
Avendus Capital advises AGS Transact Technologies Ltd. on its equity raise from Actis

Mumbai, August 28, 2012

AGS Transact Technologies Ltd (AGS), the leading ATM outsourcing and payments company, has received an investment of USD 40 Mn (INR 220 crore) from pan-emerging markets private equity firm Actis. This investment will enable AGS to strengthen its market leading position in the ATM outsourcing space. This fund raise is further to investments by TPG in June last year and March this year. The proceeds of this raise will fully fund the ATM outsourcing roll-outs undertaken by AGS on behalf of leading banks including Axis Bank, ICICI Bank, HDFC Bank, Yes Bank as well as rollouts under the recent PSU contract won by AGS for the HP/ Haryana/Chandigarh circle.

Founded by entrepreneur Ravi Goyal in 1992, AGS manages a network of 10,000 ATM machines across India for banking clients, as well as supplies specialised equipment, and automated solutions for major retailers, petroleum and paint companies. In addition, AGS has installed over 14,000 ATMs for over 70 banks in India.

Currently India has a low per capita ATM base, with a current installed base of ~100,000 ATMs. This is expected to more than double reaching greater than 200,000 machines by 2017 as banks expand their ATM network rapidly. The recent white label guidelines unveiled by the Reserve Bank of India are expected to give a further fillip to ATM growth.

The ATM outsourcing industry is going through an inflexion point right now. Private banks were already expanding their ATM base through outsourcing and now public sector banks have adopted a completely outsourced model for ATM expansion as well. Independent service providers such as AGS will benefit from this growth.

Mr. Ravi Goyal, Founder of AGS said, *“Actis’s injection of additional capital builds upon TPG’s investment in AGS in June 2011. With two large and leading private equity firms backing the company, we are confident we will continue to maintain our leadership position in the market and our strong relationships with our customers which include leading financial institutions such as Axis Bank, ICICI Bank, HDFC Bank and Yes Bank. In addition, we are excited about our new initiatives in the white labelling and the mobile payments space.”*

Mr. Gaurav Deepak, Managing Director, Avendus Capital said, *“Given the large young population in India and changing habits, usage of non traditional channels of banking viz ATM, mobile, internet are*

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becoming significantly more prevalent. Additionally, regulators are taking positive steps to develop the e-payments infrastructure in the country. We believe AGS – leadership position, financial strength and strong industry relationships- is a strong platform which would play a significant role in the payments landscape in India.”

Avendus Capital acted as the sole financial advisor to AGS Transact Technologies Ltd.

About AGS Transact Technologies Ltd.

AGS Transact Technologies Ltd. (formerly known as AGS Infotech Pvt. Ltd.) offers technology-based solutions for banking, retail, paint and petroleum sectors. Equipped with extensive experience in banking technology, AGS provides a complete suite of self-service banking products. The company is the dominant provider of ATM outsourcing services to the Indian banking industry.

About Actis

Actis invests exclusively in the emerging markets with a growing portfolio of investments in Asia, Africa and Latin America; it currently has US\$5 billion funds under management. Combining the expertise of over 100 investment professionals on the ground in nine countries, Actis identifies investment opportunities in three areas: private equity, energy and real estate. Current investments include auto components manufacturer, Endurance; South Indian supermarket chain, Nilgiri's; hospital owner and operator Sterling Add-Life and the world's second largest razor manufacturer Super-Max. Actis is proud to actively and positively grow the value of those companies in which it invests and in so doing contribute to broader society.

About TPG Growth

TPG Growth is the middle market and growth equity investment platform of TPG, the global private investment firm. With \$3.3 billion under management, TPG Growth targets investments in a broad range of industries and geographies, utilizing leveraged buyout, growth equity, and private investment in public equity (PIPE) structures. The firm is backed by the resources of TPG with \$48 billion of assets under management. TPG Growth has offices in the United States, China and India.

About Avendus Capital Private Limited

Avendus Capital is a leading financial services firm which provides customised solutions in the areas of financial advisory, equity capital markets and wealth management. The firm relies on its extensive track record, in-depth domain understanding and knowledge of the economic and regulatory environment, to offer research based solutions to its clients that include institutional investors, corporates and high net worth families. In recent years, Avendus Capital has consistently been ranked among the top-five corporate finance advisors in India and has emerged as the advisor of choice for cross-border M&A deals and has closed 40 cross-border transactions in the past 4 years. Avendus Securities through its Institutional Equities practice is able to offer best-in-class research-driven advice to help its clients take investment decisions, while Avendus PE Investment Advisors manages funds raised from its investors by investing in public markets and private equity. Headquartered in Mumbai, the firm has offices in New Delhi and Bangalore. Avendus Capital, Inc (US) and Avendus Capital (UK) Pvt. Ltd. located in New York and London respectively are wholly owned subsidiaries offering M&A and Private Equity syndication services to clients in the respective regions.

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