



Earnings Update – Period Ended December 31st, 2018

January 24th, 2019

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Highlights for Q3 FY19

293K

Headcount;
YoY growth 21%

37%

YoY Revenue
growth

23%

YoY Organic
Revenue growth

30%

YoY EBITDA
growth

44%

OCF/EBITDA
conversion in
Q3FY19

Quarterly Performance Summary – Q3 FY19

Particulars (in ₹ cr)	Q3'19	Q2'19(QoQ)	Q3'18(YoY)
Revenue	2,172	2,092	1,584
<i>Change</i>		4%	37%
EBITDA	118	112	91
<i>Change</i>		6%	30%
EBITDA Margin	5.45%	5.36%	5.74%
<i>Change</i>		9 bps	(29) bps
PAT	65	62	61
<i>Change</i>		5%	7%
PAT Margin	2.99%	2.95%	3.85%
<i>Change</i>		5 bps	(86) bps
Cash Profit*	102	97	81
<i>Change</i>		5%	26%
Diluted EPS (in ₹)	4.36	4.22	4.17
<i>Change</i>		3%	5%
Cash EPS (in ₹)	6.96	6.65	5.53
<i>Change</i>		5%	26%
OCF	53	39	
OCF/EBITDA	44%	35%	

• Revenue

- ₹ 2,172 cr in Q3 FY19 Vs. ₹ 2,092 cr in Q2 FY19 and ₹ 1,584 cr in Q3FY18
- YoY growth of 37%; QoQ growth of 4%; **Organic growth of 23%** YoY

• EBITDA

- ₹ 118 cr in Q3 FY19 Vs. ₹ 112 cr in Q2 FY19 and ₹ 91 cr in Q3 FY18; Margin stood at 5.45% Vs. 5.74% in Q3'FY18, YoY margin drop is due to operating losses at Monster; Sequentially, Margin expanded by 9 bps
- YoY growth of 30%; QoQ growth of 6%;

- **PAT margin** at 2.99% in Q3 FY19 vs. 2.95% in Q2 FY19. YoY margin drop is due to operating losses at Monster and additional impact of non-cash items such as customer relationship amortization and NCI Put option

• Cash Profit

- ₹ 102 cr in Q3 FY19 Vs. ₹ 81 cr in Q3 FY18 and ₹ 97 cr in Q2 FY19
- YoY growth of 26%; QoQ growth of 5%

- **Cash EPS** at ₹ 6.96 Vs. to ₹ 5.53 in Q3 FY18 and ₹ 6.65 in Q2 FY19

- **Cash flow : OCF/EBITDA conversion has improved to 44% in Q3 FY19 from 35% in Q2 FY19**

YTD Performance Summary – 9months'19

Particulars (in ₹ cr)	9M'19	9M'18(YoY)
Revenue	6,232	4,277
<i>Change</i>		46%
EBITDA	333	245
<i>Change</i>		36%
EBITDA Margin	5.34%	5.73%
<i>Change</i>		(39) bps
PAT	181	234
<i>Change</i>		(23)%
PAT Margin	2.91%	5.47%
<i>Change</i>		(257) bps
Cash Profit	290	286
<i>Change</i>		2%
Diluted EPS (in ₹)	12.30	16.62
<i>Change</i>		(26)%
Cash EPS (in ₹)	19.81	20.24
<i>Change</i>		(2)%
OCF	124	
OCF/EBITDA	37%	

• Headcount:

- 292,872 employees at the end of 9M'19 compared to 243,000 at the end of 9M'18 and 280,400 in Q2 FY19; Net Addition of 31,172 during YTD 9M FY19;
- YoY growth of 21%; QoQ growth of 4%

• Revenue

- ₹ 6,232 cr in 9M'19 Vs. ₹ 4,277 cr in 9M'18
- YoY growth of 46% ; **Organic growth of 25%**

• EBITDA

- ₹ 333 cr in 9M'19 Vs. ₹ 245 Cr in 9M'18
- EBITDA margin at 5.34%
- YoY growth of 36% ;

• PAT

- ₹ 181 cr Vs. ₹ 234 cr in 9M'18
- PAT is not comparable between the periods due to Tax benefits of ₹ 67 cr in 9M'18 and additional impact of non-cash items such as customer relationship amortization and NCI Put option in 9M'19

• Cash Profit stood at ₹ 290 cr Vs. ₹ 286 cr in 9M'18;

• Cash flow (OCF)

- **OCF / EBITDA conversion has increased to 37% in 9M'19 vs. 31% in FY18**

Key Business Updates (1/2)



IKYA

Strengthening our Leadership position

- General Staffing headcount crossed **180,000** as on December 31 2018, led by a strong addition of 18 new logos during the quarter.
- Achieved a Core to Associate FTE Ratio of **1:300** during the quarter.

excelus

Strong Candidate Enrollment

- Opened 17 new centers across PMKK and DDUGKY program and enrolled over 18,000 candidates for training during Q3 FY19.

Facility Management

Robust new logo addition

- Crossed 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.
- Margin improvement to 6.87% in Q3 FY19 Vs 6.79% in Q2 FY19 due to tight control on expenses and inventory management

Key Business Updates (2/2)



Terrier

New License & Training Centre

- 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



Strong Client additions

- Company for the first time crossed 30,000 employee headcount as on December 31, 2018
- Achieved strong 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 etc.



Store Expansion

- Expanded its service center network by an additional 50 new centers in Q3 FY19 taking the total count to 210 centers.



Q3 FY19 & 9M'19 Income Statements

Income Statement (Q3'19)

Particulars	Q3 FY19	Q3 FY18	Q2 FY19	Var (%)	
				YoY	QoQ
Revenue from operations	2,172	1,584	2,092	37%	4%
Less:					
Employee benefit expense	(1,703)	(1,308)	(1,641)	30%	4%
Cost of material	(71)	(40)	(84)	78%	(16)%
Other expenses	(280)	(145)	(255)	93%	10%
Total expenses	(2,054)	(1,493)	(1,980)	38%	4%
EBITDA	118	91	112	30%	6%
Other income	12	13	14	(2)%	(14)%
Interest	(28)	(18)	(28)	59%	(1)%
Depreciation and amortisation	(32)	(18)	(29)	73%	9%
Operating EBT	71	68	69	5%	3%
Associate Income (net of income tax)	(5)	1	3	(656)%	(260)%
Earnings before tax	66	68	72	(3)%	(8)%
Tax	(1)	(7)	(10)	(86)%	(90)%
Profit after tax	65	61	62	7%	5%
EBITDA margin	5.4%	5.7%	5.4%	-29bps	9bps
PAT margin	3.0%	3.9%	2.9%	-86bps	5bps
Basic EPS	4.4	4.2	4.2	3%	5%
Diluted EPS	4.4	4.2	4.2	3%	5%

Key Highlights

Q3FY19 vs Q3FY18

- Gross Revenue grew by 37% y-o-y
 - Organic impact:** has contributed to a Revenue growth of 23%
 - Inorganic impact:** Incremental impact of Consolidation of Vedang, Conneqt, Monster, Greenpiece, Simpliance & DigiCare
- Monthly revenue realization per employee grew by 9% YoY to ₹ 25,260 in Q3 FY19 from ₹ 23,183 in Q3 FY18
- Effective tax rate reduced to 1.6% in the current quarter from 14.5% in Q2FY19
- Diluted EPS stood at ₹ 4.4 for the quarter

Income Statement (9M'19)

Particulars	9M'19	9M'18	Var (%) YoY2
Revenue from operations	6,232	4,277	46%
Less:			
Employee benefit expense	(4,893)	(3,565)	37%
Cost of material	(219)	(101)	117%
Other expenses	(788)	(365)	116%
Total expenses	(5,899)	(4,031)	46%
EBITDA	333	245	36%
Other income	42	33	28%
Interest	(82)	(50)	64%
Depreciation and amortisation	(91)	(46)	96%
Operating EBT	202	181	11%
Associate Income (net of income tax)	(0)	1	(120)%
Earnings before tax	202	183	11%
Tax	(21)	51	(140)%
Profit after tax	181	234	(23)%
EBITDA margin	5.3%	5.7%	-39bps
PAT margin	2.9%	5.5%	-257bps
Basic EPS	12.3	16.6	(26)%
Diluted EPS	12.3	16.6	(26)%

Key Highlights

YTD 9M FY19 vs YTD 9M FY18

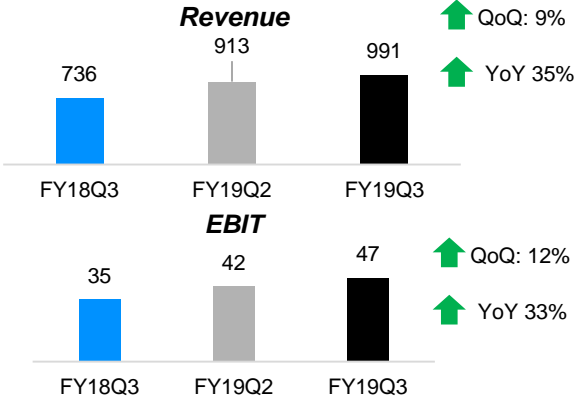
- Gross Revenue grew by 46% y-o-y
 - **Organic impact:** has contributed to a Revenue growth of 25%
 - **Inorganic impact:** Incremental impact of Consolidation of Vedang, Conneqt, Monster, Greenpiece, Simpliance & DigiCare
- Monthly revenue realization per employee grew by 6% YoY to ₹ 24,973 in YTD 9M FY19 from ₹ 23,628 in YTD 9M FY18
- Effective tax rate reduced to 10.3% during the YTD 9M FY19 period
- PAT is not comparable between the periods due to Tax benefits of ₹ 67 cr in 9M'18 and additional impact of non-cash items such as customer relationship amortization and NCI Put option in 9M'19
- Diluted EPS stood at ₹ 12.3 during YTD 9M FY19



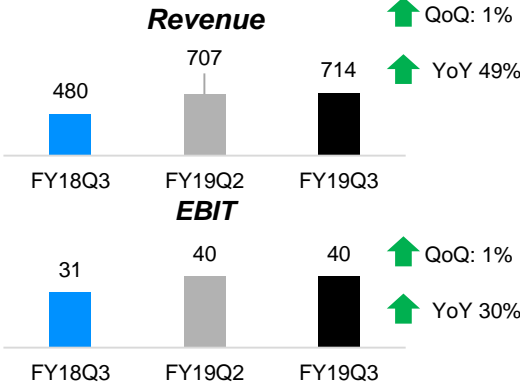
Segment Wise Performance

Segment Results

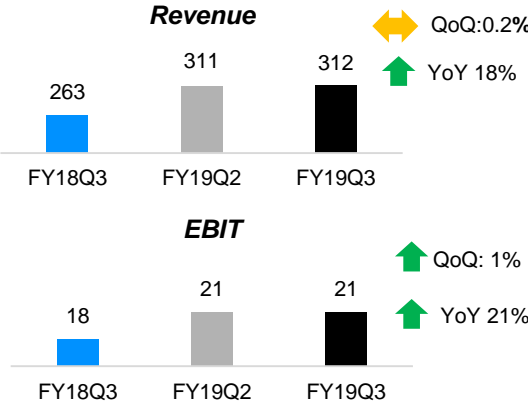
People Services



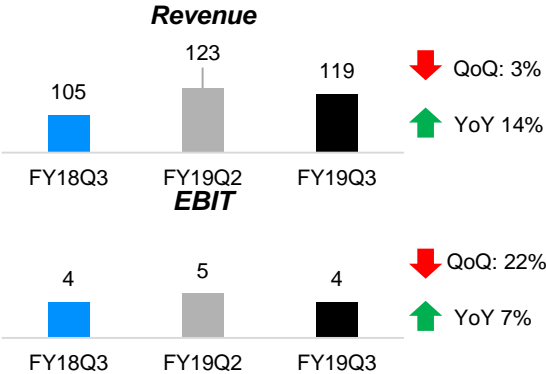
Technology Solutions



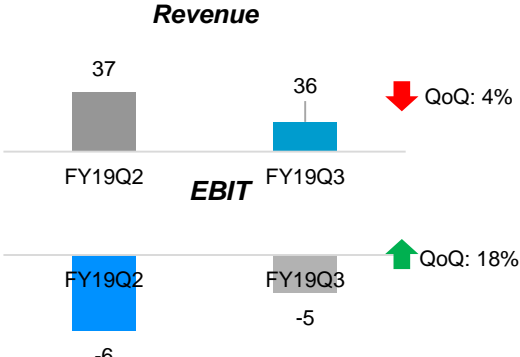
Facilities Management



Industrials



Internet



Thank You!

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