

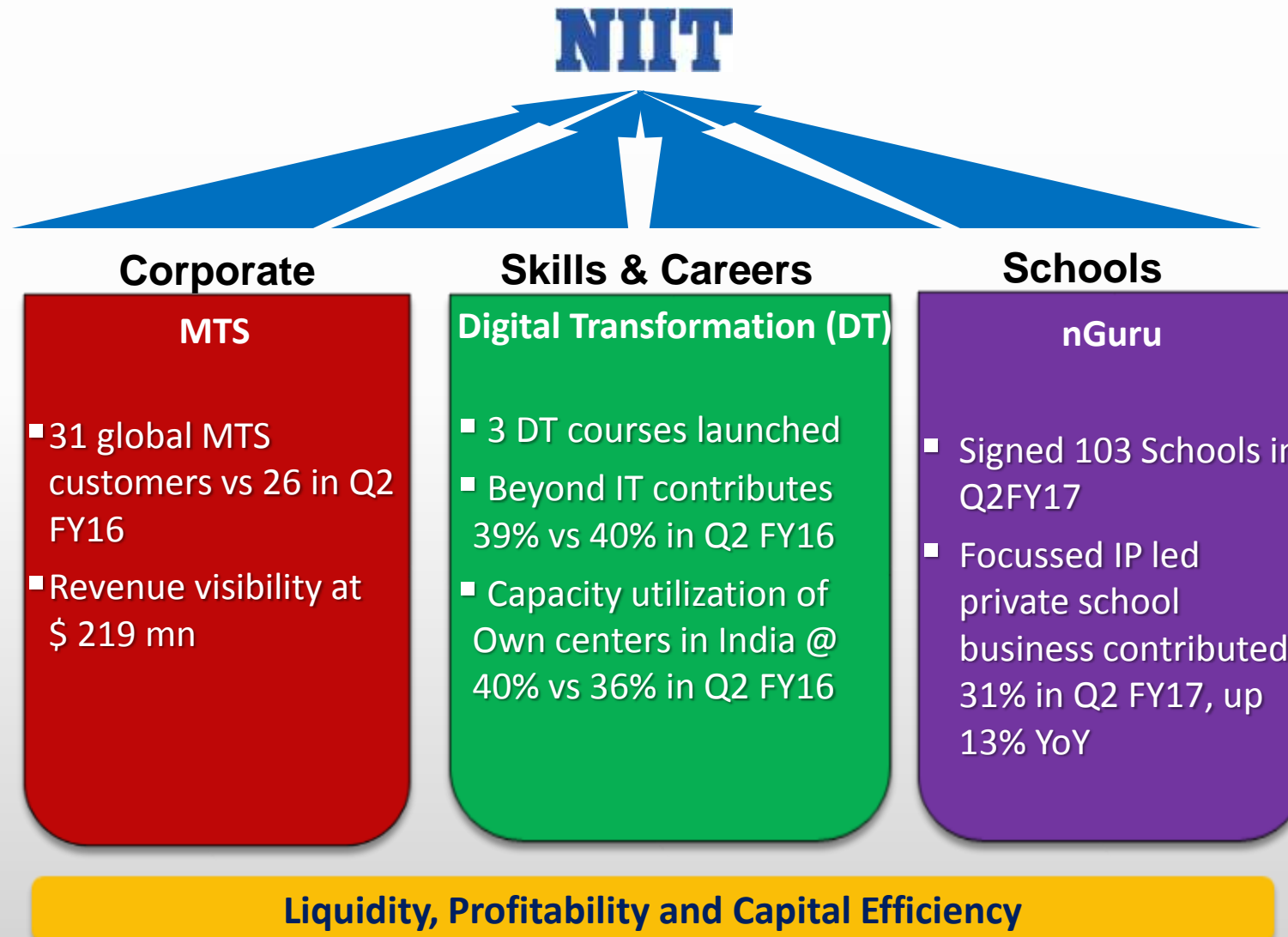
FINANCIAL RESULTS

Q2 FY17

October 19, 2016

ESCAPE
VELOCITY
THE NEXT FRONTIER

- Geo-political uncertainty weighing down on growth outlook in a world of record debt, vulnerable banks and anaemic growth (IMF)
- Volatility in forex rates and commodity prices continues to impact corporate decision making
- India expected to remain a global growth hotspot with expected growth of 7.6% in 2016 and 7.7% in 2017 (World Bank)
- Signs of increased caution in hiring amongst employers in India as companies gauge the impact of the ongoing global slowdown compounded by automation in IT services (MEOS*) . However, digital disruption leading to increasing demand for advanced skills
- Hiring by banking sector expected to remain robust driven by network expansion by private banks, set up of new banks and replacement of retiring staff by PSU banks
- Government continues to focus on skills development to drive sustainable and inclusive growth. The focus is on skilling for manufacturing skills
- Increasing adoption of digital tools for learning in the K-12 market and retail online market



Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,786 Mn up 23% YoY; Constant currency growth @ 28% YoY; EBITDA margin at 12%
- 31 MTS customers now contribute 94% to CLG revenue
- Order Intake of \$ 26.9 Mn up 13% YoY; Revenue Visibility at \$ 219 Mn

Skills & Careers Group (SNC): Renewal phase

- Revenue at INR 981 Mn; down 6% YoY due to transition to Digital Transformation curriculum
- EBITDA @ INR 84 Mn (9% vs 7% in Q2 FY16 and 4% in Q1 FY17), aided by stronger product mix
- Beyond-IT contributes 39% to SNC revenue compared to 40% in Q2 FY16

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

- Revenue at INR 216 Mn down 7% YoY. Achieved 6% EBITDA same as in Q2 FY16 despite ramp down of government school projects
- Order Intake of INR 67 Mn; added 103 schools during the quarter
- Focussed IP led private school business contributes 31%; up 13% YoY

NIIT: Growth & Profitability continues its march upwards – Firmly & Steadily

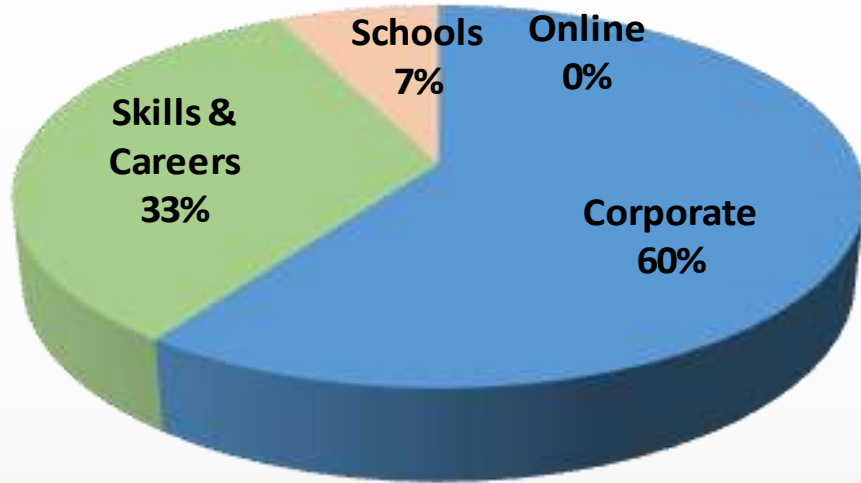
- Revenue at INR 2,984 Mn; up 10% YoY; Revenue from Focus-Business up 12% YoY
- EBITDA at INR 286 Mn at 10% of revenue; up 13% YoY
- Operating PAT at INR 87 mn up 43% YoY
- PAT at INR 216 Mn vs INR 208 Mn in Q2 FY16
- Operating ROCE at 9%
- Net Debt at INR 917 mn down INR 387 mn compared to last quarter

Strong Operating performance

INR Mn	Q2 FY'17	Q2 FY'16	YoY	Q1 FY'17	QoQ
Net Revenue	2,984	2,725	10%	2,604	15%
Operating expenses	2,698	2,473	9%	2,382	13%
EBITDA	286	252	13%	222	29%
EBITDA%	10%	9%	33 bps	9%	106 bps
Depreciation	133	129	3%	118	12%
EBIT	153	123	24%	104	48%
Net Other Income	-47	-51	5 mn	-93	46 mn
Profit before Tax	106	72	48%	11	96 mn
Tax	20	11	-8 mn	8	-12 mn
Operational Net Profit	87	61	43%	3	84 mn
Share of Profits from Associates	129	147	-18 mn	71	58 mn
PAT	216	208	4%	74	193%
Basic EPS (Rs.)	1.3	1.3	0.0	0.4	0.9

- Strong growth in Corporate Learning helps offset planned ramp down of government schools business
- EBITDA improved by 33 bps YoY on account of Business transformation and business mix
- Depreciation up 3% YoY

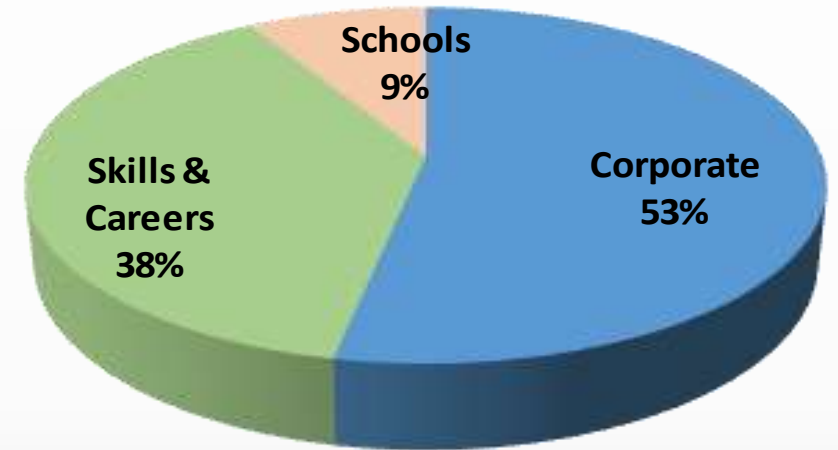
Q2 FY17



Net Revenue

	Growth
Corporate	23%
Skills & Careers	-6%
Schools	-7%
Online	0%
NIIT	10%

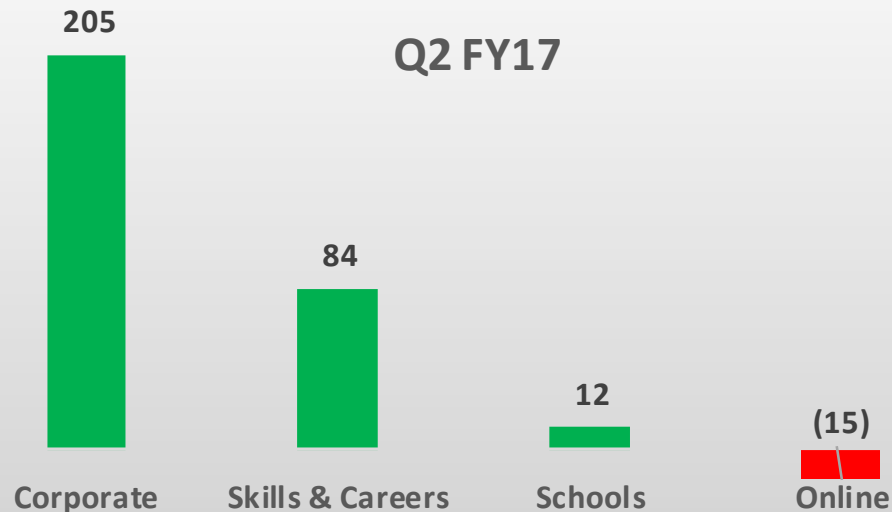
Q2 FY16



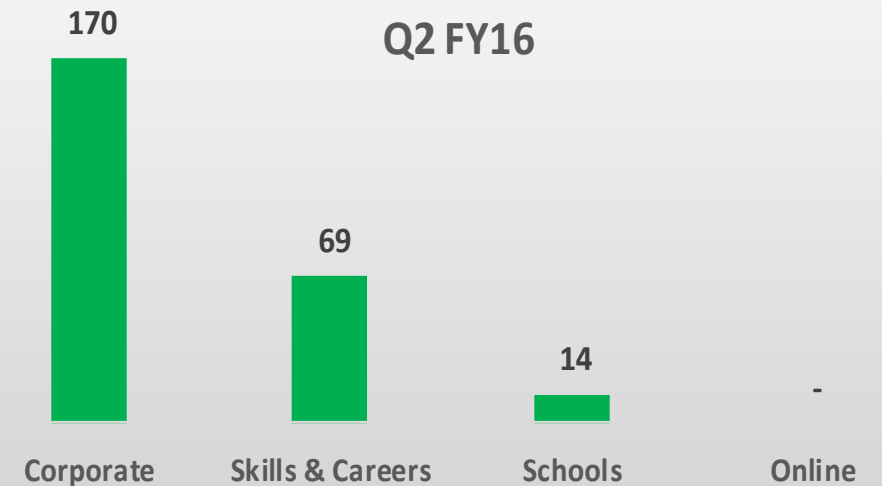
EBITDA

	Growth
Corporate	+36 Mn
Skills & Careers	+15 Mn
Schools	-2 Mn
Online	-15 Mn
NIIT	+34 Mn

Q2 FY17




Q2 FY16



INR Mn	Q2 FY17	Q2 FY16	YoY	Q1 FY17	QoQ
Net Revenues	1,786	1,448	23%	1,523	17%
EBITDA	205	170	21%	177	16%
EBITDA %	12%	12%	-22 bps	12%	-10 bps

- Revenue at INR 1,786 Mn up 23% YoY; Constant currency Revenue growth at 28% YoY
- Extended and expanded contract with an existing MTS customer in Life-Sciences vertical
- Strong momentum on back of 31 MTS customers which now contribute 94% to CLG revenue
- EBITDA consistent at 12%
- Revenue Visibility at \$ 219 Mn up 15% YoY





CRITICAL MISTAKE ANALYSIS
Our proprietary methodology helps create effective hands-on learning experiences.



[LEARN MORE](#)

INR Mn	Q2 FY17	Q2 FY16	YoY	Q1 FY17	QoQ
Net Revenues	981	1,045	-6%	773	27%
EBITDA	84	69	22%	34	147%
EBITDA %	9%	7%	198 bps	4%	415 bps

- Revenue at INR 981 Mn
- EBITDA at INR 84 mn; 9% up 198 bps YoY
- Continued transformation of IT portfolio and cost saving lead to margin improvement
- Beyond-IT contributes 39% to SNC revenue vs 40% in Q2 FY16
- Successful turnaround on EBITDA & Cash
- 3 digiNxt Series courses launched



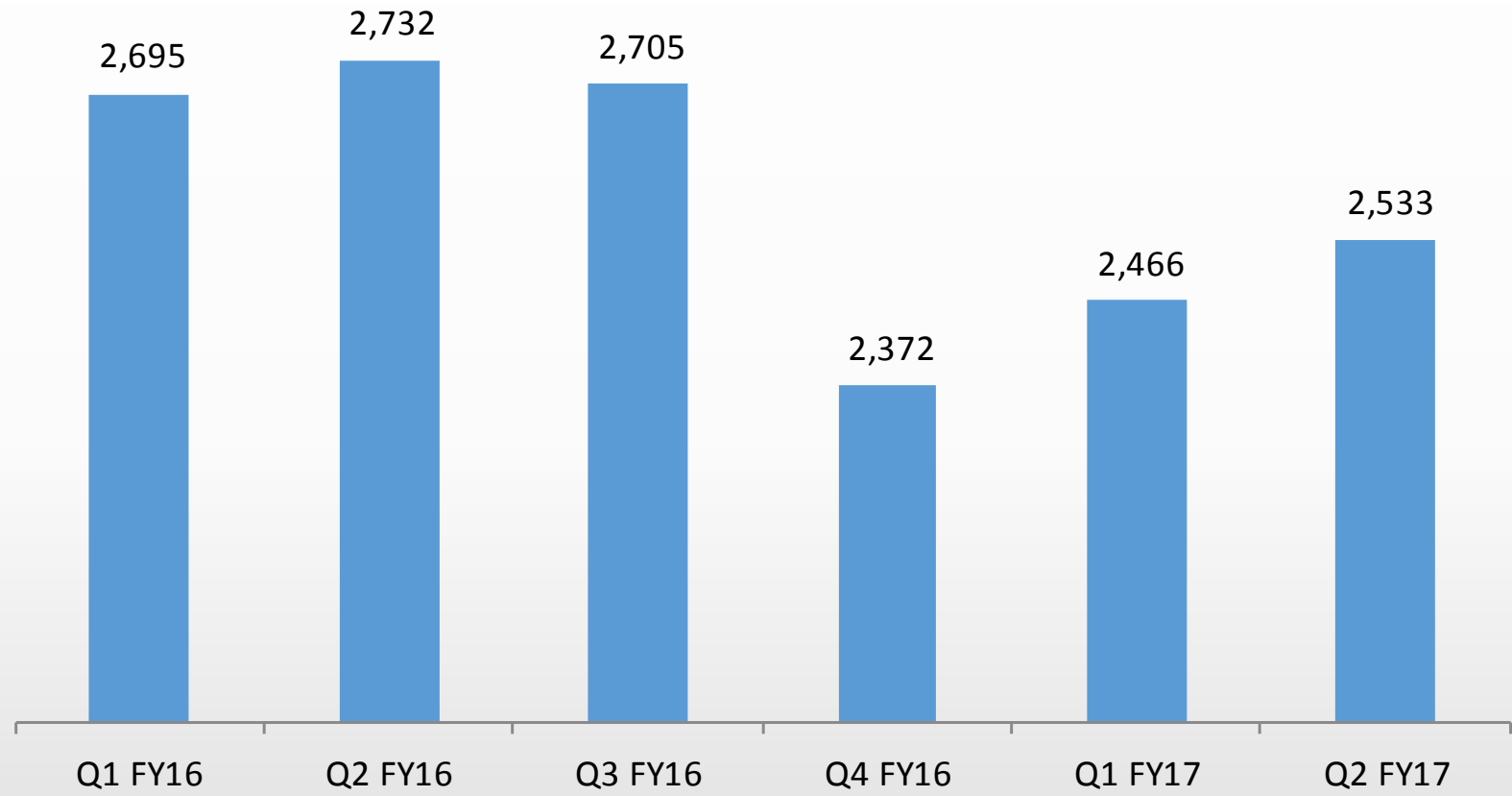
INR Mn	Q2 FY17	Q2 FY16	YoY	Q1 FY17	QoQ
Net Revenues	216	232	-7%	307	-30%
EBITDA	12	14	-12%	20	-42%
EBITDA %	6%	6%	-34 bps	7%	-114 bps

- Revenue at INR 216 Mn down 7% YoY
- Overall revenue impacted due to planned ramp down of government school projects
- EBITDA consistent at 6%
- Revenue from Focussed IP led private school business contributes 31% to SLG revenue; up 13% YoY
- Added 103 schools, Order intake of INR 67 Mn



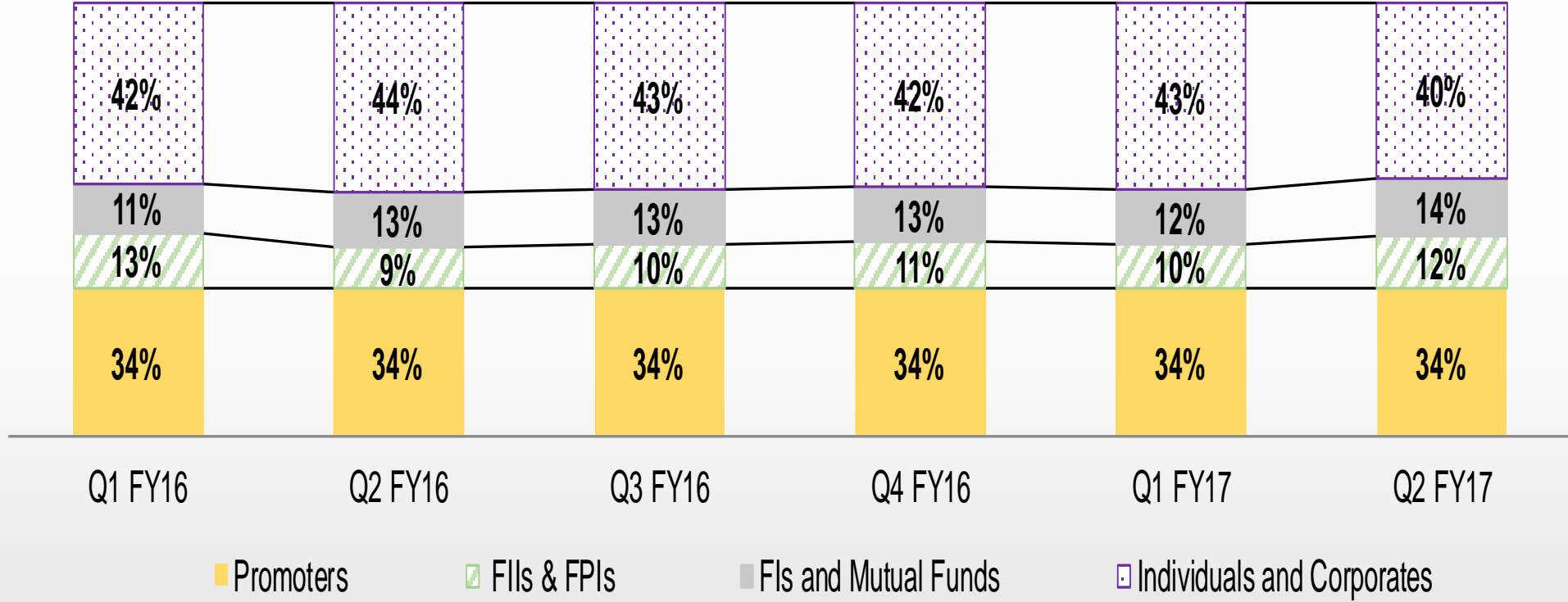
Turn classrooms
interactive
with the **new age
digital learning
classroom**
solution

Interactive
Classrooms



Headcount up 67 QoQ and down 199 YoY

** excludes project retainers*



Percentages may not add to 100% due to rounding



Thank you

