

INTELLECT/SEC/2018-19

July 25, 2018

1. The National Stock Exchange of India Ltd.,

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

2. The Bombay Stock Exchange Ltd.,

1st Floor, New Trade Ring, Rotunda Building, PJ Towers,
Dalal Street, Fort, Mumbai – 400 001.

Dear Sirs,

Sub :- Intimation under Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30(6) and other relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the presentation being made on financial results to analysts and institutional investors on July 25th, 2018.

Kindly take the above information on record.

Thanking You,

for Intellect Design Arena Limited



V V Naresh

Company Secretary and Compliance Officer



Encl : As Above

Intellect Design Arena Limited

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Corporate Headquarters: SIPCOT IT Park Siruseri, Chennai - 600 130, India. | Ph: +91-44-3341 8000
www.intellectdesign.com

SPOTLIGHT

GLOBAL FINTECH PRODUCT COMPANY

Q1 FY 19 Results ending 30th June 2018
Earnings Announcement



Safe Harbor Statement

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT Products companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Intellect Design Arena has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry.

Intellect Design Arena may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.



Global FinTech Leader for BFSI



LED BY INDEPENDENT LEADERSHIP TEAMS

Intellect Strategy

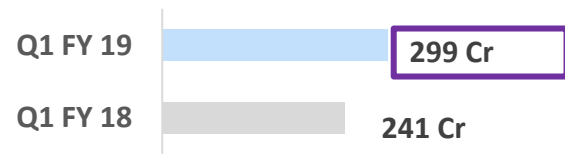


Q1 FY 19 – Registering 24% growth YoY



Q1 FY 19 REVENUE (INR)

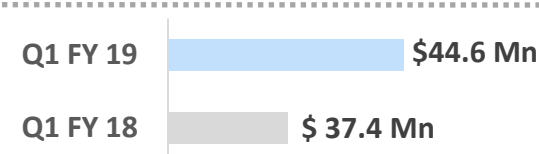
299 Cr ↑



Revenue grew by 24% YoY

Q1 FY 19 REVENUE (US \$)

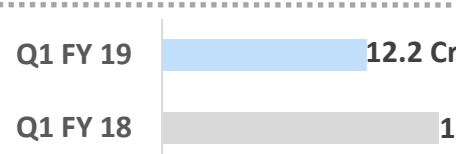
\$44.6 Mn ↑



Revenue Grew by 19% YoY

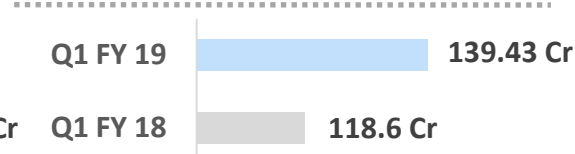
EBITDA

12.2 Cr ↓



GROSS MARGIN (INR)

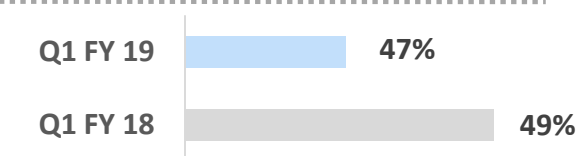
139.43 Cr ↑



Grew by 18% YoY

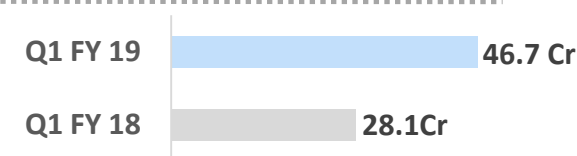
GROSS MARGIN % (INR)

47 %



LICENSE (INR)

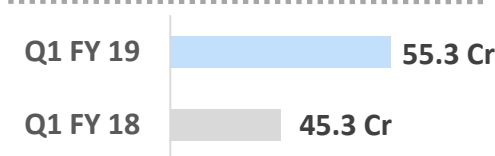
46.7 Cr ↑



Registered 66% Growth

AMC (INR)

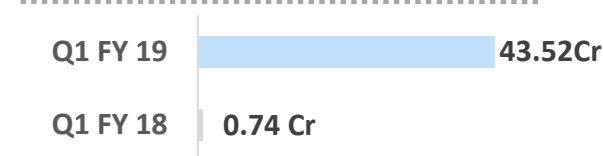
55.3 Cr ↑



Registered 22% Growth

PAT (INR)

43.52 Cr ↑



Collections for
Q1 FY 19 (INR)

315.2 Cr

Net DSO (including
Customer advances)

111 Days

Investment in Product
Development
(Capitalised)

29.47 Cr

Deal Wins in Q1 FY19

10

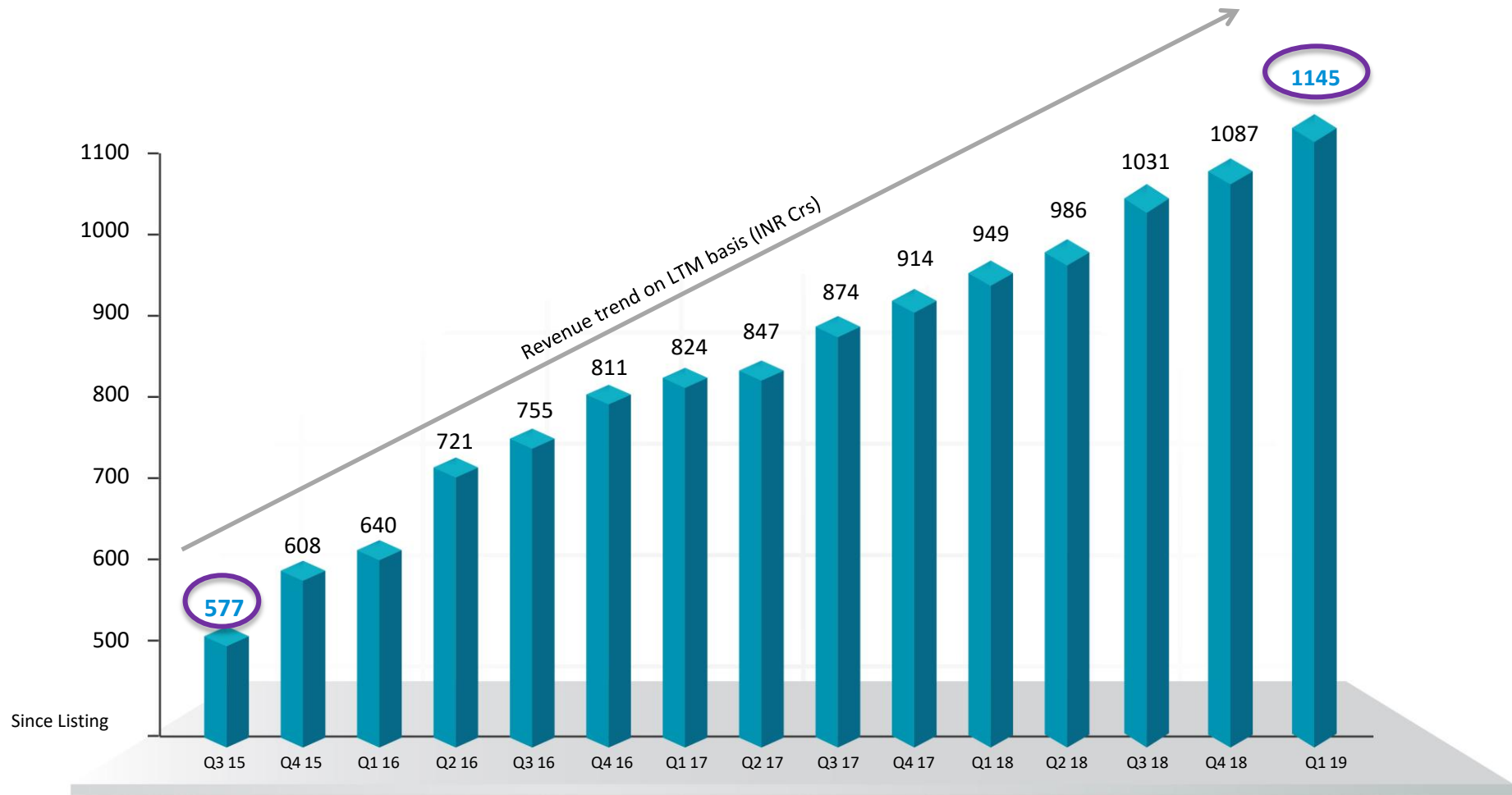
Large Digital
Transformation Deal
Wins in Q1 FY 18

2

Implementations
(Go Lives) in Q1 FY19

7

- Two destiny deals with license revenue of Rs. 17.4 Cr last Quarter, in respect of which documentation could not be completed will be accounted in Q2 FY 19.
- If these had been considered, our revenue growth would have been 31% and gross margin of 50%



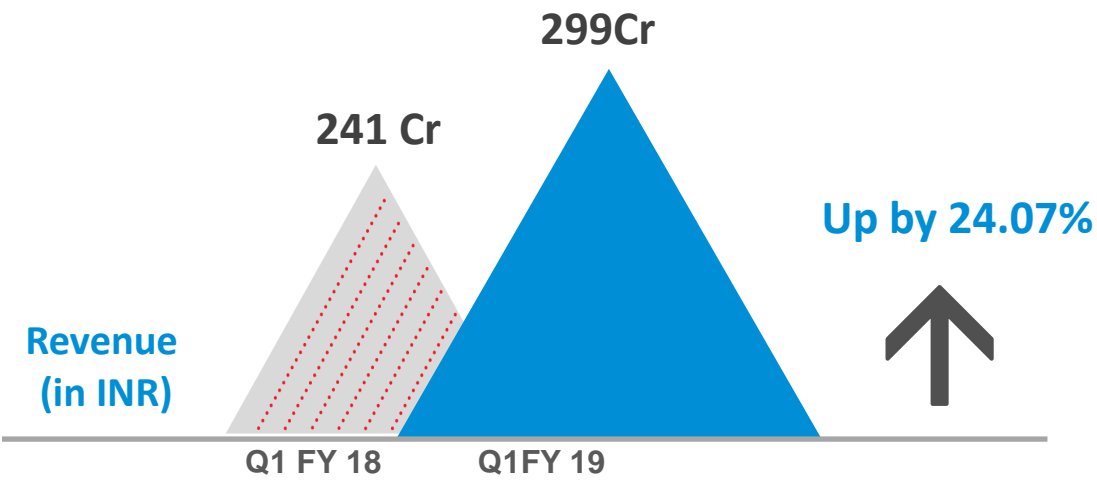
1

Calibrated
Growth Yielding
Predictability

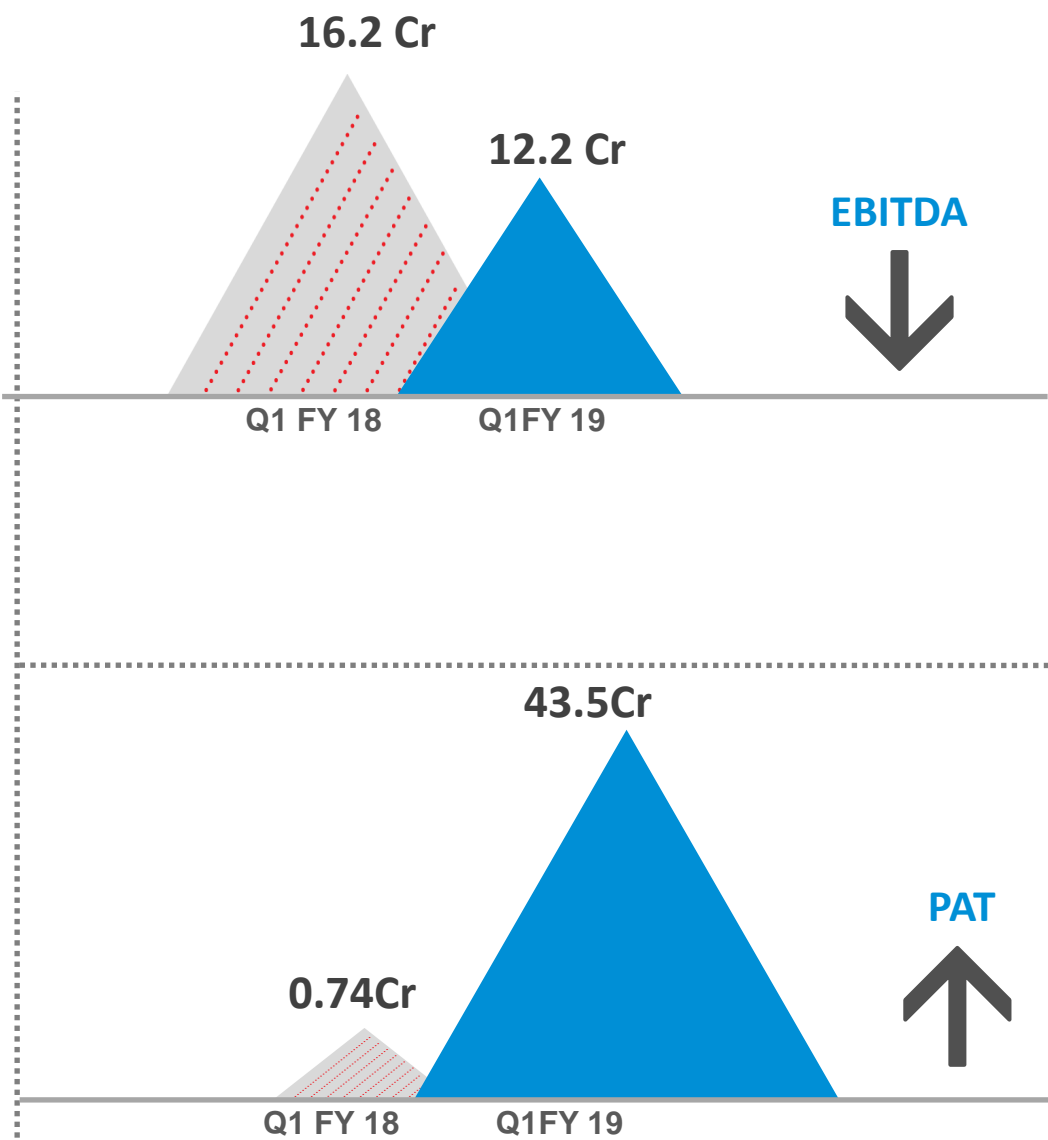
REVENUE GROWTH IN
THE LAST 15 QUARTERS

LTM = Revenue of current quarter + last three quarters

EBITDA and Net Profit



- Two destiny deals with license revenue of Rs. 17.4 Cr last Quarter, in respect of which documentation could not be completed will be accounted in Q2 FY 19.
- If these had been considered, our revenue growth would have been 31% and gross margin of 50%



Net profit is positively impacted by an increase in Other Income owing to sale of property, which brought in a gain of INR 38 Cr



Collections continuing to be Robust

Collections for Q1 FY 2019 stood at

INR 315.2 Cr

Q1 FY 18 Collection stood at INR 259 Cr

In \$ terms, Collections for
Q1FY19 stood at \$ 48.49 Mn

Q1 FY 18 Collection stood at \$ 39.16 Mn

Net DSO Days



Q1 FY18



Q1 FY19



Q1 FY 19 Revenue Stood at Rs.299Cr
In dollar terms, Q1 FY 19 revenue stood at \$44.6 Mn

Financial Results for the First Quarter FY19 Ended June 30, 2018



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

Rs. In Lakhs

Particulars	QUARTER ENDED			YEAR ENDED
	June 30, 2018 (Q1 FY 19)	March 31, 2018 (Q4FY18)	June 30, 2017 (Q1 FY 18)	March 31, 2018 (FY18)
INCOME				
Revenue from Operations	29,885.24	30,697.32	24,116.80	1,08,729.07
EXPENDITURE				
Software development expenses	15,942.01	15,410.30	12,255.40	54,898.30
Gross Margin	13,943.22	15,287.02	11,861.40	53,830.77
Gross Margin %	46.66%	49.80%	49.18%	49.51%
Selling & marketing and General & Administrative expenses	10,382.39	10,404.98	8,627.22	37,662.45
Research & Engineering expenses	2,145.43	1,947.51	1,424.27	7,244.46
Provision for Debts and Write offs	195.00	475.48	195.00	1,060.48
Total Expenditure	28,664.83	28,238.27	22,501.89	1,00,865.69
EBITDA	1,220.41	2,459.05	1,614.91	7,863.38
Depreciation/Amortisation	842.87	819.63	588.80	2,653.49
Finance Charges	307.86	261.62	418.39	1,382.62
Profits / (Loss) before other income / minority interest	69.67	1,377.80	607.72	3,827.26
Other Income including exceptional items	4,259.23	935.32	298.64	2,042.65
Minority Interest/ Share of profit/(loss) of Associate Companies	(27.93)	319.67	(469.32)	(494.29)
Profit / (Loss) before tax	4,300.97	2,632.79	437.04	5,375.62
Provision for taxation	(51.47)	45.62	363.24	702.98
Profit / (Loss) after tax	4,352.45	2,587.17	73.80	4,672.64



Recognized as a
Leader in Magic
Quadrant for Global
Retail Core Banking

Designed around the Digital 360 approach, Intellect Digital Core, IDC, presents the Best of Both Worlds, ie, Customer Experience (Digital Outside) & Operational Efficiency (Digital Inside) to banks. It leverages contemporary technologies such as Artificial Intelligence to give banks the capability to offer highly contextual (Persona-based) products & BOTS to drive complete STP (Lean Operations) & significantly lower operating costs.



iGCB powered Majid
Al Futtaim Finance
wins Celent's Model
Bank" Award

Intellect Lending was chosen by MAFF as its technology partner to seamlessly integrate with their existing system to overcome the challenges they faced in the existing credit business. MAFF's Insta Card Issuance is a first of its kind initiative in the UAE market and the digital transformation that has been brought about in the Credit Card journey with AECB (integration for real time credit decisions in 15 mins. The product was conceptualized, designed and delivered in 100 days.



Celent rates iGTB
amongst leading
vendors

Celent positions iGTB amongst leading Integrated Receivables Vendors in Technology and Functionality Category. Celent quotes the most distinctive feature of iGTB Receivables Management is its extensive use of analytics and role-specific dashboards to provide actionable insight.



Aite features Intellect
SEEC amongst leading
US & Europe vendors

Intellect SEEC profiled amongst leading US & Europe vendors in P&C Insurance who can help drive deeper policyholder engagement @ Aite report titled "Enhancing the P&C Insurance Policyholder Journey through Deeper Engagement

2

Product Acceptance &
Large Digital
Transformation
Deal Wins



Digital Transformation Deal Wins

Breakthrough deal win in Europe worth INR 100 Cr for Intellect Digital Core (IDC 17.1)

A large, private European bank with specialised services to customers with a unique branchless banking model has chosen Intellect Digital Core (IDC 17.1) for its banking operations.

Establishing FinTech dominance in Asia with yet another win in Malaysia

One of the leading financial services organisations in Malaysia with a heritage of more than 100 years has chosen iGTB for a multi country rollout of CBX - Contextual Payments, Collection & Receivables, Liquidity, SCF, Trade and Treasury Queries.

10

Total Wins in Q1 FY 19 including 2 large Digital transformation deals

2

Product Acceptance &
Large Digital
Transformation
Deal Wins



Active Pursuits

34

The current funnel (Active Pursuits) of Intellect is around \$ 527 mn, out of which \$448 mn is accounted by 134 opportunities.

34 high value active pursuits

- 7 pursuits are of value more than **INR 50 Cr. each**
- 10 pursuits are of value between **INR 30 Cr - INR 50 Cr. each**
- 17 pursuits are of value between **INR 20 Cr - INR 30 Cr. each**

2

Product Acceptance &
Large Digital
Transformation
Deal Wins

HEALTHY PIPELINE



	Q4 FY 18 Active Pursuits	Won	Lost	Added	Q1 FY 19 Active Pursuits	Remarks
> 50 Cr	6	1		2	7	1 deal Won 5 deals from Q4 FY18 + 2 new deals added
30 Cr - 50 Cr	9		1	2	10	1 deal Lost; 8 deals from Q4 FY18 +2 new deals added
20 Cr - 30 Cr	17	1	2	3	17	1 deals Won 2 deals Lost 14 deals from Q4 FY18 + 3 new deals added

2

Product Acceptance &
Large Digital
Transformation
Deal Wins

HEALTHY PIPELINE

Strong Order backlog



Q4 FY 18

License Based

(License, AMC*, Implementation, etc.,)

INR 890 Cr

Subscription Based

INR 150 Cr

(Excluding order backlog of GeM project)

Q1 FY 19

License Based

(License, AMC*, Implementation, etc.,)

INR 950 Cr

Subscription Based

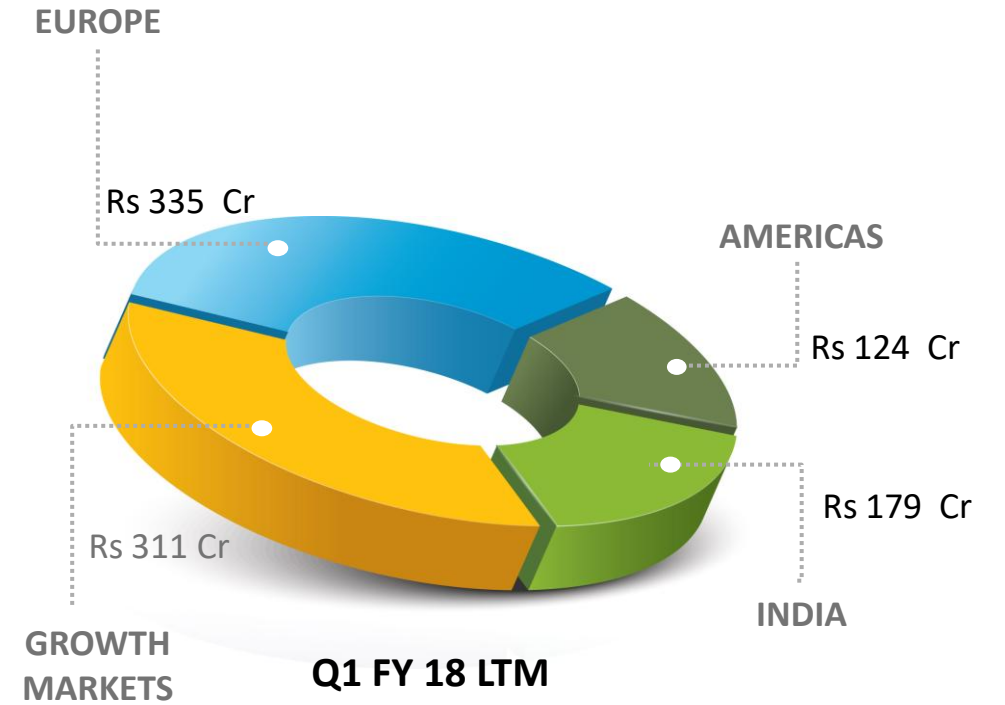
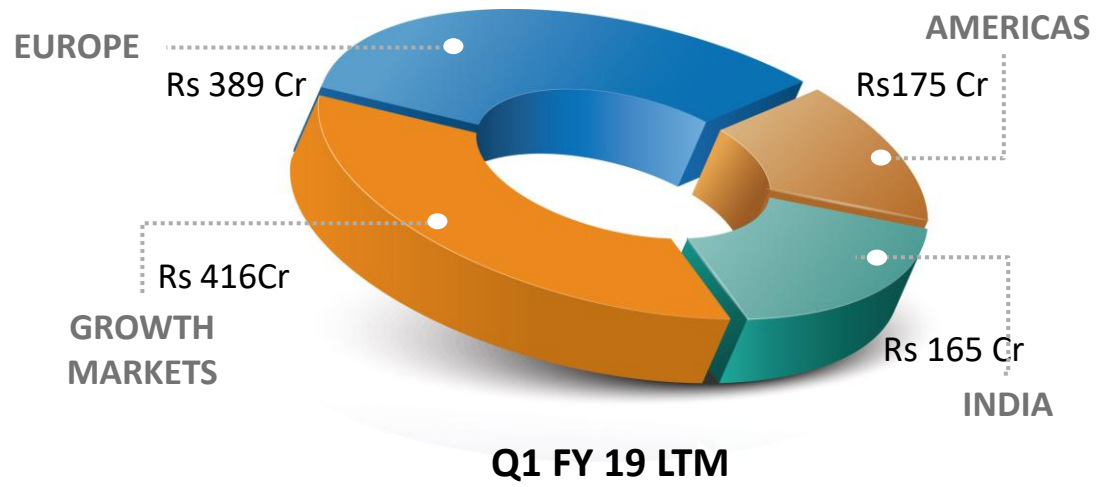
INR 240 Cr

(Excluding order backlog of GeM project)

2

**Product Acceptance &
Large Digital
Transformation
Deal Wins**

*AMC considered for the next 12 months



3
Enhanced
Footprint across
Geographies



MANAGEMENT OBSERVATIONS



Arun Jain

Chairman & Managing Director



We are consistently gaining momentum in building market leadership and are on course with achieving over 20% YoY growth. The last quarter saw two destiny deals getting deferred to the current Quarter resulting in a drop in quarterly gross margin. The impact of this deferment is Rs. 17.4 Cr to be accounted in Q2 results.



APPENDIX



DIVISIONAL COMMENTARY

(ORDER WINS AND IMPLEMENTATIONS FOR Q1 FY 2019)



Large Digital Transformational deal win

- **Breakthrough deal win in Europe worth INR 100 Cr for Intellect Digital Core (IDC 17.1):** A large, private European bank with specialised services to customers with a unique branchless banking model has chosen Intellect Digital Core (IDC 17.1) for its banking operations. The bank wanted to modernise its technology architecture and had chosen Intellect Digital Core (IDC 17.1) for powering its digital transformation. IDC 17.1 with its new open banking architecture is enabling the bank to adapt to Open Bank regulations along with PSD2 compliance. It is also enabling the bank to offer digital solutions to not just customers but also their financial advisors who form the backbone of their business model. IDC17.1 will enable the UK based bank to reduce account opening lead times from 4 days to just 15 minutes
- **Establishing FinTech dominance in Asia with yet another win in Malaysia:** One of the leading financial services organisations in Malaysia with a heritage of more than 100 years has chosen iGTB for a multi country rollout of Contextual Banking Experience (CBX) - Contextual Payments, Collection & Receivables, Liquidity, SCF, Trade and Treasury Queries. CBX from iGTB is a white label digital transaction banking platform to manage firms' cash and trade that leverages Machine Learning and predictive analytics, delivered through APIs and an Omni-channel UX.



Other Significant deal wins

- A State owned Bank in South Africa – One of KwaZulu-Natal's primary drivers of economic development and a strategic enabler of support has chosen Intellect's Integrated Digital Core, IDC 17.1. The implementation will enable the Bank achieve their strategy by leveraging the technical capabilities and superior user experience. The solution post implementation would provide the Bank with the best in class core banking with flexibility required to grow rapidly in the market.
- One of the leading commercial banks in South East Asia with its operations in three countries has chosen Intellect for its Regional Wealth Management Platform. The Strategic intent and purpose of the project is to transform the bank's existing operations into a digital solution and increase its market share in the growing High Net-worth and Affluent Client segments. Intellect Wealth Suite provides powerful wealth management solution that the Bank would use across multiple countries in APAC.
- India's fourth largest private sector bank and the only Greenfield Bank which has been awarded licence by RBI in the last two decades have chosen iGTB Digital Transaction Banking for its Cash Management Solution. The Bank has also chosen Contextual Banking Experience (CBX) - Single channel for account services, payments and collections.
- The first and the largest Islamic bank in the UAE will be upgraded to Contextual Banking Experience (CBX) and will be rolled out for supporting Account Services and Payments with Mobility. The solution will allow the bank's corporate customers to benefit from an Omni-channel experience to initiate corporate banking services in the areas of payments, financial transfers and Trade services.



Other Significant deal wins

- One of the world's largest life reinsurance companies has chosen Intellect SEEC Distribution & Service Suite to run a full Proof of Concept on Chatbot with Quote and Product Launcher business apps for a single carrier and a multi carrier Term Life product.
- An international specialty insurance organization that provides innovative solutions for brokers, agents and insurance carriers with operations in North America, the United Kingdom and Europe has chosen Intellect Risk Analyst. The solution will configure and run a full Proof of Concept on Risk Analytics for Commercial Property and General Liability lines of business.
- A joint venture, which has the unique distinction of being the first sub-custodian in India to benefit from the local-foreign partnership, between the largest bank in India and one of the world's leading global custodians has chosen Fund Custody from Intellect OneMarkets for its Custody services. Intellect Fund Custody solution suite provides comprehensive fund accounting, custodial and transfer agency services to both retail and foreign investors.

Reliable Implementations

Intellect went live in 7 projects across the world during this quarter. The significant implementations in Q4 FY 18 include:

- A leading Canadian-based global financial institution with 11 million personal banking, business, public sector and institutional clients has gone live with Contextual Payments from iGTB to handle On-Us payments within the Bank. This provides a smarter way to process payments destined to the beneficiary. Earlier intra company transfers were processed through LVTS rail (settlement and clearing with overhead cost for processing), with On-Us payment processing capability these payments will now be processed within the Bank with no clearing required. This will be both faster and cheaper.
- Australia's first bank and oldest company, one of four major banking organisations in Australia and one of the largest banks in New Zealand with a range of innovative financial packages to support personal, business or corporate banking needs has gone live with Intellect ITTR (Intellect Trade, Treasury and Retail FX). Intellect ITTR Solution is a modular, SOA enabled, web-based, platform-independent, and built on the latest J2EE technology. Improves end-user experience through enhanced application functionality and improves operational efficiencies. The collaborative efforts between all 3 Lines of Businesses within Intellect along with Interface and Data Migration resulted in on-time go-live in Fiji in 2 days ahead of time.
- A Saudi Arabian bank providing Islamic personal, auto and home financial banking services and corporate banking investment solutions in Saudi Arabia has gone live with Digital Transaction Banking. This go-live enables the Bank to launch the new platform to their corporates (Public Launch). Bulk File uploads to reach the mass corporates with the additional functionality to attract and enlarge their customer base.



Reliable Implementations

Intellect went live in 7 projects across the world during this quarter. The significant implementations in Q4 FY 18 include:

- An Indian state-owned International banking and financial services company and the second largest bank in India, serving over 69 Mn customers across 25 countries, launched a green field entity to expand and service the growing Lending opportunity in the Indian market. This is the first time Intellect Lending was launched over cloud platform in a phase wise approach with a quick initial go to market launch.
- A financial institution providing various financial services: mortgage finance, leasing finance, factoring, call center and collection services has gone live with Intellect Digital Lending suite.
- Intellect OneTREASURY went live in two leading banks in India. A nationalised Indian bank headquartered in Mumbai with 1000+ branch network and a leading Housing Finance company has gone live with Intellect OneTREASURY. This implementation enabled the bank to offer integrated front-mid-back office system by Straight Through Processing increasing operational efficiency through complete automation and seamless integration of treasury functions and external trading portals.

