

**Coforge**

# **Investor Presentation**

## **Q2FY25**

**Oct 22, 2024**

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# Safe Harbor and Disclaimer

## 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, 2025 (“Q2 FY2025”) and the second quarter of fiscal year ended March 31, 2024 (“Q2 FY2024”). All references to “Q-on-Q” are comparison between the second quarter of the fiscal year ended March 31, 2025 (“Q2 FY2025”) and the first quarter of fiscal year ended March 31, 2025 (“Q1 FY2025”).

# Coforge Q2 revenue up 34.5% YoY



## Financial Highlights

- On consolidated basis, Q2FY25 revenues were up 26.3% QoQ and 33.0% YoY on a constant currency basis.
  - Revenue for the quarter at INR 30,623 Mn & \$369.4 Mn
  - Up 27.5% in INR terms and 26.8% in USD terms QoQ
  - Up 34.5% in INR terms and 32.8% in USD terms YoY
- Adj. EBITDA Margin of 16.5%; up 26.7% YoY
- Consolidated Reported PAT (Excl Minority) for the quarter at INR 2,336 Mn
- Consolidated Normalized PAT (Excl Minority) for the quarter at INR 2,552 Mn, up 35.6% YoY.

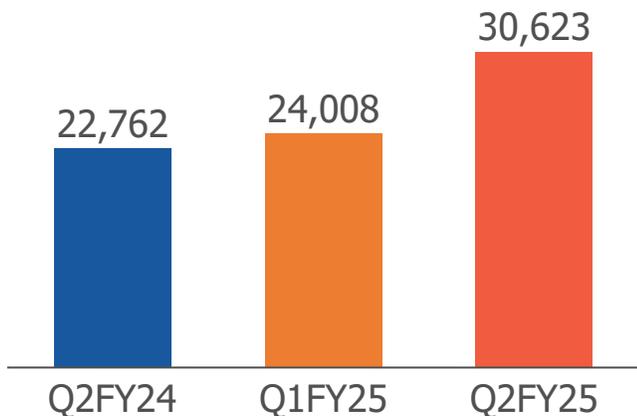


## Business Highlights

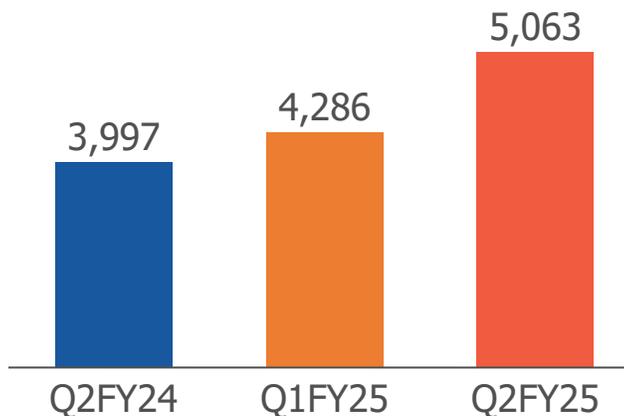
- Robust total order intake of \$516 Mn during the quarter
  - Three large deals signed during the quarter
- Order book executable over next 12 months stood at \$1,305Mn at the end of the quarter, a 40% YoY growth
- 13 new logos opened during the quarter
- IT Attrition (LTM) stood at 11.7%. Continues to be amongst the lowest in the IT services industry
- Global headcount at 32,483 as of September 30, 2024.
  - Includes 4,430 resources from Cigniti
  - Organic net addition of 1,441 resources, up 5.4% sequentially

# Revenue up 34.5% Y-o-Y; PAT\* up 35.6% Y-o-Y in INR terms

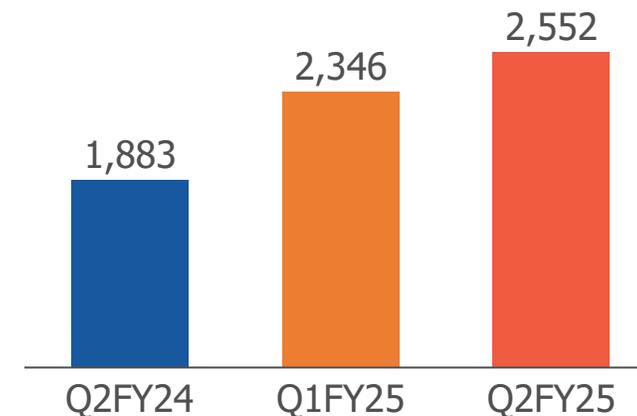
Revenue (INR Mn) 27.5% QoQ ↑ 34.5% YoY ↑



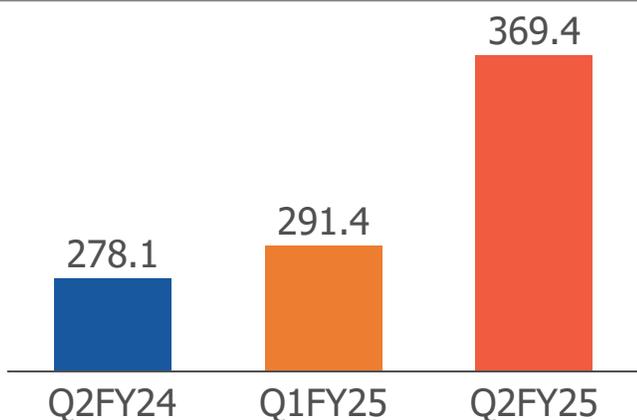
Adj. EBITDA (INR Mn) 26.7% YoY ↑



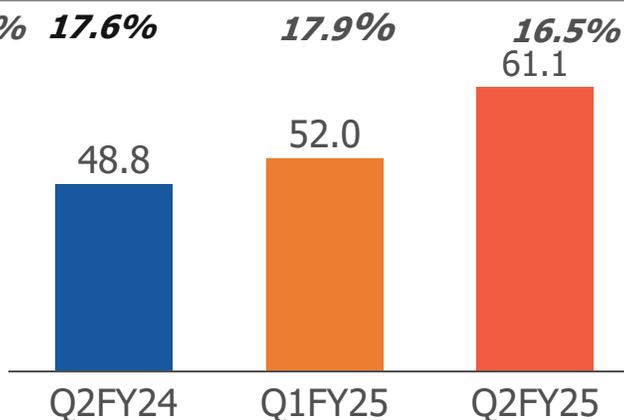
PAT\* (INR Mn) 8.8% QoQ ↑ 35.6% YoY ↑



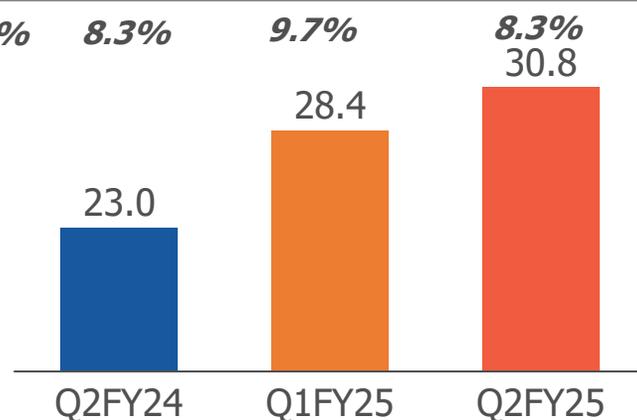
Revenue (\$Mn) 26.8% QoQ ↑ 32.8% YoY ↑



Adj. EBITDA (\$Mn) 25.1% YoY ↑



PAT\* (\$Mn) 8.4% QoQ ↑ 33.9% YoY ↑



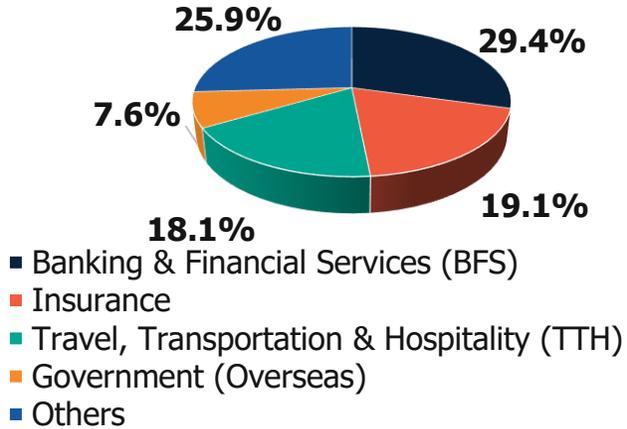
Margin % 17.6% 17.9% 16.5%

Margin % 8.3% 9.7% 8.3%

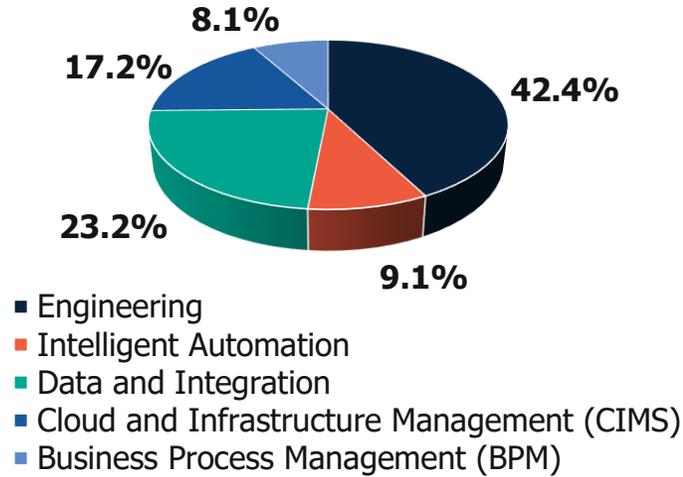
# Well Diversified Business Portfolio with Increasing Offshoring Revenues

Q2 FY25 Revenues Mix

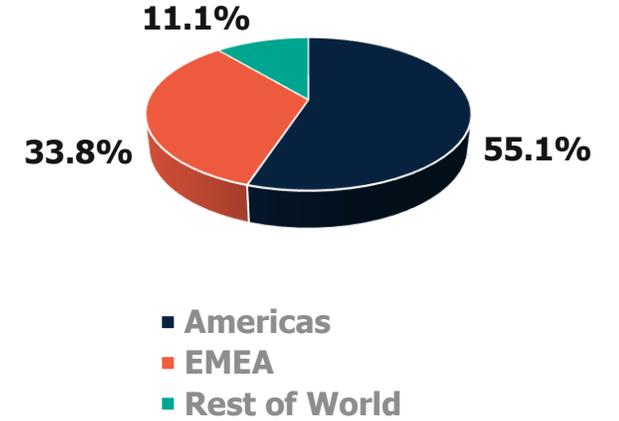
### By Vertical



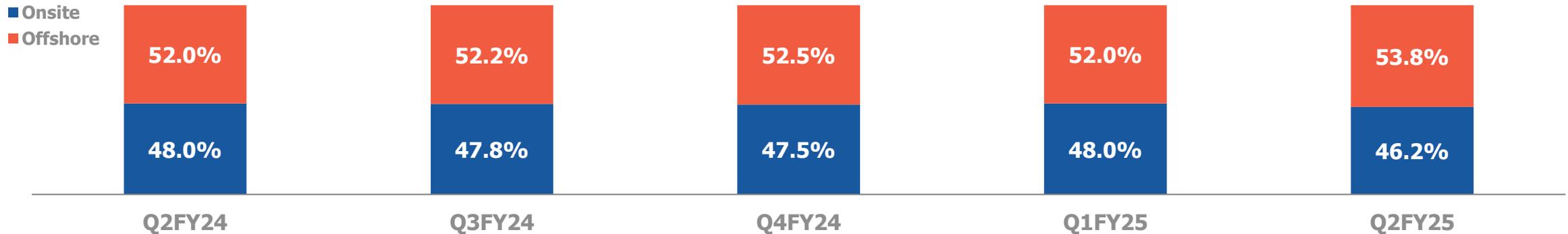
### By Service Offering



### By Geography

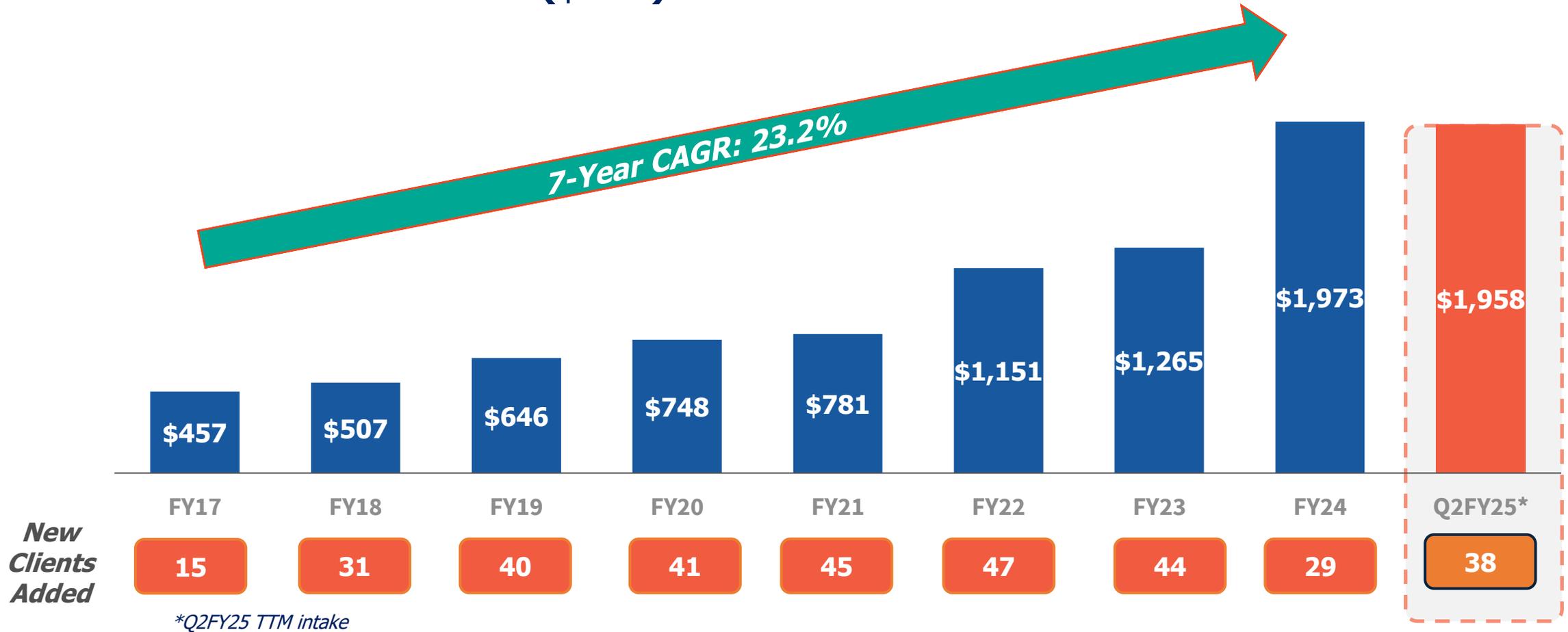


### Location Mix (IT Revenues Only)



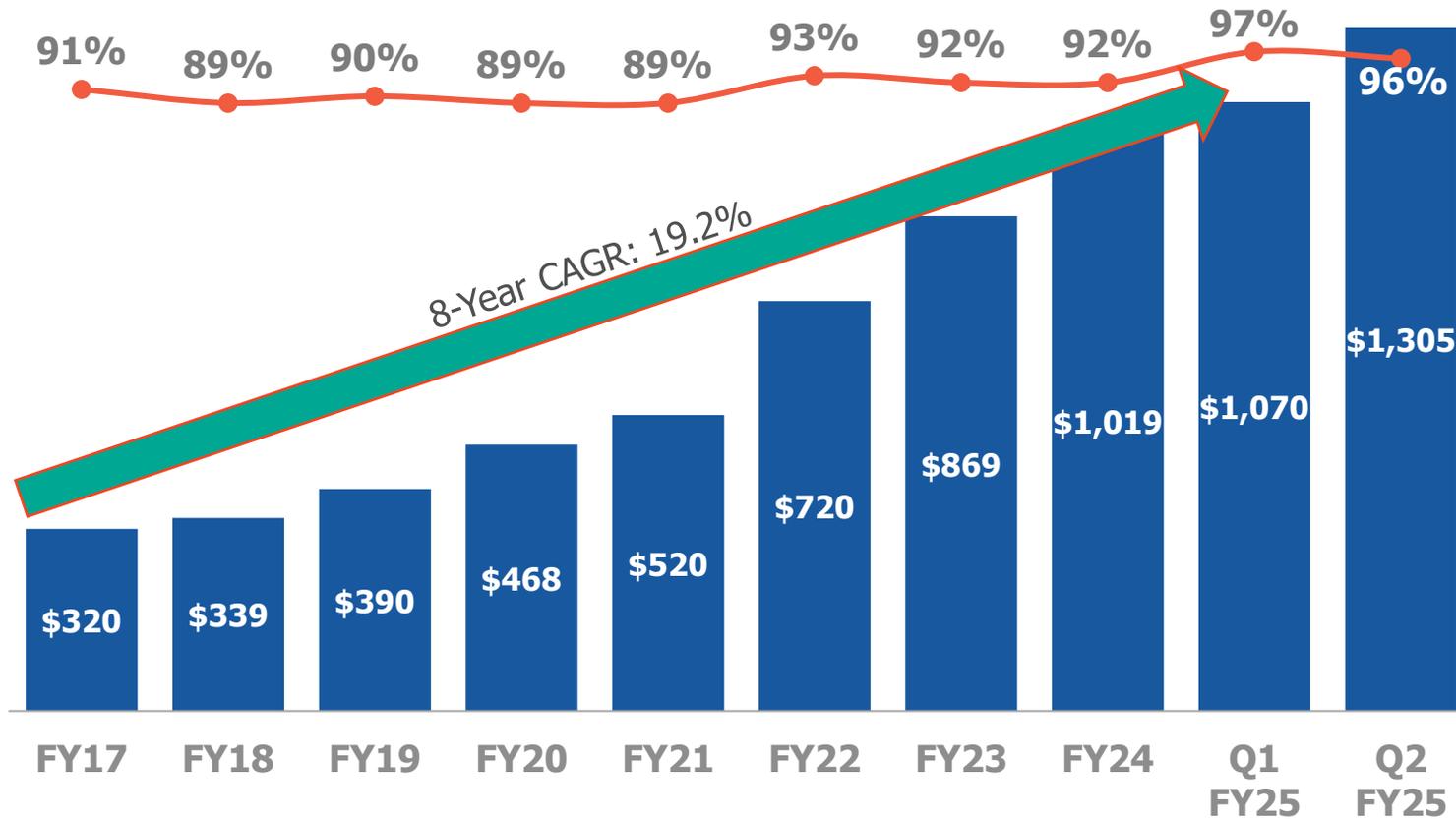
# Very Significant Business Momentum Driving Robust Growth

## FRESH ORDER INTAKE TCV (\$ MN)



# High Degree of Visibility Through Contracted Revenues and Repeat Business

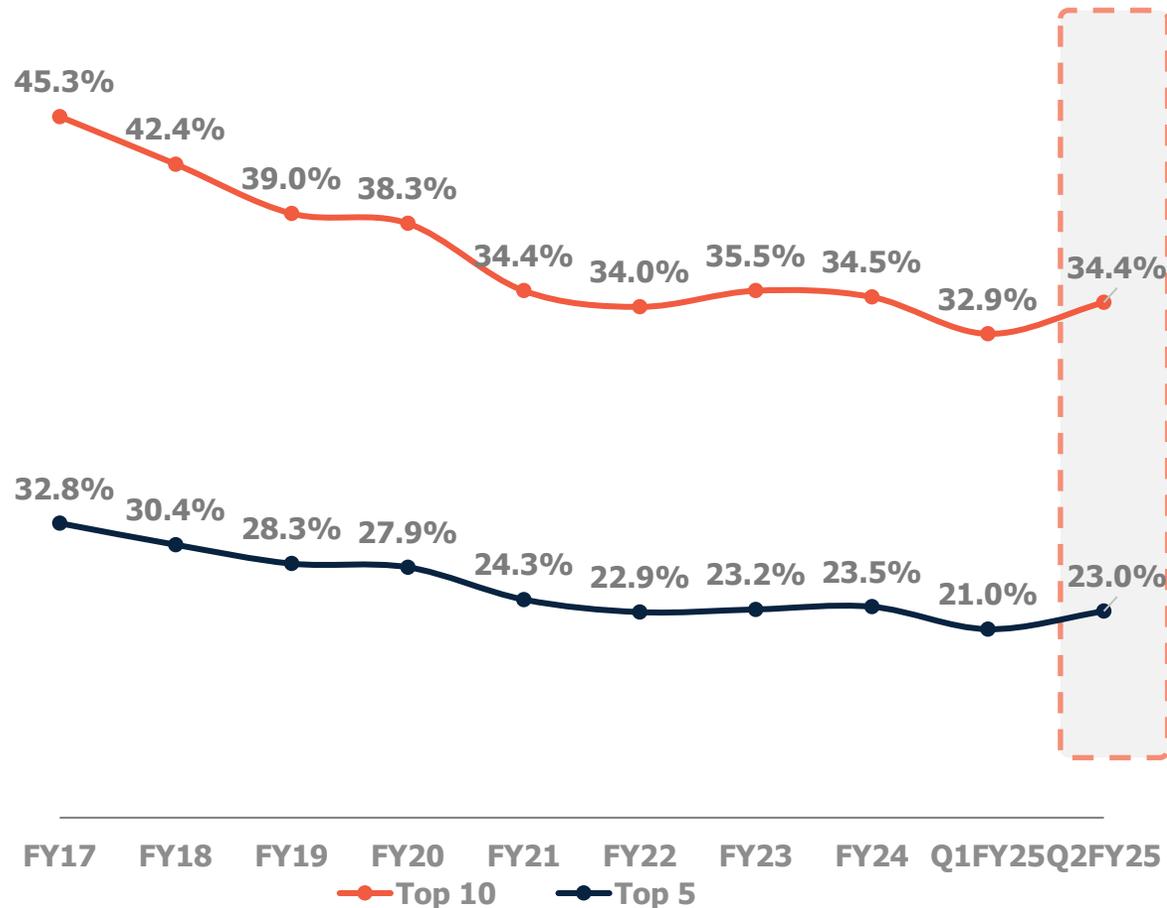
## ORDER BOOK EXECUTABLE OVER NEXT 12 MONTHS (\$MN)



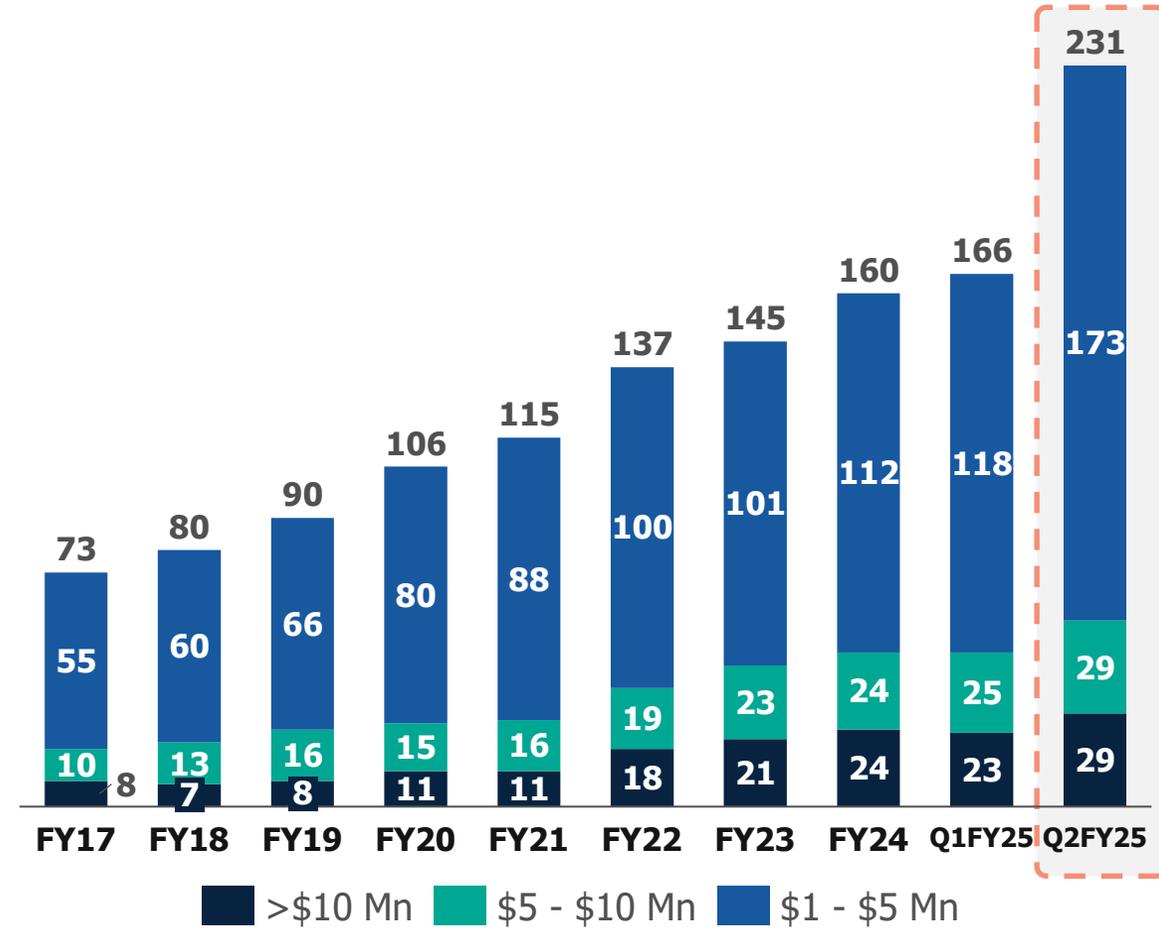
—●— Repeat Business %

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

## Top Clients Revenue Contribution

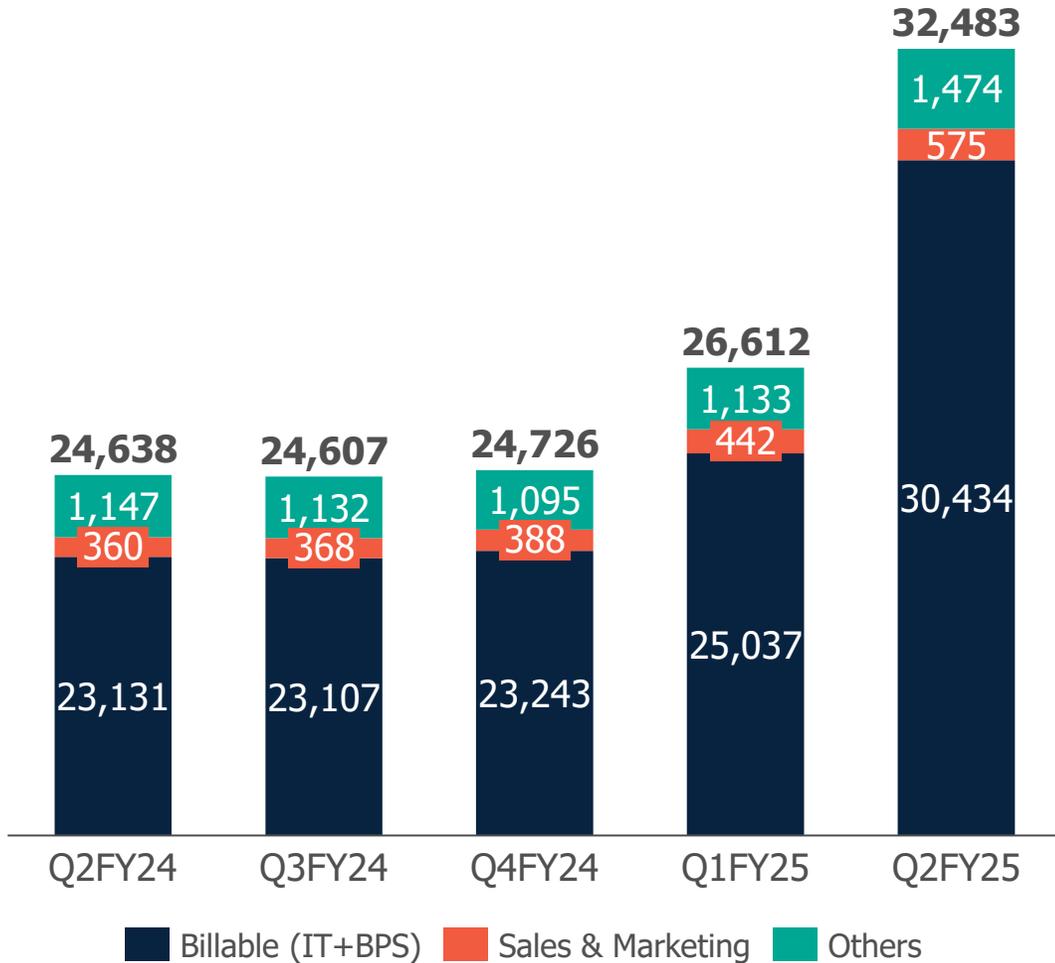


## Clients by Size

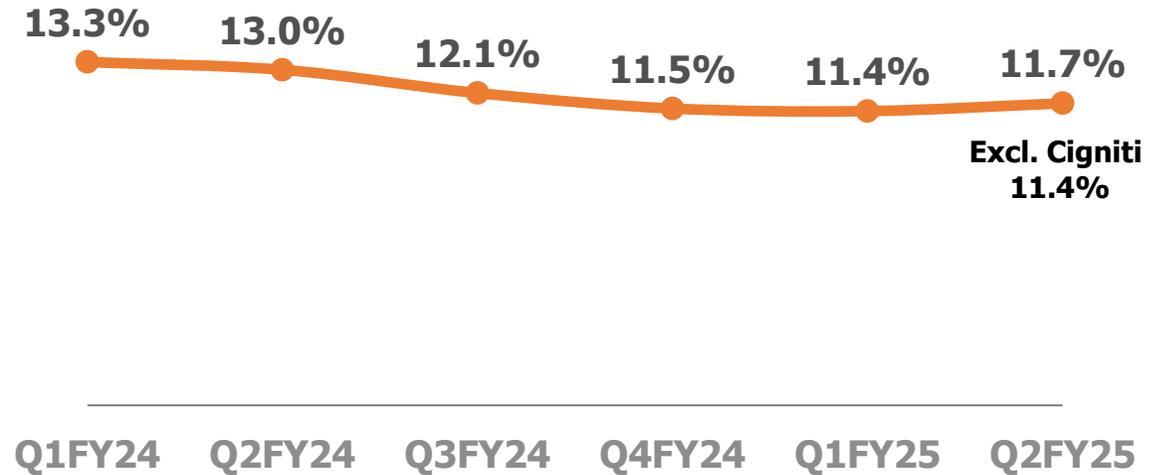


# Best-in-Industry Attrition Levels Testament to Coforge Culture

**Total Global Headcount**



**LTM Attrition % (Excl. BPS)**



# Key Tenets of Coforge Growth Strategy

**Coforge**

## Robust

- Q2FY25 revenue growth of 26.3% QoQ and 33.0% YoY in constant currency (CC)

## Profitable

- Q2FY25 Adj. EBITDA margin of 16.5%

## Predictable

- Strong executable order book for next 12 months (\$1,305 Mn as of Sep 30, 2024, up 40% YoY)
- High degree of repeat business (95.5% in Q2FY25)

## Sustainable

- Q2FY25 order intake of \$516Mn, including 3 large deals

# Appendix

# Consolidated Income Statement – Q2FY25 (USD Mn)

Particulars	Q2 FY25	Q2 FY25	Q1 FY25	QoQ%	QoQ%	Q2 FY24	YoY%	H1FY25	H1FY24	Variance
	Reported	Organic	Coforge	Reported	Organic	Reported	Reported	Organic	Organic	Organic
Gross Revenues	369.4	309.8	291.4	26.8%	6.3%	278.1	32.8%	601.2	549.9	9.3%
<b>GM%</b>	<b>32.4%</b>	<b>31.5%</b>	<b>33.0%</b>	<b>-58 Bps</b>	<b>-145 Bps</b>	<b>32.5%</b>	<b>-7 Bps</b>	<b>32.2%</b>	<b>31.6%</b>	<b>65 Bps</b>
<b>Adj EBITDA</b>	<b>61.1</b>	<b>51.4</b>	<b>52.0</b>	<b>17.3%</b>	<b>-1.2%</b>	<b>48.8</b>	<b>25.1%</b>	<b>103.5</b>	<b>92.2</b>	<b>12.2%</b>
<b>Adj EBITDA%</b>	<b>16.5%</b>	<b>16.6%</b>	<b>17.9%</b>	<b>-133 Bps</b>	<b>-127 Bps</b>	<b>17.6%</b>	<b>-102 Bps</b>	<b>17.2%</b>	<b>16.8%</b>	<b>44 Bps</b>
Cost of ESOPS	2.7	2.5	2.4	10.7%	4.9%	6.3	-57.8%	4.9	9.0	-44.9%
<b>EBITDA</b>	<b>58.4</b>	<b>48.9</b>	<b>49.6</b>	<b>17.6%</b>	<b>-1.6%</b>	<b>42.4</b>	<b>37.6%</b>	<b>98.5</b>	<b>83.2</b>	<b>18.4%</b>
<b>EBITDA%</b>	<b>15.8%</b>	<b>15.8%</b>	<b>17.0%</b>	<b>-123 Bps</b>	<b>-126 Bps</b>	<b>15.3%</b>	<b>55 Bps</b>	<b>16.4%</b>	<b>15.1%</b>	<b>125 Bps</b>
<b>EBIT</b>	<b>43.4</b>	<b>37.7</b>	<b>39.7</b>	<b>9.2%</b>	<b>-5.2%</b>	<b>33.0</b>	<b>31.5%</b>	<b>77.4</b>	<b>64.6</b>	<b>19.9%</b>
<b>EBIT%</b>	<b>11.8%</b>	<b>12.2%</b>	<b>13.6%</b>	<b>-189 Bps</b>	<b>-148 Bps</b>	<b>11.9%</b>	<b>-12 Bps</b>	<b>12.9%</b>	<b>11.7%</b>	<b>114 Bps</b>
Transaction Related expenses	2.4	2.4	11.6	-79.0%	-79.0%	0.0	NA	14.0	0.2	6632.2%
One-time expenses #	1.1	0.0	0.0	NA	NA	0.0	NA	0.0	0.0	NA
<b>Profit Before Tax</b>	<b>37.8</b>	<b>31.2</b>	<b>24.9</b>	<b>52.0%</b>	<b>25.4%</b>	<b>29.4</b>	<b>28.6%</b>	<b>56.1</b>	<b>56.9</b>	<b>-1.4%</b>
<b>PBT %</b>	<b>10.2%</b>	<b>10.1%</b>	<b>8.5%</b>	<b>170 Bps</b>	<b>153 Bps</b>	<b>10.6%</b>	<b>-34 Bps</b>	<b>9.3%</b>	<b>10.3%</b>	<b>-102 Bps</b>
PAT (Excl Minority)	28.2	23.1	17.0	66.0%	36.0%	23.0	22.8%	40.1	44.5	-9.9%
PAT%	7.6%	7.5%	5.8%	180 Bps	163 Bps	8.3%	-62 Bps	6.7%	8.1%	-143 Bps
<b>Adj. PAT* (Excl Minority)</b>	<b>30.8</b>	<b>24.9</b>	<b>28.4</b>	<b>8.4%</b>	<b>-12.5%</b>	<b>23.0</b>	<b>33.9%</b>	<b>53.3</b>	<b>45.5</b>	<b>17.2%</b>
<b>Adj. PAT%*</b>	<b>8.3%</b>	<b>8.0%</b>	<b>9.7%</b>	<b>-141 Bps</b>	<b>-172 Bps</b>	<b>8.3%</b>	<b>6 Bps</b>	<b>8.9%</b>	<b>8.3%</b>	<b>59 Bps</b>
Minority Interest	3.8	0.6	0.7	411.6%	-18.4%	0.8	349.3%	1.3	2.1	-36.4%
<b>Basic EPS (INR)</b>	<b>30.3</b>	<b>30.0</b>	<b>20.9</b>	<b>45.1%</b>	<b>43.8%</b>	<b>29.5</b>	<b>2.7%</b>	<b>50.9</b>	<b>59.1</b>	<b>-13.7%</b>
<b>Adj Basic EPS (INR)*</b>	<b>38.3</b>	<b>33.3</b>	<b>35.9</b>	<b>6.6%</b>	<b>-7.3%</b>	<b>29.5</b>	<b>29.6%</b>	<b>69.2</b>	<b>59.1</b>	<b>17.1%</b>

\* Adjusted for Transaction Related expenses

# Past liability in Cigniti

# Consolidated Income Statement – Q2FY25 (INR Mn)

Particulars	Q2 FY25	Q2 FY25	Q1 FY25	QoQ%	QoQ%	Q2FY24	YoY%	H1FY25	H1FY24	Variance
	Reported	Organic	Coforge	Reported	Organic	Reported	Reported	Organic	Organic	Organic
Gross Revenues	30,623	25,631	24,008	27.5%	6.8%	22,762	34.5%	49,639	44,972	10.4%
<b>GM%</b>	<b>32.4%</b>	<b>31.5%</b>	<b>33.0%</b>	<b>-58 Bps</b>	<b>-146 Bps</b>	<b>32.5%</b>	<b>-7 Bps</b>	<b>32.2%</b>	<b>31.6%</b>	<b>64 Bps</b>
<b>Adj. EBITDA</b>	<b>5,063</b>	<b>4,253</b>	<b>4,286</b>	<b>18.1%</b>	<b>-0.8%</b>	<b>3,997</b>	<b>26.7%</b>	<b>8,539</b>	<b>7,541</b>	<b>13.2%</b>
<b>Adj. EBITDA%</b>	<b>16.5%</b>	<b>16.6%</b>	<b>17.9%</b>	<b>-132 Bps</b>	<b>-126 Bps</b>	<b>17.6%</b>	<b>-102 Bps</b>	<b>17.2%</b>	<b>16.8%</b>	<b>43 Bps</b>
Cost of ESOPS	222	210	199	11.4%	5.5%	519	-57.3%	409	735	-44.4%
<b>EBITDA</b>	<b>4,841</b>	<b>4,043</b>	<b>4,087</b>	<b>18.5%</b>	<b>-1.1%</b>	<b>3,478</b>	<b>39.2%</b>	<b>8,130</b>	<b>6,806</b>	<b>19.4%</b>
<b>EBITDA%</b>	<b>15.8%</b>	<b>15.8%</b>	<b>17.0%</b>	<b>-121 Bps</b>	<b>-125 Bps</b>	<b>15.3%</b>	<b>53 Bps</b>	<b>16.4%</b>	<b>15.1%</b>	<b>124 Bps</b>
<b>EBIT</b>	<b>3,598</b>	<b>3,117</b>	<b>3,272</b>	<b>10.0%</b>	<b>-4.7%</b>	<b>2,706</b>	<b>33.0%</b>	<b>6,389</b>	<b>5,277</b>	<b>21.1%</b>
<b>EBIT%</b>	<b>11.8%</b>	<b>12.2%</b>	<b>13.6%</b>	<b>-188 Bps</b>	<b>-147 Bps</b>	<b>11.9%</b>	<b>-14 Bps</b>	<b>12.9%</b>	<b>11.7%</b>	<b>114 Bps</b>
Transaction Related expenses	201	201	953	-78.9%	-78.9%	4	NA	1,155	17	NA
One-time expenses #	89	0	0	NA	NA	0	NA	0	0	NA
<b>Profit Before Tax</b>	<b>3,135</b>	<b>2,578</b>	<b>2,047</b>	<b>53.2%</b>	<b>26.0%</b>	<b>2,407</b>	<b>30.3%</b>	<b>4,624</b>	<b>4,648</b>	<b>-0.5%</b>
<b>PBT %</b>	<b>10.2%</b>	<b>10.1%</b>	<b>8.5%</b>	<b>170 Bps</b>	<b>152 Bps</b>	<b>10.6%</b>	<b>-34 Bps</b>	<b>9.3%</b>	<b>10.3%</b>	<b>-102 Bps</b>
<b>PAT (Excl Minority)</b>	<b>2,336</b>	<b>1,908</b>	<b>1,393</b>	<b>67.8%</b>	<b>37.0%</b>	<b>1,879</b>	<b>24.3%</b>	<b>3,300</b>	<b>3,635</b>	<b>-9.2%</b>
<b>PAT%</b>	<b>7.6%</b>	<b>7.4%</b>	<b>5.8%</b>	<b>183 Bps</b>	<b>164 Bps</b>	<b>8.3%</b>	<b>-62 Bps</b>	<b>6.6%</b>	<b>8.1%</b>	<b>-143 Bps</b>
<b>Adj. PAT* (Excl Minority)</b>	<b>2,552</b>	<b>2,057</b>	<b>2,346</b>	<b>8.8%</b>	<b>-12.3%</b>	<b>1,883</b>	<b>35.6%</b>	<b>4,403</b>	<b>3,713</b>	<b>18.6%</b>
<b>Adj. PAT%*</b>	<b>8.3%</b>	<b>8.0%</b>	<b>9.8%</b>	<b>-144 Bps</b>	<b>-175 Bps</b>	<b>8.3%</b>	<b>6 Bps</b>	<b>8.9%</b>	<b>8.3%</b>	<b>61 Bps</b>
Minority Interest	314	50	61	414.8%	-18.0%	69	355.1%	111	173	-35.8%
<b>Basic EPS (INR)</b>	<b>30.3</b>	<b>30.0</b>	<b>20.9</b>	<b>45.1%</b>	<b>43.8%</b>	<b>29.5</b>	<b>2.7%</b>	<b>50.9</b>	<b>59.1</b>	<b>-13.7%</b>
<b>Adj Basic EPS (INR)*</b>	<b>38.3</b>	<b>33.3</b>	<b>35.9</b>	<b>6.6%</b>	<b>-7.3%</b>	<b>29.5</b>	<b>29.6%</b>	<b>69.2</b>	<b>59.1</b>	<b>17.1%</b>

\* Adjusted for Transaction Related expenses

# Past liability in Cigniti

# Other Key Metrics

DSO	Q2FY25	Q1FY25	Q2FY24
	60	59	64

Rupee Dollar Rate		Q2FY25	Q1FY25	Q2FY24
	Period Closing Rate		83.79	83.37
Period Average Rate		83.76	83.42	82.67

Hedge Position (in Million)		Q2FY25	Q1FY25	Q2FY24
	USD		213.8	212.2
GBP		107.5	102.4	94.7
EUR		8.8	8.9	8.8

Average Rates Outstanding Hedges		Q2FY25	Q1FY25	Q2FY24
	USD		84.7	84.3
GBP		108.2	106.2	103.7
EUR		93.1	92.5	91.6

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## Let's engage!

