

The World's only NextGen Open Finance, Composable and Contextual FinTech Platform

Q2 FY 23 Results
Earnings Announcement



Safe Harbor Statement

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT Products companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Intellect Design Arena has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry.

Intellect Design Arena may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.



Our Purpose

To provide **Large Enterprise Grade Composable and Contextual solutions** driving higher business growth, reducing cost and risk on sustainable basis.



Intellect

The world's only NextGen, Composable and Contextual FinTech Platform

Ranked #1
globally by IBS in Six
Categories

IBS Global Sales League Table 2022

25+ Years
of Domain Expertise
in FinTech

57+
Countries Served

8012 - The world's first
design center for FinTech

reflecting its commitment to
continuous and impactful innovation

10
Products

7
Platforms

4
Technologies

270+
Global Banking Clients

Board of Directors



Arun Jain

Chairman & Managing Direc



Anil Kumar Verma

Executive Director



Arun Shekhar Aran

Independent Director



Andrew England

Non-Executive Director



Vijaya Sampath

Independent Director



Abhay Gupte

Independent Director



Ambrish P Jain

Independent Director

Strategic Advisory Board



Andrew England



Dave Ravell



Prabal Basu Roy



Pradeep Kapur



Sanjeeb Chaudhuri



Swarup Choudhury



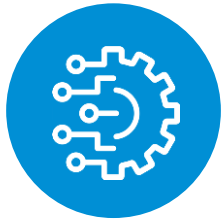
Theodore Roosevelt
Malloch



Vikram Sud



Evolution from Technologies to Marketplace



**Technology
Stack**



**Data
Model**



Products



Cloud



Platforms



**3rd Party
Participants
+ FinTech**



**Marketplace -
FinTech Ecosystem**



Performance Overview

Financial Highlights



LTM Q2 FY23 - Financial Highlights

TOTAL REVENUE (INR)



27%

Q2 FY23 2087 Cr

Q2 FY22 1640 Cr

YoY Growth

GROSS MARGIN (INR)



25%

Q2 FY23 1166 Cr

Q2 FY22 931 Cr

YoY Growth

EBITDA (INR)



9%

Q2 FY23 455 Cr

Q2 FY22 417 Cr

YoY Growth

PAT (INR)



-1%

Q2 FY23 311 Cr

Q2 FY22 314 Cr

YoY Growth

GROSS MARGIN %

Q2 FY23 : 56%

Q2 FY22 : 57%

EBITDA %

Q2 FY23 : 22%

Q2 FY22 : 25%

COLLECTIONS (INR)

Q2 FY23 : 1905 Cr

Q2 FY22 : 1383 Cr

DSO – By GEO

Global. Excl India

115

India

164

Total

128



LTM Q2 FY23 - Financial Highlights

PLATFORM REVENUE (INR)



62%

Q2 FY23 448 Cr

Q2 FY22 276 Cr

YoY Growth

LICENSE (INR)



-1%

Q2 FY23 338 Cr

Q2 FY22 342 Cr

YoY Growth

AMC (INR)



11%

Q2 FY23 346 Cr

Q2 FY22 311 Cr

YoY Growth

LICENCE LINKED REVENUE (INR) (License+Platform+AMC Revenues)



22%

Q2 FY23 1132 Cr

Q2 FY22 929 Cr

YoY Growth

ANNUAL RECURRING REVENUE (ARR) (On Annualised Basis)



35%

Q2 FY23 794 Cr

Q2 FY22 587 Cr

YoY Growth

DEAL WINS

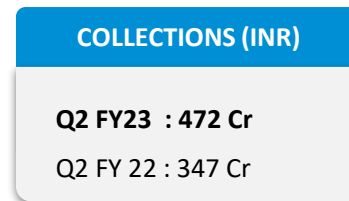
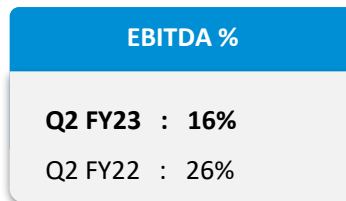
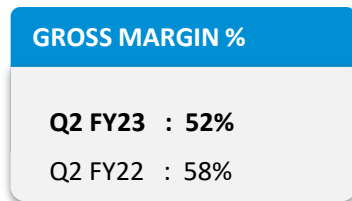
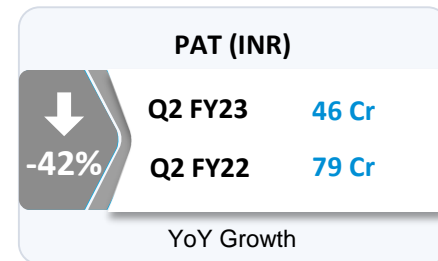
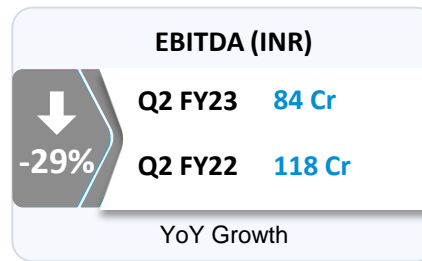
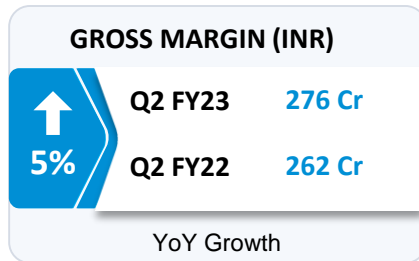
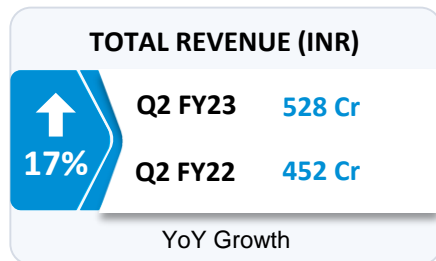
41 wins including
21 platform deal wins

GO LIVES

42 New Digital transformations



Q2 FY23 - Financial Highlights



DSO – By GEO		
Global. Excl India	India	Total
115	164	128



Q2 FY23 - Financial Highlights

PLATFORM REVENUE (INR)



33%

Q2 FY23 119 Cr

Q2 FY22 90 Cr

YoY Growth

LICENSE (INR)



-22%

Q2 FY23 68 Cr

Q2 FY22 86 Cr

YoY Growth

AMC (INR)



10%

Q2 FY23 90 Cr

Q2 FY22 81 Cr

YoY Growth

LICENCE LINKED REVENUE (INR) (License+Platform+AMC Revenues)



7%

Q2 FY23 277 Cr

Q2 FY22 257 Cr

YoY Growth

ANNUAL RECURRING REVENUE (ARR) (On Annualised Basis)



22%

Q2 FY23 836 Cr

Q2 FY22 684 Cr

YoY Growth

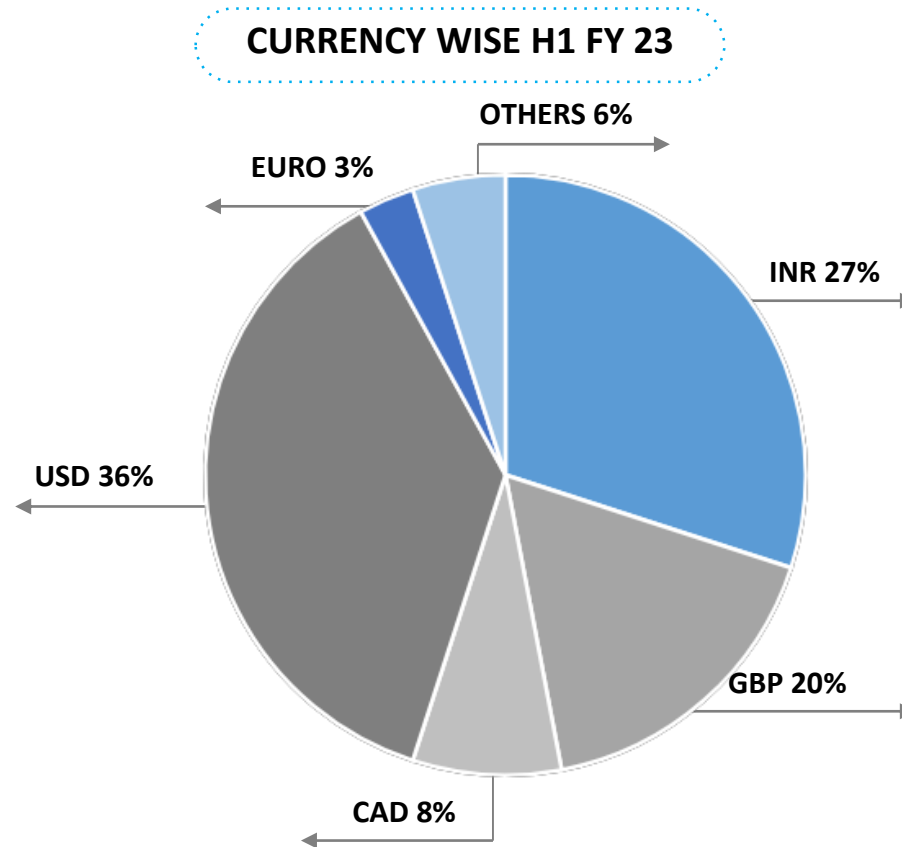
DEAL WINS

14 wins including
9 platform deal wins

GO LIVES

14 New Digital transformations

Revenue Mix



Financial Results for the Second Quarter Ended – September 30, 2022

INR Crs

Additional Information on function wise classification of the statement of Profit and Loss of the Group (Consolidated Audited)

PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		LTM ENDED		YEAR ENDED	
	Sept 30, 2022 (Q2 FY 23)	Sept 30, 2021 (Q2 FY 22)	Sept 30, 2022 (H1 FY 23)	Sept 30, 2021 (H1 FY 22)	Sept 30, 2022 (LTM Q2FY23)	Sept 30, 2021 (LTM Q2FY22)	March 31, 2022 (FY 22)	March 31, 2021 (FY 21)
TOTAL INCOME	527.54	452.14	1,068.84	860.49	2086.54	1,640.25	1,878.19	1497.46
EXPENDITURE								
Software development expenses	251.64	190.32	491.95	369.11	920.44	708.95	797.60	664.59
Gross Margin	275.9	261.82	576.89	491.39	1166.09	931.30	1,080.59	832.87
Gross Margin %	52%	58%	54%	57%	56%	57%	58%	56%
SG & A expenses	149.43	115.31	293.60	220.24	562.94	414.62	489.78	383.61
R & E expenses	42.50	28.32	82.33	52.52	148.55	99.41	118.74	93.32
TOTAL EXPENDITURE	443.57	333.95	867.87	642.07	1,631.92	1,222.98	1,406.12	1,141.51
EBITDA	83.97	118.19	200.97	218.42	454.61	417.27	472.06	355.95
Depreciation & Amortisation	(29.45)	(23.69)	(57.53)	(46.38)	(108.71)	(84.85)	(97.56)	(76.71)
Finance Charges	(0.80)	(1.19)	(2.07)	(2.35)	(3.99)	(5.04)	(4.27)	(9.17)
Fx Reins. (loss)/gain	0.28	(5.80)	3.01	(1.21)	7.38	(0.45)	3.16	2.81
Other Income / Expense	7.93	2.57	10.53	9.33	39.63	25.80	38.42	15.35
Profit / (Loss) before tax	61.92	90.08	154.91	177.81	388.92	352.73	411.82	288.22
Provision for taxation	(16.16)	(10.83)	(40.37)	(24.84)	(78.27)	(38.78)	(62.74)	(25.45)
PROFIT / (LOSS) AFTER TAX	45.77	79.24	114.54	152.97	310.65	313.95	349.08	262.77



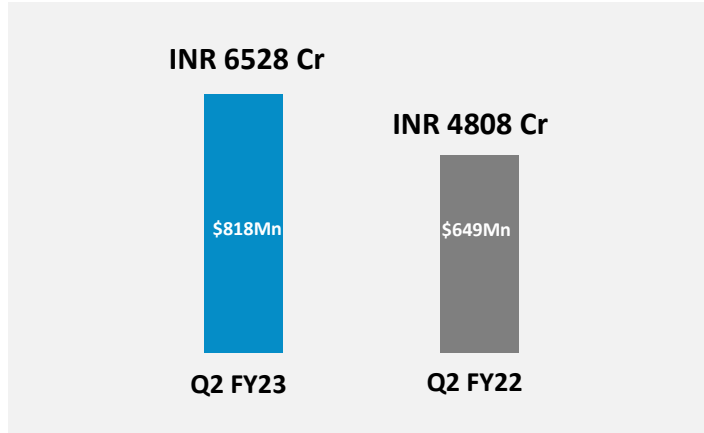
Destiny Deals and Pipeline

Deal wins and Digital Transformations



36% increase in Pipeline – Inline with the Revenue Growth

The current funnel of Intellect



Q2 FY23

Out of \$ 849 Mn funnel value, \$ 634 Mn is accounted by 166 Opportunities

Q2 FY22

Out of \$628 Mn funnel value, \$ 560 Mn is accounted by 156 Opportunities

DESTINY DEALS

OF DEALS

66

54

AVG DEAL SIZE INR Mn (\$ Mn)

439 (\$ 5.5 mn)

414 (\$ 5.6 mn)

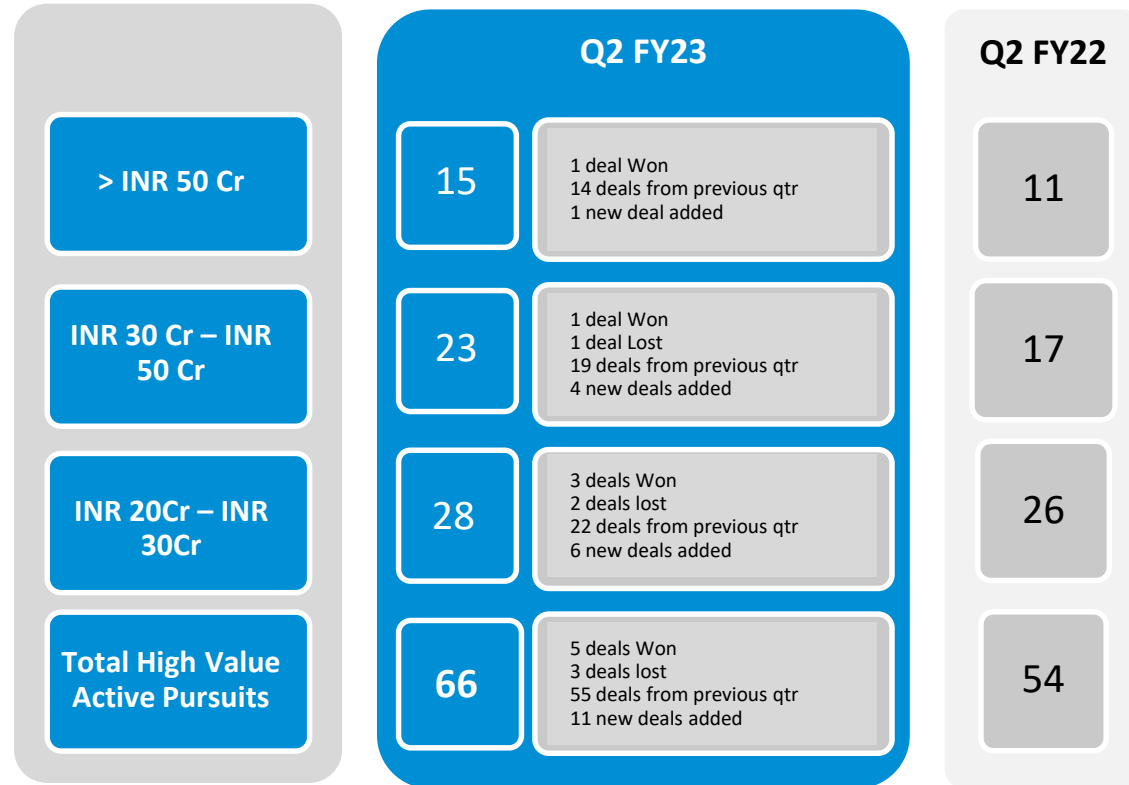
% TO TOTAL OPPORTUNITIES

65%

62 %



Destiny Deals - good growth in big ticket deals





Accelerated Digital Transformations

Q2 FY 23

Deal Wins

14 new Customers have chosen Intellect's Digital stack for their Digital transformation including 9 Customers who have chosen Intellect platforms

Digital Transformations (Go-Lives)

14 Global Financial institutions have transformed their Digital journey on Intellect Product stack.

Intellect could achieve this transformation in complex applications 40% faster than other players in the market because of its 300+ fine-grained Packaged Business Components (PBCs) 900+ APIs and low code, accelerated and predictable implementation technology - iTurmeric that replaces coding with configuration.

Deal Wins - Nine Platform Deal wins

Some of the Significant Platform deals are:

- ***Foresight—the tech-enabled Workers Compensation MGU*** that sees a future where workplace injuries are a thing of the past—recently signed to use Intellect’s AI-powered, full suite of underwriting platform. The use of the IntellectAI products (Magic Submission, Risk Analyst and Xponent) will enable Foresight to automate the quote intake process intelligently, and leverage data for submission prioritisation and risk selection.
- A top 4 bank in Saudi Arabia signed up Cash Power Cloud, continuing to extend their trust with #1 ranked transaction banking FinTech player (by IBSI), Intellect. This is the 2nd major CashCloud Digital Transformation deal in the KSA region.
- The first Egyptian Islamic and commercial bank set to revolutionise Egypt’s digital banking experience with Intellect Global Consumer Banking’s Digital banking marketplace with lifestyle banking.



Deal Wins - Nine Platform Deal wins (Contd)

Some of the Significant Platform deals are:

- iESG, a global ESG platform from Intellect AI designed for financial institutions, has been chosen by one of the worlds largest sovereign wealth funds and a top-tier UK wealth manager - collectively overseeing over \$1.2tn in assets under management.
- A leading North America insurance technology company helping commercial insurance brokers and carriers accelerate workflows through its open data platform selects Intellect's Magic Submission to turn broker submissions into fully structured carrier opportunities.
- A FinTech company licensed by the Saudi Central Bank as the first company to provide micro-financing services to consumers across the Kingdom has chosen Intellect Debt Management platform (IDM), iTurmeric and ARX.

Deal Wins - Five Product Deal Wins

- A top 3 UK Bank signed up for Payments to enable their customers for Real-time local Payments Solutions.
- A top 10 Canadian bank signed up for Payments to enable their customers for Payment Tracking & Real Time Rail and PSH-C Release 3.0 Web Logic & Non-Intrusive Ops Release.
- A top 3 bank in UAE signed up for Mobility Upgrade for better UX continuing to extend their trust with #1 ranked transaction banking FinTech player (by IBSI), Intellect.
- Intellect Global Consumer Banking has signed a boutique bank in Africa to deliver standard core, treasury, lending, AML, FAMS and IBMB using Intellect Digital core.
- One of the fastest-growing private wealth management firms in India has chosen Intellect's digital wealth platform to accelerate business expansion and improve operational efficiencies through STP.



Digital Transformations in Q2 FY23

- A Top 3 Bank in USA went live with Liquidity - Continuing with the 'trusted partner' relationship for over a decade, a top 3 US Bank went live with liquidity enhancements.
- The Largest Commercial Bank in Saudi went live with Cash Power.
- One of Europe's Leading E-Commerce Entities went live with Intellect's Digital Lending solution for the complete digitization of their credit Business.
- One of the largest banks in the Gulf region with over \$118 billion in assets and presence in 12 countries has gone live with Intellect Debt Management to optimize their collection process while enhancing customer experience.
- A Top 6 Malaysian Islamic bank went live with Account Services.
- A Top 6 Bank in Jordan went live with Account Services & Payments.

Digital Transformations in Q2 FY23 (contd)

- A Top 3 bank in Qatar went live with Cash Power. Live now in 13 Countries.
- Fastest go-live at a central bank in Oceania, replacing their legacy system with a fully functional and function-rich treasury system, Capital Cube, in just 11 months.
- A leading bank in UAE transformed its core banking and digital experience by leveraging IDC. The bank has been partnering with Intellect Global Consumer Banking consistently for various banking solutions.
- The leading ASEAN universal bank went live with Intellect's Regional Wealth Management System.



Qualitative Commentary

Qualitative Commentary

Last year's story of moving from Product to Platform is exciting. In just 12 months Intellect Launched 6 platforms. Platforms have added to enhanced ARR alongwith licensed based revenues as articulated during Technology Day II session held in December 2021

1. Early investments in DATA platforms resulted in launching 3 platforms
 - **Magic Submission**, a cognitive information extraction, validation and enrichment platform, using AI technologies including pipelines of computer vision, NLP, machine/deep learning and OCR.
 - Signed 5 customer in last 6 months in AWS. Competing against Ground Speed.
 - **Magic Invoice**, the world's first NO TOUCH invoice processing solution today. The solution is powered by AI, NLP & ML.
 - Very large TAM competing against ABBY and Rossum. Signed 3 large customers in last 4 months of launching
 - **iESG**, the latest addition to its line of AI powered solutions for institutional investors, asset managers, corporate banks, and insurance carriers.
 - Intellect won the order from The largest Fund in Europe against all AI/ML data providers.

Qualitative Commentary

2. iGTB launched new Platform under the larger theme of Consumerisation of Commercial Banking (COCB) - BANKING-AS-A-SERVICE. This enables GTB to expand its business space from Liquidity, Payments, Trade and Supply chain finance to very hot space of enabling US, Canadian and European banks. The platform launched in SIBOS 22 received very high response generating more than 25 leads. With the interest rates rising, Liquidity product is working with larger funnel for coming quarters.
3. iGCB differentiated MACH architecture of Core banking IDC 22 is gaining momentum in Europe market where clients are looking at Core banking migrations to cloud based migrations. Intellect is now able to establish its leadership with Thought Machine - A newly highly invested company and Temenos on other side. During last 6 months intellect Core Banking with Digital banking suite is Participating in more than 5 large deals in Europe and Canada. The existing platform Quantum, Credit card and iKredit 360 are leading in their segments.
4. The Technologies for Wealth space are growing. After signing SBI and customers in Malaysia, Indonesia, Thailand, Intellect WealthQube has signed one of the fastest growing private wealth management firms in India as new logo this quarter.



Management Observations

Key observations from Arun Jain, CMD and Venkat Saranu, CFO

Management Observations



Arun Jain, *Chairman and Managing Director*

“In spite of the current market uncertainty driven by high inflation rates and currency volatility, we have delivered a 27% YoY revenue growth for LTMQ2FY23. We also have a visibility of an annual growth of 20% for FY23. We continue to be excited about our journey on cloud-based platforms as we launch new ones and mature the existing ones. This new business in conjunction with our product businesses provides us an opportunity to continue to grow our company. We view each of these platforms as an equivalent of a fintech with a large TAM and an extreme focus on delivering value for its customers by leveraging our superior market leading MACH technologies.”



Venkateswarlu Saranu, *Chief Financial Officer*

“Our platform revenue on LTM basis has grown 62% over last year, while during the same period, our ARR on LTM basis has grown over 35%. Both of these are very important metrics in our business model demonstrating growth on an annualized and sustained basis. During the last couple of quarters, we as an Industry have seen an increase in talent costs and invested in expanding platform business as well, which has impacted our profits. We are seeing some early trends in stabilization of these talent costs. We continue to be excited about the market opportunity and are positioning our company for growth on a sustained basis.”



Leadership Position Endorsed by Market Leading Analysts

Gartner®

*
ISG

IDC
ANALYZE THE FUTURE

FORRESTER®

Q2FY23: Intellect benchmarked and rated on top repeatedly



FORRESTER®

Gartner®

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ISG

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ISG

IDC
ANALYZE THE FUTURE

Gartner®

Intellect Design globally rated as a "LEADER" in Forrester Wave Digital Banking Processing Platforms for Retail Banking and Corporate Banking

Intellect Design - Digital Core listed as "Top 5 Club" for MEA and Mature Asia/Pacific Markets in Gartner Report: Core Banking Selection Criteria That Matter

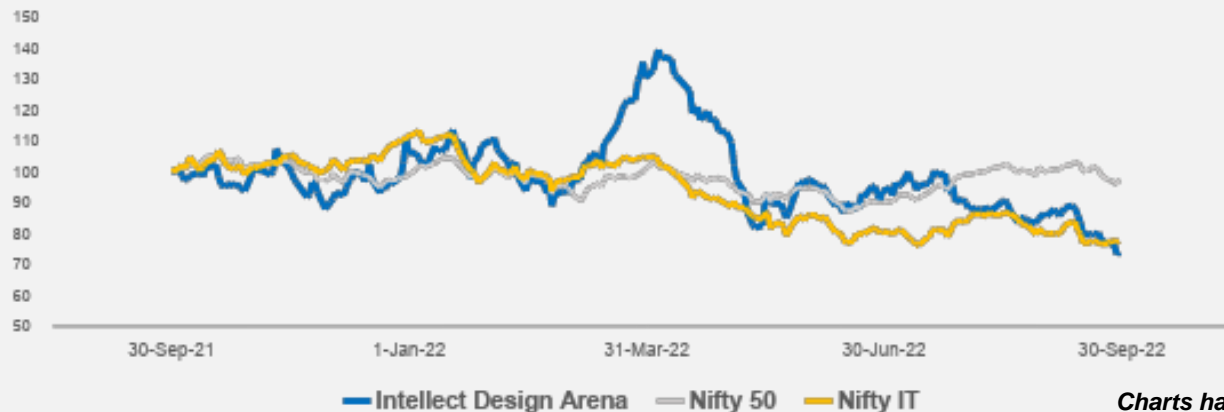
Intellect Wealth Platform has been identified as "Contender" in ISG Provider Lens™ Quadrant study on "Digital Banking Technology and Platforms - 2022"

Intellect Digital Payment Processing Platform has been identified as "Product Challenger" in ISG Provider Lens™ Quadrant study on "Digital Banking Technology and Platforms - 2022"

Intellect is mentioned as "Market Share Leaders" in Loan Origination, Loan Servicing, Loan Collections-Recovery, Lending Market Categories -- Home Mortgage, Equity, Personal Loans, Auto Loans, BNPL White Label for Banks, Small Business Working Capital & Business Asset Financing; Accts-Rec; Equipment Loans

Intellect Underwriting Solution cited as sample vendors in Gartner's Hype Cycle for Digital Life and P&C Insurance, 2022 for Digitally Engineered Underwriting

Relative Stock Performance (1st October, 2021 to 30th September, 2022)



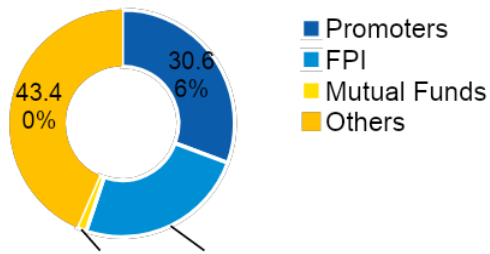
98

78

74

Charts have been rebased to 100

Shareholding Pattern (As on 30th September)



Stock Data (As on 30th September)

Market Cap	7.007 Cr.
Stock Price	₹ 517.4
52 Week (High / Low)	₹ 986/493
NSE / BSE - Symbol	INTELLECT / 538835
No. of Shares Outstanding	13,54,23,875
Average Daily Volume (3 Months) – NSE	4,69,937

Contacts



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