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Q3FY18 Revenue up by 1% Q-o-Q to Rs 704 million

Chennai, 25th January, 2018: SQS India BFSI Ltd. (BSE: 533121) (NSE: SQSBFSI), announced its **third quarter and nine months** results ended on 31st December, 2017. 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 Q3FY18 Q-o-Q Review

- The operating revenue was Rs 704 million in Q3FY18 as compared to Rs 697 million during the previous quarter; a growth of 1.0%. Operating revenue for the quarter includes Rs 16.3 million towards sale of SEIS Scrips.
- Total income was Rs 710 million in Q3FY18 as compared to Rs 699 million during the previous quarter; a growth of 1.6%.
- EBITDA stood at Rs 105 million with the margin at 15.0% in Q3FY18 as compared to Rs 104 million with the margin at 15.0% during the previous quarter.
- Profit after tax stood at Rs 53 million during the quarter under review as compared to Rs 74 million during Q2FY18, impacted by a forex loss of Rs 16 million as compared to forex gain of Rs 19 million in Q2FY18.
- Basic EPS stood at Rs 4.96 as compared to Rs 6.87 for Q2FY18.



- The Company's net cash position stood at Rs 859 million during the quarter under review as compared to Rs 748 million for Q2FY18.

Consolidated 9MFY18 Review

- The operating revenue marginally decreased by 0.8% to Rs 2,008 million during the 9m period under review as compared to Rs 2,024 million in the corresponding period of the previous year. Operating revenue for the period includes Rs 36.0 million towards sale of SEIS Scrips.
- Total income was Rs 2,020 million for the 9m period ended December 31, 2017 as compared to Rs 2,030 million in the corresponding period of the previous year.
- EBITDA stood at Rs 334 million with the margin at 16.6% during the 9m period under review, compared to Rs 402 million with the margin at 19.8% during the corresponding period of previous year.
- Profit After Tax stood at Rs 217 million for the 9m period ended December 31, 2017 as compared to Rs 193 million in the corresponding period of the previous year; reflecting a growth of 12.6%.
- Basic EPS stood at Rs 20.25 as compared to Rs 18.01 in the previous year for same period.
- The Company's net cash position stood at Rs 859 million during the 9m period under review as compared to Rs 832 million in December 31, 2016.

Commenting on the results, Ms. Aarti Arvind, Managing Director & CEO, SQS India BFSI, said

"Our topline had grown well in Q2 and we have maintained this higher level of revenue in the last quarter, though typically Q3 is lower due to multiple festival holidays. We have won multi-year engagements across regions and have added more than 12 clients in the quarter. Card & Payments and Banking has increased while the quarter saw a short-term dip in insurance revenue. Revenue in Europe, the US and Middle East grew in the quarter and we did well in growing our business with our Top 5 clients"



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 9001:2008 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 Eximills, 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 processes. 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.

SQS is a German company having a listing on AIM, a market operated by the London Stock Exchange. In addition, SQS shares are also traded on the German Stock Exchange in Frankfurt am Main.

With over 10,000 completed projects under its belt, SQS has a strong client base, including half of the DAX 30, nearly a third of the EURO STOXX 50 and 20 per cent of the FTSE 100 companies.

For more information, see www.sqs.com

For further information, please contact:

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