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

January 23, 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 Unaudited Financial Results of the Company for quarter and nine months ended December 31, 2017.

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
Company Secretary &
Compliance Officer

Encls : a/a

FINANCIAL RESULTS

Q3 FY18

January 23, 2018

Environment

- Growth in advanced economies strengthened in 2017, helped by a increase in capital spending and exports. The recovery has been led by Europe. (World Bank)
- Global GDP growth to edge up to 3.1 percent in 2018 but substantial downside risks remain, including 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)
- India GDP growth is expected to recover to 7.3% in FY19, after declining for last two years, as economy recovers from short term disruptions due to multiple transitions in the regulatory framework
- 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
- Hiring by IT companies remains subdued. Net hiring by major IT companies down more than 90% YoY YTDFY18. Freeze on hiring in Banks
- Increased demand for Sales and Customer relationship roles across sectors

NIIT Growth Platforms

IMAGINE · BELIEVE · ACHIEVE

NIIT

Corporate

MTS

- 38 global MTS customers
- Revenue visibility at $ 199 mn vs $ 195 mn in Q2 FY18

Skills & Careers

Digital Transformation (DT)

- DigiNxt courses added 1,628 enrolments
- Beyond IT contributes 35% vs 38% in Q3 FY17
- 1500+ learners on Training.com

Schools

nGuru

- 85 School contracts vs 51 in Q3 FY17
- Go forward Focussed IP led private school business contributed 76%
- Practice Plus platform launched. 1.5 lac users

Liquidity		
Net Debt		Down QoQ
INR 459 Mn	→	INR 419 Mn

Profitability		
EBITDA		Up YoY
INR 109 Mn	→	INR 184 Mn

Capital Efficiency		
ROCE		Up QoQ
7.7%	→	11%

Q3 FY18: In Perspective

Overall NIIT

- Revenue at INR 2,094 Mn; up 4% YoY; Constant currency Revenue from Go forward Business up 8% YoY
- EBITDA at INR 184 Mn (9%) up 69% YoY; EBITDA margin up 339 bps YoY
- Sustained improvement in PAT; at INR 197 Mn in Q3 FY18 vs INR 44 Mn in Q3 FY17
- Strong Balance sheet. Continued control on Capex & Collections. Net Debt at INR 419 mn

Corporate Learning Group (CLG): Continued Strong performance

- Revenue at INR 1,294 Mn up 12% YoY; Constant currency Revenue grows at 14%
- EBITDA margin at 15%; up 204 bps YoY
- Revenue Visibility at $ 199 Mn (up 44% YoY)
- Overall 38 MTS customers; Renewed one contract; Received 5 MTS LOI's including one renewal

Skills & Careers Group (SNC): Rebuild phase

- Revenue at INR 691 Mn; down 1% YoY;
- EBITDA margin at 3%; up 514 bps YoY due to cost optimization
- Hosted NIIT's flagship customer event – 2018, The Confluence at Goa

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

- Revenue at INR 92 Mn down 42% YoY due to ramp down of government school projects
- Order Intake of INR 50 Mn; signed 85 school contracts during the quarter (up 67% YoY)
- Focussed IP led private school business contributes 76%; up 16% YoY

Key Financials

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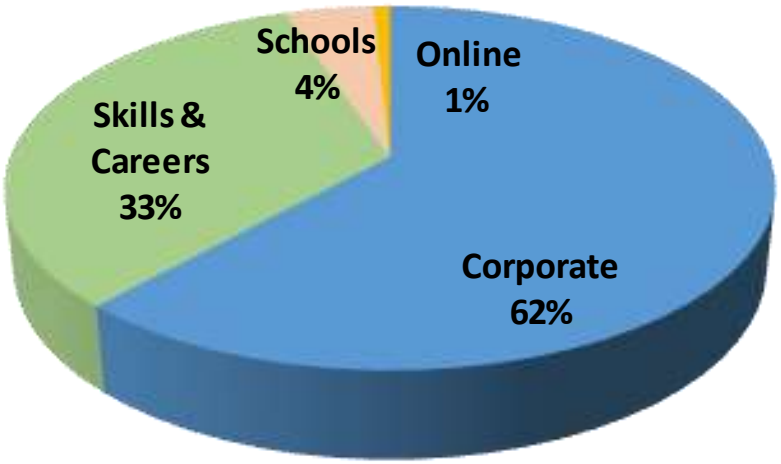
INR Mn	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ
System wide Revenue	3,405	3,203	6%	3,367	1%
Net Revenue	**2,094**	**2,020**	**4%**	**2,084**	**1%**
Operating expenses	1,910	1,910	0%	1,906	0%
EBITDA	184	109	69%	178	4%
EBITDA%	9%	5%	339 bps	9%	26 bps
Depreciation	102	109	-6%	104	-2%
Net Other Income/ (Expense)	-6	-42	36 mn	-55	49 mn
Operational PBT	76	-42	117 mn	18	57 mn
Share of Profits from Associates	174	145	20%	155	12%
Tax	52	60	-13%	47	12%
PAT	**197**	**44**	350%	**127**	55%
Basic EPS (Rs.)	**1.2**	**0.3**	**348%**	**0.8**	**55%**

- Growth in Corporate Learning helps offset planned ramp down of government schools business and exit from de-focussed SNC business. Constant currency Revenue from Go forward business up 8% YoY
- Currency volatility YoY negatively impacted Revenue by INR 26 Mn & EBITDA by Rs 11 Mn
- Depreciation down 6% YoY reflecting continued reduction in capital intensity

Biz Revenue Mix

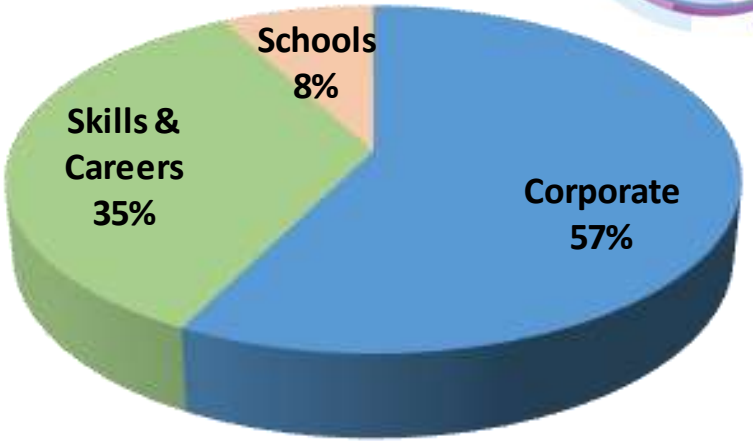
Q3 FY18



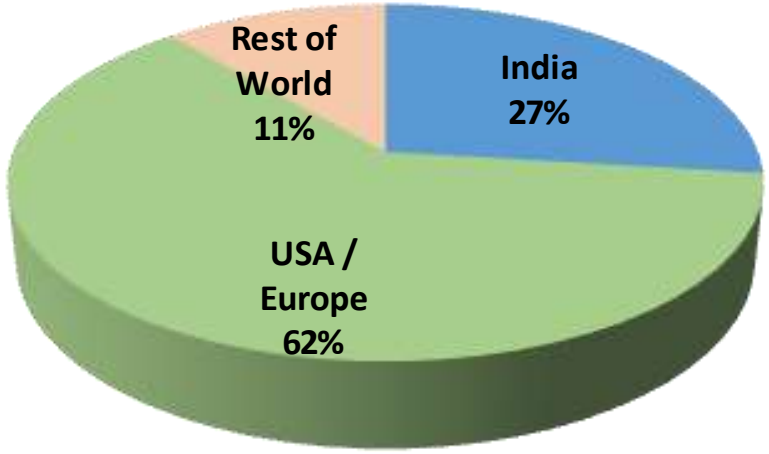
Revenue Mix - Biz

	Growth
Corporate	12%
Skills & Careers	-1%
Schools	-42%
Online	1766%
NIIT	**4%**

Q3 FY17



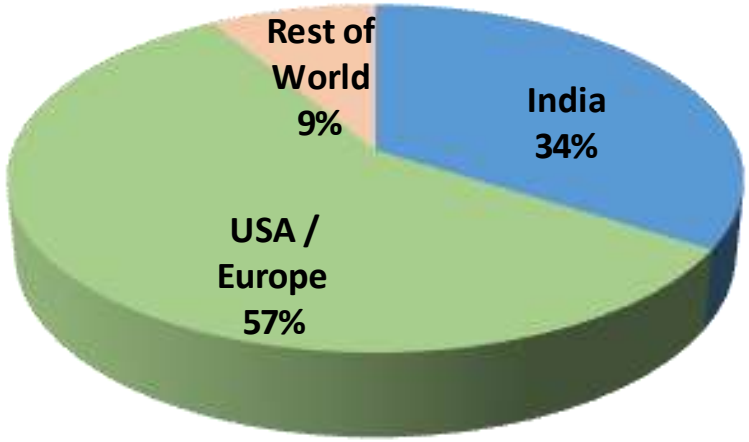
Q3 FY18



Revenue Mix - Geo

	Growth
India	-18%
USA / Europe	12%
Rest of World	37%
NIIT	**4%**

Q3 FY17



Corporate Learning Group

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INR Mn	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ
Net Revenues	1,294	1,160	12%	1,263	2%
EBITDA	198	154	29%	196	1%
EBITDA %	15%	13%	204 bps	16%	-23 bps

- **Revenue up 14% YoY in Constant currency**
- Revenue Visibility increases to $ 199 Mn up 44% YoY
- Renewed contract with one MTS customer. Overall 38 MTS customers
- Received 5 MTS LOIs including one renewal
- Strong pipeline of new orders

Learning & Performance Institute
Accredited Learning Provider

Skills & Careers Group

IMAGINE · BELIEVE · ACHIEVE

INR Mn	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ
Net Revenues	691	701	-1%	714	-3%
EBITDA	18	-18	36 mn	19	-5%
EBITDA %	3%	-3%	514 bps	3%	-4 bps

- India business impacted because of uncertainty in hiring & training slowdown in BFSI
- Q3 is a seasonally weak quarter. Recovered profitability despite slightly lower revenue due to cost optimization
- Green shoots visible in IT training, especially around reskilling

STACK ROUTE

School Learning Group

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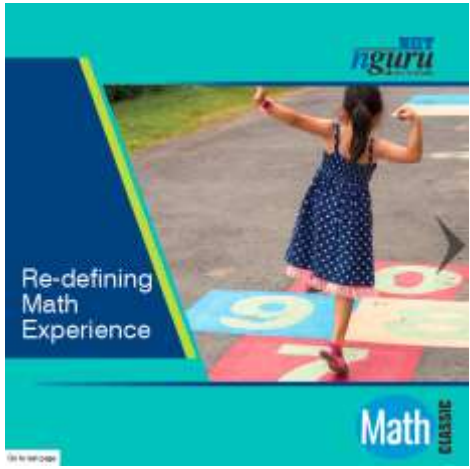
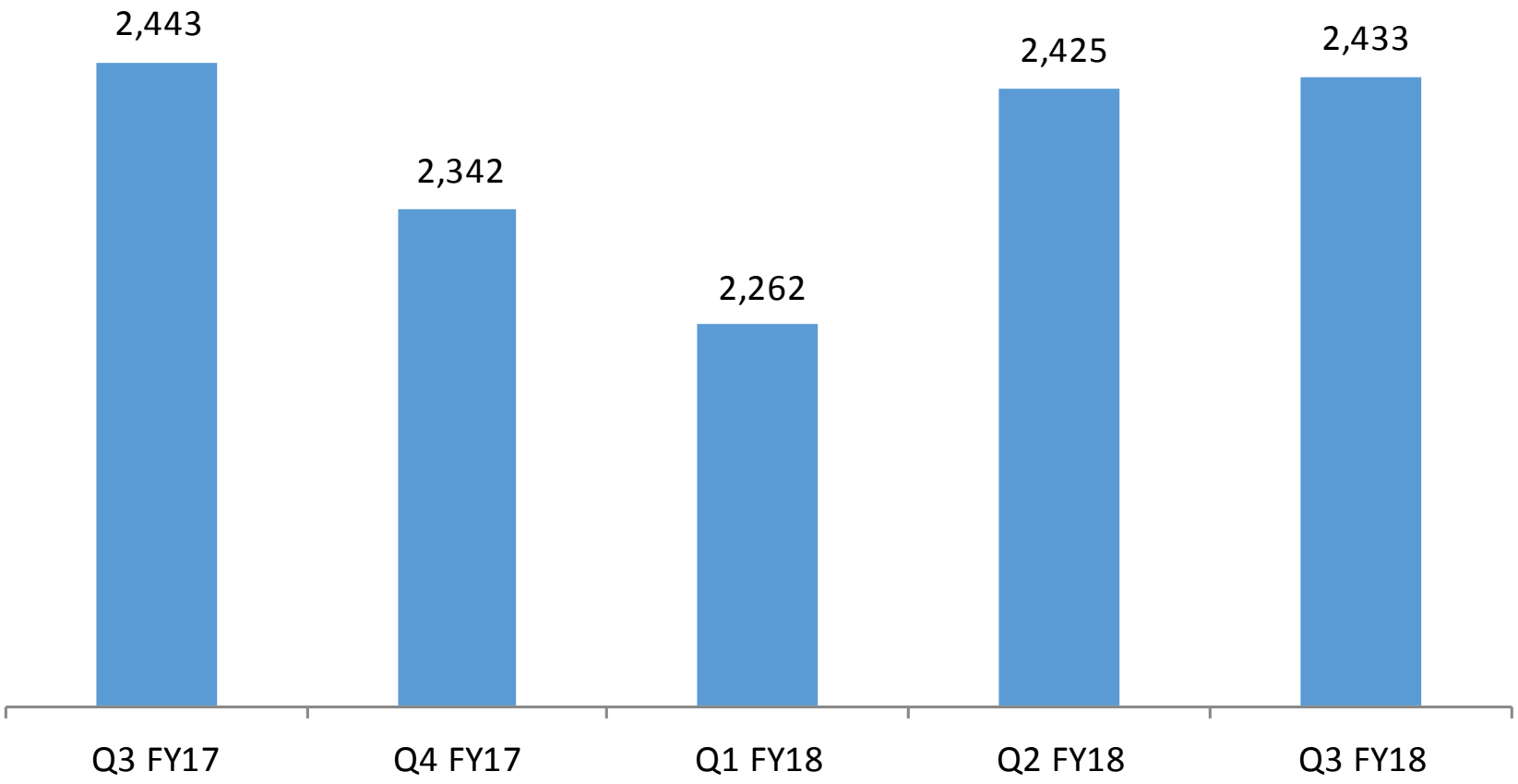
INR Mn	Q3 FY18	Q3 FY17	YoY	Q2 FY18	QoQ
Net Revenues	92	158	-42%	93	-1%
EBITDA	-21	-4	-17 mn	-21	1 mn
EBITDA %	-22%	-2%	-2008 bps	-23%	61 bps

- Overall revenue impacted due to planned ramp down of government school projects. EBITDA impacted by closure of a large government contract
- Revenue from Go Forward, IP led private school business contributes 76% to SLG revenue; up 16% YoY
- 85 school contracts signed during the Qtr; up 67% YoY
- Practice Plus platform launched; 1.5 lacs users



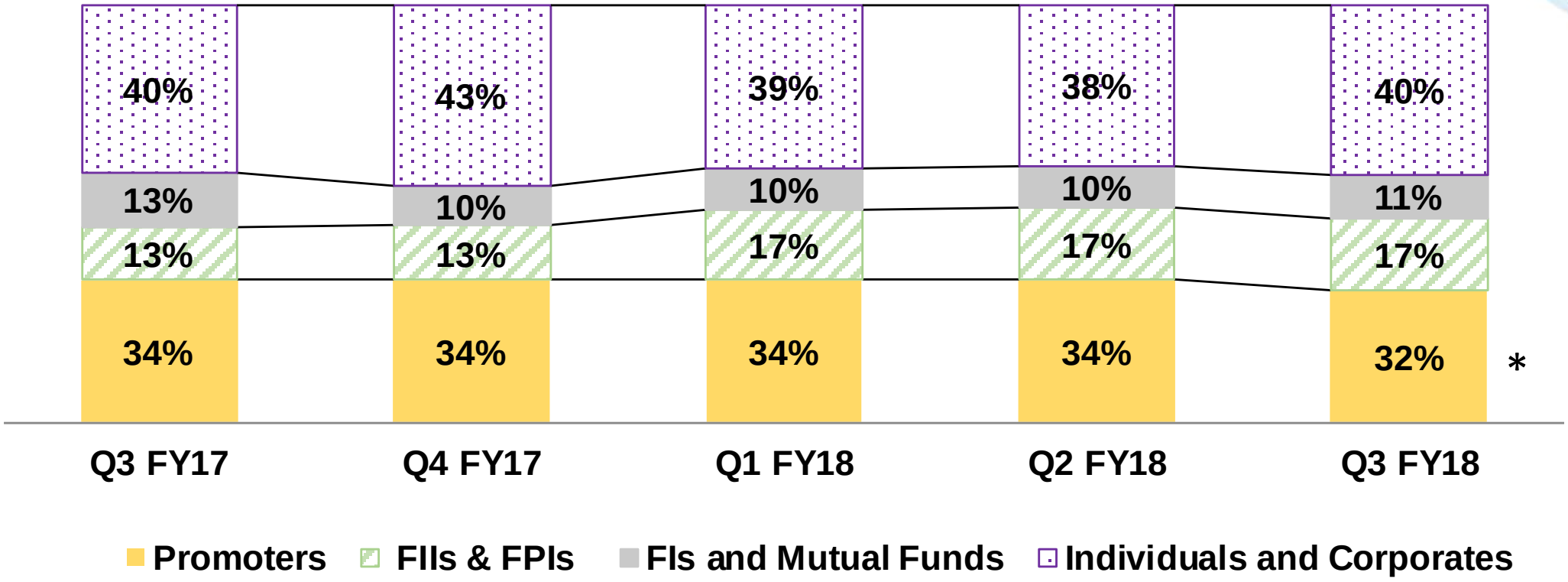
People



Headcount up 8 QoQ and down 10 YoY

** excludes project retainers*

Share Holding Pattern



** Reclassification in Q3FY18 for one shareholder, earlier classified as a promoter*

Percentages may not add to 100% due to rounding

Thank you

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