

Press Release- Q3 FY18

Bengaluru, India, January 30, 2018- TeamLease Services Limited (**NSE: TEAMLEASE, BSE: 539658**), one of India's largest staffing companies, today announced its results for the third quarter (**Q3FY18**) and for the nine months (**9mFY18**) ended December 31, 2017.

Summary of Consolidated financial results:

(all numbers in Rupees' Crores except Margins)

Particulars	Q3FY18	Q3FY17	YoY Growth %	Q2FY18	QoQ Growth %	9mFY18	9mFY17	YTD Growth %
Total Revenue	922.3	818.2	13%	880.0	5%	2,661.1	2,241.2	19%
Operating Revenue	918.1	814.4	13%	875.6	5%	2,646.6	2,224.3	19%
EBITDA	17.9	12.4	44%	15.2	18%	46.1	24.8	86%
EBITDA margin (%)	1.9%	1.5%		1.7%		1.6%	1.1%	
PBT	18.9	14.0	35%	17.3	9%	52.8	36.9	43%
PBT margin (%)	2.1%	1.7%		2.0%		2.0%	1.7%	
Net Profit (PAT)	18.4	9.2	100%	17.4	6%	52.2	24.4	114%
PAT margin (%)	2.0%	1.1%		2.0%		2.0%	1.1%	
EPS (Basic and Diluted)	10.8	5.4	100%	10.2	6%	30.5	14.3	114%

Highlights of financial performance:

1. Quarterly revenue grew by 13% YoY and YTD revenue grew by 19% YoY.
2. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 17.9 crores for Q3FY18 and ₹ 46.1 crores for 9mFY18 reflecting YoY growth of 44% on a quarterly basis and 86% on nine-months basis. Organic Staffing EBITDA margin improved to 1.8% in Q3FY18 from 1.4% in Q3FY17, aided largely on account of improved productivity.
3. Profit Before Tax (PBT) was ₹ 18.9 crores for Q3FY18 and ₹ 52.8 crores for 9mFY18 reflecting YoY growth of 35% on a quarterly basis and 43% on nine-months basis. PBT margin improved to 2.1% in Q3FY18 from 1.7% in Q3FY17.
4. Profit After Tax (PAT) was ₹ 18.4 crores for Q3FY18 and ₹ 52.2 crores for 9mFY18 reflecting YoY growth of 100% on a quarterly basis and 114% on nine months basis. PAT margin improved to 2% in Q3FY18/9mFY18 from 1.1% in Q3FY17/9mFY17. The Company continued to avail the tax benefits under section 80JJAA of the Income Tax Act, 1961 and deferred tax benefits.
5. Earnings Per Share (EPS) was ₹ 10.8 for Q3FY18 and ₹ 30.5 for 9mFY18 reflecting YoY growth of 100% on a quarterly basis and 114% on nine-months basis.

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Business Update

1. We completed acquisition of 100% stake in Evolve Technologies effective November 1, 2017 and 40.2% stake in Schoolguru Eduserve effective December 1, 2017.
2. Our total employee/ trainee headcount is ~179,000 as of December 31, 2017 reflecting an increase of ~32,000 on YoY basis and ~15,000 on QoQ basis. Our current associate employee headcount is ~137,000 and NETAP trainee headcount is ~40,500.
3. Average mark-up per employee per month (PEPM) for staffing associates increased to ₹ 755 in Q3FY18 from ₹ 735 in Q2FY18.
4. Our ratio of general staffing associates/trainees to staffing core employees improved to 219 in Q3FY18 from 210 in Q2FY18.

Management Comment

Mr. Ashok Reddy, Managing Director, TeamLease Services Limited commenting on the quarterly results said, “We will continue to stay focused on growth, productivity and margin improvement/expansion. Acquisitions of Evolve and Schoolguru have been completed and integrated to drive the synergies and growth as we go forward. We will continue to explore other acquisition opportunities for building vertical capability or complementary service offerings”.

About TeamLease Services Limited

We are one of India’s leading providers of human resource services with a vision of Putting India to Work. Our services span the entire people supply chain of human resources, covering Employment, Employability and Education. Our Employment services include staffing solutions, recruitment services and compliance services. Our Employability offerings include different types of learning and training solutions for retail, institutional and enterprise customers. We have more than 179,000 employees/trainees with over 2,000 clients across 6,500 locations in India. For more details, visit www.teamlease.com.

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