



MANAGED
TRAINING
SERVICES

**OUTPACE CHANGE WITH
LEARNING**



Financial Results Q4 & FY23

May 29, 2023

Environment

Global growth is expected to decelerate sharply to 1.7% in 2023, its third weakest pace in nearly three decades, overshadowed only by the 2009 and 2020 global recessions (WB)

Global companies already rationalizing spends and holding discretionary investments. This is visible in headcount reduction across sectors, many of which had expected growth to continue post Covid

Increase in number of opportunities for Learning Outsourcing with key focus on cost optimization

Real Estate Market in North America which had seen a sharp decline last year, is starting to see some stabilization in demand at lower levels, although uncertainty persists. Demand for RE careers is expected to follow similar trend

FY23 & Q4 FY23: In Perspective

The Composite Scheme of Arrangement for Transfer of Corporate Learning Business to NIIT Learning Systems Limited (NLSL) has been made effective on May 24, 2023. The Appointed Date for the Scheme is April 1, 2022. The financials for NLSL reflect impact of this transfer from the Appointed Date.

FY23

- Revenue at INR 13,618 Mn; up 20% YoY, CC Revenue growth at 14% YoY
- NIIT acquired St. Charles Consulting Group (StC) during the year
- Excluding StC, revenue up 11% YoY
- EBITDA at INR 3,154 Mn up 6% YoY; OM of 23% down 310 bps YoY
- Company added 12 new MTS customers. Customer tally at 80; Revenue visibility at USD 363 million
- PAT at INR 1,922 Mn & EPS of 14.3
- ROCE at 49.6%, and ROE at 29.2%

Q4 FY23

- Revenue at INR 3,857 Mn; up 30% YoY and 6% QoQ
- CC Revenue growth at 15% YoY and 4% QoQ
- Excluding StC, revenue up 6% YoY, reflecting reduced consumption due to macro uncertainty
- EBITDA at INR 948 Mn up 30% YoY; OM of 25% up 70 bps QoQ and up 3 bps YoY
- PAT at INR 539Mn & EPS of 4.0
- 4 new contracts added during the quarter, 1 scope expansion and 2 renewals

Company expects demerger to lead to acceleration in the medium to long term

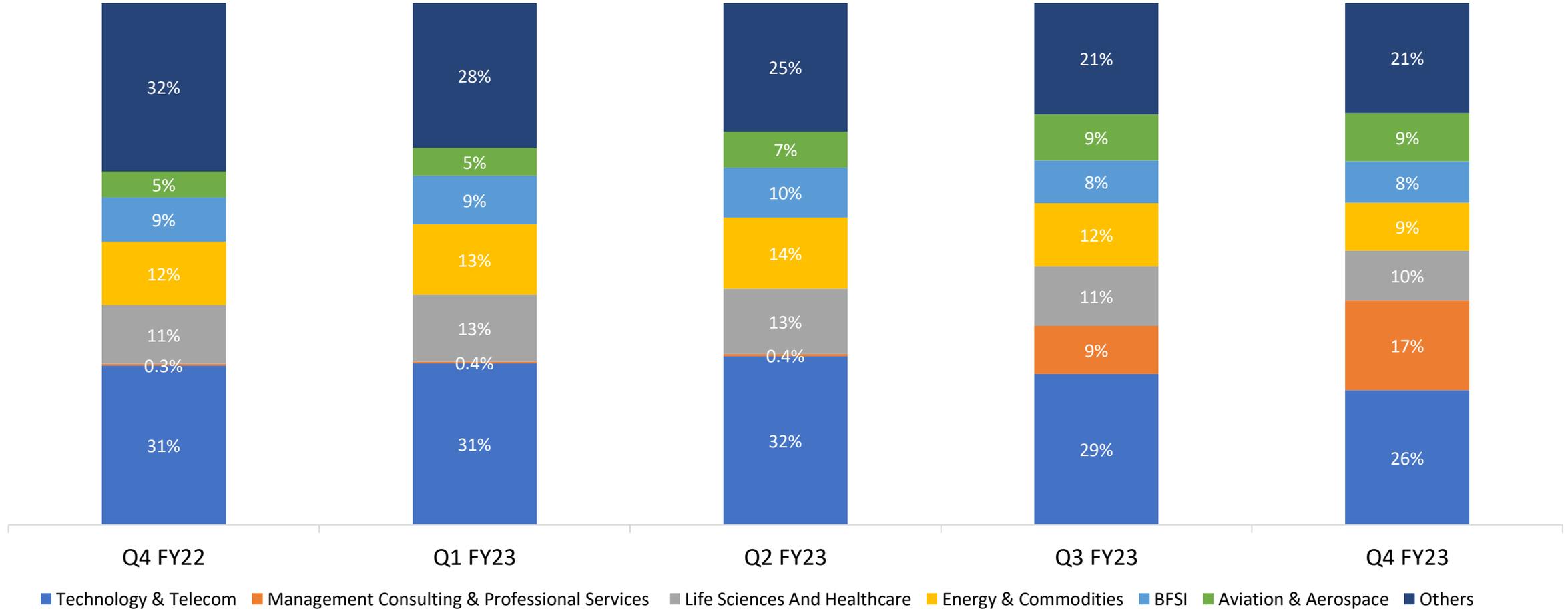
Key Financials

INR Mn	FY23	FY22	YoY	Q4 FY23	Q3 FY23	QoQ	Q4 FY22	YoY
Net Revenue	13,618	11,323	20%	3,857	3,633	6%	2,970	30%
Operating expenses	10,463	8,349	25%	2,909	2,766	5%	2,241	30%
EBITDA	3,154	2,974	6%	948	867	9%	729	30%
EBITDA [*] %	23%	26%	-310 bps	25%	24%	70 bps	25%	3 bps
Depreciation	471	423	11%	146	118	24%	99	48%
Net Other Income/ (Expense)	(398)	71	-469 mn	(153)	(184)	17%	15	-1111%
Operational PBT	2,285	2,622	-13%	649	566	15%	645	1%
Tax	363	601	-40%	109	105	4%	105	5%
PAT	1,922	2,021	-5%	539	460	17%	540	
EPS (INR)	14.3	17.5	-18%	4.0	3.4	17%	6.5	-38%

** Expenses of INR 97 Mn attributable to ESOPs of NIIT Limited (Transferor Company) held by employees of NLSL have been regrouped with Other Expenses from the Appointed Date for analysis.*

- Results include impact of transfer of the Corporate Learning Business undertaking to NLSL and may not be comparable to results declared prior to the demerger. EPS for FY22 has been calculated on basis of number of shares of NLSL prior to demerger.
- Net other expenses for FY23 include
 - Rs 150 million in transaction expenses related to acquisition of StC
 - INR 92 Mn non-cash expense related to fair value gain/loss on contingent consideration for StC
 - Forex loss of Rs 62 Mn
- Depreciation for FY23 includes non-cash charge of Rs 53 Mn related to amortization of StC intangibles recognized on purchase price allocation

Revenue Mix: By Sector



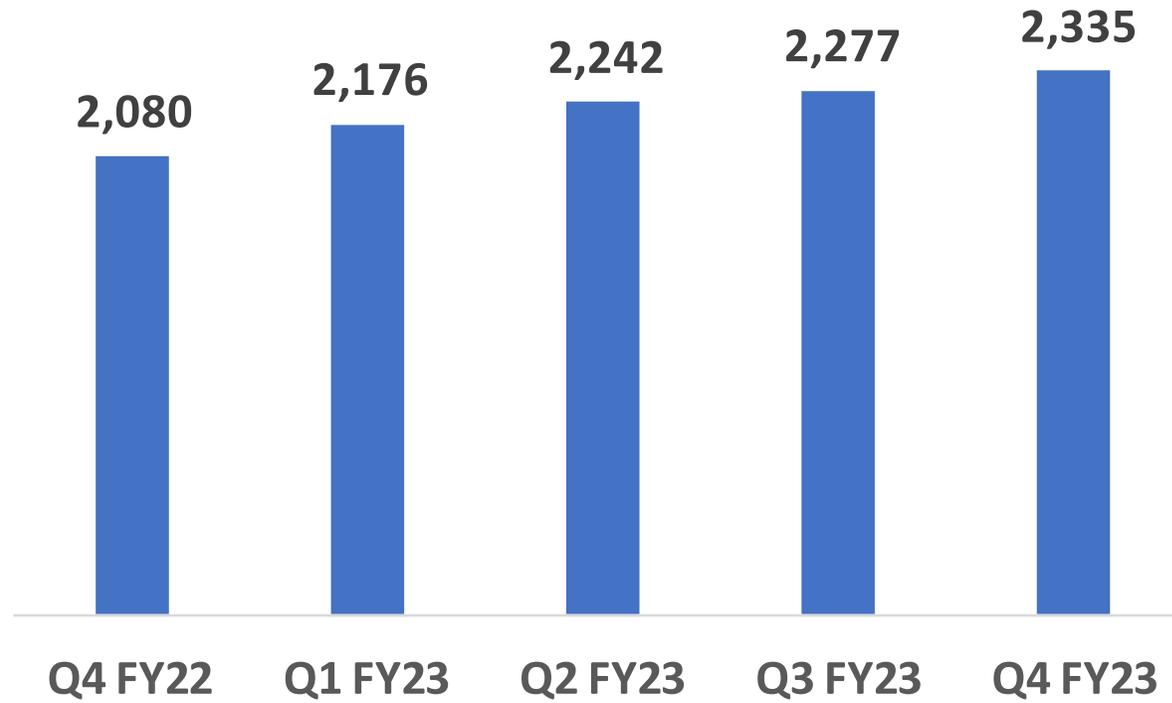
Balance Sheet

Mar-22	INR Mn	Mar-23
268	Share Capital	269
5,183	Reserves and surplus	7,434
80	Borrowings	1,159
5,532	Sources of Funds	8,861
834	Net Fixed assets	1,630
344	Goodwill	4,342
37	Right-of-use assets	120
(38)	Lease Liabilities	(130)
145	Net Deferred tax assets	178
1,394	Trade receivables	2,155
5,169	Cash and cash equivalents*	5,722
1,544	Other Current & Non-Current Assets	2,907
(3,897)	Current Liabilities	(8,063)
5,532	Application of Funds	8,861
62.5%	ROCE %	49.6%
42.7%	ROE %	29.2%

- StC Intangibles @ INR 636 Mn due to purchase price allocation included in Net Fixed Assets
- Goodwill pertaining to StC at Rs 3,970 Mn
- Receivables at INR 2,155 Mn as against INR 2,466 Mn in last quarter and Rs 1,394 Mn.
- DSO at 52 days compared to 62 days in Dec'22 and 45 days in Mar'22 on change in business mix
- Net Cash at Rs 4,563 Mn
- ROCE* at 49.6% & ROE at 29.2%

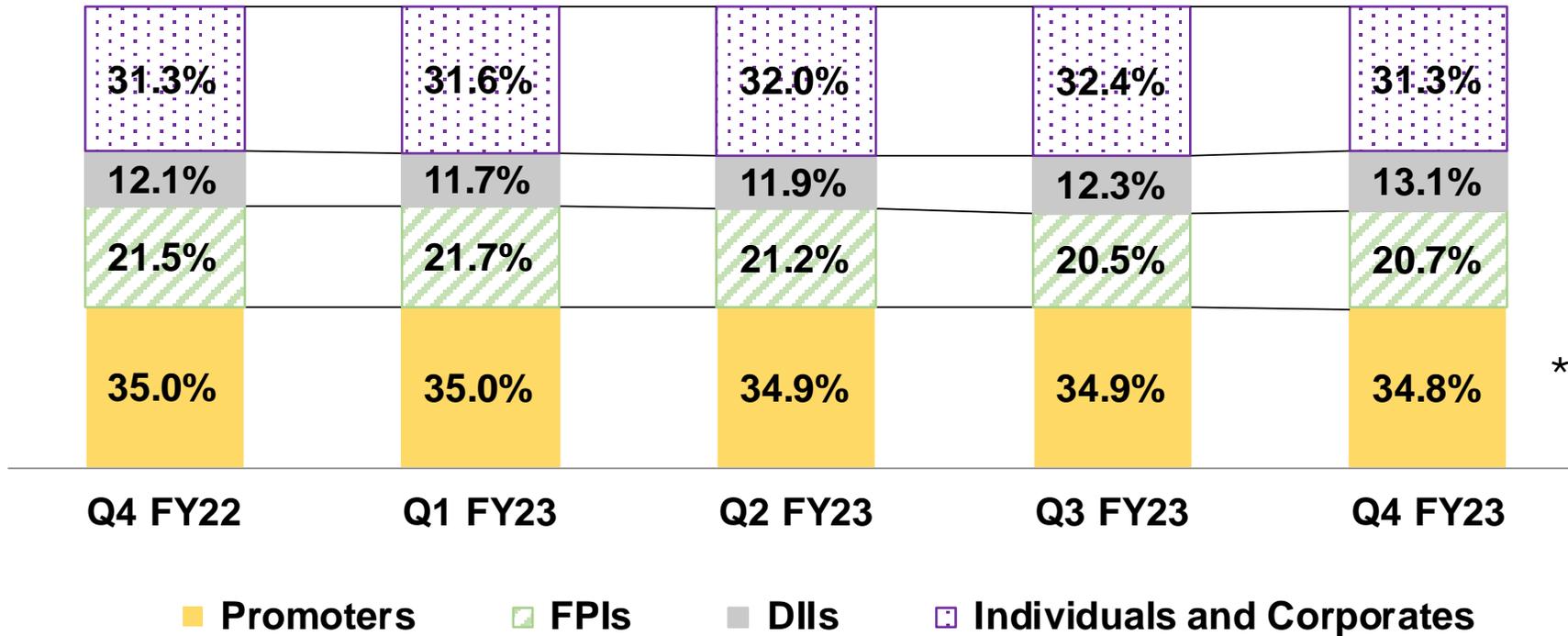
Re-grouped for like-like analysis, *Including Cash

People



Headcount up 58 QoQ and up 255 YoY

Share Holding Pattern



Share holding of NLSL shall be mirror copy of shareholding of NIIT Limited as on the Record Date of June 8, 2023. Chart above represents shareholding movement for NIIT Limited for FY23

* Includes impact of dilution of shareholding percentage due to exercise of ESOPs

