



Nandan M. Nilekani  
Chairman

## An era of uncertainty

As we contemplate the developments of the last few months, we know we are in an era of uncertainty that we have never seen before. Multiple trends are colliding and leading us to reexamine the fundamentals of our businesses.

As geopolitics becomes front and centre in our lives, we are having to take cognizance of the world not as one single global market but as fragmented blocs and countries. This means making strategic choices and even navigating between these blocs. COVID brought into focus the critical and pressing need to derisk our supply chain and build viable alternatives. It was no longer enough to deliver just-in-time; we had to also factor in for just-in-case. Now tariffs are further driving home the point that we need to diversify our sourcing. Tariffs will be differentiated across products and countries and will likely keep changing. Bilateral and regional rules of trade will dominate. Supply chains will continue to shift as tariffs become another form of arbitrage.

The advent of AI with all its possibilities and potential creates another arc of uncertainty. As enterprises look at applying AI to every aspect of the business, some longstanding challenges will become imperative and self-evident to firms. For example, the need to modernize legacy systems, and the need to create data architecture so that all the firm's data is consumable by AI, in a holistic manner, can no longer be put off. Firms will need to have an AI foundry for rapid innovation and an AI factory to scale successful innovations across the enterprise. While embracing AI will bring a goldmine of opportunities, it will not be entirely without some foreseeable risks. Regulatory variances across regions will need to be incorporated into one's strategy. The early learnings from enterprise AI adoption gives us a glimpse of these potential challenges that lie on the path ahead.

Climate change and the associated energy transition adds to the crucible of uncertainties. So much of the future depends on innovation and the form of energy that will fuel us forward – solar, wind, batteries, pumped hydro, green hydrogen, nuclear, carbon capture and storage, etc. Global climate deals will set the pace of change. The only thing certain is that electricity will play a much bigger role in the days ahead. And the pace of its rollout will be contingent on building new transmission lines, setting up charging stations, and acquiring more transformers. This transformation will naturally be constrained by regulatory cholesterol. The price of various commodities will rise,

and fall based on the speed of transition. And many assets could well be stranded.

Every business vertical is facing challenges of various kinds. Car makers are dealing with the transition from ICE engines to batteries. Pharma companies are looking at accelerating the pace of drug discovery with AI. Logistics companies are dealing with the complete reordering of global supply chains. Financial service companies are considering the tokenization of their assets. Energy companies are assessing the long-term demand for their products. Utilities are facing a distributed future. Manufacturing companies are navigating the advent of robots and 3D printing. Service companies are dealing with AI agents performing their tasks. There is not a sector that remains unscathed as rapid business and technological disruption forces businesses to adapt and advance.

Amid these growing uncertainties, there is a certainty that Infosys brings, that is of immense value to enterprises. The Infosys basket of products and services is diversified across geographies, verticals and technologies with solutions to both traditional and emerging business challenges. These solutions are created to support clients' investments in growth as well as for when they are cutting back on costs. Infosys is differentiated by its continuous and active investments in nurturing an engaged and committed workforce. A big part of this investment is in creating flexible training and skilling capability so that this workforce is always abreast of changing technology and business practices. There is also a relentless focus on productivity, so business investments work harder. Even as Infosys strives to be a truly AI-first company, there is a simultaneous and equal focus on being at the forefront of sustainability. In every way, we seek to continue to rank among the world's most respected companies.

We've always believed in enthusiastically embracing change. After all, our brand's promise to our stakeholders is to help them navigate their next. We also have immense confidence stemming from our fortress balance sheet – characterized by high liquidity, zero debt, and the ability to withstand uncertainty. Above all, at Infosys, we remain fully aligned on strategy, yet tactically agile, having high mutual trust and responsiveness to customers, investors and employee needs.

So many things have changed. Then again, some things remain unchanged.

Bengaluru  
May 14, 2025

Nandan M. Nilekani  
Chairman