

# Just Dial Limited

Local Presence National Essence



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**BUY @ CMP INR 1,008**
**Target: INR 2,920 in 24 months**
**Upside Potential: 190%**

## Local Presence National Esesence

**Business Model:** Revenue generation from listing fees & subscription packages, On-demand services (JD Xperts), Take rates from B2B platform JD Mart & others.

**Just Dial Limited (JD) is a one-of-its-kind listing services player in the Indian market, competing with platforms like Google and Bing. JD Xperts faces competition from The Urban Company, while JD Mart's B2B platform has India Intermesh as a peer. All these businesses have strong tailwinds with low penetration & competitive intensity, hence double-digit growth over the medium term should be easily achievable.**

- **Given the focus on Tier-II & Tier-III cities, we expect revenues to grow at a CAGR of 16.2% to INR 1,635cr driven by:**
  - 12.3%/44.9% CAGR growth in the Listings verticals to INR 1,459cr
  - 44.9% CAGR growth in the Transactions verticals to INR 176cr
- **With operating leverage playing out (due to increasing automation) we expect gross profits/EBITDA/net earnings to grow at a CAGR growth of 35.7%/42.8%/24.8% to INR 808/631/705cr by FY27E, respectively.**
- **Consequently, margins are set to expand with EBITDA% reaching 38.6% (+1,783bps) & net margins expanding to 43.1% (+831bps). Return Ratios RoE & RoCE are set to expand with RoE% reaching 12.4% (+342bps) & RoCE% reaching 7.4% (+407bps).**

**Valuation Call:** We initiate coverage on the stock for a price target of 2,920 over the next 24 months with a potential upside of 190% from the CMP of 1,008. The cash pile of INR 4,625 cr (54% of the market cap) offers significant comfort.

### Risk to our Estimates:

- Slower than expected revenue growth of listing services considering the competition
- JD Xperts not garnering traction on expected lines.

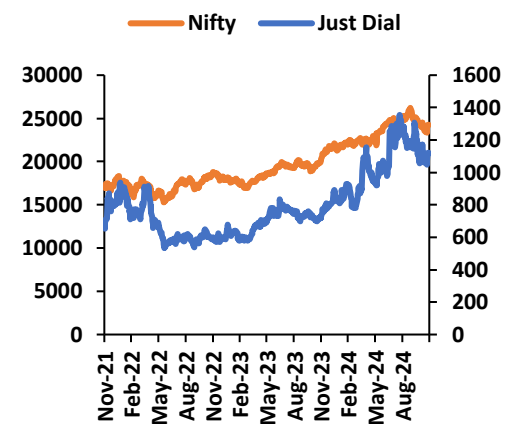
**Industry** I.T. Services

**Scrip Details**

Face Value (INR)	10.0
Market Cap (INR Cr)	8,572
Price (INR)	1,008
No of Sh O/S (Cr)	8.50
3M Avg Vol (Cr)	373.02
52W H/L (INR)	1,395 / 718
Dividend Yield (%)	0.00

**Shareholding (%)** Jun 2024

Promoter	74.15
Institution	16.19
Public	9.66
<b>TOTAL</b>	<b>100.00</b>

**Price Chart**


### Key consolidated financial data (INR Cr, unless specified)

	Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY23	845	86	163	10.2	19.3	19.1	431.2	4.4	1.3	59.1	64.7
FY24	1,043	217	363	20.8	34.8	42.7	473.1	9.0	3.3	26.5	23.1
FY25E	1,202	349	463	29.1	38.6	54.5	527.6	10.3	4.9	20.8	12.8
FY26E	1,400	475	574	33.9	41.0	67.5	591.8	11.4	6.1	16.7	8.1
FY27E	1,635	631	705	38.6	43.1	82.9	666.4	12.4	7.4	13.6	4.9

Source: Ventura Research

## Why Justdial?

### Market leadership in the local search engine industry in India, enabling SMEs to broaden their visibility

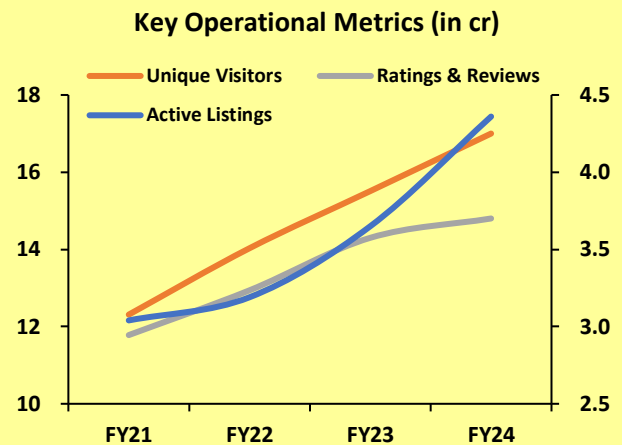
Justdial is the largest local search engine in India, with services spanning over 11,000 pincodes in more than 250 cities across the nation. Its pan-India presence enables the company to connect businesses across India. Justdial helps SMEs improve their visibility by providing an online presence and digital footprint for their traditional offline businesses.

### Gradual diversification away from its core listing business into avenues like On-demand services

For FY24, approximately 97% (INR 970 cr) of Justdial's total revenue (INR 1,043 cr) came from its core listing business. Going forward, Justdial plans to expand its horizons by entering new avenues such as on-demand services (JD Xperts), B2B marketplace (JD Mart), and cloud-hosted business solutions (JD Omni).

### Consistently improving Key Performance Indicators (KPIs) which reflect financial strength & stability

Justdial's operating metrics have been consistently improving, as clearly evidenced by the chart shown beside. From around 3 cr in FY21, Justdial's active listings have increased by 40% over three years, reaching approximately 4.4 cr in FY24. Its average unique quarterly visitors have improved from 12.3 cr in FY21 to around 17 cr in FY24, reflecting an overall increase of around 39% over the same period. Additionally, its total ratings and reviews have grown by 25%, from 12 cr in FY21 to 15 cr in FY24. Overall, it can be said that all of Justdial's operating metrics have been improving consistently, reflecting its financial resilience and stability.



## Valuation

Justdial consistently generates stable cash flows with minimal capex. Consequently, we have applied the DCF methodology to calculate the intrinsic value for FY27E.

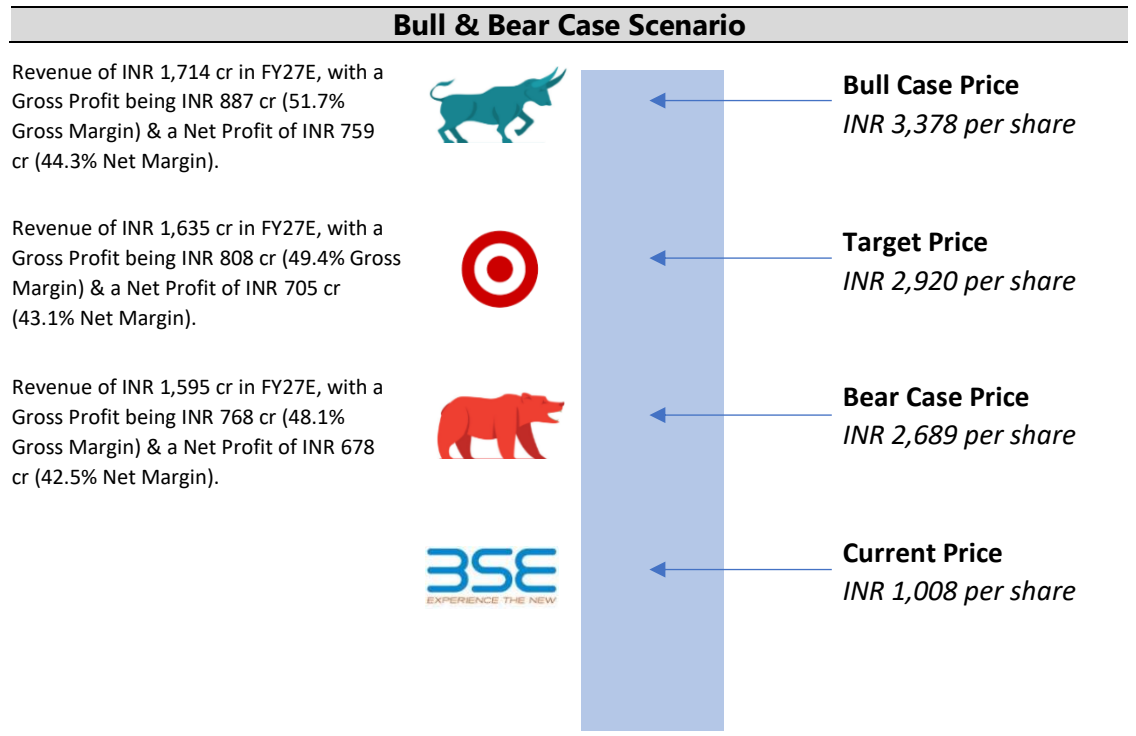
Using the DCF methodology, we have arrived at the FY27E final valuation of INR 2,920 per share (35.2X FY27E P/E).

Fig in INR cr, unless specified	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
FCFF	845.6	1,090.2	1,393.1	1,667.0	1,963.7	2,126.5	2,103.1	2,103.2	2,049.4
Discount Factor @ 11.6% WACC	1.00	0.89	0.80	0.72	0.64	0.57	0.51	0.46	0.41
Discounted FCFF	845.6	975.6	1,115.6	1,194.5	1,259.2	1,220.2	1079.9	964.4	842.7
Total of Discounted FCFF	36.6								
Terminal Value @ 2% growth	9,499								
Present Value of Terminal Value	8,815								
Enterprise Value	18,315								
Net Debt	(6,518)								
Intrinsic Value	24,833								
Per Share Price (INR)	2,920								

### Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for the FY27 price, based on revenue growth & margin expansion.

- Bull Case:** The revenue of the company is expected to grow at a CAGR of 18% for FY24-FY27E & the margin is expected to expand by approximately 947bps from 34.8% to 44.3% for FY24-FY27E.
- Bear Case:** The revenue of the company is expected to grow at a CAGR of 15% for FY24-FY27E & the margin is expected to expand by approximately 768bps from 34.8% to 40.2% for FY24-FY27E.



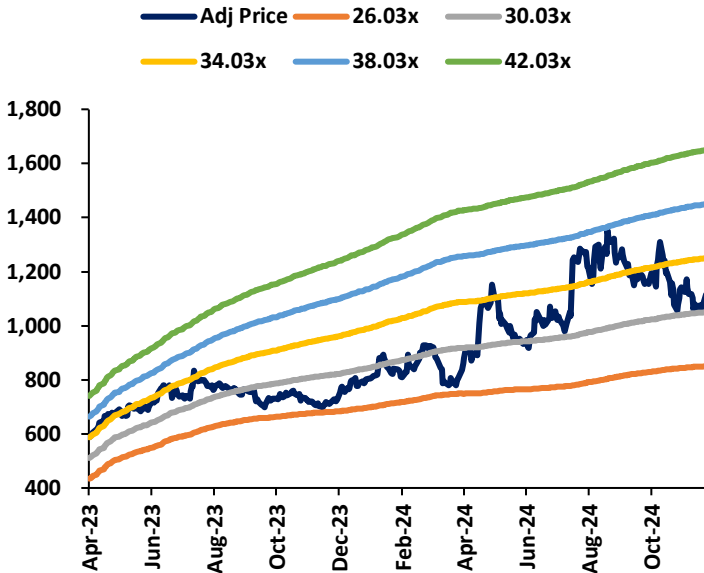
Source: BSE & Ventura Research

### Consensus vs Ventura Estimates

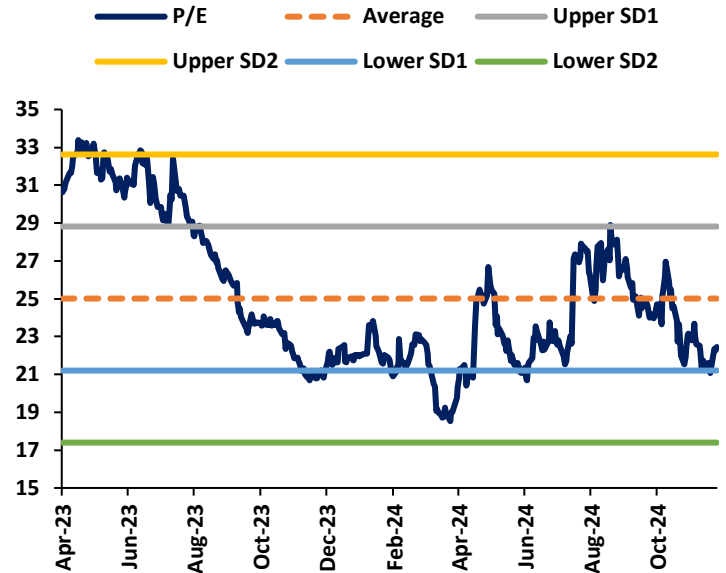
Consensus vs Ventura Estimates					
Consensus vs Ventura Estimates	FY24	FY25E	FY26E	FY27E	FY24-27E CAGR (%)
<b>Revenue (INR cr)</b>					
Consensus	1,042.9	1,161.0	1,289.8	1,445.9	11.5
<i>YoY Growth (%)</i>		11.3	11.1	12.1	
Ventura Estimates	1,042.9	1,202.0	1,400.1	1,635.1	16.2
<i>YoY Growth (%)</i>		15.3	16.5	16.8	
<b>EBITDA (INR cr) &amp; EBITDA margin (%)</b>					
Consensus	216.6	330.2	378.5	424.6	25.2
<i>Consensus Margin (%)</i>	20.8	28.4	29.3	29.4	
Ventura Estimates	216.6	349.4	474.9	631.1	42.8
<i>Ventura Margin (%)</i>	20.8	29.1	33.9	38.6	
<b>Net Profit (INR cr) &amp; Net margin (%)</b>					
Consensus	362.9	556.3	506.1	534.0	13.7
<i>Consensus Margin (%)</i>	34.8	47.9	39.2	36.9	
Ventura Estimates	362.9	463.4	574.3	704.9	24.8
<i>Ventura Margin (%)</i>	34.8	38.6	41.0	43.1	
<b>Valuation</b>					
<b>P/E Ratio (X)</b>					
Consensus	26.6	16.5	18.2	17.2	
Ventura Estimates	26.6	20.8	16.8	13.7	

**Strong growth outlook, improving profitability and healthy balance sheet could re-rate the valuation**

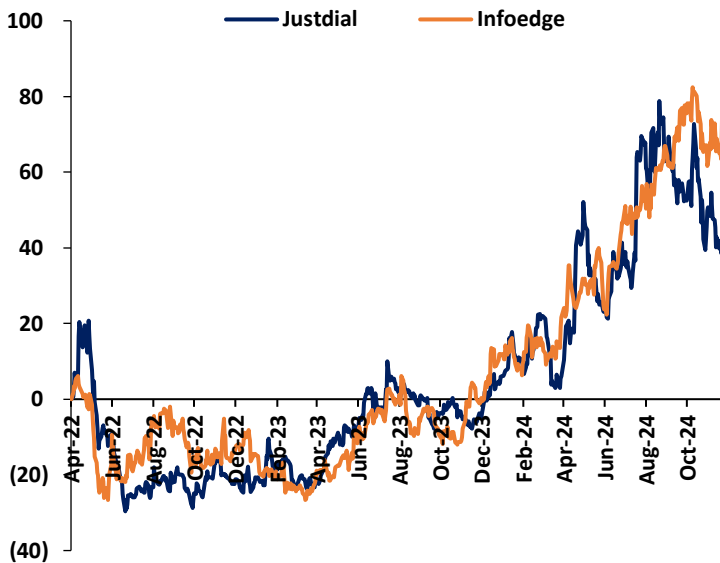
1 year forward P/E band chart



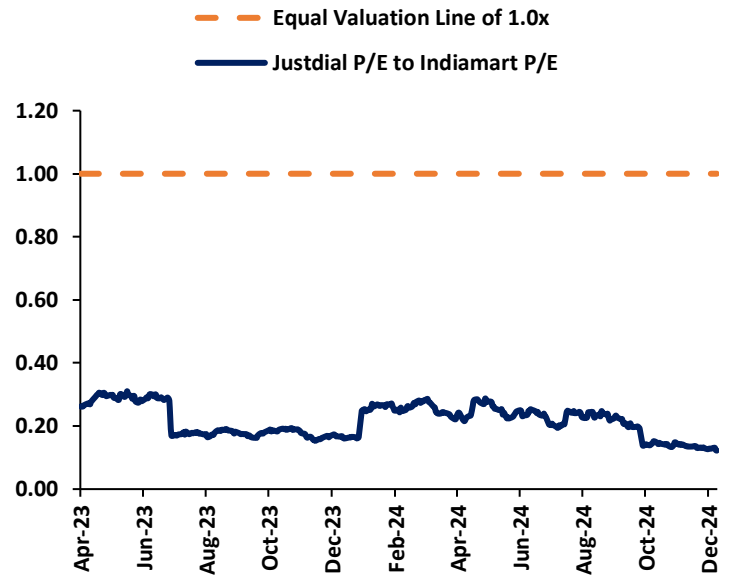
1 year forward P/E and its standard deviation



Price Performance: Justdial v/s Infoedge



Market Leader available at a discount



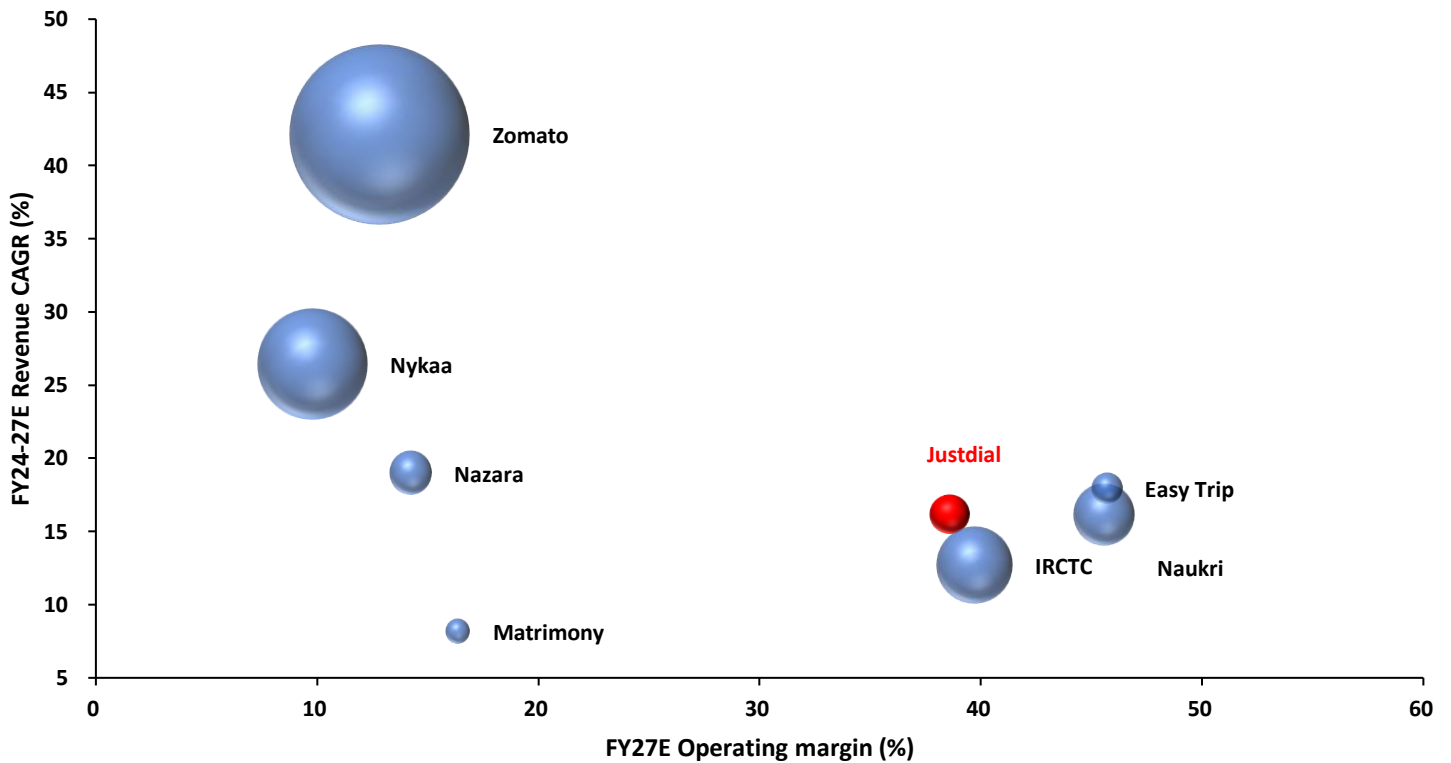
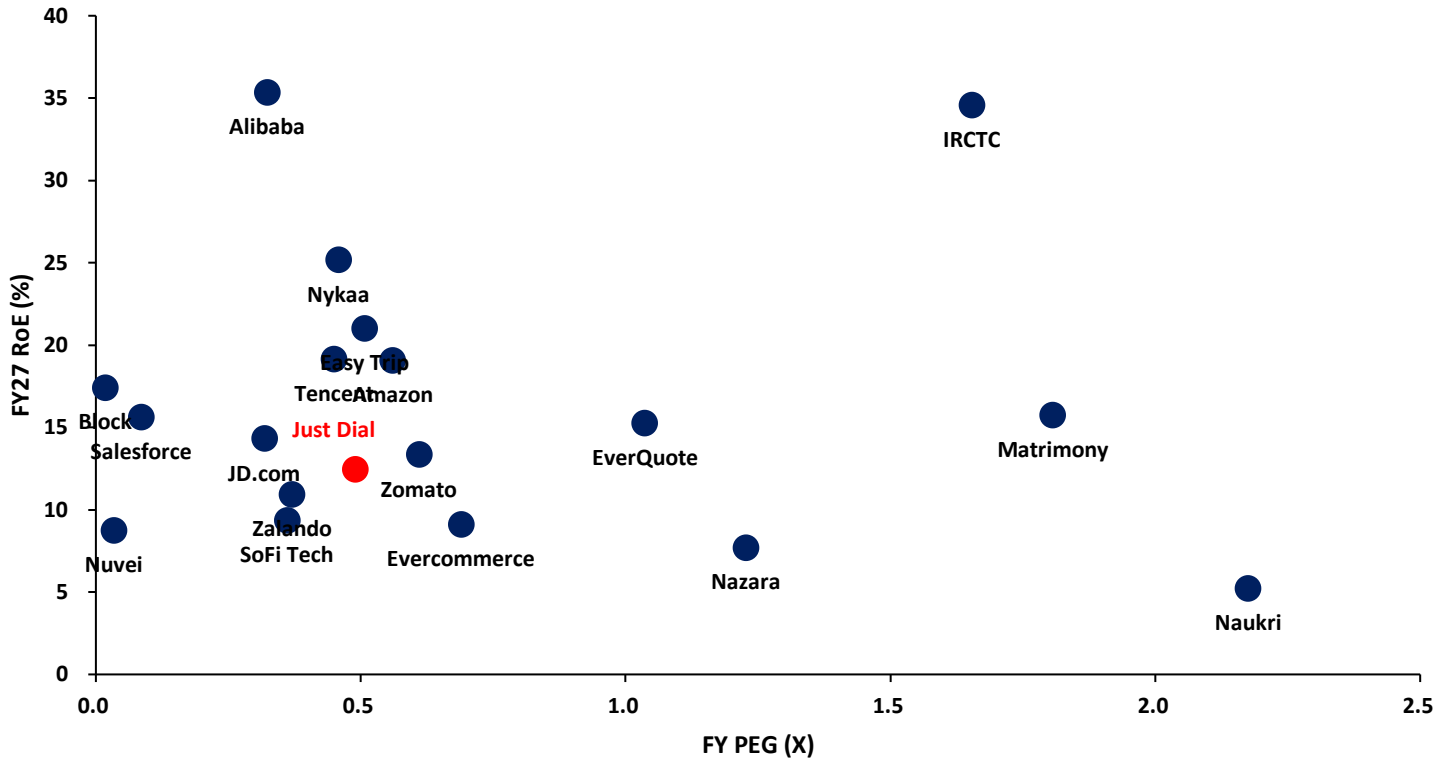
Source: Ventura Research, \*As there are no directly comparable peers of Justdial, we have taken companies with very prominent digital presence



### Valuation and comparable metrics of domestic and global companies

Company Name	Mkt Cap	Price	PEG (X)	P/E (X)			EV/Sales (X)			EV/EBITDA (X)			RoE (%)			RoIC (%)			Sales			EBITDA Margin (%)			Net Margin (%)		
				2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
Domestic Peers (fig in INR cr, unless specified)																											
Just Dial	8,572	1,008	0.5	18.5	14.9	12.2	2.9	2.0	1.3	9.8	5.9	3.3	10.3	11.4	12.4	(212.5)	(385.3)	(548.6)	1,202	1,400	1,635	29.1	33.9	38.6	38.6	41.0	43.1
FSN E-Commerce Ventures	49,379	173	0.5	265.0	127.7	77.9	6.1	4.9	3.8	88.5	56.7	39.0	12.6	20.4	25.1	16.4	26.9	37.2	8,127	10,240	12,895	6.9	8.6	9.8	2.3	3.8	4.9
Zomato	281,694	292	0.6	232.5	110.2	74.0	14.5	10.5	7.7	254.8	104.1	60.2	5.5	10.4	13.3	3.6	11.8	25.2	18,922	26,168	34,767	5.7	10.1	12.8	6.4	9.8	10.9
Info Edge India	114,918	8,868	2.2	123.4	97.3	78.9	40.0	33.6	27.9	101.3	79.2	61.1	3.6	4.4	5.2	3.7	5.0	6.8	2,824	3,335	3,973	39.5	42.4	45.6	33.0	35.4	36.6
IRCTC	65,056	813	1.7	48.2	38.3	33.6	13.0	11.1	9.9	36.3	28.4	25.0	34.4	34.8	34.6	40.6	41.0	40.8	4,802	5,528	6,112	35.7	39.1	39.7	28.1	30.7	31.7
Nazara Technologies	8,046	1,051	1.2	72.1	59.7	44.6	5.3	4.3	3.4	38.6	29.3	24.1	5.3	6.1	7.7	10.1	15.3	22.6	1,332	1,603	1,918	13.7	14.5	14.2	8.4	8.4	9.4
Easy Trip Planners	5,986	17	0.5	27.5	22.8	20.8	7.9	6.7	6.1	17.0	14.6	13.3	26.5	24.2	21.0	40.6	35.7	30.4	749	881	969	46.3	45.7	45.7	29.1	29.7	29.7
Matrimony.com	1,472	661	1.8	25.4	21.9	21.3	3.0	3.5	3.3	18.8	20.8	19.9	16.6	16.5	15.7	11.1	6.4	7.7	522	574	610	16.1	16.6	16.4	11.1	11.7	11.4
Global Peers (fig in USD mn, unless specified)																											
Alibaba	219,925	11	0.3	19.7	10.7	9.5	1.1	1.3	1.1	5.9	7.1	6.0	7.8	13.9	14.7	25.8	16.1	18.4	131,313	142,414	154,417	17.9	18.1	18.6	8.5	14.5	14.9
Ebay Inc	31,629	63	(7.1)	13.0	12.9	12.0	3.4	3.2	3.0	10.9	10.2	9.4	40.2	38.6	35.3	31.2	31.9	34.4	10,312	10,681	11,116	31.0	31.6	31.9	23.6	22.9	23.7
JD.com	44,901	15	0.3	8.5	7.8	7.2	0.2	0.2	0.2	5.3	4.3	4.1	16.5	16.1	14.3	22.0	24.7	19.8	159,267	168,680	177,855	4.1	4.3	4.5	3.3	3.4	3.5
Zalando SE	9,406	36	0.4	42.6	30.5	23.7	0.7	0.7	0.6	10.3	8.7	7.2	7.7	9.6	10.9	27.4	30.4	34.8	11,370	12,041	12,803	7.0	7.7	8.4	1.9	2.6	3.1
EverQuote Inc	823	22	1.0	64.5	29.1	21.3	1.8	1.2	1.0	17.2	11.6	9.3	9.2	15.1	15.3	15.4	21.3	21.5	405	548	621	10.6	10.7	10.5	3.1	5.2	6.2
Amazon.com Inc	2,008,542	192	0.6	34.1	27.8	23.3	3.2	3.0	2.7	15.3	13.6	11.7	21.4	20.1	19.1	18.8	17.7	17.9	635,492	704,713	781,729	21.2	21.7	22.9	9.3	10.2	11.0
Tencent Holdings	459,380	50	0.4	16.4	14.7	13.1	5.1	4.6	4.3	13.6	12.3	11.3	21.0	20.0	19.1	20.3	19.8	19.1	92,738	101,804	111,071	37.2	37.7	37.6	30.2	30.7	31.6
Salesforce.com	258,848	267	0.1	62.6	26.5	23.7	7.4	6.5	5.7	25.8	16.3	14.3	6.9	15.4	15.6	8.5	24.3	30.5	34,857	37,846	41,317	28.7	39.8	39.6	11.9	25.8	26.5
Evercommerce Inc	1,919	11	0.7	(115.8)	56.6	26.0	3.3	3.0	2.7	13.5	11.6	10.2	(2.2)	4.4	9.1	14.1	17.0	19.8	693	729	775	24.6	26.1	26.7	(2.4)	4.7	9.5
Zip Co	2,819	2	13.5	61.0	120.6	68.9	7.3	6.5	5.9	86.7	63.0	51.3	58.9	9.8	9.3	(0.2)	1.1	1.8	571	648	732	8.4	10.3	11.5	8.1	3.6	5.6
SoFi Technologies	9,267	8	0.4	59.2	29.2	15.7	3.5	2.5	2.0	14.2	8.4	5.7	2.6	5.1	8.7	3.5	8.5	15.5	2,457	2,840	3,425	24.9	30.0	34.8	6.4	11.2	17.2
Nuvei Corp	4,731	33	0.0	16.6	13.0	10.0	4.1	3.4	2.8	11.5	9.1	7.4	13.2	15.2	17.4	8.3	11.2	15.1	1,378	1,594	1,804	36.0	37.1	38.1	20.7	22.9	26.1
Block Inc	41,687	67	0.0	19.3	14.8	11.4	1.6	1.4	1.2	13.8	10.9	8.5	10.8	12.6	14.5	6.7	9.4	13.6	24,821	27,723	30,447	11.7	13.2	14.3	8.7	10.2	12.0

Revenue growth and margin expansion deserves re-rating in valuation



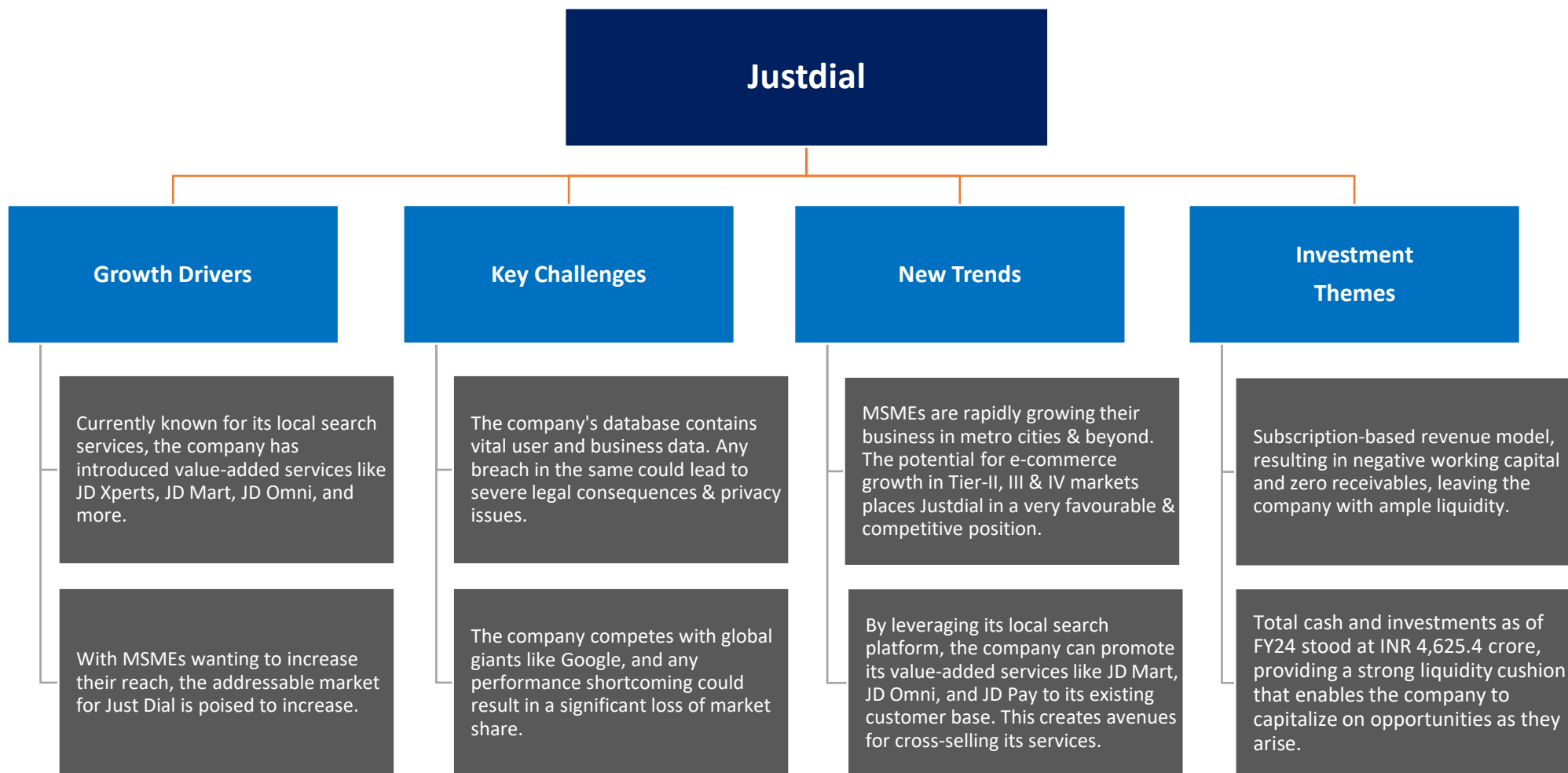
Bubble size represents the size of the companies' revenue

### Justdial's Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue from operations	647.0	844.8	1,042.9	1,202.0	1,400.1	1,635.1	1,948.5	2,343.0	2,755.2	3,193.4	3,555.5	3,744.7	3,880.5	3,955.8
<i>YoY Growth (%)</i>		30.6	23.5	15.3	16.5	16.8	19.2	20.2	17.6	15.9	11.3	5.3	3.6	1.9
Employee Cost	504.0	651.0	719.8	703.5	762.8	827.3	897.3	973.3	1,056.0	1,145.9	1,243.7	1,349.9	1,465.5	1,591.1
<i>Employee Cost to Sales (%)</i>	77.9	77.1	69.0	58.5	54.5	50.6	46.0	41.5	38.3	35.9	35.0	36.0	37.8	40.2
Other Expenses	145.1	108.0	106.6	149.1	162.4	176.8	194.8	215.6	233.8	249.6	274.8	289.9	301.9	310.6
<i>Other Expenses to Sales (%)</i>	22.4	12.8	10.2	12.4	11.6	10.8	10.0	9.2	8.5	7.8	7.7	7.7	7.8	7.9
EBITDA	(2.2)	85.8	216.6	349.4	474.9	631.1	856.4	1,154.1	1,465.3	1,797.9	2,037.0	2,104.9	2,113.1	2,054.0
<i>EBITDA Margin (%)</i>	(0.3)	10.2	20.8	29.1	33.9	38.6	44.0	49.3	53.2	56.3	57.3	56.2	54.5	51.9
PAT	70.8	162.7	362.9	463.4	574.3	704.9	888.6	1,127.6	1,375.3	1,640.5	1,834.1	1,902.3	1,923.1	1,895.2
<i>PAT Margin (%)</i>	10.9	19.3	34.8	38.6	41.0	43.1	45.6	48.1	49.9	51.4	51.6	50.8	49.6	47.9
Net Profit	70.8	162.7	362.9	463.4	574.3	704.9	888.6	1,127.6	1,375.3	1,640.5	1,834.1	1,902.3	1,923.1	1,895.2
<i>Net Margin (%)</i>	10.9	19.3	34.8	38.6	41.0	43.1	45.6	48.1	49.9	51.4	51.6	50.8	49.6	47.9
Adjusted EPS	8.3	19.1	42.7	54.5	67.5	82.9	104.5	132.6	161.7	192.9	215.7	223.7	226.1	222.9
<i>P/E (X)</i>	121.0	52.7	23.6	18.5	14.9	12.2	9.6	7.6	6.2	5.2	4.7	4.5	4.5	4.5
Adjusted BVPS	409.9	431.2	473.1	527.6	591.8	666.4	755.2	861.3	982.6	1,117.6	1,257.8	1,392.0	1,516.4	1,627.8
<i>P/BV (X)</i>	2.5	2.3	2.1	1.9	1.7	1.5	1.3	1.2	1.0	0.9	0.8	0.7	0.7	0.6
Enterprise Value	5,084.2	4,505.2	3,946.7	3,432.9	2,803.4	2,053.8	1,127.1	(4.0)	(1,284.3)	(2,706.2)	(4,135.4)	(5,419.4)	(6,596.8)	(7,637.1)
<i>EV/EBITDA (X)</i>	(2,353.8)	52.5	18.2	9.8	5.9	3.3	1.3	(0.0)	(0.9)	(1.5)	(2.0)	(2.6)	(3.1)	(3.7)
Net Worth	3,486.2	3,667.1	4,023.5	4,486.9	5,032.5	5,666.9	6,422.2	7,324.3	8,355.8	9,504.1	10,696.3	11,837.7	12,895.4	13,843.0
<i>Return on Equity (%)</i>	2.0	4.4	9.0	10.3	11.4	12.4	13.8	15.4	16.5	17.3	17.1	16.1	14.9	13.7
Capital Employed	3,486.2	3,667.1	4,023.5	4,486.9	5,032.5	5,666.9	6,422.2	7,324.3	8,355.8	9,504.1	10,696.3	11,837.7	12,895.4	13,843.0
<i>Return on Capital Employed (%)</i>	(0.8)	1.3	3.3	4.9	6.1	7.4	9.0	10.9	12.2	13.3	13.4	12.5	11.5	10.3
Invested Capital	(1.7)	(399.7)	(601.9)	(652.2)	(736.1)	(851.3)	(1,022.7)	(1,251.7)	(1,500.5)	(1,774.1)	(2,011.2)	(2,153.8)	(2,273.5)	(2,366.2)
<i>Return on Invested Capital (%)</i>	1,906.5	(13.4)	(28.3)	(45.1)	(55.8)	(65.5)	(75.7)	(84.9)	(91.0)	(95.2)	(95.4)	(91.8)	(86.9)	(80.7)
Cash Flow from Operations	39.0	178.8	259.1	624.4	770.7	934.7	1,177.2	1,477.5	1,748.6	2,042.4	2,202.8	2,178.2	2,177.3	2,123.1
Cash Flow from Investing	(2,186.5)	(163.4)	(229.8)	(560.8)	(606.8)	(546.0)	(581.7)	(620.2)	(591.6)	(626.0)	(582.5)	(611.4)	(551.7)	(574.3)
Cash Flow from Financing	2,109.3	(23.1)	(27.2)	(10.7)	(41.2)	(85.0)	(150.6)	(246.4)	(368.3)	(520.6)	(673.6)	(794.2)	(899.9)	(982.8)
Net Cash Flow	(38.2)	(7.7)	2.1	53.0	122.7	303.6	444.9	610.9	788.6	895.8	946.8	772.5	725.7	566.0
Free Cash Flow	30.2	165.7	252.8	532.4	680.0	845.6	1,090.2	1,393.1	1,667.0	1,963.7	2,126.5	2,103.1	2,103.2	2,049.4
<i>FCF to Revenue (%)</i>	4.7	19.6	24.2	44.3	48.6	51.7	56.0	59.5	60.5	61.5	59.8	56.2	54.2	51.8
<i>FCF to EBITDA (%)</i>	(1,399.8)	193.3	116.7	152.4	143.2	134.0	127.3	120.7	113.8	109.2	104.4	99.9	99.5	99.8
<i>FCF to Net Profit (%)</i>	42.7	101.8	69.6	114.9	118.4	119.9	122.7	123.5	121.2	119.7	115.9	110.6	109.4	108.1
<i>FCF to Net Worth (%)</i>	0.9	4.5	6.3	11.9	13.5	14.9	17.0	19.0	19.9	20.7	19.9	17.8	16.3	14.8
Total Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Debt	(3,488)	(4,067)	(4,625)	(5,139)	(5,769)	(6,518)	(7,445)	(8,576)	(9,856)	(11,278)	(12,707)	(13,991)	(15,169)	(16,209)
<i>Net Debt to Equity (X)</i>	(1.0)	(1.1)	(1.1)	(1.1)	(1.1)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
<i>Net Debt to EBITDA (X)</i>	1,614.8	(47.4)	(21.4)	(14.7)	(12.1)	(10.3)	(8.7)	(7.4)	(6.7)	(6.3)	(6.2)	(6.6)	(7.2)	(7.9)
<i>Interest Coverage Ratio (X)</i>	(4.7)	7.0	18.4	27.5	33.0	38.3	44.6	51.0	55.7	59.4	60.6	59.3	57.2	54.2

Source: ACE Equity, Company Reports & Ventura Research

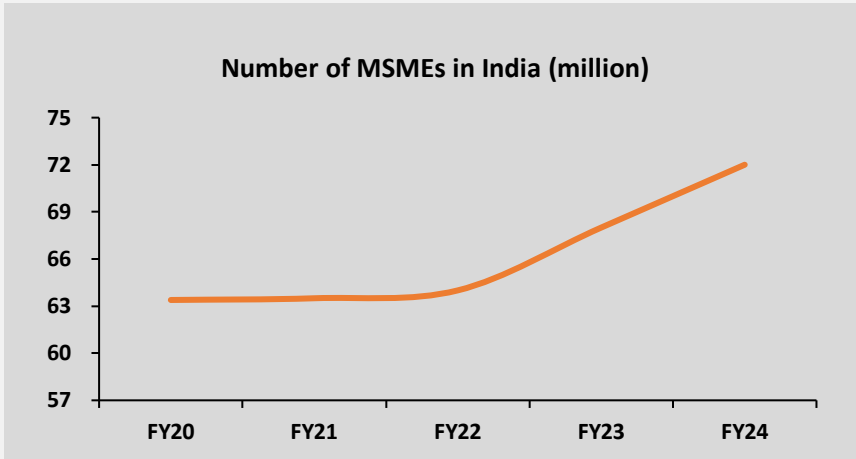
Justdial SWOT Analysis in a nutshell



**INDUSTRY OVERVIEW: MSME SECTOR IN INDIA**

The MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly to the economy and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. According to the Budget 2024 documents, INR 22,138 cr (US\$ 2.65 billion) has been allocated to the MSME Ministry, remaining unchanged from the previous year, while the budget for central sector schemes for MSMEs has increased marginally to INR 21,868 cr (US\$ 2.62 billion).

**Some Statistics showcasing the significance MSMEs hold in the development of India:**

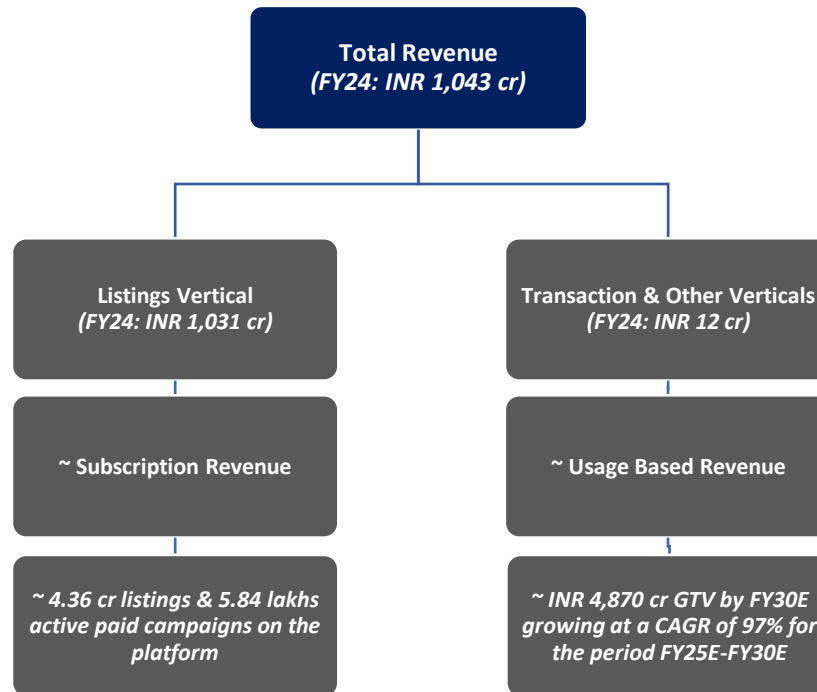


The number of MSMEs in the country is expected to grow from 6.3 crore, of which only 2.5 crore have ever availed credit from formal sources to approximately 7.5 crore in the coming times, growing at a projected CAGR of 2.5%. As India steadily approaches the threshold of becoming a \$5 Tn economy by 2026-27 & the trend of entrepreneurship increasing in India, MSMEs and the industries supporting their growth are poised to thrive.

## Justdial – Local Presence National Essence

The company provides a range of different value-added services for its diverse MSME clientele enabling them to increase their reach & optimize their operations.

### Justdial's Business Structure



Source: Company filings & Ventura research

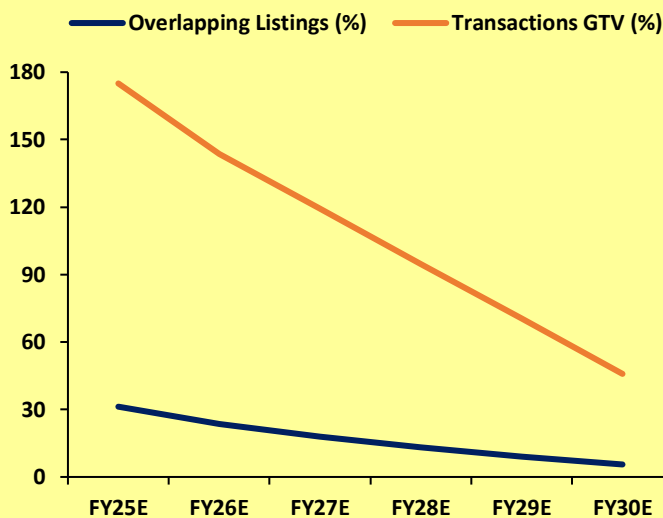
### JUSTDIAL'S OFFERINGS

1. **JD Listings Suite:** A one-stop destination for business discovery and consumer needs. The platform integrates various features such as location-based searches, 360-degree images, reviews, augmented reality (AR)-based shopping, and online booking. It includes JD Business, a part of the listings offering, is a dedicated platform tailored for SMEs, enabling them to manage inquiries, generate catalogs, and access real-time analytics on customer trends.
2. **Transactions & Others:**
  - **JD Xperts (Transactions):** An On-demand home services platform by Justdial, offering professional services like salon treatments, repairs, plumbing, pest control, and fitness sessions at customers' doorsteps.
  - **JD Ratings:** A verified ratings platform offering reliable feedback for businesses across diverse categories. Enhanced by AI tools, this platform ensures accurate, trustworthy insights into consumer reviews.
  - **JD Pay:** A secure, easy-to-use digital payment platform supporting various modes such as UPI, credit cards, and net banking.
  - **JD Analytics:** A robust dashboard that provides businesses with real-time data on customer interactions, insights on performance trends, and category analysis.
  - **JD Omni:** A cloud-based solution helping businesses digitize their operations, including order management, customer communication, and website creation.
  - **JD Mart:** An exclusive B2B marketplace for MSMEs, facilitating seamless connections between buyers and suppliers. The platform supports product discovery and leads generation for businesses. The online self-sign-up feature on the platform empowers businesses to list and manage their presence on JD Mart independently, accelerating lead generation and sales.

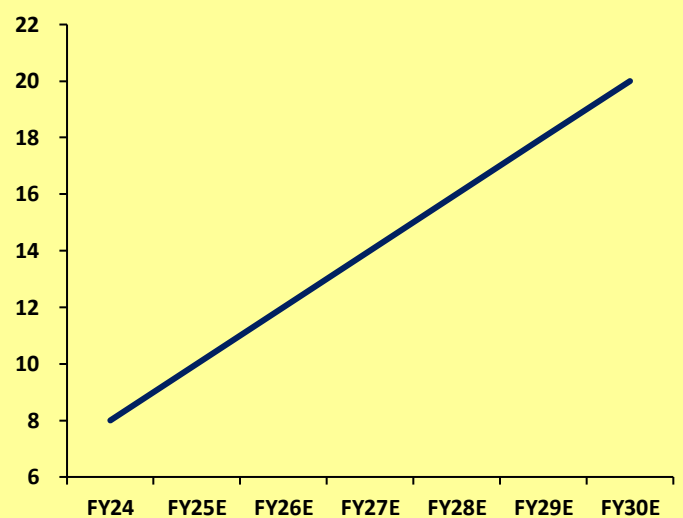
## How have we modelled Justdial's revenue?

- Justdial mainly operates through two key verticals: its legacy listings business and the newer JD Xperts (transactions) business. Both verticals generate revenue in different ways. The listings business earns revenue based on a per listing per annum model, where service providers pay a fee to be listed on the platform. On the other hand, JD Xperts earns a 20% commission (take rate) on the Gross Transaction Value (GTV) of services booked through the platform.
- These two businesses are designed to complement each other, but they also create a unique dynamic. In the listings business, service providers pay a premium to Justdial to appear at the top of search results for their category. This higher visibility allows them to attract more customers. In contrast, the JD Xperts business rewards service providers who offer the most reasonable prices, as these are the providers who are more likely to get selected by customers.
- This difference in approach can create a conflict when a service provider is present in both the listings and JD Xperts verticals. For example, a provider paying for premium placement in listings may lose visibility in JD Xperts if their pricing isn't competitive enough. To account for this, we introduced the concept of an "Overlapping Rate (%)" in our revenue model. This metric measures the percentage of service offerings that exist on both platforms in a given year.
- Using the Overlapping Rate, we have adjusted our revenue projections. As the company expands its JD Xperts business, the number of overlapping service categories is expected to increase. To reflect this trend, we project higher GTV from transactions in overlapping categories, as JD Xperts gains more traction. At the same time, we reduce the number of listings for these overlapping categories, recognizing that some providers may shift focus to JD Xperts due to its transactional nature.
- This approach ensures that our model accurately represents the complementary relationship between the two verticals while also capturing the company's growing emphasis on JD Xperts. By balancing these dynamics, we can better estimate the revenue potential from both businesses as they evolve.

Trends - Overlapping Listings & Transactions

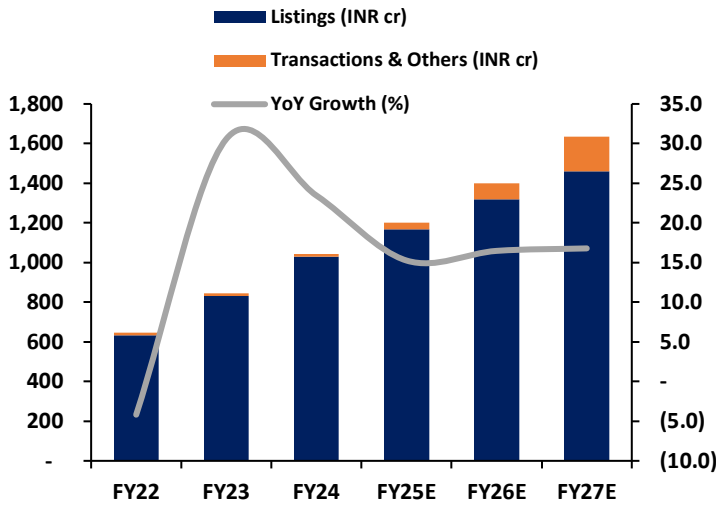


Overlapping Rate (%)

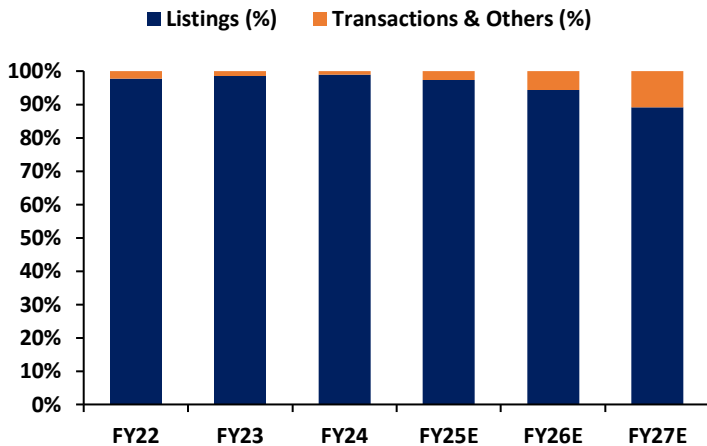


Source: Ventura Research

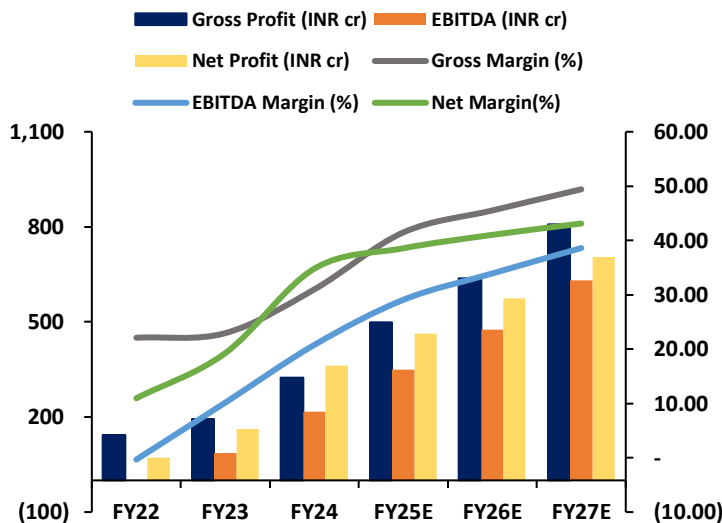
### Consolidated revenue performance



### Consolidated revenue share



### Consolidated profits & margins



Revenue is expected to grow at a CAGR of 16.2% to INR 1,635 cr during FY24-27E, driven by:

- 12.3% CAGR growth in listing revenues, driven by:
  - 9.4% CAGR growth in no. of listings on the platform to ~5.70 cr for the period FY24-FY27E.
  - 2.7% CAGR growth in revenue per listing per annum to INR 255.81 for the period FY24-FY27E.
- A staggering 145% CAGR growth in the revenue from transactions & other business segments of the company driven by 149% CAGR growth in the GTV of the Transactions Business to ~INR 928 cr for the period FY24-FY27E.

The company plans to prioritize its On-Demand Services Business, "JD Xperts" going ahead, referred to as the "Transactions Business" by us in this report. The Gross Transaction Value (GTV) of the platform is expected to reach approximately INR 928 crore by FY27E and INR 10,580 crore by FY35E. The company charges a 20% take rate on the GTV.

Gross Profits are expected to increase at a CAGR growth of 35.7% to INR 808 cr for the period FY24-FY27E. For the same period, gross margins are expected to increase by 1,842bps to 49.4%.

EBITDA is expected to increase at a CAGR growth of 42.8% to INR 631 cr for the period FY24-FY27E. For the same period, EBITDA margins are expected to increase by 1,783bps to 38.6%.

Net Profits are expected to increase at a CAGR growth of 24.8% to INR 705 cr for the period FY24-FY27E. For the same period, net margins are expected to increase by 831bps to 43.1%.



### Listing Business – Outlook going forward

Revenue for the listing business segment is expected to grow at a staggering CAGR of 12.3% for the period FY24-FY27E, to reach INR 1,458.7 cr. This growth is attributed to the following factors:

- The total number of listings on the platform is projected to grow at a CAGR of 9.4% to around 5.7 cr by FY27E.
- The revenue per listing per annum of the platform is projected to grow at a CAGR of 2.7% to around INR 255.81 per listing per annum by FY27E.

This is currently the core business of the company. The management intends to preserve its market leadership in this segment going ahead while expanding in other growth avenues.

### Listings – Key growth drivers for the business

#### (i) Expanding Digital Penetration

Increasing internet and smartphone penetration in India enables broader reach to untapped markets, especially in Tier 2 and Tier 3 cities.

#### (ii) SME Demand for Online Visibility

Growing awareness among small and medium enterprises (SMEs) about the importance of digital presence drives their need for Justdial's listing services to connect with potential customers.

#### (iii) Freemium and Subscription Models

Justdial's mix of free and premium listing options allows businesses to start with minimal cost and upgrade for enhanced visibility and features, making the platform accessible for all budget ranges.

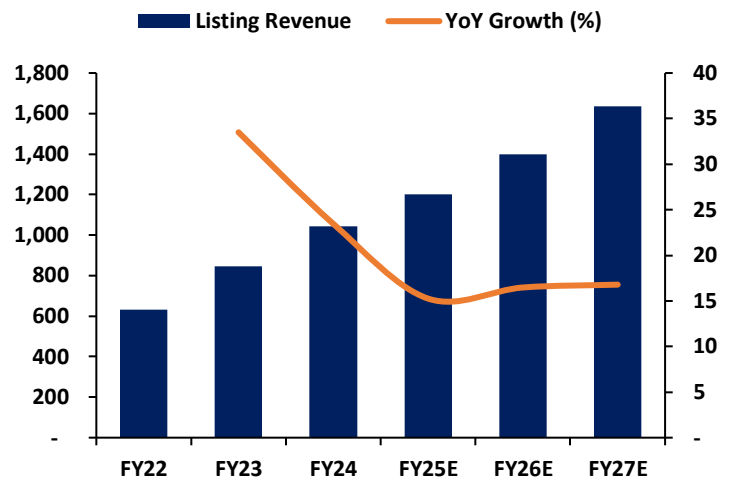
#### (iv) Partnerships and Integration

Collaborations with payment platforms and e-commerce players allow businesses listed on Justdial to offer seamless transactions and visibility across different consumer touchpoints.

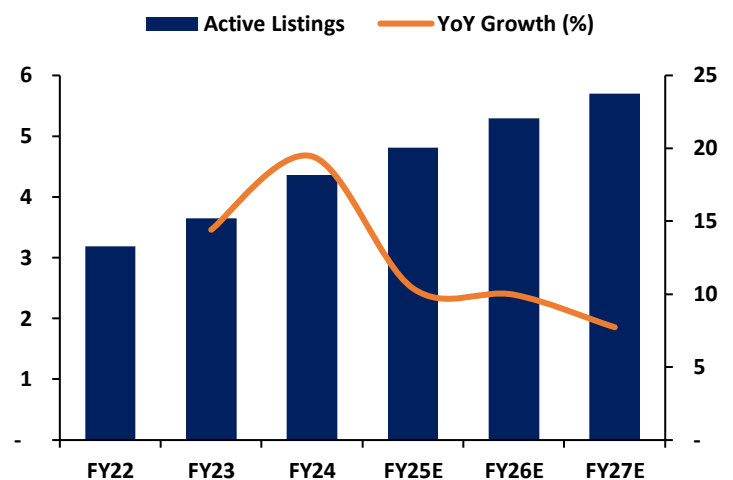
#### (v) Supportive Government Policies

Initiatives promoting digital India and MSME growth indirectly support Justdial's business by encouraging SMEs to digitize operations, including listing on platforms like Justdial.

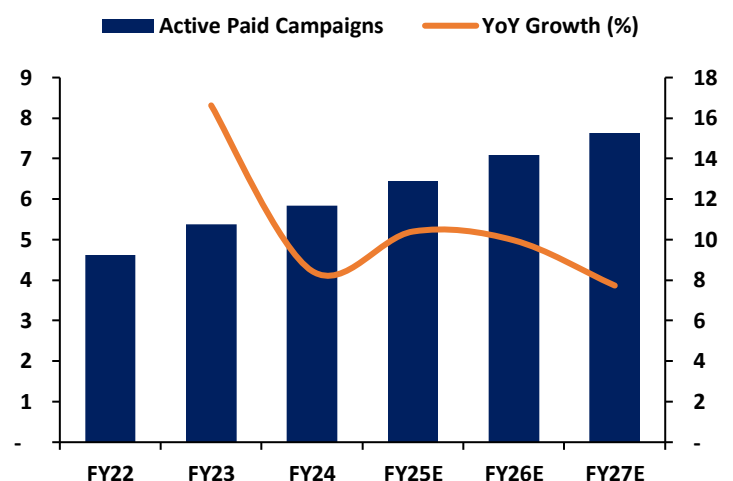
Trend in Listings Revenue



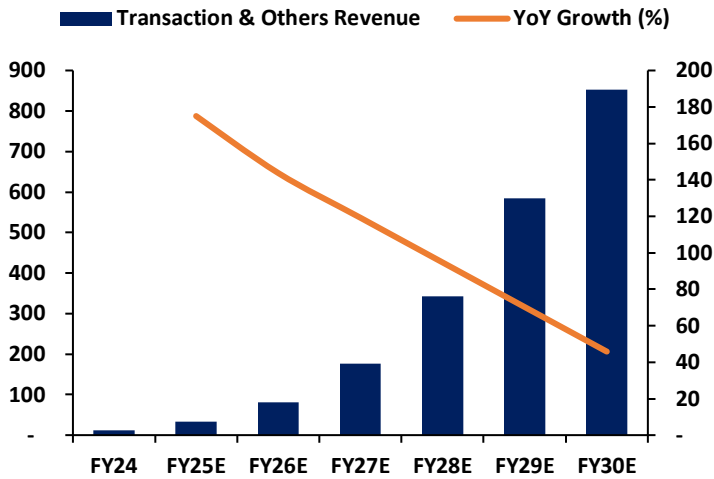
Active Listings on the Platform



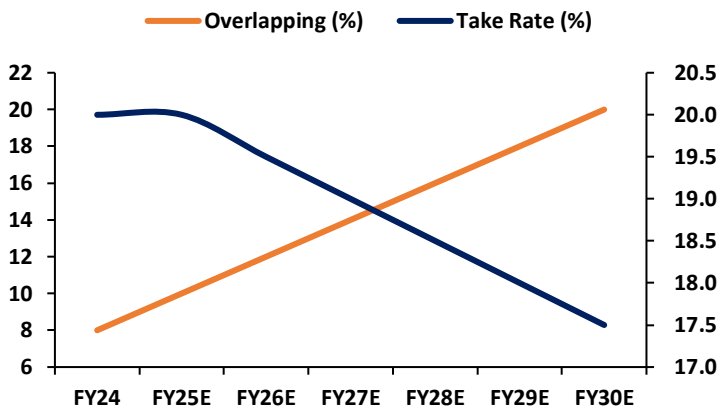
Active Paid Campaigns on the Platform



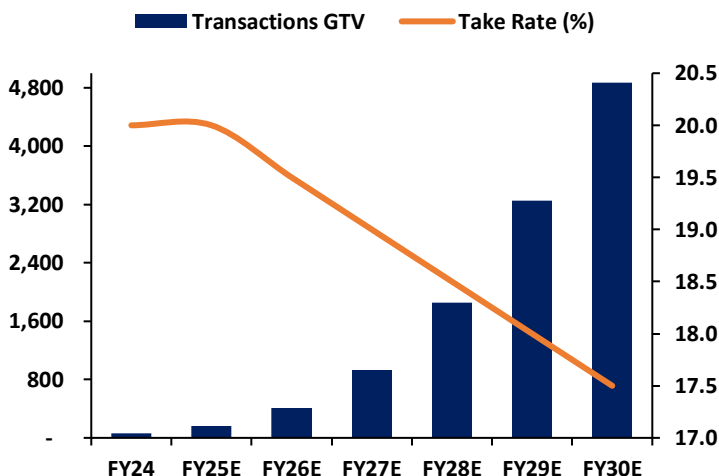
### Expected Surge in Transactions Business



### Robust performance expected despite increasing competition - decreasing take rates & increasing category overlapping



### Transactions GTV & Take Rates



### Transactions – Outlook going forward

Revenue for the Transactions segment is expected to grow at a staggering CAGR of 104% for the period FY25E-FY30E, to reach INR 852.7 cr. This growth is attributed to the following factors:

- The total Gross Transaction Value (GTV) of the platform is expected to grow at a CAGR of 108% to INR 4,870 cr by FY30E.
- Due to increasing competition going ahead we have assumed the take rate to fall, reaching 18% levels by FY30E, falling 200bps from current 20% levels.

The management is very optimistic about this vertical's future.

### Transactions – Key growth drivers for the business

#### (i) Rising Demand for On-Demand Services

Increased reliance on digital platforms for booking services like plumbing, carpentry, cleaning, and home improvement fuels growth in Justdial's JD Xperts business.

#### (ii) Growing Urbanization

Rapid urbanization and nuclear family setups boost the need for professional services that JD Xperts offers, especially in Tier 1 and Tier 2 cities.

#### (iii) Consumer Shift to Convenience

Busy lifestyles and growing preference for convenient, time-saving solutions drive demand for reliable, pre-verified professionals provided through JD Xperts.

#### (iv) Focus on Tier-2 and Tier-3 Cities

Increasing penetration in Tier-2 and Tier-3 cities, where organized service markets are underdeveloped, creates significant growth potential for JD Xperts.

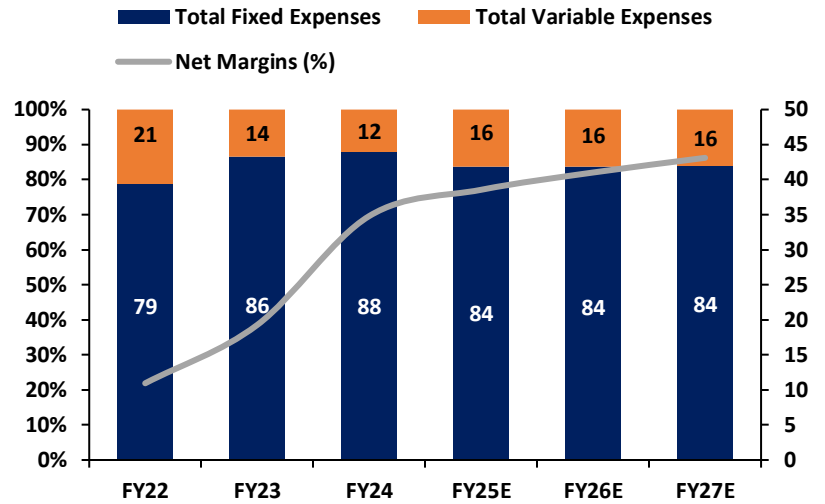
#### (v) Enhanced Visibility via Justdial Platform

JD Xperts benefits from cross-promotion on Justdial's listing platform, leveraging its vast user base to generate awareness and conversions for transactional services.

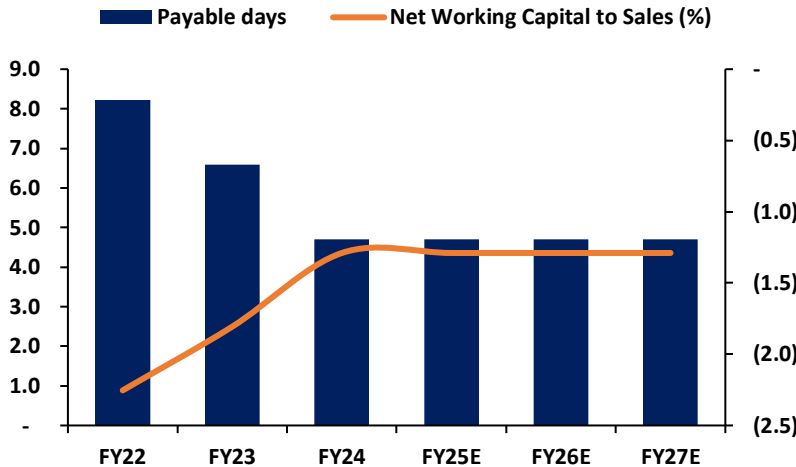
### How the company's model fuels margin expansion

- In FY24, 88% of total expenses (excluding taxes & majorly comprising of employee expenses) were fixed, while the remaining 12% were variable. The net margins during that period were approximately 44.7%.
- Going forward, operating leverage is expected to work in Justdial's favor. With around 84% of its total costs being fixed, we expect the net margins to reach around 57.6% by FY27E. By that time, the share of fixed costs is expected to decrease by 4% to around 84%, while variable costs will account for the remaining 16%.

### Operating leverage in effect



### Negative working capital strengthening balance sheet health



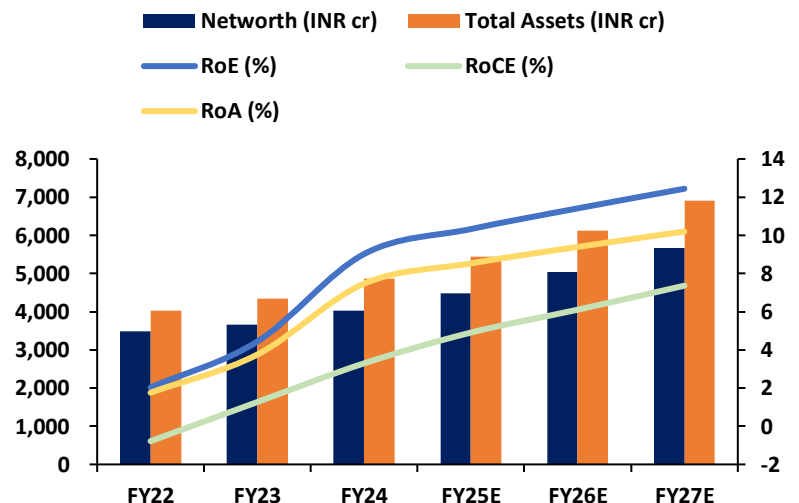
### Negative working capital strengthening the balance sheet's health

- Justdial enjoys negative working capital due to its size and leading position in the Indian market. Negative working capital helps the company in generating strong liquidity on the balance sheet.
- We anticipate that the current working capital position will remain stable in the coming years, contributing to the continued strengthening of the balance sheet.

### Return ratios – Strong revenue growth and improving profit margins to enhance return ratios

- Strong revenue growth, improving profit margins and growth of the transactions segment are expected to improve return ratios.
- Key metrics – RoE, RoCE & RoA – are expected to improve by 342bps to 12.4%, 407bps to 7.4% and 273bps to 10.2%, respectively.
- Networth of the company is expected to be INR 5,667 cr growing at a CAGR of 12.1%.
- Total Assets of the company are expected to increase to INR 6,912 cr growing at a CAGR of 12.5% by FY27E.

### Return Ratios - RoE, RoCE & RoA



## FY24 annual report analysis

We analysed the FY24 annual report of Justdial and our key observations are as follows:

### Key takeaways

- The company's database has expanded significantly, reaching 43.6 million listings as on March 31, 2024, with a remarkable 19.3% increase over last year and 583,690 active paid campaigns with an 8.4% increase year-on-year as on March 31, 2024.
- This year the largest portion of the company's traffic, 85.4%, originated from mobile platforms. The company had 170 million quarterly unique users who visited its platforms this year
- In FY 2023-24, the company achieved about 26.9% net profit margin led by both topline growth and cost optimisations and its total cash and investments stood at INR 4,625 cr, strengthening its core business and free cash flows.
- JD improved its career website with better navigation, testimonials and job application processes. The refreshed portal continues to reflect the company's values and commitment, simplifying the hiring process.

### Auditors and their opinion/comments

The auditors for Fiscal Year 2023-24 are of the opinion that the aforesaid financial statements give a true & fair picture of the reality. Accordingly, they have given an unqualified opinion for the period under consideration.

### Contingent liabilities

The contingent liabilities of the company decreased 61.6% YoY from around INR 13 cr in FY23 to INR 5 cr in FY24. As a percentage of net worth, contingent liabilities form a miniscule 0.124% of net worth.

INR in cr (unless specified)	FY21	FY22	FY23	FY24
Executable Contracts not provided for	0.4	13.8	9.6	2.6
Claims not acknowledged as debts	4.3	4.5	3.4	2.4
<b>Total</b>	<b>4.7</b>	<b>18.3</b>	<b>13.0</b>	<b>5.0</b>

### Board members

Name	FY21	FY22	FY23	FY24
Mr V S S Mani	Founder, MD & CEO	Founder, MD & CEO	Founder, MD & CEO	Founder, MD & CEO
Mr Krishnan Sudarshan	-	-	-	Chairman & Independent Director
Mr V Krishnan	Independent Director	-	-	-
Mr B Anand	Independent Director	Chairman & Independent Director	Chairman & Independent Director	-
Mr Sanjay Bahadur	Independent Director	Independent Director	Independent Director	-
Mr Abhishek Bansal	Independent Director	-	-	-
Mr Ranjit V. Pandit	-	Independent Director	Independent Director	Independent Director
Mr Malcom Monterio	Independent Director	Independent Director	Independent Director	-
Mrs Bhavna Thakur	Independent Director	Independent Director	Independent Director	-
Mr Pulak Prasad	Non-Executive Director	-	-	-
Mrs Anita Mani	Non-Executive Director	-	-	-
Mr Bhama Krishnamurthy	-	-	-	Independent Director
Mr Dipak C. Jain	-	-	-	Independent Director
Mr V. Subramaniam	-	Non-Executive Director	Non-Executive Director	Non-Executive Director
Mr Ashwin Khasgiwala	-	Non-Executive Director	Non-Executive Director	Non-Executive Director
Mrs Geeta Fulwadaya	-	Non-Executive Director	Non-Executive Director	Non-Executive Director
Mr Anshuman Thakur	-	-	Non-Executive Director	Non-Executive Director
Mr Dinesh Taluja	-	-	Non-Executive Director	Non-Executive Director
Mrs Divya Murthy	-	Non-Executive Director	-	-

Source: Company Reports & Ventura Research

### Ventura Business Quality Score

Key Criteria	Score	Risk	Comments
<b>Management &amp; Leadership</b>			
Management Quality	8	Low	The management is of high quality & investor-friendly with timely updates on developments.
Promoters Holding Pledge	8	Low	The promoter holding stands at 74.15% and there is no pledge against this holding. Out of the above 74.15% promoter stake, Reliance Retail Ventures Limited, the holding company of Justdial holds 63.84% stake in Justdial.
Board of Directors Profile	8	Low	The average experience of directors is >25 years with significant experience in their respective sectors and expert areas.
<b>Industry Consideration</b>			
Industry Growth	8	Low	The theme of 'Growth of MSMEs in India', which is the core principle behind Justdial's business, is gaining acceptance in India very rapidly. Justdial is a well-established name and poised to gain from it.
Regulatory Environment or Risk	6	Medium	The regulatory environment for IT & IT-enabled services is highly restrictive and stringent. New regulations could impose additional compliance costs or penalties, potentially impacting profitability.
Entry Barriers / Competition	5	Medium	Companies like Justdial primarily operate like a platform, acting as a mediator between consumers & businesses, having no ownership over customers. However, Justdial has an established track record, making such occurrences unlikely.
<b>Business Prospects</b>			
New Business / Client Potential	8	Low	Justdial is poised to gain market share in its industry, due to the quality of its services & distribution reach.
Business Diversification	5	Medium	Currently around 93% of Justdial comes from its Core Business of listings & reach. This imposes significant concentration risk. However, with time Justdial has been diversifying into different verticals like On-Demand Services (JD Xperts), Analytics, etc.
Market Share Potential	8	Low	Due to its expertise and deep knowledge of its business verticals and target audience, Justdial is expected to capture a significant market share going forward.
Margin Expansion Potential	8	Low	With gradual diversification from its core vertical of Listings to areas such as On-demand services, Justdial is expected to have strong growth prospects moving forward.
Earnings Growth	8	Low	Benefits of operating leverage to improve earnings growth, which would be faster than revenue performance.
<b>Valuation and Risk</b>			
Balance Sheet Strength	9	Low	Currently, Justdial has more than INR 4,500 cr of cash & liquid (current investments) reserves, showcasing its financial strength & strong liquidity position.
Debt Profile	9	Low	Currently, Justdial is operating with a Debt-to-Equity Ratio of around 0.02, which depicts the financial strength & stability of the company.
FCF Generation	8	Low	Rising revenue, improving profitability and lower incremental costing is expected to generate significant FCFs in the coming years.
Dividend Policy	5	Medium	Justdial has not paid any dividends to its shareholders in the last 4 years, and no dividend for the year has been declared in the public domain yet.
<b>Total Score</b>	<b>111</b>		
<b>Ventura Score (%)</b>	<b>74</b>	<b>Low</b>	The overall risk profile of the company is good, and we consider it as a LOW-risk company for investments

Source: Company Reports & Ventura Research

## Management Team

Key Person	Designation	Details
Mr V S S Mani	Founder, MD & CEO	V.S.S. Mani is the Founder, Managing Director and Chief Executive Officer of Justdial. With over 36 years of experience in the field of media and local search services, he has successfully steered and kept our business on the growth track, driven by technological innovation.
Mr Krishnan Sudarshan	Chairman & Independent Director	Mr. Krishnan Sudarshan is an Engineering graduate from the National Institute of Technology, Kurukshetra. He leads EMA Partners across India, Singapore & the Middle East and is part of the global firm's executive board responsible for the Marketing & Communications portfolio. Operating from Mumbai & Singapore, he has over 25 years of experience in Executive search and has led successful engagements for both Indian and multinational corporations across industry sectors and functional disciplines. He also leads the Board and CEO practice for the firm in India. He is widely networked and recognized as an industry thought leader in India. He has also written several articles in leading business media across a variety of issues encompassing general management, human resources, and academics.
Mr Ranjit V. Pandit	Independent Director	Ranjit V. Pandit served as the Managing Director at General Atlantic, LLC, between 2007 and 2012 where he was the head of the firm's growth investment activities across India. He has served as an Advisory Director of General Atlantic LLC in 2013. Prior to General Atlantic, he served as the Managing Director and Chairman of McKinsey & Company in India. He has an MBA from the Wharton School at the University of Pennsylvania (USA) and holds a BE Degree in Electrical Engineering from VJTI, University of Bombay.
Mr Bhamu Krishnamurthy	Independent Director	Bhama Krishnamurthy was Country Head and Chief General Manager, SIDBI. She has a career spanning over 35 years in IDBI (now IDBI Bank) and SIDBI, an Apex Development Bank for micro, small and medium enterprises in India covering all areas of development in banking operations both from policy perspectives and relating to implementation aspects. Her areas of specialisation include resource raising and management, integrated treasury operations, credit dispensation & management and risk management. She has done her Masters in Science (M.Sc.) from Mumbai University.
Mr Dipak C. Jain	Independent Director	Professor Dipak C. Jain earned his M.Sc in Mathematical Statistics from Guwahati University and his Ph.D. in Marketing from the University of Texas at Dallas, USA. He holds a distinguished reputation as both an educator and a scholar. He assumed the role of Dean at the Kellogg School of Management, Northwestern University USA, from 2001 to 2009, and later served as Dean at INSEAD, a prominent business school located in Fontainebleau (Paris), France. Following this, he served as Director at the SASIN Graduate Institute of Business Administration, Chulalongkorn University in Bangkok, Thailand. Presently, Professor Jain holds the title of Professor of Marketing at the China Europe International Business School (CEIBS), bringing with him over 40 years of expertise in management education. He has published several articles in esteemed international journals focusing on marketing and related disciplines. Additionally, he served as the President (European) of China Europe International Business School from 2017 to 2022.
Mr V. Subramaniam	Non-Executive Director	V. Subramaniam is a Chartered Accountant and Cost Accountant. He has over 25 years of experience in the fields of finance, accounts, taxation and business management. He has over the years served at various leadership positions in industries ranging from consumer products, petrochemicals, refining to automobiles and retail during his corporate tenure. He is currently serving as the Managing Director of Reliance Retail Ventures Limited (RRVL) as well as Wholtime Director of Reliance Retail Limited, subsidiary of RRVL.
Mr Ashwin Khasgiwala	Non-Executive Director	Ashwin Khasgiwala presently serves as the Chief Business Operations Controller for Retail Business and has been associated with Reliance Group for more than 18 years. He is a Chartered Accountant and has over two decades of experience in the fields of finance, compliance and accounting.
Mrs Geeta Fulwadaya	Non-Executive Director	Geeta Fulwadaya has been associated with Reliance Group for over 15 years and has extensive experience in the field of corporate laws and allied matters. She is also on the Board of several companies, including Den Networks Limited and Hathway Cable & Datacom Limited. She is a commerce graduate and also holds a law degree from Government Law College. She is a member of the Institute of Company Secretaries of India.
Mr Anshuman Thakur	Non-Executive Director	Anshuman Thakur has completed his graduation in Economics and MBA from IIM Ahmedabad. He has 25 years of experience in corporate strategy and investment banking and has worked across diverse industries. He is currently Senior Vice President at Jio Platforms Limited and responsible for strategy and planning functions. He joined the Reliance Group in 2014 and has ever since been closely involved with the Jio and retail businesses. Prior to joining Reliance, he worked with Morgan Stanley as Head of Mergers & Acquisitions in India. He was a TMT coverage banker at Rothschild prior to his stint at Morgan Stanley. He has also worked with Arthur Andersen and Ernst & Young in the areas of corporate finance and strategy.
Mr Dinesh Taluja	Non-Executive Director	Dinesh Taluja has completed his B. Tech. from IIT Delhi and MBA from IIM Ahmedabad. He has over 18 years of experience across Investment Banking, Management Consulting & Private Equity and has worked in various roles across Credit Suisse, Standard Chartered Bank, McKinsey & Company and Peepul Capital. He was associated with Credit Suisse where he was leading their India's M&A practice. He is currently serving as the Chief Financial Officer of Reliance Retail Limited and Dy. Chief Financial Officer of Reliance Retail Ventures Limited.

Source: Company Reports

### Key Risks & Concerns

- Companies like Google and Amazon are significant competitors in the local search and e-commerce space. Other Indian platforms, including Zomato, Urban Company, and niche service providers, pose competition in specific segments like food delivery, home services, etc.
- Changes in laws related to data protection or digital marketplaces in India could impose compliance costs or restrictions. As a data-driven company, any breach of user or business data could result in reputational damage, legal liabilities, and loss of customer trust.
- The increasing reliance on AI-powered platforms and super-apps could make traditional local search platforms less relevant.
- All the projections done by us are made keeping in mind certain assumptions. We cannot guarantee what is going to happen ahead & hence any events not in line with our assumptions can lead the projections to be very deviant from reality.

### Justdial's quarterly and annual performance

Fig in INR Cr (unless specified)	FY22	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	FY25E	FY26E	FY27E
Revenue from operations	647.0	844.8	247.0	261.0	265.0	270.0	1,042.9	280.6	284.8	1,202.0	1,400.1	1,635.1
YoY Growth (%)							23.5	13.6	9.1	15.3	16.5	16.8
Employee Cost	504.0	651.0	182.6	185.4	178.5	173.3	719.8	172.9	174.5	703.5	762.8	827.3
Employee Cost to Sales (%)	77.9	77.1	73.9	71.0	67.4	64.2	69.0	61.6	61.3	58.5	54.5	50.6
Other Expenses	145.1	108.0	27.7	26.5	26.2	26.2	106.6	27.1	28.3	149.1	162.4	176.8
Other Expenses to Sales (%)	22.4	12.8	11.2	10.1	9.9	9.7	10.2	9.6	9.9	12.4	11.6	10.8
EBITDA	(2.2)	85.8	36.7	49.2	60.3	70.5	216.6	80.6	82.1	349.4	474.9	631.1
EBITDA Margin (%)	(0.3)	10.2	14.9	18.8	22.8	26.1	20.8	28.7	28.8	29.1	33.9	38.6
Net Profit	70.8	162.7	83.4	71.8	92.0	115.7	362.9	141.2	154.1	463.4	574.3	704.9
Net Margin (%)	10.9	19.3	33.8	27.5	34.7	42.9	34.8	50.3	54.1	38.6	41.0	43.1
Adjusted EPS	8.3	19.1	9.8	8.4	10.8	13.6	42.7	16.6	18.1	54.5	67.5	82.9
P/E (X)	121.0	52.7					23.6			18.5	14.9	12.2
Adjusted BVPS	409.9	431.2					473.1			527.6	591.8	666.4
P/BV (X)	2.5	2.3					2.1			1.9	1.7	1.5
Enterprise Value	5,084.2	4,505.2					3,946.7			3,432.9	2,803.4	2,053.8
EV/EBITDA (X)	(2,353.8)	52.5					18.2			9.8	5.9	3.3
Net Worth	3,486.2	3,667.1					4,023.5			4,486.9	5,032.5	5,666.9
Return on Equity (%)	2.0	4.4					9.0			10.3	11.4	12.4
Capital Employed	3,486.2	3,667.1					4,023.5			4,486.9	5,032.5	5,666.9
Return on Capital Employed (%)	(0.8)	1.3					3.3			4.9	6.1	7.4
Invested Capital	(1.7)	(399.7)					(601.9)			(652.2)	(736.1)	(851.3)
Return on Invested Capital (%)	1,906.5	(13.4)					(28.3)			(45.1)	(55.8)	(65.5)
Cash Flow from Operations	39.0	178.8					259.1			624.4	770.7	934.7
Cash Flow from Investing	(2,186.5)	(163.4)					(229.8)			(560.8)	(606.8)	(546.0)
Cash Flow from Financing	2,109.3	(23.1)					(27.2)			(10.7)	(41.2)	(85.0)
Net Cash Flow	(38.2)	(7.7)					2.1			53.0	122.7	303.6
Free Cash Flow	30.2	165.7					252.8			532.4	680.0	845.6
FCF to Revenue (%)	4.7	19.6					24.2			44.3	48.6	51.7
FCF to EBITDA (%)	(1,399.8)	193.3					116.7			152.4	143.2	134.0
FCF to Net Profit (%)	42.7	101.8					69.6			114.9	118.4	119.9
FCF to Net Worth (%)	0.9	4.5					6.3			11.9	13.5	14.9
Total Debt	0.0	0.0					0.0			0.0	0.0	0.0
Net Debt	(3,487.9)	(4,066.8)					(4,625.4)			(5,139.1)	(5,768.6)	(6,518.3)
Net Debt to Equity (X)	(1.0)	(1.1)					(1.1)			(1.1)	(1.1)	(1.2)
Net Debt to EBITDA (X)	1,614.8	(47.4)					(21.4)			(14.7)	(12.1)	(10.3)
Interest Coverage Ratio (X)	(4.7)	7.0					18.4			27.5	33.0	38.3

Source: Company Reports & Ventura Research

## Justdial's consolidated financials & projections

Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25E	FY26E	FY27E	Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Income Statement</b>							<b>Per share data &amp; Yields</b>						
Revenue	647.0	844.8	1,042.9	1,202.0	1,400.1	1,635.1	Adjusted EPS (INR)	8.3	19.1	42.7	54.5	67.5	82.9
<b>YoY Growth (%)</b>		<b>30.6</b>	<b>23.5</b>	<b>15.3</b>	<b>16.5</b>	<b>16.8</b>	Adjusted Cash EPS (INR)	11.8	22.9	48.1	61.0	75.1	91.5
Employee Cost	504.0	651.0	719.8	703.5	762.8	827.3	Adjusted BVPS (INR)	409.9	431.2	473.1	527.6	591.8	666.4
<b>Employee Cost to Sales (%)</b>	<b>77.9</b>	<b>77.1</b>	<b>69.0</b>	<b>58.5</b>	<b>54.5</b>	<b>50.6</b>	Adjusted CFO per share (INR)	4.6	21.0	30.5	73.4	90.6	109.9
Gross Profit	142.9	193.8	323.1	498.5	637.2	807.8	CFO Yield (%)	0.5	2.1	3.0	7.3	9.0	10.9
<b>Gross Margin (%)</b>	<b>22.1</b>	<b>22.9</b>	<b>31.0</b>	<b>41.5</b>	<b>45.5</b>	<b>49.4</b>	Adjusted FCF per share (INR)	3.6	19.5	29.7	62.6	80.0	99.4
Other Expenses	145.1	108.0	106.6	149.1	162.4	176.8	FCF Yield (%)	0.4	1.9	2.9	6.2	7.9	9.9
<b>Other Exp to Sales (%)</b>	<b>22.4</b>	<b>12.8</b>	<b>10.2</b>	<b>12.4</b>	<b>11.6</b>	<b>10.8</b>	<b>Solvency Ratio (X)</b>						
EBITDA	(2.2)	85.8	216.6	349.4	474.9	631.1	Total Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0
<b>Margin (%)</b>	<b>(0.3)</b>	<b>10.2</b>	<b>20.8</b>	<b>29.1</b>	<b>33.9</b>	<b>38.6</b>	Net Debt to Equity	(1.0)	(1.1)	(1.1)	(1.1)	(1.1)	(1.2)
<b>YoY Growth (%)</b>			<b>152.5</b>	<b>61.3</b>	<b>35.9</b>	<b>32.9</b>	Net Debt to EBITDA	1,614.8	(47.4)	(21.4)	(14.7)	(12.1)	(10.3)
Depreciation & Amortization	29.9	32.2	46.2	55.2	64.2	73.3	<b>Return Ratios (%)</b>						
EBIT	(32.0)	53.6	170.4	294.2	410.7	557.8	Return on Equity	2.0	4.4	9.0	10.3	11.4	12.4
<b>Margin (%)</b>	<b>(5.0)</b>	<b>6.3</b>	<b>16.3</b>	<b>24.5</b>	<b>29.3</b>	<b>34.1</b>	Return on Capital Employed	(0.8)	1.3	3.3	4.9	6.1	7.4
<b>YoY Growth (%)</b>			<b>218.0</b>	<b>72.7</b>	<b>39.6</b>	<b>35.8</b>	Return on Assets	1.8	3.8	7.5	8.5	9.4	10.2
Other Income	122.2	141.9	305.5	336.0	369.6	399.2	<b>Working Capital Ratios</b>						
Exceptional Item	0.0	0.0	0.0	0.0	0.0	0.0	Payable Days (Nos)	8	7	5	5	5	5
Interest Expenses	6.8	7.7	9.3	10.7	12.5	14.5	Inventory Days (Nos)	0	0	0	0	0	0
Exceptional Item	0.0	0.0	0.0	0.0	0.0	0.0	Receivable Days (Nos)	0	0	0	0	0	0
PBT	83.3	187.8	466.6	619.5	767.8	942.4	Net Working Capital Days (Nos)	(8)	(7)	(5)	(5)	(5)	(5)
<b>Margin (%)</b>	<b>12.9</b>	<b>22.2</b>	<b>44.7</b>	<b>51.5</b>	<b>54.8</b>	<b>57.6</b>	Net Working Capital to Sales (%)	(2.3)	(1.8)	(1.3)	(1.3)	(1.3)	(1.3)
<b>YoY Growth (%)</b>			<b>148.4</b>	<b>32.8</b>	<b>23.9</b>	<b>22.7</b>	<b>Valuation (X)</b>						
Tax Expense	12.5	25.1	103.6	156.1	193.5	237.5	P/E	121.0	52.7	23.6	18.5	14.9	12.2
<b>Tax Rate (%)</b>	<b>15.0</b>	<b>13.4</b>	<b>22.2</b>	<b>25.2</b>	<b>25.2</b>	<b>25.2</b>	P/BV	2.5	2.3	2.1	1.9	1.7	1.5
PAT	70.8	162.7	362.9	463.4	574.3	704.9	EV/EBITDA	(2,353.8)	52.5	18.2	9.8	5.9	3.3
<b>Margin (%)</b>	<b>10.9</b>	<b>19.3</b>	<b>34.8</b>	<b>38.6</b>	<b>41.0</b>	<b>43.1</b>	EV/Sales	7.9	5.3	3.8	2.9	2.0	1.3
<b>YoY Growth (%)</b>			<b>123.0</b>	<b>27.7</b>	<b>23.9</b>	<b>22.7</b>	<b>Cash Flow Statement</b>						
Min Int/Sh of Assoc	0.0	0.0	0.0	0.0	0.0	0.0	PBT	83.3	187.8	466.6	619.5	767.8	942.4
Net Profit	70.8	162.7	362.9	463.4	574.3	704.9	Adjustments	(31.8)	15.4	(102.0)	159.0	193.8	226.7
<b>Margin (%)</b>	<b>10.9</b>	<b>19.3</b>	<b>34.8</b>	<b>38.6</b>	<b>41.0</b>	<b>43.1</b>	Change in Working Capital	(0.1)	0.7	(1.8)	2.1	2.6	3.0
<b>YoY Growth (%)</b>			<b>123.0</b>	<b>27.7</b>	<b>23.9</b>	<b>22.7</b>	Less: Tax Paid	(12.5)	(25.1)	(103.6)	(156.1)	(193.5)	(237.5)
Balance Sheet							Cash Flow from Operations	39.0	178.8	259.1	624.4	770.7	934.7
Share Capital	83.6	84.3	85.0	85.0	85.0	85.0	Net Capital Expenditure	(14.5)	(19.7)	(13.5)	(100.0)	(100.0)	(100.0)
Total Reserves	3,402.6	3,582.8	3,938.5	4,401.9	4,947.5	5,581.9	Change in Investments	(2,172.0)	(143.7)	(216.2)	(460.8)	(506.8)	(446.0)
Shareholders Fund	3,486.2	3,667.1	4,023.5	4,486.9	5,032.5	5,666.9	Cash Flow from Investing	(2,186.5)	(163.4)	(229.8)	(560.8)	(606.8)	(546.0)
Long Term Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	Changes in Borrowings & Others	(21.8)	(23.9)	(27.9)	(10.7)	(12.5)	(14.5)
Deferred Tax Assets / Liabilities	36.7	36.8	111.4	111.4	111.4	111.4	Less: Finance Cost	0.0	0.0	0.0	0.0	0.0	0.0
Other Long Term Liabilities	87.1	101.1	115.8	133.5	155.5	181.6	Proceeds from Equity	2,131.2	0.8	0.7	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	0.0	0.0	0.0	0.0	0.0	0.0	Dividend Paid	0.0	0.0	0.0	0.0	(28.7)	(70.5)
Total Liabilities	3,609.9	3,804.9	4,250.8	4,731.8	5,299.4	5,960.0	Cash flow from Financing	2,109.3	(23.1)	(27.2)	(10.7)	(41.2)	(85.0)
Net Block	133.6	152.1	146.6	191.4	227.2	253.9	Net Cash Flow	(38.2)	(7.7)	2.1	53.0	122.7	303.6
Capital Work in Progress	0.0	0.0	0.0	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets under developme	0.0	30.2	0.0	0.0	0.0	0.0	Opening Balance of Cash	61.5	23.3	15.6	17.7	70.7	193.3
Non Current Investments	333.0	0.0	0.0	0.0	0.0	0.0	Closing Balance of Cash	23.3	15.6	17.7	70.7	193.3	497.0
Long Term Loans & Advances	22.3	21.2	20.3	23.4	27.3	31.8							
Other Non Current Assets	7.2	10.4	7.7	8.9	10.4	12.1							
Net Current Assets	3,113.8	3,591.1	4,076.1	4,508.1	5,034.6	5,662.1							
Total Assets	3,609.9	3,804.9	4,250.8	4,731.8	5,299.4	5,960.0							

Source: Company Reports & Ventura Research



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