

ENDAVA ANNOUNCES THIRD QUARTER FISCAL YEAR 2019 RESULTS**Q3 FY2019****24.7% Year on Year Revenue Growth to £73.1 million****23.2% Revenue Growth at Constant Currency****IFRS diluted EPS £0.11 compared to £0.08 in the prior year comparative period****Adjusted diluted EPS £0.19 compared to £0.13 in the prior year comparative period**

London, U.K. – Endava plc (NYSE: DAVA) ("Endava" or the "Company") a global provider of digital transformation, agile development and intelligent automation services, today announced results for the three months ended March 31, 2019, the third quarter of its 2019 fiscal year ("Q3 FY2019").

"Endava continues to deliver strong results and I am pleased with our performance. Our revenue for Q3 FY2019 was £73.1 million, an impressive increase of 24.7% Year on Year on a reported basis from £58.6 million in the same quarter in the prior year. We continue to expand in all of our geographies and industry verticals." said John Cotterell, Endava's CEO.

FINANCIAL HIGHLIGHTS:

- Revenue for Q3 FY2019 was £73.1 million, an increase of 24.7% compared to £58.6 million in the same period in the prior year.
- Revenue growth rate at constant currency (a non-IFRS measure) was 23.2% for Q3 FY2019 compared to 39.6% in the same period in the prior year.
- Profit before tax for Q3 FY2019 was £7.6 million compared to £5.5 million in the same period in the prior year, or 10.4% of revenue compared to 9.4% in the same period in the prior year.
- Adjusted profit before tax (a non-IFRS measure) for Q3 FY2019 was £13.2 million compared to £8.5 million in the same period in the prior year, or 18.1% of revenue compared to 14.5% in the same period in the prior year.
- Profit for the period was £6.3 million in Q3 FY2019, resulting in a diluted EPS of £0.11, compared to profit for the period of £4.2 million and diluted EPS of £0.08 in the same period in the prior year.

- Adjusted profit for the period (a non-IFRS measure) was £10.6 million in Q3 FY2019, resulting in adjusted diluted EPS (a non-IFRS measure) of £0.19 compared to adjusted profit for the period of £6.9 million and adjusted diluted EPS of £0.13 in the same period in the prior year.
- Net cash from operating activities was £12.6 million in Q3 FY2019 compared to £7.9 million in the same period in the prior year.
- Free cash flow (a non-IFRS measure) was £11.4 million in Q3 FY2019 compared to £7.2 million in the same period in the prior year.
- At March 31, 2019, Endava had cash and cash equivalents of £59.3 million, compared to £15.0 million at June 30, 2018. Net cash at March 31, 2019 was £59.3 million compared to net borrowing of £4.7 million at June 30, 2018.

OTHER METRICS:

- Headcount reached 5,573 at March 31, 2019, with 5,012 average operational employees in Q3 FY2019, compared to a headcount of 4,700 at March 31, 2018 and 4,246 average operational employees in the third quarter of the prior year.
- Number of clients with over £1 million in spend grew to 67 on a rolling twelve months basis at March 31, 2019 compared to 42 at March 31, 2018.
- Top 10 clients accounted for 40% of revenue in Q3 FY2019, unchanged from the same period in the prior year.
- By geographic region, 27% of revenue was generated in North America, 27% was generated in Europe and 46% was generated in the United Kingdom in Q3 FY2019. This compares to 25% in North America, 31% in Europe and 44% in the United Kingdom in the same period in the prior year.
- By industry vertical, 53% of revenue was generated from Payments and Financial Services, 28% from TMT and 19% from Other. This compares to 54% Payments and Financial Services, 29% TMT and 17% Other in the same period in the prior year.

OUTLOOK:**For Q4 FY2019:**

We expect revenues will be in the range £75m to £76m, representing constant currency growth of between 21% and 22%. We expect adjusted diluted EPS to be in the range of £0.17 to £0.18 per share.

Full Fiscal Year 2019:

We expect revenues will be in the range £286m to £287m, representing constant currency growth of 31%. We expect adjusted diluted EPS to be in the range of £0.73 to £0.74 per share.

Endava is not able, at this time, to provide an outlook for IFRS diluted EPS for Q4 FY2019 or FY2019 because of the unreasonable effort of estimating certain items that are excluded from adjusted diluted EPS, including, for example, share-based compensation expense, amortisation of acquired intangible assets and foreign currency exchange (gains) losses, the effect of which may be significant.

CONFERENCE CALL DETAILS:

The Company will host a conference call at 8:00 am EST today, May 21, 2019, to review its Q3 FY2019 results. To participate in Endava's Q3 FY19 earnings conference call, please dial in at least five minutes prior to the scheduled start time (877) 683-6368 or (647) 689-5450 for international participants, Conference ID 4226669.

Investors may listen to the call on Endava's Investor Relations website at <http://investors.Endava.com>. The webcast will be recorded and available for replay until Friday, June 7, 2019.

ABOUT ENDAVA PLC:

Endava is a leading next-generation technology services provider and helps accelerate disruption by delivering rapid evolution to enterprises. Using distributed enterprise agile at scale, Endava collaborates with its clients, seamlessly integrating with their teams, catalysing ideation and delivering robust solutions. Endava helps its clients become digital, experience-driven businesses by assisting them in their journey from idea generation to development and deployment of products, platforms and solutions. It services clients in the following industries: Payments and Financial Services, TMT, Consumer Products, Retail, Logistics and Healthcare. Endava had 5,573 employees as of March 31, 2019 located in offices in North America and Western Europe and delivery centres in Romania, Moldova, Bulgaria, Serbia, Macedonia, Argentina, Uruguay, Venezuela, and Colombia.

NON-IFRS FINANCIAL INFORMATION:

To supplement Endava's Consolidated Statements of Comprehensive Income, Consolidated Balance Sheets and Consolidated Statements of Cash Flow presented in accordance with IFRS, the Company uses non-IFRS measures of certain components of financial performance. These measures include: revenue growth rate at constant currency, adjusted profit before tax, adjusted profit for the period, adjusted diluted EPS and free cash flow.

Revenue growth rate at constant currency is calculated by translating revenue from entities reporting in foreign currencies into British Pounds using the comparable foreign currency exchange rates from the prior period. For example, the average rates in effect for the fiscal quarter ended March 31, 2018 were used to convert revenue for the fiscal quarter ended March 31, 2019 and the revenue for the comparable prior period.

Adjusted profit before tax is defined as the Company's profit before tax adjusted to exclude the impact of share-based compensation expense, amortisation of acquired intangible assets, realized and unrealized foreign currency exchange gains and losses, initial public offering expenses incurred, Sarbanes-Oxley compliance readiness expenses, fair value movement of contingent consideration, secondary offering expenses incurred and stamp duty on transfer of shares (all of which are non-cash other than realized foreign currency exchange gains and losses, initial public offering expenses, Sarbanes-Oxley compliance readiness expenses,

secondary offering expenses incurred and stamp duty on transfer of shares). Adjusted PBT margin is adjusted profit before tax as a percentage of total revenue.

Adjusted profit for the period is defined as the Company's profit for the period adjusted to exclude the impact of share-based compensation expense, amortisation of acquired intangible assets, realized and unrealized foreign currency exchange gains and losses, initial public offering expenses incurred, Sarbanes-Oxley compliance readiness expenses, fair value movement of contingent consideration, secondary offering expenses incurred and stamp duty on transfer of shares (all of which are non-cash other than realized foreign currency exchange gains and losses, initial public offering expenses, Sarbanes-Oxley compliance readiness expenses, secondary offering expenses incurred and stamp duty on transfer of shares) together with the tax impact of these adjustments.

Adjusted diluted EPS is defined as the Company's profit for the period adjusted to exclude the impact of share-based compensation expense, amortisation of acquired intangible assets, realized and unrealized foreign currency exchange gains and losses, initial public offering expenses incurred, Sarbanes-Oxley compliance readiness expenses, fair value movement of contingent consideration, secondary offering expenses incurred and stamp duty on transfer of shares (all of which are non-cash other than realized foreign currency exchange gains and losses, initial public offering expenses, Sarbanes-Oxley compliance readiness expenses, secondary offering expenses incurred and stamp duty on transfer of shares), divided by weighted average number of shares outstanding - diluted.

Free cash flow is the Company's net cash from/(used in) operating activities, plus grants received, less net purchases of non-current assets (tangible and intangible).

In order for Endava's investors to be better able to compare its current period results with those of previous periods, the Company has shown a reconciliation of IFRS to non-IFRS financial measures. Management believes these measures help illustrate underlying trends in the Company's business and uses the measures to establish budgets and operational goals, communicated internally and externally, for managing the Company's business and evaluating its performance. Management also believes the presentation of its non-IFRS financial measures enhances an investor's overall understanding of the Company's historical financial performance. The presentation of the Company's non-IFRS financial measures is not meant to be considered

in isolation or as a substitute for the Company's financial results prepared in accordance with IFRS, and its non-IFRS measures may be different from non-IFRS measures used by other companies.

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by the use of terms and phrases such as "believe," "expect," "outlook," and other similar terms and phrases. Such forward-looking statements include, but are not limited to, the statements regarding our projected financial performance for our fourth fiscal quarter and full-fiscal year 2019. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated by these forward-looking statements, including, but not limited to: our ability to sustain our revenue growth rate in the future; our ability to retain existing clients and attract new clients, including our ability to increase revenue from existing clients and diversify our revenue concentration; our ability to attract and retain highly-skilled IT professionals at cost-effective rates; our ability to penetrate new industry verticals and geographies and grow our revenue in current industry verticals and geographies; our ability to maintain favorable pricing and utilization rates; our ability to successfully identify acquisition targets, consummate acquisitions and successfully integrate acquired businesses and personnel; the effects of increased competition as well as innovations by new and existing competitors in our market; the size of our addressable market and market trends; our ability to adapt to technological change and innovate solutions for our clients; our plans for growth and future operations, including our ability to manage our growth; our expectations of future operating results or financial performance; our ability to effectively manage our international operations, including our exposure to foreign currency exchange rate fluctuations; and our future financial performance, including trends in revenue, cost of sales, gross profit, selling, general and administrative expenses, finance income and expense and taxes, as well as other risks and uncertainties discussed in the "Risk Factors" section of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on October 11, 2018 and the final prospectus relating to our recent public offering filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4) on April 18, 2019.

In addition, the forward-looking statements included in this press release represent our views and expectations as of the date hereof and are based on information currently available to us. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so except as required by law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date hereof.

INVESTOR CONTACT:

Endava Plc
Laurence Madsen, Investor Relations Manager
Investors@endava.com

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended March 31		Three Months Ended March 31	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
REVENUE	211,312	156,140	73,064	58,598
Cost of sales				
<i>Direct cost of sales</i>	(127,356)	(96,104)	(44,330)	(35,783)
<i>Allocated cost of sales</i>	(11,050)	(9,281)	(3,745)	(3,235)
Total cost of sales	(138,406)	(105,385)	(48,075)	(39,018)
GROSS PROFIT	72,906	50,755	24,989	19,580
Selling, general and administrative expenses	(48,609)	(31,755)	(17,601)	(13,705)
OPERATING PROFIT	24,297	19,000	7,388	5,875
Net finance (expense) / income	(4,644)	(1,030)	216	(370)
PROFIT BEFORE TAX	19,653	17,970	7,604	5,505
Tax on profit on ordinary activities	(3,874)	(3,893)	(1,290)	(1,286)
PROFIT FOR THE PERIOD AND PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	15,779	14,077	6,314	4,219
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(2,365)	(1,108)	(3,027)	(1,363)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	13,414	12,969	3,287	2,856
EARNINGS PER SHARE:				
Weighted average number of shares outstanding - Basic	49,072,773	45,100,165	49,500,875	45,100,165
Weighted average number of shares outstanding - Diluted	54,648,204	50,050,447	54,912,822	51,142,347
Basic EPS (£)	0.32	0.31	0.13	0.09
Diluted EPS (£)	0.29	0.28	0.11	0.08

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2019	June 30, 2018	March 31, 2018
	£'000	£'000	£'000
ASSETS - NON-CURRENT			
Goodwill	41,197	41,062	39,267
Intangible assets	28,800	30,787	30,051
Property, plant and equipment	9,359	8,584	8,350
Deferred tax assets	4,731	2,488	926
TOTAL	84,087	82,921	78,594
ASSETS - CURRENT			
Inventories	—	16	57
Trade and other receivables	63,041	52,352	50,190
Corporation tax receivable	649	677	—
Cash and cash equivalents	59,339	15,048	9,462
TOTAL	123,029	68,093	59,709
TOTAL ASSETS	207,116	151,014	138,303
LIABILITIES - CURRENT			
Borrowings	29	19,744	23,612
Trade and other payables	43,983	40,243	32,843
Corporation tax payable	2,045	1,488	644
Contingent consideration	1,211	5,259	4,947
Deferred consideration	1,516	4,401	2,851
Other liabilities	248	—	—
TOTAL	49,032	71,135	64,897
LIABILITIES - NON CURRENT			
Borrowings	1	20	34
Contingent consideration	—	7,251	6,751
Deferred consideration	—	—	1,238
Deferred tax liabilities	2,380	2,832	2,621
Other liabilities	67	277	267
TOTAL	2,448	10,380	10,911
EQUITY			
Share capital	1,085	996	996
Share premium	16,451	2,678	2,678
Merger relief reserve	4,430	4,430	4,430
Retained earnings	133,219	59,260	52,959
Other reserves	2,692	4,410	3,707
Investment in own shares	(2,241)	(2,275)	(2,275)
TOTAL	155,636	69,499	62,495
TOTAL LIABILITIES AND EQUITY	207,116	151,014	138,303

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended March 31		Three Months Ended March 31	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
OPERATING ACTIVITIES				
Profit for the period	15,779	14,077	6,314	4,219
Income tax charge	3,874	3,893	1,290	1,286
Non-cash adjustments	18,270	4,453	4,965	1,781
Tax paid	(3,641)	(3,688)	(730)	(1,414)
UK research and development credit received	1,278	1,854	1,278	—
Net changes in working capital	(11,271)	(215)	(493)	2,074
Net cash from operating activities	24,289	20,374	12,624	7,946
INVESTING ACTIVITIES				
Purchase of non-current assets (tangibles and intangibles)	(5,153)	(3,680)	(1,189)	(919)
Proceeds from disposal of non-current assets	33	2	8	8
Acquisition of business / subsidiaries (net of cash acquired)	(3,142)	(25,423)	(3,142)	(8,031)
Interest received	286	30	160	7
Net cash used in investing activities	(7,976)	(29,071)	(4,163)	(8,935)
FINANCING ACTIVITIES				
Proceeds from borrowings	3,500	22,979	—	—
Repayment of borrowings	(23,538)	(28,094)	(12)	(14,451)
Interest paid	(280)	(413)	(58)	(210)
Grant received	1,784	147	—	147
Net proceeds from initial public offering	44,828	—	—	—
Issue of shares	85	—	85	—
Net cash from financing activities	26,379	(5,381)	15	(14,514)
Net change in cash and cash equivalents	42,692	(14,078)	8,476	(15,503)
Cash and cash equivalents at the beginning of the period	15,048	23,571	51,044	25,066
Exchange differences on cash and cash equivalents	1,599	(31)	(181)	(101)
Cash and cash equivalents at the end of the period	59,339	9,462	59,339	9,462

RECONCILIATION OF ADJUSTED FINANCIAL MEASURES TO COMPARABLE IFRS FINANCIAL MEASURES

RECONCILIATION OF REVENUE GROWTH RATE AT CONSTANT CURRENCY TO REVENUE GROWTH RATE AS REPORTED UNDER IFRS:

	Nine Months ended March 31		Three Months ended March 31	
	2019	2018	2019	2018
REVENUE GROWTH RATE AT CONSTANT CURRENCY	34.4%	34.6 %	23.2%	39.6 %
Foreign exchange rates impact	0.9%	(0.4%)	1.5%	(3.0%)
REVENUE GROWTH RATE AS REPORTED UNDER IFRS	35.3%	34.2 %	24.7%	36.6 %

RECONCILIATION OF ADJUSTED PROFIT BEFORE TAX AND ADJUSTED PROFIT FOR THE PERIOD:

	Nine Months Ended March 31		Three Months Ended Mar 31	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
PROFIT BEFORE TAX	19,653	17,970	7,604	5,505
Adjustments:				
Share-based compensation expense	8,690	1,026	3,680	306
Amortisation of acquired intangible assets	2,609	1,804	857	844
Foreign currency exchange (gains) losses, net	(1,262)	545	(121)	64
Initial public offering expenses incurred	1,055	2,472	—	1,787
Sarbanes-Oxley compliance readiness expenses incurred	1,227	—	529	—
Fair value movement of contingent consideration	5,805	—	—	—
Secondary offering expenses incurred	306	—	306	—
Stamp duty on transfer of shares	385	—	385	—
Total adjustments	18,815	5,847	5,636	3,001
ADJUSTED PROFIT BEFORE TAX	38,468	23,817	13,240	8,506
PROFIT FOR THE PERIOD	15,779	14,077	6,314	4,219
Adjustments:				
Adjustments to profit before tax	18,815	5,847	5,636	3,001
Tax impact of adjustments	(3,661)	(745)	(1,312)	(359)
ADJUSTED PROFIT FOR THE PERIOD	30,933	19,179	10,638	6,861
Diluted EPS (£)	0.29	0.28	0.11	0.08
Adjusted diluted EPS (£)	0.57	0.38	0.19	0.13

RECONCILIATION OF NET CASH FROM OPERATING ACTIVITIES TO FREE CASH FLOW

	Nine Months Ended March 31		Three Months Ended March 31	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Net cash from operating activities	24,289	20,374	12,624	7,946
Adjustments:				
Grant received	1,784	147	—	147
Net purchases of non-current assets (tangible and intangible)	(5,120)	(3,678)	(1,181)	(911)
Free cash flow	20,953	16,843	11,443	7,182

SUPPLEMENTARY INFORMATION

SHARE-BASED COMPENSATION EXPENSE

	Nine Months Ended March 31		Three Months Ended March 31	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Direct cost of sales	3,587	686	1,648	205
Selling, general and administrative expenses	5,103	340	2,032	101
Total	8,690	1,026	3,680	306

DEPRECIATION AND AMORTIZATION

	Nine Months Ended March 31		Three Months Ended March 31	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Direct cost of sales	2,870	2,371	1,011	821
Selling, general and administrative expenses	3,030	2,081	972	944
Total	5,900	4,452	1,983	1,765

EMPLOYEES, TOP 10 CUSTOMERS and REVENUE SPLIT

	Nine Months Ended March 31		Three Months Ended March 31	
	2019	2018	2019	2018
Closing number of total employees	5,573	4,700	5,573	4,700
Average operational employees	4,821	3,829	5,012	4,246
Top 10 customers %	36 %	43 %	40 %	40 %
Number of clients with > £1m of revenue (rolling 12 months)	67	42	67	42
Geographic split of revenue %				
North America	27%	19%	27%	25%
Europe	28%	35%	27%	31%
UK	45%	46%	46%	44%
Industry vertical split of revenue %				
Payments and Financial Services	53%	58%	53%	54%
TMT	27%	28%	28%	29%
Other	20%	14%	19%	17%