



## Infibeam Web Services Continues to Report Robust Performance

### E-commerce rewards Infibeam: 107 % growth in PBT in 1QFY18

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#### Key Financial Highlights

- Transaction processed on platform worth Rs. 45 billion (Rs.4, 502 crores) in 1QFY18.
- Merchants on platform at 76,829; up 34% year-on-year
- Consolidated 1QFY18 revenue grew 79% year-on-year to Rs. 1,846 million
- Consolidated 1QFY18 PAT grew 105% year-on-year to Rs. 197 million
- Services Segment maintains growth momentum. Revenue from services grew 249% year-on-year.

#### Key Announcements during the Quarter

- Infibeam and its consortium partners won contract by the Government of India for Design, Development, Implementation, and Operation & Maintenance of 'Government e-Marketplace' ("GeM")
- Board of Directors approved Acquisition of Avenues (India) Private Limited ("CC Avenue") through Scheme of Amalgamation with the Company
- Sub Division of Equity Shares of the Company from existing Face Value ("FV") of Rs. 10/- per share to FV Re. 1/- per Share
- Infibeam signed an agreement for investment in RemitGuru as an Anchor Investor

**Ahmedabad 14th August, 2017:** Infibeam Incorporation Limited (BSE: 539807; NSE: INFIBEAM), today announced its (un-audited) financial result for the quarter ended June 30th, 2017. The company has maintained the high-growth momentum in Service Segment (Infibeam Web Services) and maintained stability without burning cash in the Product Segment (Infibeam e-retail platform). Operating Margins (EBIT) for the company has grown signifying our ability to manage our operations with optimal use of resources and managing our costs very well.

Infibeam's consolidated revenue and profits has significantly increased during the June 2017 quarter due to our increasing focus on the fast growing Infibeam Web Services segment (Service Segment). This segment has grown at a 249% YoY. The revenue contribution from IWS Segment has increased to 61% in 1QFY18 from 31% in 1QFY17.

Commenting on the superior performance, Vishal Mehta, Managing Director at Infibeam, said, "Infibeam continues to show strong overall performance due to our



well laid out business model and our aggressive focus on growing the scalable Infibeam Web Services (IWS) in domestic and international markets.”

### Consolidated Financial Highlights: Q1 FY18 vs. Q1 FY17

(Rs. in million)

	Q1 FY18	Q1 FY17	% change
Service Revenue	1,121	322	249%
Product Revenue	725	709	2%
Total Revenue	1,846	1,031	79%
EBITDA	364	169	115%
PAT	197	96	105%

### Business Segment Highlights:

#### A) Infibeam Web Services.

The Company's Service Segment has registered a very strong growth mainly due to continued innovation into apps and platforms that solve business requirements which immediately deliver results for brand and merchants at a faster pace. IWS includes new revenue streams through entirely new payment business and optimizing existing business models by leveraging digital technologies to deliver superior experience to existing and new merchants both in India and International market.

As percentage of revenue IWS contribution has increased to 61% in 1QFY18 from 31% in 1QFY17. EBITDA margin remains strong and sustainable at 39%. Infibeam is optimistic about the company's focus on an off-shore centric model and believes it to be margin accretive in the longer term primarily due to ease of replicating the BuildaBazaar and value added services infrastructure globally without significant costs and investments.

Number of merchants have increased by 34% to 76,829 in 1QFY18 compared to the same period last year. Strong growth in Merchant additions is due to opportunity to tap fast growing e-customers and government digital initiatives.

The Company has made successful inroads into the International market through prestigious associations with companies like Saudi Telecom Company (MENA region) and Sears (USA) by offering its Web Services.

In Domestic market, the Company has been awarded contract by Government of India to design, develop and implement Government e-marketplace (GeM), entered into an MoU with IL&FS Township & Urban Assets Limited for undertaking and implementing projects in digital, tied-up with (n) Code Solution (division of GNFC) to build a marketplace for SMEs in Gujarat, provide a "Unique & Verified Digital Identity



Platform” (“Digital Services”) on the “.000” global top level domain (gTLD) to Government of Sikkim, J&K (is it J&K or GJ or both) and Maharashtra. Implemented online and mobile framework for Gujarat Co-operative Milk Marketing Federation Ltd.

Our IWS is a complete suite of software based e-Commerce solutions for small and large size merchants to establish a strong online presence. Our service offerings, under IWS, are mainly software based solutions and include building an online storefront, mobile applications, digital product catalogue, digital marketing, content management, promotions handling, access to digital payment gateways, domain services as well as fulfilment services, among others. We are aggressively focussed on growing IWS along with Payments in international markets as this is a scalable business, and it also offers higher revenue per merchants in international markets. This will significantly drive growth for Infibeam.

#### **B) Infibeam E- Retail Platform.**

The multi-channel and multi-category online shopping business of Infibeam, which is operated from the e-Retail platform, Infibeam.com, stayed contribution positive and registered 2% growth to Rs. 725 Mn. The company had 8.11 million active customers at the end of 1Q FY18.

The asset light low inventory model significantly saves operational cost and helps to conservatively use cash and register profits rather than burning cash, as is the case with most other online marketplace companies. The combined efforts of operational and logistic efficiency have assisted company in improving the margins.

#### **Key Strategic Initiatives and Business Outlook**

During the quarter, the Company has taken several key initiatives and executed several projects with leading Consumer Brands, Infrastructure Development Company, Payment Solution Companies, and Telecom Companies both for domestic and international market. The Company has also won contracts from various State and Central Government. These initiatives aim to accelerate business expansion plans within the Product and Services business segments.

- **Infibeam awarded a contract from Government of India for development of Government e-Marketplace (GeM)**

The government of India floated a request for proposal (“RFP”) for the selection of a managed service provider for design, development, implementation, operation and maintenance of GeM. Infibeam along with consortium partner has been selected by the Government of India to run the GeM platform from where they



purchase goods and services. The portal will fulfil the procurement needs of central and state governments, ranging from laptops and air conditioners to furniture and daily use items such as stationery, as well as services like taxis and florists. As per the report the estimated procurement of goods and services by the central and state governments worth over Rs. 5 trillion every year.

- **Merger of Avenues India Pvt Ltd (CCAvenue)**

The Board of Directors have approved amalgamation of Avenues India Pvt Ltd (CC Avenue) through Scheme of Amalgamation with the Company. This amalgamation will allow us to provide an end-to-end e-Commerce services portfolio to the merchants. CC Avenue is one of the largest and most profitable payment aggregators in the FinTech space in India. The availability of increased resources and assets, after merger, can be utilized for strengthening the customer base and servicing existing as well as new customers efficiently and innovatively.

CCAvenue will soon have the Bharat Bill Payments Systems (BBPS) which will further strengthen its position in the payments for utility and services transacted from its platform. The combined company will have a powerful synergy in the form of providing a complete e-Commerce platform fully integrated with payment gateways, supply chain logistics, data analytics, social media marketing and advertising platforms, making it a unique one-stop- shop e-Commerce service provider in the world. Avenues is a profitable company and the deal is cash and earning accretive for Infibeam.

- **Infibeam Investment in RemitGuru as an Anchor Investor**

Infibeam has invested Rs. 20 million in Preference Shares of RemitGuru. Remitguru.com is an online remittance service specially created to meet the needs of Indians living overseas. The Company's customers from more than 25 countries send money to India through this platform in 8 currencies. The Company seamlessly integrates to multiple payment systems and compliance networks across the world. Furthermore, the company also offers its state of the art platform to banks across the globe to enable them to launch their own cross border transaction services.

This investment will be helpful in increasing the cross-border ecommerce business transactions and making the remittance business cash free through fin-tech solutions. With this investment Infibeam will be able to offer its e-Commerce services platform in the international market expanding its footprint into the fast-growing global e-Commerce market.



- **Split / Sub Division of Equity Shares of the Company**

The Board has also approved stock split from Face Value Rs. 10 to Face Value of Rs. 1 per share. Further the Board approved the Stock Appreciation Rights Scheme (SAR) for the benefit of the employees of the company under the SEBI Regulation, 2014. The Board also approved to setup employee welfare trust to hold SAR shares under Infibeam Stock Appreciation Rights Scheme, 2017.

### **About Infibeam**

Infibeam operates two business segments. The Company is a leading e-Commerce Service provider offering end-to-end e-Commerce solutions to small and large merchants (B2B) to build an online storefront & payments through its Services Segment, also called Infibeam Web Services (IWS) Segment. Infibeam offers many value added services like data analytics, customer acquisition solutions, social media marketing, advertisement portals, domain services, among others on a customised web-based platform for transitioning and transforming the business effortlessly using technology for enabling e-Commerce business online. Infibeam's Product Segment, on Infibeam.com, owns and operates a multi-category (mobiles, cameras, computers & accessories, electronics, apparels, grocery, books, and many more) and multi-channel (website, mobile app) online shopping website. Like any other online shopping website, they fulfil transactions; from inquiry to delivery of goods and services, to a web customer.

**For more information, visit [www.infibeam.ooo](http://www.infibeam.ooo)**

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