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# Analyst Meet

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2019

# Increasing Shareholder Returns



**Nilanjan Roy**

November 6, 2019

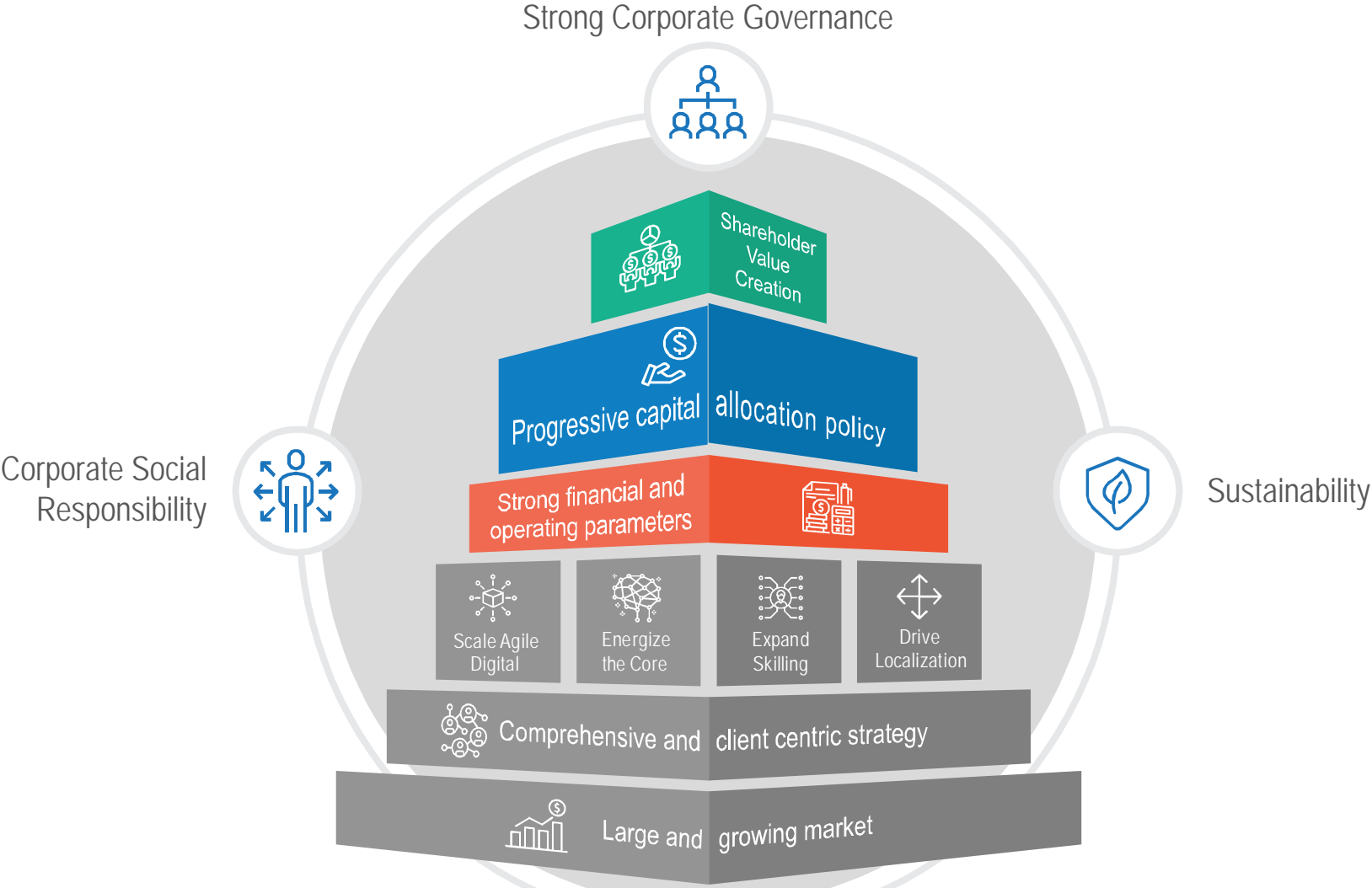
# Safe harbor

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Certain statements mentioned in this presentation concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the outcome of the pending investigation into recent whistleblower complaints, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2019. These filings are available at [www.sec.gov](http://www.sec.gov) Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

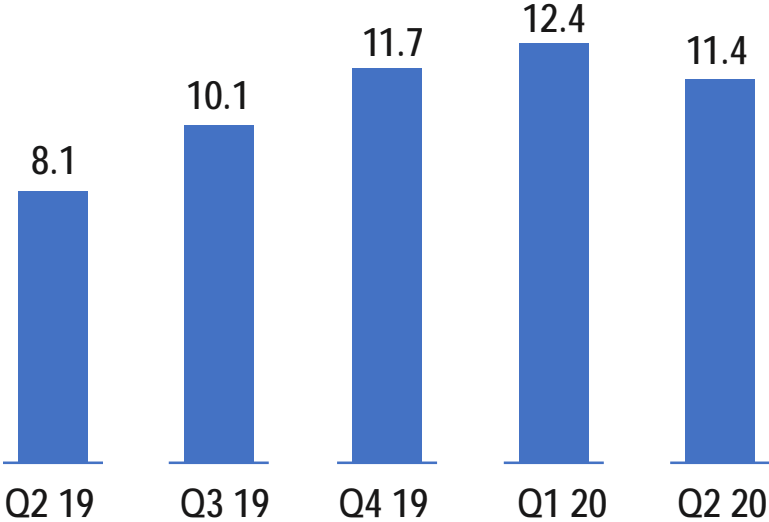


# Building blocks to shareholder value creation

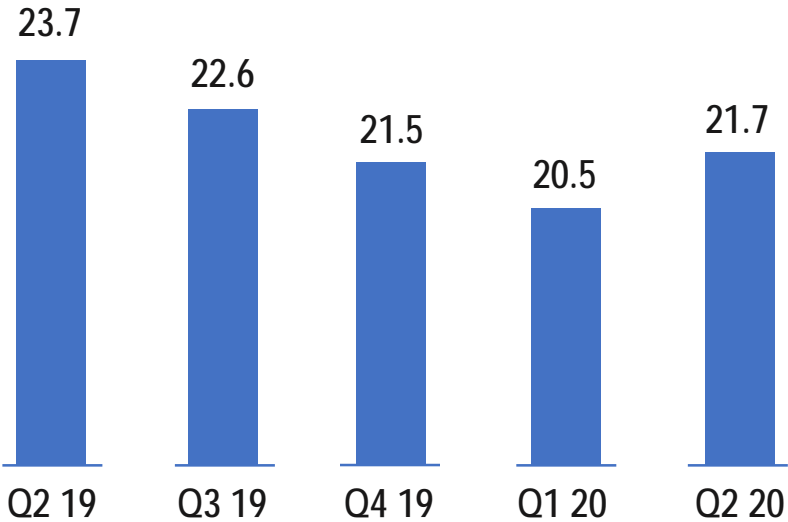


# Revenue and Margin Trends

Revenue growth % YoY (CC terms)

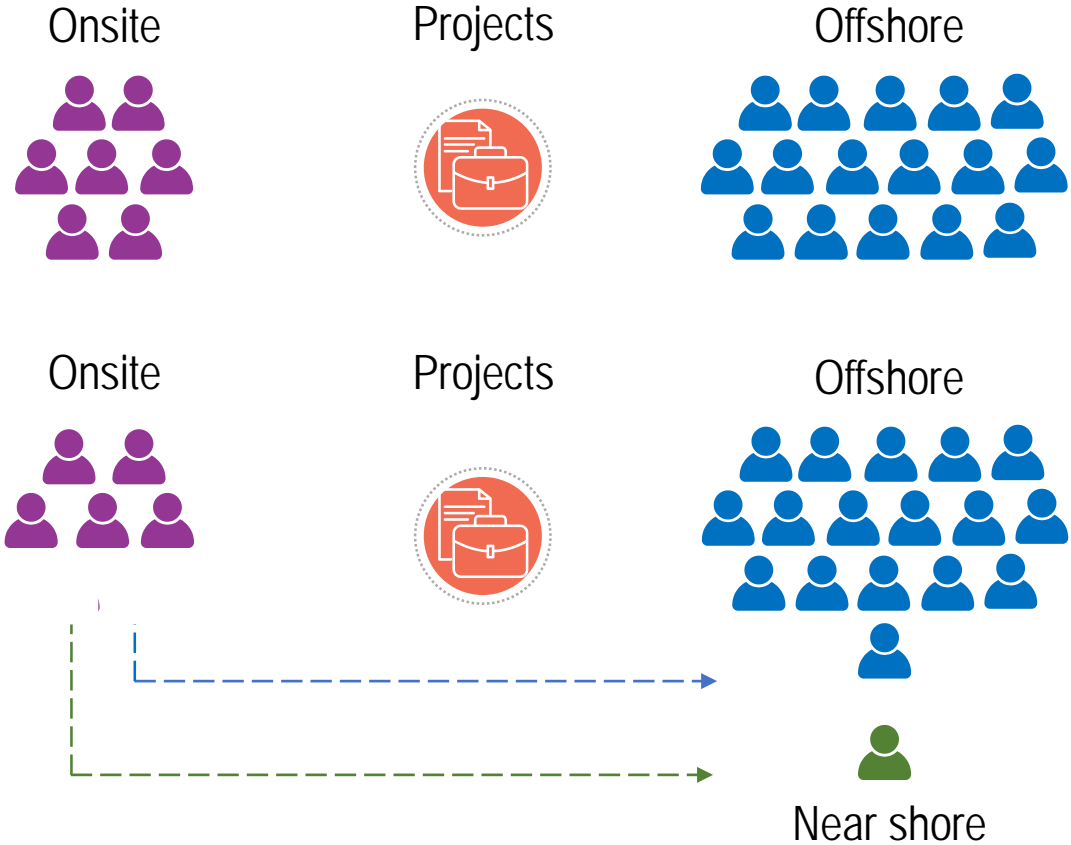


Operating Margin %

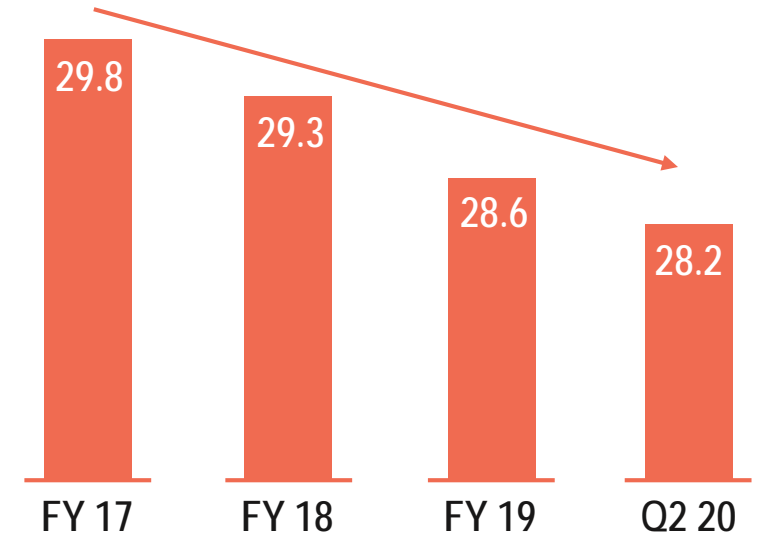


# Cost Optimization Tracks

Onsite - Offshore Mix



Onsite Mix (%)



Increase offshoring  
in new deals

Extreme offshoring  
in core services

Optimize offshoring  
in digital services



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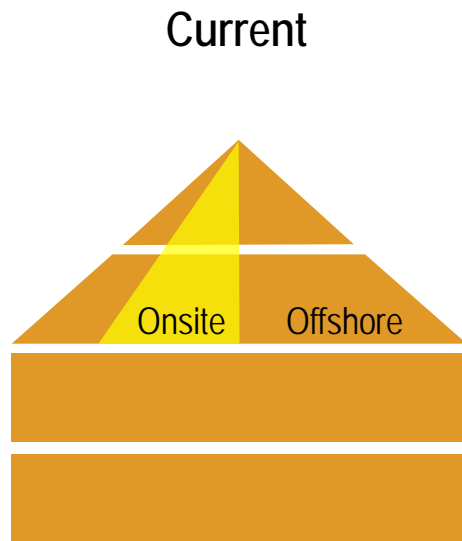
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# Cost Optimization Tracks

Onsite - Offshore Mix

Pyramid



Increased  
Fresher hiring  
at Offshore

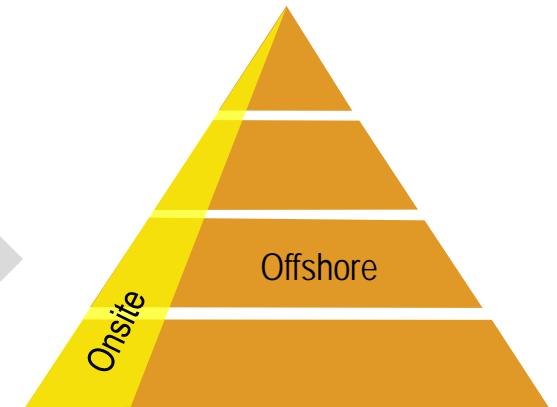


6 Innovation  
Hubs in US



~1,700  
Fresher hiring in USA &  
Europe in last 1 year

**Proposed**



# Cost Optimization Tracks

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Onsite - Offshore Mix

Pyramid

Automation/Lean

Eliminating waste and adopting Automation towards efficient and modernized delivery



Eliminate

- Eliminate non value added tasks, redundant workloads
- Address root causes of failures



Optimize

- Reduce wastage to have efficient processes
- Optimise workforce and increase efficiency
- Modernise and Optimise hardware and software



Automate

- Automate to reduce human interventions and reduce time to market





# Cost Optimization Tracks

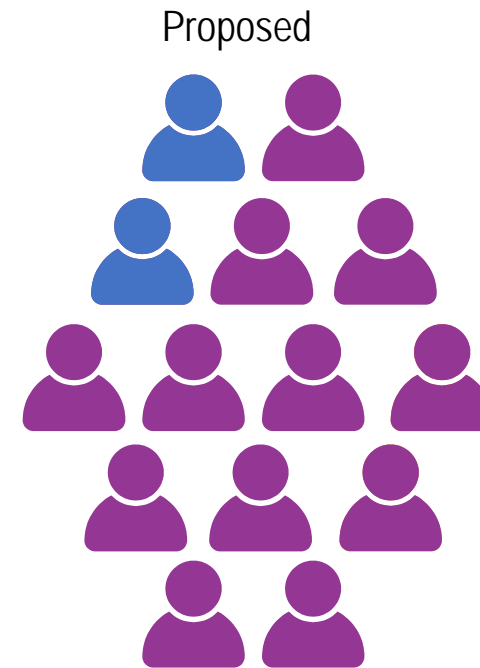
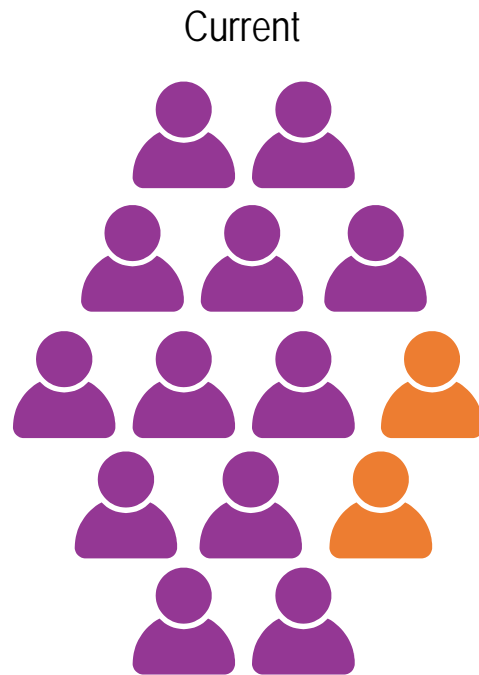
- Onsite - Offshore Mix
- Pyramid
- Automation/Lean
- Subcon Cost**

Why subcon?

Skill requirement

Recruitment lead time

Short duration projects



- Employee
- Existing subcon
- New subcon

Our solution

Continuous replacement and conversion

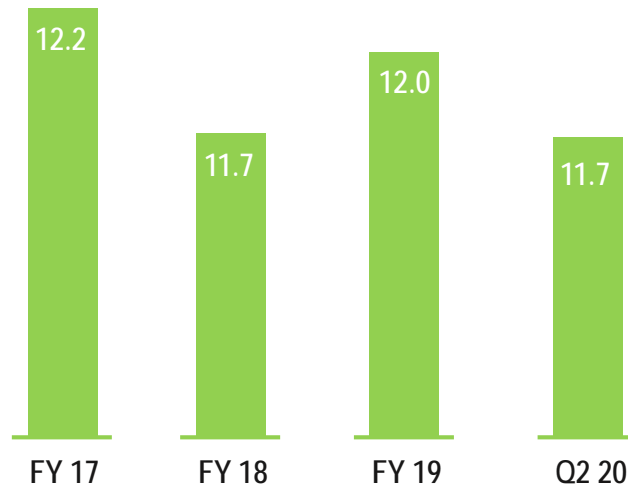
Continuous onboarding of fresh subcons



# Cost Optimization Tracks

- Onsite - Offshore Mix
- Pyramid
- Automation/Lean
- Subcon Cost
- Scale Benefits**

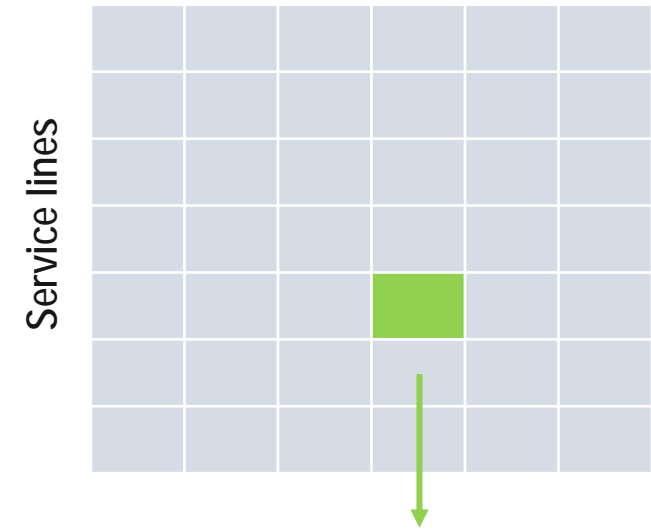
## Operating leverage



SG&A Cost as % of Revenue

## Scale @ n=1

### Geographies



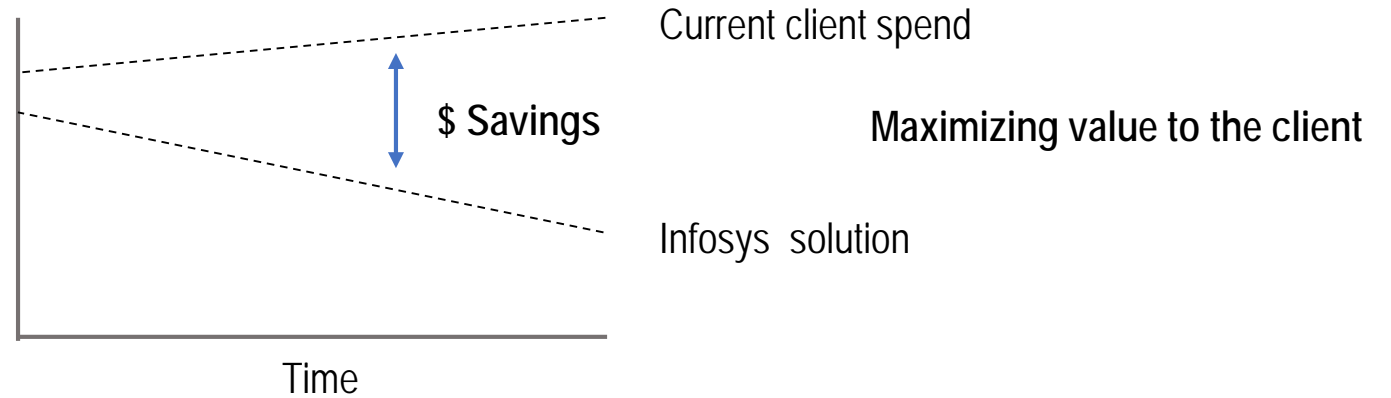
Utilization



# Cost Optimization Tracks

Onsite - Offshore Mix
Pyramid
Automation/Lean
Subcon Cost
Scale Benefits
<b>Digital Pricing</b>

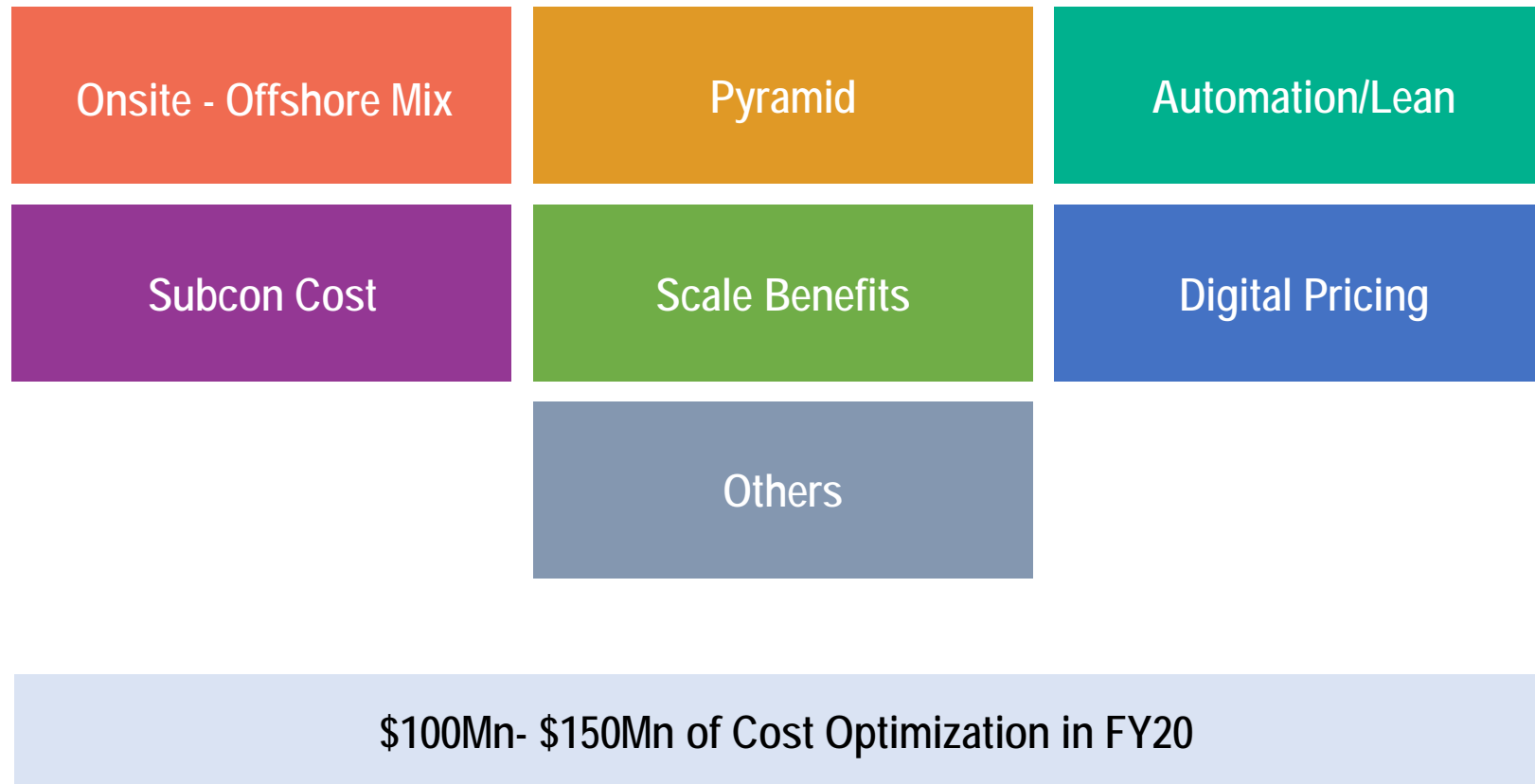
## Client Value Proposition



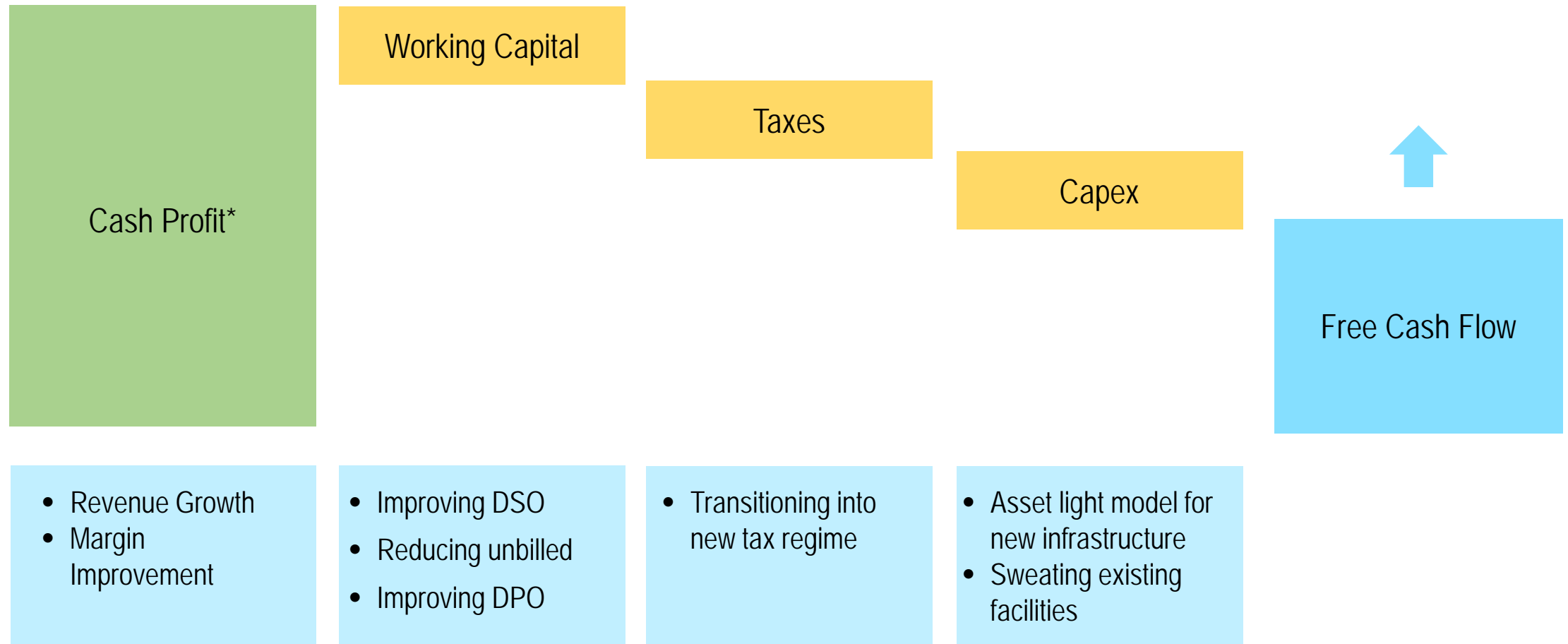
Optimize pricing for digital skills

# Cost Optimization Tracks

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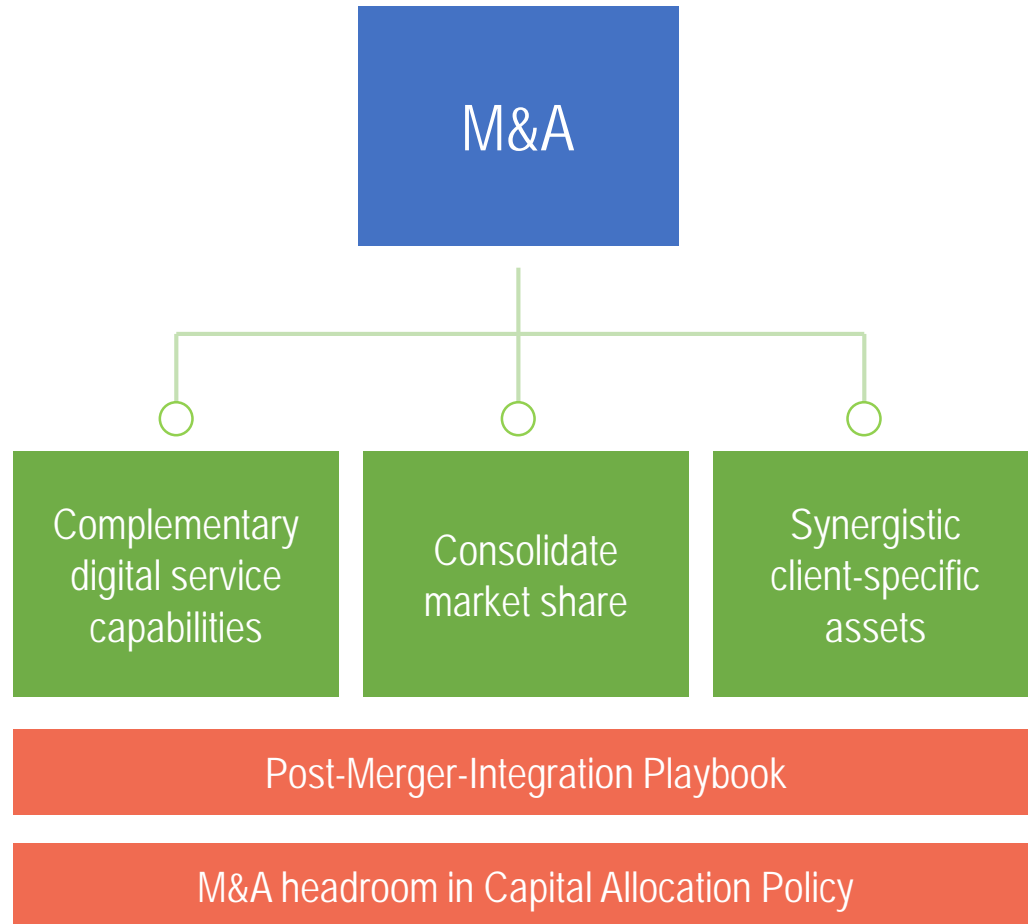


# Improving Cash Generation

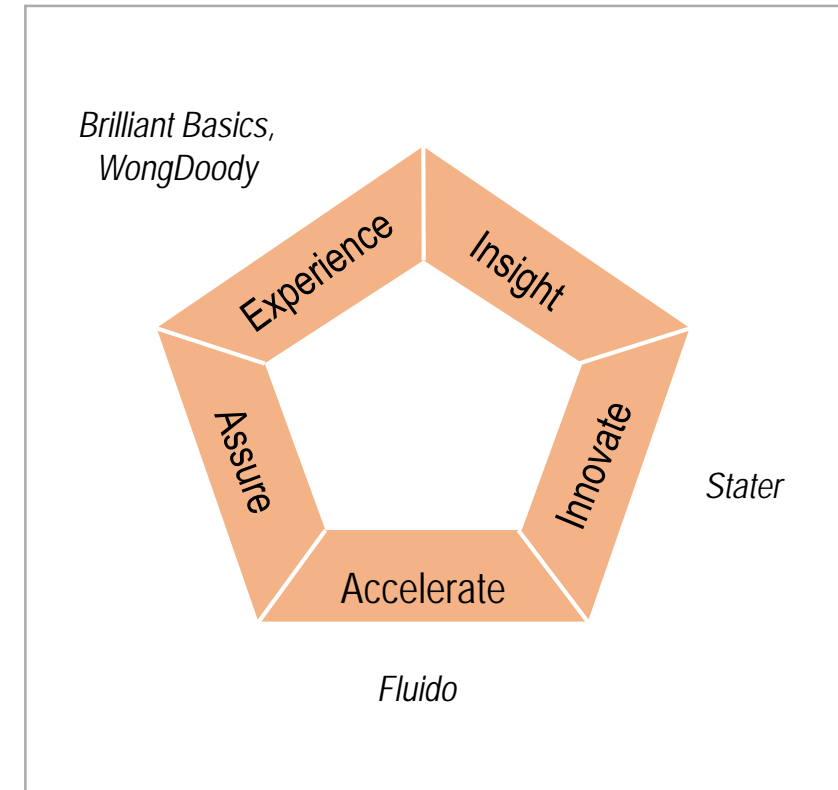


\* Cash profit is Net profit plus all non-cash items before working capital changes

# Value accretive M&A



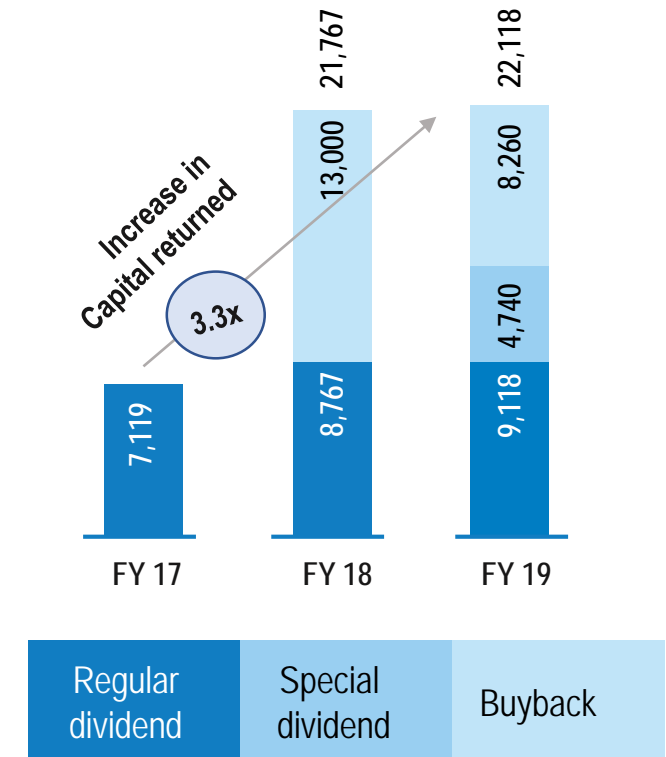
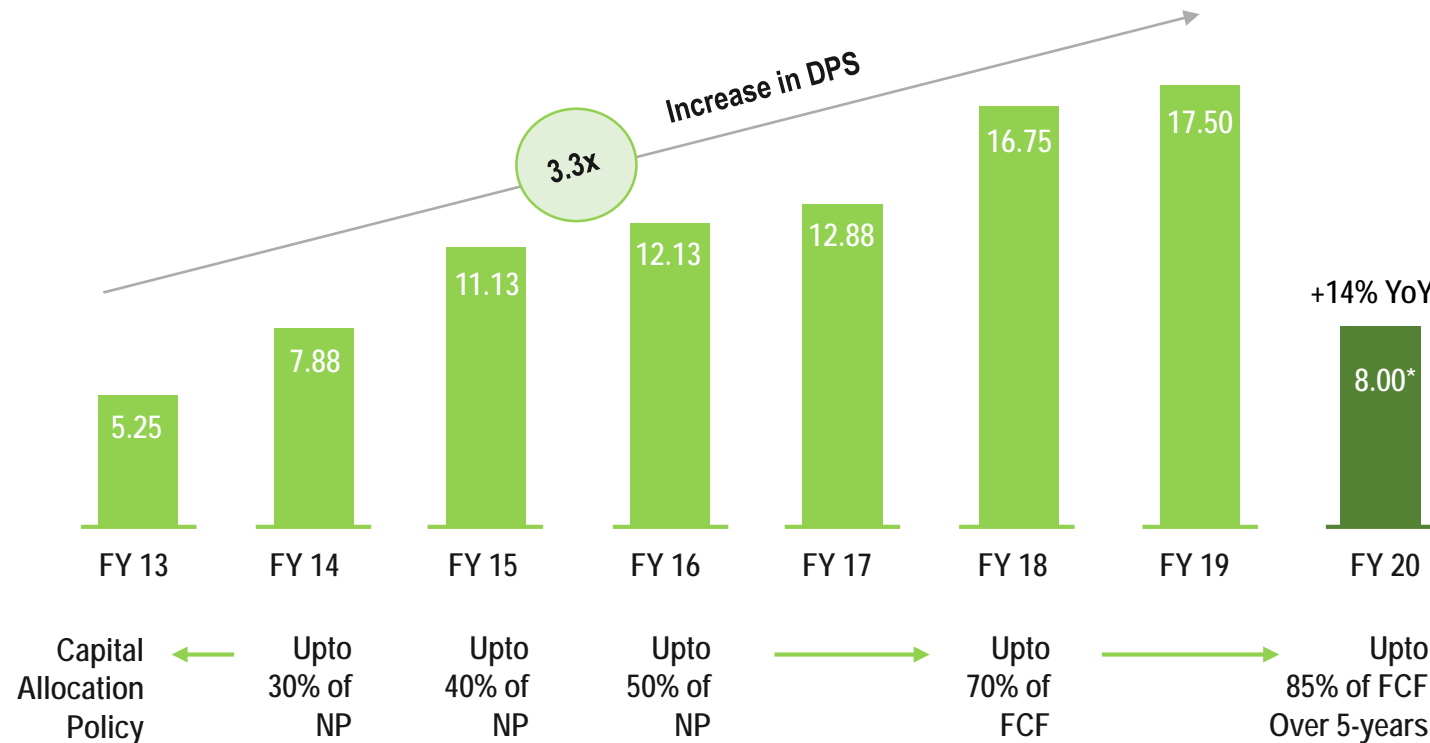
## Digital Acquisitions



# Enhanced shareholder payouts

Consistently growing Dividend Per Share (DPS in ₹) <sup>(1)</sup>

Capital returned to shareholders ₹ crore <sup>(2)</sup>

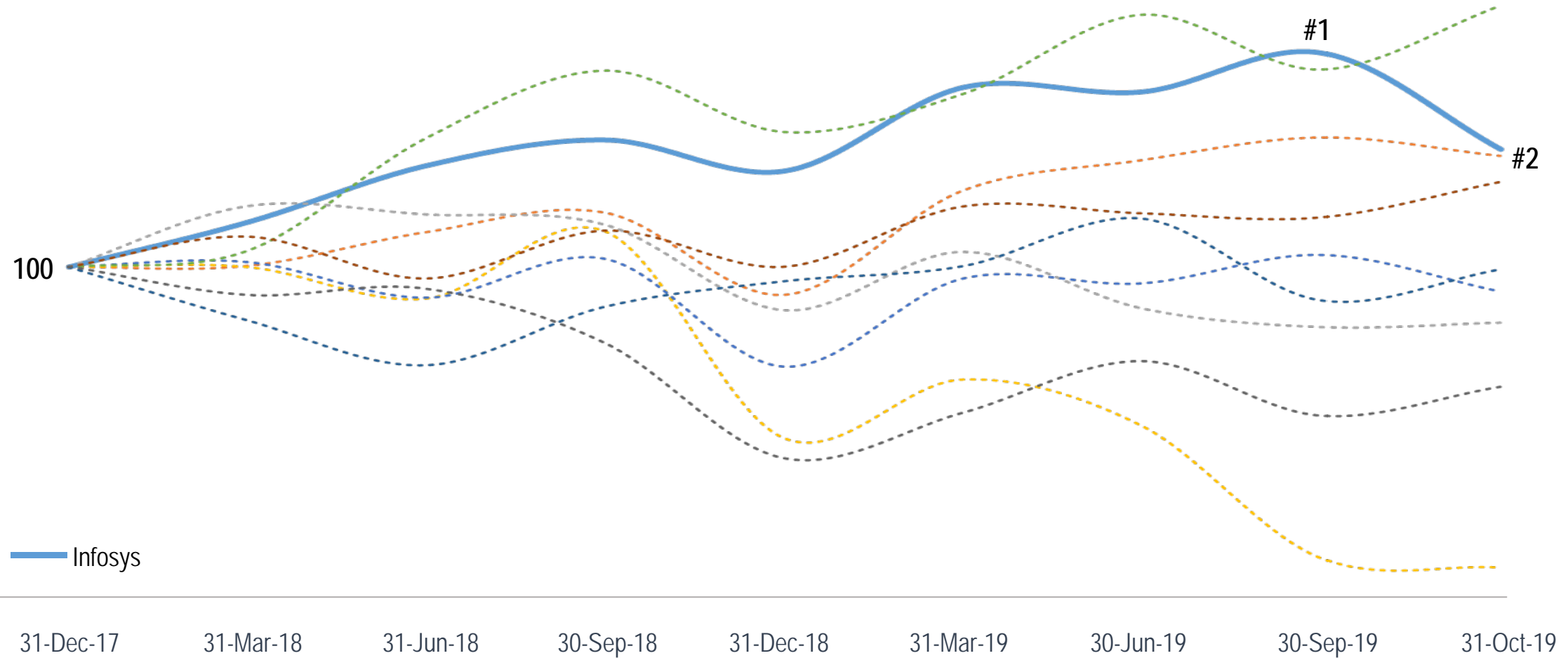


<sup>(1)</sup> Excludes Special Dividends. DPS figures are adjusted for Bonus issues. <sup>(2)</sup> Dividend amount is inclusive of Dividend Distribution Tax.

\* Interim dividend



# Total Shareholder Return (vs. Industry Peers)



Source: Total return index as per Bloomberg

## Alignment of management compensation with TSR (New 2019 RSU Plan)







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