

- 2000+ enrolments for New Career programs
- StackRoute delivery for 11 IT services majors

### Schools:

- 64 School contracts
- Practice Plus platform: 6.4 lac users
- Launched Marshall Cavendish Math program



## ■ Q3 FY19: IN PERSPECTIVE

### Overall NIIT

- Revenue at INR 2,278 Mn; up 9% YoY; Revenue from Go forward Business up 10% YoY
- EBITDA at INR 200 Mn (OM of 9%); PAT at INR 194 Mn
- Net debt at INR 573 Mn Vs INR 599 Mn in Q2 FY19; DSO of 77 days Vs 83 days in Q3 FY18
- Operational ROCE at 14.8% up 375 bps YoY

### Corporate Learning Group (CLG)

- Revenue at INR 1,614 Mn up 25% YoY; Constant currency Revenue grows at 14% YoY
- EBITDA margin at 15%
- Revenue Visibility at \$ 255 Mn (up 28% YoY)
- Added 2 new MTS customers and 1 contract expansions and 1 contract renewal; 42 MTS customers at end Q3

### Skills & Careers Group (SNC)

- Revenue at INR 634 Mn
- EBITDA at INR 16 Mn compared to INR 7 Mn in Q3 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)
- Q3 is a seasonally a weak quarter for Private Schools business. Revenue at INR 30 Mn in Q3

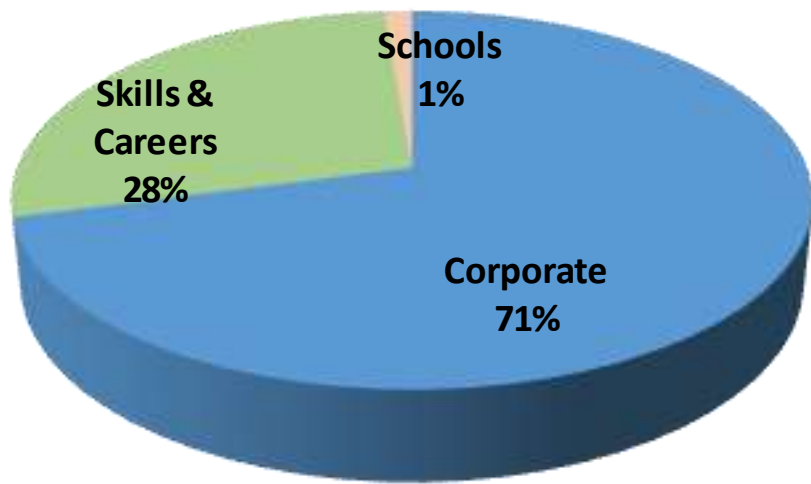
## ■ KEY FINANCIALS

INR Mn	Q3 FY19	Q3 FY18	YoY	9M FY19	YoY
<b>Net Revenue</b>	<b>2,278</b>	<b>2,094</b>	<b>9%</b>	<b>6,705</b>	<b>7%</b>
Operating expenses	2,078	1,910	9%	6,096	6%
<b>EBITDA</b>	<b>200</b>	<b>184</b>	<b>8%</b>	<b>609</b>	<b>16%</b>
EBITDA%	9%	9%	-2 bps	9%	72 bps
Depreciation	95	102	-7%	272	-12%
<b>EBIT</b>	<b>105</b>	<b>82</b>	<b>28%</b>	<b>336</b>	<b>56%</b>
<b>PAT</b>	<b>194</b>	<b>197</b>	<b>-1%</b>	<b>633</b>	<b>48%</b>
<b>EPS (INR)</b>	<b>1.2</b>	<b>1.2</b>	<b>-2%</b>	<b>3.8</b>	<b>47%</b>

- Improved growth trajectory driven by Corporate Learning helps despite planned ramp down of government Schools business and transition in Skills & Careers business
- Q3 FY19 financials include adverse forex impact of INR 52 mn primarily on account of re-statement of receivables in Net Other Income

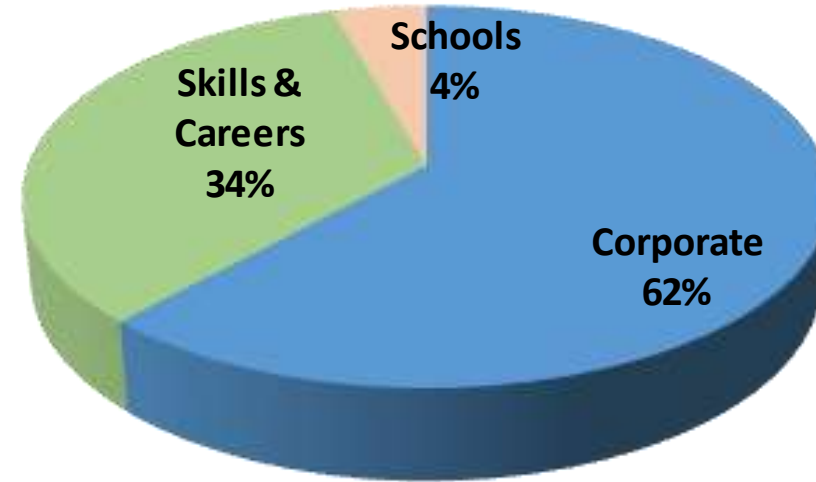
# BUSINESS MIX

## Q3 FY19

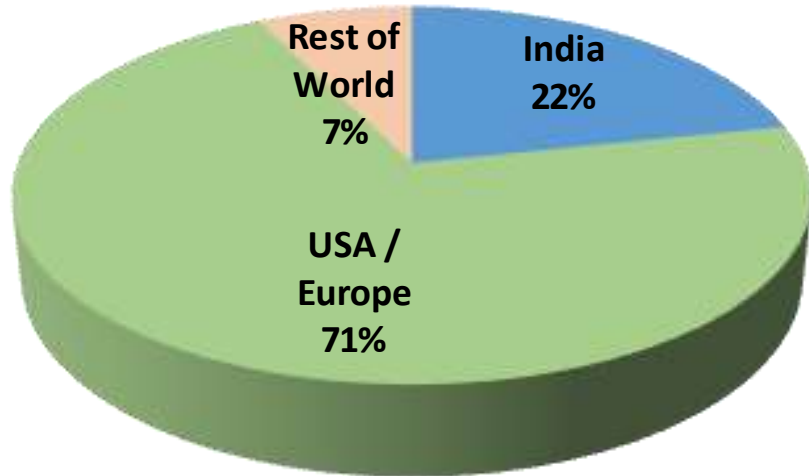


Business	Growth
Corporate	25%
Skills & Careers	-10%
Schools	-67%
NIIT	9%

## Q3 FY18

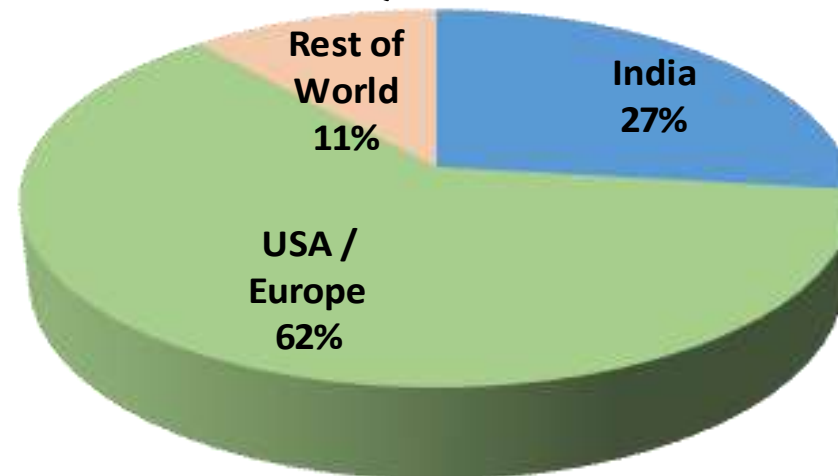


## Q3 FY19



Geo	Growth
India	-12%
USA / Europe	25%
Rest of World	-29%
NIIT	9%

## Q3 FY18



## CORPORATE LEARNING GROUP

INR Mn	Q3 FY19	Q3 FY18	YoY	9M FY19	YoY
Net Revenues	1,614	1,294	25%	4,736	27%
EBITDA	234	198	18%	691	22%
EBITDA %	15%	15%	-77 bps	15%	-56 bps

- Revenue at INR 1,614 Mn up 25% YoY. Up 14% in Constant Currency
- Focus on Life Sciences industry resulted in signing two multi-year MTS customers in the sector
- 4 new contracts including 2 new MTS customers, 1 contract expansions & 1 contract renewal
- 42 MTS customers at end of Q3
- Revenue visibility of \$ 255 Mn, up 28% YoY



## Skills & Careers GROUP

INR Mn	Q3 FY19	Q3 FY18	YoY	9M FY19	YoY
Net Revenues	634	708	-10%	1,799	-15%
EBITDA	16	7	124%	16	203%
EBITDA %	3%	1%	152 bps	1%	165 bps

**STACK  
ROUTE**

- Product mix change and cost rationalization offset impact of operating leverage and cost inflation
- StackRoute continues on strong growth momentum; 2 new customers signed up for StackRoute in Q3 including a large global Systems Integrator. Now training Full Stack Developers for 11 IT majors
- 2 new TPaaS mandates during Q3
- Awarded a large contract by a leading public sector bank for onboarding over 2500 of their employees
- Annual Customer Conference “Confluence” held successfully in Goa
- Own centers achieve marginal growth in both collection & revenue



## SCHOOL LEARNING GROUP

INR Mn	Q3 FY19	Q3 FY18	YoY	9M FY19	YoY
Net Revenues	30	92	-67%	170	-59%
EBITDA	-50	-21	-30 mn	-98	-74 mn

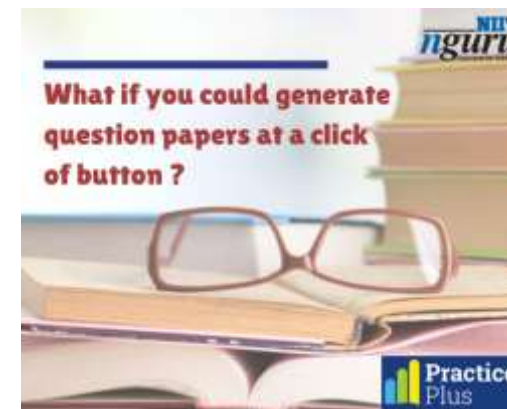
- Completed execution on all government schools contracts during the quarter. Projects under transition (handover and collections)
- Overall revenue impacted due to planned ramp down of government school projects and slowdown of decision making by private schools in a seasonally weak quarter
- Released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



Practice Plus **niit nguru**

Reaching Learners  
Accelerating Learning

**200K** Students Assessed



**What if you could generate question papers at a click of button?**

Practice Plus **niit nguru**



**SCIENTIVITY** **niit nguru**

SCIENCE THROUGH ACTIVITIES

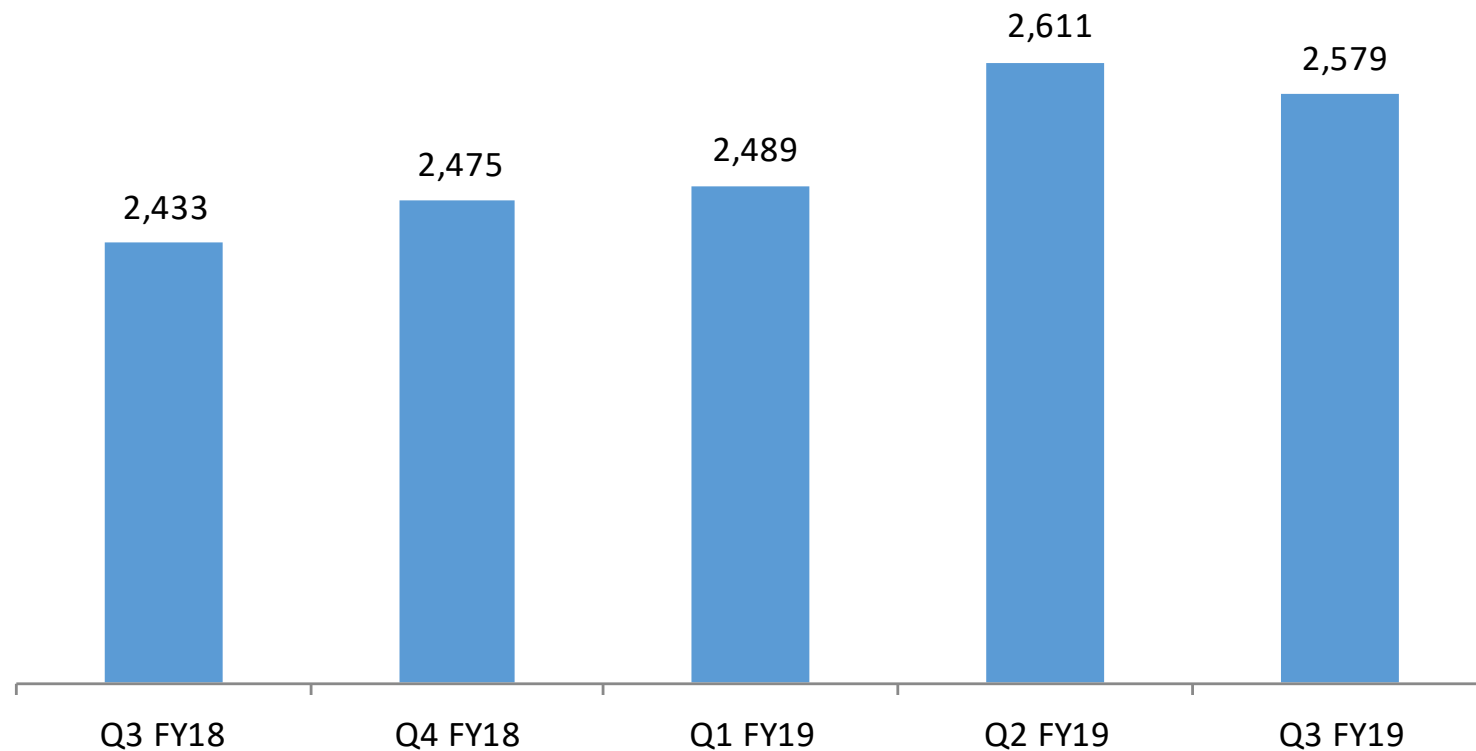


**MathLab** **niit nguru**

Math now has its own playground



# PEOPLE



- Headcount down 32 QoQ and up 146 YoY
- Includes Eagle headcount from Q4'FY18
- Excludes project retainers

# Future Direction

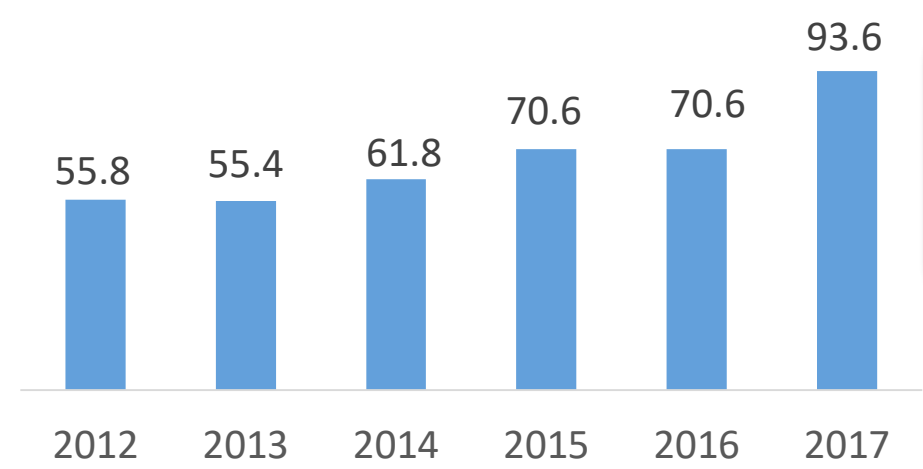
# Corporate Learning Group

Future Direction

# CLG: CORPORATE TRAINING SPENDING

Source: Statista.com Bersin By Deloitte, ATD

Spending On Training (US)



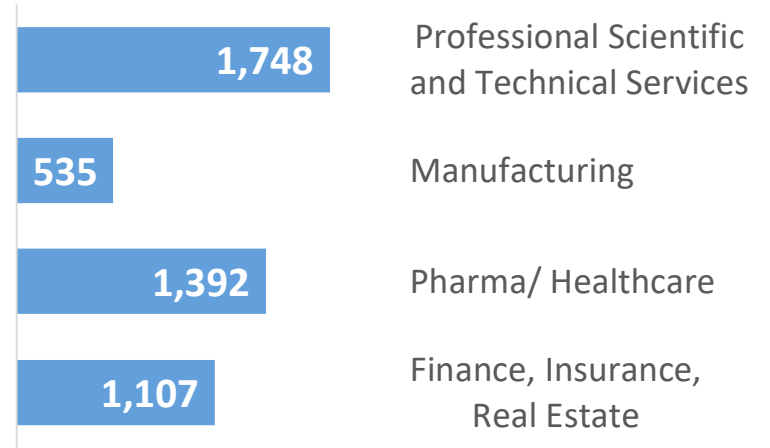
**Corporate Training Spend in USA: \$90+ Billion**  
**Global Training Spend: \$135Bn+**

Spending on Training Continues to Grow

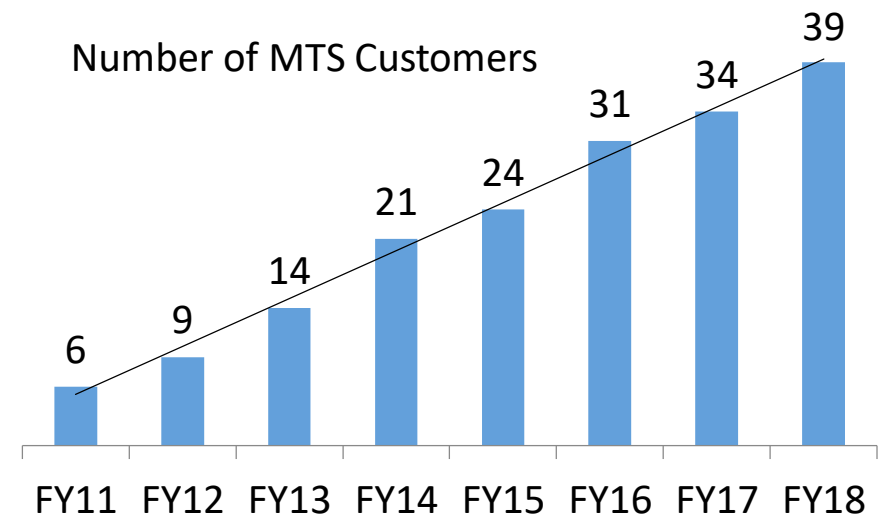
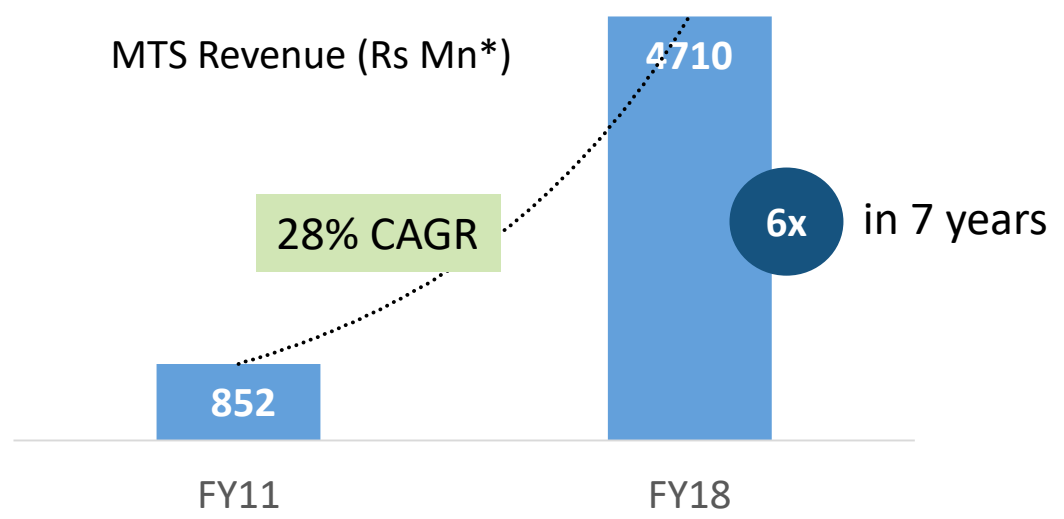
Increasing trend towards outsourcing

Focus on Technology/Telecom Energy, Lifesciences and BFSI Industries

Annual Spend/Employee (\$)



# CLG: MANAGED TRAINING SERVICES



Increasing contribution from MTS

Differentiated competitive positioning

Revenue Visibility at \$255 Mn from existing contracts

\*Normalized MTS revenue as per IND-AS

# ■ CLG: TAKING MTS TO NEXT LEVEL OF GROWTH



# CLG: LEVERAGING ANALYTICS FOR CREATING CUSTOMER VALUE

“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*

*NIIT Solution*



# Skills & Careers Group

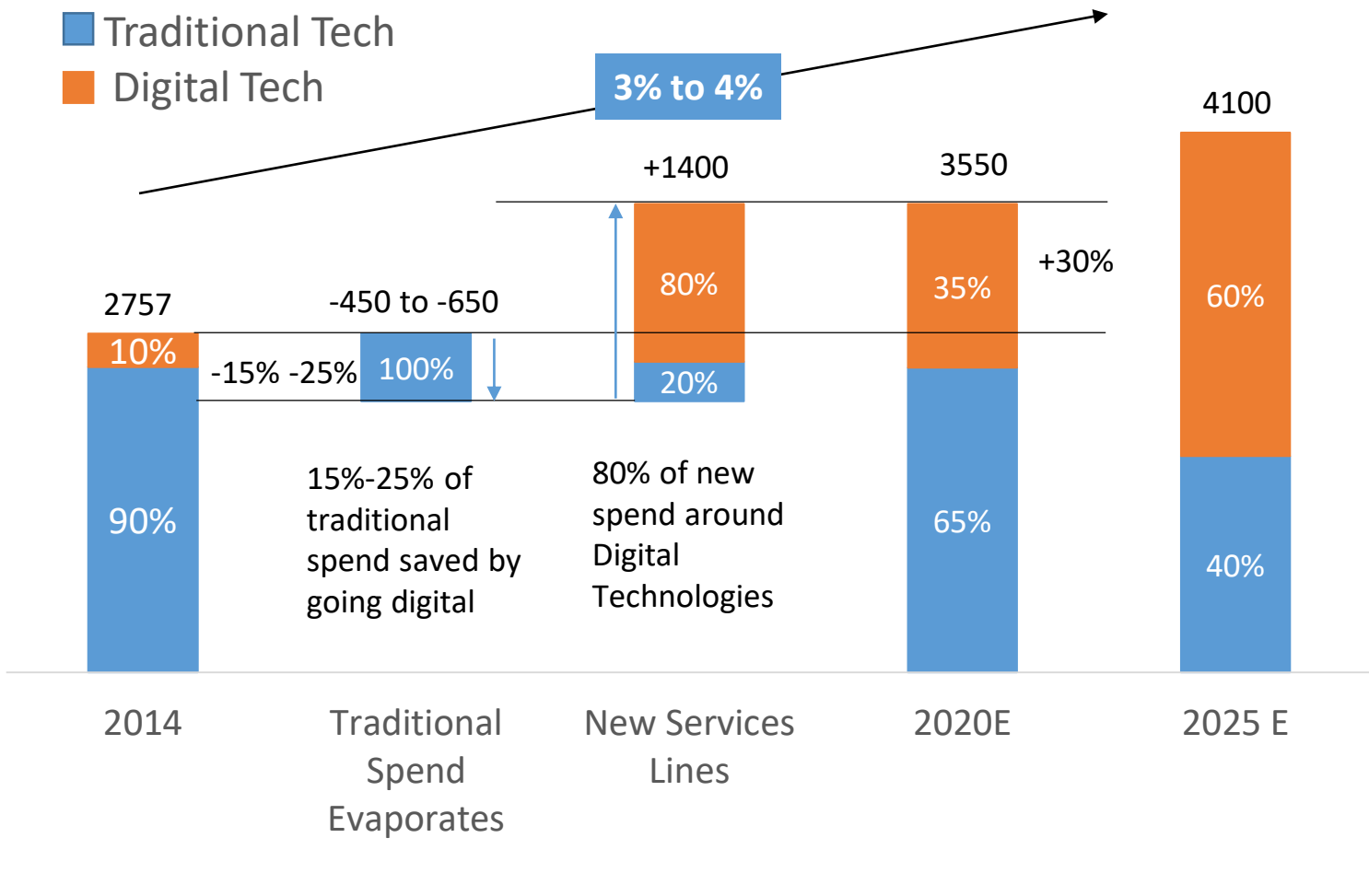
Future Direction



# DIGITAL TRANSFORMATION: IT SECTOR

Global Technology and Business Services Spend

Traditional Tech  
Digital Tech



**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

**Digital growing at 30% (1.5x faster than global digital growth rates) and now ~20% of Industry Exports**

# ■ SNC: DIGITAL OPPORTUNITY LANDSCAPE

Future is “Digital@Scale”

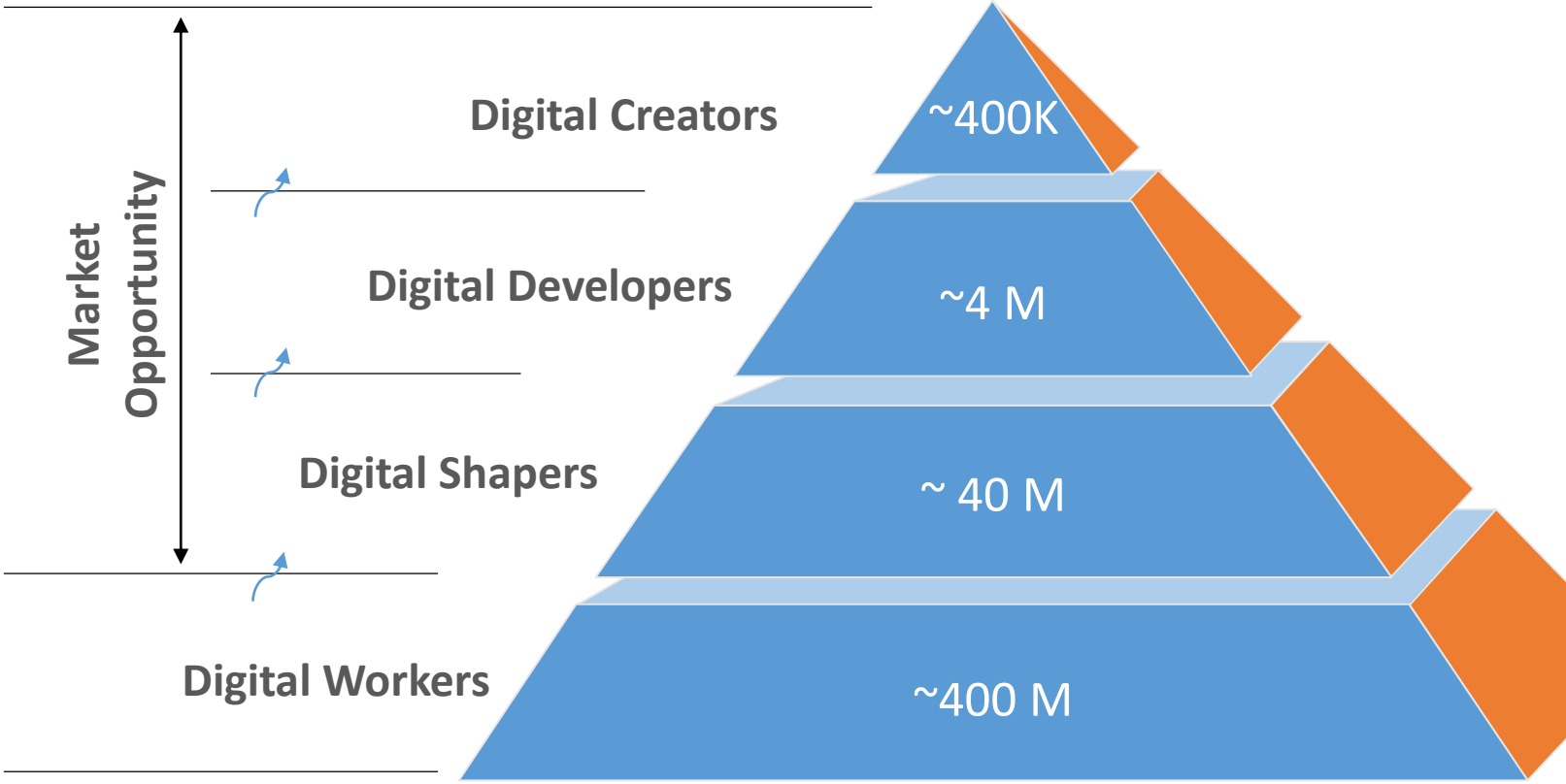
Digital becoming all pervasive, blurring IT industry sector boundaries

Digital projects more skill intensive than people intensive

People need continuous reskilling with consulting and design capabilities

Accelerating influx of new GICs; 1140+ nos.

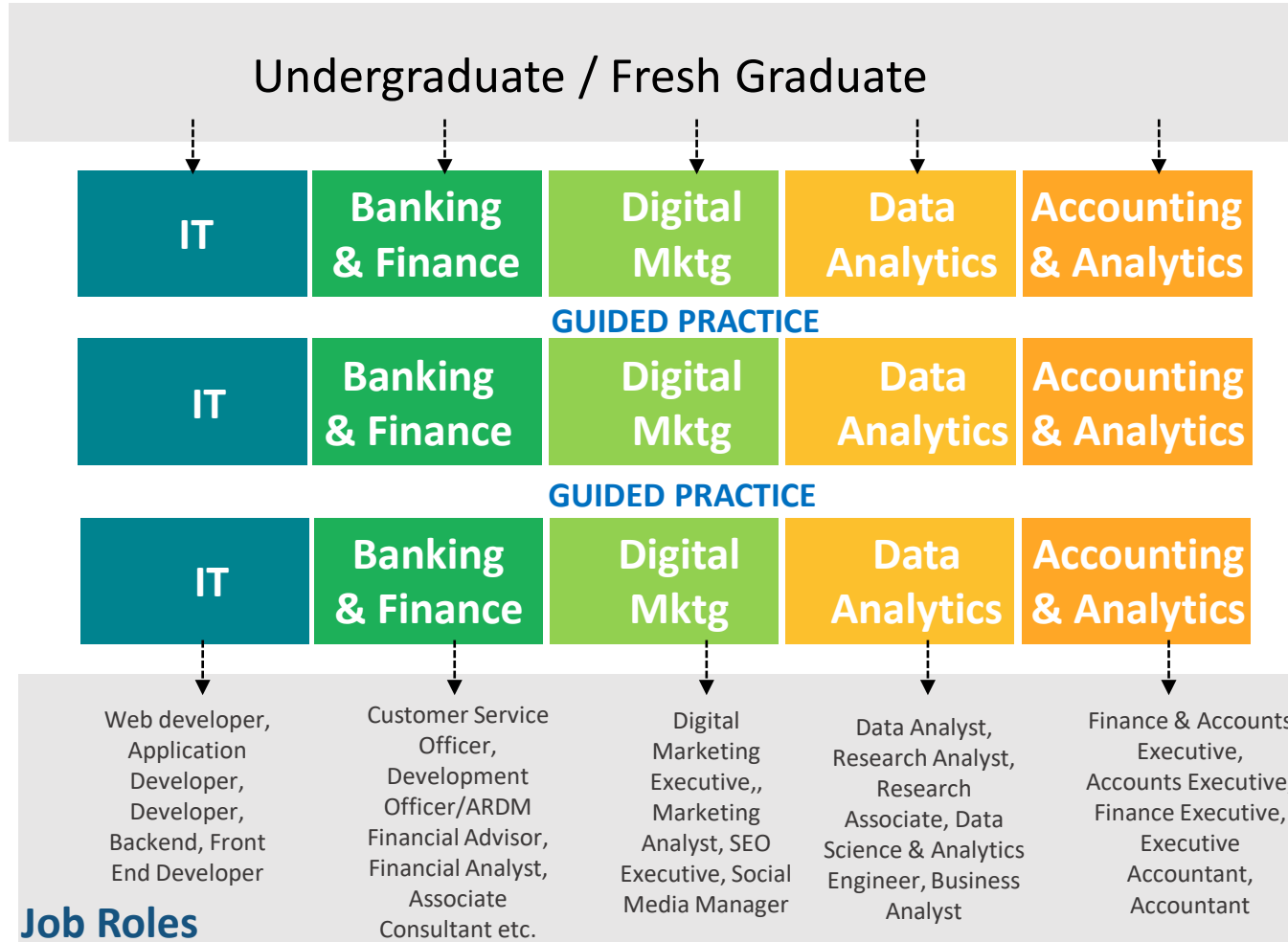
India emerging as key hub for Digital@scale



Source: NASSCOM

# SNC: NEW PROGRAM PORTFOLIO

## Expanded Portfolio of Career Programs



## + JIT Skills for Aspirational Careers

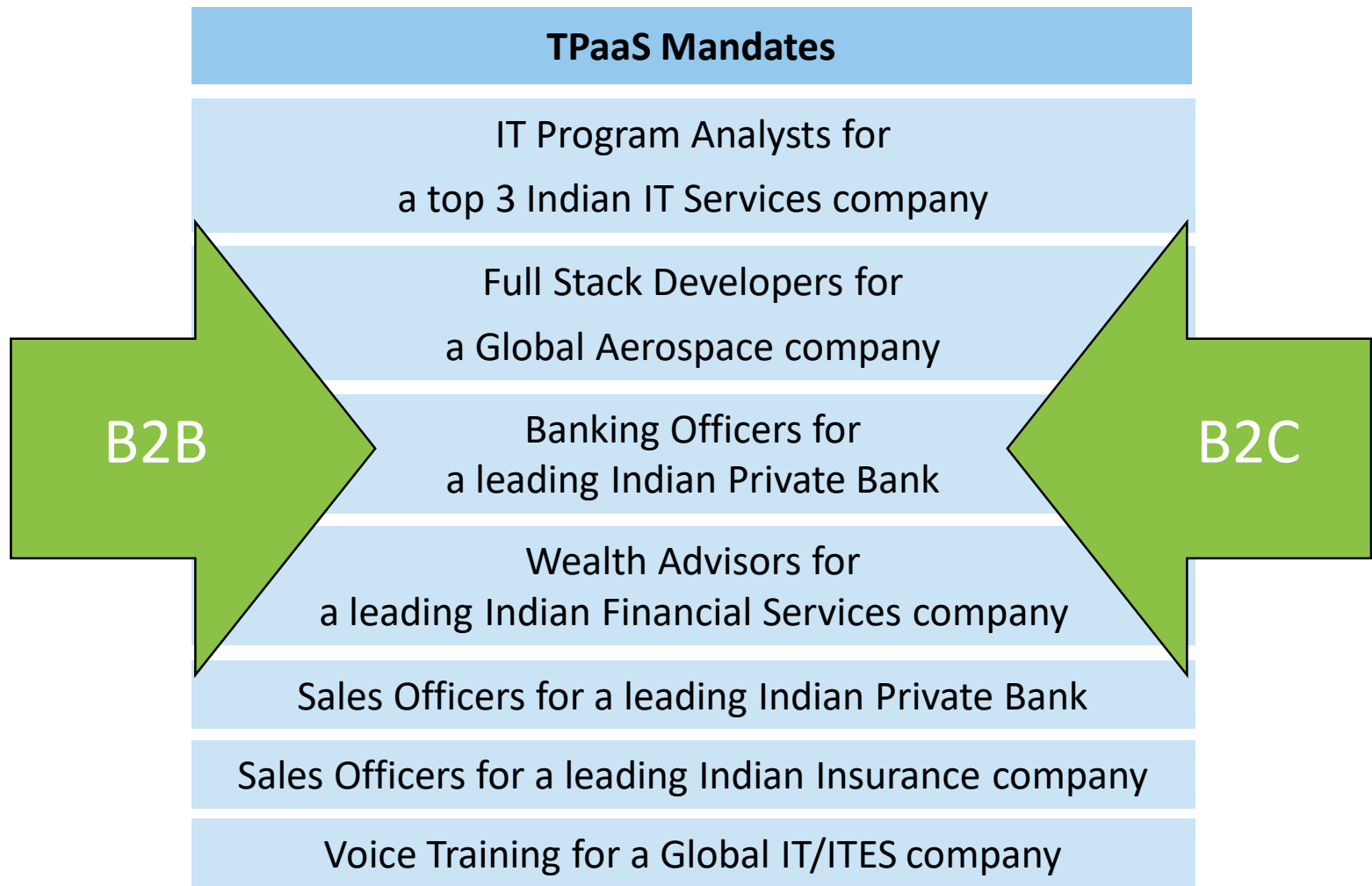


# ■ SNC: PROGRAM DESIGN



# ■ SNC: TALENT PIPELINE AS A SERVICE

- Customer Acquisition
- Relationship Management

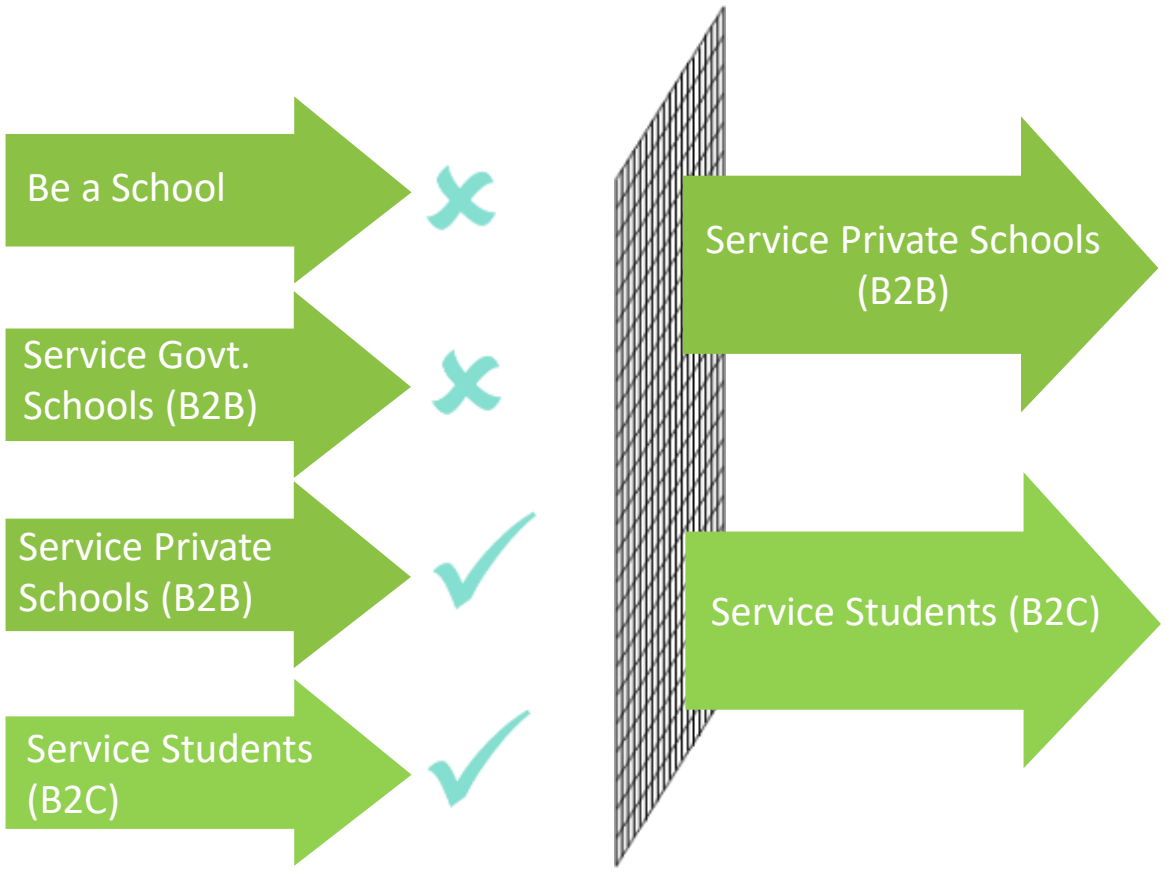


- Sourcing
- Training
- Placement

# School Learning Group

Future Direction

# ■ SLG: FOCUS AREAS



## Restructured to unlock value

Defocussed from government schools business

Exited capex driven business models in private schools

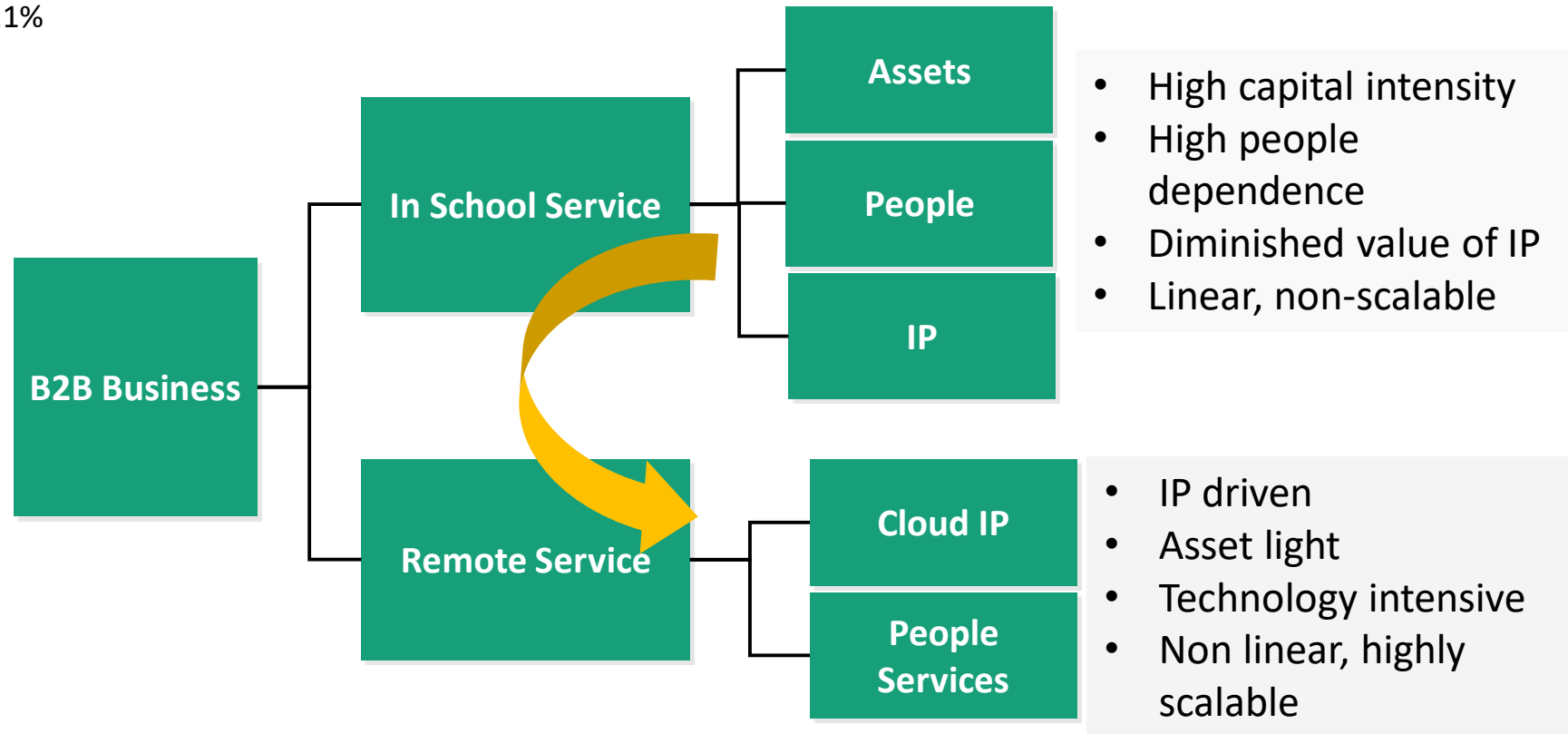
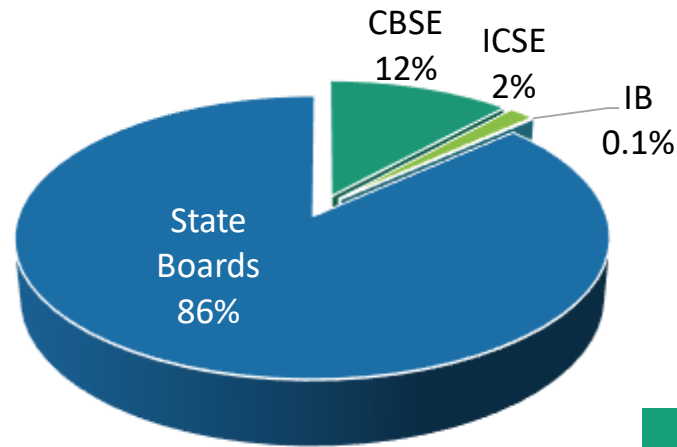
No Nationally Dominant Player in private schools space with comprehensive product portfolio

Large untapped opportunity in B2C space

Needs separate focus and attention

## ■ SLG: TRANSFORMATION

~120K Private Schools



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

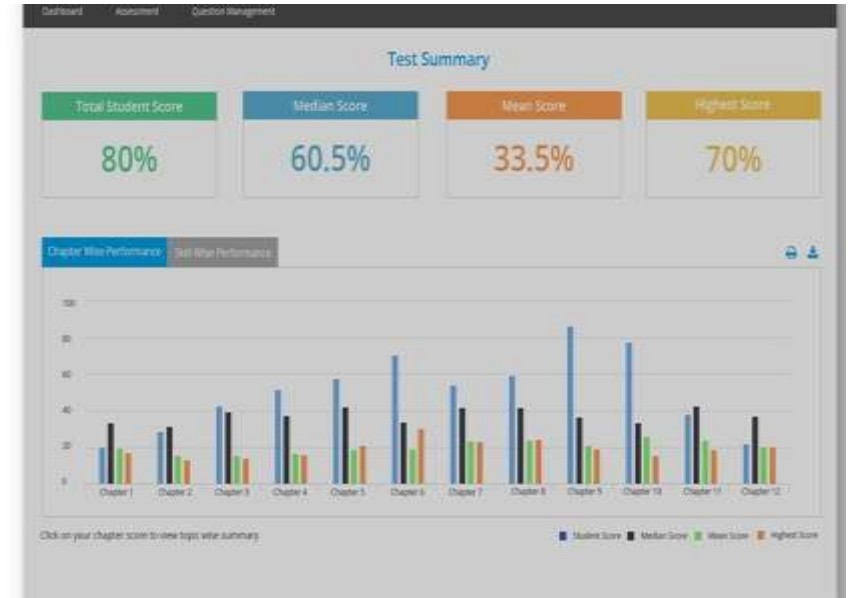
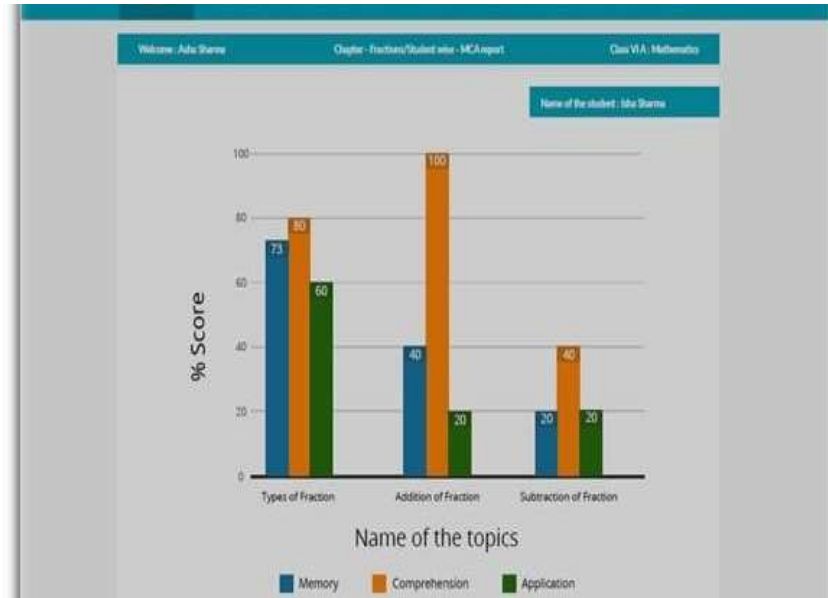


# ■ SLG: PRACTICE PLUS

Practice Plus helps educators understand where students are currently in their learning path and what they need to learn next .



**NIIT**  
*nguru*  
Solutions for Schools



**1000+**  
**Schools**

**6.4 Lac**  
**Users**



You can't spell  
TRAINING without

**NIIT**®