ANALYST MEET

April 23, 2018

CORPORATE PARTICIPANTS

Salil S. Parekh
Chief Executive Officer & Managing Director

M. D. Ranganath
Executive Vice President and Chief Financial Officer

Sandeep Mahindroo

Good afternoon everyone and welcome to Infosys Analyst Meet 2018. We would like to thank all of you for taking time to be a part of this event. This event is also being webcast live through our investor relations website. On your desk we have kept a print out of the agenda, feedback form and an instruction sheet. The instruction sheet has relevant details regarding emergency exit, Wi-Fi access, charging points. You are requested to go through the instruction sheet.

Today as part of this Analyst Meet we will have presentations from various members of the leadership team. To allow the full context of CEO's presentation to be captured in subsequent sessions, we will take all questions at the end during the Q&A session which will start around 7 pm.

Please note that anything which we say which refers to our outlook for the future is a forward-looking statement which must be read in conjunction with the risk that the company faces. A full statement and explanation of these risks is available in our filings with the SEC which can be found on www.sec.gov. I would now like to request our CFO, M. D. Ranganath to provide the welcome address.

M. D. Ranganath

Thank you Sandeep. Good evening friends. Good to see all of you here. A very warm welcome to each one of you. I would like to welcome all the folks on webcast, I believe more than 200 are on the webcast right now, welcome to all of you. This time we chose Mumbai as a location for our analyst meet, after a long time. Two reasons, I know that all of you are very eager to listen to Salil today and we wanted to make it convenient for you to attend today's this session. Of course, coincidentally, Mumbai also happens to be home town for Salil.

Today we have a packed agenda but we want to make it interactive and have set aside a significant amount of time for the Q&A.

As you know, on April 13th Salil outlined broad strategic direction for the company, the business priorities. We also talked about the capital allocation policy of the company, we gave revenue guidance and margin guidance. While we provided an outline, we want to take this opportunity today to delineate those elements in more detail. Salil will start with the broad strategic direction. He will delve into the elements of that, then we have leaders led by Praveen, talking through each of the Four Pillars that Salil outlined, talking about what exactly are the specific case studies that we have in Digital, talking about the investment priorities for us in Fiscal '19 in those areas that we earlier discussed on April 13th. Towards the end I will again come back to present to you the financial performance and after wards Salil, Pravin and I will take the Q&A.

I warmly welcome our CEO and Managing Director – Salil Parekh to address you.

Salil Parekh

Good afternoon everyone. I am really delighted here to be standing in front of you and share what I find is a very exciting journey for Infosys and for all of the tech industry.

What we have here for you today, is a lot of detail on what we want to show you about our approach. There are four pillars that we shared with you a few days ago and we want to go into details of each of those pillars and then give you examples of what we are doing today to enhance each of those pillars. Then at the end as Ranga suggested, we will have a Q&A.

We will do a brief introduction with everyone who is here. This is the team that is here from Infosys today, Ranga, Pravin and myself. We also have Ravi, who heads all of our delivery functions plus a few other activities and he is the Deputy COO. He will talk about couple of key elements of our strategy. Mohit will talk about our sales. Mohit and Ravi are both Presidents in the Company. Karmesh who leads one of our major verticals will give you examples of where we are implementing and driving the digital change for our clients. Nari who runs a large part of our service delivery organization will give you examples how we are energizing the core and what that means for our clients.

We start with the agenda as we have defined here. I am going to talk a little bit about what it means in terms of a strategy overall, dig into where we are going with Digital and then each of the four pillars are going to be expanded upon by each of our leaders.

The safe harbor provision we have is in multiple locations within our deck. It is critical, given our listing both in the US and in India, this is part of everything we say and do. Obviously, there will be some statements within what we speak today which might be construed as forward-looking and for that we need to have this safe-harbor provision.

When I started a few months ago, I spent a lot of my time with clients, with employees and with lot of our leadership. When I met clients, there was a universal view that our clients have for Infosys. Our clients trust what we do for them. I will give you an example. One of the client executives that I met said to me that if he had to pick one company in terms of delivery, it would be Infosys. I met another client executive and the example he gave me was we have been working with them for 10-15 years and we have the best understanding of everything that they do across their tech estate. Another talked about how we could be best positioned to help them on their digital journey and especially when we were doing various aspects to work with them on analytics, cloud, and insights. Another client talked about how we could give them big ideas and change their core banking and core transformation areas. So, those are the inputs that I received from clients. Across all of those client meetings, one thing that stood out was, there is a huge amount of trust in what Infosys does for clients and there is tremendous loyalty and expectation that we help them as they go on their journey into the digital future.

We then built our strategy really upon what our clients were telling us. First, there was a huge growth in everything that was related to digital and how they were driving their agenda.
There was then a disruption, some of them were being disrupted themselves and some of them were disrupting the industry they were part of. On both of those, there was new activity in the technology space.
Third, there was a lot of work. We will go into detail explaining what this means in our terminology. A lot of work on experience and yet lot of the core areas needed digitization, and we were starting to work on that.

Fourth, all of the services were starting to come together where there was multi-service work across individual clients. In the examples that we will show you, we will show you how that works using different capabilities to improve a client's business.

And eventually the fifth, to drive business outcomes, not just sell technology or sell services but to change the business outcome for clients.

In that, we have positioned ourselves in a way where we have a deep understanding of the core that our client's tech foundation is built upon. We are now ready with our own digital framework which I will share with you and we are ready to help navigate our client's "Next" as they go on their digital journey. It is an exciting journey for them, it is a huge journey for us and even the opportunity itself that you see is massive. So, with that we built four pillars of the strategy, part of which were outlined a few days ago.

The first – Scale our Agile Digital business.

The second – Energize the Core, which is a large part of our activity today and also a large part of where our client's activity is.

Third – In that make sure we reskill our people. This is the team that is going to take us to the future and we have some specific methods that has been put in place for re-skilling.

And fourth – With the changes in the global dynamics, expand our localization both from a digital framework and from a regulation framework. We will show you examples of this, where we have already implemented and expanding upon it.

Now what does it mean to go into digital. We have spent a lot of time. Instead of talking about vaporware, we have gone into very specific detail on what it means. In that, our strategy team with all of our leadership have built this pentagon of five dimensions of digital. Let me spend a few minutes walking through this.

The first dimension is 'Experience' and this relates to everything that you see and feel when you deal with digital. Everything on your mobile phone, omni-channel experience what our clients are dealing with their customers, their employees.

The second relates to 'Insights' and 'Insights' are built on data, on artificial intelligence and what you can do with everything that is coming out of the digital world.

The third is built on 'Innovate'. An 'Innovate' really relates to sectoral platforms, it is specific on what changes are going on, on sectors and sub-sectors, on IOT as it changes in the manufacturing world with sensors and on digital product engineering. Here there is a lot of change in our products that are being built today and that comes under the Innovate framework for us.

The fourth and potentially the largest relates to 'Accelerate', where we change the legacy and modernize it. We deliver digital systems integration. We do all of the work on the cloud migration and the cloud economy and that is large part of what the digital agenda for the future looks like for our clients.

The fifth relates to what we call 'Assurance', which is cyber-security and the rejuvenation of testing with a digital frame work.

So these five elements – Experience, Insight, Innovate, Accelerate and Assure comprise all of the digital activity that we are driving today, and reflects how we are thinking about our company and what our clients' journey is, as they look at digital. To me this is the most comprehensive description of digital and is something that we are driving our whole business upon.

Now, what does this mean in terms of the market opportunity? Based on external analysts' view, the market opportunity across these five sets, is a $160 bn or more today. This addressable market today is growing at high-double digits, 15% or more. So for us it is an exciting market and that is why the first pillar for us is Scale Agile Digital. We already have our business in this. This is a business where all of our clients are moving. Knowing that their core is the key to driving the digital change, we want to navigate their "NEXT" through the digital journey. This is a great big market that we want to go after. In this market today, in fiscal 2018, we had $2.8 bn. of our revenue, 25.5% of our revenue already in this space. This was growing and we shared the number a week before last, 3.6% growth quarter-on-quarter in Q4. So, for us, a real definition of digital is a huge market, a fast-growing market where we ourselves are growing well. So, in a nutshell we are well-positioned in this pillar. We now want to invest in this pillar to make sure that we become

more and more relevant for our clients' future. We have already today significant relevance, but the idea is this is a huge market, how can we be more relevant for our clients' future through this market.

In addition to this, we already have some components of platforms and products which remain part of our portfolio, the Nia platform for example. It will become part of and it is part of all of the delivery work we do for improving our own productivity, putting AI into our own delivery and you will hear about that in a few minutes. Plus what we are selling in the market through what clients want directly for Nia. Similarly, with Finacle and with McCamish, which is another platform for the insurance business that we have.

With that strategic view in terms of where the clients are going we have also created a clear view on how we want to create value. There are three components of it. First the investments that I referred to, in sales, in people, in human resources and also in localization. The second, we will look selectively at programmatic inorganic moves and our M&A team has started to identify some opportunities. Those will map into the future that we are looking to build for our clients. For example, the acquisition we announced on Friday, a week ago, the Wongdoody which is a digital creative agency and you will hear a little bit about that later today as well that fits squarely into the experience part of that pentagon. That is the sort of acquisitions not only in different parts of the pentagon but across our portfolio that we will make.

The third is very clear that we will have a disciplined capital allocation policy. You have heard all the numbers. You will hear very clearly again from us today what is our approach and that becomes a way that we make sure that we are returning cash in the way we have described to our shareholders.

With all of those things we have set internally, a 3-year road map where we want to do all of these changes in a step-by-step way.

The first year in fiscal 2019 to stabilize where we are, the second year to start to build momentum and the third year to start to accelerate where we can have more and more share of our clients' relevance. That will obviously translate overall to a better Infosys. So, with that let me pause and hand it over now to Ravi. We will start to dig into each of the elements of these pillars and as Ranga said, come back for the Q&A at the end of the session. Thank you.