

For Immediate Release

Majesco Q3FY19 Total Revenue at Rs 263.2 crore; up 25.7% YoY

- **Cloud Revenue at Rs 106.3 crore; up 13.1% QoQ and 66.6% YoY**
- **Adjusted EBITDA margin at 13.9%; up 748 bps YoY**
- **12-month Order Backlog up QoQ by 15.7%**

Mumbai, 7th February, 2019: 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 **third quarter and nine months FY19** ended 31st December, 2018.

Review of consolidated financial performance for the quarter ended 31st December, 2018:

- The operating revenue for the quarter under review was Rs 254.7 crore, an increase of 5.0% in rupee terms and up 4.8% in constant currency from Rs 242.5 crore in Q2FY19 as well as an increase of 22.7% in rupee terms and 12.0% in constant currency from Rs 207.6 crore in Q3FY18.
- Total revenue for the quarter under review was Rs 263.2 crore, an increase of 4.6% in rupee terms from Rs 251.6 crore in Q2FY19 and an increase of 25.7% in rupee terms from Rs 209.3 crore in Q3FY18.
- The Company reported an adjusted EBITDA of Rs 35.4 crore (13.9% of operating revenue) in Q3FY19 as compared to Rs 31.0 crore (12.8% of operating revenue) in Q2FY19, up 114 bps sequentially and up 748 bps YoY basis against the adjusted EBITDA of Rs 13.3 crore (6.4% of operating revenue) in Q3FY18.
- Net profit stood at Rs 19.8 crore in Q3FY19 as compared to Rs 26.4 crore in Q2FY19, a drop of 25.2% sequentially and up 252.7% as compared to net loss of Rs 12.9 crore in Q3FY18. The sequential drop is attributed to the exceptional item related to M&A expenses of Rs. 3.0 crore in Q3FY19 as against an exceptional income related to reversal of the accrual of contingent liability of Rs. 5.8 crore in Q2FY18.
- The product research & development spends during the quarter stood at Rs 34.5 crore (13.5% of operating revenue) as compared to Rs 33.1 crore (13.7% of operating revenue) in Q2FY19 and Rs 29.4 crore (14.2% of operating revenue) in Q3FY18. The company continues to invest in R&D with focus on cloud and digital offerings.

For the nine months ended 31st December, 2018:

- The operating revenue was Rs 726.6 crore during the nine months period under review as compared to Rs 589.4 crore in the corresponding period of previous year reflecting a growth of 23.3% in rupee terms and 13.9% in constant currency.

Note: Adjusted EBITDA stated above is before other income, exceptional items and ESOP cost

- Total revenue was Rs 750.3 crore during the nine month period under review as compared to Rs 595.4 crore in the corresponding period of previous year reflecting a growth of 26.0% in rupee terms.
- The company reported an adjusted EBITDA of Rs 89.6 crore (12.3% of operating revenue) in 9mFY19 as compared to an adjusted EBITDA of Rs 18.8 crore (3.2% of operating revenue) in 9mFY18.
- Net profit stood at Rs 61.1 crore for 9MFY19 as against net loss of Rs 7.3 crore in the corresponding period of previous year.
- The product research & development spends was at Rs 100.4 crore (13.8% of operating revenue) in 9MFY19 as compared to Rs 82.7 crore (14.0% of operating revenue) in 9MFY18.

Operating highlights:

- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 106.3 crore (41.7% of operating revenue) for the quarter ended 31st December, 2018 as compared to Rs 94.0 crore (38.7% of operating revenue) in the quarter ended 30th September, 2018 reflecting a growth of 13.1% on QoQ basis and up by 66.6% as compared to Rs 63.8 crore (30.7% of operating revenue) in the corresponding quarter ended 31st December, 2017. Total cloud subscription revenue was Rs 31.5 crore (12.4% of operating revenue) for the quarter ended 31st December, 2018 as compared to Rs 29.9 crore (12.3% of operating revenue) in the quarter ended 30th September, 2018 reflecting a growth of 5.5% on QoQ basis and up by 73.1% as compared to Rs 18.2 crore (8.8% of operating revenue) in the corresponding quarter ended 31st December, 2017.
- **Recurring Revenue:** Total recurring revenue was Rs 90.1 crore (35.4% of operating revenue) for the quarter ended 31st December, 2018 as compared to Rs 85.5 crore (35.3% of operating revenue) in the quarter ended 30th September, 2018 reflecting a growth of 8.7% on QoQ basis and up by 66.8% as compared to Rs 54.0 crore (26.0% of operating revenue) in the corresponding quarter ended 31st December, 2017.
- **12 month Order Backlog:** The 12-month executable order backlog stood at Rs 608.7 crore (\$87.2mn) as on 31st December, 2018 and in constant currency stood at Rs 632.5 crore as compared to Rs 546.6 crore (\$75.4mn) at the end of Q2FY19, reflecting an increase of 11.4% QoQ in rupee terms and 15.7% in dollar terms.
- **Employees:** As on 31st December, 2018, the company had a total of 2,675 employees, of which 2,200 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 30th September, 2018 was 2,585.
- **Cash & Cash Equivalents:** The total cash & cash equivalents in Consolidated Majesco Group was at Rs 457.7 crore as on 31st December, 2018 as compared to Rs 458.3 crore at the end of 30th September, 2018. This is after considering the upfront payment of Rs 53.7 crore for the acquisition of Exaxe Holdings Ltd consummated during the quarter.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 31st December, 2018 was Rs 95.7 crore as compared to Rs 84.0 crore as at 30th September, 2018.
- **Clients:** The Company added 7 new clients during the quarter. Total client count as of 31st December, 2018 was 177. Total cloud customers count as of 31st December, 2018 was 51. In

terms of client concentration, the top 5 constituted 27.9% of revenue and the top 10 customers constituted 40.6% of revenue for the quarter under review.

- **Customer and Product Highlights:**

- **Majesco CloudInsurer™ for Property & Casualty**

- ✓ A Tier 1 U.S. based carrier focused on specialty insurance will be implementing their cyber liability line of business on Majesco Policy for P&C solution
- ✓ A Tier 4 U.S. based InsurTech carrier selected Majesco P&C Core Suite (Policy, Billing and Claims) and Majesco Digital1st Insurance™ platform to support the rapid rollout of its nationwide Workers Compensation program
- ✓ A Tier 1 Puerto Rico based carrier selected Majesco Policy for P&C solution for its Commercial Lines business

- **Majesco Life & Annuity – Group & Employee Benefits**

- ✓ A Tier 2 U.S. based carrier selected Majesco L&A and Group Core Suite (Policy, Billing and Claims) to modernize its operations of administering Employee Benefit Plans
- ✓ An Indonesian Life Insurance Carrier selected Majesco L&A and Group Core Suite and portal solutions
- ✓ A Singapore based health insurance carrier selected Majesco L&A and Group Core Suite and portal solutions

- **Majesco Digital1st Insurance™**

- ✓ A Tier 1 U.S. based P&C wholesale broker selected Majesco Digital1st Insurance™ platform to accelerate their digital journey and modernize systems of engagement with their carrier partners, agents and customers

- **Customer Expansion**

- ✓ Three top tier carriers extended the use of Majesco's platform to support additional lines of business

Each successful implementation enhances Majesco's credibility in the market, with customers and potential new customers, while demonstrating Majesco's important value propositions such as speed to value.

During the third quarter, Majesco successfully went live with seven customers:

- A Tier 1 US based multi-line carrier using Majesco Billing for P&C to support its P&C business
- A Tier 1 US National multi-line insurance company using Majesco Billing for P&C
- A Tier 2 specialty underwriter of homeowner's insurance using Majesco Policy for P&C
- A Tier 3 P&C insurance carrier using Majesco Billing for P&C
- A Large Malaysian life and general insurance carrier using Majesco Policy for L&A and Group
- A Large Singapore based life, health and general insurance carrier with an agent portal
- Mid-size Malaysian insurance benefits protection carrier using Majesco Billing and Claims

- **Other Highlights:**

- Gartner positioned Majesco as a Leader in the October 2018 Magic Quadrant for P&C Core Platforms. Majesco is recognized as a Leader for its completeness of vision and ability to execute*.
- Majesco expanded its Majesco Digital1st EcoExchange™ marketplace with several partner apps.
- Majesco announced it's 2019 Convergence Customer Conference focused on Growth and Innovation for Digital Insurance, to be held in Savannah, GA, April 14-16.

Mr. Adam Elster, Chief Executive Officer of Majesco, said: *"The third quarter financial performance reflect the growing success of our cloud-based strategy and the solutions to help insurers adapt to a new era. The number of cloud customers continues to grow driving a 66.6% increase in cloud revenues year-over-year. This clearly demonstrates Majesco's ability to rapidly deliver 'time to value' to our customers while providing a modern platform for insurers to innovate new products and business models. In addition, higher cloud revenues and improved delivery efficiencies are driving better margins as demonstrated in the third quarter. We are excited to welcome the entire Exaxe team to the Majesco family, and even more excited to introduce this technology to Majesco's growing customer base and prospects across Europe."*

He further added, *"I continue to be encouraged by Majesco's products, people and customer focus which are well aligned with the opportunities and trends of the insurance market. We feel this is best validated by our recent customer wins, increased backlog, and pipeline growth. I am pleased with the progress we are making and believe fiscal 2019 is on track to be a strong year for the company."*

Mr. Farid Kazani, Managing Director, Majesco Ltd., said: *"This is our sixth consecutive quarter of maintaining consistent revenue growth and improved financial performance. We have delivered good results in a seasonally weak quarter validating the good business momentum. Our topline witnessed a growth of 25.7% on year-over-year basis mainly driven by ramp up in new logos, continued new business engagements from existing customers and increasing cloud revenue to 41.7% of Q3FY19 revenues. We aspire to maintain the growth trajectory going forward supported by the strong order backlog which grew 15.7% in dollar terms in Q3FY19."*

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About Majesco

Majesco enables insurance business transformation for over 170 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

For further information, please contact:

Varika Rastogi Majesco Ltd. Ph:+91 22 6150 1800 Email: Varika.Rastogi@majesco.com	Asha Gupta Christensen Investor Relations Tel: +91 22 4215 0210 Email: agupta@christensenir.com
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Cautionary Language Concerning Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the “safe harbour” 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 (SEC) and which you should review, including those statements under “Item 1A – Risk Factors” in Majesco’s Annual Report on Form 10-K for the fiscal year ended March 31, 2018 filed with the SEC on June 22, 2018.

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.