



# Krystal Integrated Services Limited

Q4 & FY24

Investor Presentation

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Certain data contained in this Presentation was obtained from various external data sources and the report titled “*Industry Report on Integrated Facility Management, Staffing & Payroll Management, and Private Security/Manned Guarding Services Business in India*” dated September 21, 2023 prepared and issued by Frost & Sullivan (the “**F&S Report**”) which is subject to the following disclaimer:

*“The report titled “Integrated Facility Management, Staffing and Payroll Management, and Private Security/Manned Guarding Services Business in India” dated September 21, 2023 has been prepared for the proposed initial public offering of equity shares by Krystal Integrated Services Limited (the “**Company**”).*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited (“**Frost & Sullivan**”) and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

*Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.*

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The Company is proposing, subject to the receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares and has filed a Draft Red Herring Prospectus dated September 27, 2023 (the “**DRHP**”) filed with the Securities and Exchange Board of India (the “**SEBI**”) on September 28, 2023. The DRHP is available on the website of the Company, the SEBI, BSE Limited and National Stock Exchange of India Limited at [www.krystal-group.com](http://www.krystal-group.com), [www.sebigov.in](http://www.sebigov.in), [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively and the website of the book running lead manager at [www.ingaventures.com](http://www.ingaventures.com).

Investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the red herring prospectus that may be filed with the Registrar of Companies, Maharashtra at Mumbai in the future, including the section titled “Risk Factors”. Potential investors should not rely on the DRHP filed with the SEBI for making any investment decision.

Capitalized terms and abbreviations used in this Presentation but not defined herein shall have the meaning given to such terms and abbreviations in the DRHP.

# Amongst the fastest growing IFM companies in India\*



## Company Overview



One of India's leading IFMS companies, with a focus on healthcare, education, public administration, airports, railways and metro infrastructure and retail sectors\*



Comprehensive range of service offerings which include Integrated Facility Management, Staffing & Payroll Management, Private Security & Manned Guarding and Catering, providing a one-stop solution to customer



Key solutions provider to the government sector and amongst the select companies in India to qualify for and service large, multi-location government projects\*



100% contract renewal / extension rates for relevant non-government customers during FY21, FY22, FY23 & FY24



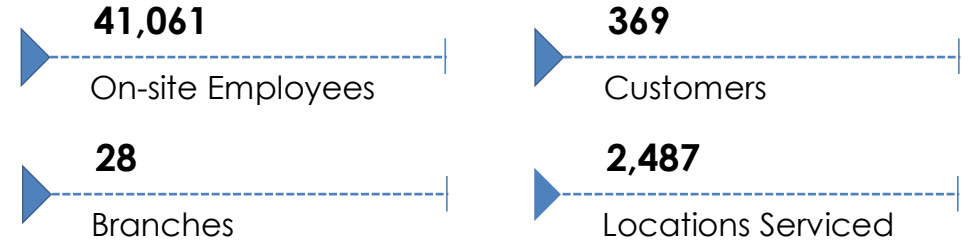
Led by a well-qualified and experienced management team



Strong track record of high employee satisfaction and improving retention rates\*

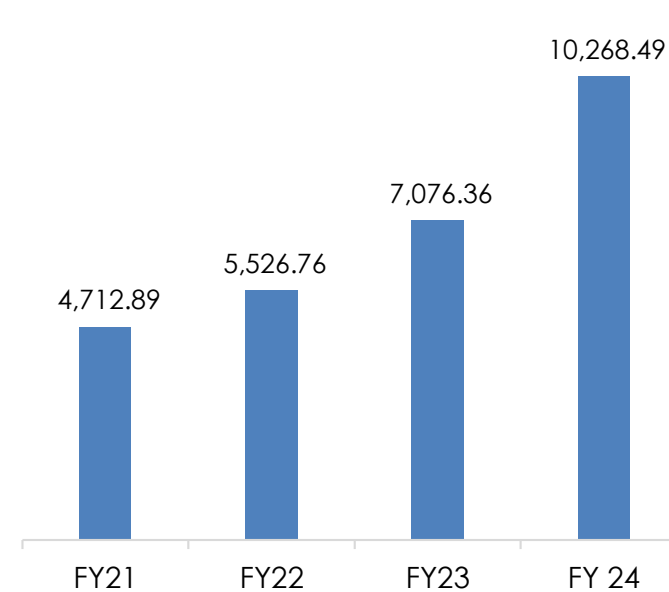


## Key Highlights\*\*



## Strong Financial Performance

Revenue from operations (₹ Mn)



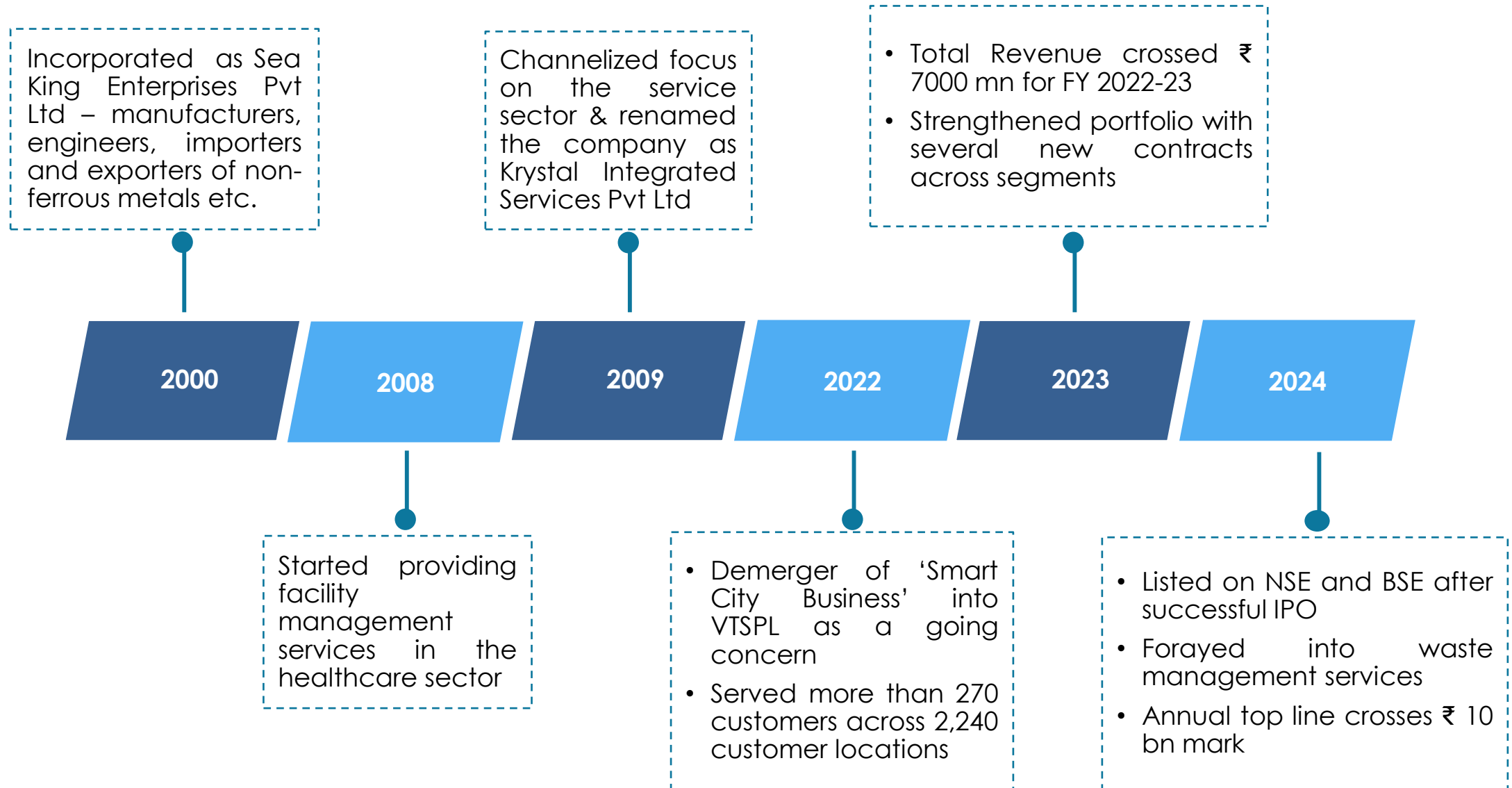
**29.6%**  
Revenue CAGR (FY21-FY24)

**71.7%**  
PAT CAGR (FY21-FY24)

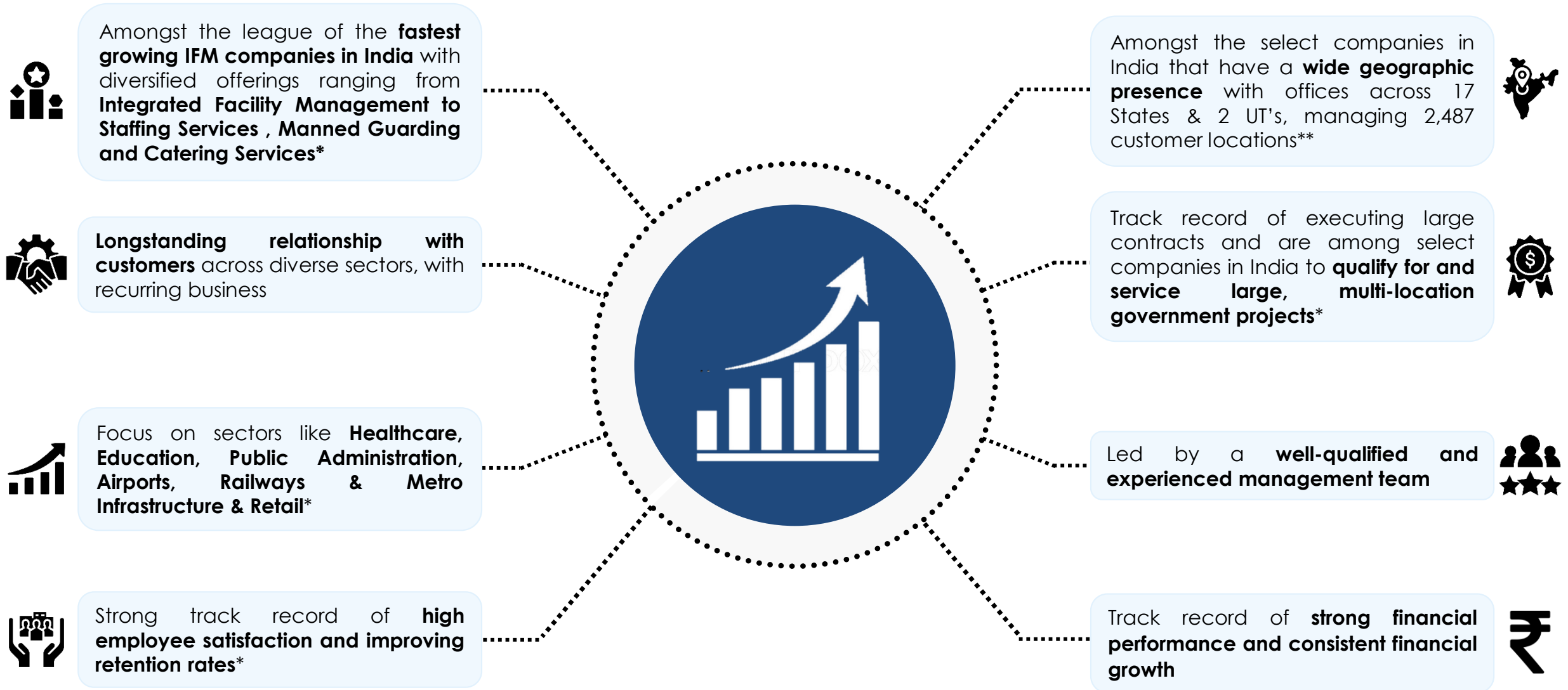
**6.7%**  
EBITDA Margin (FY24)

**15.2%**  
ROCE (FY24)

**0.22**  
Debt/Equity (FY24)



# Key Strengths



\* Source: F&S Report      \*\* As on March 31, 2024

# Comprehensive portfolio of services enables to...

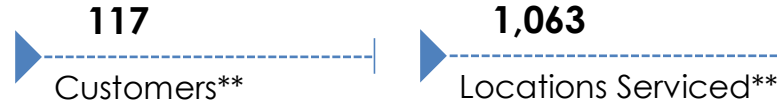
...offer bundled solution of services suited to the specific needs of customers, thus acting as a one-stop integrated solution provider

## Integrated Facility Management Services

Service offerings include **soft services** such as housekeeping, sanitation and gardening, **hard services** such as MEP services, solid, liquid and biomedical waste management, pest control and façade cleaning and **other services** such as production support, warehouse management and airport management



Krystal is the sixth largest Soft Services company \*

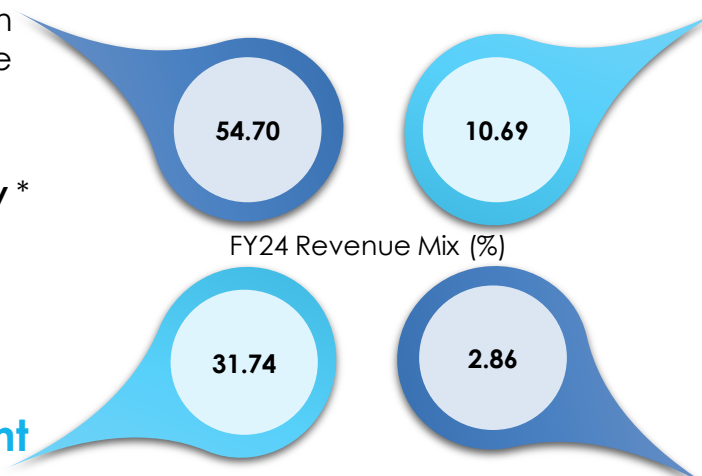
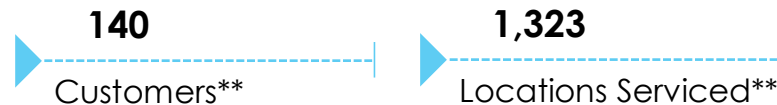


## Staffing Solutions and Payroll Management

Services comprise of recruitment, payroll, and human resource services. Provides skilled, semi-skilled and unskilled manpower as per customer's requirements



Key customer includes **HDFC Bank Limited**



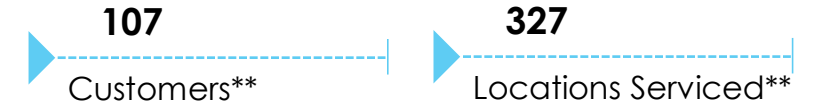
## Private Security and Manned Guarding



Services consist of providing security solutions including access control, surveillance, emergency services and patrols



Holds PSARA license in 12 states and one UT



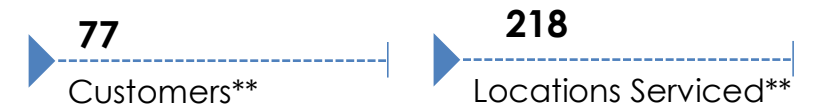
## Catering



Offers full range of food and beverage services, including breakfast, lunch and dinner for employees

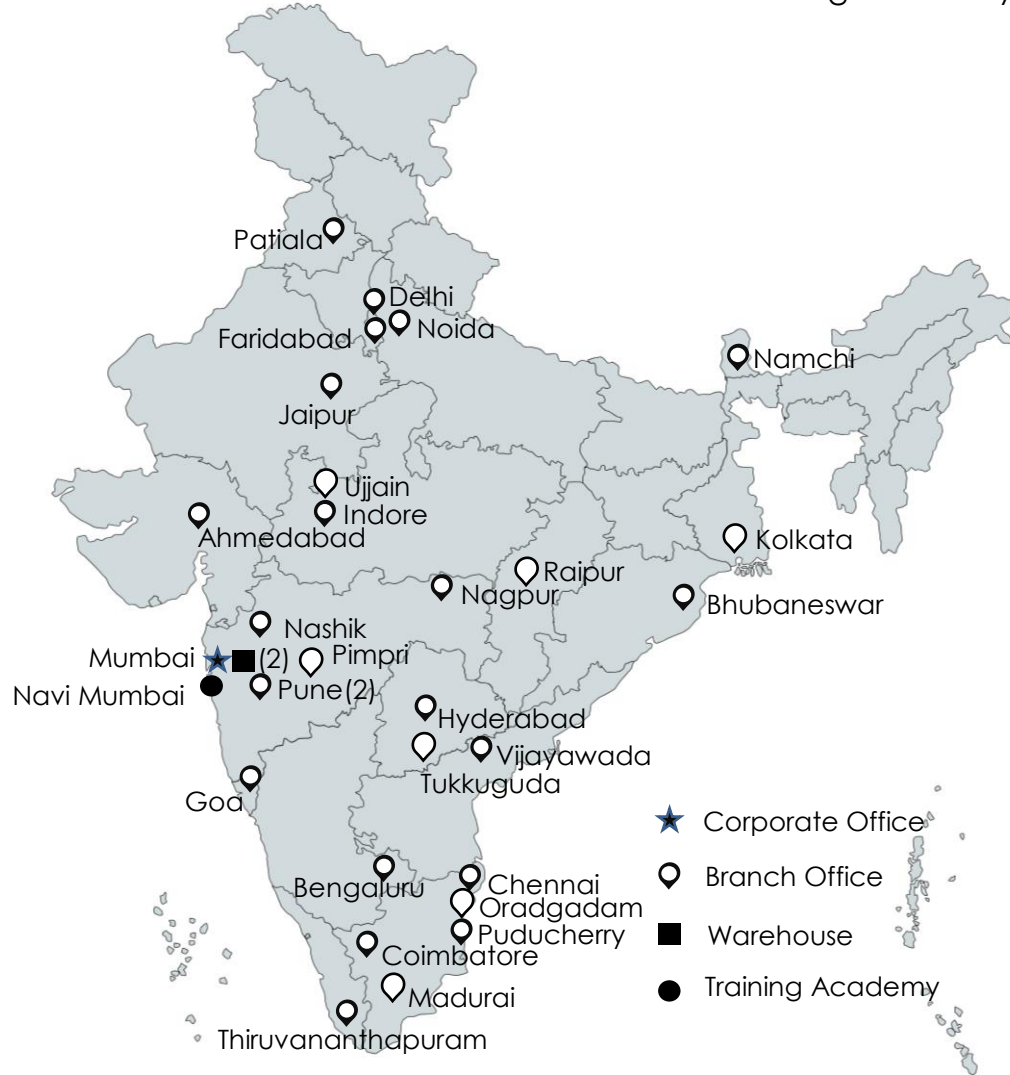


Services are offered through the subsidiary company, Krystal Gourmet which operates a **central kitchen** in Kalina, Mumbai



# Wide Geographic Presence

28 Branches\*      2 Warehouses\*      1 Training Academy\*

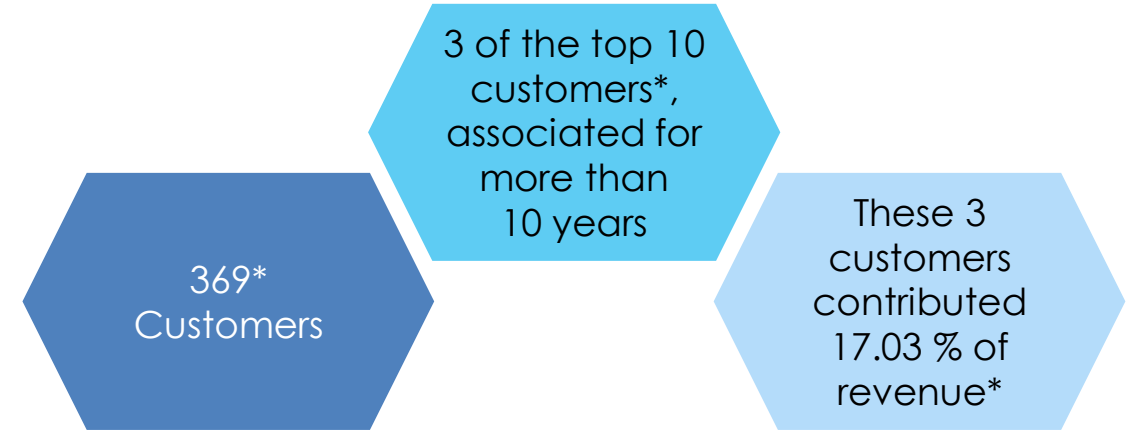


## Serviced over 250 locations each for four existing customers\*

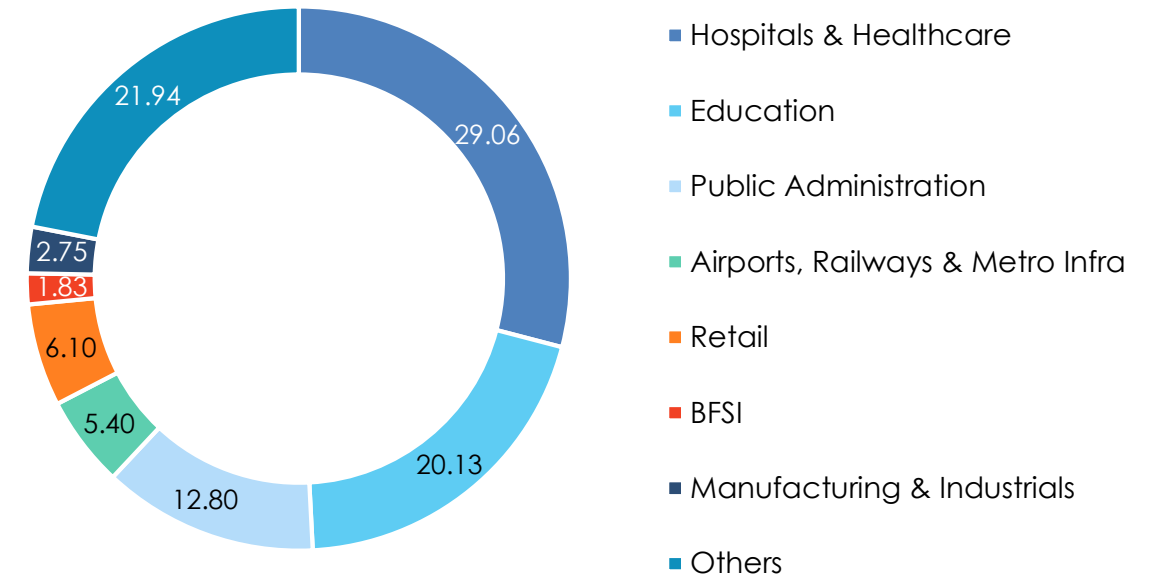
- Client A**
  - Locations Serviced – 292
  - Sector – Private
- Client B**
  - Locations Serviced – 333
  - Sector – Private
- Client C**
  - Locations Serviced – 254
  - Sector – Government
- Client D**
  - Locations Serviced – 397
  - Sector – Government



# Longstanding relationship with customers across diverse sectors with recurring business



End user industry segment wise sales mix (%) \*



- Ability to maintain quality standards while consistently expanding the service offerings
- Ability to offer customized solutions to fit the needs of the customers
- Brand, market position and delivery of quality services across sectors
- Longstanding relationships with key customers and reduced revenue and earnings uncertainty**

\* In Fiscal 2024

# Key solutions provider to the government sector...

...with a track record of executing large contracts and among select companies in India to qualify for and service large, multi-location government projects\*



Provides services to key government customers in the healthcare, education, airport, railways and metro infrastructure sectors, including to **Maha Mumbai Metro Operation Corporation Limited and Education Department, Brihanmumbai Municipal Corporation**



Also serves the municipal bodies, state government entities, electricity board and district consumer forums

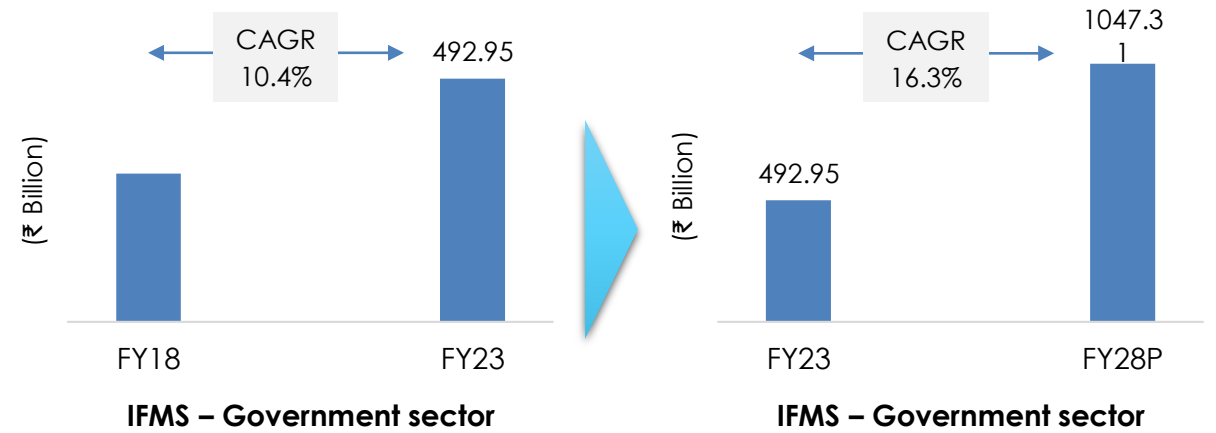
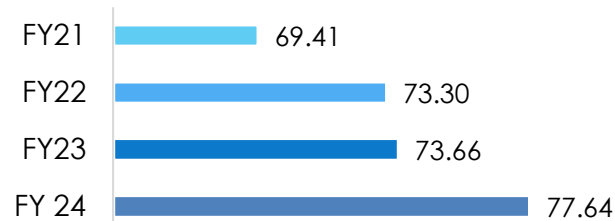


In FY24, provided IFMS, security and staffing services at **116 municipal and government offices, electricity board and district consumer forums.**

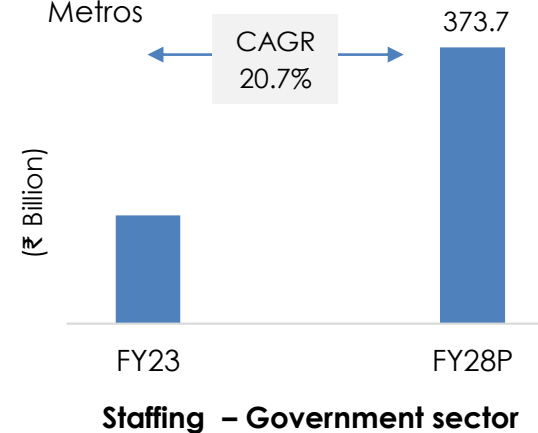


Experience and existing investment on manpower and machinery allow the company to bid competitively for existing projects upon expiration

**Revenue from government contracts (%)**



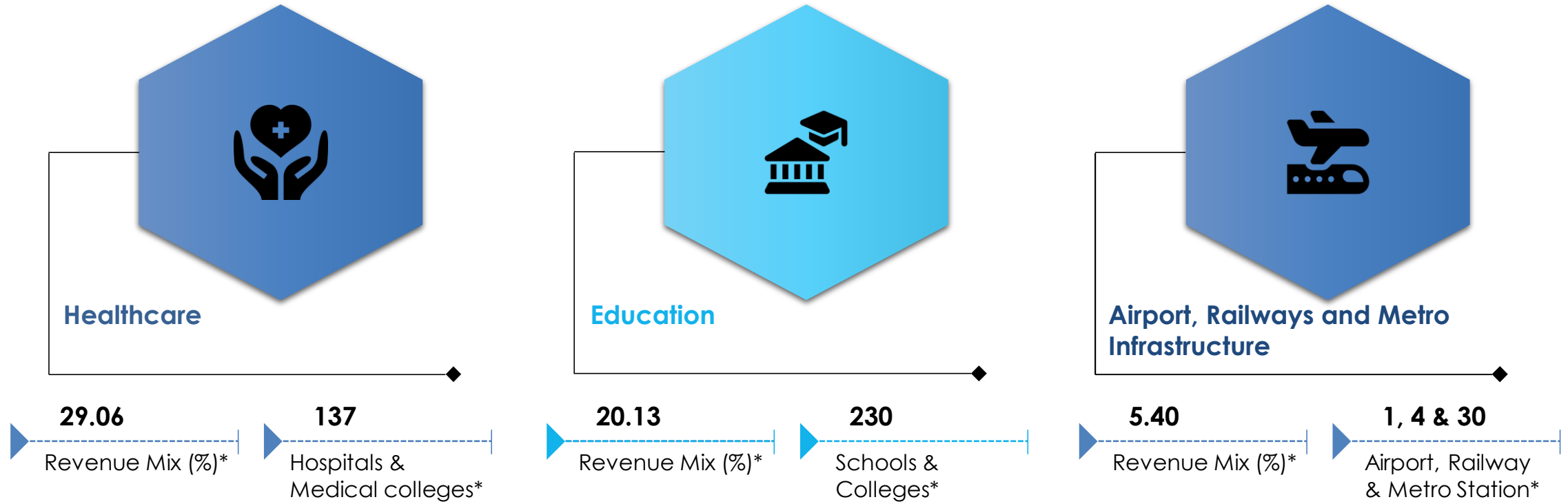
- The government sector has grown at a CAGR of 10.4% during FY18 – FY23, higher than the 6% recorded by the private sector
- The government sector is **expected to provide high growth opportunities** for Facilities Management in the long-term
- The key segments contributing to this opportunity are Industrial, Public Administration, Airports, Educational Institutions, Healthcare, and Railways & Metros



Amid the shortage of manpower, longer recruitment cycles and the awareness of staffing services, the demand from the government sector is expected to increase in the long-term across Healthcare, Education, Railways and Public Administration

# Focused business model which is well-positioned to capture favourable industry dynamics

Expertise in catering to the healthcare, education, airport, railways and metro infrastructure sectors



### Key Customers

PD Hinduja Hospital, National Cancer Institute



### Growth Drivers

Outsourcing rates are expected to improve driven by the need for specialized skills, compliance and to ensure high-quality environment for patient care.

### Key Customer

Education Department, Brihanmumbai Municipal Corporation

### Growth Drivers

Increase in infrastructure assets, various government initiatives such as RISE, EQUIP & NEP 2020, along with sophistication of assets is expected to drive the demand for Facility Management services

### Key Customers

Maha Mumbai Metro Operation Corporation Limited

### Growth Drivers

- 100 new airports by 2024 under the UDAN program
- Privatize 20-25 airports between 2022-2025 to improve their operational efficiency
- Metro projects in 12 cities under development

# Mix of Experienced & Dynamic Leadership



## **Sanjay Suryakant Dighe – CEO & Whole-time Director**

- Previously associated with Birla Sun Life Insurance Company Limited. Associated with the Company as a Director since December 8, 2010. Involved in the core business management activities and focuses on the long-term growth and strategy planning
- Degree in mechanical engineering from Abhinava Abhyantriki Mahavidyalaya, Pune



## **Barun Dey – CFO and President – Finance & Accounts**

- Previously associated with G4S Secure Solutions (India) Private Limited. Associated with the Company since July 4, 2019
- Associate member of Institute of Chartered Accountants of India



## **Milind Jadhav – President – Group Business Development**

- Associated with the Company since April 1, 2001. Responsible for handling the government and special projects business and heads the business development and sales
- Bachelor in management studies and Masters in Business Administration with specialization in marketing management



## **Rahul Kamble – President – Group Operations**

- Associated with the Company since October 8, 2002. Responsible for handling the government and special projects business and heads the service delivery operations and revenue recognition of the Company.
- Master's degree in the field of human resources development management (M.H.R.D.M.) from Mumbai University



## **Chandrashekhar Kokate – VP – Finance & Commercial**

- Previously associated with Zicom Electronic Security Systems Limited. Heads the commercial, banking, supply chain management functions
- Bachelor's Degree in Commerce from University of Bombay



## **Col. Tushar Joshi – VP – Training & Quality**

- Previously associated with the Indian Army. Currently, heads the training and development functions in the Company.
- Master's degree in business administration in the field of logistics and supply chain management from the University of Petroleum and Energy Studies, Dehradun



## **Viral Sheth – VP – Finance & Accounts**

- Previously associated with Lucina Land Development Limited (Indiabulls). Currently, heads the direct and indirect taxation department in the Company
- Associate member of Institute of Chartered Accountants of India



## **Col. Rajeev Ranjan – VP – Recruitment**

- Previously associated with the Indian Army. Currently, responsible for the operational recruitment function in the Company
- Master's degree in science from the University of Pune and a post graduate certification in human resource management from the Indian Institute of Management, Shillong.



## **P. M. Sreeram – VP – Operations**

- Previously associated with Kalpataru's Hospitality and Facility Management Services Private Limited. Currently, responsible for the service delivery operations in the Company for the South region
- Bachelor's degree in commerce from Sri Venkateswara University



## **Stuti Maru – Company Secretary and Compliance Officer**

- Responsible for managing the company secretarial functions
- Associate member of the Institute of Company Secretaries of India

# Robust workforce, coupled with strong recruitment and training capabilities

41,061

On-site employees\*

339

Back office staff\*

19.17%

Attrition rate\*\*



## Recruitment

- Leverage various channels like print media, digital advertisements and job fairs
- **Colonel (Retd.) Rajeev Ranjan** having experience of over 24 years with the Indian Army, heads the recruitment team



**Strong track record of high employee satisfaction and improving retention rates**



## Employee Training Initiatives

- Established **Krystal Integrated Training Academy (KITA)**, at Vashi Maharashtra to train security guards, house keepers and facility attendants
- **Colonel (Retd.) Tushar Joshi** having experience of over 18 years with the Indian Army, heads the training & development functions
- Specific training program based on customer needs and requirements
- Conducted in-house, on sites and also as a part of refresher course and based on training needs



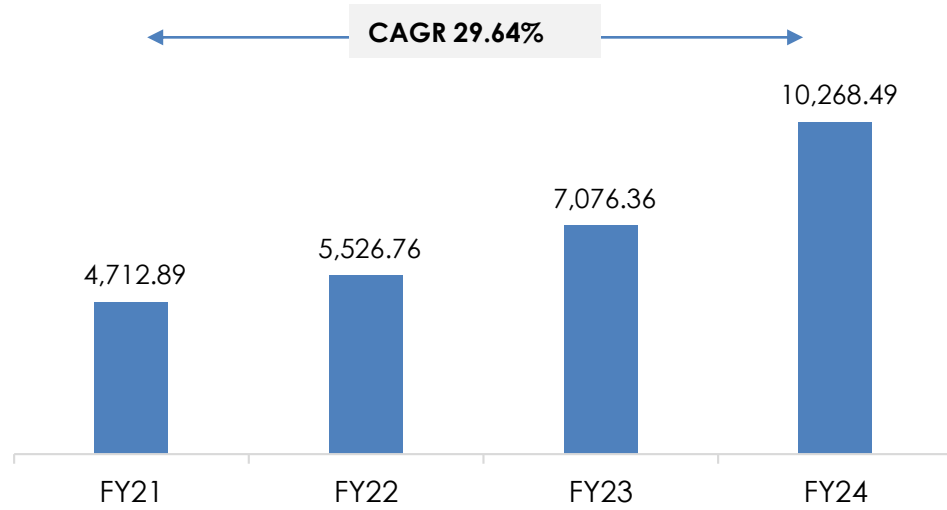
## Employee Welfare Initiatives

- Provides fixed deposits to employees through a **registered credit cooperative society**
- Identification of high performing employees based on merit and quality of service
- Policy to provide recognitions through letters of appreciation to the employees based on their performance

# Consistent Growth and Financial Performance (1/2)

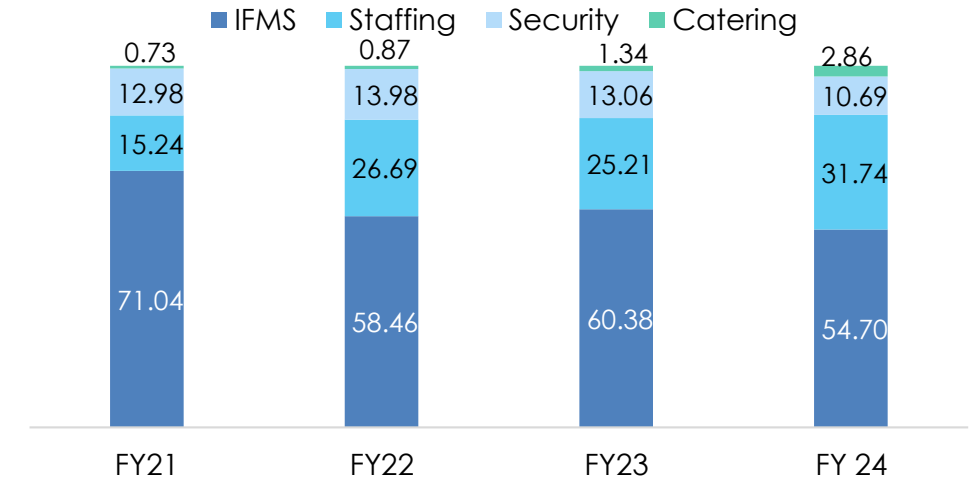
## Revenue from Operations

(₹ Mn)



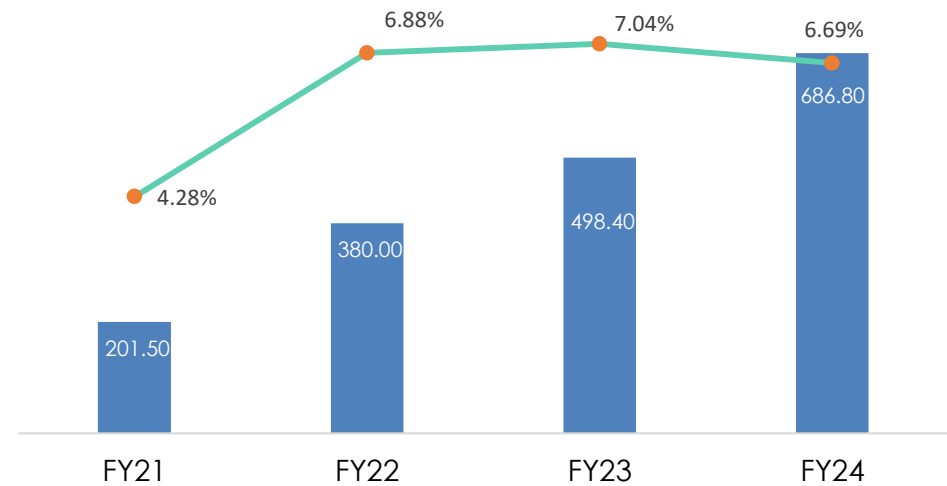
## Revenue Mix

(%)



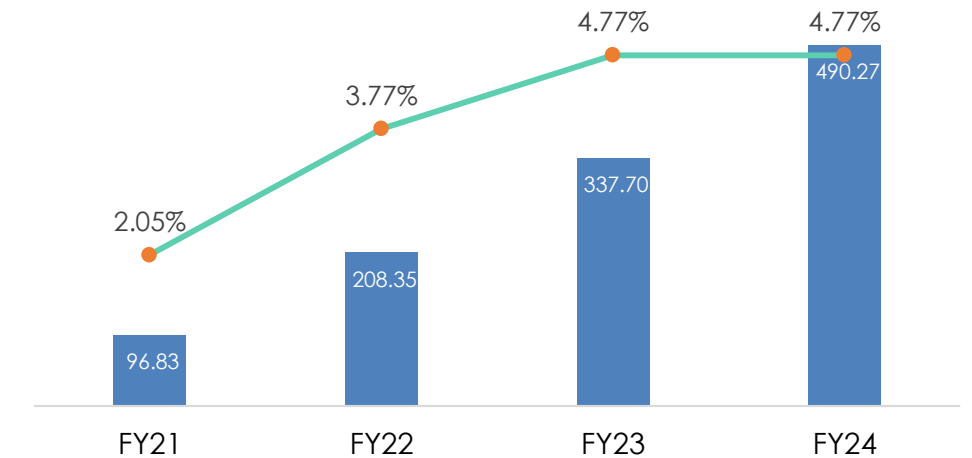
## EBITDA & EBITDA Margin

(₹ Mn)



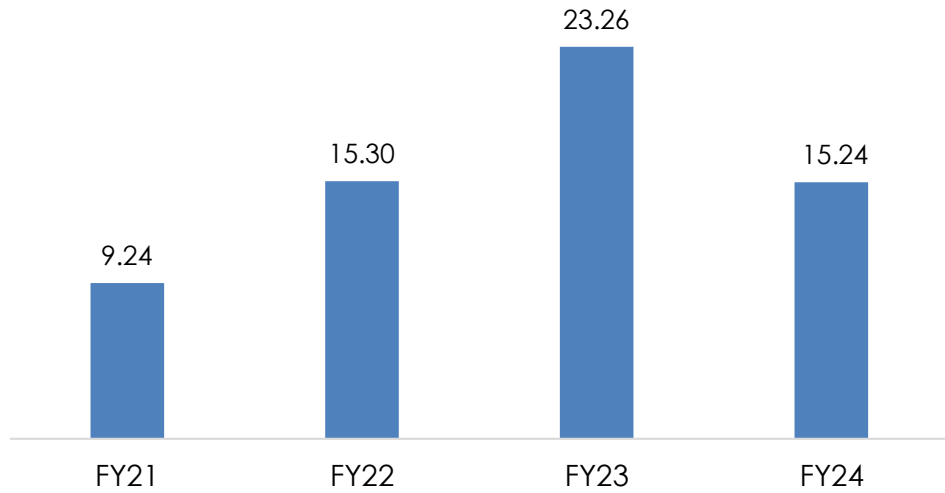
## PAT & PAT Margin

(₹ Mn)

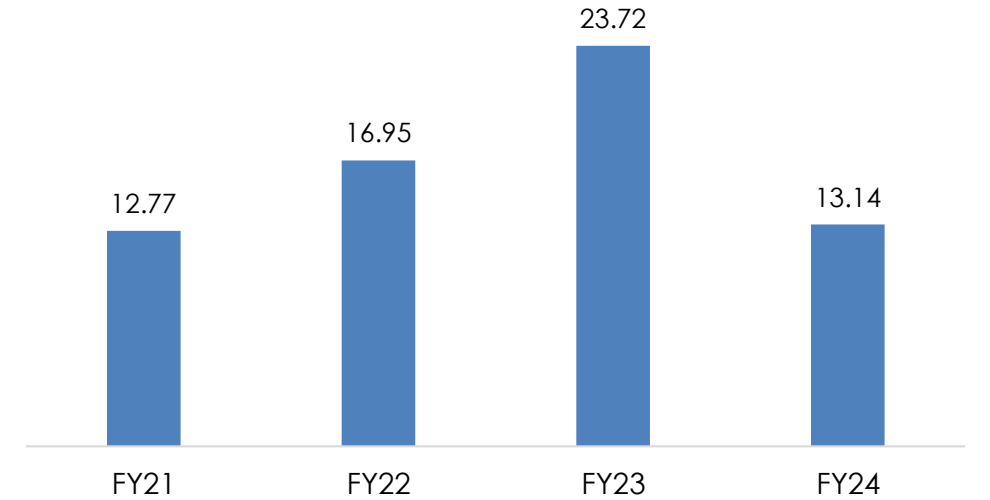


# Consistent Growth and Financial Performance (2/2)

**ROCE** (%)



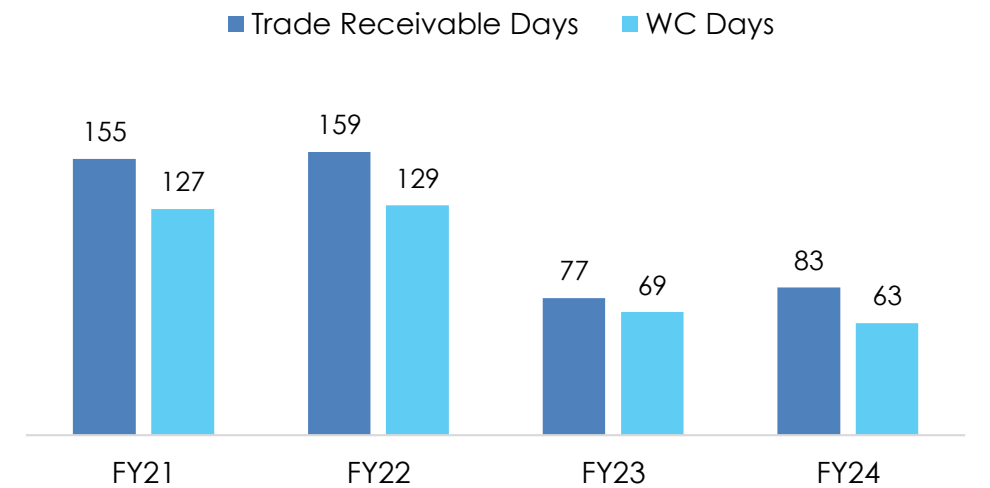
**ROE** (%)



**Total Debt to Equity**



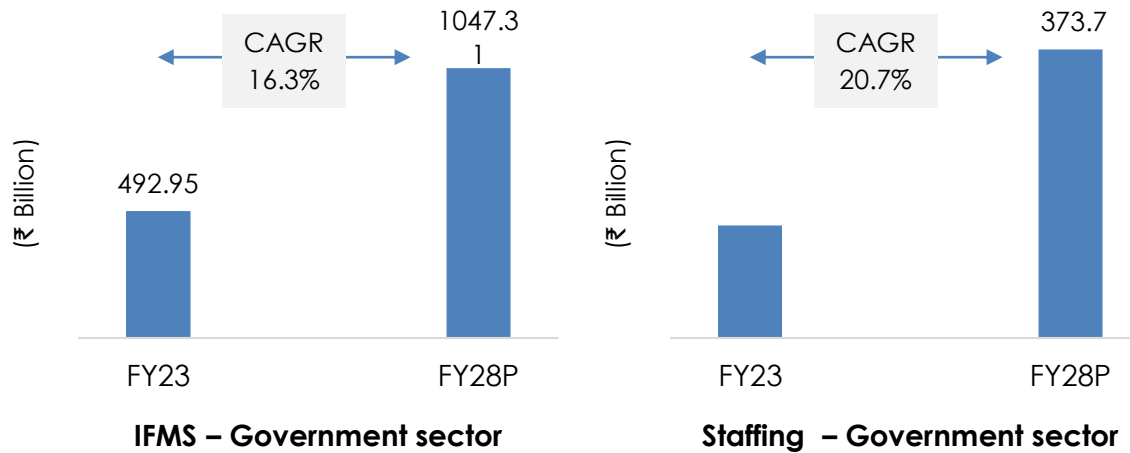
**Working Capital Days**





**Strengthen operations across sectors by capitalizing on growing industry opportunities and adopting a sector wise focus**

Intend to continue to focus on government customers, as well as on the healthcare, education, airport, railways and metro infrastructure and industrial sectors



- The government sector has grown at a **CAGR of 10.4%** during FY 18 – FY23, **higher than** the 6% recorded by the private sector
- Along with public infrastructure and government-run schools, railways, metros, and government hospitals are also expected to increase their outsourcing
- Amid the shortage of manpower, longer recruitment cycles and the awareness of staffing services, the demand from the government sector is expected to increase in the long-term across Healthcare, Education, Railways and Public Administration

### Growth Drivers

Need for specialized skills to ensure high-quality environment for patient care.



New airport and metro rail projects  
Privatization of airports



Increase and sophistication of infrastructure assets



Focus on domestic markets  
Passage of DESH Bill 2022







## Retain, strengthen and grow customer base

- Aim to leverage wide range of offerings and presence to offer bundled services to customers across regions, thereby acting as a one-stop solution for customers, leading to increased wallet share
- Intend to further optimize bid selection and pricing strategies, and to meet the qualifying criteria for government contracts



## Capitalize and build upon human resource strength, including recruiting & training capabilities

- Intend to continue to focus on recruitment of employees to meet the business needs
- Also intend to continue to focus on training and development needs to build employee capabilities and facilitate retention



## Focus on operational efficiency

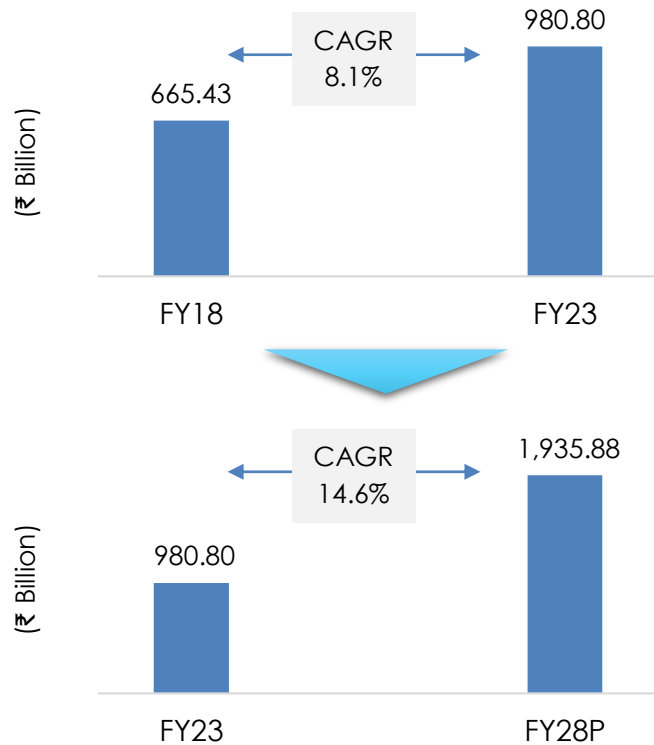
- Focus on improving operational efficiency to improve returns, including by increased technology integration
- Increasing use of robotics to boost cost efficiencies



## Continue to improve profits and operating margins

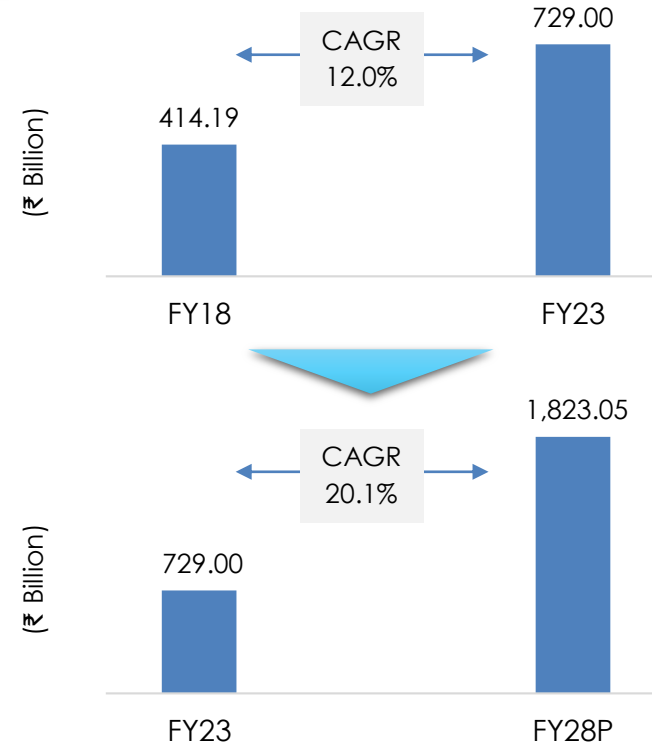
- Intend to continue to focus on improving profitability and operating margins, including by offering more value-added services to existing and to new customers

## Outsourced IFMS



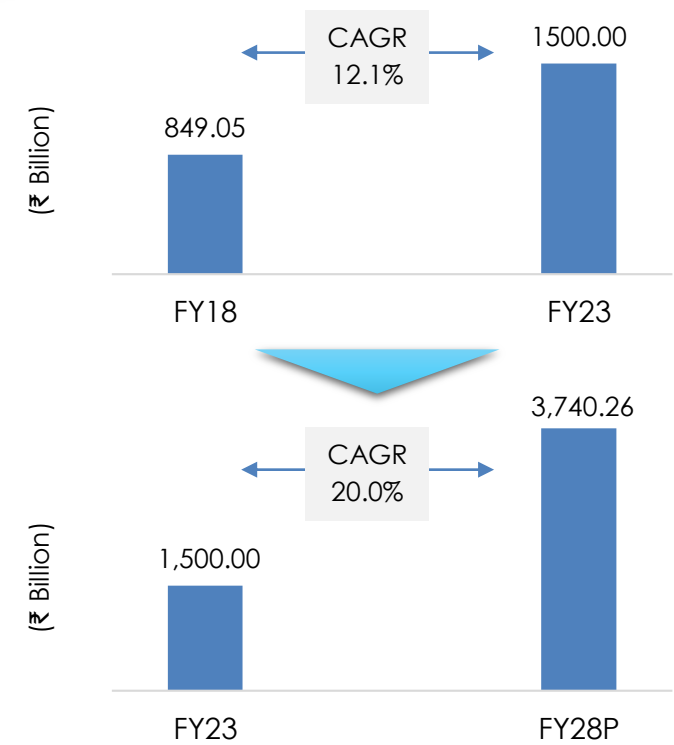
- Industrial, Public Administration, Railways & Metros, Commercial Offices, Retail, Airports, Healthcare & Education are the top end user segments that are anticipated to **drive the demand for IFMS** between FY23 & FY28
- These eight segments account for 88.1% of the total Outsourced IFM Market in FY23

## Staffing & Payroll Management



- Key growth enablers driving the Staffing and Payroll Management Services Market in India are the **need for flexible workforce**, availability of large manpower resources, growth in gig economy and regulatory compliance
- Several initiatives by the government such as the **Make-in-India and PLI schemes** are expected to create job opportunities & growth potential for staffing companies in the manufacturing segment

## Private Security & Manned Guarding



- Evolution of the Manned Guarding Services through trends such as technology adoption and training resulted in improved service delivery, high confidence and willingness to outsource security related services
- Availability of manpower due to migration of workforce from rural to urban areas and regulations such as minimum wages have also led to the growth of market revenues

# Quarterly Consolidated Statement of Profit & Loss



(₹ Mn)

Particulars	Q4 FY24	Q4 FY23	YoY	Q3 FY24
<b>Income from operations</b>	2921.67	1922.44		2830.74
Other Operating income	-	-		-
<b>Total income</b>	<b>2921.67</b>	<b>1922.44</b>	<b>52.0%</b>	<b>2830.74</b>
Total Raw Material Expenses	581.99	96.75		547.52
Employee Cost	2032.34	1600.62		2027.95
Other Expenses	119.31	129.95		66.18
<b>Total Expenditure</b>	<b>2733.64</b>	<b>1827.32</b>		<b>2641.65</b>
<b>EBITDA</b>	<b>188.03</b>	<b>95.12</b>	<b>97.7%</b>	<b>189.09</b>
<b>EBITDA Margin %</b>	<b>6.44%</b>	<b>4.95%</b>	<b>149 bps</b>	<b>6.68%</b>
Depreciation	18.72	16.12		17.40
Other Income	23.99	20.83		15.37
Interest	29.68	25.96		30.33
<b>Profit Before Tax</b>	<b>163.62</b>	<b>73.87</b>	<b>121.5%</b>	<b>156.73</b>
Tax	6.18	(18.58)		29.47
<b>Profit After Tax*</b>	<b>157.44</b>	<b>92.45</b>	<b>70.3%</b>	<b>127.26</b>
<b>PAT Margin</b>	<b>5.39%</b>	<b>4.81%</b>	<b>58 bps</b>	<b>4.50%</b>
Basic EPS	13.58	8.02	69.3%	11.04

\* Excluding profit from discontinued operations

# Annual Consolidated Statement of Profit & Loss



(₹ Mn)

Particulars	FY21	FY22	FY23	FY24
<b>Revenue from operations</b>	<b>4,712.89</b>	<b>5,526.76</b>	<b>7,076.36</b>	<b>10,268.49</b>
Other Income	30.20	21.81	33.29	80.01
Cost of material and store and spare consumed	202.30	242.26	323.04	1,623.14
Employee benefit expense	3,998.55	4,713.28	5,919.04	7,678.80
Finance costs	90.60	87.78	94.92	119.84
Depreciation and amortisation expense	46.90	42.95	46.57	71.45
Other expenses	310.52	191.24	335.93	279.74
<b>Restated profit before tax from continuing operations</b>	<b>94.22</b>	<b>271.06</b>	<b>390.16</b>	<b>575.52</b>
Tax (Current Tax + Deferred Tax)	(2.61)	62.71	52.45	85.25
<b>Restated profit for the year from continuing operations after taxes</b>	<b>96.83</b>	<b>208.35</b>	<b>337.71</b>	<b>490.27</b>
Restated profit from discontinued operations (after taxes)	69.66	53.16	46.42	-
Restated profit for the year after tax and before share of profit from joint venture	166.49	261.51	384.13	-
Share of profit of joint venture	1.75	1.23	0.31	0.42
<b>Restated profit for the year</b>	<b>168.24</b>	<b>262.74</b>	<b>384.44</b>	<b>*494.43</b>
Basic EPS (in ₹)	14.45	22.69	33.33	42.30

\* Includes Other Comprehensive Income

The Board has recommended Dividend of Rs. 1.50/- per equity share, i.e. 15% of face value Rs. 10/- each, for FY24, subject to shareholders approval

# Consolidated Balance Sheet



(₹ Mn)

Particulars	FY21	FY22	FY23	FY24
Equity Capital	57.62	57.62	57.62	139.72
Other Equity	1,303.13	1,580.93	1,576.50	3622.50
Borrowings (Current + Non-Current)	653.11	725.51	479.92	832.59
Lease Liabilities (Current + Non-Current)	28.52	14.08	25.46	44.35
Provisions (Current + Non-Current)	101.14	115.48	131.33	131.85
Trade Payable	379.36	514.97	158.49	562.11
Other Financial Liabilities (Current)	567.59	597.92	555.08	813.04
Other Current Liabilities	294.22	437.34	450.28	323.92
<b>Total Equity &amp; Liabilities</b>	<b>3,384.70</b>	<b>4,043.85</b>	<b>3,434.68</b>	<b>6,470.08</b>
Fixed Assets (incl. PPE, CWIP, RoU Assets & Intangible Assets)	729.72	710.51	806.42	829.74
Investments (Non-Current)	14.69	18.54	28.94	30.65
Deferred Tax Assets (net) (Non-Current)	80.23	56.00	74.50	43.68
Income Tax Assets (net) (Current + Non-Current)	88.10	134.65	85.50	133.82
Other Non-current Assets	-	80.56	-	292.53
Inventory	22.43	58.81	6.11	6.35
Trade Receivable	2,002.43	2,411.60	1,496.10	2,323.64
Cash & Cash Equivalents (incl. Other Bank Balances)	232.72	233.65	191.65	1,800.16
Loans (Current)	16.94	18.02	251.51	726.72
Other Financial Assets (Current + Non-Current)	112.30	243.45	440.65	221.84
Other Current Assets	85.11	78.06	53.30	60.96
<b>Total Assets</b>	<b>3,384.70</b>	<b>4,043.85</b>	<b>3,434.68</b>	<b>6,470.08</b>

<b>IFMS</b>	Integrated Facility Management Services
<b>MEP</b>	Mechanical, Electrical & Plumbing
<b>PSARA license</b>	License under The Private Securities Agencies Regulation Act, 2005
<b>RISE</b>	Revitalising Infrastructure and System in Education
<b>EQUIP</b>	Education Quality Upgradation and Inclusion Programme
<b>NEP 2020</b>	National Educational Policy 2020
<b>UDAN</b>	Ude Desh ka Aam Naagrik
<b>Mn</b>	Million
<b>CAGR</b>	Compounded Annual Growth Rate
<b>EBITDA</b>	Earnings before interest, taxes, depreciation & amortization expenses
<b>PAT</b>	Profit after Tax
<b>EPS</b>	Earnings Per Share



**Thank You!**