

PRESS RELEASE

Newgen Software Reports Revenues of Rs 185.5 cr up 20% QoQ and Net Profit of Rs 35.4cr in Q3 FY'21, up 21% QoQ

New Delhi, India – 20 January 2021

The management of Newgen Software Technologies Ltd. announced results for the quarter ended 31 December 2020 at its Board Meeting held on 20 January 2021.

Speaking about the results, Mr. Diwakar Nigam, Chairman & Managing Director, Newgen Software Technologies Ltd. said – “Q3 has always been an important quarter for us and we are extremely happy to deliver another robust quarter, maintaining the business momentum. Post-COVID, we have witnessed a balanced growth across most of our key geographies including India, US and APAC region.

We are happy with our customers' expanded use of our platform as we continue to get significant incremental business from existing customers. Our subscription based revenues, especially SaaS/Cloud are growing at a healthy rate. We have also witnessed a substantial uptick in new logo acquisitions and have added 11 logos during the quarter.

Combating the uncertain environment, we have maintained strong operating margins as well as cash generation from operations.

In the new normal, we see good demand environment across all key industry segments. BPM and ECM are important elements of most of the industry transformation deals. At Newgen, in 2021, we are now ready to make deep investments on various fronts across technology and sales and marketing for long-term growth.

Key Consolidated Financial Highlights (Q3 FY'21)

Revenue from operations (Consolidated) at Rs 185.5 crores as compared to Rs 155.0 crores in Q2 FY'21 (up 20% QoQ, 0.3% YoY).

- Subscription revenues (ATS/AMC and Cloud) were at Rs 51.2 crores witnessed strong growth. Annuity revenue streams (ATS/AMC, Support, and Cloud/SaaS) were at Rs 100.5 crores
- Revenue from Sale of Products/License were at Rs 36.4 crores, up 38% QoQ
- Implementation & digitization revenues were at Rs 48.6 crores, up 58% QoQ

EBIDTA up by 92% YoY at Rs 68.8 crores compared to Rs 36.0 crores in Q3 FY'20.

Profit after tax up by 48% YoY at Rs 35.4 crores from Rs 24.0 crores in Q3 FY'20 driven by cost rationalisations.

Key Consolidated Financial Highlights (9M FY'21)

Revenue from operations (Consolidated) at Rs 472.6 crores as compared to Rs 470.0 crores in 9M FY'20, up 1% YoY.

- Subscription revenues (ATS/AMC and Cloud) were at Rs 148.0 crores, up 22% YoY. Annuity revenue streams (ATS/AMC, Support, and Cloud/SaaS) at Rs 285.3 crores, up 5% YoY
- Revenue from Sale of Products/License were at Rs 83.6 crores
- Implementation & digitization revenues were at Rs 103.7 crores

EBIDTA up by 138% YoY at Rs 125.5 crores compared to Rs 52.7 crores in 9M FY'20.

Profit after tax up by 136% YoY at Rs 73.7 crores from Rs 31.3 crores in 9M FY'20.

Net cash generated from operating activities at Rs 167.6 crores for 9M FY'21, compared to Rs 44.7 crores for 9M FY'20

Key Business Highlights (Q3 FY'21)

- **Newgen positioned as a Visionary in Gartner Magic Quadrant for Content Services Platforms**, Michael Woodbridge et al., November 16, 2020*
- **Newgen granted a patent for an invention entitled "Remote Email Access Through Short Message Service (SMS)** by the Indian Patent Office, Chennai for a term of 20 years commencing from February 16, 2010. Newgen has filed 44 patents till date, out of which 17 have been granted in India and the US
- **11 New Customer Logos addition in the Quarter, some notable successes include:**
 - **Four new logos in the Americas region** in the Banking and Financial services domain
 - **Strategic win for delivery & implementation of Newgen ECM and BPM solution for a unit of the Government of India** for streamlining the collection, processing & dissemination of data to generate meaningful information for analysis
 - **Mid-sized project for a full-service Retail and SME** (small and medium sized enterprises) Bank in the UK
- **Accelerated performance in Banking & Financial Services, Government/PSU, and Insurance verticals** with increased demand for digital transformation initiatives in these sectors. During the quarter, we received two large transformational deals from our existing customers – a leading private sector bank in India and a leading small finance bank.

- **Key Awards:**

Fidelity Bank and Newgen have been awarded the “**Best Self-Service Banking Technology Implementation**” at the Asian Banker Middle East and Africa Regional Awards 2020.

Bank Muscat and Newgen were recognized for the “**Best Lending Implementation in the Middle East**” at The Asian Banker Middle East and Africa Awards 2020.

Abu Dhabi Commercial Bank (ADCB Bank) and Newgen have been awarded the “**Best Digital Transformation Implementation**” at the Asian Banker Middle East and Africa Regional Awards 2020

*Authored by Michael Woodbridge, Marko Sillanpaa, Lane Severson

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About Newgen

Connecting Enterprises. Transforming Experiences.

Newgen Software Technologies Limited (listed In India on National Stock Exchange [Script code: NEWGEN] and BSE Ltd. [Script code: 540900]) is a leading provider of low code digital automation platform. Globally, successful financial institutions, insurance, government, and shared services organizations rely on Newgen’s industry-recognized products and applications—to manage their processes (BPM), content (ECM), and communications (CCM)—for connected operations. From customer onboarding to service requests, from loans and deposits to underwriting, and many more, Newgen’s industry applications transform business-critical operations with agility. Newgen’s cloud-based platform enables digital transformation initiatives for superior customer experience, optimized costs, and improved efficiencies.

Disclaimer

This press release may contain certain forward looking statements concerning Newgen Software Technologies’ future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth and new business opportunities, competition (both domestic and international), economic growth in India and the target countries for business, ability to attract and retain highly skilled professionals, time and cost over runs on projects, our ability to manage our international operations, government policies, interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

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