



Infibeam Incorporation Limited Reports Stellar Performance with Highest Ever Profits in Q3FY17

Ahmedabad 13th February, 2017: Infibeam Incorporation Limited (BSE: 539807; NSE: INFIBEAM), announced financial result for the third quarter of the financial year 2017. The company has reported highest ever profit in Q3 attributed by excellent growth of its Service business segment.

Financial Performance Highlights –

Total Revenue:

- *Q3FY17 grew by 14% to Rs 1,027 Mn compared to Rs 901 Mn in Q3 FY16*
- *9 Months FY17 grew by 23% to Rs 3,205 Mn compared to Rs 2,614 Mn in 9 Months FY16.*

Service Revenue:

- *Q3FY17 grew by 49% to Rs 402 Mn compared to Rs 270 Mn in Q3 FY16*
- *9 Months FY17 grew by 40% to Rs 1060 Mn compared to Rs 755 Mn in 9 Months FY16.*

Product Revenue:

- *Q3FY17 down by 1% to Rs 625 Mn compared to Rs 631 Mn in Q3 FY16*
- *9 Months FY17 grew by 15% to Rs 2,145 Mn compared to Rs 1,859 Mn in 9 Months FY16.*

EBITDA:

- *Q3FY17 grew by 348% to Rs 212 Mn compared to Rs 47 Mn in Q3FY16*
- *9 Months FY17 grew by 205% to Rs 594 Mn compared to Rs 195 Mn in 9 Months FY'16.*

PROFIT AFTER TAX:

- *Q3FY17 grew by 2411% to Rs 128 Mn compared to Rs 5 Mn in Q3FY16*
- *9 Months FY17 grew by 326% to Rs 307 Mn compared to Rs 72 Mn in 9 Months FY16.*



Business Highlights for Quarter Ended December 31, 2016

Service Segment: Distributed E-Commerce Market Place, an E-commerce enabler Platform for Merchants.

The Company's Distributed E-Commerce Market Place segment revenue growth has been significant and has grown by 49% to Rs 402 Mn in Q3FY17 compared to Q3FY16. The growth is attributed to strong demand for distributed market place platform & digital services from domestic and international market and other emerging markets. The number of merchants comprising of Enterprise, SME's & MSME's on BuildaBazaar platform has increased to 66,109 up by 36% compared to previous year.

Q3 FY'17 Service Segment Operational highlights

- Number of Merchants – 66,109 [Y-o-Y 17,385: growth of 36% & Q-o-Q 4,861: growth of 8%]
- Service Revenue – Rs. 402 mn [Y-o-Y Rs. 132 Mn: growth of 49% & Q-o-Q Rs 66 Mn: growth of 20%]
- % Service revenue growth compared to Q3FY16 [Y-o-Y growth of 49%]

Product Segment: Market Place, E-Retailing Platform

The Company's E-Commerce Retail Segment growth is marked down by 1% to Rs. 625 Mn in Q3FY17 compared to Q3FY16. The impact of withdrawal of Cash on Delivery or CoD services led to this muted performance in Q3FY17 for most of the e-commerce retailers. Infibeam must be among the least affected company in the given scenario. The business has picked up since then and in Q4FY17, the company is expected to see normal performance in ecommerce retailing business. There has been a shift noticed in consumer's behaviour as consumers have moved to cashless payment methods using the digital payment instruments. Infibeam's e-commerce retailing grows steadily in B2C space with neutral performance. The bigger brands are reportedly growing with losses, however Infibeam is careful in not burning cash while focussing on value sales.

Q3 FY'17 Product Segment Operational highlights

- Number of Active users – 8.11 Mn [Y-o-Y 0.31 Mn: growth of 4% & Q-o-Q 0.13 Mn: growth of -1.6 %]
- Product Revenue – Rs 625 Mn [Y-o-Y Rs -6 Mn: growth of -1% & Q-o-Q Rs 186 Mn: growth of -23%]
- % growth compared to Q3 FY16 of - 1%



Consolidated Financial Highlights: Q3FY17 vs. Q3FY16

In Mn	Q3 FY17	Q2 FY17	Q-o-Q (%)	Q3 FY16	Y-o-Y (%)
Total Revenue	1,027	1,147	-10%	901	14%
Service Revenue	402	336	20%	270	49%
Product Revenue	625	811	-23%	631	-1%
EBITDA	212	213	-1%	47	348%
<i>Margin (%)</i>	<i>21%</i>	<i>19%</i>		<i>5%</i>	
Profit Before Tax	153	136	12%	3	4676%
<i>Margin (%)</i>	<i>15%</i>	<i>12%</i>		<i>0%</i>	
Profit After Tax	128	80	60%	5	2411%
<i>Margin (%)</i>	<i>12%</i>	<i>7%</i>		<i>1%</i>	
Basic EPS	2.4	1.51	59%	0.12	1900%

New Business Development

- **Entered into Memorandum of Association (“MOU”) with Avenues (India)**

Infibeam has entered into an MOU with Avenues India Private Limited (“CC Avenue”) for investment of Rs 150 Cr for acquisition of 7.5% equity shares of CC Avenue over and above the 3.85% of Equity Shares held by wholly owned subsidiary of Infibeam. Subsequently, amalgamation of CC Avenue into Infibeam by issuance of fresh shares subject to due diligence and regulatory approvals.

CC Avenue is the one of the largest, payment aggregator company, providing payment platform to more than 100,000 merchants helping them to collect online payments in e-tailing in India. Infibeam has more than 66,000 merchants at the end of Q3FY17, who are availing e-tailing solutions from the company. With payment platform of CC A, Infibeam is a unique one-stop-solution provider in the e-commerce segment providing Purchases to Payments solutions under one roof.



Infibeam caters to B2E, B2B and B2C segment of business for its customers. Integration of Payment platform with logistic & warehousing, ad and domain registry along with data centre and data analytics, the value added services provided by Infibeam makes a full circle in providing all services under one roof to the customers.

CC Avenue holds a pioneering set up with more than 15 years of experience in digital payments platforms. They offer multi-channel payment platform with tie ups with more than 48 banks for net banking with UPI [Unified Payment Interface], Debit & Credit card payments covering Masters, VISA and RuPay among others. CC Avenue will soon have Bharat Bill Payments Systems which will facilitate all bill payments for utilities and services among others.

The merger of CC Avenue into Infibeam will be highly cash and profit accretive business which will result in to a high growth opportunity under combined strength of more than a lac merchants. Further details will be worked out for creating operating synergising for domestic and international markets which will result in quantum growth in the business of Infibeam.

- **Signed Agreement with American Holding Company, Sears Holding Management Corporation (“SEARS”) to provide e-commerce platform services.**

As part of international expansion strategy, the company has executed an agreement with Sears Holdings Management Corporation (“SEARS”), an American Holding Company and the owner of retail store brands like Sears and Kmart etc. Infibeam will provide e-commerce platform services including advanced machine learning algorithms for enabling automated Products Classification at Sears Marketplace. The Company has started working on the platform and believes that it will contribute to the overall revenue significantly in subsequent quarters. Sears is a leading integrated retailer focussed on seamlessly connecting digital and physical shopping experience.

- **Infibeam to establish Unique & Verified Digital Identity Platform on the .000 Domain for Sikkim State**

Infibeam Incorporation Limited has received confirmation from the Government of Sikkim to provide a "Unique & Verified Digital Identity Platform" ("Digital Services") on .000 global top level domain (gTLD) with authorized and secured digital wallets for Indians residing in the State of Sikkim. As a part of this program, Infibeam to provide a platform for creation of digital web identity for citizens residing in the State of Sikkim ("Users") to enable access and digital storage of their own citizen centric records. Furthermore, Users will also get benefited by way of getting a free email address for their primary use, free personal web store for commerce and revenue generation opportunity, free 10 GB cloud storage, as well as integrated Digital wallet. Infibeam will also develop dedicated tourism portal for tourists visiting the State of Sikkim from all over the world.



- **Infibeam signed MoU with IL&FS for implementing digital projects**

Infibeam Incorporation Limited 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. 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 FY17

- **Issuance of Fully Convertible Warrant into Equity Shares**

The Board of Directors in their meeting held on January 24, 2017 approved issue of one warrant fully convertible into equity shares for an aggregate amount not exceeding Rs. 60 crores (Rs. sixty crores) to a body corporate other than the Promoters and Promoter Group i.e. Bennett Coleman and Company Limited ("BCCL"), on preferential issue basis at a conversion price of Rs.1,375/- per Equity Share (including premium) or at a price determined in accordance with the SEBI (ICDR) Regulations, whichever is higher as per Chapter VII of SEBI (ICDR) Regulations, 2009 as amended. The Company would hold its Extra Ordinary General Meeting on shareholders on February 22, 2017 for approving the same

As on 13th February, 2017 the stock price of the company is Rs 1369.40 and the market capitalization of Rs 7312.33 cr.

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