



# Q2 FY17 Earnings Update

October 2016

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# Agenda

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- ▶ 01. PERFORMANCE HIGHLIGHTS
- ▶ 02. FINANCIAL PERFORMANCE
- ▶ 03. STRATEGIC DEALS

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# Performance Highlights

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# Q2 FY17 Performance Highlights

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## ▶ Operating Revenue

- ▶ Q2 FY17 Revenue at ₹1,018 cr compared to ₹802 cr in Q2 FY16 and ₹991 cr in Q1 FY17
- ▶ YoY growth of 26.9%
- ▶ QoQ growth of 2.7%

## ▶ EBITDA

- ▶ Q2 FY17 EBITDA at ₹55 cr compared to ₹38 cr in Q2 FY16 and ₹53 cr in Q1 FY17
- ▶ YoY growth of 45.3% while margin expanded from 4.7% to 5.4%
- ▶ QoQ growth of 4.5% while margin remained stable at 5.4% levels

## ▶ Profit After Tax

- ▶ Q2 FY17 PAT at ₹30 cr compared to ₹18 cr in Q2 FY16 and ₹25 cr in Q1 FY17
- ▶ YoY growth of 65.9% while margin expanded by 70 bps, from 2.3% to 3.0%
- ▶ QoQ growth of 22% while margin expanded by 47 bps from 2.5% to 3.0%

# H1 FY17 Performance Highlights

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## ▶ Operating Revenue

- ▶ H1 FY17 Revenue at ₹2,009 cr compared to ₹1,532 cr in H1 FY16
- ▶ YoY growth of 31.1%

## ▶ EBITDA

- ▶ H1 FY17 EBITDA at ₹108 cr compared to ₹71 cr in H1 FY16
- ▶ YoY growth of 52.0%, margins expanded by 74 bps from 4.6% to 5.4%

## ▶ Profit After Tax

- ▶ H1 FY17 PAT at ₹55 cr compared to ₹36 Cr in H1 FY16
- ▶ YoY growth of 51.5%, margins expanded by 37 bps, from 2.4% to 2.7%

## ▶ Headcount

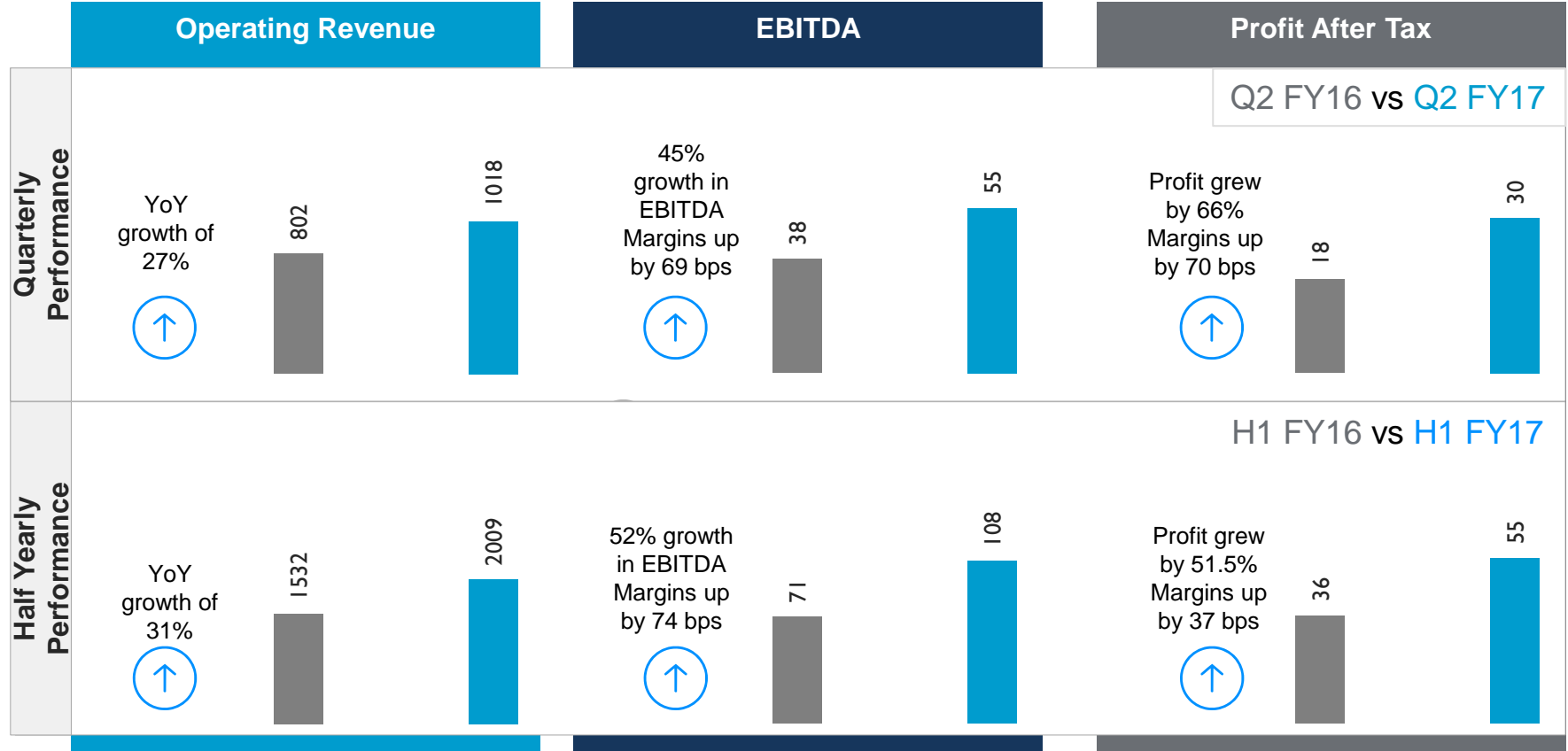
- ▶ ~139,000 employees as at end of H1 FY17 compared to ~113,000 as at end of H1 FY16 and ~127,000 as at end of Q1 FY17

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# Financial Performance

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# Financial Highlights





# Q2 FY17 Segment Performance

## Global Technology Solutions

Particulars	Q2 FY17	Q2 FY16
Segment Revenue	278	218
Revenue Growth %	27.4%	
Segment EBIT	20	13
EBIT Margin %	7.1%	6.1%

## People & Services

Particulars	Q2 FY17	Q2 FY16
Segment Revenue	583	451
Revenue Growth %	29.4%	
Segment EBIT	26	19
EBIT Margin %	4.5%	4.3%

## Integrated Facility Management

Particulars	Q2 FY17	Q2 FY16
Segment Revenue	99	90
Revenue Growth %	10.4%	
Segment EBIT	5	4
EBIT Margin %	5.0%	4.6%

## Industrial Asset Management

Particulars	Q2 FY17	Q2 FY16
Segment Revenue	57	43
Revenue Growth %	32.7%	
Segment EBIT	6	2
EBIT Margin %	9.8%	4.9%

# Financial Statements

## Profit and Loss Account

Particulars	Q2 FY17	Q2 FY 16	Y-o-Y	H1 FY17	H1 FY16	Y-o Y
<b>Operating Income</b>	<b>1,018</b>	<b>802</b>	<b>26.9%</b>	<b>2,009</b>	<b>1,532</b>	<b>31.1%</b>
<b>EBITDA</b>	55	38	45.3%	108	71	52.0%
<i>EBITDA Margin</i>	5.4%	4.7%		5.4%	4.6%	
Depreciation	7	3	102.1%	13	5	139.1%
Finance Expenses	10	8	22.7%	19	13	49.1%
<b>PBT</b>	<b>44</b>	<b>29</b>	<b>53.2%</b>	<b>82</b>	<b>57</b>	<b>44.0%</b>
<b>PAT</b>	<b>30</b>	<b>18</b>	<b>65.9%</b>	<b>55</b>	<b>36</b>	<b>51.5%</b>
<i>PAT Margin</i>	3.0%	2.3%		2.7%	2.4%	
<b>Basic EPS</b>	<b>2.42</b>	<b>1.64</b>	<b>47.7%</b>	<b>4.61</b>	<b>3.27</b>	<b>41.2%</b>
<b>Diluted EPS</b>	<b>2.37</b>	<b>1.63</b>	<b>45.7%</b>	<b>4.51</b>	<b>3.24</b>	<b>39.1%</b>

## Balance Sheet

Particulars	H1 FY17
<b>Non-current Assets</b>	<b>424</b>
-Fixed Assets	43
-Financial Assets	19
-Deferred Tax Assets	49
<b>Current Assets</b>	<b>1,410</b>
-Trade Receivables	434
-Cash and Bank Balances	403
<b>Total Assets</b>	<b>1,834</b>
Shareholders Fund	796
Non-current Liabilities	85
-Borrowings	32
Current Liabilities	954
-Borrowings	367
-Trade Payables	32
<b>Total Liabilities</b>	<b>1,834</b>

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# Strategic Deals

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# Strategic Deals

## Terrier Security Services

- Manned guarding and security solutions business
- Has a footprint in 14 states in India covering 60 cities
- Has a marquee clientele of over 400 companies
- Registered a revenue of Rs. 220 cr and EBITDA margin of 5% in FY 16
- Acquisition provides a logical segue into the Integrated Facility Management (IFM) business
- Acquired stake is 49%

## Comtel Solutions

- IT Staffing solutions, Managed service solutions and recruitment and search services
- Largest independent staffing company in Singapore and adds to Qess' presence in Malaysia
- FY 16 revenue of SGD 82 mn and headcount in excess of 1400 associates
- Acquired a majority stake of 64%

## Simpliance

- Technology platform for Labour Compliance Requirements
- Compliance is one of the core businesses of Qess.
- Simpliance attempts to simplify and automate labour compliance
- Initial pilot successful at many corporates
- Qess will invest Rs 2.5 cr for 45% stake.
- Investments towards platform development effort

The above companies are expected to generate annualised revenue of ~₹ 750 cr with an expected EBITDA of ~₹ 52 cr in FY 17

# Thank You!

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