

A large graphic on the left side of the slide depicts a human head in profile, facing left. The interior of the head is filled with a complex network of glowing blue lines and nodes, resembling a circuit board or a neural network. The background is a dark blue with faint, scattered numbers and symbols. A curved orange line separates this graphic from the white text area on the right.

# Investor Presentation Q3FY22

*Jan 27, 2022*



# 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 third quarter of fiscal year ended March 31, 2022 (“Q3 FY2022”) and the third quarter of fiscal year ended March 31, 2021 (“Q3 FY2021”). All references to “Q-on-Q” are comparison between the second quarter the fiscal year ended March 31, 2022 (“Q2 FY2022”) and Q3 FY2022.

# Key Highlights – Q3FY22

## Financial Highlights

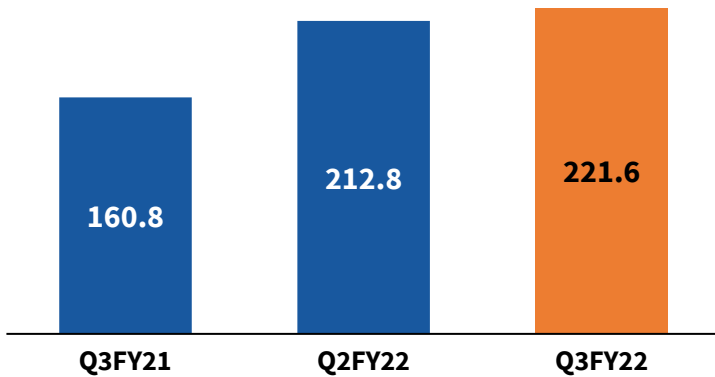
- On consolidated basis, Revenues were \$221.6 Mn and INR 16,581 Mn
  - Up 37.8% in USD terms and 39.3% in INR terms Y-o-Y
  - Up 4.2% in USD terms and up 5.7% in INR terms Q-o-Q
- On an organic basis, Revenues for the quarter were \$199.2 Mn and INR 14,906 Mn
  - Up 23.9% in USD terms and 25.2% in INR terms on Y-o-Y
  - Up 5.7% in constant currency terms, 4.6% in USD terms and 6.1% in INR terms Q-o-Q
- Adj. EBITDA (before ESOPs and acquisition related costs) was INR 3,226 Mn for the quarter with 19.5% margin
  - Up 50.3% Y-o-Y and 10.3% Q-on-Q in INR terms
- Consolidated PAT for the quarter increased 50.7% Y-o-Y and 25.2% Q-o-Q to INR 1,837 Mn

## Business Highlights

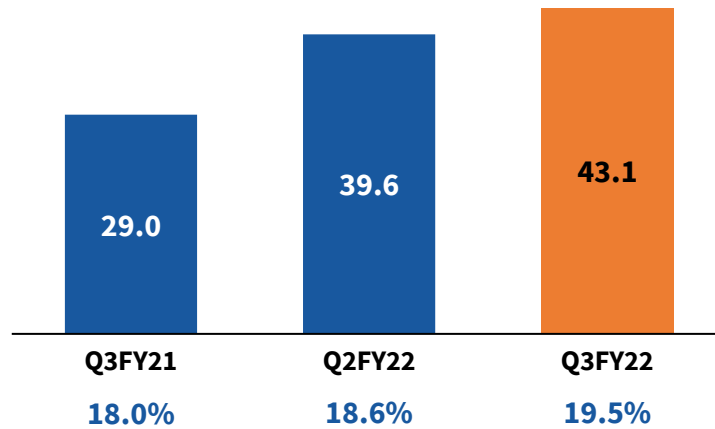
- Total order book executable over the next 12 months stood at \$701 Mn at the end of the quarter
- Order intake was \$247 Mn while 13 new clients were added during the quarter
- Headcount increased by 1,344 to 22,130 as of December 31, 2021
- Attrition at 16.3% continues to be amongst the lowest in the industry
- Coforge named as a ‘Major Contender’ in the Salesforce Services in Insurance PEAK Matrix® Assessment 2022 of the Everest Group

# Sustained Topline Growth with Robust Margin Improvement

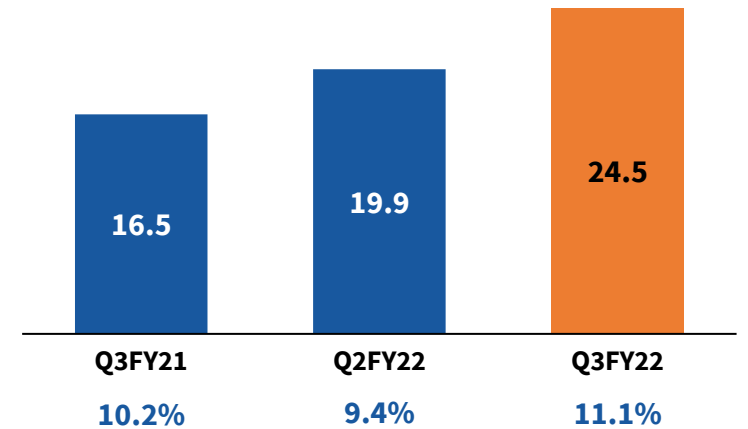
Revenue (\$ Mn) ↑ 4.2% QoQ ↑ 37.8% YoY



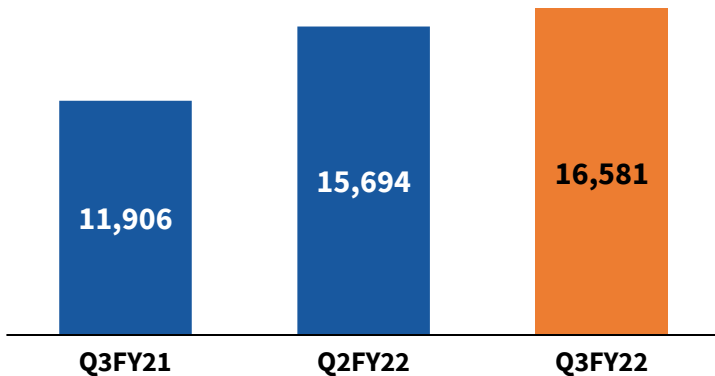
Adj. EBITDA (\$ Mn) ↑ 8.8% QoQ ↑ 48.8% YoY



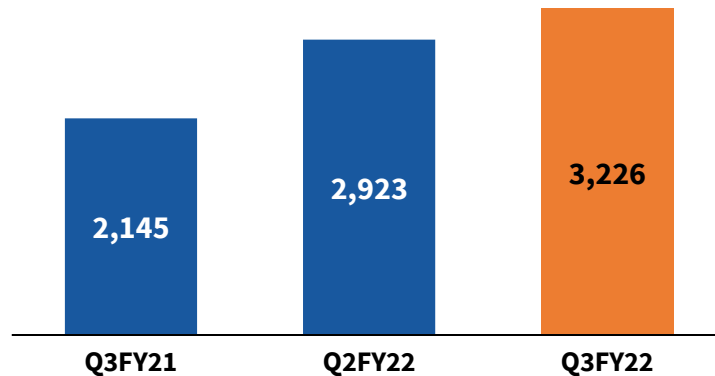
PAT (\$ Mn) ↑ 23.1% QoQ ↑ 49.0% YoY



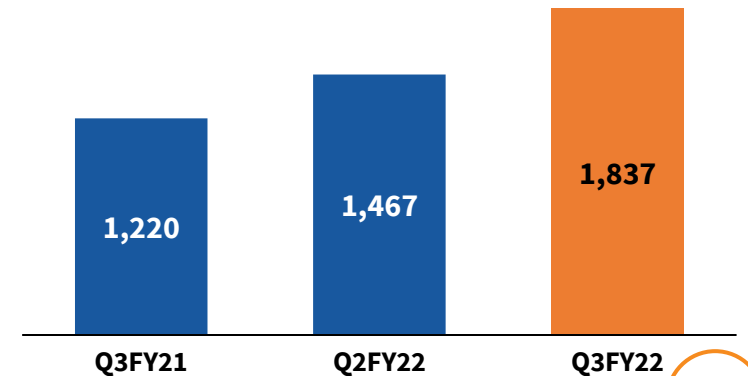
Revenue (INR Mn) ↑ 5.7% QoQ ↑ 39.3% YoY



Adj. EBITDA (INR Mn) ↑ 10.4% QoQ ↑ 50.4% YoY

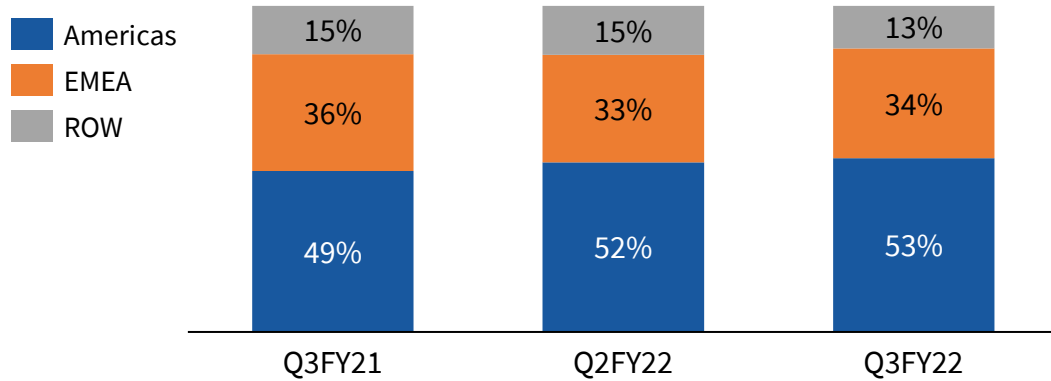


PAT (INR Mn) ↑ 25.2% QoQ ↑ 50.7% YoY

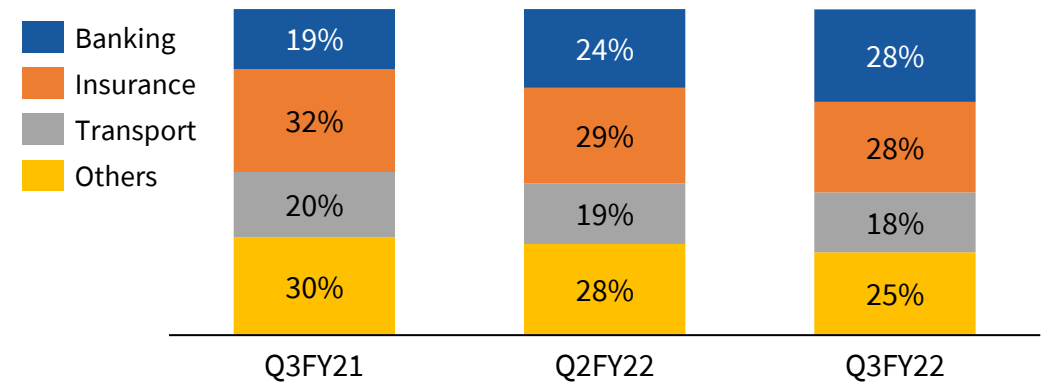


# Well Diversified Business Mix Centered around Digital and Transformational Solutions

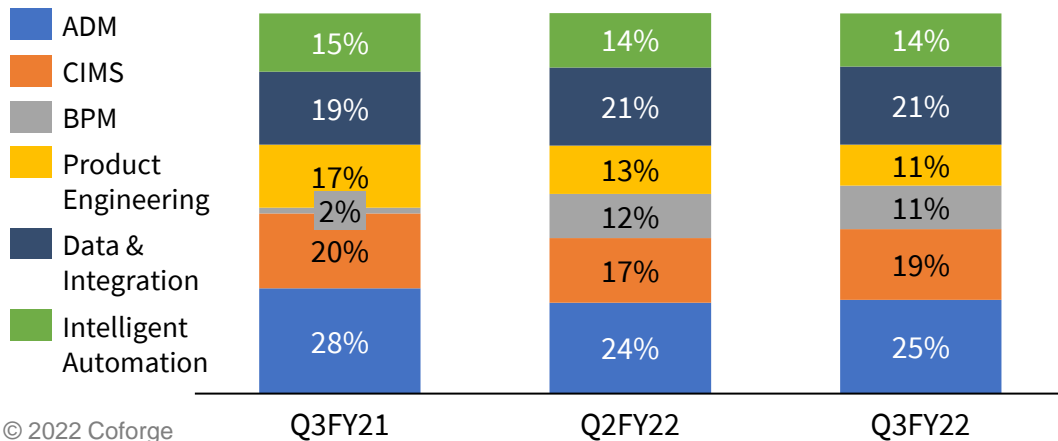
## Geographical Mix



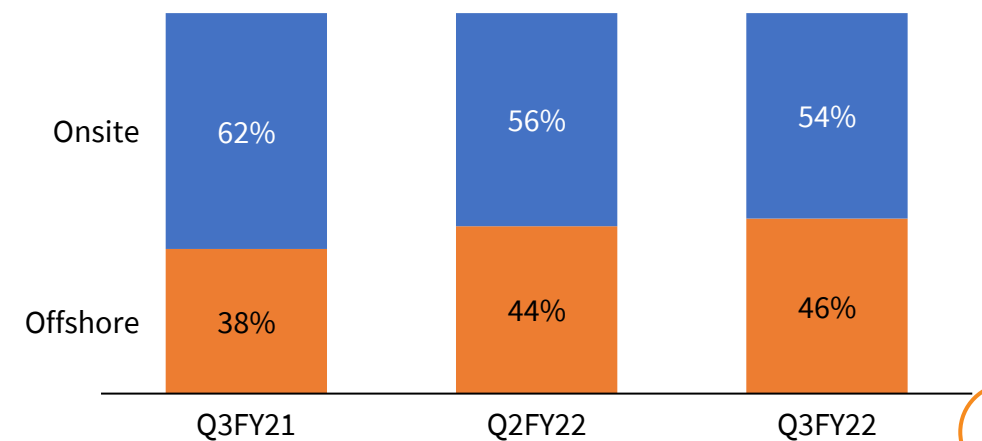
## Vertical Mix



## Service Line Mix

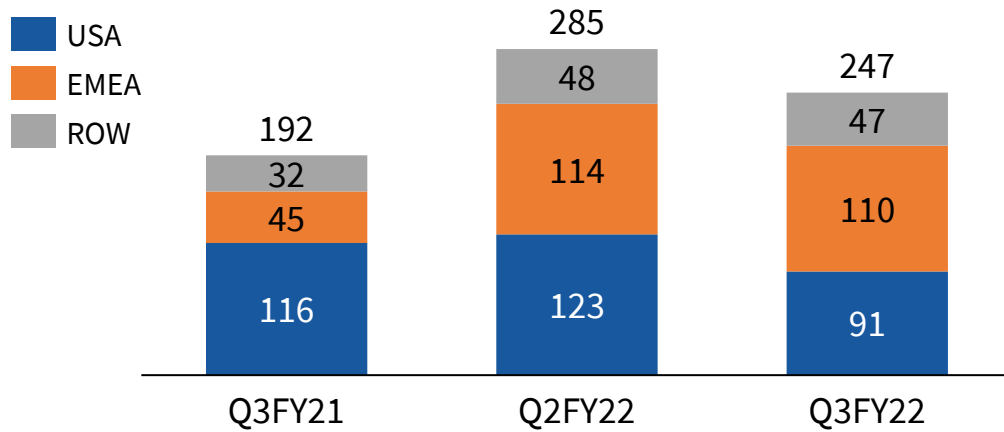


## Location Mix (IT Revenues Only)

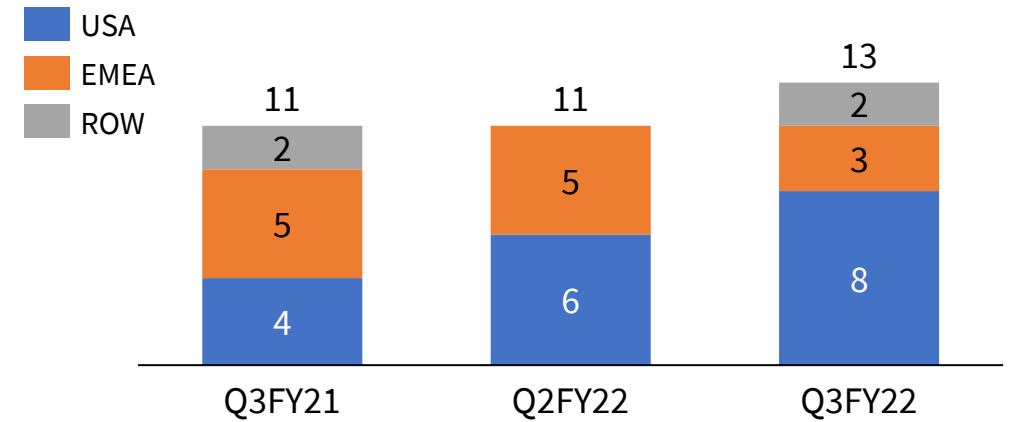


# Significant New Business Momentum Coupled with High Level of Revenue Visibility

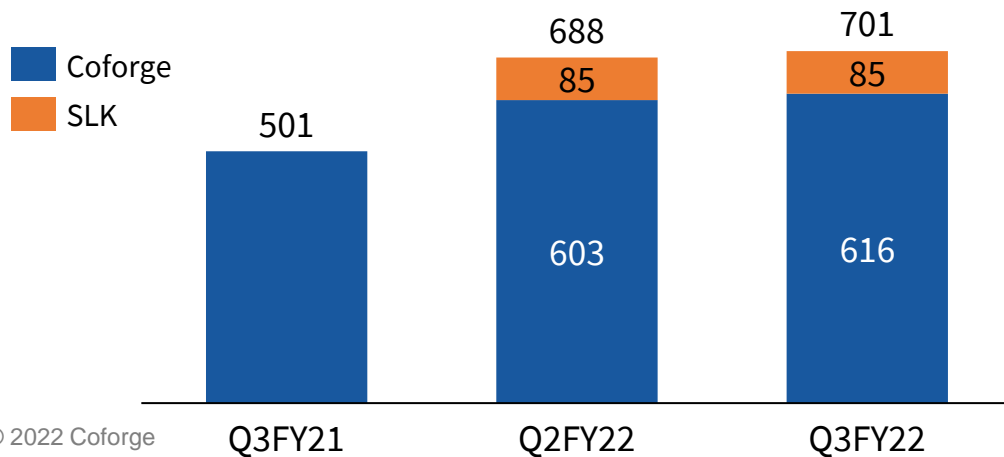
## Order Intake (\$ Mn)



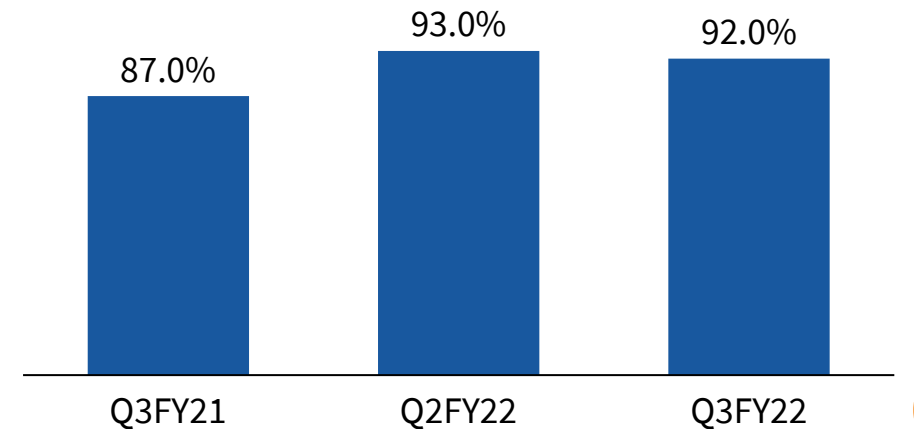
## New Clients Addition



## Executable Order Book (\$ Mn)

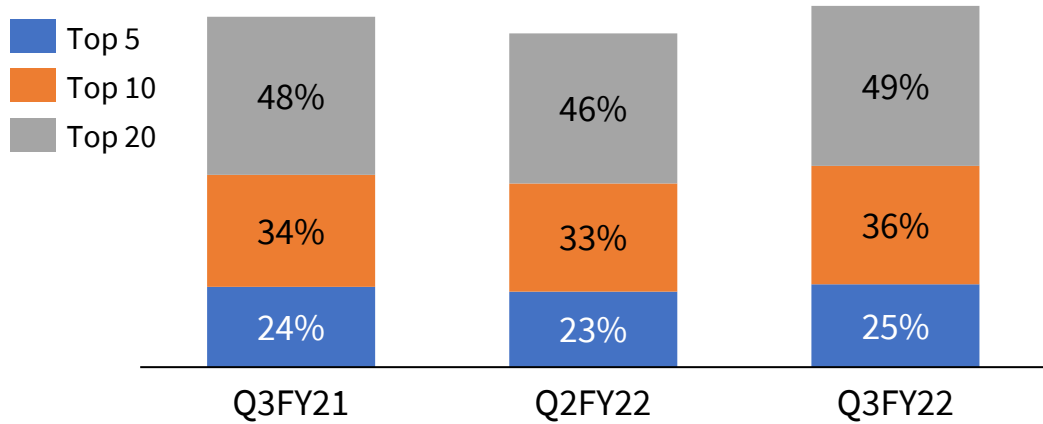


## Repeat Business (%)

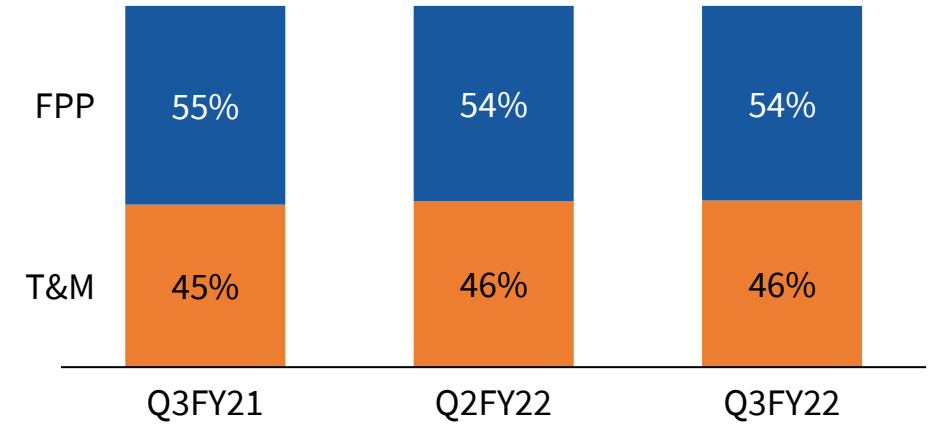


# Low Client Concentration and Increasing Volume of Large Account Relationships

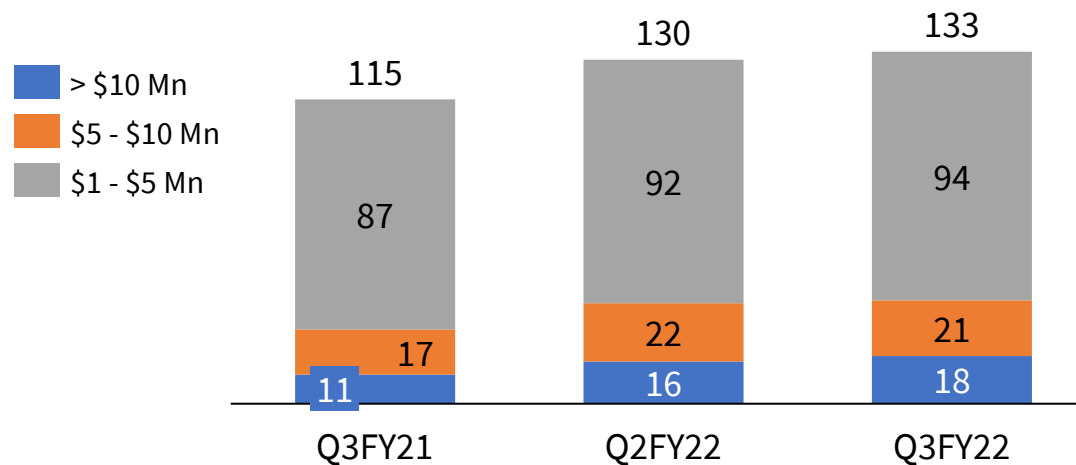
## Top Clients Revenue Contribution



## Revenue by Project Type

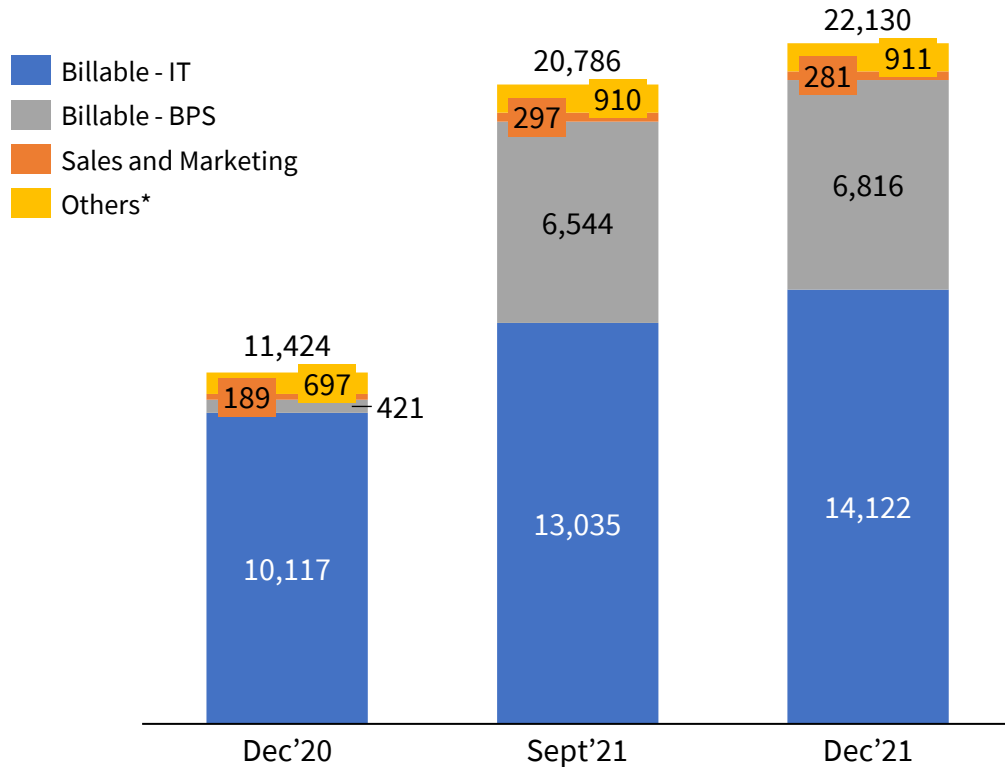


## Clients by Size

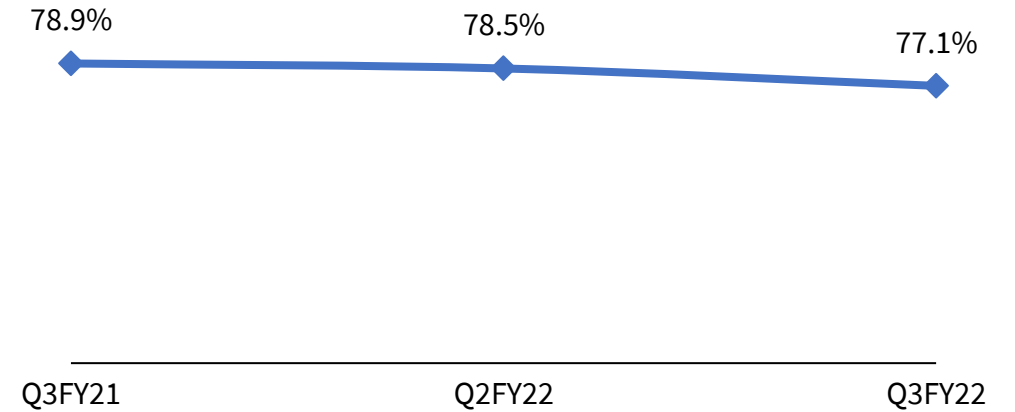


# Continued Hiring Pace with Low Attrition Levels

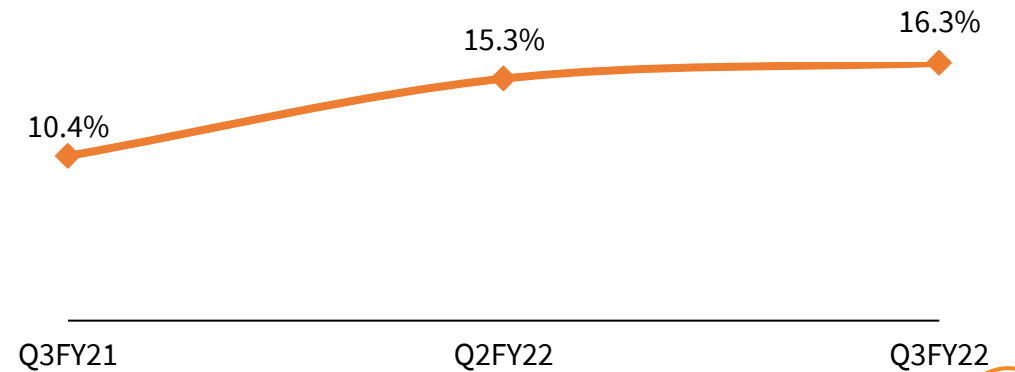
## Headcount



## Utilization % (Excl. BPM and incl. trainees)



## Attrition % (Excl. BPM)





# ESG and CSR @ Coforge – Select Highlights

## Environmental

- **Global Recognition:** ISO 14001:2015 & OHSAS 18001:2007 certified across India; awarded Platinum Green Building Rating by IGBC & USGBC, ISO 45001 (OHS)
- **Green Initiatives:** Renewable energy (solar), water optimization & rain-water harvesting pits, tree plantation drives, etc.
- **Carbon Footprint Reduction:** Active monitoring and partnering with an external advisor for int'l locations to conceptualize and execute carbon reduction strategy to meet compliances, such as PPN 06/21

## Social

- **Diversity and Inclusion initiatives:** Awareness drives on themes of inclusion, POSH, unconscious bias, breaking stereotypes etc.
- **Employee Assistance Program** with access to professional counselors
- **COVID-19 Safety:** Seamless transition and execution of WFH across globally; mandatory “Say No to Corona” virtual training for all employees; multiple vaccination drives, COVID care facilities for exigencies & medical tele-consultation for Coforge India employees & their families

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## Key Focus Areas

- **Robust Framework and Compliance:** Policies for Information Security, Whistle Blower, Anti-bribery or anti-corruption, Code of Conduct & Disciplinary Action Policy;
- **Annual (Re)-certification Trainings:** POSH, EHS, ISMS, Data Privacy & Security

- Education / employability / IT training & scholarship for the underprivileged, and life skills & education for children with special needs
- Partnership with academia to promote research – R&D funding
- Combatting climate change – urban afforestation initiatives, lake restoration projects, rain-water harvesting, and waste recycling corners

## Governance

## Corporate Social Responsibility

# Consolidated Income Statement – Q3FY22

INR Mn

Particulars	Q3FY22	Q2FY22	QoQ%	Q3FY21	YoY%
Gross Revenues	16,581	15,694	5.7%	11,906	39.3%
Direct Costs	11,210	10,656	5.2%	8,096	38.5%
<b>Gross Profit</b>	<b>5,371</b>	<b>5,038</b>	<b>6.6%</b>	<b>3,810</b>	<b>41.0%</b>
<b>GM%</b>	<b>32.4%</b>	<b>32.1%</b>	<b>29 Bps</b>	<b>32.0%</b>	<b>39 Bps</b>
Selling / General And Administration	2,145	2,115	1.4%	1,665	28.8%
SG&A to Revenue %	12.9%	13.5%	-54 Bps	14.0%	-105 Bps
<b>Adj. EBITDA</b>	<b>3,226</b>	<b>2,923</b>	<b>10.4%</b>	<b>2,145</b>	<b>50.4%</b>
<b>Adj. EBITDA%</b>	<b>19.5%</b>	<b>18.6%</b>	<b>83 Bps</b>	<b>18.0%</b>	<b>144 Bps</b>
Acquisition related expenses	48	51	-5.2%	0	NA
Cost of ESOPS	158	135	17.0%	136	15.7%
<b>EBITDA</b>	<b>3,020</b>	<b>2,737</b>	<b>10.3%</b>	<b>2,009</b>	<b>50.3%</b>
<b>EBITDA%</b>	<b>18.2%</b>	<b>17.4%</b>	<b>77 Bps</b>	<b>16.9%</b>	<b>134 Bps</b>
Depreciation and Amortization	566	598	-5.4%	462	22.5%
Other Income (net)	-122	-77	58.2%	19	-742.1%
<b>Profit Before Tax</b>	<b>2,332</b>	<b>2,061</b>	<b>13.1%</b>	<b>1,566</b>	<b>48.9%</b>
<b>PBT %</b>	<b>14.1%</b>	<b>13.1%</b>	<b>93 Bps</b>	<b>13.1%</b>	<b>91 Bps</b>
Provision for Tax	360	446	-19.4%	331	8.6%
Minority Interest	135	148	-8.8%	15	800.0%
<b>Profit After Tax (after Minority Int.)</b>	<b>1,837</b>	<b>1,467</b>	<b>25.2%</b>	<b>1,220</b>	<b>50.7%</b>
<b>PAT%</b>	<b>11.1%</b>	<b>9.4%</b>	<b>173 Bps</b>	<b>10.2%</b>	<b>84 Bps</b>
<b>Basic EPS (INR)</b>	<b>30.3</b>	<b>24.2</b>	<b>25.0%</b>	<b>20.1</b>	<b>50.4%</b>

# Consolidated Income Statement – Q3FY22

USD Mn

Particulars	Q3FY22	Q2FY22	QoQ%	Q3FY21	YoY%
Gross Revenues	221.6	212.8	4.2%	160.8	37.8%
Direct Costs	149.8	144.5	3.7%	109.3	37.0%
Gross Profit	71.8	68.3	5.1%	51.5	39.5%
<b>GM%</b>	<b>32.4%</b>	<b>32.1%</b>	<b>29 Bps</b>	<b>32.0%</b>	<b>39 Bps</b>
Selling / General And Administration	28.7	28.7	0.0%	22.5	27.5%
SG&A to Revenue %	12.9%	13.5%	-54 Bps	14.0%	-105 Bps
Adj EBITDA	43.1	39.6	8.8%	29.0	48.8%
<b>Adj EBITDA%</b>	<b>19.5%</b>	<b>18.6%</b>	<b>83 Bps</b>	<b>18.0%</b>	<b>144 Bps</b>
Acquisition related expenses	0.6	0.7	-6.3%	0.0	NA
Cost of ESOPS	2.1	1.8	15.6%	1.8	14.6%
EBITDA	40.4	37.1	8.7%	27.1	48.8%
<b>EBITDA%</b>	<b>18.2%</b>	<b>17.4%</b>	<b>77 Bps</b>	<b>16.9%</b>	<b>134 Bps</b>
Depreciation and Amortization	7.6	8.1	-6.5%	6.2	21.4%
Other Income (net)	-1.6	-1.0	56.4%	0.3	-736.1%
Profit Before Tax	31.2	28.0	11.4%	21.1	47.4%
<b>PBT %</b>	<b>14.1%</b>	<b>13.1%</b>	<b>91 Bps</b>	<b>13.1%</b>	<b>91 Bps</b>
Provision for Tax	4.8	6.0	-20.3%	4.5	7.6%
Minority Interest	1.8	2.0	-9.8%	0.2	791.6%
<b>Profit After Tax (after Minority Int.)</b>	<b>24.5</b>	<b>19.9</b>	<b>23.1%</b>	<b>16.5</b>	<b>49.0%</b>
<b>PAT%</b>	<b>11.1%</b>	<b>9.4%</b>	<b>170 Bps</b>	<b>10.2%</b>	<b>83 Bps</b>
<b>Basic EPS (INR)</b>	<b>30.3</b>	<b>24.2</b>	<b>25.0%</b>	<b>20.1</b>	<b>50.4%</b>

# Balance Sheet

INR Mn

Particulars	As at Dec 31, 2021	As at Sept 30, 2021	As at Dec 31, 2020	Particulars	As at Dec 31, 2021	As at Sept 30, 2021	As at Dec 31, 2020
Equity	609	606	606	Fixed Assets	5,478	5,696	4,531
Reserves & Surplus	25,765	24,162	22,606	Capital Work in Progress	78	43	10
<b>NET Worth</b>	<b>26,374</b>	<b>24,768</b>	<b>23,212</b>	Intangible Assets	14,781	14,964	5,889
Bank Borrowings	4,620	4,292	15	Current Assets			
Non Controlling Interest	877	904	0	Cash and Cash Equivalent	3,036	2,988	5,365
Deferred Tax Liability	735	740	357	Debtors	11,791	10,523	9,276
				Other Assets	9,903	9,136	5,756
				Other Liabilities	-12,555	-11,657	-8,181
				Future Acquisition Liability	-2,342	-2,920	-688
				Deferred Tax Assets	2,436	1,931	1,626
	<b>32,606</b>	<b>30,704</b>	<b>23,584</b>		<b>32,606</b>	<b>30,704</b>	<b>23,584</b>

# Other Key Metrics

DSO	Q3FY21	Q2FY22	Q3FY22
	75	66	70

Rupee Dollar Rate		Q3FY21	Q2FY22	Q3FY22
	Period Closing Rate	73.01	74.19	74.50
	Period Average Rate	74.04	73.89	74.87

Hedge Position		Q3FY21	Q2FY22	Q3FY22
	USD	74.84	121.63	129.48
	GBP	22.10	21.09	21.18
	EUR	4.67	4.50	4.39

Average Rates Outstanding Hedges		Q3FY21	Q2FY22	Q3FY22
	USD	76.89	76.40	77.32
	GBP	98.81	105.37	106.04
	EUR	89.21	92.32	91.59



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