

Building lasting relationships

Earnings Update

Q4 FY 22 and FY22



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Company Overview

Q4 FY22 Key Business Highlights

Financial Performance (Q4 and 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)

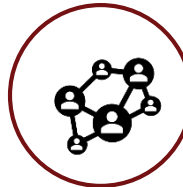
HRO



1M+ payslips processed per
month

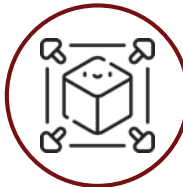


400+ Client engagements
globally including Fortune
100 companies



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

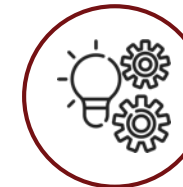
DBS



Service Delivery bundled
with **Digital**
Transformations



~3500 driven and dedicated
employee workforce

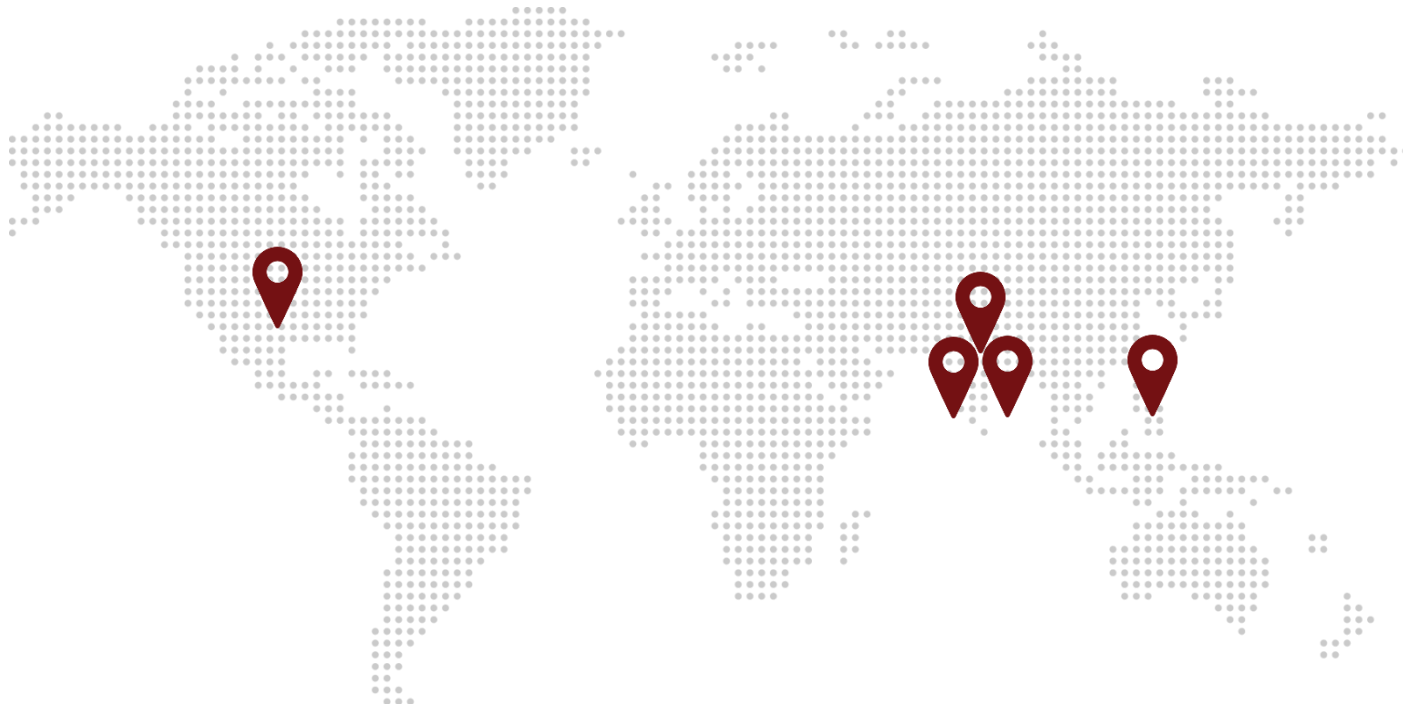


2 Decades in Delivering
Global Business Solutions

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

120+ logos added in FY22 | 1,000,000+ payslips p.m (25% ↑ over Mar'21) | 330,000+ Active users on HRMS (25% ↑ over Mar'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



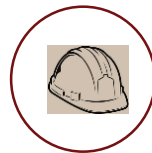
Reimbursement System

- 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

14 logos, ACV ~ ₹ 40 cr added in FY22

HC ~3500



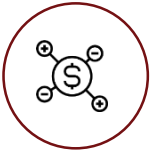
Customer Experience Management

- 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

Q4FY22 Key Business Highlights

Q4FY22 Highlights



Financial

Balance Sheet:

- **Cash and short term investments** increased by **₹5.6cr** from Dec 2021 to ₹128.3cr
- **OCF** at **₹11.5cr** in Q4 FY22
- Receivables DSO up at 60 days as compared to 48 in Q3 FY22 largely due to higher revenue in March 2022 due to year end activities in HRO

P&L statement:

- Revenue was at **₹85.4cr** an increase of 3% QoQ with HRO increasing by 11%
- EBITDA was at **₹23.6cr**, an increase of 7% QoQ and increase of 13% over Q4 FY21
- EBITDA margin % improved 116 bps to **27.6%** driven by growth in HRO revenue
- PBT was at **₹18.2cr**, an increase of 10% QoQ and increase of 21% YoY.
- During the quarter ended 31 March 2022, the Company has opted to avail deduction under Section 80M of Income Tax Act, 1961 in respect of dividend income of Rs. 9,252 lakhs received from its wholly owned subsidiary, Allsectech Manila Inc., Philippines in Q1FY22. This has resulted in a reversal of **₹1.98cr** to Tax expense in Q4FY22.



HRO

HRO:

- Added net **~60,000** payslips during Q4 FY22 representing 2% growth over Q3 FY22 and 25% growth over Q4 FY21
- Network of payroll partners established in APAC & Europe
- Smartpay (SP4) product modernization proceeding as per plan and we aim to onboard customers in FY23
- Added 43 new customers in Q4 FY22 with ACV of **~ ₹2.8cr** during the quarter. FY added 130+ customers and ACV of **₹13.5cr**
- Recognised as one of “Top 10 most Promising HR Technology Solutions Providers -2022” by CIO Review India Magazine



DBS

DBS:

- Added **3** new logos with ACV of **₹1.3cr** in Q4
- Record **14 logos** and **₹40.6cr** added during the year in DBS business which represents a 22% incremental business over FY21 base
- Notable wins in US Compliance services and BOT Monitoring Command Centre during the year
- Significant pipeline built in AML-KYC in BFSI segment and HR back office offering in the North American market

Financial performance

Q4FY22 Financial Performance

Revenue:

- Increased 3% QoQ and increased 16% YoY with strong growth from HRO while DBS remained flat

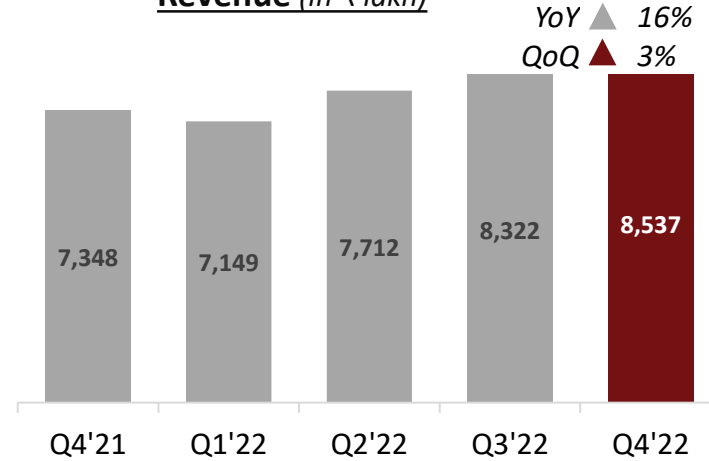
Profitability:

- EBITDA increased by 7% QoQ and 13% YoY;
- PAT increased by 33% QoQ and 27% YoY:
 - Tax credit on account of opting for 80M benefit Rs.1.98cr
 - Excluding that PAT higher by 20% QoQ due to higher EBITDA and favourable fx movement

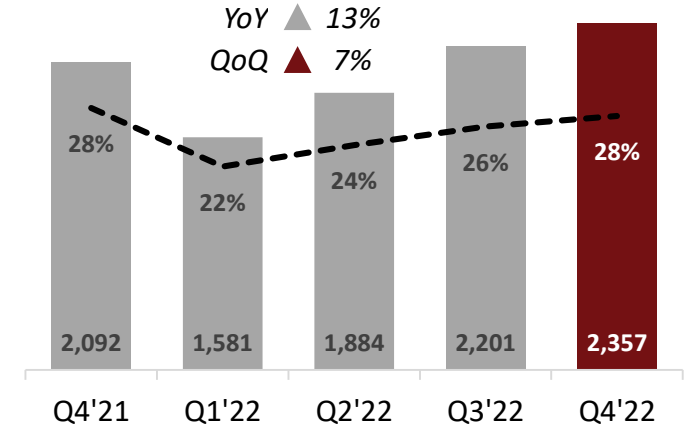
Cash Generation :

- Cash and short term investments increased by ₹5.6cr to ₹128.3cr
- OCF was at ₹11.5cr a decrease of 47% over Q3 FY22 largely due to increased DSO
- DSO higher at 60 days as compared to 48 in Q3 FY22 due to lower collections in March 2022 which also impacted OCF for the quarter

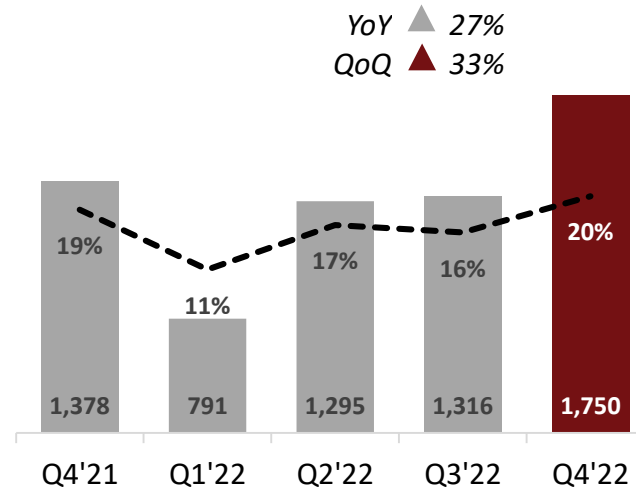
Revenue (in ₹ lakh)



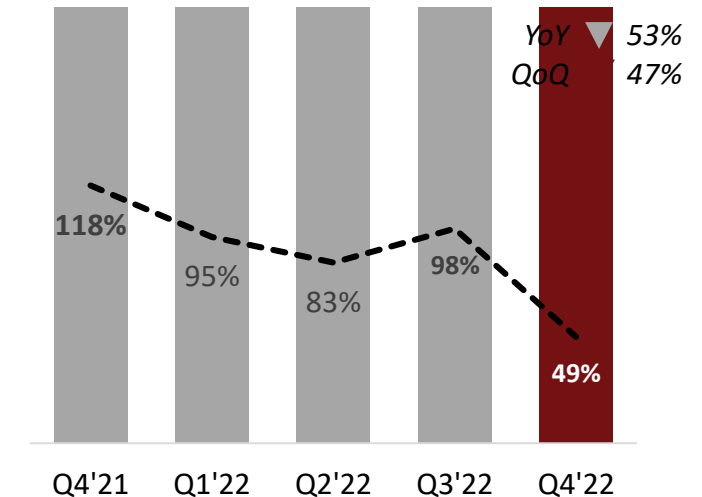
EBITDA (in ₹ lakh) & margin (%age)



PAT* (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age



FY22 Financial Performance

Revenue :

- 15% higher YoY at ₹317.2cr
- DBS up 14% at ₹202.5cr
- HRO up 17% at ₹114.6cr

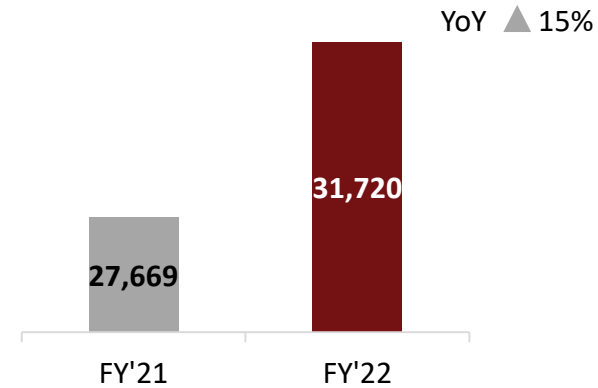
Profitability :

- EBITDA up 22% on account of higher revenue
- PBT up 40% due to higher EBITDA, favourable fx movement in current year
- PAT flat due to impact of Tax on dividend income in subsidiary of ₹13.9cr. Excluding that PAT higher at 41% YoY

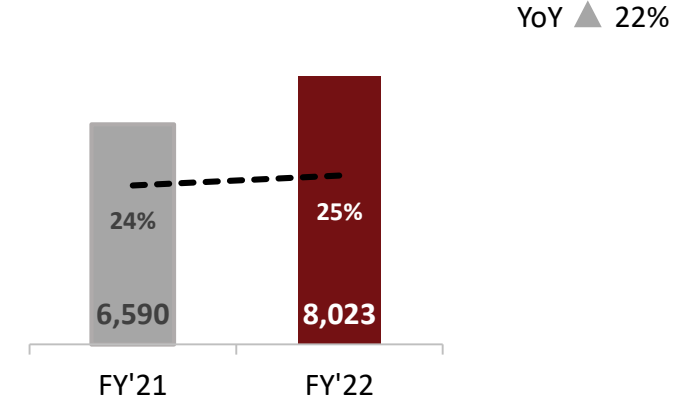
Cash Generation :

- Cash and short term investments reduced by ₹70.0cr to ₹128.3cr 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 paid by subsidiary ₹13.9cr
- OCF was at ₹63.7cr a decrease of 9%. The decrease is mainly on account of lower tax payment in FY21 as the Company was under MAT and higher debtors at end of FY22
- DSO was at 66 days as compared to 55 in FY21

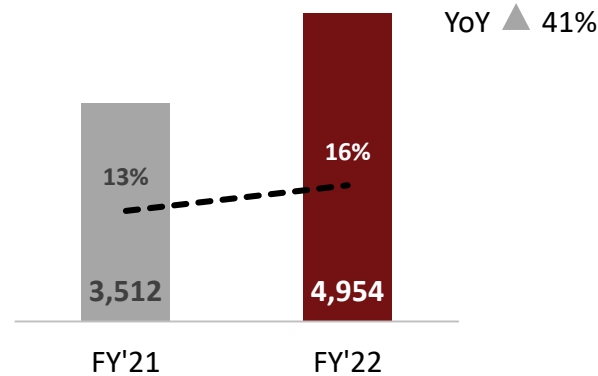
Revenue (in ₹ lakh)



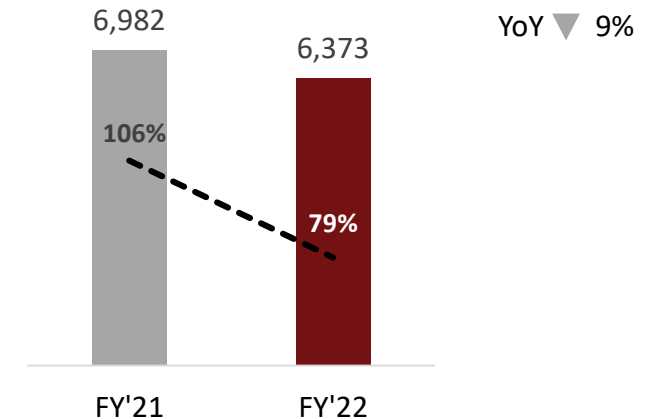
EBITDA (in ₹ lakh) & margin (%age)



PAT** (in ₹ lakh) & margin (%age)



OCF (in ₹ lakh) & %age

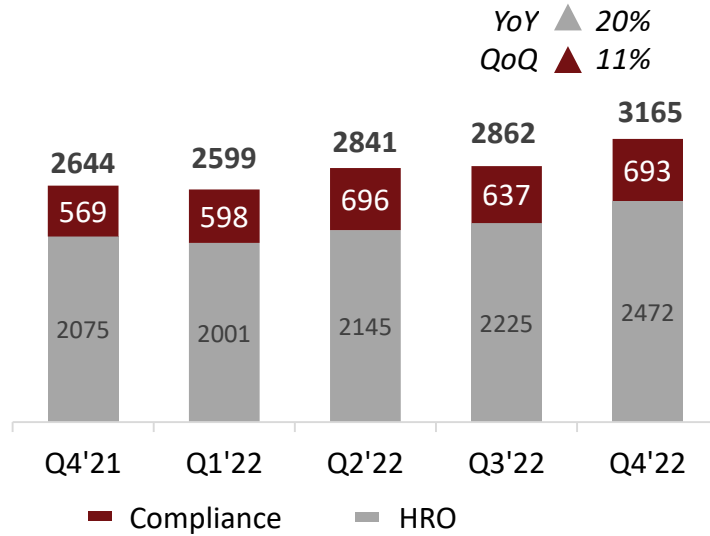


* FY22 PAT excludes tax on dividend income ₹13.9 lakhs

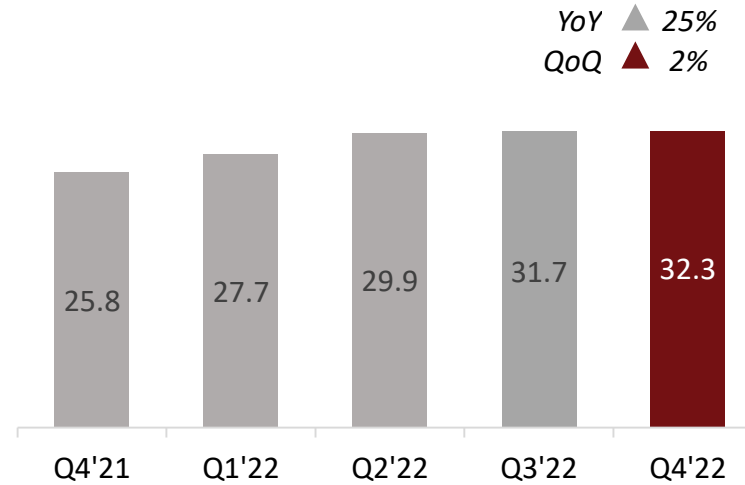
Business segment updates

Human Resources Operation (HRO) – Performance Snapshot

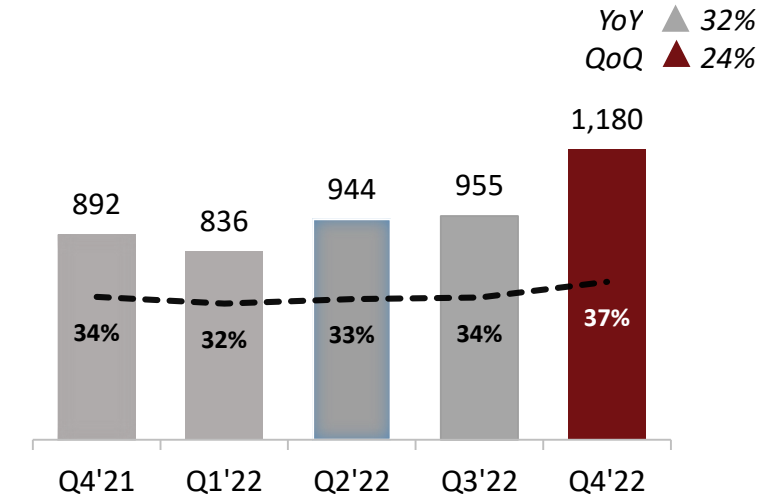
Revenue (in ₹ lakh)



Payslips processed (in Nos Lakhs);

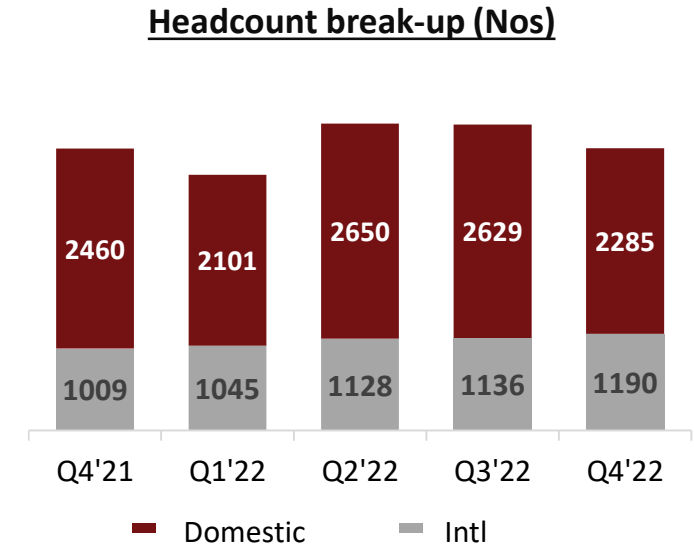
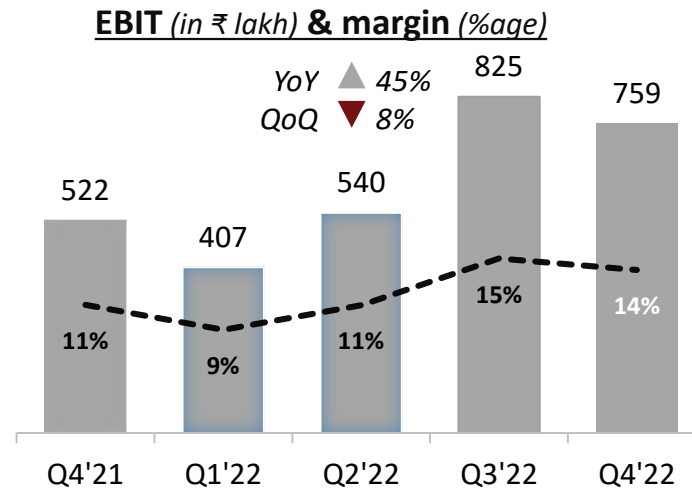
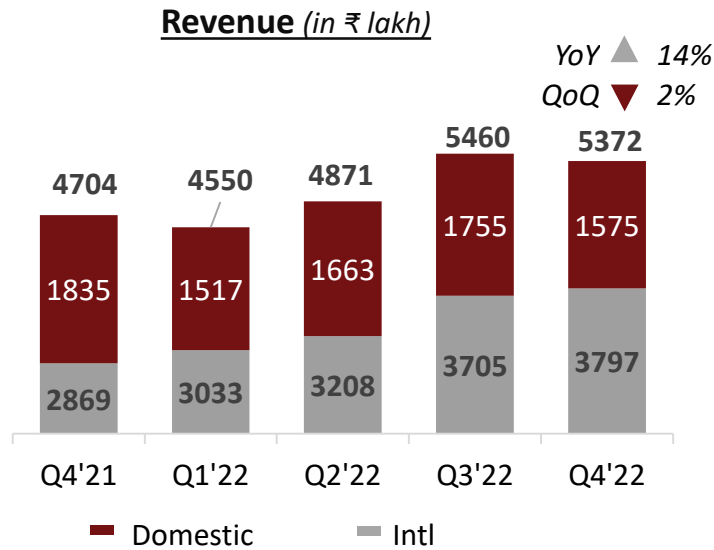


EBIT (in ₹ lakh) & margin (%age)



- Revenue increased 11% QoQ
 - One time implementation revenues from customers going live in April 22
 - Year end tax related activities
- Payslips remained flat QoQ and grew 25% YoY;
- Added 43 customers with ACV of ₹280 Lakhs during the quarter; full year added 130 customers and ₹1,343 lakhs

Digital Business Services (DBS) – Performance Snapshot



- Revenue marginally decreased QoQ by 2% with DBS international higher by 2% with revenues coming from new customers on boarded towards end of Q2 and DBS domestic lower by 11% with reduced volumes from existing customers
- Total headcount remained flat at 3,475 flat YoY
- DBS – International added 3 new logos adding to a total ACV of ₹1.2cr. This takes the YTD ACV added in this business to ~₹40.6cr

Annexures

Income Statement

In ₹ Lakhs

Consolidated	Quarterly			Var %		Year ended		
Particulars	Q4 FY22	Q3 FY22	Q4 FY21	QoQ%	YoY %	31-Mar-22	31-Mar-21	YoY %
Revenue from Operations	8,537	8,322	7,348	3%	16%	31,720	27,669	15%
Less:								
Employee benefit expenses	(4,407)	(4,465)	(3,963)	(1%)	11%	(17,246)	(15,351)	12%
Other expenses	(1,773)	(1,656)	(1,293)	7%	37%	(6,451)	(5,728)	13%
Total expenses	(6,180)	(6,121)	(5,256)	1%	18%	(23,697)	(21,079)	12%
EBITDA	2,357	2,201	2,092	7%	13%	8,023	6,590	22%
Other income	189	58	151	226%	25%	645	364	77%
Finance cost	(89)	(34)	(89)	162%	0%	(208)	(244)	(15%)
Depreciation & amortisation	(638)	(577)	(652)	11%	(2%)	(2,345)	(2,339)	0%
Earnings before tax	1,819	1,648	1,502	10%	21%	6,115	4,371	40%
Normal Tax	(69)	(332)	(124)	(79%)	(44%)	(2,551)	(859)	197%
Profit after tax	1,750	1,316	1,378	33%	27%	3,564	3,512	1%
EBITDA Margin	27.6%	26.4%	28.5%	116 bps	(86 bps)	25.3%	23.8%	148 bps
PAT margin	20.5%	15.8%	18.8%	469 bps	175 bps	11.2%	12.7%	(146 bps)
Basic & Diluted EPS (in ₹)	11.48	8.63	9.04	33%	27%	23.39	23.05	1%

Balance Sheet

In ₹ Lakhs

Particulars	31-Mar-22	31-Mar-21	Var %
Non-Current Assets			
Property Plant & Equipment	931	730	28%
Right of Use Assets	4,265	2,011	112%
Other Intangible Assets	1,179	600	97%
Other Non Current Assets	2,417	2,475	(2%)
	8,792	5,816	51%
Current Assets			
Current Investments	4,694	4,971	(6%)
Cash & Cash equivalents	8,140	14,862	(45%)
Trade receivables	5,720	4,203	36%
Unbilled revenues	1,444	1,515	(5%)
Other current assets	633	577	10%
	20,631	26,128	(21%)
Total Assets	29,423	31,944	(8%)
Equity & Reserves	20,944	26,512	(21%)
Non-Current Liabilities			
Lease liability	2,710	647	319%
Other non-current Liability	726	622	17%
	3,436	1,269	171%
Current Liabilities			
Lease liability	1,588	1,517	5%
Trade Payables & Other current liabilities	3,455	2,646	31%
	5,043	4,163	21%
Total Equity & Liabilities	29,423	31,944	(8%)

Cash Flow

In ₹ Lakhs

Particulars	FY22	FY21
PBT	6,115	4,371
Add: Non cash Expenses/(Income)	2,103	2,872
Operating profit before working capital changes	8,218	7,243
Changes in working capital & Tax paid	(1,845)	(261)
Net cash generated from operating activities	6,373	6,982
Capex	(1,348)	(719)
Tax expenses on Manila dividend	(1,390)	-
Current investments*	661	(1,440)
Interest received	5	16
Cash flow from Investing activities	(2,072)	(2,143)
Repayment of borrowings	(16)	(24)
Interest paid	(208)	(242)
Payment of lease liabilities	(1,878)	(1,666)
Dividend paid	(9,132)	-
Cash flow from financing activities	(11,234)	(1,932)
Net change in cash and cash equivalents	(6,933)	2,907
Opening cash & cash equivalents	14,862	12,420
Exchange rate fluctuations	211	(465)
Closing cash & equivalents	8,140	14,862
Mutual fund investments	4,694	4,971
Closing cash and current investments	12,834	19,833

Thank you