

August 02, 2023

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

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 first quarter ended June 30, 2023.

The above said presentation is also made available on the Company's website <https://www.uesscorp.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



Investor Presentation

Q1'FY24

2nd August 2023

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Revenue growth of **16% YoY** with headcount addition of **55k YoY**

GTS platform crosses quarterly EBITDA of **₹ 100 cr.** for the first time

Leading domestic private sector employer with **~525k FTE**



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Financials

01

Key Corporate Highlights

Q1'FY24 – Financial Highlights

Figures in ₹ Crores

	Revenue	%YoY	QoQ%
WFM	3,221	▲ 17%	▲ 5%
GTS ¹	563	▲ 11%	▼ -1%
OAM	690	▲ 16%	▲ 1%
PLB	126	▲ 8%	▲ 3%

	EBITDA	%YoY	QoQ%
WFM ²	83	▼ -12%	▼ -3%
GTS	100	▲ 21%	▲ 5%
OAM	31	▲ 1%	▲ 3%
PLB	(26)	▼ -7%	▼ -27%

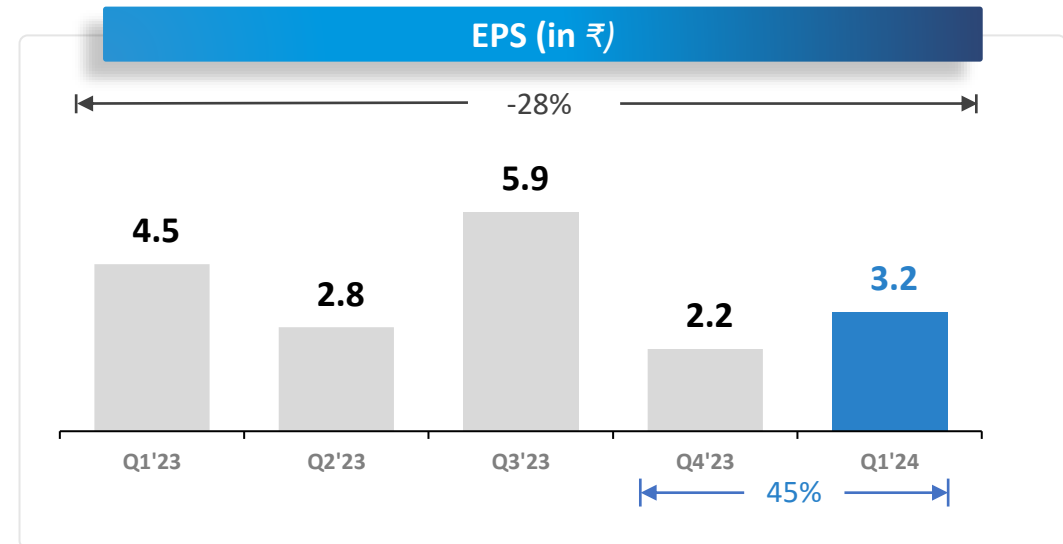
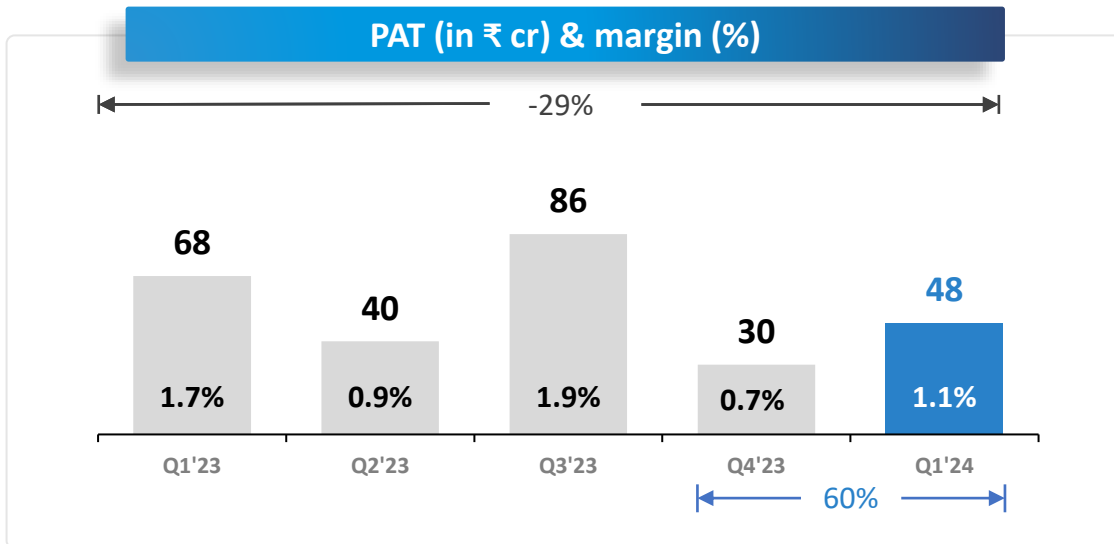
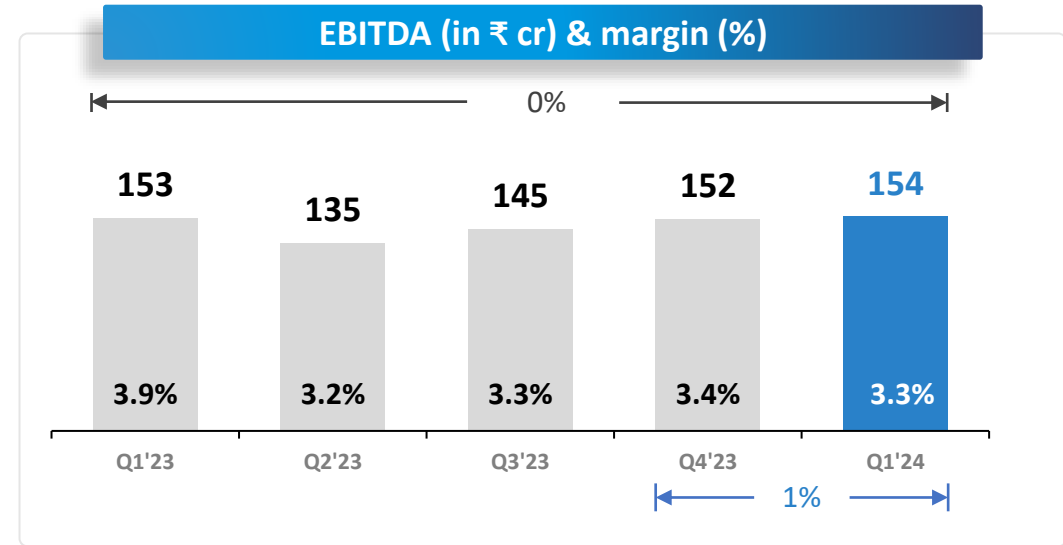
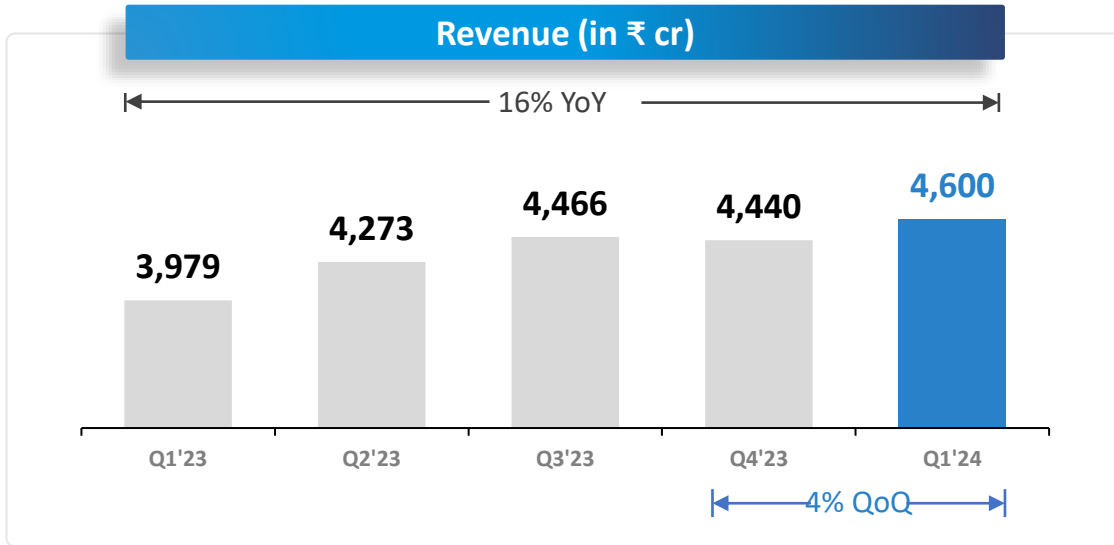
Consolidated

Revenue	4,600	▲ 16%	▲ 4%
PAT ³	48	▼ -29%	▲ 60%
Headcount	525K	▲ 12%	▲ 3%

EBITDA	154	↔ 0%	▲ 1%
EPS in ₹	3.21	▼ 28%	▲ 45%
Net debt/(Cash)	(49)	▲ 183%	▼ -60%

1. GTS QoQ revenue drop is on account of seasonality in collection business
2. WFM EBITDA decreased due to slow down in permanent recruitment hiring
3. Decline in YoY PAT is due to point 2 above in addition, higher finance cost and tax incidence due to changes in business mix (increased contribution from GTS)

Q1'FY24 Financial Updates (Consolidated)

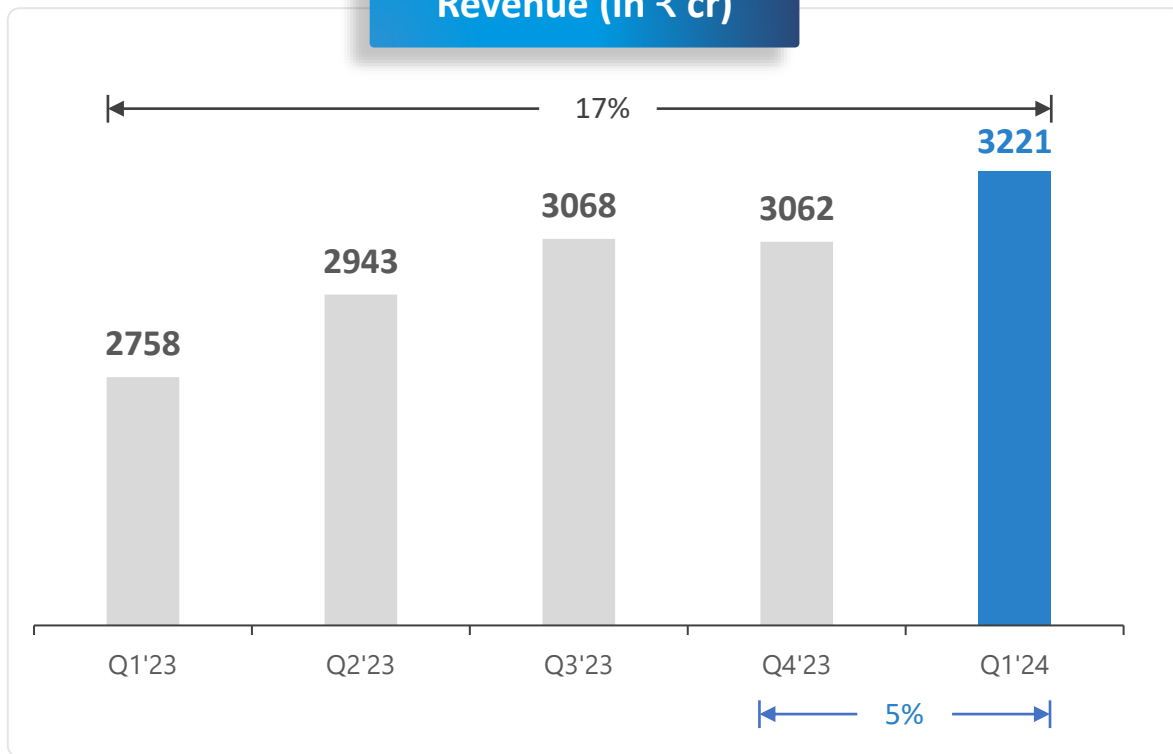


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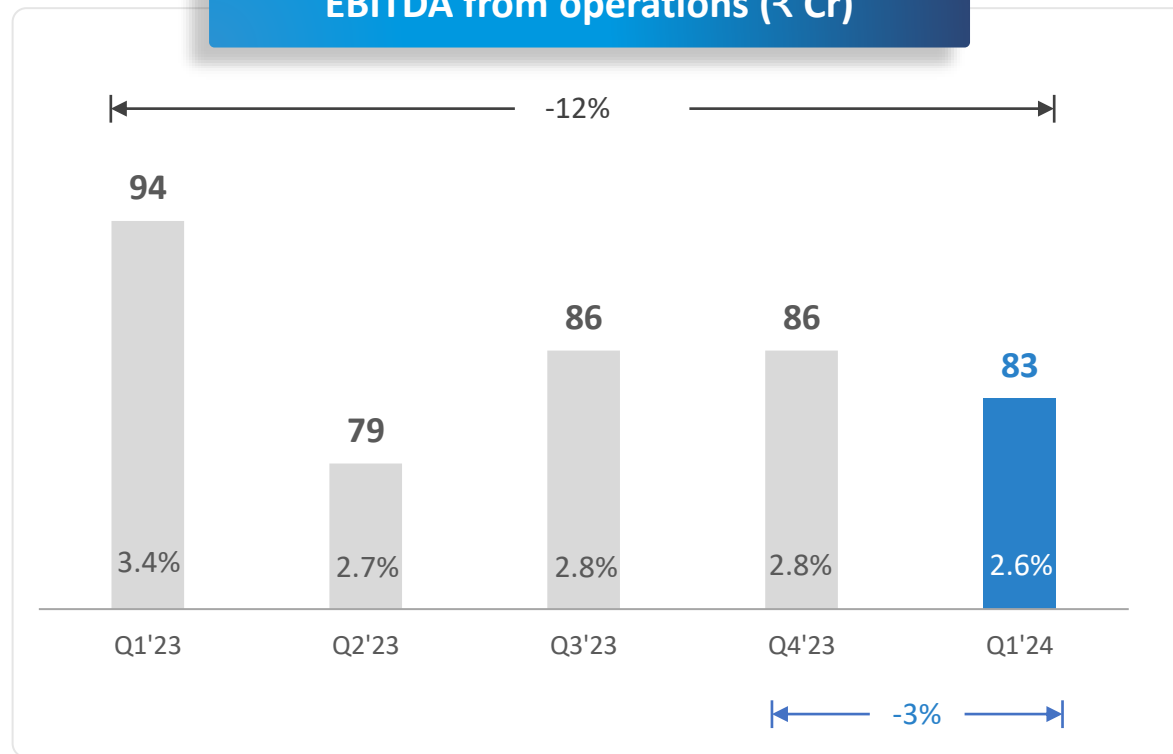
Platform wise Updates

Financial metrics

Revenue (in ₹ cr)



EBITDA from operations (₹ Cr)

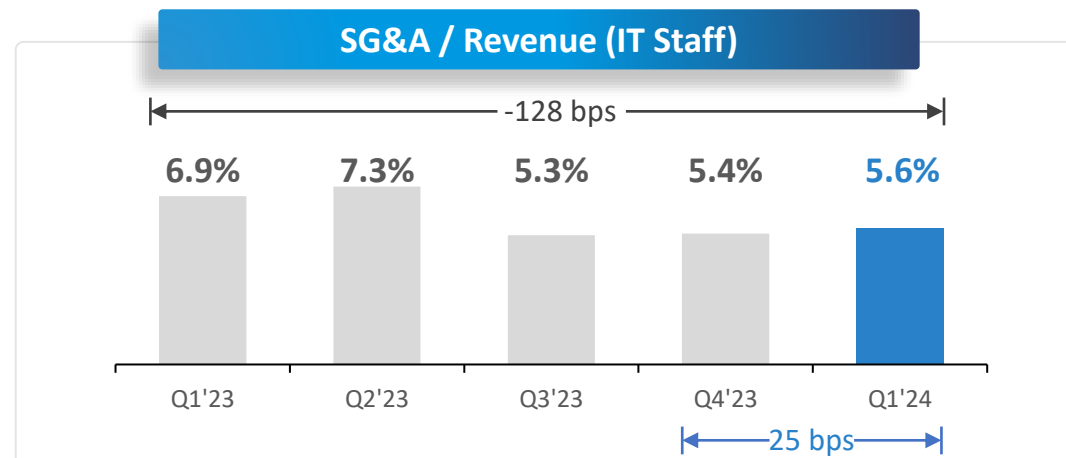
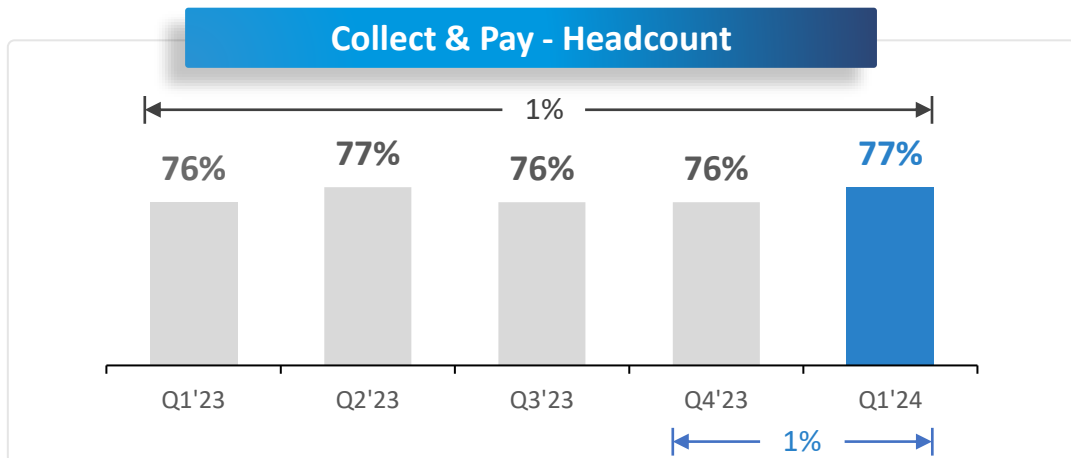
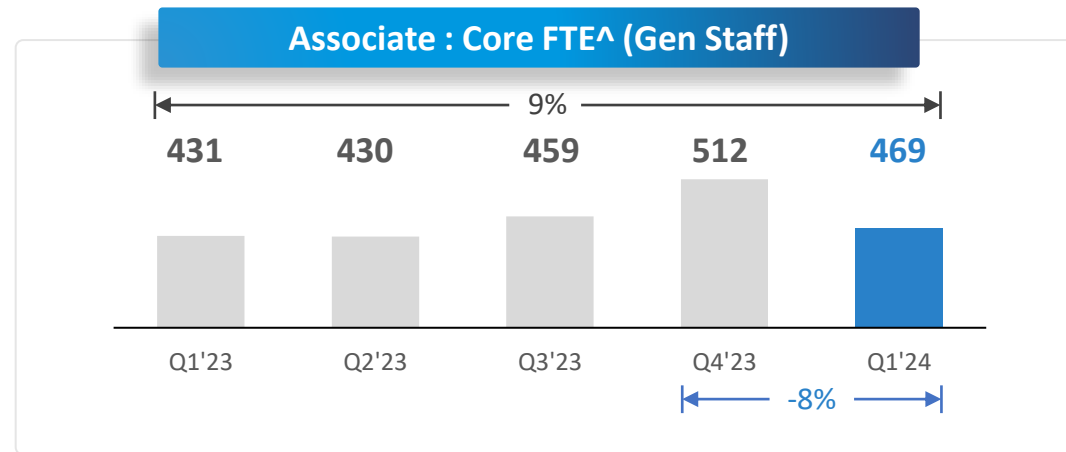
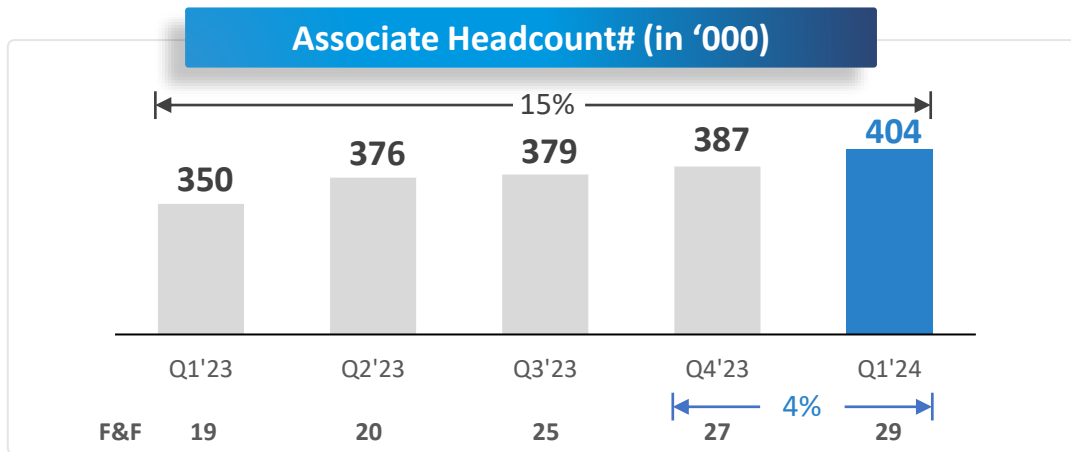


Key developments

- **WFM** Revenue up by 17% YoY,
- 91 new logos added
- BFSI, Telecom and Manufacturing are key drivers

Continued slowdown in permanent recruitment hiring space

Ramp down of Govt training and skill development centers continues to be a priority



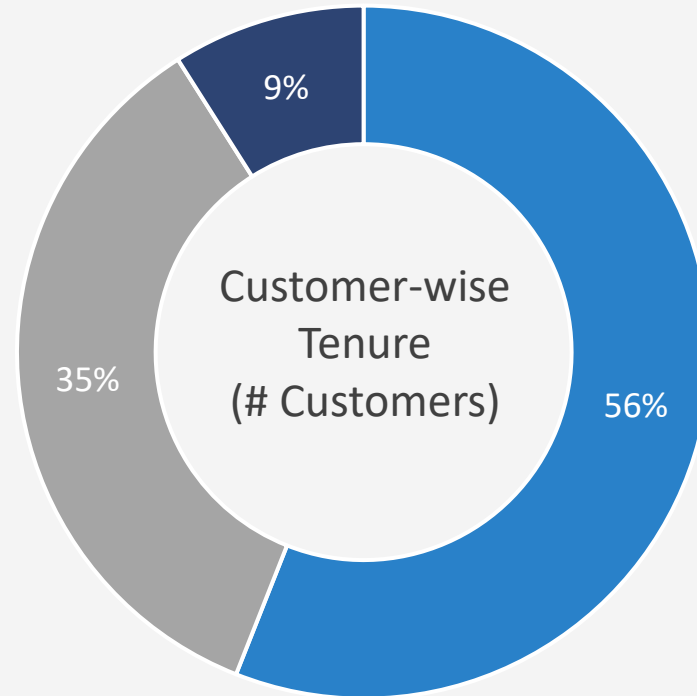
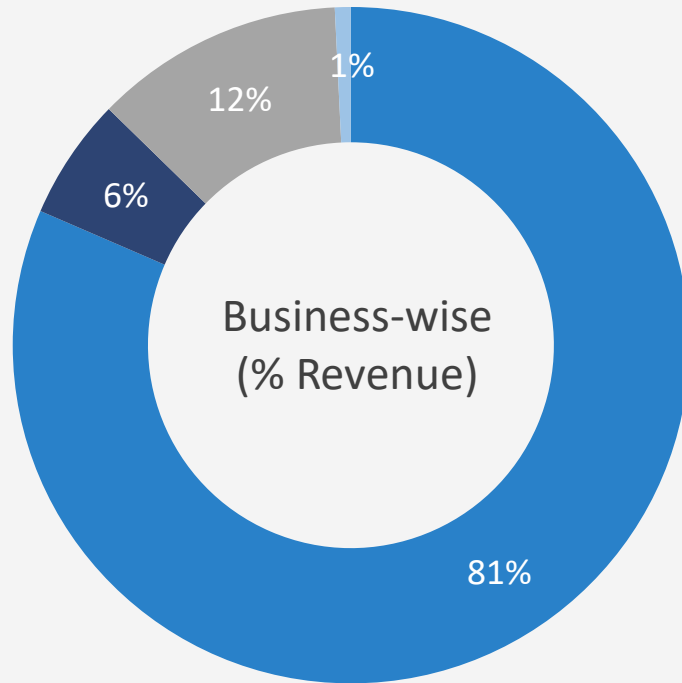
Key developments

Headcount grew by 15% YoY on account of strong sales

Collect & Pay continues to be at healthy ratio helping working capital management

SG&A has fallen YoY on account of cost saving initiatives
Recruiters added for festive season

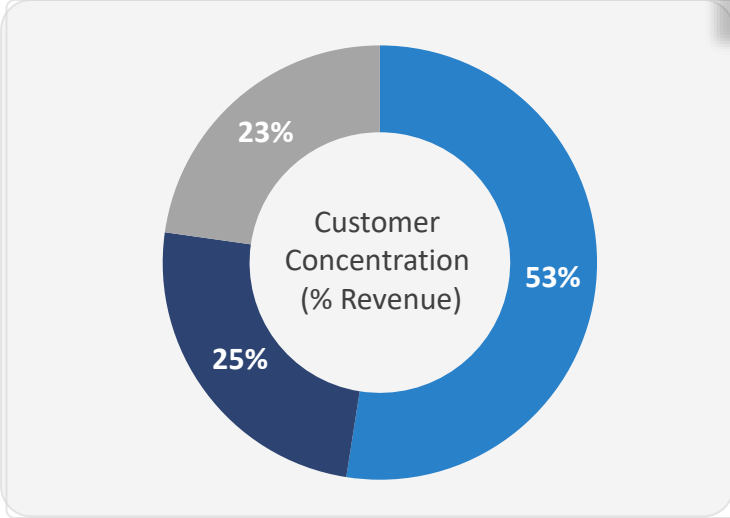
Revenue Distribution



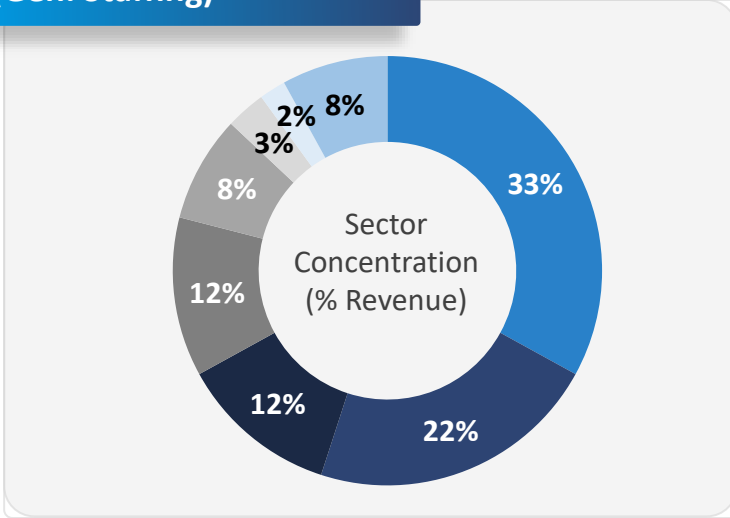
■ General Staffing ■ IT Staffing India ■ Overseas Staffing ■ Others

■ < 2 Years ■ 2-5 Years ■ > 5 Years

Customer Insights (Gen. Staffing)

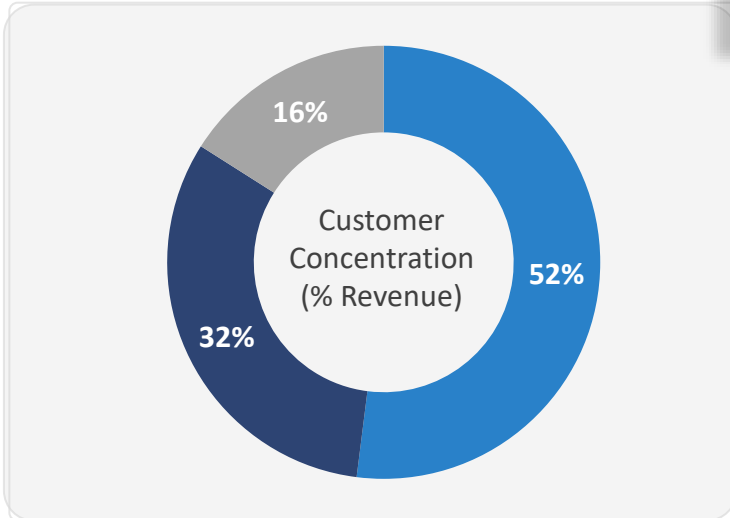


- Top 10
- Next 40
- Others

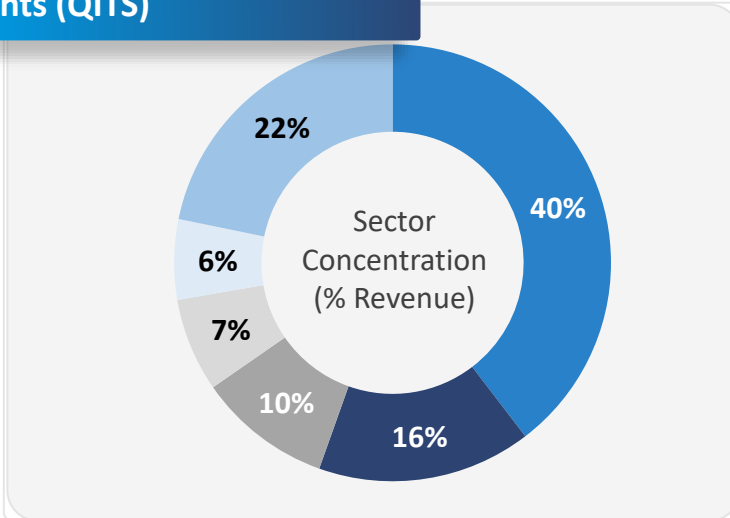


- BFSI
- Retail
- Telecom
- Industrials
- FMCG
- Logistics
- IT/ITES
- Others

Customer Insights (QITS)

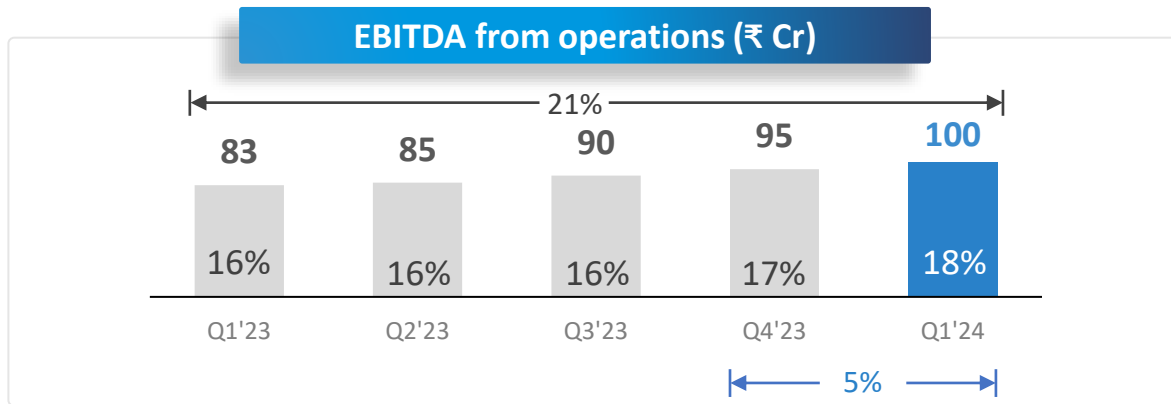
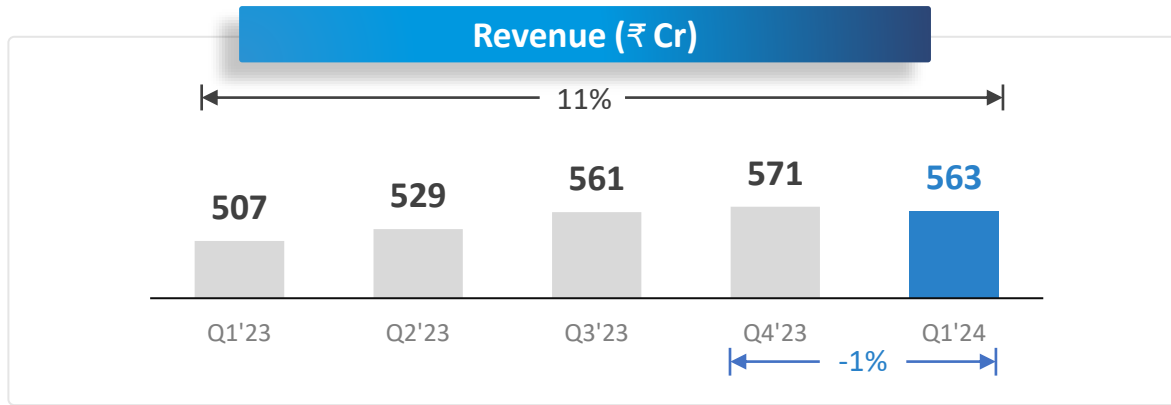


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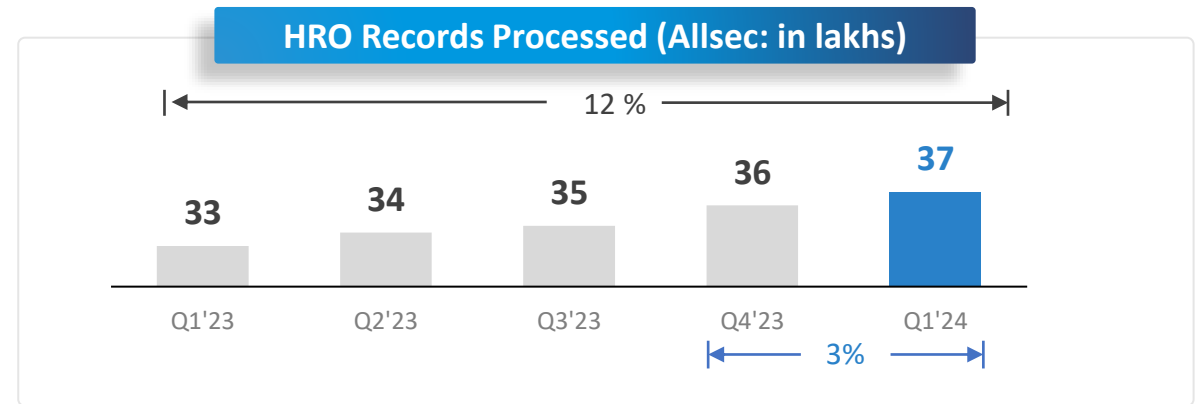
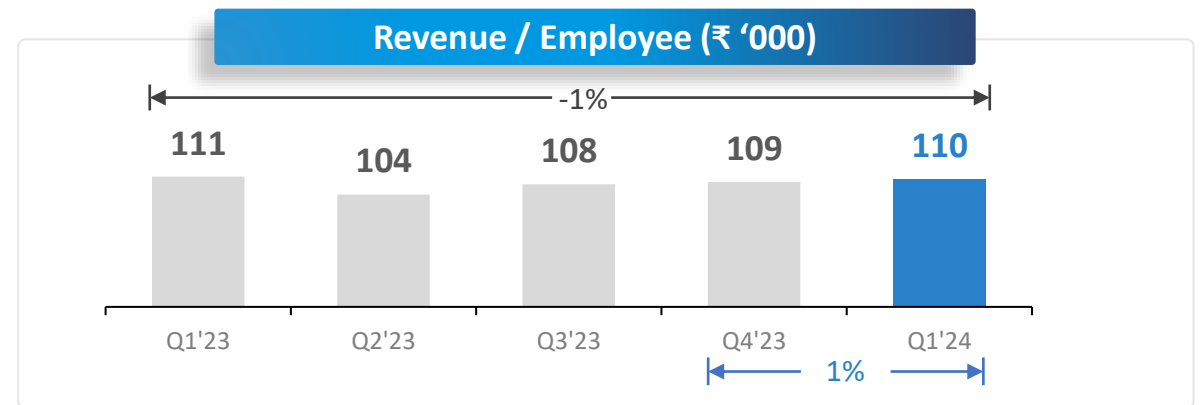


- IT/ITES
- Telecom
- Industrials
- Retail
- BFSI
- Others

Financial metrics



Operating Metrics



Key developments

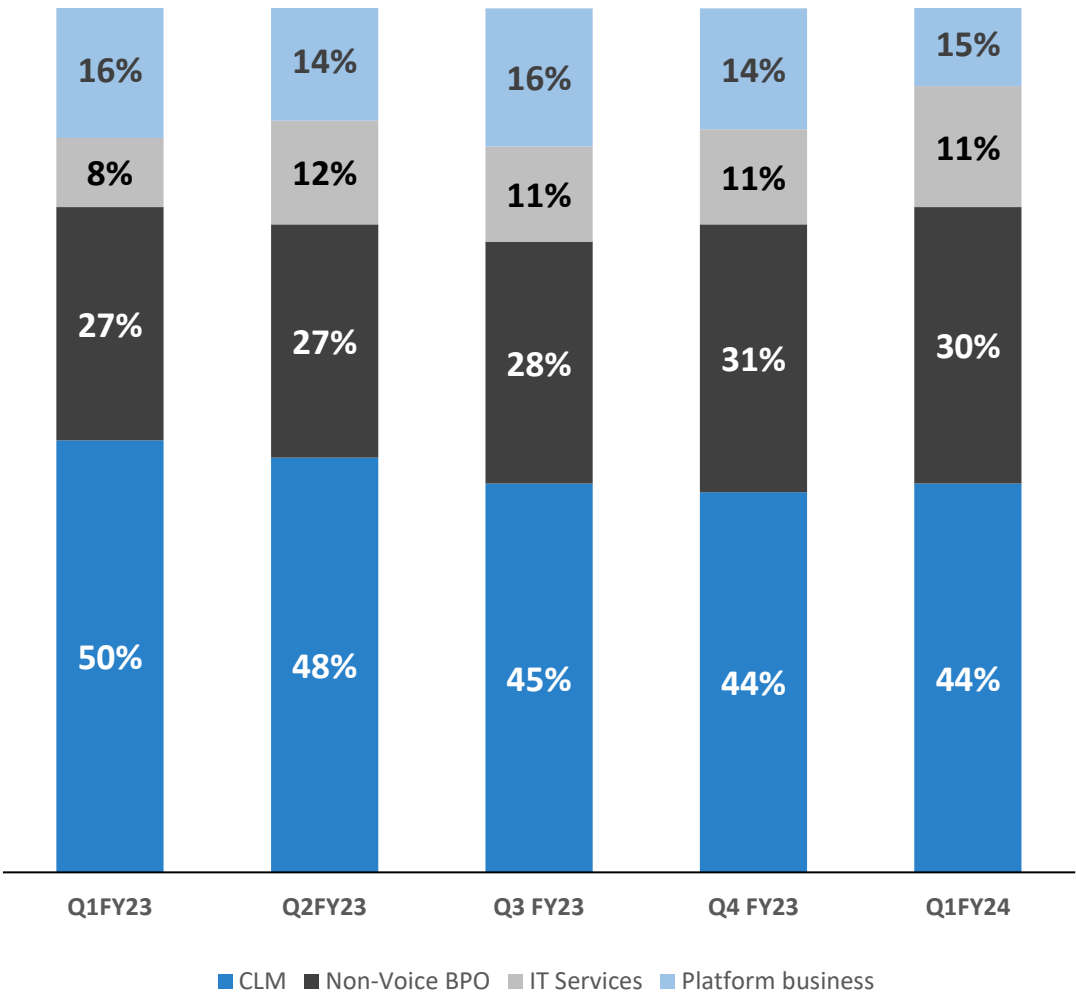
GTS delivers steady revenue growth of 11% on account of CLM and HRO services

North America CLM grew by 29% YoY

Non Voice BPO grew by 31% YoY with collection business growing by 33% YoY

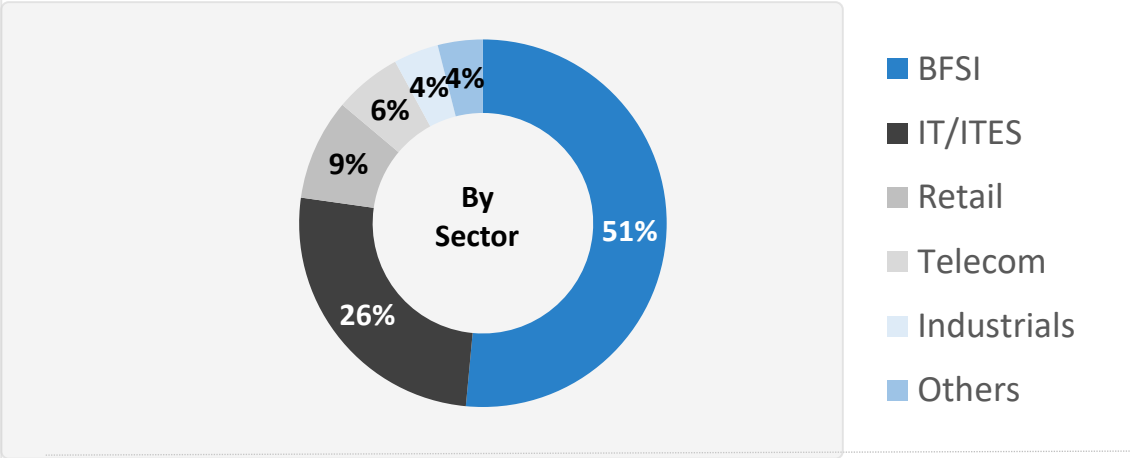
HRO business in Allsec strengthened its market leadership with 3.7 Mn payslips processed with QoQ growth of 3.2 %

Revenue Distribution

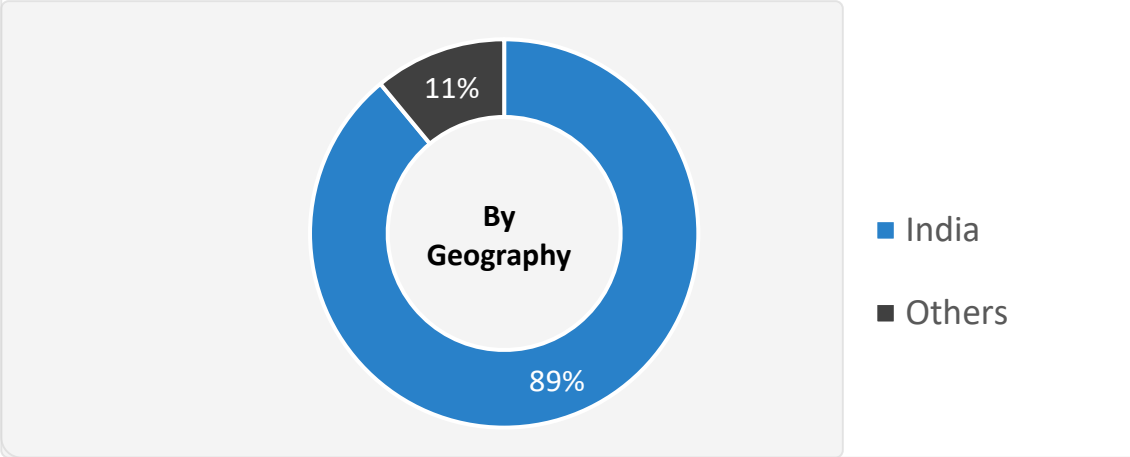


Diversified Revenue Base

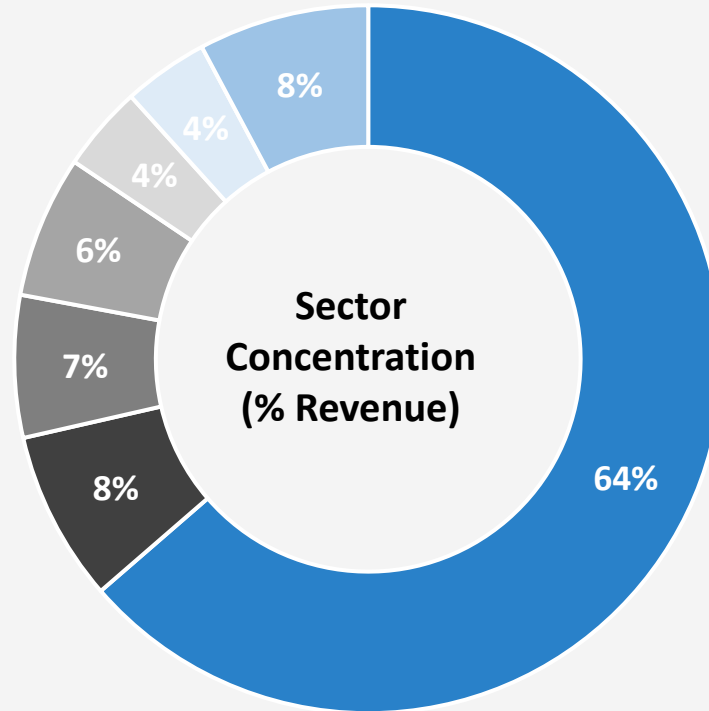
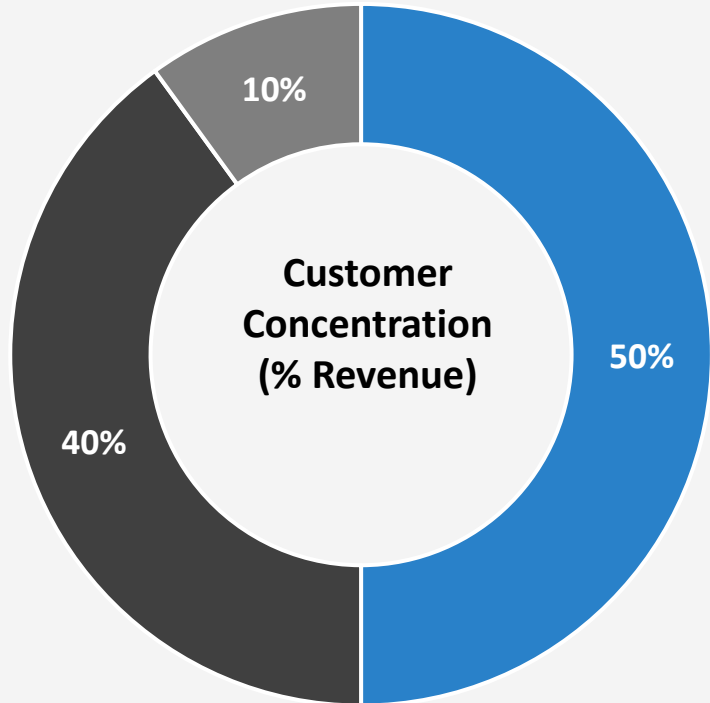
Revenue-base diversified across sectors



India is the main focus

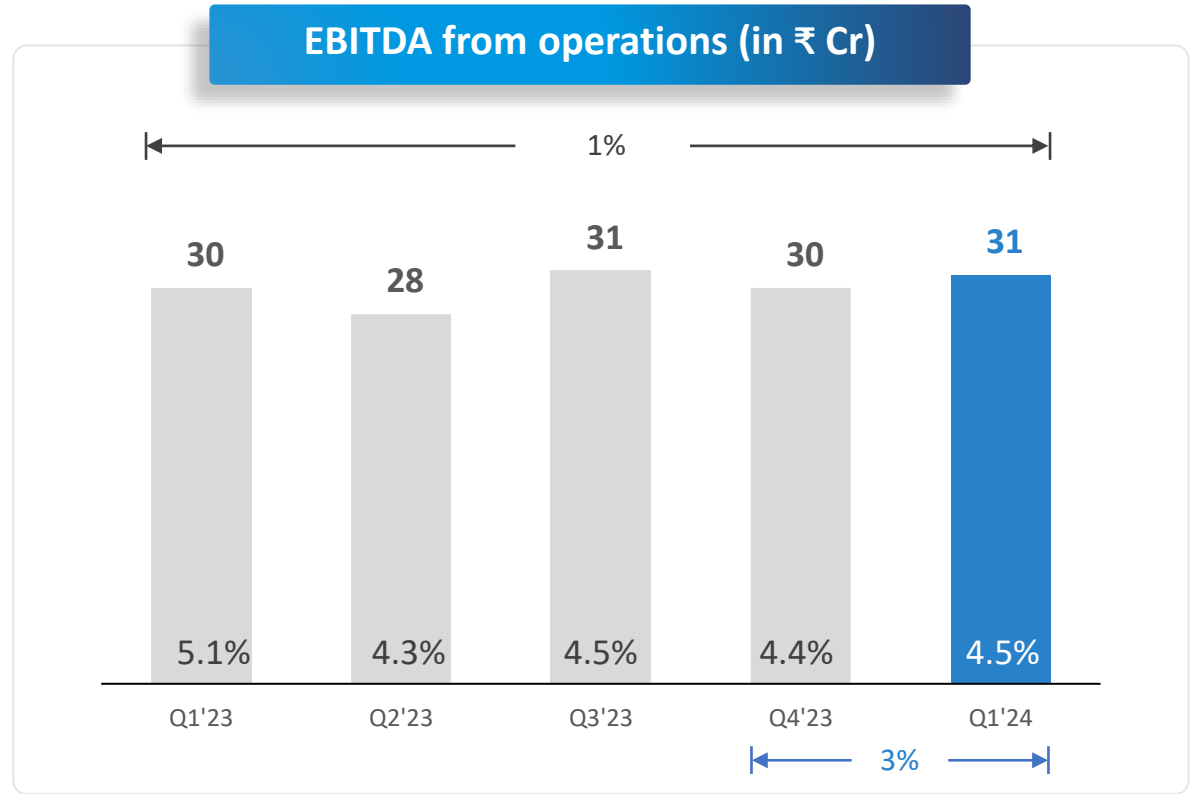
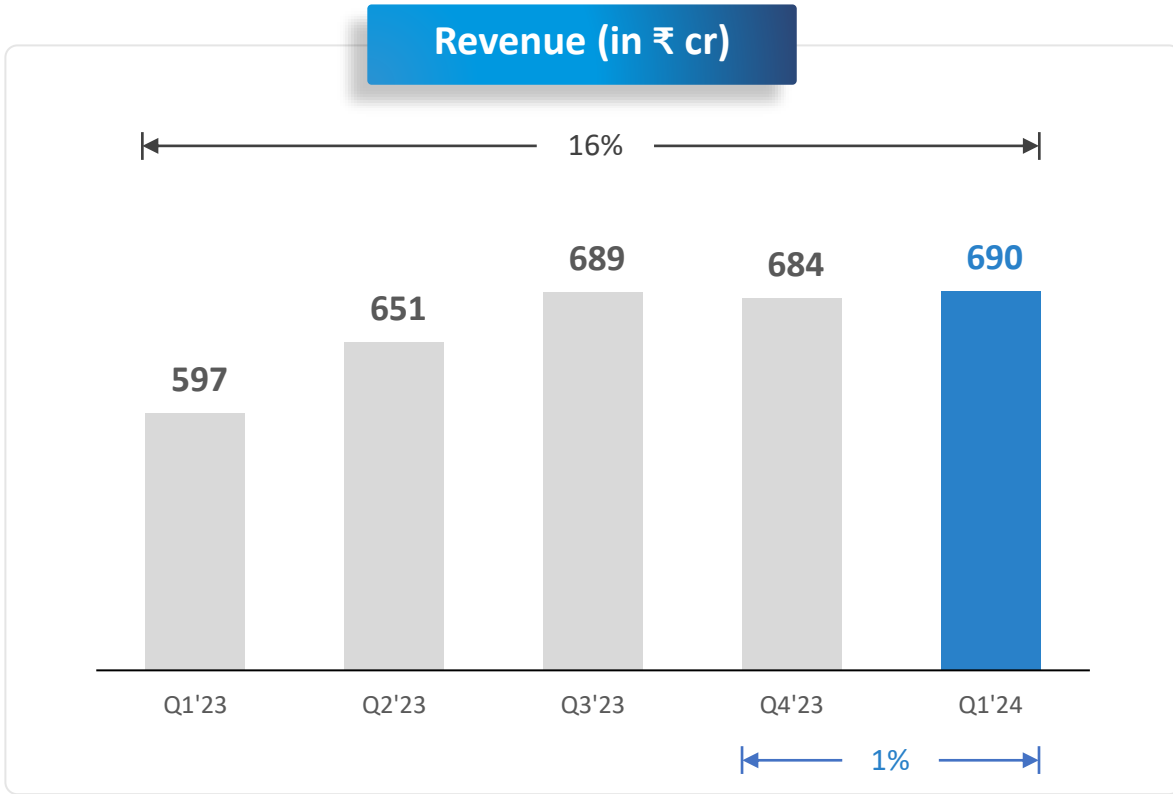


Customer Insights (CLM and Non-voice BPO)



■ Top 10 ■ Next 40 ■ Others

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



Key developments

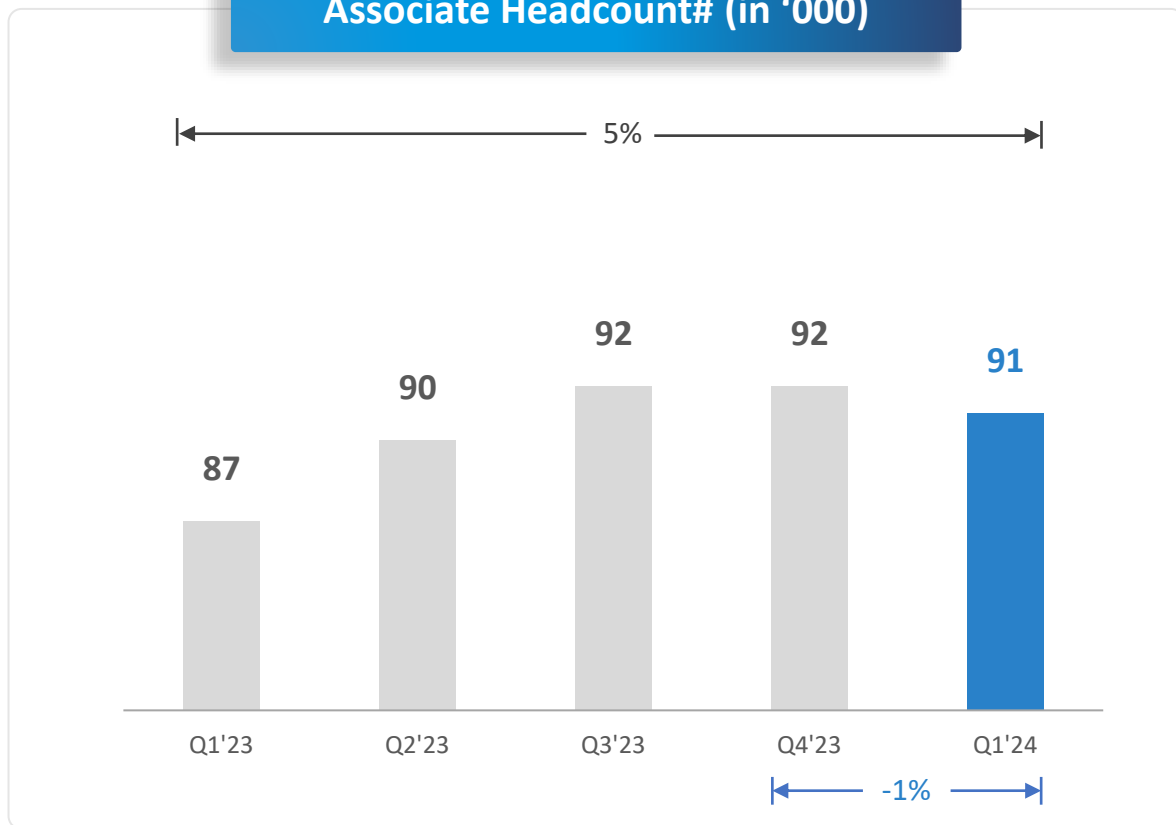
- OAM has seen 16% revenue growth YoY
- Industrials and Healthcare continue to be the growth drivers

- 43 new logo additions across the platform
- Food vertical saw GM improvement of 35% YoY on the back of improved operational efficiency

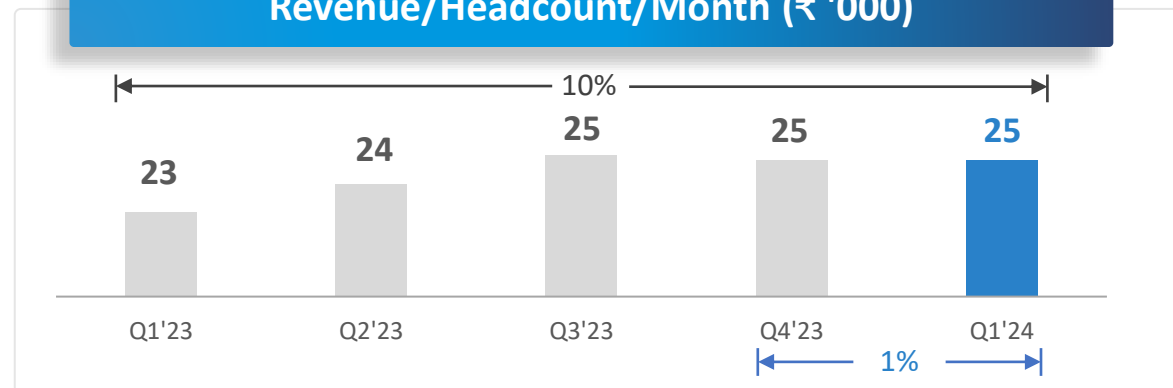
- EBITDA has shown 3% QoQ growth in spite of margin pressures
- Cost to serve remains flat on account of SG&A optimization

Note: All numbers are on reported basis

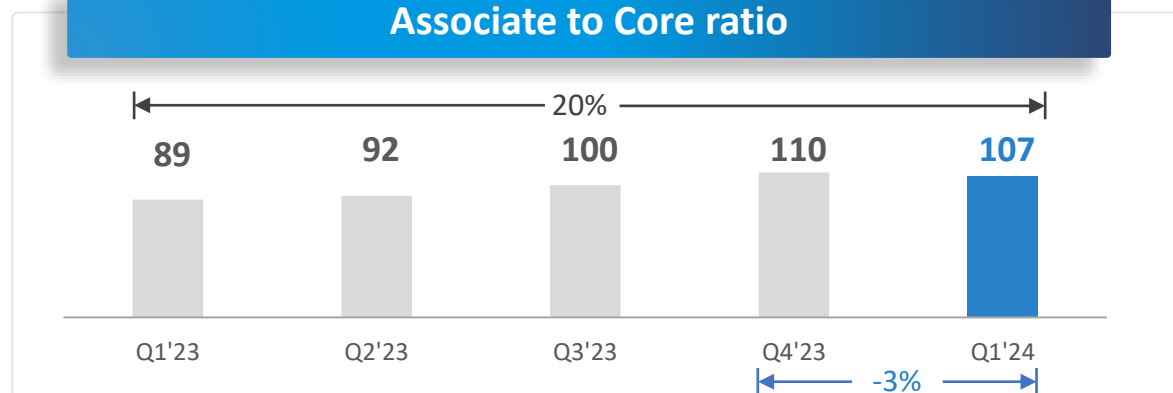
Associate Headcount# (in '000)



Revenue/Headcount/Month (₹ '000)



Associate to Core ratio



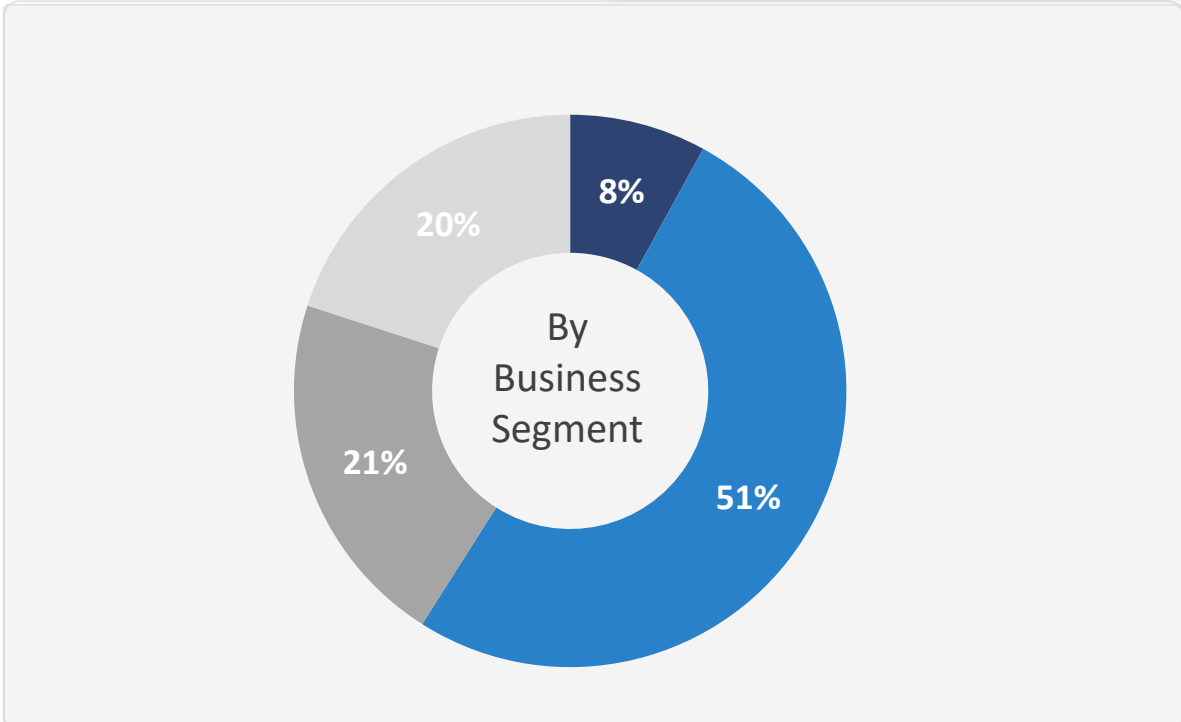
Key developments

Headcount reduction is on account of rationalization of low margin customers across businesses

Revenue per headcount has increased by 10% reflecting mining of existing customers with integrated offerings

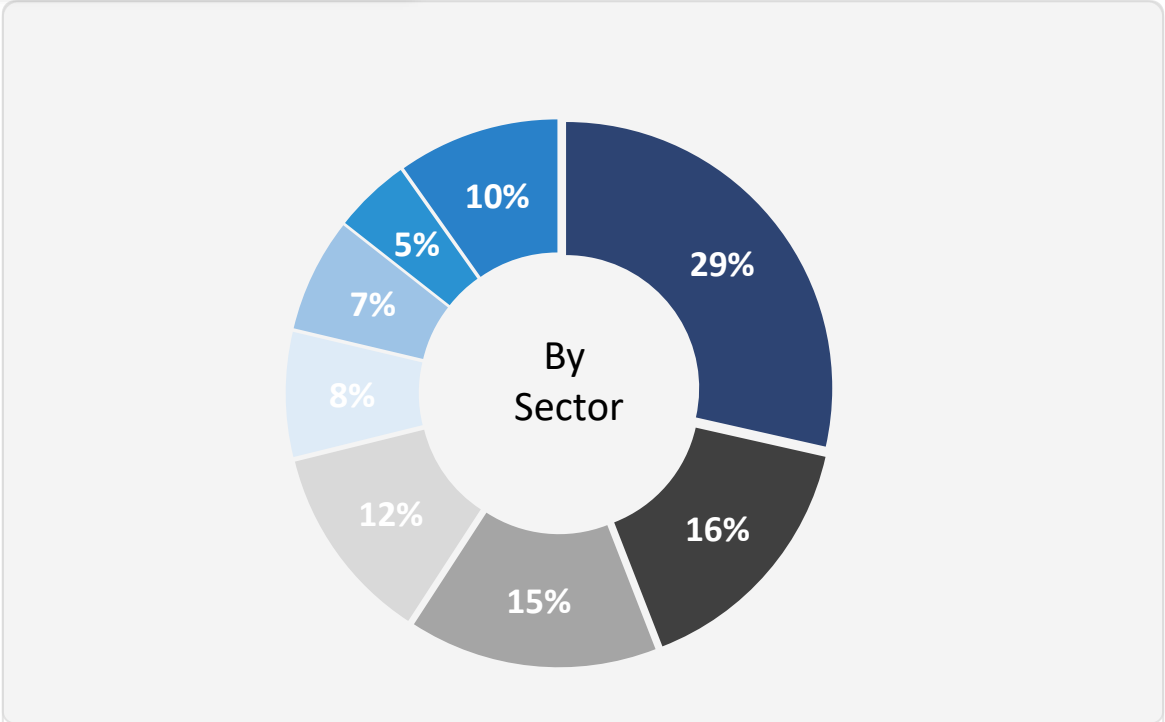
Core to Associate ratio continues to be healthy with more than 100 reflecting optimization and digitization

Revenue Distribution



■ Food & Beverage ■ FMS ■ Security Services ■ Others

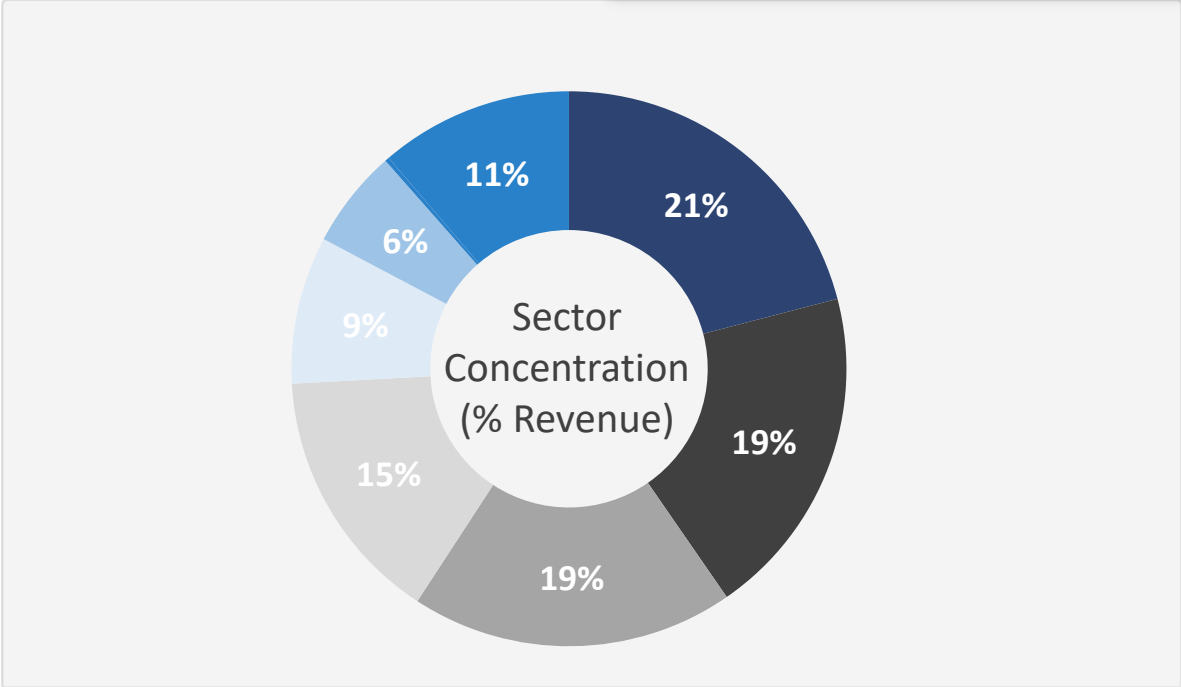
FMS is the largest business segment



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

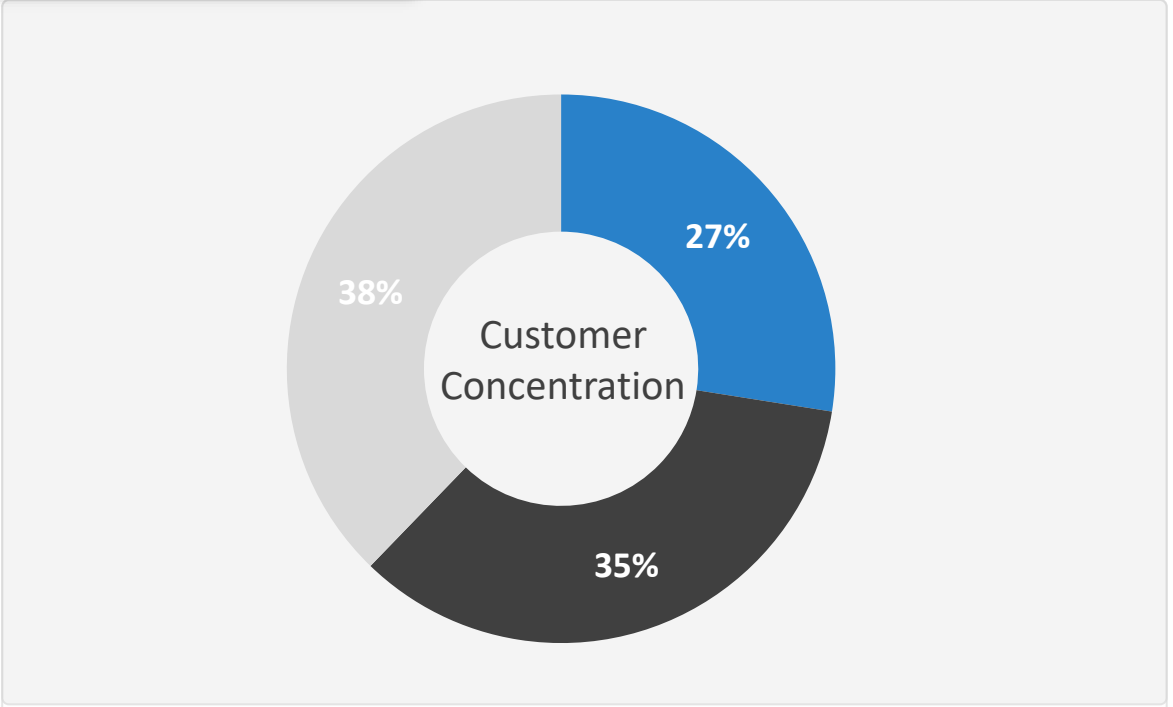
Revenue base diversified across sectors

Customer Insights (FMS + Security)



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

Diversified Customer Exposure:
Healthy distribution of contracts across customers

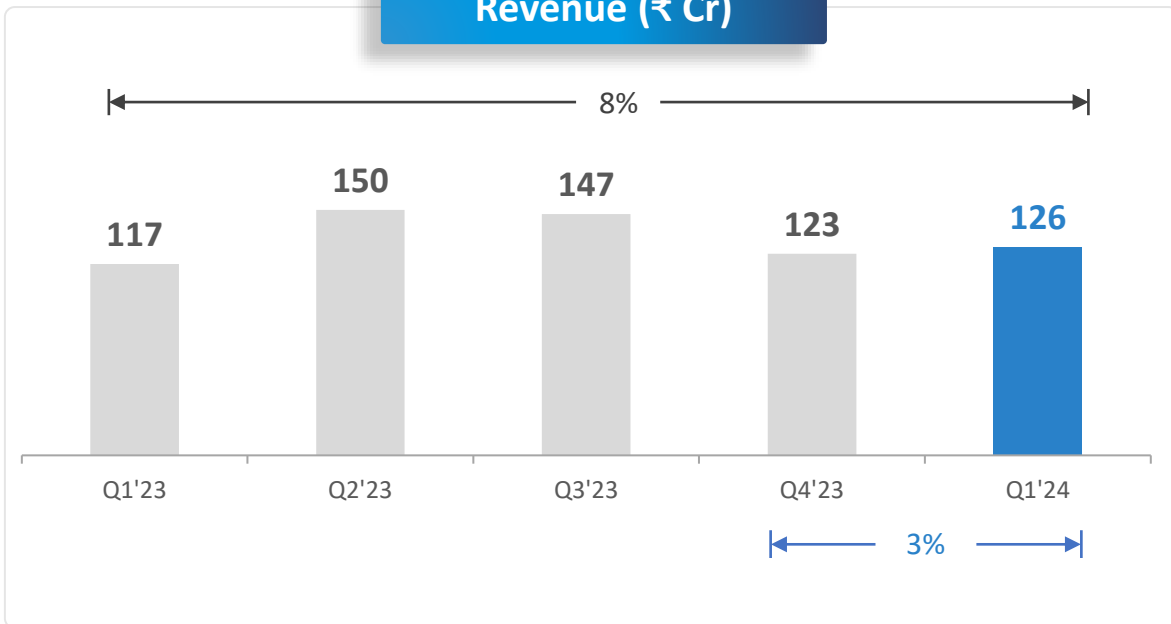


- Top 10
- Next 40
- Others

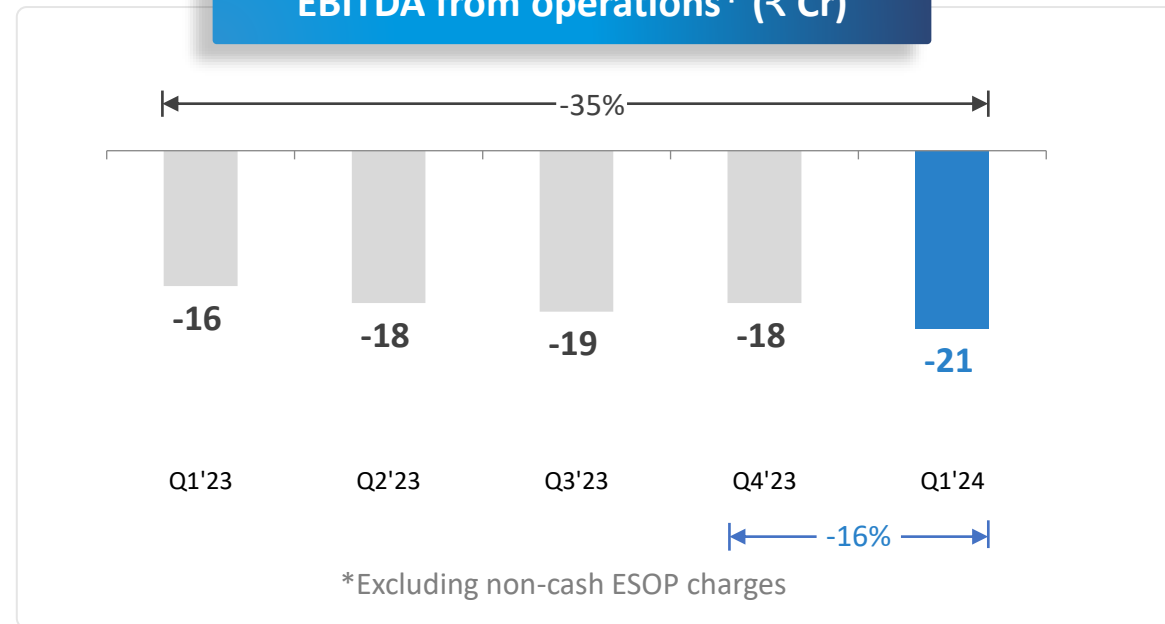
Diversification of Customer concentration risk
Top 10 customers account for 27% of revenue

Financial metrics

Revenue (₹ Cr)



EBITDA from operations* (₹ Cr)



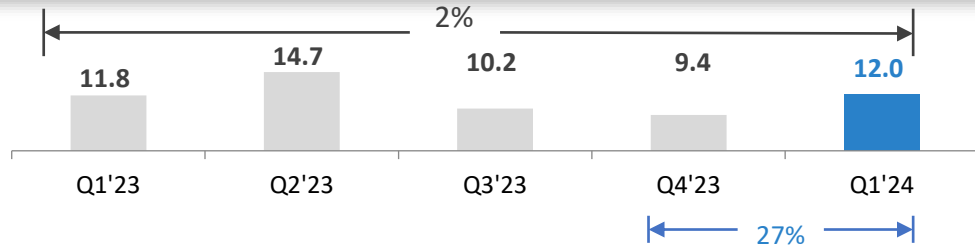
Key developments

Revenue increased by 8% YoY basis on sustained growth in traffic and customer demand

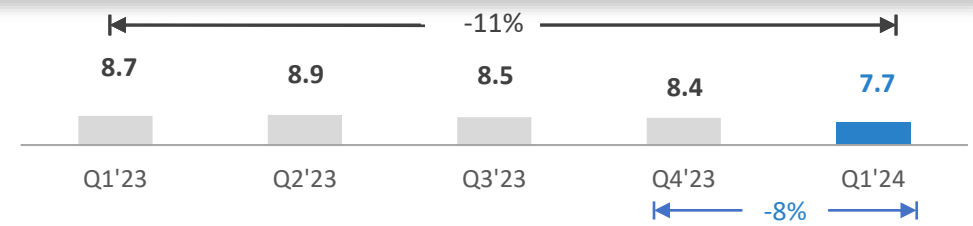
Focused investments on people and marketing activities to drive growth

Product Led Business – foundit snapshot

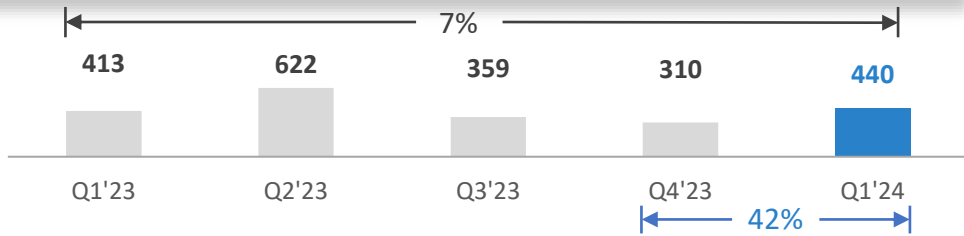
Traffic* (Mn)



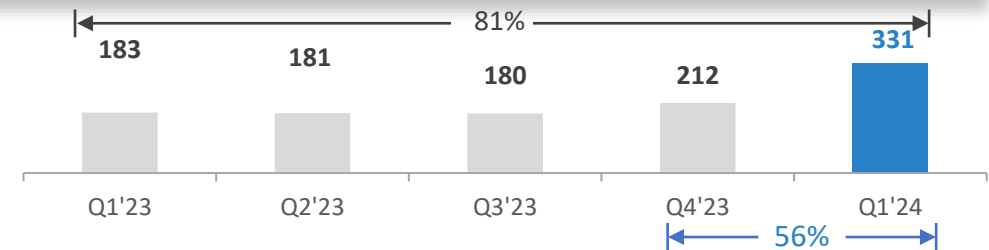
Consumption (Mn)



New Registration* ('000s)



Job Posting* ('000s)



Candidate Metrics

Recruiter Metrics

Key developments

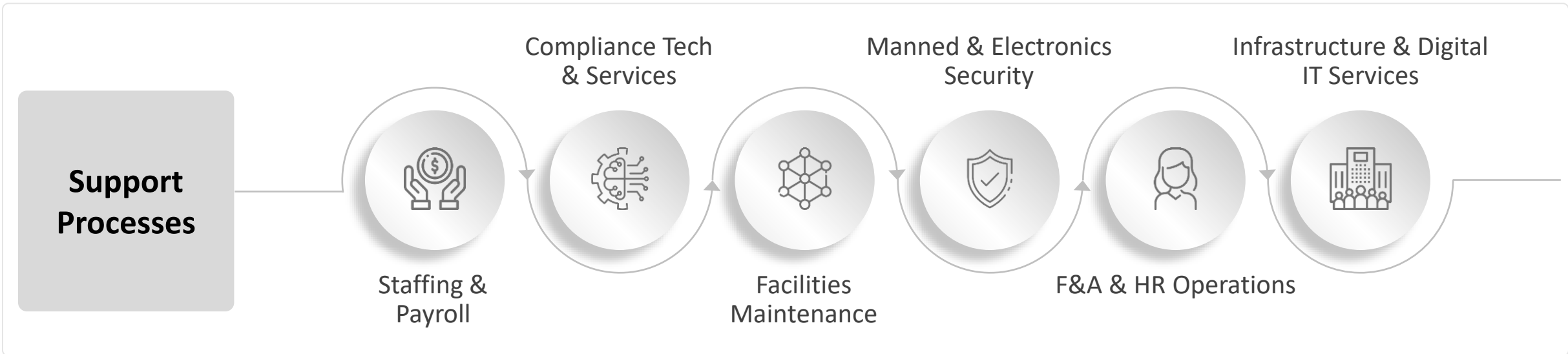
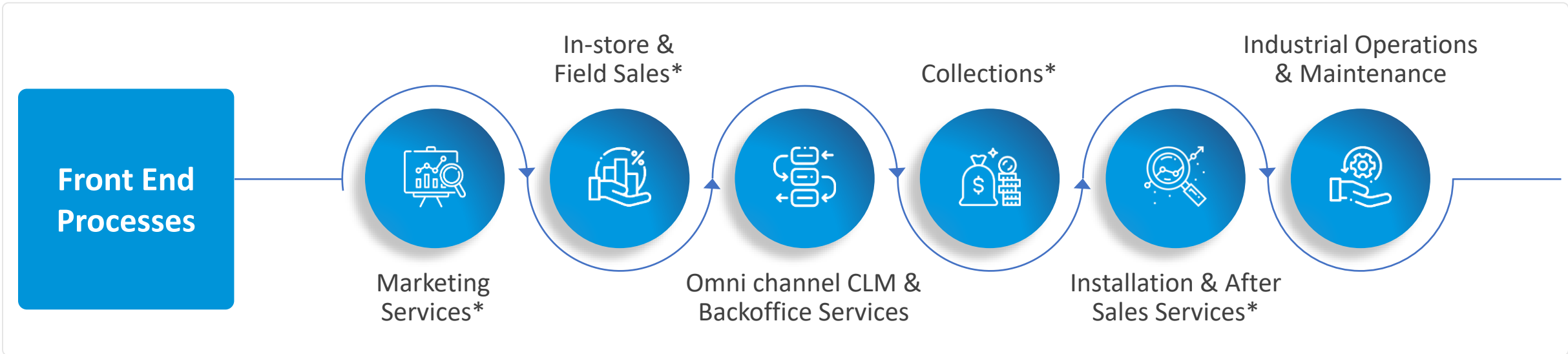
Customer satisfaction metrics like Retention rates, CSAT and NPS have all improved QOQ driven by improvements in product and candidate data

New features launched First Generation AI driven features, subscription-based skilling programs

Job postings are up by 81% YoY
CSAT consistent at 95%

03

Company Overview



*Including gig-based workforce

Digital Hire-to-Retire

Sourcing

Digital sourcing via [Qjobs](#) and [foundit](#)

Recruiting

End-to-end ATS ReQruit platform for candidate tagging and offer generation

Onboarding

Paperless on-boarding of candidates via [POP](#) (Paperless On-boarding Platform)

Payrolling

Flow-through payroll processing and pay-slip generation via [QPay](#) and [SmartPay](#)

Technology-led Frontline Productivity

Digital workflow management

[WorQ WorkTech](#) platform to remotely assign & monitor tasks

Digitally skilling

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

Processes and tooling

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

Flexibility and higher productivity

[Taskmo](#), to manage seasonal demand through gig-workers

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

	HR Services	Business Services	Platforms
Phases	<p>2007 - 2013</p>	<p>2014 - 2020</p>	<p>2020 - present</p>
# HC	61,000	384,000	525,000
Services	<ul style="list-style-type: none"> Staffing Skilling Recruitment Facility Management 	<ul style="list-style-type: none"> 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



We are the largest business services provider in India



Scale

~**525k*** associates and employees
deployed over **600+** cities

International operations in **Southeast Asia, North America & the Middle East**

3,000+ clients

63 offices in **34 Indian cities**



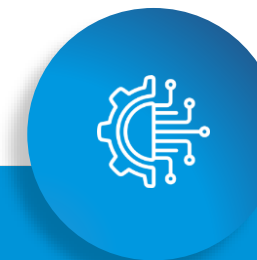
Agility

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)

Digitized
hire-to-retire platform

Leading **front-line productivity tools**

* As on 30th June 2023

Customers

Build Scale - Single operating platforms for all organic business

Measure digital revenues separately

Annual CSAT across all business



Investors

Achieve and sustain **20% RoE**

Deliver 20% CAGR on OCF

Aspirational EBITDA of **6%**

People

Become India's **Top 50 Great Place To Work**

Women to constitute **50%** of core workforce

Benefits coverage for Associates to cover **>70%** of Associates

Qess' Academia Partnerships is aimed at upskilling our Employees for leadership roles



Executive Certificate Programme in Recruitment & Selection

22 Participants | 6 Month Program

First of its kind program, jointly developed by Qess and XLRI, to bolster the country's recruiting engine



General Management Program

11 Participants | 9 Month Program

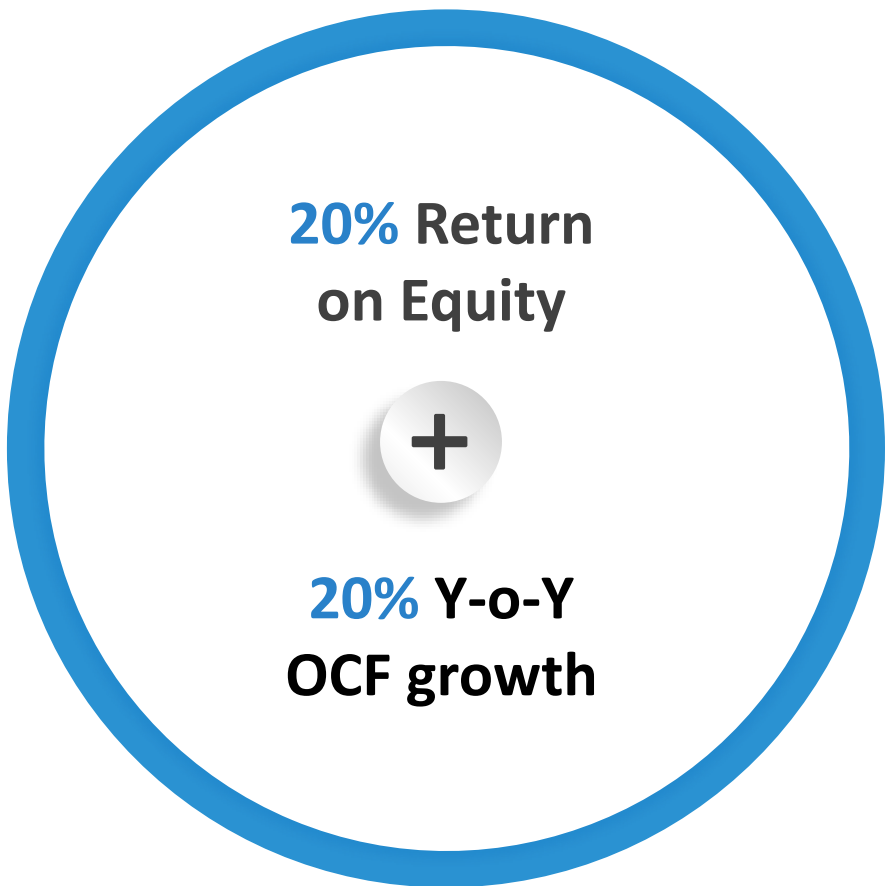
Program geared towards building future leadership pipeline, for high-caliber leaders, managers & consultants



Senior Executive Leadership Program

3 Participants | 6 Month Program

A program that accelerates the transformation of senior executives into skilled leaders to drive company success



Sustained Growth

20% EBITDA CAGR through sales efficiency, technology and cross-sell capability

Portfolio readjustments

Higher EBITDA To PAT Conversion

Operating leverage through scale and technology

Optimal debt leverage

Prudent Capital Allocation

Strategically aligned to 20% Return on Equity

~33% of FCF to be returned to shareholders

Growing Labour Market

India to remain one of the fastest growing major economy in 2023[@]

~ **563 million labour force**, experiencing a tectonic shift in composition and focus

Staffing Industry**

Flexi Staffing Industry registered **14%** YOY growth in 2022-23 and added **1.77 lakhs** new employment

General Staffing registered **15.3%** YoY growth in 2022-23 and added **1.47 lakhs** new employment

General Staffing was driven by demand from BFSI, FMCG, Healthcare, Retail, Energy etc.

Increased Formalisation

Formalisation[^] to increase from **20.8%** currently to **30.3%** by 2025

~**63*** million new PF subscribers and ~**79 million new** ESIC subscribers in India since Sept 2017

GST registered firms increased from 7.5 million in 2017 to ~14.1 million currently

Changing Employment Landscape

Proposed new labour codes to accelerate formalization, compliance and outsourcing

Huge potential to improve labour productivity through increased usage of technology

Gig workforce expected to expand to **23.5 million workers** by 2029-30; a **3.5x increase**

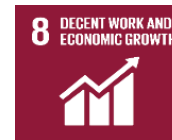
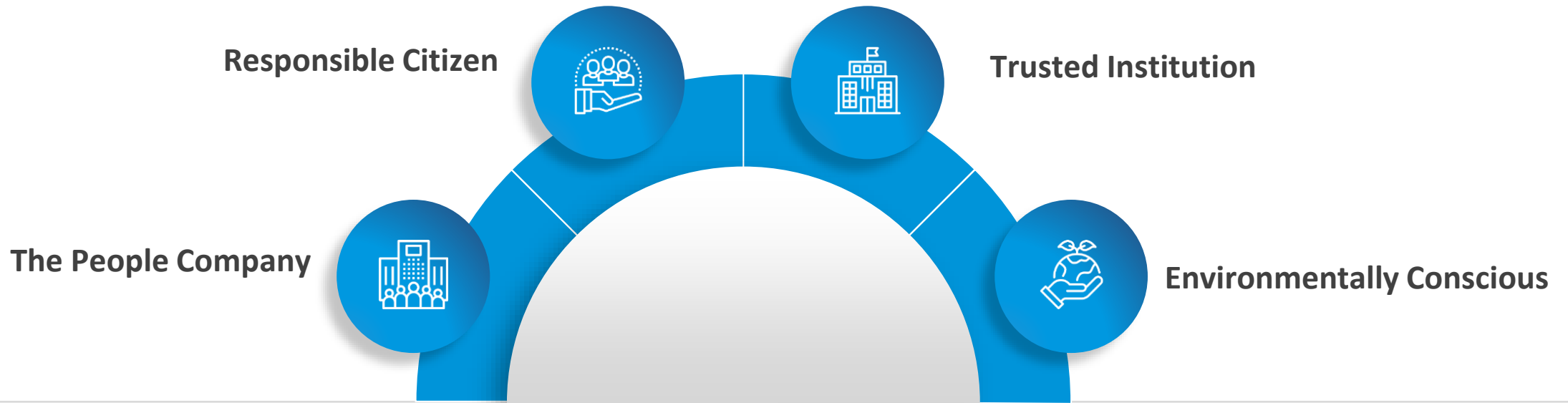
[@] Source: IMF [^] Source: Goldman Sachs, 2021 ^{*} Source: NSO - Payroll Reporting in India

[~] Source: ESIC & EPFO ^{**} Source: Indian Staffing Federation Report 2023

04

ESG Updates

What's good for society is good for Quess



Based on SUSTAINABLE DEVELOPMENT GOALS

What's good for society is good for Quest

Diverse Workforce

92K employees are women
(29% of Core & 18% of Associates)*
16% of our Core leadership are women (L3 & above)

Promoting Inclusivity

Over 7K active PWD employees
On Boarded as on 30th Jun'23

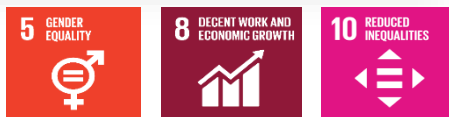
Nurturing Work Environment

Great place to work® re-certified
and accredited for inclusive
practices 2023-24

Digitizing Job Discovery

Monthly Avg. of 6.6K job openings
with over 90% jobs fulfilled
Over 154K candidates registered
in Qjobs Q1 FY24

The People Company



*as of May'23

What's good for society is good for Quess

Community Education

75 Schools covered with over 92k books distributed in FY23

Community Health

Over 12K Students medical screening conducted with over 4K dental & 2K vision cases treated in FY23

School Upgradation

17K+ Students benefitted from buildings and playgrounds being maintained in FY23

Responsible Citizen



What's good for society is good for Quess

Environmentally Positive

~300K devices repaired /refurbished by Digicare in Q1 FY24
~60 lakh pages saved due to digital On Boarding of Associate (POP) in FY23

Responsible Waste Management

7.3K+ Kgs of e-waste and over 7.5K+ Kgs of paper waste responsibly disposed in FY23

Climate Science Commitment

Committed to SBTi near-term emission reduction target by 2025



What's good for society is good for Quess

Robust Code of Conduct

Whistleblower/ Data Privacy/ Cyber-security & Human Rights – NIL complaints filed in FY23

Quality and Information security

Quess Corp is ISO 37001: 2016, ISO 27001: 2013, and ISO 9001: 2015 certified

Data Privacy and Cyber Security

Cyber Security Council with C-suite level oversight
SIEM Tool & VAPT done for over 20 applications to strengthen our security posture

Safety Incident Management through

WorQ & UHD (Unified Help Desk) for associates



Based on

05

Financials

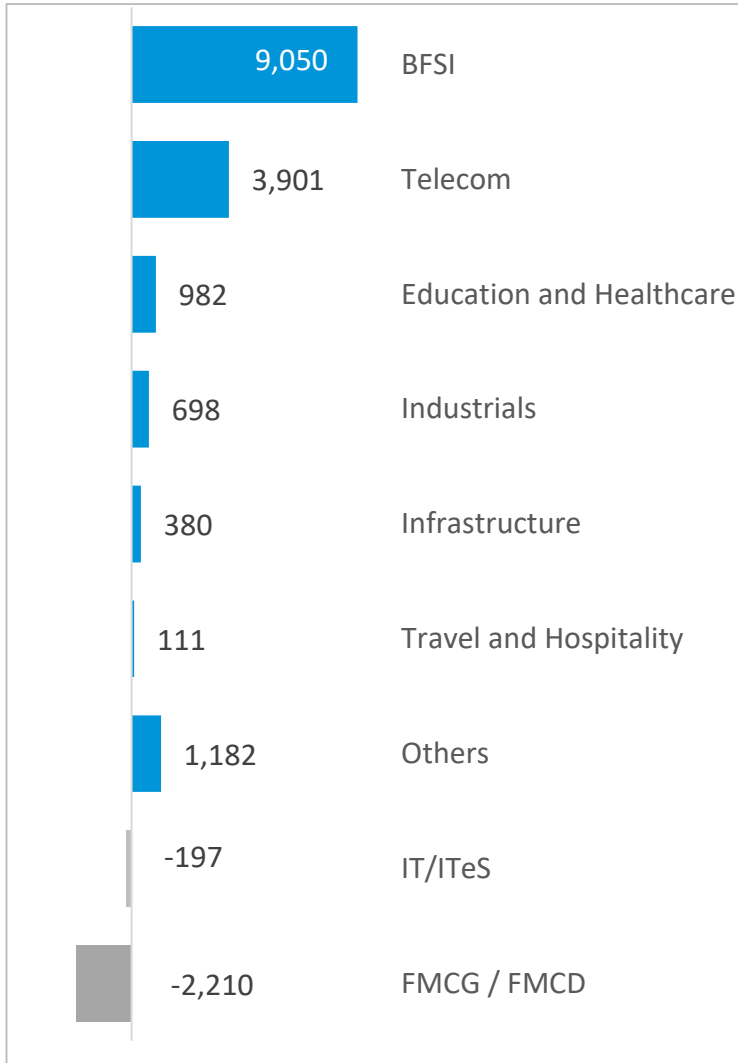
Particulars (in ₹ cr)	Q1 FY24	Q1 FY23	YoY	Q4 FY23	QoQ
Total Revenue	4600	3979	16%	4440	4%
Reported EBITDA	154	153	0%	152	1%
Reported EBITDA %	3.3%	3.9%	-51 bps	3.4%	-8 bps
Depreciation & amortisation	69	61	12%	76	-10%
Interest	27	20	34%	31	-12%
Other Income	4	7	-44%	4	10%
Profit before Tax	62	79	-22%	48	29%
PBT Margin %	1.4%	2.0%	-64 bps	1.1%	26 bps
PAT	48	68	-29%	30	60%
PAT Margin %	1.0%	1.7%	-66 bps	0.7%	37 bps
Diluted EPS – Rs.	3.21	4.48	-28%	2.22	45%

Particulars (in ₹ cr)	31-Mar-21	31-Mar-22	31-Mar-23
Assets			
Fixed Assets	431	498	646
Other Non-Current Assets	1,700	1,752	1,963
Current Assets			
Trade Receivables & Unbilled Revenue	1,800	2,332	2,689
Cash and Cash Equivalent	614	604	613
Loan and other current Assets	175	184	208
Total Assets	4,720	5,371	6,119
Liabilities			
Equity			
Equity Share Holders	2,343	2,438	2,569
Non-Controlling Interest (NCI)	94	131	162
Debt	451	588	531
Other Liabilities	1,832	2,214	2,857
Total Liabilities	4,720	5,371	6,119

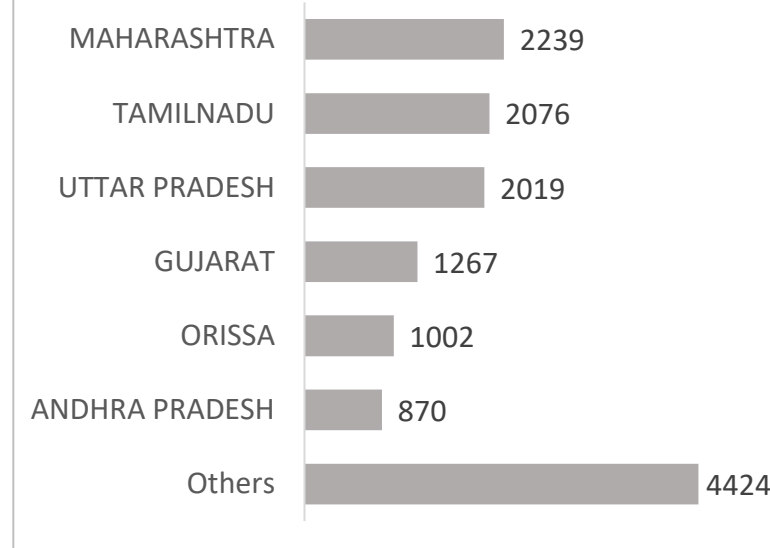
Particulars (in ₹ cr)	Quarter Ended				
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
Workforce Management					
Revenue	2,758	2,943	3,068	3,062	3,221
EBITDA	94	79	86	86	83
EBITDA %	3.42%	2.69%	2.80%	2.81%	2.58%
Global Technology Services					
Revenue	507	529	561	571	563
EBITDA	83	85	90	95	100
EBITDA %	16.28%	15.98%	16.10%	16.68%	17.78%
Operating Asset Management					
Revenue	597	651	689	684	690
EBITDA	30	28	31	30	31
EBITDA %	5.10%	4.27%	4.55%	4.39%	4.47%
Product Led Business					
Revenue	117	150	147	123	126
EBITDA	(24)	(24)	(27)	(20)	(26)
EBITDA %	-20.42%	-15.94%	-18.20%	-16.43%	-20.26%

New Joinee workforce snapshot

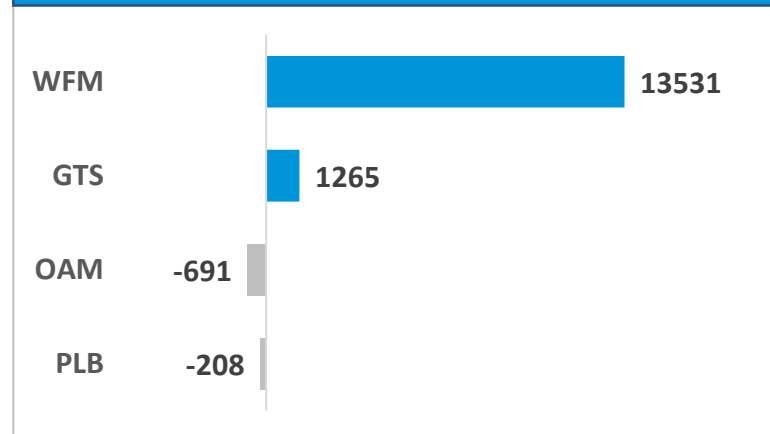
Sector wise addition



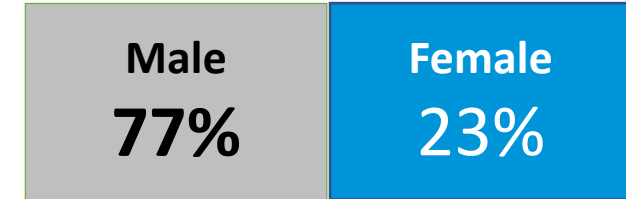
States wise addition



Platform wise addition



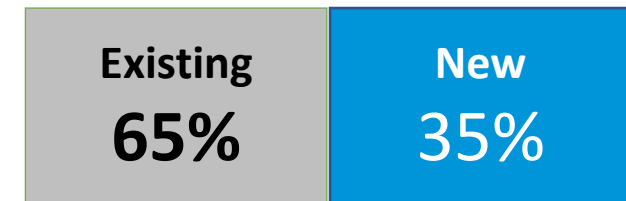
Gender



Joiner



Formalization



Average Age



Winning Together





Quess Corp Limited



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

CIN no: L74140KA2007PLC043909

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