

October 30, 2020

**The General Manager**  
Department of Corporate Services,  
**BSE Limited,**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, Phiroze Jeejeebhoy  
Towers, Dalal Street,  
Mumbai – 400 001  
**Security Code – 539978**

**The Manager**  
Department of Corporate Services,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (East),  
Mumbai – 400 001

**NSE Symbol – QUSS**

Dear Sir/ Madam,

**Sub: Press Release**

We are enclosing herewith copy of Press Release dated October 30, 2020 titled “**A strong Q2: 37% PAT growth and OCF at 212%**”.

Kindly take the same on record.

Thanking you,

Yours sincerely,

**For Quess Corp Limited**



\* **Kundan K Lal**  
**Company Secretary and Compliance Officer**



## A strong Q2: 37% PAT growth and OCF at 212%

**Bengaluru, India – 30<sup>th</sup> October 2020:** Quess Corp, India's leading business services provider announced its financial results for the **second quarter** and **half year ended** 30<sup>th</sup> September 2020 today.

Key highlights:

- **Smart QoQ re-bound**, with 9% revenue growth and 37% PAT growth
- **Exceptional operating cash flow delivery- 212% OCF/EBITDA conversion**, a 54% QoQ growth
- **Net debt reduction of 83%** to ₹ 45 crore
- **Continued sales execution - 195 new customer wins** on existing and new service lines

The key consolidated financial parameters are:

(in ₹ cr)

Particulars	Quarter ended					Half year ended		
	Q2 FY21	Q2 FY20	Q1 FY21	YoY	QoQ	H1 FY21	H1 FY20	YoY
<b>Revenue from operations</b>	<b>2,615</b>	<b>2,651</b>	<b>2,409</b>	<b>-1%</b>	<b>9%</b>	<b>5,025</b>	<b>5,047</b>	<b>0%</b>
<b>EBITDA</b>	<b>140</b>	<b>162</b>	<b>130</b>	<b>-14%</b>	<b>8%</b>	<b>269</b>	<b>310</b>	<b>-13%</b>
<i>EBITDA margin</i>	<i>5.34%</i>	<i>6.12%</i>	<i>5.38%</i>	<i>-77 bps</i>	<i>-4 bps</i>	<i>5.36%</i>	<i>6.14%</i>	<i>-78 bps</i>
<b>Profit before tax</b>	<b>82</b>	<b>63</b>	<b>54</b>	<b>30%</b>	<b>51%</b>	<b>136</b>	<b>130</b>	<b>5%</b>
<i>PBT margin</i>	<i>3.12%</i>	<i>2.37%</i>	<i>2.25%</i>	<i>75 bps</i>	<i>87 bps</i>	<i>2.71%</i>	<i>2.58%</i>	<i>13 bps</i>
<b>Profit after tax</b>	<b>50</b>	<b>67</b>	<b>36</b>	<b>-25%</b>	<b>37%</b>	<b>86</b>	<b>123</b>	<b>-30%</b>
<i>PAT margin</i>	<i>1.91%</i>	<i>2.51%</i>	<i>1.51%</i>	<i>-60 bps</i>	<i>40 bps</i>	<i>1.72%</i>	<i>2.44%</i>	<i>-72 bps</i>

### Financial Highlights (Q2FY21):

- Revenue up 9% QoQ (flat YoY) at ₹ 2,615cr. The QoQ growth is largely from General Staffing, Conneqt, and Qdigi
- EBITDA increased 8% QoQ (down 14% YoY) to ₹ 140cr. The YoY decrease is on account of continued lockdown-related impact on IFM food services and Excelus training and skill development businesses
- PAT increased 37% QoQ (down 25% YoY) to ₹ 50cr. The YoY drop is due to higher ETR, offset by 30% YoY PBT growth
- OCF conversion at 212% vs 152% in Q1'21 (49% in Q2'20), driven by tax refunds, superior cash management, and strong collections performance
- Gross debt reduced to ₹ 624cr QoQ from ₹ 977cr (reduction of ₹ 353cr) and Net debt reduced QoQ to ₹ 45cr from ₹ 254cr (reduction of ₹ 209cr)

**Financial Highlights (H1FY21):**

- Revenue has been largely flat at ₹ 5,025cr; the drop in revenue across Conneqt, Excelus and Qdigi was offset by inorganic growth of revenue in Terrier
- PBT up 5% despite EBITDA reduction of 13% (₹ 269cr)
- PAT down 30% to ₹ 86cr due to higher ETR primarily due to accelerated deferred tax charge on account of 80JJAA
- Gross Debt to Equity reduced from 0.31x in H1'20 to 0.26x

**Q2 Corporate Actions:**

- Continued focus on sales execution – 195 new customers wins in the quarter
- Indirect costs reduced by 24% from Q4FY20
- Completed sale of Dependo for a consideration of ₹10cr, profit on sale ₹8cr
- 15 entities targeted for reduction, taking the overall number of entities from 46 to 31

**Commenting on the results, CEO & ED Mr. Suraj Moraje** said, *“I am pleased that Team Quess has delivered strong operational results amidst a very challenging environment. Our focus on cash flow has been rewarded by strong OCF generation in the quarter. We are confident that, with our accelerated investments in technology, our group will emerge even stronger from the current pandemic. We continue to work hard towards our 20% ROE and 20% OCF CAGR targets.”*

**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 324,910 employees across India, North America, South America, South East Asia and the Middle East across platforms such as Workforce Management, Operating Asset Management and Technology Services. Quess serves over 2,860 clients worldwide. Established in 2007, Quess is headquartered in Bengaluru, India and has a market cap of approx. ₹ 6,086cr as of September 30<sup>th</sup>, 2020.

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

For more information, please contact:

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