

## Allsec delivers strong Q1 FY2020; EBITDA up 91% YoY

**Chennai, India – 22<sup>nd</sup> July 2019:** Allsec Technologies announced today its financial results for the **first quarter (Q1'20)**. The key consolidated financials are:

Particulars (in ₹ Lakhs)	Q1 FY 20	Q1 FY 19	YoY (%)	Q4 FY 19	QoQ (%)
<b>Revenue</b>	<b>6,738</b>	<b>6,298</b>	<b>7%</b>	<b>6,634</b>	<b>2%</b>
<b>EBITDA</b>	<b>1,882*</b>	<b>984</b>	<b>91%</b>	<b>1,504</b>	<b>25%</b>
EBITDA Margin	27.94%	15.62%	1232 bps	22.67%	527 bps
<b>PBT</b>	<b>1,462</b>	<b>1,079</b>	<b>35%</b>	<b>271</b>	<b>440%</b>
<b>PAT</b>	<b>1,192</b>	<b>812</b>	<b>47%</b>	<b>(187)</b>	<b>737%</b>
<i>PAT Margin</i>	17.7%	12.9%	479 bps	(2.8%)	2051 bps
<b>Diluted EPS (in INR)</b>	<b>7.82</b>	<b>5.33</b>	<b>47%</b>	<b>-1.23</b>	<b>736%</b>
<b>Adjusted PAT</b>	<b>1,192</b>	<b>812</b>	<b>47%</b>	<b>1,060</b>	<b>12%</b>
<b>Adjusted EPS (in INR)</b>	<b>7.82</b>	<b>5.33</b>	<b>47%</b>	<b>6.96</b>	<b>12%</b>

### Financial Highlights

- Our **Quarterly Revenue** grew **7%** YoY and **2%** QoQ. This was achieved on account of the following:
  - Our **Customer Lifecycle Management (CLM)** segment revenue increased by **26%** YoY to **₹51.6 cr** in Q1 FY20 as against ₹38 cr in Q1 FY19. QoQ CLM revenue grew by **5%** from ₹49.4 cr in Q4 FY19
  - The **Human Resource Operations (HRO)** segment revenue increased by **18%** YoY to **₹15.8 cr** in Q1 FY20 as against ₹13.0 cr in Q1 FY19. QoQ HRO revenue decreased by **7%** primarily on account of higher business cycle revenues during financial year closure.
- Our **Quarterly EBITDA** grew by **91%** YoY to **₹18.9 cr**.
- **Quarterly EBITDA Margin** stood at **27.94%** in Q1 FY20 as against **15.62%** in Q1 FY19. Sequentially, EBITDA margin improved by **527 bps** to **27.94%** as against **22.67%** in Q4 FY19.
- Our **Quarterly Profit after Tax (PAT)** stood at **₹11.9 cr** for Q1 FY20 which is a growth of **47% YoY**.
- **Diluted Earnings Per Share (EPS)** stood at **₹7.82** for Q1 FY20 as against ₹5.33 in Q1 FY19.

\*After IndAs 116 positive impact of INR 3.9 cr

## Business Update:

### ➤ Customer Lifecycle Management:

- The CLM India domestic business continued to its momentum in the current year growing **28%** YoY and 16% QoQ to **₹18.9 cr** in Q1 FY20. The increase primarily coming from deepening relationship with existing customers.
- CLM International business for the quarter was **₹32.7 cr** a YoY growth of 34% and remained flat against Q4 FY19.
- CLM Headcount stood at 3,244 employees an increase of 244 from Q4 FY19.

### ➤ Human Resources Operations:

- Our **HRO** India domestic business grew 14% YoY to **₹11.9 cr** in Q1 FY20 as against ₹10.2 cr in Q1 FY19. On a sequential basis the revenue was down 10% from Q4 FY19 primarily on account of normal high volumes at year end in the payroll segment.
- HRO international business grew 39% YoY to **₹3.9 cr** as against ₹2.8 cr in Q1 FY19.
- During the quarter we added 6 new customers in the domestic space and 1 customer in the international space
- HRO headcount was 391 employees remaining flat during the quarter

## Segment Wise Performance

Particulars (in ₹ Lakhs)	Q1 FY 20	Q1 FY 19	YoY (%)	Q4 FY 19	QoQ (%)
<b>CLM</b>					
Revenue	5,159	3,798	36%	4,936	5%
EBIT	980	592	66%	1,007	(3%)
EBIT Margin	19.00%	15.59%	341 bps	20.40%	-141 bps
<b>HRO</b>					
Revenue	1,579	1,299	22%	1,698	(7%)
EBIT	584	465	26%	724	(19%)
EBIT Margin	36.99%	35.80%	119 bps	42.64%	-565 bps
<b>AML</b>					
Revenue	0	1,201	(100%)	0	79%
EBIT	(1)	(126)	(99%)	(299)	(100%)

**Commenting on the financial results, Chairman Mr. Ajit Isaac** said that, *“We had a solid quarter with EBITDA growing at 91% YoY. The results are in line with our strategy of growing international non-voice business of CLM segment and scaling up the HRO practice. The Company and the management have done very well to come through a transaction phase and put it back on a growth track. We are pleased with the first quarter results and will work forward to greater synergies between Qess Corp and Allsec.”*

### About Allsec Technologies Limited:

Allsec Technologies Limited (BSE: 532633, NSE: [ALLSEC](#)), headquartered in Chennai has been a pioneer in the HRO space and is today the second largest Payroll Service Provider in India. Founded in 1998, Allsec has emerged as a global brand, offering high-end business process solutions across key industry verticals in 40 countries. With ~ 4,000 employees across India, UK, Philippines and the US, Allsec processes about 6 lakh pay slips each month for over 200 legal entities around the world. Over the years, the company has built lasting relations with customers in the areas of Human Resource Management System (HRMS), Business Expenses Management, and HR Compliance. Allsec’s unique *SmartHR* and *SmartPay* platforms are designed to address the complex challenges in today’s HR environment, and the company has integrated the latest in tech – Robotic Process Automation (RPA), Smart Analytics, Chatbots and Mobility for enhanced employee engagement.

For further details on Allsec Technologies Limited., please visit: <http://www.allsectech.com>.

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