

January 16, 2019

Infosys[®]

Current Price: ₹ 726.55

STOCK DATA

BSE Code	500209
NSE Symbol	INFY
Reuters	INFY.BO
Bloomberg	INFO IN

VALUE PARAMETERS

52 W H/L(Rs)	754.95/532.75
Mkt. Cap.(Rs Cr)	317404.13
Latest Equity(Subscribed)	2184.32
Latest Reserve (cons.)	62742.90
Latest EPS (cons.) -Unit Curr.	34.26
Latest P/E Ratio -cons	21.20
Latest Bookvalue(cons.) -Unit Curr.	146.27
Latest P/BV - cons	4.97
Dividend Yield -%	0.89
Face Value	5

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2018
Foreign	52.14
Institutions	22.57
Non Promoter Corp. Hold.	1.77
Promoters	12.82
Public & Others	10.69

Consolidated Results

	Qtr Ending	Qtr Ending	Var. (%)	Qtr Ending	In Cr. Var. (%)
	Dec. 2018	Sept. 2018		Dec. 2017	
Sales	21400.00	20609.00	4	17794.00	20
OPM (%)	23.20	26.00		27.10	
OP	4959.00	5357.00	-7	4817.00	3
Other Inc.	753.00	739.00	2	962.00	-22
PBDT	5712.00	6096.00	-6	5779.00	-1
Dep.	580.00	463.00	25	498.00	16
PBT	5132.00	5633.00	-9	5281.00	-3
Tax	1522.00	1523.00	0	152.00	901
PAT	3610.00	4110.00	-12	5129.00	-30
EPS (Rs)	8.29	9.32		11.79	

Infosys raises revenue guidance, but third-quarter profit misses estimate

Sequentially Infosys registered 4% rise in consolidated sales to Rs 21400 crore for the quarter ended December 2018.

OPM fell 280 basis points to 23.2% which saw OP fall 7% to Rs 4959 crore.

Other income grew 2% to Rs 753 crore. After providing for depreciation (up 25% to Rs 580 crore), PBT fell 9% to Rs 5132 crore.

Provision for taxation was unchanged at Rs 1522 crore after which PAT fell 12% to Rs 3610 crore.

YoY quarterly results

On yoy basis sales grew 20%. OPM fell 390 basis points which saw OP grow 3%. PBT fell 3%. Yax soared from Rs 152 crore to Rs 1522 crore and net profit dived 30%.

Buyback

The Board has recommended a buyback of Rs 8,260 crore at a maximum buyback price out of Rs. 800 per share.

Dividend

A Special Dividend of Rs 4/- per share (approximately \$0.06 per share) that would result in a payout of approximately ₹2,107 crore (approximately \$302 million) (including dividend distribution tax)

Guidance

Driven by better than expected growth of 8.1% in constant currency growth in the first nine months, it has revised FY19 guidance to 8.5% to 9% in constant currency terms against 6-8% provided at the start of FY19. It is maintaining FY19 OPM guidance at 22% to 24%.

It expects Q4 OPM to be impacted due to rupee appreciation, targeted communication correction, continued investment in business, and initial margin impact to transition and impact of recently won deals.

Board Update

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointment of Kiran Mazumdar-Shaw as the Lead Independent Director from

April 1, 2019 to March 22, 2023, subject to shareholder' approval.

Management Comments

Salil Parekh, CEO and MD said: "With increased client relevance, we saw double digit (10.1%) year-on-year growth in Q3 on a constant currency basis," "We also had another strong quarter in our digital business with 33.1% growth and large deals at \$1.57 billion which gives us confidence entering 2019", he added.

Pravin Rao, COO said: "Volume growth was strong and revenue productivity was stable despite Q3 being a seasonally weak quarter. We had good growth across geographies and large business segments,". "Attrition declined during the quarter and we are continuing on the path of increased interventions and employee engagements to reduce it further."

Jayesh Sanghrajka, Interim CFO said: "We saw significant currency volatility during the quarter and managed it effectively by our hedging strategy," "Cash generation was strong during the quarter. Executing on the capital allocation strategy announced in April 2018, we have announced a share buyback program and a special dividend."

Nandan Nilekani, Chairman of the Board said: "I am delighted that the Infosys Board of Directors has unanimously recommended Kiran Mazumdar-Shaw for reappointment as the Lead Independent Director,". "Kiran has been a pillar of strength to the board, especially over the last eighteen months as we steered the company to stability and growth. As chair of the Nominations & Remuneration Committee, she played a critical role in the CEO and CFO selection process. Her continuity, experience and insights are greatly valued by the Board as it guides the company in executing its strategy in the coming years," he added.

E-mail: smc.care@smcindiaonline.com



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Corporate Office:

11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:

Lotus Corporate Park, A Wing 401 / 402, 4th Floor,
Graham Firth Steel Compound, Off Western
Express Highway, Jay Coach Signal, Goreagon
(East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:

18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

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