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India | Equity Research | Initiating Coverage

Pine Labs

Financial Services

Diversified business, growth opportunities and operating leverage to aid earnings growth

Pine Labs (PL) is a diversified payments platform comprising ~30% revenue mix each of subscription, affordability, issuer distribution and processing as of FY26, along with other fast-growing segments like online and credit card processing. The breadth of these services gets meaningfully enriched when juxtaposed with increasing international footprint and possible synergies with brands, alongside opportunities presented by AI in payments. While product capability and diversification could help EBITDA growth, margin prospects remain healthy with an increasing mix of higher-profit segments. This, along with operating leverage, could ensure ~19%/37%/75% CAGR in revenue/EBITDA/earnings over FY26-30E. We expect this to lead to more than ~INR 10bn PAT in FY30.

Initiate with **BUY** rating based on DCF-driven target price of INR 210/share. Our DCF model does not build any inorganic capital growth assumptions but factors in early settlement basis cash flow requirements. Increase in value added GTV mix is a key lever for increase in value apart from revenue growth.

Key Investment Thesis

- Multi-product, multi-user-segment and multi-geography play— stable growth potential with more optionalities and lower risks.** We put this forward to highlight the diversified business standing which provides several optionalities for growth and relatively lower risk. Pine Labs has strong presence in in-store (2.03mn+ POS devices with 17.2% market share in FY26), online (7.4bn+ transactions in FY26 with 30% growth in FY26) and everything around prepaid issuance (866mn card issued in FY26) and credit card processing. Secondly, Pine Labs works with all the three stakeholders - merchants (Flipkart, Myntra, NYKAA, DMart, etc.), banks/financial institutions (SBI Payments, HDFC Bank, ICICI Bank, American Express etc.), and corporates/brands (Marriott International, BPCL, HPCL, Apollo Pharmacy etc.). Finally, Pine Labs has a growing footprint across the world. International growth playbook has several industry examples worldwide and Pine labs is already generating INR4bn+ revenue from the same. This diversification obviates excessive dependency on either credit products or consumer cross-sells and lowers regulatory risk.

Financial Summary

Y/E March(INR mn)	FY25A	FY26A	FY27E	FY28E
GTV (INR bn)	11,425	17,150	23,275	30,712
Net Revenue	22,743	27,106	33,023	39,537
Contribution Margin (%)	76.0	75.3	73.5	73.1
EBITDA	2,572	4,097	6,036	8,544
EBITDA Margin (%)	11.3	15.1	18.3	21.6
Net Profit	(1,455)	1,127	3,356	5,276
EPS (INR)	(1.2)	0.9	2.8	4.4
EPS % Chg YoY	NM	NM	197.7	57.2
P/E (x)	NM	164.4	55.2	35.1
EV/EBITDA (x)	70.4	39.1	26.2	18.1
RoE (%)	(4.1)	2.4	5.5	7.9

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Market Data

Market Cap (INR)	176bn
Market Cap (USD)	1,863mn
Bloomberg Code	PINELABS IN
Reuters Code	PINL.BO
52-week Range (INR)	284 /135
Free Float (%)	19.0
ADTV-3M (mn) (USD)	23.8

Price Performance (%)	3m	6m	12m
Absolute	(3.6)	(33.6)	0.0
Relative to Sensex	(5.9)	(23.1)	0.0

ESG Score	2024	2025	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

- **There should be operating leverage** This is simple but yet we put forth to capture associated high earnings growth possibility. Apart from high contribution margin (~>70%) and low growth in expected fixed costs akin to platform fintechs, there is visibility of low growth in employee cost (enough engineering talent already in house and total employee count remained ~4,200-4,400 levels for last 4 years), low growth in depreciation (company has been moving to asset light model) and ample opportunity to optimise operations with AI towards new product development and business effectiveness. Significant acquisitions have already been done to ensure business growth ahead which will also likely help operating leverage.
- **Payment fintechs have great macro-opportunity ahead aided by AI; Pine Labs well placed:** Global fintechs have been able to report better growth in recent times with improving demand, and players with scale and technology will likely be best able to harness the potential. The ability to move in to adjacent products, geographies and digital/physical infrastructure layers will be key to determine winnability. AI will be an incrementally important aspect in designing workflows not only around underwriting, compliance, process work flows but also customer servicing and all of this at scale. As such, systems will be designed keeping AI as the core element in mind versus only an efficiency tool, e.g. Payment firms will incrementally use interoperable algorithms across AI ecosystems. Pine Labs is well placed in all these parameters with its focus on technology, global footprint and work on AI. In today's environment, AI-based payments have potential to drive an explosion in volumes, with AI agents increasingly acting on behalf of users. Pine Labs' tech architecture is purpose-built for this with a strategic intent to move beyond payments processing to become the commerce infrastructure partner that merchants, financial institutions, and brands rely on to grow. Pine Labs directionally wants to own more of the commerce journey, on more surfaces, with more intelligence, and deeper stickiness. The portfolio compounds — upstream presence generates proprietary data, data fuels AI-native services, services deepen stickiness, and stickiness expands the surfaces on which Pine Labs operates.
- **Pine Labs has reported strong growth across segments. This is also backed by revenue growth guidance of 21-23.5% in FY27.**
 - In the online space, Pine Labs is making good progress with 56% growth YoY in Q4FY26. Both Q-commerce and e-commerce companies are today using Pine Labs as a platform. Management sees this to be a very significant growth area going forward.
 - In the mid-market segment, Pine Labs continues to add leading mid-market merchants to the platform, with the mid-market DCP base growing 30%+ YoY in Q4FY26.
 - In the international market, Pine Labs grew 44%+ YoY, generating INR 4bn+ revenue in FY26. It has partnered with 20+ global airlines and expanded prepaid solutions across international airlines, while launching prepaid programmes for marquee brands in the US with Totus. They have also scaled Southeast Asia distribution with prepaid voucher integration across 2,800+ convenience store outlets in Malaysia, and expanded gift cards for a large Indian player into MEA markets.
 - In fintech infrastructure, Pine Labs grew 35% YoY, with the number of transactions reaching 310mn in Q4FY26. The addition of 34 new merchants in Q4, including Jar for bank account validation, sets the stage for FY27 growth.

- Issuing and acquiring business grew by 30% to record INR 8.74bn in revenue in FY26, as the distribution business grew via expansion of gift card catalogues and Woohoo 2.0 (a gift card platform), strengthening platform scalability. New prepaid programmes across D2C brands (Chicco, Bear House and Miraggio) and enhanced cobranded integrations with additional expense management platforms helped embed prepaid across high-frequency use cases.
- Affordability volumes in FY26 expanded through new brand signups, active campaigns and offers, with improved take rates from expanded product offerings. Growth extended beyond electronics, with non-electronics volumes up 41%+ YoY in Q4 and 60%+ in FY26. This reflects the ability to replicate its EMI playbook across adjacent lifestyle categories.

Key risks: Less-than-expected growth in GTV is key risks to earnings. Regulatory challenges, if any, could pose a risk to valuation multiples as well as earnings. However, any revenue charges on UPI could benefit Pine Labs basis its higher share of large merchants. The company has the lever to invest in working capital to manage revenue growth which could lead to lower-than-expected cash flow in certain times. Secondary market activities like PE exits could be an overhang on the stock.

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Business highlights of FY26—key wins, business drivers and growth directions

Exhibit 1: Key wins during FY26

Segments		Key achievements in FY26	Key Wins
In-store payments infrastructure	2.03mn DCPs	<ul style="list-style-type: none"> Doubled down on mid-market and SMB customers across F&B, lifestyle, D2C, electronics, automobiles, hypermarkets, etc. Teamed up with a new-age fintech partner to roll out DCPs to a network of small and co-operative banks nationwide. In Q4, Pine Labs won multi-year landmark contracts from the top 3 leading oil marketing companies (OMCs) in India, involving deploying, managing, and maintaining digital payments infrastructure at petrol pumps and merchant outlets across India, including the fleet loyalty programme for IOCL. 	India's #1 Airport Operator, top D2C lifestyle brands, #1 Payment Player across all 3 OMCs, 50%+ market share in fuel retail outlets
Online payments infrastructure	56%+ revenue growth YoY	<ul style="list-style-type: none"> Launched biometric authentication, UPI Reserve, Agentic Pay and Self-Serve SME onboarding—broadening merchant reach while unlocking autonomous, ecosystem-led commerce. Scaled the merchant base across D2C, government, and SMBs; prioritised and sharply grew quick commerce volumes. 	Top #4 Quick Commerce Player and top online fashion marketplace
Affordability, VAS and transaction processing	450+ brands and 40+ issuers	<ul style="list-style-type: none"> Scaled India's largest affordability platform across online, offline, payment link and app channels— driving non-electronics volumes up 60%+ YoY (FY26) and unlocking new addressable categories. Developed bespoke scan & pay solution for a leading hospitality chain; expanded marketing and data insights solutions to unlock new revenue streams. 	Top #2 electric 2-wheeler player and largest digital eyewear retailer
Issuing and acquiring platform	~ INR 640bn GTV	<ul style="list-style-type: none"> Embedded prepaid programmes across D2C fashion, QSR, expense management, wallet-led use cases, and Bharat Yatra transit-focused spends. Scaled distribution through Woohoo 2.0, Q-com. gifting, marketplace expansion via gaming-led content, driving corporate engagement across consumers, partners, and influencers in India. 	Top #3 e-commerce company in India and largest American QSR chain
International	INR 4bn+ revenue	<ul style="list-style-type: none"> SEA & MENA: Partnered with GCash (Philippines) for merchant acquiring, affordability and loyalty; launched in-store payments and affordability in SG; and won multi-year mandates for Wio Bank and Emirates NBD. Expanded prepaid solutions for international airlines and launched prepaid programmes for marquee brands in the US with Totus. 	Leading digital-first UAE bank and 20+ global airlines

Source: I-Sec research, Company data

Exhibit 2: Key business drivers for FY27

Key business drivers for FY27	
Foundation	<ul style="list-style-type: none"> Enterprise merchants continue to expand with small-format stores and are entering smaller markets. They are also changing the consumer experience by transitioning to self-serve checkouts. In the mid-market and smaller merchant segment, Pine Labs saw 30% YoY growth in Q4FY26, aided by increased automation and the use of integrated payments. Management expects this growth to continue. The direct acquiring business footprint in Malaysia, Singapore and Dubai continues to grow. The Malaysian market alone is expected to grow by 50% in revenue.
Payments infra and value pool	<ul style="list-style-type: none"> Complexity is a win—intelligent routing, ERP integration, omnichannel acceptance and loyalty on one platform give them leadership in India's highest profit-pool segment, while now extending into the mid-market at industry-leading capabilities and pricing. OMC wins, the GCash partnership, and international expansion deepen transaction density and wallet share.
Brands and consumer pool	<ul style="list-style-type: none"> Affordability—India's largest POS affordability network with 450+ brands and 40+ issuers; expanding into UPI and NBFC credit lines, new categories, and post-purchase EMI options, with carded affordability still under a tenth of overall consumption. Issuance is at the core of every brand's primary challenge: how to acquire customers efficiently, retain them longer and monetise better. When a brand issues a prepaid instrument with Pine Labs, it does not just settle a transaction—it secures the next one. Three distribution rails compound the advantage: a curated consumer marketplace, workflow-embedded corporate channels, and direct brand tie-ups. The runway for scale is substantial—20 airlines already live with a path to 50+ via Amadeus, scaling D2C and Q-commerce, and early wins across Australia, Singapore, the UAE, Malaysia, and the US.
Business services, data and AI	<p>Management is seeing more merchants and banks seeking a combination of payments, identity and data analytics. To meet this demand, the company launched innovative AI-based products for better underwriting using data. Six bank pilots are currently underway, with two large contracts already signed. These contracts utilise event-based pricing.</p> <p>To stay ahead of the curve, the company has adopted three core approaches:</p> <ul style="list-style-type: none"> Partner with frontier AI labs: Strategic partnerships with OpenAI and Google Gemini to co-create industry-first products. This actively shapes how newer models and platforms are applied to Agentic commerce and payments. Invest aggressively in AI-first initiatives: a) New AI-led products for customers, b) reimagining all operational processes with AI as default to enhance customer experience and reduce cost-to-serve and c) developer productivity to ship faster. Pioneer protocols for Agentic commerce, Agentic identity (Grantex protocol), Agentic Org (permissions and guardrails for operating agents), and a consumer LLM orchestrator that makes merchant catalogues available across ChatGPT, Gemini, and other AI apps.

Source: Company data, I-Sec research

Exhibit 3: Pine Labs' growth directions—horizontal as well vertical


Source: Company data, I-Sec research

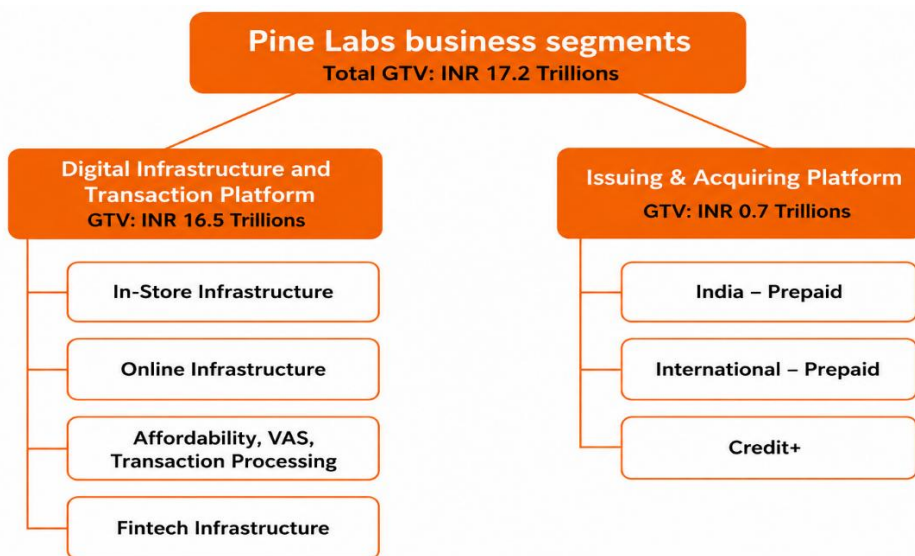
Pine Labs: Business overview

Pine Labs is a technology-based company focused on digitising commerce through digital payments and issuing solutions for merchants, consumer brands, enterprises and financial institutions. Its advanced technology infrastructure is the principal driver accelerating its digitisation journey in India and a growing number of international markets, including Malaysia, the UAE, Singapore, Australia, the US and Africa.

The company operates in two segments. The **“Digital Infrastructure and Transaction Platform”** comprises in-store and online payment infrastructure, affordability, value-added services (VAS) such as dynamic currency conversion and transaction processing, and financial technology (Fintech) infrastructure solutions and software applications. The **“Issuing and Acquiring Platform”** comprises the issuing, processing and distribution of prepaid solutions and engagement solutions, along with unified issuing and acquirer processing platforms. Through cloud-based software technology, its helps to digitise, simplify and make commerce more secure for the ecosystem of merchants, consumer brands, enterprises and financial institutions, ultimately empowering them to serve consumers and enable consumption.

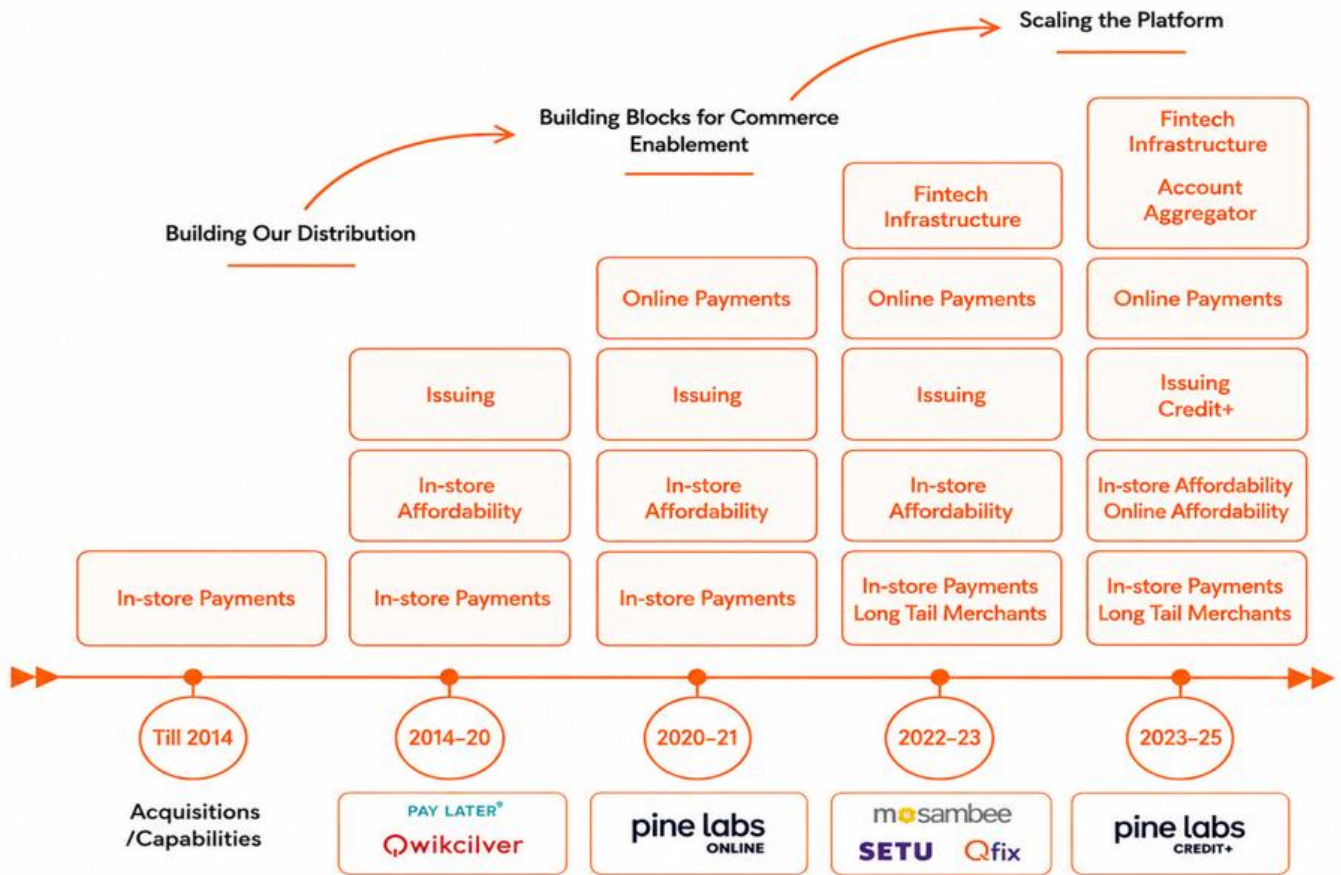
In FY26, Pine Labs’ processed payments of INR 17.2trn in gross transaction value (GTV), including INR 16.5trn in digital infrastructure and transaction platform and INR 0.7trn in issuing and acquiring platform. As of FY26, the platform served 1.1mn merchants, 716 consumer brands and enterprises (as of FY25) and 177 financial institutions (as of FY25), enabling them to process transactions quickly and securely, while easily managing their business operations. Their customer base spans a wide range of industries, including department stores and retailers, supermarkets, e-commerce, restaurants, grocery, lifestyle, consumer electronics, healthcare, travel and hospitality, financial institutions and banks, fintech companies, new-age technology companies and government organisations such as municipal corporations and state traffic police departments. By integrating Pine Labs’ solutions, they have partnered with large, marquee consumer brands and enterprises and financial institutions, such as Croma, and HDFC Bank, some of which have had relationships spanning over 10 years with increasing engagement, breadth and depth of offerings.

Exhibit 4: Pine Labs’ business segments in FY26



Source: I-Sec research, Company data

Exhibit 5: Continuously added new products, solutions and capabilities through innovations and acquisitions over the last 10 fiscal years



Source: I-Sec research, Company data

Shopflo acquisition in CY26

In Apr'26, Pine Labs announced the acquisition of **Shopflo**, a next-generation online checkout optimisation platform. Trusted by over 1,000 e-commerce brands, Shopflo powers seamless experiences for more than 60 million consumers. As a SaaS platform, it provides identity verification, analytics, payments, and shopping cart customisation features aimed at boosting conversion rates and average order value. It provides features such as discount management, user interface elements and integrations with other e-commerce systems. This acquisition marks a defining step in Pine Labs' evolution into a full-stack payments and commerce platform—one that now serves merchants seamlessly across both offline and online channels.

Shopflo was purpose-built to give every online brand the seamless, intelligent checkout experience previously exclusive to the largest marketplaces. Brands using Shopflo have seen 15–20% improvements in conversion rates, with the platform already trusted by over 1,000 brands, targeting high-volume customer acquisition.

What Pine Labs now offers is fundamentally different from anything else in the market: a single, integrated commerce platform where payment infrastructure and the purchase experience are not separate products bolted together, but one unified system built for the merchant. The result is a platform that can eliminate conversion loss, optimise for profitability, and serve the merchant's customer at every touchpoint—from the first payment method offered to the final confirmation screen.

Exhibit 6: Pine Labs' prominent ecosystem partners

<p>Financial Institutions</p>	<p>Large Retailers</p>	<p>Consumer Electronics</p>	<p>E-commerce</p>	<p>Restaurants / F&B</p>
<p>New Age Tech / Fintech</p>	<p>Travel & Hospitality</p>	<p>Healthcare</p>	<p>Government Clients</p>	<p>International Client</p>

Source: Company data, I-Sec research

Current span of products and use cases

Exhibit 7: Pine Labs' solutions

Solutions

By Business Type	By Industry	By Use Case
<ul style="list-style-type: none"> Banks and Financial Institutions Brands and Corporates Government Fintech Startups E-commerce D2C 	<ul style="list-style-type: none"> Retail Health & Wellness Education Consumer Electronics Furniture and Furnishing Petroleum and Energy Food & Beverage Hospitality Fashion & Lifestyle Automobile Airlines 	<ul style="list-style-type: none"> Acquire new customers Manage corporate expenses Enhance employee rewards Drive efficiency through billing integrations Simplify onboarding with DPI Deliver refunds and vouchers to customers Grow revenue with embedded bill payments Grow your acquiring business

Source: Company data, I-Sec research

Exhibit 8: Solutions by use cases and their associated products and services

Use Cases	How its done	The product/service associated with this
Acquire new customers	Access a comprehensive suite of customer acquisition and loyalty solutions that help businesses design targeted marketing campaigns and engagement strategies.	<p>GrowthHub: A complete marketing and engagement toolkit that enables businesses to acquire customers via data-driven campaigns and automated offer redemptions.</p> <p>Gift cards: Gift cards are among the most effective tools for driving customer acquisition and repeat business, offering seamless issuance options, extensive distribution networks and fully managed services.</p>
Manage corporate expenses	Pine Labs' advanced expense management platform, equipped with custom-branded prepaid instruments, is built to give businesses tight control over their spending while offering banks a white-labelled way to capture the corporate segment	<ul style="list-style-type: none"> • Launch white-labelled corporate card programmes with Pine Labs. • Enable card top-ups, digital onboarding and spend analytics. • Add adjacent services like vendor payments, invoice-based credit or forex cards. • Set spend policies, approval hierarchies and per-user controls.
Employee rewards	At scale, issue, track, and manage employee rewards across use cases like festivals, performance-linked rewards and performance-based incentives.	<ul style="list-style-type: none"> • Send reward cards instantly for birthdays, festivals, work anniversaries or performance milestones. • Enable employees to choose where and how to redeem funds across a wide merchant network. • Brand the cards with your logo, messaging and design to enhance visibility. <p>Configure cards for specific purposes such as meal vouchers, wellness credits, learning rewards, etc.</p> <ul style="list-style-type: none"> • Aggregate gift cards, cashbacks, store credits and incentive balances into one digital wallet.
Drive efficiency through billing transactions	Unify the billing system, payment acceptance and operational reporting, all on a single, secure terminal.	<p>Local integration: Connect the PoS and billing software via USB, Bluetooth or Wi-Fi for real-time sync.</p> <p>App-to-app integration: Run billing application directly on a Pine Labs Android PoS for a unified interface.</p> <p>Server-to-server integration: Use APIs to connect the backend system with Pine Labs for seamless payment orchestration. Automatically fetch bill amounts from billing software to PoS, no manual entry is needed.</p>
Simplify onboarding with DPI	Achieve seamless onboarding and boost conversion rates with the DPI onboarding suite, a unified stack of APIs covering KYC, eSign, eStamp and account aggregator services.	<p>Account aggregator and insights: Secure, consent-based access to financial data from banks, insurers and investment platforms. Access 100% of financial information through a multi-AA gateway.</p> <p>Setu eKYC: Instant identify verification using PAN, Aadhaar and bank account checks.</p> <p>Setu eSign & eStamp: Digitally sign and stamp contracts using Aadhaar e-Sign and state-integrated eStamping.</p>
Deliver refunds and vouchers	Reduce friction, improve customer experience and drive revenue with branded refund solutions.	<ul style="list-style-type: none"> • Brand wallet: Store gift cards, cashback, store credits, loyalty points, promotional vouchers and refunds • Enable multi-currency redemption online, in-store or in-app to improve speed and experience with fast checkouts and an increase in redemptions. • Issue branded gift cards for refunds or promotional recovery.
Grow revenue with embedded bill payments	Achieve sustained user engagement, improved retention metrics and increased revenue streams by embedding bill payments into your platform.	<p>Setu BBPS COU: With every transaction, your platform earns, creating a high-frequency, high-retention utility inside your app or site.</p> <p>Enable users to pay for recurring categories like electricity, mobile, etc.</p> <p>Monetise everyday bills: Support multiple bill categories and thousands of billers. Benefit from float-based revenue opportunities with real-time settlement.</p>
Grow acquiring business	Get a full-stack acquiring platform that streamlines merchant onboarding, transaction routing, clearing, settlement and analytics, across both online and in-store payments.	<p>Credit+: Credit+ delivers differentiated and industry-first innovations in credit issuing. Powered by AI-driven personalisation and seamless integrations, so one can go live in weeks, not months.</p> <p>Issuer processing: Card management system, card switch, UPI issuer switch, credit line on UPI and co-branded credit cards. Acquirer processing: Merchant Management: Fast merchant onboarding with automated workflows, customisable approvals and AI-driven decisioning. Acquirer Card Switch: Supports authorisations for Mastercard, RuPay, Visa and other leading networks. Payment Facilitator (PayFac): Enable master merchant and sub-merchant hierarchies for flexible partnerships.</p>

Source: Company data

Well-placed on the AI frontier

Pine Labs is undergoing a company-wide transformation to become an AI-native commerce and payments platform. Management has described AI as a once-in-a-generation opportunity and is actively rewiring both its internal operations and customer-facing products around artificial intelligence. Rather than treating AI as a standalone feature, Pine Labs is embedding AI across payments, merchant acquisitions, lending, risk management, reconciliation, customer support and commerce workflows. The company has partnered with OpenAI and Google Gemini while simultaneously investing aggressively in AI-led product development and operational transformation. According to management, nearly **89% of code changes over the last two quarters involved AI agents**, demonstrating how deeply AI is being integrated into engineering and product development processes.

Agentic Commerce: A key pillar of Pine Labs' AI strategy, where AI agents can discover products, recommend purchases and complete transactions on behalf of users within conversational interfaces. Pine Labs has launched its **Agentic Commerce Suite**, enabling merchants to become discoverable directly inside large language models such as ChatGPT. This allows consumers to browse products, compare options and complete payments without leaving the AI conversation, potentially creating an entirely new merchant acquisition and transaction channel. Management believes that as commerce increasingly shifts from search-based experiences to AI-driven conversations, merchants integrated into these ecosystems would benefit from higher visibility and conversion rates.

The company is also leveraging AI to strengthen its lending and financial services ecosystem. Pine Labs has introduced **SignalIQ**, an AI-powered underwriting and lending intelligence platform that utilises data available through India's Account Aggregator framework to improve credit assessment and decision-making. Management indicated that SignalIQ has already processed more than **50,000 loan requests**, highlighting an early traction in AI-enabled lending solutions. By combining transaction data, merchant behaviour and real-time analytics, Pine Labs aims to enhance credit underwriting accuracy while creating additional monetisation opportunities beyond payments.

Internally, Pine Labs is deploying AI to drive operational efficiency and improve profitability. The company has implemented AI-powered reconciliation systems, finance operations automation, AML monitoring, collections management, risk surveillance, merchant onboarding and customer support bots. Management disclosed that AI currently resolves over **46,000 customer tickets annually** and is being used across finance, compliance and operational workflows to reduce cost-to-serve and improve service quality. These initiatives could help Pine Labs scale revenue faster than operating expenses, supporting long-term margin expansion.

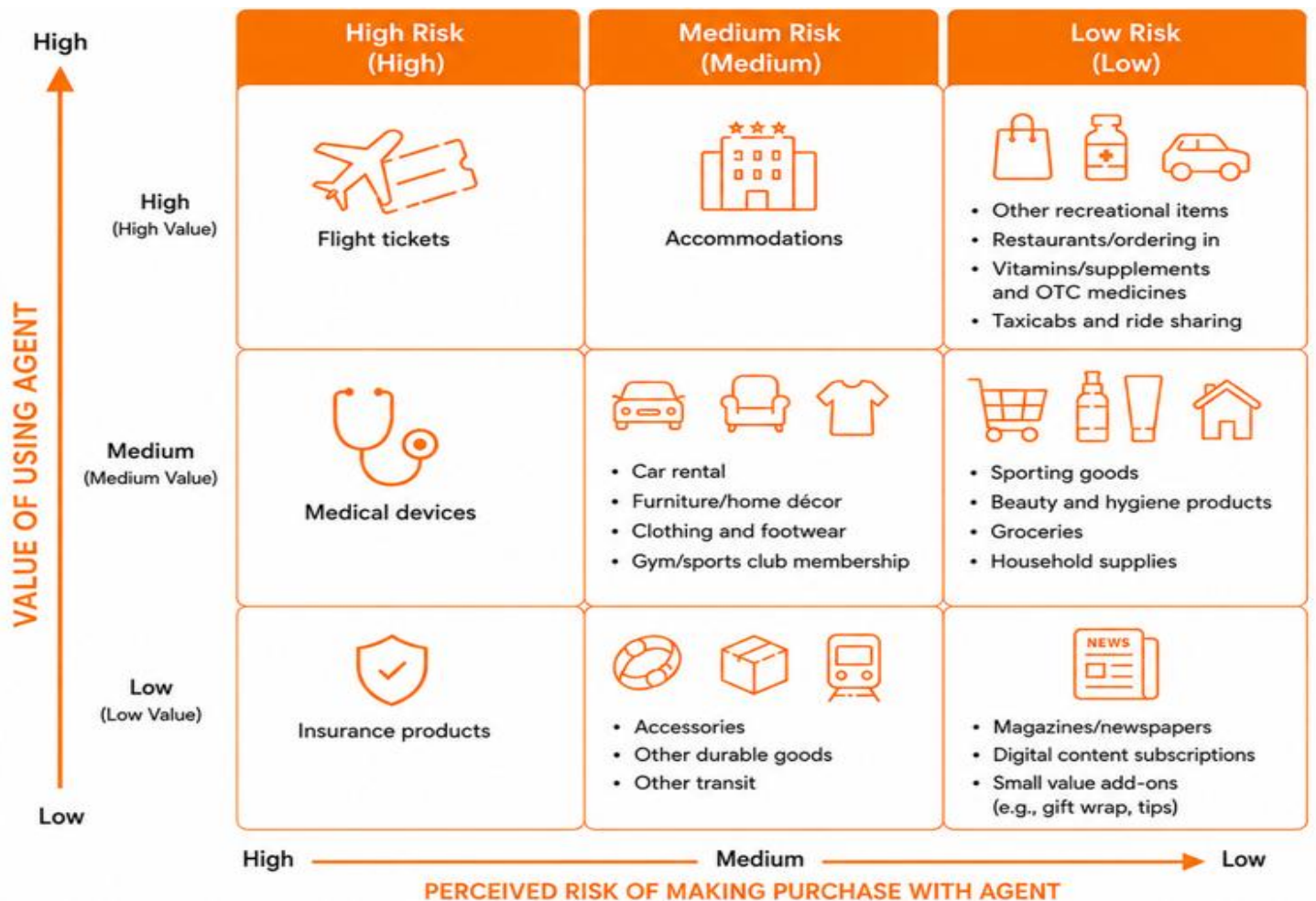
The most strategic aspect of Pine Labs' AI roadmap is its collaboration with OpenAI to build **Agentic Commerce stack**. The partnership embeds OpenAI's reasoning models directly into Pine Labs' payment infrastructure, enabling autonomous financial actions such as payments, merchant workflows, risk monitoring, credit decisioning and recurring bill management within predefined guardrails. Management views this as a shift from traditional rule-based (if-then) payment systems to reasoning-based commerce infrastructure capable of understanding context and making intelligent decisions. If adoption scales successfully, Pine Labs could position itself at the centre of the emerging AI-commerce ecosystem, creating new revenue streams while strengthening merchant stickiness and competitive differentiation.

Pine Labs has launched the **Pine Labs Payment Protocol (P3P)** ([Link](#)) positioning it as India's first agentic payment protocol built on UPI that enables AI agents to autonomously complete payments without requiring human authentication at checkout. The innovation addresses a key limitation in agentic commerce, where AI agents can browse, recommend and make decisions but are unable to complete transactions due to mandatory human approval steps such as MPIN authentication.

P3P leverages UPI's existing mandate infrastructure, including One Time Mandates (OTM) and Single Block Multiple Debit (SBMD), allowing users to authorise spending limits once while AI agents execute transactions within predefined boundaries. The protocol incorporates Grantex for identity verification, delegated authorisation, spending controls and audit trails, ensuring consumer control, transparency and compliance.

The solution is already live with **Gullak**, where users can automate digital gold purchases based on price triggers and is being tested by **Vijay Sales** for automated product purchases when target prices are reached. Pine Labs believes this infrastructure can unlock new commerce behaviours, such as automated deal hunting, flash-sale purchases and rule-based investing. The company is also expanding P3P beyond UPI to card networks, aiming to become the foundational payment layer for agentic commerce in India. Management views India as a potential leader in the rapidly growing global agentic commerce market, supported by its extensive UPI ecosystem.

Exhibit 9: Agentic Commerce to emerge first where value is high and risk is low



Source: I-Sec research, BCG analysis

Exhibit 10: Business segment drivers and overview

Business segments	Overview	Monetisation
Digital infrastructure and transaction platform		
In-store payments infrastructure	<ul style="list-style-type: none"> It enables offline merchants to accept digital payments through POS devices and integrated software solutions, creating a seamless payment experience. The business generates revenue primarily through recurring subscriptions for its devices and platform, along with additional service fees. Key capabilities of Pine Labs in-store include transaction authorisation and processing, biometric authorisation, fraud prevention and security, multi-payment methods support, currency conversion and international payments. Example: You swipe your credit card on a Pine Labs POS machine at a Reliance Digital store to buy a laptop and choose a monthly EMI plan on the terminal screen. 	<ul style="list-style-type: none"> Based on number of DCPs earning monthly subscription fee
Online payments infrastructure	<ul style="list-style-type: none"> Offers payment gateway and API-based solutions enabling businesses to process online transactions. Driven by the shift toward digital payments and enhanced multi-channel payment ecosystems. Example: You buy clothing on a brand's website and securely check out using Plural by Pine Labs, paying instantly via a Google Pay UPI popup. 	<ul style="list-style-type: none"> Based on GTV (volumes) processed earning take rate
Affordability, VAS and transaction processing	<ul style="list-style-type: none"> VAS: Provides customised POS-based solutions integrating aggregator services, prepaid options, loyalty programmes, fintech and bank offers, while also generating additional revenue through advertising and branding partnerships. Example: A restaurant owner opens the Pine Labs Genie or Pine Labs One app on their terminal to track live daily sales analytics, manage inventory, and process automated GST-compliant customer billing right from the payment device. Affordability: Offers a digital-first affordability suite with EMIs, trade-ins, insurance, and assured buyback programmes to improve conversions and drive higher spending. Example: You want to buy an INR 120k iPhone at Merchant store but do not want to pay all at once; the merchant uses the Pine Labs Affordability Suite on the terminal to instantly convert your purchase into a 9-month No-Cost EMI using your XYZ debit card. 	<ul style="list-style-type: none"> Based on GTV (volumes) processed earning take rate
Fintech infrastructure	<ul style="list-style-type: none"> API-first platform enabling seamless bill payments, digital onboarding (e-KYC, e-Sign), and leveraging data-driven insights to enhance operational efficiency and decision-making for financial institutions 	<ul style="list-style-type: none"> Based on number of transactions processed earning a fee basis per transaction
Issuing and acquiring platform	<ul style="list-style-type: none"> Prepaid platform helping brands drive customer acquisition, retention, loyalty, and deeper consumer engagement through targeted programmes and seamless reward experiences. API-first issuing stack supporting prepaid, gift, debit, and credit cards with end-to-end lifecycle management, enabling scalability, flexibility, and efficient programme control. Example: Issuing Platform: You receive an INR 2,000 digital Amazon gift voucher for your birthday, powered on the backend by Pine Labs, which tracks and verifies your voucher balance. Example: Acquiring Platform: You use that voucher code to check out on a retail app, where Pine Labs' Acquiring Platform instantly processes the code, validates the funds with the issuing system, settles the payment, and confirms your order. 	<ul style="list-style-type: none"> Based on GTV (volumes) processed earning take rate

Source: I-Sec research, Company data

Management details

Exhibit 11: Brief biographies of the Board of Directors

Name	Description
B. Amrish Rau	He is the Chairman, Managing Director, and Chief Executive Officer of the company. He obtained a bachelor's degree in electronics engineering from the University of Mumbai, Maharashtra, in 1996. He has since had extensive experience in the payments and fintech industries. Prior to joining the company, he served as Chief Executive Officer of PayU India (MIH Internet SEA Pte. Limited), and as MD at First Data (India) Private Limited, NCR Corporation India Private Limited, and Citrus Payment Solutions Pte. Limited. He has been associated with Pine Labs Singapore since 03 Mar'20, and with the company since 24 Mar'25. He is, <i>inter alia</i> , responsible for the strategic vision and the long-term growth of the company.
Kush Mehra	He is the Executive Director, President and Chief Business Officer – Digital Infrastructure and Transaction Platform of the company. He obtained a postgraduate diploma in business management from the Fore School of Management, New Delhi, in 2004. He has since built a strong career in payments and fintech. He was previously associated with Visa Consolidated Support Services (India) Private Limited and American Express Banking Corp, and has been with the company since 15 May'12. He was recognised as one of 'India's Top Young Business Leaders – 40 under Forty' by the Economic Times in 2022. He is responsible for strategic partnerships and identifying growth opportunities in digital payments for the company in India and international markets.
Shailendra Jit Singh	He is a Non-Executive Nominee Director of the company. He obtained a master's degree in business administration, with distinction, from Harvard Business School in 2004, and a bachelor's degree in technology in chemical engineering from the Indian Institute of Technology, Mumbai in 1998. He has since had over 19 years of experience in the field of investment and financial services. He is also a Kauffman Fellow. He is currently the Managing Director of Peak XV Partners Pte. Ltd. (formerly Sequoia Capital (India) Singapore Pte. Ltd). He has been associated with the company for over 15 years.
Amrita Gangotra	She is an Independent Director of the company. She obtained a bachelor's degree in science (hons.) in mathematics from the University of Delhi in 1987, and a master's degree in science in operation research from the University of Delhi, New Delhi in 1989. She has since had experience in the areas of technology and innovation, entrepreneurship and business leadership. She is currently working at Ityukt Digital Solutions LLP as a designated partner. She was previously associated with Vodafone Idea Limited, Bharati Airtel Limited, HCL Comnet Systems & Services Limited, and Nestle India Limited. She has been associated with the company since 24 Mar'25.
Maninder Singh Juneja	He is an Independent Director of the company. He obtained a bachelor's degree in engineering from Maharaja Sayajirao University of Baroda, Gujarat in 1987, and a postgraduate diploma in management from Indian Institute of Management, Lucknow, Uttar Pradesh in 1991. He has since had experience in the areas of banking, financial services, private equity, business leadership, and risk management. He currently works at True North as a partner. He was previously associated with ICICI Bank Limited, SRF Finance Limited, Whirlpool India Limited, and Godrej GE Appliances Limited. He has been associated with the company since 24 Mar'25.
Smita Chandramani Kumar	She is an Independent Director of the company. She obtained a bachelor's degree in economics from Lady Shri Ram College in 1983 and a master's degree in economics from Delhi School of Economics in 1985. She has since built experience in the areas of corporate governance, regulatory matters in respect of banking and foreign exchange, banking supervision and risk management. She is also a certified associate of the Indian Institute of Banking & Finance. She was previously associated with the Reserve Bank of India, where she held various roles, including Chief General Manager (Panaji, Goa), Chief General Manager (Enforcement Department in Mumbai), General Manager (Department of Co-operative Bank 316 Supervision in Mumbai) and Banking Ombudsman for Bihar and Jharkhand. She has been associated with the company since 24 Mar'25.

Source: I-Sec research, Company data

Key managerial personnel

In addition to B. Amrish Rau, the Chairperson, Managing Director and Chief Executive Officer of company, and Kush Mehra, the Executive Director, President and Chief Business Officer – Digital Infrastructure and Transaction Platform, the details of the key management personnel are set out below:

Sameer Vasudev Kamath is the Chief Financial Officer of company. He is responsible for overseeing controllership, financial planning & analysis, business finance, corporate finance, legal and enterprise risk & compliance in the company. He obtained a bachelor's degree in commerce from the University of Mumbai in 1997 and a postgraduate diploma in business management from NMIMS University, Mumbai, in 2007. He has also passed the final examination conducted by the Institute of Chartered Accountants of India. He was previously associated with Avendus as Chief Financial Officer and with Motilal Oswal Financial Services Limited as Group Chief Financial Officer. He has been associated with the company since 05 Aug'25.

Neerav Mehta is the Company Secretary and Compliance Officer of the company. He is responsible for managing corporate governance matters, ensuring compliance with regulations, and providing associated administrative support. He obtained a bachelor's degree in commerce from Barkatullah University, Bhopal, in 1999, and is admitted as an associate with the Institute of Company Secretaries of India. He was previously associated with Azentio Software Private Limited as Company Secretary; with Refinitiv India Private Limited (now part of the London Stock Exchange Group) as Senior Legal Counsel and Company Secretary; with Goldman Sachs (India) Capital Markets Private Limited as Associate in the Legal and Internal Audit division, and with J.P. Morgan as Assistant Vice President in the Corporate Sector, Compliance-India. He has been associated with the company since 16 Jan'23.

Senior management personnel

In addition to Sameer Vasudev Kamath, the Chief Financial Officer of the company and Neerav Mehta, the Company Secretary and Compliance Officer of the company, the details of the senior management personnel are as set forth below:

Anand Raisinghani is the President & Chief Business Officer of Setu, one of the subsidiaries. He is responsible for driving Setu's strategic vision and growth and oversees all aspects of Setu's product portfolio, including product innovation, operational excellence and technology. He obtained a bachelor's degree in industrial electronics engineering from the University of Pune in 1997, and a master's degree in management studies from the University of Mumbai, Maharashtra in 1999. He has since had more than 25 years of experience in the technology sector. He was previously associated with SAP India Private Limited, IBM India Private Limited, Wipro Limited and Equifax Software Systems Private Limited. He has been associated with the company since 01 Apr'24.

Navin Ashok Kumar Chandani is the President & Chief Business Officer - Issuing of the company. He is responsible for driving the issuing platform's strategic vision and growth, and oversees all aspects of its product portfolio, including product innovation, operational excellence and technology of the company. He obtained a bachelor's degree in commerce from the University of Madras, Tamil Nadu in 1993, and has completed a master's programme in international business from the Symbiosis Institute of Foreign Trade, Pune, Maharashtra in 1997. He has since had more than 20 years of experience in the payments and financial services sector. He was previously associated with Experian Services India (Private) Limited, American Express Banking Corp., Visa Consolidated Support Services (India) Private Limited, A&A Dukaan Financial Services Private Limited (bankbazaar.com), CRIF Digital Services Private Limited, and Dun & Bradstreet Information Services India Private Limited. He has been associated with the company since 06 Feb'23.

Sameer Maheshwary is the Chief Capital Markets Officer of the company. He is responsible for investor relations, fund raising and capital markets related activities for the company. He obtained a bachelor's degree in engineering (mechanical) from the University of Delhi, New Delhi in 1993, and a master's degree in business administration from the University of Manchester, United Kingdom in 1995. He has since had more than 25 years of experience. He was previously associated with GE India Industrial Private Limited as Chief Financial Officer for South Asia and Zomato Media Private Limited as CFO. He has been associated with the company since 07 Jan'19.

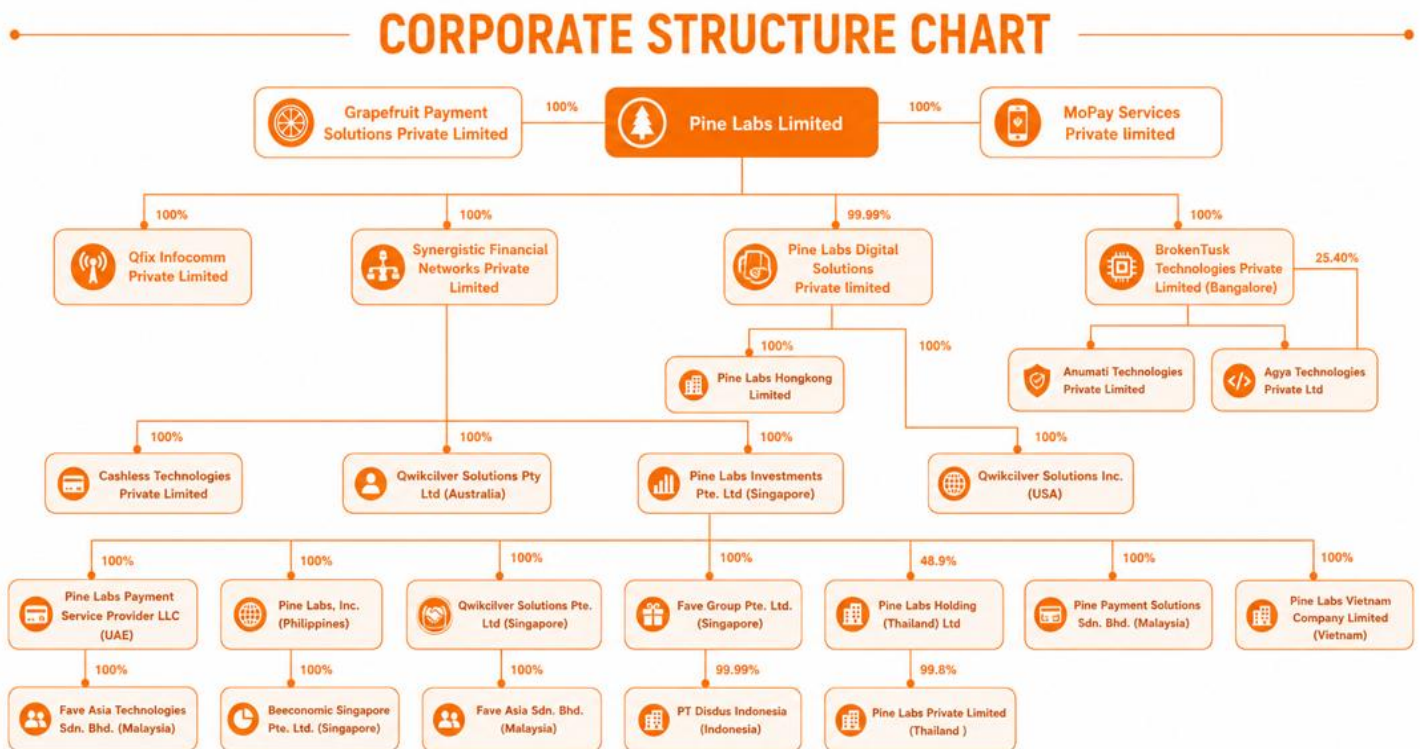
Sanjeev Kumar is the Chief Technology Officer – Digital Infrastructure & Transaction Platform of the company. He is responsible for end-to-end engineering delivery of various digital payment products for in-store and online payments, including development, testing, uptime, resilience, security and audit control, for the company.

He obtained a bachelor’s degree in technology (with hons.) in mining engineering from Indian Institute of Technology, Kharagpur, West Bengal in 2002. He has since had experience in technology for payments. He was previously associated with Induslogic India Private Limited, Infosys Technology Limited and Mu-Zero Technologies Private Limited. He has been associated with the company since 01 Apr’07, till 30 Nov’22, and then since 05 Jul’24 and has been instrumental in defining technology and products of the company.

Sumit Chopra is the Chief Operating Officer – Digital Infrastructure & Transaction Platform of the company. He is responsible for leading the digital payment business along with its service delivery operations, ESG initiatives and office administration for the company. He obtained a postgraduate diploma in management from Indian Institute of Management Society, Lucknow, Uttar Pradesh in 1999. He was previously associated with First Data (India) Private Limited and ICICI Bank Limited. He has been associated with the company since 03 May’21.

Vijayalakshmi Swaminathan is the Chief People Officer of the company. She is responsible for people-related activities, including hiring, retention, talent development and learning and development for the company. She obtained a bachelor’s degree of science (in mathematics) from the University of Madras in 1994, a postgraduate diploma in hotel management from National Council for Hotel Management and Catering Technology, New Delhi in 1993, and a postgraduate diploma in personnel management & industrial relations from Xavier Labthe Relations Institute, Jamshedpur in 1996. She has since had more than 23 years of experience. She was previously associated with Amazon Development Centre India Private Limited, CoCoon Consulting and Hindustan Unilever Limited. She has been associated with the company since 11 May’22.

Exhibit 12: Corporate structure chart



1 An external company (branch equivalent) of Qwikilver Solutions Pte. Ltd. (Singapore) has been registered in South Africa with effect from 02/09/2024.

Source: I-Sec research, Company data, Note: MoPay services private limited has been strike off on 1st June 2026.

Case study: Evolution of Stripe and Adyen has similarities to Pine Labs

We have shared the evolution snapshot of Stripe and Adyen below, highlighting their emergence alongside horizontal and vertical diversification. Their similarity to Pine Labs is clearly visible through the following themes:

The emergence of Stripe and Adyen was fundamentally driven by structural inefficiencies within the global payments ecosystem during the early and mid-2000s, when digital commerce was expanding rapidly, but payment infrastructure remained fragmented, bank-centric and technologically outdated. Traditional payment systems were originally designed for physical card transactions and legacy banking environments, making them inefficient for the growing internet economy. Businesses faced lengthy onboarding procedures, multiple intermediaries, disconnected payment systems, poor developer interfaces, and limited scalability across geographies.

Founded in 2010, Stripe identified a major gap between the fast-growing digital economy and the slow-moving financial infrastructure supporting it. For startups, SaaS companies and internet-native businesses, integrating online payments involved coordinating separately with banks, gateways, compliance providers and merchant acquirers, often resulting in long implementation timelines and operational complexity. Stripe addressed this problem through developer-first APIs and cloud-based payment infrastructure that simplified online payment integration into a few lines of code. Its objective was not merely to process transactions, but to create programmable financial infrastructure that enabled businesses to scale efficiently in the digital economy.

Founded in 2006, Adyen focused on solving payment fragmentation for large multinational enterprises. Historically, global merchants relied on multiple payment providers and regional acquiring banks, while online and offline payment systems operated independently. This created operational inefficiencies, inconsistent customer experiences, poor visibility into transaction data and lower authorisation rates. Adyen addressed these challenges by building a single, integrated technology stack. By combining gateway services, acquiring infrastructure, risk management, analytics, and omnichannel commerce into one unified platform, Adyen allowed enterprises to centralise their payment operations, improve efficiency and deliver seamless commerce experiences across all geographies and channels.

Both companies emerged from the realisation that payments were no longer merely banking functions, but critical digital infrastructure layers enabling global commerce.

Business model evolution: From payment processors to full-stack financial infrastructure platforms. Stripe and Adyen have evolved significantly over the past decade, reflecting the broader transformation of the global payments industry from standalone transaction processing towards integrated financial infrastructure platforms. Initially, both companies generated revenue primarily through payment processing and merchant acquiring fees. However, increasing commoditisation in payment acceptance encouraged both firms to expand beyond core processing into broader merchant commerce ecosystems.

Stripe evolved from a developer-focused online payments platform into a financial operating system by expanding across subscription billing, marketplace infrastructure, fraud management, analytics, tax automation, embedded banking, treasury infrastructure, merchant lending and card issuance. Similarly, **Adyen** transitioned from an enterprise-focused payment processor into a vertically integrated commerce infrastructure platform by expanding into omnichannel commerce, point-of-sale systems, embedded finance, issuing infrastructure and unified acquiring. Both companies increasingly diversified revenue streams through software subscriptions, financial services, platform monetisation, analytics, foreign exchange spreads and lending income. This evolution highlights how payments increasingly serve as an entry point into broader merchant ecosystems and embedded financial infrastructure.

Exhibit 13: Horizontal expansion strategy

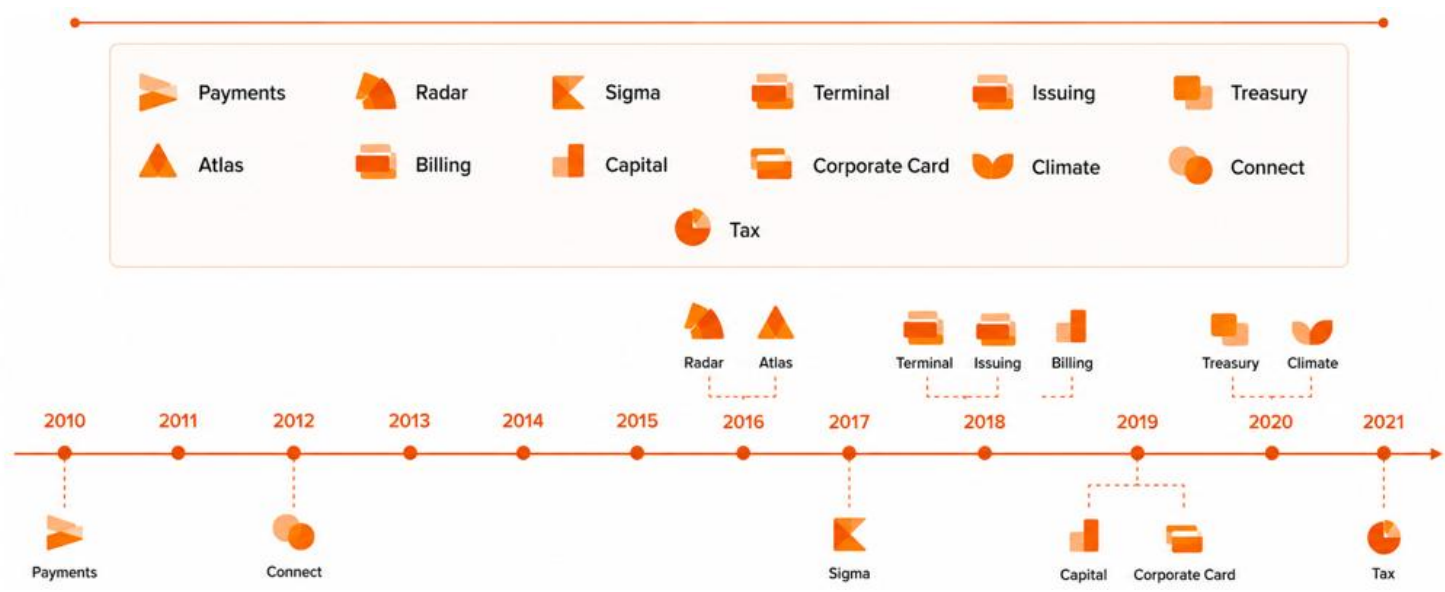
Expansion Area	Stripe	Adyen
Core Starting Point	Stripe initially started as a developer-first online payment infrastructure platform focused on simplifying payment acceptance for startups, SaaS businesses, and internet-native merchants through APIs and cloud-based payment systems.	Adyen initially focused on enterprise payment processing and unified acquiring infrastructure for large global merchants operating across multiple geographies and commerce channels.
Expansion into Merchant Workflows	Stripe gradually expanded beyond payment processing into broader merchant workflows including subscription billing (Stripe Billing), marketplace infrastructure (Stripe Connect), fraud prevention (Radar), analytics (Sigma), identity verification, tax automation, and offline payment solutions (Stripe Terminal).	Adyen expanded horizontally into unified commerce infrastructure by integrating online, offline, and mobile payment capabilities along with centralized reporting, risk management, POS systems, and omnichannel payment solutions for enterprise merchants.
Embedded Finance Expansion	Stripe significantly expanded into embedded financial services through products such as Stripe Treasury, Stripe Issuing, Stripe Capital, and Banking-as-a-Service infrastructure, enabling merchants to access lending, card issuance, and treasury capabilities within the Stripe ecosystem.	Adyen expanded into embedded finance through merchant financing, issuing infrastructure, embedded banking capabilities, and financial services integration aimed at strengthening enterprise-level commerce infrastructure and merchant monetization opportunities.
Geographic and Ecosystem Expansion	Stripe accelerated ecosystem expansion through acquisitions such as Payscale (African payments), TaxJar (tax compliance), Bouncer (identity verification), and Bridge (stablecoin infrastructure), enabling broader international and infrastructure capabilities.	Adyen relied primarily on internally developed infrastructure, regulatory expansion, and acquiring licenses rather than acquisition-led growth, focusing on deep enterprise integration and operational scalability across geographies.
Strategic Objective	Stripe's horizontal expansion strategy focused on evolving from a payment processor into a comprehensive financial operating system deeply embedded into merchant workflows and internet commerce ecosystems.	Adyen's horizontal expansion strategy focused on creating a unified enterprise commerce infrastructure platform capable of supporting seamless omnichannel payment experiences globally.

Source: I-Sec research, Company data

Exhibit 14: Vertical integration of Stripe and Adyen

Integration Layer	Stripe	Adyen
Initial Infrastructure Dependency	Stripe initially relied significantly on banking partners, third-party acquiring infrastructure, and external financial institutions to process transactions and manage settlement infrastructure.	Adyen entered the market with a licensed acquiring model in key markets, reducing dependency on third-party acquirers and building direct connections with card networks, banks, and local payment methods.
Infrastructure Ownership Buildout	Stripe progressively built and expanded internal infrastructure across issuing, payout rails, fraud detection, identity verification, and banking partnerships to control more of the payment value chain.	Adyen built and owns the full-stack payment infrastructure, including acquiring, processing, risk management, and settlement capabilities across major markets, enabling end-to-end control.
Value Chain Control	Stripe increased control across the payment value chain through development, strategic acquisitions, and partnerships, moving closer to controlling the entire financial infrastructure for merchants.	Adyen maintains full control across the payment value chain from acquisition and authorization to clearing, settlement, and reconciliation, providing a seamless and unified experience for enterprise merchants.
Strategic Outcome	Stripe's vertical integration strategy aimed to reduce reliance on external partners, improve margins, and offer more financial services directly within its ecosystem.	Adyen's vertical integration strategy ensured higher reliability, better data control, regulatory agility, and a consistent global payment experience for enterprise merchants.
End State Advantage	Stripe evolved from a payments enabler to a financial infrastructure platform with greater control over issuing, acquiring, treasury, and financial services capabilities.	Adyen achieved a fully integrated, single-platform payment infrastructure with end-to-end ownership across the global payment value chain.

Source: I-Sec research, Company data

Exhibit 15: Stripe's product releases over time mark a possible evolution playbook for Pine labs


Source: I-Sec research, The Generalist

Payments: Payments is Stripe's core product. It provides an API for businesses to accept online payments from customers around the world.

Terminal: Stripe Terminal enables businesses to accept in-person payments. Companies can use Stripe's pre-certified card readers, such as the Stripe Reader M2 or BBPOS WisePOS E to accept contactless payments through Tap to Pay on iPhone and Android devices, or through third-party devices such as Verifone.

Connect: Stripe Connect handles payments for online marketplaces and platforms. These types of Stripe customers facilitate transactions between other parties, meaning that more parties are involved in each transaction than in a typical sale.

Capital: Stripe Capital offers financing to companies that use Stripe to process their payments. Customers who use this product pay a percentage of sales until the loan and loan fee are fully repaid.

Issuing: Stripe Issuing lets companies issue and manage physical and virtual commercial cards. The cards can be programmed to control where and how much money is spent. Once they reach enough volume, businesses can capture a small percentage of each transaction as interchange revenue.

Treasury: Stripe Treasury is a banking-as-a-service API that enables platforms to embed financial services for businesses. They can create stored-value accounts (as a bank account replacement), earn interest and move money via wire transfers and ACH.

Billing: Stripe Billing is Stripe's subscription management and recurring revenue product. It is designed to support a wide variety of commercial models—including flat-rate, per-seat, usage-based and overage pricing.

Invoicing: Stripe Invoicing lets businesses create, manage, and send invoices to their customers. It supports both one-off and recurring payments. Invoices can be created via the no-code dashboard or through Stripe's API.

Tax: Stripe Tax automatically collects taxes on Stripe-powered purchases in over 100 countries, including sales tax, VAT, and GST. Designed to reduce the operational burden of tax compliance, it determines the appropriate tax amount by evaluating a customer's precise location and the specific product or service being sold.

This allows businesses to remain compliant with local tax laws without relying on manual calculations or external accounting systems.

Sigma: Stripe Sigma allows companies to access and analyse their Stripe data from the Stripe Dashboard and the Sigma API. Using SQL queries, users can generate custom reports on various aspects of their operations, such as payments, subscriptions, customers, and payouts. Sigma offers prebuilt query templates for standard business metrics, including Average Revenue Per User (ARPU), which can then be customised to fit the specific needs of a report.

Atlas: Stripe Atlas is a business incorporation service available in over 140 countries. It navigates the laws, paperwork and fees necessary for starting a business.

Climate: Stripe Climate lets companies automatically donate a percentage of their revenue to carbon removal efforts. This commitment is visible to customers at checkout and in receipts and invoices.

Radar: Stripe Radar uses machine learning to prevent fraudulent payments from being processed. Stripe trains and updates its ML models on the billions of payments it processes annually. Key data points used for fraud detection include customer information, shipping and billing addresses, and IP addresses.

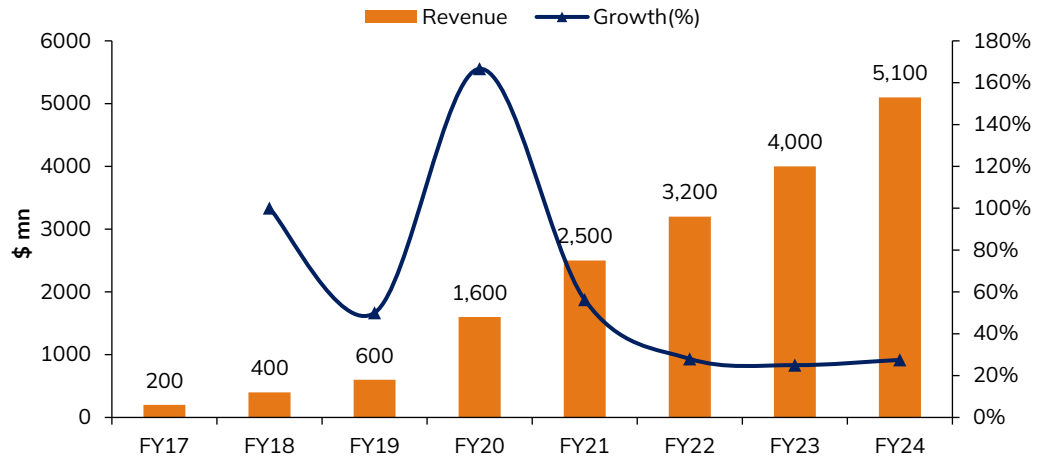
Link: Stripe Link is a one-click checkout solution available on hundreds of thousands of websites. Customers new to Link can save their payment details and shipping information to enable faster checkout in the future. Link automatically detects if a customer is enrolled by using their email address, phone number, or browser cookies.

Exhibit 16: Acquisition playbook of Stripe



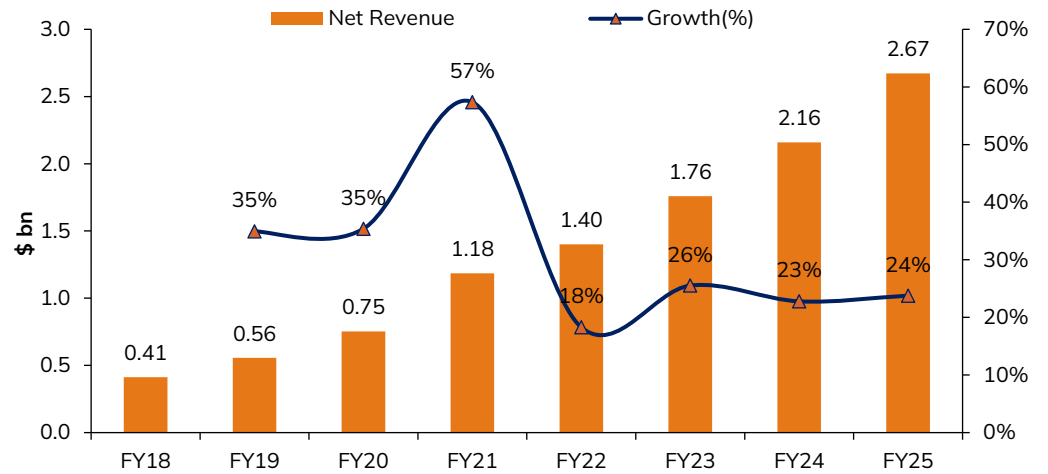
Source: I-Sec research, The Generalist

Exhibit 17: Stripe revenue trend



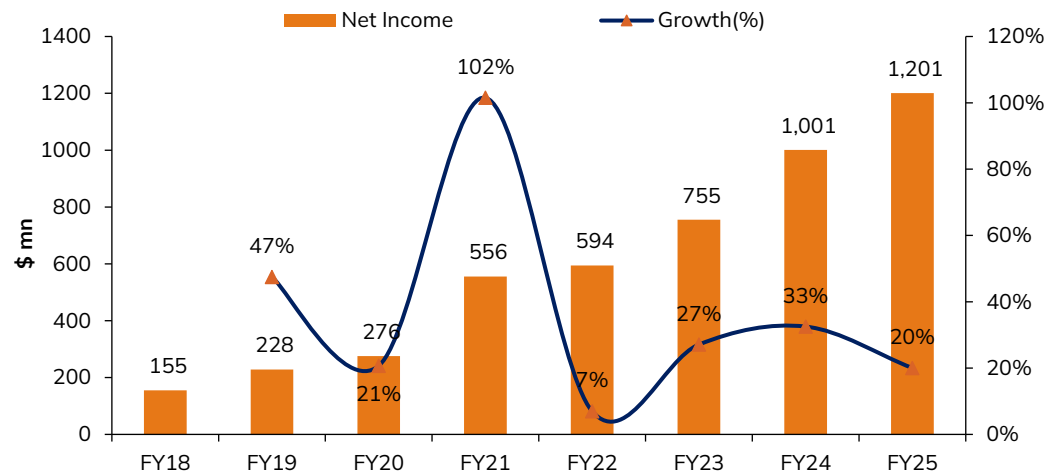
Source: Sacra, I-Sec research

Exhibit 18: Adyen net revenue trend



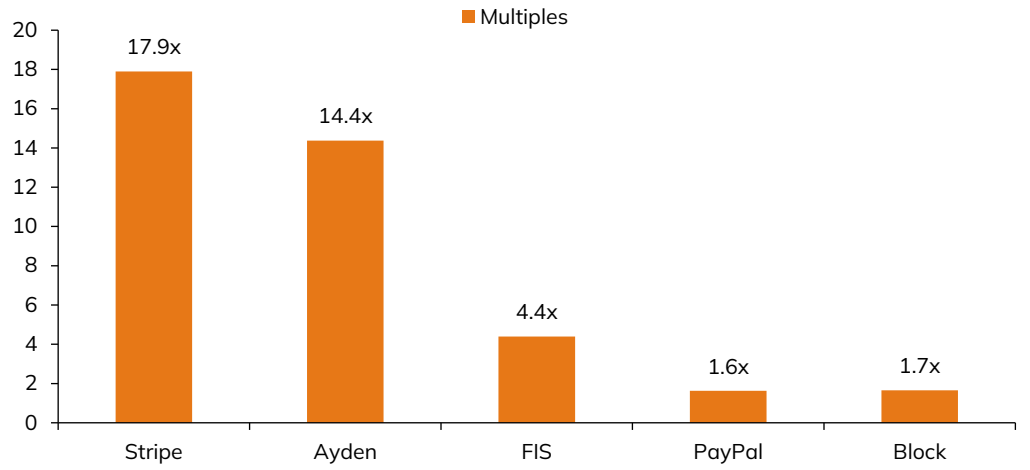
Source: Bloomberg, I-Sec research

Exhibit 19: Adyen net income trend



Source: Bloomberg, I-Sec research

Exhibit 20: Peer multiples of implied net revenues (EV/Sales)

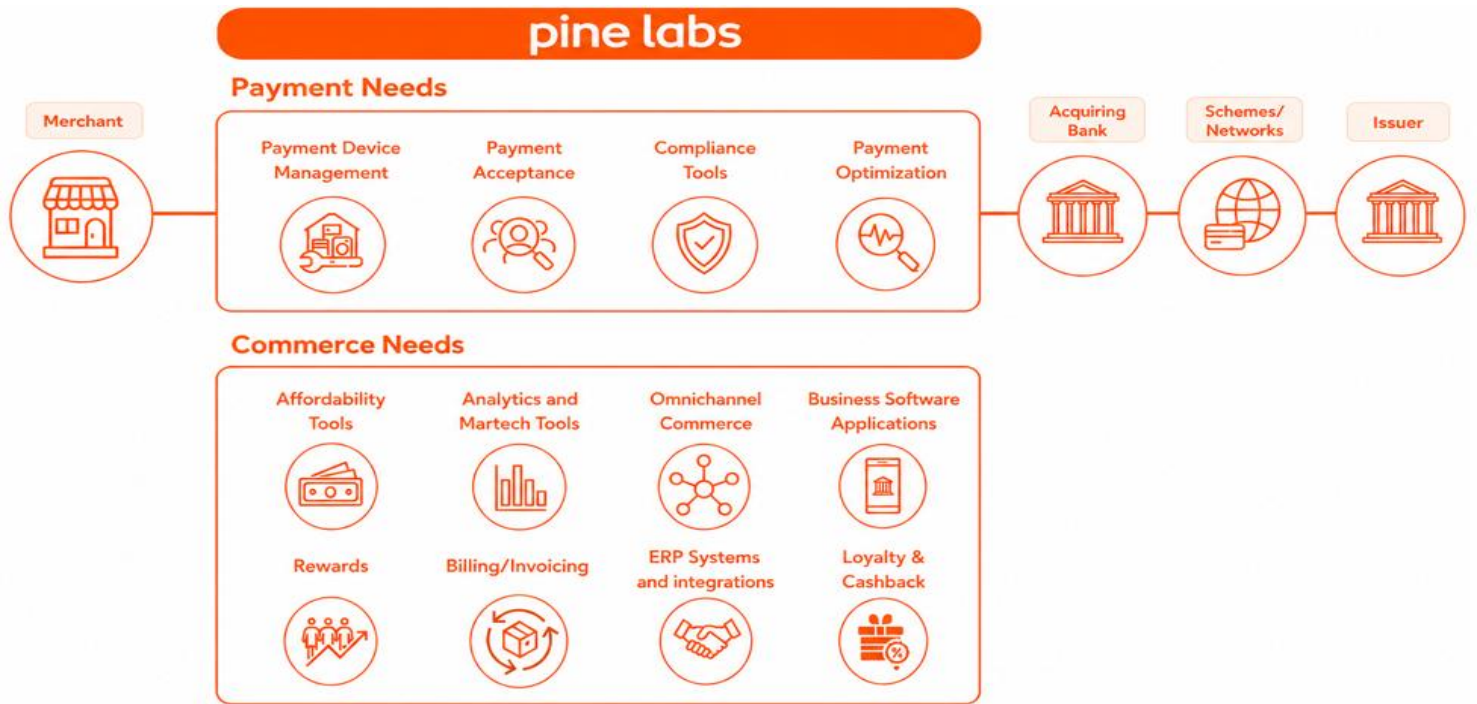


Source: I-Sec research, [Link](#). Note: these multiples are as on Dec 2025 except stripe in 2024, Bloomberg

Digital Infrastructure and Transaction Platform (DITP)

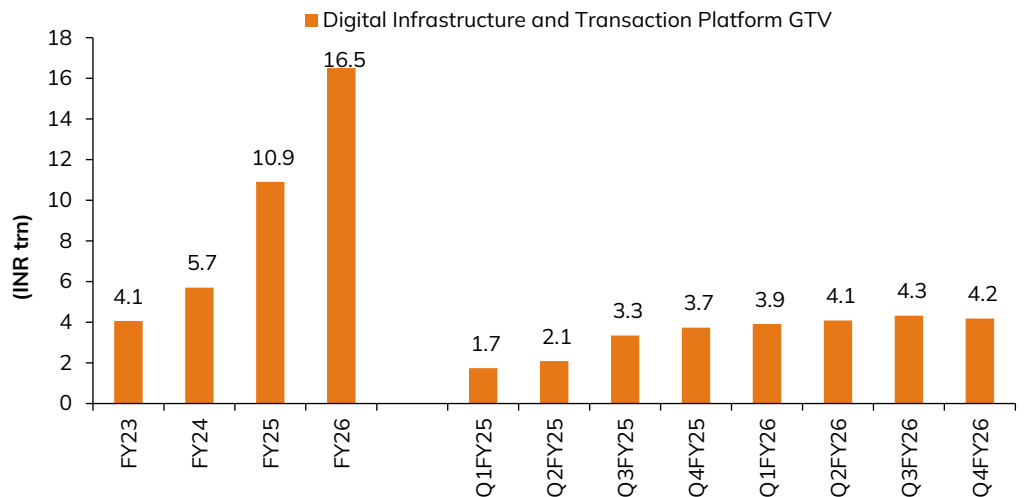
Pine Labs' Digital Infrastructure and Transaction Platform comprises in-store and online infrastructure, integrated affordability, VAS and transaction processing for merchants, consumer brands, enterprises and financial institutions. Additionally, it includes fintech infrastructure solutions for financial institutions. In FY26, the platform enabled payment acceptance across 2.03mn in-store DCPs and online, processing transactions with a total GTV of INR 16.5trn vs. INR 4.2trn in Q4FY26 on Digital Infrastructure and Transaction Platform.

Exhibit 21: Payments and commerce needs for sellers are complex; Pine Labs aims to cater to a wide set of these requirements



Source: I-Sec research, Company data

Exhibit 22: DITP's GTV registered a 60% CAGR over FY23-26

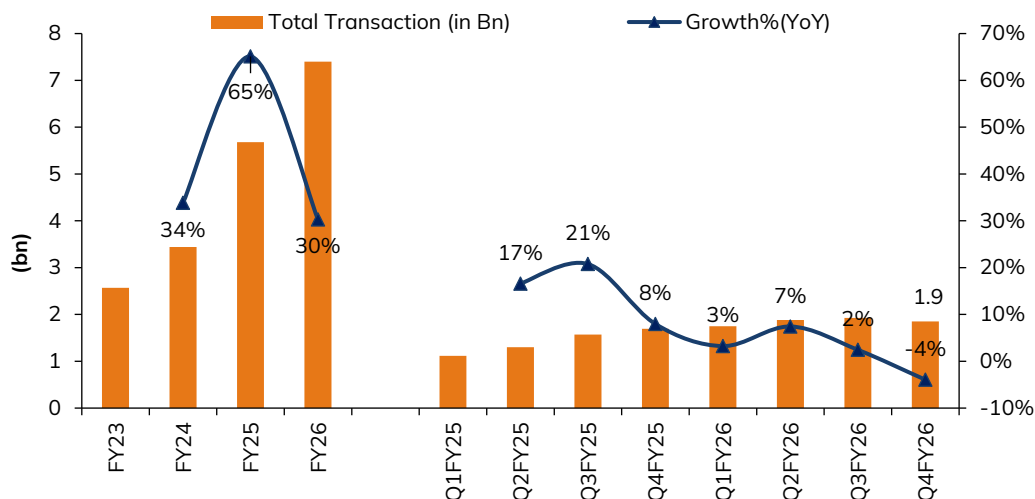


Source: Company data, I-Sec research

In-store and online infrastructure

Pine Labs offers a comprehensive in-store payments platform in India, Malaysia and the UAE. This platform is designed to cater to the diverse needs of merchants ranging from large enterprises to small businesses. The company's digital checkout point (DCP) device count as of FY26 is 2.03mn, making it a leading POS provider in the country. In this business, it competes with the likes of Paytm, Mswipe, and Razorpay, along with various banks. They have crossed total transactions of 7.4bn in FY26 and 1.9bn in Q4FY26.

Exhibit 23: Total transactions



Source: I-Sec research, Company data

In-store payments

Pine Labs In-store is a payment processing system which enables offline merchants to accept payments through a wide range of methods, including cards, UPI, payment by points, wallets, QR code and loyalty points. Its capabilities include transaction authorisation and processing, biometric authorisation, fraud prevention, security, multi-payment method support, currency conversion, international payments, invoicing, payment links, chargeback, dispute management, and integration with other business platforms.

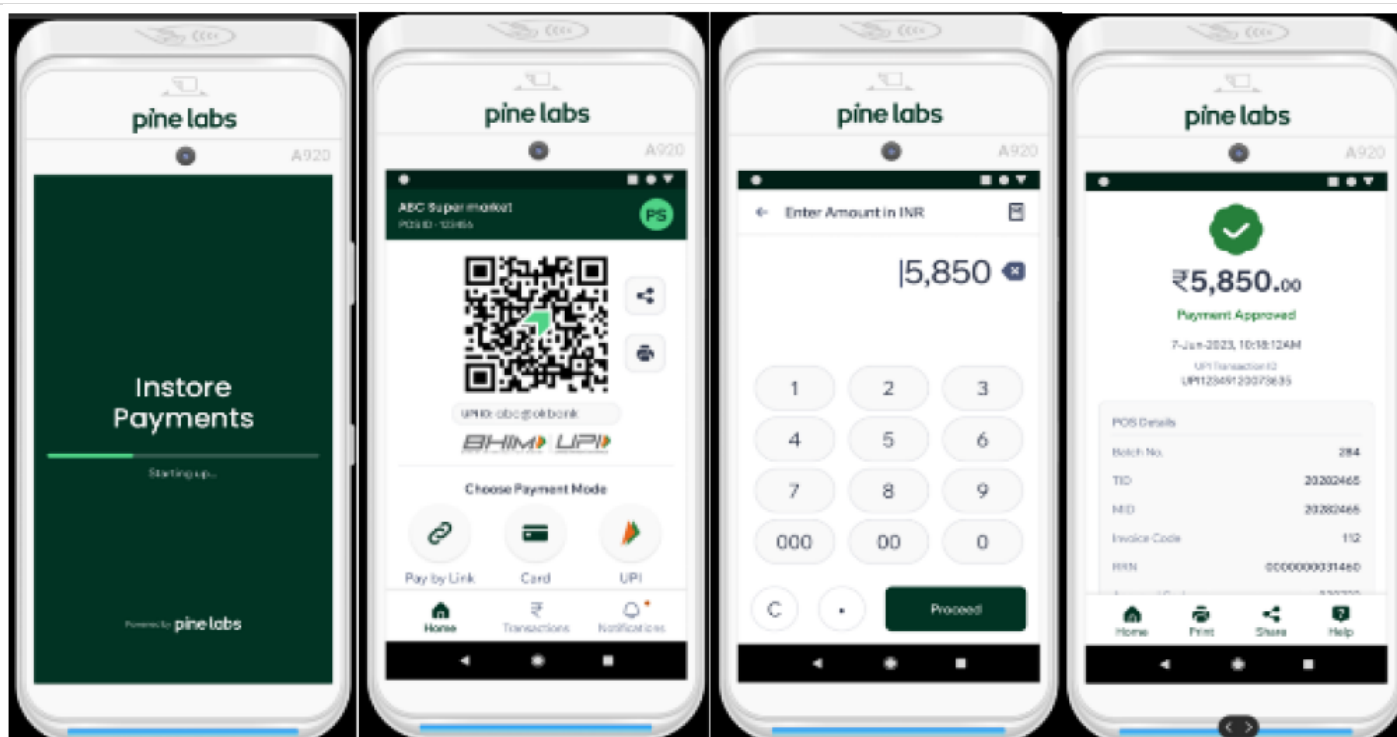
Pine Labs In-store provides customisable payment solutions tailored to customised merchant needs. Features include dynamic currency conversion, affordability solutions and EMI-based payment services. The platform also offers multi-acquiring capabilities through integration with over 28 acquirers and dynamic transaction routing. Merchants benefit from multiple connectivity options (mobile network, Wi-Fi, Bluetooth, local area network and serial port), offline payment acceptance, such as offline CBDC (Central Bank Digital Currency), integrated affordability solutions, integrated business software like Genie (modular billing and checkout software) and integrated third-party business software applications. The platform's extensive reach and robust infrastructure make it an ideal choice for merchants seeking to optimise their payment processes and expand their market presence.

Mod91

Mod91, a platform developed by Mosambee, is a white-label software solution that is compatible with a wide range of DCPs. It enables partners to deploy solutions using their own platforms or systems (instead of a Pine Labs platform) to facilitate offline merchants in accepting payments. Partners have access to software development kits (SDKs) that allow brands to create their own custom front-end user interface, thereby preserving brand identity, while Mod91 processes payments on the backend. This application is built on a three-layer modular architecture that provides flexibility, scalability and integration to accommodate diverse business needs:

- **Device layer:** A robust interface that standardises communication across multiple devices, offering unified SDKs for effortless integration across hardware ecosystems.
- **Payment layer:** The core engine that integrates with middleware systems, enabling support for a wide range of payment methods, settlements and reporting functionalities.
- **Mod91 layer:** A highly customisable user experience (UX) layer driven by backend configurations that deliver sophisticated and engaging interfaces. Powered by proprietary libraries, it enables plug-and-play integration of business modules, such as inventory management.
- In addition, the payment application can be downloaded by merchants to their mobile devices enabled for near field communication (NFC), which allows merchants to process payments without additional hardware. This provides merchants with a secure and cost-effective alternative to traditional hardware-based systems.

Exhibit 24: Mod91 software interface



Source: I-Sec research, Company data

Online payments

Pine Labs Online is an online, cloud-based payments platform in India. It is designed to assist both online-first and omnichannel merchants with accepting online payments, offering affordability solutions and providing a simple checkout experience for consumers. Pine Labs Online offers three main solutions:

- **Pine Labs Online Gateway:** It offers multiple payment methods for businesses to collect payments online, namely credit cards, debit cards, net banking, UPI apps and wallets, ensuring flexibility and convenience for both merchants and end-consumers.
- **Payouts:** Merchants can make instant payouts to beneficiaries for vendor payments, customer refunds, loans, salaries and more.

- Payment Links:** Payment links enable merchants to accept payments from consumers by simply sending a payment collection link via email or SMS. This is a no-code solution for businesses to collect payments without the need for a website or an app.

Key features of Pine Labs Online include effortless, API-based integrations, a comprehensive card and UPI vault for efficient checkout experience and high transaction success rates. In addition, it offers recurring payment capabilities, integrated affordability solutions and a dashboard that provides merchants with tools for valuable business analytics.

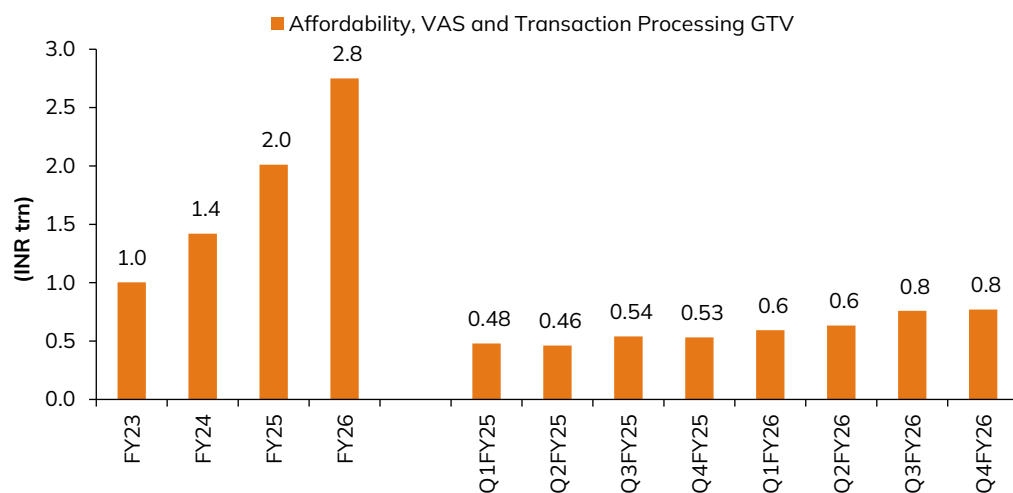
Affordability, VAS and transaction processing

This segment provides a wide range of solutions catering to varied commerce needs of merchants, consumer brands, enterprises and financial institutions, such as affordability solutions, dynamic currency conversion and payments aggregation. The affordability, VAS and transaction processing sub-segment is integrated into in-store and online digital payment flows. The solution connects merchants, major consumer brands and enterprises that offer promotions and financial incentives to consumers with lenders who bear consumer credit risk for instalment plans.

The affordability, VAS and transaction processing sub-segment makes the shopping experience more accessible and affordable for consumers and drives increased sales for merchants. Merchants, consumer brands and enterprises can offer instant cashback and flexible instalment payment options to consumers at checkout, converting an upfront purchase into equal monthly instalments, typically over three, six or 12 months. These offers are presented to consumers through a digital multi-lender platform at the point of purchase, in real-time and on-demand. The EMI World app offers a convenient and affordable buying experience for consumers.

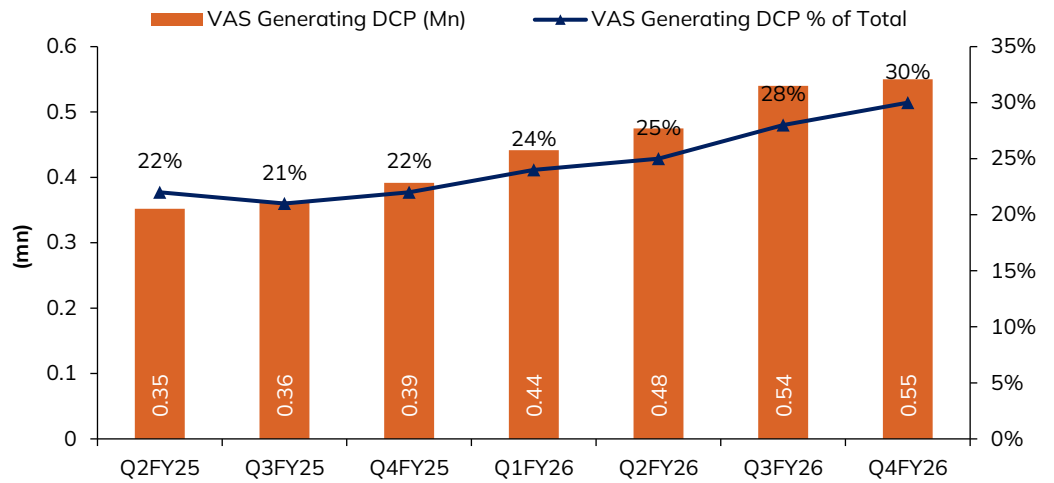
Affordability, VAS and transaction processing solutions have seen substantial growth, expanding from INR 1.3trn in GTV in FY23 to INR 2.8trn in FY26 and INR 0.8trn in Q4FY26.

Exhibit 25: Affordability, VAS and transaction processing GTV trend



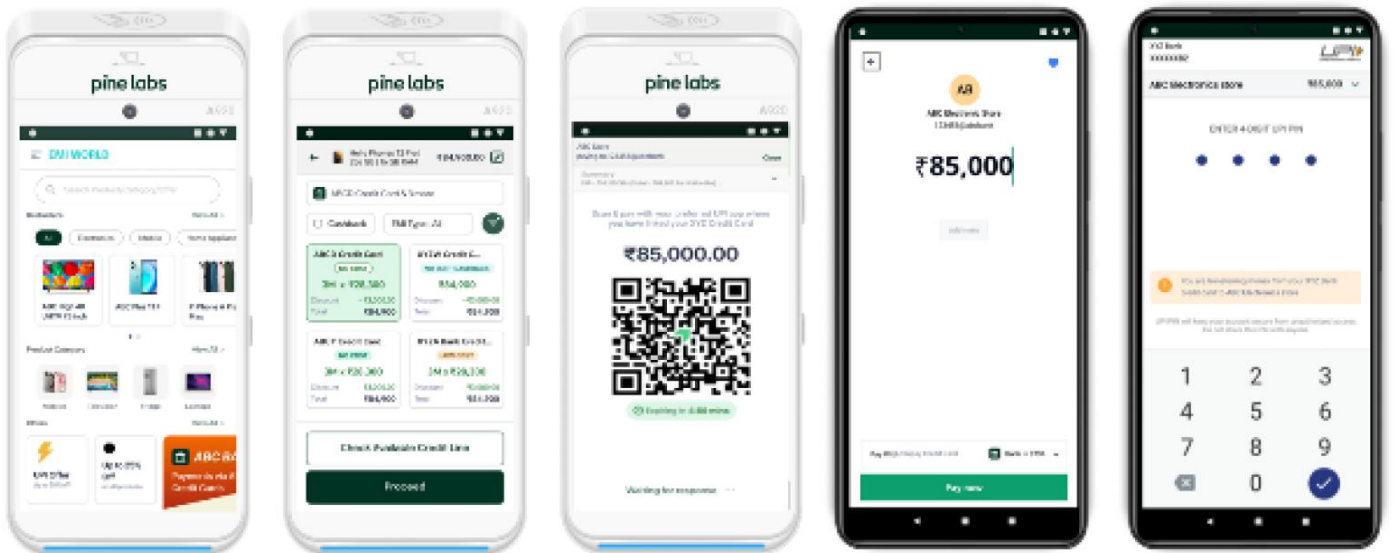
Source: I-Sec research, Company data

Exhibit 26: ~30% of its DCPs generate VAS and affordability volumes, as of Q4FY26



Source: I-Sec research, Company data

Exhibit 27: Pine Labs' EMI user interface



Select the brand and product on POS

Issuer & EMI offer discovery configured on Rupay CC

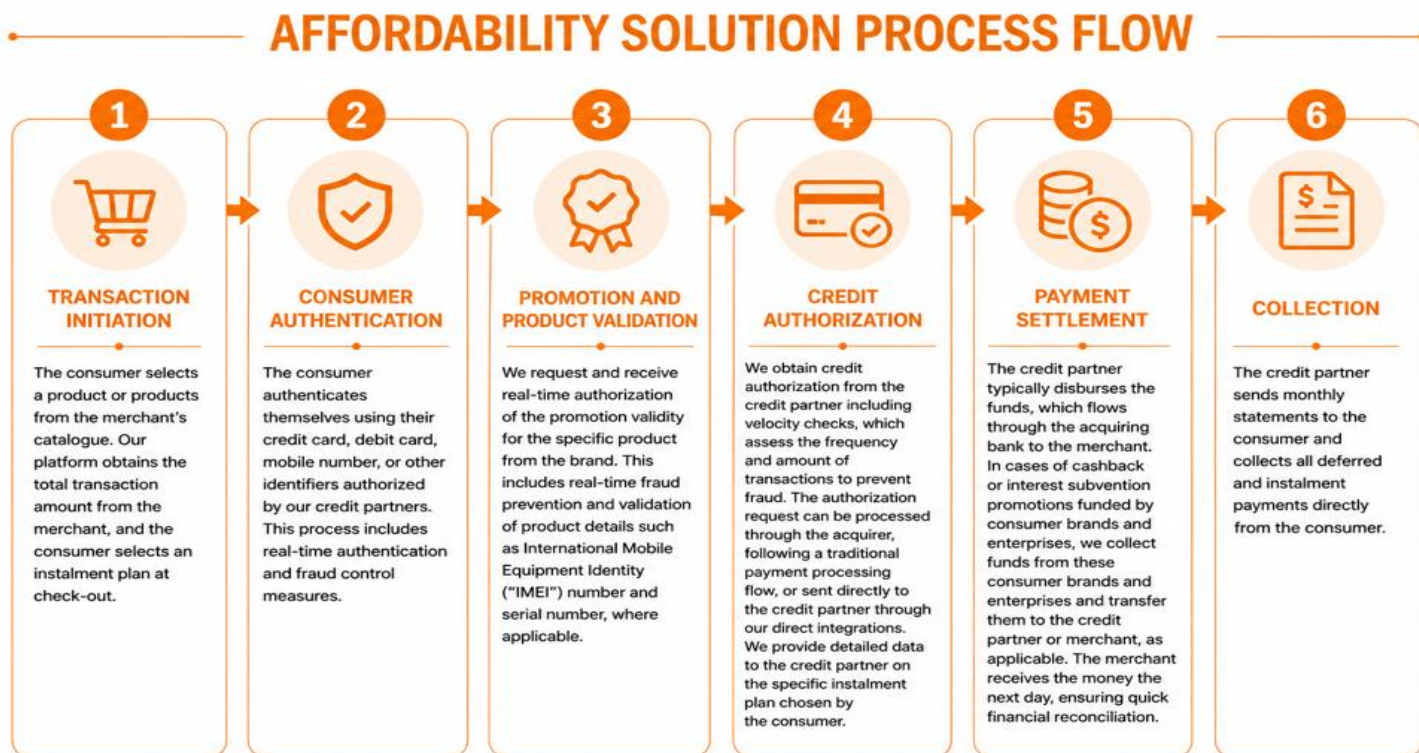
Generating QR Code to be scanned with UPI/PSP app

Customer selects bank's Rupay CC to complete the txn(Full Payment)

UPI PIN authentication post offer confirmation; Charge slip will be generated

Source: I-Sec research, Company data

Exhibit 28: Affordability solution process flow



Source: I-Sec research, Company data

Fintech infrastructure

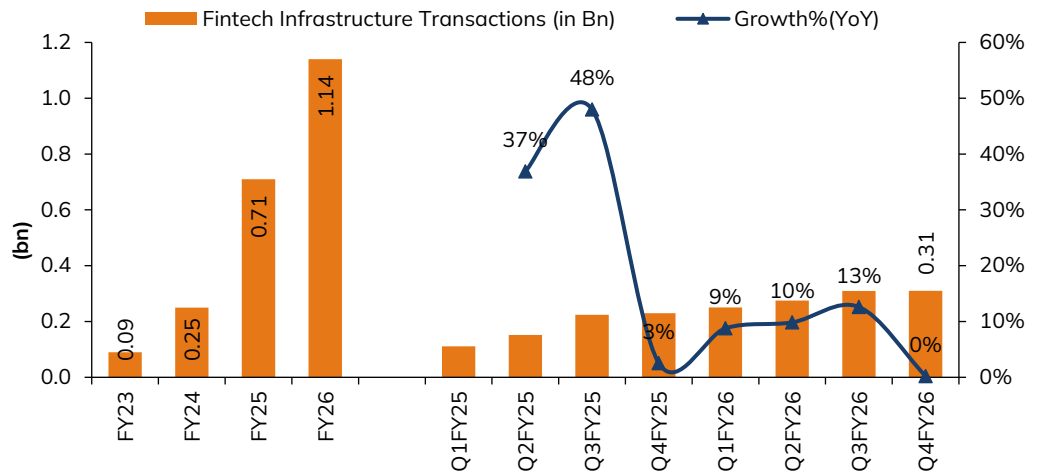
Through its API-enabled technology platform Setu, Pine Labs offers digital public infrastructure solutions across payments, data, and insights. Financial institutions use this technology to manage the lifecycle of a consumer, including onboarding, underwriting, collections, and engagement. Setu enables smooth onboarding of consumers via eKYC and online contract execution. The account aggregator solution offers insights into consumers' financial behaviour from various data sources for better underwriting and collections. Setu's secure UPI product suite allows financial institutions to conveniently accept UPI payments on their respective apps through payment links or QR codes. Furthermore, financial institutions and billers integrate with this platform to enable collection of utility payments, loan payments, insurance payments and recurring payments.

Setu's API-based platform is structured around three core pillars: **payment products**, **identity and consumer onboarding products**, and **data and insights products**, as outlined below:

- Payment products:** They enable bill payments, collections and merchant payments through Bharat Bill Payment System (BBPS) and UPI rails. The platform supports high-volume, recurring payment flows across utilities, lenders, telecom and government services, with built-in capabilities for mandate management, real-time status updates, reporting and compliance.
- Identity and consumer onboarding products:** They provide digital onboarding infrastructure, enabling financial institutions to onboard customers through Aadhaar-based verification, PAN and GST validation, and bank account authentication. The platform supports multiple KYC methods along with bank account validation through penny drop mechanisms to ensure higher success rates. It also offers a contract suite combining eSign and eStamp, enabling legally binding digital contract execution.

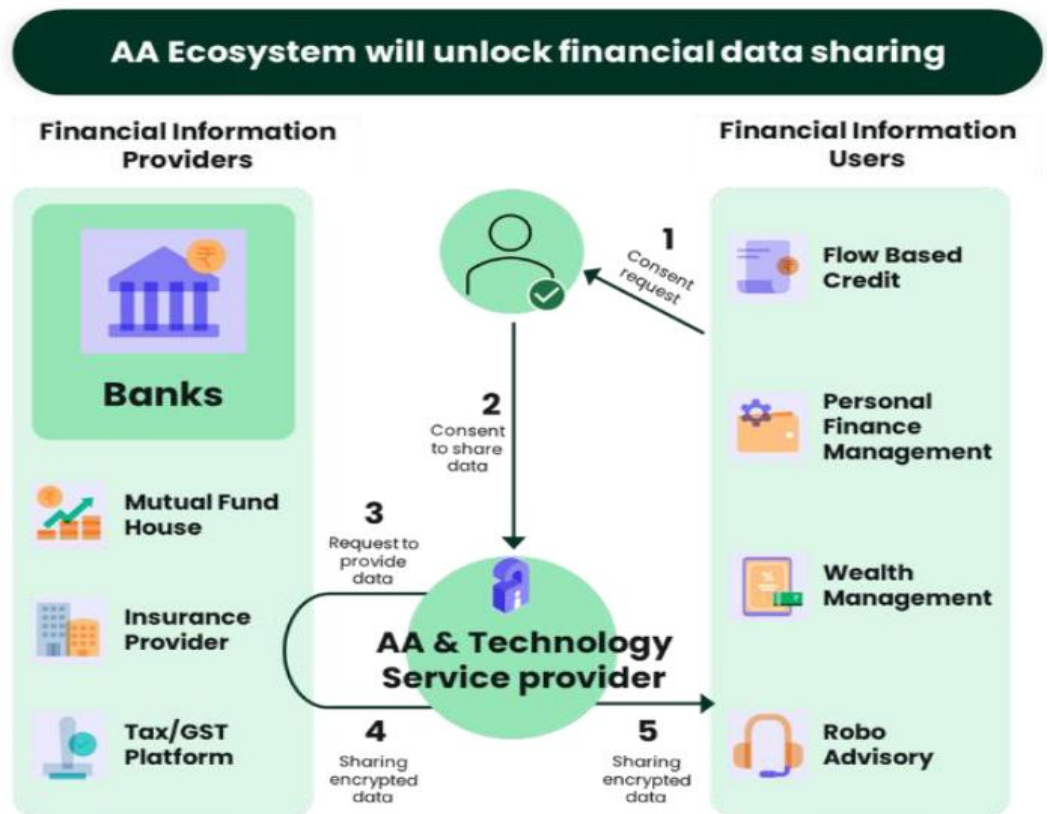
- Data and insights products:** Built on the Account Aggregator (AA) framework, the platform provides a single integration point to connect with multiple Account Aggregators. This enables consent-based access to real-time financial data from Financial Information Providers (FIPs) for underwriting, credit decisioning and collections. In addition, the platform offers analytics and insights APIs that extract actionable information from financial data, enabling data-driven decision-making. The platform also includes personal finance and analytics tools that allow end users to aggregate and track their financial data across multiple accounts.

Exhibit 29: Fintech infrastructure transactions trend



Source: I-Sec research, Company data

Exhibit 30: Fintech infrastructure ecosystem



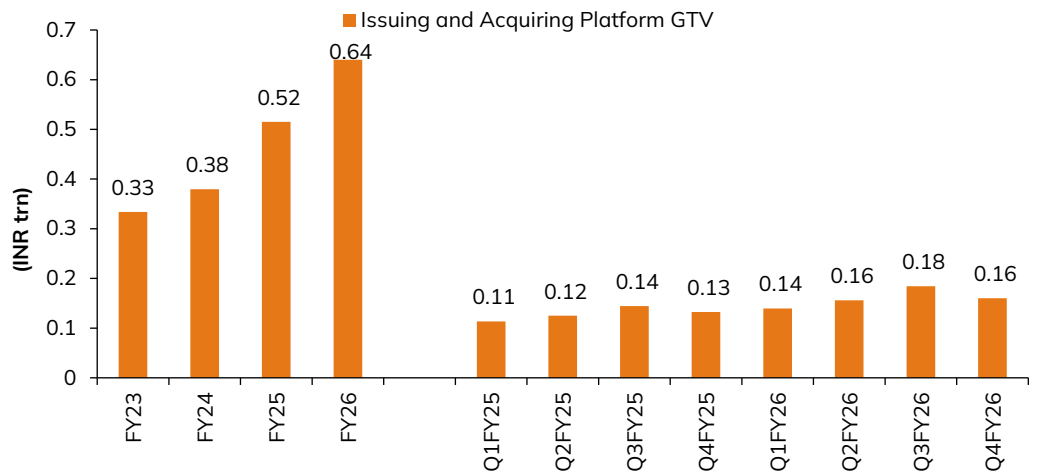
Source: I-Sec research, Company data

Issuing and acquiring platform

Pine Labs' issuing and acquiring platform enables online and offline merchants, consumer brands and enterprises to create prepaid products (commonly called gift cards) that help drive sales. This platform enables the issuance, processing, distribution and management of digital and physical prepaid instruments for storing and redeeming value for various use cases such as gifting, promotions, cashback, returns, rewards and incentives.

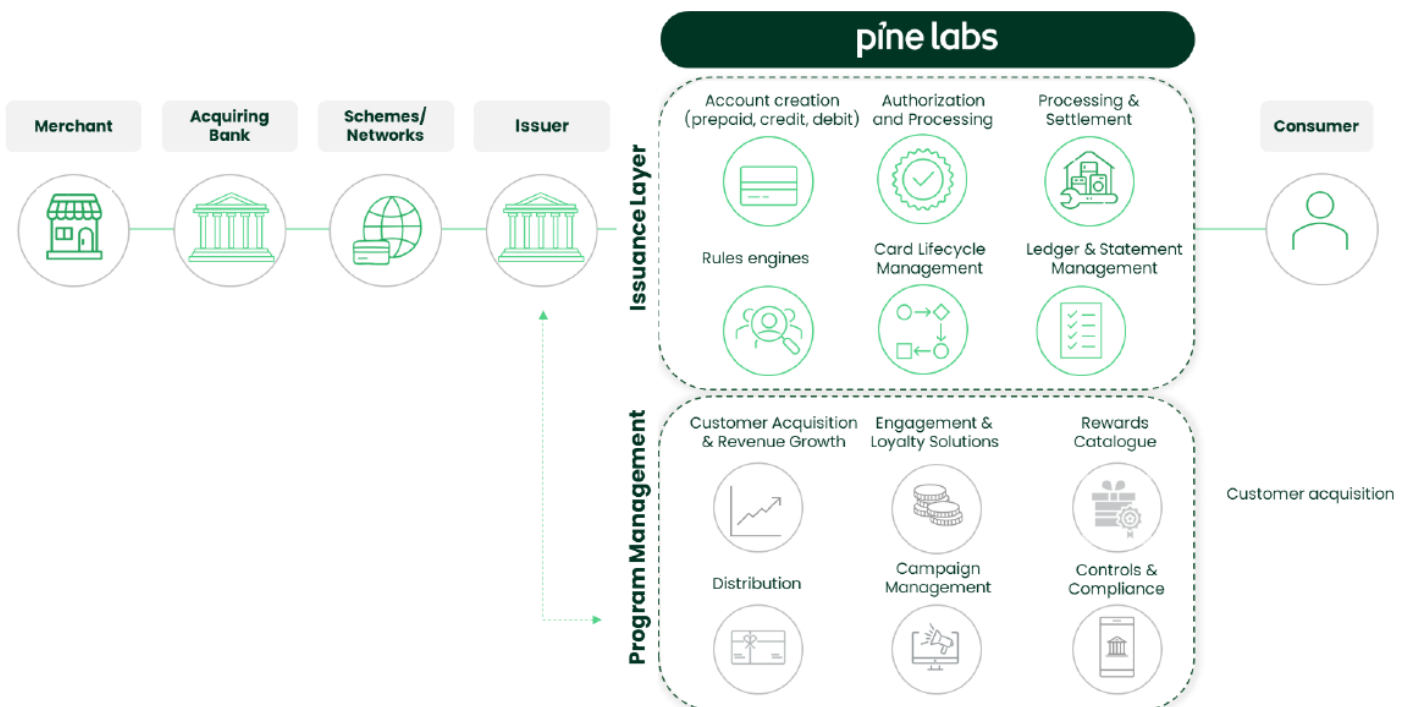
Its issuing and acquiring platform offering comprises: **Pine Labs Prepaid**, a platform for the processing and distribution of prepaid cards for consumer brands and enterprises, and **Credit+**, an API-first, issuing, acquiring and processing technology infrastructure for banks and fintech companies. In FY26, the platform processed transactions with a GTV of ~INR 0.7trn vs. INR 0.2trn in Q4FY26.

Exhibit 31: Issuing and acquiring revenue continues to rise



Source: I-Sec research, Company data

Exhibit 32: Issuing and acquiring, programme management



Source: I-Sec research, Company data

Prepaid cards

The prepaid business spans three core functions: issuance, processing and distribution. Built on a global SaaS platform, it enables consumer brands and enterprises to acquire, engage and retain customers through stored-value instruments.

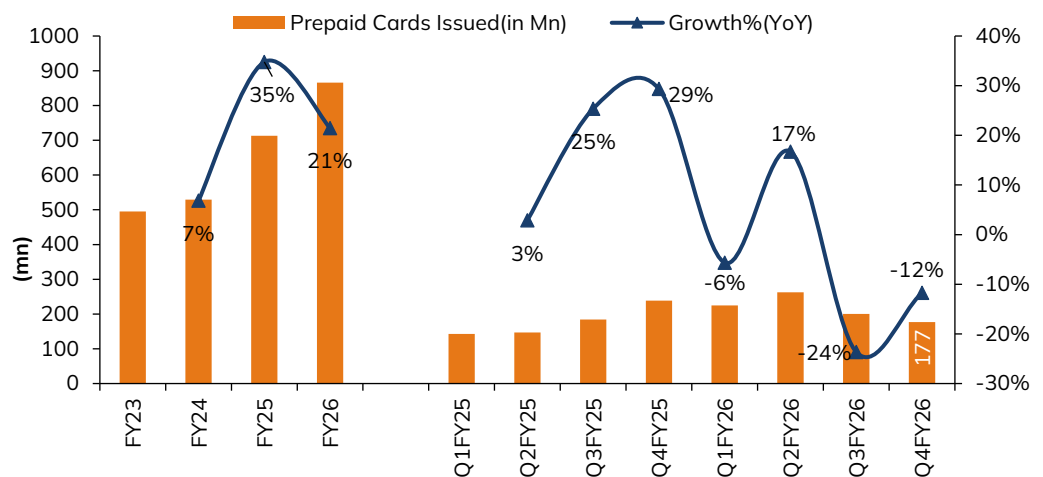
It acquired Qwikilver in 2019, which anchors the issuance and processing layers and is Pine Labs' core prepaid infrastructure. It enables brands and enterprises to issue digital or physical prepaid instruments, configure programme rules, manage balances and validity, and execute real-time redemption and settlement across merchant locations. Prepaid instruments are offered across three broad categories:

Closed loop: Redeemable at a single merchant and, in India, includes closed-system prepaid instruments (PPI).

Semi-closed loop: Redeemable across a select set of merchants and includes small PPIs, full KYC PPIs, and specific categories of PPIs not enabled on interoperable payment networks.

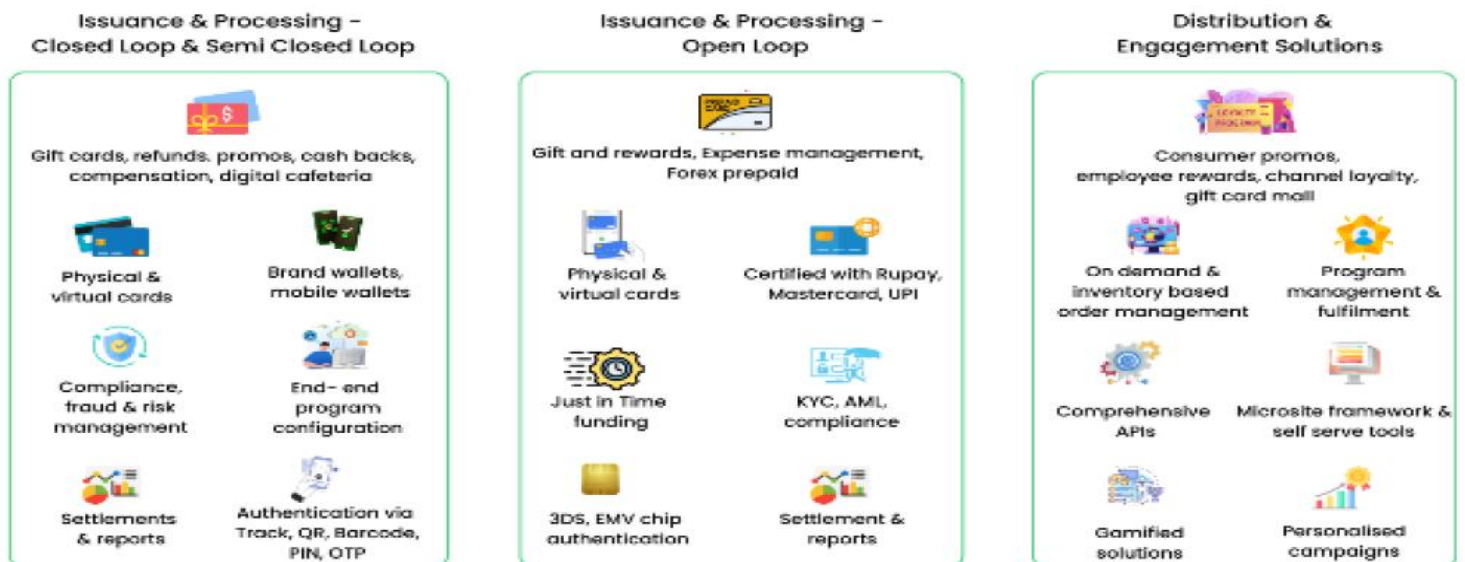
Open loop: Similar to semi-closed loop but enabled for use on interoperable payment networks.

Exhibit 33: Prepaid cards trend



Source: I-Sec research, Company data

Exhibit 34: Capabilities and key features of issuance and processing platform



Source: I-Sec research, Company data

Credit+

Credit+ is an API-first, issuing, acquiring and processing technology infrastructure that serves as the open-loop solution for both issuers and acquirers. Acquired in 2023, Credit+ is a full-stack solution that enables banks and fintech companies to offer credit, debit, prepaid and forex cards and to manage their consumers' lifecycles. Its modern technical architecture provides a one-stop solution for issuers and acquirers to manage the complete consumer lifecycle, including effortless onboarding, smooth processing, ongoing operations management and engagement. As of Q1FY26, 28 issuers in 16 countries (including India, Malaysia, Australia, the Philippines, Saudi Arabia and Egypt) have used the platform to issue 77 million credit, debit and prepaid accounts.

Unified issuing platform

The issuing stack is a full-lifecycle card programme platform enabling banks and fintechs to launch and manage credit, debit, prepaid and forex cards across diverse use cases. It supports end-to-end functions including onboarding, KYC/AML, card issuance, transaction processing, controls, billing, collections and disputes. Its API-driven architecture allows issuers to embed financial services into applications such as expense management, wallets and rewards, while integrating fraud management, compliance and reporting, enabling issuers to outsource card programme complexity to a single platform.

Exhibit 35: Key offerings of unified issuing platform



Source: Company data, I-Sec research

Acquirer processing platform

The acquirer processing platform supports both in-store and online merchant acquiring. The platform enables merchant onboarding, card and UPI acceptance, transaction processing, fraud prevention, settlement and reporting. Additionally, a rich set of acquiring APIs can be used for seamless integration with merchant and third-party systems.

Exhibit 36: Key offerings of Acquirer processing platform



Source: Company data, I-Sec research

International offerings

Exhibit 37: Key global partnerships of issuing and acquiring platform

Region	Key brands / partnerships
India	<ul style="list-style-type: none"> • Amazon (gift cards, loyalty) • NPCI/Rupay (Bharat Yatra RuPay Prepaid Card under NCMC) • IKEA • Air India
Southeast Asia	<ul style="list-style-type: none"> • CapitaLand • Lazada • Frasers Group • MAP Group • FairPrice • G-Cash
Middle East	<ul style="list-style-type: none"> • AL-Futtaim Group • Alshaya Group • IKEA • Emirates NBD • Wio Bank
Australia	<ul style="list-style-type: none"> • Woolworths • Samsung Pay
United States	<ul style="list-style-type: none"> • Waymo with Totus as programme partner • Blackhawk Network (prepaid and digital payouts)
Global – Airlines	<ul style="list-style-type: none"> • Amadeus, with 20+ airlines live
Sri Lanka	<ul style="list-style-type: none"> • Bank of Ceylon (Credit+) • Pan Asia Banking Corporation - PABC (Credit+)

Source: I-Sec research, Company data

Exhibit 38: Pine Labs' international expansion strategy

	Seed new territory	Land and expand	Deepen local presence
Strategy focus	<ul style="list-style-type: none"> • Enter new markets with minimal upfront investment • Build initial market presence and brand awareness 	<ul style="list-style-type: none"> • Scale customer acquisition in existing markets • Expand product offerings and service capabilities 	<ul style="list-style-type: none"> • Strengthen competitive positioning in key markets • Enhance ecosystem integration and localisation • Build long-term sustainable presence
Operating model	<ul style="list-style-type: none"> • Partner led-distribution approach • Cloud-native and tech-first deployment • No requirement for significant physical infrastructure or licensing initially 	<ul style="list-style-type: none"> • Remote/regional support structure • Centralised account management 	<ul style="list-style-type: none"> • Dedicated local teams • Local licensing and certifications • Localised products and compliance infrastructure
Key geographies	<ul style="list-style-type: none"> • Africa Region • USA 	<ul style="list-style-type: none"> • Middle East • Thailand • Vietnam • Philippines • Australia 	<ul style="list-style-type: none"> • Singapore • UAE • Malaysia

Source: I-Sec research, Company data

Digital payments have a fundamental opportunity ahead—more adoption, penetration and systemic growth

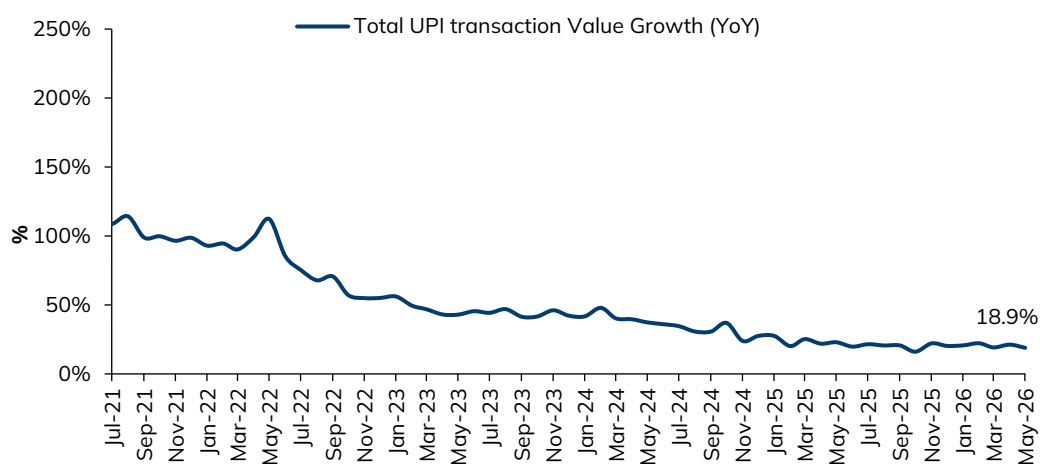
Exhibit 39: Macro trend in digital payments

	2025	2029E	CAGR
Total Payment Value in India (INR trn)	117	268	23%
Digital payment (including affordability) (INR trn)	112	256	23%
Issuing (INR trn)	5	12	24%
India Digital P2M TPV (INR trn)	112	251	22%
In-Store (INR trn)	58	125	21%
Online Payments (INR trn)	54	126	24%
Fintech Infrastructure Bill Payments Transaction Volume (bn)	2.5	7.3	30%
Fintech Infrastructure Bill Payments TPV (INR trn)	10	34	35%
UPI P2M TPV (INR tn)	71.9	175.0	25%
India Affordability Solutions TPV			
DCP affordability solution (INR trn)	0.6	1.8	32%
E-commerce affordability (INR trn)	0.8	3.2	41%
paper-based affordability solutions (INR trn)	1.0	1.9	17%
Total card transactions volume for India			
Credit cards (bn)	4.8	7.9	13%
Debit cards (bn)	1.6	1.3	-6%
Prepaid cards (bn)	2.1	4.7	22%
Total Market Size (TPV) for International (in USD bn)	2,092	3,130	11%
Digital payment (including affordability) (in USD bn)	1,324	2,023	11%
Issuing (in USD bn)	768	1,107	10%

Source: Company data, I-Sec research, Redseer Research and Analysis

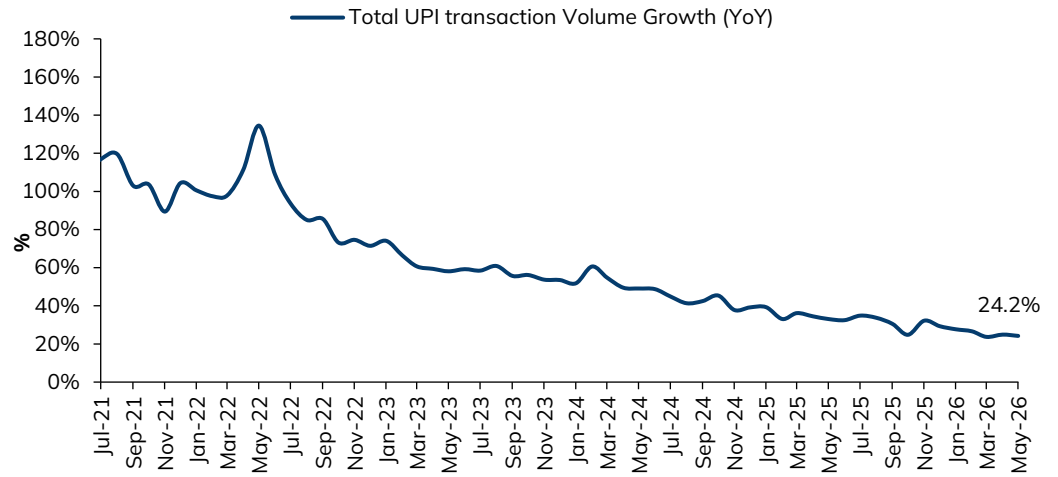
UPI payments remain the backbone of digital payments in India

Exhibit 40: UPI transaction value remained strong in May'26, but the pace of growth has declined over the last few years



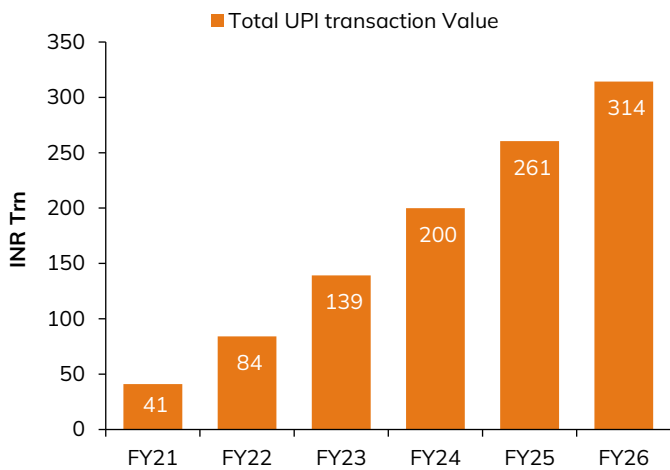
Source: Company data, I-Sec research

Exhibit 41: UPI transaction volume growth remains strong ~25% levels



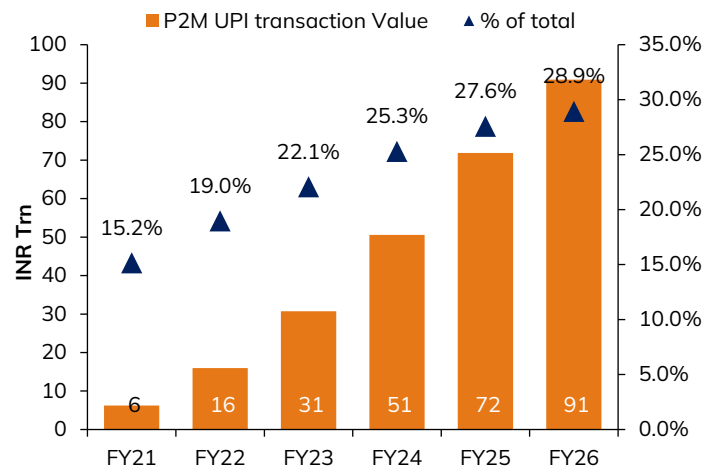
Source: Company data, I-Sec research

Exhibit 42: Total UPI transaction value trend



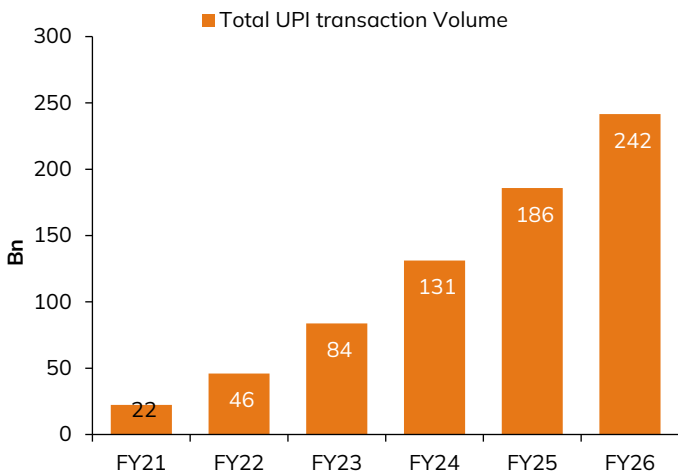
Source: I-Sec research, NPCI

Exhibit 43: P2M UPI transaction value trend



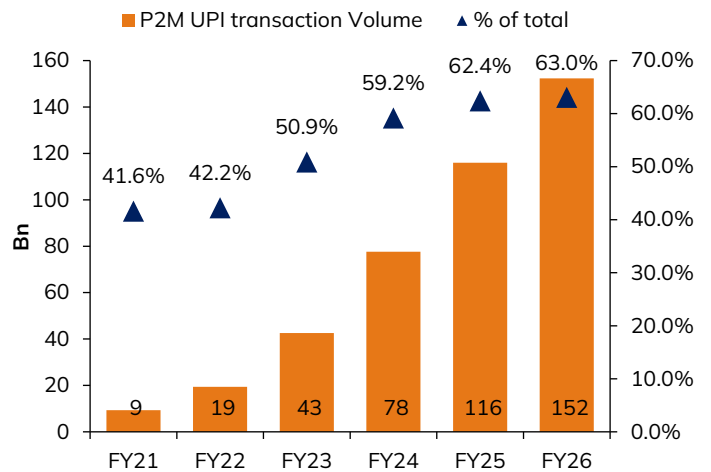
Source: I-Sec research, NPCI

Exhibit 44: Total UPI transaction volume trend



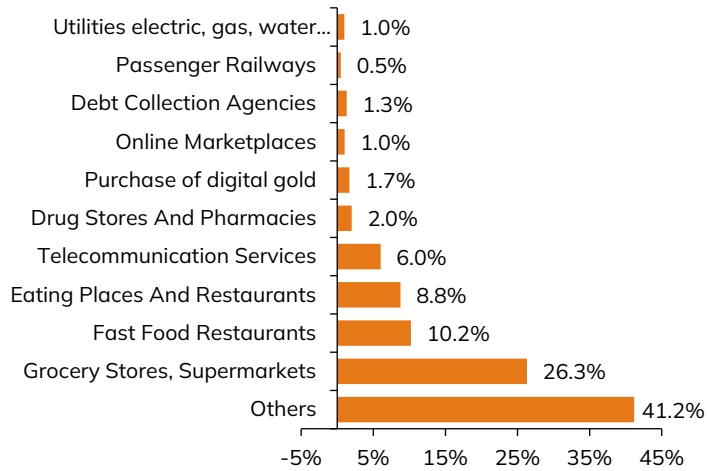
Source: I-Sec research, NPCI

Exhibit 45: P2M UPI transaction volume trend



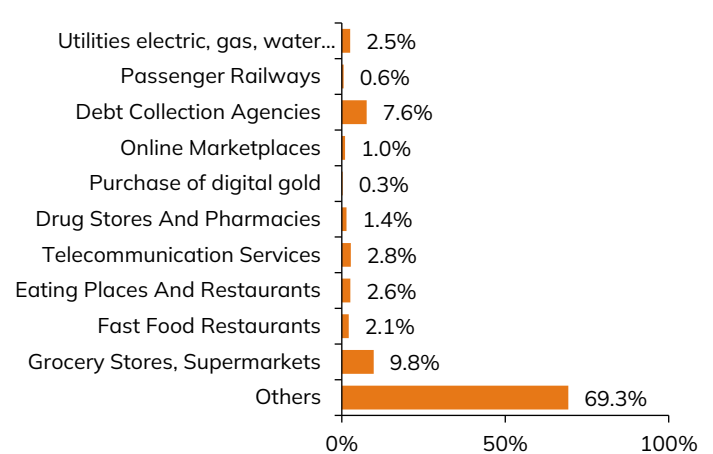
Source: I-Sec research, NPCI

Exhibit 46: In terms of volume, groceries and supermarkets witness the highest P2M UPI transactions, followed by restaurants (May'26)



Source: I-Sec research, NPCI

Exhibit 47: In terms of value, groceries and supermarkets witness the highest P2M UPI transactions, followed by debt collection agencies (May'26)

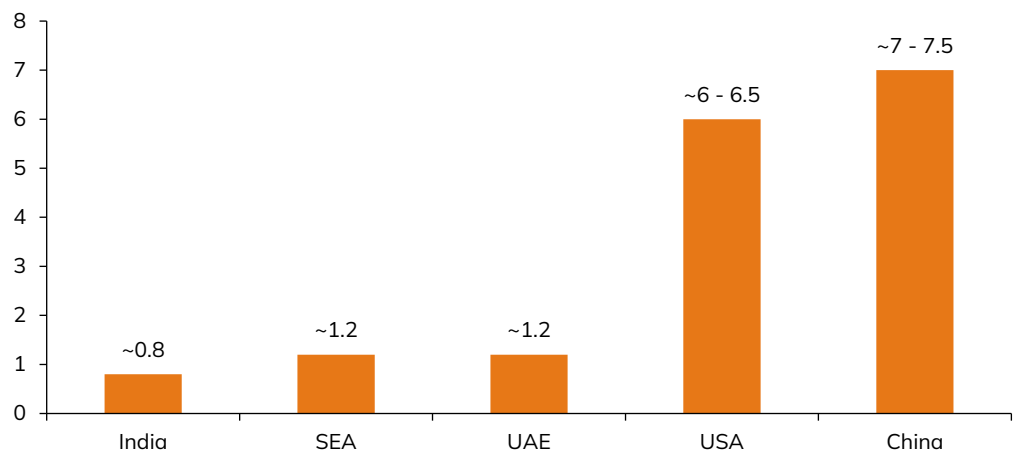


Source: I-Sec research, NPCI

Underpenetrated market compared to global peers

Despite the emergence of multiple digital payment form factors, India remains an underpenetrated digital payments market, characterised by high cash usage, limited in-store digital checkout options and low credit card penetration. The number of cards (credit and debit cards) per capita in India is ~0.8, which is significantly lower compared to the US and China with ~6-6.5 and ~7-7.5 cards per capita in CY24, respectively. This gap highlights the untapped potential of India's credit card market, driven by a combination of increasing financial literacy, expanding formal employment and growing aspirations among a young and tech-savvy population.

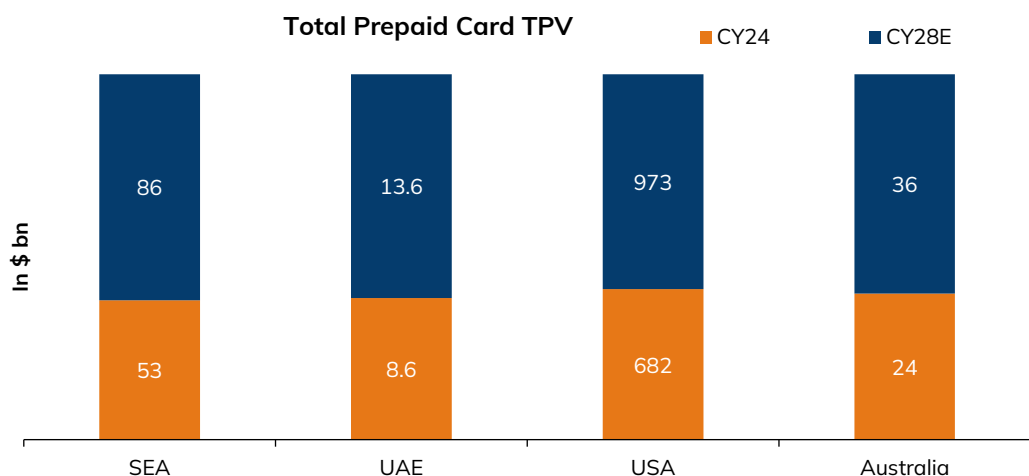
Exhibit 48: No. of cards per capita–global comparison



Source: I-Sec research, Company data, RBI, Redseer Research and Analysis

Note: Includes debit and credit cards

Note: CY24 data for SEA, UAE, USA and China. SEA includes Indonesia, Singapore Thailand, Vietnam, Philippines, and Malaysia. FY25 data for India

Exhibit 49: Total prepaid card TPV across geographies

Source: I-Sec research, Company data, Central Bank Reports, Redseer Research and Analysis

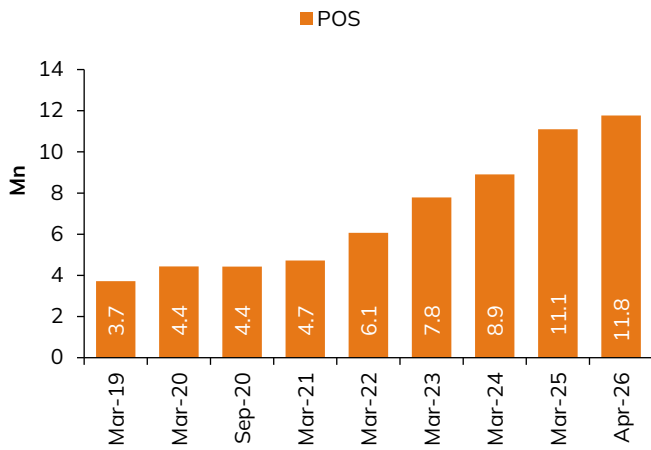
Indian offline merchant ecosystem shows varying levels of adoption

India's merchant ecosystem, segmented into large enterprises, mid-market businesses, MSMEs, and smaller merchants, demonstrates diverse needs and varying levels of adoption for DCP solutions, reflecting their operational scale and complexity.

- Large enterprises:** Large enterprises form the smallest segment, with fewer than 3k enterprises in India, yet they make a highly significant contribution to overall retail in the country. With ~100% adoption of DCP systems, these enterprise merchants are digitally savvy and require robust solutions, such as multi-location management, ERP integration, affordability for consumers, advanced analytics, and loyalty programmes, to streamline operations and enhance customer engagement. Their adoption of DCP-based solutions is driven by operational complexity and a focus on scaling through store expansions and growing consumer demand.
- Mid-market businesses:** Mid-market businesses are moderately digitised and prioritise features like reconciliation tools and affordability-focused solutions for consumers to optimise their financial operations and manage growth. Their adoption continues to increase as they expand their footprint and respond to rising consumer expectations.
- Small and micro merchants:** Small and micro merchants form the largest segment and are at an early stage of their digitisation journey. They seek affordable payment solutions to transition from cash to digital payments. In addition, they seek simple business software solutions to digitise their stores.

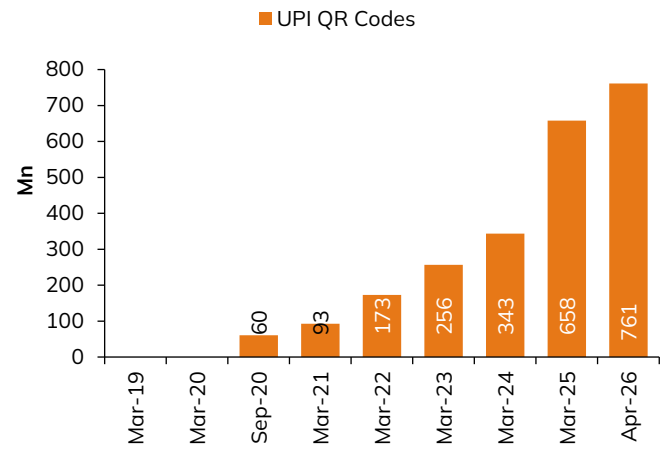
As per RBI data, outstanding (O/S) POS machines have seen a CAGR of ~20.0% between FY21-26, and as of Mar'26, 11.7mn POS machines are O/S in India. UPI QR codes, on the other hand, have seen a CAGR of ~52.4% between FY21-26, with 761mn UPI QR O/S in India as of Mar'26.

Exhibit 50: POS machine outstanding, as of Mar'26



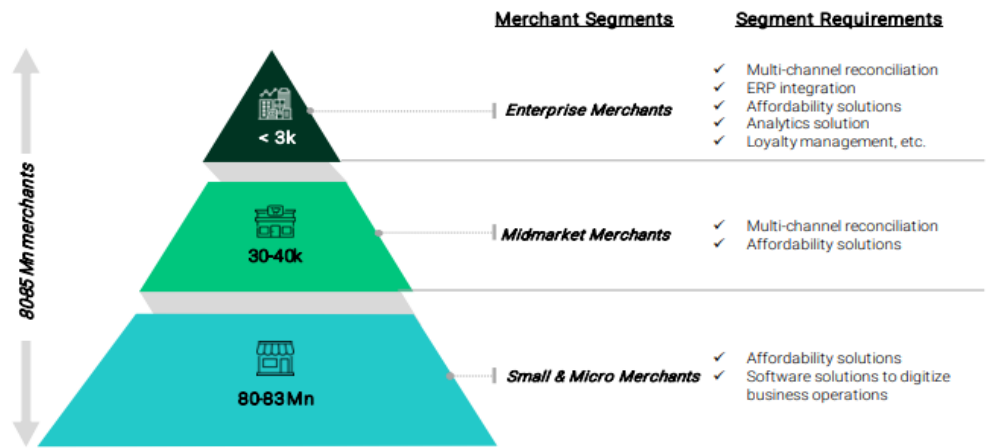
Source: I-Sec research, Company data, RBI

Exhibit 51: UPI QR outstanding, as of Mar'26



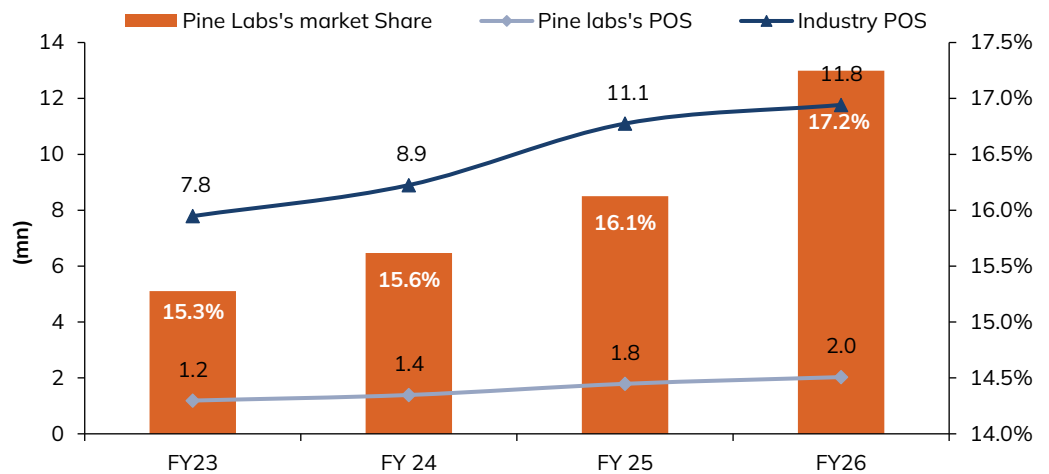
Source: I-Sec research, Company data, RBI

Exhibit 52: Merchant segments—by number of merchants and needs (in FY25)



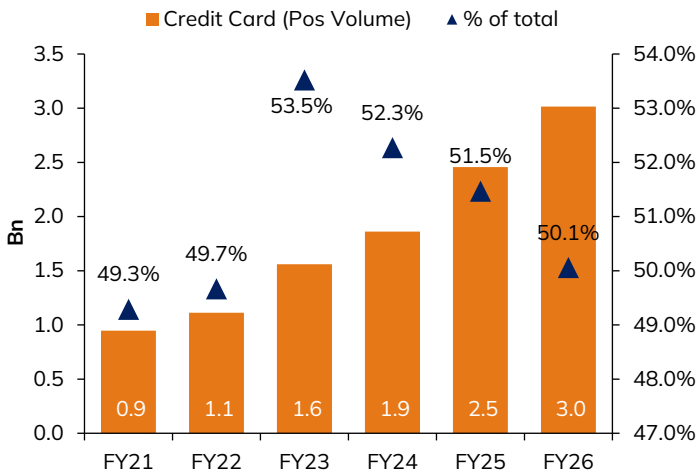
Source: I-Sec research, Company data

Exhibit 53: Pine Labs continues to gain more market share in POS devices



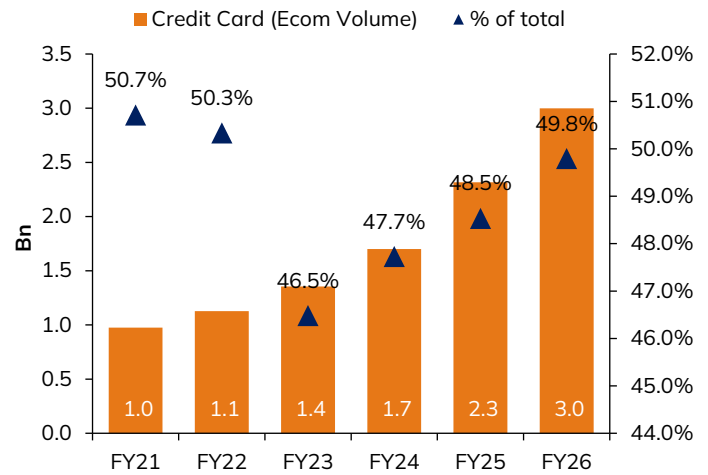
Source: I-Sec research, Company data, RBI

Exhibit 54: Total credit card transaction volume on POS machines



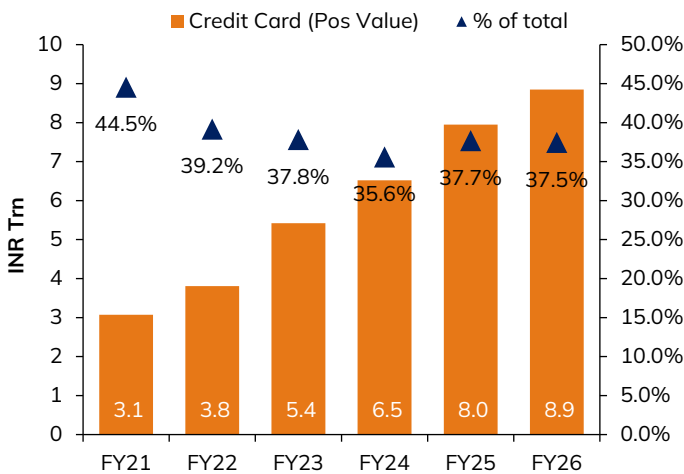
Source: I-Sec research, RBI

Exhibit 55: Total credit card transaction volume on e-commerce platforms



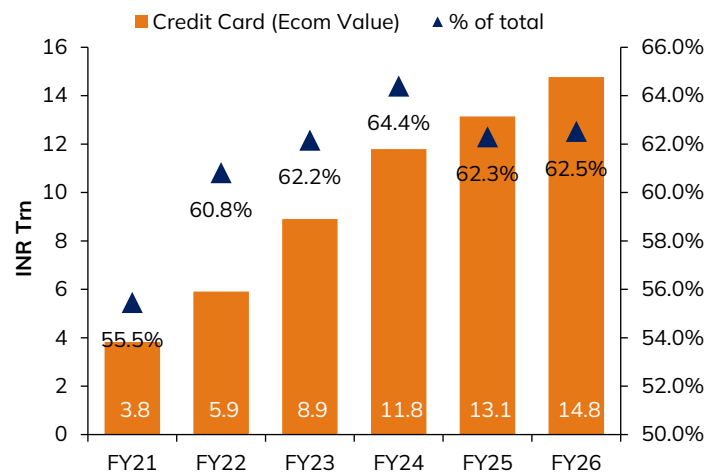
Source: I-Sec research, RBI

Exhibit 56: Total credit card transaction value on POS machines



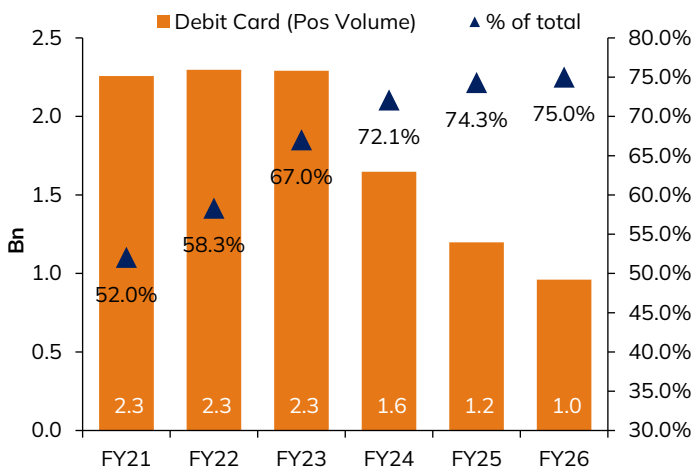
Source: Company data, I-Sec research

Exhibit 57: Total credit card transaction value on e-commerce platforms



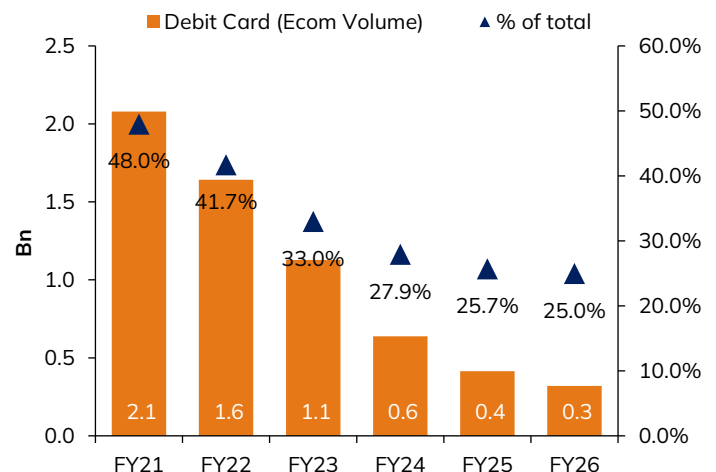
Source: Company data, I-Sec research

Exhibit 58: Total debit card transaction volume on POS machines



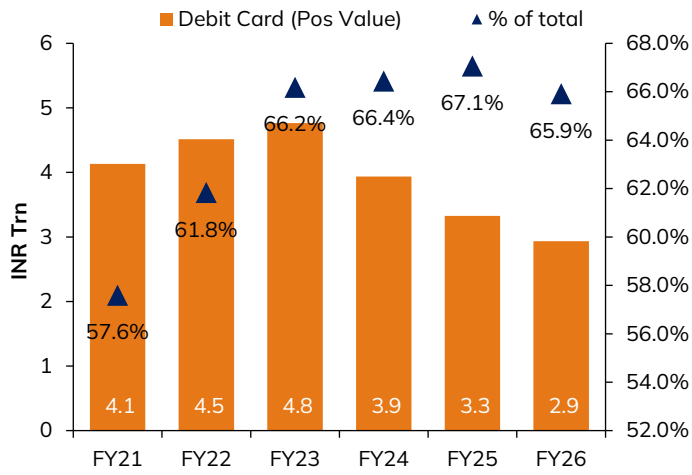
Source: Company data, I-Sec research

Exhibit 59: Total debit card transaction volume on e-commerce platforms



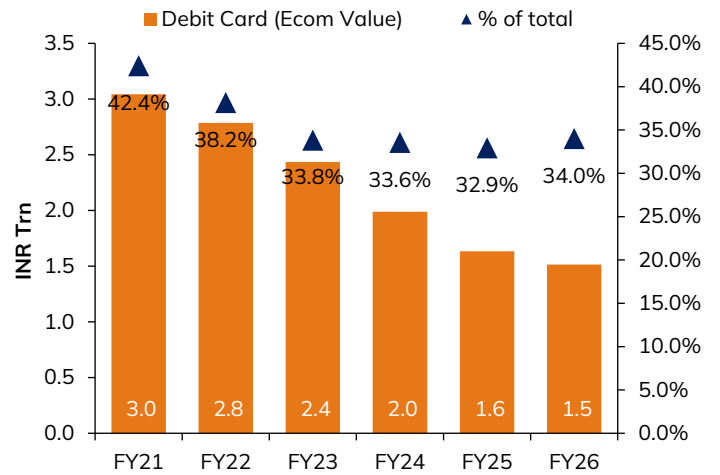
Source: Company data, I-Sec research

Exhibit 60: Total debit card transaction value on POS machines



Source: Company data, I-Sec research

Exhibit 61: Total debit card transaction value on e-commerce platforms



Source: Company data, I-Sec research

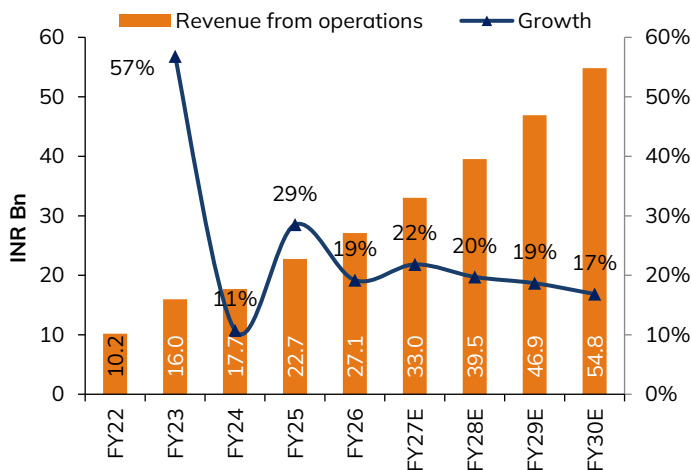
Financials and estimates

Pine Labs demonstrated a strong CAGR on revenue/contribution/EBITDA of ~19%/17%/120% over FY23-26, with PAT increasing from (-) INR 2,651mn in FY23 to INR 1,127mn in FY26 and INR 594mn in Q4FY26.

Revenue grew from INR 10.2bn in FY22 to INR 27.1bn in FY26. Within revenue, ~68% of the revenue comes from Digital Infrastructure and Transaction Platform (DITP) and ~32% of the revenue from issuing and acquiring platform.

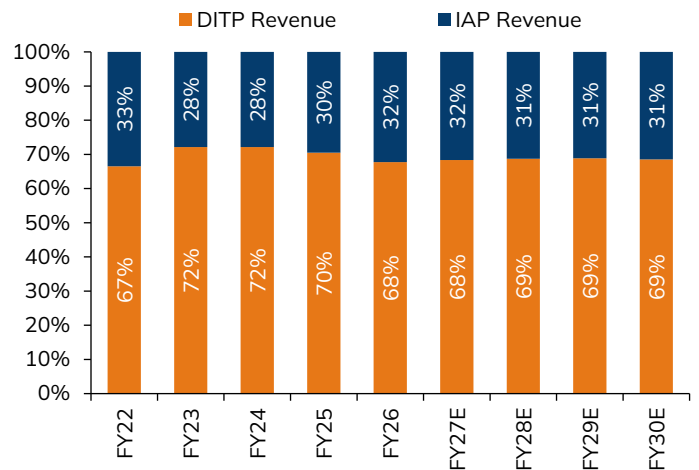
We estimate a CAGR of 19.3%/ 17.9%/37.3% in revenue/contribution/EBITDA over FY26-30E, with PAT increasing from INR 1.1bn in FY26 to INR 10.4bn in FY30E.

Exhibit 62: Revenue from operations



Source: I-Sec research, Company data

Exhibit 63: Revenue from operations mix (%)

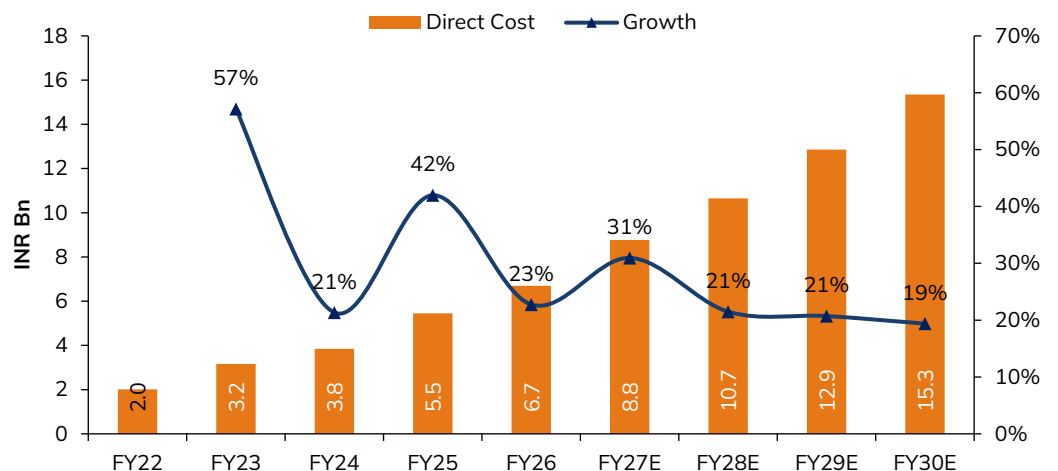


Source: I-Sec research, Company data

Direct costs increased with a CAGR of ~28.3% from INR 2.01bn to INR 6.7bn over FY23-26, while the contribution clocked a CAGR of 16.8%, with the contribution margin remaining in the range of 75-80% during the same period.

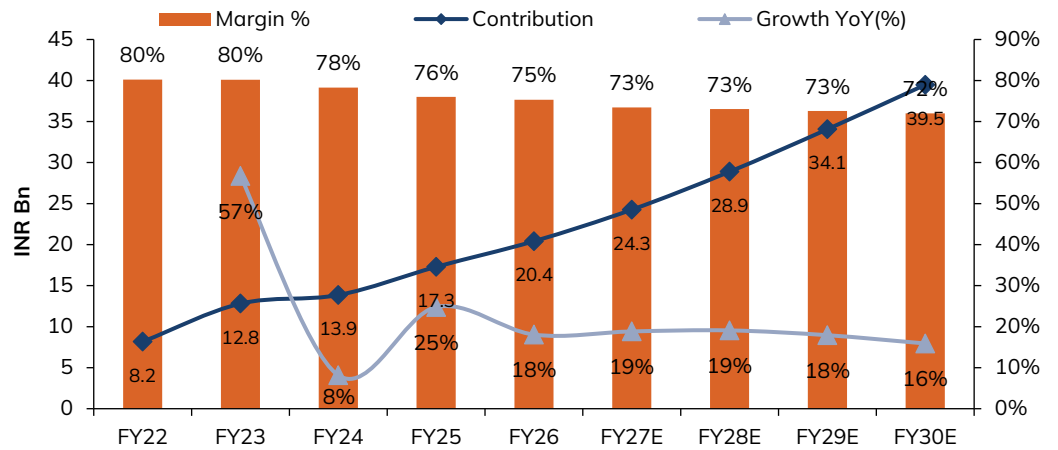
We estimate a CAGR of 23.1% over FY26-30E with costs increasing from INR 6.7bn in FY26 to INR 15.35bn in FY30E.

Exhibit 64: Direct cost trend



Source: I-Sec research, Company data

Exhibit 65: Contribution continues to rise, but margin is going down

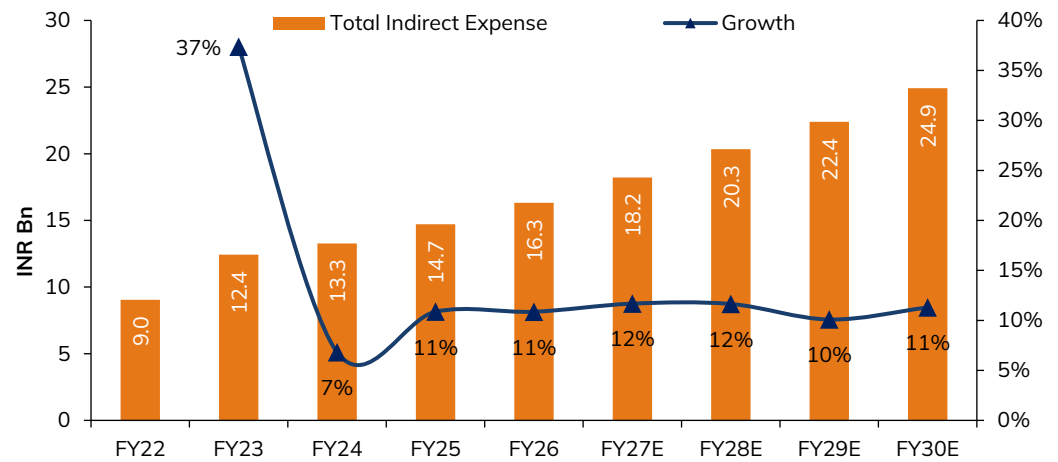


Source: I-Sec research, Company data

Total indirect expense has increased with a CAGR of ~10% from INR 9.04bn to INR 16.3bn over FY23-26, while EBITDA clocked a CAGR of ~120.3% from INR 383mn to INR 4.1bn with rising EBITDA margin.

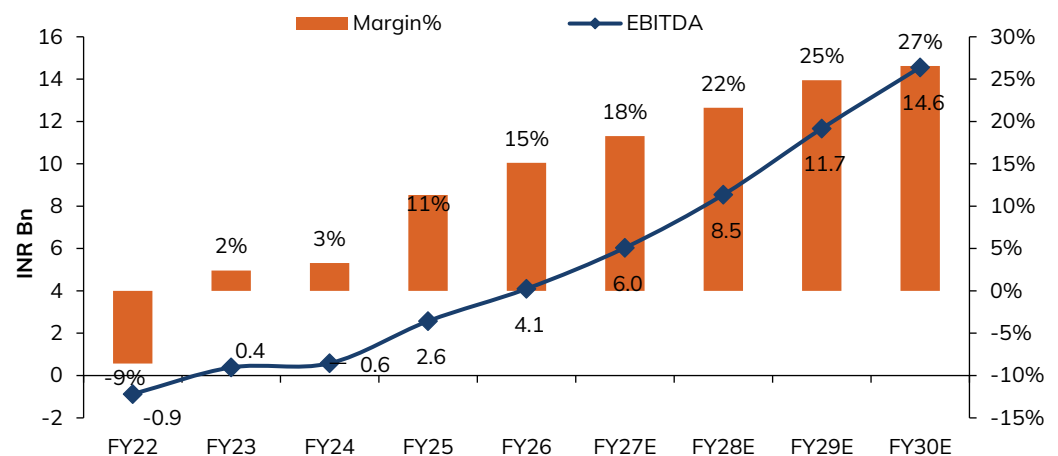
We estimate a CAGR of 11.2% over FY26-30E, with indirect costs increasing from INR 16.3bn in FY26 to INR 24.9bn in FY30E, while EBITDA could increase from INR 4.1bn in FY26 to INR 14.6bn in FY30E.

Exhibit 66: Total indirect expense



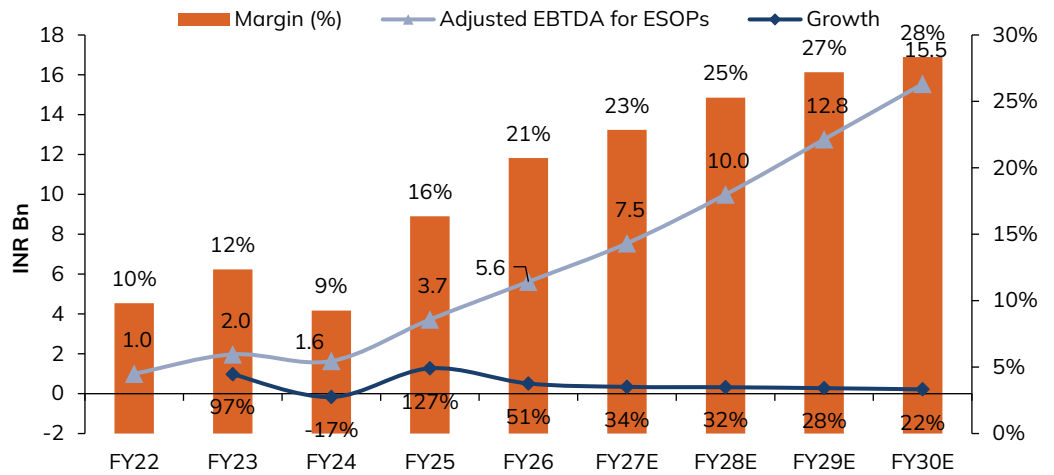
Source: I-Sec research, Company data

Exhibit 67: EBITDA trend



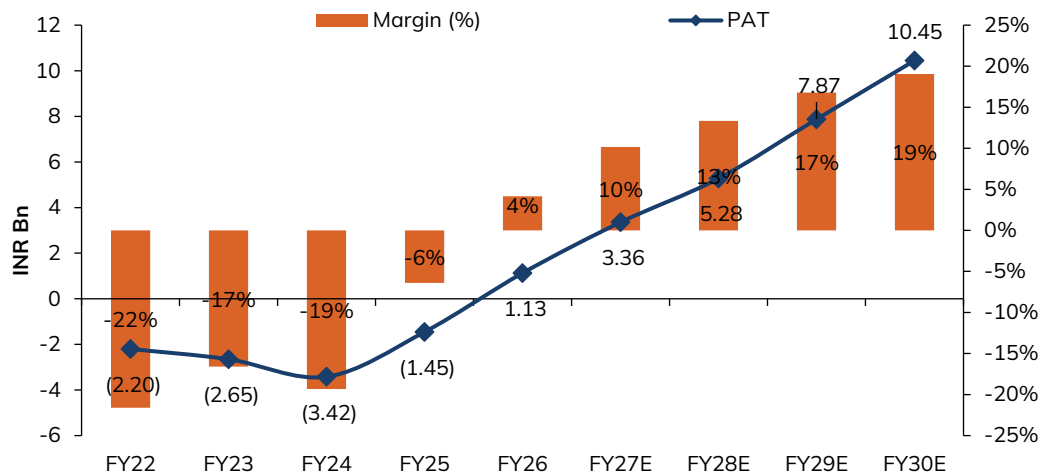
Source: I-Sec research, Company data

Exhibit 68: Adjusted EBITDA trend



Source: I-Sec research, Company data

Exhibit 69: PAT and PAT margin trend



Source: I-Sec research, Company data

Net working capital for Pine Labs primarily represents short-term funds deployed in business operations — including receivables, net payables to the vendors and partners, early settlement receivable, and escrow balances held on behalf of customers (net of liabilities).

Steady-state annualized net working capital remains 13–15% of topline, with intra-year quarterly movements driven by festive seasonality (Q3 peak), bonus payouts, and early settlement cycles. The underlying cash generation trajectory is healthy and improving, with operating cash flow compounding ahead of revenue growth. However, in our working capital flows in the DCF (below) we have also added early settlement-based fund requirements apart from working capital related to increase in sales.

Exhibit 70: DCF

INR Mn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
PAT	-2,651	-3,419	-1,455	1,127	3,356	5,276	7,874	10,446	14,640	19,032	24,714	31,069	37,372
Add: ESOP cost	1,590	1,058	1,148	1,524	1,511	1,450	1,095	985	800	700	650	500	500
Add: Depreciation	3,150	3,628	2,921	2,701	2,600	2,500	2,400	2,200	2,200	2,200	2,200	2,200	2,200
Less: capex	-3,643	-2,570	-1,485	-2,343	-3,200	-2,880	-2,592	-2,333	-2,100	-2,100	-2,100	-2,100	-2,100
WC impact	-3,192	-3,930	-3,310	-1,459	-2,212	-2,654	-2,918	-3,120	-3,529	-4,054	-4,478	-5,061	-5,518
FCF	-4,745	-5,233	-2,180	1,550	2,055	3,692	5,859	8,178	12,012	15,779	20,986	26,609	32,455
PV of FCF	-	-	-	-	1,835	2,943	4,171	5,197	6,816	7,994	9,493	10,747	11,704
Terminal Growth	5.7%												
WACC	12.0%												
NPV	60,899												
Terminal Value	1,96,359												
Total Value	2,57,258												
NOSH (Diluted)	1,207												
TP	210												
CMP	154												
Upside	36.5%												

Source: I-Sec research, Company data

Exhibit 71: Operating leverage as of Q4FY26

Particulars	Amount
Contribution Margin	INR 100
Less: Employee Expense + Data, Cloud & IT costs	INR 34- INR 38
Less: Other Costs	INR 9 - INR 12
Flowthrough to Adjusted EBITDA	INR 50 -INR 57
Less: D&A+ ESOP expenses	INR 4 - INR 6
Less: Others	INR 1 - INR 2
Flowthrough to PBT	INR 45 - INR 55

Source: I-Sec research, Company data

Key risks

Customer retention and ecosystem expansion risk

Pine Labs' growth remains dependent on its ability to retain and expand its ecosystem of merchants, consumer brands, enterprises and financial institutions. Any slowdown in customer additions or a rise in churn could impact transaction volumes, revenue growth and platform monetisation. While the company continues to witness healthy ecosystem expansion, customer departures across categories highlight the competitive nature of the fintech and payments industry. The platform's attractiveness is also driven by network scale and ecosystem diversity, making retention critical for sustaining growth. Failure to maintain strong customer relationships, product relevance and service quality could adversely affect business performance and long-term scalability.

Cybersecurity and data privacy risk

Pine Labs operates a highly digital and data-intensive business, making it vulnerable to cybersecurity threats, data breaches, ransomware attacks, system failures and unauthorised access incidents. The company processes large volumes of sensitive customer and merchant data, including payment credentials, KYC details and personal information, increasing regulatory and reputational risks in case of security lapses. Any breach, whether originating within internal systems or third-party service providers, could disrupt operations, erode customer trust, invite regulatory scrutiny and lead to significant financial liabilities. As digital payment adoption scales further, the company's exposure to evolving cyber threats and compliance requirements could increase materially.

Credit rating and financing risk

Pine Labs currently lacks an established credit rating, which could limit its access to debt markets and increase borrowing costs over time. The company's ability to raise capital efficiently depends on obtaining favourable credit ratings and maintaining financial stability. Any future downgrade in credit ratings could adversely impact financing availability, increase interest costs, tighten lending terms and reduce financial flexibility. Given the company's growth ambitions and potential funding requirements, limited access to low-cost capital could affect profitability, cashflow and overall business expansion in the competitive fintech market.

Regulatory and compliance risks arising from RBI/ReBIT oversight

Pine Labs operates in a highly regulated environment and is subject to oversight by the RBI and ReBIT. The company must comply with stringent regulations covering capital requirements, cybersecurity standards, outsourcing practices, merchant onboarding, data localisation and customer grievance management. Regular inspections and audits by regulators may lead to penalties, operational restrictions, or in extreme cases, revocation of licenses if compliance gaps are identified and not addressed promptly. Regulatory approvals are also required for changes in control, while restrictions following the surrender or cancellation of a PA/PPI license could delay acquisitions, strategic transactions, or other corporate actions. In addition, the company is required to comply with AML/CFT and KYC obligations under the PMLA framework across its prepaid and acquiring businesses. These evolving regulatory requirements increase compliance costs, operational complexity and reputational risk. Historical regulatory actions, such as the penalty imposed on Qwikilver for PPI-related non-compliance, highlight the potential financial and operational impact of regulatory breaches.

Risk arises from customers

Pine Labs derives a meaningful portion of its revenue from a limited set of large customers, making the business vulnerable to customer concentration risk. The company's top 10 customers contributed ~31% of revenue in FY25, while its top customer alone accounted for ~11%. Any reduction in business volume, contract renegotiation, or termination by these key customers could materially impact revenue growth and profitability. Additionally, most customer agreements are non-exclusive and could be terminated with prior notice, limiting revenue visibility. Failure to maintain strong relationships with key clients could adversely affect transaction volumes, operating performance and overall business stability.

Exhibit 72: Revenue from Top 10 customers

INR mn	FY23	FY24	FY25
Top 1 (A)	3,076	3,020	2,415
% of revenue from operations (B = A/ G)	19.26%	17.07%	10.62%
Top 5 (C)	4,957	4,924	5,072
% of revenue from operations (D = C/ G)	31.02%	27.83%	22.30%
Top 10 (E)	6,178	6,223	7,039
% of revenue from operations (F = E/ G)	38.67%	35.17%	30.95%
Revenue from operations (G)	15,977	17,695	22,743

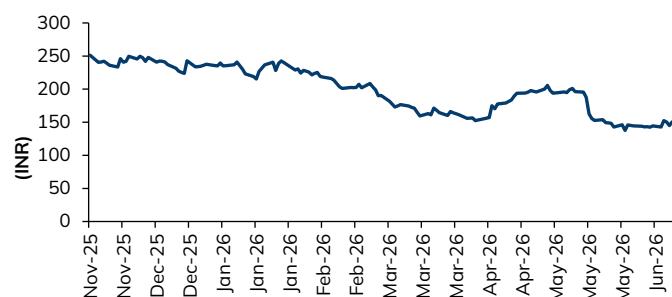
Source: I-Sec research, Company data

Exhibit 73: Shareholding pattern

%	Dec'25	Mar'26
Promoters	0.0	0.0
Institutional investors	16.5	16.6
MFs and other	8.5	8.9
Banks/ FIs	2.0	1.9
Insurance Cos.	0.8	1.0
FIs	5.2	4.8
Others	83.5	83.4

Source: Bloomberg, I-Sec research

Exhibit 74: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 75: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	22,743	27,106	33,023	39,537
Operating Expenses	14,716	16,315	18,221	20,342
EBITDA	2,572	4,097	6,036	8,544
EBITDA Margin (%)	11.3	15.1	18.3	21.6
Depreciation & Amortization	2,921	2,701	2,600	2,500
EBIT	(737)	884	3,436	6,044
Interest expenditure	790	841	941	991
Other Non-operating Income	528	1,366	1,700	2,000
Recurring PBT	(998)	1,408	4,195	7,053
Extraordinaries (Net)	366	33		
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	91	248	839	1,777
PAT	(1,089)	1,160	3,356	5,276
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	(1,455)	1,127	3,356	5,276
Net Income (Adjusted)	(1,455)	1,127	3,356	5,276

Source Company data, I-Sec research

Exhibit 76: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	82,411	1,08,843	1,23,635	1,44,062
of which cash & cash eqv.	60,331	82,259	93,538	1,07,988
Total Current Liabilities & Provisions	61,715	69,018	79,543	93,624
Net Current Assets	20,696	39,825	44,092	50,438
Investments	211	279	279	279
Net Fixed Assets	3,468	2,982	4,882	6,512
ROU Assets	1,236	1,365	1,365	1,365
Capital Work-in-Progress	471	410	410	410
Total Intangible Assets	14,677	15,286	13,986	12,736
Other assets	4,683	3,805	3,805	3,805
Total Assets	45,442	63,951	68,818	75,544
Liabilities				
Borrowings	8,295	2,829	2,829	2,829
Deferred Tax Liability	173	92	92	92
provisions	487	596	596	596
other Liabilities	1,425	1,481	1,481	1,481
Equity Share Capital	1,027	1,148	1,148	1,148
Reserves & Surplus	34,035	57,806	62,673	69,398
Total Net Worth	35,062	58,954	63,821	70,547
Minority Interest	-	-	-	-
Total Liabilities	45,442	63,951	68,818	75,544

Source Company data, I-Sec research

Exhibit 77: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	497	3,954	4,496	5,563
Working Capital Changes	(3,310)	(1,459)	(2,212)	(2,654)
Capital Commitments	(1,502)	(2,384)	(3,200)	(2,880)
Free Cashflow	2,000	6,338	7,696	8,443
Other investing cashflow	(89)	(11,005)	1,700	2,000
Cashflow from Investing Activities	(1,592)	(13,389)	(1,500)	(880)
Issue of Share Capital	156	21,200	-	-
Interest Cost	(833)	399	-	-
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	-	-	-
Others	(1,334)	(1,877)	(941)	(991)
Cash flow from Financing Activities	(2,011)	19,722	(941)	(991)
Chg. in Cash & Bank balance	(3,105)	10,287	2,055	3,692
Bank Balance	50,817	68,328	77,552	88,311
Closing cash & bank balance	60,331	82,259	93,538	1,07,988

Source Company data, I-Sec research

Exhibit 78: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	(1.2)	0.9	2.8	4.4
Adjusted EPS (Diluted)	(1.2)	0.9	2.8	4.4
Cash EPS	1.5	3.6	4.9	6.4
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	29.1	48.9	52.9	58.5
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	28.5	19.2	21.8	19.7
EBITDA	343.4	59.2	47.3	41.6
EPS (INR)	(57.4)	(177.5)	197.7	57.2
Valuation Ratios (x)				
P/E	(127.4)	164.4	55.2	35.1
P/BV	5.3	3.1	2.9	2.6
EV / EBITDA	70.4	39.1	26.2	18.1
Operating Ratios				
Contribution Margins (%)	76.0	75.3	73.5	73.1
EBITDA Margins (%)	11.3	15.1	18.3	21.6
Effective Tax Rate (%)	(9.1)	17.6	20.0	25.2
Net Profit Margins (%)	(6.4)	4.2	10.2	13.3
NWC / Total Assets (%)	(7.3)	(2.3)	(3.2)	(3.5)
Net Debt / Equity (x)	(0.1)	(0.4)	(0.4)	(0.4)
Net Debt / EBITDA (x)	(1.7)	(6.2)	(4.6)	(3.7)
Profitability Ratios				
RoCE (%)	(2.1)	1.5	5.4	8.6
RoE (%)	(4.1)	2.4	5.5	7.9
Fixed Asset Turnover (x)	5.9	8.4	8.4	6.9
Inventory Turnover Days	20	17	17	17
Receivables Days	153	153	156	164
Payables Days	363	209	199	207

Source Company data, I-Sec research

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