

Intellect Q4 FY 17 revenues grow 11% QoQ to Rs 250 Cr

Intellect Ranked #1 in Digital Core in Retail Banking Systems and #1 in Payment Systems and #2 Digital Banking Exchange by IBS Annual Sales League Table 2017

EBITDA stood at Rs. 15.64 Cr and PAT stood at Rs. 10.6 Cr in Q4 FY 17 registering positive bottomline

Chennai (India), May 3, 2017: Intellect Design Arena Ltd, a digital technology product solutions provider across banking, financial services and insurance industry, announced its fourth quarter and annual results for FY 2016-17 today.

I. Executive Summary

Q4 FY 17 Financial Highlights:

- Revenues for the quarter ended 31st March 2017 stood at Rs. 250 Cr as against Rs. 226 Cr in the last quarter representing 11% QoQ growth and as against Rs. 217 Cr in the same period last year representing 16% YoY growth
- In dollar terms, revenue for Q4 FY 17 went up to \$ 37.37 mn as against \$33.57 mn in the last quarter representing 11% QoQ growth. In Constant Currency terms, dollar revenue stood at \$38.49 Mn at Q4 FY 16 rates. Average USD – INR Conversion rate for the quarter (1st Jan 2017 – 31st Mar 2017) stands at Rs. 67
- Collections up by 17% QoQ to Rs. 272 Cr which is more than the Q4 FY 17 revenue of Rs. 250 Cr
- DSO days reduced by 19 days and stood at 161.
- EBITDA stood at Rs. 15.64 Cr and PAT stood at Rs. 10.6 Cr in Q4 FY 17 registering positive bottomline

Annual (FY17) Financial Highlights:

- Total Revenues for this year (FY 2016 -17) grew by 13% Y-o-Y stood at Rs. 914 Cr as against Rs. 811 Cr in last year.
- In dollar terms, revenue stood at \$ 136 Mn as against \$ 124 Mn in last year representing 10% YoY Growth. Average USD – INR Conversion rate for the full year (1st Apr 2016 – 31st Mar 2017) stands at Rs. 67.09
- Software License and AMC revenue stood at Rs. 326 Cr, up by 21% over last year recording consistent growth for the last three years. Software License and AMC revenue contributes 36% of the Total revenue in FY 17, 34% in FY 16 and 33% in FY 15.
- Gross Margin stood at 49.3%. Margins of this year (2016-17) were at Rs. 450.32 Cr as against Rs. 415.65 Cr in the same period last year.
- Including the order wins recorded this quarter, Intellect's customer base stands at 209

The above financial data is additional information on function wise classification of statement of Profit and Loss of the Group on a consolidated basis and is unaudited and has not been subjected to review

II. Acclaimed by Experts

IBS Annual Sales League Table 2017 – the acknowledged barometer of global banking system ratings, ranked Intellect as **#1 best selling Digital Core in Retail Banking Systems and #1 best selling Payment System and #2 best selling Digital Banking Exchange**

Independent Research Firm, Forrester Research Inc ranked Intellect as ‘Global Pursuer’ and a ‘Global Player’ in 2017 for new-named clients and combined deals (new and existing clients)

Some of the other significant recognitions by renowned global analysts and research firms are:

- Intellect Design Arena recognized as a Leader for the 6th consecutive year in Gartner’s Magic Quadrant for Global Retail Core Banking
- Vietnam Bank for Social Policies wins Celent Model Bank Award with Intellect's Digital Core
- MF Utility, a national transaction aggregation infrastructure, powered by Intellect, wins the coveted Banking Technology Award 2016 in the Best Industry Infrastructure Initiative category
- Intellect iGTB awarded Fintech Finance Digital Transaction Banking Gold award. iGTB scoops top prize for its market-leading Digital Transaction Banking solutions
- Intellect ranked #1 at IDC Financial Insights FinTech Rankings Real Results Awards 2016 for its core banking implementation at Sonali Bank
- Intellect Digital Face featured amongst Top Digital Banking Enablers in IBS Intelligence report "The Future of Digital Banking"
- Intellect SEEC powered "StarStone" wins Celent's 2017 "Model Insurer" Award for Data Mastery and Analytics
- Intellect listed as one of the Global vendors offering Operational Risk Management in Aite's report "Global Business-to-Business Payments: Addressing Ecosystem Evolution."

III. Management Statement

Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited said, *“Intellect brand has established its roots as an independent brand with trusted products, impeccable deliveries and wider reach of sales network. Intellect has been recognized as #1 in Retail banking Systems, #2 in Digital banking exchange, #1 in Payment Systems worldwide by IBS Intelligence, among the crowded competition. This has provided right kind of tail winds for our journey. I would like to thank each Intellect associate who has contributed in this journey of transformation by applying Design Thinking in building Digital products for financial industry worldwide. I also take this opportunity to thank all the shareholders and Analysts who trusted Intellect's Vision.”*

S Swaminathan, Chief Financial Officer, Intellect Design Arena Limited, said, *“We are happy to observe that the efforts made in the last couple of quarters have resulted in driving revenue growth, accelerating collections and managing cost better. The above has contributed in delivering positive EBITDA as well positive PAT in Q4 FY 17 in addition to reduction in DSO.”*

IV. Reliable Implementations

Intellect went live in financial institutions across the world. The significant implementations in FY 17 include:

- Intellect's iGTB Payment Hub is live in CIBC, one of the largest Canadian Bank. CIBC has implemented phase 1 of the bank's next generation payments infrastructure for business clients. CIBC's goal is to drive growth by leading with innovation while helping to simplify how clients manage their business.
- Central Bank of Lesotho, the Lesotho Monetary Authority in Southern Africa has successfully implemented Intellect Quantum Central Banking Solution with zero errors during migration despite complex integration with multiple external interfaces.
- El Taamir, the leading mortgage finance company with 40% share of the Egyptian market and fully owned by the Government of Egypt rolled-out Intellect Lending suite. The implementation was completed in just seven months including data migration.
- Citizens Development Business Finance PLC (CDB) has gone live with Intellect's DIGITAL FACE, an Omni Channel solution catering to demands of the modern customers. CDB will now be able to offer digital products for their retail customers. CDB customers can now enjoy seamless Omni channel digital experience across internet and mobile.
- Intellect Digital Core has gone live with a private bank in Sri Lanka, a commercial bank in UAE and a small finance bank in India
- Intellect lending platform has gone live with 4 banks in the Middle East and Africa enabling the banks to efficiently manage their lending operations with faster launch of new products in the markets
- A multinational financial services company in Canada did a successful nationwide launch of an electronic insurance application. eAPP is part of the Distribution & Service Suite from Intellect SEEC, the insurance division of Intellect. The product was delivered in both English and French (Canada's official languages)
- Intellect's Algorithmic Liquidity Management Solution has gone live in 2 multi - national banks along with another go-live in a Swedish bank

V. Fund Raising Plan:

The board had already approved the raising of funds through issue of equity shares to the existing shareholders of the Company on a rights basis. The company has filed the "Draft Letter of offer" for the Rights Issue and it has received the final observation letter from SEBI.

Financial Results for the Fourth Quarter Ended March 31, 2017

**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, 2017	December 31, 2016	March 31, 2017	March 31, 2016
INCOME				
Income from software product license and related services	250,35.15	226,45.69	913,57.50	810,65.55
EXPENDITURE				
Software development expenses	124,65.39	121,98.69	463,26.00	395,00.01
Selling & marketing and General & Administrative expenses	85,59.52	101,09.54	391,02.94	330,50.24
Research & Engineering expenses	16,73.69	19,75.99	71,92.08	106,29.77
Provision for Debts and Write offs	7,72.14	2,09.02	12,33.16	9,79.62
Total Expenditure	234,70.74	244,93.24	938,54.18	841,59.64
EBITDA	15,64.41	(18,47.55)	(24,96.68)	(30,94.09)
Depreciation/Amortisation	6,00.58	6,12.04	24,13.99	20,77.11
Finance Charges	4,02.50	3,25.96	11,30.24	1,19.22
Profits / (Loss) before other income / minority interest	5,61.33	(27,85.55)	(60,40.91)	(52,90.42)
Other Income including exceptional items	(2,38.81)	14,56.56	32,35.56	18,69.71
Minority Interest/ Share of profit/(loss) of Associate Companies	31.98	1,41.77	6,56.24	93.93
Profit / (Loss) before tax	3,54.50	(11,87.22)	(21,49.11)	(33,26.78)
Provision for taxation	7,05.87	(3,69.50)	(2,83.63)	9,06.32
Profit / (Loss) after tax	10,60.37	(15,56.72)	(24,32.74)	(24,20.46)

[Investor Conference Call](#)

The Board of Directors of Intellect Design Arena Limited met on **3rd May 2017**, to take on record the financial results of the company for the Fourth Quarter ended March 31, 2017.

Intellect Design Arena Ltd. will host an Investors Conference Call on **3rd May 2017**, where the Senior Management of Intellect will comment on the company's performance during the Fourth Quarter ended March 31, 2017 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Wednesday, 3rd May 2017.** The dial-in numbers to join the conference call:

Conference Name	:	Q4 FY17 Investor earnings call
Date	:	3rd May 2017
Time	:	17:00 to 18:00 IST
Conference ID	:	12576721
ACCESS NUMBERS		
MUMBAI	:	Primary Access Toll Number : 02230360400
BANGALORE	:	Primary Access Toll Number : 08030360400
DELHI	:	Primary Access Toll Number : 01130360400
CHENNAI	:	Primary Access Toll Number : 04430360400
INDIA	:	Primary Access Toll free Number : 180030131313
HONG KONG	:	Primary Access Toll free Number : 800901420
SINGAPORE	:	Primary Access Toll free Number : 8001011906
US and Canada	:	Primary Access Toll free Number : 18663944523
UK	:	Primary Access Toll free Number : 08081681758
UAE	:	Primary Access Toll free Number : 8000174397

[About Intellect Design Arena Limited](#)

Intellect Design Arena Ltd, a digital technology product solutions provider to the Banking, financial services and Insurance industry, across Global Consumer Banking (iGCB), Central Banking, Global Transaction Banking (iGTB), Risk, Treasury & Markets (iRTM) and Insurance (Intellect SEEC). Intellect has created digital products & solutions for Banking and Insurance. FinTech 8012, a design centre for financial technology, reflects Intellect's commitment to continuous and impactful innovation, addressing the growing need for digital transformation. With over 200 implementations, the company's performance is driven by over 4,000 Intellect solution architects, functional and technology experts, with a presence in global financial hubs around the world and supported by design centres in multiple geographies. Please visit <http://www.intellectdesign.com/>

Disclaimer:

'Intellect Design Arena Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make a rights issue of its equity shares and has filed a Draft Letter of Offer (DLOF) with the Securities and Exchange Board of India. The Draft Letter of Offer is available on the website of the SEBI at www.sebi.gov.in as well as on the website of the Lead Manager at www.sparkcapital.in Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section entitled 'Risk Factors' of the LOF, when available. Potential investors should not rely on the DLOF for any investment decision.'

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