

For Immediate Release

Majesco Q1FY19 Revenue at Rs 229.4 crore; up 25.6% YoY

- **Cloud Revenue at Rs 82.4 crore; up 21.4% QoQ and 74.2% YoY**
- **Adjusted EBITDA margin at 10.1%; up 1079 bps YoY**
- **Profit After Tax at Rs 14.9 crore**

Mumbai, 2nd August, 2018: 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 FY19** ended 30th June, 2018.

Review of consolidated financial performance for the quarter ended 30th June, 2018:

- The operating revenue for the quarter under review was Rs 229.4 crore, an increase of 5.9% in rupee terms and up 1.9% in constant currency from Rs 216.7 crore in Q4FY18 as well as an increase of 25.6% in rupee terms and 19.2% in constant currency from Rs 182.7 crore in Q1FY18.
- Total revenue for the quarter under review was Rs 236.4 crore, an increase of 6.7% in rupee terms from Rs 221.6 crore in Q4FY18 and an increase of 28.2% in rupee terms from Rs 184.4 crore in Q1FY18.
- The Company reported an adjusted EBITDA of Rs 23.2 crore (10.1% of operating revenue) in Q1FY19 as compared to Rs 20.4 crore (9.4% of operating revenue) in Q4FY18, up 71 bps sequentially and up 1079 bps YoY basis against the adjusted EBITDA loss of Rs 1.2 crore (-0.7% of operating revenue) in Q1FY18.
- Net profit stood at Rs 14.9 crore in Q1FY19 as compared to Rs 10.1 crore in Q4FY18, up 48.1% sequentially and as compared to net loss of Rs 5.0 crore in Q1FY18.
- The product research & development spends during the quarter stood at Rs 32.7 crore (14.3% of operating revenue) as compared to Rs 30.0 crore (13.8% of operating revenue) in Q4FY18 and Rs 25.6 crore (14.0% of operating revenue) in Q1FY18. The company continues to invest in R&D with focus on cloud and digital offerings.

Operating highlights:

- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 82.4 crore (35.9% of operating revenue) for the quarter ended 30th June, 2018 as compared to Rs 67.9 crore (31.3% of operating revenue) in the quarter ended 31st March, 2018 reflecting a growth of 21.4% on QoQ basis and up by 74.2% as compared to Rs 47.3 crore (25.9% of operating revenue) in the corresponding quarter ended 30th June, 2017. Total cloud subscription revenue was Rs 22.2 crore (9.7% of operating revenue) for the quarter ended 30th June, 2018 as compared to Rs 19.4 crore (8.9% of operating revenue) in the quarter ended 31st March, 2018 reflecting a growth

Note: Adjusted EBITDA stated above is before ESOPs cost and excluding one-time exceptional item

of 14.5% on QoQ basis and up by 35.7% as compared to Rs 16.4 crore (9.0% of operating revenue) in the corresponding quarter ended 30th June, 2017.

- **Recurring Revenue:** Total recurring revenue was Rs 70.0 crore (30.5% of operating revenue) for the quarter ended 30th June, 2018 as compared to Rs 61.1 crore (28.2% of operating revenue) in the quarter ended 31st March 2018 reflecting a growth of 14.6% on QoQ basis and up by 49.1% as compared to Rs 47.0 crore (25.7% of operating revenue) in the corresponding quarter ended 30th June, 2017.
- **Clients:** The Company added 2 new clients during the quarter. Total client count as of 30th June, 2018 was 175. Total cloud customers count as of 30th June, 2018 was 38. In terms of client concentration, the top 5 constituted 30.5% of revenue and the top 10 customers constituted 45.3% of revenue for the quarter under review.
- **Other Highlights:**
 - The wins during the first quarter of fiscal 2019 included a cloud deal in the US with a leading third-party administrator for a wide-range of P&C programs including workers' compensation, liability, and property claims management selected Majesco Policy for P&C, Majesco Billing for P&C, Majesco Enterprise Data Warehouse and Majesco Business Analytics to replace their legacy and support their program growth strategy.
 - Majesco had 4 go-lives for the quarter delivering on company's focus on speed to value:
 - ✓ American Capital Assurance Corporation went live in 8 months with the Majesco P&C Core Suite, inclusive of policy, billing, and claims,
 - ✓ A tier 1 greenfield went live in 90 days with Majesco Billing for P&C,
 - ✓ An InsurTech start-up went live in 7 weeks with Majesco Policy for P&C and Majesco Billing for P&C for commercial property and GL and
 - ✓ Another InsurTech start-up went live in 19 weeks with Majesco Policy for P&C and Majesco Billing for P&C for dwelling fire.
 - Majesco announced the initial release and market availability of Majesco Digital1st Insurance. The components in the first release include Majesco Digital1st Platform and Majesco Digital1st EcoExchange. The release follows a successful beta period with selected customers and partners. Majesco has formed a new greenfield business unit which will focus on developing and delivering innovative digital solutions as well as the new partner marketplace.
 - Majesco released the Majesco L&A and Group Core Suite. The new suite, version 10.0, includes Majesco L&A and Group Policy, Majesco L&A and Group Billing and Majesco L&A and Group Claims.
- **12 month Order Backlog:** The 12-month executable order backlog stood at Rs 571.0 crore (\$83.4mn) as on 30th June, 2018 and in constant currency stood at Rs 547.6 crore as compared to Rs 606.5 crore (\$92.6mn) at the end of Q4FY18, reflecting a drop of 5.9% QoQ in rupee terms and 9.9% in dollar terms.
- **Employees:** As on 30th June, 2018, the company had a total of 2,486 employees, of which 2,039 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31st March, 2018 was 2,472.

- **Cash & Cash Equivalents:** The total cash & cash equivalents in Consolidated Majesco Group was at Rs 422.0 crore as on 30th June, 2018 as compared to Rs 398.6 crore at the end of 31st March, 2018.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 30th June, 2018 was Rs 91.2 crore as compared to Rs 91.9 crore as at 31st March, 2018.

Mr. Ketan Mehta, Founder and CEO, Majesco, said: *“The first quarter financial results were strong across the board as we achieved record quarterly revenues (with 25.6% YoY growth), improvement in profitability to Rs 14.9 crore and continued progress towards transition of our business model to cloud which is now 36% of our business up from 26% a year ago.”*

“We believe that delivering Speed to Value remains our key differentiator. We had multiple examples of rapid implementation by our clients including less than 90 day Go Live for a Tier 1 Greenfield business for our billing solution. We announced the official launch and market availability of Majesco Digital1st Insurance, an innovative next-generation digital and microservices platform which is a cloud based multi-tenant solution delivering digital capabilities to the carriers in rapid implementation mode compared to traditional solutions. Overall, I am pleased with the start to fiscal 2019 and the positive momentum underway at Majesco.”

Mr. Farid Kazani, Managing Director, Majesco Ltd., said: *“This has been the fourth quarter of consistent and improved financial performance. The revenue growth was driven by higher-margin cloud based solutions which constitutes 35.9% of Q1FY19 revenues and reflecting strong growth of 74.2% on YoY basis. We are pleased with the way the business is shaping up and expect to continue the momentum going forward.”*

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

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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, 2017.

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.