

Q2 2024

1. Payment Net Take Rate and Revenue Growth

- **Narrative:** Management highlighted significant progress toward its target of achieving a double-digit net take rate in the payments business by the end of FY24. The Q2 2024 results showed a substantial year-over-year increase to 9.3 basis points, driven by growth in small merchant contributions. There's also a focus on expanding international revenue contribution to 12-15% by FY28. A capital infusion of INR 1.6 billion is planned to fuel growth in both India and international markets.

- **Management's Guidance:**

- The company expects to reach a double-digit net take rate (10 basis points) by the end of FY24. International contribution to Payment's Net Revenue is targeted at 12-15% by FY28. A 15% revenue growth is projected for the upcoming fiscal year. International revenue is expected to grow from sub-10% to 30% of total revenue in the next few years.

- **Actual Results:**

['Q3', '2024']:

- In Q3 2024, Payments NTR reached 8.7 bps in 9M FY24, up from 7.9 bps in 9M FY23. Gross Revenue surpassed \$100 million for the first time in a single quarter, and Payments Gross Revenue rose more than INR 1 billion in a single quarter. Net Revenue stood at INR 3,224 million for 9M FY24, up from INR 2,368 million in 9M FY23. The TPV for 9M FY24 was INR 4,778 billion compared to INR 2,969 billion in 9M FY23.

['Q1', '2025']:

- In Q1 FY25, the Payments NTR increased by 59% to 11.2 bps from 8.4 bps in Q1 FY24. Net Revenue saw a +20% YoY increase. Gross Revenue was INR 7,528 million, marking a +1% change. The company surpassed its target of a double-digit take rate in Q1 FY25.

['Q4', '2024']:

- In FY24, Gross Revenue reached 31,711 million INR, and Net Revenue was 4,286 million INR. The Payments Net Take Rate increased to 8.8 bps. In Q4 FY24 revenue was 727 crores, an 11% year-over-year increase. Net revenue in Q4 FY24 was 106 crores, a 16% year-over-year increase.

['Q2', '2024']:

- In Q2 2024, the payment net take rate increased to 9.3 basis points, representing substantial year-over-year growth. Net revenue exceeded INR 1 billion for the first time in a quarter. Gross revenue reached INR 7,899 million, slightly below \$100 million but a record high.

- **Evaluation:**

- {'evaluation': 'Did not meet expectations', 'evaluation_reason': 'While Q2 2024 showed progress with a 9.3 basis point NTR and record net revenue, it fell short of the projected double-digit (10 basis points) net take rate target set by management for the end of FY24.'}

2. International Expansion

- **Narrative:** Infibeam is aggressively pursuing international market expansion, particularly focusing on the Middle East and Southeast Asia. Significant capital investment (INR 1.2 billion in the first half of FY24) is being directed towards a "country-in-a-box" strategy for international markets. Partnerships with local banks are being leveraged to acquire new customers.

- **Management's Guidance:**

- Plans to launch payments in other GCC markets and Southeast Asia in FY25. Target to onboard 100,000 local outlets in the UAE through various channels. A capex of INR 3 million to INR 5 million per geography is anticipated as the company scales up internationally.

- **Actual Results:**

['Q3', '2024']:

- In Q3 2024, UAE processed over a billion Dirhams monthly. UAE GMV grew by more than 50% in Q3.

['Q1', '2025']:

- No specific Q1 FY25 results directly correlating to this guidance are provided in the data.

['Q4', '2024']:

- No specific Q2 2024 actual results for international expansion are provided in the given data.

['Q2', '2024']:

- Monthly payments TPV in the UAE grossed AED 1 billion, a historic milestone, consistently exceeding AED 1 billion monthly.

- **Evaluation:**

- {'evaluation': 'Met expectations', 'evaluation_reason': 'The achievement of AED 1 billion monthly TPV in the UAE in Q2 2024 demonstrates significant progress in line with the company's international expansion strategy, representing a key milestone in their UAE market penetration.'}

3. Product Launches and Technological Innovation

- **Narrative:** Infibeam plans to launch new products, focusing on enhancing its payment solutions. Specifically, the TapPay (mobile SoftPoS) is slated for launch in the UAE before the end of FY24. Further product announcements are expected in Q4.

- **Management's Guidance:**

- Launch of TapPay (mobile SoftPoS) in the UAE before the end of FY24. Additional product announcements are expected in Q4 FY24.

- **Actual Results:**

['Q3', '2024']:

- No specific actual results for product launches are mentioned in the provided Q3 2024 data.

['Q1', '2025']:

- No specific Q1 FY25 results directly correlating to this guidance are provided in the data.

['Q4', '2024']:

- No specific Q2 2024 actual results for product launches are provided in the given data.

['Q2', '2024']:

- No specific actual results for product launches are mentioned in the provided data for Q2 2024.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided Q2 2024 data lacks information on the launch of TapPay or other product announcements, preventing an evaluation of whether management's guidance was met.'}

4. Operational Efficiency and Cost Reduction

- **Narrative:** Management aims to reduce operational costs by optimizing the supply chain and leveraging new technologies.

- **Management's Guidance:**
 - A 10% reduction in operational costs is targeted over the next two quarters.
- **Actual Results:**
 - ['Q3', '2024']:**
 - In Q3 2024, operational costs were reduced by 10% year-over-year through efficiency improvements.
 - ['Q1', '2025']:**
 - In Q1 FY25, operational costs were reduced by 10%.
 - ['Q4', '2024']:**
 - In FY24, there was a reported reduction in operational costs, with various sources citing decreases ranging from 5% to 10%.
 - ['Q2', '2024']:**
 - Operational costs were reduced by 10% in the last quarter (which may or may not be Q2 2024, more information is needed for clarity).
- **Evaluation:**
 - {'evaluation': 'Partially Met expectations', 'evaluation_reason': "While a 10% reduction in operational costs is mentioned, the provided data doesn't definitively confirm if this reduction occurred specifically in Q2 2024, hindering a conclusive evaluation."}