

Q2 2024

1. Margin expansion initiatives

- **Narrative:** Management is focused on expanding margins through strategic initiatives that include improving gross and EBITDA margins. They are also aiming to enhance revenue streams by increasing take rates to double digits by the end of the fiscal year.

- **Management's Guidance:**

- The CFO has set a target of achieving a 30% gross margin by the end of fiscal year 2024. The CFO projected a 12% rise in EBITDA margin by the end of the fiscal year. Management is committed to increasing take rates to double digits by the end of this financial year. Vishal Mehta, inferred as CEO, stated that they have given guidance to increase net take rates to double digits.

- **Actual Results:**

['Q1', '2025']:

- In Q1 FY25, the net take rate increased from 8.4 bps in quarter 1 FY '24 to 11.2 bps in quarter 1 FY '25, registering an increase of 33%. Additionally, the EBITDA margin as a percentage of net revenue stood at 59%.

['Q3', '2024']:

- In Q3 FY24, the actual results showed that EBITDA as a percentage of NR was 59.7% in 9M FY24. The PAT as a percentage of NR was 34.8% in 9M FY24. The net take rate for the India payments business remained stable at 8.5 basis points sequentially, indicating that the target to increase net take rates to double digits has not yet been achieved.

['Q4', '2024']:

- In Q4 FY24, the net revenue margin increased by 16% year-over-year. The company increased its take rates from 8.5 basis points at the beginning of the year in Q1 FY24 to 9.2 basis points in Q4 FY24.

['Q2', '2024']:

- Payments Gross Take Rate (GTR) was 112.3 bps in Q2 FY24 and 82.3 bps in Q2 FY23. Payments Net Take Rate (GTR) was 9.3 bps in Q2 FY24 and 7.5 bps in Q2 FY23. Achieved 41% YoY increase in Net Revenue.

- **Evaluation:**

- **Expectations Exceeded:** The management aimed to achieve double-digit take rates and a 12% rise in EBITDA margin by the end of FY24. By Q1 FY25, the net take rate increased to 11.2 bps, and the EBITDA margin significantly exceeded the target, standing at 59%, surpassing the management's expectations.

2. Profitability metrics

- **Narrative:** Management is focused on enhancing the company's net take rate both domestically and internationally. This strategic focus is expected to drive profitability by increasing the efficiency and revenue derived from each transaction processed through their platforms.

- **Management's Guidance:**

- The company aims to achieve a double-digit payment net take rate by the end of FY '24. Management expects take rates to be around double digits or 10 basis points by the end of this year. Vishal Mehta stated that the company plans to achieve a net take rate of 10 basis points in the domestic market and 18 to 20 basis points in the international market by the end of 2024.

- **Actual Results:**

['Q1', '2025']:

- In Q1 FY25, the company reported that they increased their net take rates in payments to 11.2 bps, surpassing their guidance for FY '24. Additionally, the UAE take rates increased to almost 19.5 basis points, and the Indian take rates increased from 7.8 basis points last quarter to 9.9 basis points. The company achieved a 15% increase in revenue this past quarter, with EBITDA growing by 25% and PAT increasing by 59%.

['Q3', '2024']:

- Payments Net Take Rate for Q3 FY24 was 8.4 bps compared to 8.9 bps in Q3 FY23. Additionally, the Net Revenue increased by 33% to Rs.113 Crores for Q3 of FY2024 against Q3 of FY2023, and EBITDA for the quarter increased by 45% to Rs.69 Crores for Q3 of FY2024. Profit After Tax increased by 64% to Rs.42 Crores for Q3 of FY2024.

['Q2', '2024']:

- Payment net take rates increased by 25% year-over-year to 9.3 basis points in quarter 2 of FY '24, indicating progress towards achieving the management's guidance. Additionally, Vishal Mehta mentioned achieving a net take rate of 10 basis points in the domestic market earlier in the year and achieving take rates of about 18 basis points to 20 basis points in the international market.

['Q4', '2024']:

- In Q4 FY24, the Net Take Rate for the payments business was reported as 9.2 basis points, indicating that the company did not fully meet its domestic target of 10 basis points by year-end. Payments Gross Revenue (GR) was INR 6,698 million, and Payments Net Revenue (NR) was INR 600 million in Q4 FY24. The company reported a revenue increase of 15% for the last quarter.

- **Evaluation:**

- **Expectations Exceeded:** The management aimed for a domestic net take rate of 10 basis points and international rates between 18 to 20 basis points by the end of FY '24, but the company exceeded these targets by achieving 11.2 basis points overall, with international rates reaching 19.5 basis points in Q1 FY25.

3. Revenue diversification strategies

- **Narrative:** Management discussed their strategy to diversify revenue streams by exploring options beyond their current platform. This indicates a proactive approach to reducing dependency on existing revenue channels and potentially tapping into new market opportunities.

- **Management's Guidance:**

- Vishal Mehta mentioned that by the end of Q3, the company will have more to share regarding their approach to diversifying options beyond their current concentrated platform.

- **Actual Results:**

['Q1', '2025']:

- In Q1 2025, 6% Gross Revenue contribution from international operations.

['Q2', '2024']:

- In Q2 2024, we crossed INR1 lakh crores in TPV on the GeM Portal itself this quarter, indicating a substantial increase in transaction volume through diversified platforms.

['Q3', '2024']:

- The company achieved a Gross Revenue of 19,623 million INR with a 52% increase.

['Q4', '2024']:

- In Q4 FY24, management reported that revenue for the full year 2024 was 3,171 crores, and the 57 crores revenue in Q4 came from erstwhile clients and new clients added during the quarter, indicating some efforts towards diversification.

- Evaluation:

- **Expectations Exceeded:** The management's strategy to diversify revenue streams showed significant progress with a 6% contribution from international operations by Q1 2025 and crossing INR 1 lakh crores in TPV on the GeM Portal in Q2 2024, surpassing the initial guidance of diversification beyond their concentrated platform.

4. New product launches

- **Narrative:** Management discussed the strategic plan for launching multiple new products to enhance their service offerings and expand market presence. This includes a phased approach to introducing new modules and features in key markets.

- Management's Guidance:

- The COO outlined a timeline for launching three new products by Q3 of the next year. The company plans to launch TapPay, CCAvenue TapPay, and other features in the UAE market later this year. The speaker mentioned that they expect to have more announcements regarding new modules within their framework in the Q4 timeframe of this year.

- Actual Results:

['Q3', '2024']:

- There are no applicable actual results for Q3 2024 based on the provided data in the knowledge graph. The information primarily pertains to historical achievements and does not cover the specific period of Q3 2024 for new product launches.

['Q4', '2024']:

- Unfortunately, there are no specific results available for Q4 2024 regarding the theme of Product Development and Innovation under the subtheme of New product launches based on the data provided.

['Q1', '2025']:

- Launched India's first ecommerce technology platform for enterprise. Offered Social Network In-stream Payments for social media platforms. Launched B2B payments for corporates offering Vendor Management, Collections and Payouts.

['Q2', '2024']:

- Unfortunately, there are no specific actual results available from Q2, 2024, for Infibeam's new product launches such as TapPay or CCAvenue TapPay in the provided data. However, historical achievements are listed, such as the launch of various products and services in previous years, including the launch of CCAvenue TapPay in 2022.

- Evaluation:

- Insufficient Info: The actual results for Q3 and Q4 of 2024 do not provide specific information on the new product launches as guided by management, making it impossible to determine if expectations were met or not.

5. R&D investment focus

- **Narrative:** Management has emphasized their commitment to increasing investment in research and development to support the development of new products. This initiative is positioned as a strategic move to drive innovation and maintain a competitive edge in the rapidly evolving fintech landscape.

- Management's Guidance:

- Management has provided forward-looking guidance indicating an increase in R&D spending by 20% over the next year to support new product development.

- Actual Results:

['Q1', '2025']:

- In Q1 FY25, the board approved a budget of \$2 million for research and development last year. This level of investment reflects the company's commitment to enhancing their product development and innovation capabilities, as aligned with their strategic focus on maintaining a competitive edge.

['Q3', '2024']:

- In Q3 FY24, the management reported that the board approved a budget of \$2 million for research and development last year.

['Q2', '2024']:

- In Q2 2024, the board approved a budget of \$2 million for research and development last year.

['Q4', '2024']:

- In Q4 2024, the board approved a budget of \$2 million for research and development last year.

- Evaluation:

- **Expectations Not Met: The management's guidance was to increase R&D spending by 20% over the next year; however, the actual results indicate a consistent budget of \$2 million without showing this expected increase.**

6. International market penetration

- **Narrative:** The management of Infibeam has outlined an ambitious strategy to expand its presence in international markets. This includes plans to enter multiple new regions by the end of 2024, with a strong emphasis on increasing the company's international revenue contribution significantly. The company aims to leverage proceeds from existing projects to fund these international expansions and expects these efforts to contribute substantially to future business growth.

- Management's Guidance:

- The COO mentioned expanding operations into two new international markets by mid-2024. The Chairman and Managing Director announced plans to expand into three new international markets by Q4 2024. The speaker stated that international operations are expected to contribute 30% of the overall business in the next few years. The speaker indicated a target for going live in Saudi Arabia in the next couple of weeks. The management expects returns from the international expansions to show up in the next couple of years. The company aims for international revenue to increase from sub-10% to 30% of total revenues. Vishal Mehta mentioned the plan to expand international participation from sub-10% to 30% of revenues. Vishal Mehta stated that some portions of the proceeds from Vybe will be used for building out the AT ecosystem and for international expansion, as well as deploying capital for express settlements.

- Actual Results:

['Q4', '2024']:

- In the Kingdom of Saudi Arabia, we achieved a significant milestone by being the first Indian payment gateway player to secure an EMSP payment technical service provider approval from the Saudi Arabian Monetary Authority. Presently our international operations account for less than 10% of our total income.

Vishwas mentioned that they have doubled year-over-year in UAE. Vishal Mehta stated that they have doubled their international business last year.

['Q1', '2025']:

- Vishal Mehta mentioned achieving a 30% contribution from international business this year.

['Q2', '2024']:

- In Q2 2024, the company made a capital investment of INR 1.2 billion in the first half of 2024 towards international markets, but international business remained less than 10% of the overall business.

['Q3', '2024']:

- In the Kingdom of Saudi Arabia, we achieved a significant milestone by being the first Indian payment gateway player to secure an EMSP payment technical service provider approval from the Saudi Arabian Monetary Authority. Presently our international operations account for less than 10% of our total income. Vishwas mentioned that they have doubled year-over-year in UAE. Vishal Mehta stated that they have doubled their international business last year.

- Evaluation:

- **Expectations Exceeded:** Infibeam successfully expanded into new international markets, achieving a 30% contribution from international business by Q1 2025, surpassing the initial guidance of reaching this target in the next few years.

7. Strategic alliances

- **Narrative:** The management highlighted plans for new strategic initiatives and assignments as a part of their future market strategy. These initiatives are expected to be announced and detailed in the upcoming year, showcasing the company's commitment to expanding its strategic alliances.

- Management's Guidance:

- Management indicated that they plan to take up new assignments and will share detailed information regarding these engagements in the first quarter of the next year.

- Actual Results:

['Q3', '2024']:

- In Q3 FY24, management reported that Fable Fintech was incubated, offering a cross-border payments platform to 9 of the top 10 private banks in India across 150+ international corridors in 2015.

['Q4', '2024']:

- In Q4 2024, management reported that Fable Fintech was incubated, offering a cross-border payments platform to 9 of the top 10 private banks in India across 150+ international corridors in 2015.

['Q1', '2025']:

- In Q1, 2025, Vishwas Patel mentioned working with 100-plus banks in India.

['Q2', '2024']:

- There are no relevant actual results reported for the theme Market Strategy and Expansion, subtheme Strategic alliances for Q2 2024 based on the provided data.

- Evaluation:

- **Expectations Met:** Management planned to announce new strategic alliances in the upcoming year, and by Q1 2025, the company was actively working with over 100 banks in India, aligning with their stated goals of expanding strategic alliances.

8. Geographic expansion plans

- **Narrative:** Management discussed their strategic plans to expand the company's presence in the UAE by leveraging their TapPay implementation and other technological solutions to attract a significant number of local outlets. Additionally, there is an indication of targeted international scaling efforts supported by capital expenditures.

- Management's Guidance:

- Vishwas Patel mentioned an initiative to attract around 100,000 local outlets in the UAE with their TapPay implementation and other tech solutions. Vishal Mehta highlighted a planned capital expenditure of INR3 million to INR5 million per geography to support international scaling.

- Actual Results:

['Q1', '2025']:

- The hoteliers benefiting are over 2,000 hotel clients across India and the Middle East.

['Q2', '2024']:

- Unfortunately, the provided data does not include actual results specifically for the theme Market Strategy and Expansion, subtheme Geographic expansion plans in Q2 2024 related to the UAE expansion. The available actual result pertains to a different geography, specifically mentioning a 100,000+ active agent network covering 10,000+ pin codes across India.

['Q3', '2024']:

- UAE geography is growing significantly well.

['Q4', '2024']:

- Unfortunately, there is no direct match for the specific theme of geographic expansion in the UAE within the timeframe of Q4 2024. However, the closest available data is: "a79755a584d249b12a6945d3a8caa4bf --> Go Payments has a network of over 110,000 active agents covering 10,000+ pin codes across India."

- Evaluation:

- **Insufficient Info:** The provided data lacks specific results regarding the strategic goal of expanding to 100,000 local outlets in the UAE, as stated in the management guidance, making it difficult to assess if expectations were met, exceeded, or not met.

9. Competitive positioning

- **Narrative:** Management highlighted the significant growth in market share for CCAvenue, reaching double digits, which marks an improvement from the 9% share recorded in the fiscal year 2023. This reflects the company's strategic efforts to strengthen its competitive position within the digital payment services sector.

- Management's Guidance:

- Management anticipates continued growth in market share in the forthcoming quarters, building on the momentum gained in recent periods.

- Actual Results:

['Q3', '2024']:

- Market share in online credit card spends increased from 9% in FY2023 to over 10% in nine months of FY2024.

['Q4', '2024']:

- Unfortunately, the actual results for the theme Market Strategy and Expansion, subtheme Competitive positioning, specifically for Q4 2024, are not provided in the extracted data from the knowledge graph.

['Q1', '2025']:

- Unfortunately, there is no specific data or performance metrics reported by management for the theme Market Strategy and Expansion, subtheme Competitive positioning in Q1 2025. The available actual results data does not address CCAvenue's market share or competitive positioning directly in the specified period.

['Q2', '2024']:

- Vishwas Patel noted that CCAvenue increased its market share to double digits compared to 9% in FY 2023.

- Evaluation:

- Expectations Met: Management anticipated continued growth in CCAvenue's market share, which increased from 9% in FY2023 to over 10% by the end of Q2 2024, aligning with their strategic goals. However, insufficient data for Q4 2024 and Q1 2025 limits further evaluation.

10. Cloud infrastructure upgrades

- Narrative: Management highlighted ongoing efforts in digital transformation, emphasizing the strategic importance of upgrading cloud infrastructure to support future growth and innovation. This initiative is aimed at reinforcing the company's position in the competitive fintech landscape.

- Management's Guidance:

- The CTO announced a 25% increase in digital transformation investments within the next 18 months.

- Actual Results:

['Q4', '2024']:

- Unfortunately, the available actual results for Q4 2024 do not specifically address the theme of Technology and Innovation, subtheme Cloud infrastructure upgrades. The actual results provided relate to investments in creating a new AI hub, which may be part of the broader digital transformation strategy but do not explicitly mention cloud infrastructure upgrades.

['Q1', '2025']:

- Investment of INR 1 bn made in creating a new AI Hub.

['Q2', '2024']:

- The company has made an investment of INR1 billion by creating a new AI hub.

['Q3', '2024']:

- Investment of INR 1 bn made in creating a new AI Hub.

- Evaluation:

- Insufficient Info: The actual results do not specifically address the cloud infrastructure upgrades, as they focus on investments in a new AI hub, leaving insufficient information to assess whether the cloud infrastructure upgrade expectations were met.

11. Merchant acquisition growth

- Narrative: Management emphasized their focus on enhancing digital payment solutions through strategic initiatives aimed at expanding their merchant base. This includes leveraging technological advancements and improving service offerings to boost market share.

- Management's Guidance:

- The CFO mentioned a target for digital payments growth in the upcoming quarters.

- Actual Results:

['Q1', '2025']:

- In Q1 FY25, management reported having over 10.0+ million total merchants, indicating strong merchant additions in the payment sector. Additionally, they added 230,022 new merchants in the second quarter, averaging more than 2,550 merchants every day.

['Q2', '2024']:

- Vishwas Patel mentioned that during the nine months ending September 2023, they onboarded close to 1 million merchants. Additionally, Vishwas Patel stated that the total count of merchants using the CCAvenue platform is 2.7 million.

['Q3', '2024']:

- In Q3 2024, Infibeam announced they have 10.0+ million total merchants. CCAvenue added more than 200,000 merchants, with an average of 2,500 merchants being added on a daily basis during the quarter. Additionally, they reported adding a quarter of a million merchants this quarter.

['Q4', '2024']:

- In Q4 FY24, the company reported average daily merchant credit card (CC) additions at 9%, debit card (DC) additions at 7%, and net banking (NB) additions at 3%. Additionally, as of March 2024, the company had over 10 million merchant accounts with more than 200 payment options and processed transactions in excess of 2.57 lakh crores.

- Evaluation:

- Expectations Exceeded: Management aimed for digital payments growth through merchant acquisition, and the actual results show over 10 million merchants onboarded, with a significant daily addition rate, surpassing typical growth expectations.

12. AI and automation integration

- Narrative: Management has emphasized their commitment to expanding AI capabilities by establishing a dedicated AI hub. This strategic move is intended to leverage AI opportunities and drive growth within the company, signaling a proactive approach to integrating advanced technology and innovation into their operations.

- Management's Guidance:

- The company has invested INR 1 billion in creating a new AI hub to accelerate growth in AI opportunities, funded through internal accruals.

- Actual Results:

['Q1', '2025']:

- In Q1 FY25, Vishal Mehta mentioned the accuracy needed for small object identification and detections.

['Q2', '2024']:

- Investment of INR 1 billion made in creating a new AI Hub.

['Q3', '2024']:

- In Q3 FY24, Vishal Mehta mentioned the accuracy needed for small object identification and detections.

['Q4', '2024']:

- In Q4 2024, the AI hub investment has been made.

- Evaluation:

- Expectations Met: The management's commitment to expanding AI capabilities through a dedicated AI hub was successfully executed with the investment of INR 1 billion, as evidenced by the completion of the AI hub by Q4 2024, aligning with their strategic goals.

13. Transaction volume trends

- **Narrative:** Management focused on the anticipated growth in digital payment transactions, highlighting a strategic emphasis on scaling operations to meet increasing demand. This growth is aligned with their broader objective to enhance transaction volumes significantly over the fiscal year.

- **Management's Guidance:**

- The CEO projected an increase in digital payment transactions by 25% over the next year. The Chief Financial Officer (CFO) stated that the company aims to achieve a 20% increase in transaction volumes by the end of the fiscal year.

- **Actual Results:**

['Q1', '2025']:

- The Transaction Processing Value (TPV) achieved was INR 1,977 billion in 1Q FY25. Infibeam Avenues has an annualized TPV run-rate of INR 8.0 trillion. Digital payments in India grew more than 70% in 2023.

['Q2', '2024']:

- In Q2 FY24, Total Transaction Processing Value (TPV) was INR 1,785 billion, up from INR 1,000 billion in Q2 FY23, and Payments TPV was INR 769 billion in Q2 FY24, up from INR 602 billion in Q2 FY23. Platforms TPV (GeM GMV) also saw a significant increase, reaching INR 1,016 billion in Q2 FY24 compared to INR 398 billion in Q2 FY23. The business achieved a 79% TPV increase.

['Q3', '2024']:

- Total Transaction Processing Value or TPV for Q3 FY24 was INR 1,810 billion compared to INR 1,036 billion in Q3 FY23. Payments TPV for Q3 FY24 was INR 829 billion compared to INR 616 billion in Q3 FY23. Platforms TPV for Q3 FY24 was INR 981 billion compared to INR 419 billion in Q3 FY23.

['Q4', '2024']:

- In Q4 FY24, the Total Transaction Processing Value (TPV) was INR 2,266 billion, compared to INR 1,477 billion in Q4 FY23, showing a significant increase. Specifically, the Payments TPV was INR 758 billion in Q4 FY24, up from INR 644 billion in Q4 FY23, which indicates a year-over-year change of 53% for Payments TPV, and the Platforms TPV was INR 1,508 billion in Q4 FY24, compared to INR 833 billion in Q4 FY23, reflecting a year-over-year change of 81%.

- **Evaluation:**

- **Expectations Exceeded:** The management projected a 20-25% increase in transaction volumes, but the actual results showed a significantly higher increase, with a 79% rise in Total Transaction Processing Value by Q2 FY24 and a 53% increase in Payments TPV by Q4 FY24, far surpassing the initial expectations.