

January 29, 2020



To

The General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, Phiroze Jeejeebhoy
Towers, Dalal Street, Mumbai – 400 001

Security Code – 539978

The Manager
Department of Corporate Services,
**National Stock Exchange of India
Limited**
Exchange Plaza, Bandra- Kundra
Complex, Bandra (East),
Mumbai – 400 001
NSE Symbol – QUEST

Dear Sir/Madam,

Sub: Submission of information pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

We are enclosing herewith a copy of Press Release dated January 29, 2020 titled “**Quest Corp delivers resilient and consistent performance**”.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Quest Corp Limited

NS
S Kundan K Lal
Company Secretary and Compliance Officer



Quest Corp Limited

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Quess Corp delivers resilient and consistent performance

Bengaluru, India – 29th January 2020: Quess Corp, India's leading business services provider announced its financial results for the **third quarter (Q3 FY20)** ended 31st December 2019 today. The key consolidated financial parameters are:

(in ₹ cr)

| Particulars | Q3' 20 | Q3' 19 | YoY(%) | Q2' 20 | QoQ(%) | 9M' 20 | 9M' 19 | YoY(%) |
|-----------------------|--------|--------|-----------------|--------|--------|--------|--------|-----------------|
| Revenue | 2,950 | 2,172 | 36% | 2,651 | 11% | 7,997 | 6,232 | 28% |
| EBITDA | 179 | 118 | 52% | 162 | 10% | 489 | 333 | 47% |
| <i>EBITDA Margin</i> | 6.07% | 5.43% | 64 bps | 6.11% | (4bps) | 6.11% | 5.34% | 77 bps |
| PAT | 75 | 65 | 15% | 67 | 12% | 198 | 181 | 9% |
| <i>PAT Margin</i> | 2.54% | 2.99% | (45 bps) | 2.53% | 1bps | 2.48% | 2.90% | (42 bps) |
| Diluted EPS (in ₹) | 4.83 | 4.36 | 11% | 4.23 | 14% | 12.78 | 12.33 | 4% |

Financial Highlights (Q3 & 9M FY20):

- **Revenues** grew **36% YoY (organic growth of 31%)** and 11% QoQ (all organic). The annual organic growth was driven by steady increase in general staffing (up 37%) and CLM (Conneqt - up 13%)
- 9M' 20 revenue was up **28%** to **₹ 7,997cr**
- Quarterly **EBITDA** grew significantly by **52% YoY** and 10% QoQ to **₹ 179cr**. **EBITDA margins** were up **64 bps YoY** to **6.1%**
- 9M' 20 EBITDA was up **47%** to **₹ 489cr**
- **Reported PAT** for the quarter grew **15% YoY** and 12% QoQ to **₹ 75cr**, while **Operating PAT** was **₹ 79cr**, up 22% YoY and 10% QoQ
- **Reported PAT** for 9M' 20 was up 10% YoY at **₹ 198cr**
- **Basic Earnings per Share (EPS)** stood at **₹ 4.84** for Q3' 20 and **₹ 12.80** for 9M' 20
- **Cash flow from Operations (OCF)** stood at **₹ 74cr** for Q3' 20 as against ₹ 53cr in Q3' 19, a significant increase of **39% YoY**
- **OCF/EBITDA conversion** improved to **51%** during Q3' 20 compared to **45%** in Q3' 19
- **Debt reduction** by **₹ 431cr** in the last 6 months to **₹ 830cr**

Corporate Actions:

- **Management Change:** Mr. Suraj Moraje joined as Executive Director and Group CEO (Designate) on November 4, 2019. His addition to the Management team will help drive Quess' digital transformation journey.
- **Thomas Cook India Ltd. (TCIL) De-merger:** The de-merger of TCIL was completed during the quarter. Post the de-merger, Quess is directly held by Fairfax Holdings (~33% holding). Consequently, Quess gains an entry into training in the B2C segment of Travel & Hospitality space.
- **Rationalisation of Intercompany Loans:** Quess continues to reduce the intercompany loans and advances, which stood at ₹ 442cr at the beginning of the quarter. It successfully reduced ₹ 270cr in the quarter by repayment and conversion into CCDs for Conneqt and Trimax Smart Infra. With these, the intercompany loan balances stood at ₹ 172cr at the end of the quarter.
- **Optimization of Group Structure:** Quess' strategy is to simplify its overall group structure and in line with this strategy, 4 Indian subsidiaries – Aravon, CenterQ, CoAchieve and Master Staffing Solutions were merged into the parent during the quarter. Additionally, MFX Chile was wound up during the quarter.
- **Trimax Resolution:** In the Ahmedabad Smart City Project, out of the total project cost of ₹ 230cr, ₹ 92cr was collected till Q3' 20 & an **additional ₹ 40cr is expected** by Q4 FY20.
- Additional stake purchase completed:
 - 30% in **Goldenstar** for a consideration of ₹ ~40cr
 - 18.71% stake **Vedang** for a consideration of ₹ ~8cr
 - 49% stake in **Trimax Smart Infra** for ₹ ~13cr
- **Launch of New Brand:** The new branding campaign is in-line with Quess' move to its new platform structure. 'Winning Together' comes from Quess' continued focus on its customers, people and investors.
- **Awards:** Quess was certified as a "Great Place to Work" and included in annual Best Workplace List for the year 2020. It is one among the top 300 out of 1000+ companies. The certification is considered the 'Gold Standard' and is recognized World over by employees and employers alike.

Business Updates:

Quess has continued to deliver strong growth across operational and financial parameters.

The key business updates, split platform-wise, are as follows:

Workforce Management Platform:

- **Associate Headcount up 34% YoY to 260,000**
- **Strong Growth in Staffing:** Quess' General Staffing business continued its strong growth trajectory, registering headcount addition of **67,000** associates over the last four quarters. The General Staffing headcount crossed **244,000**
- Strong hiring process demonstrated by deploying **~20k associates** to meet peak festive demand in a **single month**
- **82 new logos** were added with a combined ACV of **₹ 94cr**
- **Collect & Pay** contracts share was maintained at **72%** in the quarter, up 1,200 bps YoY
- General Staffing business' **Core to Associate** ratio continues at industry leading efficiency of **1:333** in Q3 FY20. The ratio improved by 11% YoY
- **Our exclusive IPR** has covered **61 skilling courses** out of 91 in the skill development business

Operating Asset Management Platform:

- Our **Facilities Management** business continued its strong organic growth momentum during the quarter with revenue **up 11% YoY to ₹ 347cr**
- IFM continues to improve SLA vs headcount business ratio up from 22:78 to **26:74 YoY**
- The Revenue realization per head-count was steady at **₹23,000**

Tech Services:

- Our Tech Services business reported a strong revenue growth **up 19% YoY to ₹ 544cr** from ₹ 456cr owing to 13% increase in Conneqt and the Allsec acquisition
- **44 new logos** were added across businesses with ACV of **₹ 43cr**
- Our service area network in the Digicare business now covers over **12,500 pin codes**
- **Monster:** Search module is in beta test, with positive early reviews. We have a roadmap in place for the remaining module and this is expected to be completed by early part of the next financial year. Key operational parameters continued to see growth:
 - **Organic site traffic** increased **83% YoY**
 - **Job views** up 102% YoY to **2.9mn** from 1.4mn
 - Average **monthly job postings** in Monster **up 44% QoQ** from 57k to **82k**

Segment Wise Performance

(In ₹ cr)

| Platforms | Q3' 20 | Q3' 19 | YoY (%) | Q2' 20 | QoQ (%) | 9M' 20 | 9M' 19 | YoY (%) |
|-----------------------------------|--------|--------|----------|--------|----------|--------|--------|----------|
| Workforce Management | | | | | | | | |
| Revenue | 1,959 | 1,285 | 52% | 1,669 | 17% | 5,116 | 3,641 | 41% |
| EBITDA | 103 | 77 | 34% | 91 | 13% | 284 | 214 | 33% |
| EBITDA Margin | 5.3% | 6.0% | (75 bps) | 5.5% | (17 bps) | 5.5% | 5.9% | (40 bps) |
| | | | | | | | | |
| Operating Asset Management | | | | | | | | |
| Revenue | 448 | 431 | 4% | 432 | 4% | 1,306 | 1,264 | 3% |
| EBITDA | 33 | 34 | (2%) | 29 | 14% | 94 | 98 | (4%) |
| EBITDA Margin | 7.4% | 7.8% | (44 bps) | 6.7% | 69 bps | 7.2% | 7.8% | (60 bps) |
| | | | | | | | | |
| Tech Services | | | | | | | | |
| Revenue | 544 | 456 | 19% | 551 | (1%) | 1,575 | 1,327 | 19% |
| EBITDA | 66 | 28 | 131% | 63 | 4% | 175 | 78 | 124% |
| EBITDA Margin | 12.1% | 6.2% | 585 bps | 11.5% | 59 bps | 11.1% | 5.9% | 520 bps |

Commenting on the financial results, Chairman & MD Mr. Ajit Isaac said that, “This quarter saw us continuing to execute our corporate initiatives with significant improvement in business operations and corporate structure. While we delivered a 36% growth in revenue and a 52% growth in EBITDA, our focus on other key financial parameters in the form of cash generation, debt reduction and interest cost reduction has been robust. We have strengthened our leadership team with the addition of Mr. Suraj Moraje, as Group CEO (Designate) & Executive Director, who joins us with over 2 decades of experience at McKinsey & Company and will drive the digital transformation journey of the company.”

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 385,000 employees across India, North America, South America, South East Asia and the Middle East across platforms such as Workforce Management, Operating Asset Management and Technology Services. Quess serves over 2,600 clients worldwide. Established in 2007, Quess is headquartered in Bengaluru, India and has a market cap of approx. ₹ 7,133cr as of December 31st, 2019.

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

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