

## Coforge: A Compounding IT Powerhouse

Coforge, a global IT services and digital transformation company, engages in a wide range of day-to-day activities across technology, operations, and employee development.

Core Activities:

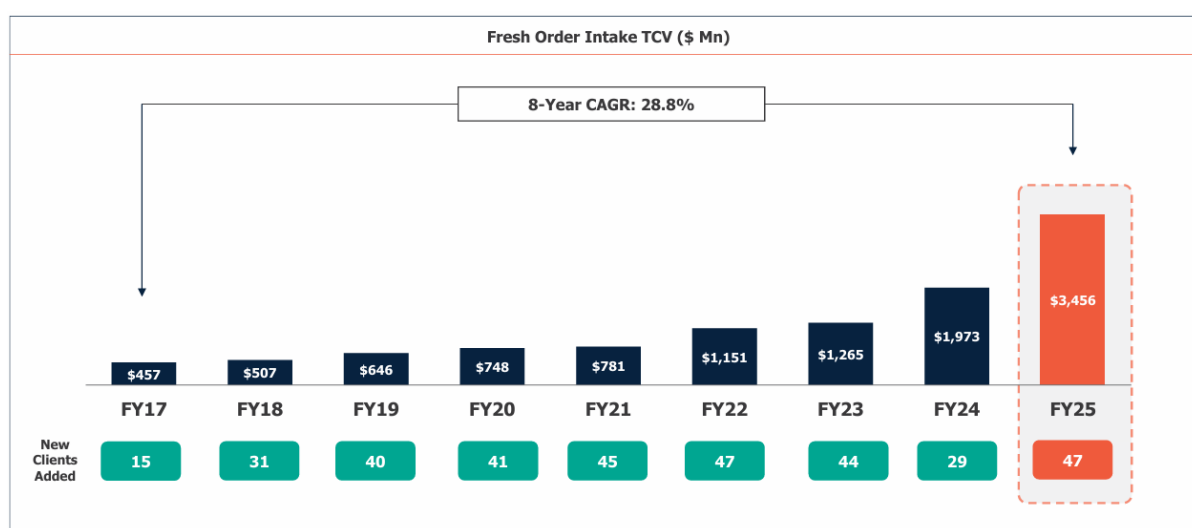
1. Client-facing technology delivery (automation, digital transformation and systems integration)
2. Employee development and learning (training, on-the-job learning, performance tracking)
3. Connected collaboration and workspace productivity (cloud-based collaboration, employee engagement, managed services).

Formerly known as NIIT Technologies, the company has undergone a strategic shift over the past few years—pivoting away from legacy IT services to high-value, domain-intensive solutions. The recently reported Q4 and FY25 results are a testament to this transition, showcasing not only robust growth but also financial discipline, operational resilience, and strategic foresight.

### A Standout Year in a Challenging Environment

In FY25, Coforge delivered revenue of US\$1.45bn from continuing operations, marking an impressive 31.5% year-on-year growth in USD terms. The company's Adjusted EBITDA grew 33.9% YoY, maintaining an EBITDA margin of 18%, reflecting cost discipline despite rapid scaling (all data is sourced from Coforge Q4 FY results).

The bottom line was equally strong. Net profit (excluding minority interest) was up 13.5% YoY. This reflects Coforge's ability to grow profitably, even as it invests in talent, technology, and acquisitions. Perhaps more notably, the order intake for FY25 hit a record US\$3.5bn, including 14 large deals, with an executable order book of US\$1.5bn for the next 12 months—an increase of 47.7% over FY24. This indicates high visibility and sustained momentum going into FY26.



Source: Coforge Q4FY25 Investor Presentation

## Focused, Vertical-Driven Approach

What sets Coforge apart from many of its peers is its focus on a few high-impact verticals: Banking & Financial Services (29.6% of FY25 revenue), Insurance (19.2%), and Travel, Transportation & Hospitality (18.3%). These sectors are large and complex and demand deep domain expertise, which Coforge has invested in through talent, IP, and tailored platforms. Instead of spreading itself thin across multiple sectors, Coforge's model is built on being a strategic partner in a handful of industries, helping clients modernise core systems, integrate cloud and automation, and leverage data analytics. This has enabled the company to deepen wallet share with existing clients while opening doors to new logos—47 in FY25 alone.

## A Healthy Mix of Services and Markets

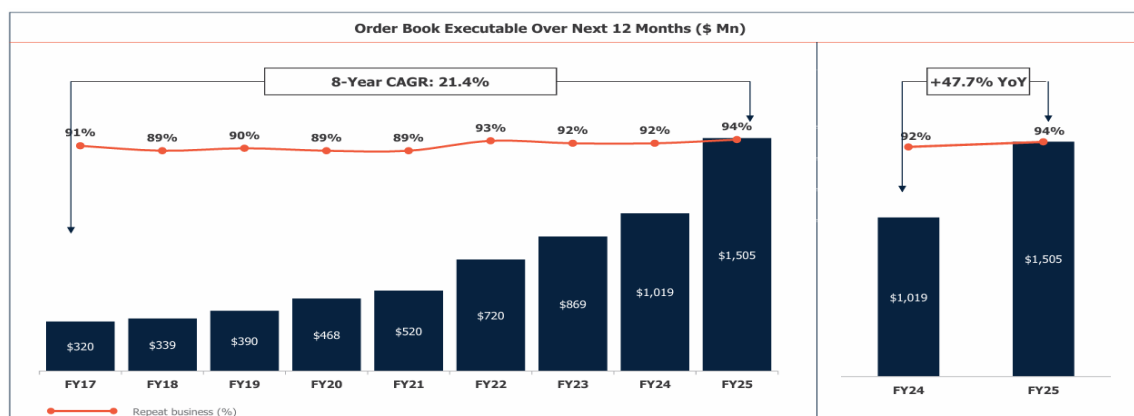
From a service mix perspective, Coforge earns a substantial portion of its revenue from high-value areas such as Engineering (41.3%) and Intelligent Automation (23.5%), followed by Data & Integration, Cloud Infrastructure, and BPM. This reflects a strategic push toward digital-first and IP-led offerings, unlike traditional IT outsourcing models. Geographically, the Americas contribute 53.9% of revenues, with Developing Europe, Middle East and Africa at 34.7% and the rest of the world making up the balance. The company has steadily increased its offshore delivery share, improved margins and enhancing scalability. The offshore mix stood at 53.4% in Q4 FY25, up from 47.5% just a year ago.

## Operational Excellence and Low Attrition

Execution capability is at the core of Coforge's success. It added 8,771 net new employees in FY25, ending the year with 33,497 global employees. Despite this rapid growth, Coforge maintained one of the lowest attrition rates in the industry at 10.9%. In an era where talent retention is a major concern for IT companies, such numbers reflect strong employee engagement, a performance-driven culture, and credible leadership. Client concentration risks have also been actively mitigated. The contribution of the top 5 clients has dropped to 18.6% from over 30% in FY18, and the company now boasts 31 clients generating over \$10 million annually, up from just 7 in FY17.

## Long-Term Outlook: Compounding Earnings Growth

Over the past eight years, Coforge has grown its fresh order intake at a 28.8% CAGR and its executable order book at 21.4% CAGR. Such consistency in growth, especially with high-margin and repeat business (94% in FY25), is a rare combination even among Tier-1 IT players. The company's disciplined capital allocation, targeted acquisitions, and focused growth strategy are its strengths, leading to mid-cap type growth, whilst "mature" company practices are in place.



Source: Coforge Q4FY25 Investor Presentation

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