

For Immediate Release

## Majesco Q1FY18 Total Revenue at Rs 184.7 crore

- **QnQ Cloud Revenues increases 31.3% to Rs 47.4 Crore**
- **12-month Order Backlog up QnQ by 20.2% in dollar terms**
- **Declares special dividend of 20%**

### Clarification Note

With respect to the financial results for the first quarter ended 30<sup>th</sup> June, 2017 (Q1FY18) for Majesco Limited, please note that the Company has adopted Indian Accounting Standards ("IND AS") and accordingly the financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribe under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The date of transition to Ind AS is April 2017. The impact of transition has been accounted for in opening reserve and the comparative period results have been restated accordingly. The opening balance sheet as at April 1, 2016 and the results for the subsequent periods would get finanilised along with the financial statement for the year ended March 31, 2018.

**Mumbai, 3<sup>rd</sup> August, 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 **first quarter FY18** ended 30<sup>th</sup> June, 2017.

### Review of the consolidated financial performance for the quarter ended 30<sup>th</sup> June, 2017:

On a quarter-on-quarter basis:

- The operating revenue was Rs 183.0 crore during the quarter under review as compared to Rs 190.9 crore during the previous quarter, reflecting a decrease of 1.9% in constant currency.
- Total revenue was Rs 184.7 crore during the quarter under review as compared to Rs 193.1 crore during the previous quarter.
- The Company reported adjusted EBITDA (loss) of Rs 1.2 crore (-0.7% of operating revenue) in Q1FY18 as compared to adjusted EBITDA of Rs 6.2 crore (3.3% of operating revenue) in Q4FY17.
- Net Loss stood at Rs 5.0 crore in Q1FY18 as against net loss of Rs 0.7 crore in Q4FY17.
- The product research & development spends during the quarter stood at Rs 25.6 crore (13.9% of total revenue) as compared to Rs 28.3 crore (14.7% of total revenue) in Q4FY17. The decline in R&D expenses has been primarily due to the lower cost post consolidation of the Policy Platform.

Note: Adjusted EBIDTA stated above is before ESOPs cost

## Other Operating highlights

- **IBM Engagement:** Executed a 10-year subscription and services agreement with IBM to support core processing for insurance clients. This is a significant deal for Majesco and represents the growing partnership with IBM to offer a Cloud based Industry Platform for Insurance. Scale wise, this represents the largest deal to date for Majesco Cloud business with a potential subscription value over \$35 million .
- **Clients:** Total client count as of 30<sup>th</sup> June, 2017 was 166 (LTM). Total cloud customers as of 30<sup>th</sup> June 2017 were 31. In terms of client concentration, the top 5 constituted 23.4% to revenue and the top 10 customers constituted 39.5% to revenue for the quarter under review.
- **12 month Order Backlog:** The 12-month order backlog stood at Rs 510.3 crore (\$79.0 mn) as on 30<sup>th</sup> June, 2017 and in constant currency stood at Rs 529.1 crore as compared to Rs 440.4 crore (\$65.7mn) at the end of Q4FY17, reflecting an increase of 15.9% Q-o-Q in rupee terms and 20.2% in dollar terms.
- **Employees:** As on 30<sup>th</sup> June, 2017, the company had a total of 2,395 employees, of which 1,916 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31<sup>st</sup> March, 2017 was 2,312.
- **Special Dividend:** The Company has declared a special dividend of 20% i.e Rs 1/-per share.
- **Cash & Cash Equivalents:** The total cash & cash equivalent in Consolidated Majesco Group was at Rs 164.3 crore as on 30<sup>th</sup> June, 2017 as compared to Rs 175.7 crore at the end of 31<sup>st</sup> March, 2017.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 30<sup>th</sup> June, 2017 was Rs 104.7 crore as compared to Rs 71.6 crore as at 31<sup>st</sup> March, 2017.

**Mr. Ketan Mehta, Founder and CEO, Majesco, said:** *“The results reflect Majesco’s growing cloud based operating model that is uniquely positioned to take advantage of evolving trends within the insurance industry. Revenue from cloud business for Q1FY18 was up 31.3% quarter on quarter. I am excited to announce that we have signed a 10-year cloud subscription deal with IBM to support Insurance clients and is strategic to Majesco’s growth. We are excited about the future industry and customer impact of our IBM partnership and are very encouraged by the progress our combined teams have made in the marketplace and look forward to sharing more about our agreement as our relationship develops.”*

**Mr. Farid Kazani, Managing Director, Majesco Ltd., said:** *“The quarter ended June was inline with our expectations. The revenue decreased mainly due to the gradual shift in the business model towards Cloud programs with lower implementation revenues replacing a number of on-premise P&C programs moving from implementation to support mode. The margins were impacted mainly due to the ramp up cost to support expected growth in coming quarters. The highlight for the quarter has been the significant uptick in the 12 month order backlog which grew 20.2% in dollar terms.”*

## 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.*