

Q3 FY17 EBITDA up 41%, PAT up 79%. Adds Senior Management Firepower. And Announces Acquisition of Heptagon

Bengaluru, India – 23rd January 2017: Quess Corp., India's leading integrated business services provider announced today its financial results for the **third quarter (Q3 FY17)** and **nine-months (9M FY17)** ended 31st December 2016. **The Key Financials for the quarter are:**

Particulars (in ₹ cr)	Q3 FY17	Q3 FY16	YoY (%)	Q2 FY17	QoQ (%)	9M FY17	9M FY16	YoY (%)
Revenue	1,027	906	13.3%	1,018	0.9%	3,035	2,439	24.5%
EBITDA	56	40	40.9%	55	2.0%	164	111	48.0%
<i>EBITDA margin</i>	5.5%	4.4%	107bps	5.4%	6bps	5.4%	4.5%	86bps
PAT	31	17	79.4%	30	2.8%	86	54	60.2%
<i>PAT margin</i>	3.0%	1.9%	111bps	3.0%	6bps	2.8%	2.2%	63bps
Total Comprehensive Income (TCI)	31	17	79.8%	29	8.7%	84	54	55.9%
<i>TCI Margin</i>	3.1%	1.9%	113bps	2.8%	22bps	2.8%	2.2%	56bps
Diluted EPS (in Rs) <i>(not annualized)</i>	2.41	1.52	58.6%	2.37	1.7%	6.95	4.72	47.3%

Financial Summary for Q3 FY17

- Revenue grew 13.3% YoY to ₹1,027 cr from ₹906 cr in Q3 FY16.
- EBITDA margin improved 107 basis points to 5.5% as against 4.4% in Q3 FY16. EBITDA grew by 40.9% to ₹56 cr compared to ₹40 cr. This was achieved on the back of margin expansion across key segments with significant contribution from the turnaround of Brainhunter and MFX, which have been EBITDA positive for the past 2 quarters.
- Profit After Tax was higher by 79.4% at ₹31 cr from ₹17 cr, with margin going up from 1.9% in Q3 FY16 to 3.0% in the quarter under review.
- Total Comprehensive Income increased to ₹31 cr, up from ₹17 cr. Margin increased to 3.1% as against 1.9% in Q3 FY16.
- Diluted EPS was higher by 58.6% at ₹2.41
- The employee headcount as on December 31, 2016 was ~158,000 (including Terrier headcount of ~13,000) compared to ~117,000 employees in the corresponding quarter of last year, registering growth of 35%. It is to be noted that the consolidated financials declared have accounted for Terrier as an associate and hence a comparison of revenue / profitability increase vis-a-vis increase in headcount would not be appropriate.
- Quess has embarked on a Group wide digitization effort focused on improving customer experience, bolstering service delivery and realizing cost efficiencies. The proposed investment of ₹ 5.6 cr to secure a significant minority stake in Heptagon is a step in this direction. Heptagon is a niche software development company working with machine learning and automation technologies.

Financial Summary for 9M FY17

- Revenue grew 24.5% YoY to ₹3,035 cr from ₹2,439 cr in 9M FY16.
- EBITDA margin improved 86 basis points to 5.4% as against 4.5% in 9M FY16. EBITDA grew by 48.0% to ₹164 cr compared to ₹111 cr in 9M FY16
- Profit after tax is higher by 60.2% at ₹86 cr from ₹54 cr.
- Total Comprehensive Income is higher by 55.9% at ₹84 cr. from ₹54 cr.
- Diluted EPS was higher by 47.3% to 6.95

Segment Wise Performance

Segments	Q3 FY17	Q3 FY16	YoY (%)	Q2 FY17	QoQ(%)
Global Technology Solutions					
Segment Revenue	281	214	31.2%	278	1.0%
Segment Results	21	11	84.0%	20	7.4%
EBIT Margin %	7.5%	5.4%		7.1%	
People & Services					
Segment Revenue	587	543	8.1%	583	0.7%
Segment Results	28	23	22.6%	26	6.6%
EBIT Margin %	4.8%	4.2%		4.5%	
Integrated Facility Management					
Segment Revenue	101	97	4.4%	99	1.9%
Segment Results	5	5	15.5%	5	7.2%
EBIT Margin %	5.3%	4.8%		5.0%	
Industrial Asset Management					
Segment Revenue	57	52	9.9%	57	0.2%
Segment Results	3	5	(34.9%)	6	(42.5%)
EBIT Margin %	5.7%	9.6%		9.8%	

Appointment of Senior Management Personnel

Quess today appointed Mr. Amitabh Jaipuria as the President & Chief Executive Officer of its Global Services business. It also appointed Mr. Balasubramanian S. as the Group Chief Financial Officer. These appointments strengthen Quess' top leadership team with Mr. Jaipuria responsible for Quess' services business across geographies and Mr. Balasubramanian responsible for managing the core finance function at the Group Level.

Mr. Jaipuria has over 27 years of corporate experience with reputed organizations such as Reliance Jio Infocomm, AGS Transact, Monsanto India, Pepsico India and GE Lighting. Prior to joining Quess, Mr. Jaipuria was President and Head of Mobility Business at Reliance Jio Infocomm for over two years where he oversaw a host of functions including customer acquisition, and enterprises businesses. Prior to Reliance Jio, Mr. Jaipuria was the Chief Executive Officer of AGS Transact Technologies from March 2013 – March 2014, and the Managing Director of Monsanto India from November 2007 to February 2013.

Mr. Balasubramanian is a Chartered Accountant and Cost Accountant with 25 years of professional experience across various industries. He started his career with Eicher and later had multiple assignments with Pepsico India, Hutchison Essar and Bharti Airtel. Prior to joining Quess, Mr. Balasubramanian was the Global Financial Controller for Bharti Airtel Limited.

Commenting on the results and the appointment of senior management, CMD & CEO Mr. Ajit Isaac said that, *"We are pleased with another strong quarter at the revenue level along with healthy improvements in EBITDA margin of 107 bps. The focus on margin expansion continues to be an area of high priority for us and we are now seeing sustained traction on this front."* He further added, *"We are pleased to welcome to Quess, Amitabh Jaipuria as President & CEO – Global Services and Balasubramanian S as Group CFO. Their vast experience leading multinational companies and across industries will be of immense benefit to Quess. Over the past two years, we have bolstered our leadership team to build Quess 2.0, and appointment of Amitabh and Bala is another step in this direction. My colleague, Subrata Nag, who has served as CFO since inception with distinction, will join me at the Corporate office as Executive Director, responsible for overall operations and M&A of the group."*

About Quess Corp.

Quess Corp Limited (BSE: 539978, NSE: QUESS), established in 2007, is India's leading integrated business services provider with headquarters in Bengaluru. The Company 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 1300+ customers across 4 segments namely, Global Technology Solutions, People & Services, Integrated Facility Management and Industrial Asset Management. As of December 31, 2016 Quess employed over 158,000 employees. For further details on Quess Corp Ltd. please visit: <http://www.quescorp.com>

Investor / Analyst contact

Asha Gupta

Christensen Investor Relations

✉ agupta@christensenir.com

☎ +91 22 42150210

Media Contact

Abhinandan R

Vice President - Strategy & Investment

✉ abhinandan.r@quescorp.com

☎ +91 80 6105 6000

Disclaimer: This document contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects", "plans", "will", "estimates", "projects", or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in such forward-looking statements as a result of various factors and assumptions, which the Company believes to be reasonable in light of its operating experience in recent years. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, our ability to manage our international operations, government policies, regulations, etc. The Company does not undertake any obligation to revise or update any forward looking statement that may be made from time to time by or on behalf of the Company including to reflect actual results, changes in assumptions or changes in factors affecting these statements.