

Quess Delivers Solid FY17 Results

EBITDA up 47%, EBITDA Margin Improvement of 96 bps, Significant Uptick in Cash Generation

Bengaluru, India – 16th May 2017: Quess Corp., India's leading integrated business services provider announced today its financial results for the fourth quarter (Q4 FY17) and full-year (12M FY17) ended 31st March 2017. The key consolidated financials for FY17 are:

Particulars (in ₹ cr)	FY17	FY16	YoY (%)
Revenue	4,157.4	3,435.0	21.0%
EBITDA	222.8	151.1	47.5%
<i>EBITDA Margin</i>	5.4%	4.4%	96 bps
PAT	113.5	81.2	39.8%
<i>PAT Margin</i>	2.7%	2.4%	37 bps
Diluted EPS (in ₹)	9.10	7.03	29.4%

FY17 – Highlights

- Revenue grew 21.0% YoY to ₹4,157 cr from ₹3,435 cr in FY16.
- EBITDA grew 47.5% YoY to ₹223 cr compared to ₹151 cr. EBITDA margin improved 96 bps YoY to 5.4% as against 4.4% in FY16.
- PAT grew 39.8% YoY at ₹113 cr from ₹81 cr. Margin increased to 2.7% as against 2.4% in FY16, registering an expansion of 37 bps YoY.
- Diluted EPS was higher by 29.4% YoY at ₹9.10
- Employee headcount as on March 31, 2017 was ~159,200 compared to ~122,500 employees in the corresponding quarter of last year, registering a growth of 30.0%.
- Cash flow from operations increased to ₹ 71 crores in FY17 from negative ₹ 44 crores in FY16. The free cash flow (Cash flow from operations less capital expenditure) for FY17 stood at ₹ 33 crores, compared to negative ₹ 56 crores in FY16.
- Quess announced 6 acquisitions and investments in FY17 with all the transactions closing happening in Q3 and Q4 (with exception to MIS acquisition, which is expected to close in Q2 FY18). The financial results of FY17 are not reflective of these acquisitions. It is expected that the financial consolidation of these acquisitions will commence in full form in FY18.
- Issuance of Non-convertible Debentures - In January 2017, Quess raised ₹ 150 crores by issuing secured non-convertible debentures with a tenure of 5 years and an annual coupon of 8.25%, on a private placement basis. This was the first issuance of Non-convertible Debentures by Quess and was rated [ICRA]AA-(Stable). The proceeds were utilised for meeting long term working capital requirements and other general corporate purposes.

Segment Wise Performance

Particulars (in ₹ cr)	FY17	FY16	YoY (%)
People & Services			
Revenue	2,345.4	1,949.8	20.3%
Results	108.9	72.4	50.4%
EBIT Margin	4.6%	3.7%	
Global Technology Solutions			
Revenue	1,183.0	921.1	28.4%
Results	83.4	60.5	37.9%
EBIT Margin	7.0%	6.6%	
Integrated Facility Management			
Revenue	404.6	371.9	8.8%
Results	20.3	17.2	18.2%
EBIT Margin	5.0%	4.6%	
Industrials			
Revenue	224.4	192.2	16.8%
Results	17.1	17.1	0.2%
EBIT Margin	7.6%	8.9%	

Commenting on the financial results, CMD & CEO Mr. Ajit Isaac said that, “We are pleased with our industry leading financial results for FY17. On the back of strong topline growth, we expanded margins by 96 bps and significantly improved cash generation. Over a 5 year period, we have grown our company’s EBITDA by around 8x times. Our results reflect the strategy of management to build an institution and to significantly compound value for our shareholders over the long term. Capital allocation continues to be a key focus area and the successful completion of 6 acquisitions is a testament to that. We believe we are well positioned to leverage opportunities in a growing Indian market and to opportunistically make investments in international markets and related areas of Quess’ operations.”

About Quess Corp

Quess Corp Limited (BSE: 539978, NSE: QUESS), established in 2007, is India’s leading integrated business services provider. Based out of Bengaluru, Quess today has a Pan-India presence with 65 offices across 34 cities along with overseas footprint in North America, the Middle East and South East Asia. It serves over 1700+ customers across 4 segments namely, Global Technology Solutions, People & Services, Integrated Facility Management and Industrials. As of March 31st, 2017 Quess employed over 159,200 employees. For further details on Quess Corp Ltd. please visit: <http://www.quescorp.com>

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