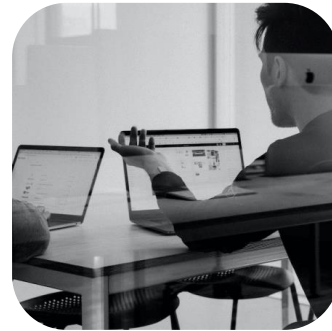




Redefining Business Services

# Updater Services Limited



Leading Integrated Business Service Platform



**Investor Presentation**  
May 2024

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Redefining Business  
Services

# Q4 & FY24 Financial Highlights

# Q4 & FY24 Key Performance Highlights



## Q4 FY24 Highlights

<p><b>Rs. 6,321 Mn.</b> Total Revenue</p> <p><b>↑ +10%</b></p>	<p><b>Rs. 411 Mn.</b> Reported EBITDA</p> <p><b>↑ +6%</b></p>	<p><b>Rs. 383 Mn.</b> Adj. EBITDA</p> <p><b>↓ -23%</b></p>
<p><b>Rs. 242 Mn.</b> Reported PAT</p> <p><b>↑ +150%</b></p>	<p><b>Rs. 217 Mn.</b> Adj. PAT</p> <p><b>↑ 0%</b></p>	<p>Logo's Added</p> <p><b>IFM – 18</b></p> <p><b>BSS – 17</b></p>
<p>Head Count IFM Segment</p> <p><b>51,876</b></p>	<p>Head Count BSS Segment</p> <p><b>13,356</b></p>	<p><b>People Productivity</b></p> <p>IFM – Rs. 80,374 BSS – Rs. 1,72,070</p>

## FY24 Highlights

<p><b>Rs. 24,561 Mn.</b> Total Revenue</p> <p><b>↑ +16%</b></p>	<p><b>Rs. 1,459 Mn.</b> Reported EBITDA</p> <p><b>↑ +41%</b></p>	<p><b>Rs. 1,666 Mn.</b> Adj. EBITDA</p> <p><b>↑ +12%</b></p>
<p><b>Rs. 663 Mn.</b> Reported PAT</p> <p><b>↑ +91%</b></p>	<p><b>Rs. 925 Mn.</b> Adj. PAT</p> <p><b>↑ +9%</b></p>	<p>Logo's Added</p> <p><b>IFM – 78</b></p> <p><b>BSS – 51</b></p>
<p>Head Count IFM Segment</p> <p><b>51,876</b></p>	<p>Head Count BSS Segment</p> <p><b>13,356</b></p>	<p><b>People Productivity</b></p> <p>IFM – Rs. 76,661 BSS – Rs. 1,62,088</p>

# Awards & Recognition during FY24



During FY24 the company received the “**Great Place to Work**” certification



Recognized as India's **Top 100 Best Workplaces for Women** during FY24 for Denave - A subsidiary of UDS

**Best Contact Centre** of the year from CMO Asia, Best Inbound & Outbound Tele Sales Agency from National Business Excellence award



**Mr. Raghunandana Tangirala**

Promoter, Chairman & MD

“For the FY2024, Total Revenues grew by 16% to Rs. 24,561 Million. BSS Segment witnessed a strong growth of 32% during the year, Revenue stood at Rs. 8,022 Million. This can be primarily attributed to the strong growth we are witnessing in the Sales Enablement Business. Coming to the IFM Segment we at UDS continue to have a high focus on margins and capital efficiency. Given this backdrop we have witnessed a growth of 9% in IFM Revenues which stood at Rs. 16,658 Million. This is due to us consciously rationalizing low margin contracts where necessary. Going forward we are quite confident on our growth numbers to stabilize at 3x of Nominal GDP growth rate.

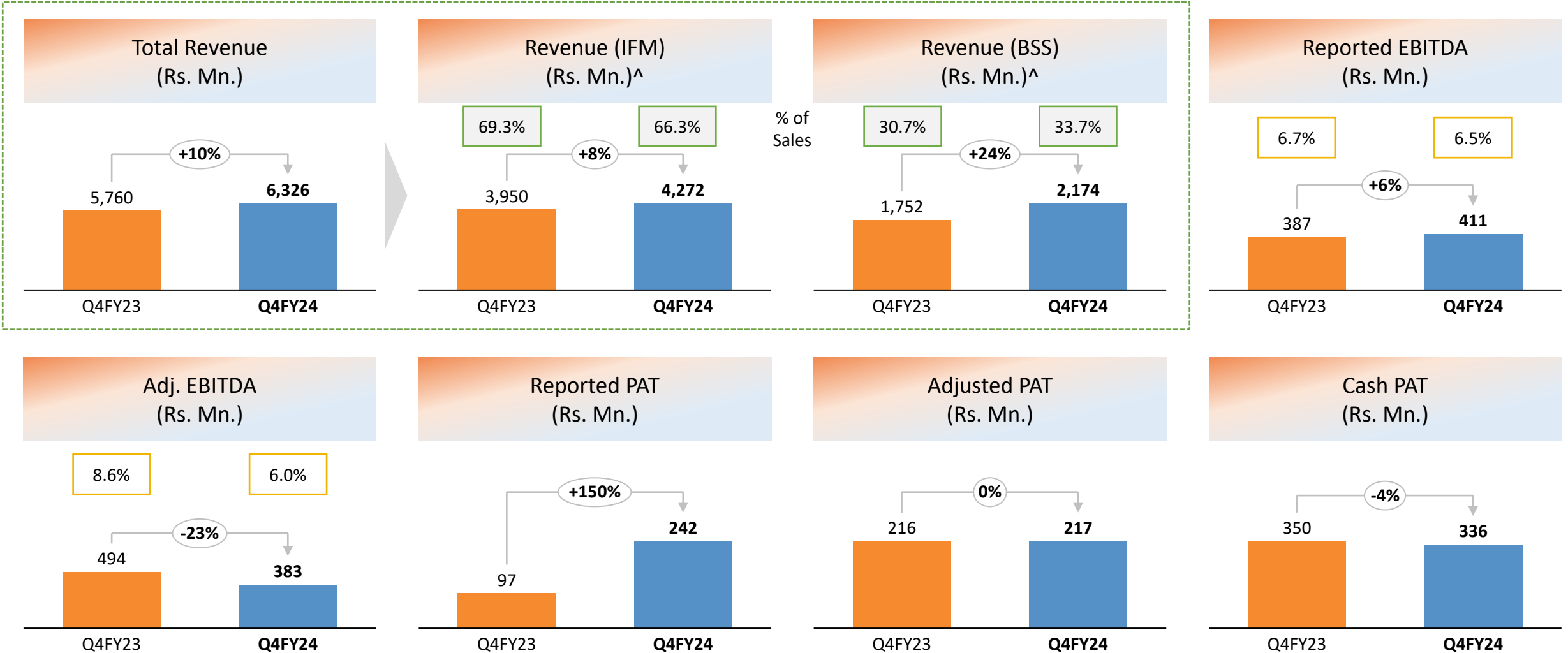
EBITDA for FY24 stood at Rs. 1,459 Million and witnessed a growth of 41%. We continue to have best in class EBITDA margins of 5.9% which was 4.9% during FY23. Our margins continue to stay higher compared to the industry standards. This is on account of an enhanced revenue mix, higher contribution of specialized facility management contracts and growing BSS contribution to total revenue. We continue to believe that margins can further improve by 25-50 basis points per year for coming few years due to operating leverage and an improving revenue mix.

On the Industry front we continue to witness a shift of preference towards a fully Integrated Facility Management Companies with a higher demand for Solution based offerings. We have always focused on offering a bouquet of services with higher technical capabilities and good quality which has separated us from our peers.

We continue to look for a suitable target for an acquisition which fits UDS's moat and further elevates our capabilities in terms of offerings an increased cross selling and we are on the right path for the same. I am also happy to share that we are at final stages for fully acquiring Denave and it is currently at its final regulatory approval stages. We are excited about the opportunities that lie ahead.

To conclude, as we mark the conclusion of our inaugural year as a listed entity, it's evident that we've embarked on a journey marked by numerous positive developments. These early successes have set a promising trajectory for our company and its brand, indicating the potential for substantial growth in the time ahead. As we look to the future, we are aware of the objectives yet to be achieved and the challenges that lie ahead.”

# Q4 FY24 Financial Highlights

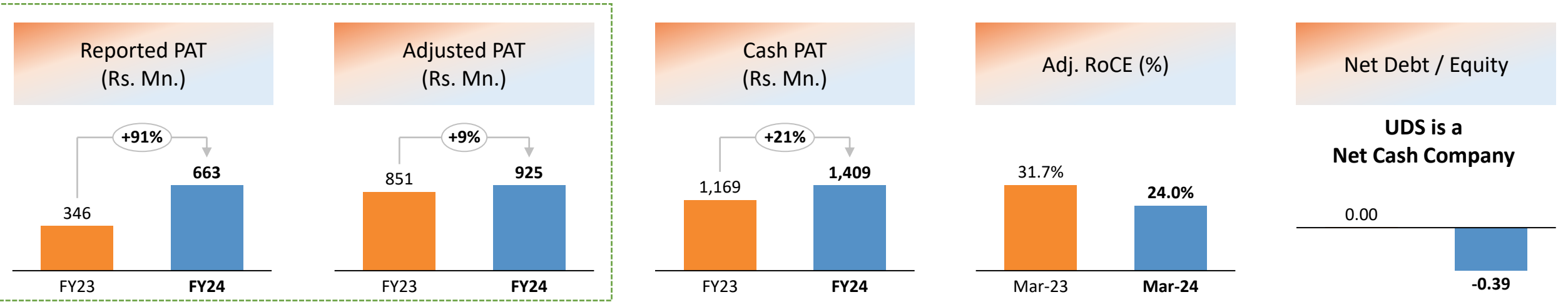
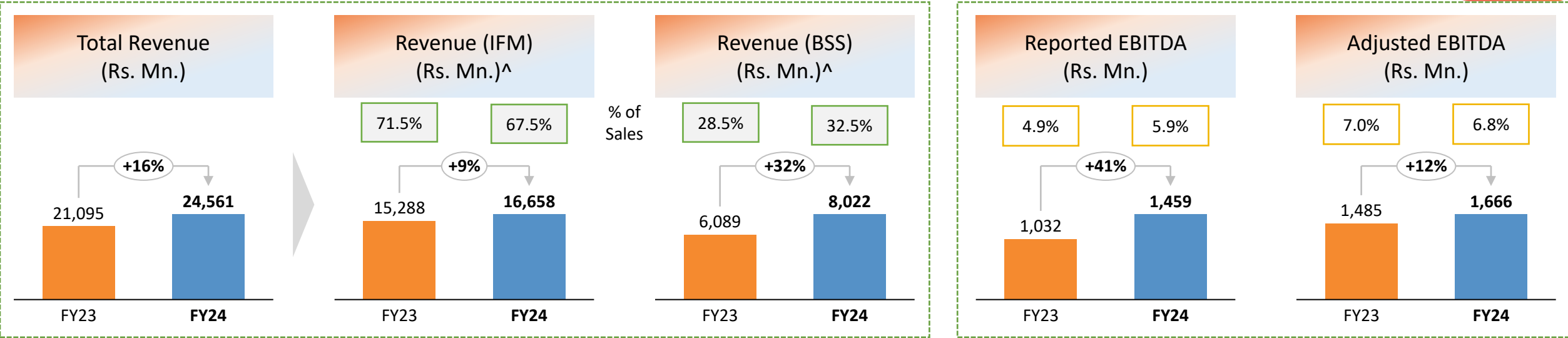


^ Before Adjustments & Eliminations

Adjusted EBITDA & PAT is excluding ESOP Cost, Fair Value Changes in Liability payable / paid to promoters of acquired subsidiary and Amortization related to acquisition

Cash PAT = Reported PAT + Depreciation & Amortization + ESOP Cost + Fair value changes in Liability payable/paid to promoters of acquired subsidiary

# FY24 Financial Highlights



^ Before Adjustments & Eliminations

Adjusted EBITDA & PAT is excluding ESOP Cost, Fair Value Changes in Liability payable / paid to promoters of acquired subsidiary and Amortization related to acquisition

Cash PAT = Reported PAT + Depreciation & Amortization + ESOP Cost + Fair value changes in Liability payable/paid to promoters of acquired subsidiary

For calculation of Net Debt, Cash & Cash equivalents(incl. bank balances) and bank deposits for more than 12 months is considered



# Q4 & FY24 Consolidated Profit & Loss Statement



Particulars (Rs. Million)	Q4 FY24	Q4 FY23	Y-o-Y	FY24	FY23	Y-o-Y
<b>Total Revenue from Operations</b>	<b>6,326.1</b>	<b>5,760.5</b>	<b>10%</b>	<b>24,560.6</b>	<b>21,095.4</b>	<b>16%</b>
Cost of Services and Other RM	229.7	907.8		1,019.6	3,469.3	
Employee benefits expense (incl. ESOP)	5,020.0	3,794.9		18,156.5	13,840.6	
Impairment losses on financial instrument and contract assets	41.1	4.0		69.6	36.3	
Other Expenses	671.8	575.8		3,749.8	2,303.1	
Fair value changes in Liability payable/paid to promoters of acquired subsidiary	-47.4	91.1		105.9	413.6	
<b>Reported EBITDA</b>	<b>411.0</b>	<b>386.9</b>	<b>6%</b>	<b>1,459.1</b>	<b>1,032.4</b>	<b>41%</b>
<b>Reported EBITDA Margin (%)</b>	<b>6.5%</b>	<b>6.7%</b>		<b>5.9%</b>	<b>4.9%</b>	
Depreciation & Amortization (excl. Amortization related to acquisition)	114.0	129.3		458.9	308.4	
Amortization related to acquisition	8.9	16.7		80.7	62.1	
<b>EBIT</b>	<b>288.1</b>	<b>240.9</b>	<b>20%</b>	<b>919.5</b>	<b>662.0</b>	<b>39%</b>
Finance Income	47.3	-45.2		119.2	25.5	
Finance Cost	30.8	59.8		192.8	145.7	
<b>Profit before Tax</b>	<b>304.6</b>	<b>135.9</b>	<b>124%</b>	<b>845.8</b>	<b>541.9</b>	<b>56%</b>
Tax	63.0	39.3		183.2	195.8	
<b>Reported Profit After Tax</b>	<b>241.6</b>	<b>96.6</b>	<b>150%</b>	<b>662.6</b>	<b>346.0</b>	<b>91%</b>

Particulars (Rs. Million)	Q4 FY24	Q4 FY23	Y-o-Y	FY24	FY23	Y-o-Y
<b>Reported EBITDA</b>	<b>411.0</b>	<b>386.9</b>	<b>6%</b>	<b>1,459.1</b>	<b>1,032.4</b>	<b>41%</b>
(+) ESOP Expense	18.9	16.0		100.6	38.9	
(+) Fair Value Change in Liability payable/paid to promoters of acquired subsidiary	-47.4	91.1		105.9	413.6	
<b>Adjusted EBITDA</b>	<b>382.5</b>	<b>493.9</b>	<b>-23%</b>	<b>1,665.6</b>	<b>1,484.9</b>	<b>12%</b>
<b>Adjusted EBITDA %</b>	<b>6.0%</b>	<b>8.6%</b>		<b>6.8%</b>	<b>7.0%</b>	

The Company owns 74% in Denave and will be acquiring 100% in the coming months. Company has provided for the same and also for increasing its holdings in Athena to 74% Hence exposure on fair value will be minimum going ahead

The Company has initiated the Airport Ground Handling Business which required higher capital investments. The Business is currently in the ramp up mode and the Company expects the vertical to generate higher revenues offsetting higher depreciation.

Particulars (Rs. Million)	Q4 FY24	Q4 FY23	Y-o-Y	FY24	FY23	Y-o-Y
<b>Reported PAT</b>	<b>241.6</b>	<b>96.6</b>	<b>150%</b>	<b>662.6</b>	<b>346.0</b>	<b>91%</b>
(+) ESOP Expense adj. for Tax	14.2	12.0		75.5	29.2	
(+) Fair Value Change in Liability payable/paid to promoters of acquired subsidiary	-47.4	91.1		105.9	413.6	
(+) Amortization pertaining to acquisitions	8.9	16.7		80.7	62.1	
<b>Adjusted PAT</b>	<b>217.2</b>	<b>216.4</b>	<b>0%</b>	<b>924.7</b>	<b>850.9</b>	<b>9%</b>

# Q4 & FY24 Consolidated Balance Sheet



EQUITY & LIABILITIES (Rs. Million)	Mar-24	Mar-23
Equity Share Capital	669.5	529.5
Other Equity	7,734.2	3,279.4
<b>Equity attributable to equity holder of the parent</b>	<b>8,403.6</b>	<b>3,808.9</b>
Non-Controlling Interest	59.5	69.2
<b>Total Equity</b>	<b>8,463.1</b>	<b>3,878.1</b>
Financial liabilities		
(i) Borrowings	0.0	179.3
(ii) Lease liabilities	325.2	284.2
(iii) Other Financial Liabilities	311.6	1,138.7
Net Employee Defined benefit liabilities	496.9	539.5
Deferred Tax Liabilities (Net)	117.0	157.5
<b>Total Non-Current Liabilities</b>	<b>1,250.7</b>	<b>2,299.2</b>
Financial liabilities		
(i) Borrowings	528.7	1,586.1
(ii) Lease liabilities	192.7	149.0
(iii) Trade payables	790.3	708.1
(iv) Other current financial liabilities	2,828.0	2,416.3
Short Term Provision	2,828.0	2,416.3
Net Employee Defined benefit liabilities	401.3	107.5
Current Tax Liabilities	0.0	222.6
Other current liabilities	813.1	754.4
<b>Total Current Liabilities</b>	<b>5,633.8</b>	<b>6,003.0</b>
<b>Total Liabilities</b>	<b>6,884.6</b>	<b>8,302.2</b>
<b>Total Equity and Liabilities</b>	<b>15,348.0</b>	<b>12,180.3</b>

ASSETS (Rs. Million)	Mar-24	Mar-23
Property, plant and equipment	602.7	607.9
Capital Work in Progress	103.6	0.0
Goodwill	1,947.9	1,947.9
Other Intangible assets	555.4	636.1
Intangible asset under development	5.2	2.3
Right-of-use assets	460.3	402.1
Contract Assets	226.9	221.6
Financial Assets		
(i) Investments	48.1	30.1
(ii) Loans	0.6	1.3
(iii) Other Financial Assets	232.7	273.9
Deferred tax assets (net)	475.9	488.1
Non-current tax assets	771.8	547.2
Other non-current assets	54.7	23.7
<b>Total Non-Current Assets</b>	<b>5,485.7</b>	<b>5,182.0</b>
Inventories	69.9	69.9
Contract Assets	490.1	360.3
Financial assets		
(i) Investments	16.3	8.0
(ii) Trade receivables	5,039.0	4,585.2
(iii) Cash and cash equivalents	836.2	1,146.7
(iv) Bank balances other than (iii) above	671.2	504.3
(v) Loans	6.8	7.4
(v) Other financial assets	2,476.5	66.8
Other current assets	256.3	249.9
<b>Total Current Assets</b>	<b>9,862.3</b>	<b>6,998.3</b>
<b>Total Assets</b>	<b>15,348.0</b>	<b>12,180.3</b>

# Q4 & FY24 Consolidated Cash Flow Statement



Cash Flow Statement (Rs. Million)	FY24	FY23
Net Profit Before Tax	845.8	541.9
Adjustments for: Non - Cash Items / Other Investment or Financial Items	813.8	908.0
<b>Operating profit before working capital changes</b>	<b>1,659.6</b>	<b>1,449.9</b>
Changes in working capital	-218.2	-98.2
<b>Cash generated from Operations</b>	<b>1,441.4</b>	<b>1,351.7</b>
Direct taxes paid (net of refund)	-415.0	203.9
<b>Net Cash from Operating Activities</b>	<b>1026.4</b>	<b>1,147.8</b>
<b>Net Cash from Investing Activities</b>	<b>-3,564.1</b>	<b>-1,529.8</b>
<b>Net Cash from Financing Activities</b>	<b>2227.2</b>	<b>955.8</b>
Net Decrease in Cash and Cash equivalents	-310.5	573.8
Add: Cash & Cash equivalents at the beginning of the period	1,146.7	572.9
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>836.1</b>	<b>1,146.7</b>

# Delivering Value to Stakeholders with IPO



October 2023

**Listing of Updater Services Limited on BSE & NSE**



IPO Price: Rs. 300 per share

**Gross Proceeds from the Fresh Issue: Rs. 400 crores**

### Objects of the Fresh Issue:

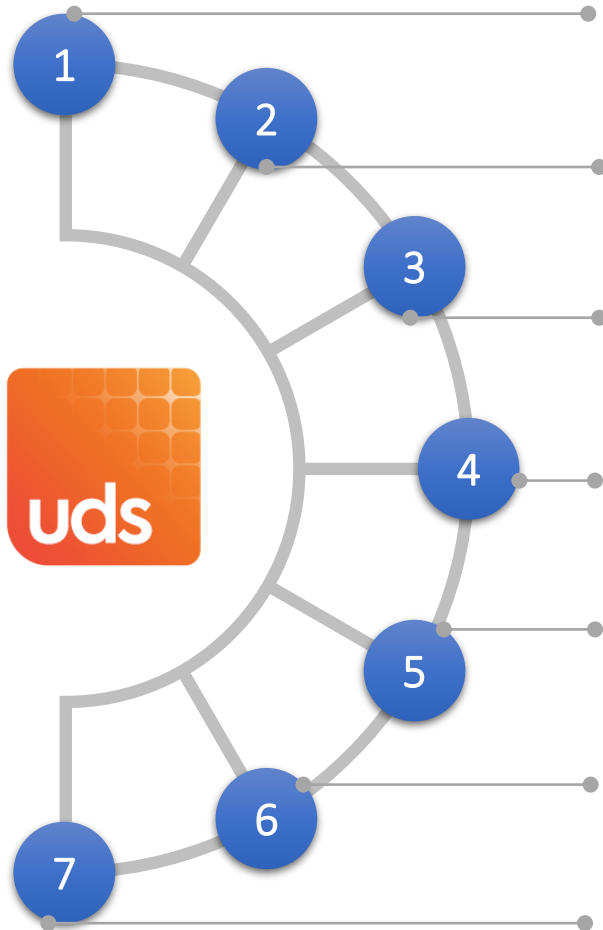
- ✓ Repayment and /or prepayment of certain borrowings availed by our Company;
- ✓ Funding our working capital requirements;
- ✓ Pursuing inorganic initiatives; and
- ✓ General corporate purposes



Redefining Business  
Services

# Why UDS...

# About Us



1. Leading Integrated Business Services Platform - Unique mix of businesses transforming from only IFM to integrated platform with BSS

2. Transformed into an integrated business services platform offering IFM services and BSS led through strategic acquisitions and Organic Growth

3. **PAN-India presence** with large and efficient workforce coupled with strong recruitment capabilities

4. **Track record of successful acquisitions** funded through internal accruals and successful integration

5. **Longstanding relationship with customers** across diverse sectors leading to recurring business

6. **Technology at the forefront** of current and future business


7. **Highly experienced management team** with **support from PE Investors**

# 1. Leading Integrated Business Services Platform



**IFM | Integrated Facility Management** 

**BSS | Audit & Assurance**  
(Matrix Business Services) 

**BSS | Sales Enablement**  
(Denave & Athena BPO) 

**BSS | Employee Background Verification**  
(Matrix Business Services) 

**BSS | Mailroom Management & Niche Logistics**  
(Avon Solutions & Logistics) 

**BSS | Airport Ground Handling**  
(Global Flight Handling Services)



# 1. Integrated Facility Management (IFM) & Other Services



## Soft Services

Housekeeping and cleaning services, disinfecting, and sanitizing services, pest control, horticulture, and facade cleaning

## Production Support Services

Material handling, material movement, on-site warehouse management, stores and inventory management, production support activities, and equipment maintenance

## Engineering Services

Mechanical, electrical, and plumbing (MEP) services. Also referred to as hard services, include maintenance, repair, overhaul and performance management of heating, ventilation, and air conditioning (HVAC)

## Institutional Catering

Catering and food services to corporates, educational institutions, and industrial facilities

## Washroom and Feminine Hygiene Care Solutions

Feminine hygiene care solutions and products and services such as air fresheners, sanitizers and washroom solutions

## Warehouse Management

Manage customer warehouses and operations within them, which could include material handling, stock keeping, grading, and sorting, breaking bulk, repacking, inward and outward dispatches, return logistics

## General Staffing

Services where field staff are provided to customers for deployment in various roles and who operate under the customer's supervision. Integrated Technical Staffing and Solutions, generally comprise recruitment, payroll and human resource services

## Others

Technology Services & Procurement Services

Integrated Facility Management (IFM) & Other Services – **67.5% of Revenues in FY24**



# 1. Business Support Services (BSS)



## Sales Enablement Services

Serving global customers across multiple industries including information technology / information technology enabled services, telecom and other industries, through global delivery centres located in India, Malaysia and UK, and also through partners in other parts of the world

B2C outbound tele-sales BPO, focused on the BFSI segment in India

**FY24 – 10.9% of Revenues**

## Audit & Assurances

Services such as supply chain audit including warehouse depot audit, distributor audit, and retail point audit, among others. Provide back-office services related to marketing programs and channel partner claim processing to global customers

**FY24 – 2.6% of Revenues**

## Employee Background Verification Check Services

Services comprise address verification, identity verification, educational qualifications verification, employment history verification, legal case history, among others

**FY24 – 1.9% of Revenues**

## Mailroom Management and Niche Logistics Solutions

Leading service provider in India and a pioneer in the mailroom and asset movement business. Leverage this presence to also offer services such as office supplies management, among others

**FY24 – 2.9% of Revenues**

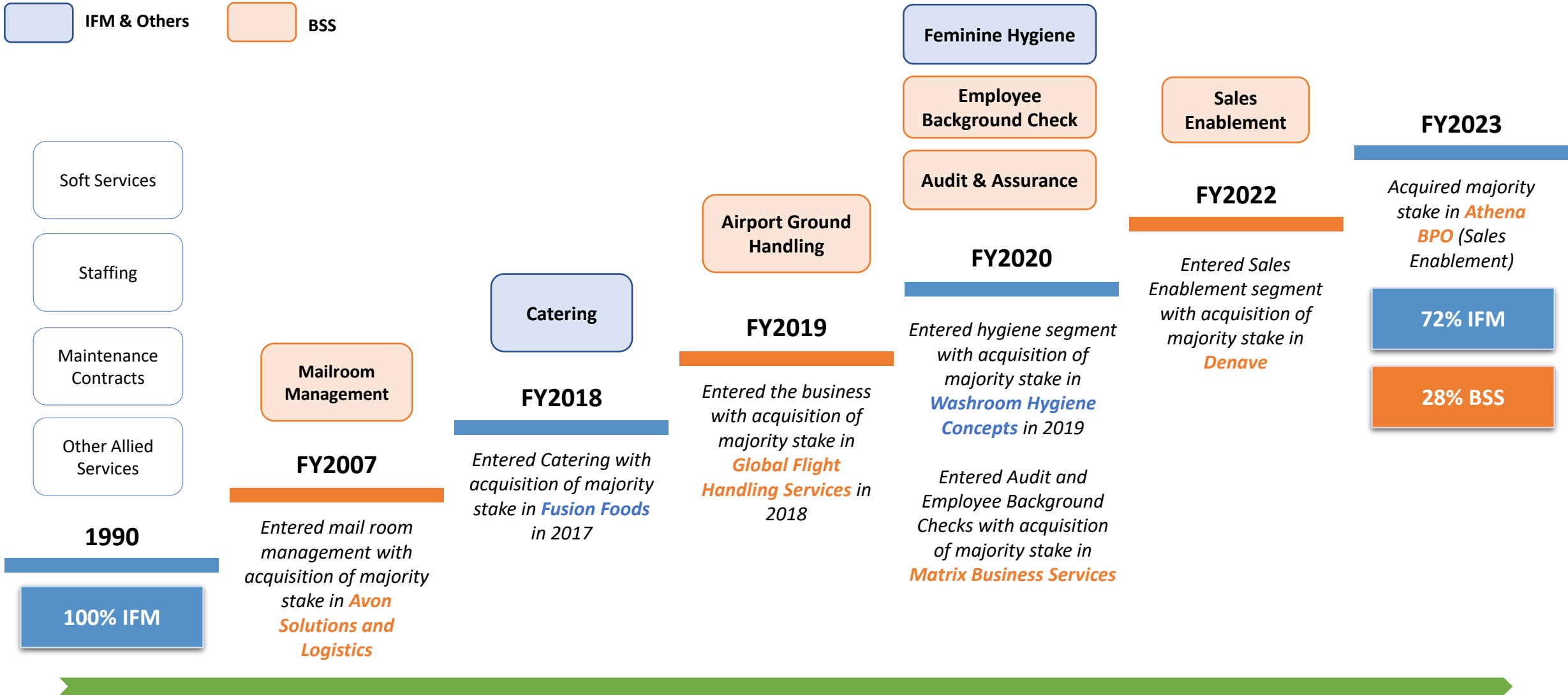
## Airport Ground Handling Services

Services include baggage and cargo handling, passenger movement, and aircraft turnaround, among others. Also provide meet and greet services at various airports around the country

**FY24 – 1.1% of Revenues**

**Business Support Services (BSS) – 32.5% of Revenues in FY24**

## 2. Transformed into an integrated business services platform offering IFM services and BSS led through strategic acquisitions and Organic Growth



Note: The years mentioned are Financial Years

Above mentioned years reflect the date of the agreements to acquire and actual investment was made plus additional stakes were acquired in subsequent years  
 All the highlighted blocks are the businesses added through acquisitions

# 3. PAN India presence with large and efficient workforce



## Customer Locations

**5,102**

*(excluding staffing locations)*

## Managed Space

**201.12** mn sq. ft.

## Points of Presence

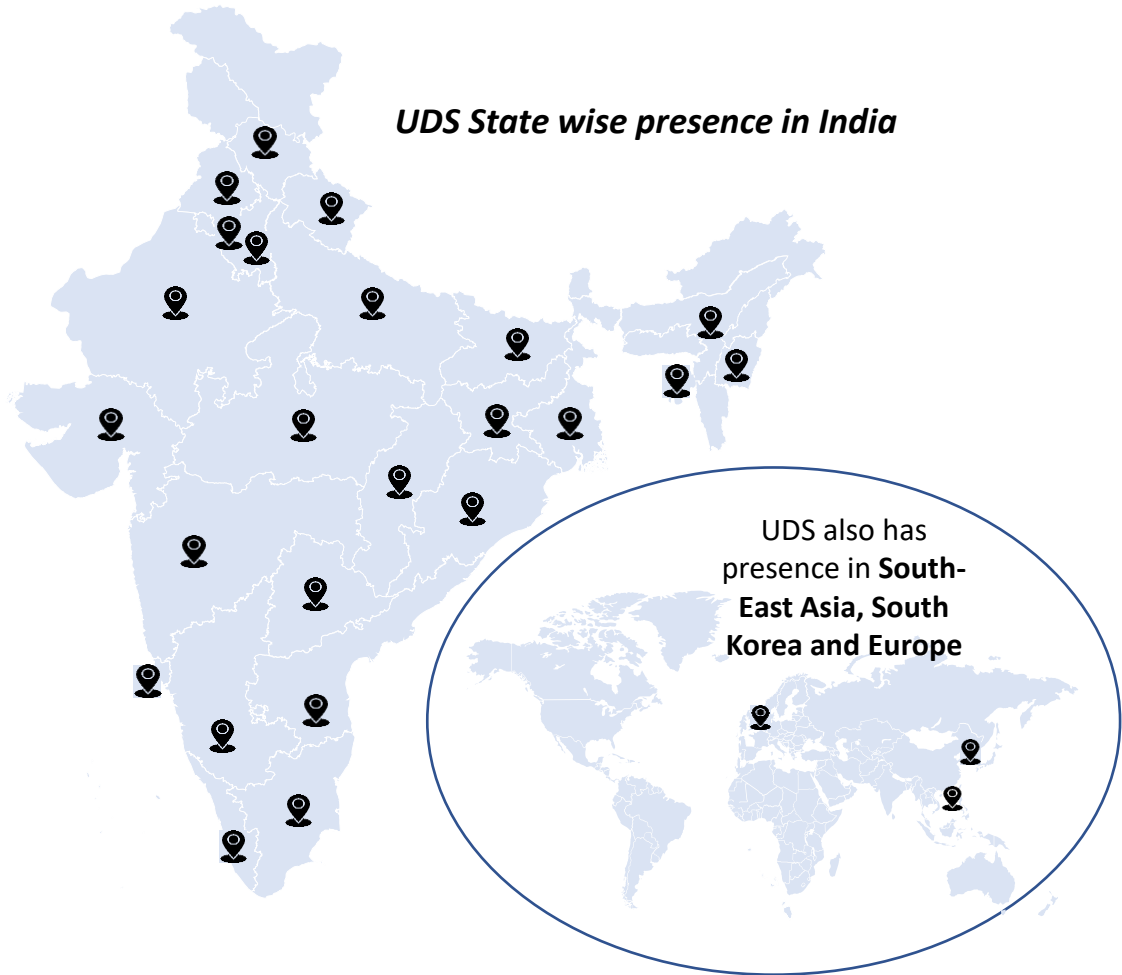
**121**

*In India*

## Overseas points of presence

**18**

Wide spread network with 139 points of presence...



...gives the company competitive advantage over its peers in several aspects

### Preferred Service Provider

Ability to provide services for companies with presence across multiple locations

### Quick Recruitment Capabilities

Ability to recruit, train and deploy resources at various locations in a short span of time

### Efficient Monitoring

Ease of monitoring employees at different customer locations and administer to the clients' needs

### Easy Repositioning

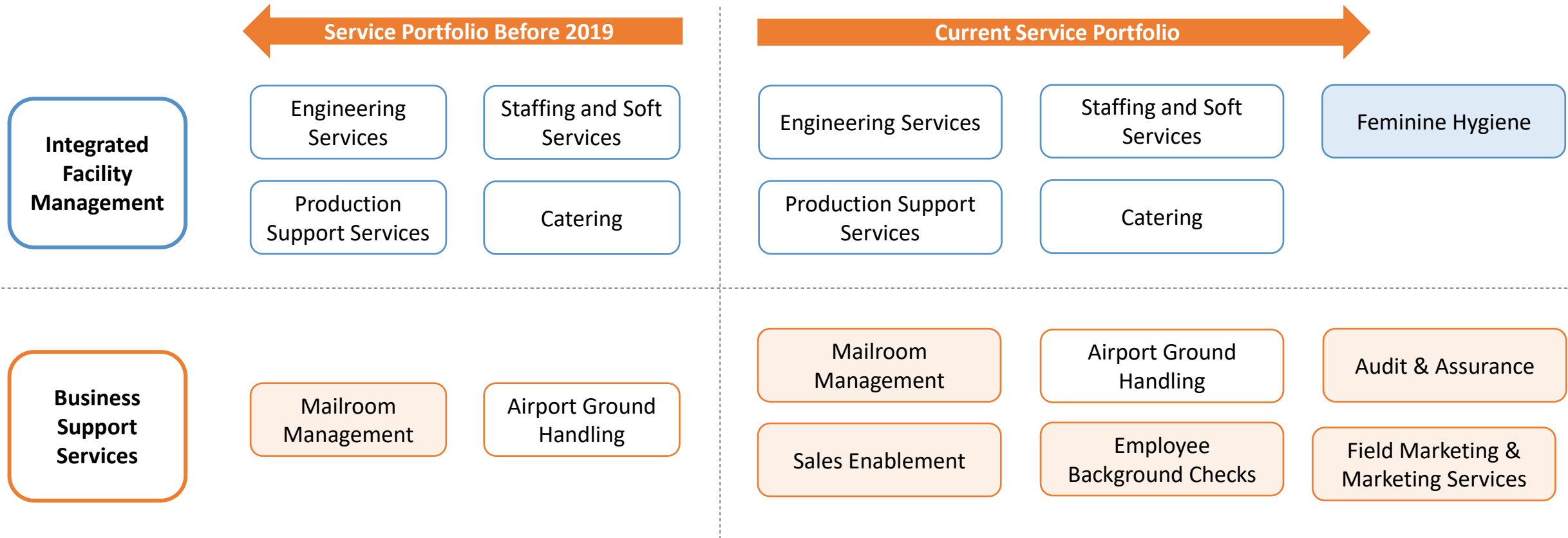
In-house recruitment model coupled with wide presence enables the company to ramp up/down the activities effectively and helps in easy repositioning of resources across different locations

# 4. Track record of successful acquisitions and seamless integration of high margin businesses...



## Selective Strategic acquisitions as means to expand the operations in value added business support services space










- ✓ Focus has been to acquire companies and businesses with offerings that are complementary and supplementary to the company’s existing services portfolio
  - ✓ All acquisitions are selectively picked and have added either **New Customer Segment | New Service Line | New Geography**



Note: Shaded boxes represent the business segments which UDS entered through acquisitions

# ... Adhering to which UDS made Selective Strategic Acquisitions in Margin Accretive Business Support Services via multiple tranches



Subsidiary	Year of acquisition & Stake		Cumulative Payout	EBITDA (Rs. Mn.)*		Association of promoters of acquired entities with UDS
 Employee Background Verification, Audit & Assurance	 75.00% FY2020	 99.99% Jun-23	Rs. 553.7 mn	FY20 124.3	FY24 138.6	P. C. Balasubramanian, Jayashree, Sundar Raman <i>(PC Bala one of the founding directors of Matrix, now is an advisor focusing on group integration at UDS)</i> P. Ravishankar <i>(with Matrix since August 2022)</i>
 Sales Enablement Services	 54.07% FY2022	 76.00% Mar-24	1,269.7 mn	FY22 168.0	FY24 293.8	Snehashish Bhattacharjee <i>(with Denave since 2000)</i>
 BPO Services	 57.00% FY2023	 57.00% Mar 24	Rs. 909.1 mn	FY23 304.0	FY24 335.0	Elizabeth Jacob <i>Holding 43.00% stake in Athena</i>

- ✓ Acquisitions have added new service line, given access to new set of customers and have added to margin profile
  - ✓ Value accretive acquisitions at reasonable valuations
  - ✓ No external equity financing for acquisitions

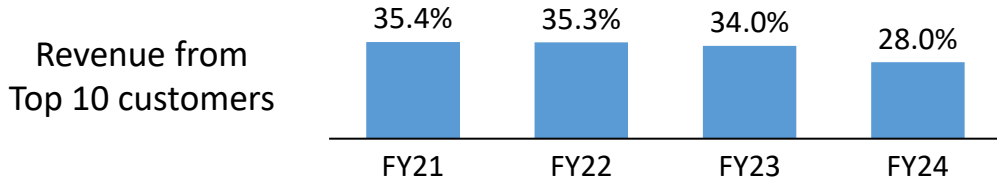
\* Note: EBITDA mentioned is from the year of acquisition

# 5. Longstanding relationship with customers across diverse sectors leading to recurring business



## IFM and Other Services

Customer Base: 1,593 customers



KEY CLIENTS

### AUTO

- ✓ Hyundai\*
- ✓ Eicher Motors
- ✓ Honda Motorcycle

### BFSI

- ✓ SBI Life Insurance
- ✓ Shriram Transport
- ✓ IIFL Finance

### ELECTRONICS

- ✓ SONY
- ✓ FUJITZU

### MANUFACTURING

- ✓ Saint-Gobain\*
- ✓ Mobis

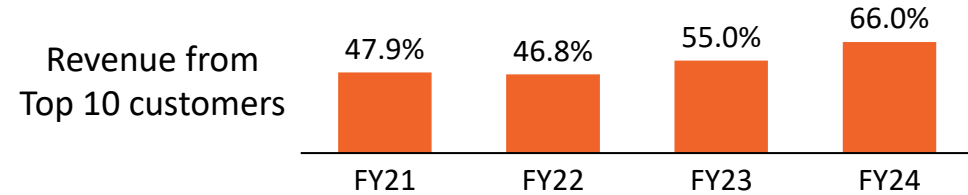
### HEALTHCARE

- ✓ TTK Healthcare
- ✓ Solis Healthcare

✓ Total Employee Head Count for IFM Segment stood at 51,876 as on March 2024

## Business Support Services

Customer Base: 1,026 customers



### TECNOLOGY

- ✓ Microsoft

### IT / ITES

- ✓ TCS
- ✓ Mindtree
- ✓ Logitech^

### CONSUMER

- ✓ P&G\*
- ✓ Hershey

### RETAIL

- ✓ ABFRL
- ✓ More Retail

### AVIATION

- ✓ SpiceJet
- ✓ AIX Connect

### TELECOM

- ✓ Tata Communications

✓ Total Employee Head Count for BSS Segment stood at 13,356 as on March 2024

**Diversified customer base with low customer concentration and ability to increase wallet share through cross selling**

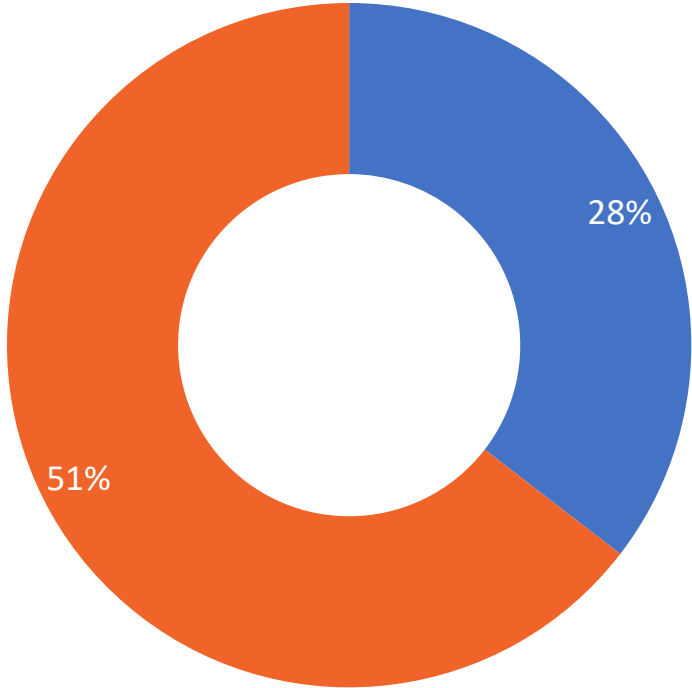
\* Key clients with over 10 years of relationship – Hyundai, Saint-Gobain, P&G

^ Logitech is included in IT and Electronics

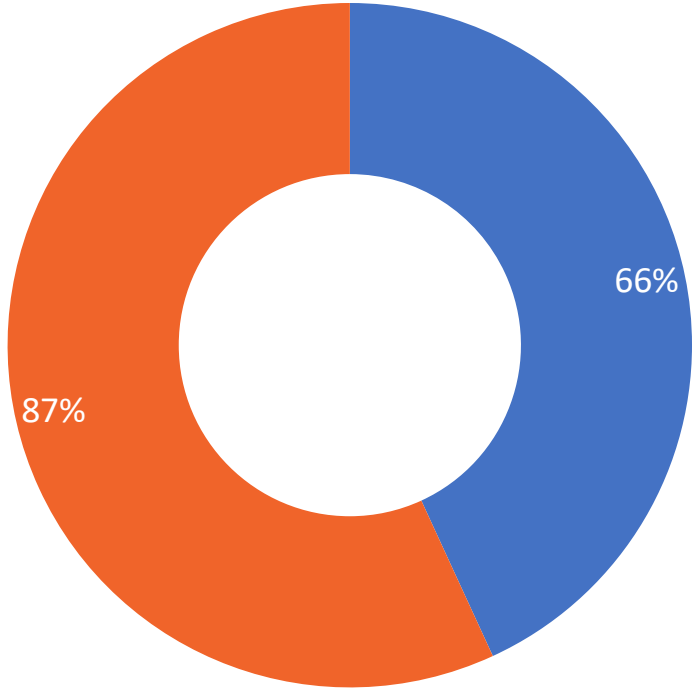
# 5. Customer and Sector Concentration Highlights



**IFM Customer Concentration (%)**



**BSS Customer Concentration (%)**



■ Top 10  
■ Top 50

■ Top 10  
■ Top 50

Long standing relationships with customers having a **95%** Retention over a 5-year window

# 6. Technology at the forefront of current and future businesses

## Adopted technology to optimize productivity and improve cost efficiencies



### Enterprise Technology

Implemented SAP for enterprise management



### Service Delivery Technology

- ✓ Using technology to manage 50,000+ field force
- ✓ Automated various employee management activities
- ✓ Deployed software platform called Matex (indigenously developed by Matrix) for Employee Background verification services



### Technology as a Product

- ✓ Indigenously developed Inconn (Tool for Computerized Maintenance Management System CMMS and Enterprise Asset Management EAM)

## Selectively investing in technology platforms to stay ahead of the curve

### Made a minority investment in **Aubotz Lab Private Limited**

- ✓ Manufactures autonomous robotic platforms for activities like
  - ✓ Floor Cleaning
  - ✓ Material Handling



- ✓ Deployed certain robots at customer locations



# 7. Experienced Board...

## Strong standards of corporate governance with experienced directors on board



**Raghunandana Tangirala**  
Promoter, Chairman of the Board & MD

- ✓ One of the founding Directors of the Company
- ✓ 30 years of experience in the service sector as an entrepreneur
- ✓ Focuses primarily on corporate governance, organizational development, capital allocation and strategic growth



**Sunil Rewachand Chandiramani**  
Independent Director

- ✓ B.Com from Sydenham College of Commerce and Economics, University of Bombay, and Diploma in Systems Management (Honours) from National Institute of Information Technology
- ✓ Associate member of ICAI
- ✓ Previously served as a partner at Ernst & Young India



**Amitabh Jaipuria**  
Non Executive Director

- ✓ Previously been associated with Ziqitza Healthcare, First Meridian Business Services, Reliance Jio, AGS Transact, Monsanto India, PepsiCo India, Qess Corp, GE Lighting and Blow Past
- ✓ Handles corporate affairs, investor relations and key strategic initiatives at UDS



**Amit Choudhary**  
Independent Director

- ✓ B.Com (Calcutta University) and passed the final examination held by the ICAI and was awarded a proficiency certificate
- ✓ Previously associated with Procter & Gamble as the group manager – finance & accounting.



**Jigyasa Sharma**  
Non Executive Director

- ✓ As a smart community manager she spear heads initiatives addressing a spectrum of technology policies within US Ignite Communities
- ✓ Brings a wealth of experience in economics and policy .
- ✓ Excelled in Academics with Dual master degree – from NUS- Singapore & University of California -Berkely



**Sangeeta Sumesh**  
Independent Director

- ✓ Served as an executive director and a CFO with Dun & Bradstreet Technologies
- ✓ Associate member of ICAI
- ✓ Was previously associated with Lovelock & Lewes, Lebara Foundation, Thales Software India, Tupperware India, Alstom Limited and PWC (Price Waterhouse Coopers)



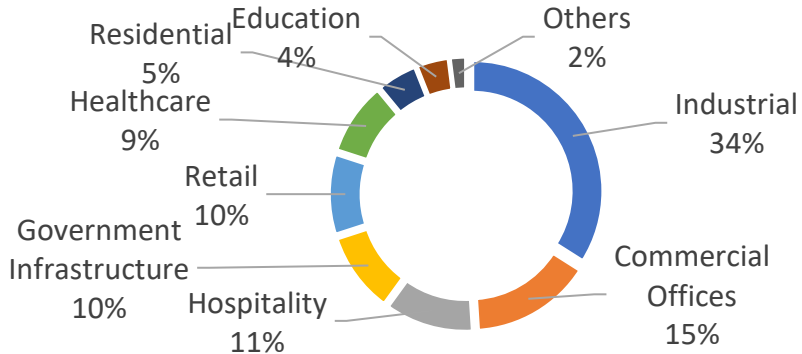
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Services

# Industry Outlook

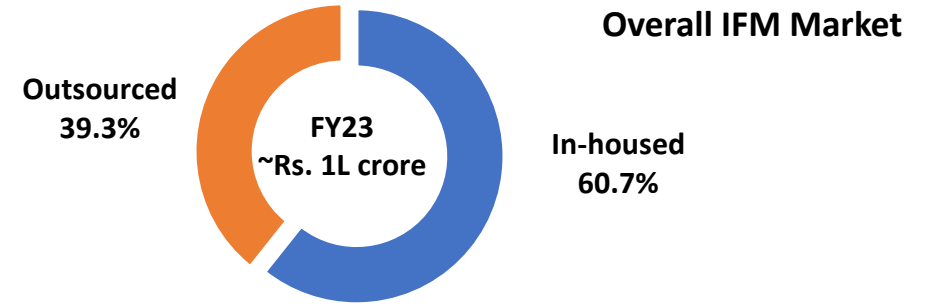
# Outsourced IFM Market in India | Growth momentum to aid UDS' leading position ...



**IFM: Well diversified market in terms of end customers...**

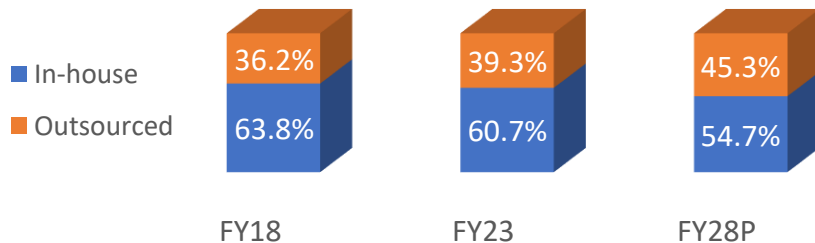


**...a large portion of which is currently being served in-house...**



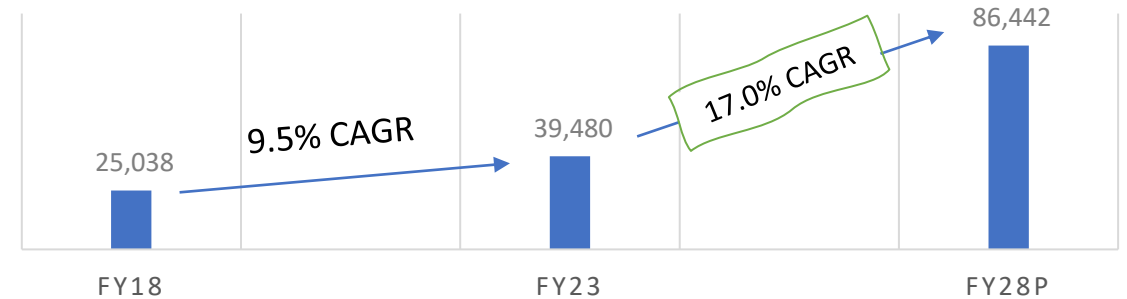
**...with a continued trend and preference for outsourcing...**

**IFM In-house vs Outsourced Services**



**..potentially leading to ~17.0% CAGR for Outsourced IFM during FY23-FY28P**

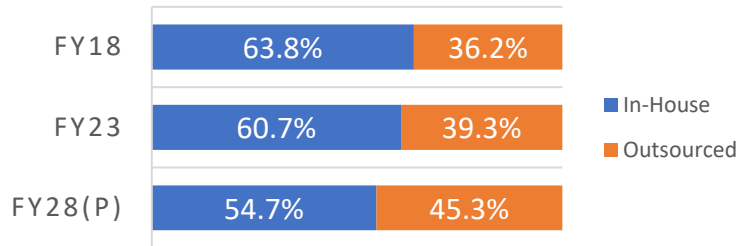
**Outsourced IFM Market Size (INR Crs)**



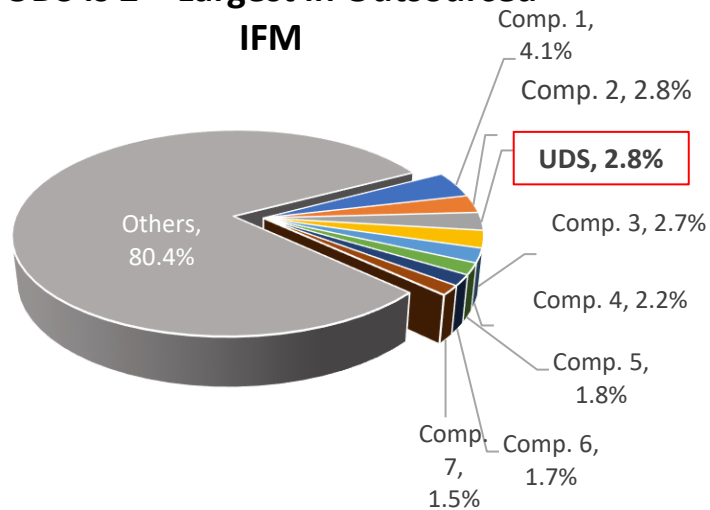
# ... further aided by the move towards organized integrated players

## Increase in Share of Outsourced IFM services

IFM: IN-HOUSE VS OUTSOURCED SERVICES



## UDS is 2<sup>nd</sup> Largest in Outsourced IFM



## Preference for Organized/Integrated Players

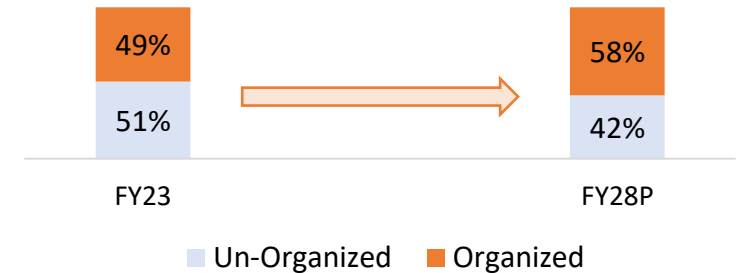
*The market is now shifting from single service contract model to **Integrated Services Model***

### Key Drivers for preference towards organized players

- ✓ Preference for Organized IFM companies offering a basket of services
- ✓ Gaining Cost Efficiencies\*
- ✓ Accelerated use of technology implementation\*
- ✓ Need for stringent quality standards and Compliance
- ✓ Increased need for mechanized cleaning

## Consolidation on the rise

### IFM Un-Organized vs Organized Services



### Key Drivers for industry consolidation

- ✓ Addition of more service activities through mergers or tie-ups with regional players
- ✓ Regulatory and Capability challenges for smaller companies to scale up

# BSS Industry | Emerging segment with increasing outsourcing potential



## Key verticals comprising the ~ Rs. 7,115 Cr BSS Segment and their pie share

### Sales Enablement Services

- ✓ Demand generation
- ✓ Lead management
- ✓ Database management services
- ✓ Digital marketing
- ✓ Sales and retail analytics
- ✓ Field force management
- ✓ Field marketing services and
- ✓ Outbound tele-sales

**28.3%**

### Business Process Audits & Assurance

- ✓ Supply Chain Audits
- ✓ Warehouse Audits
- ✓ Distributor Audits
- ✓ Retail Point Audits
- ✓ Scheme Audits and Processing for Distributors/Retailers

**3.8%**

### Airport Ground Handling

- ✓ Aircraft turnaround services
- ✓ Baggage and Cargo Loading / Unloading
- ✓ Terminal Service
- ✓ Ramp Handling
- ✓ ancillary support services to aircrafts (ground power units, ground air conditioning units)

**41.3%**

### Employee Background Verification

- ✓ Document Verification
- ✓ Criminal Background Check
- ✓ Education & Employment Verification
- ✓ Credit checks

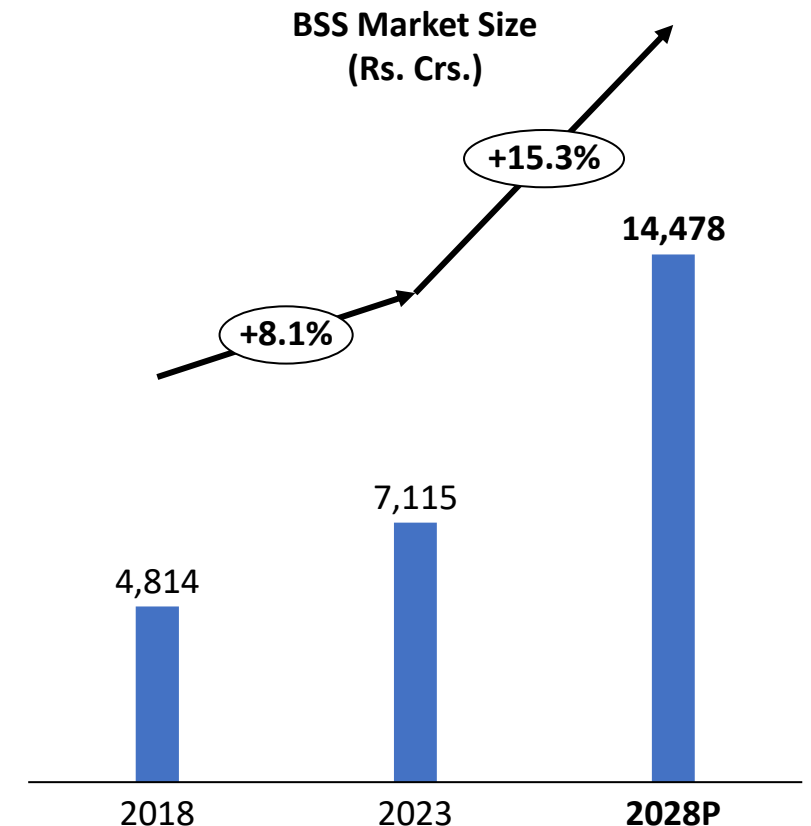
**19.0%**

### Mailroom Management

- ✓ Facilitating and coordinating inbound and outbound mail, letters, packages
- ✓ Niche cargo and logistics solutions

**7.7%**

Driven by growth in these verticals the BSS segment is expected to grow at ~15.3% CAGR during FY23-FY28P



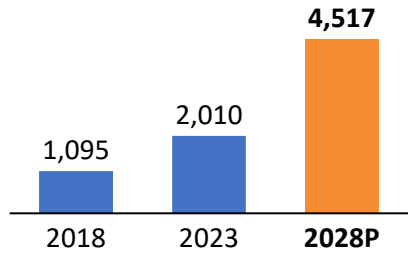
Note: The percentages indicate sub-segment share in overall BSS market

# UDS well placed with wide service offerings, onboarded through acquisitions



## Sales Enablement Services

Growth Trend (Rs. Crs.)



### CAGR

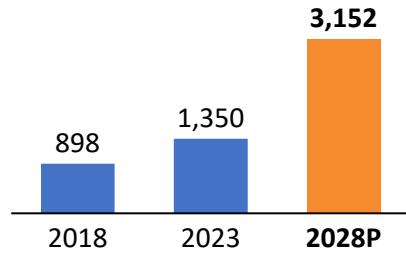
FY18-23: 12.9% | FY23-28: 17.6%

### Growth Drivers

- ✓ Digital communication | Cloud | Digitalization
- ✓ Analytics and content intelligence
- ✓ Technology driven Database generation
- ✓ Localization of voice activated instructions

## Employee Background Verification

Growth Trend (Rs. Crs.)



### CAGR

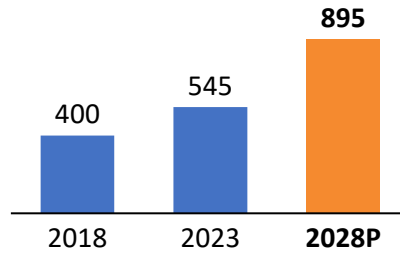
FY18-23: 8.5% | FY23-28: 18.5%

### Growth Drivers

- ✓ Demand for employee background screening and data intelligence
- ✓ Avoiding Discrepancies
- ✓ Growth in gig economy
- ✓ New age business models

## Mailroom Management

Growth Trend (Rs. Crs.)



### CAGR

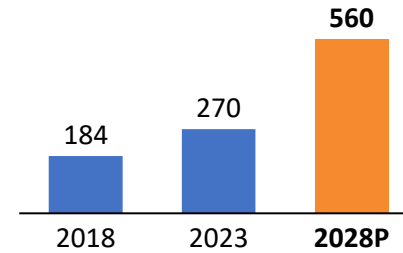
FY18-23: 6.4% | FY23-28: 10.4%

### Growth Drivers

- ✓ Demand for end-to-end asset movement services
- ✓ Need for data security
- ✓ Cost reductions

## Business Process Audits & Assurance

Growth Trend (Rs. Crs.)



### CAGR

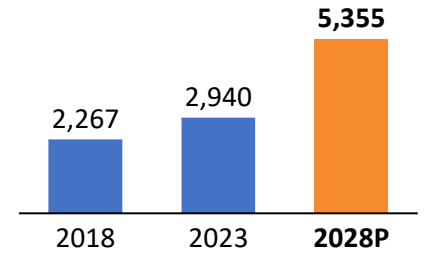
FY18-23: 8.0% | FY23-28: 15.7%

### Growth Drivers

- ✓ Increasing integration with 3rd party companies (suppliers, distributors and outsourced service providers)
- ✓ Retail industry growth

## Airport Ground Handling

Growth Trend (Rs. Crs.)



### CAGR

FY18-23: 5.3%\* | FY23-28: 12.7%

### Growth Drivers

- ✓ Growth in passenger traffic and tourism
- ✓ Growth in Meetings, Conferences and Exhibitions
- ✓ Focus on airport infrastructure in India
- ✓ Regional Connectivity scheme

\*Segment witnessed a negative impact in 2020 due to COVID as airport operations were shut down

# Integrated Business Services Platform with wide-range of services offered



FM Company Name	Soft Services	Hard Services	PSS	Food & Catering Services	Mail Room Services	Employee Background Checks	Retail/Trade/Channel Audits & Assurances	Feminine Hygiene	Sales Enablement	Staffing	Airport Ground Handling	Waste Management	Emergency Services	Capital Projects	Security
UDS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Competitor 1	✓	✓										✓	✓		
Competitor 2	✓	✓	✓	✓						✓					
Competitor 3	✓	✓								✓					✓
Competitor 4	✓	✓		✓											
Competitor 5	✓	✓	✓						✓						
Competitor 6	✓	✓		✓						✓				✓	
Competitor 7	✓	✓		✓											
Competitor 8	✓	✓	✓							✓					
Competitor 9	✓	✓	✓	✓											

**Note:** The colors show relative strength of the company in a business segment. For Soft Services, Hard Services, PSS, and Food & Catering Services the relative strength is based on market shares and for the rest of the business segment, the strength of a company is based on qualitative insights gathered during the research.

Source: The tabular form with services mapping in this slide are sourced from Industry report by Frost & Sullivan

High
Medium
Low

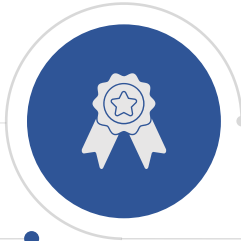


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# Key Growth Strategies



# Key Growth Strategies



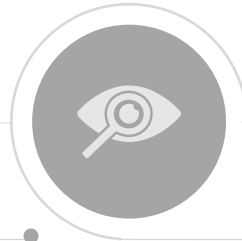
## Retain, strengthen and grow customer base

- ✓ Focus on deepening relationships with existing customers
- ✓ Increasing wallet share through cross selling
- ✓ Leveraging technology to improve service delivery



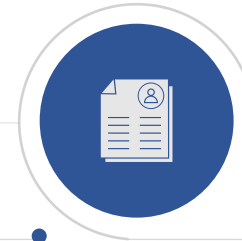
## Grow market share in key segments

- ✓ Existing customer mining
- ✓ Business development using strong marketing skills and technology



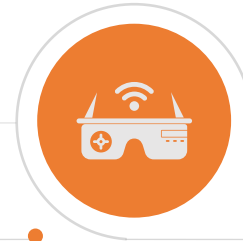
## Introduce new products and services

- ✓ Catering to existing and new customer segments
- ✓ Entering segments that are potentially large and margin accretive



## Continue to improve operating margins

- ✓ Changing business mix
- ✓ Improving Operating leverage
- ✓ Using technology to improve service delivery



## Pursue Inorganic Growth

- ✓ Strategic acquisitions of high margin businesses supplemental to the company's operations

## “PRASAD” - Company’s Acquisition Strategy



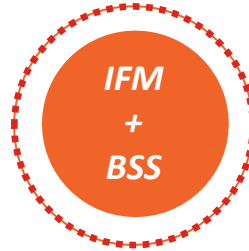
### Intends to pursue inorganic growth opportunities that will allow to:

- ✓ Enhance Scale and Market position
- ✓ Achieve operating leverage in key markets
- ✓ Provide platform to extend reach to new geographies within India and selected overseas market, particularly for sales enablement, audit and assurance as well as employee background check services
- ✓ Add new services that are
  - ✓ Complimentary to existing services
  - ✓ Strategic businesses to capture revenue opportunities

# Why UDS...



Unique Integrated Business Support Services Platform with widest offerings in the Industry



Highly experienced management team with support from PE investors

Long standing presence in India has helped us gain an understanding of the market



Technology at the forefront of our current and future business

Track record of successful acquisition and integration of high margin business segments



Pan India presence with large and efficient workforce coupled with strong recruitment capabilities

Robust and loyal customer base is a significant strategic advantage



## Consistently growing business

- Revenues : 26% CAGR (FY21-24)
- Adj. EBITDA : 30% CAGR (FY21-24)
- Adj. PAT : 20% CAGR (FY21-24)

India's Largest one-stop Solution for IFM and Business Services



Unique growth strategy – Organic + Inorganic

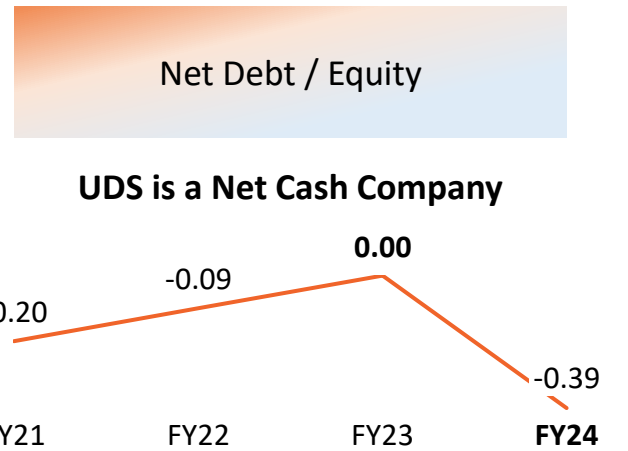
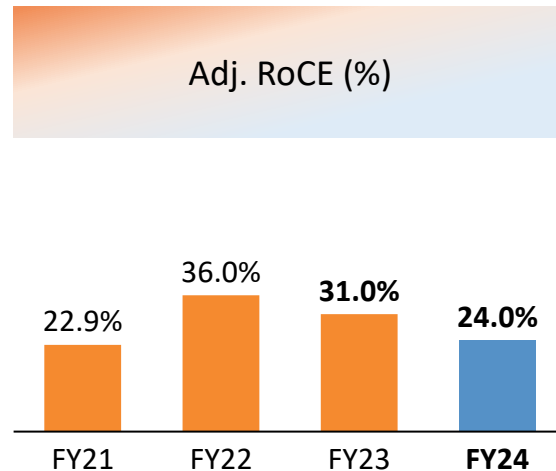
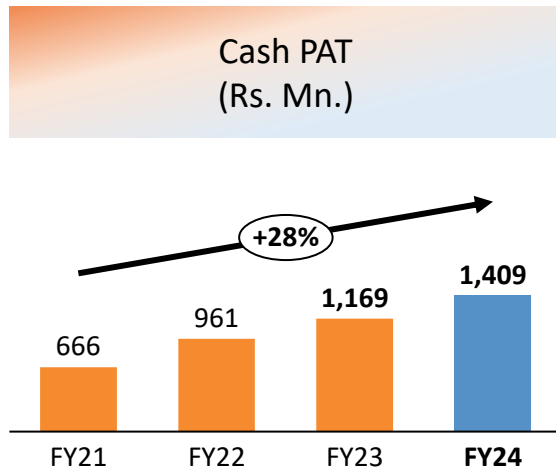
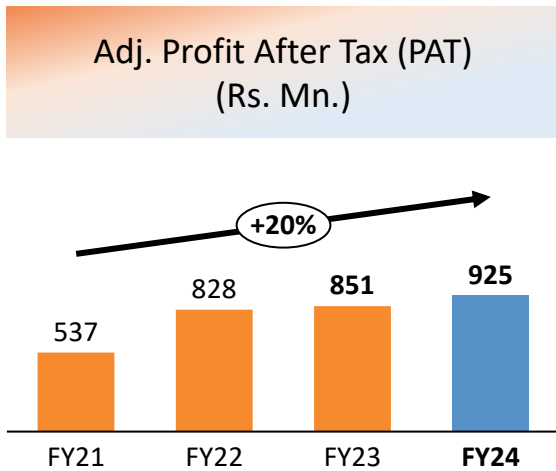
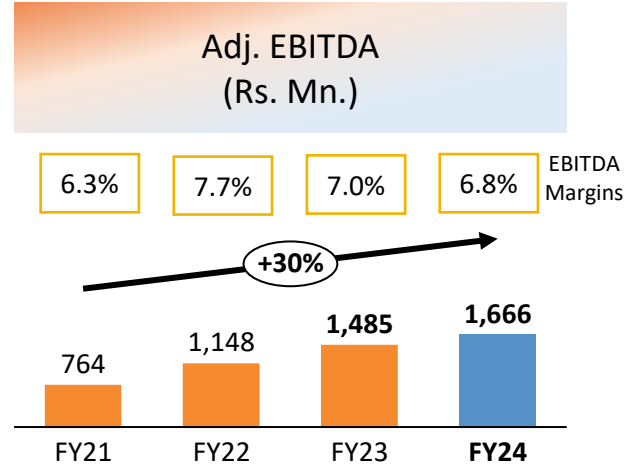
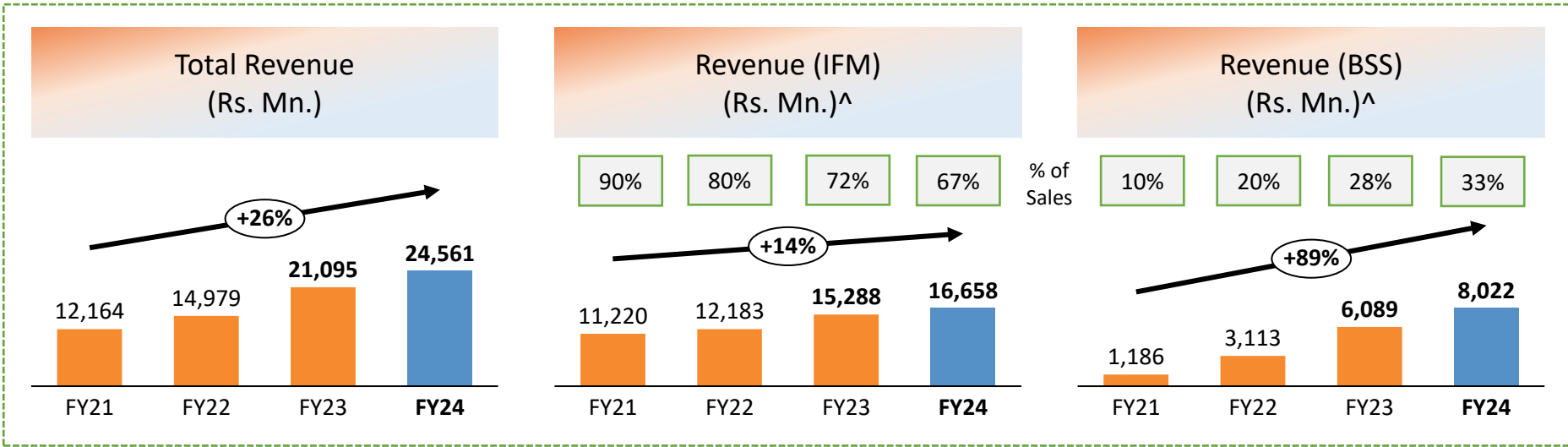




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# Historical Financials

# Demonstrated Record of Robust Financial Performance



<sup>^</sup> Before Adjustments & Eliminations

Adjusted EBITDA & PAT is excluding ESOP Cost, Fair Value Changes in Liability payable / paid to promoters of acquired subsidiary and Amortization related to acquisition

Cash PAT = Reported PAT + Depreciation & Amortization + ESOP Cost + Fair value changes in Liability payable/paid to promoters of acquired subsidiary

RoCE % = EBIT / Average Capital Employed. Capital Employed = Total Shareholder's Equity + Long term borrowings + Short term borrowings + Lease Liabilities - Cash & Cash Equivalents

For calculation of Net Debt, Cash & Cash equivalents(incl. bank balances) and bank deposits for more than 12 months is considered

# Historical Consolidated Profit & Loss Statement



Particulars (Rs. Million)	FY24	FY23	FY22	FY21
<b>Total Revenue from Operations</b>	<b>24,560.6</b>	<b>21,095.4</b>	<b>14,979.4</b>	<b>12,163.5</b>
Cost of Services and Other RM	1,019.6	3,469.3	393.5	316.1
Employee benefits expense (incl. ESOP)	18,156.5	13,840.6	11,387.8	9,816.6
Impairment losses on financial instrument and contract assets	69.6	36.3	60.0	55.5
Other Expenses	3,749.8	2,303.1	1,998.7	1,212.8
Fair value changes in Liability payable/paid to promoters of acquired subsidiary	105.9	413.6	213.5	38.8
<b>Reported EBITDA</b>	<b>1,459.1</b>	<b>1,032.4</b>	<b>925.9</b>	<b>723.8</b>
<b>Reported EBITDA Margin (%)</b>	<b>5.9%</b>	<b>4.9%</b>	<b>6.2%</b>	<b>6.0%</b>
Depreciation & Amortization (excl. Amortization related to acquisition)	458.9	308.4	131.1	128.0
Amortization related to acquisition	80.7	62.1	34.3	21.9
<b>EBIT</b>	<b>919.5</b>	<b>662.0</b>	<b>760.6</b>	<b>574.0</b>
Finance Income	119.2	25.5		
Finance Cost	192.8	145.7	50.7	29.7
<b>Profit before Tax</b>	<b>845.8</b>	<b>541.9</b>	<b>709.9</b>	<b>544.3</b>
Tax	183.2	195.8	135.7	68.7
<b>Reported Profit After Tax</b>	<b>662.6</b>	<b>346.0</b>	<b>574.2</b>	<b>475.6</b>

Particulars (Rs. Million)	FY24	FY23	FY22	FY21
<b>Reported EBITDA</b>	<b>1,459.1</b>	<b>1,032.4</b>	<b>925.9</b>	<b>723.8</b>
(+) ESOP Expense	100.6	38.9	8.1	1.5
(+) Fair Value Change in Liability payable/paid to promoters of acquired subsidiary	105.9	413.6	213.5	38.8
<b>Adjusted EBITDA</b>	<b>1,665.6</b>	<b>1,484.9</b>	<b>1,147.5</b>	<b>764.1</b>
<b>Adjusted EBITDA %</b>	<b>6.8%</b>	<b>7.0%</b>	<b>7.7%</b>	<b>6.3%</b>

Particulars (Rs. Million)	FY24	FY23	FY22	FY21
<b>Reported PAT</b>	<b>662.6</b>	<b>346.0</b>	<b>574.2</b>	<b>475.6</b>
(+) ESOP Expense adj. for Tax	75.5	29.2	6.1	1.1
(+) Fair Value Change in Liability payable/paid to promoters of acquired subsidiary	105.9	413.6	213.5	38.8
(+) Amortization pertaining to acquisitions	80.7	62.1	34.3	21.9
<b>Adjusted PAT</b>	<b>924.7</b>	<b>850.9</b>	<b>828.0</b>	<b>537.4</b>

# Historical Consolidated Balance Sheet



EQUITY & LIABILITIES (Rs. Million)	Mar-24	Mar-23	Mar-22	Mar-21
Equity Share Capital	669.5	529.5	528.2	528.2
Other Equity	7,734.2	3,279.4	2,876.1	2,324.5
<b>Equity attributable to equity holder of the parent</b>	<b>8,403.6</b>	<b>3,808.9</b>	<b>3,404.3</b>	<b>2,852.6</b>
Non Controlling Interest	59.5	69.2	53.1	69.3
<b>Total Equity</b>	<b>8,463.1</b>	<b>3,878.1</b>	<b>3,457.4</b>	<b>2,921.9</b>
Financial liabilities				
(i) Borrowings	0.0	179.3	0.0	0.0
(ii) Lease liabilities	325.2	284.2	78.7	23.2
(iii) Other Financial Liabilities	311.6	1,138.7	804.1	84.5
Net Employee Defined benefit liabilities	496.9	539.5	488.0	339.6
Deferred Tax Liabilities (Net)	117.0	157.5	108.5	25.6
<b>Total Non-Current Liabilities</b>	<b>1,250.7</b>	<b>2,299.2</b>	<b>1,479.3</b>	<b>472.9</b>
Financial liabilities				
(i) Borrowings	528.7	1,586.1	586.8	116.1
(ii) Lease liabilities	192.7	149.0	47.7	21.8
(iii) Trade payables	790.3	793.4	456.8	318.6
(iv) Other current financial liabilities	2,828.0	2,321.9	1,780.6	1,174.3
Short Term Provision	2,828.0	107.5	99.9	104.9
Net Employee Defined benefit liabilities	401.3	222.6	192.5	173.8
Current Tax Liabilities	0.0	57.3	37.1	38.4
Other current liabilities	813.1	754.4	607.7	452.4
<b>Total Current Liabilities</b>	<b>5,633.8</b>	<b>5,992.2</b>	<b>3,809.0</b>	<b>2,400.2</b>
<b>Total Liabilities</b>	<b>6,884.6</b>	<b>8,291.4</b>	<b>5,288.3</b>	<b>2,873.0</b>
<b>Total Equity and Liabilities</b>	<b>15,348.0</b>	<b>12,169.5</b>	<b>8,745.7</b>	<b>5,794.9</b>

ASSETS (Rs. Million)	Mar-24	Mar-23	Mar-22	Mar-21
Property, plant and equipment	602.7	607.9	332.0	135.1
Capital Work in Progress	103.6	0.0	41.2	3.2
Goodwill	1,947.9	1,947.9	1,280.3	457.0
Other Intangible assets	555.4	636.1	311.3	120.2
Intangible asset under development	5.2	2.3	0.0	0.0
Right-of-use assets	460.3	402.1	120.4	36.7
Contract Assets	226.9	221.6	184.8	108.3
Financial Assets				
(i) Investments	48.1	38.1	0.1	0.1
(ii) Loans	0.6	1.3	1.6	0.0
(iii) Other Financial Assets	232.7	273.9	307.3	139.1
Deferred tax assets (net)	475.9	488.1	473.8	381.1
Non-current tax assets	771.8	547.2	519.4	489.5
Other non-current assets	54.7	23.7	120.8	8.9
<b>Total Non-Current Assets</b>	<b>5,485.7</b>	<b>5,190.0</b>	<b>3,692.9</b>	<b>1,879.3</b>
Inventories	69.9	69.9	63.3	50.1
Contract Assets	490.1	668.2	560.9	331.7
Financial assets				
(i) Investments	16.3	0.0	0.0	40.3
(ii) Trade receivables	5,039.0	4,277.3	3,474.9	2,689.4
(iii) Cash and cash equivalents	836.2	1,146.7	572.9	445.8
(iv) Bank balances other than (iii) above	671.2	504.3	137.3	192.3
(v) Loans	6.8	7.4	6.3	4.6
(v) Other financial assets	2,476.5	66.8	89.4	58.2
Other current assets	256.3	239.1	147.9	103.2
<b>Total Current Assets</b>	<b>9,862.3</b>	<b>6,979.5</b>	<b>5,052.8</b>	<b>3,915.6</b>
<b>Total Assets</b>	<b>15,348.0</b>	<b>12,169.5</b>	<b>8,745.7</b>	<b>5,794.9</b>

# Historical Consolidated Cash Flow Statement



Cash Flow Statement (Rs. Million)	FY24	FY23	FY22	FY21
Net Profit Before Tax	845.8	541.9	709.4	544.3
Adjustments for: Non - Cash Items / Other Investment or Financial Items	813.8	908.0	385.3	236.0
<b>Operating profit before working capital changes</b>	<b>1,659.6</b>	<b>1,449.9</b>	<b>1,094.8</b>	<b>780.2</b>
Changes in working capital	-218.2	-98.2	-570.4	629.9
<b>Cash generated from Operations</b>	<b>1,441.4</b>	<b>1,351.7</b>	<b>524.4</b>	<b>1,410.1</b>
Direct taxes paid (net of refund)	-415.0	203.9	213.7	125.1
<b>Net Cash from Operating Activities</b>	<b>1026.4</b>	<b>1,147.8</b>	<b>310.7</b>	<b>1,285.0</b>
<b>Net Cash from Investing Activities</b>	<b>-3,564.1</b>	<b>-1,529.8</b>	<b>-471.6</b>	<b>-165.5</b>
<b>Net Cash from Financing Activities</b>	<b>2227.2</b>	<b>955.8</b>	<b>287.9</b>	<b>-846.6</b>
Net Decrease in Cash and Cash equivalents	-310.5	573.8	127.0	272.8
Add: Cash & Cash equivalents at the beginning of the period	1,146.7	572.9	445.8	173.0
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>836.1</b>	<b>1,146.7</b>	<b>572.9</b>	<b>445.8</b>





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# THANK YOU

**Company: Updater Services Limited**



CIN: U74140TN2003PLC051955

**Ms. Radha Ramanujan - CFO**

[radha.ramanujan@uds.in](mailto:radha.ramanujan@uds.in)

Website : [www.uds.in](http://www.uds.in)

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**Investor Relations: Strategic Growth Advisors Pvt. Ltd.**

**SGA** Strategic Growth Advisors

CIN: U74140MH2010PTC204285

**Mr. Deven Dhruva / Mr. Varun Shivram**

[deven.dhruva@sgapl.net](mailto:deven.dhruva@sgapl.net) / [varun.shivram@sgapl.net](mailto:varun.shivram@sgapl.net)

+91 98333 73300 / +91 91378 91895

Website : [www.sgapl.net](http://www.sgapl.net)