

January 25, 2022



**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 25, 2022.
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.

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

25th January 2022

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

EBITDA up 26% YoY, Strong Cash Generation

Chennai, India – 25th January 2022: Allsec Technologies, a global leader in outsourcing solutions announced its financial results for the **Third quarter (Q3 FY22)** and **Nine months (9M FY22)** ended 31st December 2021.

Highlights include:

- Revenue increased 8% over Q2 FY22 at ₹83.2cr
- EBITDA increased 17% over Q2 FY22 at ₹22.0cr; OCF increased 39% over Q2 FY22 at ₹21.7cr
- PBT increased 3% over Q2 FY22 at ₹16.5cr

Key financial highlights

In ₹ Lakhs

Particulars	Q3FY22	Q2FY22	QoQ	Q3FY21	YoY (%)	9M FY22	9M FY21	YoY (%)
Revenue	8,322	7,712	8%	7,169	16%	23,183	20,321	14%
EBITDA	2,201	1,884	17%	1,806	22%	5,666	4,498	26%
EBITDA Margin %	26.4%	24.4%	202 bps	25.19%	126 bps	24.4%	22.1%	231 bps
PBT	1,648	1,596	3%	1,248	32%	4,296	2,869	50%
PAT before Tax on dividend	1,316	1,295	2%	887	48%	3,402	2,134	59%
Tax on dividend income from Manila Subsidiary	-	-	-	-	-	1,588		
PAT	1,316	1,295	2%	887	48%	1,814	2,134	(15%)
PAT Margin %	15.8%	16.8%	(98 bps)	12.4%	344 bps	7.8%	10.5%	(268)bps
Diluted EPS (in ₹)	8.64	8.50	2%	5.82	48%	11.90	14.00	(15%)

Business Update

➤ Digital Business Services (DBS):

- Revenue higher by 12% QoQ at ₹54.6 Cr
- International business revenue higher by 15% QoQ, at ₹37.0 Cr, as revenue from customers acquired in previous quarter start flowing in
- Domestic business revenue higher by 6% QoQ, at ₹17.6 Cr
- Headcount stood at 3,765 employees, flat compared to the previous quarter

➤ Human Resources Operations (HRO):

- Revenue marginally higher by 1% QoQ at ₹28.6 Cr
- Domestic business revenues excluding Statutory Compliance remained flat QoQ at ₹15.8 Cr
- International business revenue higher by 10% QoQ at ₹5.8 Cr
- Statutory Compliance business revenue down 9% QoQ to ₹6.4 Cr
- 39 new customers were added during the quarter with ACV of ₹4.4 Cr
- Payslips processed grew 6% QoQ and 27% YoY to ~31.7 lakhs in Q3FY21

Commenting on the performance, Mr. Ashish Johri, CEO said “Allsec continued the uptrend in profitability and revenue by delivering strong financial performance during the quarter. Our sales pipeline continues to be strong and with continued investments in technology we believe that the growth path has just begun”

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 ~ 4,600 employees across India, Philippines and the US, Allsec processes more than 1 million 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:

Investor / Analyst contact:

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

Q3 FY 22



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Company Overview

Q3 FY22 Key Business Highlights

Financial Performance (Q3 and 9 months FY22)

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)

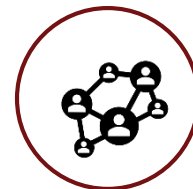
HRO



1M+ payslips processed per
month

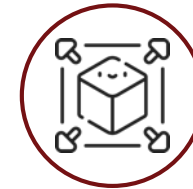


400+ Client engagements
globally including Fortune
100 companies



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

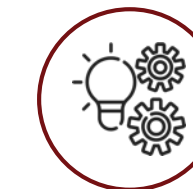
DBS



Service Delivery bundled
with **Digital
Transformations**



~**3800** 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

80+ logos added in FY22

| 1,000,000+ payslips p.m (27% ↑ over Dec'20) | ~200,000 Headcount on HRMS (50% ↑ over Dec'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



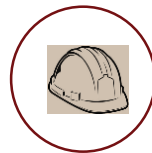
Reimbursement System

- 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

7 logos, ACV ~ ₹ 39 cr added in FY22

HC ~3800 (10% ↑ over Dec'20)



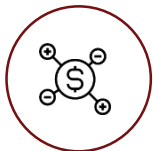
Customer Experience Management

- 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

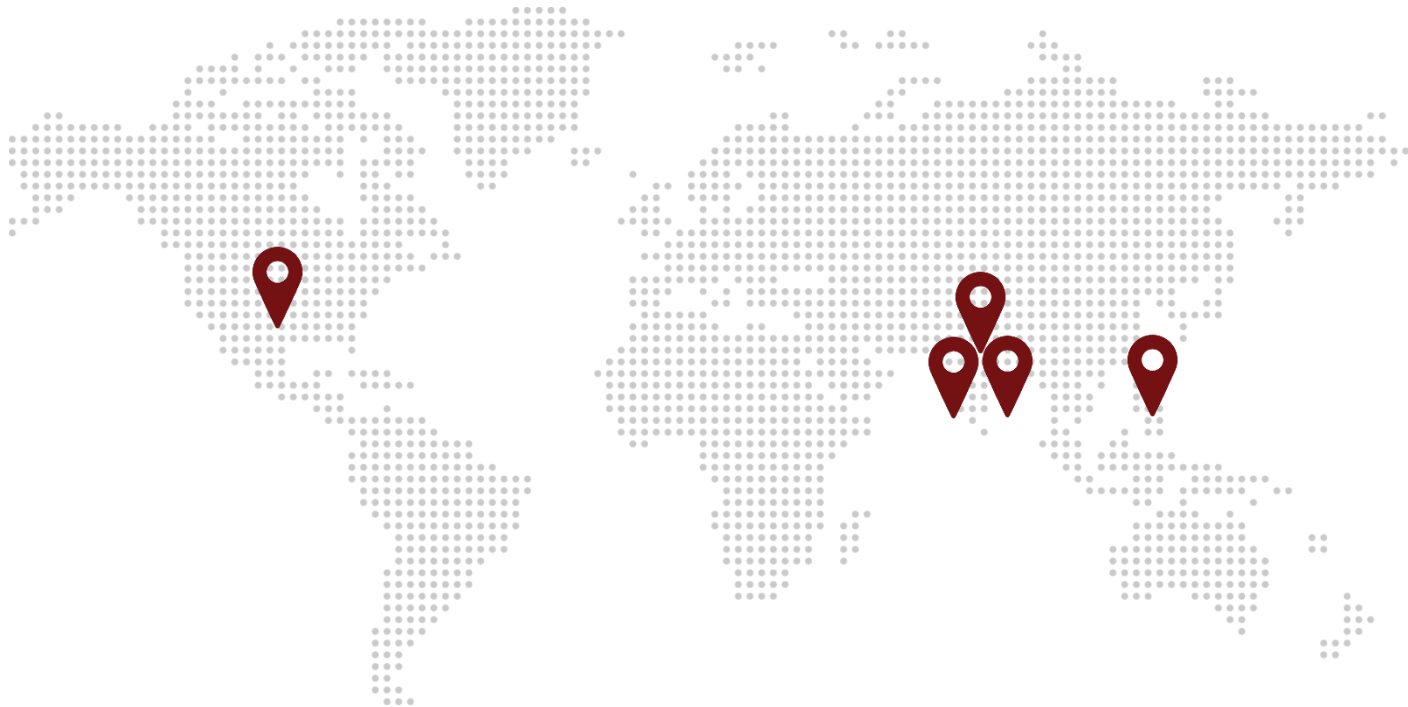


Insurance

- Insurance BPaaS

Global Delivery capabilities

- **Global Footprint** with proximity to Servicing Markets
- **~4600** 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
- 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

Q3FY22 Key Business Highlights

Q3FY22 Highlights



Financial

Balance Sheet:

- **Cash and short term investments** after payment of dividend of ₹68.5cr decreased by ₹55.4cr from Sep 2021 to ₹122.7cr
- **OCF** at ₹21.7cr in Q2 FY22 an increase of 39% QoQ
- Receivables DSO down at 48 days as compared to 51 in Q2 FY22

P&L statement:

- Revenue was at ₹83.2cr an increase of 8% QoQ with DBS increasing by 12%
- EBITDA was at ₹22.0cr, an increase of 17% QoQ and increase of 22% over Q2 FY21 reflecting continued strong growth in the current quarter
- EBITDA margin % improved 202 bps to **26.4%** driven by growth in revenue and flat Indirect costs
- PBT was at ₹16.5cr, an increase of 3% QoQ and increase of 32% YoY. PBT increase due to lower other income in Q3 FY22
- PAT was at ₹13.2cr, an increase of 2% QoQ and increase of 48% YoY



Business

HRO:

- Added net **187,000+** payslips during Q3 FY22 representing 6% growth over Q2 FY22 and 27% growth over Q3 FY21

DBS:

- Added **2** new logos with ACV of ₹0.6cr
- **Increased our offering** with addition of **Risk analysis and fraud detection services** and **Background screening services** for international customers

Headcount:

- HC as on Dec 31, 2021 was at 4665 flat compared to Q2 FY22



Corporate

Sales and Customer focus:

- Added 41 new customers with ACV of ~ ₹5cr
- Continued focus on building partnerships for – Indian Referral Business, Overseas Payroll Partners and Integrated Partners

Investment in the business

- Smartpay (SP4) product modernization proceeding as per plan and we aim to onboard customers by Q4 FY22
- Commenced ‘Whatsapp’ support based customer experience, thereby expanding our multi channel capabilities

Financial performance

Q3FY22 Financial Performance

Revenue:

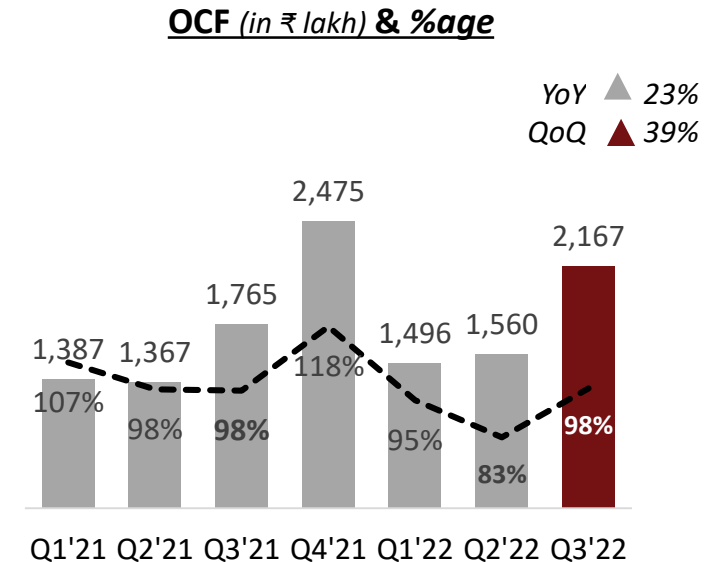
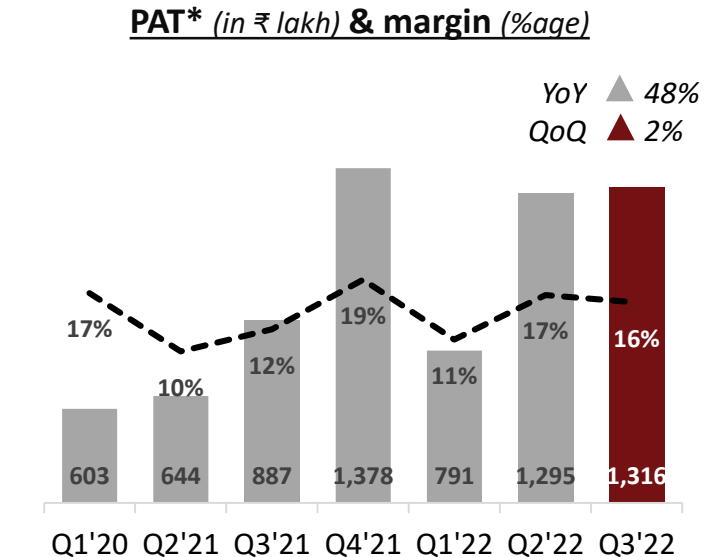
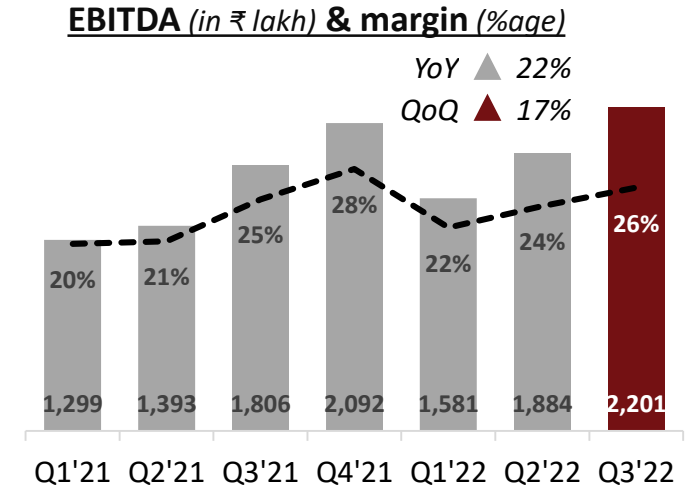
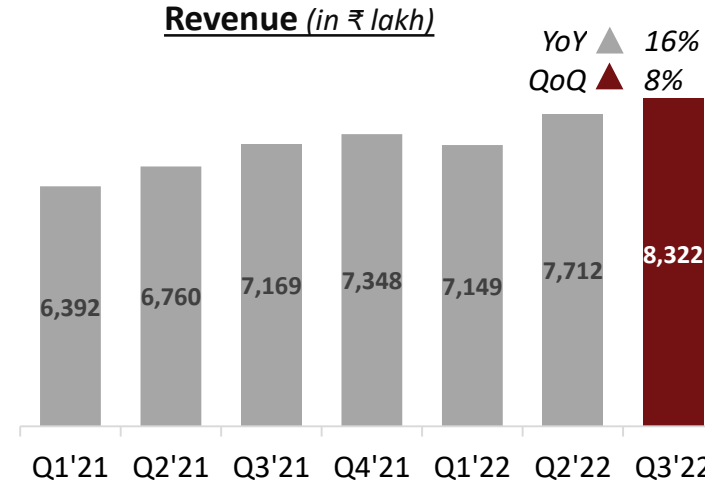
- Increased 8% QoQ and increased 16% YoY with strong growth from DBS

Profitability:

- EBITDA increased by 17% QoQ and 22% YoY;
- Despite higher EBITDA PAT increased marginally by 2% QoQ due to
 - Interest on IT refund ₹85 Lakhs in Q2 FY22
 - Fx gains lower by ₹85 lakhs (Gain of ₹17.6L in Q3 as against ₹102.6 in Q2)

Cash Generation :

- Cash and short term investments reduced by ₹55.4cr to ₹122.7cr mainly due to dividend payout of ₹68.5cr. Excluding that, cash increased by ₹ 13.1cr
- OCF was at 21.7 cr an increase of 39% over Q2 FY22 and 23% over Q3 FY21
- DSO down at 48 days as compared to 51 in Q2 FY22



* Q1 FY22 PAT excludes tax on dividend income ₹1588 lakhs

9MFY22 Financial Performance

Revenue :

- 14% higher YoY at ₹231.8cr
- DBS up 13% at ₹148.8cr
- HRO up 16% at ₹83.0cr

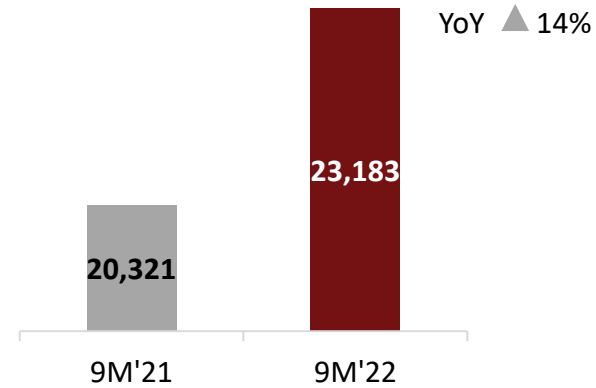
Profitability :

- EBITDA up 26% on account of higher revenue

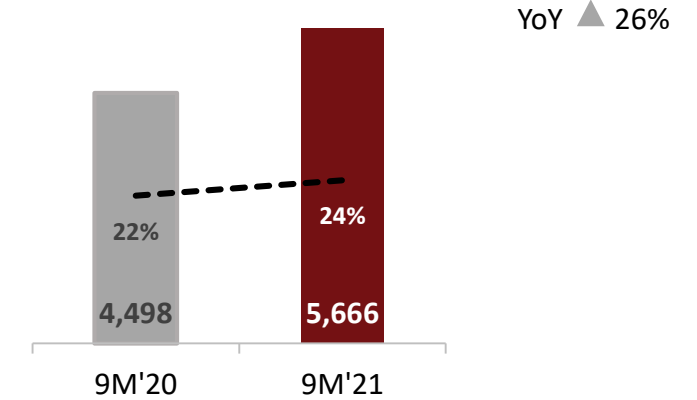
Cash Generation :

- Cash and short term investments reduced by ₹75.6cr to ₹122.7cr from ₹198.3cr in March 2021. The reduction is due to
 - Dividend paid in Q1 FY22 ₹22.9cr
 - Dividend paid in Q3 FY22 ₹68.6cr
 - Tax on dividend received from subsidiary of ₹15.9cr
- OCF was at ₹52.2cr an increase of 16% over 9M FY21
- DSO was at 52 days as compared to 46 in 9M FY21

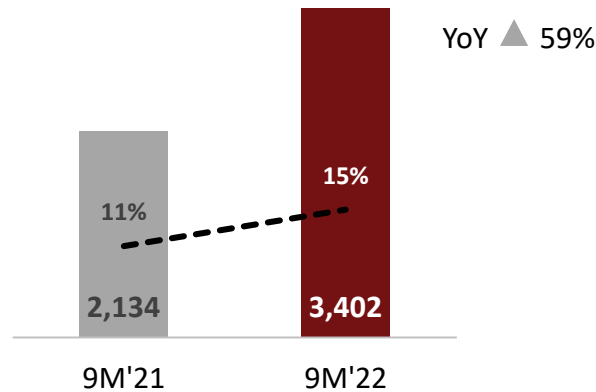
Revenue (in ₹ lakh)



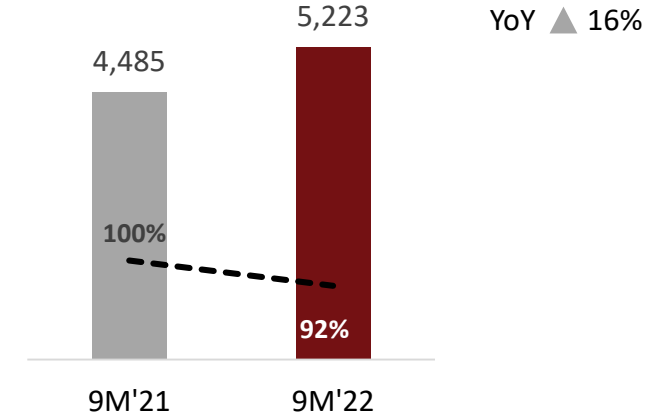
EBITDA (in ₹ lakh) & margin (%age)



PAT (in ₹ lakh) & margin (%age)**



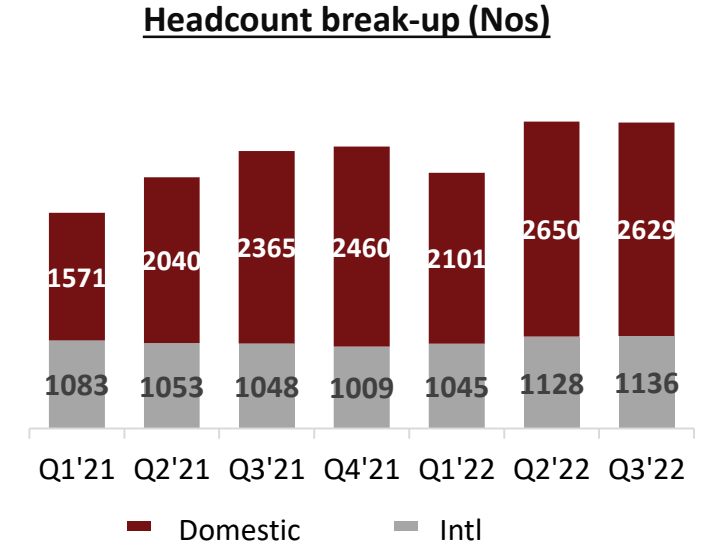
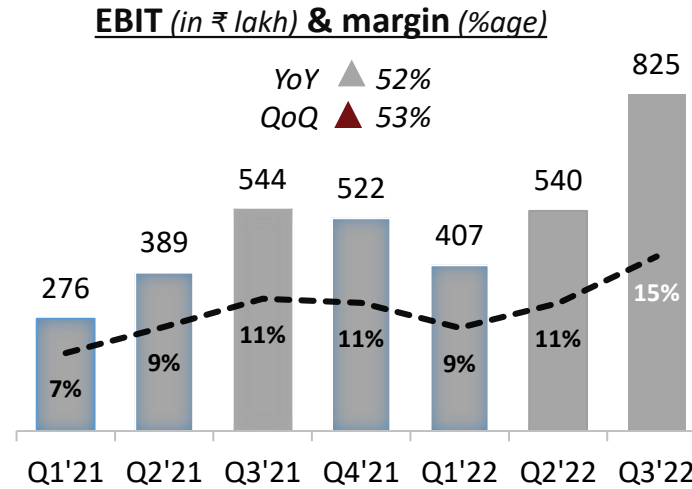
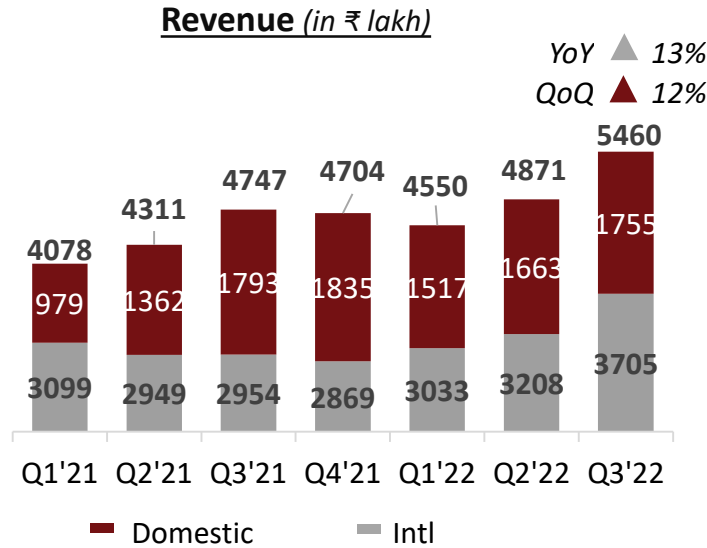
OCF (in ₹ lakh) & %age



*9M FY22 PAT excludes tax on dividend income ₹1588 lakhs

Business segment updates

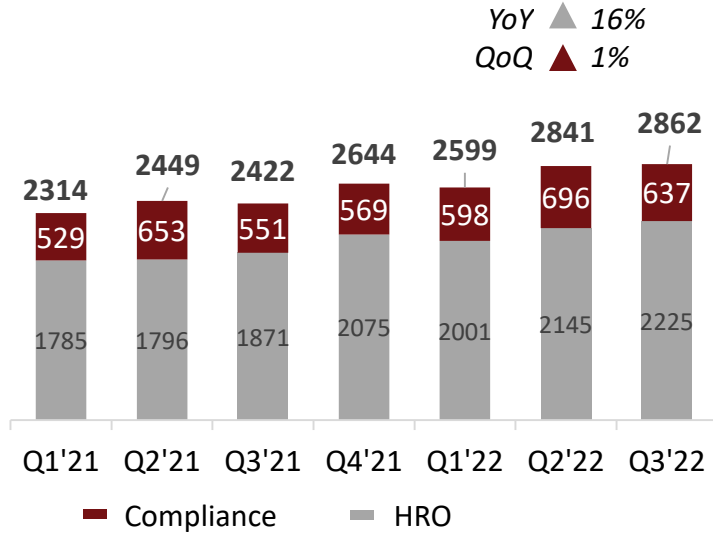
Digital Business Services (DBS) – Performance Snapshot



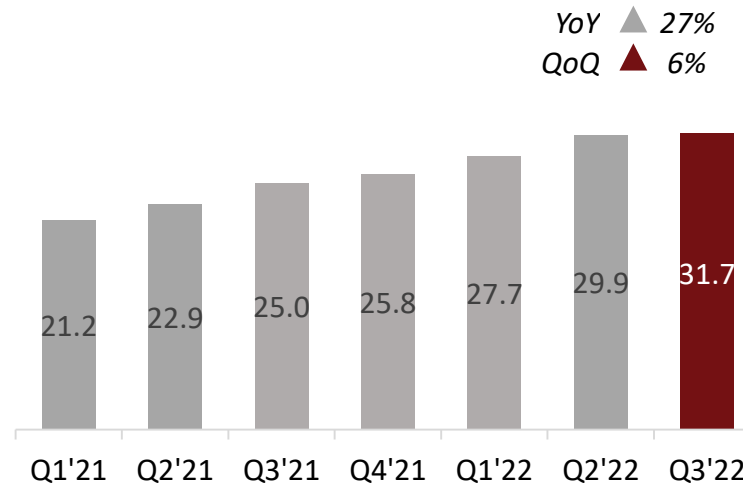
- Revenue increased QoQ by 12% with DBS international higher by 25% with revenues coming from new customers on boarded towards end of Q2 and DBS domestic higher by 6% with increased volumes from existing customers
- EBIT higher from Q2FY22 due to higher revenue, EBIT % improved by 400 bps QoQ as revenue increased and flat fixed costs
- Total headcount remained flat at 3,765 as the ramp up for new processes were done in Q2 FY22
- DBS – International added 2 new logos adding to a total ACV of ₹0.6cr. This takes the YTD ACV added in this business to ~₹39cr

Human Resources Operation (HRO) – Performance Snapshot

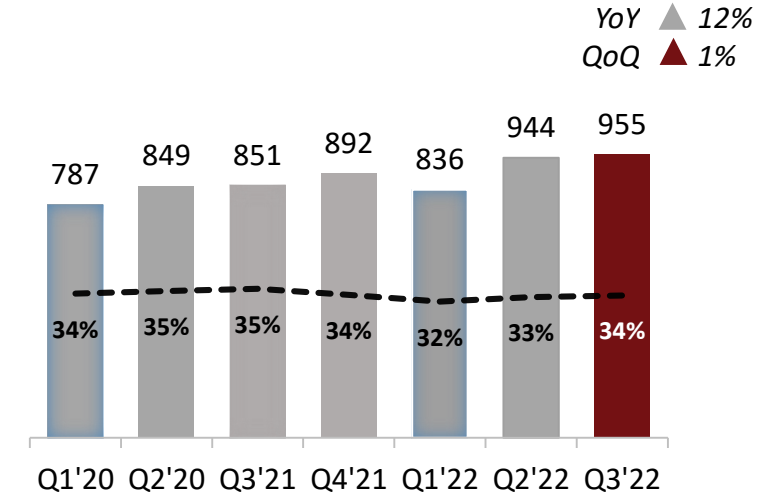
Revenue (in ₹ lakh)



Payslips processed (in Nos Lakhs);



EBIT (in ₹ lakh) & margin (%age)



- Revenue remained flat QoQ primarily due to lower one time revenue from Compliance. HRO revenue higher by 4%
- Payslips processed grew 6% QoQ and 27% YoY;
- Added 39 customers with ACV of ₹440 Lakhs during the quarter

Annexures

Income Statement

In ₹ Lakhs

Consolidated Particulars	Quarterly			Var %		Nine Months ended		
	Q3 FY22	Q2 FY22	Q3 FY21	QoQ%	YoY %	31-Dec-21	31-Dec-20	YoY %
Revenue from Operations	8,322	7,712	7,169	8%	16%	23,183	20,321	14%
Less:								
Employee benefit expenses	(4,465)	(4,233)	(4,045)	5%	10%	(12,839)	(11,388)	13%
Other expenses	(1,656)	(1,595)	(1,318)	4%	26%	(4,678)	(4,435)	5%
Total expenses	(6,121)	(5,828)	(5,363)	5%	14%	(17,517)	(15,823)	11%
EBITDA	2,201	1,884	1,806	17%	22%	5,666	4,498	26%
Other income	58	327	50	(82%)	16%	456	213	114%
Finance cost	(34)	(42)	(37)	(19%)	(8%)	(119)	(155)	(23%)
Depreciation & amortisation	(577)	(573)	(571)	1%	1%	(1,707)	(1,687)	1%
Earnings before tax	1,648	1,596	1,248	3%	32%	4,296	2,869	50%
Tax on Dividend income from Manila	-	-	-			-		
Normal Tax	(332)	(301)	(361)	10%	(8%)	(2,482)	(735)	238%
Profit after tax	1,316	1,295	887	2%	48%	1,814	2,134	(15%)
EBITDA Margin	26.4%	24.4%	25.2%	202 bps	126 bps	24.4%	22.1%	231 bps
PAT margin	15.8%	16.8%	12.4%	(98 bps)	344 bps	7.8%	10.5%	(268 bps)
Basic & Diluted EPS (in ₹)	8.64	8.50	5.82	2%	48%	11.90	14.00	(15%)

Balance Sheet

In ₹ Lakhs

Particulars	31-Dec-21	31-Mar-21	Var %
Non-Current Assets			
Property Plant & Equipment	894	730	22%
Right of Use Assets	1,366	2,011	(32%)
Other Intangible Assets	1,084	600	81%
Other Non Current Assets	2,294	2,475	(7%)
	5,638	5,816	(3%)
Current Assets			
Current Investments	4,204	4,971	(15%)
Cash & Cash equivalents	8,067	14,862	(46%)
Trade receivables	4,454	4,203	6%
Unbilled revenues	1,760	1,515	16%
Other current assets	526	577	(9%)
	19,011	26,128	(27%)
Total Assets	24,649	31,944	(23%)
Equity & Reserves	19,064	26,512	(28%)
Non-Current Liabilities			
Lease liability	758	647	17%
Other non-current Liability	865	622	39%
	1,623	1,269	28%
Current Liabilities			
Lease liability	649	1,517	(57%)
Trade Payables & Other current liabilities	3,313	2,646	25%
	3,962	4,163	(5%)
Total Equity & Liabilities	24,649	31,944	(23%)

Thank you