

Strong Quarter led by Organic Growth & Improved Cash flow Conversion

Quarterly EBITDA up by 30% YoY

Bengaluru, India – 24th January 2019: Quesse Corp, India's leading business services provider announced today its financial results for the **third quarter (Q3'19) and nine months (YTD 9M FY'19)** ended 31st December 2018. The key consolidated financials for the quarter are:

Particulars (in ₹ cr)	Q3'19	Q3'18	YoY(%)	Q2'19	QoQ(%)	9M'19	9M'18	YoY(%)
Revenue	2,172	1,584	37%	2,092	4%	6,232	4,277	46%
EBITDA	118	91	30%	112	6%	333	245	36%
<i>EBITDA Margin</i>	5.45%	5.74%	-29 bps	5.36%	9 bps	5.34%	5.73%	-39 bps
PAT	65	61	7%	62	5%	181	234	-23%
<i>PAT Margin</i>	2.99%	3.85%	-86 bps	2.95%	5 bps	2.91%	5.47%	-257 bps
Diluted EPS (in ₹)	4.36	4.17	5%	4.22	3%	12.33	16.62	-26%
Cash Profit	102	81	26%	97	5%	290	286	2%
Cash EPS (in ₹)	6.96	5.53	26%	6.65	5%	19.81	20.24	-2%

Financial Highlights

- Our **Quarterly Revenue** grew **37%** YoY and YTD 9months Revenue grew by **46%** YoY. This was achieved on account of the following:
 - Our **Employee headcount** increased by **21%** YoY to **292,872** in Q3 FY19 as against 243,000 employees in Q3 FY18. Net addition in employee headcount stood at **12,472** for the quarter and **31,172** for YTD 9months FY19 period.
 - Our Quarterly **revenue realization per employee per month** increased by **9%** YoY and YTD 9months revenue realization increased by **6%** YoY
 - The **Organic revenue growth** contribution during the quarter stood at **23%** on a YoY basis.
- Our **Quarterly EBITDA** grew by **30%** YoY and **YTD 9months EBITDA** grew by **36%** YoY.
- **EBITDA Margin** stood at **5.45%** in Q3 FY19 as against **5.74%** in Q3 FY18 YoY. The drop in margin is primarily on account of operating losses at Monster. However, sequentially, EBITDA margin improved by **9 bps** to **5.45%** as against **5.36%** in Q2 FY19.

- Our **Quarterly Profit after Tax (PAT)** stood at **₹65 cr** for Q3 FY19 and **₹181 cr** for YTD 9months FY19. PAT for the period during YTD 9months FY19 is not comparable on YoY basis due to the one-time tax benefit of ₹67 cr during YTD 9months FY18 period.
- **Cash Profit** (PAT adjusted for non-cash items such as Depreciation & Amortization expense and Non-controlling Put Option charge) stood at **₹102 cr** for Q3 FY19 and **₹81 cr** for YTD 9months FY19.
- **Diluted Earnings Per Share (EPS)** stood at **₹4.36** for Q3 FY19 and **₹12.33** for 9months FY19.
- **Cash EPS** stood at **₹6.96** for Q3 FY19 and **₹19.81** for 9months FY19.
- Our **Cash flow from Operations (OCF)** stood at **₹53 cr** for Q3 FY19 as against ₹39 cr in Q2 FY19 and **₹124 cr** during YTD 9months FY19 resulting in a **44% OCF/EBITDA conversion** during the quarter and **37%** for the period of YTD 9months FY19.

Business Update:

➤ People Services:

- Quess' General Staffing headcount crossed **180,000** as on December 31, 2018. This was led by a strong addition of **18 new logos** during the quarter.
- Our General Staffing business achieved a **Core to Associate** FTE ratio of **1:300** in Q3 FY19.
- Our Training & Skill development arm, **Excelus** opened **17 new centers** across PMKK and DDU-GKY program and enrolled over **18,000 candidates** for training during Q3 FY19.

➤ Facility Management:

- Our **Facility Management** business crossed a revenue run rate of **₹100 cr per month** during the quarter led by strong addition of 27 new logos across sectors such as Education & Healthcare, IT & ITES, Real Estate and BFSI etc.
- **Terrier:** The Company has secured new licenses to operate in the states of Andhra Pradesh & Goa bringing up the total operational locations to **19 states**. A new Training center for Security service personnel was established in Bhubaneswar, Odisha under the Terrier banner in Q3FY19.

➤ **Customer Lifecycle Management:**

- **Conneqt:** The Company crossed **30,000** headcount as on December 31, 2018. Conneqt witnessed sustainable growth by addition of **06 new clients and 09 new lines of businesses** from existing clients across E-commerce, BFSI, Auto & Manufacturing, Hospitality etc., including digital services like Omni Channel & Social Media management.
- **DigiCare:** The Company expanded its service center network by an additional **50 new centers** in Q3 FY19 taking the total count to **210 centers**.

Segment Wise Performance

	Q3'19	Q3'18	YoY (%)	Q2'19	QoQ (%)
People Services					
Revenue	991	736	35%	913	9%
EBIT	47	35	33%	42	12%
<i>EBIT Margin</i>	4.71%	4.79%		4.56%	
Technology Solutions					
Revenue	714	480	49%	707	1%
EBIT	40	31	30%	40	1%
<i>EBIT Margin</i>	5.63%	6.46%		5.60%	
Facility Management					
Revenue	312	263	18%	311	0%
EBIT	21	18	21%	21	1%
<i>EBIT Margin</i>	6.87%	6.70%		6.79%	
Industrials					
Revenue	119	105	14%	123	-3%
EBIT	4	4	7%	5	-22%
<i>EBIT Margin</i>	3.44%	3.66%		4.30%	
Internet Business					
Revenue	36	-		37	-4%
EBIT	(5)	-		(6)	18%
<i>EBIT Margin</i>	-12.80%			-14.84%	

Commenting on the financial results, Chairman & MD Mr. Ajit Isaac said that, *“The strong Revenue and EBITDA growth in excess of 30% YoY during the quarter is a testament to our dual emphasis on execution led growth supported by balance sheet management .The highlight of the quarter is our achievement of 44% OCF/EBITDA conversion taking the cumulative conversion rate to 37% during the 9months FY19 period. Our staffing businesses continues to outpace the industry. We remain optimistic about the contribution of our People Services and Facility Management business that have shown healthy sequential margin expansions of 16 bps and 8 bps respectively. We believe we are well positioned to continue our journey of strong organic growth to deliver long term value to our shareholders.”*

About Quess Corp

Quess Corp Limited (BSE: 539978, NSE: QUESS), is India’s leading business services provider. At Quess, we excel in helping large and emerging companies manage their non-core activities by leveraging our integrated service offerings across industries and geographies which provides significant operational efficiencies to our clients. Quess has a team of over 292,872 employees across India, North America, South America, South East Asia and the Middle East across segments such as Industrials, Facility Management, People Services, Technology Solutions and Internet Business. Quess serves over 1,900+ clients worldwide. Established in 2007, Quess is headquartered in Bengaluru, India and has a market cap of over ₹ 9,601 cr as on December 31, 2018.

For further details on Quess Corp Ltd., please visit: <http://www.uesscorp.com>.

For more information, please contact:

Investor / Analyst contact:

Sangram Keshari Mallick

Investor Relations

✉ sangram.mallick@quesscorp.com

☎ +91 80 61056417

Media Contact:

Girish H.M

Vice President – Marketing & Communications

✉ girish.m@quesscorp.com

☎ +91 80 61056019

Disclaimer: This document contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects", "plans", "will", "estimates", "projects", or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in such forward-looking statements as a result of various factors and assumptions, which the Company believes to be reasonable in light of its operating experience in recent years. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, our ability to manage our international operations, government policies, regulations, etc. The Company does not undertake any obligation to revise or update any forward looking statement that may be made from time to time by or on behalf of the Company including to reflect actual results, changes in assumptions or changes in factors affecting these statements