

## Quess Delivers Significant Improvement in Cash flows & Registers Strong Sequential Growth (QoQ)

**Bengaluru, India – 22<sup>nd</sup> May 2019:** Quess Corp, India's leading business services provider announced today its financial results for the **fourth quarter (Q4'19) and full year (FY'19)** ended 31<sup>st</sup> March 2019. The key consolidated financials are:

Particulars (in ₹ cr)	Q4'19	Q4'18	YoY(%)	Q3'19	QoQ(%)	FY 19	FY 18	YoY(%)
<b>Revenue</b>	2,295	1,891	21%	2,172	6%	8,527	6,167	38%
<b>EBITDA</b>	132	109	21%	118	11%	465	354	31%
<i>EBITDA Margin</i>	5.74%	5.78%	-4 bps	5.45%	29 bps	5.45%	5.75%	-30 bps
<b>PBT</b>	88	79	11%	66	33%	289	261	11%
<b>PAT</b>	76	76	0%	65	16%	257	310	-17%
<i>PAT Margin</i>	3.29%	4.01%	-72 bps	2.99%	30 bps	3.01%	5.02%	-201 bps
<b>Diluted EPS (in ₹)</b>	5.2	5.2	-1%	4.4	19%	17.5	21.8	-20%
<b>Adjusted PAT</b>	94	99	-4%	77	22%	314	279	13%
<b>Adjusted EPS (in ₹)</b>	6.5	6.8	-5%	5.2	25%	21.4	19.7	9%

### Financial Highlights

- Our **Quarterly Revenue** grew **21%** YoY and Annual Revenue grew by **38%** YoY. This was achieved on account of the following:
  - Our **Employee headcount** increased by **22%** YoY to **318,000** in Q4 FY19 as against 261,700 employees in Q4 FY18. Net addition in employee headcount stood at **56,300** for full year FY19.
  - The **Organic revenue growth** contribution during the year stood at **24%** in FY19 period.
- Our **Quarterly EBITDA** grew by **21%** YoY to **₹132 cr** and **Annual EBITDA** grew by **31%** YoY to **₹465 cr**.
- **Quarterly EBITDA Margin** stood at **5.74%** in Q4 FY19 as against **5.78%** in Q4 FY18. Annual EBITDA Margin stood at **5.45%** in FY19 as against **5.75%** in FY18. The drop in full year margin is primarily on account of operating losses at Monster. However, sequentially, EBITDA margin improved by **29 bps** to **5.74%** as against **5.45%** in Q3 FY19.
- **Profit before Tax (PBT)** was **₹88 cr** for Q4 FY19 and **₹289 cr** for FY19 reflecting YoY growth of 11% on a quarterly basis and 11% on an annual basis. **Sequentially**, PBT grew by **33%** QoQ.

- Our **Quarterly Profit after Tax (PAT)** stood at **₹76 cr** for Q4 FY19 and **₹257 cr** for FY19. PAT for the full year period in FY19 is **not comparable** on YoY basis due to the one-time tax benefit of **₹57 cr** during FY18 period.
- **Adjusted Profit** (PAT adjusted for non-operating accounting charges such as amortization of Intangible assets and Non-controlling Interest Put Option and prior period income tax) stood at **₹94 cr** for Q4 FY19 and **₹314 cr** for full year FY19.
- **Diluted Earnings Per Share (EPS)** stood at **₹5.2** for Q4 FY19 and **₹17.5** for full year FY19.
- **Adjusted EPS** stood at **₹6.5** for Q4 FY19 and **₹21.4** for full year FY19.
- Our **Cash flow from Operations (OCF)** stood at **₹78 cr** for Q4 FY19 as against **₹53 cr** in Q3 FY19 and **₹202 cr** during full year FY19 compared to **₹109 cr** in FY18 resulting in a **59% OCF/EBITDA conversion** during the quarter and **43%** for the full year FY19 vs. **31%** in FY18.

## Business Update:

### ➤ People Services:

- Quess' General Staffing headcount crossed **192,000** as on March 31, 2019. This was led by a strong addition of **24 new logos** during the quarter and over **200 new logos** during full year FY19.
- Our General Staffing business achieved a **Core to Associate** ratio of **1:330** in Q4 FY19 compared to **1:260** in Q4 FY18.
- Our Collect & Pay contracts share improved to **65%** in FY19 from **58%** in FY18.
- Our Training & Skill development arm, **Excelus** trained over **38,000 candidates** in FY19 and retained its **Champion Employer** status securing additional contracts under DDUGKY, PMKK & RMSA schemes.

### ➤ Facility Management:

- Our **Facility Management** business continued its strong organic growth momentum during the year led by healthy addition of **120 new logos** in the full year FY19 across sectors such as Technology, FMCG, Manufacturing & Industrial, E Commerce & Logistics, Healthcare, Education, BFSI, Real estate & Residential etc.
- **Terrier:** Our Security services business added over **2,400** new headcount during the quarter taking the total closing headcount to over **19,100** guards across **180 cities** in India. New contracts in security services included CCTV Installation & Monitoring contracts from a large E-commerce player and a large NBFC in India. Terrier achieved a strong Revenue growth of **30%** YoY in FY19.

➤ **Customer Lifecycle Management:**

- **Conneqt:** Conneqt witnessed sustainable growth by addition of **04 new clients and 09 new lines of businesses** from existing clients during the quarter. Conneqt closed one of the largest deal with a Private Sector Bank and has entered into new verticals such as Healthcare, New age startups and services like PR to PO (Purchase requisition to Purchase Order). The company generated revenues of **₹854 cr** and **EBITDA of ₹74 cr in FY19** translating to a margin of **8.7%**.
- **DigiCare:** The Company currently operates over **250 service centers** and has increased its geographic footprint from **55 to 150 towns** post our acquisition while expanding its service portfolio from “in - store heavy services” to “in - home services” like troubleshooting, repairs and installations.

➤ **Internet Business:**

- **Monster:** The company launched a **revamped [Monster.com](http://Monster.com)** portal across India, SEA and Gulf in Q4'FY19. The **Core Services** of the platform are now enhanced and made simpler, powered by **Semantic Search 2.0**, with refreshed **Job Posting interface** along with some **new Employer Branding Solutions**. This was accompanied by a set of **Better Together** recruitment modules - the automated interview solution called **Quinton**, **Pre- hire Assessments**, curated profiles and better profile ratio solution called **Q Hire** along with **Monster Social Jobs, Virtual Career Fair** and **Hackathon**.
- The new launch was followed by a new **Monster brand campaign “Work Life balance”** which was received very well by the job seekers garnering about **600 million** impressions, more than **7 million** clicks and more than **4 million** visits during the campaign period. The platform witnessed the **highest ever monthly traffic** during the campaign period in March 2019.

## Segment Wise Performance

Particulars (in ₹ cr)	Q4'19	Q4'18	YoY (%)	FY 19	FY 18	YoY (%)
<b>People Services</b>						
Revenue	1,107	840	32%	3,880	2,878	35%
EBIT	56	38	49%	184	136	35%
<i>EBIT Margin</i>	<i>5.06%</i>	<i>4.49%</i>		<i>4.73%</i>	<i>4.73%</i>	
<b>Technology Solutions</b>						
Revenue	711	608	17%	2,796	1,868	50%
EBIT	50	39	29%	164	118	39%
<i>EBIT Margin</i>	<i>6.99%</i>	<i>6.33%</i>		<i>5.87%</i>	<i>6.32%</i>	
<b>Facility Management</b>						
Revenue	328	289	14%	1,230	1,027	20%
EBIT	26	19	37%	85	67	26%
<i>EBIT Margin</i>	<i>7.78%</i>	<i>6.47%</i>		<i>6.88%</i>	<i>6.54%</i>	
<b>Industrials</b>						
Revenue	110	130	-16%	472	370	27%
EBIT	2	5	-55%	16	15	9%
<i>EBIT Margin</i>	<i>1.99%</i>	<i>3.74%</i>		<i>3.46%</i>	<i>4.04%</i>	
<b>Internet Business</b>						
Revenue	39	23	65%	149	23	535%
EBIT	(14)	(4)		(31)	(4)	
<i>EBIT Margin</i>	<i>-37.59%</i>	<i>-15.47%</i>		<i>-20.54%</i>	<i>-15.47%</i>	

**Commenting on the financial results, Chairman & MD Mr. Ajit Isaac** said that, *“We had yet another strong quarter this year, sequentially our EBITDA grew by 11% and our PAT grew by 16%. This was supported by a healthy 29bps margin expansion QoQ. Our Core businesses – General Staffing, Facility Management and CLM business had a strong year and delivered healthy growth in both topline as well as profitability. One key highlight for the year has been the consistent improvement in our cash flow conversion rates where we started the year at 31% and exited at 59% and we believe we would be able to continue this momentum in the next year. Our efforts towards the turnaround of Monster is on course and we believe we will be able to demonstrate targeted results in the coming quarters.”*

## 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 318,000 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 2,000 clients worldwide. Established in 2007, Quess is headquartered in Bengaluru, India and has a market cap of approx. ₹ 10,909 cr as on March 31, 2019.

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

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