

Made in India. Acknowledged by the World.

IBS Intelligence Sales League Table 2020 Awards

A large, gold-colored number "1" with a laurel wreath around its base, preceded by a gold hash symbol "#". The entire graphic is enclosed in a gold-bordered rounded rectangle.

#1

Retail Banking

A large, gold-colored number "1" with a laurel wreath around its base, preceded by a gold hash symbol "#". The entire graphic is enclosed in a gold-bordered rounded rectangle.

#1

Wholesale Banking

**Q1 FY21 Results ending 30th June, 2020
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.



Intellect begins its Monetisation Phase

With fully mature products that are comprehensive in their user journeys and architecturally superior and with a lean and agile implementation methodology, Intellect begins the Monetisation Phase as envisioned in Lakshya (our annual visioning exercise) in December 2017

Repositioning Intellect for the Next Phase



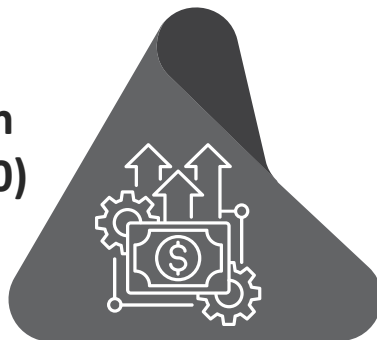
- 1 Future Ready Multiproduct Fintech Platform
- 2 High Operating Leverage Global Play
- 3 Design Thinking led highly efficient innovation cycles with small global teams and very limited capital raising

Reflections - Key Promises **Delivered**



**Exit EBITDA of 20%
(March 2020)**

**Effective Operating cash
flow positive (June 2020)**



**No capital raised
since Q3 FY19**





Arun Jain

Chairman & Managing Director

*“ I am delighted to announce that Intellect, after completing the Product Engineering phase and the Industrialisation Phase has **entered the Monetisation Phase** during this quarter. In Q1 FY21, the Company moved to an effective operating cash positive position of INR 1782 Mn. I am proud of my Research & Technology team and I am happy to announce a **breakthrough technology - iTurmeric (the world’s first API-led digital transformation solution for banks)** launched with IBM. The recognition of being **Number 1 in Retail Banking and Number 1 in Wholesale Banking** by IBS Annual Sales League Table 2020 is a remarkable validation of our quest for global recognition. It is also a testimony to the dedication and leadership of our employees, at all levels, during these difficult times as the company reorients itself for steady, profitable growth.*

Multidimensional Comprehensive Improvement



**#1 Stability during
COVID-19**
Business Operations
and Cash Flows



2.1 Cost structure
Sustainable realignment
to repeatable revenues



#2.2 Effective Operating
Cash Flow positive



**#3 Product acceptance in
Advanced Markets**



#4 Monetisation

#1 Stability during COVID-19



Business Operations and Cash Flows



**Effective Operating Cash
flow at INR 1782 Mn**



**Collected INR 4365 Mn
(\$58 Mn)**



**DSOs reduced from 150
days to 126 days**



**Cash stands at
INR 1918 Mn**

Business Continuity despite COVID-19



**Extreme focus on customer
service & mining**



**Continue to e-meet customers,
submit proposals, conduct demos
& POCs, progress deliveries and go
lives seamlessly**



**Assured Revenue
streams shows growth**

2 Cost structure

Sustainable realignment to repeatable revenues



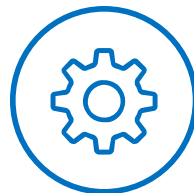
Sales & Marketing investments are now focused on specific markets/products



Pre EBIDTA costs are at INR 2779 Mn against INR 3311 Mn during Q1 FY20



The implementation cycle and efforts have reduced by 30% due to application of Design Thinking in process design and product design



Investments in Research & Engineering have come down after a planned investment in redesigning the products for cloud technologies



3 Product acceptance in Advanced Markets

Supported by architectural superiority and functional depth

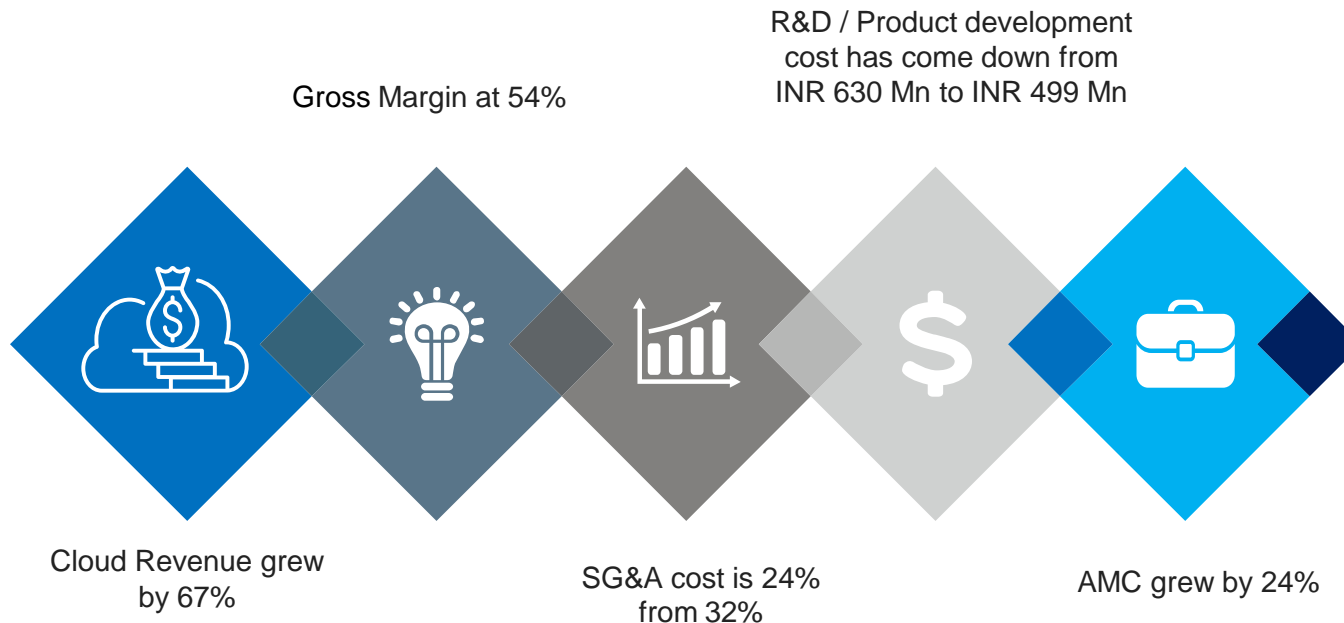


- Intellect's largest banking verticals - iGCB and iGTB - have been ranked No. 1 globally by IBS SLT 2020
- Analyst ratings - outcome of our Investments in both Products and Markets
- Rankings and Magic Quadrant positions are an assertion/proof point of our product strategy and hence increased referenceability

4 Monetisation



FY21 will commence the Monetisation agenda after the successful completion of Industrialisation agenda





FINANCIAL HIGHLIGHTS

Executive Summary Q1 FY21



E1: Revenue

- Total Revenue is at INR 3492 Mn
- In \$ terms, Total Revenue is at \$46.04 Mn

E2: License , AMC and SaaS Revenue

- License Revenue is INR 605 Mn, registering 9% YoY growth
- AMC Revenue is INR 741 Mn, registering 24% YoY growth
- Cloud/SaaS revenue is INR 389 Mn, registering 67% YoY growth

E3: Gross Margin, EBITDA and PAT

- Gross Margin is INR 1880 Mn, 54% of revenues
- EBITDA is INR 713 Mn in Q1 FY 21
- Net Profit is INR 426 Mn as against INR 34 Mn in the same quarter last year

E4: Cash and Debt position

- Effective Operating Cash Flow is INR 1782 Mn
- Cash and Cash Equivalent is INR 1918 Mn
- Total debt reduced by INR 1207 Mn in Q1 FY 21 from INR 2555 Mn in Q4 FY 20
- Term loan is INR 624 Mn vs INR 703 Mn in Q4 FY20

Executive Summary Q1 FY21



E5: Collections and Investment in Product Development (Capitalised)

- Collections for Q1 FY21 is INR 4365 Mn; up by INR 983 Mn as against Q1 FY20
- The Net Days of Sales Outstanding (DSO) is 126 days in Q1 FY21
- Investment in Product Development (Capitalised) is INR 269 Mn

E6: Order backlog – Cloud/Subscription deals

- Order backlog relating to License based (License, AMC and implementation) deals - INR 11.56 Bn as of Q1 FY21
- Order backlog relating to other Cloud deals - INR 9.5 Bn as of Q1 FY21

E7: Digital led wins and Implementations

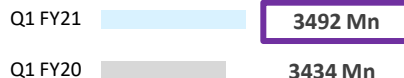
- 4 Digital led wins including 1 large Digital Transformation win
- Implementations in 12 financial institutions across the world

Q1 FY21 – Revenue at INR 3492 Mn



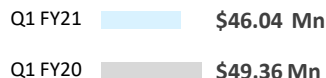
Q1 FY21 REVENUE (INR)

3492 Mn



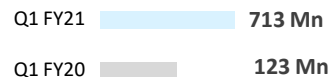
Q1 FY21 REVENUE (US \$)

\$ 46.04 Mn



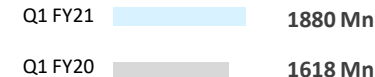
EBITDA (INR)

713 Mn



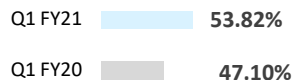
GROSS MARGIN (INR)

1880 Mn



GROSS MARGIN % (INR)

53.82 %



LICENSE (INR)

605 Mn



SAAS Revenue(INR)

389 Mn



AMC (INR)

741 Mn



PAT (INR)

426 Mn



Collections for
Q1 FY21 (INR)

4365 Mn

Net DSO

126 Days

Investment in Product
Development (Capitalized)
(INR)

269 Mn

Deal Wins

4

Large Deal Win

1

Implementations
(Go Lives)

12

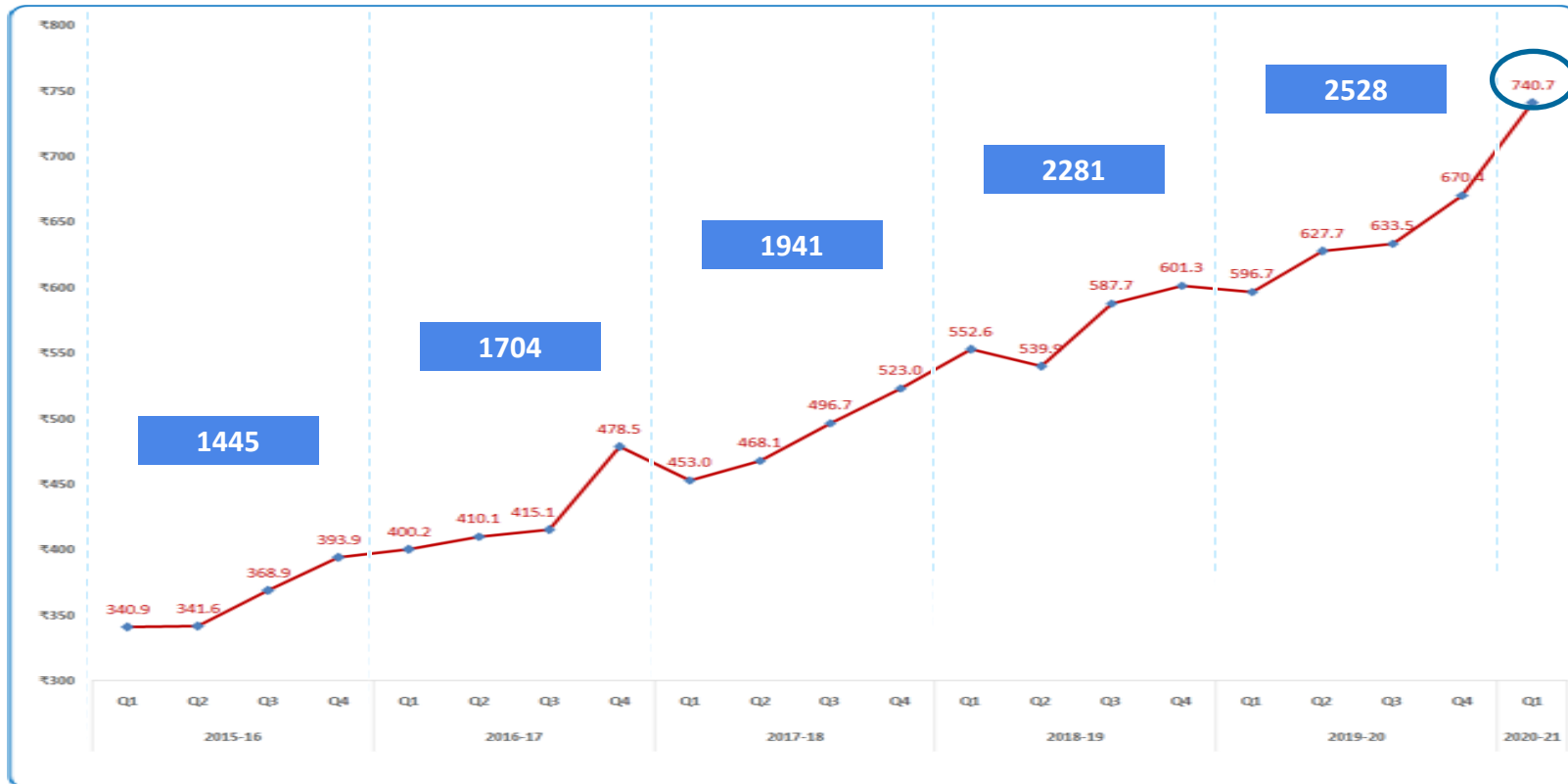
CSR contribution
(INR)

10 Mn

AMC Revenue Trend



INR Mn



Financial Results for the First Quarter Ending – June 30, 2020

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

INR Mn 

Particulars	QUARTER ENDED			YEAR ENDED
	June 30, 2020 (Q1 FY21)	June 30, 2019 (Q1 FY20)	March 31, 2020 (Q4 FY20)	March 31, 2020 (FY20)
INCOME				
Income from software product license and related services	3,492	3,433	3,596	13,509
EXPENDITURE				
Software development expenses	1,612	1,816	1,669	6,987
Gross Margin	1,880	1,618	1,927	6,522
Gross Margin %	53.82%	47.12%	53.59%	48.28%
Selling and marketing & General and administrative expenses	832	1,111	905	4,213
Research & Engineering expenses	230	336	236	1,219
ESOP Cost	75	28	49	170
Provision for Debts and Write offs	30	20	98	172
Total Expenditure	2,779	3,311	2,957	12,761
EBITDA	713	123	639	748
Depreciation	(105)	(98)	(107)	(396)
Amortisation	(84)	(68)	(84)	(293)
Hedge Impact	(33)	(6)	(16)	(40)
Finance Charges	(39)	(39)	(38)	(174)
Profits / (Loss) before other income / minority interest	452	(88)	394	(155)
Other Income (including Treasury)	29	151	30	294
Reinstatement of Receivables / Liabilities	48	2	(62)	26
Minority Interest/ Share of profit/(loss) of Associate Companies	(58)	(28)	62	46
Profit / (Loss) before tax	471	37	423	211
Provision for taxation	(45)	(3)	(13)	(51)
Profit / (Loss) after tax	426	34	410	160

Collections and DSO



Collections by GEO

GEO	Americas	Europe	MEA	India	APAC	Total
INR (Mn)	1,044	1,286	945	513	577	4,365

DSO by GEO

GEO	Americas	Europe	MEA	India	APAC	Total
Billed	28	28	101	12	54	45
Net DSO	71	38	166	139	297	126

Strong Order backlog



Q1 FY21

License Based

(License, AMC, Implementation, etc.,)

INR 11.56 Bn

SaaS and Subscription Based

INR 9.50 Bn

(Including GeM project)

Q4 FY20

License Based

(License, AMC, Implementation, etc.,)

INR 11.50 Bn

Subscription/Cloud Based

INR 8.50 Bn

(Including GeM project)

Repeat revenue from existing customers stood at 93% (Q1 FY21)

Destiny Deals

40

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Active Pursuits – Q1 FY21

- The current funnel of Intellect is around INR 40.2 Bn (\$ 530 Mn) out of which INR 30.3 Bn (\$ 399 Mn) is accounted by 119 Opportunities
- Average deal size in Q1 FY21 stands at INR 152 Mn (\$ 2 Mn) against INR 174 Mn (\$ 2.3 mn) in Q1 FY20

Destiny Deals – Q1 FY21

- Average deal size of destiny deals stands at INR 427 Mn (\$ 5.7 mn) in Q1 FY21
- 40 destiny deals in Q1FY21 against 41 in Q1 FY20
- Destiny deals contributes to 54% of total Opportunity funnel in Q1 FY21 against 69% in Q1 FY20

Active Pursuits



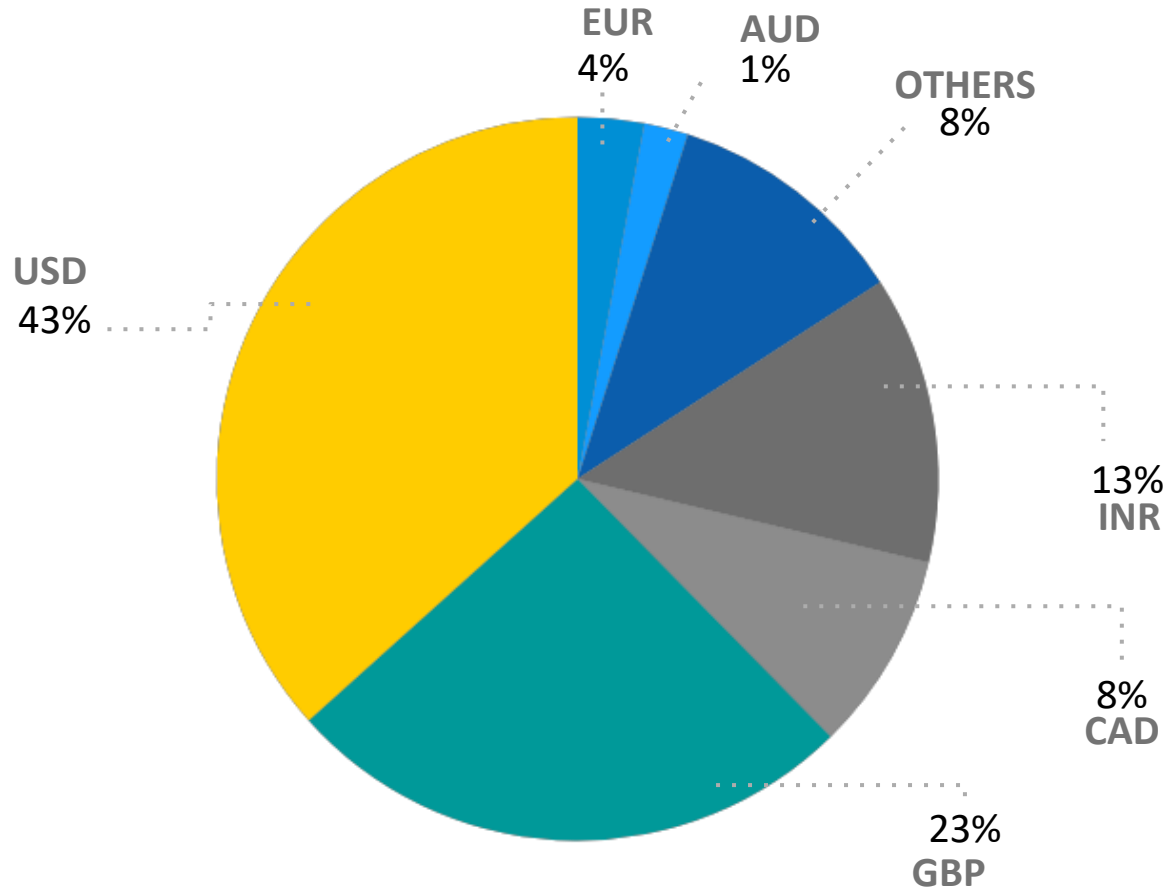
High value active pursuits

40

- 8 Pursuits > INR 500 Mn
- 12 Pursuits between INR 300 Mn to INR 500 Mn
- 20 Pursuits between INR 200 Mn to INR 300 Mn

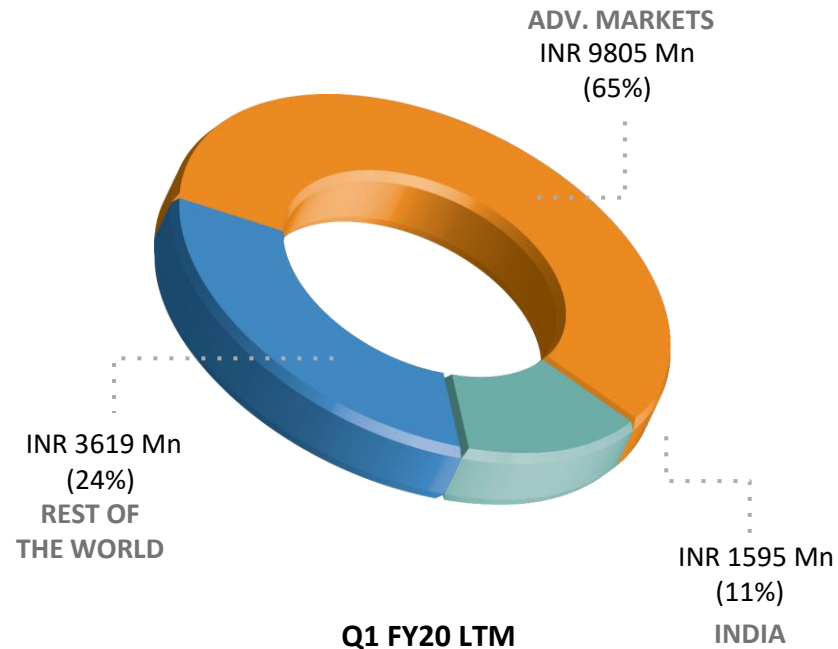
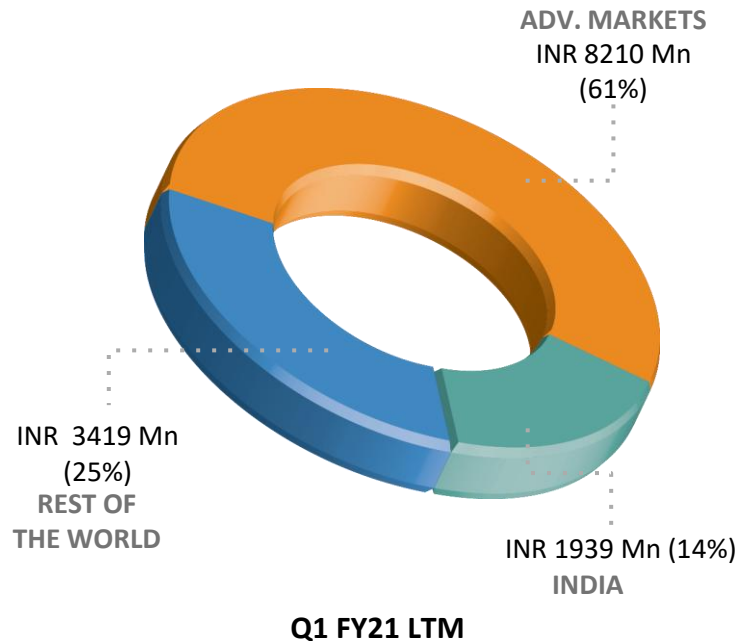
Q4 FY20 Active Pursuits	Won	Lost	Added	Q1 FY21 Active Pursuits	Remarks
7	1	-	2	8	1 deal Won 6 deals from Q4 FY20 + 2 new deals added
12	1	1	2	12	1 deal Won 1 deal Lost 10 deals from Q4 FY20 + 2 new deals added
22	1	3	2	20	1 deal Won 3 deals Lost 18 deals from Q4 FY20 + 2 new deals added

Currency wise Revenue Mix



Revenues across Geographies

Last Twelve Months



Adv. Markets: Americas, Europe, Australia, New Zealand, Singapore, Japan



CFO COMMENTARY

CFO Commentary



Venkateswarlu

Saranu

Chief Financial Officer

“

I am delighted that the cash burn phase is now behind us. A focused and well orchestrated strategy by the delivery team has resulted in peaking of collections at INR 4365 Mn this quarter. This has strengthened Intellect's balance sheet by being net cash positive by INR 570 Mn. I appreciate the cost efficiency brought in by Lines of Business leading to over 20% EBITDA margin for the quarter.



BOARD ANNOUNCEMENT

Board Announcement

Board has approved inducting Vishwanath P Prabhu (Banesh Prabhu) as the Chief Executive Officer for Intellect SEEC to drive monetisation of Data and Insurance business



Banesh is a FinTech services veteran and pioneer in Technology & Operations management, having developed and implemented global strategies for executing digital capabilities and servicing of clients. He has managed senior global responsibilities in Operations and Technology for over 32 years, of which 23 years were in Citibank where he was responsible for servicing clients in 55+ international markets. During these years he pioneered the creation of several global Centers of Excellence for Operations and Technology that included implementing Digital Services. He was a member of Citigroup Global Consumer Planning Group, Citigroup Global Information Technology council, Citigroup Global Operations Council.

In his last role he was a member of the Executive Committee and head of the Technology and Operations Group for one of Thailand's leading Universal banking groups- Siam Commercial Bank. He was a Senior Advisor with Boston Consulting Group and is engaged as a Fintech investor and a Fintech Fund in the UK.

