



ALLSEC TECHNOLOGIES

Building Lasting Relationships

Q1 FY 2019

Earnings update

August 9, 2018

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1. Performance Highlights

2. Performance Review & Analysis

3. Business Outlook

- 1. Performance Highlights**
2. Performance Review & Analysis
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Q1 FY 2019 Standalone Highlights

- Operating Revenue
 - Q1 FY19 revenue at INR 34.3 crores compared to INR 33.8 crores in Q4 FY18 and INR 30.2 crores in Q1 FY18
 - QoQ growth of 1%
 - YoY growth of 14%

- EBITDA
 - Q1 FY19 EBITDA at INR 8.2 crores compared to INR 7.2 crores in Q4 FY18 and INR 5.9 cr in Q1 FY18
 - QoQ growth of 14%
 - YoY growth of 41%

- PBT
 - Q1 FY19 PBT at INR 7.6 crores compared to INR 6.7 crores in Q4 FY18 and INR 5.0 crore in Q1 FY18
 - QoQ growth of 13%
 - YoY growth of 52%

- PAT – The Company moved out of MAT to normal tax during the current quarter. The Company moved out of MAT to normal tax during the current quarter. In FY18 we had deferred tax which resulted in a negative tax situation.
 - Q1 FY19 PAT at INR 5.3 crores compared to INR 8.1 crores in Q4 FY18 and INR 6.3 crores in Q1 FY18
 - QoQ decrease of 35%
 - YoY decrease of 16%

Q1 FY 2019 Consolidated Highlights

- Operating Revenue
 - Q1 FY19 revenue at INR 63.0 crores compared to INR 60.8 crores in Q4 FY18 and INR 84.2 crores in Q1 FY18
 - QoQ growth of 3%
 - YoY decrease of 34%

- EBITDA
 - Q1 FY19 EBITDA at INR 11.8 crores compared to INR 13.2 crores in Q4 FY18 and INR 18.3 cr in Q1 FY18
 - QoQ decrease of 11%
 - YoY decrease of 36%

- PBT
 - Q1 FY19 PBT at INR 10.8 crores compared to INR 11.9 crores in Q4 FY18 and INR 17.0 crore in Q1 FY18
 - QoQ decrease of 9%
 - YoY decrease of 36%

- PAT – The Company moved out of MAT to normal tax during the current quarter. In India, the Company moved out of MAT to normal tax during the current quarter. In FY18 we had deferred tax which resulted in a negative tax situation.
 - Q1 FY19 PAT at INR 8.0 crores compared to INR 12.4 crores in Q4 FY18 and INR 15.1 crores in Q1 FY18
 - QoQ decrease of 34%
 - YoY decrease of 46%

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Summary – India Operations Q1 FY19

In INR Lakhs

| Particulars | Q1FY2018 | Q4FY2018 | Q1FY2019 |
|---|--------------|--------------|--------------|
| Income from Services | 3,021 | 3,384 | 3,428 |
| Other Income | 151 | 138 | 162 |
| Total Income | 3,172 | 3,522 | 3,591 |
| Personnel and Operating expense | 2,586 | 2,801 | 2,767 |
| EBIDTA | 586 | 720 | 824 |
| EBITDA (% of Income from Services) | 19% | 21% | 24% |
| Depreciation | 74 | 85 | 94 |
| Interest (Income) /expense, net | 13 | (35) | (31) |
| PBT | 499 | 671 | 760 |
| PBT (% of Income from Services) | 17% | 20% | 22% |
| TAX | (128) | (137) | 226 |
| PAT | 627 | 808 | 534 |
| PAT (% of Income from Services) | 21% | 24% | 16% |

Q1 FY19 vs Q4 FY18

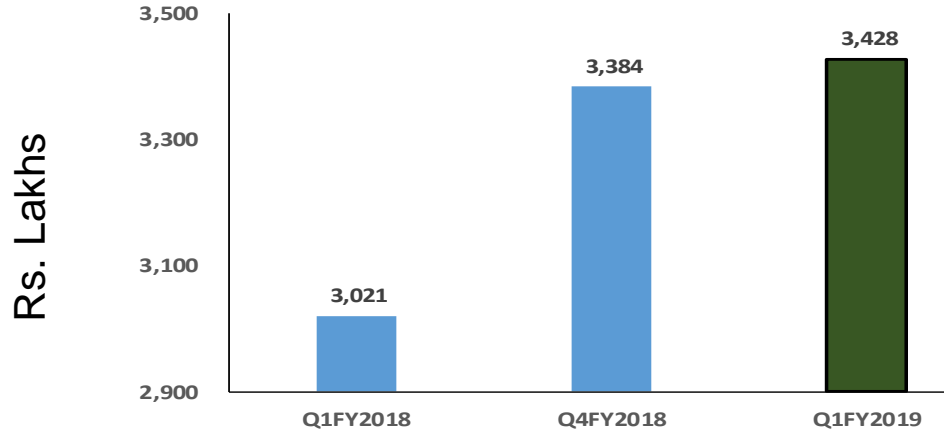
Revenue remained flat as higher revenue in CLM offset by lower revenue in HRO, however higher other income and lower employee costs have resulted in higher EBITDA. PBT higher in line with EBITDA. PAT lower as Company moves into full tax while in FY 2018 the Company had credit from Deferred tax.

Q1 FY19 vs Q1 FY18

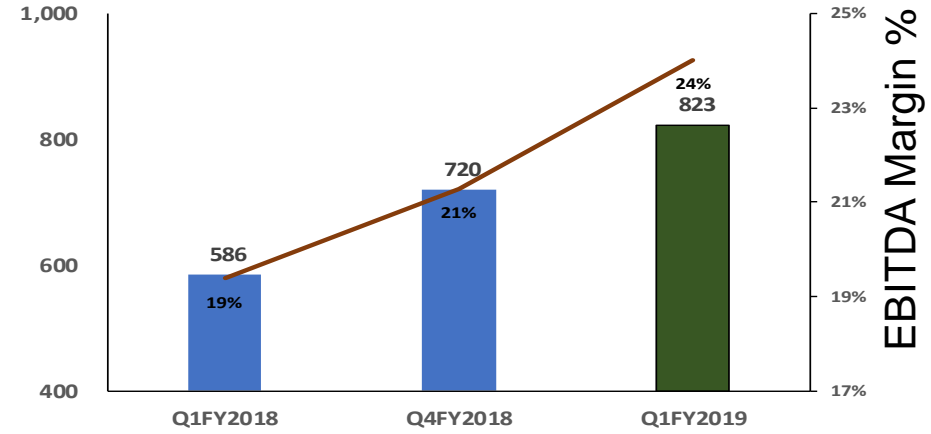
Revenue increased by 13%, while EBITDA grew by 41% and PBT by 52%. However PAT down by 15%.

Summary – India Operations Q1 FY19

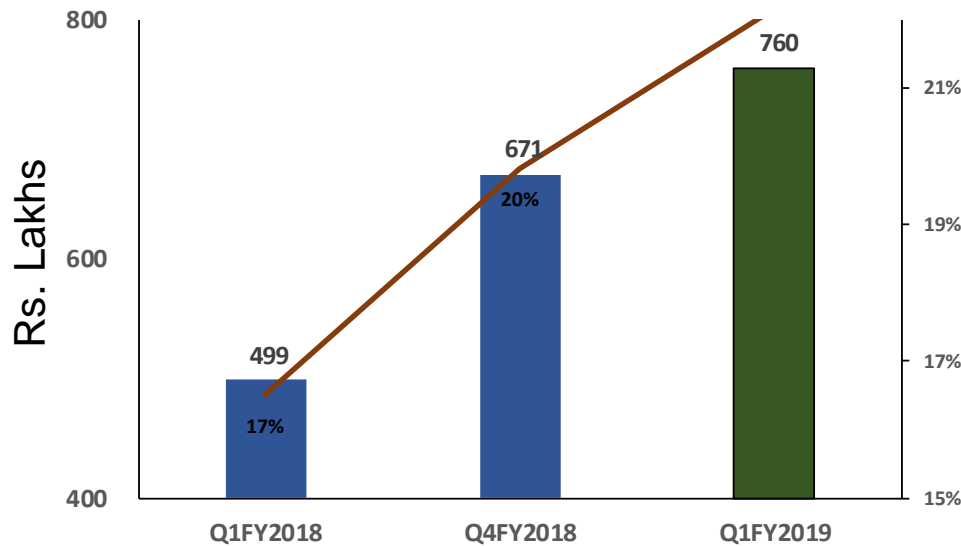
Revenue from Operations



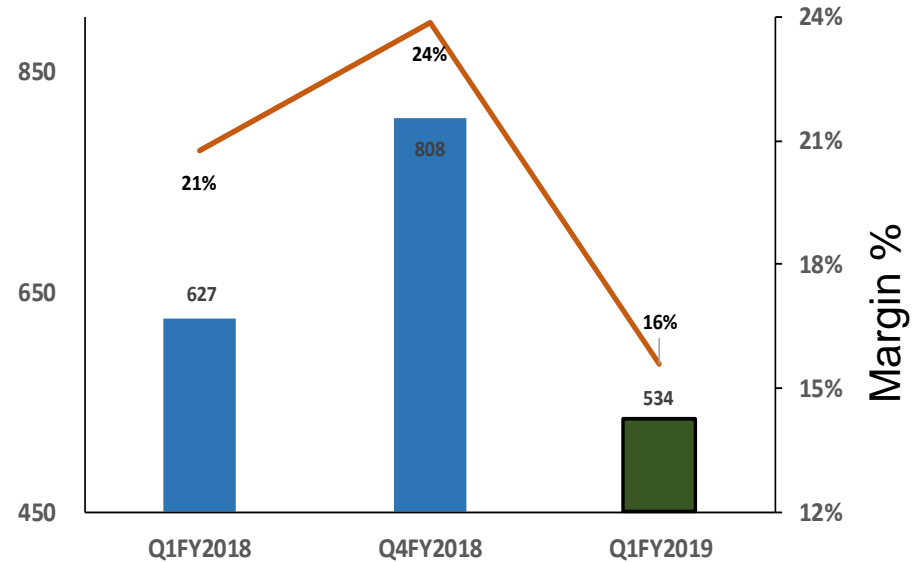
EBITDA



Profit Before Tax

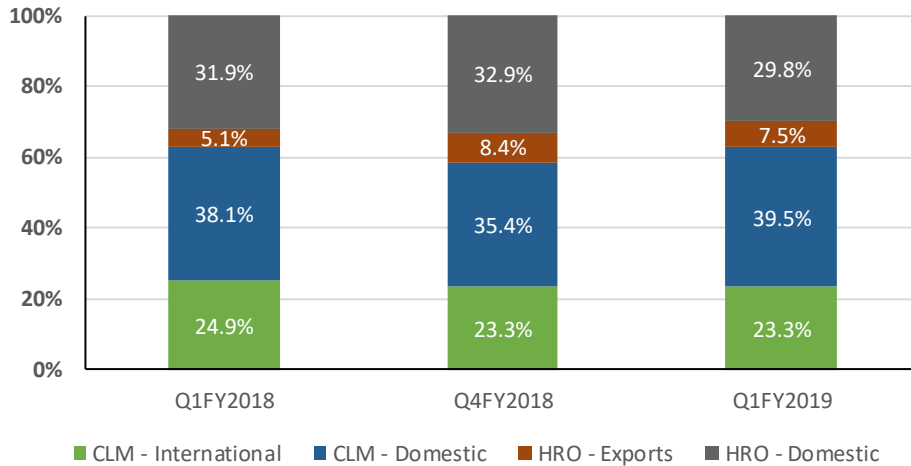


Profit After Tax

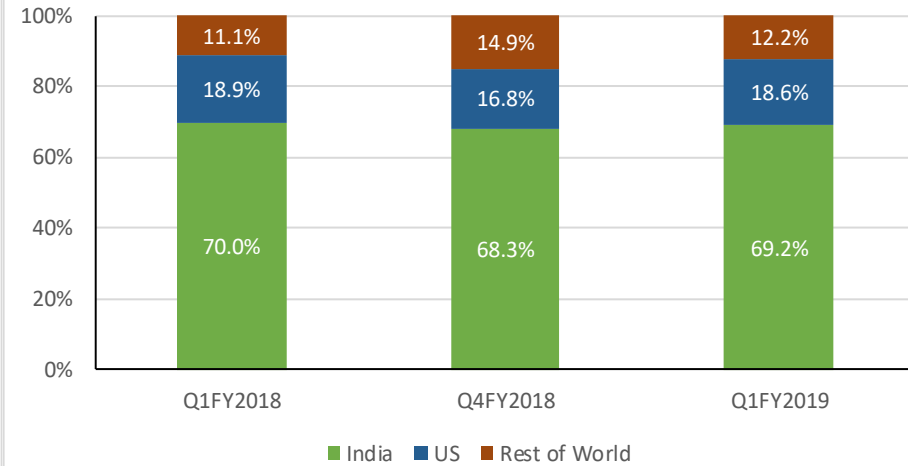


Revenue Analysis - India

Revenue by Segment



Revenue by Customer Origination



| (IN INR Lakhs) | Q1FY2018 | Q4FY2018 | Q1FY2019 |
|---------------------|--------------|--------------|--------------|
| CLM - International | 753 | 787 | 799 |
| CLM - Domestic | 1,150 | 1,197 | 1,353 |
| HRO - Exports | 154 | 286 | 256 |
| HRO - Domestic | 964 | 1,114 | 1,021 |
| | 3,021 | 3,384 | 3,428 |

- CLM International remained stable against Q4 FY 2018 and grew 6% year on year
- CLM domestic grew 13% against Q4 FY 2018 and 18% year on year
- HRO exports declined 10% against Q4 FY 2018 and grew 66% year on year
- HRO domestic declined 8% against Q4 FY 2018 and grew 6% year on year

IN INR LAKHS

| Particulars | Q1FY2018 | Q4FY2018 | Q1FY2019 |
|---|--------------|--------------|--------------|
| Income from Services | 1,035 | 1,592 | 1,794 |
| Other Income | 103 | 56 | 31 |
| Total Income | 1,138 | 1,648 | 1,826 |
| Personnel and Operating expense | 719 | 1,101 | 1,244 |
| EBIDTA | 419 | 547 | 581 |
| EBITDA (% of Income from Services) | 41% | 34% | 32% |
| Depreciation | 8 | 12 | 17 |
| Interest (Income) /expense, net | 0 | 0 | (0) |
| PBT | 411 | 535 | 565 |
| PBT (% of Income from Services) | 40% | 34% | 31% |
| Tax | 28 | 22 | 39 |
| PAT | 383 | 513 | 526 |
| PAT (% of Income from Services) | 37% | 32% | 29% |

Q1 FY19 vs Q4 FY18 :

Revenue increased by 13%. EBITDA grew by 6%. PBT and PAT higher in line with higher EBITDA.

Q4 FY18 vs Q4 FY17:

Revenue increased by 73% and EBITDA by 39%. PBT and PAT higher in line with higher EBITDA

IN INR LAKHS

| Particulars | Q1FY2018 | Q4FY2018 | Q1FY2019 |
|---|--------------|--------------|--------------|
| Income from Services | 4,477 | 1,326 | 1,400 |
| Total Income | 4,477 | 1,326 | 1,400 |
| Personnel and Operating expense | 3,645 | 1,487 | 1,632 |
| EBIDTA | 832 | -161 | -233 |
| EBITDA % (of Income from Services) | 19% | -12% | -17% |
| Depreciation | 43 | 12 | 15 |
| Interest (Income) /expense, net | 6 | 0 | 2 |
| PBT | 783 | -173 | -249 |
| PBT % (of Income from Services) | 17% | -13% | -18% |
| TAX | 289 | (70) | 0 |
| PAT | 494 | -103 | -249 |
| PAT % (of Income from Services) | 11% | -8% | -18% |

Q1 FY19 vs Q4 FY19

Revenue marginally higher by 6%, EBITDA lower on account of claims settlement amounting to US\$140k relating to the suit against the Company and additional legal costs both totaling to approx. \$200k. PBT and PAT lower in line with lower EBITDA.

Q1 FY19 vs Q1 FY18

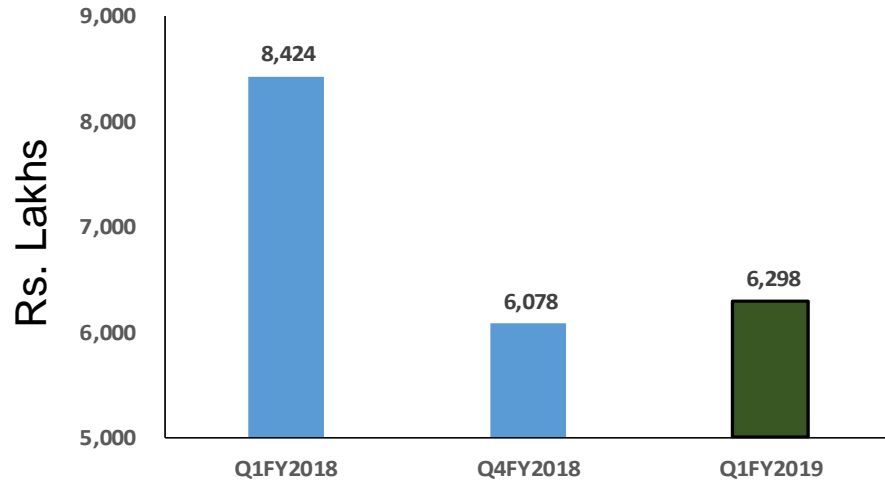
Revenue lower by 69%, EBITDA and PBT lower on account of lower revenue.

Summary – Consolidated

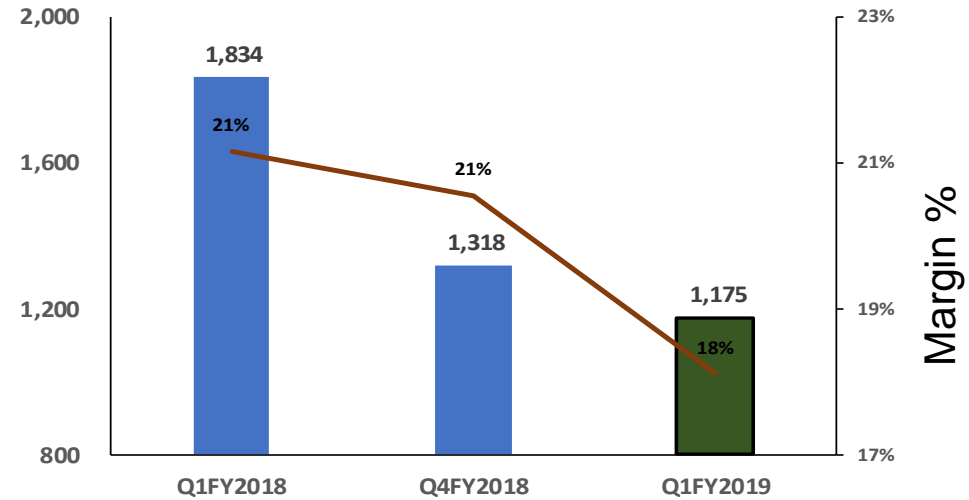
| Particulars | Q1FY2018 | Q4FY2018 | Q1FY2019 |
|---|--------------|--------------|--------------|
| Income from Services | 8,424 | 6,078 | 6,298 |
| Other Income | 249 | 334 | 191 |
| Total Income | 8,673 | 6,412 | 6,490 |
| Personnel and Operating expense | 6,839 | 5,094 | 5,315 |
| EBIDTA | 1,834 | 1,318 | 1,175 |
| EBITDA % (of Income from Services) | 21% | 21% | 18% |
| Depreciation | 125 | 108 | 126 |
| Interest (Income) /expense, net | 10 | 24 | (30) |
| PBT | 1,699 | 1,186 | 1,079 |
| PBT % (of Income from Services) | 20% | 18% | 17% |
| TAX | 189 | (50) | 267 |
| PAT | 1,510 | 1,236 | 812 |
| PAT % (of Income from Services) | 17% | 19% | 13% |

Summary – Consol Q1 FY19

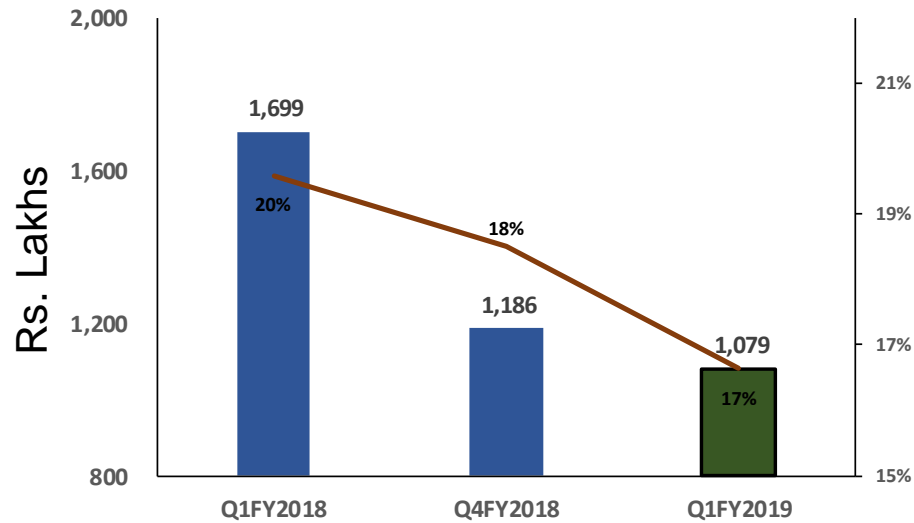
Revenue from Operations



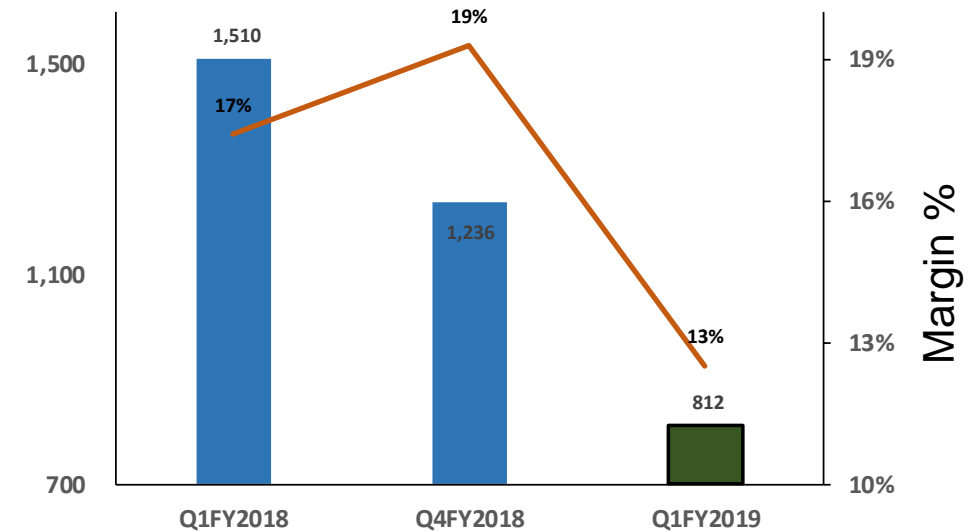
EBITDA



Profit Before Tax

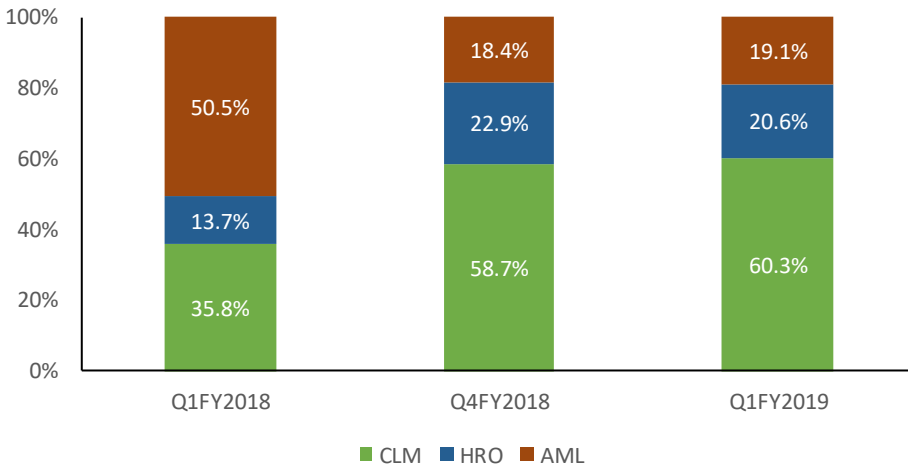


Profit After Tax

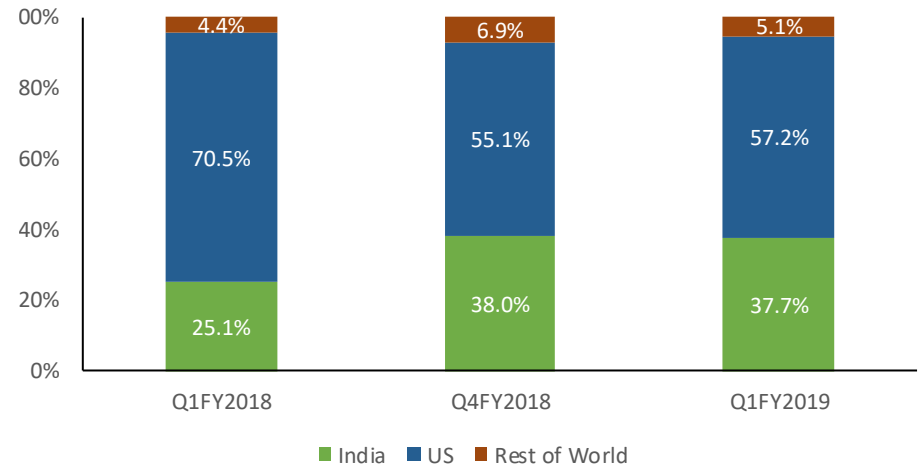


Revenue – Consolidated

Revenue by Segment



Revenue by Customer origination



| (IN INR Lakhs) | Q1FY2018 | Q4FY2018 | Q1FY2019 |
|----------------------|--------------|--------------|--------------|
| CLM | 3,013 | 3,567 | 3,797 |
| HRO | 1,155 | 1,390 | 1,300 |
| AML | 4,256 | 1,121 | 1,201 |
| Total Revenue | 8,424 | 6,078 | 6,298 |

- *CLM witnessed strong growth during the quarter, growing 6% QoQ and 21% YoY*
- *HRO down 7% compared to Q4 FY 2018 primarily due to seasonal nature, while being up 11% compared to Q1 FY 2018*
- *AML remained flat compared to Q4 FY 2018 and down significantly from Q1 FY 2018 due to reduction in volumes*

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Business Outlook

- *India and Manila Operations continue to look promising and sustain current momentum.*
- *HRO will continue to do well in rest of FY2019 with growth coming from both the HRO international and domestic markets.*
- *CLM India domestic business and CLM Manila business likely to continue its growth, while CLM India international business expected to be stable*
- *AML business likely to be under pressure given the current levels of business and turnaround is dependent on our ability to win other customers in this space.*