

Letter to the shareholder



“Our digital capabilities helped increase client relevance, we built business model resilience, and increased the stability in our business.”

Dear Shareholder,

We've had an exceptional year!

Thanks to our clients and our employees.

Our approach to help our clients 'Navigate your next' resulted in increased client relevance driven by the four pillars of scaling our agile digital business, energizing the core, expanding our employee skills, and localization.

As we look back at fiscal 2019, this strategic direction has yielded strong results. Our clients have increased their trust in us. Our overall revenues grew by 9% in constant currency terms, to reach US\$ 11.8 billion. Our digital revenue grew by over 30% annually and in Q4 is 34% of our business.

Our attention and focus on building deeper capabilities across our digital pentagon, especially in the areas of Experience, Data, Analytics, Cloud, SaaS, IoT, Cybersecurity, AI, and Machine Learning have helped us become more relevant to the agenda of our clients. As our clients seek to transform their businesses, they are increasingly engaging with us to help them achieve their business objectives leveraging digital technology.

A good example of our expanding digital expertise is a leading global bank choosing our digital banking platform to build their new digital bank.

Our deep capabilities in Automation and AI have helped us become one of the most sophisticated service delivery organizations – a strength our clients value and leverage to make them more efficient.

We expanded our approach to engaging with clients via a larger team of client-facing individuals and

a stronger team that drives strategic partnerships. This resulted in a significant increase in our ability to engage with clients for their large transformation programs.

We expanded our digital centers in the US, Europe, and Asia Pacific, thereby gaining increased direct engagement with our clients in these geographies. At the same time, we expanded our digital agile spaces in India, creating new infrastructure for the future of digital delivery.

We recruited over 1,500 college graduates outside India and more than 20,000 college graduates in India, preparing for the increased demand we see in our client engagements.

Our acquisitions of Brilliant Basics, WongDoody, and Fluidio are seeing strong traction with our clients and are helping us build a newer, more powerful digital capability set.

Our strategic partnerships with Temasek in Singapore and South-East Asia, and with Hitachi, Panasonic and Pasona in Japan, are concrete steps to build a foundation for expanding future relationships.

Our reskilling program with Lex, our learning app, is progressing at a fast clip. We now have over 2,00,000 of our employees downloading Lex to rapidly build and expand their digital skills.

Through many of these initiatives, we are building business model resilience with increased client relevance, a recipe that will help us shape Infosys of the next 10 years.

All these focus areas, combined with our strong operational discipline, resulted in an operating margin of 22.8% for fiscal 2019 and operating cash flow of US\$2.3 billion.

After some years of change, we have seen a year of stability with a steady leadership team, ready to engage with our clients and ready to drive our superior delivery capability.

This transformation was guided by the clear articulation of our strategy, the strong support of our Board, and the continual commitment of the management team to make this a reality. All of this resulted in our market capitalization increasing by nearly US\$ 10 billion.

As I sit in my office, looking out of my window at the lovely green of our campus, I am thrilled with the anticipation of what lies ahead. We have laid a solid foundation for a growing business that has increased client relevance, built real digital muscle, ensured strong operating discipline, and increased business model resilience. We also have a greater sense of stability and an aligned and driven management team eager to serve our clients in a world where technology is becoming more and more critical. I can't imagine a better place for us to be.

With my warmest regards,



Salil Parekh

Chief Executive Officer and
Managing Director

Bengaluru
May 10, 2019