

Quess Delivers Strong Organic Growth Despite Economic Headwinds

Q2'18 Revenue up 25%;EBITDA up 21%; PAT up 367% on YoY basis

Bengaluru, India – 25thOctober 2017:Quess Corp., India's leading integrated business services provider announced today its financial results for the **Second quarter (Q2'18) and Half year (H1'18)** ended 30th September 2017. The key consolidated financials for the quarter are:

Particulars (in ₹ cr)	Q2'18	Q2'17	YoY (%)	Q1'18	QoQ (%)	H1'18	H1'17	YoY(%)
Revenue	1,274	1,018	25.2%	1,188	7.2%	2,462	2,009	22.6%
EBITDA	66	55	20.5%	63	4.7%	130	108	20.4%
<i>EBITDA Margin</i>	5.2%	5.4%	(20)bps	5.3%	(13)bps	5.3%	5.4%	(9)bps
PAT	141	30	366.7%	33	324.3%	174	55	216.9%
<i>PAT Margin</i>	11.0%	3.0%	808bps	2.8%	825bps	7.1%	2.7%	433bps
Diluted EPS (in ₹)	10.5	2.4	344.8%	2.6	309.3%	13.3	4.5	194.5%

Q2'18 – Highlights

- Revenue grew 25.2% YoY to ₹1,274 cr from ₹1,018 cr in Q2'17.
- EBITDA grew 20.5% YoY to ₹66 cr compared to ₹55cr. Margin stood at 5.2%.
- PAT grew 366.7% YoY at ₹141 cr from ₹30 cr. Margin increased to 11.0% as against 3.0% in Q2'17, registering an expansion of 808bps YoY.
- Diluted EPS was higher by 344.8% YoY at ₹10.5.
- Company started availing the benefit of 80JJAA of the Income Tax Act, 1961 from this quarter.
- Employee headcount as on September 30, 2017 was ~212,500 compared to ~139,000 employees in the corresponding quarter of last year, registering a growth of ~53%. Quess reached 100,000 employee milestone in 2015, eight years after its incorporation, while the 200,000 employee milestone was achieved in just two years thereafter, reflecting the accelerated pace of organic growth aptly supported by strategic acquisitions.

H1'18 – Highlights

- Revenue grew 22.6% YoY to ₹2,462 cr from ₹2,009 cr in H1'17.
- EBITDA grew 20.4% YoY to ₹130 cr compared to ₹108 cr in H1'17.
- PAT grew 216.9% YoY at ₹174cr from ₹55 cr. Margin increased to 7.1% as against 2.7% in H1'17, registering an expansion of 433 bps YoY.
- Diluted EPS was higher by 194.5% YoY at ₹13.3.

Segment Wise Performance

Particulars (in ₹ cr)	Q2'18	Q2'17	YoY (%)	Q1'18	QoQ (%)
People & Services					
Revenue	683	583	17.2%	619	10.3%
Results	33	26	24.9%	31	6.5%
<i>EBIT Margin</i>	<i>4.8%</i>	<i>4.5%</i>		<i>5.0%</i>	
Global Technology Solutions					
Revenue	390	278	40.3%	390	0.1%
Results	28	20	41.8%	26	6.0%
<i>EBIT Margin</i>	<i>7.2%</i>	<i>7.1%</i>		<i>6.8%</i>	
Integrated Facility Management					
Revenue	126	99	26.3%	119	6.0%
Results	8	5	51.7%	7	4.1%
<i>EBIT Margin</i>	<i>6.0%</i>	<i>5.0%</i>		<i>6.1%</i>	
Industrials					
Revenue	75	57	31.2%	60	24.1%
Results	4	6	-37.1%	3	29.5%
<i>EBIT Margin</i>	<i>4.7%</i>	<i>9.8%</i>		<i>4.5%</i>	

Commenting on the financial results, CMD & CEO Mr. Ajit Isaacsaid that, “We are pleased with our solid organic growthfor Q2’18 despite achallenging economic environment. Quess grew Revenues by 25% YoY and 7% on a QoQ basis. During the quarter, we also successfully completed our first Institutional Placement Programme through which we raised ₹874 crores.”He further added, “We are pleased to announce that we have signed definitive agreements to acquire a majority stake in Vedang Cellular Services which complements Quess’s current capabilities. This will be immediately EBITDA accretive for us. I amdelighted to welcome Ashish Kapoor, who heads Vedang, into the Quess family. We are also entering into a Joint Venture with Trimax IT Infrastructure and Services Ltd. to implement a smart city project in Ahmedabad to create city wide IT Infrastructure. The JV marks Quess’s entry into smart city segment, thereby expanding our Industrials vertical. We believe with these set of strong numbers and strategic investments, we are well poised to maintain our growth trajectory for the future.”

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. Quess has over 212,500 employees (including Manipal Integrated Services and Terrier Security Services) and market cap of over INR 11,551 Crores as on September 30, 2017. For further details on Quess Corp Ltd. please visit: <http://www.quescorp.com>

About Vedang Cellular Services Private Limited

Vedang is a Mumbai based service provider engaged in Telecom Network Operations and Maintenance. It is among the top 5 players in the Telecom Network Planning and Optimisation market, serving major telecom OEMs and telecom operators in India. It has over 1,500+ trained engineers and technicians deployed across client sites.

About Trimax Smart Infraprojects Private Limited

Trimax Smart Infraprojects Private Limited is a JV between Quess and Trimax IT Infrastructure and Services Ltd. with Quess being majority shareholder. The JV will focus on implementing the smart city project in Ahmedabad to create city wide ICT Infrastructure. Quess expects to gain credentials and extend its foray into large smart city business opportunity.

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