



hSenid Business Solutions PLC **Half-yearly Investor Forum** **1H FY2024**

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>

hSenidBiz assumes no obligation for, and does not intend to update, any forward-looking statements. Any unreleased services, features, functionality or enhancements referenced in any hSenidBiz document, roadmap, blog, our website, press release or public statement that are not currently available are subject to change at hSenidBiz's discretion and may not be delivered as planned or at all.

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

HBS at a Glance

\$10 Bn+ TAM

Market Opportunity APAC and MEA

\$2.7 Mn Exit ARR*

*Annualised Core Recurring Revenue as at end 1H FY2024

~\$0.4 Mn Subscription Revenue Backlog

Expected to realise upon implementation

~\$3.7 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



1,600 Global Customers
Operating across 40+ countries and 20+ industries



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



377 Employees Across 5 Global Offices
Over 21 Non-Sri Lankan employees in the workforce

Offering a comprehensive range of HRIS solutions

 **PeoplesHR**

 **PeoplesHR**
Outsourcing

 **PeoplesHR**
Marketplace

 **PeoplesHR**
Social

 **PeoplesHR**
Academy

 hSenid
TRACKING
Solutions

Key Business Updates

Product and Talent

■ Product development

- Obtained ISO 27017 certification on Cloud Security Control, for the first time in Sri Lanka
- Launch of advanced features on recruitment module and meal management module, including the POS and mobile app
- Working towards the release of PeoplesHR Social platform (previously named as Juraa), an enterprise social network for enhanced employee engagement
- Introduction of implementation automation toolsets to improve delivery team efficiency and reduce error rate
- Completed localization of the PeoplesHR product across a number of key markets in the APAC region
- Rollout of PeoplesHR academy certification on payroll and recruitment
- Conducted PeoplesHR Hackathon to select innovative new product/feature ideas from hSenidBiz employees

■ Key talent hires

- Luxsho Logan joined in 1QFY24 as VP of Global Sales
- Total head count now at 377; no significant head count increase apart from sales and marketing teams

Key Business Updates

Sales and Marketing

- Undergoing transformation as a "Sales-led" organization
 - Strong focus on inculcating both the "science" and "art" of selling
 - Strengthening of local sales teams in APAC and MEA markets
 - Increasing average deal size is a key priority
- Market development activities
 - PeoplesHR underwent a rebranding exercise to reflect its renewed focus and growth aspirations
 - Participation in multiple HR Tech events across key markets
 - Brand awareness building in key focus markets

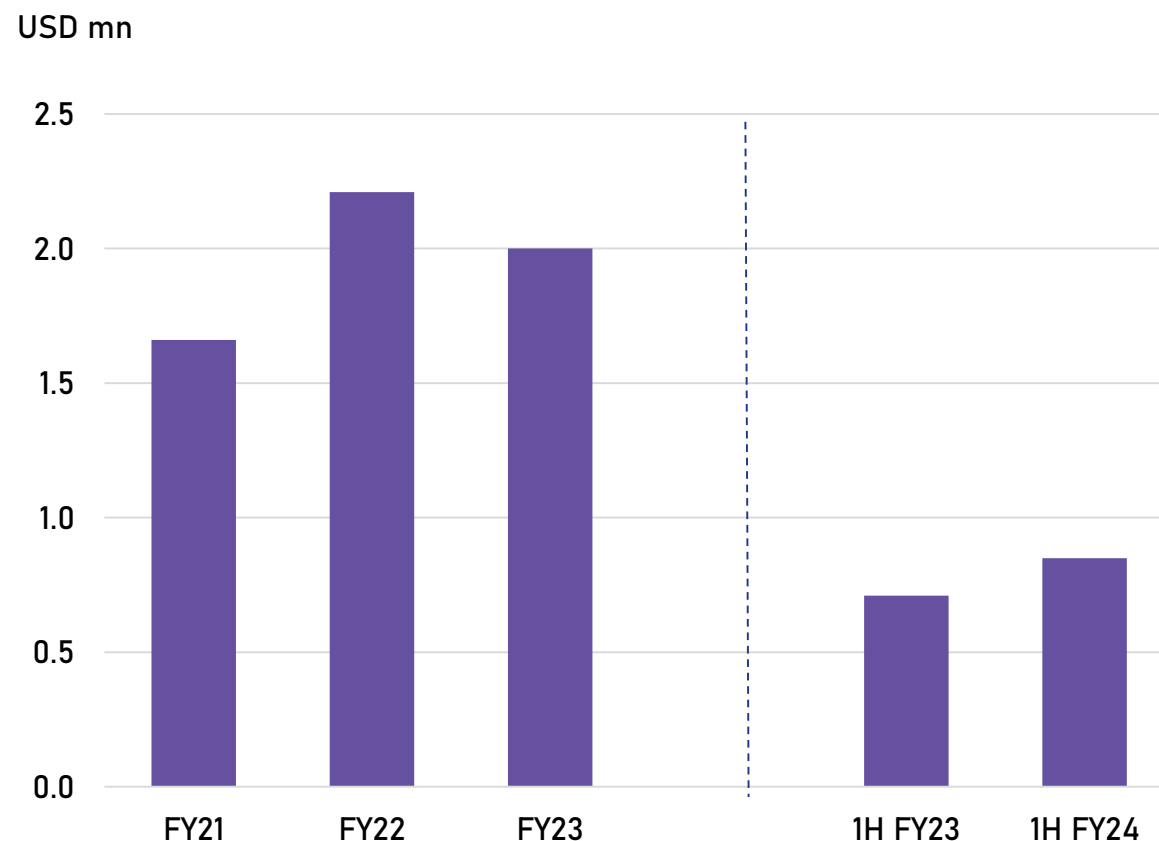
PeoplesHR received recognition from leading software review portals in the APAC region in 1H FY24



New Deal Bookings

- USD 0.8 Mn in New deal closures - up 18% in 1H FY24 compared to 1H FY23
 - The revamped sales process backed by strong lead generation campaigns resulted in new deal closures for 2Q FY24 growing by 141% from 1Q FY24
- Regionally, APAC accounted for ~47% of new deals in 1H FY24, followed by Sri Lanka accounting for ~32%
- PHR Cloud accounted for ~88% of new deals during 1H FY24

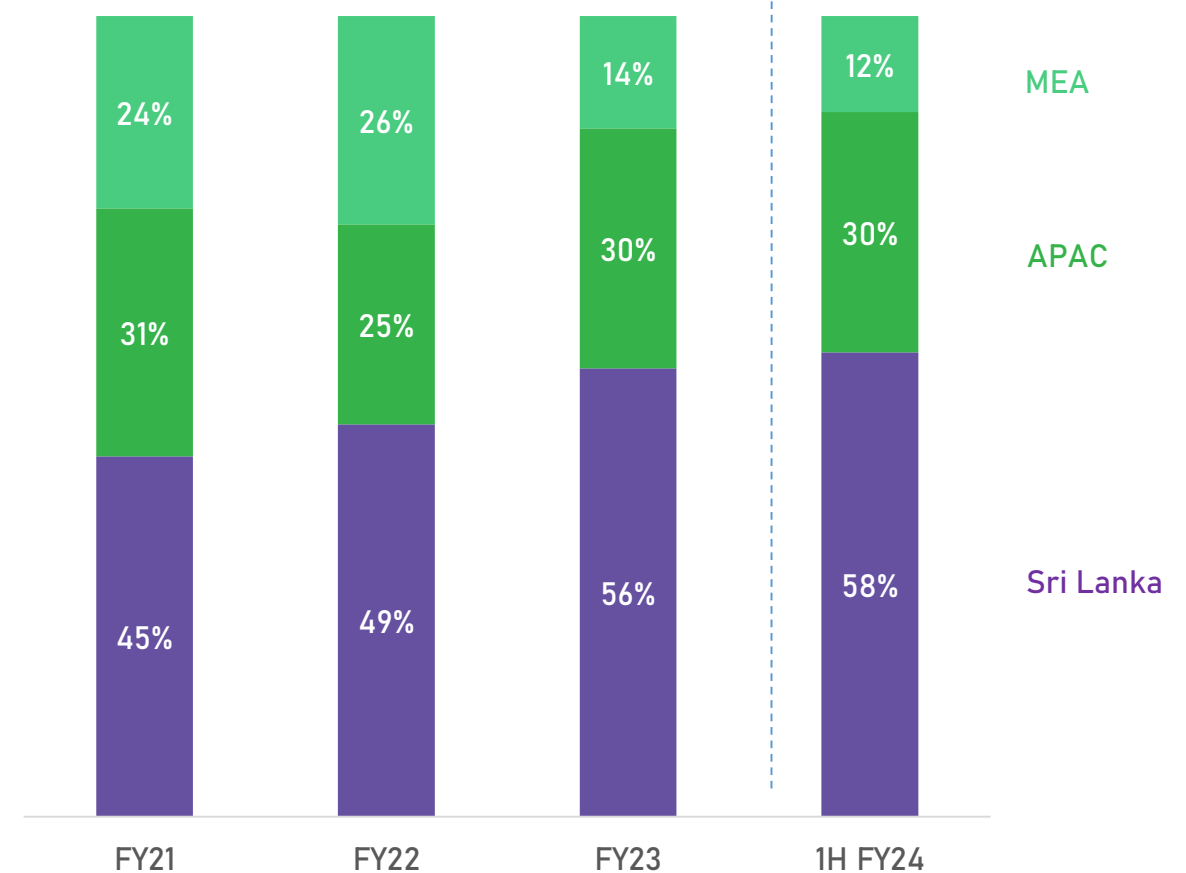
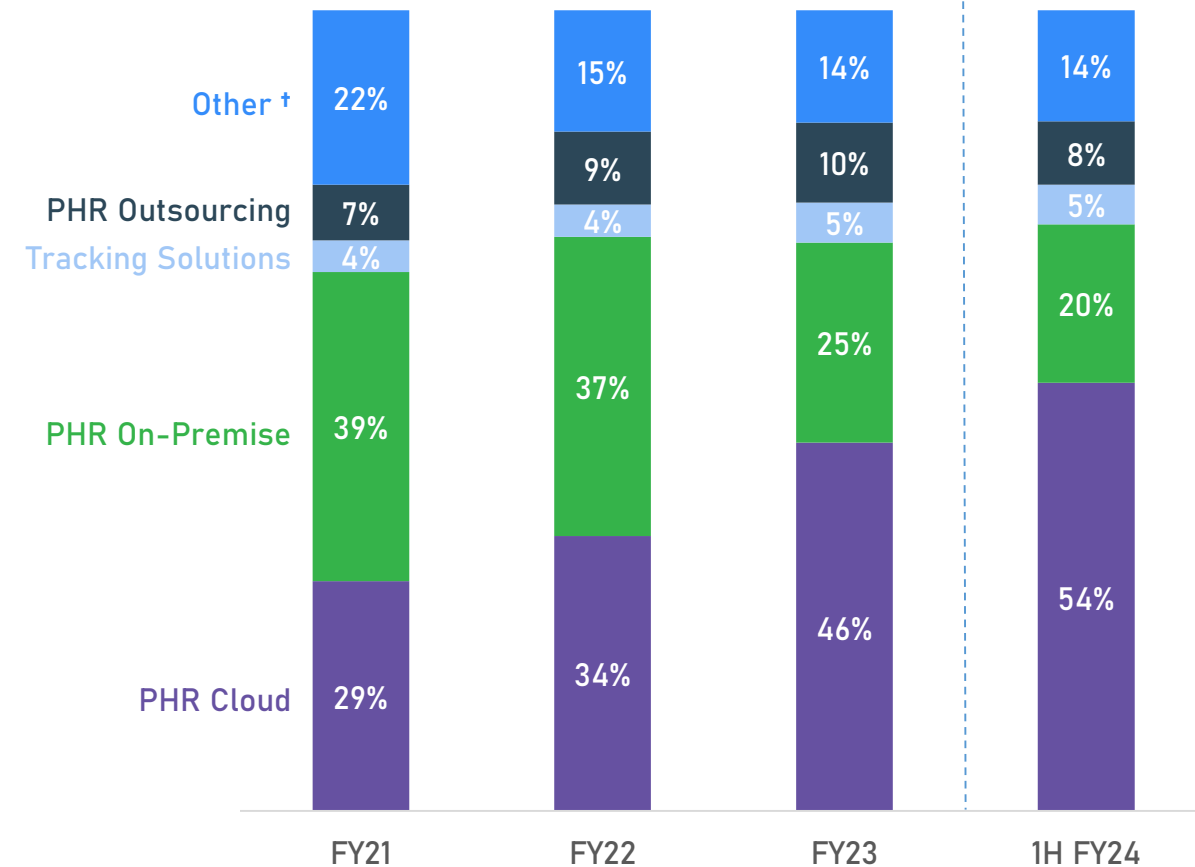
New Deal Bookings



Quest to be the Most Preferred HR Tech Player in APAC and MEA

On-Prem to Cloud shift continuing as expected

Sri Lanka continues to generate majority revenue; expect MEA to pick up in the upcoming quarters



† Includes non-core revenues of Mobile Software and Staffing Solutions, and nascent yet growing new revenue segments such as Marketplace

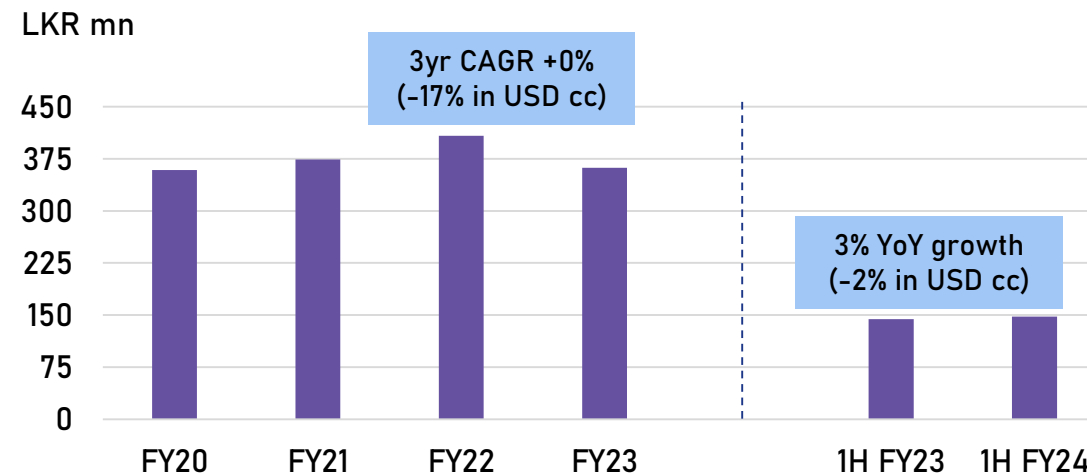
Business Segments

PHR On-Premise and Cloud

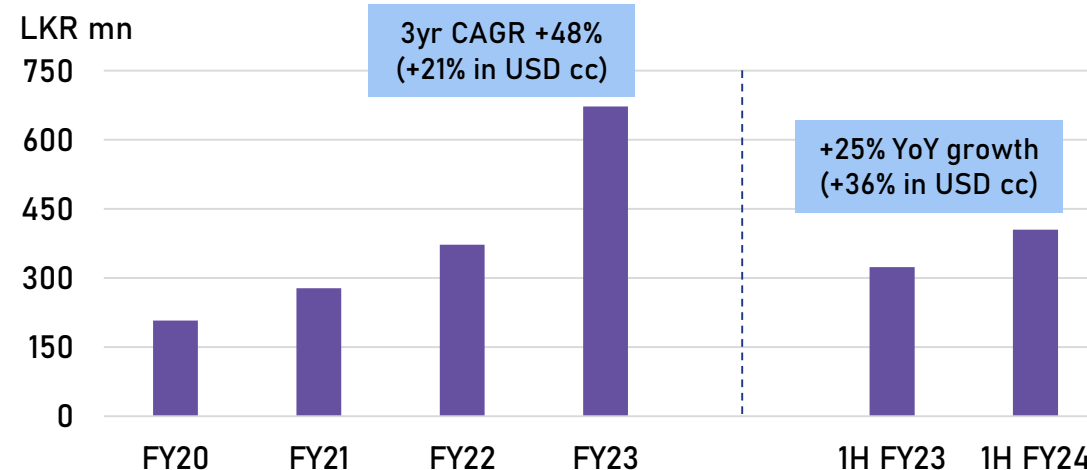
- PHR On-Premise revenues slight increment in LKR terms due to:
 - Invoicing on 3rd Milestone of Government of Uganda (GoU) project.
 - Stabilizing of On-Premise revenues with a boost (if any) coming from MEA new deal closures.

- Shift in business mix towards SaaS offering is primarily due to:
 - Higher value cloud deals being won in the Southeast Asian market.
 - Migration of existing on-prem clients to the cloud
 - Higher share of cloud deals in new business

PHR On-Premise revenues



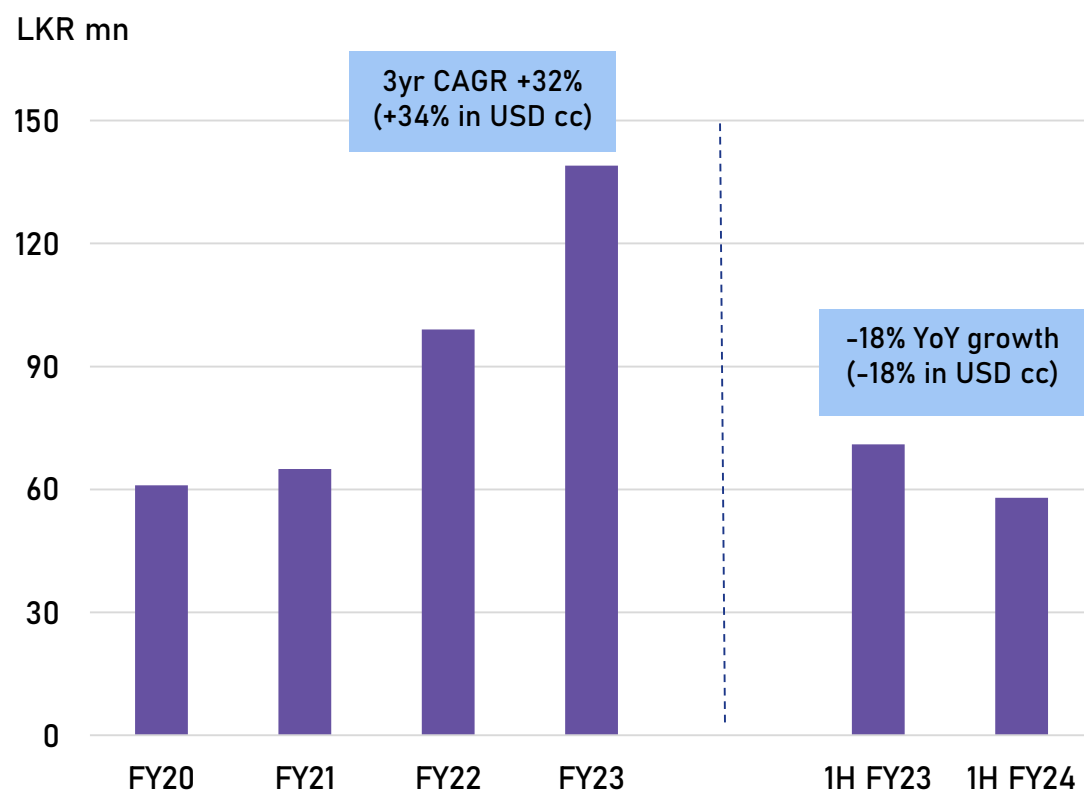
PHR Cloud revenues



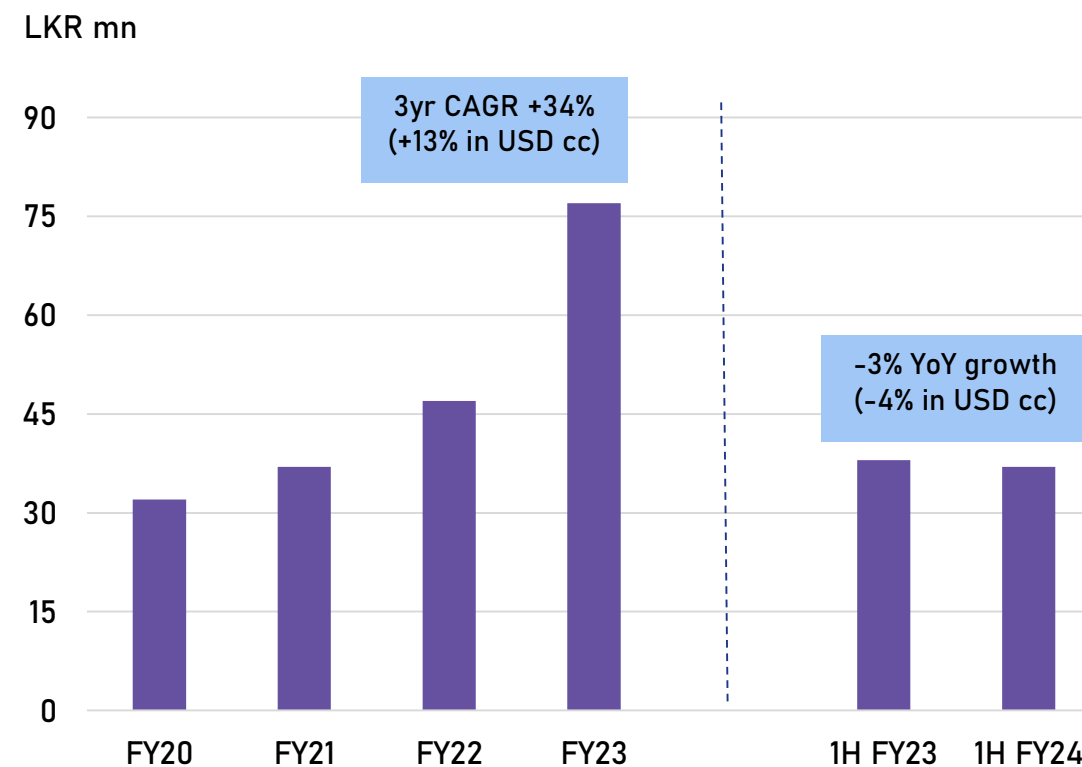
Business Segments

PHR Outsourcing and Tracking Solutions

Tracking Solutions revenues

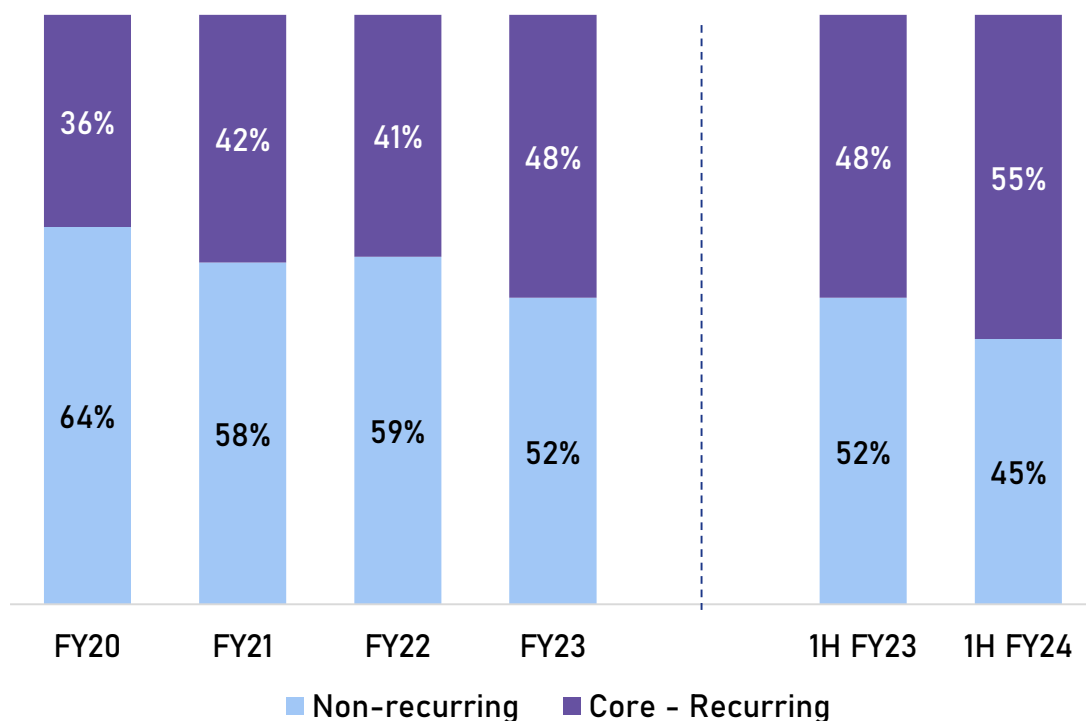


PHR Outsourcing revenues

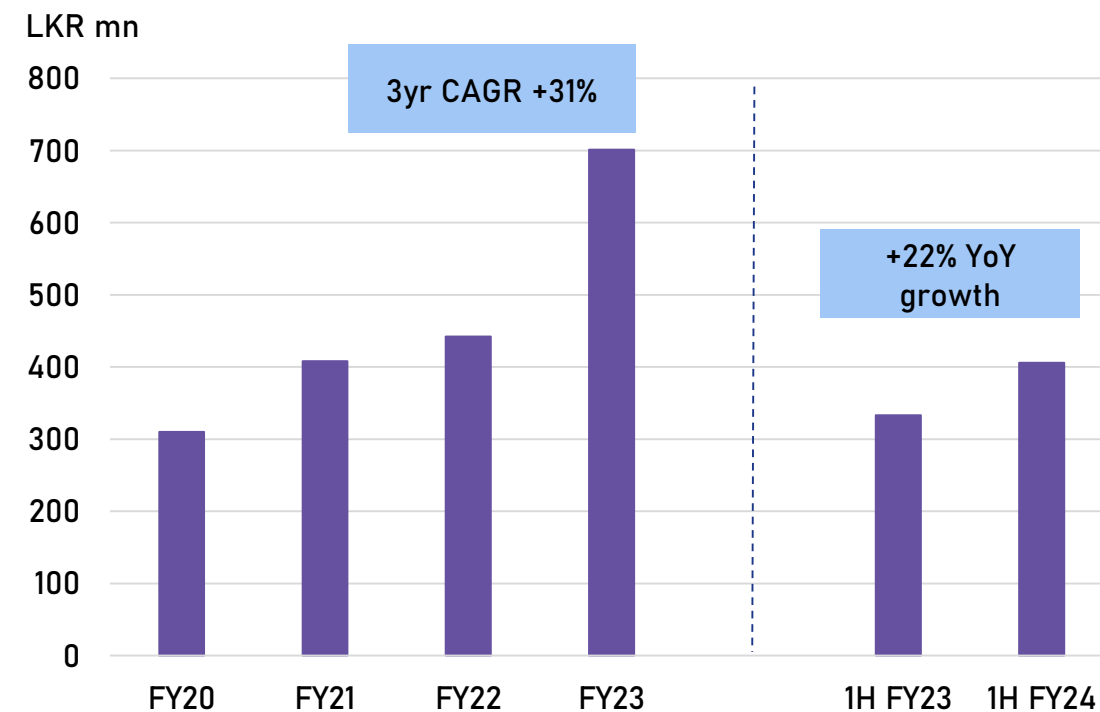


ARRs Grown at a CAGR of 31% in the Past 3 years

Core-recurring[†] revenues reached 55% in 1H FY24



Annual core recurring revenues



LKR 888 Mn in Core Exit ARR^{**} as at 1H FY2024 | Net Revenue Retention Ratio of 102% and Gross Revenue Retention ratio of 99%

[†] Includes subscription, support and HRO (excludes staffing revenue) | ^{**} September 2023 MRR x 12

Revenue Drill Down

All in LKR millions	FY20	FY21	FY22	FY23	3Yr CAGR (in LKR / USD cc)	1H FY23	1H FY24	YoY growth (in LKR / USD cc)
PHR On-premise	359	374	408	362		144	148	
Recurring revenue	103	110	109	110	+0% / -17%	51	61	+3% / -2%
Non – Recurring revenue	256	264	298	252		93	86	
PHR Cloud	208	278	372	678		326	408	
Recurring revenue	168	192	261	502	+48% / +21%	238	302	+25% / +36%
Non – Recurring revenue	41	86	111	176		88	106	
Tracking Solutions	61	65	99	139		71	58	
Recurring revenue	9	10	13	14	+32% / +34%	6	5	-18% / -18%
Non – Recurring revenue	52	55	86	125		65	53	
PHR Outsourcing	32	37	47	77	+34% / +13%	38	37	-3% / -4%
PHR Marketplace	-	0	1	3	NM	1	2	+268%/+233%
Core Revenue	660	754	926	1,259	+24% / +4%	580	653	+13 / +18%
Others*	295	207	165	205	-12% / -27%	125	105	-16% / -9%
Total Revenue	955	961	1,091	1,464	+15% / -4%	705	758	+8% / +13%

* Includes non-core revenues of Mobile Software and Staffing Solutions

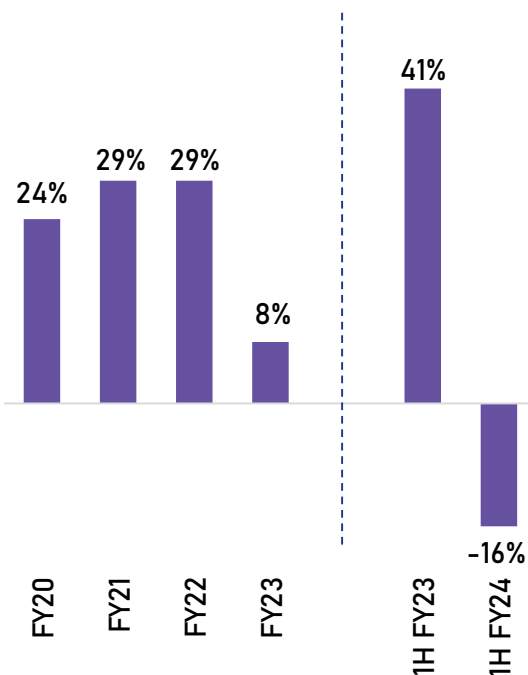
Cost of Sales Drill Down

All in LKR millions	FY20	FY21	FY22	FY23	3Yr CAGR	1H FY23	1H FY24	YoY growth
On-site and third-party implementation costs [†]	58	58	59	94	+18%	51	79	+53%
Infrastructure costs ^{††}	25	34	53	170	+90%	78	77	-1%
Cost of devices sold	25	28	54	64	+38%	32	17	-46%
Mobile solutions related costs	121	103	72	122	+1%	74	48	-36%
Staff related costs	236	225	236	369	+16%	157	259	+65%
Total Cost of Sales	464	448	473	820	+21%	393	480	+22%

[†] Includes costs related to on-site implementations by hBS staff and channel partners | ^{††} PHR Cloud

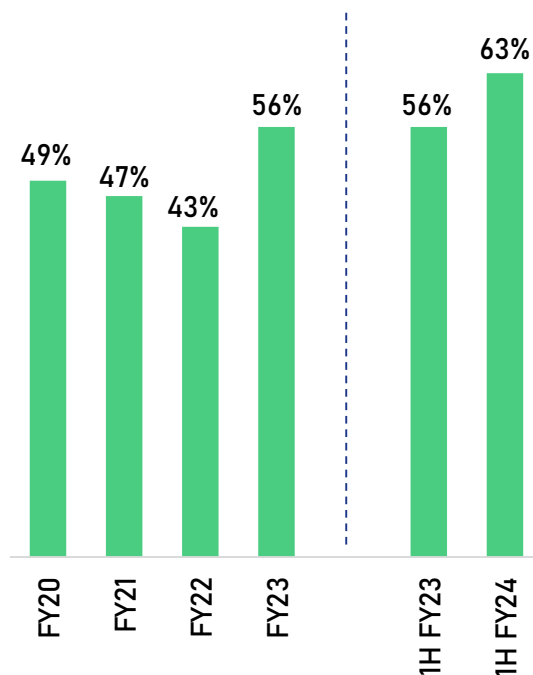
Analysis of Normalized EBITDA

Normalised EBITDA margin [†]



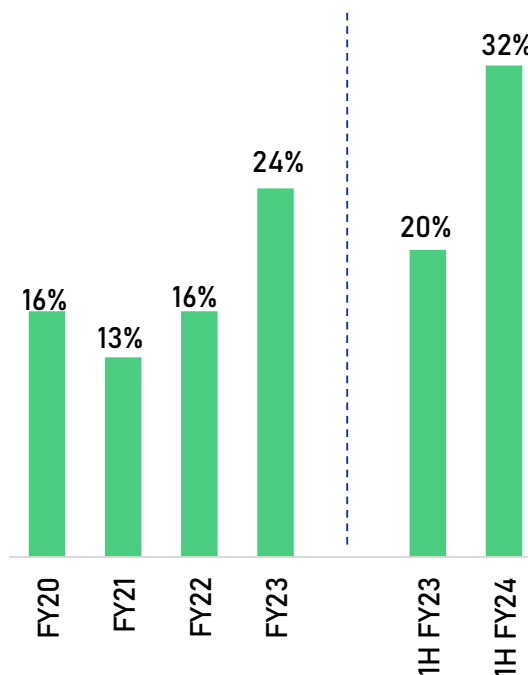
Margin compression resulting from higher infrastructure costs and increased expenditure/investments going into new products/markets

COGS as a % of Sales



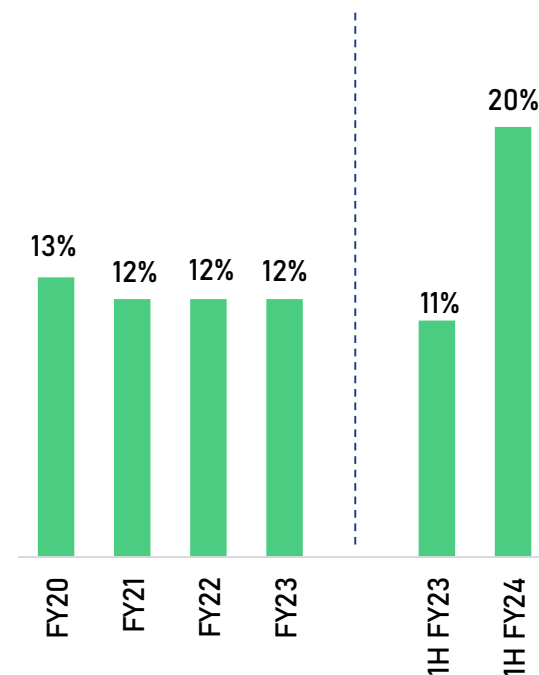
Primarily driven by higher infrastructure costs and tech team costs

Admin expenses^{††} as a % of sales



Increased staff costs and related expenditure

S&D expenses^{†††} as a % of sales



Increased expenditure on global sales force and marketing expenditure on inbound and outbound lead generation campaigns

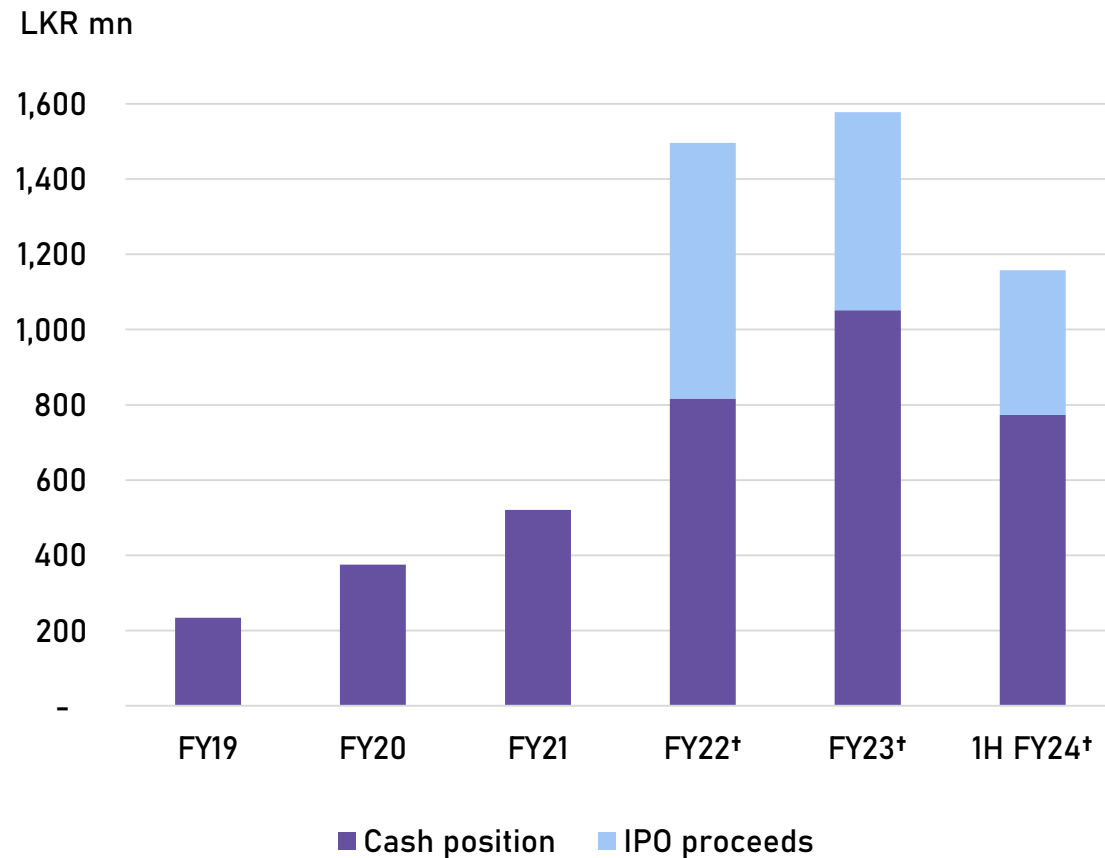
[†] Adjusted for D&A, Impairment of Trade Receivables, FX Impact | ^{††} Adjusted for Amortization of ROU Assets | ^{†††} Adjusted for Impairment of Trade Receivables

Summarized Income Statements

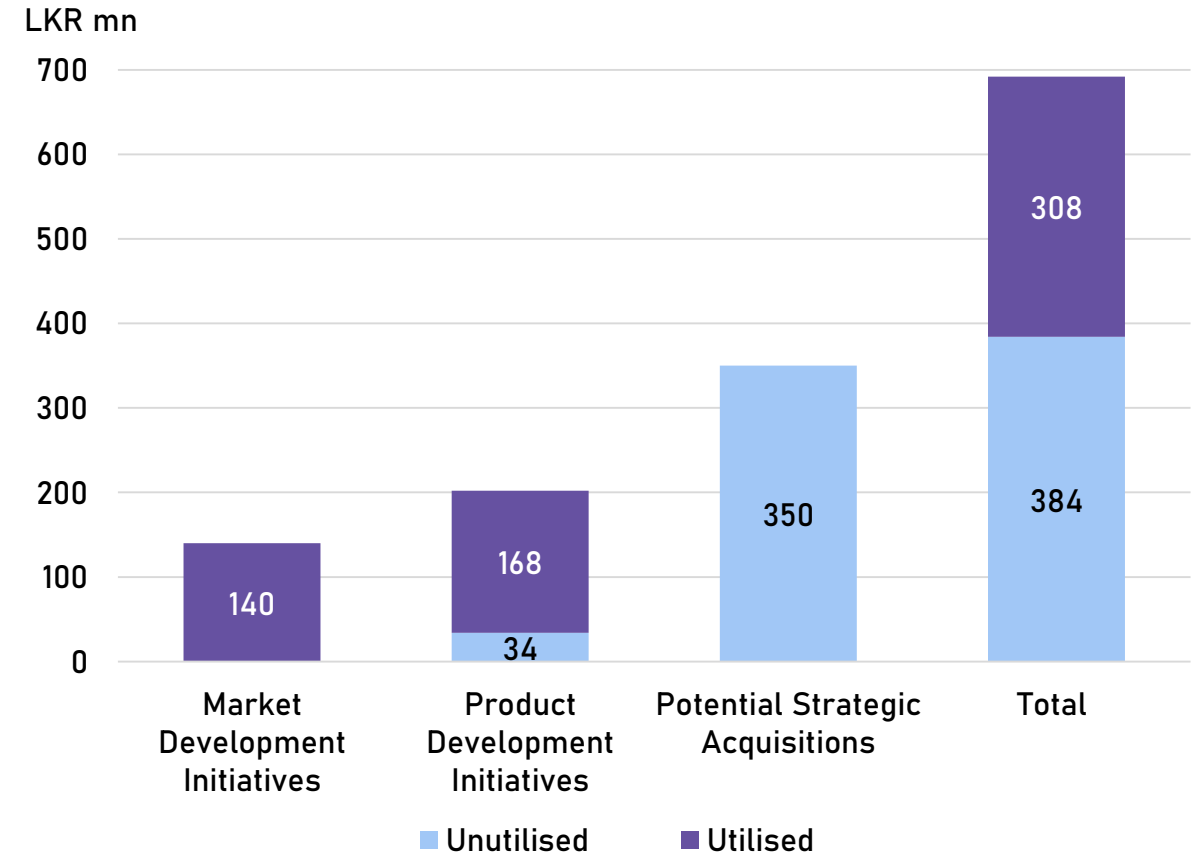
In LKR millions	FY20	FY21	FY22	FY23	1H FY24
Revenue	955	961	1,091	1,464	758
Gross profit	491	513	617	644	278
<i>Gross profit margin</i>	<i>51%</i>	<i>53%</i>	<i>57%</i>	<i>44%</i>	<i>37%</i>
Normalised EBITDA	227	280	313	114	(121)
<i>EBITDA margin</i>	<i>24%</i>	<i>29%</i>	<i>29%</i>	<i>8%</i>	<i>(16%)</i>
FX gain	11	27	287	71	(8)
Net interest income	4	3	27	188	85
Profit before tax	182	223	466	189	(115)
<i>PBT margin</i>	<i>19%</i>	<i>23%</i>	<i>43%</i>	<i>13%</i>	<i>(15%)</i>
Net profit	168	209	454	188	(124)
<i>Net profit margin</i>	<i>18%</i>	<i>22%</i>	<i>42%</i>	<i>13%</i>	<i>(16%)</i>
EPS (LKR)	0.78	0.96	1.93	0.68	(0.45)

Cash Position and IPO Fund Utilization

Cash position at ~LKR 1.2 Bn



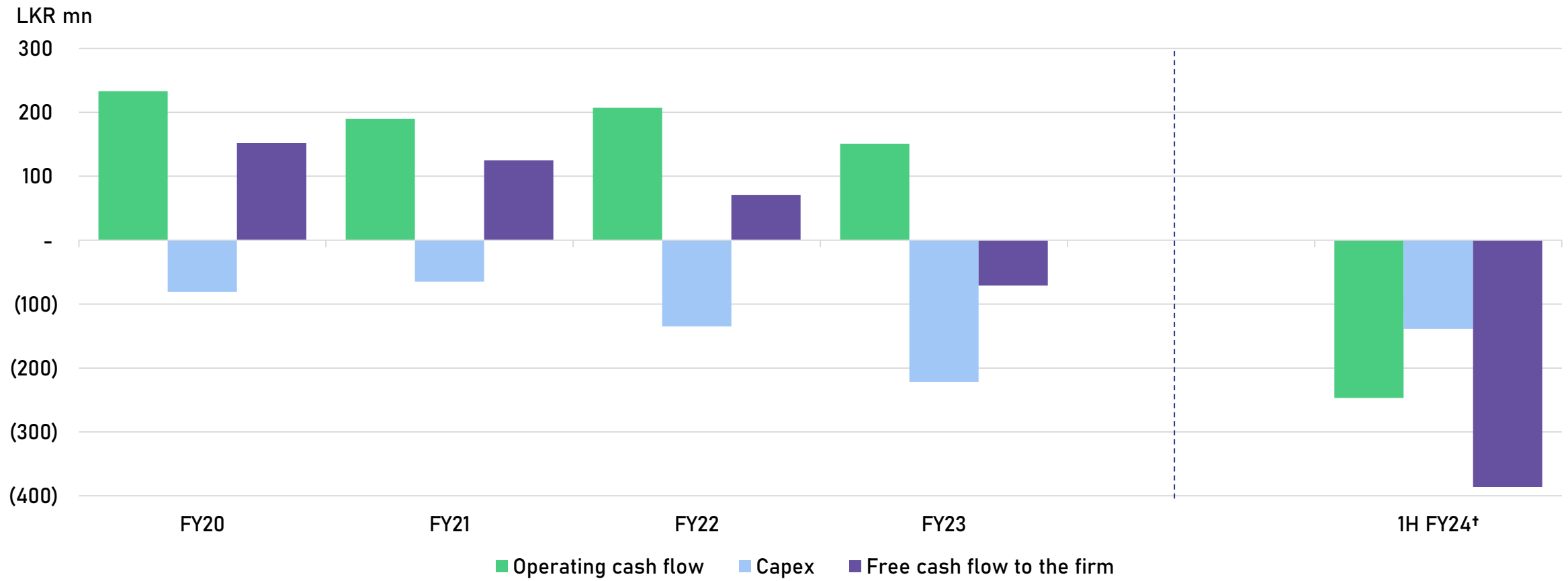
IPO fund utilization at 45%



[†] Includes IPO proceeds excluding utilization for investments

Free Cash Flow Generation

Annual free cash flow generation



† Includes higher capex on product development, and negative impact from working capital

Key Updates on Investor Relations (IR)

Quarterly IR calls

- From 3Q FY24 onwards, hSenid Business Solutions PLC will be hosting quarterly IR calls, in conjunction with the release of the quarterly results.
- Level of depth of information provided on a quarterly basis will be similar to that of the current half yearly IR presentation.

Revised format of IR calls

- The quarterly IR presentation will be uploaded on hSenid Business Solutions' Investor Relations webpage, in line with the release of quarterly results. ([hSenid Biz – Investor Relations](#))
- The investor call will be scheduled within 4-7 business days from the release of quarterly results.
- No formal presentations will be conducted during the IR call and the forum will be fully dedicated to answering and clarifying analyst and investor questions.
- Investor Relations call recording will continue to be uploaded to the hSenid Business Solutions' Investor Relations webpage.

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

Nilendra Weerasinghe – Chief Financial Officer

+94 11 462 1111

nilendra.w@hsenidbiz.com

Samila Imbulana – Senior Analyst, Corporate Planning

+94 71 797 6777

samila.i@hsenidbiz.com

hSenid Business Solutions PLC

67/1, Hudson Road,

Off Perahera Mw,

Colombo 03, Sri Lanka