



May
2018

NEWGEN SOFTWARE

Reinvent Your Workplace

Q4 FY'18 & FY'18 Investor Update



About Newgen

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

Digitise

Process & Adapt

Communicate



**Enterprise
Content
Management**

Deliver contextual content for smarter decision making and improved collaboration

OMNI Docs



**Business
Process
Management**

Create smarter processes, empower knowledge workers and build responsive business

il bps



**Customer
Communication
Management**

Create, personalize and deliver interactive communication to enhance customer experience

OMNI OMS

► Newgen Today*



520+
Active Customers⁽¹⁾



60+
countries



5
Core
Verticals

FORRESTER® Strong
Industry
Gartner® Recognition



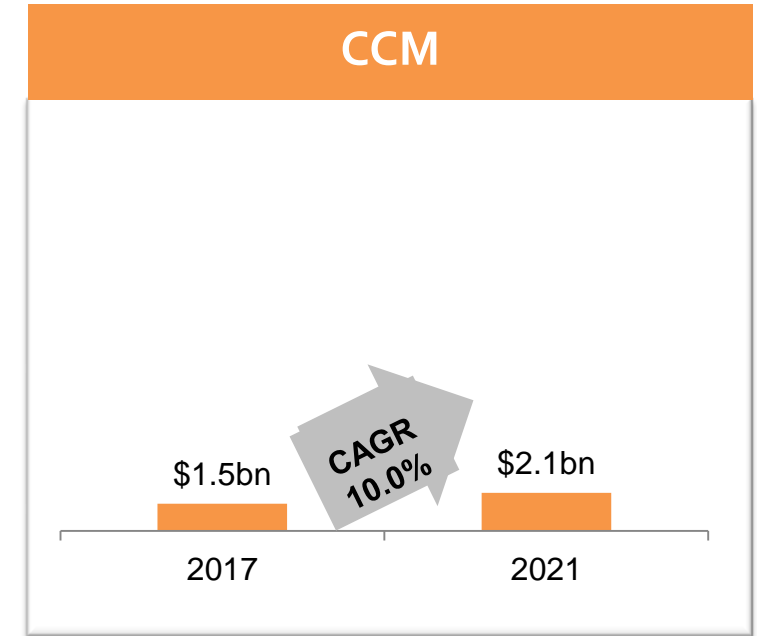
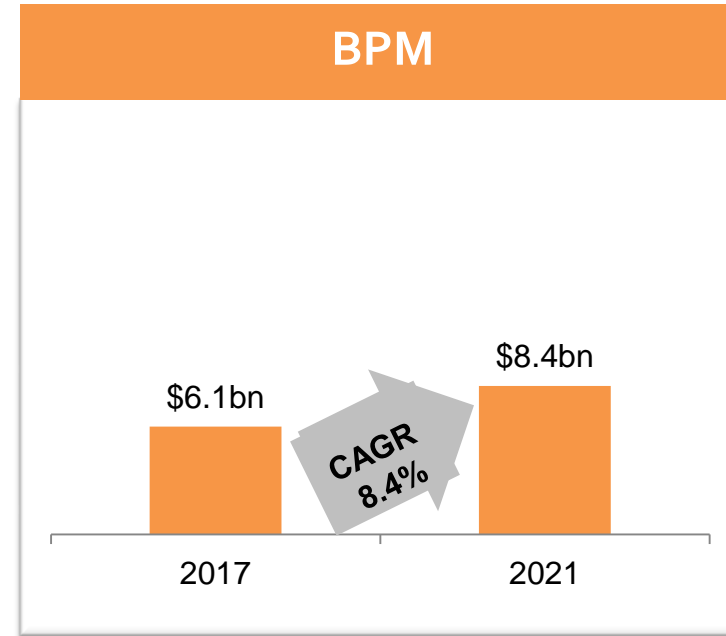
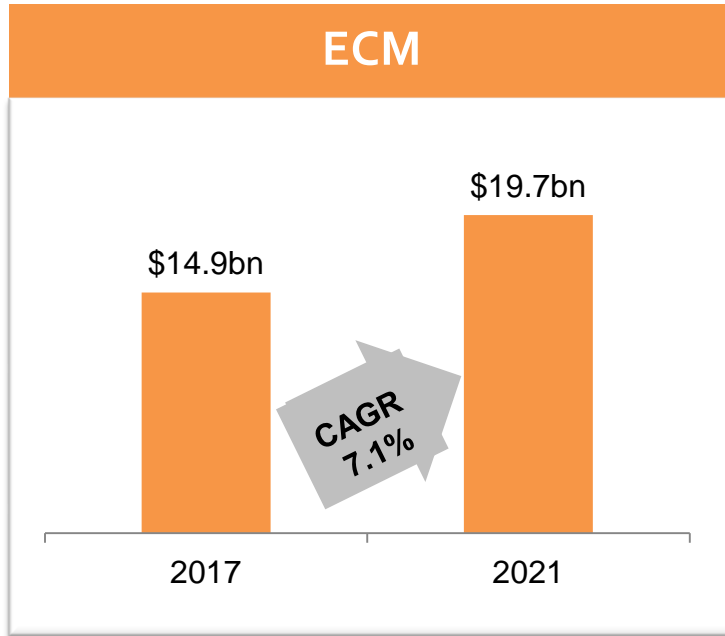
2,600+
Employees
(250+ in R&D)



₹ 5,124m
FY18 Revenue
20.0%
YoY Growth

(1) Invoiced in the last 12 months

► Attractive and Dynamic Market with Significant Growth Opportunity



Growth in ECM, BPM & CCM to outpace the overall technology market growth (3.3% CAGR 2017-2021)



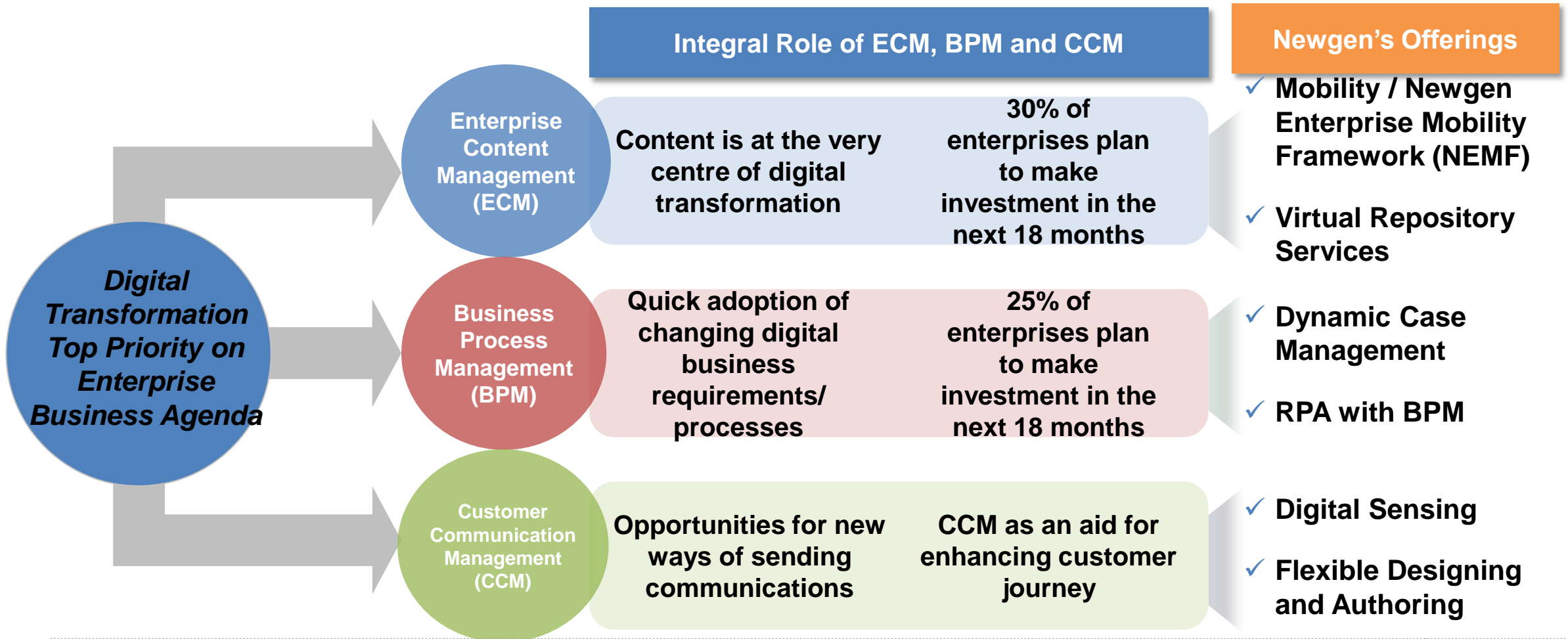
India software market to grow at a faster pace than the global market (eg. 13.3% CAGR 2017-2021 for ECM)



North America ECM market expected to grow to \$6.4 billion in 2021 at 5.4% CAGR (2017-2021)

► Digital Transformation: Top Priority on Enterprise Business Agenda

“Digitalisation driving major changes in the global business software market; IT leaders looking to adopt new technologies and software platforms to meet critical business needs, including revenue growth driven via new products and services, better customer experience and delivery mechanisms, and growth in top and bottom lines”



▶ Strong Industry Recognition Validates Culture of Innovation

Gartner®

Magic Quadrant Research

FORRESTER®

Wave™

ECM

A “Niche Player” in Magic Quadrant for Content Services Platform, 2017, 5 October 2017, Karen A. Hobert et al

“A Leader” in the Forrester Wave™: Enterprise Content Management – Transactional Content Services, Q2 2017

BPM

A “Visionary” in Magic Quadrant for Intelligent Business Process Management Suites, 2017, 24 October 2017, Rob Dunie et al
Critical Capabilities for Intelligent Business Process Management Suites, 2018

“A Leader” in the Forrester Wave™: Digital Process Automation Software, Q3 2017

CCM

A “Niche Player” in Magic Quadrant for Customer Communications Management Software 2017, 26 January 2017, Karen M. Shegda, Pete Basiliere

“A Strong Performer” in the Forrester Wave™: Customer Communications Management, Q2 2016

Case Mgmt

A “Challenger” in Magic Quadrant for BPM-Platform-Based Case Management Frameworks, 2016, 24 October 2016, Rob Dunie, Janelle B. Hill

“A Leader” in the Forrester Wave™: Cloud-Based Dynamic Case Management (DCM), Q1 2018

Leadership position across segments

► Focused on Driving Innovation Through R&D to Expand Product Portfolio



250+

R&D Employees



37

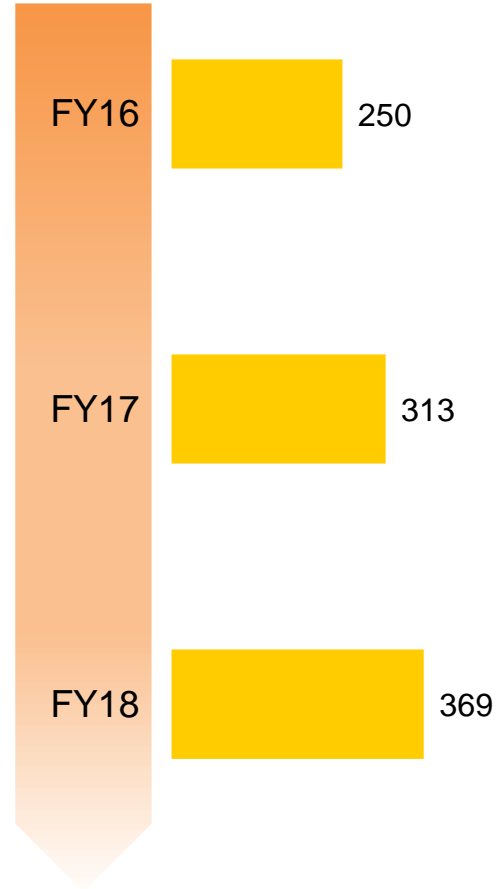
Patents Applied⁽¹⁾

(with 5 Registrations)

- ✓ Skilled R&D team with deep product domain expertise
- ✓ Expansion of product portfolio to address the digitisation market opportunity
- ✓ Continuous investments to develop cloud and SaaS delivery models.
 - ✓ Strong traction in business: 3X revenue growth in FY'18
 - ✓ Customers increased *from 8 in FY'17 to 22 in FY'18*

R&D Expenses

(INRm)



Product Pipeline



ECM NXT



Virtual Repository Services



Corrus



Digital Sensing



BPM NXT



RPA with BPM

► Competitive Differentiation Through Multi-Vertical Industry Expertise

Core Product Platforms



ECM



BPM



CCM

Leveraging Core Platform and Domain Expertise to Create **SCALABLE**, **FLEXIBLE** and **ADAPTABLE** Solution Frameworks



Banking

- Account Opening
- Retail Lending
- Commercial and Corporate Lending
- FATCA compliance



Govt / PSUs

- Correspondence Management
- Agenda Management
- Citizen Centric Services



BPO / IT

- Accounts Payable
- Accounts Receivable



Healthcare

- Provider Contract Mgmt
- Complaints, Appeals

Vertical expertise across sales and marketing, sales, framework development and support

► Focused Go-To-Market Strategy

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

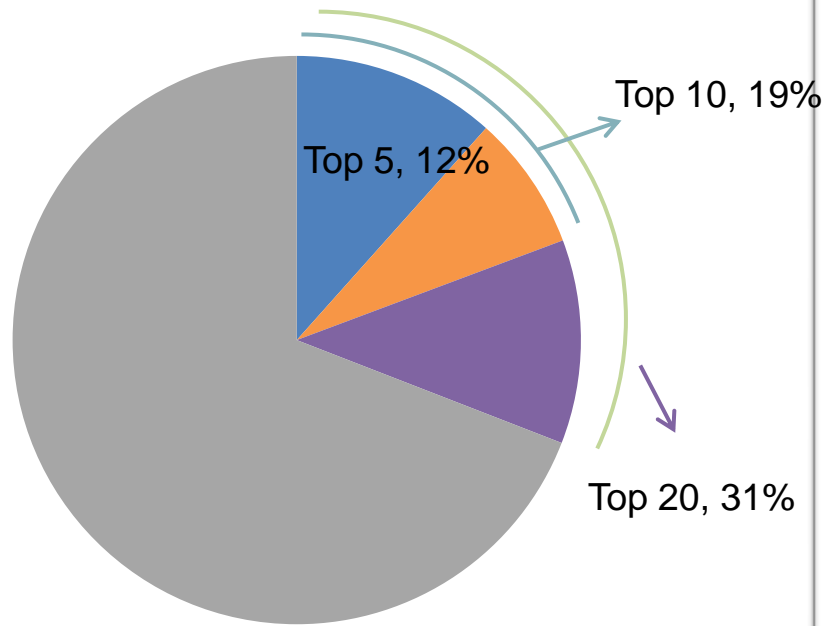
270+ Employees in Sales & Marketing Supported by
Large Network of Channel Partners of **300+**



- Differentiated 'land and expand' model
- Sale of complete functionality with initial purchase facilitates seamless creation of new applications
- Targeting attractive verticals in select mature markets including USA and UK
- Exploring new geographies

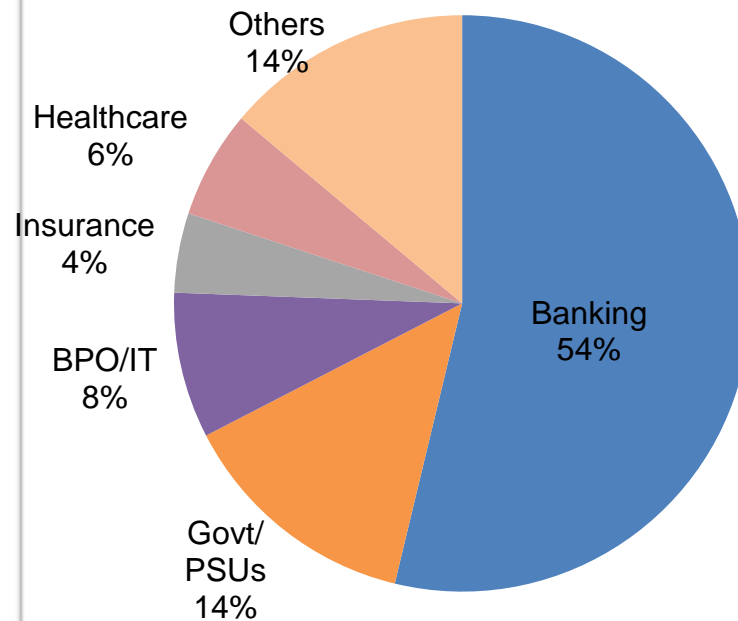
► Low Concentration with Diversification Across Verticals and Geographies

FY18 Revenue Concentration by Customers



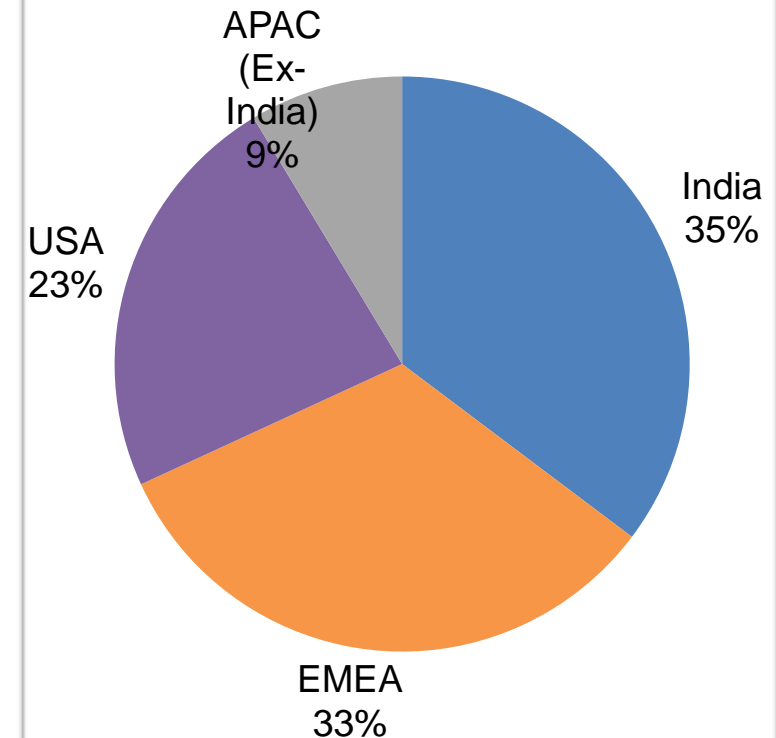
Low revenue concentration

FY18 Revenue Split by Vertical



Multi-vertical industry expertise

FY18 Revenue Split by Geography



520+ active customers⁽¹⁾ in over 60 countries

Multiple Revenue Streams

	FY18 Revenue Split		5 year CAGR Growth	
Sale of Services (30%) Annuity-based (~43%)	Sale of Products	27%	Sale of licenses for the software products	26%
	ATS / AMC	17%	Annual maintenance contracts and technical support	22%
	SaaS	2%	Cloud functionality with subscription fees on a Per User Per Month model	96%
	Support	24%	Support/development services charged on a periodic basis	18%
	Implementation	26%	Installing and integrating products with the customer's existing platform or system	17%
	Digitisation(1)	4%	Scanning of documents and archival to document management	11%

Profitable Track Record of Increasing Business from Existing Clients
77% revenues derived from existing customers in FY'18

(1) Includes scanning

► Multiple Vectors for Long Term Growth



**Expand Our
Business and
Geographical
Footprint**



**Focus on
Attractive
Verticals in
Select Mature
Markets**



**Expansion of
Strategic
Business
Applications to
New Vertical**

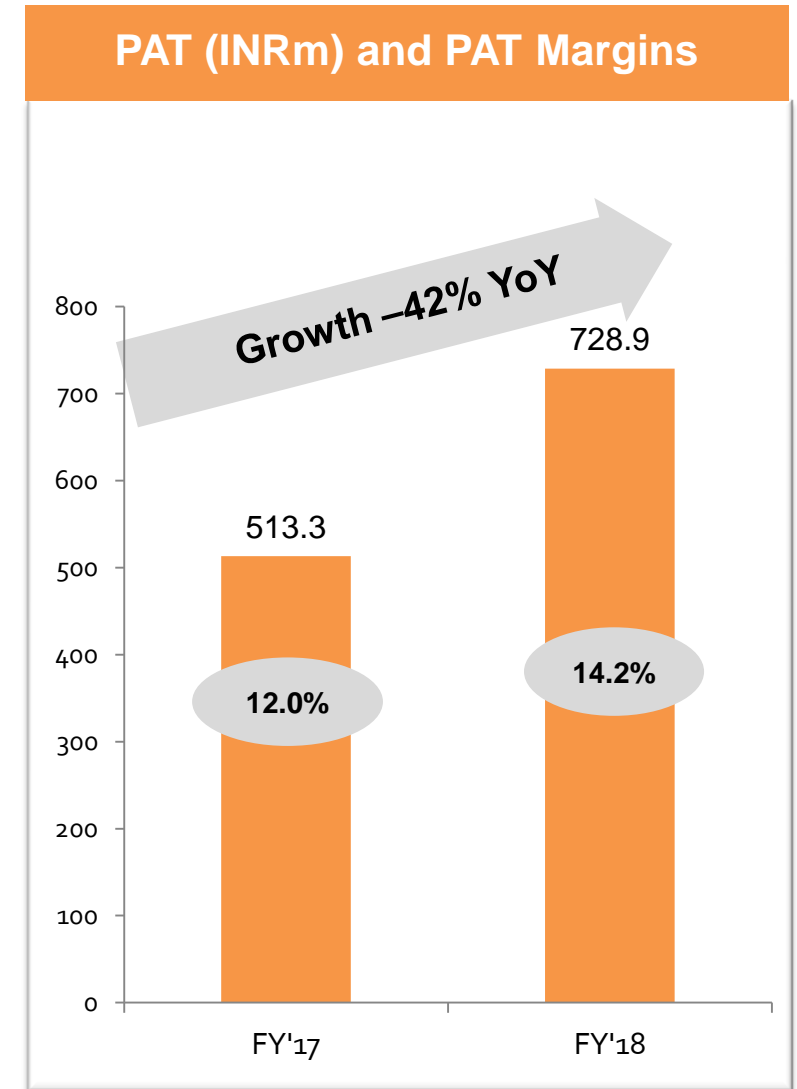
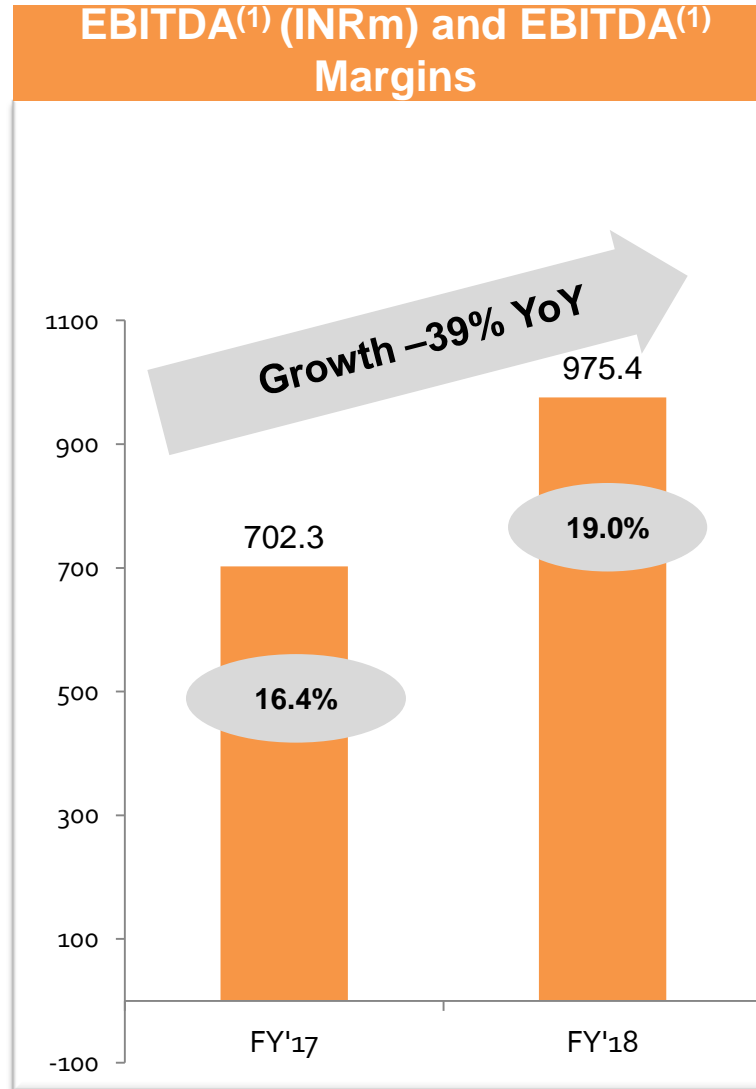
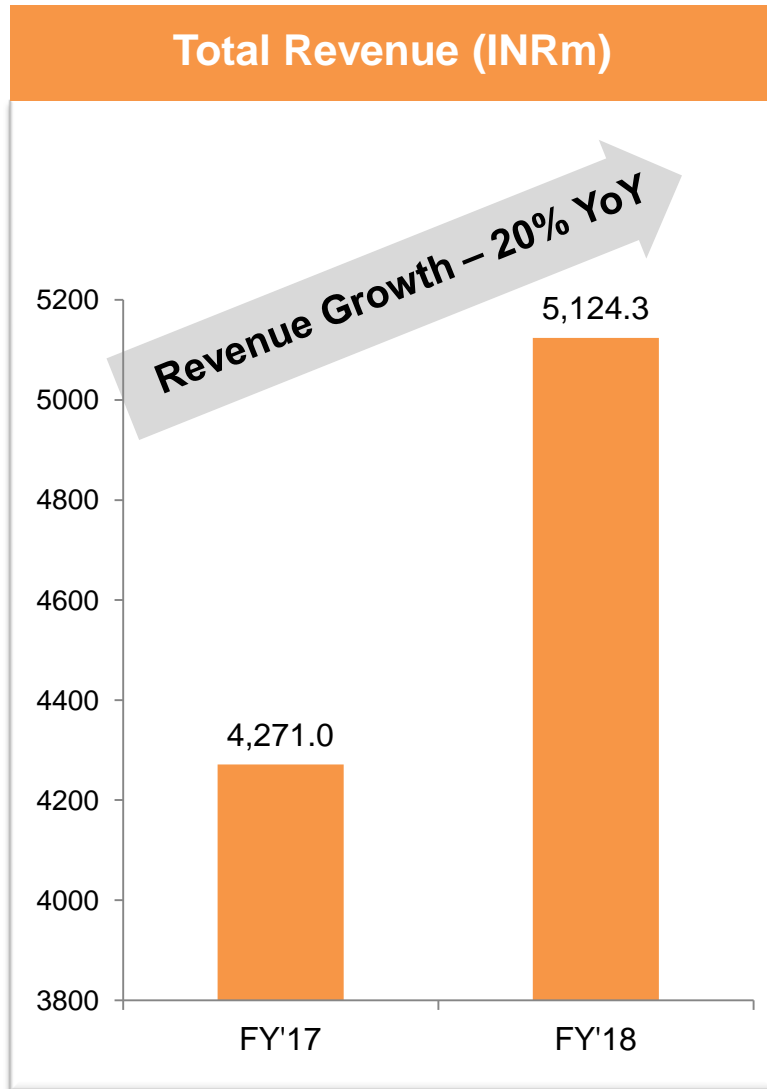


**Expansion of
Product Portfolio
and Continued
R&D Investments**



Q4 FY'18 & FY'18 Financial Results

► Financials at a Glance – FY'18 v/s FY'17



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'

► Financial Summary – Q4FY18 and FY'18 (Consolidated)

Particulars	Metrics	Q4FY18 (Audited)	FY18 (Audited)	FY17 (Audited)	YoY Growth
Revenue (INR Mn)	Revenue from operations	1,838.3	5,124.3	4,271.0	20%
	Other Income	26.7	76.1	82.7	-8%
	Total Income	1,865.0	5,200.4	4,353.7	19%
Profits (INR Mn)	EBITDA <i>(adjusted for other income)</i>	768.2	975.4	702.3	39%
	Profit before tax	759.4	941.3	683.2	38%
	Profit after tax	594.6	728.9	513.3	42%
Margin (%)	EBITDA <i>(adjusted for other income)</i>	41.8%	19.0%	16.4%	
	Profit before tax	41.3%	18.4%	16.0%	
	Profit after tax	32.3%	14.2%	12.0%	
EPS (INR)	Basic		11.4	8.3	
	Diluted		11.2	8.1	

Seasonal nature of business leading to stronger fourth quarter results

► Business Highlights – FY'18

Strengthened global presence: Strong interest for products witnessed across geographies with broad based growth (YoY) in APAC (47%), EMEA (45%), USA (7%) and India (7%)

Substantial customer wins made during the year: 120 New customers added during FY'18 compared to 98 in FY'17; Total active customers (TTM) were 520+ as of March'18

Company continues to strengthen the horizontal product platform with vertical service accelerators:

- ✓ Banking & Financial Services vertical continued to be a stronghold witnessing 36% YoY growth;
- ✓ Revenue from emerging verticals -Healthcare and Insurance witnessed a growth of 81% and 6% respectively

Scaling Cloud/ SaaS business by increasing penetration and strengthening the platforms to meet all compliance/ regulatory requirements.

- ✓ SaaS revenues witnessed robust growth of 3X and comprised 2% of revenue from operations (Rs 113.5Mn);
- ✓ Customer base increased from 8 to 22, over the last one year with large wins in USA

▶ Business Highlights – FY'18

Industry Leadership:

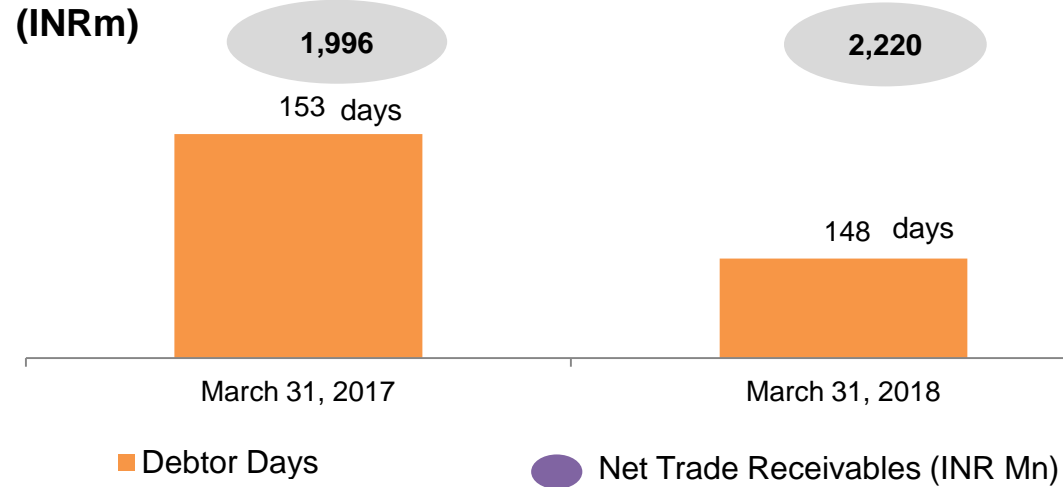
- ✓ Positioned as a 'Leader' in Dynamic Case Management, Digital Process Automation and Enterprise Content Management by Forrester, a leading Independent Research Firm in its Wave™ Reports. It has also been positioned by Gartner in its Magic Quadrants.
- ✓ During the year, the Company has been named as a “Niche Player” in Magic Quadrant for Content Services Platform and a “Visionary” in Magic Quadrant for Intelligent Business Process Management Suites.

Delivering growth through constant focus on innovation: Our new offerings include Mobility (Newgen Enterprise Mobility Framework), Virtual Repository Services, Dynamic Case Management, RPA with BPM, Digital Sensing and Flexible Designing and Authoring

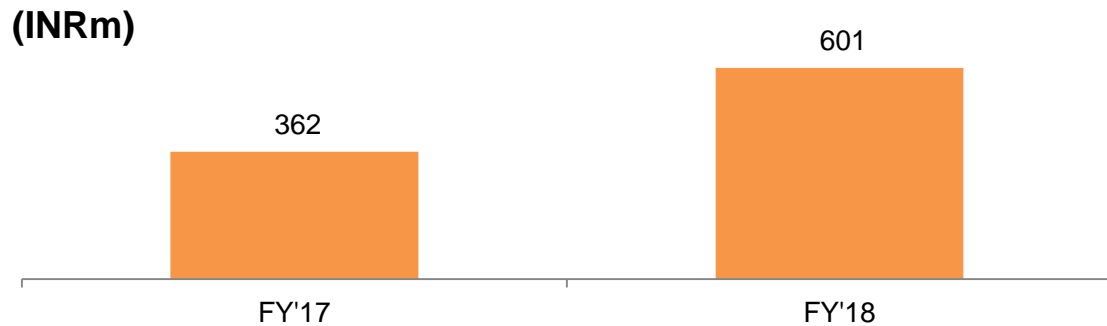
Built high level domain expertise and created robust frameworks for Retail and Corporate lending which are successfully operating across banks and geographies

► Improving Debtors Days & Cash from Operations

Improvement in Average Debtor Days



Cash from Operations



- Given the seasonality, higher sales in last quarter leads to higher debtor days at the end of fiscal year
- Debtors days (net of allowances) as per Ind AS accounting standards reduced from 171 to 158 as on March'18.
- Average Days Sales Outstanding improved from 153 days to 148 days in previous year
- Adequate additional provisions taken in the balance sheet as per the Ind AS requirements. However, we do see an improvement in the trend in the last three years
- Several measures underway to improve average debtor days:
 - ✓ Stringent collection policy and related incentives
 - ✓ Improvement in contracting



Annexure

► P&L Statement

(All amounts in INRm, except per share data and unless otherwise stated)	Q4 FY 2018	FY 2018	FY 2017
Revenue			
Revenue from operations	1,838.3	5,124.3	4,271.0
Other income	26.7	76.1	82.7
Total revenue	1,865.0	5,200.4	4,353.7
Expenses			
Employee benefits	654.9	2,488.8	2,100.5
Finance costs	20.1	52.1	52.6
Depreciation and amortisation	15.5	58.1	49.2
Other expenses	415.1	1,660.1	1,468.2
Total expenses	1,105.6	4,259.1	3,670.5
Profit before tax	759.4	941.3	683.2
Tax expenses			
Current tax	80.4	163.0	164.2
MAT credit entitlement	-8.7	-8.7	-
Tax expense for earlier years	-	6.5	12.7
Deferred tax credit	93.1	51.7	-6.9
Profit after tax for the year	594.6	728.9	513.3
Other comprehensive income/(loss) for the year, net of income tax	1.3	8.2	-3.7
Total comprehensive income for the year	595.9	737.1	509.6
Earnings per equity share (face value of Rs. 10 per share)			
Basic earning per share		11.4	8.3
Diluted earning per share		11.2	8.1

► Balance Sheet

(All amounts in INRm, except per share data and unless otherwise stated)	31-Mar-18	31-Mar-17
Assets		
Non-current assets	1,288.8	1,107.0
Property, plant and equipment	675.8	610.3
Capital work-in-progress	165.9	110.8
Intangible assets	9.0	7.0
Financial assets		
Loans	29.6	22.7
Other financial assets	55.5	23.3
Deferred tax assets	189.3	237.0
Income tax assets	128.1	85.2
Other non-current assets	35.6	10.5
Current assets	4,801.4	3,167.5
Financial assets		
Investments	502.2	486.6
Trade receivables	2,220.2	1,995.7
Cash and cash equivalents	1,454.8	349.2
Loans	31.7	7.3
Other financial assets	517.7	254.1
Other current assets	74.8	74.6
Total	6,090.2	4,274.5

(All amounts in INRm, except per share data and unless otherwise stated)	31-Mar-18	31-Mar-17
Equity & Liabilities		
Equity	4,052.2	2,499.4
Share capital	678.8	623.1
Other equity		
Securities premium	919.6	60.0
Retained earnings	2,205.6	1,592.8
Others (including items of other comprehensive income)	248.2	223.5
Non-current liabilities	298.1	307.6
Borrowings	131.7	161.8
Deferred tax liabilities	1.1	1.5
Provisions	165.3	144.3
Current liabilities	1,739.9	1,467.5
Financial liabilities		
Borrowings	494.6	522.6
Trade payables	229.2	180.5
Other financial liabilities	362.4	290.3
Deferred Income	494.3	386.5
Other current liabilities	137.2	54.6
Short-term provisions	22.1	32.9
Total	6,090.2	4,274.5



Thank you

www.newgensoft.com

**For any Investor Queries please
contact:**

Deepti Mehra Chugh
Head – Investor Relations
Phone: +91 1--146 533 200
Mail : deepti.chugh@newgen.co.in

Disclaimer

This presentation 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.