



hSenid Business Solutions PLC
Quarterly Investor Forum
4Q 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>

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HBS at a Glance

\$10 Bn+ TAM

Market Opportunity APAC and MEA

\$3.1 Mn Exit ARR*

*Annualised Core Recurring Revenue as at end 4Q FY2024

~\$0.5 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



+1,675 Global Customers
Operating across 40+ countries and 20+ industries



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



358 FTEs Across 5 Global Offices
Over 25 Non-Sri Lankan employees in the workforce

Offering a comprehensive range of HRIS solutions

 PeoplesHR

 PeoplesHR
Outsourcing

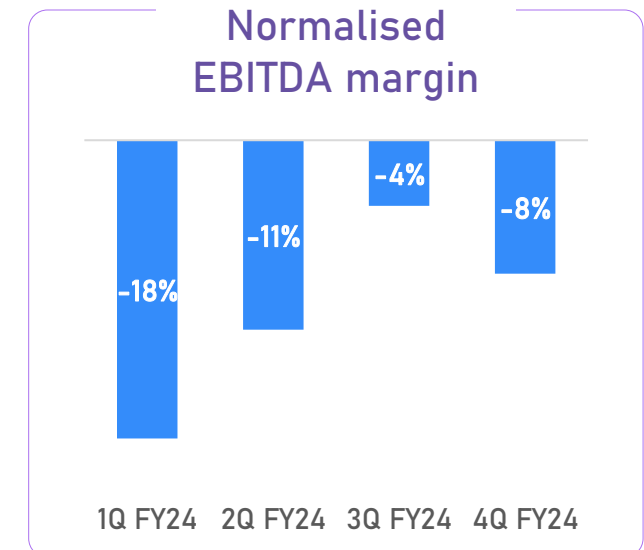
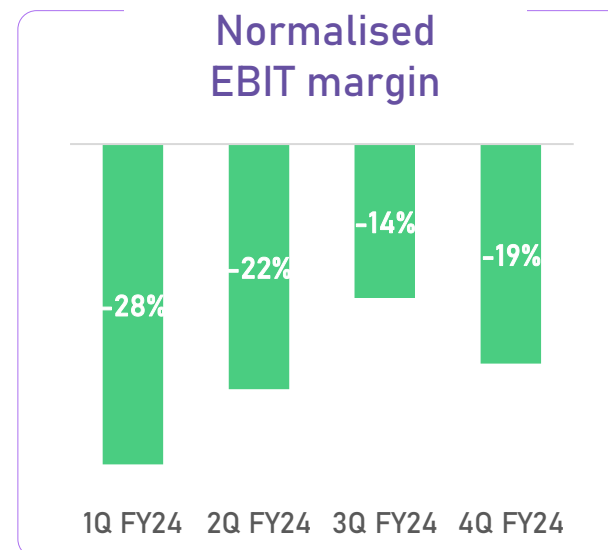
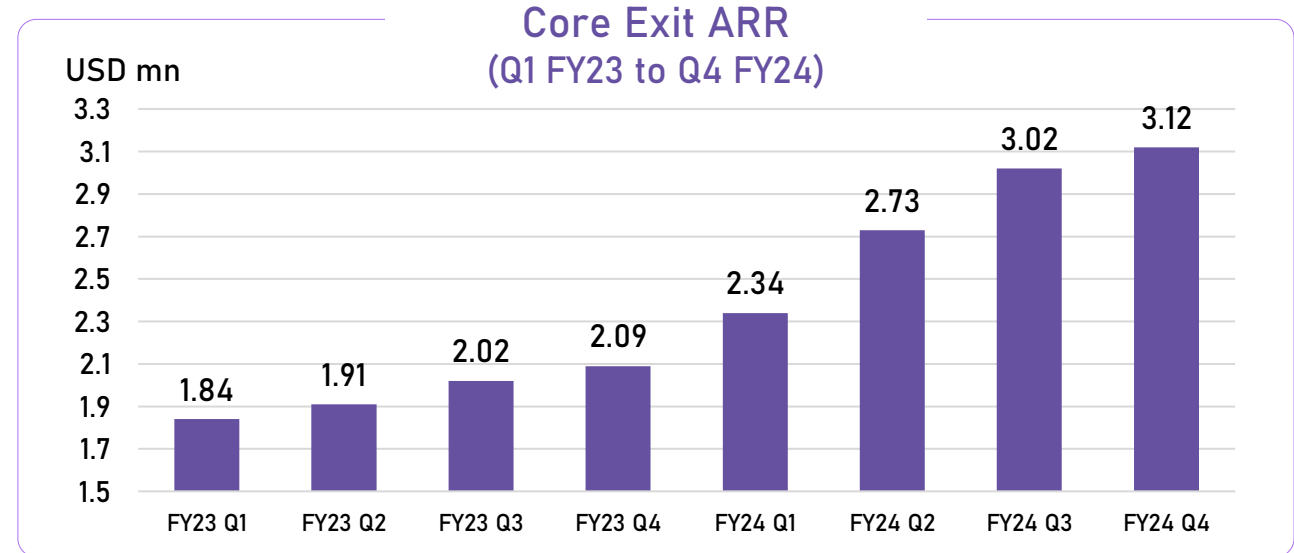
 PeoplesHR
Marketplace

 PeoplesHR
Academy

 PeoplesHR
Tracking

4Q FY2024 - At a Glance

- New deal closure recorded a very strong USD 1.6M value helped by strong demand from MEA
- Total exit ARR is now at USD 3.1M
 - Growing 3% QoQ and 49% YoY
- Q4 significantly impacted by c. LKR 102 Mn in **one-off non-cash items**
 - LKR 57M fx loss
 - LKR 22M gratuity provisions
 - LKR 23M deferred taxes o/a provision reversal
- Continuous QoQ margin improvements witnessed from Q1 through Q3 reversed in Q4 due to margin contraction on account of LKR appreciation



Note: Normalised margins exclude fx gains/losses, interest, Impairment of Trade Receivable and gratuity provisions

Key Business Updates

Product Development and Talent Acquisition

■ Product Development Update

- Continued to investments in product localization for select ASEAN markets
- Release of Low Code / No Code platform for CR development
- Embedding Anomaly Detection model inside payroll module
- Transformation of software development practices to the SAFE Agile methodology

■ Talent Update

- Total head count now at 358 FTEs; Focus is on enhancing employee productivity to achieve better scalability
- Highly experienced consultants onboarded to leapfrog in marketing and product strategy areas while keeping costs low
- Recruitment of in-country sales team members in key focus markets continued during Q4

Key Business Updates

Sales and Marketing

■ Sales Updates

- We continue to strengthen our sales teams in APAC and MEA markets
- Upskilling and training provided to build globally competitive B2B SaaS sales team
- Average Contract Value (ACV) increased by [100%] during FY2023; aim is to further grow ACV with higher proportion of ARR in new deal value
- Key partners onboarded in Q4 and efforts taken to improve partner engagement

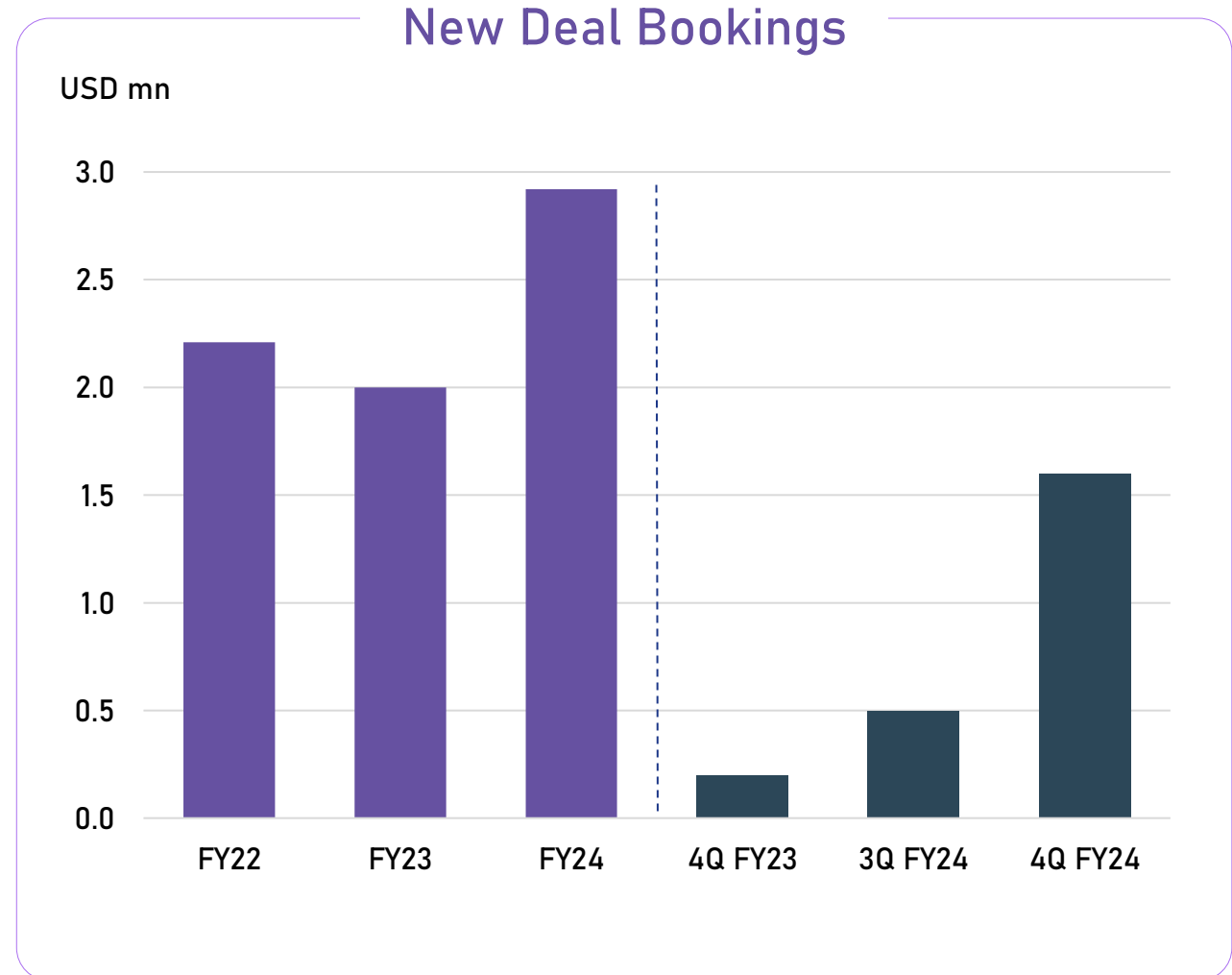
■ Market Development Updates

- Focus on events continued during Q4; Closely monitoring event spend to track ROI
- Continued investments in partner marketing and demand generation campaigns
- Senior marketing consultant with strong expertise in ASEAN markets onboarded w.e.f 1st April 2024 to accelerate marketing efforts



New Deal Bookings

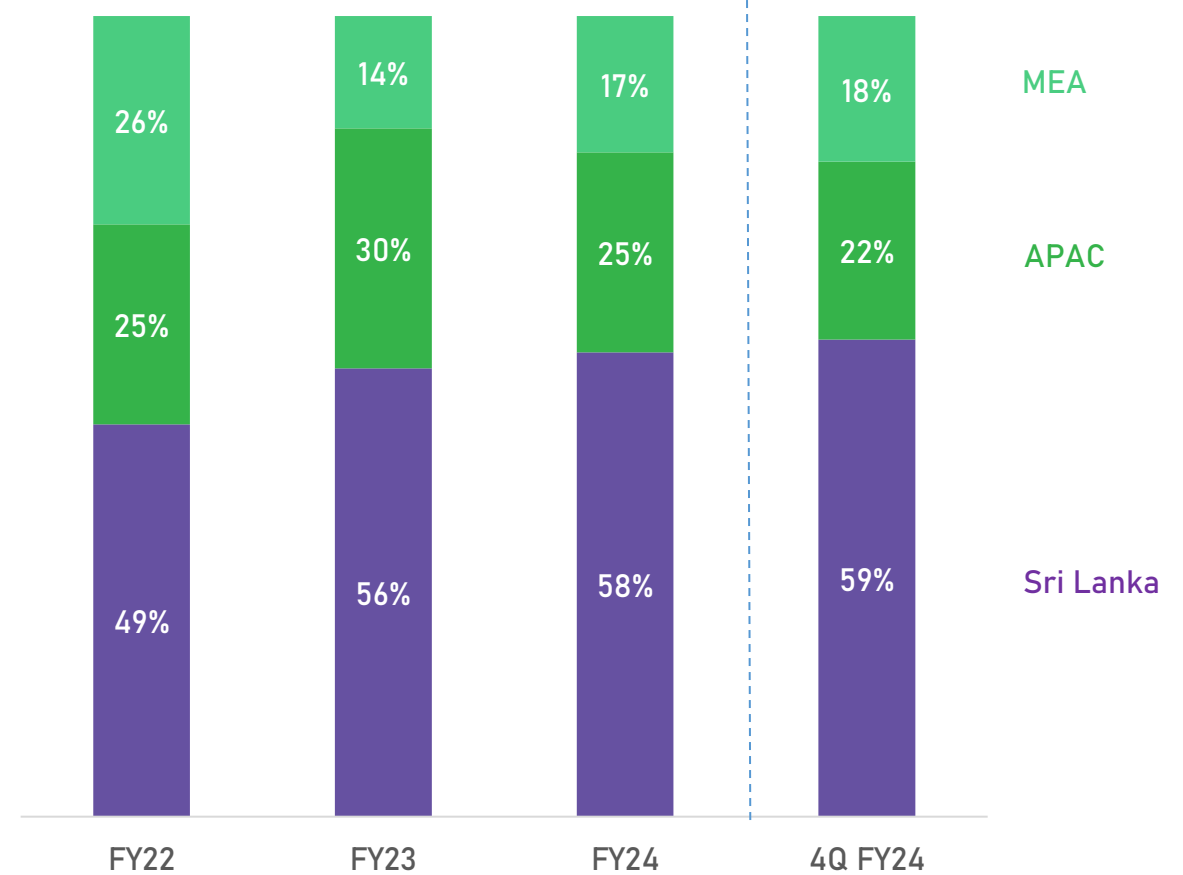
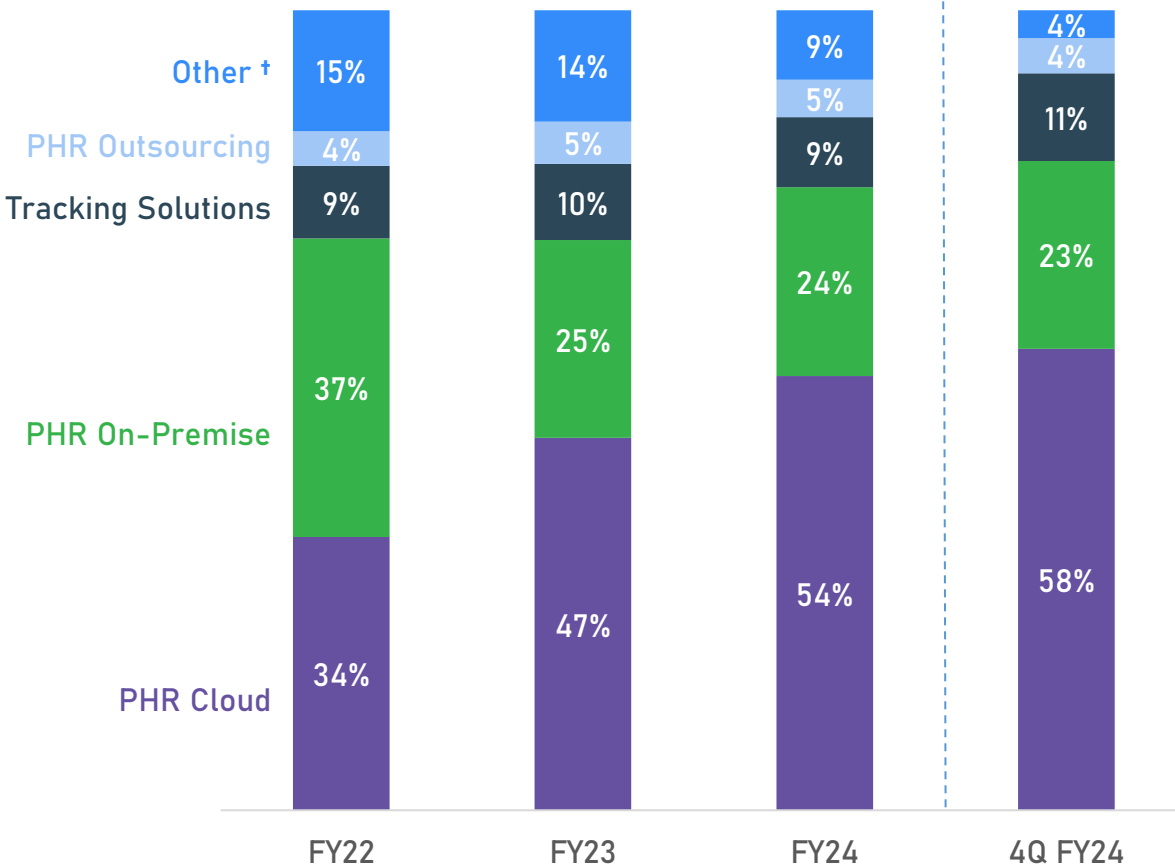
- USD 1.6 Mn in New deal closures in Q4
 - Up 212% compared to 3Q FY24
 - This is a record amount of total new deals closed during a quarter in recent times
- ~57% of new deals were originated in the MEA region, aided by the closure of two large on-prem deals. Sri Lanka accounted for ~27% of the new deals
- PHR Cloud accounted for ~37% of new deals during 4Q FY24
 - Sri Lanka accounted for ~61% of the Cloud New deals, which were predominantly generated from On-Prem accounts being upgraded to Cloud.
- ~62% of the new deals closed during the quarter were secured via the partner network.



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

On-Prem to Cloud shift trend continues

Sri Lanka continues to generate majority revenue; APAC revenues driven by the recurring revenue recognition



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

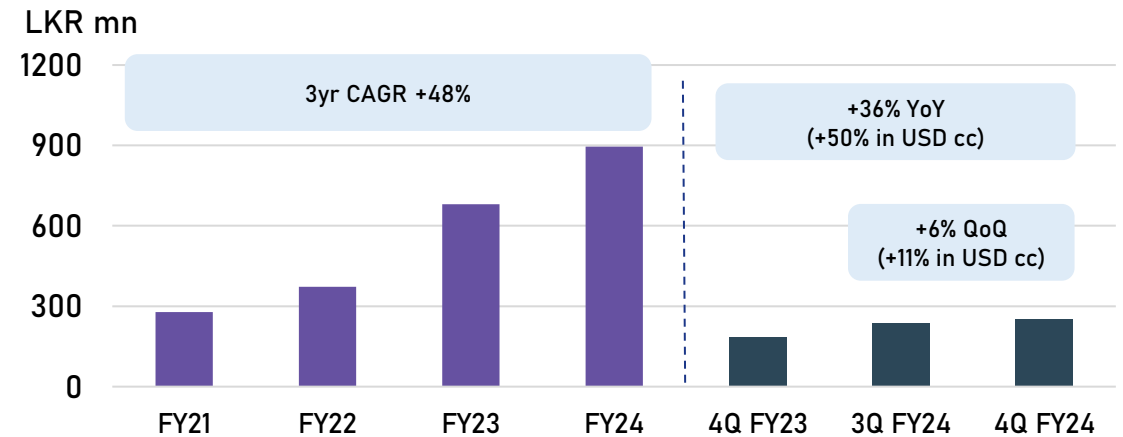
Business Segments

PHR Cloud and On-Premise

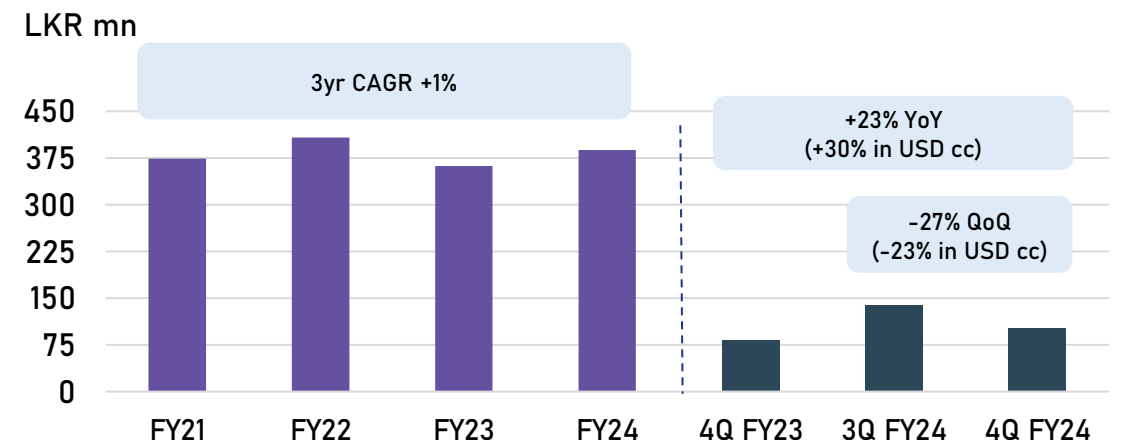
- Significant growth in PHR Cloud revenues due to:
 - High proportion of new deals being PHR Cloud
 - Orderbook being converted to “live” customers
 - Migration of existing on-prem clients to the cloud

- PHR On-Premise revenues stabilizing due to counter balancing factors arising from:
 - New deals in MEA region, particularly East Africa
 - Conversion on On-Prem clients to the Cloud
 - Volatility in On-Prem revenues (other than the factors above) caused by invoicing o/a of Government of Uganda (GoU) project; Phase 3 commenced in March of 2024

PHR Cloud revenues



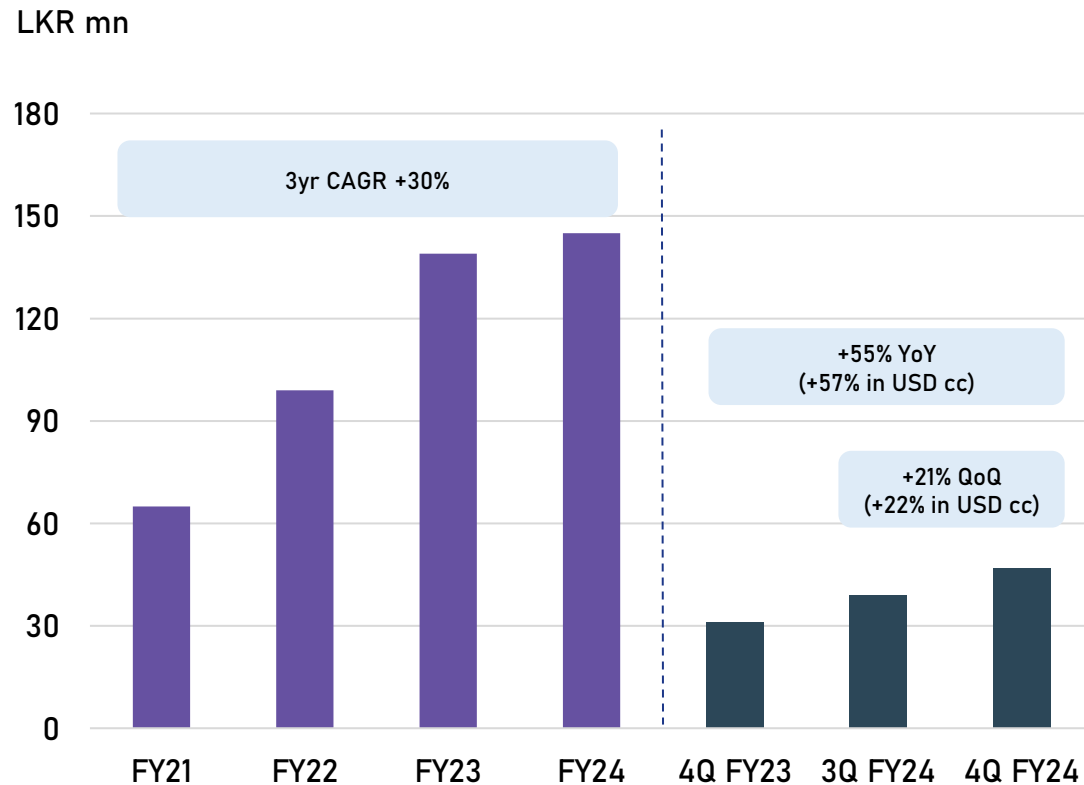
PHR On-Premise revenues



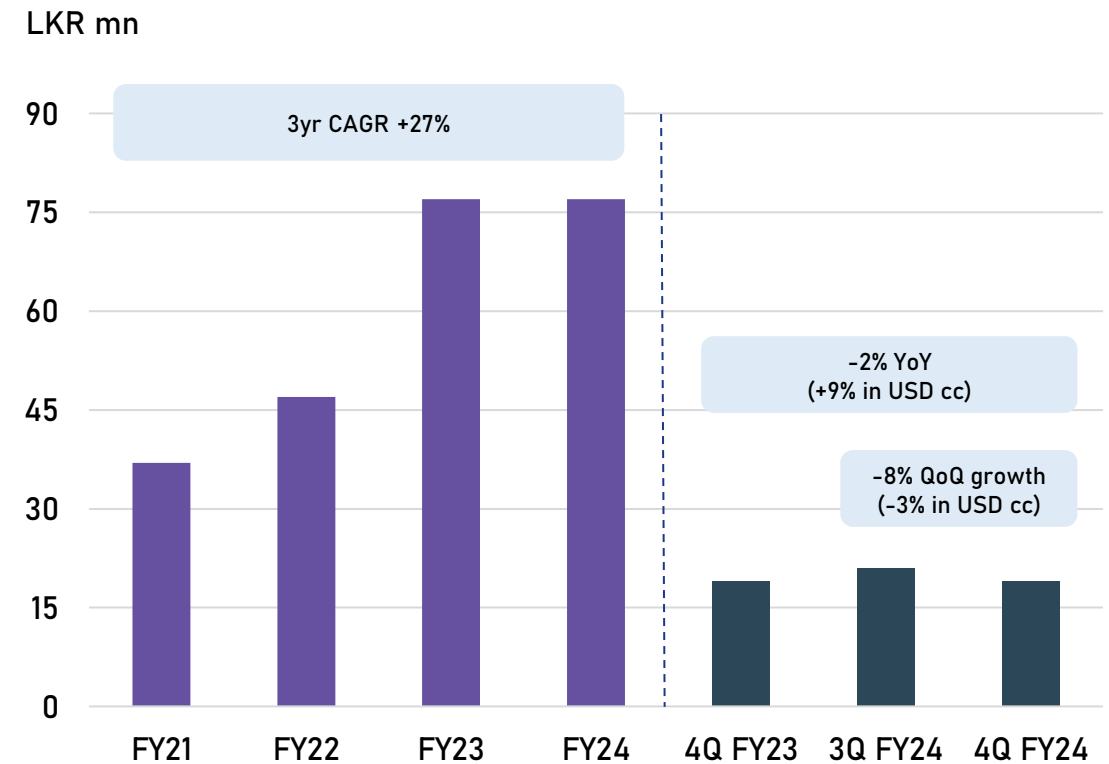
Business Segments

PHR Outsourcing and Tracking Solutions

Tracking Solutions revenues



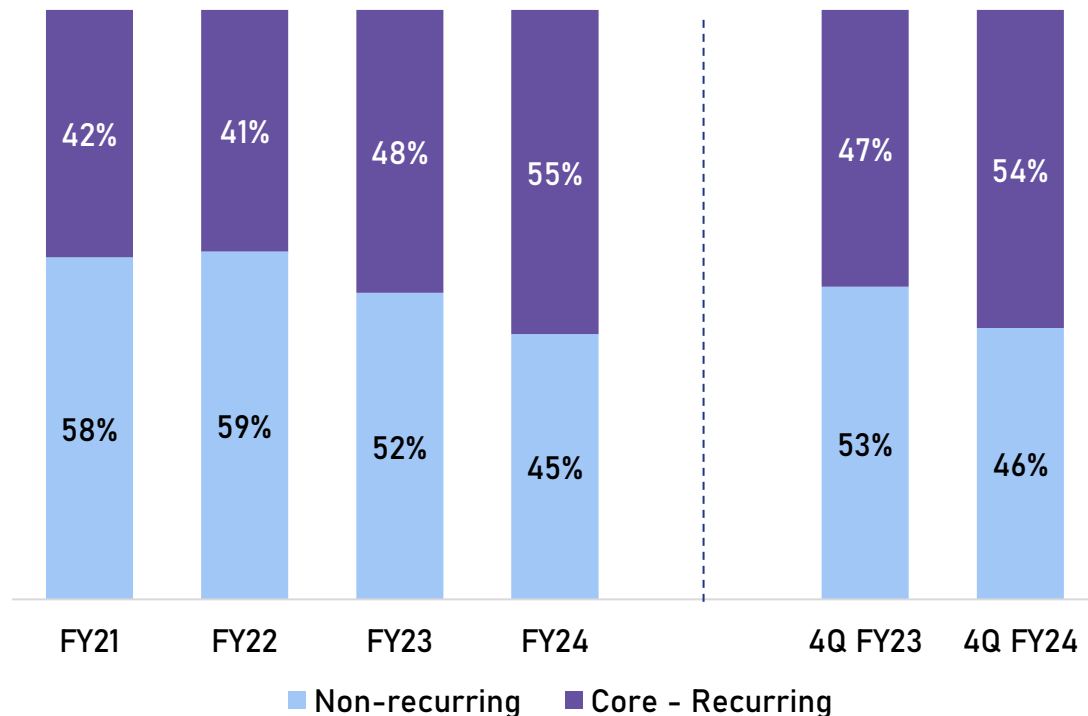
PHR Outsourcing revenues



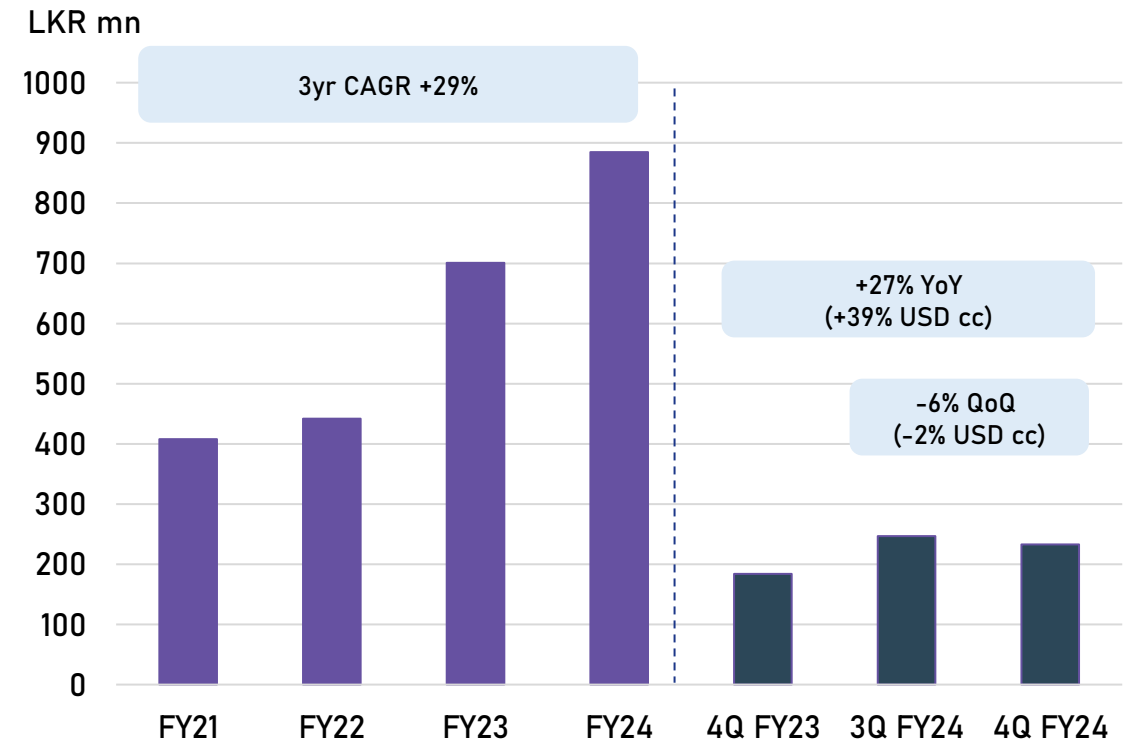
Core exit ARR at the end of FY24 at USD 3.1Mn

Growing at 3yr CAGR of 29%

Core-recurring[†] revenues reached 54% in 4Q FY24



Annual core recurring revenues



USD 3.1 Mn in Core Exit ARR** as at 4Q FY2024 | Net Revenue Retention Ratio[†] of 99% and Gross Revenue Retention ratio[†] of 99% for 4Q FY24

[†] Includes subscription, support and HRO (excludes staffing revenue) | ** March 2024 MRR x 12 | [†] Calculations are done for the SaaS recurring revenue basis

Revenue Drill Down

All in LKR millions	FY21	FY22	FY23	FY24	3Yr CAGR (in LKR / USD cc)	4Q FY23	4Q FY24	YoY growth (in LKR / USD cc)
PHR Cloud	278	372	678	893		184	250	
Recurring revenue	192	261	502	670	+48% / +20%	136	188	+36% / +50%
Non – Recurring revenue	86	111	176	222		47	62	
PHR On-premise	374	408	362	388		82	102	
Recurring revenue	110	109	110	135	+1% / -13%	25	26	+23% / +30%
Non – Recurring revenue	264	298	252	253		57	76	
Tracking Solutions	65	99	139	145		31	47	
Recurring revenue	10	13	14	7	+30% / +16%	4	0	+55% / +57%
Non – Recurring revenue	55	86	125	137		27	47	
PHR Outsourcing	37	47	77	77	+27% / +9%	19	19	-2% / +9%
PHR Marketplace	0	1	3	2	+130% / +49%	2	0	-90% / -89%
Core Revenue	754	926	1,259	1,504	+26% / +7%	318	418	+31% / +42%
Others*	207	165	204	141	-12% / -15%	72	15	-79% / -75%
Total Revenue	961	1,090	1,462	1,645	+20% / 4%	390	433	+11% / +21%

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

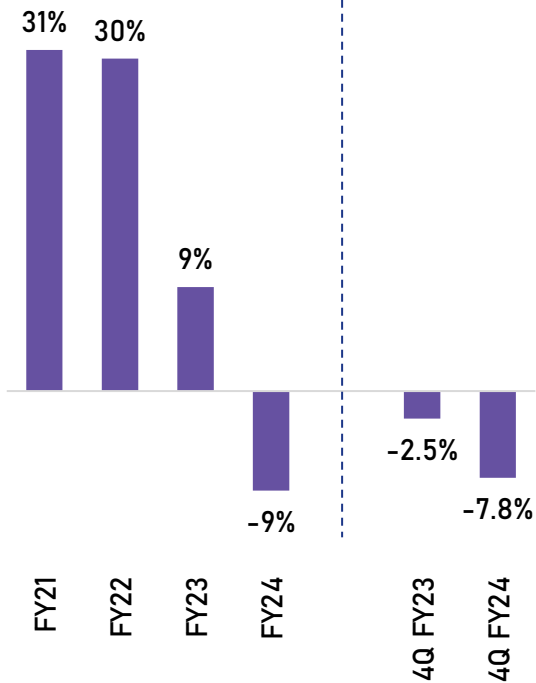
Cost of Sales Drill Down

All in LKR millions	FY21	FY22	FY23	FY24	3Yr CAGR	4Q FY23	4Q FY24	YoY growth
On-site and third-party implementation costs [†]	58	59	94	150	+37%	20	30	+53%
Infrastructure costs ^{††}	34	53	170	162	+69%	42	43	+2%
Cost of devices sold	28	54	64	49	+20%	19	16	-14%
Mobile solutions related costs	103	72	122	61	-16%	44	6	-87%
Staff related costs	225	236	369	556	+35%	117	157	+34%
Total Cost of Sales	448	473	820	979	+30%	242	252	+4%

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

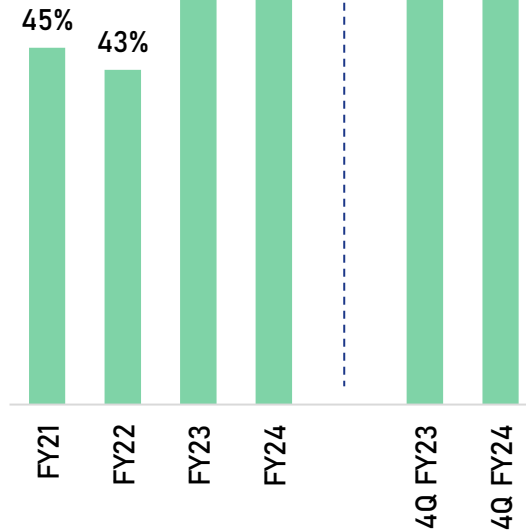
Analysis of Normalized EBITDA

Normalised EBITDA margin [†]



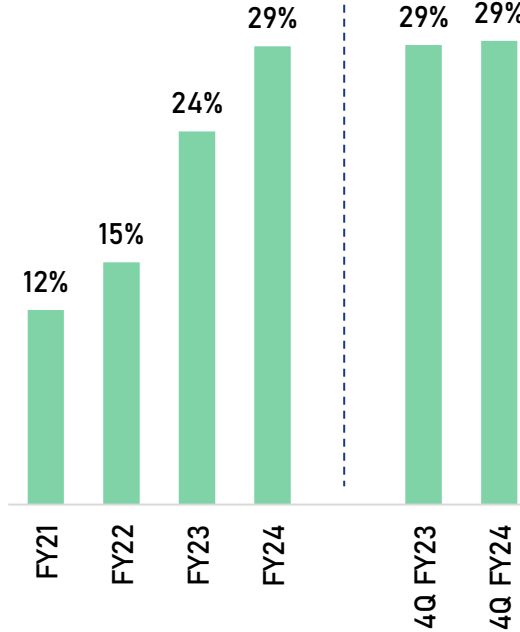
Margin compression attributed to higher infrastructure costs and increased expenditure on conducting market development initiatives in new markets

COGS ^{††} as a % of Sales



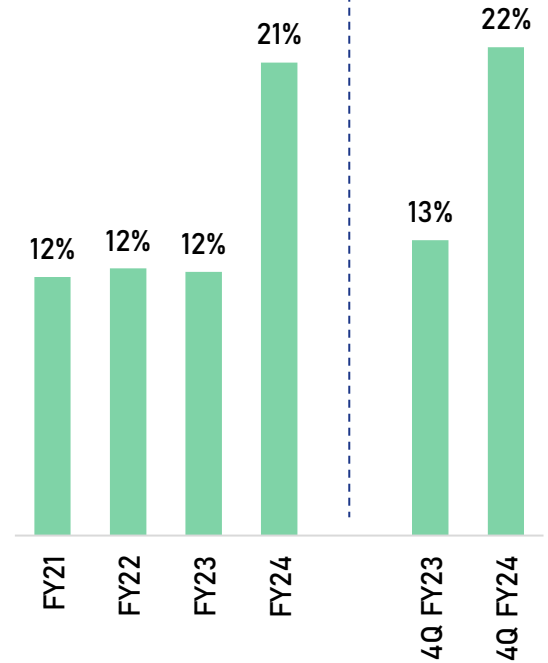
Increased hosting costs due to new account expansion and delivery team recruitments in overseas markets

Admin expenses^{†††} as a % of sales



Increased staff costs and related expenditure

S&M expenses^{††††} as a % of sales



Increased digital marketing expenditure on lead generation campaigns and overseas event costs

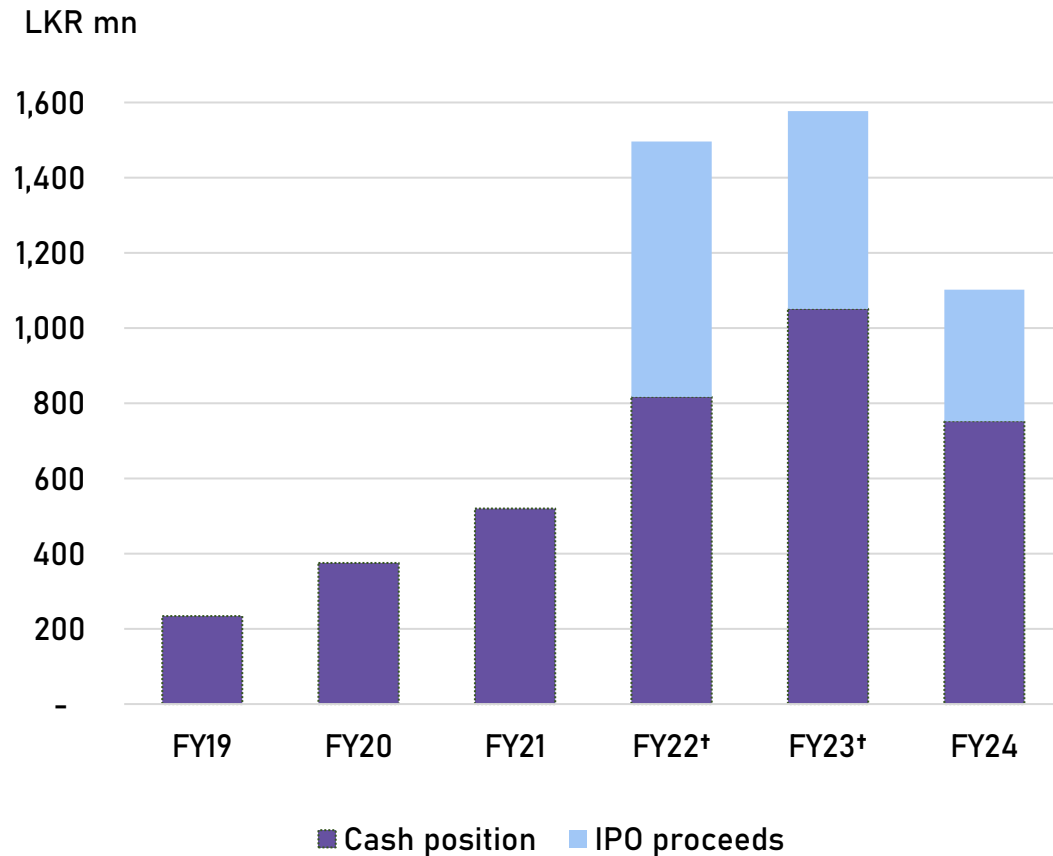
[†] Adjusted for D&A, Interest, Impairment of Trade Receivables, FX Impact, Gratuity | ^{††} Adjusted for Gratuity | ^{†††} Adjusted for Amortization of ROU Assets, Gratuity | ^{††††} Adjusted for Impairment of Trade Receivables, Gratuity

Summarized Income Statements

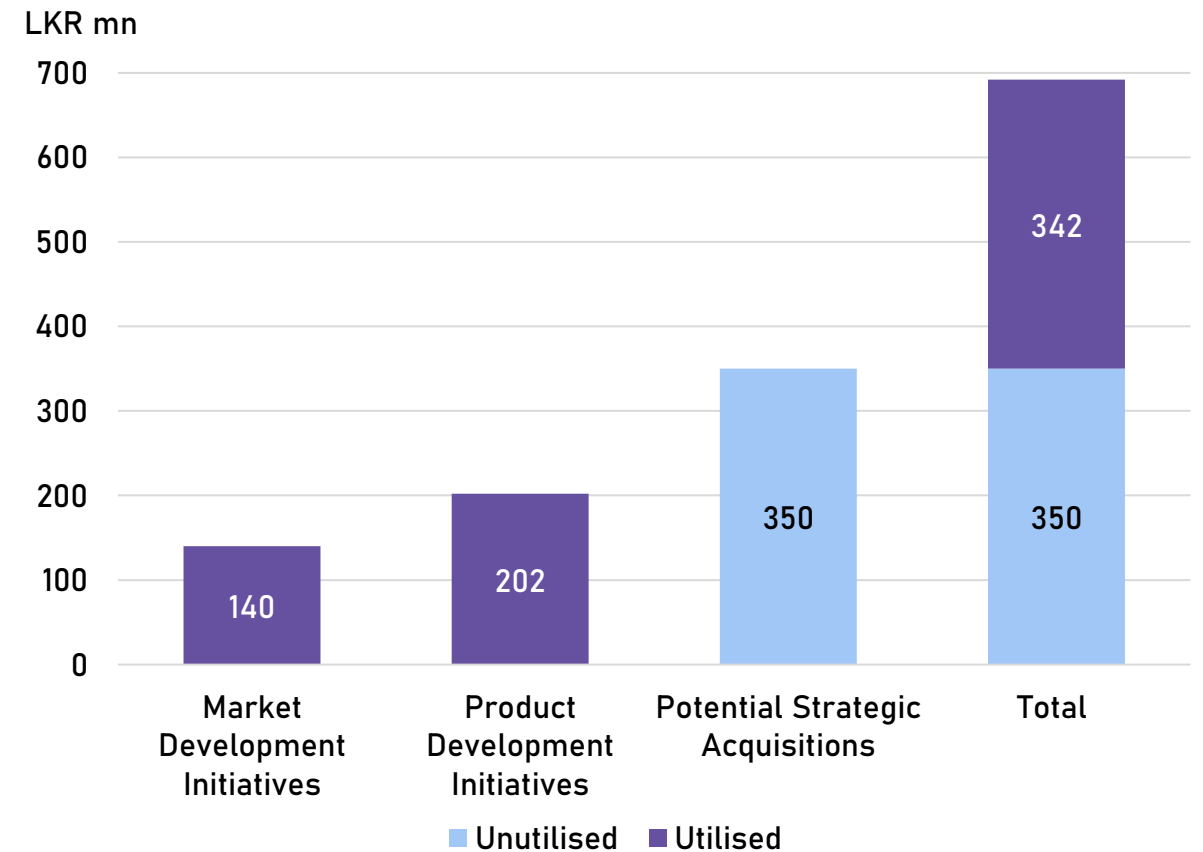
In LKR millions	FY21	FY22	FY23	FY24	4Q FY24
Revenue	961	1,091	1,464	1,645	433
Gross profit	513	617	644	665	181
<i>Gross profit margin</i>	<i>53%</i>	<i>57%</i>	<i>44%</i>	<i>40%</i>	<i>42%</i>
Normalised EBITDA	297	329	138	(148)	(10)
<i>Normalised EBITDA margin</i>	<i>31%</i>	<i>30%</i>	<i>9%</i>	<i>-9%</i>	<i>-2%</i>
FX gain	27	287	71	(65)	(57)
Net interest income	3	27	188	139	25
Profit before tax (PBT)	223	466	189	(291)	(132)
<i>PBT margin</i>	<i>23%</i>	<i>43%</i>	<i>13%</i>	<i>-18%</i>	<i>-30%</i>
Net profit	209	454	188	(324)	(155)
<i>Net profit margin</i>	<i>22%</i>	<i>42%</i>	<i>13%</i>	<i>-20%</i>	<i>-36%</i>
EPS (LKR)	0.96	1.93	0.68	(1.17)	(0.56)

Cash Position and IPO Fund Utilization

Cash position at ~LKR 1.1 Bn



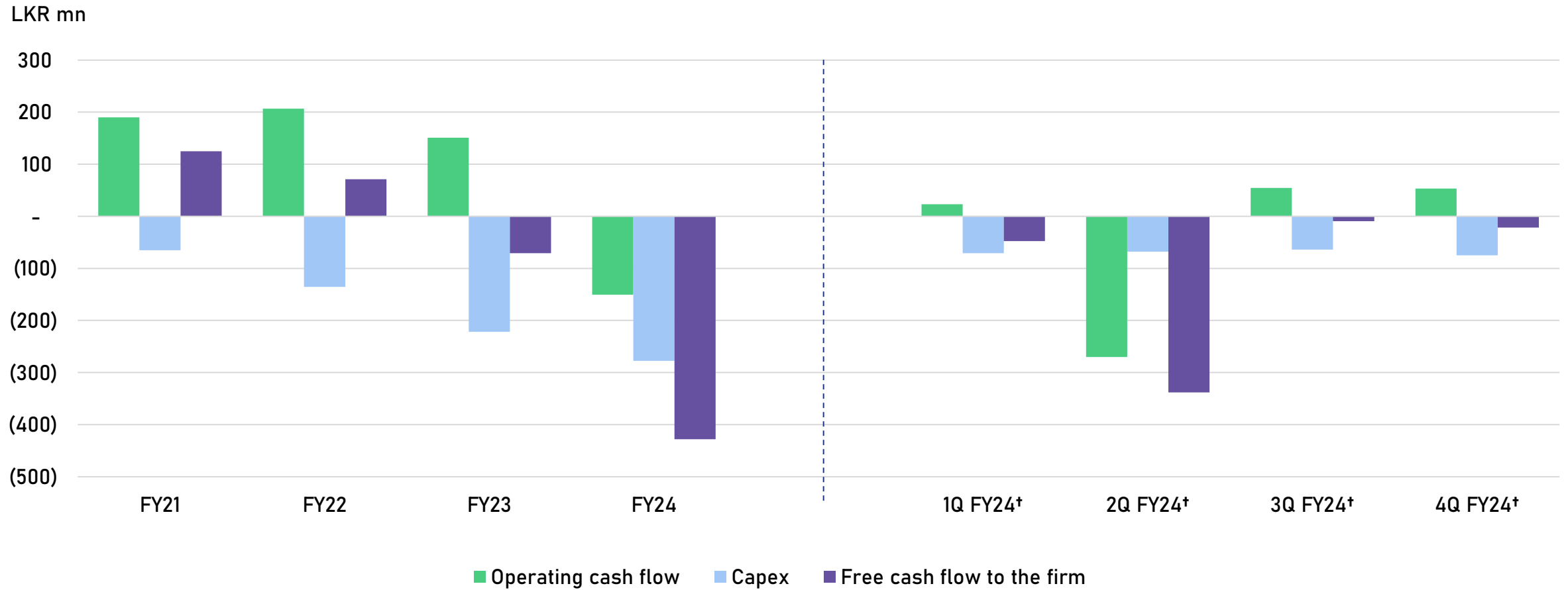
IPO fund utilization at 49%



[†] 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

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.

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