

**Accelerated double digit growth of 12.4%; highest ever large deal TCV at \$ 2.7 bn**

Bengaluru, India – July 12, 2019

“We had a strong start to FY 20 with constant currency growth accelerating to 12.4% on year over year basis and digital revenue growth of 41.9%. This was achieved through our consistent client focus and investments which have strengthened our client relationships”, **said Salil Parekh, CEO and MD.** “Consequently, we are raising our revenue guidance for the year from 7.5%-9.5% to 8.5%-10%.”



- Q1 20 revenues grew year-on-year by 10.6% in USD; 12.4% in constant currency
- Q1 20 revenues grew sequentially by 2.3% in USD; 2.8% in constant currency
- Q1 20 Digital revenues at \$1,119 million (35.7% of total revenues), year-on-year growth of 41.9% and sequential growth of 8.6% in constant currency
- Increased FY 20 revenue growth guidance range to 8.5%-10% in constant currency
- Maintained FY 20 operating margin guidance range of 21%-23%

**1. Financial Highlights- Consolidated results under International Financial Reporting Standards (IFRS)**

**For the Quarter ended June 30, 2019**

Revenues were \$3,131 million, growth of 10.6% YoY and 2.3% QoQ

Operating profit was \$642 million, decline of 4.2% YoY and 2.3% QoQ. Operating margin was 20.5%.

Basic EPS was \$0.13, growth of 3.2% YoY and decline of 5.0% QoQ

“We had a good quarter as we continue to leverage our digital navigation framework to help our clients build and nurture their live enterprise”, **said Pravin Rao, COO.** “Large deal TCV was highest ever at \$2.7 bn. Segment growth was robust with all large regions and most verticals growing at double digits yoy in constant currency”

“Our first quarter results and continued focus on operational efficiencies gives us the confidence on our revenue and margin guidance for the year,” **said Nilanjan Roy, CFO.** “Continuing our objective of improving shareholder returns, we have revised our capital allocation policy upwards to distribute ~ 85% of free cash flows cumulatively over a 5-year period.”

## 2. Capital Allocation

- The Company is on track towards completing its previously announced share buyback of ₹8,260 crore. The company has till date bought back shares worth ₹5,934 crore.
- The Company's current policy is to pay up to 70% of the free cash flow annually by way of dividend and/or buyback. The Board has reviewed and approved a revised Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements.

"Effective from Financial year 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, 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*

*Dividend and buyback include applicable taxes*

## 3. Client wins & Testimonials

- We were selected by Finnish postal service **Posti** as a strategic partner for the digital transformation of its business and IT services to drive the modernization of its IT applications and infrastructure, helping it move to a flexible IT service model. This will also strengthen Posti's ability to respond to changes in customer needs with agility and provide a seamless customer user experience through a dedicated command center.
- We entered into long term strategic partnership with **Toyota Material Handling Europe** to help in its digital transformation journey by facilitating transformation to a scalable digital hybrid cloud platform, providing application services, digital workplace, infrastructure management and a dedicated data center operation.
- Infosys McCamish, a US based subsidiary of Infosys BPM entered into a partnership with **Pan-American Life Insurance Group (PALIG)**, a leading provider of life, accident and health insurance to provide policy administration services for PALIG's new Global Assets Indexed Universal Life product.
- We have partnered with a leading consumer technology company to help them localize their virtual assistant by training their AI. Infosys is helping the client to define its overall global strategy for localization while analyzing data to identify patterns which can train the AI to respond better to the user command. This will improve their virtual assistant to provide a better user experience.
- **Marc Schmidt, Head of SDD and GIT-ACI, BSH** said, "At BSH GmbH, for the software Development Platform (SDD) which is used for developing thousands of micro to large scale applications, we wanted to deploy an auto-scaling Infrastructure on AWS Cloud that can handle millions of users across the world. Infosys leveraging its Agile and DevOps methodology and expertise, automated build and deployment which led to an overall 70% reduction in environment provisioning time, Zero downtime, 100% improvement in recovery time objectives."

- One of the world leaders in the manufacturing of connectivity and sensor products engaged Infosys to transform their delivery of Sales solutions needed for their globally dispersed sales team, leveraging Salesforce ecosystem. Infosys over the last 12 months has moved to a Highly Agile Capability based delivery model and helped in an estimated 40% improvement in time to market for solutions, shortened release cycles from once-a-quarter to on-demand releases and improvement in time to revenue of solutions by upto 25%

## **Recognitions**

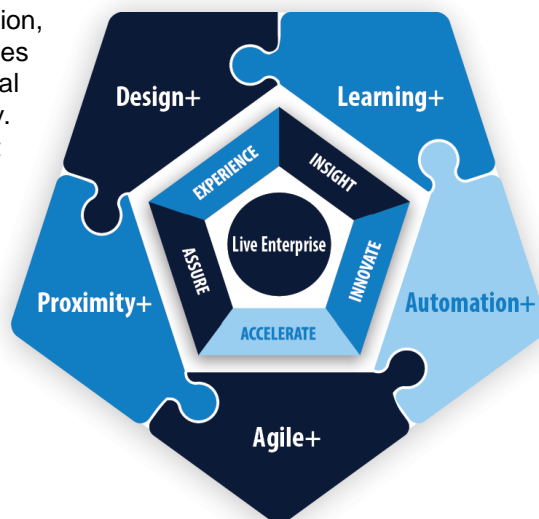
- Infosys positioned in HFS Top 10 Healthcare Services 2019
- Recognized as a Leader in NelsonHall's SAP HANA and S/4HANA services report
- Recognized as a Leader in the Enterprise Platform IT Services in BFS PEAK Matrix™ Assessment 2019
- Recognized in the HFS Top 10: Managed Security Services (MSS)
- Recognized in the HFS Top 10 Google AI Services
- Recognized as a Leader in The Forrester Wave™: Global API Strategy And Delivery Service Providers, Q2 2019
- Recognized as a Leader in the NEAT on Next-Generation Software Testing Services
- Recognized as a Leader in the IDC MarketScape: Worldwide Microsoft Implementation Services 2019 Vendor Assessment
- Recognized in the NEAT on IoT in Digital Transformation
- Recognized in the HFS Top 10 Manufacturing Service Providers 2019
- Recognized in the HFS Top 10 Energy Services 2019
- Recognized as a Leader in Gartner Magic Quadrant for Public Cloud Infrastructure Managed Service Providers
- Awarded the “Most Valuable Partner – Commercial Cloud” Award by Oracle
- Won the Golden Peacock Environment Management Award
- Won the Pega partner excellence award in recognition of innovative practice development and continued investment in the growth of a strong delivery practice
- Recognized with the Global Partner of the Year Award for driving customer success at TIBCO NOW
- Recognized as MuleSoft Americas Growth & Emerging Partner of the Year 2019 by MuleSoft
- Awarded ‘System Integrator Partner of the year 2019 for Hybrid Cloud Solutions’ by HPE at HPE Discover 2019

**About Infosys**

Infosys is a global leader in next-generation digital services and consulting. We enable clients to navigate their digital transformation, leveraging our teams from over 45 countries. With over three decades of experience in managing the systems and workings of global enterprises, we expertly steer our clients through their digital journey. We do it by enabling the enterprise with an AI-powered core that helps prioritize the execution of change. We also empower the business with agile digital at scale to deliver unprecedented levels of performance and customer delight. Our always-on learning agenda drives their continuous improvement through building and transferring digital skills, expertise, and ideas from our innovation ecosystem.

Visit [www.infosys.com](http://www.infosys.com) to see how Infosys (NYSE: INFY) can help your enterprise navigate your next.

**DIGITAL NAVIGATION FRAMEWORK**



**Safe Harbor**

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 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.

**Contact**

Investor Relations Sandeep Mahindroo  
+91 80 3980 1018

[Sandeep\\_Mahindroo@infosys.com](mailto:Sandeep_Mahindroo@infosys.com)

Media Relations Sarah Vanita Gideon  
+91 80 4156 3998

[Sarah\\_Gideon@infosys.com](mailto:Sarah_Gideon@infosys.com)

Chiku Somaiya  
+1 71367 06752

[Chiku.Somaiya@infosys.com](mailto:Chiku.Somaiya@infosys.com)

(Dollars in millions except equity share data)

	June 30, 2019	March 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,266	2,829
Current investments	778	958
Trade receivables	2,290	2,144
Unbilled revenue	964	777
Prepayments and other current assets	851	827
Income tax assets	38	61
Derivative financial instruments	26	48
<b>Total current assets</b>	<b>7,213</b>	<b>7,644</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,903	1,931
Right-of-use assets <sup>(B3)</sup>	540	-
Goodwill	589	512
Intangible assets	207	100
Non-current investments	548	670
Deferred income tax assets	204	199
Income tax assets	917	914
Other non-current assets	296	282
<b>Total non-current assets</b>	<b>5,204</b>	<b>4,608</b>
<b>Total assets</b>	<b>12,417</b>	<b>12,252</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade payables	317	239
Lease liabilities <sup>(B3)</sup>	72	-
Derivative financial instruments	3	2
Current income tax liabilities	305	227
Client deposits	4	4
Unearned revenue	408	406
Employee benefit obligations	248	234
Provisions	84	83
Other current liabilities	2,022	1,498
<b>Total current liabilities</b>	<b>3,463</b>	<b>2,693</b>
<b>Non-current liabilities</b>		
Lease liabilities <sup>(B3)</sup>	483	-
Deferred income tax liabilities	112	98
Employee benefit obligations	7	6
Other non-current liabilities	115	55
<b>Total liabilities</b>	<b>4,180</b>	<b>2,852</b>
<b>Equity</b>		
Share capital- ₹5 (\$0.16) par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,271,404,014 (4,335,954,462) equity shares fully paid up, net of 20,094,430 (20,324,982) treasury shares as at June 30, 2019 (March 31, 2019)	334	339
Share premium	286	277
Retained earnings	9,969	11,248
Cash flow hedge reserve	-	3
Other reserves	432	384
Capital redemption reserve	15	10
Other components of equity	(2,854)	(2,870)
<b>Total equity attributable to equity holders of the company</b>	<b>8,182</b>	<b>9,391</b>
Non-controlling interests	55	9
<b>Total equity</b>	<b>8,237</b>	<b>9,400</b>
<b>Total liabilities and equity</b>	<b>12,417</b>	<b>12,252</b>

*Infosys Limited and subsidiaries*

*Audited Condensed Consolidated Statement of Comprehensive Income for the*

*(Dollars in millions except equity share and per equity share data)*

	Three months ended June 30, 2019	Three months ended June 30, 2018
<b>Revenues</b>	<b>3,131</b>	<b>2,831</b>
Cost of sales	2,122	1,819
<b>Gross profit</b>	<b>1,009</b>	<b>1,012</b>
<b>Operating expenses</b>		
Selling and marketing expenses	169	149
Administrative expenses	198	193
Total operating expenses	367	342
<b>Operating profit</b>	<b>642</b>	<b>670</b>
Other income, net	106	107
Finance cost <sup>(B3)</sup>	(6)	-
Reduction in the fair value of Disposal Group held for sale <sup>(A1)</sup>	-	(39)
<b>Profit before income taxes</b>	<b>742</b>	<b>738</b>
Income tax expense	196	204
<b>Net profit</b>	<b>546</b>	<b>534</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Re-measurements of the net defined benefit liability/asset, net	(3)	-
	(3)	-
<i>Items that will be reclassified subsequently to profit or loss:</i>		
Fair valuation of investments, net	2	(7)
Fair value changes on derivatives designated as cash flow hedge, net	(3)	1
Foreign currency translation	17	(468)
	16	(474)
<b>Total other comprehensive income/(loss), net of tax</b>	<b>13</b>	<b>(474)</b>
<b>Total comprehensive income</b>	<b>559</b>	<b>60</b>
<b>Profit attributable to:</b>		
Owners of the Company	546	534
Non-controlling interests	-	-
	<b>546</b>	<b>534</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	559	60
Non-controlling interests	-	-
	<b>559</b>	<b>60</b>
<b>Earnings per equity share<sup>(A2)</sup></b>		
Basic (\$)	0.13	0.12
Diluted (\$)	0.13	0.12
<b>Weighted average equity shares used in computing earnings per equity share<sup>(A2)</sup></b>		
Basic	4,302,176,860	4,346,657,242
Diluted	4,308,286,160	4,350,710,356

**NOTES:**

**A. Notes pertaining to previous quarters / periods**

1. *In the three months ended June 30, 2018, the Company had recorded a reduction in the fair value amounting to \$39 million in respect of its subsidiary Panaya. The subsidiaries Kallidus and Skava (together referred to as "Skava") and Panaya, are collectively referred to as the "Disposal Group". Subsequently the company reclassified these subsidiaries as they did not meet the criteria for "Held for Sale".*
2. *Share numbers and EPS have been adjusted for September 2018 bonus issue.*

**B. Notes pertaining to the current quarter**

1. *The audited interim condensed consolidated Balance sheet and Statement of Comprehensive Income for the three months ended June 30, 2019 have been taken on record at the Board meeting held on July 12, 2019.*
2. *A Fact Sheet providing the operating metrics of the Company can be downloaded from [www.infosys.com](http://www.infosys.com).*
3. *On account of adoption of IFRS 16- Leases effective April 1, 2019.*