



May 26, 2021

**Listing Department,
BSE Ltd.,**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001
Scrip Code: **532633**

**Listing Department,
National Stock Exchange of India Limited,**
“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051
Symbol: **ALLSEC**

Sub: Submission of Press Release and Investor’s Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed following documents:

1. Press Release dated May 26, 2021.
2. Investor’s Presentation on the financial performance of the Company.

Request you to take the same on record.

Thank you,

Yours faithfully,

For Allsec Technologies Limited

Gagan Preet Singh
Sr. DGM - Legal & Company Secretary



ALLSEC TECHNOLOGIES LTD.

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Tel.: +91.44.4299 7070 web: www.allsectech.com

Corporate Identity Number : L72300TN1998PLC041033, Email : contactus@allsectech.com

26th May 2021

BSE: 532633 | NSE: ALLSEC | ISIN: INE835G01018 | CIN: L72300TN1998PLC041033 | WWW.ALLSECTECH.COM

Strong rebound in an unpredictable year – Q4 PAT up 55% QoQ

Chennai, India – 26th May 2021: Allsec Technologies, a global leader in outsourcing solutions announced its financial results for the **fourth quarter (Q4 FY21) and full year (FY21)** ended 31st March 2021.

Highlights include:

- Sterling operating performance with Q4 EBITDA margin expansion by 328 bps QoQ and 239 bps YoY
- Q4 PAT higher by 55% QoQ, PAT margin up 346 bps YoY
- Continuing robust cash generation with OCF / EBITDA at 120% in Q4, and 106% for FY21

Key financial highlights

In ₹ Lakhs

Particulars	Q4 FY21					Full year FY21		
	Q4FY21	Q3FY21	QoQ	Q4FY20	YoY	FY21	FY20	YoY
Revenue	7,348	7,169	2%	7,114	3%	27,669	29,444	(6%)
EBITDA before COVID-related expenses & MTM FX losses	2,076	1,994	4%	1,777	17%	7,546	7,626	(1%)
COVID-related expense	(73)	(117)	(38%)	-	-	(590)	-	-
MTM FX gain / (loss)	89	(71)	225%	78	14%	(366)	(99)	270%
EBITDA	2,092	1,806	16%	1,855	13%	6,590	7,527	(12%)
EBITDA Margin %	28.5%	25.2%	328 bps	26.1%	239 bps	23.8%	25.6%	(175)bps
PBT	1,502	1,248	20%	1,375	9%	4,371	5,720	(24%)
PAT	1,378	887	55%	1,088	27%	3,507	4,493	(22%)
PAT Margin %	18.8%	12.4%	638 bps	15.3%	346 bps	12.7%	15.3%	(257)bps
Diluted EPS (in ₹)	9.05	5.82	56%	7.14	27%	23.02	29.48	(22%)

The Company has built on the strong recovery in Q3, ending Q4 above pre-COVID levels in both revenue and profitability.

Q4 FY21 Financial Highlights:

- **Quarterly Revenue** was higher by **2% QoQ**.
 - The **Digital Business Services (DBS)** segment revenue flat QoQ at ₹47.0 cr.
 - The **Human Resource Operations (HRO)** segment higher 9% QoQ at ₹26.4 cr.
- **Quarterly EBITDA** higher 16% QoQ, at ₹ 20.9 cr.
- **Quarterly Profit after Tax (PAT)** higher 55% at ₹13.7 cr.
- **Diluted Earnings Per Share (EPS)** higher 55% at ₹9.05.
- **OCF conversion** at 120%.

Business Update

➤ **Digital Business Services (DBS):**

- International business revenue lower by 3% QoQ, at ₹28.7 Cr., largely due to lower volumes in the US collections business.
- Domestic business revenue flat QoQ, at ₹18.3 Cr., after two consecutive quarters with >30% growth.
- Headcount stood at 3,469 employees, up 56 employees compared to the previous quarter.

➤ **Human Resources Operations (HRO):**

- Domestic business excluding Statutory Compliance grew 17% QoQ to ₹15.2 Cr.
- Statutory Compliance business grew 3% QoQ to ₹5.7 Cr
- International business remained flat QoQ at ₹5.5 Cr.
- 27 new customers were added during the quarter, versus 21 in the same quarter a year ago.
- Payslips processed grew 3% QoQ and 16% YoY to ~26 lakhs in Q4FY21.
- SME-focused platform currently in beta testing

Commenting on the performance, Mr. Suraj Moraje, Non-Executive Director said, “The company has delivered a robust Q4, including driving year-on-year growth especially in our payroll services business. Management’s continued focus on accelerated customer acquisition, digitization, and platformisation should drive a strong trajectory in the times to come.”

About Allsec Technologies Limited:

Allsec Technologies Limited (BSE: 532633, NSE: [ALLSEC](#)), headquartered in Chennai has been a pioneer in the HRO and International DBS spaces, and is today the leading Payroll Services Provider in India. Founded in 1998, Allsec is today a global brand, offering high-end business process solutions across key industry verticals in 40 countries. With ~ 4,300 employees across India, Philippines and the US, Allsec processes more than 8,50,000 pay slips each month for over 400 clients around the world. Allsec’s leading *SmartHR* and *SmartPay* platforms are designed to address the complex challenges in today’s HR environment, integrating the latest in technology including 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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Disclaimer: This document 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.

Building lasting relationships

Earnings Update

Q4 FY21 and FY21



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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)

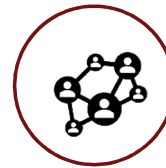
HRO



1M+ payslips processed per month groupwide

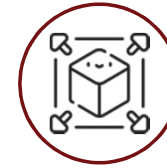


400+ Client engagements globally including Fortune 100 companies



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

DBS



Service Delivery bundled with **Digital Transformations**



~3500 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

100+ logos added in current year | 860,000+ payslips p.m (16% ↑ over Mar'20) | ~200,000 Headcount on HRMS (50% ↑ over Mar'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



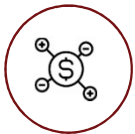
Customer Experience Management

- 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

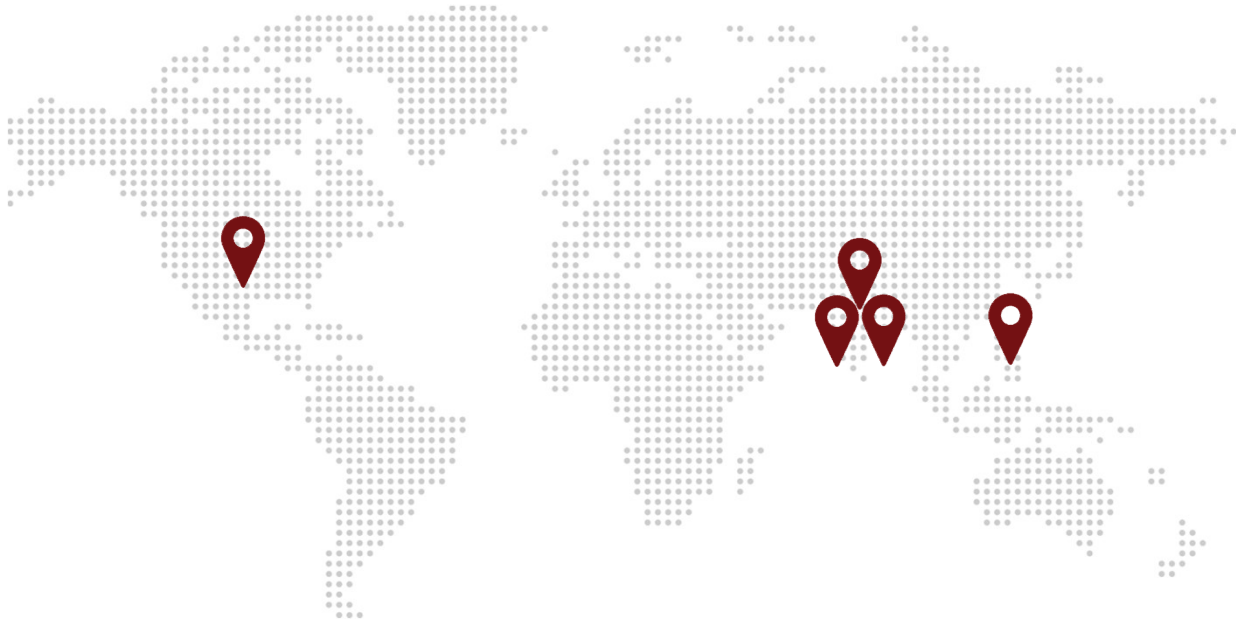


Insurance

- Insurance BPaaS

Global Delivery capabilities

- **Global Footprint** with proximity to Servicing Markets
- **~4300** 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 | • Marathi |
| • English | • Punjabi |
| • Tamil | • Gujarati |
| • Telugu | • Bengali |
| • Kannada | • Odia |
| • Malayalam | |



Manila, PHILIPPINES

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



Dallas, Texas USA

Q4FY21 Key Business Highlights

Q4FY21 Highlights



Business

- **HRO:**
 - Added net **85,000+** payslips during Q4 FY21, a quarter when new transitions are slower as Companies wait for cutover in new financial year
 - EBIT margin expanded by 336 bps YoY to 35% in Q4'FY21; FY21 margins expanded by 593 bps to 34%
 - Increasing traction on HRMS, Time and Attendance solutions. Volumes increased YOY by 50% and added 20 new customers in FY21
 - Selected by a large MNC as their preferred vendor for HRMS solutions across geographies
- **DBS:**
 - Made inroads into augmenting service lines in Mortgage/BFSI and LPOs with 2 key wins in the North America market in Q4 FY21
 - Domestic volumes remained flat QoQ and is likely to be impacted due to the COVID 2nd wave in India during Q1 FY22



Financial

- **Continued Strong performance** in current quarter with both Revenue and EBITDA above pre-COVID levels of Q4 FY20.
- **Improved profitability** driven by higher HRO revenue share (36% in Q4 vs 33% in Q3) and operational efficiencies
- **Headcount:** 4307 as on March 31, 2021 an increase of 94 over Dec 31, 2020 and increase of 323 over March 31, 2020
- **P&L statement:**
 - Revenue increased by 2% QoQ as we consolidate the growth from Q3
 - EBITDA grew strongly and stood at **₹20.9cr**, an increase of 16% QoQ
 - PAT at **₹13.7cr**, an increase of 55% QoQ
- **Balance Sheet:**
 - **Cash and short term investments** increased by **₹13.7cr** from Dec 2020 to ₹198.3cr
 - **OCF / EBITDA at 120%** in Q4 FY21; **106%** for FY21
 - **Strong collections** reducing total receivables from ₹45.0cr in March 2020 to **₹42.0cr**
 - DSO reduced to **51 days** from 56 days in March 2020



Corporate

- **Interim Dividend:**
 - Interim dividend of **₹15 per share** for FY21 was declared on 29 April 2021 and paid to all eligible shareholders on 15 May 2021. Total cash outflow was **₹22.86cr**
- **Cost Optimization:**
 - Indirect rent and facility cost reduced by 18% QoQ
- **Investment in the business**
 - Smartpay (SP4) product modernization proceeding as per plan and our SME focused HR product in testing phase.
- **Sales and Customer focus:**
 - Won 29 new customers during Q4FY21 with ACV of ~ ₹ 6.4cr
 - Large deals currently under implementation with ACV worth ~ ₹12cr will yield revenues from Q1/Q2 FY22.

Financial performance

Q4FY21 Financial Performance

Revenue:

- Increased by 2% QoQ and 3% YoY reflecting marginal growth over pre-COVID numbers

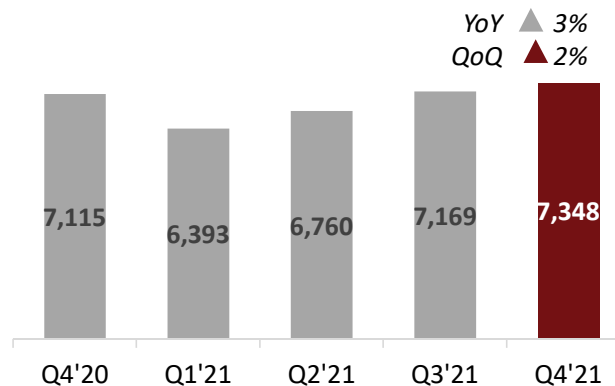
Profitability:

- EBITDA increased by 16% QoQ due to higher revenues and MTM fx gain in current quarter
- YoY EBITDA increased by 13% and EBITDA excluding COVID expense of ₹0.7cr up 17%

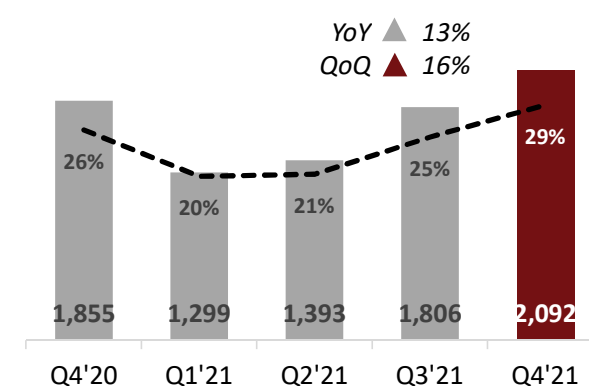
Cash Generation:

- Cash and short term investments[#] increased by ₹13.7cr from Dec 2020 to ₹198.3cr
- OCF / EBITDA at 120%
- Total receivables increased by ₹5.6cr to ₹42.0cr as compared to Q3 FY21 due to higher sales and slightly increased DSO during the current quarter
- DSO stood at 51 days as against 46 days in December 2020

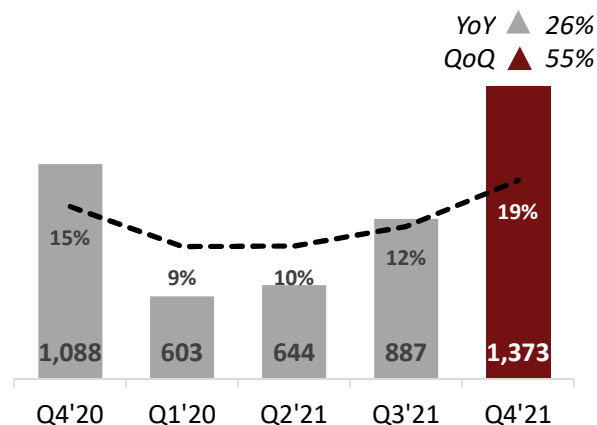
Revenue (in ₹ lakh)



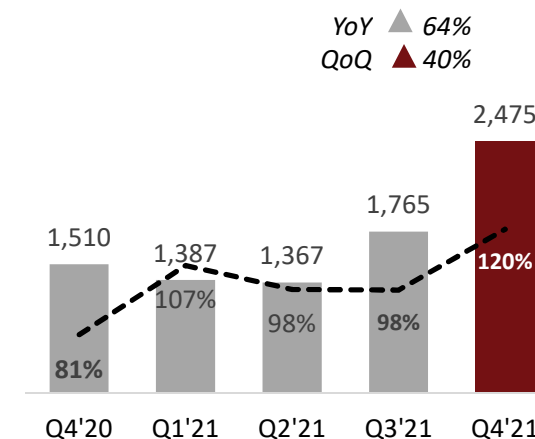
EBITDA (in ₹ lakh) & margin (%age)



PAT (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age



Cash balance prior to declaration of Interim dividend on 29th April 2021 amounting to ₹ 22.86 crores

FY21 Financial Performance

Revenue :

- 6% lower YoY with DBS down ₹21.9cr and HRO up ₹4.2cr
- Excluding the BOT* revenues, YoY revenue down 3%

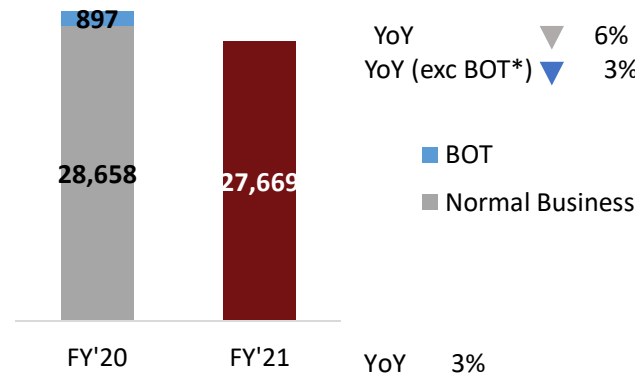
Profitability :

- EBITDA reduced 12% on account of lower revenue, COVID expense of ₹5.9cr and MTM fx movement impact of ₹2.7cr.
- Normalised EBITDA after taking into account BOT*, COVID related expenses and MTM fx higher by 5%. This is on account of higher share of revenue from HRO and Indirect expenses cost savings done during the current year

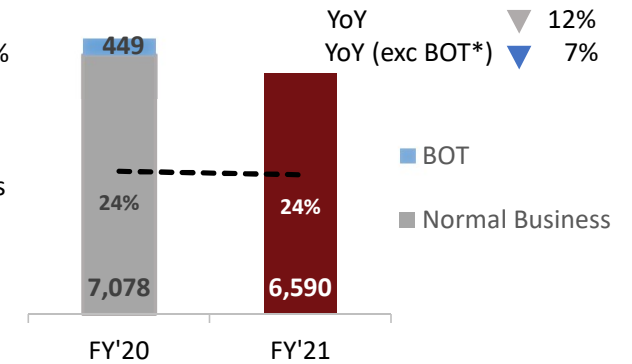
Cash Generation & Debt Reduction :

- Cash and short term investments# increased by ₹40.7cr to ₹198.3cr from ₹ 157.6cr in March 2020.
- OCF conversion at 106% for FY21
- Total receivables reduced from ₹45cr in March 2020 to ₹42.0cr in March 2021.
- DSO reduced to 51 days from 56 days in March 2020

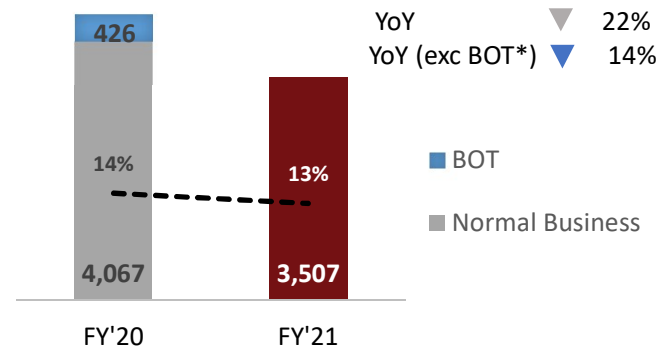
Revenue (in ₹ lakh)



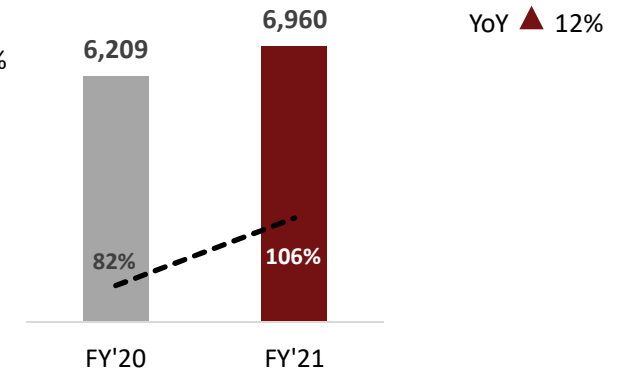
EBITDA (in ₹ lakh) & margin (%age)



PAT (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age

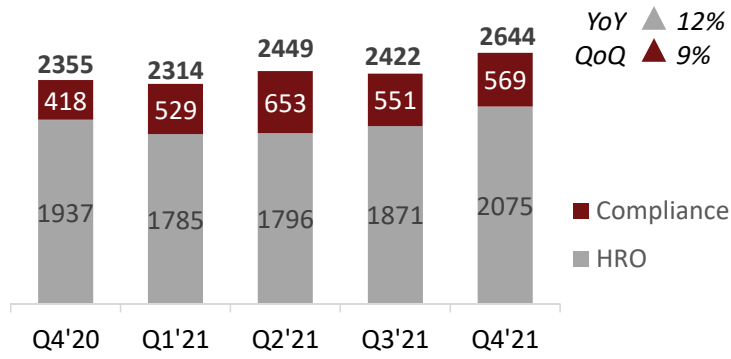


*BOT - A specific project undertaken for a customer and transitioned to the customer on request. Considering the one off nature of this business we have excluded the same for comparison purpose
 # Cash balance prior to declaration of Interim dividend on 29th April 2021 amounting to ₹ 22.86 crores

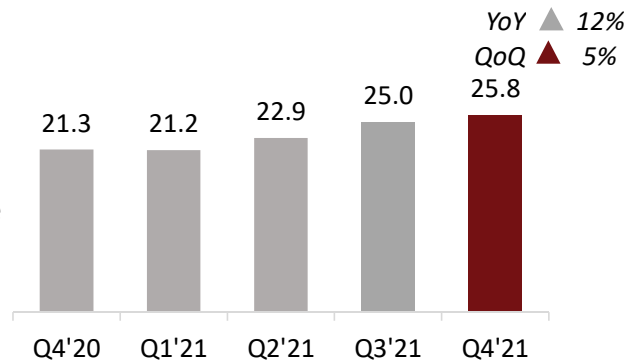
Business segment updates

Human Resource Operations (HRO) – Performance Snapshot

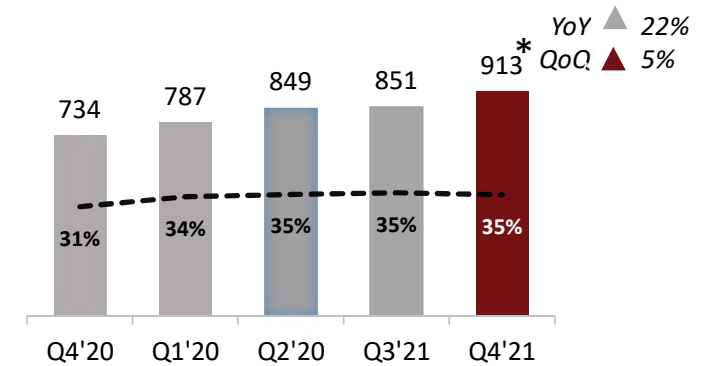
Revenue (in ₹ lakh)



Payslips processed (in Nos Lakhs)



EBIT (in ₹ lakh) & margin (%age)

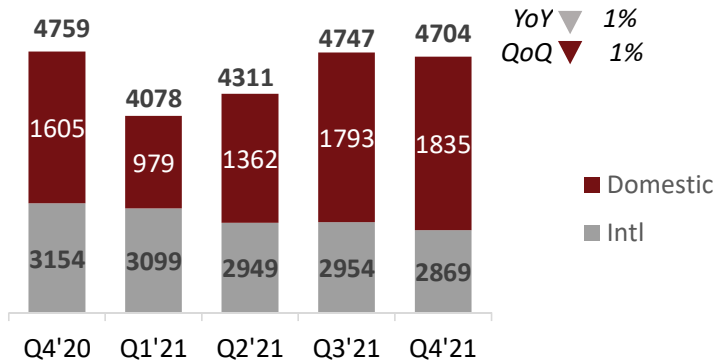


- Revenue grew 9% QoQ largely driven by year end tax revenues and 12% YoY
- Revenue growth came despite absence of existing-customer growth (usually around 8-10%), where headcount went down 2% during the year before ending the year at 4% higher than pre-COVID levels
- EBIT % remained flat in line with revenue
- Payslips processed grew 5% QoQ and 12% YoY
- Strong pipeline as we enter the new financial year

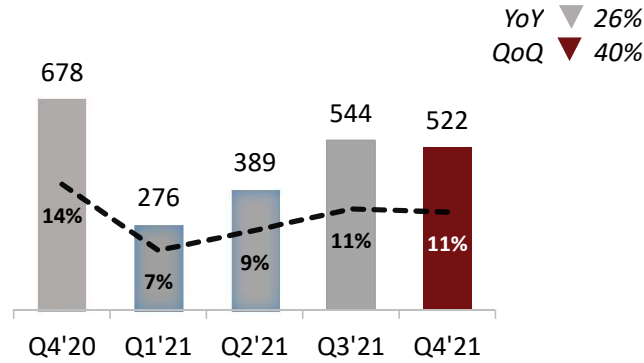
* Excludes Ops & Selling cost incurred for SME platform

Digital Business Services (DBS) – Performance Snapshot

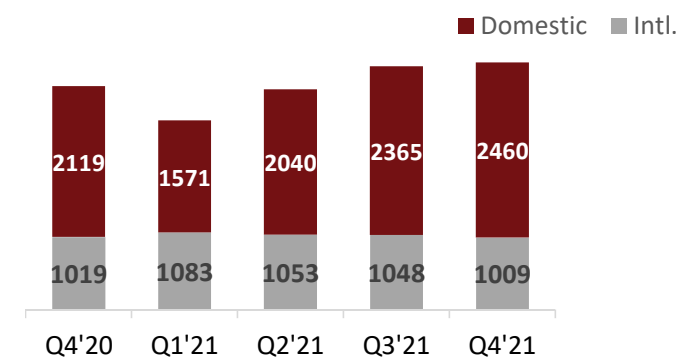
Revenue (in ₹ lakh)



EBIT (in ₹ lakh) & margin (%age)



Headcount break-up (Nos)



- Revenue marginally reduced QoQ by 1% with drop in International volumes by 4% due to client business de-growth for a large fx trading platform company offset by domestic growing by 2%. This de-growth is expected to be made up by other international customers by Q2 FY22
- EBIT down from Q3FY21 due to lower revenues
- Total headcount increased to 3,469 up 2% QoQ. Domestic headcount was up 4% QoQ
- Towards end of Q4, we have had two key wins in the US market which reflects a positive sentiment in the international business

Annexures

Income Statement

In ₹ Lakhs

Consolidated Particulars	Quarterly			Var %		FY		
	Q4 FY21	Q3 FY21	Q4 FY20	QoQ%	YoY %	FY21	FY20	YoY %
Revenue from Operations	7,348	7,169	7,114	2%	3%	27,669	29,444	(6%)
Less:								
Employee benefit expenses	(3,963)	(4,045)	(4,033)	(2%)	(2%)	(15,351)	(17,073)	(10%)
Other expenses	(1,293)	(1,318)	(1,227)	(2%)	5%	(5,728)	(4,844)	18%
Total expenses	(5,256)	(5,363)	(5,259)	(2%)	(0%)	(21,079)	(21,917)	(4%)
EBITDA	2,092	1,806	1,855	16%	13%	6,590	7,527	(12%)
Other income	151	50	80	202%	89%	364	409	(11%)
Finance cost	(89)	(37)	(47)	141%	89%	(244)	(226)	8%
Depreciation & amortisation	(652)	(571)	(513)	14%	27%	(2,339)	(1,990)	18%
Earnings before tax	1,502	1,248	1,375	20%	9%	4,371	5,720	(24%)
Tax	(124)	(361)	(287)	(66%)	(57%)	(859)	(1,227)	(30%)
Profit after tax	1,378	887	1,088	55%	27%	3,512	4,493	(22%)
EBITDA Margin	28.5%	25.2%	26.1%	328 bps	239 bps	23.8%	25.6%	(175 bps)
PAT margin	18.8%	12.4%	15.3%	638 bps	346 bps	12.7%	15.3%	(257 bps)
Basic & Diluted EPS (in ₹)	9.04	5.82	7.14	55%	27%	23.05	29.48	(22%)

Balance Sheet

In ₹ Lakhs

Particulars	31-Mar-21	31-Mar-20	Var %
Non-Current Assets			
Property Plant & Equipment	730	880	(17%)
Right of Use Assets	1,711	2,227	(23%)
Other Intangible Assets	600	333	80%
Other Non Current Assets	2,775	3,254	(15%)
	5,816	6,695	(13%)
Current Assets			
Current Investments	4,971	3,339	49%
Cash & Cash equivalents	14,862	12,420	20%
Trade receivables	4,203	4,502	(7%)
Unbilled revenues	1,515	1,157	31%
Other current assets	577	806	(28%)
	26,128	22,224	18%
Total Assets	31,944	28,919	10%
Equity & Reserves	26,512	22,807	16%
Non-Current Liabilities			
Lease liability	647	1,311	(51%)
Other non-current Liability	622	467	33%
	1,269	1,778	(29%)
Current Liabilities			
Lease liability	1,517	1,013	50%
Trade Payables & Other current liabilities	2,646	3,321	(20%)
	4,163	4,334	(4%)
Total Equity & Liabilities	31,944	28,919	10%

Cash Flow Statement

In ₹ Lakhs

Particulars	31-Mar-21	31-Mar-20
PBT	4,371	5,720
Add: Non cash Expenses/(Income)	2,872	2,113
Operating profit before working capital changes	7,243	7,833
Changes in working capital	(261)	(281)
Cash flow from Operations	6,982	7,552
Capex	(719)	(292)
Consideration towards business acquisition	-	(1,680)
Current investments*	(1,440)	4,543
Interest received	16	35
Cash flow from Investing activities	(2,143)	2,606
Repayment of borrowings	(24)	(1,379)
Interest paid	(242)	(226)
Payment of lease liabilities	(1,666)	(1,342)
Dividend paid	-	(1,832)
Cash flow from financing activities	(1,932)	(4,779)
Net change in cash and cash equivalents	2,907	5,379
Cash taken over on business acquisition	-	130
Opening cash & cash equivalents	12,420	7,164
Exchange rate fluctuations	(465)	(253)
Closing cash & equivalents	14,862	12,420

* ₹14.40 cr represents investments made in Debt mutual funds during the current year. In FY20, it was net withdrawal of ₹45.43 cr

Thank you