



Financial Performance – Q1FY17

July 15, 2016

Agenda

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

Financial Highlights – Q1FY17

- Consolidated Revenues at Rs 6,707 Mn
 - Up 4.5% YoY, Down 2.3% QoQ
- Operating profits at Rs 1,015 Mn
 - Down 1.1% YoY, down 18.8% QoQ
 - Operating Margins at 15.1%, down 85 bps YoY, down 307 bps QoQ
- Net profit at Rs 286 Mn
 - Down 63.1% QoQ, down 47.5% YoY
 - Exceptional expenses of Rs 361 Mn
 - Other Income of Rs 83 Mn
 - ETR at 19.4%
- Order intake of \$101 Mn

The results for the quarter ended June 30, 2016 are as per notified Ind AS.

Business Highlights for Q1FY17

- BFSI up 3.2% QoQ, Contributes 42% (LQ 40%)
 - Growth in US and APAC
 - 2 New customer added: 1 each in USA and in EMEA
- Travel & Transport down 2.9% QoQ, Contributes 32% (LQ 32%)
 - Project closures being replenished with new business
 - 1 New customer added in USA
- Mfg, Media & Others down 5.4% QoQ, Contributes 26% (LQ 28%)
 - Lower revenues from GIS due to seasonality
 - 1 New customer added in EMEA

Acknowledgements during the Quarter

- Ranked #5 on customer satisfaction and #3 on providing real business value amongst 27 outsourcing providers in 2016 United Kingdom IT Outsourcing Study by Whitelane Research and PA Consulting Group.
- Emerged as a strong challenger amongst top service providers in the first of its kinds evaluation of agile delivery models according to the Ovum Decision Matrix: Selecting a Distributed Agile Delivery Model for ADM Services, 2016–17 report

Consolidated Qtrly Income Statement – Ind AS

Particulars (INR Mn)	Q1FY17	Q4FY16	QoQ%	Q1FY16	YoY%
Gross Revenues	6,707	6,863	-2.3%	6,421	4.5%
Direct Cost	4,356	4,332	0.6%	4,106	6.1%
Gross Profit	2,351	2,531	-7.1%	2,315	1.6%
GM%	35.1%	36.9%	-183 Bps	36.0%	-99 Bps
Selling / General And Administration	1,336	1,282	4.2%	1,288	3.8%
SG&A to Revenue %	19.9%	18.7%	125 Bps	20.1%	-14 Bps
Operating Profit	1,015	1,250	-18.8%	1,026	-1.1%
OM%	15.1%	18.2%	-307 Bps	16.0%	-85 Bps
Depreciation and Amortization	326	322	1.2%	298	9.4%
Other Income (net)	83	65	27.8%	81	2.9%
Profit Before Tax (Before exceptional items)	772	993	-22.2%	809	-4.5%
PBT % (Before exceptional items)	11.5%	14.5%	-295 Bps	12.6%	-109 Bps
Exceptional items	361	-	NA	-	NA
Profit Before Tax	411	993	-58.6%	809	-49.2%
PBT %	6.1%	14.8%	-866 Bps	13.2%	-704 Bps
Provision for Tax	80	179	-55.5%	226	-64.6%
Minority Interest	46	39	17.0%	40	15.9%
Profit After Tax (after Minority Int.)	286	774	-63.1%	544	-47.5%
PAT%	4.3%	11.3%	-703 Bps	8.5%	-422 Bps
EPS - INR					
Basic	4.7	12.7	-63.1%	8.9	-47.6%

- Decline in revenues due to marginal increase in international business and significant drop in domestic business
- Decline in margins due to wage hikes and reduction in GIS and NITL business

Consolidated Qtrly Income Statement – IGAAP

Particulars (INR Mn)	Q1FY17	Q4FY16	QoQ%	Q1FY16	YoY%
Gross Revenues	6,692	6,847	-2.3%	6,411	4.4%
Direct Cost	4,333	4,304	0.7%	4,080	6.2%
Gross Profit	2,359	2,543	-7.2%	2,330	1.2%
GM%	35.3%	37.1%	-188 Bps	36.4%	-110 Bps
Selling / General And Administration	1,336	1,282	4.2%	1,288	3.8%
SG&A to Revenue %	20.0%	18.7%	125 Bps	20.1%	-13 Bps
Operating Profit	1,023	1,261	-18.9%	1,042	-1.9%
OM%	15.3%	18.4%	-313 Bps	16.3%	-97 Bps
Depreciation and Amortization	291	287	1.4%	276	5.5%
Other Income (net)	71	39	80.9%	79	-9.3%
Profit Before Tax (Before exceptional items)	802	1,013	-20.8%	844	-5.0%
PBT % (Before exceptional items)	12.0%	14.8%	-280 Bps	13.2%	-118 Bps
Exceptional items	361	-	NA	-	NA
Profit Before Tax	441	1,013	-56.4%	844	-47.7%
PBT %	6.6%	14.8%	-820 Bps	13.2%	-658 Bps
Provision for Tax	83	184	-55.0%	219	-62.3%
Minority Interest	46	39	17.0%	40	15.9%
Profit After Tax (after Minority Int.)	313	790	-60.4%	585	-46.6%
PAT%	4.7%	11.5%	-686 Bps	9.1%	-446 Bps
EPS - INR					
Basic	5.1	12.9	-60.4%	9.6	-46.7%

- Difference in Amortization expenses vs Ind AS on account of fair valuation of intangible assets as per IAS 103 and IAS 113

Balance Sheet - IGAAP

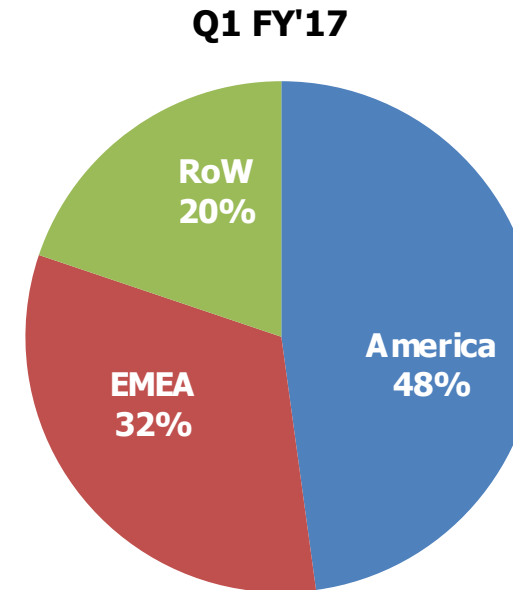
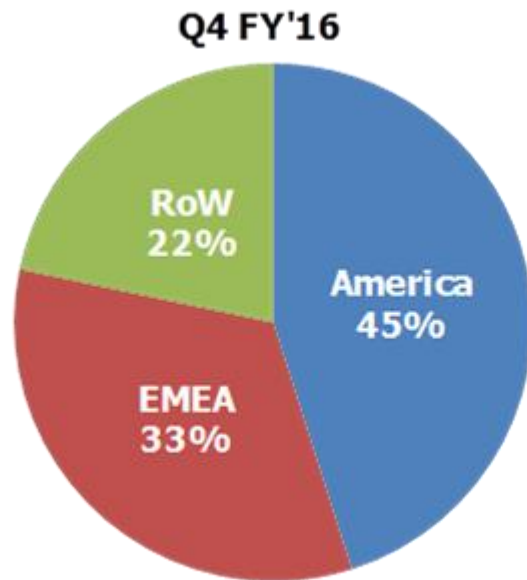
INR Mn.

Particulars	As at Jun 30 2016	As at Mar 31 2016	As at Jun 30 2015	Particulars	As at Jun 30 2016	As at Mar 31 2016	As at Jun 30 2015
Equity	612	612	611	Net Block	8,095	8,205	6,784
Reserves & Surplus	15,533	15,296	13,673	Capital Work in Progress	222	167	1,420
NET Worth	16,145	15,907	14,283	Current Assets			
Borrowings	111	102	84	Cash and Cash Equivalent	4,363	4,241	2,624
Minority Interest	691	645	468	Debtors	5,818	5,901	6,385
				Other Current Assets	3,457	3,719	3,350
				Current Liabilities	(5,382)	(5,837)	(6,197)
				Deferred Tax Assets	374	259	470
	16,947	16,654	14,835		16,947	16,654	14,836

- Reserves and Surplus up INR 237 Mn over LQ (Profit up 313 Mn)

- Cash and Bank Balances up by 1739 Mn over PY and up 122 Mn over LQ
- DSO – 78 days
- Capex during the Qtr – INR 319 Mn which includes 185 Mn for Microsoft licenses and 35 Mn for private cloud capacity expansion in campus

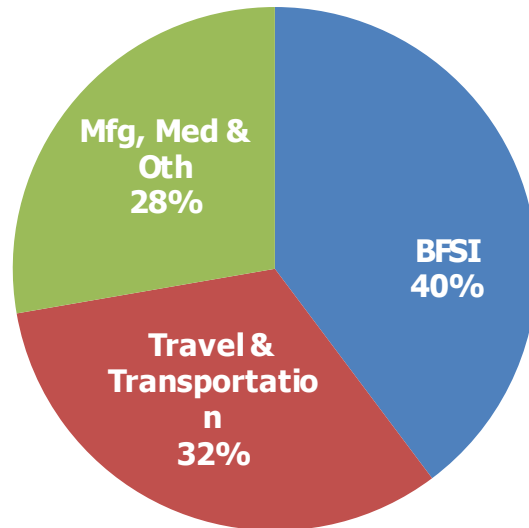
Geography Mix



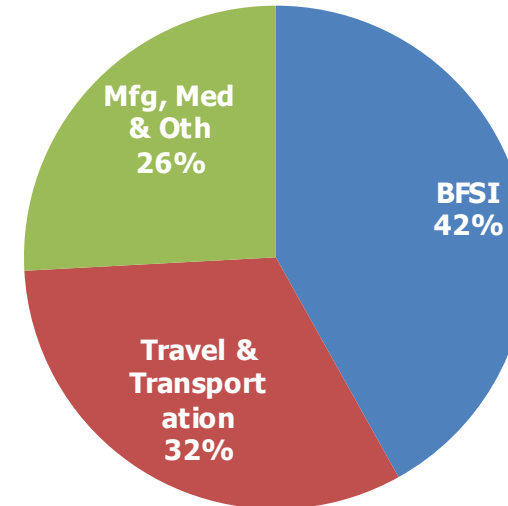
- Growth in Americas due to growth in BFSI
- Decline in UK Insurance Product revenues
- Decline in India business due to seasonality in GIS and lower revenues in India Gov

Vertical Mix

Q4 FY'16

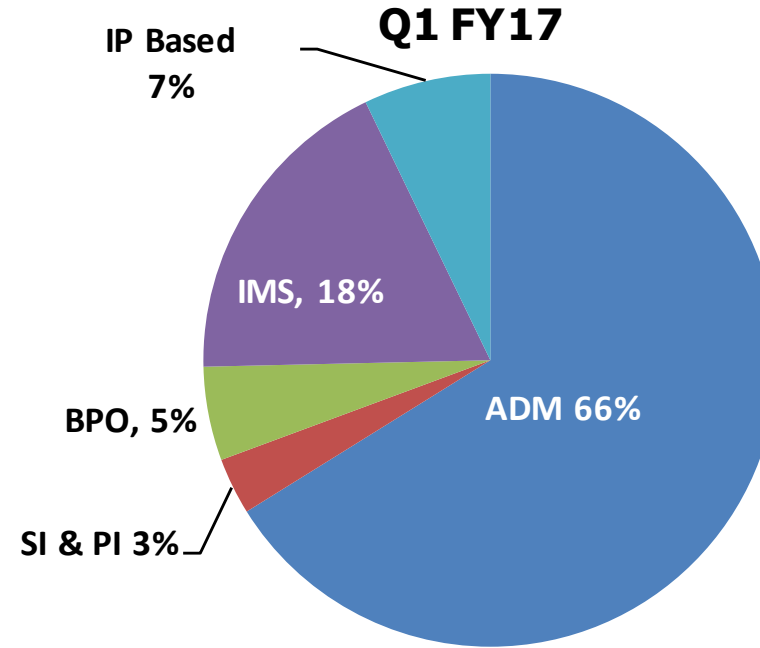
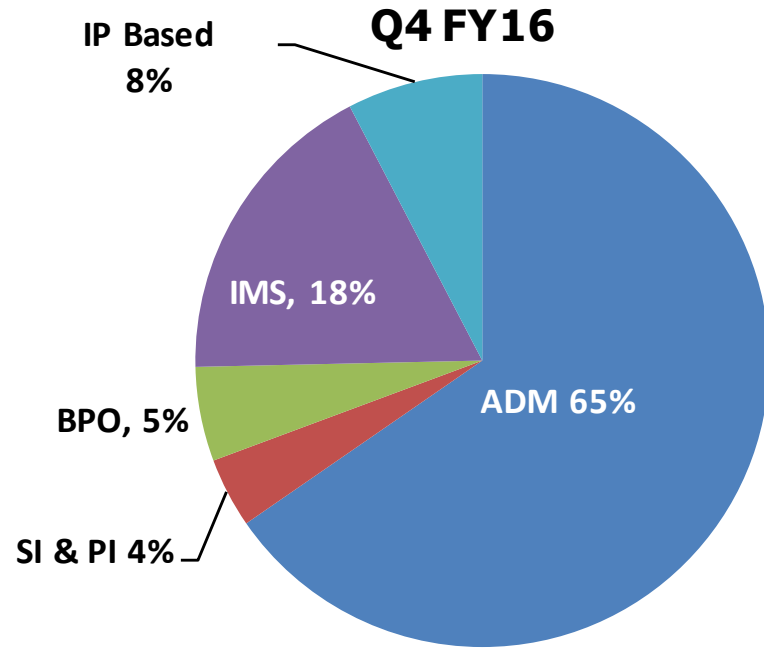


Q1 FY'17



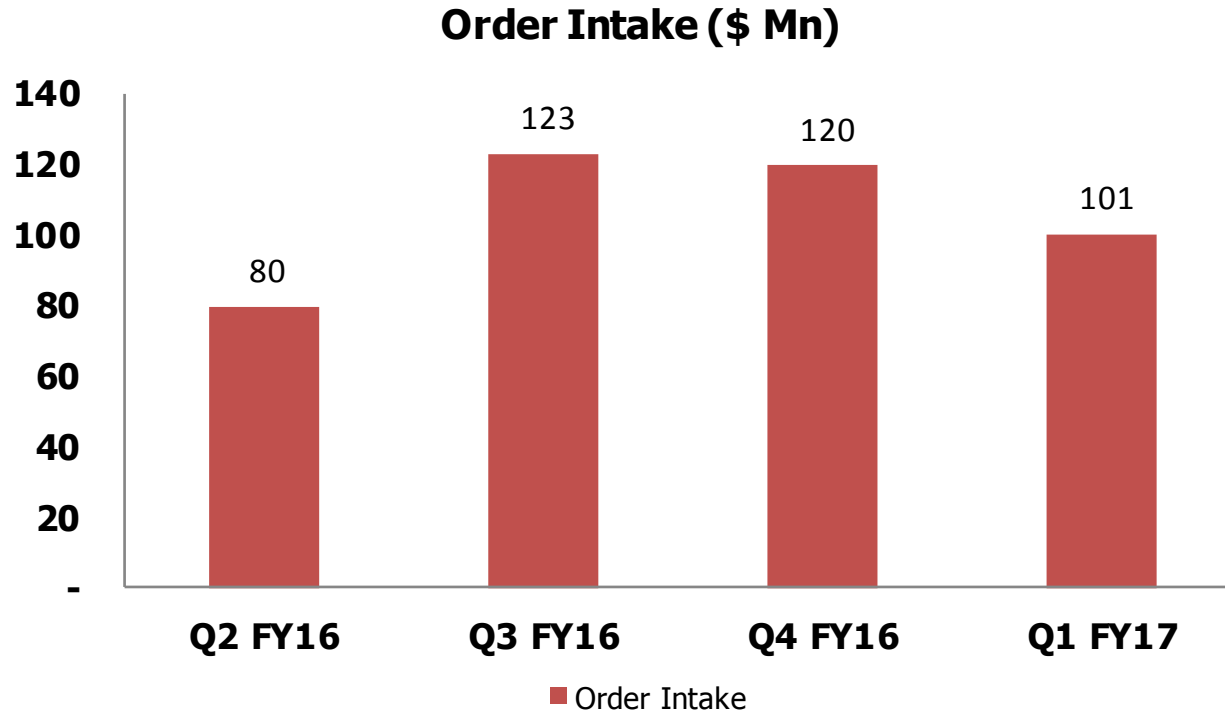
- BFSI expands due to growth in top accounts and expansion in new logos
- Government share reduced from 4% in Q4FY16 to 2% in Q1FY17

Service Mix



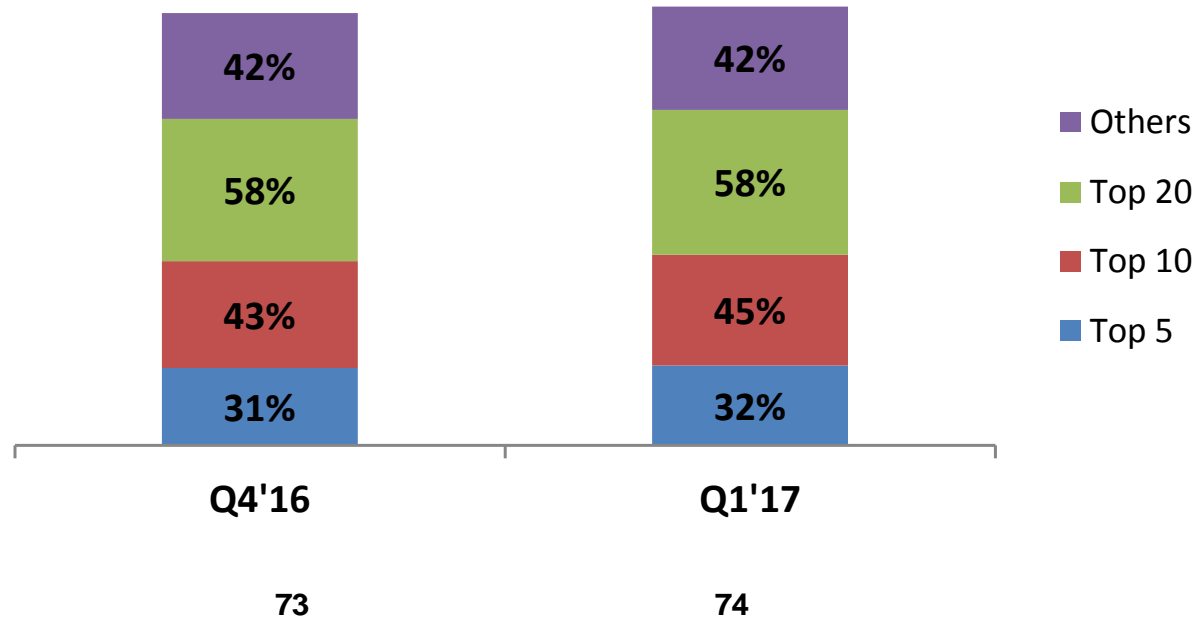
- Increase in ADM revenues due to growth in BFSI
- IP based revs down due to lower revs in NITL SI & PI down due to seasonality in GIS and lower revenues from Govt.
- Digital revenues at 18%

Order Intake



- 4 new customers added - 2 in BFSI, 1 each in Travel & Transportation and Others
- \$101 Mn order intake in the quarter leading to \$307 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (42 Mn), EMEA (30 Mn), ROW (29 Mn)

Top Client Mix

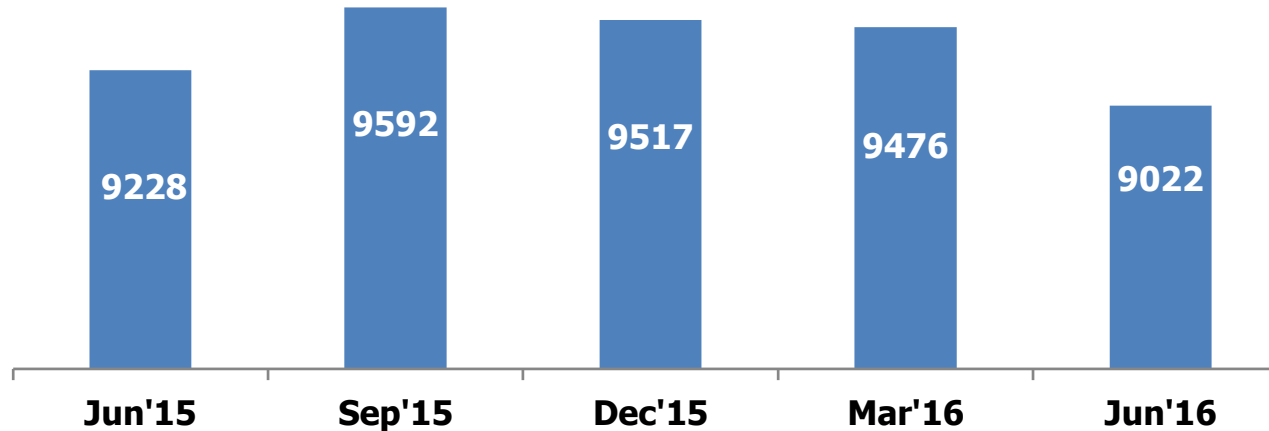


MM \$ Clients

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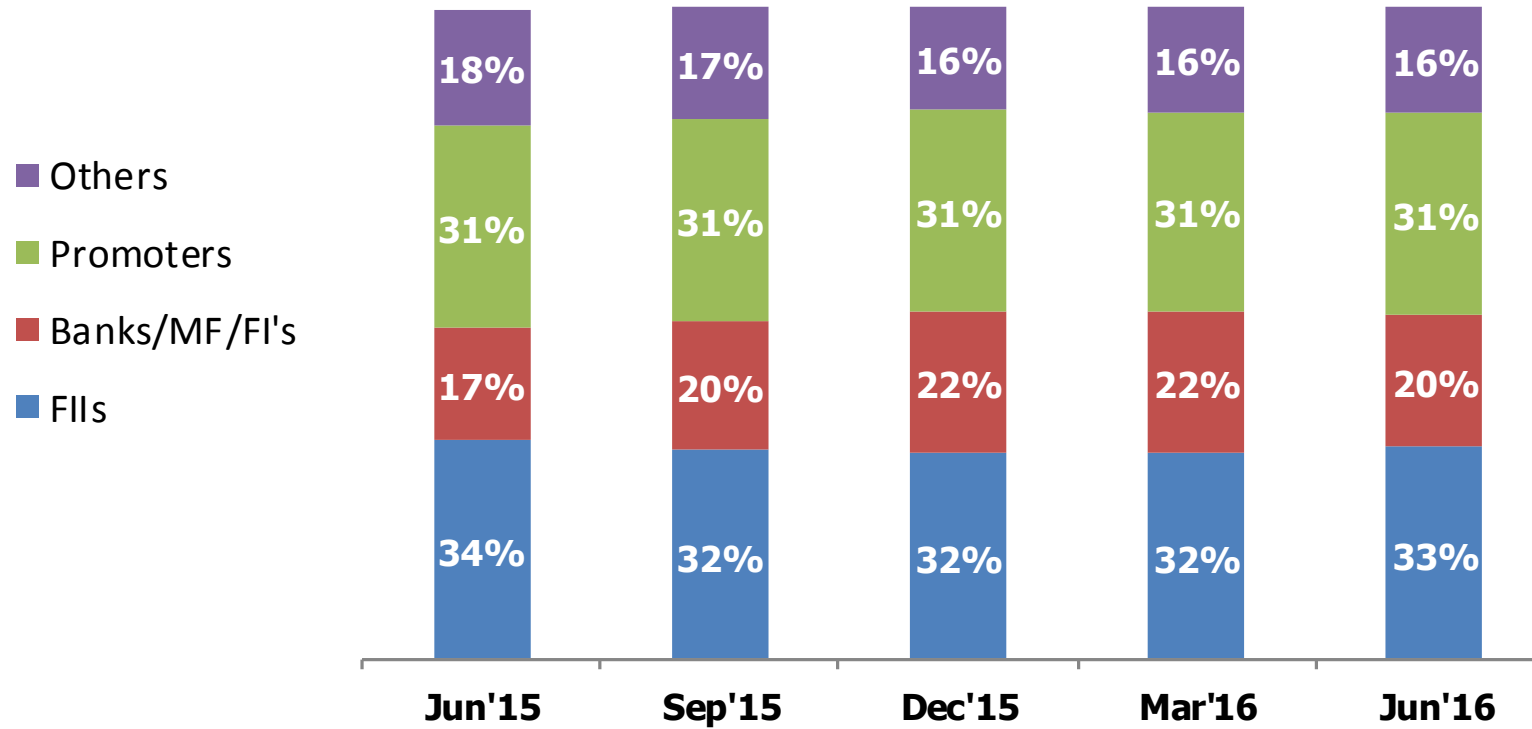
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People Data



	Jun'15	Sep'15	Dec'15	Mar'16	Jun'16
Net Additions	734	364	-75	-41	-454
Attrition%	14.31%	13.73%	13.61%	12.73%	13.38%
Utilization	79.50%	79.70%	78.70%	79.00%	79.80%

Shareholding Pattern





NIIT

technologies

New Ideas, More Value.™



Thank You