

Infosys (INFO) – BUY

Result Update

Current Market Price (CMP)

Rs.1,868

Target Price

Rs.2,050

Rationale:

- All-round performance; raise estimates and Fair Value.
- Posts strong 3.6% c/c qoq growth aided by large deals and one-offs.
- Increases guidance to conservative 3-4%; another strong TCV wins quarter.
- Well-positioned for recovery in demand.
- We value Infosys at 26x (24x earlier) Sep'26E (Mar'26E earlier) earnings, leading to a revised fair value of Rs2,050 (Rs1,750 earlier). Maintain BUY.

Q1FY25 Earnings update:

Positives:

- In c/c terms, revenue grew 3.6% qoq (1.1% beat on KIE estimate) and 2.5% yoy.
- Net profit increased 6.2% qoq and 7.1% yoy and beat our estimates by 2%.
- Infosys increased FY25 revenue growth guidance to 3-4% from 1-3% earlier.
- New TCV of US\$240 cr grew 21.3% qoq and 85% yoy, impressive.

Negatives:

- Employee pyramid deteriorated as a consequence of weak demand environment in FY24.

C/C: Constant Currency. TCV: Total Contract Value.

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For detailed report dated 19th July 2024. Note: CMP & valuation may differ due to difference in dates.



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