



Nucleus Software Investor Presentation Q3 FY18

The Lending & Transaction Banking Solution Experts

29.01.2018

Disclaimer

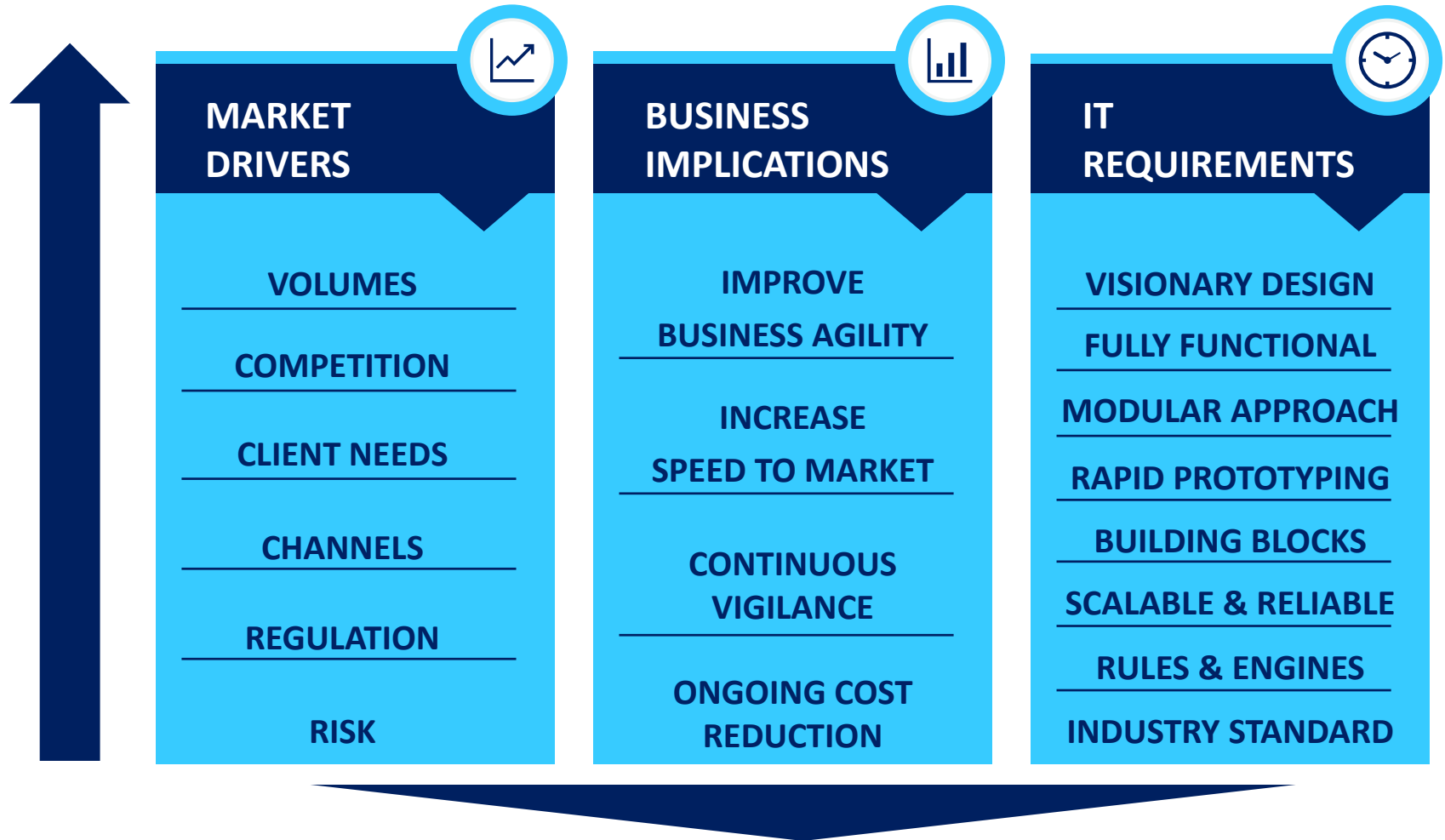
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Challenges & Opportunities

Rapidly Changing Market Dynamics Are Creating Opportunities



Does your I.T. infrastructure help you achieve your business ambitions?

Nucleus Software will.....



HELP YOU
TRANSFORM
CHALLENGES INTO
OPPORTUNITIES

Three Decades of Customer Transformation

Worldwide Presence, Global Knowledge, Local Focus



3 DECADES

DECADES OF BANKING
DOMAIN EXPERTISE



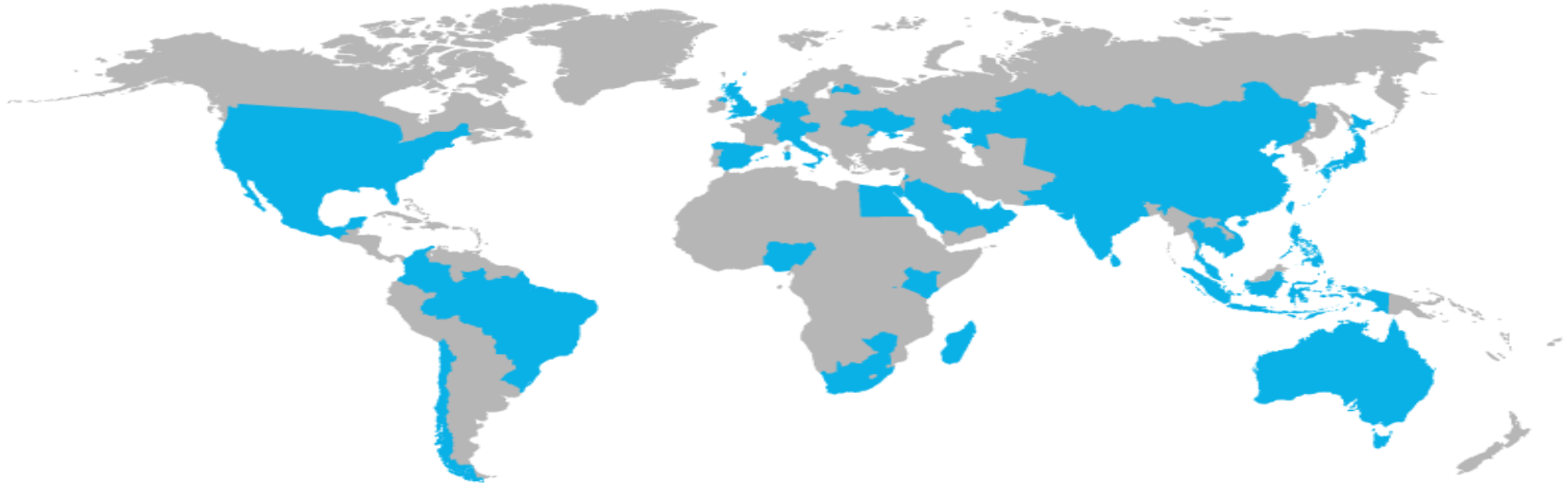
150

BANKS & FINANCIAL INSTITUTION
CUSTOMERS ACROSS 50 COUNTRIES



26 M

TRANSACTIONS
PROCESSED PER DAY



10 TIME WINNER

WORLD'S BEST-SELLING
LENDING SOLUTION



300,000

USERS LOG IN DAILY
ON OUR SYSTEMS



\$200 B
VALUE OF LOANS
MANAGED



3 OF TOP 10
AUTOMOTIVE FINANCE
COMPANIES ARE OUR
CUSTOMERS

Helping Customers Succeed

Making Technology Work For Business Growth

“

“ We enjoy **EXCELLENT RELATIONSHIP** with Nucleus. All discussions have been conducted with **UTMOST PROFESSIONALISM** and **DEEP UNDERSTANDING** to our objectives”

”

Bank of Queensland, Australia

“

“As **SPECIALIST** in lending, Nucleus brings in **BEST PRACTICES** to the table.”

”

UBank, South Africa

“

“ I am associated with FinnOne since 2003. The response time and the skill set from your team is too good. **EXCELLENT SUPPORT AND IN-DEPTH KNOWLEDGE** in terms of production support “

”

ICICI Bank, India

“

“Nucleus has a **STATE OF THE ART PRODUCT** and offers **very fast implementation**”

”

bob finance, Switzerland

“

“Our overall relationship with Nucleus is **GOOD** and we would like to continue. We believe **OUR VOICES ARE HEARD** in Nucleus”

”

Emirates NBD, UAE

“

“We chose FinnOne as it enjoys an **EXCELLENT TRACK RECORD** for comprehensive functionality”

”

Bank Muscat, Oman

Continuous Industry Recognition

Awards For Our Customers, Very Positive Analyst Reviews



TECHNOLOGY
IMPLEMENTATION AWARD
ICICI BANK, 2014



THE ASIAN BANKER



MODEL BANK VENDOR
AWARD 2016

CELENT




MARKET LEADER & SPECIALIST
VENDOR WITH STRONG
TECHNOLOGY CAPABILITY



OVUM



TRAIL BLAZER AWARD
RELIANCE CAPITAL, 2015
DCB BANK, 2015
CIMB, MALAYSIA, 2013



RETAIL BANKER



5 MOST SIGNIFICANT
MOBILE BANKING
SOFTWARE VENDORS




FORRESTER




IDC INSIGHTS AWARD
DCB BANK, 2016
EXCELLENCE IN
TRANSFORMATION



IDC



MODEL BANK AWARD
ICICI BANK, 2014, 2009
VIETNAM PROSPERITY BANK, 2013
HDFC BANK, 2010

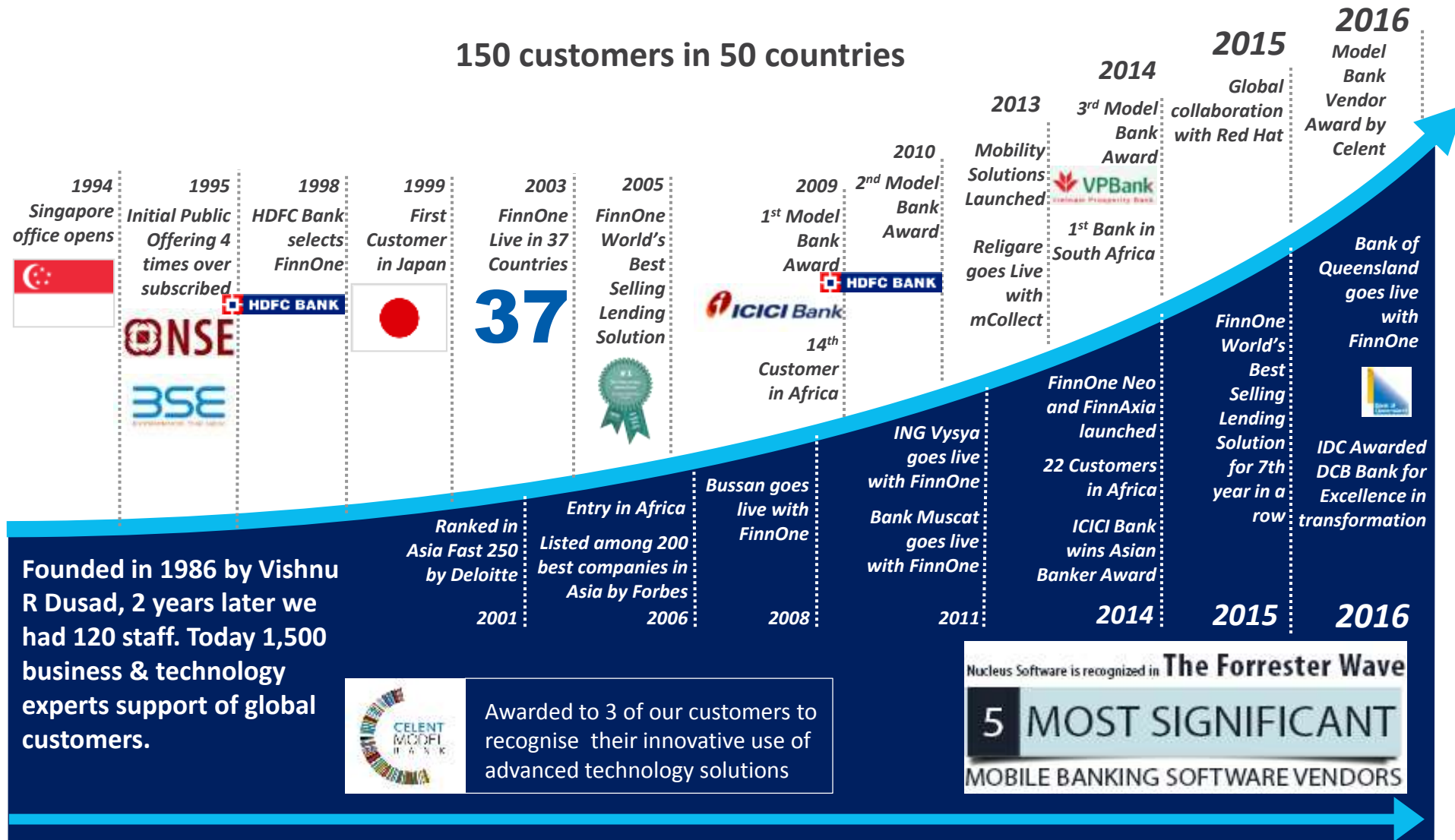


CELENT

Continuous Development

More Customers in More Countries with More Products

150 customers in 50 countries



Total Focus on Lending & Transaction Banking

Leveraging Advanced Technology & Three Decades Of Experience



Omni Channel

Flexible Rules

BPEL Driven

Analytics

Fees & Prices

Lifecycle Mgt

Virtual A/Cs

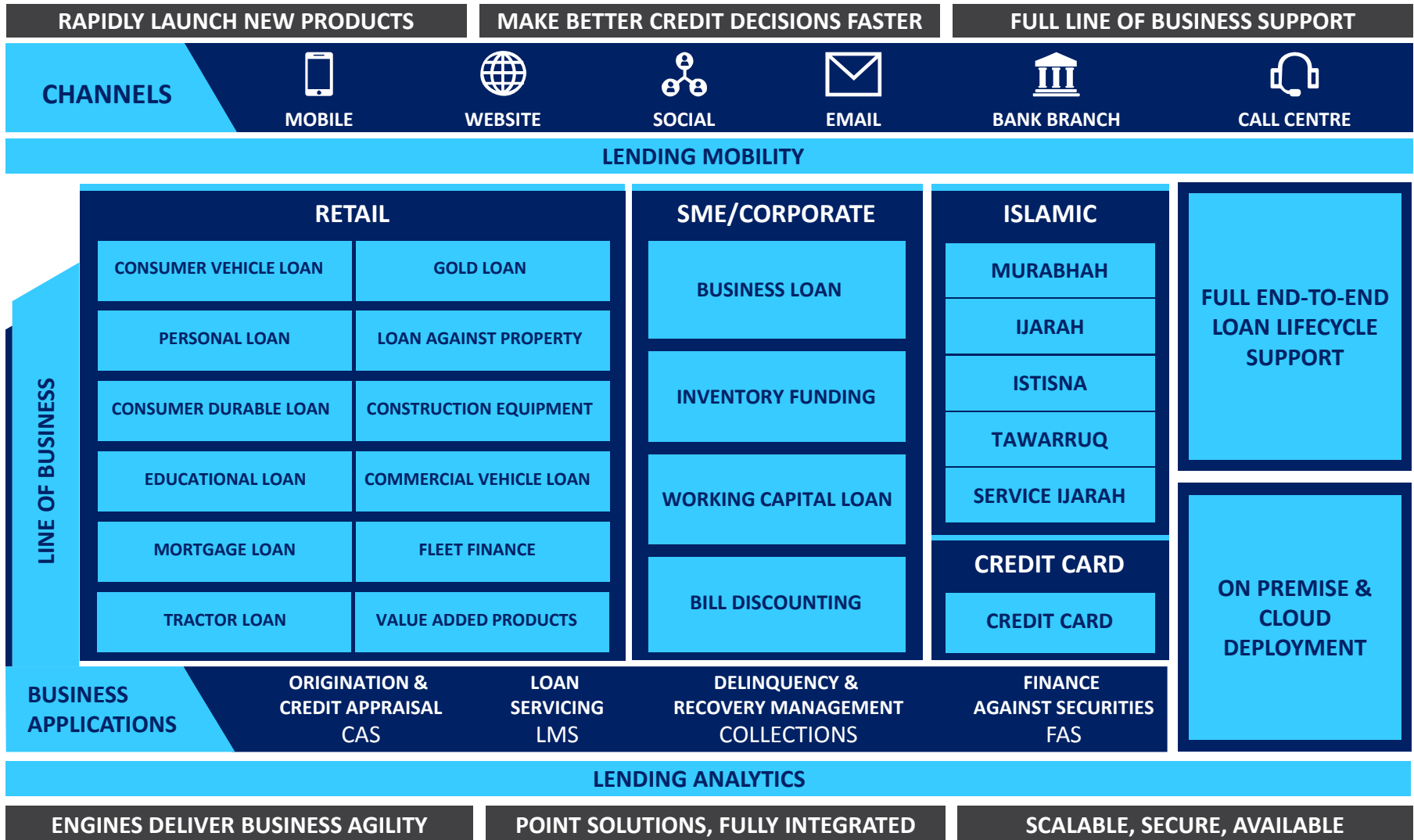
Formatting

Alerts

Commissions

FinnOne Neo Supports The Complete Loan Lifecycle

Modular, Scalable & Flexible



FinnOne Neo Cloud Deployment

Aligned to help you achieve your goals for IT Investment

Gartner reports that 50% of Banks choose cloud investments for Agility followed by Optimised Cost & Innovation*. We help deliver much more with FinnOne Neo Cloud deployment.



AGILITY

- Faster go to market
- Quicker implementation
- Enhanced business reach



SCALABILITY

- Pay-per-use model
- Scalability as per need
- Platform agnostic setup



REDUCED COST

- Reduced initial investment
- Lower operational & maintenance costs



SECURITY

- Best in class security with leading cloud providers such as Microsoft Azure, Amazon and IBM

*Gartner Report: Best practices for cloud adoption, March 2014

Give your business an edge

Make data driven decisions seamlessly throughout the lending value chain

CUSTOMER ACQUISITION

Identify and Reach the right set of customers through the right channels for an effective marketing campaign with accurate segmentation & targeted marketing

ORIGINATION

Acquire customers faster and enhance loan book quality with better decisioning by automated credit scoring

SERVICING

Retain the profitable customers and increase Cross-selling/Up-selling opportunities through improved insight into customer behaviour

COLLECTIONS

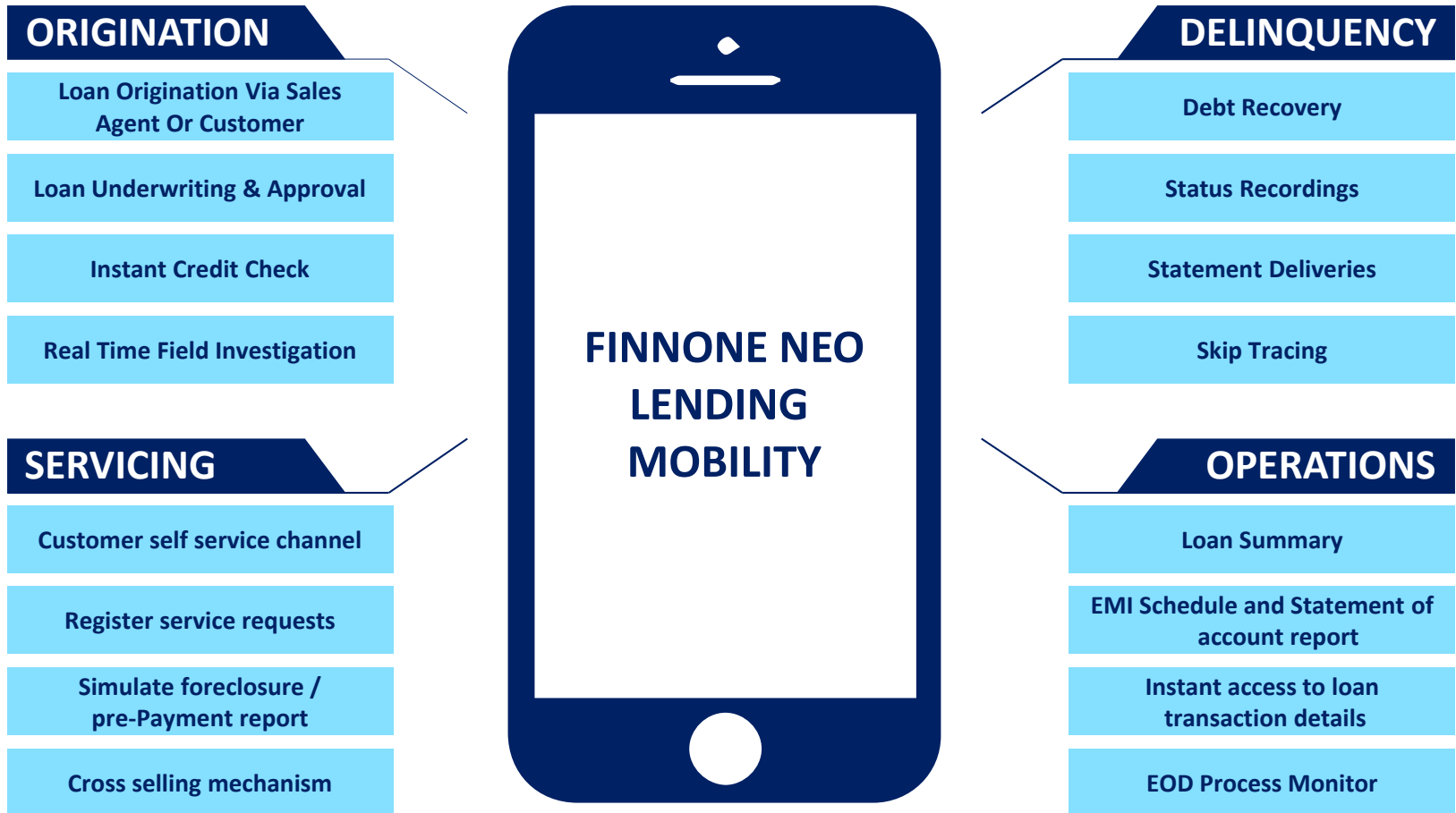
Maximize collections and avoid delinquencies with efficient behavioral scorecard and pre delinquency management strategies



Lending analytics delivers value at each stage of customer and loan lifecycle

Mobile Solutions For The Complete Loan Lifecycle

Simple, Scalable & Flexible



**\$2.15
billion+**

VALUE OF LOAN
APPLICATIONS
INITIATED VIA mCAS

**7.69
million+**

TRANSACTIONS
PROCESSED
VIA mServe

**\$1.32
Billion+**

LOAN AMOUNT
COLLECTED
VIA mCollect

FinnAxia Integrated Transaction Banking Solution

Solutions Across The Entire Business Value Chain



**GLOBAL
RECEIVABLES**



**GLOBAL
PAYMENTS**



**GLOBAL
LIQUIDITY
MANAGEMENT**



**E-FINANCIAL
SUPPLY CHAIN
MANAGEMENT**



**BUSINESS
INTERNET
BANKING**



**MOBILE
TRANSACTION
BANKING**

**OPTIMIZE
WORKING
CAPITAL**

**REAL TIME,
CONSOLIDATED
VIEW**

**SUPPORT WHITE
LABELLING**

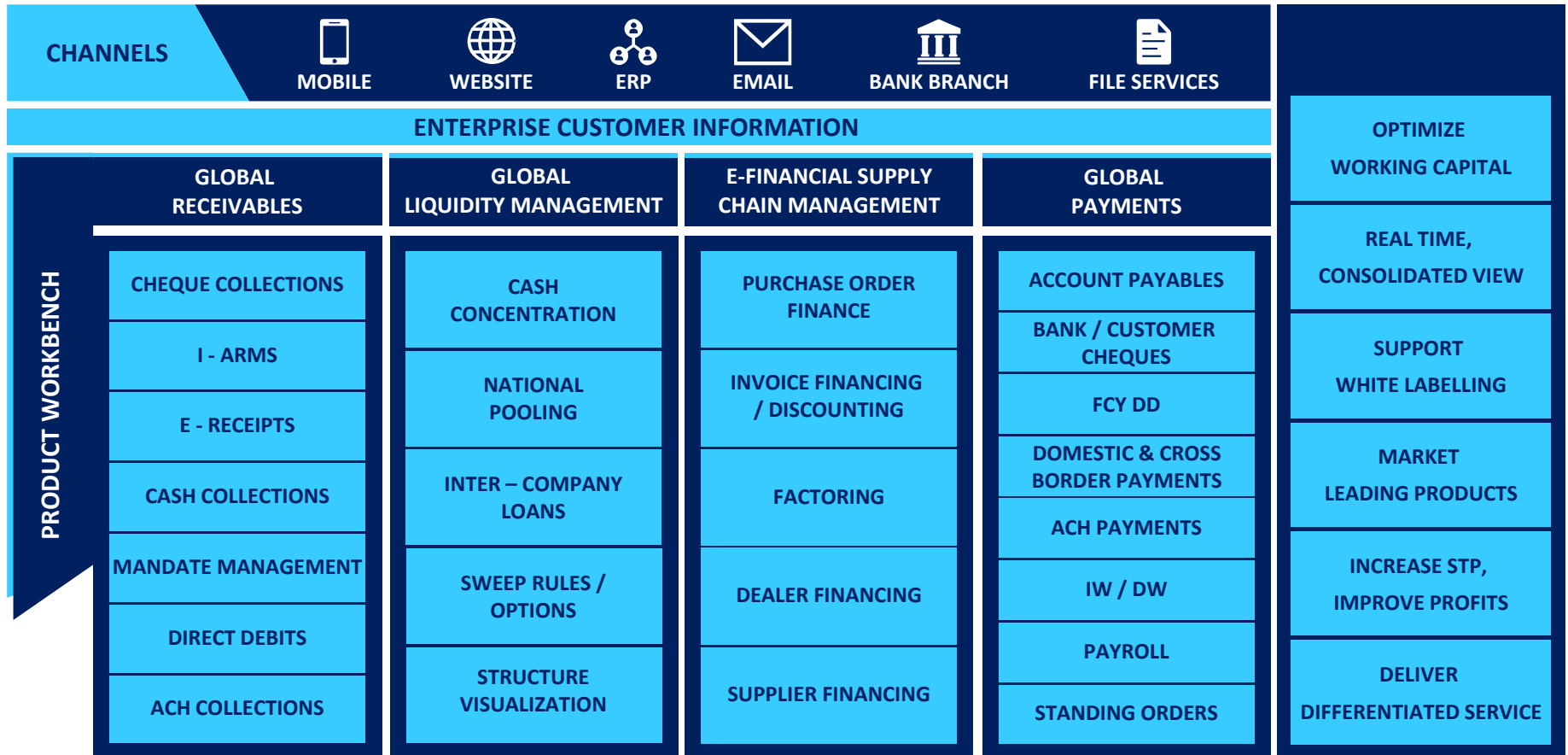
**DELIVER
DIFFERENTIATED
SERVICE**

**INCREASE STP,
IMPROVE PROFITS**

**REGULATORY
COMPLIANCE**

FinnAxia For Unified Working Capital Finance Management

Tap Into The Growth Of Transaction Banking



Well Positioned

Expanding Worldwide

\$16.3million

Q3 FY 2017-18 Revenue

Public Company, Zero Debt

Public ownership, with original founder still very active. Zero debt, strong cash reserves

Profitable & Self Funding

Continuously profitable, with multiple revenue sources. Strong recurring revenue business model provides certainty of funding

Target Market

Banks – T1 to T4, Local, Regional & Global.

Auto Lending – in-bank and captive.

Non Bank Financial Companies

Q3 FY 2017-18 Key Highlights

+14%
Revenue YoY

28%
EBITDA YoY

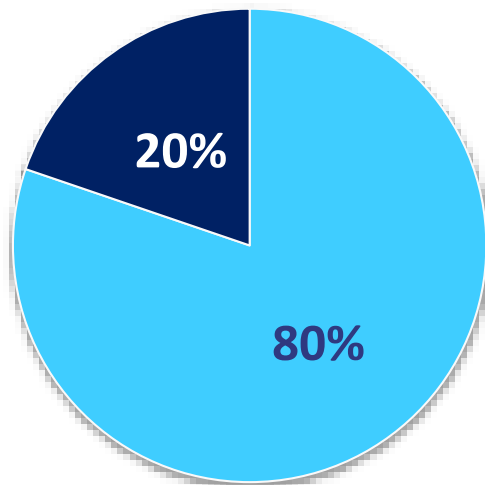
+1%
PAT YoY

Financial Highlights

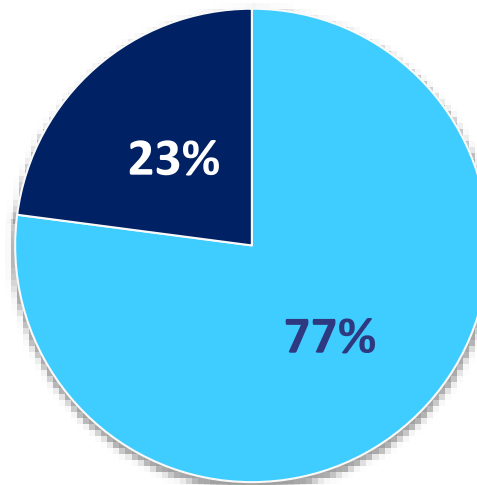
	Q3 FY 18	Q3 FY 17
REVENUE	RS. 106.0 CRORE	RS. 93.1 CRORE
PRODUCT	RS.85.1 CRORE	RS. 71.8 CRORE
EBITDA	RS. 18.6 CRORE	RS. 14.5 CRORE
PAT	RS. 18.1 CRORE	RS. 17.9 CRORE
EPS	RS. 6.24	RS. 5.52

Revenue Breakdown - Business Segment-wise

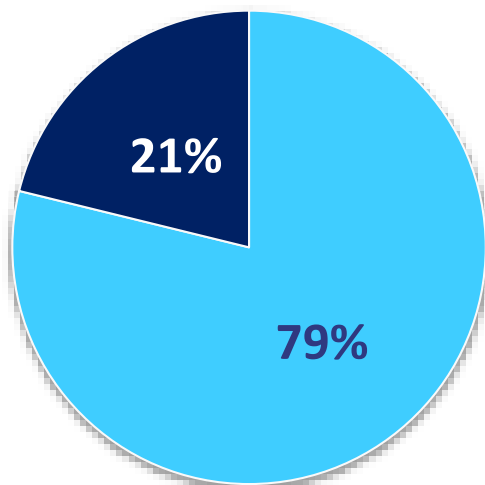
Q3 FY 18



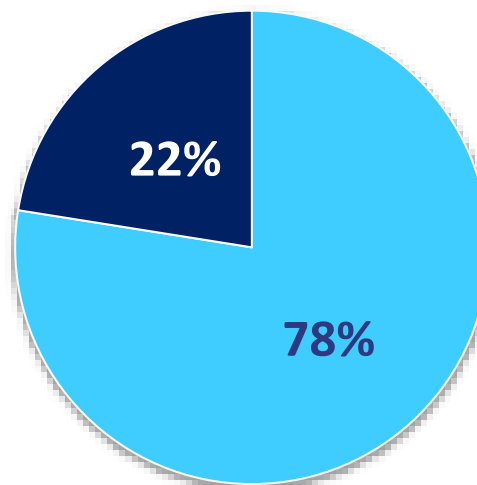
Q3 FY 17



Nine Months Ended Dec 31, 2017



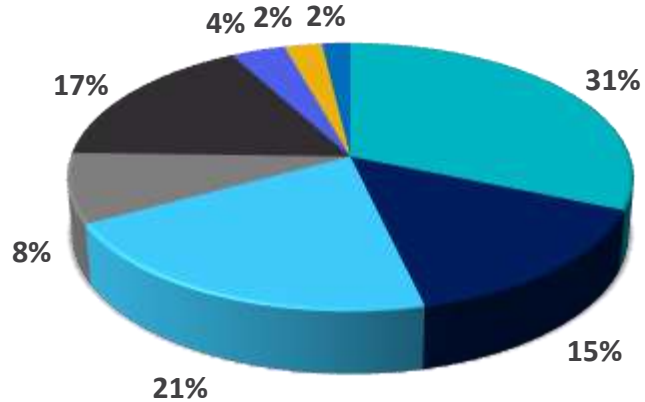
Nine Months Ended Dec 31, 2016



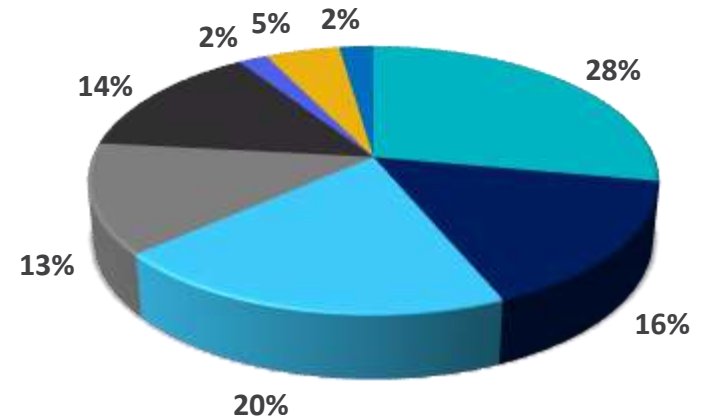
■ PRODUCT REVENUE
■ PROJECTS & SERVICES

Revenue Breakdown - Geography Segment-wise

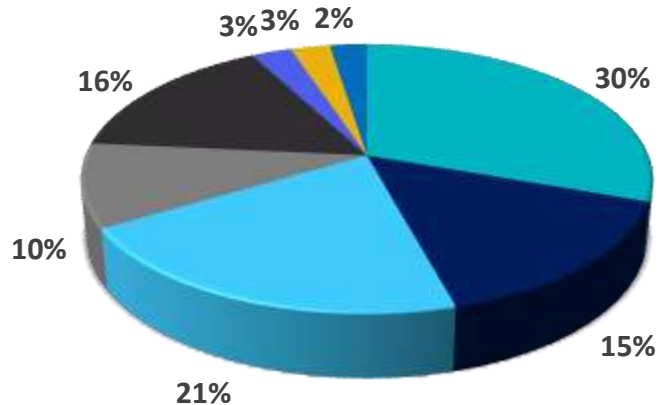
Q3 FY 18



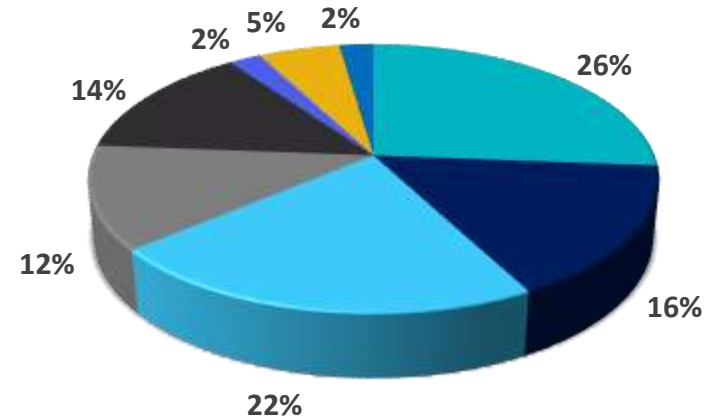
Q3 FY 17



Nine Months Ended Dec 31, 2017



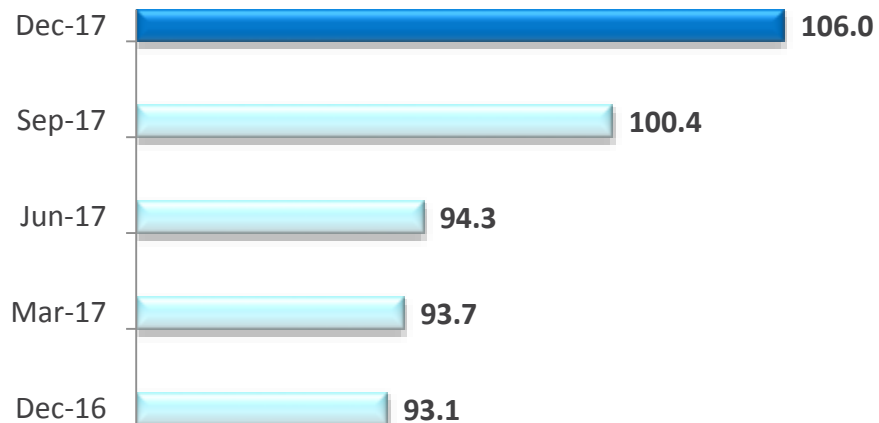
Nine Months Ended Dec 31, 2016



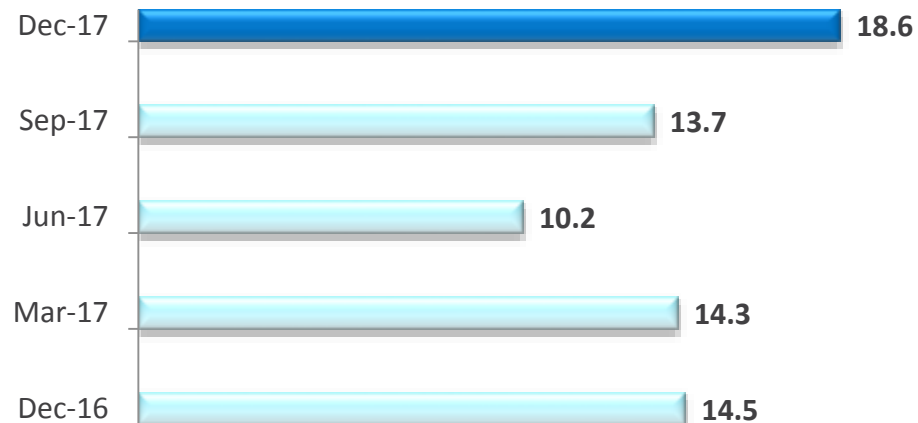
Graphs

Quarterly

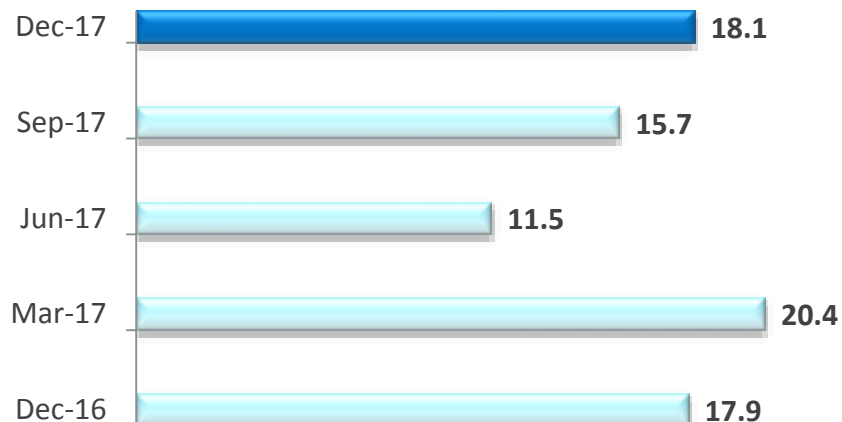
Revenue (in Rs crore)



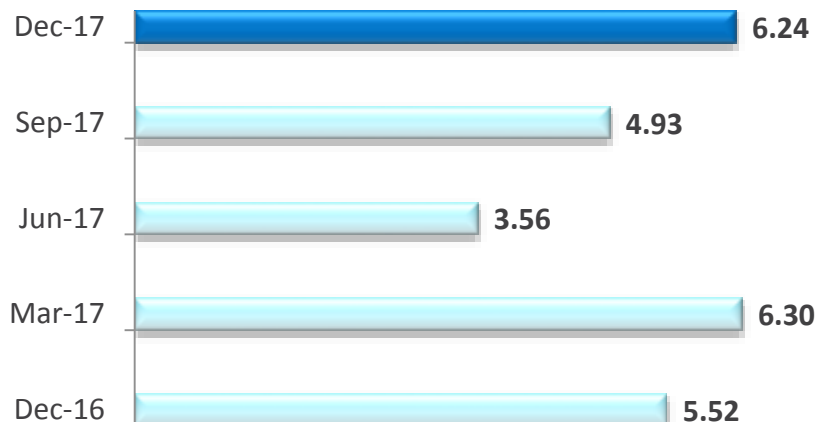
EBITDA (in Rs crore)



PAT (in Rs crore)



EPS (in Rs)



Financials at Glance

Quarterly

In Rs. crores

	QUARTER ENDED							
	Dec-17	%	QoQ	YoY	Sep-17	%	Dec-16	%
REVENUE	106.0	100%	6%	14%	100.4	100%	93.1	100%
Software Dev. Exp.	69.3	65%	2%	18%	67.9	68%	58.8	63%
GROSS PROFIT	36.7	35%	13%	7%	32.6	32%	34.4	37%
Selling & Marketing .Exp.	8.7	8%	-7%	-11%	9.3	9%	9.7	10%
General & Admin Exp.	9.4	9%	-2%	-7%	9.6	10%	10.2	11%
EBITDA	18.6	18%	36%	28%	13.7	14%	14.5	16%
Other Income	5.4	5%	-34%	-47%	8.2	8%	10.2	11%
Depreciation	1.8	2%	4%	-44%	1.7	2%	3.2	3%
PBT	22.2	21%	10%	3%	20.2	20%	21.5	23%
Taxation	4.1	4%	-8%	14%	4.5	4%	3.6	4%
PAT	18.1	17%	16%	1%	15.7	16%	17.9	19%

Financials at Glance

Nine Months

In Rs. crores

	NINE MONTHS ENDED				
	Dec-17	%	YoY	Dec-16	%
REVENUE	300.8	100%	8%	278.7	100%
Software Dev. Exp.	203.2	68%	13%	179.5	65%
GROSS PROFIT	97.6	32%	-2%	99.2	35%
Selling & Marketing .Exp.	26.2	9%	-20%	32.8	12%
General & Admin Exp.	29.0	10%	6%	27.4	9%
EBITDA	42.4	14%	9%	39.0	13%
Other Income	21.3	7%	-16%	25.2	8%
Depreciation	5.3	2%	-43%	9.3	3%
PBT	58.4	19%	6%	54.9	18%
Taxation	13.1	4%	43%	9.2	3%
PAT	45.3	15%	-1%	45.8	15%

Thank you



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