



ALLSEC TECHNOLOGIES

Building Lasting Relationships

Q3 FY 2019

Earnings update

February 7, 2019

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1. Performance Highlights

2. Performance Review & Analysis

3. Business Outlook

- 1. Performance Highlights**
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Q3 FY 2019 Standalone Highlights

- Operating Revenue
 - Q3 FY19 revenue at INR 39.6 crores compared to INR 37.8 crores in Q2 FY19 and INR 33.5 crores in Q3 FY18
 - QoQ growth of 5%
 - YoY growth of 18%

- EBITDA
 - Q3 FY19 EBITDA at INR 10.0 crores compared to INR 8.9 crores in Q2 FY19 and INR 7.2 cr in Q3 FY18
 - QoQ growth of 12%
 - YoY growth of 39%

- PBT
 - Q3 FY19 PBT at INR 8.9 crores compared to INR 8.1 crores in Q2 FY19 and INR 6.1 crores in Q3 FY18
 - QoQ growth of 10%
 - YoY growth of 46%

- PAT – The Company moved out of MAT to normal tax from Q1 FY19. In FY18 we had deferred tax credit which resulted in a negative tax situation.
 - Q3 FY19 PAT at INR 6.3 crores compared to INR 5.9 crores in Q2 FY19 and INR 7.0 crores in Q2 FY18
 - QoQ increase of 7%
 - YoY decrease of 10%

9 months FY 2019 Standalone Highlights

- Operating Revenue
 - 9 months FY19 revenue at INR 111.7 crores compared to INR 94.9 crores in FY18
 - YoY growth of 18%

- EBITDA
 - 9 months FY19 EBITDA at INR 27.1 crores compared to INR 20.3 crores in FY18
 - YoY growth of 33%

- PBT
 - 9 months FY19 PBT at INR 24.6 crores compared to INR 17.5 crores in FY18
 - YoY growth of 41%

- PAT – The Company moved out of MAT to normal tax from FY19. In FY18 we had deferred tax credit which resulted in a negative tax situation.
 - 9 months FY19 PAT at INR 17.5 crores compared to INR 20.5 crores in FY18
 - YoY decrease of 15%

Q3 FY 2019 Consolidated Highlights

➤ Operating Revenue

- Q3 FY19 revenue at INR 63.1 crores compared to INR 68.7 crores in Q2 FY19 and INR 88.7 crores in Q3 FY18
 - QoQ decrease of 8%
 - YoY decrease of 29%

➤ EBITDA

- Q3 FY19 EBITDA stood at INR 12.0 crores compared to INR 5.7 crores in Q2 FY19 which included one time impact of INR 8.3 crores on account of US legal case and INR 18.0 cr in Q3 FY18
 - QoQ increase of 110%
 - YoY decrease of 33%

➤ PBT

- Q3 FY19 PBT stood at INR 10.7 crores compared to INR 4.6 crores in Q2 FY19 which included one time impact of INR 8.3 crores on account of US legal case and INR 16.7 crores in Q3 FY18
 - QoQ increase of 133%
 - YoY decrease of 36%

➤ PAT

- ❑ In India, the Company moved out of MAT to normal tax from Q1 FY19. In FY18 we had deferred tax credit which resulted in a negative tax situation.
- ❑ Q3 FY19 PAT at INR 7.4 crores compared to INR 2.0 crores in Q2 FY19 which included one time impact of INR 8.3 crores on account of US legal case and INR 15.2 crores in Q3 FY18
 - QoQ increase of 270%
 - YoY decrease of 51%

9 Months FY 2019 Consolidated Highlights

- Operating Revenue
 - 9 months FY19 revenue at INR 194.8 crores compared to INR 264.2 crores in FY18
 - YoY decrease of 26%

- EBITDA
 - 9 months FY19 EBITDA after the one time impact of INR 9.3 crores on account of US legal case stood at INR 29.5 crores compared to INR 55.6 crores in FY18
 - YoY decrease of 47%

- PBT
 - 9 months FY19 PBT after the one time impact of INR 9.3 crores on account of US legal case stood at INR 26.1 crores compared to INR 51.7 crores in FY18
 - YoY decrease of 50%

- PAT
 - ❑ In India, the Company moved out of MAT to normal tax from FY19. In FY18 we had deferred tax credit which resulted in a negative tax situation.
 - ❑ In US after the one time impact of INR 9.3 crores on account of US legal case

 - 9 months FY19 PAT at INR 17.5 crores compared to INR 47.4 crores in FY18
 - YoY decrease of 63%

1. Performance Highlights ✓

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Summary – India Operations Q3 FY19 & 9M FY19

In INR Lakhs	Q3FY18	Q2FY19	Q3FY19
Income from Services	3,348	3,777	3,963
Other Income	81	149	196
Total Income	3,429	3,926	4,159
Personnel and Operating expense	2,712	3,038	3,162
EBIDTA	717	889	997
EBITDA (% of Income from Services)	21.4%	23.5%	25.2%
Depreciation	88	98	108
Interest (Income) /expense, net	19	(19)	(3)
PBT	610	810	893
PBT (% of Income from Services)	18.2%	21.4%	22.5%
TAX	(92)	223	266
PAT	702	587	627
PAT (% of Income from Services)	21.0%	15.5%	15.8%

In INR Lakhs	9M FY2018	9M FY2019
Income from Services	9,494	11,168
Other Income	363	508
Total Income	9,857	11,676
Personnel and Operating expense	7,825	8,966
EBIDTA	2,032	2,710
EBITDA (% of Income from Services)	21.4%	24.3%
Depreciation	243	300
Interest (Income) /expense, net	40	(54)
PBT	1,749	2,464
PBT (% of Income from Services)	18.4%	22.1%
TAX	(304)	715
PAT	2,053	1,749
PAT (% of Income from Services)	21.6%	15.7%

Q3 FY19 vs Q2 FY19 :

Revenue increased by 5%. EBITDA grew by 12%. PBT and PAT higher in line with higher EBITDA.

Q3 FY19 vs Q3 FY18:

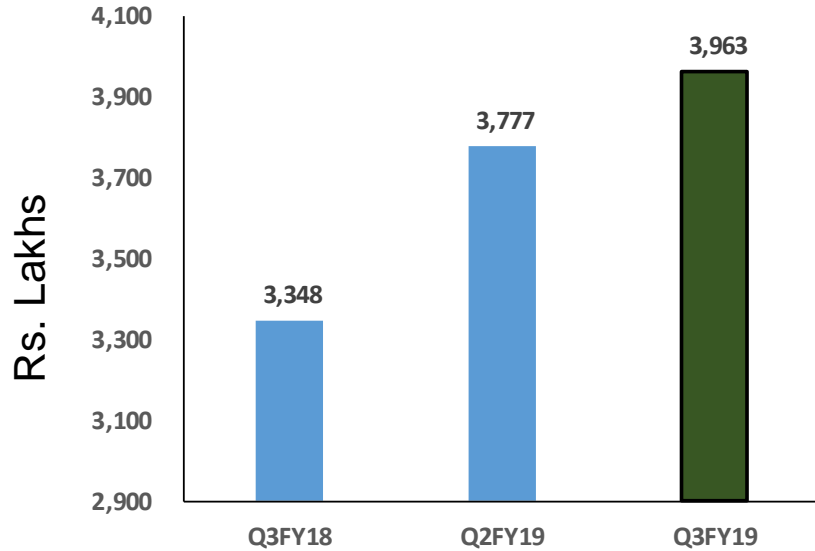
Revenue increased by 18% and EBITDA by 39%. PBT higher in line with higher EBITDA. PAT lower due to MAT and deferred tax credit in Q3 FY18.

9M FY19 vs 9M FY18:

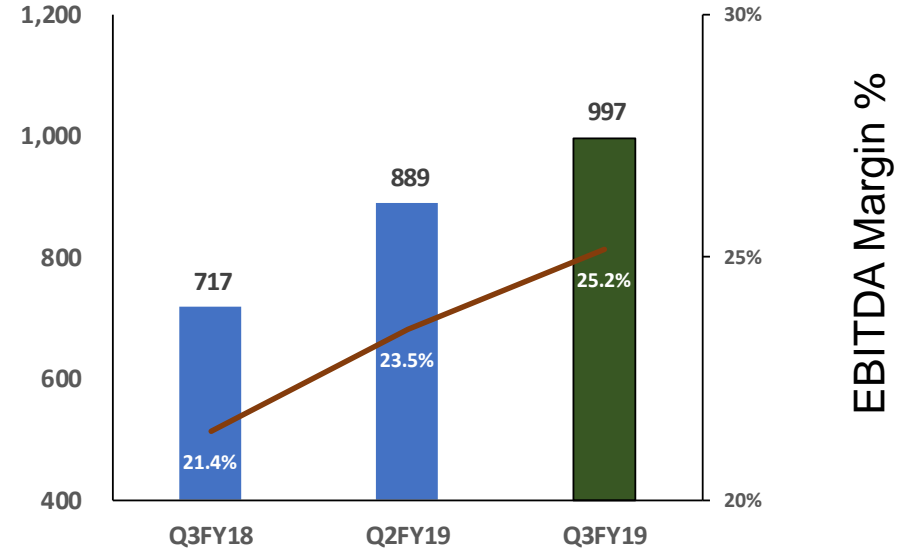
Revenue increased by 18% while EBITDA increased by 33% with corresponding increase in PBT. PAT down on account of company being in full tax in current year.

Summary – India Operations Q3 FY19

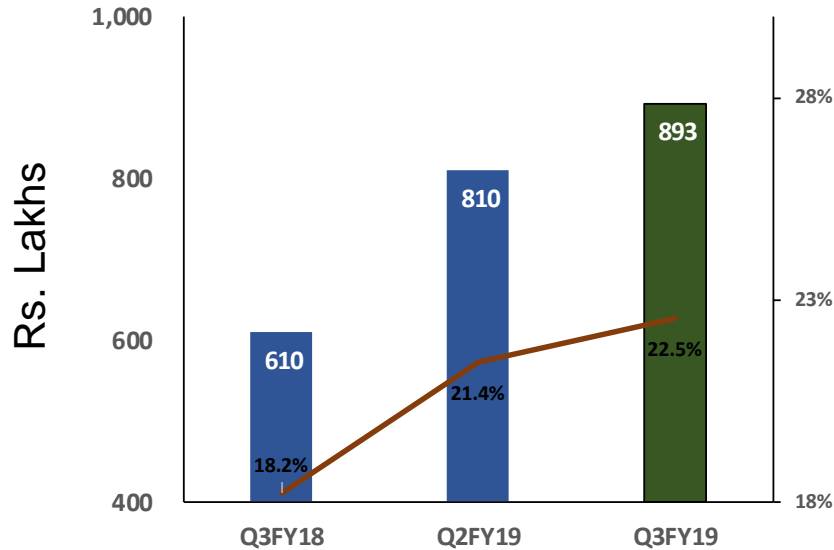
Revenue from Operations



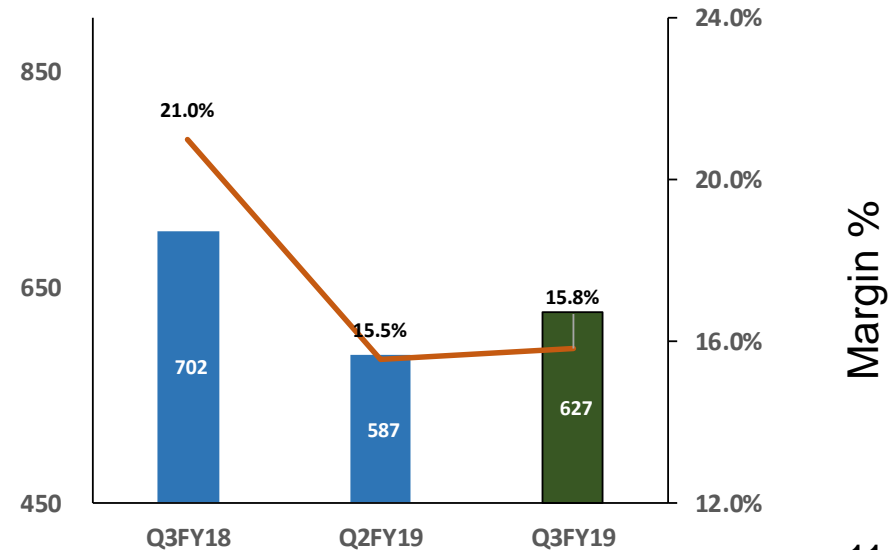
EBITDA



Profit Before Tax

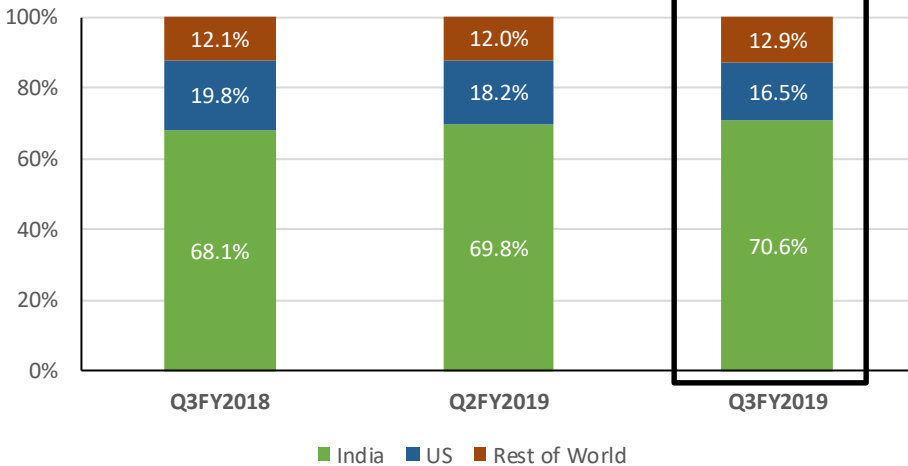


Profit After Tax

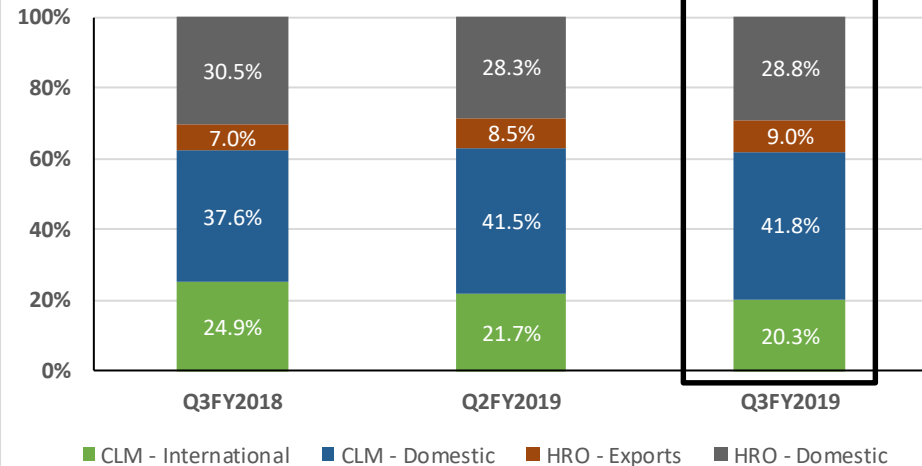


Q3 FY19 Revenue Analysis – India

Revenue by Customer Origination



Revenue by Segment



(IN INR Lakhs)	Q3FY2018	Q2FY2019	Q3FY2019
CLM - International	835	821	806
CLM - Domestic	1,260	1,567	1,656
HRO - Exports	233	320	358
HRO - Domestic	1,020	1,069	1,143
	3,348	3,777	3,963

- CLM International marginally down against Q2 FY 2019 and YoY
- CLM domestic grew 6% against Q2 FY 2019 and 31% YoY
- HRO exports grew 12% against Q2 FY 2019 and grew 54% YoY
- HRO domestic grew 7% against Q2 FY 2019 and grew 12% YoY

Summary – Manila Operations Q3 FY19 and 9M FY19

In INR Lakhs	Q3FY18	Q2FY19	Q3FY19
Income from Services	1,444	2,061	2,389
Other Income	-32	29	-73
Total Income	1,412	2,090	2,315
Personnel and Operating expense	1,023	1,370	1,481
EBIDTA	389	719	834
EBITDA (% of Income from Services)	27%	35%	35%
Depreciation	11	20	24
Interest (Income) /expense, net	-	(0)	(1)
PBT	378	700	811
PBT (% of Income from Services)	26%	34%	34%
Tax	34	46	57
PAT	344	654	755
PAT (% of Income from Services)	24%	32%	32%

9M FY2019	9M FY2018	9M FY2019
Income from Services	3,751	6,241
Other Income	79	-13
Total Income	3,830	6,228
Personnel and Operating expense	2,693	4,095
EBIDTA	1,137	2,133
EBITDA (% of Income from Services)	30%	34%
Depreciation	27	61
Interest (Income) /expense, net	1	(1)
PBT	1,109	2,073
PBT (% of Income from Services)	30%	33%
Tax	96	142
PAT	1,013	1,932
PAT (% of Income from Services)	27%	31%

Q3 FY19 vs Q2 FY19 :

Revenue increased by 16%. EBITDA grew by 16%. PBT and PAT higher in line with higher EBITDA.

Q3 FY19 vs Q3 FY18:

Revenue increased by 65% and EBITDA by 114%. PBT and PAT higher in line with higher EBITDA

9M FY19 vs 9M FY18:

Revenue increased by 66% and EBITDA by 88%. PBT and PAT higher in line with higher EBITDA

Summary – US Operations Q3 FY19 and 9M FY19

In INR Lakhs	Q3FY18	Q2FY19	Q3FY19
Income from Services	4,327	1,389	350
Other Income	-	-	-
Total Income	4,327	1,389	350
Personnel and Operating expense	3,629	2,419	986
EBIDTA	698	-1,029	-636
EBITDA %(of Income from Services)	16%	-74%	-182%
Depreciation	11	7	7
Interest (Income) /expense, net	1	2	2
PBT	686	-1,038	-645
PBT %(of Income from Services)	16%	-75%	-184%
TAX	297	0	0
PAT	389	-1,038	-645
PAT %(of Income from Services)	9%	-75%	-184%

In INR Lakhs	9M FY2019	9M FY2018
Income from Services	13,777	3,140
Other Income	-	-
Total Income	13,777	3,140
Personnel and Operating expense	11,379	5,030
EBIDTA	2,398	-1,890
EBITDA %(of Income from Services)	17%	-60%
Depreciation	72	29
Interest (Income) /expense, net	12	5
PBT	2,314	-1,924
PBT %(of Income from Services)	17%	-61%
TAX	641	2
PAT	1,673	-1,926
PAT %(of Income from Services)	12%	-61%

Q3 FY19 vs Q2 FY19

Revenue down as there were no volumes in AML during the current quarter. EBITDA in previous quarter had a one time impact of US\$ 1.2 mn (INR 826 lakhs) towards legal costs. PBT and PAT in line with EBITDA.

Q3 FY19 vs Q3 FY18

Revenue lower due to AML. EBITDA, PBT & PAT lower on account of lower revenue

9M FY19 vs 9M FY18

Revenue lower by 77%. EBITDA loss due to lower revenue and one time legal expenses amounting to INR 9.3 crores. PBT and PAT lower on account of lower EBITDA

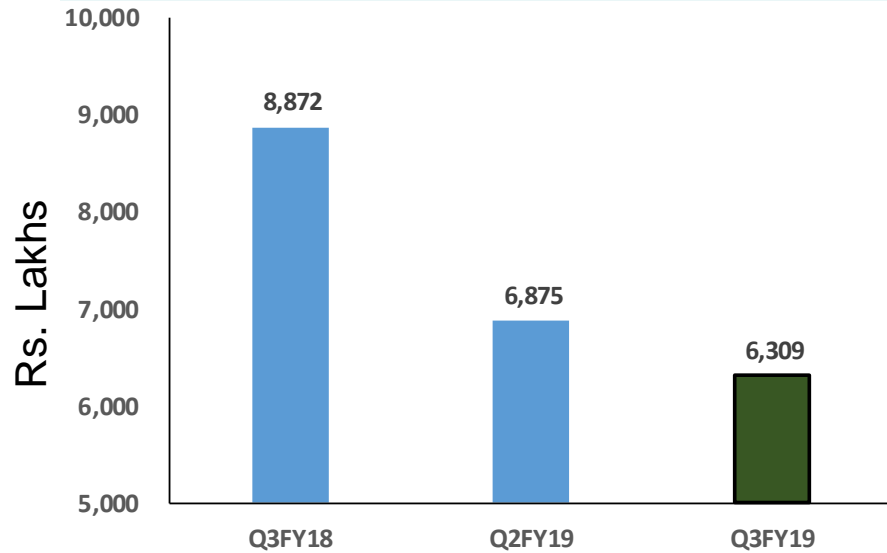
Summary Consolidated Q3FY2019

In INR Lakhs	Q3FY18	Q2FY19	Q3FY19
Income from Services	8,872	6,875	6,309
Other Income	50	178	123
Total Income	8,922	7,053	6,432
Personnel and Operating expense	7,119	6,481	5,230
EBIDTA	1,803	572	1,202
EBITDA %(of Income from Services)	20%	8%	19%
Depreciation	112	124	139
Interest (Income) /expense, net	19	(17)	(3)
PBT	1,672	465	1,066
PBT %(of Income from Services)	19%	7%	17%
TAX	154	269	322
PAT	1,518	196	744
PAT %(of Income from Services)	17%	3%	12%

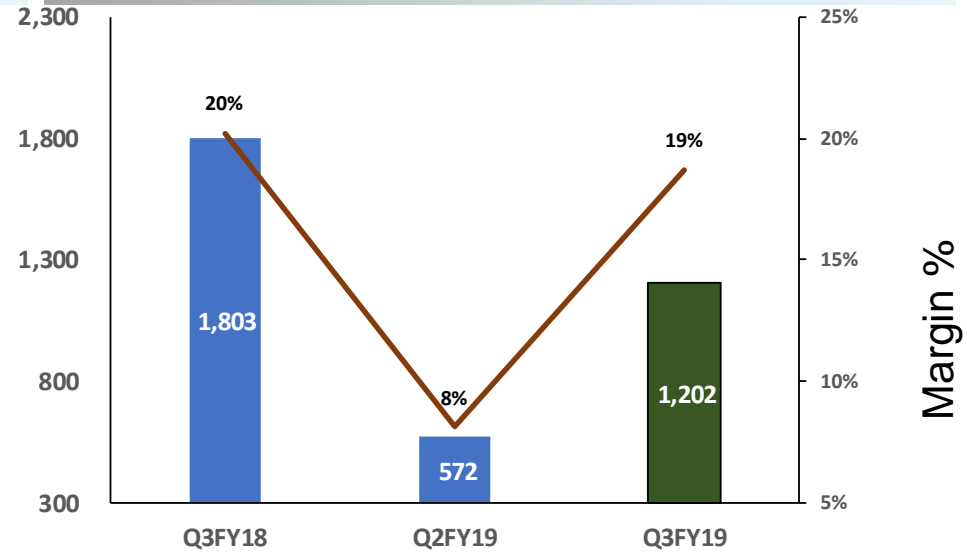
In INR Lakhs	9M FY2018	9M FY2019
Income from Services	26,418	19,482
Other Income	439	495
Total Income	26,857	19,977
Personnel and Operating expense	21,298	17,025
EBIDTA	5,559	2,952
EBITDA %(of Income from Services)	21%	15%
Depreciation	342	390
Interest (Income) /expense, net	44	(50)
PBT	5,173	2,612
PBT %(of Income from Services)	19%	13%
TAX	433	858
PAT	4,740	1,754
PAT %(of Income from Services)	18%	9%

Summary – Consol Q3 FY19

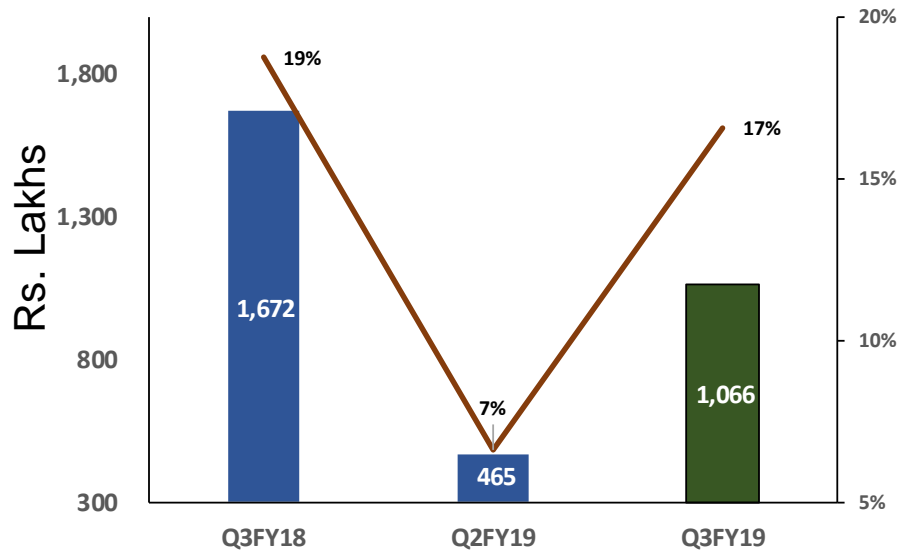
Revenue from Operations



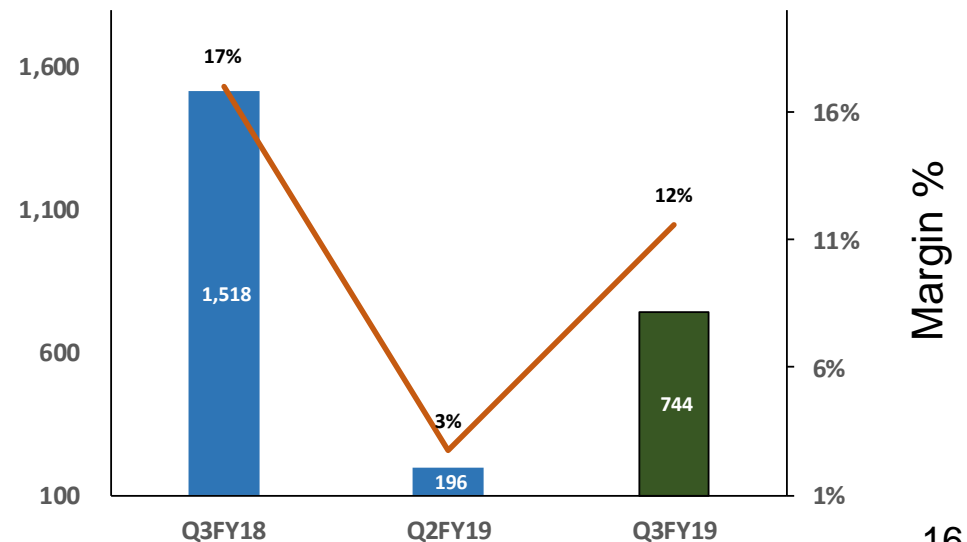
EBITDA



Profit Before Tax

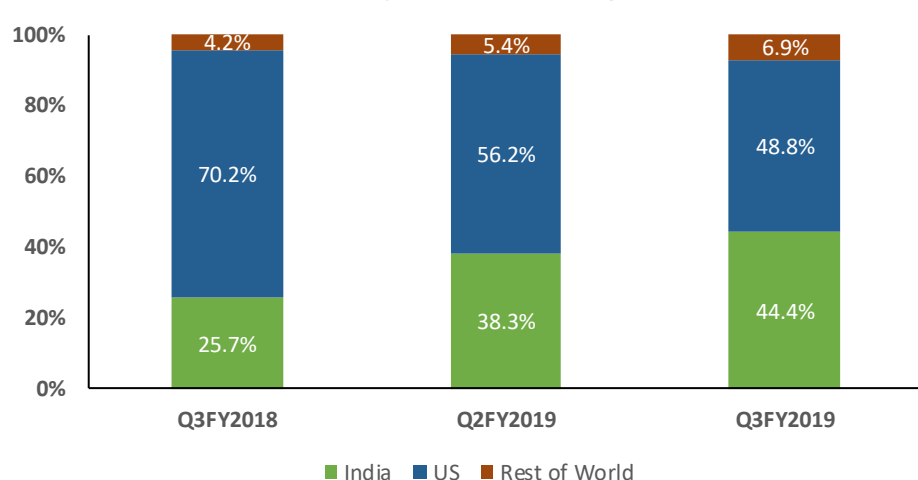


Profit After Tax

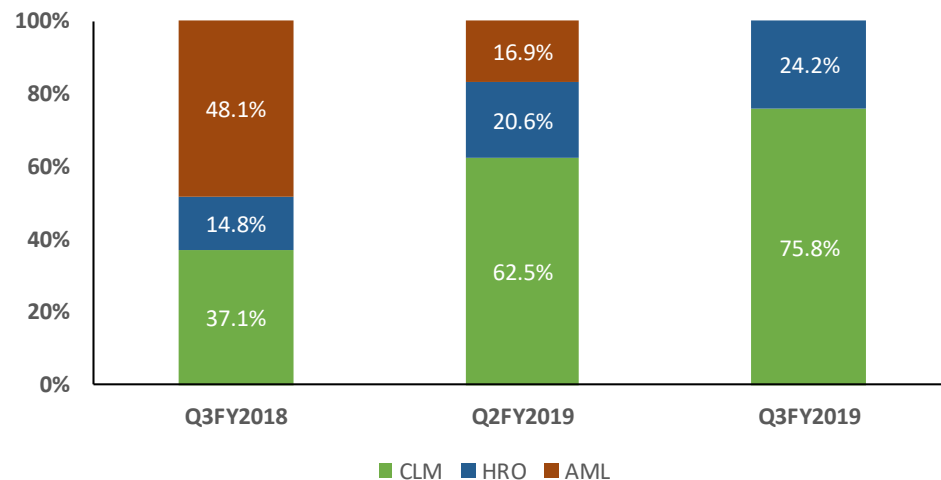


Revenue – Consolidated

Revenue by Customer origination



Revenue by Segment



(IN INR Lakhs)	Q3FY2018	Q2FY2019	Q3FY2019
CLM	3,288	4,294	4,780
HRO	1,312	1,416	1,529
AML	4,272	1,165	-
Total Revenue	8,872	6,875	6,309

- *CLM witnessed strong growth during the quarter, growing 11% QoQ and 45% YoY*
- *HRO grew 8% QoQ and 17% compared to Q3 FY 2018*
- *No volumes in AML during the current quarter*

1. Performance Highlights ✓

2. Performance Review & Analysis ✓

3. Business Outlook

Business Outlook

- *HRO has strong momentum and will continue to do well with growth coming from both the HRO international and domestic markets.*
- *CLM business likely to be stable.*
- *In the AML business, we are unlikely to have any volume in Q4 and the growth in the business is dependent on our ability to win other customers in this space.*