

November 07, 2022

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| National Stock Exchange of India Ltd., Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051 | BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 | Metropolitan Stock Exchange of India Ltd., Vibgyor Towers, 4 th Floor, Plot No. C62, G - Block, Opp. Trident Hotel, Bandra Kurla, Complex, Bandra (E), Mumbai – 400098 |
| NSE Scrip Symbol: BLS | BSE Scrip Code: 540073 | MSE Scrip Symbol: BLS |

Subject:

Dear Sir / Madam,

Subject: Investor Presentation

Pursuant to Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed a Investor Presentation with respect to Un-audited financial performance of the BLS International Services Limited for the second quarter and half year ended September 30, 2022.

You are requested to take the same on your records.

For **BLS International Services Limited**

.....
Dharak A. Mehta
Company Secretary and Compliance Officer
ICSI Membership No.: ACS40502

Encl: as above



Investor Presentation Q2 & H1 FY23





Q2 FY23 Highlights

Key Focus Areas – Digital Services

Strong Focus on Digital Services

- BLS is consolidating its e-Governance and Citizen services lines of business into one segment – Digital Services
- Post ZMPL acquisition, BC line of business is growing fast enough to require dedicated strategic focus
- Based on robust growth potential, Company will invest in developing infrastructure and manpower for e-Governance & Business Correspondence
- Organic growth to be complemented with inorganic opportunities

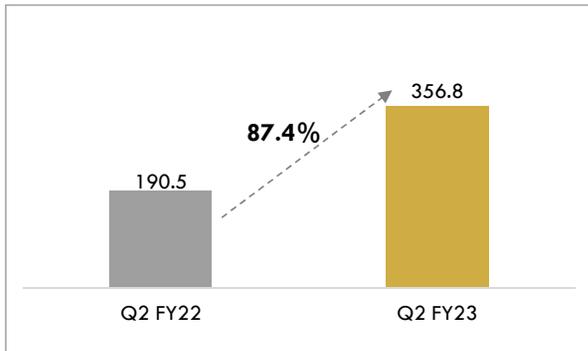
Recent Acquisition & Contracts

- BLS acquired ZERO Mass Private Limited (ZMPL), to become largest business correspondent (BC) of SBI
- BLS signed agreement with Department of Administrative Reforms, with the Karnataka Government, to be the e-Governance Operations Partner for 2 divisions – Mysore and Kalburgi
- Company signed contract with the Royal Thai embassy to provide visa services in Kenya
- BLS signed agreement with Directorate of Registration and Stamp Revenue, government of West Bengal
- Company won contract with Royal Thai Consulate General, Mumbai, for visa services
- BLS won contract to process German visas in North America and Mexico

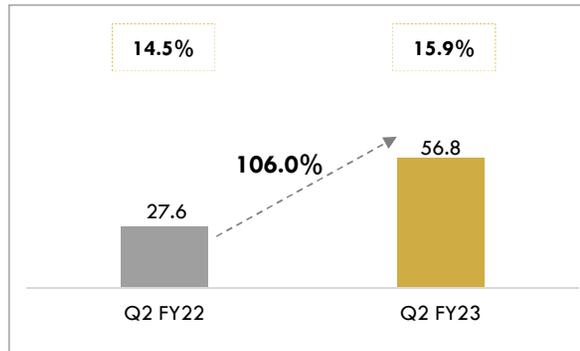
Financial Highlights

Quarterly Highlights

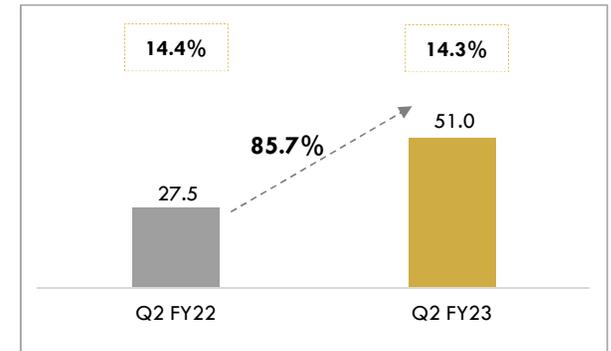
Revenue (Rs Cr)



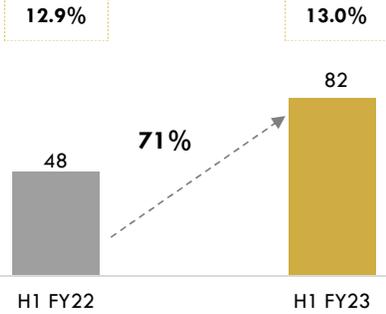
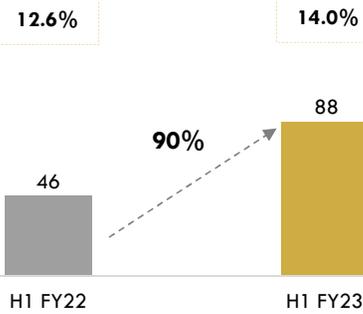
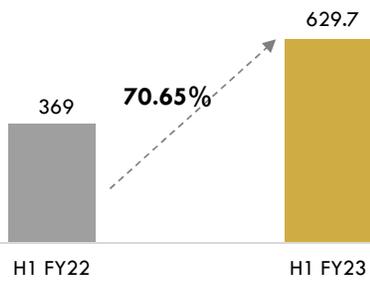
EBITDA (Rs Cr) & EBITDA Margin (%)



PAT (Rs Cr) & PAT Margin (%)



Half Year Highlights



Consolidated Profit and Loss Statement

| (Rs. in Cr) | Q2 FY23 | Q2 FY22 | % Change | Q1 FY23 |
|---------------------|---------------|---------------|----------------|---------------|
| Revenue | 356.84 | 190.46 | 87.36% | 272.82 |
| Gross Profit | 120.50 | 62.96 | 91.39% | 89.36 |
| (Gross Margin) | 33.77% | 33.06% | | 32.76% |
| Operating expenses | 29.70 | 17.76 | | 30.24 |
| EBITDA | 56.80 | 27.57 | 106.02% | 31.36 |
| (EBITDA Margin) | 15.92% | 14.47% | 145 bps | 11.50% |
| Other Income | 3.47 | 2.60 | | 3.76 |
| Depreciation | 4.00 | 1.53 | | 2.61 |
| Finance Cost | 0.05 | 0.19 | | 0.10 |
| PBT | 56.22 | 28.45 | 97.61% | 32.41 |
| Tax Expenses | 5.23 | 0.99 | | 1.71 |
| PAT | 50.99 | 27.46 | 85.66% | 30.70 |
| (PAT Margin) | 14.29% | 14.42% | -13 bps | 11.25% |

- Q2 FY23 operational revenue up 87.4% YoY driven by continued strong recovery in visa & consular business
- Addition of ZMPL* further boosted top line by ~ Rs. 40 cr during the quarter

- EBITDA for Q2 FY23 up 106% YoY with EBITDA margin of 15.92% up by 145 bps
- Rise in employee cost due to addition of ZMPL workforce and increments given during the period
- Economies of scale and Cost optimizations helped improve EBITDA margins

* ZMPL: ZERO Mass Private Limited – recently acquired

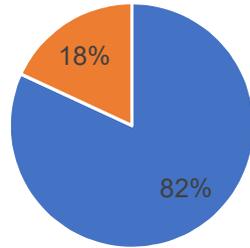
Consolidated Profit and Loss Statement

| (Rs. in Cr) | H1 FY23 | H1 FY22 | % Change |
|---------------------|---------------|---------------|----------------|
| Revenue | 629.66 | 368.99 | 70.65% |
| Gross Profit | 209.86 | 118.01 | 77.83% |
| (Gross Margin) | 33.33% | 31.98% | |
| Operating expenses | 59.95 | 37.36 | |
| EBITDA | 88.16 | 46.36 | 90.12% |
| (EBITDA Margin) | 14.00% | 12.56% | 144 bps |
| Other Income | 7.22 | 6.40 | |
| Depreciation | 6.60 | 3.30 | |
| Finance Cost | 0.15 | 0.21 | |
| PBT | 88.63 | 49.25 | 79.95% |
| Tax Expenses | 6.94 | 1.54 | |
| PAT | 81.69 | 47.71 | 71.21% |
| (PAT Margin) | 12.97% | 12.93% | 4 bps |

Segmental Highlights

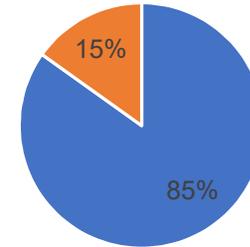
Q2 FY23

Revenue



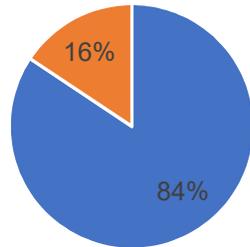
■ Visa & Consular ■ Digital Services

PBT

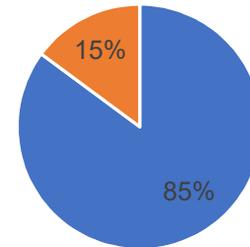


■ Visa & Consular ■ Digital Services

H1 FY23



■ Visa & Consular ■ Digital Services



■ Visa & Consular ■ Digital Services



Company overview

Our competitive edge

Expanding global network

Operating in 66 countries with a network of 30,000 application centers globally

Existing network offers a platform to pitch for new contracts

Ability to win marquee contracts

2016-21: Europe, GCC & ME, South American contracts

Marquee wins to build credential for other global contracts (1.5B USD worth contracts under renewal in next 2 years)

State-of-the-art digital infra

Highly secure processes with capabilities to handle large quantities of complex data

High entry barrier for any company

Value added services

Convenience services offered to the applicants is rapidly expanding

Key driver for margin expansion and a potential differentiator to win contracts

Diversified in other high growth tech-enabled services

e-Gov for UP, Punjab, Rajasthan, Karnataka, Estonia and Nigeria are key wins in addition to last mile connectivity for SBI

Centers across states to facilitate citizen services and financial inclusion

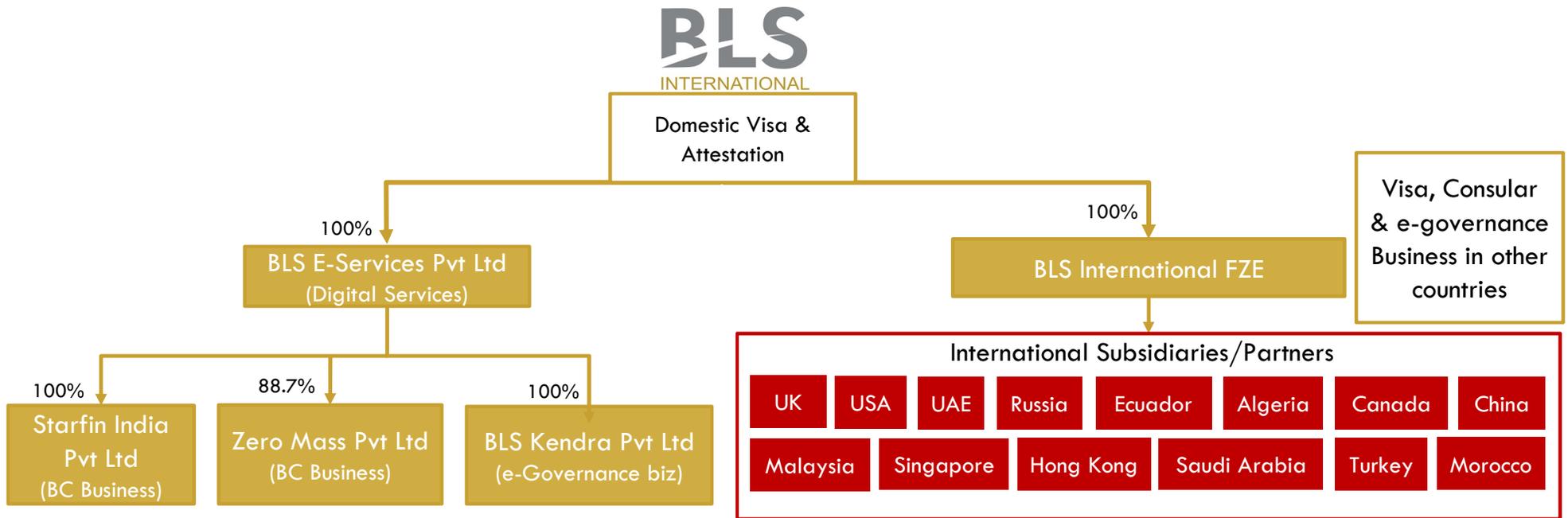
Net debt free and high FCF business

Visa Application Centers are leased and Citizen service offices are developed by Govt. and operated by BLS

Healthy balance sheet and return ratios

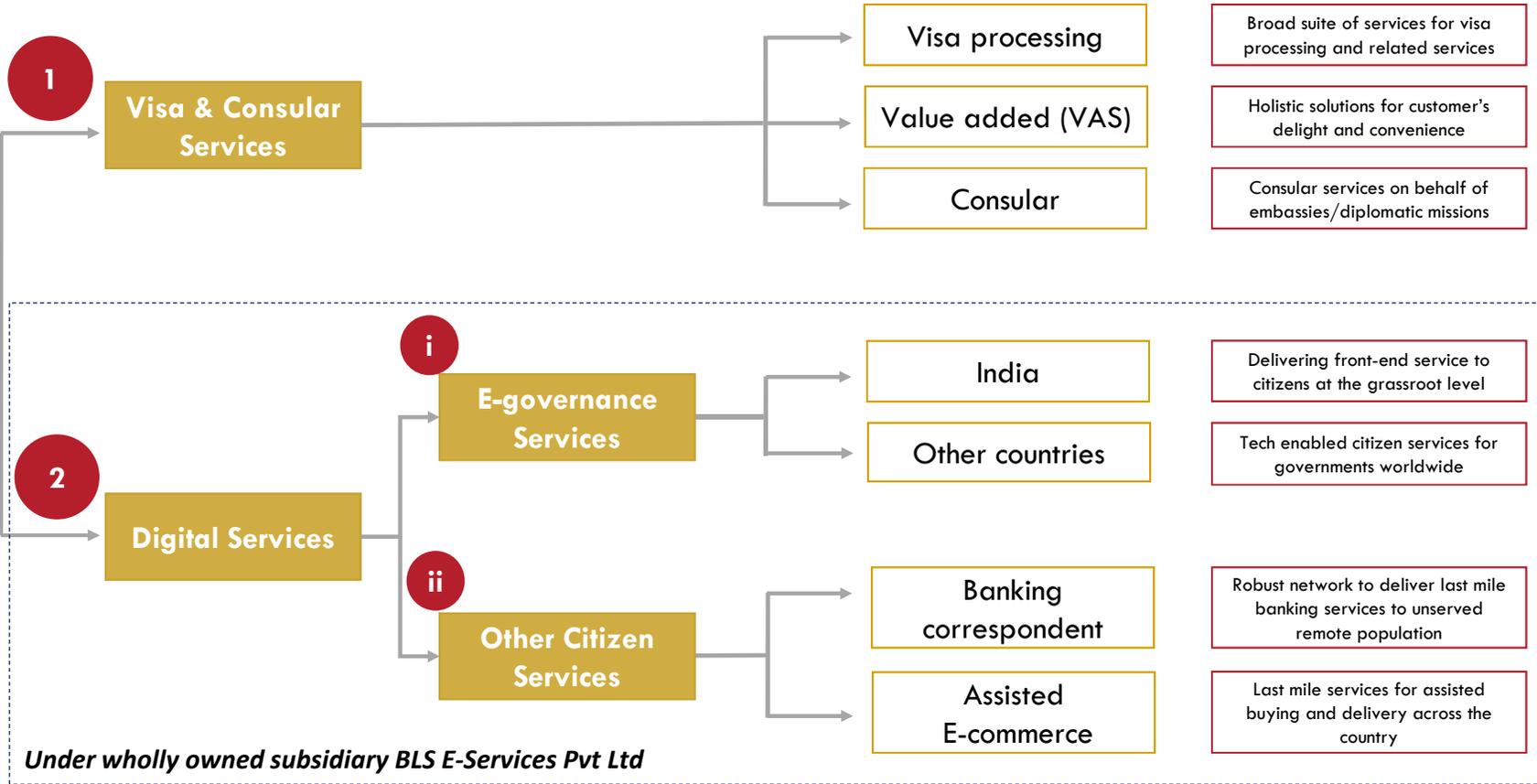
BLS has become a leading global player in visa processing and one of the early movers in tech-enabled citizen services

Corporate Structure



* Only key operational subsidiaries/partners have been included

Business overview



Visa Processing

Leading global player in the visa outsourcing service industry, with over 17 years of experience and ~62 million applications processed; Winning contracts across the globe

Services include:

- Outsourced visa processing
- Verification of documents
- Attestation of documents
- Biometrics
- E-Visa
- Other allied services

Value Added

Additional holistic services rolled out with speed & agility and offered to applicants for convenience and better experience.

Services include:

- Photocopy, courier & internet facility
- Premium lounge, form filling, insurance, SMS alert, translation services
- Mobile biometric

Consular

Services provided by the diplomatic mission of a country to citizens of that country who are living or traveling overseas - BLS has been working extensively with Indian mission and other missions globally

Services include:

- Passport renewal
- Authentication of travel documents
- Legalization of documents
- Renunciation of citizenship
- Notary services

India

Punjab Project

- Delivered front-end service (~375 G2Cs) to Indian citizens at the grassroots level and enhanced citizen's convenience
- Catered 1.84 crore population and covered 16 districts across the state
- Decentralized service helped decongest traffic flow into cities, moderate carbon footprint and reduce unproductive commuting

Uttar Pradesh Project

- Rolled out citizen services centres on behalf of Uttar Pradesh Government
- Citizen services of all Government departments of UP through 12,000 Customer Service Centres (CSCs) opened through partners
- ~360 G2C services being provided through VLEs

Rajasthan Project

- Awarded the contract for e-Mitra Kiosks in Rajasthan in 5 districts including Jaipur, Alwar, Ajmer, Jodhpur and Nagaur
- Launched the online portal for e-Mitra Kiosk operators wherein a mix of G2C & B2C services are available

Global

Trained cadre (UAE)

- Working closely with UAE Ministry of External Affairs, providing customized solutions for its seven centers

National Identification Card Programme

- Application centres for Identity Management for Afghanistan. Registration and identification of Afghan nationals in GCC countries
- Issuing digital ID to e-residents granted by the Estonian Police and Border Guard Board (PBGB)
- Initiative by National Identity Management Commission in Nigeria to enrol Nigerian citizens into the national identity database

Starfin & Zero Mass – National Business Correspondent (NBC)

- BLS has established a robust network of centers to deliver last mile banking services to unserved and underserved rural and remote populations as part of Financial Inclusion Program of Govt. Of India.
- Offers various banking services like enrolment of customers, opening bank accounts, balance enquiry, money transfer, passbook updating etc.
- As one of the largest BC for SBI, ZMPL has ~11,500 active CSP's, which is >15% of all SBI BC's across India. It also has contracts with Utkal Grameen Bank and Karur Vysya Bank
- Starfin India has recently won a contract with BOB; It is already empanelled as the NBC for SBI; Corporate Business Correspondent for Uttarakhand Gramin Bank; and Microfinance Agency for Punjab National Bank
- Distinctively positioned to expand services, branches as well as our banking and non-banking collaborations

Present in all
states & Union
Territories

~15,000 CSP's
across the
country

INR 5,000 crores
monthly average
volume

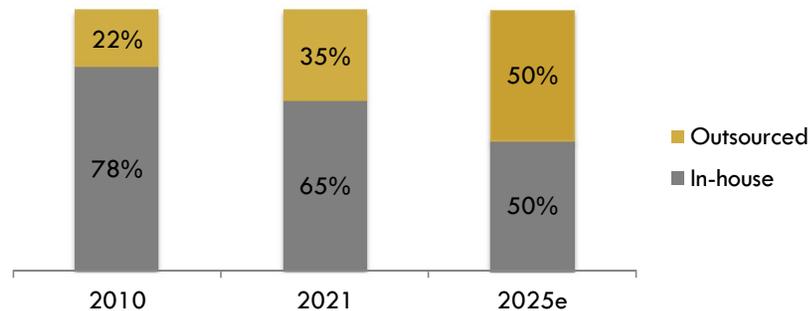
E-commerce & Other Services

- Providing help for e-commerce, insurance and travel assistance wherein people come to these centers for availing additional services along with the existing government services – helps in utilizing existing network and centers to cross sell more services
- Tying up with e-commerce players for assisted buying and delivery
- Last mile delivery of products to centers or customer's place

Huge opportunities across business segments

Visa Processing

Growth in outsourcing of visa application worldwide



Majority of the market still managed in-house by embassies – growth opportunity is immense

Niche industry with high entry barriers – established players like BLS at advantage to tap renewals

Significant opportunities and high growth potential helping increase market share gains

Digital Services

Global

- Most services offered by governments to consumers are still semi-automated with low penetration of cutting-edge technologies
- Outsourcing to a specialized partner reduces delivery time, increases efficiency. Win-win proposition for the government w.r.t. both cost and service quality

India

- Significant opportunities for digital services and VAS in e-Governance & BC businesses
- Government is leveraging solutions & services from specialist providers to realize the vision of Digital India
- At both center and state levels, initiatives are being undertaken to promote the Digital India model for rendering public services effectively

Strong balance sheet to support for the next leg of growth



01

Invest in tech to further build robust systems and processes

- Invest in technologies, infrastructure & manpower to tap exciting possibilities related to digitalization, last mile penetration & enhanced service experience
- Tech like identity management, blockchain, facial recognition, AI, chat bots etc. to boost servicing capabilities

02

Inorganic opportunities

- Actively scouting for potential investment in businesses which are government and/or IT related processing (digitalization)
- Targeting opportunities across value chain which would provide synergy to existing digital services business

03

Organic growth in the existing businesses

- Focus on digital services to capitalize on potential growth opportunities
- More value-added services to existing clients thereby increasing wallet share
- Tap new geographies and countries for all businesses visa, consular and e-governance services

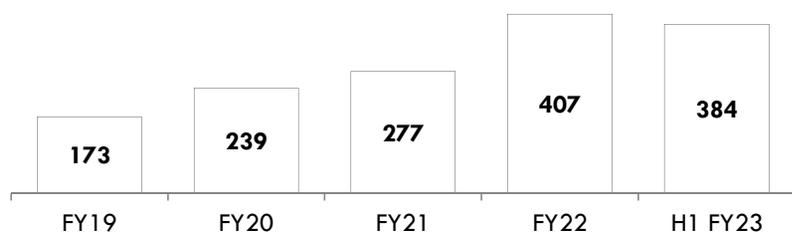
Cash, bank and equivalent to be utilized to support the growth strategy



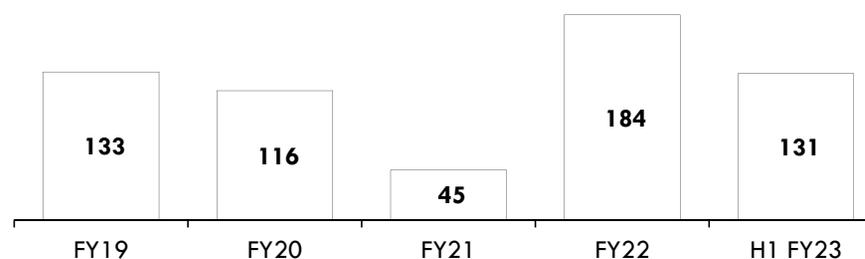
Historical Financial Highlights

Net cash positive, high FCF business model

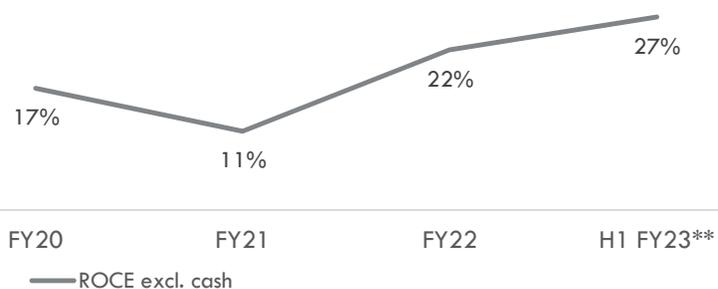
Cash, bank and equivalents (Rs. Crores)



Cash flows from operations (Rs. Crores)



ROCE* (%)



* ROCE = EBIT/(Shareholders Funds + Total Debt + Goodwill – Non-Current Investments)

** Annualized Figure

Historical Consolidated P&L Highlights

| (Rs. in Cr) | FY19 | FY20 | FY21 | FY22 | H1 FY23 |
|----------------------------|------------|------------|------------|------------|------------|
| Revenue | 804 | 786 | 478 | 850 | 630 |
| Gross Profit | 266 | 236 | 142 | 276 | 210 |
| <i>(Gross Margin)</i> | 33% | 30% | 30% | 33% | 33% |
| Operating expenses | 157 | 153 | 102 | 169 | 60 |
| EBITDA | 108 | 83 | 40 | 107 | 88 |
| <i>(EBITDA Margin)</i> | 13% | 11% | 8% | 13% | 14% |
| Finance Cost | 10 | 2 | 0.5 | 0.7 | 0.2 |
| Depreciation | 19 | 12 | 9.5 | 7.2 | 6.6 |
| Other Income | 43 | 13 | 18 | 15 | 7.2 |
| One-time income/ (expense) | 35 | (28) | - | - | - |
| PBT | 122 | 55 | 48 | 114 | 89 |
| <i>(PBT Margin)</i> | 15% | 7% | 10% | 13% | 14% |
| Tax Expenses | 17 | 2 | (2) | 3 | 7 |
| Reported PAT | 105 | 52 | 50 | 111 | 82 |
| <i>(PAT Margin)</i> | 13% | 7% | 10% | 13% | 13% |

Historical Consolidated Balance Sheet

| (Rs. in Cr) | Mar'21 | Mar'22 | Sep'22 |
|--------------------------------------|--------------|--------------|--------------|
| Share Capital | 10.3 | 10.3 | 20.5 |
| Shareholders' Funds | 459.8 | 569.8 | 659.2 |
| Non controlling Interest | 0.1 | 0.0 | 5.1 |
| Provisions | 3.0 | 2.9 | 3.3 |
| Total Non-Current Liabilities | 3.3 | 9.2 | 7.7 |
| Borrowings | - | 3.1 | - |
| Trade Payables | 9.6 | 18.3 | 29.0 |
| Other Current Liabilities | 7.5 | 9.3 | 13.3 |
| Current Tax Liabilities | 0.1 | 0.0 | 0.0 |
| Other Financial Liabilities | 17.6 | 21.7 | 53.8 |
| Provisions | 0.1 | 0.1 | 0.5 |
| Total Current Liabilities | 34.9 | 54.3 | 99.1 |
| Total Liabilities | 498.1 | 633.3 | 771.1 |

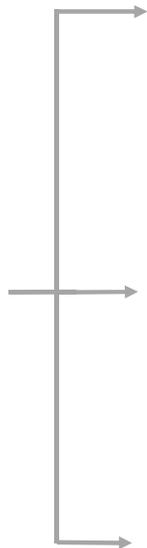
| (Rs. in Cr) | Mar'21 | Mar'22 | Sep'22 |
|---------------------------------|--------------|--------------|--------------|
| Fixed Assets incl. CWIP | 23.9 | 84.2 | 93.5 |
| Intangible Assets | 13.8 | 20.0 | 22.6 |
| Deferred Tax (Net) | 6.7 | 8.7 | 9.2 |
| Investments | 24.1 | 70.1 | 85.7 |
| Other Financial Assets | 15.9 | 41.4 | 8.6 |
| Other Non-Current Assets | 0.8 | 0.2 | 0.1 |
| Total Non-Current Assets | 85.2 | 232.6 | 301.1 |
| Trade Receivables | 100.2 | 22.3 | 12.7 |
| Cash and Bank | 277.4 | 324.2 | 339.8 |
| Other Financial Assets | 27.0 | 38.8 | 60.0 |
| Other Current Assets | 5.1 | 10.2 | 43.7 |
| Current Tax (Net) | 3.2 | 5.2 | 13.5 |
| Total Current Assets | 412.9 | 400.7 | 470.0 |
| Total Assets | 498.1 | 633.3 | 771.1 |

Historical Consolidated Cash Flow

| (Rs. Cr) | FY22 | | | FY21 | |
|--|------|--------------|---|------|-------------|
| C/F from operating activities | 144 | 185 | Operating profit before WC change | 48 | 45 |
| | 48 | | Change in Working Capital | (3) | |
| | (7) | | Direct taxes | 0 | |
| C/F from investing activities | (82) | (171) | Purchase of property, plant and equipment and intangibles | (5) | (22) |
| | (48) | | Proceeds from sale / purchase of investment | 3 | |
| | - | | Gain on business acquisition | - | |
| | (45) | | Investments in term deposits | (25) | |
| | 4 | | Interest incomes | 5 | |
| C/F from financing activities | - | (12) | Repayments of non-current borrowings | (1) | (10) |
| | - | | Proceeds from non-current borrowings | - | |
| | 3 | | Repayment of current borrowing (Net) | - | |
| | (2) | | Repayment of lease liabilities | 0 | |
| | (13) | | Dividend paid (including dividend distribution tax) | (8) | |
| | - | | Interest paid | (1) | |
| Net increase /(decrease) in cash and cash equivalent | | 2 | | | 13 |
| Cash and cash equivalent at the beginning of the year | | 35 | | | 22 |
| Cash and cash equivalent acquired during the acquisition new subsidiary | | - | | | - |
| Cash and cash equivalent at the end of the year | | 37 | | | 35 |



Way Ahead



01

Strong Focus on Digital Services

- Pursue growth opportunities in e-Governance and BC businesses
- Leverage acquisition of ZMPL to grow Business Correspondent business
- Value-added services expected to yield strong top line and profitability
- Focus on negative working capital and EBITDA accretive businesses

02

Inorganic Expansion

- Seeking good opportunities to utilize cash in acquisitions
- Actively looking for business to strengthen our digital services business lines

03

Actively grow new contracts with Embassies and Consulates

- Focus on upcoming tenders on visa & outsourcing services - potential market size ~ \$1.5 bn
- Target governments that are outsourcing for the first time
- Capitalize on the rebound in travel and tourism post pandemic
- Tie-up with more regional & international governments for visa-related services

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