

Newgen Software Technologies Ltd.

Q1 FY'23 Investor Presentation

UNLOCK SIMPLE

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About Newgen



■ Newgen: Enterprise-wide unified digital transformation platform provider

Digitize

Contextual Content Services (ECM) OmniDocs

Deliver contextual content for smarter decision making and improved collaboration

- Content Management
- Content Intelligence
- Enterprise-wide Collaboration
- Workflow Management
- Records Management
- Compliance and Audits



Process & Adapt

Low Code Process Automation (BPM) iBPS

Create smarter processes, empower knowledge workers and build responsive business

- Low Code Development
- Omnichannel UX Design
- Business Rules Management
- Process Intelligence
- Dynamic Case Management
- RPA



Communicate

Omnichannel Customer Engagement (CCM) OmniOMS

Create, personalize and deliver interactive communication to enhance customer experience

- Communication Designer
- Personalized Communication
- Omnichannel Communication
- Communication-enablement of Biz Applications
- Social Sensing & Sentiment AI



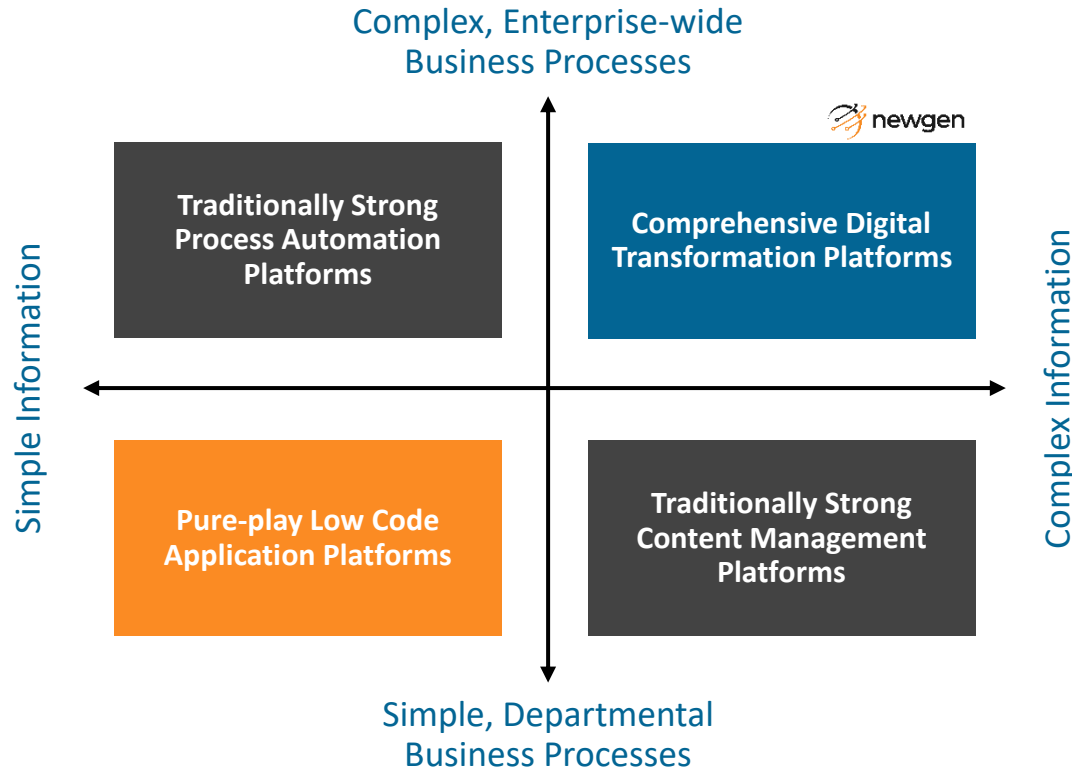
Data Science

Artificial Intelligence/ Machine Learning

Rapidly experiment, build, validate, deploy and operate Machine Learning models.

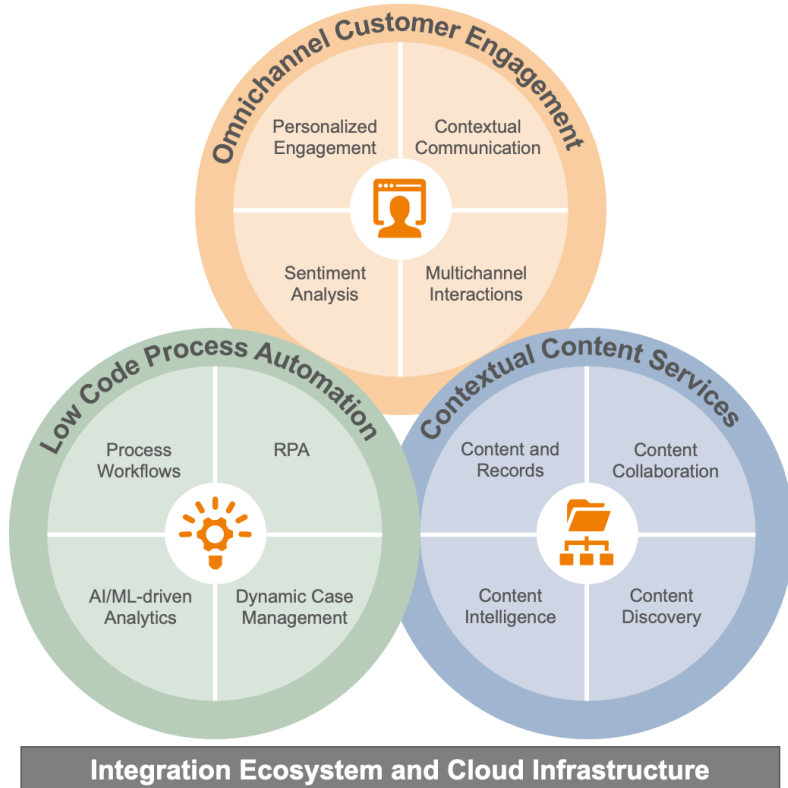
- In Memory Distributed, Big Data Platform
- Low Code
- Machine Learning
- Automated Data Science
- Streamlining data to insights development

Business Applications Range in Complexity of Process & Information



NewgenONE digital transformation platform is a **comprehensive, unified** platform with **native** process automation, content services, and communication management capabilities

NewgenONE Digital Transformation Platform



A unified platform suite that is,

- Cloud-hosted single platform for process, content, and communication automation
- Scalable and extensible
- For secure access to processes
- Highly-available for data governance (auditable)
- Capable of delivering deep insights/analytics

Used by enterprises globally to,

- Rapidly develop and deploy complex and critical business applications
- Perform millions of transactions
- Enable remote access to hundreds of thousands of employees
- Handle billions of documents and communications

What Makes NewgenONE Stand Out!

A natively-built, unified, hyperautomation platform for complex, content-driven, and customer-engaging business applications

Focused on professional IT developers for agility and productivity

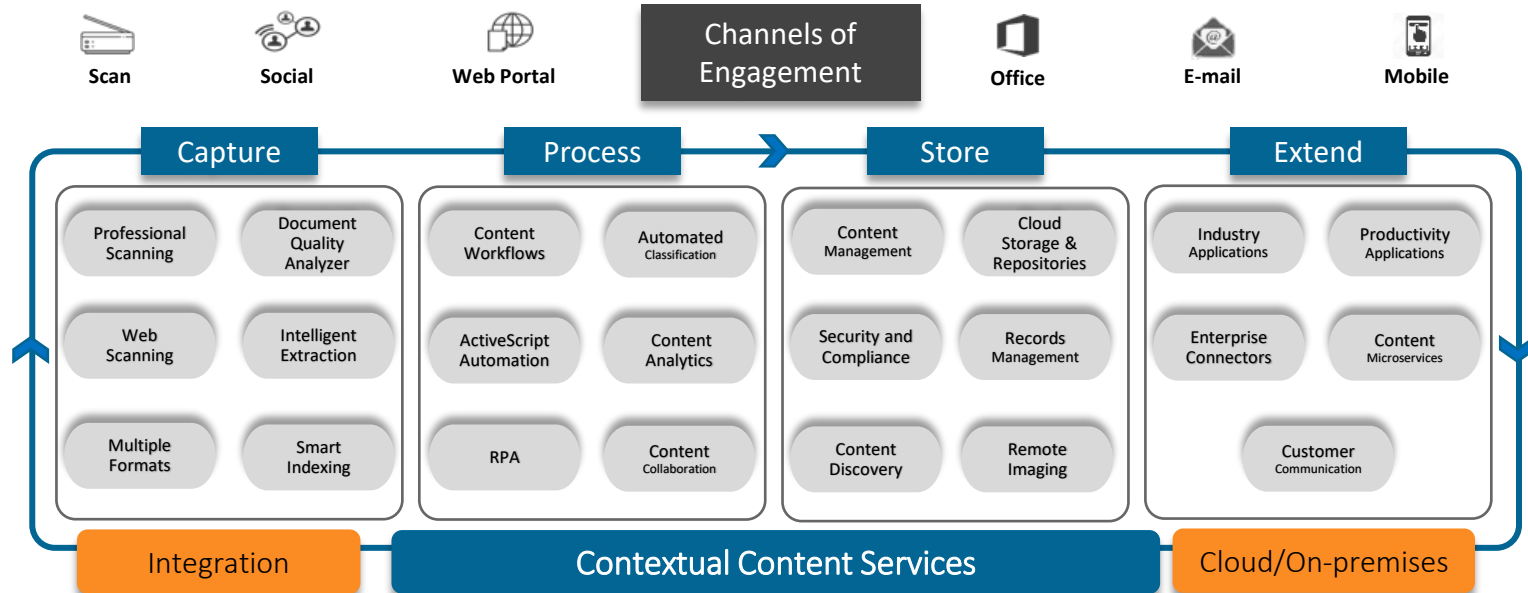
Domain expertise packaged as composable components

Global SI partnerships for reach and scale

30 years of low code philosophy and methodology
Software platform domain and expertise since 1992

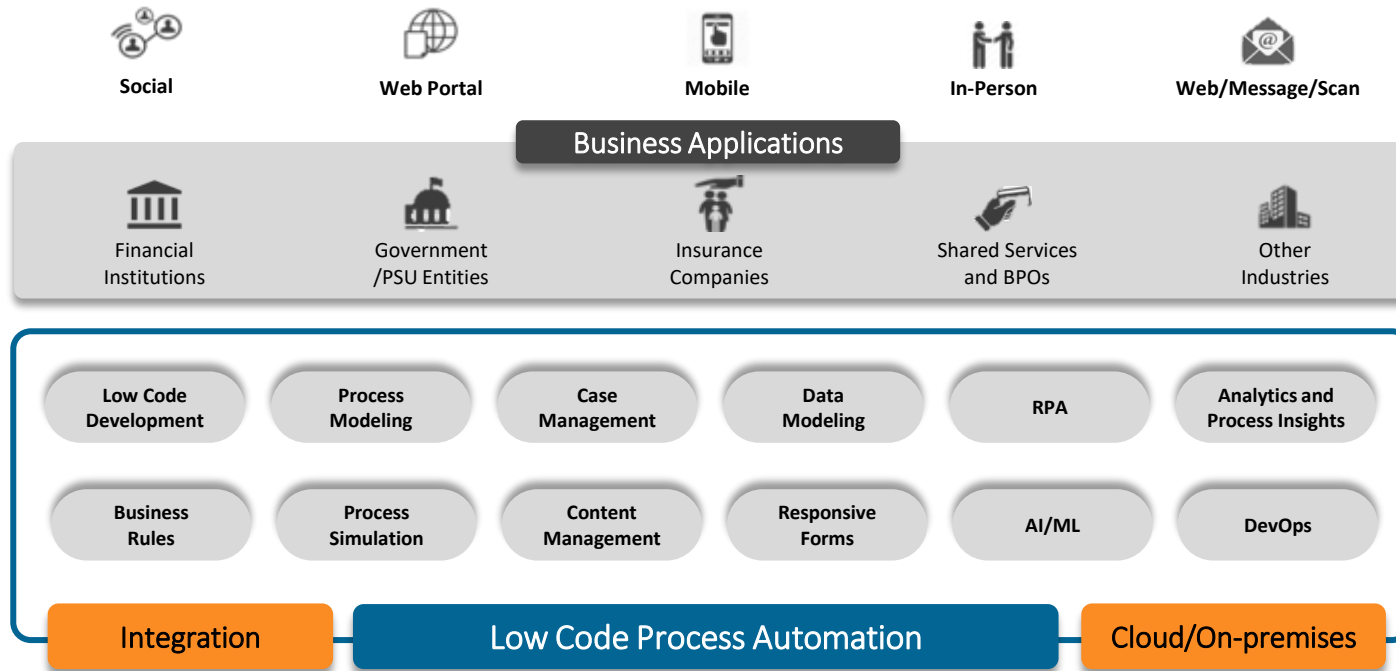
NewgenONE With Contextual Content Services Capability...

Digitize Workplace with Contextual Automation, Compliance, and Intelligence – On Cloud



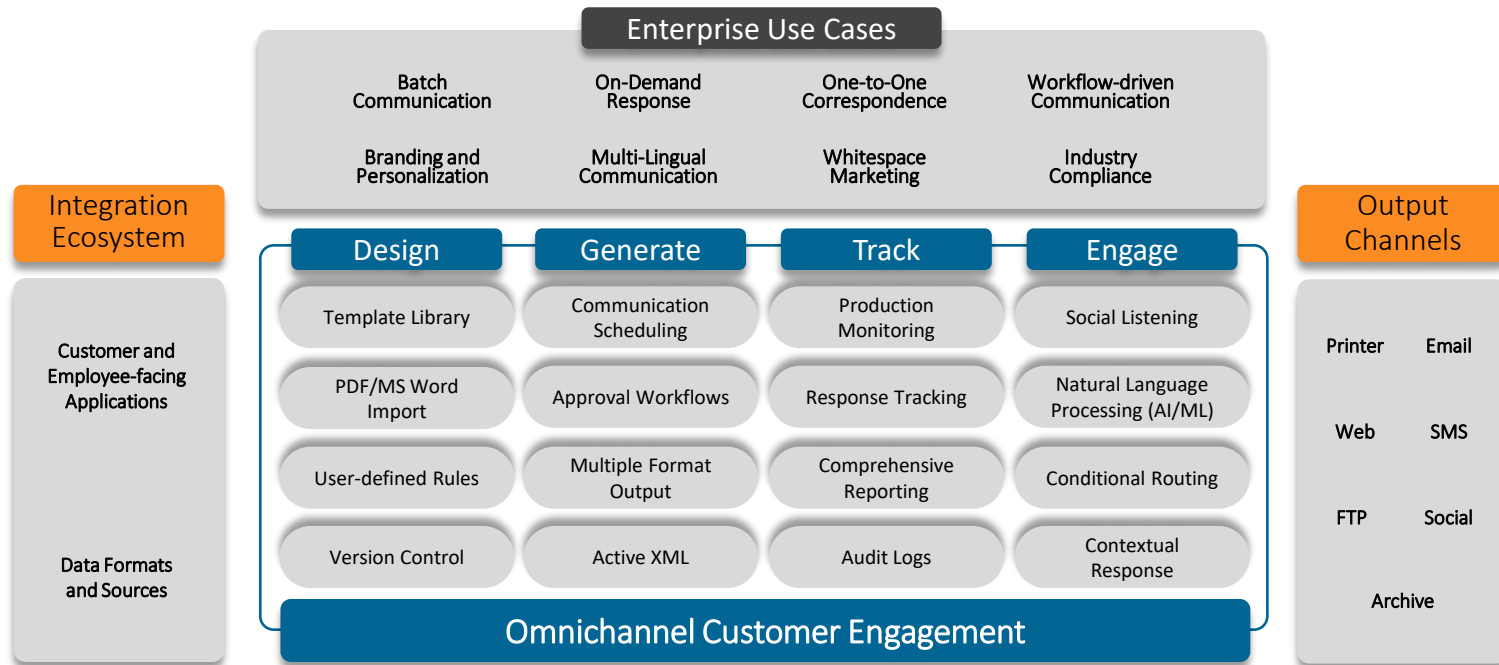
NewgenONE With Low Code Process Automation Capability...

Rapid Application Development for Deep and Complex Business Applications – Across Devices

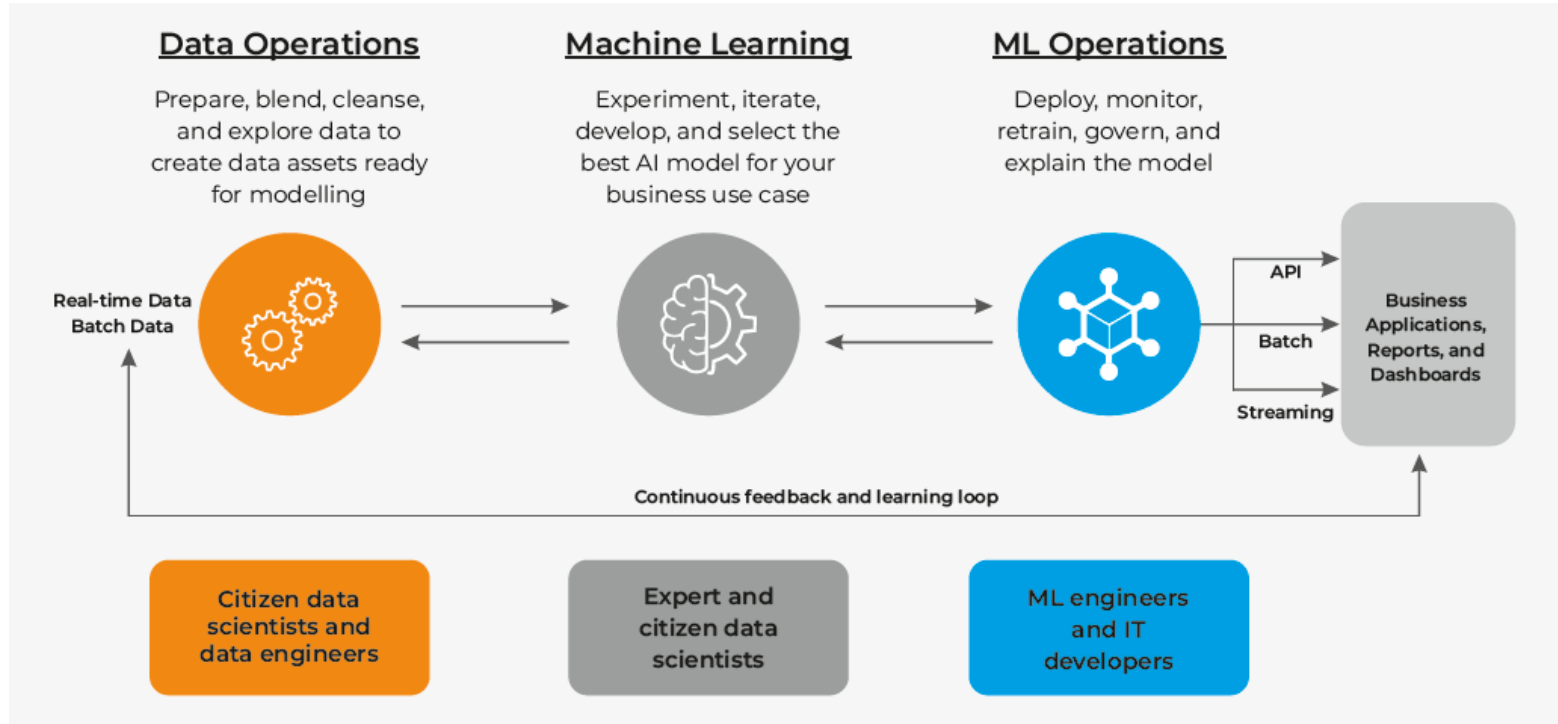


NewgenONE With Personalized Customer Engagement Capability...

Use the Business Data and Manage the Communication Output – Personalized and at Scale



■ Newgen AI Cloud – A unified platform for all data science needs



Key Analyst Recognitions



A Niche Player in 2021 Gartner® Magic Quadrant for Enterprise Low Code Application Platforms ⁽¹⁾

A Visionary in 2021 Gartner® Magic Quadrant™ for Content Services Platforms ⁽²⁾



A “Strong Performer” in Forrester Wave™: Content Platforms, Q2 2021 Report

A “Strong Performer” in Forrester Wave™: Digital Process Automation, Q4 2021 Report

1. Published on 20 September, 2021, Jason Wong et al.

2. Published on 18 October, 2021, Michael Woodbridge et al

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Newgen – Key Highlights (FY'22)



Established in 1992
one world, one workplace



Over 530 active customers ⁽¹⁾



Direct presence
in 7 countries



17 verticals with
5 Core Verticals



Partner with leading
GSIs



3,285 Personnel
(with ~580 personnel in R&D
~250 personnel in S&M)



Banking, insurance,
government, manufacturing
and more



44 patents filed,
23 approved



Consistently recognized by
Gartner and Forrester

Newgen – Financial Snapshot (FY'22)



Rs 7,790 Million
Revenue
(16% YoY Growth)



Rs 2,461 Million
Subscription Revenues (2)
(23% YoY Growth)



Rs 618 Million
SaaS Revenues
(25% YoY Growth)



Rs 1,947 Million
EBIDTA
(25% EBIDTA Margin)



Rs 1,642 Million
PAT
(20% PAT Margin)

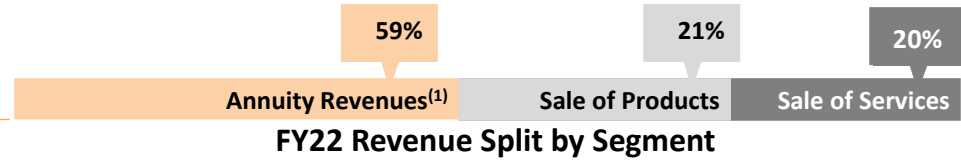


Rs 4,622 Million
Cash, Bank Balance,
Investments and FDs

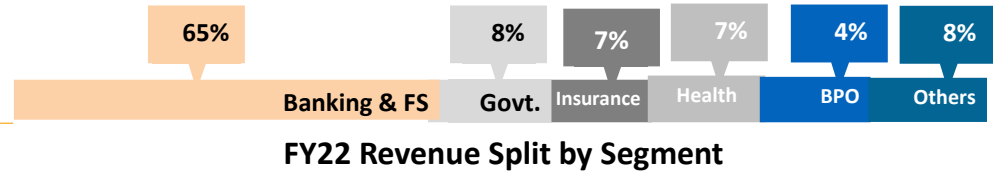
(1) Annuity comprises ATS/AMC, Cloud and Support revenues
(2) Subscription revenues comprise of ATS/AMC and Cloud revenue streams
(3) All Figures as of March 31, 2022

Resilient Business Model in Place

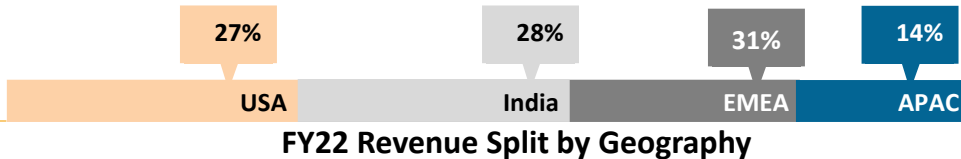
Large annuity revenues streams



Mission critical solutions across key verticals



Diversification across geographies



(1) Annuity comprises ATS/AMC, Cloud and Support revenues



Investment Rationale



■ The Markets We Play In

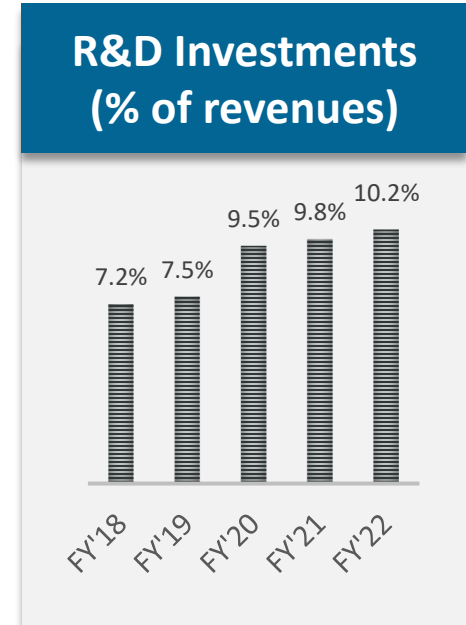
- Process-agnostic software that enables Hyperautomation: \$46.31 bn by 2025 ⁽³⁾
- Content Services platform: \$9.35 Bn by 2026 ⁽¹⁾
- Business Process Management systems: \$3.07 bn by 2026 ⁽²⁾

Source:

1. Gartner's 'Market Forecast: Enterprise Application Software Markets, Worldwide, 2020-2026' report published on 30 Mar 2022. Authors: Amarendra, Neha Gupta, Craig Roth, Jim Hare, Alys Woodward, Julian Poulter, John Kostoulas, Balaji Abbabatulla, Eric Hunter, Kevin Quinn, Yanna Dharmasthira, Chris Pang
2. Gartner's 'Market Forecast: Infrastructure Software Markets, Worldwide, 2020-2026' report published on 30 Mar 2022. Authors: Amarendra ., Laurie Wurster, Fabrizio Biscotti, Brandon Medford, Sharat Menon, Shailendra Upadhyay, Rahul Yadav, Chandra Mukhyala, Robin Schumacher
3. 'Forecast Analysis: Hyperautomation Enablement Software, Worldwide' report published by Gartner on 22 March 2021; Authors: Cathy Tornbohm, Fabrizio Biscotti, Rachel Chippendale

■ Innovative Product Suite With Continuing Focus On R&D

- **29 years** of product DNA; **44 patents** filings, **23 Granted** till date
- Skilled R&D team of ~540* people with deep domain expertise
- **Unified platform** with modular deployment
- **Deep domain expertise** - Intuitive applications and scalable performance
- Cloud-ready architecture on **AWS and Azure**
- **Low Code** Application Platform
- Enhancing Artificial Intelligence/ Machine Learning capabilities with integration of Number Theory



Our Go-to-market

Strategy Across Regions and Verticals is Based on Direct Presence Supported by Partner Ecosystem

- Around 300* Employees in Sales & Marketing/ Solutioning supported by a large network of 300+ channel partners
- Focus on Tier-1 customers in five core verticals in India, APAC, and Middle East & Africa Region
- Focus on mid-market banks and credit unions in the US region
- Differentiated 'land and expand' model
- Sale of complete functionality with initial purchase, facilitating seamless creation of new applications

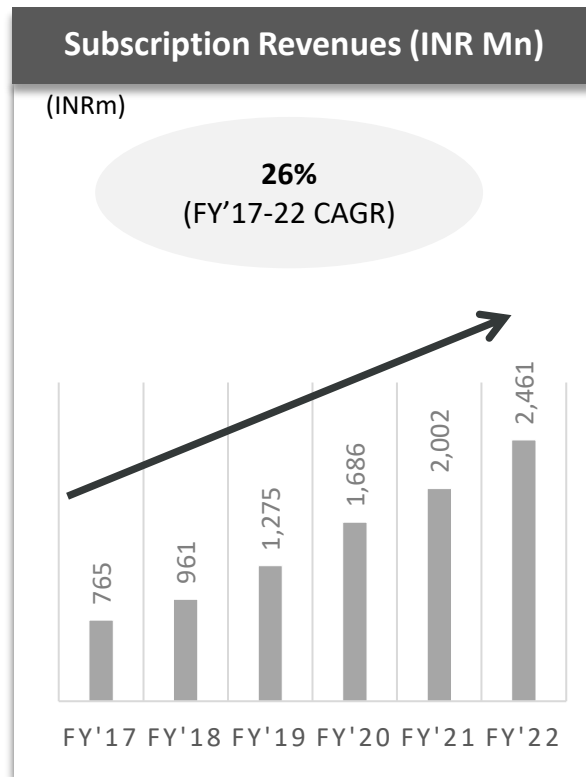
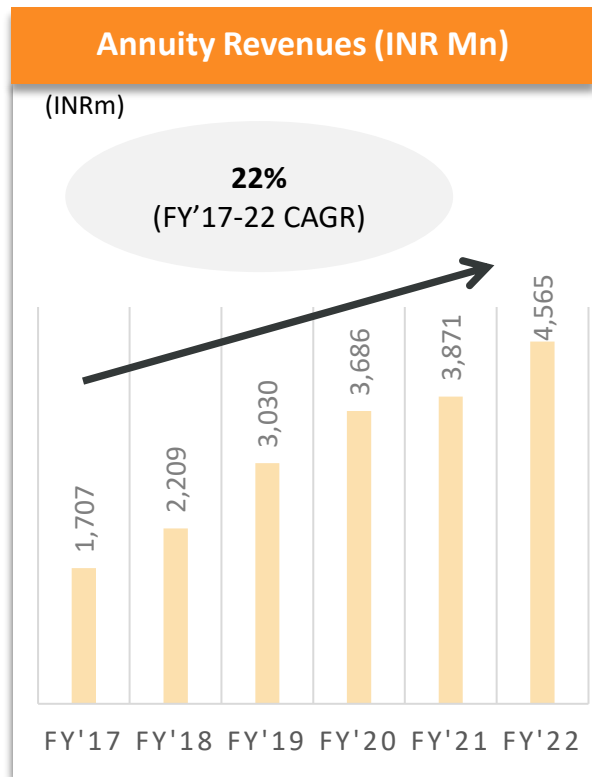
System Integrators-led go-to-market Targeting Fortune 2000 Enterprises in Mature Markets

- Increasing traction in the developed markets of US, Europe and APAC – with focus on sales through Global System Integrators (GSIs)
- Developed the internal GSI & enterprise team – Senior sales leader brought on board
- Aggressive investments in enhancing visibility and brand awareness through various initiatives - digital events, analyst and consultant engagements, increased digital presence and outreach
- Newgen products well-accepted by some of the largest GSIs and their customers.

NewgenONE Enables Enterprises to Develop Complex Biz Applications



Strong Acceleration in Annuity and Subscription Revenues



Increasing adoption of subscription/cloud across geographies with large orders in India, EMEA, APAC as well as Australia

- (1) Subscription revenues comprise of ATS/AMC and Cloud revenue streams
(2) Annuity Revenues comprise of ATS/AMC, Cloud and Support revenue streams

Board of Directors



Diwakar Nigam

Chairman and
Managing Director



T.S. Varadarajan

Whole
Time Director



Priyadarshini Nigam

Whole
Time Director



Padmaja Krishnan

Independent
Director



Saurabh Srivastava

Independent
Director



**Subramaniam
Ramnath Iyer**

Independent Director



Kaushik Dutta

Independent
Director

Leadership Team



Diwakar Nigam
Chairman and Managing Director



Virender Jeet
Chief Executive Officer



Tarun Nandwani
Chief Operating Officer



Dr. S.J. Raj
Sr. VP – HRD



Anand Raman
EVP & COO - Newgen Software Inc.



Arvind Jha
Sr. VP – Product



Rajvinder Singh Kohli
Sr. VP – Global GSI Sales



Arun Kumar Gupta
Chief Financial Officer

Leadership Team



Sunil Pandita
VP – Sales (India)



Vivek Bhatnagar
VP – Sales (EMEA)



R. Krishna Kumar
VP – Sales
(Australia)



Prashant Sahai
VP – Sales
(Middle East)



Pramod Kumar
VP – Sales (APAC)



**Alessandro De
Capitani Di Vimercate**
VP – Enterprise Sales
(US)



Martin Barbee
VP – Sales (US)



Sandeep Hinduja
VP – Sales (US)



Ashok Kapoor
VP – Marketing



Atin Kumar
Head-Global
Delivery



**Vivek Mani
Tripathi**
VP –HRD &
Operations



Anurag Kumar Shah
VP – Product &
Solutions (Americas)



Arpan Bansal
VP – Marketing
(Govt. & GSI
Initiatives)



Nikhil Sawhney
VP – Customer
Relations (EMEA, APAC)



Manojit Majumdar
VP – Channel Sales



Ritesh Varma
VP – Product &
Solutions (India,
EMEA, APAC)



Shikha Bhatt
VP – Delivery
(India)



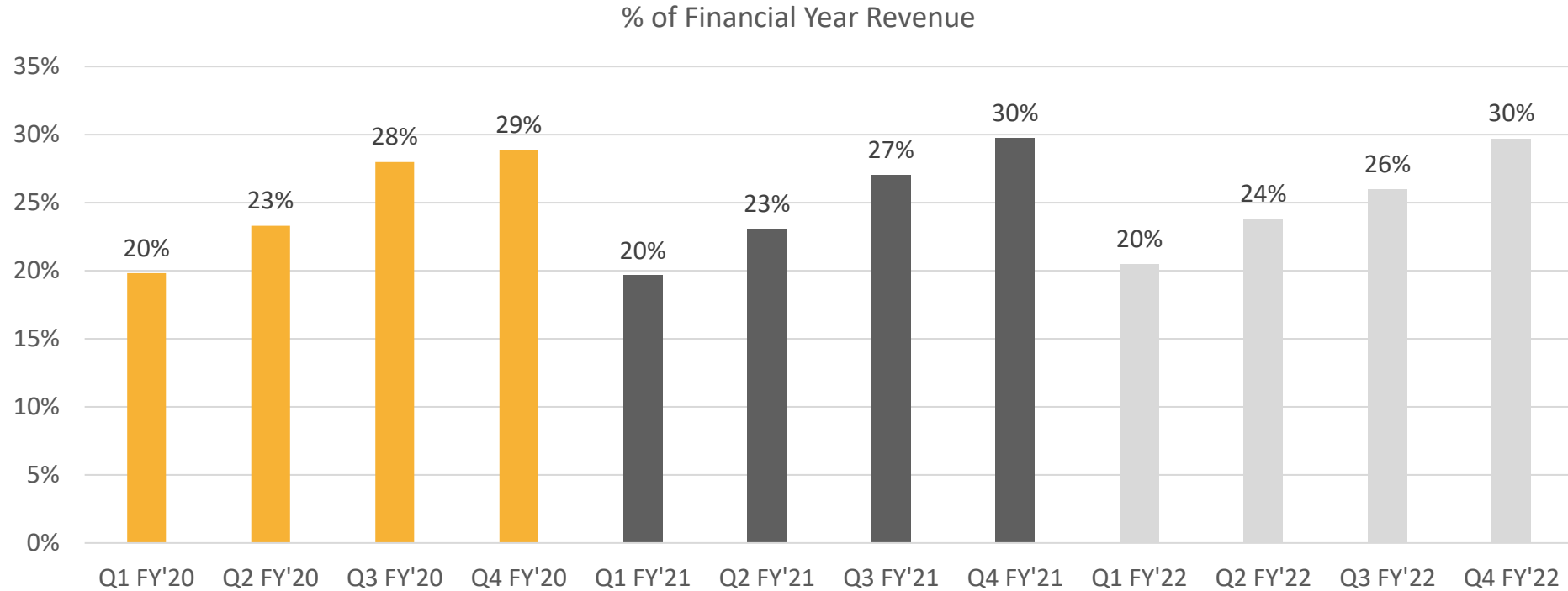
Mukesh Bhatnagar
VP – International
Operations



Q1 FY'23 Results



Seasonality in Business



Seasonality in business due to license-based business model, with Q1 being the leanest quarter historically

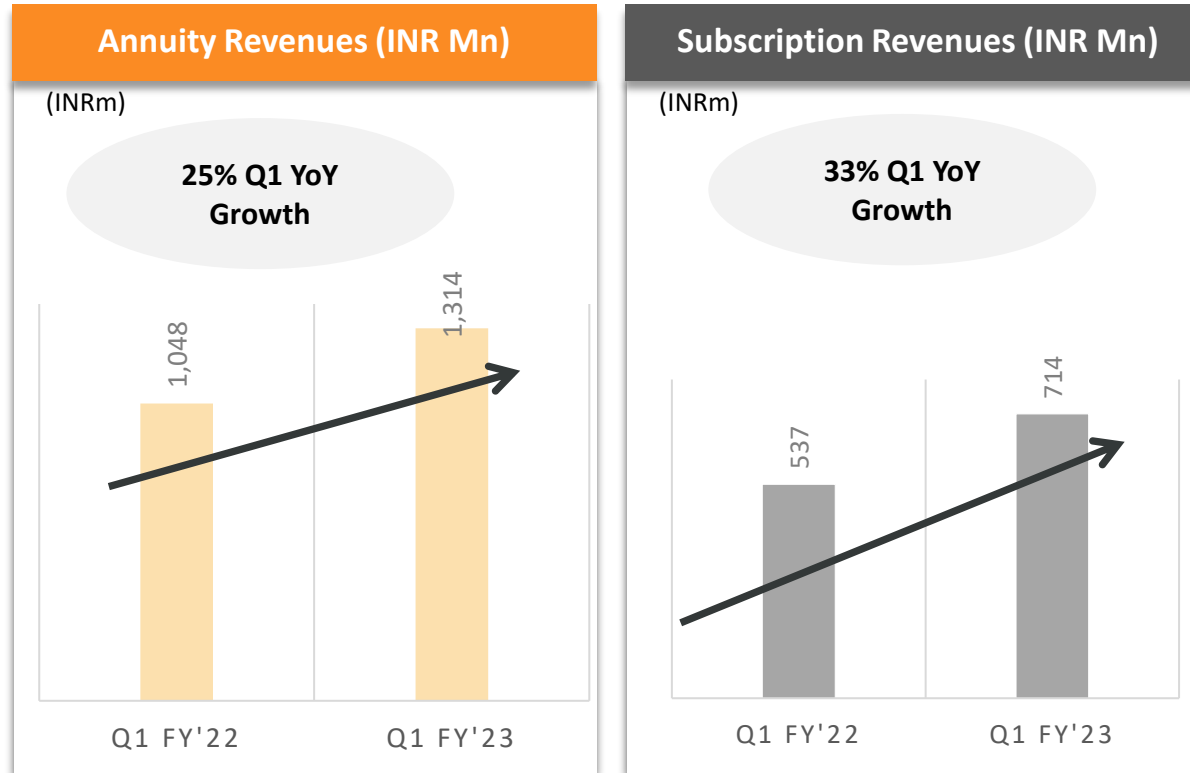
Financial Summary (Consolidated)

Particulars	Q1FY23 (Unaudited)		Q1FY22 (Unaudited)	YoY Growth	Q4FY22 (Unaudited)		QoQ Growth	FY22 (Audited)	FY21 (Audited)	YoY Growth
Revenue (INR Mn)	Revenue from operations		1,879	1,595	17.8%	2,314	-18.8%	7,790	6,726	15.8%
	Other Income		101	106	-4.2%	51	97.4%	299	150	98.9%
	Total Income		1,980	1,701	16.4%	2,366	-16.3%	8,089	6,877	17.6%
Profits (INR Mn)	EBITDA <i>(adjusted for other income)</i>		193	228	-15.3%	674	-71.4%	1,947	1,919	1.4%
	Profit after tax		192	216	-11.2%	574	-66.6%	1,642	1,265	29.8%
Margin (%)	EBITDA <i>(adjusted for other income)</i>		10.3%	14.3%		29.1%		25.0%	28.5%	
	Profit after tax <i>(on total income)</i>		9.7%	12.7%		24.3%		20.3%	18.4%	
EPS (INR)	Basic		2.76	3.12	-11.5%	8.25	-66.6%	23.65	18.28	29.4%
	Diluted		2.74	3.09	-11.3%	8.22	-66.6%	23.50	18.10	29.8%

Q1 FY'23 v/s Q1 FY'22

- Revenue from operations witnessed a growth of 18% Q1 YoY. Subscription revenues witnessed a growth of 33% YoY
- Profit after tax impacted due to normalization of cost base on account of employee and travel costs

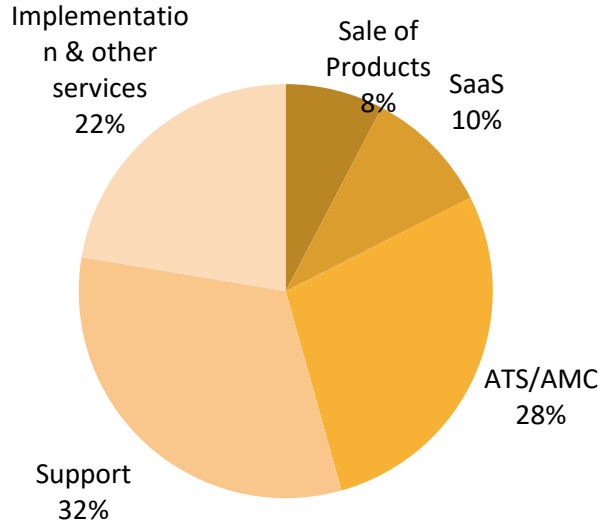
Continuous growth in Annuity based revenues



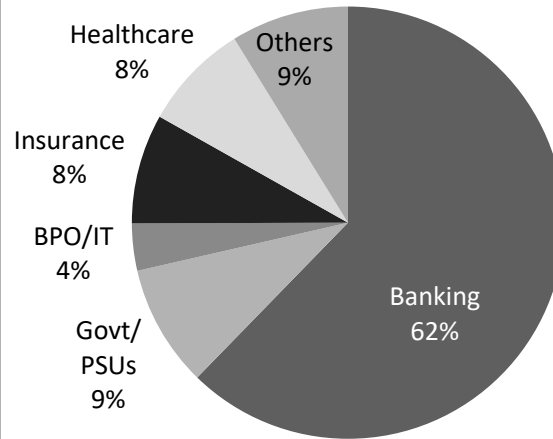
- (1) Subscription revenues comprise of ATS/AMC and Cloud revenue streams
(2) Annuity Revenues comprise of ATS/AMC, Cloud and Support revenue streams

Diversification Across Verticals and Geographies

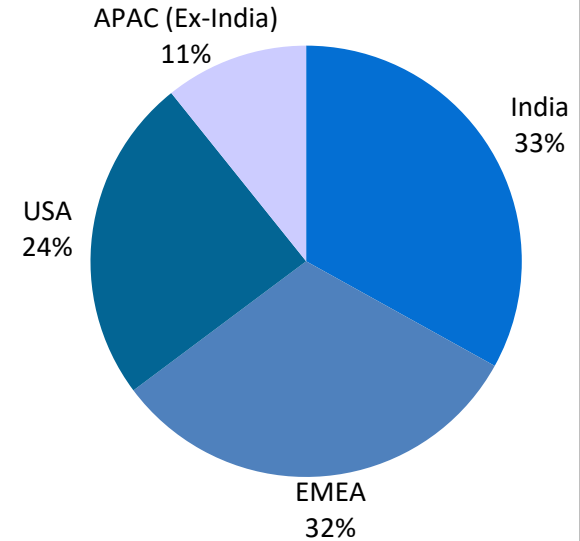
Q1 FY'23 Revenue Split by Segment



Q1 FY'23 Revenue Split by Vertical



Q1 FY'23 Revenue Split by Geography



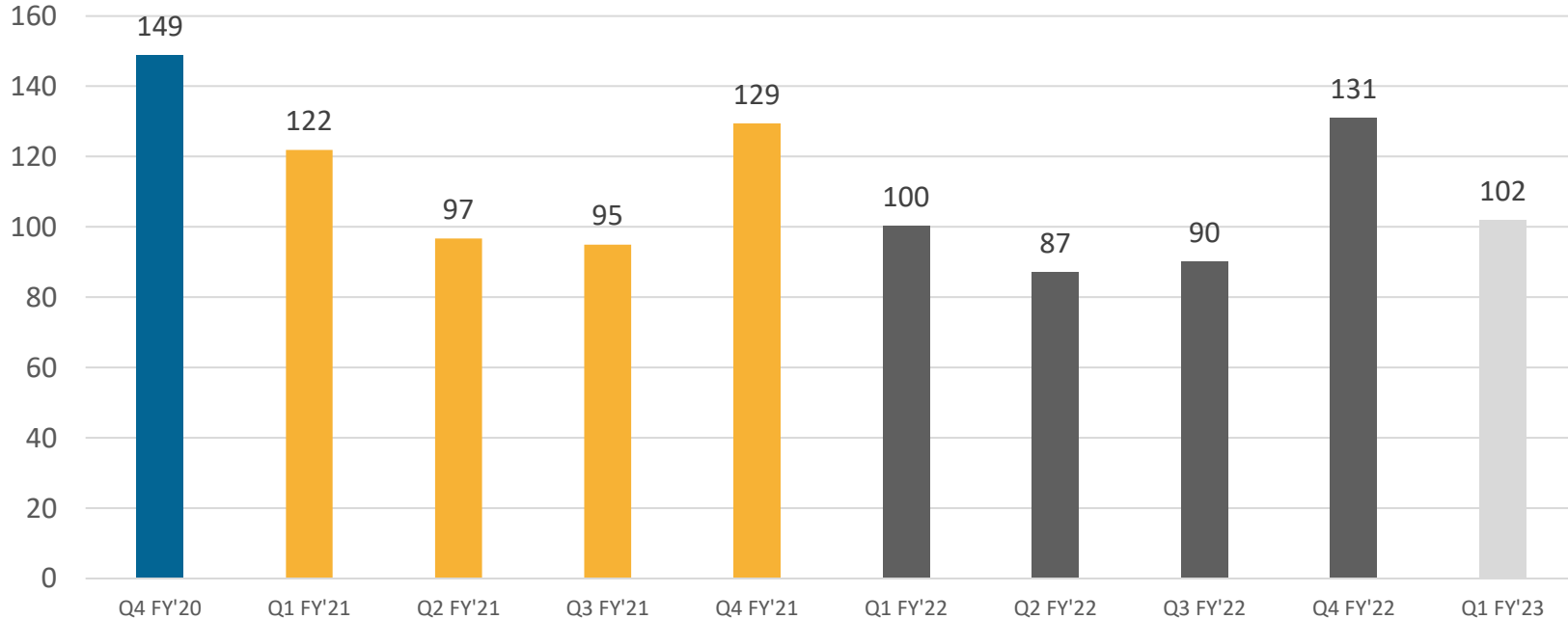
Key Updates

- **Newgen and Coforge formed a global strategic alliance** to accelerate digital for organisations in the US, Europe, and the rest of the world
- **Strategic partnership with Anabatic Digital**, a leading IT solutions provider in Indonesia, for delivering high-value solutions to financial institutions across Indonesia and Asia-Pacific region
- **CRISIL assigned a short-term rating of CRISIL A1** for debt instruments/facilities of the Company
- Incorporated a wholly-owned subsidiary in United Arab Emirates under the name - Newgen Software Technologies L.L.C.
- Entered into **transformation projects with existing customers** including a license agreement with an India based oil major and a key life Insurance player in India.
- **Six new logo wins in Q1 FY'23**, with two logos in Americas region
- Newgen CSR won **Best CSR Practices-Digital Education in Responsible Business Awards** organised by Dr. R L Bhatia, Founder of World CSR Day and World Sustainability

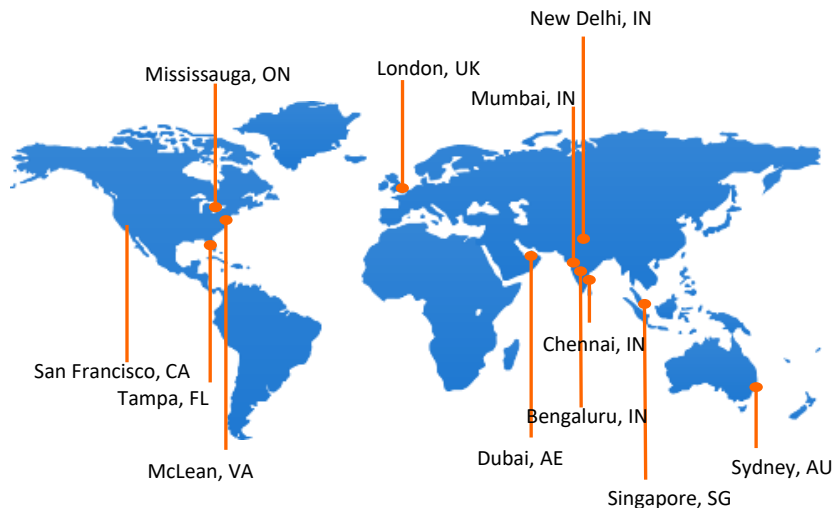


Strengthening Balance Sheet

Debtor Days (Based on Net Debtors)



Note: The business is seasonal in nature with proportionately higher revenues and debtor days in the year end period (March)



Global Offices

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This presentation may contain certain forward-looking statements concerning Newgen Software Technologies' future business prospects and business profitability, which are subject to several 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 and general economic conditions affecting the industry. 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.

P&L Statement

(All amounts in INR Mn, except per share data and unless otherwise stated)	Q1 FY 2023	Q1 FY 2022	Q4 FY 2022	FY 2022	FY 2021
Revenue					
Revenue from operations	1,879.0	1,595.4	2,314.2	7,789.6	6,726.2
Other income	101.4	105.8	51.3	299.1	150.4
Total revenue	1,980.3	1,701.2	2,365.5	8,088.7	6,876.6
Expenses					
Employee benefits	1,161.9	932.4	1,112.2	4,090.1	3,276.2
Finance costs	8.4	6.6	15.5	34.9	56.3
Depreciation and amortization	56.2	40.7	49.5	176.3	201.5
Other expenses	524.4	435.4	527.5	1,752.8	1,531.0
Total expenses	1,750.9	1,415.0	1,704.8	6,054.2	5,064.9
Profit before tax	229.5	286.2	660.8	2,034.5	1,811.7
Tax expenses					
Current tax / Tax expense for earlier years	55.6	101.1	97.6	337.0	526.6
Deferred tax (credit)/charge	-17.9	-31.0	-10.9	55.4	20.2
Profit after tax for the year	191.8	216.0	574.1	1,642.1	1,264.8
Other comprehensive income/(loss) for the year, net of income tax	-7.5	8.9	-12.5	-7.2	23.3
Total comprehensive income for the year	184.3	224.9	561.6	1,634.9	1,288.2
Earnings per equity share (face value of Rs. 10 per share)					
Basic earning per share	2.76	3.12	8.25	23.65	18.28
Diluted earning per share	2.74	3.09	8.22	23.50	18.10



Your Trusted Digital Transformation Partner