



October 22, 2020

**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 October 22, 2020.
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
DGM - Legal & Company Secretary



ALLSEC TECHNOLOGIES LTD.

Regd. Office : 46-C, Velachery Main Road, Velachery, Chennai - 600 042
Tel : +91.44.4299 7070 web : www.allsectech.com
Corporate Identity Number : L72300TN1998PLC041033, Email : contactus@allsectech.com

22nd October, 2020

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

Strong Cash generation and steady performance through uncertain times

Chennai, India – 22nd October 2020: Allsec Technologies, a global leader in outsourcing solutions announced its financial results for the **second quarter (Q2 FY21) and Half year (H1 FY21)** ended 30th September 2020.

Highlights include:

- Strong rebound in revenues with 6% growth over Q1'FY21, while continuing operational profitability improvements
- Robust cash delivery with 98% OCF/EBITDA conversion and DSO down QoQ from 60 days to 50 days
- Acceleration of investments in technology and automation initiatives

Key financial highlights

In ₹ Lakhs

Particulars	Q2FY21	Q1FY21	QoQ(%)	Q2FY20	YoY%	H1FY21	H1FY20	YoY(%)
Revenue	6,760	6,392	6%	7,905	(14%)	13,152	15,097	(13%)
EBITDA before Covid exp & MTM fx	1,748	1,727	1%	2,117	(17%)	3,475	4,053	(14%)
Covid expense	(148)	(252)	(41%)	-	-	(400)	-	-
MTM FX Gain / (loss)	(207)	(176)	18%	-		(383)	(26)	
EBITDA	1,393	1,299	7%	2,117	(34%)	2,692	4,027	(33%)
EBITDA Margin %	21%	20%	28 bps	27%	(617)bps	20%	27%	(621)bps
PBT	814	807	1%	1,711	(52%)	1,621	3,189	(49%)
PAT	644	603	7%	1,344	(52%)	1,247	2,552	(51%)
PAT Margin %	10%	9%	9 bps	17%	(747)bps	9%	17%	(742)bps
Diluted EPS (in ₹)	4.22	3.96	7%	8.82	(52%)	8.19	16.74	(51%)

The uncertainty around covid-19 pandemic persisted in Q2, although to a lesser extent compared to Q1. In India, lockdowns in Chennai and Bengaluru at various stages impacted operations especially in the month of July and August. Manila continued to be under General Community Quarantine (GCQ) with restrictions on public transport and strict social distancing norms. However, we have seen signs of growth and an increase in volumes during the quarter.

We have also renamed the Customer Lifecycle Management business as **Digital Business Services (DBS)**, reflecting the evolving digital aspects of this business, which includes utilization of RPAs, Chatbots, AI and ML tools to better support our customers.

Q2 FY21 Financial Highlights:

- **Quarterly Revenue** was higher by **6% QoQ**.
 - The **Digital Business Services (DBS)** segment revenue was higher by 6% QoQ, at ₹43.11 cr.
 - The **Human Resource Operations (HRO)** segment revenue grew by 6% QoQ to ₹24.50 cr.
- **Quarterly EBITDA** was higher by 7% QoQ, at ₹ 13.9 cr
- **Quarterly Profit after Tax (PAT)** stood at ₹6.44 cr for Q2 FY 21.
- **Diluted Earnings Per Share (EPS)** stood at ₹4.22 for Q2 FY 21.
- **OCF conversion** at 98%

Business Update

➤ **Digital Business Services (DBS) (Customer Lifecycle Management):**

- The International business revenue was down 4% QoQ, to ₹29.6 Cr. The business continues to face lower volumes especially in the collections business in the US.
- Revenue of the Domestic business was up 39% QoQ, to ₹13.5 Cr. This business has bounced back in terms of volumes in Q2 FY21. However, challenges with respect to transportation of employees and additional capacity to manage social distancing norms are impacting the profitability.
- Headcount stood at 3,093 employees, up 439 employees compared to the previous quarter. Domestic headcount was up 30% QoQ

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

- The Domestic business grew 5% QoQ to ₹19.3 Cr.
- The International business grew 9% QoQ to ₹5.2 Cr.
- 32 new customers were added in the quarter
- Payslips processed grew 4% QoQ to 23 lakh

Commenting on the performance, Mr. Suraj Moraje, Non-Executive Director said, “The Company has delivered growth amidst a challenging environment, with strong customer introduction momentum in the HRO business and a rapid recovery trajectory in the DBS business. We believe Allsec is well-poised for continued growth, and remain committed to investing in digitization and sales capabilities to further competitive advantage”

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 ~ 3,900 employees across India, UK, Philippines and the US, Allsec processes more than 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>.

For more information, please contact:

Investor / Analyst contact:

Gagan Preet Singh

Investor Relations

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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

Investor Presentation

Q2FY21



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Financial Performance *(Q2 and H1FY21)*

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Company Overview

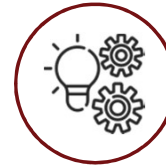
Global leader in outsourcing solutions



Quess Corp subsidiary,
backed by Fairfax Holdings
(Canada)



20+ years of Global BPO
service Excellence



2 Decades in Delivering
Global Business Solutions



Service Delivery bundled
with **Digital
Transformations**



400+ Client engagements
globally including Fortune
100 companies



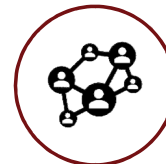
Listed at the **NSE & BSE**
(NSE: ALLSEC)



~4000 driven and dedicated
employee workforce



1M+ payslips processed per
month groupwide



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

Market Leader in HRO Services

Leading Global BPM Player specializing in BFSI, E-Com, Retail and Consumer Electronics

Leading provider of HRO end-to-end services

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, etc.



Payroll

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



Retiral

- PF Trust Accounting
- Loans
- Investments

BPM: Cutting edge Digital Business Services offerings



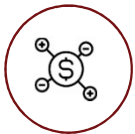
Customer Experience Management

- Customer Support
- 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



Healthcare RCM

- Revenue Cycle Management

Global Delivery capabilities

- **Global Footprint** with proximity to Servicing Markets.
- **~3000** employee workforce.
- Multi-Industry, Multinational & Multi-Demographic **coverage**.
- **5 Inter-Connected** Service Delivery Centers with site-to-site BCP.
- 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

Q2FY21 Key Business Highlights

Q2FY21 Highlights



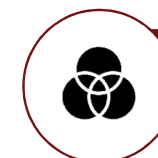
Financial

- **Headcount:** 3901 as on Sep 30, 2020 an increase of 423 over June 30, 2020 and decrease of 91 over March 31, 2020
- **P&L statement:**
 - Revenue up 6% QoQ with strong bounce back in the DBS Domestic business
 - EBITDA stood at ₹ **13.9 cr**, up 7% QoQ
 - PAT at ₹ **6.4 cr**, up 7% QoQ
- **Cost focus:**
 - Improvement in people productivity, reduction in discretionary expenses and utilities has resulted in savings of around 10% in the indirect costs
- **Balance Sheet:**
 - **Cash and short term investments increased by ₹ 5.6cr** from June 2020 to ₹ 171.2cr
 - **OCF / EBITDA at 98%**
 - **Strong collections** reducing total receivables from ₹ 42.8cr in June 2020 to ₹ **37.5cr**
 - DSO reduced to 50 days from 60 days in June 2020



Corporate

- **Technology and new business investment**
 - Embarked on new business line creating a SaaS product for MSME
 - HRO dedicated infra setup completed in Manila
 - Product modernization of both SmartPay and Smart HR commenced
- **Sales and Customer focus:**
 - Added 32 new customers during Q2FY20 in HRO segment
 - Historically high pipeline in the HRO segment and increasing traction in the DBS US market
 - Entered into tie ups with referral partners to promote the SaaS platform
 - Cross selling between Allsec HRO and Stat business resulted in increased wallet share for 9 customers with an ACV of ~ ₹ 100L
 - Cross sell from Qess has added ACV of ~ ₹ 150Lacs, expected to go live end of Q3FY'21



Business

- **HRO:**
 - Added **90,000+** payslips
 - EBIT margin improved 30% YoY to 35% in Q2'FY21
 - Increasing revenue contribution from value added activities like HRMS
- **DBS:**
 - Customer Lifecycle Management rechristened as Digital Business Services to better reflect the evolving digitalisation of our Services
 - Domestic business bounced back during the quarter with a revenue growth of 39%
 - We won an Accounts Receivable business for global ecommerce Company
 - Added 240 Temporary seats to manage additional volumes and catering to social distancing norms
 - Strengthened our WFH processes in domestic business which enabled us to handle complex offerings and enhanced our performance

Financial performance

Q2FY21 Financial Performance

Revenue:

- 6% higher QoQ indicating a strong bounce back post Covid
- QoQ growth in DBS – Domestic 39%, HRO higher by 6%
- Revenue down 14% YoY and down 4% after excluding a BOT project that ended in Q2FY20 and one time revenue in Stat Compliance

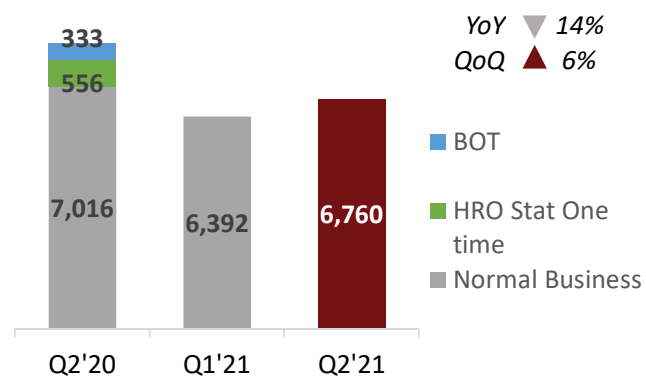
Profitability:

- EBITDA up 7% QoQ in line with increased revenues;
- YoY EBITDA excluding Covid expense of ₹ 1.5cr and MTM fx loss movement of ₹ 2.1 cr down 17%.
- Excluding Covid expense, MTM fx, BOT and stat compliance EBITDA down 7% YoY

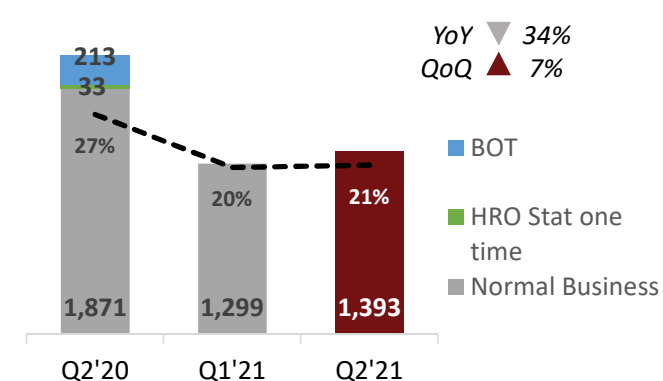
Cash Generation:

- Cash and short term investments increased by ₹5.6cr from June 2020 to ₹ 171.2cr
- OCF / EBITDA at 98%
- Strong collections reducing total receivables from ₹ 42.8cr in June 2020 to ₹ 37.5cr.
- DSO reduced to 50 days from 60 days in June 2020

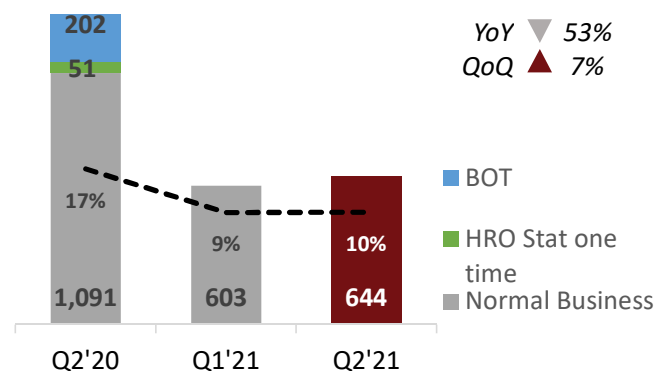
Revenue (in ₹ lakh)



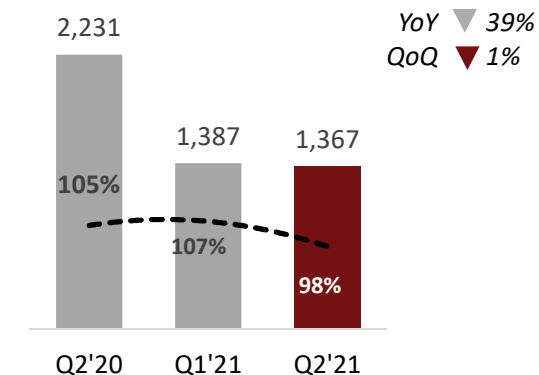
EBITDA (in ₹ lakh) & margin (%age)



PAT (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age



H1FY21 Financial Performance

Revenue :

- 13% lower YoY with DBS down ₹ 19.0 cr and HRO down ₹.0.42 cr
- Excluding the BOT and Stat Compliance revenues, YoY revenue down 4%

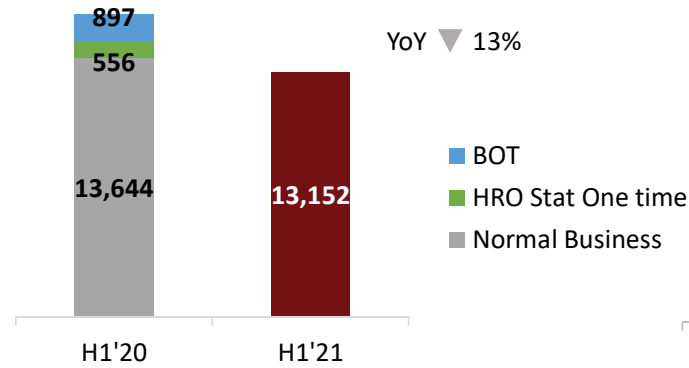
Profitability :

- EBITDA down 33% on account of lower revenue, Covid expense of ₹ 4.0cr and MTM fx impact of ₹ 3.8cr in H1 FY21.
- Excluding Covid Expense and MTM fx, EBITDA down 14%

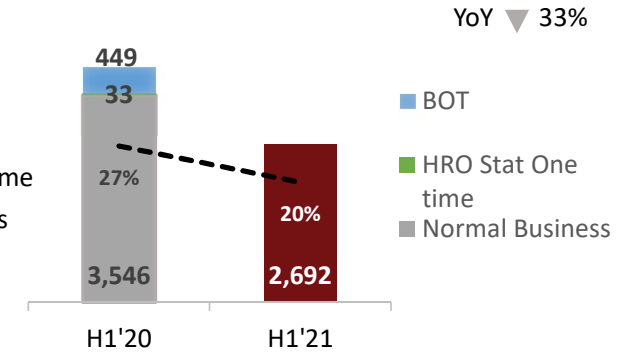
Cash Generation & Debt Reduction :

- Cash and short term investments increased by ₹ 13.6cr to ₹ 171.2cr from ₹ 157.6cr in March 2020.
- OCF conversion at 102% for H1 FY21
- Total receivables reduced from ₹ 45cr in March 2020 to ₹ 37.5 cr in September 2020.
- DSO reduced to 50 days from 56 days in March 2020

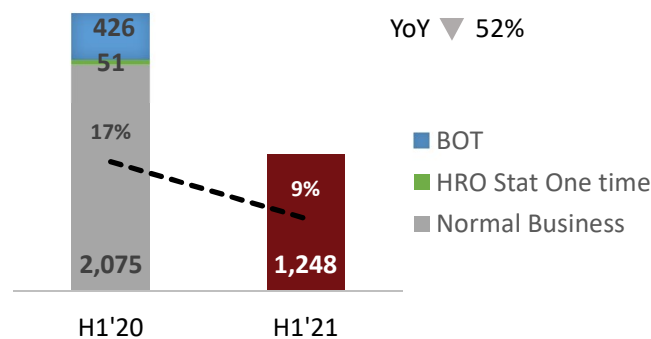
Revenue (in ₹ lakh)



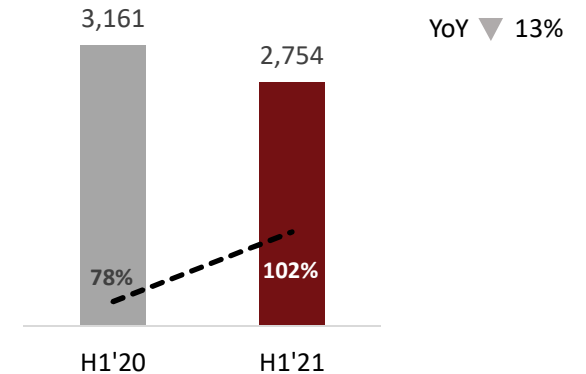
EBITDA (in ₹ lakh) & margin (%age)



PAT (in ₹ lakh) & margin (%age)



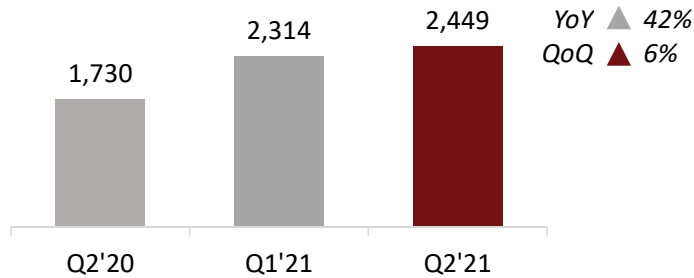
OCF (in ₹ lakh) & %age



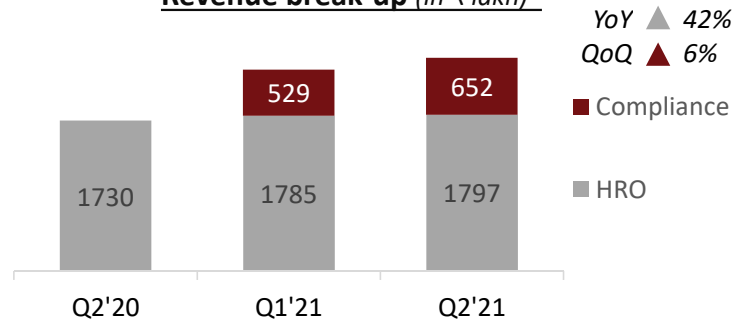
Business segment updates

Human Resource Operations (HRO) – Performance Snapshot

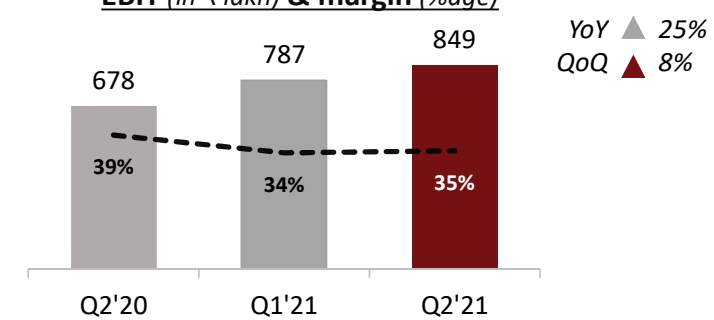
Revenue (in ₹ lakh)



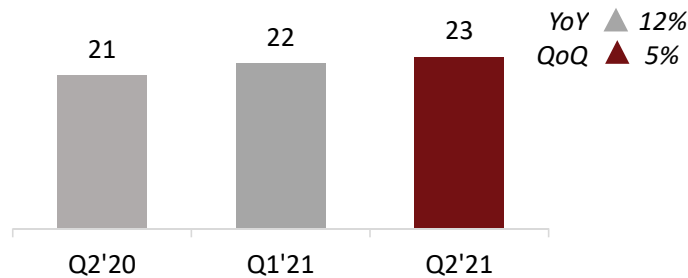
Revenue break-up (in ₹ lakh)*



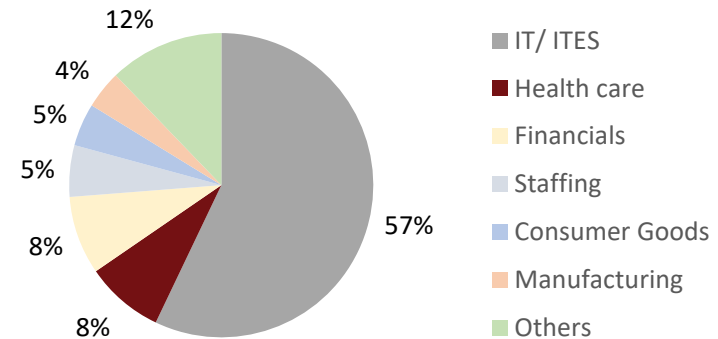
EBIT (in ₹ lakh) & margin (%age)



Payslips processed (Nos in lakhs)



Vertical-wise revenue split (in ₹ lakh)

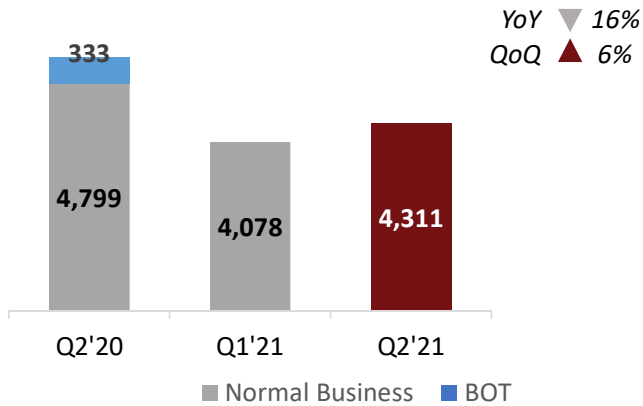


- Revenue grew QoQ 6% with growth in the HRO-domestic business by 5% and international business by 9%
- EBIT grew by 8% in line with revenue growth; YoY margin % lower due to addition of the Compliance business which has lower margins.
- Payslips processed grew 4% QoQ

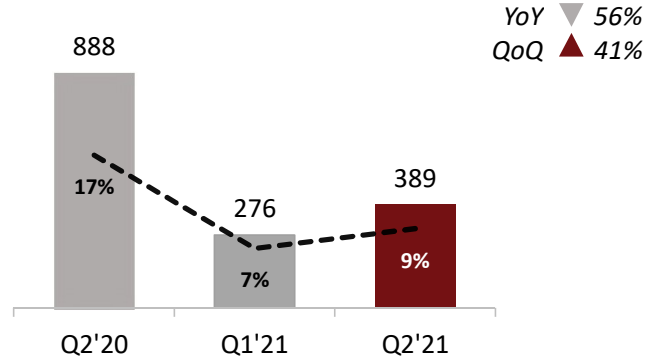
*Acquisition of the compliance business became effective on September 30, 2019 excluded from Revenue (₹ 1043 Lakhs) and EBIT (₹ 62 Lakhs) above

Digital Business Services (DBS) – Performance Snapshot

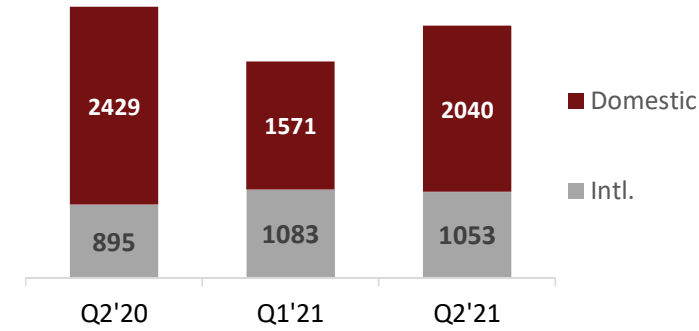
Revenue (in ₹ lakh)



EBIT (in ₹ lakh) & margin (%age)



Headcount break-up



- Revenue grew QoQ 6% with 39% growth in DBS Domestic business partially offset by 4% covid related volume drop in the DBS-International business, although our wallet share increased
- EBIT grew by 40% QoQ due to higher revenue in the domestic sector and also reduced impact of COVID-19 related costs in Q2FY20.
- EBIT down from Q2FY20 due to lower revenues and Covid related expenses amounting to ₹1.5 cr. In current quarter
- Total headcount increased to 3,093 up 16.5% QoQ, with 66% contribution of domestic headcount. Domestic headcount was up 30% QoQ
- US sales team was put in place by November 2019 however benefits are delayed due to the onset of the pandemic

Annexures

Income Statement

Consolidated Particulars	Quarterly			Var %		Half Yearly		Var %
	Q2 FY21	Q1 FY21	Q2 FY20	QoQ%	YoY %	H1 FY21	H1 FY20	YoY %
Revenue from Operations	6,760	6,392	7,905	6%	-14%	13,152	15,097	-13%
Less:								
Employee benefit expenses	-3,771	-3,572	-4,630	6%	-19%	-7,343	-8,784	-16%
Other expenses	-1,596	-1,521	-1,158	5%	38%	-3,117	-2,286	36%
Total expenses	-5,367	-5,093	-5,788	5%	-7%	-10,460	-11,070	-6%
EBITDA	1,393	1,299	2,117	7%	-34%	2,692	4,027	-33%
Other income	50	113	133	-56%	-62%	163	279	-41%
Finance cost	-82	-36	-61	128%	34%	-118	-135	-13%
Depreciation & amortisation	-547	-569	-478	-4%	14%	-1,116	-982	14%
Earnings before exceptional item & tax	814	807	1,711	1%	-52%	1,621	3,189	-49%
Exceptional item	-	-				-	-	
Earnings before tax	814	807	1,711	1%	-52%	1,621	3,189	-49%
Tax	-170	-204	-367	-17%	-54%	-374	-637	-41%
Profit after tax	644	603	1,344	7%	-52%	1,247	2,552	-51%
EBITDA Margin	21%	20%	27%	28 bps	-617 bps	20%	27%	-621 bps
PAT margin	10%	9%	17%	9 bps	-747 bps	9%	17%	-742 bps
Basic & Diluted EPS (in ₹)	4.22	3.96	8.82	7%	-52%	8.19	16.74	-51%

Balance Sheet

Particulars	30-Sep-20	31-Mar-20	Var %
Non-Current Assets			
Property, Plants & Equipment	815	880	-7%
Other intangible assets	553	333	66%
Right of Use Assets	1,723	2,227	-23%
Other non-current assets	3,419	3,255	5%
	6,510	6,695	
Current Assets			
Current Investments	3,830	3,339	15%
Cash & cash equivalents	13,292	12,420	7%
Trade receivables	3,747	4,502	-17%
Unbilled revenue	1,263	1,157	9%
Other current assets	751	806	-7%
	22,883	22,224	
Total Assets	29,393	28,919	
Equity & Reserves	24,223	22,807	6%
Non-current liabilities			
Lease liability	1,030	1,311	-21%
Other non-current liability	631	467	35%
	1,661	1,778	
Current liabilities			
Lease liability	795	1,013	-22%
Trade payables	1,940	2,463	-21%
Other current liability	774	858	-10%
	3,509	4,334	
Total Equity & Liabilities	29,393	28,919	

Cash Flow Statement

Particulars	30-Sep-20	31-Mar-20
PBT	1,621	5,720
Add: Non cash Expenses/(Income)	1,445	2,113
Operating profit before working capital changes	3,066	7,833
Changes in working capital	(312)	(1,624)
Cash flow from Operations	2,754	6,209
Capex	(456)	(292)
Current investments	(375)	2,863
Interest received	4	35
Cash flow from Investing activities	(827)	2,606
Repayment of Borrowing/Lease Liabilities	(809)	(1,379)
Interest paid	(118)	(225)
Dividend paid	-	(1,831)
Cash flow from Financing activities	(927)	(3,435)
Net change in Cash and Cash equivalents	1,000	5,380
Cash taken over on business acquisition	-	130
Opening cash & cash equivalents	12,420	7,163
Exchange rate fluctuations	(128)	(253)
Closing Cash & Cash equivalents	13,292	12,420

Thank you