

Intellect Q2 FY22 revenue registers 22% YoY growth; SaaS revenue registers 156% growth

- *EBITDA registered 33% YoY growth. PAT registers 50% growth in the first 6 months*
- *Zero Debt Fintech Company with cash of INR 2574 Mn at the end of Q2 FY22*

Chennai (India), October 28, 2021: Intellect Design Arena Ltd, a cloud-native, future-ready, multi-product FinTech company for the world's leading financial and insurance clients, announced its second-quarter results for FY 2021-22 today.

I. Calibrated Predictable Growth

Q2 FY22 - Financial Highlights

Revenue:

- Total Revenue for Q2 FY22 stood at INR 452.1 Mn - grew 22% YoY
- In \$ terms, Q2 FY22 Revenue stood at \$ 61.03 Mn - grew 22% YoY

License, AMC and SaaS Revenue:

- Q2 FY22 License Revenue is INR 869 Mn
- Q2 FY22 AMC Revenue is INR 814 Mn
- SaaS/Cloud revenue of Q2 FY22 is INR 879 Mn - grew 156% YoY
- Annualised Recurring Revenues (ARR) touched INR 6774 mn on an annual basis.

Gross Margin, EBITDA and Net Profit

- Gross Margin is INR 2618 Mn in Q2 FY22, 58% of revenue grew from 56% in Q2 FY21
- EBITDA is INR 1182 Mn at 26% of revenue in Q2 FY22 as against INR 892 Mn in Q2 FY21
- EBITDA excluding ESOP cost is INR 1290 mn i.e. 28.5% of the revenue.

Profit Before Tax and Net Profit

- Profit Before Tax stood 901 Mn against 662 Mn in Q2 FY21.
- FX Revaluation movement on 30th Sep resulted in net loss of 58 Mn against a gain of 46 Mn in the prior quarter resulting in a differential of 114 Mn impact on PBT.
- Net Profit is INR 792 Mn as against INR 592 Mn in Q2 FY21

Digital-led Wins and Digital transformations

- Q2 FY22 recorded 9 Digital-led wins including 6 platform deals in Q2 FY22
- Intellect went live in 26 financial institutions with 10 New Digital transformations across the world during this quarter

Collections and Net DSO

- Collections for Q2 FY22 is INR 3471 Mn; up by INR 129 Mn, as against INR 3343 Mn in Q2 FY21
- The Net Days of Sales Outstanding (DSO) is 122 days for Global business excluding India as against 116 days in Q2 FY21
- India DSO stood at 214 days as against 192 days in Q2 FY21
- Investment in Product Development (Capitalised) is INR 290 Mn, as against INR 284 Mn in Q2 FY21

Cash Position

- Zero Debt with cash of INR 2574 Mn at the end of Q2 FY22
- Cash and Cash Equivalent is INR 2604 Mn as against INR 1654 Mn in Q2 FY21
- Effective Operating Cash Flow is INR 380 Mn

H1 FY22 - Financial Highlights

Revenue:

- Total Revenue for H1 FY22 stood at INR 8605 Mn - grew 20% YoY
- In \$ terms, H1 FY22 Revenue stood at \$ 116.41 Mn - grew 22% YoY

License, AMC and SaaS Revenue:

- H1 FY22 License Revenue is INR 1662 Mn
- H1 FY22 AMC Revenue is INR 1607 Mn
- Cloud revenue of H1 FY22 is INR 1656 Mn - grew 127% YoY

Gross Margin, EBITDA and Net Profit

- Gross Margin is INR 4914 Mn in H1 FY22, 57% of revenue grew from 55% in H1 FY21
- EBITDA is INR 2184 Mn at 25% of revenue in H1 FY22 as against INR 1571 Mn in H1 FY21.

Profit Before Tax and PAT

- Profit Before Tax is 1778 Mn against 1133 Mn grew by 57% YOY.
- Net Profit is INR 1530 Mn as against INR 1018 Mn in H1 FY21 grew 50% YoY.

Digital-led Wins and Implementations

- H1 FY22 recorded 19 Digital-led wins including 8 large Digital Transformation deal wins
- Intellect went live in 52 financial institutions across the world during this quarter

Collections and Net DSO

- Collections for H1 FY22 is INR 6570 Mn as against INR 7707 Mn in H1 FY21
- The Net Days of Sales Outstanding (DSO) is 141 days in H1 FY22 as against 128 days in H1 FY21
- Investment in Product Development (Capitalised) is INR 577 Mn, against INR 553 Mn in H1 FY21

Cash position

- Cash and Cash Equivalent is INR 2604 Mn as against INR 1654 Mn in H1 FY21
- Effective Operating Cash Flow is INR 270 Mn
- Net cash as of H1 FY22 is at INR 2574 Mn as against INR 947 Mn in H1 FY21

II. Board Announcement

Investment of INR 1000 Mn in a privately pooled investment vehicle, Alternative Investment Fund -Category III in accordance with Regulation 10 of SEBI (Alternative Investment Funds) Regulations, 2012 as recommended by the Audit Committee.

III. Management Commentary



Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited said, "Intellect's technologies have driven calibrated and profitable growth over the last 8 quarters. As committed during the Intellect Technology day in March 2021, we launched two Platforms on Cloud this quarter - iKredit360 and iGTB Cloud - CashPower '22. Both platforms have helped Intellect win 6 platform deals in this quarter. This is the beginning of Intellect's transition from a Product company to a Fintech Platform."



Venkateswarlu Saranu, Chief Financial Officer, Intellect Design Arena Limited said, "Our achieving 22 % growth in two successive quarters with EBITDA growing by 33% is quite satisfying. We are now a zero debt company, another landmark for a Fintech platform. We are confident of growing over 20% for the current year."

IV. Digital Deals

With our ground-breaking Digital 360 approach, Intellect has been able to address all aspects of our customers' digital requirements. Intellect bagged 9 digital-led wins including 6 platform deals in Q2 FY 22.

Six Platform Deals in Q2 FY 22

- **Intellect bagged a large multi-million destiny deal from India's Leading Private Sector Bank for implementing Intellect SME platform (iKredit 360).** The Bank has decided to transform its Commercial Lending platform with Intellect's Composable and API based iKredit360.
- **Intellect announced a Strategic Partnership with Resurs Bank to enable its vision of becoming the Nordic region's first Cloud-based Banking Platform that meets the needs of tomorrow's customers.** Resurs Bank is investing in a new, entirely cloud-based banking platform that creates the prerequisites to provide customers and partners with state-of-the-art services, interfaces and products. Intellect will be implementing its microservices-based, API-first and cloud-ready digital banking solution [Intellect Digital Core \(IDC\)](#) and [iKredit360](#), which is a composable, cloud-native technology platform that has been exclusively designed for European financial institutions.
- **Intellect announced 3 iGTB Cloud CashPower22 Platform deal win**
 - Jordan headquartered, Jordan Kuwait Bank, has signed up for iGTB Cloud CashPower Platform to digitise and streamline its transaction banking offerings. This is the third major Digital Transformation deal in Jordan for iGTB, with a significant 50% coverage amongst active transaction banks in the country
 - A top 10 bank in Kuwait has signed a transformative deal with iGTB Cloud CashPower 22 Platform. This is the third major digital transformation deal in Kuwait for iGTB, which reaffirms its rapid growth and region-focussed market coverage strategy
 - A top 3 GCC Bank has signed up to extend the existing Cash Management Platform from iGTB to their new entity in the United Arab Emirates. This is the third iGTB Cloud CashPower 22 Platform in this quarter

- **Intellect signed an Underwriting platform transformational deal with a national insurance carrier in the US.** This deal involves complete transformation from Intelligent data Extraction using Magic Submission, Data validation and enrichment using Risk Analyst and Composable underwriting platform Xponent.

Other significant deal wins

- A top 30 US Bank has signed up for extending iGTB's Liquidity Management Platform for its global rollout.
- A top 10 US Bank signed up for Dynamic Pricing for their Liquidity & Deposit solutions, broadening their trust with iGTB'S Liquidity Platform.
- A leading South African Bank has signed up to modernize its Liquidity Platform with iGTB's cloud-native platform

V. Digital Transformations in Q2 FY 22

Intellect completed the digital transformations in 26 financial institutions across the world during this quarter: 10 new transformations & 16 with expanded product capabilities/additional geographies in Q2 FY22

Some of the significant digital transformations in Q2 FY 22 include:

- One of the largest banks in the United Arab Emirates has gone live with Intellect Digital Core (IDC) - a digital, contextual and cloud-ready platform in 5 countries in the MENA region. This was an upgrade from its existing platform.
- One of the oldest and largest central banks in Asia went live with Intellect's Quantum Central Banking Solution (QCBS) this quarter. This digital transformation helps to implement an integrated core banking system for progressive modernization which is efficient, flexible, scalable, maintainable and sustainable for their global operation with real-time and integrated tracking and balances
- One of the largest financial institutions in the Middle East and Africa (MEA) region is now live and running with Intellect's Contextual Payments Solution to accelerate its customers' business outcomes and objectives beyond traditional transactions
- A contemporary Central Bank in the Oceania region has gone live with Intellect's Quantum Banking Solution (QCBS) aimed at empowering them with faster decision making and timely intervention with the help of 360-degree dashboard views, on-demand financial statements, reports and real-time risk monitoring
- A leading financial services firm in the Philippines has gone live with Intellect's fully integrated and cloud-ready Transaction Banking Platform enabling a solution ecosystem that delivers seamless digital experiences across the corporate financial supply chain
- One of Australia's 'Big Four' banks has gone live with Intellect's Virtual Account Management Solution (VAM), equipping the bank with a scalable solution with continuous feature enhancements and the latest technology stack

Financial Results for the Second Quarter Ended – September 30, 2021

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

INR Millions

Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED	
	September 30, 2021 (Q2 FY 22)	June 30, 2021 (Q1 FY 22)	September 30, 2020 (Q2 FY 21)	September 30, 2021 (H1 FY 22)	September 30, 2020 (H1 FY 21)	March 31, 2021 (FY 21)	March 31, 2020 (FY 20)
INCOME							
Income from Software Product License and related services	4480	4064	3730	8544	7223	14992	13509
Hedge Impact	42	19	(12)	61	(46)	(17)	(40)
Total Income	4521	4083	3718	8605	7177	14975	13469
EXPENDITURE							
Software Development Expenses	1903	1788	1635	3691	3247	6646	6987
Gross Margin	2618	2296	2083	4914	3930	8329	6482
Gross Margin %	58	56	56	57	55	56	48
Selling & Marketing and General & Administrative Expenses	1153	1051	958	2204	1894	3836	4555
Research & Engineering Expenses	283	242	234	525	464	933	1219
Total Expenditure	3339	3081	2826	6421	5606	11415	12761
EBITDA	1182	1002	892	2184	1571	3559	708
Depreciation & Amortisation	(237)	(227)	(194)	(464)	(382)	(767)	(690)
Finance Charges	(12)	(12)	(25)	(24)	(65)	(92)	(174)
Fx Reins (loss)/gain	(58)	46	(28)	(12)	21	28	26
Other Income / Expense	26	68	17	93	(11)	154	340
Profit / (Loss) before Tax	901	877	662	1778	1133	2882	211
Provision for Taxation	(108)	(140)	(70)	(248)	(115)	(255)	(51)
Profit / (Loss) after Tax	792	737	592	1530	1018	2628	160

Investor Conference Call

The Board of Directors of Intellect Design Arena Limited met on **28th October 2021**, to take on record the financial results of the company for Q2 FY 21-22, ended on September 30, 2021.

Intellect Design Arena Ltd. will host an Investors Conference Call on **28th October 2021**, where the Senior Management of Intellect will comment on the company's performance during Q2 FY 21-22 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Thursday, 28th October 2021**

Conference Name : Q2 FY 22 - Investor Earnings call
Date : 28th October 2021
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_VLSFfUDVQZawSa8GAdZPQ

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 28th October 2021
- 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.

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