



# Financial Performance – Q4FY18

May 04, 2018

# Agenda

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- **Financial Highlights**
  - Q4FY18
  - FY18
  
- **Business Update**
  
- **Financial Statements**
  - Income Statement
  - Balance Sheet
  
- **Business Analysis**
  
- **Shareholding Pattern**

# Q4FY18 Financial Analysis

*Note: YoY Comparison excludes impact of settlement with a government entity in Q4FY17 financials*

## Consolidated Revenues at INR 7,888 Mn

- Up 4.3% QoQ, Up 9.9% YoY

## Operating profits at INR 1,417 Mn

- Up 9.4% QoQ, up 12.4% YoY
- Operating Margins at 18.0%, Up 85 bps QoQ, Up 40 bps YoY
- Constant currency operating margins at 18.3%

## Net Profits at INR 861 Mn

- Up 13.7% QoQ, Up 16.3% YoY
- ETR at 22.9%

## Order Intake at \$145 Mn

- \$ 339 Mn of firm business executable over next 12 months

## Financial Highlights – FY18

### Consolidated Revenues at INR 29,914 Mn

- Up 6.8% YoY
- Constant currency revenue growth of 9.7%

### Operating profits at INR 5,012 Mn

- Up 3.5% YoY
- Operating Margins at 16.8%, Down 54 bps YoY
- Constant currency operating margins at 17.4%

### Net Profits at INR 2,802 Mn

- Up 12.1% YoY
- Net Margins at 9.4% (LY 8.9%)
- ETR at 23.5%

### Order Intake at \$507 Mn

- \$ 339 Mn of firm business executable over next 12 months

# Business Highlights for Q4FY18

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- **BFSI up 5.4% QoQ, Contributes 44% (LQ 43%)**
  - Ramp up in top accounts in US and digital engagements in EMEA
  - Growth in NITL
  - 3 New accounts added
- **T&T Flat QoQ, Contributes 26% (LQ 27%)**
  - Selected by one of the busiest airport in the world for IT support
  - Delay in start of new projects
  - 1 New Logo added
- **Manufacturing/Media & Others up 6.8% QoQ, Contributes 30% (LQ 30%)**
  - Increase in revenues in GIS and Digital Engagements
  - Morris ramp down
  - 3 New accounts added

## Acknowledgements during the Quarter

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- Conferred with Aegis Graham Bell Award for “Innovation in Cloud” category and “Innovative Enterprise Solutions” category for ESRI India
- Won EE Employee Engagement award in UK
- Esri India recognized as “Best Smart Cities Solution Provider in GIS” at the ET Now CSR Global Leadership Awards
- NIIT Technologies positioned as a Leader in the NelsonHall 2018 Wealth & Asset Management BPS NEAT

# Consolidated Qtrly Income Statement

Particulars (INR Mn)	Q4FY18	Q3FY18	QoQ%	Q4FY17	YoY%	Q4FY17 (excl. Settlement)	YoY% (excl. Settlement)
<b>Gross Revenues</b>	<b>7,888</b>	<b>7,565</b>	<b>4.3%</b>	<b>7,447</b>	<b>5.9%</b>	<b>7,176</b>	<b>9.9%</b>
Direct Cost	5,000	4,811	3.9%	4,625	8.1%	4,578	9.2%
<b>Gross Profit</b>	<b>2,888</b>	<b>2,753</b>	<b>4.9%</b>	<b>2,822</b>	<b>2.4%</b>	<b>2,599</b>	<b>11.1%</b>
GM%	36.6%	36.4%	21 Bps	37.9%	-128 Bps	36.2%	40 Bps
Selling / General And Administration	1,470	1,458	0.8%	1,298	13.3%	1,338	10.0%
<b>SG&amp;A to Revenue %</b>	<b>18.6%</b>	<b>19.3%</b>	<b>-64 Bps</b>	<b>17.4%</b>	<b>121 Bps</b>	<b>18.6%</b>	<b>1 Bps</b>
<b>Operating Profit</b>	<b>1,417</b>	<b>1,295</b>	<b>9.4%</b>	<b>1,523</b>	<b>-6.9%</b>	<b>1,261</b>	<b>12.4%</b>
OM%	18.0%	17.1%	85 Bps	20.5%	-248 Bps	17.6%	40 Bps
Depreciation and Amortization	305	311	-2.0%	312	-2.3%	312	-2.3%
Other Income (net)	148	5	2833.7%	(12)	-1348.1%	(12)	-1348.1%
<b>Profit Before Tax (Before exceptional items)</b>	<b>1,261</b>	<b>989</b>	<b>27.4%</b>	<b>1,199</b>	<b>5.0%</b>	<b>937</b>	<b>34.4%</b>
PBT % (Before exceptional items)	16.0%	13.1%	290 Bps	16.1%	-1610 Bps	13.1%	291 Bps
Exceptional items	-	-	NA	(140)	-100.0%	-	NA
<b>Profit Before Tax</b>	<b>1,261</b>	<b>989</b>	<b>27.4%</b>	<b>1,339</b>	<b>-6.0%</b>	<b>937</b>	<b>34.4%</b>
PBT %	16.0%	13.1%	290 Bps	18.0%	-202 Bps	13.1%	291 Bps
Provision for Tax	288	163	77.1%	265	8.8%	125	129.4%
Minority Interest	112	70	59.5%	72	54.9%	72	54.6%
<b>Profit After Tax (after Minority Int.)</b>	<b>861</b>	<b>756</b>	<b>13.7%</b>	<b>1,003</b>	<b>-14.2%</b>	<b>739</b>	<b>16.3%</b>
PAT%	10.9%	10.0%	91 Bps	13.5%	-256 Bps	10.3%	60 Bps
<b>EPS - INR</b>							
Basic	14.0	12.3	13.8%	16.3	-14.2%	12.0	16.4%

- Operating margins improve as a result of increased digital and products business and operating efficiencies
- Higher other income due to currency gain on revaluation of current assets and current liabilities
- Q3 included tax benefit on claiming investment written off as business expense in one of the subsidiaries

# Annual Income Statement

Particulars (Amount in INR Mn)	FY 18	FY 17	YoY%
<b>Gross Revenues</b>	<b>29,914</b>	<b>28,021</b>	<b>6.8%</b>
Direct Cost	19,179	17,904	7.1%
<b>Gross Profit</b>	<b>10,736</b>	<b>10,117</b>	<b>6.1%</b>
<b>GM%</b>	<b>35.9%</b>	<b>36.1%</b>	<b>-22 Bps</b>
Selling / General And Administration	5,723	5,272	8.6%
SG&A to Revenue %	<b>19.1%</b>	<b>18.8%</b>	<b>32 Bps</b>
<b>Operating Profit</b>	<b>5,012</b>	<b>4,845</b>	<b>3.5%</b>
OM%	16.8%	17.3%	-54 Bps
Depreciation and Amortization	1,274	1,277	-0.3%
Other Income (net)	298	159	87.2%
<b>Profit Before Tax (Before exceptional items)</b>	<b>4,036</b>	<b>3,727</b>	<b>8.3%</b>
PBT % (Before exceptional items)	13.5%	13.3%	19 Bps
Exceptional items	-	221	-100.0%
<b>Profit Before Tax</b>	<b>4,036</b>	<b>3,506</b>	<b>15.1%</b>
PBT %	13.5%	12.5%	98 Bps
Provision for Tax	949	785	20.9%
Minority Interest	285	220	29.4%
<b>Profit After Tax (after Minority Int.)</b>	<b>2,802</b>	<b>2,501</b>	<b>12.1%</b>
PAT%	9.4%	8.9%	44 Bps
<b>EPS - INR</b>			
Basic	45.6	40.8	11.8%



# Balance Sheet

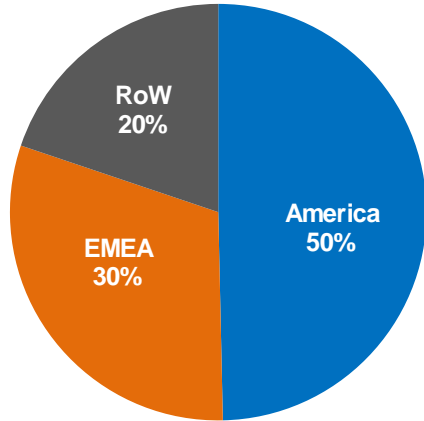
				INR Mn.			
Particulars	As at Mar 31 2018	As at Dec 31 2017	As at Mar 31 2017	Particulars	As at Mar 31 2018	As at Dec 31 2017	As at Mar 31 2017
Equity	615	614	614	Fixed Assets	4,500	4,471	4,802
Reserves & Surplus	17,126	16,881	16,251	Capital Work in Progress	7	57	-
				Intangible Assets	4,293	4,289	3,674
<b>NET Worth</b>	<b>17,740</b>	<b>17,495</b>	<b>16,864</b>	<b>Current Assets</b>			
				Cash and Cash Equivalent	8,057	6,906	7,321
Borrowings	224	233	253	Debtors	5,911	5,672	4,758
Deferred Tax Liability	455	460	387	Other Current Assets	2,701	2,514	2,976
Minority Interest	222	197	237	Current Liabilities	(5,115)	(4,368)	(4,479)
				Future Acquisition Liability	(2,943)	(2,313)	(2,282)
				Deferred Tax Assets	1,231	1,156	972
	<b>18,641</b>	<b>18,385</b>	<b>17,742</b>		<b>18,641</b>	<b>18,385</b>	<b>17,742</b>

- Reserves and Surplus up INR 245 Mn over LQ.

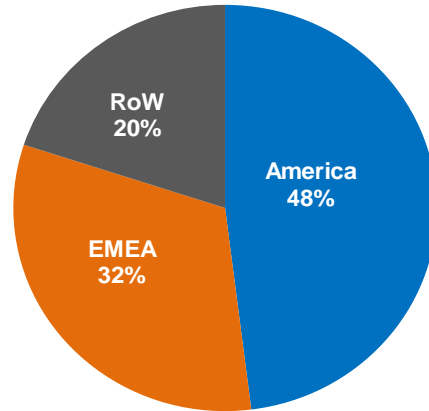
- Cash and Bank Balances up by INR 1,151 Mn over LQ
- DSO – 70 days (LQ 70 days)
- Capex during the Qtr – INR 162 Mn
- Future acquisition liability is on account of obligation to buy balance stake in Incessant and RuleTek

# Geography Mix

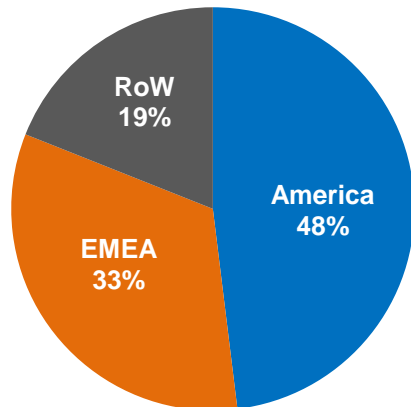
Q3 FY'18



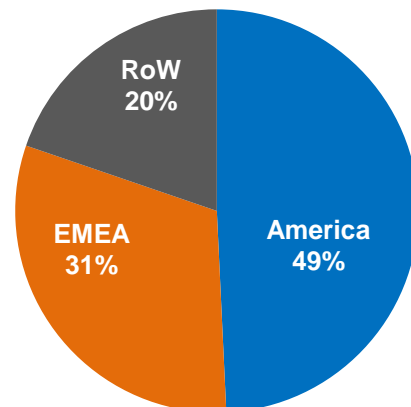
Q4 FY'18



FY'17



FY'18



## Q4FY18:

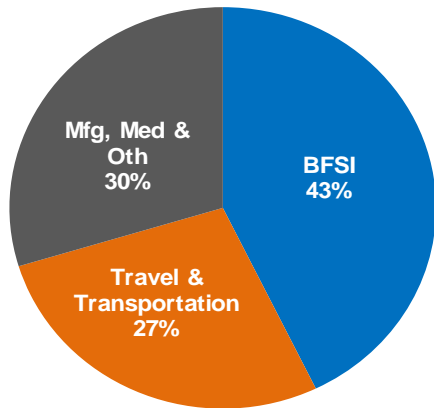
- Marginal growth in US despite ramp down in Morris
- Strong growth in EMEA due to growth in NITL and Digital engagements
- Growth in RoW due to strong growth in GIS and ramp up in Digital engagements in APAC

## FY18:

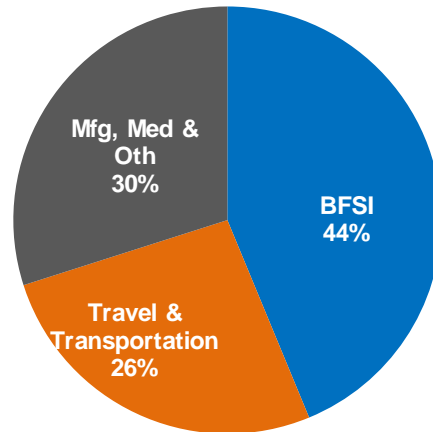
- Growth in US at the back of growth in top accounts in BFSI
- Revenues in EMEA remained flat due to ramp down in large travel client
- Growth in RoW due to growth in Digital Engagements in APAC

# Vertical Mix

**Q3FY18**



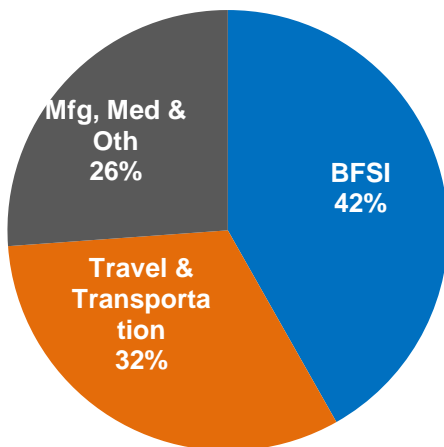
**Q4FY18**



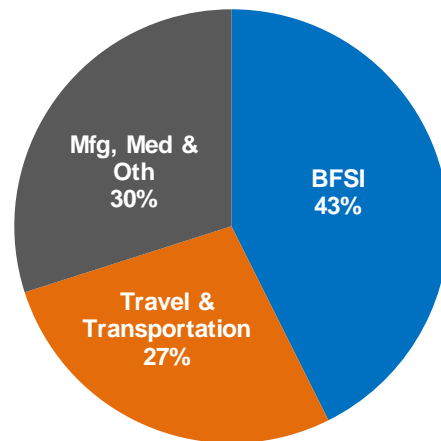
**Q4FY18:**

- Growth in BFSI due to continued ramp up in US top clients, NITL and Digital engagements
- Growth in Mfg, Med & Others due to seasonal growth in GIS business & digital engagements
- TTL revenues remained flat due to delay in start of new projects

**FY17**



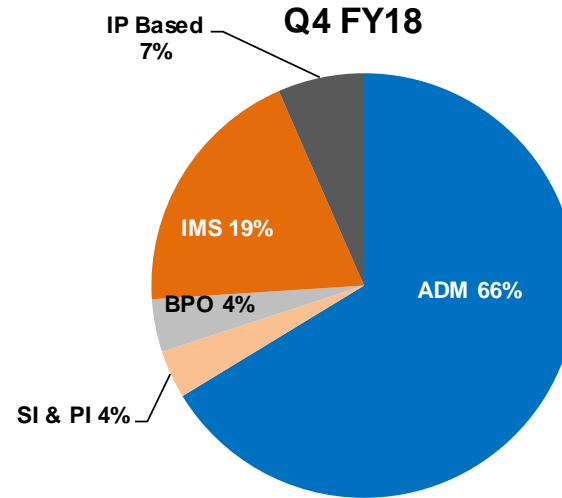
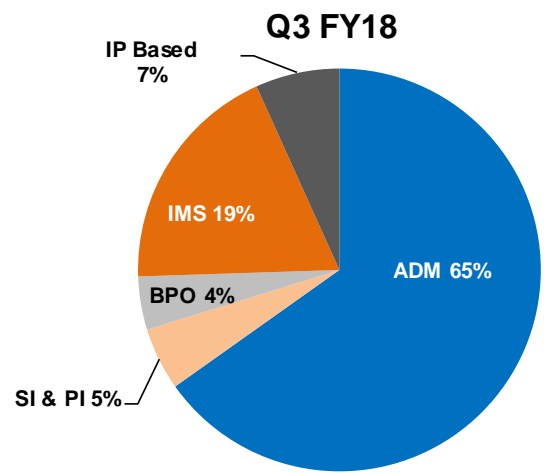
**FY18**



**FY18:**

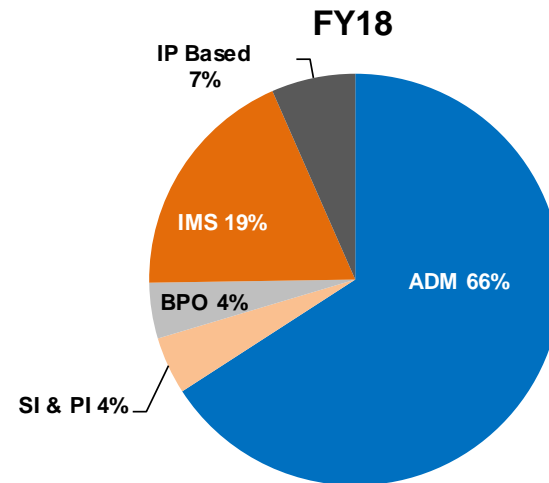
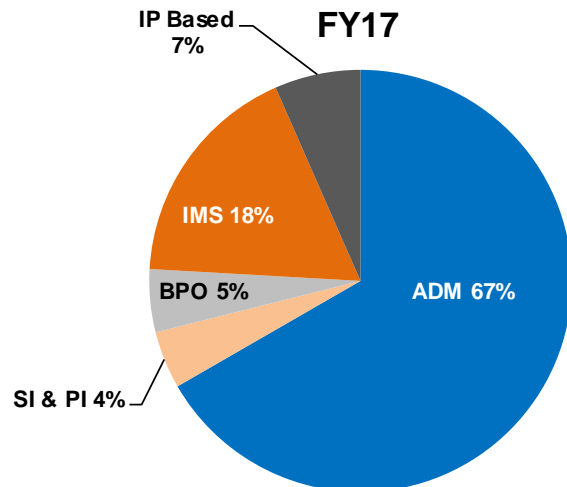
- Growth in BFSI due to continued ramp up in US top clients, NITL and Digital engagements
- Growth in Mfg, Med & Others due to digital engagements
- TTL revenues declined due to ramp down in key client in EMEA

# Service Mix



### Q4FY18:

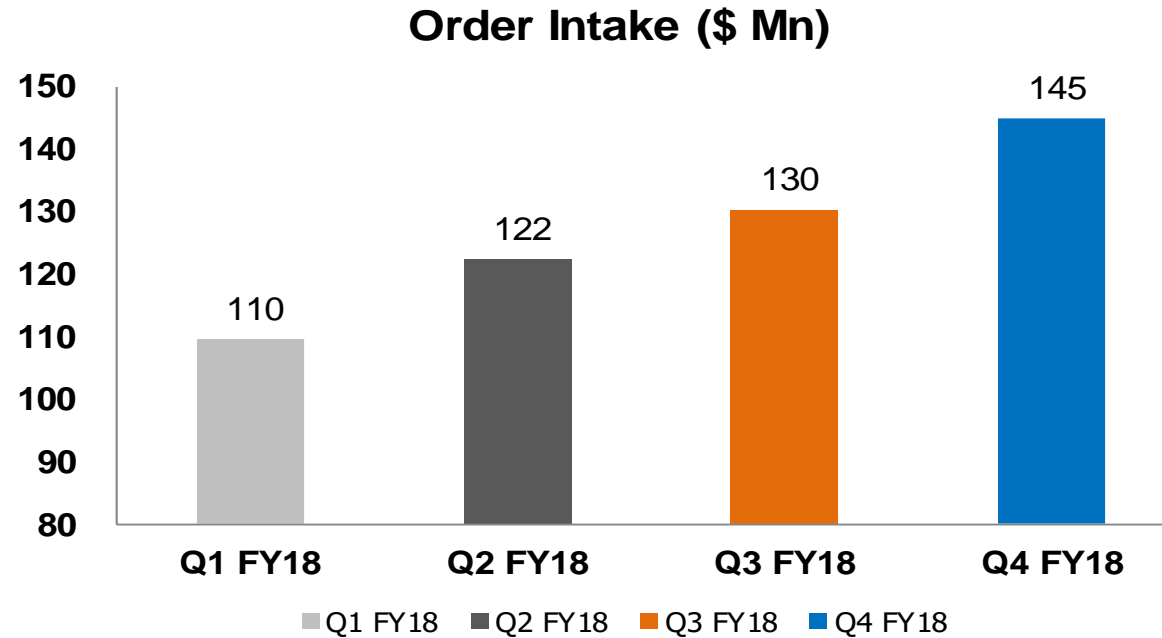
- Growth in ADM due to growth in digital engagements
- Digital revenues at 26%, reflecting sequential growth of 9%
- Growth in NITL expansion in existing clients
- Growth in IMS despite Morris ramp down



### FY18:

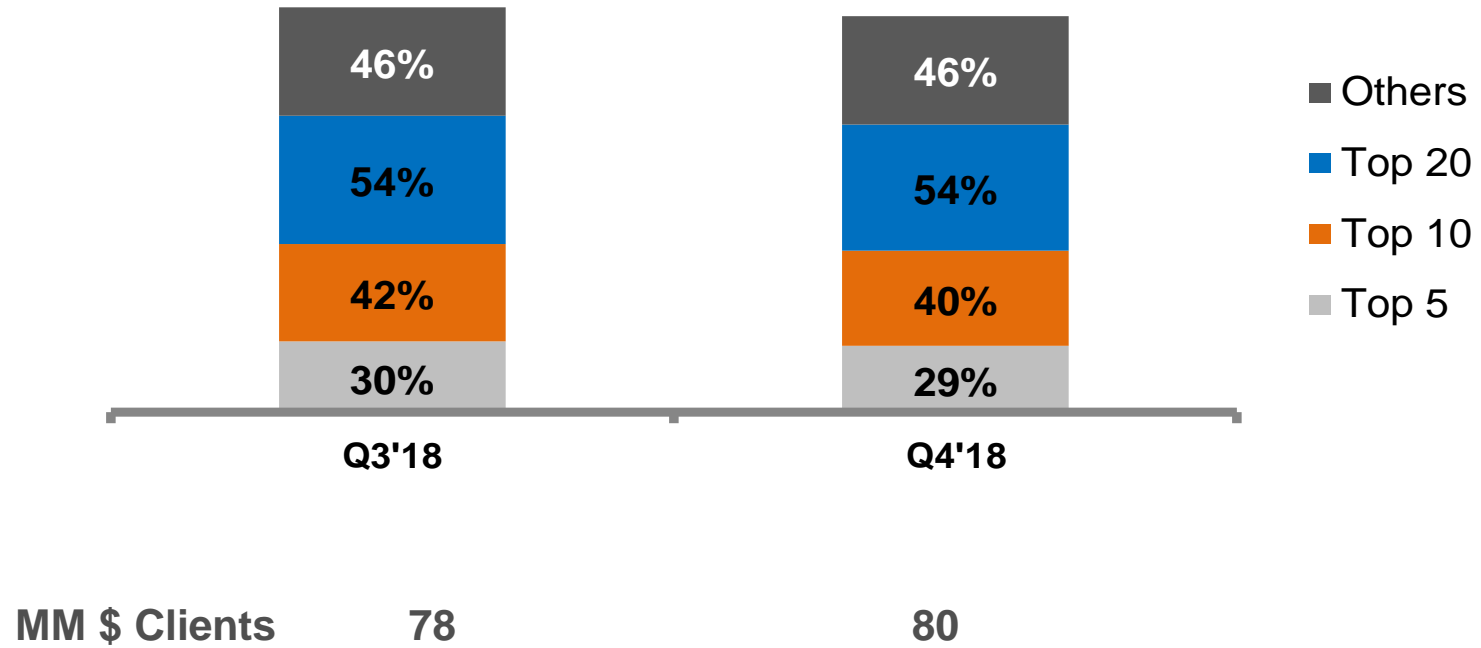
- Growth in ADM due to growth in digital engagements
- Growth in IMS due to expansion in BFSI clients
- Digital revenues at 24%, reflecting annual growth of 27%
- Growth in NITL due to increase in client base

# Order Intake

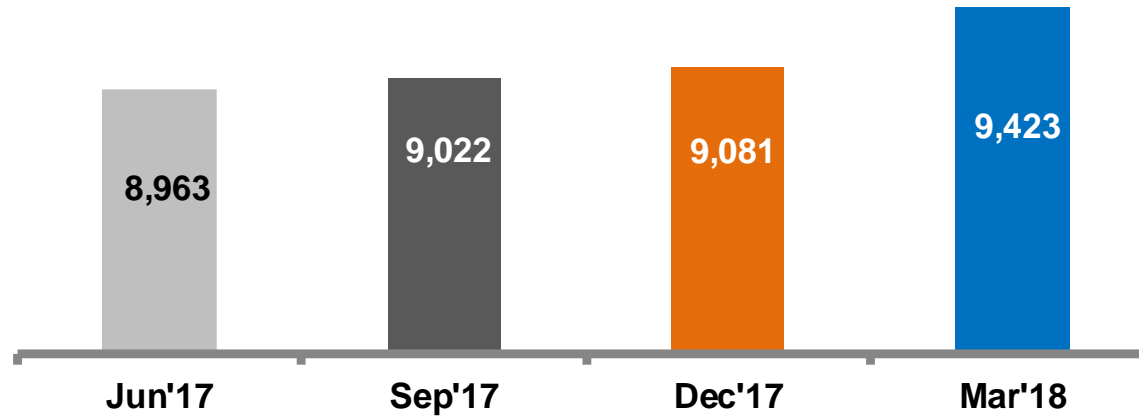


- 7 new customers added: 2 in US, 4 in EMEA and 1 in ROW
- \$145 Mn order intake in the quarter leading to \$ 339 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (43 Mn), EMEA (69 Mn), ROW (33 Mn)

# Top Client Mix

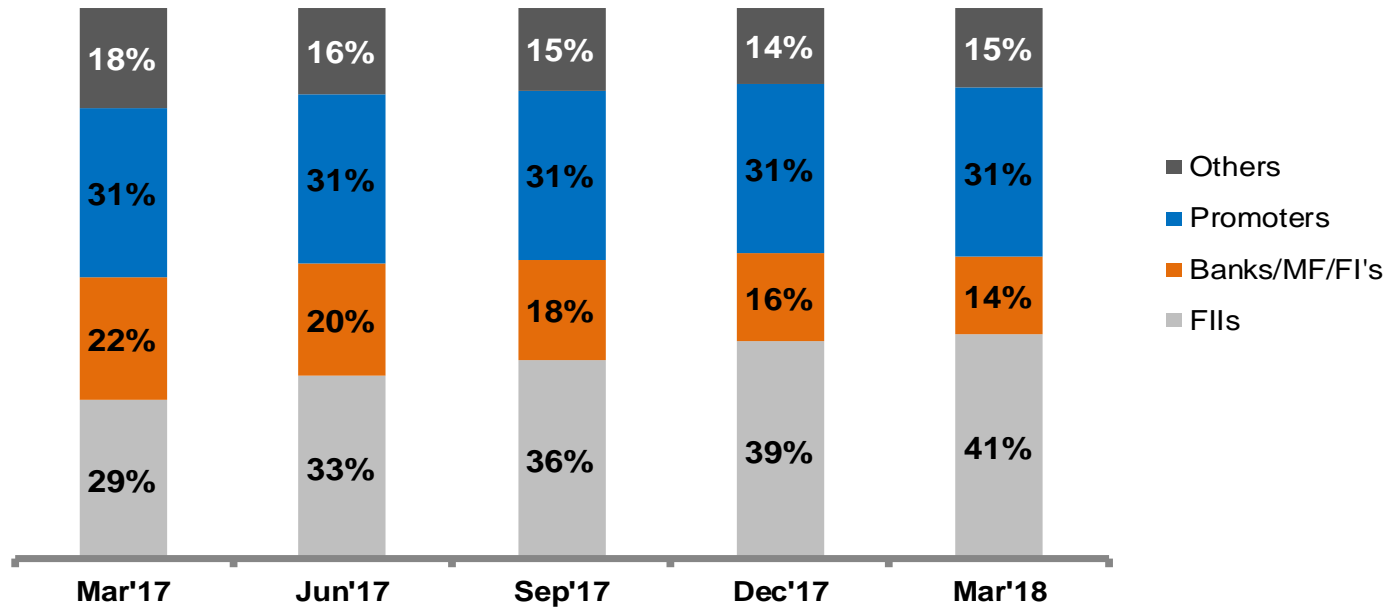


## People Data



	Jun'17	Sep'17	Dec'17	Mar'18
<b>Net Additions</b>	110	59	59	342
<b>Attrition%</b>	12.12%	11.36 %	10.57%	10.47%
<b>Utilization</b>	81.20%	79.50%	79.00%	79.50%

# Shareholding Pattern







**NIIT**

technologies

New Ideas, More Value.™



**Thank You**