

Intellect LTM revenue registers 21% YoY growth in Q3FY23; Platform revenue registers 43%YoY growth

Q3 FY23 revenue stood at INR 555 Cr; Platform revenue stood at INR 111 Cr

Chennai (India), February 3, 2023: 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 FY23 today.

I. Financial Performance

LTM Q3 FY23 - Financial Highlights

Revenue:

- Total Revenue of LTM Q3 FY23 stood at INR 2126 Cr as against INR 1751 Cr in LTM Q3 FY22 - grew 21% YoY.

Platform, License and AMC Revenue:

- Platform revenue of LTM Q3 FY 23 is INR 464 Cr as against INR 324 Cr in LTM Q3 FY22 - grew 43% YoY
- License Revenue of LTM Q3 FY23 is INR 297 Cr as against INR 360 Cr in LTM Q3 FY22
- AMC Revenue of LTM Q3 FY23 is INR 361 Cr as against INR 316 Cr in LTM Q3 FY22 - grew 14% YoY
- License linked revenue (License + Platform + AMC) is INR 1121 Cr in LTM Q3 FY23 as against INR 1000 Cr in LTM Q3 FY22 - grew 12 %YoY

Gross Margin and EBITDA

- Gross Margin is INR 1161 Cr in LTM Q3 FY23 as against INR 1000 Cr in LTM Q3 FY22.
- EBITDA is INR 419 Cr in LTM Q3 FY23 as against INR 437 Cr in LTM Q3 FY22.

PAT

- Net Profit is INR 272 Cr in LTM Q3 FY23 as against INR 334 Cr in LTM Q3 FY22

YTD Dec'22 - Financial Results

Revenue:

- Total Revenue of YTD Dec'22 stood at INR 1625 Cr.

Platform, License and AMC Revenue:

- Platform revenue of YTD Dec'22 is INR 347 Cr
- License Revenue of YTD Dec'22 is INR 217 Cr
- AMC Revenue of YTD Q3 Dec'22 is INR 275 Cr
- License linked revenue (License + Platform + AMC) is INR 840 Cr in YTD Dec'22

Gross Margin and EBITDA

- Gross Margin is INR 879 Cr in YTD Dec'22
- EBITDA is INR 307 Cr in YTD Dec'22.
- EBITDA excluding ESOP cost is INR 342 Cr, i.e. 21% of the revenue.

PAT

- Net Profit is INR 177 Cr in YTD Dec'22

Collections and Net DSO

- Collections for YTD Dec'22 are INR 1418 Cr.

Q3 FY23 - Financial Highlights

Revenue:

- Total Revenue of Q3 FY23 stood at INR 555 Cr.

Platform, License and AMC Revenue:

- Platform revenue of Q3 FY 23 is INR 111 Cr
- License Revenue of Q3 FY23 is INR 72 Cr
- AMC Revenue of Q3 FY23 is INR 98 Cr
- License linked revenue (License + Platform + AMC) is INR 282 Cr in Q3 FY23
- Annual Recurring Revenue - ARR (on an annualised basis) is at INR 837 Cr

Gross Margin and EBITDA

- Gross Margin is INR 301 Cr in Q3 FY23.
- EBITDA is INR 105 Cr in Q3 FY23.
- EBITDA excluding ESOP cost is INR 114 Cr.

PAT

- Net Profit is INR 62 Cr in Q3 FY23

Collections and Net DSO

- Collections for Q3 FY23 are INR 473 Cr.
- Total Days of Sales Outstanding (DSO) is 139 days - Global business excluding India stood at 126 days as at 31 Dec'22 and India DSO stood at 182 days.
- Cash and Cash Equivalent is INR 523 Cr in Q3 FY23

Deal Wins and Digital Transformations

- Deal Wins: 6 new Customers have chosen Intellect's Digital stack for their Digital transformation, including 3 Customers who have chosen Intellect platforms
- Digital Transformations (Go-Lives): 8 Global Financial institutions have transformed their Digital journey on Intellect Platforms and Product stack.

II. Management Commentary



Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited, said, “There has been a stabilisation & consolidation of our platform strategy, and the revenues are showing growth. With a strong pipeline and sign-ups in the US, we are well-positioned for continued success. Our iGTB line of business has made significant headway in liquidity management with multiple deals and a strong pipeline. In iGCB, we are proud to be recognised as a top player based on evaluations by top-tier banks in Europe and global analysts, and our iKredit360 platform is a proven solution. In the US, our IntellectAI business looks promising with a healthy pipeline, and we are confident of closing more than 10 deals in the next 6 months. Despite some slowing in European license deals due to macroeconomic factors, decision cycles are recovering, and Q4 looks visibly better”

III. Intellect’s Products and Platforms drive accelerated Digital transformation

Deal Wins in Q3 FY 23

Intellect’s suite of composable and contextual products, and platforms have won 6 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, 3 Customers have chosen Intellect platforms.

Three Product and Three Platform Deal wins

- **iGTB has secured a mandate with one of the largest French global banks headquartered in Paris** with over US \$3 trillion assets and spread across 50+ countries, to deploy a cloud-native Corporate Treasury Exchange Platform (CTX). With this deal, Intellect now has 6 of the top 10 European banks as its customers. The CTX offers core capabilities like forecasting cash flows, managing cash segmentation, cash sweeping, notional pooling, inter-company lending, investment sweeps, virtual accounts, sub-accounting escrow and real-time cash control, all with a user-friendly experience.
- **A top 10 National Bank of United States, Fifth Third Bank,** with \$549 billion in assets under care, has chosen iGTB for a fully cloud-hosted and managed platform for CBX and Corporate Treasury Exchange(CTX). With over 25 banks in the Intellect Portfolio in the United States, Fifth Third leads the pack with the latest treasury management technology. The powerful CTX platform empowers Fifth Third to deliver valuable new corporate cash management propositions while simultaneously protecting the bank and improving returns.
- **Union Bank of India (UBI), one of the leading public sector banks in India,** with a network of 8,700+ domestic branches, serving over 150 million customers and USD 130 Billion worth of assets, has selected iGTB’s Digital Transaction Banking platform to improve its cash management operations. The bank chose Intellect as its digital partner due to its deep expertise and vision for a fully digital bank. With this latest platform, UBI will be more agile and enhance user experience. The platform will enable the bank to update and expand its cash management offering and address complex regulatory and compliance concerns.

- **One of the largest commercial banks in the UAE** has signed a deal with Intellect to implement a Debt Management System, a part of Intellect's iKredit360 platform for Corporates. This is an end-to-end credit lifecycle management platform, designed to meet the needs of credit seekers and financial institutions that includes Credit Origination, Loan Servicing, Debt Management, and Collateral & Limits Management.
- Intellect Digital Lending has been chosen by **one of the largest financial institutions in the Middle East**, for a Loan Origination system for their Corporate Lending Operations across multiple countries. The bank is a key player in the economic development of Jordan and the wider Middle East and North Africa region.
- **The largest bank in the Africa in terms of customer base with operations spread across six countries** has been running its Transaction Banking business on iGTB's Digital Transaction Banking platform for more than six years now, across 6 countries. The bank has continued its trust in iGTB and has chosen to upgrade to the latest DTB cloud-native platform for its cash management business in line with its vision to be the champion of the socio-economic prosperity of the people of Africa.

Digital Transformations in Q3 FY23

In this Quarter, 8 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.

- **Société Générale S.A. (SOCGEN) is France's 3rd largest bank** by total assets. It is also the 6th largest bank in Europe and the world's 18th largest. It is considered a systemically important bank by the Financial Stability Board. By implementing iGTB's Corporate Treasury Exchange (CTX) and Payments Transaction Limits Management solutions, the bank is now able to unleash trapped cash, reduce risks and mitigating the effects of negative interest rates.
- **The Bank of New York Mellon Corporation**, an American investment banking services, with \$1.8 trillion assets under management and spread across 35 countries went live with iGTB's Corporate Treasury Exchange (CTX). BNY Mellon was named Among 'Most Admired' and 'Most Just' Companies by Fortune in 2023.
- **Qatar National Bank, ranked first on Forbes' list of The Middle East's Top 30 Banks 2022**, spans 31 countries across 3 continents including UK & France. iGTB's Contextual Banking Experience (CBX) and Digital Transaction Banking deployed at QNB is key to accelerate customer self-service for SMEs and corporates and to help the bank upsell and cross-sell their services with context-aware actions. Today, 8 of the top 10 largest Middle East Banks bank with Intellect.
- **VP Bank, the #1 private bank Vietnam** and ranked as one of Vietnam's best performing companies by Top50 for 5 years in a row, has adopted iGTB's Digital Transaction Banking solution, the world's first fully-integrated & cloud-ready Transaction Banking Platform. This platform is powered by comprehensive product coverage across cash management, payments, account services, self-onboarding and virtual accounts.

- **Nainital Bank, a scheduled commercial bank in India** implemented Capital Cube's contextual asset liability management (CALM) module replacing its legacy system. CALM automates the client's data aggregation process to support their asset liability management and BASEL III monitoring and reporting requirements. It seamlessly integrates into their core banking system.
- **A Qatari bank, ranked by EuroMoney Excellence Awards as the Best Bank for Corporate Banking in Qatar 2022** went live with iGTB's Virtual Accounts. iGTB Virtual Accounts was recently named Best Virtual Account Solution 2023 by Global Finance group. This solution will enable the bank to have customers under multiple industries like Airlines, Retail, Stock Exchange, Telco and manage their collections efficiently.
- **One of India's largest private sector banks** has gone live with Intellect's Commercial Credit Origination platform. A digital credit origination system, Commercial Loan Origination (CLO) provides in-principle loan approval in minutes, an omnichannel interface with save & resume functionality, and pre-configurable workflows suiting business requirements.
- **A new Ethiopian bank** has gone live with iGCB's product Intellect Digital Core, a Cloud-native, Composable, API first core banking platform to power its banking. The bank aims to offer unique banking products and features and an unparalleled intuitive experience. With this implementation, the bank would be able to serve its customers through branch and agent networks across the country, that provide access and last-mile cash-in-cash-out operations, and other rich out-of-branch services.

V. Leadership Position Endorsed by Market Leading Analysts

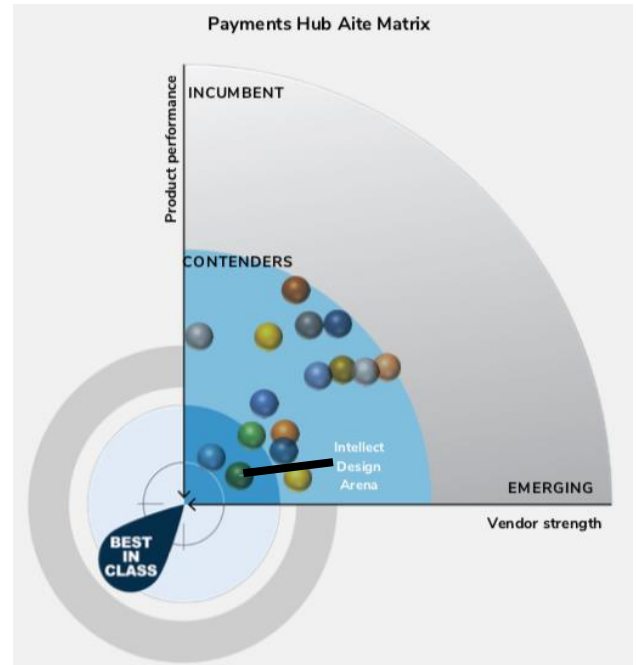
Intellect Global Transaction Banking (iGTB) identified as a leader and 'Best in Class' Payment Platform provider in Aite Payments Hub Matrix - *Amongst 15 global vendors, Intellect is rated as 'Best-in-Class' and has been noted for its global scalability, contextual experience and unique headless architecture*



The report notes iGTB Payments platform for its scalability, contextual and intuitive navigation and headless architecture that allow banks to use the solution payments in an existing platform, and the option to select from two modes: expert mode for banks that don't need much assistance, and a more simplified mode for small and midsize banks that desire more partnership and guidance with a less complex setup.

Intellect’s Payments highly scalable technology platform processes

- Global payments across 40+ countries, 70+ Rails in 105 clients across Canada, USA, Latin America, Europe, UK, Middle East and APAC.
- The platform processed US\$500Bn of payments per day for one of the largest banks in UK.
- The payments stack deployed at the Reserve Bank of India1, the central bank of one of the world’s largest economies, is benchmarked to support 30Mn ISO20022 payment messages on a peak day.
- Intellect Payments is at the centre of India’s Digital mission - where payments tech is being deployed at one of India’s largest private banks – with a cross-country corporate payment coverage of 60% and expected to scale 100% in transactions volume every year, for the next three years.



Some of the other Significant Accolades are:

- iGCB's Intellect Digital Core (IDC) won XCelent award for 'Advanced Technology' and rated highly amongst Global Core Banking Platforms in Celent's International ABC Analysis Report titled 'Assessing the International Core Banking Systems Market'
- iGTB has won the Best Transaction Banking Implementation: Most Impactful Projects work with ADIB in IBS Intelligence Global Fintech Innovation Awards 2022
- Intellect Design iGTB has won the Best Transaction Banking Implementation: Best Program Governance for our work with Bank Muscat in IBS Intelligence Global Fintech Innovation Awards 2022
- iGTB's BaaS Capability is featured as an Emerging BaaS Banking System Vendor across Europe and US in Celent's Report titled "Adventures in the Open Banking Ecosystem: Considerations for Corporate Banking Partnerships"

Financial Results for the Third Quarter Ended – December 31, 2022

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

INR Crs.

PARTICULARS	QUARTER ENDED		YTD		LTM	
	Dec 31, 2022 (Q3 FY 23)	Dec 31, 2021 (Q3 FY 22)	Dec 31, 2022 (YTD 22-23)	Dec 31, 2021 (YTD 21-22)	Dec 31, 2022 (LTM Q3 23)	Dec 31, 2021 (LTM Q3 22)
TOTAL INCOME	555.16	501.94	1625.43	1356.36	2125.54	1750.97
EXPENDITURE						
Software development expenses	254.41	210.26	746.36	579.37	964.59	751.02
Gross Margin	300.75	291.67	879.07	776.99	1160.95	999.94
Gross Margin %	54%	58%	54%	57%	55%	57%
SG & A expenses	152.36	134.00	445.96	354.44	581.30	455.05
R & E expenses	43.47	31.00	125.80	83.52	161.02	107.41
TOTAL EXPENDITURE	450.24	375.26	1318.11	1017.33	1706.90	1313.48
EBITDA	104.92	126.67	307.32	339.03	418.64	437.49
Depreciation & Amortisation	(31.05)	(24.69)	(88.58)	(71.07)	(115.08)	(90.62)
Finance Charges & Hedge	(9.15)	5.39	(12.65)	9.10	(4.31)	10.74
Fx Reins. (loss)/gain	10.75	1.21	13.76	0.00	16.92	(1.47)
Other Income / Expense	8.36	6.03	18.89	15.35	41.96	24.85
Profit / (Loss) before tax	83.83	114.62	238.74	292.42	358.13	380.98
Provision for taxation	(21.80)	(13.76)	(62.17)	(38.60)	(86.31)	(46.55)
PROFIT / (LOSS) AFTER TAX	62.03	100.85	176.57	253.82	271.83	334.43

Investor Conference Call

The Board of Directors of Intellect Design Arena Limited met on **3rd February 2023**, to take on record the financial results of the company for Q3 FY 23, which ended on December 31, 2022.

Intellect Design Arena Ltd. will host an Investors Conference Call on **February 3, 2023**, where the Senior Management of Intellect will comment on the company's performance during Q3 FY23 and respond to questions from participants. **The conference call will take place at 5:00 PM IST on Friday, 3rd February, 2023**

Conference Name : Q3 FY23 - Investor Earnings call
Date : February 3, 2023
Time : 05:00 PM - 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_6YnFR8zxRi-yUnroRsO2tg

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 3rd February
- 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 57 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.

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