

PRESS RELEASE

Majesco Q2FY20 Total Revenue at Rs 246.5 crore

- *Q2FY20 Cloud Subscription Revenue at Rs 36.2 crore; up 21.2% YoY*
- *12 Month Order Backlog at Rs 711.3 crore; up 30.1% YoY*

Mumbai, 14th November 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 **second quarter and half year FY20** ended 30th September, 2019.

Review of consolidated financial performance for the quarter ended 30th September 2019:

- The operating revenue for the quarter under review was Rs 239.8 crore, a decrease of 1.1% in rupee terms from Rs 242.5 crore in Q2FY19 and a decrease of 7.4% in rupee term and down by 8.7% in constant currency from Rs 259.0 crore in Q1FY20.
- Total revenue for the quarter under review was Rs 246.5 crore, a decrease of 2.0% from Rs 251.6 crore in Q2FY19 and a decrease of 6.4% from Rs 263.3 crore in Q1FY20.
- The Company reported an adjusted EBITDA of Rs 27.1 crore (11.3% of operating revenue) in Q2FY20 as compared to Rs 31.0 crore (12.8% of operating revenue) in Q2FY19 and Rs 33.6 crore (13.0% of operating revenue) in Q1FY20.
- Net profit stood at Rs 16.8 crore in Q2FY20 as compared to Rs 26.4 crore in Q2FY19 and Rs 12.0 crore in Q1FY20.
- The product research & development spends during the quarter stood at Rs 31.4 crore (13.1% of operating revenue) as compared to Rs 33.1 crore (13.7% of operating revenue) in Q2FY19 and Rs 38.0 crore (14.7% of operating revenue) in Q1FY20.

For the half year ended 30th September, 2019:

- The operating revenue was Rs 498.7 crore during the half year period under review as compared to Rs 471.9 crore in the corresponding period of previous year reflecting a growth of 5.7% in rupee terms and 5.0% in constant currency.

- Total revenue was Rs 509.8 crore during the half year period under review as compared to Rs 487.9 crore in the corresponding period of previous year reflecting a growth of 4.5% in rupee terms.
- The company reported an adjusted EBITDA of Rs 60.6 crore (12.2% of operating revenue) in H1FY20 as compared to Rs 54.2 crore (11.5% of operating revenue) in the corresponding period of previous year.
- Net profit stood at Rs 28.8 crore for H1FY20 as compared to Rs 41.4 crore in the corresponding period of previous year.
- The product research & development spends was at Rs 69.4 crore (13.9% of operating revenue) in H1FY20 as compared to Rs 65.9 crore (14.0% of operating revenue) in H1FY19.

Operating highlights:

- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 92.4 crore (38.5% of operating revenue) for Q2FY20 as compared to Rs 94.0 crore (40.6% of operating revenue) in Q2FY19 reflecting a drop of 1.7% on YoY basis and Rs 96.8 crore (37.4% of operating revenue) for Q1FY20. Total cloud subscription revenue was Rs 36.2 crore (15.1% of operating revenue) for Q2FY20 as compared to Rs 29.9 crore (12.3% of operating revenue) in Q2FY19 reflecting a growth of 21.2% on YoY basis and Rs 30.3 crore (11.7% of operating revenue) for Q1FY20.
- **Recurring Revenue (comparative numbers after reclassification of license revenue as non-recurring):** Total recurring revenue was Rs 90.5 crore (37.7% of operating revenue) for Q2FY20 as compared to Rs 76.8 crore (31.7% of operating revenue) in Q2FY19 reflecting a growth of 17.9% on YoY basis and Rs 84.3 crore (32.5% of operating revenue) for Q1FY20 reflecting a growth of 7.4% on QoQ basis.
- **12 month Order Backlog:** The 12-month executable order backlog stood at Rs 711.3 crore (\$100.4mn) as on 30th September, 2019 and in constant currency stood at Rs 692.7 crore as compared to Rs 546.6 crore (\$75.4mn) at the end of Q2FY19 reflecting a growth of 30.1% on YoY basis and Rs 681.0 crore (\$98.7mn) at the end of Q1FY20 reflecting a growth of 4.4% on QoQ basis.

- **Employees:** As on 30th September, 2019, the company had a total of 2,574 employees, of which 2,100 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 30th June, 2019 was at 2,763.
- **Cash & Cash Equivalents:** The total cash & cash equivalents in Consolidated Majesco Group was at Rs 391.6 crore as on 30th September, 2019 as compared to Rs 374.2 crore as on 30th June, 2019.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 30th September, 2019 was Rs 0.7 crore as compared to Rs 0.9 crore as at 30th June, 2019.
- **Clients:** The Company added 3 new clients during the quarter. Total cloud customers count as of 30th September, 2019 was 61. In terms of client concentration, the top 5 constituted 20.5% of revenue and the top 10 customers constituted 35.6% of revenue for the quarter under review.

Mr. Adam Elster, Chief Executive Officer of Majesco, said: *“Our second quarter financial results reflect the continuing momentum of our cloud subscription revenues. The number of cloud customers continue to increase with accelerating project go-lives, as our customers are benefitting from dramatically reduced project implementation timelines. These trends clearly demonstrate Majesco’s ability to rapidly deliver time-to-value to our customers while providing a modern platform for insurers to innovate new products and business models. This is the foundation of our long-term growth as we acquire, adopt and expand customers.”*

Mr. Farid Kazani, Managing Director & Group CFO, Majesco Ltd., said: *“The successful completion of the implementation phase of a project with our top client and the drop in revenue in the EMEA region linked to Brexit related issues impacted our numbers during Q2FY20. Our long-term growth strategy is aligned to the market and customer opportunity which is demonstrated with our 12-month order backlog growth of 30.1% and Cloud subscription revenue growth of 21.2% on year-on-year basis. Business continues to remain solid and we are positioned to deliver improved performance going forward”.*

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

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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.