

November 10, 2016

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001	National Stock Exchange of India Limited, Exchange Plaza, 5 <sup>th</sup> Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051
Scrip Code: 539658	Scrip Code: TEAMLEASE

**Sub: Investor Presentation on Financial Results for Q2FY17(Revised)**

Dear Sir/Madam,

In compliance with the provisions of Regulation 30 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed revised 'Investor Presentation Q2FY17' we propose to upload on our Company's website [www.teamlease.com](http://www.teamlease.com) for information of our shareholders/public.

This is in furtherance of our intimation dated November 09, 2016 relating to Conference Call with investors on Q2 results.

This is in supersession of the Investor Presentation submitted to your good office earlier today. Kindly remove the previous one from your website.

Regret for the inconveniences caused to all the stakeholders.

This is for your information and records.

Thanking You.

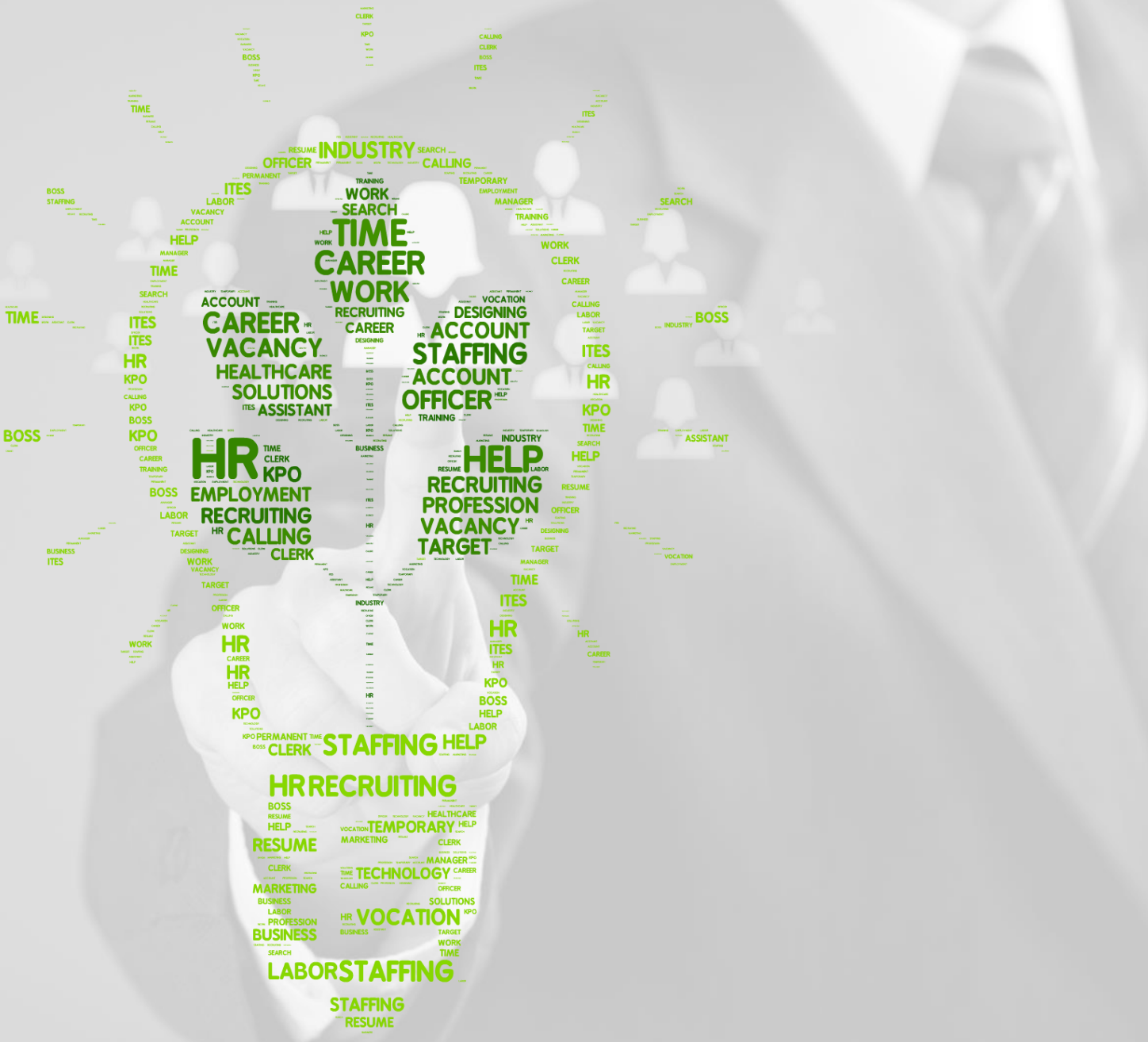
Yours faithfully,

For **TeamLease Services Limited**



**Mruthunjaya Murthy**  
Company Secretary





**TeamLease Services Limited**  
 Investor presentation: Q2FY17 Results  
 November 10, 2016



# Safe Harbor

- Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements.
- Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, business outlook of our clientele, our ability to successfully implement our strategy, our growth and expansion plans and technological changes, fluctuations in our earnings, change in laws and regulations that apply to our industry, increasing competition and changes in political conditions.
- Neither the company, nor its directors and any of the affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.



## QUARTERLY PERFORMANCE

# Consolidated Year-on-Year Growth

(all numbers in Rs. crore except Margins)

Particulars	Q2FY17	Q1FY17	QoQ	Q2FY16	YoY on quarterly basis	H1FY17	H1FY16	YoY on half-yearly basis
Gross Revenue	840.88	793.24	<b>6%</b>	736.80	<b>14%</b>	1634.12	1375.77	<b>19%</b>
Operating Revenue (Net of Service tax)	722.57	687.76	<b>5%</b>	643.26	<b>12%</b>	1410.34	1209.65	<b>17%</b>
<b>EBITDA</b>	<b>8.61</b>	<b>6.20</b>	<b>39%</b>	<b>7.04</b>	<b>22%</b>	<b>14.81</b>	<b>11.29</b>	<b>31%</b>
EBITDA %	1.2%	0.9%		1.1%		1.1%	0.9%	
<b>PBT</b>	<b>14.27</b>	<b>11.05</b>	<b>29%</b>	<b>8.89</b>	<b>61%</b>	<b>25.32</b>	<b>16.35</b>	<b>55%</b>
PBT %	2.0%	1.6%		1.4%		1.8%	1.3%	
<b>Net profit (PAT)</b>	<b>9.03</b>	<b>7.36</b>	<b>23%</b>	<b>5.72</b>	<b>58%</b>	<b>16.39</b>	<b>10.68</b>	<b>53%</b>
Net profit %	1.3%	1.1%		0.9%		1.2%	0.9%	

# Financial Overview- Consolidated

(Rs. Crores)

Particulars	Q2FY17	Q1FY17	QoQ	Q2FY16	YoY on quarterly basis	H1FY17	H1FY16	YoY on half-yearly basis
Revenue from Operations (Gross)	833.90	787.19	6%	735.50	13%	1,621.08	1,371.72	18%
Less: Service Tax	111.32	99.43		92.24		210.75	162.08	30%
<b>Revenue from Operations (Net of ST)</b>	<b>722.58</b>	<b>687.76</b>		<b>643.26</b>		<b>1,410.34</b>	<b>1,209.65</b>	
Associate employee cost	683.59	652.01	5%	612.12	12%	1,335.60	1,151.56	16%
Core employee cost	17.01	16.19	5%	14.33	19%	33.20	27.63	20%
Other operating expenses	13.37	13.35	0%	9.77	37%	26.72	19.17	39%
<b>EBITDA</b>	<b>8.61</b>	<b>6.21</b>	<b>39%</b>	<b>7.04</b>		<b>14.82</b>	<b>11.29</b>	
<b>EBITDA margin %</b>	<b>1.2%</b>	<b>0.9%</b>		<b>1.1%</b>		<b>1.1%</b>	<b>0.9%</b>	
Depreciation	1.00	0.99		0.46		1.99	0.90	
Finance cost	0.32	0.22		0.12		0.54	0.18	
Other Income	-6.98	-6.05	15%	(2.43)	187%	(13.03)	(6.15)	112%
<b>PBT</b>	<b>14.27</b>	<b>11.05</b>	<b>29%</b>	<b>8.89</b>		<b>25.32</b>	<b>16.35</b>	
<b>PBT margin %</b>	<b>2.0%</b>	<b>1.6%</b>		<b>1.4%</b>		<b>1.8%</b>	<b>1.4%</b>	
Tax expense	5.24	3.69	42%	3.17	65%	8.93	5.68	57%
Effective Tax rate	36.72%	33.39%		35.65%		35.27%	34.70%	
<b>PAT</b>	<b>9.03</b>	<b>7.36</b>	<b>23%</b>	<b>5.72</b>		<b>16.39</b>	<b>10.68</b>	
<b>Net Profit margin %</b>	<b>1.3%</b>	<b>1.1%</b>		<b>0.9%</b>		<b>1.2%</b>	<b>0.9%</b>	

# Consolidated Segment results

						(Rs. Crores)
Particulars	Q2FY17	Q1FY17	% Growth	H1FY17	H1FY16	% Growth
<b>REVENUE (Net of ST):</b>						
Staffing and Allied Services	706.42	678.20	4.2%	1,384.62	1,196.51	15.7%
IT Staffing Services	5.23	-	-	5.23	-	-
Other HR Services	10.93	9.56	14.3%	20.49	13.14	56.0%
<b>Total Income from operations</b>	<b>722.57</b>	<b>687.76</b>	<b>5.1%</b>	<b>1,410.34</b>	<b>1,209.65</b>	<b>16.6%</b>
<b>EBITDA</b>						
Staffing and Allied Services	10.43	9.42	10.8%	19.85	15.44	28.6%
<b>Staffing EBITDA %</b>	<b>1.5%</b>	<b>1.4%</b>		<b>1.4%</b>	<b>1.3%</b>	
IT Staffing Services	0.75	-	-	0.75	-	-
<b>IT Staffing EBITDA %</b>	<b>14.4%</b>	<b>-</b>		<b>14.4%</b>	<b>-</b>	
Other HR Services	0.54	0.14	286.1%	0.68	0.23	195.5%
<b>HR Services EBITDA %</b>	<b>4.9%</b>	<b>1.5%</b>	<b>-</b>	<b>3.3%</b>	<b>1.7%</b>	
Unallocated Corporate Expenses	(3.12)	(3.36)	(7.0%)	(6.47)	(4.38)	47.7%
<b>TOTAL EBITDA</b>	<b>8.60</b>	<b>6.20</b>	<b>38.7%</b>	<b>14.81</b>	<b>11.29</b>	<b>31.2%</b>
Depreciation	1.00	0.99	-	1.99	0.90	-
Finance Costs	0.32	0.22	-	0.53	0.18	-
Other Income	(6.98)	(6.05)	15.4%	(13.03)	(6.15)	112.1%
<b>Profit before Tax</b>	<b>14.27</b>	<b>11.05</b>		<b>25.32</b>	<b>16.35</b>	

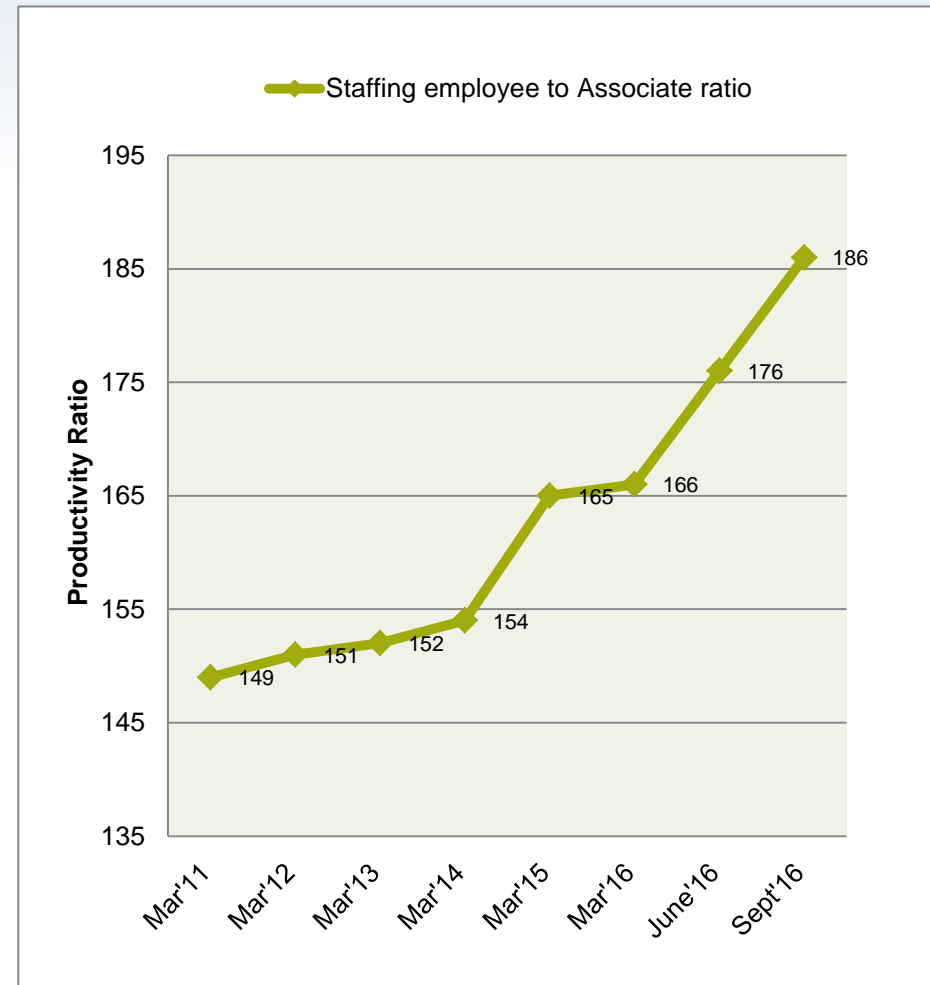
# Key highlights of the quarter ended September 30, 2016

- Year-on-year growth of 19% in Gross Revenue and over 31% in EBITDA, PBT and PAT
- Net increase in associate headcount by over 2,700 compared to June 30, 2016 and increase of over 7,600 compared to March 31, 2016
- Average mark-up per associate per month increased by 7% to ₹ 712 in Q2FY17 from ₹665 in Q2FY16
- Net increase in our NETAP trainee headcount by over 3,600 compared to June 30, 2016 and increase of over 12,500 compared to March 31, 2016
- Top 5 and Top 10 clients contributed to 12% and 18% of our net revenue respectively for the quarter ended Sept 30, 2016, implying a well-diversified mix of client portfolio
- Productivity index of our staffing core employees improved in Q2FY17 in terms of the number of associates/trainees handled by one core employee



# Improvement in Core Employee Productivity

Year	Total Core Employee	Staffing core employees	Associate/ Trainee count	Staffing employee to Associate ratio
Mar'11	735	334	49,820	149
Mar'12	813	404	61,021	151
Mar'13	814	476	72,491	152
Mar'14	932	527	81,022	154
Mar'15	1,057	574	94,647	165
Mar'16	1,278	725	120,434	166
June'16	1,273	728	127,868	176
Sept'16	1,225	721	134,287	186





## ABOUT TEAMLEASE

# About TeamLease

1 One of India's largest providers of human resource services in the organized segment

2 Services span the entire supply chain of human resources, covering aspects of employment, employability and education

3 Hired someone for every 5 minutes in the last few years and provided employment to more than 1.2 million since 2002

4 Commitment to being the 'trusted and preferred service partner'

5 Diversified and longstanding client base

6 Debt free and Asset light model

 India's leading organized staffing company with significant brand value

**117,500+**  
Employees

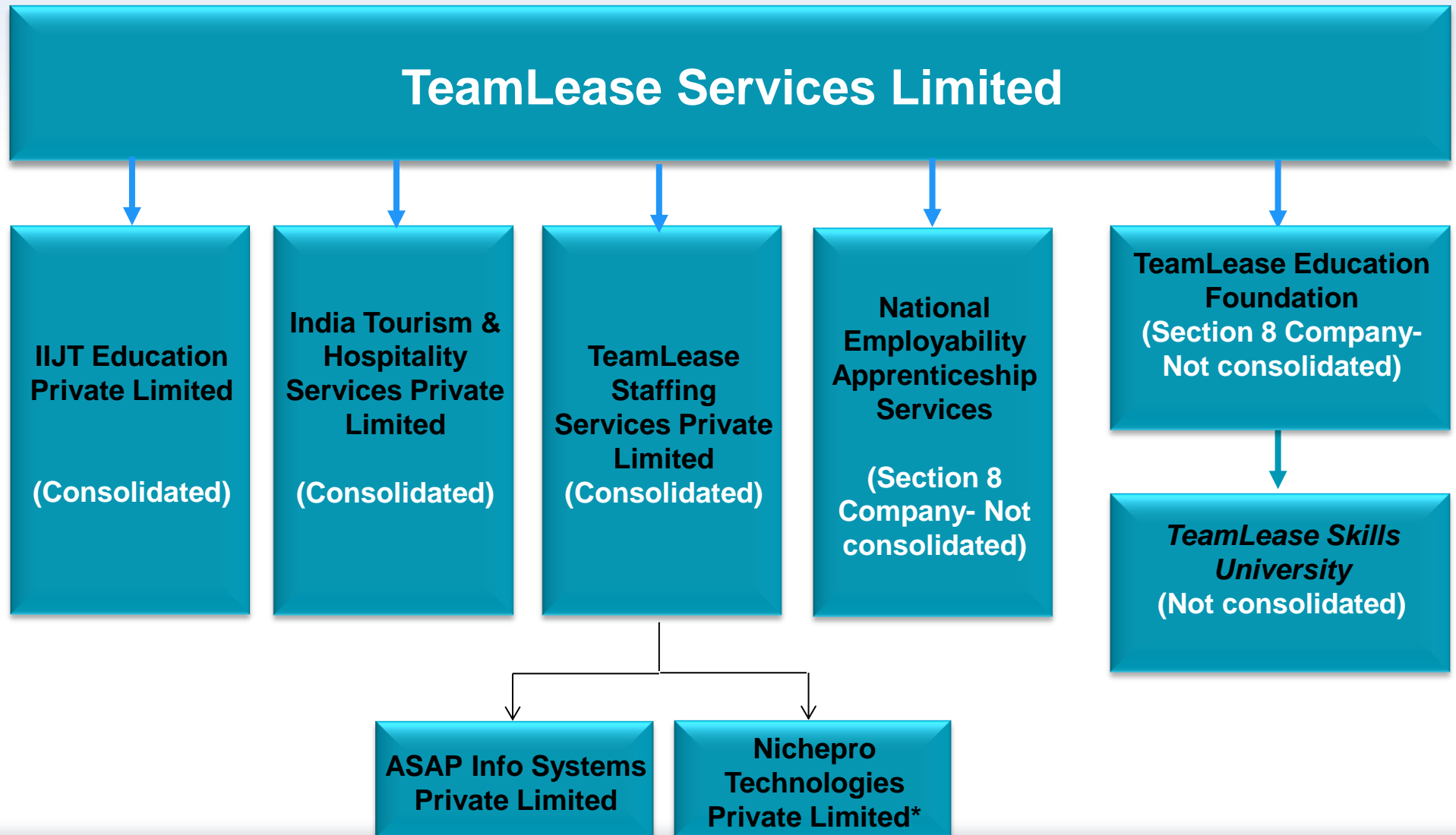
**5%**  
market share

**1,800+**  
customers

**17,700+**  
Trainees

-  Domain agnostic operations
-  Operate through nine offices in India, in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune

# Corporate structure



\*Acquired w.e.f. October 01, 2016.

# Shareholding Pattern as of November 07, 2016

<b>S.N</b>	<b>Category</b>	<b>07-Nov-16</b>
1	Promoter Group	45.6%
2	Gaja	13.5%
3	Anchor Investors	29.3%
4	Non-Anchor	4.5%
5	Employees + ESOP Trust	5.7%
6	Retail/HNI	1.4%
	<b>Total</b>	<b>100.0%</b>



## OUR INDUSTRY

# Key topics of discussion

## Labour Market Transformation

- Physical Geography of Work
- Sectoral Geography of Work
- Enterprise Geography of Work
- Education Geography of Work
- Legislative Geography of Work

## Staffing Industry Transformation

- Policy Context
- Customer Behavior
- Employee Behavior
- World of Work Changes

## Teamlease Strategy

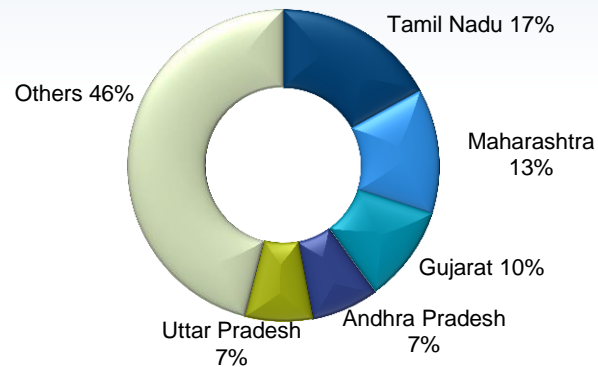
- Accelerating labour and industry transformation
- Scalability in terms of people, process and technology
- Margin Expansion through growth/scale
- Specialization, HR/Education Services
- Asset / capital light business model



# Multiple structural issues in the Indian labour market

## 1 Physical geography of work

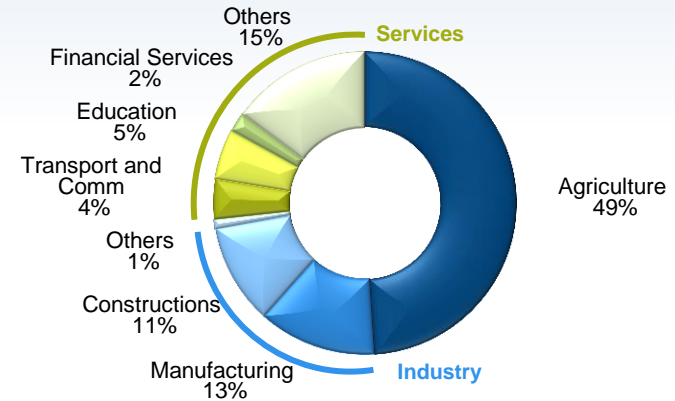
Factories in operation across regions (2012-2013)



- Physical landscape largely rural with 6 lac villages (2 lac villages have <500 people)
- ~50% of factories are setup in 5 states leading to significant demand-supply gap
- North and East India accounts for the highest proportion of working population, South and West India accounts for relatively higher number of enterprises

## 2 Sectoral geography of work

Breakup of total employed workforce by sector (2011-12)



- Agriculture is the key contributor to overall employment with 49% of the employed workforce
- Manufacturing contributes to only 13% of total employment

# Multiple structural issues in the Indian labour market (Cont'd...)

## 3 Enterprise geography of work

Total: 58 mn Enterprises<sup>(2)</sup>



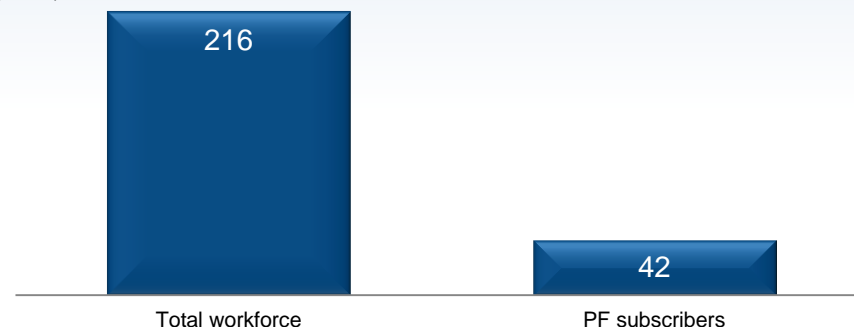
2.3K companies with paid up capital >INR100Cr

- ❖ Most of the enterprises in India are small and informal
- ❖ Less than 2% of total enterprises are registered companies
- ❖ Large % of contract employees, majority of which are in informal sector

## 4 Legislative geography of work

Significant low number for PF subscribers<sup>(1)</sup>

(in mn)



- ❖ Only 10% of total employed workforce is in formal employment
- ❖ Complex and tough labor laws have hampered job creation in the formal sector
- ❖ Average worker prefers informal employment as take-home pay is higher
- ❖ Poor labor law regime
- ❖ PF subscribers (organized work force) are a small portion of total workforce

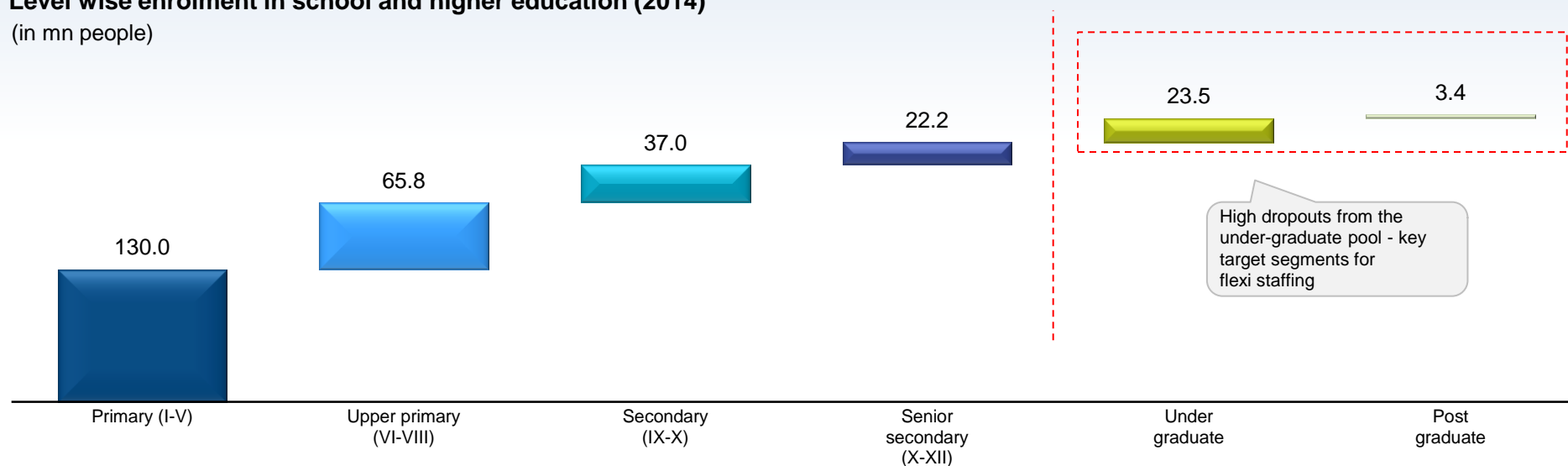
Source: CRISIL Research.

Note: (1) Excludes workforce in agriculture.  
(2) 6<sup>th</sup> Economic Census

# Multiple structural issues in the Indian labour market (Cont'd...)

## 5 Education geography of work

Level wise enrolment in school and higher education (2014)  
(in mn people)

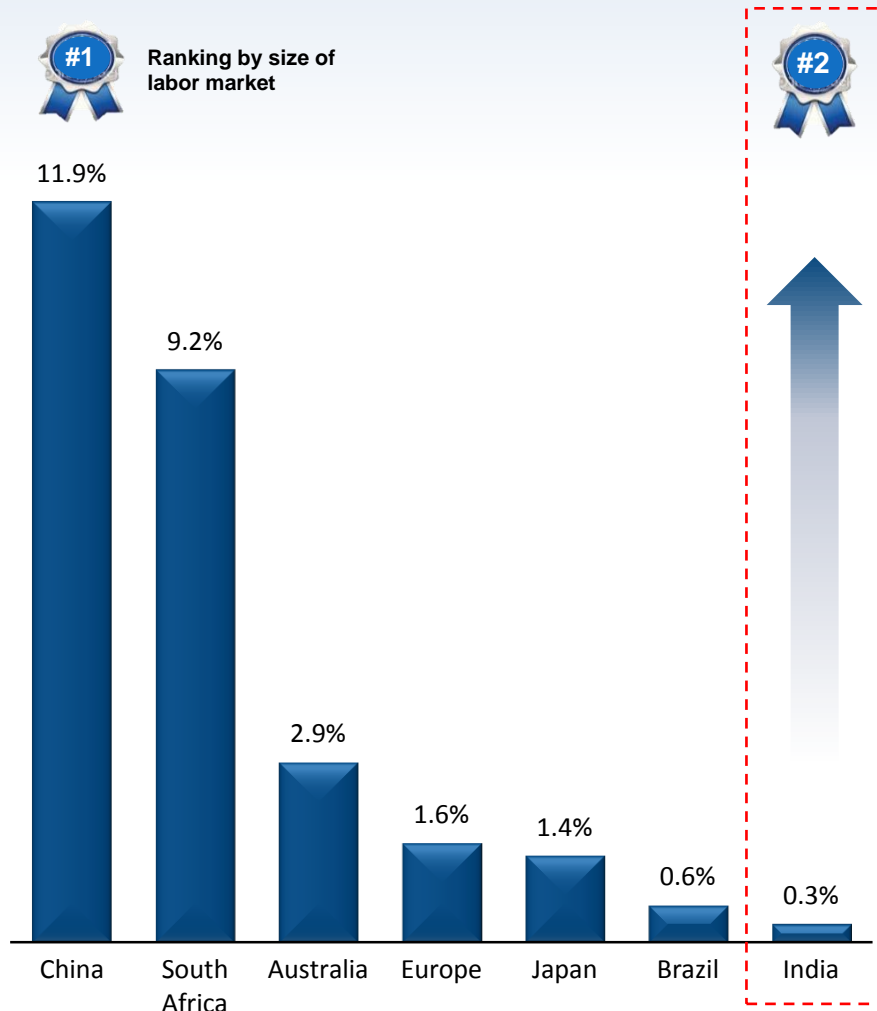


- ~14.8 mn candidates drop out post Class X and ~20.1 mn candidates drop out after under graduate
- ~82% of the total workforce are self employed and casual laborers; Due to lack of employment opportunities and skill gap between companies' demand and available skill-sets, workers are forced to work as low paid casual workers or become self employed

# Massive growth potential for flexi-staffing in India

India has the 2<sup>nd</sup> largest labor market in the world but the lowest penetration for flexi staffing

(2012)



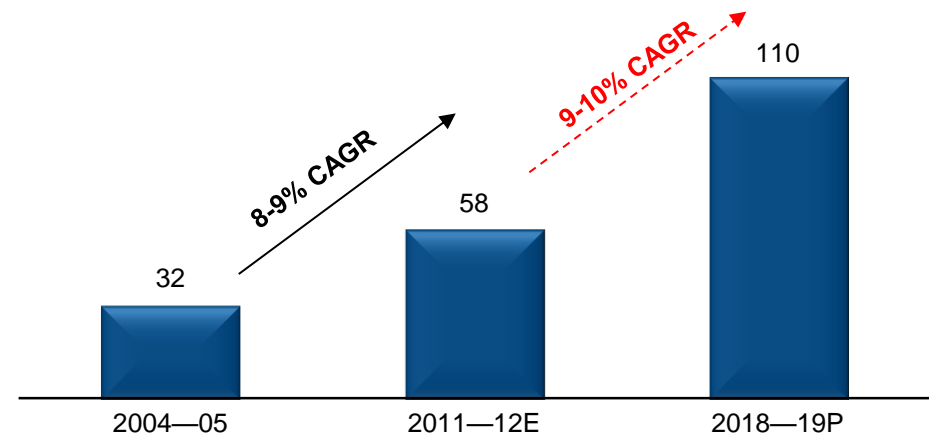
The Indian labour market is largely unorganized with low level of flexi staffing penetration

Significant headroom for formalization

Compliance towards minimum wages and benefits is driving shift towards formal sector employment

**Formal sector to witness 5x faster growth**

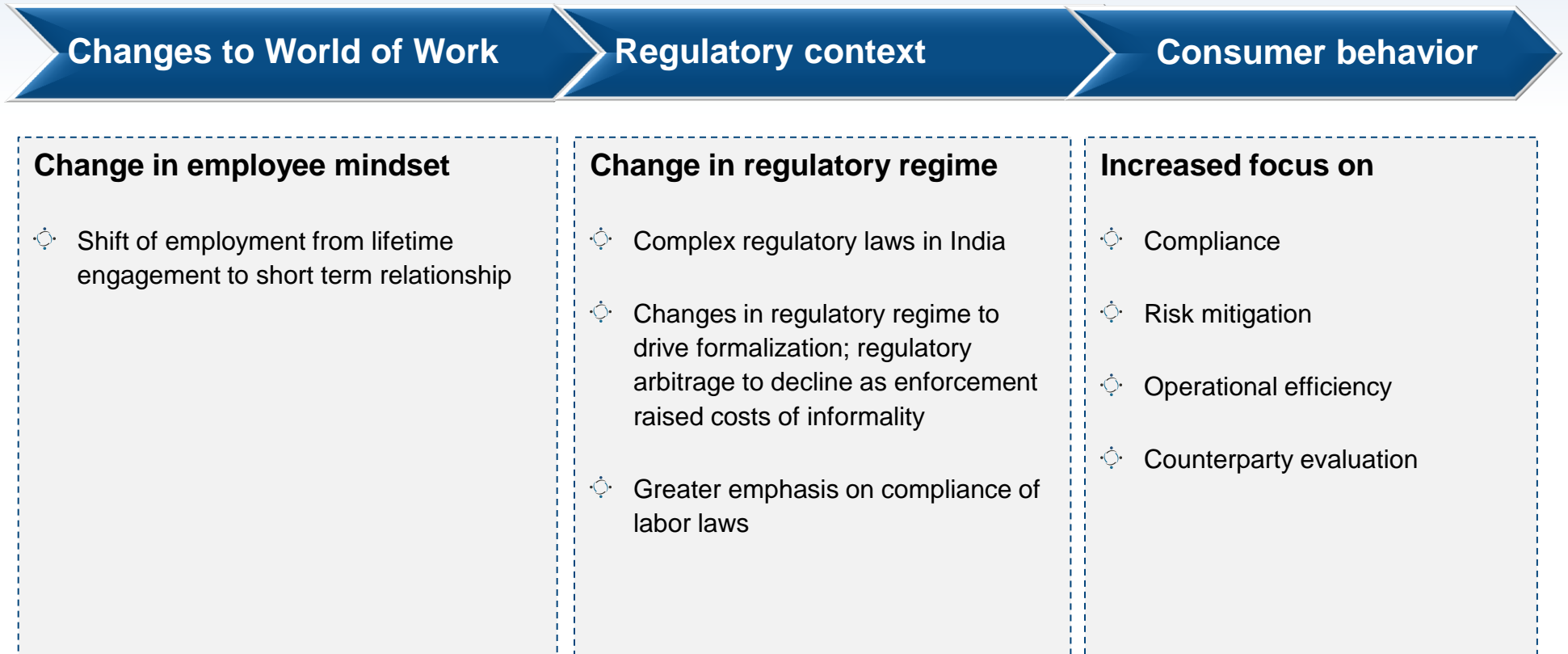
(mn people)



Source: CIETT Economic Report 2014, CRISIL Research, World Bank database.

# Flexi staffing growth to come from a 3-phased industry transformation

## Flexi - staffing industry transformation

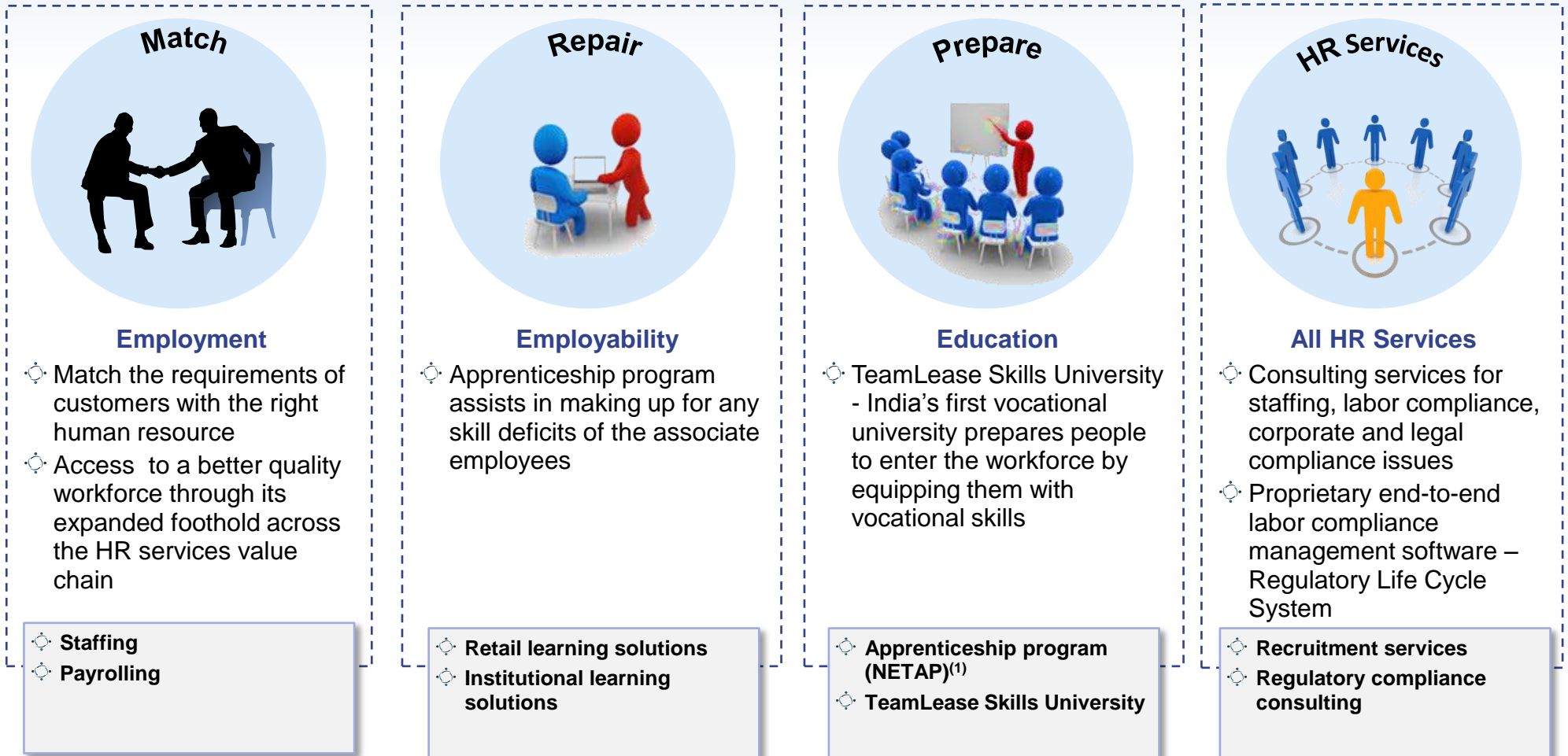




## COMPANY STRATEGY

# 1 The 'match, repair and prepare' strategy

TeamLease has expanded its service offerings to cover the entire human resources value chain



Note: (1) NETAP is an apprenticeship training program enabled by TeamLease, the Confederation of Indian Industry and the National Skills Development Council where apprentices are Identified and placed with clients; This is not consolidated as a part of TeamLease Services Limited

# Prudent growth strategy ahead...



**Contribute to accelerating Industry and labour market transformation**



**Scaling operations in terms of people, process and technology**



**Continue to grow through strategic acquisitions**



**Build hiring capabilities**



**Capital / asset light business model**



**Expand service offerings to offer high margin services**



Thank You