



# Financial Performance – Q2FY17

Oct 15, 2016

# Agenda

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

## Financial Highlights – Q2FY17

### Consolidated Revenues at INR 6,929 Mn

- Up 3.3% QoQ, Up 2.0% YoY
- Constant currency revenues Up 3.5% QoQ

### Operating profits at INR 1,145 Mn

- Up 12.8% QoQ, Down 5.1% YoY
- Operating Margins at 16.5%, Up 139 bps QoQ, Down 124 bps YoY

### Net Profits at INR 589 Mn

- Up 106.3% QoQ, Down 8.9% YoY
- ETR at 24.8%

### Order Intake at \$143 Mn

- \$309 Mn of firm business executable over next 12 months

# Business Highlights for Q2FY17

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- **BFSI up 3.4% QoQ, Contributes 42% (LQ 42%)**
  - Growth in Insurance clients in the US
  - 2 new customers added in EMEA
- **Transport up 6.0% QoQ, Contributes 33% (LQ 32%)**
  - Growth in large travel clients in international geographies
  - Extension of MSA for 5 years with a marquee client in Europe
- **Mfg, Media & Others flat QoQ, Contributes 25% (LQ 26%)**
  - 5 year contract renewed with Morris Communication
  - 1 new media customer added in US
  - CCTNS Odisha moved to O&M
  - Govt revenues contributes 1% (LQ 2%)

## Acknowledgements during the Quarter

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- **NIIT Technologies won Aecus Innovation award for delivering ‘Uninterrupted Business and IT operations at Multiple Airports during Unprecedented Crisis’ for Airports Authority of India (AAI)**
- **NIIT Technologies has been identified as a ‘High Achiever’ in NelsonHall's NEAT Vendor Evaluation for Software Testing**
- **Conferred with Operational Excellence & Quality and BPO Innovation of the Year awards from Asia Outsourcing Excellence**

## Consolidated Qtrly Income Statement – Ind AS

Particulars (INR Mn)	Q2FY17	Q1FY17	QoQ%	Q2FY16	YoY%
<b>Gross Revenues</b>	<b>6,929</b>	<b>6,707</b>	<b>3.3%</b>	<b>6,793</b>	<b>2.0%</b>
Direct Cost	4,481	4,356	2.9%	4,255	5.3%
<b>Gross Profit</b>	<b>2,448</b>	<b>2,351</b>	<b>4.1%</b>	<b>2,538</b>	<b>-3.6%</b>
GM%	35.3%	35.1%	27 Bps	37.4%	-204 Bps
Selling / General And Administration	1,303	1,336	-2.5%	1,332	-2.1%
<b>SG&amp;A to Revenue %</b>	<b>18.8%</b>	<b>19.9%</b>	<b>-112 Bps</b>	<b>19.6%</b>	<b>-80 Bps</b>
<b>Operating Profit</b>	<b>1,145</b>	<b>1,015</b>	<b>12.8%</b>	<b>1,206</b>	<b>-5.1%</b>
OM%	16.5%	15.1%	139 Bps	17.8%	-124 Bps
Depreciation and Amortization	317	326	-2.6%	300	5.8%
Other Income (net)	29	83	-65.7%	(4)	-830.9%
<b>Profit Before Tax (Before exceptional items)</b>	<b>856</b>	<b>772</b>	<b>10.8%</b>	<b>902</b>	<b>-5.2%</b>
PBT % (Before exceptional items)	12.4%	11.5%	84 Bps	13.3%	-93 Bps
Exceptional items	-	361	NA	-	NA
<b>Profit Before Tax</b>	<b>856</b>	<b>411</b>	<b>108.2%</b>	<b>902</b>	<b>-5.2%</b>
PBT %	12.4%	6.1%	622 Bps	13.3%	-93 Bps
Provision for Tax	213	80	166.5%	213	0.0%
Minority Interest	54	46	17.9%	43	24.4%
<b>Profit After Tax (after Minority Int.)</b>	<b>589</b>	<b>286</b>	<b>106.3%</b>	<b>646</b>	<b>-8.9%</b>
PAT%	8.5%	4.3%	425 Bps	9.5%	-101 Bps
<b>EPS - INR</b>					
Basic	9.6	4.7	105.4%	10.6	-9.6%

- Growth in revenues due to increase in international business
- Growth in margins due to higher revenues and marginal reduction in SG&A
- Higher ETR of 24.8% as against 23.5% in PY on account of our old facility in SEZ moving out of 100% tax subsidy to 50% on completion of 5 years

## Consolidated Qtrly Income Statement – iGAAP

Particulars (INR Mn)	Q2FY17	Q1FY17	QoQ%	Q2FY16	YoY%
<b>Gross Revenues</b>	<b>6,913</b>	<b>6,692</b>	<b>3.3%</b>	<b>6,779</b>	<b>2.0%</b>
Direct Cost	4,476	4,333	3.3%	4,256	5.2%
<b>Gross Profit</b>	<b>2,437</b>	<b>2,359</b>	<b>3.3%</b>	<b>2,523</b>	<b>-3.4%</b>
GM%	35.3%	35.3%	1 Bps	37.2%	-196 Bps
Selling / General And Administration	1,315	1,336	-1.6%	1,329	-1.0%
<b>SG&amp;A to Revenue %</b>	<b>19.0%</b>	<b>20.0%</b>	<b>-95 Bps</b>	<b>19.6%</b>	<b>-59 Bps</b>
<b>Operating Profit</b>	<b>1,123</b>	<b>1,023</b>	<b>9.8%</b>	<b>1,194</b>	<b>-6.0%</b>
OM%	16.2%	15.3%	96 Bps	17.6%	-137 Bps
Depreciation and Amortization	292	291	0.2%	265	10.2%
Other Income (net)	27	71	-62.8%	13	104.2%
<b>Profit Before Tax (Before exceptional items)</b>	<b>857</b>	<b>802</b>	<b>6.8%</b>	<b>942</b>	<b>-9.0%</b>
PBT % (Before exceptional items)	12.4%	12.0%	41 Bps	13.9%	-150 Bps
Exceptional items	-	361	NA	-	NA
<b>Profit Before Tax</b>	<b>857</b>	<b>441</b>	<b>94.3%</b>	<b>942</b>	<b>-9.0%</b>
PBT %	12.4%	6.6%	581 Bps	13.9%	-150 Bps
Provision for Tax	207	83	149.8%	216	-4.3%
Minority Interest	54	46	17.4%	43	23.8%
<b>Profit After Tax (after Minority Int.)</b>	<b>596</b>	<b>313</b>	<b>90.8%</b>	<b>682</b>	<b>-12.6%</b>
PAT%	8.6%	4.7%	396 Bps	10.1%	-144 Bps
<b>EPS - INR</b>					
Basic	9.7	5.1	89.9%	11.2	-13.4%

- Q2FY17 margins are lower in iGAAP as compared to Ind As as actuarial gain/loss on employee benefit funds was charged to P&L as per iGAAP but was recognized in OCI as per Ind As

## Balance Sheet – Ind As

				INR Mn.			
Particulars	As at Sep 30 2016	As at Jun 30 2016	As at Sep 30 2015	Particulars	As at Sep 30 2016	As at Jun 30 2016	As at Sep 30 2015
Equity	614	612	611	Fixed Assets	4,878	4,948	3,281
Reserves & Surplus	15,944	15,360	14,300	Capital Work in Progress	232	222	1,609
<b>NET Worth</b>	<b>16,558</b>	<b>15,972</b>	<b>14,911</b>	Intangible Assets	3,760	3,913	4,260
				<b>Current Assets</b>			
				Cash and Cash Equivalent	4,603	4,363	2,950
Borrowings	114	111	568	Debtors	5,470	5,818	6,336
Deferred Tax Liability	137	106	111	Other Current Assets	3,627	3,487	3,262
Minority Interest	1,128	1,075	907	Current Liabilities	(4,634)	(5,488)	(5,201)
	<b>17,937</b>	<b>17,263</b>	<b>16,497</b>		<b>17,937</b>	<b>17,263</b>	<b>16,497</b>

• Reserves and Surplus up INR 1,645 Mn over PY

• Cash and Bank Balances up by 1,653 Mn over PY and up 239 Mn over LQ  
 • QoQ decrease in current liabilities due to payment of Dividend and Dividend Tax of INR 714 mn during the qtr  
 • DSO – 73 days (PY – 89 days)  
 • Capex during the Qtr – INR 151 Mn



## Balance Sheet - iGAAP

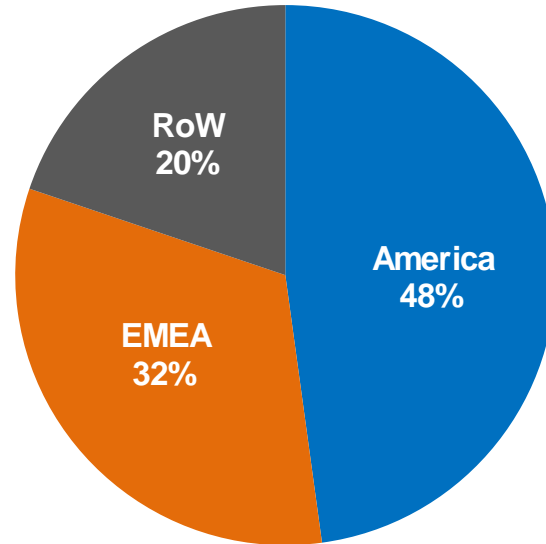
				INR Mn.			
Particulars	As at Sep 30 2016	As at Jun 30 2016	As at Sep 30 2015	Particulars	As at Sep 30 2016	As at Jun 30 2016	As at Sep 30 2015
Equity	614	612	611	Net Block	5,601	5,758	4,159
Reserves & Surplus	16,132	15,533	14,390	Goodwill	2,297	2,337	2,512
				Capital Work in Progress	232	222	1,609
<b>NET Worth</b>	<b>16,746</b>	<b>16,145</b>	<b>15,001</b>	<b>Current Assets</b>			
				Cash and Cash Equivalent	4,603	4,363	2,950
Borrowings	114	111	568	Debtors	5,470	5,818	6,336
Minority Interest	745	691	524	Other Current Assets	3,589	3,457	3,222
				Current Liabilities	(4,534)	(5,382)	(5,063)
				Deferred Tax Assets	347	374	368
	<b>17,605</b>	<b>16,947</b>	<b>16,092</b>		<b>17,605</b>	<b>16,947</b>	<b>16,092</b>

• Reserves and Surplus up INR 1,742 Mn over PY

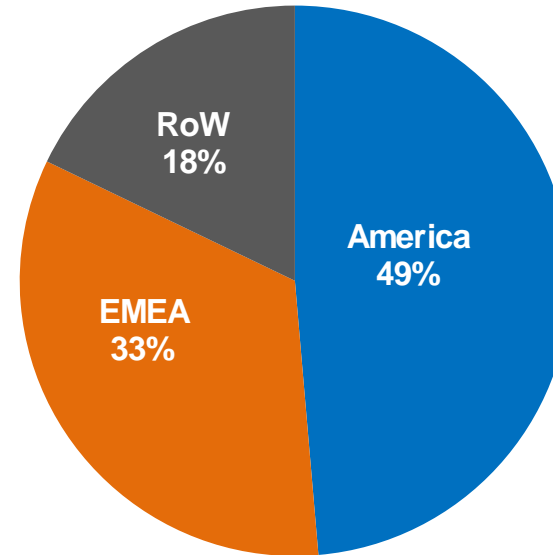
• Cash and Bank Balances up by 1,653 Mn over PY and up 239 Mn over LQ  
 • QoQ decrease in current liabilities due to payment of Dividend and Dividend Tax of INR 714 mn during the qtr  
 • DSO – 73 days (PY – 89 days)  
 • Capex during the Qtr – INR 151 Mn

# Geography Mix

Q1 FY'17



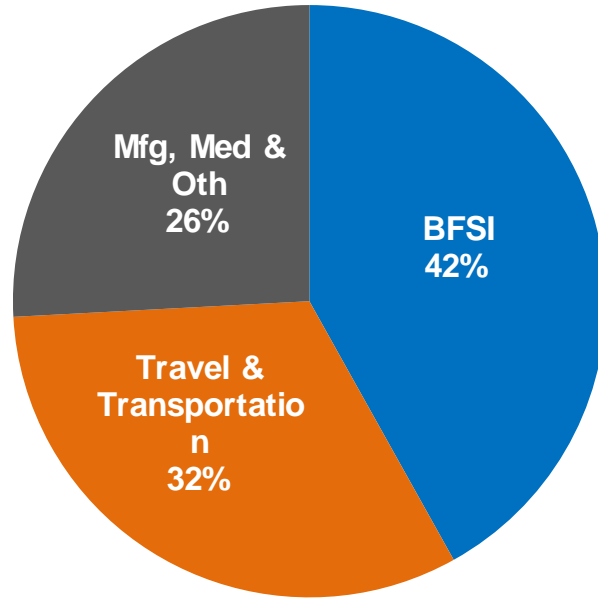
Q2 FY'17



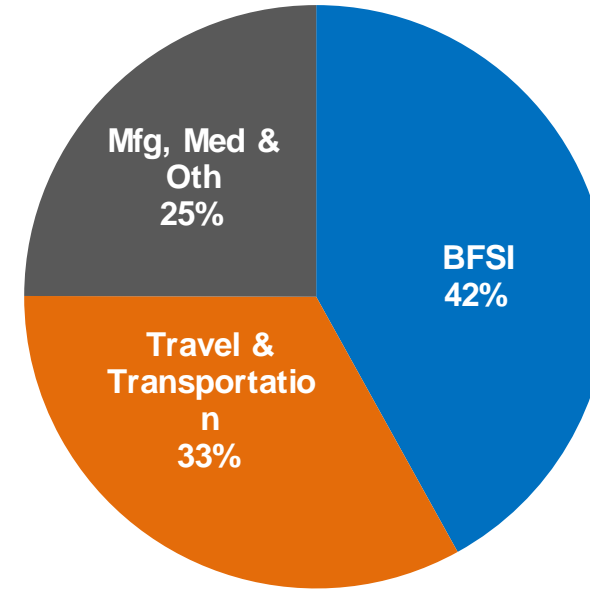
- Strong growth in western geos due to traction in BFSI and TTL
- Decline in RoW due to decline in revenues in India Govt

# Vertical Mix

Q1FY17

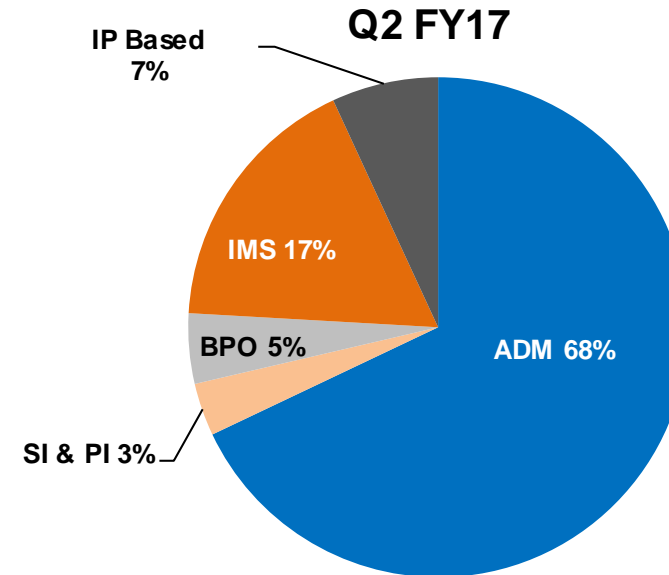
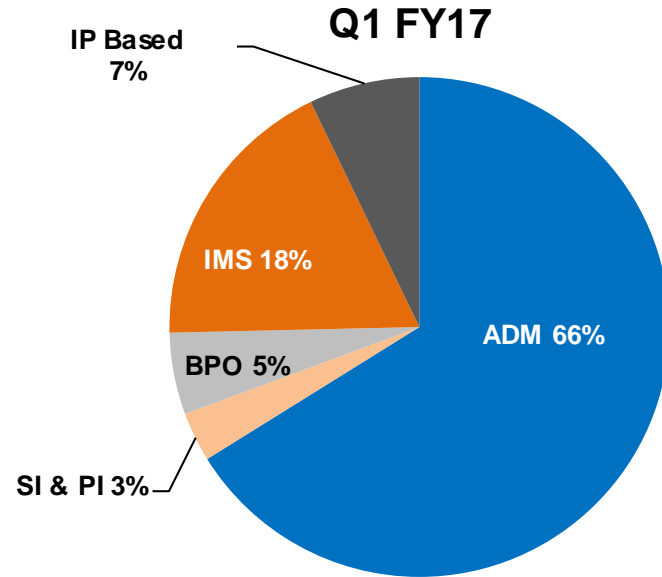


Q2FY17



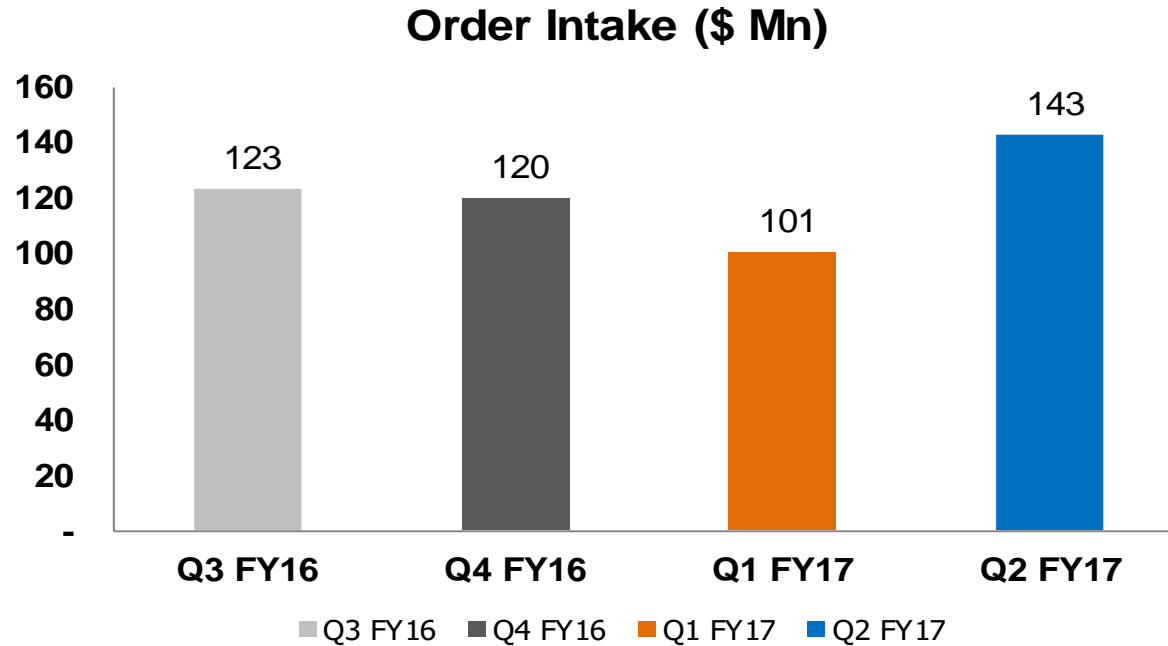
- Growth in BFSI due to scaling up of Insurance accounts in US and completion of transition of new accounts in EMEA
- Growth in Travel due to scale up in top accounts in US and Europe
- Mfg, Med and Others remain flat leading to lower revenue share during the quarter

# Service Mix



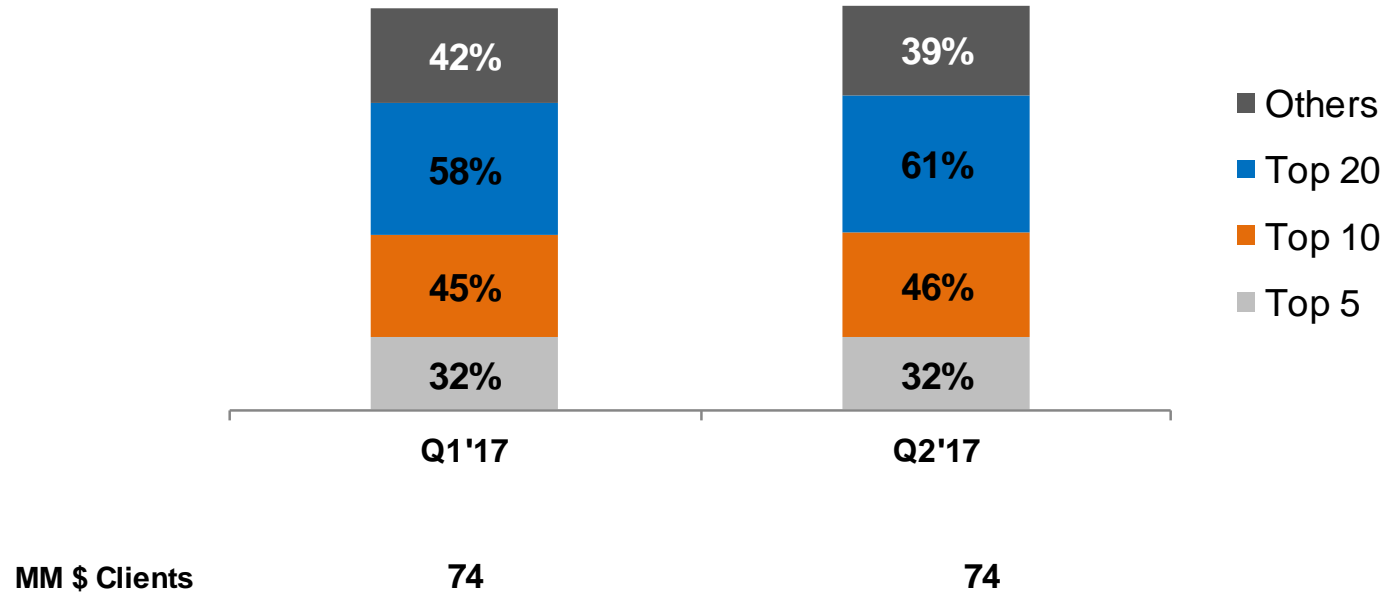
- Increase in ADM revenues due to growth in Insurance and Travel accounts and increased Digital business
- Digital revenues increased 9% QoQ representing 19% of revenue mix
- Marginal decline in IMS due to seasonality in transaction based engagements

# Order Intake

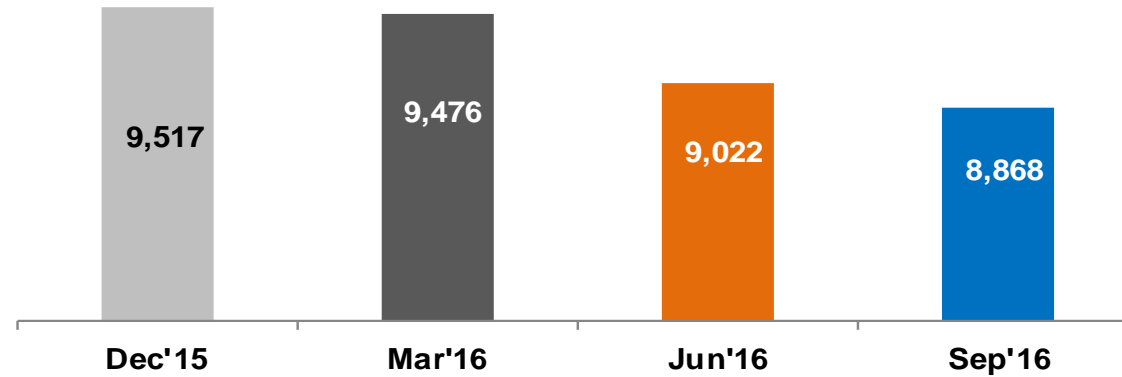


- 3 new customers added - 2 in BFSI, 1 Mfg, Media & Others
- \$143 Mn order intake in the quarter leading to \$309 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (85 Mn), EMEA (45 Mn), ROW (13 Mn)

# Top Client Mix

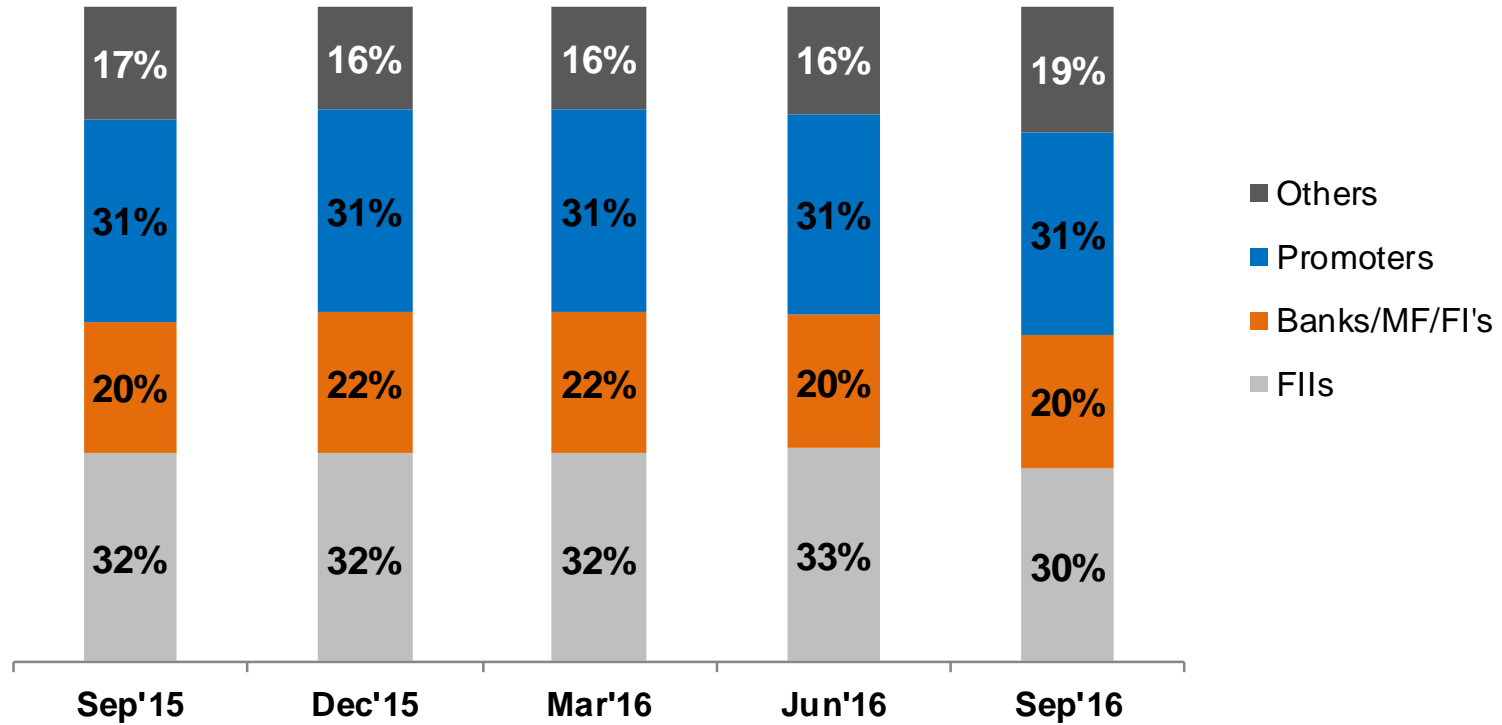


## People Data



	Dec'15	Mar'16	Jun'16	Sep'16
Net Additions	-75	-41	-454	-154
Attrition%	13.61%	12.73%	13.38%	12.86%
Utilization	78.70%	79.00%	79.80%	81.00%

# Shareholding Pattern







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New Ideas, More Value.™



**Thank You**