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**BSE LIMITED
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NEW YORK STOCK EXCHANGE**

October 28, 2026

Dear Sir/ Madam,

Sub: Transcripts of the press conference and earnings call conducted after the Meeting of Board of directors on October 23, 2026

Please find enclosed the transcripts of the press conference and earnings call conducted after the Board meeting held on October 23, 2026, for your information and records.

This information will also be hosted on the Company's website, at <https://www.infosys.com/investors/reports-filings/quarterly-results/2026-2027/q2.html>

The audio/video recordings of the press conference and earnings call are also made available on the Company's website, at <https://www.infosys.com/investors/reports-filings/quarterly-results/2026-2027/q2.html>

This is for your information and records.

Yours Sincerely,
For Infosys Limited

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Infosys Limited Media Conference Call

October 23, 2026

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ET Now

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Moneycontrol

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The Times of India

Poulomi Chatterjee

Financial Express

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Rishi Basu

A very good evening, everyone, and thank you for joining Infosys' Second Quarter Financial Results. My name is Rishi, and I would like to welcome all of you. One question. Okay.

With that, I am going to hand it over to Salil for his opening remarks. Over to you, Salil.

Salil Parekh

Thanks, Rishi. It is good to see that everyone listens to you so well. So good evening, and welcome, everyone. Thank you for joining us. Our revenue growth for Q2 was 1.5% YoY and 1.2% sequentially in constant currency terms. AI revenue was a standout at 10.5% of our revenue, growing at 29% sequentially. And last quarter, it was at 8.2%.

Large deals were another standout at \$5.2 bn for the quarter. This includes two mega deals. One of these mega deals was for over \$2 bn with a large international company for a period of seven years, and this is net new. This deal is expected to contribute over 1% revenue growth in the coming financial year.

The second mega deal was for \$1 bn for a renewal. Our large deal pipeline is healthy and includes some other mega deals in this pipeline. Operating margin was stable at 21%. Free cash flow was strong at \$928 mn (Editor's comment) for the quarter.

As enterprises adopt AI at scale, another quarter of strong growth in AI revenues is a recognition of our differentiated market positioning and client confidence. As an ecosystem integrator, we continue to work closely with the frontier model companies, both open-weight and closed models. Our deep investments in Topaz Fabric help our clients seamlessly navigate between models to ensure token optimization and value realization.

Infosys continues to gain market share, especially where economics of the program is aligned to the stakeholder interest. We remain the preferred AI strategy and deployment partner for our top clients. As AI remains central to enterprise transformation in the years ahead, Infosys is well positioned to help navigate this shift.

Based on our Q2 performance and revised outlook for rest of the year, our revenue growth guidance is 1% to 2% YoY in constant currency terms. Our operating margin guidance remains at 20% to 22% for the year.

Thank you. And with that, we can open it up for questions.

Rishi Basu

Thank you, Salil. We will now open the floor for questions. Joining Salil is Mr. Jayesh Sanghrajka, Chief Financial Officer, Infosys. The first question is from Meghna Sen from CNBC-TV18.

Meghna Sen

Thank you very much. My first question is on your guidance. So, you have narrowed both the lower and upper end. Could you help us understand why? Explain the margin performance, the benefit of rupee depreciation, any offset and loss due to deflation, etc.? And did your salary hike also impact your margins in the second half?

Third is, your AI revenue is 10.5% of your Q2 revenue. So how many deals won will have AI element? And with AI jitters globally, is there a change in business? And fourth, how are your December quarter furloughs shaping up versus last year and which sectors look the most vulnerable?

Salil Parekh

Okay. Let me start off with some of them, and Jayesh will also jump in with some of the other ones. So first, AI is really an incredible performance for us. It is 10.5% of our revenue, growing sequentially 29%. We had laid out the AI approach in the Hexagon with six different areas of focus.

And in this revenue mix, we see each of those areas growing well, especially things that we do where we are building agents, where we are doing legacy modernization, where we are doing process AI, where we are doing data AI. So those are growing exceptionally well, but all of them are doing well. And then we have the partner ecosystem with that. That is really gaining momentum.

I think in terms of the global AI our attention is really much more on the large enterprises with which we are working. So for them, this is starting to become more-and-more relevant. And with the investments we made and build the Topaz Fabric and the capabilities we have, plus all the training that we have done for all of our people, which many and more are certified now, ready to do work with different partners of the frontier companies, that is where we are getting the good traction with the enterprise clients.

I will spend a couple of minutes on the industries. I think what we see, and Jayesh will add more to that, we see really good strength on the Financial Services. We see good strength on Energy Utilities. We see good strength on the Manufacturing. And we see some weakness on the Retail and we see some weakness on the Hi-Tech. But it is a mix of all of those that we have put together in how we see this.

Jayesh Sanghrajka

So if you look at our guidance, our our last guidance was 1.5% to 3%. We had clearly called out at 1.5%, we expect even more uncertainty. Our Q2 has been softer and our volume continues to remain softer. We have also seen pricing pressure on the back of competitive intensity and higher ask on productivity. So all that is baked in, in our revised guidance as we look forward.

On top of that, as Salil said, some of the sectors, we see softness, Retail, Hi-Tech, where the discretionary is lower than what we are expecting. So all of that is reflected in our guidance on the revenue and which is where it is 1% to 2% now.

Our margin continues to remain at 21%. I think it is a strong performance on the back of all the efforts that we have put in Project Maximus. If you look at last many years, we have been able to maintain margins despite investment in business, whether it is sales and marketing, whether it is AI-led investment, talent investments and all of that.

If you look at put-and-takes of this quarter, the margins have remained flat. We had 70 bps of impact on post-sale customer support, which is a delta between two quarters. Last quarter, we had a reversal. This quarter, it is an impact, so it is a difference in that. We had 20 bps coming from our acquisition, it is a one-month additional impact last quarter to only two months of impact, so one month additional on account of amortization, etc.

That was offset by tailwinds of currency, 40 bps coming from the currency, 20 bps coming from a higher calendar and working days and 20 bps from the Project Maximus. So that kind of sums up the margin walk.

As you look forward, the next half, which is H2, we will have impact coming from compensation, as you rightly said, so that will have a headwind. We will see continued intensity on pricing. So we will see that as a headwind. And we will continue working on Project Maximus to offset as much as possible from there.

Rishi Basu

Thank you. The next question is from Mansee Dave from ET Now.

Mansee Dave

Hi, good afternoon. So, starting with the guidance which is revised downward from 1.5% to 3% to 1% to 2% on a constant currency growth basis, how much is the weak demand and market pressure affecting? And what has changed in the demand environment plans ahead, if I may ask?

AI monetization. Well, the AI as a percentage of revenue for Infosys this time is quite strong and greetings to you all for that. AI is helping clients improve productivity, but it can also reduce traditional

billable work. So is Infosys managing to monetize AI-led opportunities fast enough to offset pricing pressure at its traditional services business?

And lastly, hiring and productivity. So can hiring plans coexist with margin protection because there are plans to hire around 20,000 graduates in FY27, if I am not wrong. How do you balance investments in talent with margin discipline? Thank you.

Salil Parekh

So on the AI first, I think the AI revenues have been outstanding. As you pointed out, we have exceptional growth in that. And that shows really how we have put together the AI approach within Infosys, which is resonating with the clients and the six dimensions of the Hexagon in which each area that we are investing and scaling up in, and then the foundation that we have built on the Topaz Fabric that helps our clients.

So there we see many examples of projects that are going extremely well. These are scale projects. Even in the large deals that we referenced, almost all of them have some component. One or two of them have really full business transformation driven by AI as the fundamental element of the large deals.

And that large deals has been quite exceptional as well, which has helped us in a way to give support even for the next financial year with the expected revenue growth support that the large mega deal will provide.

In terms of guidance, we continue to see what Jayesh was sharing in terms of the competitive intensity. So there is the AI, which is giving us the growth. There is AI, which is also seeing the compression, and we continue to see that.

There is competitive intensity because of that, and we have been extremely clear that we will only take on the contracts where it meets our economic guidelines. And so with that in mind and all of the margin work that is been done in terms of the initiative, we have been able to keep our margin at this level. And that is what is reflected into our guidance where we see that competitive intensity and the changes that are going on.

Now the macro environment is also equally in a place where there is continuing different wars. There were some interest rate increases. There was also the 10-year yield, which is now neighbouring to 5%. And there is continuing element of tariffs, which creates a different type of an environment for the global economy and therefore, for the type of clients that we work with, which is essentially the Global 2000.

So all of those put together, we feel extremely good that the AI is going well, that the large deals are good. And then we also see the competitive intensity in the market.

On the hiring, so first, we had 4,000 net increase in the headcount, which is very strong, which shows that our continued confidence into the future. Second, we have 8,000 college graduates we hired in the quarter.

For the full year, our target remains clear at approximately 20,000, so around 20,000 like last year. And we have already done more than half in the first half of the year. So, we think this dynamic will continue in the way we scale. We are doing work, of course, in AI, the 10%, but we also do work in other areas. And all of those areas are growing. That is why the hiring looks pretty strong there. And then the productivity.

Jayesh Sanghrajka

So just to add to what Salil was also saying on hiring, it is a function of what is the attrition that you have, what is the utilization that you have and what is the demand in terms of volume that you see and the productivity benefit. We have, give or take, 13% attrition. That means roughly 45,000 people in a year, they leave us, and that needs to be backfilled either laterally or fresher. So, the fresher kind of makes up a little bit of that. We are working at 85% utilization, which is, in our mind, very optimum utilization. So, there is not much headroom left there from the optimization perspective.

And then there is a net new demand that you are seeing. And a fresher typically takes six to eight months by the time we train them and deploy them to the project. So, we do have to plan ahead of the time to make them, and that is the reflection that you are seeing today in the net headcount increases. One more point on the overall guidance perspective. I think our guidance for the year should be continued to be seen on the back of the fact that we did at the beginning of the year said we will have offshoring impact of 1%.

We are looking at higher offshoring through the year. We did call out an impact of large deals with a European manufacturing client, where we did not pursue the deal because it did not meet our return expectations. So, both of that put together impacted our overall growth guidance by 2% or continues to impact roughly that. And it should be always seen in that context.

Rishi Basu

Thank you. The next question is from Chandra Srikanth, Moneycontrol.

Chandra Srikanth

Hi, Salil. Just wanted to get a sense on the guidance, but I do not know if it has been asked. Despite a healthy TCV, why did you sort of narrow the guidance band? And secondly, this week, there have been a lot of talk about cyber-attacks because of AI. And half of these cyber vulnerabilities are being uncovered by employees or by agents. I just want to know what opportunity does Infosys see there in terms of securing systems for enterprises, and what are the challenges going forward? Thank you.

Salil Parekh

I will start on the guidance. Jayesh will have something more to add on it. So what we are seeing in the business today is very strong growth on AI, which was at 10.5%, growing at 29% quarter-on-quarter and very strong large deals with one mega deal at over \$2 bn, which is contributing to our growth also into the next financial year.

That is then combined with what we see in terms of the AI productivity and competitive intensity in the market, plus, as Jayesh shared, what we are seeing in terms of the offshore ratios, which are changing with the changes in the US, India dynamic, plus what we see in terms of the choices we are making where in the case of particular contracts, we are extremely careful to take the ones that meet our economic thresholds and guidelines.

So, putting all of that together is where we put the margin guidance. Our attention really is to build out at a faster and faster pace the AI activity, which is going very well with regard to the Hexagon strategy that we have developed in each of the six areas and making sure that we are participating in the large and mega deals, which are business transformation deals underpinned with AI.

That is the sort of deal that we won where it was something that our teams proactively identified and pursued and then the client selected us. So that is the sort of work that we want to focus on. We know there will continue to be the productivity challenges that will go on, but those will go through in some time period. The AI is here for a very long time where we want to build a very strong foundation in that.

On the cyber part, the first thing, we have a strong cyber business where we are already working with several of our clients in working to use some of the frontier model capabilities to ensure that we are helping them to protect against or helping build agents which will protect against. Some of the ones that have come out this week, we have some defences for which we are sharing with our clients. If you recall, two or three months ago, there was another week or so where there was a lot of this coming up with the new frontier model that had come out. And the same thing we had been working very closely with that lab.

The one model before that, it was already with us, and we had built out the cyber defence with that. So, it is a strong part of our business. It is something that we are looking to scale up even more. We did a small acquisition, you may know, in the cyber in Australia a few quarters ago, which is also building out very strongly because that is helping us to do things in an ethical way to make sure that we can unearth the vulnerability that the clients are seeing with the agents with this approach that we are taking. So, we see some good growth in both of those areas.

Chandra Srikanth

A follow-up, Salil. Would you draw parallels with what is happening with cyber with what happened during Y2K in terms of the opportunity this opens up for Indian IT service providers? Will they take up the work of finding vulnerabilities in existing systems? And can it potentially become a very big business model?

Salil Parekh

So, I think the cyber one is a huge opportunity for Infosys. But the capabilities have to be very strong. So we need to make sure we have built our own capabilities, which are both agent-based and human-based combined and working with different frontier models, because each frontier model is unearthing different things on the application layer, which needs to be addressed in a different way. You may have seen in the recent ones where some of the government sites had to be redone and so on. So those are things that we are working on, which our teams have an understanding of, and it is a large opportunity. So, we think this will continue to be a growth area for Infosys.

Rishi Basu

Thank you. The next question is from Haripriya Suresh from Reuters.

Haripriya Suresh

Hi. Good evening, gentlemen. One on AI revenues, I wanted to understand, I mean, obviously, it is on a low base, but it is growing fast, and you have said that it will be half in the next two to three years. How realistic do you see it because of how much deflation is in your traditional services business? How do you see that play out?

And also after the PERM suspension and the changes that have happened with H-1B, do you see an increase in talent retention and hiring costs in the US generally? I mean, over the next couple of years, it might not be immediate, but as it goes forward. And on Hi-Tech and Retail, what exactly happened? Because Hi-Tech this quarter, I mean YoY has seen quite a fall as well. What happened in those particular verticals? Thank you.

Salil Parekh

So on the AI, my sense is the growth, I think, is quite exceptional in the way the AI is building out. And we see that being sustained. Now, you are absolutely right, it is on a low base. And it is a small amount, and so there will be some volatility, but still growing very nicely over the coming quarters. But it is not like every quarter will be exactly like the previous. There will be some volatility in that, on a small base.

I think what we are seeing and what our attention is on is making sure that we fully deploy and leverage that opportunity for our clients. And so, building out, for example, if you look at the partnership network that we have, every frontier lab we are working closely with and they are working closely with us. We are also working with open-weight model companies.

In Topaz fabric, there are 15 different models a client can take advantage of. We can do token cost optimization and, of course, capability. Meaning, even the way we are doing, let us say, legacy modernization, is changing quite quickly from what it was even 12, 18 months ago to what it is today. So, all of that is moving at a rapid pace and that is our attention.

The second piece of the attention is really on these large transformation mega deals, which we feel we are quite well-positioned on, where clients are coming to us, it is more something that our teams are working with them jointly and uncovering. It is not like an RFP that someone is responding to, and making sure that is an AI transformation mega deal.

Then the continuing of the AI productivity that is impacting the revenue also goes on, and that will carry on through the different parts of our portfolio. But at the end, that is for a finite time. Once it is done, the productivity through the portfolio will be done.

So that's something that we have looked at internally, but we are making sure that our focus on AI growth is where our attention remains. All of that being said, that gives us more and more confidence that the way we are looking at it for AI is where the clients are going for. And that AI transformation is where we will work more and more.

A majority of the employees that we have in the US are local hires. So, we had already taken some steps several years ago, which had brought us to this position. So, we feel we have a good like a ratio in terms of bringing people on and in terms of cost efficiency. So, we do not see a change in that. We will continue to grow that as that evolves. Having said that, in the recent quarters, we have also seen our ratios changed between onsite and offshore.

Rishi Basu

Hi-Tech and...

Salil Parekh

I will start on that, so we have seen different client situations both on the Retail and both on the Hi-Tech. Hi-Tech, specifically in one. We do not see this across all of our industries. So, for example, in Financial Services or Energy Utilities, or Manufacturing, we see really strong growth and discretionary growth. However, in these two industries, we have seen some impact.

Haripriya Suresh

Across markets?

Jayesh Sanghrajka

So, I mean, I think both Hi-Tech and Retail, like Salil said, we had some discretionary-related ramp downs and some client-specific slowdowns in a way. Retail also was impacted because of the third party, we had a larger third-party component in the previous quarters, which on a Q-on-Q, therefore, shows up as a negative. So those were the impacts on both of that. I think from a geography perspective, it has been broadly similar across the geography, at least Retail, Hi-Tech has been more specific to the US.

Salil Parekh

US.

Rishi Basu

Thank you. The next question is from Beena Parmar from The Economic Times.

Beena Parmar

Hi, Salil. Just a follow-up on the cyber incidents. You know, you have large set of clients which are Fortune 500 companies and also in the public sector space. What is the level of preparedness that Infosys or companies like yours have? And do you also see IT budgets increasing given that you said that you will plan to scale it up further?

Secondly, on the deal wins, the two mega deals were in which sectors? And since you, despite the healthy wins, you still lowered the guidance, does it mean that the AI deflation is still continuing to impact and, you know, when do you see that really going away?

In terms of the hiring, besides the wage hikes, I think, you are still seeing some impact on the margins. Are you seeing any increase in employee costs, given that the hiring is changing, and also looking at more specialized hiring and, you know, does that really lead to employee cost going up in the next, say, few quarters?

Salil Parekh

So, on the cyber, I think there it is more a question of building out the capabilities that we are driving to and scaling that up and so that demand will continue. We, like all organizations, are well prepared sort of both internally and in terms of supporting our clients. But what we sort of share with our clients is these are things that are happening new every day. So, it is not something you can predict of what is the likely outcome, but it is better to be more prepared or also build out in these specific vulnerabilities, agents and agent plus human which can address them, which is being done for many clients. It is more a question of building out that capability.

Beena Parmar

IT budgets, will you have...

Salil Parekh

So, the budgets of our clients will go up, but at the end, it is not like it will go up in one place. It is not that overall will go up disproportionate, overall, will go up as a normal sort of a rate, but not disproportionately because also they need to manage their own budgets in a careful way.

On the large deals and the guidance, I think the question on productivity and AI deflation impact. I think we continue to see that, as Jayesh and I mentioned earlier, which is really multiple effects. One is the effect of the AI productivity which our clients are seeing. One is the effect that Jayesh also mentioned about how the on-site mix is changing. Another is the effect of the competitive intensity and how we have been, I would say, disciplined in taking on contracts which meet our economic guidelines and profiles. So, all of that comes together in this environment that creates what you call the AI constraints or the AI productivity.

But the more critical element really is the growth of the AI, because that is a secular trend which is here and the way we are now seeing it, this is a very fast pace of growth. And even with some volatility, you are going to continue to see a very good pace of growth over the next several quarters.

Beena Parmar

Compensating for the revenue growth, right? So, the traditional services growth. So, I mean, how long do you see this really lasting?

Salil Parekh

So, we have some internal views on what the mix of these two will be. But it is not something where we are more focused on what the reduction is. We are really much more focused on where the growth is, because that is going to stay for a very long time. Whether this stays for a short time or a long time, we know that with that growth, over time, we will see the overall business in a much better shape.

Jayesh Sanghrajka

And if I can just add to what Salil was saying, while our large deals have been very strong, historically, we have been on an average signing \$3 bn of large deals. So that was always there in the guidance that we baked in even earlier. The two mega deals that we signed, one of that was renewal, the other one is a net new. And the net new is only going to ramp up from later part of Q4. So, in this year, there is going to be a very minuscule amount of benefit that you will get from that deal. But the next year, as Salil said earlier, it will, you know, contribute over 1% in our revenue.

Rishi Basu

Thank you. Hiring and employee cost, yes.

Jayesh Sanghrajka

So, look, we hire across the pyramid. As we have said earlier, even we are hiring at the bottom of the pyramid, which is the freshers, and we are going to hire 20,000-plus employees over the year. So, we are very conscious about what we are hiring and hiring the right talent to meet the right requirement. And if you are hiring at a higher cost, automatically -- generally, it reflects in the pricing. So, from that perspective, we do not really see a margin impact.

If you see last many years -- last couple of years, we have been able to maintain our margin at 21% despite all the headwinds while investing in the business, whether it is sales and marketing, whether it is talent building, AI talent or technology investment that we have done. So, we have been able to offset all of that through very meticulous operational rigor.

Rishi Basu

Thank you, Beena. The next question is from Shilpa Phadnis from The Times of India.

Shilpa Phadnis

As much as Indian IT companies are denying any impact on PERM residency, if you can help us understand, will it trigger a fresh wave of attrition for you in your primary market, client market?

Secondly, will your subcon expenses go up substantially on this? And my second question is around as much as AI is driving productivity, do you think this will also lead to margins being squeezed in your existing contracts?

Salil Parekh

So, on the first one, I think overall attrition number that Jayesh shared is lower this quarter than the previous quarter in the range of 12% to 13%. We do not see any real impact on the attrition from any of those activities. Neither do we see like a cost impact because we already have within the US, a mix where the majority of the people are local hires. And that is something that has been in motion for several years. So that is something that we feel good about how we can bring in more people and how we can maintain delivery excellence with our clients with that sort of a team. The second one?

Shilpa Phadnis

On margins?

Salil Parekh

Yes. On the margin, I think what we see is there is a tremendous sort of desire from clients to have the AI create a benefit in terms of productivity for their activities, for their work that we do with them. And we know that many of those things, based on the investments we made, we can make it real for our clients. So given the investments we made in things like Topaz Fabric, we can make those benefits real for the clients while maintaining, as we have done over the last several quarters, the margin profile without doing any other activity below the line and so on.

We are very much focused on making sure that the productivity benefit we derive from AI and that it matches to what the clients are asking. Now there are sometimes asks that are much higher than what we can derive from the AI productivity, which is where we say that it doesn't fit our economic profile. So we are much more disciplined about that.

Shilpa Phadnis

Last question. As much as you are doubling down on GCCs, how far are you from \$1 bn milestones? And second, it involves a lot of upfront investments from your side; people, software, takeovers. So, if you can help us understand where you are on that journey?

Salil Parekh

GCCs is an incredible growth area. I think this current phase, we announced, I think, just last week, a very large financial services client publicly discussing our work we have done with them on the AI GCC. So there, what is happening is many GCCs have been being built for many years by different companies. And in the last two, three years, there has been an increased push of the AI infusion into the GCC itself.

And that is where we have built an even stronger specialization where we can help if you have built the GCC five, seven years ago to help you to transform it and if you are building it now to help you to create it with that AI inside it, because the recruitment is different, the training is different. The type of people are different, the pyramids are different. So, we have an ability to build and scale that up and which is why clients are working with us more and more where the GCC business is growing quite nicely for us.

Rishi Basu

Thank you, Shilpa. The next question is from Poulomi Chatterjee from the Financial Express.

Poulomi Chatterjee

Good evening. I am just curious, I mean, you have underlined the high competitive pressure when it comes to large deals. Do you have any intention of entering the mid-market? There is some of your peers who are already turning their focus to the segment. And also with regards to your FDE team, you had shared a target of 6,000. Like I am curious what is the progress on this? And what proportion of your hiring do these roles comprise of currently?

Salil Parekh

On the first one, we typically work with companies, enterprises, organizations, which have a huge need for some level of technology transformation. It so happens that many of them are large organizations because they have complex needs. But even today and even in the past, we have always worked with organizations which are not only large, which can also benefit from these activities, and that will continue. So there are several examples of that, which are long-standing clients of Infosys.

The predominant focus is large companies because they have that large need for the tech transformation. On the FDEs, the progress is strong. We are also building the internal with the training, and we are also going with the external with the recruitment and it is progressing along. What I think we had shared was the 6,000 was over the multiple years, and that is exactly how the planning is going right now.

Rishi Basu

Thank you. The next question is from Uma Kannan from the Deccan Herald.

Uma Kannan

Hi good evening. Salil, you did speak about cyber security, but mine is very specific. This is regarding eMudhra breach. You are using eMudhra solutions, if I am not wrong. I think so. Though eMudhra said the incident has no connection with its e-sign services, what kind of measures are you taking? Can you explain a bit more about it? And will you be migrating to other certified providers in the wake of this incident?

Salil Parekh

So there, I do not have any specific comments on it right now. I have to look into it a little bit more depth and come back to you.

Uma Kannan

Okay. So, this is with regards to North America and India market. It is kind of your revenue, if I look at in Q2, it has come down. Any specific reasons? And how H2 will be for you in FY27?

Jayesh Sanghrajka

So, if you look at India, this quarter, the revenue has actually gone up. And typically, there is a little bit of a seasonality because one of our contracts, you do get revenue. It is related to the returns, etc., that is being filed in the quarter. The US has been softer over the last few quarters, and that is pretty much of the industry phenomena. The Europe and the rest of the market has been stronger.

And when you look at the growth from that perspective, US generally has that. And then there are nuances, like we said earlier, one of the sectors, which is Hi-Tech slowdown was from a specific client in the US because the client was looking at ramping down, etc. So, all of that does impact geographies.

Uma Kannan

One more question. Last time, you said 80,000 employees are working on coding tools. I mean, what is it happening now? Like are there any increase in numbers?

Salil Parekh

Yes. So that number is increasing. Also, what we are doing is the certification numbers are going up, the people who are getting trained are going up. Our partnerships with the frontier model companies are going up. So, the large two frontier models plus new ones, which are both cloud and frontier models plus the open-weight model companies, all of that is expanding. We had given that as like one example, but those numbers are all growing in the terms of the work we are doing.

Rishi Basu

Thank you, Uma. The next question is from Jas Bardia from Mint.

Jas Bardia

Hi. Good evening. Just a couple of questions. So, if I look at the Q2 guidance that the company has issued this quarter, if we look at the guidance issued during the second quarter, it is, I think, the weakest in seven years for the full year, that is. If I do the math, it points towards the fact that the company might grow at its lowest pace in at least three years in FY27. So, in the short term, considering there are furloughs in the second half, the mega deal ramps up next year and also that there is pricing competition for large deals.

So, what is the company doing to sort of arrest this slowing growth? Second, with reference to your ambitions on the AI work in the next three years that Infosys expects to get, do you expect a lot of this AI spending to come from -- to be net new? Or do you expect it to come from existing IT budgets? If you can just throw a little more light on that? And second, in continuation to this question, what will the impact be on the company's margins?

Salil Parekh

So, on the first, I think what we are doing in terms of where the attention is in revenue and growth is focused essentially on what we are seeing as the large opportunity for AI services. We shared a few months ago that this opportunity is approximately \$300 bn addressable market. We identified six broad areas. And then we started to make sure that we invest in building the capability, training our people and building the partnerships to make that whole ecosystem work, the foundation of which is Fabric.

Then that growth is now looking very good. So that part is moving quite well. What we are also seeing, as you pointed out, is that there is the AI productivity benefits that clients are looking at, and that is also impacting other parts of our business. So, we want to make sure that the first continues to grow well, and we continue to be the leaders with investment.

And the second, we want to make sure that we have the tools to support it because at the end, it is a finite process because once you finish with all the work that you are doing through productivity, it is done. And so that is important. But the real critical thing is where does the AI growth go, because that is where the leadership comes in terms of what the market and what the clients are looking for.

And so that is the way we are looking at it. We will see over time how this develops. The other point that we are focusing on is what you described the mega deals, the large deals because there, where we are doing business transformation, AI-led work, other consolidation, other cost work, that is work that gives us more support for the future in terms of the growth, which is what we shared that this mega deal will give us -- it is estimated to give us about 1% of growth next year.

So, there are two big dimensions, AI, which is a very long-term secular trend. The mega deals, which we have a unique positioning on because we believe with the business transformation and something which we can help craft that we are well positioned. And then, of course, there is the finite amount, which will go through in the productivity.

Jas Bardia

So the impact on margins?

Salil Parekh

On the margins, what I think we have done is the program that we started some years ago that Jayesh has led, which is working very well. That is part of the reason that we have maintained our margin. In fact, last year, I think we increased our margins from that. And there is a continuous attention upon making sure that we are taking contracts from clients which meet our economic guidelines.

So that has obviously an impact that we do not take every contract, but it also has the impact that our margins are better protected. And therefore, you see, I would say, fairly consistent margin over the last several quarters even as the industry has seen some wobbles. And we have a very strong cash flow generation machine, which has produced this quarter over \$900 mn. So that is like more supporting of the fact that our margin is a real margin.

Rishi Basu

Thank you, Jas. The next question is from Sanjana from The Hindu Businessline.

Sanjana B

Good evening, gentlemen. Can you give us an update on the North America market? I think it has seen some softness during the quarter. Any factors to sort of explain this? And also, Jayesh, you mentioned that you are ramping up your offshore presence. Can you talk a little bit about that? Which countries are you exploring?

And recently, many smaller GCCs in India have shut shop because of issues related to scaling. Have you seen instances where a lot of these companies have come back to outsource their work to IT services companies like yourself? Thanks.

Salil Parekh

So, let me start with the second one and then the geography and margin, Jayesh will answer. On the GCCs, I think our approach has been to work with the GCCs to help them scale up, do a big AI transformation or build the new AI ones as they are coming online. There have been companies that, as you mentioned, are looking to do something different with their GCCs, and we are also in discussions with some of those where we can either help them or either we can take them and transform them. And those are ongoing discussions that are there.

Jayesh Sanghrajka

On the segments, if you look at North America, as I said earlier, there have been certain segments which were impacted because of the lower discretionary spend and the client-specific ramp downs that were mainly from North America, and therefore, you see a softness in North America. At the same time, other segments like Europe and rest of the world has done really well for us. So that is a balance there. In terms of offshoring, most of our offshoring is to India. We do use some of the nearshore locations at times Mexico, Canada, etc. But when we talk about offshoring, it is always towards India.

Rishi Basu

Thank you. The next question is from Rukmini Rao from Fortune India.

Rukmini Rao

Sure, thank you. Jayesh, one, if you are looking at the cost of technical subcontracting probably from H1 of last year to H1 of this year, it is about 15%, 16% or so increase. So, would it be fair if we are to look at the AI growth story at Infosys, would a lot of this be fair enough to sort of infer that it is from AI-related technical sub costs that are coming up?

Jayesh Sanghrajka

No. On the contrary, technical subcontractor as a percentage of revenue has remained in the range of 8.9% of the revenue for most of the year, last year as well as this year. So, it has been between 8% to 9% of the revenue, and we expect it to remain in the same range.

Rukmini Rao

But Jayesh, just to understand, if the subcontracting costs are going up and if this is related to AI kind of deals that you may require, what I wanted to understand is if you are actually training a lot of people on the AI side, where is this, you know, the need of expertise coming in from? And if Infosys has to fill this gap, would you be -- looking at probably an acquisition, which might be a lot more sensible if there is a long-term kind of engagement that you would be looking at?

Jayesh Sanghrajka

No. So look, subcontractors for us has been in this range for a long period of time. There are multiple reasons why it is because at times, you need certain skills in certain geography for a short period of time, right? At times, you need certain skills immediately by the time you ramp up the projects and - or you hire the people, there is a lead time to hire people, but the client expects somebody to be on the project immediately. And then you get subcontractors, deploy them on the project.

And then over a period of time, once you hire somebody, you replace that. So that is a process that goes and it is a whole planning cycle that goes behind how and what kind of subcontractors need and where are they needed. And that is it. I do not think it is so much about only AI, which has led to the subcontractor. It has been there even a pre-AI days, our subcontractor has been between around 8% for a long period of time.

Rukmini Rao

Salil, also in terms of the whole AI story that we are looking at, for you, when it comes to margins from this incremental AI plug-ins probably in existing contracts that are coming up or even new AI contracts, some sense of how do you see these margins from especially AI-led deals sort of heading towards? And is this what you are probably banking on to sort of defend your margins if, let us say, pricing pressure or external uncertainties sort of continue for the next 12 or 18 months or we do not know how. So, is that something that you are banking on to protect your margins?

Salil Parekh

So, on the AI, we first do not disclose the margin externally separately on the AI versus the other type of projects. Having said that, we are very comfortable with how the clients are seeing the value that we are providing on the AI. And so we are good with where that is going. The margin of the

company overall, not just the AI, we are very comfortable with the guidance of 20% to 22%, which has been consistent for a number of years now. And we see that as critical and important.

And in fact, our whole attention of the margin program is, as we see the macro changing and other factors stabilizing, this becomes supporting our ambition that margin should be premier in this approach. So, we feel good about the margin guidance.

Rukmini Rao

Overall, Salil, if you have to look at future, do you see AI projects coming up in better margins for you given that one of your peers already said that AI projects are coming at a better margin for them. So just to understand how you stand.

Salil Parekh

So, I do not know about the other comment. But for us, the margin of the AI versus the non-AI, we are not externally sharing. However, the overall margin of the company is very high. And so you could see some people whose margins are low overall might have a different view.

Rishi Basu

Thank you, Rukmini. The next question is from Pooja Patil from Businessworld.

Pooja Patil

Good evening. There is definitely an AI-related revenue growth that we are seeing. But I wanted to understand that how much of this represents genuinely incremental business rather than existing services being reclassified or replaced by AI-led delivery. Also, is AI beginning to put pressure on the traditional billing and pricing models? And one more question with regard to dividend is that what factors determine this INR26 interim dividend, particularly with the company lowering its revenue growth? And how is Infosys balancing shareholder returns with investments in AI capabilities, acquisitions and talent?

Salil Parekh

I think what we see on that is that the AI revenue growth continues with a lot of strength. It is not something which is replacing what we have. There is a lot of new work that we are doing. For example, one of the areas among those six which are growing well is where we do work on modernizing a client's environment using AI capability. That is new work. It is not that that was something that we were doing in the past. And so the approach we have taken is the work has to fit

into one of those six areas, and that is the work then that we share outside at this 10.5%, which is growing quite well.

Pooja Patil

The dividend one. What factors led to this much? And how is the company planning, especially with the lowering revenue growth?

Jayesh Sanghrajka

So, I think if you look at our capital allocation policy that we rolled out almost two years back, we had very clearly said that 85% of the free cash flow that we generate, we will return back to shareholders over a five-year period. It will be a combination of dividend and buyback. And within that, it will be a progressively increasing dividend. So, we have already committed what is the money that we will pay back to shareholders over a five-year period, right? And we are executing on that.

Last year's final dividend (Editor's comment) was INR25, and therefore, we have increased that from that to INR26 now. And we are just executing on that at this point in time. We have had a robust cash flow generation, as Salil said. So, all of that is reflecting in the increasing dividend that the Board has recommended.

Rishi Basu

Thank you. With that, we come to the end of this press conference. Thank you, our friends from media. Thank you, Salil. Thank you, Jayesh.

Before we conclude, please note that the archived webcast of this press conference will be available on the Infosys website and on our YouTube channel later today. Please join us for some high tea outside. Thank you and have a very good evening.

Infosys Limited

Q2 FY27 Earnings Conference Call

October 23, 2026

CORPORATE PARTICIPANTS:

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Jayesh Sanghrajka

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Nuvama Institutional Equities

Gaurav Rateria

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Moderator

Ladies and gentlemen, greetings, and welcome to Infosys Limited Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sandeep Mahindroo. Thank you, and over to Mr. Mahindroo.

Sandeep Mahindroo

Hello, everyone, and welcome to this earnings call to discuss Infosys Q2 FY27 results. Joining us on this call is CEO and MD, Mr. Salil Parekh; CFO Mr. Jayesh Sanghrajka, along with other members of the leadership team. We will start the call with some remarks by Salil and Jayesh on the performance of the company, subsequent to which we will open up the call for questions.

Please note that anything we say that refers to our future outlook is a forward-looking statement that must be read in conjunction with the risk that the company faces. A complete statement and explanation of these risks is available in our filings with the SEC, which can be found on www.sec.gov.

I would now like to pass on the call to Salil.

Salil Parekh

Thanks, Sandeep. Good evening and good morning to everyone on the call. Thank you for joining us.

Our revenue growth for Q2 was at 1.5% YoY and 1.2% sequentially in constant currency terms. Our AI revenue was standout at 10.5% of our total revenue, growing 29% sequentially. Last quarter, it was at 8.2%.

Our large deals were another standout at \$5.2 bn for the quarter. This includes two mega deals. One of these mega deals was for over \$2 bn with a large international company for a period of seven years and it is net new. This deal is expected to contribute over 1% of revenue growth in the coming financial year. The second mega deal was for \$1 bn for a renewal. The large deal pipeline is healthy and includes some other mega deals.

Operating margin was stable at 21%. Free cash flow was strong at \$928 mn for the quarter.

As enterprises adopt AI at scale, another quarter of strong growth in AI revenues is a recognition of our differentiated market positioning and client confidence. We are advising large global enterprises on their AI strategy and continue to invest in deep domain and technology capabilities to bring new ideas and an integrated ecosystem to help businesses unlock AI value at scale.

A premier food services company was processing over 10,000 invoices a day across siloed systems, which made approval, disputes and payment tracking difficult. The new solution had to leave existing legacy systems running undisturbed. We used AI to turn business requirements directly into working software and built a single invoicing platform alongside the old systems. The result was 40% faster time to market, 80% less rework and 30% more defects caught before go-live.

In another example, by embedding AI agents into the software modernization lifecycle, we helped an education technology company modernize its aging platform with significantly lower risk and effort, achieving 40% effort reduction and a production ready solution.

As an ecosystem integrator, we continue to work closely with frontier model companies, including both open weight and closed models. Our deep investments in Topaz Fabric help our clients seamlessly navigate between models to ensure token optimization and value realization.

Infosys continues to gain market share, especially where economics of the program is aligned to the stakeholder interest. We remain the preferred AI strategy and deployment partner for our top clients. As AI remains central to enterprise transformation in the years ahead, Infosys is well positioned to help navigate this shift.

Based on our Q2 performance and revised outlook for the rest of the year, our revenue growth guidance is 1% to 2% YoY in constant currency terms. Our operating margin guidance remains the same at 20% to 22%.

Thank you. And with that, let me hand it over to Jayesh for his comments.

Jayesh Sanghrajka

Thank you, Salil. Good morning, good evening, everyone and thank you for joining the call today. Let me begin with some comments about the broader environment. Client spending remains cautious, reflecting geopolitical tensions, inflationary pressures and shifting technology priorities. Selective discretionary spend also tempered the usual Q2 seasonal growth.

Against this backdrop, the key outcomes for the quarter were -

Revenue growth was below our expectations, while AI first revenue now accounts for 10.5% of our revenues. Operating margin was at 21%. Free cash flow was at \$928 mn, representing 113% of net profit, large deal wins were at \$5.2 bn with 62% net new.

Let me now turn to performance drivers and what it means for our outlook.

Q2 revenues were \$5,145 mn, an increase of 1.2% sequentially and 1.5% on YoY in constant currency terms. Acquisition contributed approximately 0.4% to sequential growth. Growth was below our expectations, volumes were softer and price increases were lower than anticipated amidst high competitive intensity.

Q2 AI revenue is now 10.5% of total revenue with strong sequential growth of over 29%. Clients are expanding enterprise wide AI adoption and we are investing in Topaz capabilities and partnerships to support this opportunity.

H1 revenue growth was at 1.9% in constant currency terms and 2.1% in reported terms.

We won 19 large deals in Q2 with a TCV of \$5.2 bn, which is second highest quarterly TCV in the last five years. Of this, 62% was net new. This includes an entirely net new \$2 bn plus seven year mega deal with a financial services client. Transition is expected to begin in the second half of Q4. This deal is expected to contribute over 1% growth for the company in FY28. We also renewed a \$1 bn mega deal with an existing financial services client.

Vertical wise, we won seven deals in Financial Services, five in Manufacturing, two each in Communications, EURS, Life Sciences and one in Hi-Tech. Region-wise, we signed nine deals each in North America and Europe and one in Rest of the World. This takes H1's total large deal wins to \$8.8 bn, which is a YoY growth of 28% with 62% net new. This will lay a solid foundation for future growth.

Q2 operating margins were at 21%, decline of 0.1% sequentially.

Major components of the changes are as below:

Headwinds of

- 70 bps from sequential change in post-sales customer support,
- 20 bps additional impact from acquisitions due to one month of additional consolidation,

offset by tailwinds of

- 40 bps of rupee depreciation,

- 20 from Project Maximus and
- 20 bps from higher calendar and working days

Additionally, normalization of 40 bps impact from EURS program terminated in Q1 was offset by lower realization due to high competitive intensity.

For H1, operating margin stood at 21% at the midpoint of our guided range.

Onsite mix reduced further to 22.6%, reflecting our sustained efforts to help clients achieve cost reductions. For H1, onsite mix was down by 0.7%. Utilization, including trainees improved by 0.5%, sequentially to 85.4%, demonstrating continued operational focus. Utilization, excluding trainees decreased to 81.9% due to fresher intake.

Net headcount increased by about 4,400 employees. We hired about 13,000 freshers in H1 in line with our target of approximately 20,000 for FY27.

As mentioned last quarter, we are rolling out compensation hikes to most of our employees effective October '26, with the next phase effective January '27. Attrition reduced to 12.7% versus 13% sequentially.

We expect effective tax rate for the year to be in the range of 29% to 30%.

Q2 yield on cash investment balance was at approximately 6.9%.

DSO for the quarter was 64, down by seven days compared to DSO last year. DSO, including unbilled net of unearned was 77 days, down by 10 days as compared to last year.

Free cash flow generation was strong at \$928 mn at 113% of net profit. We ended the quarter with cash and cash equivalents at \$4.7 bn and a debt-free balance sheet.

EPS for the quarter stood at `19.32, up 8.7% on a Y-on-Y basis. H1 EPS stood at `38.51, a double-digit growth of 11.7%.

The Board has announced an interim dividend of `26, an increase of 13% compared to last year.

Coming to verticals,

We had robust large deal signings in Financial Services of more than \$3.5 bn in Q2 and saw growth momentum across global and regional banks, cards and payments, capital markets and Europe. Mortgage sector is expected to see a slowdown due to increased rate hike expectation. Clients are prioritizing modernization and AI initiatives focused on cost efficiency and enhanced customer

experience. They are also increasingly moving from AI experimentation to enterprise wide adoption with Infosys being the preferred AI partner across vast majority of our top clients. While geopolitical and interest rate uncertainty continues to drive cautious spending, strong deal wins and a healthy pipeline positions us well for sustained growth.

Manufacturing continues to face near-term pressures, including lower revenue from a large client. Middle East conflict, inflation and tariffs are constraining discretionary spend and extending decision cycles. Competitive intensity remains high, particularly around AI led productivity commitments. We are helping clients navigate uncertainty by driving initiatives across supply chain visibility, more efficient factories and better process. Clients are relooking at the partners across the value chain, leading to vendor consolidation opportunities.

EURS segment continues to see stable demand with client spending concentrated on targeted, high impact programs rather than broad based discretionary initiatives. Cost optimization, vendor consolidation, core modernization and AI led transformation remains key priorities. While competitive intensity remains high, we are investing in sales and domain capabilities and leveraging differentiated AI led solutions to improve conversions. Large deal pipeline has grown significantly in last one year, which provides future growth visibility.

Sequential growth in Retail segment was primarily impacted by lower third-party revenues. Additionally, subdued environment and macro uncertainty resulted in soft consumer demand, which has led to ramp-downs in some clients. Consumer tech and Logistics are most impacted on account of supply chain disruptions. However, there are opportunities around large cost take-outs as well as transformation programs towards AI. Expectations for AI-led productivity commitments are increasing competitive intensity and reshaping commercial model.

Communications segment is witnessing a challenging demand environment with clients maintaining tight control over discretionary spend and prioritizing cost efficiency. AI led driven productivity expectations are putting pressures on pricing and delivery model. While cost take-outs and vendor consolidations remain the primary drivers, some opportunities are emerging in transformation, legacy modernization and AI-led program. We are strengthening domain capabilities and execution speeds to help clients scale AI and capture these opportunities.

Hi-Tech segment was impacted by lower third-party revenues as well as reduced spend in a few large clients due to cost pressures emanating from budget cuts. Clients remain focused on cost control with hardware spending constrained by macro uncertainties.

We are revising our full year revenue growth guidance to 1% to 2%, reflecting softer-than-expected H1 performance and our updated assessment for the rest of the year. The lower end assumes further

deterioration in macro while the upper end assumes improvement. FS and EURS are expected to grow higher than the company average. Our assumptions regarding acquisitions, the large deal European manufacturing client and the shift towards offshore delivery remains broadly unchanged.

Our operating margin guidance is 20% to 22%. H2 margins will be impacted by compensation hikes, softer revenue seasonality, continued sharing of AI driven productivity benefits and ramp-up of large deals. These headwinds will be partly offset by initiatives under Project Maximus.

In summary, while growth in the first half was lower than expectations, deal signing during the period and a strong large deal pipeline with few mega deals provide a solid foundation for future growth.

With that, we can open up for the questions.

Moderator

Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one or the touch-screen telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Kumar Rakesh from BNP Paribas. Please go ahead.

Kumar Rakesh

Hi. Good evening. Thank you for taking my question. My first question was, this year, understandably, you had multiple impacts from macro economy, offshoring and client-specific issues as well. As we go into the next year now, especially with the large deal also which you announced, there hopefully will be no large offshoring impact the way it is having this year. We will have additional contribution from the mega deal as well.

Now assuming ceteris paribus, I am assuming everything else being equal is a great way of building model, but a terrible way of planning our business. But just humor me for a minute. Based on the deals that you have locked in so far and the visibility that you have on the flux of your existing deals, do you think you can see next year organic growth, which is flat this year? Do you see some recovery? The purpose of this question is not for you to give a guidance or anything next stage. Just to understand if the headwinds are still emerging or you think that we are largely past them?

Salil Parekh

Hi, Rakesh, this is Salil. I think we feel with the two big movements of this quarter, first on the AI, which is looking very strong at 29% growth quarter on quarter. And that builds on something that has been going on, strong growth over the last few quarters. And the mega deal win that we shared, which gives us support for next year, plus the pipeline that we see on the mega deals and large deals overall, we feel good that the organic business (Editor's comment) will be in a good shape in next year.

Kumar Rakesh

Thanks, Salil, for that. Next question, second question was around margin. So we are consistently running a high level of subcontractors. So what is the business need to run this at a higher level? And what is stopping us to bring it down to the pre-COVID levels, which used to be about 6 percent?

Jayesh Sanghrajka

If you look at what we have been directing is - there is an endeavor to bring our subcontractor cost down over a period of time. It has come down and then slightly it has inched up again on , it is a factor of at what utilization you are at, what the volume growth comes in, what kind of skills that you need and what geography that you need, right? And sometimes, some of these programs where you need them, maybe short term, immediate kind of a demand, and that is why the subcontractor comes in. But our endeavor is to keep it in a tap, keep it within a broad band, and that is where we are right now.

Kumar Rakesh

Thanks, Jayesh. So my understanding is right, if I see that it is a trade-off between higher -- running higher utilization and running higher subcontracting cost. And may not necessarily be margin accretive if we bring that down also.

Jayesh Sanghrajka

If you are able to bring the subcontractor down by 1%, we have stated in the past, it gives you around 15 bps to 20 bps on margin. So yes, to that extent, there is opportunity, but it will never come down to zero. So even in the best years, we have been in the range of 5%, 6%. So that is the delta that we have here.

Kumar Rakesh

Thanks a lot for answering my questions.

Moderator

Thank you. Next question is from the line of Bryan Bergin from TD Cowen. Please go ahead.

Bryan Bergin

Hi. Good evening, thank you. I was hoping to isolate what changed most in the growth guidance revision versus last quarter? So you gave a lot of details. You talked about volume and price. Hi-Tech and Retail as verticals that have seen pressure. But if we look at the midpoint of the growth guidance for 2027, can you unpack what may be most different, by like the largest drivers?

Jayesh Sanghrajka

Hi, Bryan, so if you look at the last couple of years, we have been getting a price increase or RPP increase as we call it. If you look at what we are seeing today is a pricing pressure on the back of competitive intensity, which has increased in the last couple of quarters. And therefore, that pricing expansion that we are expecting at the beginning of the year has not materialized. So that is one impact for sure.

We saw softer than expected revenue growth or a volume growth in the quarter. So that was the second reason. And slower discretionary spend in some of the sectors, especially the Retail and Hi-Tech that we called out. So those are the three specific reasons that led to lower than our expected revenue in this quarter.

Again, when you look at the overall guidance for the year, I would want to remind that there were certain factors that impacted our overall revenue when you compare that to the rest of the peers. We expect a lower revenue from offshoring. There was a large deal that we walked out of or we did not pursue because it did not meet our return expectations. So those were the things that impacted our overall guidance even at the beginning of the year and as we continue to deliver this year, both of them put together were in the range of 1.8% to 2% impact for the year. So that is the overall guidance in my mind.

And as we look forward, like Salil said, we have a strong deal pipeline with a couple of mega deals in it. We have already signed \$5.2 bn with 62% net new. So that gives us a stronger belief in the year that we see coming up.

Bryan Bergin

Okay. That is helpful, thank you. And then my follow-up is on the AI driven productivity. So, when we think about a like for like basis, would you say that has worsened since the start of the fiscal year, meaning clients are demanding more productivity in just the past six months? Or is it more so just getting more prevalent across your client portfolio as AI programs scale?

Salil Parekh

Hi, this is Salil. I think what we see is the effect or the expectation on the productivity is about similar. And we also see some parts of our portfolio have already been exposed to it and others are getting exposed to it. There is a broader uptick, as AI revenues has also gone from 8% to 10%, there is just more awareness of this, especially in some industries, and so we see that coming into play, but the intensity does not seem to have changed.

Bryan Bergin

Okay. Thanks a lot. Thank you.

Moderator

Thank you. Next question is from the line of Yogesh Aggarwal from HSBC Securities. Please go ahead.

Yogesh Aggarwal

Hi. So, just a couple of questions. Firstly, you guys did well in Banking, and it is been a similar result from most companies and Hi-Tech has been weak. So how to read this for you and at the sector level because both these sectors are leading tech adopters. So, is this the second round of deflation at Hi-Tech? And can it spread to other sectors or Banking strength is more relevant and a positive for other sectors?

Salil Parekh

So, what we saw there is, first, Banking, Financial Services has done well. Then we have Energy Utilities, has done well. Then we have parts of Manufacturing, what we also saw in Healthcare. So, it is a broader base multiple sectors, which are looking quite strong. And then we have Hi-Tech, which essentially, I would say, for the most part is focused on one client in the US. And then we have Retail, which is seeing a change in the segment vis-a-vis the client footprint that we have.

So, we see actually there is a lot more industries or sectors, which are showing good traction, good adoption of the AI and also good discretionary like financial services, energy utilities. And we think that, that is more of what is likely to happen across the entire set of industries.

Yogesh Aggarwal

Got it. And just a quick one. Just, I know it is less relevant now, but for the next two quarters, now only five months are less. So, any potential risk to the midpoint of the guidance or any push pulls you can talk about?

Jayesh Sanghrajka

So, as you know, we are entering the seasonally weaker part of the year. There will be furloughs that will impact the H2, there will be lower working days and all of those implications and all of those impacts. So that will definitely be there. And like always, we do not have one model that leads to guidance.

There are always multiple models that leads to multiple points of the guidance. At the lower end of the guidance, we have baked in higher uncertainty at the upper end of the guidance, we have baked in an improvement in the environment. At this point in time, we cannot really say where we will end up. I mean that is on how things play out.

Moderator

Thank you. Next question is from the line of Surendra Goyal from Citi. Please go ahead.

Surendra Goyal

Yes. Hi, good evening. Could you just talk a bit about the nature of work in this net new mega deal? And does it also have any margin implications during the ramp up phase? Thanks.

Salil Parekh

So there, what we are seeing is, it is a business transformation opportunity where we are really using AI to make sure that all of the tech and ops work is better serviced. The approach is really taking some real benefits from AI to apply into it. This was a situation where our teams worked directly with the client teams to shape how this is being developed in terms of the opportunity and the resulting deal itself. We do not see any real margin impact on the transition in this year at all on this one.

Surendra Goyal

Okay. And does it involve asset and people take over as well?

Jayesh Sanghrajka

So, there are no asset takeovers. There will be some people takeover. Again, we do not really give too much details deal by deal. But yes, on an overall basis, there are no asset takeovers.

Surendra Goyal

Understood. Thank you.

Moderator

Thank you. Next question is from the line Jonathan Lee from Guggenheim. Please go ahead.

Jonathan Lee

Great. Good evening and thanks for taking for my question. This quarter, currency and working days contributed about 60 bps while Maximus contributed only 20 bps. With the October and January wage hikes, acquisition amortization and continued pricing pressure hitting the back half, what would keep fiscal '27 margins above the 21% midpoint? And what would push it below? And how much runway is left on Maximus? And if those savings slow, which other levers can hold margins near that midpoint?

Jayesh Sanghrajka

So Jonathan, if you look at what we have delivered over the last multiple years, we have been able to run the ship with a steady margins. FY25, we had an expansion on margin, in FY26 and H1 of FY27, we have been able to maintain the margins at 21% despite investing in business, whether it is sales and marketing, whether it is building our AI talent, our investment in technology. And all of that we have assumed and absorbed within the margin that we have declared.

Having said that, if you recall at the beginning of the year, I did call out that the acquisition that we have made will have 50 bps impact on our margins overall. So that is an headwind from a full year perspective. As we look forward in the H2, we will have compensation rollout, a large part of that will be effective October and the second phase will be effective January.

So we have headwinds coming from compensation. We have headwinds coming from acquisition-related amortization, etcetera, the seasonally slower part of the year. So yes, we will be able to partially offset that through Project Maximus. But at this point in time, for the year, we are very confident of the guidance that we have given.

Jonathan Lee

That is good color. Thank you. And then on the verticals, look, Hi-Tech and Retail both softened this quarter. Obviously, Hi-Tech tied to a US client ramp down, Retail hurt by lower discretionary spending and smaller third-party. Can you size each impact and say whether it is fully run through?

Or should we expect further ramp downs in the back half? And do you see the weakness spreading to other clients in either sector? Or is it isolated?

Jayesh Sanghrajka

So Jonathan, we do not really give a vertical specific guidance or forecast from that perspective. At this point in time, what we have guided for is 1% to 2% on an overall basis in terms of revenue growth for the year.

Jonathan Lee

Got it. Thank you.

Jayesh Sanghrajka

And just to clarify the impact of all the headwinds that we see has been baked in, in the guidance.

Jonathan Lee

Excellent color.

Moderator

Thank you. Next question is from the line of Ankur Rudra from JPMorgan. Please go ahead.

Ankur Rudra

Hi. Thank you for taking my questions. Just a couple of questions on pricing. The pricing pressure you mentioned, is this broad-based across clients? Or is this very client-specific or sector-specific? And what kind of incremental pricing assumptions are you baking in for the second half of the year?

Salil Parekh

Hi, Ankur. This is Salil. Let me start off and then Jayesh will add. So on the pricing, what we are seeing is that across the client base, there is demand or request requirement, which is focused on productivity benefits from the AI that are getting passed on. And then we see also, sometimes those are beyond the sort of thresholds of economic return that we are looking at.

So what we are seeing in the ones, while we are taking on the bulk of the deals, there are some small number where we see that is even higher. On the ones that we are taking on, we see because of that productivity push, the pricing pressure coming through across in different clients across the industries.

Jayesh Sanghrajka

And Ankur, just to add to your second question, at the lower end of the guidance, we have assumed similar to slightly deterioration on the pricing. At the upper end, we have assumed improvement.

Ankur Rudra

So midpoint there is no change in pricing? You basically assume the same pricing continues?

Jayesh Sanghrajka

I mean it is very difficult to call out each factor that will relate to which point of guidance are good. As I always say, there are multiple models that lead to multiple points of guidance, so directionally, lower end is deterioration and upper end would be improvement.

Ankur Rudra

Understood. Just a follow-up question was on the margin profile of your AI revenues. How is that versus a rest of the portfolio now that it is grown to 10%. And secondly, if you can just comment also on the large deals you have signed and pursuing, you have mentioned a couple of mega deals as well. How should we think about the margin, pricing profile of those contracts?

Salil Parekh

So on the large deal signed, the margin profile is similar to what we have signed. So we have not seen that this set of large deals and especially on the mega deal is any different from what we have seen in the past. And we have also mentioned that in general, we have been quite disciplined about the contracts we signed in terms of the economic guideline or return. Similar to that point on the pipeline, the couple of the mega deals or the large deals in that pipeline, we are seeing similar margin profile. So we feel comfortable to look at how that plays out.

Ankur Rudra

And sorry, if you could comment about the AI revenue. Is the margin similar? Higher?

Salil Parekh

On the AI revenue, we do not share externally the margin. Having said that, we are getting good pricing on those deals. We feel confident that the value that we are showing that the clients are seeing it.

And also, we are very competitive in the market in terms of building the capacity because that capacity is at a slightly different cost point also. But overall, we do not share externally the margin of that revenue. But as Jayesh shared earlier, the overall company margin, we remain quite comfortable with the guidance on that.

Ankur Rudra

Understood. Thank you and best of luck.

Moderator

Thank you. Next question is from the line of James Friedman from Susquehanna International. Please go ahead.

James Friedman

Hi. Good evening. Thank you for the opportunity. Salil, thank you for the use cases in AI in your prepared remarks. They are quite illustrative. My question is, could you share some perspective on whether those are in forming and helping you win these large transactions? Are they part of the large transactions? Are they typically shorter duration? Any perspective on the AI dimension from this perspective would be helpful. Thank you.

Salil Parekh

So on that, what we see is any large transaction today has either some elements of AI or in the example of a couple of our large deals we gave color on it is really a business transformation, which is driven by AI. So those examples are significant value contracts in themselves.

And in general, the AI is forming part of almost every large transaction that we are looking at today, where there is an impact on customer service levels, improvement in quality internally, driving growth for the client, doing the cost optimization or modernizing technology, putting agents in for processes and so on. So in any of those business areas, there is an impact of the AI.

James Friedman

Awesome. And then in terms of how the go-to-market on the AI side has evolved for the company, can you share with us your perspective as to how you think the services like foundry are resonating in the market and how the strategy and the go-to-market on AI has evolved? Thank you.

Salil Parekh

So there, we have an approach, which is of multiple components. So first, there is a group which is working very actively on building the partnerships, especially with the leading AI companies, the frontier companies, the open weight model companies and other companies who are also in the AI infrastructure, AI coding areas.

Second is, within each of our segments, we have a dedicated group of individuals who work with our client teams who are infusing the AI into their discussions to bring like the best thinking on what can be done with that AI impact for that client. And there are different industries, have a different approach within that, which processes are being impacted, what outcomes are being looked at.

Then in the delivery organization in each of our large groupings of service lines, we have specialists who are very skilled on AI and then a group which is more dedicated across all of the service lines. Then we have people who have been trained and certified on the different model technologies and on different capabilities with our partner companies.

And then finally, we have the architecture group, which looks at how the AI is being used in a client situation for transformation, even if part of it is being done at the first phase, but the overall picture is being looked at. And we have examples where like for a bank in Europe, for a telco in the US, we made these changes in the overall AI outlook, then parts of it getting implemented. So it is an infusion across the whole company within Infosys, which is interacting with different elements of the client.

James Friedman

Thank you so much, Salil.

Moderator

Thank you. Next question is from the line of Vibhor Singhal from Nuvama Institutional Equities. Please go ahead.

Vibhor Singhal

Thanks for taking my questions. Two questions from my side. On the AI front, you mentioned that AI revenue is now at almost 10% of the revenue growing at 29% quarter-on-quarter. So just wondering if is there a number that we can provide in terms of what is the year-on-year growth rate that we are looking at this number.

The reason that I am asking in the context here is that, is it the right way to look at this AI revenue as a new revenue, which basically keeps on adding up and can possibly mitigate the deflation in the

existing legacy book that we are seeing, just like we saw in the digital cycle, eventually when the AI revenue or the growth in the AI revenue becomes large enough to compensate the deflation in revenue. That is where you can expect the overall growth to getting positively impacted by this against the negative impact right now. So any color on that, that if there is a number that you can provide on the year-on-year growth rate on the GenAI part?

Salil Parekh

So I think like how you described the approach is exactly how the evolution of the market. We see that the AI percentage is becoming larger and larger. We are not sharing externally the year-on-year, but I think you can make some assumptions on that based on the data we have already provided. It is a very strong growth year-on-year that is visible today. We know this is new revenue. Some of the examples I shared were things, which we were not able to do that without AI. Some of the business transformation is also new revenue.

So the revenue of 10.5% AI, we are sharing is new revenue. So the way you described it, that is the part that is growing and that really is the place where the maximum attention of the company and the people is. It is falling within that Hexagon that we have described of the six areas. And the more we invest and scale up on the capability, partnerships and the client work, the more we will see that continuing. And at 29% Q-on-Q with the assumptions you can make for Y-on-Y, that is exactly how we see this scaling out and addressing what we are seeing in the AI productivity on the other piece of the revenue.

Jayesh Sanghrajka

Vibhor, if I can just add to what Salil was saying, the first number that we had published was on our AI Day for Q3 of last year, which was 5.5%. So that is a close proxy you can get.

Vibhor Singhal

Got it. Yes, I think I was trying to use that. Maybe that was missing one quarter, but I think a reasonable assumption to make that part as well. So yes, I think that number will do. Really helpful based on that.

On the second question is on the legacy part of the book. Now I know I am kind of taking a long shot here. But the kind of deflation that we are seeing in our legacy book, which, of course, the entire industry is facing, is there a broad number, a broad calculation, that we might have done or that we might have, that okay, this is the part of our order book that has already undergone deflation. And this is the remaining order book that is yet to go under deflation in terms of renewal of contracts, in terms of new contracts that we talk about. Is it possible to calculate and maybe share that number?

Salil Parekh

So the way we are looking at it, we have a fairly detailed sort of work inside the company, but I will give you a little bit of color. If you look at projects or contracts, which are, let us say, smaller below \$50 mn in our case. And they could be for one or two years duration. Typically, if they are being signed now or in the recent past, that is already built in the benefit of the AI. So that is already in the mix, if you will.

Then if you have the larger deals, which are multiyear, then depending on where it is in the cycle of the renewal or discussion with the client, if that has already happened, then vast majority of the benefit of the AI productivity is already baked in. If it is not happened, it is not. So that is how we have built an internal model of that, but we have not got anything beyond that sort of color that I can share externally.

Vibhor Singhal

Got it. That was helpful.

Salil Parekh

So one thing I would add, sorry, is that at the end, it is a finite period. It is not an ongoing thing, that is the main, I would say, the element there because that is finite, whereas the AI growth is secular, at least in our minds right now looking quite open.

Vibhor Singhal

Yes, I am sure, Salil, we all hope that that is a finite number that we are dealing with right now. So sure, thanks for your views on that. Just one last question, again, kind of a very a pointed question. You mentioned that we are facing a lot of pricing pressure because of the high competitive intensity. The remark has actually been repeated by a couple of other players also in the industry.

So is it a pricing competition that we have seen across the board, across the deals and across the type of deals? Is it pertaining to maybe a few players which are being aggressive or are we seeing basically high competitive intensity from almost all the players in the industry regardless of their size and capabilities?

Salil Parekh

I think what we see today is there is definitely some of our peers who are putting, I would say, more intense effort into the pricing pressure, but it is also across the board because of the environment

and also the discussion on AI productivity, if you are talking with clients today on large programs, it is a three or five year outlook.

So there, small changes in assumptions could make big differences in year three, four and five. And so we are seeing some companies are taking that sort of a view, whereas what we shared earlier, I think we are being a little bit more disciplined in what we can see, that the benefit of the productivity can be realized as opposed to just imagining what can be realized.

Vibhor Singhal

Got it. Thank you so much for taking my questions, and I wish you all the best.

Moderator

Thank you. Next question is from the line of Gaurav Rateria from Morgan Stanley. Please go ahead.

Gaurav Rateria

Hi, congrats on great deal win numbers. My question is actually around the conversion of the deal win into revenues. If you look at our fiscal '25, we ended the year with almost \$6.6 bn of net new deal wins, which translated into certain growth in fiscal '26. If you look at fiscal '26, that number was probably was upwards of \$8 bn, but that did not translate into a better revenue growth from FY27 perspective, probably because of the weakness in discretionary and leakages in your existing book of business.

So, is there any indication to say that these leakages have peaked out and from here on are not likely to deteriorate further? And any improvement in conversion ratio could drive further better revenue growth in the future?

Salil Parekh

So, I think the way you described it is how we are seeing it, which is that there is a significant amount of net new, which is getting converted. That conversion ratio is about similar in terms of the year duration.

In terms of the leakages, what I would call it slightly different is the productivity impact. So there, what we had that discussion in an earlier question, which is some parts of the portfolio have already witnessed it. So obviously, those parts are not going to witness it again in that same way, if at all.

So we feel quite good now that the next year, that is why we were sharing that from the mega deal, we estimate something like a 1% revenue growth outlook from that one deal that we have signed in

Q2. And what we see in the pipeline, we see more of that in this year in terms of potential deals and then the translation on to the revenue into the next year. So we feel quite good that the conversion ratio is stable and the productivity while it is going on, at least some part of the portfolio has already witnessed it.

Gaurav Rateria

Got it. My second question is a follow-up on this one on productivity part. I know like different companies will have their own different business mix and will go through their own cycle based on where their clients are in the journey of adoption and deployment of AI. Based on where we stand today, like where are we in the cycle?

Let us say, if you look at the cloud and digital cycle, there were two years of such phase, right, that where we saw some deflation on existing book and then digital revenues ramped up very, very rapidly. And I have been like listening from various experts that the cycle in AI is even more compressed compared to digital cycle. So based on that corollary, where would you position in terms of in the cycle compared to the last time in cloud and digital?

Salil Parekh

I think first, I would say that what your experts are saying is probably correct. But from our perspective, what we are seeing is that the way that the AI is moving, it is the first part, which is how much are you getting of the new that part with the Hexagon and with the 29% and the growth, I think we have got a pretty decent handle on it, and we feel quite good that, that will continue in that way.

For the second part, we have some understanding of the productivity benefits. We have also been a little bit disciplined on some of the deals. So that also has a play in it. And then as we were discussing earlier, part of the portfolio has already seen it. So overall, we feel that the outlook is quite good in the overall mix of where the business is. We do not have at least to share externally like a number of, you know, where are we in which year and when it will happen, but we feel pretty positive as we look out into the next financial year.

Gaurav Rateria

Got it. Last question, Salil, on new AI revenues, I know that you would not give any externally any numbers on margins. But is it fair to say that from a productivity perspective, from a profit per employee perspective, these will be higher than the company average?

Salil Parekh

So what we can say is in the six groups of the AI and the Hexagon of ours, each has slightly different approach in terms of how it is being done with the client. So what we are seeing is the client is realizing the value of some of that. And what we are also seeing is some of that work is the business transformation driven by AI. That is getting, I would say, a much better sort of value from the client.

And that will continue on and we will also do within the Hexagon more of that work. That is like a shift within the mix itself that we will be trying that. Now the cost of that, which is what your question then gets back to is, also, we are competitive in the market where we are finding that we are scaling the teams, we are training our people. So that part is also something we are, I would say, managing quite okay. And therefore, the economics of that business are pretty decent. But I think, I would not say more than that.

Gaurav

Got it. Thank you. All the very best.

Moderator

Thank you. Next question is from the line of Sandeep Shah from Equirus Securities. Please go ahead.

Sandeep Shah

Yes. So one of your peers has called out that the AI-led deals has a lower tenure and faster conversion in the revenue. So can you give some qualitative outlook whether we are witnessing an uptick in the deal velocity below \$50 bn, which we do not disclose in the TCV?

Salil Parekh

So there, I think what we are seeing is that the AI deals are like different types of deals within the Hexagon. And we are not specifically calling out whether that is a shorter or a longer. But any of the large deals what we are doing today has a significant part of the AI in it. So it gives you some color, but we are not sort of calling out specifically the velocity and the duration.

Sandeep Shah

Okay. And, Jayesh, just a clarification regarding the manufacturing client. Is it fair to assume the bulk of the impact of close to 1% impact which we are calling out in the guidance for the full year will come in the fourth quarter, and that could also lead to lower third party cost because the third party cost in the first half is just similar to the last year at closer to 7.4%. And second, if that happens in the fourth quarter of this year, it may have a full year impact in the next year?

Jayesh Sanghrajka

So Sandeep, yes, the large portion of the impact will come in Q4, which is what we had clarified. Beyond that, we do not really call out client specific contours of the deal in terms of how much of that is third party, how much of that is not. So I would not be able to comment on that.

Sandeep Shah

Okay. And just the last thing. The press release mentions that our AI led strategy stands out versus peers. So Salil, you might have partly explained this, but what is one or two things which differentiate to state that the strategy stands out versus earlier, which leads to ramp up in the growth of AI-led revenues?

Salil Parekh

So here, what we are seeing is there are some elements of the approach. So first, we have, a few months ago in the Investor Day shared the strategy we have put in place where we see the addressable market of \$300 bn over the next several years in six broad areas. And we feel that is one of the more distinct ways of looking at it. And the AI revenue what we are sharing is coming from those six areas, which is a net new.

The second is we have built the Topaz Fabric, which is, at least in my mind, very distinct from what anyone else has built and it is for clients to come and use it. We have several clients that have implemented it, many clients that are in the process of scaling that up. We have the ability in that Topaz Fabric where we have 15 different foundation models where a client can choose different foundation models, even the different versions, so you can do the Sonnet or you can do the Fable and pick the one that is most suitable for the task for which they are looking at the most token efficient cost. They can then do the work in a way where the data is protected in a sovereign way in their environment, which is very distinct from what anyone else is doing.

Then we have the partnerships which are very strong with all of the frontier model companies plus several of the data and cloud companies with the focus on AI. And then we have the certification and training, which is quite extensive within our system. We are building out the FDE capability. And then if you look at the market analyst ratings, we are in the leading places in most of the ratings on side of the AI. So all-in-all, I feel it is probably the most comprehensive AI approach that there is. But, of course, being inside, we feel that, but we also see with 29% Q-on-Q growth, there is some client comfort on that as well.

Sandeep Shah

Yes. Thanks for the detailed answer and all the best.

Moderator

Thank you very much. Next question is from line of Keith Bachman from BMO & Company. Please go ahead.

Keith Bachman

Hi. Thank you very much. Could you talk about -- are you seeing any signs or are customers actually in-sourcing more? That is to say, the advent of AI, is it making it easier to take more deals in-house rather than going to third-party providers like yourself? Are you seeing that in your order book?

Salil Parekh

So there, what we see is over the past time horizon, there are instances where some companies or clients take a view to in-source pre-AI and with AI. We do not see a difference because of AI. So typically, other factors may trigger that at some time or the other. And equally, in many cases, we see also with AI that things which were done internally, there is an interest for clients to have us do it, but take on the task and use AI to do it more efficiently. So we do not see a pattern that more in-sourcing is happening because of the AI.

Keith Bachman

Okay. My second question is broader than that is just how do you see the competitive landscape changing in terms of the second half of calendar year '26, but more broadly into calendar year '27? And the reason I ask your results were different than, say, a large provider like Accenture.

And so what I think a lot of investors are trying to do is understand what is leading to Infosys having weaker results than a company like Accenture? And I am extracting out M&A from that equation. But any thoughts on how more broadly, the competitive dynamics may be changing today and as you look forward into calendar year '27? Thank you.

Salil Parekh

So one of the things we have noticed is if you look back over the last two or three years, we have had a consistent even if low growth, but growth every year organic YoY, whereas some of our peers have had years which have been negative and positive. I do not know specifically about the company you mentioned. So that sometimes gives a different sort of complexion on what is going on with that.

In addition, what we see is that our capability and strength is very much focused on the AI becoming real within a client organization. And that is the strength of Infosys even on the past cycles of the technology. Then we have, at least in our instance, a couple of things which are more distinct, for example, with the changes in the global environment, we have seen our offshore percentages higher.

That had an effect, even though the volume remains more similar, the revenue looks a little bit different. And we have also had where we have been -- which we have shared that we have been a little bit more disciplined on some client situations where we have chosen not to take some deals where the economics did not make sense.

So when I put all of that in the mix, I see that our competitive differentiation is pretty strong. We also see that the way we compete when we are head-to-head with many of our peers on AI, we seem to have a tremendous advantage in what sort of dynamics we are seeing. So that is how we would see it with this sort of large mega deal that we have just announced. We see that in addition to the AI giving us some support for the growth next year as well.

Jayesh Sanghrajka

Keith, if I just add...

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a quantitative factor to what Salil just mentioned, you know, both the factors, the offshoring and the large deal, Europe manufacturing client that we did not pursue beyond a point. We had called out that both of them put together would roughly mean 1.8% to 2% for the year. So when you compare with anybody else, I think you should keep that in mind.

Keith Bachman

Yes. Fair enough. Okay. Thank you.

Moderator

Thank you very much. Ladies and gentlemen, we will take that as our last question. I will now hand the conference over to the management for closing comments.

Salil Parekh

Thank you. That was really incredible questions. Thank you for that. We are really happy with the work we are doing on AI. To summarize the 29% growth, the distinct approach, 10.5% of our revenue, that is really the primary focus to make sure that that secular trend is something that we lead, and

we believe that is what we are doing today. We also have a good traction on mega deal, the second aspect of what is driving growth, and we can see the conversion coming through now, especially as we see in many ways some parts of our portfolio already seen some of the AI productivity impacts.

And then we have good headcount growth and continued focus on recruitment at college, 8,000 in the quarter and 20,000 for the full year. And we do remain quite selective in terms of the economics of the contracts we are pursuing. So all of that put together gives us a pretty strong feeling about what we see in the future with our business. Thanks very much for all your questions and for participating.

Moderator

Thank you very much, members of the management. Ladies and gentlemen, on behalf of Infosys Limited, we conclude today's conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you all.