

PRESS RELEASE

Majesco Q1FY20 Total Revenue at Rs 263 crore; up 11.4% YoY

- *Q1FY20 Adjusted EBITDA Margin of 13.0%; up 284 bps YoY*
- *Q1FY20 Cloud Revenue at Rs 96.8 crore; up 17.4% YoY*
- *12Month Order Backlog at Rs. 681 crore; up 19.3% YoY*

Mumbai, 13th August 2019: Majesco Ltd. (BSE: MJCO, 539289), (NSE: MAJESCO), a global provider of software, consulting and services for insurance business transformation, announced today its financial results for the **first quarter FY20** ended 30th June, 2019.

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

- The operating revenue for the quarter under review was Rs 259.0 crore, growth of 12.9% in rupee terms from Rs 229.4 crore in Q1FY19 and a marginal drop of 1.0% in rupee term and up by 0.5% in constant currency from Rs 261.5 crore in Q4FY19.
- Total revenue for the quarter under review was Rs 263.3 crore, growth of 11.4% from Rs 236.4 crore in Q1FY19 and a drop of 1.5% from Rs 267.2 crore in Q4FY19.
- The Company reported an adjusted EBITDA of Rs 33.6 crore (13.0% of operating revenue) in Q1FY20 as compared to an adjusted EBITDA of Rs 23.2 crore (10.1% of operating revenue) in Q1FY19 and Rs 28.2 crore (10.8% of operating revenue) in Q4FY19.
- Net profit stood at Rs 12.0 crore in Q1FY20 as compared to Rs 14.9 crore in Q1FY19 and Rs 10.6 crore in Q4FY19.
- The product research & development spends during the quarter stood at Rs 38.0 crore (14.7% of operating revenue) as compared to Rs 32.7 crore (14.3% of operating revenue) in Q1FY19 and Rs 35.5 crore (13.6% of operating revenue) in Q4FY19.

Operating highlights:

- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 96.8 crore (37.4% of operating revenue) for the quarter ended 30th June, 2019 as compared to Rs 82.5 crore (35.9% operating revenue) in the corresponding quarter ended 30th June, 2018 reflecting a growth of 17.4% on YoY basis and Rs 115.6

crore (44.2% of operating revenue) in the quarter ended 31st March, 2019. Total cloud subscription revenue was Rs 30.3 crore (11.7% of operating revenue) for the quarter ended 30th June, 2019 as compared to Rs 22.2 crore (9.7% of operating revenue) in the corresponding quarter ended 30th June, 2018 reflecting a growth of 36.7% on YoY basis and Rs 31.9 crore (12.2% of operating revenue) in the quarter ended 31st March, 2019.

- **Recurring Revenue: (comparative numbers after reclassification of license revenue as non-recurring)** Total recurring revenue was Rs 84.3 crore (32.5% of operating revenue) for the quarter ended 30th June, 2019 as compared to Rs 64.8 crore (28.2% of operating revenue) in the corresponding quarter ended 30th June, 2018 reflecting a growth of 30.0% on YoY basis and Rs 80.9 crore (30.9% of operating revenue) in the quarter ended 31st March, 2019 reflecting a growth of 4.2% on QoQ basis.
- **12 month Order Backlog:** The 12-month executable order backlog stood at Rs 681.0 crore (\$98.7mn) as on 30th June, 2019 and in constant currency stood at Rs 682.4 crore as compared to Rs 571.0 crore (\$83.4mn) at the end of Q1FY19 reflecting an increase of 19.3% on YoY basis and Rs 670.1 crore (\$96.9mn) at the end of Q4FY19 reflecting an increase of 1.6% on QoQ basis.
- **Employees:** As on 30th June, 2019, the company had a total of 2,763 employees, of which 2,272 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31st March, 2019 was similar at 2,763.
- **Cash & Cash Equivalents:** The total cash & cash equivalents in Consolidated Majesco Group was at Rs 374.2 crore as on 30th June, 2019 as compared to Rs 403.1 crore at the end of 31st March, 2019.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 30th June, 2019 was Rs 0.9 crore as compared to Rs 3.6 crore as at 31st March, 2019.
- **Clients:** The Company added 4 new clients during the quarter. Total cloud customers count as of 30th June, 2019 was 58. In terms of client concentration, the top 5 constituted 25.8% of revenue and the top 10 customers constituted 39.6% of revenue for the quarter under review.

Mr. Adam Elster, Chief Executive Officer of Majesco, said: “Our first quarter financial results reflect the ongoing momentum of our product focus and cloud strategy. The number of cloud customers continues to grow, and our customers are benefiting from 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 for our long-term growth as we acquire, adopt and expand customers.”

Mr. Farid Kazani, Managing Director & Group CFO, Majesco Ltd., said: “I am pleased with the continued positive trends in the metrics and overall performance of the quarter. Our topline witnessed a growth of 12.9% on year-on-year basis and adjusted EBITDA margin stood at 13.0% in the quarter supported by good growth from the North America geography. The YoY growth in the 12month Order Backlog was encouraging with 7 new wins including 4 new logos, all from cloud customers. Business remains solid and we are focused to deliver our growth plans for FY2020.”

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); CloudInsurer™LifePlus Solutions, Digital1st Insurance™ with Digital1st Engagement™, Digital1st EcoExchange™ and Digital1st 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.