



# Financial Performance – Q1FY18

July 20, 2017

## Agenda

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- **Financial Highlights**
- **Business Update**
- **Financial Statements**
  - Income Statement
  - Balance Sheet
- **Business Analysis**
- **Shareholding Pattern**

## Financial Highlights – Q1FY18

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### Consolidated Revenues at INR 7,089 Mn

- Down 1.2% QoQ, Up 5.7% YoY
- Adverse currency impact of 2.6%
- Constant currency revenues up 1.4% QoQ

### Operating profits at INR 1,108 Mn

- Down 12.2% QoQ, Up 9.1% YoY
- Operating Margins at 15.6%, Down 195 bps QoQ, Up 49 bps YoY

### Net Profits at INR 513 Mn

- Down 30.7% QoQ, Up 79.5% YoY
- ETR at 34.7%

### Order Intake at \$110 Mn

- \$320 Mn of firm business executable over next 12 months

*Note: QoQ comparisons exclude impact of settlement with a government entity in Q4FY17 financials*

## Business Highlights for Q1FY18

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- BFSI up 1.7% QoQ in constant currency, Contributes 41.6% (LQ 42.0%)
  - Growth in Insurance in US and NITL
  - 1 New client added in EMEA
  
- Transport down 0.8% QoQ in constant currency, Contributes 29.5% (LQ 30.7%)
  - Decline in EMEA
  - Large multi year engagement secured with an existing US client
  
- Manufacturing/Media & Others up 4.3% QoQ in constant currency, Contributes 28.9% (LQ 27.4%)
  - Higher revenue in International Geos
  - Lower revenues in GIS due to seasonality
  - 3 new customers added
  
- Acquired 55% interest in RuleTek
  - Strengthens Digital Integration capabilities
  - Expands footprints in North America
  - 5 New Customers added

## Acknowledgements during the Quarter

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- NIIT Technologies Identified as an Innovator in NelsonHall's Digital Transformation Services NEAT
- NIIT Technologies has been positioned as a Major Contender and a Star Performer in Everest Group's Capital Markets PEAK Matrix™ 2017

## Consolidated Qtrly Income Statement

Particulars (INR Mn)	Q1FY18	Q4FY17 (excl. Settlement)	Q4FY17	QoQ% (excl. Settlement)	Q1FY17	YoY%
<b>Gross Revenues</b>	<b>7,089</b>	<b>7,176</b>	<b>7,447</b>	<b>-1.2%</b>	<b>6,707</b>	<b>5.7%</b>
Direct Cost	4,577	4,578	4,625	0.0%	4,356	5.1%
<b>Gross Profit</b>	<b>2,512</b>	<b>2,599</b>	<b>2,822</b>	<b>-3.3%</b>	<b>2,351</b>	<b>6.8%</b>
GM%	35.4%	36.2%	37.9%	-77 Bps	35.1%	38 Bps
Selling / General And Administration	1,404	1,338	1,298	5.0%	1,336	5.2%
<b>SG&amp;A to Revenue %</b>	<b>19.8%</b>	<b>18.6%</b>	<b>17.4%</b>	<b>117 Bps</b>	<b>19.9%</b>	<b>-11 Bps</b>
<b>Operating Profit</b>	<b>1,108</b>	<b>1,261</b>	<b>1,523</b>	<b>-12.2%</b>	<b>1,015</b>	<b>9.1%</b>
OM%	15.6%	17.6%	20.5%	-195 Bps	15.1%	49 Bps
Depreciation and Amortization	316	312	312	1.3%	326	-3.0%
Other Income (net)	58	(12)	(12)	-590.3%	83	-30.6%
<b>Profit Before Tax (Before exceptional items)</b>	<b>849</b>	<b>937</b>	<b>1,199</b>	<b>-9.3%</b>	<b>772</b>	<b>10.0%</b>
PBT % (Before exceptional items)	12.0%	13.1%	16.1%	-107 Bps	11.5%	46 Bps
Exceptional items	-	-	(140)	NA	361	-100.0%
<b>Profit Before Tax</b>	<b>849</b>	<b>937</b>	<b>1,339</b>	<b>-9.3%</b>	<b>411</b>	<b>106.6%</b>
PBT %	12.0%	13.1%	18.0%	-107 Bps	6.1%	585 Bps
Provision for Tax	295	125	265	134.8%	80	269.2%
Minority Interest	42	72	72	-41.8%	46	-8.2%
<b>Profit After Tax (after Minority Int.)</b>	<b>513</b>	<b>739</b>	<b>1,003</b>	<b>-30.7%</b>	<b>285</b>	<b>79.6%</b>
PAT%	7.2%	10.3%	13.5%	-307 Bps	4.3%	297 Bps
<b>EPS - INR</b>						
Basic	8.4	12.0	16.3	-30.6%	4.7	79.0%

- Sequential decline in revenues due to seasonality in GIS and adverse currency impact. Constant currency revenues up 1.4%.
- Operating margins declined primarily due to wage hikes and adverse currency impact.
- Higher ETR of 34.7% due to Dividend income from foreign subsidiaries to be set-off against DDT on distribution of dividend.

## Balance Sheet

INR Mn

Particulars	As at June 30 2017	As at Mar 31 2017	As at June 30 2016	Particulars	As at June 30 2017	As at Mar 31 2017	As at June 30 2016
Equity	614	614	612	Fixed Assets	4,678	4,802	4,948
Reserves & Surplus	16,094	16,251	14,360	Capital Work in Progress	17	-	222
<b>NET Worth</b>	<b>16,708</b>	<b>16,864</b>	<b>14,972</b>	Intangible Assets	4,548	3,674	3,913
Borrowings	118	113	111	<b>Current Assets</b>			
Deferred Tax Liability	493	387	433	Cash and Cash Equivalent	6,162	7,321	4,363
Minority Interest	186	237	196	Debtors	5,424	4,903	5,818
				Other Current Assets	2,439	2,976	2,851
				Current Liabilities	(4,824)	(4,764)	(5,488)
				Future Acquisition Liability	(2,016)	(2,282)	(1,879)
				Deferred Tax Assets	1,075	971	963
	<b>17,505</b>	<b>17,601</b>	<b>15,711</b>		<b>17,505</b>	<b>17,601</b>	<b>15,711</b>

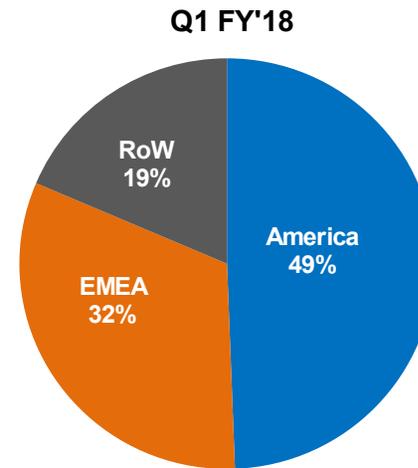
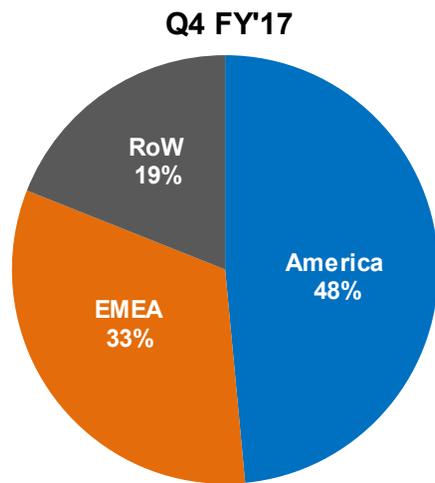
• Reserves and Surplus down INR 205 Mn over LQ, due to increase in future acquisition liabilities

• Cash and Bank Balances down over LQ on account of acquisition of majority stake in RuleTek and additional stake in Incessant

- DSO – 69 days
- Capex during the Qtr – INR 275 Mn
- Increase in Intangible on account of Ruletek acquisition – INR 768 mn

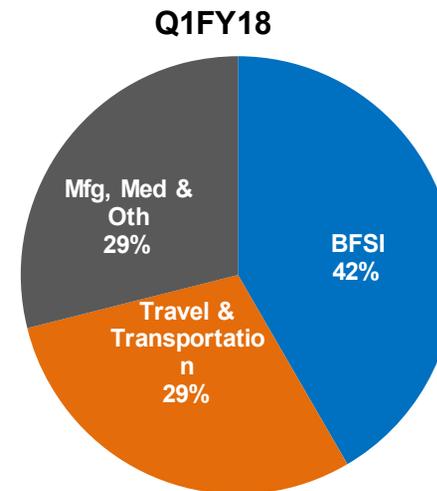
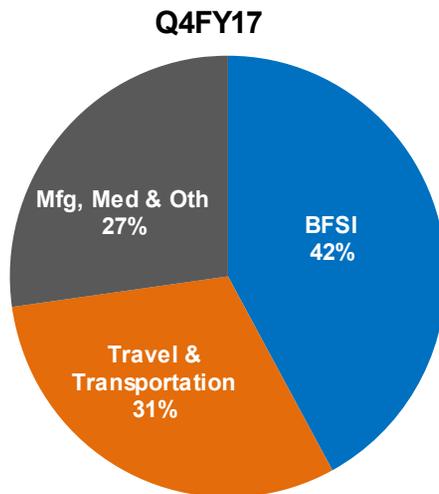
## Geography Mix

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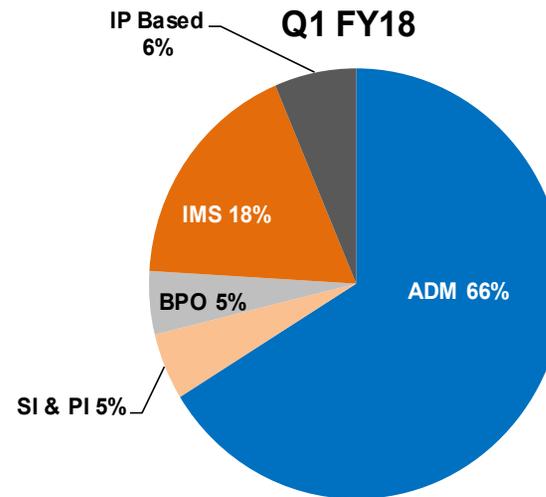
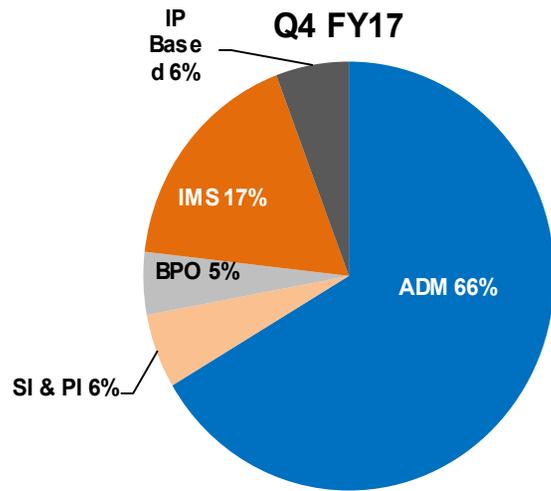
- Strong Growth in constant currency in USA and APAC
- Marginal growth in constant currency in EMEA
- Decline in RoW due to GIS

## Vertical Mix



- Growth in constant currency in BFSI led by insurance in US and NITL in EMEA
- Decline in T&T due to ramp down in a client in EMEA
- Growth in Mfg, Med & Oth due to growth in International business

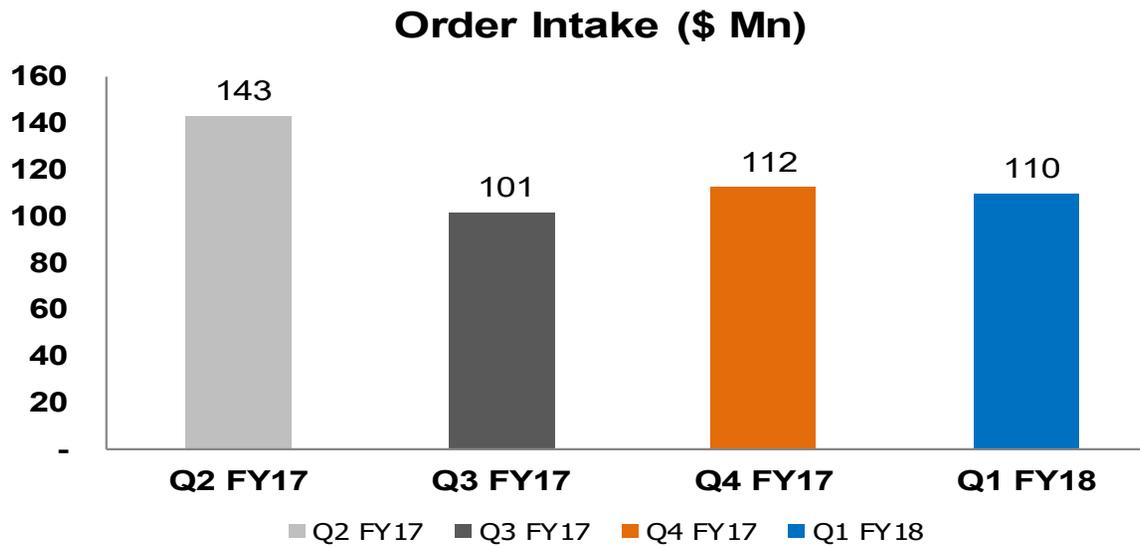
# Service Mix



## Q1 FY18

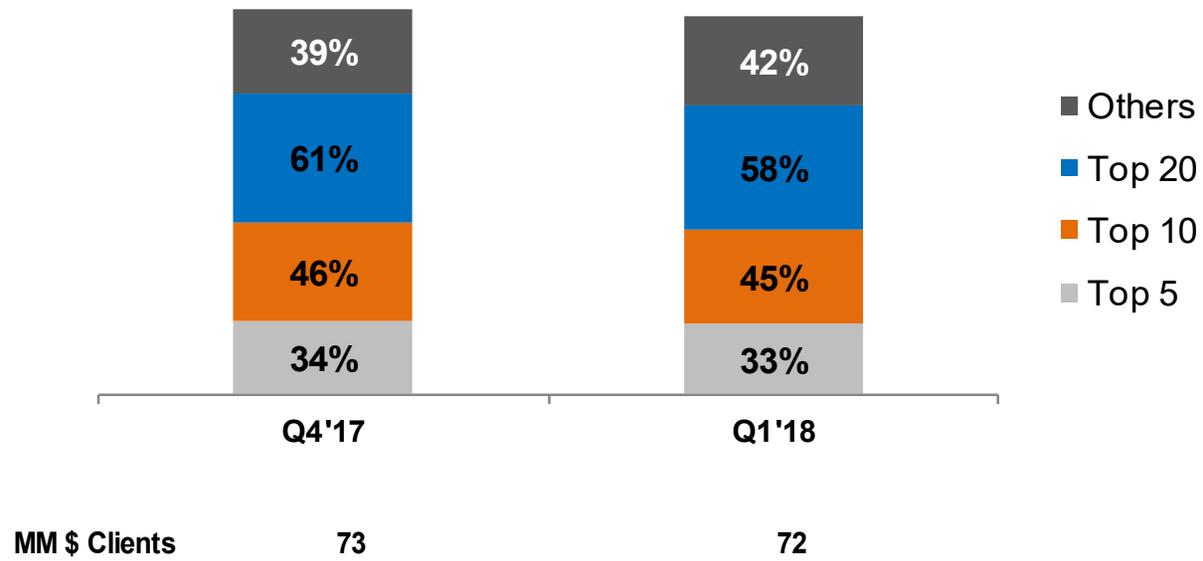
- Decrease in ADM revenues due to decline in T&T
- Increase in IMS due to growth in US
- Growth in IP led services due to growth in NITL
- Decrease in SI & PI due to decline in GIS
- Digital revenues at 21%

# Order Intake



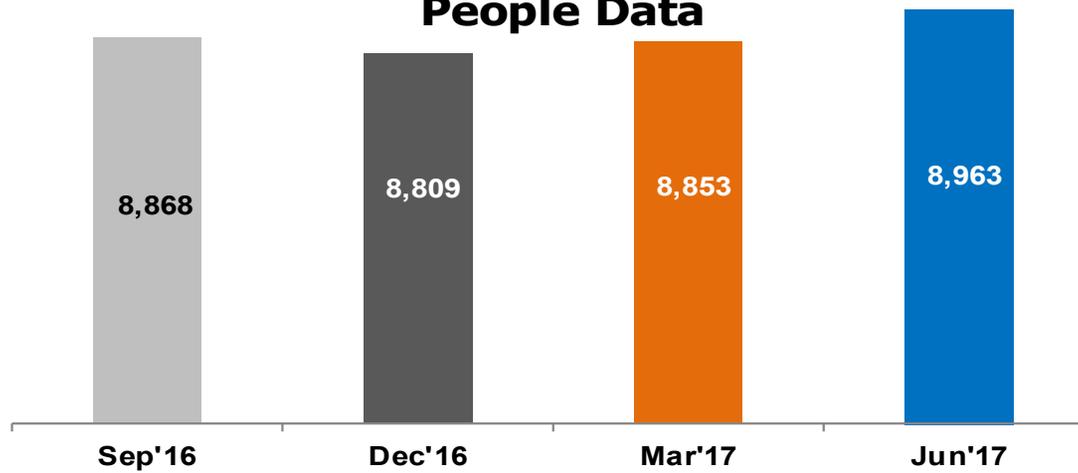
- 9 new customers added: 5 in US, 1 in EMEA and 3 in ROW
- \$110 Mn order intake in the quarter leading to \$320 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (60 Mn), EMEA (23 Mn), ROW (27 Mn)

# Top Client Mix



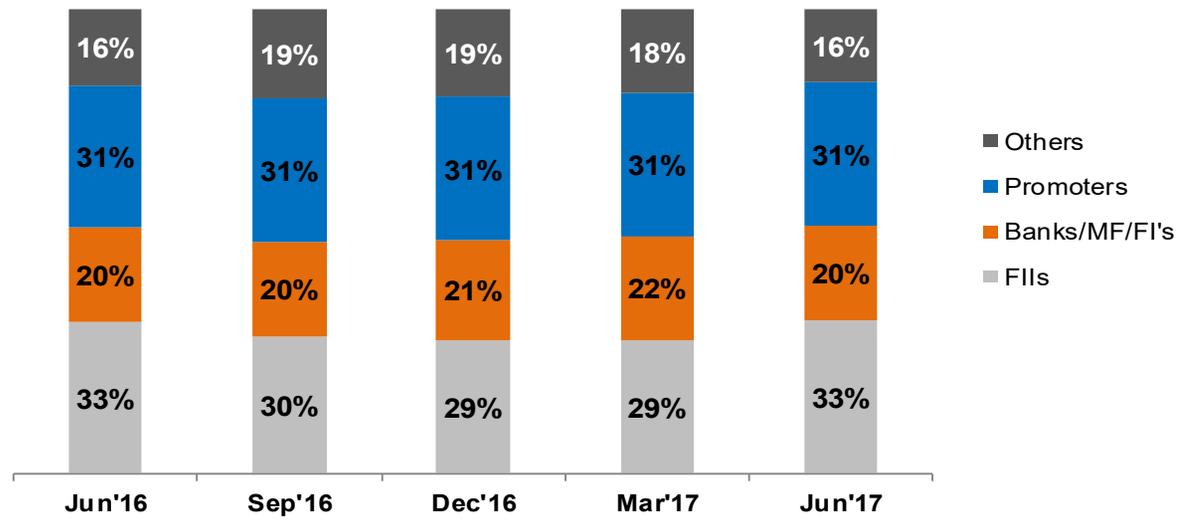
# People Resources

## People Data



<b>Net Additions</b>	-154	-59	44	110
<b>Attrition%</b>	12.86%	12.58%	12.72%	12.12 %
<b>Utilization</b>	81.00%	80.00%	81.00%	81.20%

# Shareholding Pattern





Thank You