



Nandan M. Nilekani

## CHAIRMAN'S SPEECH

Dear Shareholders,

Welcome to the 43rd Annual General Meeting of Infosys. On behalf of the Infosys Board of Directors, I appreciate your support for the Company and thank you for taking the time to join us today. Fiscal 2024 has been a year of steady performance for Infosys in a very volatile macroeconomic environment. The Company grew 1.4% in constant currency – delivering US\$18.6 billion in revenues. Operating margin for the year was a healthy 20.7% and we generated US\$2.9 billion in Free Cash Flow which is an increase of 13.7% over fiscal 2023. Large deal TCV for FY24 was highest ever at US\$17.7 billion, with 52% being net new. This reflects the strong trust clients have in us and provides a robust foundation to build on in the months ahead.

For fiscal 2024, the Board has recommended a final dividend of ₹20 along with a special dividend of ₹8 per share. With this, the total payout for FY20-FY24 will be 85% of Free Cash Flow in-line with the Capital Allocation Policy. The Board has approved the policy for the next five years and effective FY25, the Company expects to continue returning approximately 85% of Free Cash Flow cumulatively over a five-year period through a combination of semi-annual dividend and/or share buybacks / special dividend, subject to applicable laws and required approvals. Under this policy, the Company expects to progressively increase its annual dividend per share excluding special dividend, if any.

The shareholders at the 42nd AGM held on June 28, 2023 reappointed Bobby Parikh as independent director for a second term of five years with effect from July 15, 2023 till July 14, 2028. The shareholders also approved the appointment of Helene Auriol Potier as independent director effective May 26, 2023 for a period of three years till May 25, 2026. The shareholders via postal ballot concluded on February 20, 2024 approved the appointment of Nitin Paranjpe as independent director effective January 1, 2024, for a term of five years till December 31, 2028. They also approved the reappointment of Chitra Nayak as independent director effective March 25, 2024 for a second term of three years till March 24, 2027. Further, the Board at its meeting held on December 11, 2023, appointed

Jayesh Sanghrajka as the Chief Financial Officer and Key Managerial Personnel of the Company effective April 1, 2024. Nilanjan Roy resigned as the Chief Financial Officer and Key Managerial Personnel (KMP) of the Company effective March 31, 2024. The Board placed on record its sincere appreciation for his contributions to Infosys.

As we look at the larger business environment, we are now into the second year of the generative AI revolution, and the initial AI doomerism has quietened down. People have accepted that, like any other general-purpose technology be it electricity, nuclear energy, the internet or even a discovery like fire, gen AI has enormous potential for good when advanced within the guardrails of responsibility. It is also clear that there won't be a scenario where we'll have 'one model to rule them all'. Every day brings new advances in large language models. These range from very large models which need massive computing infrastructure to small ones that can run locally on the phone. The real power of AI will come from configuring all the different models and tools to get the best solutions. The rise of powerful open-source AI models has also accelerated the deployment of AI to solve tough business and societal challenges. As we move into more use cases, a thousand flowers will bloom.

It is also widely expected that the manifestations of consumer AI will make life easier and more productive for millions of people. It will push the envelope of usability, convenience, and accessibility for all. Enterprise AI, on the other hand, is a lot more complex. It will require a root and branch surgery of the multi-generation technology that lies within firms. The challenge will also be to orchestrate the extensive data inside the corporation in a way that it is consumable by AI. The quality of output will need to be managed to ensure factual responses and insights with no hallucinations. Given that the leaderboard of technologies is changing at a bewildering pace, enterprises will also need to simultaneously 'future proof' their AI infrastructure. Global companies need to build their AI applications to be compliant with regulations across countries.

While application can be trialled on very large models, deployment will be on narrow transformers, trained on relevant enterprise data, fully secure and efficient in their inferencing. They will need both an AI foundry for experimentation and an AI factory for scaling up. The constraint of resources will require a transparent way of identifying the highest value AI use cases. AI will need to amplify the potential of people across enterprises, and firms, like Infosys, who are in the business of enabling this digital transformation, will be at the center of it all.

From our own early journey to becoming an AI-first enterprise, we know that navigating to value-at-scale from AI means breaking down tasks into sequential small wins taking the 'responsible by design' approach. This has been our AI-first strategy to accelerating business value and amplifying human potential. Nearly 50,000 reusable intelligent services, applied in over 25,000 instances, amplify our employees today. We are one of the first organizations globally to be certified in ISO 42001:2023 for AI management systems for risk management and governance of enterprise AI.

Our clients trust Infosys to apply learning from this journey to help them navigate the many complexities of enterprise AI. In turn, Infosys is fully prepared to deliver value. We made an early investment, last year, in building a strong generative AI offering portfolio through Infosys Topaz. Today, we are ranked as a leader in AI services by seven out of eight leading analysts. We have integrated generative AI components into our entire service lines and developed 25 playbooks to create impact for our clients. Our clients are combining it with cloud capabilities in Infosys Cobalt to help them scale AI. To drive exponential growth in AI and accelerate Infosys' Chip-to-Cloud strategy, the Company acquired InSemi, a leading semiconductor design services provider. Infosys has built strong domain-relevant enterprise AI capabilities – from the foundation up. We have created 23 AI industry blueprints to solve industry-specific challenges. This is also aided by the Board's approval for strategic acquisitions like that of in-tech, the engineering R&D services firm. Together with Infosys Topaz, and InSemi's semiconductor expertise, this will help Infosys create deeper capabilities for the next phase of automotive innovation in software-defined vehicles. We are currently working on over 225 generative AI programs for our clients. Key to executing complex transformation is talent. Infosys' acquisition of Danske IT and Support Services in India has, among several other programs, served to further strengthen our overall digital talent pool.

We have invested significantly in hiring talent with proven generative AI skills as well as rapidly upskilling our existing engineering talent. We have over 2,50,000 employees trained in the areas of generative AI. Infosys is one of the largest adopters of GitHub Copilot globally. Our employees have already generated over 3 million lines of code using generative AI large language models.

At Infosys, our purpose is to amplify human potential and create the next opportunity for people, businesses, and communities. For us, making progress means delivering for stakeholders beyond just clients and employees. We expanded our social impact programs, reaching over 15 million beneficiaries across 15 countries, through our flagship initiatives such as Infosys Foundation, Infosys Science Foundation, Infosys Prize, and Infosys Foundation USA. Our efforts to nurture a business that thinks and acts right – embracing ESG practices – is fully aligned to our ESG vision for 2030. This means taking positive climate action and helping our clients do the same, being inclusive and equitable in all we do and earning the trust of our stakeholders through ethical corporate governance. For example, we have achieved carbon neutrality for the fifth consecutive year across our global operations, by reducing our energy consumption, increasing our renewable energy sourcing, and offsetting our residual emissions through high quality carbon credits. Even for our legacy campuses in Bengaluru, Chennai, and Pune, we achieved True Zero Waste Certification this year. On the social enablement front, we have reached 11.75 million people through our many digital skilling initiatives, taking advantage of Infosys Springboard, Infosys' flagship digital learning platform. At the same time, we also appreciate the need to create opportunity more equitably and as a case in point we have been recognized, for the fourth year, as a Disability Confident recruiter in Australia thanks to our partnership with the Australian Disability Network. We have also been recognized as the world's most ethical company for the fourth year in a row by Ethisphere. This is the result of our continued focus to change with change. For instance, in these times of AI, we have been recognized as an industry leader in our data and information security practices. Infosys has been positioned as a Leader by ISG for cybersecurity solutions and services in both Europe and the US.

The pace at which everything around us is evolving is dizzying. A big challenge of our time is to unleash AI for the next wave of productivity for enterprises. We have had a head start on that journey and are keen to share the learning and value with our clients. Ranked as the fastest growing IT services brand, over the past five years, by Brand Finance, and as a Top-100 brand globally by Kantar Brandz, Infosys is the natural choice for AI transformation partner as the world's top enterprises navigate to the future.

On behalf of the Board, I want to thank all our employees, clients, co-founders and governments of the countries and states that we operate in for their trust in us and their very generous support. And, to all our shareholders – it's your encouragement and support that drives us to deliver our best every day. Our heartfelt thanks to you all.

Nandan M. Nilekani  
Chairman

Bengaluru  
June 26, 2024