

Infosys Limited Analyst Meet 2022

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CORPORATE PARTICIPANTS:

Mohit Joshi
President

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Thank you so much and it is great to be back here. I was just thinking almost 4 years ago since we were here and we were talking at that time about the sales transformation within the broader transformation that we wanted to drive within Infosys, and 4 years later the results are in. You will see that we have actually done very well. At that time about 4 years ago, we had outlined our strategy and there were two key components that we were very focused on.

The first was large deals and the second was our focus on account mining, our focus on account expansion. Now the large deal space as you have seen has been central to our focus over 4 years and in terms of the numbers, we have won over \$40 bn in TCV over this period. We have tripled the size of the deals that we have over the 3 years, both in terms of number of deals and in terms of the total TCV that we have done. Our pipeline has increased very significantly. Our pipeline today is two and half times the size it used to be back in 2018. As Salil eluded in his presentation, this increase in deal wins, this increase in TCV has come up as a result of the comparative market share that we have been gaining. So, again it has been a central pillar of our strategy and one that has been immensely successful. And obviously this is talking about the past, but even in the future, our large deal focus will stay very central to our vision of sales transformation.

The other pillar apart from the large deals space has been our focus on account expansion. As you will see also when I talk about our financial services practice, we have always been blessed with a marquee set of clients and we have focused on digging deeper within these clients, looking at the unaddressed segments of the market within the client that we can address. We also had great success with our account expansion and account mining program that internally we have called the Titan Initiative. And if we look at it I think one of the most visible signs of success that we have had in the account expansion program has been the increase in the number of \$100 mn plus account and we have doubled this over a four-year period. So if you think, it took us roughly 35 to 40 years for the company to get 20, \$100 mn accounts, but only a four-year period to double them. And, again like the large deals program, the Titan program will be very central to our sales transformation initiatives.

Apart from the large deals and the Titan program we have also done a number of other things. There have been a number of other areas in terms of transformation of the sales force itself. We have significantly expanded the size of our sales team. We have invested heavily in the training of the sales team. The composition of the sales team to include a lot more Gen Z, a lot more millennial has again allowed us to deliver on these two key initiatives.

The new account opening program again has been very successful. The revenue that we get from new accounts has also doubled over this four-year period. As a result of this we are today amongst the fastest growing IT brands in the world. And very importantly from my perspective, the connectivity that we have with key decision makers within our clients, whether you use LinkedIn as a proxy for this or you have other analyst do their study, consistently Infosys comes across as a company with a best connectivity within our client organization. I feel that this is something that will really serve us very well for the future. So that is a nutshell is something that we have done over the past 4 years. If you look at it slightly more in detail, Salil spoke about the work that we have done with clients the world over, to drive digital transformation and these are some case studies. Over here you will see six case studies of digital transformation done through large deals.

Digital transformation is a difficult thing to describe. The best definition that I have for it working with my colleagues is digital transformation is if as a company you can provide an Apple like experience, if you can provide Google like data and targeting capacity, if you can fulfill like an Amazon and potentially train like Infosys so this is what digital transformation initiative looks like and these are six great examples of this.

If I take the first one this is the work that we have done with a large bank. We have done it with their European operations and so essentially driving optimization and transformation within their portfolio for Europe. So 20 plus countries across the retail bank and the commercial and the corporate bank, across the various stacks of technology, so transformation from an apps perspective and infra consolidation, move to the public cloud and a transformation from an end-user perspective. So a comprehensive transformation of the client's estate resulting in a significant improve in productivity, in a consolidation in the number of applications that they have, and a significant investment in employees as well. So there is a talent transformation piece to this as well. So, this is one example from the banking industry of a large deal and a transformation that we have driven over the past year.

The second example is for the telecoms business. This is about the digital supply chain that we are helping this client build in their industry. Again, it has two parts to it. The first part is allowing the client's teams themselves, and this goes to the no code or the low code piece of it, allowing the clients teams themselves to configure the complex applications without relying on the IT team, that is a huge value add for the client team. And the second is really building out a significant data leg that allows them to track from a device perspective in terms of fulfillment, in terms of client satisfaction across various segments. So, providing the detailed targeting capacity to the client is the transformation that we have driven for this telecom major.

There is an example from the healthcare space. In the healthcare space we work with this client using an Infosys platform called Infosys Helix that I will talk a little bit about later. This is to completely transform the on-boarding, the billing, the provider management for 3.6 mn clients using Infosys system integration capabilities, Infosys BPM capabilities and also an Infosys platform. So, across these three offerings from Infosys, we are transforming the entire experience for 3.6 mn members, we are driving significant productivity - 60% increase in productivity and 95% reduction in the dropout rate. And again, giving this client this platform has meant that the client is so much more competitive that they are now entering new markets in the US. Again, a holistic example of transformation using platform and people capabilities.

Finally, I will talk a little bit about the retail example that you have over here. This is with a large consumer goods retailer, soft goods retailer. Across 100 mn clients that they have, we have entered into an initiative to build a significant data capacity for them for their direct-to-consumer business. I will just leave one metric with you about the impact that we have had. Before this data leg and this significant targeting capacity was built, the clients had about 8% repeat sales to customers. With this new platform we are now driving a 37% repeat sales capacity. So again, a sea change in the direct-to-consumer business for this very large retailer with a 100 mn plus clients.

So hopefully this gives you a sense when we talk about digital transformation what do we truly mean. Why is this deal so large, why this is significant to our clients and hopefully this gives you a flavor of the kind of work that we have been doing over the past couple of years.

This work also has been powered by many of the platforms that we have built.

I will be talking about Finacle specifically which is the oldest platform that we have. Ravi spoke and Salil spoke about Cobalt and the Cobalt capabilities that we have created both from a horizontal perspective, but also the vertical industry capabilities that we are creating in Cobalt.

I spoke about Helix briefly which is a healthcare platform that we are building. We are building out the peer capabilities of that platform and it is very significant. This is a cloud native, API first platform. You really do not have cloud native platforms in this space, and so the work that we have done we think will give a significant boost not just to us but also to the industry.

We built Equinox which is a digital marketing and e-commerce fulfillment platform. Just within the 2 years that we have launched this platform we have had close to \$50 bn of gross merchandise value flow through the platform. We had a very significant win recently with Nu Skin that we had announced and you had a quote from the CEO of Nu Skin talking about how this was transformational to their business and to the whole beauty industry.

We have spoken previously about Wingspan which is our digital learning platform that has over a million learners now on the platform. Again a very significant capability that we have built not just for our own enterprise but also for our clients and for the world at large. In the UK for instance, it is also being used by the Brent Council. So it is being used as a social enabler and a social growth platform as well. So, again just to give you a sense of the multiple platforms that we have created and how these are not isolated now, these are central to the deals that we have been doing.

We are seeing a paradigm shift in the marketplace. And this is something that we talk about quite often. When I think of Infosys, I think of Infosys as being like a really capable jet with two engines, so you have the one engine which is focused on productivity, on automation, on cost and when things are tough this is the engine the clients rely on. And you have a second engine which is actually larger now, this is 60% of our revenue which is all around growth it is around experience, it is around data, it is around cyber security, it is around the Cloud. And typically, you have one of these two engines going on a full steam. And this has been a remarkable period over the past 2 years when you find both the engines being equally in demand and being in great use across our client base, because clients are not looking only for transformation and growth, they are also looking for efficiency. They are also not just looking for a technology impact they are looking for a holistic business impact. And so, we feel that at this time we are uniquely positioned to deal with this duality. Clients are looking for significant global capacities that we have, but they are also looking for significant local approach. And if you look at it across the US and Europe, 70% of our delivery capacity in these markets is now local. If you look at the talent infrastructure that we have built, it is among the best in the world. We have added more headcount in the past 12 months than we have ever in the history of the company. But equally we are also a great magnet for talents that our client's organizations have that so we have also done more rebadging of client talent than we have ever done in our history. So again, it is this duality which is making Infosys especially interesting to our clients because we bring this combination of agility and scale of global presence, but also significant localization of historically a technology focus but also a holistic business understanding.

We are looking to address this duality from our sales perspective as well. If I look at it from a large deals perspective first of all. From a large deals perspective we are very focused on the turnkey deals that we can do where we are bringing tech capacity, we are bringing ecosystem partnerships through the Cloud, we are bringing automation, we are also bringing a deep knowledge of the industry.

So, for instance we can promise clients that we will be able to process their mortgage book for certain basis points of the book. So, for 7 basis points we will service your mortgage book instead of that 20 basis points that you pay just now. We are focusing, again like both Salil and Ravi mentioned on the Cloud, that is a significant opportunity for us and on Digital.

We are also focusing on the tech natives this is a significant opportunity for us because digital natives historically, they use to make their own cooking. They would only work through their own tech teams. But again because of the need to expand quickly and because of the focus from a productivity perspective, they are increasingly looking at partners like us to provide that scaled capacity. So with digital native companies across the world we are seeing significant large deal opportunities.

Europe is a significant focus area for us. I do believe, based on the discussions we have had with several analysts and several views actually, that over the next 4 to 5 years, the incremental spend and not the overall spend, but the incremental spend on technology in Europe will probably be the same as the US which is quite remarkable because they have a lot of catch up to do. So, we feel that this is a huge opportunity for us. We have been working with private equity partners - private equity is a very significant component of our sales playbook now. We have been working with them as they try and build this and as they try and realize value from their portfolio companies either for a single company or for the entire range of companies. It is the team that we have created that now works with private equity companies and we have started to win our first set of deals in this market.

Finally ESG, ESG has been a great driver for us and it is now almost the third leg of every deal that we do. Historically, when we use to do deals we use to talk to clients with our a) the productivity that we can drive. So for this portfolio we will simplify by reducing the total number of your applications by 20%, by automating 30% of the processes, by reducing FTE count by let us say x percentage. But we also talk about the work that we do from a digital perspective. We will improve your NPA's by 5% year-on-year, we will improve your total addressable market and your market share by maybe 7% year-on-year, but now we are also able to commit a specific ESG goals which are so important for all Fortune 500 and Fortune 2000 companies across the world. So, we are able to tell clients that you have a stated ambition to be carbon neutral by 2035. Based on our analysis in your portfolio we feel you can be carbon neutral by 2033 if you work with Infosys. So it is a very important lever as part of our overall strategy in working with clients across the world.

Our account expansion program has been incredibly successful as you have seen we have gone from 20 \$100 mn clients to 40. We are now focused also on building the next set of Titan accounts. So how do we get the accounts between \$10 and \$50 mn, how do we increase that base of accounts that we have, so that we have a healthy pipeline for the future as well. And at the same time we are well focused on making sure that we are able to upscale, to hire, to retrain and to build better social connectivity for our sales team.

So, there is an immense amount of work going on to make sure that we can educate the sales team. We are launching dozens of service lines every year, we are launching dozens of propositions for our client every year, we have to make sure that our sales teams are able to understand and articulate this and take this to the market. So a set of platforms has been created that allows our sales teams to very quickly understand the offerings, understand the applicability to the industry and then take it to the market. So this is the focus from our sales perspective. And again, everything is focused on the work that we do for our clients, which is how do we build vertical solutions that are based on cloud infrastructure that incorporates the latest thinking and the latest opportunities that technology offers - whether it is a Metaverse, or whether it is a Blockchain, or whether it is Quantum, but all of these are built on very real business use cases. We have very strong horizontal capabilities, but our go-to market is built on very strong industry use cases about the change that we can drive for our customers.

One final slide from a Europe perspective again just to highlight the importance of this market to us. It already is a very significant market for us we already have a very large footprint there from a market capacity but also from a delivery capacity. We are very focused on growing in that market and therefore the seeding that we have done in terms of digital studio capability in terms of innovation centers, in terms of cyber defense capability. It has been obviously buttressed with the new acquisition that we have done whether it is Fluido or it is Kaleidoscope or it is Brilliant Basics or it is a more recently Oddity, I feel very confident about our presence in this market. We will be doubling down and we will be making sure that we can grow incrementally in a market which I think is poised for an increase from a spend perspective. So that is the overall sales vision.

We have been incredibly successful with the strategies that we put in place 4 years ago. We are very focused on doubling down on these and we believe that we have the momentum. We have the momentum in the marketplace and Infosys is uniquely positioned because of our heritage as a very efficient, very productive, highly automated player to which we have added the capabilities of design, of data, of cyber security. So we feel very optimistic about the opportunity from market perspective. And the customer demand is not slowing down, the customer demand remains very strong across sectors and across geographies.

Now talking specifically about financial services, and again this is an industry that will need very little introduction for all of you. All of you know it much better than I do, but you know that this is an industry that is being transformed dramatically over the past few years and really across the various sectors - whether it is banking and some of the metrics in this industry are mind-blowing. We feel that banking, for example, just about 10 years ago 50% of transactions globally would happen in the branch, now it is 5%, 95% of transactions now happen digitally. But banks still sell mostly their own services, so, 80% of all financial services sold are products that are owned by the bank. This will change. No more than 30% of the product being sold will be the bank's own product. So again, the transformational time in the banking business creates a new customer demographic as well.

A very significant change in the insurance industry. The insurance industry is tech driven like it never was before. The focus has moved squarely from an actuarial focus to a technology focus, whether it is parametric insurance or embedded insurance or IoT driven insurance or whether it is the transformation that we are seeing or claims for instance or the focus of aggregation of this business, it is an industry being dramatically reshaped by technology.

The capital markets business is being reshaped by this intergenerational wealth transfer which will be the largest fee opportunity the industry has seen in over 50 years. There is the whole digital asset classes that have been created whether it is currencies or it is NFTs and the need to settle and to be the custodian for this is a huge opportunity. And Payments, possibly no sector in the industry has seen a more dramatic change in the payments business from an automation perspective, from a tokenization perspective, again a significant amount of spend and focus on this. So, the industry is changing very dramatically, and we are growing.

I think we have had industry leading growth in this segment for many years now. If you look at our revenue, both our overall revenue and our digital revenue, you will note the trajectory, but you will also see that the time when the market was the weakest in FY2021. When most of our competitors were shrinking, we delivered a very impressive 8% plus growth. And that is because I believe that we have a unique combination of people, of a play book and our platforms for this business. We also have a client set, a unique client set, a client set across geographies so whether it is in the US where you work with eight of the top 10 banks, or in Europe where we work with four of the top six banks, or Australia where we work with three of the top four banks. The work that we have done from a cards perspective, all the networks, all the merchant acquisition providers, all the issuers, significant amount of presence in the insurance space as well. A deepening presence with the Fintech communities. So a combination of our solution offerings plus the client base that we have has given us this growth, but we are not resting on our laurels. We have created, like I was saying a very significant play book, a very significant digital transformation play book for this industry. And if you look at some of the components of this play book - if you look for instance, the first point, be a digital attacker - we are helping our clients, who are let us say like Citizens regional banks or super regionals expand nationally. How do you build out a national footprint for what has essentially been a regional or super-regional bank? Or if you are an investment bank that is looking to create a wealth management offering or a mass affluent offering. We have a playbook for this. We have specific solutions for this.

If you look at customer journeys, customer journeys are being transformed like never before. It was combination of eKYC. You have dramatic improvements from an RPA perspective, you have e-signatures, you have new standards in terms of customer experience and user experience. We have a play book for dramatically transforming customer journeys.

We have built a significant number of algorithms that work as a AI flywheel for you. So whether it is from a customer acquisition perspective, customer profitability analysis perspective, credit decisioning, monitoring and collections, forecasting, smart serving - we have algorithms that really serve the entire value chain of the financial services businesses. And it comes as a convenient playbook for you, for a bank or for an insurer to take the components that you want to really transform your business.

Data driven lending, use of not just traditional data sources, but also alternate data sources for customer profiling, for customer segmentation, for credit decisions, and for collections and monitoring - these are dramatic tools that we have created for lending businesses that is growing very quickly.

From a sales service perspective, we are working with our clients as they move their contact centers to the cloud, as they move to more digital call deflection. It has been a very successful offering for us. So again, a remarkable set of play books and a significant amount of work with our clients. I spoke about Citizens previously but Citizens is transforming itself into fintech. They are transforming themselves from a collection of 100 or so applications like a traditional bank to now a set of digital platforms, to a set of digital Cloud native platforms that we have worked with them to create the vision and then we have worked with them to create the actual platforms as well.

We have also worked with them to make the organization agile to bring in engineering focus within the organization. The work that we have done with Frost for instance as they re-enter the mortgage space to completely re-imagine the mortgage experience, a digital and a human experience for mortgages. The work that we have done with Select Portfolio Servicing in driving very significant productivity by the use of AI in the mortgages business which has historically been a very paper intensive business, to drive almost 95% productivity in the bulk books that they buy. And the work that we have done in insurance, again using our McCamish platform. We have just completed the migration of a million policies for a very large US life insurer. This is one of the largest migrations that have happened. So again, a combination of our capabilities through the play book and the platforms and the people is what has helped us differentiate.

Just a minute on Finacle now. Finacle as you know has been a banking software platform that we have had for many years. Finacle over the past couple of years has seen incredible success. We have rebuilt Finacle to be a Cloud native, API first platform and it truly is a combination of digital product engines that go from everything from savings and checkings, to treasury capabilities to lending capabilities, to markets capabilities. Combined with these digital product engines you have a significant digital engagement suite from a front end perspective and from a mid office perspective and Finacle has had incredible success. You see the logos over there. These are traditional banks that are looking to transform into a digital attackers. You have digital only banks. You have FinTechs that are providing some banking capability and then you have non-banking institutions that are providing some banking capability. We have had success across all of these and across the markets in which we work. So you will see a mixture of Asian names, but also names from the Middle East and names from Europe and from the US. It truly is a global platform with a presence in over a 100 markets and over 1.7 bn accounts and over a billion customers on the platform.

What is driving the success of Finacle? What is driving this traction that we are having in a marketplace? So I think it are a couple of things. One is like I said customer journeys are transforming. Banking as a service essentially means that you now have to provide significant API capability for banks to be able to transact in embedded finance.

There is still a significant focus on cost. We did an analysis and Finacle customers on average have a 3.9% lower cost to income ratio than non-Finacle customers. It is because of the significant amount of automation that has been built into the Finacle platform. We are also seeing, again just a transformation in software in banks and a real openness, to look at the digital product engines and the front-end experience that we provide in Finacle. And again a very close tie in with the services organization so that we are growing together and we are able to expand beyond the core as well.

Salil and Ravi spoke about Cobalt and we are building out very specific financial services capability in Cobalt. So you are not just buying Cloud capability - you are buying a financial services Cloud capability and what this means is that when you buy this 'fs.live.cloud' from Infosys you have all the Cobalt capabilities but you have security built in. You have specific tooling around data encryption and data de-duplication built in. You have specific tools for instance for reconciliation. You have specific tools for interest calculation already available on this core platform. So it is a significant upgrade over buying a plain vanilla Cloud capability and we have had success in the market. You have seen the market access for instance. We were able to provide them a recon capability on the Cloud almost from the get-go and saved them a significant amount of capex and world beating capability available on the Infosys cloud from a financial services perspective.

The world is changing. We are seeing new technologies on the horizon and we are already starting to work in these areas. The Metaverse for instance, a combination of physical and digital and we have already done our first pilot in this space. So we have worked with a very large payments company for instance to build their virtual lounge in the Metaverse and in the virtual lounge you can maintain a wallet, a wallet that has multi-currencies and fiat currency options, that has NFT options and has crypto options. You are able to, with the ecosystem buy and sell NFTs and crypto and store them in the wallet, but you also have a lounge capability where you can interact with other customers. You have a financial literacy component to this Metaverse lounge and I am sure this, the first of many Metaverse capabilities that we will be building for our clients.

From a blockchain and crypto perspective we have built this for ourselves as part of the work that we have done for the Blockchain India company again using Finacle to build a trade platform, domestic trade platform for India that we will be transacting billions of dollars worth of domestic trade, assets and receivables, but also the work that we are doing with leading blockchain and distributed ledger companies like Digital Asset Holdings for instance where there is a significant amount of interest in tokenization. In tokenization we are doing projects for exchanges, for custodians.

There is a huge amount of work that custodians need to do for instance to be able to store digital assets and this requires a lot of work from a tokenization perspective. This is already a significant area of focus for us.

Banking as a service I spoke about and finally Quantum 5G and AI. Quantum is still relatively new. It is still more conceptual but banks are thinking about what Quantum will mean from cryptography perspective for me. What it will mean from a portfolio optimization perspective and from a planning perspective for me.

From a 5G perspective again the low latency and the high data capacity that 5G offers means that for insurers and for banks this is a very interesting space now. We are building out the lab capability and the research capability to work with our clients as they start to explore these more cutting-edge technology platforms. So, that in a nutshell is a little bit about the sales transformation.

The success we have had and more importantly the focus that we have for the future and from a financial services perspective again some of the themes that we working on from a platform perspective, from a playbook perspective and from a people perspective to ensure that we are as successful if not more successful in the future as we have been in the recent past.

So with that thank you.
