

Intellect SaaS Annual Run Rate grew by 65%

Total FY20 revenue stands at INR 1351 Cr; Q4 FY 20 revenue at INR 360 Cr
Q4 EBITDA of INR 64 Cr and PAT of INR 41 Cr

Chennai (India), June 15, 2020: 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 2019-20 today.

I. Calibrated Predictable Growth

Q4 FY20 - Financial Highlights

Revenue:

- Total Revenue for Q4 FY20 at INR 360 Cr
- In \$ terms, Q4 FY20 Revenue at \$ 49.7 Mn

License, AMC and SaaS Revenue:

- Q4 FY20 License Revenue is INR 101 Cr
- Q4 FY20 AMC Revenue is INR 67 Cr
- Cloud revenue of Q4 FY20 is INR 38 Cr

Gross Margin, EBITDA and Net Profit

- Gross Margin is INR 192.74 Cr in Q4 FY20, 53.6% of revenues
- EBITDA for Q4 FY20 is INR 63.93 Cr
- Net Profit for Q4 FY20 is INR 40.99 Cr

iGTB registered INR 163.4 Cr Revenue

- iGTB registered INR 163.4 Cr revenue in Q4 FY20
- 67.4% of its Q4 FY20 revenue is from Advanced Markets

Digital led wins and implementations

- Q4 FY20 recorded 7 Digital led wins including 3 large Digital Transformation deal wins
- Intellect went live in 5 financial institutions across the world during this quarter

Product Launch

- During the quarter, Intellect launched iTurmeric, the first-of-its-kind enterprise integration, cloud native, microservices based platform which enables banks to progressively modernize and participate in the experience economy without the risk of rip and replacement
- Launched CBX-O, an end-to-end loan origination platform to empower the customers with improved data analysis and automation for delivery of smarter & faster decisions
- Launched ARX, a new integrated suite of security services launched to redefine security with modern identity

FY20 - Financial Highlights

Revenue:

- Total Revenue for this year stood at INR 1351 Cr
- In \$ terms, revenue stood at US \$191 Mn

License, AMC and SaaS Revenue:

- License Revenue stood at INR 248 Cr
- AMC revenue stood at INR 253 Cr
- Subscription/Cloud revenue stood at INR 122 Cr

iGTB registered \$ 76.76 Mn Revenue

- iGTB registered revenue of 544.48 Cr
- iGTB recorded 62.67 % of its FY 20 revenue from Advanced Markets

EBITDA and Net Profit:

- EBITDA stood at INR 74.82 Cr for FY20
- Net Profit stood at INR 15.98 Cr

Gross Margin:

- Gross Margin is at INR 652.2 Cr
- Gross Margin sustained at around 48%

SG&A Costs

- SG&A cost stood at 31.2% in FY20
- Research, Engineering and Product development costs stood at 9% of revenue in FY20

Digital led wins:

- Intellect was awarded 27 Digital led wins including 10 large Digital Transformation deal wins in FY20

Product Recognition: Highly Acclaimed Product Suite

- During the year, 12 products of Intellect got recognised 52 times by Global Financial product analyst firms like Gartner, Forrester, Aite, Celent etc.
- Intellect product suite enabled 10 customers to win business awards for providing better business value to their Customers

Product launches during the Year:

- Intellect launched 8 products this year
 - Intellect Digital Core IDC 19
 - Digital Transaction banking DTB 19
 - Wealth Qube
 - CBX-S
 - Liquidity Management System (LMS19)
 - SME Lending(CBX-O)
 - Capital Cube 19 (Intellect Treasury)
 - IDX (Intelligent Data Exchange).

II. Management Commentary

Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited said, “2019-20 year was a year of change. Change in adoption of Cloud technology, Change in moving from large Capital intensive technology transformation to Subscription based Project funding model and Change in moving from robotic process automation to Hyper intelligent Automation using Data. During the year, Intellect has invested an amount of over 40 Cr (150 man years of efforts) of additional R&D money to move all the products to API/Microservices based architecture using Low coding platforms. These changes put additional pressure on expected revenues and profitability during the year but these investments have made Intellect products API/Microservices based and Cloud ready. The interest in Intellect products has gone up substantially in Europe and Americas.”

Venkateswarlu Saranu, Chief Financial Officer, Intellect Design Arena Limited said, “During the year, we applied Design Thinking to align cost by industrializing the products and processes. We are able to bring down implementation cycle time by 40% and defect rate by 60%. This has resulted in significant reduction in pre EBITDA cost during the year. ”

III. Board Announcement

Board has approved inducting Abhay Gupte as Additional Director on the Board. He will be an independent director

Abhay Gupte, Managing Director and CEO, Manipal Technologies Limited (MTL), is responsible for its businesses & subsidiaries in India, Germany, Kenya and Nigeria. He has over 37 years of work-experience with large global and Indian organisations.

Prior to joining MTL, he was MD & CEO of Indian operations of EDS, a global IT organization between 1998 and 2008. He was also MD – Global Operations of UK based product company Logica between 2008 and 2013. He has also held senior leadership positions at American Express Bank and GE Capital.

Abhay is alumnus of IIT New Delhi. He is a guest speaker at various Engineering and Management Institutes, associations and public forums, etc. He is a mentor to the executive leadership of large global companies.

IV. Digital Deals

With our path-breaking Digital 360 approach, Intellect has been able to address all aspects of our customers' digital requirements. Q4 FY20 recorded 7 Digital led wins including 3 large digital transformation deal wins.

Large Digital Transformation deal wins

Intellect has won a landmark, multi-million-dollar deal with one of the top 10 banks. The Bank has been using iGTB's Liquidity Management Solution (LMS) for over 10 years and has now chosen to upgrade its client liquidity management capabilities to iGTB's latest LMS and the front end Contextual Banking Experience (CBX).

One of the largest custodian banks has chosen iGTB's world-leading cash and liquidity functionality built on cloud-native, fully open source, API microservices technology. The front-to-back LMS with self-service CBX will propel the bank's liquidity management capabilities and account services to best in class. iGTB's world-leading Liquidity Management Solution, incorporating the latest Contextual Banking Experience, offers the bank and its clients a way to optimise liquidity, transforming the services on offer to corporate clients

Intellect further expands its footprint in the Kingdom of Saudi Arabia, partnering with one of the top 5 banks. The bank has chosen iGTB's Digital Transaction Banking (DTB) solution. The bank has selected DTB to power its digital transformation initiatives to strengthen its corporate offering and help attract more customers. The solution will help the bank become more competitive, streamline internal processes and, in turn, generate additional revenue streams.

Significant deal wins

- **Despite the Lockdown restrictions and resultant absence of in-person visits to Customers, we successfully closed a Deal with a Central Bank in ANZ region- a huge validation of our Brand power and credibility.** The Central Bank in an island near ANZ region chose Intellect QCBS . The bank required to modernize their Central Securities Depository (CSD) and Auction Management System (AMS) solution to be fully integrated to improve operations, make faster decisions, and improve transparency and accountability. Intellect QCBS with its select modules is the right fit for the requirements and its offering in Securities and Debt will enable the Central Bank to achieve its goal.
- A group of collaborating companies in South East Asia under the same umbrella that specialise in innovative engineering solutions has chosen Intellect Lending Suite; for Retail and Corporate in two of their entities. The Lending suite consisting of RLOS, CLOS, LMS, CLMS and Debt Management. The Mobile App will ensure a true digital experience to its customers.
- A leading national property and casualty insurance company with a large, diversified specialty platform procured Intellect Risk Analyst on Cloud for 3 years. The financial institution wanted to enhance its ability to leverage external data, structured and unstructured, to identify relevant external data on its insurers in order to make faster and more accurate pricing and underwriting decisions thus increasing the Underwriter efficiency.

V. Reliable Implementations

Intellect went live in 5 financial institutions across the world during this quarter. Some of the significant implementations in Q4 FY20 include:

- One of Bahrain's leading banks, goes 'live' with Digital Transaction Banking from iGTB to implement a comprehensive digital transformation of its transaction banking business, thus equipping the bank with state-of-the-art digital infrastructure.
- A major British financial institution goes 'live' with iGTB for the 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.
- One of the four largest financial institutions in Australia in terms of market capitalisation, earnings and customers goes 'live' with iGTB's Virtual Account Management. Client Money

Management Virtual accounts (CMM VA) Solution which allows Customer Onboarding and provides the features like Creating Seller and Buyer, making Deposits, requesting and making Payment Release, Refunds, Dispute and One Side Journal. The Product is ready for allowing the bank to onboard its customers.

- A diversified American global insurer has gone 'live' with Intellect Data Extract. The Solution is an artificial intelligence powered tool residing on Intellect FABRIC that is trained for data extraction, normalization, validation and enrichment across multiple document types and business scenarios, configured and ran a full proof of Concept on Risk Analyst for Renewal Quality and Prospect Discovery.
- The largest insurance and investment company in India, went 'live' with multiple upgrades to its Customer Portal, Agent Portal and SalesApp of Intellect SEEC.

VI. Product Acceptance in Leadership Quadrant

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

Intellect Design has been named as a LEADER in IDC MarketScape report - Worldwide Trade Finance Systems 2020 Vendor Assessment.

The report assessed vendors on their depth and breadth of functionality, level of integration and forward-looking technology strategy around Cloud and APIs. Fully integrated with the award-winning omni-channel CBX application, iGTB uniquely combines trade and supply chain finance on a single platform providing a seamless customer experience front to back.

Intellect's CBX Retail - Digital Onboarding Platform wins XCelent Functionality Award for "Breadth of Functionality" in Celent Report - Retail Banking Customer Acquisition Platforms: ABCD Vendor View

Intellect has been recognised by Celent's ABCD Vendor View for "Breadth of Functionality" in its report. In a relatively short timeframe, Intellect has built a large global customer base of institutions of all sizes. It has built its platform to be highly componentized and driven by flexibility in the way it implements.

Intellect powered Abu Dhabi Islamic Bank's 'ADIB Direct' featured in Aite report as one of the Digital-Only Propositions launched by incumbent firms in the MENA region.

iGTB powered Abu Dhabi Islamic Bank (ADIB) has been featured in the Aite report as one of the Digital-Only Propositions launched by incumbent firms in the MENA region. ADIB received this award for demonstrating innovation through technology to offer a differentiated user experience that aligns with the needs of today's business owners and corporate treasurers.

Financial Results for the Fourth Quarter Ended – March 31, 2020

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

Particulars	QUARTER ENDED			YEAR ENDED	
	March 31, 2020 (Q4 FY 20)	December 31, 2019 (Q3 FY20)	March 31, 2019 (Q4 FY 19)	March 31, 2020 (FY20)	March 31, 2019 (FY 19)
INCOME					
Income from software product license and related services	35,964.28	32,033.03	39,758.20	1,35,086.74	1,45,873.25
EXPENDITURE					
Software development expenses	16,690.00	17,110.89	19,033.85	69,866.63	73,717.60
Gross Margin	19,274.28	14,922.14	20,724.36	65,220.11	72,155.65
Gross Margin %	53.59%	46.58%	52.13%	48.28%	49.46%
Selling and marketing & General and administrative expenses	9,050.00	10,699.47	11,716.31	42,132.35	44,968.45
Research & Engineering expenses	2,357.52	3,145.97	3,192.44	12,188.17	10,039.81
ESOP Cost	490.00	524.00	383.00	1,698.00	558.00
Provision for Debts and Write offs	984.11	195.00	219.48	1,719.11	1,739.17
Total Expenditure	29,571.63	31,675.33	34,545.08	1,27,604.29	1,31,023.02
EBITDA	6,392.65	357.70	5,213.13	7,482.48	14,850.22
Depreciation	(1,074.50)	(974.04)	(563.43)	(3,968.89)	(2,291.13)
Amortisation	(837.73)	(733.89)	(583.81)	(2,926.84)	(1,864.58)
Hedge Impact	(161.81)	(83.97)	(196.00)	(398.33)	(916.31)
Finance Charges	(382.42)	(482.52)	(270.71)	(1,736.69)	(1,144.25)
Profits / (Loss) before other income / minority interest	3,936.20	(1,916.72)	3,599.17	(1,548.27)	8,633.96
Other Income (including Treasury)	298.36	338.18	566.43	2,944.44	6,270.56
Reinstatement of Receivables / Liabilities	(621.99)	504.37	(305.06)	255.64	(1,180.31)
Minority Interest/ Share of profit/(loss) of Associate Companies	615.47	219.87	611.03	455.66	305.03
Profit / (Loss) before tax	4,228.03	(854.30)	4,471.66	2,107.46	14,029.24
Provision for taxation	(128.98)	(283.85)	(173.83)	(509.00)	(894.70)
Profit / (Loss) after tax	4,099.05	(1,138.15)	4,297.83	1,598.46	13,134.54

Investor Conference Call

The Board of Directors of Intellect Design Arena Limited met on **15th June 2020**, to take on record the financial results of the company for the Q4 and Annual Results – FY19-20 ended on March 31, 2020.

Intellect Design Arena Ltd. will host an Investors Conference Call on **15th June, 2020**, where the Senior Management of Intellect will comment on the company's performance during the Q4 and Annual Results – FY19-20 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Monday, 15th June, 2020.** The dial-in numbers to join the conference call:

Conference Name	:	Q4 FY20 Investor earnings call
Date	:	15th June, 2020
Time	:	17:00 Hrs to 18:00 Hrs IST
Confirmation Code	:	65607272#

ACCESS NUMBERS

INDIA	:	Primary Access Toll free Number	:	18001203356
BANGALORE	:	Primary Access Toll Number	:	+91 80 39402340
DELHI	:	Primary Access Toll Number	:	+91 11 39402340
MUMBAI	:	Primary Access Toll Number	:	+91 22 39402340
CHENNAI	:	Primary Access Toll Number	:	+91 44 39402340
HONG KONG	:	Primary Access Toll free Number	:	+852 30600221
SINGAPORE	:	Primary Access Toll free Number	:	+65 64298385
USA	:	Primary Access Toll free Number	:	+16465618898
CANADA	:	Primary Access Toll free Number	:	+14162165636
UK	:	Primary Access Toll free Number	:	+442033645144
UAE	:	Primary Access Toll free Number	:	800035770170

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 serves 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