

Media Release

Infibeam Avenues Ltd Announces Financial Results for Q2 FY25

Highest Ever Gross Revenue of INR 10,166 million in Q2FY25, up by 29% YoY

Highest Ever EBITDA ³ of INR 854 million in Q2FY25, up by 26% YoY.

PAT ³ at INR 550 million in Q2FY25, up 43% YoY.

Quarter Results Milestone: For the first time, gross revenue has reached INR 10,166 million.

Foraying into Business Productivity Software: RediffOne – a complete suite for enterprise solutions to be released by end of this fiscal year.

Gandhinagar, November 12, 2024 – India’s first listed AI- powered tech and fintech company, Infibeam Avenues Limited (“Infibeam” or “The Company” or “IAL”), (BSE: 539807; NSE: INFIBEAM), has today announced its financial results for the second quarter ending September 30, 2024.

Consolidated Financial Highlights (INR million)

Particulars	Q2 FY25	Q2 FY24 #	Q1 FY25 #	YoY	QoQ
TPV ¹ (in INR billion)	2,038	1,785	1,977	14%	3%
Gross Revenue	10,166 *	7,870	7,451 *	29%	36%
Net Revenue ²	1,343	1,081	1,165	24%	15%
EBITDA ³	854	677	706	26%	21%
Profit After Tax (PAT) ³	550	386	502	43%	10%
EBITDA margin ^{3,4}	64%	63%	61%	-	-
PAT margin ^{3,4}	41%	36%	43%	-	-

1 Includes i) Payments TPV [CCAvenue India and International + BillAvenue + Go Payments] + ii) GeM platform TPV.

2 Net Revenue = Gross Revenue – Direct Operating Expenses (predominantly payment processing revenue collected on behalf of ecosystem partners)

3 Excluding the notional impact arising from mark-to-market gain / (loss) from investment in listed security [this has no impact on cash flows]

4 as percentage of Net Revenue

* GeM Revenue recorded only till Q3FY24.

Figures are restated to take into account the impact of Scheme of Arrangement

Consolidated Financial Performance Review:

Infibeam Avenues Ltd has reported robust consolidated gross revenue of INR 10,166 million, accompanied by a Profit After Tax (PAT) of INR 550 million in the second quarter of FY25. This achievement marks a significant milestone, as it is the first time in quarterly results that gross revenue has reached INR 10,166 million, primarily attributed to the increase in payment transactions.

The Q2FY25 gross revenue witnessed a significant increase of 29%, and PAT saw a sizeable growth of 43% compared to the corresponding quarter of the previous financial year. The EBITDA also exhibited noteworthy growth of 26% Year-over-Year (YoY) to INR 854 million.

Infibeam Avenues Reports Strong Q2 Growth, Fueled by Digital Payment Surge and a Commitment to Growth and Innovation

Infibeam Avenues Ltd has registered impressive results for the second quarter of the FY25, primarily driven by a significant increase in payment transaction processing. The company attributes this growth to its flagship payment brand, CCAvenue, and a robust suite of payment products and infrastructure, strategically positioned to benefit from India’s ongoing digital payment revolution.

The firm’s previous investments in expanding its payment business and diversifying its brand portfolio have proven to be a substantial catalyst for this growth. Moreover, Infibeam’s current investments in the Artificial Intelligence

(AI) sector and consumer-facing initiatives (Rediff.com) are starting to yield business growth, signaling a positive trajectory for the company's future.

Digital Transformation and Market Adaptation through Rediff: As India witnesses a radical transformation in the banking industry and a surge in digital adoption, Infibeam is well-prepared to capitalize on the burgeoning e-commerce landscape, particularly in Indian market as well as in the MENA region. Fintech applications have become integral to daily life in India and other highly digitalized economies, with users increasingly relying on these tools for money management and financial decision-making.

In line with this trend, Infibeam plans to enhance its fintech offerings by foraying into business productivity software space through its upcoming release of RediffOne- a complete suite for enterprise solutions. RediffOne will include ERP, CRM, and HRMS functionalities, along with enterprise-grade email services, providing a comprehensive digital toolkit for businesses. This initiative marks a significant step forward as we build a robust ecosystem of products that empower both individual users and enterprises, strengthening Infibeam's position as a leader in digital transformation solutions.

With Rediff's vast user base of over 55 million monthly visits and registered email base of 70 million users, the company is well-positioned to accelerate our financial services aggregation, providing products like insurance and lending under a trusted consumer brand Rediffpay. This move not only expands our digital payment capabilities but also enhances user engagement and opens up new revenue opportunities through the cross-selling of financial products, leveraging advanced data insights and artificial intelligence. This new revenue stream is expected to contribute between 2% and 4% of our total revenue this year, potentially reaching up to 10% in the coming years.

RediffPay, which will provide a range of financial services including lending, insurance, mutual funds, and stockbroking. Following a recent acquisition of a 54.1% stake in Rediff, the company is poised to consolidate operations and reintroduce the brand in a refreshed format.

Advances in Artificial Intelligence: Infibeam Avenues Ltd's wholly-owned AI Company, Phronetic.AI, is experiencing rapid growth, having secured a five-year contract worth USD 1 million annually with five leading hospitals in India and a UAE-based gas station chain. This collaboration will deploy AI Facility Manager Solutions to enhance patient care and operational efficiency in healthcare settings, while also improving security and customer experience in gas stations.

The company plans to develop and innovate new AI products to enter into various sectors, offering AI solutions. Phronetic.AI is also developing a new Human-Computer Interface (HCI) that will revolutionize video interactions during chats, allowing for immersive communication that goes beyond text and voice. This will enhance customer support and create more personalized experiences.

Additionally, the company is expanding its understanding of human activities, particularly in sports, with the aim of introducing AI-powered coaches and umpires. This innovation could transform training and performance feedback for athletes.

Lastly, the company is improving the "agentic" capabilities of its models, enabling them to handle software tools and manage desk jobs effectively. This will enhance productivity in administrative and operational roles.

Comments:

"In Q2, we achieved notable financial results with a net revenue registering growth of 24%, EBITDA 26%, and a profit after tax by 43%. This success highlights our disciplined execution, continuous optimization, and innovative payment solutions driven by our dedicated teams. To achieve our FY25 financial goals, we are accelerating strategic initiatives with a focus on international growth, aiming for this segment to contribute 12-15% of net revenue within two years. Our priorities are centered on delivering profitable growth, leveraging investments like Rediff.com and our AI initiatives, and optimizing operations to seize opportunities in the digital payments and fintech sectors, ensuring sustained value for our shareholders," said **Mr Vishal Mehta, Chairman and Managing Director, Infibeam Avenues Ltd.**

“In Q2, we onboarded nearly 0.2 million new merchants, reflecting our commitment to simplifying commerce, with an average of 2,100+ new merchants joining daily across various industries and geographies. Our take rate improved significantly to 11.3 bps in Q2FY25, reflecting a 21% increase from the previous year, significantly boosting our profitability. We have observed a rise in transactions numbers related to ticket bookings, travel arrangements, hotel reservations, and educational institutions as they embrace digital payment solutions more than before. These trends have collectively contributed to a marked increase in payment transactions for the company,” said Mr. Vishwas Patel, Joint Managing Director, Infibeam Avenues Ltd. “Our focus extends beyond current profits; we are dedicated to future-proofing Infibeam Avenues and capitalizing on India’s digital economy potential. With a clear path to sustainable, profitable growth, it’s inspiring to see our team’s dedication to this shared vision.”

Growth Factors:

1. **Increased Payment Transaction (TPV) Volume:** The TPV rose by 14% YoY, reaching INR 2,038 billion, during the second quarter. The increased TPV is largely due to rising use of digital payments and further penetration of digital POS product– CCAvenue TapPay amongst merchants. CCAvenue’s deep integrations across thousands of third-party merchant systems, fostered continued growth and success.

Infibeam Avenues Ltd’s app-based digital POS product – CCAvenue TapPay is happily eating into INR 39 billion Indian POS device market, as demand for low cost POS services is on rise.

2. **Increased Take Rate:** In Q2, the company also witnessed increased in take rate registering 11.3 bps in Q2FY25. This increase in take rate is a results of increased payment transaction processing backed by changing financial transaction behavioral of the people, where more people are preferring to use digital payments. As per an estimate, India’s digital financial transactions will increase from 159 billion in 2023-24 to 481 billion by 2028-29 to mark a threefold growth.
3. **Increased Merchant Base:** The continuous expansion of merchant base has significantly bolstered company’s achievements. In Q2FY25, there has been substantial addition of merchants onboarding with 0.2 million new merchants. On an average 2,100+ new merchants joined daily across various industries and geographies.
4. **Multiple Collaborations:** Multiple collaboration with Banks, Fintechs and Regulatory authorities, also paved the path to hyper growth for the company’s payment business. During the quarter, company’s utility-payment brand BillAvenue entered into collaboration with Indian government owned BHIM (Bharat Interface for Money). BillAvenue also entered into collaboration with fintech startups ShopSe, Loylty Rewardz and others. NPCI Bharat BillPay Ltd (NBBL) also recognized BillAvenue as a certified TSP partner.
5. **Platform Business:** Company continue to bolster its platform business as revenue continue to pour from its B2B cloud-based Enterprise Software platform that caters diverse set of large corporations, enterprises and government. Government e-Marketplace (GeM), a national public procurement portal, continues to use Infibeam Avenues Ltd’s Enterprise Software Platform technology, but the company has not recognized any revenue in this quarter as well. Infibeam Avenues has entered into court arbitration with GeM.
6. **Artificial Intelligence (AI) Business growth:** Company’s forward investment in AI business has already started showing results. During the quarter, Phornetic.AI secured five years contract worth USD 1 million per annum with a hospital chain in India and also with an international gas station. Earlier, in the first quarter it has signed MOU with EDII (Entrepreneurship Development Institute of India -Gandhinagar) for fostering AI adoption among enterprises, startups and MSMEs.

Major Business Developments:

- **Leadership Appointment:** Mr. Vishal Mehta appointed as Chairman and Managing Director of Rediff.com. Continues as Chairman and Managing Director of Infibeam Avenues Ltd.
- **Strategic Collaboration:** Partnership established between BillAvenue and BHIM, India’s state-owned mobile payment app.

- **Certification Achievement:** BillAvenue recognized as a NBBL-certified Technology Service Provider (TSP) for both Biller Operating Unit (BOU) and Customer Operating Unit (COU), reinforcing its leadership in digital payments.
- **New Partnership:** CCAvenue collaborates with ShopSe India, a digital-first EMI/BNPL marketplace.
- **Consumer Engagement Deal:** CCAvenue signs agreement with Loylty Rewardz to capture a significant share of the Indian consumer engagement market.
- **Product Launch:** Introduction of CCAvenue SoundBox Max, an all-in-one Point of Sale (POS) device designed for merchants and retailers across India.
- **International target:** Established IA Fintech IFSC Private Limited as a wholly-owned subsidiary in GIFT City, within India's IFSC zone. Entity will operate as a Payment System Provider, expanding fintech capabilities to target international and cross-border payments.
- **Acquisition in Entertainment:** Acquired the remaining 26% stake in Infibeam Digital Entertainment, turning it into a wholly-owned subsidiary. To focuses on the media and entertainment sectors.

About Infibeam Avenues Limited:

Infibeam Avenues Ltd. is one of the leading global financial technology (fintech) company offering comprehensive digital payment solutions and enterprise software platforms to businesses and governments across industry verticals. The company's payment infrastructure solution includes acquiring and issuing solutions and offering infrastructure for banks. The core Payment Gateway (PG) business provides over 200 plus payment options to the merchants allowing them to accept payments through website and mobile devices in 27 international currencies. Infibeam Avenues' enterprise software platform hosts India's largest online marketplace for government procurement. The company processed transaction worth INR 7 trillion (US\$ 86 billion) in FY24. Company currently has over 10 million plus clients across digital payments and enterprise software platforms. The company's vast clientele includes merchants, enterprises, corporations, governments, and financial institutions in both domestic (India) as well as international markets. Infibeam Avenues' international operations are based in the United Arab Emirates, Australia, and the United States of America. We also have business presence in Oman working with three of the largest banks in the country.

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