

## EDUCATIONAL EQUITY RESEARCH REPORT :

# INFOSYS

(NSE: INFY , BSE: 500209 )

DATE :10/4/24

WE AT AS RESEARCH TECHNIC,INITIATE OUR COVERAGE ON INFOSYS.

Infosys is a global leader in next-generation digital services and consulting. They enable clients in more than 50 countries to navigate their digital transformation. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer our clients through their digital journey.

### ABOUT THE BUSINESS :

Infosys Limited is an Indian multinational information technology company that provides business consulting, information technology and outsourcing services. The company was founded in Pune and is headquartered in Bangalore. Infosys is the second-largest Indian IT company, after Tata Consultancy Services, by 2020 revenue figures. On 24 August 2021, Infosys became the fourth Indian company to reach US\$100 billion in market capitalization. It is one of the top Big Tech (India) companies.

### PROS :

- Company has a good return on equity (ROE) track record: 3 Years ROE 29.4%.
- Company has been maintaining a healthy dividend payout of 58.8%.

### CONS :

- Stock is trading at 7.75 times its book value.
- Promoter holding is low: 14.8%.

### RESEARCH ANALYST

**P.SUNANDINI @ AS RESEARCH TECHNIC**



### FINANCIAL SNAP SHOT :

MARKET CAP	₹ 6,18,749 Cr.
STOCK P/E	25.4
ROE	31.8 %
CURRENT PRICE	₹ 1,491
BOOK VALUE	₹ 193
ROCE	40.5 %
HIGH	₹ 1,733
LOW	1,185
DIVIDEND YIELD	2.25 %
FACE VALUE	₹ 5.00

### SHARE HOLDING PATTERN:

PROMOTERS	14.78%
FIIS	33.70%
DIIS	35.51%
PUBLIC	15.52%
GOVERNMENT	35.51%
OTHERS :	0.30%
NO.OF SHAREHOLDERS	28,97,030

## PEER COMPARISON :

SECTOR: IT - SOFTWARE

INDUSTRY: COMPUTERS - SOFTWARE - LARGE

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	TCS	3934.05	31.24	1423373.72	1.22	60583	58.67
2	Infosys	1490.65	25.37	618749.07	2.25	38821	40.48
3	HCL Technologies	1548.35	26.75	420170.35	3.35	28446	28.26
4	Wipro	474.5	22.01	247934.9	0.21	22205.1	17.7
5	LTIMindtree	4891.05	31.55	144854.96	1.23	9016.6	37.72
6	Tech Mahindra	1267.2	43.95	123774.83	2.53	13101.3	22.14
7	Persistent Sys	3952.15	59.11	60882.88	0.5	2498.22	30.3

## KEY POINTS :

- INFOSYS IS A GLOBAL LEADER IN NEXT- GENERATION DIGITAL SERVICES AND CONSULTING.
- THEY ENABLE CLIENTS IN MORE THAN 56 COUNTRIES TO NAVIGATE THEIR DIGITAL TRANSFORMATION.
- WITH OVER FOUR DECADES OF EXPERIENCE IN MANAGING THE SYSTEMS AND WORKING OF GLOBAL ENTERPRISES, THEY EXPERTLY STEER CLIENTS, AS THEY NAVIGATE THEIR DIGITAL TRANSFORMATION POWERED BY THE CLOUD.
- THE COMPANY ENABLES THE CLIENTS WITH AN AI- POWERED CORE, EMPOWER THE BUSINESS WITH AGILE DIGITAL AT SCALE AND DRIVE CONTINUOUS IMPROVEMENT WITH ALWAYS-ON LEARNING THROUGH THE TRANSFER OF DIGITAL SKILLS, EXPERTISE, AND IDEAS FROM INNOVATIVE ECOSYSTEM.
- IN THE JOURNEY OF OVER 40 YEARS, INFOSYS HAS CATALYZED INDIA'S TRANSFORMATION INTO THE GLOBAL DESTINATION FOR SOFTWARE SERVICES TALENT.
- INFOSYS PIONEERED THE GLOBAL DELIVERY MODEL AND BECAME THE FIRST IT COMPANY FROM INDIA TO BE LISTED ON NASDAQ.
- INFOSYS HAS ACHIEVED INDUSTRY LEADING REVENUE GROWTH OF 15.4% WITH HEALTHY OPERATING MARGIN OF 21.0% FOR FISCAL 2023.
- THEIR ESG VISION 2030 AND AMBITIONS ARE CONTINUING TO DRIVE VALUE FOR ALL THE STAKEHOLDERS.
- IN FY 23, THE COMPANY SAW GROWTH OF OVER 15%, OPERATING MARGINS OF 21% AND FREE CASH FLOW US\$2.5BILLION.
- INFY IS RANKED IN THE TOP 3 IT SERVICES BRANDS IN THE WORLD AND AMONG THE TOP 150 MOST VALUED BRANDS BY BRAND FINANCE GLOBAL 500 2023 REPORT.
- THE COMPANY WON THE 'MOST OUTSTANDING COMPANY IN INDIA -IT SERVICES SECTOR' IN ASIA'S OUTSTANDING COMPANIES POLL 2022 BY ASIAMONEY.

- THE COMPANY'S REVENUE FROM DIGITAL TECHNOLOGY RELATED SERVICES AND SOLUTIONS HAS MORE THAN DOUBLED IN THE LAST THREE YEARS.
- INFOSYS IS OBTAINING FINANCIAL CAPITAL THROUGH THE FUNDS GENERATED FROM BUSINESS OPERATIONS AND FINANCING ACTIVITIES.
- IN THE PAST FEW QUARTERS, THERE WAS GLOBAL ECONOMY DEALING WITH INFLATION,INTEREST RATE INCREASES, AND CHANGES IN DEMAND ENVIRONMENT FOR COMPANIES IN VARIOUS INDUSTRIES.
- THE COMPANY'S GOOD STRENGTH IN DIGITAL, CLOUD AND IN AUTOMATION ALONG WITH COST EFFICIENCY CAPABILITIES HAVE HELD THEM IN GOOD STEAD.
- INFY REVENUE FROM DIGITAL TECHNOLOGY RELATED SERVICES AND SOLUTIONS HAS MORE THAN DOUBLED IN THE LAST THREE YEARS, AND NOW COMPRISES 62.2% OF THE TOTAL REVENUE.
- THE COMPANY IS RATED AS A 'LEADER' IN 56 INDUSTRY ANALYST RATINGS ACROSS THE DIGITAL OFFERINGS.
- INFOSYS EQUINOX IS THE FLAGSHIP DIGITAL COMMERCE PLATFORM ,IS A SET OF CORE MICROSERVICES ENCOMPASSING ALL DIGITAL COMMERCE SCENARIOS TO HELP ENTERPRISES RAPIDLY BUILD AND DEPLOY FEATURES ACROSS ALL TOUCH POINTS AND CHANNELS,WITHOUT THE FRICTION ASSOCIATED WITH LEGACY PLATFORMS.
- THE SHARE PRICE CAN GO UPTO 1537 IF IT BREAKS 1525 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 1444 IF IT BREAKS 1456 ON THE LOWER SIDE.

### PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
09-04-2024	1498.35	1457	1472.2	1483.5	1498.7	1510	1525.2	1536.5	1476.7
08-04-2024	1479.1	1453.4	1463.7	1470.22	1480.6	1487.1	1497.4	1503.9	1479.1
05-04-2024	1479.1	1463.9	1470	1474.53	1480.6	1485.2	1491.3	1495.8	1486.7
04-04-2024	1479.1	1443.6	1455.8	1471.25	1483.5	1498.9	1511.1	1526.6	1480.65
03-04-2024	1479.1	1452	1463.5	1472.07	1483.6	1492.2	1503.7	1512.3	1482.85
02-04-2024	1479.1	1465.8	1473.3	1478.08	1485.6	1490.4	1497.9	1502.7	1495.45

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK, PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.