

PRESS RELEASE

Newgen Software reports 32% YoY increase in Revenues in Q3 FY'19

- *Delivers consistent revenue and profit growth*

New Delhi, India – 24 January 2019

The management of Newgen Software Technologies Ltd. announced results for the Quarter ended 31 December 2018 [Q3 FY'19] at its Board Meeting held on 24 January 2019.

Speaking about the results, Mr. Diwakar Nigam, Chairman & Managing Director, Newgen Software Technologies Ltd. said – “I am encouraged with the progress and performance of the financial year till date. In Q3 FY'19, the revenues witnessed a 32% increase and EBITDA Margins witnessed a significant improvement compared to the same quarter last year. The quarter saw a good mix of business from new and existing clients. We continue to focus on delivering the best in class solutions for digital transformation to our customers. We equip organizations with the essential speed and agility required in taking critical business decisions. We also continue to be well recognised by leading industry analysts.

Our deep technology, domain expertise along with pro-agile methodology has helped us in adding 51 new logos till date in FY'19 across industries and geographies. This validates that customers trust our unique product offerings for their enterprise wide digital transformation. We are recognized by leading industry analyst firms globally and continue to focus on enhancing our product portfolio to make them futuristic.”

**Revenues up 32%
YoY in Q3 FY'19**

**EBIDTA up 117% YoY
PAT up 109% YoY**

**12 new wins during
the quarter**

**Strong US & APAC
market growth; SaaS
revenues up 79%**

*adjusted for Other Income

Key Financial Highlights (Q3 FY'19) – [Y-o-Y Comparison]

- **Revenue from operations (Consolidated) witnessed strong growth momentum and was up by 32% YoY to reach Rs 160.5 crores** as compared to Rs 121.4 crores in Q3 FY'18 with broad based growth across all key geographies and favourable foreign currency movement. Seasonality variations across quarters are tending towards normalization.
 - Revenue from Sale of Products/ License were at Rs 36.0 crores
 - Annuity Revenue streams (ATS/AMC and Support) were at Rs 73.6 crores
 - Cloud/SaaS continues to be our fastest growing revenue component. Cloud/ SaaS revenues were at Rs 6.8 crores
 - Implementation & Digitization revenues were at Rs 44.3 crores
- **EBITDA was at Rs 26.8 crores up by 117%** compared to Rs 12.4 crores in Q3 FY'18. EBITDA Margins were at 16.7% compared to 10.2% in Q3 FY'18
- Profit after tax was Rs 18.1 crores up by 109% compared to Rs 8.7 crores in Q3 FY'18.
- Basic Earnings per shares was at Rs 2.66 in Q3 FY'19 compared to Rs 1.38 in Q3 FY'18.

Key Business Highlights (Q3 FY'19)

- **Business growth across all key markets** especially APAC and US regions which witnessed a YoY growth of 158% and 78% respectively.
- **Prestigious customer wins:** 12 new customer additions in Q3 FY'19 including **Digital Transformation initiatives under 2 Smart City projects**. Focus on projects with higher tickets sizes.
- **Strong Industry Recognition continues:** Recognized as a Challenger in Gartner's 2018 Magic Quadrant for Content Services Platforms*
- **Awarded the Dun & Bradstreet – RBL Bank 'SME Business Excellence Award 2018'** in the mid-corporate segment for excellence in 'IT & IT Enabled Services Sector'.
- **Company continues to strengthen the horizontal product platform with vertical service accelerators:** Robust growth across all key verticals especially Healthcare, Insurance, Government/ PSU and Banking verticals.
- **Cloud/ SaaS business model strengthening annuity revenues:** In Q3 FY'19, SaaS revenues were at Rs 6.8 crores, up by 79% YoY.
- Released Newgen Enterprise Mobility Framework (NEMF) 4.0. This version brings new features and functionalities that simplifies the building and managing of enterprise mobile applications, making it easier, faster and more efficient.

Key Financial Highlights (9M FY'19) – [Y-o-Y Comparison]

- Revenue from operations (Consolidated) was Rs 416.7 crores up by 27% YoY compared to Rs 328.6 crores in 9M FY'18.
- EBITDA was at Rs 48.2 crores up by 133% YoY compared to Rs 20.7 crores in 9M FY'18.
- Profit after tax was at Rs 39.7 crores up by 196% YoY compared to Rs 13.4 crores in 9M FY'18.
- Basic Earnings per shares was at Rs 5.84 in 9M FY'19 compared to Rs 2.14 in 9M FY'18.

*Gartner Magic Quadrant for Content Services Platforms, Karen Hobert, Michael Woodbridge, Monica Basso, October 25, 2018. This report was previously known as the Magic Quadrant for Enterprise Content Management.

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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.

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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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