

Infosys - Predicts Impact on Bottomline in 2020 Amid COVID-19 Pandemic

Targets Affected:

Infosys

- Infosys stated some of its verticals might get impacted amid COVID-19 pandemic
- The company's segmental profitability decreased due to increase in compensation to senior staff
- Profitability in 2020 will get impacted as clients demand for discounts and price reductions amid COVID-19 pandemic
- Infosys further raised concerns over climate change for where its clients operate
- Clients in mining and oil industry related businesses may come under severe financial stress due to investments in climate friendly solutions

Source(s)

<https://www.livemint.com/news/india/infosys-ceo-compensation-up-27-says-covid-19-may-impact-bottomline-dividend-11590918282712.html>

<https://tamil.goodreturns.in/news/infosys-profitability-may-hit-but-ceo-compensation-jumps-27-percent-019174.html>

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.