



Infosys' AI-First Strategy: Driving Growth and Market Leadership

Infosys hosted its Investor AI Day at its campus in Bengaluru to outline its comprehensive strategy for becoming a leader in AI-first services. The event featured key leaders, including Chairman Nandan Nilekani and CEO Salil Parekh, who presented on technological shifts from physical, static information to digital, dynamic operations, with Agentic AI now representing the latest frontier. Infosys highlighted that AI is currently the fastest tech innovation to reach 1 Bn users and emphasised that enterprise AI transformation requires a fundamental "root and branch surgery" rather than a simple "lift and shift" approach. As of Dec'25, the company indicated that AI programs accounted for 5.5% of the total revenue.

Key Takeaways

- Six Service Focus Areas Through the AI Framework:** Infosys adopted the AI First Value framework, which identifies six core service opportunities to unlock value for clients, such as 1) AI Strategy and Engineering: Moving from experimentation to enterprise-scale deployment using Infosys Topaz Fabric to build and implement agentic platforms. 2) Data for AI: Establishing high-quality AI-grade data engineering and data strategies, as most enterprise data is currently not AI-ready. 3) Process AI: Reimagining core business processes, such as automating over 400,000 invoices per year for a restaurant chain or deploying sales development agents. 4) Agentic Legacy Modernisation: Addressing decades of "tech debt" by using agents to reverse-engineer and migrate legacy estates (like COBOL/Mainframe) to modern architectures. 5) Physical AI: Designing AI-first products and embedding intelligence into physical devices, such as autonomous systems and digital twins for manufacturing. 6) AI Trust: Building responsible AI with clear governance and policy design to meet increasing regulatory expectations.
- Scalable Platform & Multiple Partnerships:** Infosys leverage its Topaz Fabric platform suite to power AI at scale, offering out-of-the-box agents, industry-specific blueprints, and hybrid AI infrastructure. As of Jan'26, the company had filed 155 patents related to these technologies. Its partnership ecosystem is extensive, involving compute providers like NVIDIA, cloud leaders such as AWS and Azure, and model developers including OpenAI and Anthropic. These collaborations have already yielded significant results, such as achieving 80% faster response times for a major telecom chatbot and reducing IT operations efficiency for Business Process by 18%.
- Talent and Workforce Redesigning:** The company has recognised that talent demand is pivoting toward high-growth AI skills. Infosys is redesigning its career architecture to future-proof its 170 Mn potential new AI-related roles. Its talent development model categorises its workforce into levels such as AI Enabled (leveraging tools), AI Builders (creating contextual platforms), and AI Masters (driving vision and governance). Currently, 90% of its workforce is AI-trained, and the company has established a dedicated AI Centre of Excellence to support continuous upskilling.
- Brand Value and AI Services Opportunity:** Infosys reported that its brand value has grown at a 15% CAGR over the last six years, reaching \$16.4 Bn in CY26. It was named the fastest-growing IT services brand globally and ranked among the top 100 global brands for 2025. This brand strength is translating into business performance, with Infosys outperforming peers in incremental market share and revenue growth CAGR from FY20 to FY25. The company concludes that its comprehensive services, deep engineering talent, and strong platform positions them to capture the estimated \$300- \$400 Bn AI-first services opportunity by CY30.
- AI Implementation Deployed Across Marquee Global Clients:** Infosys is currently providing AI services to 90% of its top 200 clients. Across key clients in financial services, AI agents are used by the company to detect and assess risks faster and to automate complex compliance reporting. Moreover, Infosys partnered with Citizens Bank to launch an AI-first Innovation Hub aimed at advancing AI transformation across banking operations and product development. In Manufacturing, companies are moving from experimentation to extracting value across the entire product lifecycle. Therefore, for Rolls-Royce, AI agents delivered a 40% reduction in engineering effort and increased "first time right" rates to 75%. In Communication, Media, and Technology (CMT), Infosys partnered with Anthropic to set up a dedicated centre for building and deploying AI agents specifically for the telecom sector. These tools target the automation of traditional application development, maintenance, and testing, which are high-labour areas. In the Energy, Utilities and Resource areas, Infosys developed dedicated AI agents designed specifically to digitally transform legacy operations within the energy sector. Lastly, in Retail, Infosys assisted Ralph Lauren in launching "Ask Ralph," a conversational AI shopping experience that drove a 12.2% YoY revenue increase.

Valuation & Recommendation

The sequential growth trajectory suggests a stable environment rather than an improving one. Management expects performance stability to be sustained going forward with better revenue visibility in FY27. Therefore, considering its growth prospects, AI-centric initiatives and attractive valuation, we maintain our **BUY** rating on the stock at a 23x P/E multiple to its Dec'27 earnings to arrive at a TP of Rs 1,820/share, implying an upside of 31% from the CMP.

 (CMP as of 17th February, 2026)

CMP (Rs)	1,391
Upside /Downside (%)	31%
High/Low (Rs)	1,862/1,282
Market cap (Cr)	5,70,189
Avg. daily vol. (6m)Shrs.	18,35,800
No. of shares (Cr)	405

Shareholding (%)

	Jun-25	Sep-25	Dec-25
Promoter	14.6	14.3	14.5
FII's	31.9	30.1	29.5
MFs/UTI	20.9	22.7	22.7
Banks/FIs	0.1	0.1	0.1
Others	32.6	32.8	33.2

Financial & Valuations

Y/E Mar (Rs Cr)	FY26E	FY27E	FY28E
Net Sales	1,78,649	1,94,297	2,06,803
EBIT	37,306	39,543	42,340
Net Profit	28,402	30,788	33,240
EPS (Rs)	68	74	80
PER (x)	20.7	19.1	17.7
P/BV (x)	4.7	3.8	3.1
EV/EBITDA (x)	12.8	11.5	10.1
ROE (%)	26	22	19

Relative Performance



Source: AceEquity, Axis Securities

Results Gallery

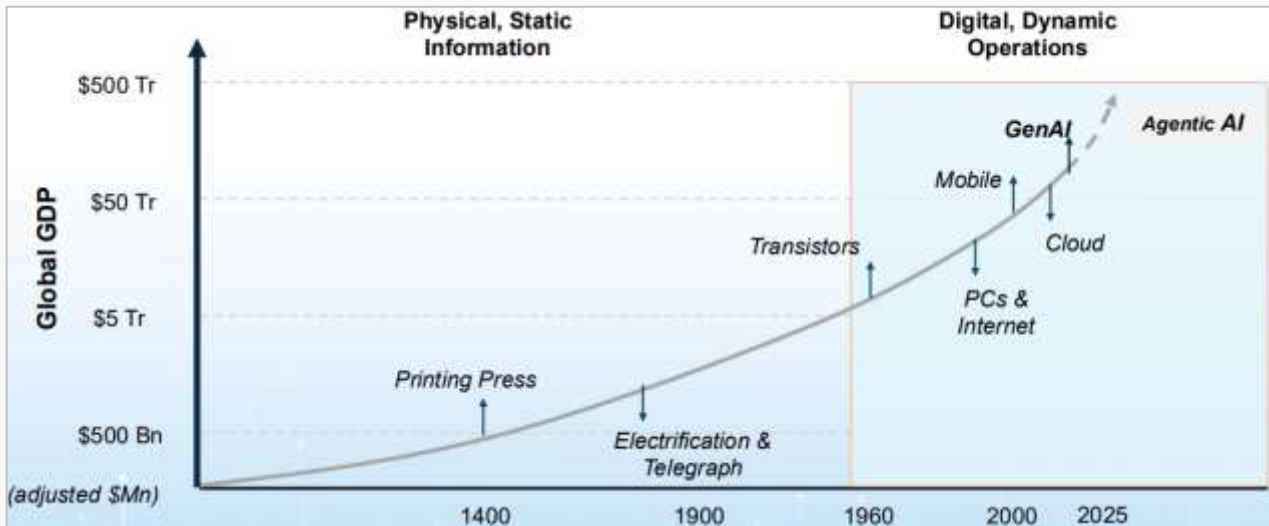
[Q2FY26](#)
[Q1FY26](#)

Kuber Chauhan

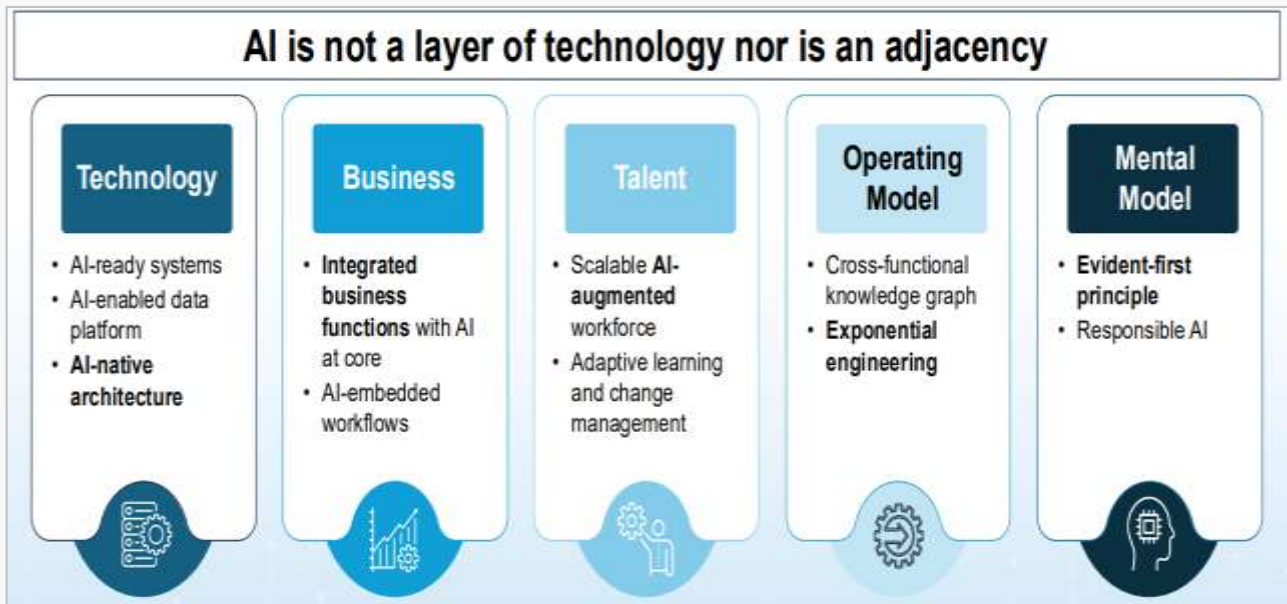
Research Analyst
 kuber.chauhan@axissecurities.in

Abhishek Bhalotia

Research Associate
 abhishek.bhalotia@axissecurities.in

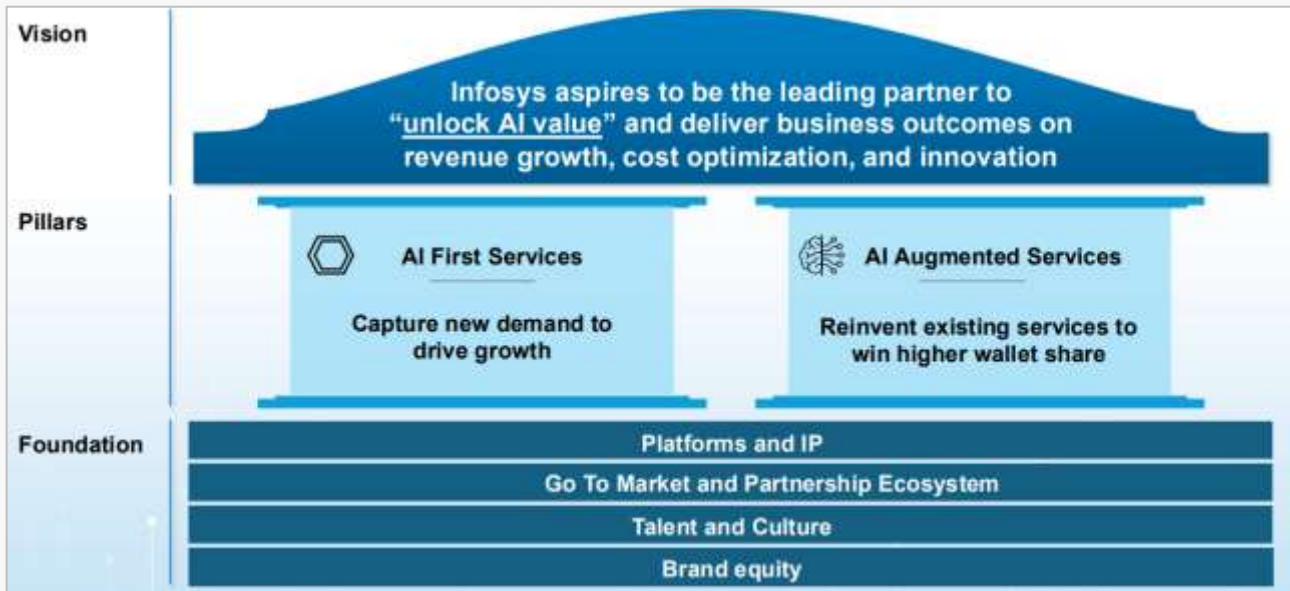
Exhibit 1: Technological Shifts Over the Years


Source: Company, Axis Securities Research

Exhibit 2: AI Across Multiple Dimensions


Source: Company, Axis Securities Research

Exhibit 3: Infosys AI Playbook



Source: Company, Axis Securities Research

Financials (Consolidated)
Profit & Loss
(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Net sales	1,53,671	1,62,972	1,78,649	1,94,297	2,06,803
Change (YoY, %)	4.7%	6.1%	9.6%	8.8%	6.4%
Operating expenses	1,17,246	1,23,755	1,36,865	1,50,192	1,59,859
EBITDA	36,425	39,217	41,784	44,106	46,944
Change (YoY, %)	3.7%	7.7%	6.5%	5.6%	6.4%
Margin (%)	23.7%	24.1%	23.4%	22.7%	22.7%
Depreciation	4,678	4,811	4,479	4,563	4,605
EBIT	31,747	34,406	37,306	39,543	42,340
Interest paid	469	416	424	454	486
Other income	4,711	3,599	4,230	4,275	4,963
Exceptional items	-	-	(1,289)	-	-
Pre-tax profit	35,989	37,589	39,823	43,363	46,817
Tax	9,741	10,857	11,420	12,575	13,577
Effective tax rate (%)	27	29	29	29	29
Net profit	26,248	26,732	28,402	30,788	33,240
Adjusted net profit	26,248	26,732	29,691	30,788	33,240
Change (YoY, %)	8.9	1.8	11.1	3.7	8.0
Adj. EPS	63	64	68	74	80
Dividend per share	32	32	23	37	40
Dividend Payout (%)	50	50	34	50	50

Source: Company, Axis Securities

Balance Sheet
(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Share capital	2,071	2,073	2,073	2,073	2,073
Reserves & surplus	86,045	93,745	1,22,147	1,52,935	1,86,176
Shareholders' funds	88,116	95,818	1,24,220	1,55,008	1,88,249
Total Debt	-	-	-	-	-
Other liabilities	10,559	9,850	9,523	9,634	9,744
Current liabilities & provisions	38,794	42,850	45,118	45,699	46,175
Current liabilities	36,998	41,375	43,643	44,224	44,700
Provisions	1,796	1,475	1,475	1,475	1,475
Total liabilities	49,353	52,700	54,641	55,333	55,919
Total equity & liabilities	1,37,814	1,48,903	1,79,246	2,10,726	2,44,553
Net fixed assets	12,370	11,778	11,112	10,251	8,987
Investments	11,708	11,059	11,059	11,059	11,059
Other non-current assets	24,304	28,967	28,967	28,967	28,967
Current assets	89,432	97,099	1,28,108	1,60,449	1,95,540
Inventories	-	-	-	-	-
Sundry Debtors	30,193	31,158	35,730	38,859	41,361
Cash & Liquid	14,786	24,455	50,892	80,104	1,12,693
Other Current Assets	44,453	41,486	41,486	41,486	41,486
Total assets	1,37,814	1,48,903	1,79,246	2,10,726	2,44,553

Source: Company, Axis Securities

Cash Flow
(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Pre tax	26,248	26,732	28,402	30,788	33,240
Depreciation	4,678	4,811	4,479	4,563	4,605
Change in working capital	(16,330)	6,058	(2,304)	(2,548)	(2,025)
Other operating activities	(4,242)	(3,183)	(2,517)	(3,821)	(4,477)
Cash flow from operations (a)	10,354	34,418	28,060	28,982	31,343
Capital expenditure	(498)	(703)	(700)	(600)	(300)
Change in investments	(50)	(2,785)	-	-	-
Other investing activities	10,338	2,370	4,230	4,275	4,963
Cash flow from investing (b)	9,790	(1,118)	3,530	3,675	4,663
Equity raised/(repaid)	2	2	-	-	-
Debt raised/(repaid)	(276)	(709)	(327)	111	111
Dividend (incl. tax)	(13,124)	(13,366)	(9,657)	(15,394)	(16,620)
Change in minorities	(43)	40	-	-	-
Other financing activities	(3,673)	(3,932)	(4,826)	(3,555)	(3,527)
Cash flow from financing (c)	(17,531)	(23,631)	(5,153)	(3,445)	(3,416)
Net change in cash (a+b+c)	2,613	9,669	26,437	29,212	32,590
Opening cash balance	12,173	14,786	24,455	50,892	80,104
Closing cash balance	14,786	24,455	50,892	80,104	1,12,693

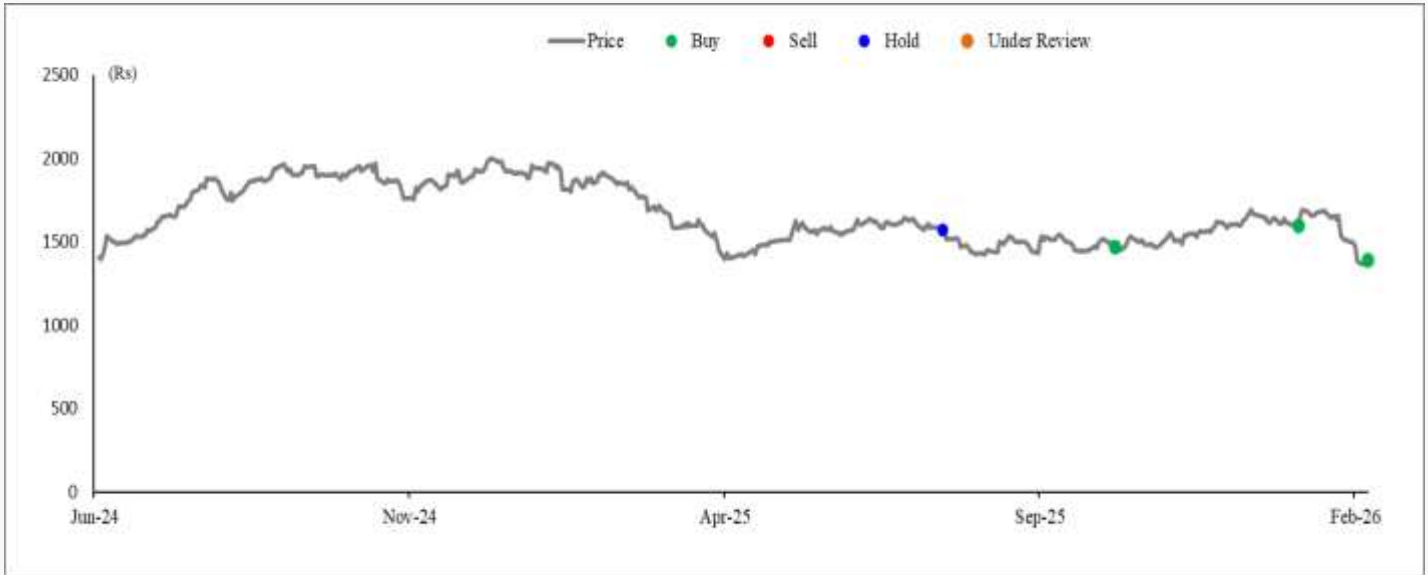
Source: Company, Axis Securities

Ratio Analysis
(%)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Book Value (Rs)	213	231	299	373	453
Adj EPS (Rs)	63	64	71	74	80
Adj EPS growth (%)	10	2	11	4	8
EBITDA margin (%)	23.7	24.1	23.4	22.7	22.7
Pre-tax margin (%)	23.4	23.1	22.3	22.3	22.6
Debt/Equity (x)	-	-	-	-	-
ROCE (%)	29	26	24	21	18
ROE (%)	32	29	26	22	19
Financial leverage ratios					
Debt / Equity (x)	-	-	-	-	-
Interest Coverage (x)	77.7	94.3	98.5	97.1	96.6
Interest / Debt (%)	-	-	-	-	-
Working Capital & Liquidity Ratio					
Inventory days					
Receivable days	71	69	72	72	72
Payable days	9	9	12	12	12
Valuation ratio					
PER (x)	22.3	22.0	20.7	19.1	17.7
Adjusted PER (x)	22.3	22.0	19.8	19.1	17.7
P/BV (x)	6.6	6.1	4.7	3.8	3.1
EV/EBITDA (x)	15.7	14.4	12.8	11.5	10.1
Market Cap. / Sales (x)	3.8	3.6	3.3	3.0	2.8

Source: Company, Axis Securities

Infosys Price Chart and Recommendation History



Date	Reco	TP	Research
24-Jul-25	HOLD	1,680	Result Update
17-Oct-25	BUY	1,620	Result Update
16-Jan-26	BUY	1,820	Result Update
18-Feb-26	BUY	1,820	Company Update

Disclaimer:

Axis Direct is the brand under Axis Securities Limited, which is a 100% subsidiary of Axis Bank Limited. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks, and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with the Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg. No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances, please call us at 022-40508080 or write to us at helpdesk@axisdirect.in.

We hereby declare that our activities have neither been suspended nor have we defaulted with any stock exchange authority with whom we are registered in the last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories, etc. have conducted the routine inspection and based on their observations have issued advice/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in the normal course of business, as a Stock Broker/Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange/SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point in time.

Investments in the securities market are subject to market risks. Read all the related documents carefully before investing.

By referring to any particular sector, Axis Securities does not provide any promise or assurance of a favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of RAASB (in case of RA's) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum, or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and/or the USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been clients during the twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions, and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without notice. The report and information contained herein are strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis for any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors, including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that the rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made, nor is its accuracy or completeness guaranteed. This report and information herein are solely for informational purposes and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and/or tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and the needs of the specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a

guide to future performance. Investors are advised to see the Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed a public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking, or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimise conflict in the preparation of research reports. Axis Securities or its associates, or its analysts, did not receive any compensation or other benefits from the companies mentioned in the report or a third party in connection with the preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and/or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm's length distance from the Research team, and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of the subject company(ies). Axis Securities or Research Analysts, or their relatives, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one per cent or more or other material conflicts of interest in various companies, including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report. Certain transactions-including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centre on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender/borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short positions in the above-mentioned scrip(s) and therefore may be considered as interested. This should not be construed as an invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independently of the PCG research, and accordingly, PMS may have positions contrary to the PCG research recommendation.

This research report is issued in India by Axis Securities Limited in accordance with the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. It is intended solely for persons residing in India. The report is not directed at or intended for distribution to, or use by, any person or entity resident in the United States of America, Canada, or in any jurisdiction where such distribution, publication, availability, or use would be contrary to applicable securities laws, including the U.S. Securities Exchange Act of 1934, regulations of the U.S. Securities and Exchange Commission (SEC), and regulations of the Canadian Securities Administrators (CSA).

RATING SCALE: Definitions of ratings

Ratings	Expected absolute returns over 12 – 18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward-looking estimates for the stock, but we refrain from assigning a valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events.
NO STANCE	We do not have any forward-looking estimates, valuations or recommendations for the stock.

Note: Returns stated in the rating scale are our internal benchmark.