

21<sup>st</sup> July 2020

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## Allsec Technologies: Navigating challenging business conditions

**Chennai, India – 21<sup>st</sup> July 2020:** Allsec Technologies announced its financial results for the **first quarter for FY21 (Q1 FY 21)** today.

### Key financial highlights

In ₹ Lakhs

Particulars	Q1 FY'21	Q1 FY'20	YoY (%)	Q4 FY'20	QoQ (%)
<b>Revenue</b>	<b>6,392</b>	<b>7,192</b>	<b>(11%)</b>	<b>7,114</b>	<b>(10%)</b>
<b>EBITDA before Covid exp</b>	<b>1,550</b>	<b>1,910</b>	<b>(19%)</b>	<b>1,922</b>	<b>(19%)</b>
EBITDA Margin before Covid exp	24.3%	26.6%	(230) bps	27.0%	(275) bps
Covid exp	252	-	-	69	265%
<b>EBITDA</b>	<b>1,298</b>	<b>1,910</b>	<b>(32%)</b>	<b>1,853</b>	<b>(30%)</b>
EBITDA Margin	20.3%	26.6%	(625) bps	26.0%	(573) bps
<b>PBT</b>	<b>807</b>	<b>1,478</b>	<b>(45%)</b>	<b>1,375</b>	<b>(41%)</b>
<b>PAT</b>	<b>603</b>	<b>1,208</b>	<b>(50%)</b>	<b>1,088</b>	<b>(45%)</b>
PAT Margin	9.4%	16.8%	(737) bps	15.3%	(585) bps
<b>Diluted EPS (in ₹)</b>	<b>3.96</b>	<b>7.93</b>	<b>(50%)</b>	<b>7.14</b>	<b>(45%)</b>

Q1 was impacted by the COVID-19 pandemic. The Company faced disruptions in revenues early in the quarter, especially in the Domestic CLM space, even while the HRO business remained robust. With the lifting of lockdown and upgradation of technology, the Company saw some recovery in revenues in June.

#### Q1 FY 21 Financial Highlights:

- **Quarterly Revenue** was lower by **11% YoY**.
  - The **Customer Lifecycle Management (CLM)** segment revenue was lower by 21% YoY, at ₹40.78 cr.
  - The **Human Resource Operations (HRO)** segment revenue grew by 14% YoY to ₹23.14 cr.
- **Quarterly EBITDA** before COVID-19 expenses (₹2.52 cr) was lower by 19% YoY, at ₹15.50 cr.
- **Quarterly Profit after Tax (PAT)** stood at ₹6.03 cr for Q1 FY 21.
- **Diluted Earnings Per Share (EPS)** stood at ₹3.96 for Q1 FY 21.

## Segment Wise Performance

In ₹ Lakhs

S.No.	Description	Consolidated				
		Q1 FY'21	Q1 FY'20	YoY (%)	Q4 FY'20	QoQ (%)
<b>1.</b>	<b>SEGMENT REVENUES</b>					
	Customer Lifecycle Management (CLM)	4,078	5,159	(21%)	4,759	(14%)
	Human Resource Outsourcing (HRO)	2,314	2,033	14%	2,355	(2%)
	Anti Money Laundering and Regulatory Compliance (AML)	-	-	0%	-	0%
	<b>Total revenue from operations</b>	<b>6,392</b>	<b>7,192</b>	<b>(11%)</b>	<b>7,114</b>	<b>(10%)</b>
<b>2.</b>	<b>SEGMENT RESULTS</b>					
	Customer Lifecycle Management (CLM)	226	980	(77%)	678	(67%)
	Human Resource Outsourcing (HRO)	837	610	37%	734	14%
	Anti Money Laundering and Regulatory Compliance (AML)	-	(1)	(100%)	(54)	(100%)
	<b>Total segment results</b>	<b>1,063</b>	<b>1,589</b>	<b>(33%)</b>	<b>1,358</b>	<b>(22%)</b>
	Finance cost	(36)	(74)	(51%)	(47)	(23%)
	Other unallocable income / (expenses), net	(220)	(37)	487%	64	(444%)
	<b>Total profit before tax</b>	<b>807</b>	<b>1,476</b>	<b>(45%)</b>	<b>1,375</b>	<b>(41%)</b>

## Business Update

### ➤ Customer Lifecycle Management (CLM):

- The International business revenue was down 5% YoY, to ₹30.9 Cr. The business faced disruptions in March and April, but started to bounce back from May 2020.
- Revenue of the Domestic business was down 48% YoY, to ₹9.8 Cr. The business was impacted in April and May due to the lockdown, but saw volumes grow in June due to new technology implementation enabling greater work from home, and phased lockdown relaxations.
- Headcount stood at 2,903 employees, down 234 employees compared to the previous quarter.

### ➤ Human Resources Operations (HRO):

- The Domestic business grew 14% YoY to ₹18.3 Cr.
- The International business grew 23% YoY to ₹4.8 Cr.
- 27 new customers were added.

Commenting on the performance, Mr. Suraj Moraje, Non-Executive Director said, “The Allsec team has shown admirable resilience in an unprecedented quarter, focusing on employees and customers to minimize disruptions, while rapidly upgrading our technology. The HRO business showcased its BCP capabilities by delivering more than 2.5 million payslips despite global lockdowns, while the CLM business is starting to bounce back. We remain optimistic about the fundamentals of this business and its trajectory going forward.”

## 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 ~ 3,700 employees across India, UK, Philippines and the US, Allsec processes about 7.5 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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