



PRESS RELEASE

Newgen Software reports 29% YoY increase in Total Income

- Delivers consistent revenue and profit growth

New Delhi, India – 29 October 2018

The management of Newgen Software Technologies Ltd. announced results for the Quarter ended 30 Sep 2018 [Q2 FY'19] at its Board Meeting held on 29 October 2018.

Speaking about the results, Mr. Diwakar Nigam, Chairman & Managing Director, Newgen Software Technologies Ltd. said – “Customer centricity is of prime importance to Organizations today leading to reinvention of their workplaces. As a result, Newgen’s solutions are finding strong traction across the globe. We are on a robust growth trajectory across all our key markets; our consolidated total income witnessed a 29% YoY increase in Q2 FY’19 driven by license revenue growth. We have added 22 new customer logos during the quarter; including 5 new wins in the US region. Our Cloud revenues grew by 163% YoY in line with our expectations.”

Key Financial Highlights (Q2 FY'19) – [YoY Comparison]

- **Total Income (Consolidated) up by 29% YoY to reach Rs 155.48 crores** in Q2 FY'19 compared to Rs 120.96 crores in Q2 FY'18. **Revenue from operations (Consolidated) witnessed strong growth momentum and was up by 26% YoY to reach Rs 149.66 crores** as compared to Rs 118.66 crores in Q2 FY'18 driven by license revenue growth of 57% YoY
 - Revenue from Sale of Products/ License were at Rs 57.6 crores
 - Annuity Revenue streams (ATS/AMC and Support) were at Rs 65.8 crores
 - Cloud/SaaS continues to be our fastest growing revenue component. Cloud/ SaaS revenues were at Rs 5.7 crores
 - Implementation & Digitization revenues were at Rs 20.5 crores
- EBIDTA (adjusted for other income) was at Rs 20.84 crores up by 139% compared to Rs 8.71 crores in Q2 FY'18.
- Profit after tax was at Rs 17.77 crores up by 183% compared to Rs 6.27 crores in Q2 FY'18.
- Basic Earnings per shares was at Rs 2.62 in Q2 FY'19 compared to 1.00 in Q2 FY'18.

Key Financial Highlights (Q2 FY'19) – [QoQ Comparison]

- Total Income (Consolidated) up by 36% QoQ compared to Rs 114.27 crores in Q1 FY'19.
- Revenue from operations (Consolidated) witnessed strong growth momentum and was up by 41% QoQ compared to Rs 106.47 crores in Q1 FY'19
- EBIDTA (adjusted for other income) grew multi-fold and was at Rs 20.84 crores compared to Rs 0.56 crores in Q1 FY'19.
- Profit after tax was up by 360% at Rs 17.77 crores compared to Rs 3.87 crores in Q1 FY'19.
- Software license business is usually seasonal in nature primarily given the large enterprise account buying patterns leading to substantial revenues and profits booked in the second half of the financial year. First quarter is usually the leanest with enhancement in revenues and profits in each subsequent quarter of a financial year. Growth in profitability was on account of lower base in previous year and favourable currency movement.

Key Business Highlights

- **Broad-based growth across all key markets:** EMEA, USA, APAC and India regions on a stronghold with YoY growth of 47%, 26%, 13%, and 13% respectively
- **Prestigious customer wins made during the year:** 22 new customer additions in Q2 FY'19 including 5 in US. Major license deals include agreement with a leading inclusive bank in Africa, a savings bank in Philippines, the largest credit union in Northeast region of US serving members for 75+ years and a government authority based in Oman for records management
- **Executed an agreement with a global technology player for supply of software licenses and related services.** Total Order Size at Rs 78.8 Crores spread over 7 years
- **In Canada region, for the first time a large NBFC has chosen our Commercial Loan Origination Solution (CLOS)** to enhance their commercial lending experience for customers.
- **Company continues to strengthen the horizontal product platform with vertical service accelerators:** Robust growth across all key verticals especially Healthcare, Government/ PSU and BPO/IT verticals.
- **Cloud/ SaaS business model strengthening annuity revenues:** In Q2 FY'19, SaaS revenues were at Rs 5.7 crores, 163% YoY increase; In H1 FY'19, total SaaS revenues were at Rs 10.6 crores compared to Rs 4.1 crores in H1 FY'18.
- **Continued focus on product and innovation:** We continue to enhance our low-code solutions with improved user interfaces, seamless integration capabilities and enhanced process management capabilities. We have added significant capabilities in Analytics and Mobility to our platforms for customer's seamless digital journeys

About Newgen

Newgen Software Technologies Limited (listed In India on National Stock Exchange [Script code: NEWGEN] and BSE Ltd. [Script code: 540900]), is a provider of Business Process Management, Enterprise Content Management and Customer Communication Management platforms with large, mission-critical solutions deployed at world's leading banks, Governments, BPO's & IT Companies, Insurance firms and Healthcare Organizations.

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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