

Infosys (INFO) – BUY

Result Update

Current Market Price (CMP) Rs.1,888	Target Price Rs.2,000
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Our fair value of Rs.2,000 implies upside of 5.93% from current market price.

Rationale:

- Reported excellent all-round growth, improvement in client metric & stable margin
 - Infosys is well-equipped for industry-leading growth in the medium term.
 - FY22 revenue growth guidance increased from 14-16% to 16.5-17.5% in c/c.
 - Expect earnings to grow by 12.9% in FY22E and 16.9% in FY23E.
 - Valuing it at ~30x Sep'23E EPS. A growth leader deserves premium multiples.
- EPS: Earning per share.

Q2FY22 Earnings update:

👍 Positives:

- Revenue growth of 6.3% qoq and 19.4% yoy in c/c (constant currency), impressive.
- Demand environment is very strong; visibility for at least next few quarters.
- Client metrics improved across the board and impressed.
- Added net headcount of 11,664 sequentially to total of 279,617.

👎 Negatives:

- High attrition rate is a key negative.
- We expect supply-side challenges to continue for a few more quarters.

[Click here](#)

For detailed report dated 14 Oct 2021. Note: CMP & valuation may differ due to difference in dates.



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