



# IKYA GROUP

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## THOMAS COOK (INDIA) LTD EXTRA-ORDINARY GENERAL MEETING Presentation

12 March, 2013

Mumbai, India



## IKYA's Business Model

### Employment

- Provide recruitment and staffing solutions

### Managed Services

- Manage on-site services such as housekeeping, retail sales etc.

### Skill Development

- Provide training services at entry levels leading to employment.

## Business Strategy

- Focus on annuity / recurring income streams.
- Grow at a premium to market until leadership position is attained.
- Focus on high return on capital business segments.
- Selective add-on acquisitions to expand.
- Leadership in operating markets.

## How IKYA do this

- Hire best-in-class talent for operations in each business, with strong controls in finance, commercial, technology and human resources at central office.
- Retain senior management and key personnel through regular engagement and ESOP structure.
- Strong management sponsorship for sales, client servicing, audit, compliances, MIS, reporting and review processes.
- Build culture of predictability in behavior super imposed on an entrepreneurial culture.



# IKYA Group- Strong performance

## 1. Group Level :

- CAGR of 69% for the last 4 years
- Estimated Net Revenue of Rs.1,278Mn for this year with an EBITDA of Rs.473Mn
- Estimated Net Revenue of Rs.4,018Mn and an EBITDA of Rs.1,677 Mn for the year 2017
- Industry leading margins and margins comparable to international peers in the HR Services space
- Growth through market leading organic efforts and new business lines through acquisitions
- Large component EBITDA (85%) from Annuity Streams along with build out of PPP projects in Skill Development with Govt. of India
- Strong Management Team with very low attrition
- High Shareholder and Board sponsorship for governance and compliances

## 2. IKYA Human Capital Solutions Pvt. Ltd.:

- No. 1 by Net Margins in India
- No. 1 by growth in Head Count as well as Market Share
- Only full HR services business with PPP projects in Skill Development

## 3. Magna Infotech Pvt. Ltd.:

- India's No. 1 Professional Staffing Company
- Three times as large as nearest competitor
- Margins comparable to international peers

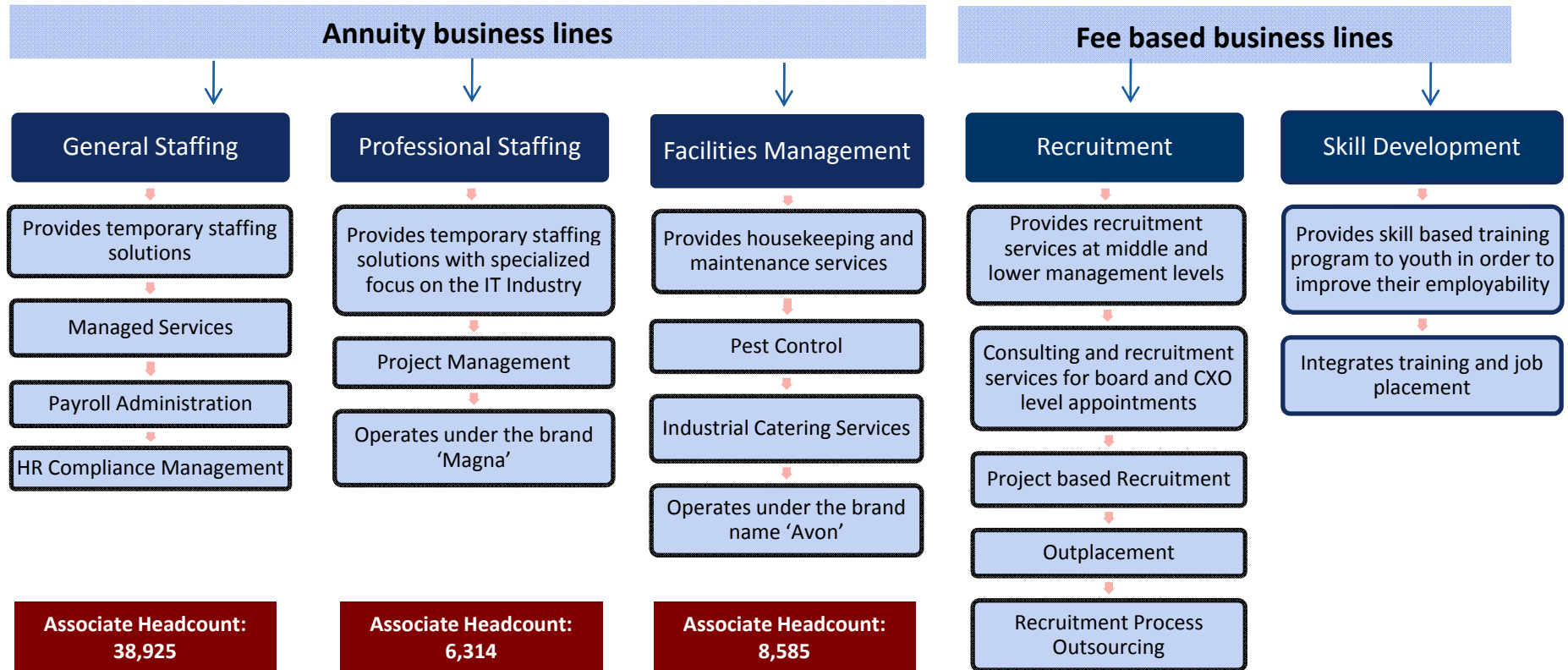
## 4. AVON Facilities Management Services Pvt. Ltd.:

- Top 3 player in the South
- No. 1 by growth in India
- Well positioned to become integrated FMS Company

❑ Business Today – May 2008 , India's Top 10 Hottest Start- ups  
❑ Forbes Magazine - September 2011 - Outstanding Leader in the Start-up  
❑ Nominated for CII-Business Line Emerging Entrepreneur Awards 2012 – January 2012



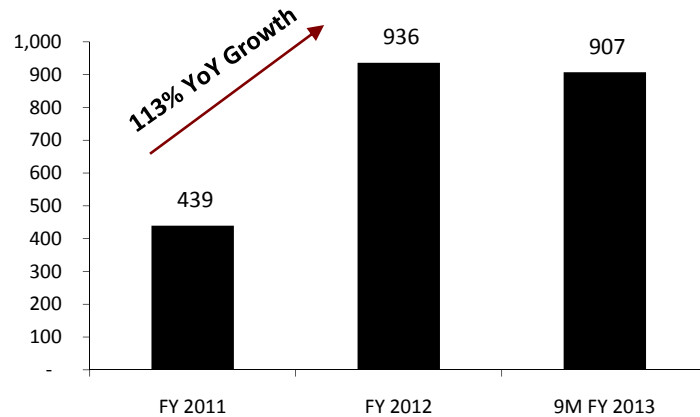
# IKYA: Service Offerings



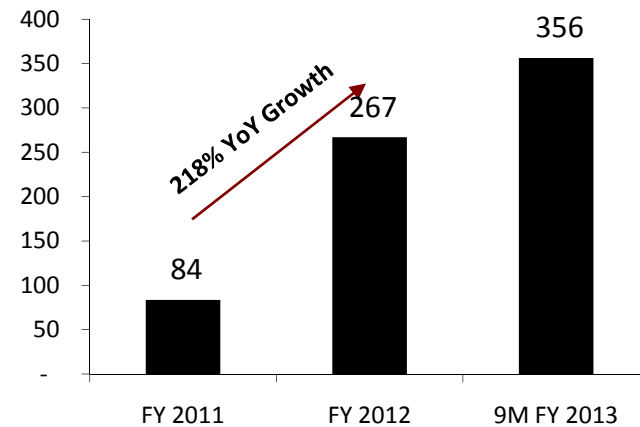


# IKYA's Track Record of Growth and Profitability

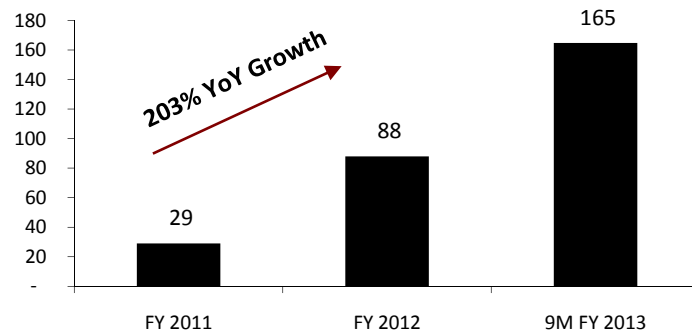
## Net Revenue (in Rs million)



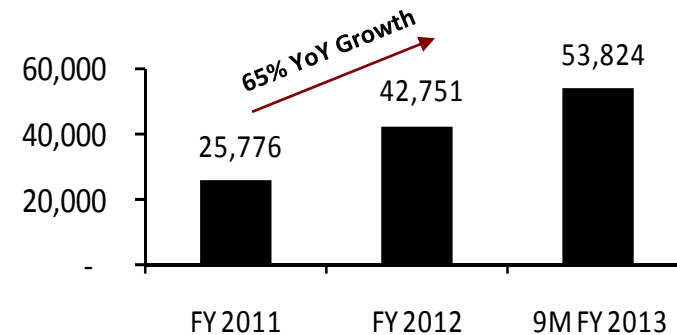
## EBITDA (in Rs million)



## PAT (Before Minority Interest) (in Rs million)



## Associate Headcount



**Net Debt (in Rs million):** As of 31<sup>st</sup> December 2012, the Net Debt of IKYA was Rs 270.97 million

**Important Notes:** 1) Ikya's financial year (indicated as FY above) commences on April 1 and ends on March 31 of the next year  
2) All financial data above for FY 2011 and FY 2012 is based on IKYA's Consolidated, Audited accounts. However, the financial data for 9-month period of FY 2013, from 01<sup>st</sup> April 2012 to 31<sup>st</sup> December 2012 (shown as 9M FY 2013) is based on IKYA's consolidated, unaudited accounts, prepared by IKYA's management and limited review has been done by statutory auditors.



## Growth Strategy

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- Over and above General & Professional Staffing, future growth to be driven by growing service lines such as Facilities Management, Food & Hospitality Services, Training & Skill Development,
- Efficient use of technology to enhance the service offering and reduce the cost to serve
- Provide value added services within General & Professional Staffing under the “Managed Services” model for high margin and deep client engagement
- Build business in Security Services, Hard Services in FMS and other areas of Professional Staffing through organic/inorganic routes

## Implication for Thomascook

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## Value Proposition for Shareholder

- ❑ The IKYA acquisition offers TCIL a unique opportunity to expand its portfolio of service-related businesses via entry into one of the world's largest Human Resource markets.
- ❑ Both IKYA and TCIL deal with the top 1500 corporate in the country - while the overlap is limited right now, there is an opportunity to tap each other's customers and grow.
- ❑ TCIL is in the process of outsourcing some of its activities and IKYA can play a big role in that. This would lead to cost reduction in TCIL.
- ❑ IKYA can also take over facility management for TCIL - leading to efficiency gains.
- ❑ Highly accretive to TCIL shareholders since acquiring a high growth business at a lower P/E



Thank you

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