



**STOCK UPDATE**

Company Update

**SECTOR**

IT & ITES

**COMPANY DETAILS**

Market cap:	Rs. 5,62,836 cr
52-week high/low:	Rs. 1,862/1,282
NSE volume: (No of shares)	88.5 lakh
BSE code:	500209
NSE code:	INFY
Free float: (No of shares)	345.7 cr

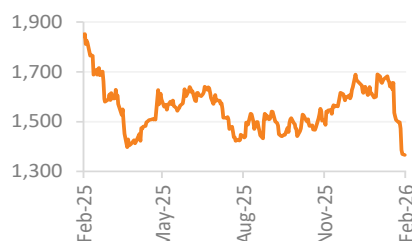
Source: NSE, BSE, Mirae Asset Sharekhan Research

**SHAREHOLDING (%)**

Promoters	14.6
FII	29.6
DII	41.5
Others	14.4

Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE CHART**



Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE PERFORMANCE**

(%)	1m	3m	6m	12m
Absolute	-17.7	-6.4	-7.0	-24.9
Relative to Sensex	-17.5	-5.0	-8.8	-34.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 1,391**

Price Target: **Rs. 1,850**

**Quick Snapshot**

- AI wave demands a massive rehaul - current AI penetration is just 23% of firms' budgets, while 60-80% spent maintaining legacy systems. The fact that only 1% of enterprises have scaled AI to business-function level enlarges opportunity for Infosys, creating a \$300-400B services opportunity by 2030.
- Infosys is already a preferred AI partner for marquee clients - 90% of large 200 clients are using AI services, 5.5% of Q3 revenue from AI-first work, operationalized across six service pillars with 30 offerings and 100 sub-offerings. Marquee clients like Liberty Global, Danske Bank, Microsoft, Hertz, publicly validate Infosys as their strategic AI partner. Company's proprietary AI tool Topaz leads clients' transformation and automation journey
- Infosys is successfully bridging AI adoption gap for clients to make enterprise projects successful; it is transforming AI from commodity to defensible service.
- Company has also enabled monetisation across verticals such as financial services, (regulatory moats favor incumbents), CMT (network resilience + sovereign cloud), Manufacturing (Physical AI on industrial data), EURS (ERP savings fund AI), and Retail (agentic commerce at scale).

**AI: Infosys at forefront**

- Unlike prior tech cycles, AI demands a significant overhaul of technology, processes, talent and mindset. Currently, AI just comprises 23% of enterprise IT budgets, with legacy systems still taking up 60-80%. Thus, the potential is massive — ~1% of enterprises have scaled AI at the business-function level, implying a \$300-400 billion services opportunity by 2030.
- Infosys is already near the apex - 90% of its large 200 clients use AI services; it derived 5.5% of Q3 revenues from AI-first projects and has operationalized AI across six service pillars with 30 offerings and 100 sub-offerings. Major clients like Liberty Global, Danske Bank, Microsoft, Hertz, publicly validate Infosys as their strategic AI partner.
- Topaz secures pole positioning: With 600+ agents, 5 proprietary SLMs, 20+ MCP connectors, 25+ industry blueprints, 155 patents, 39 client labs Infosys has achieved visible results - successful automation of 116-country workflows in 15 languages for logistics, cutting processing from 24 hours to 30 minutes with 70% automation.
- Infosys sharpens its AI edge as it codifies client-specific data, processes, and legacy architecture into AI workflows — reducing the adoption gap that kills most enterprise AI projects; company brings enterprise-level context to AI models, transforming AI from a commodity to a defensible service.
- Company is also able to successful in monetisation of AI across verticals - financial services (regulatory moats favour incumbents), CMT (network resilience + sovereign cloud), manufacturing (Physical AI on industrial data), EURS (ERP savings fund AI) and retail (agentic commerce at scale). Infosys is the strategic AI partner for 15 of top 25 clients in the EURS and FS verticals.

**Our Call**

Infosys is executing a generational AI transformation at enterprise scale, with 90% of its top 200 clients engaged across ~4,600 AI projects and 5.5% of Q3 revenue already coming from AI-first services, positioning it as the strategic partner for a \$300-400 billion market opportunity by 2030. Infosys' operational momentum remains robust with a TCV of \$4.8 billion in Q3 (up 92% y-o-y, 57% net new) led by the \$1.6 billion NHS mega-deal and upgraded FY26 CC guidance to 3-3.5%. With adjusted margins resilient despite macro headwinds, Infosys is positioned for FY27 acceleration driven by discretionary recovery, vendor consolidation, and outcome-based AI engagements. At 17.9x FY27E and 16.7x FY28E PE, the stock offers compelling risk-reward for investors seeking differentiated exposure to the defining enterprise technology transformation of our lifetime. We maintain a Buy with a price target of Rs 1,850.

**Key Risks**

Slower AI adoption, stronger rupee and global macroeconomic uncertainties.

**Valuation**

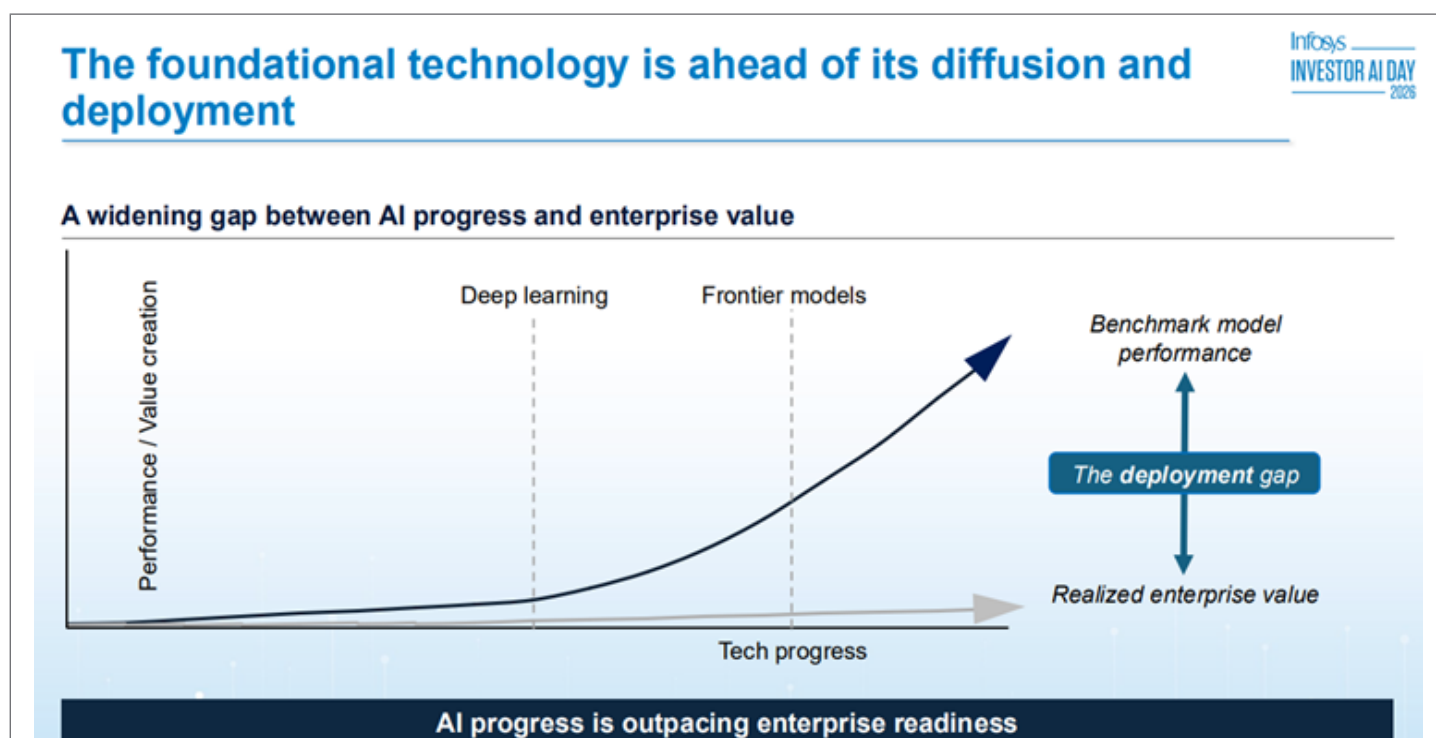
Particulars	Rs cr			
	FY25	FY26E	FY27E	FY28E
Total Revenue	1,62,990.0	1,78,797.7	1,94,970.2	2,05,942.0
EBITDA Margin (%)	24.1	23.7	24.1	24.5
Net Profit	26,750.0	29,750.7	32,266.9	34,458.4
% YoY growth	2.0	11.2	8.5	6.8
EPS (Rs)	64.5	71.7	77.9	83.1
PER (x)	23.7	19.4	17.9	16.7
P/B (x)	3.6	3.1	2.9	2.7
EV/EBITDA	15.3	12.8	11.4	10.4
ROE (%)	29.0	30.1	30.6	30.2
ROCE (%)	34.2	35.1	36.8	xx

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Feb 17, 2026

## AI-led structural shift

- The AI transition represents a once-in-a-generation structural inflection point, fundamentally distinct from prior technology cycles in both speed and depth of impact. Unlike previous transitions from computerisation to Internet to Cloud, which largely automated discrete tasks or digitised existing workflows, AI demands a comprehensive transformation across five simultaneous dimensions: technology architecture, business processes, talent models, operating frameworks, and organizational mindset. AI has reached 1 billion users faster than any prior technology, including smartphones and the Internet, underscoring its speedy adoption. With AI already representing 23% of enterprise IT budgets, the enterprise spending cycle is accelerating rapidly and firms like Infosys are uniquely positioned to architect and deliver this transformation at scale.
- Yet, the real opportunity lies in complexities that AI cannot solve on its own. The widely cited 15-50% productivity gains apply only to greenfield environments but most enterprises are drowning in decades of legacy systems, siloed data and undocumented technical debt, with only 1% having fully scaled AI at business-function level. With 60-80% of IT budgets consumed by simply maintaining outdated infrastructure, the modernisation mandate is massive, urgent, and demands experienced implementation partners not just AI tools.
- Enterprises are shifting from buying SaaS to building proprietary AI-native solutions and someone has to build them. Infosys, with its deep enterprise relationships, change management expertise and institutional knowledge, sits squarely at the center of that mandate. The investor question today is not whether Infosys benefits from the AI boom it is whether management executes with the speed and conviction to capture its outsized share of it.



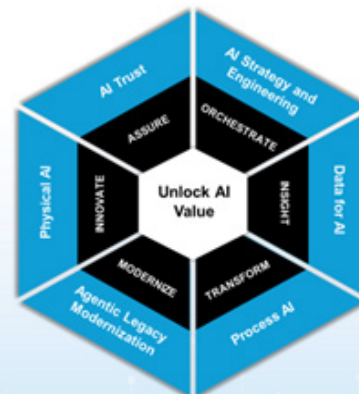
Source: Company presentations

## Executing a \$300-400 billion AI services opportunity

- **Infosys has structurally positioned itself at the center of what NASSCOM and McKinsey estimate to be a \$300-400 billion AI services market by 2030 and critically, it is already executing.** The company today delivers AI services to 90% of its large 200 clients, with AI-first revenues at 5.5% of Q3 revenue and growing robustly.
- The AI opportunity spans six clearly defined service areas: AI Strategy & Engineering, Data for AI, Process AI, Agentic Legacy Modernization, Physical AI, and AI Trust. Infosys has operationalised the same through 30 offerings and 100 sub-offerings, powered by its proprietary Topaz Fabric platform and a deep ecosystem of AI partnerships.

## We see six areas of new services opportunity from AI

- 1 **AI Strategy and Engineering** AI strategy, building AI agents, and orchestrating across platforms, tools and assets
- 2 **Data for AI** Make enterprise data ready for AI models, and drive business insights
- 3 **Process AI** Reimagine core business processes using agents
- 4 **Agentic Legacy Modernization** Use agents to modernize legacy estates
- 5 **Physical AI** Design products and embed AI in physical devices
- 6 **AI Trust** Ensure responsible and secure AI



Source: Company presentations

**Infosys' AI playbook directly addresses the central investor debate AI productivity may compress traditional revenues, but AI-led services expansion is structurally larger and will more than offset it.** The playbook runs on two pillars: AI-First Services capturing net-new demand, and AI Augmented Services deepening wallet share with existing clients both underpinned by proprietary platforms, aggressive talent reskilling, and one of the fastest-growing enterprise technology brands globally. With marquee clients including Liberty Global, Danske Bank, and Citizens Bank publicly endorsing Infosys as their strategic AI partner, the trust and executive-level relationships are already in place. The investment thesis is simple, Infosys has the client base, the platform, and the playbook; the only question is speed for execution.

## Infosys AI Playbook

Vision

Infosys aspires to be the leading partner to **"unlock AI value"** and deliver business outcomes on revenue growth, cost optimization, and innovation

Pillars



**AI First Services**

Capture new demand to drive growth



**AI Augmented Services**

Reinvent existing services to win higher wallet share

Foundation

Platforms and IP

Go To Market and Partnership Ecosystem

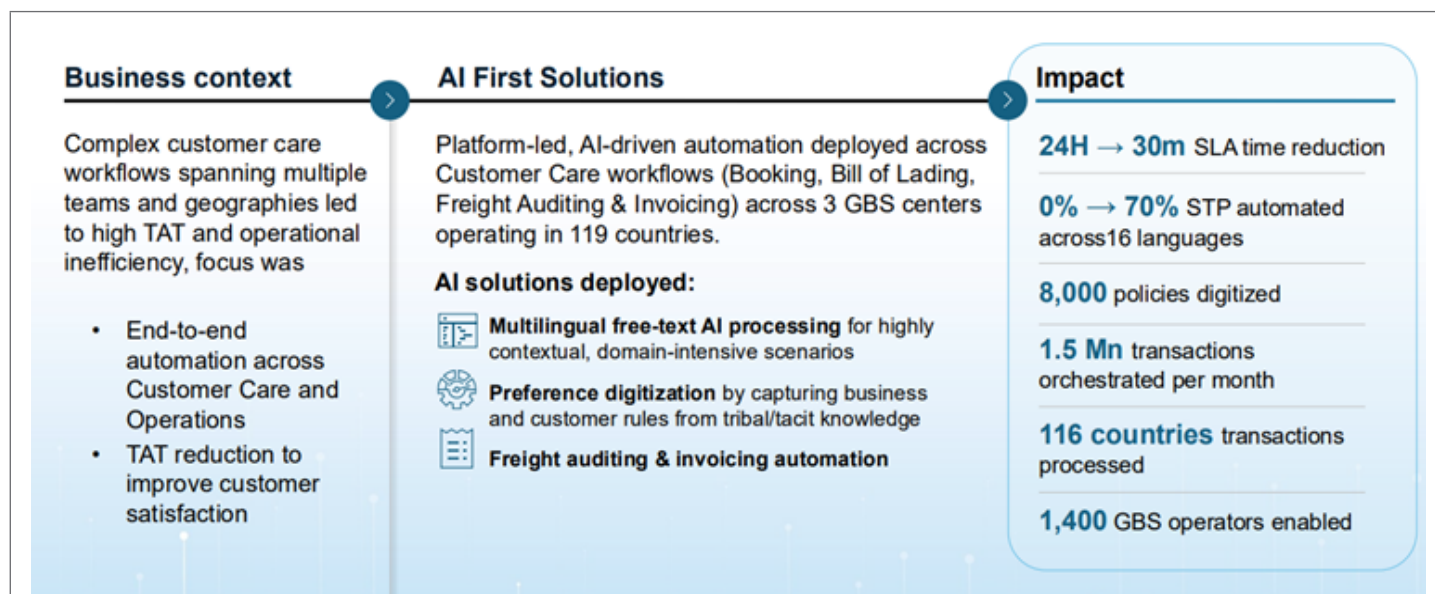
Talent and Culture

Brand equity

Source: Company presentations

**From playbook to proof: ai delivery at enterprise scale**

- **The most important insight from Infosys' playbook is that enterprise AI is fundamentally not plug-and-play, it demands a complete rewiring of systems, processes, and organizational ways of working, which is precisely where Infosys' competitive edge lies.** The company has codified its delivery approach across six integrated pillars, AI Strategy & Engineering, Data for AI, Process AI, Agentic Legacy Modernization, Physical AI, and AI Trust, each backed by proprietary frameworks, purpose-built agents, and 25+ years of deep industry context that generic AI tools simply cannot replicate.
- **Underpinning this execution is a differentiated delivery engine, AI Augmented Services, where Infosys has productized 20+ traditional service lines using best-in-class models from Anthropic, OpenAI, and Gemini, combined with proprietary Topaz Fabric, 100+ purpose-built agents, and a workforce that is 90% AI-trained.** Critically, Infosys' ability to codify unique enterprise context embedding client-specific data, processes, and legacy architecture knowledge into AI workflows directly addresses the hallucination and adoption gap that causes most enterprise AI projects to fail. As Anthropic's own leadership acknowledged, Infosys is the partner that brings enterprise context to the models a structural advantage that transforms AI from a commodity capability into a defensible, revenue-generating service. For investors, the evidence is no longer theoretical: Infosys is converting AI ambition into measurable client outcomes, and the execution engine is clearly in motion.
- **Topaz Fabric is built around five critical capabilities:** rapid experimentation infrastructure (currently running 39 client innovation labs globally), 25+ industry-specific AI blueprints for reimagining end-to-end workflows, an evolvable architecture that integrates with any AI model, cloud, or framework a client has already invested in, proprietary enterprise context graphs that act as a "city map" of each client's systems and data architecture, and built-in governance and guardrails for responsible, compliant AI deployment. The platform already packs an impressive arsenal: 600+ purpose-built agents, 5 proprietary small language models spanning enterprise, banking, IT Ops, cybersecurity and code, 20+ MCP connectors to SAP, Oracle, Salesforce, Snowflake, ServiceNow and beyond, 25+ industry blueprints, a hybrid AI cloud, and 155 patents filed through January 2026, making Topaz one of the most deeply engineered proprietary AI platforms in the IT services industry.
- The real power of Topaz is not its architecture on paper, it is how it converts enterprise complexity into measurable outcomes, as demonstrated by a global logistics client where Infosys deployed Topaz's AI Next platform to digitize 8,000 client-specific business rules and automate customer care workflows across 116 countries in 15 languages, reducing processing time from 24 hours to 30 minutes and lifting automation rates from near-zero to 70%.
- Beyond individual deployments, Topaz is backed by a structured innovation engine, 39 client living labs, 14 internal Infosys labs, partnerships with 200+ AI startups, and joint research with Cambridge, Columbia, and Cornell on agentic AI, scaling, and trust, ensuring the platform continuously evolves ahead of the enterprise adoption curve. For investors, Topaz represents something competitively significant: A proprietary IP that compounds in value with every client deployment, embedding Infosys more deeply into client workflows while simultaneously widening the moat against both traditional IT services rivals and AI-native challengers that lack the enterprise context, integration depth, and trust architecture that Topaz has taken years to build.



Source: Company presentations

- **AI deployment across verticals:** AI monetisation pathways vary significantly across Infosys’s vertical portfolio, with each segment presenting distinct growth drivers and competitive moats. Financial services faces less use-case scarcity and more regulatory/privacy constraints, favoring trusted incumbents; CMT focuses on network resilience and CX in low-growth markets with sovereign cloud tailwinds; Manufacturing leverages Process and Physical AI on proprietary industrial data to unlock margin and cycle time gains; EURS sits at the energy-digital intersection, funding AI investments through ERP-driven OPEX savings; and retail has moved beyond pilots into operational embedding and agentic commerce at scale. Critically, Infosys is the strategic AI partner for 15 of the top 25 clients in both EURS and Financial Services a data point signaling deep institutional trust, executive-level relationships, and structural revenue stickiness that few peers can replicate.

### Additional Data

#### Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	LIC	10.34
2	Deutsche Bank Trust	8.33
3	Blackrock Inc	4.59
4	SBI Funds Management	4.40
5	Vanguard Group	3.86
6	ICICI Pru	3.54
7	National Pension System Trust	2.47
8	Gopalakrishnan Sudha	2.35
9	UTI AMC	1.81
10	HDFC AMC	1.74

Source: Bloomberg

#### Key management personnel

Name	Designation
Jayesh Sanghrajka	CFO
Salil Parekh	CEO & MD
Sandeep Mahindroo	Financial Controller & Head – IR

Source: Company Website

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