

# Intellect Design Arena Limited

**Earnings Announcement**  
**Q1 FY18 ending 30<sup>th</sup> June 2017**

August 11, 2017



# Disclaimer

'Intellect Design Arena Limited is in the process of rights issue of its equity shares which is subject to receipt of requisite approvals, market conditions and other considerations and has filed the letter of offer with the stock exchanges. The Issue opened for subscription on July 26, 2017 and closed on August 9, 2017. The letter of offer is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) as well as on the website of the lead manager at [www.sparkcapital.in](http://www.sparkcapital.in).



## Executive Summary- Q1 FY 18

Q1 FY18  
Highlights

- Intellect revenue grew 22% in dollar terms over last year same quarter. Revenues stood at \$ 37.41 mn (in INR 241.2 Cr) as compared to \$30.74 mn (in INR 205.8 cr) in the same quarter last year
- Gross Margin stood at 119 Cr in Q1 FY 18 as against 105 Cr in the same quarter last year
- The company registered positive EBITDA which stood at Rs. 16.15 Cr and positive Net Profit
- For two quarters in a row, collections are above operating revenues. Collections for Q1FY 18 stood at Rs. 258.5 Cr.



# Executive Summary- Q1 FY 18

Q1 FY18  
Highlights

- Days of Sales Outstanding (DSO) improved by 24 days, falling from 182 days in the last year to 158 days in Q1FY18.
- License and AMC revenue for Q1 FY 18 LTM grew by 27% as against the same quarter last year
- Revenue from Advanced Markets stood at Rs. 110.63 Cr and revenue from Emerging Markets stood at Rs. 130.54Cr



Acclaimed by  
Experts

# Leadership Position

FORRESTER®

Forrester report,  
Global Banking  
Platform Deals  
Survey 2017

## Global Pursuer

Ranked 3rd consecutive  
year for New Named Deals

## Global Player

Ranked 5th consecutive  
year for Combined Deals  
(New and Existing Deals)



# Financial Highlights



# Q1 FY 18 Financial Highlights

Q1 FY18

**37.41 Mn \$**

Revenues for Q1 FY 18 \$  
terms

**22%** ↑

YoY revenue  
growth

**₹ 241.2 Cr**

Revenues for Q1 FY18 INR  
terms

**17%** ↑

YoY revenue  
growth

**119 Cr**

Gross margin

**49.2%**

Gross margin %

Average USD – INR Conversion rate  
for the quarter (1<sup>st</sup> April 2017 – 30th  
June 2017) stands at Rs. 64.46



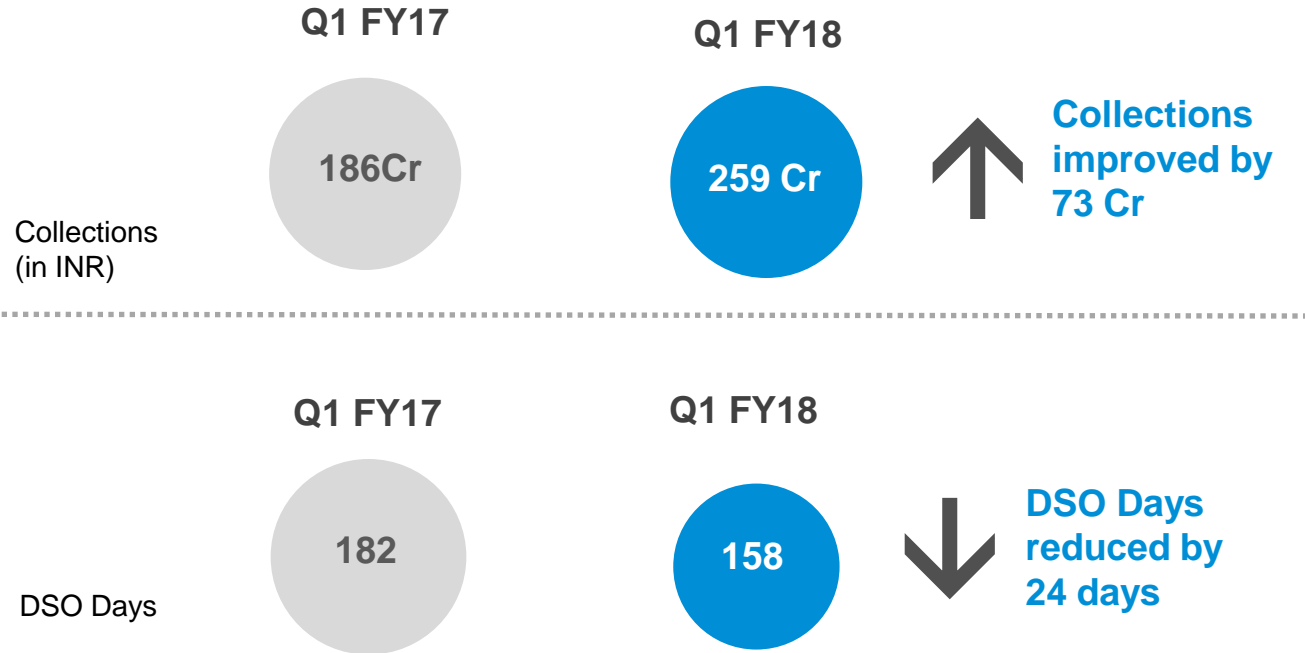
## Financial Performance

### Reduction of DSOs

Healthy Collections for two quarters in a row

Collection of Rs 259 Cr in Q1 FY 18 was higher than the revenue of Rs 241 clocked in this quarter

# Collections

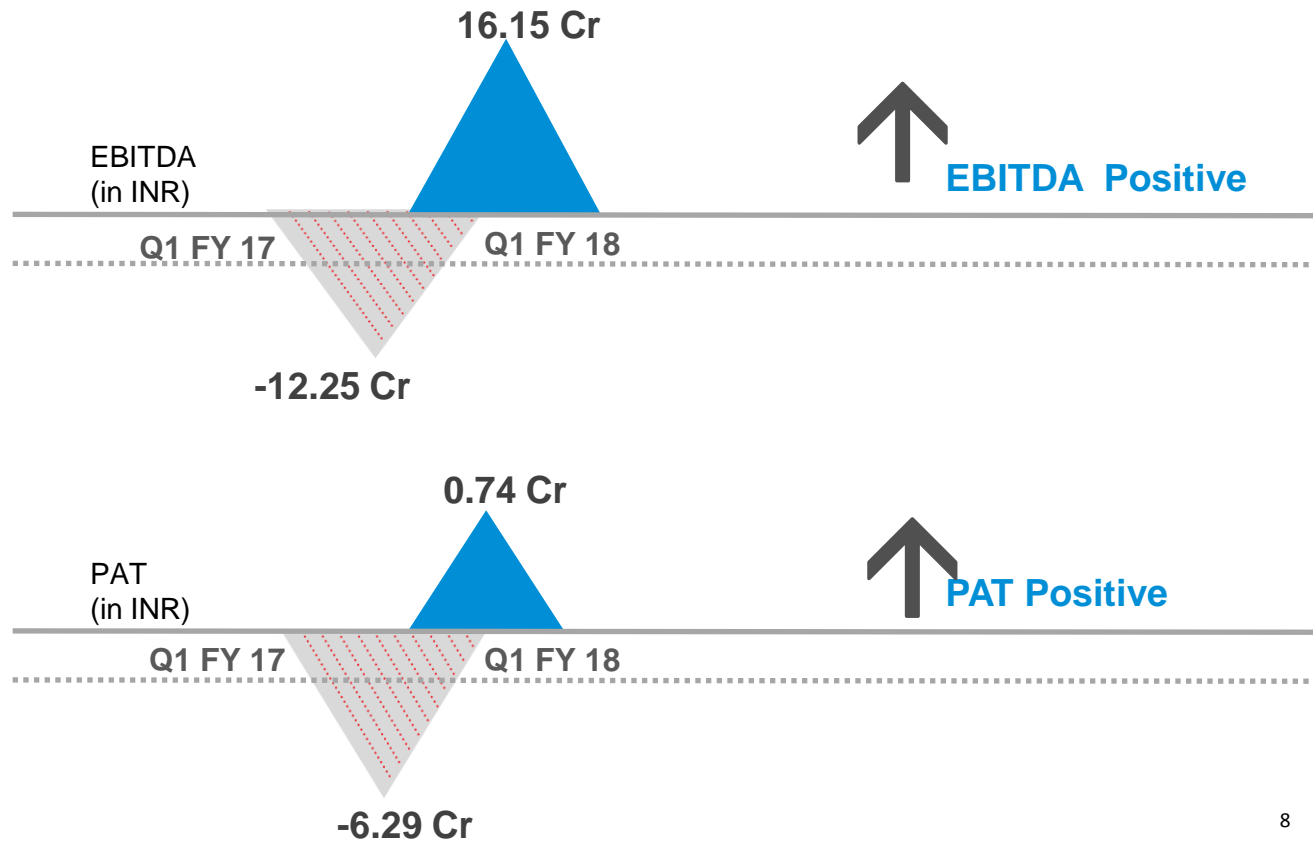


Receivables Days (DSO) has been calculated based on annualising the revenue for the period ending 30<sup>st</sup> June 2017 and as per the formula used in the LOF i.e:  $(\text{Trade Receivables} + \text{Revenue Accrued But not billed}) / \text{Total Revenue} * 365$ , as per the Consolidated Summary Statements





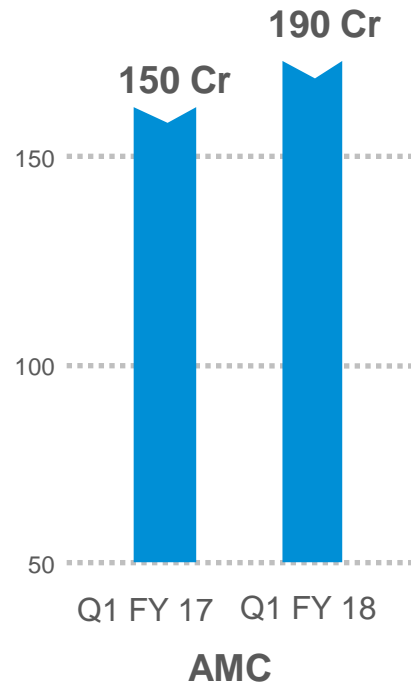
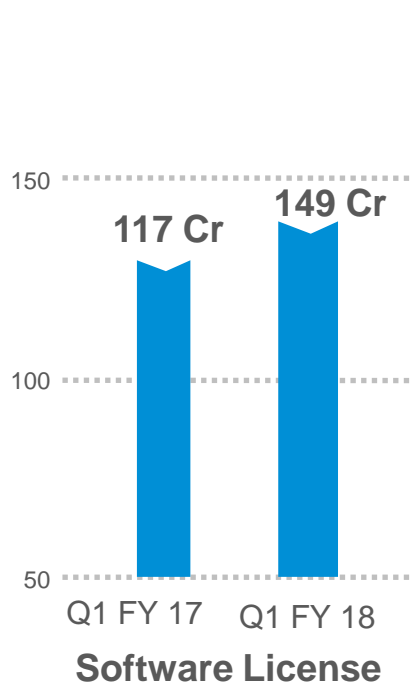
# Significant Milestones





## License and AMC Revenue-LTM

License and AMC revenue for Q1 FY18 LTM grew by 27% as against the LTM of the same quarter last year

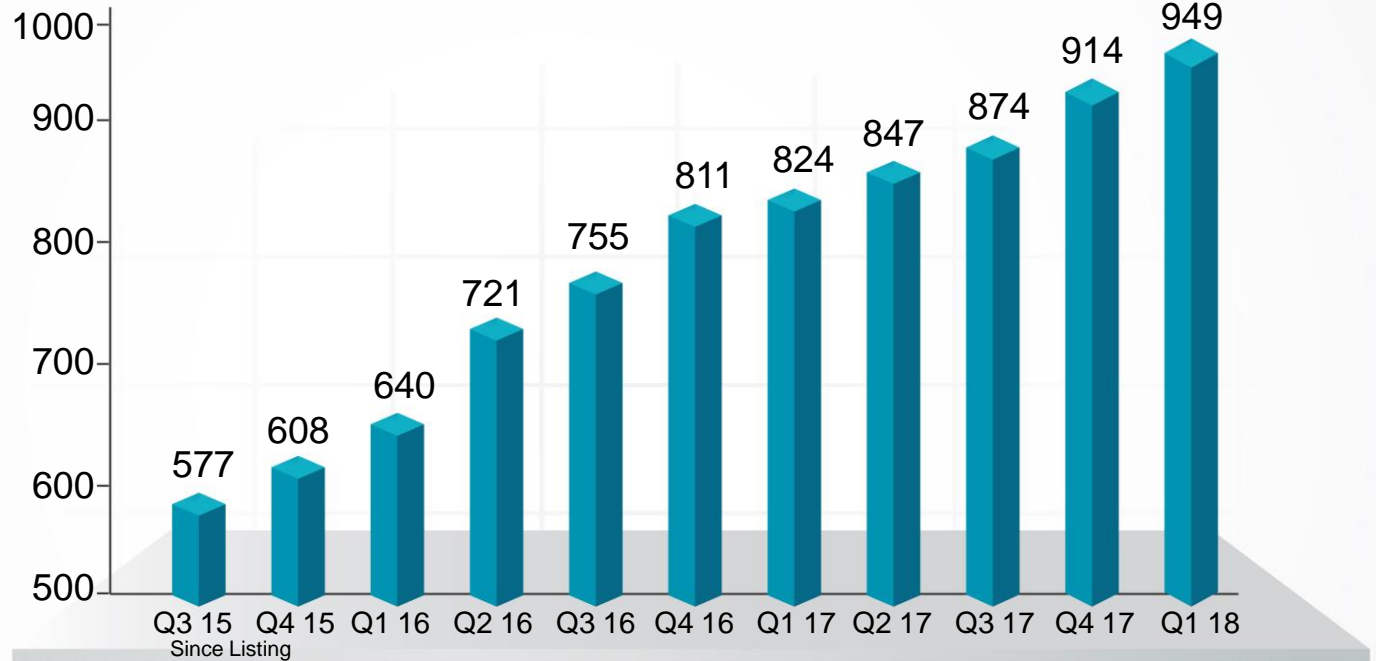


# Financial Growth

Positive Trending  
Performance over  
11 quarters

LTM = Revenue of current  
quarter + last three quarters

Operating revenue trend on LTM basis (INR Crs)





# Revenue contribution

## Revenue from Advanced Markets

Rs. 110.63 Cr in Q1 FY 18

Rs 94.88 Cr in Q1 FY 17

↑ Up by  
15.75 Cr

## Revenue from Emerging Markets

Rs. 130.54 Cr in Q1 FY 18

Rs. 109.71 Cr in Q1 FY 17

↑ Up by  
20.83 Cr



## Financial Performance

# Financial Results for the First Quarter FY18 Ended June 30, 2017

Rs. In Lakhs

Particulars	QUARTER ENDED			YEAR ENDED
	June 30, 2017 (Q1 FY 18)	March 31, 2017 (Q4FY17)	June 30, 2016 (Q1 FY17)	March 31, 2017 (FY17)
<b>INCOME</b>				
Revenue from Operations	24,116.80	25,035.15	20,580.25	91,357.50
<b>EXPENDITURE</b>				
Software development expenses	12,255.40	12,465.39	10,122.64	46,326.00
Selling & marketing and General & Administrative expenses	8,627.22	8,559.52	10,127.20	39,102.94
Research & Engineering expenses	1,424.27	1,673.69	1,429.35	7,192.08
Provision for Debts and Write offs	195.00	772.14	126.00	1,233.16
<b>Total Expenditure</b>	<b>22,501.89</b>	<b>23,470.74</b>	<b>21,805.19</b>	<b>93,854.18</b>
<b>EBITDA</b>	<b>1,614.91</b>	<b>1,564.41</b>	<b>(1,224.94)</b>	<b>(2,496.68)</b>
Depreciation/Amortisation	588.80	600.58	591.13	2,413.99
Finance Charges	418.39	402.50	161.09	1,130.24
<b>Profits / (Loss) before other income / minority interest</b>	<b>607.72</b>	<b>561.33</b>	<b>(1,977.16)</b>	<b>(6,040.91)</b>
Other Income including exceptional items	298.64	177.98	1,572.97	3,429.72
Minority Interest/ Share of profit/(loss ) of Associate Companies	(469.32)	31.98	125.28	656.24
<b>Profit / (Loss) before tax</b>	<b>437.04</b>	<b>771.29</b>	<b>(278.91)</b>	<b>(1,954.95)</b>
Provision for taxation	363.24	(705.87)	350.00	283.63
<b>Profit / (Loss) after tax</b>	<b>73.80</b>	<b>1,477.16</b>	<b>(628.91)</b>	<b>(2,238.58)</b>

Function wise classification of statement of Profit and Loss Account (Consolidated Unaudited)



# Management Commentary



**Arun Jain**

Chairman & Managing Director

**Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited** said, *“We are consistently winning deals with financial institutions worldwide and this is a validation of our technology, delivery and customer engagement. Our proactive investments in building next generation technologies like Digital on Native Cloud, Artificial Intelligence on Big Data have placed Intellect in a premium position. Intellect being rated #2 in Digital Banking by IBS Intelligence globally is yet another endorsement of the customer experience provided by us among crowded competition.”*



**S Swaminathan**

Chief Financial Officer

**S Swaminathan, Chief Financial Officer, Intellect Design Arena Limited,** said, *“We are happy to observe for the second consecutive quarter, the cost and cash management initiatives have been sustained in delivering positive EBITDA as well as reduction in DSO days.”*”



# Fund Raising Plan





# Fund Raising Plan

Our Company's issue of equity shares to its shareholders, of INR 198.97 crores, (**Issue**) opened for subscription on July 26, 2017 and closed on August 9, 2017. The equity shares to be issued pursuant to the Issue are, on finalization of the basis of allotment and subject to receipt of final approvals, expected to be listed within the timeframe prescribed by applicable regulations

