

Intellect revenue grows 36% to INR 1459 Cr in FY 2018-19

License Revenue registered CAGR of 41.4% and Total Revenue registered CAGR of 24.62% over the last 4 years

- EBITDA margin grew by 144%. EBITDA stood at INR 148.50 Cr in FY19 as against INR 60.82 Cr in FY18
- Q4 FY 19 EBITDA Margin stood at 13.1% of the revenue as against 6.8% of the same quarter last year
- Won 47 deals including 13 large digital transformation deals in FY19; 8 deal wins including 3 large digital transformation deals recorded in Q4 FY 19

Chennai (India), May 2, 2019: 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 results for FY 2018-19 today.

I. Calibrated Predictable Growth

FY 19 - Financial Highlights

Revenue: Registering CAGR of 24.62% over the last 4 years

- 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

License and AMC Revenue: 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. License revenue grew at a CAGR of 41.4% over the last 4 years
- AMC revenue stood at INR 228.14 Cr in FY 19 registering 17.55% growth as against INR 194.08 Cr in FY 18

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

EBITDA and Net Profit:

- The company registered higher EBITDA which stood at INR 148.50 Cr for FY19 as against INR 60.82 Cr last year, showing a growth of 144.16%
- 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

Gross Margin:

- 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%

SG&A Costs

- SG&A cost has come down to 31.21% in FY 19 from 35.22% in FY 18 and 43.62% in FY 17
- Research, Engineering and Product development costs dropped to 14.91% of revenue in FY 19 from 17.18% in FY 18 and 18.88% in FY 17

Digital led wins: 13 Large Digital Transformation deal wins in FY 19

- Intellect was awarded 47 Digital led wins including 13 large Digital Transformation deal wins in FY 19

Q4 FY 19 - Financial Highlights

Revenue:

- In 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

License and AMC Revenue:

- 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

EBITDA and Net Profit

- Q4 FY 19 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
- EBITDA margin stood at 13.11% as against 6.8% in the same quarter last year
- Q4 FY 19, PAT registers 66.12% growth and stood at INR 42.98 Cr as against INR 25.87 Cr in the same quarter last year

Collections and DSO

- 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

Digital led wins: 3 Large Digital Transformation deal wins in Q4 FY 19

- Q4 FY19 recorded 8 Digital led wins including 3 large Digital Transformation deal wins
 - 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

II. Management Statement

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, 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 yield an average Revenue of over INR 42.13 Cr and iGTB registered \$ 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.”

III. Digital Deals

With our path-breaking Digital 360 approach, Intellect has been able to address all aspects of our customers' digital requirements. Q4 FY19 recorded 8 Digital led wins including 3 large digital transformation deal wins.

Large Digital Transformation deal wins

- **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:** One of the top 20 banks in North America chose Intellect for execution of the software license agreement for CBX 18 (Digital Platform) and Contextual Payments. The transformation program will be implemented by iGTB in partnership with a global leading cloud platform and cognitive solutions company over a period of 3 - 4 years. This deal is significant to Intellect as this is the highest ever deal won by the company.
- **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:** AmeriTrust Group, Inc., a leading specialty commercial insurance company based in the U.S. and a nationally recognized specialty, niche-focused commercial insurance underwriter and insurance administration services provider within the commercial property and casualty insurance industry has chose Xponent Underwriting Workstation from Intellect SEEC for underwriting transformation. Intellect Xponent, a big data and AI-based underwriting workstation, will be deployed to improve the company's underwriting efficiency and boost profitability.
- **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:** An American diversified global insurer, and the fourth-largest property and casualty insurer in the United States, which has grown from a collection of small local companies into a multi-billion, multinational organization with operations in Latin America, Europe and Asia-Pacific; chose Intellect SEEC to implement Risk Analyst.

Significant deal wins

- Qatar National Bank, the largest financial institution in Middle East and Africa, and the first Qatari-owned commercial bank, will roll out iGTB's CBX platform in 14 countries. This will enable it to expand its business beyond international borders, achieve its vision to becoming a leading global bank by 2030, and support Qatar's National Vision (QNV) 2030 through nurturing the country's private-sector companies.
- A multinational investment bank and financial services company headquartered in Toronto, Canada and one of the Big Five banks in Canada chose Intellect Global Transaction Banking for the upgrade project of CMCIF China solution for customer on-boarding.
- One of commercial banks with leading pace of growth in Vietnam, has chosen to upgrade to Intellect's fully integrated Digital Core banking solution across Digital Core, Lending, Treasury and Trade Finance. Designed around the powerful Digital 360 approach, Intellect Digital Core 19 would present the bank with the Best of Both worlds (ie) Customer Experience (Digital Outside) & Operational Efficiency (Digital Inside).
- One of the largest Life Reinsurance company and transformation engine which embraces talent, resources, and has more than 40 years of insight and innovation experience has chosen Intellect SEEC's solution to enable the customer to run quotes independently via the company's digital agency. The firm will work with the Intellect teams to configure and run Chatbot with Quote and Illustration business apps of the Intellect Distribution & Services Suite.
- One of the largest insurance and financial services companies in the world, focusing on domestic property and casualty insurance, life insurance and retirement savings, asset management and strategic investments chose Intellect SEEC to assist the Customer in the implementation of a new BPM initiative by development of micro-services, service updates, rider level beneficiaries, and other integration needs for NFCD and PROM and troubleshooting and resolving any issues with those deliverables.

IV. Reliable Implementations

Intellect went live in 18 financial institutions across the world during this quarter. Some of the significant implementations in Q4 FY19 include:

- One of the largest Spanish multinational commercial bank and financial services company founded and headquartered in Spain goes 'live' with iGTB's payment's platform for the transformation of its digital payment management system. Intellect will help the bank's global customers to make payments from their accounts, send massive payments messages, etc.
- One of the largest American multinational investment bank and financial services company headquartered in New York City goes 'live' with iGTB's Liquidity for its Legal Entity Separation in the context of BREXIT, Mid month migration capability and flexibility for migrating with multiple source Processing Units. Intellect will help the bank with the cash concentrations; ensure funds are available to a corporate for utilization during the day, well before business closure and much more.
- A British multinational banking and financial services holding company and the 7th largest bank in the world, and the largest in Europe goes 'live' with iGTB for the digital transformation of its Liquidity - CBX management platform and Collections. The Liquidity Management solution will help the bank with the CBX Screen Loading performance improvement changes, production Incident fixes and SIT defect fixes.

- One of the top 20 banks in North America went 'live' with Intellect for execution of Contextual Payments.
- A major British financial institution goes 'live' with iGTB for Funds Control and technical upgrade provided along with functional features like transaction processing, cancellation processing, third party API via web service, API for referral transaction, API for customer limits, etc.
- A bank headquartered in Jordan with one of the largest global Arab banking networks, with over 600 branches spanning five continents has gone 'live' with iGTB's Digital Transaction Banking platform. This digital transformation initiative based on Intellect's model-bank repertoire of proven customer journeys will completely transform the bank's payment and cash management services
- A leading bank in UAE and one of the world's largest and safest financial institutions, went 'live' with iGTB's Digital Transaction Banking platform for iBanking (Oman) Re-branding which comprises of iBanking Front End, Help and Demo
- Vietnam's first fully foreign owned consumer finance company goes 'live' for the Phase 1 of Lending project with Intellect Digital Lending platform to centralize operations. Intellect's Digital Lending solution will empower the company towards re-positioning itself for the future by increasing operational efficiency with seamless flow of information across all systems
- An Indian private sector bank headquartered in Mumbai, India, goes 'live' with Intellect's Travel-FX Portal which allows retail customers to apply for a multi-currency forex travel card through the online portal. The portal also provides a dashboard for the users to actively manage the travel card
- A Vietnamese State-owned bank, in partnership with Joint Stock Commercial Bank for Investment and Development of Vietnam, goes 'live' with Intellect Digital Face for the implementation of its warranty support system. Intellect Digital Face would enable the bank to provide its customers an omni-channel experience that is swift, real time and highly convenient
- An Indian multinational, public sector banking and financial services company, headquartered in Vadodara, Gujarat, went 'live' with Intellect Digital Lending, which has an all-in-one loan management system. Intellect will benefit the bank with the implementation of loan origination, loan management and collection to suit the varying needs of customers at different levels of transformation
- An insurance organization which creates an exceptional value and one of the top 100 Property & Casualty companies in the United States goes 'live' with the Underwriting Workstation Platform of Intellect SEEC with an objective to achieve UW efficiency and improvements in the loss ratio for commercial lines. Integration with the organisation's internal systems such as Image Right document, Workflow, Policy System, Warehouse and other internal systems has been completed during this implementation
- India's largest insurance and Investment Company, headquartered in Mumbai, went 'live' with multiple upgrades to its Customer Portal, Agent Portal and SalesApp of Intellect SEEC. Additional features were released on Web and Mobile apps, such as application being accessible in local languages, etc.
- A UK-based wealth management business, which focuses on achieving and maintaining a thorough understanding of the clients financial needs and aspirations, goes 'live' with Intellect SEEC's - Platform Series 4 Migration - UK's biggest migration, which was successfully carried out by Intellect

- One of the local area banks, located in Kolhapur, Maharashtra went live with Intellect's Capital Cube, an Integrated Treasury and Asset Liability Management (ALM) solution that will help the bank to automate its treasury operations across various asset classes ,optimize liquidity & increase profitability

V. 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

iGTB has been positioned as a leader in the IDC MarketScape: Worldwide End-to-End Corporate Banking Solution Providers 2019 Vendor Assessment. 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'. Gartner's Latin American core banking market is dominated by vendors from the Americas, but international vendors are expanding their penetration, therefore Intellect has been chosen.

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 that provides advice on existing and potential impact of technology, to its clients and the public featured Intellect Design Arena amongst the leading Digital Banking Platform providers worldwide in their 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. It also examines the key investment priorities and use case for Machine Learning over the next 24 months.

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

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

INR 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

Investor Conference Call

The Board of Directors of Intellect Design Arena Limited met on **2nd May, 2019**, to take on record the financial results of the company for the Q4 and Annual Results – FY18-19 ended on March 31, 2019.

Intellect Design Arena Ltd. will host an Investors Conference Call on **2nd May, 2019**, where the Senior Management of Intellect will comment on the company’s performance during the Q4 and Annual Results – FY18-19 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Thursday, 2nd May, 2019.** The dial-in numbers to join the conference call:

Conference Name : **Q4 FY19 Investor earnings call**
Date : **2nd May, 2019**
Time : **17:00 Hrs to 18:00 Hrs IST**
Confirmation Code : **1121897**

ACCESS NUMBERS

INDIA : Primary Access Toll free Number : **000 800 100 8160**
BANGALORE : Primary Access Toll Number : **+91 (0)80 7127 9031**
DELHI : Primary Access Toll Number : **+91 (0)11 7127 9040**
MUMBAI : Primary Access Toll Number : **+91 (0)22 6187 5133**
HONG KONG : Primary Access Toll free Number : **+852 3008 1527**
SINGAPORE : Primary Access Toll free Number : **+65 6320 9025**
US and Canada : Primary Access Toll free Number : **888-394-8218**
UK : Primary Access Toll free Number : **+44 (0)330 336 9105**
UAE : Primary Access Toll free Number : **8000 3570 2653**

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, Central Banking, Global Transaction Banking (iGTB), Risk, Treasury and Markets, and Insurance. 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 208 million, serving over 240 customers through offices in 91 countries and with a diverse workforce of 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

For Media related info, please contact:

Nachu Nagappan
Intellect Design Arena Ltd
Mob: +91 89396 19676
Email: nachu.nagappan@intellectdesign.com

For Investor related info, please contact:

Praveen Malik
Intellect Design Arena Limited
Mob: +91 89397 82837
Email: Praveen.malik@intellectdesign.com