



## Press Release

### Infibeam Goes Global, Records 316% Growth in Profits to Rs. 136 Mn in Q2 FY17

Infibeam Incorporation Limited reports financial results for the quarter ended September 30, 2016 (Q2 FY17) and half year ended September 30, 2016 (H1 FY17)

Ahmedabad 17th November, 2016: Infibeam Incorporation Limited (BSE: 539807; NSE: INFIBEAM) announced financial result for the second quarter of the financial year 2017. The Company has reported overall profit with growth attributed by strong growth of its Service and Product business segments.<sup>1</sup>

#### Financial Performance Highlights

##### **Total Revenue:**

- Q2 FY17 grew by 32% to Rs 1147 Mn compared to Rs 870 Mn in Q2FY16
- H1 FY17 grew by 27% to Rs 2175 Mn compared to Rs 1713 Mn in H1 FY16

##### **Service Revenue:**

- Q2 FY17 grew by 29% to Rs 336 Mn compared to Rs 260 Mn in Q2 FY16
- H1 FY17 grew by 36% to Rs 658 Mn compared to Rs 485 Mn in H1 FY16

##### **Product Revenue:**

- Q2 FY17 grew by 33% to Rs 811 Mn compared to Rs 611 Mn in Q2 FY16
- H1 FY17 grew by 24% to Rs 1520 Mn compared to Rs 1228 Mn in H1 FY16

##### **EBITDA:**

- Q2 FY17 grew by 176% to Rs 213 Mn compared to Rs 77 Mn in Q2FY16
- H1 FY17 grew by 159% to Rs 382 Mn compared to Rs 148 Mn in H1 FY16.

##### **PROFIT BEFORE TAX:**

- Q2 FY17 grew by 316% to Rs 136 Mn compared to Rs 33 Mn in Q2FY16
- H1 FY17 grew by 318% to Rs 253 Mn compared to Rs 61 Mn in H1 FY16

#### Financial Highlights: Q2 FY17 Consolidated Financials:

	Q2 FY17	Q1 FY17	Q2 FY16	H1 FY17	H1 FY16
Service Rev.	336.16	321.74	259.61	657.90	484.71
Product Rev.	810.53	709.30	610.54	1519.83	1227.97
Total Revenue	1146.69	1031.04	870.15	2177.73	1712.68
EBITDA	213.09	169.00	77.10	382.09	147.76
PBT	136.36	116.94	32.60	253.30	60.57



### **Business Segment Highlights:**

The Company business operations has two distinct business segments:

**A) Service segment:** Includes a cloud based scalable technology platform **BuildaBazaar** and Value Added Services to Merchants for enabling online e-commerce service and other digital implementation for local and global merchants to sell their Products and Services to customers.

#### **Q2 FY'17 Operational highlights**

- Number of merchants – 61,248
- Service Revenue – Rs. 336 Mn
- % growth compared to Q2 FY16 - 29%

**B) Product Segment: Infibeam.com**, the e-commerce marketplace portal offering wide range of Products across several categories including Mobile & Tablets, Computer & Accessories, Electronics & Cameras, Housing & Kitchen, Book & Magazines, Fashion & Apparels, Music, Travel and Gifts.

#### **Q2 FY'17 Operational highlights**

- Number of Active users – 8.24 Mn
- Product Revenue – Rs. 811 Mn
- % growth compared to Q2 FY16 – 33%

### **Business Outlook:**

In the first half (H1) of the Financial Year 2016-2017, the Company has signed and initiated execution of several key projects with leading Consumer Brands, Infrastructure Development Company, Payment Solution Companies, Telecoms both for domestic and international market. These decisions aim to accelerate business expansion plans within the Product and Services business segments.

#### **1. Entered into MoU with IL&FS for implementing digital projects**

Infibeam Incorporation Ltd has informed BSE that the Company has entered into a MoU with IL&FS Township & Urban Assets Limited ("ITUAL") for undertaking and implementing projects in digital space and e-commerce for Central Government, various State Governments and Private Partners. IL&FS Townships & Urban Assets Limited (ITUAL), is a 100% subsidiary of Infrastructure Leasing & Financial Services Limited (IL&FS).

Infibeam shall set up a Special Purpose Vehicle ("SPV") which will be located at GIFT Two Building, GIFT City, Gandhinagar wherein Infibeam will provide its state-of-the-art



technology and office premises for expanding and implementing digital projects that would be implemented by SPV. The said SPV will target indicative achievable revenue opportunity of INR 1,250 Crores over a period of 5 (Five) years starting from F.Y. 2017-18.

Infrastructure Leasing & Financial Services Limited (IL&FS) IL&FS has developed the requisite capabilities to take infrastructure projects from concept to commissioning

## **2. Formed Joint Venture with KSK Capital Dubai for offering e-commerce solution MEA region.**

Infibeam Incorporation Ltd, through its wholly owned subsidiary i.e. Infibeam Global EMEA FZ-LLC, Dubai has entered into a licensing arrangements and joint venture with Dubai UAE-based KSK Capital for offering e-commerce solutions of marketplace and distributed marketplace along with digital marketing under its global platform. The joint venture company, to be held in 49:51 ratio between Infibeam Global EMEA FZ-LLC, Dubai and KSK Capital, would cater to about 40 countries in Middle East and Africa (MEA) region for offering e-commerce solutions to merchants and consumers.

KSK Capital is an investment arm of Ascorp Holdings, a general Investment and Holding company based in Abu Dhabi, UAE with USD 2 billion plus of assets under management.

## **3. GCMMF contract exemplifies Infibeam's presence across value chain**

Earlier this year (Q1 FY17), Infibeam signed an agreement with Gujarat Cooperative Milk Marketing Federation (GCMMF) for developing an 'online and mobile' framework to enable selling Amul products "direct to home". This agreement is a primary example of Infibeam's presence across the B2B and B2C value chain. GCMMF's online framework allows a customer to place an order directly to the company (B2C), which is then processed and forwarded to a Distributor, Wholesaler, and Retailer/Point of Sale (B2B), which in turn is delivered to the Customer.



#### **4. Saudi Telecom Authority deal to unlock value through international presence and off-shore centric business model**

Infibeam announced that the company's technology platform has been signed up by Saudi Telecom Company to build a next generation mobile experience "Jawwy". We believe that an entry into the Middle Eastern zone is huge positive for the company and can result in a 'snow-balling effect' for the company in terms of merchant acquisition. Infibeam, in line with its target of international presence, has opened a subsidiary in Dubai and will continue to look for international growth opportunities aggressively in the coming quarters. The service has been launched and active.

The Company is optimistic about the company's focus on an off-shore centric model and believe it to be margin accretive in the longer term primarily due ease of replicating the BuildaBazaar.com and Value Added Services infrastructure without significant costs and investment.

#### **5. CC Avenue Payment Gateway Solutions**

Infibeam's strong IT infrastructure along with Payment Gateway solutions and fulfilment services facilitates acquisition of new suppliers and addition of new products on the e-tail website.

Infibeam acquired a stake in CC Avenue, a leading payment solutions provider company in 2016 (for INR 600 Mn) with plans to deeply integrate the payment gateway system for customers shopping on both BuildaBazaar and Infibeam. CC Avenue payment gateway solution integration is expected to bring considerable synergies in terms of payment solutions for Infibeam as well as added revenue source.

#### **Major Milestones:**

Since the Company listing on 4<sup>th</sup> April, 2016, Infibeam shares have provided returns to its investors. Based on the evaluation of share performance on stock exchanges (BSE & NSE) and sound financials, Infibeam has been included in the list of two major Indexes. Infibeam is one among few companies listed recently making early entrance in these list.

- Morgan Stanley India Domestic Index (MSCI) a leading provider of benchmark indices globally have added Infibeam Incorporation Limited in their recent-companies listing. Infibeam is one among 6 companies has been included in the list, which will be effective from 30<sup>th</sup> November, 2016.



- From August 26<sup>th</sup>, 2016 Infibeam Incorporation Limited has entered into S&P BSE 500 Index replacing Transport Corporation of India.
- Investors have gained 107% appreciation in Share Price since listing, which was done on 4<sup>th</sup> April 2016 at Rs. 446. The current market price of the stock is Rs. 988 and the market captilization as on 16<sup>th</sup> November 2016 has crossed Rs. 5000 crores ad is at Rs. 5035 crores.

**Update on IPO Proceeds:**

- As part of Issue Object Clause and schedule of payment, the Company has executed property transfer agreement with Sabarmati Capital Two Limited (SCTL) and taken possession of the Gift City, Tower 2 building for setting up of Corporate Office and Cloud based Data Centre.
- Under the terms stated in the prospectus The Company will be reporting detailed progress on all the IPO proceeds on quarterly basis.

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