

January 16, 2023

Infosys®

Current Price: ₹ 1503.50

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	1953.70/1355.50
Mkt. Cap.(Rs Cr)	629378.19
Latest Equity(Subscribed)	2093.04
Latest Reserve (cons.)	63867.00
Latest EPS (cons.) -Unit Curr.	56.50
Latest P/E Ratio -cons	26.61
Latest Bookvalue(cons.) -Unit Curr.	157.57
Latest P/BV - cons	9.54
Dividend Yield -%	2.07
Face Value	5

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2022
Foreign	32.17
Institutions	28.00
Govt Holding	0.02
Non Promoter Corp. Hold.	0.92
Promoters	13.11
Public & Others	25.79

Consolidated Results

	Qtr Ending		Var. (%)	In Cr.	
	Dec. 22	Sep. 22		Dec. 21	Var. (%)
Sales	38318.00	36538.00	4.87	31867.00	20.24
OPM (%)	24.45	24.36		26.31	
OP	9367.00	8902.00	5.22	8383.00	11.74
Other income	769.00	584.00	31.68	512.00	50.2
PBIDT	10136.00	9486.00	6.85	8895.00	13.95
Interest	80.00	66.00	21.21	53.00	50.94
PBDT	10056.00	9420.00	6.75	8842.00	13.73
Depreciation	1125.00	1029.00	9.33	899.00	25.14
PBT	8931.00	8391.00	6.44	7943.00	12.44
Tax	2345.00	2365.00	-0.85	2121.00	10.56
PAT	6586.00	6026.00	9.29	5822.00	13.12
Minority interest	0.00	5.00	-100	13.00	-100
Net profit	6586.00	6021.00	9.38	5809.00	13.38
EPS (Rs)	15.79	14.34		13.85	

Q3 results: Infosys beats estimates, raises FY23 revenue guidance

Infosys for the quarter ended Dec 2022 registered a consolidated sales of Rs 38318 crore, a growth of 4.9% QoQ and 20.2% yoy basis. On USD terms the revenue for the quarter was up by 2.3% QoQ basis and 9.6% YoY basis. Eventually the net profit (after MI) was Rs 6586 crore, a growth of 13.4% YoY basis.

Quarter ended December 2022 compared with Quarter ended September 2022.

Net sales (including other operating income) of Infosys has increased 4.87% to Rs 38318 crore. Operating profit margin has jumped from 24.36% to 24.45%, leading to 5.22% rise in operating profit to Rs 9,367.00 crore. Employee cost decreased from 53.20% to 52.90%. Other expenses rose from 22.44% to 22.65%. Selling and administration expenses fell from 2.71% to 2.46%. Software technology development services cost fell from 16.99% to 16.78%. Other income rose 31.68% to Rs 769 crore. PBIDT rose 6.85% to Rs 10136 crore. Provision for interest rose 21.21% to Rs 80 crore. Loan funds rose to Rs 7,720.00 crore as of 31 December 2022 from Rs 6,522.00 crore as of 30 September 2022. Sundry debtors were higher at Rs 27,660.00 crore as of 31 December 2022 compared to Rs 25,397.00 crore as of 30 September 2022. Cash and bank balance declined from Rs 14,869.00 crore as of 30 September 2022 to Rs 11,587.00 crore as of 31 December 2022. Investments declined from Rs 24,448.00 crore as of 30 September 2022 to Rs 21,116.00 crore as of 31 December 2022.

PBDT rose 6.75% to Rs 10056 crore. Provision for depreciation rose 9.33% to Rs 1125 crore. Fixed assets increased to Rs 19,897.00 crore as of 31 December 2022 from Rs 18,946.00 crore as of 30 September 2022. Intangible assets increased from Rs 8,720.00 crore to Rs 9,083.00 crore. Profit before tax grew 6.44% to Rs 8,931.00 crore. Share of profit/loss were nil in both the periods. Provision for tax was expense of Rs 2345 crore, compared to Rs 2365 crore. Effective tax rate was 26.26% compared to 28.18%. Minority interest was nil in both the periods. Net profit attributable to owners of the company increased 9.38% to Rs 6,586.00

crore. Equity capital decreased from Rs 2,099.00 crore as of 30 September 2022 to Rs 2,086.00 crore as of 31 December 2022.

Quarter ended December 2022 compared with Quarter ended December 2021.

Net sales (including other operating income) of Infosys has increased 20.24% to Rs 38318 crore. Sales of Financial Services segment has gone up 12.09% to Rs 11,235.00 crore (accounting for 29.32% of total sales). Sales of Manufacturing segment has gone up 41.72% to Rs 5,099.00 crore (accounting for 13.31% of total sales). Sales of Telecom segment rose 18.37% to Rs 4,710.00 crore (accounting for 12.29% of total sales). Sales of Retail segment has gone up 18.82% to Rs 5,480.00 crore (accounting for 14.30% of total sales). Sales of Others & Hi Tech segment has gone up 20.57% to Rs 3,095.00 crore (accounting for 8.08% of total sales). Sales of Energy Utilities & Telecommunicatio segment has gone up 32.54% to Rs 4,957.00 crore (accounting for 12.94% of total sales). Sales of segment has gone up 13.09% to Rs 2,695.00 crore (accounting for 7.03% of total sales). Sales of segment has gone up 8.50% to Rs 1,047.00 crore (accounting for 2.73% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has jumped 11.74% to Rs 9,367.00 crore. PBIT of Financial Services segment fell 2.05% to Rs 2,678.00 crore (accounting for 28.59% of total PBIT). PBIT of Manufacturing segment rose 63.51% to Rs 1,035.00 crore (accounting for 11.05% of total PBIT). PBIT of Telecom segment rose 8.20% to Rs 1,042.00 crore (accounting for 11.12% of total PBIT). PBIT of Retail segment rose 0.98% to Rs 1,646.00 crore (accounting for 17.57% of total PBIT). PBIT of Others & Hi Tech segment rose 27.83% to Rs 813.00 crore (accounting for 8.68% of total PBIT). PBIT of Energy Utilities & Telecommunicatio segment rose 35.53% to Rs 1,457.00 crore (accounting for 15.55% of total PBIT). PBIT of segment rose 6.88% to Rs 684.00 crore (accounting for 7.30% of total PBIT). PBIT of segment fell 83.33% to Rs 12.00 crore (accounting for 0.13% of total PBIT). PBIT margin of Financial Services segment fell from 27.28% to 23.84%. PBIT margin of Manufacturing segment rose from 17.59% to 20.30%. PBIT margin of Telecom segment fell from 24.20% to 22.12%. PBIT margin of Retail segment fell from 35.34% to 30.04%. PBIT margin of Others & Hi Tech segment rose from 24.78% to 26.27%. PBIT margin of Energy Utilities & Telecommunicatio segment rose from 28.74% to 29.39%. PBIT margin of segment fell from 26.86% to 25.38%. PBIT margin of segment fell from 7.46% to 1.15%. Overall PBIT margin fell from 26.31% to 24.45%.

Operating profit margin has declined from 26.31% to 24.45%, leading to 11.74% rise in operating profit to Rs 9,367.00 crore. Employee cost increased from 51.32% to 52.90%. Other expenses rose from 22.37% to 22.65%. Selling and administration expenses fell from 2.79% to 2.46%. Software technology development services cost fell from 16.86% to 16.78%. Other income rose 50.20% to Rs 769 crore. PBIDT rose 13.95% to Rs 10136 crore. Provision for interest rose 50.94% to Rs 80 crore. Loan funds rose to Rs 7,720.00 crore as of 31 December 2022 from Rs 5,312.00 crore as of 31 December 2021. Sundry debtors were higher at Rs 27,660.00 crore as of 31 December 2022 compared to Rs 22,569.00 crore as of 31 December 2021. Cash and bank balance declined from Rs 15,943.00 crore as of 31 December 2021 to Rs 11,587.00 crore as of 31 December 2022. Investments rose to Rs 21,116.00 crore as of 31 December 2022 from Rs 16,213.00 crore as of 31 December 2021.

PBDT rose 13.73% to Rs 10056 crore. Provision for depreciation rose 25.14% to Rs 1125 crore. Fixed assets increased to Rs 19,897.00 crore as of 31 December 2022 from Rs 17,954.00 crore as of 31 December 2021. Intangible assets increased from Rs 7,899.00 crore to Rs 9,083.00 crore. Profit before tax grew 12.44% to Rs 8,931.00 crore. Share of profit/loss were nil in both the periods. Provision for tax was expense of Rs 2345 crore, compared to Rs 2121 crore.

Effective tax rate was 26.26% compared to 26.70%. Minority interest was nil in both the periods. Net profit attributable to owners of the company increased 13.38% to Rs 6,586.00 crore. Equity capital decreased from Rs 2,097.00 crore as of 31 December 2021 to Rs 2,086.00 crore as of 31 December 2022 . Per share face Value remained same at Rs 5.00.

Guidance for Fy23

The Company is increasing the revenue growth guidance from 15-16% earlier to 16-16.5% for FY2023 in spite of changing global economic environment.

The company has retained EBIT margin guidance for FY2023 at 21%-22%.

Buyback: The company has started share buyback program through open market route from December 7, 2022 and till date, has bought back 31.3 million shares worth Rs4,790 crore or 51.5% of total authorization of Rs9,300 crore at an average price of approx. Rs1,531 per share (compared to maximum Buyback Price of Rs1,850 per share).

Management Comment

Mr Sailesh Parekh, CEO and MD said "Our revenue growth was strong in the quarter, with both digital business and core services growing. This is a clear reflection of our deep client relevance, industry-leading digital, cloud, and automation capabilities, and the unrelenting dedication of our employees". He further added "As reflected in the large deals momentum, we continue to gain market share as a trusted transformation and operational partner for our clients. Our end-to-end capabilities and global scale make us a preferred choice as clients look at consolidating vendors. We remain focused on helping businesses accelerate their digital agenda to uncover new value and growth, as well as improve operational and cost effectiveness".

Mr Nilanjan Roy, Chief Financial Officer said "Operating margins in Q3 remained resilient due to cost optimization benefits which offset the impact of seasonal weakness in operating parameters". He added "Attrition reduced meaningfully during the quarter and is expected to decline further in the near-term".

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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