

For Immediate Release

Majesco FY17 Total Revenue at Rs 836.5 crore; up 9.2% Y-o-Y

- **FY17 Net Profit at Rs 14.3 crore up 107.2%**
- **FY17 EBITDA Margin up by 412 bps to 5.4%**

Mumbai, 9th May, 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 **fourth quarter** and **full year FY17** ended 31st March, 2017.

Review of the consolidated financial performance for the Financial Year ended 31st March, 2017:

- The operating revenue was Rs 827.5 crore for FY17 as compared to Rs 757.2 crore in FY16 reflecting a growth of 9.3% in rupee terms. The growth was primarily driven by the addition of Cover-All business and revenues from expanding relationships with P&C customers through upsell and cross sell opportunities.
- Total revenue was Rs 836.5 crore for FY17 as compared to Rs 766.2 crore in FY16; an increase of 9.2% in rupee terms.
- The company reported an EBITDA of Rs 44.9 crore (5.4% of operating revenue) for FY17 as compared to an EBITDA of Rs 9.9 crore (1.3% of operating revenue) in FY16.
- Profit Before Tax was Rs 19.6 crore for FY17 as compared to loss of Rs 7.7 crore in FY16.
- Net profit stood at Rs 14.3 crore for FY17 as compared to profit of Rs 6.9 crore in FY16 reflecting a growth of 107.2% in rupee terms.
- The product research & development spends was at Rs 116.6 crore (13.9% of total revenue) in FY17 as compared to Rs 108.5 crore (14.2% of total revenue) in FY16.

Review of consolidated financial performance for the quarter ended 31st March, 2017

On a quarter-on-quarter basis:

- The operating revenue was Rs 190.9 crore during the quarter under review as compared to Rs 205.5 crore during the previous quarter reflecting a decrease of 7.1% in rupee terms.
- Total revenue was Rs 192.7 crore during the quarter under review as compared to Rs 208.4 crore during the previous quarter; down 7.5% on Q-o-Q basis.
- The Company reported EBITDA of Rs 13.1 crore (6.8% of operating revenue) in Q4FY17 as compared to EBITDA of Rs 11.7 crore (5.7% of operating revenue) in Q3FY17.

- Profit Before Tax was Rs 4.4 crore during the quarter under review as compared to Rs 6.6 crore during the previous quarter reflecting a drop of 33.9% on Q-o-Q basis.
- Net Profit stood at Rs 2.5 crore in Q4FY17 as against Rs 5.1 crore in Q3FY17 reflecting a drop of 49.9% on Q-o-Q basis.
- The product research & development spends during the quarter stood at Rs 28.3 crore (14.7% of total revenue) as compared to Rs 27.0 crore (13.0% of total revenue) in Q3FY17. The increased expense was in line with the company's R&D roadmap for both P&C and L&A business.

Other Operating highlights

- **Update on IBM Partnership:** The strategic relationship with IBM has successfully kicked off the inception work with a Tier 1 insurer specifically on the platform as a service insurance initiative that IBM announced in October 2016.
- **Clients:** Total client count as of 31st March, 2017 was 164 (LTM). In terms of client concentration, the top 5 constituted 23.7% to revenue and the top 10 customers constituted 37.5% to revenue for the quarter under review.
- **12 month Order Backlog:** The 12-month order backlog stood at Rs 440.4 crore (\$ 65.7mn) as on 31st March, 2017 and in constant currency stood at Rs 441.6 crore as compared to Rs 426.6 crore (\$62.8mn) at the end of Q3FY17, reflecting an increase of 3.3% Q-o-Q in rupee terms.
- **Employees:** As on 31st March, 2017, the company had a total of 2,312 employees, of which 1,852 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31st December, 2016 was 2,302.
- **Cash & Cash Equivalents:** The total cash & cash equivalent in Consolidated Majesco Group was at Rs 175.2 crore as on 31st March, 2017 as compared to Rs 227.3 crore at the end of 31st December, 2016.
- **Debt:** Total debt at Consolidated Majesco Group as on 31st March, 2017 was Rs 85.4 crore as compared to Rs 117.1 crore as at 31st December, 2016.

Mr. Ketan Mehta, Founder and CEO, Majesco, said: "Fiscal 2017 was a year of transition of business model from on-premise to cloud-based model. There is a fundamental shift taking place in the industry where the carriers are looking at a lower risk, faster platform route that provides an ability to innovate new products, improve customer experience and leverage different business models. At Majesco, we have taken proactive steps to lead this trend and are well positioned to take advantage of this transition. Our cloud business grew by 19.7% during the year and four out of our last six platform deals were on the cloud. The growth opportunity in the insurance technology market is significant and the investments

we made during fiscal 2017 improved our competitiveness. As a result, we are optimistic to reaccelerate our deal momentum in fiscal 2018.”

Mr. Farid Kazani, Managing Director, Majesco Ltd., said: “During the quarter our revenue was impacted due to number of traditional P&C programs moving from implementation to support mode and, subscription based programs with lower implementation revenues replacing them. Fiscal 2017 has been a year of transition with the business model moving towards cloud based solution. While it may not be completely visible in the revenue profile for fiscal FY 2017 the deal momentum is pro cloud based which will develop into a higher recurring revenue base translating to an improved profitable model. And in this year of transition, while the revenue pick up has been slower we have been able to achieve a 9.2% growth in revenue and a substantial improvement in EBITDA margins.”

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, 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,

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