



Infosys

Quarterly Update
Report Abstract

January 2017

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14 pages





Who Is This Quarterly Update For?

NelsonHall's Quarterly Update on Infosys provides a snapshot of developments at Infosys in the last quarter. It accompanies NelsonHall's more comprehensive Key Vendor Assessment program. Both programs are designed for:

- Marketing, sales and business managers developing strategies to target service opportunities within the BPO/IT Services markets
- Sourcing managers monitoring the capabilities of existing suppliers of IT outsourcing services and identifying vendor suitability for IT services
- Consultants advising clients on vendor selection
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the BPO/IT services sector.



Key Findings & Highlights

Q3 Performance “broadly in line with expectations”

Q3 FY17 revenues were up 6.0% y/y as reported in US\$, up 7.3% in CC. RBS ramp-down had a 1.1% impact on revenues.

Application development, infrastructure, engineering services and PPS all had strong quarters. Infosys Consulting is in recovery mode

Operating margin was up 20 bps y/y.

CY 2016 revenues crossed \$10bn.

Guidance for full FY17 is:

- Revenue growth of 8.4-8.8% in CC
- Operating margin of 24-25%

RBS ramp down now mostly completed

Automation beginning to impact revenue per capita; hiring

The amount of effort saved through automation continues to increase and rev per capita has increased y/y for the first time in a while

Recruitment has slowed significantly: headcount in Q1-Q3 FY17 increased by 5.7k y/y, down from a 17.2k increase in the prior year period

Infosys Innovation Fund looks at India

Investments in Q3 FY17 included an India-based early stage venture fund, and an Indian specialist in drone technology.

New India-based Deputy COO

New U.S. administration, likely greater protectionism

In anticipation of increased restrictions around H-1B visas, Infosys is looking to increase local hiring, both lateral and campus hires, also introduce more collaborative technology into its global delivery model.

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Scope of the Report

The report provides a quarterly update on Infosys.

It accompanies NelsonHall's Key Vendor Assessment program which looks at Infosys' IT and BPO offerings, capabilities, and market and financial strengths, including:

- Identification of the company's strategy, emphases and new developments
- Revenue breakdowns
- Analysis of the company's offerings and key service components
- Analysis of the profile of the company's client base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.

Report Length

14 pages

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