

November 13, 2025

Steady execution across the board...

About the stock: Info Edge (India) Ltd. (Info Edge), is a leading online classifieds company with a strong position in recruitment (naukri.com), real estate (99acres.com), matrimony (jeevansathi.com), and education (shiksha.com). Among its early investments in start-ups, Eternal (previously Zomato) with 12.43% stake and PB Fintech with 12.52% stake have emerged as big bets.

Q2FY26 Performance: Info Edge reported revenues of ₹746 crore, up 1.3% QoQ/ 14% YoY. EBITDA margin stood at 39.6%, up ~186 bps QoQ/ down ~220 bps YoY. Adj. PAT (adjusted for exceptional gain of ₹5,200 crore w.r.t MTM gains due to merger of Makesense Technologies with PB Fintech), stood at ₹261 crore, up 0.5% QoQ/ ~9.9% YoY.

Investment Rationale

- **Recruitment Business - steady growth amid cautious hiring environment:** Recruitment revenues rose 13% YoY with billings up 11%, led by healthy growth in GCCs (+18% YoY), non-IT sectors (+11% YoY), and consultants (+9% YoY). Engagement metrics like CV searches, view, additions, traffic etc., remained resilient, with Naukri's database now exceeding 111 million resumes. Margins improved to 55.8% (+330 bps QoQ) supported by cost efficiencies. Despite a muted IT hiring backdrop, focus on Tier-2/3 markets, GCCs, and AI-driven productivity tools positions the business for resilient, long-term growth;
- **99 acres - sustained market share gains with improving unit economics:** 99acres reported 14% YoY revenue and billing growth (driven by improvements in no. of billed customers & avg. billing per customer) & continues to outpace peers with ~49% traffic share vs. mid-20s for competitors. Growth was led by strong broker (vs developer) & resale/rental listings (+37% YoY vs 23% YoY for live new project listings) & rising inquiries across categories. While the business posted an operating loss of ₹23 crore, it generated cash from operations of ₹2 crore. Ongoing investments in marketing, product quality, & customer acquisition are driving sustainable market leadership in online real estate space.
- **Non-Recruitment: steady execution and AI-led product enhancement:** Jeevansathi maintained breakeven with 29% YoY revenue & billing growth driven by improved monetization & focus on Hindi-speaking markets. Shiksha revenues grew 18% YoY & stayed profitable despite lower traffic from AI-driven search changes such as Google AI summaries & AI bots. Billings too grew by 13% YoY evenly across domestic & study abroad business. Across platforms, AI deployment is enhancing personalization, matching algorithms, and decision-making speed. **We estimate standalone revenue CAGR of 16.4% over FY25-27E (vs 17% earlier) to ₹3,596. Also, we bake in EBITDA margins of 39.6%/41.2% for FY26E/FY27E, as we expect a gradual margin recovery due to ongoing marketing and AI investments.**

Rating and Target Price

- With healthy cash flows, reduced losses in others vertical & investments in AI, Info Edge remains well-positioned for long-term, technology-led value creation. We maintain **BUY**, with target price of ₹1,580, using SOTP method.

Key Financial Summary

Key Financials	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	2 year CAGR (FY25-27E)
Net Sales	2,159	2,381	2,654	15.8%	3,067	3,596	16.4%
EBITDA	784	955	1,073	8.6%	1,215	1,482	17.5%
EBITDA margins (%)	36.3	40.1	40.4		39.6	41.2	
Net Profit	706	850	717	76.9%	1,080	1,293	34.3%
EPS (₹)	10.9	13.2	11.1		16.7	20.0	
P/E	42.5	21.0	22.6		15.8	67.5	
RoNW (%)	6.5	3.3	2.6		3.3	3.8	
RoCE (%)	8.3	4.5	4.7		4.4	5.1	

Source: Company, ICICI Direct Research

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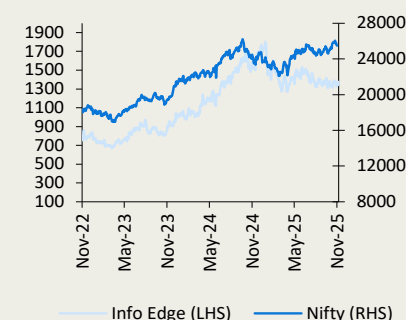
Particulars

Particular	Amount
Market Cap(₹ Crore)	87,328
Total Debt (₹ Crore)	0
Cash and Invests (₹ Crore)	1,253
EV (₹ Crore)	86,076
52 week H/L	1825/ 1157
Equity capital	129
Face value	10

Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	38	38	38	38
FII	33	33	33	30
DII	19	19	19	22
Other	11	10	10	10

Price Chart



Key risks

- Prolonged muted IT hiring momentum;
- Slower than expected billings to revenue conversion

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Performance highlights and outlook

- **Revenue Performance:** Info Edge reported revenues of ₹746 crore, up 1.3% QoQ/ 14% YoY. Including acquired businesses (DoSelect and Zwayam) revenues stood at ₹769 crore, up 14% YoY.
- **Segment performance: Recruitment business** (74.8% of the mix) reported a revenue of ₹558 crore, up 3% QoQ/ 12.8% YoY. Its **99 acres business** (15.4% of the mix) reported revenues of ₹115 crore, up 4% QoQ/12.8% YoY. The **Other Vertical** business (9.7% of the mix) reported revenue of ₹73 crore, down 13.6% QoQ/ up 22.9% YoY wherein, **Jeevansathi** reported revenues of ₹33.9 crore, flat QoQ and **Shiksha** revenues came in at ₹38.8 crore, down 23% QoQ.
- **Billings:** The total billings for the quarter were up by 12% YoY at ₹729 crore. Billings on a YoY basis, saw broad based growth across segments with recruitment business, 99 acres, Jeevansathi and Education recording an uptick of 10.8%, 14%, 29.3% and 12.9% respectively.
- **Margin performance:** The company reported EBITDA of ₹295.4 crore, up 6.3% QoQ/ 7.7% YoY, translating to an EBITDA margin of 39.6%, up ~186 bps QoQ/ down ~220 bps YoY. EBITDA margins for the recruitment business came in at 55.8%, up ~330 bps QoQ/ down 190 bps YoY. 99 acres reported EBITDA margin of (-)20.3%, down ~300 bps QoQ/ ~600 ps YoY. The Others business margins came at 3.3%, down 430 bps QoQ/ up ~100 bps YoY.
- **PAT and PAT margins:** PAT (adjusted for exceptional gain of ₹5,200 crore w.r.t MTM gains due to merger of Makesense Technologies (JV of Info Edge) with PB Fintech, stood at ₹261 crore, up 0.5% QoQ/ ~9.9% YoY.
- **Naukri (Recruitment Business) – 75% of mix**
 - Billings up 11% YoY to ₹545 crore; revenue up 13% YoY to ₹558 crore.
 - Segment grew across verticals YoY: Tech/IT/BPM up 7%, GCCs up 18%, other sectors up 11%, consultants up 9%.
 - Naukri Gulf up 22% YoY; IIM Jobs & Naukri Fast Forward saw temporary moderation amid GTM experiments.
 - Resume database at 111mn resumes; Avg. 26k added daily.
 - Management cautiously optimistic; platform engagement healthy; focus on Tier-2/3, GCCs, and non-IT diversification.
 - Hiring Trends - IT hiring remains muted, while non-IT continue to deliver steady double-digit growth
- **99 acres (Real Estate) – 15% of the mix**
 - Billings up 14% YoY to ₹122 crore; revenue up 13% YoY to ₹115 crore.
 - While the business posted an operating loss of ₹23 crore, it generated cash from operations of ₹2 crore during the quarter.
 - Continued market share gains; billings up mid-teens YoY (+14% YoY).
 - Growth led by higher billed customers & better ARPU; broker/channel partner billings outpaced developers.
 - Both number of paid listings and total listings improved QoQ with rising inquiries across categories.
 - Live project listings +23% YoY; resale/rental listings +37% YoY.
 - Traffic-time share at ~49% (vs mid-20s for peers); steady gains of 0.5–1% monthly over last year.
- **Jeevansathi (Matrimony) – 5% of the mix**
 - Billings & revenue up 29% YoY to ₹34 crore each; sustained breakeven with positive cash flow.
 - Growth led by premium model, AI-led product enhancements & Hindi-speaking market focus.
 - Increased marketing spend to drive user acquisition while maintaining breakeven levels.

- **Shiksha (Education) – 5% of the mix**
 - Billings up 13% YoY to ₹28 crore; revenue up 18% YoY to ₹39 crore.
 - Operating profit ₹2 crore; cash losses reduced to ₹8 crore vs ₹11 crore YoY.
 - Healthy domestic and overseas growth; traffic impacted by AI-led changes in Google search (AI summaries and AI chatbot).
 - Continued investments in student-friendly content and domain expertise.
- **AI & Product Development:** Chief AI Officer elevated to Chief Product Officer; AI focus areas: user personalization, productivity, new monetization levers, and internal efficiency; Naukri database upgraded with ML - recruiter productivity improved; jobseeker engagement up 15–20% YoY; GenAI leveraged for marketing creatives; launched AI co-pilot “AI REX” which is in early adoption phase.
- **M&A:** Open for consolidation in matrimony and real estate.
- **Employee metrics:** The total headcount for the quarter stood at 6,238 employees, addition of 64 employees QoQ.

Quarter Performance

	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Comments
Revenue	746.0	656.1	13.7	736.4	1.3	Recruitment business (74.8% of the mix) reported a revenue of ₹558 crore, up 3% QoQ/ 12.8% YoY. Its 99 acres business (15% of the mix) reported revenues of ₹115 crore, up 4% QoQ/12.8% YoY. Jeevansathi reported revenues of ₹33.9 crore, flat QoQ and Shiksha revenues came in at ₹38.8 crore, down 23% QoQ
Employee expenses	302.3	262.4	15.2	291.5	3.7	
Marketing expenses	90.1	75.5	19.3	111.1	-18.9	
Network & other charges	15.4	12.6	22.5	15.7	-1.6	
Other expenses	42.7	31.1	37.1	40.3	6.0	
EBITDA	295.4	274.4	7.7	277.9	6.3	
EBITDA Margin (%)	39.6	41.8	-223 bps	37.7	186 bps	EBITDA margins for the recruitment business came in at 55.8%, up ~330 bps QoQ/ down 190 bps YoY. 99 acres reported EBITDA margin of (-)20.3%, down ~300 bps QoQ/ ~600 ps YoY. The Others business margins came at 3.3%, down 430 bps QoQ/ up ~100 bps YoY
Depreciation & amortisatic	22.6	18.6	21.8	22.6	0.2	
EBIT	272.8	255.8	6.6	255.3	6.9	
EBIT Margin (%)	36.6	39.0	-243 bps	34.7	190 bps	
Other income (less interest	82.0	80.3	2.1	96.0	-14.6	
PBT	354.8	336.2	5.5	351.3	1.0	
Tax paid	829.1	353.7	134.4	86.6	857.3	
PAT	4,720.5	85.9	5,396.9	259.6	1,718.2	
Adj. PAT	261.0	237.5	9.9	259.6	0.5	PAT is adjusted for exceptional gain of ₹5,200 crore w.r.t MTM gains due to merger of Makesense Technologies (JV of Info Edge) with PB Fintech

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 1: Profit and loss statement ₹ crore				
(Year-end March)	FY24	FY25	FY26E	FY27E
Total operating Income	2,381	2,654	3,067	3,596
Growth (%)	10	11	16	17
Employee Expenses	982	1,081	1,236	1,446
Marketing Expenses	274	312	391	428
Network and Other Charge	50	53	63	65
Other Expenditure	120	134	162	176
EBITDA	955	1,073	1,215	1,482
Growth (%)	22	12	13	22
Depreciation	68	80	91	97
EBIT	888	992	1,124	1,384
Interest	16	19	21	19
Other Income	259	314	338	358
PBT	1,130	1,287	1,441	1,724
Total Tax	280	570	1,102	431
Reported PAT	833	773	5,539	1,293
Adjusted PAT	850	717	1,080	1,293
Growth (%)	20	(16)	51	20
Adjusted EPS (₹)	13.2	11.1	16.7	20.0

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore				
(Year-end March)	FY24	FY25	FY26E	FY27E
Profit after Tax	833	773	5,539	1,293
Add: Depreciation	68	80	91	97
(Inc)/dec in Current Assets	(10)	(18)	(12)	(16)
Inc/(dec) in CL and Provision	27	16	229	293
Others	(466)	(694)	(646)	(310)
CF from operating activities	832	984	311	1,358
(Inc)/dec in Investments	(553)	(588)	(5,000)	(500)
(Inc)/dec in Fixed Assets	(25)	(80)	(15)	(15)
Others	375	693	696	358
CF from investing activities	(515)	(671)	(4,677)	(157)
Proceeds from fresh issue o	0	0	4,876	(388)
Inc/(dec) in loan funds	0	(1)	-	-
Dividend & DDT	(245)	(310)	-	-
Others	(16)	(19)	(21)	(19)
CF from financing activities	(285)	(354)	4,831	(431)
Net Cash flow	32	(41)	465	771
Exchange difference				
Opening Cash	113	145	104	570
Closing Cash	998	104	570	1,340

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet ₹ crore				
(Year-end March)	FY24	FY25	FY26E	FY27E
Liabilities				
Equity Capital	129	129	129	129
Reserve and Surplus	25,347	27,572	32,787	33,692
ESOP	-	-	-	-
Secured Loan	1	0	0	0
Minority interest	-	-	-	-
Other non-current liabilities	200	217	217	217
Sources of funds	25,678	27,918	33,134	34,039
Assets				
Gross Block	589	715	753	792
Less: Acc Depreciation	298	378	469	567
Net Block	291	336	284	225
Capital WIP	-	3	3	3
Net Intangible assets	10	7	7	7
Other Investments	-	-	-	-
Liquid Investments	727	1,148	1,148	1,148
Inventory	-	-	-	-
Debtors	7	13	15	18
Loans and Advances	-	-	-	-
Cash	998	104	570	1,340
Other Current Assets	2,162	2,781	2,791	2,804
Other Non-Current Assets	22,909	25,188	30,188	30,688
Creditors	75	63	73	85
Provisions	111	130	101	118
Other current liabilities	1,240	1,469	1,698	1,991
Net Current Assets	2,469	2,385	2,653	3,116
Application of Funds	25,678	27,918	33,134	34,039

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios				
(Year-end March)	FY24	FY25	FY26E	FY27E
Per share data (₹)				
Reported EPS	13.2	11.1	16.7	20.0
Cash EPS	69.7	66.1	87.2	21.5
BV	1,972.1	2,144.3	509.6	523.6
DPS	22.6	18.0	5.0	6.0
Cash Per Share	77.3	8.1	8.8	20.8
Operating Ratios (%)				
EBITDA Margin	40.1	40.4	39.6	41.2
EBIT Margin	37.3	37.4	36.6	38.5
PAT Margin	35.7	27.0	35.2	36.0
Debtor days	1	2	2	2
Creditor days	11	9	9	9
Return Ratios (%)				
RoE	3.3	2.6	3.3	3.8
RoCE	4.5	4.7	4.4	5.1
RoIC	3.7	3.7	3.6	4.4
Valuation Ratios (x)				
P/E	21.0	22.6	15.8	67.5
EV / EBITDA	89.6	80.3	70.4	57.3
EV / Net Sales	36.0	32.4	27.9	23.6
Market Cap / Sales	36.7	32.9	28.5	24.3
Price to Book Value	0.7	0.6	2.7	2.6
Solvency Ratios				
Debt/EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.5	1.7	1.5	1.3
Quick Ratio	1.5	1.7	1.5	1.3

Source: Company, ICICI Direct Research

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