

Quess Delivers Robust Q3'18 Results

Revenue up by 48%; EBITDA up by 52%; PAT up by 107%YoY

Announces Acquisition of Greenpiece – a Leading Landscaping Company

Bengaluru, India – 24th January 2018: Quess Corp., India's leading integrated business services provider announced today its financial results for the **third quarter (Q3'18)** and **nine months (9M FY'18)** ended 31st December 2017. The key consolidated financials for the quarter are:

Particulars (in ₹ cr)	Q3'18	Q3'17	YoY(%)	Q2'18	QoQ(%)	9M'18	9M'17	YoY(%)
Revenue	1,584	1,067	48%	1,395	14%	4,277	3,075	39%
EBITDA	91	60	52%	79	15%	245	168	46%
<i>EBITDA Margin</i>	5.74%	5.60%	14 bps	5.65%	9 bps	5.73%	5.45%	28 bps
PAT	70	34	107%	148	-53%	258	89	192%
<i>PAT Margin</i>	4.41%	3.16%	125 bps	10.61%	-620bps	6.04%	2.88%	316 bps
Diluted EPS (in ₹) (not annualized)	4.8	2.6	86%	10.5	-55%	18.3	7.1	157%

Q3'18 – Highlights

- The Company has obtained approval from the National Company Law Tribunal ('NCLT') on November 30, 2017, to merge Identified Business of MIS. The scheme allowed for retrospective consolidation of the business into Quess with effect from December 01, 2016. Accordingly, the company has restated its financials from the quarter ending December 2016.
- Revenue grew 48% YoY to ₹1,584 cr from ₹1,067 cr in Q3'17.
- EBITDA grew 52% YoY to ₹91 cr compared to ₹60 cr. Margin stood at 5.74%.
- PAT grew 107% YoY at ₹70 cr from ₹34 cr. Margin increased to 4.41% as against 3.16% in Q3'17, registering an expansion of 125 bps YoY.
- Diluted EPS was higher by 86% YoY at ₹4.8.
- Employee headcount as on December 31, 2017 was ~243,000 compared to ~158,000 employees in the corresponding quarter of last year, registering a growth of 54%.
- Update on Acquisitions :
 - On November 30, 2017, National Company Law Tribunal (NCLT) approved the scheme of amalgamation for demerger of the facilities management business of Manipal Integrated Services ("Identified Business") and its simultaneous merger into Quess Corp.

- During the quarter, Quess completed the acquisition of 51% stake in Tata Business Support Services. Pursuant to the approval of the Ministry of Corporate Affairs, Registrar of Companies, Hyderabad, name of Tata Business Support Services Limited has been changed to Conneqt Business Solutions Limited w.e.f. January 09, 2018.
- Quess completed the acquisition of 70% stake in Vedang Cellular Services Private Limited during the quarter.

9M'18 – Highlights

- Revenue grew 39% YoY to ₹4,277 cr from ₹3,075 cr in 9M'17.
- EBITDA grew 46% YoY to ₹245 cr compared to ₹168 cr in 9M'17.
- PAT grew 192% YoY at ₹258 cr from ₹89 cr. Margin increased to 6.04% as against 2.88% in 9M'17, registering an expansion of 316 bps YoY.
- Diluted EPS was higher by 157% YoY at ₹18.3.

Segment Wise Performance

Particulars (in ₹ cr)	Q3'18	Q3'17	YoY (%)	Q2'18	QoQ(%)
People & Services					
Revenue	736	587	25%	683	8%
Results	35	28	26%	33	8%
<i>EBIT Margin</i>	4.79%	4.75%		4.78%	
Global Technology Solutions					
Revenue	480	281	71%	390	23%
Results	34	21	60%	28	21%
<i>EBIT Margin</i>	7.05%	7.52%		7.16%	
Integrated Facility Management					
Revenue	263	142	86%	247	7%
Results	21	9	145%	19	9%
<i>EBIT Margin</i>	7.92%	6.02%		7.72%	
Industrials					
Revenue	105	57	83%	75	39%
Results	4	3	18%	4	8%
<i>EBIT Margin</i>	3.66%	5.65%		4.72%	

Organizational announcement

- The Board of Directors of Quess Corp, at its meeting today, appointed Mr. Manoj Jain as the Chief Financial Officer of the Company w.e.f. January 24, 2018. Mr. Jain is a qualified Chartered Accountant with over 25 years of professional experience. He is a strong believer in Lean & Kaizen techniques which has helped him become a strong Techno-Commercial leader, delivering measurable results in financial management and operations optimization.
- The Board of Directors of Quess Corp elevated Mr. Subrata Kumar Nag to the position of Chief Executive Officer and Executive Director of the Company w.e.f. January 24, 2018 in recognition of his decade long outstanding service at Quess.
- Mr. Ajit Isaac will continue to lead the organization as the Chairman of the Board & Managing Director of the Company.

Commenting on the financial results, Chairman & MD Mr. Ajit Isaac said that, *“We are pleased with another quarter of solid growth in Q3’18. We continued our strong topline growth momentum while registering healthy EBITDA margin gains of 14 bps. During the quarter, we completed the integration of Facility Management and Catering Business of MIS into Quess.”* He further added, *“We are pleased to announce that we have signed definitive agreements to acquire a majority stake in Greenpiece Landscapes, thereby expanding our offerings spectrum in the Integrated Facility Management vertical. The investment will bring in the much-needed institutional approach to the growing landscaping segment. The transaction will be EBITDA and ROCE accretive for us.”* Speaking on the leadership appointments, He added *“we are pleased to welcome Subrata Nag in his new role as the CEO and Manoj Jain as the CFO to further strengthen the leadership structure. We believe that our outstanding leadership team combined with strategic investments will continue to deliver long term value for our stakeholders.”*

About Quess Corp

Quess Corp Limited (BSE: 539978, NSE: QUESS), is India’s leading integrated business services provider. Quess is committed to providing world-class customer experiences while continuously working towards creating better lives. Quess has a team of ~243,000 employees (including Terrier Security Services) across India, North America, South East Asia and the Middle East with diverse business interests spread across People & Services, Technology, Facility Management and Industrials. Quess serves over 1,700+ clients worldwide. Established in 2007, Quess is headquartered in Bengaluru, India and has a market cap of approx. 15,966 Crores as on December 31, 2017. For further details on Quess Corp Ltd. please visit: <http://www.uesscorp.com>.

About Greenpiece Landscapes

Greenpiece Landscapes India Private Limited established in 1987 is a leading end-to-end design and landscaping services firm catering to marquee corporate, industrial and real estate firms in India and abroad. Based out of Bengaluru, Greenpiece currently has a strong client base of 150+ clients with longstanding relationships. The company has over 700 employees as on December 2017. For further details on Greenpiece Landscapes India Pvt. Ltd. please visit: <http://www.greenpiece.in/>

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