

Steady quarter...

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 12.43% stake have emerged as big bets.

Q3FY26 Performance: Info Edge reported revenues of ₹764.6 crore, up 2.5% QoQ/ 14% YoY. EBITDA margin at 42.5%, up ~285 bps QoQ/ down ~70 bps YoY. Adj. PAT (ex-one off from labour code) came at ₹291.1 crore, up 11.5% QoQ/ 12.2% YoY.

Investment Rationale

- Recruitment franchise strength with premiumisation tailwinds:** Recruitment revenues/ billings rose 13.9% YoY/11% YoY, led by Tech/IT/BPM (+14% YoY), GCCs (+13% YoY), recruitment consultants (+5% YoY) & other sectors (+2% YoY). Naukri's database now exceeds 113 million resumes with ~20k daily resume additions. **The recruitment business continues to benefit from rising adoption among premium segment (>₹30 lakhs), driven by new-age skills and GCC hiring.** Faster traction is seen in higher-value roles & specialized platforms, which can lift ARPU & improve monetization over time. Even in a moderate hiring environment, its diversified client base & SME penetration provide resilience. **Management guided that margin expansion is feasible if revenue growth remains in teens & single-digit growth may result in margin pressure.**
- Non-recruitment verticals (99acres, Jeevansathi and Shiksha):** **99 acres** reported 13.8% YoY/14.4% YoY revenue/billing growth as it continues to outpace peers with ~46% traffic share vs. 44% in Q2. Growth was led by strong broker & channel partner billings (vs developer) & resale/rental listings (+41% YoY vs 27% YoY for live new project listings). **Jeevansathi** revenue was up 28.5% YoY & billings up 31% YoY as it sustained breakeven with positive cash flow of ₹1 crore. Aisle (dating app) grew at 35%+ with Arike, (Malayalam-focused app), growing at an even faster pace. **Shiksha** revenues grew 2.7% YoY as AI related impact was visible with lower traffic from AI-driven search changes such as Google AI summaries & AI bots. **We estimate standalone revenue CAGR of 15.3% over FY25-28E (vs 16.4% earlier) to ₹4,072 crore. Also, we bake in EBITDA margins of 40.2%/41.2%/41.8% for FY26E/FY27E/FY28E, as we expect a gradual margin recovery due to ongoing investments in newer initiatives such as JobHai (blue collar hiring) and AI capabilities.**
- AI-led innovation and product depth to drive long-term monetisation:** The company's aggressive AI adoption spanning resume matching, recruiter productivity tools, and search relevance creates a structural moat by improving hiring efficiency at scale. As AI tools mature and deliver measurable ROI to clients, they can enable premium pricing, new subscription tiers, and higher platform engagement, strengthening long-term revenue visibility

Rating and Target Price

- Given the broad-based billings growth and recent price correction of ~17% in 6 months, we maintain **BUY**, with target price of ₹1,480, using SOTP method.

Key Financial Summary

Key Financials	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Net Sales	2,159	2,381	2,654	15.8%	3,029	3,494	4,072	15.3%
EBITDA	784	955	1,073	8.6%	1,218	1,440	1,702	16.6%
EBITDA margins (%)	36.3	40.1	40.4		40.2	41.2	41.8	
Net Profit	706	850	717	76.9%	1,092	1,264	1,450	26.5%
EPS (₹)	10.9	13.2	11.1		16.9	19.6	22.5	
P/E	35.7	17.6	19.0		13.3	58.1	50.6	
RoNW (%)	6.5	3.3	2.6		3.3	3.7	4.2	
RoCE (%)	8.3	4.5	4.7		4.4	5.0	5.6	

infoedge

 naukri  99acres  jeevansathi.com  shiksha

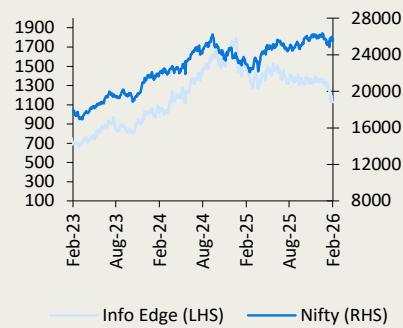
Particulars

Particular	Amount
Market Cap(₹ Crore)	73,506
Total Debt (₹ Crore)	0
Cash and Invests (₹ Crore)	1,253
EV (₹ Crore)	72,253
52 week H/L	1566/ 1104
Equity capital	129
Face value	10

Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoters	38	38	38	38
FII	33	33	30	30
DII	19	19	22	22
Other	10	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 ₹764.6 crore, up 2.5% QoQ/13.9% YoY. Including acquired businesses (DoSelect and Zwayam) revenues stood at ₹781 crore, up 12.5% 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 11.8% YoY at ₹747 crore. Billings on a YoY basis, saw broad based growth across segments with recruitment business, 99 acres, Jeevansathi and Education recording an uptick of 11%, 14.4%, 29.3% and 3.9% respectively.
- Margin performance:** The company reported EBITDA of ₹324.6 crore, up 9.9% QoQ/ 12% YoY, translating to an EBITDA margin of 42.5%, up ~285 bps QoQ/ down ~70 bps YoY. EBITDA margins for the recruitment business came in at 54.6%, down ~130 bps QoQ. 99 acres reported EBITDA margin of (-)28%, down ~830 bps QoQ. The Others business margins became negative again and came at -14%. Adj. PAT (ex-one off from labour code) came at ₹291.1 crore, up 11.5% QoQ/ 12.2% YoY.
- Naukri (Recruitment Business) – 75% of mix**
 - Billings up 11% YoY to ₹548 crore despite muted hiring environment; revenue up 13.9% YoY to ₹575 crore.
 - Segment grew across verticals YoY: Tech/IT/BPM up 14%, GCCs up 13%, recruitment consultants up 5% and other sectors up 2%.
 - Naukri Gulf up 19% YoY; Billings of Naukri B2C business grew at 17%.
 - Resume database at 113mn resumes; Avg. 20k added daily.
 - Hiring Trends - IT hiring remains uncertain while non-IT sector was impacted by a cyclical slowdown
 - Mid-market white-collar hiring (₹5–30 lakhs) remains under pressure; however, premium segment (>₹30 lakhs), driven by new-age skills and GCC hiring; and the value segment (<₹5 lakh), led by warehousing, logistics, delivery, and retail roles, are witnessing healthy growth trends.
 - JobHai (blue collar hiring) is incurring an annual burn of ~₹50 crore and investments will likely continue over the next few years; Continued investments in JobHai and its expansion to Bangalore and Mumbai post market success in Delhi NCR.
 - Management guided that margin expansion is feasible only if revenue growth remains in the teens; single-digit growth may result in margin pressure.
- 99 acres (Real Estate) – 15% of the mix**
 - Billings up 14.4% YoY to ₹117 crore; revenue up 13.8% YoY to ₹119 crore.
 - The business posted an operating loss of ₹20 crore, and it generated negative cash from operations of ₹10 crore during the quarter.
 - The Secondary business performed well, while the Primary segment remained relatively slower.
 - Continued market share gains
 - Live project listings +27% YoY; live resale + rental listings from broker +41% YoY.
 - Continue to grow faster vis-a vis other classified players and gain market share; Traffic-time share at ~46% vs 44% in Q2;
- Jeevansathi (Matrimony) – 5% of the mix**
 - Billings up 31% YoY; revenue up 28.5% YoY to ₹46 crore and ₹45 crore; sustained breakeven with positive cash flow of ₹1 crore.

- Aisle grew at 35%+ in the quarter. Arike, the Malayalam-focused app, is growing at an even faster pace.
- Management is seeing elevated marketing spend by competitors in the segment; Increased marketing spend to drive user acquisition while maintaining breakeven levels.
- **Shiksha (Education) – 5% of the mix**
 - Billings up 3.9% YoY to ₹46 crore; revenue up 2.7% YoY to ₹36 crore.
 - Domestic billings grew by 14% while study abroad business witnessed a slow down.
 - Traffic continues to be impacted by AI-led changes in Google search (AI summaries and AI chatbot); Continued investments in creating more comprehensive, student-friendly content, strengthen domestic counselling capabilities and build deep domain expertise in this segment.
- **AI & Product Development:** Regarding **Naukri AIREX**, its agentic co-pilot for talent sourcing, management indicated that the immediate priority is increasing adoption and helping clients realise productivity gains. Around 100 clients are currently in the trial phase. Revenue models are still being developed, and pricing details remain undecided.
- **Employee metrics:** The total headcount for the quarter stood at 6,150 employees, reduction of 88 employees QoQ.
- **Dividend:** The Board declared an interim dividend of ₹2.40 per share.

Exhibit 1: Quarter Performance

	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comments
Revenue	764.6	671.5	13.9	746.0	2.5	Recruitment business (74.8% of the mix) reported a revenue of ₹575 crore, up 3% QoQ/ 13.9% YoY. Its 99 acres business (15% of the mix) reported revenues of ₹118 crore, up 3% QoQ/13.8% YoY. Jeevansathi reported revenues of ₹35 crore, up 2.4% QoQ and Shiksha revenues came in at ₹36 crore, down 6.5% QoQ
Employee expenses	298.4	268.1	11.3	302.3	-1.3	
Marketing expenses	80.5	66.7	20.7	90.1	-10.6	
Network & other charges	15.3	13.6	12.5	15.4	-0.7	
Other expenses	45.8	33.4	37.0	42.7	7.3	
EBITDA	324.6	289.7	12.0	295.4	9.9	EBITDA margins for the recruitment business came in at 54.6%, down ~120 bps QoQ/ down 430 bps YoY. 99 acres reported EBITDA margin of (-)28%, down ~770 bps QoQ/ ~2340 ps YoY. The Others business margins came at% (-)14% down 1730 bps QoQ/ ~150 bps YoY
EBITDA Margin (%)	42.5	43.1	-69 bps	39.6	285 bps	
Depreciation & amortisatic	22.0	21.7	1.5	22.6	-2.7	
EBIT	302.5	268.0	12.9	272.8	10.9	
EBIT Margin (%)	39.6	39.9	-34 bps	36.6	300 bps	
Other income (less interest)	81.1	78.1	3.8	82.0	-1.1	
PBT	383.7	346.1	10.8	354.8	8.1	
Tax paid	83.2	82.0	1.5	829.1	-90.0	
PAT	246.5	200.2	23.1	4,720.5	-94.8	
Adj. PAT	291.1	259.5	12.2	261.0	11.5	Adj. PAT is ex-one off from labour code.

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore)	FY26E			FY27E			FY28E
	Old	New	% Change	Old	New	% Change	
Revenue	3,067	3,029	-1.3	3,596	3,494	-2.8	4,072
EBITDA	1,215	1,218	0.2	1,482	1,440	-2.8	1,702
EBITDA Margin (%)	39.6	40.2	61 bps	41.2	41.2	0 bps	41.8
PAT	1,081	1,092	1.1	1,293	1,264	-2.3	1,450
Diluted EPS (₹)	16.7	16.9	1.1	20.0	19.6	-2.3	22.5

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 1: Profit and loss statement				₹ crore
(Year-end March)	FY25	FY26E	FY27E	FY28E
Total operating Income	2,654	3,029	3,494	4,072
Growth (%)	11	14	15	17
Employee Expenses	1,081	1,205	1,405	1,629
Marketing Expenses	312	376	416	468
Network and Other Charge	53	62	63	73
Other Expenditure	134	168	171	200
EBITDA	1,073	1,218	1,440	1,702
Growth (%)	12	14	18	18
Depreciation	80	90	94	108
EBIT	992	1,128	1,345	1,594
Interest	19	21	19	19
Other Income	314	339	358	358
PBT	1,287	1,447	1,685	1,934
Total Tax	570	1,092	421	483
Reported PAT	773	5,506	1,264	1,450
Adjusted PAT	717	1,092	1,264	1,450
Growth (%)	(16)	52	16	15
Adjusted EPS (₹)	11.1	16.9	19.6	22.5

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement					₹ crore
(Year-end March)	FY25	FY26E	FY27E	FY28E	
Profit after Tax	773	5,506	1,264	1,450	
Add: Depreciation	80	90	94	108	
(Inc)/dec in Current Assets	(18)	(11)	(14)	(17)	
Inc/(dec) in CL and Provisions	16	208	258	320	
Others	(702)	(961)	(620)	(307)	
CF from operating activities	984	301	1,289	1,554	
(Inc)/dec in Investments	(588)	(5,000)	(500)	(500)	
(Inc)/dec in Fixed Assets	(80)	(15)	(15)	(15)	
Others	694	1,056	717	358	
CF from investing activities	(671)	(4,676)	(157)	(157)	
Proceeds from fresh issue of share capital	0	4,824	(379)	(435)	
Inc/(dec) in loan funds	(1)	-	-	-	
Dividend & DDT	(310)	-	-	-	
Others	(19)	(21)	(19)	(19)	
CF from financing activities	(354)	4,779	(422)	(478)	
Net Cash flow	(41)	404	711	920	
Exchange difference					
Opening Cash	145	104	509	1,220	
Closing Cash	104	509	1,220	2,139	

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet				₹ crore
(Year-end March)	FY25	FY26E	FY28E	
Liabilities				
Equity Capital	129	129	129	129
Reserve and Surplus	27,572	32,750	33,635	34,650
ESOP	-	-	-	-
Secured Loan	0	0	0	0
Minority interest	-	-	-	-
Other non-current liabilities	217	217	217	217
Sources of funds	27,918	33,097	33,981	34,997
Assets				
Gross Block	715	753	792	831
Less: Acc Depreciation	378	468	562	670
Net Block	336	285	229	160
Capital WIP	3	3	3	3
Net Intangible assets	7	7	7	7
Other Investments	-	-	-	-
Liquid Investments	1,148	1,148	1,148	1,148
Inventory	-	-	-	-
Debtors	13	15	17	20
Loans and Advances	-	-	-	-
Cash	104	509	1,220	2,139
Other Current Assets	2,781	2,790	2,801	2,816
Other Non-Current Assets	25,188	30,188	30,688	31,188
Creditors	63	72	83	97
Provisions	130	100	115	134
Other current liabilities	1,469	1,676	1,934	2,254
Net Current Assets	2,385	2,614	3,055	3,639
Application of Funds	27,918	33,097	33,981	34,997

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios				
(Year-end March)	FY25	FY26E	FY27E	FY28E
Per share data (₹)				
Reported EPS	11.1	16.9	19.6	22.5
Cash EPS	66.1	86.6	21.0	24.1
BV	2,144.3	509.0	522.7	538.4
DPS	18.0	5.1	5.9	-
Cash Per Share	8.1	7.9	18.9	33.1
Operating Ratios (%)				
EBITDA Margin	40.4	40.2	41.2	41.8
EBIT Margin	37.4	37.3	38.5	39.2
PAT Margin	27.0	36.1	36.2	35.6
Debtor days	2	2	2	2
Creditor days	9	9	9	9
Return Ratios (%)				
RoE	2.6	3.3	3.7	4.2
RoCE	4.7	4.4	5.0	5.6
RoIC	3.7	3.6	4.3	5.0
Valuation Ratios (x)				
P/E	19.0	13.3	58.1	50.6
EV / EBITDA	67.3	58.9	49.4	41.2
EV / Net Sales	27.2	23.7	20.3	17.2
Market Cap / Sales	27.7	24.2	21.0	18.0
Price to Book Value	0.5	2.2	2.2	2.1
Solvency Ratios				
Debt/EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.7	1.5	1.3	1.1
Quick Ratio	1.7	1.5	1.3	1.1

Source: Company, ICICI Direct Research

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