

PRESS RELEASE

Newgen Software Reports Revenues of Rs 132.1cr in Q1 FY'21, US Revenues up 36%

Focus on profitable and sustainable growth with growth in annuity business and profits

New Delhi, India – 22 July 2020

The management of Newgen Software Technologies Ltd. announced results for the Quarter ended 30 June 2020 at its Board Meeting held on 22 July 2020.

Speaking about the results, Mr. Diwakar Nigam, Chairman & Managing Director, Newgen Software Technologies Ltd. said – “During the quarter, we achieved revenues of Rs 132 crores. We continued to get business from our existing long-term customers ensuring full support to their mission-critical operations. We have also commissioned new solutions for them to fully managed remotely. We made 22 new customer additions during the quarter. Newgen has received a tremendous response, especially in the US region for our new Paycheck Protection Program (PPP) and Forgiveness solutions.

With our continued focus on profitable growth, we have undertaken substantial efforts towards optimisation of costs across all spheres of the organisation leading to a significant expansion of our margins on a YoY basis even amidst this challenging market. We also continue to strengthen our liquidity position.

Employee safety and customer service continue to be at the forefront of our post-COVID strategy and we have adopted effective practices and solutions to ensure a safe and efficient remote working environment. We are successfully fulfilling our commitments through these measures and practices while ensuring data security.

We will continue our focus on taking measures for building resilience within the organization, investing for long-term goals, and growing our recurring revenues, profits, and cash flows as the demand and adoption for digital solutions accelerates.”

Key Consolidated Financial Highlights (Q1 FY'21) – [Y-o-Y Comparison]

- **Revenue from operations (Consolidated) at Rs 132.1 crores** as compared to Rs 131.0 crores in Q1 FY'20.
 - Annuity Revenue streams (ATS/AMC, Support, and Cloud/SaaS) witnessed a growth of 11% YoY and reached Rs 87.1 crores providing improved visibility of the business.
 - Revenue from Sale of Products/ License were at Rs 20.8 crores
 - Implementation & Digitization revenues were at Rs 24.3 crores
- **EBIDTA up by 101% at Rs 15.6 crores** compared to Rs 7.7 crores in Q1 FY'20
- **Profit after tax up by 196% at Rs 9.1 crores** from Rs 3.1 crores in Q1 FY'20 based on strong cost rationalization initiatives undertaken by the Company.

Key Business Highlights (Q1 FY'21)

- **Prestigious and large customer wins:** 22 credible new customer additions including:
 - 15 new logo wins in the Americas region in Banking and Credit Union space
 - Mid-sized project for a global leader in energy transportation based in Qatar, (EMEA region)
 - Project for one of the largest and fastest growing insurance companies in the Philippines, offering financial security to 1.3 million individuals through group and individual life insurance products (APAC region)
- **Making strong in-roads in the US market with new offerings:** Newgen's revenues from the US region witnessed a growth of 36% YoY during the quarter, largely on the back of solution deployments under the Paycheck Protection Program. Leading banks and credit unions are now using Newgen for processing loan requests for PPP. Given Newgen's unique positioning, these opportunities are expected to help in deeper penetration in the region thus supporting long term SaaS growth for the Company.
- **Banking & Financial Services and Insurance verticals continue to be the growth drivers** during the quarter with growth of 12% and 29% respectively.
- **Effective remote enablement measures:** The Company continues to fulfill all customer commitments through effective remote enablement measures including institutionalizing new business processes and ways of working and thus leading to better collaboration, efficient delivery, and enhanced productivity despite lack of in-person interactions.

About Newgen

Connecting Enterprises. Transforming Experiences.

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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