

Media Release

Infibeam Avenues Announces June Quarter 2020 Results

EBITDA margin improved sequentially by 190 bps

Gandhinagar, India, 2nd September, 2020 – Leading global Financial Technology (Fintech) solutions provider Infibeam Avenues Limited (“Infibeam” or “The Company” or “IAL”) (**BSE: 539807; NSE: INFIBEAM**), today announced its consolidated financial results for the quarter ended June 30, 2020.

The Company is well positioned to capture growth from the ongoing digital transformation led by both consumers and enterprises, which has been further accelerated by the prevailing pandemic situation. The Company has channelized all the seven high growth Fintech platform comprising - **Payment Gateway and white label solution (CCAvenue), Bill payments (BillAvenue), Hospitality Solution (ResAvenue), B2B Payments and white label solution (B2Biz), Payment processing for financial institutions (CCAvenue PG Services-CPGS), Digital lending and card issuance (CCAvenue Finance) and Enterprise Platform for eCommerce** to support the economic recovery of businesses. Further, as our Fintech Platform is capable of generating significant processing traffic, we are broadening and diversifying merchant base across the business verticals globally by addressing changing preferences in a post-COVID-19 environment.

Performance Highlights – Q1’21 (Consolidated)

- Revenue was Rs. 103 crore, down 24% QoQ
- EBITDA margin was 38.0% at INR 39 crore, up 190 bps QoQ
- Profit After Tax was Rs. 12 crore, down 39% QoQ
- Payments TPV* was INR 14,200 crore, down 16% QoQ
- Number of payment transactions processed, 36 mn, down 10% QoQ
- Number of Bills Processed thru BillAvenue: 2.6 mn up 12% QoQ, 66% YoY
- Amount of Bills Processed thru BillAvenue: Rs. 168 crore up 9% QoQ

If not for COVID, the performance would have been¹;

- **Revenue: Rs. 160 crore, up 16% QoQ**
- **EBITDA: Rs. 53 crore, up 8% QoQ**
- **PAT: Rs. 24 crore, up 28% QoQ (excl exceptional gain in Q4’20)**
- **Payments TPV*: approx. Rs. 20,000 crore, up 19% QoQ**
- **Payments Volume: 45 mn, up 13% QoQ**

¹ based on pre-COVID run-rate in Mar’20, and take rate, EBITDA and PAT margins of FY20

* TPV - Transaction Processed Value

Key Metrics – Q1'21

➤ V-shaped recovery in payments volume

- India- recovery by June end, average daily payment volume & value crossed March daily levels despite aviation, travel & tourism and hotel industry volumes still continue to be very low
- UAE - month-on-month growth in volume & value; nearly 2x growth in average daily volume in Jun'20 vs. Jan'20
- Payments TPV in Aug'20: ~Rs. 7,800 crore (US\$ 1+ billion); annualised run-rate based on Aug'20 - ~Rs. 94,000+ crore (~US\$ 12.5 billion), despite aviation, travel & tourism and hotel industry volumes still continue to be very low

➤ Consistent merchant addition in the payment gateway business

- Inclusion of new categories like retail, groceries, education & technology companies (webhosting, software, domain, etc.).
- July - higher average daily merchant addition compared to Q1

➤ Growing traction on bill payments platform, BillAvenue

- Significant rise in volumes as daily bills processed increased 5x vs Q1'18, nearly 2x vs Q1'19.
- The volume & value processed post June quarter end has increased 2x and 3x, respectively, compared to the daily average of Q1'20.
- COVID19 has led to sharp rise in digital adoption for utility payments with month-on-month rise in volumes.

➤ Enterprise Platforms Business

- Platforms revenue largely impacted due to global lockdown and slowdown in GeM procurement; expected to pick up from H2'21
- Government to launch of GeM 4.0 with advanced technology and focus on MSME and Self Help Groups. Indian Railways, Defense etc. to be integrated to significantly increase the annual procurement value
- Extremely high EBITDA margins; margins non-linearly increase with scale.

The revenue impact of the pandemic played out broadly along the lines we had indicated earlier. It affected all verticals, with varying levels of impact, with the exception of BillAvenue platform. Due to ensuing restrictions on travel, entertainment, hospitality there has been drop in volume & value of transactions impacting operational and financial performance during the

quarter. However, by end of June 2020, the average daily payment- volume & value- crossed daily average in March 2020 despite ensuing restrictions and the volume being low in India while, in the UAE registered month-on-month growth in volume & value including in the Ramadan month of May.

We believe, merchants across segment have started stabilizing their operations and are now embarking on new beginning to adopt and thrive in a post pandemic world thus indicating strong indication of recovery and tracing path to the overall growth in the corresponding periods. Further, the Company has registered improved operating margins. On account of cost optimisation measures EBITDA margin improved by 190 bps to 38.0% vs 36.1% in Q4'20.

Consolidated Financial Highlights: Q1'21 (Rs. crore)

PARTICULARS	Q1 FY21	Q4 FY20	% change QoQ
REVENUE	103	136	-24%
EBITDA	39	49	-21%
EBITDA MARGIN	38%	36%	+ 190 bps
PROFIT AFTER TAX	12	19 [#]	-39%

excluding exceptional gain

“We remain focused in driving on the long-term growth strategy which includes new business offerings and expansion to new geographies for creating true value for our consumers, business customers and stakeholders. The Company has successfully built a strong business over the years and strived to enhance business value while driving strong revenue and profit growth”, said **Mr. Vishal Mehta, Managing Director**, Infibeam Avenues Limited.

“Our EBITDA margin improved to 38.0% vs 29.8% in Q1'20 and 36.1% in Q4'20 on account of cost optimisation measures and efficiency parameters. Our new business and international expansion will exponentially increase volume and thus earning improvement in take rates, profitability margins and cash flows.”, said **Mr Hiren Padhya, Chief Financial Officer**.

Operational Highlights - 1QFY21

- Increasing reach to untapped merchants based in Tier-II and -III regions across India
- Strategic inroads into key International geographies to boost volume and margins
- Investment in technological innovations to enable merchants with new features, enriched CRM, and strong risk management tools

- Continued focus to strengthen bank alliance thus adding more partner banks to network
- Adding bank as a customer to further increase the market share of payments processed irrespective of PG thru CPGS solution
- Introduction of new payments services to increase volume growth and improve take rates, and make IAL a one-stop payments solution provider
- Entered into B2B payments, secured lending, pre-paid cards, corporate credit cards and backward integration to increase revenue base and value
- BillAvenue is the exclusive processors for IOCL, BPCL & HPCL for LPG cylinders
- BillAvenue is in the process of adding and on boarding educational institutes
- Ongoing addition of agent institutions on BillAvenue platform to deeply penetrate across India

Financial Performance Highlights in 1QFY21

- Debt free with optimum utilisation of internal accruals and having negative working capital requirement
- Ability to generate cash despite severe pricing pressure from competition
- Strong relationships with merchants and banking partners help counter predatory pricing and lowering churn
- Prudent and optimum use of capex helps generate surplus cash which can be used for organic & inorganic growth
- Consistent EBITDA conversion to cash; above 100%

Key Business Development - 1QFY21

- Received Stock Exchange observatory consent on proposed composite scheme of arrangement and for filling with NCLT, for demerger of SME eCommerce & Marketplace and Theme Park & Event businesses to unlock shareholder value
- Fully acquired Cardpay Technologies for an acquisition cost up to US\$ 1.06 million to offer corporate credit cards, branded GRIT cards
- Launched B2Biz for business collections & payments, and white-label solution for businesses and banks
- Launched CCAvenue Payment Gateway Services (CPGS); full stack PG deployment for banks with merchant plug-in, switch, payment network connectivity and more to process card payments
- Launched CCAvenue Finance to enable digital lending and card issuance

- Launched secured lending (express settlement) business and signed up multiple clients; transactions live and worth INR multi-crore, daily
- 2 large strategic deals deferred to next quarter due to COVID19
- Launch of Payment Business in USA, Oman, and Saudi Arabia
- Kumar Srinivasan inducted into the leadership team of Infibeam Avenues as CEO of credit card issuance business

Past Few Prestigious Awards Conferred

- Mr Vishwas Patel, Executive Director, Infibeam Avenues received Entrepreneur of The Year Award in Service Business - SaaS & IT Services by Franchise India & Entrepreneur Media
- Best Digital Payment Processor at India Digital Summit 2020, by IAMAI
- Best Digital Payment Facilitator at Driver of Digital (DOD) Awards and Summit 2019
- Most Innovative Payment Service Provider and Fastest Growing Online Payment Service Provider – UAE, International Finance Awards 2019
- Risk Management Team of the Year -ERM World Awards 2019, by Transformance Forums
- Best Workplace of the Year: Employee Experience & Engagement Awards 2019
- CCAvenue recognized as Superbrand 2019 (Superbrands India)

About Infibeam Avenues Limited

Infibeam Avenues Limited is one of the leading global financial technology company offering digital payment solutions and enterprise software platforms to businesses and governments across industry verticals. The company's payment solution provides over 200 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 processes transaction worth INR 900 billion for its 1 million+ clients across digital payments and enterprise software platforms. The company's vast clientele includes merchants, enterprises, corporations and governments in both domestic (India) as well as international markets. Infibeam Avenues' international operations are based in the United Arab Emirates with recent launches in the Kingdom of Saudi Arabia and the United States of America.

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For more information on the company, please go to, www.ia.ooo and www.ccavenue.ooo