JM FINANCIAL

Internet

3QFY24 Preview: Festive quarter fails to bring sparkle

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At the start of this quarter, there was heightened optimism over the industry's prospects considering that it was a quarter loaded with festivals, Cricket World Cup and the wedding season post Diwali. That optimism may have to be tempered, though: short-term pressure on consumer spending could result in 3Q being a 'soft' quarter. As guided over the past 12 months, internet companies continue to ramp up profitability with Zomato and PB Fintech expected to deliver their first quarter of reported EBITDA and PAT profitability, respectively. While Zomato's food delivery will benefit from World Cup and increasing share of Gold programme orders, quick commerce has been the talk of the town recently and we expect Blinkit to continue its strong growth rally. Nykaa's Q3 performance update has also demonstrated strong growth despite a relatively muted environment, though it was lower than earlier anticipated. CarTrade has fast-tracked OLX integration along with the strategic decision to shut down the loss-making OLX transactions business. We expect the company to feel some heat on profit margins due to one-offs in this quarter. We believe a few of our other coverage companies such as Affle, IndiaMart, Info Edge, Route Mobile, Delhivery will struggle to put up good growth numbers in 3Q, though margins could improve. Overall we believe the longer-term growth and margin expansion story in India internet stays intact and the sector can be a great compounding play.

- Affle: We see seasonality driven sequential acceleration for Affle in 3QFY24, broadly in line with our thesis that 2H would be better than 1H. However, on a YoY basis, organic growth trends are likely to remain muted at 13% despite a very soft base for the international business. This is because we see low double-digit growth in India business due to restrained advertiser spends (especially in start-ups) and wipe-off of real-money gaming revenues. Developed markets (DMs), however, should show strong organic growth improvement YoY, albeit due to a favourable base. Including the Youappi business, we forecast consolidated revenue growth of 32% YoY. Margins are likely to be weak especially due to lower gross margin in the international business (as the company would have focused on growth revival), salary hikes in 3Q and drag from Youappi consolidation. Overall, we forecast gross margin/EBITDA margin/EBIT margin to fall by 34bps/ 76bps/ 94bps YoY. Despite improvement in organic growth momentum in 2HFY24 due to festivities and a very favourable base for the international markets business, we do not see Affle returning to its high organic growth path of 20%+ anytime soon.

- CarTrade: We expect CarTrade's standalone business to grow c.18% sequentially and c.27% YoY considering the sustained strength in new auto sales and normalisation of auto industry advertising budgets. However, B2B Remarketing business is unlikely to recover yet as repossessions remain low, resulting in a YoY dip of 2.5% in revenue. Overall, CarTrade should deliver 10.3% YoY revenue growth in 3QFY24 with Adj. EBITDA margin (excluding ESOP expense) of 24.9%, an increase of 677bps QoQ, as the fixed cost structure demonstrates operating leverage. We expect the company to deliver revenue/adj. EBITDA of 19%/36% over FY23-28E with sustained growth in auto industry and shift to digital channels driving operating leverage. On the other hand, with OLX pulling the plug on loss-making transactions business in Oct'23, we expect to see one-time loss of INR 265mn. Simultaneously, even OLX's classifieds business is expected to be in the red this quarter as product and tech expense of ~INR 300mn will be allocated. We expect this expense to be lower by 50% in 4QFY24. We suggest evaluating profitability of the OLX business only in FY25 after all the one-off costs are accounted for and teams are integrated as well as stabilised. On a consolidated level (including OLX business), CarTrade will see a sequential dip of 670bps in EBITDA margin in this quarter.

Classifieds	Rating	TP (INR)	Change In TP (%)	Upside
Info Edge	HOLD	4,870	3.6%	-6.5%
IndiaMART	BUY	3,300	0.0%	24.4%
CarTrade	BUY	1,000	-1.0%	42.2%

Transactions	Rating	TP (INR)	Change In TP (%)	Upside
Zomato	BUY	155	0.0%	16.1%
Nykaa	BUY	210	0.0%	21.1%
PB Fintech	BUY	1,010	0.0%	14.6%

Others	Rating	TP (INR)	Change In TP (%)	Upside
Route	BUY	1,860	-4.6%	13.5%
Affle (India)	SELL	880	0.0%	-31.7%
Delhivery	HOLD	390	2.6%	-4.9%

- **Delhivery:** With the e-commerce industry not delivering on earlier expectations of a strong quarter, we anticipate sequential volume growth of ~10% in Delhivery's express parcel business. Also, realisation per shipment will rise sequentially due to category mix but could be flat YoY as Delhivery's e-commerce partners opening regional warehouses results in lower distances for the shipments. PTL business is expected to deliver subdued volume growth of ~5% QoQ due to Chennai floods and impact of the festive season. On a YoY basis, express parcel revenue will grow by 18% while PTL revenue will see 47% growth. Furthermore, slower-than-expected revenue ramp-up is likely to ensure Supply Chain Services delivering only 10% YoY growth. With incremental gross margin on transportation revenue likely to sustain around 50%, we expect the company to turn EBITDA positive in 3Q with 3.7% Adj. EBITDA margin. We forecast the company to deliver FY23-26E revenue CAGR of 18% with Adj. EBITDA margin (pre Ind AS, excluding ESOP expense) of 6.5% in FY26E. Key things to monitor will be 1) movement in volume and realisation 2) revenue impact/accruals from recent onboarding of customers such as Tata Motors, Havells and MamaEarth and 3) any further clarifications on capex requirements.

- **IndiaMART:** We expect weaker sequential paid subscription additions of only ~2k in 3QFY24 as a result of the recent price hike, continued high churn rate in silver subscriptions and high subscriber addition base of last year. However, cash collections (including Busy) should grow at a healthy rate of 23% YoY due to recent price hikes and subscription up-sales (in terms of realisation as well as tenures). Revenue growth momentum is also likely to remain robust at c.23% YoY (+5% QoQ) due to strong collections reported in recent quarters. We expect EBITDA margin to marginally improve YoY while sequential expansion could be by 91bps due to controlled operating expenses (lower employee additions and sales incentives). However , PAT might dip c.30% YoY due to normalisation of other income, which was unusually high last year. Management commentary on paid subscriptions growth and investments towards account services should be keenly watched.

- **Info Edge:** We forecast standalone business billings' to remain flattish (+1% QoQ/ 4% YoY) mainly due to subdued billings expected in the Recruitment segment (+1% QoQ as well as YoY). 99acres' billings is likely to remain strong at 21% YoY due to robust underlying demand in the real estate sector for new and resale homes, in addition to rental properties. Jeevansathi billings could see 19% YoY increase due to improved monetisation. Despite flattish billings trends, we see standalone revenue growing ~8% YoY. Revenue growth will likely be led by 99acres (+23% YoY) and Jeevansathi (+13% YoY) whereas recruitment revenue trends should be muted (+5.5% YoY). We expect the company to continue technology and platform investments in the recruitment business, which could lead to segment margin contracting by 250bps YoY (-20bps QoQ). At a standalone business level, we forecast EBITDA margin of 39.3% in 3Q versus 39.1%/40.7% in 3QFY23/2QFY24.

- **Nykaa:** Despite the festivities this quarter being followed by the wedding season, Indian e-commerce has not seen an exciting quarter. In such an environment, Nykaa BPC delivering growth of 25%/20% YoY in GMV/NSV, though lower considering the commentary in 2QFY24 earnings call, should not be treated negatively. Nykaa hosted the first edition of Nykaaland, its beauty and lifestyle festival, in Nov'23 to educate consumers and empower BPC category creation. The online fashion industry experienced muted consumption in 3Q with our channel checks suggesting YoY decline in Ajio and Myntra being roughly flat. Nykaa Fashion continued to deliver strong growth with 39% YoY growth in GMV. However, NSV as a % of GMV is expected to dip by ~300bps, suggesting higher brand-funded discounting than before to increase order volumes. Overall, Nykaa will deliver 23%/19% YoY/QoQ revenue growth with sequentially flat gross margin, unlike that seen in FY21/22 when gross margin used to inch up sharply in 3Q due to higher mix of cosmetics and luxury in BPC. However, operating leverage should ensure that consolidated EBITDA margin improves 114bps sequentially to 6.5%. Accordingly, we forecast the company to deliver GMV/Revenue/EBITDA CAGR of 28%/27%/59% over FY23-26E period.

- PB Fintech: In 3QFY24, we expect PB Fintech to deliver 32%/37% YoY growth in insurance premium / loan disbursals with the respective revenue growing at 45%/42% with take-rates expected to remain higher in FY24 across verticals. New Initiatives business will have strong topline growth though rising competitive intensity in PoSP business will result in EBITDA margin sustaining around 2Q levels. We expect group contribution margin at 30.1% (26.2%/30.5% in 3QFY23/2QFY24) as mix shift towards New Initiatives results in a slight dilution despite consumer mix improvement across respective segments. We expect Adj. EBITDA margin to improve by 906bps/285bps YoY/QoQ due to operating leverage and normalised advertising spends with the company delivering its first PAT-positive quarter. We believe there remains enough headroom for high growth with declining losses in PoSP and rise in renewals to deliver sustained margin improvement. Thus, we forecast the company to deliver insurance premium/loan disbursals/revenue CAGR of 30%/29%/30% over FY23-26E period.
- Route Mobile: 3Q is typically a very strong quarter due to seasonality/festivities. However, this time we believe the company is likely to report muted revenue growth of c.8% YoY (+5% QoQ) as we expect a sharp decline in ILD volumes following back-to-back price hikes by telecom operators in a very short period of time. Also, we believe the revenue accrual that was expected from VI firewall deal and ramp-up in partnership with Amazon across 10 countries has likely been delayed. While gross margin is likely to be flattish sequentially; on a YoY basis it is likely to dip c.110bps. We forecast EBITDA margin of 12.6% versus 13.2%/12.8% in 2QFY24/3QFY23. This, in turn, should lead to muted increase of 5%/7% YoY in EBITDA and PAT, respectively, during the quarter. Basis, expectations of a muted quarter in 3Q, we cut over FY24-26 EPS forecasts by 2.5%-4.5%, leading to a change in our TP to INR 1,860 (versus INR 1,950 earlier). Note that our estimates do not factor in likely earnings accrual from Proximus deal synergies as we await further clarity to emerge from the management.
- Zomato: In Food Delivery, we forecast sequential GOV growth of 7% (+28% YoY) on the back of an expansion in MTUs (19.0mn versus 18.4mn in 2Q), ordering frequency (3.48x versus 3.45x in 2Q) and AOVs (3% QoQ). These metrics, in turn, are likely to be supported by the Cricket World Cup and growing proportion of Gold programme orders. The food delivery segment's reported revenue growth will be relatively higher than GOV growth due to the likely improvement in take-rates on account of platform fees and improvement in monetisation of restaurants. We expect take-rates to expand to 19.8% in 3QFY24 versus 17.2%/19.4% in 3QFY23/2QFY24. Sequential take-rate expansion is likely to be partially offset by negative impact of Gold on delivery fees collected from customers and likely increase in rider costs due to festive season. Consequently, we forecast contribution margin of 6.8% (as % of AOV) in 3Q versus 6.6% in 2Q. We expect Adj. EBITDA margin (as % of AOV) expansion of 30bps QoQ (versus 10bps QoQ in 2Q) due to operating leverage benefits. In BlinkIt, we expect very strong sequential GOV growth of 26% led by robust increase of 27% QoQ in order volume (that in turn should be driven by MTU increase from 4.7mn to 5.9mn). We also expect take-rates to improve to 19.2% from 18.3% in 2Q, driven by ad income and product margins. We forecast contribution margin of 2.6% (as % of AOV) in 3Q versus 1.3% in 2Q. Adj. EBITDA margin (as % of AOV) could see c.160bps sequential improvement due to expansion of contribution margin and operating leverage. At a Consol. level, we expect Zomato to turn reported EBITDA positive at INR 298mn versus a reported loss of INR 470mn in 2Q.

Exhibit 1. Financial snapshot

Affle (INR mn)	3QFY23	2QFY24	3QFY24E	QoQ	YoY	Comments
Revenue	**3,761**	**4,313**	**4,976**	**15.4%**	**32.3%**	•We forecast muted YoY growth in organic revenue due to continued macro headwinds for the ad-tech industry and impact of RMG. Including, Youappi consolidated revenue could grow 32% YoY. • Gross margins are likely to fall by 34bps on YoY basis leading to dip in EBIT margin of 94bps YoY aided by increased employee expense due to salary hikes, lower operating margins in Youappi business as well as negative operating leverage in the organic business.
Gross Profit	1,480	1,702	1,941	14.0%	31.2%	
Gross Profit margin	**39.3%**	**39.5%**	**39.0%**	**-45bp**	**-34bp**	
EBIT	668	688	837	21.7%	25.3%	
EBIT margin	**17.8%**	**15.9%**	**16.8%**	**88bp**	**-94bp**	
PAT	691	668	769	15.1%	11.2%	
Diluted EPS (INR)	**5.19**	**5.01**	**5.77**	**15.1%**	**11.3%**	
CarTrade (INR mn)	**3QFY23**	**2QFY24**	**3QFY24E**	**QoQ**	**YoY**	**Comments**
CarTrade revenue	**972**	**971**	**1,072**	**10.5%**	**10.3%**	• We expect CarTrade's standalone business to grow c.18% sequentially and c.27% on YoY basis considering the sustained strength in new auto sales and normalisation of supply-demand mismatch. • B2B Remarketing business is unlikely to recover yet with dip of 2.5% in revenue on YoY basis. • We expect OLX classifieds business to deliver marginal sequential growth of 5% post normalisation for quarter. • On consol. level (including OLX), CarTrade will see a sequential dip of 670bps in EBITDA margin and PAT margin decrease of 632bps.
Standalone	420	453	534	18.0%	27.2%	
Remarketing	552	518	538	3.9%	-2.5%	
OLX revenue						
Classifieds	na	229	443	93.2%	na	
Transactions	na	1,943	2,261	16.3%	na	
EBITDA	106	116	-114	na	na	
EBITDA Margin	**10.9%**	**3.7%**	**-3.0%**	**-1496bp**	**-670bp**	
Adjusted EBITDA	179	160	-71	na	na	
Adjusted EBITDA Margin	18.5%	5.1%	-1.9%	-2034bp	-697bp	
PAT	130	109	-107	-na	na	
Diluted EPS (INR)	**2.56**	**2.15**	**-2.10**	**na**	**na**	
Delhivery (INR mn)	**3QFY23**	**2QFY24**	**3QFY24E**	**QoQ**	**YoY**	**Comments**
Revenue	**18,238**	**19,417**	**22,245**	**14.6%**	**22.0%**	• On a YoY basis, express parcel revenue would grow by 18% while PTL revenue would see 46% growth, lower than expected at the start of quarter as e-commerce industry couldn't deliver on the optimism and PTL got impacted due to floods in TN and higher holidays due to Diwali. • We expect Delhivery to continue delivering sequential gross margin improvement (149bps) in Q3FY24 as well. We expect company to turn EBITDA positive in 3Q with 3.4% margin. •Adj. EBITDA margin to improve by 738bps/434bps YoY/QoQ.
Express parcel services	11,996	12,122	14,161	16.8%	18.1%	
PTL service	2,767	3,734	4,058	8.7%	46.7%	
TL service	1,017	1,503	1,556	3.5%	53.0%	
Supply chain	1,778	1,644	1,953	18.8%	9.8%	
Cross Border service	663	414	518	25.0%	-22.0%	
Others	0	0	0	na	na	
Gross Profit	**4,144**	**4,996**	**6,054**	**21.2%**	**46.1%**	
Gross Profit margin	22.7%	25.7%	27.2%	149bp	450bp	
EBITDA	-718	-156	757	na	na	
EBITDA margin	**-3.9%**	**-0.8%**	**3.4%**	**421bp**	**734bp**	
Adjusted EBITDA	-673	-126	822	na	na	
Adjusted EBITDA margin	-3.7%	-0.6%	3.7%	434bp	738bp	
PAT	-1,942	-1,029	-247	76.0%	87.3%	
IndiaMart (INR mn)	**3QFY23**	**2QFY24**	**3QFY24E**	**QoQ**	**YoY**	**Comments**
Paying Subscription Suppliers	**194,353**	**209,747**	**211,770**	**1.0%**	**9.0%**	• Cash collections (incl. Busy) should grow at a healthy rate of 23% YoY due to recent price hikes and subscription up-sales. • Revenue growth momentum is also likely to remain strong at c.23% YoY (+5% QoQ) driven by strong volume as well as ARPU increase. • EBITDA margin would likely remain in-line on YoY basis but improve sequentially (+69bps QoQ) by 91bps due to controlled operating expenses and improved productivity of sales team
Annualized revenue per Paying customer	49,435	53,525	55,120	3.0%	11.5%	
Cash Collections	**2,830**	**3,370**	**3,481**	**3.3%**	**23.0%**	
Total revenues	**2,514**	**2,947**	**3,084**	**4.7%**	**22.7%**	
EBITDA	703	799	865	8.2%	23.0%	
EBITDA Margin	**28.0%**	**27.1%**	**28.0%**	**91bp**	**8bp**	
PAT	1,128	694	784	13.0%	-30.5%	
Diluted EPS (INR)	**18.4**	**11.3**	**13.0**	**15.1%**	**-28.9%**	

Source: Company, JM Financial

Exhibit 2. Financial snapshot

Info Edge (INR mn)	3QFY23	2QFY24	3QFY24E	QoQ	YoY	Comments
Revenue	**5,552**	**5,930**	**5,996**	**1.1%**	**8.0%**	•We forecast standalone business billings' to remain flattish (+1% QoQ/ 4% YoY) due to continued hiring challenges in IT and slowing growth trends in non IT, would likely be offset by 99acres (+21% YoY) , Jeevansathi (+19% YoY). •Despite expectations of muted billings, we see standalone revenue growing ~8% YoY. •We forecast EBITDA margin of 39.3% in 3Q versus 39.1%/40.7% in 3QFY23/2QFY24.
Recruitment	4,368	4,560	4,609	1.1%	5.5%	
99acres	729	873	895	2.5%	22.7%	
Jeevansathi and others	455	497	492	-1.0%	8.1%	
EBITDA	2,168	2,411	2,356	-2.3%	8.7%	
EBITDA Margin	**39.1%**	**40.7%**	**39.3%**	**-135bp**	**25bp**	
PAT	1,917	2,125	2,074	-2.4%	8.2%	
Diluted EPS (INR)	**14.9**	**16.4**	**16.1**	**-1.8%**	**8.3%**	
Billings	**5,506**	**5,690**	**5,737**	**0.8%**	**4.2%**	
Recruitment business	4,346	4,314	4,389	1.7%	1.0%	
99acres	711	922	860	-6.7%	21.0%	
Jeevansathi and others	449	454	487	7.3%	8.5%	
Nykaa (INR mn)	**3QFY23**	**2QFY24**	**3QFY24E**	**QoQ**	**YoY**	**Comments**
GMV	**27,965**	**29,435**	**36,295**	**23.3%**	**29.8%**	•We expect overall GMV to grow by 30% YoY (23% QoQ), led by Fashion at 38.9%/31.7% YoY/QoQ, BPC at 25.3%/19% YoY/QoQ and Others at 41.3%/34.6% YoY/QoQ. • We anticipate revenue to grow at 23%/19% YoY/QoQ as higher discounts and poorer ad income from partner brands lower GMV-Revenue conversion across segments. • Unlike FY21/22, we do not expect BPC GM jump as higher brand funded discounts would also accompany lower commissions for Nykaa. • We expect EBITDA margin to improve by 115bps QoQ/114bps YoY due to operating leverage.
BPC	19,014	20,016	23,820	19.0%	25.3%	
Fashion	7,244	7,628	10,064	31.9%	38.9%	
Others	1,707	1,791	2,411	34.6%	41.3%	
Revenue	**14,628**	**15,070**	**17,993**	**19.4%**	**23.0%**	
BPC	12,634	12,782	15,126	18.3%	19.7%	
Fashion	1,275	1,305	1,554	19.1%	21.9%	
Others	719	984	1,314	33.5%	82.7%	
EBITDA	782	806	1,169	45.0%	49.5%	
EBITDA Margin	**5.3%**	**5.4%**	**6.5%**	**115bp**	**115bp**	
PAT	82	58	410	601.4%	400.9%	
Diluted EPS (INR)	**0.03**	**0.02**	**0.14**	**601.4%**	**404.3%**	
Policybazaar (INR mn)	**3QFY23**	**2QFY24**	**3QFY24E**	**QoQ**	**YoY**	**Comments**
Revenue	**6,101**	**8,116**	**8,841**	**8.9%**	**44.9%**	• We expect insurance premium / loan disbursals to grow 32%/37% YoY as the company delivers 2-3x industry growth rate. • Expect Policybazaar revenue to grow sequentially by 11.3%, whereas Paisabazaar revenue is expected to dip by 1.2%. Overall, revenue growth is expected at 44.9% YoY (8.9% QoQ). • Adjusted EBITDA margin expected to improve 906bps YoY and 285bps sequentially. • Company to report first quarter of PAT profit in Q3FY24.
Policybazaar	5,031	6,576	7,320	11.3%	45.5%	
Paisabazaar	1,070	1,540	1,522	-1.2%	42.2%	
EBITDA	-1,332	-891	-332	62.7%	75.1%	
EBITDA Margin	**-21.8%**	**-11.0%**	**-3.8%**	**722bp**	**1808bp**	
Adjusted EBITDA	-282	129	393	204.2%	na	
Adjusted EBITDA Margin	-4.6%	1.6%	4.4%	285bp	906bp	
PAT	-876	-211	364	na	na	
Diluted EPS (INR)	**-1.80**	**-0.43**	**0.75**	**na**	**na**	
Total Insurance Premium	30,280	34,750	39,893	14.8%	31.7%	
Total Disbursal	30,208	41,390	41,460	0.2%	37.2%	

Source: Company, JM Financial

Exhibit 3. Financial snapshot

Route Mobile (INR mn)	3QFY23	2QFY24	3QFY24E	QoQ	YoY	Comments
Revenue	**9,857**	**10,146**	**10,501**	**3.5%**	**6.5%**	• We forecast only 8% YoY revenue growth for Route Mobile mainly due to volume drop by 994bps YoY (1194bps QoQ) due to increase in ILD/NLD pricing.
EBITDA	1,260	1,342	1,326	-1.2%	5.2%	
EBITDA Margin	**12.8%**	**13.2%**	**12.6%**	**-60bp**	**-16bp**	
PAT	801	857	858	0.1%	7.2%	
Diluted EPS (INR)	**12.84**	**13.69**	**13.70**	**0.1%**	**6.7%**	• We expect EBITDA margin to dip c.16bps YoY to 12.6% due to increase in employee benefit expense.
Zomato (INR mn)	**3QFY23**	**2QFY24**	**3QFY24E**	**QoQ**	**YoY**	**Comments**
GOV	**84,290**	**107,400**	**120,183**	**11.9%**	**42.6%**	• In Food Delivery, owing to festive season and world cup, we forecast sequential GOV growth of 7% (+28% YoY) on the back of increase in ordering frequency and MTUs amidst increased competitive intensity.
Food Delivery	66,800	79,800	85,295	6.9%	27.7%	
Quick Commerce	17,490	27,600	34,888	26.4%	99.5%	
Total revenue	**19,482**	**28,480**	**32,977**	**15.8%**	**69.3%**	
Food Delivery	11,507	15,460	16,888	9.2%	46.8%	
Quick Commerce	3,008	5,050	6,698	32.6%	122.7%	• We expect take-rates to expand to 19.8% in 3QFY24 versus 17.2%/19.4% in 3QFY23/2QFY24. We expect Adj. EBITDA margin (as % of AOV) expansion of 30bps QoQ (versus 10bps QoQ in 2Q) on account of full quarter effect of platform fees.
Dine Out / Others	754	520	754	45.0%	0.0%	
Hyperpure	4,213	7,450	8,637	15.9%	105.0%	
EBITDA (Consol.)	-3,662	-470	298	na	na	
EBITDA Margin	**-18.8%**	**-1.7%**	**0.9%**	**255bp**	**1970bp**	• In Food Delivery, we forecast sequential GOV growth of 4% (+15% YoY) amidst increased competitive intensity. We see contribution margin at 6.8% (as % of AOV) versus 6.4% in 1Q, with the assumption that the improvement will be purely take-rate driven. Adj. EBITDA (as % of GOV) could improve to 2.8% versus 2.5% in 1Q.
Adj. EBITDA (Consol.)	-2,650	410	917	123.6%	na	
Adjusted EBITDA Margin	**-13.6%**	**1.4%**	**2.8%**	**134bp**	**1638bp**	
PAT	-3,466	360	646	79.4%	na	
Diluted EPS (INR)	**-0.41**	**0.04**	**0.07**	**77.2%**	**na**	
Food delivery - Contribution Profit/Loss (Per Order INR)	21.4	27.7	29.0	5.0%	35.9%	
as a % of AOV	**5.1%**	**6.6%**	**6.8%**	**15bp**	**165bp**	• In BlinkIt, we expect very strong sequential GOV growth of 26% led by robust increase of 27% QoQ in order volume (that in turn would be driven by MTU increase).
Quick Commerce Contribution Profit/Loss (Per Order INR)	-25.0	7.9	15.7	98.1%	na	
as a % of AOV	**-4.5%**	**1.3%**	**2.6%**	**130bp**	**712bp**	• At a Consol. level, we expect Zomato to turn reported EBITDA positive recovering from a loss of INR 470mn in 2Q to a profit of INR 298mn in 3Q versus.

Source: Company, JM Financial

Exhibit 4. Info Edge: Base case valuations summary

Business	Per share value	% of valuation	Comments
Recruitment (Naukri)	2995	63.7%	40x Sep'25 EPS
99acres	204	4.3%	6x Sep'25 Sales
Jeevansathi and others	53	1.1%	3x Sep'25 Sales
Investee Companies			
Zomato	917	18.8%	Based on CMP for Zomato post 25% holdco discount
Policybazaar	293	6.0%	Based on CMP for PB Fintech post 25% holdco discount
Zwayam/DoSelect	8	0.2%	Book value
Other investee companies^	123	2.5%	Book value
Cash and cash equivalents	274	5.6%	Cash on B/S as of Mar'24
Total	**4,870**	**100%**	

Source: JM Financial. ^ includes NoPaperForms, Univariety, Gramophone, Medcords, Printo, Shop Kirana, Bizcrum, Greytip, Adda247, Teal, LQ Global, Shipsy, Coding Ninja, Juno Learning, Asile Networks, Crisp Analytics, Unbox robotics, Attentive AI, Brainsight Technology, Ray IOT, Skylark Drones, String Bio, Sploot Pvt. Ltd., PSILA Tech PTE Ltd., Vyuti Systems Pvt. Ltd., Aarogyaai innovations Pvt Ltd. and venture fund contribution.

Exhibit 5. Route Mobile: What has changed in our forecasts and assumptions?

	Old			New			Change		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Consolidated revenue (INR mn)	43,899	52,498	62,145	41,825	49,971	59,102	-4.7%	-4.8%	-4.9%
Revenue growth rate (YoY)	23.0%	19.6%	18.4%	17.2%	19.5%	18.3%	-581bp	-11bp	-10bp
Gross Margin	21.3%	21.5%	21.7%	21.3%	21.6%	21.7%	5bp	5bp	5bp
EBITDA margin	12.7%	13.1%	13.5%	13.0%	13.3%	13.5%	25bp	15bp	5bp
EBIT margin	10.8%	11.4%	11.9%	11.0%	11.5%	11.9%	24bp	14bp	4bp
Adj. PAT (INR mn)	3,795	4,796	6,044	3,701	4,621	5,771	-2.5%	-3.6%	-4.5%
Adj. EPS (INR)	60.60	76.58	96.52	59.10	73.80	92.16	-2.5%	-3.6%	-4.5%

Source: JM Financial

Exhibit 6. Coverage comps

Company Name	CMP (INR)	TP (INR)	Upside (%)	Market Cap (INR mn)	EV (INR mn)	EV/Sales (x)			EV/EBITDA (x)			PER (x)			ROE(%)		
						FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Affle	1,289	880	**-32%**	182,811	178,170	9.8x	8.2x	6.9x	49.1x	37.6x	30.6x	65.5x	50.9x	39.8x	17.4%	18.7%	19.7%
CarTrade Tech	703	1,000	**42%**	32,327	27,638	5.1x	3.9x	3.2x	62.6x	17.6x	12.0x	63.1x	26.2x	18.6x	2.5%	5.7%	7.7%
Delhivery	410	390	-5%	302,324	282,458	3.4x	2.8x	2.4x	222.7x	50.0x	28.1x	nm	nm	88.4x	-2.8%	0.7%	3.5%
IndiaMART	2,653	3,300	**24%**	157,127	129,414	10.8x	8.7x	7.3x	41.0x	30.7x	24.1x	51.2x	37.3x	29.2x	14.2%	17.3%	19.5%
Info Edge *	5,208	4,870	**-6%**	495,705	444,781	18.0x	15.3x	13.4x	48.6x	43.2x	35.3x	61.4x	54.4x	44.7x	4.3%	5.0%	5.7%
Nykaa	173	210	**21%**	514,652	516,337	8.2x	6.3x	4.9x	140.7x	78.6x	50.1x	Nm	196.8x	100.4x	5.6%	16.0%	24.9%
Policybazaar	881	1,010	**15%**	389,621	338,334	10.0x	7.6x	6.0x	nm	213.1x	65.1x	nm	110.0x	57.1x	1.0%	5.7%	9.9%
Route Mobile	1,639	1,860	**13%**	101,975	96,739	2.3x	1.9x	1.6x	17.8x	14.6x	12.1x	27.1x	22.1x	17.7x	18.7%	19.7%	20.6%
Zomato	134	155	**16%**	1,162,036	1,037,896	8.6x	6.0x	4.9x	nm	71.6x	43.8x	nm	91.2x	55.6x	1.2%	6.1%	9.1%

Source: Company, JM Financial, Bloomberg, * Info Edge Standalone financials adjusted for Zomato, PB Fintech and Investees valuations at CMP/Book Value

Exhibit 7. Annual estimates

Company Name	Net Sales (INR mn)			CAGR	EBITDA (INR mn)			CAGR	Adjusted PAT (INR mn)			CAGR	Adj. EPS (EPS)			CAGR
	FY24E	FY25E	FY26E	23-26E	FY24E	FY25E	FY26E	23-26E	FY24E	FY25E	FY26E	23-26E	FY24E	FY25E	FY26E	23-26E
Affle	18,153	21,850	25,960	22%	3,626	4,742	5,815	26%	2,792	3,593	4,594	23%	21.0	27.0	34.5	23%
CarTrade Tech	5,442	7,128	8,605	33%	442	1,572	2,307	91%	512	1,232	1,737	72%	10.0	24.2	34.1	72%
Delhivery	83,615	99,620	117,710	18%	1,268	5,647	10,040	na	-2,554	683	3,418	na	-3.5	0.9	4.7	na
IndiaMART	11,981	14,807	17,780	22%	3,157	4,219	5,375	26%	3,086	4,213	5,379	24%	50.3	68.7	87.7	24%
Info Edge *	23,676	26,853	31,641	14%	9,152	10,294	12,598	17%	8,079	9,111	11,093	39%	61.8	69.7	84.9	39%
Nykaa	63,244	81,906	105,510	27%	3,670	6,566	10,304	59%	807	2,615	5,126	181%	0.3	0.9	1.8	181%
Policybazaar	33,909	44,458	56,837	30%	-2,187	1,587	5,197	na	549	3,541	6,818	na	1.1	7.3	14.0	na
Route Mobile	41,825	49,971	59,102	18%	5,424	6,635	8,007	23%	3,701	4,621	5,771	21%	59.1	73.8	92.2	23%
Zomato	120,367	172,512	212,894	44%	534	14,494	23,700	na	2,400	12,747	20,888	na	0.3	1.5	2.4	na

Source: Company, JM Financial, * Info Edge standalone financials

APPENDIX I

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