

October 15, 2019



Current Price: ₹ 785.65

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	847.40/600.65
Mkt. Cap.(Rs Cr)	335415.22
Latest Equity(Subscribed)	2134.64
Latest Reserve (cons.)	62778.00
Latest EPS (cons.) -Unit Curr.	36.19
Latest P/E Ratio -cons	21.71
Latest Bookvalue(cons.) -Unit Curr.	141.79
Latest P/BV - cons	5.54
Dividend Yield -%	2.78
Face Value	5.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2019
Foreign	51.60
Institutions	22.87
Non Promoter Corp. Hold.	1.67
Promoters	13.16
Public & Others	10.71

Consolidated Results

	Qtr Ending	Qtr Ending	Var. (%)	Qtr Ending	In Cr. Var. (%)
	Sept. 2019	Jun. 2019		Sept. 2018	
Sales	22629.00	21803.00	4	20609.00	10
OPM (%)	24.90	23.60		26.00	
OP	5639.00	5152.00	9	5357.00	5
Other inc.	626.00	736.00	-15	739.00	-15
PBIDT	6265.00	5888.00	6	6096.00	3
Interest	42.00	40.00	5	0.00	
PBBDT	6223.00	5848.00	6	6096.00	2
Dep.	727.00	681.00	7	463.00	57
PBT	5496.00	5167.00	6	5633.00	-2
Tax	1459.00	1365.00	7	1523.00	-4
PAT	4037.00	3802.00	6	4110.00	-2
MI	18.00	4.00	350	0.00	
Net Profit	4019.00	3798.00	6	4110.00	-2
EPS (Rs)	37.90	35.80		38.80	

Infosys Ltd.'s quarterly profit met estimates and its margin expanded after five quarters as the rupee depreciated and visa costs fell.

Infosys for the quarter ended Sep 2019 registered a consolidated sales of Rs 22629 crore, a growth of 4% compared to a sales of Rs 21803 crore in sequential previous quarter ended Jun 2019. With OPM expand by 130 bps to 24.9% compared to 23.6% in sequential previous quarter, the operating profit was up by 9%qoq to Rs 5639 crore. Other income was down by 15%qoq to Rs 626 crore thus the growth at PBIDT was restricted at 6%qoq to Rs 6265 crore. The interest was up by 5%qoq to Rs 42 crore and depreciation was up by 7%qoq to Rs 1459 crore. Thus the PBT was up by 6% to Rs 5496 crore. The taxation was up by 7% qoq to 1459 crore and thus the PAT was up by 6% qoq to Rs 4037 crore. With minority interest stand at Rs 18 crore, a jump of 350% qoq, the net profit (after MI) was up by 6% qoq to Rs 4019 crore.

Consolidated Quarterly Result YoY comparison

Revenue for the quarter was up by 10% to Rs 22629 crore. The early double digit growth was driven by growth in all major business verticals barring retail. The financial services which account for 32% of overall sales was up by 9% yoy and that of retail which account for 15% of sales was down by 1%. The communication and energy verticals registered a growth of 17% and accounted for 13% of overall sales each. Manufacturing that account for 10% of sales was up by 15% yoy. But with OPM contract by 110 bps to 24.9%, the growth at operating profit was restricted at 5% to Rs 5639 crore. However the PBT was down by 2% to Rs 5496 crore, hit by lower other income, higher interest cost and higher depreciation. Taxation in absolute terms though stand lower by 4% to Rs 1459 crore, the PAT was still down by 2% to Rs 4037 crore. Eventually the net profit (after MI) was down by 2% to Rs 4019 crore.

Half year performance

Sale for the period was up by 12% to Rs 44432 crore compared to Rs 39737 crore in the corresponding previous period. But with OPM erode by 100 bps to 24.3%; the growth at OP was

restricted at 7% to Rs 10791 crore. The PBT was flat at Rs 10603 crore hit by lower OI (down 7% to RS 1362 crore), higher interest cost and higher depreciation (up 56% to Rs 1408 crore). The taxation was down by 3% to Rs 2824 crore and thus gained the PAT was up by 2% to Rs 7839 crore. MI was Rs 22 crore compared to nil in corresponding previous period. Thus the net profit (after MI) was up by just 1% to Rs 7817 crore.

Revised Guidance for FY20

The company has increased lower end of FY 20 revenue guidance from 8.5% - 10% (in constant currency) earlier. The revised FY20 revenue guidance is 9%-10% in constant currency. Maintained FY20 operating margin guidance range of 21% - 23%.

Other developments

The Company completed its share buyback of Rs 8260 crore on 26th August, 2019. With this the company completed the additional capital return program of upto Rs 13000 crore announced in April 2018.

Declares interim dividend of Rs 8 per equity share

The Board of Directors declared an interim dividend of Rs 8/- per equity share. The record date for the payment is October 24, 2019. The interim dividend will be paid on October 30, 2019.

Management Comment

Salil Parekh, CEO and MD commenting of performance said, "Our performance was robust on multiple dimensions –revenue growth, digital growth, operating margins, operational efficiencies, large deal signings and reduction in attrition". He further added "All these are clear signs that we are progressing well in our journey of client-centricity and maximizing value for our stakeholders."

"Q2 witnessed another quarter of all-round growth in industry segments and geographies which is a testimony to our strong credentials and client relevance", **said Pravin Rao, COO.** "Large deal wins were \$2.8 bn. We are especially pleased by the reduction in attrition driven by our focus on enhanced employee value proposition."

"We saw expansion in operating margins during the quarter driven by improvement in operational parameters and cost efficiencies", **said Nilanjan Roy, CFO.** "We took the first step towards implementation of our new capital allocation policy by increasing interim dividend by over 14% compared to FY 19."

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