TO ALL STOCK EXCHANGES

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January 22, 2020

Dear Sir/ Madam,

Sub: Press Release

Please find attached the press release titled '**Businesses Face a Digital Ceiling in their Transformation Progress, Infosys Digital Radar Reveals',** for your information and records.

This will also be hosted on the Company's website, at www.infosys.com

Yours Sincerely,
For **Infosys Limited**



A.G.S. Manikantha
Company Secretary

Encl: As above

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PRESS RELEASE

Businesses Face a Digital Ceiling in their Transformation Progress, Infosys Digital Radar Reveals

- *Infosys Digital Radar 2020 finds that few companies have progressed to the most advanced stages of digital transformation this year*
- *Companies that centre their transformation initiatives around employees achieve the highest levels of digital maturity*
- *Top performers also approach transformation as series of rapid-feedback loops, rather than a long, linear process*

Davos, Switzerland – January 22, 2020: Businesses globally face a "digital ceiling" when it comes to digital transformation, according to new research from Infosys Knowledge Institute (IKI), the thought leadership and research arm of Infosys (NYSE: INFY), a global leader in next-generation digital services and consulting. The study reveals that businesses must change their mindsets to achieve sophisticated levels of digital maturity.

Infosys Digital Radar 2020 assessed the digital transformation efforts of companies on a Digital Maturity Index and found year-over-year progress in basic areas, such as digital initiatives to improve a company's efficiency. However, most companies come up against a "digital ceiling" when trying to achieve the most advanced levels of maturity.

The report, which surveyed over 1,000 executives globally, ranked the most digitally advanced companies as "Visionaries", followed by "Explorers" and then "Watchers."

Companies know how to achieve moderate transformation success, with an 18 per cent increase in companies progressing this year from the lowest tier of Watchers to the middle Explorer tier. However, Explorers struggled to move into the top Visionary cluster, with the top tier remaining the same, indicating a "digital ceiling" to transformation efforts.

The Visionary cluster remains unchanged despite companies reporting fewer barriers to digital transformation than last year. Human, rather than technological, barriers are now the most persistent, with the two of the top hurdles being the lack of talent or skills (34 per cent) and a risk-averse corporate culture (35 per cent).

How to break through the digital ceiling?

The research demonstrates that top performers break through the digital ceiling because they think differently.

Firstly, **successful companies focus strongly on people**, using digital transformation to make improvements centred on customers and employees.

Most companies (68 per cent) across the spectrum stated operational efficiency and increased productivity as a main transformation objective. But successful companies in the Visionary cluster are particularly motivated to make improvements for their employees. Nearly half of Visionaries describe “empowering employees” as a major business objective for transformation, compared with less than one third of Explorers and less than one fifth of Watchers.

Likewise, Visionaries have an increased focus on customer centred initiatives, being significantly more likely than other clusters to undertake transformation to improve customer experiences and engagement and in order to respond more quickly to customer needs.

Secondly, **successful companies have a different mindset when it comes to transformation processes**.

Traditional linear transformations result in long transformation timelines, meaning a company’s improvements are out of date by the time the process is complete. Instead, top performers demonstrate a cyclical mindset, implementing recurring rapid feedback loops to accelerate transformation and keep updates relevant. The Visionary cluster is far ahead of others in digital initiatives tied to quick cycles: 75 per cent operate at scale in Agile and DevOps, compared with an overall average of 34 per cent for the entire survey group.

Businesses overestimate tech barriers and underestimate the importance of a company’s mindset

The importance of culture and a cyclical transformation mindset to breaking through the digital ceiling were underestimated by businesses last year.

In the 2019 Digital Radar report, companies were asked to predict the biggest barriers to their transformation progress for the following year. This year’s Infosys Digital Radar 2020 compares these predictions to the actual challenges businesses faced in 2019.

Businesses reported dramatic declines in the impact that technological barriers have on their transformation progress, including:

- Inability to experiment quickly (down 49 per cent);
- Insufficient budget (down 40 per cent);
- Cybersecurity challenges (down 40 per cent).

However, businesses made much less progress against cultural barriers, including lack of change management capabilities (down 7 per cent) and lack of talent (down 6 per cent).

Progress across industries and geographies

- The technology and telecom industries continue to rank highest on the Digital Maturity Index this year.
- Consumer packaged goods, logistics, and healthcare achieved strong year-on-year improvements. The report’s anecdotes from executive interviews suggest that the adoption of

telematics, the Internet of Things and smart medical devices contributed to these increases. Likewise, the automotive industry placed fourth by digital maturity and featured the second highest percentage of Visionaries (30 per cent of those surveyed).

- The insurance industry lags significantly behind other sectors, featuring the highest percentage of Watchers (17 per cent).
- The digital ceiling was most dramatic in China, where 23 per cent of companies moved from Watcher to Explorer (which rose from 64 per cent to 87 per cent), but the percentage in the Visionary category (8 per cent) remained the same.

Salil Parekh, CEO and MD at Infosys, commented: "We've seen enterprises successfully employ emerging technologies to optimise productivity and efficiency, but struggle at the next stage of digital maturity. Faster, better, and cheaper technology alone will not provide the improvements enterprises need. Our research has shown that companies which can keep pace with digital transformation are those that design digital initiatives to improve customer experiences and empower their employees, differentiating themselves and propelling their business to the most advanced levels of progress."

Jeff Kavanaugh, VP and Global Head at Infosys Knowledge Institute, commented: "This year's Digital Radar research revealed significant progress across transformation initiatives – however, traditional programme models are not keeping up with the rapid pace of market change and companies face a distinct barrier in reaching top levels of digital maturity.

"The most successful businesses in our survey have an employee focus and a circular transformation mindset, which enable top performers to kick off a virtuous cycle in the company. The result is a "living enterprise" that is constantly sensing, improving, and attuned to its customers and employees. This living enterprise is suited to serving a larger circle of stakeholders – employees, customers, suppliers, local communities, and larger society – not just shareholders."

For a full copy of the Infosys Digital Radar 2020, please visit: https://www.infosys.com/navigate-your-next/research/digital-radar-report.html

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Notes to Editors

Survey Methodology
From November 12 to 30, 2019, Infosys used a blind format to conduct an online survey that attracted responses from more than 1,000 CXO and other senior-level respondents from companies with revenue greater than US$1 Billion. Respondents represented multiple industries and hailed from Australia, Canada, China, France, Germany, India, New Zealand, U.K. and the U.S. To gain additional qualitative insights, phone interviews were also conducted with a few practitioners and subject matter experts.

About Infosys
Infosys is a global leader in next-generation digital services and consulting. We enable clients in 46 countries to navigate their digital transformation. With over three decades of experience in managing the systems and workings of global enterprises, we expertly steer our clients through their digital journey. We do it by enabling the enterprise with an AI-powered core that helps prioritize the execution of change. We also empower the business with agile digital at scale to deliver unprecedented levels of

performance and customer delight. Our always-on learning agenda drives their continuous improvement through building and transferring digital skills, expertise, and ideas from our innovation ecosystem.

Visit www.infosys.com to see how Infosys (NYSE: INFY) can help your enterprise navigate your next.

Safe Harbor

Certain statements mentioned in this presentation concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2019. These filings are available at www.sec.gov Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

For more information, please contact PR_Global@Infosys.com