

## Q2 2022

### 1. Financial Performance

- **Narrative:** Management projects significant revenue growth, with ambitious targets for GMV (INR 2 trillion in FY23), TPV annualized run-rate (\$40 billion accelerating to \$100 billion), and secured lending (\$1 billion annualized run-rate by end of FY22, \$5 billion mid-term target). Q2 2022 showed positive EBITDA trends (25% QoQ, 19% YoY). However, no specific future margin guidance is provided.

- **Management's Guidance:**

- Ambitious revenue growth targets are projected, along with positive EBITDA trends. However, specific margin guidance is lacking.

- **Actual Results:**

**['Q1', '2023']:**

- In Q1 2023, Infibeam reported a Total Processing Value (TPV) of INR 87,218 crore (\$11.6 billion). Gross revenue reached INR 418 crore, with net revenue (NR) at INR 74 crore. EBITDA was INR 43 crore, representing a 57% margin on net revenue. The net take rate was 6.9 basis points. Various sources indicated strong year-on-year growth in TPV across different segments, including a 51% increase in India Payments TPV and a 100% increase in GeM GMV.

**['Q2', '2022']:**

- In Q2 2022, TPV was up 111% YoY, reaching an annualized run-rate of \$40 billion. Payments TPV increased 80% YoY and 32% QoQ. GeM GMV grew over 3x YoY. Secured lending saw a 3x QoQ increase, reaching \$156 million. Bill Payments volume grew >5x YoY and 77% QoQ, with an annualized run-rate of 90 million bills. Total TPV was INR 64,300 crore (\$8.7 billion), a 27% QoQ and 111% YoY increase. Gross revenue was INR 311 crore (\$42 million), a 44% QoQ and 109% YoY increase. Net revenue was INR 61 crore (\$8.3 million), a 17% QoQ increase and 10% YoY increase. EBITDA was INR 34 crore (\$4.7 million), up 23% QoQ. Net take rate was 6.0 bps (down from 6.6 bps in Q1 2022). PAT was \$2.4 million, up 33% QoQ and 53% YoY.

**['Q3', '2022']:**

- In Q3 2022, revenue increased by 15% YoY and 14% QoQ, reaching INR 70 crore. Transaction net revenue was INR 46 crore (up 19% QoQ and 22% YoY). Total TPV increased by 90% YoY, reaching a December 2021-based annualized total TPV run-rate of ~\$41 billion (exceeding the \$40 billion guidance). Secured lending reached INR 1,300 crore (\$175 million), with an annualized run-rate exceeding \$700 million (more than 3x the guidance). EBITDA increased by 10% QoQ. Profit After Tax increased by 35% QoQ and 89% YoY, reaching INR 24 crore. The company achieved a total TPV of INR 75,430 crore (\$10 billion).

**['Q4', '2022']:**

- In Q4 2022, TPV reached INR 3.7 lakh crore (\$49 billion) annualized run-rate. Gross revenue was INR 369 crore (84% YoY increase, 7% QoQ decrease). Net revenue was INR 76 crore (15% YoY increase). EBITDA reached INR 45 crore (21% YoY increase). PAT was INR 28 crore (11% YoY decrease). Lending operations had an annualized run-rate of approximately \$800 million.

- **Evaluation:**

- **{'evaluation': 'Exceeded expectations', 'evaluation\_reason': 'While specific margin guidance was absent, Q2 2022 results significantly exceeded expectations in terms of TPV, revenue growth, and secured lending growth, surpassing the ambitious targets set in the narrative.'}**

### 2. Market Position

- **Narrative:** The company anticipates market share expansion (3% increase over two years) within a growing digital payments market projected to reach \$3 trillion in five years. Global expansion is planned, targeting 10+ countries in 2-3 years using a "Country-in-a-box" strategy.

- **Management's Guidance:**

- Market share expansion is anticipated, along with global expansion plans targeting 10+ countries in 2-3 years.

- **Actual Results:**

**['Q1', '2023']:**

- No specific Q1 2023 data directly addresses market share expansion or progress on global expansion plans from the provided data.

**['Q2', '2022']:**

- Infibeam reported being the second-largest non-bank private player in the UAE payments market (achieved within 18 months of market entry in June 2018), and having secured 90%+ of Oman's online card volume and 94% market share of BBPS billers.

**['Q3', '2022']:**

- Specific Q3 2022 market share data is not explicitly provided. However, in the UAE, Infibeam was the second-largest non-bank private player within 18 months of market entry. In Oman, they secured over 90% market share of online card volume and 94% market share of BBPS billers. The company also had the largest e-commerce implementation with an estimated \$100 billion annual GMV and over 10 million sellers.

**['Q4', '2022']:**

- In Q4 2022, Infibeam held approximately 8% market share in India (excluding UPI), ranked among the top three B2B online payment gateways in India and among the top two non-bank private payment companies in the UAE. They onboarded over 5 million merchants.

- **Evaluation:**

- **{'evaluation': 'Met expectations', 'evaluation\_reason': 'The Q2 2022 results demonstrate significant market share gains in the UAE and Oman, aligning with the management's guidance of market share expansion, although no global expansion progress is explicitly mentioned for this quarter.'}**

### 3. Technological Innovation

- **Narrative:** Infibeam is developing an AI-based credit platform (development ongoing, projected launch before December 2021).

- **Management's Guidance:**

- Development of an AI-based credit platform is ongoing.

- **Actual Results:**

**['Q1', '2023']:**

- There is no information in the provided data regarding the launch or progress of the AI-based credit platform in Q1 2023.

**['Q2', '2022']:**

- No specific Q2 2022 results on the AI-based credit platform's development are provided in the data.

**['Q3', '2022']:**

- In Q3 2022, the credit service platform was reported as technically launched in December, awaiting the official launch date.

**['Q4', '2022']:**

- No specific actual results regarding the AI-based credit platform are provided in the Q4 2022 data.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'The provided data for Q2 2022 lacks information on the progress of the AI-based credit platform's development.'}

#### 4. Strategic Partnerships

- **Narrative:** Investments are being made to enable credit/lending through NBFCs, starting Q1 2022, with an expected launch in Q4 2022.

- **Management's Guidance:**

- Investments are being made to enable credit/lending through NBFCs, with an expected launch in Q4 2022.

- **Actual Results:**

**['Q1', '2023']:**

- No Q1 2023 data is available to assess the success or progress of this partnership initiative.

**['Q2', '2022']:**

- No specific Q2 2022 results related to partnerships for credit/lending are provided in the data.

**['Q3', '2022']:**

- No specific Q3 2022 results related to this partnership are provided in the data.

**['Q4', '2022']:**

- No specific actual results regarding partnerships with NBFCs for credit/lending are provided in the Q4 2022 data.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'The Q2 2022 data does not contain information about the progress of partnerships for credit/lending.'}

#### 5. Operational Efficiency

- **Narrative:** The company plans to reduce operating costs by 5% by the end of Q3 2022.

- **Management's Guidance:**

- A 5% reduction in operating costs is planned by the end of Q3 2022.

- **Actual Results:**

**['Q1', '2023']:**

- While Q1 2023 data shows various mentions of cost reduction initiatives and improved margins, no specific metric related to the 5% cost reduction target is provided.

**['Q2', '2022']:**

- No specific Q2 2022 results on cost reduction are provided in the data.

**['Q3', '2022']:**

- No specific Q3 2022 data on operating cost reduction is available in the provided information.

**['Q4', '2022']:**

- In Q4 2022, management reported an 8% reduction in operational costs in the last fiscal quarter.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'The provided data for Q2 2022 does not include any information about cost reduction initiatives.'}