



## **PRESS RELEASE**



**Mumbai, November 7, 2016**

### **INTRASOFT TECHNOLOGIES LIMITED REPORTS** **Q2 REVENUES UP 42% TO Rs. 219 Cr AND** **PAT UP 225% TO Rs. 5.40 Cr**

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Unaudited Consolidated Financial Results for the Quarter ended September 30, 2016.

**Q2 FY2016-17 HIGHLIGHTS:** (All comparisons are with Q2 FY2015-16 figures)

- **Total Income at Rs. 218.98 Cr. up by 42% from Rs. 153.92 Cr.**
- **Profit after Tax (PAT) at Rs 5.40 Cr. up by 225% from Rs 1.66 Cr.**

**H1 FY2016-17 HIGHLIGHTS:** (All comparisons are with H1 FY2015-16 figures)

- Total Income at Rs. 441.15 Cr. up by 62% from Rs. 271.59 Cr.
- Profit after Tax (PAT) at Rs 8.05 Cr. up by 179% from Rs 2.89 Cr.

**Trailing Twelve Months ended 30th September, 2016 HIGHLIGHTS:**

- Total Income at Rs. 886.31 Cr.

#### **MANAGEMENT'S STATEMENT**

Commenting on the results, Mr. Arvind Kajaria, Managing Director said, "We are pleased with our performance this past quarter where clearly, benefits from automation translated into an increase in margins. We continue to believe, that as we achieve economies of scale, it will lead to better efficiencies enabling us to have a competitive edge in an ever expanding market.

We are well positioned to enter the holiday season with key improvements across assortment, merchandising and marketing - and look forward to further strengthen our position as one of the top growing online retailers in US.

In October, our subsidiary 123Stores, Inc, secured a \$8.0 million Line of Credit from UPS Capital®, a subsidiary of UPS®, one of the world's largest package delivery company and a provider of supply chain management solutions. This facility provides added funding to support our growth and strategic initiatives. This financial flexibility will substantially lower our cost of capital, drive significant revenues and profitability to meet our strategic goals as we continue to build long-term shareholder value. We believe that the leverage that this facility affords us will enable us to eliminate further equity dilution.



**Highlights**

**E-COMMERCE BUSINESS**

The E-Commerce business saw tremendous performance growth and improvement in all parameters during the quarter.

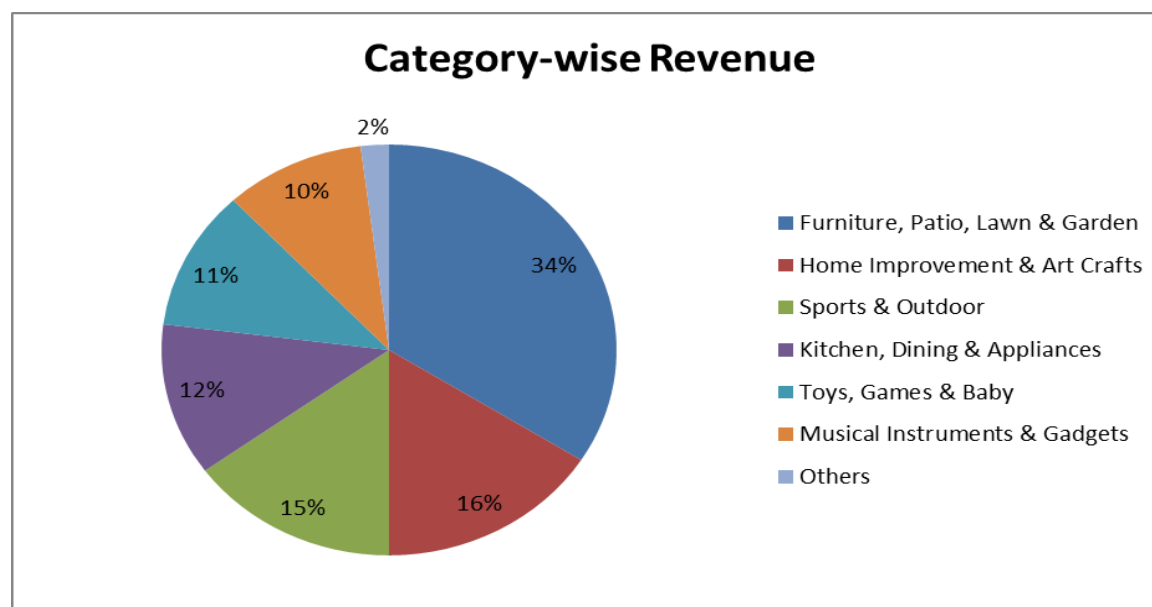
**Revenue:**

Particulars	Q2 FY 2016-17	Q2 FY 2015-16	Growth (%)
E-Commerce Revenue	215.01 Cr.	150.59 Cr.	43%

E-Commerce Revenues increased from Rs 150.59 Cr. to Rs 215.01 Cr. during the quarter, a growth of 43% Y-o-Y. This growth was across all product categories, with Furniture, Patio, Lawn & Garden being the largest contributor.

The Company added 37 new suppliers and 20,000 products during the quarter taking the total to 1783 Suppliers & 555,000 Unique Products.

The Top Product Categories by Revenues during Q2 FY2016-17 were



Product Categories	% of Sales
Furniture, Patio, Lawn & Garden	34%
Home Improvement & Art Crafts	16%
Sports & Outdoor	15%
Kitchen, Dining & Appliances	12%
Toys, Games & Baby	11%



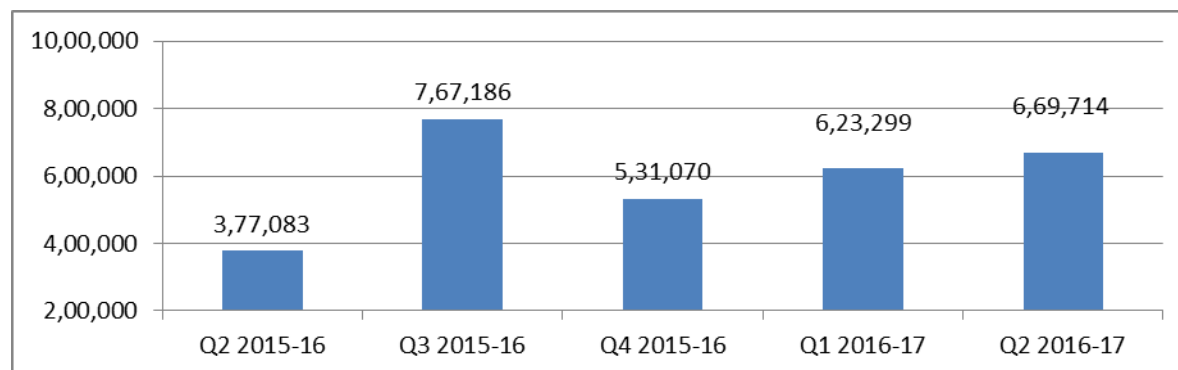
Musical Instruments & Gadgets	10%
Others	2%

**Orders:**

Particulars	Q2 FY 2016-17	Q2 FY 2015-16	Growth (%)
Orders	669,714	377,083	78%

The Number of Orders grew tremendously over the quarter from 377,083 to 669,714, a growth of 78% Y-o-Y. Our proprietary technology platform allows us to scale order volumes with minimal human intervention, enabling cost savings as we grow volumes.

The Number of Orders Shipped during the last 5 quarters were



Quarter	Orders
Q2 2016-17	669,714
Q1 2016-17	623,299
Q4 2015-16	531,070
Q3 2015-16	767,186
Q2 2015-16	377,083

**Gross Margin:**

Particulars	Q2 FY 2016-17	Q2 FY 2015-16	Improvement (%)
Cost of Goods Sold (Inc. Shipping)	80.2%	82%	1.8%
Gross Margin	19.8%	18%	

As the sales momentum continues to improve, we are continuing to see an improvement in Gross Margins from our existing products and suppliers, evidenced in our margin improvement from 18% to



19.8% Y-o-Y. As the sales momentum continues to improve, the overall Cost of Goods Sold will trend downwards as we derive benefits from economies of scale.

**Inventory:**

As on 30<sup>th</sup> September, 2016, Inventory at our fulfillment centers was Rs. 58.32 Cr.

Inventory Turnover, average (Trailing Twelve Months) was 10.7, reflecting an increase in inventory for the Holiday Season.

Additionally, Goods in transit as on 30<sup>th</sup> Sept 2016 was Rs. 24.23 Crore to cater to the Holiday Season demand.

**Accounts Payable Days:**

As on 30<sup>th</sup> September, 2016, Accounts Payable days (Trailing Twelve Months) for our E-Commerce Business stood at 17 Days up from 14 days in the previous quarter, reflecting improvement in our Working Capital efficiency.

Accounts Receivable Days (Trailing Twelve Months) remained constant at 4 Days.

**Revenue per Employee:**

Revenue per employee increased from Rs. 278 Lakhs (TTM Q2-FY16) to Rs. 462 lakhs (TTM Q2-FY17) as we increased investments in our technology, leading to higher levels of automation. We expect gains in productivity to continue as automation and process optimization drive efficiencies.

**OTHER INCOME**

The increase in Other Income was due to switching among schemes in the Mutual Fund Portfolio.

**CONFERENCE CALL**

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly & Half Yearly Financial Performance for Q2 FY2016-17 on **Tuesday, November 8<sup>th</sup>, 2016 at 12.30 p.m. (IST)**. Investors and participants can access the call by dialing either of the following access numbers.

<b>Access Numbers</b>	
Primary Number:	+91 22 3960 0711
Secondary Number:	+91 22 6746 8311
Toll Free Number:	USA: 1866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448

The Participants from IntraSoft Technologies Ltd would be **Mr. Arvind Kajaria (Managing Director)** and **Mr. Mohit Kumar Jha (Chief Financial Officer)**. An archive of the conference call transcript will be available at [www.itlindia.com](http://www.itlindia.com).



**ABOUT INTRASOFT TECHNOLOGIES LIMITED:**

IntraSoft Technologies Limited owns & operates 123Stores, an Online E-Commerce Retailer.

123Stores, Inc. is a multi-channel E-Commerce retailer with a strong technology backbone that combines supply chain logistics with real time customer data to create a compelling shopping experience. The Company is ranked #262 on the Internet Retailers 2015 Top 500 list and is ranked #1,641 in Inc. 5,000 list of fastest growing private US companies.

IntraSoft Technologies Limited also owns & operates 123Greetings.com, the world's leading online destination for human expressions reaching 95 million visitors annually.

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This document includes certain forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company operates in the future. IntraSoft Technologies Limited may make additional written and oral forward looking statements and is under no obligation to update or alter its forward-looking statements to reflect actual results, changed assumptions or other factors.