

April 14, 2023

Infosys®

Current Price: ₹ 1388.60

STOCK DATA

BSE Code	500209
NSE Symbol	INFY
Reuters	INFY.BO
Bloomberg	INFO IN

VALUE PARAMETERS

52 W H/L(Rs)	1759.45/1355.50
Mkt. Cap.(Rs Cr)	576069.06
Latest Equity(Subscribed)	2074.28
Latest Reserve (cons.)	63867.00
Latest EPS (cons.) -Unit Curr.	57.01
Latest P/E Ratio -cons	24.36
Latest Bookvalue(cons.) -Unit Curr.	158.95
Latest P/BV - cons	8.74
Dividend Yield -%	2.44
Face Value	5

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	32.59
Institutions	28.56
Govt Holding	0.02
Non Promoter Corp. Hold.	0.89
Promoters	13.18
Public & Others	24.77

Consolidated Results

	Qtr Ending	Qtr Ending	Var. (%)	Qtr Ending	In Cr. Var. (%)
	Mar. 23	Dec. 22		Mar. 21	
Sales	37441.00	38318.00	-2	32276.00	16
OPM (%)	24.03	24.45		24.31	
OP	8998.00	9367.00	-4	7846.00	15
Other income	671.00	769.00	-13	637.00	5
PBIDT	9669.00	10136.00	-5	8483.00	14
Interest	82.00	80.00	3	50.00	64
PBDT	9587.00	10056.00	-5	8433.00	14
Depreciation	1121.00	1125.00	0	890.00	26
PBT	8466.00	8931.00	-5	7543.00	12
Tax	2332.00	2345.00	-1	1848.00	26
PAT	6134.00	6586.00	-7	5695.00	8
Minority interest	6.00	0.00		9.00	-33
Net profit	6128.00	6586.00	-7	5686.00	8
EPS (Rs)	14.81	15.79		13.55	

Infosys Q4 results: Net profit rises nearly 7%, misses street estimates

Quarter ended March 2023 compared with Quarter ended December 2022.

Net sales (including other operating income) of Infosys has declined 2.29% to Rs 37441 crore. Operating profit margin has declined from 24.45% to 24.03%, leading to 3.94% decline in operating profit to Rs 8,998.00 crore. Employee cost increased from 52.90% to 54.25%. Other expenses fell from 22.65% to 21.72%. Selling and administration expenses rose from 2.46% to 2.63%. Software technology development services cost fell from 16.78% to 16.03%. Other income fell 12.74% to Rs 671 crore. PBIDT fell 4.61% to Rs 9669 crore. Provision for interest rose 2.50% to Rs 82 crore. Loan funds rose to Rs 8,299.00 crore as of 31 March 2023 from Rs 7,720.00 crore as of 31 December 2022. Sundry debtors were lower at Rs 25,424.00 crore as of 31 March 2023 compared to Rs 27,660.00 crore as of 31 December 2022. Cash and bank balance rose to Rs 12,173.00 crore as of 31 March 2023 from Rs 11,587.00 crore as of 31 December 2022. Investments declined from Rs 21,116.00 crore as of 31 December 2022 to Rs 19,478.00 crore as of 31 March 2023.

PBDT fell 4.66% to Rs 9587 crore. Provision for depreciation fell 0.36% to Rs 1121 crore. Fixed assets increased to Rs 20,516.00 crore as of 31 March 2023 from Rs 19,897.00 crore as of 31 December 2022. Intangible assets declined from Rs 9,083.00 crore to Rs 8,997.00 crore. Profit before tax down 5.21% to Rs 8,466.00 crore. Share of profit/loss were nil in both the periods. Provision for tax was expense of Rs 2332 crore, compared to Rs 2345 crore. Effective tax rate was 27.55% compared to 26.26%. Minority interest was nil in both the periods. Net profit attributable to owners of the company decreased 6.95% to Rs 6,128.00 crore.

Quarter ended March 2023 compared with Quarter ended March 2022.

Net sales (including other operating income) of Infosys has increased 16% to Rs 37441 crore. Sales of Financial Services segment has gone up 7.15% to Rs 10,818.00 crore (accounting for 28.89% of total sales). Sales of Manufacturing segment has gone up 33.07% to Rs 5,078.00 crore (accounting for 13.56% of total sales). Sales of Telecom segment rose 6.75% to Rs 4,411.00 crore (accounting for 11.78% of total sales). Sales of Retail segment has gone up

19.93% to Rs 5,537.00 crore (accounting for 14.79% of total sales). Sales of Others & Hi Tech segment has gone up 12.84% to Rs 2,989.00 crore (accounting for 7.98% of total sales). Sales of Energy Utilities & Telecommunicatio segment has gone up 24.61% to Rs 4,825.00 crore (accounting for 12.89% of total sales). Sales of segment has gone up 25.28% to Rs 2,681.00 crore (accounting for 7.16% of total sales). Sales of segment has gone up 15.51% to Rs 1,102.00 crore (accounting for 2.94% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has jumped 14.68% to Rs 8,998.00 crore. PBIT of Financial Services segment rose 0.85% to Rs 2,600.00 crore (accounting for 28.90% of total PBIT). PBIT of Manufacturing segment rose 111.74% to Rs 902.00 crore (accounting for 10.02% of total PBIT). PBIT of Telecom segment rose 8.37% to Rs 958.00 crore (accounting for 10.65% of total PBIT). PBIT of Retail segment rose 7.78% to Rs 1,634.00 crore (accounting for 18.16% of total PBIT). PBIT of Others & Hi Tech segment rose 11.61% to Rs 750.00 crore (accounting for 8.34% of total PBIT). PBIT of Energy Utilities & Telecommunicatio segment rose 17.19% to Rs 1,302.00 crore (accounting for 14.47% of total PBIT). PBIT of segment rose 20.93% to Rs 705.00 crore (accounting for 7.84% of total PBIT). PBIT of segment rose 93.42% to Rs 147.00 crore (accounting for 1.63% of total PBIT).

PBIT margin of Financial Services segment fell from 25.53% to 24.03%. PBIT margin of Manufacturing segment rose from 11.16% to 17.76%. PBIT margin of Telecom segment rose from 21.39% to 21.72%. PBIT margin of Retail segment fell from 32.84% to 29.51%. PBIT margin of Others & Hi Tech segment fell from 25.37% to 25.09%. PBIT margin of Energy Utilities & Telecommunicatio segment fell from 28.69% to 26.98%. PBIT margin of segment fell from 27.24% to 26.30%. PBIT margin of segment rose from 7.97% to 13.34%.

Overall PBIT margin fell from 24.31% to 24.03%.

Operating profit margin has declined from 24.31% to 24.03%, leading to 14.68% rise in operating profit to Rs 8,998.00 crore. Employee cost increased from 51.61% to 54.25%. Other expenses fell from 24.08% to 21.72%. Selling and administration expenses fell from 3.10% to 2.63%. Software technology development services cost fell from 18.14% to 16.03%.

Other income rose 5.34% to Rs 671 crore. PBIDT rose 13.98% to Rs 9669 crore. Provision for interest rose 64% to Rs 82 crore. Loan funds rose to Rs 8,299.00 crore as of 31 March 2023 from Rs 5,474.00 crore as of 31 March 2022. Sundry debtors were higher at Rs 25,424.00 crore as of 31 March 2023 compared to Rs 22,698.00 crore as of 31 March 2022. Cash and bank balance declined from Rs 17,472.00 crore as of 31 March 2022 to Rs 12,173.00 crore as of 31 March 2023. Investments declined from Rs 20,324.00 crore as of 31 March 2022 to Rs 19,478.00 crore as of 31 March 2023.

PBDT rose 13.68% to Rs 9587 crore. Provision for depreciation rose 25.96% to Rs 1121 crore. Fixed assets increased to Rs 20,516.00 crore as of 31 March 2023 from Rs 18,314.00 crore as of 31 March 2022. Intangible assets increased from Rs 7,902.00 crore to Rs 8,997.00 crore.

Profit before tax grew 12.24% to Rs 8,466.00 crore. Share of profit/loss were nil in both the periods. Provision for tax was expense of Rs 2332 crore, compared to Rs 1848 crore. Effective tax rate was 27.55% compared to 24.50%. Minority interest decreased 33.33% to Rs 6.00 crore. Net profit attributable to owners of the company increased 7.77% to Rs 6,128.00 crore.

Full year results analysis.

Net sales (including other operating income) of Infosys has increased 20.66% to Rs 146767 crore. Sales of Financial Services segment has gone up 12.50% to Rs 43,763.00 crore (accounting for 29.82% of total sales). Sales of Manufacturing segment has gone up 42.73% to Rs 19,035.00 crore (accounting for 12.97% of total sales). Sales of Telecom segment rose 19.13% to Rs 18,086.00 crore (accounting for 12.32% of total sales). Sales of Retail segment

has gone up 19.57% to Rs 21,204.00 crore (accounting for 14.45% of total sales). Sales of Others & Hi Tech segment has gone up 18.24% to Rs 11,867.00 crore (accounting for 8.09% of total sales). Sales of Energy Utilities & Telecommunicatio segment has gone up 28.00% to Rs 18,539.00 crore (accounting for 12.63% of total sales). Sales of Life Sciences and Healthcare segment has gone up 18.41% to Rs 10,085.00 crore (accounting for 6.87% of total sales). Sales of segment has gone up 21.39% to Rs 4,188.00 crore (accounting for 2.85% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has jumped 11.56% to Rs 35,130.00 crore. PBIT of Financial Services segment rose 5.13% to Rs 10,843.00 crore (accounting for 30.87% of total PBIT). PBIT of Manufacturing segment rose 29.28% to Rs 3,113.00 crore (accounting for 8.86% of total PBIT). PBIT of Telecom segment rose 11.48% to Rs 3,759.00 crore (accounting for 10.70% of total PBIT). PBIT of Retail segment rose 4.34% to Rs 6,396.00 crore (accounting for 18.21% of total PBIT). PBIT of Others & Hi Tech segment rose 18.60% to Rs 2,959.00 crore (accounting for 8.42% of total PBIT). PBIT of Energy Utilities & Telecommunicatio segment rose 22.01% to Rs 5,155.00 crore (accounting for 14.67% of total PBIT). PBIT of Life Sciences and Healthcare segment rose 7.82% to Rs 2,566.00 crore (accounting for 7.30% of total PBIT). PBIT of segment rose 102.99% to Rs 339.00 crore (accounting for 0.96% of total PBIT).

PBIT margin of Financial Services segment fell from 26.51% to 24.78%. PBIT margin of Manufacturing segment fell from 18.06% to 16.35%. PBIT margin of Telecom segment fell from 22.21% to 20.78%. PBIT margin of Retail segment fell from 34.57% to 30.16%. PBIT margin of Others & Hi Tech segment rose from 24.86% to 24.93%. PBIT margin of Energy Utilities & Telecommunicatio segment fell from 29.17% to 27.81%. PBIT margin of Life Sciences and Healthcare segment fell from 27.94% to 25.44%. PBIT margin of segment rose from 4.84% to 8.09%. Overall PBIT margin fell from 25.89% to 23.94%.

Operating profit margin has declined from 25.89% to 23.94%, leading to 11.56% rise in operating profit to Rs 35,130.00 crore. Employee cost increased from 52.60% to 53.39%. Other expenses rose from 21.51% to 22.67%. Selling and administration expenses fell from 2.73% to 2.67%. Software technology development services cost rose from 15.96% to 17.01%.

Other income rose 17.69% to Rs 2701 crore. PBIDT rose 11.97% to Rs 37831 crore. Provision for interest rose 42% to Rs 284 crore. Loan funds rose to Rs 8,299.00 crore as of 31 March 2023 from Rs 5,474.00 crore as of 31 March 2022. Sundry debtors were higher at Rs 25,424.00 crore as of 31 March 2023 compared to Rs 22,698.00 crore as of 31 March 2022. Cash and bank balance declined from Rs 17,472.00 crore as of 31 March 2022 to Rs 12,173.00 crore as of 31 March 2023. Investments declined from Rs 20,324.00 crore as of 31 March 2022 to Rs 19,478.00 crore as of 31 March 2023.

PBDT rose 11.79% to Rs 37547 crore. Provision for depreciation rose 21.55% to Rs 4225 crore. Fixed assets increased to Rs 20,516.00 crore as of 31 March 2023 from Rs 18,314.00 crore as of 31 March 2022. Intangible assets increased from Rs 7,902.00 crore to Rs 8,997.00 crore.

Profit before tax grew 10.67% to Rs 33,322.00 crore. Share of profit/loss were nil in both the periods. Provision for tax was expense of Rs 9214 crore, compared to Rs 7964 crore. Effective tax rate was 27.65% compared to 26.45%. Minority interest decreased 63.89% to Rs 13.00 crore. Net profit attributable to owners of the company increased 8.98% to Rs 24,095.00 crore.

Guidance for Fy24

The Company has provided revenue growth guidance of 4-7% in constant currency terms.

The company has provided EBIT margin guidance in the range of 20-22%

Buyback: The company has completed the open market share buyback on February 13, at an average price of approx. Rs 1,539 per share (compared to maximum Buyback Price of Rs 1,850

per share). Consequently, the share capital of the company has reduced by 1.44%. The buyback resulted in cash outflow of Rs 9300 crore.

Dividend: For FY23, the Board has recommended a final dividend of Rs 17.50 per share. Together with the interim dividend of Rs 6.50 per share already paid, the total dividend per share for FY23 will amount to Rs 34.00 which is a 9.7% increase over FY22

Management Comment:

Commenting on the performance Mr Salil Parekh, CEO and MD said "Our strong performance in FY23 is a testimony to the continued focus on digital, cloud and automation capabilities which resonated with our clients. We have launched exciting programs with our clients leveraging generative AI platforms". He further added "As the environment has changed, we see strong interest from our clients for efficiency, cost and consolidation opportunities, resulting in a strong large deal pipeline. We have expanded our internal program on efficiency and cost to build a path to higher margins in the medium term. We continue to invest in our people and in supporting our clients".

Mr Nilanjan Roy, Chief Financial Officer said Our continued focus on cost optimization and operational efficiencies have helped in achieving operating margins of 21.0% in FY23. He further added "Free cash generation in Q4, led by robust collections, was strong. Executing on our capital allocation policy, we successfully completed the share buyback and have proposed a final dividend of Rs.17.50 for FY23".

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