

PRESS RELEASE

Majesco FY19 Total Revenue at Rs 1,016 crore; up 24.4% YoY

- *FY19 Cloud Revenue at Rs 401.1 crore; up 67.2% YoY*
- *Q4FY19 Cloud Revenue at Rs 115.6 crore; up 8.8% QoQ and 70.2% YoY*
- *FY19 Adjusted EBITDA of 11.9% up more than 200% YoY*
- *Q4FY19 Adjusted EBITDA of 10.8% up 38.1% YoY*
- *Cloud revenue now represents more than 40% of total revenue*

Mumbai, 15th May 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 **fourth quarter and full year FY19** ended 31st March, 2019.

Review of consolidated financial performance for the quarter ended 31st March, 2019:

- The operating revenue for the quarter under review was Rs 261.5 crore, an increase of 2.7% in rupee terms and up 3.5% in constant currency from Rs 254.7 crore in Q3FY19 as well as an increase of 20.7% in rupee terms from Rs 216.7 crore in Q4FY18.
- Total revenue for the quarter under review was Rs 267.2 crore, an increase of 1.5% from Rs 263.2 crore in Q3FY19 and an increase of 20.6% from Rs 221.6 crore in Q4FY18.
- The Company reported an adjusted EBITDA of Rs 28.2 crore (10.8% of operating revenue) in Q4FY19 as compared to Rs 35.4 crore (13.9% of operating revenue) in Q3FY19 and as compared to an adjusted EBITDA of Rs 20.4 crore (9.4% of operating revenue) in Q4FY18.
- Net profit stood at Rs 10.6 crore in Q4FY19 as compared to Rs 19.8 crore in Q3FY19 and as compared to net profit of Rs 10.1 crore in Q4FY18.
- The product research & development spends during the quarter stood at Rs 35.5 crore (13.6% of operating revenue) as compared to Rs 34.5 crore (13.5% of operating revenue) in Q3FY19 and Rs 30.0 crore (13.8% of operating revenue) in Q4FY18. The company continues to invest in R&D with focus on Majesco's product roadmap to support next generation insurance cloud solutions and digital offerings.

For the Financial Year ended 31st March, 2019:

- The operating revenue was Rs 988.1 crore for FY2019 as compared to Rs 806.0 crore in FY2018 reflecting a growth of 22.6% in rupee terms and 13.4% in constant currency.
- Total revenue was Rs 1,016.2 crore for FY2019 as compared to Rs 817.0 crore in FY2018 reflecting a growth of 24.4%.
- The company reported an adjusted EBITDA of Rs 117.7 crore (11.9% of operating revenue) for FY2019 as compared to an adjusted EBITDA of Rs 39.2 crore (4.9% of operating revenue) in FY2018.
- Net profit stood at Rs 71.7 crore for FY2019 as compared to Rs 2.8 crore in FY2018.
- The product research & development spends was at Rs 135.9 crore (13.7% of operating revenue) for FY2019 as compared to Rs 112.6 crore (14.0% of operating revenue) in FY2018.

Operating highlights:

- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 115.6 crore (44.2% of operating revenue) for the quarter ended 31st March, 2019 as compared to Rs 106.3 crore (41.7% of operating revenue) in the quarter ended 31st December, 2018 reflecting a growth of 8.8% on QoQ basis and up by 70.2% as compared to Rs 67.9 crore (31.3% of operating revenue) in the corresponding quarter ended 31st March, 2018. In FY19, the total cloud revenue stood at Rs 401.1 crore (40.6% of operating revenue), reflecting a growth of 67.2%. Total cloud subscription revenue was Rs 31.9 crore (12.2% of operating revenue) for the quarter ended 31st March, 2019 as compared to Rs 31.5 crore (12.4% of operating revenue) in the quarter ended 31st December, 2018 reflecting a growth of 1.2% on QoQ basis and up by 64.5% as compared to Rs 19.4 crore (8.9% of operating revenue) in the corresponding quarter ended 31st March, 2018. In FY19, the total cloud subscription revenue was Rs 116.0 crore (11.7% of operating revenue) reflecting a growth of 60.1%.
- **Recurring Revenue:** Total recurring revenue was Rs 92.0 crore (35.2% of operating revenue) for the quarter ended 31st March, 2019 as compared to Rs 90.1 crore (35.4% of operating revenue) in the quarter ended 31st December, 2018 reflecting a growth of 2.2% on QoQ basis and up by 50.6% as compared to Rs 61.1 crore

(28.2% of operating revenue) in the corresponding quarter ended 31st March, 2018. In FY19, the total recurring revenue was at Rs 328.3 crore (33.2% of operating revenue) reflecting a growth of 52.4%.

- **12 month Order Backlog:** The 12-month executable order backlog stood at Rs 670.1 crore (\$96.9mn) as on 31st March, 2019 and in constant currency stood at Rs 676.1 crore as compared to Rs 608.7 crore (\$87.2mn) at the end of Q3FY19, reflecting an increase of 10.1% QoQ in rupee terms and 11.1% in dollar terms.
- **Employees:** As on 31st March, 2019, the company had a total of 2,763 employees, of which 2,252 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31st December, 2018 was 2,711.
- **Cash & Cash Equivalents:** The total cash & cash equivalents in Consolidated Majesco Group was at Rs 403.1 crore as on 31st March, 2019 as compared to Rs 457.7 crore at the end of 31st December, 2018.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 31st March, 2019 was Rs 3.6 crore as compared to Rs 95.7 crore as at 31st December, 2018.
- **Dividend:** The Board of Directors have recommended a final dividend of 30% (Rs 1.5/- per share) at the meeting held on 15th May, 2019, subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.
- **Clients:** The Company added 6 new clients during the quarter and 19 new clients in FY19. Total cloud customers count as of 31st March, 2019 was 54. In terms of client concentration, the top 5 constituted 26.7% of revenue and the top 10 customers constituted 41.7% of revenue for the quarter under review.

Other highlights:

- On February 25, 2019, Majesco Limited subscribed to the rights offering of Majesco investing an amount of Rs 232.0 crore pursuant to which its shareholding in the subsidiary has increased to 70.3%. The total amount raised by Majesco in the rights issue was approximately \$43.5 million.
- Majesco and Capgemini recently announced an alliance partnership agreement. In the agreement, Capgemini will bring its extensive insurance innovation, customer service and digital capabilities to implementations of the

Majesco Life & Annuity (L&A) and Group Core Suite for insurance carriers in the life, annuity, group, worksite, and voluntary benefits market, helping them to achieve speed to value.

Mr. Adam Elster, Chief Executive Officer of Majesco, said: *“We had a great year for revenue, profitability and new sales. Companies of all sizes are turning to Majesco to partner with us on their digital transformation journey. I am more excited than ever about the opportunity ahead, the future of Majesco and the insurance industry. Our relentless focus on delivering innovation and customer success has fueled our growth and solidified our leadership. And as we look to fiscal 2020, we remain committed to leveraging our technology, expertise and leadership to help insurers modernize, innovate and connect to build the future of their business – and the future of the insurance industry – at speed and scale.”*

Mr. Farid Kazani, Managing Director, Majesco Ltd., said: *“We are pleased with the overall performance and the steps taken during the year by Majesco to become a leading cloud solution and digital transformation player for the global insurance industry. The year 2019 reflected significant improvement in the revenue, net profits and cashflows and it was encouraging to end the year with strong growth in the cloud & recurring revenues and a record 12 month order backlog of \$97 million.”*

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

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.