

Building lasting relationships

Earnings Update

Q1 FY23



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Company Overview

Q1 FY23 Key Business Highlights

Financial Performance (Q1 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)

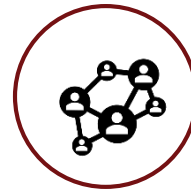
HRO



1M+ payslips processed per
month

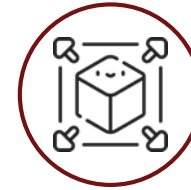


400+ Client engagements
globally including Fortune
100 companies



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

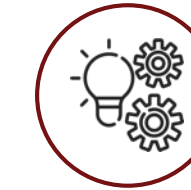
DBS



Service Delivery bundled
with **Digital**
Transformations



~**3500** driven and dedicated
employee workforce

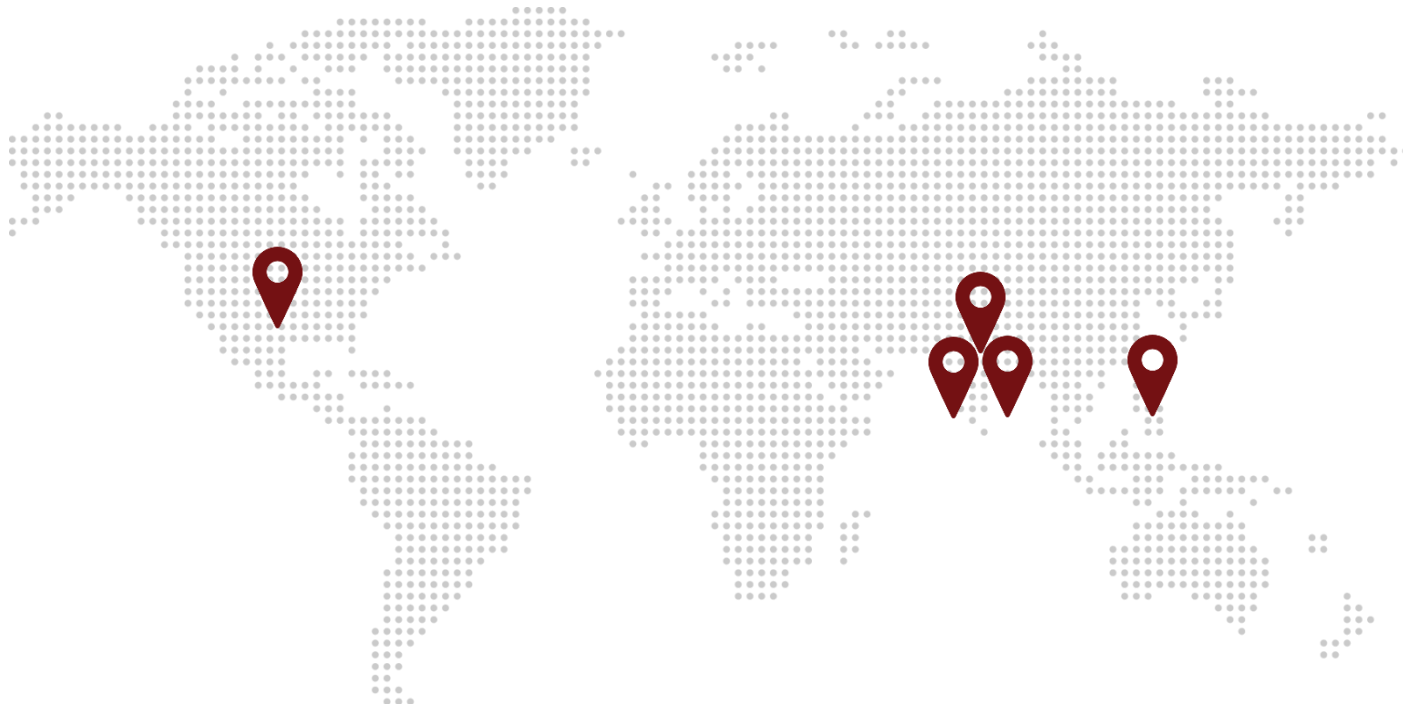


2 Decades in Delivering
Global Business Solutions

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

Global Delivery capabilities

- **Global Footprint** with proximity to Servicing Markets
- **~4500** 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

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

40+ logos added in Q1 FY'23

1,100,000+ payslips p.m (19%↑ over Jun'21)

370,000+ Active users on HRMS (25%↑ over June'21)

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



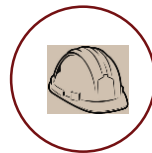
Reimbursement System

- 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

DBS: Cutting edge Digital Business Services offerings

2 logos, ACV ~ ₹ 4.4 cr added in Q1 FY'23

HC ~3500



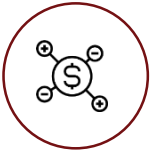
Customer Experience Management

- 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

Q1FY23 Key Business Highlights

Q1FY23 Highlights



Corporate

■ Announcement of Merger:

- On 22 June 2022, the Board of Directors of Allsec and its holding Company Qess Corp approved a Scheme of Amalgamation
- Swap ratio fixed at 74 Qess shares for every 100 Allsec Shares
- Merger subject to requisite approvals from regulators, creditors and share holders

■ Balance Sheet:

- **Cash and short term investments** increased by **₹19.0cr** from Mar 2022 to **₹147.3cr**
- **OCF** at **₹24.7cr** in Q1 FY23 an increase of **115%** over Q4 FY22
- Receivables DSO down at **54** days as compared to 60 in Q4 FY22

■ P&L statement:

- Revenue was at **₹88.2cr** an increase of **3%** QoQ and **23%** YoY. DBS grew **24%** and HRO **22%** YoY.
- EBITDA was at **₹20.2cr** a decrease of **14%** QoQ and increase of **28%** over Q1 FY22. The QoQ decrease primarily attributable to seasonal revenues in HRO
- PBT was at **₹16.7cr**, a decrease of **8%** QoQ and increase of **59%** YoY.
- PAT was at **₹13.6cr** a decrease of **22%** QoQ



HRO

■ HRO:

- Added net **~70,000** payslips during Q1 FY23 representing 2% growth over Q4 FY22 and 19% growth over Q1 FY22
- Smartpay (SP4) product modernization proceeding as per plan with marketing to start in Q3 FY23
- Added 42 new customers in Q1 FY23 with ACV of **~ ₹4.2cr**



DBS

■ DBS:

- Added 2 new logos with ACV of **₹4.4cr** in Q1 FY23
- Commenced BPM services in Canada

Financial performance

Q1FY23 Financial Performance

Revenue:

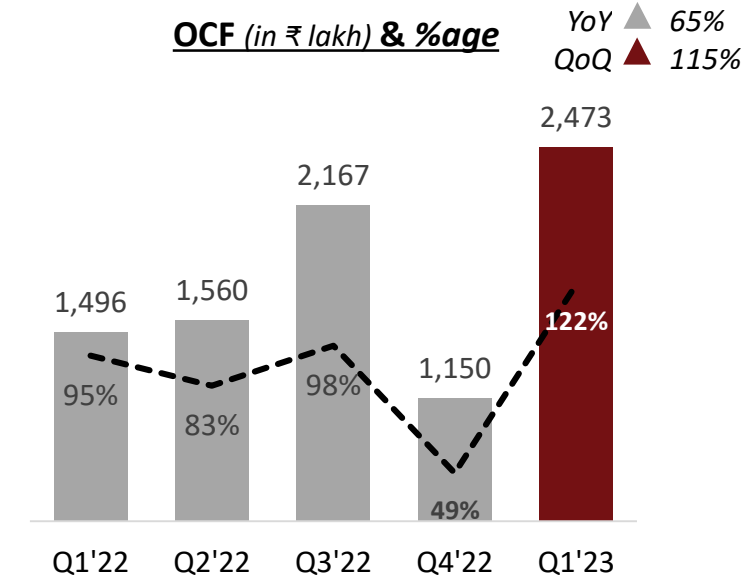
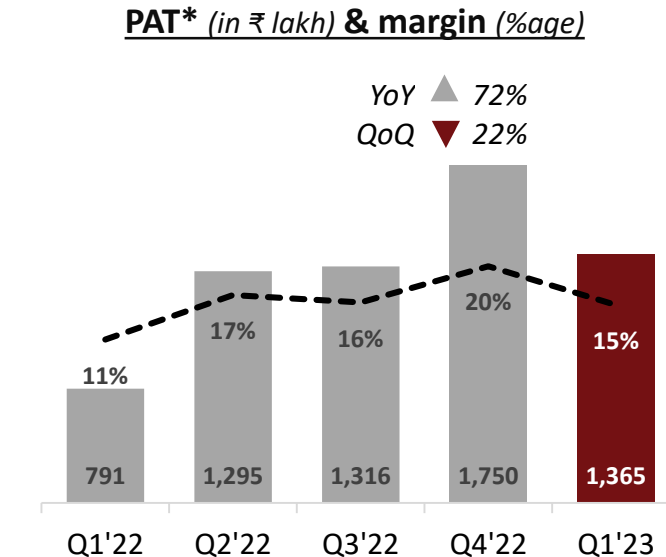
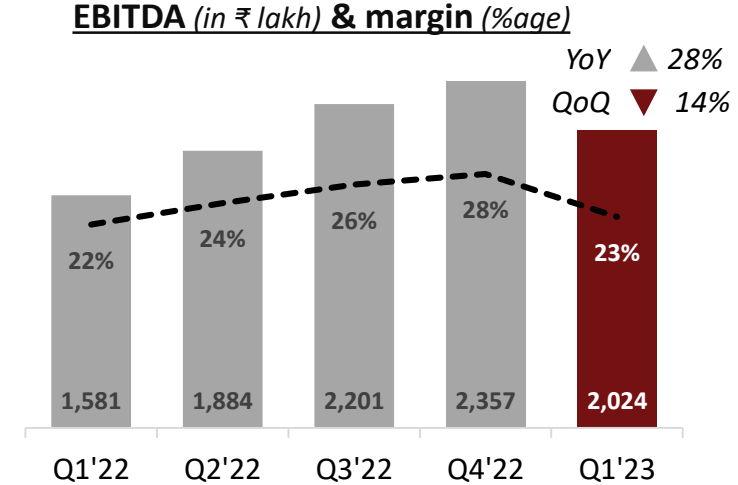
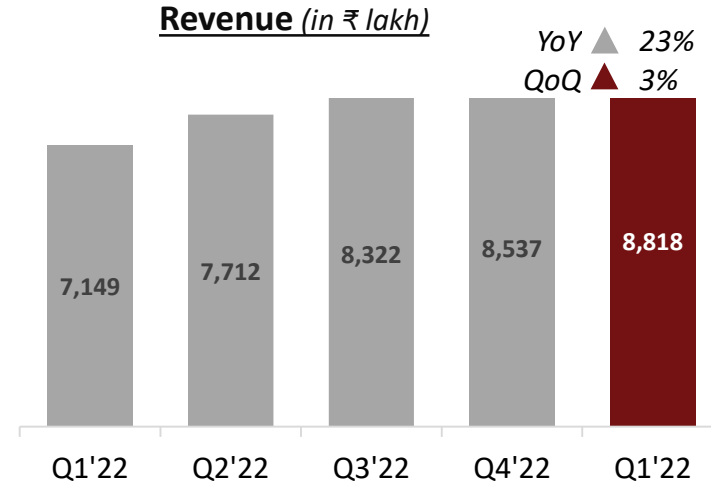
- Increased by 3% QoQ and 23% YoY.

Profitability:

- EBITDA decreased by 14% QoQ and increased by 28% YoY;
- PAT decreased by 22% QoQ :
 - Tax credit on account of opting for 80M benefit ₹ 1.98cr in Q4FY22
 - Year end tax revenues in Q4 FY22
 - Impact of annual increment in Q1 FY23

Cash Generation :

- Cash and short term investments increased by ₹19.0cr to ₹147.3cr
- OCF was at ₹24.7cr an increase of 115% over Q4 FY22 largely due to reduced DSO and IT refund of ₹.5.7cr
- DSO lower at 54 days as compared to 60 in Q4 FY22 due to higher collections in current quarter

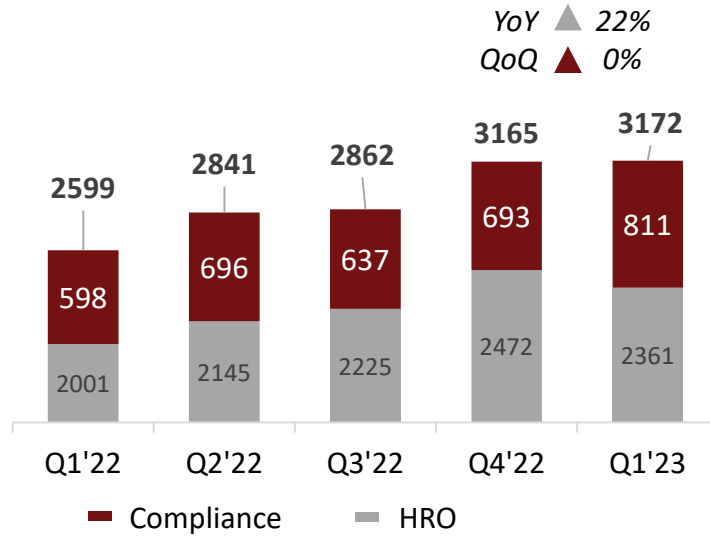


*Q1'22 PAT excludes tax on dividend income ₹ 1588 lakhs

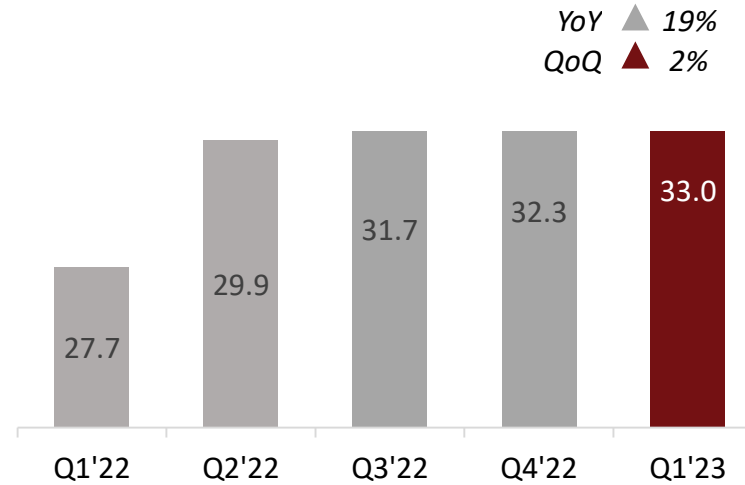
Business segment updates

Human Resources Operation (HRO) – Performance Snapshot

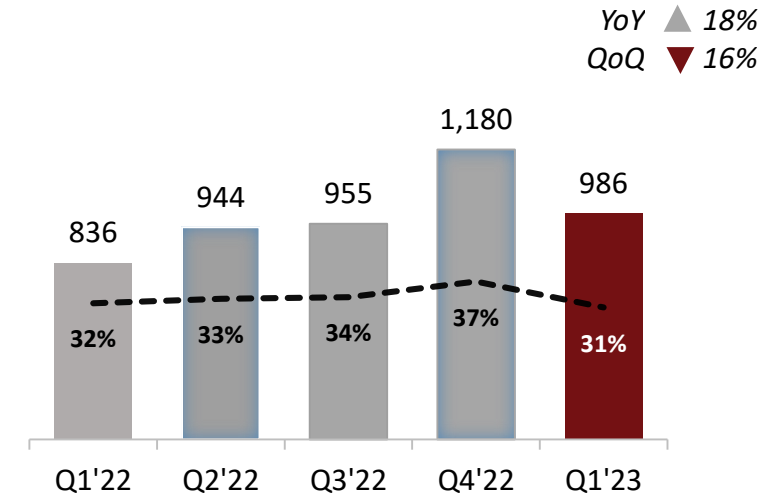
Revenue (in ₹ lakh)



Payslips processed (in Nos Lakhs);

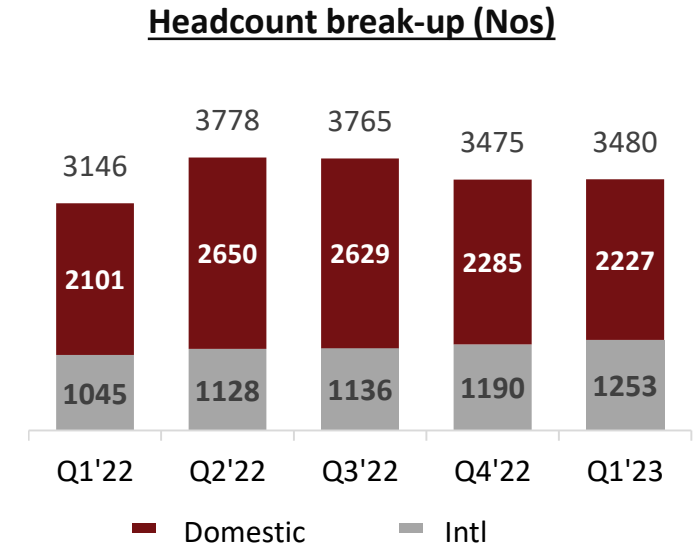
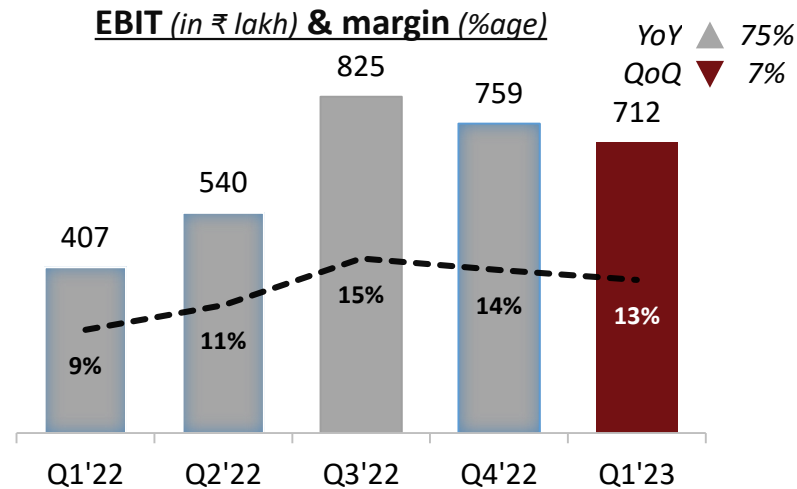
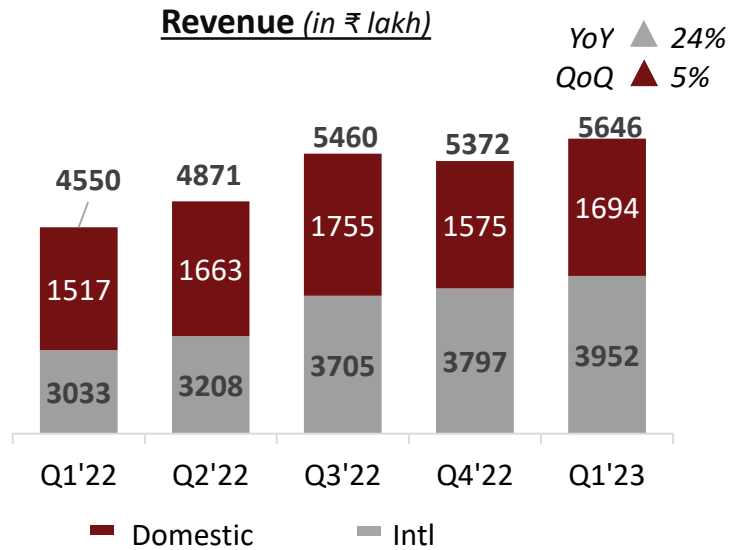


EBIT (in ₹ lakh) & margin (%age)



- Revenue remained flat QoQ. Core HRO revenue down by ₹1.1cr.
 - Excluding the YE tax revenues, Core HRO revenue up 4% QoQ
 - Compliance higher due to seasonal one time revenue
- Payslips remained flat QoQ and grew by 19% YoY;
- EBIT lower due to annual increments, EBIT % lower due to change in mix of HRO Compliance and Core HRO
- Added 42 customers with ACV of ₹4.2cr during the quarter

Digital Business Services (DBS) – Performance Snapshot



- Revenue increased QoQ by 5% with DBS international higher by 4% and domestic higher by 7%
- EBIT lower due to annual increment impact
- Total headcount remained flat at 3,480
- DBS added 2 new logos adding to a total ACV of ₹4.4cr.

Annexures

Income Statement

In ₹ Lakhs

Consolidated	Quarterly			Var %	
Particulars	Q1 FY23	Q4 FY22	Q1 FY22	QoQ%	YoY %
Revenue from Operations	8,818	8,537	7,149	3%	23%
Less:					
Employee benefit expenses	(4,929)	(4,407)	(4,141)	12%	19%
Other expenses	(1,865)	(1,773)	(1,427)	5%	31%
Total expenses	(6,794)	(6,180)	(5,568)	10%	22%
EBITDA	2,024	2,357	1,581	(14%)	28%
Other income	382	189	71	102%	438%
Finance cost	(93)	(89)	(43)	4%	116%
Depreciation & amortisation	(638)	(638)	(557)	0%	15%
Earnings before tax	1,675	1,819	1,052	(8%)	59%
Normal Tax	(310)	(69)	(1,849)	349%	(83%)
Profit after tax	1,365	1,750	(797)	(22%)	271%
EBITDA Margin	23.0%	27.6%	22.1%	(466 bps)	84 bps
PAT margin	15.5%	20.5%	(11.1%)	(502 bps)	2,663 bps
Basic & Diluted EPS (in ₹)	8.96	11.48	(5.23)	(22%)	271%

Thank you