

Infosys (INFO) - BUY

Q2FY26 Result Update

Current Market Price (CMP)
Rs.1560

Fair Value (FV)
Rs.1800

Rationale:

- Q2FY26: Largely in-line quarter. Slight beat on growth and margins.
- Guidance raised to 2-3%; expect Infosys to achieve closer to the upper end.
- TCV of US\$3.1 bn was in line with expectations.
- Infosys is chugging along nicely despite a few headwinds.
- Infosys is well-positioned to lead on revenue growth as demand becomes more favorable.
- The company is well-positioned to navigate technology inflection driven by GenAI.
- Maintain BUY with a revised FV of Rs1,800 (Rs1,750 earlier).

Positive:

- In c/c terms, revenues rose 2.2% qoq (KIE: 1.8%) and 2.9% yoy.
- Growth was broad-based across both the US and Europe as well as across client cohorts.
- Top 25 and non-top 25 clients both grew 2.7% qoq.
- Net profit grew 6.4% qoq & 13% yoy, beating our estimate by 3.3%, led by a lower-than-expected tax rate.

Negative:

- EBIT margins increased 20 bps qoq to 21%, 10 bps lower than our estimates.

EBIT: Earnings before Interest and Tax. C/C: Constant Currency. BFSI: Banking, Financial Services and Insurance.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months