



FY18 Earnings Update

May 17, 2018

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Performance Highlights

Headcount

Addition of ~102k employees during the year
Current Headcount : ~261,700⁽¹⁾ employees.
YoY growth of 64%

PAT

₹ 310 cr compared to ₹ 122⁽²⁾ cr in FY17
YoY growth of over 154%.
Margin up by 220 bps from 2.8% to 5.0%.

Revenue

₹ 6,167 cr in FY18 compared to ₹ 4,315 cr in FY17;
YoY growth of 43%

EBITDA

₹ 354 cr in FY18 compared to ₹ 238 cr in FY17
YoY growth of 49%. Margins improved 23bps to 5.7%

EPS

Diluted EPS for FY18 increased to ₹21.8 per share
from ₹ 9.6 in FY17. YoY growth of over 128%

¹ Headcount data as on March 31, 2018 and includes Terrier.

² Financials for FY17 have been restated throughout the presentation to reflect retrospective consolidation of MIS financials

Strategic updates



IKYA

First Player to Cross 150,000+ Associates

Our General Staffing business has added ~43,000 associates last year, making us the largest staffing service provider in the country with a headcount of ~157,000 as on March 31, 2018.



ConneQt

Largest Project Win

Conneqt Business Solutions won a large deal with a total contract value of ~ ₹200 cr (for a five year period) with a client in the financial services space.



Terrier

Foray into New Areas

Terrier signed up as a security partner to manage large sporting events such as ISL and IPL. Terrier Electronic Security Services (TESS) executed one of the largest integrated security solutions across 1098 branches for a Gold loan NBFC.



Industrial

Foray into Urban Transportation Solutions

Qlnfra has secured the order to implement the Intelligent Transit Management System (ITMS) for one of the largest bus fleet operators in a leading metro city in India.



Leadership

Leadership Hiring

Quess appointed Mr. Pinaki Kar as the President of Technology Solutions, Mr. Abhijeet Mukherjee as the President of its Internet Business, Mr. Neeraj Tandon as Deputy CEO of Conneqt, and Mr. Ravi Tennety as the CEO of the Excelus business.



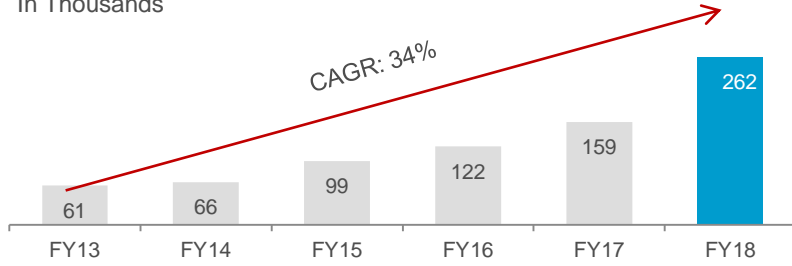
FY18 : Performance Update

Financial Update – FY18

Headcount

Absolute headcount increase of 102K during FY 18

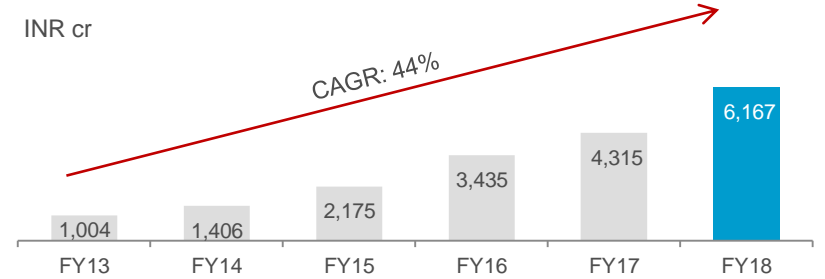
In Thousands



Gross Revenue

Revenue CAGR of 44% over the last 5 years

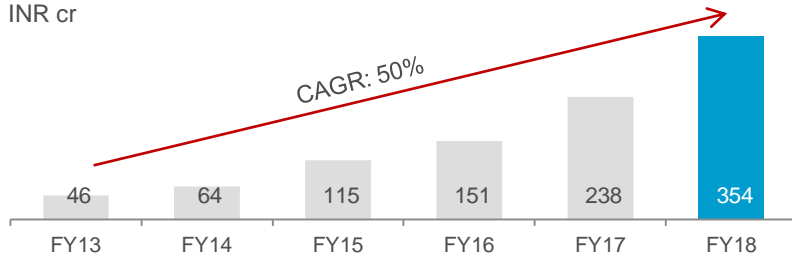
INR cr



EBITDA

Improvement of 23 bps in EBITDA Margin

INR cr



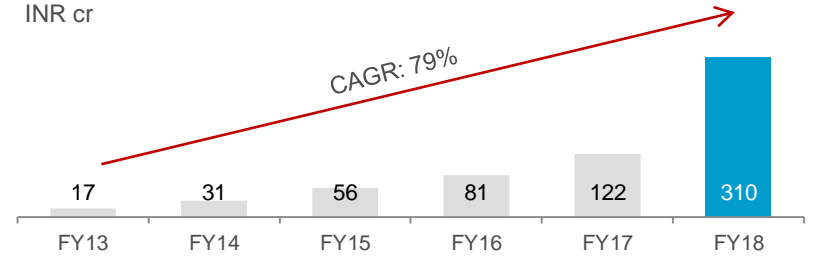
EBITDA Margin



PAT

Sustained improvement in PAT Margins

INR cr



PAT Margin



Note: FY above refers to 12 months ended on March 31 of respective years.

Note: FY13 to FY15 figures are prepared according to Indian GAAP while those for FY16 to 18 are prepared according to Ind AS. FY17 has restated figures

Financial Highlights: Income Statement

Particulars	Q4 FY18	Q4 FY17	Var (%)	FY18	FY17	Var (%)
Revenue from Operations	1,891	1,240	53%	6,167	4,315	43%
Less:						
Employee benefit expense	(1,514)	(1,023)	48%	(5,079)	(3,634)	40%
Other expenses	(267)	(147)	82%	(734)	(443)	66%
Total Expenses	(1,781)	(1,169)	52%	(5,813)	(4,077)	43%
EBITDA	109	70	55%	354	238	49%
Other income	24	3	698%	57	15	269%
Interest	(25)	(17)	52%	(75)	(48)	58%
Depreciation and amortisation	(28)	(13)	117%	(75)	(33)	124%
Associate Income (Net of Income Tax)	(1)	(0)	146%	0	0	193%
Earnings before tax	79	43	82%	261	172	52%
Tax	(3)	(10)	-69%	48	(50)	-196%
Profit After Tax	76	33	127%	310	122	154%
Other Comprehensive Income	(4)	0	-1517%	(4)	(5)	-27%
Total Comprehensive Income	72	34	113%	306	117	162%
Basic EPS	5.3	2.5	111%	22.1	9.7	127%
Diluted EPS	5.2	2.5	112%	21.8	9.6	128%

Financial Highlights: Balance Sheet

Particulars	FY18	FY17	YoY Change
Non-current assets			
Fixed Assets	233	56	316%
Intangibles	1,401	1,123	25%
Investments	89	78	14%
Other non-current assets	487	186	161%
Current Assets			
Trade receivables	921	509	81%
Cash and cash equivalents	1,034	463	124%
Unbilled Revenue	473	387	22%
Loans & Other Current Assets	262	61	328%
Total Assets	4,899	2,864	71%
Equity			
Share Capital	145	127	15%
Other Equity	2,315	1,178	97%
Non Controlling Interest	2	1	79%
Debt			
Long Term Debt	269	274	-2%
Short Term Debt	725	491	48%
Other Liabilities			
Trade & Other Payables	148	78	90%
Other Provisions & Tax Liabilities	1,295	715	81%
Total Equities and Liabilities	4,899	2,864	71%

Segment wise Performance

Business Segment Highlights

People & Services

Particulars	FY18	FY17
Revenue	2,878	2,345
% YoY Change	23%	
EBIT	136	109
EBIT Margin	4.73%	4.64%

Integrated Facility Management

Particulars	FY18	FY17
Revenue	1,027	562
% YoY Change	83%	
EBIT	67	31
EBIT Margin	6.54%	5.43%

Industrials

Particulars	FY18	FY17
Revenue	370	224
% YoY Change	65%	
EBIT	15	17
EBIT Margin	4.04%	7.62%

Business Segment Highlights

Global Technology Solutions

Particulars	FY18	FY17
Revenue	1,868	1,183
% YoY Change	58%	
EBIT	118	82
EBIT Margin	6.32%	6.93%

Internet Business

Particulars	FY18	FY17
Revenue	23	-
% YoY Change	-	
EBIT	(4)	-
EBIT Margin	(15.47)%	-



M&A Update

M&A Update

On November 30, 2017, National Company Law Tribunal (NCLT) approved the scheme of merger of the facilities management business of **Manipal Integrated Services** into Qess Corp with effect from December 01, 2016. This strategic acquisition helped Qess become a leading integrated facility management provider in the country.

Qess completed the acquisition of 51% stake in **Conneqt Business Solutions Limited** (formerly known as Tata Business Support Services) which marked Qess' entry into the promising area of Customer Lifecycle Management.

Qess completed the acquisition of 70% stake in **Vedang Cellular Services Private Limited** with effect from November 2017. This marked our entry into active infrastructure management in the Telecom space with strong annuity business potential.

Qess entered into the high growth area of online career and recruitment space through the acquisition of **Monster India and its business in South East Asia and the Middle East** with effect from February 8, 2018.

The financial results of FY'18 are **not reflective** of the acquisitions of **QDigi Services (Care Business of HCL Services)** which gave us a strategic entry into the mobile and consumer durable break-fix and repairs market across India and **Greenpiece Landscapes**, a leading end-to-end design and landscaping services firm. The financial consolidation of these acquisitions will commence in full form in FY19

The Board in its meeting today, approved further acquisition of

- 36% equity in **Comtel Solutions Pte. Ltd., Singapore** with an investment upto SGD 22 Million
- 49% equity in **Comtelpro Pte. Limited, Singapore** with an investment upto SGD 0.5 Million



Thank You!

Quess Corp Limited

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