

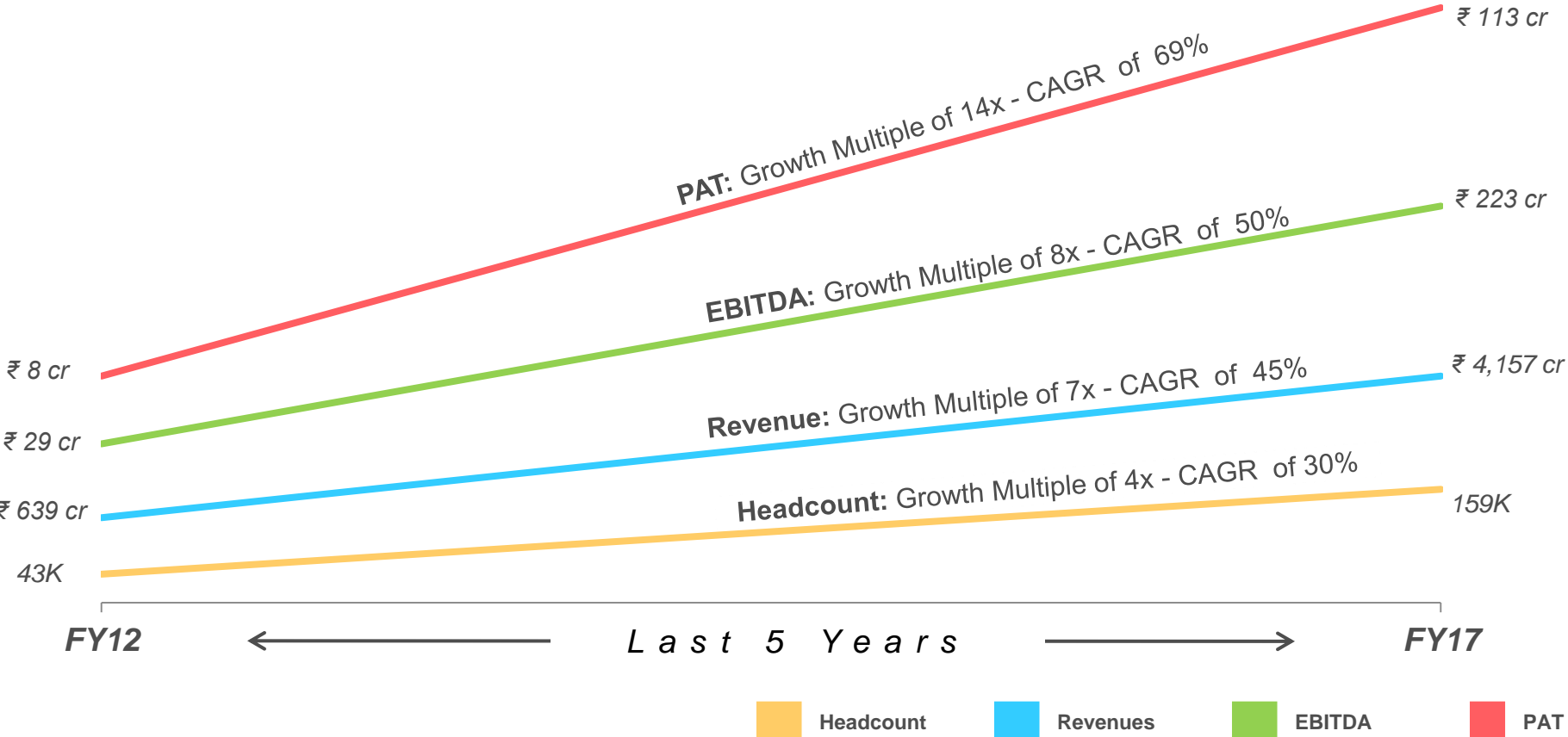


Earnings Update

May 16th, 2017

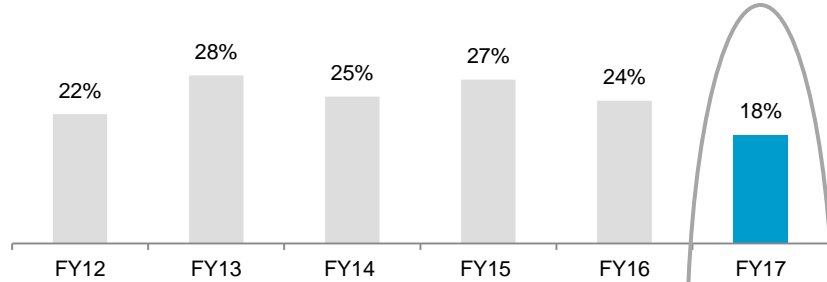
Building for the Long Term

Growth Driven by Sustained Performance

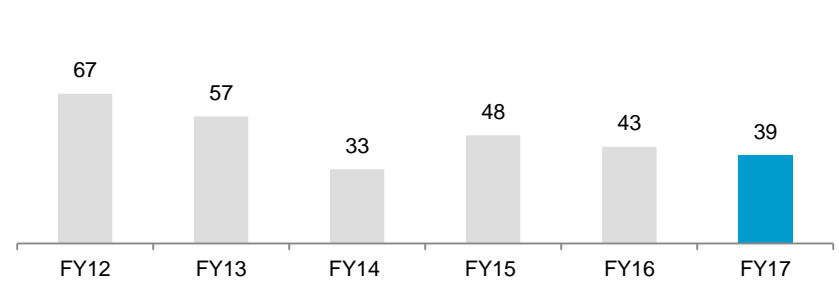


...Resulting in Strong Business Metrics

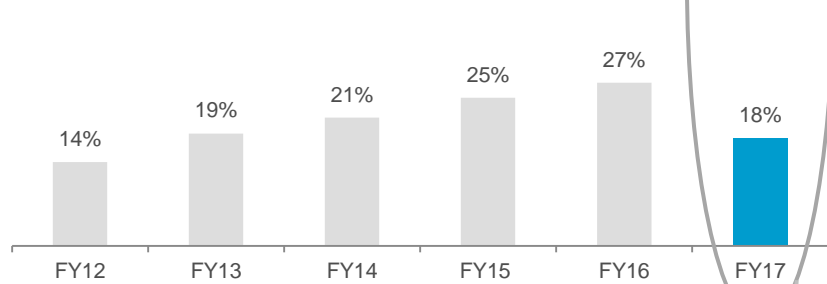
Return on Capital Employed*(¹)



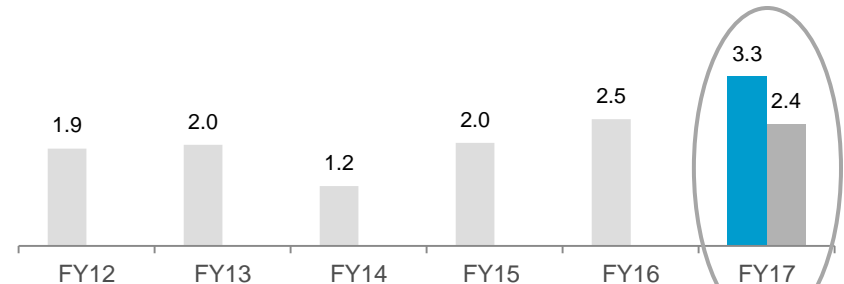
Receivables - Days of Billed Sales Outstanding (¹)



Return on Equity* (¹)



Leverage Ratio (¹)



Decline in Return Metrics due to increase in capital base. Proceeds invested in acquisitions yet to be fully consolidated

On consolidation of acquisitions from Day 1, Gross Debt / EBITDA for FY17 would be 2.4x i/o 3.3x

Quess Updates Since IPO

Strong Operational Performance...

Headcount

Addition of ~38k employees in FY17 to ~159,200
YoY growth of 30.0%
Significant Improvement in CAR* across verticals

PAT

₹ 113 cr compared to ₹ 81 cr in FY16
YoY growth of 39.8%
Margin up by 37 bps from 2.4% to 2.7%

Revenue

₹ 4,157 cr compared to ₹ 3,435 cr in FY16
YoY growth of 21.0%

Capitalisation

Debt : Equity improved to 0.87 compared to 1.05 in
FY16

EBITDA

₹ 223 cr compared to ₹ 151 cr in FY16
YoY growth of 47.5%
Margin up by 96 bps from 4.4% to 5.4%

Cash Flow

Cash Flow from Operations at ₹ 71 cr compared to
negative ₹ 44 cr in FY16.
Free Cash Flow of ₹ 33 Cr

...Aided by Transformational Initiatives and...



Digitization Initiative

- Group wide digitization effort focused on improving customer experience, service delivery and cost efficiencies.
- Automation and analytics to transform business processes - recruitment, payroll and background verification.
- Investments in Heptagon and Simpliance represent second leg of digitisation program which should lead to disruption in core businesses.

Leadership Hiring

Amitabh Jaipuria

President – Global Services

27 years of experience • Previously headed Reliance Jio. Was CEO of AGS Transact and MD of Monsanto India, prior to Reliance Jio

Satyakam Basu

President – IAM

35 years of experience in ferrous industry • Across India and Europe • Senior management stints at Arcelor Mittal and Tata Steel










MFX & Brainhunter Turnaround

- BH and MFX have been focus areas over the past 1 year. Both companies are now EBITDA positive
- Significant improvement in operational parameters.
- Brainhunter closed FY17 with EBITDA of ₹ 1.0 cr against (₹ 6.3 cr) in FY16. Similarly, MFX closed FY17 with EBITDA of ₹ 14.7 cr against ₹ 7.4 cr in FY16.

...Successful M&A Execution

Inorganic initiatives focused on adding service capabilities and new revenue streams

- 6 acquisitions / investments announced / closed since IPO
- Return accretive acquisitions both in terms of RoCE and EBITDA Margin
- Friendly and bilateral transactions
- De-risking mechanisms through assured revenue / gross margins and earn-out linked payments
- Investments by taking significant minority stake in start-ups doing work in technologies that have potential to disrupt our business (Labour Law Compliance Platforms, Machine Learning and IIoT)

Acquisition	Segment	Commercials
 	IFM	<ul style="list-style-type: none"> • Investment: ₹ 220 cr + 7.15 mn shares • Stake: 100%
	GTS	<ul style="list-style-type: none"> • Investment: SGD 43 mn • Stake: 100%
	IFM	<ul style="list-style-type: none"> • Investment: ₹ 72 cr • Stake: 49%
	IAM	<ul style="list-style-type: none"> • Investment: ₹ 3.5 cr • Stake acquired: 74%
	GTS	<ul style="list-style-type: none"> • Investment: ₹ 5.5 cr • Stake acquired: 26%
	P&S	<ul style="list-style-type: none"> • Investment: ₹ 2.5 cr • Stake: 45%

Combined
Annual EBITDA
Contribution of
₹ 110 – 120 cr.

Results Update – FY17

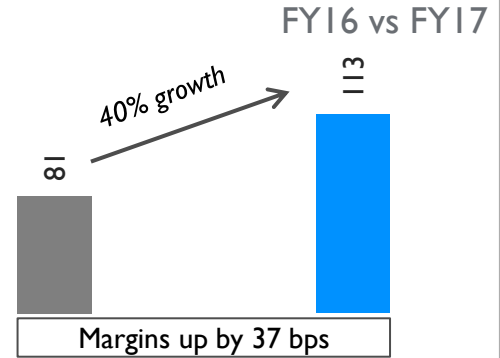
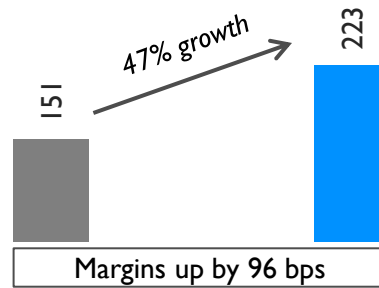
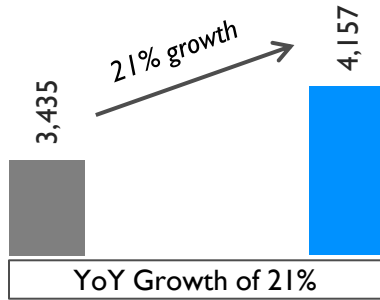
Financial Highlights

Operating Revenue

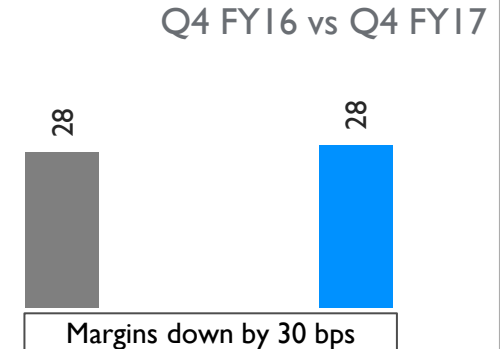
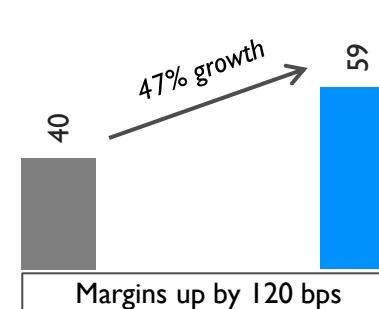
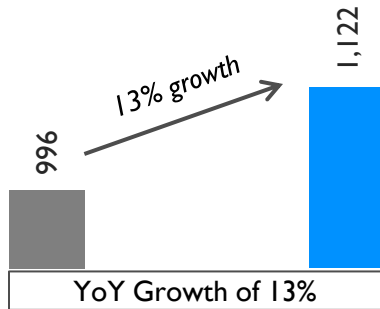
EBITDA

Profit After Tax

FY17
Performance



Quarterly
Performance



Financial Summary – Income Statement

Particulars	Q4 FY17	Q4 FY16	Q – YoY	FY17	FY16	YoY
Revenue	1,122	996	13%	4,157	3,435	21%
EBITDA	59	40	46%	223	151	47%
EBITDA Margin	5.2%	4.0%	120 bps	5.4%	4.4%	96 bps
Depreciation	7	6	5%	26	14	84%
Finance expenses	15	10	50%	47	31	50%
PBT	40	27	47%	165	115	44%
PAT	28	28		113	81	40%
PAT Margin	2.5%	2.8%	(31 bps)	2.7%	2.4%	37 bps
Basic EPS*	2.18	2.46	(11%)	9.24	7.17	29%
Diluted EPS*	2.15	2.41	(11%)	9.10	7.03	29%

Financial Summary – Segment Performance

People & Services

Particulars	FY17	FY16
Revenue	2,345	1,950
YoY Growth %	20.3%	
EBIT	109	72
EBIT Margin %	4.6%	3.7%

Global Technology Solutions

Particulars	FY17	FY16
Revenue	1,183	921
YoY Growth %	28.4%	
EBIT	83	60
EBIT Margin %	7.0%	6.6%

Integrated Facility Management

Particulars	FY17	FY16
Revenue	405	372
YoY Growth %	8.8%	
EBIT	20	17
EBIT Margin %	5.0%	4.6%

Industrials

Particulars	FY17	FY16
Revenue	224	192
YoY Growth %	16.8%	
EBIT	17	17
EBIT Margin %	7.6%	8.9%

Financial Summary – Balance Sheet

Balance sheet (In Rs cr)	31-Mar-17	31-Mar-16	YoY Change
Non Current Assets			
PPE & Intangibles	445	255	75%
Investments	298	4	
Other non-current assets	187	147	27%
	930	405	129%
Current Assets			
Trade and other receivables	447	405	10%
Cash and Cash Equivalents	301	107	183%
Other Bank Balances	158	3	
Loans & Other Financial Assets	444	330	35%
	1,350	845	60%
Total Assets	2,280	1,250	82%
Equity			
Share Capital	127	113	12%
Other Equity	709	243	192%
Non Controlling Interest	1	0	
	837	357	135%
Long Term Debt	274	35	
Short Term Debt	456	343	33%
	730	378	93%
Trade and other payables	63	67	-6%
Other Financial & Tax Liabilities	438	306	43%
Other current liabilities	211	141	49%
	713	515	38%
Total Equity and Liabilities	2,280	1,250	82%

Key Highlights

- Cash flow from operations increased to ₹ 71 crores in FY17 from negative ₹ 44 crores in FY16. Free cash flow for FY17 at ₹ 33 crores, compared to negative ₹ 56 crores in FY16.
- Borrowings rose by ₹ 352 cr to ₹ 730 cr, due to NCD issuance, Comtel acquisition loan and increase in working capital funding. Key leverage metrics in line with historic levels.
- Investments – MIS CCPS (₹ 220 cr) and Terrier (₹ 75 cr)
- Increase in PPE, Intangibles and Non-controlling interests is due to consolidation of Comtel from Feb '17.
- Trade Receivables at ₹ 447 Cr. Billed DSO improved to 39 days compared to 43 days in FY16 despite growth in Consolidated Revenue

Thank You!

Quess Corp Limited

Quess House, 3/3/2 Bellandur Gate, Sarjapur Road
Bangalore 560103, Karnataka, India