



9MFY21 Revenue up by 15.0% Y-o-Y to Rs 2,289 million

Chennai, 4th February, 2021: Expleo Solutions Limited (formerly known as SQS India BFSI Limited) (BSE: 533121) (NSE: EXPLEOSOL), announced its **Third quarter and Nine months** results ended on 31st December, 2020. Expleo Solutions 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, <https://expleosolutions.com>

PERFORMANCE HIGHLIGHTS

Consolidated Q3FY21 Q-o-Q Review

- The operating revenue was Rs 721 million in Q3FY21 as compared to Rs 736 million during the previous quarter.
- Total income was Rs 768 million in Q3FY21 as compared to Rs 747 million during the previous quarter.
- EBITDA stood at Rs 137 million with the margin at 19.0% in Q3FY21 as compared to Rs 177 million with the margin at 24.0% during the previous quarter.
- Profit after tax stood at Rs 125 million in Q3FY21 as compared to Rs 128 million during the previous quarter.
- Basic EPS stood at Rs 12.30 as compared to Rs 12.27 for Q2FY21.
- The Company's net cash position stood at Rs 1,415 million in Q3FY21 as compared to Rs 1,079 million during the previous quarter.

Consolidated 9MFY21 Y-o-Y Review

- The operating revenue was Rs 2,216 million as compared to Rs 1,947 million in 9MFY20, reflecting a growth of 13.8%.
- Total income was Rs 2,289 million as compared to Rs 1,991 million in 9MFY20, reflecting a growth of 15.0%.



- EBITDA stood at Rs 507 million with the margin at 22.9% in 9MFY21 as compared to Rs 376 million with the margin at 19.3% in 9MFY20.
- Profit after tax stood at Rs 394 million as compared to Rs 256 million in 9MFY20, reflecting a growth of 54.3%.
- Basic EPS stood at Rs 38.48 as compared to Rs 24.94 in 9MFY20.
- The Company's net cash position stood at Rs 1,415 million during the nine months period under review as compared to Rs 900 million in Dec 31, 2019.

Commenting on the results, Mr. Balaji Viswanathan, Managing Director & CEO, Expleo Solutions Limited (Formerly known as SQS India BFSI Limited), said "The last quarter of the Calendar year 2020 went in line with the expectations, the recovery of demand continues to be positive. Even though we saw a drop due to the discounts due to the COVID impact as we wind up the year and given that we have reduced working/billing days in OND quarter, without which this could have been another double digit growth quarter.

The demand and business activity over the last quarter have been quite positive, we have won a reasonably large digital transformation engagement and we have a few more opportunities that are being pursued in the coming quarter. The demand continues to be positive for Digital services across legacy modernisation, customer experience, cloud migration, security and automation are areas that we see client and partner interest. We continue to invest and infuse talent on the above areas, considering the demand for the talent, the investments are expected to be significant. The internal talent transformation program also accelerated and we continue to invest in training, upskilling and reskilling. Our Digital business is now over 22% of the Total Business (from 9% in 2019).

The pandemic has given us opportunity to evaluate new working and engagement models as we continue to Work from Home. We have been working on chalking out medium to long term models on how we can take advantage of this model and build in flexibility. The operating costs have stayed lower owing to the travel and reduction in selling expenses. However, we expect that normalcy to travel and selling expenses (physical events etc.) should slowly come back to normal in the next 2-3 quarters as the vaccination drive shows positive results and containment.



We have made some more strides in our plan in the US with an additional win with one of our existing client for their US business but had some challenges in implementation due to the pandemic.

We signed 6 new clients during this quarter, while our Top 5 and Top 10 clients are remaining almost the same in terms of quantum, however the share is now close to 54% (from 59% in 2019).

In line with our past quarters, we continue to manage our costs tightly and have been focusing on the right investments in technology, technical talent and partnership(s). We will be going ahead with our annual increases in January 2021 (after a 6 month delay) and are building a pay for performance culture especially for the Managers. We will continue to invest in 2021 on people, technology and partnerships to build a sustainable growth model."

About Expleo Solutions Limited

Expleo Solutions Limited (formerly known as SQS India BFSI Limited) is part of Expleo Group, a trusted partner for end-to-end and integrated engineering, quality and management consulting services for digital transformation. Our combined group offers access to sector-specific expertise and best practices across consultancy and business agility, product design, production and inservice support, as well as continuous quality.

Expleo Solutions Limited is the leading Business Assurance and Testing Specialist focusing exclusively on the Financial Sector. With a successful track record of over 20 years, we help our clients to roll out their products and services on schedule, whilst mitigating quality risks. Our end-to-end expertise spans business agility, continuous quality and management consulting. Providing best-shoring solutions, our clients benefit from secure, controlled and customer centric delivery centres, combined with Expleo's global delivery model and capabilities. 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.

Its financial software testing services have helped system integrators and product development companies to achieve near defect-free rollouts of software products such as TS



PRIME, TS2®, First Vision®, Oracle FLEXCUBE®, T24, Equation, B@ncs24, CS Eximills, FinnOne™, Kondor+, Siebel, Newton, Kastle, Genius, Premia, MIDAS, ClarityQ and Finacle.

For more information, see <https://expleosolutions.com/>

About Expleo Technology Germany GmbH

Expleo Technology is the leading global provider of quality assurance services for digital business. This position stems from over 30 years of successful consultancy operations. Our local heritage dates back 40 years, with a proud history in engineering and quality assurance. Expleo Technology consultants provide solutions for all aspects of quality throughout the whole software product lifecycle driven by a standardized methodology, industrialized automation processes and deep domain knowledge in various industries.

Headquartered in Cologne, Germany, our 2,500 strong team, based in all major German cities, brings global delivery capabilities for engineering services, quality services and management consulting, reinforcing our position as a partner of trust with our industry-leading clients.

For more information, see <https://expleogroup.com/>

For further information, please contact:

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