

Intellect Q3 FY22 revenue registers 33% YoY growth; SaaS revenue registers 113% growth

Quarterly Revenue Crossed INR 5 Bn and PAT Crossed INR 1 Bn

- *EBITDA registered 37% YoY growth. PAT registers 25% growth YoY growth*
- *Zero Debt Profitable Global Fintech Company with cash of INR 4314 Mn at the end of Q3 FY22*
- *Annualised Recurring Revenues (ARR) touched INR 6860 mn on an annual basis*
- *Highest ever quarterly collections. Collections for Q3FY22 stood at INR 4852 Mn*
- *YTD FY22 Revenue stood at INR 13688 Mn registering 24% YoY growth*

Chennai (India), January 27, 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 third-quarter results for FY 2021-22 today.

I. Intellect's Products and Platforms drive accelerated Digital transformation

- Intellect's suite of 12 composable and contextual Products and 4 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, 4 progressive Customers have chosen Intellect platforms. Cumulatively for the year, this stacks up to an impressive 29 Wins of which 10 are Platform wins
- 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. Cumulatively for the year, Intellect completed Digital transformation for 29 customers

Q3 FY22 - Financial Highlights

Revenue:

- Total Revenue for Q3 FY22 stood at INR 5083 Mn - grew 33% YoY
- In \$ terms, Q3 FY22 Revenue stood at \$ 67.80 Mn - grew 31% YoY

License, AMC and SaaS Revenue:

- SaaS/Cloud revenue of Q3 FY22 is INR 890 Mn as against INR 418 Mn in Q3FY21 - grew 113% YoY
- Q3 FY22 License Revenue is INR 1122 Mn as against INR 910 Mn in Q3FY21- grew 23% YoY
- Q3 FY22 AMC Revenue is INR 825 Mn as against INR 744 Mn in Q3FY21 - grew 11%YoY
- Annualised Recurring Revenues (ARR) touched INR 6860 mn - \$92 mn on an annual basis.
- License linked revenue (License + SaaS/Subscription + AMC) is at 56% of total revenues as against 54% of total revenues in Q3 FY21.

Gross Margin, EBITDA and Net Profit

- Gross Margin is INR 2980 Mn at 59% of revenue in Q3 FY 22 as against INR 2140 Mn in Q3FY21 - grew from 56% in Q3 FY21. Gross margins grew 39% against revenue growth of 33%
- EBITDA is INR 1330 Mn at 26% of revenue in Q3 FY22 as against INR 974 Mn - 25.5% of revenues in Q3 FY21. EBITDA grew 37% against revenue growth of 33%
- EBITDA excluding ESOP cost is INR 1415 Mn i.e. 28% of the revenue.

Profit Before Tax and Net Profit

- Profit Before Tax stood 1146 Mn against 864 Mn in Q3 FY21 - grew by 33%YoY
- Net Profit is INR 1009 Mn as against INR 804 Mn in Q3 FY21 - grew by 25% YoY

Collections and Net DSO

- Collections for Q3 FY22 is INR 4852 Mn; up by INR 1370 Mn, as against INR 3483 Mn in Q3 FY21
- Total Days of Sales Outstanding (DSO) is 129 days - Global business excluding India stood at 105 days in Q3 FY 22 and India DSO stood at 217 days
- Investment in Product Development (Capitalised) is INR 282 Mn, as against INR 283 Mn in Q3 FY21

Cash Position

- Zero Debt profitable global FinTech Company with cash of INR 4314 Mn at the end of Q3 FY22
- Cash and Cash Equivalent is INR 4330 Mn as against INR 1837 Mn in Q3 FY21
- Effective Operating Cash Flow is INR 1695 Mn

YTD FY22 - Financial Highlights

Revenue:

- Total Revenue for YTD FY22 stood at INR 13688 Mn as against INR 10999 Mn in YTD FY21- grew 24% YoY
- In \$ terms, YTD FY22 Revenue stood at \$ 184.21 Mn as against \$147.37 Mn in YTD FY21 - grew 25% YoY

License, AMC and SaaS Revenue:

- SaaS/Cloud revenue of YTD FY22 is INR 2546 Mn as against INR 1147 Mn in YTD FY21- grew 122% YoY
- YTD FY22 License Revenue is INR 2783 Mn as against INR 2492 Mn in YTD FY21 - grew 12% YoY
- YTD FY22 AMC Revenue is INR 2432 Mn as against INR 2224 Mn in YTD FY21 - grew 9% YoY

Gross Margin, EBITDA and Net Profit

- Gross Margin is INR 7894 Mn at 58% of revenue in YTD FY22 as against INR 6070 Mn in YTD FY21 - grew by 300 basis points from 55% in YoY. Against revenue growth of 24%, Gross margins increased YoY by 30%
- EBITDA is INR 3514 Mn at 26% of revenue in YTD FY22 as against INR 2545 Mn in YTD FY21 - 23% of revenues in YTD FY21. EBITDA grew 38% against 24% YoY revenue growth

Profit Before Tax and Net Profit

- Profit Before Tax stood 2924 Mn against 1997 Mn in YoY FY21 - grew by 46%YoY
- Net Profit is INR 2538 Mn as against INR 1822 Mn in YTD FY21 - grew by 39% YoY

Collections and Net DSO

- Collections for YTD FY22 is INR 11422 Mn; up by INR 232 Mn, as against INR 11191 Mn in YTD FY21
- Total Days of Sales Outstanding (DSO) is 129 days - Global business excluding India stood at 105 days in YTD FY 22 and India DSO stood at 217 days
- Investment in Product Development (Capitalised) is INR 859 Mn, as against INR 836 Mn in YTD FY21

Cash Position

- Zero Debt profitable global FinTech Company with cash of INR 4314 Mn at the end of YTD FY22
- Cash and Cash Equivalent is INR 4330 Mn as against INR 1837 Mn in YTD FY21
- Effective Operating Cash Flow is INR 1965 Mn

II. Management Commentary



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

“I am delighted to see our strategy of Composable and Contextual technologies translating into financial results. As per the plan announced during the first quarter results, we are gearing the company towards a \$300 Million run rate and have made investments in the last 2 quarters. YTD EBITDA has grown by 38% over the last 9 months while retaining calibrated investments for the growth agenda”



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

“This quarter Business generated net cash of INR 1695 Million on the back of good project deliveries. We are able to deliver YTD growth of 24% exceeding our forecast of high teens announced in Q1 results.”

III. Contextual and Composable Technology led Deal Wins

With our ground-breaking Digital 360 approach, Intellect has been able to address all aspects of our customers' digital requirements. Intellect bagged 10 digital-led wins including 4 platform deals in Q3 FY 22.

Our Platform Deals in Q3 FY 22

- **Intellect bagged a destiny deal from Asia's Leading Commercial Bank for implementing Intellect Digital Lending platform (iKredit 360).** The Bank has decided to transform its Commercial Lending platform with Intellect's Composable and API based iKredit360.
- Continuing the Vietnam leadership journey, **a top 10 bank has signed up iGTB's Cash Power Platform (Digital Transaction Banking),** 4 out of the top 10 banks in Vietnam now have Intellect as their FinTech partner
- One of the top 20 global bank signed up for Virtual Accounts & Escrow in US, the 1st deal in US for VA & Escrow
- A Top 25 US Bank signed up for Virtual Management & Escrow product (VA&Escrow), the 2nd deal in US in 6 months for VA & Escrow)

Our Product Deal Wins

- **Two leading central banks in Africa have chosen Intellect Quantum Central Banking Solution to power their growth ambitions and drive their Digital Transformation Agenda.** The solution is specially designed to support the progressive transformation of the central banks' operations, monetary authorities and government debt office with real-time visibility of operations across the departments and nation.
- One of the top 3 bank in France signed up Cash Flow Forecasting and Investment Sweeps from iGTB's Liquidity Management Platform.
- Continuing with iGTB's Trade Platform relationship, a top 3 Austrian Bank has signed up to extend Trade product capabilities to 2 additional countries
- A top Public sector Bank in India signed a deal with iRTM for supporting the bank with its LIBOR transition risks viz operational, financial and legal - with a well-proven solution.
- One of the largest banks in the Oceania region has signed up for Intellect's Capital Cube, a treasury solution powered by cloud-ready architecture and API-first technology.

IV. Digital Transformations in Q3 FY 22

Intellect completed the digital transformations in 11 new transformations in Q3 FY22. Some of the significant digital transformations in Q3 FY 22 include:

- A multinational bank headquartered in Singapore is now live with Intellect Cards, a comprehensive, fully digital payment card application on cloud with merchant onboarding and all modules for retail and corporate cards functionality
- A Top 5 Canadian Bank modernised their Digital Commercial Banking Channel with iGTB's Contextual Banking Experience (CBX) for Payments: Continuing the 'trusted partner' relationship to accelerate its customers' business outcomes and objectives beyond traditional transactions.
- A Top 3 Austrian and A Top 3 Australian bank went live with Trade: To extend its Trade leadership in the market, both the banks went live with SWIFT compliance
- A major bank headquartered in Canada is now live with Intellect Digital Core, which provides contextual experiences by bringing together AI, data analytics, agile architecture and core-agnostic integration.
- A Top 3 Philippines Bank went live with CashPower: 4 of the top 10 banks in the Philippines are now live with Intellect as FinTech Partner
- A leading Indian financial institution has gone live with iGCB's comprehensive digital credit management system - Digital Lending Platform.
- One of Southeast Asia's large banks went live with Intellect Digital Core, a microservices-based, API first and cloud-ready product suite to help drive its digital transformation.
- A Leading Asian bank went live with Intellect's integrated Digital Transaction Banking Platform in Singapore and Cambodia.
- The largest bank in the United Arab Emirates has gone live with Intellect Digital Core(IDC). The bank has upgraded its existing solutions to a formidable solution that is digital, contextual and cloud-ready.
- A prominent financial entity in Oman has signed up to implement Contextual Banking Experience(CBX), Intellect's cutting edge technology to deliver customised solutions.

Financial Results for the Third Quarter Ended – December 31, 2021

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

INR Millions

PARTICULARS	QUARTER ENDED		YEAR TO DATE (YTD)		YEAR ENDED
	December 31, 2021 (Q3 FY 22)	December 31, 2020 (Q3 FY 21)	December 31, 2021 (YTD FY 22)	December 31, 2020 (YTD FY 21)	March 31, 2021 (FY 21)
INCOME					
Revenue	5019	3823	13564	11046	14992
Hedge Impact	64	(1)	124	(47)	(17)
TOTAL INCOME	5083	3822	13688	10999	14975
EXPENDITURE					
Software development expenses	2103	1682	5794	4929	6646
Gross Margin	2980	2140	7894	6070	8329
Gross Margin %	59%	56%	58%	55%	56%
SG & A expenses	1340	936	3544	2830	3836
R & E expenses	310	230	835	694	933
TOTAL EXPENDITURE	3753	2848	10173	8454	11415
EBITDA	1330	974	3514	2545	3559
Depreciation & Amortisation	(247)	(189)	(711)	(572)	(767)
Finance Charges	(10)	(13)	(33)	(78)	(92)
Fx Reins. (loss)/gain	12	22	(92)	43	28
Other Income / Expense	60	70	245	59	154
Profit / (Loss) before tax	1146	864	2924	1997	2882
Provision for taxation	(138)	(60)	(386)	(175)	(255)
PROFIT / (LOSS) AFTER TAX	1009	804	2538	1822	2628

Investor Conference Call

The Board of Directors of Intellect Design Arena Limited met on **27th January 2022**, to take on record the financial results of the company for Q3 FY 21-22, which ended on December 31, 2021.

Intellect Design Arena Ltd. will host an Investors Conference Call on **27th January 2022**, where the Senior Management of Intellect will comment on the company's performance during Q3 FY 21-22 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Thursday, 27th January 2022**

Conference Name : Q3 FY 22 - Investor Earnings call
Date : 27th January 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_Dat1Im-WSOK1QogBSD72_w

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 4:55 PM IST on 27th January 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 260 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.

<p>For Media related info, please contact: Nachu Nagappan Intellect Design Arena Ltd Mob: +91 89396 19676 Email: nachu.nagappan@intellectdesign.com</p>	<p>For Investor related info, please contact: Praveen Malik Intellect Design Arena Limited Mob: +91 89397 82837 Email: Praveen.malik@intellectdesign.com</p>
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