

Building lasting relationships

Earnings Update

Q2 and H1 FY 22



This presentation has been prepared by Allsec Technologies Limited ("Company") solely for information purposes without any regard to any specific objectives, financial situations or informational needs of any particular person. This presentation may not be copied, distributed or disseminated, directly or indirectly, in any manner. Failure to comply with this directive may result in a violation of the applicable law in certain jurisdictions. By reviewing this presentation, you agree to be bound by the restrictions contained herein, and to maintain absolute confidentiality, regarding the information disclosed in these materials.

This presentation does not constitute or form part of and should not be construed as, directly or indirectly, any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company by any person in any jurisdiction, including in India, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment therefor.

This presentation contains statements that constitute forward looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects", "plans", "will", "estimates", "projects", or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, our ability to manage our international operations, government policies, regulations, etc. The Company does not undertake any obligation to revise or update any forward looking statement that may be made from time to time by or on behalf of the Company including to reflect actual results, changes in assumptions or changes in factors affecting these statements. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward looking statements. This presentation may contain certain currency exchange rates and the same have been provided only for the convenience of readers.

Company Overview

Q2 FY22 Key Business Highlights

Financial Performance (Q2 and H1 FY22)

Business segments update

Annexures

Company Overview

Global leader in outsourcing solutions

Corporate



Quess Corp subsidiary,
backed by Fairfax Holdings
(Canada)



20+ years of Global BPO
service Excellence



Listed at the **NSE & BSE**
(NSE: ALLSEC)

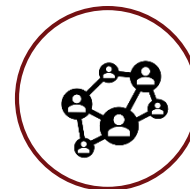
HRO



1M+ payslips processed per
month

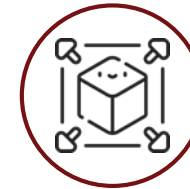


400+ Client engagements
globally including Fortune
100 companies



200,000+ monthly employee
self service portal log-ins

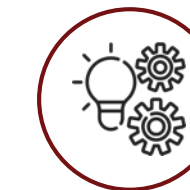
DBS



Service Delivery bundled
with **Digital
Transformations**



~3800 driven and dedicated
employee workforce



2 Decades in Delivering
Global Business Solutions

HRO - Market Leader in HRO Services | DBS - Leading Global BPM Player

Leading and fast growing provider of end-to-end HRO services

~50 logos added in H1FY22

| 1,000,000+ payslips p.m (31% ↑ over Sep'20) | ~200,000 Headcount on HRMS (50% ↑ over Sep'20)

SmartHR

Create a better workplace with an end-to-end HR solution

SmartPay

Manage and deliver powerful and accurate payroll, everytime

SmartStat

Tackle complex labour law and payroll compliance, backed by technology



HR Services

- On-boarding
- Employee Info Store
- Postings
- Exits



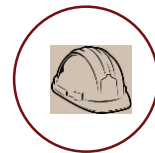
Reimbursement System

- Travel Requisition with workflow
- Alerts to Travel Desk, Admin
- Travel Claims & Vouching
- Settlements



Leave & Attendance

- Leave Mgt. with ESS & Workflow
- Time Management, Shifts, OT
- Attendance Processing



LLC, CLRA & Factories Act

- Simpliance Platform based
- Score Cards
- Consulting for inspections, Audits



Payroll

Global, Configurable, Payroll Tax Engines
Payroll Statutory & Control Reports



Retiral

- PF Trust Accounting
- Loans
- Investments

DBS: Cutting edge Digital Business Services offerings

5 logos, ACV ~ ₹ 38 cr added in H1 FY22

HC ~3800 (22% ↑ over Sep'20)



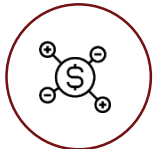
Customer Experience Management

- Omni-channel, Chatbots & RPA
- Customer & Tech Support
- Customer Acquisition



Credit Risk Management

- Debt Collections
- Fraud Detection & Risk Management



Transaction Processing

- Accounts Receivable
- Accounts Payable
- Account Research
- Mortgage Services



Compliance

- Anti-Money Laundering Investigations
- KYC / Customer Onboarding
- Legal Transcription
- Compliance Monitoring

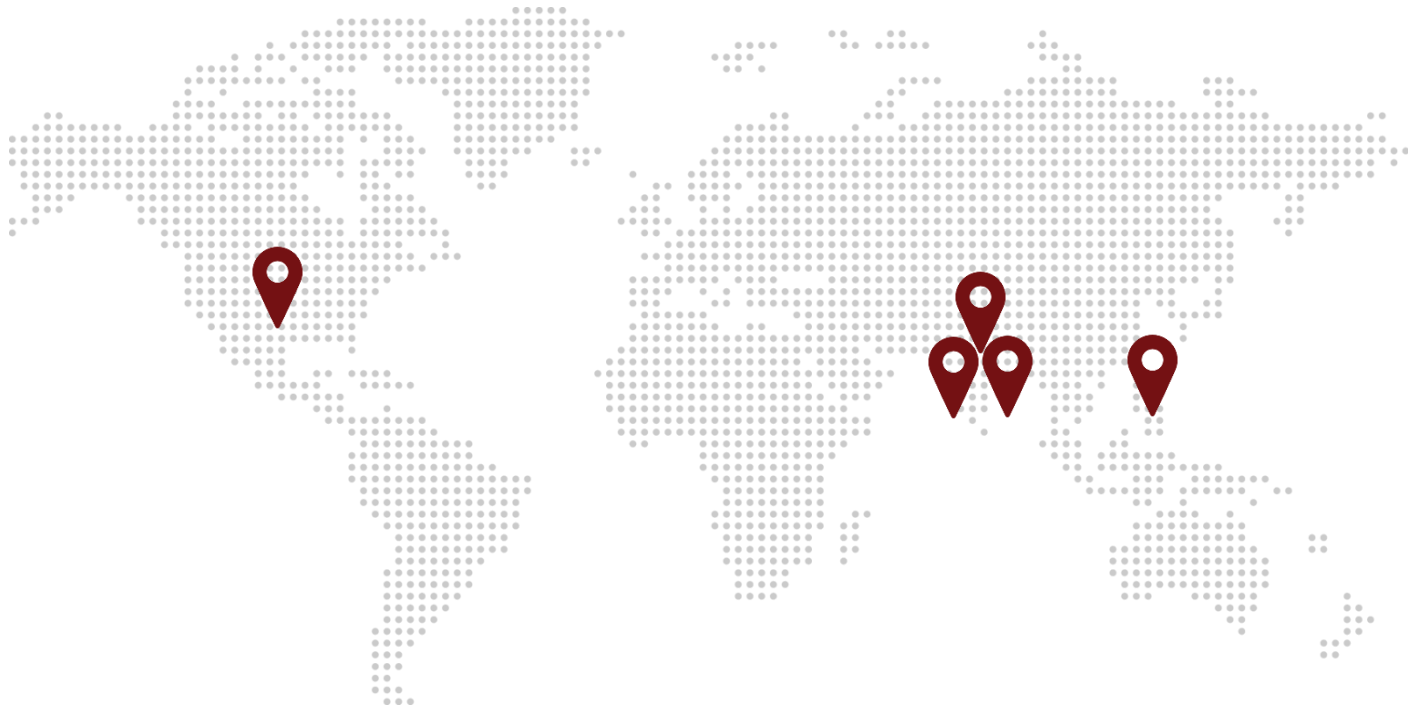


Insurance

- Insurance BPaaS

Global Delivery capabilities

- **Global Footprint** with proximity to Servicing Markets
- **~4600** employee workforce
- Multi-Industry, Multinational & Multi-Demographic **coverage**
- **5 Inter-Connected** Service Delivery Centers with site-to-site BCP, with ability to leverage Qess Corp group facilities at other major hubs in India for ramp ups
- Multi-Lingual hub offering **12+ International Languages** using native speakers



Chennai (HQ), Bangalore, Noida, INDIA

- Hindi
- English
- Tamil
- Telugu
- Kannada
- Malayalam
- Marathi
- Punjabi
- Gujarati
- Bengali
- Odia



Manila, PHILIPPINES

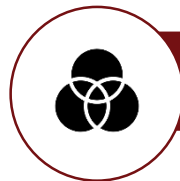
- Mandarin
- Spanish
- Japanese
- German
- Turkish
- French
- English
- Arabic
- Portuguese
- Malay
- Bahasa-Indonesia
- Italian
- Polish



Dallas, Texas USA

Q2FY22 Key Business Highlights

Q2FY22 Highlights



Business

- **HRO:**
 - **Processed more than 1Mn payslips in Sep 2021**
 - Added net **214,000+** payslips during Q2 FY22 representing 7% growth over Q1 FY22 and 31% growth over Q2 FY21
 - Strategic partnership with large IT services Company bearing fruit with addition of 3 customers and around ~3,500 payslips under this program
- **DBS:**
 - Added **2** new logos with ACV of **₹5.7cr** and additional process with 2 existing customers with ACV of ~ **₹8.8cr**
 - AML investigation (Level 1) service capability added to our Chennai delivery centre
 - Introduced Bot Monitoring as a Service (Bot MaaS) on a pilot mode as a technical service desk for Bot developers
- **Headcount:**
 - HC as on Sep 30, 2021 was at 4661 an increase of 665 from June 30, 2021. The increase is largely from the DBS business



Financial

- **Balance Sheet:**
 - **Cash and short term investments** increased by **₹9.6cr** from June 2021 to ₹178.1cr
 - **OCF** at **₹15.6cr** in Q2 FY22 an increase of 4% QoQ
 - Receivables DSO down at 51 days as compared to 52 in Q1 FY22
- **P&L statement:**
 - Revenue was at **₹77.1cr** an increase of 8% QoQ with DBS increasing by 7% and HRO by 10%
 - EBITDA stood at **₹18.8cr**, an increase of 19% QoQ and increase of 35% over Q2 FY21 reflecting strong growth in the current quarter
 - EBITDA margin % improved 230 bps to **24.4%** driven by growth in revenue and flat Indirect costs
 - PBT at **₹16.0cr**, an increase of 52% QoQ and increase of 96% YoY
 - PAT at **₹12.9cr**, an increase of 64% QoQ and increase of 101% YoY



Corporate

- **Sales and Customer focus:**
 - DBS added a record **₹38cr** of ACV in H1 FY22 including **₹27cr** in the International business, reflecting the benefits of investments made in Sales and joint GTM strategies with Ques
 - Added 24 new customers with ACV of ~ **₹8.5cr** ; DBS - **₹5.7cr** and HRO **₹2.8cr**
 - Added additional processes from existing clients with ACV of ~ **₹10.5cr**; DBS - **₹8.8cr** and HRO - **₹1.7cr**
 - Focus on building partnerships for – Indian Referral Business, Overseas Payroll Partners and Integrated Partners
- **Investment in the business**
 - Smartpay (SP4) product modernization proceeding as per plan and we aim to onboard customers by Q4 FY22
 - Upgraded telephony infrastructure from CM7 to CM8
 - Set up outbound contact center with GSM gateway and client CRM integration for a large Real Estate Company

Financial performance

Q2FY22 Financial Performance

Revenue:

- Increased 8% QoQ and increased 14% YoY with strong growth across DBS and HRO business

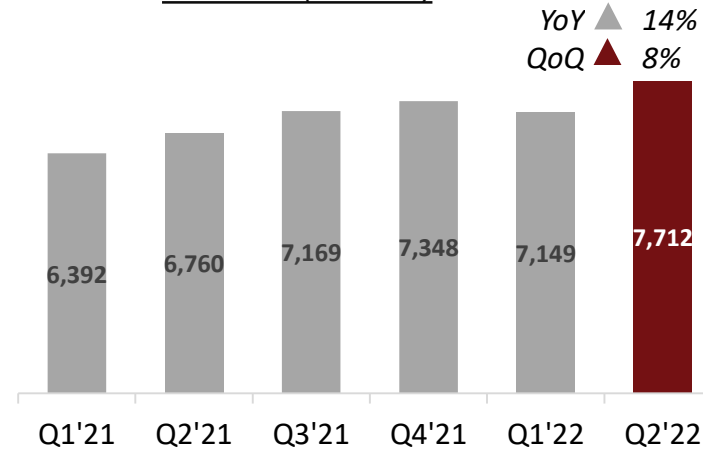
Profitability:

- EBITDA increased by 19% QoQ and 35% YoY;
- EBITDA excluding COVID costs stood at ₹20.3cr an increase of 18% QoQ and 35% YoY
- PAT increased 64% QoQ due to
 - Higher EBITDA growth
 - Fx Gain of ₹100 Lakhs
 - Interest on IT refund ₹85 Lakhs

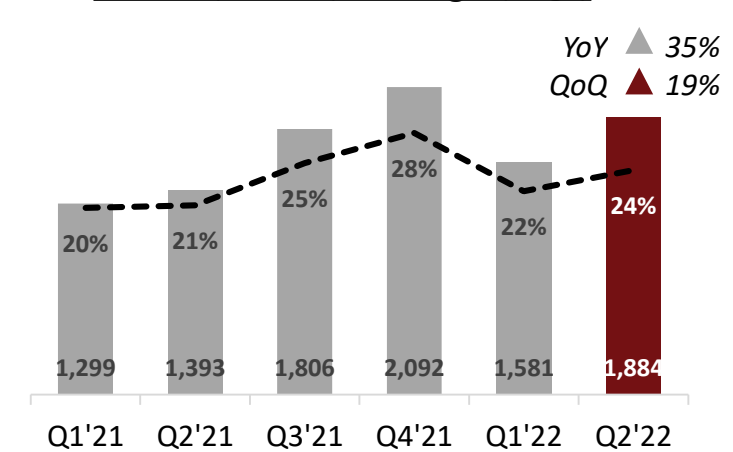
Cash Generation :

- Cash and short term investments increased by ₹9.6cr to ₹178.1cr.
- OCF was at 15.6 cr an increase of 4% over Q1 FY22 and 14% over Q2 FY21
- DSO marginally down at 51 days as compared to 52 in Q1 FY22

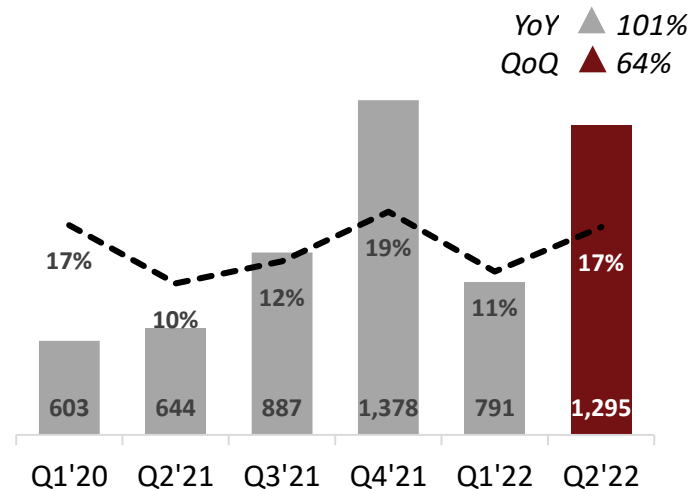
Revenue (in ₹ lakh)



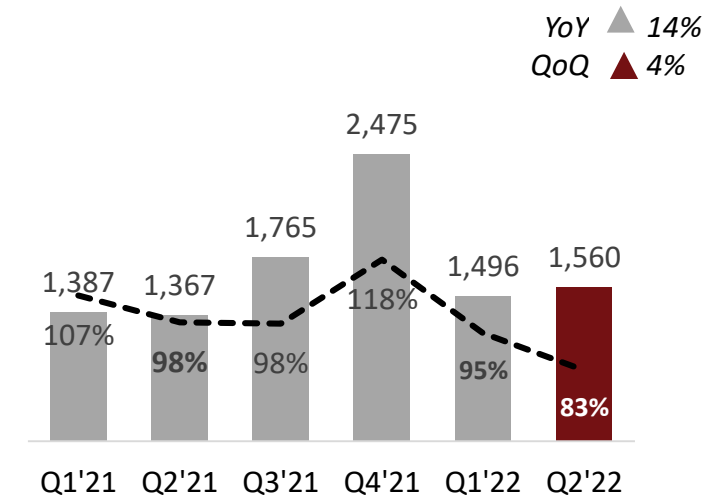
EBITDA (in ₹ lakh) & margin (%age)



PAT* (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age



* Q1 FY22 PAT excludes tax on dividend income ₹1588 lakhs

H1FY22 Financial Performance

Revenue :

- 13% higher YoY at ₹148.6cr
 - DBS up 12% at ₹94.2cr
 - HRO up 14% at ₹54.4cr

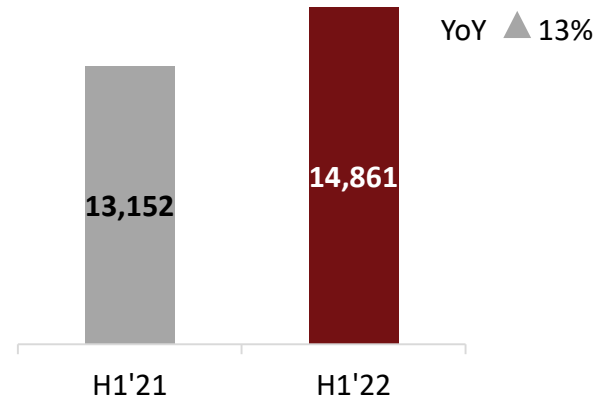
Profitability :

- EBITDA up 29% on account of higher revenue, lower COVID cost in H1 FY22 as compared to FY21
- EBITDA excluding COVID cost higher by 21% at ₹37.5cr

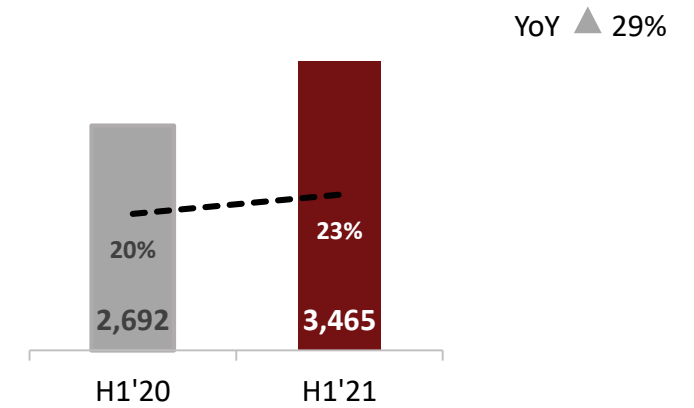
Cash Generation :

- Cash and short term investments reduced by ₹20.2cr to ₹178.1cr from ₹198.3cr in March 2021. The reduction is due to dividend paid in Q1 FY22 ₹22.9cr and tax on dividend received from subsidiary of ₹15.9cr
- OCF was at ₹30.6cr an increase of 11% over H1 FY21
- DSO was at 53 days as compared to 50 in H1 FY21

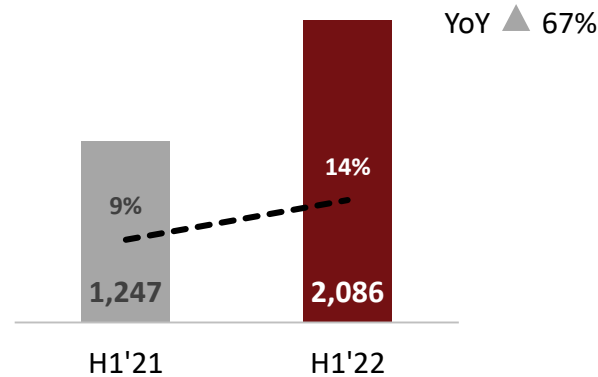
Revenue (in ₹ lakh)



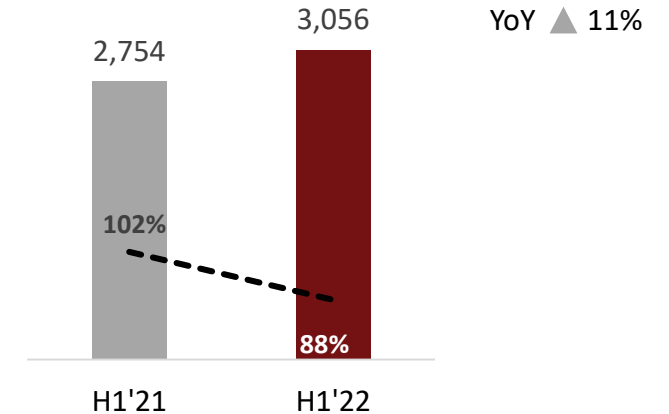
EBITDA (in ₹ lakh) & margin (%age)



PAT (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age

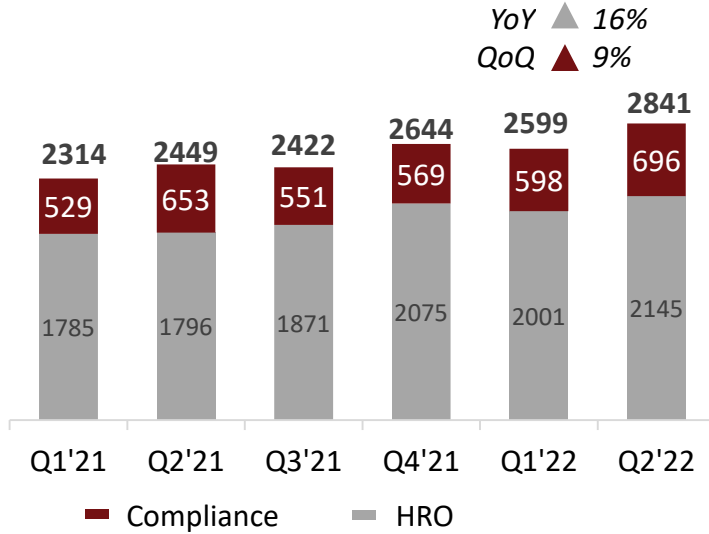


* H1 FY22 PAT excludes tax on dividend income ₹1588 lakhs

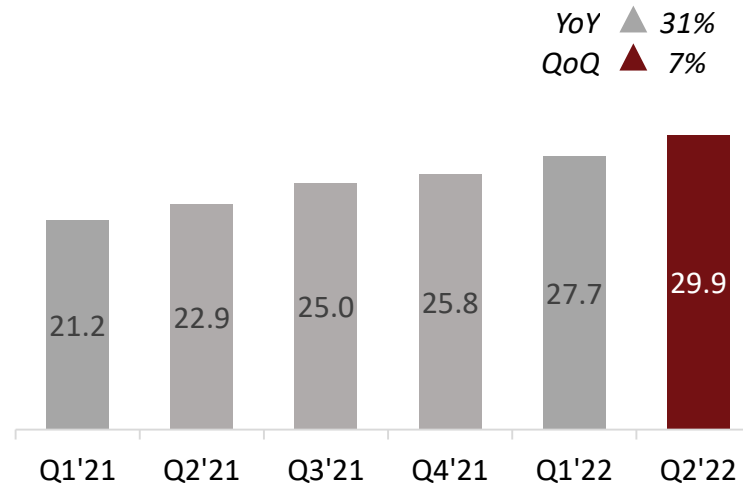
Business segment updates

Human Resources Operation (HRO) – Performance Snapshot

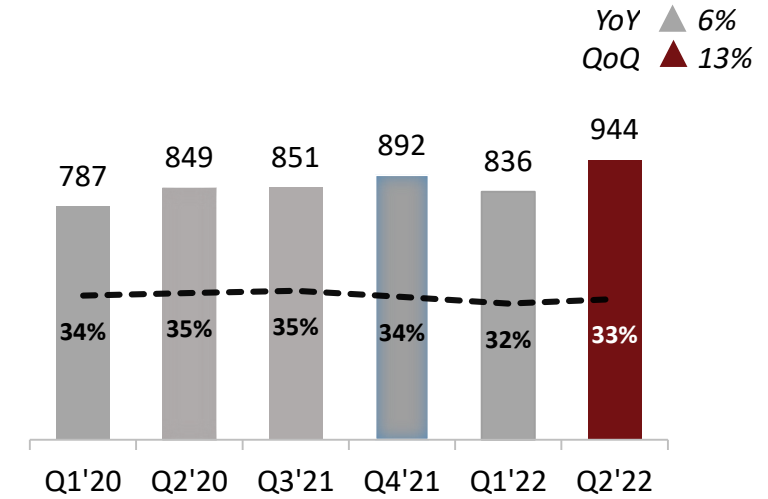
Revenue (in ₹ lakh)



Payslips processed (in Nos Lakhs);

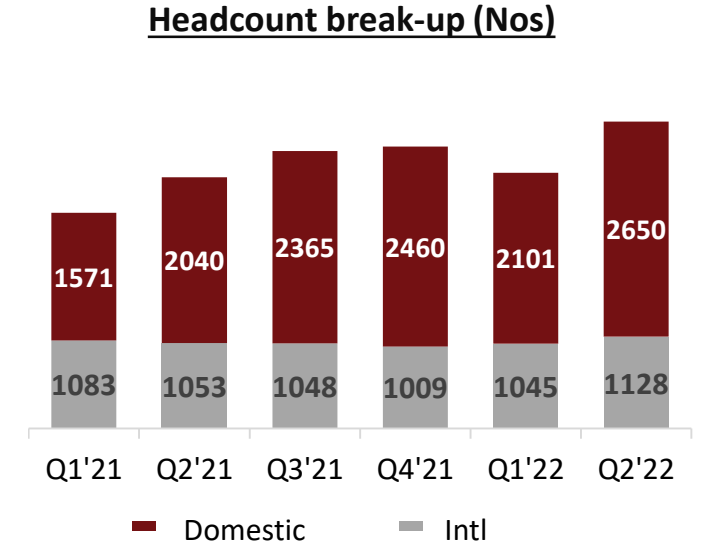
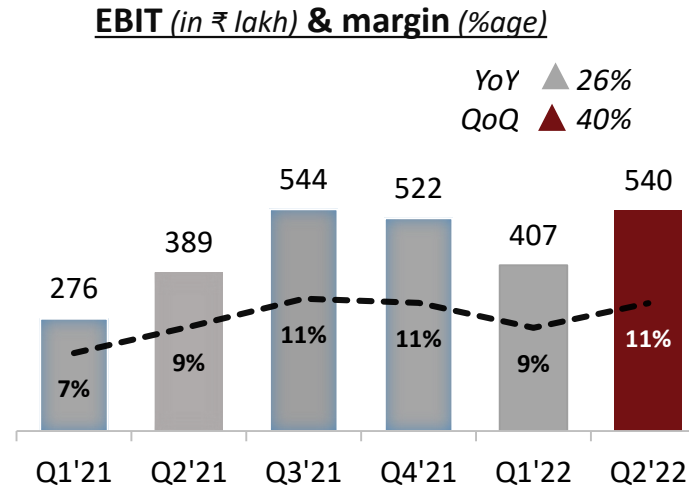
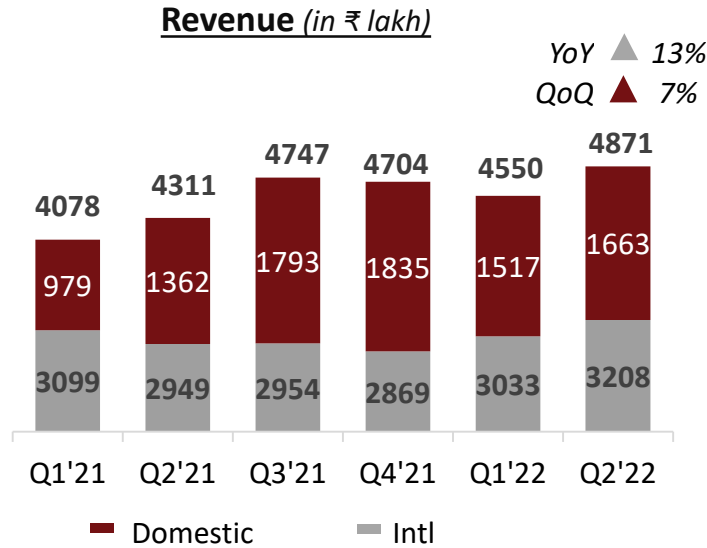


EBIT (in ₹ lakh) & margin (%age)



- Revenue higher 9% QoQ reflecting strong growth in HRO – Domestic growing 11% and HRO Stat growing 16% QoQ. HRO International remained flat
- Payslips processed grew 7% QoQ and 31% YoY; Processed 1 mn + payslips in the month of September 2021
- Added 23 customers with ACV of ₹430 Lakhs during the quarter

Digital Business Services (DBS) – Performance Snapshot



- Revenue increased QoQ by 8% with DBS Domestic higher by 9% primarily due to returning volumes from existing customers, while DBS International increased by 6% with revenues coming from new customers on boarded during the quarter
- EBIT higher from Q1FY22 due to higher revenue, EBIT % improved by 214 bps QoQ as revenue increased and flat fixed costs
- Total headcount increased to 3,778 up 20% QoQ. Domestic headcount up 26% QoQ
- In DBS – International we have added 1 new logo and 2 new processes with existing customers adding to a total ACV of ₹14.5cr. This takes the YTD ACV added in this business to ~₹38cr

Annexures

Income Statement

In ₹ Lakhs

Consolidated Particulars	Quarterly			Var %		Half Yearly		
	Q1 FY22	Q1 FY22	Q2 FY21	QoQ%	YoY %	H1 FY22	H1 FY21	YoY %
Revenue from Operations	7,712	7,149	6,760	8%	14%	14,861	13,152	13%
Less:								
Employee benefit expenses	(4,233)	(4,141)	(3,771)	2%	12%	(8,374)	(7,343)	14%
Other expenses	(1,595)	(1,427)	(1,596)	12%	(0%)	(3,022)	(3,117)	(3%)
Total expenses	(5,828)	(5,568)	(5,367)	5%	9%	(11,396)	(10,460)	9%
EBITDA	1,884	1,581	1,393	19%	35%	3,465	2,692	29%
Other income	327	71	50	361%	554%	398	163	144%
Finance cost	(42)	(43)	(82)	(2%)	(49%)	(85)	(118)	(28%)
Depreciation & amortisation	(573)	(557)	(547)	3%	5%	(1,130)	(1,116)	1%
Earnings before tax	1,596	1,052	814	52%	96%	2,648	1,621	63%
Tax on Dividend income from Manila	-	(1,588)	-			(1,588)		
Normal Tax	(301)	(261)	(170)	15%	77%	(562)	(374)	50%
Profit after tax	1,295	(797)	644	262%	101%	498	1,247	(60%)
EBITDA Margin	24.4%	22.1%	20.6%	231 bps	382 bps	23.3%	20.5%	285 bps
PAT margin	16.8%	(11.1%)	9.5%	2,794 bps	727 bps	3.4%	9.5%	(613 bps)
Basic & Diluted EPS (in ₹)	8.50	(5.23)	4.22	(262%)	101%	3.27	8.18	(60%)

Balance Sheet

In ₹ Lakhs

Particulars	30-Sep-21	31-Mar-21	Var %
Non-Current Assets			
Property Plant & Equipment	748	730	2%
Right of Use Assets	1,646	2,011	(18%)
Other Intangible Assets	937	600	56%
Other Non Current Assets	2,331	2,475	(6%)
	5,662	5,816	(3%)
Current Assets			
Current Investments	10,010	4,971	101%
Cash & Cash equivalents	7,800	14,862	(48%)
Trade receivables	4,360	4,203	4%
Unbilled revenues	1,708	1,515	13%
Other current assets	814	577	41%
	24,692	26,128	(5%)
Total Assets	30,354	31,944	(5%)
Equity & Reserves	24,665	26,512	(7%)
Non-Current Liabilities			
Lease liability	811	647	25%
Other non-current Liability	781	622	25%
	1,592	1,269	25%
Current Liabilities			
Lease liability	910	1,517	(40%)
Trade Payables & Other current liabilities	3,187	2,646	20%
	4,097	4,163	(2%)
Total Equity & Liabilities	30,354	31,944	(5%)

Cash Flow Statement

In ₹ Lakhs

Particulars	H1 FY22	H1 FY21	FY21
PBT	2,648	1,621	4,371
Add: Non cash Expenses/(Income)	943	1,445	2,872
Operating profit before working capital changes	3,591	3,066	7,243
Changes in working capital	(535)	(312)	(261)
Cash flow from Operations	3,056	2,754	6,982
Capex	(530)	(456)	(719)
Tax expenses on Manila dividend	(1,538)		-
Current investments*	(4,841)	(375)	(1,440)
Interest received	4	4	16
Cash flow from Investing activities	(6,905)	(827)	(2,143)
Repayment of borrowings	(12)	(12)	(24)
Interest paid	(85)	(118)	(242)
Payment of lease liabilities	(924)	(797)	(1,666)
Dividend paid	(2,286)	-	-
Cash flow from financing activities	(3,307)	(927)	(1,932)
Net change in cash and cash equivalents	(7,156)	1,000	2,907
Cash taken over on business acquisition	-	-	-
Opening cash & cash equivalents	14,862	12,420	12,420
Exchange rate fluctuations	94	(128)	(465)
Closing cash & equivalents	7,800	13,292	14,862
Mutual fund investments	10,010	3,830	4,971
Closing cash and current investments	17,810	17,122	19,833

- Represents investments made in Mutual funds

Thank you