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NIIT Technologies

Financial Performance – Q3FY15

January 14, 2015

Outline

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

Financial Highlights for Q3 FY15

- Consolidated Revenues at INR 5,953 Mn
 - Up 1.2% QoQ, Up 1.4% YoY
 - Hedge Gain of INR 98.7 Mn
 - In constant currency revenues up 1.0% QoQ
- Operating profits at INR 862 Mn
 - Up 4.9% QoQ, Down 9.9% YoY
 - Operating Margins at 14.5%, Up 51 bps QoQ, Down 180 bps YoY
- Net Profits at INR 482 Mn
 - Up 20.2% QoQ, Down 9.2% YoY
 - Net Margins at 8.1%, Up 128 bps QoQ, Down 94 bps YoY
 - Effective Tax Rate at 26.0% of PBT (LQ 27.2%)
- Order intake of \$ 109Mn

Business Highlights for Q3 FY15

- BFSI Down 1.5% QoQ, Contributes 33% (LQ 33%)
 - Softness in US Insurance
 - 1 New Customer Added
 - Signed large deal with an Insurance major in US
- Transport Down 4.0% QoQ, Contributes 40% (LQ 42%)
 - Lower revenues in Europe and AAI
 - 2 New Customers Added
- Manufacturing & Distt down 1.3% QoQ, Contributes 7% (LQ 7%)
 - Lower revenues due to lower transactions in Tobacco Board
 - 1 New Client Added
- Government Up 122.6% QoQ, Contributes 5% (LQ 3%)
 - Execution of new engagement

Acknowledgements during the Quarter

- Appraised at People Capability Maturity Model (PCMM®) Maturity Level 5 again.
- Listed in "The Breakthrough 10 Sourcing Standouts" in Americas by the Information Services Group in its third quarter 2014 Global Outsourcing Index.

Consolidated Quarterly Income Statement

Particulars (INR Mn)	Q3FY15	Q2FY15	QoQ%	Q3FY14	YoY%
Gross Revenues	5,953	5,883	1.2%	5,873	1.4%
Direct Cost	3,925	3,921	0.1%	3,758	4.5%
Gross Profit	2,028	1,963	3.3%	2,115	-4.1%
GM%	34.1%	33.4%	70 Bps	36.0%	-195 Bps
Selling / General And Administration	1,166	1,140	2.2%	1,158	0.7%
SG&A to Revenue %	19.6%	19.4%	19 Bps	19.7%	-15 Bps
Operating Profit	862	822	4.9%	957	-9.9%
OM%	14.5%	14.0%	51 Bps	16.3%	-180 Bps
Depreciation and Amortization	231	254	-8.9%	160	44.7%
Other Income (net)	53	(4)		(70)	
Profit Before Tax	684	564	21.2%	727	-5.9%
PBT %	11.5%	9.6%	189 Bps	12.4%	-89 Bps
Provision for Tax	178	154	15.8%	182	-2.0%
Minority Interest	24	10	147.0%	14	63.6%
Profit After Tax (after Minority Int.)	482	401	20.2%	531	-9.2%
PAT%	8.1%	6.8%	128 Bps	9.0%	-94 Bps
EPS - INR					
Basic	7.91	6.60	20.0%	8.79	-9.9%

- QoQ margins improved due to productivity initiatives
- Depreciation reduced due to alignment of useful life of software assets to life of contract in AAI

Balance Sheet

INR Mn

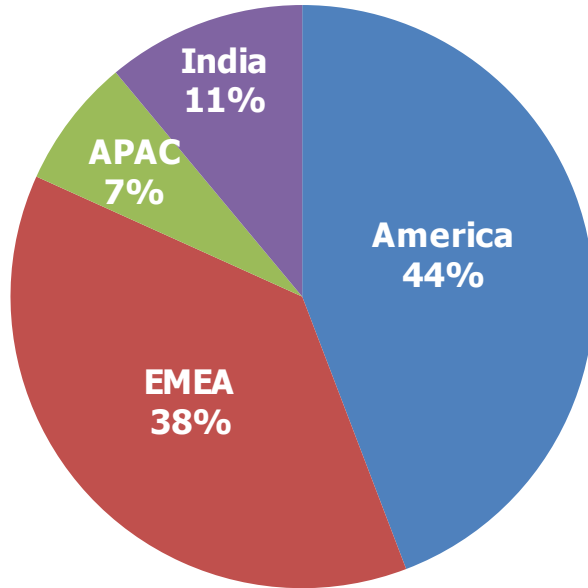
Particulars	As at Dec 31 2014	As at Sept 30 2014	As at Dec 31 2013	Particulars	As at Dec 31 2014	As at Sept 30 2014	As at Dec 31 2013
Equity	610	608	606	Net Block	5,572	5,432	4,607
Reserves & Surplus	13,971	13,510	12,495	Capital Work in Progress	1,030	1,117	816
NET Worth	14,581	14,118	13,101	Current Assets			
Borrowings	612	635	281	Cash and Cash Equivalent	3,358	2,638	2,484
Minority Interest	204	207	194	Debtors	6,053	5,780	5,916
				Other Current Assets	3,629	3,878	3,399
				Current Liabilities	(4,429)	(4,075)	(3,849)
				Deferred Tax Assets	184	190	203
	15,397	14,960	13,576		15,397	14,960	13,576

- Reserves and Surplus up 461 Mn (Profit up by INR 482Mn, CTR down by INR 11 Mn, Share premium up by 28 Mn, Hedge reserve down by INR 36 Mn)
- Borrowings down by INR 23 Mn primarily due to revaluation

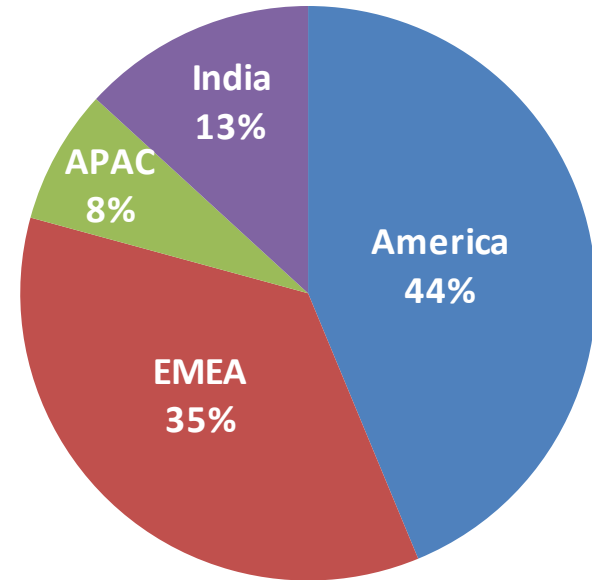
- DSO – 94 (LQ 90 days)
- Capex during the Qtr – INR 319 Mn (GNIDA – 137 Mn, AAI – 70 Mn, BAU – 112 mn)

Geographic Revenue Mix

Q2 FY'15



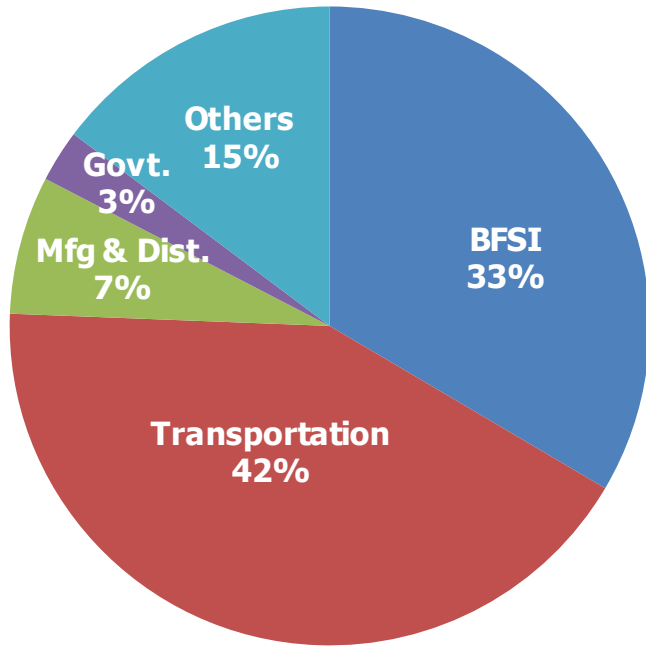
Q3 FY'15



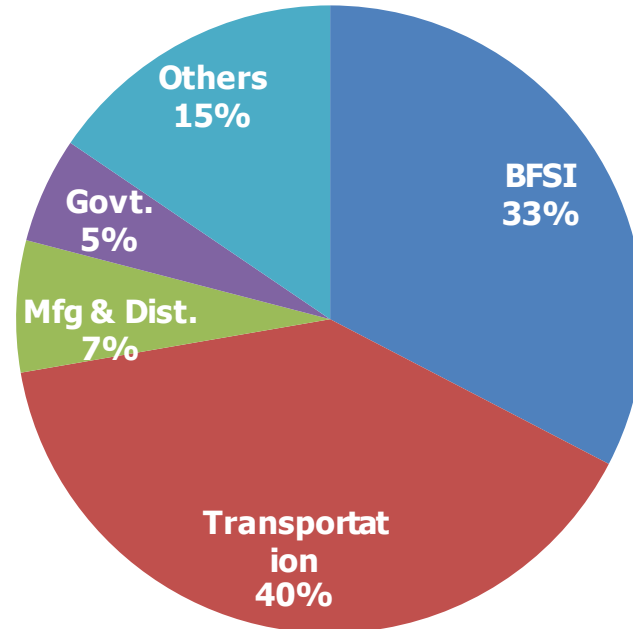
- Americas share unchanged due to softness in insurance
- Decline in Europe due to softness in Transport
- Growth in APAC & India due to scale up in new business acquired

Vertical Mix

Q2 FY'15



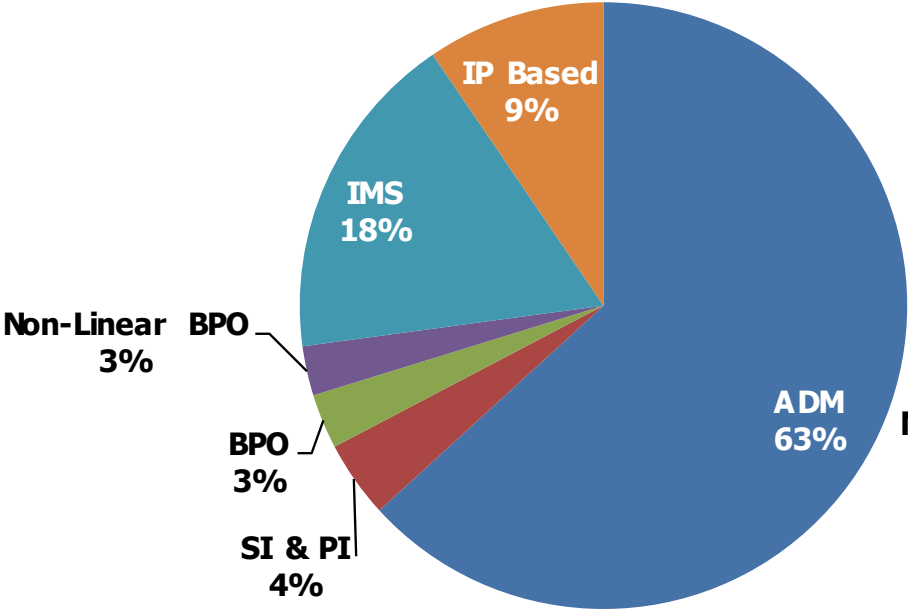
Q3 FY'15



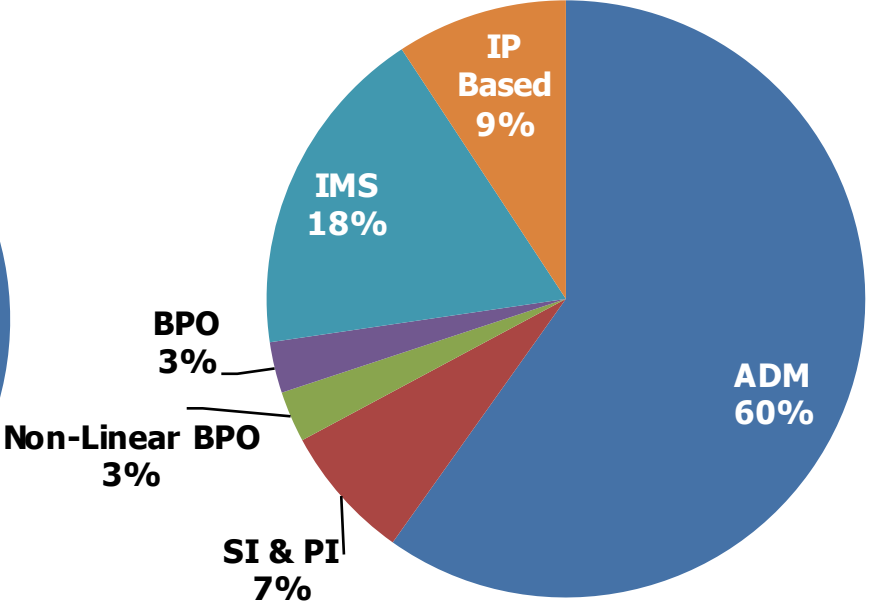
- BFSI declined because of softness in insurance in the US
- Decrease in Transport due to lower revenues in Europe and AAI
- Government share improved due to revenues from new program

Service Mix

Q2 FY'15



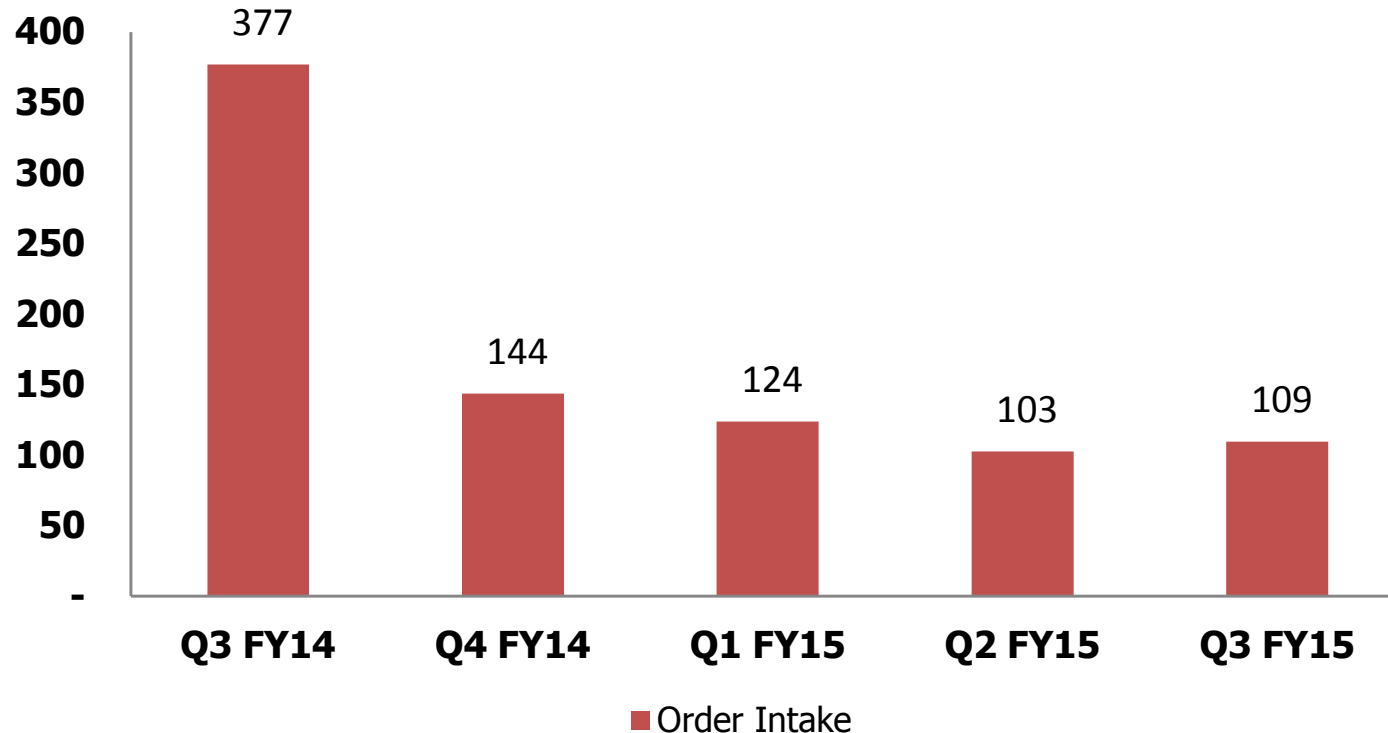
Q3 FY'15



- ADM declined due to softness in Europe (Transport) and US (Insurance)
- SI & PI increased due to execution of new government contract

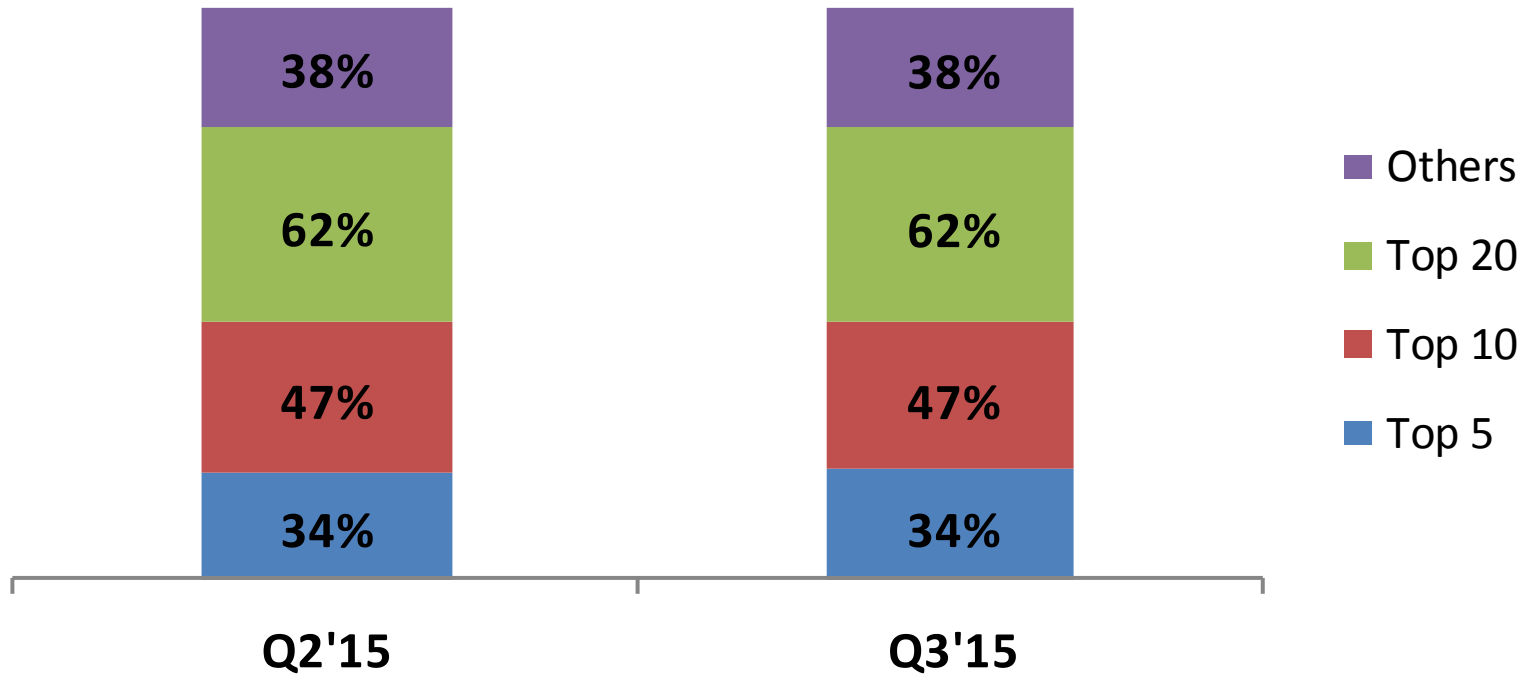
Order Intake

Order Intake (\$ Mn)



- 5 new customers added during the quarter (TTL – 2, Insurance – 2, Mfg – 1)
- \$109 Mn order intake in the quarter leading to \$296 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (61 Mn), EMEA (25 Mn), ROW (23 Mn)

Top Client Mix



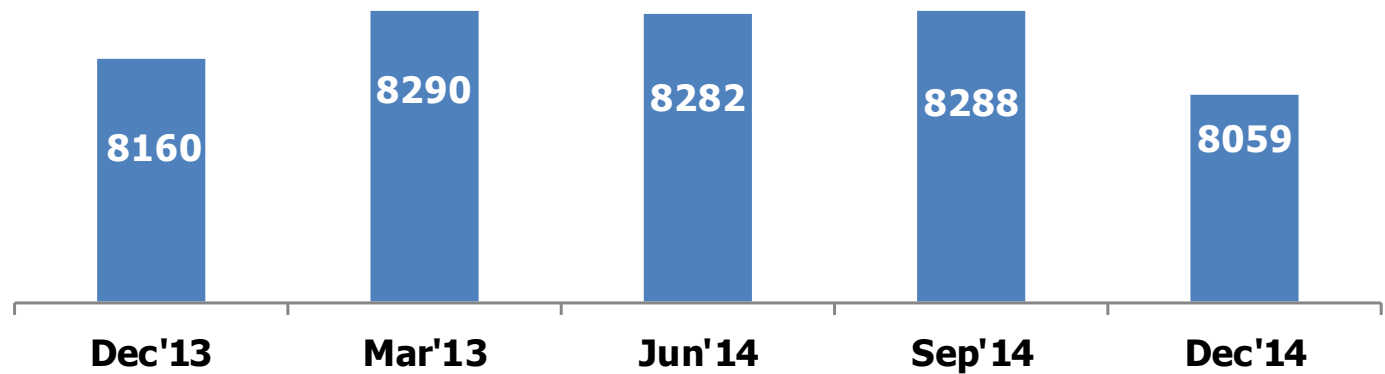
\$ Mn clients

63

64

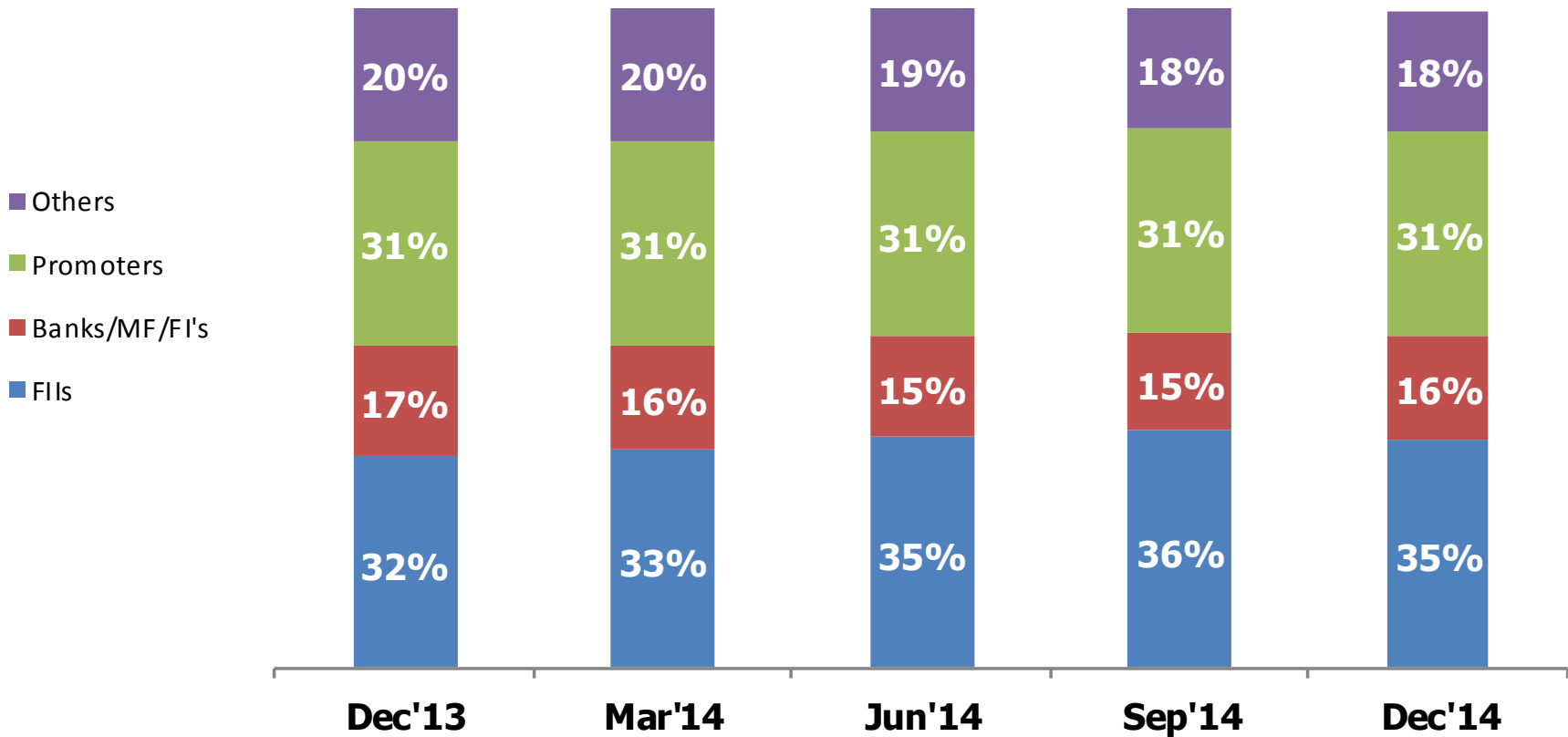
People Resources

People Data



Net Additions	143	130	-8	6	-229
Attrition%	13.37%	14.37%	15.40%	15.83%	15.83%
Utilization	78.40%	77.30%	78.03%	78.60%	78.80%

Shareholding Pattern





Thank You