

**For Immediate Release**

## **Majesco Q2FY19 Total Revenue at Rs 251.6 crore; up 24.7% YoY**

- **Cloud Revenue at Rs 94.0 crore; up 14.0% QoQ and 54.8% YoY**
- **Adjusted EBITDA margin at 12.8%; up 941 bps YoY**
- **Profit After Tax at Rs 26.4 crore; up 76.7% QoQ and 147.5% YoY**

**Mumbai, 5<sup>th</sup> November, 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 **second quarter and half year FY19** ended 30<sup>th</sup> September, 2018.

### **Review of consolidated financial performance for the quarter ended 30<sup>th</sup> September, 2018:**

- The operating revenue for the quarter under review was Rs 242.5 crore, an increase of 5.7% in rupee terms and up 1.3% in constant currency from Rs 229.4 crore in Q1FY19 as well as an increase of 21.8% in rupee terms and 11.3% in constant currency from Rs 199.0 crore in Q2FY18.
- Total revenue for the quarter under review was Rs 251.6 crore, an increase of 6.4% in rupee terms from Rs 236.4 crore in Q1FY19 and an increase of 24.7% in rupee terms from Rs 201.7 crore in Q2FY18.
- The Company reported an adjusted EBITDA of Rs 31.0 crore (12.8% of operating revenue) in Q2FY19 as compared to Rs 23.2 crore (10.1% of operating revenue) in Q1FY19, up 264 bps sequentially and up 941 bps YoY basis against the adjusted EBITDA of Rs 6.7 crore (3.4% of operating revenue) in Q2FY18.
- Net profit stood at Rs 26.4 crore in Q2FY19 as compared to Rs 14.9 crore in Q1FY19, up 76.7% sequentially and up 147.5% as compared to net profit of Rs 10.7 crore in Q2FY18.
- The product research & development spends during the quarter stood at Rs 33.1 crore (13.7% of operating revenue) as compared to Rs 32.7 crore (14.3% of operating revenue) in Q1FY19 and Rs 27.7 crore (13.9% of operating revenue) in Q2FY18. The company continues to invest in R&D with focus on cloud and digital offerings.

### **For the half year ended 30<sup>th</sup> September, 2018:**

- The operating revenue was Rs 471.9 crore during the half year period under review as compared to Rs 381.7 crore in the corresponding period of previous year reflecting a growth of 23.6% in rupee terms and 15.2% in constant currency.
- Total revenue was Rs 487.9 crore during the half year period under review as compared to Rs 386.1 crore in the corresponding period of previous year reflecting a growth of 26.4% in rupee terms.

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

- The company reported an adjusted EBITDA of Rs 54.2 crore (11.5% of operating revenue) in H1FY19 as compared to an adjusted EBITDA of Rs 5.5 crore (1.4% of operating revenue) in H1FY18.
- Net profit stood at Rs 41.4 crore for H1FY19 as against Rs 5.7 crore in the corresponding period of previous year reflecting a growth of 631.8% in rupee terms.
- The product research & development spends was at Rs 65.9 crore (14.0% of operating revenue) in H1FY19 as compared to Rs 53.3 crore (14.0% of operating revenue) in H1FY18.

### Operating highlights:

- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 94.0 crore (38.7% of operating revenue) for the quarter ended 30<sup>th</sup> September, 2018 as compared to Rs 82.5 crore (35.9% of operating revenue) in the quarter ended 30<sup>th</sup> June, 2018 reflecting a growth of 14.0% on QoQ basis and up by 54.8% as compared to Rs 60.7 crore (30.5% of operating revenue) in the corresponding quarter ended 30<sup>th</sup> September, 2017. Total cloud subscription revenue was Rs 29.9 crore (12.3% of operating revenue) for the quarter ended 30<sup>th</sup> September, 2018 as compared to Rs 22.2 crore (9.7% of operating revenue) in the quarter ended 30<sup>th</sup> June, 2018 reflecting a growth of 34.6% on QoQ basis and up by 58.0% as compared to Rs 18.9 crore (9.5% of operating revenue) in the corresponding quarter ended 30<sup>th</sup> September, 2017.
- **Recurring Revenue:** Total recurring revenue was Rs 82.9 crore (34.2% of operating revenue) for the quarter ended 30<sup>th</sup> September, 2018 as compared to Rs 70.0 crore (30.5% of operating revenue) in the quarter ended 30<sup>th</sup> June, 2018 reflecting a growth of 18.4% on QoQ basis and up by 54.3% as compared to Rs 53.7 crore (27.0% of operating revenue) in the corresponding quarter ended 30<sup>th</sup> September, 2017.
- **Clients:** The Company added 5 new clients during the quarter. Total client count as of 30<sup>th</sup> September, 2018 was 176. Total cloud customers count as of 30<sup>th</sup> September, 2018 was 41. In terms of client concentration, the top 5 constituted 31.3% of revenue and the top 10 customers constituted 44.8% of revenue for the quarter under review.
- **12 month Order Backlog:** The 12-month executable order backlog stood at Rs 546.6 crore (\$75.4mn) as on 30<sup>th</sup> September, 2018 and in constant currency stood at Rs 518.0 crore as compared to Rs 571.0 crore (\$83.4mn) at the end of Q1FY19, reflecting a drop of 4.3% QoQ in rupee terms and 9.6% in dollar terms.
- **Employees:** As on 30<sup>th</sup> September, 2018, the company had a total of 2,585 employees, of which 2,126 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> June, 2018 was 2,486.
- **Cash & Cash Equivalents:** The total cash & cash equivalents in Consolidated Majesco Group was at Rs 458.3 crore as on 30<sup>th</sup> September, 2018 as compared to Rs 422 crore at the end of 30<sup>th</sup> June, 2018.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 30<sup>th</sup> September, 2018 was Rs 84.0 crore as compared to Rs 91.2 crore as at 30<sup>th</sup> June, 2018.
- **Other Highlights:**
  - Gartner has positioned Majesco as a Leader in the October 2018 Magic Quadrant for P&C Core Platforms, North America report. Majesco is recognized as a Leader for its completeness of vision and ability to execute\*.

- Majesco had key customer wins for the second quarter of fiscal 2019
  - ✓ Two of the wins are part of a Tier 1 insurer that is active in the InsurTech space, working with a number of innovative start-ups and developing cutting edge new products to launch from their own business as well. One selected Majesco P&C Core Suite, Majesco CloudInsurer™, Majesco Insurance Data & Analytics Platform, and Majesco Digital1st Insurance™. The second one selected Majesco P&C Claims to support their TPA business.
  - ✓ Two additional insurers in Puerto Rico were added to the Cloud Services offerings developed mainly for the Region. Majesco now has eight insurers on the cloud in Puerto Rico.
  - ✓ And a leading general insurance company in India, selected Majesco Distribution Management to support their growth strategies by enhancing their distribution management operation for their 25,000 plus agent and broker network
- Majesco had seven go-lives for the quarter taking customers live on various modules like Billing, Policy, Claims, Enterprise Data Warehouse and state expansions and upgrades across tiers.
- Majesco expanded it's Digital1st EcoExchange™ marketplace with several partner apps.
- Majesco launched its new Majesco Test Automation Framework to rapidly and cost-effectively integrate their automation test suites with DevOps tools and frameworks while expanding automated testing capabilities to include user interface (UI), mobile, web services, batch process validation, data testing, and file and PDF verification.

### **Board Composition - Addition of Independent Director :**

Mr. Jyotin Kantilal Mehta has been appointed as an Additional Independent Director on the Board of Directors of Majesco Ltd., with effect from 5<sup>th</sup> November, 2018. He will also assume position of the Chairman of the Audit Committee of the Board of Majesco Ltd..

Mr. Mehta has held senior management positions in TATA, ICICI and Shell group of Companies. He last served as the Vice President and Chief of Internal Audit in Voltas Limited. Mr. Mehta has a versatile experience of over 35 years in the areas of Corporate Finance, Internal Audit, Corporate Governance, Risk and Controls, Company Law and Legal & Regulatory Compliance and Customer Service.

Mr. Mehta is also the Non-executive Independent Chairman of the Board of Directors of Monnet Ispat and Energy Limited and serves as Independent Director in various other companies such as Linde India Limited, ICICI Prudential Trust Company Limited and Suryoday Small Finance Bank Limited.

Mr. Mehta is a visiting faculty at leading management schools in India, like Welingkar Institute of Management. He is also an advisor in the domain of Governance, Risk Management and Compliance (GRC). He holds a Bachelor's Degree in Commerce from University of Bombay and is a fellow member of the Institute of Chartered Accountants of India, (All India Rank 3), the Institute of Company Secretaries of India and the Institute of Cost Accountants of India

**Mr. Adam Elster, Chief Executive Officer of Majesco, said:** “The second quarter financial performance reflect the growing success of our cloud-based strategy and the solutions we have developed to help insurers adapt to a new era of insurance. The number of cloud customers has increased by 28% over the last year, driving a 55% increase in cloud revenues year-over-year. The strong cloud revenue growth we continue to experience demonstrates Majesco’s ability to deliver “speed to value” to customers while providing a modern platform for insurers to innovate new products and business models.”

**He further stated,** “I am very encouraged by Majesco’s products, people and customer focus which are well aligned with the opportunities, trends and requirements of the insurance market. We feel this is best validated by our recent recognition as a Leader in the 2018 Gartner Magic Quadrant for P&C Core Platforms, North America report, recent key customer wins, and critical customer go-lives. I am pleased with the progress we are making and believe fiscal 2019 is shaping up to be a strong year for the company.”

**Mr. Farid Kazani, Managing Director, Majesco Ltd., said:** “This has been the fifth consequent quarter of consistent revenue growth and improved financial performance which demonstrates the strong business momentum. The increase in topline was primarily due to ramp up in new logos, continued new business engagements from existing accounts and increasing cloud revenue to 39% of Q2FY19 revenues. The higher Adjusted EBITDA margins was driven by shift towards higher margin cloud business and the impact of operating leverage. We are pleased with the business progress and aspire towards continual improved performance.”

### **Gartner Disclaimer\***

Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner’s research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

### **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)

#### **For further information, please contact:**

|  |  |
|--|--|
| Varika Rastogi<br>Majesco Ltd.<br>Ph:+91 22 6150 1800<br>Email: <a href="mailto:Varika.Rastogi@majesco.com">Varika.Rastogi@majesco.com</a> | Asha Gupta<br>Christensen Investor Relations<br>Tel: +91 22 4215 0210<br>Email: <a href="mailto:agupta@christensenir.com">agupta@christensenir.com</a> |
|--|--|

**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.*