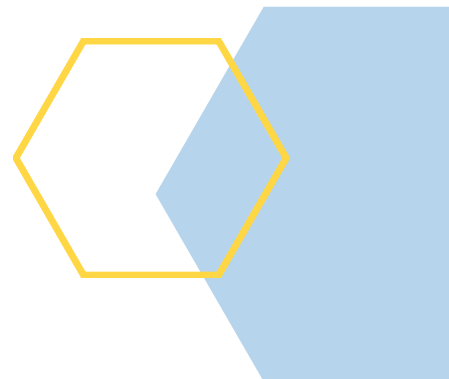




FIRST VIEW
March 2025



Sabre and Coforge Commit to the Future





THE FACTS

Sabre and Coforge announced on March 4 that they have entered into an agreement that will allow Sabre to accelerate development and deployment of leading-edge technology. The Economic Times of India reports that the contract is worth \$1.56 Bn over 13 years.

THE ANALYSIS

This announcement is very important for both parties. Assuming that the Economic Times report is correct and that the value is spread evenly across the term of the contract it represents \$120 million per year. Coforge's last reported annual revenue was 91,8 Bn Rupees which equates to \$1.05 Bn at current exchange rates, so this contract will provide an uplift in revenues for Coforge of over 11%.

T2RL believes this work started nearly two years ago and the benefits are twofold. On the one hand Sabre will gain additional development resources to complement the current Sabre staff. While no details have been disclosed to T2RL on the deal specifics, T2RL believes a significant number of Sabre developers will transfer to Coforge and Coforge will then augment these resources with its own teams. This will provide Sabre with a boost for development while investment remains challenging given the current debt servicing burden. The other benefit for Sabre is access to considerable expertise in fields such as AI and Cloud deployment which Coforge has built over many years serving airlines and other travel companies.

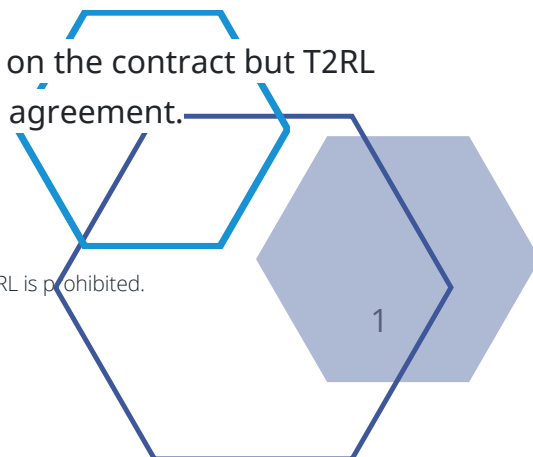
Sabre follows in the footsteps of a number of North American travel companies in setting up a Global Capability Center in India. These include American Airlines, Delta Airlines, United Airlines and Avis Budget Group at a time when the current US Administration is seeking to repatriate jobs to the US.

Coforge's shareholders will expect to see a margin delivered on the contract but T2RL believes that this will be back-ended in the latter years of the agreement.

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This is an innovative way to increase development resources whilst conserving cash at a time when demand for new solutions in both distribution and airline IT is at an all-time high.

THE SPECULATION

The last few years have been difficult for Sabre. Its recovery from the Covid-19 pandemic has been less strong than many rivals, notably Amadeus, and it has lost several key customers for its airline IT products. However the last few months have seen some tentative signs of improvement and this deal with Coforge represents a significant step forward. It will provide additional skilled development resource to boost the deployment of new capabilities. It also represents a significant vote of confidence in Sabre's medium to long term future. Thirteen years is a longer term than a typical airline IT contract. This suggests that Coforge at least believes that Sabre will be a viable contender when today's contracts are coming up for renewal with a transition to OOSD.

T2RL Travel Technology Research Ltd, is an independent sourcing and research company that specializes in airline technology and distribution. Based on data since the year 2000 it has tracked industry trends for airlines as well as their IT providers, distribution partners, and customers. All parties use its research to make informed business decisions to meet current and future needs. For further information, visit our website at www.t2rl.com.

