

hSenid Business Solutions PLC Inaugural Half-yearly Investor Forum 1H FY2023



Forward Looking Statements

This presentation may contain forward-looking statements for which there are risks, uncertainties, and assumptions. Forward-looking statements may include any statements regarding strategies or plans for future operations; any statements concerning new features, enhancements or upgrades to our existing applications or plans for future applications; any projections of revenues, gross margins, earnings, or other financial items; and any statements of expectation or belief. Forward-looking statements are based only on currently available information and our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements, and therefore you should not rely on any forward-looking statements that we may make.

Further information on risks that could affect hSenidBiz's results is included in our filings with the Colombo Stock Exchange which are also available on the hSenidBiz investor relations webpage: https://investor-relations.hsenidbiz.com

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Customers who purchase hSenidBiz services should make their purchase decisions based upon services, features, and functions that are currently available.

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Chairman's Comments

Dinesh Saparamadu Executive Chairman and Founder



Business Overview

Sampath Jayasundara Chief Executive Officer



hSenidBiz At a Glance

\$10 Bn+ TAM

Market Opportunity in APAC and MEA

\$2 Mn Exit ARR

As at 1H FY2023

~\$0.5 Mn Subscription Revenue Backlog

Expected to be converted to revenue upon implementation

~\$4 Mn in Cash

Earmarked for product/market growth with prudent capital allocation



Seamless Connection to Third-Party Systems OpenAPIs to connect to third-party ERP, Accounting and other software solutions

Geared to Handle Large and Complex Organisations Leading Banks, Insurance Companies and local blue-chips and MNCs in Manufacturing, Hospitality and Retail



1 Mn+ Global Users Churn maintained at a healthy rate of < 5%

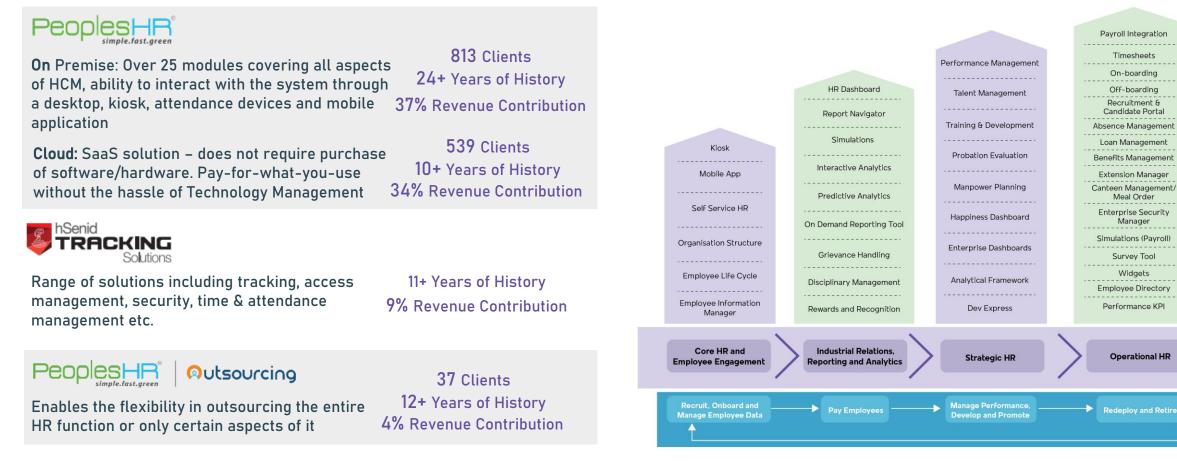
320 Employees Across 5 Global Offices Over 15 Non-Sri Lankan employees hired over last year



Employee Journey aided by a Range of HRIS Solutions

Full suite HCM SOFTWARE with HIRE to RETIRE capabilities and other HR related product/software offerings

Core Products





Strong Focus on R&D and New Product Innovation

PeoplesHR	A Do-it-Yourself HR Software targeting the SME customer segment at an affordable price point. Customer acquisition, implementation and support carried out via digital channels.					
Peoples HR simple.fast.green Marketplace	One-stop-shop with a careful selection of useful software solutions targeting HR professionals and end users. Solutions are primarily focused on recruitment, learning & development and compensation & benefits categories. Third party software on the Marketplace come up pre-configured integrations to PeoplesHR, wherever relevant.					
Peoples HR [®] Social	An Enterprise Social Network that facilitates employees to connect, collaborate & engage with their peers through an employee engagement platform.					
Other R&D Initiatives	The Product Development division has a team focused on developing next-gen HR requirements focused on Artificial Intelligence, Data Analytics, Robotics etc. JURAA and Marketplace were products in the exploratory phase that have since migrated upon proving their viability in the market.					



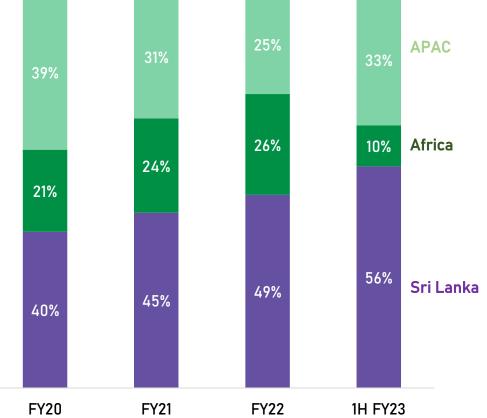
Quest to be the Dominant HR Tech Player in APAC and MEA markets

5 We are present in markets with robust growth prospects and customer

We are present in markets with robust growth prospects and customer segments where our value proposition stands out vis-à-vis competition

c.USD 10 Bn TAM for HCM Software in APAC and MEA

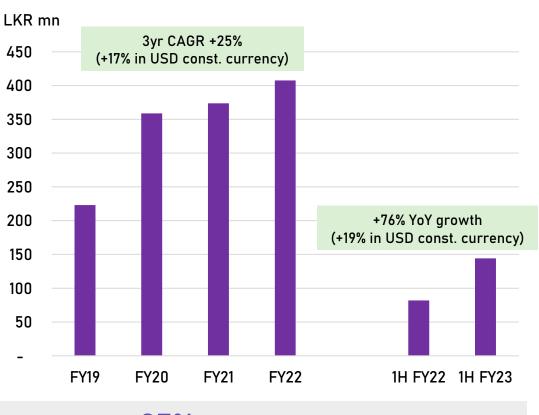
Africa & APAC account for 51% of revenues





Business Segments PHR On-Premise

- Serving large organizations with in-house infrastructure and entities with strict data residency requirements
- Government of Uganda was a marquee project-win for PHR On-Premise business segment
 - Commenced in FY20
 - Phase I completed in FY22
 - Phase II commenced in 2H FY23
 - Potential for many more projects in the region
- Despite significant focus on cloud, On-Premise implementations are expected to continue
- Primary demand drivers from Africa and South Asia
- Growth achieved despite significant cloud migration among Sri Lanka based On-Premise clients



37% of revenues in FY22

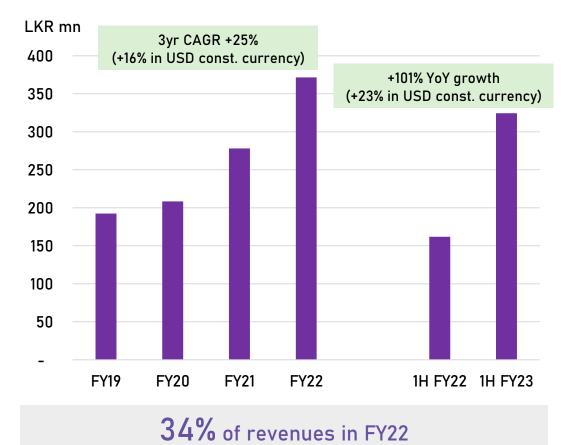
PHR On-Premise revenues



Business Segments PHR Cloud

- Cloud hosted SaaS offering (compatible with Azure, AWS, Google Cloud and currently exploring Huawei cloud infrastructure)
- Strong demand from SMEs
- Segment recurring revenues are strong at ~70%, above company average
- hBS anticipates higher revenue contribution from PHR Cloud, considering the increased demand for cloud HRIS solutions
- Demand drivers from Sri Lanka cloud upgrades and Southeast Asian business

PHR Cloud revenues

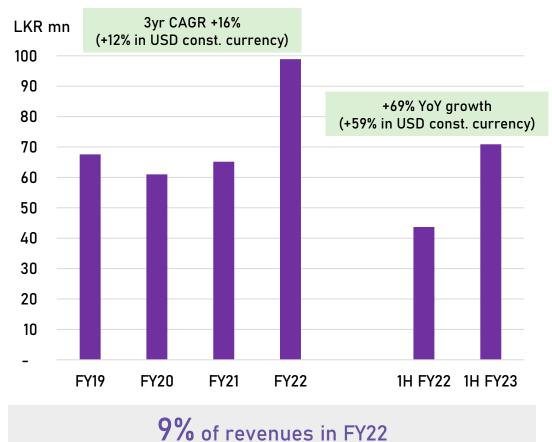


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Business SegmentshSenid Tracking Solutions

- Hardware solutions to track, secure and manage human and other physical assets of companies
- Recent growth fueled by increased demand for temperature detection machines and self-service kiosks
- Increasing market share due to USD liquidity challenges faced by small time operators when importing devices
- Currently evaluating potential for providing similar services to PHR clients in other markets



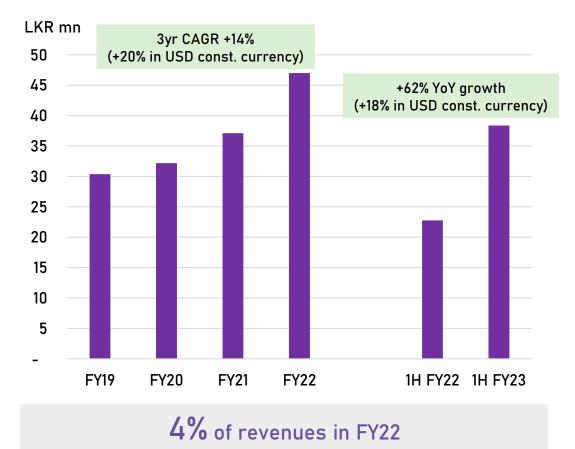
hSenid Tracking Solutions revenues



Business SegmentsPHR Outsourcing

- Main focus on providing Payroll Outsourcing services
 - Payroll processing
 - Reporting requirements at completion of the monthly payroll
 - Disbursement of payments
- Highest standards of confidentiality maintained with physical separation of HRO operation
- PHR Payroll module used as SaaS solution
- Healthy mix of local (MNCs) and overseas clientele

PHR Outsourcing revenues

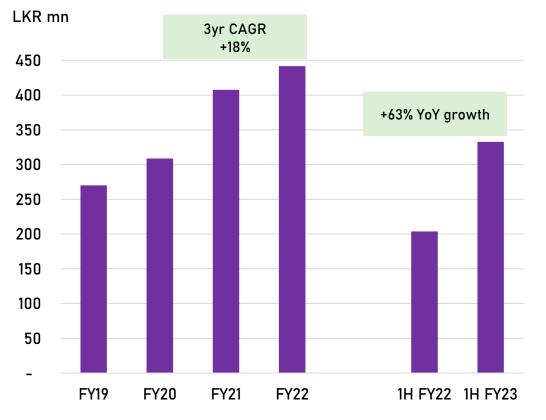




ARRs Grown at a CAGR of 18% in the Past 3 years

Core-recurring[†] revenues reached 48% at 1H FY23 36% 38% 41% 45% 48% 64% 62% 59% 55% 52% FY19 FY20 FY21 FY22 1H FY23 Non-recurring Core - Recurring

Annual recurring revenues



LKR 730 Mn in Exit ARR^{‡‡} as at 1H FY2023 with Net Revenue Retention Ratio of 100%

⁺ Includes subscription, support and HRO (excludes staffing revenue); ⁺⁺ Sep 2022 MRR x 12



Channel Partnerships to Boost APAC and MEA Growth



Over 50 Partners Already Onboarded in Focused Regions

Geography	No. of Partners			
APAC Region				
Southeast Asia	18			
South Asia	19			
ANZ	03			
MEA Region				
Middle East	01			
Africa	12			

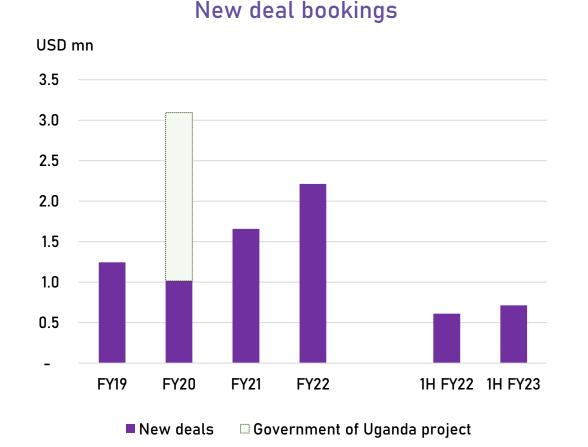
Concrete steps taken to boost partner channel sales:

- I. A multi-tiered partner program rolled out at the beginning of FY23
- 2. Strong relationship with Acumatica and Microsoft expected to accelerate partner discovery
- 3. Targeting Systems Integrator companies and large Telcos in respective markets
- 4. New partners already demonstrating results in generating new business



New Deal Bookings

- Channel Partners accounting for increasing share of new deal bookings (50–55% for FY22; 59% for YTD FY23)
- Increasing share of PHR Cloud in new deal bookings 65% for FY22; 58% for YTD FY23)
- Regionally, Sri Lanka and APAC account for 60–70% of new deals, driven by PHR Cloud
- Majority of PHR On-Premise deals are driven by the African region

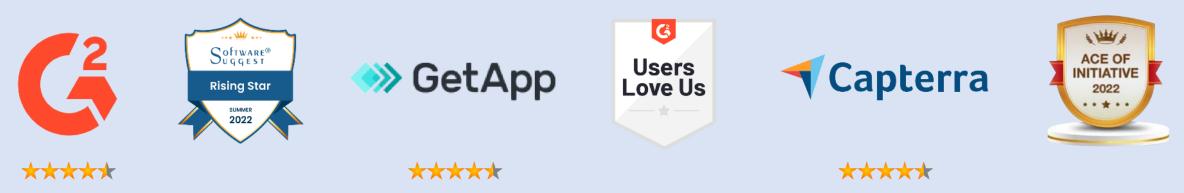




1H FY23 Key Achievements

- Referral Partnership with Robi Axiata (leading TelCo in Bangladesh)
- Partnership with Sri Lanka Telecom PLC to sell PHR Turbo to mid-market customer segment
- Incorporation of hSenid Business Solutions Bangladesh as Offshore Development Centre
- Awarded Gold under ICT / BPO Related Services (medium) for the third consecutive year by National Chamber of Exporters Sri Lanka
- Establishing an Information Security Management System in accordance with ISO 27001
 - Also in the process of obtaining ISO 27017, setting guidelines for information security controls applicable to the provision and use of cloud services
- PeoplesHR received regional recognition G2 and Software Suggest awards

PeoplesHR received recognition from leading software review portals in the APAC region in 1H FY23





Key Risks and Mitigation Plans

- Talent retention and recruitment challenges
 - Establishment of an Employee Share Ownership Plan (approved via EGM on Dec 6, 2022)
 - Broadening internship programs
 - Establishment of an Offshore Development Centre and building talent pools regionally in Sri Lanka
 - Working with industry bodies to improve supply of young talent into IT sector
- Potential for slowdown in new deal bookings
 - Focus is on geographies which are least likely to be affected by a global recession
 - Entering turbulent global macro environment with healthy order book
 - White labelling with legacy HRIS players in select markets to migrate their client base to PHR
- Technological obsolescence
 - Continuous investments into R&D
 - Using PHR Marketplace as a tool to offer latest HR Tech solutions to our clients



Financial Update

Raveen Lasath Head of Finance



Revenue Drill Down

All in LKR millions	FY19	FY20	FY21	FY22	3Yr CAGR (in LKR / USD cc)	1H FY23	YoY growth (in LKR / USD cc)
PHR On-premise	211	358	368	407		144	
Implementation	78	70	151	136		49	+76% / +19%
Licensing	41	186	110	162	+25% / +17%	44	
Support ⁺	91	103	107	109		51	
PHR Cloud	192	208	278	372		324	
Implementation	58	41	86	111	.25% / .1/%	87	+101% / +23%
Subscription ⁺	135	168	192	261	+25% / +16%	237	
Tracking Solutions	68	61	65	99		71	
Devices Sales	64	52	55	86	+16% / +12%	65	+69% / +59%
Support ⁺	4	9	10	13	+10/0 / +12/0	6	
PHR Outsourcing	30	32	37	47	+14% / +20%	38	+62% / +18%
Core Revenue	501	660	748	925	+23% / +17%	578	+86% / +25%
Others**	325	295	213	166	-20% / -26%	126	+26% / -25%
Total Revenue	826	955	961	1,091	+10% / +4%	704	+72% / +13%

* Recurring revenues; ** Includes non-core revenues of mobile solutions and staffing solutions



Cost of Sales Drill Down

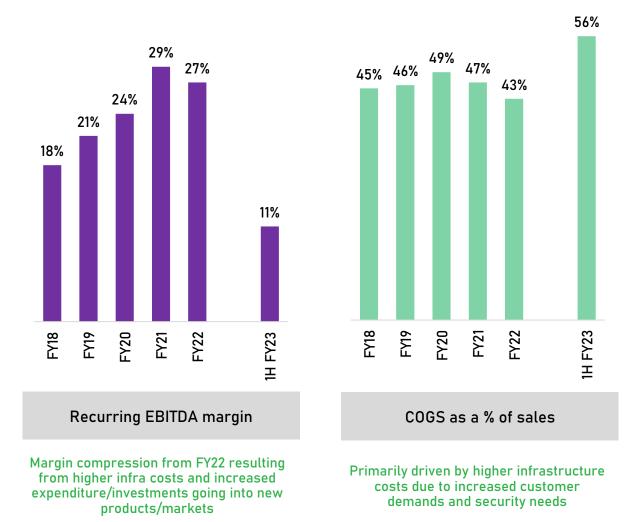
All in LKR millions	FY19	FY20	FY21	FY22	3Yr CAGR	1H FY23	YoY growth
On-site and third-party implementation costs ⁺	42	58	58	59	+12%	51	+167%
Infrastructure costs**	16	25	34	53	+48%	78	+290%
Cost of devices sold	30	25	28	54	+22%	32	+73%
Mobile solutions related costs	135	121	103	72	-19%	74	+36%
Staff related costs	158	236	225	236	+14%	157	+29%
Total Cost of Sales	380	464	448	473	+8%	392	+68%

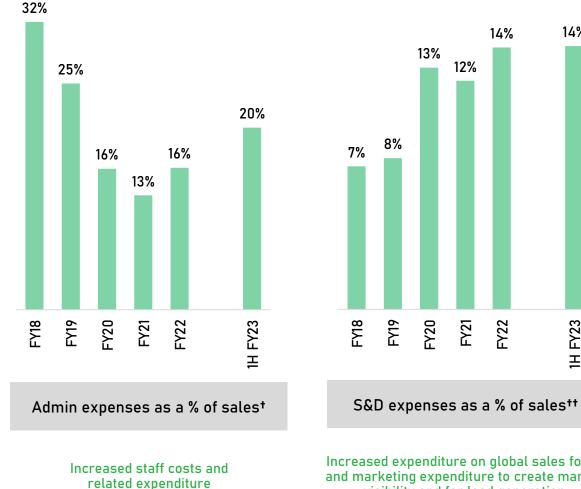


12%

14%

Analysis of Recurring EBITDA





Increased expenditure on global sales force and marketing expenditure to create market visibility and for lead generation

FY21

FY22

1H FY23

14%

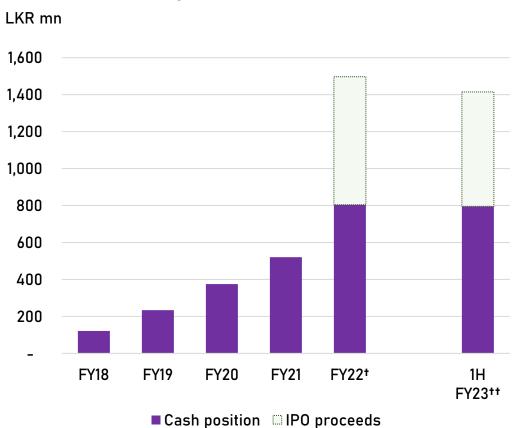


Summarized Income Statements

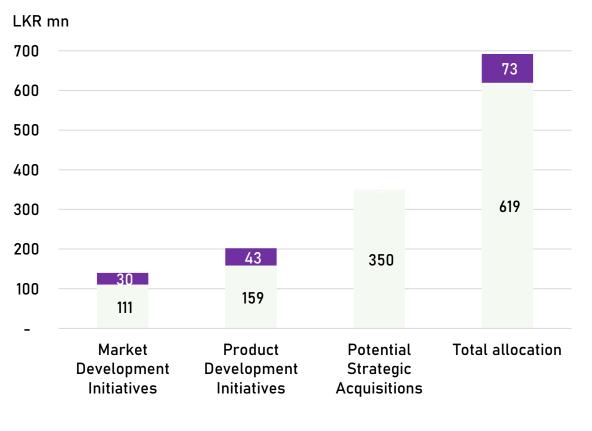
In LKR millions	FY19	FY20	FY21	FY22	1H FY23
Revenue	826	955	961	1,091	704
Gross profit	446	491	513	617	312
Gross profit margin	54%	51%	53%	57%	44%
Recurrent EBITDA	175	227	280	298	75
EBITDA margin	21%	24%	29%	27%	11%
FX gain	18	11	27	287	193
Net interest income	(1)	4	2	27	68
Profit before tax	140	182	223	466	272
PBT margin	17%	19%	23%	43%	39%
Net profit	137	168	209	454	260
Net profit margin	17%	18%	22%	42%	37%
EPS (LKR)	0.64	0.78	0.96	1.94	0.94



Cash Position and IPO Fund Utilization



Cash position at LKR 1.4 Bn

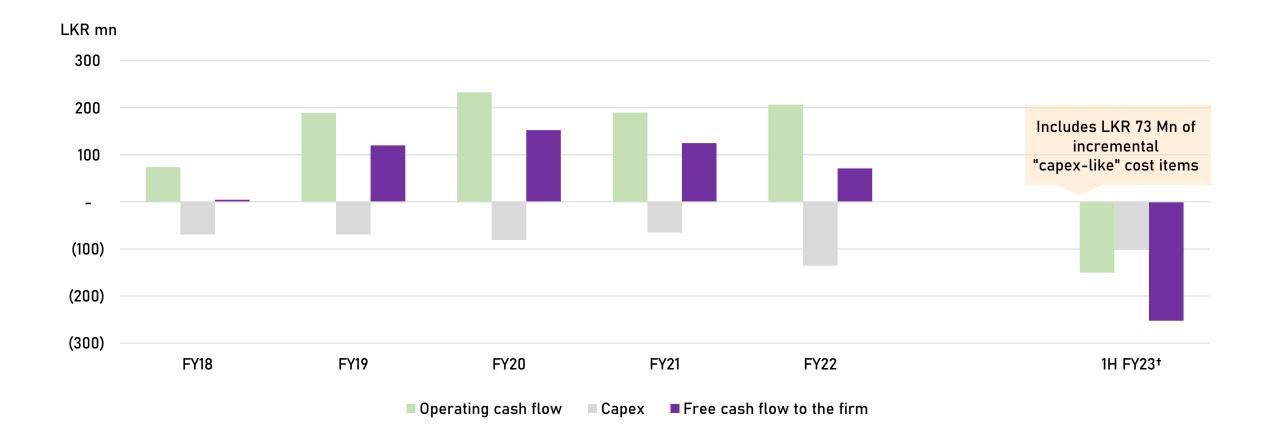


IPO fund utilization at 11%

Unutilised Utilised



Free Cash Flow Generation





Strategy and Focus

Nilendra Weerasinghe Chief Strategy Officer



New Business Segments PeoplesHR Turbo

- Reconstituted PHR Turbo team during Q2 to function as startup within hSenidBiz
 - Dedicated marketing, sales, implementation and support team members
 - Healthy traction with c.20 clients onboarded with average deal size of c.USD 500
- Currently launched in India (Inside Sales) and Sri Lanka (SLT partnership)
- Healthy CAC metrics for India with resultant ROAS of 1.1x
- Significant improvements to customer onboarding journey and other improved DIY features to be launch in Jan 2023



New Business Segments PeoplesHR Marketplace

- Currently onboarded c.30 product partners primarily under recruitment, learning & development and compensation & benefits categories
- Planning to introduce new integrations with
 - Leading Application Tracking Systems under Recruitment category
 - More B2C offerings
- Sales acceleration program to be launched in 2H with special focus on 5-6 high potential product partnerships
- Marketplace 2.0 Website with UI/UX enhancements to be launched in Jan 2023



Update on M&A Plans

- Currently screening opportunities in Tier I and II focus markets
- Approach to M&A and objectives being established with respect to focus markets
- Valuations for HR Tech companies expected to reduce due to interest rate environment
- Targets likely to be legacy companies or early-stage ventures with niche HR value chain focus



Q&A Session

You can use the Q&A functionality in zoom to send in your questions; OR ALTERNATIVELY Click on the "Raise your hand" button to be given an opportunity to unmute your microphone and pose your questions.

Investor Relations Contacts

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