



CONTEXTUAL AND DIGITAL

Leading the Transformation Agenda

Q4 FY19 & FY19 Results ending 31st March, 2019

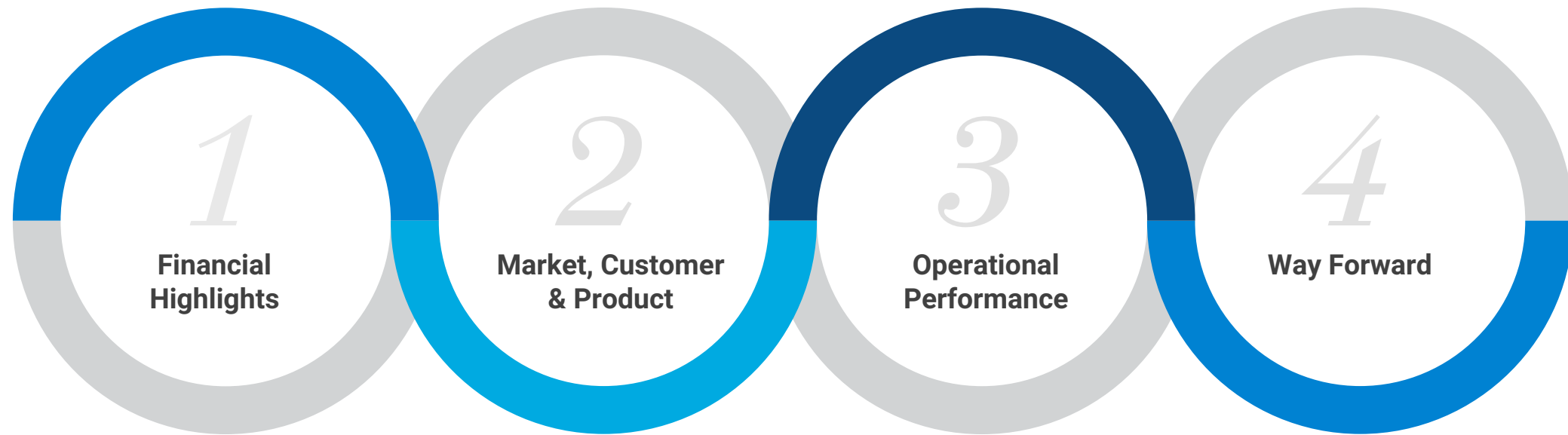
Earnings Announcement



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.





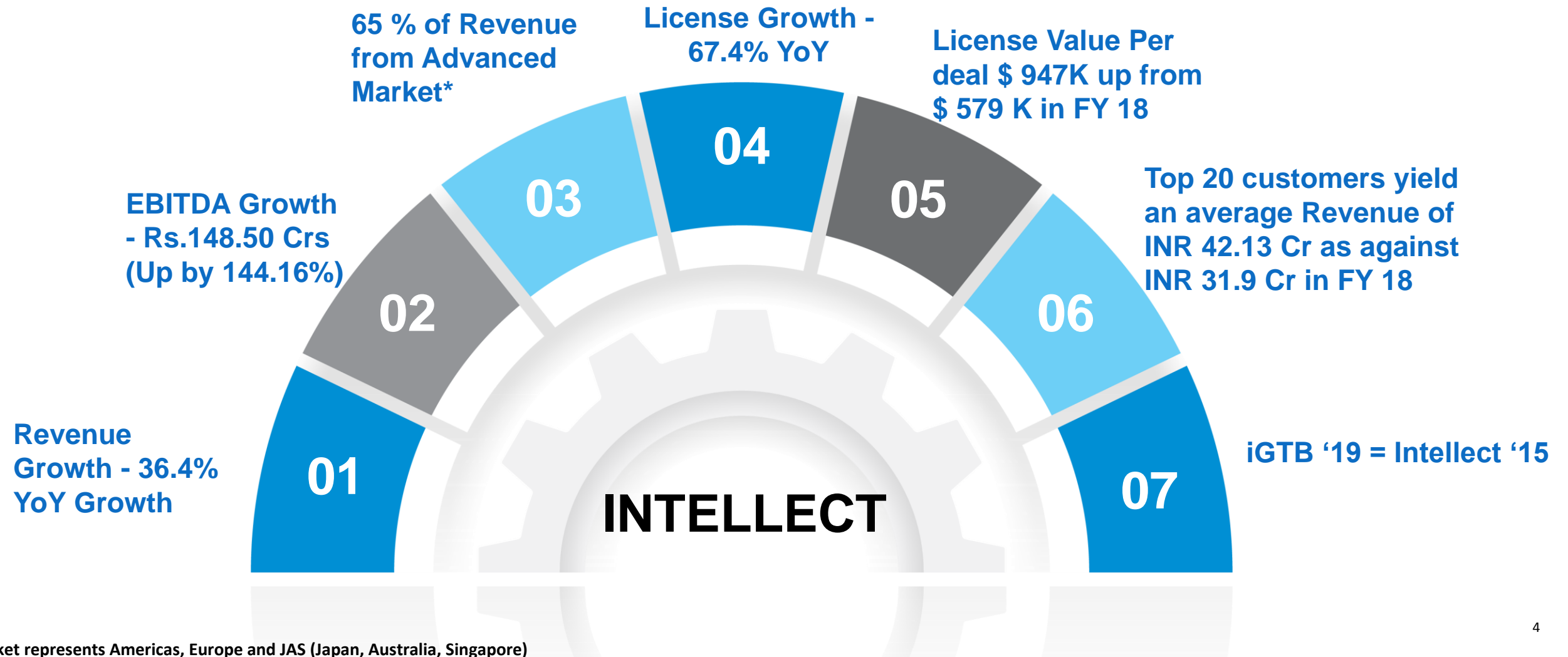
Calibrated Predictable Growth

1

Financial
Highlights

2018-19

PROMISE DELIVERED



Executive Summary – FY 19 and Q4 FY 19

E1: Revenue

FY 19

- Total Revenue for this year (FY19) **grew by 36.4% and stood at INR 1458.73 Cr** as against INR 1069.48 Cr last year. Revenue registered CAGR growth of 24.62% over the last 4 years
- In \$ terms, (FY19) revenue **grew by 25.52% and stood at US \$ 208.27 Mn** as against US \$ 165.93 Mn last year
- Revenue at constant currency for four quarters of FY 19 stood at \$216.11 Mn :
 - Q1 FY19 - \$45.36 Mn
 - Q2 FY19 - \$56.61 Mn
 - Q3 FY19 - \$55 Mn
 - Q4 FY19 - \$59.14 Mn

Q4 FY 19

- Revenue stood at **INR 397.58 Cr registering 31.26% YoY growth** as against INR 302.89 Cr in the same quarter last year
- In \$ terms, Q4 FY 19 revenue **grew by 19.83% and stood at \$ 56.41 Mn** as compared to \$47.08 Mn same quarter last year

E2: License Revenue

FY 19

- **License Revenue registered CAGR of 41.4%** over the last 4 years
- License Revenue (FY19) stood at **INR 345.17 Cr registering 67.4% YoY growth** as against INR 206.19 Cr in FY18
- AMC revenue stood at INR 228.14 Cr in FY 19 **registering 17.55% growth** as against INR 194.08 Cr in FY 18

Q4 FY 19

- Q4 FY19 License Revenue registered **42.34% growth YoY and stood at INR 94.85 Cr** as against INR 66.64 Cr in the same quarter last year
- Q4 FY19 AMC Revenue **registered 14.96% growth YoY and stood at INR 60.13 Cr** as against INR 52.30 Cr in the same quarter last year

Executive Summary – FY 19 and Q4 FY 19

E3: Gross Margin, EBITDA and PAT

FY 19

- Gross Margin for this year (FY 18-19) stood at **INR 721.56 Cr** as against INR 520.50 Cr in FY 18
- Gross Margin sustained at around 49.46%
- EBITDA margin **grew by 144.16%**. EBITDA stood at INR 148.50 Cr in FY19 as against INR 60.82 Cr in FY18
- Net Profit **stood at INR 131.35 Cr** as against INR 46.73 Cr in the last year, showing a **growth of 181.10 % in PAT**

Q4 FY 19

- **EBITDA Margin stood at 13.1% of the revenue** as against 6.8% of the same quarter last year
- EBITDA registered **154.22% YoY growth and stood at INR 52.13 Cr** as against INR 20.51 Cr in the same quarter last year
- Net Profit registers **66.12% growth and stood at INR 42.98 Cr** as against INR 25.87 Cr in the same quarter last year

E4: Order backlog – Cloud/Subscription deals

- Order backlog relating to GeM - **INR 400 Cr** as of Q4 FY 19
- Order backlog relating to other Cloud deals - **INR 295 Cr** as of Q4 FY 19

E5: iGTB registered \$ 100 Mn Revenue

- iGTB **registered \$ 100 Mn (INR 678 Cr) revenue** in FY 19, higher than initial revenue of Intellect in 2015
- iGTB recorded 70% of its FY 19 revenue from Advanced Markets

Executive Summary – FY 19 and Q4 FY 19

E6: Collections and Investment in Product Development (Capitalised)

FY 19

- Collections for FY19 stood at INR 1310.8 Cr
- Investment in Product Development (Capitalised) stood at INR 116.71 Cr

Q4 FY 19

- Collections for Q4 FY19 stood at INR 329.35 Cr
- The Net Days of Sales Outstanding (DSO) after taking customer advances into account stands at 124 days in Q4 FY 19 as against 116 days in Q4 FY 18
- Investment in Product Development (Capitalised) for Q4 FY 19 stood at INR 29.48 Cr

E7: Digital led wins

- Intellect was awarded **47 Digital led wins including 13 large Digital Transformation deal wins** in FY 19
- Q4 FY19 recorded 8 Digital led wins including 3 large Digital Transformation deal wins
 - iGTB strikes a large multi-million destiny deal win from one of the top 20 banks in North America, for a Digital Transformation program in Payments
 - AmeriTrust Group, Inc., A leading specialty commercial insurance company based in the U.S. chose Xponent Underwriting Workstation from Intellect SEEC for its underwriting transformation
 - A Large diversified global insurer, and the fourth-largest property and casualty insurer in North America chose Intellect SEEC for Big Data and AI based Risk Analyst – Underwriting Workstation for its digital transformation

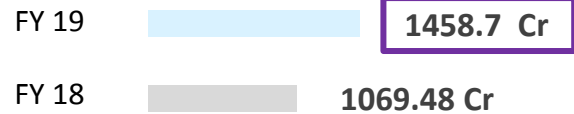
E8: Implementations

- Intellect went live in **50 financial institutions across the world in FY 19 including 18** in Q4 FY 19

Annual FY19 – Registering 36.4% growth

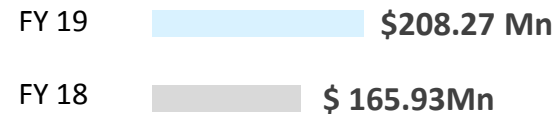
FY 19 REVENUE (INR)

1458.7 Cr ↑ 36.4%



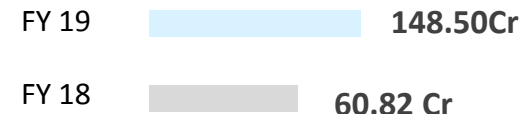
FY 19 REVENUE (US \$)

\$ 208.27 Mn ↑ 25.5%



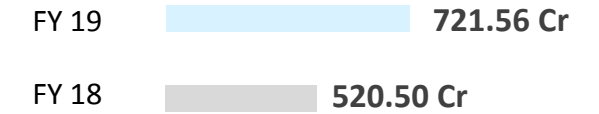
EBITDA (INR)

148.50 Cr ↑ 144.16%



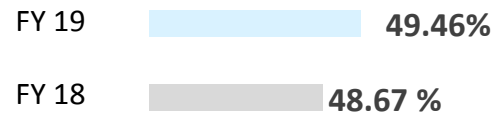
GROSS MARGIN (INR)

721.56 Cr ↑ 38.63 %



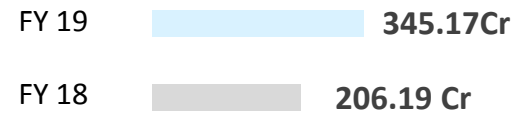
GROSS MARGIN %

49.46%



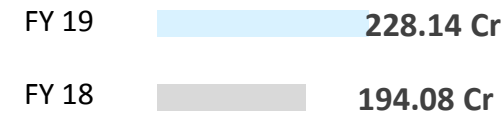
LICENSE (INR)

345.17 Cr ↑ 67.40%



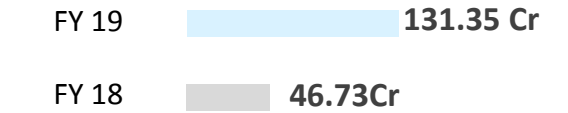
AMC (INR)

228.14 Cr ↑ 17.55%



PAT (INR)

131.35 Cr ↑ 181.10%



Collections for
FY 19 (INR)

1310.80 Cr

Investment in Product
Development (Capitalised)

116.71 Cr

Deal Wins in FY19

47

Large Deal Wins

12

Implementations
(Go Lives)

50

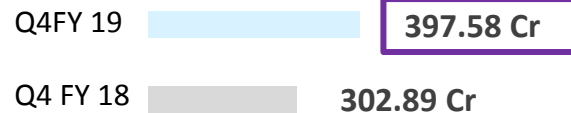
CSR contributions

2.33 Cr

Q4 FY19 – Registering 31.3% growth YoY

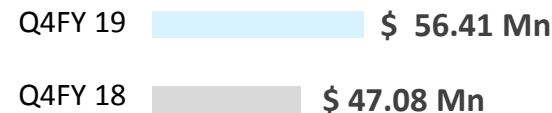
Q4FY 19REVENUE (INR)

397.58 Cr ↑ 31.26%



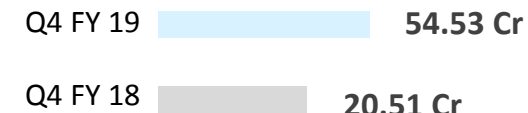
Q4 FY 19 REVENUE (US \$)

\$ 56.41 Mn ↑ 19.83%



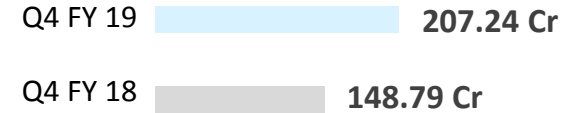
EBITDA (INR)

54.53 Cr ↑ 165.85%



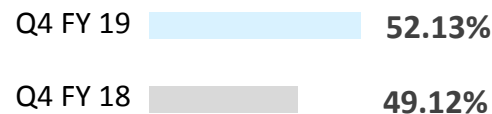
GROSS MARGIN (INR)

207.24 Cr ↑ 39.29%



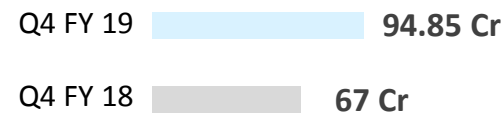
GROSS MARGIN % (INR)

52.13%



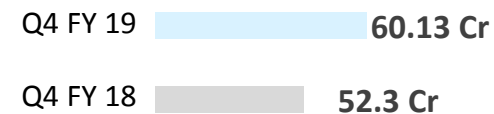
LICENSE (INR)

94.85 Cr ↑ 42.34%



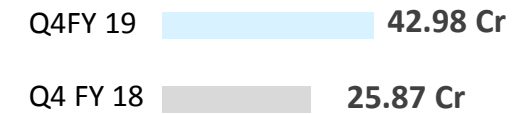
AMC (INR)

60.13 Cr ↑ 14.96%



PAT (INR)

42.98 Cr ↑ 66.12%



Collections for
Q4 FY 19 (INR)

329.35 Cr

Net DSO (including
Customer advances)

124 Days

Investment in Product
Development (Capitalized)

29.48 Cr

Deal Wins in Q4 FY19

8

Large Deal Wins

2

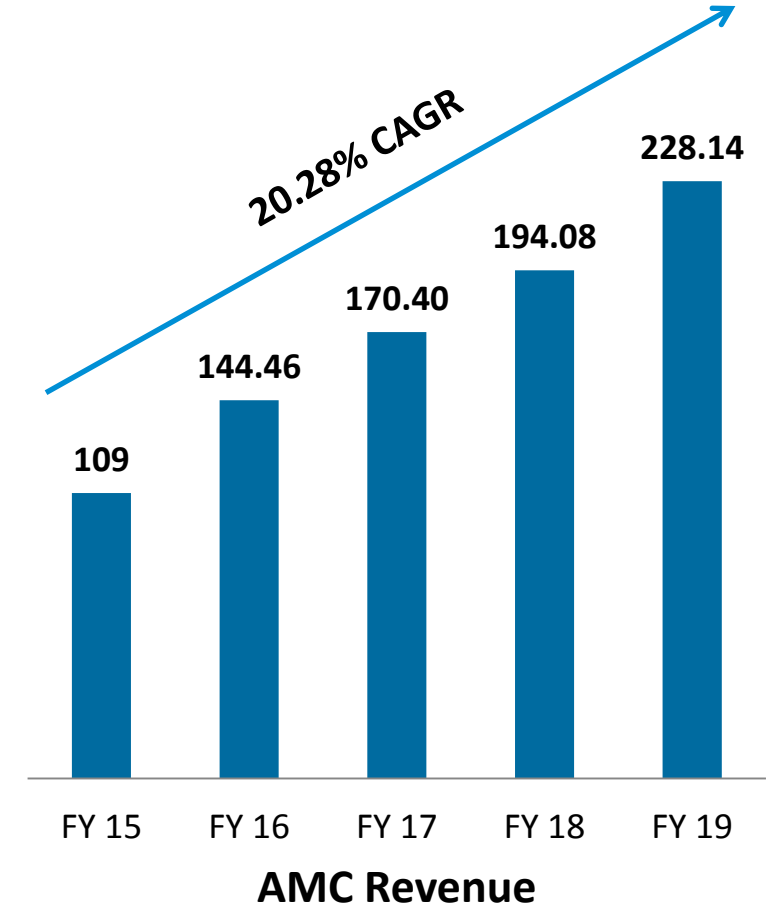
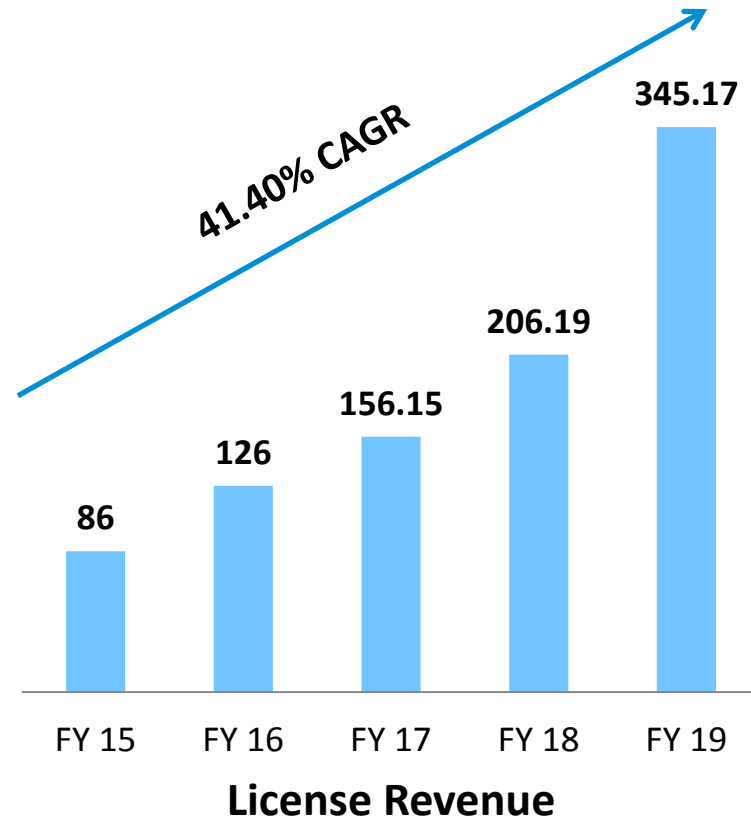
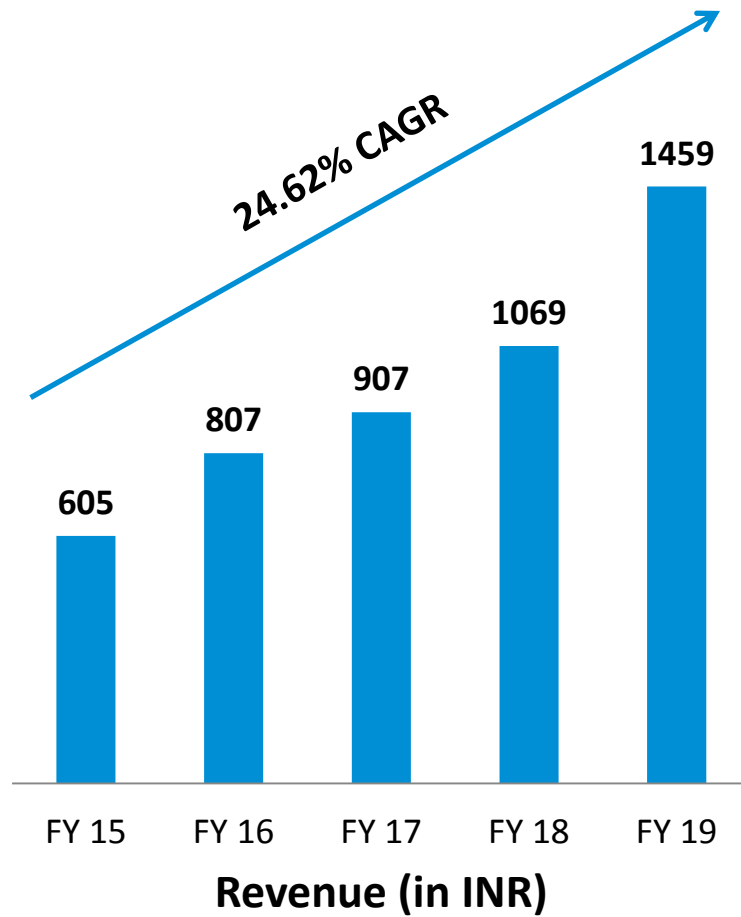
Implementations
(Go Lives)

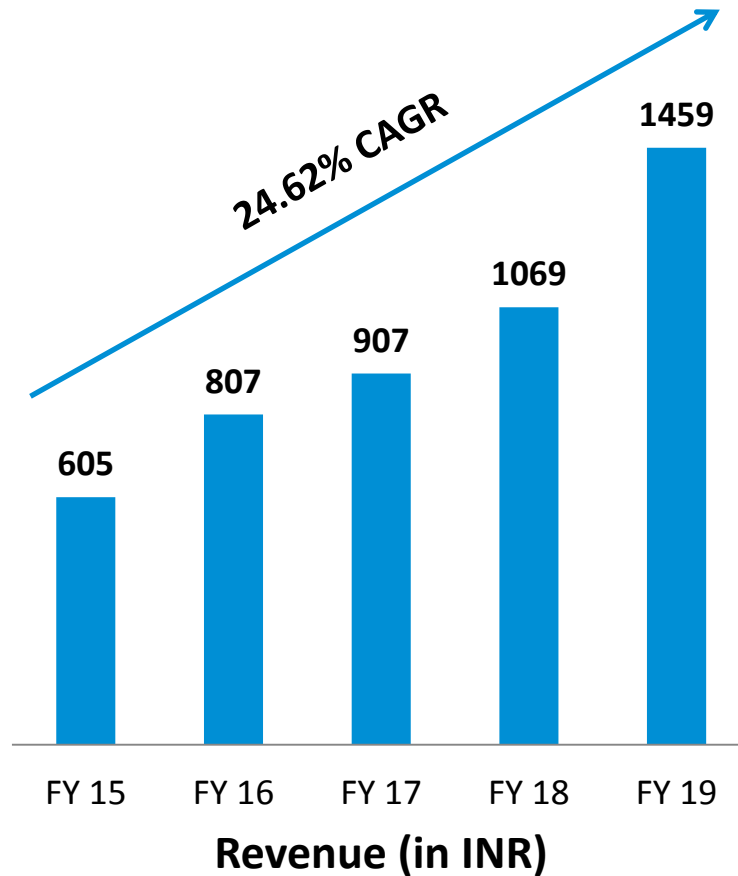
18

CSR contributions

0.81 Cr

Highest CAGR amongst IT Product Companies





Total Revenue has grown at the rate of
24.62% CAGR

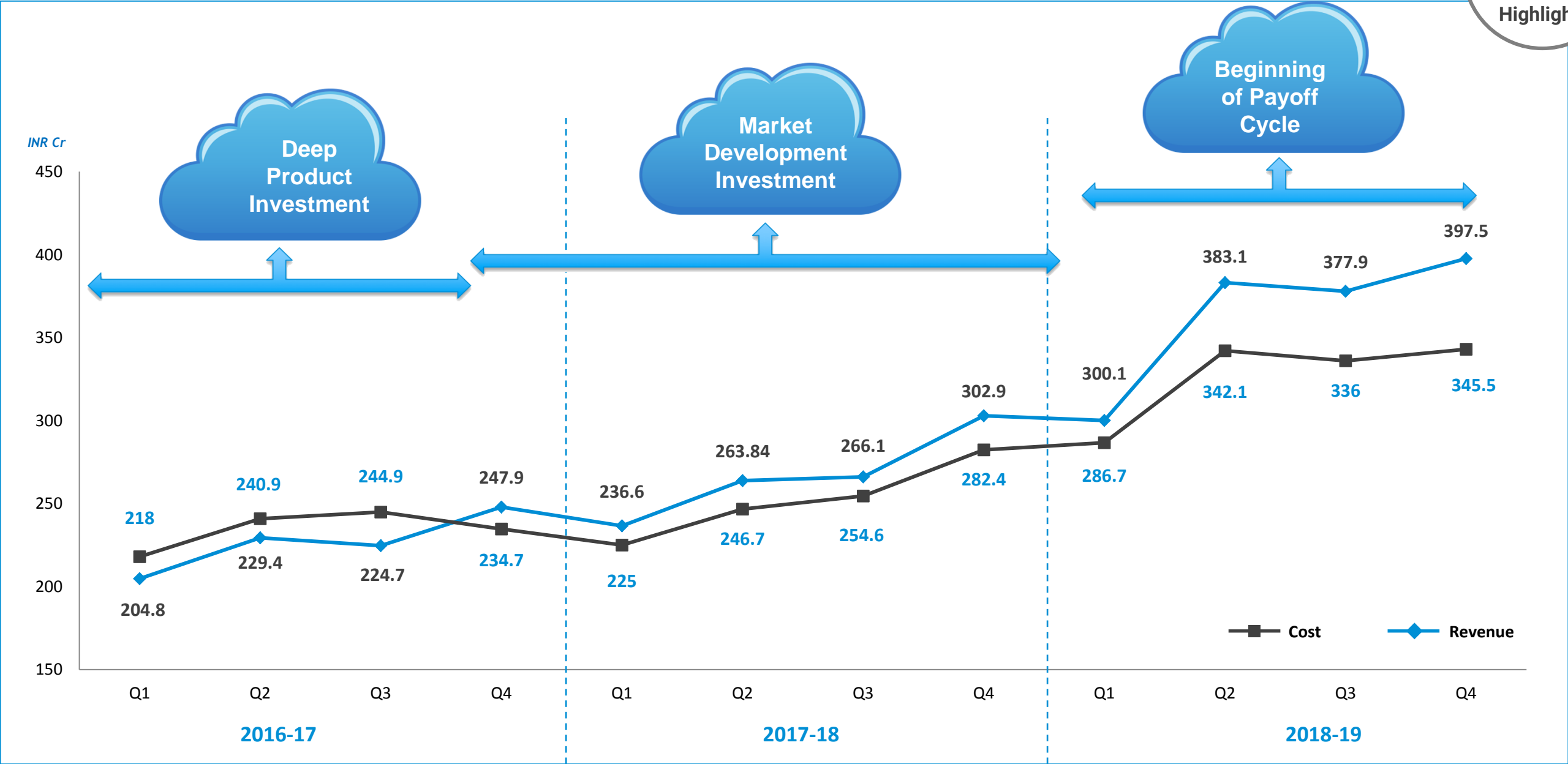
From INR 605 Cr in FY 15 to INR 1459 Cr in FY 19

36.4%
YoY Growth
in FY19

397.58 Cr
Q4 FY19 Revenue

31.26% YoY Growth
in Q4 FY19

Total Revenue & Cost Trend

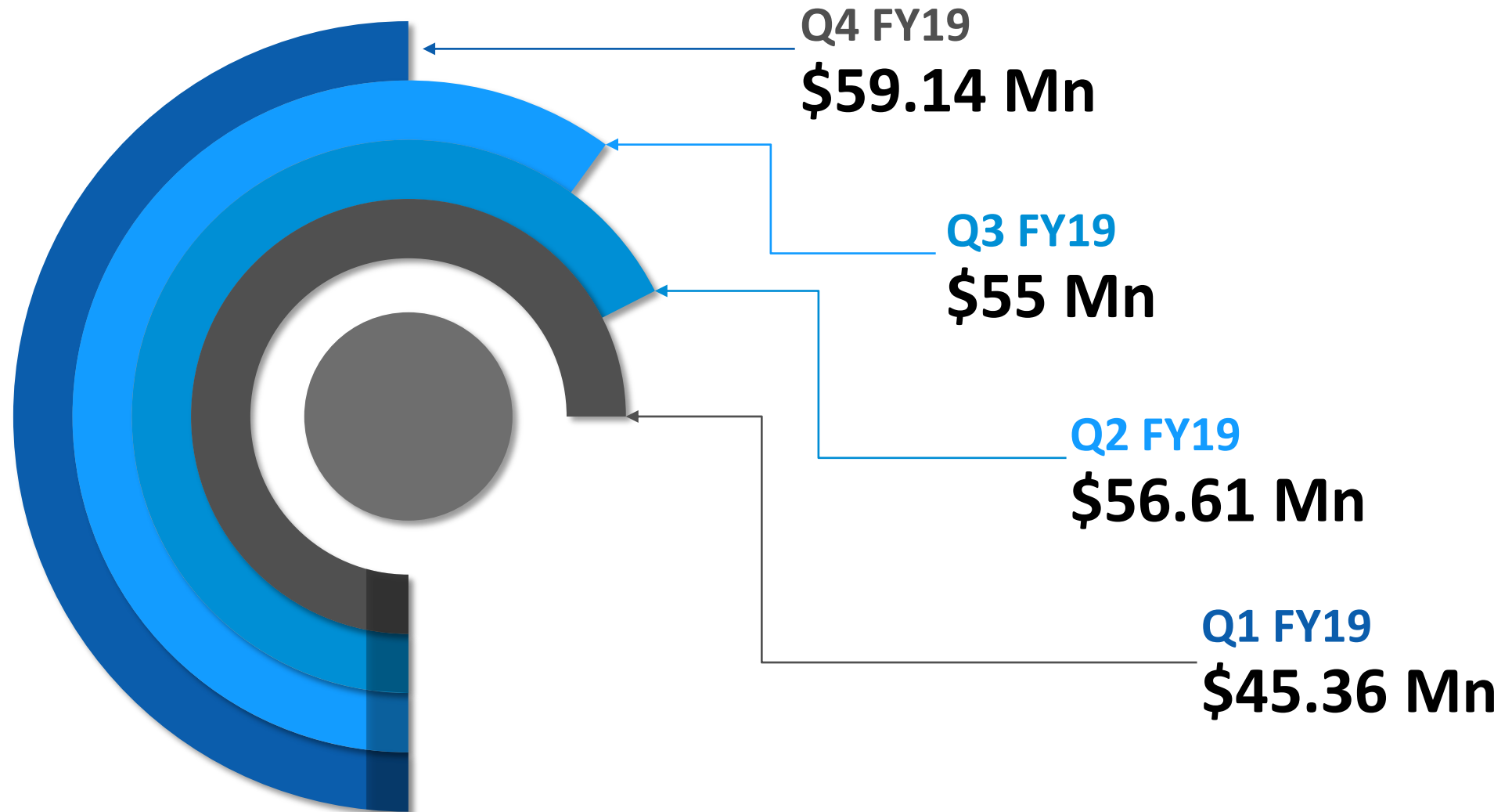


Operating Leverage Play now in evidence

FY 19 Revenue at Constant Currency

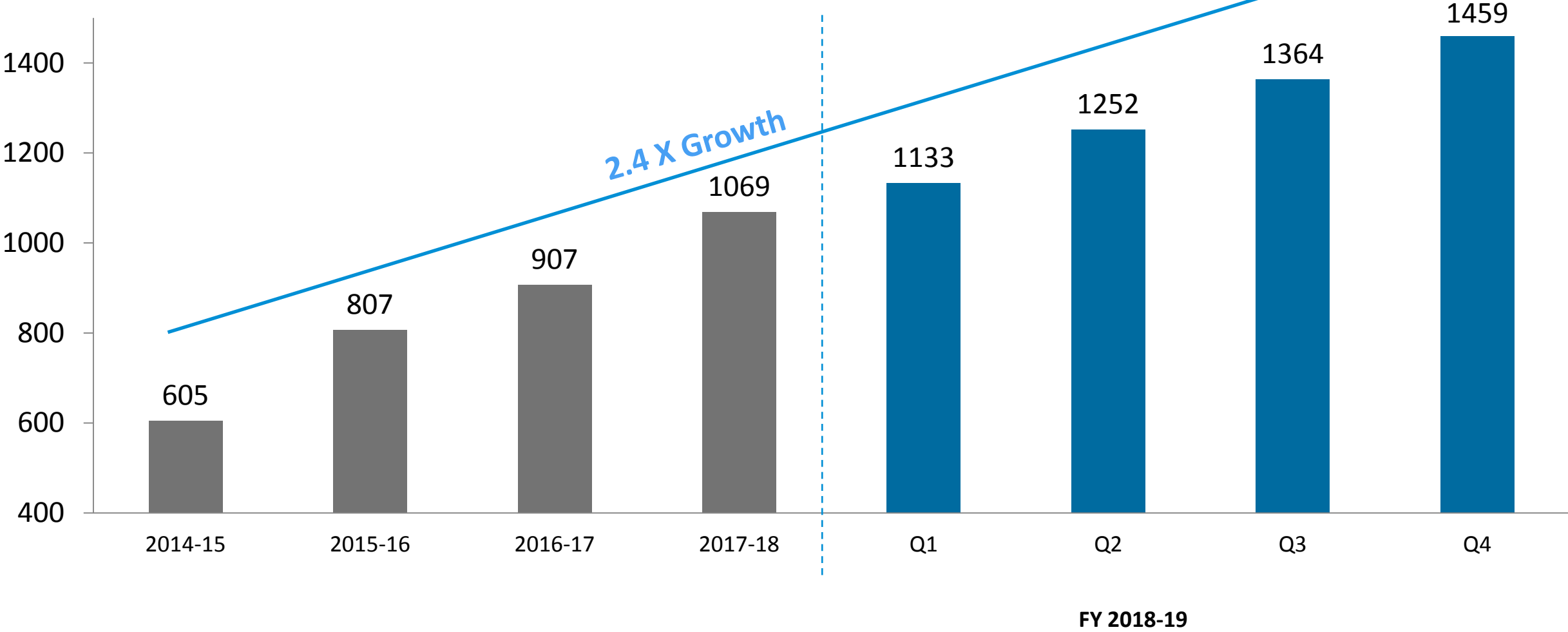
\$ 216.11 Mn

FY 19 Revenue in
Constant Currency



REVENUE GROWTH

LTM Basis



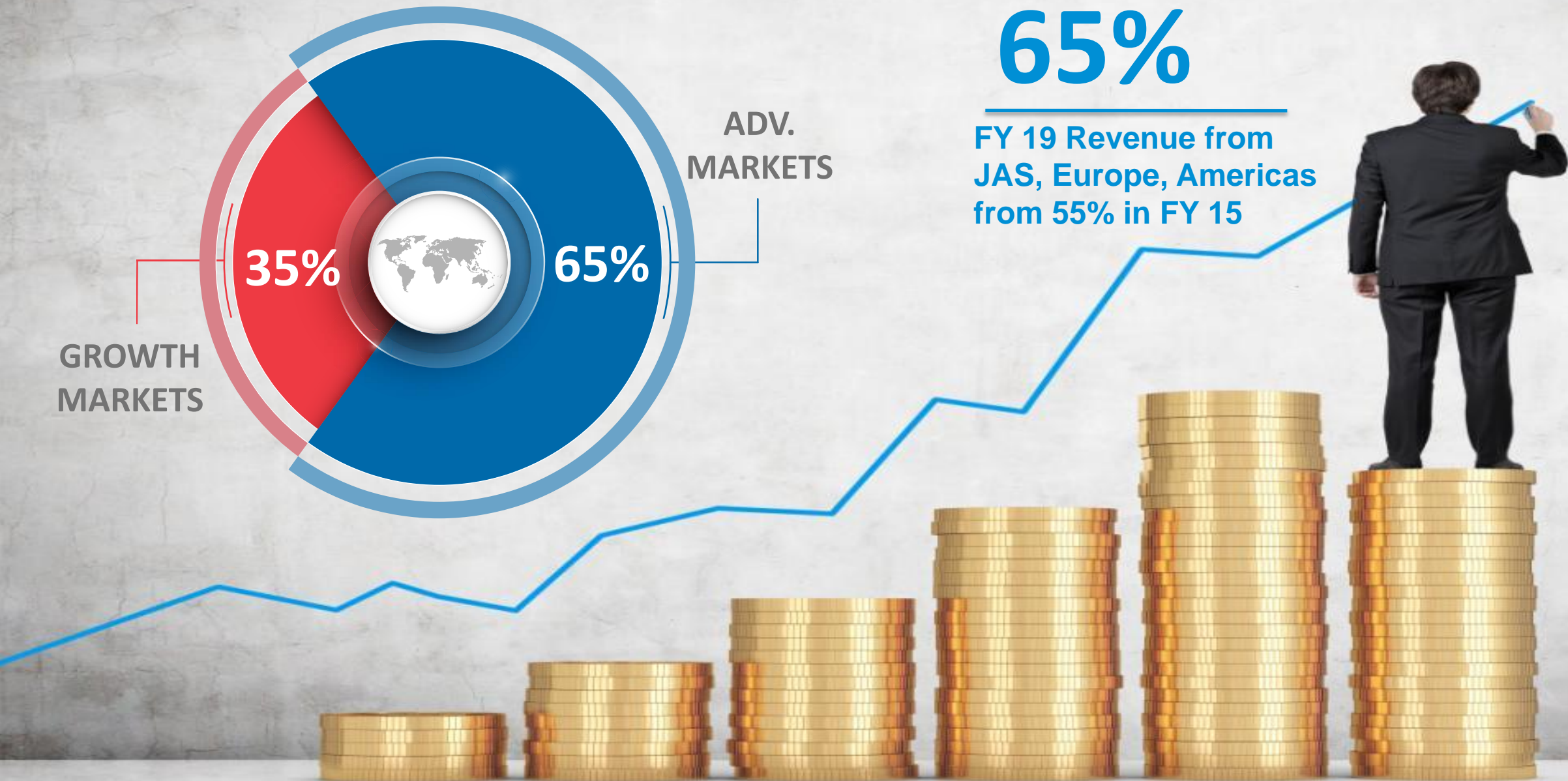
LTM = Revenue of current quarter + last three quarters

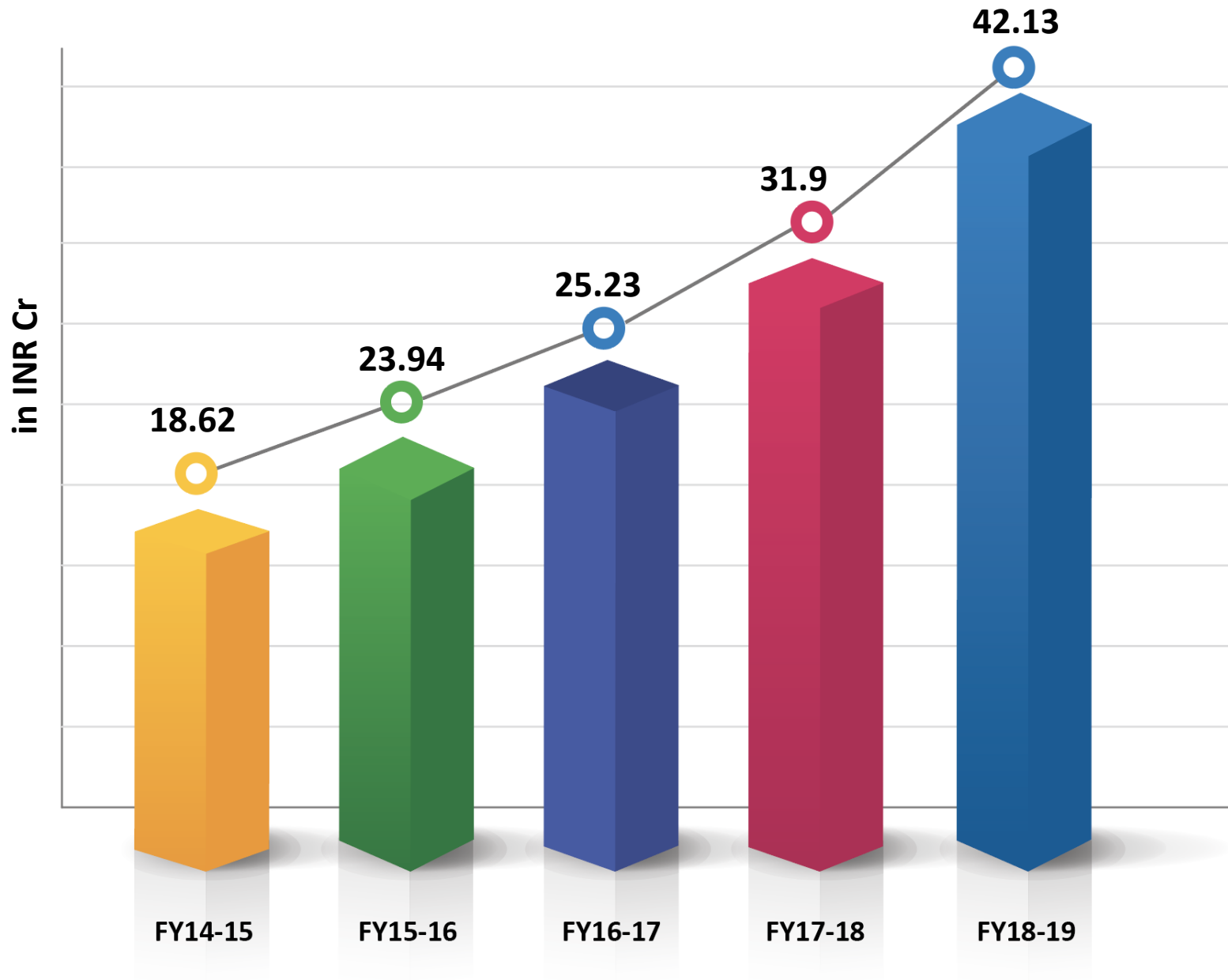
Market, Customer and Product

2

Market, Customer
& Product

Focus on Advanced Markets





**In FY 19, Our Top 20
customers yield an
average Revenue of
Over INR 40 Cr**

WORLD'S BEST BANKS 'BANK ON' INTELLECT

2
Market, Customer
& Product



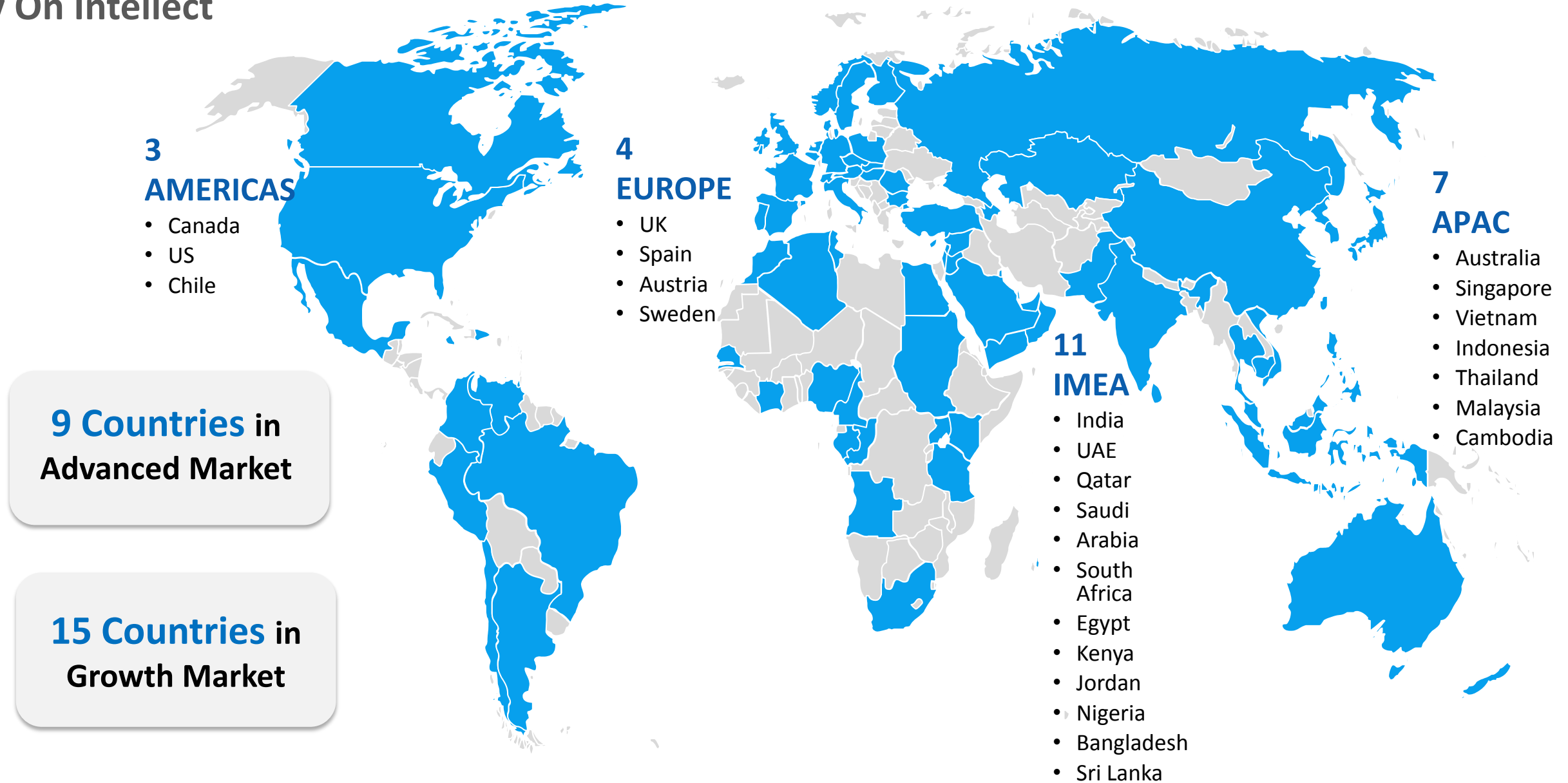
240 +
Over 240 Customers

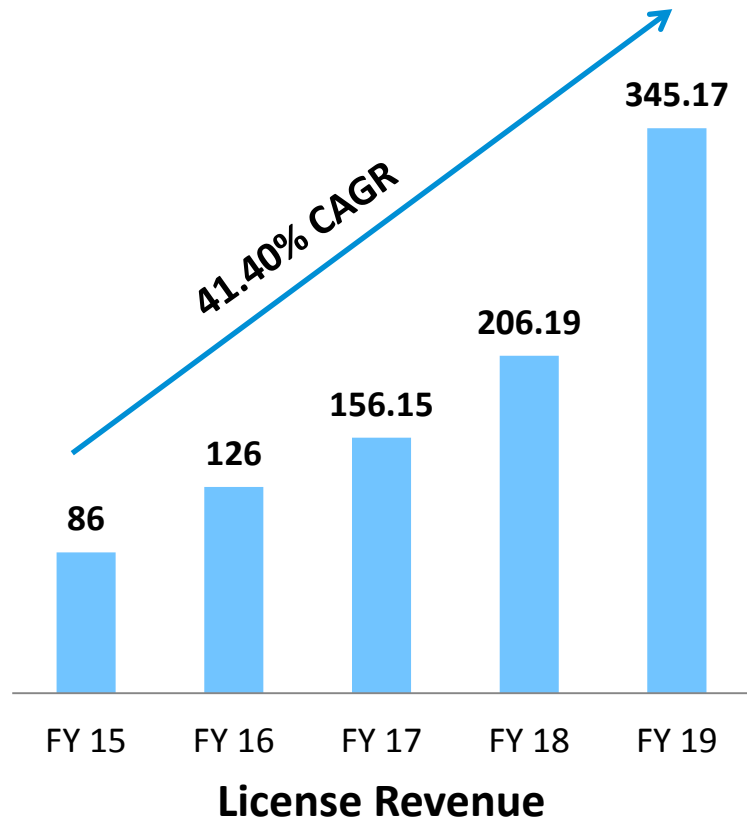
91
Serving clients in
91 countries

WORLD IS TURNING BLUE

One of the **Top 3 Financial Institutions in Advanced /Growth Markets**

Rely On Intellect



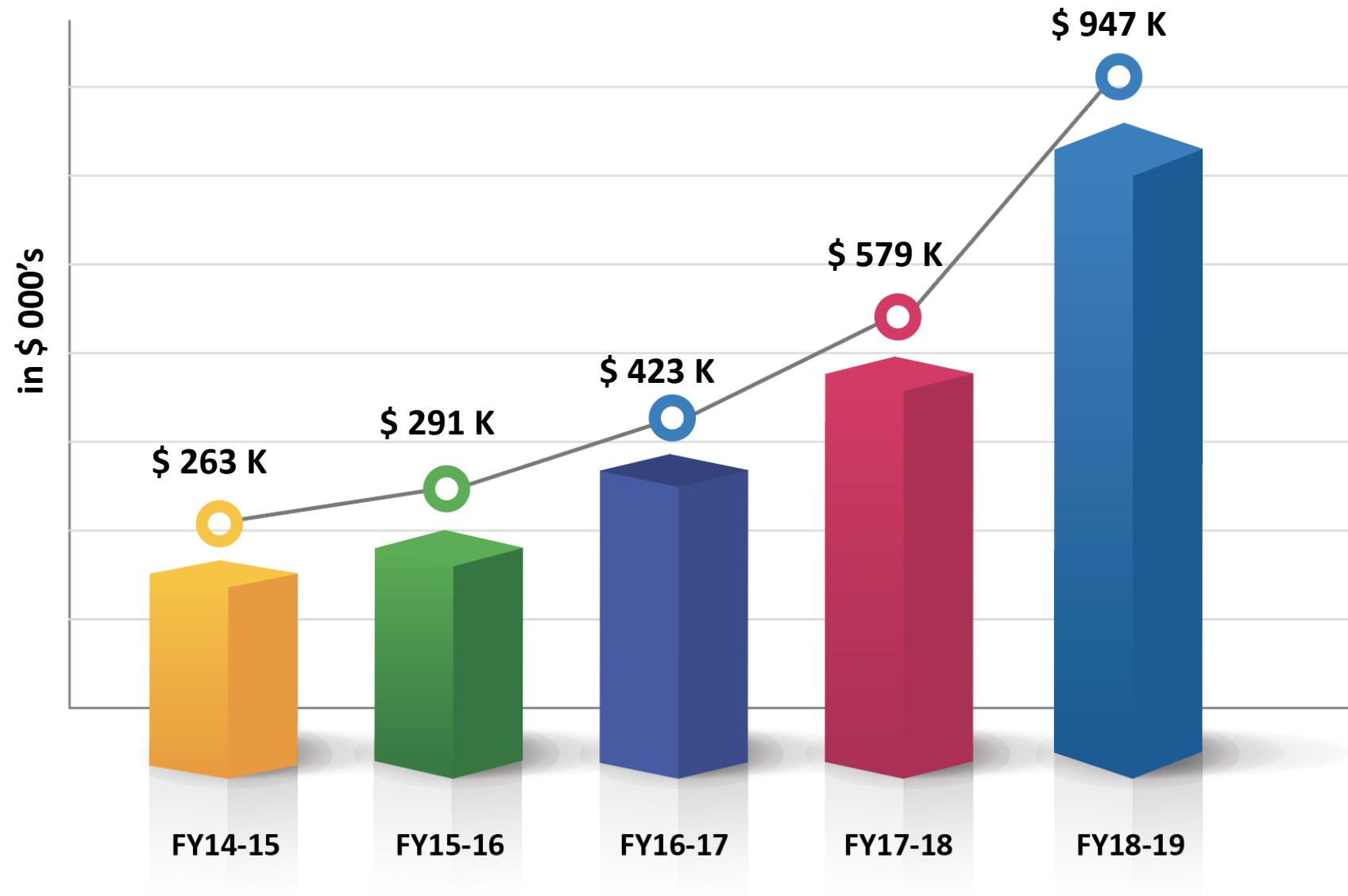


License Revenue has grown at rate of

**41.40 % CAGR from
INR 86 Cr in FY 15 to
INR 345 Cr in FY 19**

**4 X Growth in
License value**

4 X Growth in Average License Value



Design Thinking for Operational Efficiency



SG&A costs now at 31.21% of revenue in FY19

From 35.22% in FY18 and 43.62% in FY 17

Research, Engineering and Product development costs now at 14.91% of revenue in FY 19

From 17.18% in FY18 and 18.88% in FY17

We have invested additional INR 7 Cr in research proactively in FY 19 to support our destiny deal wins

Strong Order backlog

Q4 FY19

License Based

(License, AMC*, Implementation, etc.,)

INR 1135 Cr

Subscription/Cloud Based

INR 400 Cr

(GeM project)

INR 295 Cr

(Other Cloud deals)

Q3 FY19

License Based

(License, AMC*, Implementation, etc.,)

INR 1108 Cr

Subscription/Cloud Based

INR 280 Cr

(Excluding order backlog of GeM project)

Repeat revenue from existing customers stood at **85.1% (FY19)**

Collections and DSO

Collections by GEO

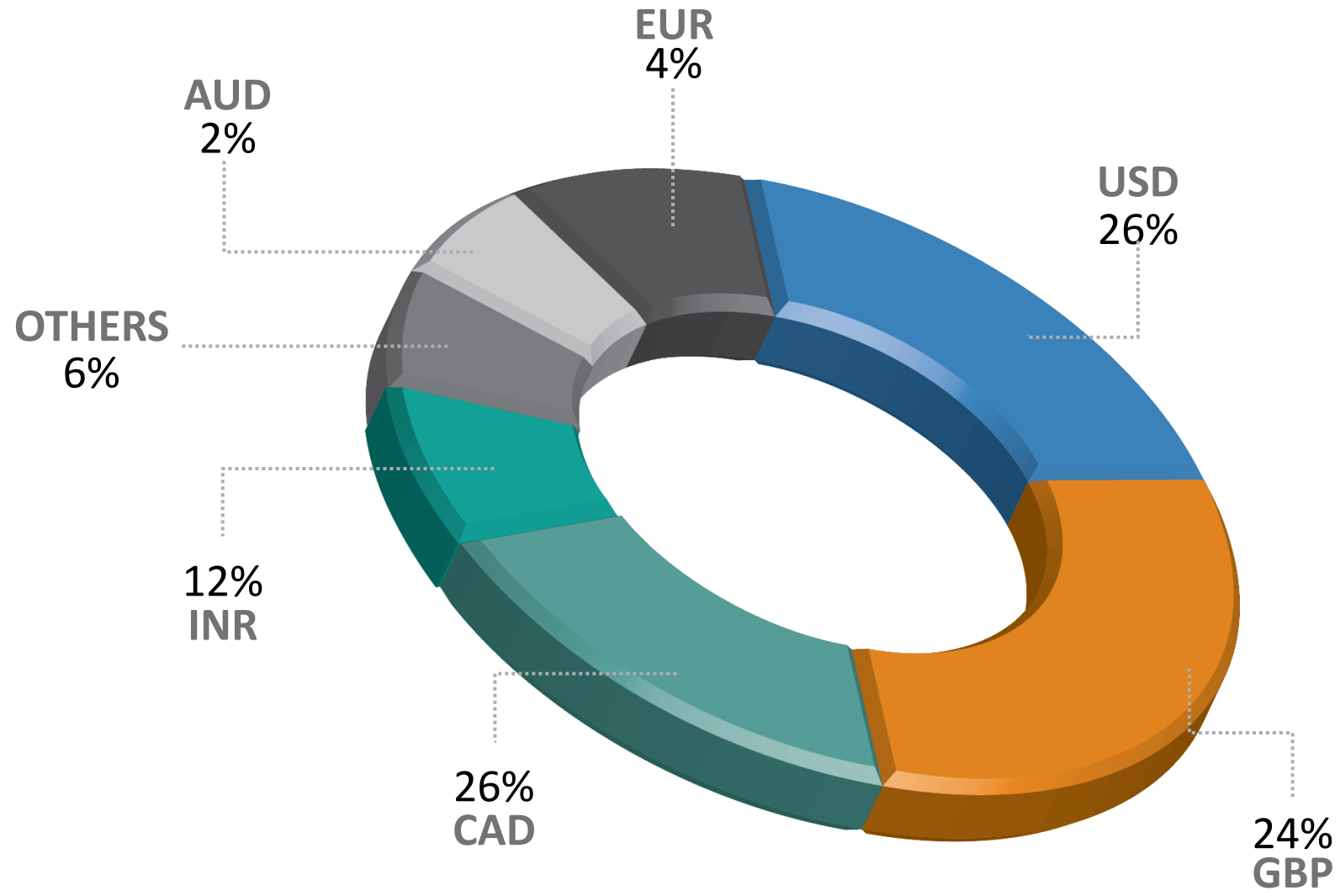
| GEO | Americas | Europe | MEA | India | APAC | Total |
|----------|----------|--------|-------|-------|-------|--------|
| INR (Cr) | 57.11 | 109.53 | 47.04 | 48.23 | 67.44 | 329.35 |
| \$Mn | 8.26 | 15.84 | 6.80 | 6.97 | 9.75 | 47.62 |

DSO

| GEO | Americas | Europe | MEA | India | APAC | Total |
|-----------------------------------|----------|--------|-----|-------|------|-------|
| Billed | 38 | 26 | 114 | 47 | 33 | 47 |
| DSO - including Customer Advances | 157 | 58 | 191 | 144 | 131 | 124* |

*A Significant license win in March was subsequently collected in April. This impacted the DSO by 14 days.

Currency wise Revenue Mix



Hedging Summary



FY 2019 – 20

| Quarter | \$ in Mn | Avg Hedge Rate |
|-----------------------|----------|----------------|
| Apr 2019 to June 2019 | 8.00 | 68.74 |
| July 2019 to Sep 2019 | 8.00 | 69.38 |
| Oct 2019 to Dec 2019 | 8.00 | 70.00 |
| Jan 2020 to Mar 2020 | 8.00 | 70.61 |

FY 2020-21

| Quarter | \$ in Mn | Avg Hedge Rate |
|-----------------------|----------|----------------|
| Apr 2020 to June 2020 | 8.00 | 71.21 |
| July 2020 to Sep 2020 | 8.00 | 71.92 |
| Oct 2020 to Dec 2020 | 8.00 | 72.65 |
| Jan 2021 to Mar 2021 | 8.00 | 73.32 |

Digital Transformation Deals

CONTEXTUAL and DIGITAL is the Key Differentiator

47

Total Wins in FY19
including
13 large Digital
transformation
deals

50

Total
Implementations
in FY19 including
18
implementations
in Q4 FY 19

8

Total Wins in Q4
FY19 including
3 large Digital
transformation
deals

iGTB strikes a large multi-million dollar destiny deal win from one of the top 20 banks in North America, for a Digital Transformation program in Payments

AmeriTrust Group, Inc., A leading specialty commercial insurance company based in the U.S. chose Xponent Underwriting Workstation from Intellect SEEC for its underwriting transformation

A Large diversified global insurer, and the fourth-largest property and casualty insurer in North America chose Intellect SEEC for Big Data and AI based Risk Analyst – Underwriting Workstation for its digital transformation

Active Pursuits

The current funnel (Active Pursuits) of Intellect is around \$508 mn, out of which \$397 mn is accounted by 122 opportunities

35+ high value active pursuits

- 6 pursuits are of value more than **INR 50 Cr each**
- 14 pursuits are of value between **INR 30 Cr to INR 50 Cr**
- 19 pursuits are of value between **INR 20 Cr to INR 30 Cr**

| Q3 FY19 Active Pursuits | Won | Lost | Added | Q4 FY19 Active Pursuits | Remarks |
|-------------------------------|-----|------|-------|----------------------------|--|
| 7 | 2 | 1 | 2 | 6 | 2 deal Won 1 deal Lost 4 deals from Q3 FY19 2 new deals added |
| 12 | | 2 | 4 | 14 | 2 deals Lost 10 deals from Q3 FY19 4 new deals added |
| 17 | 1 | 4 | 7 | 19 | 1 deal Won 4 deals Lost 12 deals from Q3 FY19 7 new deals added |



Product Acceptance in Leadership Quadrant

#1 Partner of Choice for Digital Transformation Programs



Ranked #1

- Retail Banking Systems - Intellect Digital Core
- Payment Systems - Intellect Payments

Ranked #2

- Lending Systems - Intellect Digital Lending

Ranked #3

- Digital Banking & Channels - Intellect Digital Banking Experience Platform

Ranked #4

- Investment Fund Management System - Intellect OneMarkets



Ranked #1

For open banking

Full Score on Interactive Open Banking Channel Capabilities



Ranked #1

For APIs

Top Rating on all six measures:

Development, Wholesale banking, Sandbox, Connectivity, Management and Analytics



Strong Performance

The Forrester Wave™: Digital Banking Engagement Platforms



Advanced A.I. Mountaineer

Only Product company with complete Corp Banking suite with integrated UX,UI

Best in Data Mastery and Analytics

StarStone recognized in using Artificial Intelligence through Intellect SEEC's Risk Analyst platform



Leading Global Vendor

Online Banking Solutions Technology Analysis



3 Real results awards

- Future ready Payments implementation at CIBC
- Digital Transformation Leader at IDFC
- Customer Experience at NBK



1 Best Bank Award

ANZ Bank named Best Bank for Liquidity Management in Asia-Pacific

2 Product Innovation

- Ripple-backed Payments Solution
- Corporate Banking on the Watch



Best Use of IT in Treasury & Capital Markets

Product Acceptance in Leadership Quadrant

Intellect's cutting-edge digital technologies and products have been recognized by renowned global analysts and research firms



Intellect recognized as a Leader for Worldwide End-to-End Corporate Banking Solution Providers 2019 by IDC Marketscape

Intellect was rated highly for its focus on the Digital Transaction Banking platform (DTB) from iGTB and backed by Digital Core Lending System, Risk and Treasury offering, and various other modules that can deliver end-to-end corporate banking capabilities. The strong product set has been supplemented by the front-end Contextual Banking Experience (CBX) launch and a major product re-engineering initiatives.



Gartner ranks Intellect Digital Core among Latin America's Top Core Banking System Vendors

Intellect Digital Core (IDC) featured amongst Latin America's Top Core Banking System Vendors Offering End-to-End Business Functionalities across Retail and Corporate Banking in the report titled 'A Banker's Guide to Core Banking Systems for Latin America'.



Intellect has been profiled as a "Leading Digital Banking Platforms Providers Worldwide" in Forrester's report titled "Now Tech: Digital Banking Engagement Platforms"

Forrester an American market research company featured Intellect Design Arena amongst the leading Digital Banking Platform providers worldwide in Forrester's report titled "Now Tech: Digital Banking Engagement Platforms Q4 2018".



Novarica's recent report rates Intellect SEEC's Risk Analyst as a leading US provider for New Business Underwriting

Novarica provides research, advisory services, and consulting to help insurers and reinsurers make better decisions about strategy and technology projects. Intellect SEEC has been featured amongst leading US providers for New Business Underwriting in Novarica's recent report titled 'Life/Health/Annuity - New Business and Underwriting Systems'.



Intellect SEEC recognised as a key player by the Ovum report titled 'Machine Learning in the Global Insurance Sector'

Ovum report identifies Intellect as a key player in their report titled Machine Learning in Global Insurance Sector by presenting Intellect's implementation as an example of an intelligent RPA use case in a project undertaken by a commercial insurance client. Ovum report provides a snapshot of Machine Learning adoption in the global insurance sector.

Financial Results for the Fourth Quarter FY19 Ended March 31, 2019

Additional Information on function wise classification of statement of Profit and Loss of the Group (Consolidated Unaudited / Not Reviewed)

Rs. In Lakhs



| Particulars | QUARTER ENDED | | | YEAR ENDED | |
|---|------------------------------|--------------------------------|------------------------------|---------------------------|--------------------------|
| | March 31, 2019 (Q4 FY 19) | December 31, 2018 (Q3 FY19) | March 31, 2018 (Q4 FY 18) | March 31, 2018 (FY 18) | March 31, 2019 (FY19) |
| INCOME | | | | | |
| Income from software product license and related services | 39,758.20 | 37,793.74 | 30,288.91 | 1,06,947.92 | 1,45,873.25 |
| EXPENDITURE | | | | | |
| Software development expenses | 19,033.85 | 19,469.88 | 15,410.30 | 54,898.30 | 73,717.60 |
| Gross Margin | 20,724.35 | 18,323.86 | 14,878.61 | 52,049.62 | 72,155.65 |
| Gross Margin % | 52.13% | 48.48% | 49.12% | 48.67% | 49.46% |
| Selling and marketing & General and administrative expenses | 12,099.31 | 11,610.23 | 10,404.98 | 37,662.45 | 45,526.46 |
| Research & Engineering expenses | 3,192.44 | 2,327.38 | 1,947.51 | 7,244.46 | 10,039.81 |
| Provision for Debts and Write offs | 219.48 | 195.00 | 475.48 | 1,060.48 | 1,739.16 |
| Total Expenditure | 34,545.08 | 33,602.49 | 28,238.27 | 1,00,865.69 | 1,31,023.03 |
| EBITDA | 5,213.12 | 4,191.25 | 2,050.64 | 6,082.23 | 14,850.22 |
| Depreciation/Amortisation | 1,147.25 | 1,092.70 | 819.63 | 2,653.49 | 4,155.71 |
| Hedge Impact | (196.00) | (321.34) | 408.41 | 1,781.15 | (916.32) |
| Finance Charges | 270.71 | 224.66 | 261.62 | 1,382.62 | 1,144.25 |
| Profits / (Loss) before other income / minority interest | 3,599.16 | 2,552.55 | 1,377.80 | 3,827.26 | 8,633.94 |
| Other Income (including Treasury) | 566.44 | 489.18 | 855.07 | 2,667.82 | 6,270.56 |
| Reinstatement of Receivables / Liabilities | (305.06) | (1,475.26) | 80.25 | (625.17) | (1,180.31) |
| Minority Interest/ Share of profit/(loss) of Associate Companies | 611.13 | (33.18) | 319.67 | (494.29) | 305.03 |
| Profit / (Loss) before tax | 4,471.66 | 1,533.29 | 2,632.79 | 5,375.62 | 14,029.21 |
| Provision for taxation | 173.83 | 195.66 | 45.62 | 702.98 | 894.70 |
| Profit / (Loss) after tax | 4,297.83 | 1,337.63 | 2,587.17 | 4,672.64 | 13,134.51 |



WAY FORWARD



Way Forward

Competitive positioning

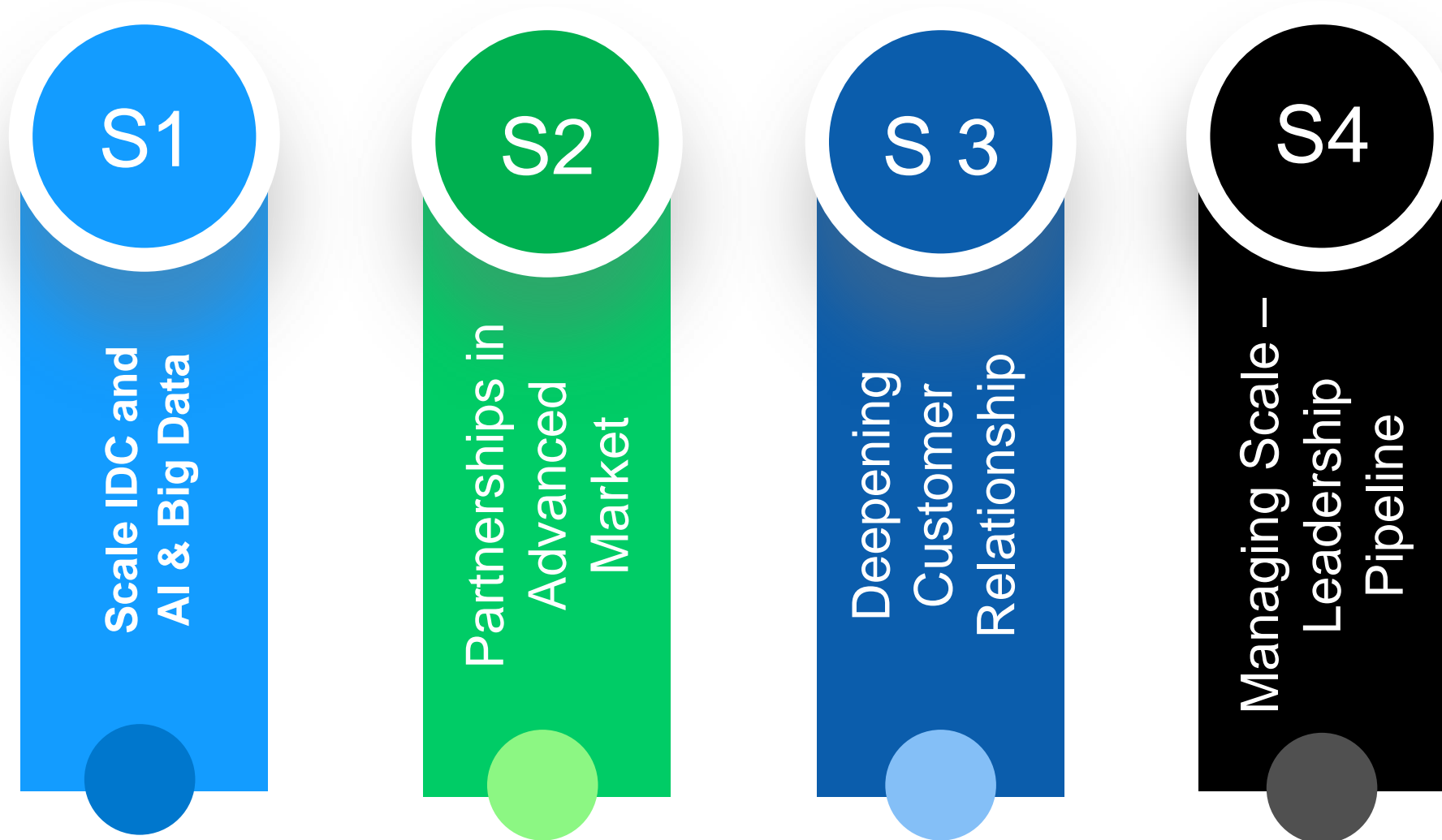
- Strong as evidenced by repeat business by 85.1%
- Increased pricing power through brand and ability to generate referencing
- Niche play in Central banks and Treasury
- Opportunity to upsell and cross sell vigorously

Multiple structural drivers underpinning third party software spend

- Pace of Digitisation in Financial services
- Open banking : providing access to bank data to third party vendors thru APIs for innovative services
- Contextual and AI are the need of the hour of the financial institutions
- Financial institutions are more ready for 'Buy' rather than 'Build' driving higher sales for product companies
- Regulation



Way Forward



Management Observations



Arun Jain
Chairman &
Managing Director

“Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited said, *“The Results vindicate four points in our Intellect journey to be a global fintech player. a) Belief in ourselves to deliver Cutting Edge Products, b) Power of Brand driving Business Outcomes, c) Culture of Design Thinking driving Operational Excellence and d) True Partnership with Customers driving outcome from Contextual and Digital. I must congratulate and thank the high intellect and committed leadership team and talent to make us achieve what we promised the investors.”*



Venkateswarlu Saranu
Chief Financial Officer

“Venkateswarlu Saranu, Chief Financial Officer, Intellect Design Arena Limited said, *“Delivering Promise on all 7 metrics i.e., Revenue growth of 36.4%, 144.16% EBITDA Growth, 65% Revenue from Advanced markets, License Growth of 67.4%, License value per deal at \$947 K up from \$ 579 K in FY 18; top 20 customers yielding an average Revenue of over INR 42.13 Cr and iGTB registering \$ 100 Mn revenue in FY 19 which is higher than initial revenue of Intellect in 2015. It gives me great satisfaction as a custodian of Results from our high performing Business team. Our momentum in the coming years looks positive.”*

