



October 28, 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**

Dear Sir/Madam,

Sub: Submission of Investors' Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed Investors' Presentation on the financial performance of the Company for the quarter ended September 30, 2022.

Request you to take the same on record.

Yours faithfully,

For Allsec Technologies Limited

SRIPIRIYA
DARSHINI
Digitally signed by
SRIPIRIYADARSHI
NI
Date: 2022.10.28
19:37:16 +05'30'

**Sripiriyadarshini
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

Building lasting relationships

Earnings Update

Q2 FY23



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Company Overview

Q2 FY23 Key Business Highlights

Financial Performance (Q2 and H1 FY23)

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)

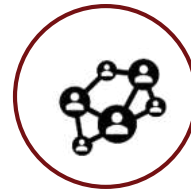
HRO



1M+ payslips processed per
month

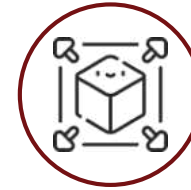


400+ Client engagements
globally including Fortune
100 companies



330,000+ monthly employee
self service portal log-ins

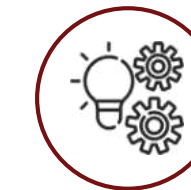
DBS



Service Delivery bundled
with **Digital
Transformations**



~4500 driven and dedicated
employee workforce



2 Decades in Delivering
Global Business Solutions

HRO - Market Leader in HRO Services | DBS - Leading Global BPM Player

Global Delivery capabilities

- **Global Footprint** with proximity to Servicing Markets
- **~5000** employee workforce
- Multi-Industry, Multinational & Multi-Demographic **coverage**
- **5 Inter-Connected** Service Delivery Centers with site-to-site BCP, with ability to leverage Quess 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

DBS: Cutting edge Digital Business Services offerings

3 logos, ACV ~ ₹ 5.9 cr added in H1 FY'23

HC ~4000



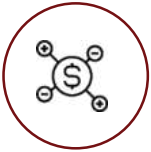
Customer Experience Management

- 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

Leading and fast growing provider of end-to-end HRO services

80+ logos added in H1 FY'23

1,100,000+ payslips p.m (14% ↑ over Sep'21)

410,000+ Active users on HRMS (21% ↑ over Mar'22)

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

- 13,000+ establishments and factories managed
- Score Cards
- Consulting for inspections, Audits



Payroll

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



Retiral

- PF Trust Accounting
- Loans
- Investments

Q2FY23 Key Business Highlights

Q2FY23 Highlights



Corporate

■ Key Milestone achieved

- Highest ever quarterly revenue of **₹94.2cr**
- Collections crossed **₹100 cr** for the first time in Q2 FY23

■ Interim Dividend:

- Interim dividend of **₹20 per share** for FY23 declared on 28 October 2022. The dividend will be paid on or after 14 Nov 2022. Total cash outflow will be **₹30.5cr**

■ Balance Sheet:

- **Cash and short term investments** increased by **₹7.7cr** from June 2022 to **₹155.0cr**
- **OCF** at **₹16.0cr** in Q2 FY23 a decrease of **35%** from Q1 FY23
- Receivables DSO down at **51** days as compared to 54 in Q1 FY23

■ P&L statement:

- Revenue was at **₹94.2cr** an increase of **7%** QoQ and **22%** YoY. DBS grew **29%** and HRO **11%** YoY.
- EBITDA was at **₹21.6cr** a increase of **7%** QoQ and **15%** over Q2 FY22.
- PBT was at **₹18.5cr**, an increase of **11%** QoQ and **16%** YoY.
- PAT was at **₹15.9cr** an increase of **15%** QoQ and **23%** YoY



Business

■ HRO:

- Added net **~100,000** payslips during Q2 FY23 representing 3% growth over Q1 FY23 and 14% growth over Q2 FY22
- Smartpay (SP4) product modernization proceeding as per plan with marketing to start in Q4 FY23
- Added 41 new customers in Q2 FY23 with ACV of **~₹9.7cr**

■ DBS:

- Added 1 new logo with ACV of **₹1.5cr** in Q2 FY23; YTD 3 logos with ACV of **₹5.9cr**
- Revenue growth from existing customers both from volume increase and process additions

Financial performance

Q2FY23 Financial Performance

Revenue:

- Highest ever Quarterly revenue
- Increased 7% QoQ and 22% YoY

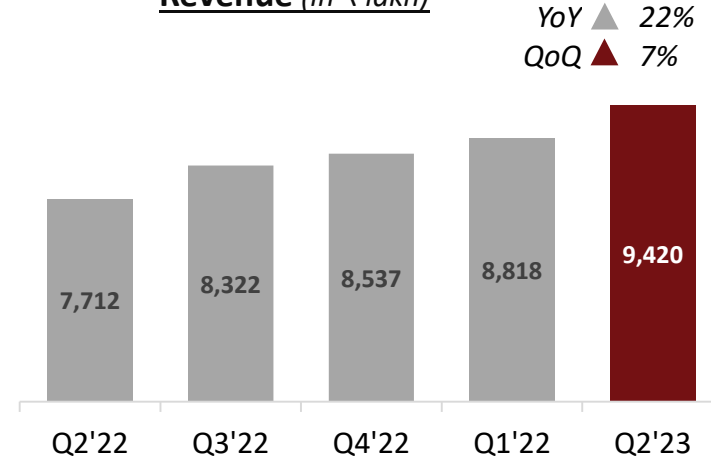
Profitability:

- EBITDA increased by 7% QoQ and 15% YoY;
- PAT increased by 16% QoQ and 23% YoY :
 - Higher unrealized fx gain in current quarter
 - Higher DBS International revenue in Manila leading to lower tax

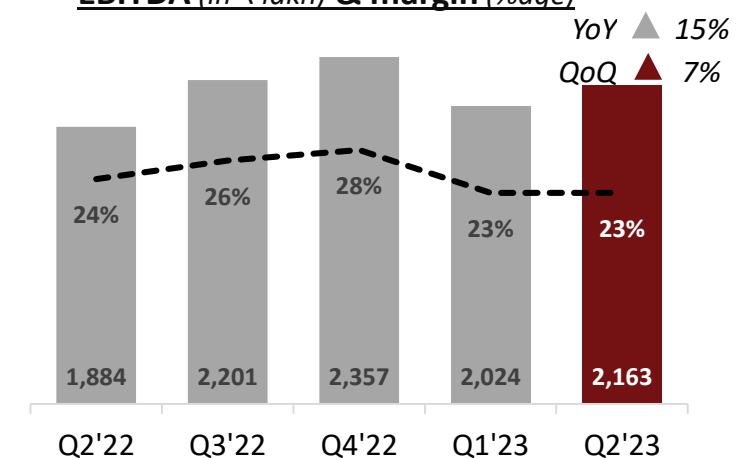
Cash Generation :

- Cash and short term investments increased by ₹7.7cr to ₹155.5cr
- OCF was at ₹16.0cr a decrease of 35% over Q1 FY23 largely due to higher working capital needs to fund the increased DBS revenue and IT refund of ₹5.7cr in Q1
- DSO lower at 51 days as compared to 54 in Q1 FY23 reflecting continued momentum in collections

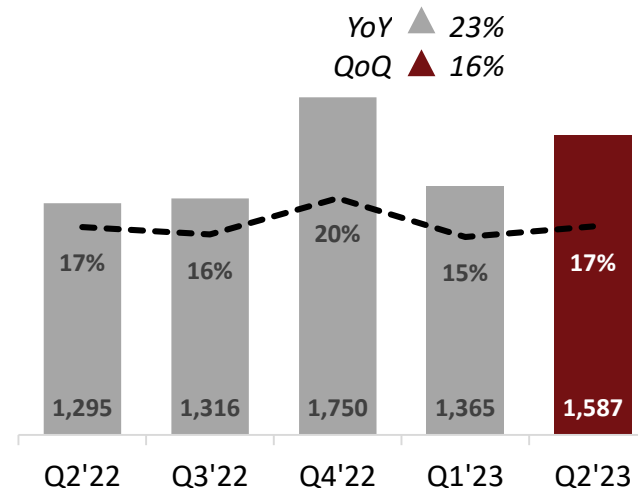
Revenue (in ₹ lakh)



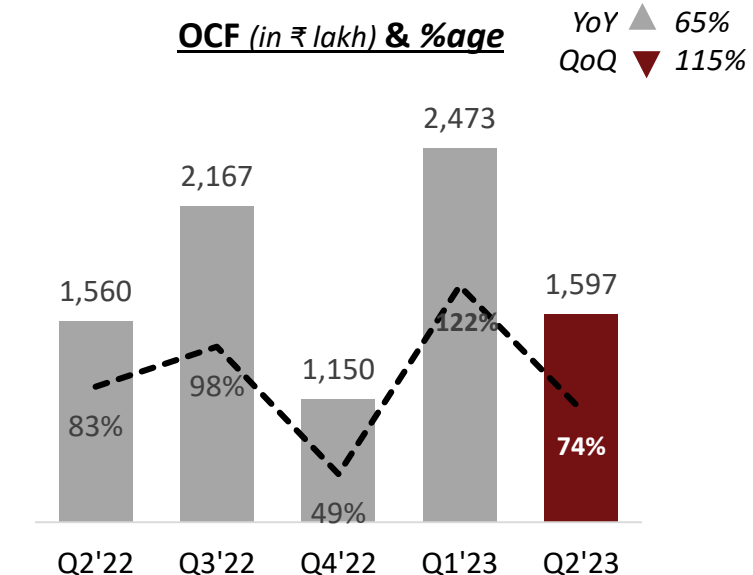
EBITDA (in ₹ lakh) & margin (%age)



PAT (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age



H1FY23 Financial Performance

Revenue :

- 23% higher YoY at ₹182.4 cr
 - DBS up 26% at ₹ 119.2 cr
 - HRO up 16% at ₹ 63.2 cr

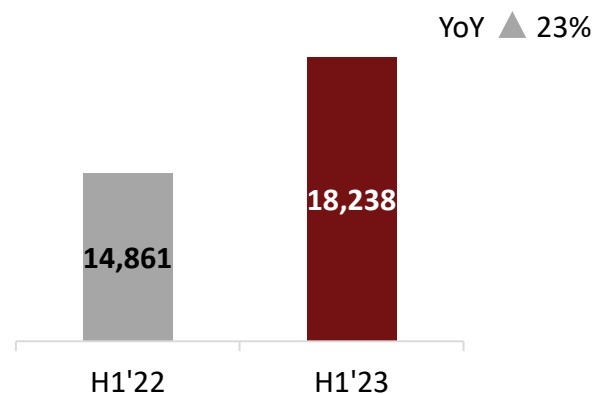
Profitability :

- EBITDA up 21% on account of higher revenue
- PAT higher by 42% due to higher fx gain in year

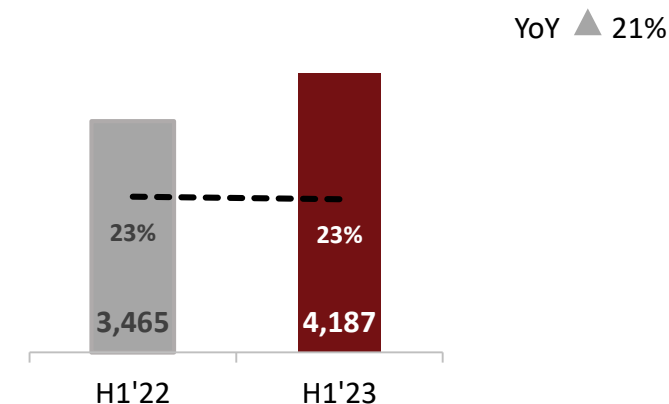
Cash Generation :

- Cash and short term investments increased by ₹ 26.7cr to ₹155.0cr from ₹ 128.3cr in March 2022.
- OCF at ₹40.7cr an increase of 29% over H1 FY22. OCF conversion at 97% for H1 FY23
- Total receivables was at ₹ 53.8cr a substantial reduction of ₹3.4 cr since March 2022
- DSO for H1 FY23 was at 54 days broadly flat compared to H1 FY22

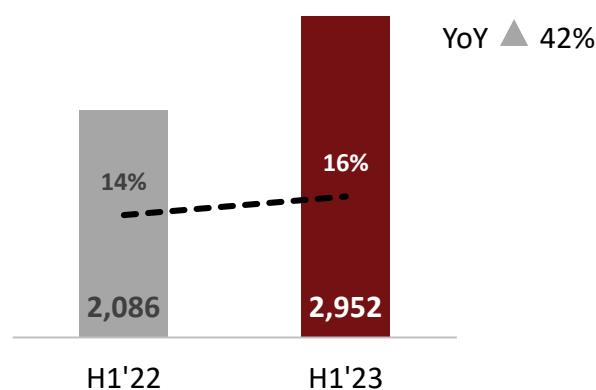
Revenue (in ₹ lakh)



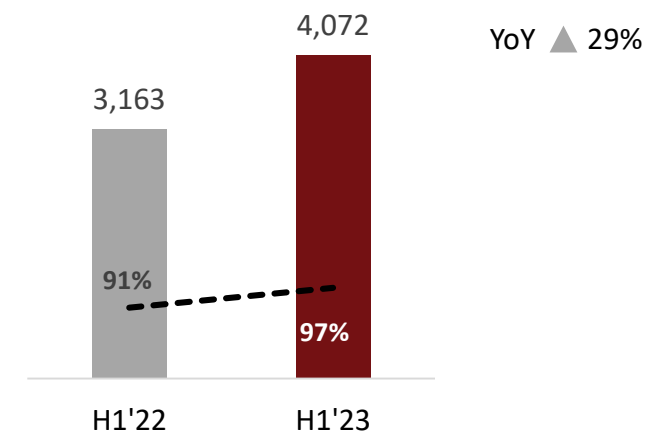
EBITDA (in ₹ lakh) & margin (%age)



PAT* (in ₹ lakh) & margin (%age)



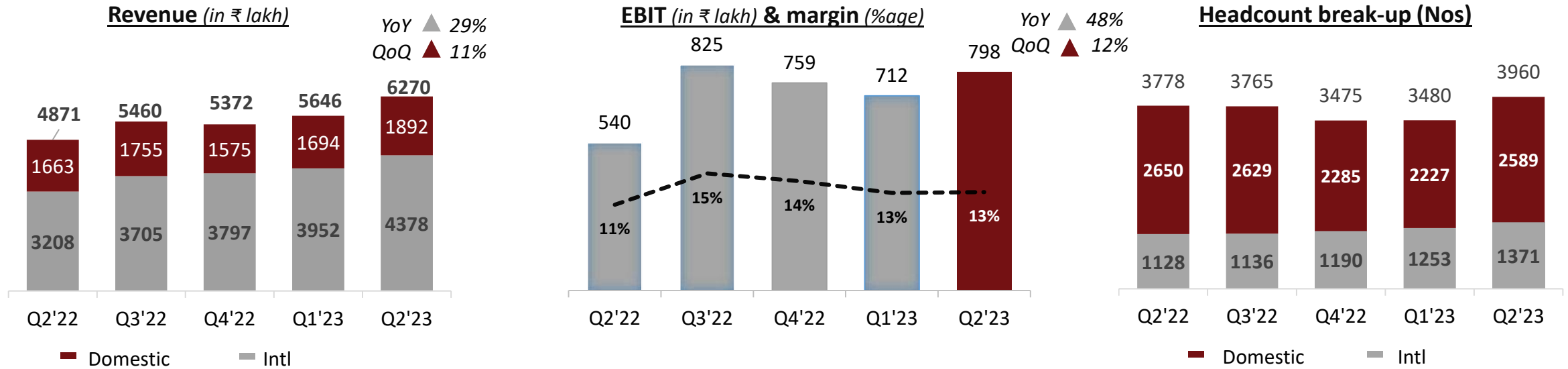
OCF (in ₹ lakh) & %age



* H1 FY22 PAT excludes tax on dividend income ₹15.9cr

Business segment updates

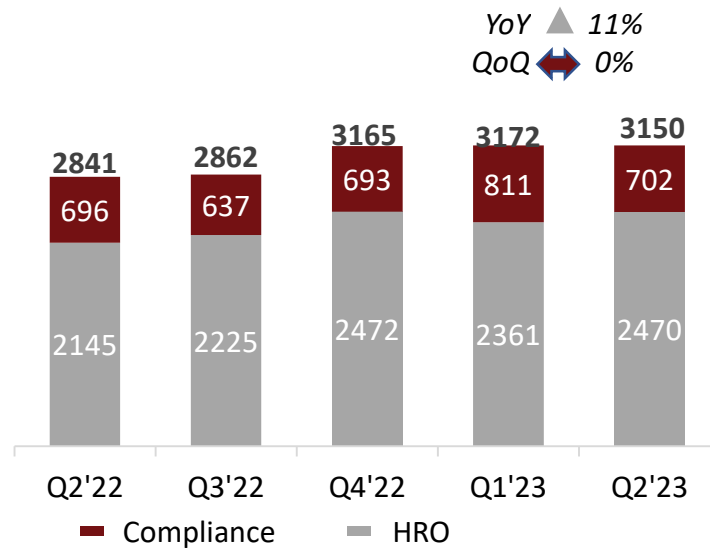
Digital Business Services (DBS) – Performance Snapshot



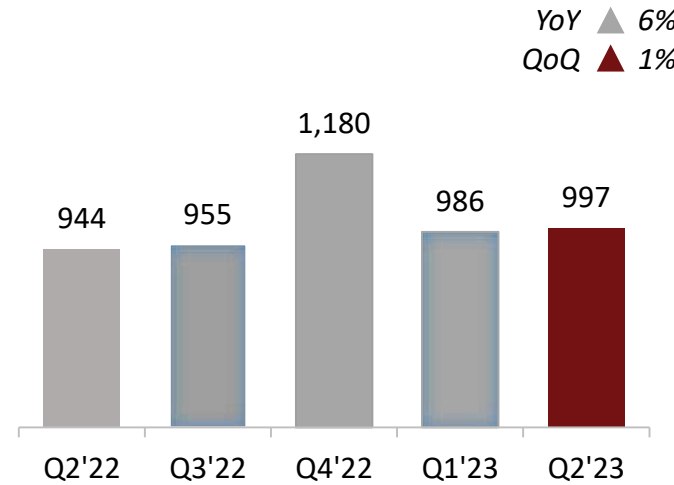
- Revenue increased QoQ by 11% with DBS international higher by 11% and domestic higher by 12%
- EBIT higher due to increased revenue
- Total headcount remained increased 14% QoQ to 3960, DBS International increasing by 9% and domestic increasing by 16%
- DBS added 1 new logo with ACV of ₹1.5cr.

Human Resources Operation (HRO) – Performance Snapshot

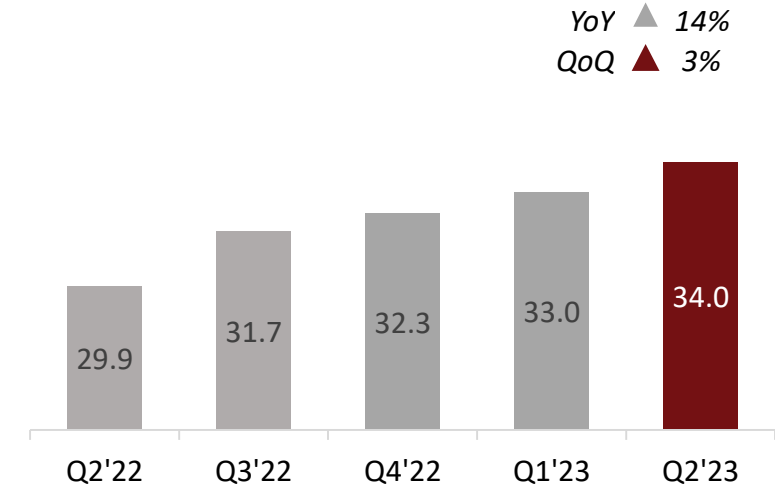
Revenue (in ₹ lakh)



EBIT (in ₹ lakh) & margin (%age)



Payslips processed (in Nos Lakhs):



- Revenue remained flat QoQ.
 - Core HRO revenue up 5% QoQ and 15% YoY
 - Compliance lower in current quarter due to seasonal one time revenue in previous quarter. In FY22, the seasonal revenues were spread between Q1 and Q2 due to COVID
- Payslips remained flat QoQ and grew 19% YoY;
- EBIT marginally up, primarily due to higher revenue from Core HRO. However EBIT growth lower due to investment in IT
- Added 41 customers with ACV of ₹970 Lakhs during the quarter

Annexures

Income Statement

In ₹ Lakhs

Consolidated	Quarterly			Var %		Half Yearly		
Particulars	Q2 FY23	Q1 FY23	Q2 FY22	QoQ%	YoY %	H1 FY23	H1 FY22	YoY %
Revenue from Operations	9,420	8,818	7,712	7%	22%	18,238	14,861	23%
Less:								
Employee benefit expenses	(5,526)	(4,929)	(4,233)	12%	31%	(10,455)	(8,374)	25%
Other expenses	(1,731)	(1,865)	(1,595)	(7%)	9%	(3,596)	(3,022)	19%
Total expenses	(7,257)	(6,794)	(5,828)	7%	25%	(14,051)	(11,396)	23%
EBITDA	2,163	2,024	1,884	7%	15%	4,187	3,465	21%
Other income	436	382	327	14%	33%	818	398	106%
Finance cost	(93)	(93)	(42)	0%	121%	(186)	(85)	119%
Depreciation & amortisation	(653)	(638)	(573)	2%	14%	(1,291)	(1,130)	14%
Earnings before tax	1,853	1,675	1,596	11%	16%	3,528	2,648	33%
Exceptional item						-		
Tax on Dividend income from Manila							(1,588)	
Normal Tax	(266)	(310)	(301)	(14%)	(12%)	(576)	(562)	2%
Profit after tax	1,587	1,365	1,295	16%	23%	2,952	498	493%
EBITDA Margin	23.0%	23.0%	24.4%	1 bps	(147 bps)	23.0%	23.3%	(36 bps)
PAT margin	16.8%	15.5%	16.8%	137 bps	6 bps	16.2%	3.4%	1,283 bps
Basic & Diluted EPS (in ₹)	10.41	8.96	8.50	16%	23%	19.37	3.27	493%

Balance Sheet

In ₹ Lakhs

Particulars	30-Sep-22	31-Mar-22	Var %
Non-Current Assets			
Property Plant & Equipment	1,103	931	18%
Right of Use Assets	4,524	4,265	6%
Other Intangible Assets	1,709	1,179	45%
Other Non Current Assets	2,199	2,417	(9%)
	9,535	8,792	8%
Current Assets			
Current Investments	5,191	4,694	11%
Cash & Cash equivalents	10,309	8,168	26%
Trade receivables	5,376	5,720	(6%)
Unbilled revenues	1,994	1,444	38%
Other current assets	766	605	27%
	23,636	20,631	15%
Total Assets	33,171	29,423	13%
Equity & Reserves	23,607	20,944	13%
Non-Current Liabilities			
Lease liability	2,982	2,710	10%
Other non-current Liability	747	726	3%
	3,729	3,436	9%
Current Liabilities			
Lease liability	1,636	1,588	3%
Trade Payables & Other current liabilities	4,199	3,455	22%
	5,835	5,043	16%
Total Equity & Liabilities	33,171	29,423	13%

Cash Flow

In ₹ Lakhs

Particulars	H1 FY23	H1 FY22	FY22
PBT	3,528	2,648	6,115
Add: Non cash Expenses/(Income)	765	943	2,103
Operating profit before working capital changes	4,293	3,591	8,218
Changes in working capital & Tax paid	(221)	(535)	(1,845)
Net cash generated from operating activities	4,072	3,056	6,373
Capex	(909)	(530)	(1,348)
Tax expenses on Manila dividend		(1,538)	(1,390)
Current investments	(400)	(4,841)	661
Interest received	1	4	5
Cash flow from Investing activities	(1,308)	(6,905)	(2,072)
Repayment of borrowings		(12)	(16)
Interest paid	(186)	(85)	(208)
Payment of lease liabilities	(845)	(924)	(1,878)
Dividend paid		(2,286)	(9,132)
Cash flow from financing activities	(1,031)	(3,307)	(11,234)
Net change in cash and cash equivalents	1,733	(7,156)	(6,933)
Opening cash & cash equivalents	8,140	14,862	14,862
Exchange rate fluctuations	408	94	211
Closing cash & equivalents	10,281	7,800	8,140
Mutual fund investments	5,191	10,010	4,694
Closing cash and current investments	15,472	17,810	12,834

Thank you