



# Financial Performance – Q4FY17

May 5, 2017

# Agenda

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- **Financial Highlights**
  - Q4FY17
  - FY17
  
- **Business Update**
  
- **Financial Statements**
  - Income Statement
  - Balance Sheet
  
- **Business Analysis**
  
- **Shareholding Pattern**

## Financial Highlights – Q4FY17

### Consolidated Revenues at INR 7,447 Mn

- Up 7.3% QoQ, Up 8.5% YoY

### Operating profits at INR 1,523 Mn

- Up 31.0% QoQ, Up 23.9% YoY
- Operating Margins at 20.5%, Up 370 bps QoQ, Up 254 bps YoY

### Net Profits at INR 1,003 Mn

- Up 60.7% QoQ, Up 22.9% YoY
- ETR at 19.8%

### Order Intake at \$112 Mn

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

## Financial Highlights – FY17

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### Consolidated Revenues at INR 28,021 Mn

- Up 4.2% YoY

### Operating profits at INR 4,845 Mn

- Up 3.0% YoY
- Operating Margins at 17.3%, Down 21 bps YoY

### Net Profits at INR 2,501 Mn

- Down 7.4% YoY
- Net Margins at 8.9% (LY 10%)
- ETR at 22.4%

# Implementation of Settlement Agreement

On April 5, 2017 the company informed the impact of settlement with a government entity. Details of the impact on Q4FY17 Financials are as follows:

Particulars	Amount in INR Mn	Comments
Gross Revenue	271	Revenue recognized post settlement for the services contracted
Expenses	9	
<b>Operating Profit</b>	<b>263</b>	
<b>Exceptional Expenses:</b>	<b>(140)</b>	Partial reversal of provision take in Exceptional expenses due to receipt of part payment
<b>PBT</b>	<b>403</b>	
Taxes	139	Increase in tax on account of increase in PBT
<b>Profit After Tax</b>	<b>263</b>	

## Financial Highlights – Q4FY17 (Excl Settlement)

### Consolidated Revenues at INR 7,176 Mn

- Up 3.4% QoQ, Up 4.6% YoY
- Constant currency growth is 3.6% QoQ

### Operating profits at INR 1,261 Mn

- Up 8.5% QoQ, Up 2.6% YoY
- Operating Margins at 17.6%, Up 82 bps QoQ, Down 34 bps YoY

### Net Profits at INR 739 Mn

- Up 18.5% QoQ, Down 9.4% YoY

## Business Highlights for Q4FY17

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- **BFSI up 4.1% QoQ, Contributes 42% (LQ 41.8%)**
  - Ramp up in Key US accounts
  - 2 New clients added in NITL, including one being offered as platform services hosted on the Cloud
  
- **Travel & Transport down 1.1% QoQ, Contributes 31% (LQ 32%)**
  - Decline on account of depreciation of Euro and GBP
  - Large engagement > Euro 20 mn+ secured with large airline in EMEA
  
- **Manufacturing/Media & Others Up 9.3% QoQ, Contributes 27% (LQ 26%)**
  - Significant growth in GIS due to traction in Smart City Program
  - 3 New Customers Added – 1 each in US, EMEA and India

## Acknowledgements during the Quarter

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- NIIT Technologies is included in Vendor Landscape: Continuous Testing Services For Agile And DevOps Environments, published report by Forrester Research
- NIIT Technologies positioned as a 'High Achiever' within the NelsonHall Next Generation Application Outsourcing NEAT Matrix
- NIIT Technologies business outcome-based engagement with one of its clients was featured as a case study in a recent Gartner report "Adopt Agile Microsourcing for Innovation Projects to Drive Digital Success", 22 March 2017, DD Mishra
- NIIT Technologies conferred with 'Dream Companies to work for' award for Talent Management by Times Ascent in association with World HRD Congress
- The company won 'Jury's Choice Award' for 'Compensation Benefits Leadership' under BennyAwards2017 by World HRD Congress



# Consolidated Qtrly Income Statement (Ind AS)

Particulars (INR Mn)	Q4FY17	Q4FY17 (excl. Settlement)	Q3FY17	QoQ% (excl. Settlement)	Q4FY16	YoY% (excl. Settlement)
<b>Gross Revenues</b>	<b>7,447</b>	<b>7,176</b>	<b>6,938</b>	<b>3.4%</b>	<b>6,863</b>	<b>4.6%</b>
Direct Cost	4,625	4,578	4,441	3.1%	4,328	5.8%
<b>Gross Profit</b>	<b>2,822</b>	<b>2,599</b>	<b>2,497</b>	<b>4.1%</b>	<b>2,536</b>	<b>2.5%</b>
GM%	37.9%	36.2%	36.0%	22 Bps	36.9%	-73 Bps
Selling / General And Administration	1,298	1,338	1,335	0.2%	1,306	2.5%
<b>SG&amp;A to Revenue %</b>	<b>17.4%</b>	<b>18.6%</b>	<b>19.2%</b>	<b>-60 Bps</b>	<b>19.0%</b>	<b>-40 Bps</b>
<b>Operating Profit</b>	<b>1,523</b>	<b>1,261</b>	<b>1,162</b>	<b>8.5%</b>	<b>1,229</b>	<b>2.6%</b>
OM%	20.5%	17.6%	16.8%	82 Bps	17.9%	-34 Bps
Depreciation and Amortization	312	312	321	-2.8%	305	2.5%
Other Income (net)	(12)	(12)	59	-120.1%	52	-122.5%
<b>Profit Before Tax (Before exceptional items)</b>	<b>1,199</b>	<b>937</b>	<b>900</b>	<b>4.2%</b>	<b>977</b>	<b>-4.1%</b>
PBT % (Before exceptional items)	16.1%	13.1%	13.0%	9 Bps	14.2%	-118 Bps
Exceptional items	(140)	-	-	NA	-	NA
<b>Profit Before Tax</b>	<b>1,339</b>	<b>937</b>	<b>900</b>	<b>4.2%</b>	<b>977</b>	<b>-4.1%</b>
PBT %	18.0%	13.1%	13.0%	9 Bps	14.2%	-118 Bps
Provision for Tax	265	125	228	-44.9%	122	3.1%
Minority Interest	72	72	48	50.3%	39	84.5%
<b>Profit After Tax (after Minority Int.)</b>	<b>1,003</b>	<b>739</b>	<b>624</b>	<b>18.5%</b>	<b>816</b>	<b>-9.4%</b>
PAT%	13.5%	10.3%	9.0%	131 Bps	11.9%	-159 Bps
<b>EPS - INR</b>						
Basic	16.3	12.0	10.1	18.5%	13.3	-9.7%

- Strong growth as a result of traction in BFSI in US and growth in GIS leading to expansion in operating margins by 82 bps sequentially

# Consolidated Qtrly Income Statement (IGAAP)

Particulars (INR Mn)	Q4FY17	Q4FY17 (excl. Settlement)	Q3FY17	QoQ% (excl. Settlement)	Q4FY16	YoY% (excl. Settlement)
<b>Gross Revenues</b>	<b>7,431</b>	<b>7,160</b>	<b>6,922</b>	<b>3.4%</b>	<b>6,847</b>	<b>4.6%</b>
Direct Cost	4,587	4,539	4,419	2.7%	4,304	5.5%
<b>Gross Profit</b>	<b>2,844</b>	<b>2,621</b>	<b>2,503</b>	<b>4.7%</b>	<b>2,543</b>	<b>3.1%</b>
GM%	38.3%	36.6%	36.2%	44 Bps	37.1%	-54 Bps
Selling / General And Administration	1,298	1,337	1,335	0.2%	1,282	4.4%
<b>SG&amp;A to Revenue %</b>	<b>17.5%</b>	<b>18.7%</b>	<b>19.3%</b>	<b>-61 Bps</b>	<b>18.7%</b>	<b>-6 Bps</b>
<b>Operating Profit</b>	<b>1,547</b>	<b>1,284</b>	<b>1,169</b>	<b>9.9%</b>	<b>1,261</b>	<b>1.9%</b>
OM%	20.8%	17.9%	16.9%	106 Bps	18.4%	-48 Bps
Depreciation and Amortization	279	279	288	-3.0%	287	-2.8%
Other Income (net)	44	44	45	-1.7%	39	13.2%
<b>Profit Before Tax (Before exceptional items)</b>	<b>1,312</b>	<b>1,050</b>	<b>926</b>	<b>13.4%</b>	<b>1,013</b>	<b>3.6%</b>
PBT % (Before exceptional items)	17.7%	14.7%	13.4%	128 Bps	14.8%	-14 Bps
Exceptional items	(140)	-	-	NA	-	NA
<b>Profit Before Tax</b>	<b>1,452</b>	<b>1,050</b>	<b>926</b>	<b>13.4%</b>	<b>1,013</b>	<b>3.6%</b>
PBT %	19.5%	14.7%	13.4%	128 Bps	14.8%	-14 Bps
Provision for Tax	306	167	224	-25.4%	184	-9.3%
Minority Interest	72	72	48	49.5%	39	85.2%
<b>Profit After Tax (after Minority Int.)</b>	<b>1,074</b>	<b>810</b>	<b>654</b>	<b>24.0%</b>	<b>790</b>	<b>2.6%</b>
PAT%	14.4%	11.3%	9.4%	187 Bps	11.5%	-22 Bps
<b>EPS - INR</b>						
Basic	17.5	13.2	10.6	24.0%	12.9	2.2%

# Annual Income Statement (Ind AS)

Particulars (Amount in INR Mn)	FY 17	FY 16	YoY%
<b>Gross Revenues</b>	<b>28,021</b>	<b>26,879</b>	<b>4.2%</b>
Direct Cost	17,904	16,953	5.6%
<b>Gross Profit</b>	<b>10,117</b>	<b>9,926</b>	<b>1.9%</b>
<b>GM%</b>	<b>36.1%</b>	<b>36.9%</b>	<b>-82 Bps</b>
Selling / General And Administration	5,272	5,223	0.9%
SG&A to Revenue %	<b>18.8%</b>	<b>19.4%</b>	<b>-62 Bps</b>
<b>Operating Profit</b>	<b>4,845</b>	<b>4,703</b>	<b>3.0%</b>
OM%	17.3%	17.5%	-21 Bps
Depreciation and Amortization	1,277	1,211	5.5%
Other Income (net)	159	174	-8.9%
<b>Profit Before Tax (Before exceptional items)</b>	<b>3,727</b>	<b>3,667</b>	<b>1.6%</b>
PBT % (Before exceptional items)	13.3%	13.6%	-34 Bps
Exceptional items	221	13	1579.4%
<b>Profit Before Tax</b>	<b>3,506</b>	<b>3,654</b>	<b>-4.0%</b>
PBT %	12.5%	13.6%	-108 Bps
Provision for Tax	785	784	0.1%
Minority Interest	220	170	29.4%
<b>Profit After Tax (after Minority Int.)</b>	<b>2,501</b>	<b>2,700</b>	<b>-7.4%</b>
PAT%	8.9%	10.0%	-112 Bps
<b>EPS - INR</b>			
Basic	40.8	44.2	-7.7%

# Balance Sheet (IndAS)

INR Mn.

Particulars	As at Mar 31 2017	As at Dec 31 2016	As at Mar 31 2016	Particulars	As at Mar 31 2017	As at Dec 31 2016	As at Mar 31 2016
Equity	614	614	612	Fixed Assets	4,802	4,738	5,070
Reserves & Surplus	16,251	16,477	15,114	Capital Work in Progress	-	369	167
<b>NET Worth</b>	<b>16,864</b>	<b>17,090</b>	<b>15,725</b>	Intangible Assets	3,674	3,601	3,956
				<b>Current Assets</b>			
				Cash and Cash Equivalent	7,321	5,686	4,241
Borrowings	113	112	102	Debtors	4,903	5,155	5,901
Deferred Tax Liability	387	479	434	Other Current Assets	2,976	2,812	3,077
Minority Interest	237	1,177	193	Current Liabilities	(4,764)	(4,558)	(5,083)
				Future Acquisition Liability	(2,282)	-	(1,745)
				Deferred Tax Assets	971	1,055	871
	<b>17,601</b>	<b>18,858</b>	<b>16,455</b>		<b>17,601</b>	<b>18,858</b>	<b>16,455</b>

- Reserves and Surplus up 1,137 Mn over LY
- Reversal of Minority interest related to Incessant charged to Reserves as per Ind AS

- Cash and Bank Balances up by INR 1,635 Mn over LQ and up INR 3,081 Mn over LY
- DSO – 64 days (LY 80 days)
- Capex during the Qtr – INR 128 Mn
- Future acquisition liability is on account of obligation to buy balance stake in Incessant as per IndAs

# Balance Sheet (IGAAP)

INR Mn.

Particulars	As at Mar 31 2017	As at Dec 31 2016	As at Mar 31 2016	Particulars	As at Mar 31 2017	As at Dec 31 2016	As at Mar 31 2016
Equity	614	614	612	Net Block	5,553	5,353	5,713
Reserves & Surplus	17,567	16,660	15,296	Goodwill	2,229	2,261	2,492
				Capital Work in Progress	-	369	167
<b>NET Worth</b>	<b>18,181</b>	<b>17,274</b>	<b>15,907</b>	<b>Current Assets</b>			
				Cash and Cash Equivalent	7,321	5,686	4,241
Borrowings	113	112	102	Debtors	4,912	5,155	5,901
Minority Interest	865	793	645	Other Current Assets	3,640	3,438	3,719
				Current Liabilities	(4,804)	(4,462)	(5,837)
				Deferred Tax Assets	308	378	259
	<b>19,159</b>	<b>18,179</b>	<b>16,654</b>		<b>19,159</b>	<b>18,179</b>	<b>16,654</b>

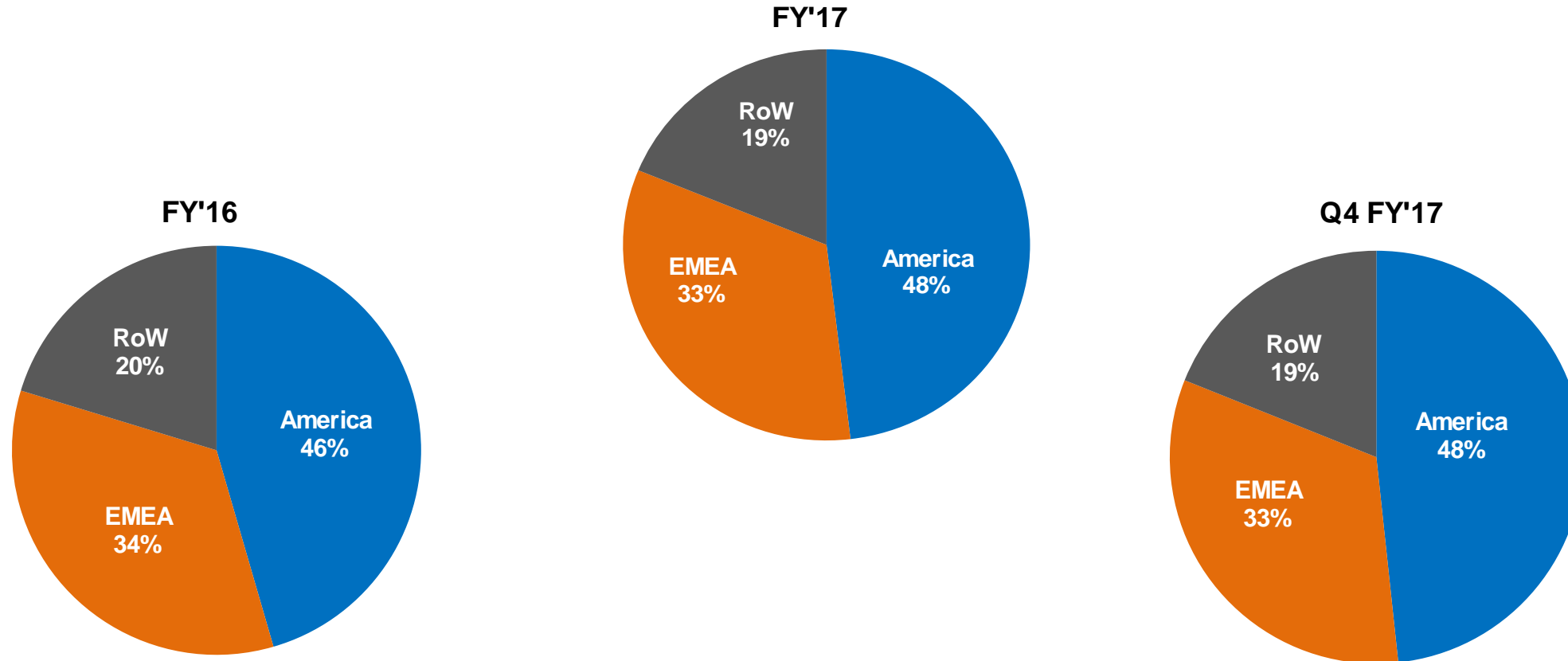
• Reserves and Surplus up 2,272 Mn over PY (Profit INR 2,637 Mn)

• Cash and Bank Balances up by INR 1,635 Mn over LQ and up INR 3,081 Mn over LY

• DSO – 64 days (LY 80 days)

• Capex during the Qtr – INR 128 Mn

# Geography Mix



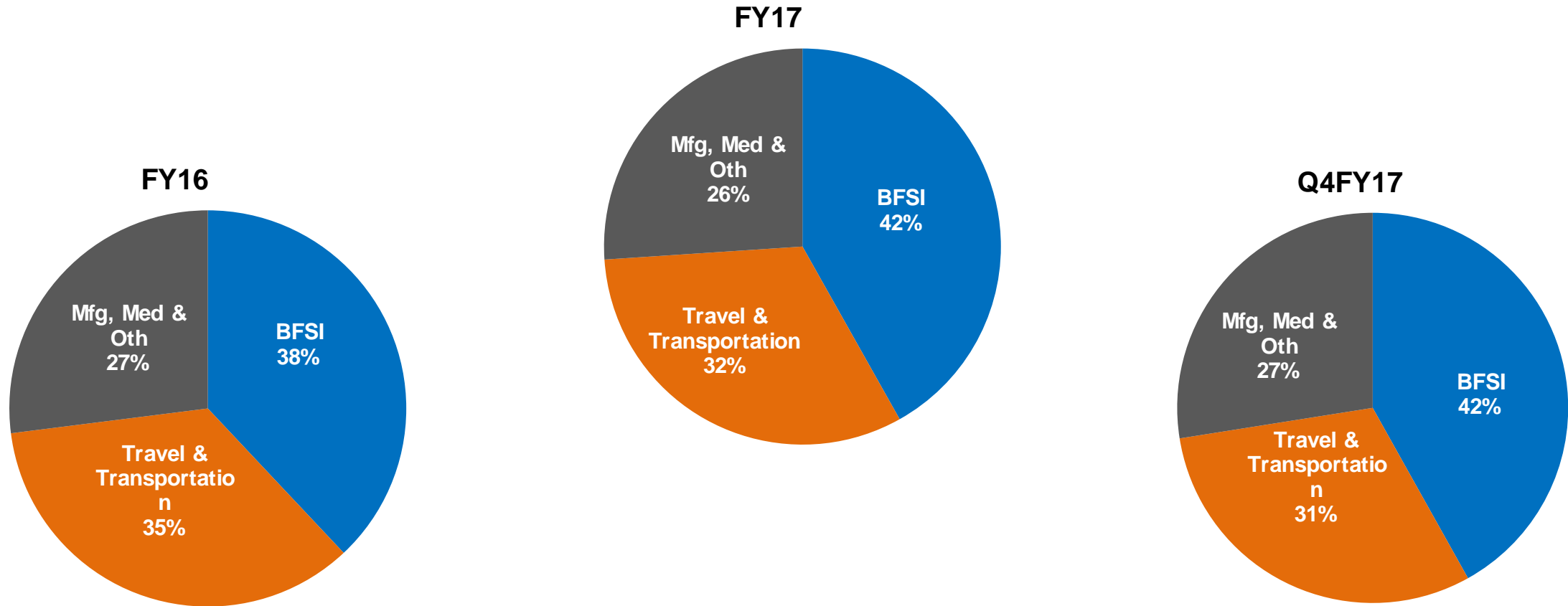
## FY17

- Strong Growth in USA due to growth in BFSI
- Decline in EMEA due to depreciation of GBP and Euro
- Decline in ROW due to decline in domestic business

## Q4 FY17

- Strong Growth in USA due to expansion in BFSI
- Marginal decline in EMEA due to depreciation of GBP and Euro
- Growth in RoW due to GIS

# Vertical Mix (Excl Settlement)



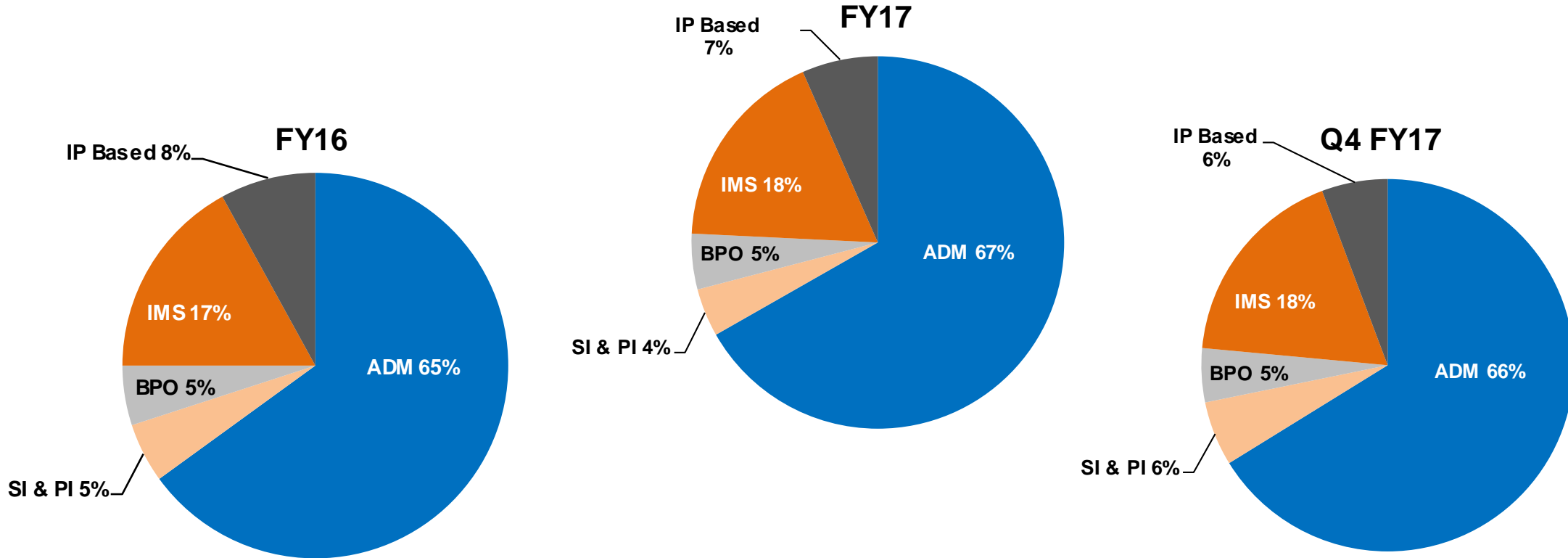
## FY17

- Strong growth in BFSI due to expansion in key accounts in US and acquisition of new accounts in EMEA
- Decline in TTL due to client specific issues

## Q4 FY17

- Growth in BFSI due to growth in Key accounts
- Decline in TTL due to depreciation of GBP and Euro
- Growth in Mfg, Med & Oth due to GIS

# Service Mix (Excl Settlement)



## FY17

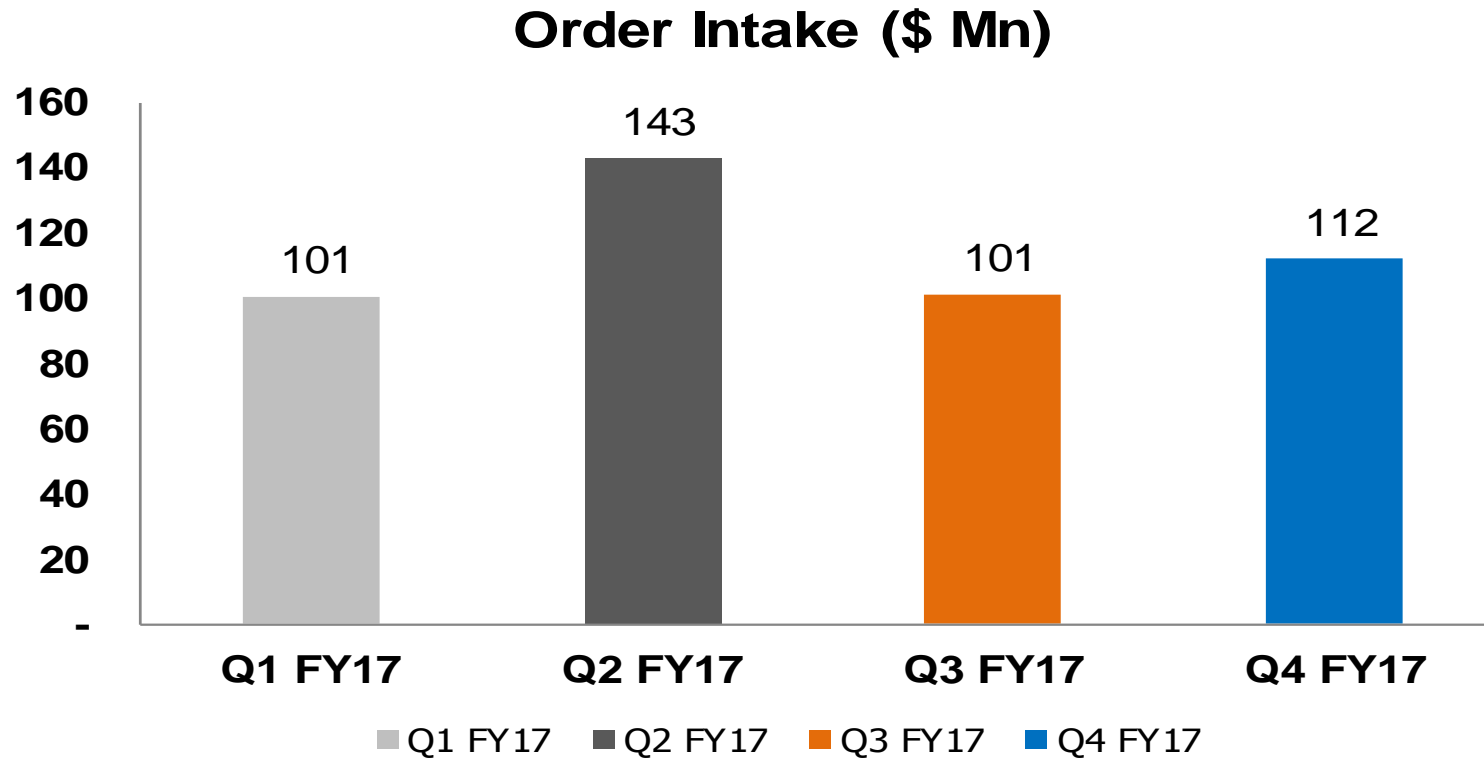
- Strong Growth in IMS due to acquisition of new clients in EMEA
- Growth in ADM due to expansion of digital business, digital revenues grew 33% during the year, now contributes 20% to revenue mix
- Decline in IP based revenues due to slow down in NITL

## Q4 FY17

- Increase in ADM revenues due to growth in US
- Increase in IMS due to completion of transition of key account in EMEA
- Increase in SI & PI due to GIS
- Digital revenues at 21%

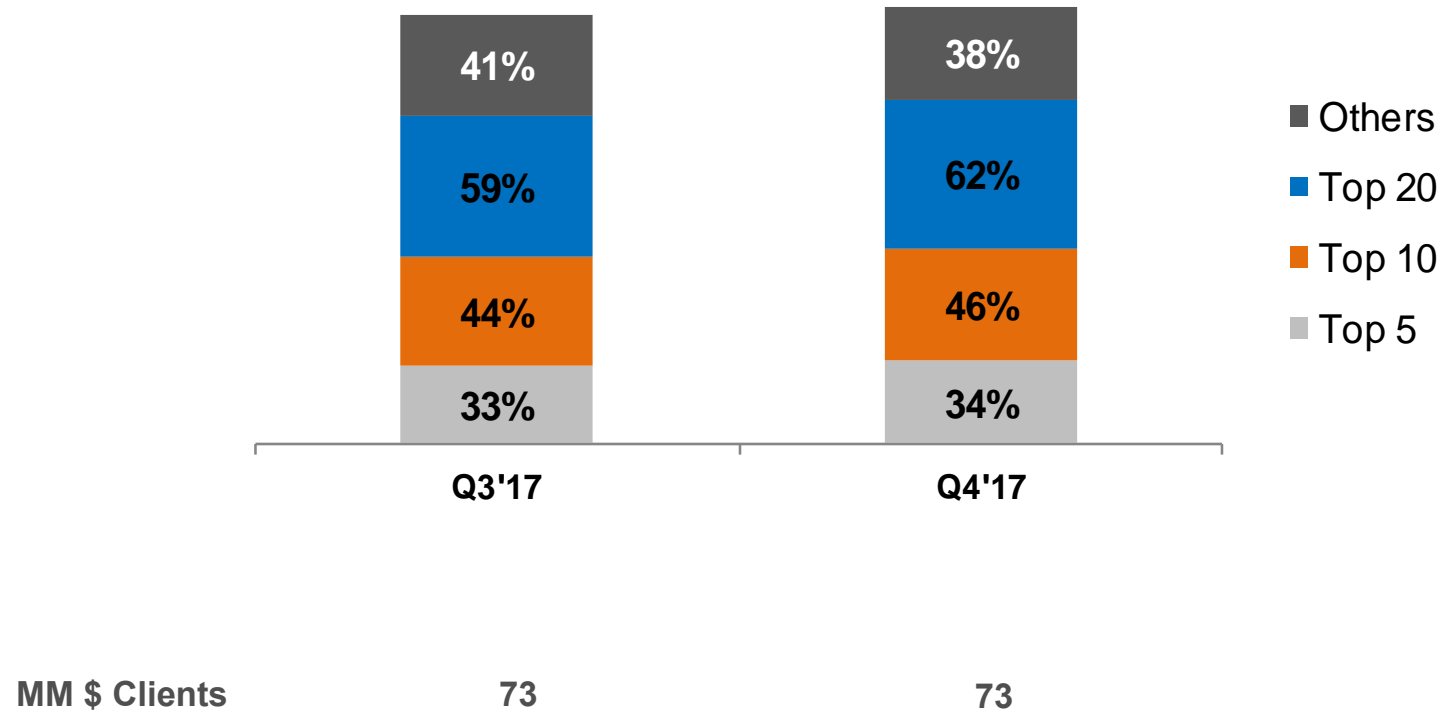


# Order Intake

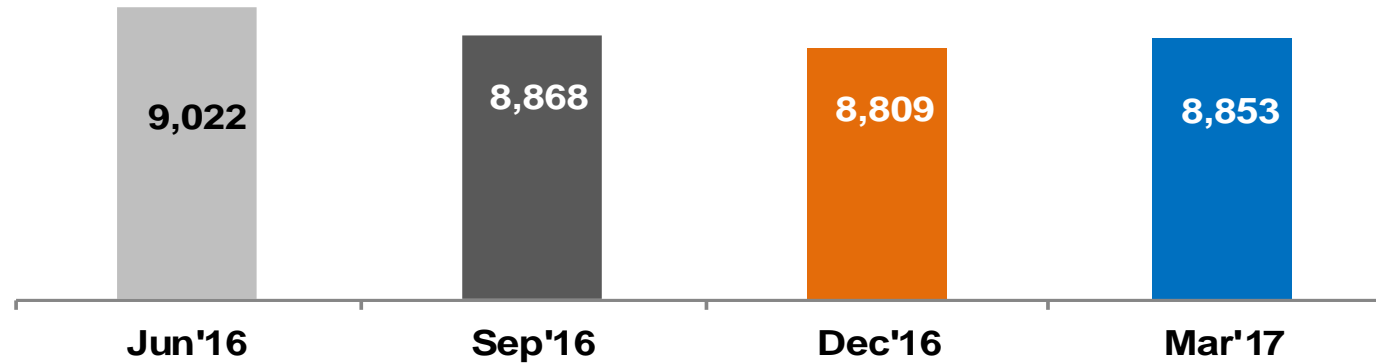


- 5 new customers added: 2 in Insurance and 3 in Others
- \$112 Mn order intake in the quarter leading to \$320 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (40 Mn), EMEA (47 Mn), ROW (25 Mn)

# Top Client Mix

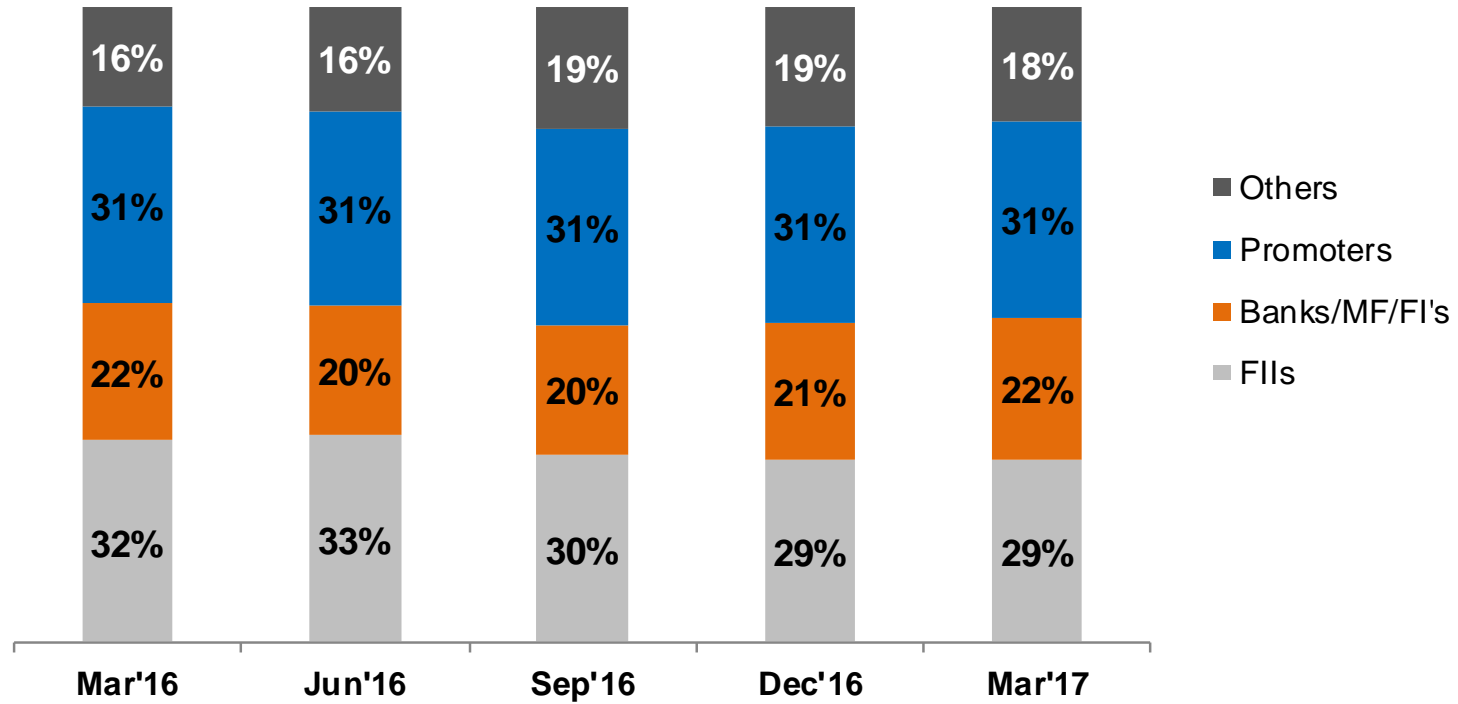


## People Data



	Jun'16	Sep'16	Dec'16	Mar'17
<b>Net Additions</b>	-454	-154	-59	44
<b>Attrition%</b>	13.38%	12.86%	12.58%	12.72%
<b>Utilization</b>	79.80%	81.00%	80.00%	81.00%

# Shareholding Pattern





**Thank You**