

NIIT Technologies Ltd.

Chairman's speech at the 28th Annual General Meeting on July 23, 2020

Dear shareowners, ladies and gentlemen:

It gives me great pleasure in welcoming you to the 28th Annual General Meeting (AGM) of your Company. The circumstances of this general meeting, am sure you will agree, are extra-ordinary, necessitated by the distancing requirements in view of the COVID-19 pandemic. I hope that you and your family are safe and in sound health. Thank you for joining us here today, in this 'virtual' meeting.

As reflected in the Annual Report, the financial year ended March 31, 2020 (FY2019-20) has been yet another year of outperformance across multiple parameters. The Company recorded robust revenue and earnings growth as well as strong deal flows even as it navigated an increasingly uncertain, challenging, and unprecedented situation arising out of the Covid-19 pandemic during the last quarter of the year.

While the pandemic came as an unanticipated and huge challenge, I am very pleased to observe that NIIT Technologies acted swiftly and proactively, with the entire organization rising to live up to the trust reposed in it by clients worldwide. The Company, with remarkable agility, implemented measures to ensure the safety of employees as well as uninterrupted delivery of services to customers, while remaining compliant with all the applicable guidelines and directives from governments and health agencies. The Company was able to move nearly all of its employees to the work-from-home model in a very short span of time and the cut-over was seamless. We remain watchful of the evolving situation and shall take appropriate measures accordingly.

Business Performance

During FY2019-20, on a consolidated basis the Company's revenues grew by 13.8% to Rs 41,839 million. EBITDA margin for the year excluding non-recurring expenses expanded to 17.8%. Profit after taxes (PAT) for the year increased by 10.1% from the preceding financial year to Rs 4,440 million.

This performance has been broad-based and driven by significant traction in the emerging tech space including Digital Services, which grew 47% and contributed to 37% of overall revenues for the year. Among industry verticals, the Insurance vertical grew 20.5%, contributing 30% of total revenues, the Travel & Transport vertical grew 18% contributing 28% of total revenues and the BFS vertical grew 13.9% contributing 16% of total revenues during the financial year under review. Among geographies, the Americas grew by 11.7% and contributed 48% of total revenues and EMEA grew 27.9%, representing 37% of total revenues during the year. Contribution from the domestic market was only 6% of FY2019-20 consolidated revenues.

The Company's operating performance and financial results for the year reflect the investments in capability and leadership augmentation made in recent years, resulting in the creation of best-in-class sales and delivery organizations.

Transform at the Intersect, Engage with the Emerging

The strong growth and deal wins seen during the year have been led by the Company's strategy to consolidate its position as a technology partner that can transform client businesses at the intersect of deep domain expertise ("Transform at the Intersect") and emerging technologies ("Engage with the Emerging") to achieve real-world business impact for customers. Your Company has for long enjoyed strong domain depth and differentiation across the Travel & Transport, Insurance, and Banking & Financial Services (BFS) industries. These existing domain capabilities are being augmented with well-considered

investments in new competencies, partnerships, and even inorganic acquisitions. For instance, NIIT Technologies launched the beta version of Digital Foundry, its digital engineering platform, during FY2020. This repository of plug-and-play digital assets ensures repeatable fast engineering and enables composition of digital solutions at an accelerated pace. The Company's offerings such as "Innovation as a Service" and SimplyCrowd, which is its crowd sourcing service, enable customers to ideate, innovate and incubate. NIIT Technologies has developed competencies in areas such as Cloud, Data and Analytics, full spectrum Automation, Cognitive technologies, and Digital Integration. When combined with deep domain knowledge, these capabilities and competencies create a formidable and differentiated value proposition in the marketplace.

Building upon a strong track record of very selective and high quality inorganic initiatives over the years, during the year under review NIIT Technologies made a strategic investment in WHISHWORKS IT Consulting, a fast-growing and profitable MuleSoft specialist, which has noticeably strengthened the Company's Digital capabilities. This followed the divestment of its entire stake in ESRI India Technologies Ltd (which formed the Company's erstwhile GIS business), in line with its focus on core verticals, technologies, and global markets.

Healthy dividend payout

As you would be aware, for the year under review, there have been three interim dividend payouts to shareholders, totaling to Rs 31 per share. In addition to that, recently the Company also successfully concluded a share buy back.

Looking Ahead

In recent years, your Company has emerged as a consistent outperformer, delivering industry leading performance even during FY2020. The COVID-19 pandemic, of course, has come as a significant adverse impact on the Company's business, particularly in the Travel & Transport segment which is a large contributor to overall revenues. The Company's deal pipeline and order intake, however, remained robust as we ended FY2020 and entered the new fiscal year. NIIT Technologies secured fresh orders worth \$748 million during FY2020 (up from \$646 million in FY2019 and \$507 million in FY2018). A total of 41 new clients were also added during the year. As a result, the order book executable over the next 12 months stood at \$ 468 million as on March 31, 2020, up 20% from \$390 million at the same time a year ago. We feel confident about the future and continue to plan for profitable growth as we start the new fiscal year during which your Company will also be transitioning to a new brand identity and name "Coforge Limited". We will be sharing more on that in due course.

Conclusion

I would like to take this opportunity to thank the Board, management team, and all the employees for their contribution in delivering a strong operating and financial performance during FY2020. We remain deeply grateful to all our stakeholders, including our clients, partners, vendors, and shareholders for their support during a challenging period and am hopeful that this will continue going forward. This is the first time that we are unable to have an in-person Meeting, given the prevailing health-related environment. I look forward to meeting with all of you in person at our next annual general meeting.

Thank you.

Basab Pradhan
Chairman, NIIT Technologies Ltd.