Iris business services turns profitable after 4 years of losses

Global Regtech major, IRIS Business Services Limited (BSE:IRIS) has turned profitable after being in the red for 4 consecutive years.

Navi Mumbai, Jun 29, 2020 (Issuewire.com) - IRIS BUSINESS SERVICES TURNS PROFITABLE AFTER 4 YEARS OF LOSSES

Global Regtech major, IRIS Business Services Limited (BSE:IRIS) has turned profitable after being in the red for 4 consecutive years. “Our performance in FY 2021 will be driven by just how much the pandemic affects our ability to acquire new customers,” said company CEO, S Swaminathan.

In its filing here today to the BSE, the company says that its performance in FY 2020 was driven by a solid revenue growth of 25 % supported by tight control over expenses whose increase was restricted to under 7%. “We are at the stage when operating leverage is kicking in,” explained company CFO, K Balachandran.

As a consequence, the company posted Profits after tax of Rs 46 lakhs in FY 2020 against losses of Rs 610 lakhs last year.

In FY 2020, revenues on a consolidated basis to Rs 5,157 lakhs from Rs 4,096 lakhs in FY 2019 even as expenses grew modestly to Rs 4,364 lakh from Rs 4,102 lakh in the year preceding. Annual recurring revenues have grown to 3,035 lakhs with a 3-year CAGR of 32.80%. Significantly, the growth of expenses over the last 4 years has been a low 4%

On a consolidated basis, the company registered a 24 fold increase in EBITDA which went up from Rs 33 lakhs in FY 2019 to Rs 826 lakhs in FY 2020. EBITDA margins too went up significantly, from 0.81% in FY 2019 to 16.01 % in FY 2020.

The company operates through three business segments.

FY 2020 (in INR Lakhs)

FY 2019 (in INR lakhs)

Segments

Revenues (INR)

Share (%)

YOY growth

Revenues

(INR)

Share (%)

Collect

2930

56.81

42.37%

2058

50.24

Create

1862

36.10

10.57%

1684

41.11

Consume

307

5.95

23.79%

248

6.05

The jump in the share of the Collect segment is because of a project from the Reserve Bank of India in partnership with TCS that has lumpy revenues, skewing the numbers," explained Balachandran. "Our focus continues to be on growing our SAAS revenues," he added. "In fact, we added 89 customers for our SAAS offerings", he added.

Description of segments

- The "Collect" segment serves regulators. iFile, the software product of this segment is an electronic disclosure platform helps regulators receive pre-validated data in XBRL from the businesses they regulate. Among the 30 regulators who are customers of iFile are Reserve Bank of India, ACRA, Singapore, CIPC South

- Products offered through the "Create" segment help enterprises create their submissions to regulators and are part of the company's growing portfolio of SAAS
- The "Consume" segment has two parts. Software products are one and a Data as a Service is another.

Company Contact: Vineet Kandoi

Ph: +91 9970015819

Email: vineet.kandoi@irisbusiness.com

Media Contact

IRIS Business Services Limited

info@iriscarbon.com

Source : IRIS Business Services Limited

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