

Investor Presentation

November 2018



■ Agenda

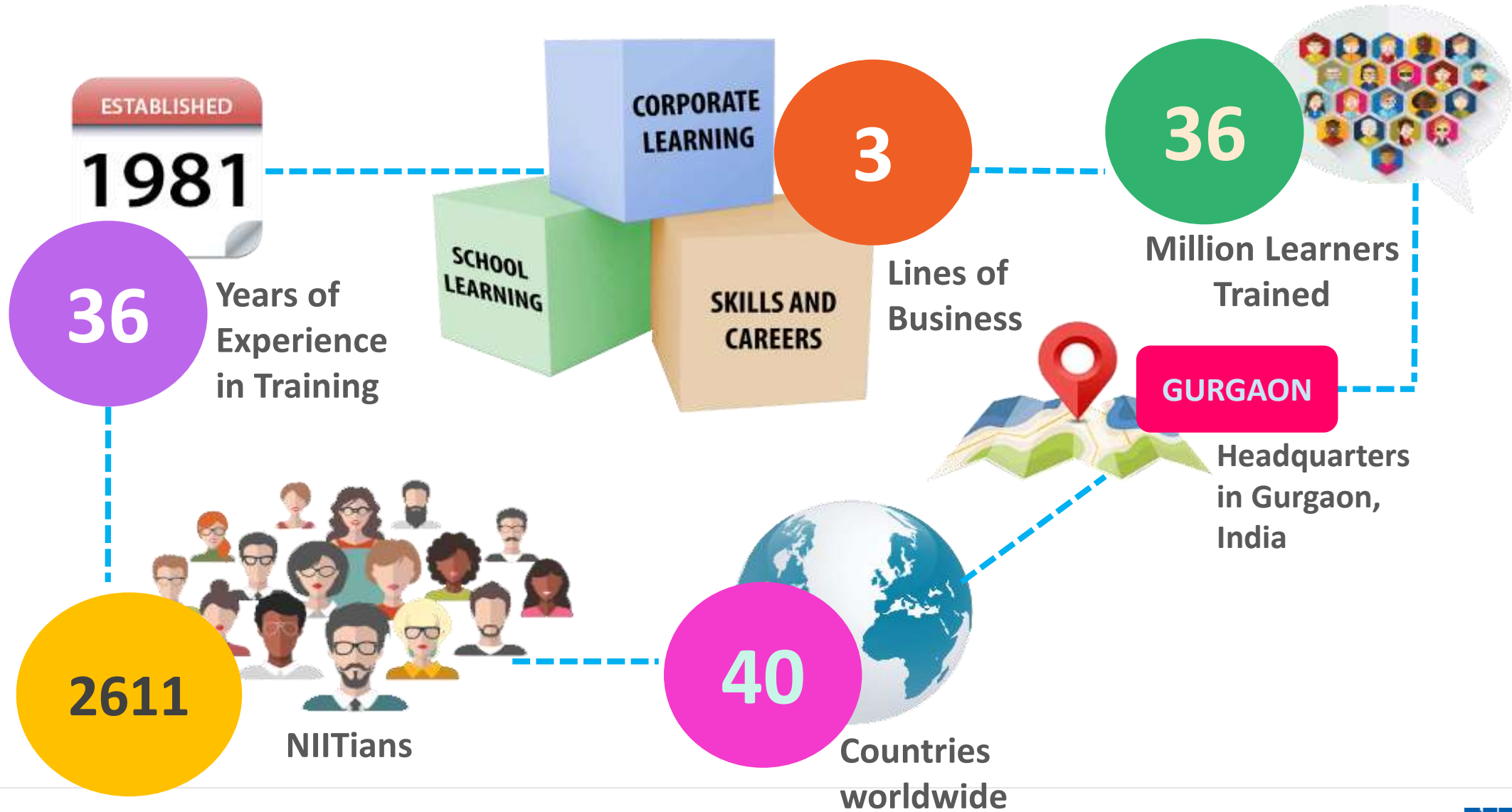
NIIT: Company Overview

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

Q2 FY19 Results Update

Future Direction

NIIT: AT A GLANCE



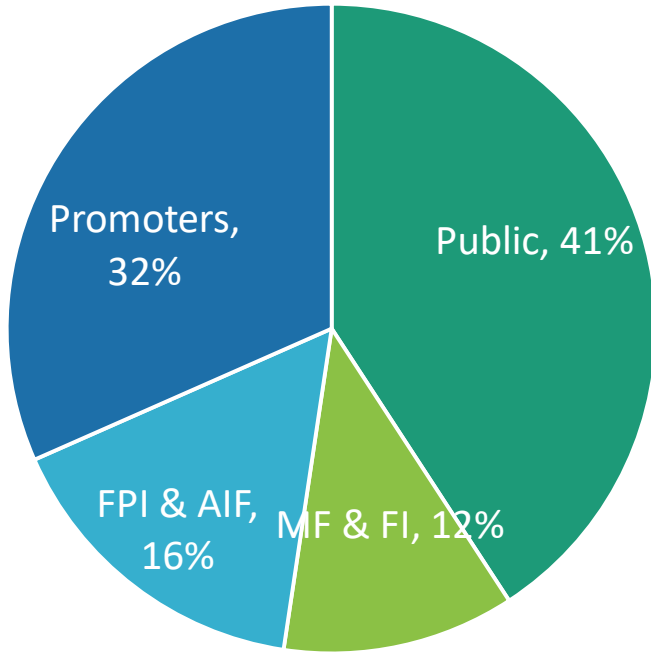
■ NIIT: BUSINESS STRUCTURE



Based on FY18 Financials, *SNC, including online

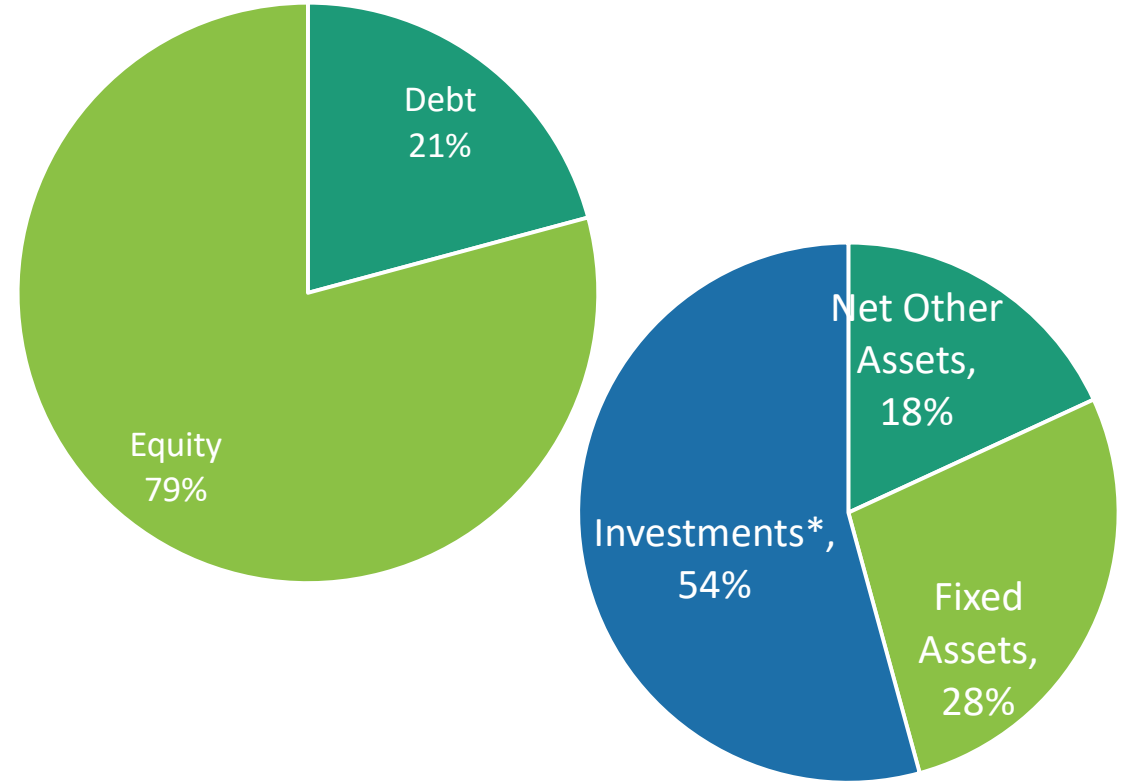
■ NIIT: CAPITAL STRUCTURE

SHAREHOLDING



No of Shares: 167 million

TOTAL CAPITAL EMPLOYED – RS. 10,014 MILLION



Capital Employed In Operations– Rs. 3,252 million**

■ NIIT: OUR CREDENTIALIALS

20%




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

25%



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

30%



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

Corporate Learning

1/3



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

4 MN



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

307



B2C education centers

Skills & Careers

10M




Technology enabled over 10 M school children

400K



Trained over 400 K school teachers to leverage technology

74%



74% students prefer learning mathematics with NIIT Math Lab

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 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



6 CHIEF LEARNING
OFFICER LEARNING IN
PRACTICE AWARDS

A blue horizontal banner with the text 'Business Overview' in white, bold, sans-serif font, centered on the banner.

■ 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%



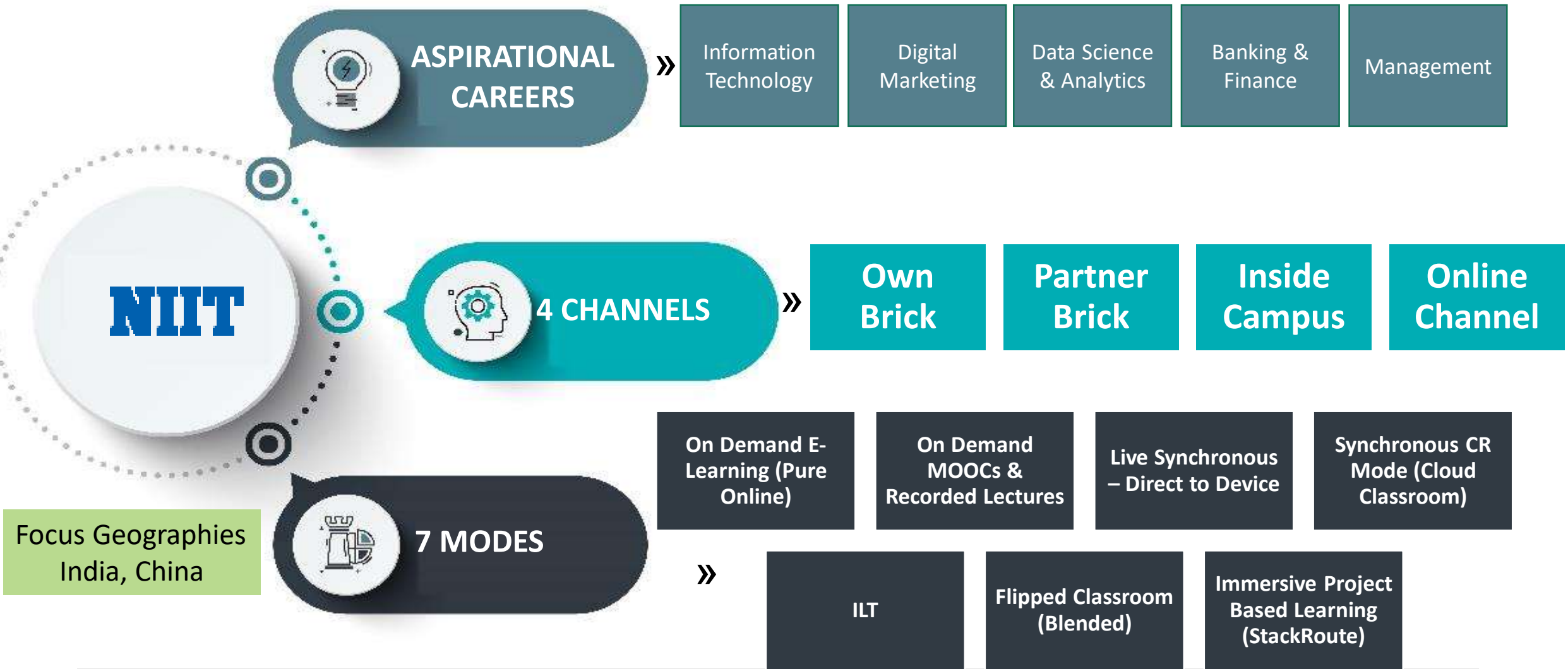
20% increase in average productivity and ticket size of business sold across 30 countries with 10% higher retention over 1 year for Sales Associates supported by the NIIT enabled Global Partner Learning Solutions program

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

ASPIRATIONAL CAREERS

- Information Technology
- Digital Marketing
- Data Science & Analytics
- Banking & Finance
- Management

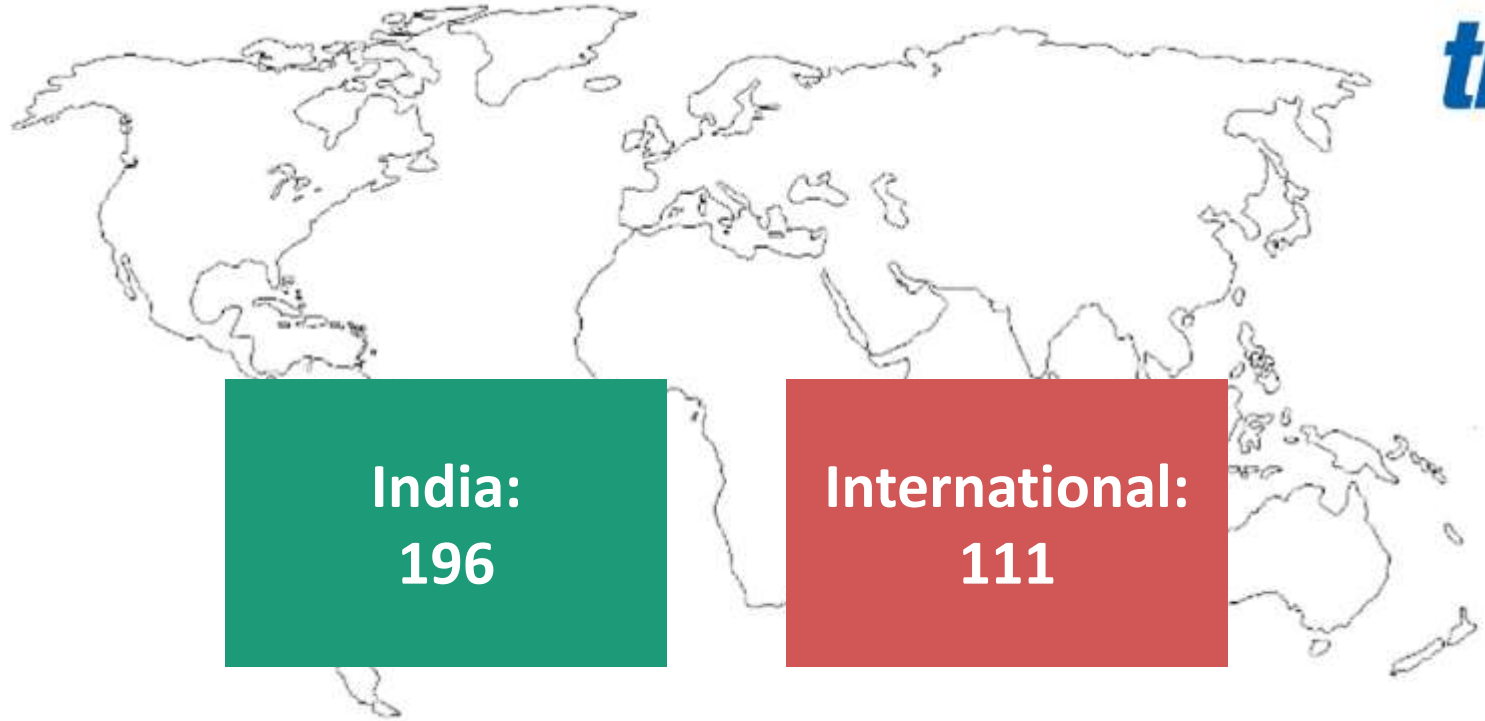
4 CHANNELS

- Own Brick
- Partner Brick
- Inside Campus
- Online Channel

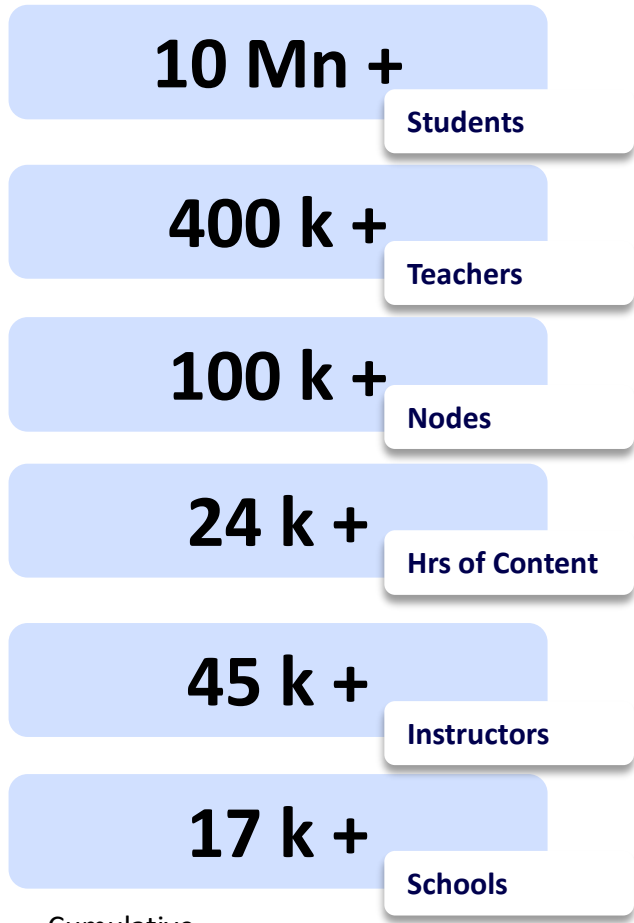
7 MODES

- On Demand E-Learning (Pure Online)
- On Demand MOOCs & Recorded Lectures
- Live Synchronous – Direct to Device
- Synchronous CR Mode (Cloud Classroom)
- ILT
- Flipped Classroom (Blended)
- Immersive Project Based Learning (StackRoute)

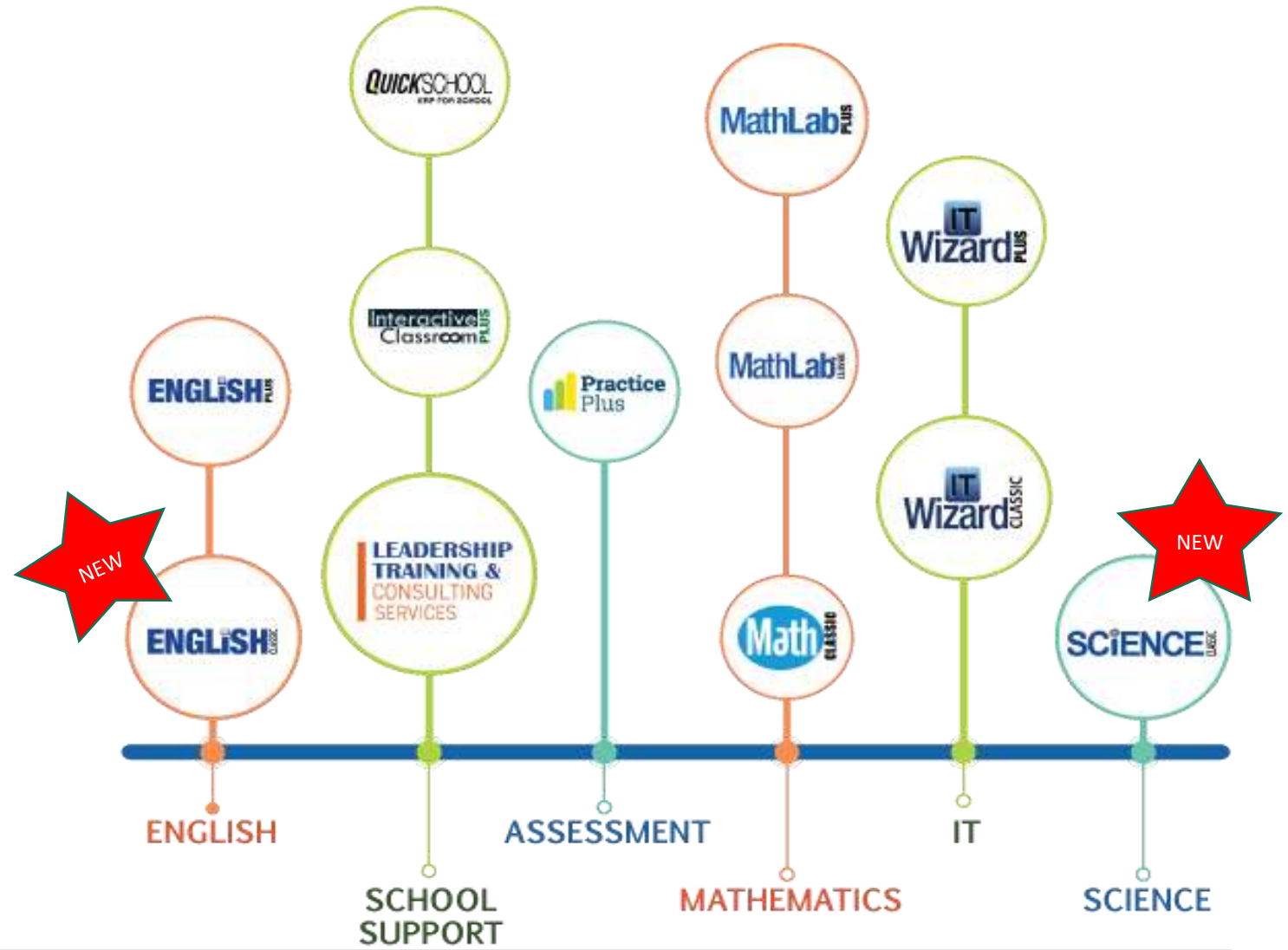
Skills & Careers: OUR REACH



SCHOOL LEARNING: PORTFOLIO AND CREDENTIALS

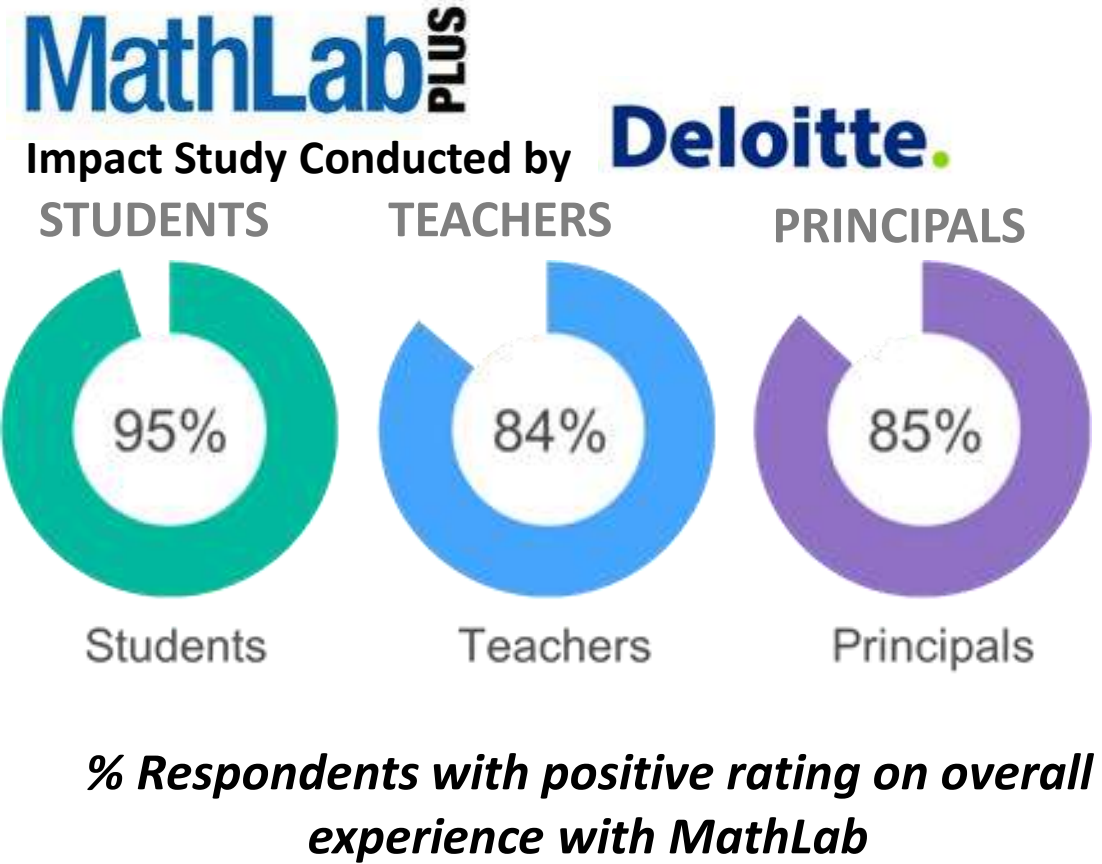
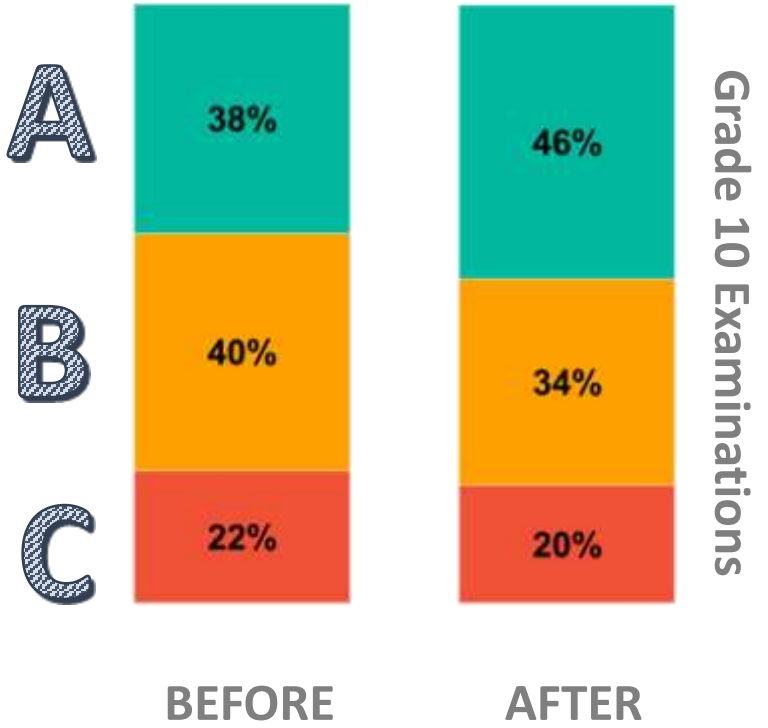


Cumulative



SCHOOL LEARNING: CREATING MEASURABLE IMPACT

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

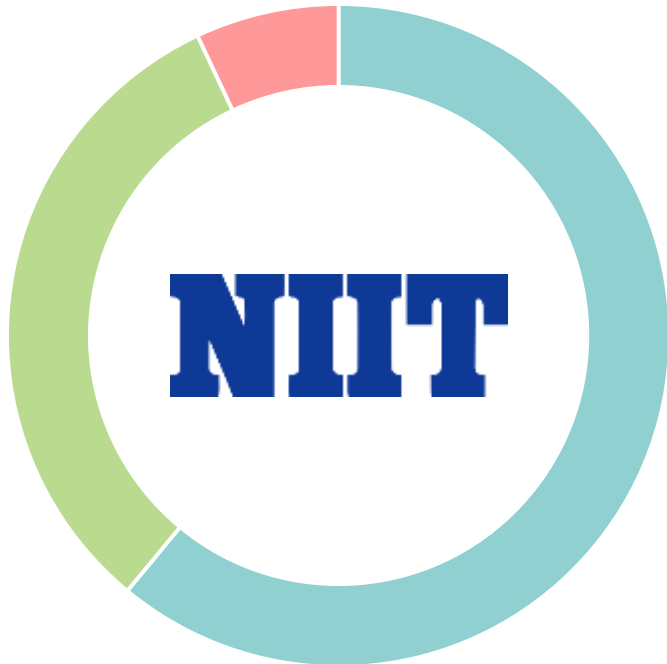


Q2 FY19 RESULTS UPDATE

■ ENVIRONMENT

- 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



71% **CORPORATE LEARNING**

MANAGED TRAINING SERVICES

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

27% **SKILLS & CAREERS**

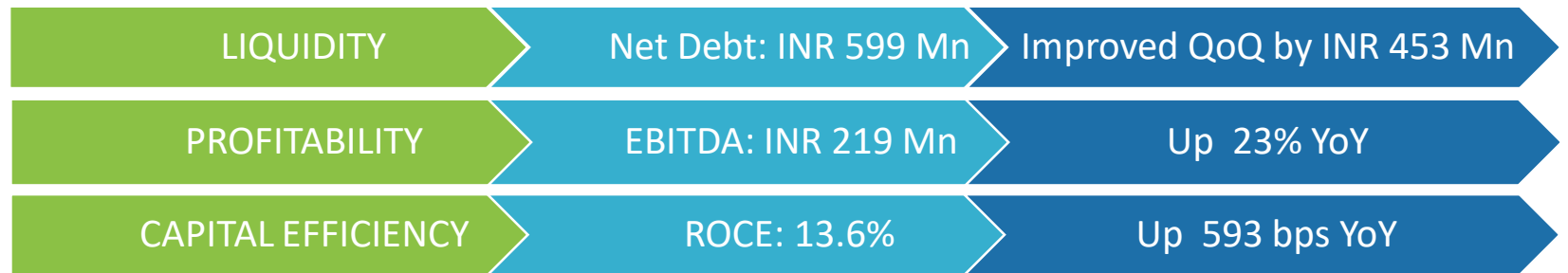
DIGITAL TRANSFORMATION

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

2% **SCHOOLS**

nGURU

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



■ Q2 FY19: IN PERSPECTIVE

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)

- 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)

- 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

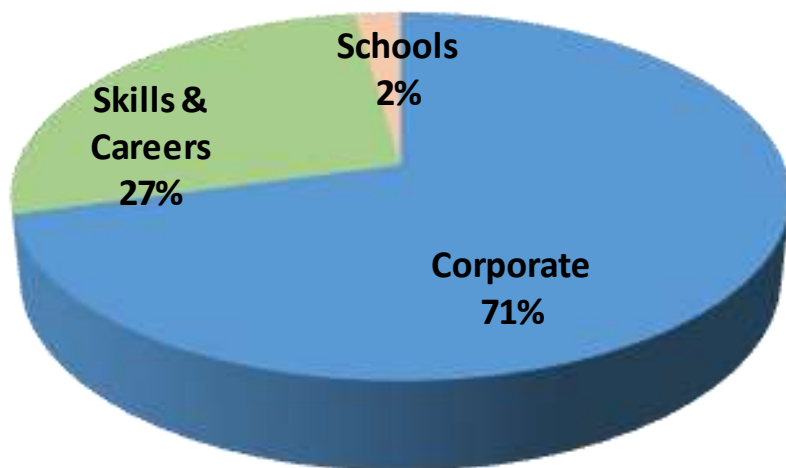
INR Mn	Q2 FY19	Q2 FY18	YoY	Q1 FY19	QoQ
Net Revenue	2,285	2,084	10%	2,143	7%
Operating expenses	2,066	1,906	8%	1,953	6%
EBITDA	219	178	23%	190	15%
EBITDA%	10%	9%	105 bps	9%	73 bps
Depreciation	84	104	-19%	93	-10%
Net Other Income	-53	-55	Rs 2 mn	-59	Rs 5 mn
Operational PBT	82	18	Rs 63 mn	38	Rs 44 mn
Operational 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

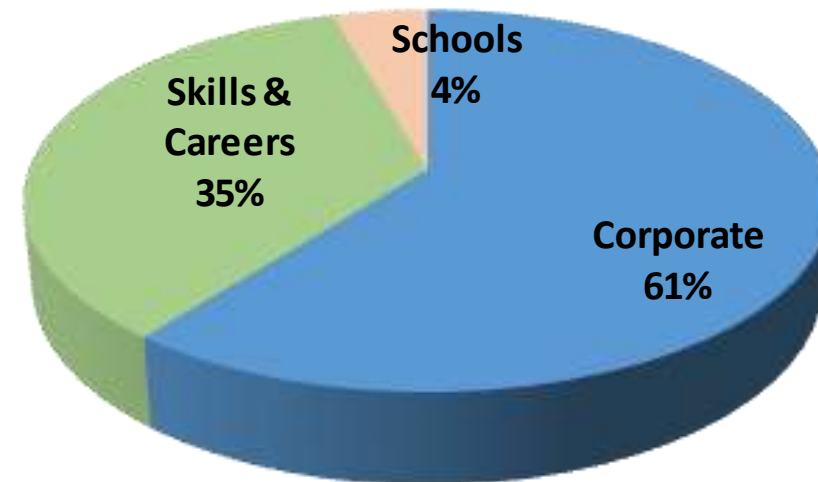
BUSINESS MIX

Q2 FY19

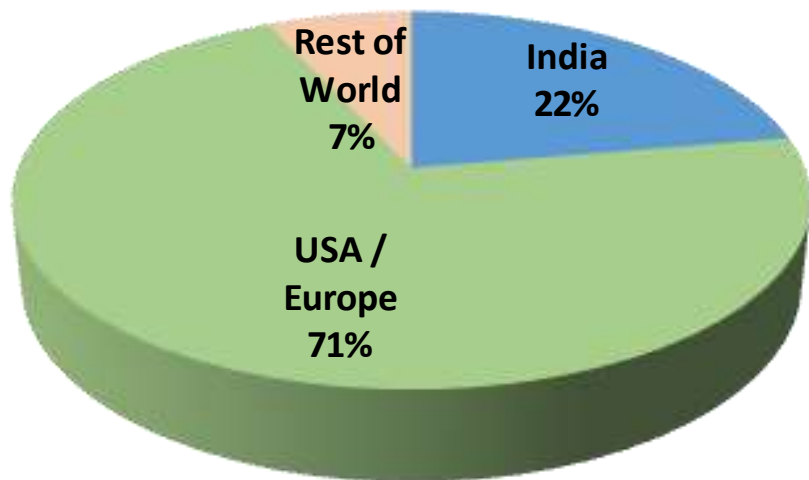


Business	Growth
Corporate	28%
Skills & Careers	-15%
Schools	-45%
NIIT	10%

Q2 FY18

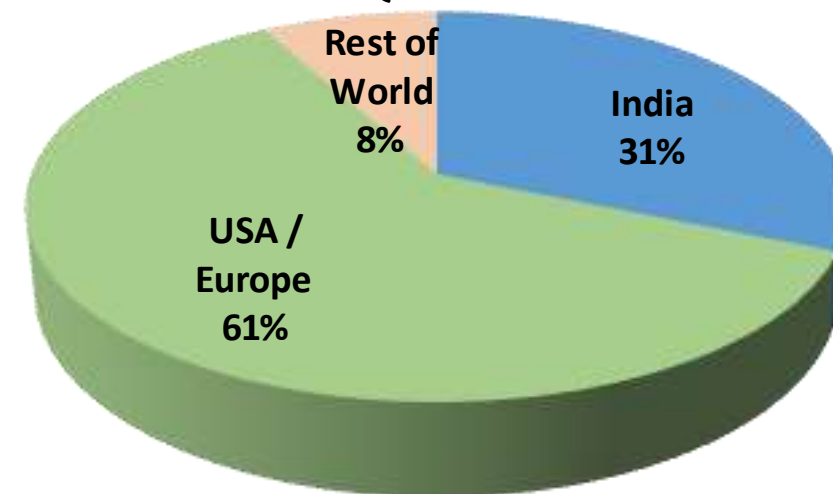


Q2 FY19



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

Q2 FY18



CORPORATE LEARNING GROUP

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



■ Skills & Careers GROUP

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

STA
CK
ROUTE

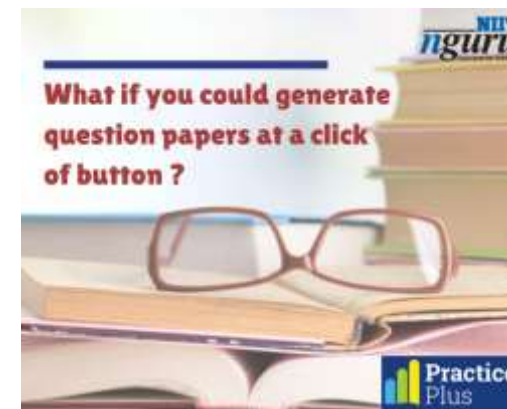
- Product mix change and cost rationalization offset impact of operating leverage and cost inflation
- StackRoute continues on strong growth momentum; New Career Products and TPaaS mandates contribute to improved Order Intake
- StackRoute now training Full Stack Developers for 9 IT majors
- India enrolments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



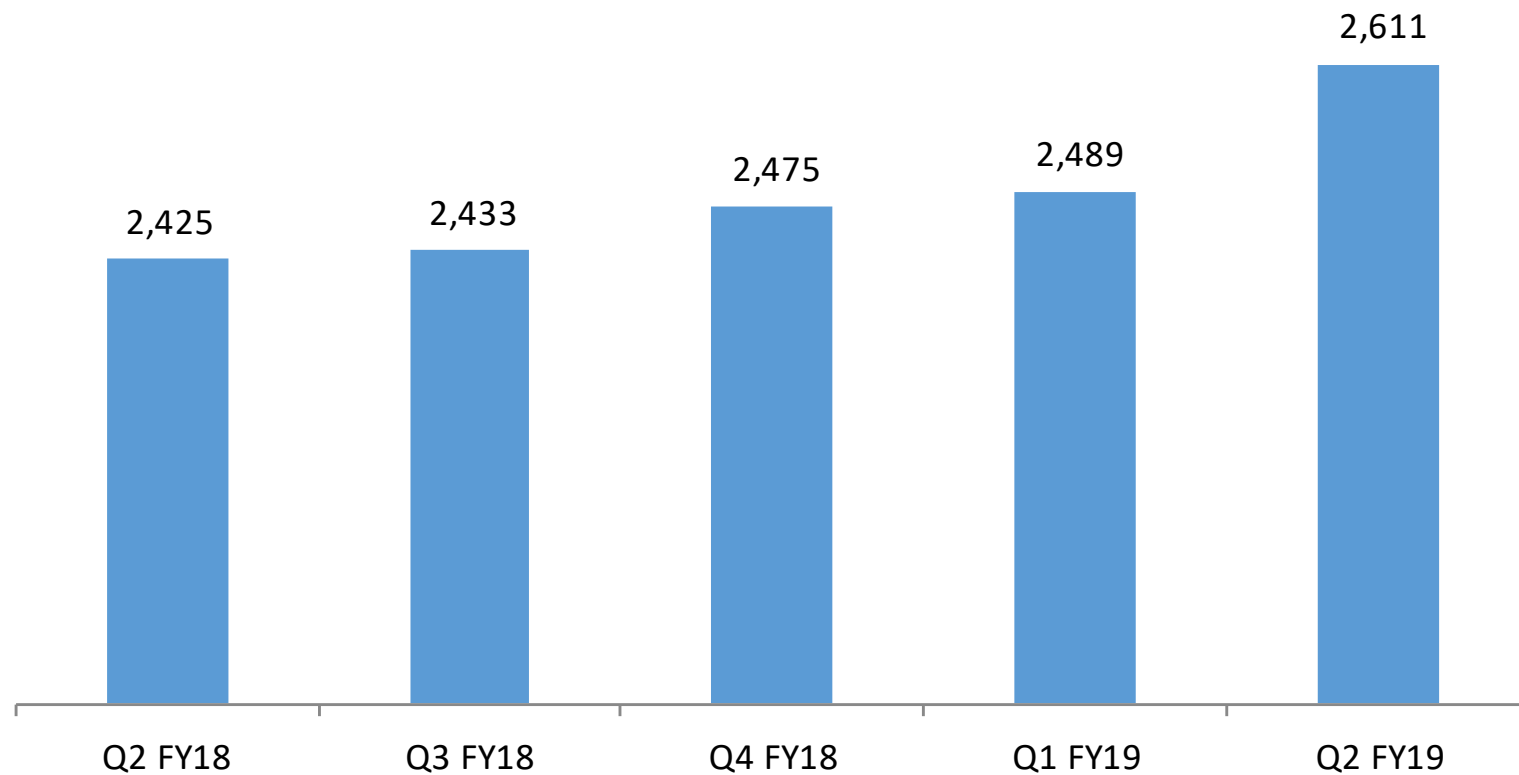
SCHOOL LEARNING GROUP

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



- Headcount up 122 QoQ and up 186 YoY
- Includes Eagle headcount from Q4'FY18
- Excludes project retainers

Future Direction

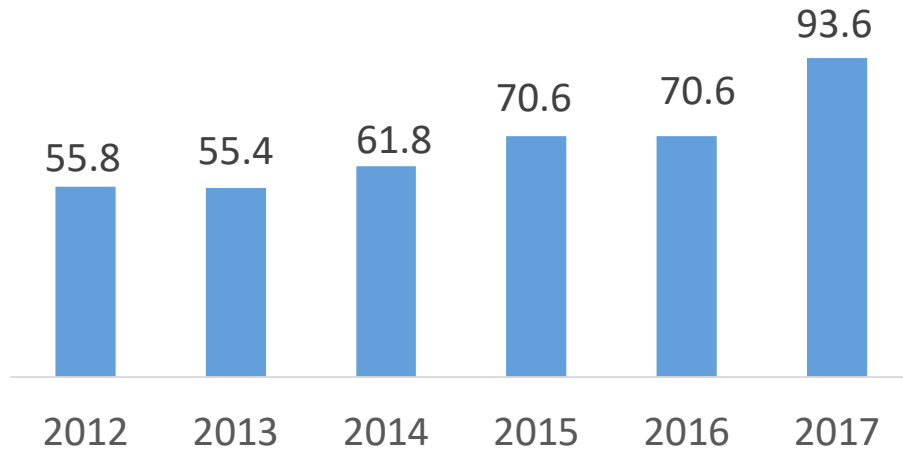
Corporate Learning Group

Future Direction

CLG: CORPORATE TRAINING SPENDING

Source: Statista.com Bersin By Deloitte, ATD

Spending On Training (US)

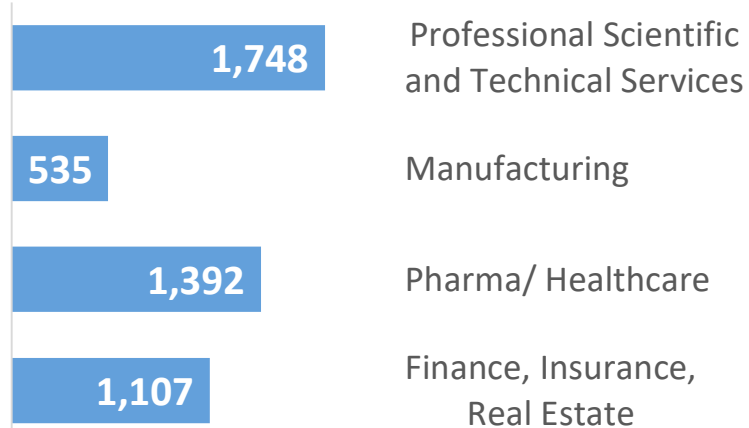


Corporate Training Spend in USA: \$90+ Billion
Global Training Spend: \$135Bn+

Spending on Training Continues to Grow

Increasing trend towards outsourcing

Annual Spend/Employee (\$)



Top 3 Content Areas

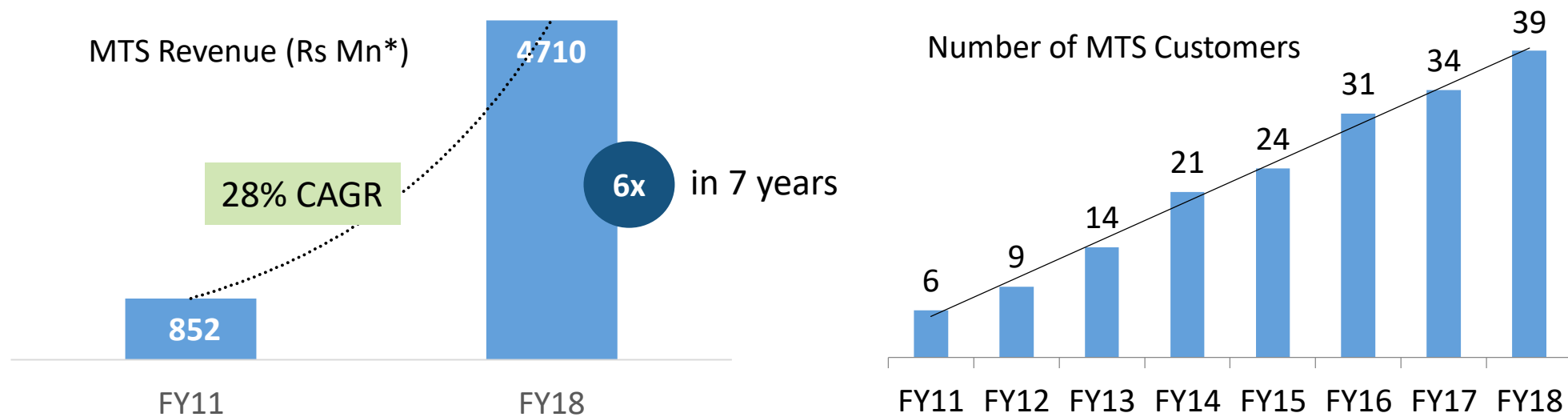
1 Mandatory And Compliance

2 Managerial and Supervisory

3 Profession/ Industry specific

Focus on Technology/Telecom Energy, Lifesciences and BFSI Industries

CLG: MANAGED TRAINING SERVICES



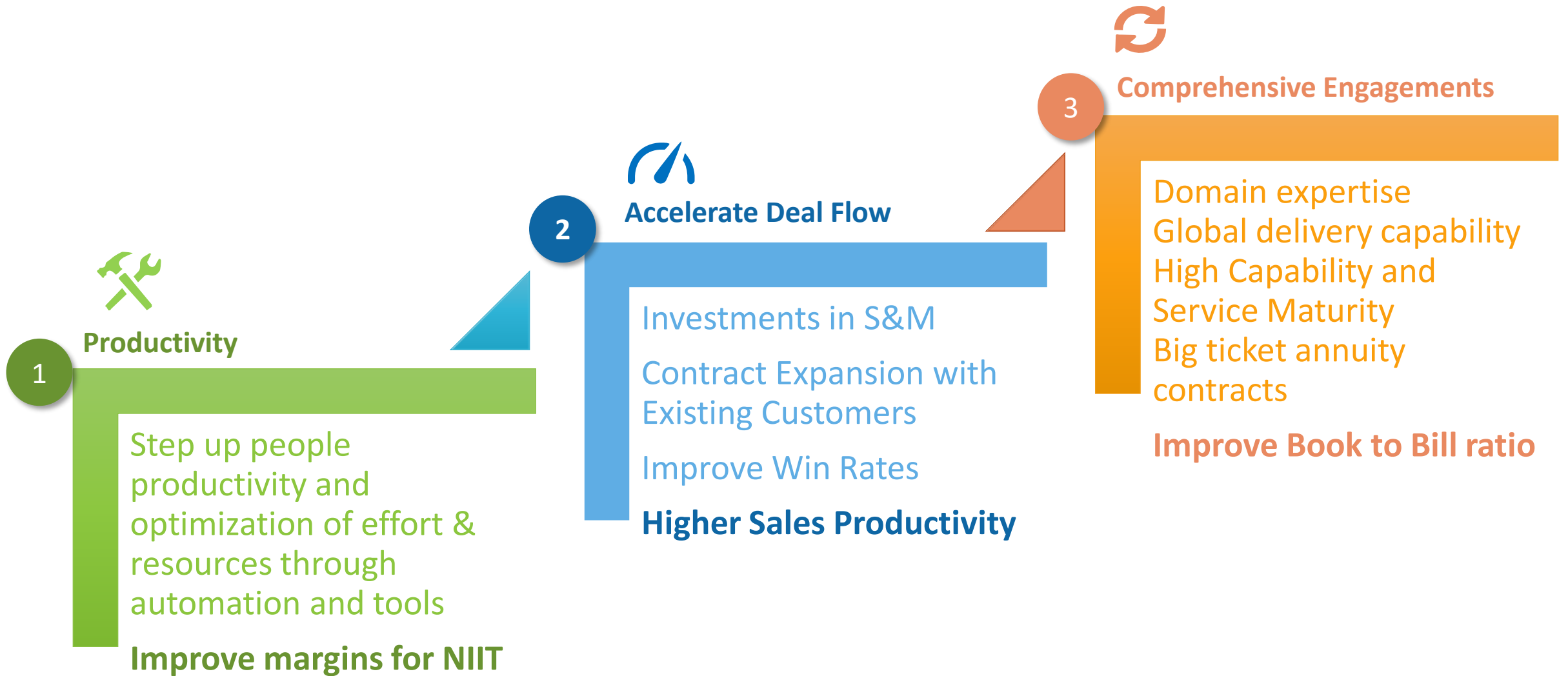
Increasing contribution from MTS

Differentiated competitive positioning

Revenue Visibility at \$226 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

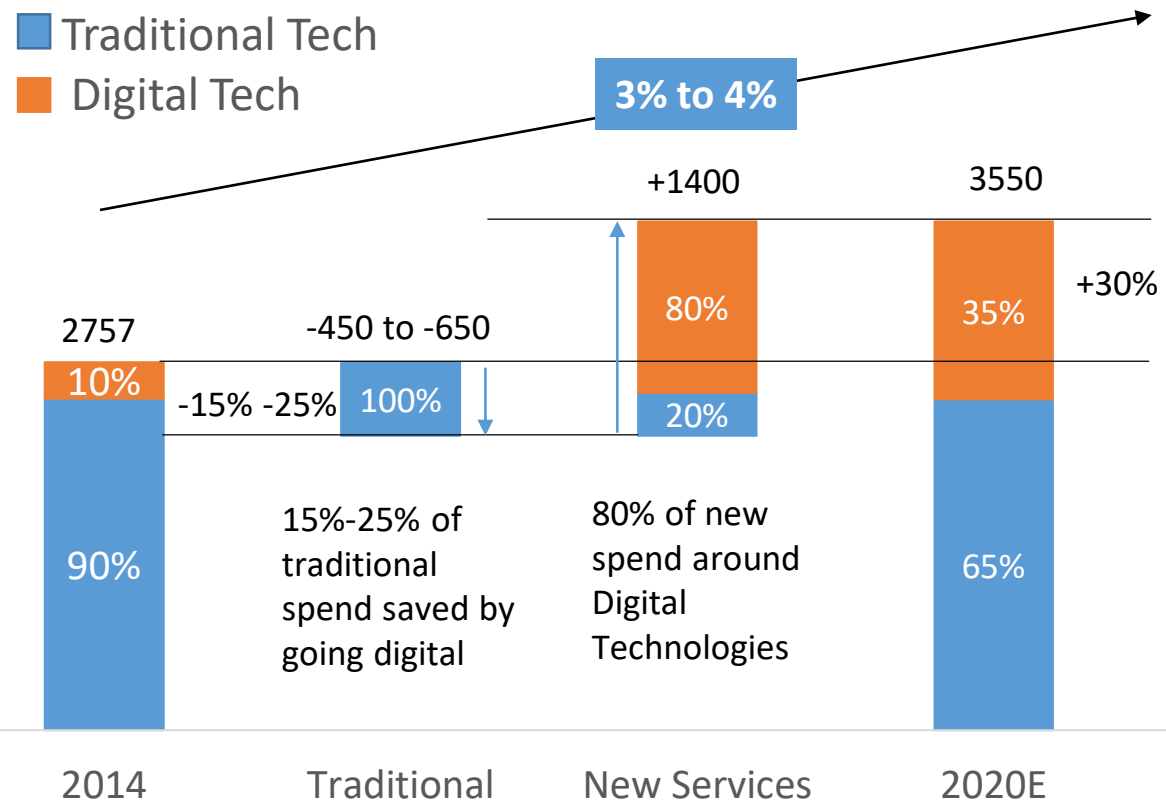


Skills & Careers Group

Future Direction

DIGITAL TRANSFORMATION: IT SECTOR

Global Technology and Business Services Spend



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

Share of Digital Technologies to increase to 60%

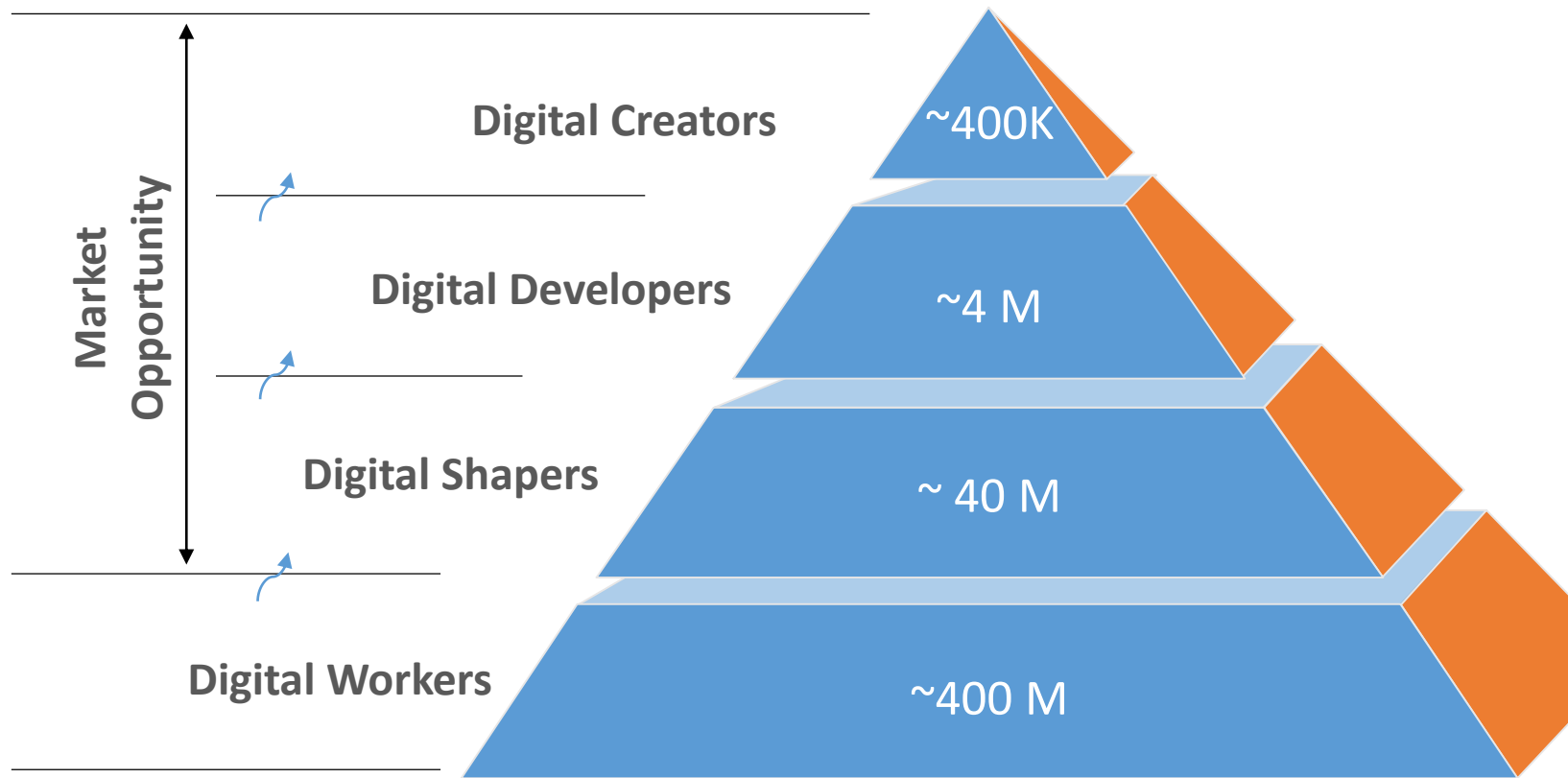
50% - 60% of today's workforce needs to be reskilled to be relevant by 2020

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

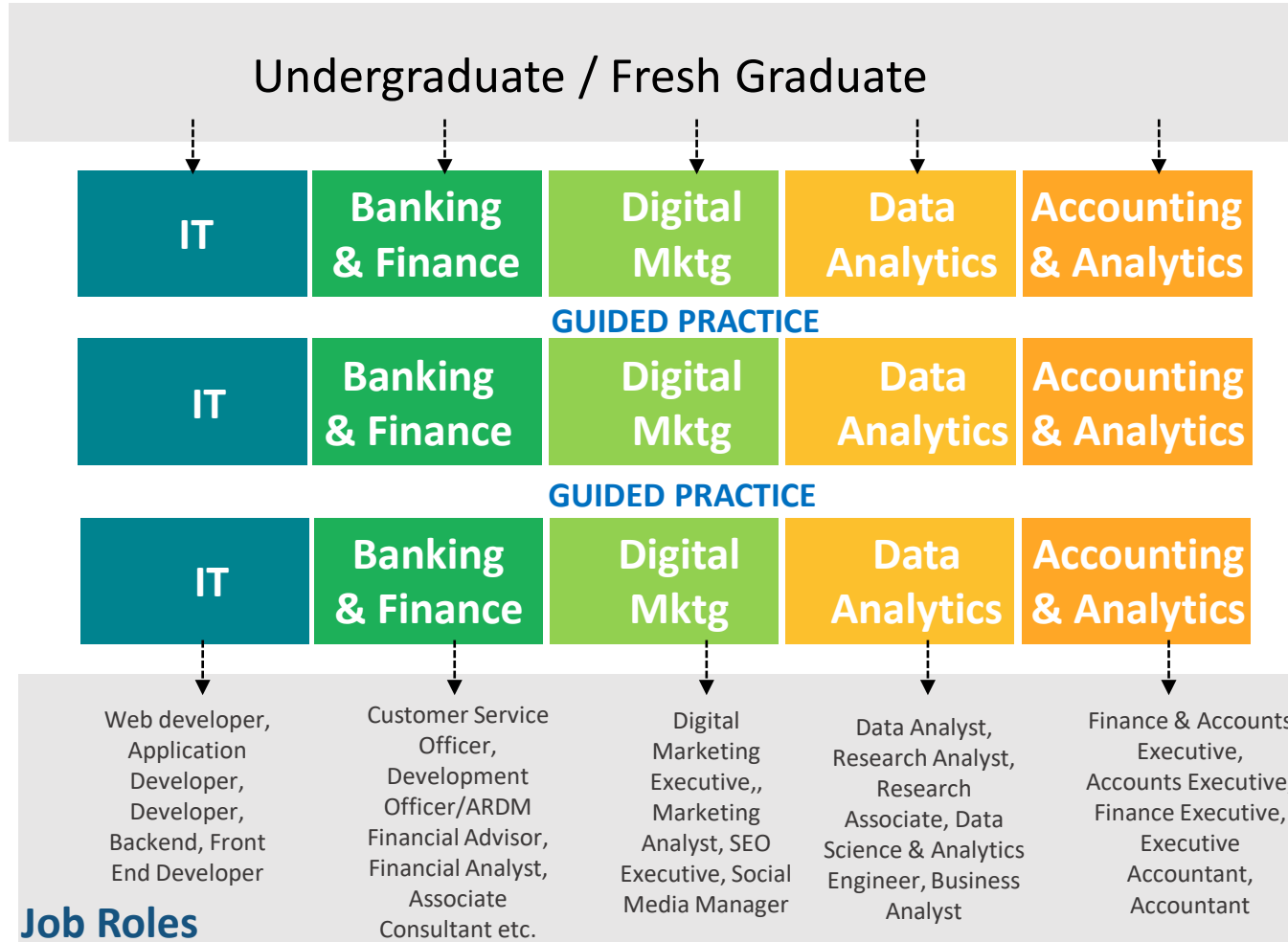
- Future is “Digital@Scale”
- Digital becoming all pervasive, blurring IT industry sector boundaries
- Digital projects more skill intensive than people intensive
- People need continuous reskilling with consulting and design capabilities
- Accelerating influx of new GICs; 1140+ nos.
- India emerging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



Source: NASSCOM

SNC: NEW PROGRAM PORTFOLIO

Expanded Portfolio of Career Programs



+ JIT Skills for Aspirational Careers

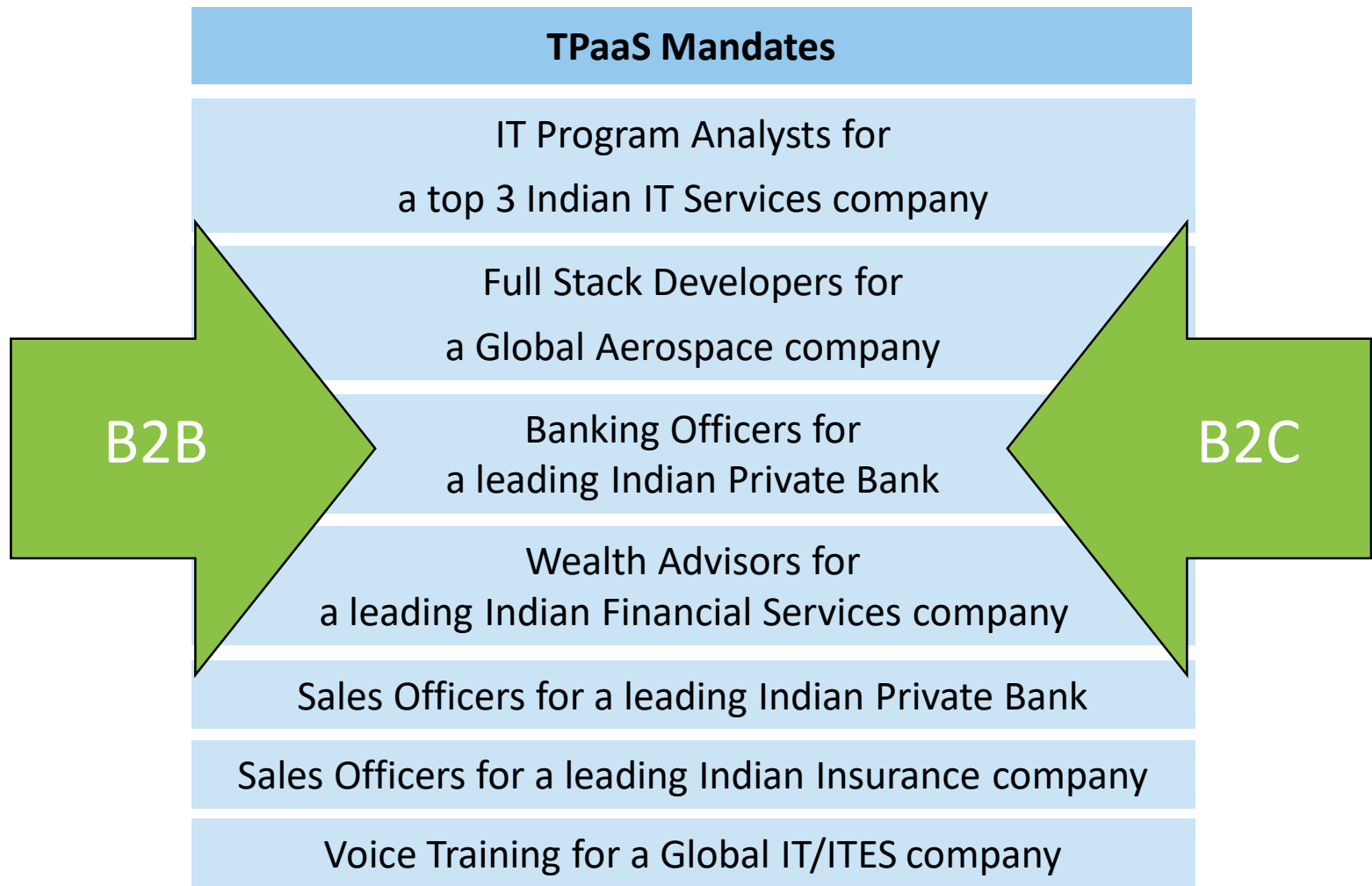


SNC: PROGRAM DESIGN



■ SNC: TALENT PIPELINE AS A SERVICE

- Customer Acquisition
- Relationship Management

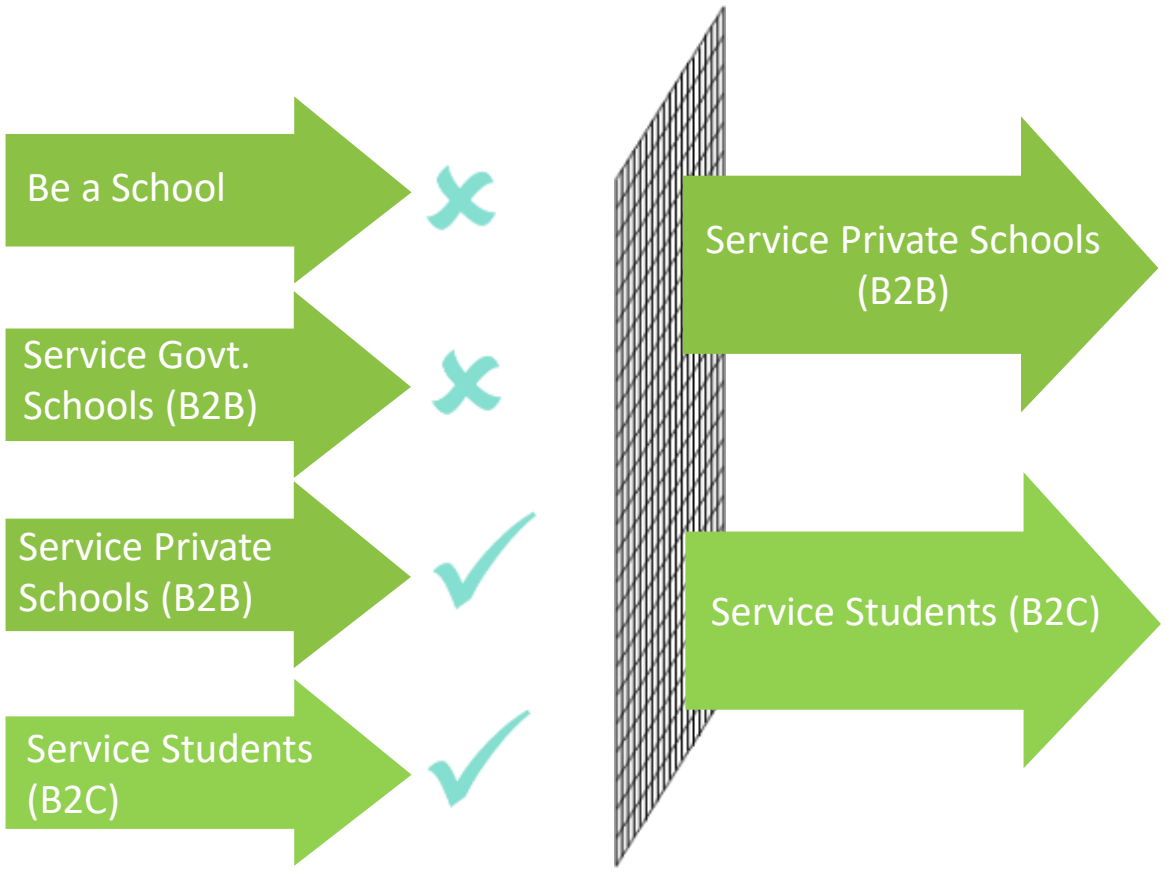


- Sourcing
- Training
- Placement

School Learning Group

Future Direction

■ SLG: FOCUS AREAS



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

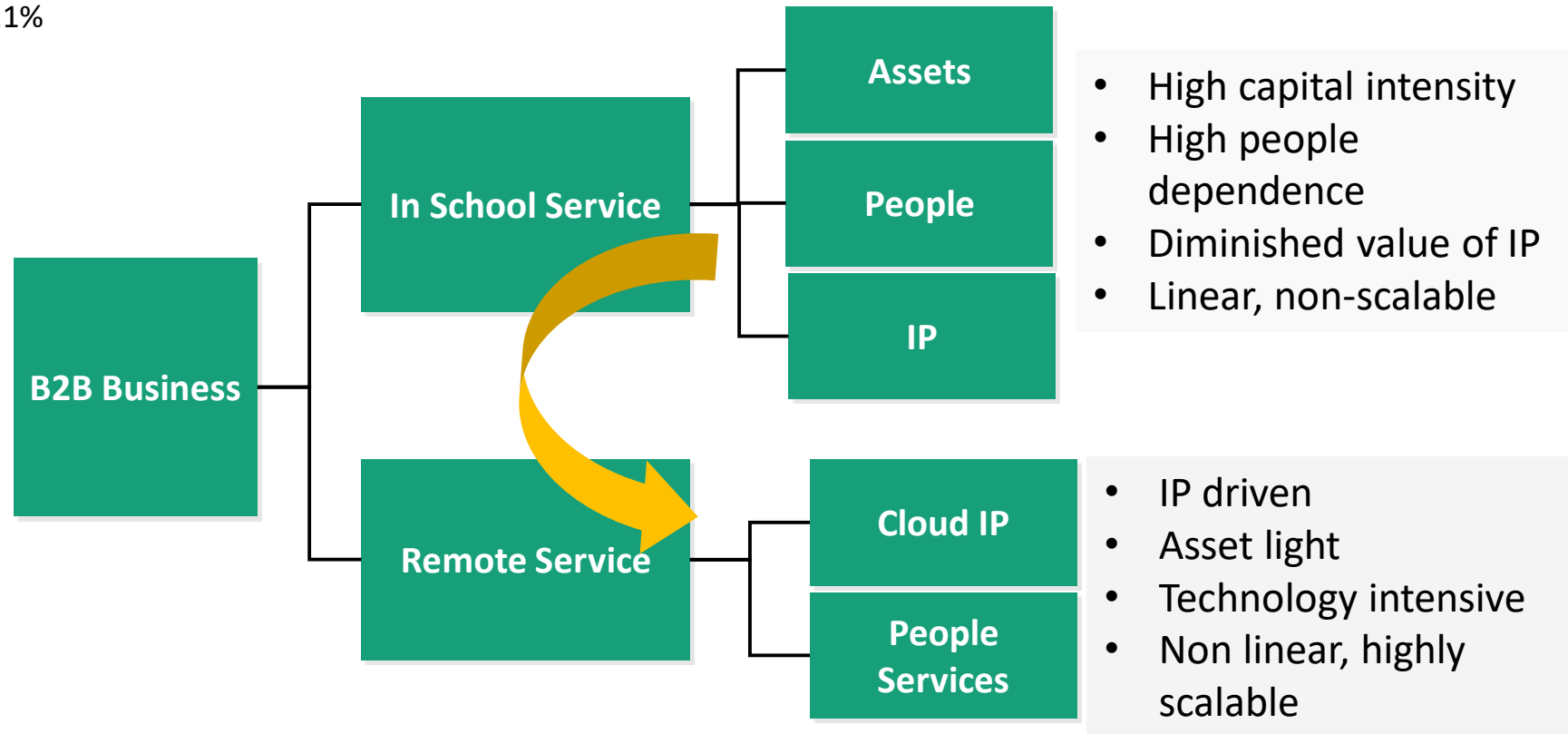
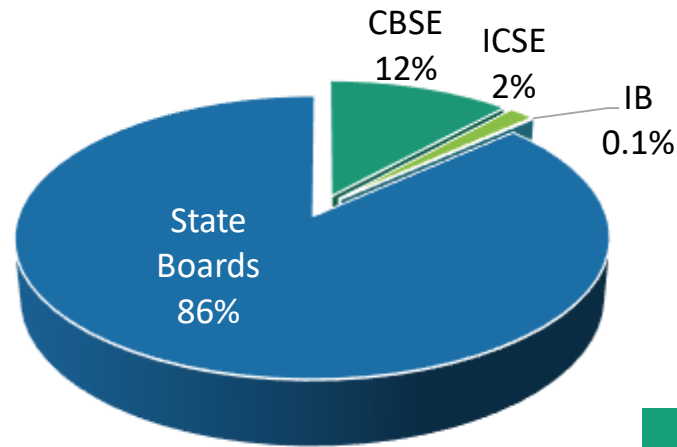
Large untapped opportunity in B2C space

Needs separate focus and attention

Restructured to unlock value

■ SLG: TRANSFORMATION

~120K Private Schools



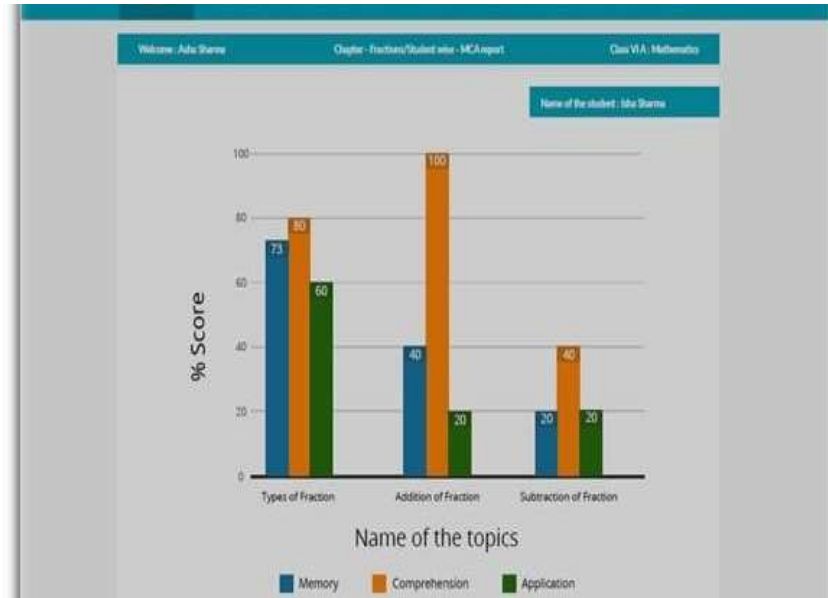
Move to asset light, technology intensive, IP driven business model

■ 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

4.1 Lac
Users



You can't spell
TRAINING without

NIIT®