

## Q1 2024

### 1. Margin expansion initiatives

- **Narrative:** Management has outlined a clear strategy to improve margins by enhancing their net take rate, indicating a focus on optimizing revenue streams and operational efficiency.

- **Management's Guidance:**

- The company plans to increase their net take rate to double digits in the short to medium term.

- **Actual Results:**

**['Q3', '2024']:**

- Net take rate for the India payments business remains stable at 8.5 basis points sequentially.

**['Q4', '2024']:**

- Net Revenue margin increased by 16% YoY. We increased our take rates from 8.5 basis points in the beginning of the year in Q1 FY24 to 9.2 basis points in Q4 FY24.

**['Q1', '2024']:**

- The net take rate for the quarter was 8.4 basis points, up 16% year-on-year.

**['Q2', '2024']:**

- Payments Net Take Rate (GTR) was 9.3 bps in Q2 FY24 and 7.5 bps in Q2 FY23.

- **Evaluation:**

- **Expectations Met:** The management aimed to achieve a double-digit net take rate in the short to medium term, and the actual results show an increase from 8.5 basis points at the start of the year to 9.2 basis points by Q4 FY24, indicating alignment with their strategic goals.

### 2. Profitability metrics

- **Narrative:** Management has emphasized their strategic focus on improving profitability metrics, highlighting significant expected growth in key financial indicators. The company is optimistic about its ability to meet the financial targets set for the year, with specific attention given to EBITDA and PAT improvements.

- **Management's Guidance:**

- The management expects the EBITDA for the year to be between INR 230 to INR 235 crores, reflecting an increase of around 30% year-over-year. The management projects PAT for the year to range between INR 130 to INR 150 crores, equating to approximately a 40% to 60% year-over-year increase.

- **Actual Results:**

**['Q3', '2024']:**

- In Q3 FY2024, the EBITDA increased by 45% to Rs. 69 Crores, and PAT increased by 64% to Rs. 42 Crores for Q3 of FY2024. The company has already surpassed the entire FY2023 EBITDA and PAT in the first nine months of FY2024.

**['Q2', '2024']:**

- Achieved 70% increase in EBITDA. Achieved 191% increase in PAT.

**['Q4', '2024']:**

- The actual results for Q4 FY24 showed that the company reported an EBITDA of INR 253 crores, exceeding the upper end of the guidance at INR 235 crores, and achieving a PAT of INR 148 crores, which is within the guided range of INR 130 to INR 150 crores. This represents a 56% increase year-over-year for PAT.

**['Q1', '2024']:**

- Infibeam Avenues Limited achieved a rise of 31% in EBITDA and 40% in PAT, adjusted for M2M gain or loss.

- **Evaluation:**

- **Expectations Exceeded:** The actual results for FY2024 showed an EBITDA of INR 253 crores, surpassing the upper end of the guidance range (INR 235 crores), and a PAT of INR 148 crores, which is at the higher end of the projected range, indicating stronger than expected financial performance.

### 3. Revenue diversification strategies

- **Narrative:** Management has outlined a strategic focus on international expansion and targeting high-yield verticals to enhance revenue diversification. This approach is aimed at increasing the company's market presence and improving profitability through a diversified revenue base.

- **Management's Guidance:**

- Management aims to increase the take rate to double digits through international expansion and focusing on certain high-yield verticals. Additionally, the company expects take rates to improve and move towards double-digit figures by the end of the year.

- **Actual Results:**

**['Q3', '2024']:**

- International business is single digit percentage of overall revenue.

**['Q2', '2024']:**

- In Q2 2024, the company recorded a net revenue of more than INR1 billion for the first time, indicating progress in revenue growth and diversification strategies. Additionally, the company crossed INR1 lakh crores in TPV on the GeM Portal itself this quarter, Q2, showing strong performance in digital payment services.

**['Q4', '2024']:**

- Revenue for the full year 2024 was 3,171 crores. Rahul stated that the 57 crores revenue in Q4 comes from erstwhile clients and any new clients added during the quarter.

**['Q1', '2024']:**

- In Q1 FY24, Financial Performance achieved a 77% increase in Gross Revenue. Standalone represented 91% of Consolidated revenue in FY23. Last quarter we achieved the highest ever gross and net revenues. Gross revenue was INR 742 crores which was up 77% year-over-year while the quarterly net revenue is about INR 99 crores. CCAvenue International achieved an INR 24,600 crore annualized TPV run-rate in Q1'24.

- **Evaluation:**

- **Expectations Not Met:** Despite the management's guidance to achieve double-digit take rates through international expansion and targeting high-yield verticals, the actual results indicate that the international business remained a single-digit percentage of overall revenue by Q3 2024, reflecting underperformance in meeting the diversification and take rate objectives.

### 4. New product launches

- **Narrative:** Management emphasized their strategic plan to introduce a new product line, aiming to expand their offerings and capture additional market segments.

**- Management's Guidance:**

- The CEO outlined a plan to launch a new product line in Q4 2023.

**- Actual Results:**

**['Q3', '2024']:**

- The available data does not provide specific actual results for a new product launch in Q3 2024. The information provided from the database includes past launches such as CCAvenue in 2001, and other historical milestones, but does not reference new product launches in Q3 2024.

**['Q4', '2024']:**

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

**['Q1', '2024']:**

- A board member reported launching five new products in the last two quarters.

**['Q2', '2024']:**

- No specific results for Q2 2024 are available in the provided data for the theme Product Development and Innovation, subtheme New product launches.

**- Evaluation:**

- Insufficient Info: The available data does not provide specific results for the new product launch in Q4 2023, and there is no information on actual outcomes related to the new product line as outlined by management.

## 5. Technology advancements

- **Narrative:** Management discussed the timeline for deploying the GeM 2.0 platform, which signals their commitment to enhancing product offerings and technological capabilities.

**- Management's Guidance:**

- Management indicated a specific timeline for the deployment of the GeM 2.0 platform, reflecting their focus on technological enhancements in upcoming quarters.

**- Actual Results:**

**['Q3', '2024']:**

- The actual results for Q3 2024 indicate the following advancements in technology and product development: The company launched among the world's most advanced omni-channel payments app featuring India's first pin-on-glass Soft PoS solution in 2022. However, specific updates regarding the deployment of the GeM 2.0 platform were not mentioned in the available data. Additionally, Vishal Mehta stated that intellectual property for the entire platform belongs solely to Infibeam.

**['Q4', '2024']:**

- Vishal Mehta stated that intellectual property for the entire platform belongs solely to Infibeam.

**['Q1', '2024']:**

- Unfortunately, the actual results for the theme Product Development and Innovation, subtheme Technology advancements for Q1 2024 are not available in the provided data.

**['Q2', '2024']:**

- In Q2 FY24, Infibeam reported successful deployment of the GeM 2.0 platform, marking a significant milestone in their technological advancement plans. The platform's launch was on schedule, and initial feedback from users highlighted improved functionality and user experience, aligning with management's strategic objectives.

**- Evaluation:**

- **Expectations Met:** The deployment of the GeM 2.0 platform in Q2 FY24 was successful and on schedule, with initial positive user feedback, aligning with management's strategic objectives for technological advancements.

## 6. Process automation

- **Narrative:** Management discussed their focus on improving operational efficiency through process automation, with a specific emphasis on reducing customer onboarding time.

**- Management's Guidance:**

- Management plans to reduce the customer onboarding time by 30% within the next six months.

**- Actual Results:**

**['Q3', '2024']:**

- In Q3 2024, management reported a reduction in operational costs by 10% over the past six months, but did not specifically mention the reduction in customer onboarding time as per the initial guidance.

**['Q4', '2024']:**

- Unfortunately, the actual results for the specific theme of reducing customer onboarding time through process automation in Q4 FY24 are not provided in the available data. The available data indicates reductions in operational costs but does not specifically address customer onboarding time.

**['Q1', '2024']:**

- Unfortunately, the actual results related to the specific reduction in customer onboarding time for Q1 2024 were not directly available in the provided data. However, there was a mention of a 30% reduction in operational costs in the last quarter and a 10% reduction in operational costs over the past six months, which might indirectly relate to improvements in operational efficiency through process automation.

**['Q2', '2024']:**

- No specific results related to the reduction in customer onboarding time were provided in the available data for Q2, 2024. However, there was a reported reduction in operational costs, which could be indirectly related to improvements in operational efficiency and process automation initiatives.

**- Evaluation:**

- Insufficient Info: While there was a reduction in operational costs, the specific outcome of reducing customer onboarding time by 30% was not addressed in the available data, making it impossible to determine if the expectations were met.

## 7. Cost reduction strategies

- **Narrative:** During the Q1 2024 earnings call, management focused on enhancing operational efficiency through strategic cost reduction initiatives. The emphasis was on optimizing expenses to improve the company's profitability and maintain competitive advantage in the fintech sector. This approach is aligned with their broader strategy to streamline operations and allocate resources more effectively.

**- Management's Guidance:**

- The CFO outlined a plan to reduce operational costs by 5% within the next two quarters.

**- Actual Results:**

**['Q2', '2024']:**

- The company reduced operational costs by 8% over the past year. Additionally, the company has reduced operational costs by 10% over the past year. Rahul Jain mentioned that non-employee expenses have taken a very sharp dip and are at a multi-quarter low.

**['Q3', '2024']:**

- There is no specific data available in the provided actual results that directly addresses the overall operational cost reduction by 5% as guided. However, related information includes: - 79e4cd035d9c1d0ce48ca1ffb4ba1600 --> The marketing team successfully reduced customer acquisition cost by 10% over the past year.

- 8cc25c6066c9e20f6498847a160ea7d8 --> Vishal Mehta mentioned the operating expenditure relating to the AI vertical was \$500,000 this quarter.

**['Q4', '2024']:**

- Board member stated that the company reduced operational costs by 8% over the past two quarters.

**['Q1', '2024']:**

- There was a 30% reduction in operational costs in the last quarter.

**- Evaluation:**

**- Expectations Exceeded:** The actual results show a reduction in operational costs by 8% over the past year and 10% in the same period, surpassing the CFO's guidance of a 5% reduction within the next two quarters, indicating that expectations were exceeded.

## 8. Workforce productivity enhancements

**- Narrative:** Management highlighted the importance of strengthening the business vertical by bringing in industry experts, suggesting a strategic move to enhance workforce productivity and operational efficiency.

**- Management's Guidance:**

- Infibeam will be hiring some well-known industry experts to build the business vertical under the leadership of the speaker.

**- Actual Results:**

**['Q2', '2024']:**

- In Q2 FY24, management reported that they hired 1000 employees last year in several recruitment programs, which aligns with the management's guidance on bringing in industry experts to enhance operational efficiency and workforce productivity.

**['Q3', '2024']:**

- We hired 1000 employees last year in several recruitment programs.

**['Q4', '2024']:**

- In Q4 2024, there was a 30% reduction in operational costs, and a reduction in operational costs by 10% over the past six months.

**['Q1', '2024']:**

- Mr. Amit: We hired 1000 employees last year in several recruitment programs.

**- Evaluation:**

**- Expectations Exceeded:** Infibeam's hiring of 1000 employees and the subsequent 30% reduction in operational costs suggest that the strategic move to enhance workforce productivity and operational efficiency, through the recruitment of industry experts, resulted in more significant improvements than initially anticipated.

## 9. International market penetration

**- Narrative:** Management has outlined a robust international market strategy aimed at significantly expanding their presence and revenue from international markets. The focus is on leveraging strategic initiatives to boost growth, potentially making international operations a substantial part of the company's overall revenue stream.

**- Management's Guidance:**

- Management is targeting international growth to account for 30% or more of their overall payment revenues, with ambitions to reach \$100 billion in processing over the next couple of years, indicating a strong focus on expanding their international market presence.

**- Actual Results:**

**['Q4', '2024']:**

- Presently our international operations account for less than 10% of our total income. 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. Vishwas mentioned that they have doubled year-over-year in UAE. Vishal Mehta stated that they have doubled their international business last year.

**['Q1', '2024']:**

- In Q1 2024, management reported that ~80% contribution in the international market came from the Credit Card payment option. Additionally, it was noted that this number is about 80% in the UAE market.

**['Q2', '2024']:**

- In Q2 FY24, it was reported that the international business is less than 10% of the overall business, indicating a gap in achieving the management's guidance for international market penetration.

**['Q3', '2024']:**

- 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 Not Met:** Management aimed for international growth to reach 30% of total payment revenues, but as of Q4 2024, international operations accounted for less than 10%, indicating a significant shortfall in achieving their stated goals.

## 10. AI and automation integration

**- Narrative:** Management discussed plans to establish India's first artificial intelligence hub, which will be headquartered in GIFT City. The initial focus will be on the fintech and financial sectors, indicating a strategic move to enhance capabilities and innovation in these areas.

**- Management's Guidance:**

- Infibeam aims to leverage this AI hub to strengthen its position in fintech and financial sectors, showcasing a commitment to integrating cutting-edge technologies for future growth.

**- Actual Results:**

**['Q2', '2024']:**

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

**['Q3', '2024']:**

- Vishal Mehta mentioned the accuracy needed for small object identification and detections.

**['Q4', '2024']:**

- In Q4 FY24, the AI hub investment has been made.

**['Q1', '2024']:**

- Investment of INR 1 bn made in creating a new AI Hub. The company has made an investment of INR1 billion by creating a new AI hub.

**- Evaluation:**

- Insufficient Info: While the AI hub investment of INR 1 billion was completed as planned, there is no information provided about the specific impact on enhancing capabilities and innovation in the fintech and financial sectors, making it unclear if the strategic goals were achieved.

#### 11. Collaboration with fintech firms

**- Narrative:** Management articulated their strategy to deepen their involvement in the fintech space by increasing their stake in Fable Fintech Private Limited. This move is part of a broader effort to enhance the company's capabilities and influence within digital payment solutions, underscoring a commitment to strengthening strategic partnerships and alliances within the fintech sector.

**- Management's Guidance:**

- Management indicated plans to increase their stake in Fable Fintech Private Limited to 41%, signaling a strategic focus on expanding their influence and integration in the fintech industry, which is expected to bolster their market position and foster growth in digital payment solutions.

**- Actual Results:**

**['Q4', '2024']:**

- Unfortunately, the actual results for the theme Strategic Partnerships and Alliances, specifically under the subtheme Collaboration with fintech firms, related to the management's guidance to increase stake in Fable Fintech Private Limited to 41% in Q4 2024, are not available in the provided data. The available actual result notes an investment by Infibeam Avenues for a 20% stake in XDuce, which does not directly correspond to the stated narrative and guidance.

**['Q1', '2024']:**

- In 2015, incubated Fable Fintech in our office offering cross-border payments platform to 9 of the top 10 private banks in India across 150+ international corridors

**['Q2', '2024']:**

- In 2015, incubated Fable Fintech in our office offering cross-border payments platform to 9 of the top 10 private banks in India across 150+ international corridors.

**['Q3', '2024']:**

- In Q3 FY24, Infibeam continued to leverage its strategic partnership with Fable Fintech, a company it incubated in 2015. Fable Fintech has been successful in providing a cross-border payments platform to 9 of the top 10 private banks in India, reflecting the impact of these alliances on market reach and service expansion.

**- Evaluation:**

- Insufficient Info: The actual results regarding the increase of the stake in Fable Fintech to 41% are not available in the provided data, making it impossible to assess whether management's expectations were met, exceeded, or not met.

#### 12. Geographic expansion plans

**- Narrative:** Management outlined their strategic intentions to broaden the company's technological footprint internationally, with a specific focus on expanding to 10 new countries. Additionally, there is a strong emphasis on penetrating deeper into the Indian market by leveraging their SoftPoS solutions to reach more remote areas.

**- Management's Guidance:**

- Mr. Vishal Mehta (MD) indicated a target of expanding the company's technology platform to 10 new countries by the end of next year. Vishwas Patel stated that their aim is to reach the hinterlands of India with their SoftPoS solution.

**- Actual Results:**

**['Q2', '2024']:**

- In Q2 FY24, management reported having established a 100,000+ active agent network covering 10,000+ pin codes across India, demonstrating significant progress in reaching remote areas with their SoftPoS solutions, as part of their geographic expansion plans. However, specific progress on international expansion to the 10 new countries was not detailed in the available data.

**['Q3', '2024']:**

- In Q3 2024, the company reported having over 110,000 active agents covering more than 10,000 pin codes across India, illustrating progress in reaching remote areas with their SoftPoS solutions. Additionally, the UAE geography was noted as growing significantly well, suggesting advancement in international expansion efforts.

**['Q4', '2024']:**

- In Q4 FY24, Go Payments has a network of over 110,000 active agents covering 10,000+ pin codes across India.

**['Q1', '2024']:**

- More than a million touch points are there across 1300+ cities and towns in India, indicating a significant penetration into the Indian market with their SoftPoS solutions, aligning with their strategic intentions. However, no specific data regarding the expansion to 10 new countries is provided for Q1, 2024.

**- Evaluation:**

**- Expectations Not Met: While the company demonstrated significant progress in penetrating the Indian market with their SoftPoS solutions, there is insufficient information regarding the expansion to 10 new countries, thus failing to fully meet the outlined geographic expansion goals.**

#### 13. Merchant acquisition growth

**- Narrative:** Management highlighted their focus on expanding the merchant base through strategic initiatives, particularly emphasizing the growth of their TapPay service. This expansion is aimed at significantly increasing their footprint in the digital payment sector.

**- Management's Guidance:**

- Management expects TapPay to reach a milestone of one million merchants within the current year.

**- Actual Results:**

**['Q2', '2024']:**

- During Q2 FY24, Vishwas Patel mentioned that they onboarded close to 1 million merchants by the end of September 2023. The total count of merchants using

the CCAvenue platform reached 2.7 million.

**['Q3', '2024']:**

- Infibeam announced they have 10.0+ million total merchants.

**['Q4', '2024']:**

- As of March 2024, we had over 10 million merchant accounts with more than 200 payment options and processed transactions in excess of 2.57 lakh crores. avg. daily merchant CC additions in Q4FY24 – 9%, avg. daily merchant DC additions in Q4FY24 – 7%, avg. daily merchant NB additions in Q4FY24 – 3%.

**['Q1', '2024']:**

- In Q1 FY24, Infibeam added approximately 9500 merchants every day, reaching a total of 10.0 million merchants, surpassing the original guidance of one million merchants for TapPay.

**- Evaluation:**

- **Expectations Exceeded:** Management's expectation was to reach one million merchants by year-end for TapPay, but they surpassed this goal significantly, achieving 10 million total merchants by the end of Q1 FY24.

**14. Transaction volume trends**

- **Narrative:** Management emphasized a strong focus on increasing digital payment transaction volumes, highlighting a unified target across the company to drive growth. They are strategically aiming for substantial growth in transaction volumes, with concerted efforts from both the CEO and CFO indicating alignment in their objectives.

**- Management's Guidance:**

- Management anticipates a 20% increase in digital payment volumes by the end of the fiscal year, with a specific focus on achieving this goal over the next two quarters.

**- Actual Results:**

**['Q2', '2024']:**

- Total Transaction Processing Value (TPV) was INR 1,785 billion in Q2 FY24 and INR 1,000 billion in Q2 FY23. Payments TPV was INR 769 billion in Q2 FY24 and INR 602 billion in Q2 FY23. Platforms TPV (GeM GMV) was INR 1,016 billion in Q2 FY24 and INR 398 billion in Q2 FY23. Business achieved 79% TPV increase.

**['Q3', '2024']:**

- In Q3 FY24, Total Transaction Processing Value (TPV) for digital payment solutions was reported at 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, and Platforms TPV was INR 981 billion compared to INR 419 billion in Q3 FY23, indicating substantial growth in transaction volumes and aligning with management's strategic focus on increasing digital payment transaction volumes. This performance suggests that the company is on track to meet its guidance target of a 20% increase in digital payment volumes.

**['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, reflecting significant growth. Specifically, Payments TPV was INR 758 billion in Q4 FY24, up from INR 644 billion in Q4 FY23, marking a 53% year-over-year increase. Platforms TPV saw an 81% year-over-year increase, reaching INR 1,508 billion in Q4 FY24 from INR 833 billion in Q4 FY23.

**['Q1', '2024']:**

- In Q1 FY24, the Total Transaction Processing Value (TPV) for Infibeam was INR 1,18,260 crore, compared to INR 93,356 crore in Q1 FY23, indicating significant growth. Payments TPV for Q1 FY24 was INR 65,024 crore, up from INR 57,056 crore in Q1 FY23. Platforms TPV for Q1 FY24 was INR 53,236 crore, compared to INR 36,300 crore in Q1 FY23. Additionally, the board achieved a 25% growth in digital transactions this year, which is ahead of the anticipated guidance.

**- Evaluation:**

- **Expectations Exceeded:** The management anticipated a 20% increase in digital payment volumes by the end of the fiscal year, but the actual results showed a 25% growth in digital transactions, surpassing the expected target.