

October 30, 2018

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

Sub: Investor Presentation on Financial Results for Q2FY19

Ref: Regulation 30 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

Dear Sir/Madam,

In compliance with the provisions of Regulation 30 of the SEBI LODR please find enclosed 'Investor Presentation Q2FY19' towards financial results update for Q2FY19

Further, in compliance with the provisions of Regulation 46 of the SEBI LODR we propose to upload the above on our Company's website www.teamleasegroup.com for information of our shareholders/public.

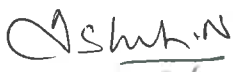
This is in furtherance of our intimation dated October 23, 2018 relating to Conference Call with Investors on Q2FY19.

This is for your information and records.

Thanking You.

Yours faithfully,

For **TeamLease Services Limited**


Ashok Kumar Nedurumalli
Managing Director
(DIN:00151814)



Encl: As above



TeamLease Services Limited

BSE: 539658 | NSE: TEAMLEASE | ISIN: INE985S01024

Putting India to Work

Tuesday, October 30, 2018

www.teamleasegroup.com



Disclaimer

This presentation has been prepared by TeamLease Services Limited ("Company") solely for information purposes without any regard to any specific objectives, financial situations or informational needs of any particular person. This presentation may not be copied, distributed or disseminated, directly or indirectly, in any manner. Failure to comply with this directive may result in a violation of the applicable law in certain jurisdictions. By reviewing this presentation, you agree to be bound by the restrictions contained herein, and to maintain absolute confidentiality, regarding the information disclosed in these materials.

This presentation does not constitute or form part of and should not be construed as, directly or indirectly, any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company by any person in any jurisdiction, including in India, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment therefor.

This presentation contains statements that constitute forward looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects", "plans", "will", "estimates", "projects", or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition,, government policies, regulations, etc. The Company does not undertake any obligation to revise or update any forward looking statement that may be made from time to time by or on behalf of the Company including to reflect actual results, changes in assumptions or changes in factors affecting these statements. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward looking statements

This presentation is not a complete description of the Company and may not be all inclusive and may not contain all of the information that you may consider material. The information contained in this presentation has not been independently verified. No representation, warranty, guarantee or undertaking, express or implied, is or will be made as to, and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information, estimates, projections and opinions contained in this presentation. Viewers of this presentation must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. Such information and opinions are in all events not current after the date of this presentation. Further, past performance is not necessarily indicative of future results. Any opinions expressed in this presentation or the contents of this presentation are subject to change without notice. This presentation should not be construed as legal, tax, accounting, investment or other advice.

Any person placing reliance on the information contained in this presentation or any other communication by the Company does so at his or her own risk and none of the Company nor any of its affiliates, advisers or representatives, any placement agent, promoters or any other persons that may participate in any offering of any securities of the Company shall have any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions, insufficiencies or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation.

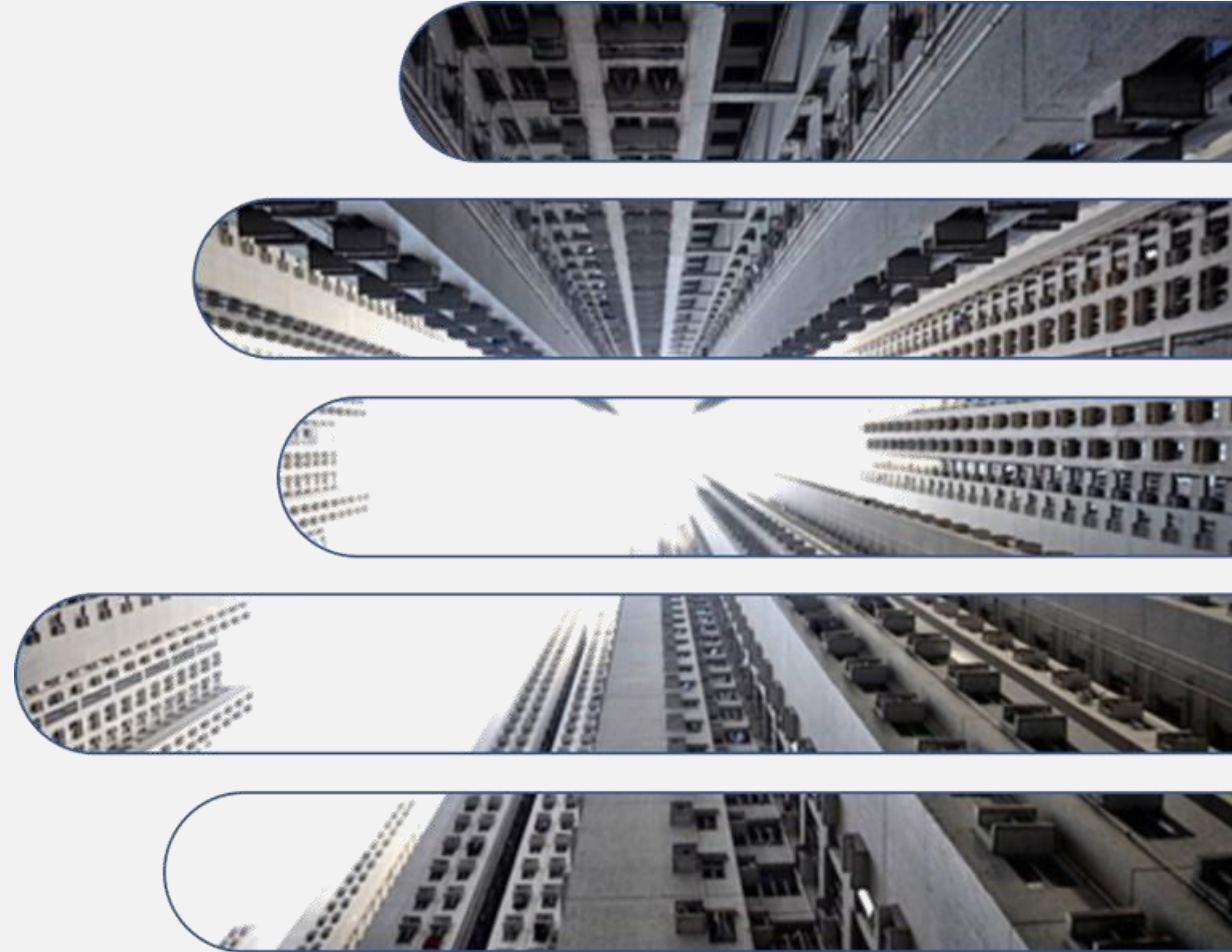
This presentation has not been and will not be registered as a prospectus with any Registrar of Companies in India. This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement, a private placement offer letter or an offer document under the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law.



Introduction

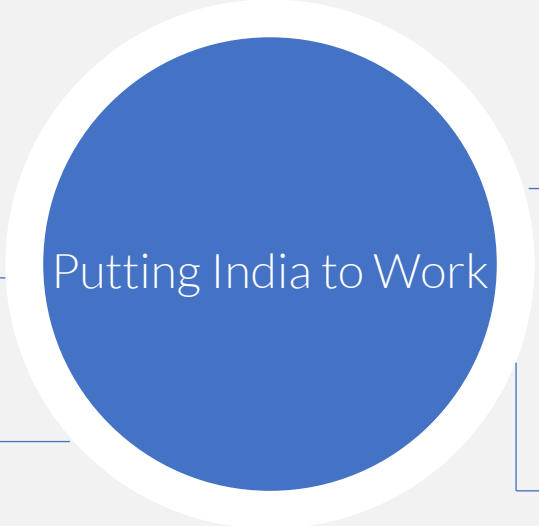
TeamLease Services established in 2002, is one of India's leading human resource service companies in the organized segment. A Fortune India 500 company listed on both NSE & BSE markets has a presence in 8 locations, with 2250+ clients and over 1700 core employees across the country. A one-stop provider of human resources services to various industries and diverse functional roles, offering staffing, payroll processing, recruitment, compliance and training services. TeamLease set in motion the larger company mission of 'Putting India to Work' by focusing on its vision of 3 E's – Employment, Employability and Education

The Company in partnership with the Government of Gujarat, set up TeamLease Skills University (TLSU), India's first vocational university, at Vadodara. In FY2015, TeamLease rolled out NETAP (National Employability through Apprenticeship Program) to provide on-the-job training to apprentices. The company at present has over 199,000 associates/trainees spread across the country and have till date given employment to over 1.7 million people with an aim to hire millions more .





Overview



Supply Chain

India's Leading People Supply chain company in the organized Sector

Clients

2250+ Client base at any given time have associates from TeamLease posted at various locations

Associates

Over 1.9Lakhs associates/ trainees, making us one of the largest private sector employer



Present in all 29 states with a network of partnerships. Delivering in over 6000 locations

Presence

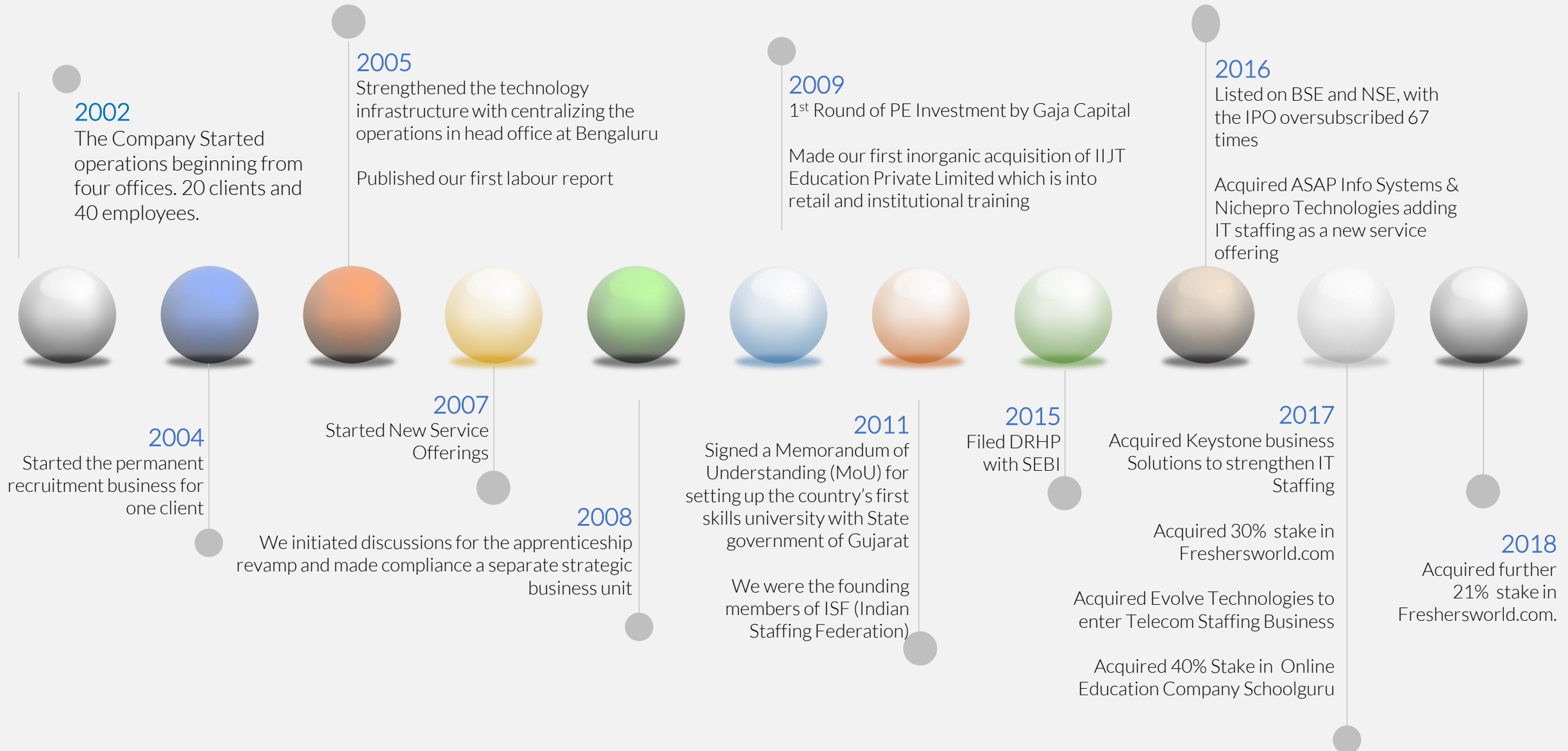


Revenues from operations, in excess of ₹ 3600Cr for the year ending Mar 2018. Cash Positive & Debt free Revenue





The Journey Thus Far



Our Team



Board of Directors



Manish Sabharwal
Executive Chairman



Ashok Reddy
Managing Director & CEO



Latika Pradhan
Independent Director



Narayan Ramachandran
Independent Director



V Raghunathan
Independent Director



Our Vision

Vision

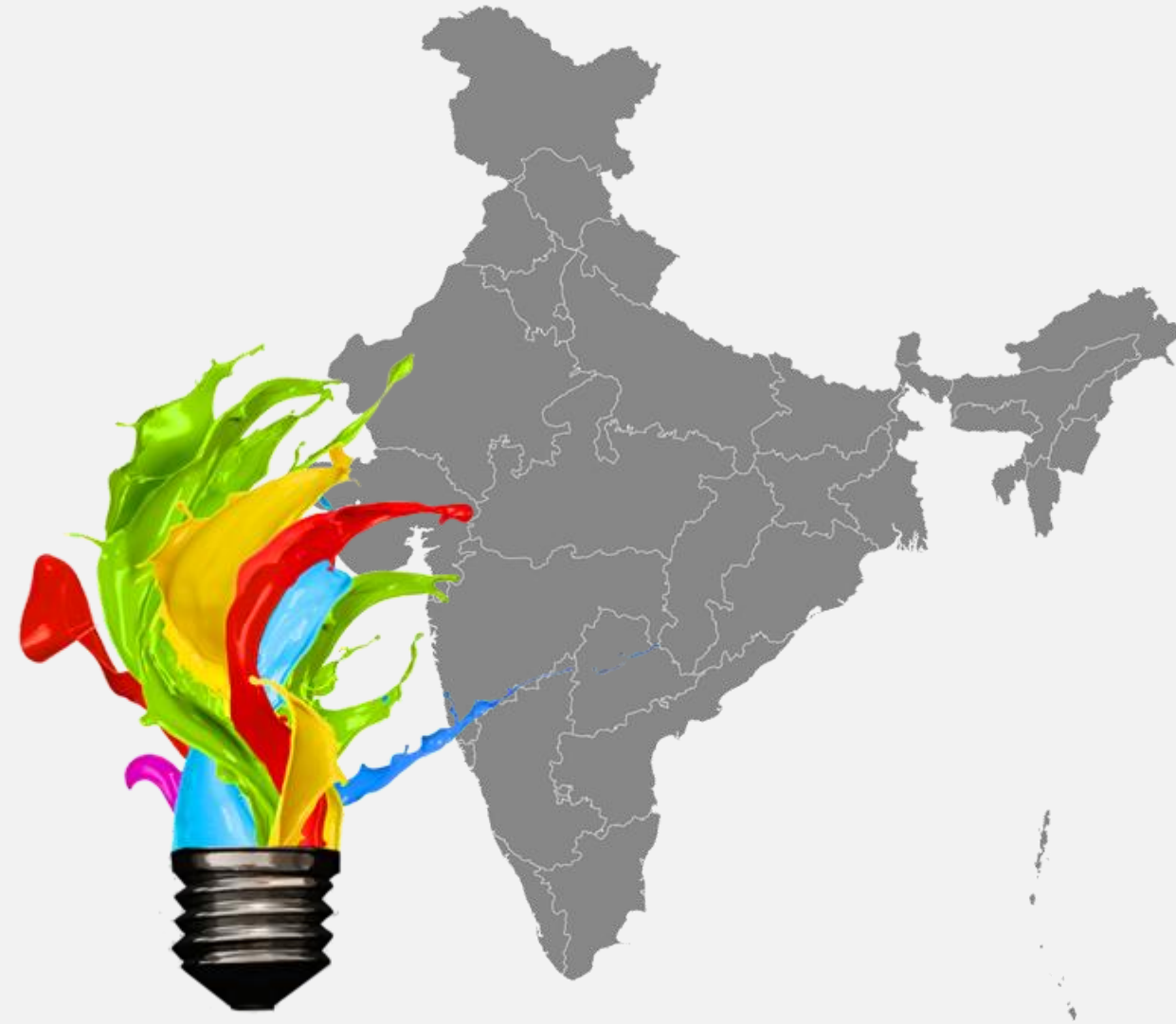
Our Long term philosophy and goals are best reflected by our purpose of “Putting India to Work”

Our contribution to the Nation

Our vision has been at the forefront of our existence, helping us employ, “One Indian” every 5 minutes over the past 5 years.

The Future that we see

Our goal is to become the largest Private sector employer in the world.





Key Value Drivers

Market Share

TeamLease holds over 5% share of the organized staffing segment

Strict adherence to labour and corporate laws, backed by strong internal compliance

Governance

Technology

The right know-how and data insights to help enhance operational efficiencies

Knowledge driven expertise across sectors with an edge to enhance customer value

Knowledge

Management

Seasoned set of senior management team, with over 200 years of cumulative experience

Several Fortune 500 companies and fast growing SMEs have trusted our services

Client Portfolio

Team

Set of Intellectual capital forms a cornerstone of our success

Pan India presence to scale our business with increasing trust and reliability

Presence

Cross Sector Services





Business Imperatives

Geographies of Work



TeamLease Disruptive Business Focus Areas



Employment

- TeamLease Services Limited
- TeamLease Digital
- Keystone Business Solutions
- Evolve Technologies
- Freshers World



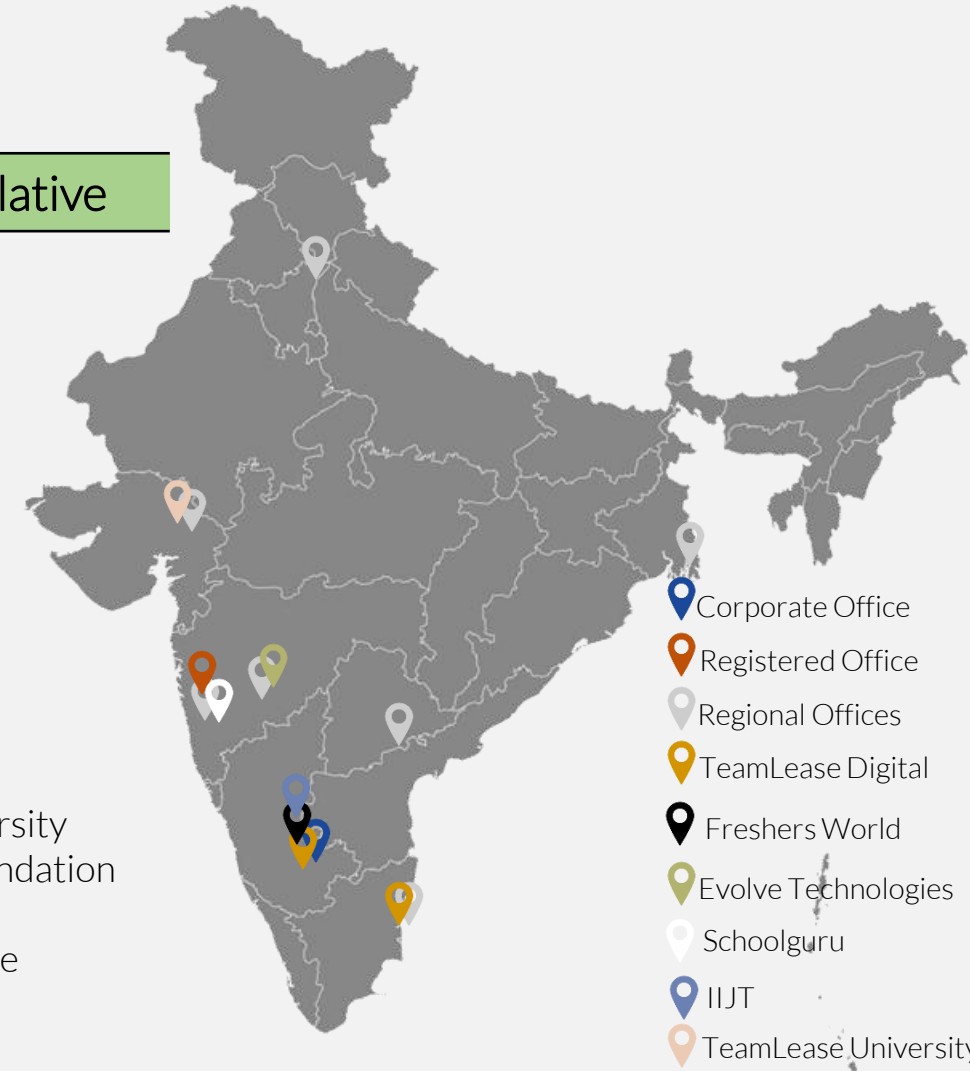
Employability

- Training
- Schoolguru Eduserve
- NETAP



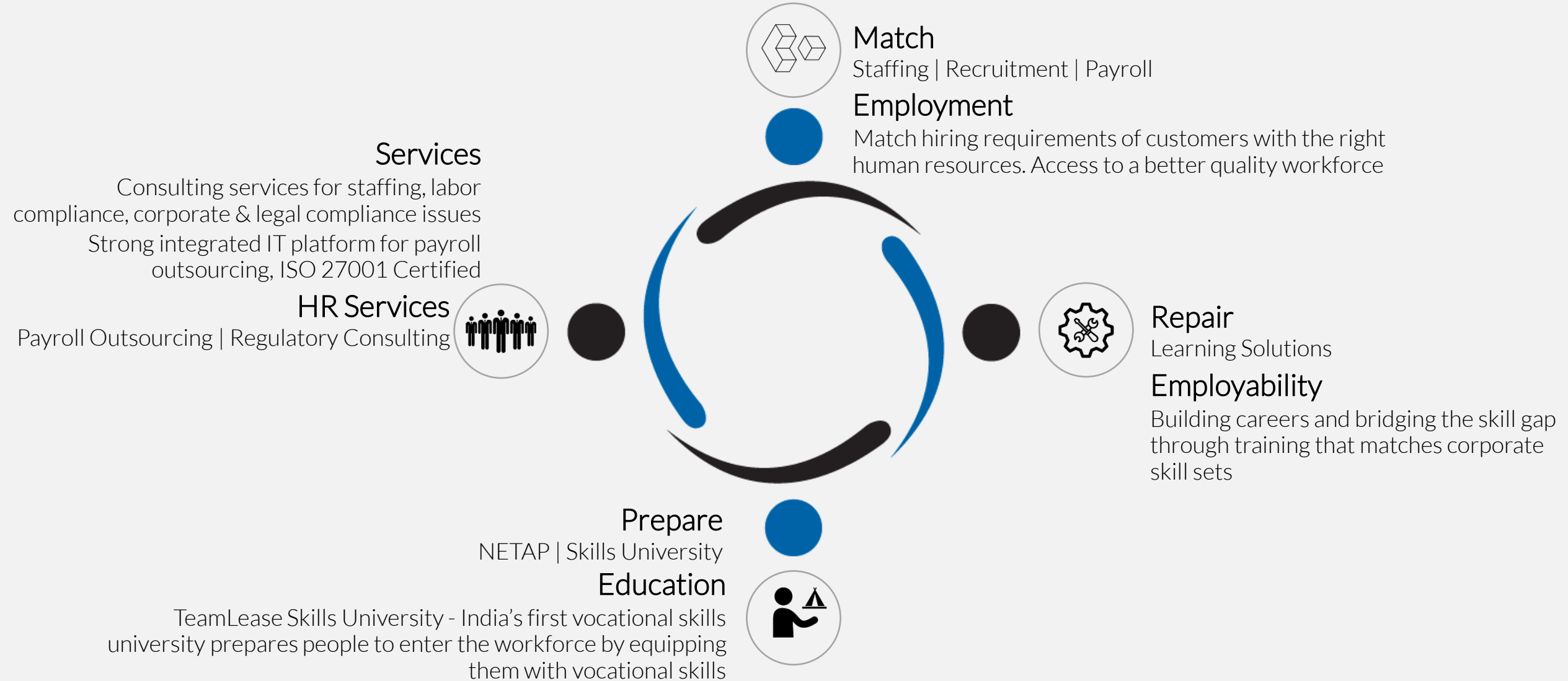
Education

- TeamLease Skills University
- TeamLease Education Foundation
- IIJT Education
- Schoolguru Eduserve





Our Strategy

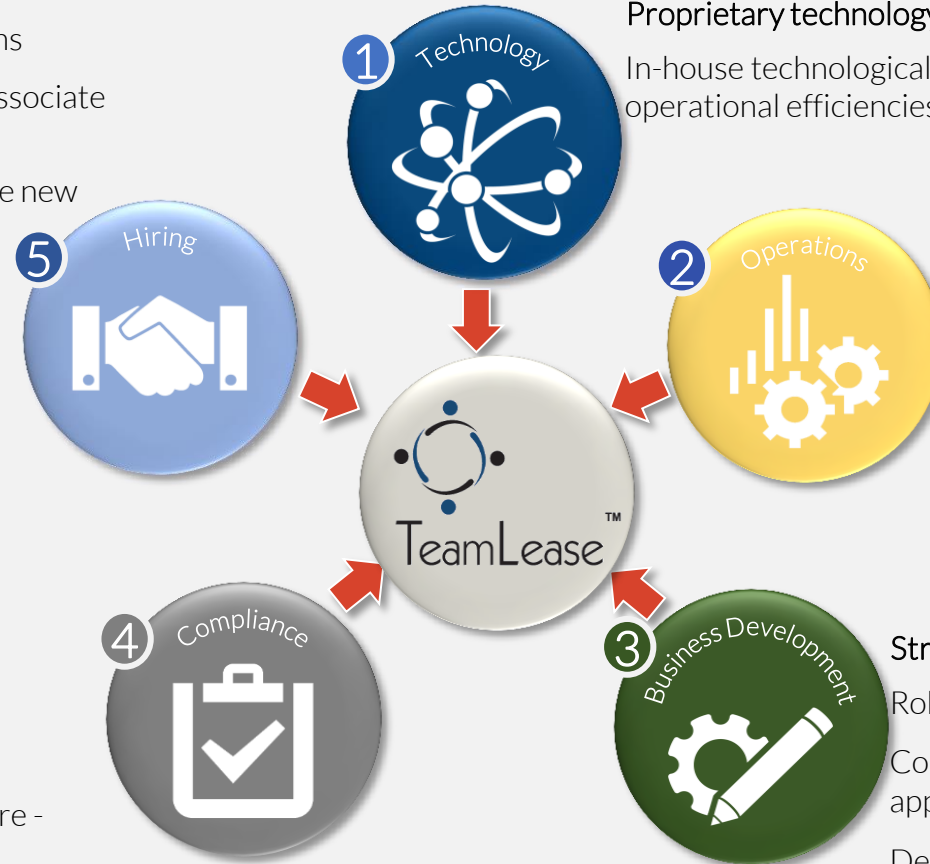




Competitive Position

Robust operational levers

- Centralized large scale operations
- Well trained, diverse and large associate employee base
- Foray into new sectors or acquire new clients



Proprietary technology platform

In-house technological platform contributing to operational efficiencies

On time payments to associates

Strong track record of making on-time payments to all associate employees every month

Strong business development capability

Robust technological infrastructure

Continuous upgradation of software applications and platforms

Dedicated team of 40 software engineers

Robust compliance platform

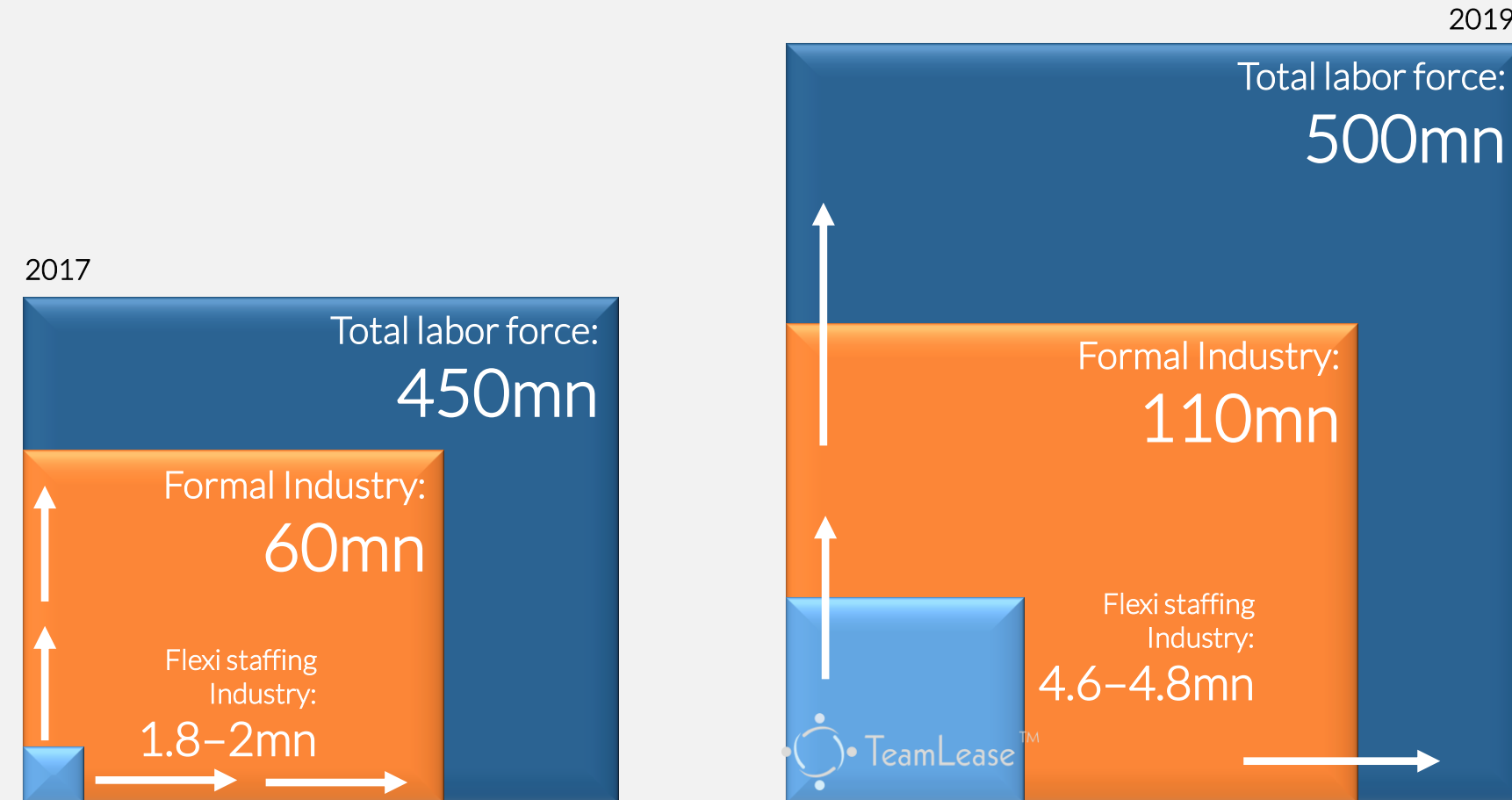
Proprietary end-to-end labor compliance management software - Regulatory Life Cycle System

As a market leader with national footprint, TeamLease benefits from economies of scale



Share of Flexi Staffing (Current & Projected)

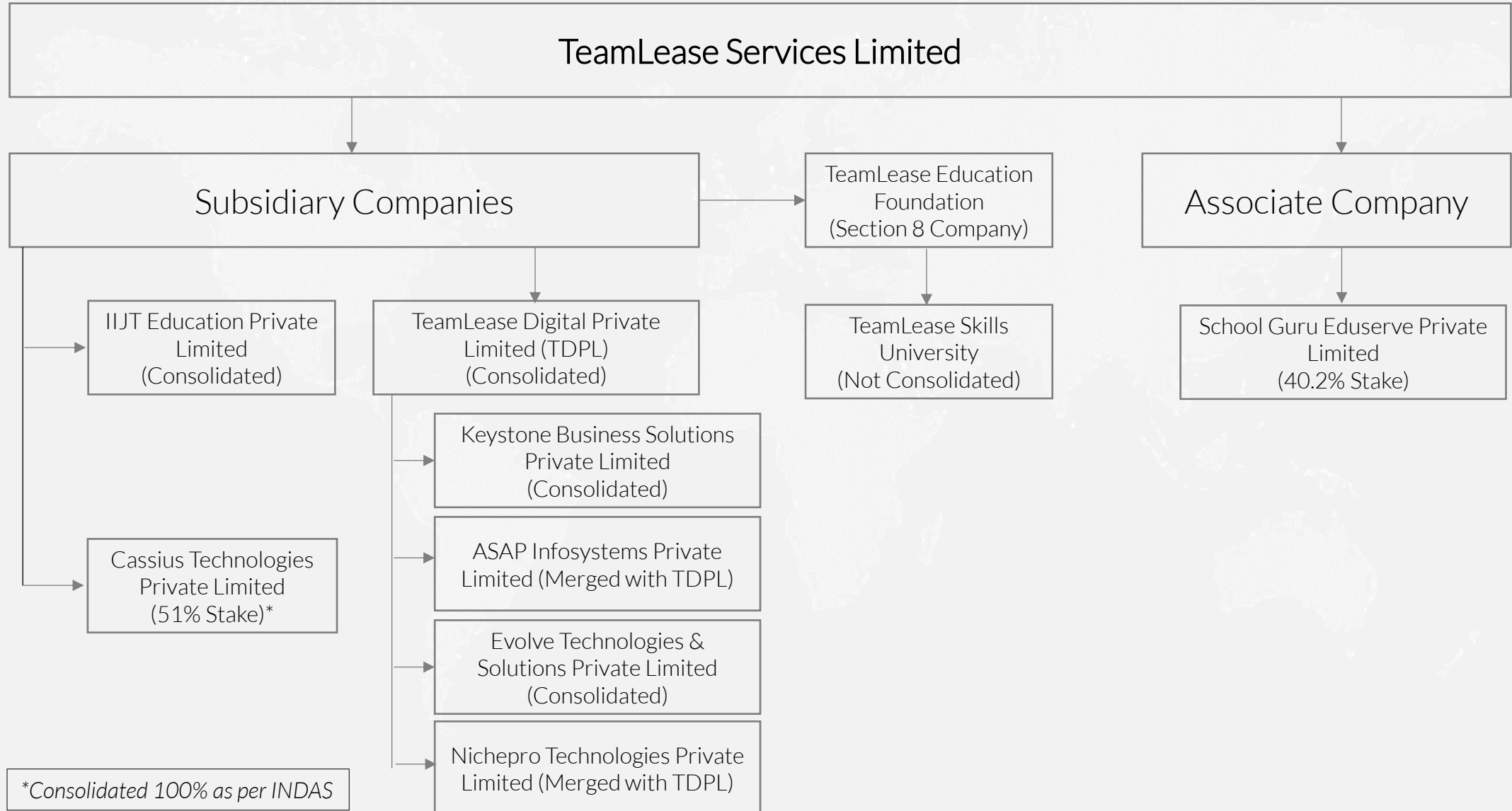
Formal sector to witness accelerated growth



Formalisation of workforce to significantly benefit the flexi staffing industry



TeamLease Group Structure



*Consolidated 100% as per INDAS

Investor Update – Quarter 2 2018-19



Key Performance Highlights – quarter ending September 30th 2018



01.

Quarterly revenue grew by 24% YoY and half-yearly revenue grew by 22% YoY. Organic growth in general staffing is 19% YoY.

02.

Associate/trainee headcount increased by ~37,000 on YoY basis and by ~8,000 on QoQ basis. Our current associate headcount in general staffing is ~145,000 and NETAP trainee headcount is ~49,000.

03.

EBITDA was ₹ 24 crores for Q2FY19 and ₹ 44 crores for H1FY19 reflecting YoY growth of 58% on a quarterly basis and 56% on half-yearly basis. This was achieved by way of margin expansion in HR services and operating leverage in general staffing. Organic EBITDA grew by 40% YoY.

04.

Earnings Per Share (EPS) was ₹ 14.6 for Q2FY19 and ₹ 27.3 for H1FY19.

05.

Reduced our funding exposure to 16% in general staffing business from 23% in Q2FY18 and maintained efficient working capital management.

06.

Our ratio of associates/trainees to staffing core employees improved to 241 in Q2FY19 from 210 in Q2FY18.



Financial Performance

*All Numbers are in ₹ Crores except for margins

Consolidated Performance

Particulars	Q2FY19	Q2FY18	YoY Growth %	Q1FY19	QoQ Growth %	H1FY19	H1FY18	H1 Growth %
Total Revenue	1,094.7	880.0	24.4%	1,026.6	6.6%	2,121.2	1,738.8	22.0%
Operating Revenue (net)	1,090.7	875.6	24.6%	1,021.3	6.8%	2,112.0	1,728.6	22.2%
EBITDA	24.0	15.2	57.8%	20.0	19.5%	44.0	28.2	55.9%
EBITDA margin (%)	2.2%	1.7%		2.0%		2.1%	1.6%	
PBT	23.7	17.3	36.9%	21.5	9.9%	45.2	33.9	33.3%
PBT margin (%)	2.2%	2.0%		2.1%		2.1%	2.0%	
Net Profit (PAT)	24.9	17.4	43.1%	21.8	14.3%	46.7	33.8	38.1%
PAT margin (%)	2.3%	2.0%		2.1%		2.2%	2.0%	
EPS (Basic and Diluted) - ₹	14.6	10.2	43.1%	12.8	14.3%	27.3	19.8	38.1%

Standalone Performance

Particulars	Q2FY19	Q2FY18	YoY Growth %	Q1FY19	QoQ Growth %	H1FY19	H1FY18	H1 Growth %
Total Revenue	1,021.2	855.2	19.4%	954.1	7%	1,975.4	1,691.4	16.8%
Operating Revenue (net)	1,014.5	848.8	19.5%	946.0	7%	1,960.5	1,677.2	16.9%
EBITDA	18.1	11.4	58.8%	15.0	21%	33.1	21.5	54.2%
EBITDA margin (%)	1.8%	1.3%		1.6%		1.7%	1.3%	
PBT	23.2	16.6	39.6%	21.7	7%	44.9	33.3	34.7%
PBT margin (%)	2.3%	2.0%		2.3%		2.3%	2.0%	
Net Profit (PAT)	23.5	17.5	34.6%	21.0	12%	44.5	34.5	28.9%
PAT margin (%)	2.3%	2.1%		2.2%		2.3%	2.1%	
EPS (Basic and Diluted) - ₹	13.8	10.2	34.6%	12.3	12%	26.0	20.2	28.9%

Consolidated Segment Results



*All Numbers are in ₹ Crores except for margins

Particulars	Q2FY19	Q2FY18	YoY Growth %	Q1FY19	QoQ Growth %	H1FY19	H1FY18	YoY Growth %
Revenue:								
General Staffing and Allied Services	977.3	835.0	17.0%	916.1	6.7%	1,893.4	1,651.6	14.6%
Specialised Staffing Services*	75.6	26.8	181.8%	75.0	0.9%	150.6	51.4	192.8%
Other HR Services	38.4	13.7	179.7%	30.3	27.0%	68.7	25.6	168.5%
Total Income from Operations	1,090.6	875.5	24.6%	1,021.4	6.8%	2,112.0	1,728.6	22.2%
EBITDA:								
General Staffing and Allied Services	18.4	14.4	27.2%	15.6	17.5%	34.0	27.7	22.6%
Specialised Staffing Services	5.5	3.8	46.2%	5.3	4.2%	10.8	6.9	56.3%
Other HR Services	4.0	(0.3)	TA*	2.4	70.0%	6.4	0.5	1088.2%
Unallocated	(3.9)	(2.8)	42.1%	(3.2)	21.4%	(7.2)	(6.9)	3.3%
Total EBITDA	24.0	15.1	57.8%	20.1	19.5%	44.0	28.2	55.9%
EBITDA Margin %								
General Staffing and Allied Services	1.9%	1.7%		1.7%		1.8%	1.7%	
Specialised Staffing Services	7.3%	14.1%		7.1%		7.2%	13.5%	
Other HR Services	10.4%	-1.8%		7.8%		9.4%	2.1%	
Consolidated EBITDA Margin	2.2%	1.7%		2.0%		2.1%	1.6%	

*TA: Turnaround from loss to profit

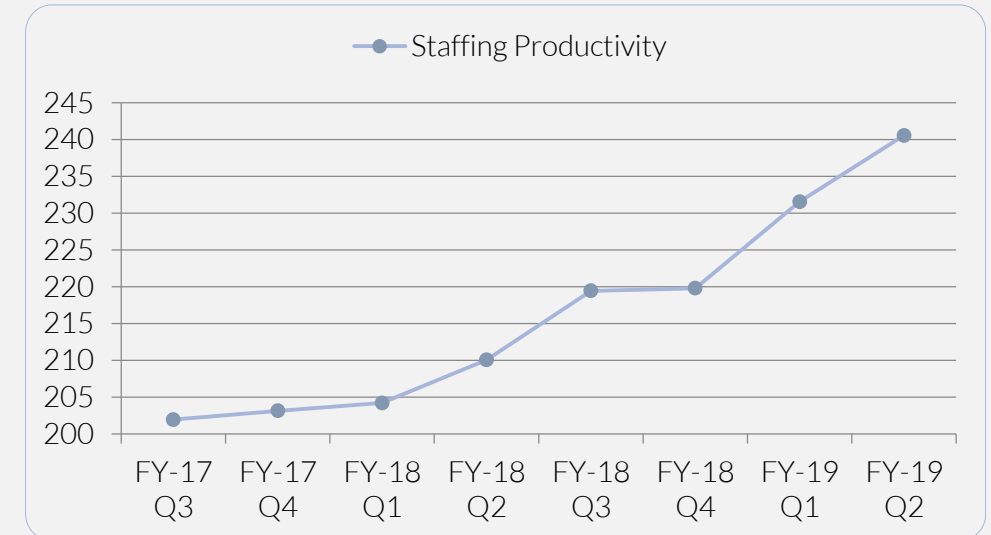


Headcount & Productivity

Quarter	General Staffing Associates	NETAP Trainees	Specialised Staffing	Total Outsourced	Core Employees	Total Headcount
FY-17 Q3	1,23,946	19,427	1,261	1,44,634	1,406	1,46,040
FY-17 Q4	1,26,463	23,439	1,251	1,51,153	1,436	1,52,589
FY-18 Q1	1,29,787	28,051	1,423	1,59,261	1,467	1,60,728
FY-18 Q2	1,27,844	32,615	1,631	1,62,090	1,466	1,63,556
FY-18 Q3	1,30,950	40,423	5,910	1,77,283	1,632	1,78,915
FY18 Q4	1,32,323	43,052	5,948	1,81,323	1,704	1,83,027
FY19 Q1	1,37,735	47,493	6,407	1,91,635	1,726	1,93,361
FY19 Q2	1,45,145	48,725	6,065	1,99,935	1,704	2,01,639

Improvement in Staffing Core Employee Productivity

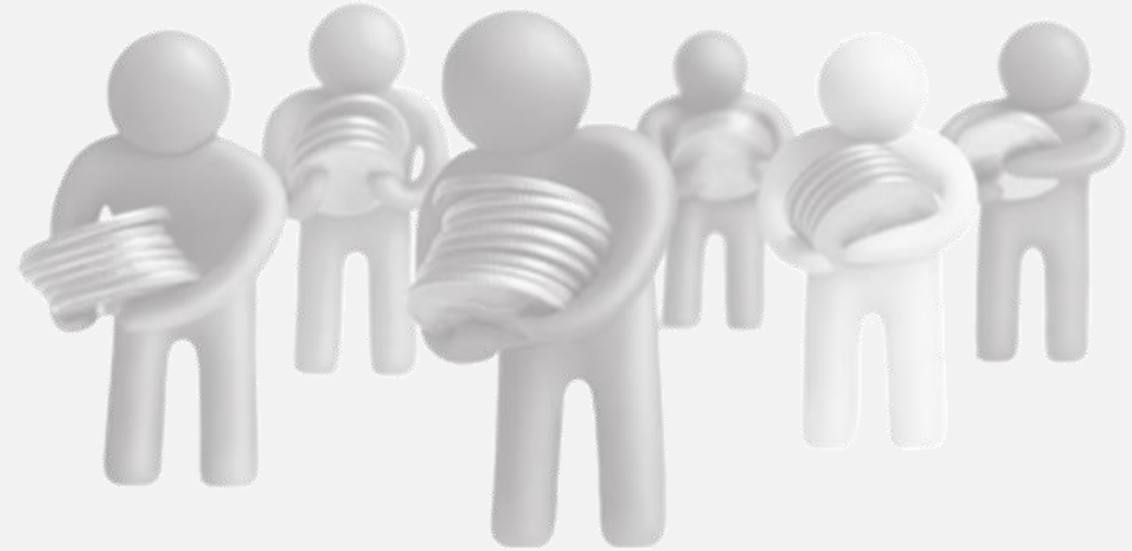
Quarter	Total Outsourced	Staffing Core Employees	Staffing Productivity
FY-17 Q3	1,43,373	710	202
FY-17 Q4	1,49,902	738	203
FY-18 Q1	1,57,838	773	204
FY-18 Q2	1,60,459	764	210
FY-18 Q3	1,71,373	781	219
FY-18 Q4	1,75,375	798	220
FY-19 Q1	1,85,228	800	232
FY-19 Q2	1,93,870	806	241





Shareholding Structure

Category	% of shareholding
Promoter Group	35.5%
Exited Promoter	5.2%
Anchor FII	14.2%
Anchor DII	1.4%
Non-Anchor FII	29.4%
Non-Anchor DII	9.6%
Employees	1.8%
Retail/HNI	2.5%
ESOP Trust	0.4%



Annual General Meeting

Company is expected to conduct the Annual General Meeting before December 31, 2018, the delay is due to pending approval from Registrar of Companies for shifting of registered office of the Company from Mumbai, Maharashtra to Bangalore, Karnataka.

TeamLease Services Limited

BSE: 539658 | NSE: TEAMLEASE | ISIN: INE985S01024

Putting India to Work

Tuesday, October 30, 2018

www.teamleasegroup.com

Thank you!