

**Coforge**

# Investor Presentation

## Q2FY24

October 19, 2023

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## Forward Looking Statements Safe Harbor

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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, 2024 (“Q2 FY2024”) and the second quarter of fiscal year ended March 31, 2023 (“Q2 FY2023”). All references to “Q-on-Q” are comparison between the second quarter of the fiscal year ended March 31, 2024 (“Q2 FY2024”) and the first quarter of fiscal year ended March 31, 2024 (“Q1 FY2024”).

# Signs three large deal in Q2FY24



## Financial Highlights

- On consolidated basis, Q2FY24 revenue was up 2.3% QoQ and 14.1% YoY on a constant currency basis.
- Revenue for the quarter was INR 22,762 Mn & \$278.1 Mn
- Up 2.5% in INR terms and 2.3% in USD terms QoQ
- Up 16.2% in INR terms and 12.6% in USD terms YoY
- Adj. EBITDA Margin of 17.6%; improves 160 bps QoQ
- Consolidated PAT for the quarter at INR 1,810 Mn, up 9.5% QoQ
  - Q2 Earnings Per Share (EPS) at Rs 29.6/-

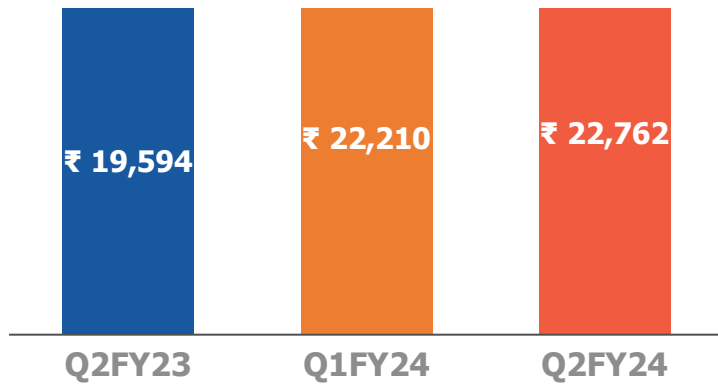


## Business Highlights

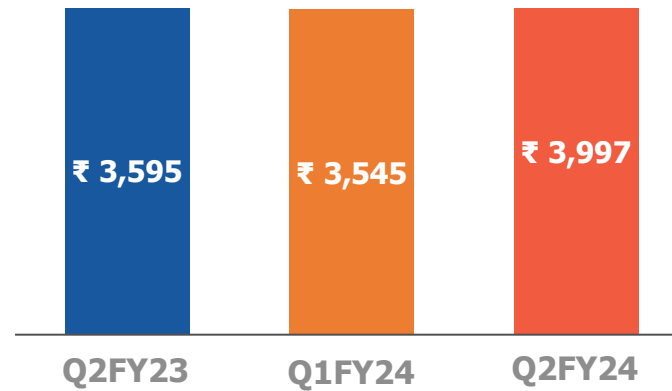
- Robust total order intake of \$313 Mn during the quarter
  - Signed three large deals.
  - Seventh consecutive quarter of \$300+ Mn order intake
- Order book executable over next 12 months stood at \$935 Mn at the end of the quarter, a 16.6% YoY growth
- 8 new logos opened during the quarter
- Attrition (LTM) stood at 13.0%. Continues to be amongst the lowest in the IT services industry
- Global headcount at 24,638 as of September 30, 2023.
  - Net addition of 414 people and up 1.7% sequentially

# Revenue up 16.2% Y-o-Y; Adj. EBITDA up 11.2% Y-o-Y in INR terms

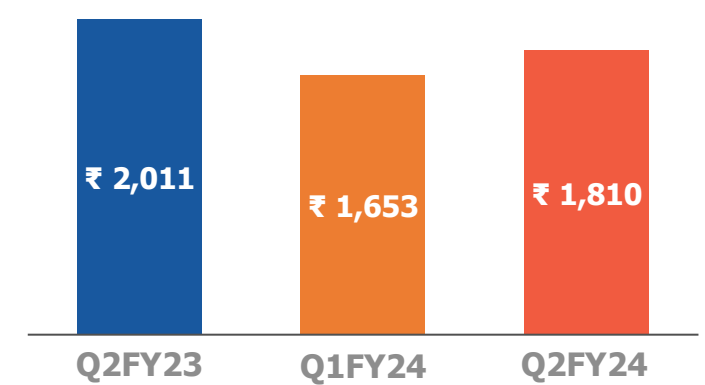
Revenue (INR Mn) 2.5% QoQ ↑ 16.2% YoY ↑



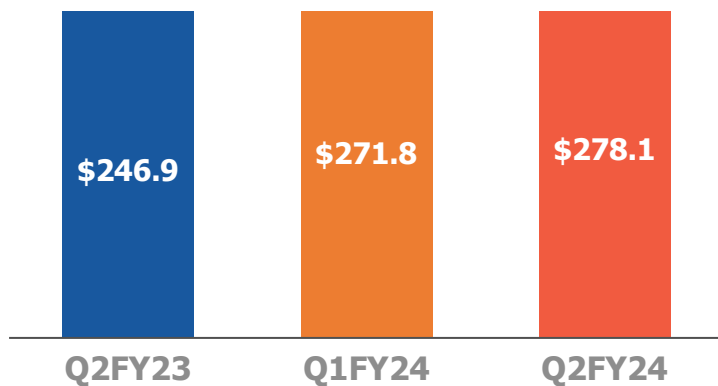
Adj. EBITDA (INR Mn) 11.2% YoY ↑



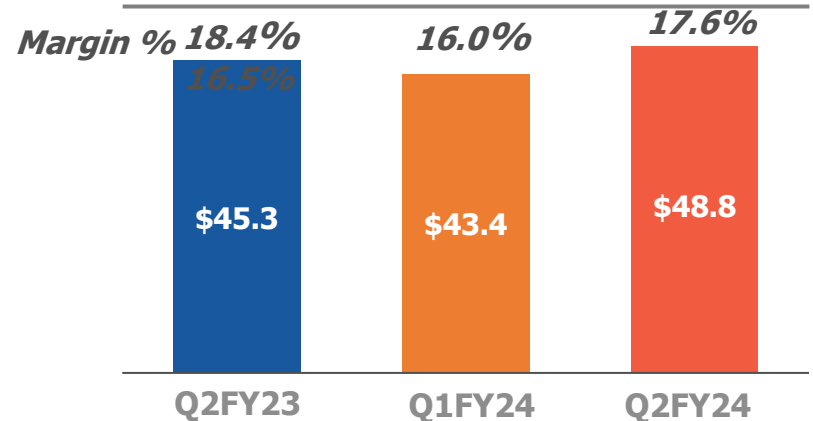
PAT\* (INR Mn) 9.5% QoQ ↑



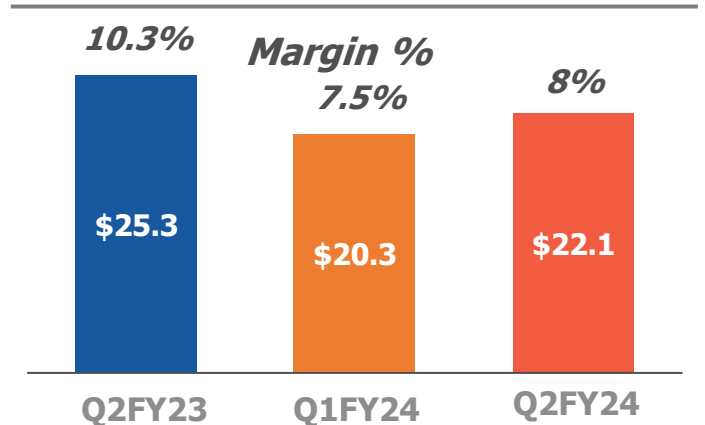
Revenue (\$Mn) 2.3% QoQ ↑ 12.6% YoY ↑



Adj. EBITDA (\$Mn) 7.8 YoY ↑



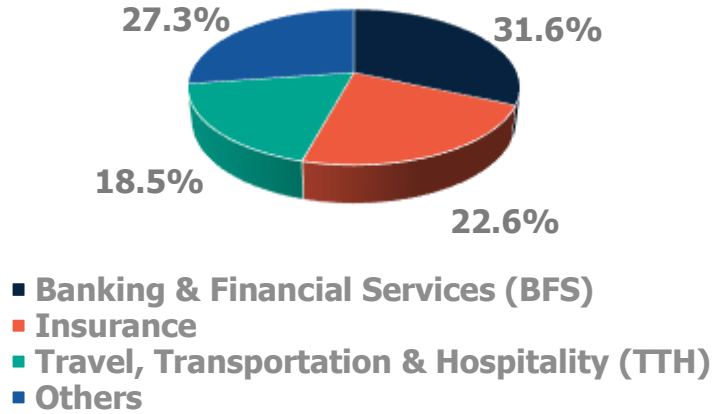
PAT\* (\$Mn) 9.0 QoQ ↑



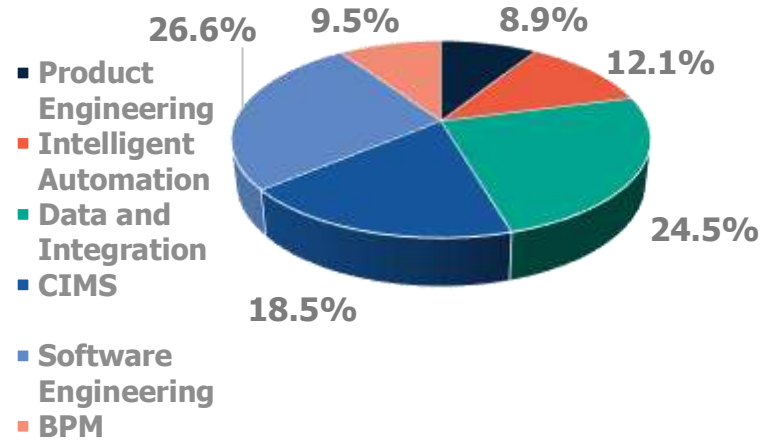
# Well Diversified Business Portfolio with Increasing Offshoring Revenues

Q2 FY24 Revenues Mix

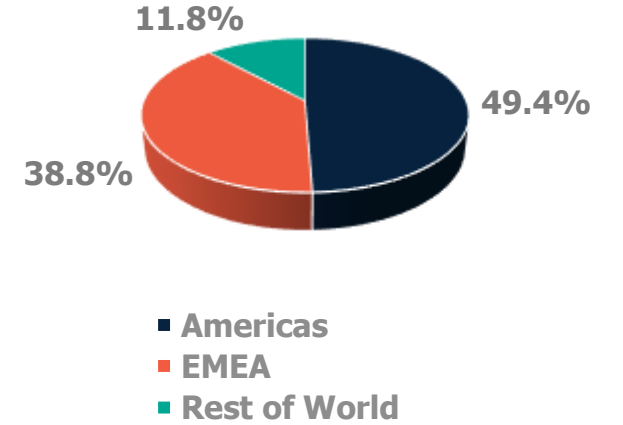
### By Vertical



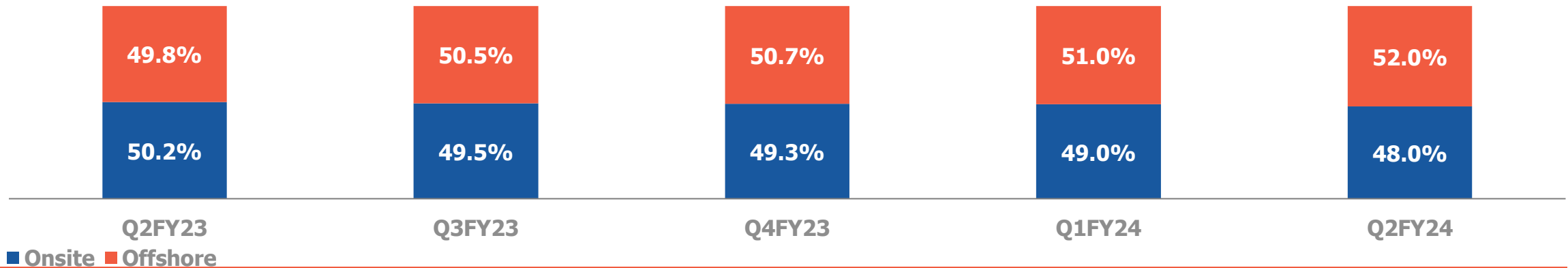
### By Service Offering



### By Geography

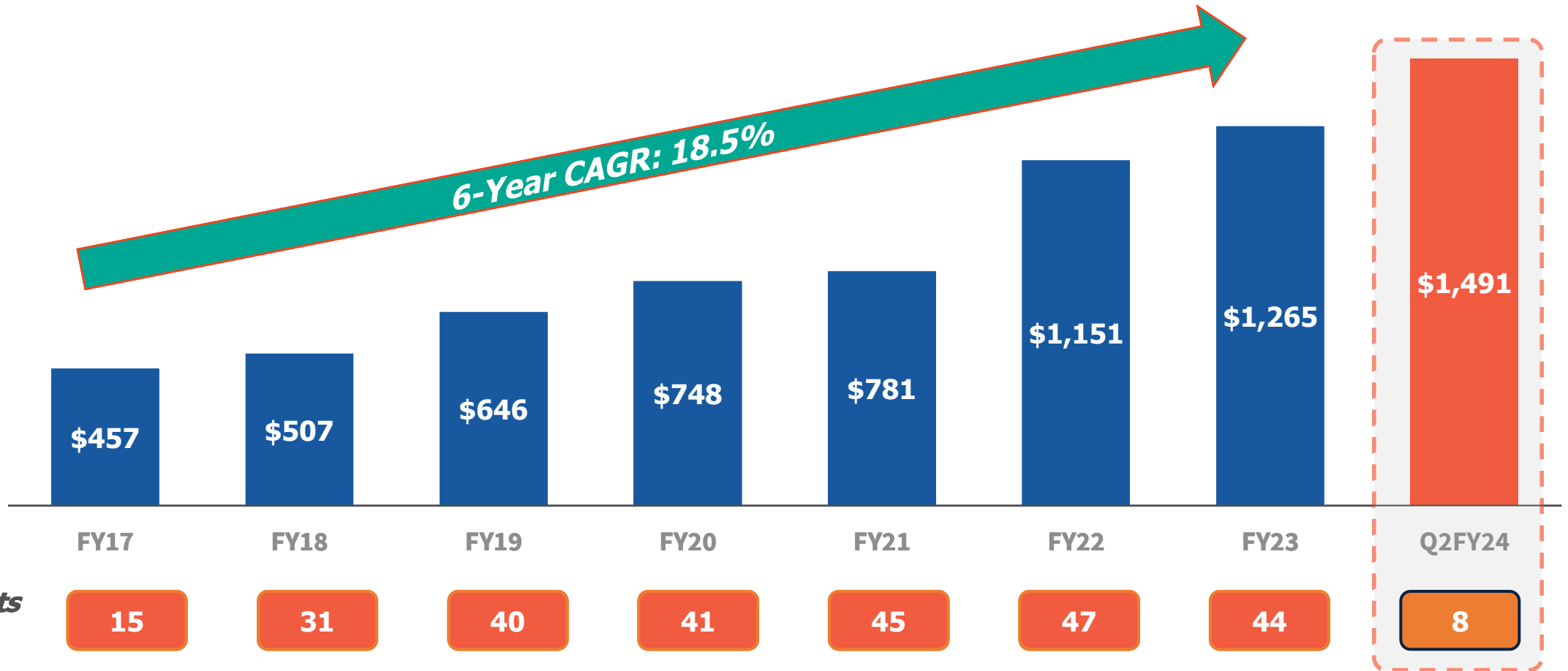


### Location Mix (IT Revenues Only)



# Very Significant Business Momentum Driving Robust Growth

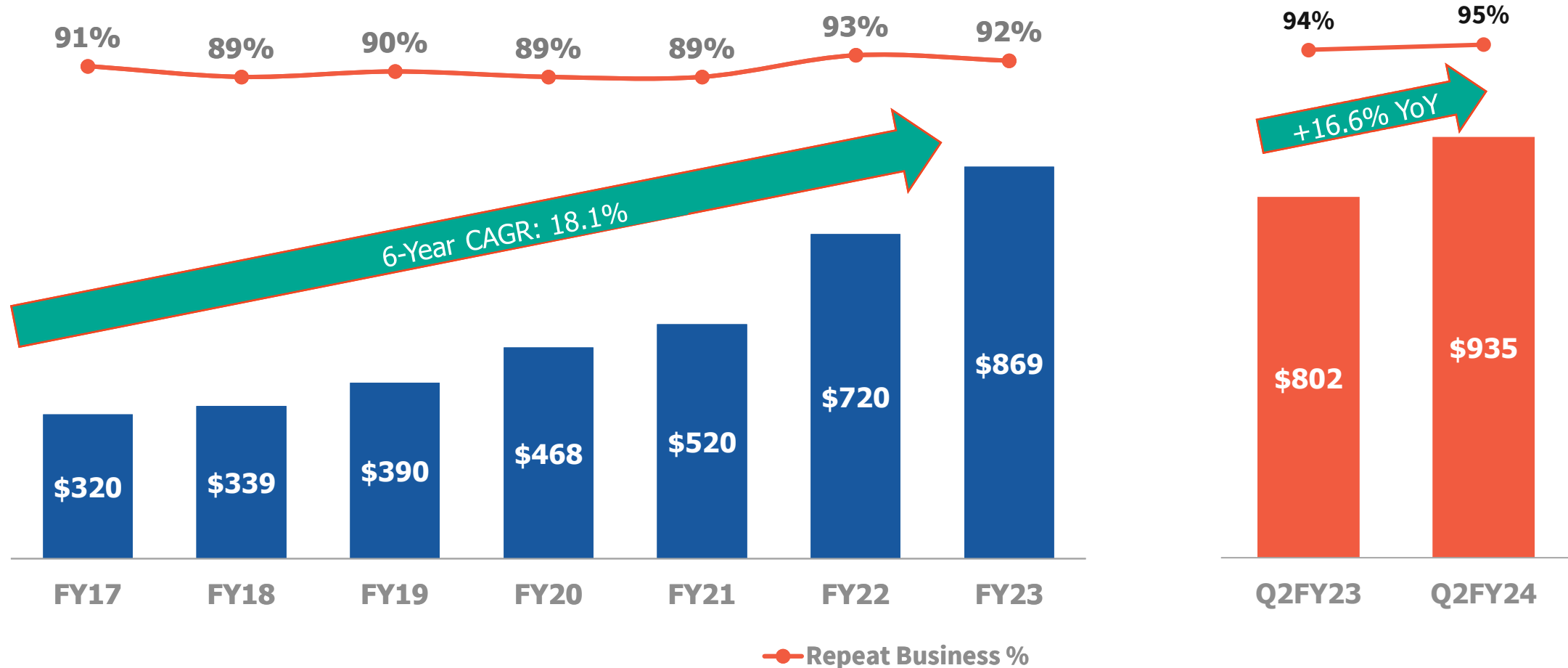
## FRESH ORDER INTAKE TCV (\$ MN)



*New Clients Added*

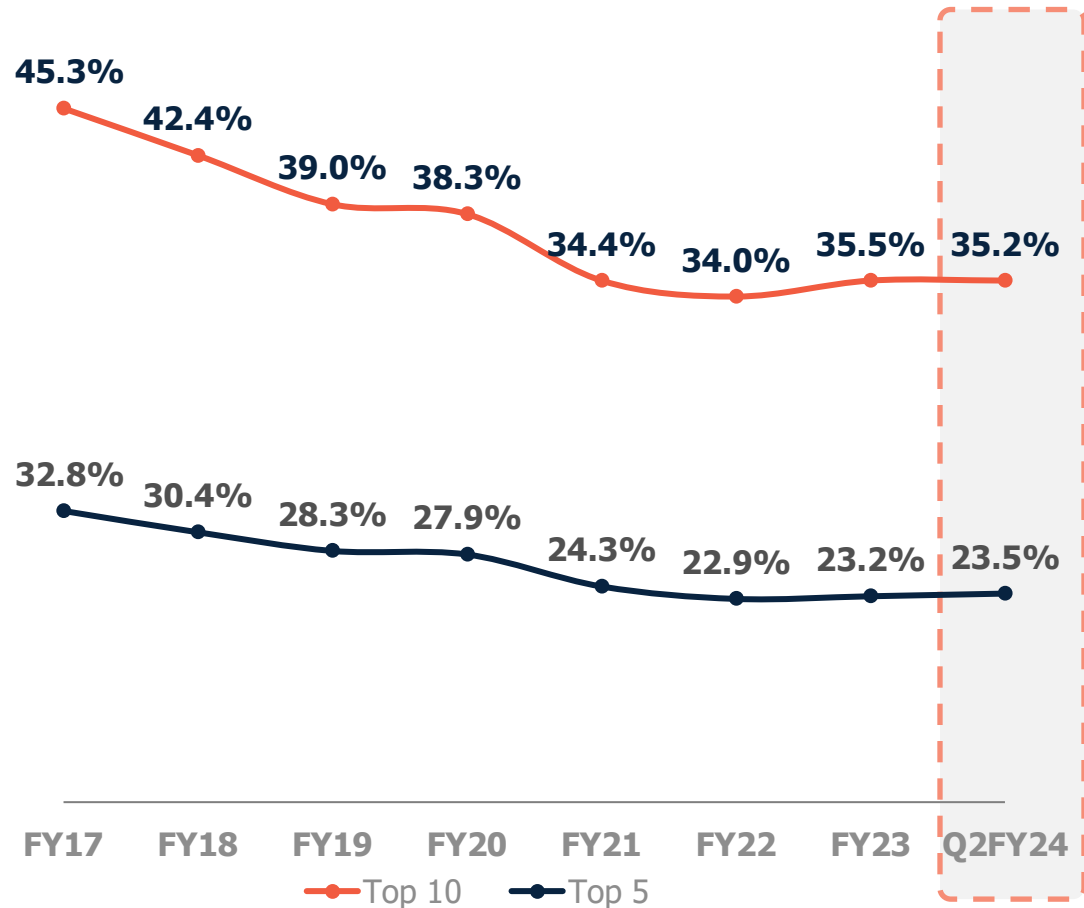
# High Degree of Visibility Through Contracted Revenues and Repeat Business

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

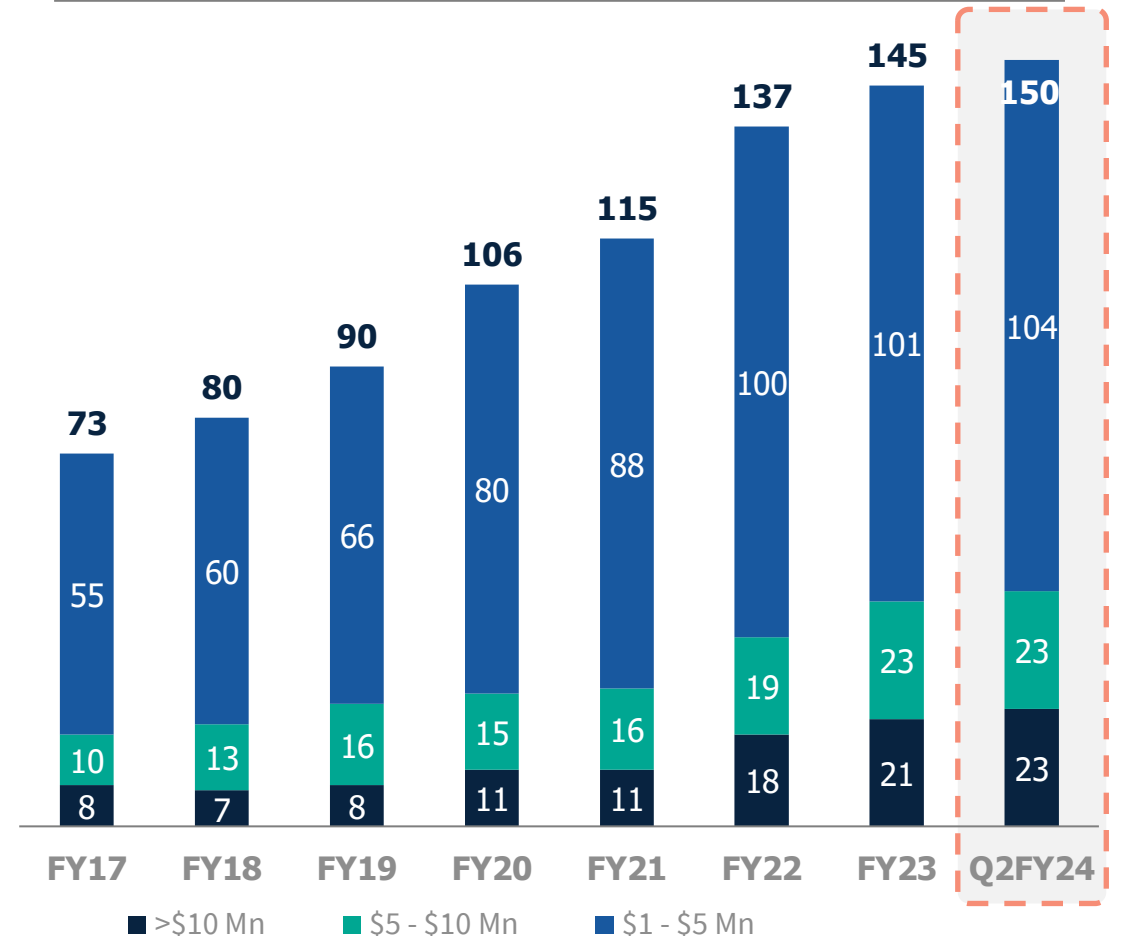


# De-Risked Operating Profile with Declining Client Concentration While Increasing Large Account Relationships

## Top Clients Revenue Contribution



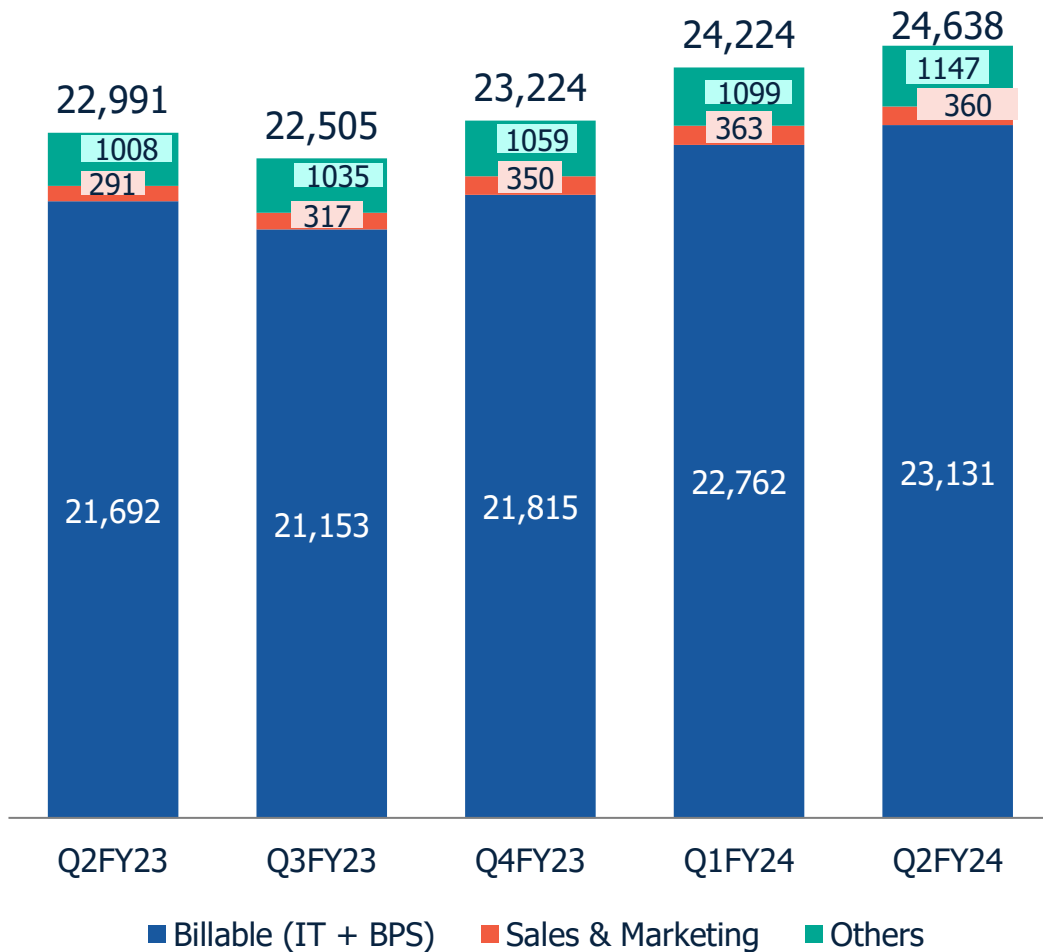
## Clients by Size



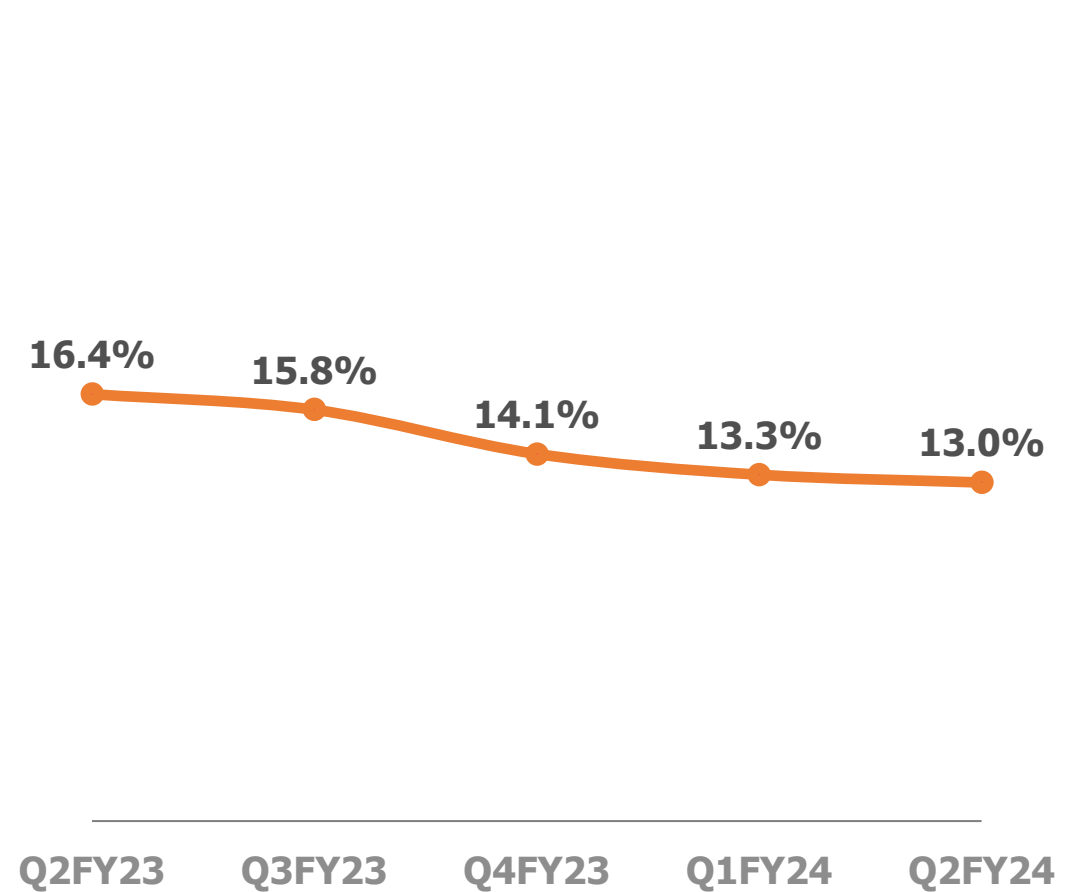


# Best-in-Industry Attrition Levels Testament to Coforge Culture

## Total Global Headcount



## LTM Attrition % (Excl. BPS)



# Key Tenets of Coforge Growth Strategy

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## Robust

- FY23 total revenue at \$ 1002 million, grew 22% YoY in CC terms
- Q2FY24 revenue growth of 2.3% QoQ and 14.1% YoY, in constant currency (CC)

## Profitable

- FY23 Adj. EBITDA margin of 18.3%
- Q2FY24 Adj. EBITDA margin of 17.6%

## Predictable

- Strong executable order book for next 12 months (\$935 Mn as of Sept 30, 2023)
- High degree of repeat business (95% in Q2FY24)

## Sustainable

- FY23 order intake of \$1.27 billion, including 11 large deals
- 61+ Forbes Global 1000 clients

# Appendix

# Consolidated Income Statement – Q2FY24 (USD Mn)

Particulars	Q2 FY24	Q1FY24	QoQ%	Q2FY23	YoY%
	Reported	Reported	Reported	Reported	Reported
Gross Revenues	278.1	271.8	2.3%	246.9	12.6%
Direct Costs	187.8	188.5	-0.3%	167.8	12.0%
Gross Profit	90.3	83.3	8.3%	79.1	14.1%
<b>GM%</b>	<b>32.5%</b>	<b>30.7%</b>	<b>180 Bps</b>	<b>32.0%</b>	<b>42 Bps</b>
Selling / General And Administration	41.4	39.9	3.8%	33.8	22.6%
SG&A to Revenue %	14.9%	14.7%	21 Bps	13.7%	121 Bps
<b>Adj EBITDA</b>	<b>48.8</b>	<b>43.4</b>	<b>12.6%</b>	<b>45.3</b>	<b>7.8%</b>
<b>Adj EBITDA%</b>	<b>17.6%</b>	<b>16.0%</b>	<b>160 Bps</b>	<b>18.4%</b>	<b>-79 Bps</b>
Acquisition related expenses	0.0	0.2	-69.3%	0.0	-0.8%
Cost of ESOPS	6.3	2.6	139.5%	1.9	241.2%
<b>EBITDA</b>	<b>42.4</b>	<b>40.6</b>	<b>4.6%</b>	<b>43.4</b>	<b>-2.2%</b>
<b>EBITDA%</b>	<b>15.3%</b>	<b>14.9%</b>	<b>33 Bps</b>	<b>17.6%</b>	<b>-232 Bps</b>
Depreciation and Amortization	9.4320	9.2237	2.3%	7.7	21.8%
Other Income (net)	-3.6	-1.9	94.6%	-1.9	90.5%
\$1 Bn Milestone celebration cost	0.0	2.0	-100.0%	0.0	NA
<b>Profit Before Tax</b>	<b>29.4</b>	<b>27.5</b>	<b>7.0%</b>	<b>33.8</b>	<b>-12.9%</b>
<b>PBT %</b>	<b>10.6%</b>	<b>10.1%</b>	<b>46 Bps</b>	<b>13.7%</b>	<b>-310 Bps</b>
Provision for Tax	6.5	5.9	8.7%	6.0	7.9%
Minority Interest	0.8	1.3	-33.8%	2.5	-65.7%
<b>Profit After Tax (after Minority Int.)</b>	<b>22.1</b>	<b>20.3</b>	<b>9.0%</b>	<b>25.3</b>	<b>-12.7%</b>
<b>PAT%</b>	<b>8.0%</b>	<b>7.5%</b>	<b>49 Bps</b>	<b>10.3%</b>	<b>-231 Bps</b>
<b>Basic EPS (INR)</b>	<b>29.6</b>	<b>27.0</b>	<b>9.4%</b>	<b>33.0</b>	<b>-10.4%</b>

# Consolidated Income Statement – Q2FY24 (INR Mn)

Particulars	Q2 FY24	Q1FY24	QoQ%	Q2FY23	YoY%
	Reported	Reported	Reported	Reported	Reported
Gross Revenues	22,762	22,210	2.5%	19,594	16.2%
Direct Costs	15,374	15,401	-0.2%	13,316	15.5%
<b>Gross Profit</b>	<b>7,388</b>	<b>6,808</b>	<b>8.5%</b>	<b>6,277</b>	<b>17.7%</b>
<b>GM%</b>	<b>32.5%</b>	<b>30.7%</b>	<b>180 Bps</b>	<b>32.0%</b>	<b>42 Bps</b>
Selling / General And Administration	3,392	3,264	3.9%	2,682	26.5%
SG&A to Revenue %	14.9%	14.7%	21 Bps	13.7%	121 Bps
<b>Adj. EBITDA</b>	<b>3,997</b>	<b>3,545</b>	<b>12.7%</b>	<b>3,596</b>	<b>11.2%</b>
<b>Adj. EBITDA%</b>	<b>17.6%</b>	<b>16.0%</b>	<b>160 Bps</b>	<b>18.4%</b>	<b>-79 Bps</b>
Acquisition related expenses	4	13	-69.2%	4	2.4%
Cost of ESOPS	519	216	139.9%	147	252.2%
<b>EBITDA</b>	<b>3,474</b>	<b>3,316</b>	<b>4.8%</b>	<b>3,444</b>	<b>0.9%</b>
<b>EBITDA%</b>	<b>15.3%</b>	<b>14.9%</b>	<b>33 Bps</b>	<b>17.6%</b>	<b>-232 Bps</b>
Depreciation and Amortization	772	757	2.0%	614	25.7%
Other Income (net)	-295	-152	94.1%	-150	96.7%
\$1 Bn Milestone celebration cost	0	165	-100.0%	0	NA
<b>Profit Before Tax</b>	<b>2,407</b>	<b>2,242</b>	<b>7.4%</b>	<b>2,680</b>	<b>-10.2%</b>
<b>PBT %</b>	<b>10.6%</b>	<b>10.1%</b>	<b>48 Bps</b>	<b>13.7%</b>	<b>-311 Bps</b>
Provision for Tax	528	485	8.9%	474	11.4%
Minority Interest	69	104	-33.7%	195	-64.6%
<b>Profit After Tax (after Minority Int.)</b>	<b>1,810</b>	<b>1,653</b>	<b>9.5%</b>	<b>2,011</b>	<b>-10.0%</b>
<b>PAT%</b>	<b>8.0%</b>	<b>7.4%</b>	<b>51 Bps</b>	<b>10.3%</b>	<b>-232 Bps</b>
<b>EPS - INR</b>					
<b>Basic EPS (INR)</b>	<b>29.6</b>	<b>27.0</b>	<b>9.4%</b>	<b>33.0</b>	<b>-10.4%</b>

# Other Key Metrics

DSO	Q2FY24	Q1FY24	Q2FY23
	64	61	70

Rupee Dollar Rate		Q2FY24	Q1FY24	Q2FY23
	Period Closing Rate		83.08	82.10
Period Average Rate		82.67	82.15	79.28

Hedge Position (in Million)		Q2FY24	Q1FY24	Q2FY23
	USD		218.89	218.34
GBP		94.65	89.03	40.19
EUR		8.75	8.5	4.18

Average Rates Outstanding Hedges		Q2FY24	Q1FY24	Q2FY23
	USD		83.73	83.31
GBP		103.66	101.80	99.91
EUR		91.57	89.79	87.06

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