NIIT

NIIT Limited
85, Sector 32 Institutional
Gurgaon 122 001, India
Tel: +91 (124) 4293000
Fax: + 91 (124) 4293333
Email: info@niit.com

Registered Office:
8, Balaji Estate, First Floor
Guru Ravi Das Marg, Kalkaji
New Delhi 110 019, India
CIN: L74899DL1981PLC015865

www.niit.com

May 16, 2018

The Manager
BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

The Manager
National Stock Exchange of India Ltd
Listing Department
Exchange Plaza
5th Floor, Plot no C/1, G Block
Bandra Kurla Complex
Bandra (E),Mumbai – 400 051

Subject: Presentation made to the Analysts and / or Institutional Investors

Scrip Code: BSE – 500304; NSE – NIITLTD

Dear Sir,

Pursuant to the requirement of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the presentation made to the Analysts and/or Institutional Investors on the Audited Financial Results of the Company for the financial year ended March 31, 2018.

The same shall be available on our website i.e. www.niit.com.

This is for your information and records.

Thanking you,

Yours truly,
For **NIIT Limited**

Deepak Bansal

Deepak Bansal
Company Secretary &
Compliance Officer

Encls : a/a

FINANCIAL RESULTS

FY18

May 16, 2018

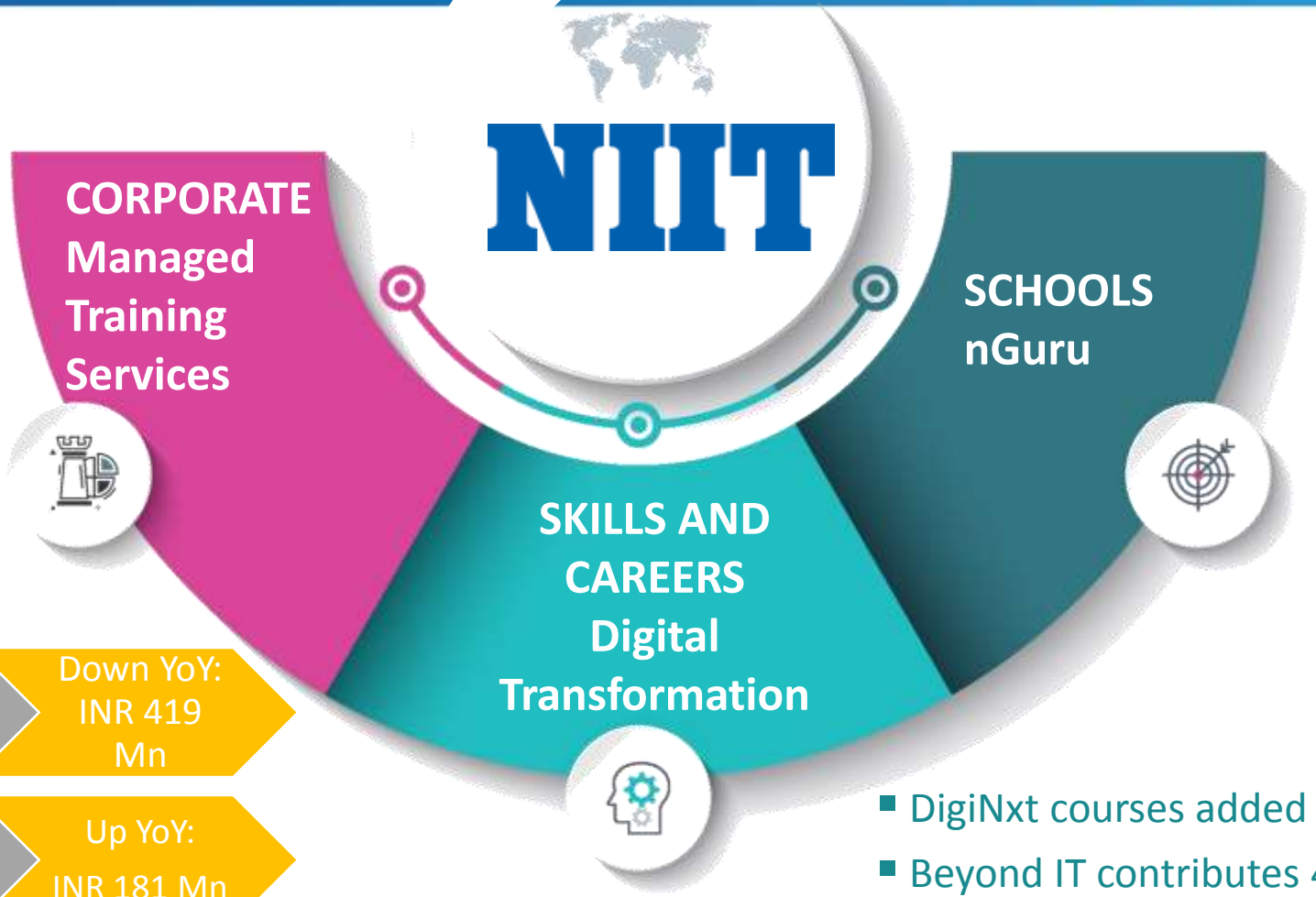
Environment

- The global economic upswing has become broader and stronger. With financial conditions still supportive, global growth is expected to improve to 3.9 percent rate in both 2018 and 2019. Advanced economies will grow faster than potential over the next two years. However risks are also increasing (IMF)
- Downside risks include the possibility of financial stress, increased protectionism, and rising geopolitical tensions. Focus on reforms including improvements in education and health systems, high-quality investment, and labour market could yield sustained long term dividends (World Bank)
- US unemployment rate near record lows at 3.9% even as AI, Robotics and Cognitive computing are changing business at an ever increasing pace, leading to a huge war for talent. Global corporate L&D spending continues to increase as technology disruption and regulation continues to drive demand for training . Share of spending outsourced to specialist training providers continue to go up
- India GDP growth is expected to recover to 7.4% in 2018 and 7.8% in 2019 (IMF), after a successive decline over the last two years as economy recovers from short term disruptions due multiple transitions in the regulatory framework
- Global IT Spending expected to growth 4.5% in 2018 and teach $3.7 Trillion in 2018, driven by projects in Digital business, blockchain, IOT, ML and AI (Gartner)
- Hiring by IT companies remains subdued. Reported hiring by major IT companies (Top 3) down more than 80% FY18 YoY
- Banks remain cautious on hiring. Increased demand for Sales and Customer relationship roles across BFSI sectors
- Spending by schools temporarily impacted in traditionally strongest quarter on lack of clarity on regulation

NIIT Growth Platforms

IMAGINE · BELIEVE · ACHIEVE

- 39 global MTS customers
- Revenue visibility at $ 218 million vs $ 199 million in Q3 FY18



- 317 School contracts vs 392 in Q4 FY17
- Go forward Focussed IP led private school business contributed 86%
- Practice Plus platform launched. 1.9 lac users

- DigiNxt courses added 1,800+ enrolments
- Beyond IT contributes 40% vs 37% in Q4 FY17
- 3500+ learners on Training.com

LIQUIDITY	Net Debt: INR 401 Mn	Down YoY: INR 419 Mn
PROFITABILITY	EBIDTA: INR 221 Mn	Up YoY: INR 181 Mn
CAPITAL EFFICIENCY	ROCE: 13.9%	Up YoY: 9.4%

Transitioned to Ind AS

CONCEPT:-

- Retrospective application of all the standards unless exempted
- Concept of Substance over Legal form of the arrangement
- Certain optional exemptions are available for the ease of transition to Ind-AS. Under this Fair Valuation of Land and Investments in Subsidiaries / Associates is under consideration.
- Multiple deliverables in a contract are to be identified based on customer's perspective and is measured at its fair value.
- Concept of Control over the entity as against majority shareholding to consolidate as subsidiary or associate.

IMPACT AREAS:-

- Recognition of Deferred Tax Liability on undistributed profits of subsidiaries/ Associates
- Strategic Sourcing Revenue is recognized on Net basis
- Recognition of Revenue basis fair value for multiple deliverables
- Provision for doubtful debts – on "Expected Credit Loss" model as against "Incurred Loss" model.
- ESOP expenses are recognized in P&L based on Fair Value as per Black Scholes method.
- Impact due to actuarial assumptions gets classified in "Other Comprehensive Income" (OCI)
- Discounting of Long Term Assets & Liabilities to present value

Q4 FY18: In Perspective

Overall NIIT

- Revenue at INR 2,228 Mn; up 6% YoY; Constant currency Revenue from Go forward Business up 10% YoY
- EBITDA at INR 221 Mn (OM of 10%) up 22% YoY; EBITDA margin up 130 bps YoY
- PAT at INR 197 Mn in Q4 FY18 vs INR 250 Mn in Q4 FY17
- Continued control on Capex & Collections leading to DSO of 71 days Vs 83 days in Q3 & Net Debt at INR 401 mn Vs INR 419 Mn

Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,451 Mn up 28% YoY; Constant currency Revenue grows at 27%
- EBITDA margin at 14%; up 5 bps YoY
- Revenue Visibility at $ 218 Mn (up 18% YoY)
- Overall 39 MTS customers; Signed 5 new contracts including 3 with new MTS customers; 1 contract extension and 1 scope extension for existing customer. Received 3 new LOIs during the Qtr

Skills & Careers Group (SNC): Rebuild phase

- Revenue at INR 584 Mn; down 16% YoY;
- EBITDA at INR -3 Mn

School Learning Group (SLG): Move towards IP led asset light business model

- Revenue at INR 176 Mn down 33% YoY due to ramp down of government school projects
- EBITDA at INR 40 Mn
- Signed 317 school contracts during the quarter; Focussed IP led private school business contributes 86%;

FY18: In Perspective

Overall NIIT

- Revenue at INR 8,505 Mn; up 1% YoY; Constant currency Revenue from Go forward Business up 6% YoY
- EBITDA at INR 746 Mn (OM of 9%) up 11% YoY; EBITDA margin up 80 bps YoY
- PAT at INR 625 Mn in FY18 vs INR 409 Mn in FY17; up 53% YoY
- Operational ROCE @ 13.9% up 448 bps

Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 5,183 Mn up 14% YoY; Constant currency Revenue grows at 17%
- EBITDA margin at 15%; up 47 bps YoY
- Revenue Visibility at $ 218 Mn (up 18% YoY)
- Overall 39 MTS customers; Signed 15 MTS contracts including 8 new MTS customers

Skills & Careers Group (SNC): Rebuild phase

- Revenue at INR 2,669 Mn; down 12% YoY;
- EBITDA margin at INR 36 Mn; OM of 1%;

School Learning Group (SLG): Move towards IP led asset light business model

- Revenue at INR 593 Mn down 32% YoY due to ramp down of government school projects
- Order Intake of INR 321 Mn; signed 668 school contracts during the year
- Focussed IP led private school business contributes 66%; up 2% YoY

Key Financials

IMAGINE · BELIEVE · ACHIEVE

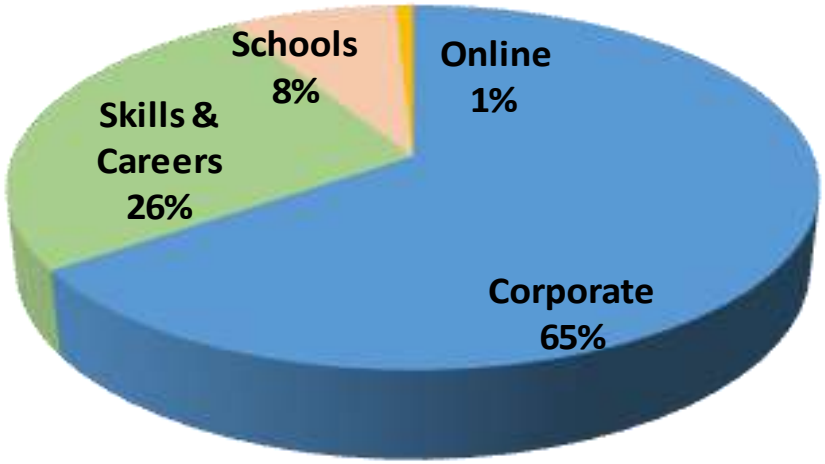
INR Mn	Q4 FY18	Q4 FY17	YoY	Q3 FY18	QoQ	FY'18	FY'17	YoY
System wide Revenue	3,151	4,011	-21%	3,405	-7%	13,511	14,213	-5%
Net Revenue	**2,228**	**2,094**	**6%**	**2,094**	**6%**	**8,505**	**8,452**	**1%**
Operating expenses	2,007	1,913	5%	1,910	5%	7,759	7,777	0%
EBITDA	221	181	22%	184	20%	746	674	11%
EBITDA%	**10%**	**9%**	**130 bps**	**9%**	**114 bps**	**9%**	**8%**	**80 bps**
Depreciation	92	109	-16%	102	-10%	401	457	-12%
EBIT	**129**	**72**	**81%**	**82**	**58%**	**345**	**218**	**59%**
Net Other Income/ (Expense)	-63	-19	-44 mn	-6	-57 mn	-169	-203	35 mn
Operational PBT	**66**	**52**	**14 mn**	**76**	**-10 mn**	**177**	**14**	**162 mn**
Operational Tax	28	14	105%	16	79%	66	64	3%
Operational PAT	**38**	**38**	**-2%**	**60**	**-37%**	**110**	**-50**	**322%**
Associate Profit & Minority Share	200	242	-17%	174	15%	649	579	12%
Tax on Associate Profit & Minority	41	30	35%	36	12%	135	120	12%
PAT	**197**	**250**	-21%	**197**	0%	**625**	**409**	53%
Basic EPS (INR)	**1.2**	**1.5**	**-22%**	**1.2**	**0%**	**3.8**	**2.5**	**52%**

- Growth in Corporate Learning helps offset planned ramp down of government schools business and de-growth in SNC
- EBITDA @ 9% for FY18; up 80bps YoY
- Depreciation down 12% YoY reflecting continued reduction in capital intensity
- Negative impact of forex of INR 156 mn on Revenue and INR 44 mn on EBITDA

Biz Revenue Mix

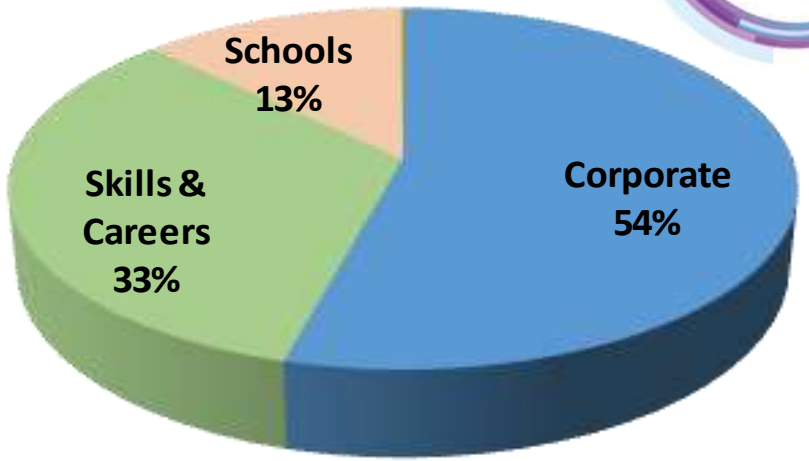
IMAGINE · BELIEVE · ACHIEVE

Q4 FY18

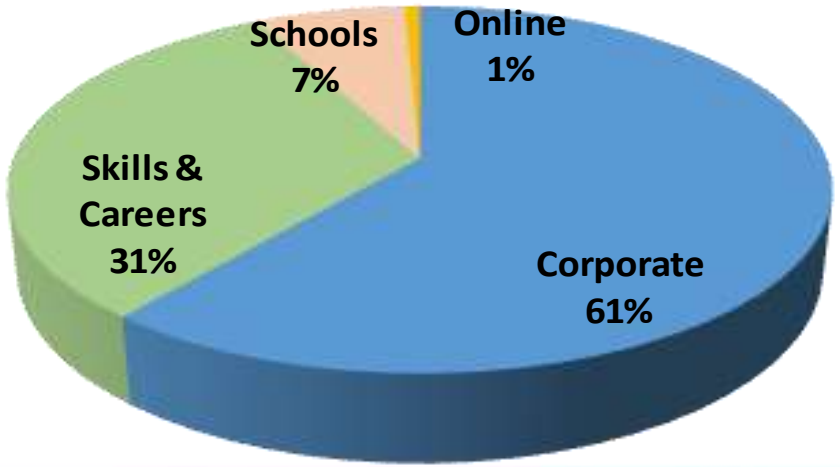


Business	Growth
Corporate	28%
Skills & Careers	-16%
Schools	-33%
Online	378%
NIIT	**6%**

Q4 FY17

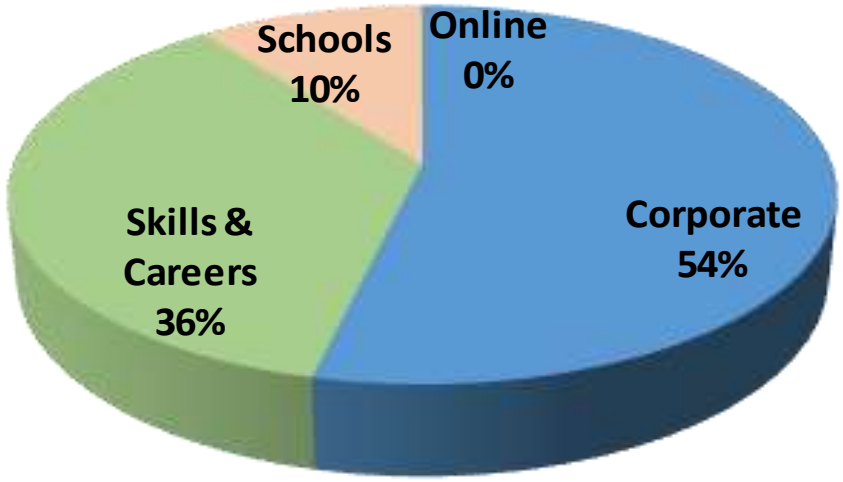


FY18



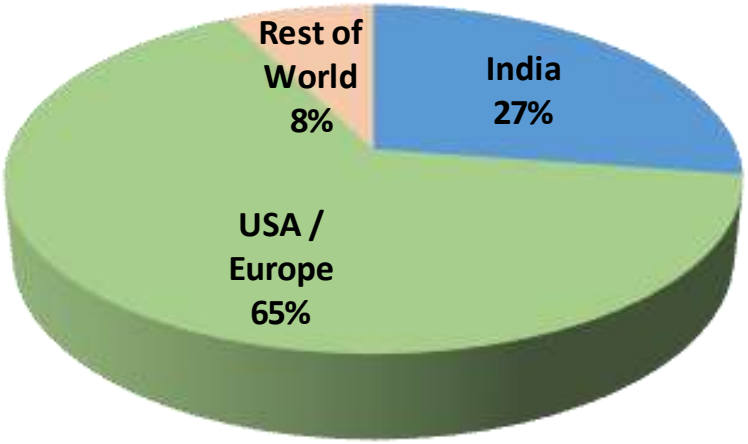
Business	Growth
Corporate	14%
Skills & Careers	-12%
Schools	-32%
Online	950%
NIIT	**1%**

FY17



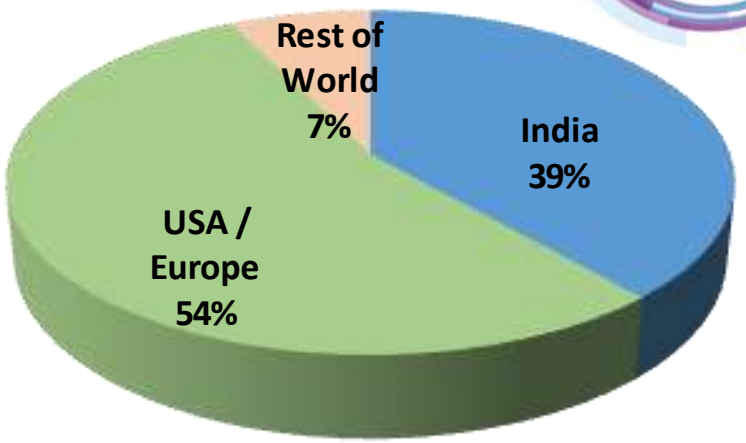
Geo Revenue Mix

Q4 FY18

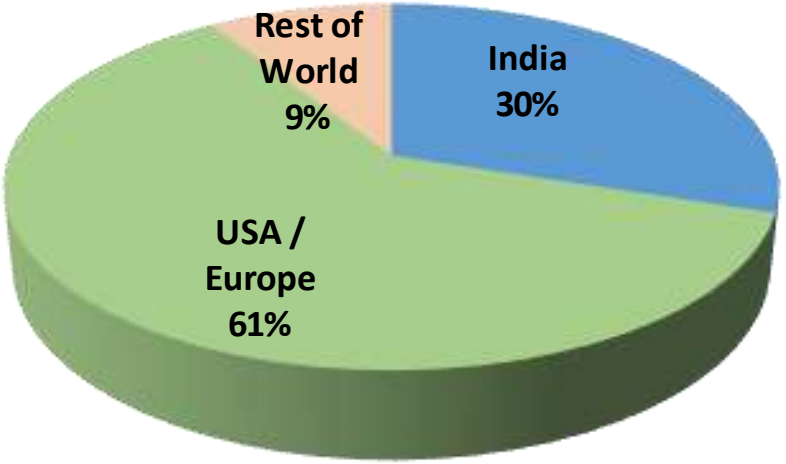


Geo	Growth
India	-25%
USA / Europe	28%
Rest of World	10%
NIIT	**6%**

Q4 FY17

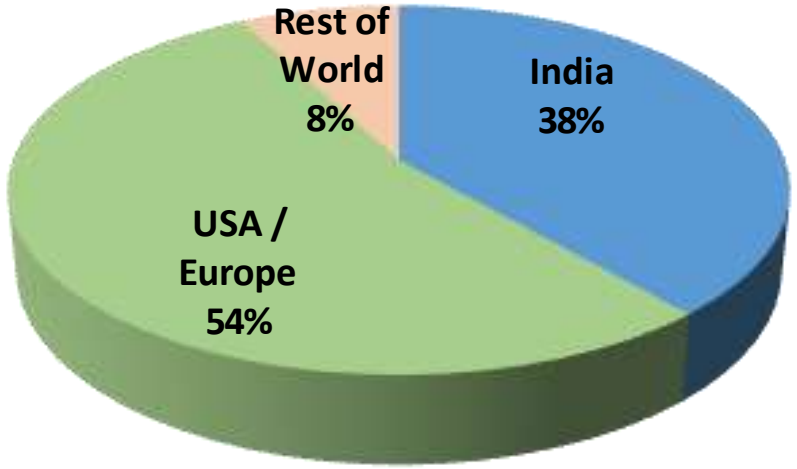


FY18



Geo	Growth
India	-22%
USA / Europe	14%
Rest of World	18%
NIIT	**1%**

FY17



Corporate Learning Group

IMAGINE · BELIEVE · ACHIEVE

INR Mn	Q4 FY18	Q4 FY17	YoY	Q3 FY18	QoQ	FY'18	FY'17	YoY
Net Revenues	1,451	1,134	28%	1,294	12%	5,183	4,534	14%
EBITDA	196	153	28%	198	-1%	761	644	18%
EBITDA %	14%	13%	5 bps	15%	-176 bps	15%	14%	47 bps

Q4FY18

- Revenue at INR 1,451 Mn up 28% YoY (up 27% in Constant Currency)
- Eagle contributes INR 176 Mn to CLG revenue in Q4 FY18
- Signed 5 new contracts including 3 with new MTS customers; 1 contract extension and 1 scope extension for existing customer. Received 3 new LOIs during the Qtr

FY18

- Revenue at INR 5,183 Mn up 14% YoY (up 17% in Constant Currency)
- EBITDA at 15%, up 47 bps YoY
- Revenue Visibility increases to $ 218 Mn up 18% YoY
- Overall 39 MTS customers; Signed 15 MTS contracts including 8 new MTS customers
- Strong pipeline of new orders

Skills & Careers Group

IMAGINE · BELIEVE · ACHIEVE

Rs. Mn	Q4 FY18	Q4 FY17	YoY	Q3 FY18	QoQ	FY'18	FY'17	YoY
Net Revenues	584	694	-16%	691	-16%	2,669	3,045	-12%
EBITDA	-3	24	-28 mn	18	-21 mn	36	46	-22%
EBITDA %	-1%	4%	-411 bps	3%	-316 bps	1%	2%	-16 bps

Q4 FY18

- Q4 a relatively weak quarter for SNC; Revenue at INR 584 Mn; down 16% YoY
- India business impacted because uncertainty in hiring & training slowdown in IT & BFSI; Recovered profitability despite slightly lower revenue due to cost optimization

FY18

- Revenue at INR 2,669 Mn down 12% YoY
- 5 new Career Programs in Accounting and Business Analytics; Banking and Finance; Data Analytics and Predictive Modelling; Digital Marketing and Branding; and Full Stack Software Engineering
- Introducing **TPaaS – Talent Pipeline as a Service**, which encompasses all aspects involved in on-boarding new talent, including talent acquisition, talent orientation, on-boarding & integration

School Learning Group

IMAGINE · BELIEVE · ACHIEVE

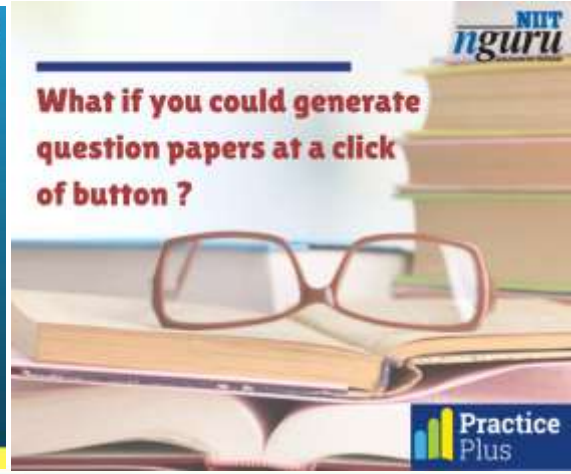
INR Mn	Q4 FY18	Q4 FY17	YoY	Q3 FY18	QoQ	FY'18	FY'17	YoY
Net Revenues	176	262	-33%	92	90%	593	867	-32%
EBITDA	40	32	22%	-21	60 mn	15	54	-72%
EBITDA %	23%	12%	1015 bps	-22%	4482 bps	3%	6%	-372 bps

Q4 FY18

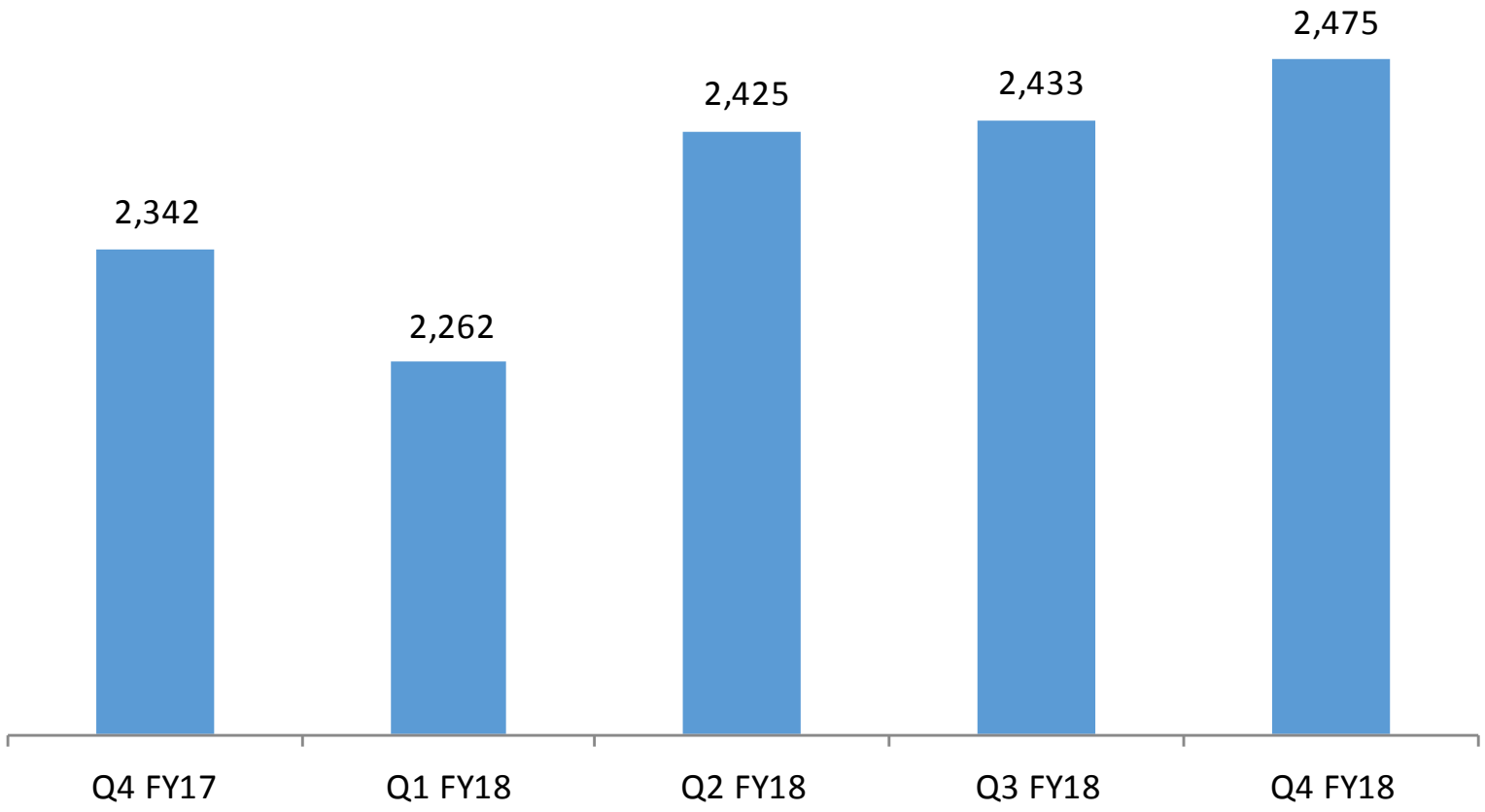
- Overall revenue impacted due to planned ramp down of government school projects. Last government project expected to be complete by Q2 FY19
- EBITDA at INR 40 Mn vs INR 32 Mn YoY

FY18

- Revenue from Go Forward, IP led private school business contributes 86% to SLG revenue; up 2% YoY for FY18
- Practice Plus platform launched; 1.9 lacs users
- Released new curriculum products in Maths, Science and English



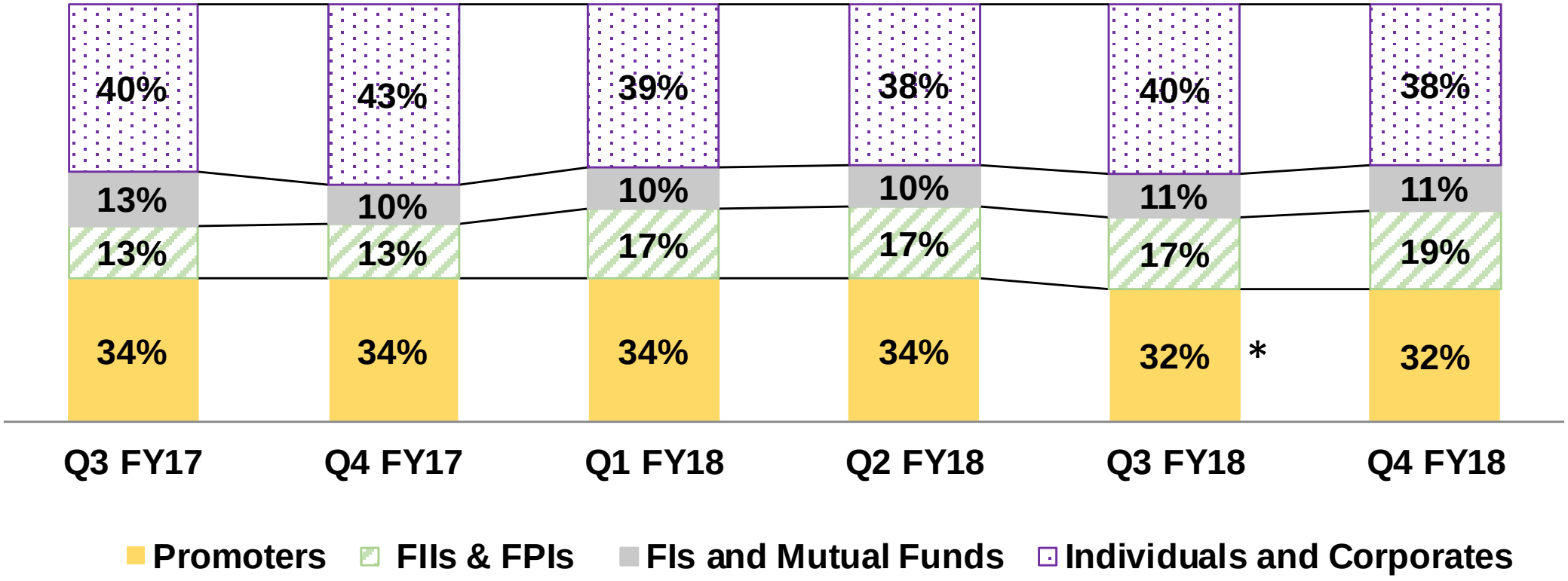
People



Headcount up 42 QoQ and up 133 YoY

** excludes project retainers*

Share Holding Pattern



* Change in promoter share holding only due to reclassification

Percentages may not add to 100% due to rounding

Thank you

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STACK ROUTE

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