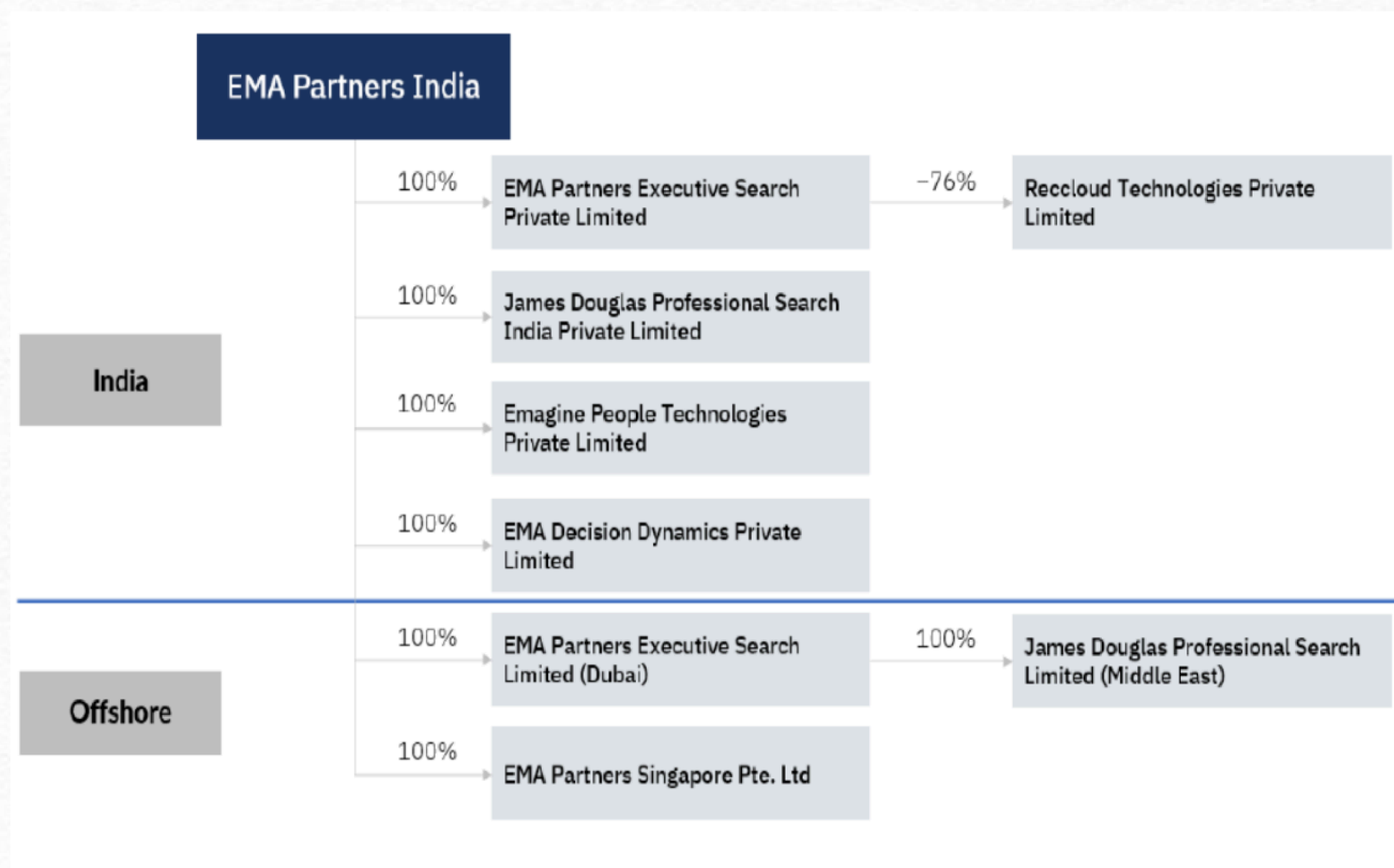


## Company Business

- EMA Partners India Limited is a **leading executive search firm in India**, specializing in customized leadership hiring solutions for diverse sectors. The company has a strong track record of recruiting business and functional leaders for both domestic and international clients.
- The Company has the following subsidiaries/ step down subsidiaries which are engaged in distinct segments of recruitment business in different geographies:



## Industry Analysis and TAM

- The Indian staffing and recruitment industry is valued at ₹ 12,430 Cr in FY 2023–24, a significant growth from ₹ 9,890 Cr in FY 2018–19. Driven by technology and the increasing demand for skilled personnel, the industry is projected to grow further. **The market is characterized by a long tail, with the top ten players holding only 25–30% market share**, indicating ample room for growth for mid-sized companies like EMA Partners India Limited. A mid-sized company aspiring to scale within the next five years could potentially acquire an additional 5–8% market share, capitalizing on the industry's substantial growth potential.
- The Indian Staffing & Recruitment Industry in India is expected to grow at a CAGR of 4.9% from FY'2023–24 to FY'2028–29. The market is expected to reach INR 15,770 Cr by FY'2028–29.

## IPO Details

- Offer Size :
  - Up to ₹76.01 Cr., comprising
  - Fresh Issue : 53,34,000 shares ₹ 66.14 Cr.
  - Offer for Sale : 7,96,000 shares ₹ 9.87 Cr.
- Face Value : ₹ 5 per share
- Price Band : ₹ 117 - ₹ 124 per share
- Minimum Bid Lot : 1,000 Equity Shares
- Listing : SME Platform of National Stock Exchange of India Limited (NSE EMERGE)
- Pre IPO Promoter Holding : 86.14%
- Post IPO Promoter Holding : 62.95%

## Objects of the Issue

- Fresh Issue:
- Augmenting the leadership team for the company and its subsidiaries. **Rs. 25.53 Cr.**
  - Upgrading IT infrastructure for the company and its subsidiaries. **Rs. 6.44 Cr.**
  - Repaying/prepaying borrowings related to the purchase of office premises. **Rs. 5.42 Cr.**
  - General corporate purposes and potential inorganic acquisitions.
- Offer for Sale :** To provide an exit route for the selling shareholders.

## Financials of the company

(Fig. in Cr)

| Particulars                                  | July 31, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|--|---------------|----------------|----------------|----------------|
| Revenue from Operations                      | 25.88         | 67.29          | 50.14          | 56.95          |
| EBITDA                                       | 6.35          | 16.48          | 4.07           | 14.12          |
| EBITDA Margins                               | 24.54%        | 24.50%         | 8.13%          | 24.80%         |
| PAT  | 4.37          | 14.27          | 3.07           | 11.27          |
| PAT Margins                                  | 16.61%        | 20.74%         | 6.01%          | 19.48%         |
| Fee Earners*                                 |               | 28             | 22             | 20             |
| Operating revenue per fee earning employee** |               | 2.40           | 2.27           | 2.84           |
| D/E Ratio                                    | -1.08         | 11.92          | 2.72           | 8.32           |

\*Employees who contribute directly to the revenues of the company as recognised by the Company's Management.

\*\*Revenue from Operations / No of Fee Earning employees

## Comparison with Peers

| Companies                    | Revenue    | EBITDA Margin | PAT Margin | D/E Ratio | MCap       | P/E   |
|------------------------------|------------|---------------|------------|-----------|------------|-------|
| EMA Partners India (FY 2024) | 67.29 Cr.  | 24.50%        | 20.74%     | 0.12      | 288.25 Cr. | 20.20 |
| Quess Corp (TTM)             | 19,934 Cr. | 4%            | 1.84%      | 0.24      | 9,627 Cr.  | 26.50 |
| Teamlease services (TTM)     | 10,254 Cr. | 1.24%         | 1%         | 0.15      | 4,486 Cr.  | 45.30 |

EMA Partners boasts a significantly higher EBITDA margin (24.50%) compared to its listed peers. This suggests superior operational efficiency and profitability. However, it's important to note that direct comparisons may be limited due to differences in business models, scale, and operations.

## Positive and Negative Points

### Positive

- ✦ **Strong industry growth potential** : The Indian staffing and recruitment industry is experiencing substantial growth, driven by factors like technology adoption and skill shortages, providing a favorable market environment for EMA Partners.
- ✦ **Leading market position and brand recognition** : EMA Partners is acknowledged as a leading executive search firm in India, demonstrating its strong market position and brand value.
- ✦ **Superior financial performance** : The company's robust RoNW and EBITDA margins, compared to listed peers, suggest effective operational efficiency and profitability.

### Negative

- ✦ **Dependence on key personnel** : The company's success is significantly reliant on its leadership team, and any changes in this team could impact its operations.
- ✦ **Competition from established players** : The industry includes well-established players, and competition might impact EMA Partners' market share and profitability.
- ✦ IPO is coming on Jan 25 but financials are available up to July 31st, 2024.



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