



PRESS RELEASE

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IRIS clocks robust growth in revenue and profits for Q2

Strong growth in revenues from its business with regulators, the Collect segment, allowed global Regtech, IRIS Business Services Limited, to turn in a 37% YOY growth in its revenues for Q2 FY 2024. Buoyed by this, the company grossed revenues of Rs 44.90 cr in H1FY24, a 30% growth over revenues of Rs 34.46 cr in H1FY23.

Profitability metrics too showed a marked improvement with an 88% jump in PAT between H1FY23 and H1FY24. EBITDA growth was more modest, showing a 28% growth over H1FY23.

"The improved performance gave us the flexibility on marketing and customer outreach where we increased our spends," company CEO S Swaminathan pointed out. In fact, expenses are up 28%, driven by higher employee costs as well improved salary packages and new hires at the senior level. "We still have some distance to cover and a lot of course correction to do on the salary front in order to be able to hire top tier talent," Swaminathan added. In this context, he pointed to the plans to seek approval of shareholders for a new ESOP pool as a crucial step to attract experience.

While the Create segment revenues growth has been modest at 11% between H1FY23 and H1FY24, the demand for IRIS' automated data flow product iDeal, which is used largely by BFSI firms for regulatory reporting, has picked up. In the absence of new mandates, growth in IRIS CARBON revenues was subdued, while IRIS' GST business grew at a moderate clip.

"We have always done well in the Create segment whenever there is a new mandate but to do well in a replacement market requires deep pockets," Balachandran, co-founder, said, explaining the low growth in IRIS CARBON revenues. "However, the interplay between the different business lines has helped us maintain growth momentum at an aggregate level, with the Collect business starting to ramp up again post Covid".

Elaborating on the way forward, Deepta Rangarajan, co-founder, said that while IRIS CARBON has so far used by companies world-wide primarily for their external reporting, it is being extended to go beyond mandates through the new collaborative Office 365 based Disclosure Management module that has been rolled out. "The IRIS CARBON Disclosure Management offering will be useful to the Office of the CFO for their entire range of internal and external reporting, taking our solution well beyond compliance filings, and making it a product for all seasons," she said.

Taking about the growing customer reviews for IRIS CARBON on platforms like Gartner and G2, she added, "Ensuring that we have a great offering has helped us get excellent reviews on various public forums, with our customer success team maintaining a deep levels of engagement with our customers. When you are as small as we are without deep pockets to launch a marketing campaign of any significance, these reviews and references play a crucial role in gaining more traction in the market."

Company CTO and whole time Director, P K X Thomas said "In the year or so that I have been here, we have managed to take the product up several notches." "We have also ramped up our development centre in Surat with young engineers under a dynamic leadership who can rapidly innovate to add value to our 'Made in India' product suite that is gaining traction worldwide", he added.

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