



Financial Performance – Q2FY18

Oct 18, 2017

Agenda

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

Financial Highlights – Q2FY18

Consolidated Revenues at INR 7,372 Mn

- Up 4.0% QoQ, Up 6.4% YoY

Operating profits at INR 1,191 Mn

- Up 7.5% QoQ, Up 4.1% YoY
- Operating Margins at 16.2%, Up 53 bps QoQ, Down 36 bps YoY
- Operating Margins at 16.6% on constant currency

Net Profits at INR 672 Mn

- Up 31.2% QoQ, Up 14.1% YoY
- ETR at 21.8%

Order Intake at \$122 Mn

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

Business Highlights for Q2FY18

- **BFSI up 5.6% QoQ, Contributes 42% (LQ 42%)**
 - Growth in top accounts in US and NITL
 - 2 New accounts added
- **Travel & Transport down 4.8% QoQ, Contributes 27% (LQ 29%)**
 - Decline in EMEA due to ramp down in a key client
 - 1 New account added
- **Manufacturing/Media & Others up 10.7%, Contributes 31% (LQ 29%)**
 - Ramp up in Digital engagements in US
 - Execution of new SI engagements in India
 - Delay in movement of DGS&D rate contracts to GeM impacts GIS revenues
 - GateHouse Media acquired the newspaper business of our client Morris Publications Group on October 2, 2017
 - 4 New accounts added

Acknowledgements during the Quarter

- NIIT Technologies has been positioned as a Major Contender and a Star Performer in Everest Group's "IT Application Outsourcing in Insurance PEAK Matrix™ 2017"
- NIIT technologies featured in HfS 2017 AI-Powered OneOffice Premier League
- NIIT Technologies covered as a market player in a recent Gartner report "Competitive Landscape: IT Services Providers to the Global Insurance Industry", Derry N. Finkeldey, 08 August 2017
- NIIT Technologies conferred with Asia Pacific HRM Congress awards for "Organization with innovative HR practices"

Consolidated Qtrly Income Statement

Particulars (INR Mn)	Q2FY18	Q1FY18	QoQ%	Q2FY17	YoY%
Gross Revenues	7,372	7,089	4.0%	6,929	6.4%
Direct Cost	4,791	4,577	4.7%	4,481	6.9%
Gross Profit	2,582	2,512	2.8%	2,448	5.5%
GM%	35.0%	35.4%	-42 Bps	35.3%	-31 Bps
Selling / General And Administration	1,391	1,404	-1.0%	1,303	6.7%
SG&A to Revenue %	18.9%	19.8%	-95 Bps	18.8%	6 Bps
Operating Profit	1,191	1,108	7.5%	1,145	4.1%
OM%	16.2%	15.6%	53 Bps	16.5%	-36 Bps
Depreciation and Amortization	341	316	7.9%	317	7.5%
Other Income (net)	87	58	51.0%	29	205.3%
Profit Before Tax	937	849	10.4%	856	9.5%
PBT %	12.7%	12.0%	73 Bps	12.4%	36 Bps
Provision for Tax	204	295	-30.7%	213	-4.1%
Minority Interest	61	42	44.4%	54	12.5%
Profit After Tax (after Minority Int.)	672	513	31.2%	589	14.1%
PAT%	9.1%	7.2%	189 Bps	8.5%	62 Bps
EPS - INR					
Basic	11.0	8.4	31.1%	9.6	14.2%

- Operating margins improved 53 bps because of increase in revenues without increase in SG&A
- Higher depreciation due to impairment of goodwill in one of the subsidiary

Balance Sheet

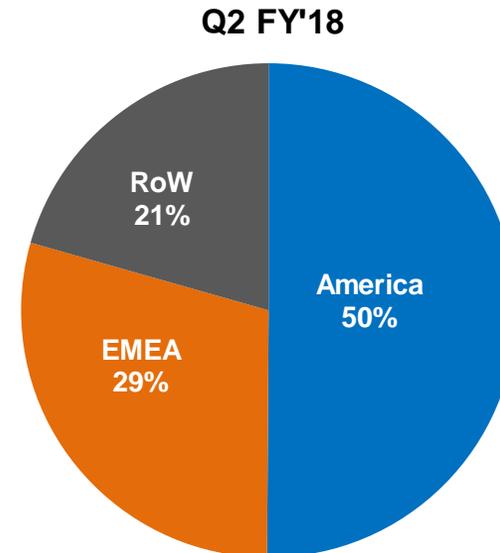
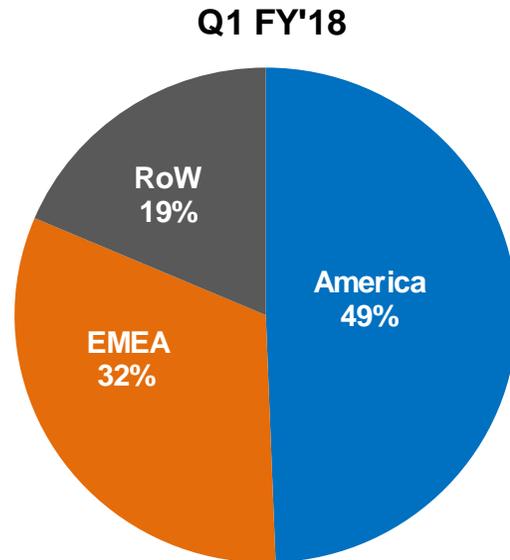
INR Mn.

Particulars	As at Sep 30 2017	As at June 30 2017	Particulars	As at Sep 30 2017	As at June 30 2017
Equity	614	614	Fixed Assets	4,547	4,678
Reserves & Surplus	16,130	16,094	Capital Work in Progress	22	17
NET Worth	16,744	16,708	Intangible Assets	4,474	4,548
			Current Assets		
Borrowings	232	246	Cash and Cash Equivalent	6,463	6,162
Deferred Tax Liability	476	493	Debtors	5,279	5,295
Minority Interest	189	186	Other Current Assets	2,418	2,568
			Current Liabilities	(4,710)	(4,696)
			Future Acquisition Liability	(2,028)	(2,016)
			Deferred Tax Assets	1,177	1,075
	17,641	17,633		17,641	17,633

• Reserves and Surplus up INR 36 Mn over LQ. Increase on account of profits during the quarter being set-off by dividend payout

• Cash and Bank Balances up INR 301 Mn over LQ post dividend payout of INR 768 Mn
 • DSO – 66 days
 • Capex during the Qtr – INR 73 Mn
 • Future acquisition liability is on account of obligation to buy balance stake in Incessant and RuleTek

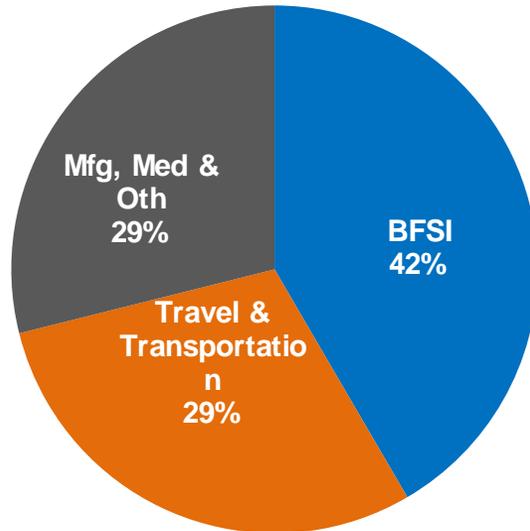
Geography Mix



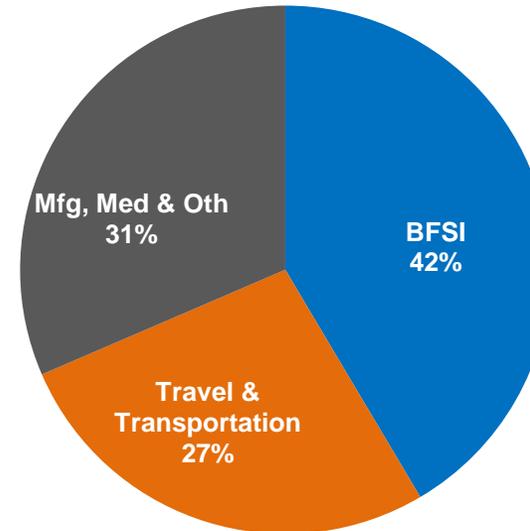
- Strong growth in USA on account of ramp up in top accounts in BFSI and ramp up of digital engagements
- Strong growth in APAC due to new projects in existing clients and new logos
- Strong growth in India on account of execution in new clients
- Decline in EMEA due to ramp down in T&T

Vertical Mix

Q1FY18

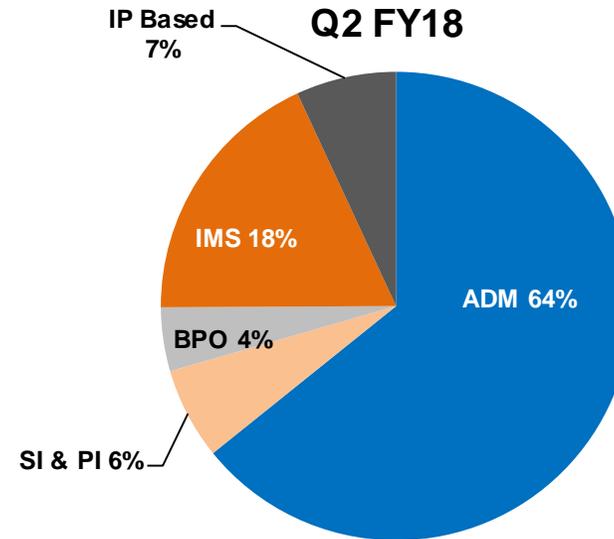
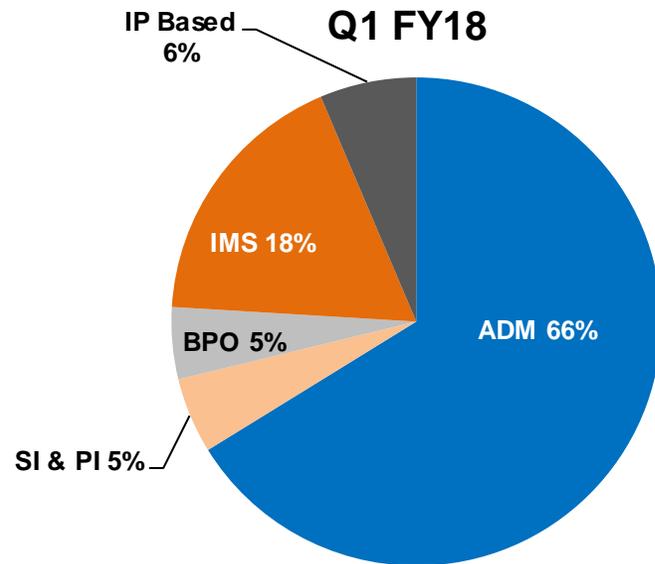


Q2FY18



- Growth in BFSI due to continued ramp up in US top clients and NITL
- Growth in Mfg, Med & Others led by Digital engagements in US
- Decline in T&T due to ramp down in EMEA

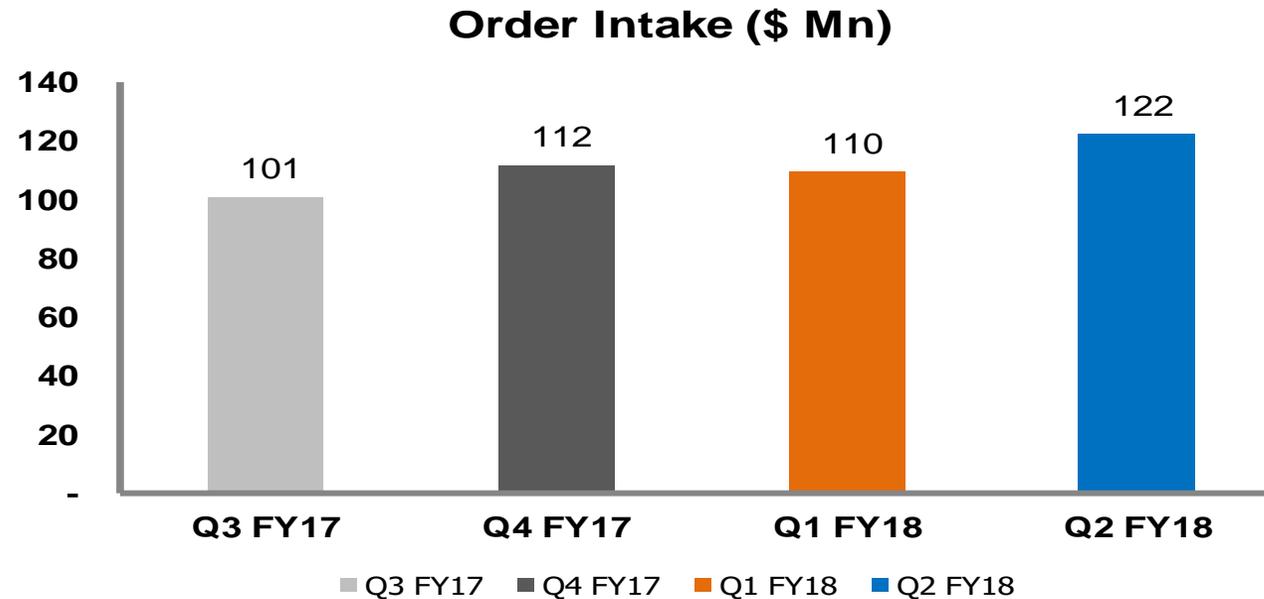
Service Mix



Q2 FY18

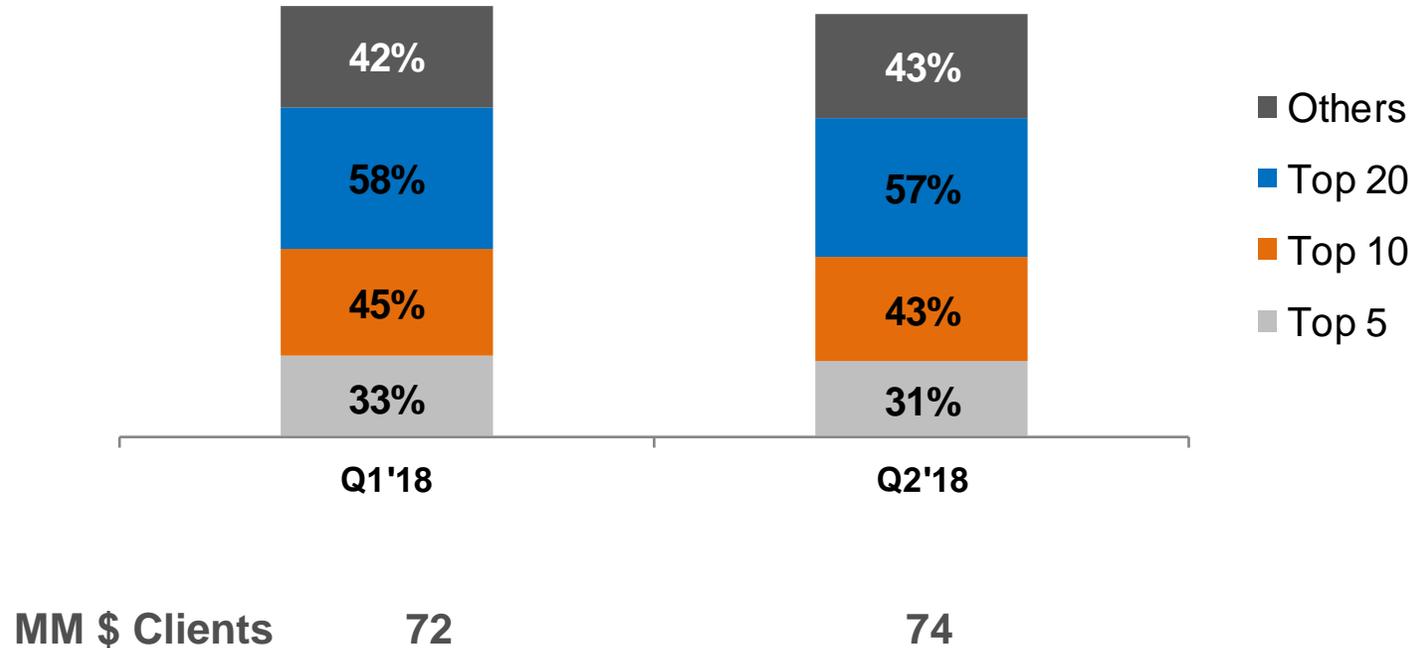
- Lower ADM share reflects ramp down in EMEA
- Expansion in IP led services due to growth in NITL
- Increase in SI & PI due to execution of new projects
- Digital revenues at 23% of mix, reflects sequential growth of 14%

Order Intake

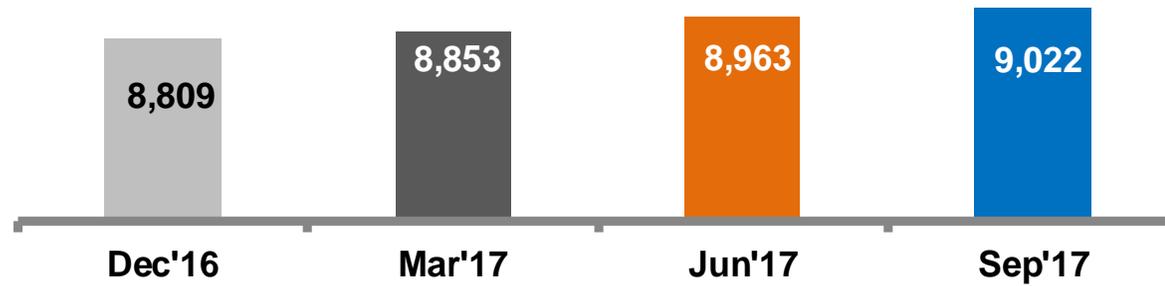


- 7 new customers added: 2 in US, 2 in EMEA and 3 in APAC
- \$122 Mn order intake in the quarter leading to \$ 320 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (64 Mn), EMEA (32 Mn), ROW (26 Mn)

Top Client Mix

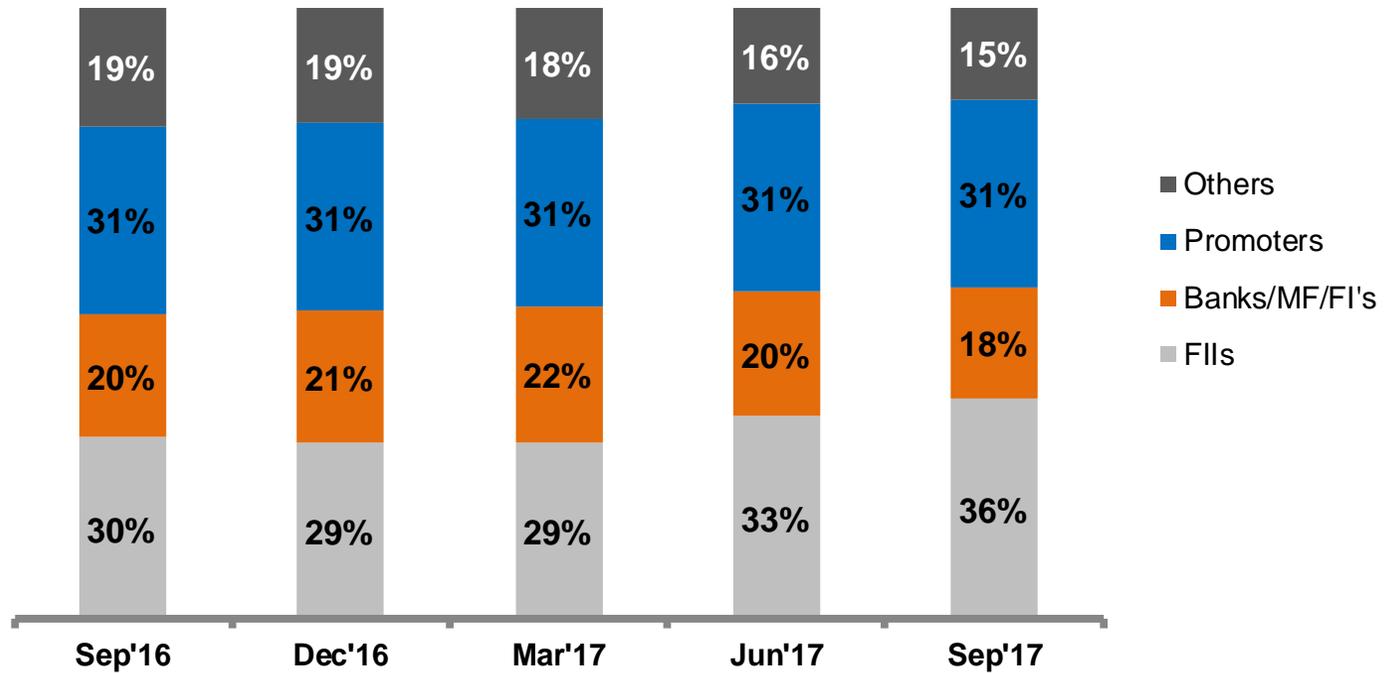


People Data



Net Additions	-59	44	110	59
Attrition%	12.58%	12.72%	12.12 %	11.36%
Utilization	80.00%	81.00%	81.20%	79.50%

Shareholding Pattern





NIIT

technologies

New Ideas, More Value.™



Thank You