



**TeamLease**<sup>TM</sup>  
Putting India to Work

Date: May 23, 2016

To:

The Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> Floor  
Bandra Kurla Complex,  
Bandra (East)  
Mumbai - 400051  
**SYMBOL- TEAMLEASE**

The Listing Centre  
BSE Ltd.,  
P J Towers,  
Dalal Street,  
Mumbai -400001

**SCRIP CODE - 539658**

Dear Sir/Madam,

**Sub: Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Please find enclosed financial results update 'Investor Presentation' 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 May 13, 2016 relating to Conference Call for Financial Results.

This is for your information and records.

**For TeamLease Services Limited**

**C Mruthunjaya Murthy**  
**Company Secretary & Compliance Officer.**



Encl: As above.



**TeamLease Services Limited**  
 Investor presentation  
 May 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.

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# 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

**110,000+**  
Employees

**5%**  
market share

**1,400+**  
customers

**11,000+**  
Trainees

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



## 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

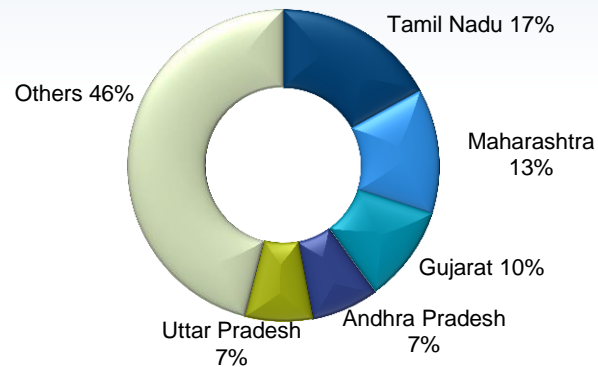
- Accelerating labour and industry transformation
- Scalability in terms of people, process and technology
- Margin Expansion through growth/scale
- Specialization, HR/Education Services
- Asset / capital light business model



# Multiple structural issues in the Indian labour market

## 1 Physical geography of work

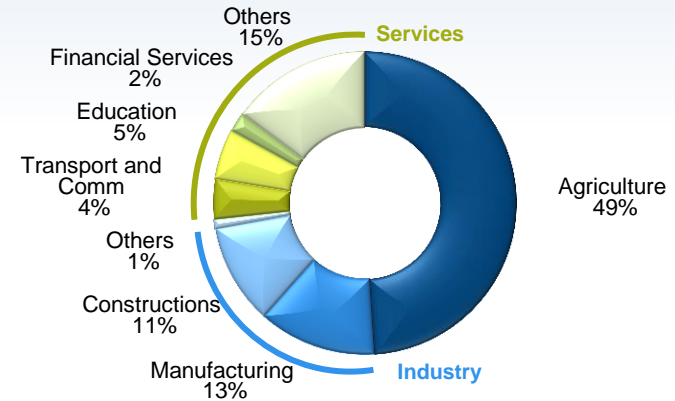
Factories in operation across regions (2012-2013)



- 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>

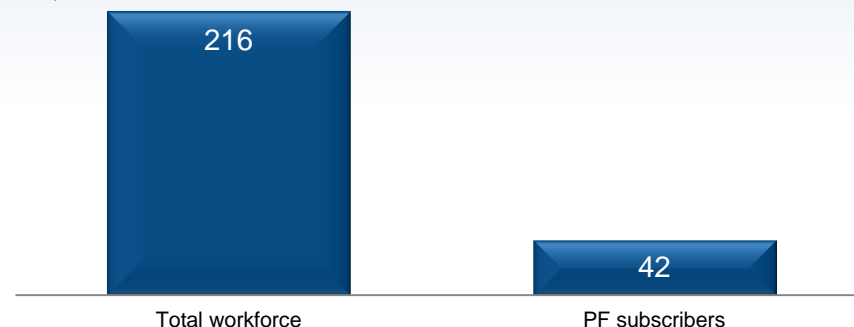


- Most of the enterprises in India are small and informal
- Less than 2% of total enterprises are registered companies
- Large % of contract employees, majority of which are in informal sector

## 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

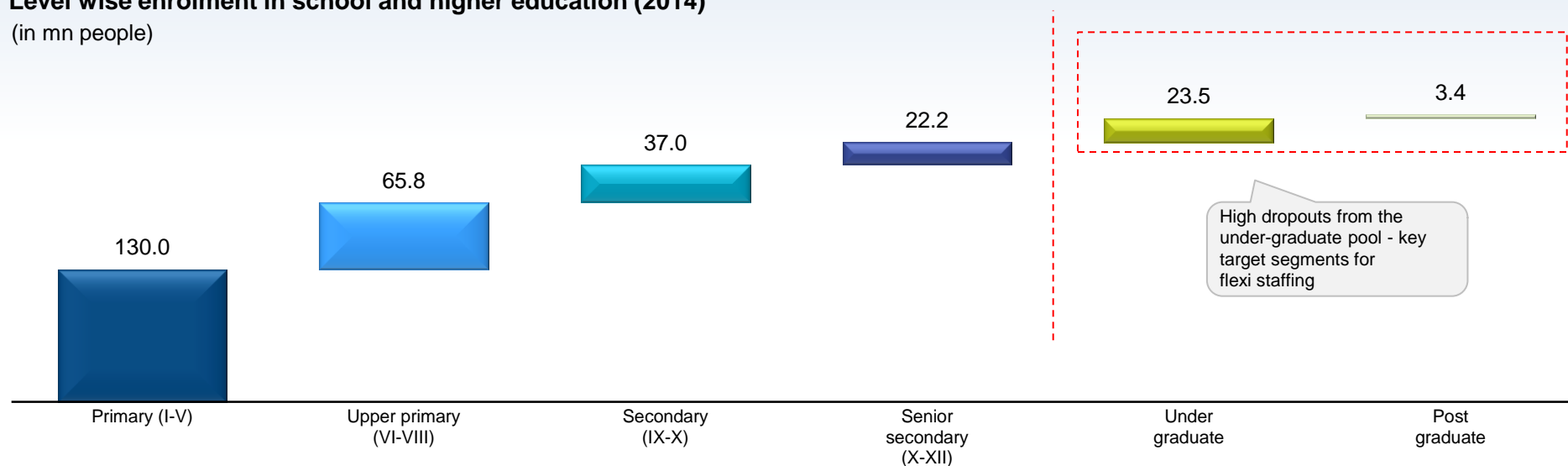
Source: CRISIL Research.

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)

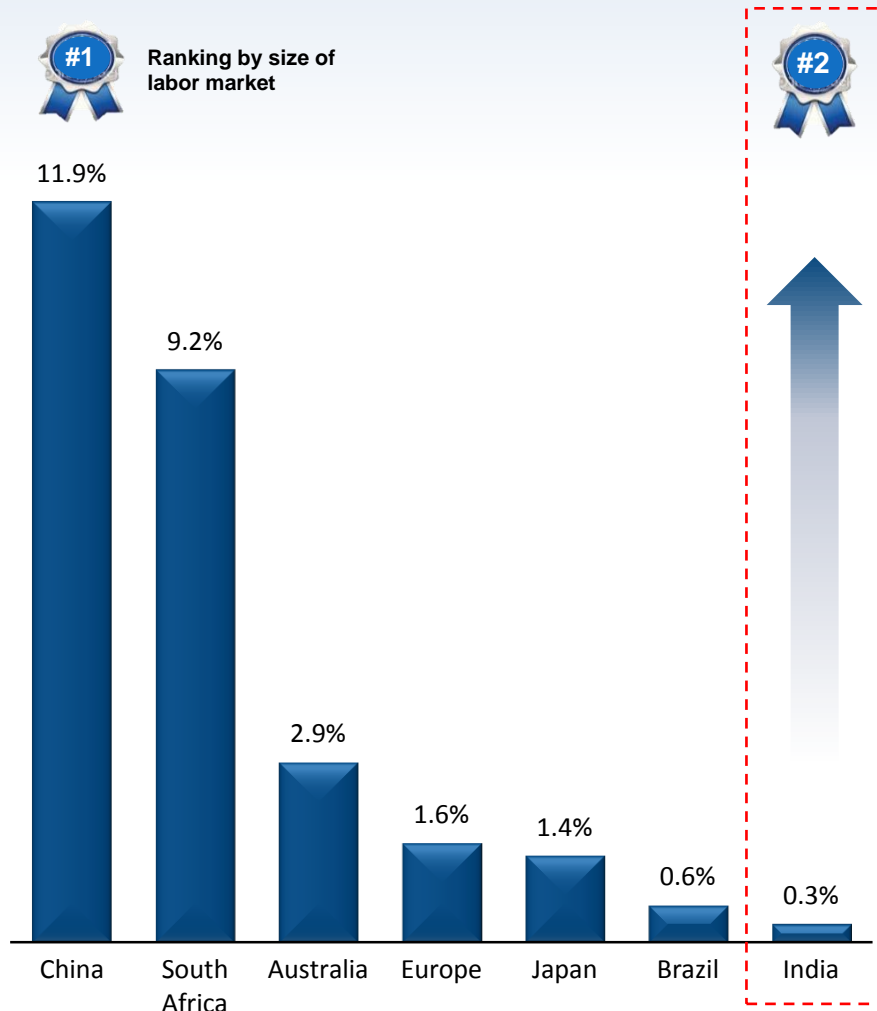


- ~14.8 mn candidates drop out post Class X and ~20.1 mn candidates drop out after under graduate
- ~82% of the total workforce are self employed and casual laborers; Due to lack of employment opportunities and skill gap between companies' demand and available skill-sets, workers are forced to work as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

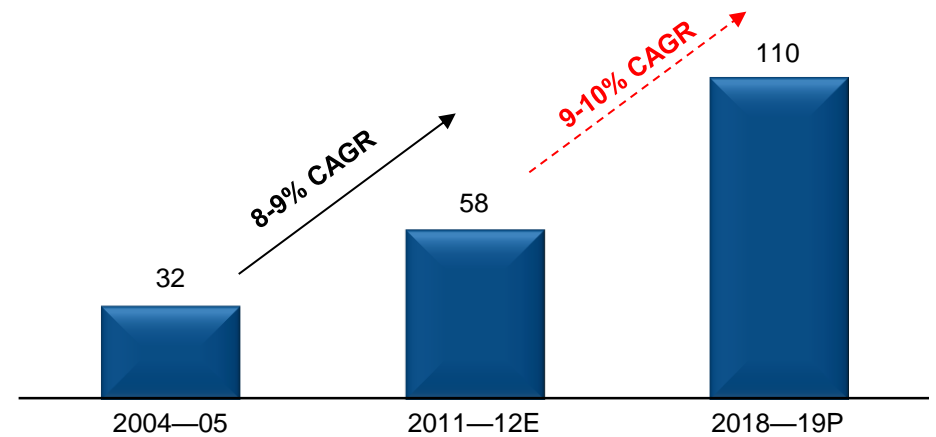


The Indian labour market is largely unorganized with low level of flexi staffing penetration

Significant headroom for formalization

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

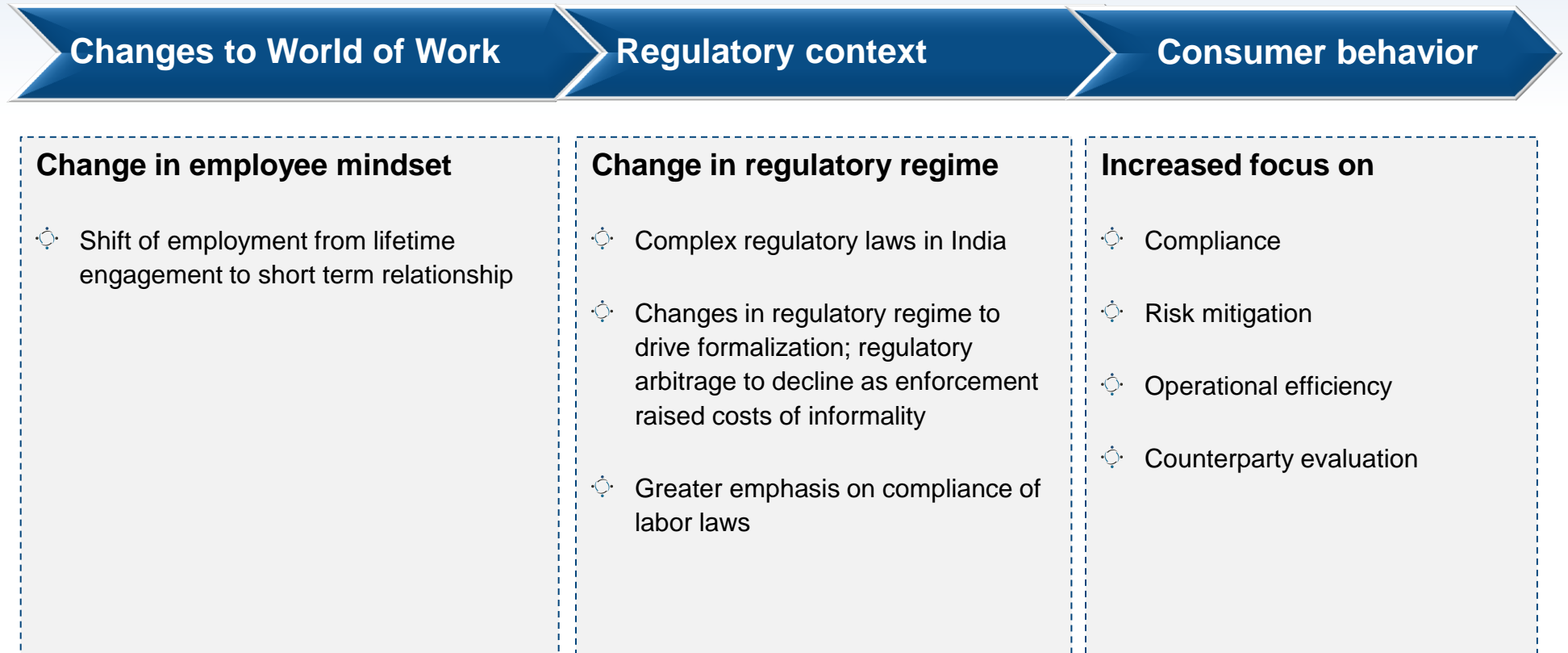
**Formal sector to witness 5x faster growth**  
(mn people)



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



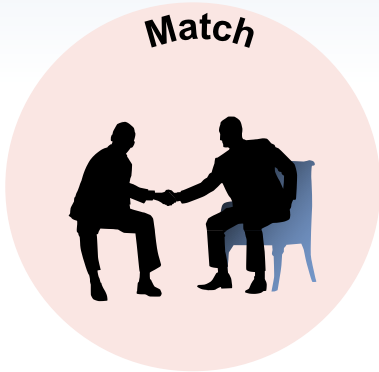


## COMPANY STRATEGY

# 1 The 'match, repair and prepare' strategy

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

## Match



### Employment

- Match the requirements of customers with the right human resource
- Access to a better quality workforce through its expanded foothold across the HR services value chain

- Staffing
- Payrolling

## Repair



### Employability

- Apprenticeship program assists in making up for any skill deficits of the associate employees

- Retail learning solutions
- Institutional learning solutions

## Prepare



### Education

- TeamLease Skills University - India's first vocational university prepares people to enter the workforce by equipping them with vocational skills

- Apprenticeship program (NETAP)<sup>(1)</sup>
- TeamLease Skills University

## HR Services



### All HR Services

- Consulting services for staffing, labor compliance, corporate and legal compliance issues
- Proprietary end-to-end labor compliance management software – Regulatory Life Cycle System

- Recruitment services
- Regulatory compliance consulting

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**





## BUSINESS UPDATE

# Standalone Year-on-Year Growth

(all numbers in Rs. million except Margins)

For the quarter ended March 31, 2016

	Q42016	Q42015	YoY change
Operating Revenue	6,641.84	5,293.55	25.5%
EBITDA	83.83	83.36	0.6%
EBITDA margin (%)	1.3%	1.6%	
PBT	138.68	114.24	21.4%
PBT margin (%)	2.1%	2.1%	
Net Profit (PAT)	91.44	68.03	34.4%
PAT margin (%)	1.4%	1.3%	

For the year ended March 31, 2016

	FY2016	FY2015	YoY change
Operating Revenue	25,049.18	20,070.70	24.8%
EBITDA	259.40	220.56	17.6%
EBITDA margin (%)	1.0%	1.1%	
PBT	373.08	340.58	9.5%
PBT margin (%)	1.5%	1.7%	
Net Profit (PAT)	242.86	322.54	-24.7%
PAT margin (%)	1.0%	1.6%	

# Consolidated Year-on-Year Growth

(all numbers in Rs. million except Margins)

For the year ended March 31, 2016

	FY2016	FY2015	YoY change
Operating Revenue	25,049.18	20,070.70	24.8%
EBITDA	257.81	240.52	7.2%
EBITDA margin (%)	1.0%	1.2%	
PBT	378.21	325.89	16.1%
PBT margin (%)	1.5%	1.6%	
Net Profit (PAT)	247.99	307.85	-19.4%
PAT margin (%)	1.0%	1.5%	

**Note:** We had not opted to present consolidated quarterly results as there are no material differences between unconsolidated and consolidated financials.

# Key highlights of FY2016

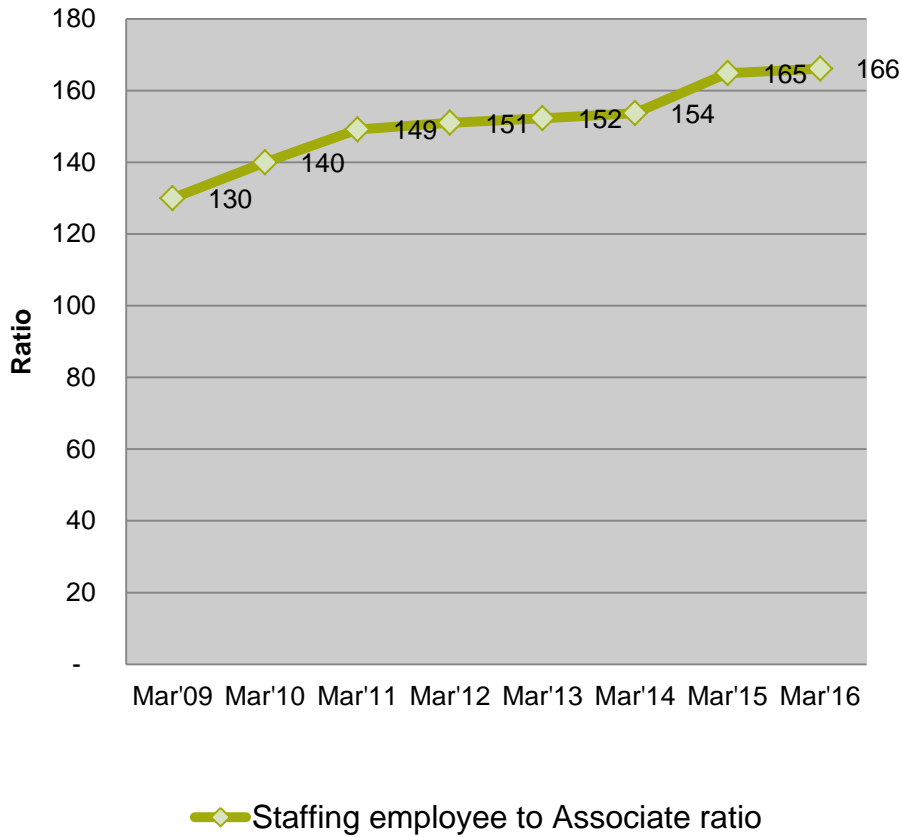
- During FY2016, we had a net increase in associate headcount by over 14,000 on an opening balance of 94,647. We crossed 110,000 employee count, including both core employees and associate employees as of March 31, 2016.
- Average mark-up per associate per month increased by 7% from Rs.642 in FY15 to Rs.687 in FY2016.
- Our apprenticeship program, launched through TeamLease Education Foundation (TLEF), crossed 16,000 apprentice enrolments during FY2016. About 4,000 of the said trainees have since been certified and as on March 31, 2016, we had about 11,574 trainees.
- During the year, the average realization per apprentice per month is Rs.540 for TLEF of which Rs.450 is the service fee paid to TeamLease.
- Our total client base increased from 1,200+ in FY2015 to 1,400+ in FY2016 spreading across all industries and verticals
- Our Top 5 and Top 10 clients contribute to about 13% and 17% of our net revenue respectively.

# Key highlights of FY2016

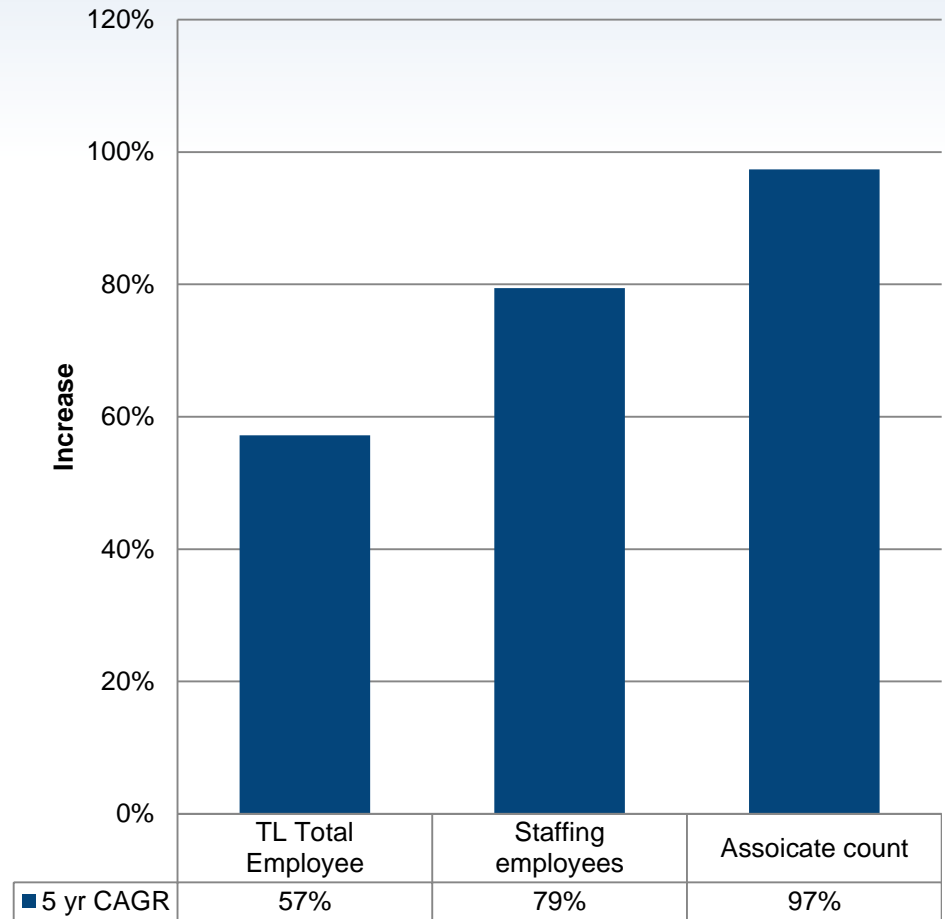
- Our allocated fixed costs (exclusive of employee cost) remained flat in line with the past.
- During the year, our core employee costs increased on account of increase in headcount, annual inflation and leadership as an investment to the future.
- Our home-grown payroll processing system, ALCS 10.0, went live in February 2016 and we signed up for implementation of Salesforce CRM platform in March 2016.
- We also launched our mobile app 'TL Connect' for clients and associates.
- Our investments in technology helped us improving the productivity and quality of our services.

# Improvement in Productivity

## FTE to Associate/Trainee count



## 5 yr CAGR



\* Includes NETAP trainee headcount of 11,574 handled by our core employees

# Financial Overview- Standalone

	Particulars	(Rs. in Millions except per share data)			
		Quarterly		Yearly	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>1</b>	<b>Income from Operations</b>				
	a) Net Sales / Income from Operations (Net of service tax)	6,540.39	5,219.35	24,681.87	19,731.36
	b) Other Operating Income	101.45	74.19	367.31	339.34
	<b>Total Income from operations (net)</b>	<b>6,641.84</b>	<b>5,293.55</b>	<b>25,049.18</b>	<b>20,070.70</b>
<b>2</b>	<b>Expenses</b>				
	a) Employee benefits expense	6,451.58	5,131.46	24,390.46	19,444.38
	b) Depreciation and amortisation expense	10.29	4.93	30.08	26.75
	c) Other Expenses	106.44	78.72	399.33	405.75
	<b>Total Expenses</b>	<b>6,568.30</b>	<b>5,215.12</b>	<b>24,819.86</b>	<b>19,876.88</b>
<b>3</b>	<b>Profit from Operations before other income and finance costs (1 - 2)</b>	<b>73.54</b>	<b>78.43</b>	<b>229.32</b>	<b>193.81</b>
4	Other Income	66.41	36.19	147.68	148.15
<b>5</b>	<b>Profit from ordinary activities before finance costs(3 + 4)</b>	<b>139.95</b>	<b>114.62</b>	<b>377.00</b>	<b>341.97</b>
6	Finance Costs	1.28	0.38	3.92	1.39
<b>7</b>	<b>Profit from ordinary activities before tax (5 - 6)</b>	<b>138.68</b>	<b>114.24</b>	<b>373.08</b>	<b>340.58</b>
8	Tax Expense	47.25	46.21	130.23	18.04
<b>9</b>	<b>Net Profit for the period (7 - 8)</b>	<b>91.44</b>	<b>68.03</b>	<b>242.86</b>	<b>322.54</b>

# Financial Overview- Consolidated

	Particulars	(Rs. in Millions)	
		Yearly	
		31.03.2016	31.03.2015
<b>1</b>	<b>Income from Operations</b>		
	a) Net Sales / Income from Operations (Net of service tax)	24,681.87	19,731.36
	b) Other Operating Income	367.31	339.34
	<b>Total Income from operations (net)</b>	<b>25,049.18</b>	<b>20,070.70</b>
<b>2</b>	<b>Expenses</b>		
	a) Employee benefits expense	24,390.90	19,444.80
	b) Depreciation and amortisation expense	30.08	27.15
	c) Other Expenses	400.48	385.37
	<b>Total Expenses</b>	<b>24,821.45</b>	<b>19,857.33</b>
<b>3</b>	<b>Profit from Operations before other income and finance costs (1 - 2)</b>	<b>227.73</b>	<b>213.37</b>
4	Other Income	154.40	113.90
<b>5</b>	<b>Profit from ordinary activities before finance costs(3 + 4)</b>	<b>382.13</b>	<b>327.27</b>
6	Finance Costs	3.92	1.39
<b>7</b>	<b>Profit from ordinary activities before tax (5 - 6)</b>	<b>378.21</b>	<b>325.89</b>
8	Tax Expense	130.23	18.04
<b>9</b>	<b>Net Profit for the period (7 - 8)</b>	<b>247.99</b>	<b>307.85</b>

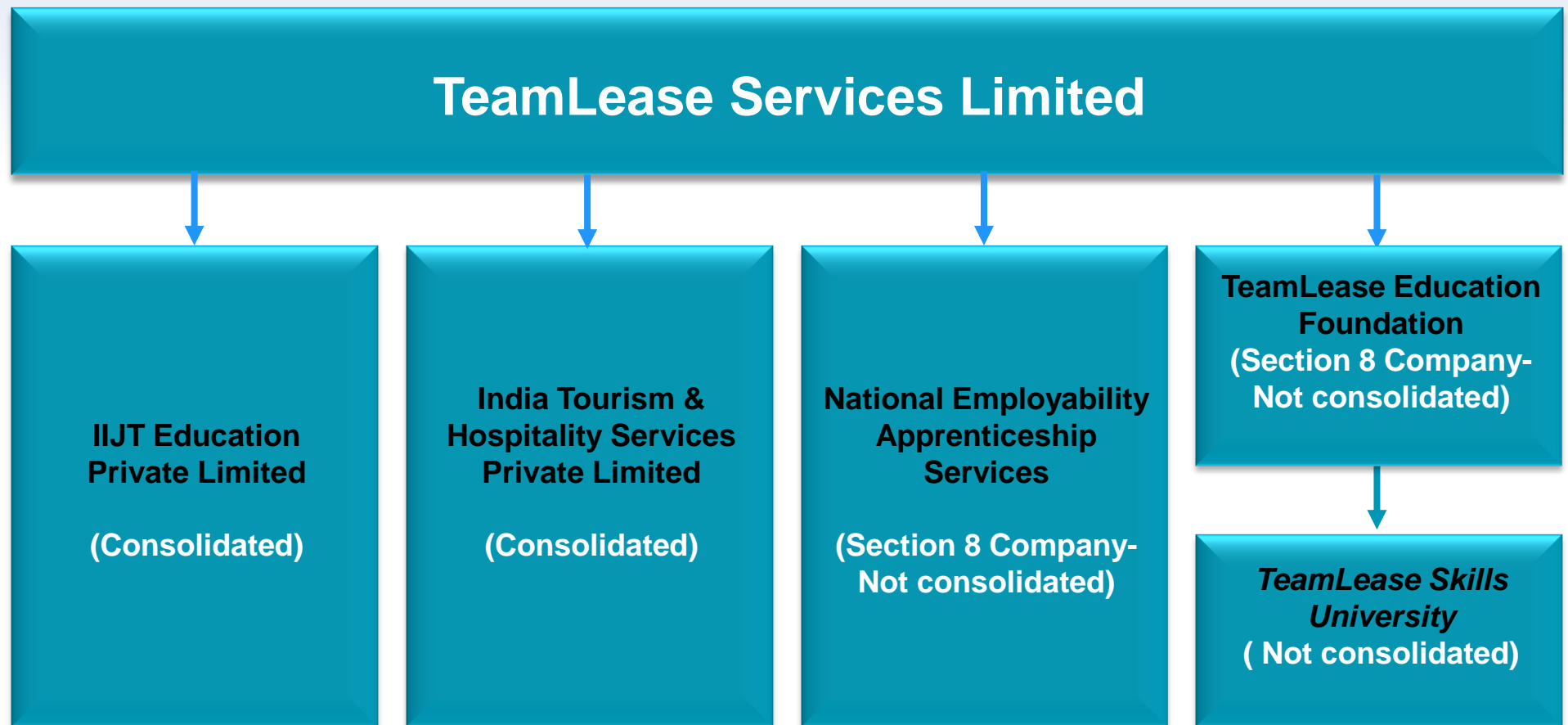


# Segment results

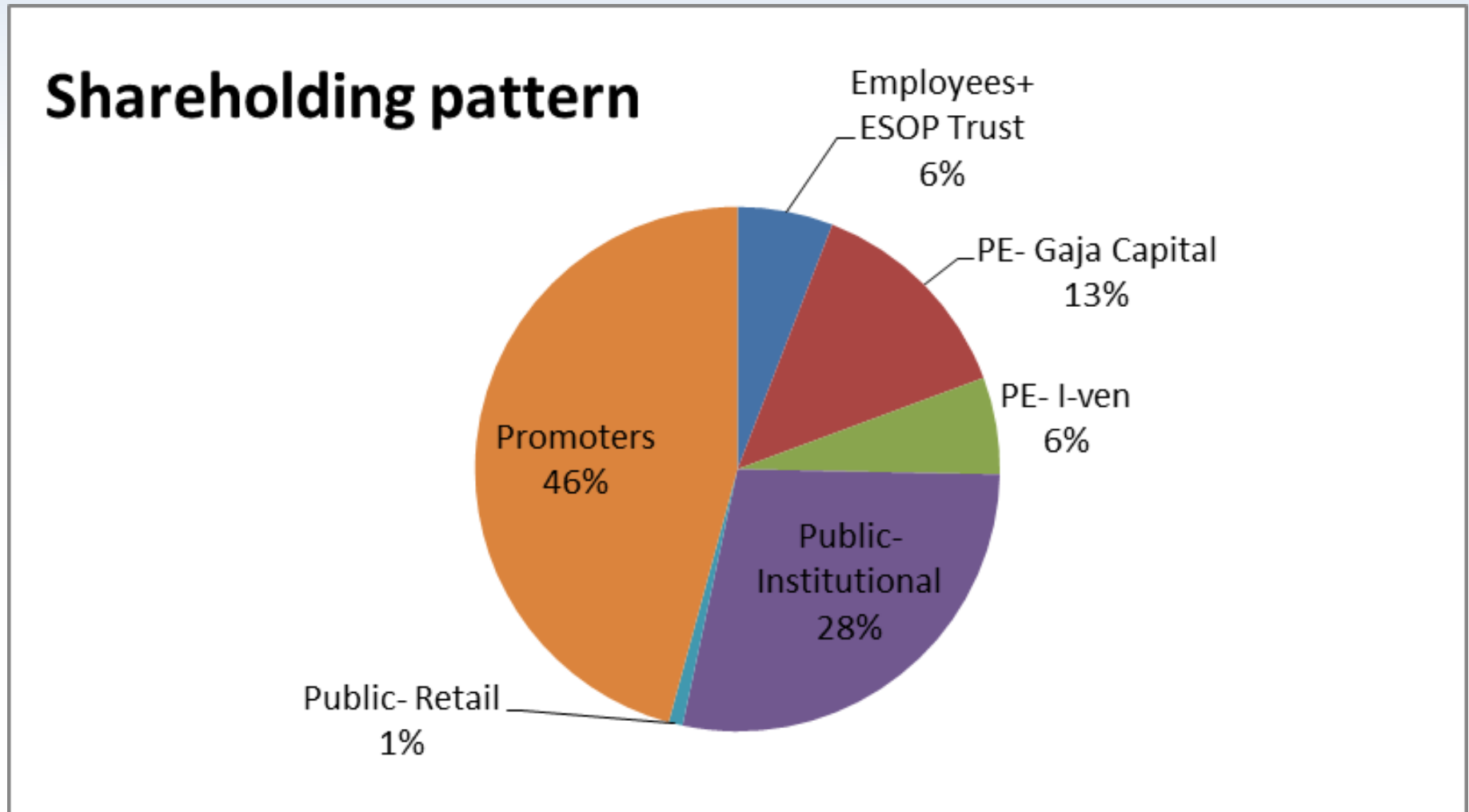
Business Segments	FY2016		FY2015		YoY change
<b>Operating Revenue:</b>					
(1) Staffing Operations	24,681.87	98.5%	19,731.36	98.3%	25.1%
(2) HR services:					
Recruitment Operations	166.81		137.71		
Training Operations	73.52		152.04		
Other HR businesses *	126.98		49.60		
Total HR services	367.31	1.5%	339.34	1.7%	8.2%
<b>Total Income from operations (net)</b>	<b>25,049.18</b>		<b>20,070.70</b>		<b>24.8%</b>
Other Income	147.68		148.15		
<b>Total Revenue</b>	<b>25,196.87</b>		<b>20,218.85</b>		<b>24.6%</b>
<b>Segment EBITDA:</b>					
(1) Staffing Operations	302.71	1.2%	224.11	1.1%	1.1%
(2) HR services:					
Recruitment Operations	2.01		35.04		
Training Operations	19.22		(2.42)		
Other HR businesses *	4.07		(10.36)		
Total HR services	25.30	6.9%	22.26	6.6%	130.5%
Corporate costs (unallocated)	(68.61)		(25.81)		
<b>Total EBITDA</b>	<b>259.40</b>	1.0%	<b>220.56</b>	1.1%	<b>17.6%</b>
<b>Segment PBT:</b>					
(1) Staffing Operations	290.92	1.2%	224.11	1.1%	29.8%
(2) HR services:					
Recruitment Operations	2.01		35.04		
Training Operations	19.18		(5.73)		
Other HR businesses *	4.07		(10.36)		
Total HR services	25.26	0.1%	18.95	5.6%	171.0%
(3) Corporate unallocated (Net)	56.90		97.51		-41.6%
<b>Profit before tax (PBT)</b>	<b>373.08</b>	<b>1.5%</b>	<b>340.58</b>	<b>1.7%</b>	<b>9.5%</b>

- \* Our 'Other HR businesses' include Regulatory consulting, Payrolling and NETAP service fee. These form part of 'Unallocated' segment in the Audited financials.

# Corporate structure



# Shareholding Pattern as of March 31, 2016



Thank You