

INFO's 2Q revenues (+2.2% cc QoQ), like other peers' who have reported thus far, were ahead of expectations (JMFe: 1.7%). EBIT margins however missed (21% vs JMFe: 21.3%), though explained by reversal of a one-off benefit (70bps). INFO narrowed its revenue guide from 1-3% to 2-3%, implying -1.2% to +0.1% CQGR over 2H (JMFe). INFO attributes this (soft 2H) to seasonal factors. INFO does have pronounced seasonality. Its 2H outlook however, we believe, reflects recency bias and a bit of conservatism. Recency bias, because INFO's 4Q in past two years has been particularly weak (albeit due to specific factors), possibly influencing its guidance this year too. Conservative because a) 1HFY25 was much stronger making the 2H vs 1H comp easier for FY26; b) 1HFY26 TCV/Net new TCV is up 5%/24% YoY which should aid 2H growth; and c) INFO has closed USD 1.6bn NHS deal in October which is 100% net new (ACV: USD 107mn) and will ramp up in 2H. We estimate this deal alone can add 50bps to 4Q revenues. Besides, 12,000 fresher addition in 1H and 8,000 net headcount addition in 2Q (+2.5% QoQ) also point to improved visibility. Moreover, INFO has not built any improvement in demand environment even at the upper-end of its guide. We therefore see scope of guidance upgrade. We have built 3.7% cc YoY growth for FY26E. Our FY25-27E EPS however is little changed (-1% to +2%). That said, at 19x FY27E PER, we find risk-reward favourable. BUY.

- **2QFY26 growth – Topline beat:** INFO reported 2.2% cc QoQ rev growth versus JMFe/Cons. est. of 1.7%/1.8%. Acquisitions contributed 20bps. Growth was led by increased realisations. Among verticals, Hi-tech (+9% QoQ USD), Manufacturing (+5.3%), Communications (+3.6%) and BFSI (+2.0%) led the growth. Retail was the only vertical to see a decline (-2.6% QoQ). EBIT margins improved 20bps to 21.0%, missing estimates (JMFe: 21.3%). Currency (+60bps), Project Maximus (+30bps) including improved realisations offset by increase in subcon were tailwinds. Higher post-sales customer support and other expenses (-70bps) were headwinds. PAT came in at INR 73.6bn in-line with Cons. est. of INR 73.0bn (JMFe: INR 73.0bn). Utilization was stable at 85.1% - near management's comfort range. Despite 2H being seasonally soft due to furloughs, INFO added 7.8k people, this was attributed to demand visibility.
- **FY26 guidance - narrowed:** INFO revised its FY26 cc revenue growth guidance from 1-3% earlier to 2-3% now. Recent acquisitions – MRE and The Missing Link – will likely contribute c.50bps to this, implying organic guidance of 1.5-2.5%. 2-3% guidance translates into (1.2%)-0.1% CQGR through 3Q-4QFY26. Though weak, INFO's pronounced seasonality makes CQGR maths irrelevant, in our view. We take comfort in the fact that INFO has not built any macro improvement even at the upper end. Deal wins were strong at USD 3.1bn, +28% YoY. Importantly, 67% of the deals won were net new. The USD 1.6bn deal won from NHS in October is 100% net new and should drive growth as it ramps up. Market share gains and increased win ratio in vendor consolidation offer further comfort. Margin guidance was retained at 20-22%. Management does not expect any near term margin impact from H-1B. Over the long term, delivery models will shift to a combination of nearshore, offshore and localisation.
- **EPS largely unchanged; Retain BUY:** We see scope for guidance upgrade and build 3.2% organic cc growth for FY26E (vs. c.2.1% earlier). 2Q beat, headcount addition, NHS mega deal and increase in net new deals drives our optimism. Our margin are largely unchanged, we build 21.1% margin for FY26E, at the midpoint of the guided range. EPS estimates are largely unchanged, We have revised our EPS by -1%-2%. INFO is trading at 19x FY27E, making the risk-reward favourable, in our view. Maintain BUY.

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,800
Upside/(Downside)	22.3%
Previous Price Target	1,740
Change	3.4%

Key Data – INFO IN

Current Market Price	INR1,472
Market cap (bn)	INR6,113.2/US\$69.6
Free Float	74%
Shares in issue (mn)	4,194.6
Diluted share (mn)	4,051.3
3-mon avg daily val (mn)	INR12,357.8/US\$140.7
52-week range	2,007/1,307
Sensex/Nifty	83,468/25,585
INR/US\$	87.8

Price Performance

%	1M	6M	12M
Absolute	-2.6	4.1	-23.4
Relative*	-3.5	-2.0	-25.6

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	15,36,710	16,29,900	17,77,953	19,04,118	20,37,428
Sales Growth	4.7%	6.1%	9.1%	7.1%	7.0%
EBITDA	3,64,250	3,92,520	4,23,427	4,64,375	5,07,816
EBITDA Margin	23.7%	24.1%	23.8%	24.4%	24.9%
Adjusted Net Profit	2,42,680	2,67,130	2,93,355	3,16,034	3,44,627
Diluted EPS (INR)	58.6	64.3	72.4	78.0	85.1
Diluted EPS Growth	1.8%	9.9%	12.5%	7.7%	9.0%
ROIC	48.6%	50.4%	53.8%	56.3%	60.4%
ROE	29.7%	29.0%	31.2%	32.9%	33.9%
P/E (x)	25.1	22.9	20.3	18.9	17.3
P/B (x)	7.0	6.4	6.6	6.0	5.7
EV/EBITDA (x)	16.2	14.8	13.9	12.5	11.4
Dividend Yield	2.6%	2.9%	2.9%	4.1%	5.1%

Source: Company data, JM Financial. Note: Valuations as of 16/Oct/2025

JM Financial Research is also available on:
Bloomberg - JMFR <GO>, FactSet, LSEG and
S&P Capital IQ.

Please see Appendix I at the end of this report
for Important Disclosures and Disclaimers and
Research Analyst Certification.

Key Highlights from the call

- **Demand:** INFO reported 2.2% QoQ (20bps from acquisition) and 2.9% YoY growth in constant currency, with broad-based growth across verticals and geographies (four of five verticals and three of four geographies grew YoY). Growth was driven by realization improvement under Project Maximus, while volumes remained soft. Manufacturing and Financial Services were key contributors, each growing >5% YoY in cc terms. Management highlighted continued market-share gains, supported by vendor consolidation and clients' focus on AI-led modernization and cost optimization. While discretionary spending across Retail, Hi-Tech, and Communications remains muted, management noted healthy deal momentum and strong large-deal pipeline, aided by enterprise AI traction and expanding forward-deployed engineering teams.
- **Outlook:** INFO raised its FY26 revenue growth guidance to 2–3% cc (earlier: 1–3%) and retained EBIT margin guidance of 20–22%. The outlook factors in seasonal softness in H2 (lower working days, furloughs) and macro uncertainties from tariffs and geopolitics. Management highlighted that pipeline visibility remains strong, underpinned by recent mega deal wins, resilient client spending on AI modernization, and sustained large-deal momentum. Revenue from the Versent JV (Australia) are excluded from current guidance.
- **Margin:** Operating margin improved 20bps QoQ to 21%, driven by 60bps benefit from currency and 30bps from Project Maximus (value-based pricing and lean automation), partly offset by 70bps headwind from higher post-sales support costs and other expenses. Gross margins remained resilient at 30.8% in 1H. Utilization (ex-trainees) stayed stable at c.85%, within the management's comfort range. Management reiterated its FY26 EBIT margin guidance of 20–22% and highlighted multiple levers- realization improvement, offshore mix, Maximus efficiency, and third-party cost optimization-offset by large-deal transition costs.
- **Bookings:** Large deal TCV stood at USD 3.1bn in Q2 (67% net new), with a USD 1.6bn mega deal (NHS) announced post quarter close. INFO signed 23 large deals during the quarter-six in Financial Services, four each in Manufacturing, Retail and Communication, three in EURS, and one each in Hi-Tech and Others. Regionally, 14 deals came from the Americas, seven from Europe, and two from ROW. Deal composition continued to be led by vendor consolidation, AI-driven productivity, and cost optimization themes, while smaller deal activity remained subdued. Management emphasized a disciplined approach to large deals with margin guardrails in place.
- **Segments:** Financial Services sustained strong momentum, with six large deals led by modernization and AI-driven transformation in mortgages, capital markets, and commercial banking. Banks continue to invest in AI infrastructure, with several projects transitioning from POC to enterprise scale. Manufacturing saw >5% YoY cc growth, driven by digital programs, infra rationalization, and AI-led productivity initiatives that offset pricing deflation in automotive. EURS benefitted from cost takeout and vendor consolidation opportunities amid energy transition and grid modernization demand. Retail remained cautious given tariff uncertainty, but transformation initiatives in marketing, cloud, and operating-model productivity continue under Topaz. Communication vertical remained subdued amid high CapEx pressures, with selective investment in AI automation and CX transformation. Hi-Tech faced budget cuts and program closures, though semiconductor-related AI opportunities are gaining traction.
- **Gen AI:** INFO reinforced its position as a leading enterprise AI services provider, delivering over 2,500 AI and 200 Agentic AI projects. Its AI-first strategy, launched in 2023, focuses on making employees AI-amplified and embedding forward-deployed engineers with clients to drive transformation. Infosys Topaz-via Services.AI for IT modernization and Client.AI for business transformation- anchors its enterprise AI delivery. Proprietary Small Language Models (SLMs), Responsible AI Office (ISO 42001-certified), and partnerships with hyperscalers and academia underscore its differentiated positioning in AI-led productivity and revenue enablement.
- **Wage hike:** Headcount increased by c.8k QoQ to 332,000, with 12,000 freshers added in H1 to meet improved demand visibility. Attrition remained low at 14.3%, and utilization held stable at c.85%. Management reiterated its reduced dependence on H-1B visas through higher local hiring, university partnerships, and expansion of near-shore delivery hubs across the US, Canada, and Mexico, aimed at enhancing delivery resilience and mitigating future visa-related risks.

2.2% QoQ cc growth with 20 bps from acquisitions

FY26 growth guidance – 2-3% in cc terms, operating margin guidance – 20-22%

Margin walk:

Headwinds – Higher post-sales support and other expense (-70bps). Tailwinds - Higher realisations (+30bps), currency (+60bps)

23 large deals won, 14 in US, 7 in Europe, and 2 in RoW, client's interested in consolidation and cost takeover deals

Exhibit 1. 2QFY26 result summary

	1Q26 A	4Q25 A	Change (QoQ)	Estimate (JMFē)	Variance (vs. JMFē)	Estimate (Consensus)	Variance (vs. consensus)	QoQ estimate	
								JMFē	Consensus
USD-INR	87.65	85.57	2.4%	87.99	-0.4%	87.54	0.1%	2.8%	2.3%
CC Revenue Growth (QoQ)	2.2%	2.6%		1.7%	-168bp	1.8%	-180bp	1.7%	1.8%
Revenue (USD mn)	5,076	4,941	2.7%	5,041	0.7%	5,049	0.5%	2.0%	2.2%
Revenue (INR mn)	444,900	422,790	5.2%	443,552	0.3%	441,981	0.7%	4.9%	4.5%
EBIT (INR mn)	93,530	88,030	6.2%	94,370	-0.9%	94,142	-0.7%	7.2%	6.9%
EBIT margin	21.0%	20.8%	20bp	21.3%	-25bp	21.3%	-28bp	45bp	48bp
PAT (INR mn)	73,640	69,210	6.4%	73,037	0.8%	72,927	1.0%	5.5%	5.4%
EPS (INR)	17.76	16.70	6.3%	17.62	0.8%	17.6	0.9%	5.5%	5.4%

Source: Company, JM Financial estimates

Exhibit 2. Guidance Analysis: FY26 cc guidance of 2-3% implies (1.2%)-0.1% CQGR through 3Q-4QFY26

	FY26 revenue - implied			FY26 growth guidance	
	FY25A	Lower	Upper	Lower	Upper
Revenue (CC) USD Mn	19,277	19,984	20,177	3.7%	4.7%
Implied QoQ growth - Lower end	1Q26	2Q26E	3Q26E	4Q26E	FY26E
Revenue (CC) USD mn	4,941	5,076	5,014	4,953	19,984
Growth (q/q)	4.5%	2.7%	-1.2%	-1.2%	3.7%
Implied QoQ growth - Upper end	1Q26	2Q26E	3Q26E	4Q26E	FY26E
Revenue (CC) USD mn	4,941	5,076	5,079	5,081	20,177
Growth (q/q)	4.5%	2.7%	0.1%	0.1%	4.7%

Note: YoY cc impact of 1.67% added to the cc guidance of 2%-3% to compute implied USD growth of 3.7% to 4.7%. Source: Company, JM Financial estimates

2QFY26 result review

Exhibit 3. Key financials

(INR mn)	1Q25	2Q25	3Q25	4Q25	FY25	1Q26	2Q26
Consolidated revenues (USDmn)	4,714	4,894	4,939	4,730	19,277	4,941	5,076
Change (YoY/QoQ)	3.3%	3.8%	0.9%	-4.2%	3.9%	4.5%	2.7%
Consolidated revenues (INR mn)	3,93,150	4,09,860	417,640	409,250	1,629,900	422,790	444,900
Change (YoY)	3.6%	5.1%	7.6%	7.9%	6.1%	7.5%	8.5%
Cost of revenue	2,60,280	2,73,080	279,170	272,760	1,085,180	280,840	296,180
Gross profit	1,32,870	1,36,780	138,470	136,490	544,720	141,950	148,720
Gross margin	33.8%	33.4%	33.2%	33.4%	33.4%	33.6%	33.4%
Total operating expenses	38,500	38,630	37,320	37,750	152,200	42,520	43,370
Operating profit (EBITDA)	94,370	98,150	101,150	98,740	392,520	99,430	105,350
Operating margin	24.0%	23.9%	24.2%	24.1%	24.1%	23.5%	23.7%
Depreciation & amortization	11,490	11,660	12,030	12,990	48,280	11,400	11,820
EBIT	82,880	86,490	89,120	85,750	344,240	88,030	93,530
EBIT margin	21.1%	21.1%	21.3%	21.0%	21.1%	20.8%	21.0%
Other income	8,380	7,120	8,590	11,900	35,990	10,420	9,820
Profit Before Tax	90,210	92,530	96,700	96,630	376,070	97,400	102,290
Income tax expense	26,470	27,370	28,480	26,250	108,570	28,160	28,540
Net income from operations	63,740	65,160	68,220	70,380	267,500	69,240	73,750
Share of minority interest	60	100	160	50	370	30	110
PAT (reported)	63,680	65,060	68,060	70,330	267,130	69,210	73,640
Change (YoY)	7.1%	4.7%	11.3%	-11.7%	1.8%	8.7%	13.2%
Adjusted Diluted EPS	15.3	15.7	16.4	16.8	64.1	16.6	17.7
Change (YoY/QoQ)	6.3%	2.6%	4.6%	2.2%	9.7%	-1.3%	7.1%

Source: Company, JM Financial

INFO reported 2.7% QoQ in USD terms, with a cross-currency benefit of 50bps QoQ

Exhibit 4. Comparison vs. other Tier 1 peers

YoY cc revenue growth	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
TCS	5.5%	4.5%	4.2%	-3.1%	-3.3%
Infosys	3.3%	6.1%	4.8%	3.8%	2.9%
Wipro	-2.3%	-1.1%	1.2%	-2.3%	-2.6%
LTIM	4.4%	5.6%	6.3%	4.4%	4.4%
HCLtech	6.2%	4.1%	2.9%	3.7%	4.6%
TechM	2.2%	1.3%	0.3%	-1.0%	-0.3%
QoQ cc revenue growth	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
TCS	1.1%	0.0%	-0.8%	-3.3%	0.8%
Infosys	3.1%	1.7%	-3.5%	2.6%	2.2%
Wipro	0.6%	0.1%	-0.8%	-2.0%	0.3%
LTIM	2.3%	1.8%	-0.6%	0.8%	2.4%
HCLtech	1.6%	3.8%	-0.8%	-0.8%	2.4%
TechM	0.7%	1.2%	-1.5%	-1.4%	1.6%
EBIT margin	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
TCS	24.1%	24.5%	24.2%	24.5%	25.2%
Infosys	21.1%	21.3%	21.0%	20.8%	21.0%
Wipro	16.8%	19.5%	17.5%	17.3%	17.2%
LTIM	15.5%	13.8%	13.8%	14.3%	15.9%
HCLtech	18.6%	19.5%	18.0%	16.8%	17.5%
TechM	9.6%	10.2%	10.5%	11.1%	12.1%

Note: *Excludes one-off restructuring expense for TCS. In 2QFY26. Adjusted for one-off client bankruptcy in Wipro for 2QFY26.

Source: Company, JM Financial estimates

Exhibit 5. Vertical portfolio

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Distribution					
Financial Services	27.2%	27.8%	28.4%	27.9%	27.7%
Retail and CPG	13.3%	13.8%	13.3%	13.4%	12.7%
Communications	11.9%	11.2%	11.7%	12.0%	12.1%
Energy, Utilities, Resources and Services	13.5%	13.5%	13.0%	13.6%	13.4%
Manufacturing	15.7%	15.5%	15.9%	16.1%	16.5%
Hi Tech	8.0%	7.9%	8.3%	7.8%	8.3%
Life Sciences	7.3%	7.6%	6.8%	6.5%	6.4%
Others	3.1%	2.7%	2.6%	2.7%	2.9%
Revenue (USDmn and QoQ growth)					
Financial Services	1,331	1,373	1,343	1,379	1,406
change YoY	2.6%	5.9%	11.5%	6.3%	5.6%
Retail and CPG	651	682	629	662	645
change YoY	-9.2%	0.1%	-3.6%	1.8%	-1.0%
Communications	582	553	553	593	614
change YoY	8.3%	4.1%	-1.4%	3.9%	5.5%
Energy, Utilities, Resources and Services	661	667	615	672	680
change YoY	10.3%	9.2%	0.5%	7.2%	3.0%
Manufacturing	768	766	752	796	838
change YoY	13.9%	10.2%	12.1%	14.8%	9.0%
Hi Tech	392	390	393	385	421
change YoY	6.4%	8.7%	-1.1%	2.2%	7.6%
Life Sciences	357	375	322	321	325
change YoY	-2.9%	5.9%	-3.5%	-6.7%	-9.1%
Others	152	133	123	133	147
change YoY	-2.6%	-1.4%	-7.1%	-14.2%	-3.0%

Source: Company, JM Financial

Sequential growth was highest in Hi-tech (+9.3% QoQ), Manufacturing (+5.3%) and Communications (+3.6%). Retail and CPG vertical (-2.6%) was the only vertical to decline.

Exhibit 6. Geographic distribution

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Distribution					
North America	57.4%	58.4%	57.1%	56.5%	56.3%
Europe	29.8%	29.8%	31.2%	31.5%	31.7%
India	3.1%	3.1%	2.9%	2.9%	3.1%
RoW	9.7%	8.7%	8.8%	9.1%	8.9%
Revenue (USDmn and QoQ growth)					
North America	2,809	2,884	2,701	2,792	2,858
Change YoY	-2.6%	4.8%	-0.7%	0.5%	1.7%
Europe	1,458	1,472	1,476	1,556	1,609
Change YoY	16.6%	11.9%	13.1%	16.3%	10.3%
India	152	153	137	143	157
Change YoY	14.8%	36.8%	36.6%	-1.9%	3.7%
RoW	475	430	416	450	452
Change YoY	4.8%	-11.4%	-5.0%	-0.6%	-4.8%

Source: Company, JM Financial

Exhibit 7. Large deal wins

Period	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Total large deals value (USDmn)	2,430	2,495	2,637	3,797	3,063
Net new	41.0%	63.0%	63.4%	55.0%	67.2%
Large deal TCV (USDmn) - Net new	996	1,572	1,672	2,088	2,058

Source: Company, JM Financial

Exhibit 8. Key client metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Client base					
Active clients	1,870	1,876	1,869	1,861	1,896
Clients attrition	83	95	98	101	83
Revenue per active client (USD mn)	2.62	2.63	2.53	2.66	2.68
Revenue concentration					
Top 5 clients	13.7%	12.7%	13.1%	13.2%	13.0%
Top 10 clients	20.9%	19.9%	20.7%	20.8%	20.7%
Non-Top10 clients	79.1%	80.1%	79.3%	79.2%	79.3%
Revenue growth					
Top-5 clients	5.4%	-6.4%	-1.2%	5.3%	1.2%
Top-6 to 10 clients	1.0%	0.9%	1.1%	4.5%	4.1%
Top-10 clients	3.8%	-3.9%	-0.4%	5.0%	2.2%
Non-top-10 clients	3.8%	2.2%	-5.2%	4.3%	2.9%
Relationship distribution					
USD 1mn+ Clients	985	997	998	1011	1012
Change	34	53	39	24	27
USD 10mn+ Clients	307	301	309	317	322
Change	-5	-7	-6	8	15
USD 50mn+ Clients	86	89	85	85	85
Change	6	7	2	1	-1
USD 100mn+ Clients	41	41	39	41	41
Change	2	1	-1	1	0

Source: Company, JM Financial

Exhibit 9. Key manpower metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Manpower base					
Total (Infosys cons)	3,17,788	323,379	323,578	323,788	331,991
Cons IT services	2,80,388	285,979	286,178	286,388	294,591
Net addition	2,456	5,591	199	210	8,203
As % of opening base	0.8%	1.8%	0.1%	0.1%	2.5%
Operating metrics					
Utilization - Including trainees	84.3%	83.4%	81.9%	82.7%	82.2%
Utilization - Excluding trainees	85.9%	86.0%	84.9%	85.2%	85.1%
Attrition (TTM) - Infosys cons	12.9%	13.7%	14.1%	14.4%	14.3%

Source: Company, JM Financial

Exhibit 10. Expense Analysis

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Cost of sales					
Employee benefit costs	47.3%	46.3%	48.5%	48.4%	47.1%
Depreciation and amortization	2.8%	2.9%	3.2%	2.7%	2.7%
Travelling costs	0.7%	0.7%	0.9%	0.8%	0.8%
Cost of software packages	1.4%	1.4%	1.5%	1.5%	1.4%
Third party items bought for service delivery	8.1%	9.6%	7.9%	7.3%	7.5%
Cost of technical sub-contractors	7.8%	7.9%	8.0%	8.3%	8.7%
Communication costs	0.2%	0.2%	0.1%	0.2%	0.2%
Repairs and maintenance	0.3%	0.3%	0.3%	0.3%	0.3%
Provision for post-sales client support	0.3%	0.2%	-0.6%	-0.4%	0.2%
Other expenses	0.3%	0.2%	0.3%	0.2%	0.3%
Total	69.5%	69.7%	69.8%	69.1%	69.2%

Source: Company, JM Financial

TP revised to INR 1,800; Maintain BUY

We now estimate 3.2% organic cc growth for INFO for FY26 vs. c.2.1% earlier, higher than the upper end of guide. Acquisitions (MRE Consulting and The Missing Link) add c.50bps to our estimates. We have revised our margin estimate downward by 47-1 bps over FY26-28E. We estimate 21.1% margin in FY26E, at the midpoint of the guided band of 20-22%, and estimate 40bps/60 bps margin expansion over FY27/28E. These changes to our growth and margin assumptions drive 0.6%-2% increases to our EPS estimates for FY26-28E. We continue to value INFO at 22x. The target price is revised higher from INR 1,740 to INR 1,800. Maintain BUY.

Exhibit 11. What has changed

	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Exchange rate (INR/USD)	87.65	88.50	88.50	87.57	88.50	88.50	-0.1%	0.0%	0.0%
Consolidated revenue (USD mn)	20,105	21,015	22,318	20,302	21,515	23,022	1.0%	2.4%	3.2%
YoY CC growth	2.6%	4.5%	6.2%	3.7%	6.0%	7.0%	106bp	145bp	80bp
Growth in USD revenues (YoY)	4.3%	4.5%	6.2%	5.3%	6.0%	7.0%	103bp	145bp	80bp
Consolidated revenue (INR mn)	1,762,217	1,859,790	1,975,110	1,777,953	1,904,118	2,037,428	0.9%	2.4%	3.2%
EBITDA margin	24.0%	24.4%	25.4%	23.8%	24.4%	24.9%	-14bp	-2bp	-49bp
EBIT margin	21.2%	21.6%	22.5%	21.1%	21.5%	22.1%	-10bp	-1bp	-47bp
PAT (INR mn)	291,612	309,892	341,309	293,355	316,034	344,627	0.6%	2.0%	1.0%
EPS (INR)	72.0	76.5	84.3	71.1	78.0	85.1	-1.2%	2.0%	1.0%

Source: JM Financial estimates

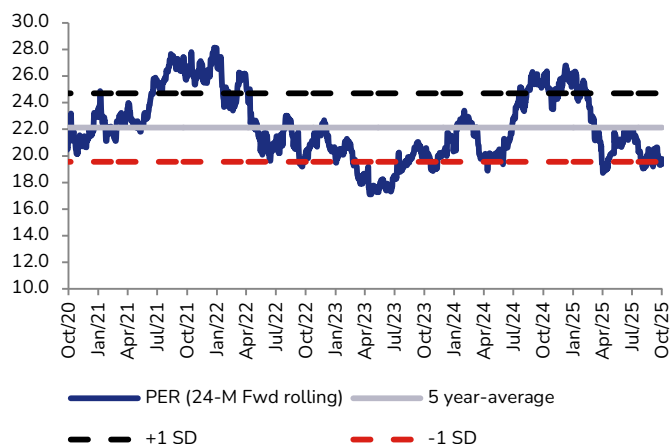
Exhibit 12. JMFe vs street estimates

	Consensus estimates			JMFe			Difference		
	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F	FY26F	FY27F	FY28F
Sales (USD mn)	19,616	20,916	22,472	20,302	21,515	23,022	3.5%	2.9%	2.4%
Sales (INR mn)	1,739,465	1,854,777	1,992,787	1,777,953	1,904,118	2,037,428	2.2%	2.7%	2.2%
EBITDA (INR mn)	416,067	446,335	478,981	423,427	464,375	507,816	1.8%	4.0%	6.0%
EBITDA margin	23.9%	24.1%	24.0%	23.8%	24.4%	24.9%	-10bp	32bp	89bp
EBIT (INR mn)	368,203	395,701	423,493	375,162	410,300	449,448	1.9%	3.7%	6.1%
EBIT margin	21.2%	21.3%	21.3%	21.1%	21.5%	22.1%	-7bp	21bp	81bp
EPS (INR)	69.0	74.2	79.5	71.1	78.0	85.1	3.1%	5.1%	7.0%

Note: Consensus estimates as of 13th Oct and may not reflect changes in estimates post result. Source: Visible Alpha, JM Financial estimates

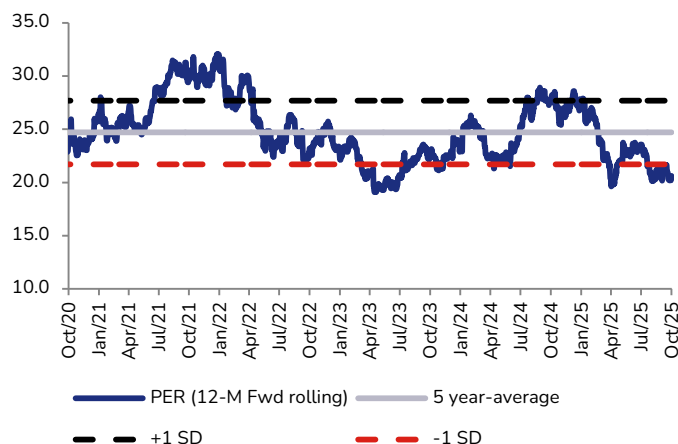
Valuation charts

Exhibit 13. Infosys: PER 24M Fwd



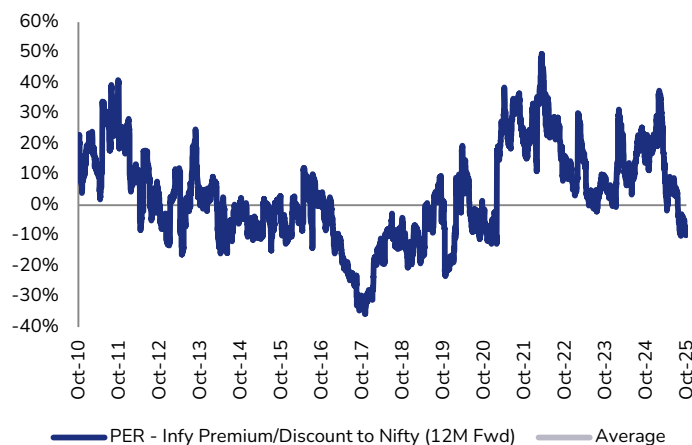
Source: Bloomberg, JM Financial

Exhibit 14. Infosys: PER 12M Fwd



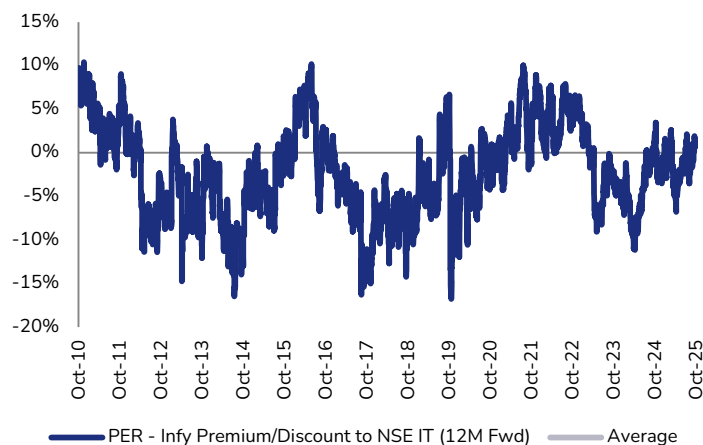
Source: Bloomberg, JM Financial

Exhibit 15. Infosys PER – Premium discount to Nifty



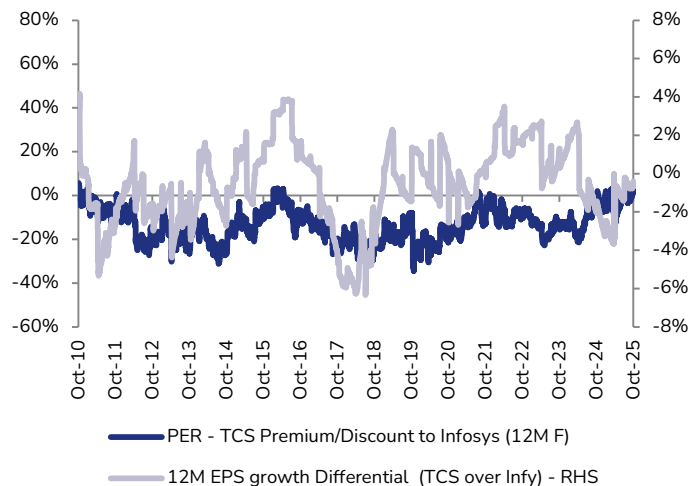
Source: Bloomberg, JM Financial

Exhibit 16. Infosys PER – Premium discount to NSE IT



Source: Bloomberg, JM Financial

Exhibit 17. PER Differential – Infosys over TCS



Source: Bloomberg, JM Financial

Exhibit 18. Infosys LTM FCF yield



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	15,36,710	16,29,900	17,77,953	19,04,118	20,37,428
Sales Growth	4.7%	6.1%	9.1%	7.1%	7.0%
Other Operating Income	0	0	0	0	0
Total Revenue	15,36,710	16,29,900	17,77,953	19,04,118	20,37,428
Cost of Goods Sold/Op. Exp	10,27,360	10,85,180	11,84,470	12,64,490	13,50,111
Personnel Cost	0	0	0	0	0
Other Expenses	1,45,100	1,52,200	1,70,056	1,75,253	1,79,501
EBITDA	3,64,250	3,92,520	4,23,427	4,64,375	5,07,816
EBITDA Margin	23.7%	24.1%	23.8%	24.4%	24.9%
EBITDA Growth	3.7%	7.8%	7.9%	9.7%	9.4%
Depn. & Amort.	46,780	48,280	48,264	54,076	58,369
EBIT	3,17,470	3,44,240	3,75,162	4,10,300	4,49,448
Other Income	23,090	31,830	36,821	32,322	33,163
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	3,40,560	3,76,070	4,11,983	4,42,621	4,82,611
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	3,40,560	3,76,070	4,11,983	4,42,621	4,82,611
Taxes	97,790	1,08,570	1,18,268	1,26,147	1,37,544
Extraordinary Inc./Loss(-)	19,710	0	0	0	0
Assoc. Profit/Min. Int.(-)	90	370	360	440	440
Reported Net Profit	2,62,390	2,67,130	2,93,355	3,16,034	3,44,627
Adjusted Net Profit	2,42,680	2,67,130	2,93,355	3,16,034	3,44,627
Net Margin	15.8%	16.4%	16.5%	16.6%	16.9%
Diluted Share Cap. (mn)	4,143.1	4,151.5	4,051.3	4,051.3	4,051.3
Diluted EPS (INR)	58.6	64.3	72.4	78.0	85.1
Diluted EPS Growth	1.8%	9.9%	12.5%	7.7%	9.0%
Total Dividend + Tax	1,89,487	2,14,858	2,09,672	2,92,565	3,65,706
Dividend Per Share (INR)	37.8	43.0	42.2	60.0	75.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,62,480	2,67,500	2,93,725	3,16,474	3,45,067
Depn. & Amort.	46,780	48,120	48,264	54,076	58,369
Net Interest Exp. / Inc. (-)	-11,380	-11,680	-38,261	-34,762	-36,403
Inc (-) / Dec in WCap.	-70,960	-6,050	-34,630	-12,701	-25,717
Others	1,26,050	1,25,990	1,22,508	1,30,387	1,41,784
Taxes Paid	-92,310	-56,020	-1,18,268	-1,26,147	-1,37,544
Operating Cash Flow	2,60,660	3,67,860	2,73,339	3,27,327	3,45,555
Capex	-22,010	-22,370	-69,205	-59,938	-35,397
Free Cash Flow	2,38,650	3,45,490	2,04,134	2,67,389	3,10,159
Inc (-) / Dec in Investments	-43,380	18,550	25,240	0	0
Others	6,740	-26,560	38,261	34,762	36,403
Investing Cash Flow	-58,650	-30,380	-5,704	-25,176	1,006
Inc / Dec (-) in Capital	50	60	0	0	0
Dividend + Tax thereon	-1,54,850	-2,02,870	-1,76,244	0	0
Inc / Dec (-) in Loans	-20,240	-23,570	-2,490	-4,680	-4,680
Others	0	0	0	0	0
Financing Cash Flow	-1,75,040	-2,26,380	-1,78,734	-4,680	-4,680
Inc / Dec (-) in Cash	26,970	1,11,100	88,901	2,97,471	3,41,882
Opening Cash Balance	1,20,890	1,48,680	2,44,550	3,33,451	6,30,922
Closing Cash Balance	1,47,860	2,59,780	3,33,451	6,30,922	9,72,804

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	8,81,160	9,58,180	9,22,911	9,96,233	10,37,469
Share Capital	20,710	20,730	20,740	20,740	20,740
Reserves & Surplus	8,60,450	9,37,450	9,02,171	9,75,493	10,16,729
Preference Share Capital	0	0	0	0	0
Minority Interest	3,450	3,850	4,140	4,140	4,140
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	13,400	6,140	1,620	1,620	1,620
Total - Equity & Liab.	8,98,010	9,68,170	9,28,671	10,01,993	10,43,229
Net Fixed Assets	2,15,180	2,56,720	2,77,661	2,83,523	2,60,551
Gross Fixed Assets	3,24,320	3,50,780	3,88,975	4,48,913	4,79,862
Intangible Assets	73,030	1,01,060	1,15,020	1,15,020	1,15,020
Less: Depn. & Amort.	1,82,170	1,95,120	2,26,334	2,80,410	3,34,331
Capital WIP	0	0	0	0	0
Investments	1,17,080	1,10,590	1,08,790	1,08,790	1,08,790
Current Assets	10,41,340	11,10,640	10,84,385	11,75,532	12,64,188
Inventories	0	0	0	0	0
Sundry Debtors	4,47,410	4,62,410	5,23,560	5,56,797	5,95,779
Cash & Bank Balances	2,77,010	3,69,370	3,06,171	3,60,929	3,99,421
Loans & Advances	0	0	0	0	0
Other Current Assets	3,16,920	2,78,860	2,54,654	2,57,806	2,68,989
Current Liab. & Prov.	4,75,590	5,09,780	5,42,165	5,65,851	5,90,300
Current Liabilities	1,27,210	1,22,920	1,23,890	1,23,890	1,22,415
Provisions & Others	3,48,380	3,86,860	4,18,275	4,41,961	4,67,885
Net Current Assets	5,65,750	6,00,860	5,42,220	6,09,680	6,73,888
Total - Assets	8,98,010	9,68,170	9,28,671	10,01,993	10,43,229

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	15.8%	16.4%	16.5%	16.6%	16.9%
Asset Turnover (x)	1.7	1.6	1.7	1.8	1.8
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.1
RoE	29.7%	29.0%	31.2%	32.9%	33.9%

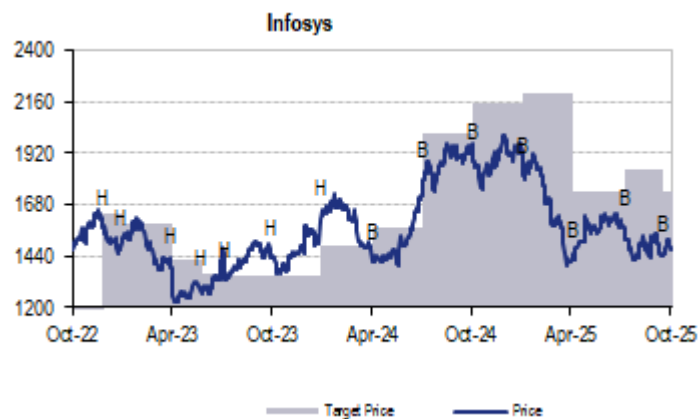
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	211.6	230.9	223.7	245.9	256.1
ROIC	48.6%	50.4%	53.8%	56.3%	60.4%
ROE	29.7%	29.0%	31.2%	32.9%	33.9%
Net Debt/Equity (x)	-0.3	-0.4	-0.3	-0.4	-0.4
P/E (x)	25.1	22.9	20.3	18.9	17.3
P/B (x)	7.0	6.4	6.6	6.0	5.7
EV/EBITDA (x)	16.2	14.8	13.9	12.5	11.4
EV/Sales (x)	3.8	3.6	3.3	3.1	2.8
Debtor days	106	104	107	107	107
Inventory days	0	0	0	0	0
Creditor days	12	12	10	10	9

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
9-Dec-22	Hold	1,640	
12-Jan-23	Hold	1,590	-3.0
14-Apr-23	Hold	1,420	-10.7
7-Jun-23	Hold	1,360	-4.2
21-Jul-23	Hold	1,350	-0.7
13-Oct-23	Hold	1,350	0.0
12-Jan-24	Hold	1,490	10.4
19-Apr-24	Buy	1,570	5.4
19-Jul-24	Buy	2,010	28.0
18-Oct-24	Buy	2,150	7.0
17-Jan-25	Buy	2,200	2.3
18-Apr-25	Buy	1,740	-20.9
23-Jul-25	Buy	1,840	5.7
1-Oct-25	Buy	1,740	-5.4

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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