



# NIIT Technologies

## Financial Performance – Q3FY14

Jan 14, 2014

# Outline

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

# Financial Highlights – Q3FY14

- **Consolidated Revenues at Rs 5873 Mn**
  - Up 14.2 % YoY, Flat QoQ
  - Services business up 3.6% in constant currency
- **Operating profits at Rs 957 Mn**
  - Up 8.0% QoQ, Up 17.8 % YoY
  - Operating Margins at 16.3%, Up 120 bps QoQ, Up 50 bps YoY
- **Net Profits at Rs 531 Mn**
  - Down 15.0% QoQ, Down 5.3% YoY
  - Other income Loss of 70 Mn (Gain of 182 Mn in 2QFY14 and gain of 126 Mn in 3QFY13)
  - Effective Tax Rate at 25.0% of PBT
- **Order intake of \$377 Mn**

# Business Highlights for Q3FY14

- BFSI Up 8.2% QoQ, Contributes 35% (LQ 33%)
  - ❑ Strong Growth in Top Client
  - ❑ Growth in US mid sized accounts
  - ❑ 1 New client added
- Transport Up 2.3% QoQ, Contributes 38% (LQ 37%)
  - ❑ Growth in EMEA accounts
  - ❑ 1 New client added
- Manufacturing/Distt. Up 6.7% QoQ, Contributes 7% (LQ 6%)
  - ❑ Growth in existing accounts
  - ❑ 1 New client added
- Government Down 40% QoQ, Contributes 6.0% (LQ 10%)
  - ❑ Reduced component of PFR due to go-live of projects
  - ❑ 1 New client added

# Acknowledgements during the Quarter

- NIIT Technologies was conferred 'Fortune at the Bottom of the Pyramid' award for the Agro Commodity Board Mobility solution at the Aegis Graham Bell awards 2013.
- The Company has been featured in the Global Services 100- 2013 list- a set of companies that define leadership in the global services business.

# Consolidated Qtrly Income Statement

INR Mn.

Particulars (INR Mn)	Q3FY14	Q2FY14	QoQ%	Q3FY13	YoY%
<b>Gross Revenues</b>	<b>5,873</b>	<b>5,873</b>	<b>0.0%</b>	<b>5,144</b>	<b>14.2%</b>
Direct Cost	3,758	3,893	-3.5%	3,383	11.1%
<b>Gross Profit</b>	<b>2,115</b>	<b>1,980</b>	<b>6.8%</b>	<b>1,761</b>	<b>20.1%</b>
GM%	36.0%	33.7%	230 Bps	34.2%	179 Bps
Selling / General And Administration	1,158	1,094	5.9%	948	22.2%
<b>SG&amp;A to Revenue %</b>	<b>19.7%</b>	<b>18.6%</b>	110 Bps	<b>18.4%</b>	129 Bps
<b>Operating Profit</b>	<b>957</b>	<b>886</b>	8.0%	<b>812</b>	17.8%
OM%	16.3%	15.1%	120 Bps	15.8%	50 Bps
Depreciation and Amortization	160	155	3.1%	142	12.5%
Other Income (net)	(70)	182	-138.5%	126	-155.6%
<b>Profit Before Tax</b>	<b>727</b>	<b>913</b>	<b>-20.4%</b>	<b>796</b>	<b>-8.7%</b>
PBT %	12.4%	15.5%	-317 Bps	15.5%	-310 Bps
Provision for Tax	182	269	-32.4%	230	-21.0%
Minority Interest	14	20	-27.6%	6	141.5%
<b>Profit After Tax (after Minority Int.)</b>	<b>531</b>	<b>624</b>	<b>-15.0%</b>	<b>560</b>	<b>-5.3%</b>
PAT%	9.0%	10.6%	-159 Bps	10.9%	-185 Bps
<b>EPS - INR</b>					
Basic	8.79	10.33	-15.0%	9.31	-5.6%

- Operating margins improve as a result of increased services and lower PFR revenues
- Net Margin decline due to loss in other income as compared to gain in last qtr & qtr last year
- Loss in other income on account of revaluation of foreign currency assets and liabilities

# Balance Sheet

INR Mn.

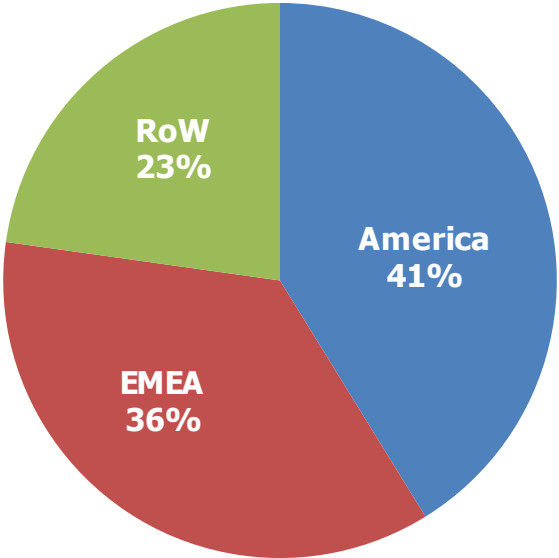
Particulars	As at Dec 31 2013	As at Sep 30 2013	As at Dec 31 2012	Particulars	As at Dec 31 2013	As at Sep 30 2013	As at Dec 31 2012
Equity	606	604	602	Net Block	4,607	4,690	4,490
Reserves & Surplus	12,495	11,797	10,387	Capital Work in Progress	816	436	79
<b>NET Worth</b>	<b>13,101</b>	<b>12,401</b>	<b>10,989</b>	<b>Current Assets</b>			
Borrowings	281	281	92	Cash and Cash Equivalent	2,484	2,120	2,856
Minority Interest	194	197	160	Debtors	5,916	5,987	4,290
				Other Current Assets	3,399	3,269	2,407
				Current Liabilities	(3,849)	(3,897)	(3,094)
				Defferred Tax Assets	203	274	213
	<b>13,576</b>	<b>12,879</b>	<b>11,241</b>		<b>13,576</b>	<b>12,879</b>	<b>11,241</b>

- Reserves and Surplus up 698 Mn (Profit up by INR 531 Mn, Hedge reserve up 137 Mn and Share premium up 28 Mn)
- Borrowings at INR 281 Mn

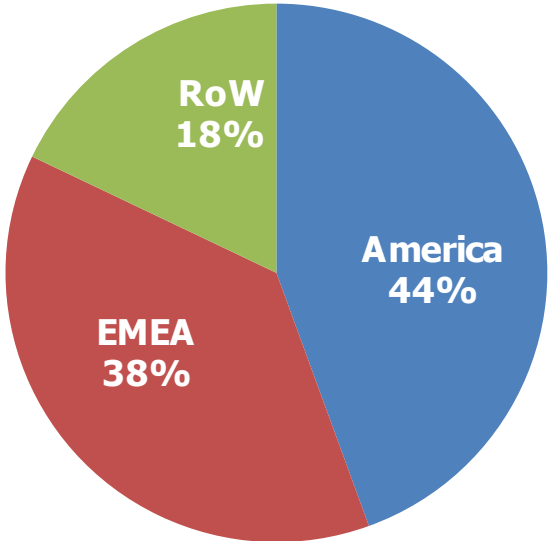
- Cash and Bank Balances up by INR 364 Mn
- DSO – 96
- Capex during the Qtr – INR 447 Mn including GNIDA spend of INR 99 Mn and AAI 196 Mn.

# Geography Mix

**Q2 FY'14**



**Q3 FY'14**



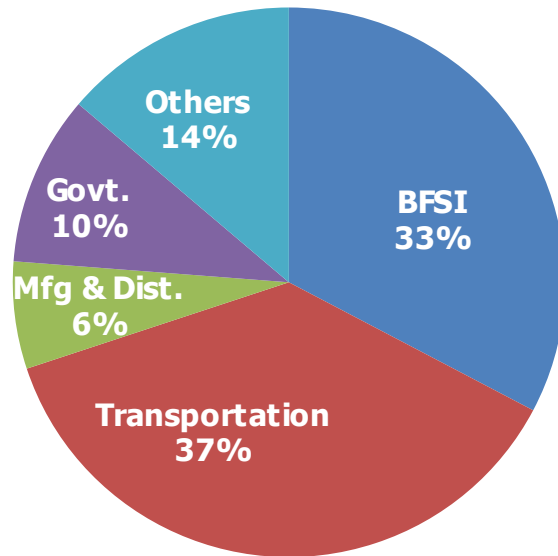
**Q3FY14**

- Growth in US and EMEA
- Decline in RoW due to reduced Govt biz

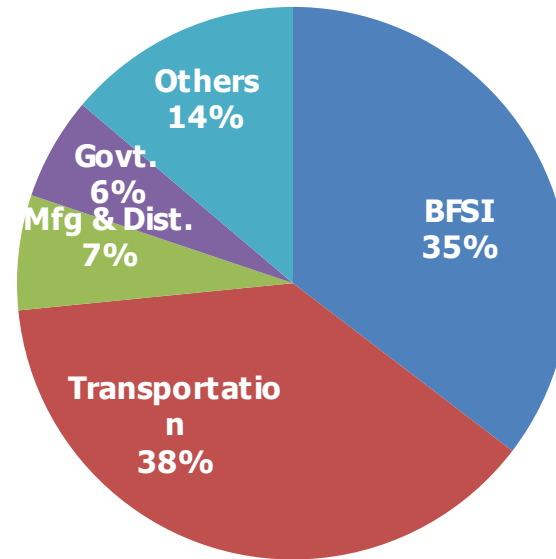


# Vertical Mix

**Q2 FY'14**



**Q3 FY'14**

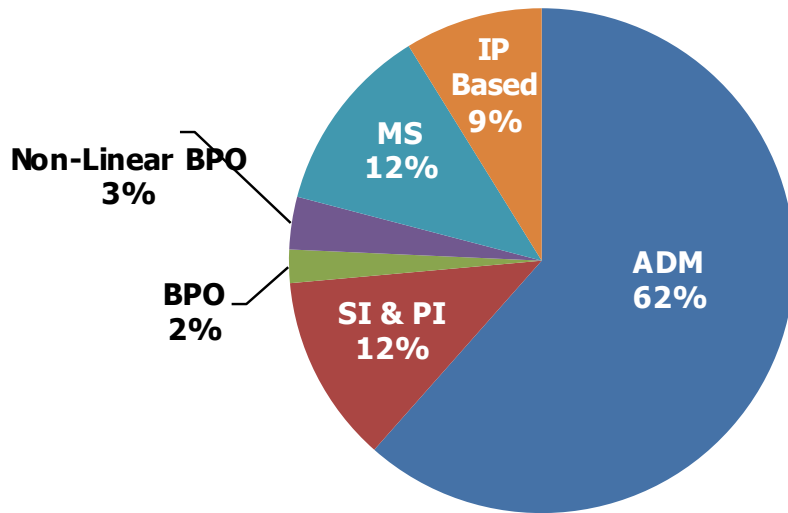


## Q3FY14

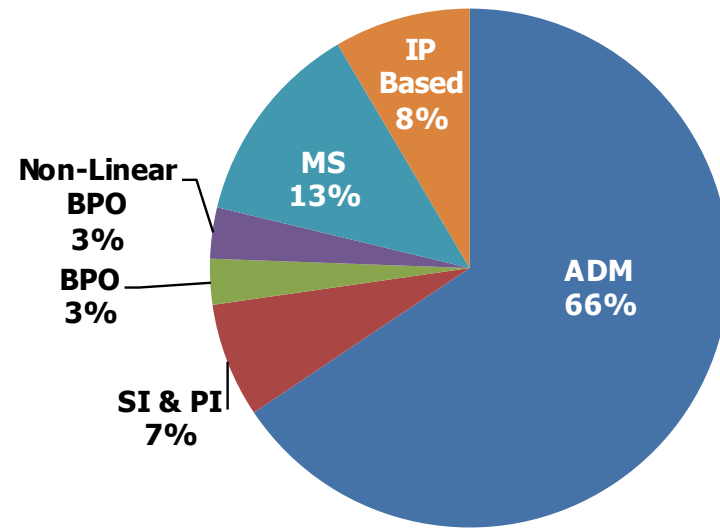
- Strong Growth in BFSI
- Growth in Manufacturing and Transportation
- Decline in Govt segment

# Service Mix

Q2 FY'14



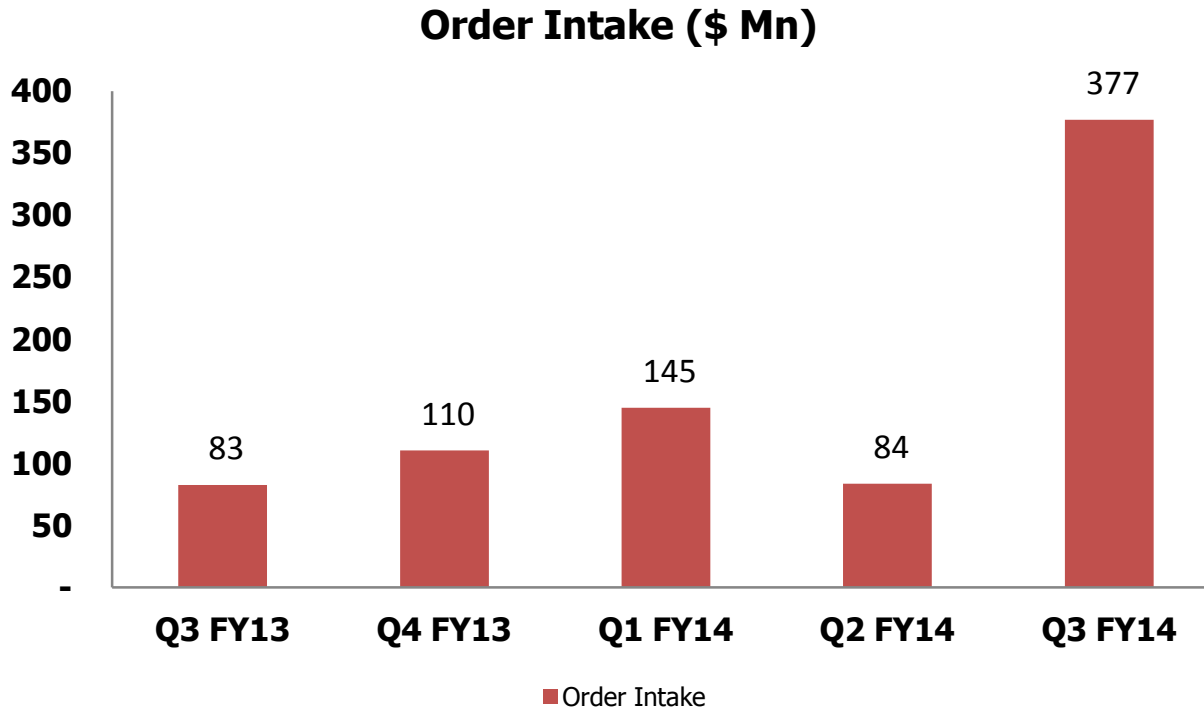
Q3 FY'14



## Q3FY14

- Growth in ADM, MS and BPO
- Decline in SI&PI due to lower PFR in Govt biz

# Order Intake

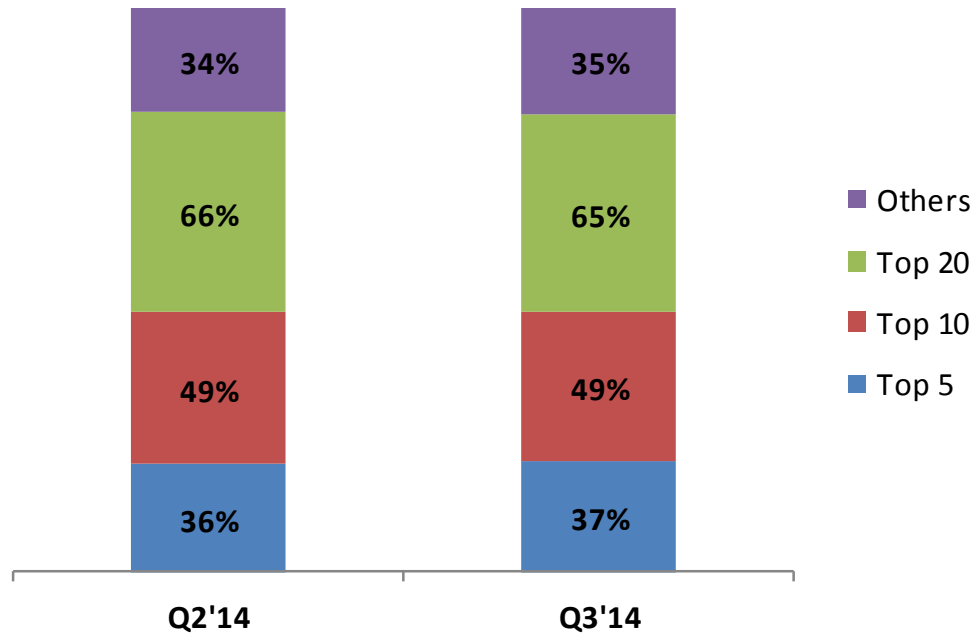


- 4 new customers added: 1 each in BFSI, Travel, Manufacturing and Government
- \$300 Mn renewal and vendor consolidation from Top BFSI client
- \$377 Mn order intake in the quarter leading to \$265 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (320 Mn), EMEA (43 Mn), ROW (14 Mn)

# 300m USD Engagement

- History
  - ❑ RFI issued to multiple vendors early 2013
  - ❑ Awarded to NTL in Q3FY14
- Scope
  - ❑ Enhancement, Support, Maintenance and Operations of existing platform
  - ❑ Development and implementation of new platform
- Duration
  - ❑ 10 years

# Top Client Mix



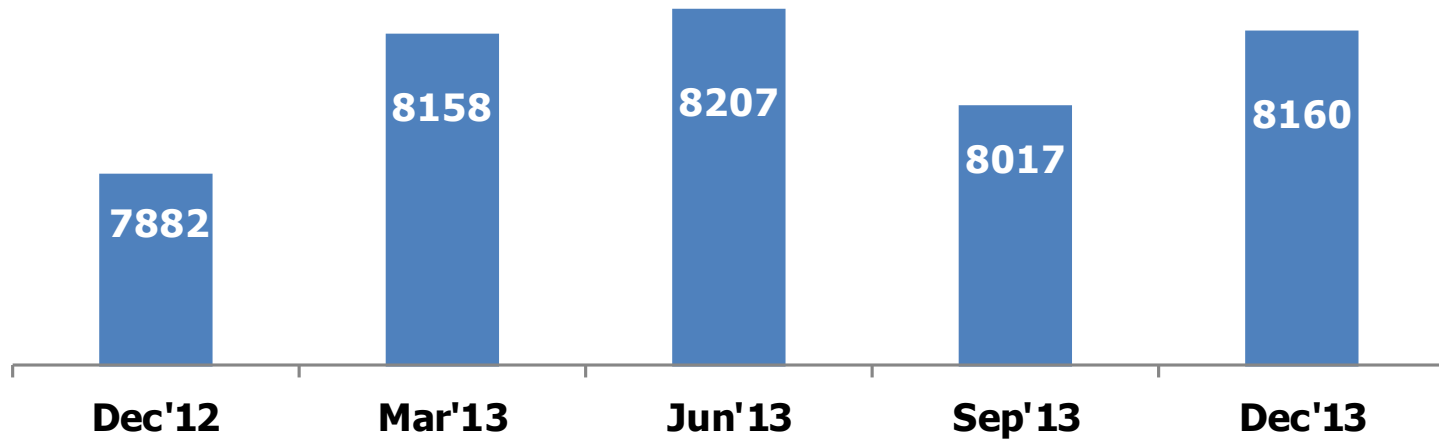
**MM \$ Clients**

**67**

**67**

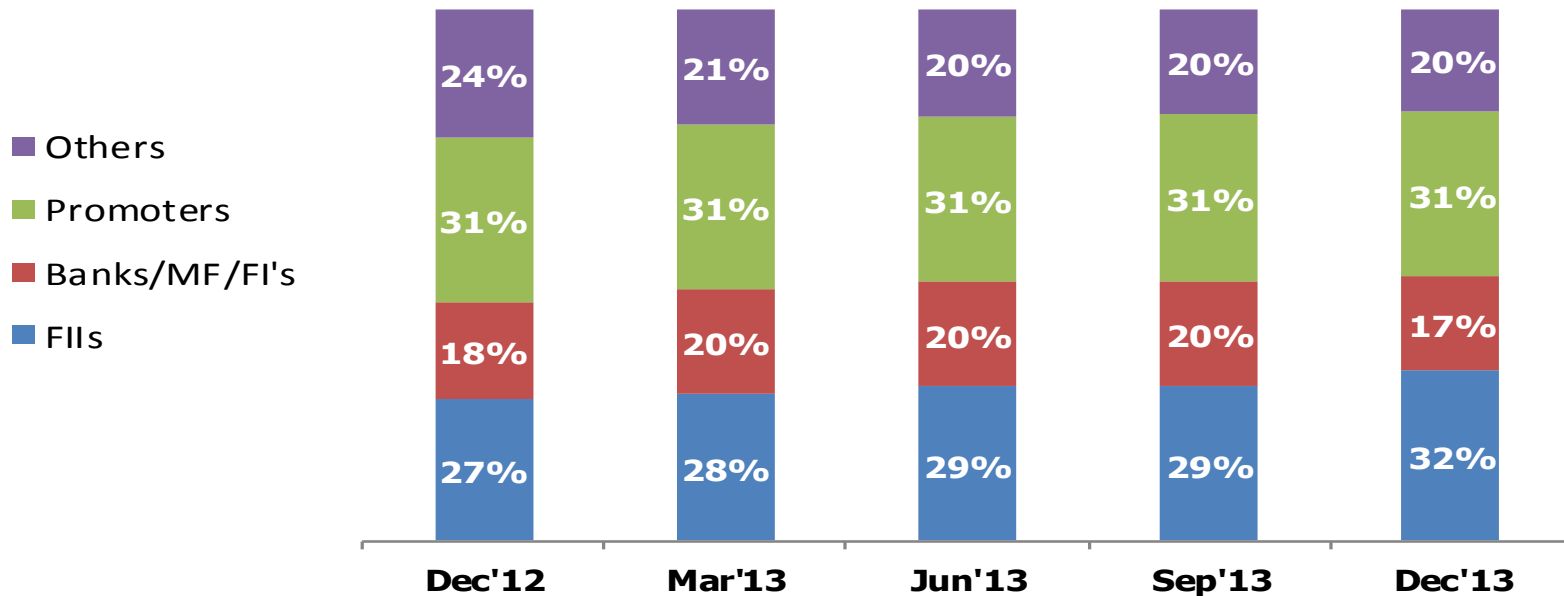
# People Resources

## People Data



	<b>Dec'12</b>	<b>Mar'13</b>	<b>Jun'13</b>	<b>Sep'13</b>	<b>Dec'13</b>
Net Additions	265	276	49	-190	143
Attrition%	12.51%	12.21%	12.36%	12.44%	13.37%
Utilization	78.44%	78.24%	77.30%	80.30%	78.40%

# Shareholding Pattern





# Thank You