



July 19, 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 July 19, 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

19th July 2021

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

Strong Customer acquisition driving robust growth

Chennai, India – 19th July 2021: Allsec Technologies, a global leader in outsourcing solutions announced its financial results for the **First quarter for FY22 (Q1 FY22)**.

Highlights include:

- Revenue increased 12% over Q1 FY21 at ₹71.5cr
- EBITDA increased 22% over Q1 FY21 at ₹15.8cr
- PBT increased 30% over Q1 FY21 at ₹10.5cr
- Continuing robust cash generation with OCF / EBITDA at 103%

Key financial highlights

In ₹ Lakhs

Particulars	Q1FY22	Q4FY21	QoQ	Q1FY21	YoY
Revenue	7,149	7,348	(3%)	6,348	12%
EBITDA before COVID-related expenses	1,723	2,165	(20%)	1,551	11%
COVID-related expense	(142)	(73)	(38%)	(252)	-
EBITDA	1,581	2,092	(24%)	1,299	22%
EBITDA Margin %	22.1%	28.5%	(636 bps)	20.3%	179 bps
PBT	1,052	1,502	(30%)	807	30%
PAT before Tax on dividend income	791	1,378	(43%)	603	31%
Tax on dividend income from Manila Subsidiary	1,588	-	-	-	-
PAT	(797)	1,378		603	
PAT Margin %	(11.1%)	18.7%		9.4%	
Diluted EPS (in ₹)	(5.23)	9.05		3.96	

Business Update

➤ Digital Business Services (DBS):

- Revenue lower by 3% QoQ at ₹45.5 cr
- International business revenue higher by 6% QoQ, at ₹30.3 Cr, largely due to returning volumes in the US collections business and addition of new customers.
- Domestic business revenue lower by 17% QoQ, at ₹15.2 Cr., largely due to volume reduction on account of the 2nd wave of COVID.
- Headcount stood at 3,146 employees, down 323 employees compared to the previous quarter.

➤ Human Resources Operations (HRO):

- Revenue lower by 2% QoQ at ₹26.0 cr
- Domestic business excluding Statutory Compliance reduced 8% QoQ to ₹14.1 Cr largely due to year end revenues in Q4 FY21.
- Statutory Compliance business grew 5% QoQ to ₹6.0 Cr.
- International business grew 7% QoQ at ₹5.9 Cr.
- 25 new customers were added during the quarter with ACV of ₹1.95 Cr.
- Payslips processed grew 7% QoQ and 31% YoY to ~28 lakhs in Q1FY21.

Commenting on the performance, Mr. Suraj Moraje, Non-Executive Director said “The Company has dealt well with the second COVID wave in India, even while seeing faster customer acquisition in the DBS business and continued robust growth in the HRO business. The management's focus on platformisation and automation will further accelerate this performance in the time 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 ~ 4,000 employees across India, Philippines and the US, Allsec processes more than 900,000 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>.

For more information, please contact:

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Raghunath Parthasarathy

Chief Financial Officer

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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

Q1 FY 22



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Company Overview

Global leader in outsourcing solutions

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Quess Corp subsidiary, backed by Fairfax Holdings (Canada)



20+ years of Global BPO service Excellence



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

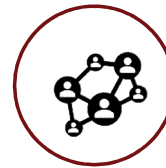
HRO



1M+ payslips processed per month groupwide

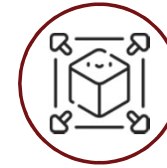


400+ Client engagements globally including Fortune 100 companies



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

DBS



Service Delivery bundled with **Digital Transformations**



~4000 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 FY21

| 900,000+ payslips p.m (32% ↑ over Jun'20) | ~200,000 Headcount on HRMS (50% ↑ over Jun'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



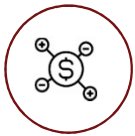
Customer Experience Management

- 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
- **~4000** 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

Q1FY22 Key Business Highlights

Q1FY22 Highlights



Business

- **DBS:**
 - Added **3** new logos and additional process with an existing customer in International business with ACV of ~ **₹23.5cr**
 - Domestic volumes reduced by **17%** due to COVID 2nd wave as compared to Q4 FY21 but up 55% compared to Q1 FY21 demonstrating the business resilience and implementation of learnings from last year. We also added a new logo in the Domestic business
- **HRO:**
 - Added net **185,000+** payslips during Q1 FY22 representing 7% growth over Q4 FY21
 - Provided payroll platform as SaaS to a large eCommerce player in Manila, opening a new avenue for revenue
 - Consulting services on labour codes as a service started. Once the code of wages is introduced this will be a value added service offering
- **Headcount:**
 - 3996 as on June 30, 2021 a reduction of 311 over March 31, 2021, primarily due to COVID driven drop in DBS domestic volumes



Financial

- **Balance Sheet:**
 - **Cash and short term investments** decreased by **₹28.4cr** from March 2021 to ₹169.9cr primarily due to dividend distributed ₹22.86 cr and withholding tax on dividend income from Manila ₹13.88 cr
 - **OCF / EBITDA at 103%** in Q1 FY22 down from 120% in Q4 FY21 but flat with FY21 OCF/EBITDA of 106%
 - Receivables down from ₹42.0cr in March 2021 to **₹41.0cr**
 - DSO up at **52 days** from 51 days in March 2021
- **P&L statement:**
 - Revenue reduced by 3% QoQ primarily due to 17% drop in DBS domestic
 - EBITDA stood at **₹20.9cr**, a decrease of 24% QoQ and increase of 22% over Q1 FY21. QoQ decrease due to lower revenue, year end increments and fx loss
 - PBT at **₹10.5cr**, a decrease of 30% QoQ and increase of 31% YoY
 - The Company has opted for lower tax rate u/s115BAA of Income tax rate from 29.12% to 25.17%. A one time deferred tax impact of ₹1.2 cr has been recognized in current quarter



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**
 - Manila wholly owned subsidiary declared a dividend of **₹92.52 cr**
- **Investment in the business**
 - Smartpay (SP4) product modernization proceeding as per plan and we aim to onboard customers by Q4 FY22
- **Sales and Customer focus:**
 - Record quarter from a sales perspective, won 29 new customers with ACV of ~ **₹ 26 cr**
 - Revenues on above expected to flow through from end of Q2 FY22

Financial performance

Q1FY22 Financial Performance

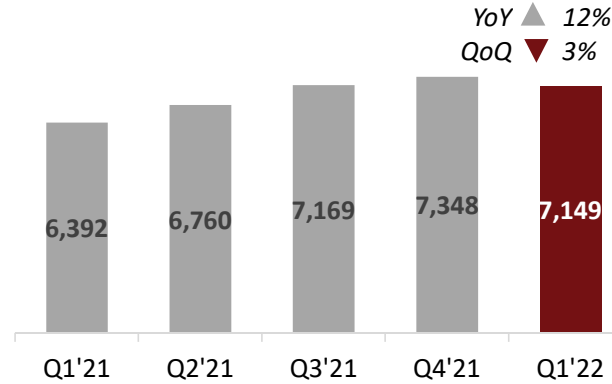
Revenue:

- Reduced by 3% QoQ and increased 12% YoY

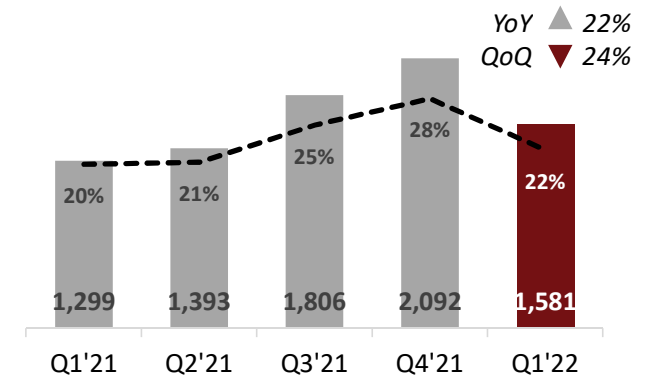
Profitability:

- EBITDA decreased by 24% QoQ and increased by 22% YoY
 - Revenue drop impact in EBITDA ₹0.9 cr
 - Year end increment impact ₹2.0 cr
 - Fx movement ₹1.2
- EBITDA excluding COVID cost reduced by 20% QoQ and increased by 11% YoY
- PAT excluding tax expenses on Dividend income decreased by 43% QoQ and increased by 31% YoY. PAT after tax expenses on Dividend Income stood at ₹ (8.0) cr

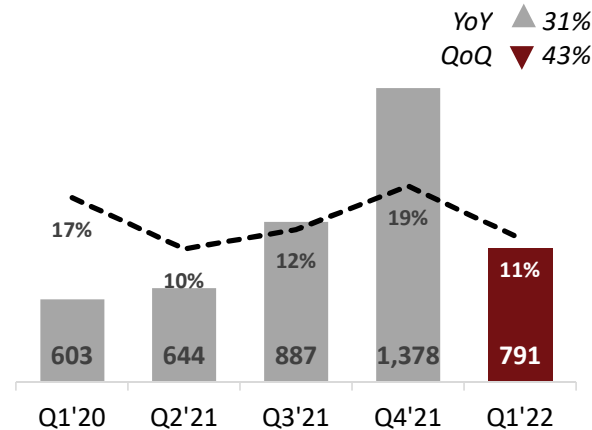
Revenue (in ₹ lakh)



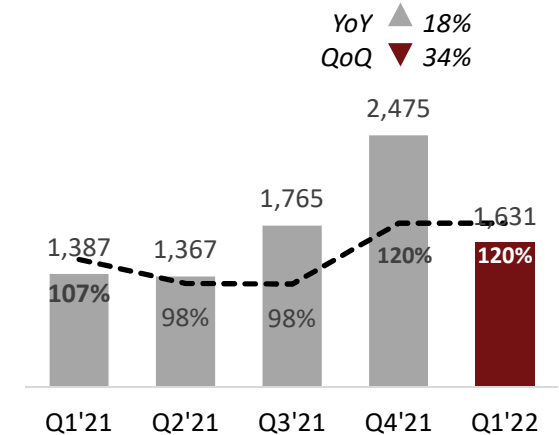
EBITDA (in ₹ lakh) & margin (%age)



PAT* (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age

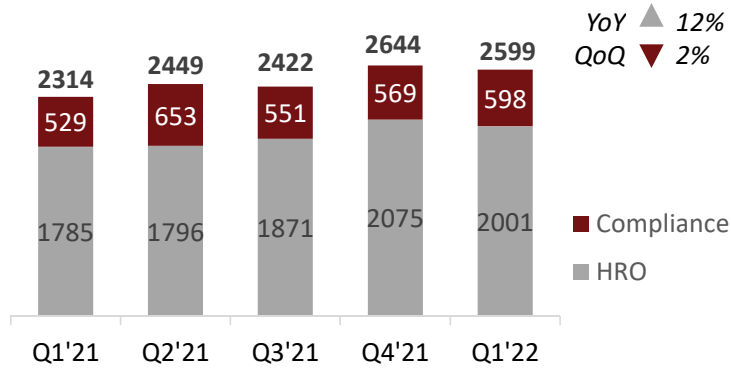


* Q1 FY22 PAT excludes tax on dividend income ₹15.9cr

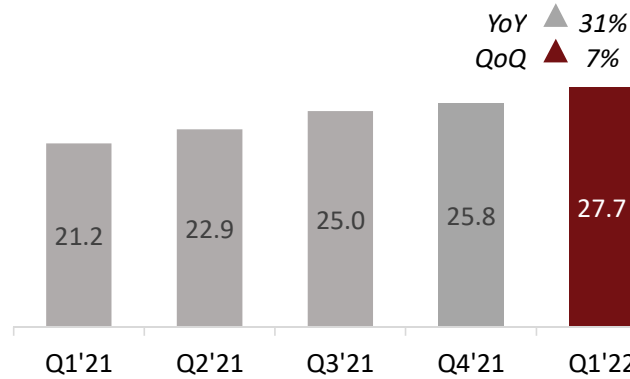
Business segment updates

Human Resource Operations (HRO) – Performance Snapshot

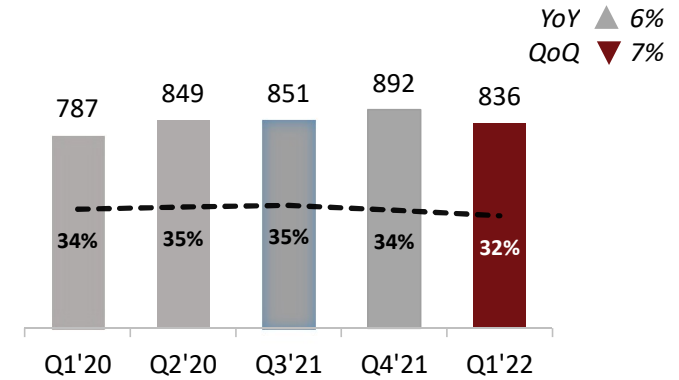
Revenue (in ₹ lakh)



Payslips processed (in Nos Lakhs):



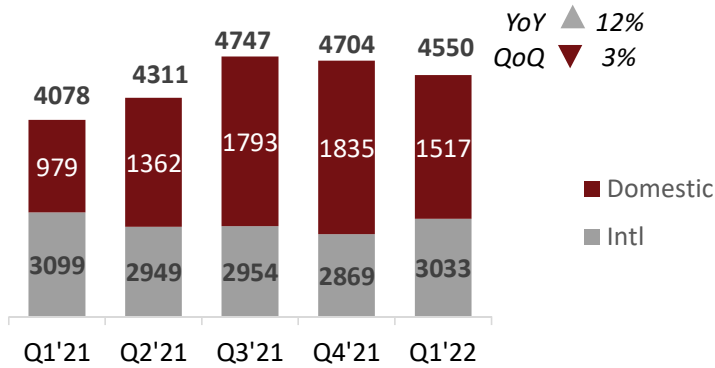
EBIT (in ₹ lakh) & margin (%age)



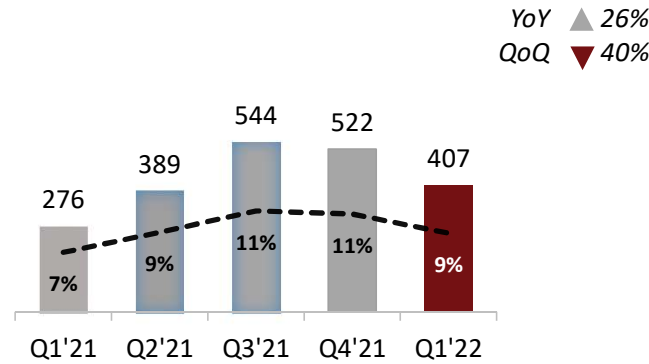
- Revenue down marginally QoQ as Q4 had year end activities revenue of ₹183 Lakhs, excluding that HRO revenue grew 6%
- EBIT % down due to increased cost on account of annual appraisals and year end activities related revenue
- Payslips processed grew 7% QoQ and 31% YoY
- On boarded 25 customers with ACV of ₹195 Lakhs
- We have a strong sales pipeline that augurs for the coming quarters

Digital Business Services (DBS) – Performance Snapshot

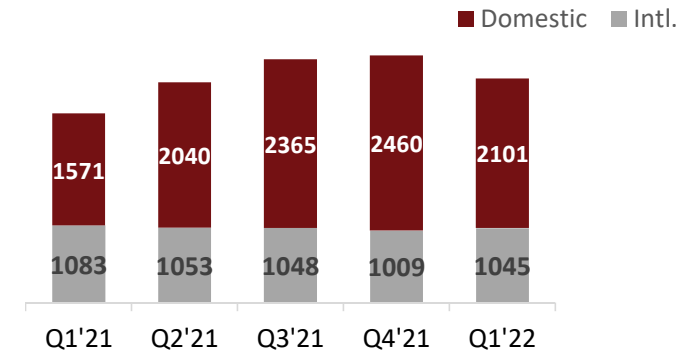
Revenue (in ₹ lakh)



EBIT (in ₹ lakh) & margin (%age)



Headcount break-up (Nos)



- Revenue reduced QoQ by 3% with drop in domestic volumes by 17% on account of lockdown impact during the quarter. International business witnessed a growth of 6% with contribution from new clients on boarded during the quarter
- EBIT down from Q4FY21 due to lower revenues and impact of year end appraisals
- Total headcount reduced to 3,146 down 9% QoQ. Domestic headcount down 15% QoQ
- In DBS – International we have added 3 new logos and a new process with an existing customer adding to a total ACV of ₹ 23.7cr the revenues of which will start flowing from end of Q2 FY22

Annexures

Income Statement

In ₹ Lakhs

Consolidated Particulars	Quarterly			Var %	
	Q1 FY22	Q4 FY21	Q1 FY21	QoQ%	YoY %
Revenue from Operations	7,149	7,348	6,392	(3%)	12%
Less:					
Employee benefit expenses	(4,141)	(3,963)	(3,572)	4%	16%
Other expenses	(1,427)	(1,293)	(1,521)	10%	(6%)
Total expenses	(5,568)	(5,256)	(5,093)	6%	9%
EBITDA	1,581	2,092	1,299	(24%)	22%
Other income	71	151	113	(53%)	(37%)
Finance cost	(43)	(89)	(36)	(52%)	19%
Depreciation & amortisation	(557)	(652)	(569)	(15%)	(2%)
Earnings before tax	1,052	1,502	807	(30%)	30%
Tax on Dividend income from Manila	(1,588)	-	-		
Normal Tax	(261)	(124)	(204)	110%	28%
Profit after tax	(797)	1,378	603	(158%)	(232%)
EBITDA Margin	22.1%	28.5%	20.3%	(636 bps)	179 bps
PAT margin	(11.1%)	18.8%	9.4%	(2,990 bps)	(2,058 bps)
Basic & Diluted EPS (in ₹)	(5.23)	9.05	3.96	(158%)	(232%)

Thank you