

## Quesst Delivers Solid Results & Strategic Progress in FY'18

**Revenue up by 43%; EBITDA up by 49%; PAT up by 154%; EPS up by 128% YoY**

Quesst Corp, India's leading integrated business services provider announced today its financial results for the fourth quarter (**Q4'18**) and full year (**12M FY'18**) ended 31<sup>st</sup> March 2018. The key consolidated financials for the FY18 are:

Particulars (in ₹ cr)	FY'18	FY'17	YoY (%)
Revenue	6,167	4,315	<b>43%</b>
EBITDA	354	238	<b>49%</b>
<i>EBITDA Margin</i>	5.75%	5.51%	<b>23 bps</b>
PAT	310	122	<b>154%</b>
<i>PAT Margin</i>	5.02%	2.82%	<b>220 bps</b>
Diluted EPS (in ₹)	21.8	9.6	<b>128%</b>

### FY'18 – Highlights

- **Employee headcount** as on March 31, 2018 was ~261,700 compared to ~159,200 employees in the corresponding quarter of last year, registering a growth of **64%**.
- **Revenue** grew 43% YoY to ₹6,167 cr and **EBITDA** grew 49% YoY to ₹354 cr.
- **Margin** improved from 5.51% to **5.75%**.
- **PAT grew 154%** YoY at ₹310 cr from ₹122 cr. The PAT for FY'18 includes the impact of accounting adjustments under Ind AS such as Amortization of Customer Related Intangible Assets of ~₹ 30 cr and Non controlling interest Put Option of ~₹ 9 cr (included in the Finance costs). **PAT Margin** increased to 5.02% as against 2.82% in FY'17, registering an expansion of **220 bps YoY**.
- **Diluted EPS** was higher by **128%** YoY at ₹21.8.
- **Cash flow from operations** is at ₹109 cr in FY18.

### Strategic Update:

#### ➤ Operations:

- Our General Staffing business has added ~43,000 associates last year, making us **the largest staffing service provider** in the country with a headcount of ~157,000 as on March 31, 2018.
- **Conneqt Business Solutions** won a large deal with a total contract value of ~ ₹200 cr (for a five year period) with a client in the financial services space.

- **Terrier** signed up as a security partner to manage large sporting events such as ISL and IPL. Terrier Electronic Security Services (TESS) executed one of the largest integrated security solutions across 1098 branches for a Gold loan NBFC.
- **QInfra** has secured the order to implement the Intelligent Transit Management System (ITMS) for one of the largest bus fleet operators in a leading metro city in India.
- Quess appointed Mr. Pinaki Kar as the President of Technology Solutions, Mr. Abhijeet Mukherjee as the President of Internet Business, Mr. Neeraj Tandon as Deputy CEO of Conneqt and Mr. Ravi Tennety as the CEO of the Excelus business.

➤ **Acquisitions:**

- On November 30, 2017, National Company Law Tribunal (NCLT) approved the scheme of merger of the facilities management business of **Manipal Integrated Services** into Quess Corp with effect from December 01, 2016. This strategic acquisition helped Quess become a leading integrated facility management provider in the country.
- During the year, Quess completed the acquisition of 51% stake in **Conneqt Business Solutions Limited** (formerly known as Tata Business Support Services) which marked Quess' entry into the promising area of Customer Lifecycle Management.
- Quess completed the acquisition of 70% stake in **Vedang Cellular Services Private Limited** with effect from November 10, 2017. This marked our entry into active infrastructure management in the Telecom space with strong annuity business potential.
- Quess entered into the high growth area of online career and recruitment space through the acquisition of **Monster India and its business in South East Asia and the Middle East** with effect from February 8, 2018.
- The financial results of FY'18 are **not reflective** of the acquisitions of **QDigi Services (Care Business of HCL Services)** which gave us a strategic entry into the mobile and consumer durable break-fix and repairs market across India and **Greenpiece Landscapes**, a leading end-to-end design and landscaping services firm. The financial consolidation of these acquisitions will commence in full form in FY19.
- The Board in its meeting today, approved further acquisition of
  - 36% equity in **Comtel Solutions Pte. Ltd., Singapore** with an investment upto SGD 22 Million through Quess Holdings
  - 49% equity in **Comtelpro Pte. Limited, Singapore** with an investment upto SGD 0.5 Million

## Segment Wise Performance

Particulars (in ₹ cr)	FY'18	FY'17	YoY (%)
<b>People Services</b>			
Revenue	2,878	2,345	23%
EBIT	136	109	25%
<i>EBIT Margin</i>	<i>4.73%</i>	<i>4.64%</i>	
<b>Technology Solutions</b>			
Revenue	1,868	1,183	58%
EBIT	118	82	44%
<i>EBIT Margin</i>	<i>6.32%</i>	<i>6.93%</i>	
<b>Integrated Facility Management</b>			
Revenue	1,027	562	83%
EBIT	67	31	120%
<i>EBIT Margin</i>	<i>6.54%</i>	<i>5.43%</i>	
<b>Industrials</b>			
Revenue	370	224	65%
EBIT	15	17	-12%
<i>EBIT Margin</i>	<i>4.04%</i>	<i>7.62%</i>	
<b>Internet Business</b>			
Revenue	23		
EBIT	(4)		
<i>EBIT Margin</i>	<i>(15.47%)</i>		

**Commenting on the financial results, Chairman & MD Mr. Ajit Isaac** said that, “We are pleased with another year of solid growth in FY'18. Within a span of 10 years from inception, we have achieved an annualized Revenue in excess of Billion (US\$) on the basis of our last quarter Revenue run rate. This is a testament to the proven execution capability of our strong leadership team. During the year, we closed a number of acquisitions and investments across segments from active telecom infrastructure management to customer lifecycle management. He further added, “We have also become one of the largest private sector employers in the country with an employee strength of over 261,700. This is a very fulfilling achievement for us as we continue to create more jobs for our youths while staying focused on long-term institution building and creating value for all our stakeholders.”

## About Quess Corp

Quess Corp Limited (BSE: 539978, NSE: QUESS), is India's leading business services provider. At Quess, we excel in helping large and emerging companies manage their non-core activities by leveraging our integrated service offerings across industries and geographies which provides significant operational efficiencies to our clients. Quess has a team of over ~261,700 employees across India, North America, South America, South East Asia and the Middle East across segments such as Industrials, Facility Management, People Services, Technology Solutions and Internet Business. Quess serves over 1,700+ clients worldwide. Established in 2007, Quess is headquartered in Bengaluru, India and has a market cap of over USD 2.3 Bn as on March 31, 2018.

For further details on Quess Corp Ltd., please visit: <http://www.uesscorp.com>.

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