



Oct  
2019

# NEWGEN SOFTWARE

Connecting Enterprises. Transforming Experiences.

Q2 FY'20 Investor Update

# NEWGEN SOFTWARE TECHNOLOGIES: Software products company providing enterprise-wide, mission critical solutions helping organisations drive digital transformation and competitive differentiation

Digitise

Process & Adapt

Communicate



**Contextual Content Services (ECM)**

*Deliver contextual content for smarter decision making and improved collaboration*

**OMNI Docs**



**Intelligent Digital Automation (BPM)**

*Create smarter processes, empower knowledge workers and build responsive business*

**il bps**



**Omnichannel Customer Engagement (CCM)**

*Create, personalize and deliver interactive communication to enhance customer experience*

**OMNI OMS**

# ▶ Newgen at a Glance (FY'19)



540+ Active Customers<sup>(1)</sup>



66 Countries



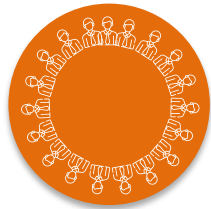
5 Core Verticals



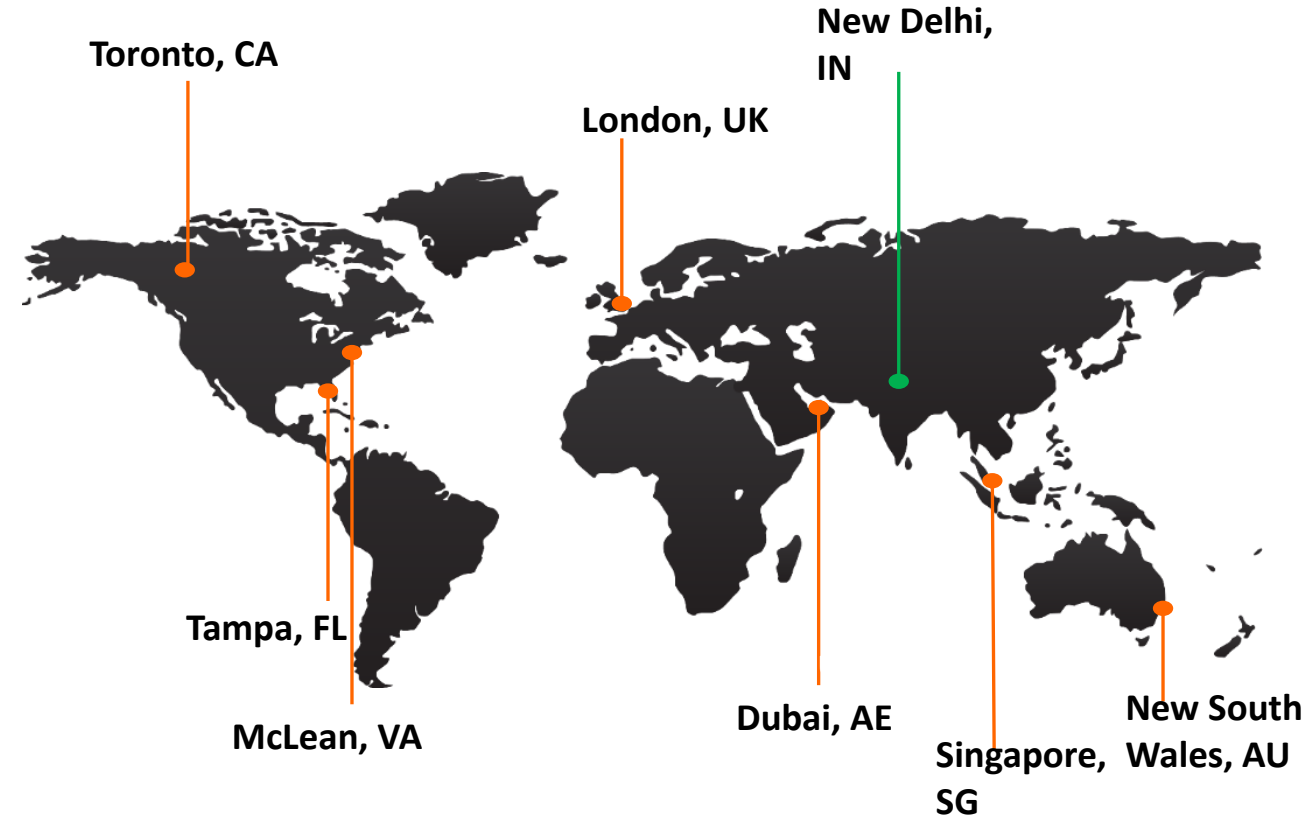
Strong Industry Recognition



44 Patent Filings



~3000 Employees



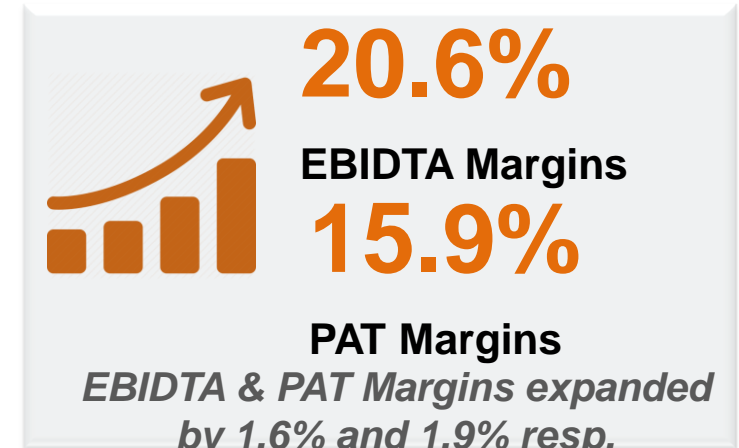
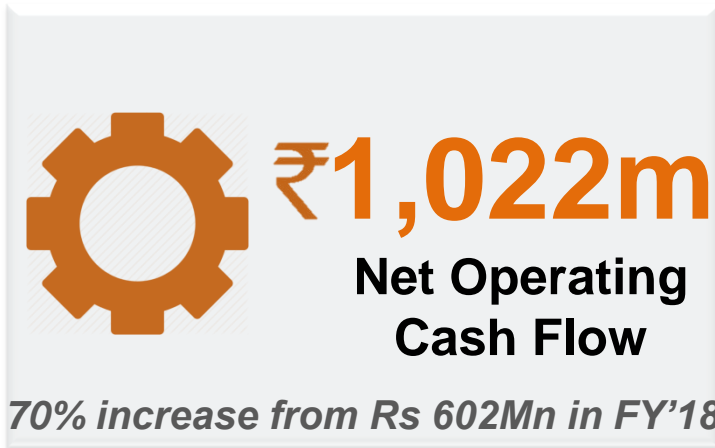
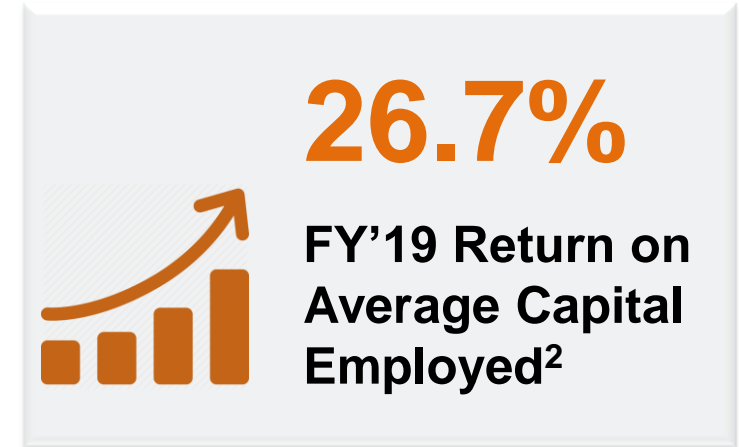
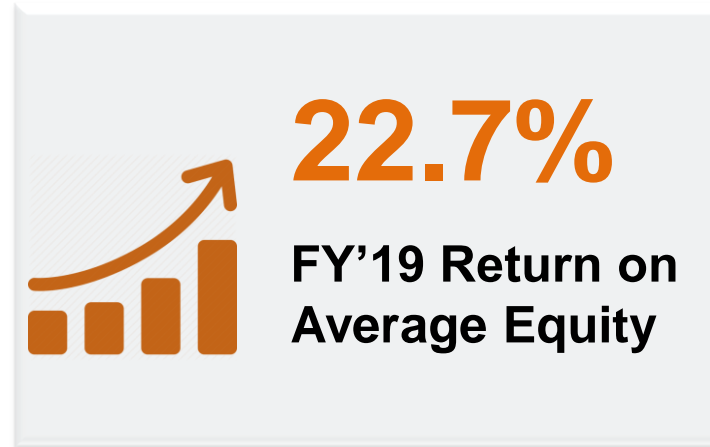
 Global Offices

 HQ

(1) Invoiced in the last 12 months  
(2) All figures as of March 2019, except Employee figures which as as of Sep 2019

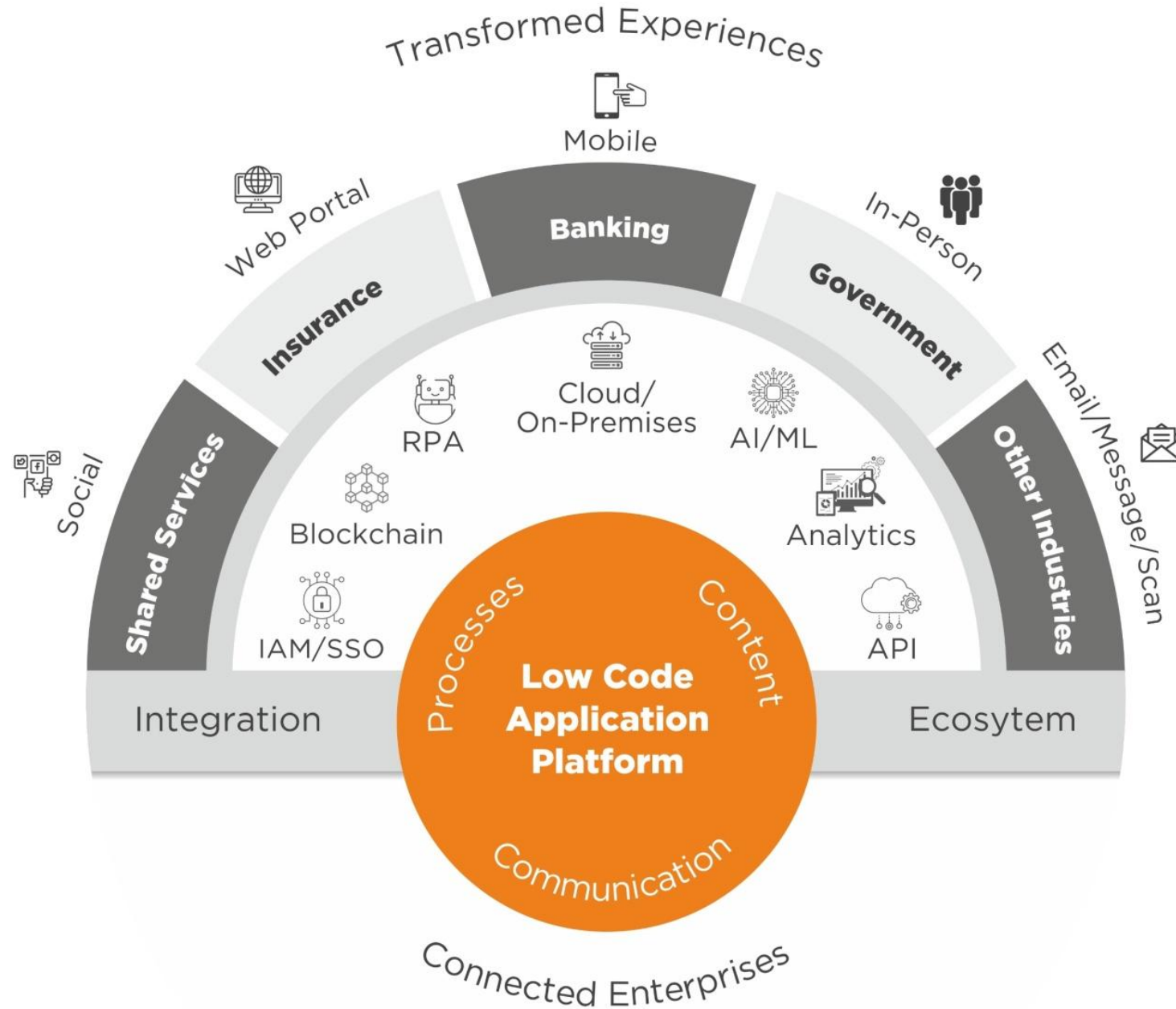
India Offices include Mumbai, Chennai, Bengaluru, Kolkata, Hyderabad, Noida, Gurugram, New Delhi

# ► Newgen\* - Financial Snapshot (FY'19)



- 1) All figures as of March 2019
- 2) Adjusted for utilisation of IPO proceeds
- 3) Free Cash Flow = Net Operating Cash Flow – Capex (adjusted for utilisation of IPO proceeds)

# ► Our platform automates **Content, Processes, and Communication**



▶ and have **Strong Industry Recognition**

# Gartner

# FORRESTER®

ECM	<p>A Challenger in Magic Quadrant for Content Services Platform, <i>25 October 2018, Karen A. Hobert et al</i> Named on all 5 use-cases in Critical Capabilities for Content Services Platform, Karen Hobert et al, 25 October 2018</p>	<p>“A Strong Performer” in ECM Content Platforms Wave™ Report, Q3 2019</p>
BPM	<p>A Niche Player in Magic Quadrant for Intelligent Business Process Management Suites, <i>30 January 2019, Rob Dunie et al</i></p>	<p>“Strong Performer” in the Forrester Wave™: Digital Process Automation For Wide Deployments, <i>Q1 2019</i></p>
	<p>A Challenger in Magic Quadrant for BPM-Platform-Based Case Management Frameworks,, <i>24 October 2016, Rob Dunie, Janelle B. Hill*</i></p>	<p>“Leader” in the Forrester Wave™: Cloud-Based Dynamic Case Management (DCM), <i>Q1 2018</i></p>
CCM	<p>A Niche Player in Magic Quadrant for Customer Communications Management Software, <i>26 January 2017, Karen M. Shegda, Pete Basiliere*</i></p>	<p>“Strong Performer” in the Forrester Wave™: Customer Communications Management, <i>Q2 2016</i></p>

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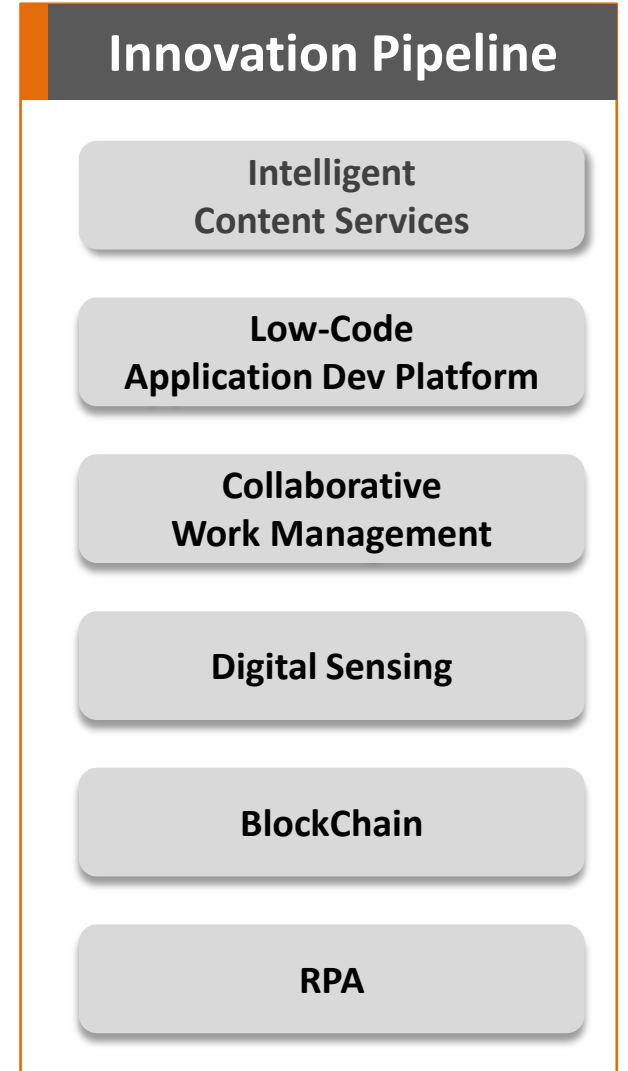
\*This research is provided for historical perspective; portions may not reflect current conditions.

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# ► Focused on Driving Innovation Through R&D

- 27 years of product DNA
- Skilled R&D team with deep product domain expertise
- Unified platform with modular deployment
- Intuitive applications and scalable performance
- SaaS delivery
- 7-8% of revenue spent on R&D annually

44 patents filings,  
13 Granted<sup>(1)</sup>



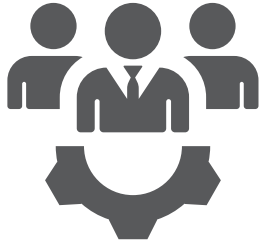
(1) 44 Patent Filings, of which 13 patents are granted in India & the USA and 21 patent applications are under processing

# ► Why Newgen?



## Lower Total Cost of Ownership

A holistic and industry-recognized platform to manage content, processes & communication, enabling DX and CX initiatives



## Modern Technologies and India Support

India connect for training and support on intelligent automation with RPA, mobile, social sensing, AI/ML, auto-classification, and analytics



## Flexibility to Deal with Newgen

A pro-partner mindset and policies throughout the buying journey, including contracting, with adaptive pricing models



## Low Code Rapid Development

A low code development environment for all, across all aspects of the unified platform



## Smooth Migration to SaaS

Multiple cloud deployment models with industry-leading compliances and data support



## Better Choice than Open Source

A commercially-viable company with enterprise-grade security (SOC2, WORM, HIPAA, PCI, HITRUST), hosting, and support model



# ► Multiple Revenue Streams

	<i>FY19 Revenue Split</i>		<i>5 year CAGR Growth</i>	
Sale of Services (27%) Annuity-based (~49%)	<b>Sale of Products</b>	<b>25%</b>	<i>Sale of licenses for the software products</i>	<b>25%</b>
	<b>ATS / AMC</b>	<b>17%</b>	<i>Annual maintenance contracts and technical support</i>	<b>22%</b>
	<b>SaaS</b>	<b>4%</b>	<i>Cloud functionality with subscription fees on a Per User Per Month model</i>	<b>127%</b>
	<b>Support</b>	<b>28%</b>	<i>Support/development services charged on a periodic basis</i>	<b>22%</b>
	<b>Implementation</b>	<b>23%</b>	<i>Installing and integrating products with the customer's existing platform or system</i>	<b>12%</b>
	<b>Digitisation(1)</b>	<b>3%</b>	<i>Scanning of documents and archival to document management</i>	<b>9%</b>

**Profitable Track Record of Increasing Business from Existing Clients**  
**77% revenues derived from existing customers in FY'19**

(1) Includes scanning

# Experienced Senior Management Team with Distinct Operating Culture

## Management Organisation Structure



**Diwakar Nigam**

*Chairman and Managing Director*

- Co-founded Newgen in 1992
- 35+ years of experience in development of software products
- Masters in Computer Science from IIT Madras



**T.S. Varadrajan**

*Whole Time Director*

- Co-founded Newgen in 1992
- 35+ years of experience in development of software products
- Masters in Computer Science from IIT Madras



**Priyadarshini Nigam**

*Whole Time Director*

- Been with Newgen since 1997
- More than 10 years of experience in the field of journalism

### Technology/ Products



**Virender Jeet**

*Sr. VP – Sales & Marketing/ Product*

- Been with Newgen since 1992
- Manages overall strategic and operational responsibility for entire portfolio of offerings



**Hemant Makhija**

*VP – Marketing*

- 30 years of extensive experience with organizations like Plex Systems, Yahoo, Sage, and Systronics



**Tarun Nandwani**

*Sr. VP – Business Management*

- Been with Newgen since 1993
- Responsible for driving business from existing customers and CRM



**S.J. Raj**

*Sr. VP – HRD*

- Been with Newgen since 1992
- Experience of 31 years



**Ashish Vikram Singh**

*VP – Product Development*

- Been with Newgen since 2013
- Experience of 17 years



**Manojit Majumdar**

*VP – Channels*

- With Newgen since 1998
- Managed mid-market channels at IBM India
- Rejoined Newgen in 2011



**Ashok Kapoor**

*VP – Software Development*

- Been with Newgen since 2015
- Experience of 26 years



**Arun Kumar Gupta**

*Chief Financial Officer*

- Been with Newgen since 2010
- Oversees financial reporting & planning, treasury, taxation, IR and compliances



**R. Krishna Kumar**

*VP – Sales*

- Been with Newgen since 2013
- Experience of 21 years



**Dushyant Kumar**

*VP – Software Development*

- Been with Newgen since 1999
- Driving organization wide scaling of competence of Delivery and all customer facing groups



**Vivek Bhatnagar**

*VP – Sales*

- With Newgen since 2011
- Experience of 20 years



**Shanmugam Nagappan**

*VP – Software Development*

- Responsible for managing delivery functions on projects executed from SDC, Chennai



**Anand Raman**

*EVP & COO - Newgen Software Inc.*

- Been with Newgen since 1994
- Deep experience in product development life-cycle

### US Sales

### Technology/ Products

### Sales & Marketing

### Business Mgmt/Delivery

### Corporate

## Independent Board of Directors

**Subramaniam Ramnath Iyer**

*Non Executive, Independent Director*

*26+ years of experience in Finance & Accounting*

**Kaushik Dutta**

*Non Executive, Independent Director*

*22+ years of experience in Finance & Accounting*

**Saurabh Srivastava**

*Non Executive, Independent Director*

*Several years of experience in Information technology*

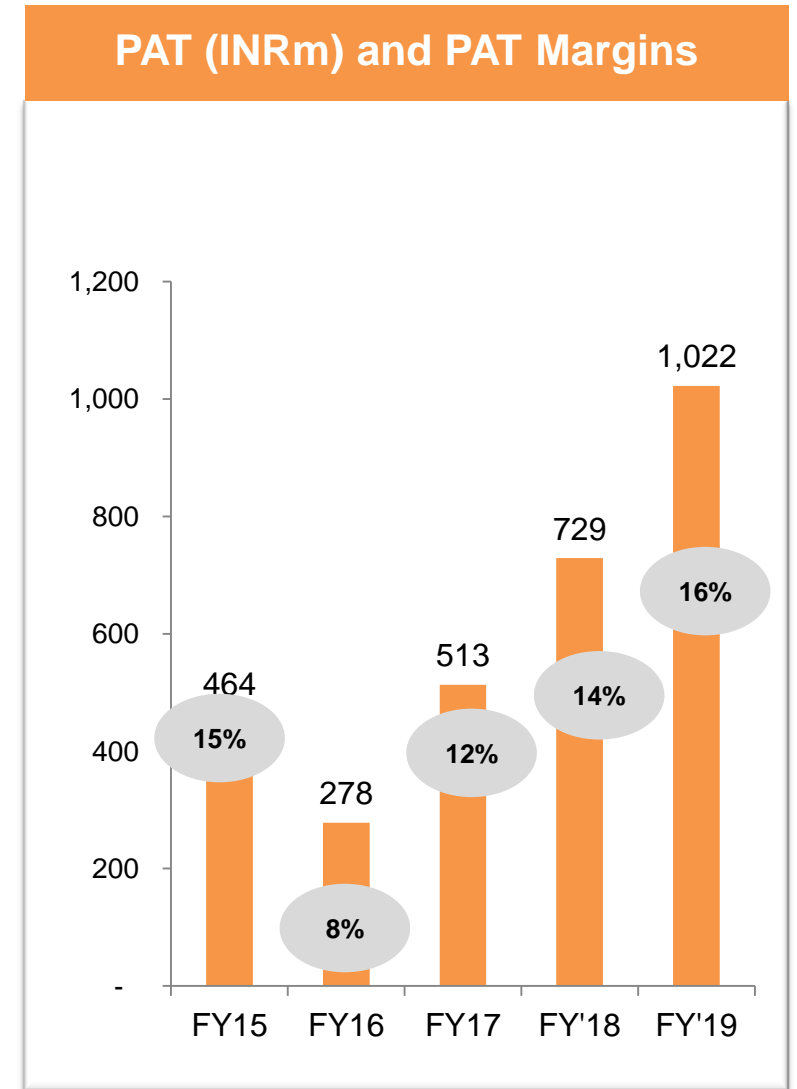
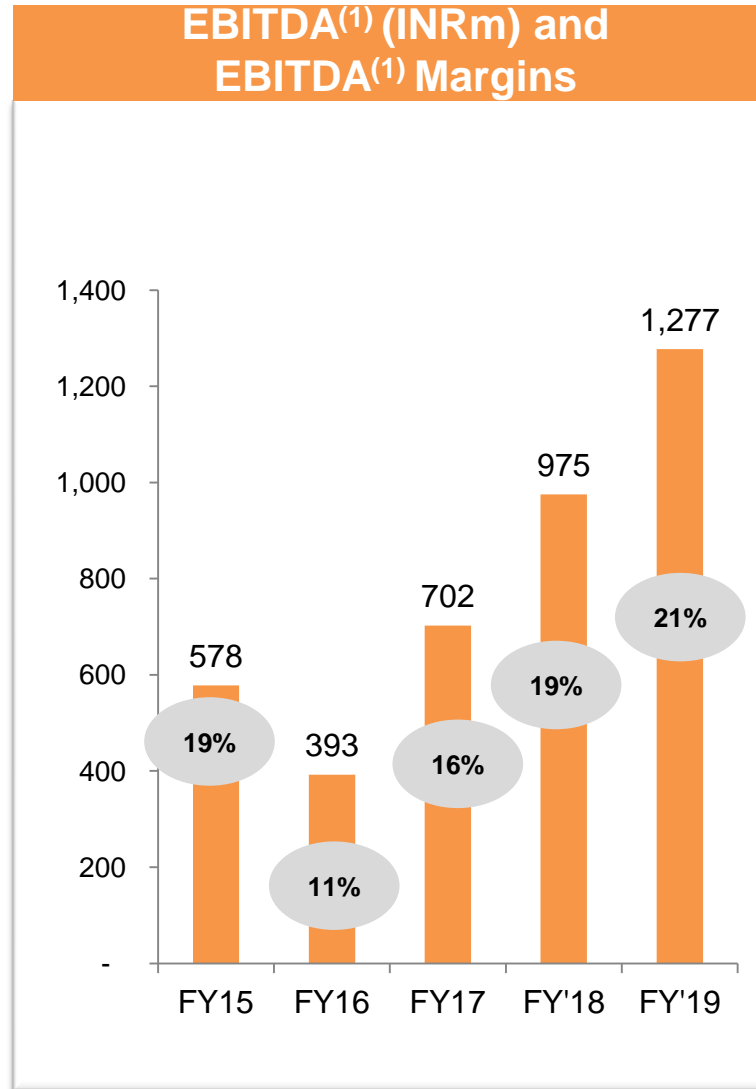
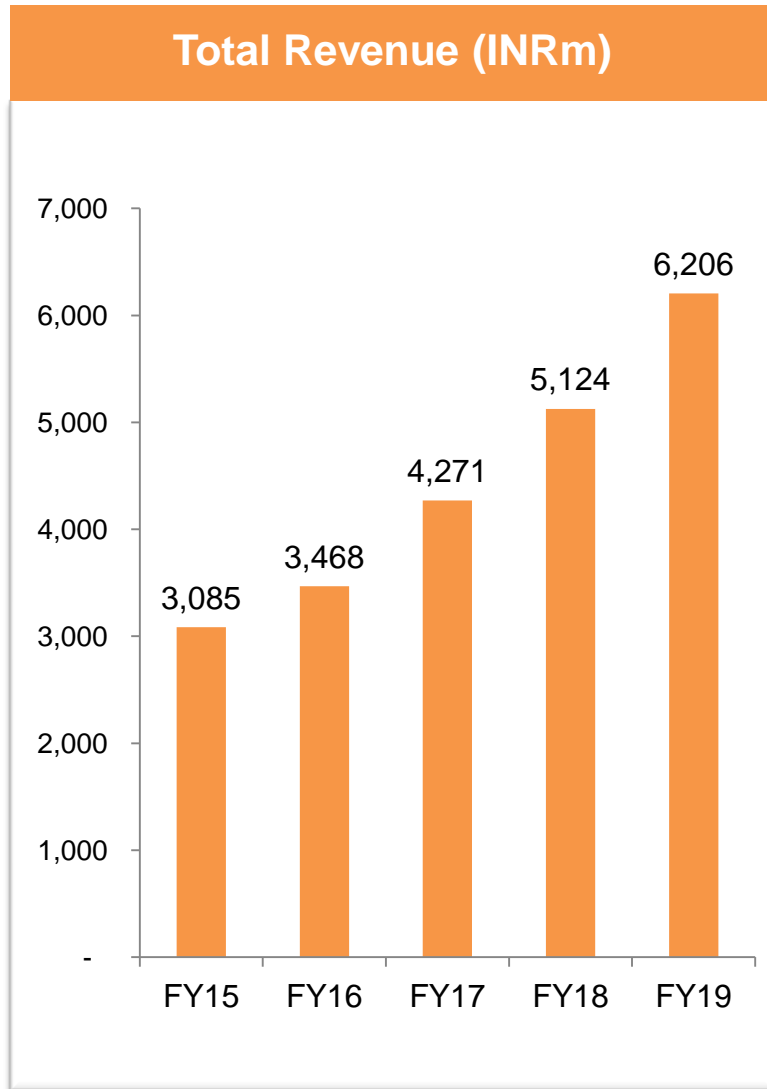
■ Founder-led management team with extensive experience

■ Supported by a strong second line management

■ Fostered culture of innovation, entrepreneurship and teamwork

■ 10 out of 20 AVP have been with the company for 15+ years

# ► 5 Year Financial Overview



**Continued Growth Momentum in Revenues and Profitability**

(1) EBITDA Adjusted for Other Income. Calculated as 'Profit after tax + Tax expense + Finance costs + Depreciation and amortisation - Other income'  
 FY'15 and FY'16 financials are Restated Consolidated Financials as per Indian GAAP Accounting Standards  
 FY'17, FY'18 and FY'19 financials are Consolidated Financials as per Ind AS Accounting Standards



Q2 FY'20 Results

## ► Financial Summary (Consolidated)

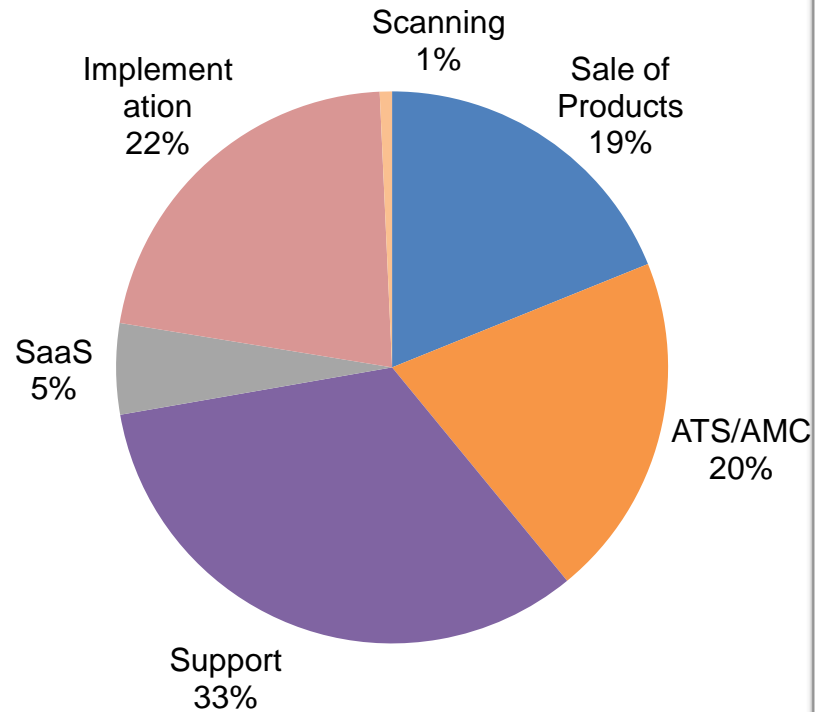
Particulars	Metrics	Q2FY20	Q2FY19	YoY	Q1FY20	QoQ	H1 FY20	H1 FY19	YoY
		(Unaudited)	(Unaudited)	Growth	(Unaudited)	Growth	(Unaudited)	(Unaudited)	Growth
Revenue (INR Mn)	Revenue from operations	1,540.0	1,496.6	3%	1,309.7	18%	2,849.6	2,561.3	11%
	Other Income	48.0	58.2	-18%	29.5	63%	77.5	136.2	-43%
	<b>Total Income</b>	<b>1,588.0</b>	<b>1,554.8</b>	<b>2%</b>	<b>1,339.2</b>	<b>19%</b>	<b>2,927.2</b>	<b>2,697.6</b>	<b>9%</b>
Profits (INR Mn)	EBITDA ( <i>adjusted for other income</i> )	91.3	208.4	-56%	77.4	18%	168.6	214.0	-21%
	Profit before tax	56.6	232.7	-76%	40.4	40%	97.0	282.0	-66%
	Profit after tax	42.2	177.7	-76%	30.8	37%	73.1	216.4	-66%
Margin (%)	EBITDA ( <i>adjusted for other income</i> )	5.9%	13.9%		5.9%		5.9%	8.4%	
	Profit before tax	3.6%	15.0%		3.0%		3.3%	10.5%	
	Profit after tax	2.7%	11.4%		2.3%		2.5%	8.0%	
EPS (INR)	Basic	0.62	2.62	-76%	0.45		1.07	3.19	-67%
	Diluted	0.61	2.56	-76%	0.44		1.05	3.12	-66%

### Q2 FY'20

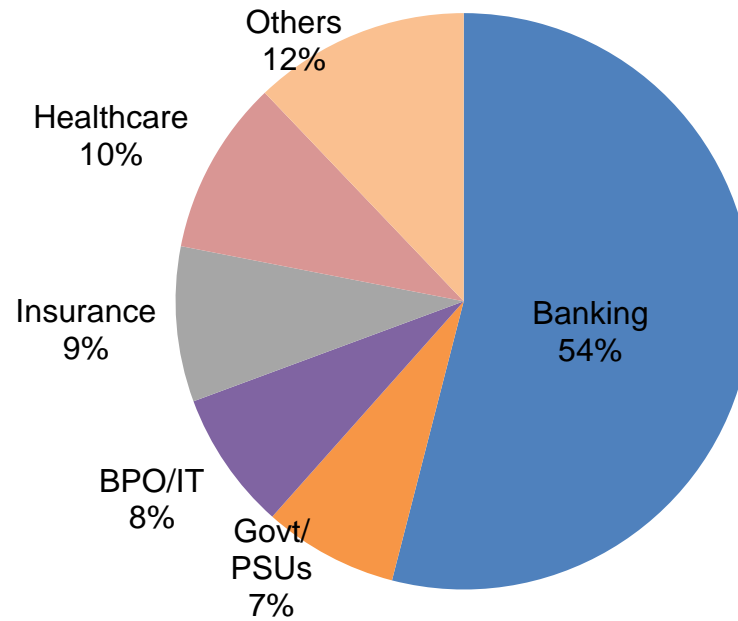
- Revenues at Rs 1,540.0Mn for Q2 FY'20; up 3% YoY, impacted by market headwinds especially in India and EMEA region.
- EBITDA at Rs 91.3Mn as the Company continued to make investments in talent acquisition and employee retention.

# ► Diversification Across Verticals and Geographies

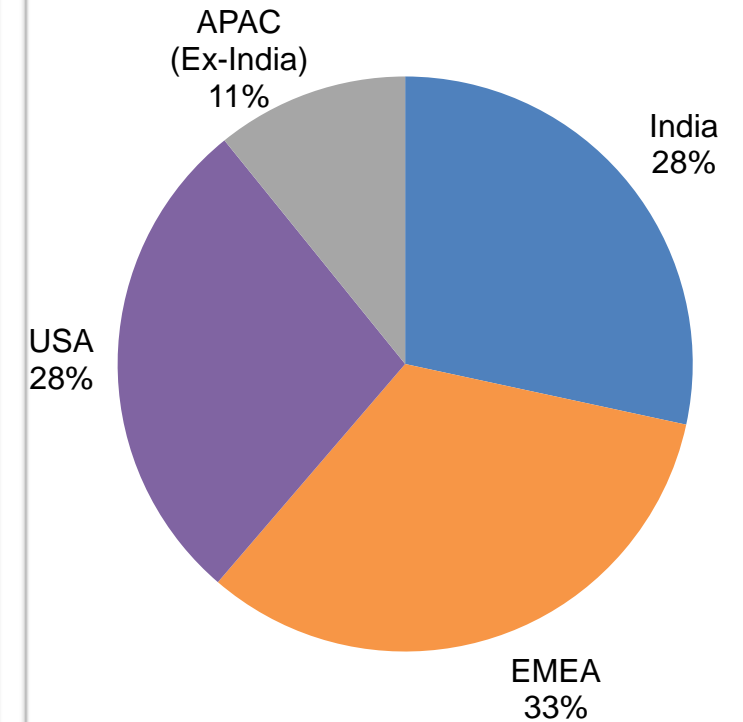
## Q2 FY20 Revenue Split by Segment



## Q2 FY20 Revenue Split by Vertical



## Q2 FY20 Revenue Split by Geography



## ▶ New Logo Wins – Q2 FY'20

26

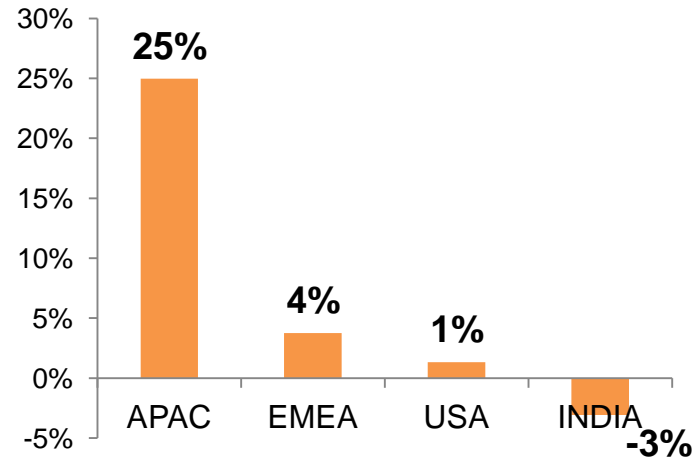
New Logo Wins  
during Q2 FY'20

### Major deals include:

- License Agreement with a commercial bank based in Kenya
- License Agreement with a 25 year old financial institution in the Americas Region
- License Agreement with a leading Indian micro-finance institution headquartered in Bangalore, focused on providing micro-loans to women customers predominantly in Rural Areas in India.
- 5 Cloud deals across Banking & Financial Services and Healthcare segments in the Americas Region

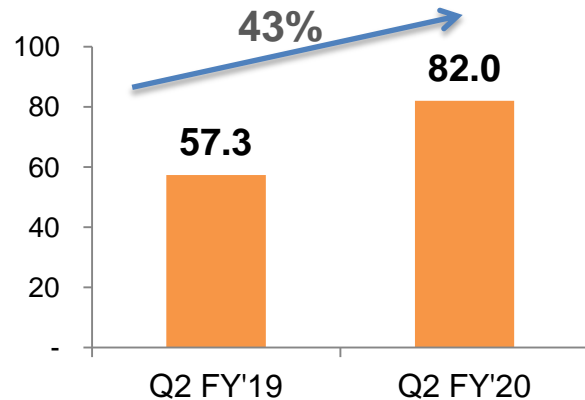
# ► Business Highlights – Q2 FY'20

## Revenue Growth – Q2 FY'20 (YoY)



## Cloud/ SaaS Revenues

INR Mn



### Analyst Recognitions:

✓ Positioned as a “Strong Performer” in the Forrester Wave™: ECM Content Platforms, Q3 2019, authored by Cheryl McKinnon et al. Newgen has achieved the highest score of 4.08 among all vendors in the “Current Offering” category. The report recognized Newgen as “a good fit for enterprises looking to modernize their critical content and process applications and seeking a fresh, cost-effective alternative to older apps”.

### Key Awards:

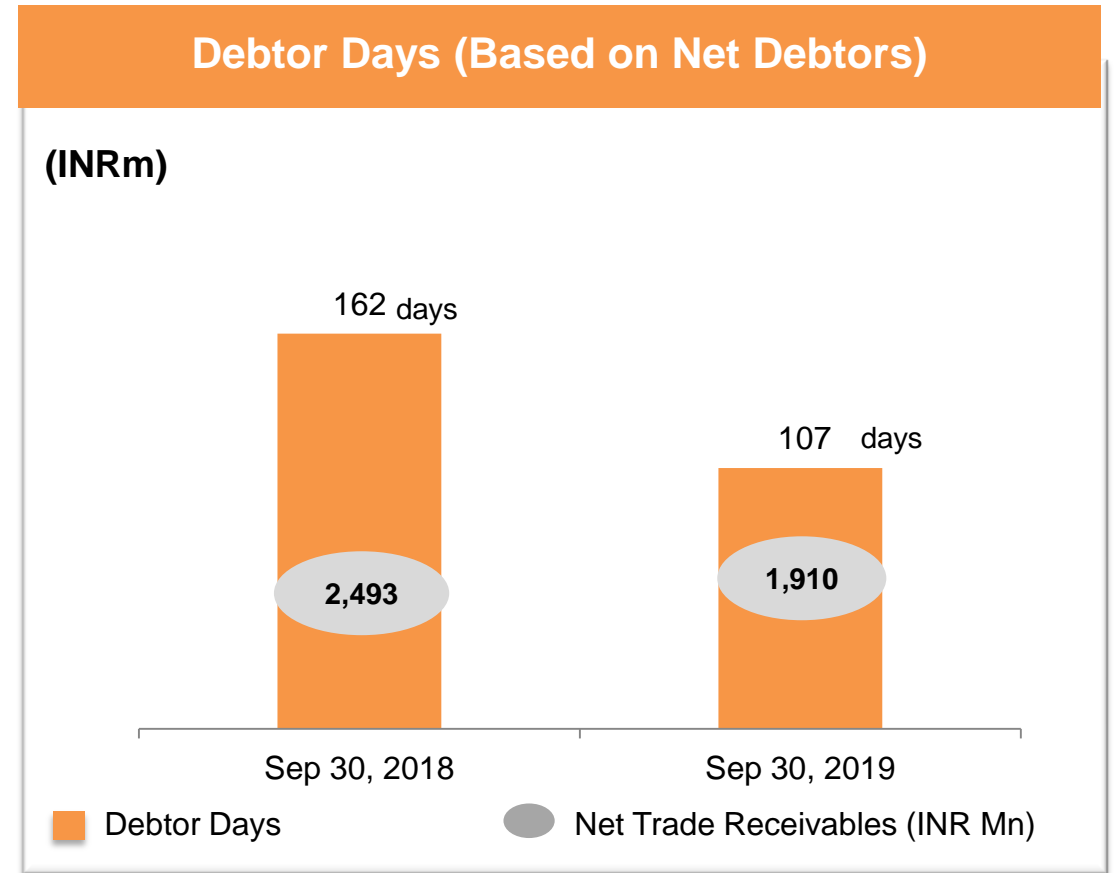
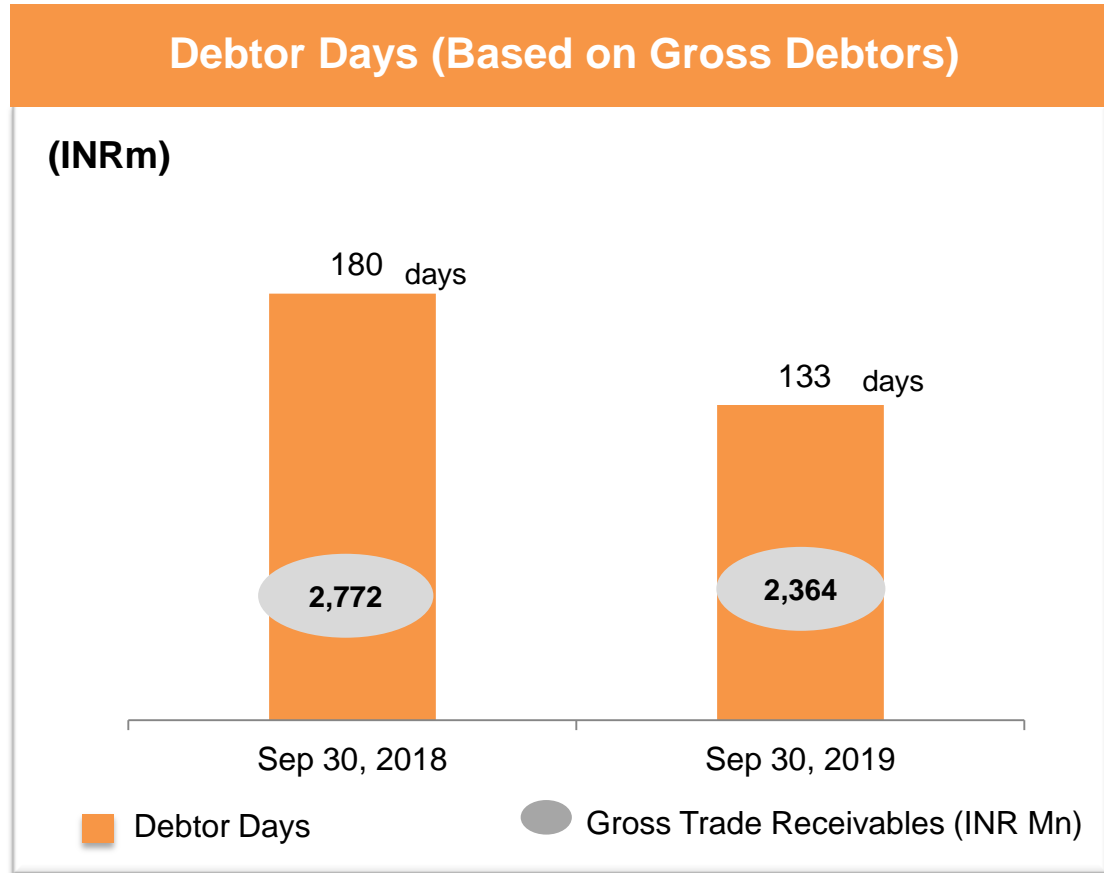
✓ Recognized as the “Enterprise Content Management Vendor of the Year” at Frost & Sullivan’s 2019 India ICT Awards

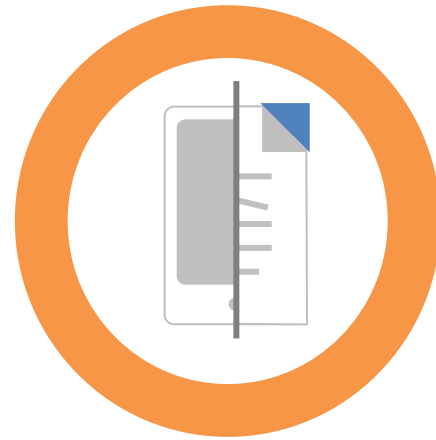
### Innovation:

✓ Received a total of 13 patents till date across India and US



# ▶ Debtors Days

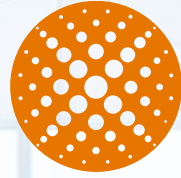




**Annexure**

# ▶ P&L Statement

(All amounts in INRm, except per share data and unless otherwise stated)	Q2 FY 2020 (Unaudited)	Q2 FY 2019 (Unaudited)	Q1 FY 2020 (Unaudited)	H1 FY 2020	H1 FY 2019
<b>Revenue</b>					
Revenue from operations	1,540.0	1,496.6	1,309.7	2,849.6	2,561.3
Other income	48.0	58.2	29.5	77.5	136.2
<b>Total revenue</b>	<b>1,588.0</b>	<b>1,554.8</b>	<b>1,339.2</b>	<b>2,927.2</b>	<b>2,697.6</b>
<b>Expenses</b>					
Employee benefits	911.2	725.5	778.4	1,689.7	1,375.9
Finance costs	33.5	19.0	18.3	51.8	38.6
Depreciation and amortisation	49.2	14.9	48.2	97.4	29.5
Other expenses	537.5	562.7	453.9	991.3	971.5
<b>Total expenses</b>	<b>1,531.5</b>	<b>1,322.1</b>	<b>1,298.8</b>	<b>2,830.2</b>	<b>2,415.5</b>
<b>Profit before tax</b>	<b>56.6</b>	<b>232.7</b>	<b>40.4</b>	<b>97.0</b>	<b>282.0</b>
<b>Tax expenses</b>					
Current tax	49.6	36.0	10.4	60.0	50.6
Deferred tax (credit)/charge	-35.3	18.9	-0.8	-36.1	15.1
<b>Profit after tax for the year</b>	<b>42.2</b>	<b>177.7</b>	<b>30.8</b>	<b>73.1</b>	<b>216.4</b>
<b>Other comprehensive income/(loss) for the year, net of income tax</b>	<b>1.5</b>	<b>28.0</b>	<b>-1.2</b>	<b>0.3</b>	<b>29.7</b>
<b>Total comprehensive income for the year</b>	<b>43.7</b>	<b>205.8</b>	<b>29.7</b>	<b>73.4</b>	<b>246.1</b>
<b>Earnings per equity share (face value of Rs. 10 per share)</b>					
Basic earning per share	0.62	2.62	0.45	1.07	3.19
Diluted earning per share	0.61	2.56	0.44	1.05	3.12



**NEWGEN**

**Your Trusted Digital Transformation Partner**



# Thank you

[www.newgensoft.com](http://www.newgensoft.com)

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