

February 3rd, 2020

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1 Block G,
BandraKurla Complex Bandra [E],
Mumbai – 400 051

BSE Ltd., PhirozeJeejeebhoy
Towers, Dalal Street,
Mumbai - 400001

Metropolitan Stock Exchange of India Ltd., Vibgyor Towers,
4th Floor, Plot No. C62,
G - Block, Opp. Trident Hotel,
BandraKurla, Complex, Bandra (E),
Mumbai – 400 098

Scrip Code: Reference: NSE Scrip Symbol: BLS; BSE Scrip Code: 540073; MSEI Scrip Symbol: BLS

Subject: Investor Presentation for third quarter and nine months ended on December 31, 2019.


Dear Sir / Madam,

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed copy of Investor presentation on Financial Results of the Company for the third quarter and nine months ended on December 31, 2019.

The aforesaid Presentation is also uploaded on Company's website.

You are requested to take the same on your records.

For BLS International Services Limited


Amit Sudhakar
Chief Financial Officer



Encl: Investor Presentation

BEYOND BOUNDARIES

VISA, CONSULAR AND CITIZEN SERVICES



Investor Presentation

Q3/ 9MFY20

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Touch the lives of billion people globally by creating a differentiated service experience using innovation and technology

Mission

Provide easy, innovative and agile solutions to citizens across the world

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Q3 & 9MFY20
Highlights

01



Fortune India's Next 500 Companies (2019)

Forbes Asia's 'Best under a Billion' Company (2018)

Q3 & 9MFY20 – Consolidated statement of profit and loss

(Rs. Cr)	Q3 FY20	Q3 FY19	9M FY20	9M FY19
Revenue	204.3	184.0	634.9	567.4
Gross Profit	56.1	46.2	183.6	201.7
(Gross Margin)	27.5%	25.1%	28.9%	35.6%
Operating expenses	36.0	34.1	107.3	103.9
EBITDA	20.1	12.0	76.3	97.8
(EBITDA Margin)	9.9%	6.5%	12.0%	17.2%
Finance Cost	0.2	0.1	1.5	6.4
Depreciation	2.6	5.2	9.5	14.8
Other Income	4.7	2.3	9.1	6.0
One-time income/ (expense)	-	15.1	(27.8)	21.4
PBT	22.0	24.0	46.7	104.1
(PBT Margin)	10.8%	13.1%	7.3%	18.3%
Tax Expenses	0.8	2.6	2.5	15.6
Reported PAT	21.2	21.5	44.1	88.5
(PAT Margin)	10.4%	11.7%	7.0%	15.6%
Adjusted PBT (excl one time income/ exp)	22.0	16.5	91.9	90.2

PBT for Q3/9MFY19 adjusted for operating loss of Punjab business of 7.5 cr

Operational revenue up 11.9% YoY in 9MFY20 and 11% YoY in Q3FY20 driven by organic growth in core business of visa, passport and consular services

EBITDA for Q3FY20 up 67% YoY with EBITDA margin up 9.9% from 6.5% in Q3FY19

EBITDA for 9MFY20 impacted by operating loss incurred in UKVI project in previous 2 quarters (Rs 17.4 cr). There is no impact on the future performance as project is now closed

One-time income/ (expense):

- 9MFY20: one-time impairment charge of Rs 27.8 cr on account of closure of UKVI business.
- Q3FY19/ 9MFY19: profit on sale of fixed assets pertaining to Punjab contract

The company has declared an interim dividend of Rs 0.50 per share of face value Rs 1/- each



Update on Punjab contract - Change in business model

Earlier model

- Awarded contract in 2016
- BLS to offer 223 services through 2,147 Sewa Kendras
- BLS to collect government fees and service charges upfront along with applications and the Punjab government to pay a fixed revenue to BLS every year for 5 years
- While the physical infrastructure was provided by PSeGS (Punjab State e-Governance Society), the IT infrastructure and manpower was provided by BLS

New model

- New Contract awarded in Jul 2018
- BLS to offer higher range of services – 254
- Number of Sewa Kendras rationalized to 353
- BLS draws revenues from the fees charged to citizens for services provided thus accelerating cash flows and revenue share with the government above a minimum threshold

Current impact on financials

- Revenue to be impacted by consolidation of the older contract, however margins and profitability to remain same
- Average current revenues of Rs 15-16 crore quarterly from the project
- Successfully brought down its receivables from a peak of Rs 212 cr in the last few years to ~Rs 67 cr

Developments during the quarter

- **Expansion & New Centers:** Commenced accepting visa applications for Brazil in Beirut, Lebanon
 - Center went live from October 2019
 - Company will provide efficient visa application services to people traveling to Brazil from Lebanon for business, work or leisure

- **Partnership:** Forged an exclusive partnership with the Embassy of Libya to provide visa services
 - Center went live from November 2019
 - The company will impart help for Libya Visa and attestation services for travelers from India

- **Honors and Awards:** Awarded the 'Brand Excellence Award in the Visa Outsourcing Service Sector' by ABP News in Nov 2019 for the company's excellence in visa process outsourcing and allied services

Company
Overview

02



Fortune India's Next 500 Companies (2019)

Forbes Asia's 'Best under a Billion' Company (2018)

Specialist provider of visa processing, value added & citizen services



1 of 3

Players in global visa, passport and citizen services



14

Years of global experience



~40mn

Applications processed till now



60+

Countries of operations



Rs 136 cr

Net cash excluding debt (FY19)



32%

High return ratios (FY19 RoCE)



~5,000

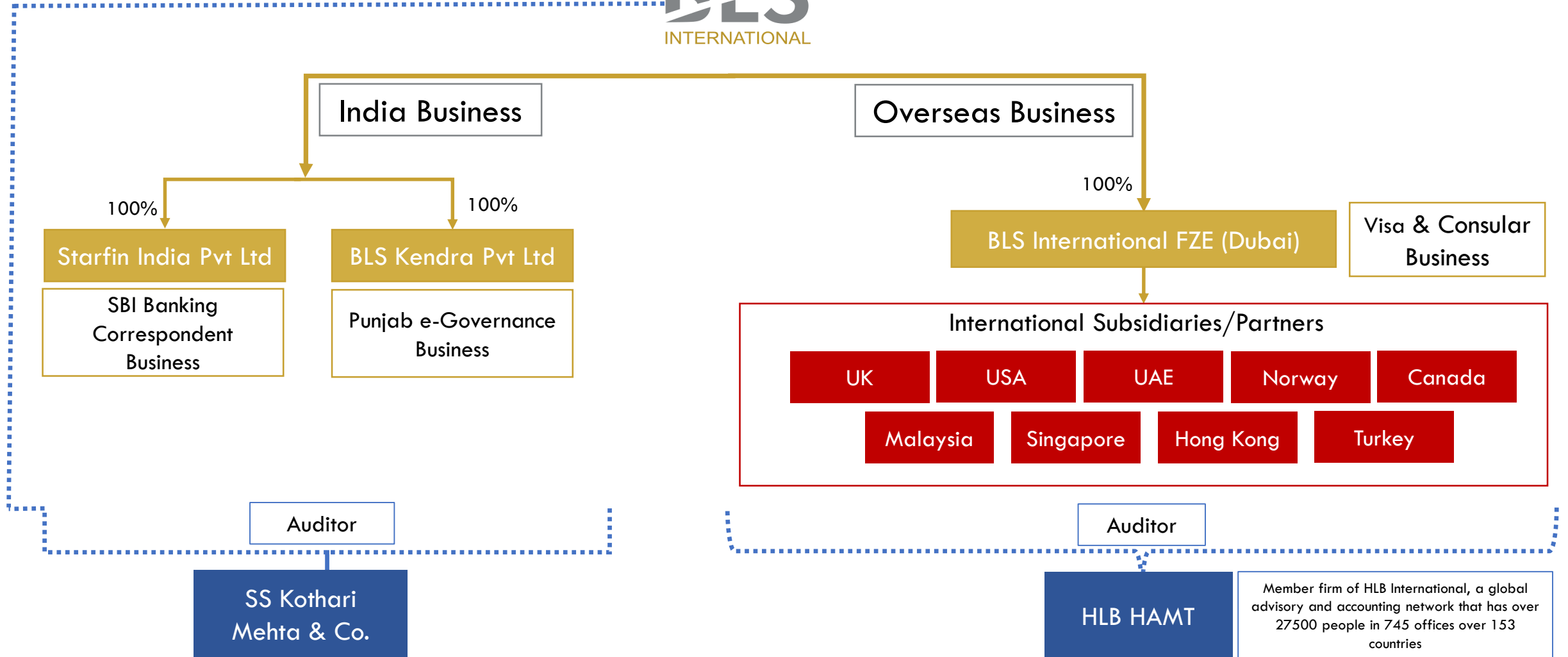
On-roll employees and associates



35+

Government as a client across the globe

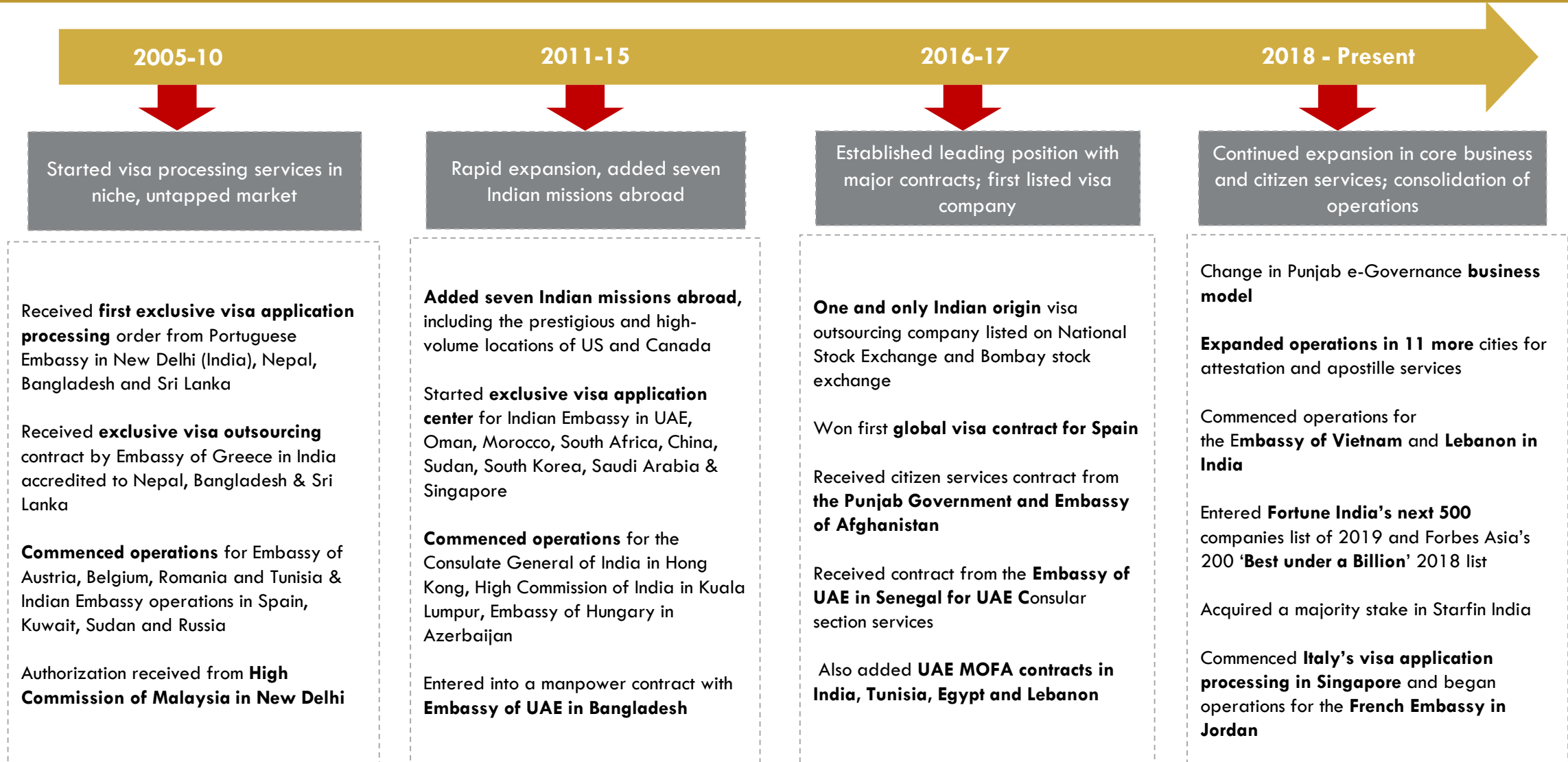
Corporate Structure



* Only key operational subsidiaries/partners have been included



Successful expansion on back of deep domain experience and expertise



Leadership team with right mix of promoters and professionals



Nikhil Gupta
Managing Director

- Over 35 years of experience in consulting, finance and leadership roles in both MNCs and Indian conglomerates
- Holds Economics (Hons) from Delhi University
- Associate Member of the Institute of Chartered Accountants of India (Merit List)



Amit Sudhakar
Chief Financial Officer

- Over two decades of versatile experience in various areas of accounting and finance in manufacturing & services industry
- Served as CFO of EMCO, Saffron Art and RPG Group
- A qualified Chartered Accountant



Shikhar Aggarwal
Joint Managing Director

- Young and dynamic professional with proactive initiative-taking strategy and a strong business vision; he has helped take the business operations to a new level
- Actively manages all international operations and business development for international projects
- Bachelor's degree from Delhi University, International Business Programs at University of California, USA



Karan Aggarwal
Executive Director

- More than a decade of experience in Finance, Management, Administration and Human Resource
- Involved in all strategy level decision making
- Specialization in Finance from Harvard University and Finance & Management graduate from University of Bradford, UK

Supported and guided by advisory board

**Vinod Kumar Duggal -
Chairman**
*Former Governor of Manipur &
Mizoram*

Ravi Dhingra - Member
*Former Secretary of Government
of India*

Anil Wadhwa - Member
*Former Secretary of Government
of India*

T K Vishwanathan - Member
*Former Law Secretary & Former
Secretary General Lok Sabha*

Subhash Goel - Member
Chairman and MD of STIC Group

Rajiv Kumar - Member
*Former Central Vigilance
Commissioner*

Neeraj Kumar - Member
*Former Commissioner of Police
(Delhi)*

Sanjeev Tripathi - Member
Former Secretary of R&AW

Successful professionals, retired bureaucrats and achievers with a policy-making background to advise on emerging global trends, opportunities and preparedness

Board of Directors



Nikhil Gupta
Managing Director



Shikhar Aggarwal
Joint Managing Director



Karan Aggarwal
Executive Director



Sarthak Behuria
Independent Director

- Superannuated from chairmanship of Indian Oil Corporation Ltd, India's largest commercial enterprise
- Chairman (part-time) of Group Companies, Chennai Petroleum Corporation Ltd & Bongai gaon Refinery & Petrochemicals
- Alumni of St. Stephen's College, Delhi and the Indian Institute of Management (IIM) Ahmedabad



Ram Prakash Bajpai
Independent Director

- Chancellor of Vel Tech Technical University, Chennai
- Director/distinguished Scientist at Central Scientific Instrument Organization, Chandigarh
- Experience of over 50 years in electronics, microelectronics, material science, nanoelectronics and optoelectronics
- Doctorate Degree from IIT Delhi and D.SC. from Hokkaido University, Japan



Shivani Mishra
Independent Director

- Experience of more than seven years in the field of Finance & Accounts
- Master's degree in Commerce and has done Master's in Business Administration

Awards and accolades

- 2014 Excellence in Visa, Passport Outsourcing and Allied Services award
- 2017 Today's Traveler Award for Best Visa Service Provider
- 2017 Recognized by CMO Asia Best CSR Practices Award for Best Workplace Practices
- 2017 Recognized by the Middle East Travel and Tourism Leadership Awards 2017 as the Best Visa Service Provider
- 2017 Most ethical company in Visa Outsourcing Award by India's Most Ethical Companies Awards
- 2018 "Best under a Billion Company in Asia Pacific, recognized by Forbes Asia

- 2018 Recognized by Media Research Group in Companies Research Report 2017 as India's Best Visa Outsourcing Services Company
- 2018 Recognized for Excellence in Travel Sector in August 2018
- 2018 Young Achiever Award by the Times Network National Awards for Marketing Excellence in Travel & Tourism Industry
- 2018 'Best Visa Facilitation centers Award' at the Middle East Travel and Tourism Leadership Awards
- 2018 Awarded the Excellence in Visa Application Outsourcing at ET Now Stars of the Industry
- 2019 Entered the select club of Fortune India Next 500 companies

Visa Processing
Vertical

03

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Fortune India's Next 500 Companies (2019)

Forbes Asia's 'Best under a Billion' Company (2018)

Leading visa processor with value-added services to drive growth and profit



Visa Processing

Amongst **top three players** in the visa outsourcing service industry
with over **14 years of experience** in providing following service

- Outsourced visa processing
- Verification of documents
- Attestation of documents
- Passport services
- E-visa services
- Other allied services



Value Added Services

Standard

- Photocopy
- Courier Services
- Internet Facility

Premium

- Premium Lounge
- Form Filling
- Insurance
- SMS Alert
- Translation Services

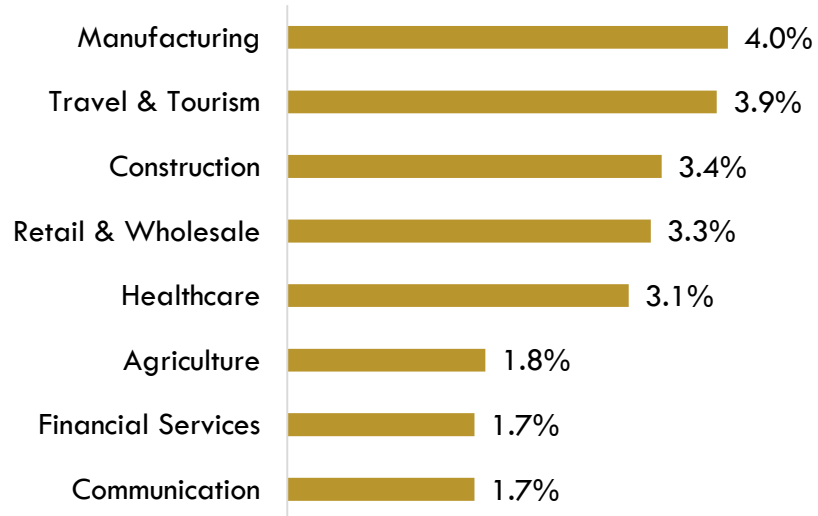
Platinum

- Mobile Biometric
- Prime Time Visa Appointment
- Walk-in Without Appointment

Holistic solutions for customer's delight and convenience | Enables optimum utilization of existing space, set-up and infrastructure | Higher margin, with direct addition to profitability

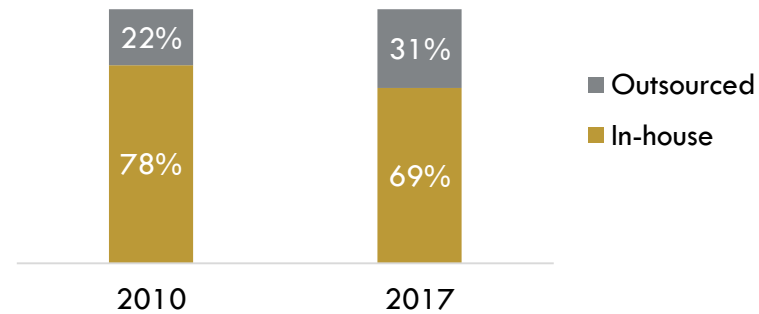
Strong presence in a growing and untapped market...

World Travel & Tourism growth compared with other sectors, 2018



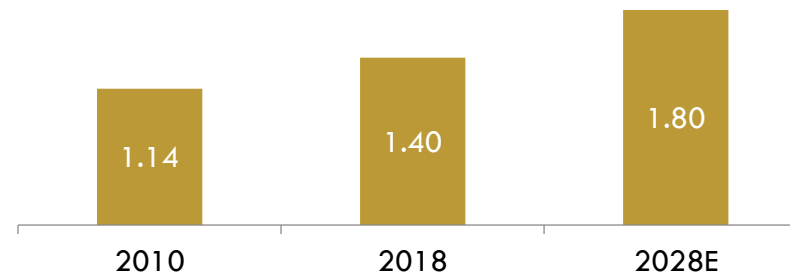
Source : World Travel & Tourism council report

Growth in outsourcing of visa application worldwide



Source : D&B Visa Application Outsourcing report

No of cross border travellers (bn)



Source : World Bank, UNTWO

69% of the market still untapped

Key drivers for the expansion of the outsourcing service include cost savings for diplomatic missions and improvement in service efficiencies

Increasing cross-border tourism flow to enhance the need to outsource consular and visa services, thus widening the market

The increase in international travel is driving the growth of the visa/passport outsourcing industry

... with high entry barriers for new players

Long gestation period

Procurement for visa process outsourcing/service concessions can take up to a year or longer depending on the contract size

Past experience and expertise

Past performance/ references in the field of Consular outsourcing are mandatory to pass Request For Information (RFI) phases and final selection

Security clearances

Government security clearances can be a factor to exclude service providers from the final selection

Strict technical & financial qualification

Robust technical infrastructure required with high level network and data security; vendors with strong financial position are preferred

Very few global players have been able to win large visa processing outsource contracts, given strict compliances and qualifications, thus translating into huge opportunity for established player like BLS

Successful execution of the largest global visa processing contract

Client

Government of Spain

Objective

- Promote Spain as a tourism-attractive destination
- Lower the visa processing time
- Address the increase in volumes from Russia
- Grow the presence in China
- Leverage smartphone-based technologies to streamline process

Service

Visa and related services

Solution

- Contract covered 47 countries of presence on behalf of the Spain mission
- 122 number of centers managed
- Extended from providing a functional service to building their brand

Geography

Global centers

Impact

- The share of Spain in the overall Schengen visa pool increased
- Scaled presence in Russia on behalf of the Spanish mission to 28 locations
- Scaled presence in China to 15 locations
- 6.5% increase application throughput even as the number of centers remained the same

Testimonial

“This Office highly appreciates the dedication and the enhancement shown by the BLS management on improving its visa services.”

- Chancellor of Consulate General of Spain in India

Citizen Services
Vertical

04

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Fortune India's Next 500 Companies (2019)

Forbes Asia's 'Best under a Billion' Company (2018)

Contiguous expansion into citizen and front-end services leveraging existing capabilities



Contiguous expansion into citizen services by **leveraging the competence in visa processing** and consular services

Capabilities and applications built in visa/consular are agnostic, can be extended to citizen services

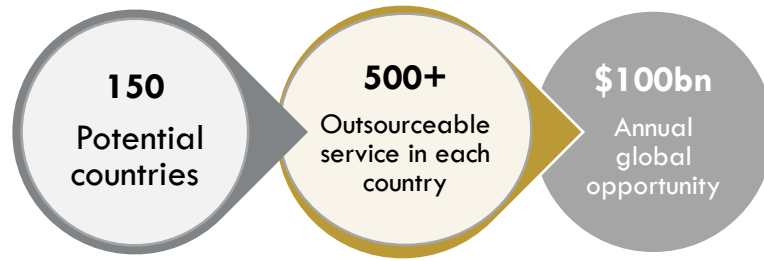
Increasing wallet share from the same mission – extending beyond initial visa contract to other citizen services

Early mover advantage in global citizen services space with no large scale organized player in this segment

Well placed to tap the annual global G2C opportunity...

Global opportunities

Indication of Market Size



Most services offered by governments to consumers are still only semi-automated with a low penetration of cutting-edge technologies thus leading to slow and inefficient delivery

Outsourcing to a specialized partner reduces delivery time, increases efficiency and leads to customer delight which in turn enhances government image and national brand

Win-win proposition for the government both from cost point and service quality point

Our experience

National identification card programme (Afghanistan)

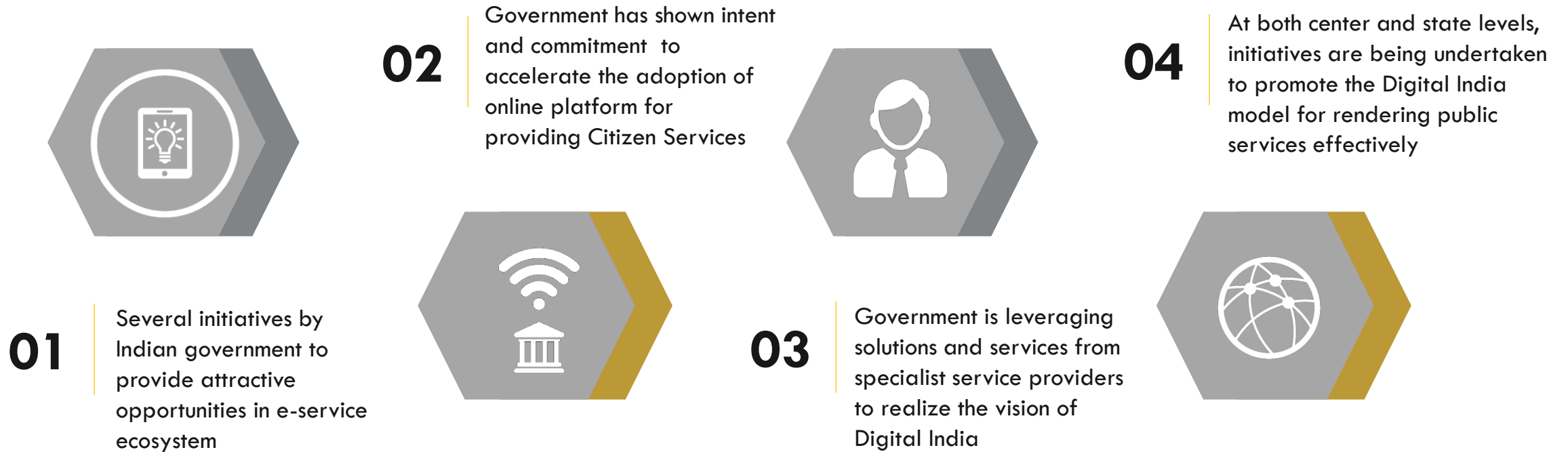
- BLS was awarded the first international Citizen Services contract from the Embassy of Afghanistan in 2017
- Opened Citizen Service centers (CSC) across the five Gulf countries including UAE, Kuwait, Oman, Bahrain and Qatar for the nationals of Afghanistan
- Accepts documents on behalf and facilitate the Ministry's Attestation/Apostille services, extend services like translation, state attestation services, collect finger prints, facial photos, retina scans, etc

Trained cadre (UAE)

Works closely with UAE Ministry of External Affairs and provides customised solutions for its seven centers:

- Embassy of UAE in Dhaka, Bangladesh
- Embassy of UAE in Delhi, India.
- Embassy of UAE in Kerala, India
- Embassy of UAE in Cairo, Egypt
- Embassy of UAE in Tunis, Tunisia
- Embassy of UAE in Beirut, Lebanon
- Embassy of UAE in Dakar, Senegal

...And emerging opportunities for citizen services in India



With several states including Haryana, Delhi and Orissa looking to replicate the Punjab e-governance model, BLS has outstanding credentials and the first mover advantage given its success in Punjab

Punjab project – Delivering front-end service to Indian citizens at the grassroots

Client

Government of Punjab

Challenge

Citizen services delivered only through urban government offices

- State comprise of more than 30mn citizens
- In past, government service were largely urban
- Non availability of full range of government services to rural and semi-urban citizens

Service

Citizen & Front-end

Solution

Establishment of Kendras for convenient access

- Commissioned 353 Punjab Sewa Kendras
- Delivered 254 G2C services
- Coverage was split in two zones; three types of PSKs (Punjab Sewa Kendras), namely Type I, II & III

Geography

State of Punjab (India)

Impact

- The project made it possible for government offices to go to citizens, enhancing citizen convenience
- 16 districts were covered and catered 1.84 crore population, around 66% of total population of Punjab
- Employed 1,800 people since August 2018

The decentralized service helped decongest traffic flow into cities, moderate carbon footprint, counter corruption and reduce unproductive commuting time

Competitive
Strengths

05

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Fortune India's Next 500 Companies (2019)

Forbes Asia's 'Best under a Billion' Company (2018)

Strategic deployment of Technology, People & Process for seamless execution

Technology

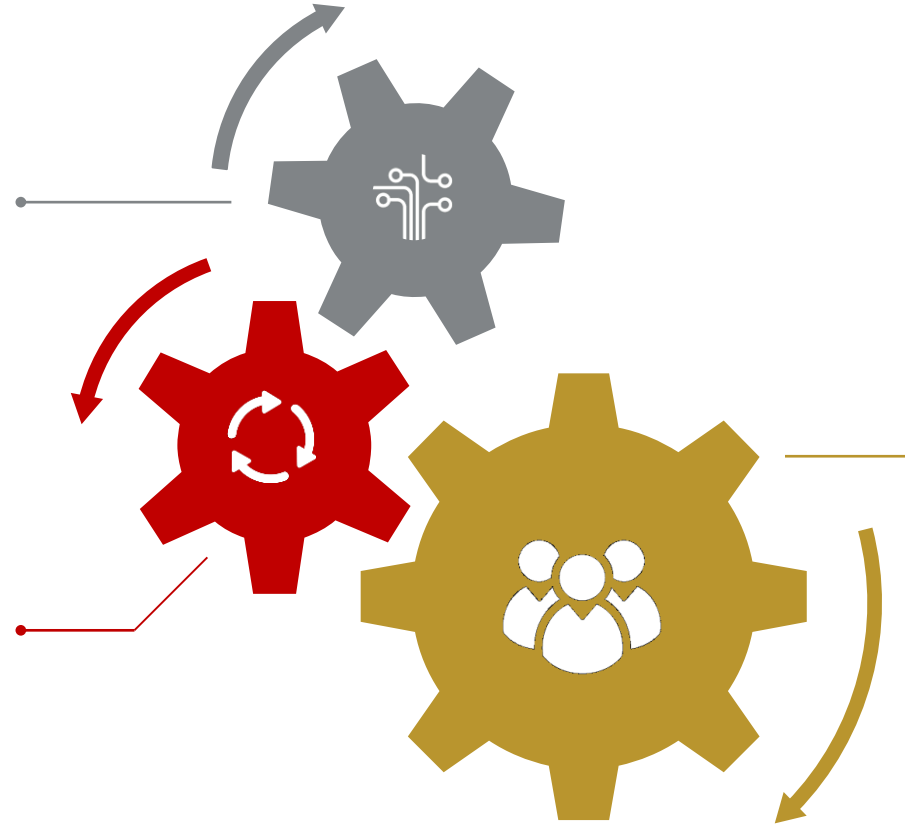
- Private and secured cloud
- ISO 9001, ISMS 27001, ISO 23026 certified
- #1 Data center by Gartner (2017) for network security and adherence to demanding EU benchmarks

Process

- Agile proprietary process
- Large and complex data handling capability
- Integrated scheduling and processing systems ensuring quick turnaround times

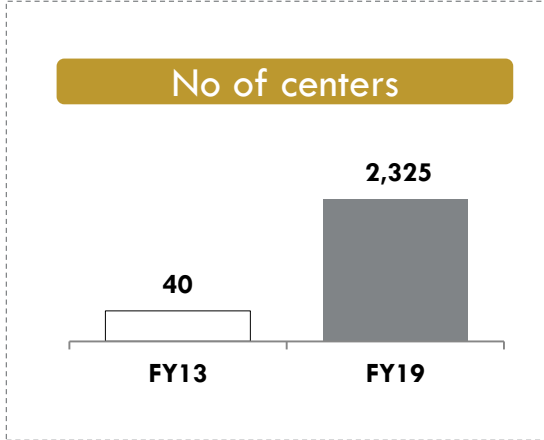
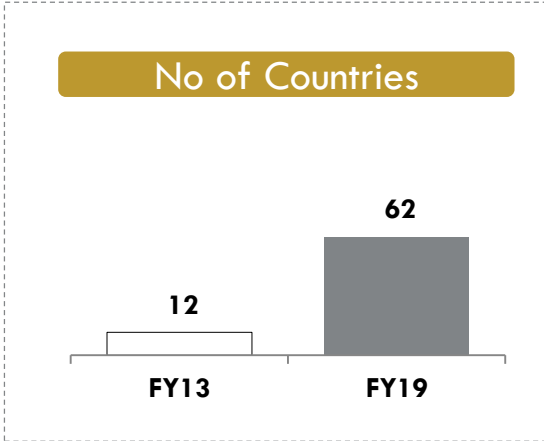
People

- ~5,000 employees with more than 90% retention
- 60+ nationalities' employees
- Strong rewards and recognition framework with formal programs /initiatives



Agile, secure and highly scalable systems and process developed over the years have been the driver of success

Strong global presence



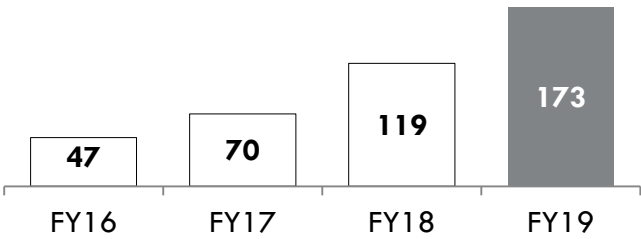
Abu Dhabi | Afghanistan | Ajman | Algeria | Armenia | Austria | Azerbaijan | Bahrain | Bangladesh | Bolivia | Belarus | Cameroon | Canada | China | Dominican Republic | Dubai | Ecuador | Egypt | Equatorial Guinea | Fujairah | Ghana | Hong Kong | India | Indonesia | Iraq | Ireland | Ivory Coast | Jordan | Kazakhstan | Kenya | Kuwait | Lebanon | Lithuania | Malaysia | Mauritania | Morocco | Nepal | Nigeria | Norway | Oman | Pakistan | Palestine Territory | Philippines | Poland | Qatar | Ras Al Khaimah | Russia | Saudi Arabia | Senegal | Sharjah | Singapore | South Africa | Thailand | Tunisia | Turkey | Ukraine | Umm Al Quwain | UK | USA | Uzbekistan | Vietnam

Asset light, high FCF business model with net cash positive

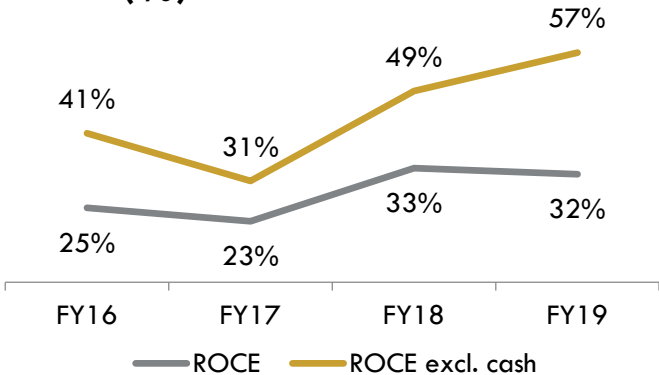
Asset light model driving return ratios

- All global branch offices are on lease
- Efficient capital utilization, funds utilized only for contracts execution as compared to acquiring assets
- Citizen service offices are operated by BLS and developed by the Government

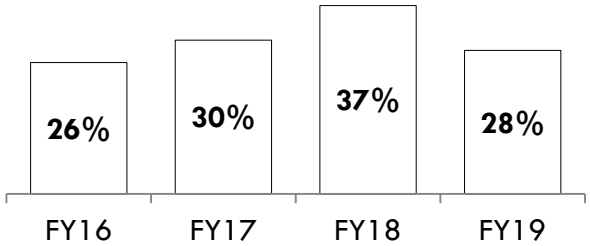
Cash and bank



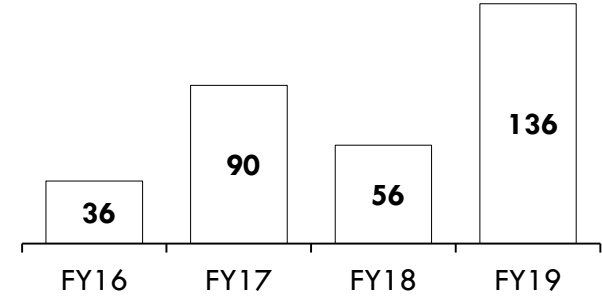
ROCE (%)



ROE (%)



Cash flows from operations



Growth
Strategies

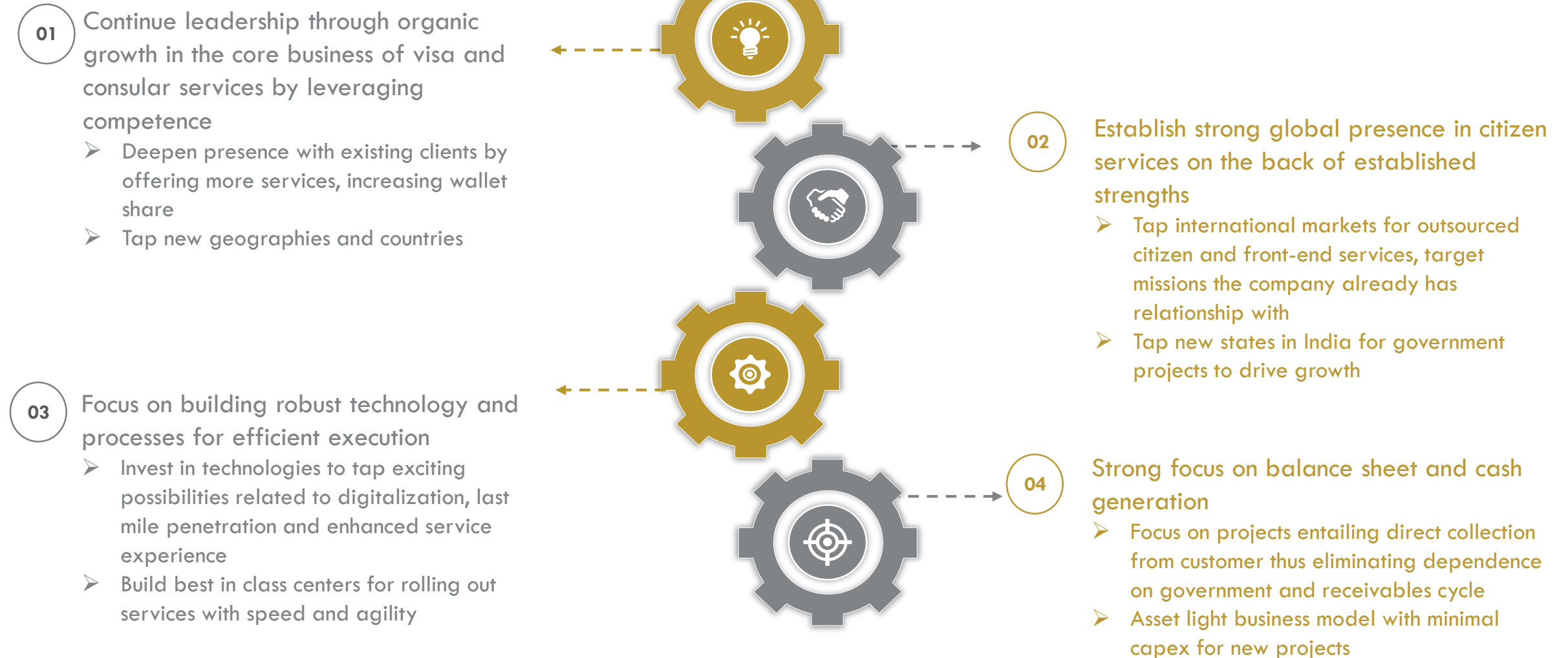
06

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Fortune India's Next 500 Companies (2019)

Forbes Asia's 'Best under a Billion' Company (2018)

Strategic initiatives to drive growth



Historical Financial Performance

07

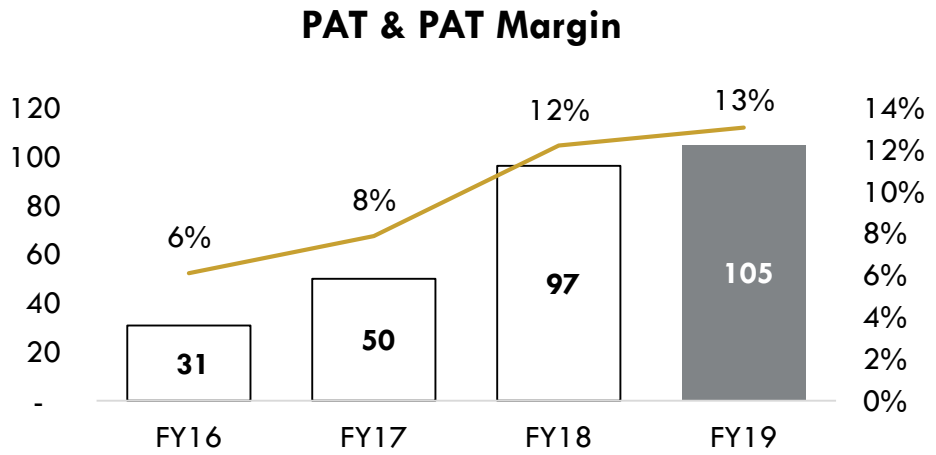
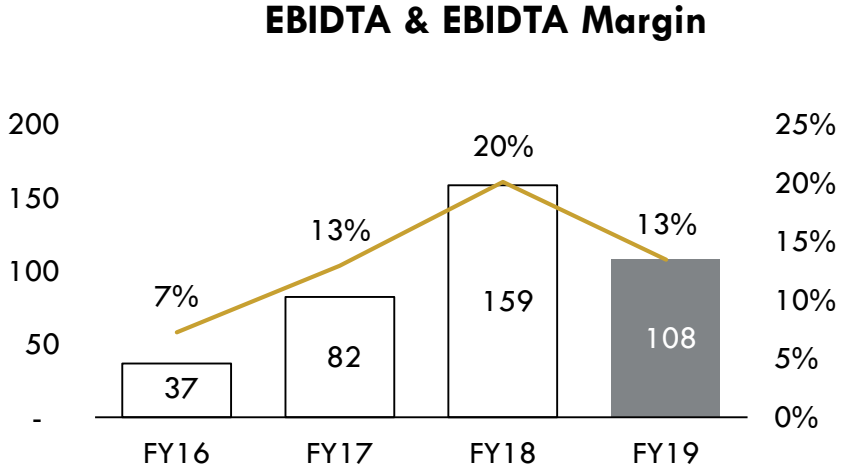
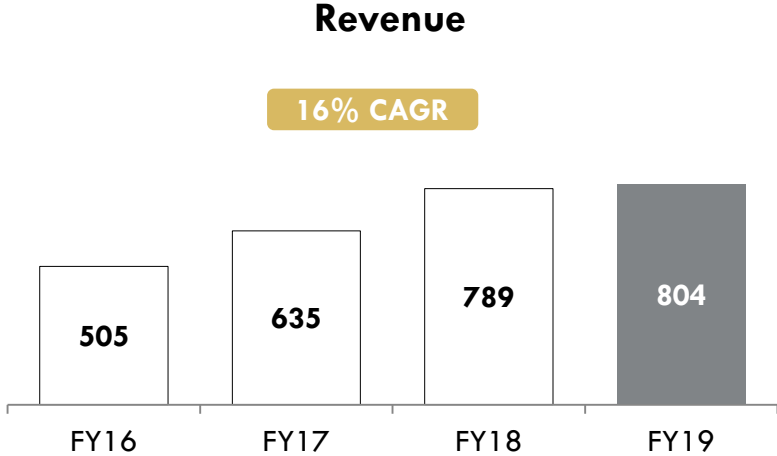


Fortune India's Next 500 Companies (2019)

Forbes Asia's 'Best under a Billion' Company (2018)

Consistent growth with healthy margins

Rs in Cr



Consolidated Statement of profit and loss

(Rs. Cr)	FY17	FY18	FY19
Revenue	635	789	804
Gross Profit	167	295	266
(Gross Margin)	26%	37%	33%
Operating expenses	85	136	157
EBITDA	82	159	108
(EBITDA Margin)	13%	20%	13%
Finance Cost	6	12	10
Depreciation	26	40	19
Other Income	2.5	4.1	43
One-time income /(expense)	-	-	35
PBT	53	111	122
(PBT Margin)	8%	14%	15%
Tax Expenses	3	14	17
Reported PAT	50	97	105
(PAT Margin)	8%	12%	13%

Consolidated Balance sheet as on 30th September 2019

(Rs. Cr)	Sep'19	Mar'19
Current Assets	367.4	388.5
Trade Receivables	119.4	176.3
Cash and Bank	209.7	173.9
Financial Assets	38.3	38.3
Non-Current Assets	84.3	88.9
Property, Plant and Equipment including intangible and goodwill	44.3	53.6
Financial Assets	33.9	29.3
Other Non Current Assets	6.0	5.9
Total Assets	451.7	477.4
Current Liabilities	64.8	101.7
Borrowings	5.2	28.1
Trade Payables	18.0	26.8
Other Current Liabilities	41.6	46.8
Non-Current Liabilities	2.7	3.6
Secured Loans	0.0	0.9
Other liabilities	2.7	2.8
Shareholder's Funds	384.2	372.0
Share Capital	10.2	10.2
Reserves	373.9	361.8
Total Liabilities	451.7	477.4

- Rs 56.9 cr reduction in trade receivables
- Punjab contract receivables as on 30th Sept'19 is Rs 67.5 cr

Cash and bank Rs 209.7 cr as on 30th Sept'19 compared to Rs 176.3 cr as on 31st Mar'19

Total borrowings (short + secured + current maturities) – Rs 6.4 cr as on 30th Sept'19 compared to Rs 37.5 cr as on 31st Mar'19

Rs 203 cr Net cash as on 30th Sept'19 versus Rs 136 cr as on 31st Mar'19

Consolidated Cash Flow

(Rs. Cr)	FY18			FY19	
C/F from operating activities		167	Operating profit before WC change	134	
	56	(107)	Change in Working Capital	25	136
		(4)	Direct taxes	(23)	
C/F from investing activities		(12)	Purchase of property, plant and equipment and intangibles	(31)	
		-	Goodwill	(8)	
		2	Sale proceeds from property, plant and equipment and intangibles	48	
	(27)	5	Proceeds from sale / purchase of investment	-	(68)
		1	Gain on business acquisition	0.1	
		(24)	Investments in term deposits	(80)	
C/F from financing activities		1	Interest incomes	3	
		(8)	Repayments of non-current borrowings	(45)	
		2	Proceeds from non-current borrowings	0.3	
	(2)	19	Repayment of current borrowing (Net)	(26)	(87)
		(4)	Dividend paid (including dividend distribution tax)	(5)	
	(11)	Interest paid	(12)		
Net increase /(decrease) in cash and cash equivalent	27				(20)
Cash and cash equivalent at the beginning of the year	60				87
Cash and cash equivalent at the end of the year	87				67



For more information, please contact:

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Road, New Delhi – 110001 (India)

Email: amit.s@blsinternational.net

Pareto Capital (Investor relations advisor)

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Ms. Pooja Dokania

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THANK
YOU