



IntraSoft Technologies Limited

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November 12, 2019

Corporate Relationship Department

BSE Limited
P.J.Towers, Dalal Street,
Fort, Mumbai

Listing Department

National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Mumbai

Scrip code: 533181 / ISFT

Dear Sir,

Sub: Press Release on Financial Results

Ref: Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to captioned matter, please find enclosed herewith a copy of press release proposed to be released by the Company on Financial Results for the quarter and half year ended on September 30, 2019.

This is for your information and records.

Thanking You,

Yours faithfully,
For IntraSoft Technologies Limited

Pranvesh Tripathi
Company Secretary & Compliance Officer



Encl: as above

PRESS RELEASE



Mumbai, 12 November 2019

INTRASOFT TECHNOLOGIES LIMITED REPORTS **RESULTS FOR Q2 FY 2019-20**

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Results for the Quarter and Half Year ended 30 September 2019.

Q2 FY2019-20 HIGHLIGHTS: (All comparisons are with Q2 FY2018-19 figures)

- Operating Cash Flow of the E-Commerce business for the quarter was \$0.05 million, as against \$1.01 million during the same quarter last year.
- Consolidated Revenue from operations was ₹157.14 Cr. as compared to ₹215.83 Cr.

MANAGEMENT'S STATEMENT ON THE E-COMMERCE BUSINESS

"We are pleased to continue our positive cash flow trend, as we continued our focus internally, on our product (technology) and our business model," said Arvind Kajaria, Managing Director.

"We improved our operational efficiencies, reflected by three inter-linked cost elements – Cost of Goods Sold, Shipping & Handling, and Sales & Marketing. The summation of these costs (as a percentage of revenue) came down 1.52 percentage points YoY and 0.73 percentage points QoQ.

A key metric of our performance, and the first point of impression for brands, is our Rating on the marketplace, which is indicative of the level of supply chain efficiency. Over the quarter, our 30-day Rating (signifying current performance) increased organically from 89% to 94% (currently at 96%), the result of our robust technology.

The industry is currently in the middle of the US-China tariff war. An implication of this being the rise in prices at each level of the supply chain, making demand sluggish. Had we been operating under the earlier model of buy-sell, we would have been caught in the middle of this tariff war. Under the new model, however, the impact was confined to topline, as the brands are temporarily more focused towards grappling with the tariff-related uncertainties, making it difficult to onboard them or increase business with them in the short-term.

Thus, with our model and our internal efficiencies, we believe we can withstand short-term volatilities in the economy and the industry, with least possible impact.”

Revenue

Revenue from operations was \$22.06 million as compared to \$30.28 million.

“The lower level of revenue was also the result of a conscious decision to reduce purchases from non-cash generating brand-partners. We believe we have reached the bottom, and as we build our outreach team we are laying the foundation for future growth.”

Operating Margin

Operating Margin was +0.95% in Q2FY20 as compared to +0.63% in Q2FY19.

“Our focus continues to be on cash flow generation so as to ensure that we can grow on a sustainable basis.”

Accounts Payable

Accounts Payable at the end of 30 September was \$3.92 million, as compared to \$4.24 million last quarter, and \$3.69 million same time last year, reflecting 18.2, 16.4 and 13.5 Accounts Payable Days on an annualized basis respectively.

“Accounts Payable Days increased this quarter, both in relation to the previous quarter and the corresponding quarter last year, indicating consistently increasing brand-partner confidence in our value proposition.”

Inventories

Inventories at the end of 30 September was \$14.2 million, reflecting 5 turns on an annualized basis.

Of the \$14.2 million, \$7.1 million worth of inventories were at the fulfillment centers, \$5.7 million worth of goods were in transit from suppliers to the fulfillment centers & \$1.4 million worth of goods were in transit to the customers.

Accounts Receivable

Accounts Receivable at the end of 30 September was \$1.35 million, reflecting approximately 5.2 Accounts Receivable Days on an annualized basis.

Notes

1. The Company's primary business is in the area of E-Commerce, carried out by its wholly owned subsidiary in the United States of America. Accordingly, the updates for E-Commerce reflect the consolidated performance of the E-Commerce division only, and not the consolidated operations of IntraSoft Technologies Ltd.
2. Accounts Payable reflects amounts due to our suppliers, carriers, fulfillment partners & payment services.
3. Inventories number reflects the total of goods in transit from suppliers to the fulfillment centers, inventories at the fulfillment centers & goods in transit to the customers (as the company recognizes revenue on delivery).
4. Net Working Capital numbers reflect updated numbers based on Accounts Payable & Inventories as per Notes 2 & 3 above.

ABOUT INTRASOFT TECHNOLOGIES LIMITED:

IntraSoft Technologies Limited owns & operates 123Stores, an 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 marketplace data to create a compelling selling platform. The Company is ranked #232 on the Internet Retailer's 2019 Top 1000 list and is ranked #689 in Inc. 5000 (2017) 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.

FOR MORE INFORMATION PLEASE CONTACT:

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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS:

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.