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9MFY19 Revenue up by 9.3% Y-o-Y to Rs 2,194 million

Chennai, 31st January, 2019: SQS India BFSI Ltd. (BSE: 533121) (NSE: SQSBFSI), announced its **third quarter and nine months** results ended on 31st December, 2018. SQS India BFSI is a specialist in providing quality assurance services for Banking, Financial and Insurance (BFSI) Software, and an independent quality assurance service provider listed in India. The results are available on the company's website, <http://www.sqs-bfsi.com>

PERFORMANCE HIGHLIGHTS

Consolidated Q3FY19 Q-o-Q Review

- The operating revenue was Rs 705 million in Q3FY19 as compared to Rs 758 million during the previous quarter; a drop of 6.9%. Operating revenue for the quarter includes Rs 7 million towards sale of SEIS Scrips compared to previous quarter Rs 8 million.
- Total income was Rs 713 million in Q3FY19 as compared to Rs 763 million during the previous quarter; a drop of 6.5%.
- EBITDA stood at Rs 139 million with the margin at 19.8% in Q3FY19 as compared to Rs 172 million with the margin at 22.7% during the previous quarter; down by 290 bps.
- Profit after tax stood at Rs 48 million during the quarter under review as compared to Rs 135 million during the previous quarter, reflecting a forex loss of Rs 55 million as compared to forex gain of Rs 44 million in Q2FY19.
- Basic EPS stood at Rs 4.52 as compared to Rs 12.74 for Q2FY19.
- The Company's net cash position stood at Rs 879 million during the quarter under review as compared to Rs 760 million for Q2FY19.



Consolidated 9MFY19 Y-o-Y Review

- The operating revenue was Rs 2,194 million during the nine months period under review as compared to Rs 2,008 million in the corresponding period of previous year, reflecting a growth of 9.3%. Operating revenue for 9MFY19 includes Rs 22 million towards sale of SEIS Scripts as compared to Rs 36 million in 9MFY18.
- Total income was Rs 2,217 million during the nine months period under review as compared to Rs 2,020 million in the corresponding period of previous year, reflecting a growth of 9.8%.
- EBITDA stood at Rs 441 million with the margin at 20.1% in 9MFY19 as compared to Rs 333 million with the margin at 16.6% in 9MFY18.
- Profit after tax stood at Rs 267 million in 9MFY19 as compared to Rs 215 million in the corresponding period of previous year, reflecting a growth of 24.2%.
- Basic EPS stood at Rs 25.08 in 9MFY19 as against Rs 20.25 in 9MFY18, a growth of 23.8%.
- The Company's net cash position stood at Rs 879 million during the nine months period under review as compared to Rs 863 million in December 31, 2017.

Commenting on the results, Mr. Balaji Viswanathan, Managing Director & CEO, SQS India BFSI, said "The quarter gone by was in line with our expectations, while we had a drop in revenue this quarter primarily driven by Foreign exchange fluctuations, our margins and profits performed better and did not go down at the proportionate rate. The YTD numbers indicate closer to double digit growth and it indicates the stronger focus on organic growth across regions especially in Europe and APAC. The company is focusing and investing on projects in the area of Digital, RPA, Data Management and DevOps that will set the path for the future. We are looking forward to the Brand Change and Integration that will open new areas of offerings and opportunities for us in 2019 and beyond."

About SQS India BFSI

SQS India BFSI Limited is the leading Business Assurance and Testing Specialist focusing exclusively on the Financial Sector. With a successful track record of over 15 years, and more than 14 million person hours of Testing, the company has served 150 plus customers in APAC, USA, UK and Middle East.

It is a public company listed in both BSE and NSE with its registered office in Chennai. The company is ISO 9001:2015 and ISO 27001:2013 certified, both its Chennai Test Centres are SSAE 16/ISAE 3402 and PCI: DSS compliant.



SQS India BFSI Limited helps clients reduce software product life cycle costs and develop 'business ready software' within compressed timelines, through intense domain focus, structured software Testing Methodologies, offshore delivery, and test automation expertise. The company also has the distinction of maintaining high standards in execution, coverage, quality and confidentiality.

Its financial software testing services have helped system integrators and product development companies to achieve near defect-free rollouts of software products such as PRIME, TS2®, VisionPLUS®, Oracle FLEXCUBE®, T24, Equation, B@ncs24, CS Eximbills, FinnOne™, Kondor+, Pan Credit, TS2, Siebel, Newton, Kastle, Genius, Premia, MIDAS, ClarityQ and Finacle.

SQS India BFSI Limited is part of the SQS Group, the world's leading specialist in software quality. SQS' position and expertise as the market leader are the result of over 30 years of successful consultancy.

For more information, see www.sqs-bfsi.com

About SQS Software Quality Systems

SQS is the leading global provider of quality assurance services for digital business. This position stems from over 30 years of successful consultancy operations. SQS consultants provide solutions for all aspects of quality throughout the whole software product lifecycle driven by a standardised methodology, industrialised automation processes and deep domain knowledge in various industries.

Headquartered in Cologne, Germany, the company now employs approximately 4,400 staff. SQS has offices in Germany, UK, US, Australia, Austria, Egypt, Finland, France, India, Ireland, Italy, Malaysia, the Netherlands, Norway, Singapore, South Africa, Sweden, Switzerland and UAE. In addition, SQS maintains a minority stake in a company in Portugal. In 2016, SQS generated revenues of €327.1 million.

For more information, see www.sqs.com

For further information, please contact:

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