

January 27, 2021

The General Manager
Department of Corporate Services,
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
Security Code- 539978

The Manager
Listing Department,
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, 2020.

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.

Thanking You,

Yours sincerely,
For Quess Corp Limited



Kundan K Lal
Company Secretary & Compliance Officer



Encl. a/a



Winning Together

Investor Presentation

Q3FY21

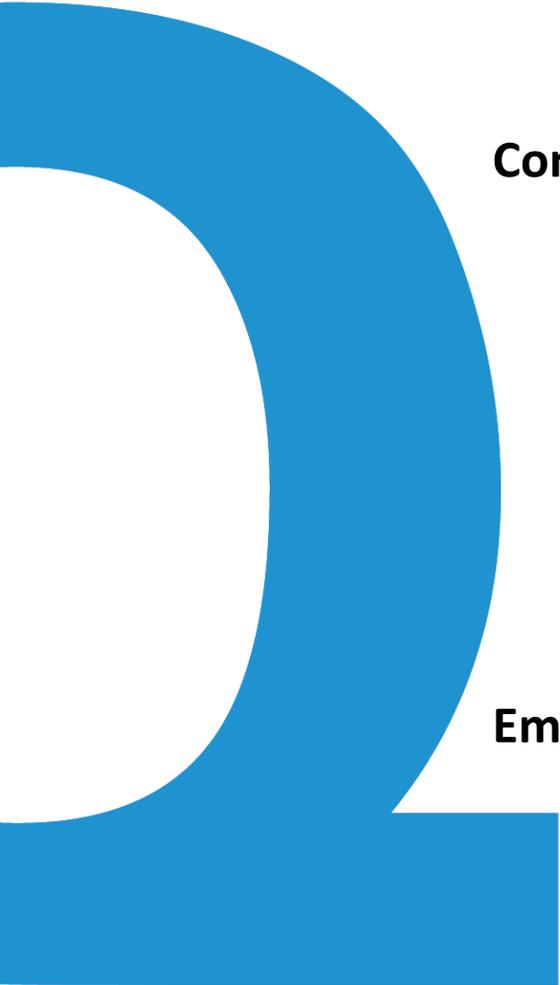
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Contents



Company Overview

Key Highlights

Financial Performance

Platform-wise Highlights

Emerging Businesses



Company Overview

India's largest domestic private sector

employer, with

~333,000 FTE



India's largest business services platform, driving productivity for our clients

FRONT END PROCESSES



Marketing Services



In-store & Field Sales



Omni channel CLM & Backoffice Services



Collections



Installation & After Sales Services



Industrial Operations & Maintenance

SUPPORT PROCESSES



Staffing & Payroll



Compliance Tech & Services



Facilities Maintenance



Manned & Electronics Security



F&A & HR Operations



Infrastructure & Digital IT Services

We operate across 3 synergistic platforms



WORKFORCE MANAGEMENT

- General staffing across Retail, BFSI, Telecom, Industrial, etc., mostly grey collared talent 
- Professional staffing services in India & APAC 
- Training and skill development for employability across 120+ training centres in India

GLOBAL TECHNOLOGY SOLUTIONS

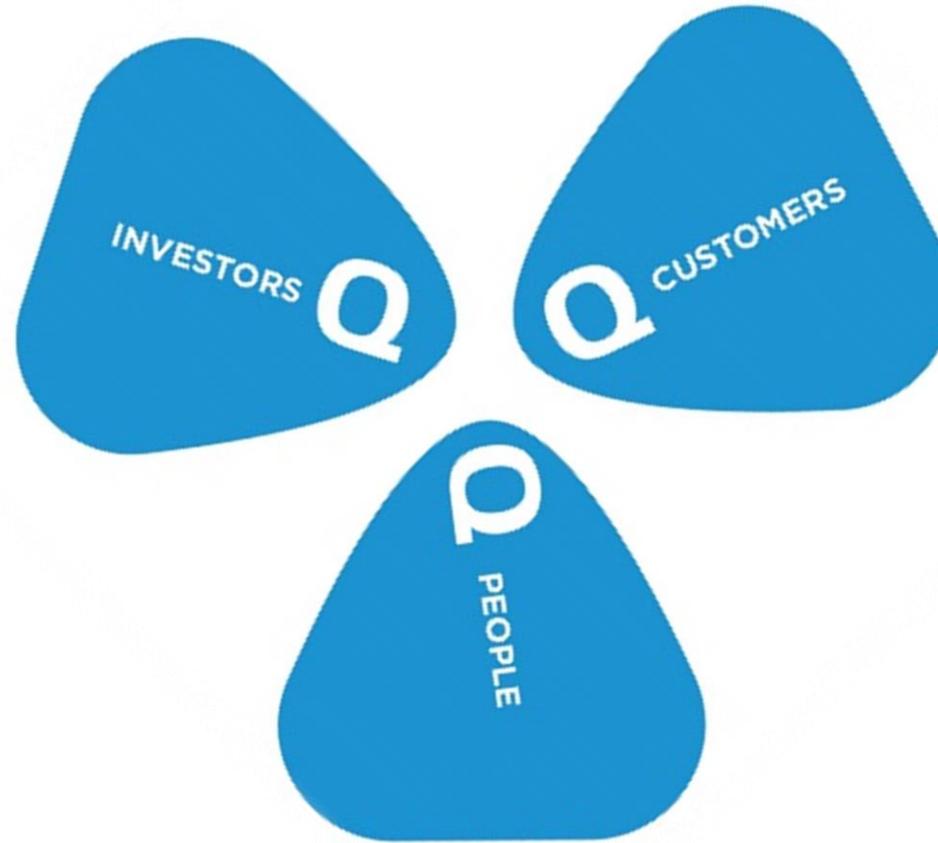
- BPM solutions (CLM, SSC, F&A, Collections) for Indian & North American customers, delivered from India and the Philippines 
- Payroll & HRMS services to enterprises, mainly in India 
- Insurtech platform, infra and IT services in North America & India
- Emerging businesses
 - Monster.com job portals 
 - Digicare installation and after sales services 

OPERATING ASSET MANAGEMENT

- Facilities management solutions (e.g., janitorial, F&B, landscaping, technical services, pest control) across India 
- Manned & electronics security across India 
- Operations and maintenance services across industrial segments such as Power, Metals, Cement, Telecoms, etc. 

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

- Achieving and sustaining **20% Return on Equity**
- Delivering **20% OCF CAGR**
- Enhancing investor value through **judicious capital monitoring and allocation**



- Helping our customers enjoy greater **productivity**, enhanced **flexibility** and lower **costs** in non-core processes
- Leveraging **technology** to become **extensions** of our clients' operations
- Continuously **innovating** our services to meet customer needs

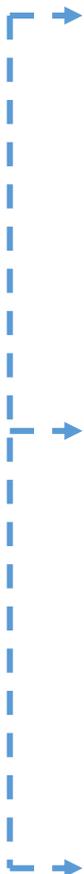
- Being a **great place to work**
- Developing **leading practitioners** of our trade
- Bringing superior learning opportunities and economic **benefits to our talent**

Winning with Investors: The path to 20%

20% Return on Equity



20% Y-o-Y OCF growth



GROW EBITDA

- 20% top-line growth in key businesses through enhanced sales capabilities, cutting edge technology, and improved cross-sell capability
- Portfolio adjustments to turnaround or exit underperforming businesses

HIGHER EBITDA TO PBT CONVERSION

- Reduced costs through debt reduction and simplification
- Optimal capex management

JUDICIOUS CAPITAL ALLOCATION

- Capital allocation strategically aligned to 20% Return on Equity

Leading with **technology and innovation**

1 DIGITAL HIRE-TO-RETIRE

Sourcing



- **Digital sourcing** via auto-hiring engines, with digital pre-screening and assessment via [QJobs](#) and [Monster](#)

Recruiting



- **End-to-end ATS ReQuit platform** from mandate creation, to candidate tagging and offer generation

Onboarding



- **Paperless on-boarding** of candidates within 14 minutes via [POP](#) (Paperless On-boarding Platform)

Payrolling



- **Flow-through payroll processing** and pay-slip presentation on proprietary cloud-based [QPay](#) platform

Compliance

- **AI-driven RegTech engine, [Simpliance](#)**, to audit compliance against 70+ Acts and ~1000+ wage codes



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

Employee benefits

- [MarQet](#) platform to **deliver superior benefits & offers** across financial products, accommodation, lifestyle and daily needs



Q3'21 Highlights

Highlights



Financial

- **Headcount:** General Staffing grew 5% QoQ; total exit headcount at ~3.33 lakhs
- **P&L statement:**
 - **Revenue** grew 7% QoQ from ₹ 2,615cr to ₹ 2,808cr
 - **EBITDA** grew 8% QoQ from ₹ 140cr to ₹ 151cr; down 16% YoY owing to **lockdown-related impact** of ₹ -29cr from Excelus and IFM food businesses
 - **PBT conversion at 53%** vs 45% in Q3'20, resulting in **PBT flat YoY at ₹ 80cr**
 - **PAT** decreased 9% QoQ from ₹ 50cr to ₹ 46cr due to lower other income and exceptional items; down 39% YoY on account of higher ETR
- **Balance Sheet:**
 - Company achieved a **Net Cash position of ₹ 26cr** from a Net debt of ₹ 45cr (reduction of ₹ 71 cr)
 - **Gross debt reduced** QoQ from ₹ 624cr to ₹ 521cr (reduction of ₹ 103cr)
 - **DSO improved** by 3 days QoQ from 65 days to 62 days
 - **OCF / EBITDA at 80%** vs 51% in Q3'20



Corporate

- General Staffing business is India's first to be featured in **top 50 of SIA's prestigious Largest Global Staffing Firms 2020** list
- Quess **enters digital gig economy** through investment in task-based services business **Taskmo**
- **Tata Sons has exercised put option** for sale of their 30% stake in Conneqt. Conneqt expected to become 100% subsidiary of Quess Corp Ltd in Q4'21
- **Repayment of ₹ 75cr of NCDs**
- Application filed with Regional Director for approval of **Scheme of Amalgamation** of 4 wholly-owned subsidiaries: Goldenstar, Greenpiece, MFX India and Trimax
- Quess re-affirmed as **Great Place to Work** with bettered and above-industry average score



Platform

- **Workforce Management:**
 - **WFM associate headcount** increased by 4.6% QoQ, **67** new clients acquired in the quarter
 - IT Staffing margins up YoY, with approximately a third of the headcount employed at higher margins
- **GTS & Emerging businesses:**
 - **Conneqt and Allsec** revenues up by 12% and 6% QoQ with volumes back to pre-COVID levels, EBITDA improvement in both businesses
 - **Monster** - Jobs listing increased by 94%, daily active seekers increased to ~200K in Dec20 from ~90K in Sep20, recruiter searches increased by 9%
- **Operating Asset Management:**
 - **IFM** performance flat QoQ, with early signs of improvements in education & ITS verticals, and food business. 21 logos won in Q3, with strong sales pipeline going forward
 - **Terrier and Industrial** businesses returned to growth as economic activity revives



Financial Performance

Q3FY21 Financial Performance

Headcount & Revenue:

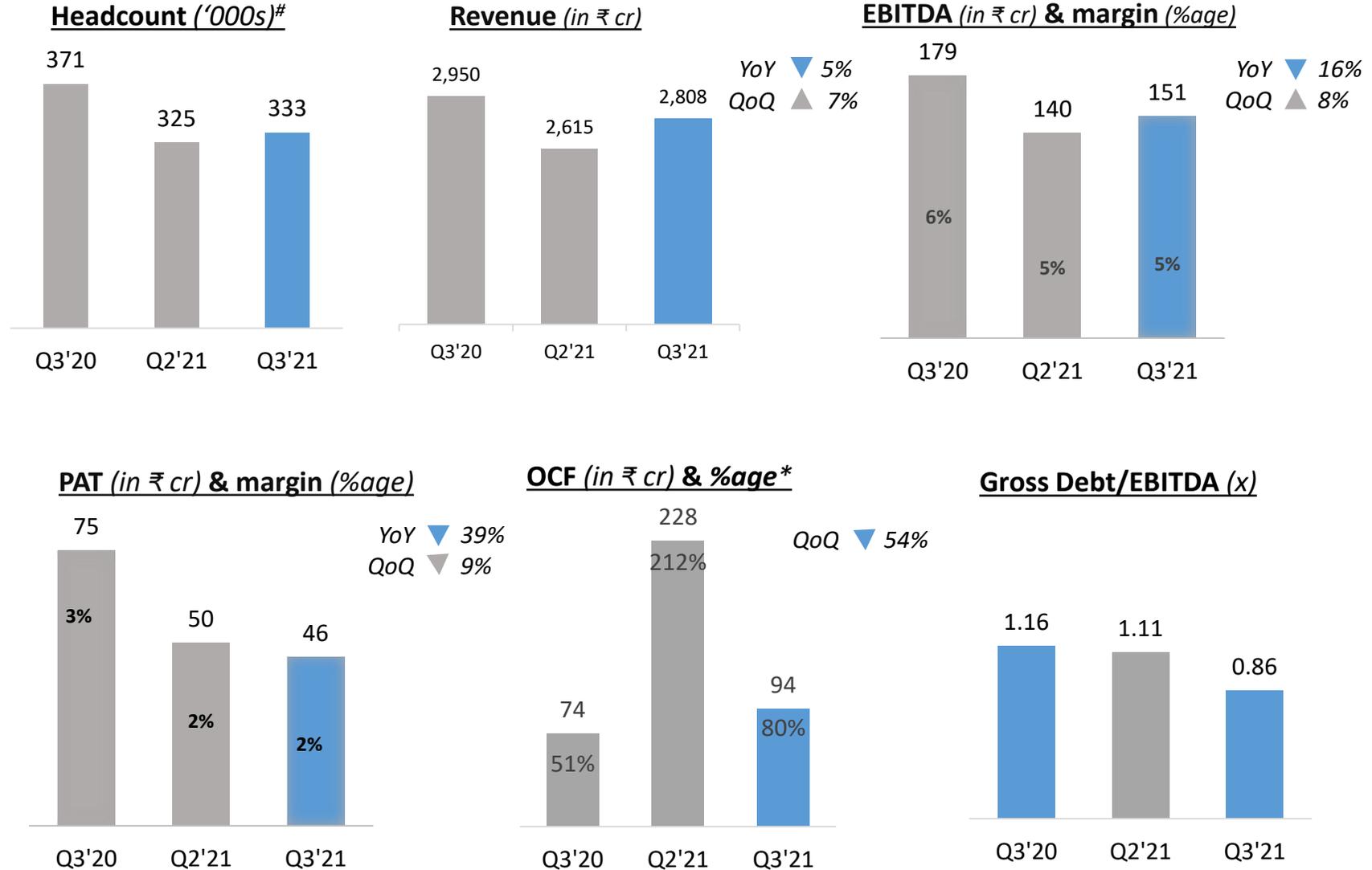
- General Staffing headcount grew 5% QoQ; total headcount ended at ~3.33 lakhs
- Revenue up 7% QoQ driven by General Staffing (up 9%) and Conneqt (up 12%)

Profitability:

- EBITDA grew 8% QoQ from ₹ 140cr to ₹ 151cr; down 16% YoY owing to lockdown-related impact of ₹ -29cr from Excelus and IFM food businesses
- PBT conversion at 53% QoQ, vs 45% in Q3'20
- **PBT flat YoY**, despite reduction in EBITDA
- PAT decreased 9% QoQ from ₹ 50cr to ₹ **46cr** due to lower other income and exceptional items; down 39% YoY on account of higher ETR

Cash Generation:

- Company achieved a **Net Cash position of ₹ 26cr** from a Net debt of ₹ 45cr (reduction of ₹ 71 cr)
- **DSO improved** by 3 days QoQ from 65 days to 62 days
- **OCF conversion at 80%**
- ₹ 12cr **CCD** redeemed during the quarter, taking CCD balance down from ₹ 247cr to ₹ 235cr



* OCF and OCF Conversion % are computed excluding the impact of IndAS 116. Operational EBITDA for Q3'21 is ₹ 118cr and Q2'21 is ₹ 108cr.

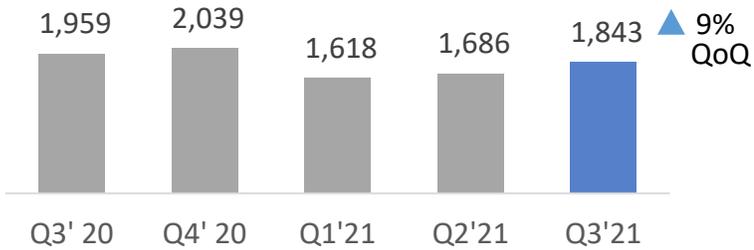


Platform-wise Updates

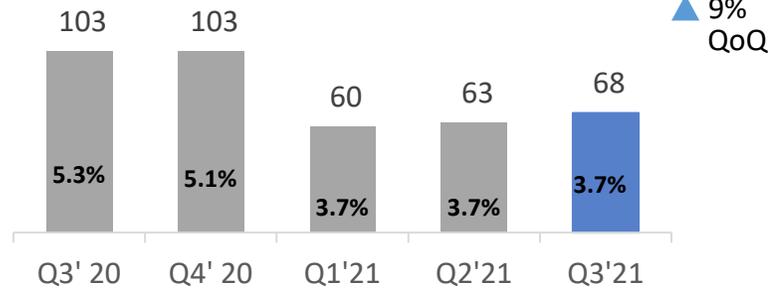
Workforce Management – Performance Snapshot

Financial Metrics

Revenue (in ₹ cr)

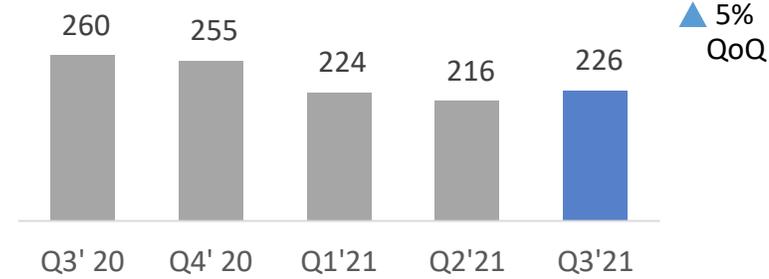


EBITDA (in ₹ cr) & margin (%age)

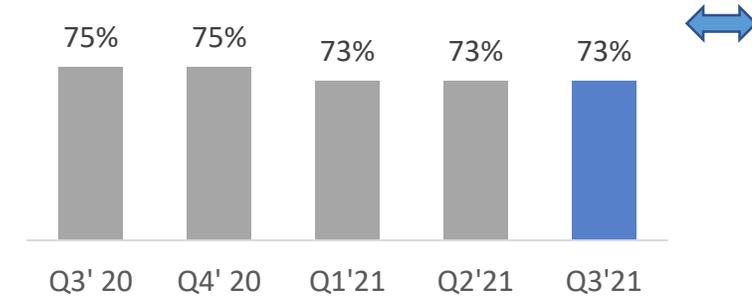


Operating Metrics

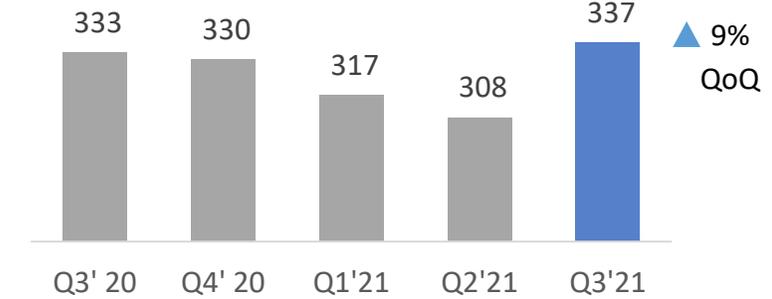
Associate Headcount ('000)



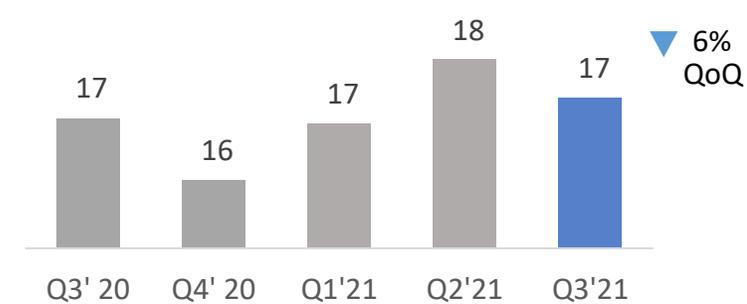
Collect & Pay (%)



Core:Associate (Gen Staffing; 1:X)



Core:Associate (IT Staffing; 1:X)

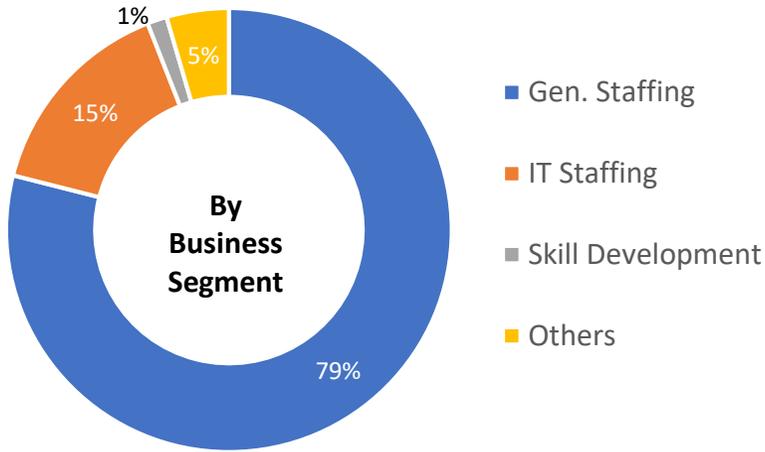


Key developments:

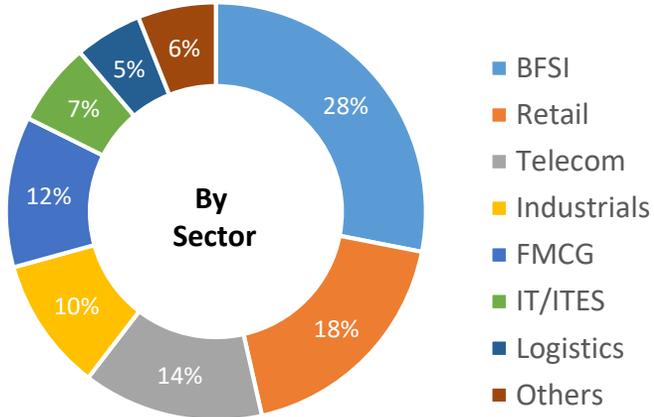
- **General Staffing** revenue up 9.1% QoQ with 20 new clients. HC grew 5% QoQ with Core to Associate ratio at a historical high of 337. Focus on strengthening our sales and delivery capabilities, through deeper verticalization and digital sourcing.
- **IT Staffing** Domestic business EBITDA up YoY with significant margin expansion. 1/3rd IT Staffing HC employed at higher margins. Core to Associate ratio lower due to higher investments in sourcing.
- **Training & Skill Development** EBITDA down by ₹ 19 cr YoY driven by lockdown of training facilities and re-starting costs. 104 of 112 centers currently running, with no COVID incidents to date.

Workforce Management – Revenue Distribution and Client Insights

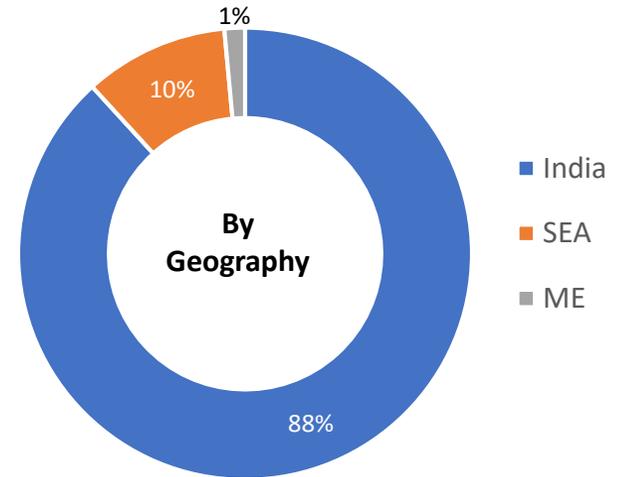
Revenue Distribution



Staffing constitutes majority of the revenues

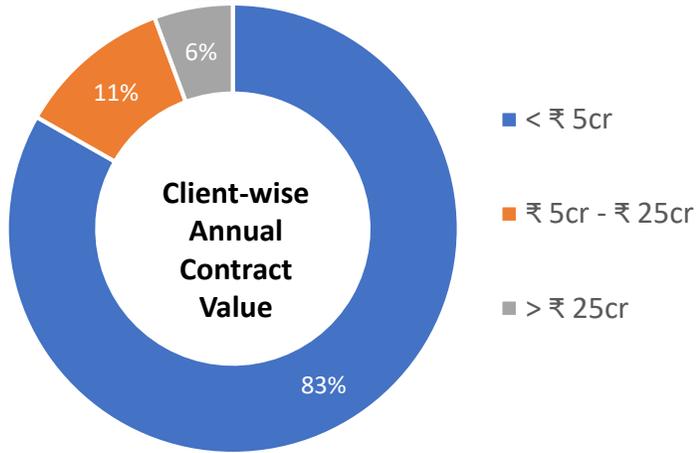


Revenue-base diversified across sectors

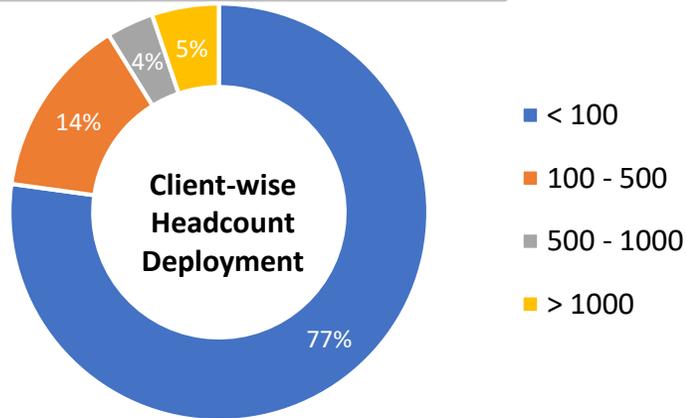


India is the main geographical focus

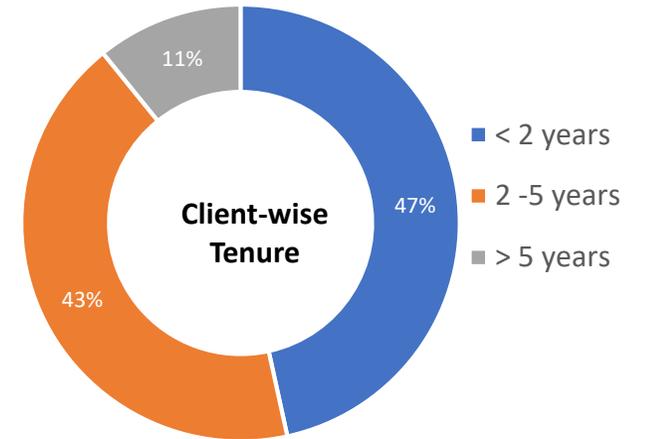
Client Insights (Gen. Staffing)



Diversified Client Exposure:
Majority of contracts are < ₹ 5cr



No client concentration risk:
91% of clients have headcount <500

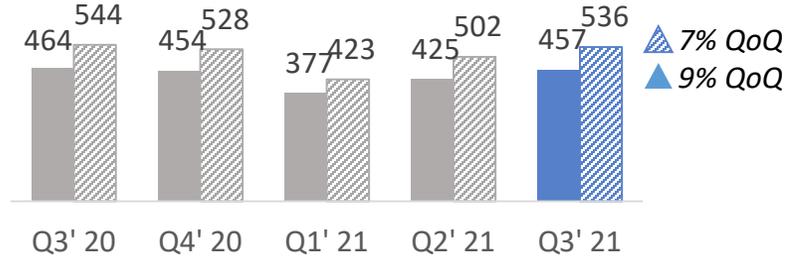


Good client loyalty & healthy new client addition:
56% of clients have tenure >2 years

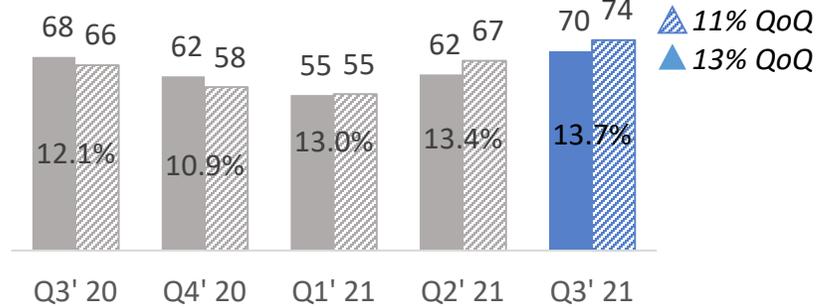
Global Technology Solutions – Performance Snapshot

Financial Metrics

Revenue (in ₹ cr)



EBITDA (in ₹ cr) & EBITDA Margin (%)

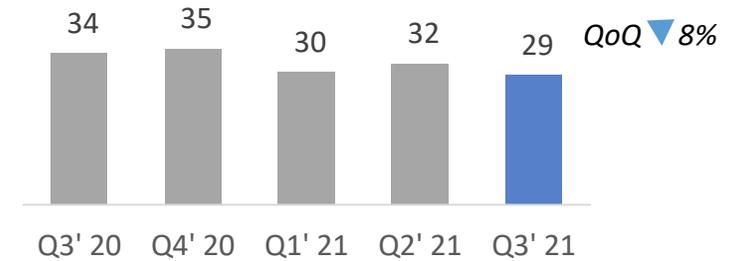


■ Without Emerging Business
■ With Emerging Business

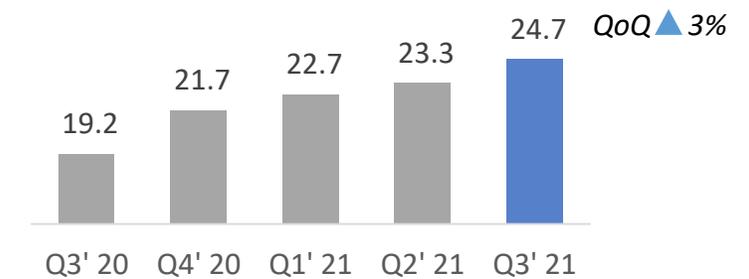
Monster & DigiCare are the two **Emerging businesses** in the Tech Services Platform that are currently in Investment mode.

Operating Metrics

Revenue/FTE (Conneqt '000s)



HRO Records Processed (Allsec; in lacs)*



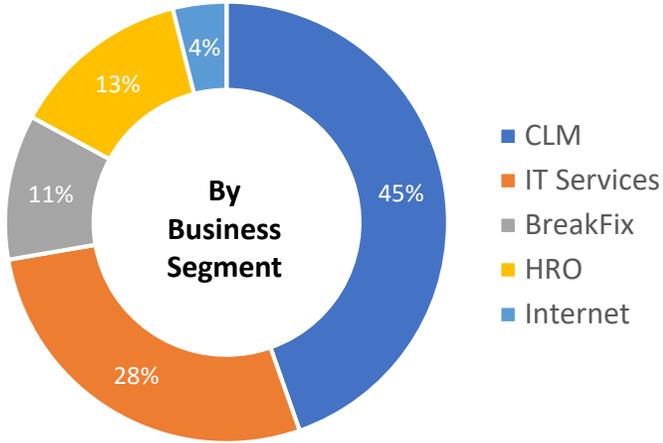
Key developments:

- **GTS** now largest EBITDA contributor, at 19% of revenue and 49% of EBITDA
- **CLM/BPM business** saw healthy revenue growth vs. Q2'21 with activity rapidly recovering (Conneqt up 12% QoQ and Allsec up 6% QoQ). Collections business showed strong recovery with easing of moratorium in banking industry.
- **HRO business** EBITDA margins grew 190 basis points from 25.5% in the last quarter to 27.4% in the current quarter, on the back of new customer introductions and operational efficiency gains.

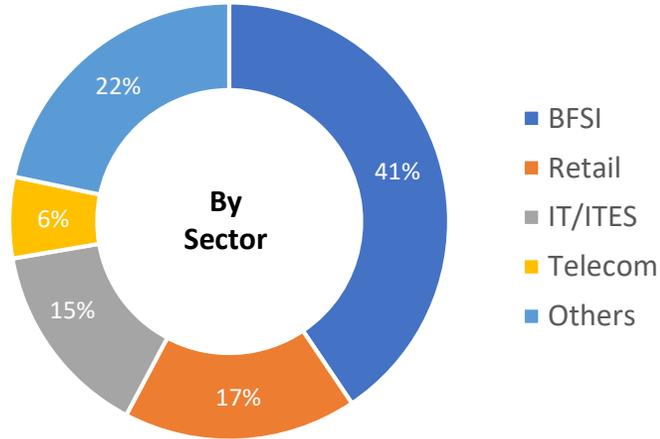
* Allsec was acquired in Q1 FY20. However for comparison purposes it has been added retrospectively in the operating metrics.

Global Technology Solutions – Revenue Distribution and Client Insights

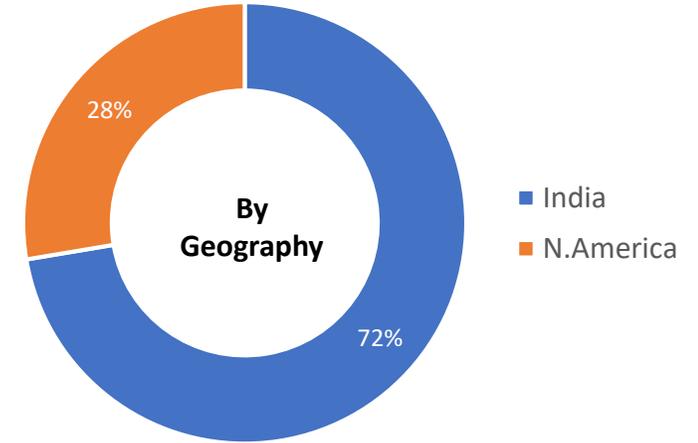
Diversified Revenue Base



CLM & IT Services constitute majority business.

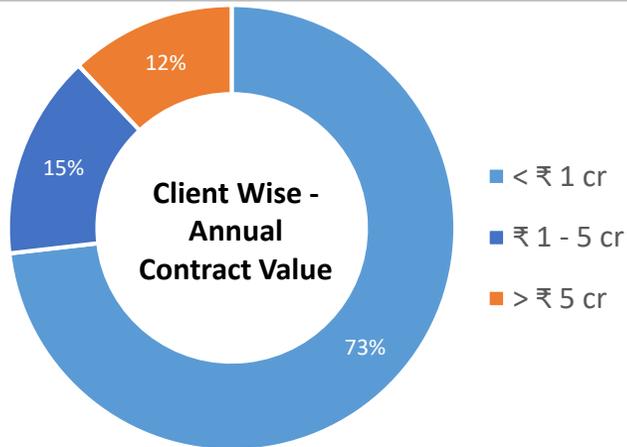


Revenue-base diversified across sectors

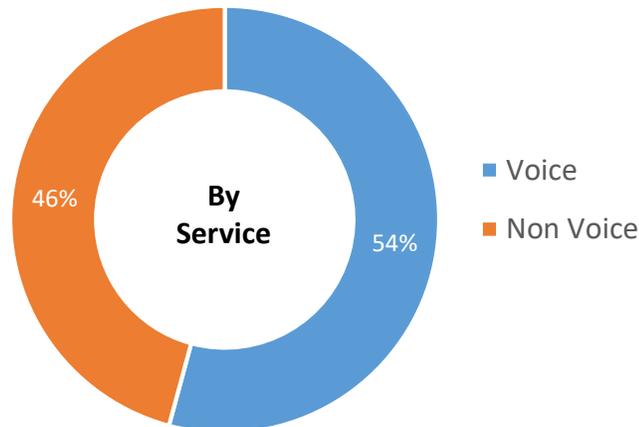


India is the main geographical focus

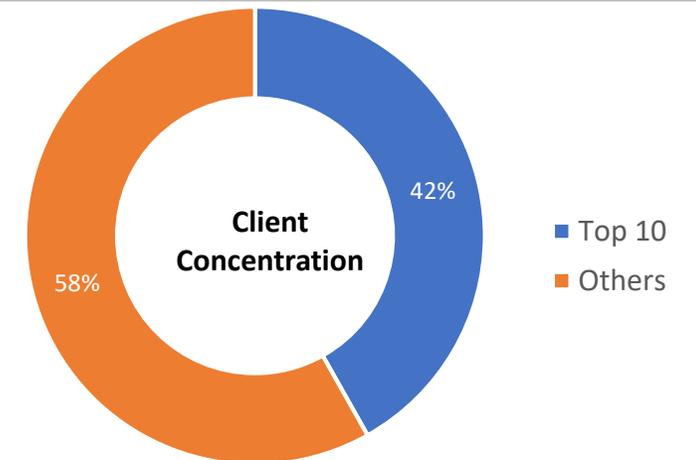
Client Insights (BPM)



Diversified Client Exposure:
Majority of contract sizes <1 cr



Healthy mix of Voice and Non-voice operations



Equal contribution by Major & Minor clients

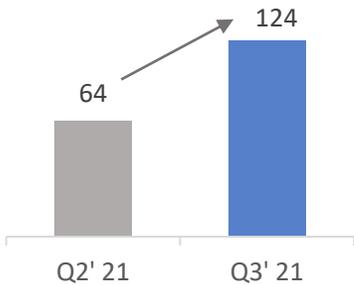
Emerging Businesses



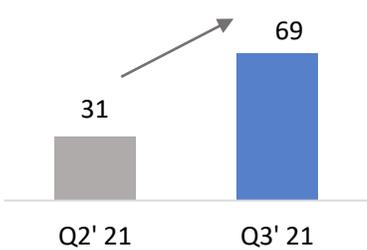
Growth across operating metrics, as business strengthens and economy recovers

- Healthy improvement in customer acquisition & retention metrics
- Strong growth in key operational metrics for both seeker & recruiters

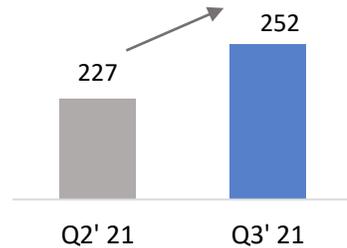
Job Postings / Month (in '000)



Job Views / Month (in lacs)



Page Views / Month (in lacs)



- **95% QoQ** rise in Job Postings
- **122% QoQ** increase in Job views
- **11% QoQ** increase in Page Views



Continued business model improvements

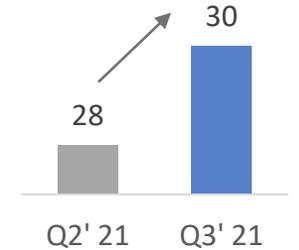
Service network covers over **14,300 Pin codes**, 75% of pin codes in India

Added **2 new logos** in Q3FY21, no attrition in existing clients

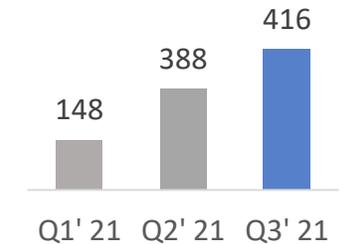
Business updates

- **Value added services:** Expanded the scope of extended warranty to include all key consumer elec. products (laptop, TV, WM, AC, fridge, etc.)
- **Smart Home Automation:** Added major clients in smart home automation area. Aggressive expansion underway in this in this segment
- **Launch of Internal CRM:** CRM launched in key stores, full roll-out underway. Enables faster billing, optimal call load distribution & live inventory management
- **Business profitable and on upswing:** The uptrend in call volume continues with Q3 growing 7.2% over Q2

Number of Clients



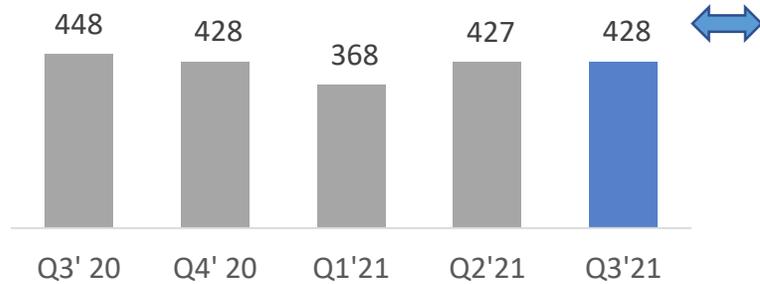
Service Orders ('000)



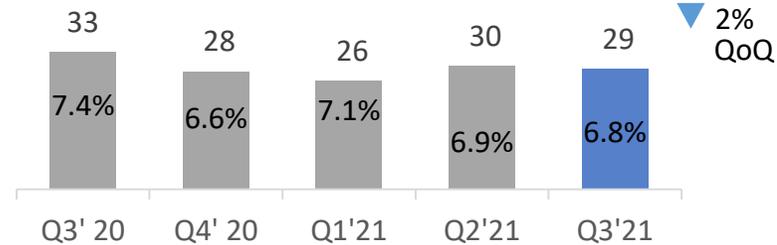
Operating Asset Management – Performance Snapshot

Financial Metrics

Revenue (in ₹ cr)

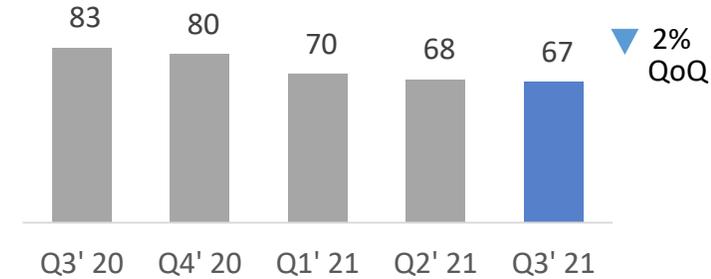


EBITDA (in ₹ cr) & margin (%age)

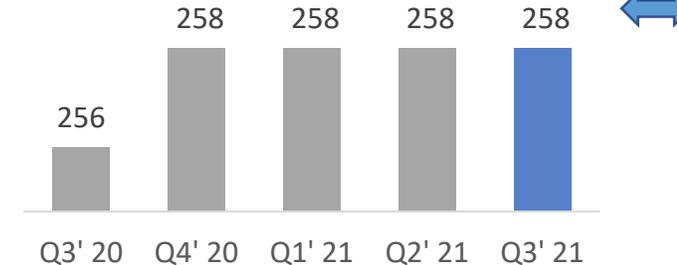


Operating Metrics

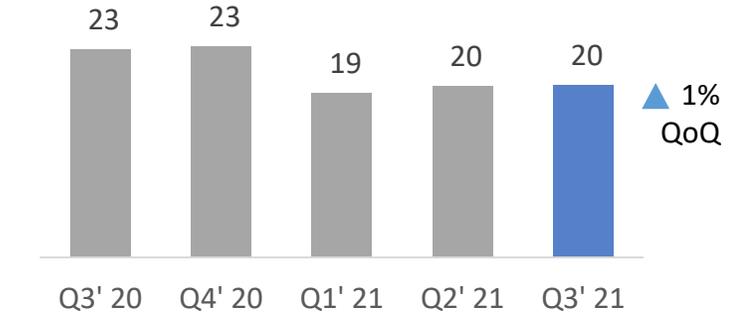
Associate Headcount ('000s)



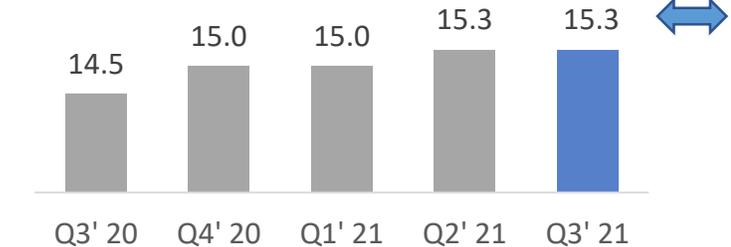
Sq.ft under Management



Rev. Realization/Headcount/Month - IFM ('000)



Beds served ('000s)

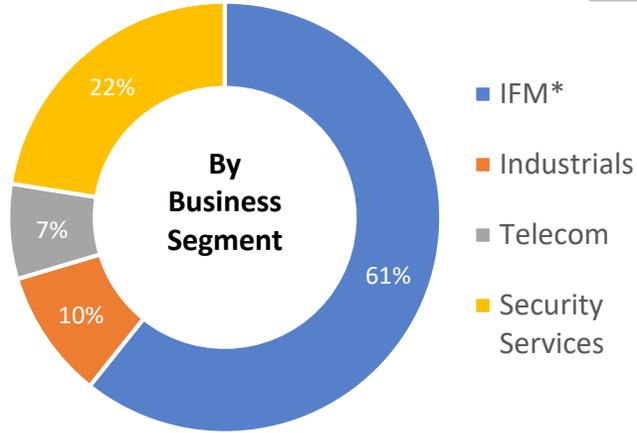


Key developments:

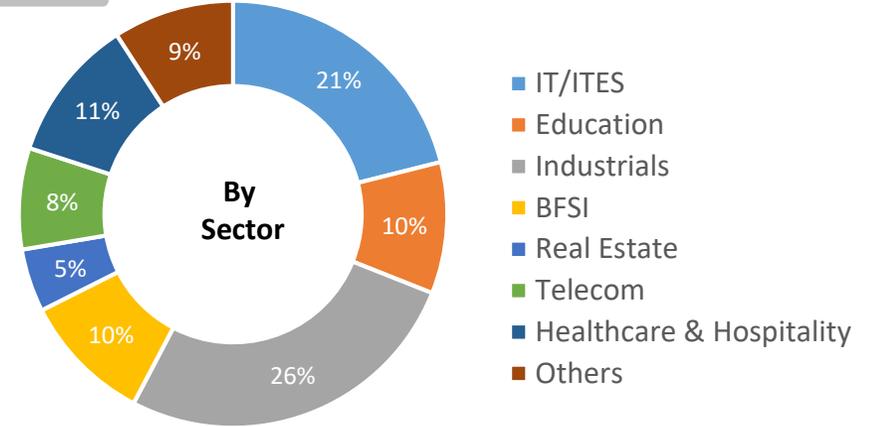
- **IFM:** Performance flat QoQ, with early signs of improvements in education & ITS verticals, and food business. 21 logos won in Q3, with strong sales pipeline going forward
- **Terrier Security:** Revenue up marginally QoQ with growth in Manufacturing and Logistics verticals. Cross selling of IFM and Security services seeing traction - 7 of the 21 IFM new customer deals in Q3'21 were bundled with security services
- **Industrial business:** Revenues up marginally QoQ, strong revenue pipeline with 6 new logos added during the quarter

Operating Asset Management – Revenue Distribution and Client Insights

Revenue Distribution

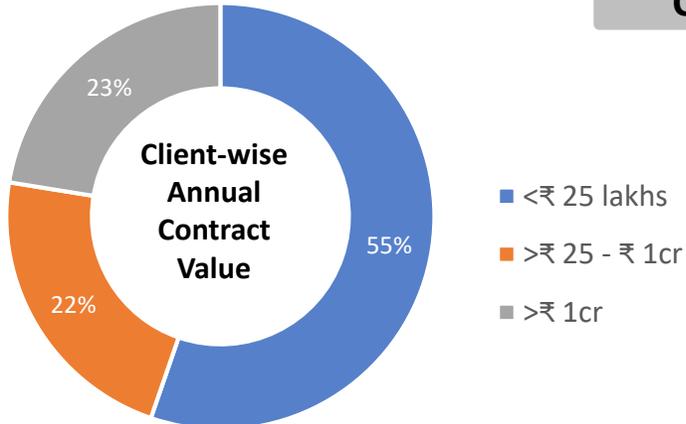


IFM* is the largest business segment

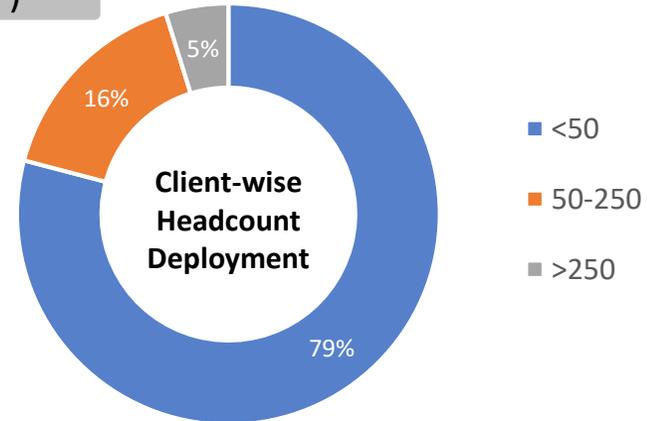


Revenue-base diversified across sectors

Client Insights (IFM*)



Diversified Client Exposure:
Healthy distribution of contracts across clients.



No client concentration risk:
Majority of clients have headcount <50

*IFM – Integrated Facilities Management



Annexures

Income Statement

(in ₹ cr)

Particulars (in ₹ cr)	Quarter ended					Nine month ended		
	Q3 FY21	Q3 FY20	Q2 FY21	YoY	QoQ	9M FY21	9M FY20	YoY
Revenue from operations	2,808	2,950	2,615	-5%	7%	7,832	7,997	-2%
Less:								
Employee benefit expense	(2,400)	(2,449)	(2,250)	-2%	7%	(6,734)	(6,553)	3%
Cost of material	(56)	(72)	(54)	-22%	4%	(144)	(207)	-31%
Other expenses	(200)	(250)	(172)	-20%	17%	(535)	(748)	-29%
Total expenses	(2,657)	(2,771)	(2,475)	-4%	7%	(7,412)	(7,508)	-1%
EBITDA	151	179	140	-16%	8%	420	489	-14%
Other income	10	10	24	2%	-59%	42	42	-2%
Interest	(19)	(35)	(27)	-45%	-29%	(80)	(110)	-28%
Depreciation and amortisation	(50)	(55)	(52)	-8%	-3%	(155)	(151)	3%
Operating EBT	91	99	85	-8%	7%	227	270	-16%
Intangible amortisation	(6)	(11)	(6)	-45%	0%	(18)	(38)	-53%
NCI Put Option Liability	(5)	(7)	(5)	-29%	0%	(15)	(17)	-12%
Share of Profit from Associates (net of tax)	0	(1)	0	-107%	192%	(11)	(5)	125%
Profit before tax and Exceptional items	80	80	74	0%	8%	183	210	-13%
Exceptional items	-	-	(8)	0%	-100%	(33)	-	-
Profit before tax	80	80	82	0%	-2%	216	210	3%
Tax	(35)	(5)	(32)	577%	9%	(84)	(12)	605%
Profit after tax	46	75	50	-39%	-9%	132	198	-33%
EBITDA margin	5.37%	6.08%	5.34%	-71 bps	3 bps	5.37%	6.12%	-75 bps
PAT margin	1.62%	2.54%	1.91%	-91 bps	-29 bps	1.68%	2.48%	-79 bps
Basic EPS	2.83	4.84	3.09	-42%	-9%	8.21	12.80	-36%
Diluted EPS	2.79	4.83	3.05	-42%	-9%	8.10	12.78	-37%

Balance Sheet

(in ₹ cr)

Particulars (in ₹ cr)	31-Dec-20	31-Mar-20	Var %
Non-current assets			
Fixed assets	413	514	-20%
Intangibles	1,115	978	14%
Investments	2	72	-97%
Other non-current assets	598	863	-31%
Current assets			
Trade receivables	998	998	0%
Unbilled revenue	907	881	3%
Cash and cash equivalents	547	792	-31%
Loans & other current assets	184	220	-16%
Total assets	4,764	5,319	-10%
Equity			
Share capital	148	148	0%
Other equity	2,258	2,128	6%
Non controlling interest	89	77	15%
Debt			
Long term debt	52	115	-54%
Short term debt	468	1,032	-55%
Other liabilities			
Trade & other payables	108	163	-34%
Other Financial Liabilities	1,095	1,137	-4%
Other provisions & tax liabilities	545	518	5%
Total equities and liabilities	4,764	5,319	-10%

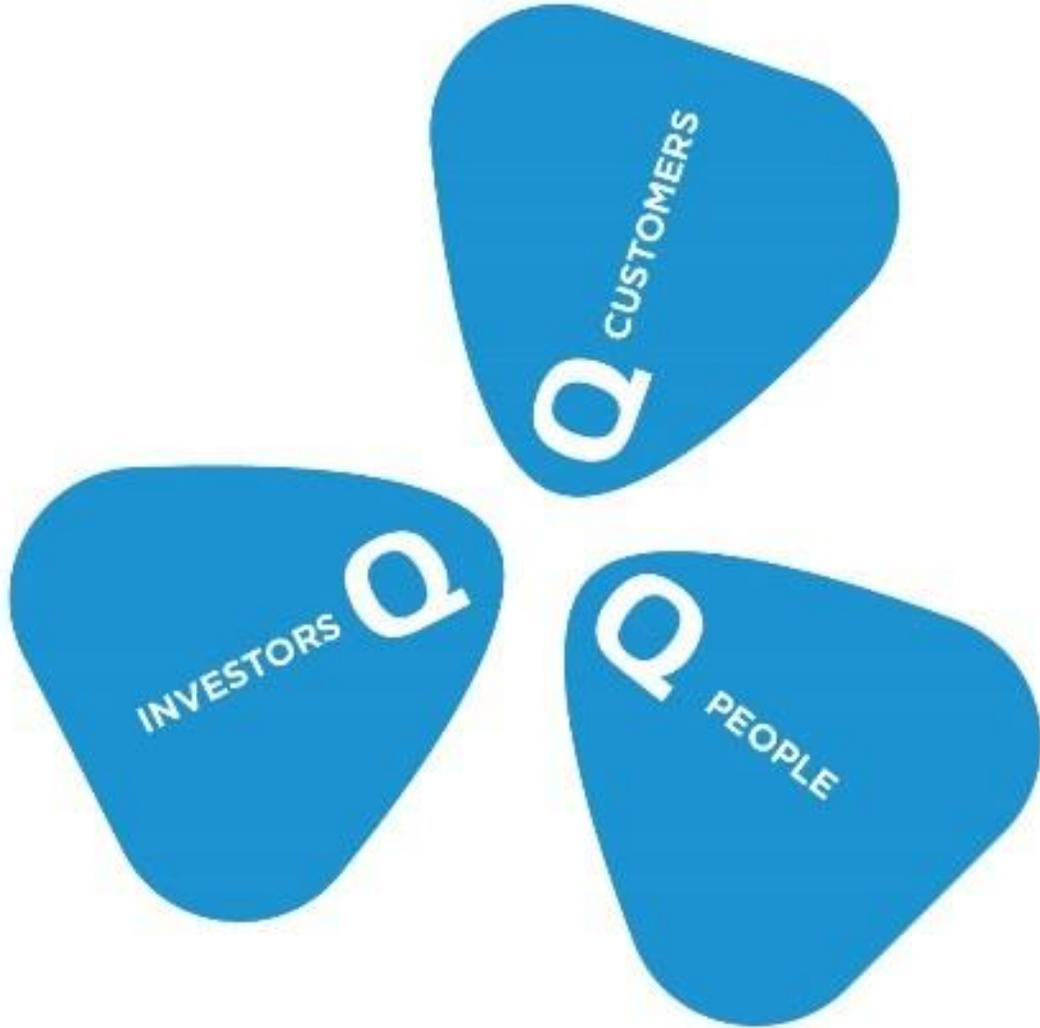
Segment Reporting

(in ₹ cr)

Particulars	Quarter ended					Nine month ended	
	Dec 2020	Sept 2020	Jun 2020	Mar 2020	Dec 2019	Dec 2020	Dec 2019
Workforce Management Platform							
Revenue	1,843	1,686	1,618	2,039	1,959	5,147	5,116
EBITDA	68	63	60	103	103	191	284
EBITDA %	3.70%	3.72%	3.70%	5.10%	5.30%	3.71%	5.55%

Global Technology Services Platform							
Revenue	536	502	423	528	544	1,468	1,575
EBITDA	74	67	55	58	66	196	175
EBITDA %	13.86%	13.36%	13.00%	10.90%	12.10%	13.45%	11.11%

Operating Asset Management Platform							
Revenue	428	427	368	428	448	1,223	1,307
EBITDA	29	30	26	28	33	85	94
EBITDA %	6.75%	6.95%	7.10%	6.60%	7.40%	6.92%	7.19%



Winning Together

In your win lies our win