Operator: Good day, ladies and gentlemen, and welcome to the Coforge Ltd. Q2 FY27 earnings conference call. All participant lines will be in listen-only mode. We will open the floor for questions after management's opening comments. Please note that this conference is being recorded. I now hand the conference to Ms. Radhika Arora, Head of Investor Relations. Thank you, and over to you, ma'am.

Radhika Arora – Head Investor Relations: Good day, everyone, and thank you for joining us today. Many of you on the call already know me. For those of you who may not, I am Radhika Arora, Head of Investor Relations at Coforge Ltd. It is a pleasure to welcome all of you to our Q2 FY27 earnings call. Joining us today from the leadership team are Mr. Sudhir Singh, Chief Executive Officer and Executive Director; Mr. John Spate, President and Executive Director; and Mr. Saurabh Goyal, Chief Financial Officer. Before we start, I would like to reiterate that we take it that you have read the safe harbor statement available in the presentation. With that, let me hand over to Sudhir. Sudhir, over to you.

Sudhir Singh – CEO: Thank you, Radhika. Ladies and gentlemen, a very good day to all of you, and thank you very much for joining us. The call today is particularly exciting because we have now reached what we believe is a critical tipping point for AI adoption within Coforge Ltd. Consequently, we are pleased to reset expectations around our operating margin profile and, equally importantly, our expected large deal closure velocity going forward. I wish to start today with a bulleted list of the six key messages that we would like to leave with you before delving into the details of what has been another exceptional quarter.

Bullet point message number one: We are pleased to raise our consolidated EBIT margin guidance for FY27 to 16% from the 15.5% we had shared at the beginning of the year. We also plan to achieve a reported Q4 EBIT of 17%, thereby establishing the glide path to further and significant margin expansion in FY28 as well. This improvement in margin, at a time when our industry faces acute pricing pressure, is driven by our execution ethos. Not only are we making the promise of AI real for enterprises, but we are equally, with the same intensity, embedding AI across our internal processes and functions. We believe that AI is breaking the link between scale and margin leadership for the tech services industry. Time-and-material effort-based economics face pressure as automation reduces labor content. In this evolving world of the new-age tech services firm, it is our intent to become one of the top three highest EBIT margin tech services firms in our industry in the short to medium term. That was bullet point number one, the message around margins.

Bullet point number two, equally importantly: The message around revenue growth. Our focus on revenue growth excellence is unimpaired. This year, we will be the industry growth leader for the third consecutive year. In Q2, we signed eight large deals. This is the highest number of large deals we have signed in any quarter in our history. Equally importantly, in Q3, which has now started—which, incidentally, is the shortest quarter of the year—we hope to sign eight, if not more, large deals again. Our increasing large deal velocity offers assurance of sustained robust growth in the future as well. It is also, we believe, a testament to the world-class onsite-based solutioning engine we have built. Most of our large deals are sole-sourced and driven by proactive solutions. That, we believe, is the only path to growth in an industry that faces AI-led deflationary winds, and yet is also an industry where clients are keen to work with differentiated partners like Coforge Ltd.

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that do not just go out there and offer assets and platforms, but can actually craft and deliver solutions that are deeply embedded in the very specific operating context of an individual enterprise. That was point number two.

Point number three: Commentary around order intake. I wish to share that our order intake for the quarter, for the second time in our history as a firm, is more than $1 billion. More than this number, impressive as it is given our size, is the fact that this order intake is truly broad-based. $455 million of this came from North America, $485 million came from Europe, and $101 million came from the rest of the world. Interestingly, of the eight large deals we signed during the quarter, two came from BFSI, three came from the public sector, two from high-tech, and one from retail—broad-based again. Once again, geographically, of the eight large deals, three were from North America, four from Europe, and one from the rest of the world. As we stand today, ladies and gentlemen, every business engine of Coforge Ltd. is firing despite the very tough macro environment we are going through. What that does is not just impart great growth momentum to us; it equally importantly de-risks that robust growth outlook.

Bullet point number four: Key accounts. I am very pleased to share that, starting in Q2, there is now a second client of Coforge Ltd. that has crossed a $100 million annualized relationship run rate. Large deals are important, but equally important is the ability to nurture and sustain that initial growth impetus. The growth of the second client relationship to more than a $100 million annualized run rate is testament to the fact that both the farming and the hunting sales engines continue to excel with an execution ethos that is uniquely our own.

Bullet point number five: Free cash flow. FCF to PAT came in at 90% for the quarter. In short, we expect it to be 100% for the year.

Finally, bullet point number six: Of course, enterprise AI. Enterprises are deriving the highest AI value from redesigning and automating business workflows, which shifts the IT services opportunity from supplying technology effort towards owning transformation and business outcomes. AI-enabled operations and end-to-end workflow transformation have become more important than standalone coding. Domain expertise, process mining, data, and change capabilities are increasingly becoming more important.

In that context, there are four fronts on which we continue to address the AI imperative. Number one, first through Coforge Neuron, our enterprise autonomy enablement suite. AI, as you know, is only as useful as its understanding of your business. Neuron is the digital brain behind enterprise agents, grounding them in enterprise context and enabling them to drive autonomous operations one step at a time.

The second way in which we are helping drive enterprise adoption is through a proven set of enterprise-grade AI assets, including ForgeX, CodeInsight.ai, and EvolveOps.ai. These are all agentic AI solutions. These assets, in turn, bring Neuron to life in specific areas of the enterprise with proven solutions for engineering, operations, and business processes. They give us a faster starting point to solve real client problems and take AI into production.

The third way we are doing this, again, is through Momentum Blue, our dedicated forward-deployed engineering unit, supported by Mod Squads, to take AI solutions from idea to

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scale. Our FDEs work closely with clients to build and prove solutions in their specific business environment. Mod Squads, which are hybrid human-agent pods, then scale these solutions across the enterprise and continuously improve them.

Finally, the fourth way is that enterprises increasingly want more choices in the models they use and more control over where their intelligence sits. They also want better visibility and control over AI costs as usage grows across the organization. To address this—and you would have seen this—we recently announced AI Launchpad, the open-weight AI ecosystem for the enterprise. AI Launchpad helps enterprises select, adapt, govern, and deploy open-weight models at scale. It gives clients the flexibility to use the right models for different workloads while keeping control of their enterprise context, intellectual property, and AI economics.

With that, let me quickly turn to our Q2 FY27 performance. In Q2 FY27, we registered sequential consolidated growth of 10.9% in CC terms, 10.1% in US dollar terms, and 11.6% in Indian rupee terms. Organic sequential growth stood at 3.8% in CC terms. What we find particularly reassuring about our growth performance is the large deal velocity that I alluded to and the key account growth that underpin it. Our top 10 and our top 20 accounts are both growing at 20% or more year-over-year at the current point in time.

In Q2 FY27, our order intake exceeded $1 billion. Order intake increased 51% Q-o-Q and 102% Y-o-Y. Q2 order intake was broad-based across geographies and industries, as I noted at the outset. Eight large deals, the highest in our history for a quarter, were signed, as I said. One of the eight large deals won during the quarter was a $230 million UK public sector engagement signed in July 2026. Equally importantly, we delivered a consolidated EBIT margin of 16%, above our current guidance of 15.5%, while the standalone business delivered an EBIT margin of 17%.

Quick revenue commentary: Consolidated revenue for the quarter stood at $652.2 million. In Indian rupee terms, revenue stood at Rs.61,708 million. On an organic CC basis, BFS grew 8.3% sequentially, Insurance grew 3.6% sequentially, Travel Transportation Hospitality grew 1.8% sequentially, Healthcare High-tech declined 6.4% sequentially, Government outside India grew 20.8% sequentially, and emerging verticals grew 2.3% sequentially.

From a geographic perspective, organic growth was led by the Americas and the rest of the world, which grew 4.1% and 16.3% sequentially. AI-led engineering, data integration, and cloud, the key growth drivers of the combined organization, contributed 86% of consolidated revenue during the quarter, reflecting the consistent growth and increased scale of these businesses. Our top five clients contributed 18.1% of Q2 revenue, our top 10 contributed 26.4%, and, as I have noted, our top 20 clients are growing more than 20% year-over-year.

Backed by fresh order intake of over $1 billion during the quarter, our next 12-month executable order book rose to an all-time high of $2.4 billion, increasing 45% year-on-year from $1.64 billion and significantly strengthening growth visibility for the rest of FY27.

In Encora, this was the first full quarter following the Encora acquisition. We are exceptionally pleased with the manner in which the two teams have come together, and we feel extremely bullish about the outlook for that business. Margin expansion at Encora is ahead of the acquisition plan, deal momentum is building very appreciably, and we continue to expect, as we had said last quarter

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in the investor call, that Encora's revenue growth will mirror Coforge Ltd.'s growth from Q3 onwards.

Equally importantly, the largest deal that Coforge Ltd. is pursuing as of today within our pipeline is with an Encora client, and if all goes well, we hope to announce a win either in Q3 or in Q4 around this. The largest healthcare client of Coforge Ltd. today is also a client that has come over from the Encora stable, and that client, also one of our top 10 clients, continues to grow extremely robustly.

People: We added 1,137 employees. Total headcount now stands at 47,365, and the utilization rate stands at a healthy 82.4%. Last-12-month attrition remains stable at 10.4%, among the lowest in the industry, reflecting the strength of our people practices and excellence in employee retention. With that, I will hand over to John for delivery-related updates.

John Spate – President: Thank you, Sudhir. I would now highlight the quarter's delivery [trails off]

John Spate – President: ...and capability milestones. AI is in production at scale across our client base. We are running more than 520 AI engagements for more than 225 clients today, with over 260 agents deployed in live operations. Two capabilities launched in July now sit behind that work. Neuron, our enterprise autonomy enablement suite, connects enterprise knowledge, workflows, and decisions in one intelligence layer. Momentum Blue puts our forward-deployed engineers inside client teams to accelerate time to value for our clients on their AI investments.

I will share a few examples of how we are driving business outcomes for our clients through AI. For a global HR solutions provider, we built a secure, governed AI foundation layer to accelerate the delivery of its AI business use cases. These included an AI customer service assistant, a consensus-to-quote assistant, and an AI investor relations assistant. The AI quote agent has cut turnaround time from about 3 weeks to less than 5 days. The AI customer service assistant now handles more than half of inbound service queries, freeing capacity for higher-value interactions.

At a North American property and casualty insurer, {? Lexi ?} integration services carried heavy technical debt and little documentation. Our AI-powered Mod Squad reverse-engineered the legacy APIs and modernized them as microservices on AWS. The insurer now runs a cloud-native architecture with delivery 30% faster.

For a North American wealth management platform, we built a governed agentic AI solution—an AI trade assistant that gives advisors portfolio insights and recommendations through natural-language conversations within their compliance areas. The AI assistant has unlocked additional advisor capacity by way of agentic support without adding any additional headcount.

At a leading energy services company, our multi-agent AI drilling advisor combines historical well analysis, drilling parameter recommendations, and a knowledge graph that engineers query in natural language. Half of their new well-drilling projects are now planned with it, and analysis that took weeks now takes hours.

For a global pharmaceutical company, we applied AI across its R&D portfolio and program management. It consolidates project data from several sources and drafts executive-ready status reports, for which program managers now estimate scope changes themselves. The work released around 15,000 business hours, including more than 1,800 hours from monthly reporting.

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On partnerships, we joined the AWS forward-deployed engineer pilot in September, and AWS is investing with us to grow that footprint. We expanded our partnership with Pega, a pivotal shift in how Coforge Ltd. goes to market. We now build and deliver Pega-powered offerings under our own brand and take them to market jointly with Pega across our industries and markets.

These successes were complemented by multiple analyst recognitions during the quarter. Whitelane Research named us an exceptional performer in application services and in cloud and infrastructure services in its 2026 UK and Ireland IT sourcing study. HFS Research identified us as a standout non-linear growth leader. Meanwhile, NelsonHall positioned us as a leader across six segments in its 2026 NEAT assessment for AI-enabled cloud infrastructure management services. With that, I will hand over to our CFO, Saurabh Gaur.

Saurabh Gaur – CFO: Thank you, John. We reported CC revenue growth of 10.9% in Q2, reflecting revenues of $650 million on a CC basis. Revenue growth in dollar terms was 10.1% in the quarter, and in INR terms it was 11.6%. On EBIT margins, while consolidated EBIT margins stood at 16%, which is ahead of our consolidated EBIT margin guidance of 15.5% for the year, the organic business reported a margin of 17% in the quarter, reflecting continued operational discipline.

Following the 40% reduction in Encora G&A in Q1, the full-quarter benefit of the cost actions is now visible, with combined G&A improving further to 6.3% in the current quarter versus 6.6% in the previous quarter. Beyond the benefits already delivered, we retain multiple company-wide levers for further margin expansion. Utilization is currently only at 82.4%. Most of our peers are already operating at 86% plus, and we have significant headroom on this front. AI-led efficiencies have been triggered in our fixed-price contracts, which will start reflecting in our Q4 margin numbers. AI-led efficiencies across G&A functions will support continued productivity gains and incremental benefit on margins. Intangible amortization is largely fixed, creating operating leverage as the company scales.

Hedge losses for the current quarter stood at $10.2 million, broadly in line with Q1 FY27. On a mark-to-market basis, we expect losses of $7.1 million in Q3 and $1.2 million in Q4. This is going to provide a significant tailwind to EPS in the coming quarters. We now have a natural hedge in the balance sheet on account of the US dollar-denominated loan.

On exceptional items and acquisition-related expenses, during the quarter we recognized exceptional items of $5.9 million. These primarily comprised integration-related expenses on account of lawyers' and consultants' fees for legal entity rationalization and tax structuring. At the time of acquisition, we had guided for exceptional expenses of $15-$16 million of acquisition and integration costs, whereas we have ended up spending around $17 million. This increase was on account of overruns related to tax planning for overseas entities and the strategy related to rationalization of the 95 entities that we have today.

EPS stood at 13.3 in the current quarter as compared to 12.3 in the last quarter. As guided earlier, we remain well on track to deliver EPS accretion in FY27.

Turning to cash flows, the combined organization generated free cash flow of $53.8 million, representing an FCF-to-PAT conversion of 89%. At the end of H1, we are at an FCF-to-PAT conversion of 92%. We remain confident of delivering FCF-to-PAT guidance of 100% for FY27.

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To conclude, with H1 behind us, this is where we stand for our FY27 outlook. EBITDA margin in H1 is at 20.5%. We remain confident of the guidance of a 20.5%–21% range. For EBIT margin, we are increasing our FY27 consolidated EBIT guidance from 15.5% to 16%. H1 consolidated EBIT is already at 16%, and with the levers I described, we are confident of reaching 17% in Q4 of FY27 and expect EBIT margins to be more than 17% going forward.

For free cash flow, as I mentioned, the guidance is 100% FCF-to-PAT for FY27. Tax, on a steady-state basis, is 23%–24%. EPS: with no exceptional expenses in Q3 going forward, lower hedge losses in Q3 and almost negligible losses in Q4, and an improvement in EBIT margins in Q4 to 17%, we see significant upside in exit EPS for Q4 FY27. With this, I will hand over the call back to Sudhir.

Sudhir Singh – CEO: Thank you, Saurabh. As Saurabh stated, ladies and gentlemen, we are upgrading our FY27 consolidated EBIT margin guidance from 15.5% to 16%. Our revenue outlook remains very robust. Our signed next 12-month order book of $2.4 billion and in-quarter order intake of more than $1 billion, along with the highest-ever number of large deals signed in Q2—which, incidentally, is a record that is likely to be eclipsed in Q3—support this outlook.

The broad-based nature of order intake and the broad-based nature of large deals, robust—more than robust—key account growth, and the de-risked profile of our top 10 clients and our business assure us of delivering best-in-class growth numbers this year and even beyond this year. This resilient performance in the face of AI-led deflationary winds is driven by an exceptional solutioning engine and an execution ethos that is uniquely our own.

The Encora acquisition is ahead of plan on every aspect. When we consummated the acquisition, we had indicated that the margins of Encora would go up appreciably. They are now significantly ahead of what our plans were. We had also told you last quarter that, starting in Q3, the revenue growth rate of Encora would start mirroring the Coforge Ltd. growth rate. In light of the large deal pipeline that I described, across the healthcare client and across the high-tech client, that again is going to be true. It has been, it has been, it has been an acquisition that continues to thrill us.

Finally, to conclude, the ultimate arbiter of sustained performance is the people in a tech services firm who drive it. We are one of the, if not the most, tenured leadership teams in our industry. We have a track record of sustained performance that is measured not in quarters but in years. This is year 10 of the sustained robust Coforge Ltd. growth saga. The trust across and the competence of the leadership team, allied with a collective sense of purpose and an execution intensity that is uniquely our own, is likely, we believe, to propel us to even greater heights beyond what we have achieved over the last 10 years.

Taken together, exceptionally strong deal momentum, margin expansion, and clear success with the Encora acquisition reinforce our confidence in the sustained, continued, robust growth of the firm and the profitability trajectory outlined at the start of this fiscal year. With that, we conclude, ladies and gentlemen, our prepared remarks, and we now look forward to your questions.

Operator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may click on the raise hand icon from the participant tab on your screen. We will wait for a few moments while the question queue assembles. We also request

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our participants to restrict themselves to two questions and then return to the queue for more questions. To rejoin the queue, you may click on the raise hand icon again. We will take the first question from Vibhor Singhal of Nuvama Equities. Please go ahead.

Vibhor Singhal – Nuvama Equities: Hi. Thanks for taking my question, and congratulations, Sudhir and team, on a super performance yet again and strong deal wins. Sudhir, I have two questions from my side, and then I have one bookkeeping question for Saurabh. You mentioned in your opening remarks that we are now at a critical tipping point with respect to AI in the Coforge Ltd. journey. I just wanted to get your thoughts on that. Is the margin upgrade guidance that we have given also related to that? I know there are operating levers that Saurabh talked about in terms of margin expansion, but the kind of deals that we are winning right now with an increasing AI component in them, what is the change in the nature of those deals? Are they more short-tenured or longer-tenured? Do they come with definitively better pricing than the deals that we had been doing till now? Any color on that would be helpful in terms of how that is helping us with our growth and especially our margin trajectory.

Sudhir Singh – CEO: No, thank you for the question. Thank you for the comment, Vibhor. Let me take question number one from you. You are right; we believe that for us, we have now reached a critical tipping point on AI adoption within Coforge Ltd. The margin upgrade that we have done and the very strong confidence that we have shared around our margin outlook, along with the plans to potentially be one of the top three highest-margin players across our industry in the near to medium term, ride off massive, in some cases post-injection, AI-led technology and automation into our internal processes—not just delivery processes, but across every function that we operate with and through.

As far as the deals are concerned, the two points that I believe will add some color to this are as follows. The second $100 million-plus client that we have for the firm—we incidentally signed a very large deal with that client in the current quarter—is one of our highest-margin clients. So it is not just one of our highest-growth clients; that growth is coming at one of the highest gross margins that we operate at across any client.

Second, as I said, most of our deals tend to be somewhat atypical in that they are proactive deals. We have realized that in the intense pricing atmosphere that prevails across our industry, the only way to sustain both growth and margin simultaneously is to make sure that we lead with proactive solutions through an ex... [cut off]

Sudhir Singh – CEO: ...exceptional solutioning onsite engine that we have and close deals without getting into fisticuffs with other providers around pricing. That is how we are approaching deals. That is how we are making sure that we insulate our margins while driving best-in-class growth.

Vibhor Singhal – Nuvama Equities: Got it. That was really helpful. Just a related question on that, {? Sudhir ?}, since we have now reached a revenue run rate of almost $2.6 billion, deal wins were over $1 billion in this quarter, and you mentioned it might be another quarter, Q3, in which we have another $1 billion-plus in deal wins. Do you think, at our size of revenue and deal wins, we can sustain the growth momentum by focusing only on solely sourced deals? Or do you think that at some point we will also have to take the plunge and be part of vendor-driven deals to sustain the growth momentum?

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Sudhir Singh – CEO: [pause] The short answer is that I do not think we can only sustain it. The intent is actually to accelerate growth going forward. We have a very strong collective belief across the firm that the demand slowdown we are talking about is largely on account of the fact that procurement-driven RFPs have slowed down. The intensity of the ask around delivering AI-led transformation for enterprises is only getting stronger, and tech services partners that have the ability and the understanding of the domain and technology to craft proactive solutions have a very strong, very long, and, we believe, lengthening runway of growth ahead of us. John, would you like to add anything to that?

John Spate – President: I mean, the only thing I will add to that is that, in parallel to leveraging the solutions capability for proactive deals, we have also increasingly started to use some of the more advisory channels, and we are starting to see deals come in through those routes, which traditionally we have never had.

Vibhor Singhal – Nuvama Equities: Got it. Great, John. Thanks for answering that and completing that question. My last question is just for Saurabh. Saurabh, a bookkeeping question on the revenue part: if I look at our revenue number in this quarter of around $652 million and the organic growth rate on CC terms that we have called out at 3.8%, it looks like there was a slight miss or perhaps a small number miss at the Encora level. Because if I back-calculate, I think the revenue for Encora comes out to be around $144-$145 million, whereas last quarter I think we had 2 months of Encora, which was around $100 million, and that also ties up with the $600 million revenue that we had acquired it with. So if you could help me reconcile the math, that would be really helpful.

Saurabh: So, {? Vibhor ?}, number one, the reported dollar revenue is $652 million, which is 10.1%. The CC growth is 10.9%, which actually reflects $657-$658 million of revenue. So now, if you apply 3.8% of organic growth, you are left with $147-$148 million of revenue from Encora in the current quarter. Last quarter we reported 2 months, which was $100 million. The average for the quarter—the full-quarter number for the last quarter—was also close to $148 million. So it is largely flat in the current quarter, and, as we have already mentioned, with all the actions that we have taken and all the deal pipeline that we have built up over 5 months of acquisition, Q3 is going to mirror it; Encora is going to mirror the growth of Coforge Ltd. from Q3 onwards.

Vibhor Singhal – Nuvama Equities: Got it. So Encora revenue was largely flat Q-on-Q in Q2 over Q1?

Saurabh: It was largely flat, exactly.

Vibhor Singhal – Nuvama Equities: Got it. And from Q3 onwards, can we expect Encora plus Coforge Ltd. to be at the same growth rates—in other words, Encora and organic Coforge Ltd. to be at the same growth rates?

Saurabh: Absolutely right. There is no—because this is full-quarter integration that has happened—there is no internal differentiation within Coforge Ltd. between what is Coforge Ltd. and what is Encora. It is one single unit now.

Vibhor Singhal – Nuvama Equities: Got it. Great. Thank you so much for taking my questions, and I wish you all the best.

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Operator: Thank you. Our next question is from Abhishek Pathak of Motilal Oswal Financial Services. Please go ahead.

Abhishek Pathak – Motilal Oswal Financial Services: Hi. Am I audible?

Sudhir Singh – CEO: Yes.

Abhishek Pathak – Motilal Oswal Financial Services: Hi, Sudhir. Hi, Saurabh. Congratulations on a good quarter. My question was on margins. If you look at our margin gains, most of them have actually come from SG&A optimization, and our gross margins have been fairly flat. From that perspective, when we talk about slightly higher margins going forward as well, do we see some gains on the gross margin side from selling IP or selling something like Momentum Blue, for example? I do not know what margins we are earning on that. But is there a possibility to increase gross margins somewhat from these levels?

As a corollary to that, does it mean we can invest some of that into SG&A as well, because this SG&A number is the lowest we have had in a while? Of course, we are growing very well, but I am wondering whether recycling that back into SG&A could lead to even higher growth rates from where we stand. That is the first question.

The second one is largely on the growth outlook for the next couple of quarters. The deal wins were pretty solid. I am trying to understand the ramp-up schedules for this order intake. Should we see meaningful acceleration in organic growth in Q3 and Q4? If so, how should we model that in the short term? Thank you.

Sudhir Singh – CEO: Sure. Let me take those in order. The first question is around margins. Abhishek, we have been investing very significantly in the four AI initiatives that we talked about. Momentum Blue, the forward-deployed engineer factory that we are building, as you can imagine, is a factory we are building onsite, and we are investing an exceptionally high amount to sustain it. I suspect that, if not in Q3, starting in Q4 you will see a material spike in gross margin at the consolidated level of the firm. So that is answer one.

As far as SG&A reduction is concerned, it is only because the G&A part, with AI injection, is being and will continue to be very aggressively reduced. That is answer two.

The third thing, as far as the trade-off between SG&A investment and growth is concerned, is that the one thing we wish to reassure you of is that for 10 years we have been a growth firm. There is zero change of heart. There is zero likelihood of there ever being a change of heart. We continue to be the firm that prioritizes growth over everything else. It is just that at the current point in time, with the advent of AI, we believe there is an opportunity also to materially delink margin profile from scale, and we will ride that wave. But growth is the first, second, and third imperative as far as we are concerned. We will not let anything come in the way of it.

Saurabh: And maybe just to add to that, Abhishek, our revenues have grown 53% year-on-year. S&M has actually grown 52%. It is G&A that has grown only 15.6%, so there is no reduction that has happened on the front end when it comes to sales efforts, sales motions, solutioning architects, and the pre-sales team. It is G&A that has again grown 15.6%; no reduction has happened there. It is

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optimization, and with the growth in revenues that has come in, we did not have to hire more people purely because we have been investing in technology.

Abhishek Pathak – Motilal Oswal Financial Services: Got it. The second one is on the deal ramp-up schedule and how I should build in the organic growth rate for the next couple of quarters.

Sudhir Singh – CEO: These are not deals that will take a long time to ramp up. We are not going to ask you to wait until next year or the end of Q4 to see the ramp-up. The ramp-ups will be nearly immediate in most cases, and the growth outlook continues to be very robust.

Abhishek Pathak – Motilal Oswal Financial Services: Thanks, Sudhir. Just very quickly, Saurabh, a bookkeeping question: our FCF-to-net-income conversion is extremely healthy, but the OCF-to-EBITDA conversion seems to have fallen off somewhat. Is that temporary, or is it a result of Encora being integrated? How should we look at that particular metric going forward as well? Thank you.

Saurabh: I think there are a couple of things. First, we are currently in the process of—and I talked about legal entity rationalization and investment in tax consultants—moving contracts from the US to India. The contracts are getting novated because, when we acquired Encora, its entrepreneurial entity was a US entity and Coforge Ltd.'s parent is an Indian company. Contracts are getting novated, which has led to delays in certain invoicing and certain collections, and that is why you see a certain increase in unbilled revenue as well. As we move forward, you will start seeing a correction in that.

Number two, we had guided for FCF-to-PAT of 100%. We are sitting at 92%. I believe that by the time we end the year, we should be more than 100% on that front.

Abhishek Pathak – Motilal Oswal Financial Services: Thank you so much, and all the best.

Operator: Thank you. Our next question is from Pratik Maheshwari of HSBC Securities. Please go ahead.

Pratik Maheshwari – HSBC Securities: Hi. Thank you for the opportunity, and congratulations on the strong deal wins this quarter. I wanted to check on the order book. We have had fantastic deal wins, but on the executable order book, I wanted to check whether you could break it up for Encora as well. Based on that, I know it will start mirroring Coforge Ltd.'s growth in Q3 and Q4, but is there equal confidence that it will probably grow as well as Coforge Ltd. has in FY28?

Sudhir Singh – CEO: Absolutely. You will hear both John and me say the same thing. We are equally confident, and we did allude to the pipeline, not the order book. The largest deal in the company's arsenal today is from the Encora stable. The largest healthcare account, which offers the most promise—and healthcare is the most promising vertical for the firm—is from the Encora stable. We feel rock-solid about where the Encora acquisition is. We feel really solid about how it is progressing. But John, would you like to add anything around what you see on Encora as well?

John Spate – President: Yes, what I am seeing is a steady integration of the capabilities within the wider Coforge Ltd. ecosystem, and that is actually helping us differentiate increasingly and drive the large deal momentum, backed by a very strong capability around areas such as data, cloud, AI,

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and the core engineering muscle that is underpinning a lot of what we are doing.

Pratik Maheshwari – HSBC Securities: Right. Just one more. I was looking at your S&M expenses and, within that, marketing costs. I know marketing costs are lumpy. They were strong last quarter, and the cost has fallen this quarter. I was tying that up with the comment John made earlier that advisory relationships and analyst marketing have helped a lot in these deal wins this quarter as well. I wanted to understand your marketing investment. How do you see the outlook for that going forward?

Saurabh: Advisory costs are not part of marketing costs. Those are largely events and conferences, which will be lumpy depending upon when you are attending a conference. Advisory costs will sit as part of either sales costs or other S&M costs. It is largely around that. It is not that advisory costs are very significant. It is more about how they take us to clients and how they recommend us to clients. It is more about that. It is not that they represent a significant portion of our cost base when it comes to S&M.

Pratik Maheshwari – HSBC Securities: Right. Thanks, Saurabh. Thank you, those were my questions. Thank you so much.

Sudhir Singh – CEO: Thank you, Pratik.

Operator: Thank you. We will take our next question from Dipesh Mehta of MK Global. Please go ahead.

Dipesh Mehta – MK Global: Thanks for the opportunity. Just a couple of questions for clarity. The deal intake that we report and the next 12-month order book that we report—can you hear me?

Sudhir Singh – CEO: Yes, go ahead.

Dipesh Mehta – MK Global: The deal intake and the next 12-month order book that we report now—have they started including Encora, or are they not yet including Encora?

Sudhir Singh – CEO: They include Encora.

Saurabh: The executable order book actually included Encora in the previous quarter as well; only intake was not included.

Dipesh Mehta – MK Global: So now all the metrics include Encora when we look at them.

Saurabh: Correct, yes.

Dipesh Mehta – MK Global: Okay. Second, I think I heard you say that EBIT margin for next year should mirror the Q4 exit level. Am I right, or did I misunderstand?

Sudhir Singh – CEO: No, you heard it right. You heard it right. If we exit at 17%, the least we should deliver next year should be 17%.

Dipesh Mehta – MK Global: Understood. Considering the overall industry dynamics, particularly AI-led efficiency generally being passed on to the client, in terms of the contracts that we

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sign—more than $1 billion this quarter and more than $1 billion next quarter as well—are you seeing some of that being captured by the client, which could have some margin implication, or do you think that, with sole-sourced deals, some of those economics are in our favor?

Sudhir Singh – CEO: We run a real business in the real world. In some deals you have to pass some of the benefit to the client; in other deals you do not. Net-net, as you can see clearly from the margin outlook, things are positive. Net positive.

John Spate – President: Sudhir, would you like to add to that? There is one other thing. As Sudhir alluded to earlier, with the proactive proposal approach and the focus through AI on efficiency, value, and outcomes, there is a significant move away from a cost play to a value play, and we feel that this is core to success going forward.

Dipesh Mehta – MK Global: Thank you.

Operator: Thank you. Our next question is from Yash Siddhani of Integrity Ventures. Please go ahead. Yash, could you please go ahead?

Yash Siddhani – Integrity Ventures: Hi, congratulations on the great set of numbers. I just wanted to know the organic growth trajectory. I think the growth right now is 3.8% on an organic basis since Encora has been consolidated. On a consolidated basis, how would the growth numbers look?

Sudhir Singh – CEO: Yash, we are struggling to hear you. Could you please get closer to the microphone?

Yash Siddhani – Integrity Ventures: Hello, am I audible?

Sudhir Singh – CEO: Now you are, yes.

Yash Siddhani – Integrity Ventures: I wanted to ask about organic growth now that Encora has been merged in for the full quarter. On a quarter-on-quarter basis, or perhaps for the full year, when we look at it along with Encora, how would organic growth look?

Sudhir Singh – CEO: Organic growth will continue to be exceptionally robust. As we said when we acquired Encora, starting from Q3 onwards, Encora's growth will be on par with Coforge Ltd.'s growth. As we have said repeatedly, we take great pride in the fact that we are going to be the growth leader in the industry for the third year, and we expect to deliver best-in-class growth on a consolidated basis, including Encora, in Q3 and beyond.

Yash Siddhani – Integrity Ventures: Got it. What about the synergy benefits that we may get from this consolidation along with Encora?

Sudhir Singh – CEO: The synergy benefits are very evident in the fact that margins have expanded very significantly for the consolidated entity, so synergy benefits on the cost side are very clear. On revenue, to the point that John made, we are cross-bleeding capabilities across clients on both sides of the aisle. We talked about the fact that the largest deal in our pipeline today is from a former Encora client. We talked about the fact that the largest client we have in the healthcare space—one of the most storied names in healthcare and one that is expected to grow very fast—is

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from Encora. So we feel extremely good about the composite and standalone stories in play.

John Spate – President: You also have the fact that, as a result of the Encora acquisition, we now have a very strong nearshore capability built up across Eastern Europe and LatAm, which has been very complementary to our delivery execution capabilities.

Yash Siddhani – Integrity Ventures: Got it. Thank you so much.

Sudhir Singh – CEO: Thank you very much, Yash. Thank you for your questions.

Operator: Thank you. Our next question is from Ruchi Makheja of ICICI Securities. Please go ahead. Ruchi, could you go ahead with your question?

Ruchi Makheja – ICICI Securities: Thank you for the opportunity. Am I audible?

Operator: Yes, you are.

Ruchi Makheja – ICICI Securities: Yes. Two questions. First, as we reconcile Encora's revenue this quarter, it seems that Encora had sequentially flat revenue. Was that in line with expectations?

Sudhir Singh – CEO: Yes, it was in line with expectations and also in line with what we said last quarter in the investor call. We were very categorical and very clear that margin expansion would be immediate starting this quarter, and revenue parity across both firms would begin next quarter. Plans are absolutely on track. John, would you like to add to that?

John Spate – President: Nothing more to add to that one. Excellent.

Ruchi Makheja – ICICI Securities: Secondly, it is heartening to hear the margin update. When we are setting out margin guidance that indicates an upside, could you help us understand what element led to the surprise? What was the surprise that gave us the confidence to increase the margin?

Sudhir Singh – CEO: There is no surprise. I think the confidence primarily stems from the fact that, for 10 years, we have said there are very few firms and very few teams that can execute and deliver on the promise of technology like Coforge Ltd. can. Now that we have AI available in the arsenal of tools we use to drive efficiency, we have not just been trying to create AI-led transformation for our enterprise clients; with a single-minded focus, we have embedded AI across all functions, including delivery operations. That is where the confidence comes from. But John, who has really led this, is better placed to speak on it.

John Spate – President: I would just say that if you look at our offerings around Neuron, Momentum Blue, and Mod Squads, what that has enabled us to do is, with the domain-centric view we have had, use these offerings to connect data, processes, policies, business knowledge, and decision-making. What is that doing? It is creating the context that AI needs to generate efficiently and predictably for the enterprise, and that is leading many of our conversations today with customers, as well as the proposals and bookings coming out as a result of that. It is fundamental to what we are. We see ourselves as stealing a march on much of the competition.

Ruchi Makheja – ICICI Securities: If I double-click, tying into the comment I heard from Saurabh as well, when we look at AI use for delivery and the new AI deals that we are winning, do you see the

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needle moving more favorably on margin because we are able to use AI more efficiently for fixed-price deals, thereby moving the needle more quickly? Or is it the second vector—that the AI projects we are winning are coming with a much better margin profile?

Saurabh: Ruchi, there are two parts to it. First, as I mentioned in the call, investments were being made to ensure that a lot of POCs were conducted within the organization. This was checked and tested in small projects. Right now, the margin uptick that we are seeing is in the existing fixed-price projects where AI is being infused. The margin uptick is not based on anticipated improvements from future projects coming in at better pricing. It is what we are seeing right now, based on the discussions we have already had with the delivery organization. That is why I said that starting in Q4 you will start seeing the benefit: strategy planning is already done, it is being executed, and the numbers will be reflected in Q4. That is one lever.

Second, on G&A, everyone talks about SG&A, but it is not S&M costs that have gone down. We have not cut expenses on S&M. In the G&A organization, whether it is Finance, HR, or IT, we have not let go of people, but because we have infused technology into those functions, with the growth of 40%-50% that we have seen, we did not have to hire more people. So there is an immediate benefit on that front as well, and that is why you see that on a year-on-year basis, when revenue grew 50%, G&A grew only 15%. John, perhaps you would like to add something, but this is what it is.

John Spate – President: Saurabh, you have done a pretty good job there. The only thing I will come back to is that, at the end of the day, if you can have that conversation oriented around value, not just cost, then your margin will naturally improve. Everything is pivoting to that. Momentum Blue is all about creating that pool of FDEs that can actually sit with the customer, understand the context of what they are trying to do, understand the outcome in a very short, sharp period, and actually help customers achieve that outcome. Customers will increasingly pivot towards that value conversation. That is what we are seeing.

Ruchi Makheja – ICICI Securities: Got it. Thank you for patiently answering my questions.

Sudhir Singh – CEO: Thank you.

Operator: Thank you. We will take our last question from Karan Uppal of PhilipCapital India. Please go ahead.

Karan Uppal – PhilipCapital India: I hope I am audible.

Sudhir Singh – CEO: Yes, Karan, go ahead.

Karan Uppal – PhilipCapital India: I wanted to check on the AI engagements that John described—the 520 AI engagements for 225 clients. It appears to be more than two AI engagements per client. I wanted to understand the nature and size of these projects, along with their margin profile.

My second question is: which verticals are leading adopters of these AI engagements, and which are the laggards? Also, are these sole-sourced, or are they joint go-to-market initiatives with hyperscalers and frontier AI companies?

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John Spate – President: To start off, I would say the adoption of AI is reasonably broad-based. We are seeing it across all verticals, certainly from the European perspective: BFSI, public sector, travel, insurance, and others. Obviously, in the insurance space, we are seeing significant adoption because insurers do have a significant legacy challenge, which AI is ideally suited to resolve.

We are also seeing broad-based application across clients. On one side, you have applications within the engineering space and within the SDLC, with the increasing combination of agents and humans. You have heard about Mod Squads and how we are combining the two to drive efficiency and outputs.

You are also seeing it gravitate more into the business side, from agents within a service desk perspective all the way through to underwriting decisions and KYC processes, to name a few. Obviously, within the travel industry, it is a significant driver within some of the large programs in which we are currently engaged, accelerating the delivery execution side. Hopefully, that answers your question.

Karan Uppal – PhilipCapital India: Yes. Also, if you can share the size of the projects and the margin profile, if it is better than, say, the company margin?

John Spate – President: I would say the size of the projects varies, from the largest customers we have—both of the $100 million run-rate customers have embedded significant amounts of AI to deliver—right down to small-scale POCs. We have one running at the moment where we are looking to completely transform, for one of the European banks, the entire bereavement process. So it varies.

Saurabh: To add some more color to what John said, the largest legacy modernization program that we are running involves the migration of 12 million lines of code from a machine-language platform to Google Cloud. That program is completely underlaid with Copilot. It is completely underlaid with {? 4Jex ?}, which is our engineering asset platform. Depending on how you classify it, even the largest program we are running at this point in time—12 million lines of code and a 4.5-year-long migration—is fundamentally AI-led, AI-infused, or AI-injected. We can choose the verb or the adverb, but that is how things stand.

Karan Uppal – PhilipCapital India: Great. Thanks, Saurabh, Sudhir, and John, for answering the question. One more thing I wanted to check is below EBIT. Saurabh, you mentioned that exceptional items will reduce going ahead, and you also said that hedge losses will come down by Q4. What about minority interest? How should we model that?

Saurabh: I said exceptional expenses will be zero. They are $5.9 million in the current quarter; they will be zero next quarter. Hedge losses of $10 million will go down to $7.7 million—assuming now that it is mark-to-market and the dollar stays where it is today, they will come down to $7.5 million next quarter and $1.2 million in Q4, and then to zero. Minority interest will stay where it is because it is linked to the Coforge Ltd. BPS business, which is a joint venture in which the client owns a 20% share in the entity.

Karan Uppal – PhilipCapital India: Okay. Great. Thanks, and all the best.

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Saurabh: There is massive upside from the hedge losses and exceptional expenses going away, which flows straight through to the bottom line, in addition to the EBIT expansion. I think EPS should reach somewhere around Rs.90-Rs.120 in Q4.

Karan Uppal – PhilipCapital India: Got it. Thanks, and all the best.

Saurabh: Thank you.

Sudhir Singh – CEO: Thank you, Karan. Thanks a lot.

Operator: Thank you. As there are no further questions, I now hand the floor back to Mr. Sudhir Singh for closing comments. Over to you, sir.

Sudhir Singh – CEO: Thank you, Imba. And thank you, ladies and gentlemen. We know it is the end of the week and the evening of the end of the week, and we really appreciate you making time for us and sharing your comments and insights. We look forward to seeing you again next quarter. Thank you, stay safe. See you next quarter. Bye-bye.

Operator: Thank you. On behalf of Coforge Ltd., that concludes today's call. Thank you for joining us. You may now click on the leave icon to exit the meeting. Thank you for your participation. Goodbye.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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