

Intellect crosses 1000 Cr mark in CY 2017

Q3FY18 registers 25% YoY Growth in dollar terms; 20% plus YoY growth over last 4 quarters

Won 2 large digital transformational deals

Chennai (India), January 30, 2018: Intellect Design Arena Ltd, a specialist in applying true Digital Technologies and a global leader in Financial Technology across Banking and Insurance, announced its third quarter results for FY 2017-18 today.

I. Revenue Crosses 1000 Cr Mark in Calendar Year (CY) 2017

- Intellect revenues for January - December 2017 crossed the INR 1000 Cr milestone and stood at INR 1031 Cr.
- Intellect revenue jumped from INR 577 Cr in CY 2014 to INR 1031 Cr in CY 2017
- Dollar Revenue for the trailing 12 months were 21% higher than the similar period in the last year

II. Revenue Growth & Margin Sustenance

- Intellect Q3FY18 revenue grew 25% in dollar terms over same quarter last year
- Revenues stood at \$ 41.82 Mn (in INR 270.67 Cr) as compared to \$33.57 Mn (in INR 226.46 cr) in the same quarter last year.
- INR Revenue registered 19.53% YoY growth.
- Gross Margin stood at Rs. 133.53 Cr in Q3 FY 18 as against Rs. 104.47 Cr in the same quarter last year.
- Gross Margin sustained at around 50%

III. License and AMC

- License and AMC contributed 37% of Q3 FY 18 LTM Revenue as against 34% in Q3 FY 17 LTM revenue
- Q3FY18 License and AMC revenue sustained at over Rs. 100 Cr and stood at Rs. 102.19 Cr as compared to Rs. 77.32 Cr in Q3FY17 registering 32% YoY growth

IV. EBITDA and Net Profit Positive for 4 quarters in a row

- The company registered positive EBITDA which stood at Rs. 16.08 Cr as against Rs. 18.48 Cr (Negative) in the same quarter last year, showing a movement of Rs. 34.47 Cr in EBITDA.
- Net Profit stood at Rs. 12.16 Cr as against the loss of Rs. 16 Cr in the same quarter last year

V. Collections Higher than Q3 FY 18 Revenue

- Intellect recorded healthy collections for four quarters in a row. Collections for Q3 FY 18 stood at Rs. 293.66 Cr which is higher than the Q3 FY 18 Revenue
- The Net Days of Sales Outstanding (DSO) after taking customer advances into account stands at 120 days in Q3 FY 18 as against 151 days in Q3 FY 17

VI. Product Acceptance in Leadership Quadrant

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

Aite rates iGTB #1 on Wholesale Banking APIs

iGTB, the transaction banking specialist from Intellect has been recognized by Aite Group, pitted head-to-head against 10 other providers surveyed worldwide, as **attaining the highest category**, "Ready for wholesale banking API open competition" on all six of its measures: API development, APIs developed for wholesale banking services, API sandbox, API connectivity, API management and API analytics.

Gartner gives Full Score on Interactive Open Banking (Open API) Channel Capabilities to iGTB

Intellect has been **recognised by Gartner for its iGTB suite amongst 12 leading transaction banking players** surveyed worldwide in the report, which covers transaction banking offerings including account services, payments, collections, liquidity management, information services, trade finance and supply chain finance.

"Gartner report - A Banker's Guide to Transaction Banking Service Providers, Fabio Chesini, 8 November 2017"

VII. Digital Deals

With our path-breaking Digital 360 approach, Intellect has been able to address all aspects of our customers' digital requirements. Q3 FY 18 has recorded 16 digital deals including 2 large transformation deals.

Large Digital Transformational deal wins

- One of the world's top banks by MarketCap, headquartered in Spain, has chosen iGTB for its Digital payments transformation. Enabling it to benefit from the LatAm growth and the huge LatAm-Europe links, the bank will be able to offer faster, clearer, more flexible and efficient payments cross-border at lower cost. Apart from this, large global corporations, with all their complexity, will have more flexibility for their international supply chain (eg manufacturing in China) and distribution arms selling into many markets, all highly integrated and with the capacity for the anticipated volume and value growth.
- One of the largest Central bank in Southeast Asia has chosen Intellect Quantum Central Banking Solution for their Digital Transformation initiatives. The central bank's vision is to become the credible central bank institution and the best in the region by strengthening the strategic values that are owned and the achievement of low inflation and a stable exchange rate. In line with the said vision, the central bank has partnered with Intellect to support their transformation journey using the proven Quantum central banking solution. Intellect's Digital Quantum Central Banking Solution (QCBS) will enable the bank to provide new, enhanced central banking services to the commercial banks, government ministries and foreign investors by enabling operational efficiency, quicker policy implementation and enhanced customer experience.

Some of the other significant deal wins

- BOB Financial Solutions Limited, a wholly owned subsidiary of Bank of Baroda has selected Intellect Digital Credit Card Management System, Intellect Digital Origination and Intellect Digital Debt Management for Credit Card operations. The integrated solution of Intellect Cards along with the modules of Intellect Origination and Intellect Collect shall ensure that the digital journey embarked upon by BOBFSL shall bring the desired results in the days to come.

- A leading banking and financial services organization in the Middle East and Turkey has signed a significant deal with Intellect to implement CBX (Contextual Banking Experience) from iGTB. This GCC bank, the biggest in the country will pursue a rapid roll-out of CBX in 14 countries, supporting an array of payment types and regulatory requirements and enabling the bank to offer its international corporate clients a single, consolidated view of cash positions through an intuitive user interface. In particular, it will allow the bank to open up new lines of business, offering multi-country regulatory and local requirement support as well as faster client onboarding – this solution will be a critical enabler for its ambitious growth plans.
- A major British financial institution has chosen Funds Control Hub from iGTB to onboard more customers. It provides better leverage to midcaps right up to large corporations and other financial institutions, by offering the gold copy of their enterprise limits, especially valuable because of the ability to share facilities across different legal entities. It covers not just accounts but also collateral and trade finance limits.
- A global top-20 Japanese financial services company has chosen Intellect Liquidity Management from iGTB to provide cutting-edge liquidity management capabilities to its business clients, including notional pooling with multi-tier interest and interest optimisation, so that large corporations can create better wealth through management of their money. In this way, the bank aims to reinforce its client relationships by rewarding stable corporate deposits. iGTB already processes approximately 25% of the global large corporate sweeping and pooling processing and this partnership, the first substantial one for iGTB in a Japanese financial institution, will add to that and especially add to iGTB's presence in APAC.
- A community-focused life insurance company for over 120 years in the USA has chosen Intellect Distribution & Service Suite, the industry's only comprehensive digital suite for new business and post-issue servicing that seamlessly integrates with the existing systems. Intellect SEEC's solution will aid the fraternal organization in increasing the productivity of their independent agents providing them a real time omni-channel and omni-product out of the box experience. Pre and post issue capabilities are rendered through 7 AI driven business apps - Lead Closer, Needs Analysis, Quote/Illustration, e-App, Profile Management, Customer Service and Product Launcher. True cloud native platform (Amazon), pre built APIs, and high configurability provides a 50-60% acceleration in deployment and enables scalability at a low cost.
- A leading specialist insurance for three decades and market leaders in many of chosen lines in US has been underwriting commercial risks in the USA since 2004, and has been looking for an insurtech company to understand how risk data can be consumed better while incorporating newer data models (unstructured data). The unique nature of the company's environmental and management liability products, requires specific data sources pulled together for triangulation. Intellect Risk Analyst, an award winning product creates meaningful insights by analyzing data from 1800+ data sources using big data, artificial intelligence, underwriting rules and risk predictors. The powerful algorithms, pull from traditional sources like OSHA, Google Maps, Risk Meter, etc with new data sources like Hazard Hub, EDR, ECHO, and legal data.
- A listed bank which is strongly supported by the Emirates Government as a key stakeholder and an agile Islamic commercial bank in UAE has chosen Intellect OneTREASURY - a real-time treasury management solution that connects the four levers of Liquidity, Risk Trading, Capital Management and Client Servicing on a single platform for a powerful treasury transformation. Intellect OneTREASURY would help deploy the liquidity generated by the bank's deposit gathering activities, and capital funds, in such a way as to be compliant with the Shariah and maximize shareholder's profitability.

- An upcoming co-operative and local area bank in India has chosen Intellect OneTREASURY as a partner in its vision for growth and high market share. The key enabler for optimizing profits while complying with increasing regulations around Liquidity and Capital buffers, would be an intelligence driven real time view of liquidity and risk-aiding rapid decisions. This is exponentially delivered with the help of Intellect OneTREASURY's service oriented technology.
- In addition to this, Intellect OneTREASURY was chosen as their partner of choice by one of the strongest scheduled commercial banks from South India, an upcoming co-operative bank which caters to the local community's financial needs in India and –a reputed organization, wholly owned by the Govt. of India, provides export credit insurance support to Indian exporters and related services for exports.
- One of Swaziland's major providers of long term mortgage lending has chosen Intellect Digital Core & Intellect Treasury
- A leading private sector bank serving about 1.5 million customers in Egypt has chosen Intellect Collect to digitize their collection processes
- A Scheduled State Cooperative Bank in Andhra Pradesh has chosen Digital Interface Hub for its Delivery Channels from the Core Banking Suite

VIII. Reliable Implementations

Intellect went live in 11 financial institutions across the world during this quarter. The significant implementations in Q3 FY 18 include:

Intellect successfully implemented a comprehensive supply chain finance platform for Bank of Baroda, India's International Bank. The solution provides a full range of supply chain finance products - covering pre- and post-shipment, vendor finance, dealer finance and payable finance and is highly flexible and scalable, with an omni-channel user interface that supports rich analytics.

- A British multinational bank and financial services company headquartered in London has gone live with Funds Control solution in two additional European countries, Germany and Ireland.
- A large state-owned bank in Vietnam and the country's number one bank in net income and the second biggest bank by assets have gone live with an overall acceptance of Intellect Digital Core Banking.
- One of the popular licensed commercial banks in Uganda and a premier state owned development bank in Sri Lanka have gone live with Anti Money Laundering (AML Solution) and CEFTS (OTC) respectively from the Intellect Digital Core Banking Suite.
- One of the largest commercial banks in Bhutan has gone live with Intellect Loan Origination.
- A popular and fast growing bank with pan India presence, one of the largest payments bank in the country, one of the leading Urban Co-operative banks with presence in Maharashtra, Gujarat and Karnataka and a publicly owned Commercial Bank in Sri Lanka have gone live with Intellect ONETreasury. This makes Intellect OneTreasury running in over 50 banks including Reserve Bank of India, NABARD, Saigon Hanoi Bank, National Bank of Ethiopia, UCO Bank and Housing Finance Bank.
- One of the largest UK-based wealth management business company has gone live with Intellect Distribution Suite

IX. Management Statement

Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited said, *“The achievement of INR 1,000 Cr mark in CY 2017 establishes our business stability and is a palpable evidence of sustainable growth. In a span of just 12 quarters, Intellect’s revenue has jumped from 577 Cr in CY 2014 to 1,031 Cr in CY 2017. This steady growth confirms our position as a leading global FinTech player, validating our strategy, direction and endorsing our execution capabilities. With critical size and investments built into current cost structure, the new revenues will drive higher margins.”*

S Swaminathan, Chief Financial Officer, Intellect Design Arena Limited said, *“We are in line with our cost management and cash generation initiatives which we rolled-out in the beginning of this financial year. This has contributed in delivering positive EBITDA and accelerated collections over the last 3 quarters. During this quarter, we have invested an additional INR 5 Cr on one time Sales & Marketing cost impacting EBITDA.”*

Financial Results for the Third Quarter Ended December 31, 2017

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

| Particulars | QUARTER ENDED | | Rs. In Lakhs |
|---|---------------------------------|---------------------------------|--|
| | December 31, 2017 (Q3 FY 18) | December 31, 2016 (Q3 FY 17) | YEAR ENDED March 31, 2017 (FY17) |
| INCOME | | | |
| Revenue from Operations | 27,067.49 | 22,645.69 | 91,357.50 |
| EXPENDITURE | | | |
| Software development expenses | 13,714.39 | 12,198.70 | 46,326.00 |
| Gross Margin | 13,353.11 | 10,446.99 | 45,031.50 |
| Gross Margin % | 49.33% | 46.13% | 49.29% |
| Selling & marketing and General & Administrative expenses | 9,593.11 | 10,109.55 | 39,102.94 |
| Research & Engineering expenses | 1,957.21 | 1,975.99 | 7,192.08 |
| Provision for Debts and Write offs | 195.00 | 209.02 | 1,233.16 |
| Total Expenditure | 25,459.70 | 24,493.26 | 93,854.18 |
| EBITDA | 1,607.79 | (1,847.57) | (2,496.68) |
| Depreciation/Amortisation | 652.10 | 612.04 | 2,413.99 |
| Finance Charges | 308.58 | 325.97 | 1,130.24 |
| Profits / (Loss) before other income / minority interest | 647.11 | (2,785.58) | (6,040.91) |
| Other Income including exceptional items | 477.70 | 1,412.84 | 3,429.72 |
| Minority Interest/ Share of profit/(loss) of Associate Companies | 201.82 | 141.77 | 656.24 |
| Profit / (Loss) before tax | 1,326.64 | (1,230.98) | (1,954.95) |
| Provision for taxation | 110.28 | 369.50 | 283.63 |
| Profit / (Loss) after tax | 1,216.36 | (1,600.48) | (2,238.58) |

[Investor Conference Call](#)

The Board of Directors of Intellect Design Arena Limited met on **30th January 2018**, to take on record the financial results of the company for the Third Quarter ended December 31, 2017.

Intellect Design Arena Ltd. will host an Investors Conference Call on **30th January 2018**, where the Senior Management of Intellect will comment on the company's performance during the Third Quarter ended December 31, 2017 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Tuesday, 30th January 2018.** The dial-in numbers to join the conference call:

| | | |
|------------------------|---|--|
| Conference Name | : | Q3 FY18 Investor earnings call |
| Date | : | 30th January 2018 |
| Time | : | 17:00 to 18:00 IST |
| Conference ID | : | 2583129 |
| 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 specialist in applying true digital technologies, is the world's first full spectrum Banking and Insurance technology products company, across Global Consumer Banking (iGCB), Central Banking, Global Transaction Banking (iGTB), Risk, Treasury and Markets (iRTM), and Insurance (Intellect SEEC). With over 25 years of deep domain expertise, Intellect is the brand that progressive financial institutions rely on for digital transformation initiatives.

Intellect pioneered Design Thinking for cutting-edge products and solutions for Banking and Insurance, with design being the company's key differentiator in enabling digital transformation. FinTech 8012, the world's first design centre for Financial Technology, reflects Intellect's commitment to continuous and impactful innovation to address the growing need for digital transformation. Intellect generates annual revenues of more than USD 136 million, serving more than 240 customers through offices in 40+ countries and with a diverse workforce of more than 4,000 solution architects, domain and technology experts in major global financial hubs around the world. For further information on the organization and its solutions, please visit intellectdesign.com

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