

## Press Release- Q2 FY19

**Bengaluru, India, Oct 30, 2018-** TeamLease Services Limited (**NSE: TEAMLEASE, BSE: 539658**), one of India's largest staffing companies, today announced its results for the second quarter (**Q2FY19**) and for the first half year (**H1FY19**) ended September 30, 2018.

### Summary of Consolidated financial results:

(all numbers in Rupees' Crores except Margins)

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%
<b>EBITDA margin (%)</b>	<b>2.2%</b>	<b>1.7%</b>		<b>2.0%</b>		<b>2.1%</b>	<b>1.6%</b>	
PBT	23.7	17.3	36.9%	21.5	9.9%	45.2	33.9	33.3%
<b>PBT margin (%)</b>	<b>2.2%</b>	<b>2.0%</b>		<b>2.1%</b>		<b>2.1%</b>	<b>2.0%</b>	
Net Profit (PAT)	24.9	17.4	43.1%	21.8	14.3%	46.7	33.8	38.1%
<b>PAT margin (%)</b>	<b>2.3%</b>	<b>2.0%</b>		<b>2.1%</b>		<b>2.2%</b>	<b>2.0%</b>	
<b>EPS (Basic and Diluted)-Rs.</b>	<b>14.6</b>	<b>10.2</b>	<b>43.1%</b>	<b>12.8</b>	<b>14.3%</b>	<b>27.3</b>	<b>19.8</b>	<b>38.1%</b>

### Highlights of financial performance:

1. Quarterly revenue grew by 24% YoY and half-yearly revenue grew by 22% YoY. Organic growth in general staffing is 19% YoY.
2. Earnings Before Interest, Tax, Depreciation and Amortization (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.
3. Profit Before Tax (PBT) was ₹ 23.7 crores for Q2FY19 and ₹ 45.2 crores for H1FY19 reflecting YoY growth of 37% on a quarterly basis and 33% on half-yearly basis. PBT margin improved to 2.2% in Q2FY19 from 2.0% in Q2FY18.
4. Profit After Tax (PAT) was ₹ 24.9 crores for Q2FY19 and ₹ 46.7 crores for H1FY19 reflecting YoY growth of 43% on a quarterly basis and 38% on half-yearly basis. PAT margin improved to 2.3% in Q2FY19 from 2.0% in Q2FY18. The Company continues to avail the tax benefits under section 80JJAA of the Income Tax Act, 1961 and deferred tax benefits.
5. Earnings Per Share (EPS) was ₹ 14.6 for Q2FY19 and ₹ 27.3 for H1FY19.

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### Business Update

1. 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.
2. Our ratio of associates/trainees to staffing core employees improved to 241 in Q2FY19 from 210 in Q2FY18.
3. Our total core employee headcount has reduced to 1,704 in Q2FY19 from 1,726 in Q1FY19. Improvement in productivity achieved by virtue of standardization of processes and investments made into technology.
4. We have reduced our funding exposure to 16% in general staffing business from 23% in Q2FY18 and maintained efficient working capital management.

### Management Comment

**Mr. Ashok Reddy, Managing Director, TeamLease Services Limited** said, *“Our focused approach on headcount addition and sales reorganization has helped deliver good set of results in the first half of the year. Our acquisition of Avantis regtech platform strengthens our ‘Ease-of-Doing-Business’ vertical with a vision to drive Paperless, Presenceless and Cashless compliance for small and big employers. We will continue our investments in both home-grown products and inorganic businesses balancing capital frugality, margin expansion and consistent growth”.*

### 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 201,000 employees/associates/trainees with over 2,250 clients across 6,600 locations in India. For more details, visit [www.teamleasegroup.com](http://www.teamleasegroup.com)

### Investor contact

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