Infibeam Avenues Ltd
Q4FY25

Result update | **28th May 2025**

Infibeam Avenues Ltd.

Execution holds the key as Infibeam embarks on a capex-led diversification

CMP*	Target	Potential Upside	Market Cap (INR Mn)	Recommendation	Sector
INR 20.2	INR 24.4	20.4%	INR 56,487	BUY	Internet Software & Services

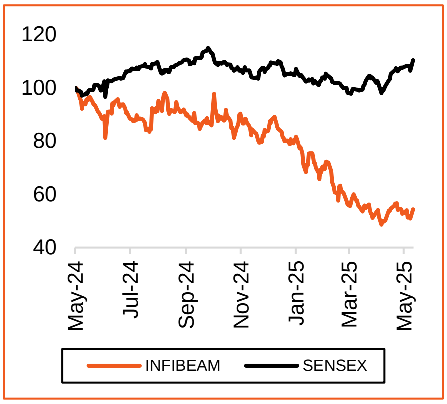
Result Highlights for Q4FY25

- Infibeam Avenues gross revenue stood at INR 11,605 Mn., up 62.0% YoY (+8.4% QoQ), above our estimates (+4.2%).
- EBIT came in at INR 599 Mn., up 17.7% YoY (+1.0% QoQ), in-line with our estimates. EBIT Margin declined by 194bps YoY to 5.2% (-38bps QoQ) on account of increased payment processing charges. Adjusted net Profit stood at INR 449 Mn., down 3.7% YoY (-28.0% QoQ), sharply above our estimates (+18.8%), driven by higher other income.
- **We have revised our FY26E/FY27E EPS estimates by -5.1%/-8.8% respectively, factoring in a more gradual scale in Transaction Processing Value (TPV). INFIBEAM has laid out a capex roadmap of USD 100mn over the next three years, primarily to support its global expansion and data center investments. Although the future growth is expected to materialize through entry into markets such as Saudi Arabia, UAE, and Oman, we believe these initiatives are in early stages, and the execution and scale is yet to be proven. Further, margin compression remains a near-term overhang led by elevated cost structure driven by ongoing diversification and expansion.**
- **We value Infibeam Avenues at 25.0x FY27E EPS, implying a target price of INR 24.4. We reiterate and maintain our "BUY" rating on the stock.**

MARKET DATA

Shares outs (Mn)	2,782
Mkt Cap (INR Mn)	56,487
52 Wk H/L (INR)	34.2/15.3
Volume Avg (3m K)	10,820
Face Value (INR)	1.0
Bloomberg Code	INFIBEAM IN

SHARE PRICE PERFORMANCE



MARKET INFO

SENSEX	81,552
NIFTY	24,826

KEY FINANCIALS

INR Mns	FY23	FY24	FY25	FY26E	FY27E
Gross Revenue	19,623	31,503	39,926	46,713	55,201
EBIT	1,180	1,871	2,330	2,696	3,165
Adj. PAT (excl. Other Income)	655	1,333	1,481	1,811	2,165
Adj. PAT	1,363	1,581	2,212	2,371	2,717
OPM (%)	6.0%	5.9%	5.8%	5.8%	5.7%
NPM (%)	6.9%	5.0%	5.5%	5.1%	4.9%

Source: Company, DevenChoksey Research

Infibeam delivers strong performance, meeting guidance for FY25

- The Net Take Rate (NTR) increased to 10.6bps in Q4FY25 from 9.2bps in Q4FY24 (vs 11.1bps in Q3FY25).
- Transaction Processing Value (TPV) stood at INR 2,416 Bn in Q4FY25, up 6.6% YoY (+7.9% QoQ).
- Infibeam delivered on its FY25 guidance across all key operating metrics, with gross revenue reaching the lower end of the guided range, while other parameters met or exceeded the upper bound of management's projections.
- For FY25, the Total Payment Volume (TPV) reached INR 8,670 Bn, reflecting a robust 23.1% YoY growth. Of this, payment-based TPV accounted for approximately INR 3.2 Tn, with the remainder derived from platform TPV.
- NTR stood at 11.7 bps, representing a significant expansion of 350 basis points compared to the FY24.
- Gross Revenue totaled INR 39,926 Mn, up 26.7% YoY. This growth was primarily driven by the payments business, which saw a 28.2% YoY surge to INR 37,866 Mn, contributing 94.8% of total revenue. Meanwhile, the e-commerce platform segment grew by 4.5% YoY, reaching INR 2,059 Mn, and contributed 5.2% to overall revenue.

SHARE HOLDING PATTERN (%)

Particulars (%)	Mar-25	Dec-24	Sep-24
Promoters	27.4	27.4	27.4
FIIs	7.7	7.2	6.8
DIIs	0.2	0.1	0.1
Others	64.7	65.3	65.7
Total	100	100	100

*Based on the previous closing
Note: All the market data is as of previous closing

17.5%

Gross Revenue CAGR between FY25 and FY27E

20.9%

Adj. PAT (Excl. Other Income) CAGR between FY25 and FY27E

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- EBIT stood at INR 2,330 Mn, up 24.6% YoY, while EBIT margins remained flat (-10bps YoY) to 5.8%.
- Adj. PAT stood at INR 2,212 Mn**,** up 39.9% YoY, driven by better operating performance and higher other income. Other income stood at INR 731 Mn, up 194.6% YoY. Adj. PAT margin stood at INR 5.5%, up 52 bps YoY.

Key Concall Highlights:

Infibeam Enters Data Center Sector with Quantum Edge Initiative, Targeting Scalable Growth and Strong ROI

- Infibeam has strategically ventured into the data center business under its new "Quantum Edge" brand. Unlike the large-scale, hyperscale facilities operated by major tech players, Infibeam is deploying small, localized data centers (1 - 2MW each) across India to address growing demand for distributed infrastructure.
- A 2MW data center was launched in Q3FY25, with plans to expand further. The company aims for a total capacity of 10MW in the medium term, with potential for future scaling.
- Management is confident that the data center division will generate a return on investment (ROI) within 24 months.

Infibeam's GCC expansion: strategic foothold in Saudi drives long-term growth visibility

- Infibeam Avenues Ltd has made substantial progress in its GCC expansion strategy, particularly in Saudi Arabia, UAE, and Oman, which have now become core growth markets for the company.
- In Saudi Arabia, Infibeam' s payment gateway arm, CCAvenue, has gone live with enterprise clients like VFS Global, Nissan, and Infiniti, supported by a SAMA-approved PTSP license and a fully localized infrastructure setup.
- Management has indicated that although revenue contribution from Saudi Arabia began reflecting only in Q4FY25, a meaningful scale-up is expected from FY26E onward, as enterprise clients ramp up transaction volumes
- Infibeam expects international operations to contribute 20.0-25.0% of the topline over the next 2 years, up from a low double-digit contribution currently. Take rates in international markets are expected to decline due to large clients but will still be 2.0x higher than Indian levels.
- In the UAE, the company has already established a strong presence, partnering with prominent entities like Emaar, Nakheel, DAMAC, and even processing transactions for Emirates Airlines and Burj Khalifa's ticketing portal.
- The company has also introduced BNPL integrations with Tabby and Tamara, as well as Google Pay support, to tailor its offering to regional consumer preferences.

Phronetic.AI: Infibeam's Strategic AI Growth Lever

- Phronetic.AI, Infibeam's AI subsidiary, is focused on enterprise-grade AI solutions with early traction from a five-year contract with a hospital chain and a USD 1 Mn per annum deal with an international gas station operator. It filed its first US patent for an AI-based activity monitoring system targeting retail and manufacturing.
- VLLM models (video large language models) are being built out, which can identify scenes and activities within scenes, with applications in hospitality and gas stations.

Capex Guidance and Rights Issue

- Infibeam Avenues Ltd has outlined a focused investment strategy, with a planned capex of USD 100 Mn over the next three years.
- This investment will be directed towards scaling its AI subsidiary Phronetic.AI, building small-format distributed data centers under its Quantum Edge initiative, and enhancing fintech infrastructure to support real-time computing and agent-based AI systems.
- To partially fund this investment cycle, the company has proposed a rights issue of INR 7,000 Mn. The capital infusion will help preserve balance sheet flexibility and support long-term value creation, while maintaining a disciplined capital structure amid elevated growth investments.

Rediff Boosts Infibeam's Digital Push with UPI License and B2B SaaS Rollout

- Rediff.com has secured a TPAP license from NPCI, paving the way for the launch of RediffPay, a UPI-enabled digital payments platform (launch date pending). Additionally, the company is rolling out RediffOne, a B2B cloud-based enterprise suite offering ERP, CRM, and HRMS solutions targeted at SMBs and merchants. These initiatives are aimed at enhancing platform monetization and deepening Infibeam's footprint across the digital financial and enterprise tech ecosystem.

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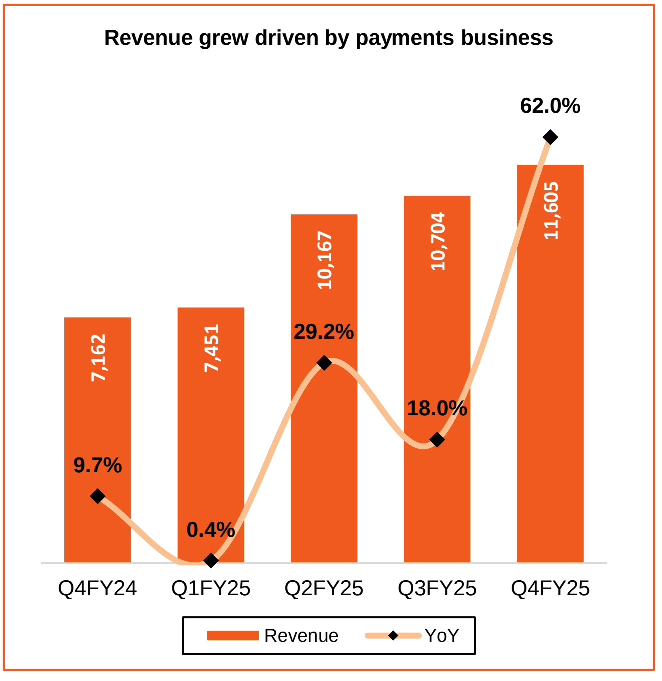
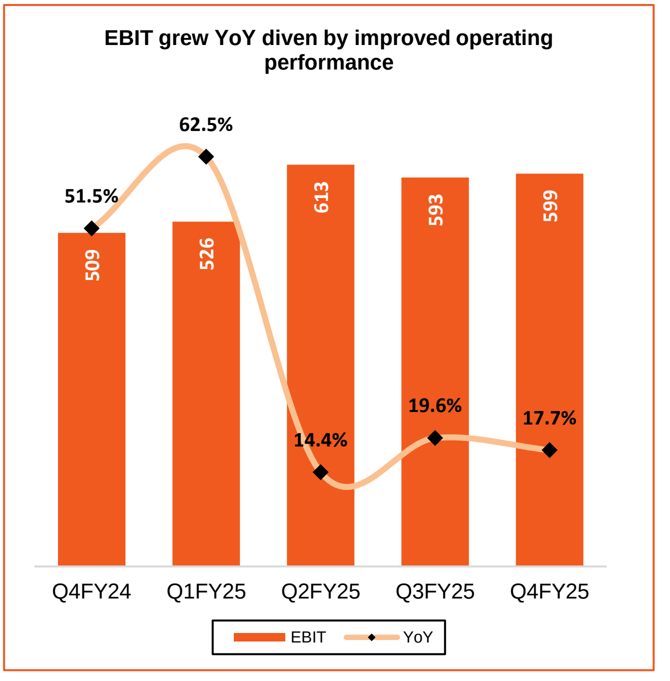
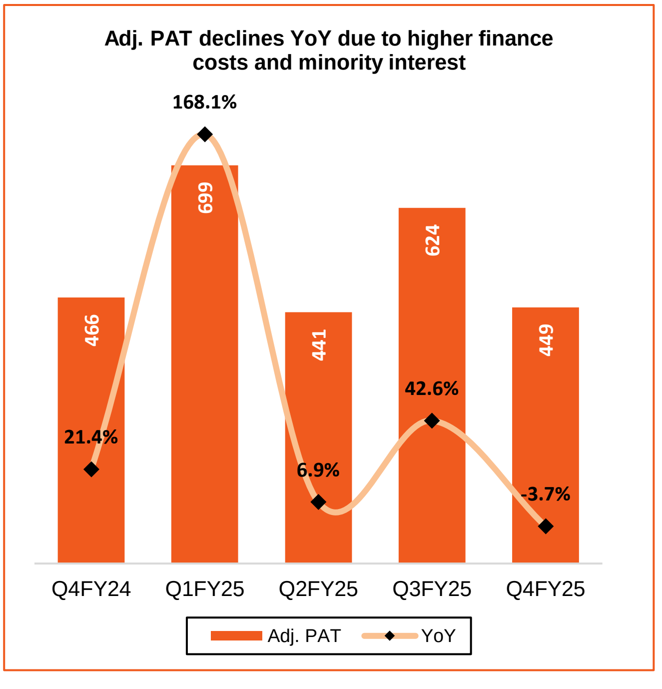
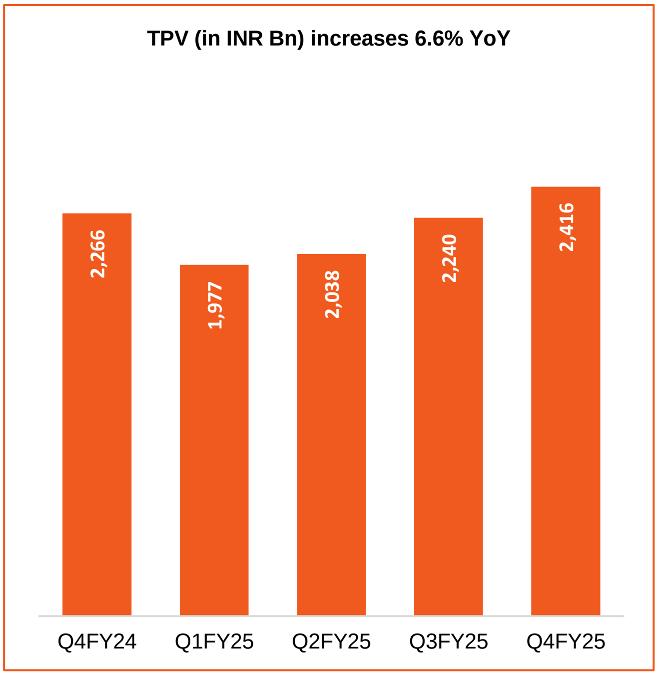
STORY IN CHARTS









Source: Company, DevenChoksey Research

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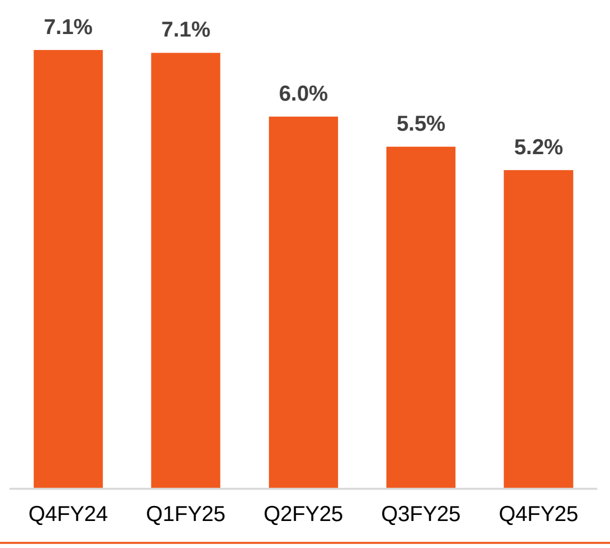
RESULT SNAPSHOT

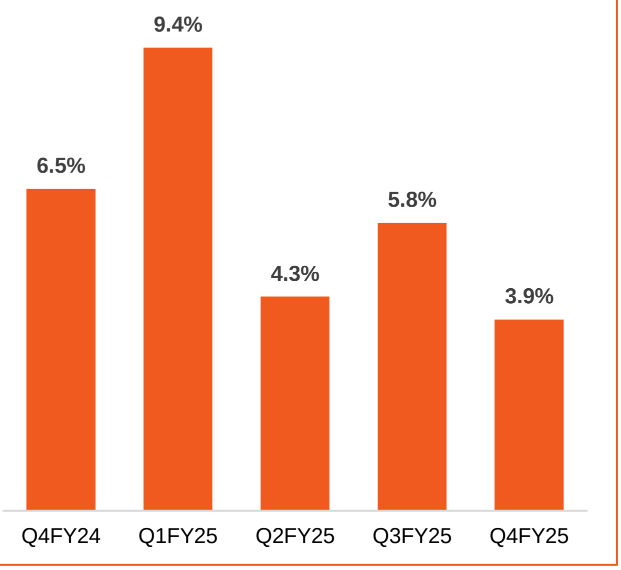
Particulars (INR mn)	Q4FY25	Q3FY25	Q4FY24	Q-o-Q	Y-o-Y	FY25	FY24	Y-o-Y
Gross Revenue	**11,605**	**10,704**	**7,162**	**8.4%**	**62.0%**	**39,926**	**31,503**	**26.7%**
Operating Expenses	10,255	9,304	6,106	10.2%	67.9%	34,668	27,311	26.9%
Net Revenue/Gross Profit	**1,350**	**1,399**	**1,056**	**-3.5%**	**27.9%**	**5,258**	**4,192**	**25.4%**
Employee benefits expenses	391	402	298	-2.9%	31.3%	1,482	1,209	22.5%
Other expenses	182	215	77	-15.3%	138.2%	**742**	446	**66.4%**
Reported EBITDA	**777**	**782**	**682**	**-0.6%**	**14.0%**	**3,034**	**2,537**	19.6%
EBITDA Margin (%)	**6.7%**	**7.3%**	**9.5%**	**-61bps**	**-282bps**	**7.6%**	**8.1%**	**-45bps**
Depreciation	179	189	173	-5.7%	3.1%	704	666	5.6%
EBIT	**599**	**593**	**509**	**1.0%**	**17.7%**	**2,330**	**1,871**	**24.6%**
EBIT Margin (%)	**5.2%**	**5.5%**	**7.1%**	**-38bps**	**-194bps**	**5.8%**	**5.9%**	**-10bps**
Finance costs	32	21	8	55.3%	314.1%	83	24	**249.4%**
Other income	199	232	139	-14.1%	43.9%	731	248	194.6%
Share of associates	-26	39	-16	-166.4%	62.9%	61	-20	**-402.5%**
Exceptional items	-42	0	0	0.0%	0.0%	-42	0	0.0%
PBT	**782**	**843**	**624**	**-7.2%**	**25.4%**	**3,082**	**2,075**	**48.5%**
Tax	235	199	162	18.1%	45.6%	722	516	39.9%
Net Profit	**547**	**644**	**462**	**-15.1%**	**18.3%**	**2,360**	**1,559**	**51.4%**
Minority Interest	56	20	-4	179.0%	-1397.7%	106	-22	-586.2%
PAT after MI	**491**	**624**	**466**	**-21.3%**	**5.3%**	**2,254**	**1,581**	**42.6%**
Net Profit Margin (%)	**4.2%**	**5.8%**	**6.5%**	**-160bps**	**-228bps**	**5.6%**	**5.0%**	**63bps**
Adj. Net Profit	**449**	**624**	**466**	**-28.0%**	**-3.7%**	**2,212**	**1,581**	**39.9%**
Adj. Net Profit Margin (%)	3.9%	5.8%	6.5%	-196bps	-264bps	5.5%	5.0%	52bps
Adj. EPS (INR)	**0.16**	**0.22**	**0.17**	**-28.0%**	**-3.7%**	**0.79**	**0.57**	**39.9%**

Source: Company, DevenChoksey Research

EBIT Margin declines YoY due to higher payment processing charges



PAT Margin declines due to opex and higher minority interest



Source: Company, DevenChoksey Research

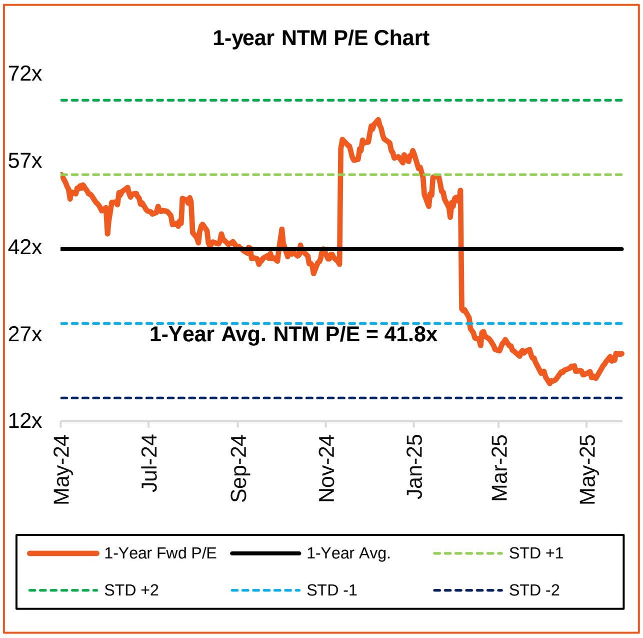
Infibeam Avenues Ltd.

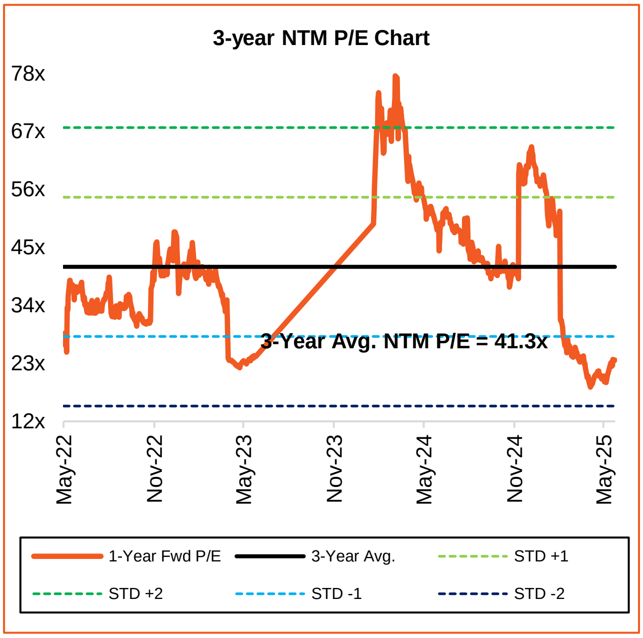
Valuation and view:

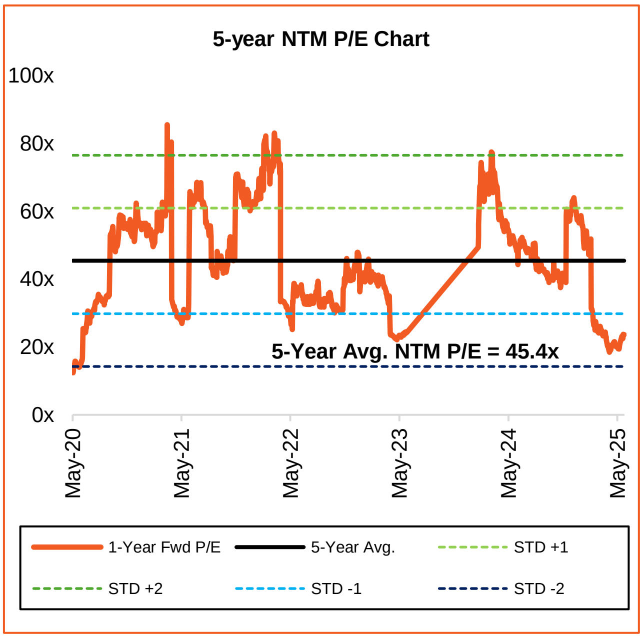
Infibeam Avenues Ltd Q4FY25 performance came in above our estimates, largely attributed to higher other income. The Company has outlined a USD 100.0 Mn capex plan over the next three years, focused on scaling Phronetic, deploying distributed data centers under its Quantum Edge initiative, and enhancing its fintech infrastructure, which is to be funded through proposed right issue of INR 7,000 Mn.

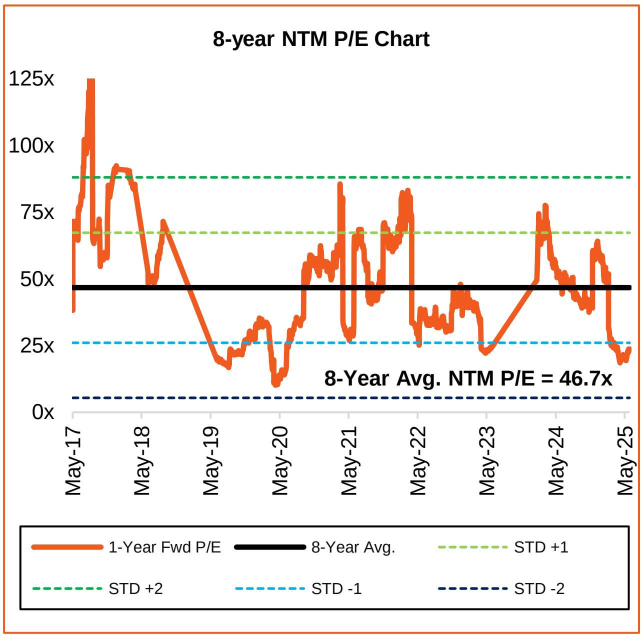
We have revised our FY26E/FY27E EPS estimates by -5.1%/-8.8% respectively, factoring in a more gradual scale in Transaction Processing Value (TPV). Although the future growth is expected to materialize through entry into markets such as Saudi Arabia, UAE, and Oman, we believe these initiatives are in early stages, and the execution and scale is yet to be proven. Further, margin compression remains a near-term overhang led by elevated cost structure driven by ongoing diversification and expansion.

We value Infibeam Avenues at 25.0x FY27E EPS, implying a target price of INR 24.4. We reiterate and maintain our "BUY" rating on the stock.









Source: Bloomberg, DevenChoksey Research

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Infibeam Avenues Ltd.

KEY FINANCIALS

Exhibit 1: Profit & Loss Statement

INR Mn	FY24	FY25	FY26E	FY27E
Gross Revenue	**31,503**	**39,926**	**46,713**	**55,201**
Cost of sales	27,311	34,668	40,407	47,749
Net Revenue	**4,192**	**5,258**	**6,306**	**7,452**
Opex	1,655	2,224	2,756	3,312
EBITDA	**2,537**	**3,034**	**3,550**	**4,140**
D&A	666	704	854	975
Operating profit	**1,871**	**2,330**	**2,696**	**3,165**
Finance Cost	**24**	**83**	**95**	**95**
Other income, net	248	731	561	552
PBT before share of associates	**2,095**	**2,979**	**3,162**	**3,622**
Share of profit/loss of associates	-20	61	0	0
Exceptional items	0	42	0	0
Pretax Income	**2,075**	**3,082**	**3,162**	**3,622**
Income tax expense	516	722	790	906
Minority Interest	-22	106	0	0
Adj. Net profit	**1,581**	**2,212**	**2,371**	**2,717**
Adj. EPS (INR)	**0.57**	**0.79**	**0.85**	**0.97**

Exhibit 3: Cash Flow Statement

INR Mns	FY24	FY25	FY26E	FY27E
CFFO	7,284	721	3,302	3,789
CFFI	-4,481	-6,716	-2,800	-2,800
CFFF	1,781	2,083	-138	-138
Net Inc/Dec	4,583	-3,912	363	850
Opening Balance	2,700	6,952	3,313	3,677
Closing Balance	6,952	3,313	3,677	4,527

Exhibit 4: Key Ratios

Key Ratio	FY24	FY25	FY26E	FY27E
Tax rate (%)	24.9%	23.4%	25.0%	25.0%
RoE (%)	4.7%	6.0%	6.0%	6.4%
RoE (%) - Adj for Goodwill	9.1%	10.9%	10.4%	10.7%
RoCE (%)	5.1%	5.6%	6.1%	6.8%
Current Ratio (x)	1.36x	1.59x	1.53x	1.50x
BVPS (INR)	12.18	13.39	14.19	15.12
OPM	5.9%	5.8%	5.8%	5.7%
EBITDA Margin	8.1%	7.6%	7.6%	7.5%
Adj. NPM	5.0%	5.5%	5.1%	4.9%
P/E	35.5	25.5	23.8	20.7

INR Mn	FY24	FY25	FY26E	FY27E
Equity				
Equity Capital	2,782	2,790	2,790	2,790
Other Equity	31,104	34,565	36,798	39,377
Non controlling interest	-16	1,082	1,082	1,082
Total Equity	33,870	38,437	40,670	43,248
Non-Current Liabilities				
Borrowings	706	659	659	659
Other Liability	2,030	2,809	2,809	2,809
Total Non-Current Liabilities	**2,736**	**3,468**	**3,468**	**3,468**
Current Liabilities				
Trade Payables	150	321	374	441
Other financial liabilities	1,002	1,173	1,173	1,173
Income Tax Liabilities	13,667	10,289	11,861	13,826
Total Current Liabilities	**14,819**	**11,783**	**13,408**	**15,441**
Total Liabilities	**51,424**	**53,687**	**57,545**	**62,157**
Non-Current Assets				
Property Plants and Equipments	1,788	1,703	4,065	6,264
CWIP	970	1,202	1,202	1,202
Goodwill	16,455	16,705	16,705	16,705
Intangible Assets	2,894	4,155	3,740	3,366
Other current assets	9,179	11,158	11,259	11,385
Total Non-Current Assets	**31,286**	**34,923**	**36,970**	**38,922**
Current Assets				
Trade Receivables	1,162	893	1,044	1,234
Cash and Bank	6,952	3,313	3,677	4,527
Other financial assets	3,278	5,092	5,092	5,092
Oher current assets	8,747	9,466	10,762	12,383
Total Current Assets	**20,138**	**18,764**	**20,575**	**23,236**
Total Assets	**51,424**	**53,687**	**57,545**	**62,157**

Source: Company, DevenChoksey Research

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Date	CMP (INR)	TP (INR)	Recommendation
27-May-25	20.2	24.4	BUY
04-Feb-25	23.3	27.8	BUY
12-Nov-24	27.4	33.9	BUY
07-Aug-24	31.0	37.6	BUY
22-May-24	32.1	37.6	BUY
30-Jan-24	34.9	41.7	BUY

Rating Legend (Expected over a 12-month period)	
Our Rating	Upside
Buy	More than 15%
Accumulate	5% – 15%
Hold	0 – 5%
Reduce	-5% – 0
Sell	Less than – 5%

Please send your feedback to research.retail@devenchoksey.com

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