

Infosys (INFO) – BUY

Result Update

Current Market Price (CMP)

Rs.1,500

Target Price

Rs.1,700

Rationale:

- FY26: Revenue growth guidance of 0-3% is a tad optimistic.
- We expect a muted FY26 due to heightened macro uncertainties—higher discretionary spending exposure makes Infosys more vulnerable than select peers.
- Strong positioning in cost take-outs, vendor consolidation exercises & AI will help Infosys weather the storm, in our view.
- We value the stock at 23x Mar'27E earnings; fair value of Rs1,700. Retain BUY.

Q4FY25 Earnings update:

👍 Positives:

- Financial services & manufacturing led growth with 12.6% & 14% yoy growth.
- Geo-wise performance analysis indicates growth led by Europe (15% yoy, aided by Intech acquisition) & India (43.7% yoy) geos.

👎 Negatives:

- Revenues down 3.5% qoq in c/c term; 120 bps miss on our estimates.
- In FY25, TCV down 34% yoy to \$1160 cr, decline in TCV could be the highest among peers.
- The lack of new mega deals decreases revenue growth visibility for FY26E.

C/C: Constant Currency. TCV: Total Contract Value. AI: Artificial Intelligence.

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For detailed report dated 18th April 2025. Note: CMP & valuation may differ due to difference in dates.



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