



# Invest Smart

Long-term Fundamental Pick

**BLS International Services Ltd**





## Company Name: BLS International Services Ltd

BSE CODE: 540073

NSE CODE: BLS

Sector: IT

Industry: Software

**CMP (Rs): 384 | Buy Range: 375-385 | Target Price: 480 | Potential Upside: 25%**

**Duration of Recommendation: 9-12 Months**

**BUY**

### Company Data

Market Cap (Rs. Cr)	15,926
Enterprise value (Rs. Cr)	14,995
52-week high / Low	430/230
EPS (TTM) (Rs)	8.70
P/E (x)	44.5
Industry P/E (x) TTM	36.7
EV/EBITDA (x) TTM	33.4
P/BV (x) TTM	13.2

Shareholding %	Q3FY24	Q4FY24	Q1FY25
Promoters	71.52	71.52	71.52
FII's	7.56	7.67	7.40
DII's	0.89	1.05	1.35
Public	19.93	19.65	19.68
Govt	0	0	0
Other	0.11	0.10	0.07

### Financial Performance (Consolidated)

INR(Cr)	FY23	FY24	FY25E	FY26E
<b>Revenue</b>	<b>1516.2</b>	<b>1676.8</b>	<b>2230</b>	<b>3011</b>
<i>Growth%</i>	<i>78.4%</i>	<i>10.6%</i>	<i>33.0%</i>	<i>35%</i>
<b>EBITDA</b>	<b>222.9</b>	<b>345.7</b>	<b>490.6</b>	<b>677.4</b>
<i>Growth</i>	<i>206%</i>	<i>55%</i>	<i>33.6</i>	<i>38.5</i>
<i>Margin</i>	<i>14.7%</i>	<i>20.6%</i>	<i>22.0%</i>	<i>22.5%</i>
<b>Net Profit</b>	<b>204.3</b>	<b>325.6</b>	<b>435</b>	<b>602</b>
<i>Growth</i>	<i>83%</i>	<i>59.4%</i>	<i>33.6%</i>	<i>38.5%</i>
<i>Margin</i>	<i>13.5%</i>	<i>19.4%</i>	<i>19.5%</i>	<i>20%</i>
EPS	5	7.9	10.6	14.6
BVPS	19.5	29.3	35.0	45.0
P/E (x)	33.1	39.6	36.3	26.2
P/BV (x)	8.5	10.7	11.0	8.6
EV/EBITDA	28.5	35.3	30.2	21.9
ROE	29.25%	31.13%	31.5	31
ROCE	29	35	33.5	33

### 1-YEAR PRICE PERFORMANCE



**Our Recommendation:** As the only listed Indian company in global visa processing and G2C services outsourcing, BLSIN operates an asset-light, capital-efficient model, ensuring strong cash flow with minimal growth costs. At CMP, stock is trading at 26x its FY26E earnings. We value the stock at 32.5x its FY26E earnings given new visa contracts & expansion in digital services are set to boost profitability. **We recommend BUY in price range of 375-385 with target price of 480 (based on 32.5x FY26e EPS) with potential upside 25%.**

**About Company:** BLS International Services Ltd provides tech-enabled visa, consular, and citizen services to governments globally. It manages visa applications, biometric data collection, and offers value-added services like translation and premium lounges. The company also delivers digital services, including e-governance and banking correspondence, focusing on underserved regions. Operating in 66 countries with 46 government clients, BLSIN is one of the top three global visa application outsourcing companies.

### INVESTMENT RATIONALE

**Key Player in high entry barrier industry:** BLS International Services Ltd is a key player in the \$2.6 billion visa outsourcing industry, which has high entry barriers. Three companies control 80-85% of this market, with VFS Global holding a 50-55% share, and BLS and TLSContact each holding about 10-15%. BLSIN has expanded to 66 countries, serving 46 government clients and processing over 65 million applications.

**Capital-Efficient Business Model:** BLSIN operates on an asset-light and capital-efficient model, ensuring strong cash flow generation. This allows the company to reinvest in growth opportunities without significant capital expenditure, maintaining financial stability.

**Diversified Revenue Streams:** BLSIN's business model includes both visa & consular services (81% of FY24 revenue) and digital services (19% of FY24 revenue), providing stability and multiple growth avenues.

**Expanding Market Share:** The acquisition of iDATA has expanded BLSIN's market share in Europe, enhancing its capabilities and opening new revenue streams from visa processing for Germany, Italy, and the Czech Republic.

**Favorable Market Dynamics:** The global visa outsourcing market is expected to grow at a CAGR of 9.3% over 2024-30. As a leading player, BLSIN is well-positioned to benefit from increased international travel, immigration, and outsourcing trends.

**Strong Earnings Visibility:** With major contracts worth USD 1.5-2 billion up for renewal and a robust pipeline of new opportunities, BLSIN's earnings visibility is strong. This stability provides a solid foundation for future growth.

**Robust Performance in Q4FY24:** Consolidated Revenue/EBITDA/PAT increased by 28.5%/66.3%/70% YoY to Rs. 493 cr/Rs. 133cr/Rs. 121cr YoY respectively. EBITDA margins improved by 615 bps to 27% from 20.9% last year. On QoQ basis, Revenue/EBITDA/PAT were by +10%/+47.5%/+41% respectively.



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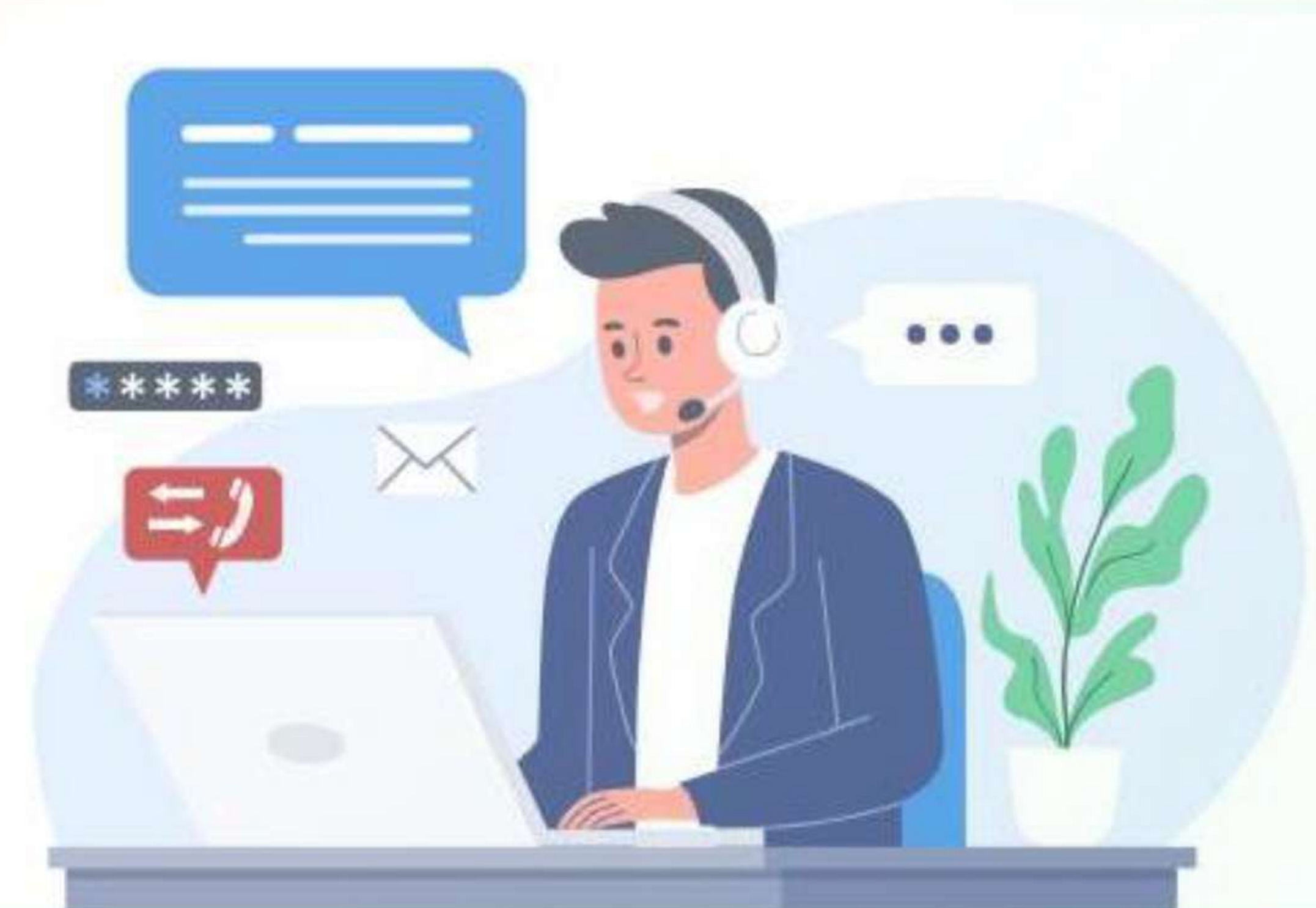
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