



January 20, 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 January 20, 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
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

20th January 2021

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

Revenue rebounds, with 460 bps EBITDA margin expansion and 38% PAT growth

Chennai, India – 20th January 2021: Allsec Technologies, a global leader in outsourcing solutions announced its financial results for the **third quarter (Q3 FY21)** ended 31st December 2020.

Highlights include:

- Strong rebound in revenues, with 6% growth over Q2'FY21
- Sterling operating performance with EBITDA margin higher by 460 bps QoQ
- Continuing robust cash generation with OCF/EBITDA at 96%

Key financial highlights

In ₹ lakh

Particulars	Q3FY21	Q2FY21	QoQ (%)	Q3FY20	YoY (%)
Revenue	7,169	6,760	6%	7,233	(1%)
EBITDA before COVID expenses & MTM Fx	1,994	1,749	14%	1,517	31%
COVID expenses	(117)	(148)	(21%)	-	-
MTM Fx Gain / (loss)	(71)	(207)	(66%)	130	
EBITDA	1,806	1,393	30%	1,647	10%
EBITDA margin (%)	25%	21%	460 bps	23%	242 bps
PBT	1,248	814	53%	1,158	8%
PAT	887	644	38%	855	4%
PAT Margin (%)	12%	10%	283 bps	12%	55 bps
Diluted EPS (in ₹)	5.82	4.22	38%	5.61	4%

The Company has rebounded quickly, ending the quarter with revenues close to Q3 FY20 levels. Operational efficiencies drove EBITDA higher than Q3 FY20, despite continued COVID-related costs (e.g., WFH solutions, additional office capacity to maintain social distancing norm).

Q3 FY21 Financial Highlights:

- Quarterly revenues higher 6% QoQ, at ₹ 71.7 cr.
 - Digital Business Services (DBS) segment revenues higher 10% QoQ, at ₹47.5 cr.
 - Human Resource Operations (HRO) segment revenue flat QoQ, at ₹24.2 cr.
- Quarterly EBITDA higher 30% QoQ, at ₹ 18.1 cr.
- Quarterly Profit after Tax (PAT) higher 38%, at ₹8.9 cr.
- Diluted Earnings Per Share (EPS) higher 38%, at ₹5.82
- OCF/EBITDA conversion at 96%

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

- International business revenues remained flat QoQ, at ₹29.5 Cr. The business continues to face lower volumes especially in the collections business in the US.
- Domestic business revenues up 32% QoQ, back to pre-COVID levels at ₹17.9 Cr. This is the business' second consecutive quarter with >30% growth. However, challenges with respect to transportation of employees and additional capacity to manage social distancing norms are impacting profitability.

➤ Human Resources Operations:

- Domestic business excluding Stat Compliance grew 2% QoQ, at ₹13.1 Cr.
- International business grew 8% QoQ, at ₹5.6 Cr.
- 25 new customers were added during the quarter.
- Payslips processed grew 7% QoQ and 18% YoY, at 25 lakh in Q3 FY21.

Commenting on the performance, Mr. Suraj Moraje, Non-Executive Director said, “The Allsec management team has done a commendable job of returning the business to its pre-COVID levels and at significantly higher margins. We will continue to invest in growing the business, building superior technology, and furthering operational efficiencies.”

About Allsec Technologies Limited

Allsec Technologies Limited (BSE: 532633, NSE: [ALLSEC](#)), headquartered in Chennai, is a pioneer in the HRO space and is today India’s second largest Payroll Service Provider. 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, the Philippines and the US, Allsec processes more than 8 lakh pay slips each month for over 200 legal entities around the world. 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

Q3FY21



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Company Overview

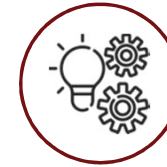
Global leader in outsourcing solutions



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



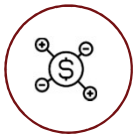
Customer Experience Management

- 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.
- **~4000** 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

Q3FY21 Key Business Highlights

Q3FY21 Highlights



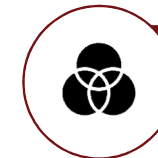
Financial

- **Sterling performance** in current quarter with both Revenue and EBITDA above pre-Covid levels of Q4 FY20 (excluding seasonal year end EBITDA from HRO).
- **Headcount:** 4216 as on Dec 31, 2020 an increase of 315 over Sep 30, 2020 and increase of 224 over March 31, 2020
- **P&L statement:**
 - Revenue up 6% QoQ with strong bounce back in the DBS Domestic business
 - EBITDA grew strongly and stood at ₹ **18.1 cr**, up 30% QoQ
 - PAT at ₹ **8.9 cr**, up 38% QoQ
- **Balance Sheet:**
 - **Cash and short term investments increased by ₹ 13.4cr** from Sep 2020 to ₹ 184.6 cr
 - **OCF / EBITDA at 96%**
 - **Strong collections** reducing total receivables from ₹ 37.5cr in September 2020 to ₹**36.5cr**
 - DSO reduced to 46 days from 50 days in September 2020



Corporate

- **Cost Optimisation:**
 - Indirect cost down 11% from Q1 FY21 and 3% from Q2 FY21
- **Technology and new business investment**
 - Smartpay product modernization proceeding as per plan with an initial release by Q1 FY22
 - A new SME focused HRMS product is expected to be ready for Beta test by mid Q4 FY21 and a tentative soft market launch by Q1 FY22
- **Sales and Customer focus:**
 - Won 26 new customers during Q3FY21 with ACV of ~ ₹ 5 cr including cross sell ACV of ₹ 1cr
 - Large deals currently under implementation with ACV worthy ~ ₹ 3cr will yield revenues from Q1 FY22.
 - Entered into a partnership with a Global IT Company to provide payroll services to their clients



Business

- **HRO:**
 - Added net **160,000+** payslips during Q3 FY21 reflecting the return of growth in this quarter which was muted in H1
 - EBIT margin improved 33% YoY to 35% in Q3'FY21
 - Multi-Country deal with a customer taking us to new Geographies – Singapore & Indonesia
 - Increasing traction on standalone Time and Attendance solutions
- **DBS:**
 - Domestic business continued its strong bounce back with a QoQ revenue growth of 32% which follows a 39% QoQ growth in previous quarter
 - Volumes from DBS International remained flat QoQ. We expect an improvement in Q4 FY21
 - Working on Insurance BPaaS offering for the US market leveraging Quess's North America Sales force and their InsureTech platform

Financial performance

Q3FY21 Financial Performance

Revenue:

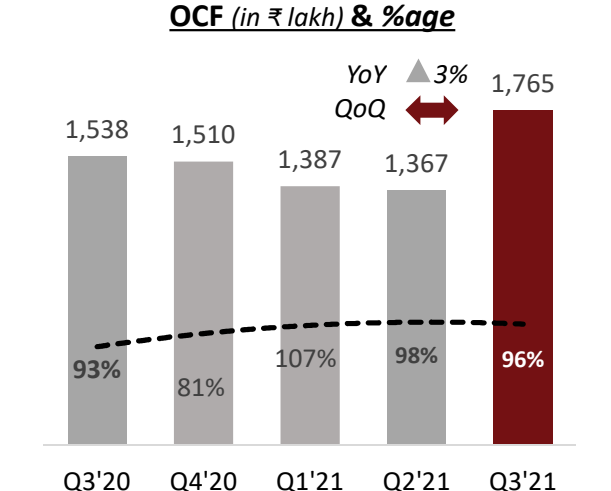
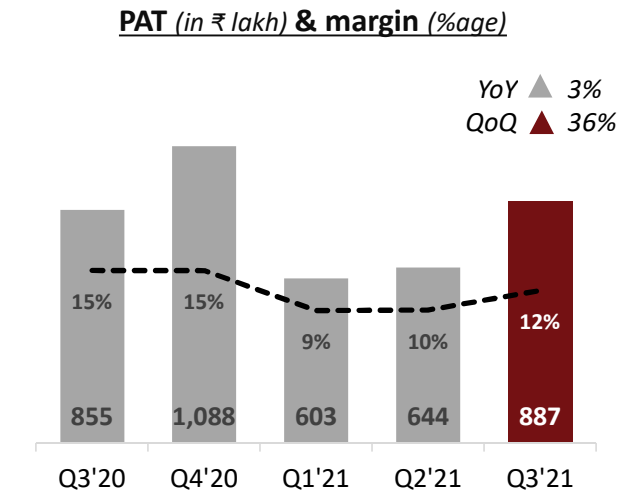
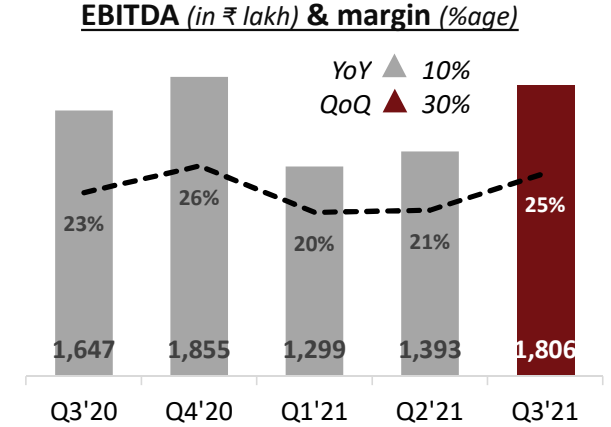
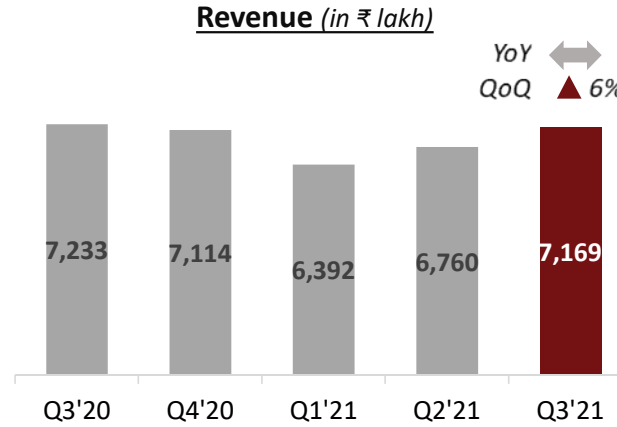
- 6% higher QoQ indicating a strong bounce back post Covid
- QoQ growth in DBS – Domestic 32%
- Revenue flat YoY and marginally ahead of Q4 20 reflecting pre-covid levels

Profitability:

- EBITDA up 30% QoQ due to higher revenues and lower MTM fx loss;
- YoY EBITDA up 10% and EBITDA excluding Covid expense of ₹ 1.2cr and MTM fx loss movement of ₹ 0.7 cr up 31%.

Cash Generation:

- Cash and short term investments increased by ₹13.4cr from Sep 2020 to ₹ 184.6cr
- OCF / EBITDA at 96%
- Strong collections reducing total receivables from ₹ 37.5cr in Sep 2020 to ₹ 36.5cr.
- DSO continued the reducing trend reflecting strong collections despite the ongoing pandemic and stood at 46 days as against 50 days in September 2020



9MFY21 Financial Performance

Revenue :

- 9% lower YoY with DBS down ₹ 21.0 cr and HRO up ₹1.3 cr
- Excluding the BOT revenues, YoY revenue down 5%

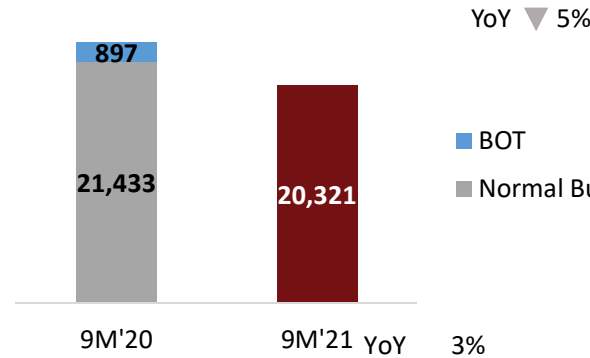
Profitability :

- EBITDA down 21% on account of lower revenue, Covid expense of ₹ 5.2cr and MTM fx movement impact of ₹ 2.8cr in 9M'FY21.
- Excluding Covid Expense and MTM fx, EBITDA down 7%
- Excluding the EBITDA from BOT revenues, YoY EBITDA up by 2%

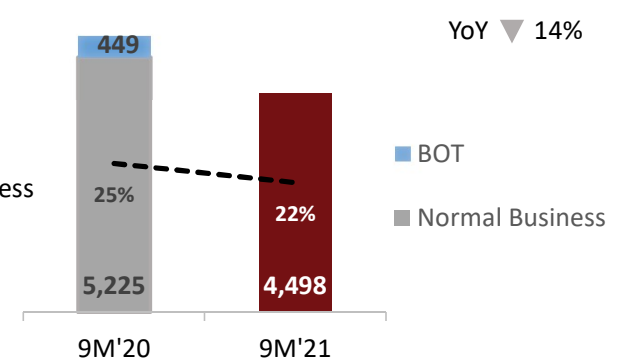
Cash Generation & Debt Reduction :

- Cash and short term investments increased by ₹ 27.0cr to ₹ 184.6cr from ₹ 157.6cr in March 2020.
- OCF conversion at 100% for 9M FY21
- Total receivables reduced from ₹ 45cr in March 2020 to ₹ 36.5 cr in December 2020.
- DSO reduced to 46 days from 56 days in March 2020

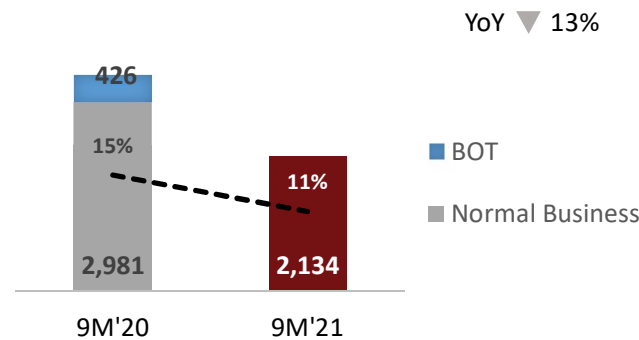
Revenue (in ₹ lakh)



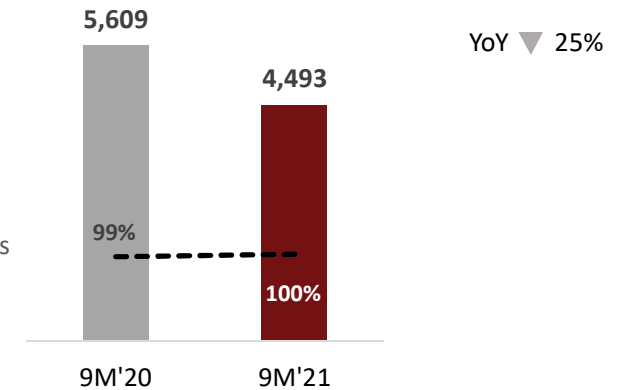
EBITDA (in ₹ lakh) & margin (%age)



PAT (in ₹ lakh) & margin (%age)



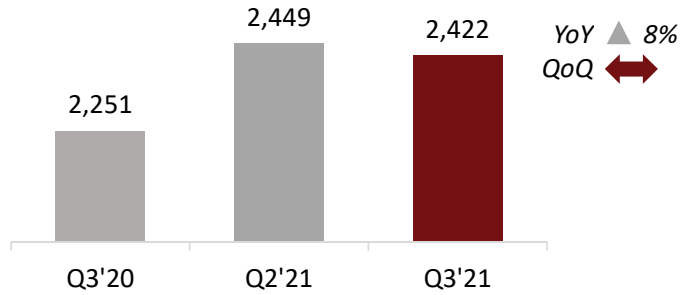
OCF (in ₹ lakh) & %age



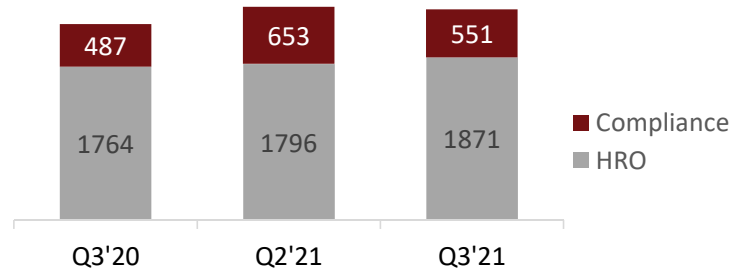
Business segment updates

Human Resource Operations (HRO) – Performance Snapshot

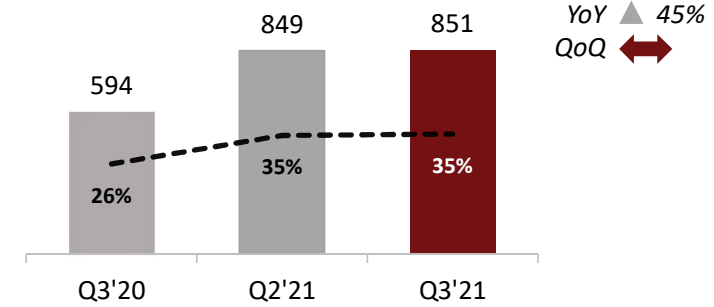
Revenue (in ₹ lakh)



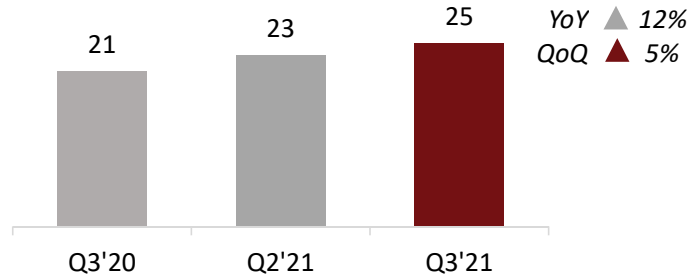
Revenue break-up (in ₹ lakh)



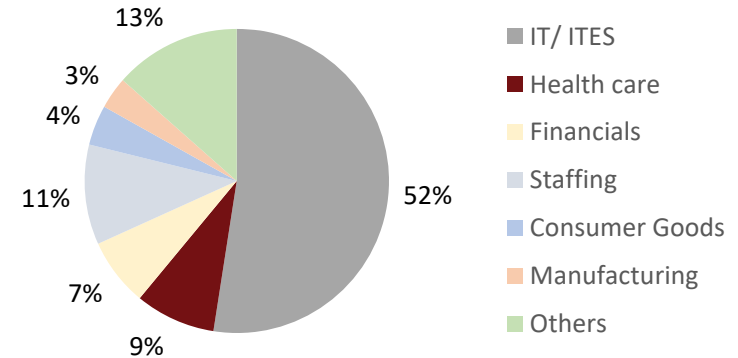
EBIT (in ₹ lakh) & margin (%age)



Payslips processed (in ₹ lakh)



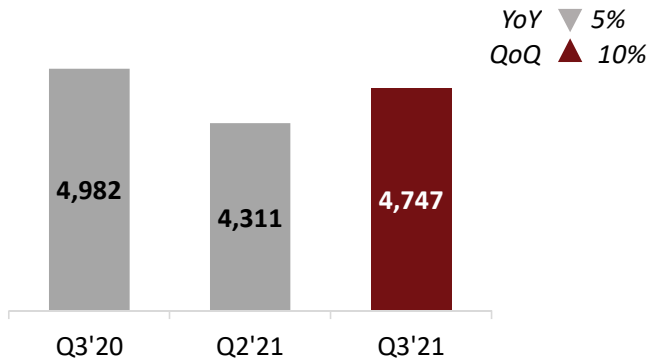
Vertical-wise revenue split (in ₹ lakh)



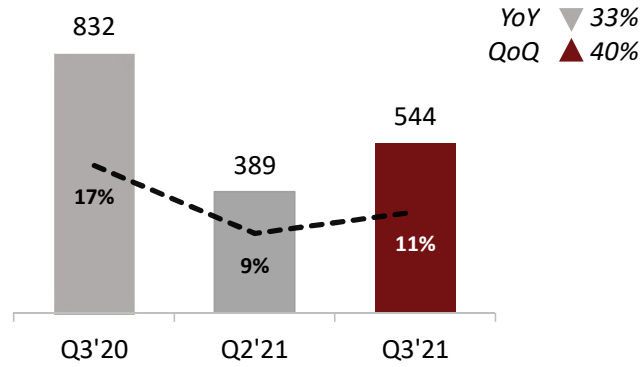
- Revenue remained flat QoQ, growth in international of 8% offset by marginal de-growth in domestic primarily in Compliance business. Q2 had seasonal revenues relating to various labour law registrations.
- EBIT remained flat in line with revenue
- Payslips processed grew 7% QoQ and 18% YoY

Digital Business Services (DBS) – Performance Snapshot

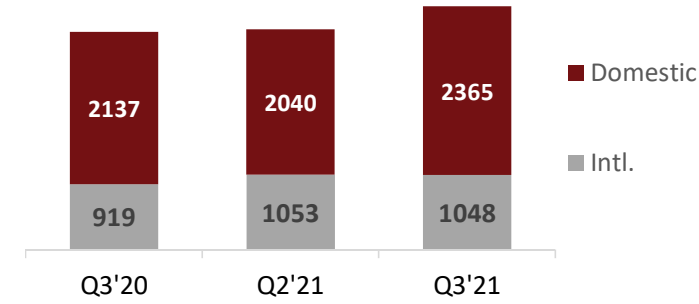
Revenue (in ₹ lakh)



EBIT (in ₹ lakh) & margin (%age)



Headcount break-up



- Revenue grew QoQ 10% with 32% growth in DBS Domestic business. DBS international remained flat QoQ.
- EBIT grew by 40% QoQ due to higher revenue in the domestic sector.
- EBIT down from Q3FY20 due to lower revenues and Covid related expenses amounting to ₹1.2 cr. in current quarter
- Total headcount increased to 3,413 up 10.3% QoQ. Domestic headcount was up 16% QoQ

Annexures

Income Statement

Consolidated Particulars	Quarterly			Var %		YTD Dec FY21		
	Q3 FY21	Q2 FY21	Q3 FY20	QoQ%	YoY %	9M FY21	9M FY20	YoY %
Revenue from Operations	7,169	6,760	7,233	6%	-1%	20,321	22,330	-9%
Less:								
Employee benefit expenses	(4,045)	(3,771)	(4,255)	7%	-5%	-11,388	-13,039	-13%
Other expenses	(1,318)	(1,596)	(1,331)	-17%	-1%	-4,435	-3,617	23%
Total expenses	(5,363)	(5,367)	(5,586)	0%	-4%	-15,823	-16,656	-5%
EBITDA	1,806	1,393	1,647	30%	10%	4,498	5,674	-21%
Other income	50	50	50	0%	0%	213	329	-35%
Finance cost	(37)	(82)	(44)	-55%	-16%	-155	-179	-13%
Depreciation & amortisation	(571)	(547)	(495)	4%	15%	-1,687	-1,477	14%
Earnings before exceptional item & tax	1,248	814	1,158	53%	8%	2,869	4,347	-34%
Exceptional item								
Earnings before tax	1,248	814	1,158	53%	8%	2,869	4,347	-34%
Tax	(361)	(170)	(303)	112%	19%	-735	-940	-22%
Profit after tax	887	644	855	38%	4%	2,134	3,407	-37%
EBITDA Margin	25.2%	20.6%	22.8%	459 bps	242 bps	22.1%	25.4%	-328 bps
PAT margin	12.4%	9.5%	11.8%	285 bps	55 bps	10.5%	15.3%	-476 bps
Basic & Diluted EPS (in ₹)	5.82	4.22	5.61	38%	4%	14.00	22.36	-37%

Balance Sheet

Particulars	31-Dec-20	31-Mar-20	Var %
Non-Current Assets			
Property Plant & Equipment	523	880	-41%
Other Intangible Assets	559	333	68%
Right of Use Assets	1,314	2,227	-41%
Other Non Current Assets	3,334	3,254	2%
	5,730	6,695	-14%
Current Assets			
Current Investments	3,738	3,339	12%
Cash & Cash equivalents	14,724	12,420	19%
Trade receivables	3,646	4,502	-19%
Unbilled revenues	1,441	1,382	4%
Other current assets	496	582	-15%
	24,045	22,224	8%
Total Assets	29,775	28,919	3%
Equity & Reserves	25,138	22,807	10%
Non-Current Liabilities			
Lease liability	607	1,311	-54%
Other non-current Liability	571	467	22%
	1,178	1,778	-34%
Current Liabilities			
Lease liability	784	1,013	-23%
Trade Payables & Other current liabilities	2,675	3,321	-19%
	3,459	4,334	-20%
Total Equity & Liabilities	29,775	28,919	3%

Thank you