



# Quarterly Investor Forum

**1Q FY2026**

# 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.

# hSenidBiz | PeoplesHR at a Glance



## **\$10 Bn+ TAM**

Market Opportunity APAC and MEA

## **1700+ Customers**

Operating across 40+ countries and 20+ industries

## **1 Mn+ Global Users**

Churn maintained at a healthy rate of 5%

## **\$4.5 Mn Exit ARR**

Exit Annualized Recurring Revenue as at end 1Q FY26

## **\$4.8 Mn CARR**

Contracted ARR (CARR) includes exit ARR and the subscription revenue backlog

## **27% ARR Growth**

Year-over-Year Growth compared to 1Q FY25

## **95% GRR**

Gross Revenue Retention for LTM as at end 1Q FY26

## **102% NRR**

Net Revenue Retention for LTM as at end 1Q FY26

## **~\$1.8 Mn in Cash**

Includes Company's own cash reserves and ~LKR 201 Mn cash float of managed services business

## **287 FTEs**

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



# 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 HRD suite to satisfy modern company demands
- ▶ 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 471.8 Mn**

- ◆ Subscription revenue grew **13% QoQ**; **9%** in USD cc
- ◆ Significant improvement in quality of revenue with all recurring revenue accounting for **72%** of total revenue
- ◆ Total revenues grew only **1% YoY**; **2%** in USD cc, primarily due to the net effect of:
  - Increase in subscription revenue
  - Decline in professional services revenue from large on-prem projects

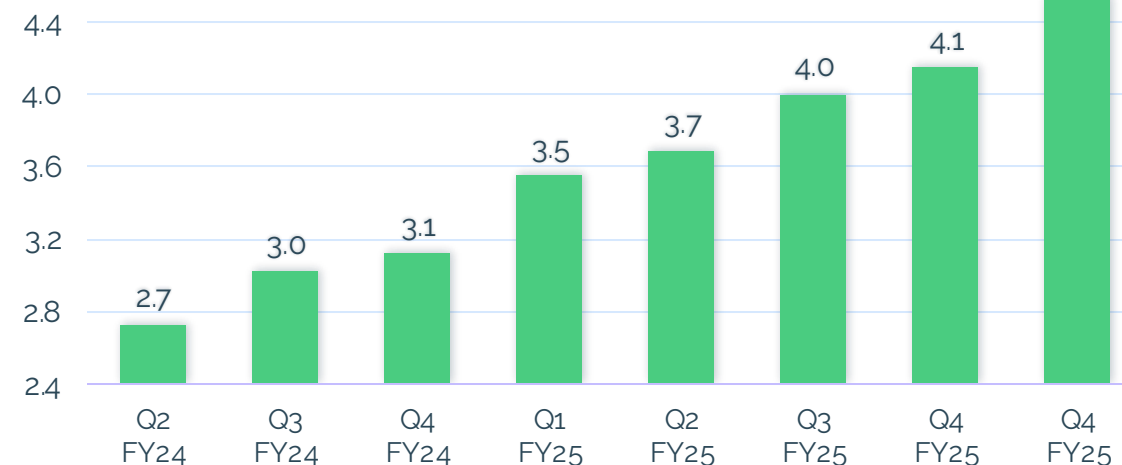
## ► Total Exit ARR at **USD 4.5 Mn**

- ◆ Growth of **27% YoY** & **10% QoQ**

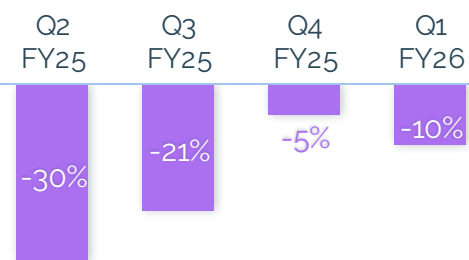
## ► Positive FCF Margin (**1%**) and Normalized EBITDA margin (**2%**) continued to maintain the turnaround momentum in Q4 of last FY

### Core Exit ARR (Q1 FY24 to Q4 FY25)

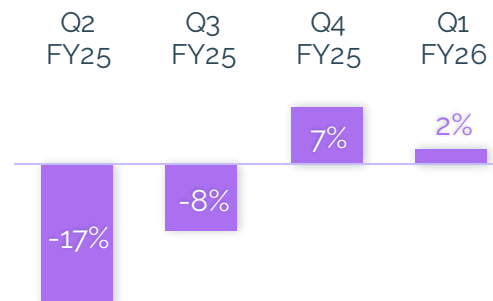
USD Mn



### Normalized EBIT Margin<sup>†</sup>



### Normalized EBITDA Margin<sup>†</sup>



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

# Key Business Updates

## Product Development & Engineering

- ◆ Introduction of AI-powered features including Lexi (AI Agent), workflow assistants, and intelligent search widgets to significantly enhance user experience and hence product adoption
- ◆ Digital signature tool enabled to support paperless HR operations
- ◆ Payroll functionality updates across Philippines and Indonesia for regulation-aligned payroll processing

## Talent Update

- ◆ Strong focus on giving teams access to latest AI tools and technology to enhance employee operational efficiencies
- ◆ Aligned training strategy for FY 25/26 based on prioritized market segments
- ◆ Continuing to hire local pre-sales/sales/post-sales team members in key focus markets

# Key Business Updates

## Sales Update

- ◆ Appointment of a Country Director in the Philippines to strengthen local sales presence and leadership
- ◆ Expansion of FY26 pipeline, with increased volume of late-stage (closure-level) opportunities
- ◆ Scaled Direct Outbound efforts by reinforcing SDR and outreach teams in SEA region

## Go-To-Market Update

- ◆ Use of AI-based tools and technologies to increase the scale of demand generation and general sales & marketing programs
- ◆ Strict focus on increasing engagement across ICP-aligned industries
- ◆ Continued investments in small scale events with focused audiences

# New Deal Bookings

- ▶ **USD 440,998** new deal closures in Q1
  - ◆ Up by **41%** compared to Q1 FY25
- ▶ On-prem to Cloud migrations in Sri Lanka continued its momentum, driving new deal acquisitions in Q1
  - ◆ **77%** originated from South Asia while **14%** originated from SEA
- ▶ **PHR Cloud** accounted for ~**91%** of new deals during 1Q FY26





# Summarized Income Statements

All figures in LKR Mn	FY23	FY24	FY25	1Q FY25	4Q FY25	1Q FY26
<b>Revenue</b>	1,464	1,645	1,818	466	500	472
<b>Gross profit</b>	644	665	825	199	242	218
<i>Gross profit margin</i>	44%	40%	45%	43%	48%	46%
<b>Normalized EBITDA</b>	138	(148)	(120)	(45)	33	12
<i>Normalized EBITDA margin</i>	9%	-9%	-7%	-10%	7%	2%
FX gain/(loss)	71	(65)	(11)	15	11	13
Net interest income	188	139	41	15	8	3
<b>Profit before tax (PBT)</b>	189	(291)	(321)	(60)	(33)	(40)
<i>PBT margin</i>	13%	-18%	-18%	-13%	-7%	-8%
<b>Net profit</b>	188	(293)	(287)	(60)	3	(36)
<i>Net profit margin</i>	13%	-18%	-16%	-13%	1%	-8%
<b>EPS (LKR)</b>	<b>0.68</b>	<b>(1.06)</b>	<b>(1.01)</b>	<b>(0.22)</b>	<b>0.01</b>	<b>(0.13)</b>
<b>FCFF Margin<sup>†</sup></b>	<b>-8%</b>	<b>-29%</b>	<b>-20%</b>	<b>-10%</b>	<b>1%</b>	<b>1%</b>

<sup>†</sup> excluding movements in the cash float of Payroll Outsourcing operations

# Revenue Drill Down

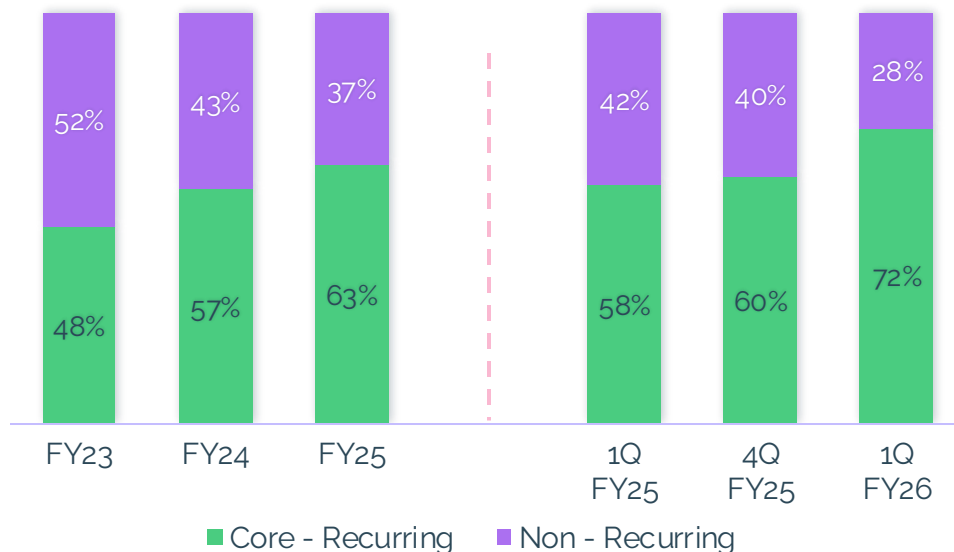
All figures in LKR Mn	FY23	FY24	FY25	3Yr CAGR (in LKR / USDcc)	1Q FY25	4Q FY25	1Q FY26	YoY growth (in LKR / USD cc)
<b>PHR Cloud</b>	<b>678</b>	<b>893</b>	<b>1,075</b>		<b>236</b>	<b>306</b>	<b>310</b>	
Subscription Revenue (Recurring)	502	670	887	+43% / +30%	196	233	264	+32% / +32%
Professional Services	176	222	187		40	74	46	
<b>PHR On-premise</b>	<b>362</b>	<b>388</b>	<b>361</b>		<b>121</b>	<b>80</b>	<b>68</b>	
Annual Maintenance Fee (Recurring)	110	135	144	-4% / -12%	40	30	34	-44% / -43%
Professional Services <sup>†</sup>	252	253	216		81	50	33	
<b>Tracking Solutions</b>	<b>139</b>	<b>145</b>	<b>180</b>		<b>32</b>	<b>59</b>	<b>38</b>	
Annual Maintenance Fee (Recurring)	14	7	10	+22% / +26%	2	3	2	+19% / +19%
Sale of Devices	125	137	170		30	56	36	
<b>PHR Outsourcing</b>	<b>77</b>	<b>77</b>	<b>100</b>	+29% / +21%	<b>27</b>	<b>25</b>	<b>32</b>	+21% / +22%
<b>Core Revenue</b>	<b>1,259</b>	<b>1,504</b>	<b>1,716</b>	<b>+23% / +14%</b>	<b>416</b>	<b>471</b>	<b>447</b>	<b>+8% / +9%</b>
Others <sup>††</sup>	204	141	101	-15% / -22%	50	29	25	-50% / -52%
<b>Total Revenue</b>	<b>1,462</b>	<b>1,645</b>	<b>1,817</b>	<b>+19% / +9%</b>	<b>466</b>	<b>500</b>	<b>472</b>	<b>+1% / +2%</b>

† Includes Licensing Fees

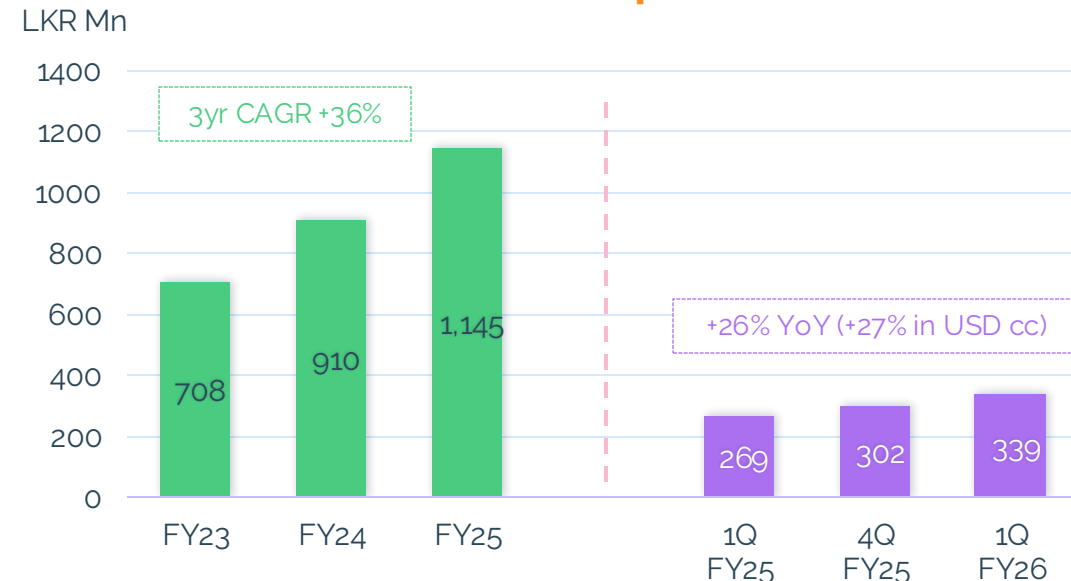
†† Includes non-core revenues of PHR Marketplace, Mobile Software and Staffing Solutions

# Core Recurring Revenue

## Core Recurring Revenue Composition



## Annual Core Recurring Revenue Composition



► PHR Cloud (SaaS) Exit ARR recorded USD 3.6 Mn, accounting for 80% of total recurring revenue

◆ USD 4.5 Mn in Core Exit ARR<sup>††</sup> as at 1Q FY26

◆ NRR<sup>†††</sup> of 102%

◆ GRR<sup>†††</sup> of 95%

NRR: Net Revenue Retention; GRR: Gross Revenue Retention

† for 1Q FY2026; Includes subscription, support and HRO (excludes staffing revenue)

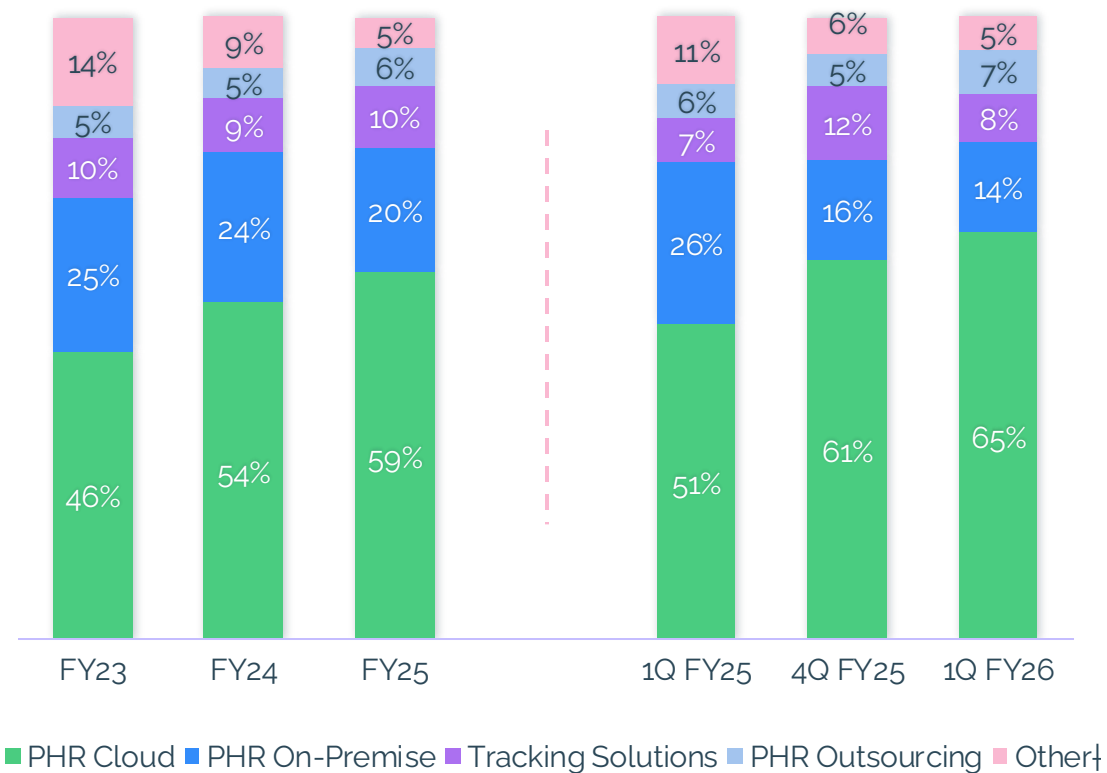
†† 1Q FY26 QRR x 4 | ††† Calculations are done for the SaaS recurring revenue basis for the Last Twelve Months

# Revenue Composition

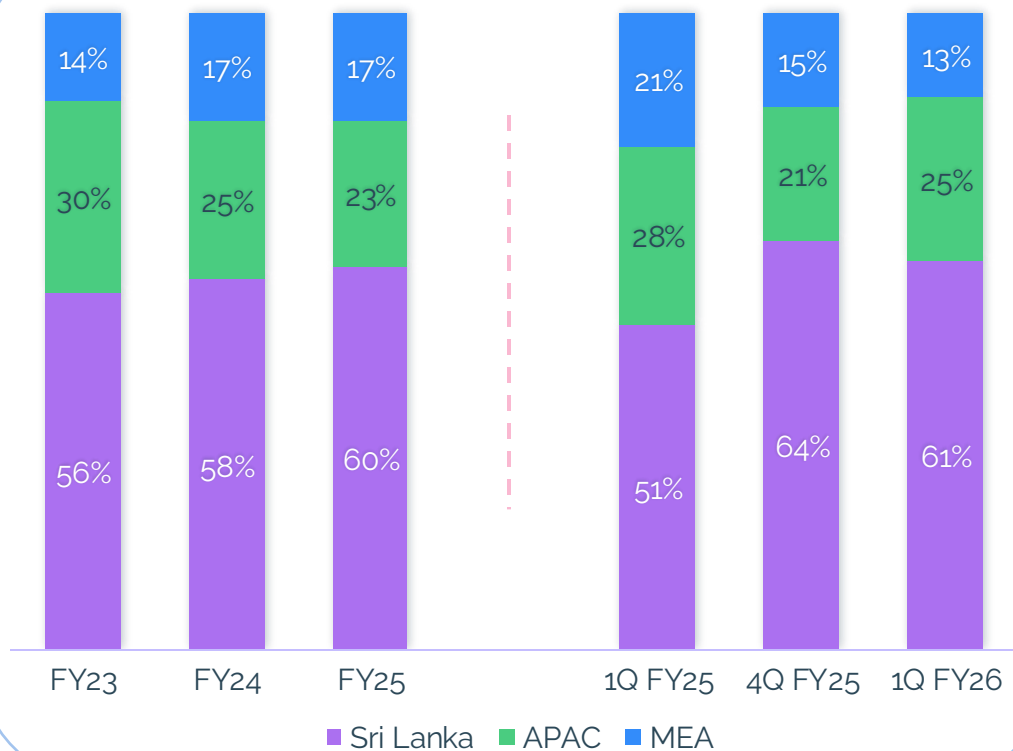
- PHR Cloud continued to be the primary driver of revenue, maintaining a consistent growth trajectory

- APAC showcased a gradual increase in contribution, while Sri Lanka retained its prime position

## Product Breakdown



## Geographical Breakdown

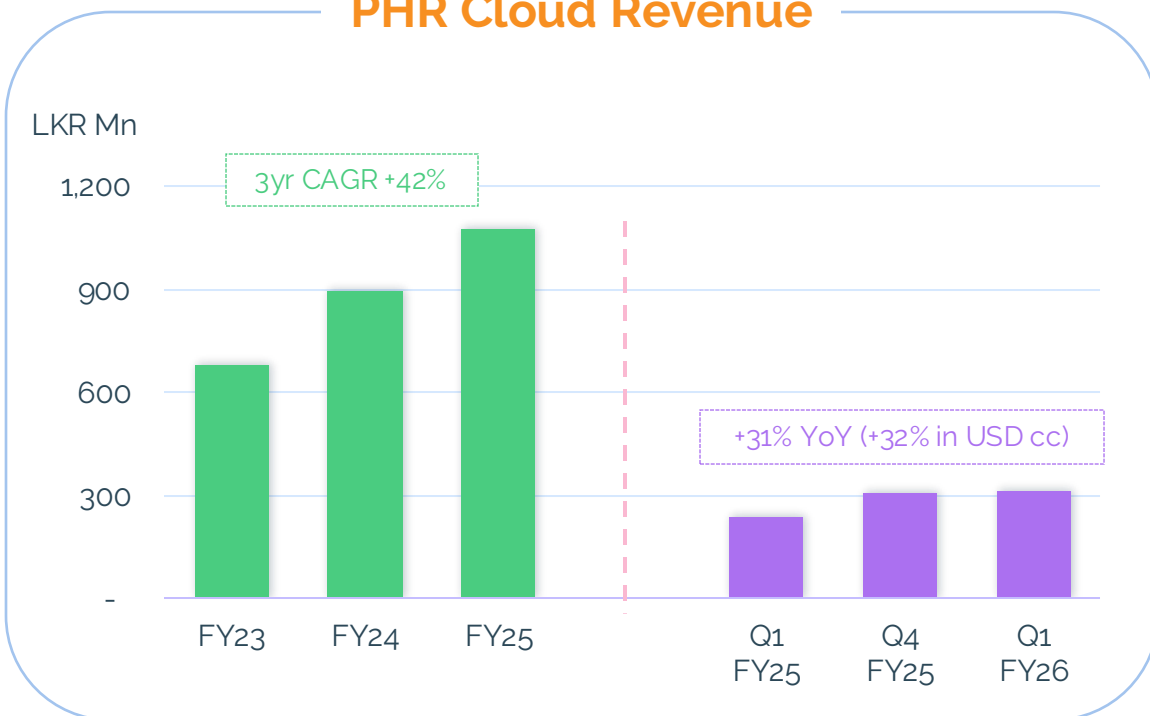


† Includes non-core revenues of Mobile Software and Staffing Solutions

# Business Segments

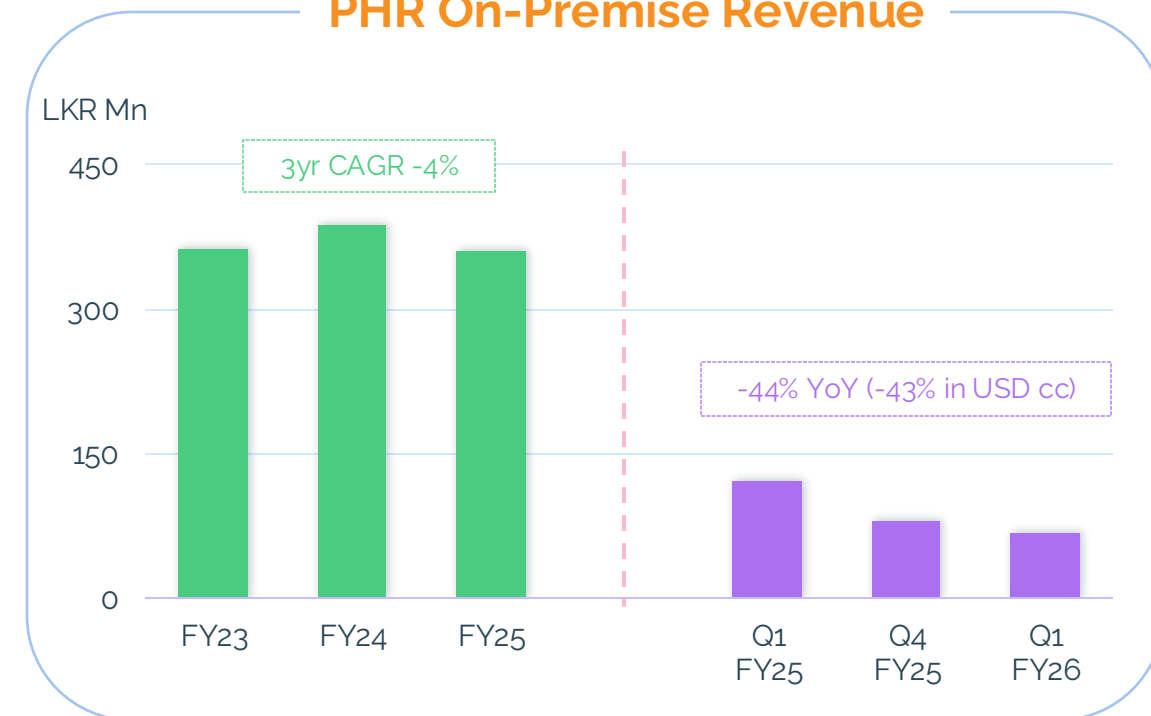
## PHR Cloud and On-Premise

### PHR Cloud Revenue



- ▶ PHR Cloud reflected improved quality and growth, with recurring revenue accounting for 88% of its total

### PHR On-Premise Revenue

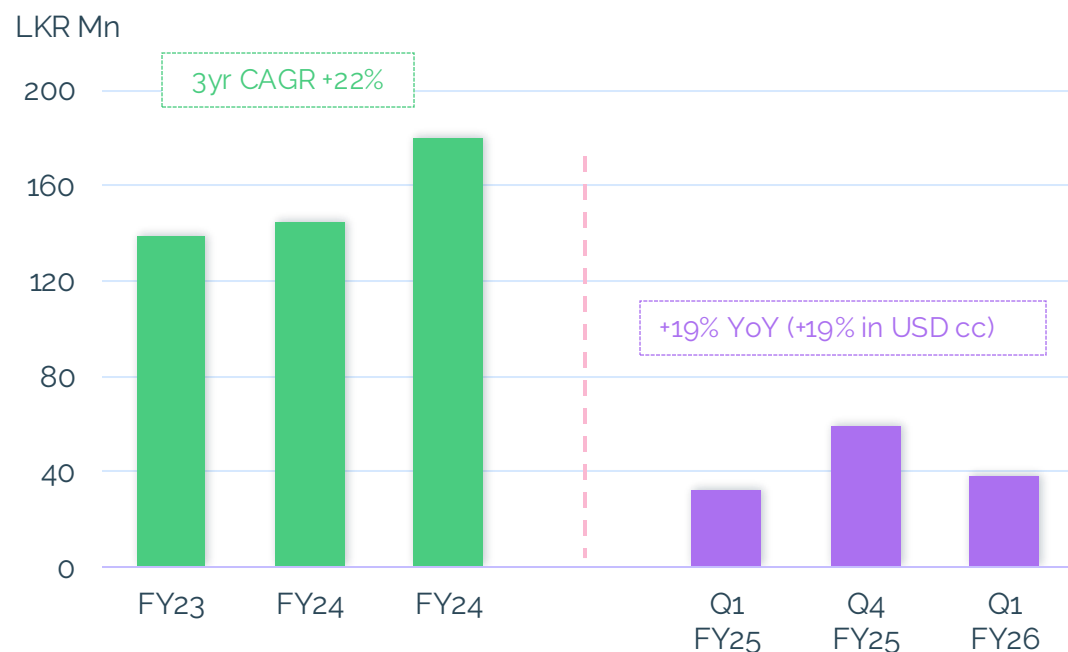


- ▶ PHR On-Prem revenue continued its decline, driven by ongoing migrations to the Cloud in Sri Lanka

# Business Segments

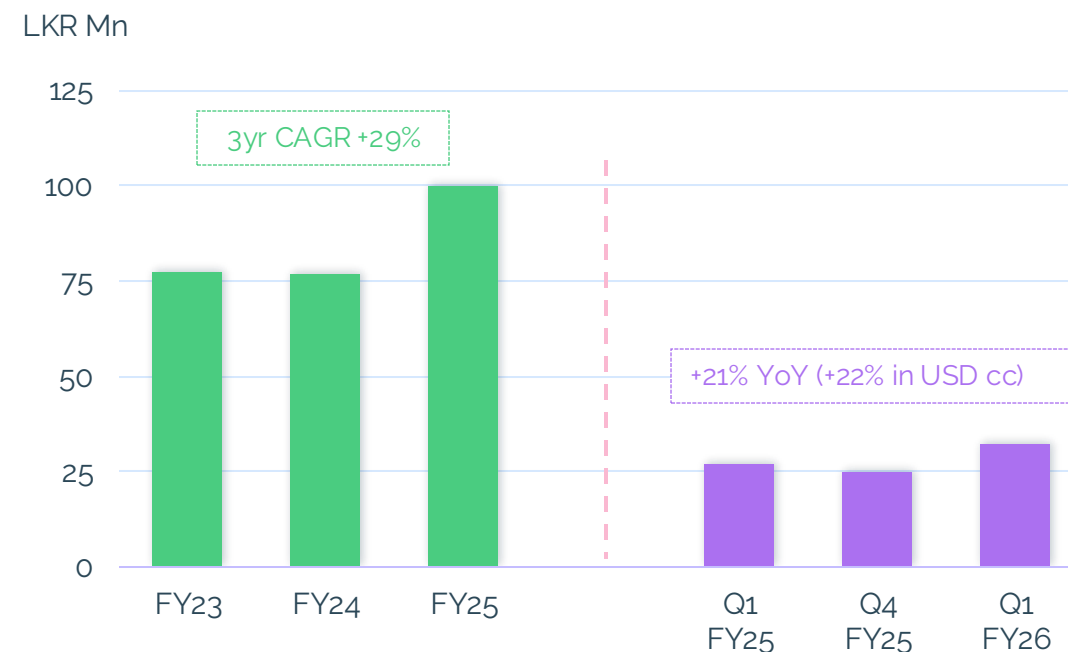
## PHR Tracking Solutions and Outsourcing

### PHR Tracking Solutions Revenue



- ▶ PHR Tracking revenue returned to its baseline levels after a quarter boosted by device sales

### PHR Outsourcing Revenue



- ▶ PHR Outsourcing continued to deliver consistent revenue, with notable YoY growth

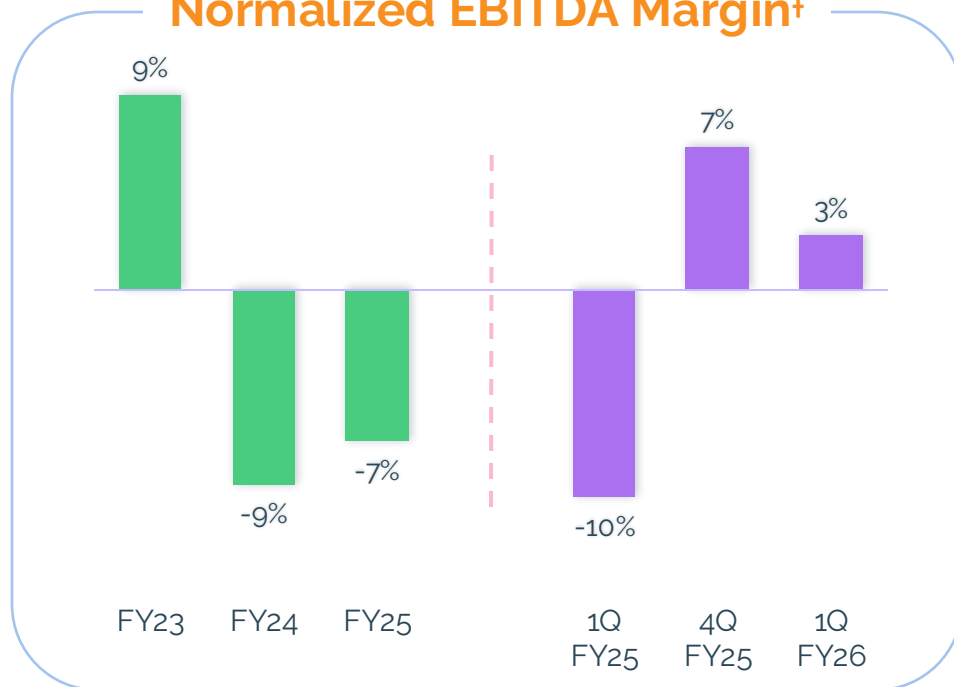
# Cost of Sales Drill Down

All figures in LKR Mn	FY23	FY24	FY25	3Yr CAGR	1Q FY25	4Q FY25	1Q FY26	YoY growth
On-site and third-party implementation costs <sup>†</sup>	94	150	109	+23%	24	35	24	0%
Infrastructure costs <sup>††</sup>	170	162	164	+46%	40	46	53	+33%
Cost of devices sold	64	49	69	+9%	12	23	19	+59%
Mobile solutions related costs	122	61	31	-25%	21	2	6	-70%
Staff related costs	369	556	620	+38%	171	152	151	-12%
<b>Total Cost of Sales</b>	<b>820</b>	<b>979</b>	<b>993</b>	<b>+28%</b>	<b>268</b>	<b>258</b>	<b>254</b>	<b>-5%</b>

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

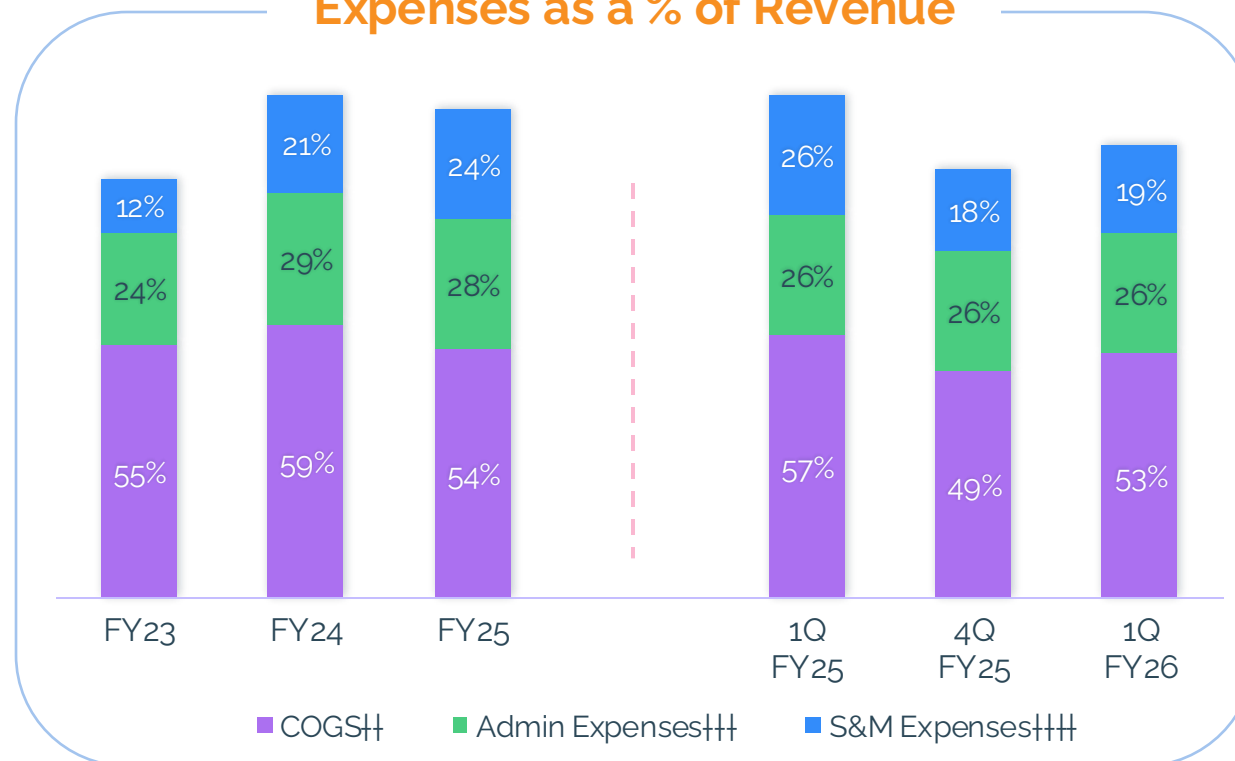
# Analysis of Normalized EBITDA Margin

## Normalized EBITDA Margin<sup>†</sup>



- Margins sustained their recovery, underpinned by a strengthening margin structure aligned with long-term profitability.

## Expenses as a % of Revenue



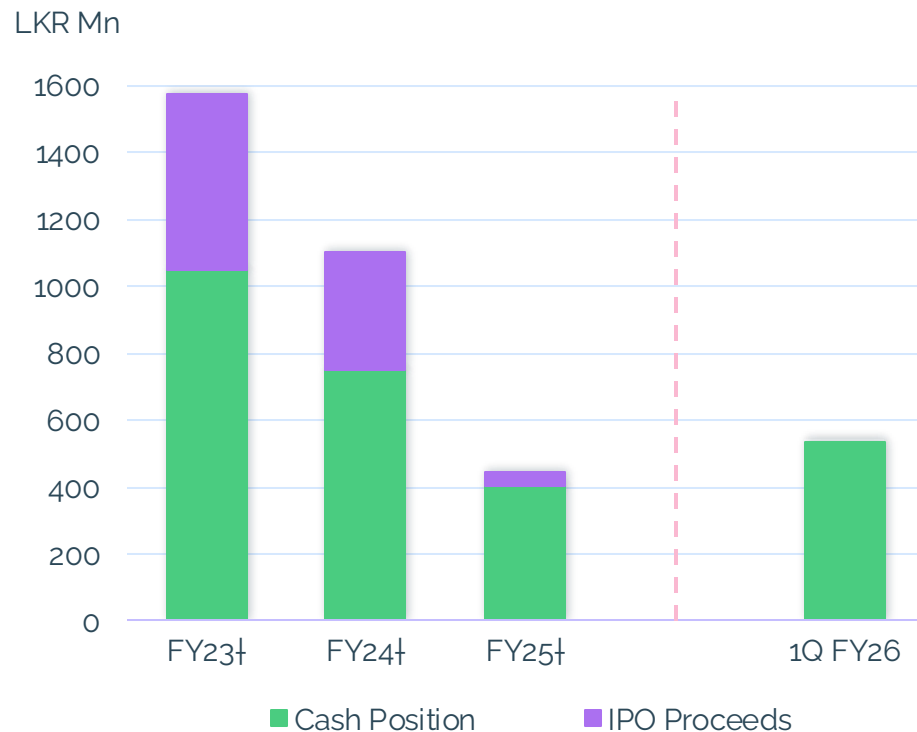
- Sustained cost discipline continued to support stable COGS and OPEX levels relative to revenue

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

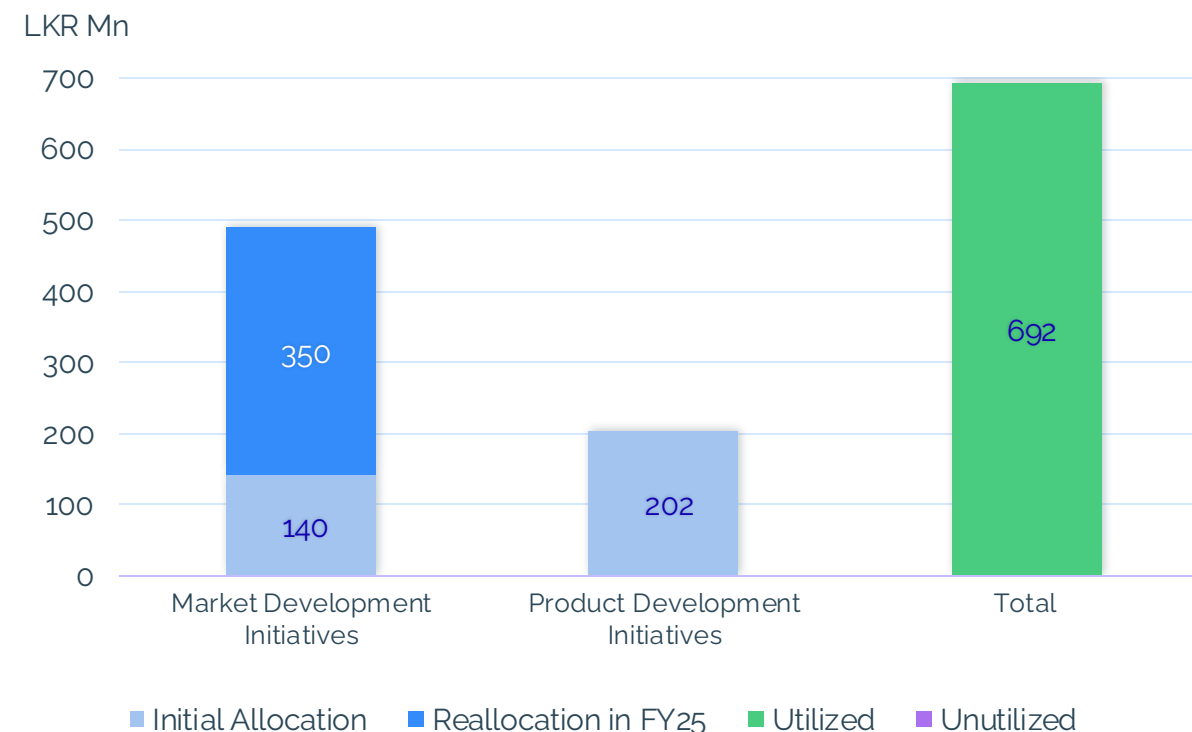


# Cash Position and IPO Fund Utilization

## Cash Position



## IPO Fund Utilization



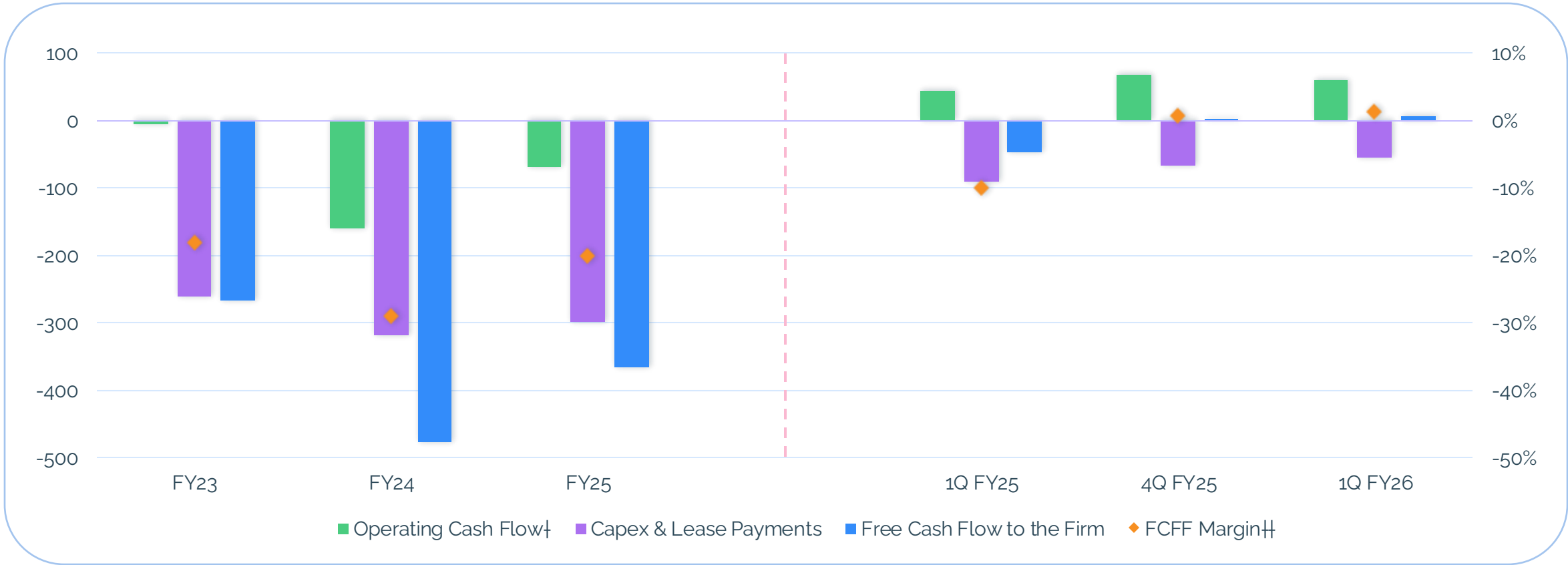
► Cash position at ~LKR 537 Mn<sup>††</sup>

► IPO fund utilization at 100%

† Includes IPO proceeds excluding utilization for investments

†† Includes Company's own cash reserves and ~LKR 201 Mn cash float of managed services business

# Free Cash Flow Generation





► Free cash flow remained positive, maintaining the momentum seen last quarter

† Excludes Cash float from Payroll Outsourcing operations

‡ FCFF = Net operating cash flow – Capital expenditure – Lease payments – Cash flow impact from Payroll Outsourcing operations

# Peer SaaS company benchmarking

(For the last reported quarter)

	 hSenidBiz EMPOWERING PEOPLE THE WORLD OVER	 PeoplesHR	Private SaaS	Public SaaS
ARR Growth	27%	27%	15%	
GTM Efficiency Ratio	154%	180%	160%	
NRR (Net Revenue Retention)	102%	101%	106%	
Revenue Churn Rate	5%	12%	5%	

Notes:

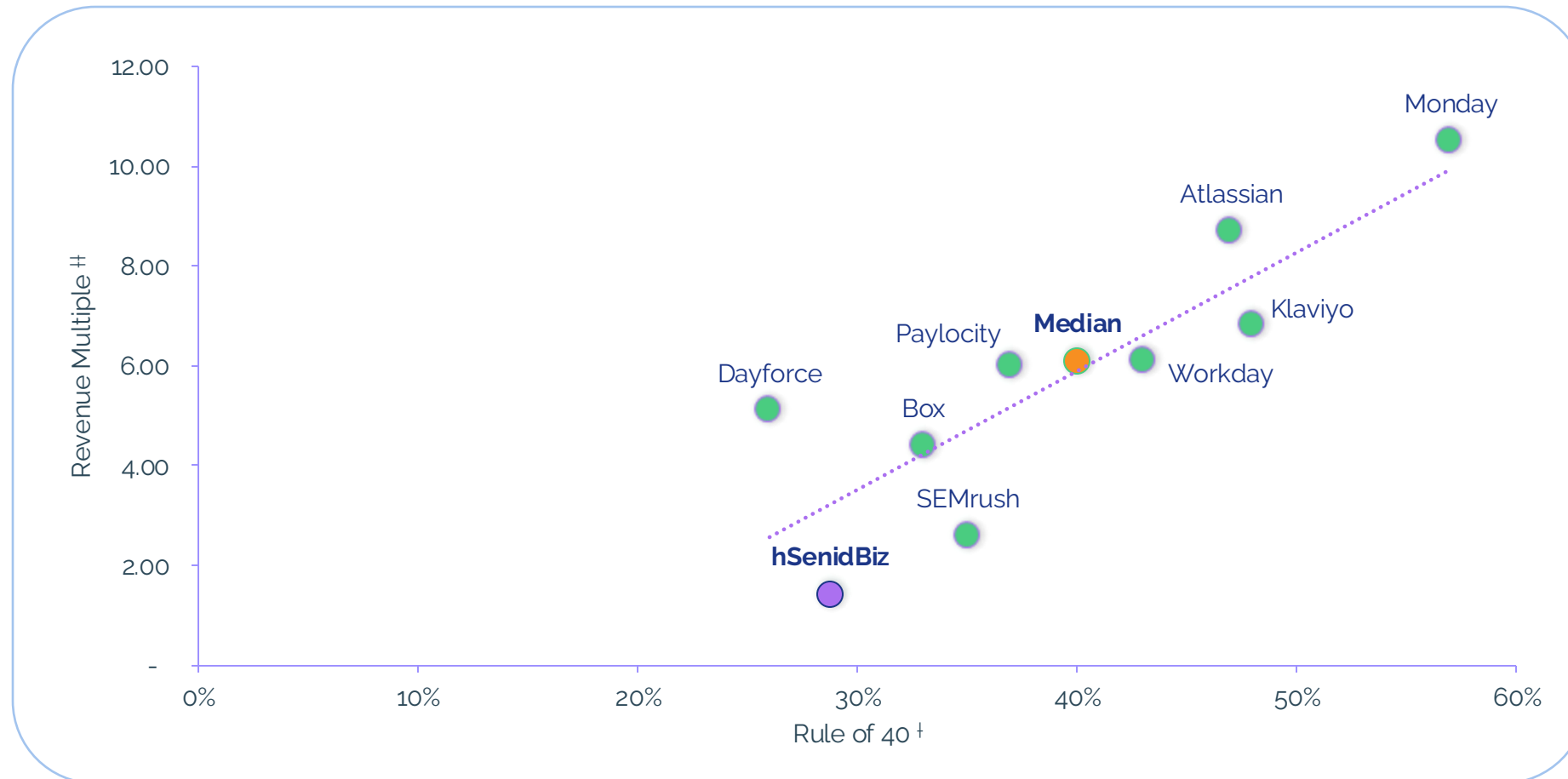
PeoplesHR : ARR Growth is reported for Year-over-Year | GTM Efficiency is reported for the year ending March 2025 | NRR and Churn Rates represents only the PHR Cloud Business for the Last Twelve Months

Private SaaS : Values reflect metrics for the Calendar Year 2024 for Privately held SaaS entities falling under the criteria of ARR \$5-20 Mn

Public SaaS : Values reflect metrics for the Last Twelve Months for Publicly listed SaaS entities falling under the criteria of ARR \$100-500 Mn

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

# Upside Potential based on Rule of 40 metric



† Rule of 40 = NTM Revenue YoY Growth % + NTM FCF Margin %

†† Revenue Multiple = EV / NTM Revenue

hSenidBiz : EV is calculated based on Market Cap | Rule of 40 is calculated on an LTM basis considering ARR YoY Growth & 1Q FCF Margin

# Investor Forum



Join us for the **Investor Forum Q&A Session**  
for **Q1 FY2026**

**14<sup>th</sup> of August 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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