



Quarterly Investor Forum

3Q FY2025



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.

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

hSenidBiz | PeoplesHR at a Glance



\$10 Bn+ TAM

Market Opportunity APAC and MEA

\$4.0 Mn Exit ARR

Exit Annualized Recurring Revenue as at end 3Q FY25

~\$0.2 Mn Subscription Revenue Backlog

Expected to realize into ARR upon completion of implementation

~\$2.0 Mn in Cash

Includes Company's own cash reserves and approx. [LKR 256 Mn] from payroll outsourcing business

1675+ Customers

Operating across 40+ countries and 20+ industries

\$4.3 Mn CARR

Contracted ARR (CARR) includes exit ARR, subscription backlog and ARR of new deal closures as at end 3Q FY25

>99% GRR

Gross Revenue Retention for 3Q FY25

305 FTEs

Across 5 Global Offices in South Asia, Southeast Asia, and Middle East and Africa

1 Mn+ Global Users

Churn maintained at a healthy rate of < 1%

30% ARR Growth

Year-over-Year Growth compared to 3Q FY24

104% NRR

Net Revenue Retention for 3Q FY25

PeoplesHR is poised to be the Most Preferred HR Tech Solution in Emerging Markets

- ▶ Hire-to-retire HR Tech Platform which thrives in digitalizing complex business processes in Human Resource Management
- ▶ Robust CoreHR, Time & Attendance and Payroll Engine with strong focus on statutory compliance and localization
- ▶ Mature services offering to facilitate implementation and support functions leading to high ROI for Customers on their HR Tech investment
- ▶ In-Country talent hired for pre-sales, sales and post-sales functions



Quarter at a Glance

▶ Revenue of **LKR 431 Mn**

- ◆ YoY Growth of **-5%** in LKR terms; **+4%** in USD cc
- ◆ Higher quality of revenue (67% recurring revenue as % of total revenue) driven by growth in ARR and decline in non-core revenues

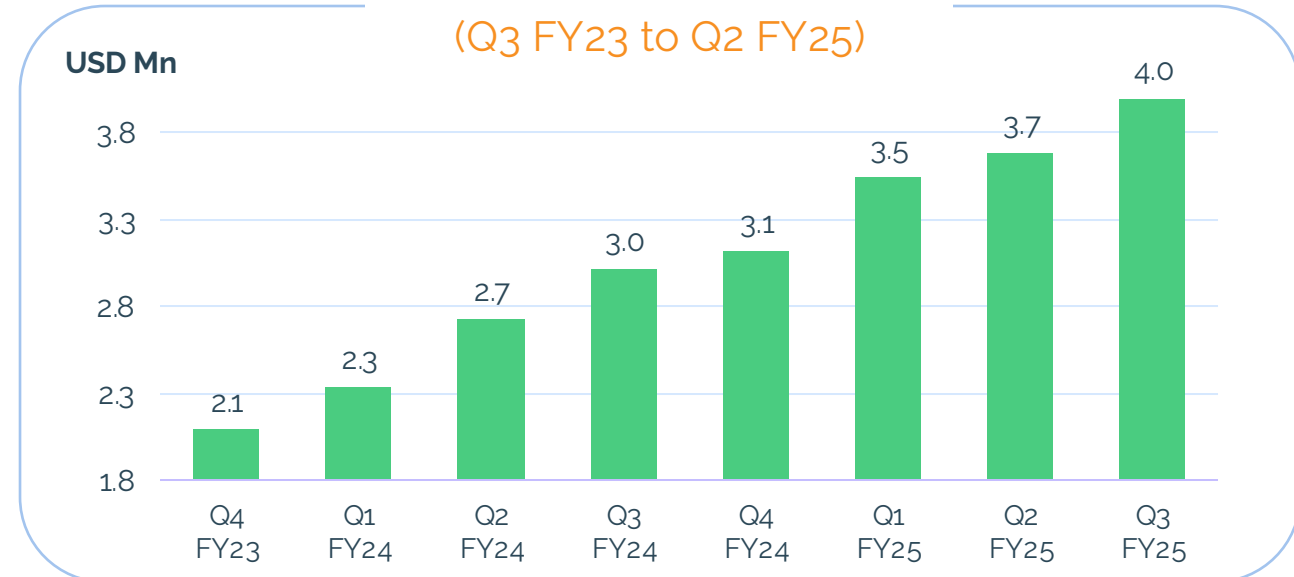
▶ Total Exit ARR closed in on **USD 4.0 Mn**

- ◆ Growth of **32%** YoY & **8%** QoQ

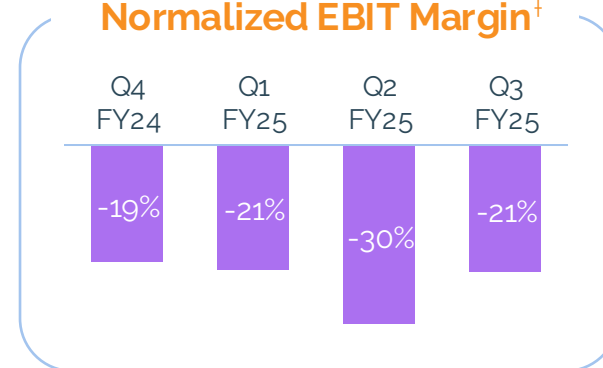
▶ EBIT and EBITDA Margins demonstrated a notable improvement

- ◆ Primarily driven by tighter cost controls
- ◆ Despite,
 - ◆ continued unfavourable fx movements (stronger LKR vs USD in Q3; ~90% revenue USD linked; ~70% costs LKR based)
 - ◆ lower revenue from new deal closures

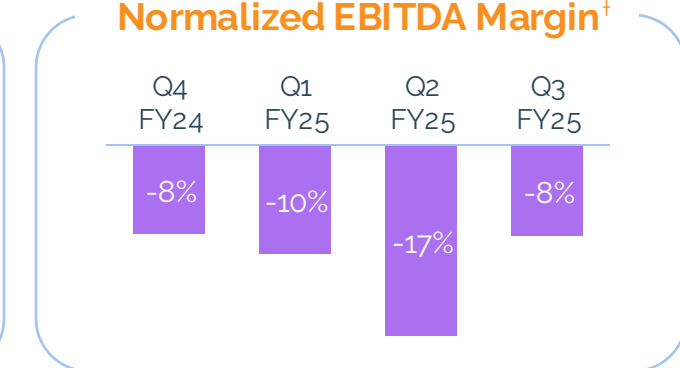
Core Exit ARR (Q3 FY23 to Q2 FY25)



Normalized EBIT Margin[†]



Normalized EBITDA Margin[†]



† Normalized Margins for fx gains/losses, interest income, gratuity provisions & deferred taxes

Key Business Updates

Product Development & Engineering

- ◆ New feature introduction for compliance in GCC region
- ◆ Seamless synchronization between clocking devices and PeoplesHR for efficient attendance processing
- ◆ Introduction of enhancements for payroll automation, improved transparency via automated final payment processing and consolidated payroll adjustment reports
- ◆ Enhanced features in recruitment module including multilingual support for job portal

Talent Update

- ◆ Fostering a globally competitive culture to strengthen cross-border collaboration
- ◆ Revalidating KPIs to align with long-term strategic goals
- ◆ Focus on building agile leadership to drive key strategic priorities
- ◆ Enhancing retention strategies with a focus on career development and employee well-being

Key Business Updates

Sales Update

- ◆ Strengthened inbound motion, aligning sales and marketing for consistent lead generation
- ◆ Direct-led outbound sales efforts delivering early results with structured account planning
- ◆ Demand generation stabilized with a pipeline of qualified opportunities

Market Update

- ◆ Increased focus on targeted events with smaller, high-value audiences
- ◆ Focused marketing initiatives to drive upsell/cross-sell revenue from existing customers



New Deal Bookings

- ▶ **USD 255,968** new deal closures in Q3
 - ◆ **15%** decline relative to 2Q FY25
- ▶ **Sri Lanka** drove the majority of new deal acquisitions in Q3
 - ◆ **70%** originated from Sri Lanka while **18%** originated from SEA
- ▶ **PHR Cloud** accounted for ~**99%** of new deals during 3Q FY25
- ▶ **Partner Network** secured ~**26%** of the new deals in the quarter



Summarized Income Statements

In LKR millions	FY22	FY23	FY24	3Q FY24	2Q FY25	3Q FY25
Revenue	1,091	1,464	1,645	454	422	431
Gross profit	617	644	665	207	184	201
<i>Gross profit margin</i>	<i>57%</i>	<i>44%</i>	<i>40%</i>	<i>46%</i>	<i>44%</i>	<i>47%</i>
Normalized EBITDA	329	138	(148)	(18)	(72)	(35)
<i>Normalized EBITDA margin</i>	<i>30%</i>	<i>9%</i>	<i>-9%</i>	<i>-4%</i>	<i>-17%</i>	<i>-8%</i>
FX gain/(loss)	287	71	(65)	(0)	(23)	(13)
Net interest income	27	188	139	29	12	6
Profit before tax (PBT)	466	189	(291)	(45)	(128)	(100)
<i>PBT margin</i>	<i>43%</i>	<i>13%</i>	<i>-18%</i>	<i>-10%</i>	<i>-30%</i>	<i>-23%</i>
Net profit	454	188	(293)	(45)	(129)	(100)
<i>Net profit margin</i>	<i>42%</i>	<i>13%</i>	<i>-18%</i>	<i>-10%</i>	<i>-31%</i>	<i>-23%</i>
EPS (LKR)	1.93	0.68	(1.06)	(0.16)	(0.46)	(0.36)
FCFF Margin	3.8%	-7.6%	-27.6%	-2%	-46%	-16%

Revenue Drill Down

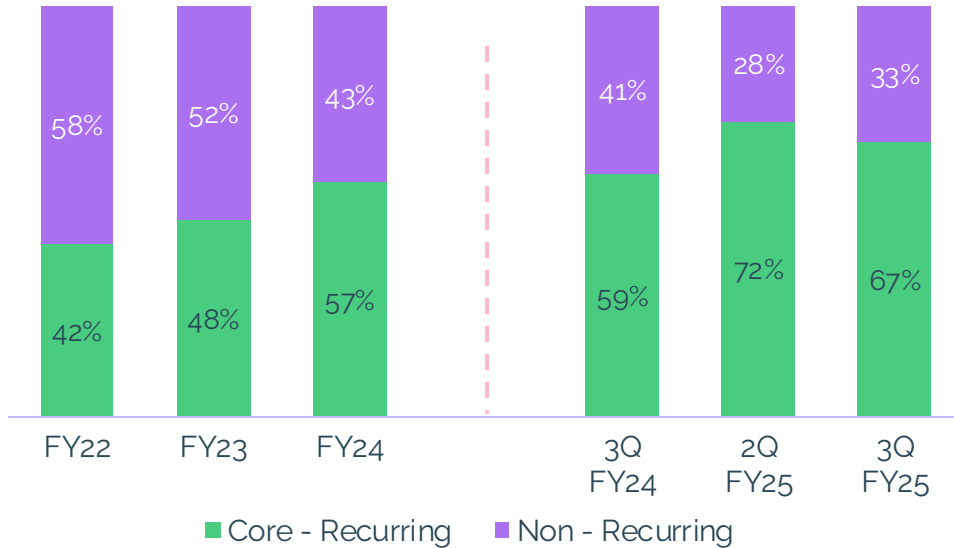
All in LKR millions	FY22	FY23	FY24	3Yr CAGR (in LKR / USDcc)	3Q FY24	2Q FY25	3Q FY25	YoY growth (in LKR / USD cc)
PHR Cloud	372	678	893		235	275	258	
Subscription Revenue (Recurring)	261	502	670	+48% / +20%	180	245	214	+10% / +23%
Professional Services	111	176	222		55	30	44	
PHR On-premise	408	362	388		139	68	92	
Annual Maintenance Fee (Recurring)	109	110	135	+1% / -13%	48	32	42	-34% / -27%
Professional Services [‡]	298	252	253		91	36	50	
Tracking Solutions	99	139	145		39	52	36	
Annual Maintenance Fee (Recurring)	13	14	7	+30% / +16%	2	3	3	-7% / -7%
Sale of Devices	86	125	137		37	50	34	
PHR Outsourcing	47	77	77	+27% / +9%	21	26	25	+22% / +32%
Core Revenue	926	1,259	1,504	+26% / +7%	433	420	411	-5% / +4%
Others ^{‡‡}	165	204	141	-12% / -15%	21	1	20	-7% / 0%
Total Revenue	1,090	1,462	1,645	+20% / 4%	454	422	431	-5% / +4%

‡ Includes Licensing Fees

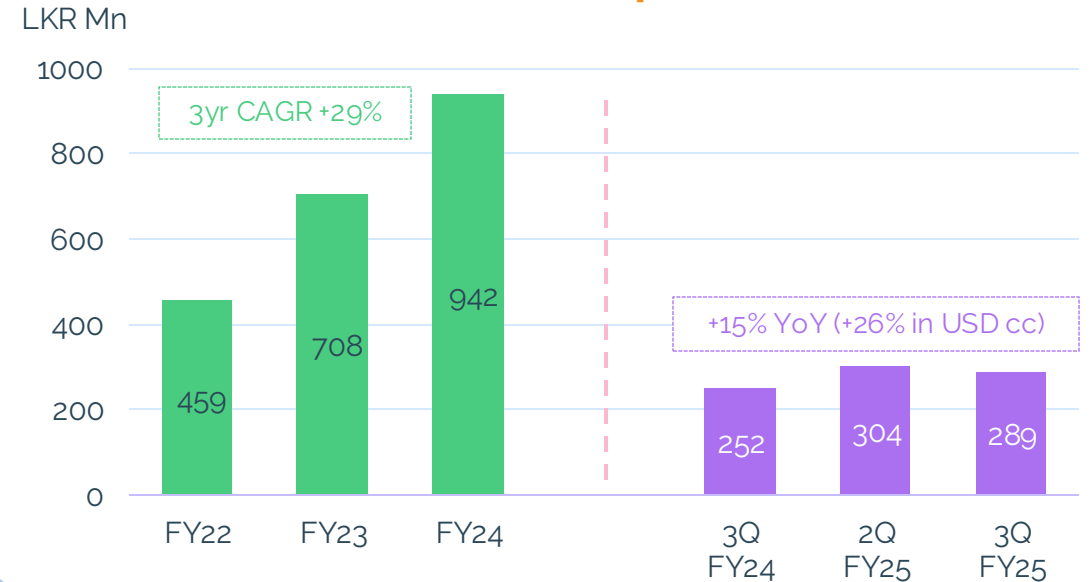
‡‡ Includes non-core revenues of Mobile Software and Staffing Solutions

Core Recurring Revenue

Core Recurring Revenue Composition



Annual Core Recurring Revenue Composition



► Revenue Quality sustained with Recurring Revenue[†] making up **67%** of Q3 revenues

◆ USD 4.0 Mn in Core Exit ARR^{††} as at 3Q FY25

◆ NRR^{†††} of 104%

◆ GRR^{†††} of >99%

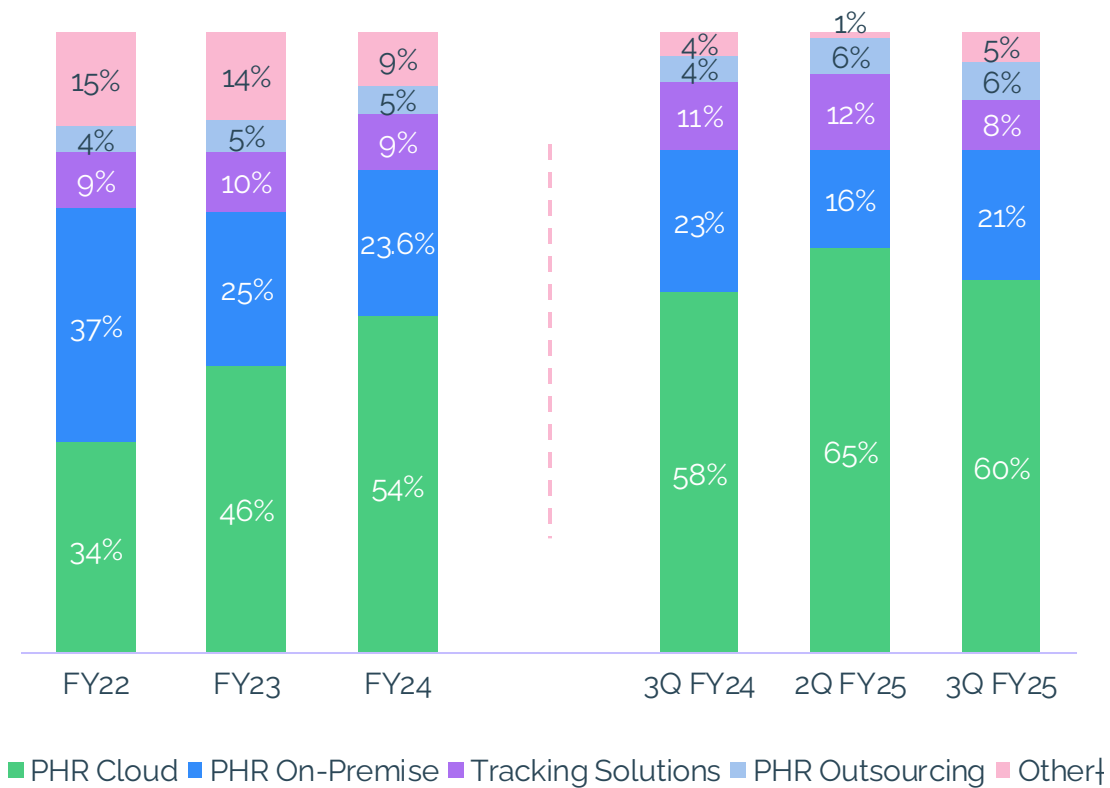
NRR: Net Revenue Retention; GRR: Gross Revenue Retention
[†] for 3Q FY2025; Includes subscription, support and HRO (excludes staffing revenue)
^{††} 3Q FY25 QRR x 4 | ^{†††} Calculations are done for the SaaS recurring revenue basis

Revenue Composition

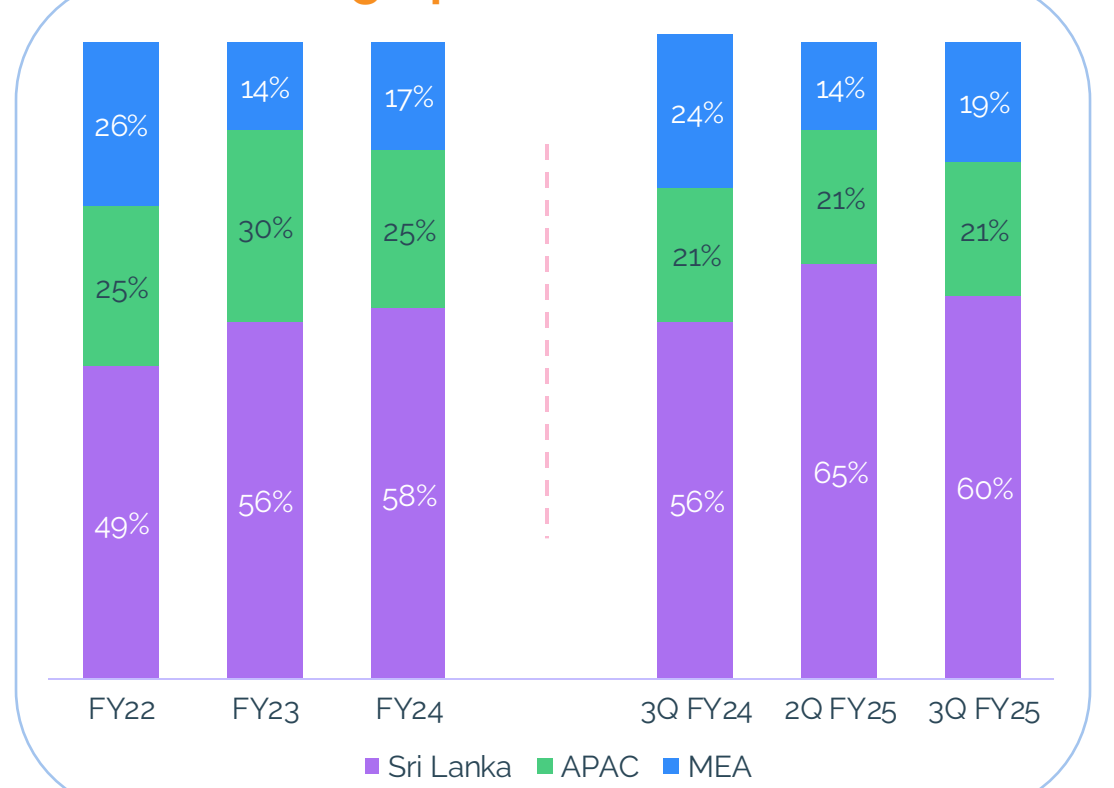
▶ PHR Cloud remained the primary revenue driver at over 60%

▶ Sri Lanka remained the largest contributor to revenue with a slight increase in MEA contributions

Product Breakdown



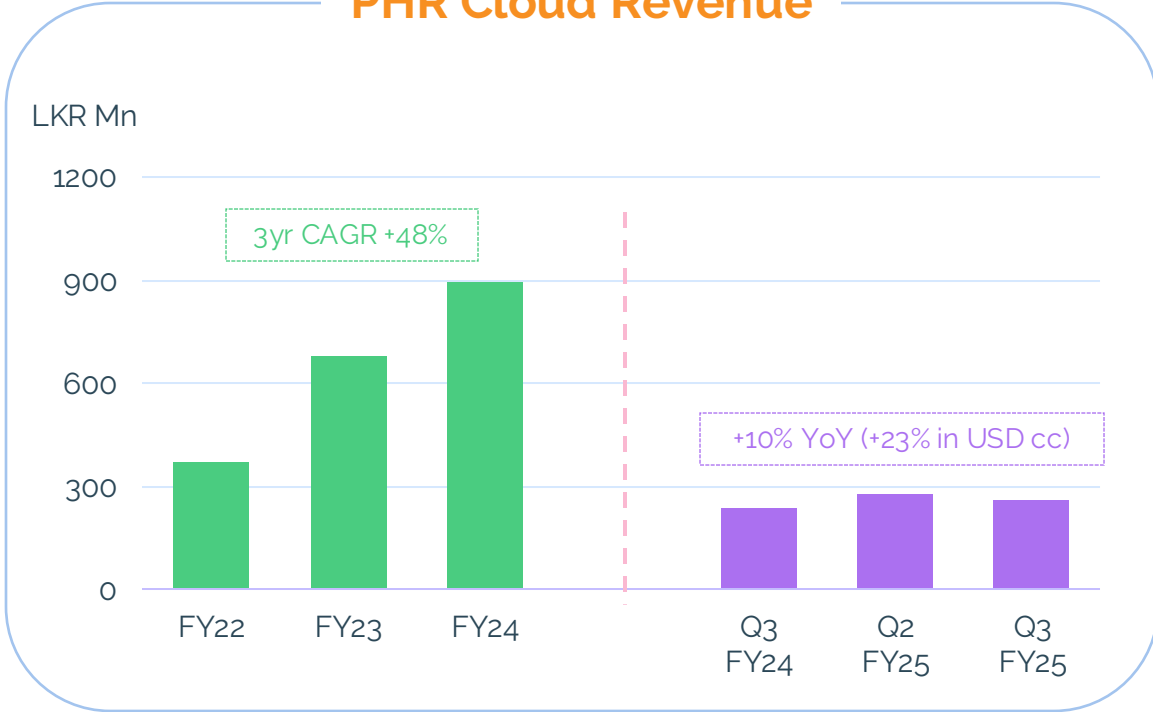
Geographical Breakdown



Business Segments

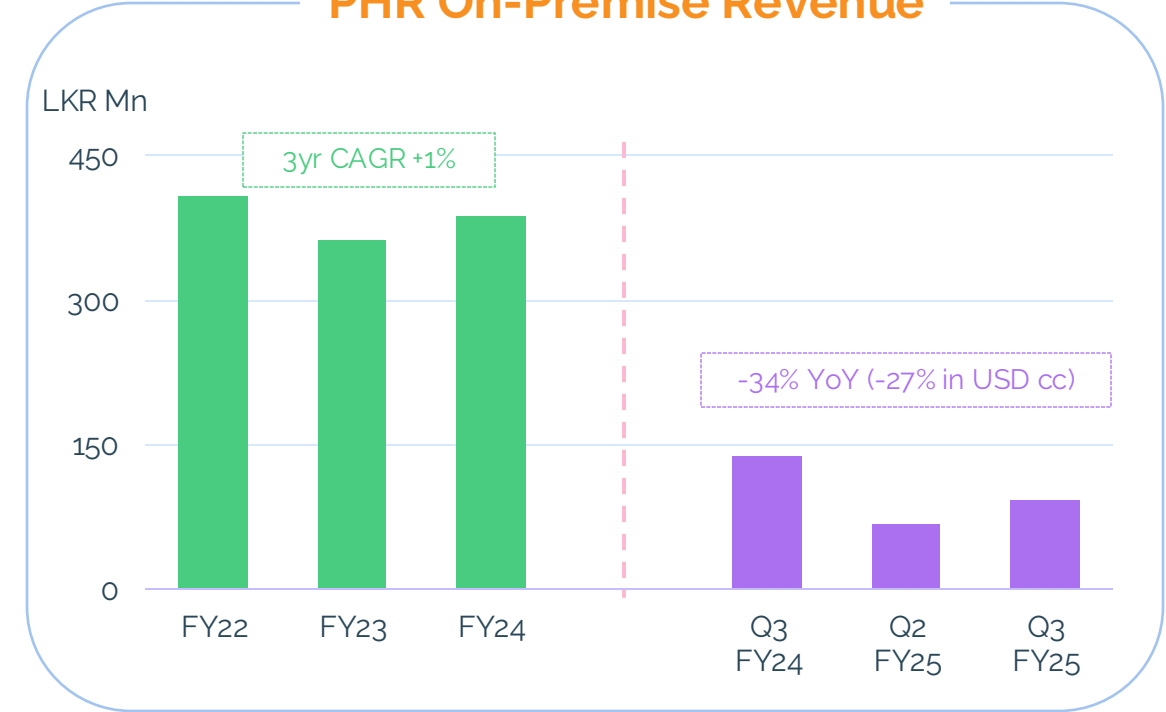
PHR Cloud and On-Premise

PHR Cloud Revenue



▶ PHR Cloud continued its strong growth path with a 23% YoY increase in USD cc terms

PHR On-Premise Revenue

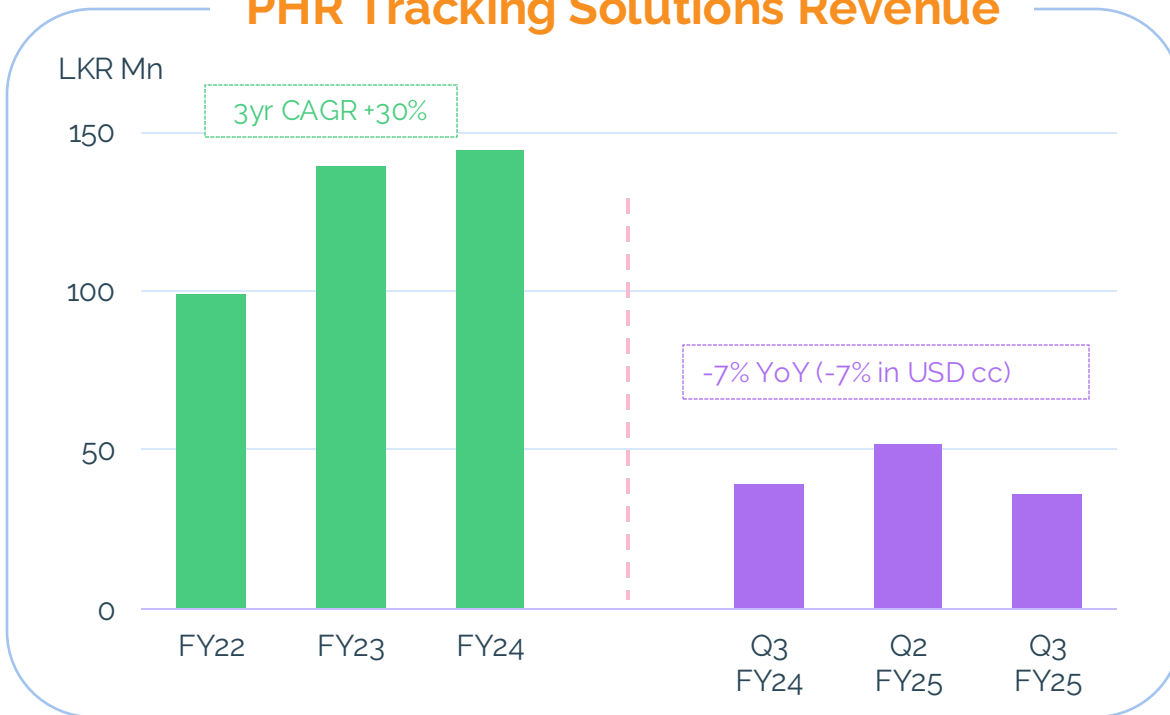


▶ Progress made on few large projects drove uptick in Q3 On-Premise revenue

Business Segments

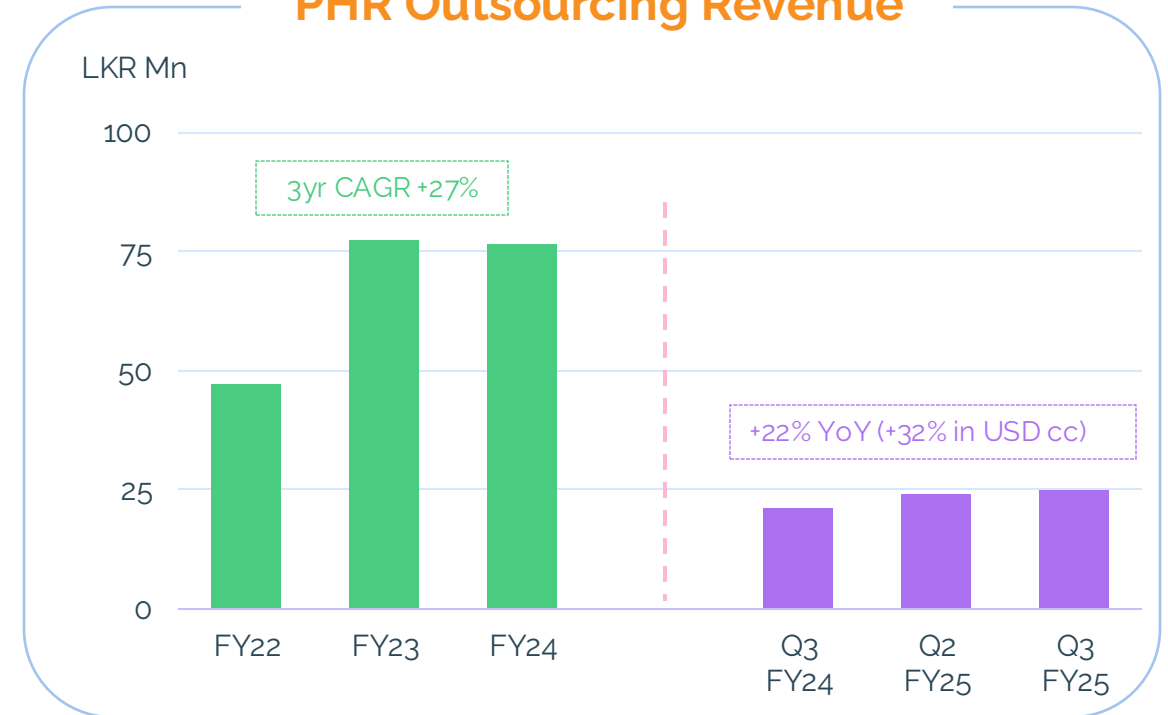
PHR Tracking Solutions and Outsourcing

PHR Tracking Solutions Revenue



▶ PHR Tracking revenues declined quarterly due to lower device sales but remained stable YoY

PHR Outsourcing Revenue



▶ PHR Outsourcing revenues remained stable, following expansion at the start of the year

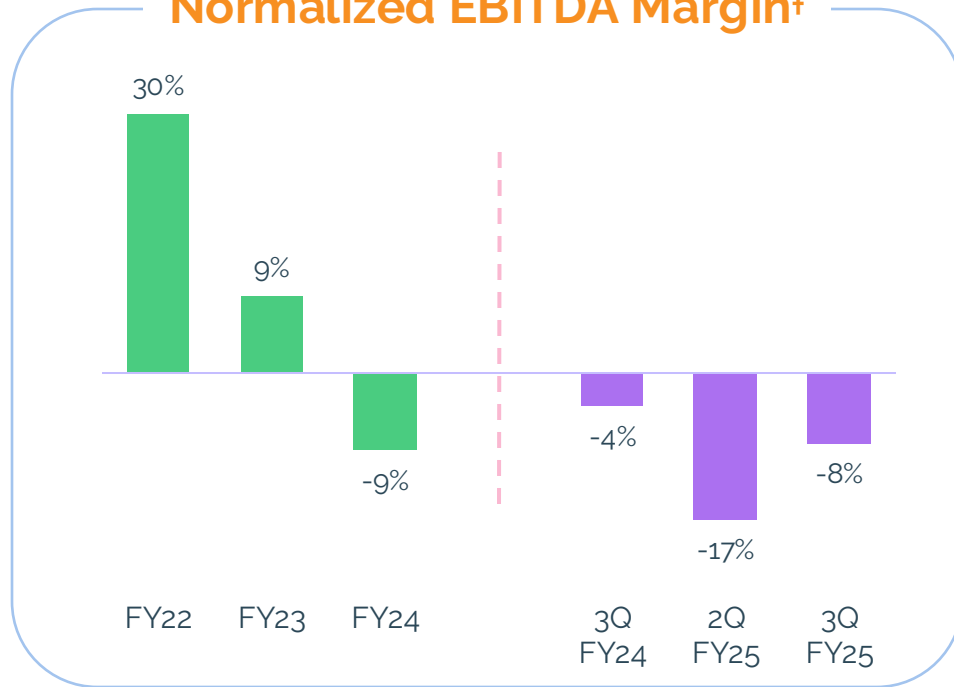
Cost of Sales Drill Down

All in LKR millions	FY22	FY23	FY24	3Yr CAGR	3Q FY24	2Q FY25	3Q FY25	YoY growth
On-site and third-party implementation costs [†]	59	94	150	+37%	41	27	23	-45%
Infrastructure costs ^{††}	53	170	162	+69%	43	38	40	-6%
Cost of devices sold	54	64	49	+20%	16	20	15	-6%
Mobile solutions related costs	72	122	61	-16%	8	-	8	-5%
Staff related costs	236	369	556	+35%	140	153	145	4%
Total Cost of Sales	473	820	979	+30%	247	238	230	-7%

† Includes costs related to on-site implementations by hBS staff and channel partners | †† PHR Cloud hosting costs

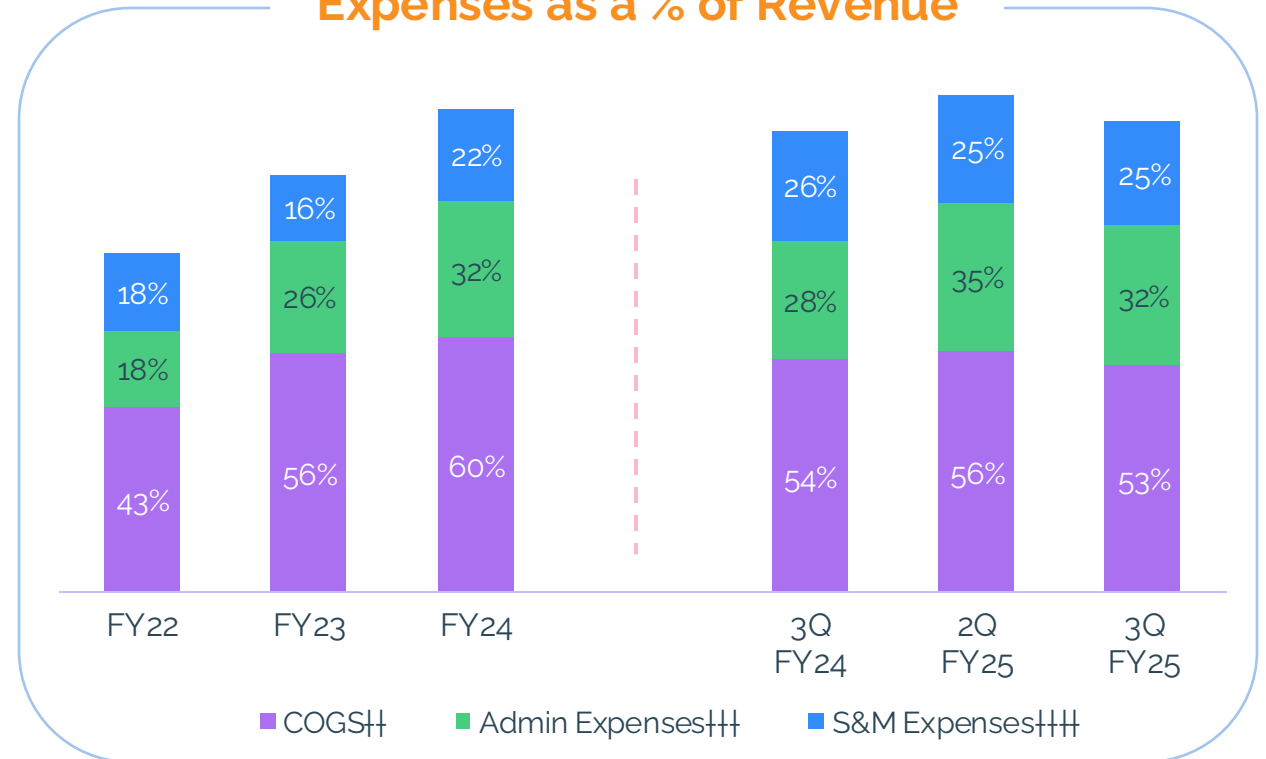
Analysis of Normalized EBITDA Margin

Normalized EBITDA Margin†



▶ Notable margin improvements from ongoing initiatives, repricing and cost controls

Expenses as a % of Revenue

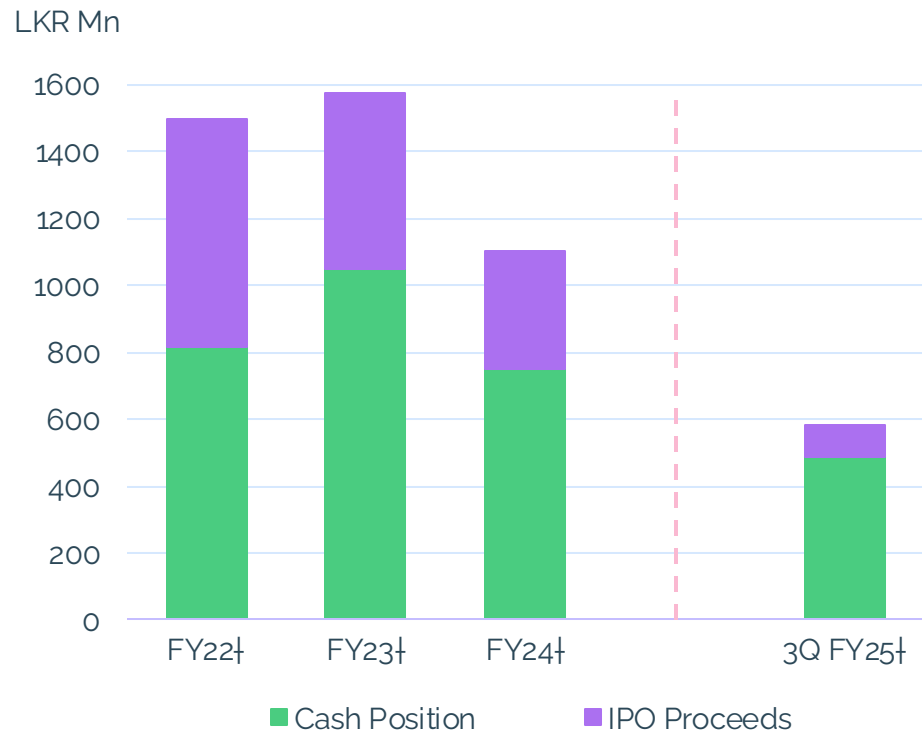


▶ COGS and OPEX declined QoQ, reflecting company's cost optimization efforts

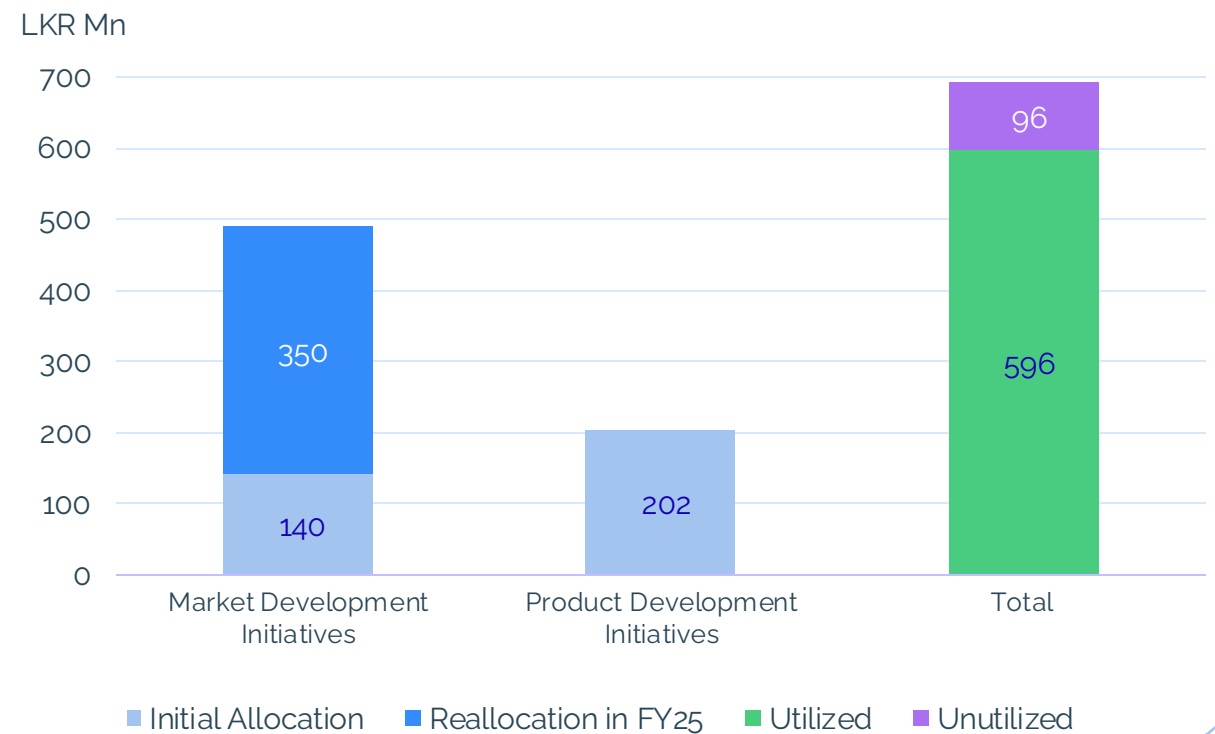
† Adjusted for D&A, Interest, Impairment of Trade Receivables, FX Impact, Gratuity | †† Adjusted for Gratuity | ††† Adjusted for Amortization of ROU Assets, Gratuity | †††† Adjusted for Impairment of Trade Receivables, Gratuity

Cash Position and IPO Fund Utilization

Cash Position



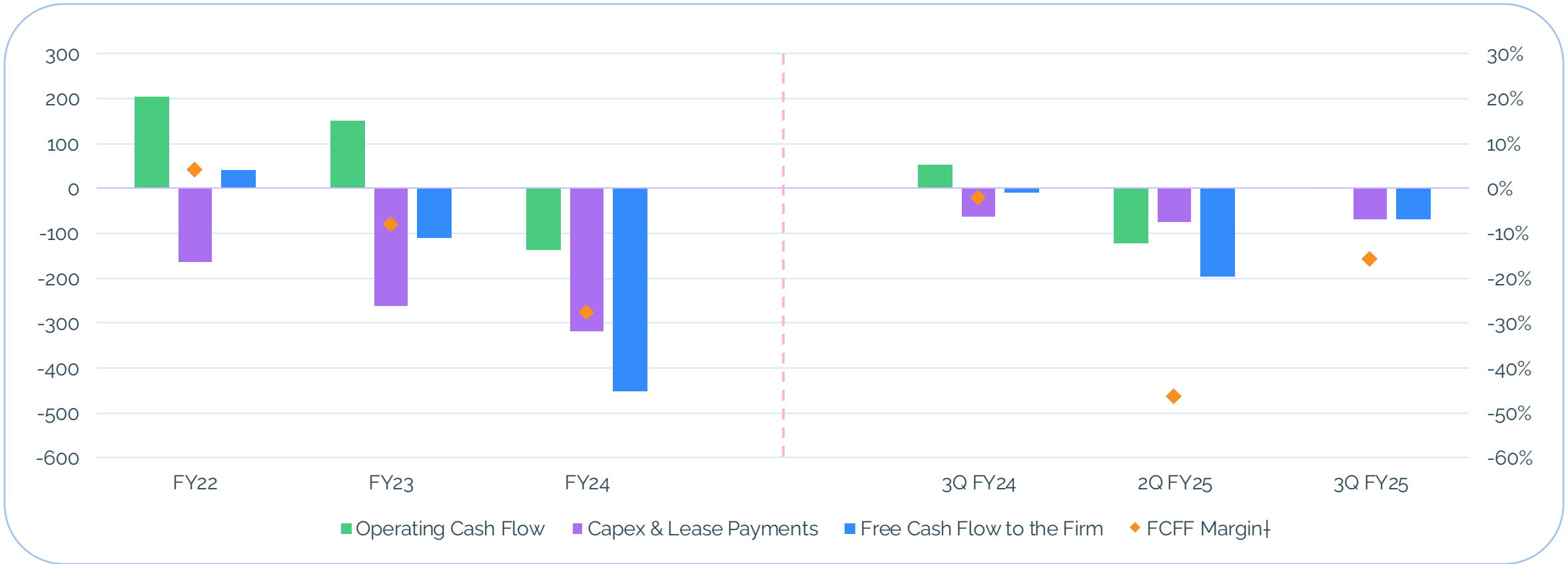
IPO Fund Utilization



▶ Cash position at ~LKR 581 Mn

▶ IPO fund utilization at 86%

Free Cash Flow Generation

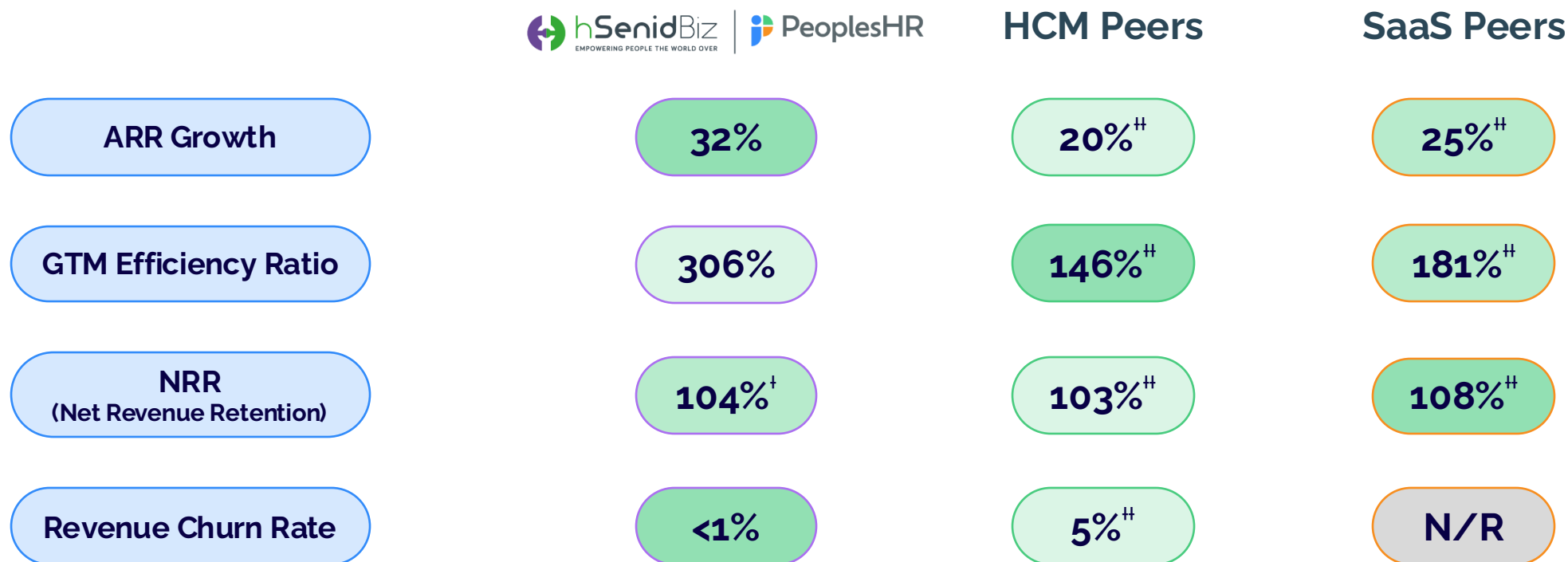


▶ Improved cash collections from existing customers during the quarter

† FCFF = Net operating cash flow – Capital expenditure – Lease payments

Peer HCM and SaaS company benchmarking

(For the last reported quarter)



- ◆ Analysis of HCM Peers includes ATOSS, Zalaris, Workday, Paycor, Paylocity, Dayforce
- ◆ Analysis of SaaS Peers includes Monday, Klaviyo, Atlassian, SEMRush, Bigtincan

† PeoplesHR NRR and Churn Rates are calculated only for the PHR Cloud Business | †† Public Company data, hSenidBiz analysis, Oct 2024.

Notes : All values shown above represents the last reported quarter of the respective organizations. In the case of hSenidBiz, quarter ending on December 2024 is considered.

The GTM Efficiency ratio is the ratio of Sales and Marketing spend to net new ARR; NRR (Net revenue retention) = 1 - Churned revenue + Upsell & cross sell revenue + account expansion - account contraction

Investor Forum



Join us for the **Investor Forum Q&A Session**
for **Q3 FY2025**

18th of February 2025
3.00 pm IST

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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