

For Immediate Release

## **Majesco Q3FY17 Total Revenue at Rs 208.4 crore**

- **Y-o-Y Total Revenue grew 18.7% to Rs 643.8 crore**
- **Y-o-Y PAT grew 32.4% to Rs 11.7 crore**

**Mumbai, 1<sup>st</sup> February, 2017:** Majesco Ltd. (MJCO), (BSE: 539289), (NSE: MAJESCO), a global provider of software, consulting and services for insurance business transformation, announced today its financial results for the fiscal 2017 **third quarter** and **nine months period** ended on 31<sup>st</sup> December, 2016.

### **Review of consolidated financial performance for the quarter ended 31<sup>st</sup> December, 2016**

On a quarter-on-quarter basis:

- The operating revenue was Rs 205.5 crore during the quarter under review as compared to Rs 211.1 crore during the previous quarter reflecting a decrease of 2.7% in rupee terms. The de-growth during the quarter was due to the impact of the GBP exchange rate for the UK business and drop in L&A revenue.
- Total revenue was Rs 208.4 crore during the quarter under review as compared to Rs 213.1 crore during the previous quarter; down 2.2% on Q-o-Q basis.
- The Company reported EBITDA of Rs 11.7 crore (5.7% of operating revenue) in Q3FY17 as compared to EBITDA of Rs 12.4 crore (5.9% of operating revenue) in Q2FY17.
- Profit Before Tax was Rs 6.6 crore during the quarter under review as compared to Rs 7.1 crore during the previous quarter reflecting a drop of 6.1% on Q-o-Q basis.
- Net Profit stood at Rs 5.1 crore in Q3FY17 as against Rs 5.2 crore in Q2FY17 reflecting a drop of 2.7% on Q-o-Q basis.
- The product research & development spends during the quarter stood at Rs 27.0 crore (13.0% of total revenue) as compared to Rs 30.5 crore (14.3% of total revenue) in Q2FY17.

### **For the Nine Months ended 31<sup>st</sup> December, 2016:**

- The operating revenue was Rs 636.7 crore during the nine month period under review as compared to Rs 535.5 crore during the corresponding period of previous year reflecting a growth of 18.9% in rupee terms.
- Total revenue was Rs 643.8 crore during the nine month period under review as compared to Rs 542.4 crore during the corresponding period of previous year; an increase of 18.7% in rupee terms.

- The company reported an EBITDA of Rs 31.8 crore (5.0% of operating revenue) for the nine month period under review as compared to an EBITDA of Rs 7.2 crore (1.3% of operating revenue) during the corresponding period of previous year.
- Profit Before Tax for the nine months period under review was Rs 15.2 crore as compared to loss of Rs 7.0 crore during the corresponding period of previous year.
- Net profit stood at Rs 11.7 crore for the nine months period under review as compared to profit of Rs 8.9 crore during the corresponding period of previous year reflecting a growth of 32.4% in rupee terms.
- The product research & development spends was at Rs 88.3 crore (13.7% of total revenue) in nine months period under review as compared to Rs 77.0 crore (14.2% of total revenue) during the corresponding period of previous year.

### Other Operating highlights

- **Clients:** Total client count as of 31<sup>st</sup> December, 2016 was 164 (LTM). In terms of client concentration, the top 5 constituted 28.0% to revenue and the top 10 customers constituted 42.0% to revenue for the quarter under review.
- **12 month Order Backlog:** The 12-month order backlog stood at Rs 426.6 crore (\$62.8mn) as on 31<sup>st</sup> December, 2016 and in constant currency stood at Rs 418.4 crore as compared to Rs 440.8 crore (\$66.2mn) at the end of Q2FY17, reflecting a drop of 3.2% Q-o-Q in rupee terms.
- **Employees:** As on 31<sup>st</sup> December, 2016, the company had a total of 2,302 employees, of which 1,856 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 30<sup>th</sup> September, 2016 was 2,355.
- **Cash & Cash Equivalents:** The total cash & cash equivalent in Consolidated Majesco Group was at Rs 227.3 crore as on 31<sup>st</sup> December, 2016 as compared to Rs 179.8 crore at the end of 30<sup>th</sup> September, 2016.
- **Debt:** Total debt at Consolidated Majesco Group as on 31<sup>st</sup> December, 2016 was Rs 117.1 crore as compared to Rs 113.4 crore as at 30<sup>th</sup> September, 2016.

**Mr. Ketan Mehta, Founder and CEO, Majesco, said:** “We believe our growth opportunity for cloud based solutions is significant and is across all tiers and types of insurance carriers. Majesco’s compelling cloud offering and track record of successfully delivering speed to value and business model transformation positions the company to lead this trend. We continue to invest in our cloud based solution and I am pleased that we expanded our customer relationships with two customers for software in the cloud this quarter. The cloud business increased by 36.5% on a year to date basis which represented increase from 16.8% of revenue to 19.3% of revenue.”

**Mr. Farid Kazani, Managing Director, Majesco Ltd., said:** “Our revenue during the quarter was impacted due to slowdown in L& A business and the pound depreciation. The cash and cash equivalents net of debt improved significantly to Rs 110.3 crore during the quarter under review as against Rs 66.4 crore in Q2FY17. While we see topline to be under pressure in the short term period, we are confident of our ability to improve the profitability on the back of the growth in Cloud business and operating efficiencies.”

## About Majesco

Majesco enables insurance business transformation for over 150 global customers by providing technology solutions which include software products, consulting and IT services. Our customers are carriers from the Property and Casualty, Life, Annuity and Group insurance segments worldwide. Majesco delivers proven software solutions and IT services in the core insurance areas such as policy administration, billing, claims, distribution and analytics. For more information, please visit us on the web at [www.majesco.com](http://www.majesco.com)

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### Cautionary Language Concerning Forward-Looking Statements

*This press release contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of management, are not guarantees of performance and are subject to significant risks and uncertainty. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in Majesco’s reports that it files from time to time with the Securities and Exchange Commission and which you should review, including those statements under “Item 1A – Risk Factors” in Majesco’s Annual Report on Form 10-K for the year ended March 31, 2016.*

*Important factors that could cause actual results to differ materially from those described in forward-looking statements contained in this press release include, but are not limited to: integration risks; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters; technology development risks; intellectual property rights risks; competition risks; additional scrutiny and increased expenses as a result of being a public company; the financial condition, financing requirements, prospects and cash flow of Majesco; loss of strategic relationships; changes in laws or regulations affecting the insurance industry in particular; restrictions on immigration; the ability and cost of retaining and recruiting key personnel; the ability to attract new clients and retain them and the risk of loss of large customers; continued compliance with evolving laws; customer data and cybersecurity risk; and Majesco’s ability to raise capital to fund future growth.*

*These forward-looking statements should not be relied upon as predictions of future events and Majesco cannot assure you that the events or circumstances discussed or reflected in these statements will be achieved or will occur. If such forward-looking statements prove to be inaccurate, the inaccuracy may be material. You should not regard these statements as a representation or warranty by Majesco or any other person that we will achieve our objectives and plans in any specified timeframe, or at all. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Majesco disclaims any obligation to publicly update or release any revisions to these forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this press release or to reflect the occurrence of unanticipated events, except as required by law.*