

Pick of the week

Infosys (INFO)

Recommendation:	Buy
Target Price:	₹2,050
Current Price:	₹1,793
Time Period:	12 Months
Date:	22nd July 2024



- We believe Infosys has the elements to deliver industry-leading revenue growth once the demand environment improves.
- FY25 growth guidance increased to 3-4% (2.3-3.3% on organic basis) from 1-3% earlier.
- Strong deal TCV (Total Contract Value), robust FCF (Free Cash Flow) generation, reduction in cost of software packages for service delivery to clients were all positives.
- Infosys is finding its footing after a muted FY2024 and on the right track. The stock will be a key beneficiary when discretionary spending recovers.
- Large deal TCV of US\$410 cr grew 78.2% yoy. On ttm basis, TCV grew 10.2% qoq and 87% yoy. New TCV of US\$240 cr grew 21.3% qoq and 85% yoy, impressive.
- We value Infosys at 26x (24x earlier) Sep'26E (Mar'26E earlier) earnings, leading to a fair value of Rs2,050. Maintain BUY.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 18th July'24, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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