July 24, 2019

The General Manager
Department of Corporate Services,
BSE Limited,
1st 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- Kundra Complex, Bandra (East),
Mumbai – 400 001
NSE Symbol – QUESS

Dear Sir/ Madam,

Sub: Submission of information pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

We are enclosing herewith a Press Release dated July 24, 2019 titled ''Quess Corp Delivers Strong Organic Growth Despite Economic Headwinds; Operating Cash flow by 60% YoY to Rs. 52Cr''.

A copy of press release is enclosed for your information and record.

Thanking you,

Yours faithfully
For Quess Corp Limited

KUNDAN K LAL
Digitally signed by KUNDAN K LAL
Date: 2019.07.24 18:02:16 +05'30'

Kundan K Lal
Company Secretary & Compliance Officer

Encl. as above

BSE: 539978 I NSE: QUESS I ISIN: INE615P01015 I CIN: L74140KA2007PLC043909 I WWW.QUESSCORP.COM

Quess Corp Delivers Strong Organic Growth Despite Economic Headwinds; Operating Cash flow increases by 60% YoY to Rs. 52Cr

Bengaluru, India – 24th July 2019: Quess Corp, India's leading business services provider announced its financial results for the **first quarter (Q1 FY20)** ended 30th June 2019 today. The Company has adopted Ind AS 116 standards with effect from 1st April 2019. The key consolidated financial parameters are:

(In Rs. Cr)

Particulars	Q1 FY20	Q1 FY19	YoY(%)	Q4 FY19	QoQ(%)
Revenue	2,395	1,968	22%	2,295	4%
EBITDA	147	102	44%	132	12%
EBITDA Margin	*6.15%*	*5.21%*	*95 bps*	*5.74%*	*41 bps*
PBT	67	64	5%	88	-24%
PAT	56	54	3%	76	-25%
PAT Margin	*2.35%*	*2.76%*	*-41 bps*	*3.29%*	*-94 bps*
Diluted EPS (in ₹)	3.7	3.7	-2%	5.2	-29%

Financial Highlights – Adjusted for the Impact of Ind AS 116

(In Rs. Cr)

Particulars	Q1 FY20			Q1 FY19	
	Results with Ind AS 116	Adjustment due to Ind AS 116	Operating Results	Q1 FY19	YoY (%)
EBITDA	147	-27	120	102	17%
Dep. & Amortisation	58	-25	33	30	12%
Finance costs	40	-7	33	26	25%
Other Income	17		17	16	8%
Sh. of profit of Associates	0.2		0.2	1.6	-85%
PBT	67	4	71	64	12%
Tax	11	0.6	11	9	20%
PAT	56	4	60	54	11%
Diluted EPS (in ₹)	3.7	0.3	3.9	3.7	5%

Analysis of changes in operating parameters *(without the Ind AS 116 adjustments):*

- Our **Revenues** grew **22%** YoY on the back of an increase in employee headcount of **85,000** between June 2018 to June 2019 and an **organic growth** of **21%** in Q1 FY20.
- Our **Quarterly EBITDA** grew by **17%** YoY to **Rs. 120Cr** resulting in an **EBITDA Margin** of **5.02%** in Q1 FY20.
- **PAT** of **Rs. 60Cr** during the quarter was higher by **Rs. 4.4Cr** than the Reported PAT due to the impact of Ind AS 116.
- **Diluted Earnings per Share (EPS)** stood at **Rs. 3.9** for Q1 FY20 compared to **Rs. 3.7** in Q1 FY19.
- Significantly, our **Cash flow from Operations (OCF)** stood at **Rs. 52Cr** for Q1 FY20 as against **Rs. 33Cr** in Q1 FY19, an increase of **60%** YoY basis.
- **OCF/EBITDA conversion** improved to **44%** during the quarter compared to **32%** in Q1FY19.

Business Update:

- **Sales Wins**: The Company has added a total of **106 clients** in Q1 FY20 across platforms aggregating to a TCV of over **Rs. 2500Cr**.
- **Strong Growth in Staffing**: Quess' General Staffing business registered the **highest ever** quarterly headcount addition of **32,000** in Q1 FY20 as against a full year addition of **35,000** in FY19.
- **Leading BPM Platform**: Conneqt's acquisition of Allsec has resulted in creating one of the largest domestic BPM platforms with Allsec becoming our vehicle for Human Resource operations (HRO) and International Customer Lifecycle Management (CLM) business. Conneqt reported a robust **Revenue** and **EBITDA** growth of **21%** and **74%** YoY respectively. Similarly, **Allsec** reported a strong quarter with **Revenues** of **Rs. 67.4Cr** and **EBITDA** of **Rs. 18.8Cr** resulting in a margin of **27.9%** in Q1 FY20.
- **Partnership between Amazon & DigiCare**: Amazon's investment in Quess would be utilized to build Digicare into a large brand-agnostic after-sales service provider with a PAN India service network and superior technical capabilities across product categories.
- **Strong Pipeline in Excelus:** Our Training & Skill Development arm, Excelus, has received fresh targets to train students under Pradhan Mantri Kaushal Vikas Yojana (PMKVY) for **31,000** students aggregating to a contract value of **Rs. 31Cr,** which the Company shall execute in the next 2-3 quarters.
- **Corporate Restructuring:**
    - EGM for approving the shareholding restructuring has been scheduled for 20th Aug, 2019
    - The merger of four wholly owned subsidiaries – Master Staffing Solutions, Coachieve, Aravon, CenterQ shall be completed by Q3 FY20 to rationalize the number of group entities.

Capital Allocation:

- The Company's focus remains **consolidation** while driving synergies across our platforms and is not planning any acquisitions in the near future. However, the Company would continue to pursue selective strategic partnerships with leading global players/investors to scale up some of its growth businesses.
- Quess signed a Share Subscription Agreement with **Amazon** to issue 7.54 lakh shares, at a price of **Rs. 676** per share amounting to an investment of Rs. 51Cr by way of a preferential allotment. Quess and Qdigi Service Limited (**DigiCare**), a wholly owned subsidiary of the Company, executed an investment agreement with Amazon to utilize the investments towards the business of DigiCare.
- **Conneqt**, a subsidiary of the Company completed the acquisition of **Allsec Technologies** through purchase of an initial tranche of 61.35% from the Promoters and Carlyle. This was followed by an open offer in which Conneqt purchased an additional 12.03% shareholding taking the total ownership to 73.38%. The total consideration towards the acquisition stood at Rs. 330Cr.
- Update on **QEBFC**:
    - Quess has started discussions with the stakeholders to **monetize this investment** in the short term.
    - The Quarterly **loss** from QEBFC has been **substantially reduced** to **Rs. 3.8Cr** in Q1 FY20 from **Rs. 11.8Cr** in Q4 FY19.
    - QEBFC has already signed three sponsors and few other sponsors are in pipeline, revenues from these sponsorship shall help reduce the losses for the year.

Platform Update:

➢ **Workforce Management:**

- Quess' General Staffing headcount crossed **223,000** as on June 30, 2019 registering the highest ever quarterly headcount addition of **32,000** compared to a full year addition of **35,000** in FY19. In addition to headcount increase, we added **40 new clients** across sectors.
- Our **Collect & Pay** contracts share improved to **70%** in Q1'FY20 from **65%** in Q4'FY19
- Our General Staffing business' **Core to Associate** ratio continues at industry leading efficiency of **1:330** in Q1 FY20.
- Our Training & Skill development arm, **Excelus** received training target of **31,000** from NSDC for 37 PMKVY centers and has also diversified its revenue lines by strengthening its B2B presence by winning projects for training candidates in retail and in electronics manufacturing sector

- **Operating Asset Management:**
  - Our **Facilities Management** business continued its strong organic growth momentum during the quarter with a healthy addition of **13+ logos.** We have successfully added integrated contracts offering multiple services to clients ensuring higher contract value and customer stickiness
  - **Terrier**: With **19,000** guards and presence across **200 cities** in India, our security services business has added PAN India sourcing and recruitment capabilities during the quarter. Additionally, our Security Services is now ISO 27001 certified for guaranteeing information security which is a key differentiator for security players delivering digital security services
  - **Update on Smart City Project:**
    - An amount of **Rs.7.6Cr** has been received into the Escrow Account as of July 2019. The Company is in discussions with the Resolution Professional (RP) to transfer the amount to Quess account.
    - Petition has been filed in NCLT Mumbai, directing the RP to uphold the terms of the escrow agreement. The same has been heard by the NCLT Mumbai on fast track basis on July 8, 2019. Next hearing is scheduled for Aug 20, 2019.

- **Tech Services:**
  - **BPM: Conneqt** has won contracts worth **Rs. 80Cr** (annual contract value) in Q1 FY20. This includes businesses from new logos and new LOBs from existing clients.The business has also received 11 awards across industry forums and from clients for its services and internal processes like 'Dream companies to work for', 'Best service provider', 'Digital excellence in banking sector' etc. **Allsec** has added one international and six domestic clients in its HRO practice during the quarter and has delivered strong results with **Revenues** of **Rs. 67.4 Cr** and **EBITDA** of **Rs. 18.8 Cr** resulting in a **margin** of **27.9%**.
  - **DigiCare**: The Company's current service portfolio includes troubleshooting, repairs and installations of Smartphones, Consumer Electronics and Consumer Durables. It operates **250+** service centres across **150** towns and has plans of expanding its service network to **450+** service centres across **300** towns in the short term.

- **Monster:**
  - **Operational Update:**
    - **Average monthly visits** grew by **37%** (13.4Mn in Q1 FY20 vs. 9.8 Mn in Q1 FY19)
    - **Organic traffic grew** over **78%** showing improved customer acquisition efforts (3.8Mn in Q1 FY20 vs. 2.1 Mn in Q1 FY19)
    - **New physical resume addition** grew by **26%** (Monthly average of 421K in Q1 FY20 vs. 333K in Q1 FY19)
    - **Active resumes** grew by **11%** (60Mn in Q1 FY20 vs. 54 Mn in Q1 FY19)
    - Acquired a total of **471K** physical resumes in Jun 2019, **highest** in a month during the last 2 years
    - Brand campaign in March 2019 resulted in **15.2 Mn** visits, **highest** ever to be received in a month
  - **Leadership Update:**
    - **Mr. Krishnan Seshadri (Krish)** has been appointed as the CEO of Monster.com (APAC & Middle East). Krish is a seasoned executive with over 23 years of rich experience in leading digital & mobile businesses of various sizes across industries for scale and growth. He has Global operating & leadership experience across India, US, Asia, Europe at MNCs such as Facebook, AOL-Verizon, Zynga and other Start Ups.

Segment Wise Performance

(In Rs. Cr)

Particulars	Q1 FY20	Q1 FY19	YoY (%)	Q4 FY19	QoQ (%)
Workforce Management					
Revenue	1,487	1,148	30%	1,394	7%
EBITDA	89	68	32%	95	-6%
EBITDA Margin	*6.00%*	*5.89%*		*6.83%*	
Operating Asset Management					
Revenue	427	398	7%	438	-3%
EBITDA	32	30	8%	36	-12%
EBITDA Margin	*7.47%*	*7.42%*		*8.29%*	
Tech Services					
Revenue	480	422	14%	462	4%
EBITDA	46	22	112%	20	133%
EBITDA Margin	*9.64%*	*5.19%*		*4.30%*	

Commenting on the financial results, Chairman & MD Mr. Ajit Isaac said that, *"Our focus on consolidation has resulted in a healthy growth of 22% in Revenues and 44% in EBITDA despite macroeconomic headwinds. Our strategic partnership with Amazon is yet another example of Quess' ability to attract marquee global investors to partner with us. The investment will act as a catalyst for DigiCare to rapidly expand its service capability while providing a market leading customer experience to its clients. Our focus on organically growing our platforms into market leading positions and monetizing our growth investments is beginning to crystalize."*

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 357,000 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. Rs. 8,452 Cr as on June 30th, 2019.

For further details on Quess Corp Ltd., please visit: **http://www.quesscorp.com.**

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