



“Majesco Limited Investor Day Event 2019 Conference Call”

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MODERATOR: MR. DIWAKAR PINGLE, CHRISTENSEN IR

(Audio-Video Presentation)**Diwakar Pingle:**

Good morning. On behalf of Majesco Limited, I welcome you all to Investor Day event 2019. It is great to see a huge turnout and thank you for being with us today, especially for those where it took some travel. Throughout the session, we would be making forward-looking statements, such forward-looking statements are subject to certain risks and uncertainties, and Majesco will not be responsible for any action taken based on such statements, and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

We would be discussing the performance of the year gone past, as well as share some outlook, and what the future holds for us. And to do that today we have Adam Elster – CEO, Manish Shah – President and Chief Product Officer and Farid Kazani – Managing Director and Group CFO to take you through the presentation.

The agenda of today's schedule is as follows. Adam will start the proceedings with his views on the outlook and strategy, which will be followed by Manish who will first talk about the products and then proceed to present some demo videos of the products that our customers use. We initially intended to have booths that would showcase this capability, but looking at the turnout, we believe this is a better way of letting everyone here to view the demo.

This will be followed with the customer panel video. There is an abridged version of the live interaction with customers that we had during our Investor Day in NASDAQ market, a week ago. The video is engaging, I would recommend you to not take your bio breaks when this video is on. The bio break will be before the customer panel video.

We will wind up the proceedings with the financial update, which is what a lot of you might want to hear here. And to do that, we have Farid Kazani, who needs no introduction to this crowd.

We then follow with the Q&A and would request all of you to hold your questions for either Adam or Manish or Farid till the end of the Q&A to keep up with the tight schedule that we have.

It's also my honor to welcome the founders of Majesco here. Mr. Ashank Desai, Mr. Sudhakar Ram, Mr. Ketan Mehta and Mr. Radhakrishnan Sundar who is on his way, he will be joining us soon. Mindful of the environment, we have not made copies of the presentation here. And while I do understand some of you at the back might not be able to view all that is on the screen, the presentation will be uploaded on the exchanges and we will also send you a link to the same since the file is heavy. So, insure that you drop your cards at the drop box kept in the front. We would urge you to look at the same and print only if absolutely necessary.

A kind request or to all of you here, to keep your phones on silent mode for the benefit of the speakers and the participants.

With those few words, let me invite Adam over to the dais to begin the proceedings. A few of you here have met Adam before, but to give a brief introduction. Prior to joining Majesco, Adam served as the President of Global Field Operations and Member of the Executive Leadership Team at CA Technologies, a \$4.5 billion Fortune 500 firm. Adam holds a Bachelor of Arts and Psychology and Master of Science and Management Information System from New York University. Adam, the stage is yours.

Adam Elster:

Thank you. Good morning, everybody. Thanks for joining us here today. I know we have a full schedule for today, so we appreciate everyone attending. Understand the traffic is a little tight this time of day where we are today. So, appreciate all of you joining me today.

As you heard from the agenda, a lot of the material that we are going to share with you, it's a mixture of material, I know many of you are here to understand the finances of the organization, where we were last year and where we are headed and what we believe the business looks like. But as part of doing Investor Day, it's important that we talk to you about our strategy as a company, where we believe the market is, where we are investing as we move forward.

So, as part of the presentation and our transformation, I am going to give an overview of our strategy, the market itself, then Manish will come up and give you an overview on our products, the roadmap, how we actually plan to invest and meet the market opportunity that we have. And then as you are here, you will hear from a panel of some of our customers and industry analysts, before we get to finances. And I am sure there is plenty of Q&A. So, appreciate the time.

So, when we look at Majesco, we look at our business today, we think it's an amazing time to be in our industry. So, at Majesco, as we are focused in the insurance industry, I think many of us are well aware that the insurance industry has moved slower than other verticals in adopting new technology as far as moving to the cloud and doing overall digital transformation and how they work.

So, what is interesting about the moment we are in time right now as far as the market, is other verticals have actually paved the way for our opportunity. So, idea is about how you can interact with companies and actually how you all live your own daily lives, whether it's related to financial services or transportation or retail, have already adopted these technologies. So, many of you live most of your life in a mobile way, not-paper, non-phone process way, and other verticals have proved that that is possible. And for the insurance industry, which is late to adapt some of these technologies, it's not only that the moment has come where we have the technology to meet the need, but culturally, it's changed in the world, and the consumers that have driven that and all of us in our daily lives. So, for companies like insurance companies who push back on some technology transformation, because of old business process, the way it has now been paid either through financial services or other industries that show what is actually possible and how you can shift your major businesses.

So, it's an important inflection moment, because it's no longer a question of can companies move to the cloud, will it be safe? Everyone here interacts with their bank through a cloud

environment of some kind. So, it's proven that you can work in these ways. And that is an important milestone, because one of the challenges in the insurance industry has been culturally. And now that these things have been proven, it's no longer, 'can this be done with technology, but are you willing to do it?' So, it's an amazing time, because you could say, one of the challenges with markets is did you get the timing right? Are you early to market? Are you late to market, and where are you? And we believe we are at a great point where the market is ready, and we are ready at the same time.

So, we think our timing is good. Will we get it right? Probably not. That's probably the hardest thing in the market is to get the timing right, are you a little early, are you a little late to the market. We think we are at the right time, and it's our responsibility then to execute. But we think it's amazing time to be in the market.

Now many of you probably know this next slide. And I think one of the things that is important to understand is, Majesco has a long history of innovation. And probably this slide is a little bit more pertinent in the U.S. where not everyone is familiar with the history of the company. I feel very fortunate that I was given the opportunity to take the role as the CEO of Majesco back in the fold. So, I feel very grateful to the founders, and lucky to have three of the founders here who deserve all the credit. While I can come up and tell you what is been happening in the company in the last six months and where we are going, it's really lot of work has been going back 40 years when the four of them where there. I know he will be here shortly, I am sure, started the company, and they had a vision. And I believe it's my responsibility to protect that vision and tradition and blend it with the trends in the industry to really drive it to the next level. And that is really my responsibility.

But if you look at the history of the company, where it came from, the four of them decided to start a company, it's filled with innovation. So, our most recent innovation is very important to us, our cloud technology, our Digital1st technology, our acquisition of Exaxe. But if you look at the last four years, the company has been innovating for 40 years from its start back then. So, I think the company has been an innovator for many years. And what might look like innovation today, looked different 10 years ago. And we believe our responsibility is to marry the traditions of what made Majesco great when it started, and all of this tradition and knowledge about the insurance industry and supporting customers, and blend that with all the technology trends that are happening in the market today to deliver value to the customers. And I take that responsibility very seriously. I can tell you, the employees take great pride in it as well, and that is an important thing. So, there is a rich history of innovation. And I am not just talking about history and innovation and experience from the last year, this goes back 40 years. That's a long time. And if you were to try to think in your head, how many technology companies were founded 40 years ago, and still exist? You can have a little bit of a hard time figuring out which ones those are. There are not as many as you think, a lot have gone private, a lot of them have been merged, have been integrated. Not that many companies have a 40-year history in technology. So, this is an important thing as far as us looking to the market as far as stability, innovation, and just plain old knowledge.

Now, many of you know this, but I thought I'd help break it down a little bit. When people talk about the opportunity from Majesco, we tried to explain what that market opportunity actually is. And the reality is, when you look at the business across property and casualty and life and annuity, it's a \$5 trillion market. But I don't find this slide overly helpful because we say \$5 trillion then it's like staring at the sun you go a little blind trying to figure out, okay, \$5 trillion, what does that actually mean. So, we thought we break it down a little. So, this is what it actually means. When you break down the \$5 trillion, the way you should think about it is that's broken up between P&C \$2.2 trillion and double it. And on average they spend about 3% on technology. But if you keep breaking it down, about 60% of that or \$88 billion is spent on people, network desktops, things we don't do, this is their own internal employees, their own systems. Now, that is certainly an opportunity. But it's not the opportunity for Majesco. This is the actual opportunity for insurance companies to actually optimize their business and things they could do with less people and some other things. Now for us, here's the rest of the breakdown. About 15% is on services, 15% of maintenance, and 10% of hardware and software. So, that is really the addressable market for Majesco right now. It is these areas where we provide technology and services. And this is the market opportunity for us. And the reality is, when people try to say, what is the exact addressable market, it's hard to figure out from just a software to cloud perspective, because there is only a few public players out there. And honestly, about 89% of the spend is still homegrown systems or some legacy systems. So, the reality is, it's not a \$5 trillion market opportunity, it's smaller than that. But when you look at what the remaining amount, the roughly \$60 billion, there is plenty of market opportunity. So, the real story here isn't how big the number is, story is there is plenty of market opportunity for Majesco to serve the market and deliver value and growth. So, the good news is, the speed that we can address, the speed in which insurance companies will move might vary. But this is the real market opportunity when we look very specifically at where are the dollars we are going after to grow the business. So, this is how we see the market opportunity.

So, now, why do we believe we should invest in this area? Why do we believe our strategy makes sense? So, this is a little bit of a 'why' that I am building up to before I get to some of the highlights on our strategy. This is why, we know the world is going in this direction. So, while there are companies who still provide a lot of on-premise services, on-premise technology, we know the world is going digital, it's moving to the cloud, it's happened in all other verticals and the time is now for insurance companies to make this transition, even though they are behind the times. And this is the real data, when you interview and talk to insurance companies their number one priority is modern platforms, API, cloud. 80% believe cloud is important to their business model. And then from just a financials perspective, right now, there is about \$4 billion being spent in insure-tech. The parallel to this is, if you look at fin-tech, probably five to seven years ago, the numbers were even bigger. Now what is interesting about the spending in fin-tech is most of the spend is outside the core platform, it's all kinds of neat, cool, IOT, big data, all kinds of very specific features that could make insurance more technology capable. But it's not the core platform. But the reality is, we know insurance companies are focused on the cloud, we know they are focused on digital transformation. Why? because independent companies ask them and they tell you that. And why do we think it's true also is, \$4 billion dollars is being spent because they believe in this market opportunity. They are spending the \$4 billion because

they are showing the same slide I showed before, but saying, 'I am spending \$4 billion because I believe there is a \$60 billion market and if I get a percent or so out of that market, it more than makes sense for my investment'. So, this to us is external indicators that our strategy around being focused on a digital transformation and the move to cloud is right for Majesco, because it's right for customers. And whenever you can have your strategy align to your customers and the market, that creates validation that you are on the right track.

And this is us leaning forward. What we believe as far as our strategy is, is that we do need to move forward. And when we think of how we want to talk about the insurance industry, how we want to talk about Majesco, and we want to show up? We want to show up as a modern digital company; we want to be known for being agile, in the cloud, on demand, fast; we want to people start thinking about how do you get results in months and weeks, and not years. So, when you see all the new messaging around the company, we want to be forward leaning, we want people to start thinking differently, start questioning how they have been doing business in the past and how they are doing it today, and thinking about how they need to do it tomorrow. And in that way, we believe it will lead us forward as far as where the markets going. Again, timing wise, it's not the fastest moving technology vertical in the world, but the more we are part of the story around moving in this way, the more we are aligned to their future strategies. That is how we want to be thinking about the company.

So, what do we see? So, this is how we see the world in the future, and this is about us being forward leaning. Do we think we are here today? No. Do we think we are here tomorrow? Probably not. But I believe this is what people would like. I think all of us would like our digital experience with our insurance company, and how we deal with them to feel more like how we deal with our financial institutions, or consumer goods, or travel or any of the other things in your life that you are dealing with today. For most of you or for your mobile device, there is no technical reason you couldn't do the same thing with your insurance company. There is no reason, technology wise, this couldn't be the same experience that you have with your insurance company. You shouldn't need to meet with an agent, they shouldn't need to mail you a 80 page document, and you shouldn't have to write a cheque, you shouldn't have to do any of those things, from a technology perspective it's all possible. So, we believe, again, as I said earlier, while this sounds a little futuristic for the insurance industry, technology wise, it's completely doable in today's day and age, the technology exists, there is proven use cases, there is no reason this couldn't be the experience. And when we believe as much as this looks forward thinking, for an insurance company, if I were in insurance with this exact same slide in a meeting with financial institutions, or travel, they would laugh at me. They'd say, we have been doing that for years, what are you talking about.

Which is great for us, because we believe for an industry that is moving slower, who wants more proof points, who is extremely risk adverse, it creates the validation without us at Majesco having to do it. So, we know this is possible because we are all living it. So, then our responsibility is to be able to provide the technology and the services to make this real. And that is the path we are on. And that is what you are going to see today, which is one of the things that is important to me, as we make this transition to be a cloud company is for you to see it. So, one

of the things you are going to see today is Manish is going to actually show you our products. So, you are going to actually see the products, what they look like and see the vision of other customers who are actually that last page is real for them already. And we believe that is the indication that the path we are on is successful. So, you are going to see Manish actually show you the products and how we are making this real.

But, so what do we do? So, this is important for us is, we provide technology, we have expertise and insurance and technology, and really to help these insurers modernize and innovate the businesses they have. And we believe, this is key to our success, it's not only can we help them innovate, but we can do it at speed and at scale. Having a legacy of 40 years is important thing. So, what does it teach you? For 40 years being a technology and services providers who have run some of the largest insurance companies in the world, it's not just a matter of can you build a couple of widgets or a cool mobile device, but behind that has to be a scalable, robust system to run an insurance company. And the fact that we have the foundational expertise with our people and with our technology, it gives us that ability to provide that to the market. So, we get brand permission.

So, what is brand permission? Brand permission is to work with some of the largest insurance companies in the world, to run their key systems, because we have been doing it for 40 years. So, that gives you permission to play in those areas. When you combine the brand permission, and the loyalty and the expertise with the technology, we believe that is an incredible combination for Majesco.

So, one of the things we realized as a company is we have spent a lot of time over the last several years talking about digital transformation, talking about where the market is going and talking about why we believe it's time for companies to move to the cloud, to utilize API's and to move forward. And when you look at our market research, when you look at our product roadmaps and everything we talked about, we talk about these digital transformations. But in many ways, our messaging and our image didn't match our voice. So, I would see us... you know when I first joined listening to us talk about digital transformation and being modern and having a digital experience, but you didn't have that experience with us. So, one of the things we needed to do is start showing up and making sure that our image matched our voice, because we were at a say. So, we would talk about digital transformation and modernization and the digital experience, but if you went to look at us and you looked at our material or website, there were a lot of white papers, it was hard to figure out what we do, it was hard to navigate, we still had, we didn't look like we sounded. And in this day and age when it's a very digital experience, and for many of you, while I appreciate you coming out to do an Investor Day like that, most of us do our research, understand about companies, learn new things in a digital way. You want to go on your mobile device, scroll through some videos, learn about what we are doing, understand the financials, do some model, listen to some customers, it's a very much digital experience.

So, we needn't know that we needed to change also. So, we launched a refresh of our brand our website, you saw our new corporate video all aimed at starting to tell people who we are and what we are focused on. And for us to reach the market opportunity, being a company of our

size, we are not big enough to have thousands and thousands of people in areas like marketing and sales and things like that, but in this world you don't need them, because it's a very digital experience for most of us in our own lives. Before you'd ever walk into a store or buy something or consider something, you have already done 80% of your research on the web. First thing you do is Google it, then you go to the web page, then you go to YouTube, then you watch a video, then you find a website with a review, it's a very digital experience. And we knew for us to grow as a company and to reach that \$60 billion, we had to create that same type of digital experience, which is why you have seen a new website and everything else. And we are going to continue to publish more material to that. So, lots of video coming on the product, and you will see some of the videos today, but a lot more information so we can really get the word out about what we are doing, customer testimonials, a lot more information all geared around having that overall digital experience.

So, why Majesco? So, other companies do what we do. There are other companies out there who provide insurance technology, and insurance services, we are not the only ones that do it. So, why Majesco? Why do we believe that at Majesco we have an opportunity in this market and we believe that we should be some of the key people.

When I break down the key strengths of Majesco and the things that really attracted me to the organization, when I was first learning about my Majesco, which is probably not even a year ago when I first started learning about Majesco. The number one thing was the people. And to me, this is the most critical thing. If you are going to run a services organization or you run a product company, your IP is your people. This is the number one asset you have. They are the ones who produce the technology, they are the ones who deliver the results. And for me, this is the most important asset. And I was really drawn to the organization because of the people. Part of it was the culture, and I would tell you, again, back to the founders and Ketan Mehta who was running the company most recently, great culture, the people who are hard working, are dedicated to Majesco and really dedicated to making customers successful. But what I came to learn was even more important, what is when I first started meeting with some of the customers. And what customers told me was, it's important that your guys know technology and be technology experts. So, that is important to me. They love they are dedicated, they love they are hard working, they love they are focused on customers, but you could say that about a lot of companies, right? But they loved that the Majesco folks really know technology.

What they like even more than the fact that we know technology, is that they knew insurance. So, that is a very unique combination from Majesco. So, what the people have which is unique is not only do they know technology, but they understand the insurance market. So, when they are talking to customers, and they are talking to prospects, they speak the same language. And for those of you who don't have a rich history in insurance, like myself, and it's been a quite the learning lesson in learning insurance for the last six, seven months, so there isn't a day go by that I don't write down another acronym and walk down the hall and ask someone, what does that mean. So, what is interesting is when you are meeting with the customer, and that you understand their customer pain, how they run the business, how they can run it in the future, it is a huge differentiator. Really, when you want to set a vision and you know how their business

runs today and you can explain to them in their language how we could run in the future, it's a completely different conversation.

And one of our top customers, the CIO I was meeting with, and he's working with a top technology company, he said, I like your guys better. And I am like, well, I appreciate that, you are just being nice. He's like, I am not that nice a guy. So, I am not just being nice, I am just telling you, when your team meets with my guys, they know what they are talking about. There is no translation layer, there is not a third person in the room who has to whisper to them, hey let me explain. There is not me in the room, taking notes going back to my office to Google it right.

And it's a huge differentiator, because when you think of what is most critical in business today, which is speed to market and speed to value, losing that translation, and you think of just good old fashioned supply chain to the extent you speed up the supply chain by not having additional handoffs, huge value company. So, I will tell you, people are a massive differentiator for Majesco as a company.

And the other thing that is really is the technology. So, the great news is, as a company, company has been focused on moving to the cloud in the last several years, building a micro services API based technology in Digital1st for the last three years. So, you could probably argue that maybe the company invested ahead of the curve in Digital1st, but I would tell you, that was a smart move. And again, as I looked at the company, first things I did is I called friends at Gartner and said, hey, what do you think, is this really a product. And got amazing feedback of the product, we are in the magic quadrant which you can't take too lightly. And then really the Digital1st is that a little bit ahead of its time, but I think good news is, hard to get timing right, but definitely strategically the right direction. So, we absolutely believe from a technology perspective we have a seat at the table and capabilities and our Digital1st offering is absolutely ahead of others. Now, again, timing, we will see how, are we too early or just right. One of the things we are working on, but we absolutely have the technology in the end.

The other thing is leadership. And this is important, because when people look at the market they look at the people, and this combination of people and technology really does give us leadership. So, we have people who are considered thought leaders in the insurance industry, thought leaders in technology. And this is an important thing, because when people want to partner, as you guys know, they want to partner with other successful people. So, when they see Majesco working with Tier-1, insurance companies are being embedded in the offering with a company like IBM, this gives them validation that we are one of the people that they should partner with for success.

So, next question is, so how do we actually do these things? So, how do we deliver on these promises that we are making in the industry? So, the good news for us as far as the portfolio and the investment for the company is what we are really known for, is the completeness of vision, and our strength and capability. So, this means, depending on where you play in the insurance market, so whether you are a P&C customer, and L&A, and you want a full cloud environment

or just a billing suite, or you want a digital insurance, we are able to partner with you. So, why is this so important? Because not everyone is on the same pace of their transformation. So, it's definitely not a situation where every company in the world is saying, let me move my entire insurance platform policy, billing, claims everything to the cloud all at once, I am going to start all over. Everyone's not on the same timeframe. But we believe that is what is good for us. It de-risks our business for all of you as investors, and it also opens up opportunity. So, if you are a Tier-1 insurance company, and we have tons of them who just want a billing solution with massive scale, we can do that. If you are a Tier-3 or 4 insurance company where you want a full suite, we can do that; if you just want a digital layer, we can do that as well.

And what people want in technology partners are people who can help them with choices and strategy, because there is not a cookie cutter, this is not like we are going to sell everything. We don't have one customer who owns this wheel. There is no one customer who owns every single product we have and has it implemented, that's not how this works. People will decide what the right on-ramp is. And the on-ramp for you as a customer might be Digital1st, it might be a billing solution, but that that gives us opportunity. So, what this represents is both opportunity for us to address what your individual company strategy is, and our opportunity to pivot as the market sees fit. So, we believe this is a very unique offering. There isn't another technology company like us who has the cloud offering, who plays in all three of these spaces, certainly we have competitors in each one.

The next thing is, so what are the use cases? And Minister will go into this in greater detail, so he will do a lot better job on the products that I am going to do. But we basically see three big use cases. So, if you are an insurance company and you want to modernize a legacy system, we can help you do that. If you have some old legacy system and you want to replace policy, billing or claims, we can help you do that. We can put it in a cloud environment, if that is where your direction is, that is our core technology, or if you just want to optimize what you have. So, if your use case is, 'you know what, I already have core systems in place, but I need some additional capabilities, or I want to be able to do digital payments and there is other things I want to do'. We can help you optimize it also. And last and certainly not least, and absolutely most important to us, the real opportunity that we see for many companies is creating new. Means they want to start a brand-new line of business or a new business to create growth in the insurance market.

And this is where we believe, if you go either with our cloud solution or our Digital1st, there is a quick time to market. So, if you are an insurance company, you want to launch a new product, but you have an older system and that could take you 18 to 24 months to customize, to integrate to launch. If you can launch minimum viable product in the cloud and get to market in 90 days, the speed to market and that execution will be your strategy more than if you wait 18 months. Not only is there a huge cost, it's a huge risk. And by time you get to market in 18 months, as we all know with business, the market can change. So, this literally creates a real unique opportunity from a speed to market. And I won't do it justice, because Manish will right after me, and he will give you some real examples of customers who have launched, and I will tell you the best success ever.

And I think the last time I met with many of you was back in February, I met with a number of you, we were talking about Q3. One of my favorite parts of Q4 was of the deals we signed in Q3, two of the customers went live in Q4. That's a big deal. So, the fact that we actually had customers go live, who bought a product and committed to us in Q3 and actually in Q4 started running their business on our platform, that's amazing, amazing stuff. And I would dare, I mean, that is very untypical of the insurance industry. But it's not untypical of other verticals. So, back to, it's possible with the technology if you find the right people who are willing to do it. And in the panel video you will see, there are a couple of customers who believe you can do it and there is no technology reason why insurance companies can't do it. It's more cultural and change. So, you will see some of those examples. But we believe this is really important to our success.

The other thing is building the future through partnerships, to be successful in this market there are a lot of companies out there who work with the insurance industry, right? When you look at the size of the market, there are SIs, system integrators, and all kinds of companies that make billions of dollars a year doing work with the insurance industry. And it's great. We have a partnership with IBM. I know some question someone's about to ask at the end of the today is when is the next deal? How much is it? And what is your pipeline with IBM? So, I am sure that question is already out there, get it every quarter, will answer that in QA, so I am not answering it. I know I disappointed a few of you.

But so we know that IBM offering is important. Why is it important? Because for a company like Majesco, when you have a company like IBM who picks your product, that is pretty good validation that you got a good product. But forget that, so that is interesting. But it's because their go-to-market, their reach, if they walk into the boardroom with a solution and we are just the Intel Inside so to speak of Majesco, we get brought into a lot of other places that we wouldn't normally be invited.

Well guess what? The same is true with SIs. Specifically, last week we were able to announce our partnership with Capgemini. Capgemini has over \$1 billion business in just insurance. All they do \$1 billion. What is interesting is, they were primarily focused on P&C, they have a partnership with Guidewire, one of our big competitors in P&C. But where do they focus some of their growth? They are focused in L&A. And guess what Guidewire doesn't have? L&A product. Guess what Duck Creek doesn't have? L&A product. So, the good news is Capgemini picked our product and they said, 'hey, P&C we are going to do what we do, but because you guys are focused on L&A, we are going to pick your product to go-to-market with L&A. So, for us this is a massive opportunity. Again, validates why we are focused strategically on L&A because companies like Capgemini are saying, 'hey, I think L&A is about to start turning also, so we think there is opportunity there and we picked you'.

So, this is one of the ones where our timing is perfect. You couldn't lay out better timing, that a year and a half ago we did the deal with IBM and Met Life. Manish and his team build the version 10 of our L&A product, we are being reviewed now for Gartner for that Magic Quadrant. And now Capgemini comes along and says, 'hey, we want to invest in L&A. And who is there?' We are. This is when timing works out great. And we think the good news is, they are going to

walk us into customers that we would never have had brand permission to walk into those boardrooms that are already there. And the same is true with companies like Deloitte; we have a big meeting with Deloitte next Monday, try to build out that strategy as well. But again, validation, when people say IBM picked you, when people say Capgemini is picking you, these are household name brands that everyone here knows, and we know it's good to validate our leadership, our people, but even more importantly from a go-to-market and customer reach, they have a much larger reach than we would ever have.

So, we think this is very important to our growth. Many of you know about the IBM, Met Life partnership, you know about the project. The good news is, IBM started going public with it more now. So, we were very public with it, because for us it was a big, it's an amazing achievement, so we tell the world. But our voice is this loud. IBM has an annual conference called Think, so Think is their annual insurance conference, we co-presented at Think with IBM. Again, a big milestone. And if you Google, IBM Insurance, this is what you are going to find. You are going to find they launched a whole web page just like us, guess what you need to do, branding, digital experience; guess what else they did? They launched a video, I argue they copied mine, but whatever. So, if you go there is an IBM insurance video, it looks a little like ours, so it's fine, flattery, you know imitation I consider flattery and more people will watch there is and ours, so it reinforces. But they created a video on insurance, there is a white paper that you can download, talks all about the platform and our offering. So, this was the first stages of IBM really starting to market the offering. And we all believe once this goes live, which will go live hopefully in the next quarter so, that this will create even more energy. But again, big validation. And again, I do consider invitation flattery. So, the fact that they redid their website and built a video and all of those things, I am not going to lie, I think they definitely in some of our planning meetings they were definitely writing down some of the ideas as we were going, but all good.

And the other thing is ecosystems. So, one of the things that people ask me a lot about is, okay, so all these investments in insure-tech, so there is \$4 billion being invested in insure-tech, how does that fit with Majesco? How do you guys work with those companies? So, while there is certainly opportunity for us to organically developed some of these interesting solutions, and there is probably some opportunity for us to buy some of these interesting solutions from an inorganic perspective, what is the key in this modern world is connecting and partnering with these companies. So, what we have actually done is partnered with them, meaning we have actually with our Digital1st technology-built partnerships with many of the insure-techs, so that we can be the hub that enables companies to use that technology. And again, I am going to do it a disservice, Manish is going to do a great job at it. But that is how the modern world works.

When you think of modern technology and modern platforms that are API and micro-services based, the idea is it's not old fashioned point-to-point integration, and one monolithic architecture where you move everything together, it is about connectivity which allows you to be agile, allows you to pivot to new needs and things like that, and leverage other capabilities. No one needs to build another mapping technology, no one needs to build another whether technology, it's all about how can you connect to the thousands of them already out there and

leverage them to your benefit. The same is true about technologies like maps and weather with all kinds of capability that insure-techs ability. And rather than build all those things, our job is to be that connector that our platform enables you to connect to these capabilities. And Manish will go into much more detail about that.

Another way that we have certainly grown, and when you look at the last 40 years as the company, part of the way the company has absolutely grown over the years is through acquisitions. And there is a lot of reasons to do acquisitions. You can do acquisitions because you can believe there is a technology capability that would enhance your business, and some of the older acquisitions from Majesco are just that, where there was buying a company that had a billing solution or a policy admin to enhance a portfolio, that is a strategy. You can also do acquisitions to reach geographies where you say I don't have presence in a certain geography and this creates presence, you can do it for leadership, you can do it for revenue and you can do it for an install base of customers. So, there is all kinds of reasons to do acquisition and the company is grown through acquisitions. And I think I have done very well with acquisition. So, that original slide of the last 40 years says a lot about acquisitions that have made the company who we are today. But by the way, the same is true for every technology company.

So, if you were to look at the same slide I put up and you name the technology company, there is more acquisition than you actually know of that have created some of these monster companies that you have come to know and love. Make no mistake, many of them grew through acquisitions. So, that is part of our strategy.

In the fall we bought a company called Exaxe, an Ireland based company that had 100% cloud SAS business around individual insurance capabilities. So, we have rebranded that, Majesco Life Plus Solutions, so when you look in all of our portfolio, you will see Life Plus is plugged into the L&A a portion of our portfolio for individuals focused in Europe. One of the things I really liked the most about the acquisition, honestly, was the leadership team, a very strong leadership team. And guess what their strategy was? When you do acquisition, strategy, fit, are really important when culturally when you think of integration. What I loved about is when I first met Phil and Norman, the founders, they had decided three years ago that they needed to pivot, listen to this, their heavily consulting-based on-premise software solution to 100% cloud based solution because they believe that is where the market was headed. Sounds familiar? And by the way, they shifted the whole business, they had to kind of take a dip, like Majesco did to change that model, and come back and now they have built 100% SAS business based in Ireland. And these guys really know the European market. So, as much as we had a European business, we have actually did what I call a reverse merger. We moved our entire European operations under Norman to be the leader of our European market. So, really excellent leverage.

And one of the biggest things we gained out of that acquisition, forget technology, forget customers, its excellent leadership to run a European business, as we decided long-term what the market opportunity. It's not easy to say you are going to support Europe, because as you guys know, it's not the United States of Europe, it's many different countries, many different languages and the complexity as all of you know, a balance. So, just because you want to work

in France, it's not that easy from regulation, language, and the same thing with Germany. So, it's really put together a thoughtful strategy. But between the UK, Ireland and Northern Europe, we do see a lot of opportunity.

One of the things we need for to execute on a strategy like this is a strong leadership team. I feel very good about the leadership team. I think we have some really strong folks in the business and we had to add a few pieces. So, this wasn't a matter of subtraction, replace, this was how do we enhance. So, when you look at the market, and many of you know Farid very well, to be a publicly listed company in the United States not having a U.S. CFO, as you might imagine U.S. shareholders would want to see a U.S. based CFO. But even more important than that bringing in Wayne Locke, who is in the middle box. Wayne actually comes from all places Capgemini, where he was part of their practice that did financial and operational transformation. So, what we get is not only someone who knows financing and can operate in the U.S., but a real partner for Farid and I to start running the business like a cloud and SAS business. So, if you are going to transform into that kind of business, it's a whole operational shift as well, how you report, how you run the business, how you drive adoption, how you drive subscription revenue versus on premise. So, Wayne's coming in as the CFO in the U.S. and he is also going to help us do the transformation in overall operations, which is key.

The other addition we brought in was Jim Miller. Jim is the Chief Revenue Officer. Jim worked for me for about 12 years at CA. He is a disciplined operator. So, sales methodology, cadence, scalability, repeatability, moving to a model like this moving from services more into product, it's got to be scalability, repeatability, operational discipline, execution. And that is what Jim is focused on. And many of the other folks you know, so this wasn't a replace a few people, this is how do we enhance the team we have to execute upon our strategy.

So, when you think of where we are going, and our strategic focus areas, this is how we think about the future of Majesco? We believe we have a multi-prong strategy that both lets us address the market opportunity and also de-risk our execution. So, we are absolutely focused on P&C market, we think that is key to some of our strategy. We believe we still have a lot of upside with our existing install bases through adoption of existing technology, up-sell of new solutions, we believe we can absolutely land a lot of new customers with this offering. And then in L&A we absolutely were focused on landing new customers. And this is an area where we don't have one strong competitor. There are some legacy providers in that space, and we think this is an area where we can absolutely own it.

And then earlier I mentioned about partnership, good that we had the partnership with IBM. Good that we have it with Capgemini. But again, this is part of how do you make it to the market opportunity and also de-risk. So, our business from a product perspective is a little de-risk, because we can have opportunity in P&C and in L&A, one might move faster than the other, one might move a little slower. Partnerships, Capgemini might deliver more value sooner than IBM does with the platform. But in this way, we have more than one play we are running, which gives us basically more opportunity to reach the market, and also de-risks.

And then last and certainly but not least, M&A. So, when you think of our growth strategy and where we are focused, it's not an either or. We believe to meet the opportunity in the marketplace we are focus on organic growth. And we believe we can grow three ways: one through organic growth, organic development we are doing around products, we believe the work we are doing with partners and what we are doing with M&A. And it's not a matter of one of these is important to execute on our strategy, we are focused in all three areas, and it will be the combination that drives our growth and our opportunity in the marketplace.

So, we have had a busy last year. So, this was a big year from Majesco. And I know we didn't give handouts, but we did publish this on the website last week. So, last week we did an investor day at the NASDAQ, we have switched our listing to the NASDAQ and they hosted us. So, all these presentations have already been filed, they are already on the Majesco U.S. investor website, entire 100 pages of PowerPoint is there if you want to look at it online. But we have had a busy year, right. And it starts with the product, right? We launched our Digital1st product, we launched our V10 of our cloud products a year ago. And then there is a whole host of other things we did, we shifted our listening to the NASDAQ to be viewed. Same with our website, you want to show up with the people you want to keep company with. And we being on the NASDAQ we are next to cloud based, technology-based companies. And it was important to us to be viewed in those ways, switched our listing. We did a rights offering, as many of you know, we had the parent company here had a lot of cash and we were able to do a rights offering and bring the money to the U.S. so we can figure out how to put that money at work to invest in our growth. So, that is some of the stuff when we talked about M&A. It's interesting to be ambitious about M&A, but unless you have the capability, and in this case, very specifically cash, it's hard to execute at the speed we want to. So, we are able to do that. And then a number of other things, IBM, some other things. So, we have had a busy year, busy six months. But I think we are starting to pick up with a pace that we want to see the market participate in.

Now from a fiscal 2019, we were debating whether just to start with this slide and walk off stage, but I would tell you... again, I don't get much of the credit, I showed up halfway through the movie. I was here learning the business for a quarter and then trying to do some of the transformation. So, the founders, Ketan, the leadership team, they deserve the credit. It's not always easy to plan for a year and then actually what you thought a year and a half ago actually comes together. But I would tell you, from every indicator you can look at, it was all green. It's fun to walk in for free, to get to walk into a board meeting and put up this slide and any questions. The questions are what you would expect which is what you are going to give me, can you grow faster, can you go quicker, can you win more customers. We hope, that is the goal. But the execution last year, undeniable. So, a big congratulations to Ketan and the executive team for what they were able to achieve. But revenue was up, margin was up, backlog was up, we had a great year for sales, cash is up, obviously the rights offering is a big component of that cash is up, cloud businesses is growing, 40% of our businesses now the cloud, 54 cloud customers. So, when you think of that milestone 25%, roughly, of our entire customer population is in the cloud. That's a big number, right? And what we are seeing is all the new customers, every deal in Q4 was a cloud deal, every single customer.

We had one deal in Q3 that was on-premise, but it's the same product, which is a private cloud but technically not in our cloud environment. But we are seeing the adoption. So, it's working. Is it as fast as we want? We'd always want to go faster, but we are pretty proud of the results we had. And I think a year ago if we had given guidance, and we don't give guidance, so for anyone who is going to ask that question later for my guidance on revenue and all that, we don't provide guidance. If a year ago we had provided guidance and given you this number, I think everyone had been thrilled. So, the good news is, year couldn't have been better as far as we go through the results. And Farid will go through a lot more detail on that.

Now this is a little bit more context, back to the Why before I wrap up and turn it over to Manish. Look, when I looked at the insurance industry, one of the things that concern me when I looked at our strategy, are we too aggressive? Are we moving too fast to the cloud? Is someone going to tell us, 'you know what, Adam, you should probably focus, still focus on some on-premise business and just do some billable services because it's not ready yet, and are you getting the timing right'. But whenever you look at the market, there is a gentleman, Matt, who works for a company, he is the CEO of Nevada and industry analyst. He said, look, the good news is people are investing in this area. This is what companies are telling this they are invested in. And the good news for you from a market opportunity is, they are way behind. So, insurance companies move slow, and by all indication, and this is market research, so this is Matt, this is not Adam, he is not my executive team, they say, 'Look, they are probably two to three times behind other verticals. Means, they need the technology. They are slow, but they need the technology'.

So, my big question to him is, when? Like, timing is everything, is it going to happen in the next one to three years? Is it in four years? When is the timing? He believes it will be significant in the next five to 10 years, so I think we are getting in at the right time to be on the ground floor. It's disappointing to me five to 10 seems like forever, but that is the reality what he says that shift is going to take.

Now when I talk about what is going to be the disruption, and this is a key question, what do you think is going to happen in the insurance industry to be the compelling event that makes everyone switch? What is that compelling event? He believes it's going to come back to a lot of demographics, which is, as much as we can do with technology, I can't really fix demographics. And what he will say is there a lot of people, executives, who are running insurance industry, who are baby boomers, and tons of agents who are baby boomers. And if you ever think through the CEOs of many insurance companies, and you are an insurance agent, I bet they are a baby boomer. And part of what he believes is some of the shift is going to have to happen through demographics where the next generation doesn't want to meet insurance agent, doesn't want an 80 page policy, and doesn't even know what a cheque book is, let alone know how to write a check. So, that is where the world is going. But he does believe some of this is going to take demographics. And when you listen to some of the people on the panel, they are the next generation, they are not the baby boomers, there are people in the next generation after who are leading companies. And we believe those are the people that are critical for us to drive this momentum. And you will see it from the folks on the panel.

So, what are we doing with Majesco? How have we been reshaping the company? It's from transitioning the company to a services company, to be more of a product company; from moving from being on-premise to cloud; to think of having things we can do today and start thinking about what can we do tomorrow. And to the extent, you start thinking about what does the world look like in two years, three years, four years, when you start looking at the strategy of the insurance companies we support. And that is how they need to think about their business, which means it's our responsibility to think of it the same way.

So, when I look at the overall strategy for the company, where we are headed, where do we see the market opportunity? I think we got to execute a multi-year strategy. So, we have a multi-year strategy that we put in place, we believe it's a blend of organic growth, partnership, M&A, we think we need to do all these things. And what do we want to be known as, we want to be known as that premier modern technology provider for the insurance industry. When I first met with Ketan, you know what the first things I said, what is your vision for the company? What do you imagine when you think about what you and the founders started 40 years ago, what is the legacy for the company? And I think there would be an amazing pride between the founders if Majesco was really known globally as the premier modern technology provider for the insurance industry. And when you think of a technology transformation of the insurance industry, if in the next five years or even if it takes 10 years, if we are known as one of those partners who reshaped the modern insurance industry, I think between the founders, they would see great pride in that. And I don't think that is an unrealistic achievement. When I look at what we are doing, I think we are the ground floor of those things.

So, what is the differentiators for us? Why do we think we are new unique? Speed implementation, speed to market, if we can help insurance companies move quicker, we can lead that transformation. We know we have technology leadership, we know we have the technology. And then very simply, we have a low cost entry. When you build a SAAS cloud business with a land and expand model where you have initial investment and minimum revenue commitments that build over time, I understand you guys will want more revenue sooner, and you will want big chunks up front. But when you start laying these foundations, it's very sticky and it builds over time. And it certainly takes time and no one's patience, and I understand that. But when you see other business models and whoever you look at from a cloud company, who's your example, whether it's NetSuite, or Workday or Service Now, or even Amazon, or Salesforce, their charts 10 years ago don't look the way they look today. It was a land and expand model. And we believe that that model will serve us well in the market. It will be a differentiator from a price perspective, and a time to market. And that is what will grow over time.

So, this is what we are focused on our strategy. We are aligned to the market, our execution is on par with where we need to be. From a technology perspective we are ahead of others, others are going to catch up; we are not the only ones thinking of it. So, I don't think everyone else is sitting around saying, what should we do next, others are focused in there as well. But we do believe that there is a very large market opportunity and there will be multiple winners in this space, and we absolutely plan to be one of the big winners. And we have the capability to do so.

So, I am excited about the opportunity. I am excited to share the strategy with you. And we feel confident that we are focused in the right areas.

And as you are shareholders and investors, you have been trusted into the management team and I to use your investment wisely. And our primary responsibilities return value to shareholders. And it's important with you we share our strategy. And you see the investments we are making from a product perspective. So, you feel good that your investments, your money is being invested correctly to try to meet the market opportunity for all of you.

So, with that, I appreciate the time. And I am going to hand it over to Manish now, who is going to take you through the product and where we are going as a company. Because fundamentally, when you shift to becoming a product company, you need to understand our products and you understand the direction and where we are headed. So, thank you very much and I am going to hand it over a minute.

Manish Shah:

Thank you. So, that was informational. What do you think? Yeah. Alright. So, I must tell you, I admit, I want to confess that been in insurance industry for over 20 years and we almost lost the hope that it is going to really make this kind of transformation, because it's been a very sleeping industry. But in last couple of years, the amount of transformation and the unprecedented changes that are happening, it's just remarkable. That creates a tremendous opportunity for companies like us to really position our technology in something that will make an impact, an impact is not just the way we say it is, the impact is not just in terms of the revenues that will actually flow in, but really speaking, it is about how it impacts everyone's life, because insurance is something that is being used in some shape or form by every one of us.

Not that we care or we are excited to buy that as when you go to buy TV, but it's something that really, really useful. And that creates interesting. So, what the insurers are doing is they are seeing all these innovations that are happening and how the consumer behavior is changing. So, as a consumer, we interact with Amazon, we interact with Netflix, we interact using Apple devices, and so forth and so on. And the consumers saying that 'why can't I get the similar experience from insurance as I get it from Amazon? Why can't I buy things the same way? Why can't I just return things the same way?' They don't want to know about the complexity, why should they. And this is what really as Adam said, that demographics has been impacted by all these innovations that have happened outside the insurance vertical, is now asking insurance companies to try to reassess their 200 or maybe 250 years old model. So, what they are doing? What they are doing is they are trying to create some new business model. And those business models are innovative, they are not necessarily just saying that we have to live with the same distribution channels, agents and brokers are here to stay, they are not going to go away because some insurance products are complex. But at the same time, they are trying to look at the insurance products which is something like shipping insurance, is something that you buy online. And at that point in time you want to buy a shipping insurance so that if you have to return it, you don't have to pay for the postage. Now that is interesting. I don't need an agent to do something like that. That's a little bit different distribution channel. That product is very

different. It's not a one year policy, or a six months policy, it's not going to have that kind of ongoing claims.

So, the point is that the business model at the core is being challenged. And that is allowing us to say that how can we offer our systems, our capabilities to not only support the traditional insurance model and the business, which will be there, but along with that support the new experiments for this changing business model. And this is where the Majesco helps creating the path for the future.

So, we, as a company have invested over \$220 million, to be honest, I think probably more than that, we are being a little modest and conservative in terms of counting our investment. However, those investments, it's not just a function of dollar it is also a function of years of experience, because taking \$220 million and investing immediately is not going to give you... it has gone through a lot of reputations and cycles. And what we came up with? We came up with a very wide variety of products that covers an entire global insurance industry. So, the way you should define the insurance industry is that typically the insurance is going into the P&C, life and annuity and health. So, life and annuity and health is seen as is L&A platform for TMC which is a general insurance as is known into other parts of the world than U.S., which includes your auto insurance, your home insurance, your commercial insurance, specialty insurance, cyber liability, and so on.

Now, what does those insurance need? First, they need the backbone. The backbone is where you have policy, billing, claims. Then you need something which is the distribution, so how do you manage your agencies. Now managing the policy, billing and claim for general insurance is a little bit different because you are going to have a six months policy or a year policy. A little bit different when it comes to life and annuity, because it's not something that you keep renewing, I mean, we apparently don't get a chance to renew our life, right? So, it's just kind of a one-time insurance. You buy a term insurance you are there for 30 years. So, it's a little bit of a different processing that comes into play, claims works differently into the life and annuity and so forth. So, here is your back end system. So, now this is something that is a backbone of insurance company, insurance company take it very seriously. This is very sticky, it's very difficult for them to change their systems without actually going through years of transformations and so forth. But the biggest challenge which was happening on the back end side of it saying that now, how do we make some adjustment to this product, how do we integrate some of the technology advancement that is going on such as AI, such as the cloud and so forth?

Now, that created a modern core system, which is what the Majesco has, which requires configurability, connectivity, openness, scalability, and all those things. But along with that, what came is this from last two, three years is this whole digital insurance concept. And what the digital insurance concept said, what was okay that it will take a week to underwrite it an issue of a policy or what was okay that it will take three weeks to provide a claim, that has kind of change very much so. And that change is obviously not deep at this point, but I think we start seeing things. So, we are noticing that there insurance is already being sold, you are buying it without you know you are buying an insurance. I will tell you, I bought insurance. I have a

vacation booked in August, I bought a ticket on my airline site, and it was a little bit far ahead. So, they asked me saying that, 'do you want an insurance', it will cost me 10% but I can get my 100% fees back. And I clicked on it and I bought it. It's not like I go to an insurance company website and then I am going to say let me just enter all my information again, it was more of a click of a button and I bought this insurance. Now that is a digital way of doing it because you are using a different distribution channel, you are embedding with the product that you design; a similar thing can happen with the warranty insurance, similar thing can happen with various different things that you can talk about it.

So, for that we did a little bit different platform, and that platform is what we call it the Digital Insurance Platform, Digital 1st. Now, if you look at this wheel, it covers everything. And it's important that why I do get asked this question that, 'are you really sure that you really should be in P&C and a life and not only in one place.' And I asked why? He said, 'because look at your competitors, they either do P&C or they do L&A, they don't do both'. Now if the world is moving towards digital, which means it's a customer centric, not a product centric world. And if it's going to become a customer centric insurance, as a customer, you might prefer if you get a life insurance, and auto insurance, and maybe you know some of your home insurance all bundled into it. Or if I am a business, I may get my workers compensation as well as my group benefits under the one insurance so that I can get a better service, I can get a better price, things like that. And having an ability at Majesco to do all of it, and then wrap it with the all-digital capabilities, wrap it with the technologies, provide a better to TCO through the cloud, changes the whole dynamics, allows us to do the differentiation. But the differentiation comes from modern use cases.

And the use cases that we are talking here is, first, the modernize use case. So, let's talk about modernize use case, the modernized use case mean there are still, and believe me I am telling the truth, you just have to go with my word trust me, there are still insurance companies who are having green screen system. There are still insurance companies who have systems written in cobalt for which they have lost the source code. They are stuck. And you think that that's is not true? Trust me, that is true. So, you might see that, yeah, some of the examples and people are modernizing, but they have yet lot left to be modernized. And that is their core back office system. Now that back office system needs to be configurable, still has to be productive so that when you bring in a new staff, it's easy to learn. Because guess what, do you think that you are going to hire somebody from the college who is going to put up and excited about taking a job because they were work in a green screen system, do you think they even can learn? I don't think my kids know that, how to do that. So, it's very important for them to stay in a business they have to modernize it.

So, what would a modern system look like? Let's roll that video and see what Majesco's core back-end system on a modernization world looks like.

(Audio-Video Presentation)

So, this was not that difficult compared to the green screen thing you had to press F12 to go here and F11 to go here, in a one short you can do this thing. Obviously, this is quick video but this is very, very interesting that you can actually take your green screen, and then you can replace that. And there is a tremendous opportunity ahead. Now, if you do that, you probably get yourself where you should have been five years ago. So, good first step, probably not the only step you have to take. And probably while you take that step, you might want to do other steps in parallel as well.

So, what could be the other steps? So, saying that now that you did that, can you actually optimize it? Now optimization may mean many things, but some of the key important aspects of optimization is that can you bring it on the cloud? Why is that important? It's important because it's always available, it continues to be upgraded. You can bring in some of the ecosystems and some of the technologies embedded into that. Also optimization means that now I have this modern system, its configurable, its connectable, can I have my agent or my customers' experience improved by having some sort of customer portals or a mobile approximately or something like that. So, can we optimize it? The answer is yes. Now, some of the insurers are going to do both at the same time, some of them might have done modernization using Majesco products or even some of our competitors perhaps. But that is okay, you can still optimize your back office core systems want to modernize it.

So, let's see what that might look like if you optimize it from a customers' perspective. So, let's see the second video now.

(Audio-Video Presentation)

So, you see what we just did, we have a real good backbone, we modernized it, we made it configurable, we put it on the cloud, and then we optimize the customer experience.

Now you are where you should be probably a year ago. How can you stay ahead of your competition? Now, that is a little bit of a different ballgame here, because what we are saying is that, essentially you are still serving the same product, you improved the product capability, you improved the efficiency, you may be improved some effectiveness in terms of how you sell and service your product. But now can you really innovate your products? So, I will tell you this create new business model is great.

Now here the video that I am going to show you is an interesting idea, an interesting idea is that you go and buy things online, anything, any stuff that you buy, and I just gave an example of that shipping and return insurance, right? So, in that case, can you build something that can embed with the product where you can actually buy the insurance and make sure that you can file a claim right there when you are returning things. So, this is kind of very interesting use case. But this is very experimental. It's a small wall, it's a small what you are going to get, you are not going to get \$1,000 for an insurance, you are going to get probably \$1 for an insurance, but you are going to get millions and millions of people buy that. But it's an experiment at the end of the day. How soon can you do, and agility is the key part of it. We actually did this what

I am going to show you. We did that within a week. So, that is a little bit different and see this thing, just a little bit of a warning. You may get carried away by the music.

(Audio-Video Presentation)

That was awesome. This was created in one week, ready for the mobile when you purchase something from Shopify, you can buy an insurance for the return. How cool is that?

Okay, so let's move on. So, let me just give you a little bit of an update over there. So, first is, let me tell you about some of the Life Plus and SAS solution, the Exaxe solution that... So, the acquisitions that we did in last year on the Exaxe is the Life Plus solution. This is important because what they provide is that they have individual life capabilities, running on a cloud, specialized on Europe, with the existing customers in about 90% of those customers are on the cloud. And the products are four-fold, one is the illustration where in the life and annuity you can provide the illustration in terms of your term life and whole life and variable life, how that is going to work out. Then you have the full policy admin and the billing and the claim system which they call it an admin, the whole channel management with the agents and so forth into distribution side. And then the robot advisor where they have an advisor module where you can tell that 'okay, this is my income, this is the kind of expenses I have, this is the kind of family I have, this is my age, these are my goals for retirement', and it can actually suggest that what kind of insurance products that you should have. So, this is a robot advisor part of it.

So, let's switch to P&C. Now, everybody says about and everybody talks about the product, and you can come up with one of tidbits and some of the quotes and say they are great, we actually prove it. And the way to prove a product is a very simple, how are they penetrated in the customers? So, policy, billing, claims on the P&C side, which are all P&C modules, there are 156 deployment and production for our P&C modules, which means there are 156 installs of our P&C systems that are running at the insurer, and supporting their production business. And same is true for 41 of the things.

Now, our cloud is 54 customers. Now cloud, Majesco has embraced cloud some time ago. And cloud is not something that is very easy to figure out. Those who are thinking you build the same software and you just host it somewhere else and now you got a cloud. Surely, that is not the cloud we are talking about. The cloud that we are talking about is a software-as-a-service, that is an offering. Which means your software has to be retooled retrofit to the cloud, and also there is a lot of services and operational aspect that has to be understood and wrapped around it. It takes time, it's a learning process. What Majesco did is that a very early journey in the cloud. And over the last four years, we have learned a lot, we have changed a lot, and we have perfected our offering in a way that now we have 54 customer worth of experience running on the cloud.

Greenfield and startup is a key thing. As Adam said that to create new business model is the key, it's a key driver for insurers to act quickly. And in order to do that, it's not just the startup companies, it is really the greenfield or smaller units from the Tier-1, Tier 2 larger insurers who want to go and launch a new product, or go to a different regions, or go and use and try different

distribution channels. That is where our sweet spot is significantly making a mark into the into the market. We have 18 Greenfields and startups, partnership is key, we will talk about in a minute, but we have very rich 37 partners for my ecosystem. And 530 dedicated staff who is doing R&D.

This is important, if you are going to be a product company, you cannot say that every single person is only a billable person. What we do is that we invest into the product, so that that product will keep us giving the recurring revenue going forward. It's not a one-time deal, because the whole cloud idea is that we are going to have a subscription, and the subscription is sticky, that subscription will be further be increase because there will be a higher level of adoption, and it's still running on the same product. So, the product investment is basically evaluated on a sense that how much revenue that it gives. Obviously, needless to say that that is a very high margin revenue as well.

So, why cloud? 40% of our business is coming from cloud. But here are two interesting statistics. We also have customers who are very old version customers and they are looking to now upgrade and modernize into our own new version. But whenever they decided to modernize and they were on-premise customer, 95% of those customers decided that not only they want to modernize, they want to modernize on our cloud insurer, which means that they are switching to a newer version, they are switching from on-premise to cloud at the same time. Which is a good validation of why insurers prefer cloud. 97% of our customers in North America that we acquired last year are using cloud. They don't want on-premise, nobody wants on-premise, many reasons for it, and one fundamental reason is upgrade. Our cloud offering is fundamentally different because we upgrade our software on a quarterly basis. That is another differentiation for our cloud offering.

Now, if we have to somebody says 'Manish, you keep saying about too minute differentials, pick one'. This is what I pick, speed to market, speed to value, because it's all about the window of opportunity and the world is getting global, world is getting competitive, windows opportunity is shrinking. And when people want to act, they want to act fast. And in order for them IT cannot be an inhibitor for them to act fast.

The example for us was very encouraging last year. We have been doing a lot of work and we were very confident that we can do this thing, however, we wanted to see some results. And what we saw is we have over six or seven go-lives last year that completed their implementation in less than 12 weeks now. In insurance industry, and I don't know how much you know about insurance industry, this is huge. First of all, if you say that, nobody believes you, then they ask you for the customer label, want go and talk to those customers that are they really saying truth, because it's that unbelievable. But the reason why we are able to do it is, because the offering is on the cloud available to use it. We have built a tremendous amount of out-of-the-box content, which means that it's ready to use, its not saying that tickle me your requirement, I am going to write it down. We have standardized lot of things, we have automated a lot of things, we have amazing configuration tools that can be actually providing the insurance specific rate, rules and

forms that needs to be tweaked, and can get them go-live. And this is the biggest differentiator for Majesco.

So, another view on the P&C product. We are across all the tiers, tiers meaning the size of the insurer, how much premium that they write. All our products, if you look at the policy in billing which are the main primary products that we have, they are all spread across. It's not that our products only suit in certainty tier. Obviously, you will have lesser count in the higher tier because there are lesser insurance companies in the higher tier. So, you are going to have fewer insurance companies in Tier-1, but overall if you see our penetration into Tier-1 and 2, it's significant. And for both the policy and billing, as well as in tier 3, which is a middle market insurers. And a large number of them are the middle market insurers.

Okay, so what we are doing on the L&A side? And this is a very interesting story. L&A, again, kind of what best way to describe in one of our panel, we described it as it is an awesome thing that P&C insurance is 10 years behind from financial industry in L&A is 10 years behind P&C. So, there is really no leader here, there is no standard here. And what we are trying to create here with IBM and Met Life is we are actually creating a standard for that, we are trying to create a platform for L&A that is not just restricted to MetLife, but with this partnership we have Met Life's domain expertise, IBM's cloud and cognitive and our core systems and other digital capabilities. We are combining it to create a platform that will become, then, the standard platform for the L&A group and individual industry, which can then be hosted as a multi-tenant cloud offering and spread across the various different industries. So, this is a very exciting opportunity and our chance to become the leader in the L&A where it is not there.

Now, what that is left with is the digital. And Digital1st side we have... We launched Digital1st on May 4th on 2018, so we are barely, just a little bit over 12 months since we launched. Now as a product, those who don't know, it takes a while for a product to go up. People say, and especially when you are in a risk averse industry which says, 'I am not going to be the first one. Let me see few of them then I will buy it and things like that.' What we did? We exceeded our expectation, we sold eight, we sold Digital1st to eight customers. In fact, a couple of them went live already. And that is remarkable, that is showing two things, that is showing the trust in Majesco product and Majesco company. And second thing, a pent-up demand that how underserved this market is for a transformation that the customers are really looking to achieve. So, this is a very, very interesting opportunity for us.

So, now what is next? Just like you know everybody said, this is all great but that is yesterday's news. I am glad, pat on the back, now say tell me what you are going to do next? And I do get asked this question that, why do you think your competitors are going to outrun you? Why do you think that other people with the more money will not have this product? Do you think that your product will become sort of 'no, not that exciting' because somebody will come up with a new thing? And the answer of all of them is yes, yes, yes, yes, if we are doing nothing.

But as a product company, we are always innovating, we are always looking for the future trend and we are doing things. And what we are doing with that is we are introducing a new word of

our products. So, let me give you a little bit of a glimpse of it that on the P&C we are introducing version 11. Version 11 is 100 new features, 700 new capabilities. This is a massive, massive thing. The beauty is the upgrade is non-imaginable. It's easy, it's a simple upgrade. What is the point of giving you a new version if it says, 'Yeah, why don't you just look at some amount of a seven digit budget for upgrading this thing?' And by the way, it may take nine months to upgrade. This thing does not take nine months to upgrade, it takes a day or two to upgrade to a newer version. Because insurance is regulated our products are also awesomely designed so that the insurance companies can decide if they want to turn off certain features and keep certain on and so forth and so on. But they can get the newer versions. And if are a cloud customer, which most of them are now, all the new customers are, they don't even have to do anything, next quarter they are going to get the thing, just like how they get things on the Salesforce. So, you see, we are changing the standards of upgrades in the insurance and bringing it to like other verticals like Salesforce and other areas.

So, some of the features is the back-end system. Now, this is the modernized thing, right? Who says that in the backend system it should just be a calculator and it should punch things. What we are trying to do is, again, we are bringing a lot of capabilities and digital aspect to optimize the modernized use case. And how do you do that is first of all customer panoramic view, customer should be always centered. In fact, I would say that customer is the new core. And if the customer is the new core, the system has to be designed around it. If I am having a policy, if I am having billing, if I am having claims, guess what, can I see from a customer perspective what is his journey with me as a live when he bought something, at what point he paid, when he was late, what kind of claims came. Right now, those information are there, the data is there, but it's trapped within the individual modules and the silos. We are bringing it up so that underwriters when they are doing renewal, they can see what was the claims profitability, at the same time the claims are going to go and providing the payment they can see what kind of payment or the outstanding issues that might be out there.

We are adding some of the new models that can help customers. So, we have been extending the reach of our systems, not just saying that let's have the coating and the issuance and the policy servicing and so forth and so on. But we are bringing it on the left side where now we are before you even get to this thing if they can submit things and they can do the underwriting validity and things like that, this again improves to use cases for our systems.

Our billing system is pretty much you can say kind of insurance billing you do. We say everything, but everything was in context of a timeframe. Now everything is changing, right? There is a page, you go, insurance has come saying that how many miles you drive based on that I am going to bill you, that is a little bit different. And if it is a little different then our billing system also catches up and supports now pay as you go kind of a billing things.

Now one of the things we notice is that when you have a system which is very rich, people don't know all the richness that is out there. When you release hundred new features, people don't know where are they, how do you use it, things like that. So, what we are doing is, this is your digital tour guide and the digital tour guide is actually if you are hiring a new person or if you

are rolling out a new version, they can actually go there and they can see that what new features they have, how this feature works, they get an online help. So, long gone are the training periods where people say, 'sit in a room and I am going to train you for five days and you better remember everything I taught you because you cannot go and work and use all those things', that doesn't work that way. Millennials don't learn that way. In fact, you know what, we should have not learned that way if the technology provided that. We learn when we need things, and when we need things it should be right there contextually, not in a classroom.

But how about in a system? So, I learn it but I would need somebody who does it for me a little bit easily. So, instead of saying that here is a menu and you go here and you go there and you do all those things, how about some conversation with you, how about if I am talking to you, I mean, a chatbot kind of an experience, so that again, I can cater to the users, I can improve the connectivity, I can get the better work done, and I can also support a new talent coming into my company and using the system.

If you don't have an API, there is a very good chance that you will be extinct. That's how strong I will go by that. And the reason being is that no company, anymore, doesn't matter which industry they are in, can do the business on their own. They have to be doing the business together. It's already happening. This is not a futuristic statement. And in order for you to do business with others, without fracturing your customers' experience, you need to have capabilities where you have a connectivity. So, API is not a technical mumbo-jumbo jargon. Yes, you call it an application programming interface and that's it. Then you say that 'that is something I will talk to my IT guys and he will talk to you about it'. Now business people talk about API, we simplified it, we just call it API, don't call it application programmable interface. But what API basically means is the hook to connect with somebody else. So, if you are saying that I am only selling an auto product, so give you an example.

Geico has an auto product, we all know motor insurance in Geico and see that funny commercial, if you have seen it in us, but they sell it. They also sell a home insurance. Guess what? They don't have it. But you can go to their website, you can enter all this information, you can get the policy, the policy is actually been provided by their partner, which is another insurance company. How does that all work? It works because they have an API connectivity between them. So, without an API connectivity, you are not going to be able to do that. And this version provides 800 plus API's, so that connect to your distribution channel, connect with your other carrier partner, connect with your MGS, doesn't matter how you connect. Because one way of selling insurance, that day is gone, you cannot say come to my website and I will only provide you what I got. You can be buying the insurance from a somebody else's website, you can by buying an insurance from your mobile device, point is, you don't need to have five different systems because you have five different channels. You need to have one system to do that when you connect through an API.

Similar thing we are doing for the life and annuity. But there we just double things because, again, we are trying to create a standard here with the Met Life and IBM. So, we got 200 new features and we have 1500 new capabilities. Some of the things are really awesome. In P&C in

the general insurance, the concept has been there that 'you know what, can you just tell me, can you name your price? I will tell you; I have \$600 what should be the right insurance for me?' But in the group world it is a little bit tricky it is not that simple. In the group world, you are basically buying, there is a small business, you are buying this insurance for your employees so that you can support them.

So, why small business? So, just a little bit in the life side. There are big accounts, but I think all the companies, all the insurance companies are seeing that growth is going to come from selling it to the small businesses. And small businesses have one thing in common, tell me what that is? Budget constraint, big time. They have a very limited money. They got 10 people job, or 20 people company, they have very limited money. But they still want to attract the talent by providing the best benefit that they can provide, otherwise they don't get talent. And if you want to provide the best benefit in the budget, maybe you don't know everything that what is best me. And this is where in your price comes where using the AI, using the data, we can recommend you that for you, your type of accompany, your demographics of the staff, with your budget, this is what we recommend the plan that you should offer to your company for your health coverage or for your other group benefit coverages.

Similarly, if you are going to the small business what you need? Great, small business is a market, that is where you are going to grow. But you can now keep selling your policies the way you are selling, which included a lot of people to sell it, because as an insurance company your cost is going to be too high to sell small policies. And for that you need a system that can have a straight through processing. And that straight through processing means, it will be a low touch process, because it's the low premium policy. And this is how you mine the market and our systems where we added some of the A to Z non-stop features. Again, trying to create more user interfaces, where it can support various different types of the roles.

Now, what you will see next few slides are whether it's a digital tour guide, you will see the personal assistant, you will see the API gateway. What that means is that we are also very mindful of our R&D dollars. We are not necessarily saying that let's just run the L&A and run the P&C and do everything twice and spend everything twice. So, our roadmap as you can see, even though it's two different products, it is providing a commonality for the similar kind of an advancement on the technology side.

So, very quickly, let's move to the digital insurance. So, on the digital insurance, let's understand the world how the world is changing and why the consumers are leading the changes. And the consumers are leading the changes, the left side column that you see is how the insurance has been offered in the past. It was very product driven, I sell my line of business, I sell my auto, I sell my home, it's a very product driven. It is changing to the customer driven saying, it's not about my product, it's about the customer.

Do you think insurance is the first one to think about it? No. Music companies or songs did it. Apple came and said that it's not that you have to buy the whole album, I can actually take the pieces. So, if my customer needs two coverages from this and two coverages from there and

create a custom policy, that is my future. It was very process. Insurance industry has been established based on a very innovative, back then, assembly line of Henry Ford, because he built cars which were very cheap and affordable in mass. The only thing was, somebody asked Henry Ford that can I get it? And you know, can I get it in yellow? Somebody said can I get it in red color? Now Henry Ford used to sell the car, initial version, only in black. His answer was, you can get any color you want, as long as it's black. That is how insurance companies are designed, I have an underwriting silo, I have a claim silo, I have this silo, I have that silo. And you know what, we are going to optimize the functions, we are going to make it efficient. And then we are going to build the product as a mass product, so that it works across everybody so I don't have to personalize it, and then I can make the operation efficient and then I can try to extract the cost. Sorry, because insurance per se was not a very attractive margin to begin with, so they had to design this way. But that doesn't work anymore. And the reason this doesn't work anymore that it's not about the process, it's about the customer experience, because the customers are going to say that I don't care how you do it, my experience shouldn't be like that. I want personalization, I want you to build a product for me that is based on my life event, not based on somebody else. Because guess what, 47-year-old male like me, there are many, but I am a little bit different than maybe others and I have my own personal characteristics. Agent channel is not the only channel, we just talked about, I just showed a video on that, there are various ways to sell insurance, you can be embedding it into the products, you are working with other distributors.

Another beautiful thing insurance industry did is, and again, I don't know how much you have an experience, but I have worked with many actuaries, actuaries are the group which actually come up with the pricing that how should you price it. The entire pricing is based on historical. This is what we have done, this is what our experience has been. This has been our loss experience. And then they cut it down into the segment that for the restaurant business this is the loss we have experienced, so this should be the rate. That's like driving a car and looking into the rearview mirror. You are going to get crushed time to time. Having a technology now allows you to have the predictive models by looking ahead, there are ways. I think an example, maybe I hope that will that will help you summarize this complex topic of what is historical and what is predictable and all.

And the analogy is pretty straightforward. The only person where you can assume that it will be same place where you were four hours ago or last night is a drunk. So, if a drunk person is falling in the street last night, you may be sure that next morning he will be there. So, if you are not drunk, then don't expect that past is going to be the prologue. And it's important that predictively and doing your business based on the future is more and far more important than just doing it historical view.

Now, all those things, and you can read few of those things. But all those things, it's really shaking the underlying foundation. But while it's shaking an underlying foundation, what is it doing? Its shaking the underlying systems, it requires a different set of technology. And this is where Digital1st comes into the picture. So, in order to be successful, the recipe for the success on the digital side is threefold. You need to have an operational platform which is on demand,

low cost of ownership, something that you can experiment different things. And then if it works, you can scale it. You need to have a lot of insurance assets that is built out so that you can have a speed to market. And then you need to have some operating platform where you can bring in this diverse capability, heterogeneous capabilities from various different areas, so that you can embed that into your customer solution and build a very effective and actionable partner ecosystem. This is specifically the three things that we have designed within our Digital1st.

So, Digital1st is an operational platform, it's a cloud native, micro-services, completely brand new, 100% made in Majesco, not acquiring. And it was done awesomely to do exactly the same thing that what can I provide a multi-tenant experience, and within that multi-tenant can I have a really, really small cost of entry. We call it a credit card transaction, if somebody wants to start using it, it's that cheap. And then as they bring in more business, if the idea is successful, then it's a win, win situations where they get more money, and then we get more money for the higher adoption. So, that's our Digital1st platform.

The next thing is insurance assets, which is where you said that this is a great thing and this is a platform and I can come up with all my personal and unique journeys, but how do I get to speed and agility? So, the platform itself can provide a lot of speed and agility. But can I have something ready for the insurance? And this is where building some of the apps, this is an example of electronic billing and payment, you don't have to build it, it's already there, we integrate with our core systems, we integrate with the third party ecosystems. But what is more importantly is that if you decide that you want to use it under two weeks, you can actually stroll it out in the market. Now this is we are not talking even months, we are now going inside a month. So, this is really stretching a boundary up to speed and agility.

And then finally the whole ecosystems, and Adam touched on this thing. And to me this is this is very important. You know, feel free, you go to majesco.com, on the top you will see an Eco Exchange, click on that, and it will take you to a store. So, Eco Exchange from our perspective, it's kind of an app store. And it's an app store where you are not downloading anything, you are actually subscribing it. So, various different apps from various different partners, this is not even Majesco apps, that are available, you just subscribe to it. And instead of working with each different providers, you are just coming here, you are subscribing it, and you are using on a pay-per-use basis. Use those app, you embed that and there is a live connection, we handle all the security, we handle all the transmissions. And during that you can use those capabilities, whether it is getting the external data, whether it is using some AI capability, is using some customer engagement capability, you can blend those things together with your already existing core system, or your Digital1st customer experience systems to build a really innovative solution. Now this is great.

We didn't know that industry will like it so much, because there is nobody in the industry who provides this, yet. And recently, we got so much validation from our customers from the industry analysts and now we start seeing some copycats coming in terms of doing it, which is even better in terms of seeing that, 'okay, our idea is there, people are buying this thing, people are liking

this thing, competitor wants to now copy this thing, obviously, we are going to push the pedal and accelerate, so we stay ahead of the competitor.'

So, what we have is all those things, but then you got to still have an artificial intelligence. And I do get asked the question that, 'I have a lot of AI and machine learning kind of capabilities, there is a lot of data, but how do we effectively do that?' Unless you can have that machine learning, provide an insight and make it actionable within the systems, it is kind of not useful. So, what we did is we recently tied up with a company called Data Robot. And the Data Robot is a cloud based AI machine learning company, and the whole mission of that they had was to democratize the artificial intelligence and machine learning. What that really means is that if you want to use the AI and machine learning, you need to have a lot of data scientists. And when you have data scientists, most of the smaller companies cannot afford the data scientists, they are expensive. And there are many that you need. What they are able to do it is with a very few or low data scientists they are able to extract the insights from the historical data and trying to predict the future with some of the external data. What we are doing with them, is integrating them, bringing them into our Eco Exchange so that those capabilities can be applied directly to our solution. So, that's a very exciting play.

So, we have lots of apps available, we have lots of apps coming, we have now 37 partners who are committed to build all those apps on to our systems. And it's an open platform, they can come they can build an app, and our customers can actually subscribe to this app. So, there is a lot of value that the Digital1st delivers. And online ecosystem is a key thing, the cloud native platform, there is none in the industry, where are they? And if somebody asks me any time and said, 'what makes you worry? Is that a competitor is going to catch up that makes you worried?' And I say, no, that doesn't make me worry, because that's just the normal course of business, you got to stay ahead of it or somebody will get ahead of you. What makes me worried is what people really appreciate soon, what we have. And I think that we see the signs based on the eight new logos that we signed on the Digital1st, but will it go mainstream, the time will tell. We think that the industry is right, we think that what we started two years ago looked like a Star Trek version at that point in time, because nobody understood. But we had a vision, we took a gamble and we are here at a unique position. And I think that we can capitalize. We just hope that the mainstream industry is more and more adopting do this thing. But this is really the catalyst for innovation from our perspective.

So, having said that, in just a final few thoughts. With all this excitement, I want to now bring you back to the reality a little bit. And that reality is, we are still working with insurance companies. And that reality means that there is going to be a lot of still legacy system, there is going to be legacy products, legacy operations, all those things is going to happen which will happen at their own speed, which is sort of an oxymoron to say speed with that. But that is a little bit different. The objective is a little bit different; the objective is that, 'look, what we want is we want a strong backbone, we want to support the traditional model. I understand innovation, but I got \$2 million book of business, it's good enough, I want something that it can support that, it can modernize it.' And I'd rather trade the speed over the reliability. And that's what we call it a speed of operation. When we talk about speed of operation, the bottom half of the circle

where you see on the P&C and the life and annuity side of it with our core system, that's exactly what it provides, it provides that reliability, and it provides that speed of operation. When it comes to the Greenfields of those insurance companies where they say that look, innovation has a rhythm, has a different speed. And when I want to innovate, I want a low cost platform, I want to have a fail fast, I want to have a test and learn capabilities. And guess what, I need something. Okay, if it is not reliable for the scale just yet, but I want something to quick, I want something to be way agile, I want something to do I can do things in days, I can deploy my new customer experience every day and test out with different demographics, targets and things like that. That is our Digital1st.

So, what that really means is that you as an insurance company, for next 15, 20 years at least, you are going to work in two speed, you are going to need a two speed platform, you are going to need a two speed process, it's going to be different process for the greenfield sources, a different process for your existing business and you need your two speed IT. But guess what, the way we are saying is, you need to speed products, agreed two speed process, agreed two speed IT, agreed, but you don't need two vendors for that. You can just come to Majesco get all the problem solved on both the sides, on the operations as well as on the integration.

So, very exciting time. Thank you very much for listening attentively. And appreciate you coming. Thank you.

Diwakar Pingle: We will have a break for 10 minutes, tea coffee break.

Diwakar Pingle: Welcome back. We next to have Farid, who will speak about the financials, and we will then follow it up with the Q&A session.

Farid Kazani: Hi, good afternoon to all of you all. First of all, thank you very much for turning out in this morning, afternoon session. And appreciate your continued interest in Majesco.

I hope most of you would have got a pretty decent overview of the company and the business. And Adam, thanks for laying down the vision and the strategy for the company. And Manish, appreciate your passion in terms of what you bring to the company in terms of developing innovative products, and clearly laying down and explaining the landscape of what you are planning to do in future. I am really excited to see the Digital1st platform taking off so brilliantly in the first year. Pretty much more than expectation. And secondly, Manish has already announced the launch of the Version 11 and we wait to see that when it gets in the marketplace in October of 2019. And it will create a completely different presence of Majesco within the insurance industry globally.

So, over to the financials. And just to have some flashback. I remember, almost four years back when we demerged the insurance product business out of Mastek, it required a pretty bold move by the founders. And I must thank them that they kept their emotions aside and decided to create a completely different company that focuses on product and making the investments in the business on a continual basis to bring to where Majesco is today. And then again, when I look

at it in this year, in 2019, another bold move by the founders, by Ketan, to bring in Adam as the leader of the organization. And I think that brings in a very strong professional to create a strong management team to kind of take forward the business from here.

So, this year, as Adam said, it has been a very busy year. When you look at the financial metrics and indicators, all of that looks green. And when the Board asks us that if everything is green? There are not much questions being asked. So, when I told them that when you have investors, when it is green they have too many more questions, when it is actually read they keep quiet, they don't ask too many questions. So, I am anticipating some questions for the three of us after the session.

And in terms of the activity that has done for the year, I mean, completely a year of transformation. And if I look back at a FY2018 it was actually a transition year and we actually went through a lot of pain. So, if you look at last year in FY2018, we had a flat revenue, we just had in net profit in rupee terms at the Majesco India consolidate of around Rs. 2.8 crores and at the U.S. level because of a deferred tax reversal that happened we had a loss at a U.S. level of around \$5 million. And therefore, we were at a state that though we continued investment, we didn't worry about the overall numbers, we believe that we are going to be seeing a completely different year of FY2019.

And what a transformation, we have seen the kind of development of innovative products, the launch of the digital platform that took place in May, Adam coming in September, we actually did the Exaxe acquisition in November, we actually completed the rights issue, got the money's to the right place, pared down the debt completely, we are a debt free company, then we had actually a closure of the legal issue that we had with one of customers, and obviously that was a painful effort to get that done. But we actually cleaned up everything and today we see ourselves on a very, very strong footing. So, with that, all the credit goes to actually the management team that has been able to do that. So, the teams across the product group, the delivery group, and when you look at the margin expansion that happened in a particular year to get a 700 basis point improvement in your EBITDA margins. And it has actually come out of both in terms of how we have built the revenue stream and how we actually saw operational efficiencies created by the team to kind of make that happen.

Overall, it's been a very satisfactory year for us and I hope the investors do feel the same. Let me get to the bare financials.

So, in revenue terms if you look, we closed the year at around Rs. 988 crores, up 22.6% in rupee terms and 13.4% in constant currency dollar terms. On an adjusted EBITDA, huge swing of almost 200%, from Rs. 39 crores to Rs. 117.7 crores, in terms of margin from 4.9% to almost around 11.9%, a 700 basis point improvement, as I mentioned earlier. And if you look at the net profit, significant shift from Rs. 2.8 crores, which was a meagre profit, we have ended up at around Rs. 71.7 crores. And that has actually helped us to even get the Board to propose a dividend Rs. 1.5 for the investors, which will be put to the shareholders to vote.

One of the important metrics that we follow and this is very critical for our business, we saw this shaping up tremendously well. It has seen a growth of 67%, it grew from Rs. 239.9 crores to Rs. 401 crores in this year. And that came not just from the IBM program, if you have that kind of thought, it also came across other kinds of businesses that we got from cloud customers. So, the cloud customers actually moved from 38 customers to 54 at the end of 2019.

And if you look at another important metric, which is actually a leading indicator, we actually grew our book very, very strongly, especially in the H2FY19. We started the year with Rs. 600 crore, which was roughly around \$90-odd million, but we were down to almost around \$70 million to \$74 million. But grew that tremendously in the last two quarters, a growth of almost 22% from that time, to end the year at \$97 million, which is almost Rs. 670 crores, and obviously, a record. So, clearly it's a strong starting point for us to see a buildup of our business going forward.

And I know investors would love this to see cash flow generations that has come out of business, while we had money raised with the right issue, and some part of it has been utilized for the acquisition and paring down the debt. And in spite of that we have seen an improvement in the cash flow, all that being generated out of the internal accruals that we had during the year.

So, all in all, a great year, in summary. If you look at the performance over the multiple quarters, we have had seven consecutive of consistent financial improvements, where we have seen revenues going each quarter. We ended up at Rs. 261.5 crores at the end of this Q4. And on an annual basis we ended up at Rs. 988 crores. So, a growth of 22% on a year-on-year basis, and all that has come with multiple efforts right from creating more business on cloud, revenue profile improvement, new logos getting added, expansion in existing customers, and then some bit of it from the Exaxe acquisition, Exaxe acquisition actually contributed 2% of that growth.

Even the EBITDA margins kept pace with revenue. So, where we started last year with a 4.9%, we actually grew the EBITDA every quarter and we ended up with a 700 basis points increase year over year. And if you look at the quarter wise also, it grew every quarter. When you see the last quarter, last quarter actually had a little dip, it was largely because we had some year-end provisioning to be done, we had brand expenses and we expenses to close out the legal case. So, barring that, we have seen good amount of improvement in the in the EBITDA margins.

As I mentioned earlier, the backlog. And when I look at this backlog, the backlog actually has grown across all geographies. So, we have had increase in the business in all geographies, it has come in from both the P&C and the L&A. So, it's not just one particular vertical or one particular geography, it has been across the group. So, if you look at the 20 clients that we won across, 15 clients in the U.S., two in Europe and two in Asia Pacific and one in India. So, really speaking, this has been a tremendous effort across the group to make this happen. It is great amount of visibility of \$97 million actually being revenue in the next year.

This is a very important metric, which we track internally, and then we have much more, double clicks underneath that which we track on a regular basis. So, you can look at the left hand side

bar chart, which is the recurring revenue, recurring revenue consist of the cloud subscription which is from the cloud business, it includes the annual license fee that we get from on-premise customers and the maintenance and support, which is a regular annual revenue that we get from different on-premise customers. So, this metric has gone up by 52%, from Rs. 215 crores to Rs. 328 crores, it has actually increased in the percentage from 26.7% to 33.2% in the year, so tremendous growth year-on-year. And we hope to see the same continued momentum going forward.

And when you look at the cloud, the cloud has two components, where we get some implementation revenues and we get the subscription revenues. So, when a customer goes live, you have the customer paying the subscription revenue. And that typically starts with a minimum revenue commit, and then builds up over a period of time as he starts building and adopting, as Adam would have explained, the land expand model, where customers starts adding more business volumes and then we get paid as a percentage of the premiums. And that builds the subscription revenue. Even this metric went up pretty much from Rs. 239 crores Rs. 401 crores, up by almost around 67%. And as a percentage, it's gone from 29.8% to 40% plus. The subscription revenue, which is a recurring part in this, went up from 9% to 11.7%. So, all in all, it has been a strong performance in this key part of our business that we actually look at, which is going to create sustainable long term growth for us.

From an overall, if you look at the split of revenues, we have the revenues between the cloud business, between the on-prem business and some part of it which is actually the consulting and services part. So, if you look at, compared to the last year, our cloud business grew, as I mentioned, almost around 67%. So, that percentage has gone up to 40.6% as compared to 29.6%. The on-prem business has been going down, so if you look at year-over-year, there has been a decrease, a year before last it was almost around 31% has gone down to 20.7%. That's part of the professional fees that you see as combined with the consulting services. And the maintenance and support has remained at a good level. So, overall, if you look at the shift from an on-prem model to a cloud, is really reflected in this metrics, in this chart.

Again, as I mentioned, growth, the growth in revenue itself has coming from all geographies, North America has grown with the P&C and L&A build up. The Europe region has grown, both for the UK and the Exaxe acquisition. And the APAC region also has grown in this year. Overall, you see 86% from North America, you see 7% from Europe and 7% from the APAC India business. L&A has been a big contributor, yes, Met Life has been part of that. And that helped shifted the percentage from 22% to 29% L&A, the balance amount has come from the P&C business.

So, if you look at a future, Adam did explain and Manish also did share, the kind of changes that are happening in the insurance industry, with the pressures that the companies are facing, both in terms of the business model, in terms of competition, in terms of low interest rates. And they are looking to change their business, the way they do business, and the way they want to model their business to customers, they have to be more relevant in terms of what they plan to sell to customers, and therefore the need for them to have completely different innovative technology

solutions. And I think we are the right place, we are the ones who are actually at the right time, and probably ahead of time to provide the solutions to the insurance industry. And if you look at the investments that are being spent, and there is a Novarica study of 2016 which said, the businesses are spending on core and digital areas, and that's exactly where we are present. So, the investments that these insurance companies are making on technologies is far higher than what their growth in the premiums are. And these investments are clearly in the areas of digital transformation or in terms of modernizing, optimizing and creating new innovative solutions to address these concerns and issues that they have. And as you would have heard in the customer panel, Seth of Capgemini was saying that, L&A is a completely underserved market, it was actually in terms of years, in terms of innovation, in technology they have been far behind, but they are the cusp where the spend is happening in the life side.

And as part of our strategy, and as Adam said, our work is to create the right, relevant solution for the industry. So, we moved consciously from an on-prem to a cloud based offering. And even our sales teams, are completely incentivized to sell more of cloud deals. So, if you look at in the last Jan FY19, 14 of the 15 deals in US came from cloud. And it's not that on-prem is not happening, on-prem is happening, you have seen competition selling on-prem. But what works on a long-term basis, what can create much better sustainable revenue, what can actually improve the business and profitability is where we are in building a strong cloud based solution. And therefore, our shifting in the model from in an on-prem to a subscription based SAAS revenue is the right model for us to be in. And though we may have a lower recognized revenue in the initial year, it actually creates a bigger tail in future with subscription revenue coming in, linked to the land, expand and adopt model.

And even the initial subscription fee that we get actually protects our downside, protects our margins clearly. We do believe that as the business builds up with the customers on the platform, we do share the percentage of our earnings as a reduction overall subscription rate to the customer. And with a higher revenue, it gives us higher profitability as it comes with reduced costs to service to customers. So, the model works where you start building business, and you start getting a better subscription percentage as it costs.

The renewal rate, while it's upwards of 95% and we have seen renewal rates are almost closer to 99% and 100% from these customers. So, you hardly see a customer who comes and builds a business in cloud, becomes successful, sees everything working beautifully, it's unlikely that he is going to shift. So, it's a very sticky business, you will see a customer doing a contract for five years and then keep renewing for the next five years. Though we are at a very initial stage in some customers on the cloud business, they have tied-up for five and 10 years, but we do believe that we have seen in customers as they build more business, there is no reason for them to get out of that platform. And they will keep on building more and renew the contracts.

It obviously gives them a much better predictability, of course, it also gives us a much better predictability of our revenues. And therefore, for us, it is easier for us to manage our budget vis-à-vis cost, it helps us to actually decide our investments and on a product roadmap well ahead, and therefore manage our profitability also.

So, this is just an illustration of the difference between the on-prem and the cloud model. And as I did mention that in an on-prem you will probably have much higher revenue in the initial year, the first year, but then it tapers down and it and what you get is only the recurring revenue which is typically the maintenance and support fees. Now, in the chart that we have shown out here, and obviously there has been a little change in the in the accounting due to the AS 606 and in India from the 115. So, to that extent, whatever license fee we would have gotten on on-prime, as long as there is no further obligation to the customer, you are actually going to recognize that that license up front for the entire duration of the contract, though you obviously will not get the payment upfront, you will get the payment on an annual basis. So, it's actually an annual license fee. But the accounting standards have made it now very clear that as long as the license does not have a future obligation to the client, you will recognize that up front. So, what we have seen out here is a blue line which actually has the entire revenue recognized up front. And then what you get is typically only the implementation revenue in terms of recognition.

On the other hand, when you look at the cloud-based revenue, you have a very small cloud-based implementation, because it's a rapid implementation, it's a much lower effort and you actually have the customer ready much ahead. And then during the implementation he does pay you a initial subscription, or what we call in some cases, a pre-production subscription fee, but that's 25% of actually typically minimum commit that he makes. And then later what he pays us on a regular basis is a minimum committed revenue. So, this particular chart actually just shows that if the customer does not do anything its without any further expansion, you would have steady revenue on a continual basis. And therefore, over a period of time you will land up with much better revenues and much better profitability.

But if you look at the next slide, which is an illustration as the customer expands on that platform, and this is typically how customers look at it, because he is not going to buy a system and remain on a minimum revenue commit, because that is not going to give him the benefit or the engagement level. So, as he becomes more successful, he starts building volumes on top of that. So, this model shows you, on the left-hand side, getting a customer in year one, you see the built up that happens over a period of time linked to the adoption. And in this model, we have taken, just as an illustration, that if you win 10 customers each year, the absolute revenue goes up from \$2.4 million with those customers growing at close to 30% due to adoption, and I believe 30% could also be range of a percentage, it could be anywhere between 20% to 40%, but we have just taken an average of 30%. You know, you could see the revenue going from \$2.4 million in this business to \$30.6 million over a five period. By the way, this is an illustration, but it actually shows that as the customer adds volumes, he gets the benefit of a lower subscription and we see the recurring revenues that come in as subscription. And in terms of cost, it's not a great amount of cost for us to expand that revenue, it's adding extra infrastructure cost that we need to manage them on the cloud, and some support expenses. But this gives us a significant improvement in our profitability. And when we look at subscription revenue, you could see a customer and this is live example of customers that we have had, in the first year they could give us around close to 60% gross margin, but when they expand in year three or year four, you can end up with 70% to 75% gross margins. And that's exactly what we are looking at, going forward as we build

more customers, we have got 54 customers, and as we keep adding customers on an annual basis, what you would see is that you are building the scale of revenue, you are building the subscription and you are building a much more profitable business model.

And in terms of our plan to manage this, there is investments to be made. But it is going to be more of allocate and reinvest from some of our other areas that we have, both on the product side or from the G&A side. And reinvest that in the right areas to be able to support the growth plans that we have. And when we are looking at Manish to launch those Version 11, there is fair bit of investment dollars on the product side to happen in the first half. But I am sure that there will be reallocation to other things that we will be building, both on the digital and the cloud offerings here.

I will turn on to the last slide, which I would want probably Adam to summarize. And then we can turn over to the Q&A. In fact, Manish can also join us here.

Adam Elster:

Great. So, thanks Farid for going through the numbers. Again, I think we are very happy with the financial results from last year. And hopefully some of the modeling gives you a sense of how we are thinking about building the business forward. And when you move to becoming more of a product company, and build a SAS business model and run a land-and-expand mode of adoption, these are the financials and how they typically play out. Now, you have seen many of these models from other cloud companies, so it's important for us to share with you how we are thinking about it. And you understand where we are in the journey. So, I appreciate everything Farid went over.

But last but not least, look, we are shareholders and investors at Majesco, we take that responsibility seriously. And our role as a management team is to return value to shareholders. So, what was important for us to do today is let you know where we are investing your dollars, right? So, as custodians of your investment, telling you the strategy, and where we see the market and where we are placing the big bets was important for us to share to all of you. It was equally important for us to show it to all of our employees, to get them aligned around our three year plan, to show it to all of our customers at our Convergence annual event that we had last month, and share them with you the same; and then obviously to all of you. So, this was a multi-phase process to build an internal strategy to share it with the employees, check with analyst, make sure we were aligned, align our customers and partners and then shareholders as well. And then for Manish to show you where the money is being spent. So, you can see tangible results. So, these aren't, for many of you, and I don't know how many people how long the average tenure of folks in this room who have known about Majesco or have been shareholders.

But I am not sure the last time you actually saw the product and got a view of it. But as we are moving to a product company, it's critical from my perspective, this is how what product companies do. They show you the innovations, they show you the result of your investment and what it actually looks like for customers. So, this is part of our transformation in becoming more of a product company. This is how product companies show up, you should be asking every year, the next time we get together and hopefully next year, you should see, you are going to see

the demo Version 11. And hopefully we will have some customers who are already up on it, you will see the next version. But this is how we plan to communicate with all of you. And again, we will do it digitally. So, you should expect on the website we are going to put up videos, all of that information, we will use that to communicate with you. So, there will be more than information.

But fundamentally, look, what do we want you to leave with? We want to leave with, we believe, that we are operating in a market opportunity that is ripe for transformation. We believe that the market is shifting in this area, and we believe we have the capabilities. Will we get the timing right? That's the big question. One question is, will it grow as fast as we hope it will grow, will we penetrate it as fast? We believe we are making a ton of progress. And we believe all indicators are positive that we are going to be a big participant in this market. We clearly have the technology, we believe we de-risk the opportunity by participating in both P&C and L&A, so we just de-risk if there is some slow down, if L&A keeps moving slow or P&C speeds up, we have an opportunity to capture growth either way.

Look, we want you to understand some of the fundamentals. Right now we have some strength, right, we are back to revenue growth, profitable cash, we believe just some of the financial fundamentals to make us look like a good solid company we have in place as a result of this last year. Which is important, make no mistake, there are companies who decide or not to decide to work with Majesco, based on your fundamentals and your financials do they think you have a sustainable business model where you have cash flow from operations that can sustain the business, and a balance sheet that can like you make investments as you see. People see these as important levers as far as how you move, how you move quickly and meet needs. And finally, look, we believe we are going to reinvest back in the business, right, the product model and the subscription model creates opportunity unity for higher margin business. We don't think all of its going to drop down to the bottom-line, we think that we are going to need to invest a portion of that back in to cloud operations, increase acceleration of development work in those areas. But we think we can do it in a measured way. So, we do not think we have to drop all the margins and stop everything and spend a ton of money to reach the market demand, we are going to make measured investments. So, as we make more profit from the product business, we believe we can reinvest and reallocate a part of that back in the business and have measured but profitable growth.

So, we appreciate the time today, hopefully, you left today with an understanding of where we see the market opportunity, a very clear understanding of what our big bets are, where we are investing for growth, a really good understanding of the products and how that investment actually becomes practical from a customer technology perspective. You also heard from customers, so those are two real life customers, we don't pay them, we actually charge them so we don't pay them to do those spots. They are some of our billing customers who actually use our products and spend money with us. So, they are not paid advertisers. Seth is the head of that \$1.6 billion Capgemini insurance business. And let me tell you, he doesn't say anything nice unless he really means it. So, he's been dead honest to what he believes market is, he's a very sincere guy, but he sees that market opportunity in L&A. So, that's why we are excited about

L&A and that partnership, it really does make us unique. And finally Farid going through the numbers, I mean, again, don't think we could have necessarily predicted we were going to end up with all those results in the last year. And I think the management team and leadership did a great job.

So, with that, we really appreciate all the time today. And Manish will join us up on the stage as well. And we are going to open it up to Q&A. I assume you are going to help moderate that a little bit, right?

Diwakar Pingle:

Yes, I think we will kind of go with the Q&A. Before you ask a question just state your name and organization you represent, because this is being recorded for transcription, so please state your name and organization name. And in case you want to direct it to someone, you can ask or you can ask the whole management team.

Participant:

I had a very simple question on your sales strategy, what have you done since you have come in? What are the changes that you have done? And going forward the magnitude of sales, will they increase? And how will you manage your sales budget? Where are you spending them outside your IBM partnership? And I guess Capgemini will also have a marketing angle there? So, if you can talk about all three buckets, your independent sales operations, how are they looking like? Are you hiring new people? And what is the strategy there. Then, what is happening on the IBM side and Capgemini side.

Adam Elster:

You got it. So, I'd say, overall from a sales and marketing perspective, obviously, you have seen we made some rather large one-time investments from a marketing perspective. So, redoing the imaging, the messaging, the website, we spent a lot of money in our Q3 and Q4 to actually launch all that. So, the good news, you are seeing all the positive margin already this last year, we already spent the big dollars. So, good news, we are able to do all of that spend and launch it all in last fiscal year underneath our margin. So, we have no giant need for this coming year to spend a lot more money in marketing, you will see a lot more investment in video and digital assets and things of that nature from a marketing perspective. But we spent the bulk of the money already in a profitable way within the year. So, we were able to do the one time investments. And thanks to Farid how we manage the finances, we are able to reinvest and reallocate last year in a profitable way that there will be no hit moving forward.

As far as we think about sales going forward. One of the things I did do was bring in a Chief Revenue Officer, some of the things that he has already rolled out, he has a real disciplined sales methodology, there is a sales methodology called MEDDIC, you guys can Google it. It's a very disciplined sales methodology, it's how you look at opportunities and manage them over time. So, I feel good about our sales pipeline, although he is going to bring a really rigorous process oriented style to running global sales in a disciplined manner, where we can really run at a different level. Well, that means we need to hire a ton more salespeople? I actually don't think so, I don't think we have a need to hire a lot more salespeople, we are definitely looking at the sales talent we have. And I'd say, we have some great people and we have some others that we need to hire. And I will leave it at that.

So, again, same theme around reallocation, don't think I am going to need to greatly increase my spend in sales and marketing, but I do absolutely think I am going to reallocate to new things. Hiring us up, a blue-suit door -knocking salesperson is kind of the last step in the modern way you sell. You have to drive a lot more digital awareness and then do a lot more digital ways of nurturing opportunities before they are ready to sell. The good news in insurance, there is long sales cycle, I can spend less money doing more pipeline development and nurturing in lower cost digital ways forever need to hire another salesperson. So, you are going to see the shift change. So, it says hiring the next, I would, say six figure sales people, I might need to half digital remote sales people to nurture digital assets. And that's the modern way people sell, before you get to really needing a sales guy. So, it will be about optimizing the pipeline and spend from a sales perspective and upping the talent, because we don't have a lot of the digital sales people talent, we will bring in some of that. But we are going to reallocate from what we already have.

From a partnership perspective, we are definitely dedicating headcount to that. So, we definitely have people who were doing other roles, again, reallocated. You are dedicated to Capgemini, you are dedicated to IBM to do the sales process, it's a multiplier. The reason you work with partners, its interesting we have several dozen sales people, much very interesting than IBM has thousands and the Capgemini has thousands of consultants. So, in a month too many, you have a Partner Account Director, and that's the title the industry uses whose job is to work with the partner to activate their team. So, it's a salesperson, but it's not direct quota carrying, they do it through the partner. So, that's how we are going to deal with the partners.

And I think overall, that's the right strategy for us, especially given our size. Optimize the direct sales force, shift them more to digital, continuing spend on marketing, but we spent the big money already, and then dedicate people to do the business development with partners and get the multiplier. And in that way will some of the numbers go up? Yes, but it's not going to be, you are not going to see margins come way down and the sales and marketing expense go really high. We have a real opportunity to optimize bringing in methodology will make us operate cleaner. Thanks for the question.

Ashi Anand:

Hi. I am Ashi Anand from Allegro Capital. The first question was, the app ecosystem that we have built on the Digital1st platform looks very interesting. Do we have the same capabilities to extend the same app tech functionality for ecosystem partners towards the core P&C and L&A offerings?

Manish Shah:

So, just to clarify, all those apps, they are being consumed and sold three different ways. One is obviously it's embedded with the Digital1st, second is its embedded with our core systems. And third, they can be subscribed and can be used by anybody in the system. So, it's not really limited to who is going to consume it and the restrictions are not anything like that, you can just simply subscribe the app. If they are using our system, it will be an easier way to consume it, otherwise they can still control it.

Ashi Anand: The second question was, will be looking at these partnerships that we have with IBM, Capgemini, etc, how exclusive are these? As in, are we one of many vendors?

Adam Elster: Yes, we are one of many, they are not exclusive. The idea of exclusive partnerships is an antiquated notion. So, again, unfortunately, they have to walk in and say, 'Hey, we are Capgemini, we will recommend what we can do in insurance and we will tell you what we recommend'. The good news is, because we are the market leader in L&A, and there is no one close, they can go in and say, 'Hey, if you want us to use the solution we use often, it's Majesco'. When they walk into a P&C site, they have a lot of experience with Duck Creek and Guidewire, and they have a lot of those resources, they will recommend anything, but not really, right, they will recommend the things where they think they have the best opportunity to be successful. So, none of these are exclusive. Every one of these companies has multiple offerings. And it's the same in every technology company you would look at. So, if you call up and say, I need to do an implementation of SAP, you can call every consulting company in the world and they will say, I can help you with that. And if you call back and say, can you help me with Oracle, they will say I can help you with that. So, the notion of the exclusivity, it's not the case, it's not the way they operate. And we are not that worried about it. Good news in L&A, with Capgemini we know we are ahead, they have already picked us, once you start getting embedded it last a while. I mean, it's the same is true, like Guidewire built a nice business because they chose to go that method years ago, it's understandable.

Rahul Jain: This is Rahul Jain from Emkay. Yeah. First of all, a question to Manish. When he said that 95% of the clients are interested in looking at our digital solution, the insure-tech solution, so what are the potential revenue opportunity in this case, or this is more like small upgrade kind of a fee that we are going to charge to these customers?

Manish Shah: So, most of the customers, the 95% of the customers who decided to upgrade their older platforms of Majesco to the newer one went with the cloud. So, there are two revenue opportunity comes for it. First of all, when they are upgrading to the new one, they are not necessarily just simply saying upgrade, because that is 10, 15 years old versions of Majesco. So, in some sense it is really a new implementation for them. So, they are gone out and they have checked and they are looked at the other softwares and they say, 'no, still we want to stay with Majesco'. And in that case, we are basically structuring the deal in the same way as we would have structured a deal of a brand new customer. So, that's one component. So, that revenue is definitely a higher revenue than what they are paying, it's not just a regular upgrade fee.

Second thing is the cloud piece of it. So, overall, the way equation balances is that we get a higher revenue because we are providing more service, basically infrastructure, we are providing some of the disaster recoveries and other operational services, obviously, we are taking on it, we are shifting some of the risks from them to us as we are getting some of the limitation of liabilities and data breaches and all. So, our revenue for cloud is higher than if they would have asked for the on-prem, but their cost for running the total cost of the system is lower, as if they would be running this thing on their own and the amount of people that they have to hire and some of the

some of the liabilities that they have to take, it is still lower. So, it works on a win, win situation. So, we get a much more revenue opportunity. And it's not just an upgrade fee.

Rahul Jain: So, basically it adds up to incremental outsourcing pie for that particular client by keeping some of this interesting outside now?

Manish Shah: Yeah, I mean they optimize their costs, they improve the reliability for the thing, and it gives them a lot of time to catch up and stay caught up. So, it doesn't happen what happened to them 10 years ago staying on on-prem that they couldn't upgrade. And now with the cloud, they never get into that situation again.

Rahul Jain: Right. And to Adam, this Chief Revenue Officer kind of a role that we have now, is it more to ensure signing to go live kind of a timeframe that we want to achieve, is that the key responsibility?

Adam Elster: So, the responsibility runs from global consistency of sales methodology, alignment of our products to our markets. So, what products we are going to sell and what markets where we think the most opportunity. Discipline around how we manage our pipeline and where do we spend our money from a cost of sale, whether we are spending it direct through digital sales, or through partner sales. And then ultimately, the other big component that you need to do when you move to the subscription model is focus on adoption. So, as much as it's important that we land new deals, equally as important is the process, as once you go live is having more of a customer success, adoption team who is focused on the end incremental revenue. So, the chart, that Farid shows about the buildup, it's a good baseline chart. The real beauty of these models is getting past the minimum commitments and getting customers adopting, because as they adopt more and their business grows, that money falls to the bottom line with little to no cost. So, if you start focusing on customer success, and those types of views, and you all know the word customer success, because you heard about it for the last 510 years, right? I used to run a team that was called customer success for a few years, right? Those models were put in place to drive adoption, because adoption, drives that incremental growth and SAS businesses. So, part of the mandate for Jim is to build that same adoption, customer success, to not just get the initial sales and the new customers. But once those customers go live, how do we go after the increase revenue that you get through adoption? So, those are some of the key functions that we have moving forward.

Ramesh: This is Ramesh from White Oak Capital. If you look back on your cloud implementations you have done on subscription, how are the adoptions tracking with respect to your expectations down the line?

Adam Elster: Yes, at the moment, I think, slower than we hoped, is the honest answer. The honest answer is, when you look at cloud adoption and you write these contracts, the way the contracts are written is when you do, while you are doing the implementation, you get a small portion of the revenue. If they are paying you \$1 is a minimum, you get maybe 25 cents on the dollar while you are doing the implementation. Then once it goes live that's when the meter starts running, right, and

then you get your minimum revenue commitment. But the key is not just a minimum, the key is they write business on this platform, and that grows. So, at the moment, it's interesting that we had these customers go live, which is awesome. And we are excited about it. But until they start writing business on it, you got to get above the minimum to get the incremental. So, at the moment, we are modeling it pretty conservatively. And we are modeling it conservatively, because we only have a handful of these customers who have gone live, and only a few of them who have now reached above the minimum commitments. So, at the moment, we are trying to model it, but we only have a couple of customers as examples. The good news with the bookings from last year is now we have about a dozen customers who have bought the cloud technology, who have built it on this business model, we have four or five who have now gone live. So, now part of the operational things that we need to put in place to start tracking, where are they against the minimum, what is their expectation, what is our expectation of when they are going to get past it. And again for the model to really take off early in the cycle. So, it's unrealistic to suspect in the next year all of them are going to go live and go beyond their minimum commitments. That's the dream. That's the hope. But we definitely think as we go into next year, and within the next 18 months, based on their business growth, we expect it. Unfortunately, and I get all of you would want this, and I have talked with many of you I have met with one on one in February when we did some sessions, you want me to show you those numbers. Unfortunately, we were just in the early stages. So, we are starting to model it, which is why Farid gives you a depiction of what this can look like. We are hoping over the course of the next year to have the real numbers and start showing it to you. But the sample data is still a little low.

Ramesh:

And the next question is, now you in February you indicated that you wanted to relocate resources into the product from different parts of the business. Where are we on that journey and when was that change?

Adam Elster:

Yes, we are starting, so it has going pretty well. In fact, Manish and I were meeting yesterday in the Bombay office. You know it's kind of project by project, team by team, if you have on-premise project that takes three years, and you shift that to a cloud project that takes 90 days. The good news, you still have resource and time to allocate. And what we are going through, and Manish is with Mallinath who runs delivery is saying, if I had a consultant who is doing billable work, writing custom API's for a customer, why couldn't I use that same skill and give them very specific development requirements to build API's moving forward. So, we are starting the process, it's less than probably a double dozen people we have looked at to move around. But I don't know if you want to talk about a little more, but that's the reallocation. If we can move some of our services consultants who are doing custom development work to be software developers, it will speed up our roadmap and accelerate some of our transformation.

Varun Goenka:

This is Varun Goenka from Reliance Mutual Fund. My question is, of your total revenue, what part of your revenue today is recurring, which is excluding your support, maintenance, or initial transition that the customer does from an old system to new system? Basically, what are the revenue can the customer share with you because of his growth that he has seen because of your system? And going forward how will that revenue really shape up? What is the revenue model around that?

Farid Kazani:

So, if you looked at the breakup that I gave, the recurring revenue has three components, and it was the subscription revenue, which is recurring based on the adoption and the platform that they choose, and there is the annual license fee that we get which is a recurring income from on-prem customer then there is support maintenance. If you exclude the support maintenance, then the recurring revenue has around 12% of subscription today, and it has around 3% of the of the left, so its 15%. If you look back at the last year, the number was 9% and 2.5%. So, we have actually grown in terms of percentage, from almost 12% to 15% and on a larger base of revenue. We are not giving any kind of forward looking numbers, as Adam said that customers going live seeing their business function on the cloud over a 12 to 18 month period, and then in the third year or fourth year adopting much higher business on the on the platform, you will see this subscription revenue start building as a percentage of our overall business. Now mind you, when I am talking about percentage, it depends upon how our businesses grow. But we have been seeing the subscription revenue, if you see that, it has grown almost 50% year over year in the past two years. That may not be a reflection of future but clearly if customers start adopting faster, if there is more digital sales, there is more cloud sees, this component, which is subscription, could be the fastest growing revenue stream for us.

Varun Goenka:

So, just to clarify, is there in your pricing a variable component with the customer which is linked to his sales or efficiency?

Adam Elster:

Yes, its linked to the policies, the dollar value of the policies that are on the platform. So, a very simple model, 'hey, you want to run a business and you think you are going to have \$100 billion business, you are going to guarantee me a certain amount of money, you are going to guarantee I will make it up'. I am just going to make up an example, it's not a real one. You are going to pay me a \$1 million a year for subscription license and that will cover you up to \$10 billion worth of business on that platform. So, right away on our platform have added, when you get to \$10 billion policies, you are still only paying me a \$1 million a year. Now, you go to 11, you got to pay me excess fees, you go to 12 you got to pay me more. You get to 100, you are not paying me 10 times as much, but you are paying me much more. So, the idea is, our revenue grows as their revenue grows. This is how every SAAS company writes these contracts. And you are probably more familiar with modeling these on a user basis. So, when you look at other companies, you want to compare us to in model, and again, you Salesforce, use Workday, whatever, they do it on an employee basis or a functionality, meaning I will charge you this many for this many employees and if you go over it's this much and things like that. Ours is based on their business. Why that is so good is, the argument is, 'hey, if you have to pay us more money, it's because you are successful'. So, the good news is you are only paying me more if you are making more money. So, we are 100% aligned to their business, right? And the value is, with a minimum commit we are guaranteed. So, if their business fails, we still get our minimum revenue commit. So, there is no downside. This is not the model that says, 'hey, if you write \$5 billion, you pay us 50%'. No, no, no, you agree to a minimum commit, regardless of what you pay.

So, the reason it's harder to model it, and I know everyone wants the model is we are dependent on their success. It's good from a business model and customers love it, because it is shared risk.

But when you model it, and everyone wants to talk about IBM and Met Life deal, right, so everyone has asked me about that. If there is a minimum revenue commitment that they have to pay us to use that platform, when they start writing business so they need to go live, because they will start writing business. We hope that they go over the minimum commitments really, really quick. That means that they are doing really well and their business is accelerating. Hard for us to predict are they going to hit that level in six months and nine months, they have shared with us their business plans, so they expect to go over it within the first 18 months. So, then I got to model that based on our go-live. So, it's a shared risk model, which customers really like. And I would tell you, when you talk about speed of value in a shared risk model, when you are selling to a customer, and they say how are you pricing this, how are you going to charge me? And I say we are linked, if your businesses successful, we are successful. It's a hard argument back from their side to say, you know, they just argue on price. Very different model than saying, pay me \$10 million today and I will cover you for just a site license, which is good upfront revenue if you can get it, very lumpy, not sticky over time, not derisk, but a big. Look, people make a lot of money off that old model, SAP and Oracle survived years doing that model. It's just more of the legacy way to run the business.

Ramesh: Just a connected question. Off your, again, recurring revenue, which is AMC or support services, you have an inflationary hike built into every year or that is also linked to any kind of customer growth?

Farid Kazani: There is a standard inflationary hike that is there every year.

Adam Elster: Hopefully that clarifies? I know that's true. We are trying to do a good job explaining to you why we are doing it, how we are doing it, modeling it. It's a different model when you go from on-prem from going from services charged by the hour, or going from a product on premise license fee where you get all the money up front, and then 20% maintenance over time, to shift the models. Many, many companies have shifted this model, though.

Rohit: I am Rohit from KD Enterprises. My question is that there is lot of employee attrition and moving out in this industry, so how to retain your employees? And secondly, for subscription based contracts, when there is basically for one year, three years, five years, for example, there is a rollover basically or renewal, so do customers usually bargain for these kind of contracts and do we lose our customers at times from these contracts?

Adam Elster: Yes, our renewal rates are close to 100%. So, the good news is, it's really sticky. I am not accustomed to renewal rates close to 100%. So, as far as I am concerned, it's fantastic. I used to fight to try to stay above 90%, renewal rates are really high. Typical deal lengths are somewhere between three to five years. Insurance companies, since it's a big transformation, they asked for longer deals. I would tell you, most other companies would do one to three year deals for SaaS businesses, most of our deals are three to five years, more like five years. And again, with a minimum revenue commit, the dollars are actually smaller. So, our actually deal size is coming down, which is great. And you'd say why is that great? Because it gives us so much more headroom. When the adoption works they will pay over time, you don't have to wait a year to

ask for \$30 million, asking for \$2 million to \$3 million and getting up and running is different. So, deal size is coming down, lengths three to five years.

As far as attrition goes, our attrition rates roughly about 15% globally. I think we are in a good place. I think the challenge we have is, again, we are trying to as we move the company to being more of a product company and we have most of our resources are here in India, again, attracting people who want to work for a software company as opposed to a services company, it is a different attraction. I think what is brilliant about what Manish is doing is, honestly, if you create the right framework for development of what they have to code, whether you are writing a custom portal in Java or you are writing the specs to a product, the actual job itself is not much different. But there is a little bit we have to do on branding, messaging. Look, no mistake, the branding, the messaging, showing up like this, this is a little more attractive to someone at a school who wants to go work for an innovative technology company. Unfortunately, they do the same thing. They go to your website, they watch the videos, do you look cool, are you doing innovative stuff, I want to work with microservices, I want to work with API's. It's how young people think and we need a lot of them. So, this messaging, let me tell you, important for investors, important for customers important for employees. I would tell you, for recruiting really important.

Aditya Yadav: I am Aditya Yadav from Translink Capital. My question is, are products and solutions ready for Azure and AWS platforms? Or are you hosting them for the customers?

Manish Shah: Yes, so the products are certified on Azure. In fact, our cloud insurer, our partner is Microsoft Azure. So, we are using their infrastructure as a service to run our cloud customers. So, they are already running, its not just ready, they are running on the edge. And this is our chosen platform for infrastructure that we support as part of the cloud insurance. In future we may consider multi-cloud strategy. Now, some of the customers who may run it into their own cloud, they may just take our on-prem software, and they have deployed in AWS, they have deployed in others cloud. So, for example, the IBM Met Life solution is deployed in an IBM cloud. So, they are in general, cloud ready. But with the cloud insurer, we have done even further optimization with Azure.

Aditya Yadav: Most of the cloud dears we are getting currently we are hosting them on Azure?

Manish Shah: All of them.

Diwakar Pingle: Any more questions? Or we will wind up for lunch.

Akshay: This is Akshay from HDFC Securities. So, you mentioned that insurance companies are litharge in adoption of technology. So, as per your assessment, what would be the factors that have led to this slow adoption? Is it the complexity and criticality of existing systems, or is it the cyclicity of their business? Or was what is it?

Adam Elster: Stability. I would tell you, so it's a result of their own success. So, the good news for insurance companies is, as most insurance companies were mutual companies, right? So, they had big

books of business with a lot of cash on their hand with a pretty high renewal rate. So, unfortunately, over the last 40 to 100 years in insurance, I don't know how many people in this room have changed your insurance in the last year, in the last two years, last five years, last 10 years? All right, got a few hands rolled up when I said 10 years. So, if you have a sticky install base of customers who annually just renew, because you know what? It's a pain in the neck to try to change. Guess what? I already know it. It's not broken, why fix it, there is not a lot of turnover. So, you end up with a very sticky install base who we all mail in the premium, literally, mail in the premium, right? So, we have a sticky base with a lot of cash, so why change. Am I losing customers? I am pretty profitable and pretty happy, why change? It's only in the last five, ten years when you see P&C trying to get to the new generation, getting in innovative ways that even created any change. So, I think for years, and you heard Seth talk about it with life insurance, forget if I asked you the same question in life insurance, if you can find someone in the room who switched their life insurance ever, I will be duly impressed. Once you do it, you never want to do it ever again. So, what happens? It's a sticky business. So, So, what is the issue? The issue is time. So, the issue is, 'hey, look, the next generation P&C is being disrupted because young people who are first time buyers of insurance, don't want to buy that way. And that's not necessarily buying life insurance. So, business models have changed. So, all of a sudden, as an insurance company, you had a long tail, tails running out. It is not going away; they will exist for years to come. But their book of business is going to get smaller, and smaller and smaller. And it's the ones who care about that and say the only way I can grow then is to move into new markets, and attract the next generation of customers and have new offerings, they are going to last long term. The other ones, they will exist for a while, they will be a very long tail and they will still have green screens until that guy retires. So, I'd say, what stopped them for years? They had a great business. If someone had told me as an 18 year old that an agent could make a 20% commission selling insurance. I am not sure I would have wanted to go to college, right? I had no idea that business model existed. But it's over. You heard these guys talking about it, agent model is going to go away over time. The next generation, we are going to have to convince you to buy life insurance, right? Not just be the recipient of your parents' life insurance So, that's what is changing. And I think their own success for many, many years have a very healthy business, why take a risk, I got a lot of cash on the books. No one cares, I mailed them an 80 page policy, you still renewed, no one cares, they had to call a phone number, because you still renewed, so what is the advantage? So, I think that's where, if I go right back to the beginning to wrap this up, the reality is the market has changed. It is a great opportunity because other industries have proved that if you want a long-term sustainable business and don't just worry about what your company looked like for the last 40 years, but you care about what your company looks like in the next 40 years, you are going to have to serve your customers different. And it's not just the customer from the last 30 years, it's the next customers for the next 30 years, they want to work differently, you are going to have to expand markets, and you lived off of the profit for a long time, but that tail is going to run out at some point.

So, with that, really appreciate all the time. Hopefully, this was a lot of material for you to digest, understand strategy, where we are going with the products, the financial, heard from a few people of how they see it. And we really appreciate the time. Again, thanks to the founders who started this, we do owe them incredible respect for what they created over the last 40 years. And

hopefully, as a few of the management caretakers of the business for the future were interested to share that vision and move it forward. And the same things I am talking about in the insurance industry, about that transformation. We need to do the exact same thing as what we are trying to do as a company.

So, thanks for all the time. We will be around if there is any other questions. And have a good day everyone. Thank you very much.

Diwakar Pingle:

Thank you so much. And as mentioned, the presentation will be up on the website. And in case you have dropped your card, we will send you a link to the presentation too. It can't be downloaded because it's a bit too heavy. So, we will give you a link and you can go and download the presentations.