

## Majesco Q3FY20 Total Revenue at Rs 269.4 crore; up 9.3% QoQ

- *Cloud Subscription Revenue at Rs 43.8 crore; up 21.0% QoQ*
- *Adjusted EBITDA at Rs 36.4 crore; up 34.7% QoQ*
- *Net Profit at Rs 30.1 crore; up 79.1% QoQ*
- *US subsidiary Majesco to acquire InsPro Technologies, a U.S. based life and annuity software provider*

**Mumbai, 10<sup>th</sup> February 2020:** 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 FY20** ended 31<sup>st</sup> December 2019.

### Review of consolidated financial performance for the quarter ended 31<sup>st</sup> December 2019:

- The operating revenue for the quarter under review was Rs 265.1 crore, an increase of 10.6% in rupee terms and up 8.3% in constant currency from Rs 239.8 crore in Q2FY20 as well as an increase of 4.1% in rupee term from Rs 254.7 crore in Q3FY19.
- Total revenue for the quarter under review was Rs 269.4 crore, an increase of 9.3% from Rs 246.5 crore in Q2FY20 and an increase of 2.4% from Rs 263.2 crore in Q3FY19.
- The Company reported an adjusted EBITDA of Rs 36.4 crore (13.7% of operating revenue) in Q3FY20 reflecting an increase of 34.7% as compared to Rs 27.1 crore (11.3% of operating revenue) in Q2FY20 and Rs 35.4 crore (13.9% of operating revenue) in Q3FY19.
- Net profit stood at Rs 30.1 crore in Q3FY20, an increase of 79.1% from Rs 16.8 crore in Q2FY20 and an increase of 52.1% from Rs 19.8 crore in Q3FY19.
- The product research & development spends during the quarter stood at Rs 33.2 crore (12.5% of operating revenue) as compared to Rs 31.4 crore (13.1% of operating revenue) in Q2FY20 and Rs 34.5 crore (13.5% of operating revenue) in Q3FY19.

### For the nine months ended 31<sup>st</sup> December 2019:

- The operating revenue was Rs 763.8 crore during the nine months period under review as compared to Rs 726.6 crore in the corresponding period of previous year reflecting an increase of 5.1% in rupee terms and 4.2% in constant currency.
- Total revenue was Rs 779.2 crore during the nine months period under review as compared to Rs 750.3 crore in the corresponding period of previous year reflecting an increase of 3.9% in rupee terms.
- The company reported an adjusted EBITDA of Rs 97.1 crore (12.7% of operating revenue) in the nine months period under review as compared to Rs 89.6 crore (12.3% of operating revenue) in the corresponding period of previous year reflecting an increase of 8.4% on YoY basis.
- Net profit stood at Rs 58.9 crore for the nine months period under review as compared to Rs 61.1 crore in the corresponding period of previous year.
- The product research & development spends was at Rs 102.6 crore (13.4% of operating revenue) during the nine months period under review as compared to Rs 100.4 crore (13.8% of operating revenue) in the corresponding period of previous year.

### Operating highlights:

- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 116.0 crore (43.8% of operating revenue) for Q3FY20 as compared to Rs 92.4 crore (38.5% of operating revenue) for Q2FY20 reflecting a growth of 25.6% on QoQ basis and an increase of 9.2% as compared to Rs 106.3 crore (41.7% of operating revenue) in Q3FY19. Total cloud subscription revenue was Rs 43.8 crore (16.5% of operating revenue) for Q3FY20 as compared to Rs 36.2 crore (15.1% of operating revenue) for Q2FY20 reflecting a growth of 21.0% on QoQ basis and an increase of 39.2% as compared to Rs 31.5 crore (12.4% of operating revenue) in Q3FY19. For the nine months period under review the total cloud revenue stood at Rs. 305.2 crore (40.0% of operating revenue) reflecting a growth of 8.0% and the total cloud

subscription stood at Rs. 110.4 crore (14.5% of operating revenue) reflecting a growth of 32.1% as compared to corresponding period of previous year.

- **Product Revenue (includes License fees, cloud subscription and support & maintenance revenue):** Total Product revenue was Rs 109.8 crore (41.4% of operating revenue) for Q3FY20 as compared to Rs 99.8 crore (41.6% of operating revenue) for Q2FY20 reflecting a growth of 10.1% on QoQ basis and an increase of 22.0% as compared to Rs 90.1 crore (35.4% of operating revenue) in Q3FY19. For the nine months period under review the total product revenue stood at Rs. 320.4 crore (41.9% of operating revenue) reflecting a growth of 30.4% as compared to corresponding period of previous year.
- **12 month Order Backlog:** The 12-month executable order backlog stood at Rs 726.3 crore (\$101.7 mn) as on 31<sup>st</sup> December 2019 and in constant currency stood at Rs 716.0 crore as compared to Rs 711.3 crore (\$100.4 mn) at the end of Q2FY20 reflecting a growth of 2.1% in rupee terms on QoQ basis and Rs 608.7 crore (\$87.2 mn) at the end of Q3FY19 reflecting a growth of 19.3% on YoY basis.
- **Employees:** As on 31<sup>st</sup> December 2019, the company had a total of 2,507 employees, of which 2,045 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 2019 was at 2,574.
- **Cash & Cash Equivalents:** The total cash & cash equivalents in Consolidated Majesco Group was at Rs 359.0 crore as on 31<sup>st</sup> December 2019 as compared to Rs 391.6 crore as on 30<sup>th</sup> September 2019. This was after investing an amount of Rs. 113.1 crore for acquiring 4.7% stake in Majesco US in December 2019
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 31<sup>st</sup> December 2019 was Rs 0.6 crore as compared to Rs 0.7 crore as at 30<sup>th</sup> September 2019.
- **Clients:** The Company added 2 new clients during the quarter. Total cloud customers count as of 31<sup>st</sup> December 2019 was 63. In terms of client concentration, the top 5 constituted 21.7% of revenue and the top 10 customers constituted 36.1% of revenue for the quarter under review.
- **Update on Majesco US Subsidiary Acquisition:** The Company's US subsidiary Majesco entered into a Merger Agreement on January 30, 2020, for a merger with InsPro Technologies Corporation, a U.S. based software leader in the

life and annuity insurance market. In consideration for the Merger, Majesco shall pay the sellers US\$ 12 Million, subject to adjustments (including for cash and certain debt of InsPro), upon the closing of the transaction expected in April 2020. Accordingly, upon the closing of the Merger, InsPro will become a direct wholly-owned subsidiary of Majesco, and a step-down subsidiary of the Company.

**Mr. Adam Elster, Chief Executive Officer of Majesco, said:** *“Our third quarter financial results reinforce the continuing momentum of our cloud subscription product focus. Our product business now represents more than 40% of our total revenue. The number of cloud customers continues to grow with accelerating project go-lives, as our customers are benefitting from dramatically reduced project implementation timelines. These trends clearly demonstrate 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. This is the foundation for our long-term growth as we acquire, adopt and expand customers.”*

**Mr. Farid Kazani, Managing Director & Group CFO, Majesco Ltd said:** *“The third quarter performance reflects strong sequential growth in the operating income by 10.6% driven by good growth in the cloud revenues, up 25.6%. The increase in the Adjusted EBITDA by 34.7% to Rs 36.4 crore was due to the combination of higher cloud subscription representing 16.5% of the Q3 revenue and better operating leverage. The net cash position improved by Rs 80 crore ending the quarter with balance of Rs 359.0 crore after making an investment of Rs 113.1 crore to acquire 4.7% in Majesco US increasing the company’s stake to 74.6%. We aspire to end the year well to make a solid start to the next fiscal.”*

### **About Majesco**

Majesco provides technology, expertise, and leadership that helps insurers modernize, innovate and connect to build the future of their business - and the future of insurance - at speed and scale. Our platforms connect people and businesses to insurance in ways that are innovative, hyper-relevant, compelling and personal. Over 190 insurance companies worldwide in P&C, L&A and Group Benefits are transforming their businesses by modernizing, optimizing or creating new business models with Majesco. Our market leading solutions include CloudInsurer™ P&C Core Suite (Policy, Billing, Claims); CloudInsurer™ L&A and Group Core Suite (Policy, Billing, Claims); Digitalist Insurance™ with Digitalist eConnect™, Digitalist EcoExchange™ and Digitalist Platform™ - a cloudnative, microservices and open API platform; Distribution Management, Data and

Analytics and an Enterprise Data Warehouse. For more details on Majesco, please visit [www.majesco.com](http://www.majesco.com)

**For further information, please contact:**

Varika Rastogi Majesco Ltd. Ph:+91 22 6150 1800 Email: <a href="mailto:Varika.Rastogi@majesco.com">Varika.Rastogi@majesco.com</a>	Asha Gupta Christensen Investor Relations Tel: +91 22 4215 0210 Email: <a href="mailto:agupta@christensenir.com">agupta@christensenir.com</a>
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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, as amended by Majesco’s Quarterly Report on Form 10-Q.

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.