NIIT technologies
New Ideas, More Value.™

Financial Performance – Q1FY19

Jul 18, 2018

Agenda

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

Financial Highlights – Q1FY19

NIIT technologies
New Ideas, More Value.™

Consolidated Revenues at INR 8,249 Mn

- Up 16.4% YoY, Up 4.6% QoQ
- Constant currency revenue growth 3.3%

Operating profits at INR 1,306 Mn

- Up 17.9% YoY, Down 7.8% QoQ
- Operating Margins at 15.8%, Up 21 bps YoY, Down 213 bps QoQ

Net Profits at INR 858 Mn

- Up 67.4% YoY, Down 0.3% QoQ
- Net Profit at 10.4%

Order Intake at $151 Mn

- $347 Mn of firm business executable over next 12 months

Business Highlights for Q1FY19

- **BFS up 8.8% QoQ, Contributes 16.8% (LQ 16.2%)**
  - Growth in top accounts in US and ramp up in new accounts in EMEA
  - 2 New accounts added
- **Insurance up 10.0% QoQ, Contributes 28.5% (LQ 28.0%)**
  - Growth in key accounts in US and NITL
  - 3 New Accounts
- **T&T up 7.7% QoQ, Contributes 27.1% (LQ 26.3%)**
  - Increase in top accounts in EU and in US
  - 2 New Customers added
- **Other Verticals down 5.3% QoQ, Contributes 27.6% (LQ 30.4%)**
  - Seasonal decrease in GIS
  - Decrease in Morris due to ramp down
  - 2 New accounts added

Acknowledgement during the Quarter

- Ranked number one in ‘Business Understanding’ by clients in the 2018 UK IT Outsourcing Study conducted by Whitelane Research and PA Consulting Group
- Conferred with Times Ascent “Best Change Management Strategy” at India Human Capital Summit and Awards
- Conferred with Partner of the Year for Quality by AFLAC
- Received the ‘Partner Excellence in Driving Customer Success’ award from Pega
- Conferred with Appian 2018 Regional Partner of the Year in APAC

Consolidated Qtrly Income Statement

Particulars (INR Mn)	Q1FY19	Q4FY18	QoQ%	Q1FY18	YoY%
Gross Revenues	**8,249**	**7,888**	**4.6%**	**7,089**	**16.4%**
Direct Cost	5,437	5,000	8.7%	4,577	18.8%
Gross Profit	**2,811**	**2,888**	**-2.7%**	**2,512**	**11.9%**
GM%	34.1%	36.6%	-253 Bps	35.4%	-135 Bps
Selling / General And Administration	1,505	1,470	2.4%	1,404	7.2%
SG&A to Revenue %	**18.2%**	**18.6%**	**-40 Bps**	**19.8%**	**-156 Bps**
Operating Profit	**1,306**	**1,417**	**-7.8%**	**1,108**	**17.9%**
OM%	15.8%	18.0%	-213 Bps	15.6%	21 Bps
Depreciation and Amortization	312	305	2.3%	316	-1.3%
Other Income (net)	209	147	42.0%	58	261.4%
Profit Before Tax	**1,203**	**1,261**	**-4.6%**	**849**	**41.7%**
PBT %	14.6%	16.0%	-138 Bps	12.0%	261 Bps
Provision for Tax	300	288	4.1%	295	1.7%
Minority Interest	46	112	-59.1%	42	8.5%
Profit After Tax (after Minority Int.)	**858**	**861**	-0.3%	**513**	**67.4%**
PAT%	10.4%	10.9%	-50 Bps	7.2%	317 Bps
EPS - INR					
Basic	14.0	14.0	-0.4%	8.4	67.1%

- Q1FY19 margins reflects impact of wage hikes, visa costs and seasonal decline in GIS business
- Higher other income due to revaluation of foreign currency assets and liabilities due to exchange fluctuation and interest on income tax refund during the quarter
- In Q1FY19, DDT is recognized in statement of changes in equity as against a charge to P&L as current tax expense in Q1FY18. Net of this change the growth in PAT is 40.8% for the firm YoY

Balance Sheet

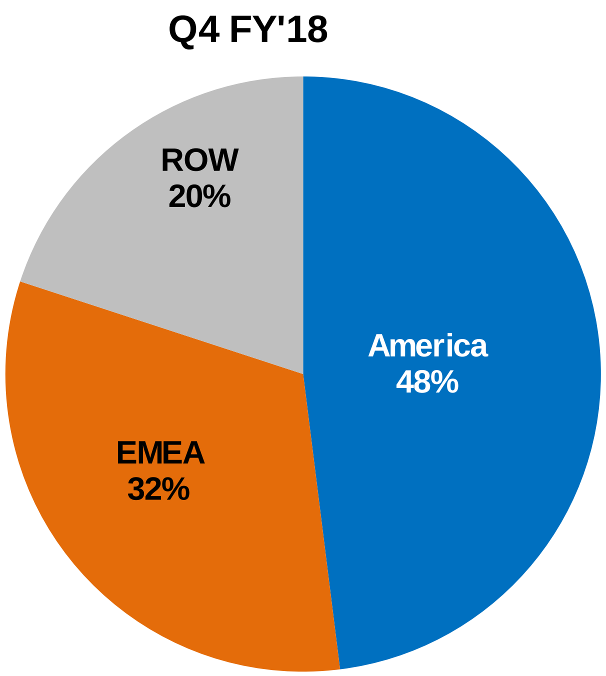
INR Mn.

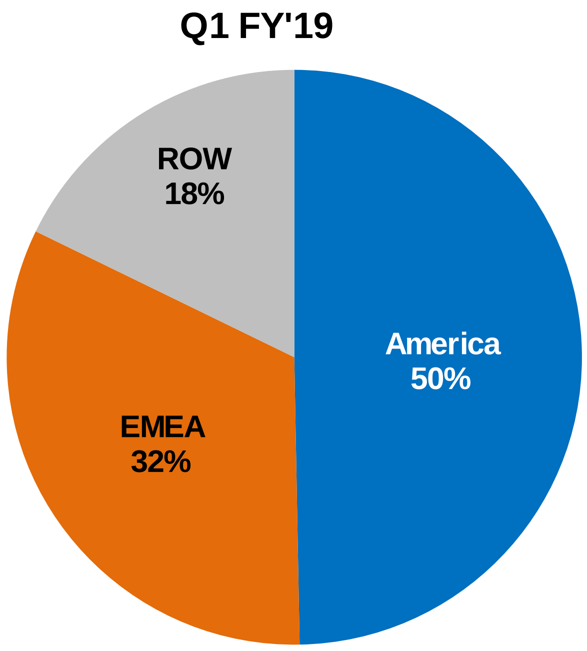
Particulars	As at Jun 30 2018	As at Mar 31 2018	As at Jun 30 2017	Particulars	As at Jun 30 2018	As at Mar 31 2018	As at Jun 30 2017
Equity	615	615	614	Fixed Assets	4,420	4,500	4,678
Reserves & Surplus	17,568	17,126	16,094	Capital Work in Progress	23	7	17
				Intangible Assets	4,362	4,293	4,548
NET Worth	**18,183**	**17,740**	**16,708**	**Current Assets**			
				Cash and Cash Equivalent	6,849	8,057	6,162
Borrowings	208	224	118	Debtors	6,363	5,911	5,424
Deferred Tax Liability	444	455	493	Other Current Assets	2,490	2,701	2,439
Minority Interest	192	222	186	Current Liabilities	(4,967)	(5,115)	(4,823)
				Future Acquisition Liability	(1,778)	(2,943)	(2,016)
				Deferred Tax Assets	1,264	1,231	1,075
	19,027	**18,641**	**17,505**		**19,027**	**18,641**	**17,505**

- Reserves and Surplus up INR 443 Mn over LQ.

- Cash and Bank Balances down by INR 1,208 Mn over LQ, primarily on account of further stake in Incessant and Ruletek
- DSO – 75 days (LQ 70 days)
- Capex during the Qtr – INR 302 Mn
- Future acquisition liability is on account of obligation to buy balance stake in Incessant and RuleTek

Geography Mix



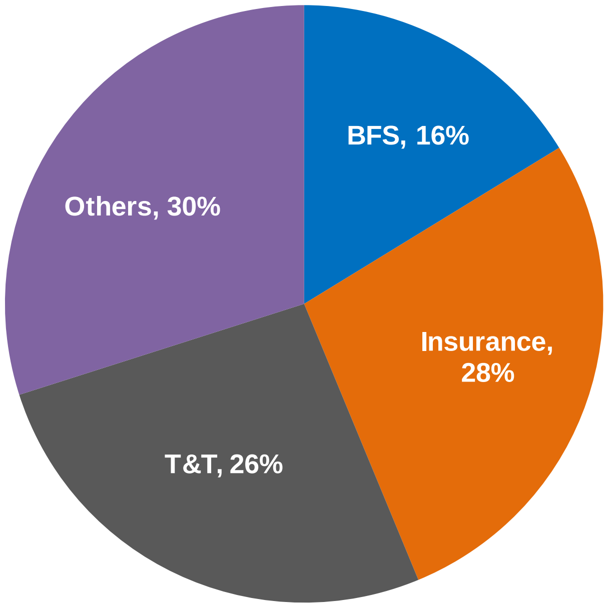


Q1FY19:

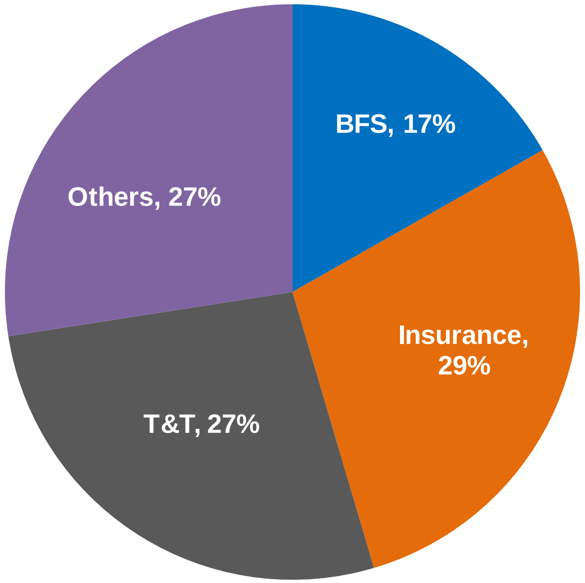
- Strong growth in US despite ramp down in Morris
- Strong growth in EMEA due to growth in NITL, IMS & Digital engagements
- Drop in RoW due to seasonal decline in GIS

Vertical Mix

Q4 FY18



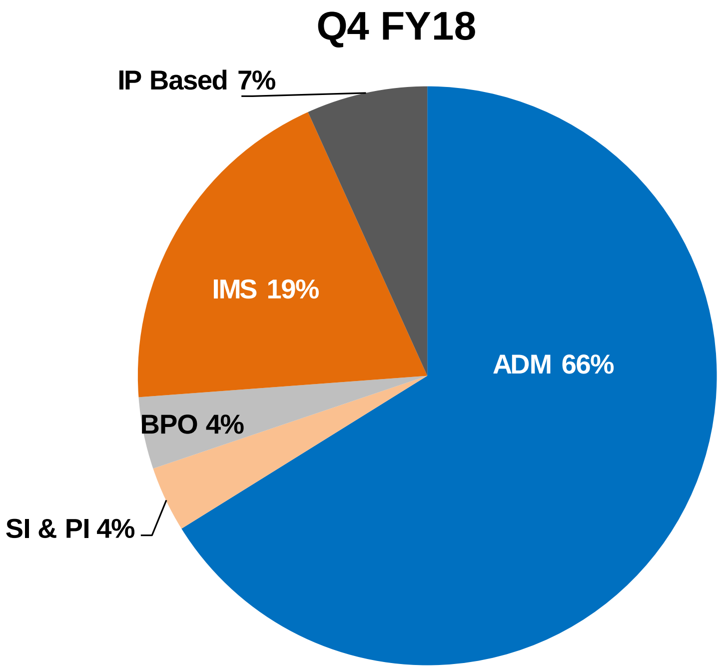
Q1 FY19

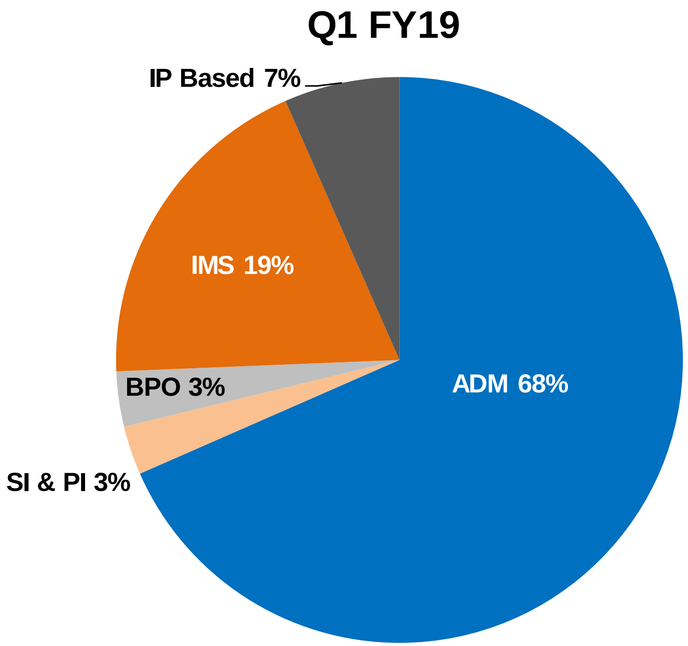


Q1FY19:

- Growth in TTL due to ramp up in top clients in US and Europe
- Growth in BFS on account of growth in Digital Engagements
- Growth in Insurance on account of key accounts across US & Europe and Digital engagements
- Others vertical contracted primarily on account of lower revenues from GIS and Morris

Service Mix

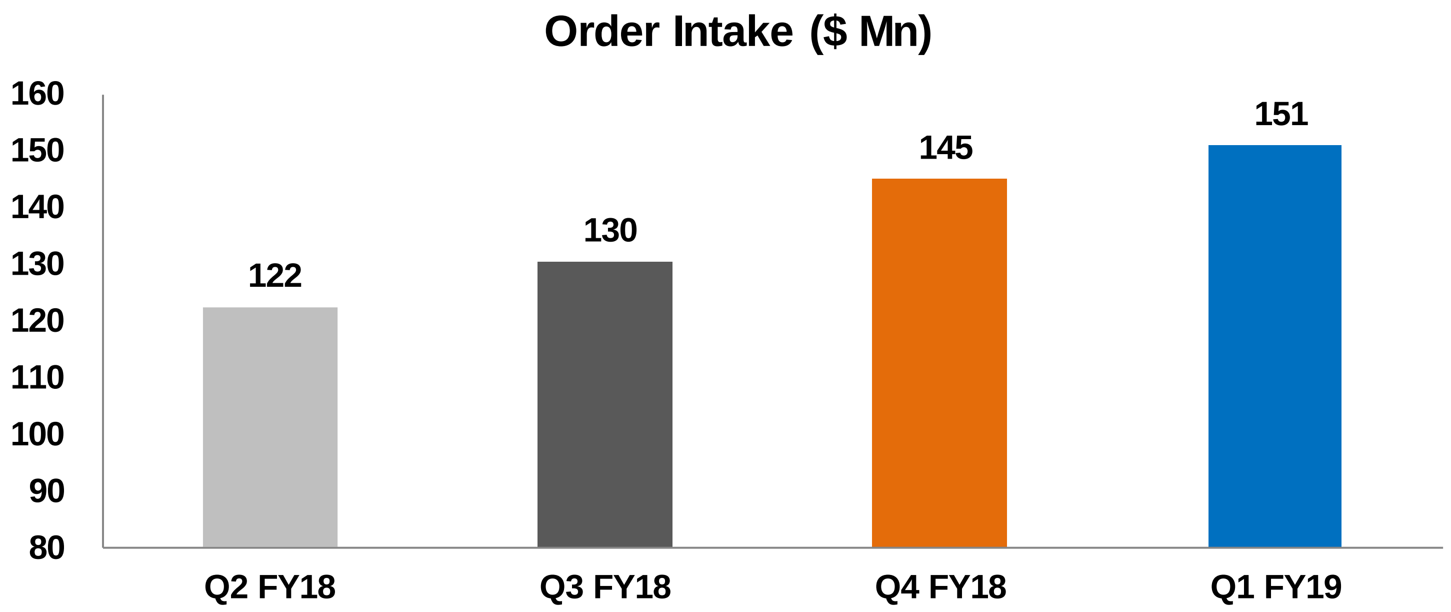




Q1FY19:

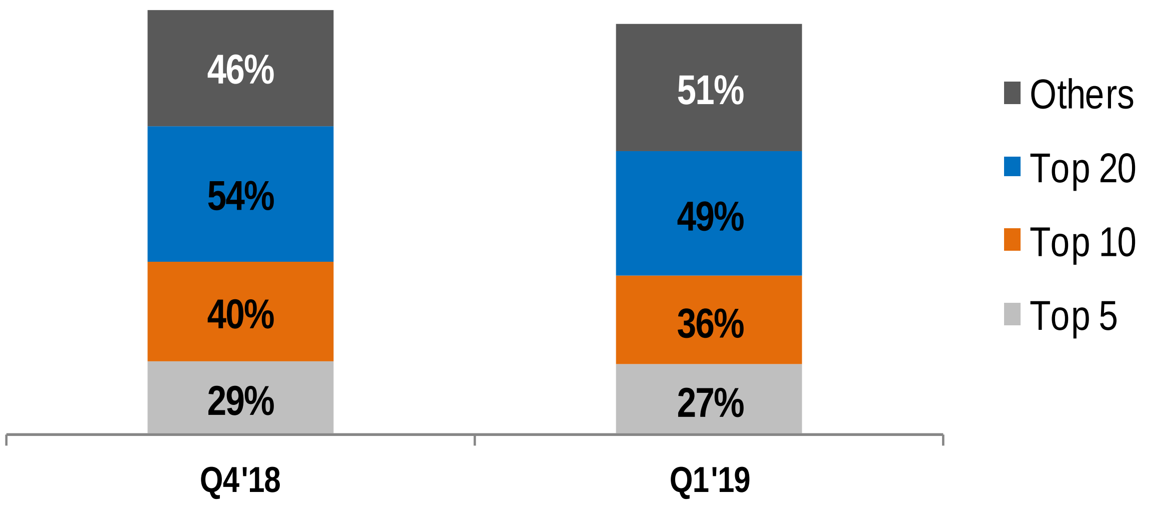
- Growth in ADM due to growth in all major verticals (BFS, Insurance & T&T)
- Digital revenues at 27%, reflecting sequential growth of 11% and YoY growth of 53%
- Growth in NITL & IMS
- Decline in BPO due to Morris ramp down
- Reduction in SI & PI due to seasonal decline in GIS

Order Intake



- 9 new customers added: 5 in US, 3 in EMEA and 1 in ROW
- $151 Mn order intake in the quarter leading to $ 347 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (69 Mn), EMEA (56 Mn), ROW (26 Mn)

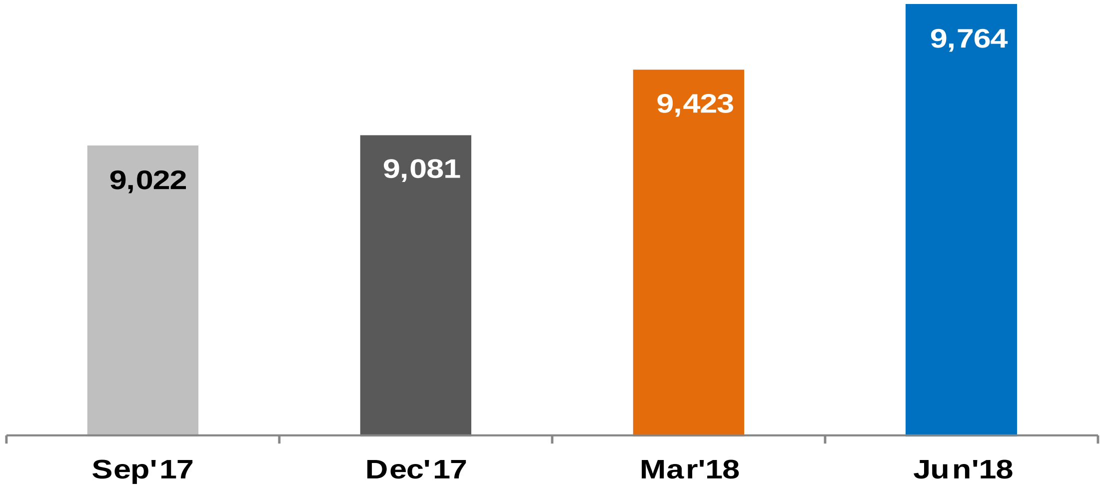
Top Client Mix



MM $ Clients	**80**	**84**

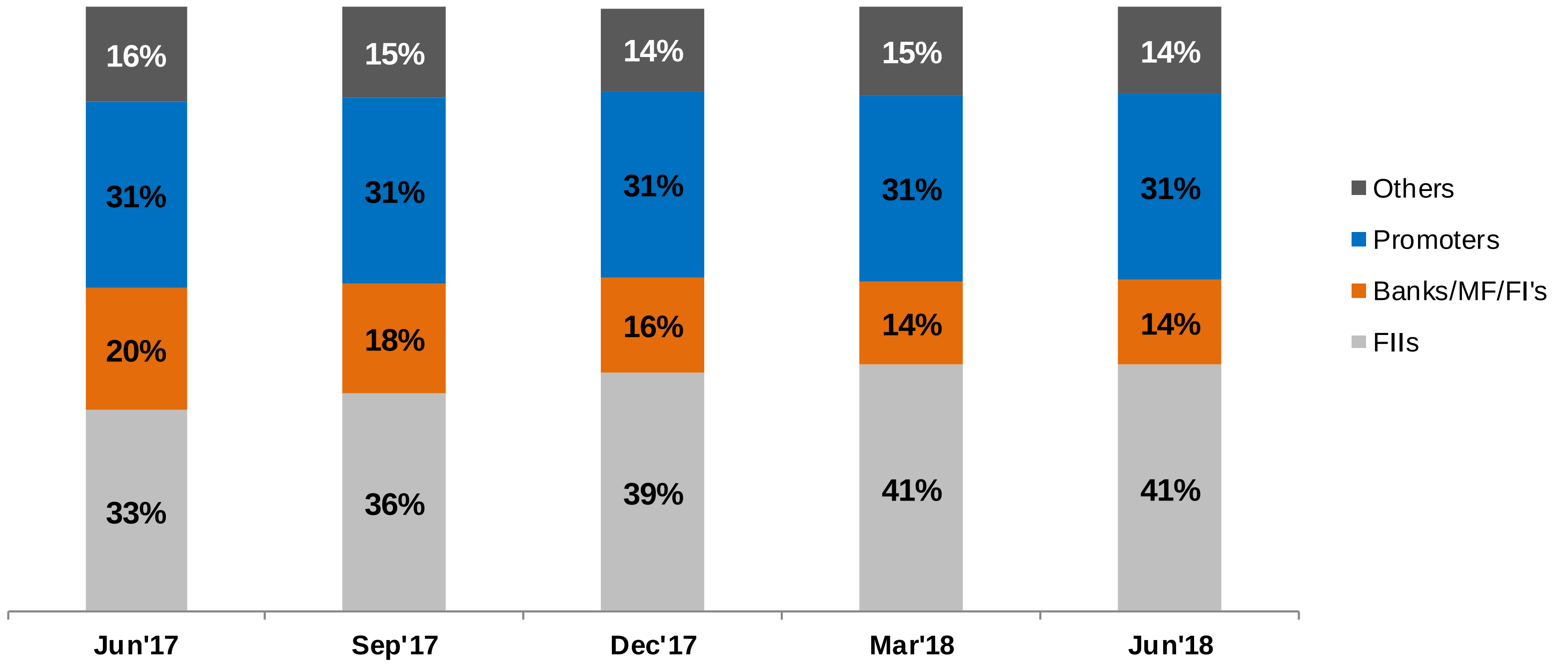
People Resources

People Data



	Sep'17	Dec'17	Mar'18	Jun'18
Net Additions	59	59	342	341
Attrition%	11.36%	10.57%	10.47%	10.08 %
Utilization	79.50%	79.00%	79.50%	80.10%

Shareholding Pattern



Thank You