

# Investor Presentation



April, 2017

Infosys®

# Safe Harbor

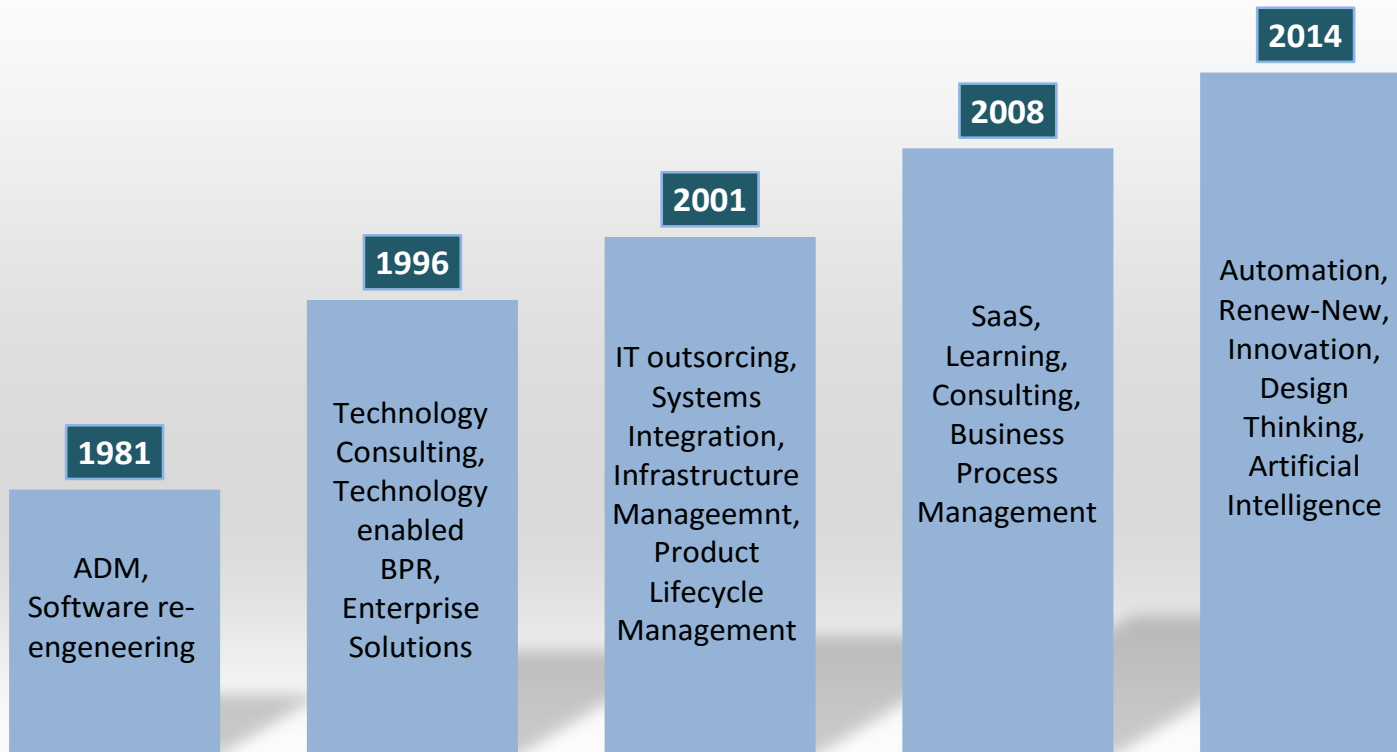
Certain statements in this presentation concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties 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 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 and inability to accurately predict economic or industry trends, 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, 2016. 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. In addition, please note that the date of this presentation is mentioned at the beginning of the presentation, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. 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.

# An overview

FY 17 Revenues (\$/INR)	\$10.21 billion/ ₹68,484 crs
FY 17 Net Income (\$/INR)	\$2.14 billion/ ₹14,353 crs
Employees (Mar-17)	200,364 from 127 nationalities
Market cap (Mar-17)#	\$36.3 billion
Global Listing	NSE, BSE, NYSE, NYSE Euronext London, NYSE Euronext Paris
Business Model	To provide integrated end-to-end outsourcing and consulting services, products and platforms

#As of last day of the quarter based on closing NYSE price

# Expanding the services footprint



People | Organization | Infrastructure | Process | Quality  
Infosys Global Delivery Model

# Strategy and approach to market

## Strategy

- **Renew-New strategy** - Doing more with less for more
- Combine **Automation** and **Innovation** led by a culture of education and learning with emphasis on Design Thinking
- **Drive new opportunities** in business through end-to-end service capability, deep vertical penetration and broad geographical footprint

## Approach to market

- **'One INFY'** – helping clients' leverage full service potential
- **Cross-selling** – sell more services to clients
- **Vertical focus** to create industry-specific expertise
- **Investing** in people and infrastructure
- **Creating** products and platforms

# A 'Renew-New' strategy to embrace future

## **RENEW** THE CORE BUSINESS

- Reimagined core service lines
- Improved end user productivity
- Implemented "how" innovations

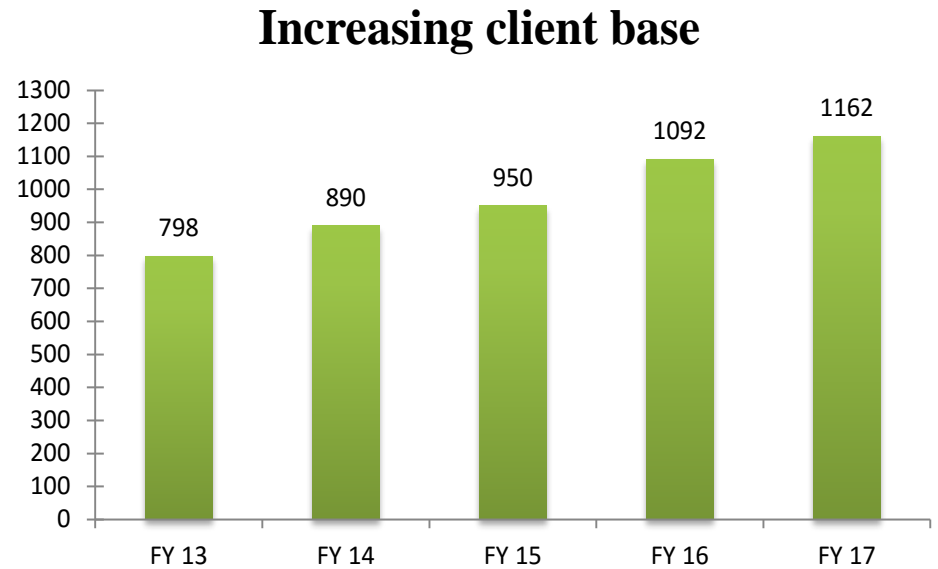
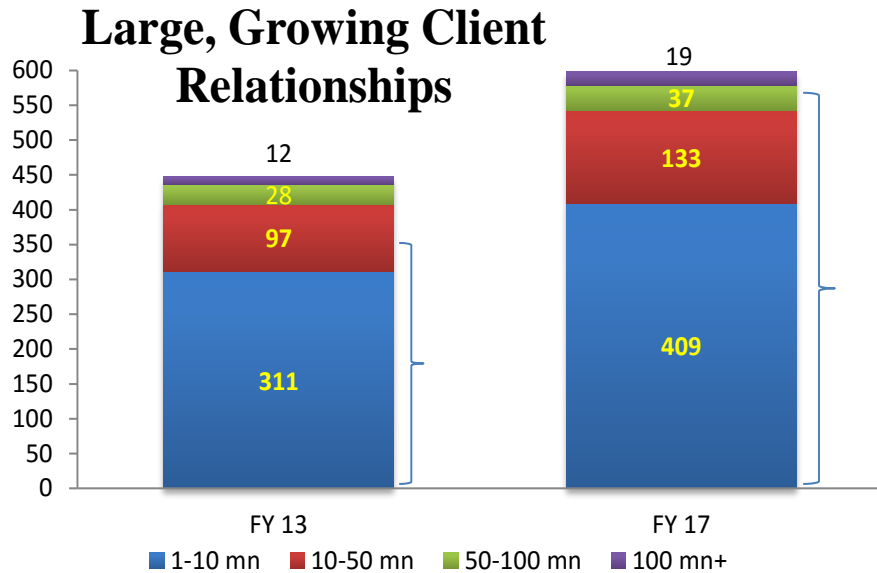
## INNOVATE INTO **NEW** BUSINESS

- Integrated design thinking into consulting
- Implemented "what" innovations
- Created living labs to co-create with client

## **CULTURE** of EDUCATION & COLLABORATION

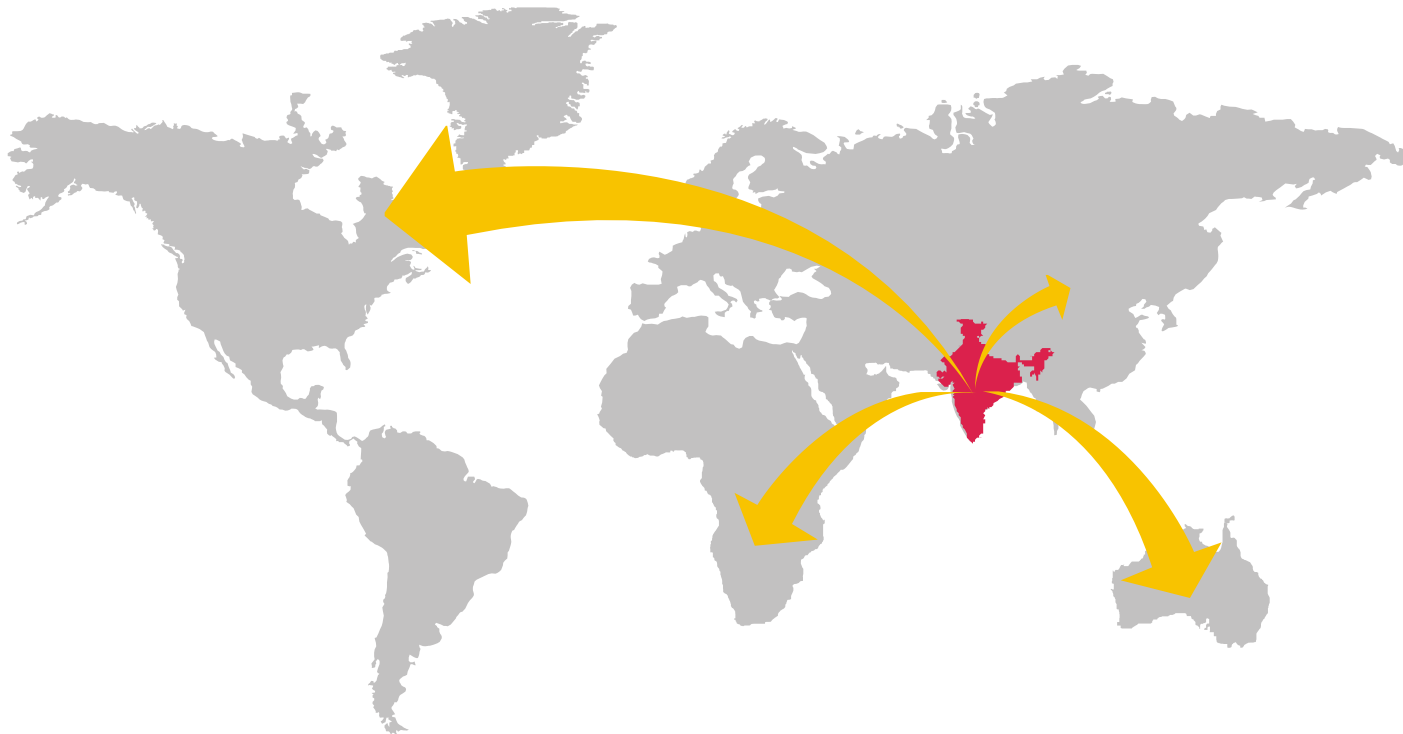
- Instituted learning through world's largest corporate university.
  - Accelerated design thinking training for all.

# Growing Client Relationships and Increasing Client Base



*Execution excellence resulted in high share of repeat business (97.3% in FY 17)*

# Market Opportunities



## Global Mega Trends

- Asia – New “center of gravity” for the world
- “Geography becomes History” with reduced telecommunication costs
- Technology – the supreme enabler

## Infosys – Transformation Partner

- Differentiated access to highly educated, cost-competitive human capital
- Leading the Next-Generation Business Model and investing in innovations and business solutions
- Redefining scalability with modular global infrastructure



# Offshore Outsourcing is a Global Mega Trend

## *Outsourcing Benefits*

- Convert fixed costs to variable
- Reduce TCO and enhance ROI
- Improve competitiveness
- Improve time-to-market

## *Offshore Benefits*

- Deliver high quality at great value
- Highly scalable with a large resource pool available
- Proven track record

# Competitive Situation



## India – Uniquely positioned

Source:

\* NASSCOM Performance Review  
(includes engineering services and software products)

### High Quality Delivery and Offerings

- Established track record of exceptional quality
- Expanded offerings that encompass the entire value chain

### Abundant Skilled Resources

- 4.7 million graduates and post graduates pool \*
- Over 3,000 engineering colleges with a capacity to produce approximately 1 million engineering graduates annually

### Established Industry

- IT-BPM continues to remain the highest impact sector for India amongst all service industries in terms of contribution to GDP and exports
- Offshore 'home' for virtually all the leading technology companies

### Strong Government Support

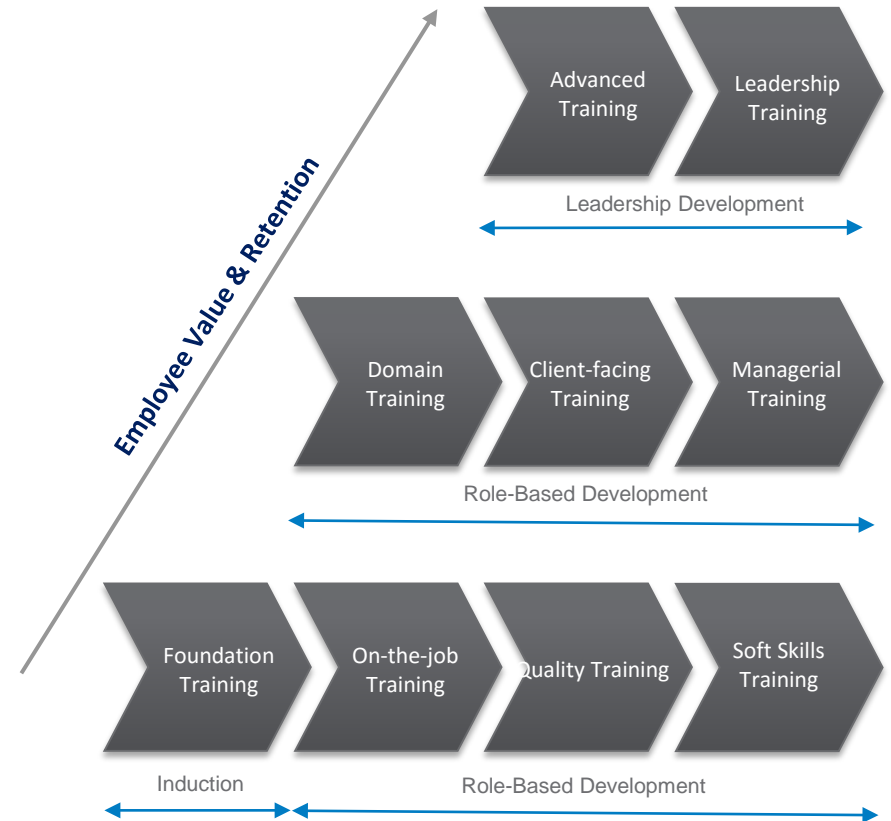
- "Tax Holiday" schemes
- Supportive Government policy environment

### Significant Benefits

- Substantial cost savings associated with moving offshore
- Large intangible benefits such as reduced time to market

# Developing and Retaining the Best

- Learning support to employees towards new technologies thereby enhancing career progression which improves long-term retention
- ***Trained over 135,000+ employees in design thinking***
- Able to train 14,000 entry-level recruits at the Mysore campus simultaneously
- ***Annualized standalone attrition down to 13.5% in Q4 FY17; high performer attrition in single digits***
- Initiatives like ***Zero Distance*** and ***Zero Bench*** to instill a culture of innovation

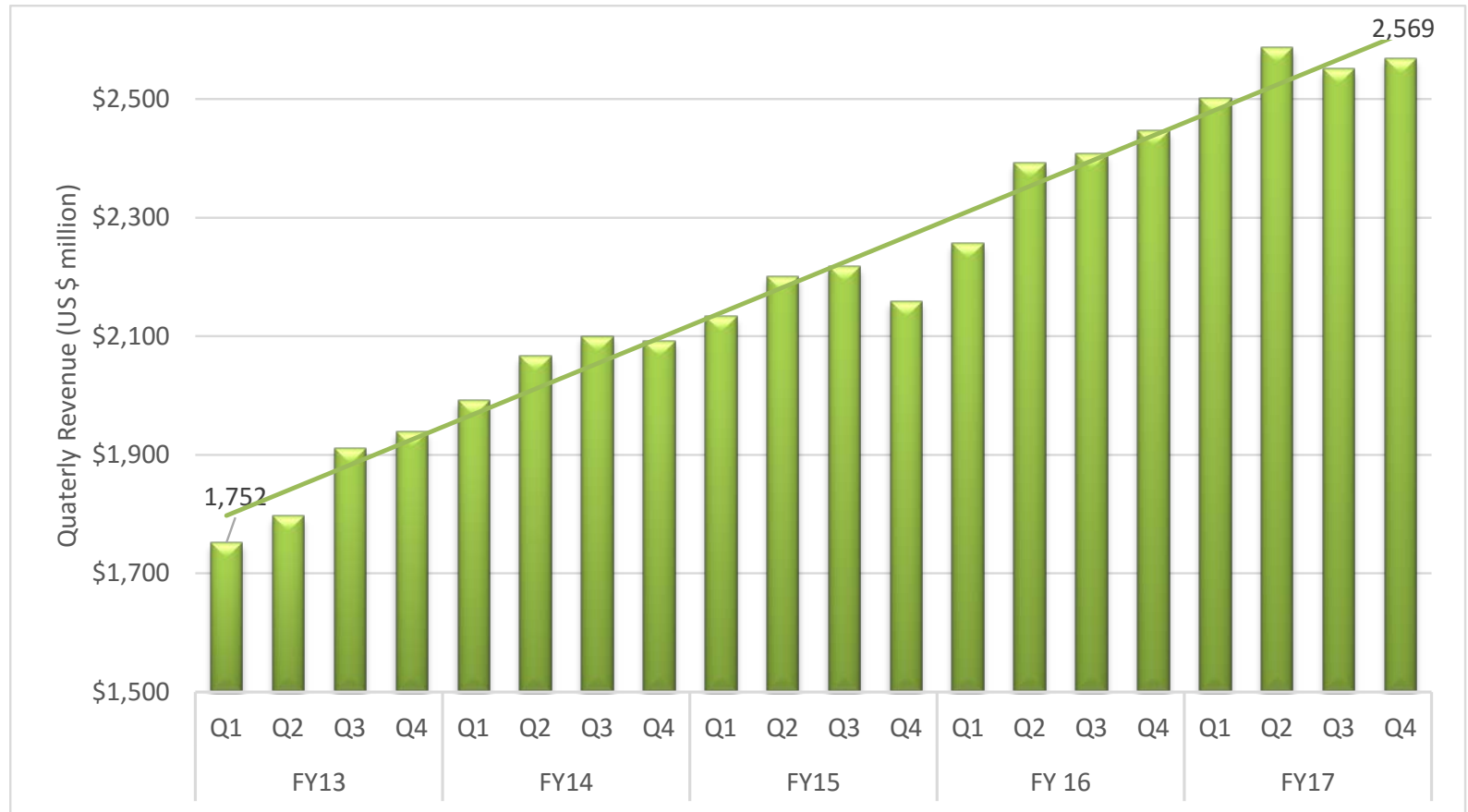


# Robust, Flexible, Modular Global Infrastructure

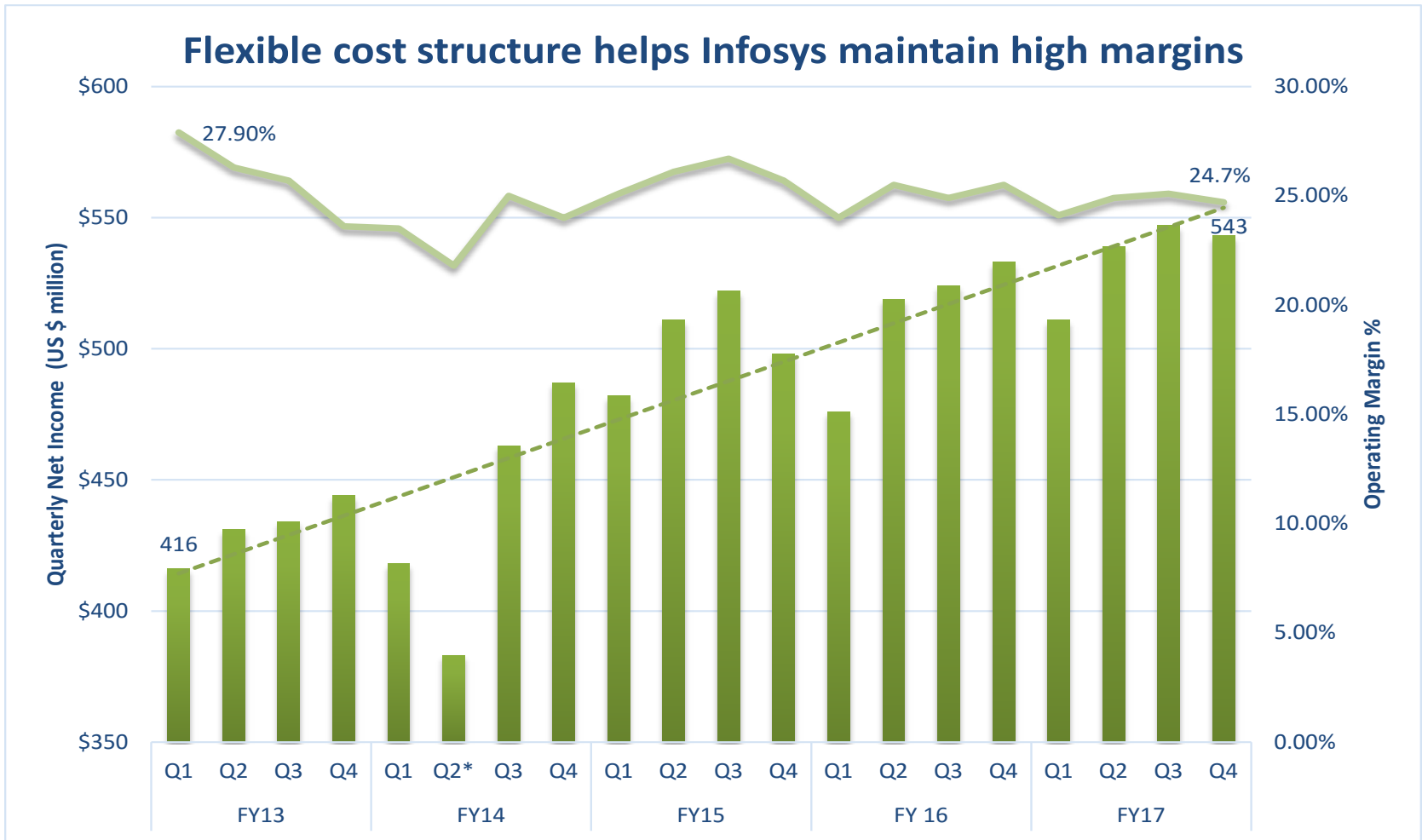
- 114 Global Development Centers (“GDC”)\*
- 44.5 million sq. feet of total area to house 2,11,678 employees; 8.28 million sq. feet under construction to house 52,607 employees as of March 31, 2017
- Ability to rapidly scale new engagements
- Flexibility to distribute engagements and capacity across centers worldwide
- Disaster recovery / business continuity capabilities

*\*As of March 31, 2016*

# Consistent Revenue Growth



# Sustained Profitability



(\*) Q2 FY 14, include a provision of \$ 35 million towards visa related matters.

# Cost Optimization Initiatives

## **AUTOMATION:**

Approx. 11,000 worth of FTE's in terms of efforts saved in FY 17

## **SUBCON COST:**

At 5.6% of revenues in FY 17, compared to 5.7% in FY 16

## **UTILIZATION EX-TRAINEES:**

Above 80% since 8 quarters; 82% in Q4 17

## **ONSITE MIX:**

At 29.8%, marginally up by 40 bps, compared to FY 16

# Strong and Liquid Balance Sheet

- Highly liquid (Liquid assets including cash and cash equivalents and investments stand at \$5,279 mn), Zero debt
- DSO at 68 days in FY 17
- ROCE of 29.8%, ROIC of 42.4%
- For FY 17, total dividend announced ₹25.75 per share, consisting of final dividend of ₹14.75 per share and interim dividend of ₹11 per share
- Payout policy of up to 70% of the free cash flow\* in such manner (including by way of dividend and/or share buy back) from FY 18 onwards
- On April 13, the Board has identified an amount of upto ₹13,000 crore (\$2bn) to be paid out to shareholders during FY 18 in such a manner (including by way of dividend and/or share buyback) to be decided by Board, subject to applicable laws and requisite approvals, if any

*\*Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS*

*As of March, 2017*



# We are a responsible corporate citizen\*



## Environmental Sustainability

- Reduced per capita electricity consumption by 46%
- 3.8 million sq. feet of green buildings
- Committed to be Carbon Neutral by 2018



## Diversity

- Women make up 35% of our workforce; By 2020, our aspiration is for women to account for 25% of our leadership
- A founding member of Business Disability International, pioneering conversations between business, people with disabilities and society



## Business Sustainability

- Our corporate governance policies extend beyond compliance; benchmarked against the best in the world
- We practice transparent disclosures as one of our core values
- No effort is spared to nurture a safe and transparent work environment

\*As of March, 2016

# Challenges

- Economic uncertainty
- Regulatory changes
- Pricing pressures
- Wage inflation
- Volatility in global IT spend - discretionary & non- discretionary
- Currency Volatility
- Resource availability

# Thank You



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