

# Nucleus Software Investor Presentation FY18

The Lending & Transaction Banking Solution Experts

08.05.2018

# Disclaimer

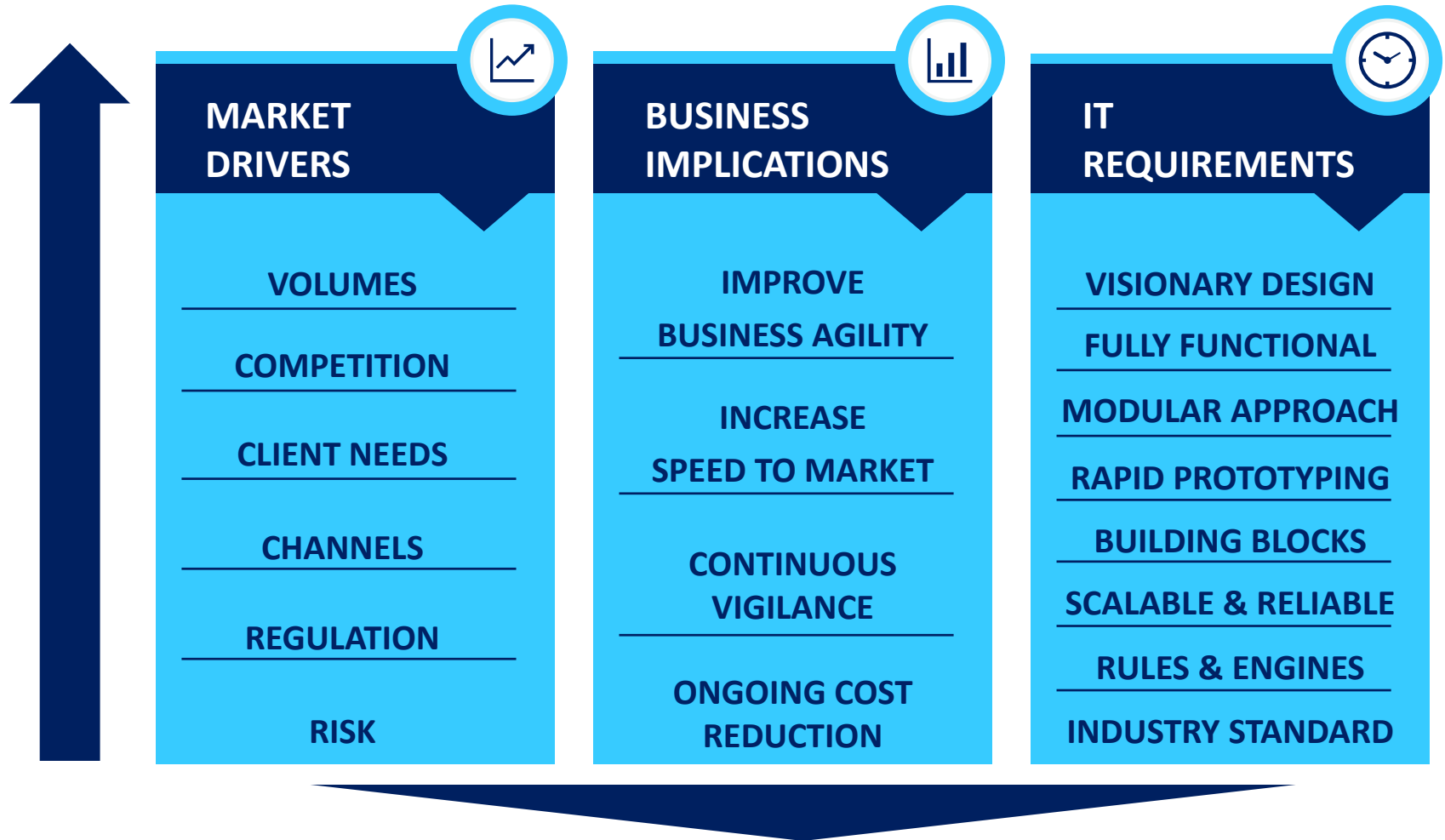
This presentation has been prepared for informational purposes only. This Presentation does not constitute a prospectus, Offering circular or offering memorandum and is not an offer or initiation to buy or sell any securities, nor shall part or all of this presentation form the basis of, or to be relied on in connection with any contract or investment decision in relation to any securities.

This Presentation contains forward looking statements based on the currently held beliefs of the management of the company which are expressed in good faith and in their opinion reasonable. The forward looking statements may involve known and unknown risks uncertainty and other factors which may cause the actual results, financial condition performance or achievements of the Company or industry results materially from the results, Financial Conditions, Performance, or achievements of the Company.

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.

# 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



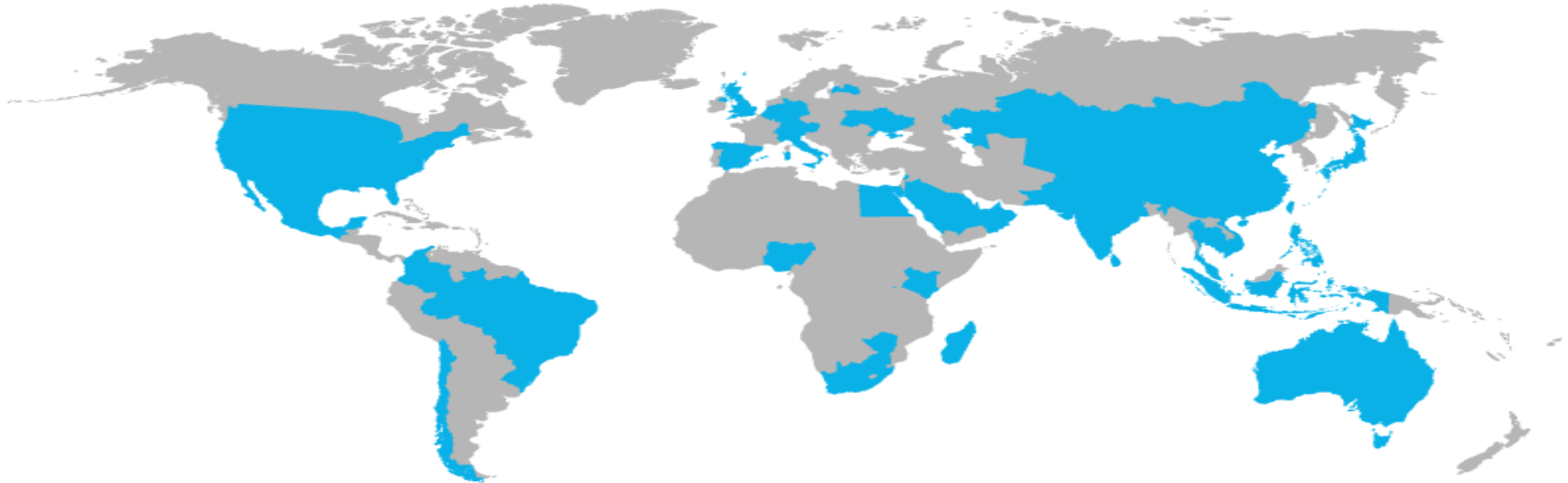
**150**

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

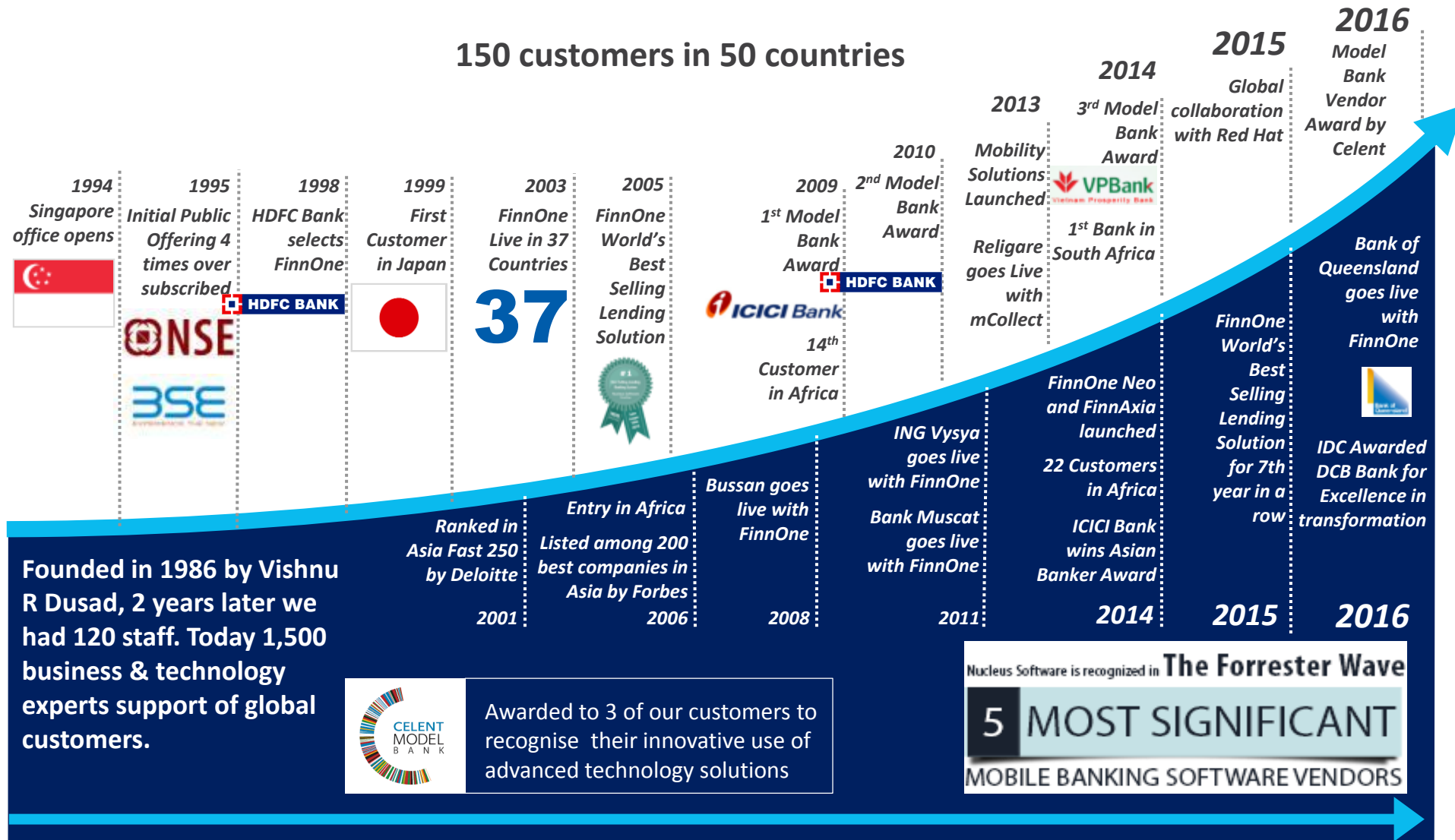


**CELENT**

# 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

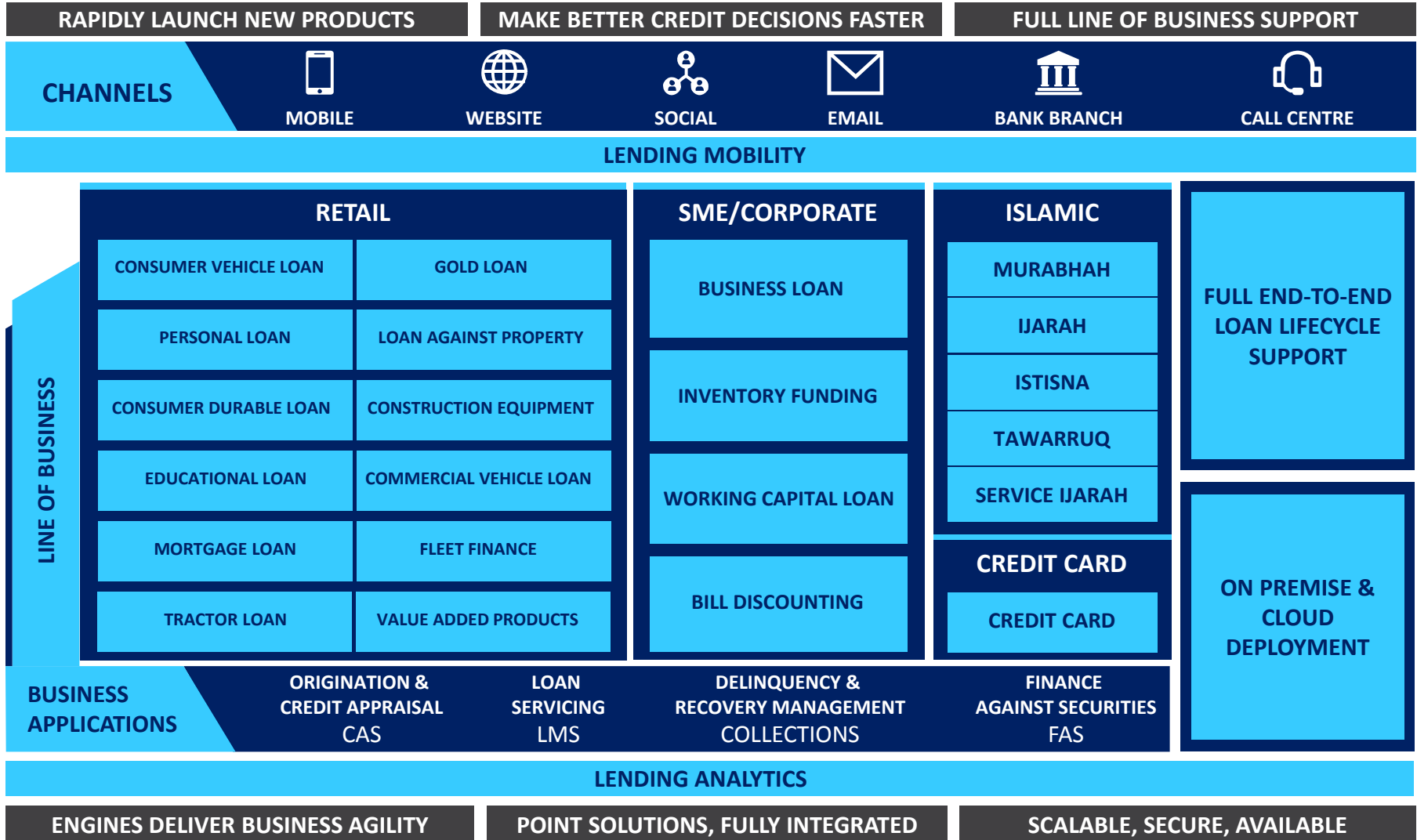
Formatting

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

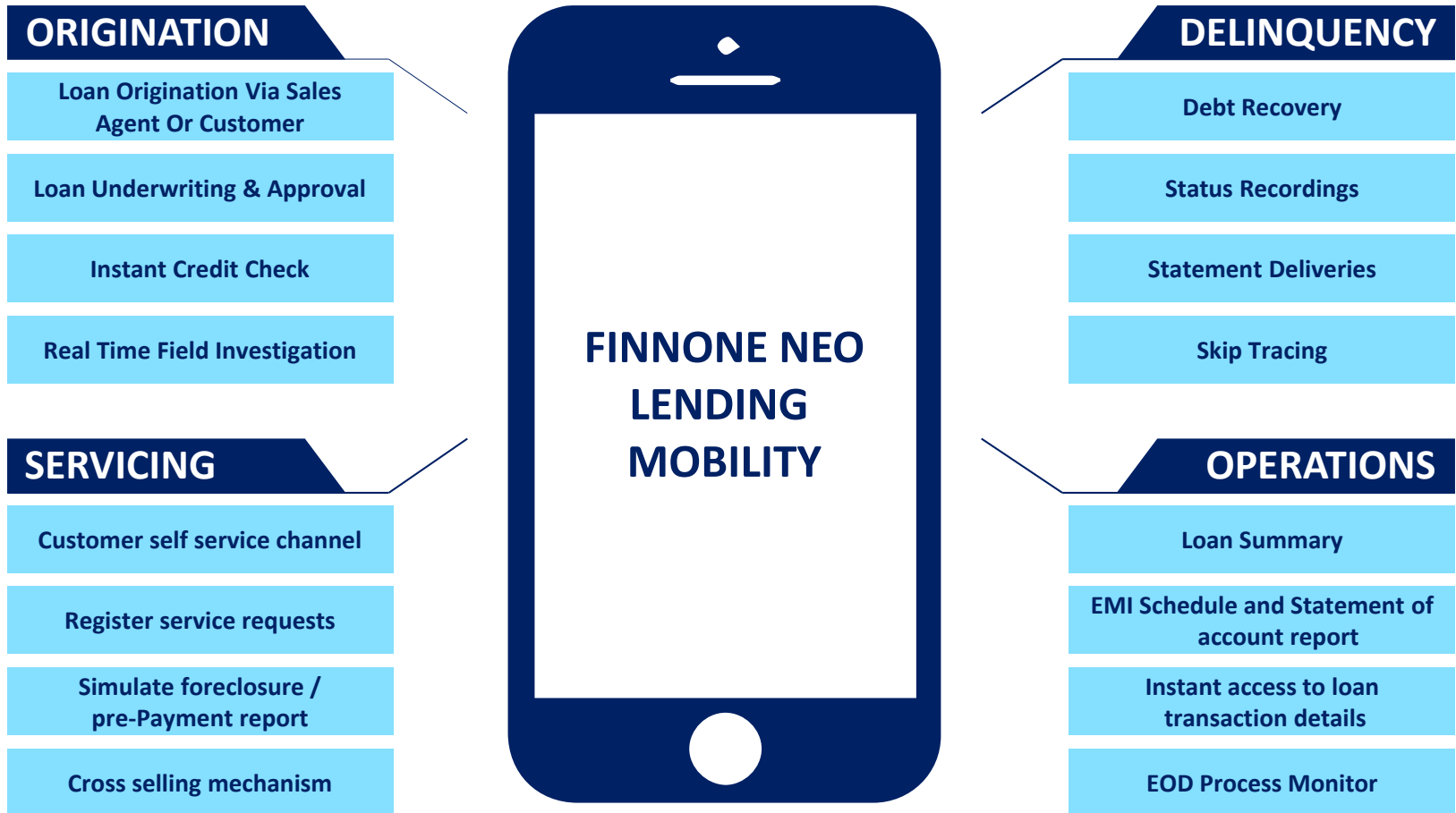
Maximize collections and avoid delinquencies with efficient behavioral scorecard and pre delinquency management strategies



**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**

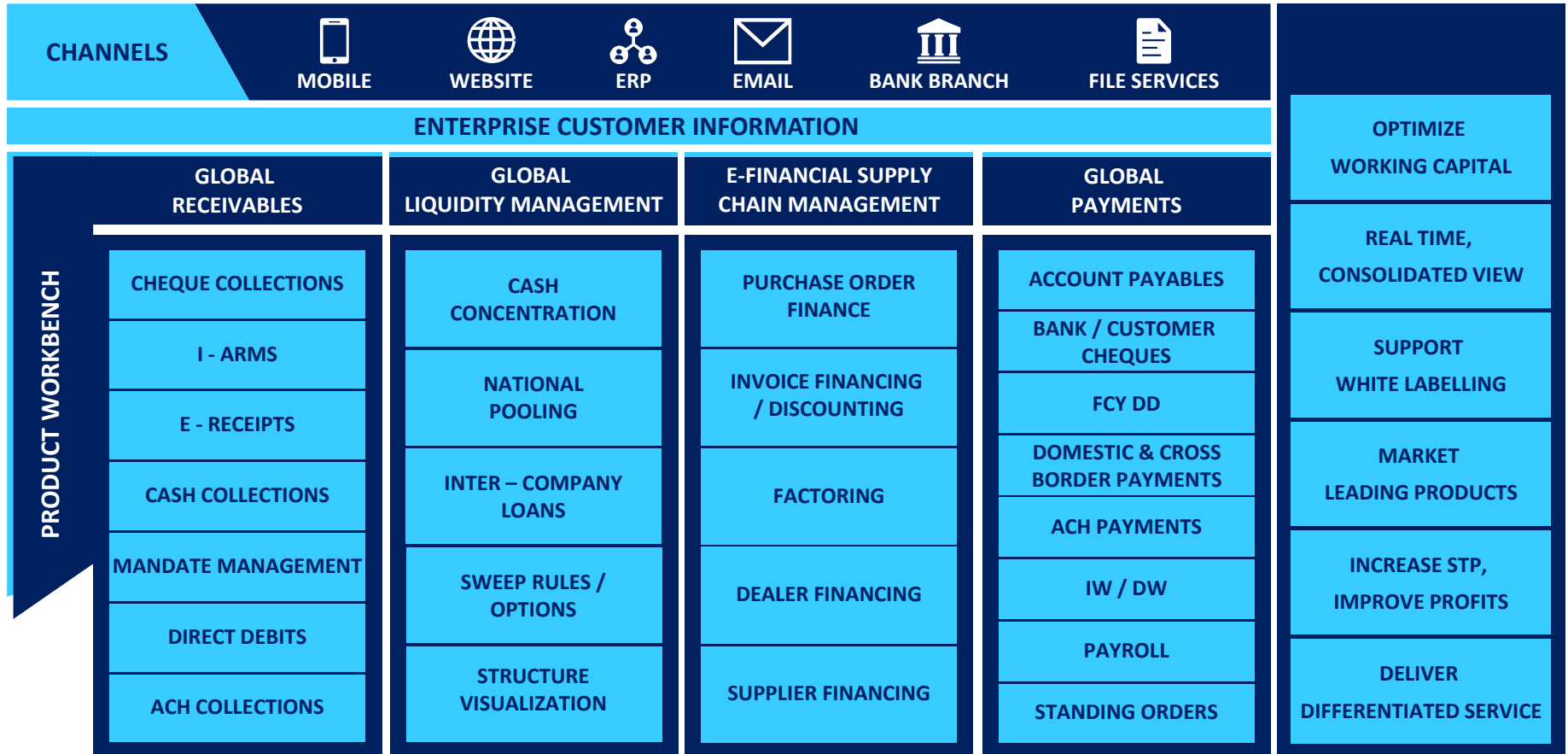
**DELIVER  
DIFFERENTIATED  
SERVICE**

**INCREASE STP,  
IMPROVE PROFITS**

**REGULATORY  
COMPLIANCE**

# FinnAxia For Unified Working Capital Finance Management

## Tap Into The Growth Of Transaction Banking



# Well Positioned

## Expanding Worldwide

# \$63.4million

**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

**+11%**  
Revenue YoY

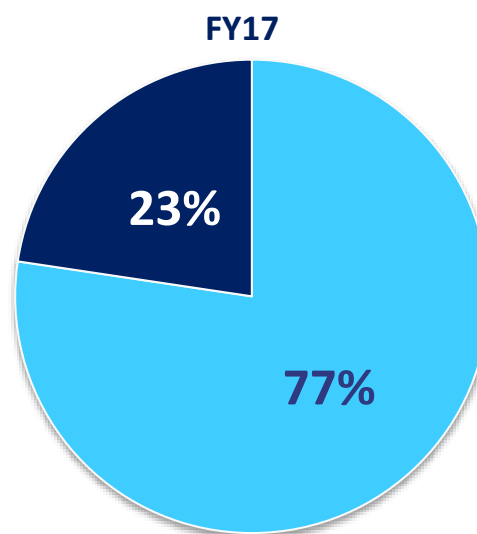
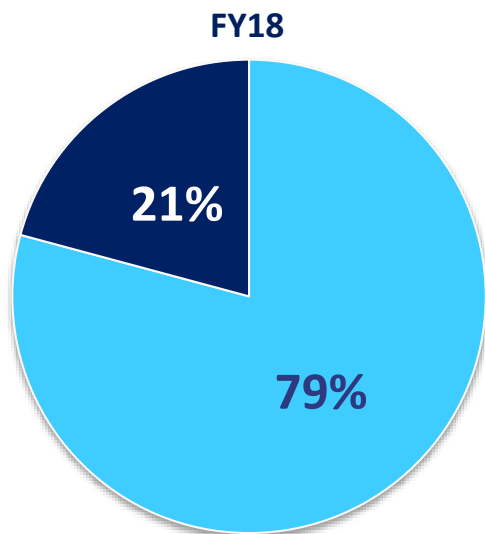
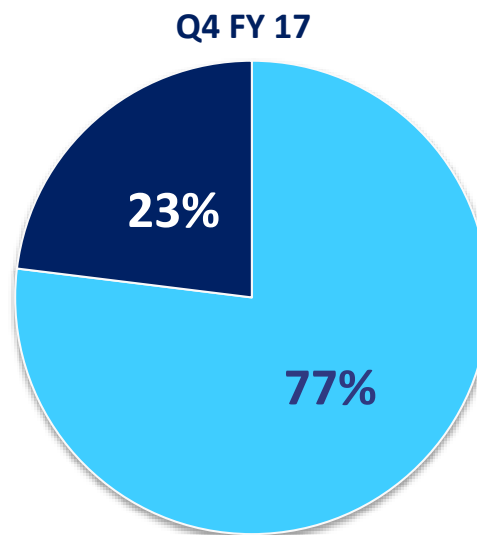
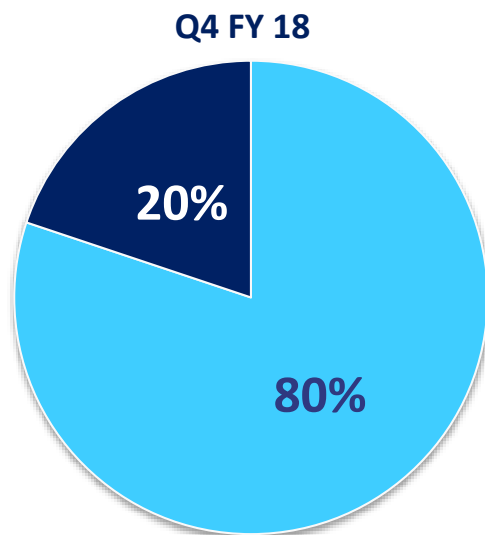
**+9%**  
EBITDA YoY

**-5%**  
PAT YoY

# Financial Highlights

	FY 18	FY 17
REVENUE	RS. 411.8 CRORE	RS. 372.4 CRORE
PRODUCT	RS. 326.1 CRORE	RS. 288.1 CRORE
EBITDA	RS. 58.2 CRORE	RS. 53.3 CRORE
PAT	RS. 62.6 CRORE	RS. 66.2 CRORE
EPS	RS. 20.47	RS. 20.43

# Revenue Breakdown - Business Segment-wise

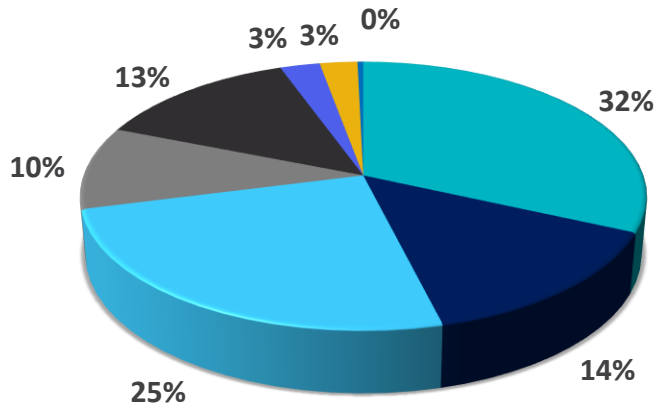


■ PRODUCT REVENUE  
■ PROJECTS & SERVICES

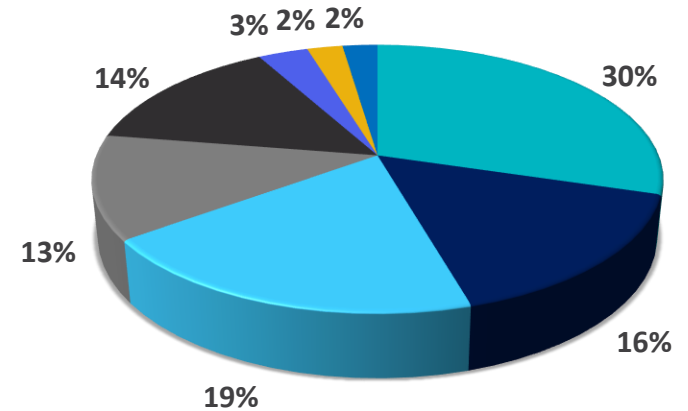


# Revenue Breakdown - Geography Segment-wise

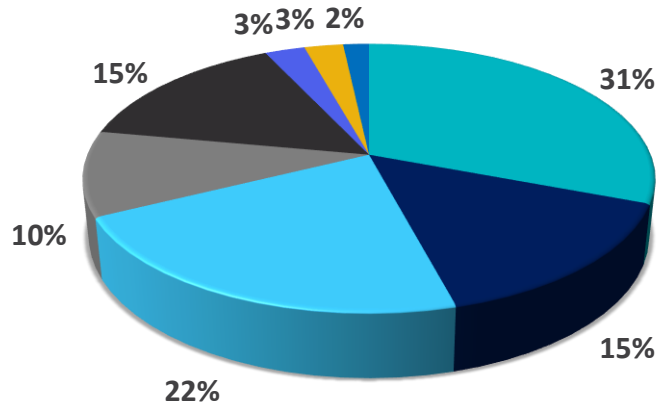
**Q4 FY 18**



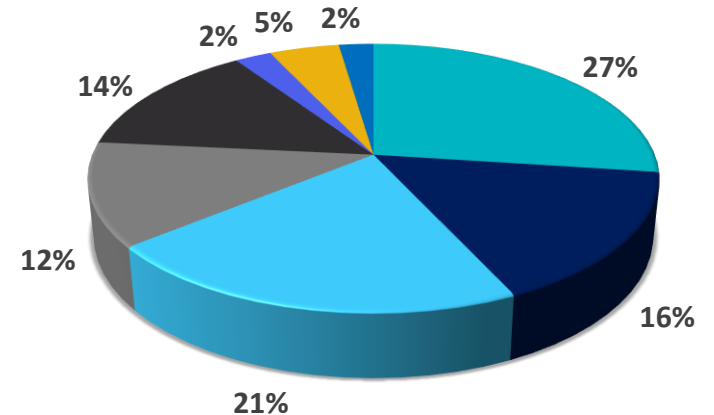
**Q4 FY 17**



**FY18**



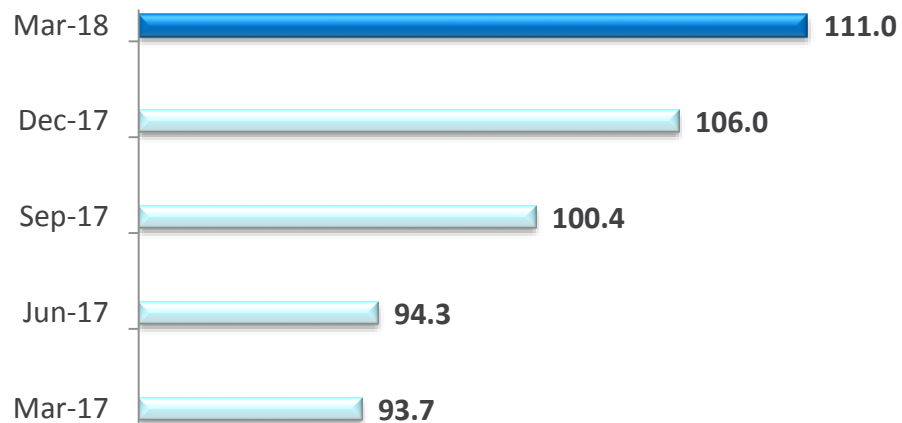
**FY17**



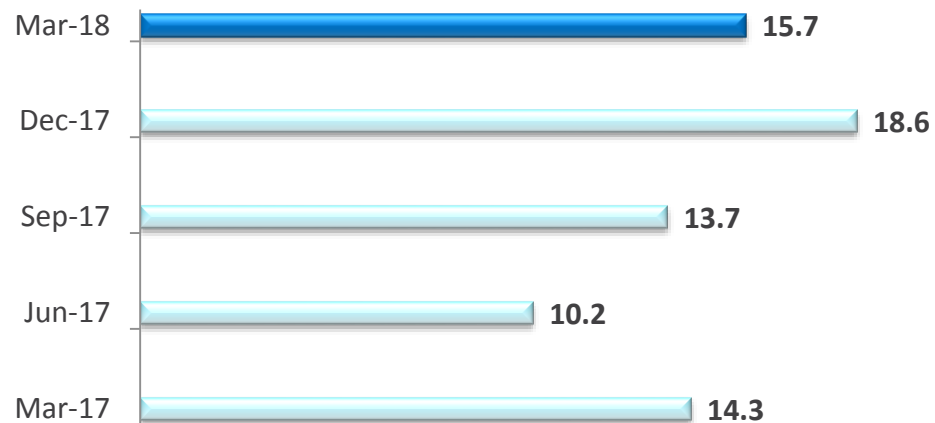
# Graphs

## Quarterly

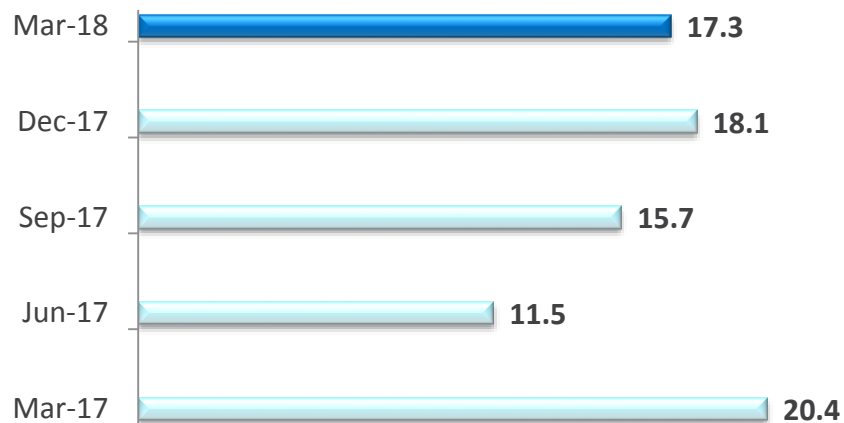
**Revenue (in Rs crore)**



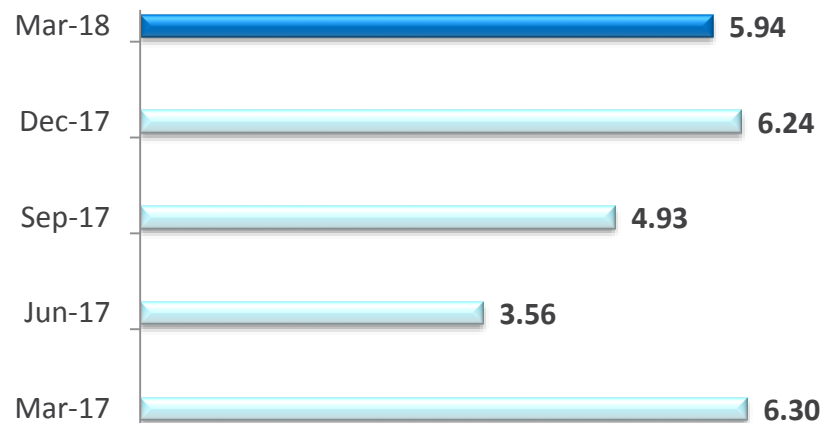
**EBITDA (in Rs crore)**



**PAT (in Rs crore)**



**EPS (in Rs )**



# Financials at Glance

## Quarterly

In Rs. crores

	QUARTER ENDED							
	Mar-18	%	QoQ	YoY	Dec-17	%	Mar-17	%
<b>REVENUE</b>	<b>111.0</b>	<b>100%</b>	<b>5%</b>	<b>19%</b>	<b>106.0</b>	<b>100%</b>	<b>93.7</b>	<b>100%</b>
Software Dev. Exp.	77.5	70%	12%	19%	69.3	65%	65.0	69%
<b>GROSS PROFIT</b>	<b>33.5</b>	<b>30%</b>	<b>-9%</b>	<b>17%</b>	<b>36.7</b>	<b>35%</b>	<b>28.7</b>	<b>31%</b>
Selling & Marketing .Exp.	6.7	6%	-23%	81%	8.7	8%	3.7	4%
General & Admin Exp.	11.2	10%	19%	4%	9.4	9%	10.7	11%
<b>EBITDA</b>	<b>15.7</b>	<b>14%</b>	<b>-15%</b>	<b>10%</b>	<b>18.6</b>	<b>18%</b>	<b>14.3</b>	<b>15%</b>
Other Income	7.5	7%	38%	8%	5.4	5%	6.9	7%
Depreciation	1.7	2%	-4%	-9%	1.8	2%	1.9	2%
<b>PBT</b>	<b>21.5</b>	<b>19%</b>	<b>-3%</b>	<b>11%</b>	<b>22.2</b>	<b>21%</b>	<b>19.3</b>	<b>21%</b>
Taxation	4.2	4%	2%	485%	4.1	4%	(1.1)	-1%
<b>PAT</b>	<b>17.3</b>	<b>16%</b>	<b>-5%</b>	<b>-15%</b>	<b>18.1</b>	<b>17%</b>	<b>20.4</b>	<b>22%</b>

# Financials at Glance

## Yearly

In Rs. crores

	YEAR ENDED				
	Mar-18	%	YoY	Mar-17	%
<b>REVENUE</b>	<b>411.8</b>	<b>100%</b>	<b>11%</b>	<b>372.4</b>	<b>100%</b>
Software Dev. Exp.	280.7	68%	15%	244.5	66%
<b>GROSS PROFIT</b>	<b>131.1</b>	<b>32%</b>	<b>3%</b>	<b>127.9</b>	<b>34%</b>
Selling & Marketing .Exp.	32.8	8%	-10%	36.5	10%
General & Admin Exp.	40.1	10%	5%	38.1	10%
<b>EBITDA</b>	<b>58.2</b>	<b>14%</b>	<b>9%</b>	<b>53.3</b>	<b>14%</b>
Other Income	28.7	7%	-11%	32.1	9%
Depreciation	7.0	2%	-37%	11.2	3%
<b>PBT</b>	<b>79.9</b>	<b>19%</b>	<b>8%</b>	<b>74.3</b>	<b>20%</b>
Taxation	17.3	4%	114%	8.1	2%
<b>PAT</b>	<b>62.6</b>	<b>15%</b>	<b>-5%</b>	<b>66.2</b>	<b>18%</b>





**NUCLEUS  
SOFTWARE**

# Thank you



**NUCLEUS  
SOFTWARE**

**SALES@NUCLEUSSOFTWARE.COM**  
**WWW.NUCLEUSSOFTWARE.COM**

© 2016 NUCLEUS SOFTWARE. ALL RIGHTS RESERVED.

**GLOBAL OFFICES:** AMSTERDAM | CHENNAI |  
DUBAI | JAIPUR | JOHANNESBURG | LONDON |  
MANILA | MUMBAI | NEW DELHI | NEW JERSEY |  
NOIDA | SINGAPORE | SYDNEY | TOKYO.