

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 with a dot at its end separates the graphic from the text on the right.

# Investor Presentation Q1FY23

*Jul 22, 2022*

# Safe Harbor and Disclaimer

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Except as otherwise noted in this presentation, the following conventions have been used. All references to “Y-o-Y” are comparisons between the first quarter of fiscal year ended March 31, 2023 (“Q1 FY2023”) and the First quarter of fiscal year ended March 31, 2022 (“Q1 FY2022”). All references to “Q-on-Q” are comparison between the fourth quarter the fiscal year ended March 31, 2022 (“Q4 FY2022”) and Q1 FY2023.

# Coforge Posts Strong Q1FY23 Results



## Financial Highlights

- *On consolidated basis, Q1FY23 revenues were up 4.7% QoQ on constant currency basis*
  - *Up 25.2% in INR terms and 19.5% in USD terms Y-o-Y*
  - *Up 5.0% in INR terms and 2.7% in USD terms Q-o-Q*
- *Adj. EBITDA Margin of 16.7% in constant currency terms and 16.5% on reported basis*
- *Adj. EBITDA grew 27.7% Y-o-Y in INR terms and 22.0% Y-o-Y in USD terms*
- *Consolidated PAT (after minority interest) for the quarter increased 21.1% Y-o-Y to INR 1,497 Mn*

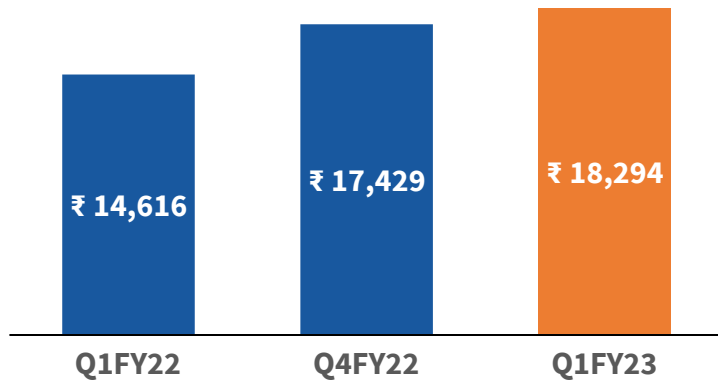


## Business Highlights

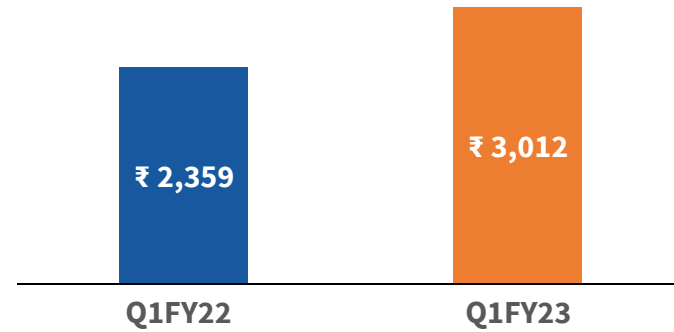
- *Record order intake of \$315 Mn during the quarter*
  - *2 large deals signed during the quarter including one \$50+ Mn contract*
- *Order book executable over next 12 months stood at \$745 Mn at the end of the quarter, a 15.5% Y-o-Y growth*
- *12 new logos opened during the quarter*
- *Attrition remained relatively flat at 18.0% and continues to be amongst the lowest in the industry*
- *Global headcount increased to 22,742 as of June 30, 2022*

# Q1FY23 Revenue Up 25.2% YoY and Adj. EBITDA Up 27.7% YoY

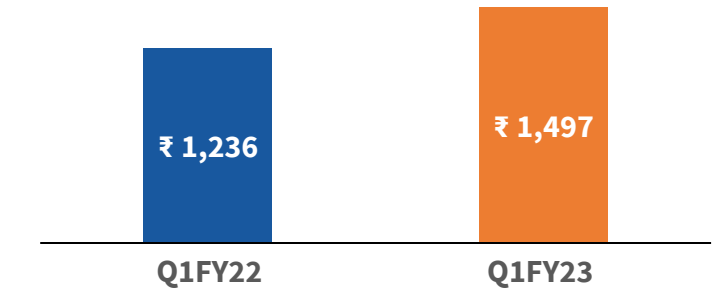
Revenue (INR Mn) 5.0% QoQ ↑ 25.2% YoY ↑



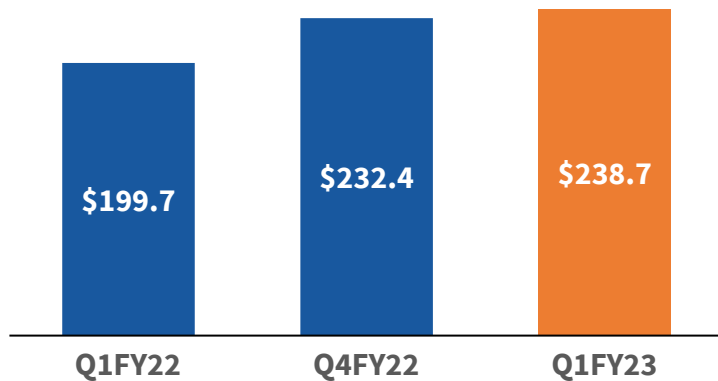
Adj. EBITDA (INR Mn) 27.7% YoY ↑



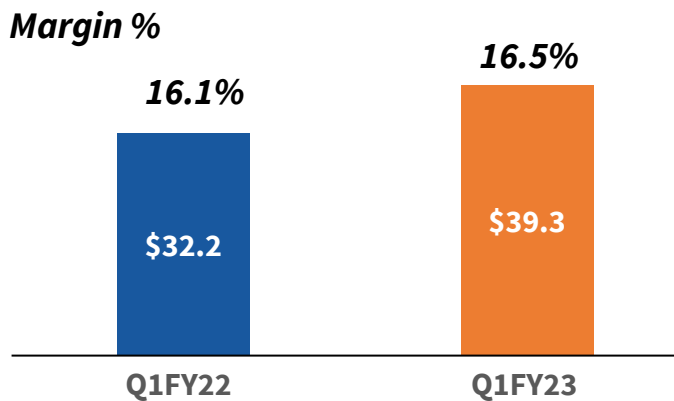
PAT (INR Mn) 21.1% YoY ↑



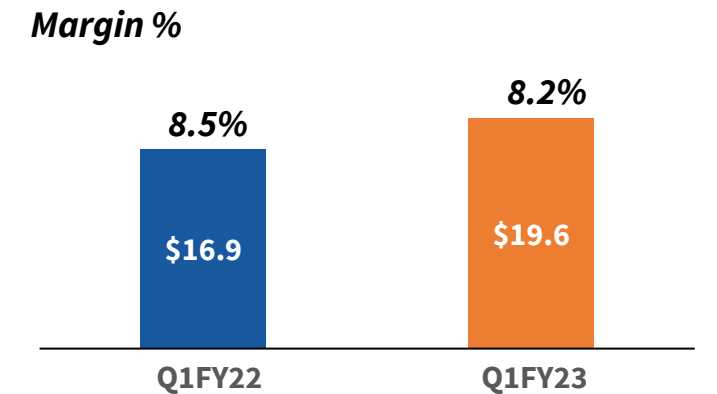
Revenue (\$Mn) 2.7% QoQ ↑ 19.5% YoY ↑



Adj. EBITDA (\$Mn) 22.0% YoY ↑



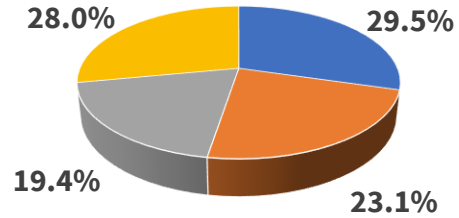
PAT (\$Mn) 15.7% YoY ↑



# Well Diversified Business Portfolio with Increasing Offshoring Revenues Driving Profitability Expansion

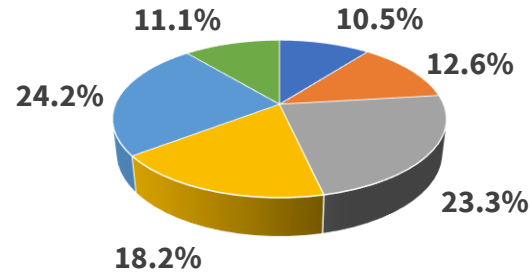
Q1FY23 Revenues Mix

## By Vertical



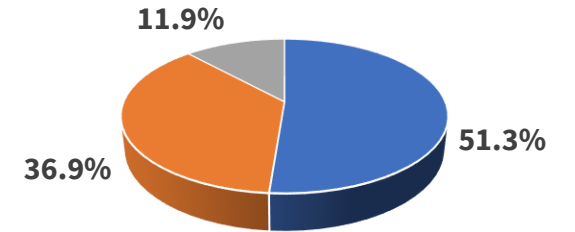
- Banking & Financial Services (BFS)
- Insurance
- Travel, Transportation & Hospitality (TTH)
- Others

## By Service Offering



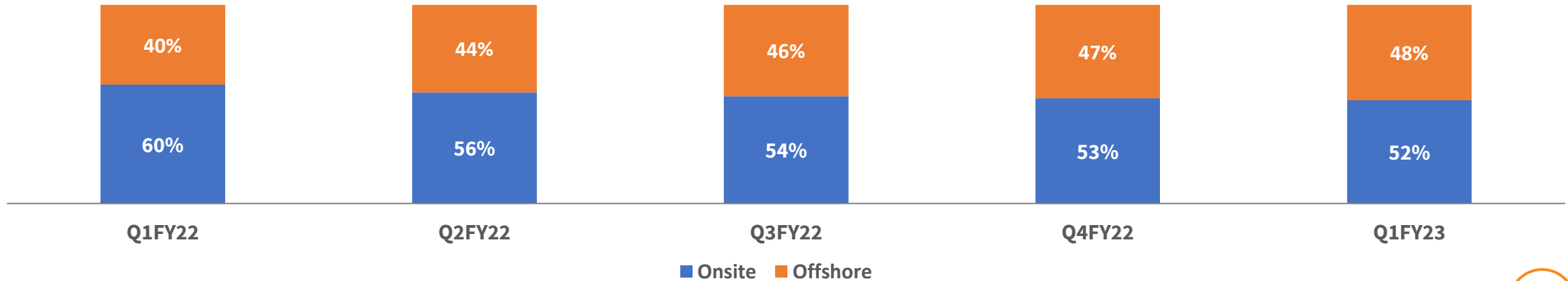
- Product Engineering
- Data and Integration
- ADM
- Intelligent Automation
- CIMS
- BPM

## By Geography



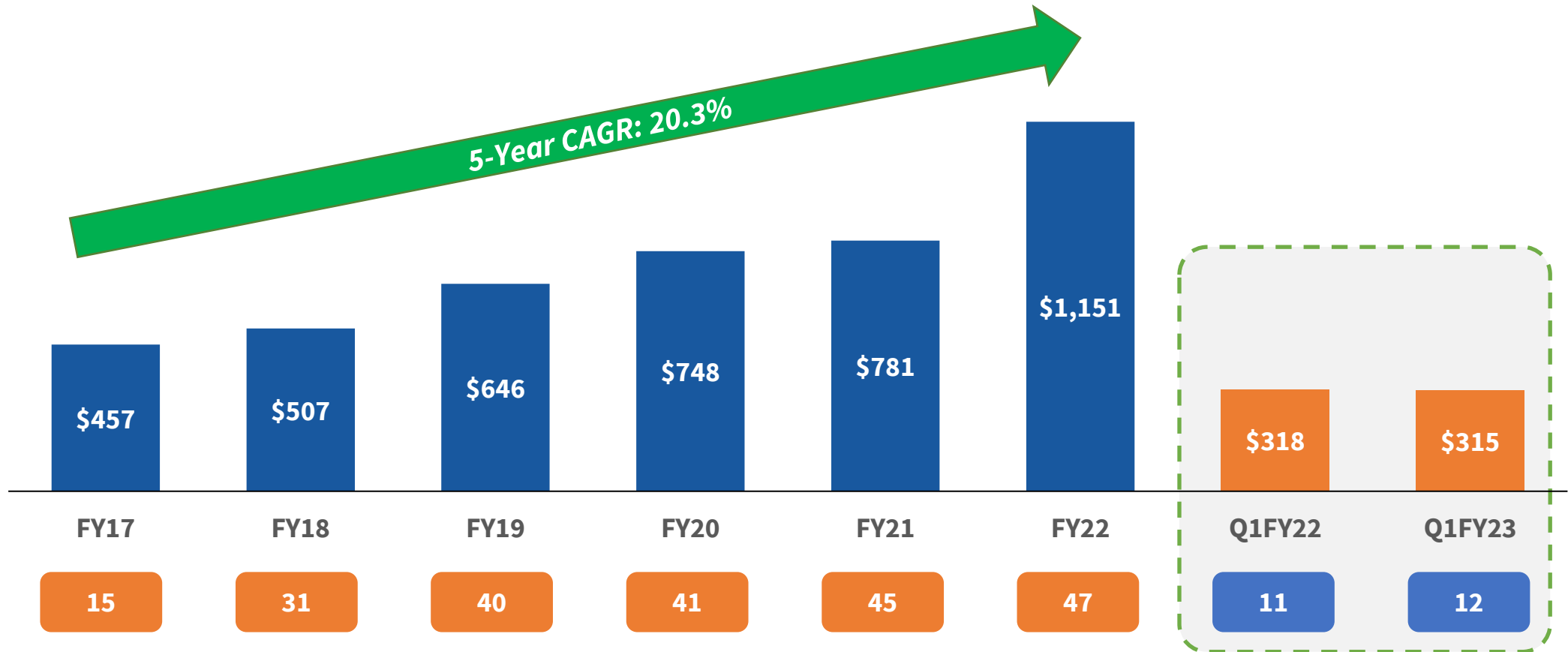
- Americas
- EMEA
- Rest of World

## Location Mix (IT Revenues Only)



# Very Significant Business Momentum Driving Robust Growth

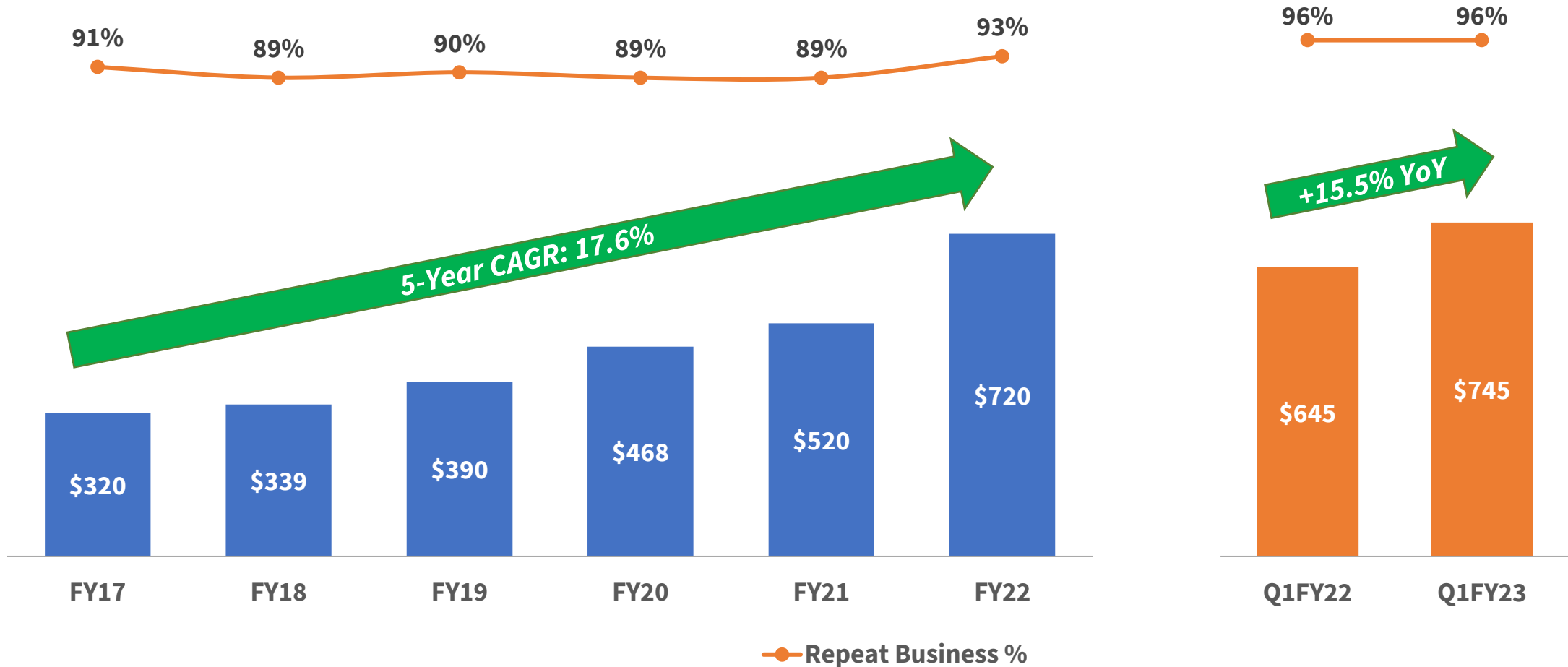
## Fresh Order Intake TCV (\$Mn)



**New Clients Added**

# High Degree of Visibility Through Contracted Revenues and Repeat Business

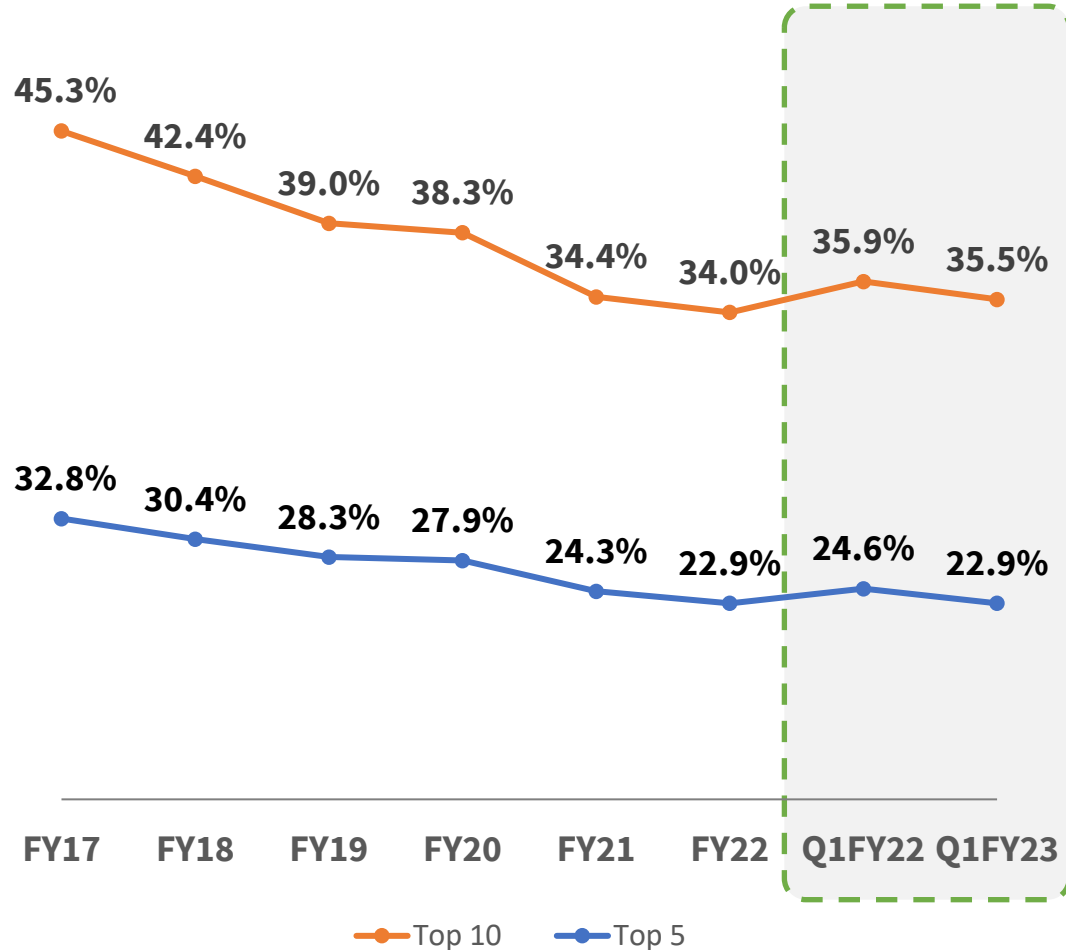
Order Book Executable Over Next 12 Months (\$Mn)



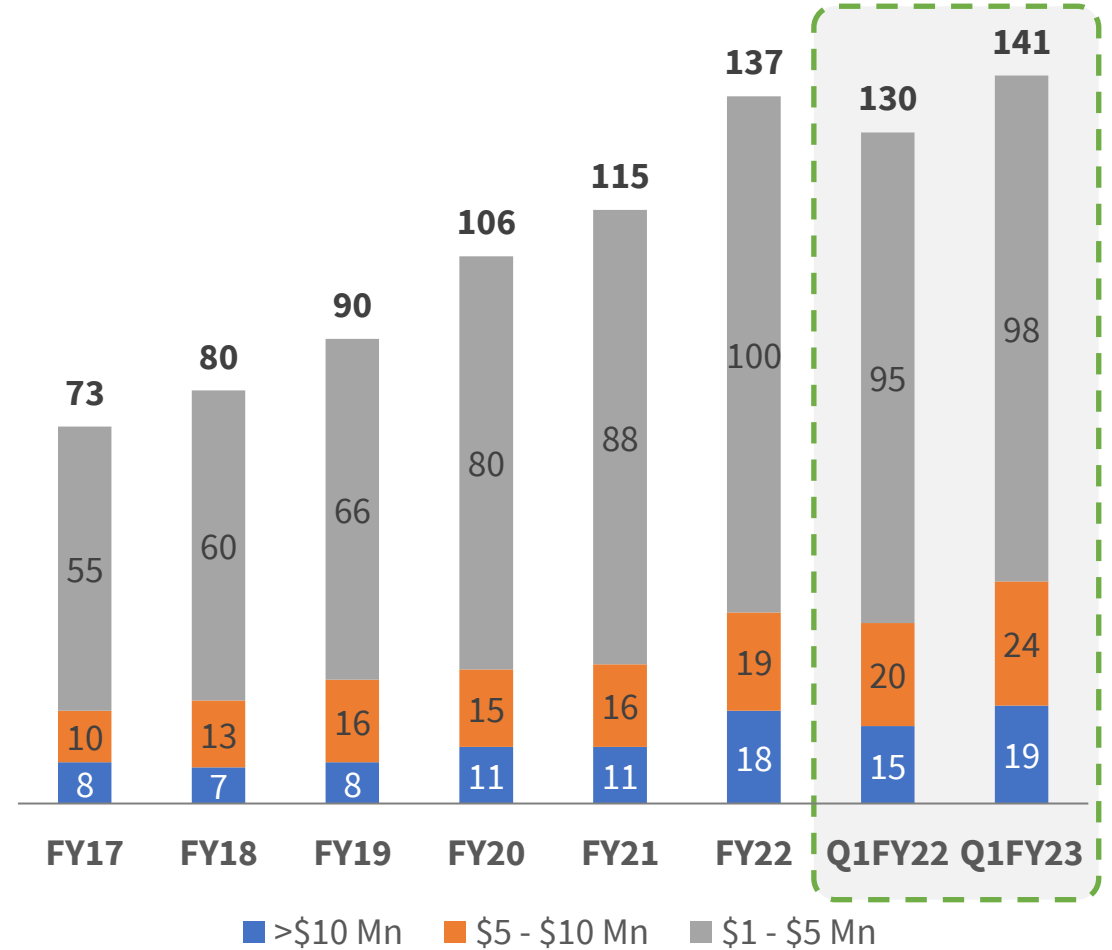


# De-Risked Operating Profile with Declining Client Concentration While Increasing Large Account Relationships

## Top Clients Revenue Contribution



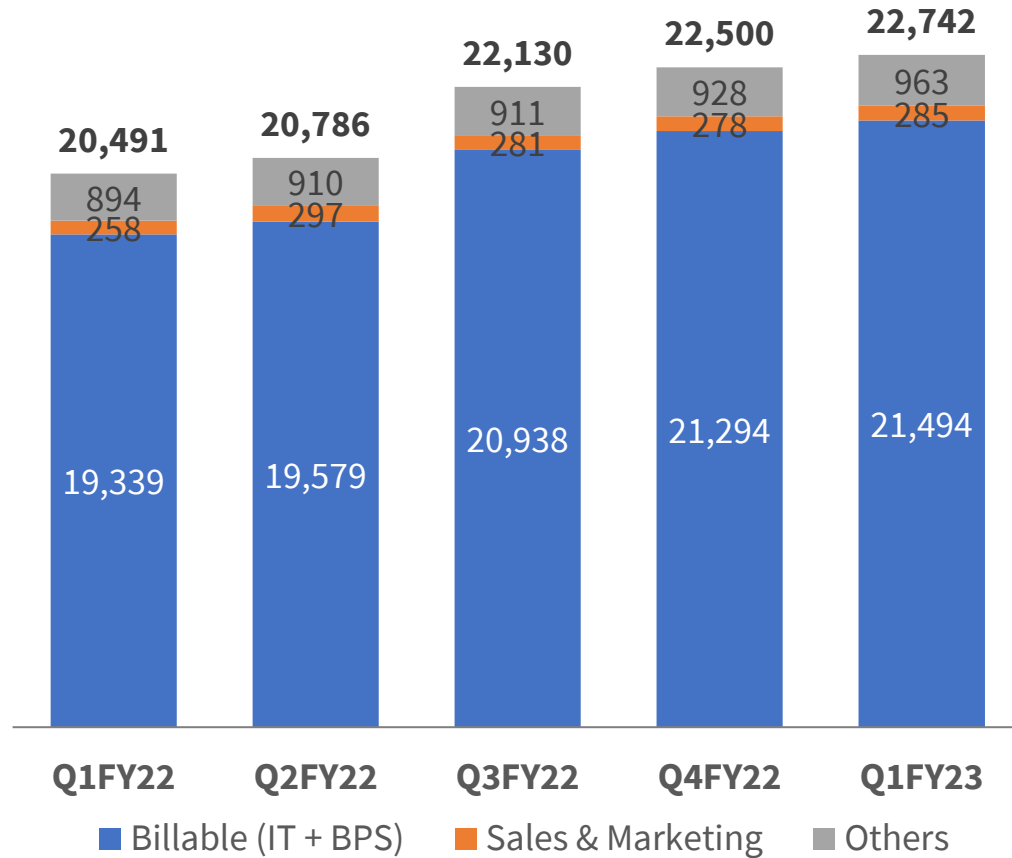
## Clients by Size



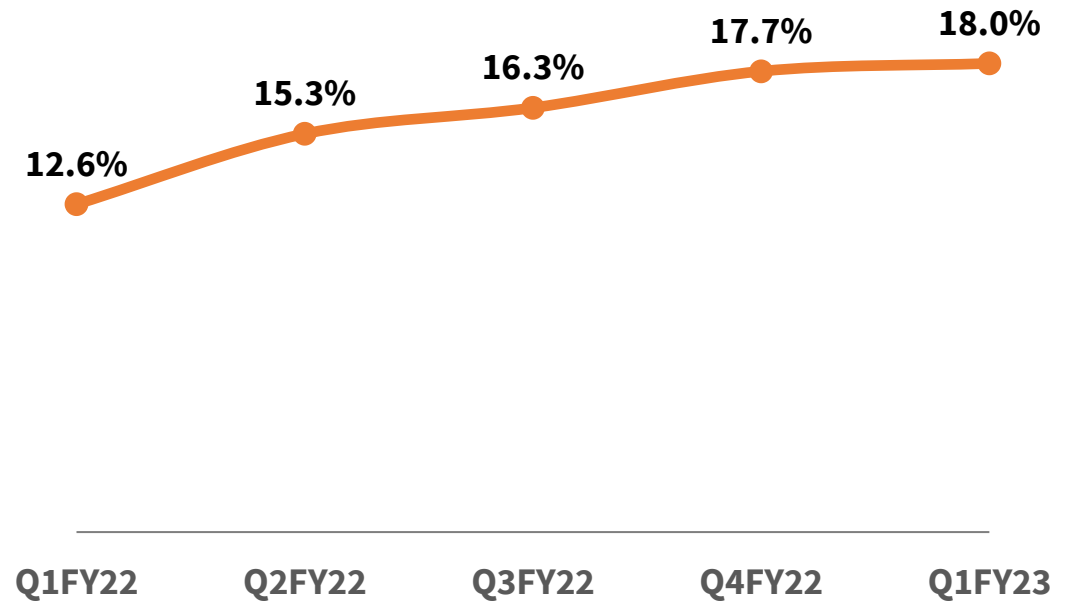


# Hiring with Pace While Managing Low Attrition Levels

**Total Global Headcount**



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



# Select Other Achievements During the Quarter



*Coforge achieved the Azure Expert MSP from Microsoft - a critical milestone in the partnership with Microsoft that will unlock significant value*



*Coforge was chosen as one of the 'Most Preferred Workplaces of 2022' by Marksmen Daily in association with India Today*



*Received the prestigious Great Place to Work® certification in India from July 2022-July 2023 - the second consecutive year that Coforge got Great Place to Work®-Certified*



*Partnership with Sysdig, the unified cloud, and container security leader, to enable customer success in the new multi-cloud environment by offering visibility across cloud & container workloads from source to run*



*Partnership with Estes Express Lines (Estes), the largest privately held freight carrier in North America, to bring agile, next-generation solutions to the transportation & logistics industry*



*Partnership with Newgen Software, a global provider of a low code digital transformation platform to help clients transform current processes, enhance operational efficiency, and gain a competitive edge over peers*

# Key Tenets of Coforge Growth Strategy



## Robust

- FY22 total revenue growth of 38% and organic revenue growth of 25%
- Q1FY23 revenue growth of 4.7% QoQ in constant currency

## Profitable

- FY22 Adj. EBITDA margin of 18.7% (margin expansion of 75 bps)
- Q1FY23 Adj. EBITDA margin of 16.5% (up from 16.1% in Q1FY22)

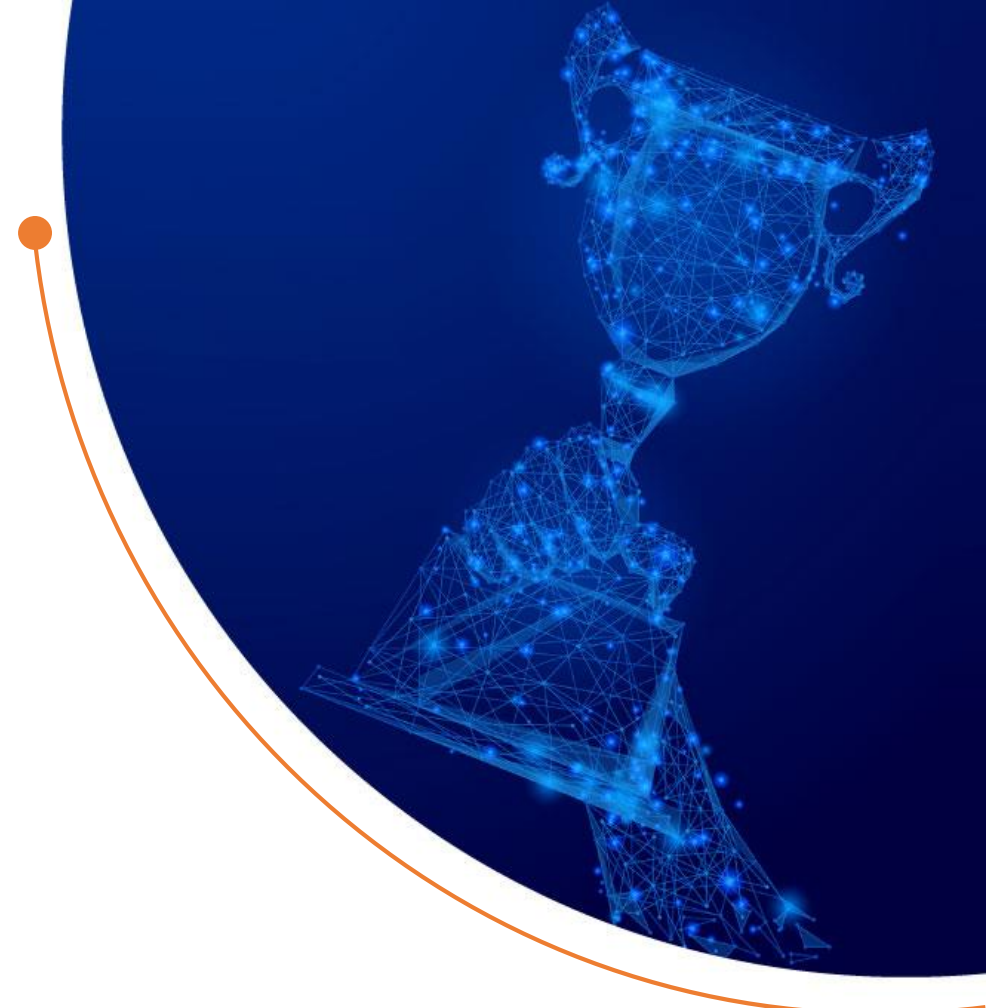
## Predictable

- Strong executable order book for next 12 months (\$745 Mn as of Jun 30, 2022)
- High degree of repeat business (96% in Q1FY23)

## Sustainable

- FY22 order intake of \$1.15 billion, including 11 large deals
- 60+ Forbes Global 1000 clients

# Appendix



# Consolidated Income Statement – Q1FY23

INR Mn

Particulars	Q1FY23	Q4FY22	QoQ%	Q1FY22	YoY%
Gross Revenues	18,294	17,429	5.0%	14,616	25.2%
Direct Costs	12,739	11,620	9.6%	10,250	24.3%
<b>Gross Profit</b>	<b>5,555</b>	<b>5,809</b>	<b>-4.4%</b>	<b>4,366</b>	<b>27.2%</b>
<b>GM%</b>	<b>30.4%</b>	<b>33.3%</b>	<b>-296 Bps</b>	<b>29.9%</b>	<b>49 Bps</b>
Selling / General And Administration	2,543	2,260	12.5%	2,007	26.7%
SG&A to Revenue %	13.9%	13.0%	93 Bps	13.7%	17 Bps
<b>Adj. EBITDA</b>	<b>3,012</b>	<b>3,549</b>	<b>-15.1%</b>	<b>2,359</b>	<b>27.7%</b>
<b>Adj. EBITDA%</b>	<b>16.5%</b>	<b>20.4%</b>	<b>-390 Bps</b>	<b>16.1%</b>	<b>33 Bps</b>
Cost of ESOPS / One time Incentive	90	210	-57.1%	159	-43.1%
<b>EBITDA</b>	<b>2,918</b>	<b>3,293</b>	<b>-11.4%</b>	<b>2,104</b>	<b>38.7%</b>
<b>EBITDA%</b>	<b>15.9%</b>	<b>18.9%</b>	<b>-294 Bps</b>	<b>14.4%</b>	<b>156 Bps</b>
Depreciation and Amortization	630	584	7.9%	524	20.2%
Other Income (net)	-76	-119	-36.1%	52	-247.3%
<b>Profit Before Tax</b>	<b>2,212</b>	<b>2,590</b>	<b>-14.6%</b>	<b>1,632</b>	<b>35.5%</b>
<b>PBT %</b>	<b>12.1%</b>	<b>14.9%</b>	<b>-277 Bps</b>	<b>11.2%</b>	<b>93 Bps</b>
Provision for Tax	493	342	44.2%	320	54.1%
Minority Interest	222	171	29.8%	76	192.1%
<b>Profit After Tax (after Minority Int.)</b>	<b>1,497</b>	<b>2,077</b>	<b>-27.9%</b>	<b>1,236</b>	<b>21.1%</b>
<b>PAT%</b>	<b>8.2%</b>	<b>11.9%</b>	<b>-373 Bps</b>	<b>8.5%</b>	<b>-27 Bps</b>
<b>Basic EPS (INR)</b>	<b>24.6</b>	<b>34.1</b>	<b>-27.9%</b>	<b>20.4</b>	<b>20.5%</b>

Adj. EBITDA excludes cost of ESOPs and Acquisition related expenses.

# Consolidated Income Statement – Q1FY23

USD Mn

Particulars	Q1FY23	Q4FY22	QoQ%	Q1FY22	YoY%
Gross Revenues	238.7	232.4	2.7%	199.7	19.5%
Direct Costs	166.3	154.9	7.3%	140.1	18.7%
Gross Profit	72.5	77.5	-6.4%	59.7	21.5%
<b>GM%</b>	<b>30.4%</b>	<b>33.3%</b>	<b>-296 Bps</b>	<b>29.9%</b>	<b>49 Bps</b>
Selling / General And Administration	33.2	30.1	10.1%	27.4	21.0%
SG&A to Revenue %	13.9%	13.0%	93 Bps	13.7%	17 Bps
<b>Adj EBITDA</b>	<b>39.3</b>	<b>47.3</b>	<b>-16.9%</b>	<b>32.2</b>	<b>22.0%</b>
<b>Adj EBITDA%</b>	<b>16.5%</b>	<b>20.4%</b>	<b>-390 Bps</b>	<b>16.1%</b>	<b>33 Bps</b>
Cost of ESOPS / One-time incentive	1.2	2.8	-58.1%	2.2	-45.7%
<b>EBITDA</b>	<b>38.1</b>	<b>43.9</b>	<b>-13.2%</b>	<b>28.8</b>	<b>32.4%</b>
<b>EBITDA%</b>	<b>16.0%</b>	<b>18.9%</b>	<b>-294 Bps</b>	<b>14.4%</b>	<b>155 Bps</b>
Depreciation and Amortization	8.2	7.8	5.3%	7.2	14.8%
Other Income (net)	-1.0	-1.6	-37.7%	0.7	-240.6%
<b>Profit Before Tax</b>	<b>28.9</b>	<b>34.5</b>	<b>-16.3%</b>	<b>22.3</b>	<b>29.4%</b>
<b>PBT %</b>	<b>12.1%</b>	<b>14.8%</b>	<b>-275 Bps</b>	<b>11.2%</b>	<b>93 Bps</b>
Provision for Tax	6.4	4.6	40.7%	4.4	47.1%
Minority Interest	2.9	2.3	26.7%	1.0	178.9%
<b>Profit After Tax (after Minority Int.)</b>	<b>19.6</b>	<b>27.7</b>	<b>-29.3%</b>	<b>16.9</b>	<b>15.7%</b>
<b>PAT%</b>	<b>8.2%</b>	<b>11.9%</b>	<b>-371 Bps</b>	<b>8.5%</b>	<b>-27 Bps</b>
<b>Basic EPS (INR)</b>	<b>24.6</b>	<b>34.1</b>	<b>-27.9%</b>	<b>20.4</b>	<b>20.5%</b>

Adj. EBITDA excludes cost of ESOPs and Acquisition related expenses.

# Other Key Metrics

DSO	Q1FY23	Q4FY22	Q1FY22
	72	63	71

Rupee Dollar Rate		Q1FY23	Q4FY22	Q1FY22
	Period Closing Rate	79.03	75.90	74.33
	Period Average Rate	76.48	74.87	73.23

Hedge Position		Q1FY23	Q4FY22	Q1FY22
	USD	151.98	129.60	91.50
	GBP	39.79	22.24	21.93
	EUR	3.93	4.22	4.50

Average Rates Outstanding Hedges		Q1FY23	Q4FY22	Q1FY22
	USD	78.57	77.43	76.70
	GBP	102.17	105.47	103.82
	EUR	90.73	90.73	92.42





**Coforge**

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