



hSenid Business Solutions

2Q FY23 Earnings Presentation

November 2022

hSenidBiz AT A GLANCE

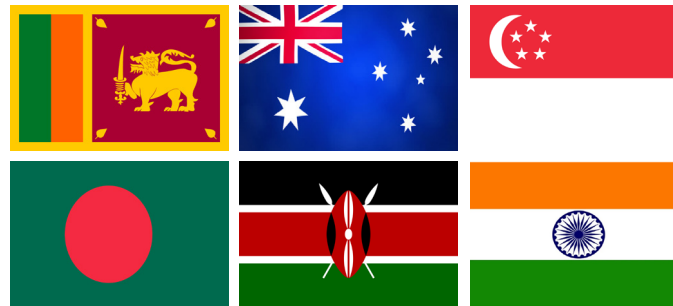
Over **25 years** of experience

Over
1,000,000
users

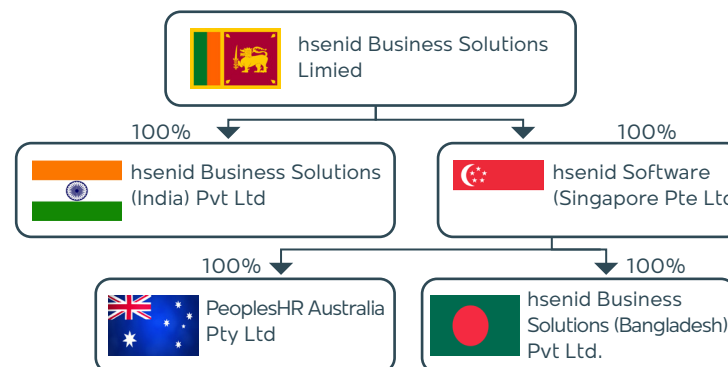
Serves over
1,465 client
organizations

Across
20+ industries in
40+ countries

Operating from
6 countries...



...through
4 subsidiaries



* Bangladesh subsidiary was incorporated in October 2022

Offering a comprehensive range of **HRIS solutions**

PeoplesHR® | On Premise
simple.fast.green

PeoplesHR®
simple.fast.green

PeoplesHR
TURBO

PeoplesHR® | Outsourcing
simple.fast.green

 **hSenid TRACKING**
Solutions

JURAA

FINANCIAL HIGHLIGHTS 2Q FY23



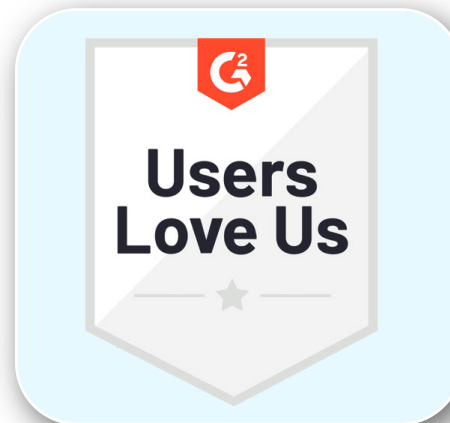
LKR mn	2Q FY22	2Q FY23	YoY growth
Revenue	210	397	89.4%
Gross profit	92	189	106.2%
Gross profit margin	43.8%	47.6%	+389pp
EBITDA	38	57	49.8%
EBITDA margin	18.1%	14.3%	-378pp
Net profit	15	58	+279.5%
Net profit margin	7.3%	14.6%	+731pp
EPS*	0.07	0.21	+200.0%

* EPS based on weighted average shares as of end of each quarter

- Strong growth across all key segments (+27% YoY growth in USD terms on constant currency basis), supported quarterly topline growth, led by PHR Cloud. Growth was also witnessed across all regions, with Sri Lankan operations recording the highest contribution
- Annual recurring revenues came in at 44.0% of total revenues, supported by PeoplesHR Cloud. Churn rate for the quarter remained below 5%
- New deal bookings for the quarter came in at LKR 131 million (vs LKR 88 million in 2Q FY22), driven mainly by the PeoplesHR Cloud business
- Sri Lanka contributed to nearly 59.0% of new deals in 2Q, driven by the direct sales channel. The proportion of direct sales increased during the quarter due to several medium to large ticket deals generated by the partner network experiencing delays in closure
- hBS also witnessed a number of new client wins from the recently relaunched PeoplesHR Turbo in India; based on the initial launch learnings, hBS implemented a number of sales and marketing automation initiatives, boosting the success of lead generation efforts and deal closures
- Marketplace operations has been streamlined with increased focus placed on product partners which are in high demand by hBS clientele and measures will be implemented in 2H FY23 to accelerate sales and deal closures
- Higher operational profits and significant improvement in interest income drove net earnings

PeoplesHR RECOGNISED REGIONALLY DURING 1H FY23

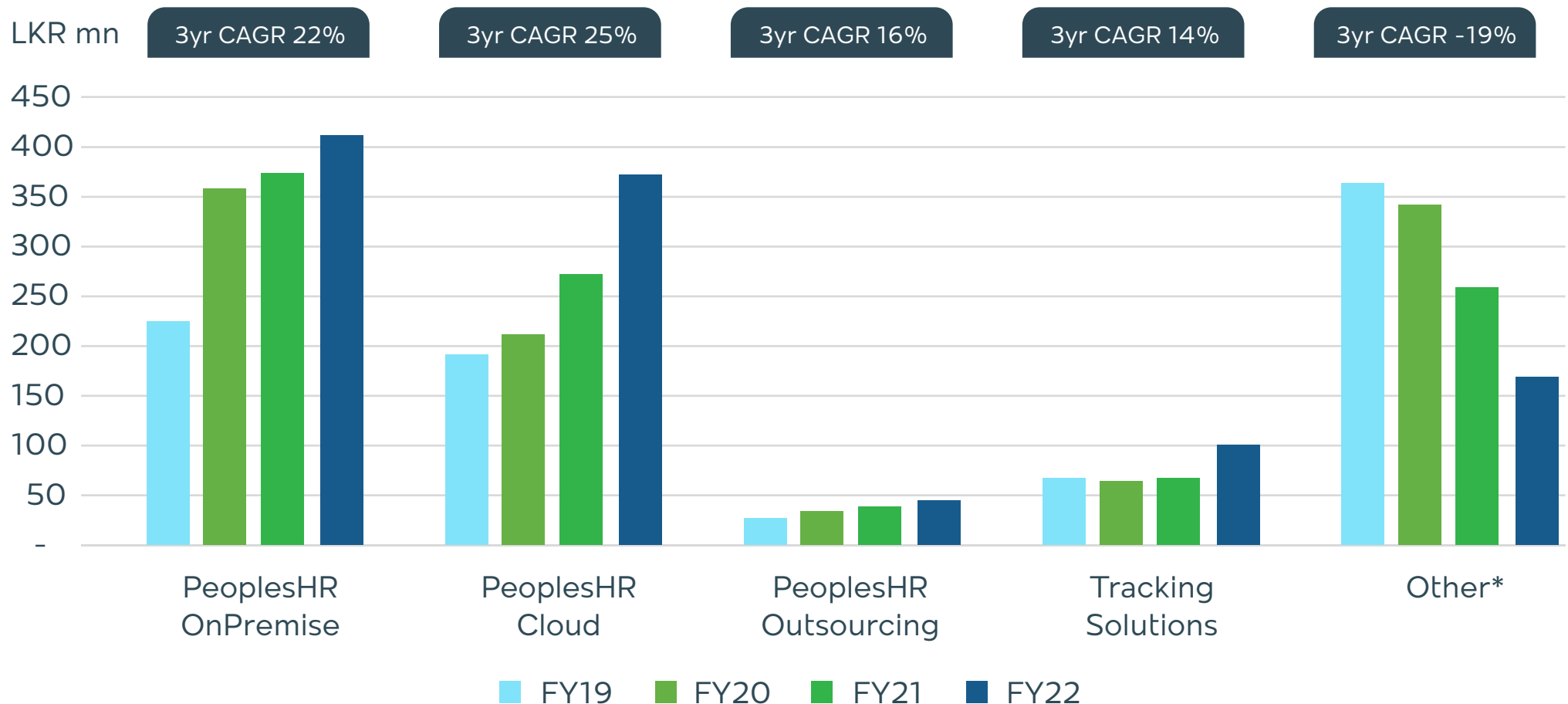
PeoplesHR received recognition from leading software review portals in the APAC region bolstering its efforts to drive overseas revenue





Segment Performance

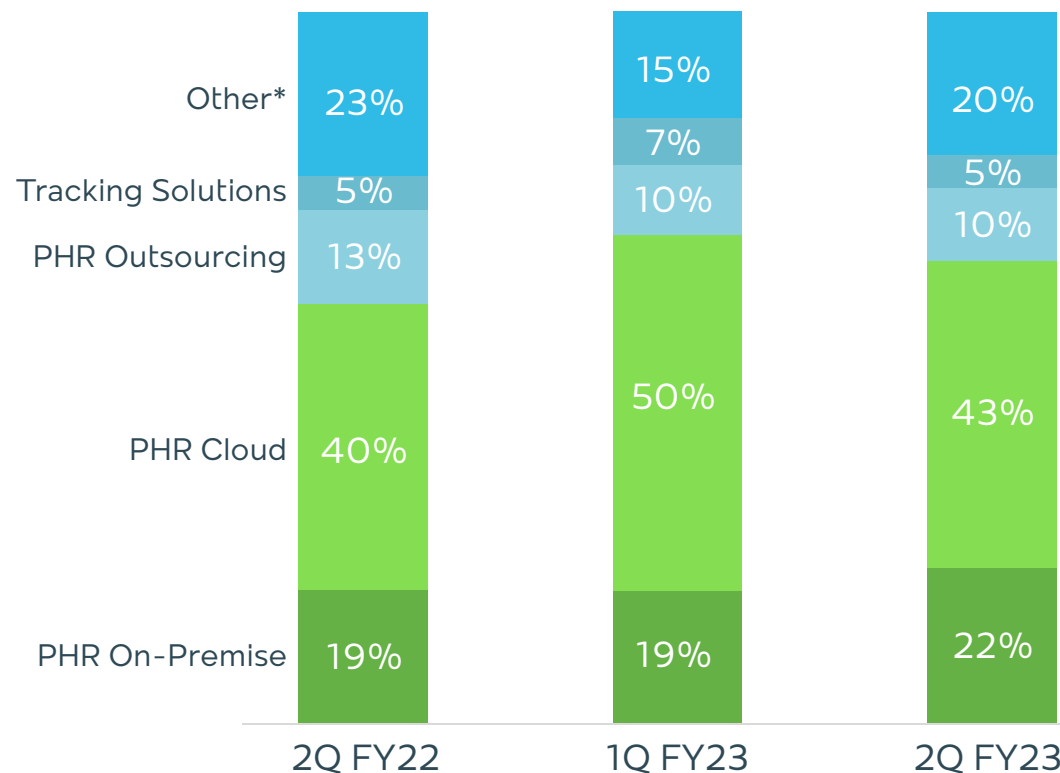
KEY SEGMENTS RECORD STEADY GROWTH THROUGH FY19-22



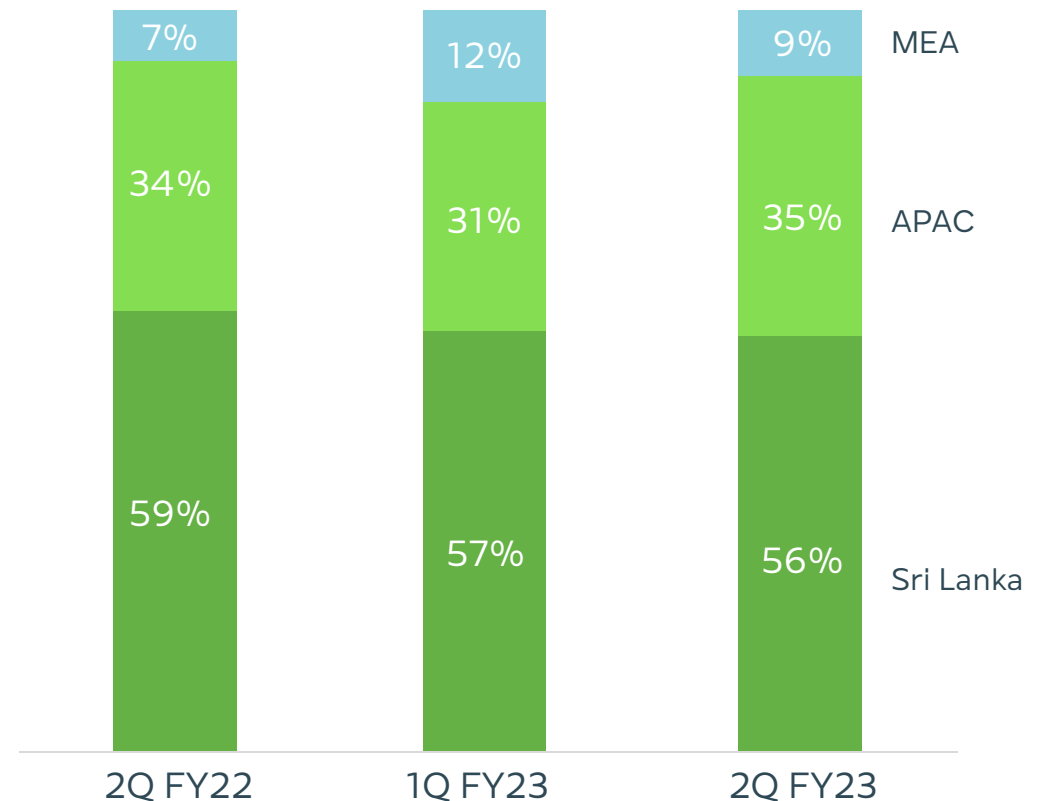
* Includes declining non-core revenues such as Mobile Software and Staffing Solutions, and nascent yet growing new revenue segments such as PeoplesHR Turbo and Marketplace

2Q23 REVENUE BREAKDOWN

REVENUE BREAKDOWN BY SEGMENT



REVENUE BREAKDOWN BY GEOGRAPHY

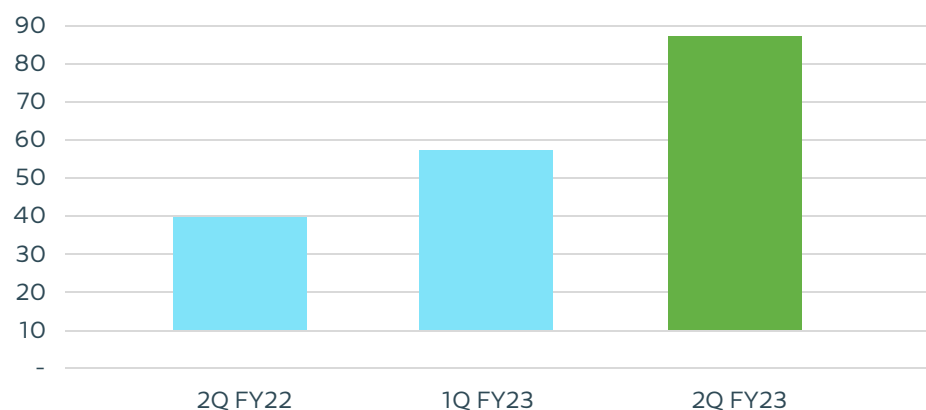


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CORE SEGMENTS DELIVER STRONG 2Q23 RESULTS

PEOPLES HR ON-PREMISE

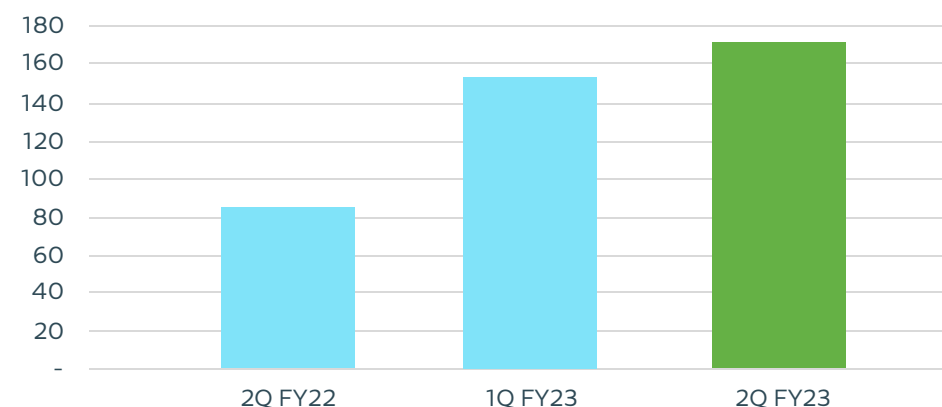
Revenue (LKR mn)



- PeoplesHR OnPremise recorded a 121% year-over-year improvement in topline during the quarter (+59% YoY growth in USD terms on constant currency basis), supported by new deals from Sri Lanka
- The business also booked a number of new deals from Bangladesh and the APAC region
- During 2Q, deals came through mainly via direct sales efforts. Proportion of direct sales increased due to a number of large deals within the partner network being delayed to 3Q FY23

PEOPLES HR CLOUD

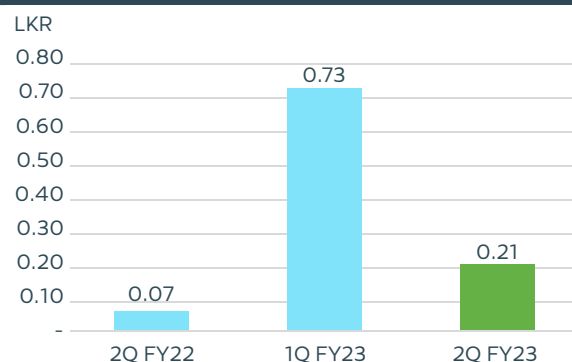
Revenue (LKR mn)



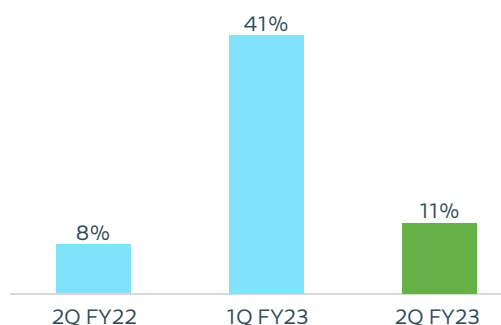
- PeoplesHR Cloud recorded a 103% year-over-year topline growth during the quarter (+30% YoY growth in USD terms on constant currency basis), driven by both new deal bookings and new subscription invoicing from new deals acquired in the previous year
- Segment recurring revenues remained strong at 72%, above company average
- The segment accounted for 59% of new deal bookings during the quarter, with. Similar to PeoplesHR Cloud, deals
- Regionally, new deals were mainly from Sri Lanka and APAC, driven by the direct sales channel.

LIQUIDITY AND RETURN TO SHAREHOLDERS

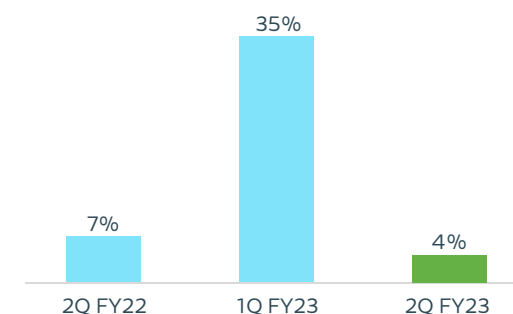
EARNINGS PER SHARE



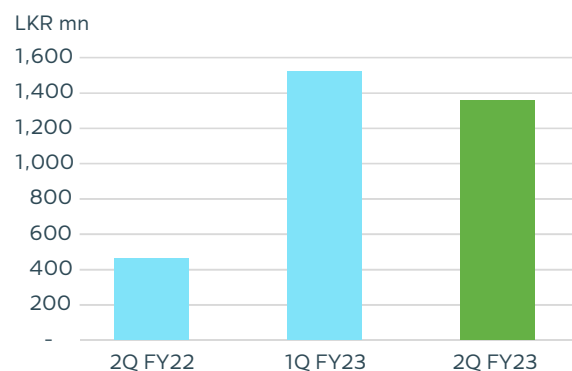
RETURN ON EQUITY



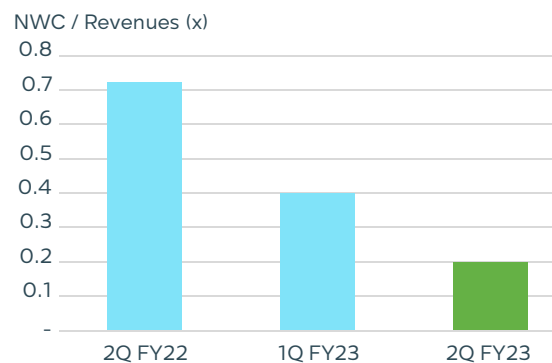
RETURN ON CAPITAL EMPLOYED



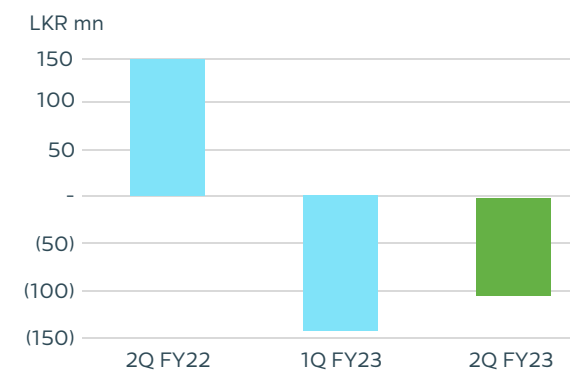
NET CASH *



NWC TO REVENUES **



FREE CASH FLOW ***



* 1Q FY23 onwards includes IPO proceeds | ** Net working capital divided by trailing 12-month revenues | *** Includes higher capex on product development, and impact from working capital

OUTLOOK

Strategic priorities for 2H FY23E

- Sales acceleration efforts in APAC and MEA markets
- Commencement of phase two of Ugandan Government project
- Expansion of PeoplesHR Turbo in India, catering to booming SME segment
- Product development initiatives focused on PeoplesHR Market place, AI driven products and recruitment of talent
- Pursuing potential strategic partnerships and acquisitions in focus countries within APAC and MEA regions

Medium-term outlook

- Revenue expectations for FY23 to be in-line with estimates provided at the time of the IPO
- Maintaining healthy growth trajectory in PeoplesHR Cloud
- Geographical mix to continue to shift towards APAC and Africa, supported by strategic partnerships and acquisitions

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