

# Intellect Revenue at INR 1087 Cr in FY 18

## Q4FY18 registers 28% YoY Growth in dollar terms

***Q4 FY 18 revenue crossed INR 300 Cr registering 13% QoQ growth***

**Chennai (India), May 06, 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 fourth quarter and Annual results for FY 2017-18 today.

### I. Calibrated Growth Yielding Predictability

#### Revenue: Registering CAGR of 21% over the last 3 years

- Total Revenues for this year (FY 2017-18) grew by 19% Y-o-Y and stood at INR 1087.3 Cr as against INR 913.6 Cr in last year. This annual revenue growth to 1087.3 Cr in FY 18 from 608.8 Cr in FY 15 represents a CAGR of 21% over the last 3 years
- In \$ terms, Revenues grew by 24% Y-o-Y stood at US \$ 168.7 Mn as against US \$ 136.2 Mn in the same period last year
- In Q4 FY18, Revenue crossed 300 Cr and stood at INR 307 Cr registering 23% YoY growth as against INR 250.4 Cr in the same quarter last year. The quarter revenue stood at INR 307 Cr as against INR 271 Cr in Q3 FY 18 registered 13.41% QoQ growth.
- In \$ terms, Q4 FY 18 Revenue grew by 27.7% and stood at \$ 47.7 Mn as compared to \$37.4 Mn in the same quarter last year

#### License and AMC Revenue:

- License Revenue stood at INR 199 Cr and AMC revenue stood at INR 209 Cr in FY 18.
- The License revenue grew at a CAGR of 32% over the last 3 years.
- License and AMC revenue grew by 25% stood at INR 408 Cr as against INR 327 Cr in the last year recording consistent growth for the last three years.
- Q4 FY 2018 License and AMC revenue stood at INR 119 Cr as compared to INR 94.7 Cr in Q4 FY 2017 registering 26% YoY growth

#### Digital led wins

- Intellect was awarded 50 Digital led wins including 12 large Digital Transformation Deal wins in FY18
- Q4 FY 18 recorded 11 Digital led wins including 4 large digital transformation deal wins
  - Breakthrough deal win in Europe for Intellect Digital Core (IDC 17.1) Offering
  - Major win in Asia Region with higher License Revenue for iGTB
  - iGTB emerged as a partner of choice and acquired a new customer in US to implement a comprehensive Digital Liquidity Management platform
  - A Green field Bank in Africa chose Integrated Trade, Core, Treasury and CBX from Intellect

#### Gross Margin

- Gross Margin of this year (2017-18) stood at INR 538.3 Cr as against INR 450.3 Cr in the same period last year
- Gross Margin sustained at around 50%

### **Strong EBITDA Growth and Net Profit Positive**

- The company registered a positive EBITDA which stood at INR 78.6 Cr for FY 18 as against INR 25 Cr (Negative) in the last year, showing a movement of INR 103 Cr in EBITDA.
- Net Profit stood at INR 46.73 Cr as against the loss of INR 22.4 Cr (Negative) in the last year, showing a movement of INR 69 Cr in PAT

### **Collections continuing to be robust**

- Intellect recorded healthy collections for five quarters in a row. Collections for Q4 FY 18 stood at INR 302.7 Cr almost at par with Q4 FY 18 Revenue
- The Net Days of Sales Outstanding (DSO) after taking customer advances into account stands at 122 days in Q4 FY 18 as against 134 days in Q4 FY 17

## **II. Product Acceptance in Leadership Quadrant**

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

### **Intellect is World #1 in Retail Banking Systems & Payments Systems in IBS Sales League Table 2018**

IBS SLT 2018 placed Intellect as the largest selling Retail Banking and Payments Systems for the second time in a row in their Annual Sales League Table 2018. Intellect was also ranked #2 for Lending Systems #3 for Digital Banking & Channels and ranked #4 for Investment Fund Management Systems.

### **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"

### **Forrester acknowledged Intellect as a 'Global Pursuer' for new named deals and a 'Global Player' for combined deals in the Global Banking Platform Deals Survey 2018**

Intellect has been positioned as a "Global Pursuer" with 25 New Named deals in more than three regions. Additionally, Intellect has also been positioned as a "Global Player" with 58 Deals in more than three regions in the Combined Deals category.

### III. Digital Deals

With our path-breaking Digital 360 approach, Intellect has been able to address all aspects of our customers' digital requirements. Q4 FY 18 recorded 11 Digital led wins including 4 large digital transformation deal wins.

#### Large Digital Transformation deal wins

- **Breakthrough deal win in Europe for Intellect Digital Core (IDC 17.1) Offering:** A large, private European bank with specialised services to customers with a unique branchless banking model has chosen Intellect Digital Core (IDC 17.1) for its banking operations. The bank wanted to modernise its technology architecture and had chosen Intellect Digital Core (IDC 17.1) for powering its digital transformation. IDC 17.1 with its new open banking architecture is enabling the bank to adapt to Open Bank regulations along with PSD2 compliance. It is also enabling the bank to offer digital solutions to not just customers but also their financial advisors who form the backbone of their business model. IDC17.1 will enable the UK based bank to reduce account opening lead times from 4 days to just 15 minutes.
- **Major win in Asia Region with higher License Revenue for iGTB:** One of the leading commercial banks in Vietnam with a sustainable financial foundation and outstanding product-service portfolio has chosen Intellect to offer Digital, Payments, Liquidity, Collections, Supply Chain Finance and Trade for its banking operations. The strategic intent and purpose of the project is to position the Bank ahead of its competitors, adapt rapidly to the changes of technologies in future and Optimize/Reduce Cost of the Bank's operation. A new customer interaction platform for delivery of marketing and promotional campaigns and initiatives has been planned.
- **iGTB emerged as a partner of choice and acquired a new customer in US to implement a comprehensive Digital Liquidity Management platform:** A leading regional bank in the US headquartered in Cincinnati has chosen CBX, Liquidity and Cash. Intellect CBX installation and implementation will offer Cash Concentration, Account Services and Cash Position view. Intellect LMS will come integrated with the solution to perform Cash concentration execution and EOD batch run. Cash position module to offer centralized view across accounts associated with a customer; show consolidated position on a selected currency; allow customer to download cash position in BAI2 format; show positions on Loans and Investments. Cash concentration will allow end customer to create sweep structure and will adhere to rules on selection of Accounts for transfer. Intellect will also offer Cash flow forecasting to the bank.
- **A Green field Bank in Africa chose Integrated Trade, Core, Treasury and CBX from Intellect:** One of the newly licensed merchant banks in Africa with a focus on wholesale and investment banking has chosen integrated Trade, Digital Core, Treasury and CBX from Intellect. The Bank believes that its customers are at the heart of everything they do and they needed a core banking solution to enable insight-data driven approach to offer new perspectives to enable them win in the marketplace. The bank uses IDC 17.1 to offer services like Client Management, Product Management, CASA, General Ledger, Budget, Clearing, Remittance, Loans, Deposits, Trade finance and Treasury to its customers.

#### Some of the other significant deal wins

- One of the Big Five banks in Canada headquartered in Ontario has chosen Intellect Remittance Repository. The Intellect Remittance Repository is a key foundational concept for payment modernization, and is conceptualized as an API-based centralized repository to store remittance

information for all payment schemes that either carry remittance data along with the payment, or, is sent separately as a standalone remittance.

- One of the leading banks in Middle East has decided to embark on a digital transformation journey with the implementation of Intellect Digital Face. Digital Face will provide cutting edge digital solution to the bank's demand of offering self assisted channels - Internet and Mobile banking and tablet banking to assist their branch banking requirements.
- A leading financial services provider in the Sultanate of Oman with a strong presence in corporate banking, retail banking, investment banking, treasury, private banking and asset management has selected Intellect Digital Transaction Banking. The Bank has decided to evaluate implementing an additional Transaction Banking front-end layer along with mid-office modules for Liquidity, Collections & Receivables, Supply Chain Finance and Trade Finance.
- A leading financial services company in India has chosen Intellect Custody, a core offering for their securities services division. Intellect Custody is a high throughput solution designed to seamlessly fit into the client's technology landscape, supporting wide range of asset classes, catering to the entire Corporate Actions cycle, with rule based flexible fee & billing engine and seamless integration with third party systems.

#### IV. Reliable Implementations

Intellect went live in 13 financial institutions across the world during this quarter. Some of the significant implementations in Q4 FY 18 include:

- One of the four major banking organizations in Australia and one of the largest banks in New Zealand, went live with Intellect's ITTR (Integrated Treasury, Trade Finance and Retail FX) at Fiji. The Intellect ITTR solution is a modular, SOA enabled, web-based, platform-independent, and built on the latest J2EE technology using MVC Architecture.
- One of the top 5 Global Banks in North America went live with Intellect OneTREASURY's front and mid office solution for Money Markets and Fixed Income. OneTREASURY, brings together 16 legal entities of this global bank (New York and Canada) on a single platform, covering cash flows of USD 270 Billion+ across 10 currencies.
- The third largest bank by market capitalisation in Australia went live with the upgraded version of Liquidity Management 16.1. The Bank upgraded to the new version to address multiple issues. With the older version having few limitations like allowing limited number of participants to be added in a pool (100), the new version allows adding 1000+ participants to address the required growth.
- A UK-based wealth management business has gone live with a Legacy Infrastructure Upgrade from Intellect SEEC. Major change to infrastructure for Platform Illustrations and CFR were made.
- United Bank of India went live with Intellect Digital Credit Card Management System comprising of Intellect Digital Cards and Intellect Digital Origination. This marks Intellect's first end-to-end business solution deal, handling Technological Infrastructure, Operations, Product Implementation and Management, and Marketing for the bank. The rapid implementation was completed in just three months including network (RuPay Certification) increasing United Bank of India's speed to market.
- LIC of India went live with multiple upgrades to its Customer Portal of Intellect SEEC's Distribution and Service Suite. Additional features for Customer portal app released include Customer dashboard, alerts, notifications; along with Agent and Sale Apps released in Web for limited users.

## V. Management Statement

**Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited** said, *“I am feeling immensely satisfied with the performance of Intellect over the last 3 years. Crossing INR 1000 Cr revenue for a pure Product company with License revenues around INR 200 Cr is definitely a fulfillment of the dream of creating a Global Product Company out of India. Yes, the journey was difficult with many bold decisions and huge investments, but I must thank our business teams who built and implemented the best Global Digital FinTech products. Being rated#1 in Retail Banking systems and leader in Digital Transaction Banking Payments space is driving a much highly qualified sales funnel, which will drive sustainable growth in the coming years. The investments made by Intellect in AI and Cloud native products are resulting in winning clients in the Americas and this is definitely an indication of a faster growth trajectory.”*

**S Swaminathan, Chief Financial Officer, Intellect Design Arena Limited** said, *“Achieving CAGR of 21% in revenue over the last 3 years and crossing revenues of INR 300 Cr this quarter with PAT of INR 26 Cr gives me great satisfaction. During the year, EBITDA has moved INR 103 Cr and PAT moved INR 69 Cr over the previous year results highlighting the way we are managing the business in a calibrated manner.”*

## Financial Results for the Fourth Quarter Ended March 31, 2018

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

Particulars	INR In Lakhs			
	QUARTER ENDED		YEAR ENDED	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>INCOME</b>				
Revenue from Operations	<b>30,697.32</b>	<b>25,035.15</b>	<b>108,729.07</b>	<b>91,357.50</b>
<b>EXPENDITURE</b>				
Software development expenses	15,410.30	12,465.39	54,898.30	46,326.00
<b>Gross Margin</b>	<b>15,287.02</b>	<b>12,569.76</b>	<b>53,830.77</b>	<b>45,031.50</b>
<b>Gross Margin %</b>	<b>49.80%</b>	<b>50.21%</b>	<b>49.51%</b>	<b>49.29%</b>
Selling & marketing and General & Administrative expenses	10,404.98	8,559.52	37,662.45	39,102.94
Research & Engineering expenses	1,947.51	1,673.69	7,244.46	7,192.08
Provision for Debts and Write offs	475.48	772.14	1,060.48	1,233.16
<b>Total Expenditure</b>	<b>28,238.27</b>	<b>23,470.74</b>	<b>100,865.69</b>	<b>93,854.18</b>
<b>EBITDA</b>	<b>2,459.05</b>	<b>1,564.41</b>	<b>7,863.38</b>	<b>(2,496.68)</b>
Depreciation/Amortisation	819.63	600.58	2,653.49	2,413.99
Finance Charges	261.62	402.50	1,382.62	1,130.24
<b>Profits / (Loss) before other income / minority interest</b>	<b>1,377.80</b>	<b>561.33</b>	<b>3,827.26</b>	<b>(6,040.91)</b>
Other Income including exceptional items	935.32	177.98	2,042.65	3,429.72
Minority Interest/ Share of profit/(loss ) of Associate Companies	319.67	31.98	(494.29)	656.24
<b>Profit / (Loss) before tax</b>	<b>2,632.79</b>	<b>771.28</b>	<b>5,375.62</b>	<b>(1,954.95)</b>
Provision for taxation	45.62	705.87	702.98	283.63
<b>Profit / (Loss) after tax</b>	<b>2,587.17</b>	<b>1,477.15</b>	<b>4,672.64</b>	<b>(2,238.58)</b>

[Investor Conference Call](#)

The Board of Directors of Intellect Design Arena Limited met on **06<sup>th</sup> May 2018**, to take on record the financial results of the company for the Q4 & FY 18 ended March 31, 2018.

Intellect Design Arena Ltd. will host an Investors Conference Call on **07<sup>th</sup> May 2018**, where the Senior Management of Intellect will comment on the company's performance during the Q4 & FY 18 ended March 31, 2018 and respond to questions from participants. **The conference call will take place at 11:00 Hrs IST on Monday, 07<sup>th</sup> May 2018.** The dial-in numbers to join the conference call:

**Conference Name** : **Q4 & FY 18 Investor earnings call**  
**Date** : **07th May 2018**  
**Time** : **11:00 AM to 12:00 PM IST**  
**Conference ID** : **8597316**

**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 center 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 USD 169 million, serving over 250 customers through offices in 40+ countries and with a diverse workforce of 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 [www.intellectdesign.com](http://www.intellectdesign.com)

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