

February 03, 2023

To,
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
Security Code- 539978

To,
National Stock Exchange of India Limited
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (East),
Mumbai-400051
NSE Symbol- QUESS

Dear Sir / Madam,

Sub: Investors Presentation

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Investor's presentation on the financial performance of Quess Corp Limited ("Company") for the third quarter and nine months ended December 31, 2022.

The above said presentation is also made available on the Company's website <https://www.quesscorp.com/investor-other-information/>.

Kindly take the same on record.

Yours sincerely,
For Quess Corp Limited

Kundan K Lal
Company Secretary & Compliance Officer

Encl. a/a

Quess Corp Limited

Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru-560103, Karnataka, India
Tel: +91 80 6105 6001 | connect@quesscorp.com | CIN No.L74140KA2007PLC043909

www.quesscorp.com



Investor Presentation

Q3'FY23

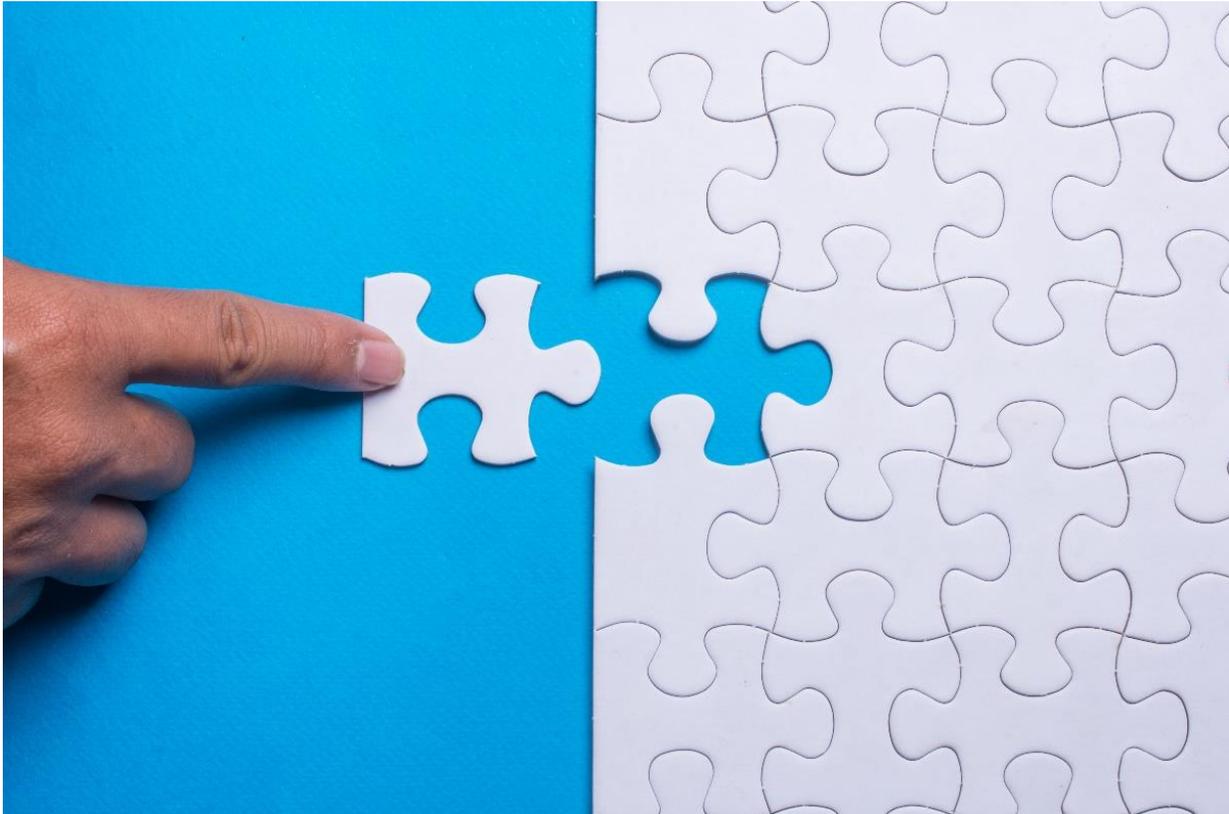
Safe Harbor

This presentation has been prepared by Qess Corp Limited ("Company") solely for information purposes without any regard to any specific objectives, financial situations or informational needs of any particular person. This presentation may not be copied, distributed or disseminated, directly or indirectly, in any manner. Failure to comply with this directive may result in a violation of the applicable law in certain jurisdictions. By reviewing this presentation, you agree to be bound by the restrictions contained herein, and to maintain absolute confidentiality, regarding the information disclosed in these materials.

This presentation does not constitute or form part of and should not be construed as, directly or indirectly, any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company by any person in any jurisdiction, including in India, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment therefore.

This presentation 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. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward looking statements. This presentation may contain certain currency exchange rates and the same have been provided only for the convenience of readers.

Contents



1

Highlights

2

Company Overview

3

Key Corporate and Financial Updates

4

Platform-wise Updates

5

Annexures

GTS achieves highest-ever **EBITDA**

Leading domestic private sector employer
with **~505,000 FTE**



Q3FY23 – Highlights

		Q3 FY23	YoY Change
	Headcount	505k	 20%
	Revenue	₹ 4,466 cr.	 21%
	EBITDA	₹ 145cr.	 19%
	% EBITDA	3.26%	 161 bps
	PAT	₹ 86 cr.	 3%

		Q3 FY23	YoY Change
	OCF	₹ 47 cr.	 54%
	Net Debt / (cash)	₹ 68 cr.	 ₹ 40 cr.
	RoE	12.7%	 196 bps
	Book value per share	₹ 183	 11%
	EPS (dil.)	₹ 5.91	 6%

Q3FY23 Business Highlights

Business Updates:

- ▶ On track to deliver **20% growth** YoY across platforms
- ▶ Total Associate headcount reached **505K**
- ▶ GTS achieves highest-ever Ebitda of **₹90 crore**
- ▶ Rebranding of Monster to **foundit**, YoY sales growth of 40%

Corporate Updates:

- ▶ **DRP** Hearing concluded for FY17-18
- ▶ Announced & **paid interim dividend** of **₹8/share** for FY23
- ▶ Closure of **Simpliance** sale transaction

Q3FY23 Financial Highlights – YoY

Revenue → ₹ 4,466cr ↑ 21%

EBITDA → ₹ 145cr ↓ 19%

EBITDA % → 3.26 % ↓ 161 bps

PAT → ₹ 86cr ↓ 3%

OCF → ₹ 47cr ↓ 54%

WFM

GTS

OAM

PLB

Revenue | % Growth

EBITDA | % Growth

₹ 3,068 cr
21%

₹ 86 cr
6%

₹ 561 cr
20%

₹ 90 cr
3%

₹ 689 cr
19%

₹ 31 cr
-15%

₹ 147 cr
55%

₹ -27 cr
-

Note: All numbers are on reported basis

Q3FY23 Financial Highlights – QoQ

Revenue → ₹ 4,466cr ↑ 4%

EBITDA → ₹ 145cr ↑ 8%

EBITDA % → 3.26 % ↑ 10 bps

PAT → ₹ 86cr ↑ 116%

OCF → ₹ 47cr ↓ 31%

WFM

GTS

OAM

PLB

Revenue | % Growth

EBITDA | % Growth

₹ 3,068 cr
4%

₹ 86 cr
9%

₹ 561 cr
6%

₹ 90 cr
7%

₹ 689 cr
6%

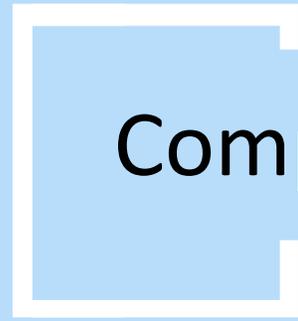
₹ 31 cr
13%

₹ 147 cr
-2%

₹ -27 cr
-12%

Note: All numbers are on reported basis

“



Company Overview



From HR Services to a **digitally-enabled Services Platform**



HR Services

Business Services

Platforms

Phases



2007 - 2013

2014 - 2020

2020 - present

HC

61,000

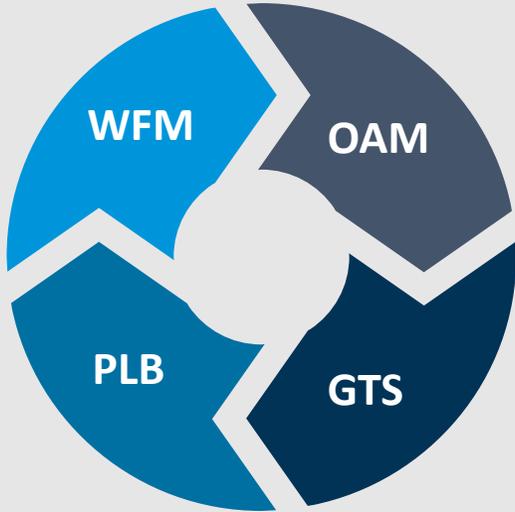
384,000

505,000

Services

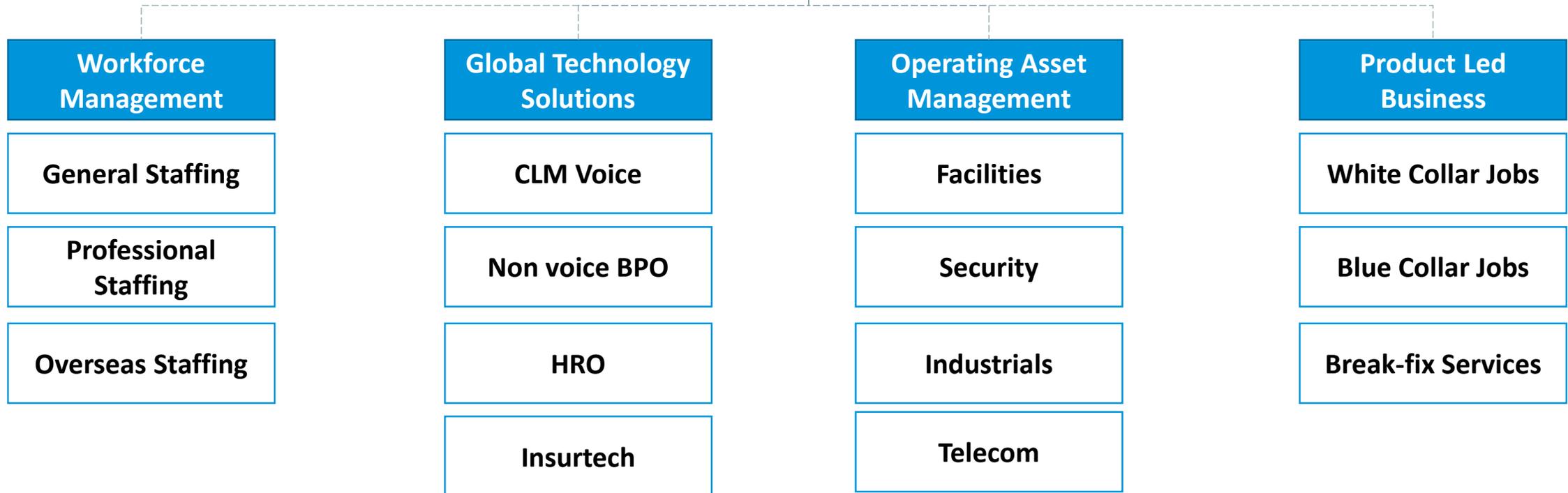
- Staffing
- Skilling
- Recruitment
- Facility Management

- Staffing
- Skilling
- Recruitment
- Facility Management
- Security Services
- Industrials
- BPO/CLM + HRO
- Tech services
- Job Portal
- Break-fix services



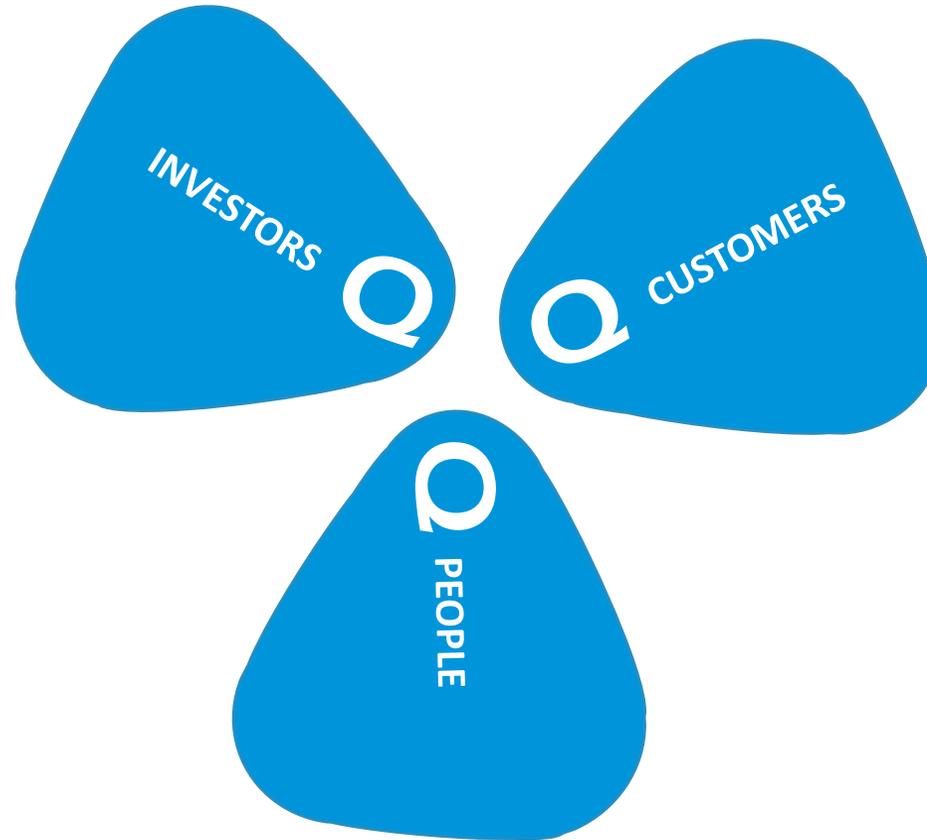
Our operations are spread across **synergistic platforms**

QUESS



We are a leading service provider in India for most of the services provided

Our focus is on **Winning Together** with our Customers, People and Investors

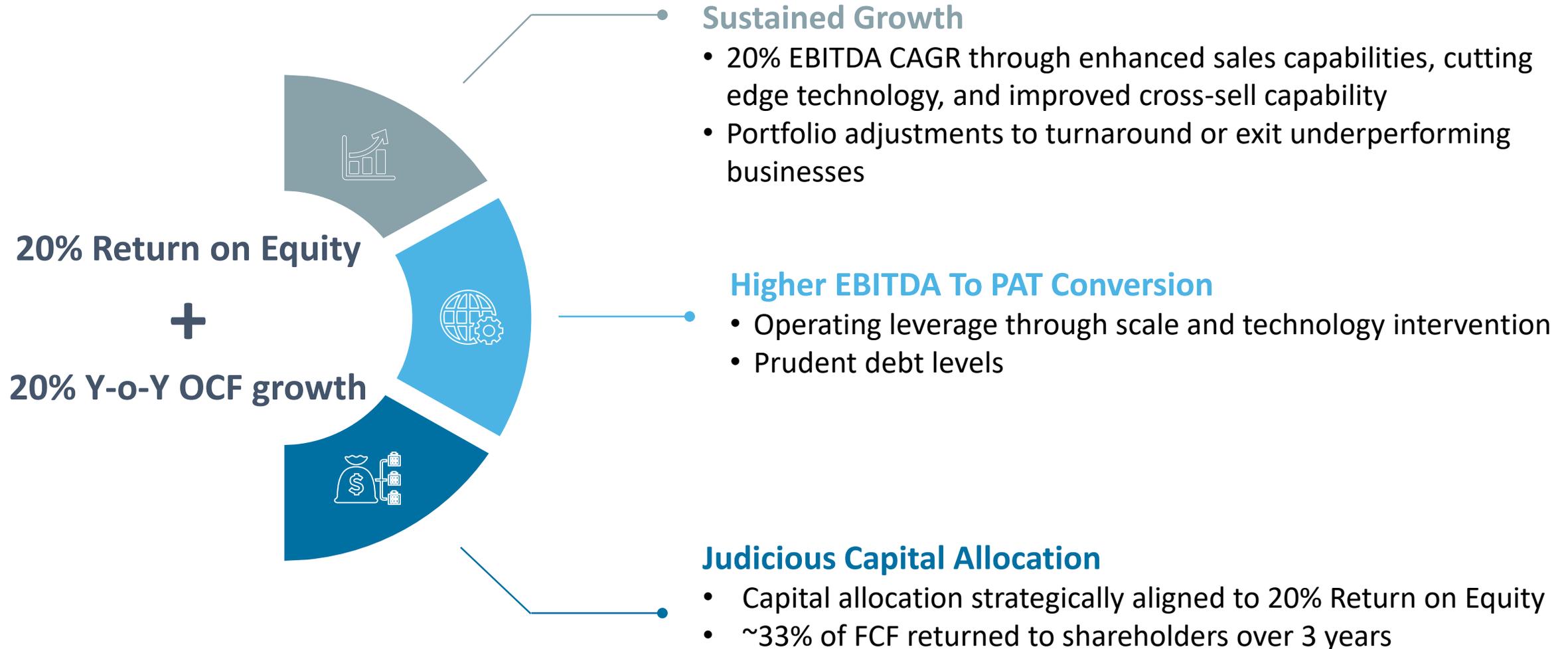


- Achieving and sustaining **25% RoE**
- Continue **Delivering 20% CAGR on OCF**
- Aspirational EBITDA of **6% by 2025**

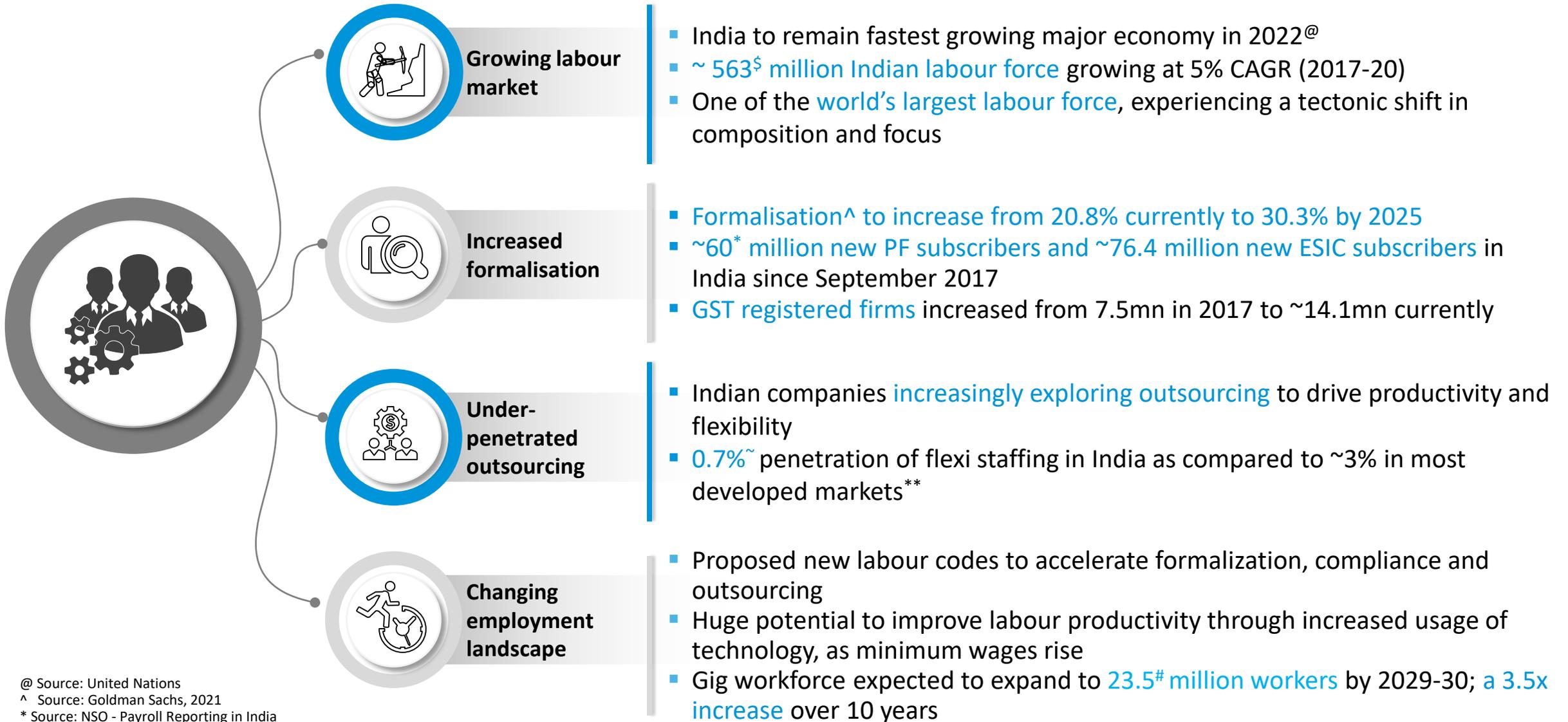
- **Build Scale - single operating platforms** for all organic business, brings in agility and speed in the way we work
- **Measure digital revenues separately**
- **Annual CSAT** across all business

- Becoming India's **Top 50 Great Place To Work**
- Women to constitute **50% of core workforce**
- Benefits coverage for Associates to cover **>70% of Associates**

Winning with Investors: The path to 20%



We enjoy massive macroeconomic tailwinds



@ Source: United Nations

^ Source: Goldman Sachs, 2021

* Source: NSO - Payroll Reporting in India

~ Source: ESIC & EPFO

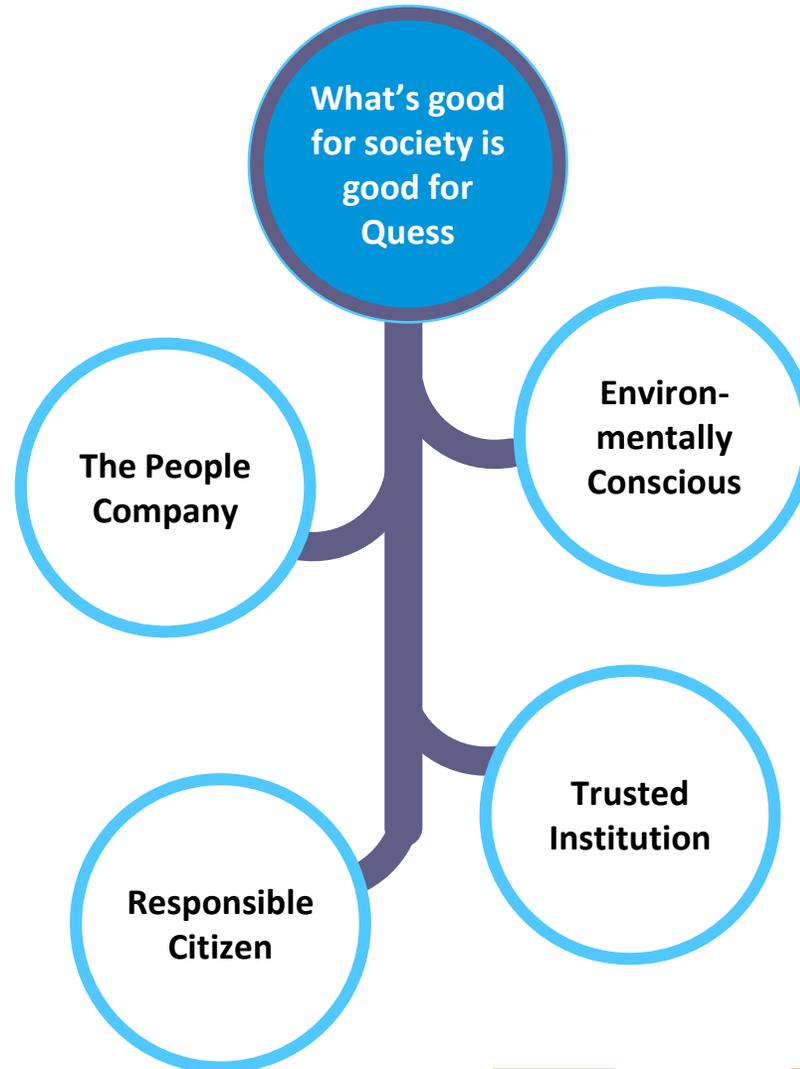
** Source: World Employment Confederation

Source: NITI Aayog

§ Economic Survey 2021-22

We have a defined ESG framework

- **>93,400 employees** hired in FY22 enjoyed first time social security benefits
- **~144,250 employees (~33%)** employed in Q4'FY22 from outside Tier 1 and Tier 2 cities
- **~17% of our ~437K employees (~29% of core)** are women as on 31 March 2022
- Amongst India's Top 100 Best Companies to Work For - **Ranked 98 by GPTW**
- **Infrastructure renovation for 75 schools** was carried out **benefiting 13,741 students** and teachers
- School Health Program: **12,903 students & 267 teachers** were provided Drinking water facility
- Committed to a CSR grant of **INR 15cr over 4 years** towards building a 350 bed paediatric hospital at CMC Vellore



- **6.0 million sq. ft.** of green spaces maintained across India in FY22
- **Responsible waste management**, including ~10,700 kgs of e-waste and ~10,300 kgs of paper waste shredded and recycled in FY22
- Committed to setting a near-term science-based emissions reductions targets with the **Science Based Targets initiative (SBTi) by FY25**
- **Industry-leading business processes, with digital platform to provide training** to our workforce on Ethical standards such as Code of Conduct, Anti-Bribery & Corruption, POSH, Whistle Blower, etc.
- **Cyber-Security Council formed** with executive level oversight
- Quess Corp and our large subs (AllSec and Conneqt) are **ISO 27001:2013 certified**



“

Key Corporate and Financial
Updates

Update on Q3 operating environment

Overall muted hiring environment

- The foundit Insight Tracker saw weak hiring across IT – Hardware / Software (-3%) and BPO/ ITES (-9%). Retail (+9%), Manufacturing (+6%) and Telecom (+5%) witnessed strong growth in hiring
- Allsec payroll data shows no increase in same-customer payslips processed in Dec'22 vis-à-vis Sep'22

BFSI, Manufacturing, Non-voice CLM and Food were key business drivers

- General Staffing has seen increased headcount in BFSI despite overall muted hiring environment
- Manufacturing has been a bright spot for General Staffing in FY23; 50% of new customer sign-ups have been in manufacturing
- Food business continues to grow as education sector has opened up fully
- Non-Voice CLM has grown on back of 37% YoY growth in collection business

Focus on SG&A reduction to improve margins

- Cost optimization process initiated in Q3'23; 50 bps decline observed in SG&A/revenue on QoQ basis
- Strategic engagement with BCG to enhance margin & business efficiencies



Q3FY23 Financial Updates

Revenue:

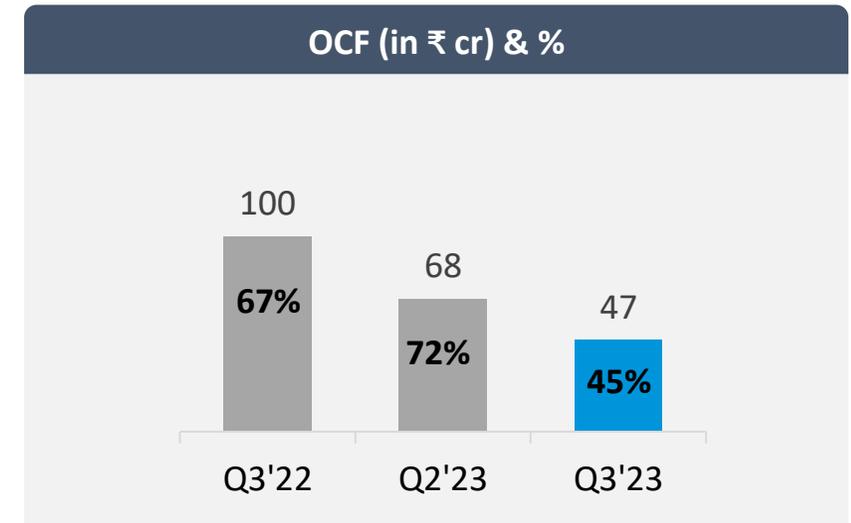
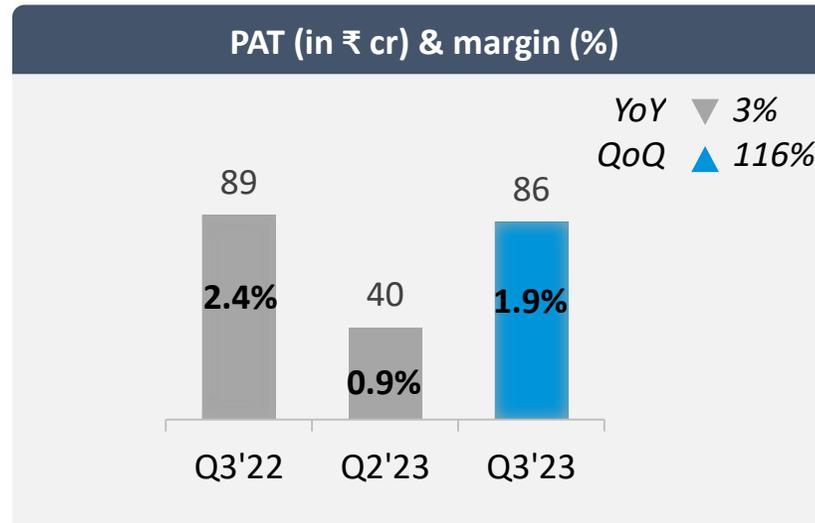
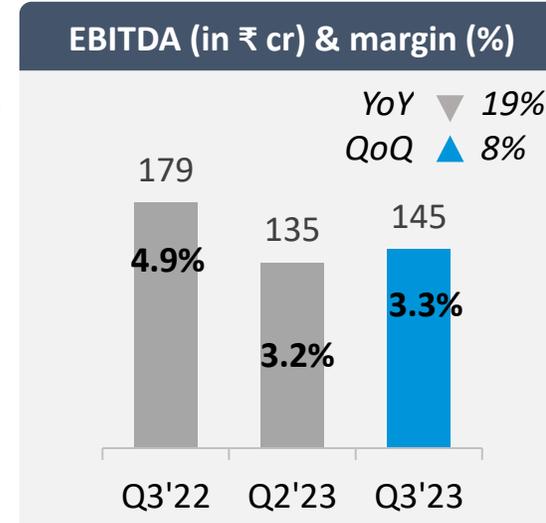
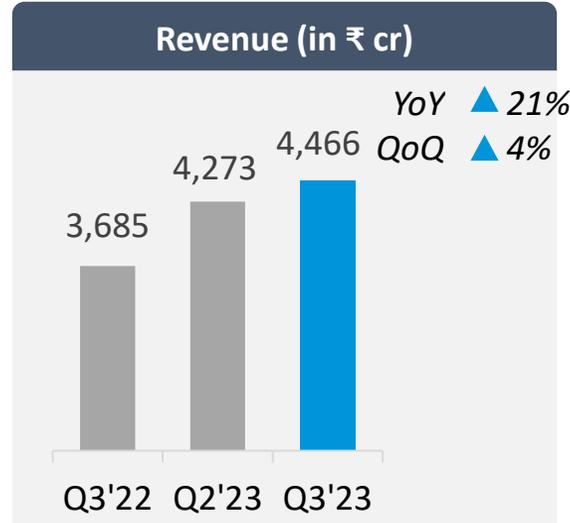
- **Up 21% YoY** driven by General Staffing (up 24%), Quess Singapore (up 50%) and Conneqt (up 20%)
- **Up 4% QoQ**, due to steady execution by General Staffing (up 6%) Quess Singapore (up 8%) and IFM (up 6%)

Profitability:

- EBITDA from operations **down 19% YoY** to ₹ 145 crore, due to investments in PLB Business specifically foundit
- SG&A / Revenue increased YoY from **5.2% to 5.7%** due to higher headcount salary increase & increased spend on Travel.

Cash Generation:

- Q3'23 OCF/Operating EBITDA conversion at 45%. Collections moved to January due to year-end holidays.
- DSO increased by 1 day QoQ to 59 days
- Net debt position at ₹ 68 crore in Q3'23 against net cash position of ₹ 57 crore in Q2'23



“



Platform-wise Updates



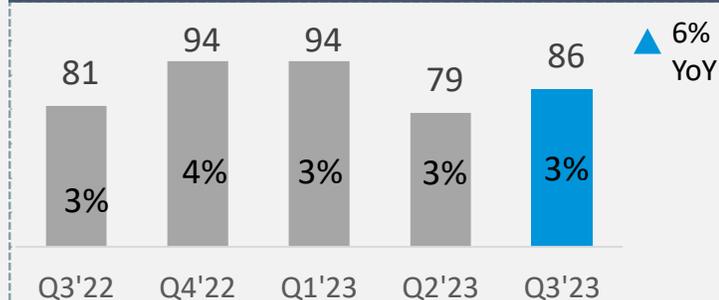
Workforce management – Performance Snapshot

Financial Metrics

Revenue (in ₹ cr)

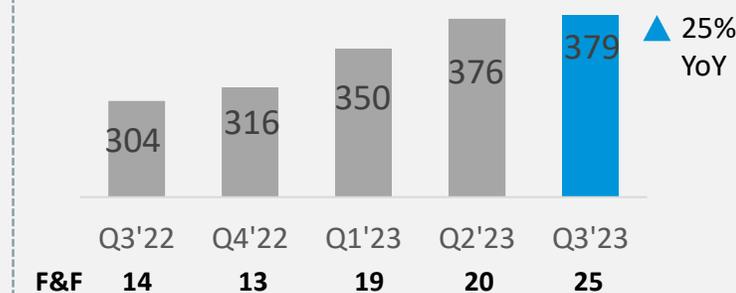


EBITDA from operations (Rs Cr)

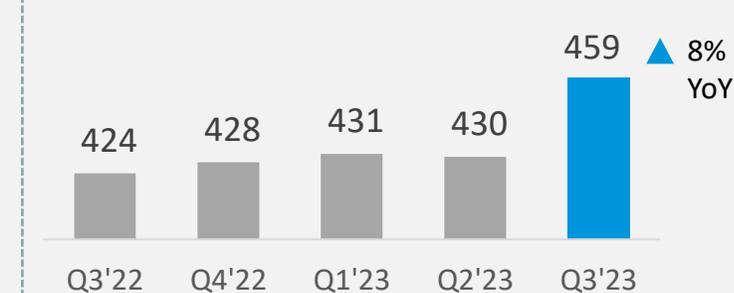


Operating Metrics

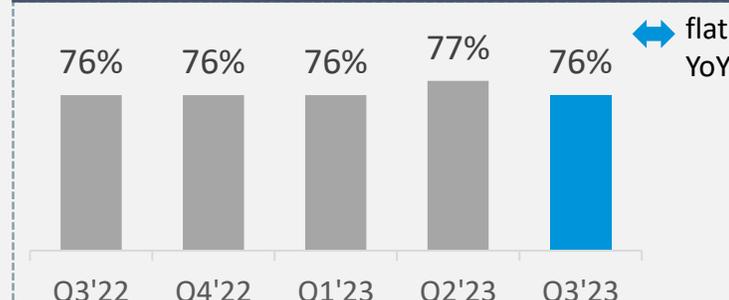
Associate Headcount# (in '000)



Core: Associate FTE^(Gen Staff- 1:X)



Collect & Pay - Headcount



SG&A / Revenue (IT Staff)

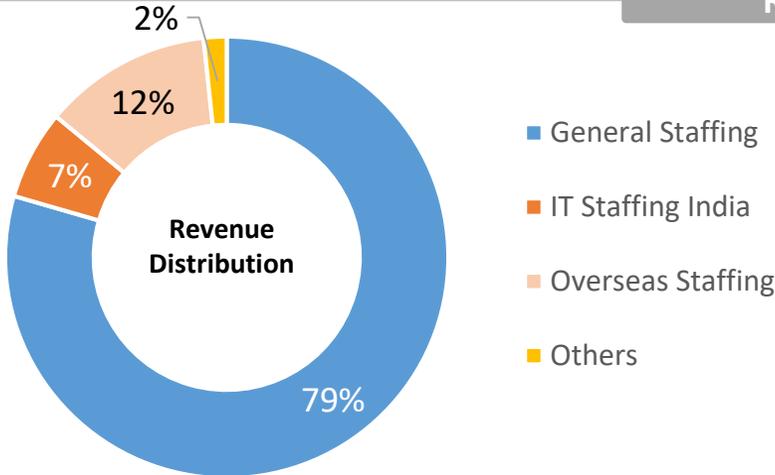


Key developments:

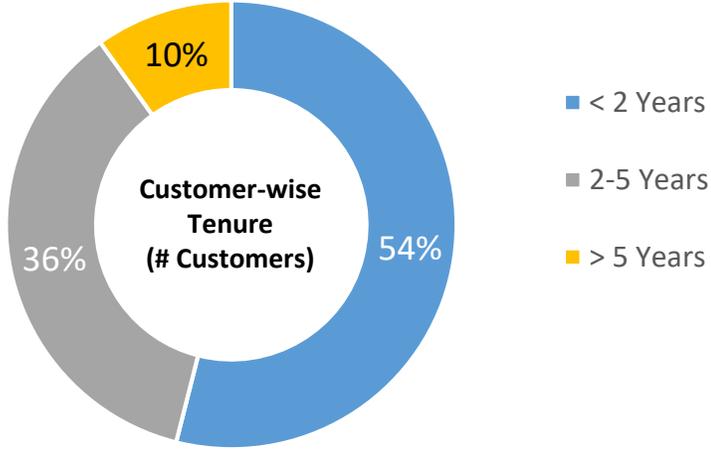
- **General Staffing** Added 56 new logos; Revenues up **24% YoY** and up by **6% QoQ**
- **IT Staffing** One time Bench carried in Q2 was dissolved in Q3. SG&A as % of revenue down by 200bps QoQ
- Core : Associate FTE ratio highest at **1:459** for December quarter

Workforce Management – Revenue Distribution and Customer Insights

Revenue Distribution

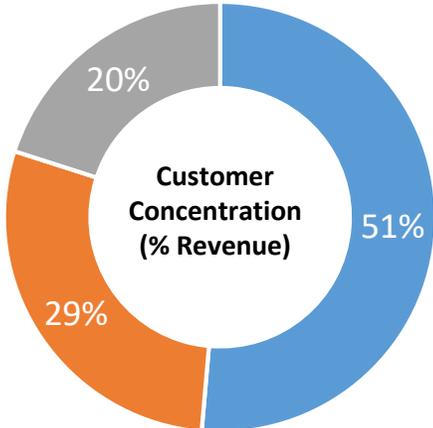


Staffing constitutes 98% of the revenue

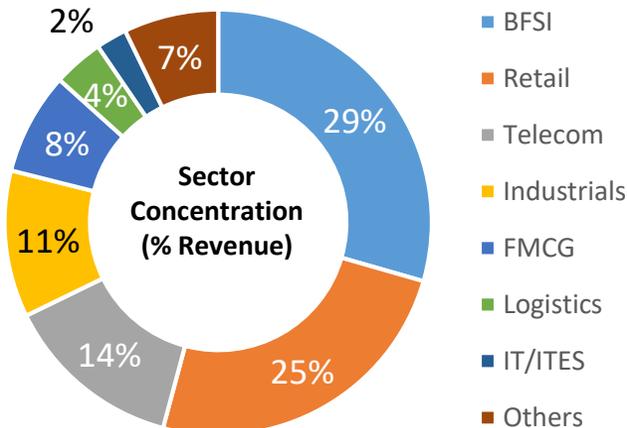


Good customer loyalty & healthy new customer addition

Customer Insights (Gen. Staffing)

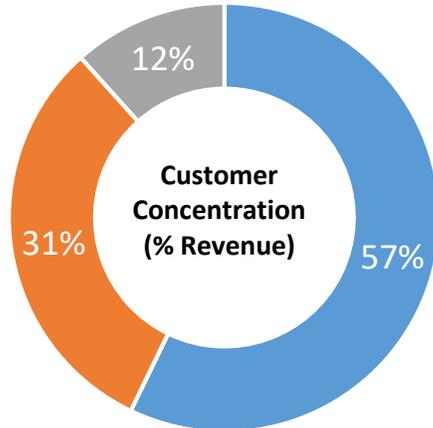


■ Top 10 ■ Next 40 ■ Others

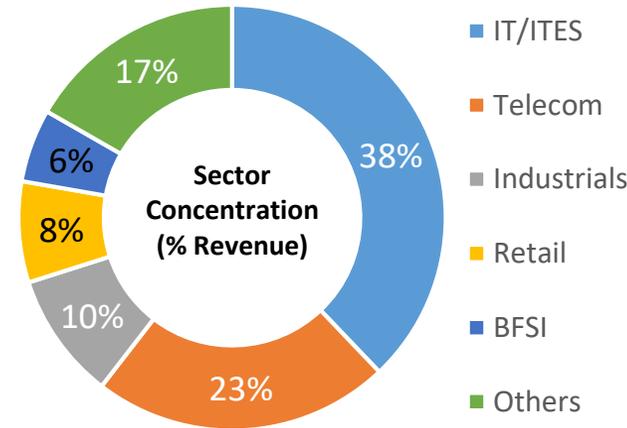


■ BFSI
■ Retail
■ Telecom
■ Industrials
■ FMCG
■ Logistics
■ IT/ITES
■ Others

Customer Insights (QITS)



■ Top 10 ■ Next 40 ■ Others



■ IT/ITES
■ Telecom
■ Industrials
■ Retail
■ BFSI
■ Others

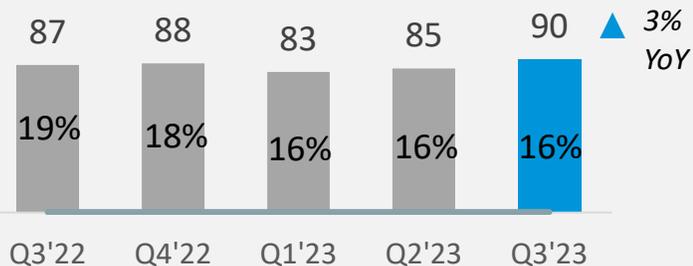
Global Technology Solutions – Performance Snapshot

Financial Metrics

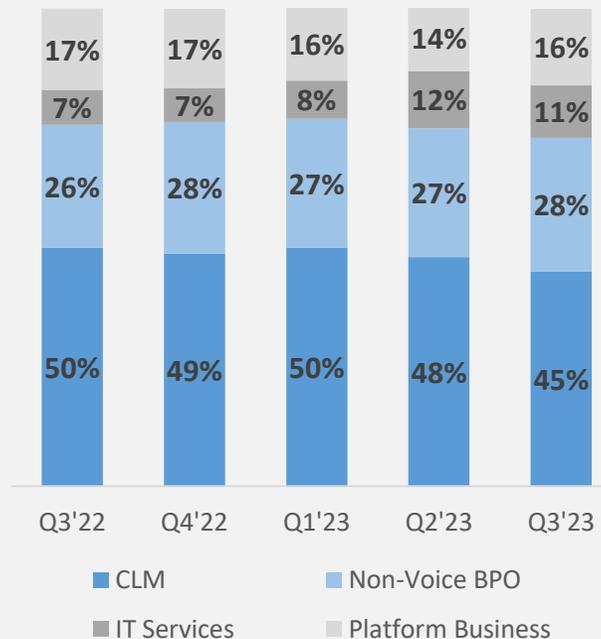
Revenue (Rs Cr)



EBITDA from operations (Rs Cr)



Revenue Distribution

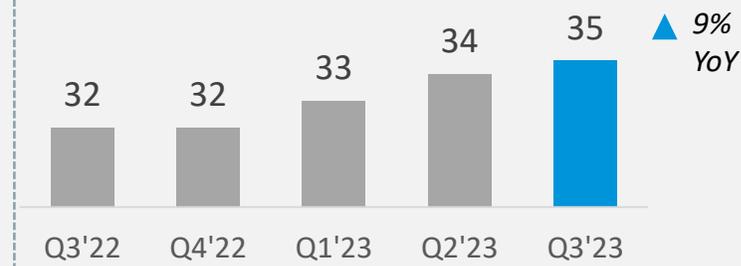


Operating Metrics

Revenue / Employee (Rs '000)



HRO Records Processed (Allsec: in lakhs)

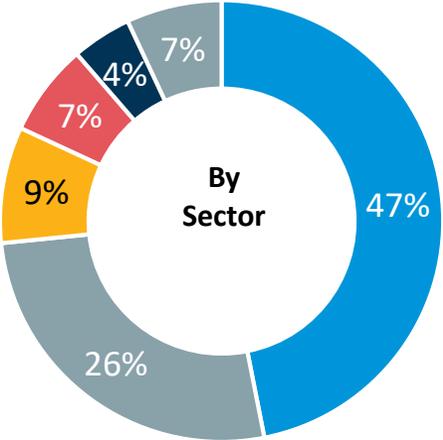


Key developments:

- **GTS:** Highest-ever revenue and headcount (Crosses 50K)
- **CLM:** Allsec CLM grew 22% YOY
- **Non – Voice:** BPO achieved 29% YOY growth on back of 37% growth in collection business
- **Platform based services (InsurTech in US and HRO in India):** 28 new logos added in HRO

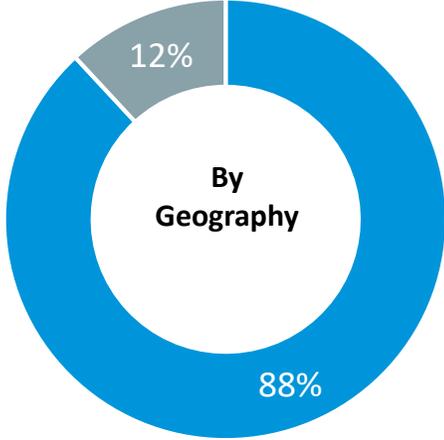
Global Technology Solutions– Revenue Distribution and Customer Insights

Diversified Revenue Base



Revenue-base diversified across sectors

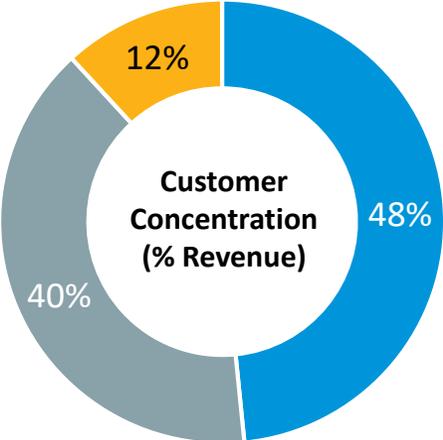
- BFSI
- IT/ITES
- Retail
- Telecom
- Industrials
- Others



India is the main focus

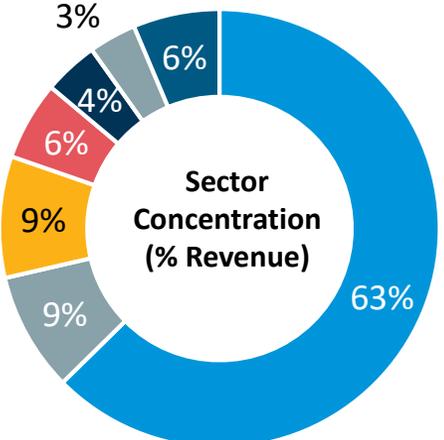
- India
- NA

Customer Insights (CLM and Non-voice BPO)



Customer Concentration (% Revenue)

- Top 10
- Next 40
- Others



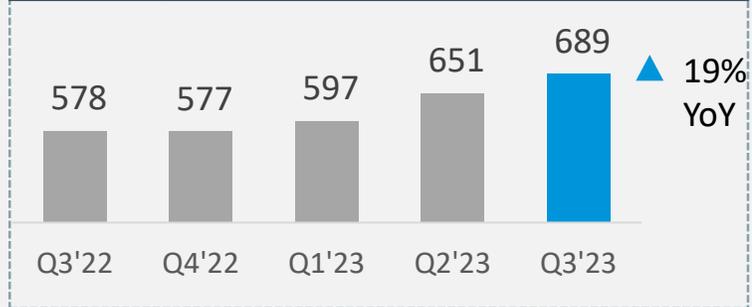
Sector Concentration (% Revenue)

- BFSI
- Ecommerce
- Telecom/Media
- Manufacturing
- Retail/FMCG
- IT/ITES
- Others

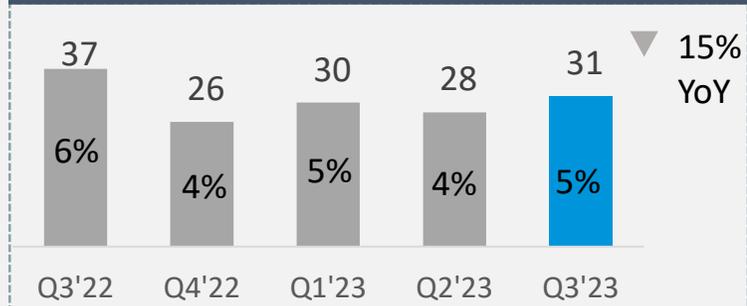
Operating Asset Management – Performance Snapshot

Financial Metrics

Revenue (Rs Cr)

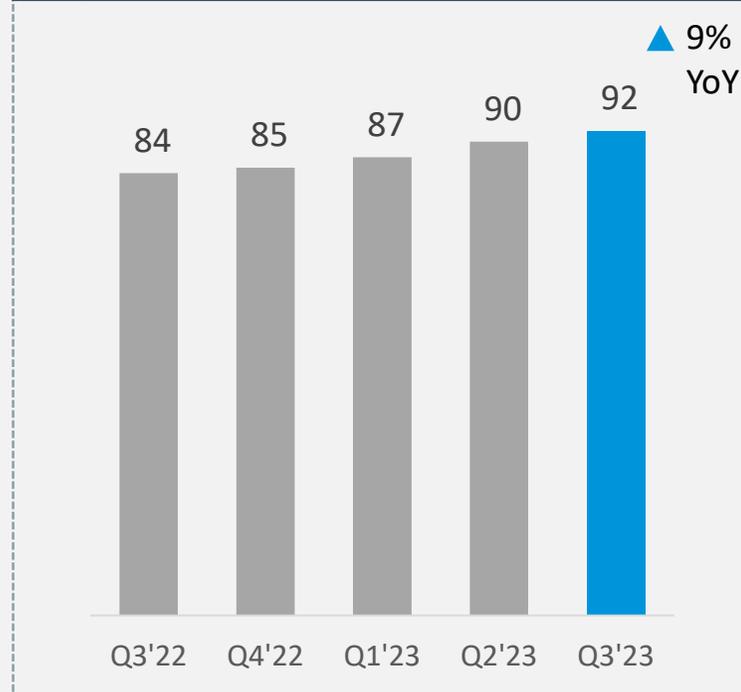


EBITDA from operations (in Rs Cr)

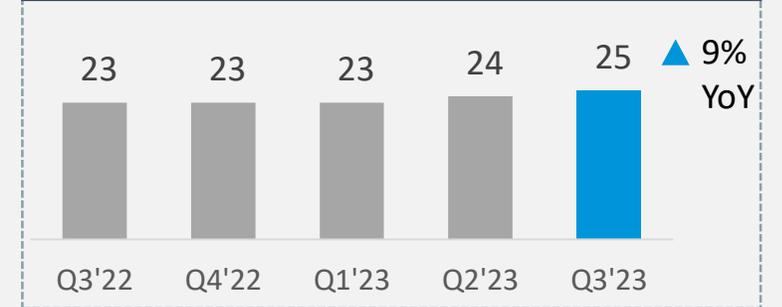


Operating Metrics

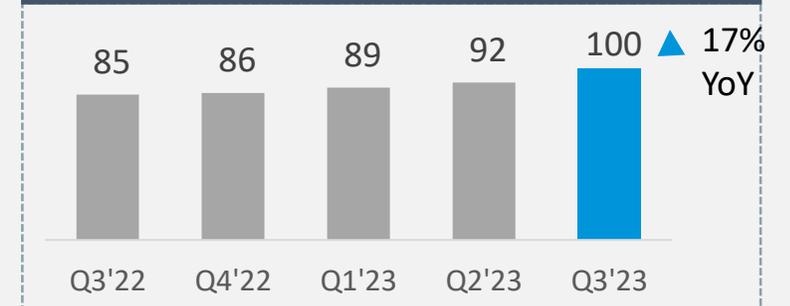
Associate Headcount# (in '000)



Revenue/Headcount/Month (Rs '000)



Core to Associate

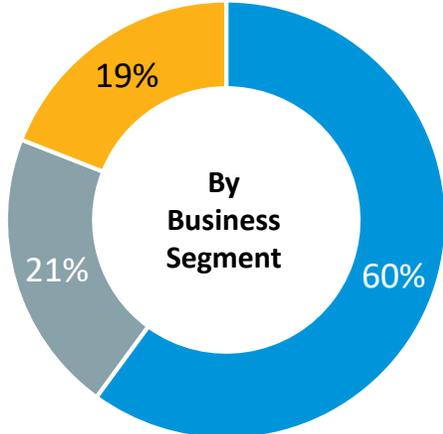


Key developments:

- **IFM:** Revenue growth of 23% YoY and 6% QoQ. Food business revenue growth of 12% QoQ
- **Terrier Security:** Headcount addition up 5% QoQ
- **Core to Associate ratio** touches 100

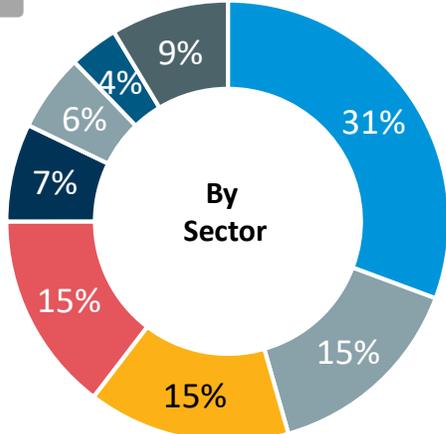
Operating Asset Management – Revenue Distribution and Customer Insights

Revenue Distribution



IFM* is the largest business segment

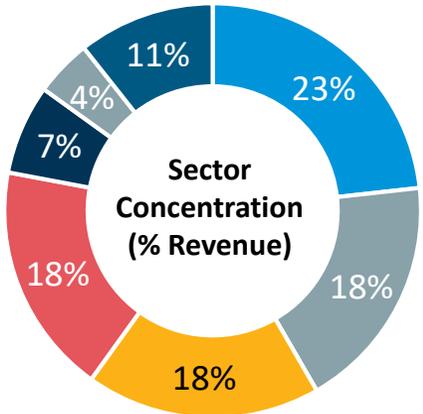
- IFM
- Security Services
- Others



Revenue-base diversified across sectors

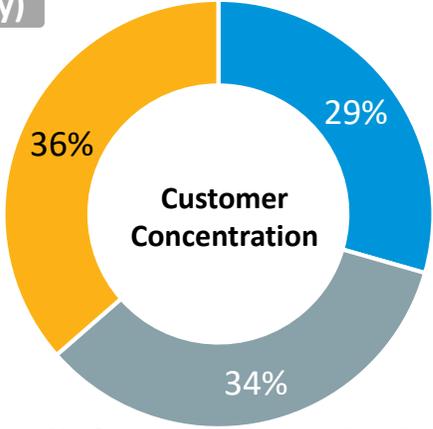
- Industrials
- Education
- IT/ITES
- BFSI
- Telecom
- Healthcare & Hospitality
- Real Estate
- Others

Customer Insights (IFM*+Security)



Diversified Customer Exposure:
Healthy distribution of contracts across customers

- Industrials
- Education
- IT/ITES
- BFSI
- Healthcare & Hospitality
- Real Estate
- Others



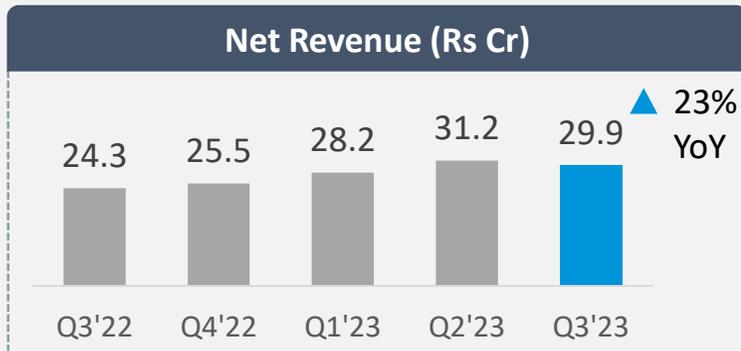
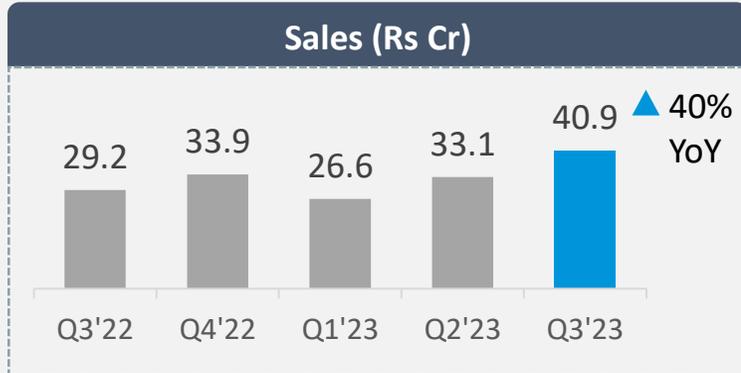
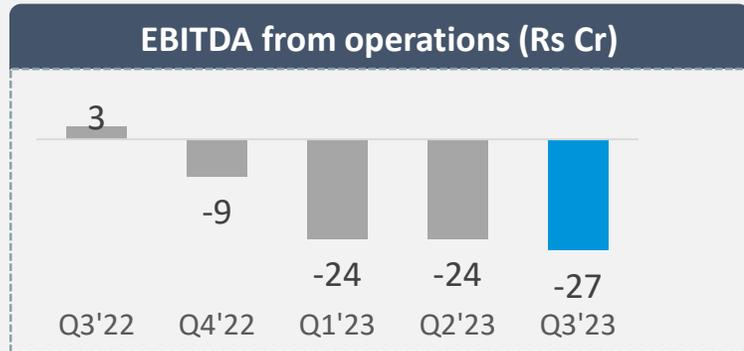
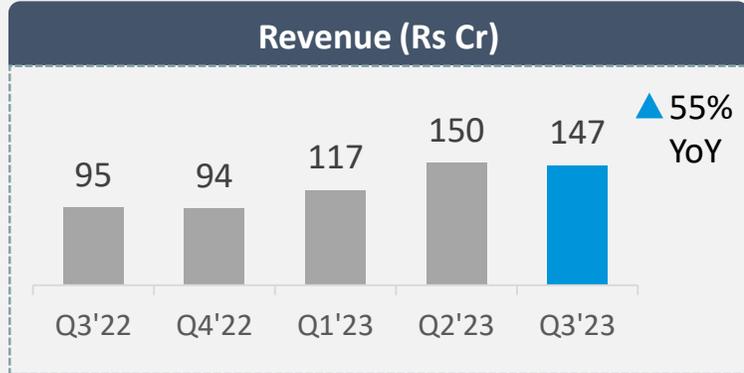
No Customer concentration risk
Top 10 customers account for 29% of revenue

- Top 10
- Next 40
- Others

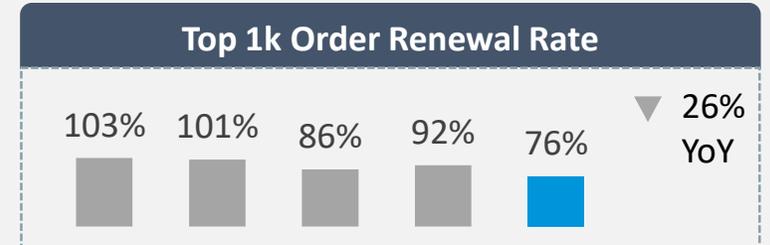
*Integrated Facility Management

Product Led Business – Performance snapshot

Product Led Business



foundit



foundit - Key developments:

- Launch of new brand identity- **foundit**
- 6-month active candidate base reached ~**18 million**
- Zuno – launch of dream internship for students & freshers
- Customer engagement metrics continues to stay strong at 90% +

“
Annexures

Income Statement

Particulars (in ₹ cr)	Q3 FY23	Q3 FY22	Q2 FY23	YoY	QoQ
Revenue from operations	4,466	3,685	4,273	21%	4%
Less:					
Employee benefit expense	(3,809)	(3,102)	(3,658)	23%	4%
Cost of material	(140)	(77)	(129)	81%	8%
Other expenses	(371)	(326)	(351)	14%	6%
Total expenses	(4,320)	(3,506)	(4,138)	23%	4%
EBITDA	145	179	135	-19%	8%
Other income	7	3	9	133%	-24%
Interest	(29)	(18)	(26)	59%	10%
Depreciation and amortisation	(70)	(49)	(68)	41%	3%
Operating EBT	54	115	50	-53%	8%
Profit before tax and Exceptional items	54	114	50	-53%	8%
Exceptional items	54	-	-	100%	100%
Profit before tax	107	114	50	-6%	116%
Tax	(22)	(25)	(10)	-15%	117%
Profit after tax	86	89	40	-3%	116%
EBITDA margin	3.26%	4.87%	3.16%	-161 bps	10 bps
PAT margin	1.92%	2.40%	0.93%	-48 bps	99 bps
Basic EPS	5.94	5.67	2.84	5%	109%
Diluted EPS	5.91	5.59	2.82	6%	109%

Balance Sheet

Particulars	31-Dec-22	31-Mar-22	Var %
Non-current assets			
Fixed assets	627	498	26%
Intangibles	1,177	1,174	0%
Investments	3	10	-74%
Other non-current assets	666	568	17%
Current assets			
Trade receivables	1,616	1,270	27%
Unbilled revenue	1,263	1,062	19%
Cash and cash equivalents	565	604	-6%
Loans & other current assets	267	184	45%
Total assets	6,184	5,371	15%
Equity			
Share capital	148	148	0%
Other equity	2,397	2,290	5%
Non controlling interest	162	131	24%
Debt			
Long term debt	11	24	-55%
Short term debt	622	564	10%
Other liabilities			
Trade & other payables	134	115	16%
Other Financial Liabilities	1,868	1,321	41%
Other provisions & tax liabilities	842	778	8%
Total equities and liabilities	6,184	5,371	15%

Segment Reporting

Particulars (in ₹ cr)	Quarter Ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Workforce Management					
Revenue	3,068	2,943	2,758	2,644	2,545
Reported EBITDA	86	79	94	94	81
<i>Reported EBITDA %</i>	<i>2.80%</i>	<i>2.69%</i>	<i>3.41%</i>	<i>3.56%</i>	<i>3.18%</i>
Global Technology Services					
Revenue	561	529	507	477	468
Reported EBITDA	90	85	83	88	87
<i>Reported EBITDA %</i>	<i>16.10%</i>	<i>15.98%</i>	<i>16.37%</i>	<i>18.45%</i>	<i>18.59%</i>
Operating Asset Management					
Revenue	689	651	597	577	578
Reported EBITDA	31	28	30	26	37
<i>Reported EBITDA %</i>	<i>4.50%</i>	<i>4.27%</i>	<i>5.03%</i>	<i>4.43%</i>	<i>6.37%</i>
Product Led Business					
Revenue	147	150	117	94	95
Reported EBITDA	(27)	(24)	(24)	(9)	3
<i>Reported EBITDA %</i>	<i>-18.20%</i>	<i>-16.00%</i>	<i>-20.51%</i>	<i>-9.57%</i>	<i>3.16%</i>

India's largest business services platform, driving productivity for customers

Front End Processes



Marketing Services*



In-store & Field Sales*



Omni channel CLM & Backoffice Services



Collections*



Installation & After Sales Services*



Industrial Operations & Maintenance



Staffing & Payroll



Compliance Tech & Services



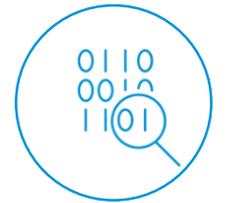
Facilities Maintenance



Manned & Electronics Security



F&A & HR Operations



Infrastructure & Digital IT Services

*Including gig-based workforce

1

Digital Hire-to-Retire

Sourcing



Recruiting



Onboarding



Payrolling

- **Digital sourcing** via auto-hiring engines, with digital pre-screening and assessment via [Qjobs](#) and [foundit](#)
- **End-to-end ATS ReQuit platform** from mandate creation, to candidate tagging and offer generation
- **Paperless on-boarding** of candidates within 14 minutes via [POP](#) (Paperless On-boarding Platform)
- **Flow-through payroll processing** and pay-slip generation on proprietary cloud-based **QPay** and **SmartPay** platforms

2

Technology-led Frontline Productivity

Digital workflow management

- [WorQ WorkTech](#) platform to remotely assign & monitor tasks, driving frontline productivity

Digitally delivered skilling

- [WorQ](#) digital skilling modules to **efficiently train & continuously update** employees

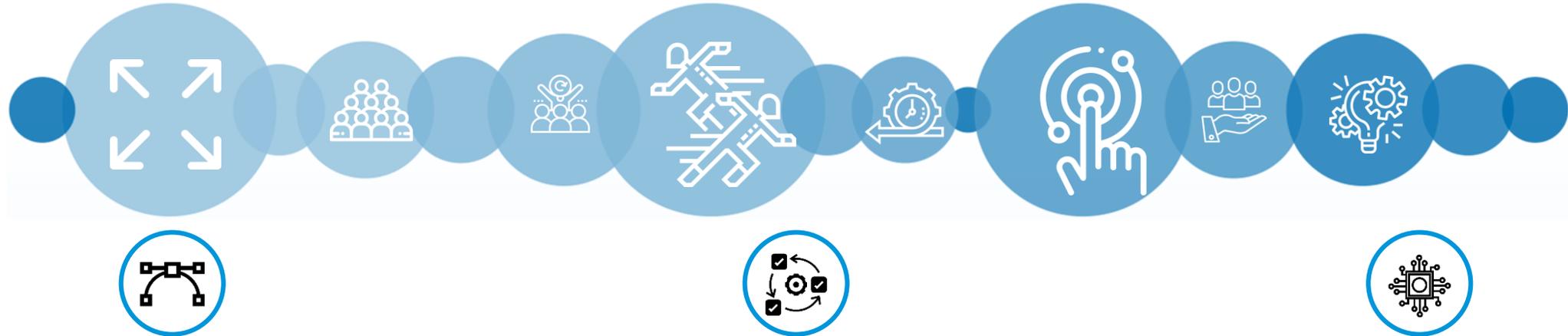
Processes and tooling

- **Superior tooling and SOPs** to drive productivity and improve dignity of labour

Ensuring flexibility and higher productivity

- [Taskmo](#), an on-demand task fulfilment platform to **manage seasonal demand through a distributed network of gig-workers** that ensures higher flexibility to customers at lower costs

Our customer proposition is unrivalled



Scale

- ~505,000* associates and employees deployed over 600+ cities
- International operations in **South East Asia, North America & the Middle East**
- **3,000+ clients, 63 offices in 34 Indian cities**

Agility

- **An entrepreneurial** 15 year old startup
- **Widest repertoire of services**, including up-skilling platform
- We deliver tailor made solutions per **customer needs**, consistently
- Unrivalled capabilities to **Source, Screen and Select talent** (75mn+ database, tech-led hiring via foundit and QJobs)

Technology

- Significant **frontline productivity capabilities** (e.g., WorQ, Qjobs, Taskmo)
 - Digitised **hire-to-retain platform**
 - Leading **front-line productivity tools**

Winning Together





Qess House, Qess Corp Limited, 3/3/2, Bellandur Gate,
Sarjapur Road, Bengaluru - 560 103

About Qess Corp

Qess Corp Limited (Qess) is India's leading business services provider, leveraging our extensive domain knowledge and future-ready digital platforms to drive client productivity through outsourced solutions.

We provide a host of technology enabled staffing and managed outsourcing services across processes such as sales & marketing, customer care, after sales service, back office operations, manufacturing operations, facilities and security management, HR & F&A operations, IT & mobility services, etc.

Our passion for delivering exceptional services, augmented by proprietary digital platforms, has strongly established our credentials as India's largest employer in the private sector and the biggest integrated business services provider in the country. We are proud to achieve this success as a 15- year old start-up.

A core value driving our business is constantly making the workforce more productive. Our business strategy is aligned to this, including training and skill development for better employability, helping job seekers easily find employment opportunities, digitising workflows, and providing social security benefits to a wider employable population.

Established in 2007 and headquartered in Bengaluru, Qess today has unmatched geographic presence and scale with more than 644 locations across India, South East Asia & North America, backed by technology-intensity and domain specialization to create unmatched service experiences.

Learn more about us at

www.qesscorp.com



Disclaimer

The information provided in this presentation pertaining to Qess Corp Ltd. ("Qess" or "Company"), its business assets, strategy and operations is confidential and intended, among other things, to present a general outline of the business of the Company as on date and is not a formal offer to sell or a solicitation of an offer. While the information in this presentation is believed to be accurate and reliable, the Company and its agents, advisors, directors, officers, employees and shareholders make no representation or warranties, expressed or implied, as to the accuracy of such information. The Company expressly disclaims any and all liability that may be based on such information or errors or omissions thereof. The information contained in this presentation is intended only for the persons to whom it is transmitted for the purpose of indicating a general outline of the business of the Company and any unauthorized dissemination of the information contained therein may also be treated as violation of Insider Trading policy of the Company. The entire presentation is the sole proprietary of the Company and cannot be copied, published or disseminated without prior written approval of the Company. The information contained in this presentation supersedes any prior presentation or conversation concerning the Company.