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NIIT Technologies

Financial Performance – Q1FY14

Outline

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

Financial Highlights – Q1FY14

- Consolidated Revenues at Rs 5419 Mn
 - Up 0.9% QoQ, Up 15.4% YoY
 - Flat QoQ constant currency growth
- Operating profits at Rs 782 Mn
 - Down 11.5% QoQ, Up 4.1% YoY
 - Operating Margins at 14.4%, Down 202 bps QoQ, Down 156 bps YoY
- Net Profits at Rs 532 Mn
 - Down 5.9% QoQ, Down 7.5% YoY
 - Other income gain of 206 Mn (LQ loss 14 Mn)
 - Net Margins at 9.8%, Down 71 bps QoQ, Down 248 bps YoY
 - Effective Tax Rate at 35.2% of PBT
- Order intake of \$145 Mn

Business Highlights for Q1FY14

- **BFSI Up 0.8% QoQ, Contributes 30% (LQ 31%)**
 - ❑ Growth in top accounts in BFS offset by drop in revenues from insurance accounts
- **Transport Down 2.8% QoQ, Contributes 36% (LQ 37%)**
 - ❑ Weakness in Europe
 - ❑ \$15 Mn+ renewal from existing client in USA
 - ❑ \$60 Mn+ contract from Airport Authority of India
 - ❑ 4 additional new clients besides AAI
- **Manufacturing Up 4.4% QoQ, Contributes 6% (LQ 6%)**
 - ❑ Scale up in existing accounts
- **Government Up 19% QoQ, Contributes 13% (LQ 11%)**
 - ❑ AP finance program kicked off

Acknowledgements during the Quarter

- NIIT Technologies Inc. featured in Computerworld's 100 Best Places to Work in IT 2013 list
- NIIT Media Technologies Limited included as a case study under the Innovation and Change Management segment by University of Cambridge
- NIIT Technologies two business cases - UTICA and ASSURANT mentioned in the compendium of case studies by Novarica, a U.S based research and advisory firm specializing in insurance and banking.

Consolidated Qtrly Income Statement

INR Mn.

Particulars	Q1FY14	Q4FY13	QoQ%	Q1FY13	YoY%
Gross Revenues	5,419	5,372	0.9%	4,696	15.4%
Direct Cost	3,669	3,526	4.1%	3,047	20.4%
Gross Profit	1,750	1,846	-5.2%	1,649	6.1%
GM%	32.3%	34.4%	-208 Bps	35.1%	-283 Bps
Selling / General And Administration	968	962	0.6%	898	7.7%
SG&A to Revenue %	17.9%	17.9%	-6 Bps	19.1%	-127 Bps
Operating Profit	782	884	-11.5%	751	4.1%
OM%	14.4%	16.5%	-202 Bps	16.0%	-156 Bps
Depreciation and Amortization	148	161	-8.1%	126	17.4%
Other Income (net)	206	(14)	-1564.4%	210	-1.9%
Profit Before Tax	840	709	18.6%	835	0.7%
PBT %	15.5%	13.2%	231 Bps	17.8%	-228 Bps
Provision for Tax	296	129	130.3%	246	20.3%
Minority Interest	12	15	-16.8%	13	-5.8%
Profit After Tax (after Minority Int.)	532	566	-5.9%	575	-7.5%
PAT%	9.8%	10.5%	-71 Bps	12.3%	-248 Bps
EPS - INR					
Basic	8.82	9.40	-6.1%	9.60	-8.1%

- Flat constant currency revenue growth QoQ due to weakness in Europe
- Reduction in operating margins primarily due to salary hike
- Increase in tax expenses as a result of dividend tax and higher other income

Balance Sheet

INR Mn.

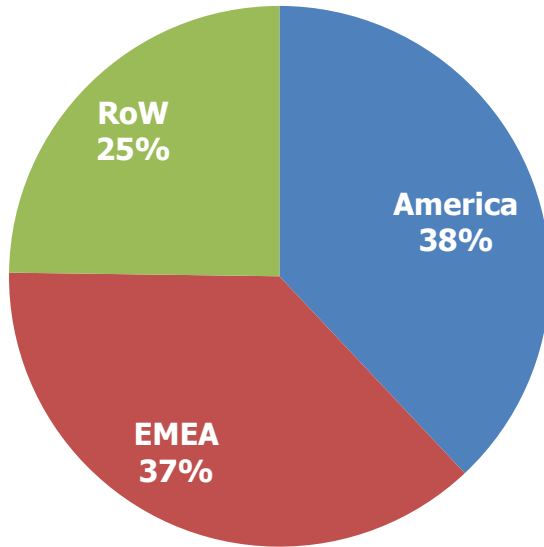
Particulars	Jun 30, 2013	Mar 31, 2013	Jun 30, 2012	Particulars	Jun 30, 2013	Mar 31, 2013	Jun 30, 2012
Equity	604	602	599	Net Block	4,590	4,383	4,428
Reserves & Surplus	10,961	10,339	9,199	Capital Work in Progress	343	277	24
NET Worth	11,565	10,941	9,798	Current Assets			
Borrowings	89	92	422	Cash and Cash Equivalent	2,479	3,325	2,669
Minority Interest	177	173	136	Debtors	5,822	4,538	4,118
				Other Current Assets	2,863	2,743	2,670
				Current Liabilities	(4,490)	(4,182)	(3,815)
				Deferred Tax Assets	224	122	263
	11,831	11,206	10,357		11,831	11,206	10,357

- Reserves and Surplus up 625 Mn (Profit up by INR 532 Mn, Hedge reserve down 217 Mn, CTR up 291 Mn and Share premium up 14 Mn)
- Borrowings at INR 89 Mn

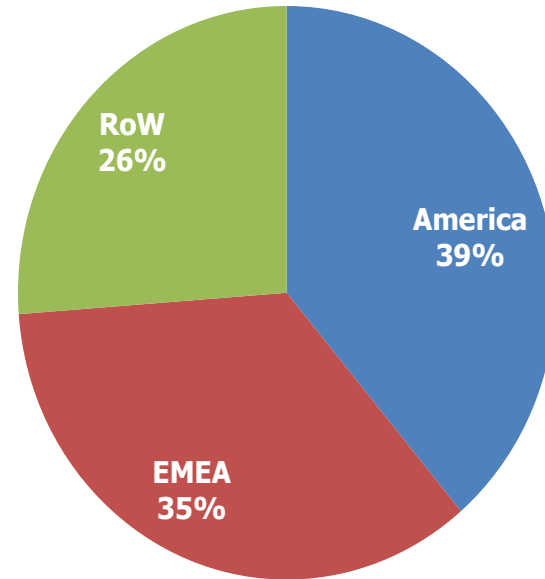
- Cash and Bank Balances down by INR 846 Mn QoQ due to increase in working capital gap
- DSO – 98 (LQ – 82)
- Capex during the Qtr – INR 300 Mn including GNIDA spend of INR 66 Mn

Geography Mix

Q4 FY'13



Q1 FY'14

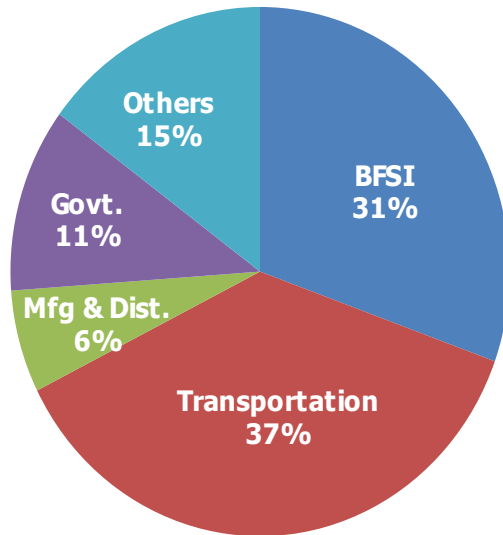


Q1FY14

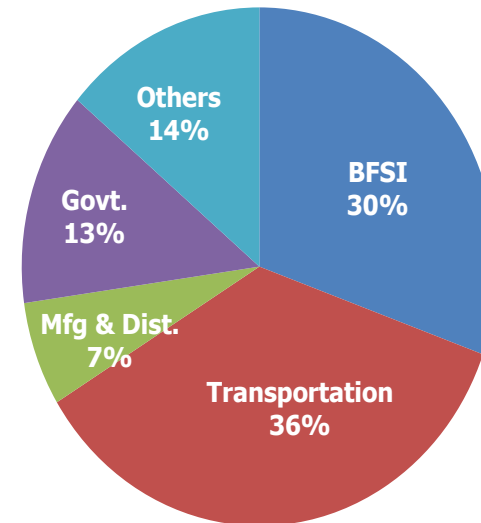
- Growth in USA and RoW
- Decline in Europe

Vertical Mix

Q4 FY'13



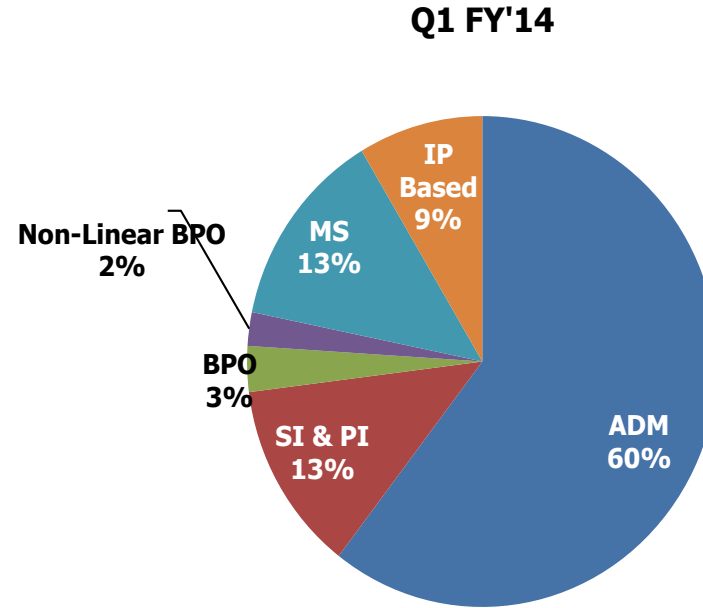
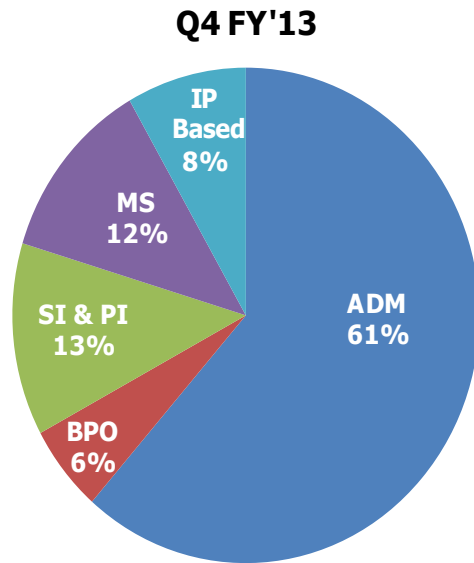
Q1 FY'14



Q1FY14

- Growth in BFSI and Manufacturing
- Decline in TTL due to weakness in Europe
- Strong growth in Govt segment

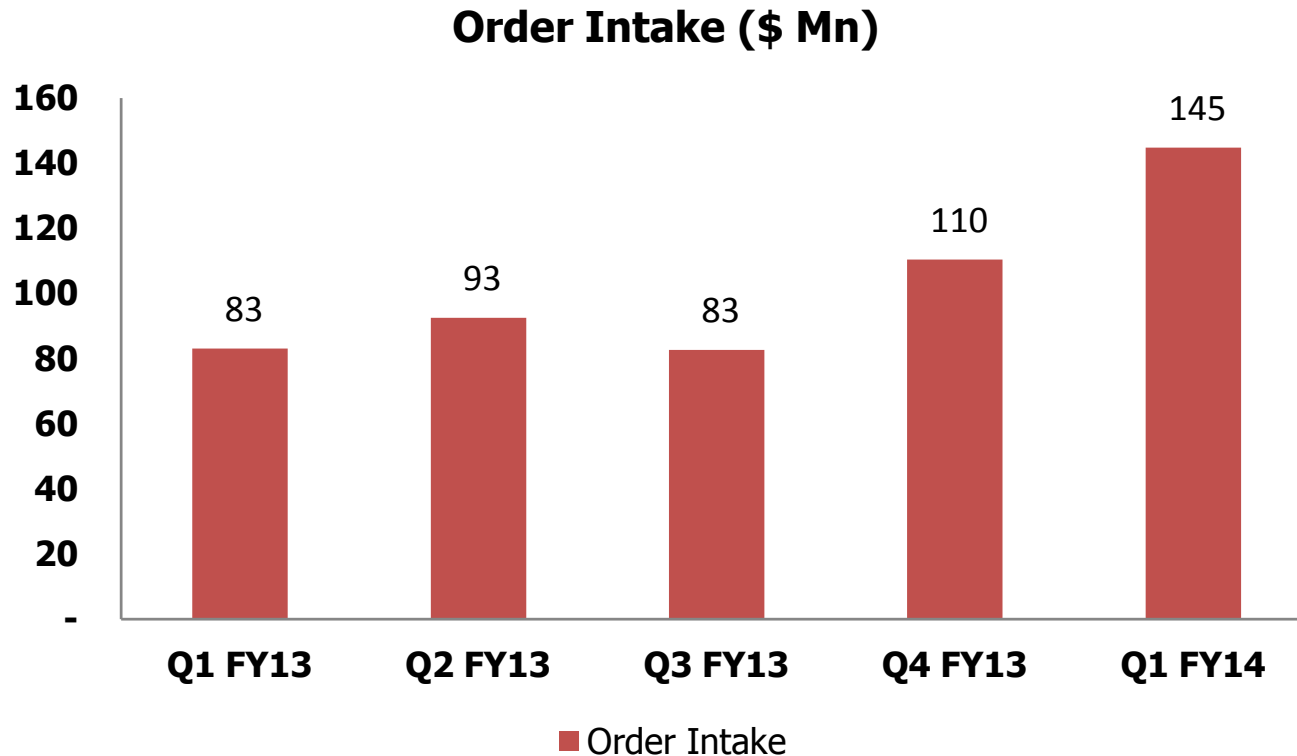
Service Mix



Q1FY14

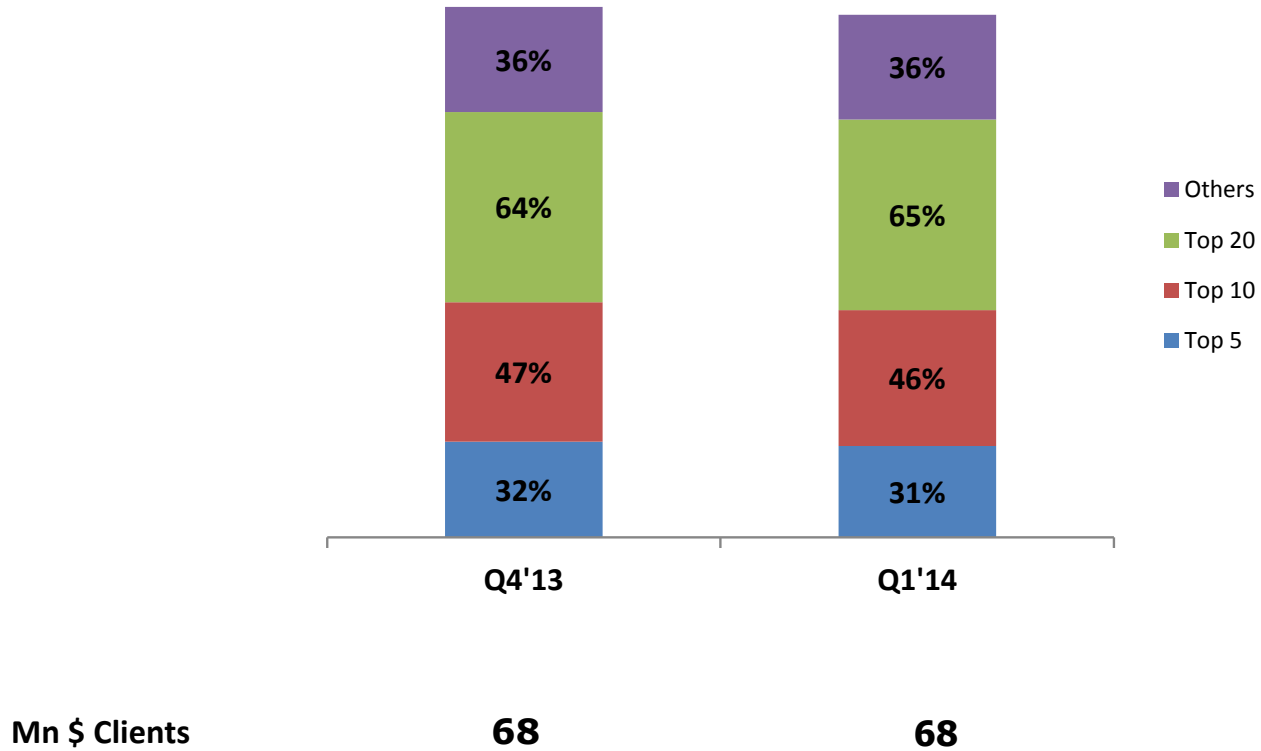
- Strong growth in Non-Linear revenues to 24%
- Growth in SI&PI
- Decline in ADM

Order Intake



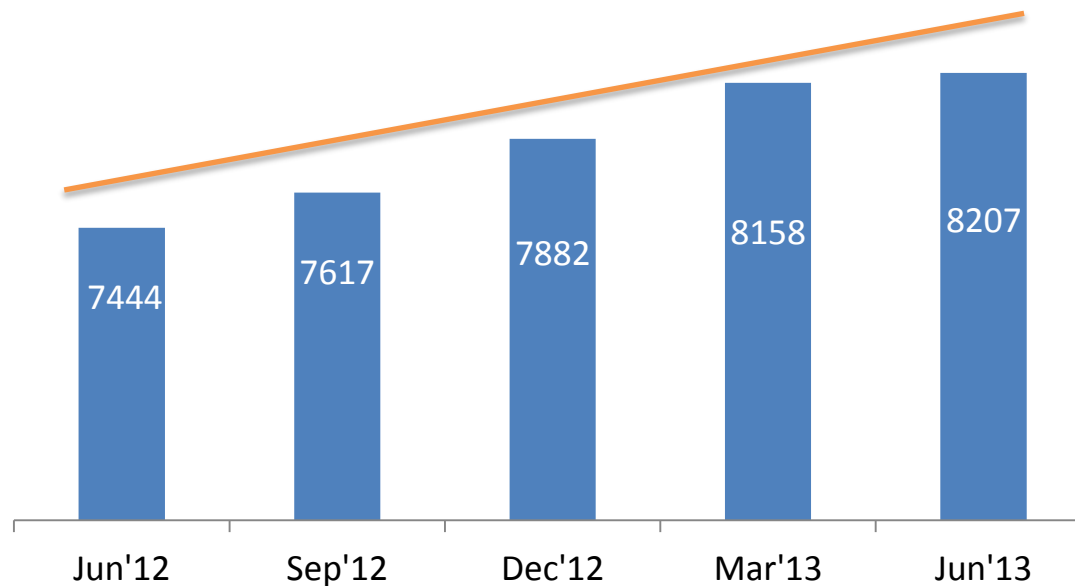
- 5 new customers added during the quarter in Travel Vertical
- \$145 Mn order intake in the quarter leading to \$263 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (44 Mn), EMEA (26 Mn), RoW (75 Mn)

Top Client Mix



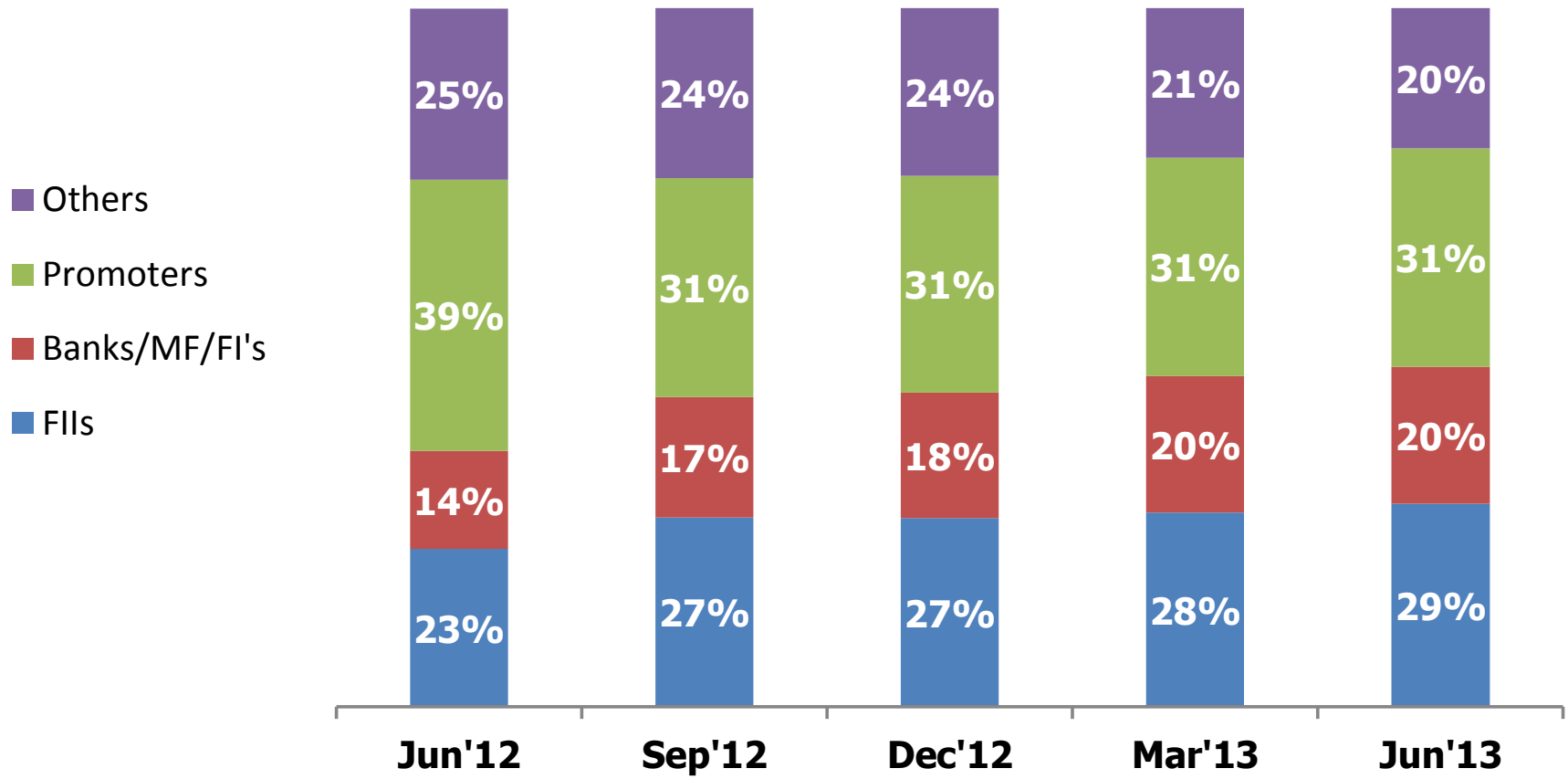
People Resources

People Data



	Jun'12	Sep'12	Dec'12	Mar'13	Jun'13
Net Additions	82	173	265	276	49
Attrition%	12.36%	12.67%	12.51%	12.21%	12.36%
Utilization	78.54%	79.80%	78.44%	78.24%	77.30%

Shareholding Pattern



Thank You
