



Oct  
2018

# NEWGEN SOFTWARE

Reinvent Your Workplace

## Q2 FY'19 Investor Presentation

► What we do?

Reinvent workplaces by enhancing customer facing processes



## ► How we do it?

We provide **low-code and flexible platforms** that enable organisations to easily and rapidly build powerful applications addressing their strategic business needs

Flexible visual interface  
with minimal coding

Seamless integrations

Holistic process experience -  
connecting data, people,  
processes and systems

## ► Our Products

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**



Digital Sensing



RPA



Enterprise Mobility



Analytics



Cloud

## ► Transforming Banks & Governments

### Banks & Financial Services - Providing solutions to leading institutions worldwide

#### Account Opening

*Delivering smooth & delightful on-boarding experience to customers*

#### Lending/ Loan Origination

*Optimizing lending processes for enhanced efficiency & faster disbursement*

#### Trade Finance

*Ensuring faster, accurate and centralized trade finance processes*

#### Compliance & Reporting

*Complying with complex & dynamic regulations faster and easily*

#### Payments

*Mitigating risk and reducing costs with timely and secure payments*

### Governments

#### Citizen Services

*Supporting in delivering responsive and efficient citizen services*

#### e-Gov office automation

*Supporting in delivering efficient and effective governance*

#### Social Governance

*Capturing and processing service requests generated on social media platforms*

#### EDRMS

*Supporting in effective service delivery and public accountability*

#### Digital India Solutions

*Direct Benefit Transfer, e-Courts, e-Vidhan Sabha, Secretarial Automation, Smart City*

## ► Transforming Shared Services, Healthcare & Insurance

### Shared Services

#### Accounts Payable

*Reducing cycle time, and ensuring better compliance*

#### Accounts Receivable

*Ensuring smarter reconciliations, and improved billing cycles*

#### Invoice Processing

*Faster invoice processing mechanism*

#### Vendor Portal

*Ensuring seamless processing*

### Healthcare

#### Provider Contract Management

*Aiming for faster contracting; agility & speed in provider contracting process*

#### Appeals & Grievances Management

*Delivering timely resolution of member complaints, minimizing the scope for delays/ errors*

### Insurance

#### New Business Underwriting

*Achieving faster and more accurate underwriting*

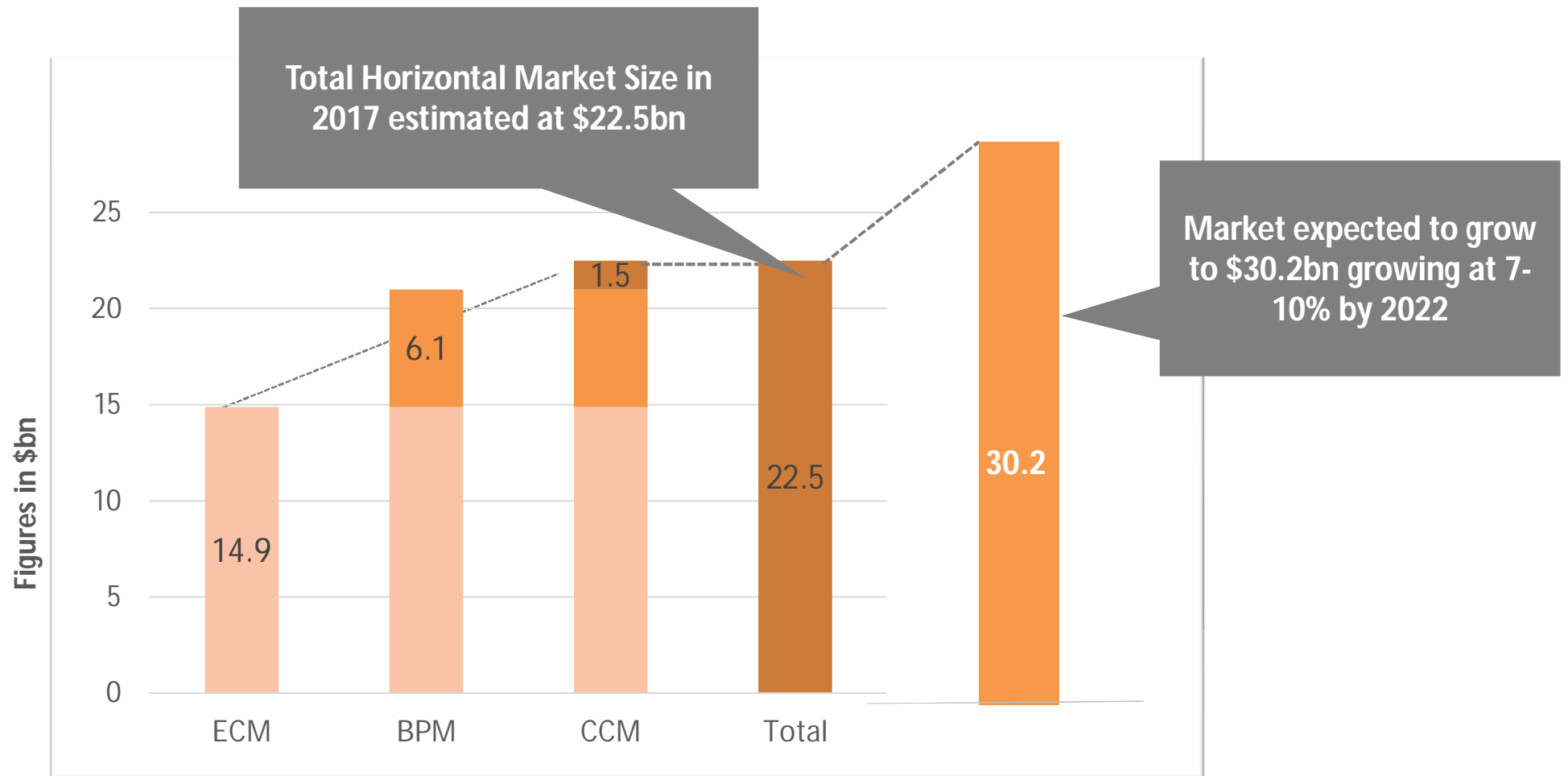
#### Claims Processing

*Ensuring faster, fraud-free claim settlement*

#### Policy Servicing

*Establishing multi-channel policy servicing*

## ► Our Market Opportunity



Source: Ovum – Business Software Industry Report: Digitalisation, IT modernisation and automation are driving market growth” dated August 7, 2017

Note: Figures in charts represent the global market size forecasts

## ► Newgen Today\*



**520+**  
Active Customers<sup>(1)</sup>



**60+**  
countries



**5**  
Core  
Verticals

**FORRESTER** Strong Industry  
Recognition  
Gartner



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

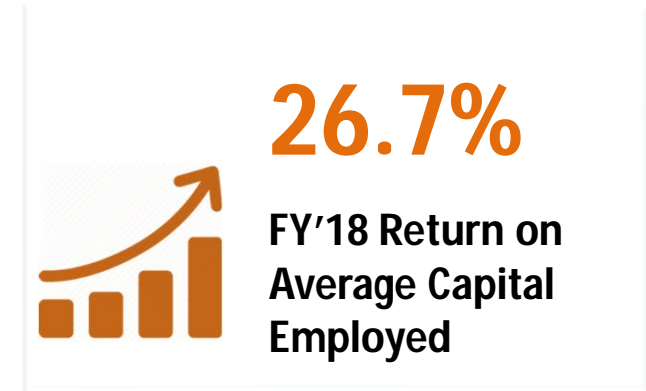
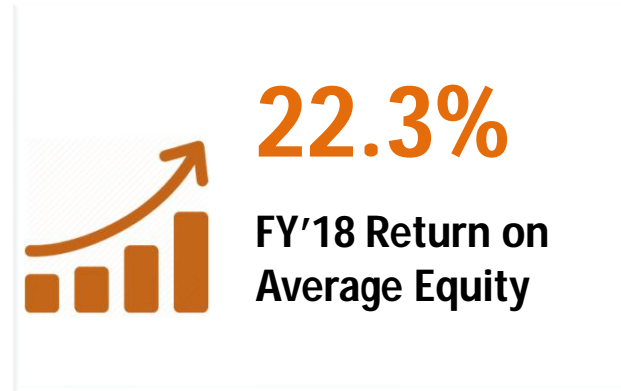


**37**  
Patents Applied

(1) Invoiced in the last 12 months  
(2) All figures as of March 2018



## ► Newgen Today\* - Financial Snapshot



1) All figures as of March 2018

► Strong Industry Recognition Validates Culture of Innovation

Gartner

FORRESTER®  
Wave™

ECM

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

“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  
Named on all 6 use cases in Critical Capabilities for Intelligent Business Process Management Suites, 2018, Rob Dunie et al, 19 February 2018

“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

“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

“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

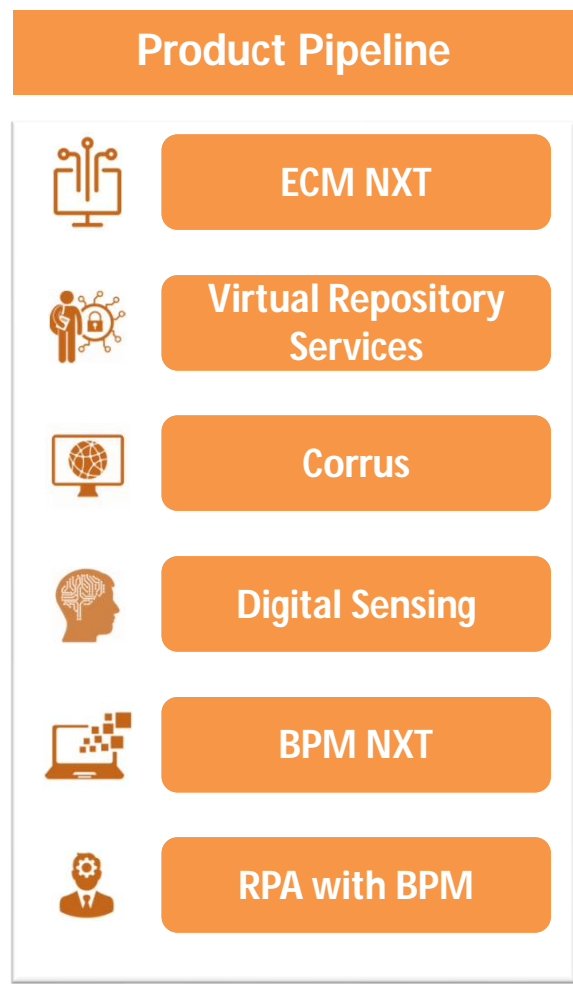
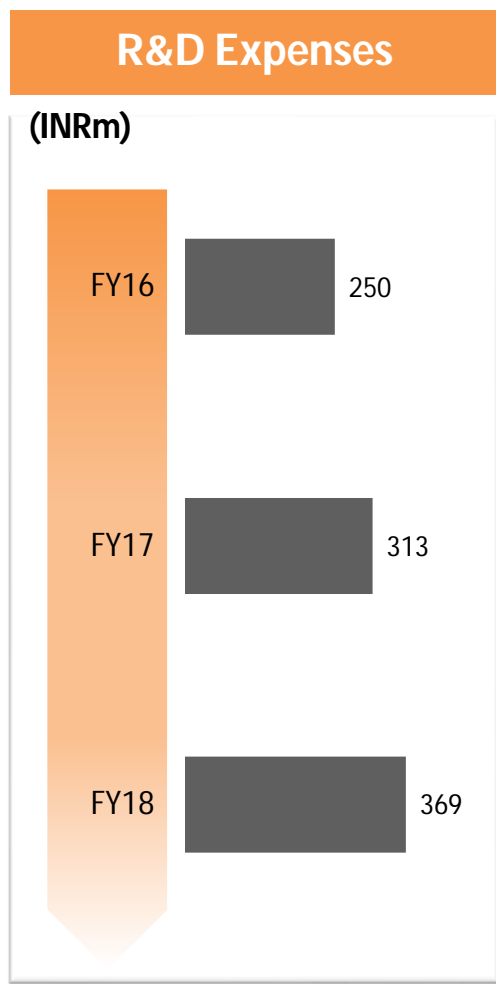


**37**

Patents Applied<sup>(1)</sup>

(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*



(1) 5 patents registered in India and 28 outstanding patent applications in India and 4 outstanding patent application in the USA

## ▶ 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

## Multiple Revenue Streams

	<i>FY18 Revenue Split</i>		<i>5 year CAGR Growth</i>	
	<b>Sale of Products</b>	<b>27%</b>	<i>Sale of licenses for the software products</i>	<b>26%</b>
Annuity-based (~43%)	<b>ATS / AMC</b>	<b>17%</b>	<i>Annual maintenance contracts and technical support</i>	<b>22%</b>
	<b>SaaS</b>	<b>2%</b>	<i>Cloud functionality with subscription fees on a Per User Per Month model</i>	<b>96%</b>
	<b>Support</b>	<b>24%</b>	<i>Support/development services charged on a periodic basis</i>	<b>18%</b>
	<b>Implementation</b>	<b>26%</b>	<i>Installing and integrating products with the customer's existing platform or system</i>	<b>17%</b>
Sale of Services (30%)	<b>Digitisation(1)</b>	<b>4%</b>	<i>Scanning of documents and archival to document management</i>	<b>11%</b>
	<b>Profitable Track Record of Increasing Business from Existing Clients</b> <b>77% revenues derived from existing customers in FY'18</b>			

(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**

# ► Experienced Senior Management Team with Distinct Operating Culture

## Management Organisation Structure

- Founder-led management team with extensive experience and supported by a strong second line management

- Fostered culture of innovation, entrepreneurship and teamwork

- 11 out of 20 AVP have been with the company for 15+ years



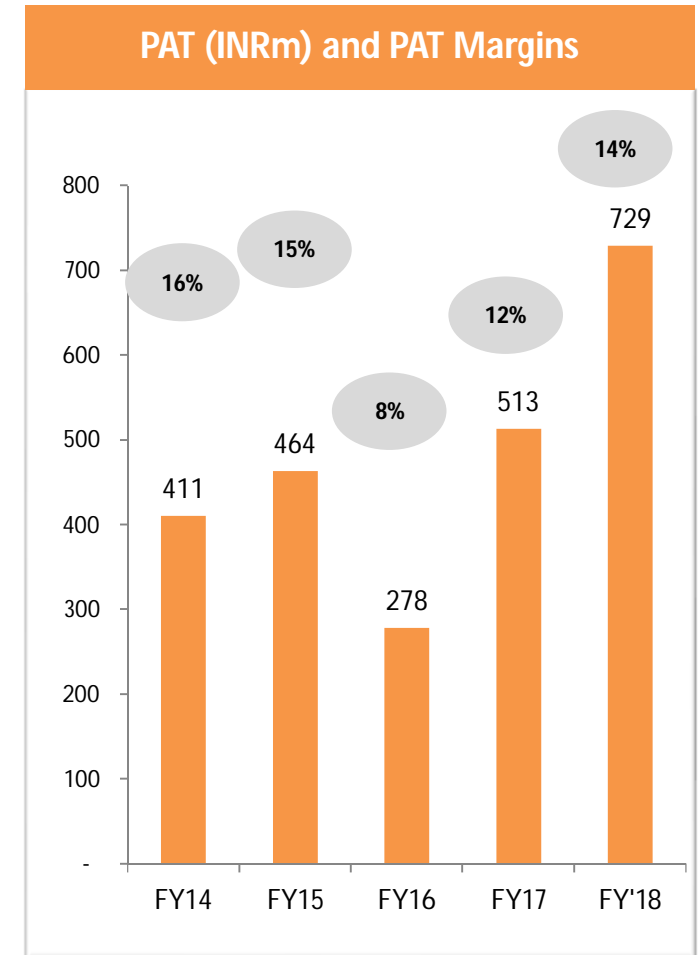
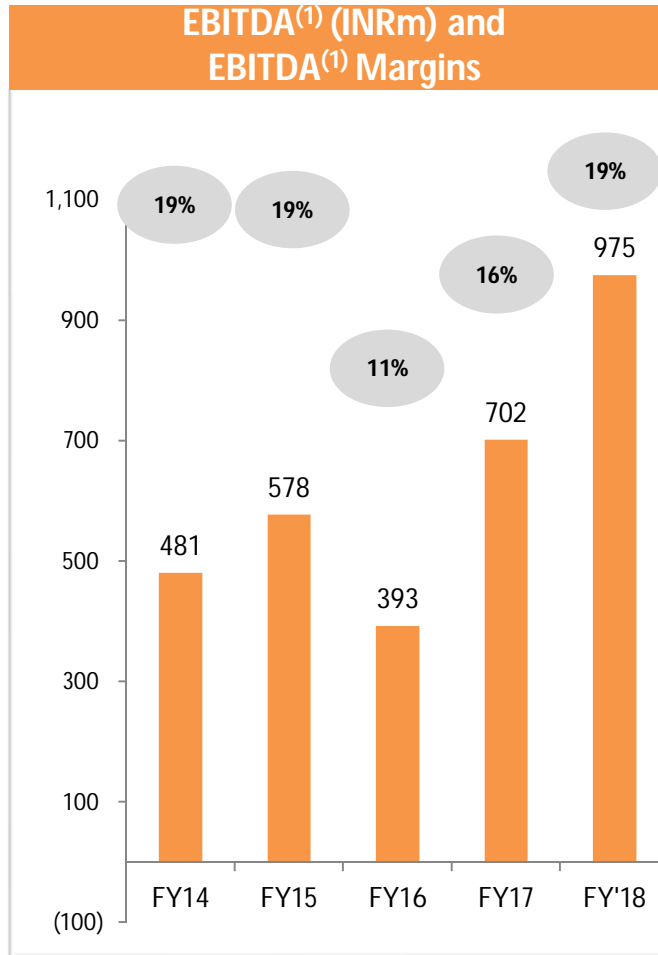
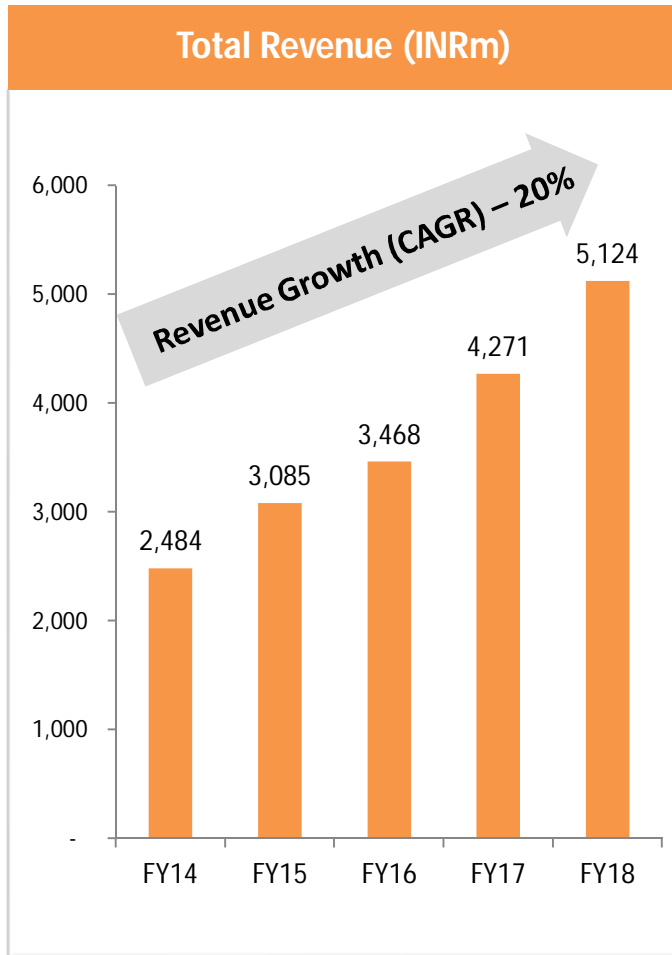
## Independent Board of Directors

**Subramaniam Ramnath Iyer**  
Additional Independent Director  
26+ years of experience in Finance & Accounting

**Kaushik Dutta**  
Non Executive, Independent Director  
22+ years of experience in Finance & Accounting

**Saurabh Srivastava**  
Additional Independent Director  
Several years of experience in Information technology

## ► 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'14, FY'15 and FY'16 financials are Restated Consolidated Financials as per Indian GAAP Accounting Standards  
 FY'17 and FY'18 financials are Consolidated Financials as per Ind AS Accounting Standards

Margins (%)





## Q2 FY'19 & H1 FY'19 Results

## ► Financial Summary (Consolidated)

Particulars	Metrics	Q2FY19 (Unaudited)	Q2FY18 (Unaudited)	YoY Growth	Q1FY19 (Unaudited)	QoQ Growth	H1 FY19 (Unaudited)	H1 FY18 (Unaudited)	YoY Growth
Revenue (INR Mn)	Revenue from operations	1,496.6	1,186.6	26%	1,064.7	41%	2,561.3	2,072.5	24%
	Other Income	58.2	23.0	153%	78.0	-25%	136.2	32.6	318%
	<b>Total Income</b>	<b>1,554.8</b>	<b>1,209.6</b>	29%	1,142.7	36%	<b>2,697.6</b>	<b>2,105.1</b>	28%
Profits (INR Mn)	EBITDA ( <i>adjusted for other income</i> )	208.4	87.1	139%	5.6	3620%	214.0	83.6	156%
	Profit before tax	232.7	85.8	171%	49.3	372%	282.0	66.4	325%
	Profit after tax	177.7	62.7	183%	38.7	360%	216.4	47.7	353%
Margin (%)	EBITDA ( <i>adjusted for other income</i> )	13.9%	7.3%		0.5%		8.4%	4.0%	
	Profit before tax	15.0%	7.1%		4.3%		10.5%	3.2%	
	Profit after tax	11.4%	5.2%		3.4%		8.0%	2.3%	
EPS (INR)	Basic	2.62	1.00	161%		0.57	3.19	0.76	317%
	Diluted	2.56	0.98	162%		0.56	3.12	0.74	320%

- Strong growth trajectory across major markets - Revenue from operations up by 26% YoY in Q2 FY'19
- Operating margins expanded with increasing scale and favourable currency movement
- Software license business is usually seasonal in nature primarily given the large enterprise account buying patterns leading to substantial revenues and profits booked in the second half of the financial year


## ▶ New Logo Wins


22

New Logo Wins  
during Q2 FY'19

 **5** new wins in US region including **3** in Banking & Financial Services

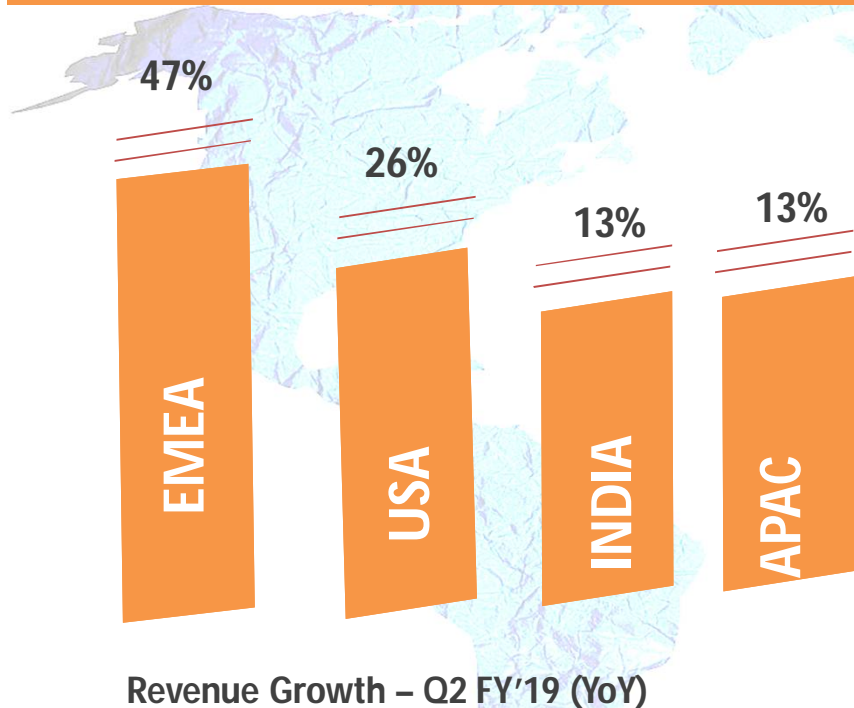
 **3** new wins in Cloud/ SaaS

 Major license deals include agreement with a leading inclusive bank in Africa, a savings bank in Philippines, the largest credit union in Northeast region of US, serving members for 75+ years, a government authority based in Oman for records management

 Executed an agreement with a global technology player for supply of software licenses and related services. Total Order Size – **Rs 78.8 Crores over 7 years**

## ► Business Highlights - Q2 FY'19

EMEA and USA regions on a stronghold:



Revenue Growth - Q2 FY'19 (YoY)

4 deals of over Rs 5 crores during the quarter

### USA/ Americas Region

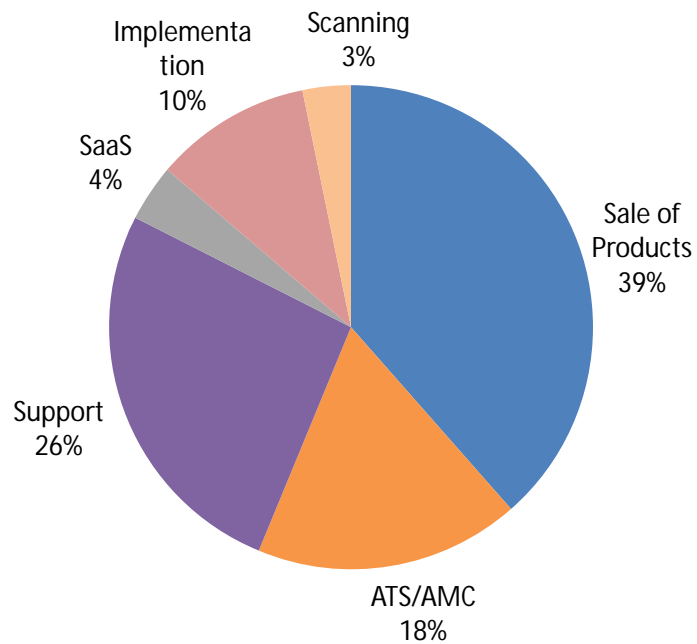
- Won a showcase project for *Governance and Optimization* under Efficient and Responsive Government funding from IDB. Newgen to provide case management platform that would cover every single touch-point between the citizens and the Government
- Won projects from 2 *Credit Unions* on Cloud/ SaaS platform
- In Canada region, for the first time a large NBFC has chosen our Commercial Loan Origination Solution (CLOS) to enhance their commercial lending experience for customers.

### EMEA Region

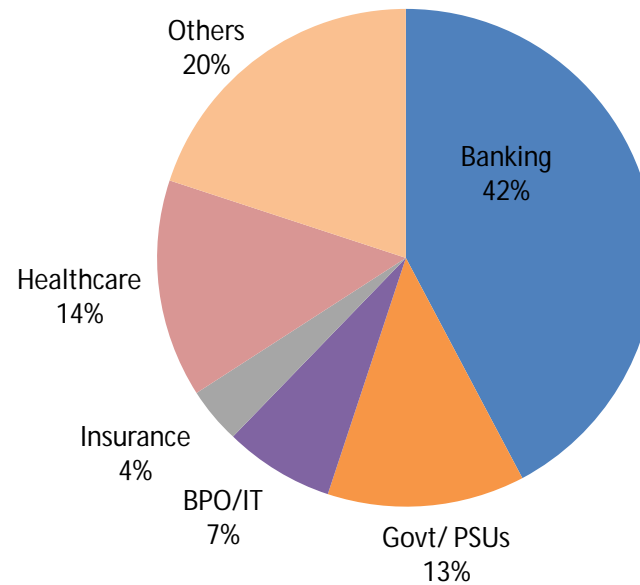
- Won 8 new logos in Q2 FY'19 across segments
- Won a showcase project with a government authority based in Oman for records management

## ► Diversification Across Verticals and Geographies

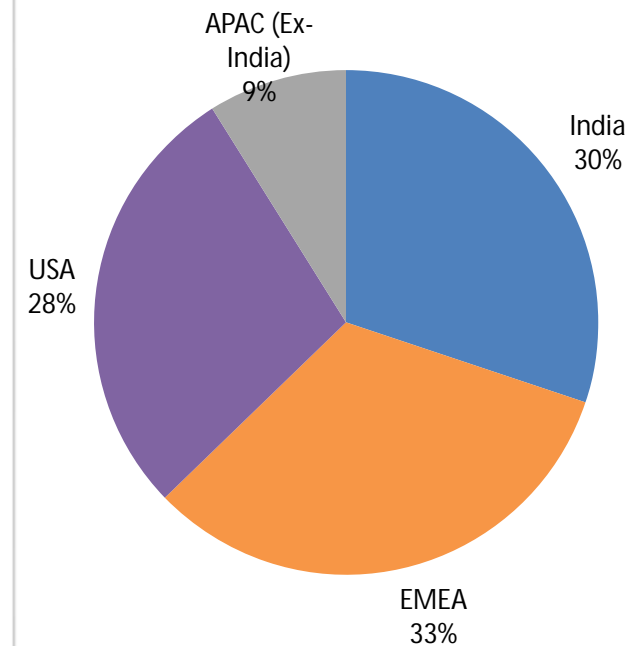
Q2 FY19 Revenue Split by Segment



Q2 FY19 Revenue Split by Vertical



Q2 FY19 Revenue Split by Geography



## ▶ Business Highlights – Q2 FY'19

### **Cloud/ SaaS business model strengthening annuity revenues:**

- ✓ In Q2 FY'19, SaaS revenues were at Rs 5.7 crores, 163% increase over same quarter previous year
- ✓ In H1 FY'19, total SaaS revenues were at Rs 10.6 crores compared to Rs 4.1 crores in H1 FY'18

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

- ✓ Robust growth across all key verticals especially Healthcare, Government/ PSU and BPO/IT verticals.

### **Continued focus on product and innovation:**

We continue to enhance our low-code solutions with improved user interfaces, seamless integration capabilities and enhanced process management capabilities. We have added significant capabilities in Analytics and Mobility to our platforms for customer's seamless digital journeys

## ▶ Customer Speak

“Our goal is to achieve greater efficiency and enhanced customer experience by offering superior and consistent service across all our touch-points. Newgen’s world-class BPM & ECM product suite has automated our business processes and helped us to achieve business excellence resulting in increased productivity and faster services to our customers. We look forward to further strengthen our 10 year longstanding relationship in the future.”

- Julius Kamau, Director – Technology & Operations, NIC Bank Kenya PLC

*[NIC Bank transformed multiple banking processes using Newgen’s Business Process Management based banking solutions.]*

“Today’s consumers need a fast, efficient loan process from start to finish—whether they’re buying a car or having to finance unexpected expenses. That’s why we’re focused on adopting a platform that’s both agile and adaptable. Not only are we automating our consumer lending process, but we’re providing effective risk management across all our channels.”

- Sharon Lee, Senior Executive Vice President of Client Services for American National Bank of Texas

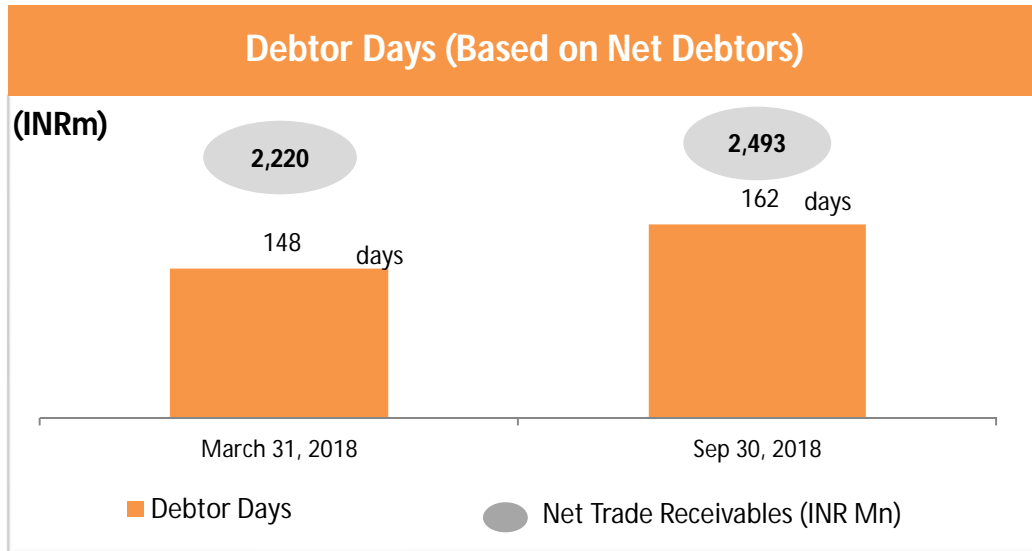
*[American National Bank of Texas has selected Newgen’s consumer loan origination solution to digitize and automate its retail lending process.]*

“In today’s age, speed and simplicity are imperatives in a business like ours and it is crucial to automate critical member-centric processes like account opening and lending and Cloud adds a new dimension altogether. Implementing a new-age technology will not only help us energize the first step towards acquiring new business through account opening, but will also give our staff more time to uncover and deliver the best solutions to our members.”

- Doug Schneider, SVP of Marketing, E-commerce, & Business Intelligence Administration, Credit Union of Colorado.

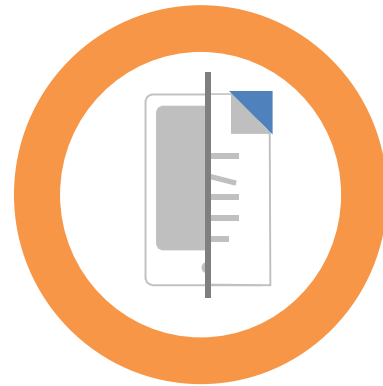
*[Credit Union of Colorado selected Newgen’s Account Opening and Loan Origination solutions on Cloud, to streamline critical banking processes and offer personalized and enhanced services to its customers.]*

## ▶ Debtors Days



- Debtors days (based on Net Debtors) as per Ind AS accounting standards were at 162 days as on 30 Sep'18. (considering trailing twelve month revenues)
- Gross Debtors at Rs 2,771.9 Mn
- While we are working towards improvement in our debtor days position with changing collection policy and improvement in contracting, it is taking slightly longer to get results of the same given the customer mindset





**Annexure**

## ► P&L Statement

(All amounts in INRm, except per share data and unless otherwise stated)	Q2 FY 2019 (Unaudited)	Q2 FY 2018 (Unaudited)	Q1 FY 2018 (Unaudited)	H1 FY 2019 (Unaudited)	H1 FY 2018 (Unaudited)
<b>Revenue</b>					
Revenue from operations	1,496.6	1,186.6	1,064.7	2,561.3	2,072.5
Other income	58.2	23.0	78.0	136.2	32.6
<b>Total revenue</b>	<b>1,554.8</b>	<b>1,209.6</b>	<b>1,142.7</b>	<b>2,697.6</b>	<b>2,105.1</b>
<b>Expenses</b>					
Employee benefits	725.5	655.1	650.3	1,375.9	1,181.8
Finance costs	19.0	11.5	19.7	38.6	21.8
Depreciation and amortisation	14.9	12.9	14.6	29.5	28.0
Other expenses	562.7	444.3	408.8	971.5	807.2
<b>Total expenses</b>	<b>1,322.1</b>	<b>1,123.8</b>	<b>1,093.4</b>	<b>2,415.5</b>	<b>2,038.8</b>
<b>Profit before tax</b>	<b>232.7</b>	<b>85.8</b>	<b>49.3</b>	<b>282.0</b>	<b>66.4</b>
<b>Tax expenses</b>					
Current tax	36.0	59.6	14.5	50.6	82.4
MAT credit entitlement	-24.7	-0.0	-6.0	-30.7	-0.0
Tax expense for earlier years	-	-	-	-	-
Deferred tax credit	43.6	-36.5	2.2	45.8	-63.8
<b>Profit after tax for the year</b>	<b>177.7</b>	<b>62.7</b>	<b>38.7</b>	<b>216.4</b>	<b>47.7</b>
<b>Other comprehensive income/(loss) for the year, net of income tax</b>	<b>28.0</b>	<b>2.1</b>	<b>1.7</b>	<b>29.7</b>	<b>5.2</b>
<b>Total comprehensive income for the year</b>	<b>205.8</b>	<b>64.8</b>	<b>40.3</b>	<b>246.1</b>	<b>52.9</b>
<b>Earnings per equity share (face value of Rs. 10 per share)</b>					
Basic earning per share	2.62	1.00	0.57	3.19	0.76
Diluted earning per share	2.56	0.98	0.56	3.12	0.74

## ► Balance Sheet

(All amounts in INRm, except per share data and unless otherwise stated)	30-Sep-18	31-Mar-18
<b>Assets</b>		
<b>Non-current assets</b>	<b>1,466.8</b>	<b>1,288.8</b>
Property, plant and equipment	689.5	675.8
Capital work-in-progress	250.5	165.9
Intangible assets	8.3	9.0
Financial assets		
Loans	27.6	29.6
Other financial assets	49.6	55.5
Deferred tax assets	173.0	189.3
Income tax assets	182.2	128.1
Other non-current assets	86.1	35.6
<b>Current assets</b>	<b>4,837.0</b>	<b>4,801.4</b>
Financial assets		
Investments	497.1	502.2
Trade receivables	2,493.4	2,220.2
Cash and cash equivalents	1,242.4	1,454.8
Loans	35.1	31.7
Other financial assets	458.5	517.7
Other current assets	110.6	74.8
<b>Total</b>	<b>6,303.8</b>	<b>6,090.2</b>

(All amounts in INRm, except per share data and unless otherwise stated)	30-Sep-18	31-Mar-18
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>	<b>4,153.9</b>	<b>4,052.2</b>
Share capital	680.6	678.8
Other equity	3,473.3	3,373.4
<b>Non-current liabilities</b>	<b>292.4</b>	<b>298.1</b>
Borrowings	113.8	131.7
Deferred tax liabilities	1.3	1.1
Provisions	177.3	165.3
<b>Current liabilities</b>	<b>1,857.6</b>	<b>1,739.9</b>
Financial liabilities		
Borrowings	605.4	494.6
Trade payables	259.6	229.2
Derivative liabilities	6.6	-
Other financial liabilities	320.8	362.4
Deferred Income	524.6	494.3
Other current liabilities	116.7	137.2
Short-term provisions	23.9	22.1
<b>Total</b>	<b>6,303.8</b>	<b>6,090.2</b>



# Thank you

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

**For any Investor Queries please contact:**

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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.