



May 18, 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: Investor Presentation and Press Release for FY 2019-20

Dear Sir / Madam,

Kindly find attached following documents:

1. Investor Presentation for the Quarter ended March 31, 2020; and
2. Press Release for the Quarter and Financial Year ended March 31, 2020.

Kindly take the above on record.

Thank you,

Yours faithfully,
For **Allsec Technologies Limited**

Gagan Preet Singh

Gagan Preet Singh
DGM - Legal & Company Secretary

ALLSEC TECHNOLOGIES LTD.

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



ALLSEC TECHNOLOGIES
BUILDING LASTING RELATIONSHIPS



A **QUESS** Enterprise

Allsec Q4 FY'20

May 18,2020

Disclaimer

This presentation may include statements that are not historical in nature and that may be characterized as “forward-looking statements”, including those related to future financial and operating results, future opportunities and the growth of selected verticals in which the organisation is currently engaged or proposes to enter in future. You should be aware that future results could differ materially from past performance and also those contained the forward-looking statements, which are based on current expectations of the organisation’s management and are subject to a number of risk and uncertainties. These risks and other factors are described in Allsec’s annual reports published for the last ended fiscal year. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company. The information presented herein should not be construed as earnings guidance under the terms of the stock exchange listing agreements.

Q4 FY'20 Consolidated Performance

Amounts in ₹ Lakhs

Particulars	Q4 FY 20	Q4 FY 19	Q3 FY20	Var %	
				YoY	QoQ
Revenue from Operations	7,114	6,634	7,233	7%	-2%
Less:					
Employee benefit expenses	-4,033	-3,678	-4,255	10%	-5%
Other expenses	-1,227	-1,452	-1,331	-15%	-8%
Total expenses	-5,260	-5,130	-5,586	3%	-6%
EBITDA	1,854	1,504	1,646.83	23%	13%
Other income	80	185	50	-57%	60%
Finance cost	-47	-35	-44	34%	7%
Depreciation & amortisation	-513	-136	-495	277%	4%
Earnings before exceptional item & tax	1,375	1,518	1,158	-9%	19%
Exceptional item		-1247		-100%	
Earnings before tax	1,375	271	1,158	407%	-77%
Tax	-287	-458	-303	-37%	-5%
Profit after tax	1,088	(187)	855	682%	27%
EBITDA Margin	26%	23%	23%	339 bps	329 bps
PAT margin	15%	-3%	12%	1811 bps	347 bps
Basic & Diluted EPS (in ₹)	7.14	(1.23)	5.61	682%	27%

Key Highlights

Gross Revenue:

- Up 7% YoY/ excld. Coachieve, growth remained flat.
- Down 2% sequentially

Employee benefit expenses:

- Up 10% YoY/ excld. Coachieve, down 1%
- Down 5% QoQ/ excld. Coachieve, down 14%

Other expense:

- Down 15% YoY on account of Ind AS 116 impact.
- Down 8% sequentially

EBITDA:

- Up 23% YoY excld. impact of Ind AS116 impact and Coachieve, EBITDA moved down 6%
- Sequentially up by 14%

Other Income:

- Down 57% YoY on account of lower current investment

D&A and Finance cost:

- Higher due to impact of Ind AS 116, ₹ 376 lakhs and ₹ 48 Lakhs respectively

PAT:

- Up 682% YoY, Up 27% sequentially

FY'20 Consolidated Performance

Amounts in ₹ Lakhs

			Var %
Particulars	FY'20	FY'19	YoY %
Revenue from Operations	29,444	26,116	13%
Less:			
Employee benefit expenses	-17,073	-13,838	23%
Other expenses	-4,844	-8,315	-42%
Total expenses	-21,917	-22,153	-1%
EBITDA	7,527	3,963	90%
Other income	409	742	-45%
Finance cost	-226	-49	361%
Depreciation & amortisation	-1,990	-526	278%
Earnings before exceptional item & tax	5,720	4,130	38%
Exceptional item		-1247	-100%
Earnings before tax	5,720	2,883	98%
Tax	-1,227	-1,316	-7%
Profit after tax	4,493	1,567	187%
EBITDA Margin	26%	15%	1039 bps
PAT margin	15%	6%	926 bps
Basic & Diluted EPS (in ₹)	29.48	10.28	187%

Key Highlights

Gross Revenue:

- Up 13% YoY, excld. Coachieve 3%

Employee benefit expenses:

- Up 23% YoY, excl. Coachieve up 7%

Other expense:

- Down 42% YoY on account of Ind AS 116 impact and lower legal & professional fees.

Other Income:

- Down 45% YoY on account of lower current investment

EBITDA:

- Up 90% YoY/ excld. impact of Ind AS116 impact and Coachieve, EBIDTA moved Up 49%

D&A and Finance cost:

- Higher due to Ind AS INR 1437 lakhs and INR 189 Lakhs respectively

PAT:

- Up 187% YoY

Balance Sheet as at Mar 31, 2020

Amounts in ₹ Lakhs

Particulars	31-Mar-20	31-Mar-19	Var	Var %
Non-Current Assets				
Property, Plants & Equipment	880	1,023	-143	-14%
Other intangible assets	333	298	35	12%
Right of Use Assets	2,227	0	2,227	100%
Other non-current assets	3,255	2,882	373	13%
	6,696	4,203		
Current Assets				
Current Investments	3,339	8,239	-4,900	-59%
Cash & cash equivalents	12,555	7,197	5,358	74%
Trade receivables	4,502	3,547	955	27%
Unbilled revenue	1,157	1,034	123	12%
Other current assets	671	300	372	124%
	22,224	20,317		
Total Assets	28,919	24,520		
Equity & Reserves	22,807	21,779	1,028	5%
Non-current liabilities				
Lease liability	1,311	0	1,311	0%
Other non-current liability	467	386	81	21%
	1,778	386		
Current liabilities				
Lease liability	1,013	0	1,013	0%
Trade payables	2,463	1,250	1,213	97%
other current liability	858	1,105	-247	-22%
	4,334	2,355		
Total Equity & Liabilities	28,919	24,520		

Key Highlights

- Property plant & equipment at similar levels considering normal depreciation
- Right of Use asset, Lease liability in Non-current and current liabilities relate to Ind AS 116
- Current investment lower by ₹ 49 Lakhs after following Dividend payout ₹ 18 Lakhs, Coachieve Stat & Compliance Business purchase consideration of ₹ 16.8 cr. and loan repayment of ₹ 1345 Lakhs.
- Trade receivables higher due to Outstanding from HRO Stat (Formerly Coachieve) balance ₹ 606 Lakhs
- Unbilled Revenue higher due to Outstanding from HRO Stat (Formerly Coachieve) balance ₹ 217 Lakhs
- Trade payables higher due to Outstanding from HRO Stat (Formerly Coachieve) balance ₹ 561 Lakhs

Q4'20& FY'20 Segment Performance

S.No.	Description	Consolidated			
		Q4 FY'20	Q3 FY'20	FY'20	FY'19
1.	<u>SEGMENT REVENUES</u>				
	Customer Lifecycle Management (CLM)	4,759	4,982	20,032	17,808
	Human Resource Outsourcing (HRO)	2,355	2,251	9,412	5,942
	Anti Money Laundering and Regulatory Compliance (AML)	-	-	-	2,366
	Total revenue from operations	7,114	7,233	29,444	26,116
2.	<u>SEGMENT RESULTS</u>				
	Customer Lifecycle Management (CLM)	678	832	3,440	3,313
	Human Resource Outsourcing (HRO)	734	594	2,678	2,372
	Anti Money Laundering and Regulatory Compliance (AML)	(54)	(40)	(158)	(1,931)
	Total segment results	1,358	1,386	5,960	3,754
	Finance cost	(47)	(44)	(226)	(49)
	Other unallocable income / (expenses), net	64	(184)	(14)	(822)
	Total profit before tax	1,375	1,158	5,720	2,883

THANK YOU



ALLSEC TECHNOLOGIES
BUILDING LASTING RELATIONSHIPS

A **Q** **QUESS** Enterprise

18th May 2020

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Allsec Technologies: Resilient and Profitable growth

Chennai, India – 18th May 2020: Allsec Technologies announced its financial results for the **fourth quarter (Q4'20)** and year ended **March 31, 2020** today.

KEY FINANCIAL HIGHLIGHTS:

In ₹ Lakhs

Particulars	Q4 FY 20	Q4 FY 19	YoY (%)	Q3 FY20	QoQ (%)	FY'20	FY'19	YoY (%)
Revenue	7,114	6,634	7%	7,233	(2%)	29,444	26,116	13%
EBITDA	1,854	1,504	23%	1,647	13%	7,527	3,963	90%
EBITDA Margin	26.06%	22.67%	339 bps	22.77%	329 bps	25.56%	15.17%	1039 bps
PBT	1,375	271	407%	1,158	19%	5,720	2,883	98%
PAT	1,088	(187)	682%	855	27%	4,493	1,567	187%
PAT Margin	15.3%	(2.8%)	1811 bps	11.8%	347 bps	15.3%	6.0%	926 bps
Diluted EPS (in ₹)	7.14	(1.23)	680%	5.61	27%	29.48	10.28	187%

The HR Compliance business of M/s Coachieve Solutions Private Limited (a wholly owned subsidiary of Qess Corp Limited) was acquired via a slump sale in September 2019.

FY20 Financial Highlights:

- **FY'20 Revenue** grew **13%** on the back of:
 - **12.5% YoY** revenue increase in the **Customer Lifecycle Management (CLM)** segment, reported at **₹200.3 cr** as compared to ₹178.1 cr in FY'19
 - The **Human Resource Operations (HRO)** segment increased **58% YoY** to **₹94.1 cr** as against ₹59.4 cr in the same period last year
 - There was a one-time revenue of ₹23.7 cr in YTD FY19 in the **Anti Money Laundering (AML)** segment
- **FY'20 EBITDA** grew **90% YoY** to **₹75.27 cr** as against 39.63 cr in FY'19
- **EBITDA Margin** for **FY'20** stood at **25.6%** as against 15.2% in FY19
- **Reported PAT** stood at **₹44.9 cr** and **Adjusted FY'20 PAT** for impact of IndAS116 and Coachieve is **₹45.1 cr**, higher by **188%** as against ₹15.7 cr in FY'19
- **Adjusted Diluted Earnings Per Share (EPS)** stood at **₹29.60** for **FY'20** as against ₹10.28 in FY'19

Q4FY20 Financial Highlights:

- **Revenues** grew **7%** YoY, which was primarily driven by:
 - 39% YoY revenue increase in the **Human Resource Operations (HRO)** segment, reported at **₹23.6 cr** during the quarter as against ₹16.9 cr in Q4 FY19. On a QoQ basis, HRO revenue increased by **5%**
 - The **Customer Lifecycle Management (CLM)** segment revenue was down by **4%** YoY to **₹47.6 cr** as compared to ₹49.4 cr in the corresponding period last year. CLM revenue was down by 4% QoQ
- **EBITDA** grew significantly by **23%** YoY to **₹18.5 cr**
- **EBITDA Margin** stood at **26%** during the quarter as against **23%** in the previous quarter
- **Profit after Tax (PAT)** was reported at **₹10.9 cr** during the quarter. **PAT** adjusted for the impact of IndAS 116 and Coachieve increased **672% YoY** and stood at **₹10.7 cr** as compared to (₹1.9 cr) in Q4 FY19
- **Diluted Earnings Per Share (EPS)** stood at **₹7.02** for Q4 FY20 as against (₹1.23) in Q4 FY19 post adjustment for IndAS and Coachieve

ADJUSTED FINANCIAL HIGHLIGHTS:
Q4 FY20 Financial Highlights adjusted for the impact of Ind As116 and Coachieve

in ₹ Lakhs

Particulars	Results with Ind As 116 & Coachieve	Q4 FY'20			Q4 FY'19	
		Ind AS 116	Coachieve	Operating Results	Q4 FY'19	YoY (%)
Revenue	7,114	0	(484)	6,630	6,634	0%
EBITDA	1,854	(408)	(33)	1,413	1,504	(6%)
Depreciation & Amortisation	513	(376)	(3)	134	136	(1%)
Finance Costs	47	(48)	-	-1	35	(103%)
Other Income	80	-	-	80	185	(57%)
Earnings before exceptional item & tax	1,375	-	-	1,375	1,518	(9%)
Exceptional item	-	-	-	0	1,247	(100%)
Earnings before tax	1,375	16	(30)	1,361	271	402%
Tax	287	5	-	292	458	(36%)
PAT	1,088	11	(30)	1,069	(187)	672%
Diluted EPS (in ₹)	7.14	0.07	(0.20)	7.02	(1.23)	672%

FY'20 Financial Highlights adjusted for the impact of IndAs116 and Coachieve

in ₹ Lakhs

Particulars	Results with Ind As 116 & Coachieve	FY'20			FY'19	
		Ind AS 116	Coachieve	Operating Results	FY'19	YoY (%)
Revenue	29,444	0	(2,499)	26,945	26,116	3%
EBITDA	7,527	(1,537)	(78)	5,913	3,963	49%
Depreciation & Amortisation	1,990	(1,437)	(9)	544	526	3%
Finance Costs	226	(189)	(28)	9	49	(81%)
Other Income	409	-	(5)	404	742	(45%)
Earnings before exceptional item & tax	5,720	-	-	5,720	4,130	38%
Exceptional item	-	-	-	0	1,247	(100%)
Earnings before tax	5,720	89	(46)	5,764	2,883	100%
Tax	1,227	26	0	1,253	1,316	(5%)
PAT	4,493	63	(45)	4,511	1,567	188%
Diluted EPS (in ₹)	29.48	0.42	(0.30)	29.60	10.28	188%

Segment Wise Performance (QoQ & YoY)

In ₹ Lakhs

S.No.	Description	Consolidated			
		Q4 FY'20	Q3 FY'20	FY'20	FY'19
1.	<u>SEGMENT REVENUES</u>				
	Customer Lifecycle Management (CLM)	4,759	4,982	20,032	17,808
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	Total revenue from operations	7,114	7,233	29,444	26,116
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	Customer Lifecycle Management (CLM)	678	832	3,440	3,313
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	Total segment results	1,358	1,386	5,960	3,754
	Finance cost	(47)	(44)	(226)	(49)
	Other unallocable income / (expenses), net	64	(184)	(14)	(822)
	Total profit before tax	1,375	1,158	5,720	2,883

➤ Customer Lifecycle Management (CLM):

- Revenue of the **India domestic** business was down **2% YoY** to **₹16.1 cr**
- **International** business revenue was down 5% YoY and flat QoQ at **₹31.5 cr**
- **Headcount** stood at **3,137** employees, up 83 employees compared to Q3FY20

➤ Human Resources Operations (HRO):

- The **India domestic** business grew 8% YoY to **₹14.2 cr** during the quarter as against ₹13.2 cr in Q4 FY19
- **International** business grew **38% YoY** to **₹5.2 cr** as against ₹3.8 cr in the same period last year. On a sequential basis, the revenues grew 13%
- During the quarter, we added **16 new customers** in the domestic business and **5 new customers** in the international business
- **Headcount** was **425** employees, a 3% increase compared to the previous quarter

Commenting on the financial results, Chairman Mr. Ajit Isaac said that, *“The Allsec team has delivered impressive results in the company’s first year after Ques’s investment into it, with 90% EBITDA growth and 66% EBITDA to OCF conversion powered by impressive topline growth in both the CLM and HRO businesses. The team has shown admirable operational resilience in Q4 and beyond while continuing to drive significant upgrades in our leading payroll platform and the company’s overall digital intensity. This gives us confidence that the best is yet to come.”*

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 7 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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Investor Relations

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