

## TEAMLEASE TO ACQUIRE STAKE IN FRESHERSWORLD.COM TO ACCELERATE ITS HIRING STRATEGY

TeamLease Services Limited (**NSE: TEAMLEASE, BSE: 539658**), one of India's largest staffing companies, and Freshersworld.com (legal entity name 'Cassius Technologies Pvt. Ltd. '), a leading online job portal in India, today announced the signing of a definitive agreement under which TeamLease will acquire 30% stake in Freshersworld. The transaction remains subject to customary closing conditions and regulatory approvals and is expected to close before the end of July 2017. Freshersworld will continue operating as a separate and independent entity.

Announcing the signing, **Ashok Reddy, Managing Director, TeamLease Services** said *"TeamLease has hired more than 16 lac people over the last fifteen years but finding the right person at the right time in the right place is a binding constraint for our growth. The fastest growing functional segments of India's job market over the next decade are sales, customer service and logistics and freshersworld.com is uniquely positioned among entry level job seekers. Traditional employment exchanges have struggled to match employers and job seekers because of the long tail of India's supply chain but search costs are poised to reduce with Aadhar, Cell Network coverage and Smart phones.*

*The Nobel Prize in economics that went to Peter Diamond for his work on "search costs in labour markets" has particularly relevance for India over the next decade as we make five labour market transitions; farm to non-farm, rural to urban, subsistence self-employment to decent wage employment, informal enterprises to formal enterprises, and school to work. Freshersworld has a unique positioning amongst first-time job seekers and fills an important technology gap for TeamLease. Besides the equity stake, the agreement envisages TeamLease using the digital infrastructure, software and algorithms of Freshersworld.com to power [www.teamlease.com](http://www.teamlease.com), and other Public Private partnerships in Apprentices, Higher Education and State government matching programs."*

**Joby Joseph, Founder & CEO, Freshersworld** said *"The partnership with Teamlease will allow us to create a formidable force with enhanced product offerings in building databases, online job matching, assessments and background verification. TeamLease's vision of "Putting India to Work" resonates with us deeply and matching is the lowest hanging fruit in labour market problems. Whether India takes jobs to people or people to jobs, our combined solution will help millions of people find better jobs."*

### Strategic deal rationale

- Indian staffing market has been largely unorganized so far but industry trends suggests that formalization is accelerating, and compliance and hiring capabilities are becoming more involved in vendor selection and consolidation. Estimated share of the formal staffing sector will increase from the current 1% of the labour force to 5-15% in the future. In order to cope with the increased demand for staffing, TeamLease intends to invest in better ways to source and engage talent using technology.
- TeamLease and Freshersworld have a shared vision to develop innovative capabilities that deliver greater value to job seekers and employers by bringing labor supply and demand closer together. With the increased penetration of internet use and mobile phones in India, digital, social and mobile-based hiring solutions are cost effective and efficient. The model will morph to a freemium model that works with a variety of institutions across state governments, central ministries, education and civil society.
- TeamLease continues to enhance its business model with more than 150,000 employees/trainees and 1,900 clients spread across 6,000 locations in India. The associate base of TeamLease, with 70% entry-level jobs (0-3 years experienced), 57% graduates and average age of less than 25 years, finds perfect fit with the candidate database of Freshersworld.
- Freshersworld directly complements various service offerings of TeamLease including general staffing, IT staffing, apprentice staffing (NETAP), permanent recruitment, online assessment and training.

### Key Terms of the Agreement

- Under the terms of the definitive agreement, TeamLease will acquire 30% stake in Freshersworld through part primary and part secondary sale. The deal is structured as an all-cash tender financed with the existing cash reserves of TeamLease.
- The purchase price implies an enterprise value of Rs. 18 crore pre-money and Rs.20 crore post-money. The primary infusion of capital into the business is intended to enhance the product features and back end technology of freshersworld.com.
- Acquisition of further stake in Freshersworld or complete exit is linked to future performance and key product milestones over the next 3 year period.

### About Freshersworld

Bangalore headquartered Freshersworld ([www.freshersworld.com](http://www.freshersworld.com)) is the leading job site for entry level hiring in India with about 4 million unique visits every month. It has a database of 1 crore+ resumes with over 2 lakh resumes added every month. Freshersworld dominates its competitors in fresh hire segment with an organic traffic of over 90% and is ranked among the

Top 5 hiring portals in India in terms of traffic (as per Alexa). It has over 60,000 registered employers/ recruiters with 4,000 subscribed customers and conducts 100+ virtual recruitment drives every month. Freshersworld is one of the very few online portals with positive margins and operating cashflows.

**About TeamLease Services Limited**

TeamLease is a leading human resource service company with over 150,000 associates/trainees in 6,000+ locations. The company has 8 offices and 1,900 clients across the country for its services in Staffing, Outsourcing and Human Capital. TeamLease pursues its mission of 'Putting India to Work' by focusing on the 3 Es of 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 through which NETAP (National Employability through Apprenticeship Program) provides on-the-job training. The Company has cumulatively given employment to 1.5 million people in the last 15 years and aims to hire millions more. For more details, visit [www.teamlease.com](http://www.teamlease.com).

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