

Infosys

Performance highlights

(₹ cr)	3QFY16	2QFY16	% chg (qoq)	3QFY15	% chg (yoy)
Net revenue	15,902	15,635	1.7	13,796	15.3
EBITDA	4,328	4,352	(0.5)	3,980	8.7
EBITDA margin (%)	27.2	27.8	(62)bp	28.8	(163)bp
PAT	3,465	3,398	2.0	3,250	6.6

Source: Company, Angel Research

For 3QFY2016, Infosys posted a 0.6% sequential growth in USD revenues to US\$2,407mn (V/s an expected US\$2,368mn). In constant currency (CC) terms, the company posted a 1.1% qoq growth. Volume growth during the quarter was of 3.1% qoq. On the operating front, the EBITDA margin came in at 27.2% (V/s an expected 27.0%) dipping by 62bp qoq. This was owing to pricing decline by 2.5% qoq and lower utilization. Consequently, the PAT came in at ₹3,465cr (V/s an expected ₹3,251cr), a growth of 2.0% qoq. Overall, the Management is upbeat about the company's future prospects, given the strong order book position which is guided towards US\$3bn. Also, the Management has guided towards a higher revenue growth for FY2016, ie of 12.8-13.2% in CC terms and 16.2-16.6% in INR terms, on an exchange rate of ₹66.16/US\$ (as on December 31, 2015). The earlier guidance was of 10-12% revenue growth in CC terms for FY2016. **We maintain our Buy rating on the stock with a target price of ₹1,347.**

Quarterly highlights: For 3QFY2016, Infosys posted a 0.6% sequential growth in USD revenues to US\$2,407mn (V/s an expected US\$2,368mn). In constant currency (CC) terms, the company posted a 1.1% qoq growth. Volume growth during the quarter was of 3.1% qoq. On the operating front, the EBITDA margin came in at 27.2% (V/s an expected 27.0%) dipping by 62bp qoq. This was owing to pricing decline by 2.5% qoq and lower utilization. Consequently, the PAT came in at ₹3,465cr (V/s an expected ₹3,251cr), a growth of 2.0% qoq

In terms of client additions, the company added 4 clients in the US\$25mn+ bracket and one in the US\$50mn+ bracket. Overall, 1045 clients were active during the quarter. The Management is upbeat about the future prospects of the company given the strong order book position, which is guided towards US\$3bn.

Outlook and valuation: The company has revised its future CC revenue growth guidance for FY2016 to 12.8-13.2%. By FY2017, the company expects to lead industry growth and reach a milestone of achieving sales of US\$20bn by FY2020. **We maintain our Buy rating on the stock.**

Key financials (Consolidated, IFRS)

Y/E March (₹ cr)	FY2014	FY2015	FY2016E	FY2017E
Net sales	50,133	53,319	61,850	69,891
% chg	24.2	6.4	16.0	13.0
Adj. net profit	10,867	12,330	13,631	15,087
% chg	15.4	13.5	10.6	10.7
EBITDA margin (%)	27.2	27.9	27.5	27.5
EPS (₹)	47.3	53.7	59.4	65.7
P/E (x)	24.1	21.2	19.2	17.3
P/BV (x)	5.5	4.8	4.1	3.5
RoE (%)	22.9	22.5	21.2	20.1
RoCE (%)	21.5	20.8	20.7	20.5
EV/Sales (x)	4.6	4.3	3.5	3.0
EV/EBITDA (x)	16.9	15.3	12.8	10.8

Source: Company, Angel Research; Note: CMP as of January 19, 2016

BUY

CMP	₹1,139
Target Price	₹1,347

Investment Period	12 Months
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Stock Info

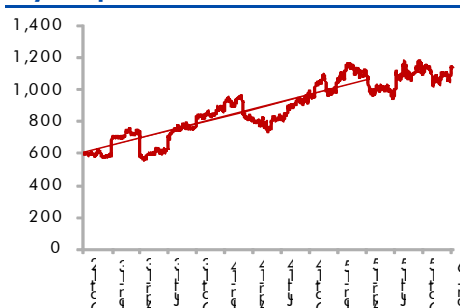
Sector	IT
Market Cap (₹ cr)	261,645
Net Debt (₹ cr)	(30,250)
Beta	0.7
52 Week High / Low	1,219/933
Avg. Daily Volume	178,359
Face Value (₹)	5
BSE Sensex	24,480
Nifty	7,435
Reuters Code	INFY.BO
Bloomberg Code	INFY@IN

Shareholding Pattern (%)

Promoters	13.1
MF / Banks / Indian Fls	18.0
FII / NRIs / OCBs	58.2
Indian Public / Others	10.7

Abs.(%)	3m	1yr	3yr
Sensex	(10.5)	(13.4)	22.2
Infosys	2.4	8.4	63.3

3-year price chart



Source: Company, Angel Research

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Exhibit 1: 3QFY2016 performance (IFRS, consolidated)

(₹ cr)	3QFY16	2QFY16	% chg (qoq)	3QFY15	% chg (yoy)	9MFY2016	9MFY2015	% chg (yoy)
Net revenue	15,902	15,635	1.7	13,796	15.3	45,891	39,908	15.0
Cost of revenue	9,621	9,365	2.7	8,171	17.7	27,797	23,924	16.2
Gross profit	6,281	6,270	0.2	5,625	11.7	18,094	15,984	13.2
SG&A expenses	1,953	1,918	1.8	1,645	18.7	5,654	4,816	17.4
EBITDA	4,328	4,352	(0.5)	3,980	8.7	12,440	11,168	11.4
Depreciation	369	359	2.9	291	26.8	1,040	785	32.5
EBIT	3,959	3,993	(0.9)	3,689	7.3	11,400	10,383	9.8
Other income	802	793	1.1	840	(4.5)	2,353	2,546	
PBT	4,761	4,786	(0.5)	4,529	5.1	13,751	12,929	6.4
Income tax	1,296	1,387	(6.6)	1,279	1.3	3,857	3,697	4.3
Exceptional item	-	-		-		-	-	
Reported PAT	3,465	3,399	1.9	3,250	6.6	9,894	9,232	7.2
Adjusted PAT	3,465	3,398	2.0	3,250	6.6	9,894	9,232	7.2
EPS	15.2	14.9	2.0	14.2	6.6	43.3	40.4	7.2
Gross margin (%)	39.5	40.1	(60)bp	40.8	(127)bp	39.4	40.1	(62)bp
EBITDA margin (%)	27.2	27.8	(62)bp	28.8	(163)bp	27.1	28.0	(88)bp
EBIT margin (%)	24.9	25.5	(64)bp	26.7	(184)bp	24.8	26.0	(118)bp
PAT margin (%)	21.8	21.7	5bp	23.6	(177)bp	21.6	23.1	(157)bp

Source: Company, Angel Research

Exhibit 2: 3QFY2016 – Actual vs Angel estimates

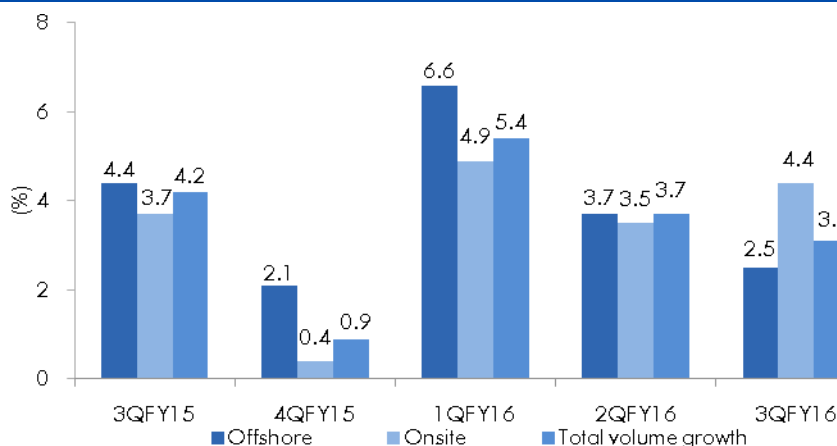
(₹ cr)	Actual	Estimate	% Var.
Net revenue	15,902	15,610	1.9
EBITDA margin (%)	27.2	27.0	22
PAT	3,465	3,251	6.6

Source: Company, Angel Research

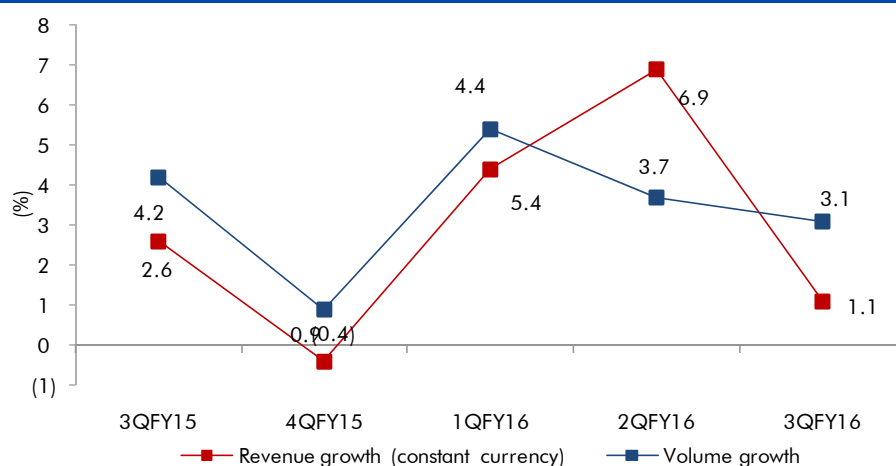
Revenues ahead of expectation

For 3QFY2016, Infosys posted a 0.6% sequential growth in USD revenues to US\$2,407mn (V/s an expected US\$2,368mn). In constant currency (CC) terms, the company posted a 1.1% qoq growth. In rupee terms, revenue came in at ₹15,902cr (V/s an expected ₹15,610cr), a growth of 1.7% qoq. Volume growth during the quarter was of 3.1% qoq. Growth was driven more by onsite volume which grew by 4.4% qoq, while the offshore volume growth was of 2.5% qoq.

In terms of geographies, USA grew by 0.5% qoq CC, Europe grew by 3.9% qoq CC, India grew by 24.3% qoq CC and ROW grew by 0.3% qoq CC. In terms of domains, FSI (Banking & Financial Services) grew by 3.1% qoq CC, Manufacturing grew by 3.2% qoq CC, RCL (Retail and Life Sciences) grew by 0.1% qoq CC and ECS (Energy, Utilities, Communication and Services) grew by 4.6% qoq CC.

Exhibit 3: Trend in volume growth qoq (Effort wise)


Source: Company, Angel Research

Exhibit 4: Trend in volume and USD revenue growth (qoq)


Source: Company, Angel Research

Industry-wise, the revenue from Financial Services and Insurance, the company's anchor vertical which contributed by 33.5% to revenues, grew by 2.7% qoq; in CC terms, revenue from FSI grew by 3.1% qoq. The Manufacturing industry vertical, which contributed by 22.8% to revenues, de-grew by 3.7% qoq. In CC terms, the revenue from this vertical grew by 3.2% sequentially.

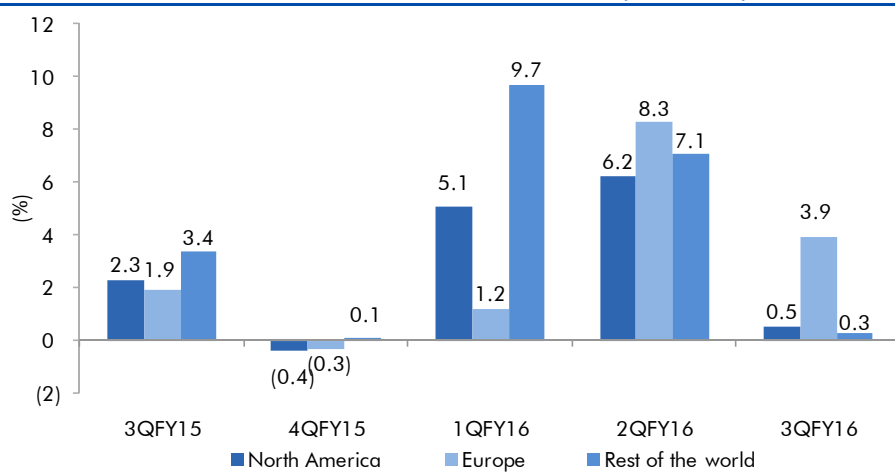
The Retail, CPG and Logistics segment (RCL; contributed by 24.3% to revenues) reported a 0.5% qoq growth. In CC terms, the revenue from RCL grew by 0.1% qoq. The Energy Utilities and Communications & Services segment (contributed by 13.1% to revenue) reported a growth of 4.2% qoq in revenue, with Energy and Utilities posting the biggest fall among verticals of 4.6% qoq.

Exhibit 5: Growth trend in industry segments (Reported basis)

Particulars	% to revenue	% growth qoq	% growth yoy
FSI	33.5	2.8	9.8
Banking and financial services	27.6	2.1	11.8
Insurance	5.9	6.0	1.6
Manufacturing	22.8	(3.6)	5.7
RCL	24.3	(0.6)	12.2
Retail and CPG	14.7	(0.7)	7.1
Transport and logistics	1.9	0.6	37.5
Life Sciences	5.8	(1.1)	23.4
Healthcare	1.9	0.6	3.1
ECS	19.4	3.8	5.3
Energy and utilities	5.1	9.2	13.0
Communication and services	8.0	1.9	(0.2)
Others	6.3	2.3	6.8

Source: Company, Angel Research

In terms of geographies, revenues from North America grew by 0.5% qoq in CC terms, while other geographies such as Europe grew by 3.9% qoq and RoW grew by 0.3% qoq (both in CC terms). India posted a 24.3% qoq growth in CC terms.

Exhibit 6: USD growth trend in geographies qoq (CC basis)


Source: Company, Angel Research

Hiring and utilization

Infosys added 14,027 gross employees in 3QFY2016, of which 6,115 were lateral additions. The net addition number for the quarter stood at 8,620. Attrition (for standalone entity) remained persistently high in 3QFY2016; it increased to 18.1% (LTM), up from 19.9% in 2QFY2016. The levels of attrition in the company which had been on continuous rise, came down during the quarter. The company is trying to inch up its utilization level, which could act as one of the margin levers.

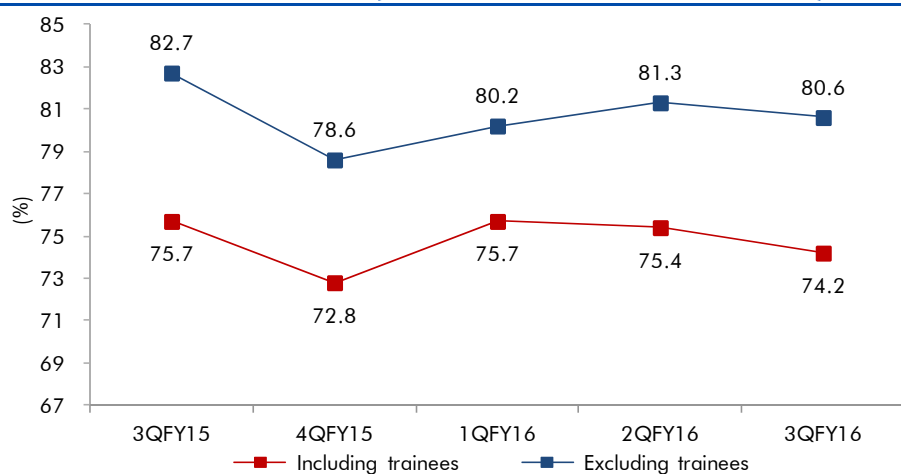
Exhibit 7: Employee metrics

	3QFY15	4QFY15	1QFY16	2QFY16	3QFY16
Gross addition	13,154	14,471	11,889	17,595	14,027
Net addition	4,227	6,549	3,336	8,453	8,620
Gross lateral emp. addition	6,094	8,334	5,886	7,452	6,115
Attrition – LTM basis (%)*	20.4	18.4	19.2	19.9	18.1

Source: Company, Angel Research, Note-* excluding subsidiaries

With the company focusing on improving its utilization level, the utilization rate including trainees de-grew by 120bp qoq to 74.2% (higher than 75.4% as in 2QFY2016); while excluding trainees, it de-grew by 70bp qoq to 80.6%.

Exhibit 8: Trend in utilization (Services and consulting + Projects)

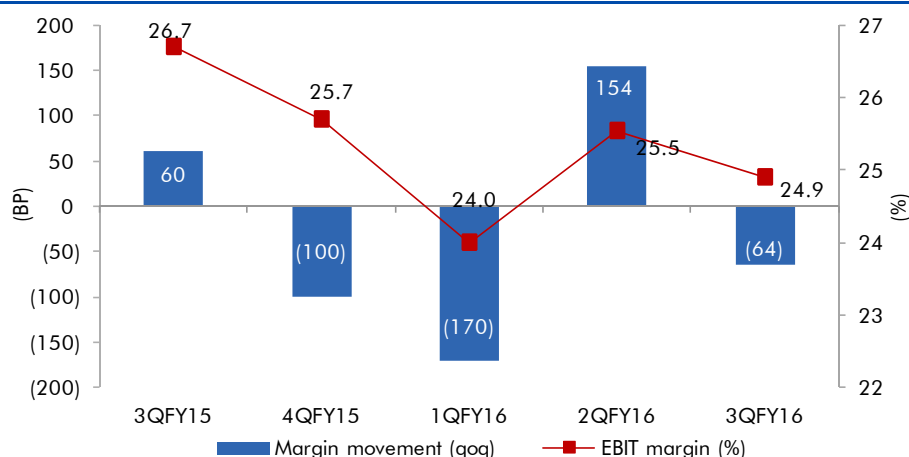


Source: Company, Angel Research

Margins dip

On the operating front, the EBITDA margin came in at 27.2% (V/s 27.0% expected), declining by 62bp qoq, owing to pricing decline by 2.5% qoq and lower utilization. The EBIT margin at 24.9%, declining by 64bp sequentially, impacted adversely by lower realization (110bp impact), lower utilization and Noah Consulting consolidation (~60bp impact) while rupee depreciation and lower variable pay aided to mitigate margin headwinds partially.

The Management indicated that the EBIT margin for FY2016 is expected to be in the range of 24-26%.

Exhibit 9: Trend in EBIT margin


Source: Company, Angel Research

Client pyramid

Infosys added 75 new clients (gross additions) during the quarter, taking its total active client base to 1045. The client addition was across the board. The company added 7 clients in the US\$100-200mn bracket. Also, the company bagged new deals with TCV of US\$360mn, during the quarter.

Exhibit 10: Client metrics

Particulars	3QFY15	4QFY15	1QFY16	2QFY16	3QFY16
Top client (% of revenue)	3.2	3.5	3.7	3.7	3.5
Gross Client addition	59	52	79	82	75
Active client	932	950	987	1011	1045
US\$1mn–5mn	292	285	287	284	294
US\$5mn–10mn	86	85	87	89	90
US\$10mn–20mn	71	76	78	84	82
US\$20mn–50mn	37	36	34	35	23
US\$50mn–100mn	17	18	21	19	15
US\$100mn–200mn	15	14	14	17	7
US\$200mn–300mn	10	11	8	8	5
US\$300mn plus	0	0	1	1	1

Source: Company, Angel Research

Concall Highlights

- Infosys won deals worth TCV of US\$360mn during the quarter.
- Overall, the Management is upbeat about the future prospects of the company, given the strong order book position which is guided towards US\$3bn.
- On back of strong performance in 1HFY2016, the Management has maintained CC revenue growth guidance of 12.8-13.2% V/s 10.0-12.0% guided earlier for FY2016.
- The company reiterated its target EBIT margins band of 24-26% for the medium term while citing continued need for calibrated investments in the business.

Investment arguments

Revenue growth guidance upgraded to 12.8-13.2% from 10-12% CC guided earlier for FY2016: The Management has guided towards higher revenue growth for FY2016, ie of 12.8-13.2% in CC terms and 16.2-16.6% in INR terms on exchange rate of (as on December 31, 2015). The earlier revenue growth guidance was of 10-12% in CC terms for FY2016. We expect the company to post ~9.6% USD revenue growth in FY2016. The company expects to lead industry growth and reach a milestone of achieving sales of US\$20bn by FY2020. Currently we have factored in a moderate growth for FY2017 (INR and USD growth of 13.0%).

Aims to be US\$20bn company by FY2020: The Management believes the traditional IT services model is dying and a structural change is taking place in the industry. Pricing pressure is being witnessed in commoditized services, thus necessitating the company to pursue newer growth avenues including acquisitions in areas like automation. The outsourcing services provider is therefore looking to ramp up its productivity through automation and is looking for acquisitions to boost growth. Infosys' cash and cash equivalents were at US\$5.2bn as at the end of March 2015.

The company expects its revenue to rise to US\$20bn by FY2020, from US\$8.7bn now, as it focuses on acquisitions and win more new technology services, implying a 14% CAGR over the period. Over the near term, we expect Infosys to post a 9.6% USD revenue growth in FY2016. Over FY2015-17E, we expect USD and INR revenue to grow at a CAGR of 11.3% and 14.5%, respectively. The Management expects to lead industry growth from FY2017 onwards.

Operating margin likely to be range bound in near term: The Management maintained its stance that the company is right now focused on growth (at least for the next couple of quarters) and this may lead to sacrifice in margins in the near term. The operating margin is subject to tailwinds on a stable rupee, further improvement in utilization rates and cost optimization drive running in the company, though it has headroom to increase its utilization level by ~300bp to be comparable with peers. This, in turn, will assist in increasing operating margins further. Going ahead, given a stable rupee, higher S&M spends, and wage hikes in FY2016, we expect the EBIT margin to remain at 25.5% in FY2016 and FY2017 (V/s 25.9% in FY2015). Over FY2015-17E, we expect an EBIT CAGR of 13.5%.

However, as part of its 'Vision 2020' (target to have US\$20bn revenues at 30% operating margins and US\$80,000 per employee revenue productivity by CY2020), the Management expects acceleration in revenue growth and margin improvement to reflect ahead of the increase in revenue productivity.

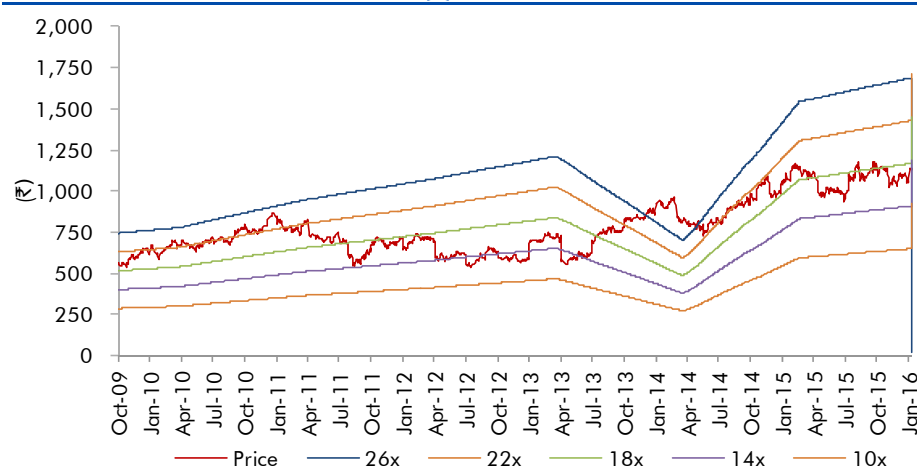
Outlook and valuation

The company has upgraded its USD revenue growth guidance for FY2016 to 12.8-13.2% from 10-12% on CC basis earlier. We expect the company to post ~9.6% USD revenue growth in FY2016. By FY2017, the company expects to lead industry growth. It aims to reach a milestone of achieving sales of US\$20bn by FY2020. Also, the company plans to utilize cash properly through increased dividends and acquisitions, so that it can increase its capital efficiency. Currently we have built in a conservative growth for FY2017. The stock trades at current valuations of 17.3x FY2017E earnings. **We recommend a Buy on the stock with a price target of ₹1,347.**

Exhibit 11: Key assumptions

Parameters	FY2016E	FY2017E
Revenue growth – USD terms (%)	9.6	13.0
USD–INR rate	65.0	65.0
Revenue growth – INR terms (%)	16.0	13.0
EBITDA margin (%)	27.5	27.5
Tax rate (%)	29.0	29.0
EPS growth (%)	10.6	10.7

Source: Company, Angel Research

Exhibit 12: One-year forward PE (x)


Source: Company, Angel Research

Exhibit 13: Recommendation summary

Company	Reco	CMP (₹)	Tgt. price (₹)	Upside (%)	FY2017E EBITDA (%)	FY2017E P/E (x)	FY2015-17E EPS CAGR (%)	FY2017E EV/Sales (x)	FY2017E RoE (%)
HCL Tech	Buy	839	1,132	34.9	23.5	13.3	10.6	1.9	19.8
Infosys	Buy	1,139	1,347	18.3	27.5	17.3	10.6	3.1	20.1
TCS	Buy	2,279	2,854	25.2	28.5	16.5	11.8	3.2	38.9
Tech Mahindra	Buy	512	646	25.9	17.0	16.1	8.0	1.4	18.6
Wipro	Buy	542	719	32.6	23.8	12.8	9.7	1.7	17.9

Source: Company, Angel Research

Company Background

Infosys is the second largest IT company in India, employing over 1,76,187 professionals (as of FY2015). The company services more than 900 clients across various verticals, such as financial services, manufacturing, telecom, retail and healthcare. Infosys has the widest portfolio of service offerings amongst Indian IT companies, spanning across the entire IT service value chain - from traditional Application Development and Maintenance to Consulting and Package Implementation to Products and Platforms.

Profit and loss statement (IFRS, consolidated)

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
Net sales	33,733	40,352	50,133	53,319	61,850	69,891
Cost of revenue	18,877	24,158	30,767	31,817	42,034	35,994
Gross profit	14,856	16,194	19,366	21,502	24,431	27,607
% of net sales	44.0	40.1	38.6	40.3	39.5	39.5
Selling and mktg exp.	1,757	2,034	2,625	2,941	3,402	3,844
% of net sales	5.2	5.0	5.2	5.5	5.5	5.5
General and admin exp.	2,390	2,609	3,107	3,663	4,020	4,543
% of net sales	7.1	6.5	6.2	6.9	6.5	6.5
EBITDA	10,709	11,551	13,634	14,898	17,009	19,220
% of net sales	31.7	28.6	27.2	27.9	27.5	27.5
Dep and amortization	931	1,122	1,374	1,066	1,237	1,398
% of net sales	2.8	2.8	2.7	2.0	2.0	2.0
EBIT	9,778	10,429	12,260	13,832	15,772	17,822
% of net sales	29.0	25.8	24.5	25.9	25.5	25.5
Other income	1,904	2,359	2,669	3,427	3,427	3,427
Profit before tax	11,683	12,788	14,929	17,259	19,199	21,249
Provision for tax	3,368	3,367	4,062	4,929	5,568	6,162
% of PBT	28.8	26.3	27.2	28.6	29.0	29.0
PAT	8,315	9,421	10,648	12,330	13,631	15,087
Exceptional item	-	-	219	-	-	-
Adj. PAT	8,315	9,421	10,867	12,330	13,631	15,087
EPS (₹)	36.2	41.0	47.3	53.7	59.4	65.7

Balance sheet (IFRS, consolidated)

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
Current assets						
Cash and cash equivalents	20,591	21,832	25,950	30,367	38,702	48,978
Available for sale financial assets	32	1,739	2,197	874	2,197	2,197
Investment in certificates of deposit	345	-	859	93	859	859
Trade receivables	5,882	7,083	8,351	9,713	10,122	11,742
Unbilled revenue	1,873	2,435	2,811	2,845	3,434	3,434
Derivative financial instruments	-	101	215	101	215	215
Prepayments and other current assets	1,523	2,123	2,636	3,296	3,497	4,054
Total current assets	30,246	35,313	43,019	47,289	59,026	71,479
Non-current assets						
Property, plant and equipment	5,409	6,468	7,887	9,125	9,325	9,525
Goodwill	993	1,976	2,157	3,091	2,157	2,157
Intangible assets	173	368	342	638	342	342
Available for sale financial assets	12	394	1,252	1,345	1,252	1,252
Deferred income tax assets	316	503	656	537	656	656
Income tax assets	1,037	1,092	1,522	4,089	1,722	1,722
Other non-current assets	162	237	220	238	1,632	1,632
Total non-current assets	8,102	11,038	14,036	19,063	17,086	15,507
Total assets	38,348	46,351	57,055	66,352	76,112	86,986
Current liabilities						
Trade payables	23	189	173	140	173	173
Derivative financial instruments	42	-	-	3	-	-
Current income tax liabilities	1,054	1,329	2,187	2,818	3,787	3,787
Client deposits	15	36	40	27	40	40
Unearned revenue	545	823	660	1,052	660	660
Employee benefit obligations	498	614	954	1,069	954	954
Provisions	133	213	379	478	379	379
Other liabilities	2,456	3,082	4,745	5,796	5,545	5,545
Total current liabilities	4,766	6,286	9,138	11,383	11,538	11,538
Non-current liabilities						
Deferred income tax liabilities	12	119	64	160	64	64
Employee benefit obligations	109	149	323	46	323	323
Other liabilities	-	-	-	-	-	-
Total non-current liabilities	121	268	387	206	387	387
Total liabilities	4,887	6,554	9,525	11,589	11,925	11,925
Equity						
Share capital	286	286	286	572	1,148	1,148
Share premium	3,089	3,090	3,090	3,090	3,090	3,090
Retained earnings	29,816	36,114	43,584	50,531	59,378	70,253
Other components of equity	270	307	570	570	570	570
Total equity	33,461	39,797	47,530	54,763	64,187	75,061
Total liabilities and equity	38,348	46,351	57,055	66,352	76,112	86,986

Cash flow statement (IFRS, consolidated)

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
Pre tax profit from operations	9,778	10,429	12,260	13,832	15,772	17,822
Depreciation	931	1,122	1,374	1,066	1,237	1,398
Pre tax cash from operations	10,709	11,551	13,634	14,898	17,009	19,220
Other income/prior period ad	1,904	2,359	2,669	3,427	3,427	3,427
Net cash from operations	12,614	13,910	16,303	18,325	20,436	22,647
Tax	3,368	3,367	4,062	4,929	5,568	6,162
Cash profits	9,246	10,543	12,241	13,396	14,868	16,485
(Inc)/dec in current assets	(2,399)	(2,464)	(2,271)	(1,942)	(1,313)	(2,176)
Inc/(dec) in current liabilities	1,125	1,520	2,852	2,245	155	-
(Inc)/dec in net trade WC	(1,274)	(944)	581	303	(1,158)	(2,176)
Cashflow from operating actv.	7,972	9,599	12,822	13,699	13,710	14,308
(Inc)/dec in fixed assets	(1,496)	(2,181)	(2,793)	(2,304)	(1,437)	(1,598)
(Inc)/dec in investments	(233)	(1,362)	(1,317)	2,089	(2,089)	-
(inc)/dec in sale of financial assets	11	(382)	(858)	(93)	93	-
(Inc)/dec in deferred tax assets	18	(242)	(583)	(2,448)	2,248	-
Inc/(dec) in other non current liab.	(198)	147	119	(181)	181	-
(Inc)/dec in other non current ass.	8	(1,253)	(138)	(1,248)	(164)	-
Cashflow from investing actv.	(1,890)	(5,273)	(5,570)	(4,185)	(1,168)	(1,598)
Inc/(dec) in debt	-	-	-	-	-	-
Inc/(dec) in equity/premium	(1,155)	(280)	1,077	(885)	4	748
Dividends	1,002	2,805	4,211	4,212	4,212	3,182
Cashflow from financing actv.	(2,157)	(3,085)	(3,134)	(5,097)	(4,208)	(2,434)
Cash generated/(utilised)	3,925	1,241	4,118	4,417	8,335	10,277
Cash at start of the year	16,666	20,591	21,832	25,950	30,367	38,702
Cash at end of the year	20,591	21,832	25,950	30,367	38,702	48,978

Key ratios

Y/E March	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
Valuation ratio (x)						
P/E	31.5	27.8	24.1	21.2	19.2	17.3
P/CEPS	28.3	24.8	21.4	19.5	17.6	15.9
P/BVPS	7.8	6.6	5.5	4.8	4.1	3.5
Dividend yield (%)	1.3	3.7	5.5	5.5	5.5	5.5
EV/Sales	7.1	5.9	4.6	4.3	3.5	3.0
EV/EBITDA	22.3	20.4	16.9	15.3	12.8	10.8
EV/Total assets	6.2	5.1	4.0	3.4	2.9	2.4
Per share data (₹)						
EPS	36	41	47	54	59	66
Cash EPS	40	46	53	58	65	72
Dividend	15	42	63	63	63	63
Book value	146	173	207	239	280	327
Dupont analysis						
Tax retention ratio (PAT/PBT)	0.7	0.7	0.7	0.7	0.7	0.7
Cost of debt (PBT/EBIT)	1.2	1.2	1.2	1.2	1.2	1.2
EBIT margin (EBIT/Sales)	0.3	0.3	0.2	0.3	0.3	0.3
Asset turnover ratio (Sales/Assets)	0.9	0.9	0.9	0.8	0.8	0.8
Leverage ratio (Assets/equity)	1.1	1.2	1.2	1.2	1.2	1.2
Operating ROE	24.9	23.7	22.4	22.5	21.2	20.1
Return ratios (%)						
RoCE (pre-tax)	25.5	22.5	21.5	20.8	20.7	20.5
Angel RoIC	56.3	45.8	43.7	39.5	45.9	51.0
RoE	24.9	23.7	22.9	22.5	21.2	20.1
Turnover ratios(x)						
Asset turnover (fixed assets)	4.2	3.7	3.6	2.8	3.6	4.5
Receivables days	84	86	81	86	80	79

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Disclosure of Interest Statement

Infosys

1. Analyst ownership of the stock
2. Angel and its Group companies ownership of the stock
3. Angel and its Group companies' Directors ownership of the stock
4. Broking relationship with company covered

No
No
No
No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15)