

Investor Presentation

Q2FY23

Oct 20, 2022

The Coforge logo features the word "Coforge" in a bold, sans-serif font. The letter "C" is orange, and the remaining letters "oforge" are white. A thin orange curved line starts from the bottom left and arcs upwards towards the top right, passing behind the logo.

Coforge

Safe Harbor and Disclaimer

Forward Looking Statements Safe Harbor

This presentation contains forward-looking statements. In some cases, you can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “predicts,” “intends,” “trends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Among other things, the outlook for the full fiscal year 2022, the business outlook and quotations from management in this announcement, as well as Coforge’s strategic and operational plans, contain forward-looking statements. Coforge may also make written or oral forward-looking statements in its periodic reports to regulators, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Coforge’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the performance of the Coforge’s clients; the successful implementation of its business strategy; its ability to compete effectively; its ability to maintain its pricing, control costs or continue to grow its business; the effects of the novel coronavirus (COVID-19) on its business; the continued service of certain of its key employees and management; its ability to attract and retain enough highly trained employees; and its involvement in any disputes, legal, regulatory, and other proceedings arising out of its business operations. All information provided in this presentation is as of the date of this presentation, and Coforge undertakes no obligation to update any forward-looking statement, except as required under applicable law.

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Conventions Used Herein

Except as otherwise noted in this presentation, the following conventions have been used. All references to “Y-o-Y” are comparisons between the second quarter of fiscal year ended March 31, 2023 (“Q2 FY2023”) and the second quarter of fiscal year ended March 31, 2022 (“Q2 FY2022”). All references to “Q-on-Q” are comparison between the first quarter of the fiscal year ended March 31, 2023 (“Q1 FY2023”) and Q2 FY2023.

Coforge Posts Strong Q2FY2023 Results



Financial Highlights

- On consolidated basis, Q2FY23 revenues were up 6.2% QoQ on constant currency basis
 - Up 24.8% in INR terms and 16.0% in USD terms Y-o-Y
 - Up 7.1% in INR terms and 3.4% in USD terms Q-o-Q
- Adj. EBITDA Margin of 18.4% (up from 16.5% in Q1FY23)
- Adj. EBITDA grew 23.0% Y-o-Y in INR terms and 14.3% Y-o-Y in USD terms
- Consolidated PAT (after minority interest) for the quarter increased 37.1% Y-o-Y to INR 2,011 Mn

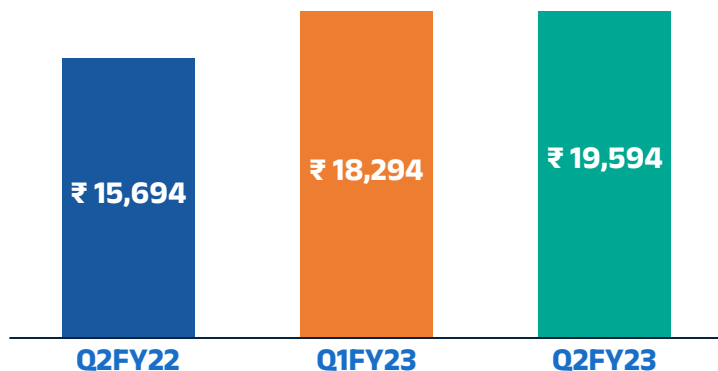


Business Highlights

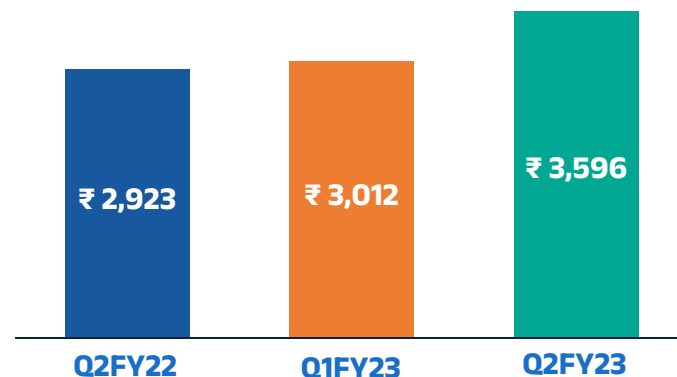
- Robust order intake of \$304 Mn during the quarter
 - Two large deals signed during the quarter (both \$30+ Mn)
 - Third consecutive quarter of \$300+ Mn order intake
- Order book executable over next 12 months stood at \$802 Mn at the end of the quarter, a 16.6% Y-o-Y growth
- 11 new logos opened during the quarter
- Attrition declined by 160 bps Q-o-Q and stood at 16.4%. Continues to be amongst the lowest in the industry
- Global headcount increased to 22,991 as of Sept 30, 2022

Q2FY23 Revenue Up 7.1% QoQ and Adj. EBITDA Margin Up ~190 bps QoQ

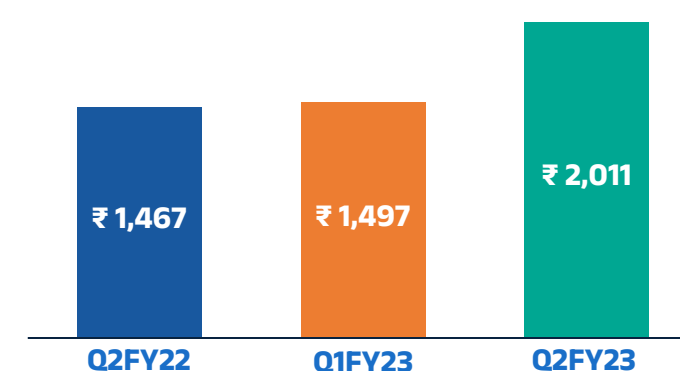
Revenue (INR Mn) 7.1% QoQ ↑ 24.8% YoY ↑



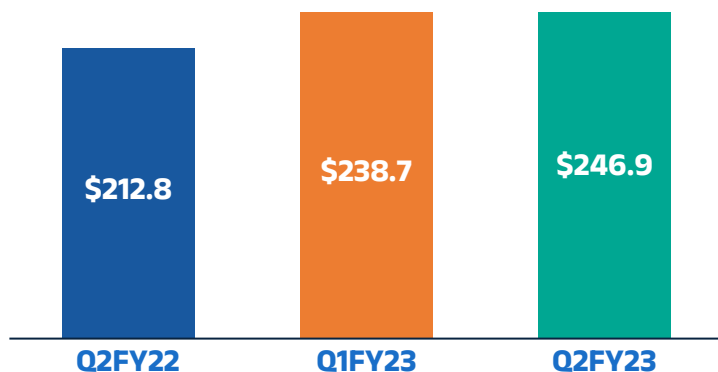
Adj. EBITDA (INR Mn) 23.0% YoY ↑



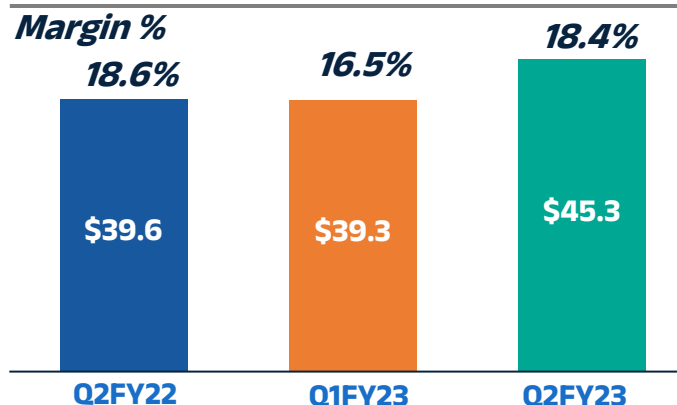
PAT (INR Mn) 37.1% YoY ↑



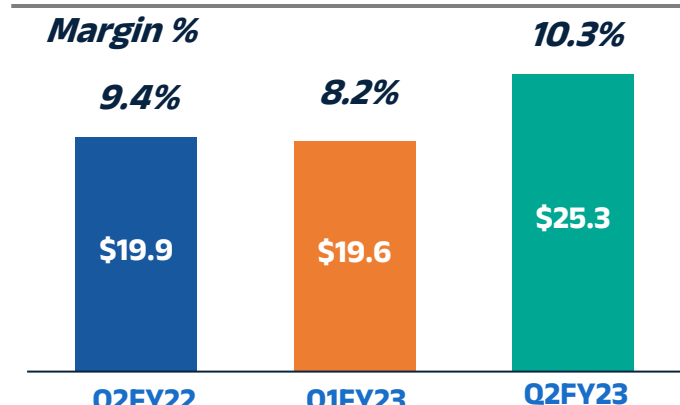
Revenue (\$Mn) 3.4% QoQ ↑ 16.0% YoY ↑



Adj. EBITDA (\$Mn) 14.3% YoY ↑



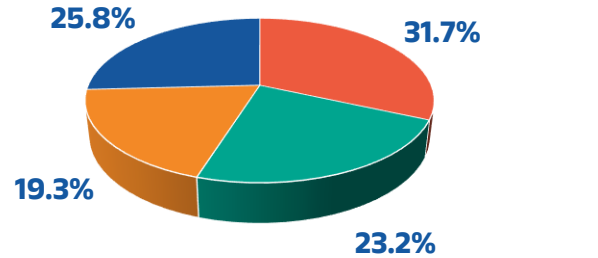
PAT (\$Mn) 27.1% YoY ↑



Well Diversified Business Portfolio with Increasing Offshoring Revenues Driving Profitability Expansion

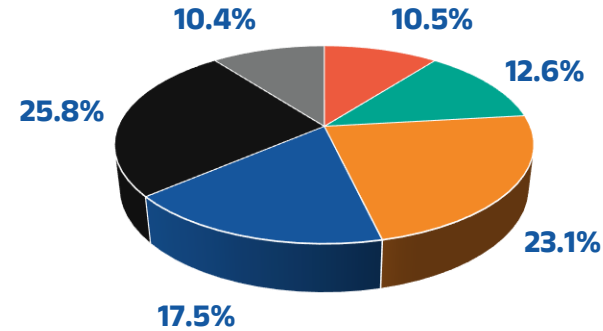
Q2FY23 Revenues Mix

By Vertical



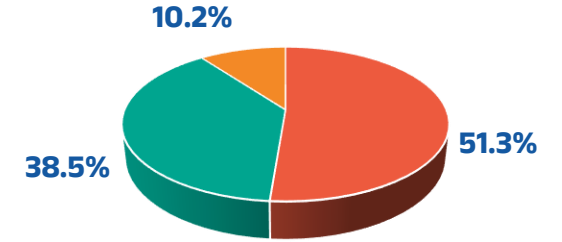
- Banking & Financial Services (BFS)
- Insurance
- Travel, Transportation & Hospitality (TTH)
- Others

By Service Offering



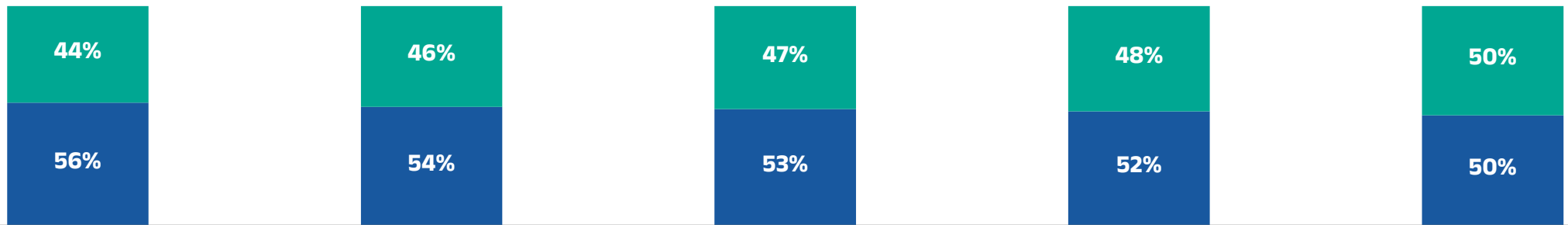
- Product Engineering
- Data and Integration
- ADM
- Intelligent Automation
- CIMS
- BPM

By Geography



- Americas
- EMEA
- Rest of World

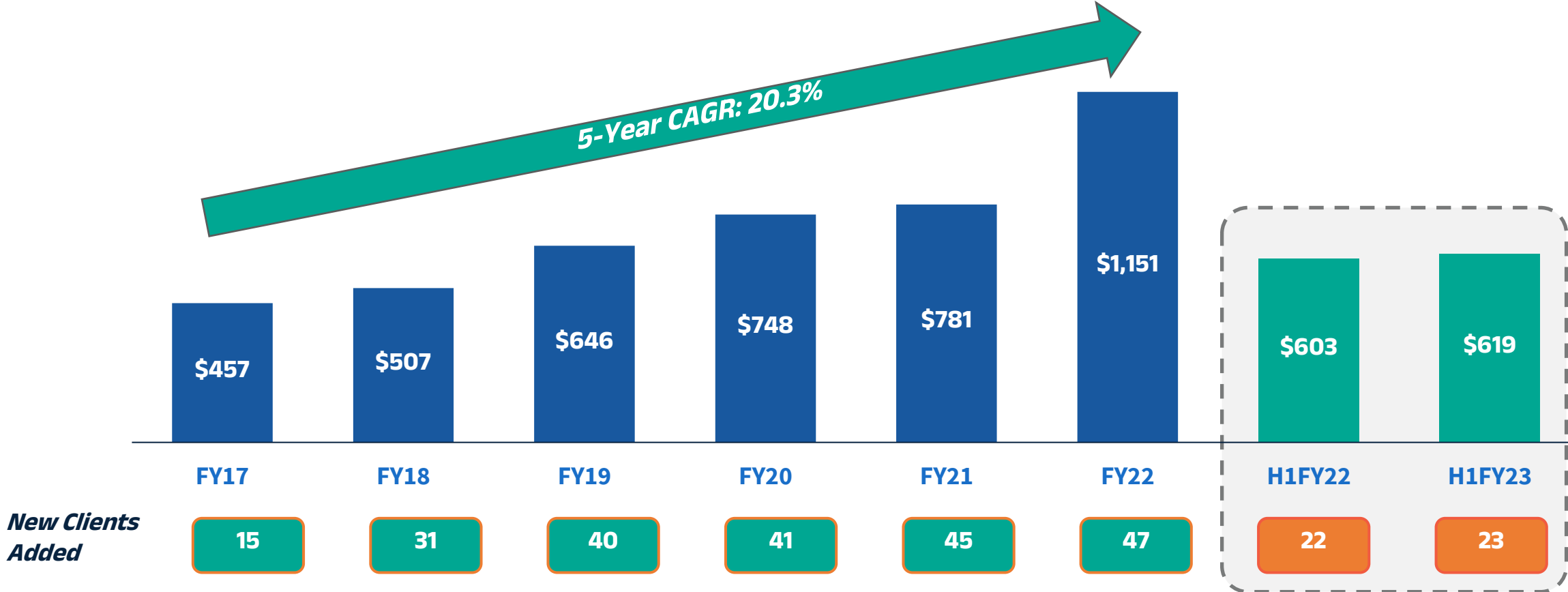
Location Mix (IT Revenues Only)



- Onsite
- Offshore

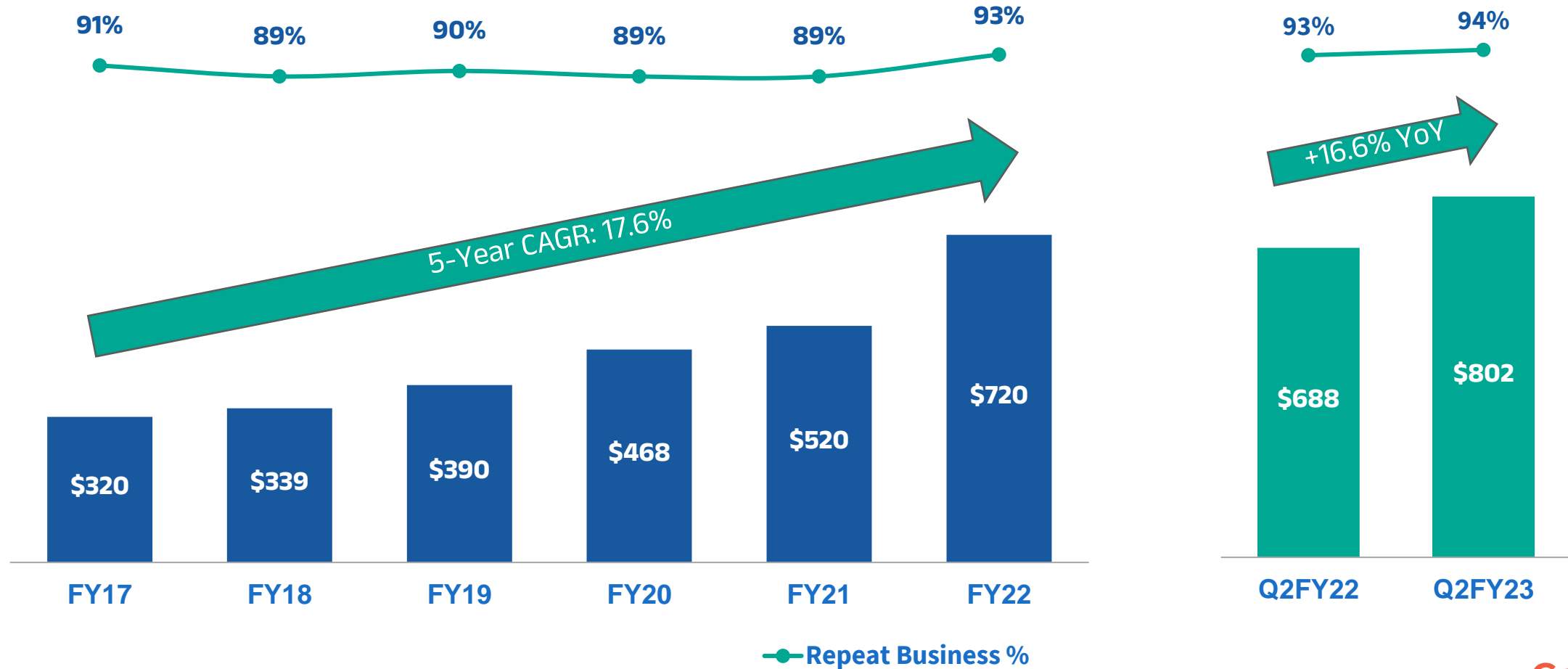
Very Significant Business Momentum Driving Robust Growth

FRESH ORDER INTAKE TCV (\$ MN)



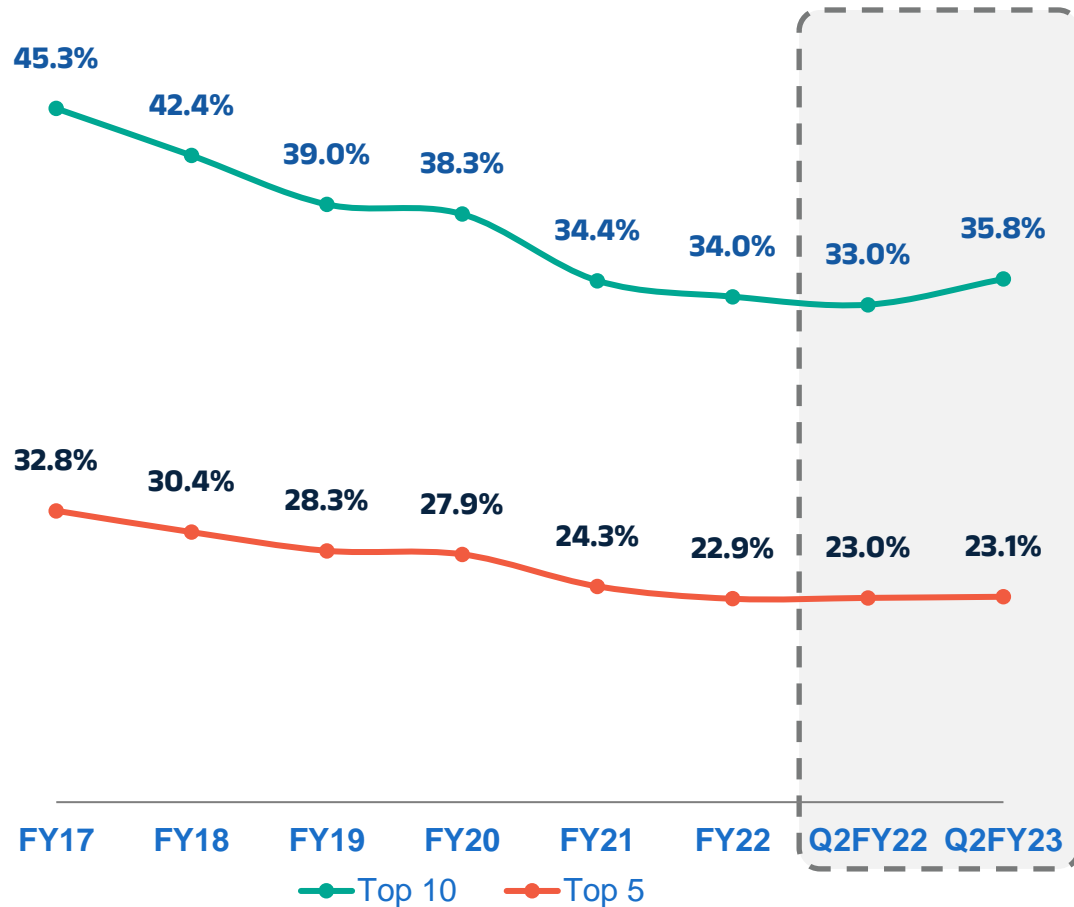
High Degree of Visibility Through Contracted Revenues and Repeat Business

ORDER BOOK EXECUTABLE OVER NEXT 12 MONTHS (\$MN)

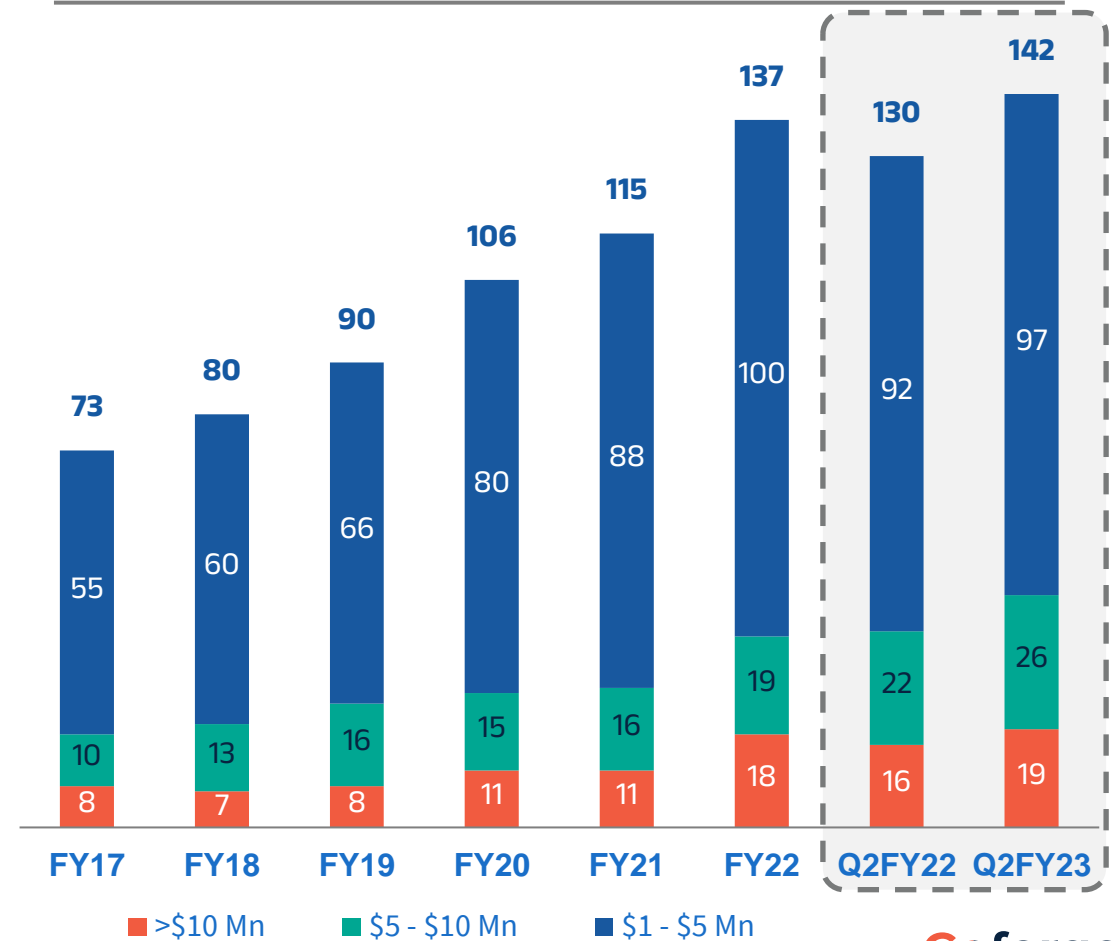


De-Risked Operating Profile with Declining Client Concentration While Increasing Large Account Relationships

Top Clients Revenue Contribution

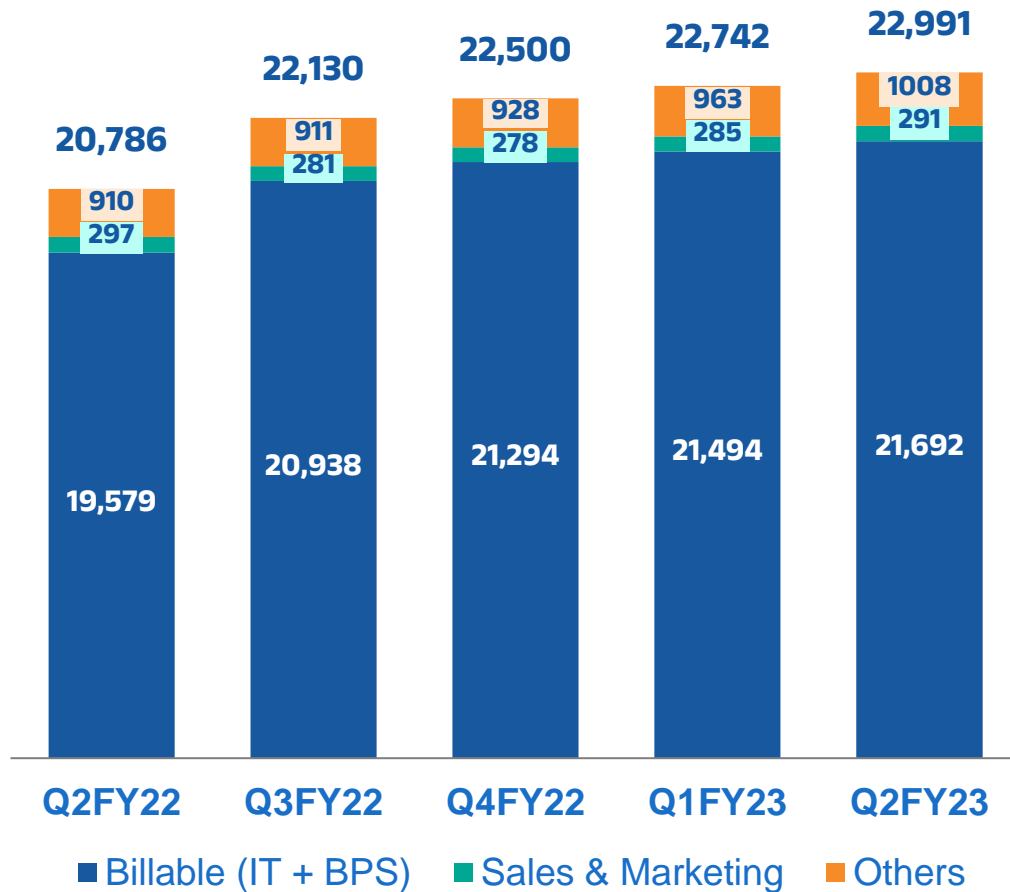


Clients by Size

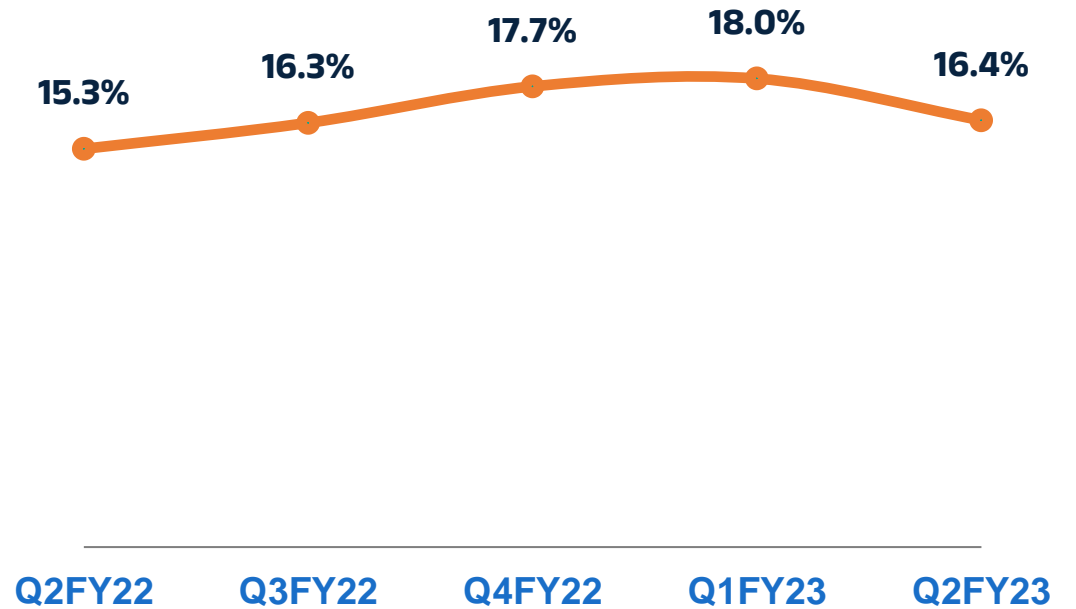


Hiring with Pace While Managing Low Attrition Levels

Total Global Headcount



LTM Attrition % (Excl. BPS)



Select Other Achievements During the Quarter



Won India's Best Workplaces™ for Women 2022 - Large (Top 100) for celebrating women all year round and contributing to the vision of making India a Great Place to Work for all



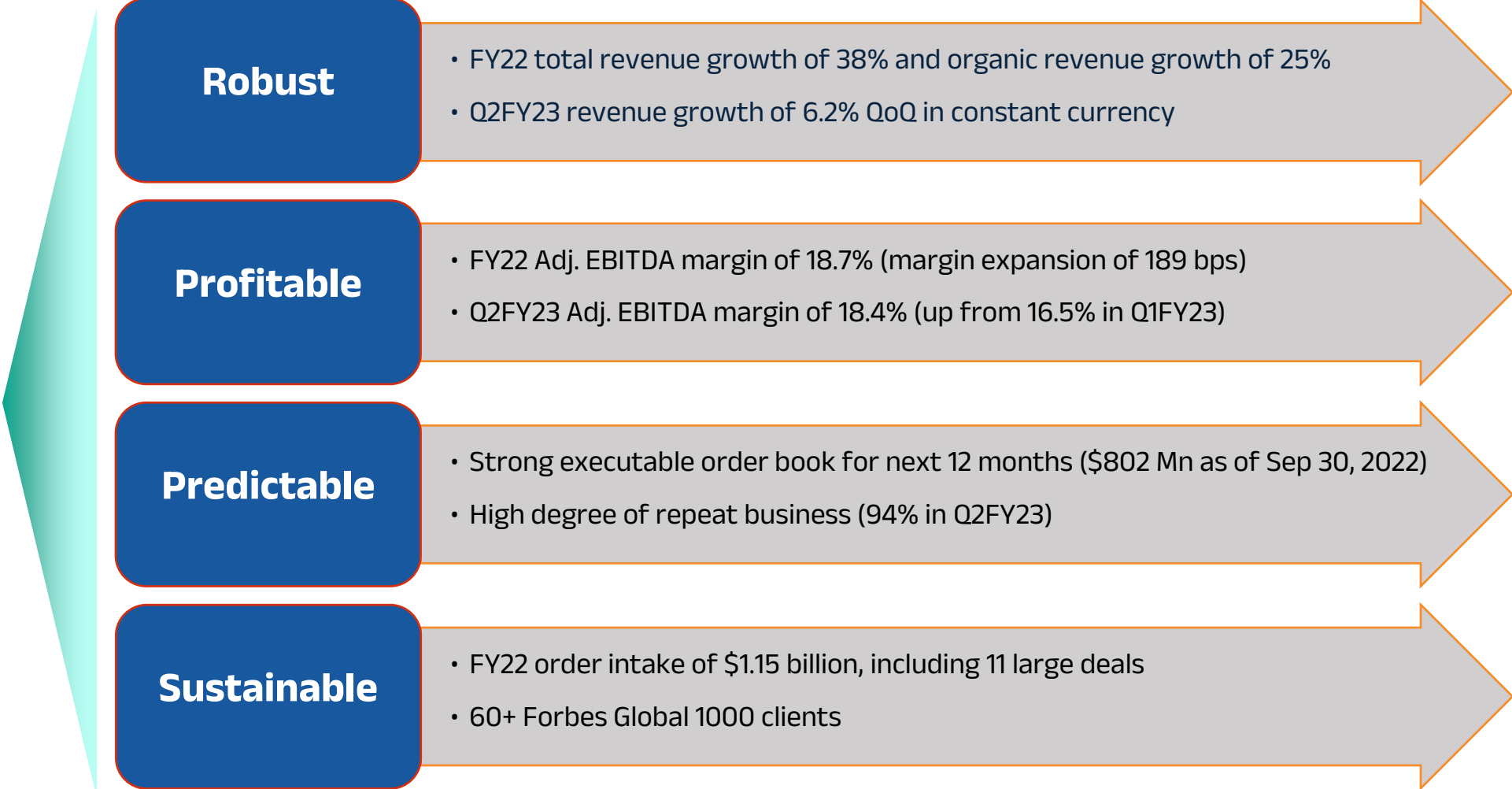
Coforge was felicitated with ET Best Tech Brands 2022



Coforge was felicitated with The Economic Times Employee Excellence 2022

- Coforge opened a new Center of Excellence dedicated to Metaverse and Web 3.0 in Greater Noida, India*
- Coforge opened a new office in Hyderabad; to host the Center of Excellence for Low Code / No Code application development*
- Coforge's Copasys automated compliance audit and quality assurance platform received US patent*
- Coforge received an award for the 'Best Use of AI in BFSI' sector at the FE Futech Awards 2022*

Key Tenets of Coforge Growth Strategy



Appendix

Consolidated Income Statement – Q2FY23 (INR Mn)

| Particulars | Q2FY23 | Q1FY23 | QoQ% | Q2FY22 | YoY% |
|---|--------------|--------------|----------------|--------------|----------------|
| Gross Revenues | 19,594 | 18,294 | 7.1% | 15,694 | 24.8% |
| Gross Profit | 6,277 | 5,555 | 13.0% | 5,038 | 24.6% |
| GM% | 32.0% | 30.4% | 167 Bps | 32.1% | -6 Bps |
| Selling / General And Administration | 2,682 | 2,543 | 5.4% | 2,115 | 26.8% |
| SG&A to Revenue % | 13.7% | 13.9% | -21 Bps | 13.5% | 21 Bps |
| Adj. EBITDA | 3,596 | 3,012 | 19.4% | 2,923 | 23.0% |
| Adj. EBITDA% | 18.4% | 16.5% | 189 Bps | 18.6% | -27 Bps |
| Cost of ESOPS | 147 | 90 | 63.0% | 135 | 9.1% |
| EBITDA | 3,444 | 2,918 | 18.0% | 2,737 | 25.8% |
| EBITDA% | 17.6% | 15.9% | 163 Bps | 17.4% | 14 Bps |
| Depreciation and Amortization | 614 | 630 | -2.5% | 598 | 2.6% |
| Other Income (net) | -150 | -76 | 97.4% | -77 | 93.8% |
| Profit Before Tax | 2,680 | 2,212 | 21.2% | 2,061 | 30.0% |
| PBT % | 13.7% | 12.1% | 159 Bps | 13.1% | 55 Bps |
| Provision for Tax | 474 | 493 | -3.9% | 446 | 6.3% |
| Minority Interest | 195 | 222 | -12.2% | 148 | 31.8% |
| Profit After Tax (after Minority Int.) | 2,011 | 1,497 | 34.4% | 1,467 | 37.1% |
| PAT% | 10.3% | 8.2% | 208 Bps | 9.4% | 87 Bps |
| Basic EPS (INR) | 33.0 | 24.6 | 34.3% | 24.2 | 36.3% |

Consolidated Income Statement – Q2FY23 (USD Mn)

| Particulars | Q2FY23 | Q1FY23 | QoQ% | Q2FY22 | YoY% |
|---|--------------|--------------|----------------|--------------|----------------|
| Gross Revenues | 246.9 | 238.7 | 3.4% | 212.8 | 16.0% |
| Gross Profit | 79.1 | 72.5 | 9.1% | 68.3 | 15.8% |
| GM% | 32.0% | 30.4% | 167 Bps | 32.1% | -6 Bps |
| Selling / General And Administration | 33.8 | 33.2 | 1.8% | 28.7 | 17.8% |
| SG&A to Revenue % | 13.7% | 13.9% | -21 Bps | 13.5% | 21 Bps |
| Adj. EBITDA | 45.3 | 39.3 | 15.2% | 39.6 | 14.3% |
| Adj. EBITDA% | 18.4% | 16.5% | 189 Bps | 18.6% | -27 Bps |
| Cost of ESOPS | 1.9 | 1.2 | 51.3% | 1.8 | 5.4% |
| EBITDA | 43.4 | 38.1 | 14.0% | 37.1 | 16.9% |
| EBITDA% | 17.6% | 16.0% | 163 Bps | 17.4% | 14 Bps |
| Depreciation and Amortization | 7.7 | 8.2 | -5.7% | 8.1 | -4.4% |
| Other Income (net) | -1.9 | -1.0 | 90.9% | -1.0 | 81.3% |
| Profit Before Tax | 33.8 | 28.9 | 16.9% | 28.0 | 20.7% |
| PBT % | 13.7% | 12.1% | 158 Bps | 13.1% | 53 Bps |
| Provision for Tax | 6.0 | 6.4 | -7.0% | 6.0 | -1.0% |
| Minority Interest | 2.5 | 2.9 | -15.0% | 2.0 | 22.8% |
| Profit After Tax (after Minority Int.) | 25.3 | 19.6 | 29.5% | 19.9 | 27.1% |
| PAT% | 10.3% | 8.2% | 207 Bps | 9.4% | 89 Bps |
| Basic EPS (INR) | 33.0 | 24.6 | 34.3% | 24.2 | 36.3% |

Other Key Metrics

| DSO | Q2FY23 | Q1FY23 | Q2FY22 |
|-----|--------|--------|--------|
| | 70 | 72 | 66 |

| Rupee Dollar Rate | | Q2FY23 | Q1FY23 | Q2FY22 |
|---------------------|---------------------|--------|--------|--------|
| | Period Closing Rate | | 81.38 | 79.03 |
| Period Average Rate | | 79.28 | 76.48 | 73.89 |

| Hedge Position | | Q2FY23 | Q1FY23 | Q2FY22 |
|----------------|-----|--------|--------|--------|
| | USD | | 155.01 | 151.98 |
| GBP | | 40.19 | 39.79 | 21.09 |
| EUR | | 4.18 | 3.93 | 4.50 |

| Average Rates Outstanding Hedges | | Q2FY23 | Q1FY23 | Q2FY22 |
|----------------------------------|-----|--------|--------|--------|
| | USD | | 79.78 | 78.57 |
| GBP | | 99.91 | 102.17 | 105.37 |
| EUR | | 87.06 | 90.73 | 92.32 |

Thank You

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The Coforge logo is positioned in the bottom right corner of the slide. It features the word "Coforge" in a white, sans-serif font. The letter "C" is a vibrant orange color, while the remaining letters "oforge" are white. A thin, curved orange line starts from the bottom left and sweeps upwards towards the top right, passing behind the logo.

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