

Company Name: EMA Partners India Ltd.

Management Participants:

- Mr. Krishnan Sudarshan: Chairman & Managing Director
- Mr. Kushal Suresh Parmar: Chief Finance Officer
- Mr. Manish Kumar Dhanuka: Group Financial Advisor

11th Annual Valorem Conference Highlights:

- The executive search business remains the key profit driver, delivering 27% EBITDA margins with strong pricing power and high-value mandates.
- The company continues to scale its business with a strong focus on high-margin executive search while building stability through RPO and mid-senior segments.
- Cost structures remain lean, with fixed costs largely limited to employee and office expenses, enabling strong scalability.
- The company maintains a strong client franchise, with 60% repeat business driven by long-standing relationships and domain expertise.
- The partner tenure across the firm is high, averaging over 10 years, ensuring stability and deep client relationships.
- Industry exposure is well-diversified, with manufacturing and financial services forming the largest segments.
- Geographical expansion is underway across India and Singapore, while the Middle East remains a strategic but cautiously approached market.
- Productivity per partner remains a key focus area, with each partner expected to scale revenue meaningfully over time.
- A new HR advisory segment will be introduced using a third-party execution model, keeping the initiative asset-light.
- Management expects all segments to turn PAT positive by FY27, supported by scale, mix improvement, and operating leverage.

Key Questions & Answers discussed during the Conference:

- **What is our exposure to the Middle East and the impact of geopolitical tensions?** We derive around 20–25% of our revenues from the Middle East. We remain confident that, post-ceasefire, governments such as Dubai may introduce supportive measures like tax relief, which could improve overall business conditions.
- **What level of cash flow are we targeting in the coming years?** We are targeting to generate approximately INR 200 crore in cumulative cash flows over the next five years. This will be driven by growth in our high-margin segments along with improving operating leverage.
- **How are we scaling our client partner base in executive search?** We currently have 9 client partners and plan to scale this up to 30 by 2030. Each partner is expected to contribute close to INR 10 crore in revenue, which will be a key driver of our future growth.

- **What is our client repeat rate and industry-wise revenue mix?** Our repeat clients contribute around 60% of our revenues, reflecting strong relationships and high client stickiness. From an industry perspective, manufacturing contributes the highest share at about 35% of revenues, followed by financial services as the next largest segment.
- **What is our profitability outlook?** We expect all our business segments to turn PAT positive by FY27. Margin expansion will be driven by scale as well as improvement in business mix.
- **What are our key competitive advantages (moat)?** Our key strengths lie in our brand, execution track record, and the experience of our partners. The long tenure of our partners and their strong client relationships help us generate consistent deal flow.
- **How does our business model differ from platforms like Naukri?** Unlike platforms such as Naukri, which operate on a B2C model focused on job listings and candidate access, we operate on a B2B model. Through offerings like MyRCloud, we provide managed hiring solutions and build long-term client engagements.
- **How are mandates awarded in EMA Partners — are they firm-based or role-based?** In our case, mandates are typically role-based rather than firm-based. Clients assign us specific leadership roles, such as CFO searches. For multiple roles, the same client may engage different search firms, making the model role-exclusive.
- **What are the margin profiles across business segments?** Our executive search business delivers EBITDA margins of around 27%, while the mid-senior hiring segment operates at approximately 25%. Our RPO segment has relatively lower margins at 10–12%, but it provides stable and recurring revenue streams.
- **What is the market size of executive search and mid-to-senior hiring in India?** We estimate the executive search market in India to be around INR 3,500 crore currently, with the potential to grow to INR 5,000 crore by 2029. The mid-to-senior hiring segment is significantly larger, at approximately INR 10,500 crore.
- **What is our revenue model in executive search?** We typically charge 28–30% of the annual compensation as fees for senior-level placements. Given that average salaries in this segment range between INR 3–5 crore, this translates into high-value mandates for us.
- **What is our fee structure across business segments?** In executive search, we charge approximately 28–30% of annual compensation. Our James Douglas business operates at around 20–22% of annual CTC, while MyRCloud has a fee structure of about 9–10%.

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