

## Intellect revenue registers 33% YoY growth in Q1 FY 23

### Platform (SaaS/Subscription) revenue grew by 90% in the Last Twelve Months

- LTM Revenue Growth at 29% YoY
- 10 new Customers have chosen Intellect's Digital stack for their Digital transformation including 5 Customers who have chosen Intellect platforms

**Chennai (India), July 28, 2022:** Intellect Design Arena Ltd, a cloud-native, future-ready, multi-product FinTech company for the world's leading Banking and Insurance clients, announced its first-quarter results for FY23 today.

#### I. Calibrated Predictable Growth,

### Q1 FY23 - Financial Highlights

#### Revenue:

- Total Revenue Q1 FY23 stood at INR 541 Cr as against INR 408 Cr in Q1FY22 - grew 33% YoY.
- In \$ terms, Q1 FY23 Revenue stood at \$ 70 Mn as against \$ 55 Mn in Q1FY22- grew 27% YoY.

#### Platform, License and AMC Revenue:

- Platform revenue of Q1 FY 23 is INR 116 Cr as against INR 79 Cr in Q1FY22 - grew 47% YoY
- License Revenue of Q1FY23 is INR 77 Cr as against INR 79 Cr in Q1FY22
- AMC Revenue of Q1FY23 is INR 87 Cr as against INR 79 Mn in Q1FY22 - grew 10%YoY
- License linked revenue (License + Platform+AMC) is INR 281 Cr in Q1FY23 as against INR 238 Cr in Q1 FY22 - grew 18%YoY
- Annual Recurring Revenue (ARR) is at INR 815 Cr in Q1FY23 as against INR 634 Cr in Q1FY23 - grew 28%YoY

#### Gross Margin and EBITDA

- Gross Margin is INR 301 Cr at 56% of revenue in Q1 FY23 as against INR 230 Cr in Q1 FY22.
- EBITDA is INR 117 Cr at 22% of revenue in Q1 FY23 as against INR 100 Cr, 25% of revenues in Q1 FY22.
- EBITDA excluding ESOP cost is INR 130 Cr, i.e. 24% of the revenue.

#### Profit Before Tax and Net Profit

- Profit Before Tax stood INR 93 Cr in Q1 FY23 as against INR 88 Cr in Q1 FY22 - grew by 6%YoY.
- Net Profit is INR 69 Cr in Q1 FY23 as against INR 74 Cr in Q1FY22 - dropped by 7% YoY.

#### Collections and Net DSO

- Collections for Q1 FY23 is INR 473 Cr; up by INR 163 Cr, as against INR 310 Cr in Q1FY22.
- Total Days of Sales Outstanding (DSO) is 114 days - Global business excluding India stood at 101 days in Q1 FY 23 and India DSO stood at 147 days.
- Cash and Cash Equivalent is INR 558 Cr as against INR 255 Cr in Q1FY22

## LTM Q1 FY23 - Financial Highlights

### Revenue:

- Total Revenue LTMQ1 FY23 stood at INR 2,011 Cr as against INR 1,560 Cr in Q1FY22 - grew 29% YoY.
- In \$ terms, LTM Q1 FY23 Revenue stood at \$ 267 Mn as against \$ 212 Mn in Q1FY22- grew 26% YoY.

### Platform, License and AMC Revenue:

- Platform revenue of LTMQ1 FY 23 is INR 418 Cr as against INR 220 Cr in LTM Q1FY22 - grew 90% YoY
- License Revenue of LTMQ1FY23 is INR 356 Cr as against INR 354 Cr in LTM Q1FY22
- AMC Revenue of LTMQ1FY23 is INR 338 Cr as against INR 304 Cr in LTMQ1FY22 - grew 11%YoY
- License linked revenue (License + Platform + AMC) is INR 1,112 Cr in LTM Q1FY23 as against INR 879 Cr in LTM Q1 FY22 - grew 27%YoY
- Annual Recurring Revenue (ARR) is at INR 756 Cr in LTM Q1FY23 as against 525 Cr in LTM Q1FY22 - grew 44% YoY

### Gross Margin and EBITDA

- Gross Margin is INR 1,152 Cr at 57% of revenue in LTM Q1 FY23 as against INR 878 Cr in LTMQ1 FY22.
- EBITDA is INR 489 Cr in LTM Q1 FY23 as against INR 388 Cr in LTM Q1 FY22.

### Profit Before Tax and Net Profit

- Profit Before Tax stood at INR 417 Cr in LTM Q1 FY23 as against INR 329 Cr in LTM Q1 FY22 - grew by 27% YoY.
- Net Profit is INR 344 Cr in LTM Q1 FY23 as against INR 294 Cr in LTMQ1FY22 - grew by 17% YoY.

## II. Management Commentary



**Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited, said,**

“The consistent LTM organic product-based revenue growth of over 25% is very satisfying for the leadership team at Intellect. Our investments in the Platform business will be higher in the coming quarters and will be our revenue drivers too. Our portfolio of 10 Products and 6 Platforms showcases Intellect's deep expertise - of domain & cutting edge technology - which makes us differentiated in the market. We are excited about the future”



**Venkateswarlu Saranu, Chief Financial Officer, Intellect Design Arena Limited, said,**

“The drop in EBITDA margin and PAT are in line with our estimates, as announced during the May 2022 investor call. These are related to higher platform investments, increased travel & marketing costs and the regular tax rate of around 26%. We will be re-investing, 4% to 5% Margin to support platform revenue build-up journey”

## III. Intellect's Products and Platforms drive accelerated Digital transformation

### Deal Wins in Q1 FY 23

Intellect's suite of 10 composable and contextual Products, and 6 platforms have won 10 new Customers who have chosen Intellect's MACH compliant - Microservices based, API led, Cloud ready, with Headless option - Digital stack for their Digital transformation. Of these, 5 Customers have chosen Intellect platforms.

### Five Platform Deal wins

- A leading private sector bank in Africa has signed on iGCB's Intellect Digital Core platform, a fully-integrated solution to help drive the bank's digital transformation.
- Mineral Development Bank accelerates its growth by modernizing its core with Intellect Global Consumer Banking. The bank to upgrade its Core banking, Lending, Trade Finance, and Treasury
- Intellect has signed a deal with one of the oldest serving banks in Tanzania for iGCB's Intellect Digital Lending Platform - iKredit360 for seamless end to end credit lifecycle management
- A leading motorworks player has signed a deal for iSEEC's Intellect Magic Invoice to streamline and automate their invoice processing journey with absolute ease
- A leading commercial lender in Uganda renewed their trust with Intellect by continuing to extend Intellect's Digital platform

### Five Product Deal Wins

- One of the Top 5 bank in India which has the largest wealth management portfolios in the country has signed a large digital transformation deal for Intellect's WealthQube for managing the complete lifecycle of the bank's Wealth Management.
- Two Quantum Central Banking Product Deal wins in this quarter
  - A large Quantum Central Banking deal to shape a Quasi central bank in northwestern Saudi Arabia region built from scratch based on the mega vision to make Saudi an open economy with less reliance on oil.
  - One of Africa's leading Central Banks has chosen Intellect's Quantum Central Banking Solution which comes with scalable, future proof and modern technology, to power the next stage of their digital transformation agenda.
- A top 10 Canadian bank signed up for our Payments platform, continuing to extend their trust with Intellect, ranked #1 Transaction Banking FinTech player (by IBSi), in enabling their customers with the ability to send and receive real time instant payments via Interac network
- One of North America's leading risk management and insurance companies has chosen iSEEC's Magic Submission, Intellect's AI powered tool which contextually reads documents across any format, any source and any structure across all lines of business.

### Digital Transformations in Q1 FY23

In this Quarter, 11 Global Financial institutions have transformed their Digital journey on Intellect Product stack. Intellect could achieve this transformation in complex applications 40% faster than other players in the market because of its 300+ fine-grained Packaged Business Components (PBCs), 900+ APIs and low code, accelerated and predictable implementation technology - iTurmeric that replaces coding with configuration.

- One of the top 5 banks in UAE went live with iGCB's CBX-Retail to provide truly contextual experiences to customers by bringing together AI, data analytics, agile architecture and core-agnostic integration.
- One of the largest financial institutions in the Middle East has gone live with Intellect's CBX-Retail and iTurmeric to help accelerate the cloud journey of the bank
- A Top 3 Bank in USA went live with Liquidity - Continuing with the 'trusted partner' relationship for over a decade, a top 3 US Bank went live with liquidity enhancements
- One of the top three banks in India is now live with Intellect's API-based, scalable omnichannel digital wealth management solution, WealthQube.

- A Top 3 Bank in UAE went live with Cash Power for an additional entity in the UAE
- A Big 4 bank in Spain went live with Payments - Enhancement in Argentina & Mexico.
- A leading Indian bank went live with Digital Corporate payments flow.
- A leading financial institution in the African market is now live with iGCB's Mobile Financial Services helping them define their digital aspirations, making banking truly contextual.
- A state owned major commercial bank in Sri Lanka, went live with iRTM's Capital Alpha to aid the bank in real-time trading brokerage and risk management.

#### IV. Launched New Platform - 'No Touch' Invoice Processing Solution

Intellect launched [Magic Invoice](#), the world's first NO TOUCH automated invoice processing system with our proprietary CDR Graph Technology that enables you to handle variation and complexity easily. Magic Invoice helps to streamline and automate the invoice processing journey.

**MAGIC INVOICE**

Invoices can be ingested directly from emails, and accurate data capture powers the straight-through invoice processing. The verification and approval process ensures that the invoice data matches with business data points and automatically routes to the right people at different AP - Account Payable stages. The core AI algorithms help address complex scenarios like scan quality issues, multi-page, multi-line table extraction, and innumerable variations depending on the industry, business or type of expense.

Benefits of Magic Invoice's AI, NLP, ML-powered no-error, integrated Invoice Processing Platforms are Intuitive UI, Scalability, Data Security, 3-way Verification, Reduced Error Rate, and Faster Billing Cycles, and STP.

#### V. Leadership Position Endorsed by Market Leading Analysts

- Intellect retains the position of Global #1 in IBS SLT 2022 in Retail Banking for the sixth consecutive year, Transaction Banking for the third consecutive year, InsurTech for the second consecutive, Retail Lending, Global Leader Product Breadth, Regional Leader (ASEAN) in 2022
- Intellect Design is featured amongst Leading Core Banking Vendors Catering to Wealth Managers in Aite-Novarica's report titled "Wealth-Management-Focused Core Banking Systems in Europe and Asia".
- Intellect Design rated "Global Players" (Among Top 7 Globally) in Forrester Global Banking Platform Deals Report
- Intellect's iTurmeric profiled amongst Leading Low Code No-Code Platforms Globally in Celent report (Capital Markets Edition).
- iSEEC powered Amerisure Insurance wins the 2022 Celent Model Insurer award in the Legacy and Ecosystem Transformation category.
- iGTB powered Vietcombank Cashup program wins the IDC Financial Insights Innovation Award 2022 Asia's Best in Customer Interactions for the second consecutive year.

## Financial Results for the First Quarter Ended – June 30, 2022

Additional Information on function wise classification of the statement of Profit and Loss of the Group (Consolidated Audited)

INR Crs.

PARTICULARS	QUARTER ENDED		LTM ENDED		YEAR ENDED	
	June 30, 2022 (Q1 FY 23)	June 30, 2021 (Q1 FY 22)	June 30, 2022 (LTM Q1FY23)	June 30, 2021 (LTM Q1FY22)	March 31,2022 (FY 22)	March 31, 2021 (FY 21)
<b>TOTAL INCOME</b>	<b>541.30</b>	<b>408.35</b>	<b>2,011.14</b>	<b>1,559.91</b>	<b>1,878.19</b>	<b>1,497.46</b>
<b>EXPENDITURE</b>						
Software development expenses	240.31	178.79	859.12	682.10	797.60	664.59
<b>Gross Margin</b>	<b>300.99</b>	<b>229.56</b>	<b>1,152.01</b>	<b>877.81</b>	<b>1,080.59</b>	<b>832.87</b>
<b>Gross Margin %</b>	<b>56%</b>	<b>56%</b>	<b>57%</b>	<b>58%</b>	<b>58%</b>	<b>56%</b>
SG & A expenses	144.17	105.13	528.81	395.08	489.78	383.61
R & E expenses	39.83	24.20	134.37	94.49	118.74	93.32
<b>TOTAL EXPENDITURE</b>	<b>424.30</b>	<b>308.12</b>	<b>1,522.30</b>	<b>1,171.67</b>	<b>1,406.12</b>	<b>1,141.51</b>
<b>EBITDA</b>	<b>117.00</b>	<b>100.23</b>	<b>488.83</b>	<b>388.25</b>	<b>472.09</b>	<b>355.95</b>
Depreciation & Amortisation	(28.08)	(22.69)	(102.95)	(80.56)	(97.56)	(76.71)
Finance Charges	(1.27)	(1.17)	(4.38)	(6.39)	(4.27)	(9.17)
Fx Reins. (loss)/gain	2.72	4.60	1.29	2.57	3.16	2.81
Other Income / Expense	2.60	6.76	34.27	24.96	38.42	15.35
<b>Profit / (Loss) before tax</b>	<b>92.98</b>	<b>87.73</b>	<b>417.07</b>	<b>328.83</b>	<b>411.82</b>	<b>288.22</b>
Provision for taxation	(24.21)	(14.01)	(72.94)	(34.95)	(62.74)	(25.45)
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>68.77</b>	<b>73.73</b>	<b>344.12</b>	<b>293.88</b>	<b>349.08</b>	<b>262.77</b>

**Investor Conference Call**

The Board of Directors of Intellect Design Arena Limited met on **28th July 2022**, to take on record the financial results of the company for Q1 FY 23, which ended on June 30, 2022.

Intellect Design Arena Ltd. will host an Investors Conference Call on **July 28, 2022**, where the Senior Management of Intellect will comment on the company’s performance during Q1 FY23 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Thursday, 28th July, 2022**

**Conference Name** : Q1 FY23 - Investor Earnings call  
**Date** : 28th July 2022  
**Time** : 05:00 PM to 06:00 PM IST

Please register through the link below to take part in this call.

**Registration link:** [https://us06web.zoom.us/webinar/register/WN\\_vB1fetALR9i6auJcBFyDpg](https://us06web.zoom.us/webinar/register/WN_vB1fetALR9i6auJcBFyDpg)

After registering, you will receive a confirmation email containing information (including the link ) about joining the webinar.

**Please Note:**

- 1) Join the ZOOM Link by 04:55 PM IST on 28th July 2022
- 2) Login with your name and company name
- 3) Investors can raise their hand during the Q&A Session given at the bottom centre of the screen

**About Intellect Design Arena Limited**

Intellect Design Arena Ltd. has the world’s largest cloud-native, API-led microservices-based multi-product FinTech platform for global leaders in Banking, Insurance and Capital Markets. It offers a full spectrum of banking and insurance technology products through its four lines of businesses - Global Consumer 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 their digital transformation initiatives.

Intellect pioneered Design Thinking to create 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, addressing the growing need for digital transformation. Intellect serves over 270 customers through offices in 97 countries and with a diverse workforce of solution architects and domain and technology experts in major global financial hubs around the world. For further information on the organisation and its solutions, please visit [www.intellectdesign.com](http://www.intellectdesign.com).

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