

Q3 2023

1. Financial Performance

- **Narrative:** Management provided substantial forward-looking guidance on revenue and profitability. Specific targets were set for Transaction Processing Value (TPV) and Gross Revenue, reflecting ambitious growth projections. There's also commentary on the intention to increase net take rates in the payments business.

- **Management's Guidance:**

- TPV target of INR 4.0 lac crore for FY23 (37% YoY increase), Gross Revenue INR 1,600-1,700 crore (24-31% YoY increase), EBITDA INR 170-190 crore (17-31% YoY growth), PAT INR 110-125 crore (31-49% YoY increase), double-digit net take rates by FY2025, 15% revenue growth by end of next fiscal year, 20-30% of revenues from international growth in next two years, TPV target of INR 7.0-7.5 lac crore run-rate in FY25, GeM TPV target of INR 2 lac crore (\$24 bn) for FY23 (double FY22), GeM order value to double by end of FY23, 15% increase in digital payment transactions by end of this fiscal year, TPV numbers closer to 4 lakh Crores for FY23, TPV target of Rs.7.5 lakh Crore for FY2025, Payments TPV to reach approximately 4 lakh Crores in the next two years.

- **Actual Results:**

['Q2', '2024']:

- **In Q2 FY24, Infibeam exceeded expectations. TPV reached INR 1,785 billion; Payments TPV increased to INR 769 billion (from INR 602 billion), and Platforms TPV rose to INR 1,016 billion (from INR 398 billion). Payments Gross Revenue was INR 7,384 million (up from INR 4,343 million), and Payments Net Revenue increased to INR 611 million (from INR 393 million). Gross Revenue reached INR 7,899 million, and Net Revenue exceeded INR 1 billion. EBITDA and PAT grew sharply by 70% and 191% respectively. The payment net take rate increased to 9.3 basis points (up 25% year-over-year).**

['Q1', '2024']:

- In Q1 FY24, Infibeam reported Gross Revenue of INR 742 crore (a 77% YoY increase). TPV reached INR 1,18,260 crore. Payments TPV was INR 65,024 crore, and Platform TPV (GeM GMV) was INR 53,236 crore. Adjusted EBITDA was INR 56 crore (a 31% YoY increase), and adjusted PAT was INR 32 crore (a 40% YoY increase). The Payments Net Take Rate was 8.4 bps (a 16% YoY increase).

['Q4', '2023']:

- In Q4 FY23, Infibeam reported Gross Revenue of INR 1,962 crore (52% YoY increase) and a Transaction Processing Value (TPV) of INR 4,44,681 crore (52% YoY increase). Profit After Tax (PAT) reached INR 136 crore (63% YoY increase), and EBITDA reached INR 180 crore (24% YoY increase). These figures significantly exceeded the Q3 2023 management guidance for FY23.

['Q3', '2023']:

- TPV achieved 95,604 crore INR in Q3FY23 (27% YoY increase). India Payments TPV reached INR 47,452 crore (12% YoY increase). GeM TPV climbed to INR 41,946 crore (48% YoY growth). Total TPV crossed INR 1 Lac crore, highest ever in any quarter, up 27% YoY. GeM TPV crossed INR 1.5 Lac crore by the end of January. Bill payments TPV of INR 4,000 crore (34% YoY increase). Gross Revenue was 415 INR crore (4% YoY increase). Net Revenue (NR) was 85 INR crore (21% YoY increase). EBITDA was 48 INR crore (26% YoY increase). PAT was 35 INR crore (47% YoY increase). India Payments Net Take Rate improved to 8.3 bps from 4.9 bps (70% YoY increase). Total Payments Net Take Rate grew to 8.9 bps from 5.5 bps (64% YoY increase).

- **Evaluation:**

- {'evaluation': 'Did not meet expectations', 'evaluation_reason': "While some metrics like PAT showed strong YoY growth exceeding expectations, key targets such as Gross Revenue and TPV for the full fiscal year were significantly below the management's ambitious projections based on Q3 performance alone."}

2. Market Position

- **Narrative:** Infibeam aims to significantly increase its market share, driven by their competitive advantages and customer focus. There's also detailed commentary regarding customer base expansion.

- **Management's Guidance:**

- Increase market share by 5% by the end of 2023, reaching at least 10% to 15% market share on the consumer-to-merchant side.

- **Actual Results:**

['Q2', '2024']:

- Actual market share data for Q2 FY24 is not explicitly provided in the given data.

['Q1', '2024']:

- Actual market share data for Q1 FY24 is not explicitly provided in the given data.

['Q4', '2023']:

- Specific data on market share for Q4 FY23 is not directly provided in the data. However, the substantial growth in TPV and gross revenue strongly suggests progress toward the stated goal. While exact market share figures are missing, the reported growth implies a positive impact on market position.

['Q3', '2023']:

- No specific data on market share is provided in the actual results. However, a 90% market share among billers is mentioned, but this doesn't directly address the management's guidance for consumer-to-merchant market share.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The Q3 2023 results lack the necessary data on consumer-to-merchant market share to assess whether Infibeam met its stated market share goals.'}

3. Customer Base Expansion

- **Narrative:** Infibeam reported strong merchant onboarding numbers in Q3 and provided ambitious targets for future merchant acquisition.

- **Management's Guidance:**

- Onboarding 10,000 new merchants over the next two quarters, reaching 10 million merchants, achieving 100,000 merchants by the end of FY2023 and 1 million by the end of 2024.

- **Actual Results:**

['Q2', '2024']:

- In the first half of FY24, Infibeam onboarded close to 1 million merchants (over 3,500 fully KYC merchants daily). The total number of merchants using the CCAvenue platform reached 2.7 million, with an additional 0.27 million added in Q2 FY24.

['Q1', '2024']:

- In Q1 FY24, Infibeam reported having reached 10 million merchants.

['Q4', '2023']:

- In FY23, Infibeam added 3.5 million merchants. This significantly exceeds the guidance provided for the end of FY2023.

['Q3', '2023']:

- A record 1.1 million merchants were added in Q3 across all offerings, reaching 8.4 million merchants. In the payment gateway business alone, more than 0.5 million merchants were onboarded in Q3. The number of merchants in the payment gateway business grew by 385% year-over-year in Q3.

- Evaluation:

- {'evaluation': 'Exceeded expectations', 'evaluation_reason': 'Infibeam significantly exceeded its Q3 merchant onboarding targets, adding far more merchants than the guidance suggested for the entire quarter.'}

4. Technological Innovation

- Narrative: Management discussed product development timelines and technology adoption rates. There is mention of deploying an omni-channel payment solution.

- Management's Guidance:

- Deploying omni-channel payment solution across more than a million devices by the end of FY2024.

- Actual Results:

['Q2', '2024']:

- Actual deployment figures for the omni-channel payment solution in Q2 FY24 are not provided in the available data.

['Q1', '2024']:

- By the end of Q1 FY24, the CCAvenue omni-channel payment solution had over 300,000 downloads.

['Q4', '2023']:

- The provided data does not contain information on the actual deployment of the omni-channel payment solution across devices in Q4 FY23.

['Q3', '2023']:

- Infibeam processed digital Rupee transactions for online retail payments, a claimed industry first. They are also the only ones certified with pin-on-glass for transactions above 5000.

- Evaluation:

- {'evaluation': 'Partially Met expectations', 'evaluation_reason': 'While the Q3 results highlight significant technological advancements, they don't provide data on the deployment of the omni-channel payment solution, a key part of the management's guidance. Therefore, a partial fulfillment of expectations is assessed.'}

5. Regulatory Environment

- Narrative: The company is aware of and responding to government initiatives, such as increased funding for digital initiatives.

- Management's Guidance:

- Anticipating receipt of a share of increased government funding in Q4 or Q1 of the next financial year.

- Actual Results:

['Q2', '2024']:

- No specific information on the receipt of government funding is available in the provided Q2 FY24 data.

['Q1', '2024']:

- No information on actual receipt of government funding is available in the provided data.

['Q4', '2023']:

- The provided data does not offer specifics on whether Infibeam received any government funding in Q4 FY23.

['Q3', '2023']:

- The government increased funding for digital initiatives by two times to Rs.2137 Crores. No specific information about Infibeam's receipt of funding is available.

- Evaluation:

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The Q3 results don't provide data on whether Infibeam received any government funding, making it impossible to assess whether management's expectation was met.'}

6. Strategic Partnerships

- Narrative: Infibeam is working on strategic partnerships, with an update expected in the coming quarters.

- Management's Guidance:

- Update on Trust Avenue partnership expected in Q1 or Q2 of next year.

- Actual Results:

['Q2', '2024']:

- No update on the Trust Avenue partnership is mentioned in the Q2 FY24 data.

['Q1', '2024']:

- No update on the Trust Avenue partnership is provided in the data for Q1 FY24.

['Q4', '2023']:

- There's no information in the provided data regarding the Trust Avenue partnership update in Q4 FY23.

['Q3', '2023']:

- Infibeam Avenues invested Rs.16 Crores in Go Payments, increasing its stake to 54.80% from 52.38%. No specific update on the Trust Avenue partnership is provided.

- Evaluation:

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The Q3 results do not provide an update on the Trust Avenue partnership, so it's impossible to judge its progress against management's expectations.'}

7. Operational Efficiency

- Narrative: The company plans to reduce operating costs through efficiency improvements. There is also mention of geographic expansion.

- Management's Guidance:

- Reduce operating costs by 10% in the next quarter, scaling operations in Saudi Arabia from the next financial year.

- Actual Results:

['Q2', '2024']:

- In Q2 FY24, operational costs were reduced by 10% in the last quarter. There is no information on Saudi Arabia expansion in the provided data.

['Q1', '2024']:

- In the past year, Infibeam reduced operational costs by 10%.

['Q4', '2023']:

- The provided data does not contain information on operating cost reduction or Saudi Arabia expansion in Q4 FY23.

['Q3', '2023']:

- Operational costs were reduced by 8% last fiscal year. No data on Saudi Arabia expansion is available.

- Evaluation:

- {'evaluation': 'Did not meet expectations', 'evaluation_reason': 'The 8% reduction in operational costs falls short of the 10% target set by management for the next quarter; also, no information on Saudi Arabia expansion was provided.'}