

Media Release

Infibeam Avenues Limited Announces Financial Results for Q2 and H1 FY23

Highest ever consolidated quarterly Gross Revenue up 53% and PAT jumped by 123%; YoY

Highest ever quarterly TPV of INR 1 lac crore¹, up 44% YoY

Infibeam Avenues Ltd to explore plans to build buyers & sellers apps for merchants – MSMEs, SMEs, Large Companies & Kirana stores to facilitate their integration with ONDC (Open Network for Digital Commerce) along with payments.

Received in-principle approval from RBI to operate as Payment Aggregator

Gandhinagar, November 04, 2022 – India’s first listed platform and payments infrastructure company, Infibeam Avenues Limited (“Infibeam” or “The Company” or “IAL”), (BSE: 539807; NSE: INFIBEAM), has today announced its financial results for the quarter ended September 30, 2022.

Standalone Financial Highlights (INR crore)

Standalone comprises: India Payments + Platforms incl. Govt. e Marketplace (GeM)

Particulars	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 FY22	Y-o-Y
TPV ²	85,207	60,125	42%	1,65,243	1,07,305	54%
India Payments NTR	7.2	4.8	51%	7.1	5.1	40%
Gross Revenue (GR)	435	284	53%	813	477	70%
Net Revenue (NR)	70	56	25%	134	102	31%
PAT	47	15	215%	70	25	184%
as % of NR	67%	27%	-	52%	24%	-

Consolidated Financial Highlights (INR crore)

Consolidated comprises: Standalone + Intl. Payments + Majority owned subsidiaries + share of associates

Particulars	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 FY22	Y-o-Y
TPV ²	92,612	64,313	44%	1,79,830	1,14,964	56%
Total Payments NTR	7.5	5.3	45%	7.4	5.7	33%
Gross Revenue (GR)	477	311	53%	895	527	70%
Net Revenue (NR)	79	61	29%	152	113	34%
PAT	40	18	123%	62	31	100%
as % of NR	51%	29%	-	41%	28%	

Consolidated Other Financial Performance Highlights

- **Cash and bank** incl. short term investments as at Sep 30, 2022 – INR 315.5 crore, up 50% YoY
- **Cash flow from operations (CFfo)** H1 FY23 – INR 115 crore (Cash conversion ratio: 140%)
- **Capex** H1 FY23 – INR 16 crore, down 40% YoY (11% as percentage of Net Revenue)
- **Free Cash Flow** H1 FY23 (CFfo – Capex) – INR 99 crore (H1 FY23 annualised FCF per share = INR 0.73)
- **Debt** – Nil

¹ Total TPV incl. TPV of non-MDR based payment options

² TPV of MDR based payment options + GeM GMV

PAT includes divestment of stake in DRC Systems in the quarter.

The Company’s superior performance can be attributed to growing digital transactions that have led to record growth in TPV (from Payments and GeM), further complemented by an increase in gross take rate (GTR) and net take rate (NTR). Improving business mix- rise in contribution from profitable COVID-impacted sectors and rise in credit card transactions- 47% contribution to India Payments TPV, are among the key reasons for the increase in GTR and NTR in the Payments business. Additionally, a record GeM GMV of close to INR 40,000 crore in the quarter has led to strong performance in the Platforms business.

“Our strong performance in the first half of the year gives us the confidence to deliver higher than our stated guidance,” **said Mr. Vishal Mehta, Managing Director, Infibeam Avenues Ltd.**

Apart from the growth registered due to the surging payment transactions in the domestic market, the company has also witnessed a surge in its payment transactions from its international operations in the UAE, which is a very lucrative market. Among its various de-risking initiatives, the company plans to increase its penetration by expanding businesses in the international market. It is targeting to expand in 10-12 markets in the next few years. As part of this expansion, the company forayed into the Australian digital payment market. The company has also consolidated all its international business within its profitable UAE subsidiary to tap and expand its global digital payment market share aggressively.

“Infibeam is geared toward delivering superior growth and creating long-term value for all its stakeholders. Our solutions have global acceptability, and we are expanding our geographical footprints at a fast pace. The payment aggregator licence only strengthens our unique position in India. We are extremely excited about the next phase of growth that we will deliver through our comprehensive omnichannel solutions and are fully geared to take this organisation to the next level”, **said Mr. Vishal Mehta, Managing Director, Infibeam Avenues Ltd.**

“We are uniquely positioned in the payments ecosystem and will continue to provide differentiated products and services to our merchants and banks. The company plans to ramp up its offline business through CCAvenue mobile app (SoftPoS) featuring India’s first pin-on-glass solution CCAvenue TapPay, by penetrating the hinterlands of India as well as offering it internationally, thereby increasing the offline contribution to 20-25% of the INR 7.5-8.0 lac crore Payments TPV by FY25”, **said Mr Vishwas Patel, Executive Director, Infibeam Avenues Ltd.**

The Board has also discussed the company’s plans to explore participation in the Government of India’s Open Network for Digital Commerce (ONDC) to build buyers & sellers’ apps for merchants – MSMEs, SMEs, large companies & Kirana stores to facilitate their integration with ONDC, along with payments.

Infibeam plans to offer ONDC integration services to its 7 million plus merchants and enable them on ONDC, as per the protocol.

“Infibeam Avenues will play a role of an enabler, where it will facilitate and ensure the merchants – MSMEs, SMEs, large companies and even Kirana stores, get connected with the ONDC network and thus enabling them to expand further their business horizon for their imminent future commerce, where most of the businesses and customers will have embraced e-commerce/digital marketplace as part of their daily life,” **said Mr. Vishal Mehta, Managing Director, Infibeam Avenues Ltd.**

Currently, 7.3 million merchants are on Infibeam’s platform (double from last year), which increased at an average of 8,500 per day in Q2 FY23. This could further grow due to the mass adoption of digital services. This merchant base, along with the transactional insights we generate from their transactions, will help us to monetise on this rich data by offering financial services to merchants in the form of invoice discounting, bill discounting, working capital loans and other services.

“With additional growth drivers such as consistently converting EBITDA into free cash, debt-free company and a major Capex cycle behind, Infibeam is charting a focused growth strategy for the next 3-5 years. The changing fintech scenario with the rapid digitisation of transactions in India and the massive potential for further growth, the introduction of the 5G network and acceptance of sophisticated fintech products will provide impetus to the payment sector in the coming days that will benefit the company”, **said Mr. Vishal Mehta.**

Infibeam Avenues Ltd has also received ‘In-principle’ approval from RBI to operate as a Payment Aggregator. The company now holds two coveted licenses, including Bharat BillPay Biller & Customer Operating Unit license. Through its subsidiary, the company is also part of a consortium awaiting another coveted license, the retail payment network (NUE) license to offer a payment network in India and globally

Key Business Highlights for Q2 FY23:

- Company to raise INR 162 crore through preferential allotment to VYBE Ventures, owned by Executive Director, Mr. Vishwas Patel and his relative(s), at an issue price of INR 17. An amount upward of INR 40 crore (25%) has already been received by the company, as committed, and the rest will be received within 18 months.
- Almost 15,000 terminals deployed with CCAvenue TapPay solution in India. Company targets to reach 100,000+ by the end of FY23 and 1 million+ by FY24.
- Made an investment in a software startup, Vishko22 Products & Services Pvt Ltd, to develop omnichannel enterprise software products and services for B2B eCommerce players in India and globally.
- Launched Payments business in Australia. Targeting to commercially offer to merchants there before the closing of FY23, upon fulfilling all the local compliances.
- Also targeting to commercially start payments business in Saudi Arabia before the end of FY23.
- Consolidated all international businesses (Saudi, USA, Australia) to aggressively penetrate the global digital payment and payment infrastructure market.
- Bill Payments: Processed >27 million bills in Q2, up 26% YoY. Number of agents increased to nearly 930,000. Gross margin (Net Revenue ÷ Gross Revenue) in the business improved to >40%.
- Hospitality Payments: >3,500 hotels contributed to 3,100 avg. daily room nights booked in Q2

About Infibeam Avenues Ltd.

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 2.8 trillion (US\$ 37 billion) in FY22. Company currently has over 7 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, Kingdom of Saudi Arabia, Australia and the United States of America. We also have business presence in Oman working with two of the largest banks in the country.

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