Info Edge (INFEDG)

CMP: ₹ 1,181 | Target ₹ 1,530 (30%) | Target Period: 12 months | BUY

October 29, 2026

Healthy performance; Leadership transition key monitorable...

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 12.12% stake have emerged as big bets.

Q2FY27 performance: Info Edge reported revenues of ₹841.7 crore, up 2.1% QoQ/12.8% YoY. EBITDA margin at 44.8%, up ~80 bps QoQ/520 bps YoY. Reported PAT at ₹334 crore, up 36% QoQ/ down 92.9% YoY (+5.1% QoQ / +28% YoY on adjusted basis) as there was exceptional gain in the base quarter last year.

Investment Rationale:

- Recruitment growth remains resilient; AI-led monetisation providing incremental upside: Recruitment billings/revenue grew 12.6%/13.3% YoY in Q2FY27, with H1 billings growth at 14.9%. Management indicated underlying billings growth of ~14–15%, adjusting for renewal timing. **AI products - AI-Rex, Talent Pulse and job-seeker offerings now contribute a high-single-digit share of recruitment topline, with an annualised run rate of ~₹240 crore. Management says clients buying AI products pay 10-15% more** while AI-Rex is still in early adoption (~2,000 customers vs ~40,000 large and mid-sized renewing accounts), so there is room to grow. Naukri B2C billings rose 37% and paid conversion reached 2.7% from 1.3% in January 2025. Recruitment EBITDA margin improved to 59.1%, up ~80 bps QoQ/325 bps YoY, supporting operating leverage as AI adoption scales. **Management maintained that margin expansion is feasible if revenue growth remains above ~10%. We estimate standalone revenue CAGR of 14.8% over FY26-28E. Also, we bake in EBITDA margins of 43.5%/44% for FY27E/FY28E.**
- **99acres' accelerating growth & improving economics strengthen earnings visibility: 99acres** delivered 21.2% billings and 16.7% revenue growth YoY, with **operating losses narrowing 93% YoY to ₹1.6 crore**. Property enquiries grew 33% YoY, app DAUs increased 25%, and marketing investment declined 13%. Market-share gains, improving monetisation and easing competitive intensity should support operating leverage. **The business generated ₹22 crore of operating cash in Q2 vs ₹2 crore last year, with management expecting positive operating cash generation in FY27.**
- **Diversification and strong cash generation support growth, despite Shiksha headwinds: Jeevansathi and Aisle combined billings grew 23.1% YoY,** with Jeevansathi profitable at the operating level and Aisle continuing to reduce losses. However, Shiksha remains under pressure (billings declined 27.2% & revenue was down ~20% QoQ/8.5% YoY) from AI-led changes in search behaviour, with a pivot towards domestic counselling and AI-led operations underway. Cash from operations rose 27.4% YoY to ₹373 crore and cash balance stood at ₹4,976 crore. **The planned CEO transition from Hitesh Oberoi to Sanjeev Bikhchandani in December remains a key monitorable.**

Rating and Target Price: Given resilient recruitment growth, increasing AI-led monetisation and improving profitability at 99acres, we maintain BUY on Info Edge with target price of ₹1,530, using SOTP method.

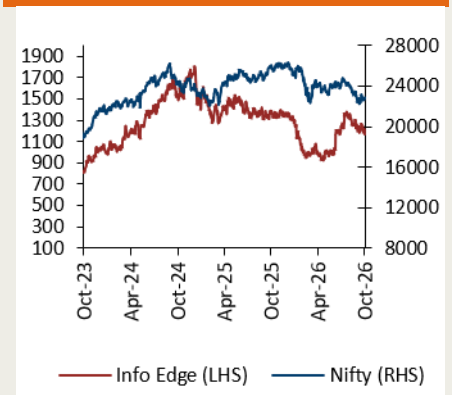
Particulars

Particular	Amount
Market Cap (₹ Crore)	76,283
Total Debt (₹ Crore)	0
Cash & Invts. (₹ Crore)	1,392
EV (₹ Crore)	74,892
52 week H/L (₹)	1408/908
Equity capital	130
Face value (₹)	2

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	38	37	37	37
FII	30	28	24	25
DII	22	24	28	27
Other	10	10	11	11

Price Chart



Key risks

- Slower than expected revenue and margin expansion;
- Slower than expected billings to revenue conversion

Research Analyst

Bhupendra Tiwary, CFA
bhupendra.tiwary@icicisecurities.com

CA Anjini Sharma
anjini.sharma@icicisecurities.com

Key Financial Summary

Key Financials	FY24	FY25	FY26	5 year CAGR (FY20-25)	FY27E	FY28E	2 year CAGR (FY26-28E)
Net Sales	2,381	2,654	3,052	22.0%	3,421	3,971	14.1%
EBITDA	955	1,073	1,248	17.8%	1,489	1,747	18.3%
EBITDA margins (%)	40.1	40.4	40.9		43.5	44.0	
Adj. Net Profit	850	717	368	4.3%	1,294	1,478	100.4%
EPS (₹)	13.2	11.1	5.7		20.0	22.9	
P/E	18.3	19.7	13.8		62.4	51.6	
RoNW (%)	3.3	2.6	1.1		3.6	4.0	
RoCE (%)	4.5	4.7	4.3		4.8	5.4	

Source: Company, ICICI Direct Research

Performance highlights and outlook

- **Revenue Performance:** Info Edge reported standalone revenue of ₹841.7 crore, up 2.1% QoQ/12.8% YoY. Including acquired businesses (Zwayam, DoSelect, Coding Ninjas, and Aisle), revenue stood at ₹904 crore, up 12.5% YoY.
- **Segment Performance:** Recruitment (75.1% of the mix) reported revenue of ₹632.3 crore, up 3.4% QoQ/13.3% YoY. 99acres (16% of the mix) reported revenue of ₹134.3 crore, up 3.5% QoQ/16.7% YoY, while the Others vertical (8.9% of the mix) reported revenue of ₹75 crore, down 9.5% QoQ/up 3.2% YoY. Within Others, Jeevansathi reported revenue of ₹40 crore, up 2.6% QoQ/16.5% YoY, while Shiksha reported revenue of ₹35 crore, down ~20% QoQ/8.5% YoY.
- **Bilings:** Standalone billings grew 12.8% YoY to ₹822.3 crore, with growth excluding Shiksha at 14.4%. Recruitment, 99acres and Jeevansathi billings grew 12.6%, 21.2% and 18.5%, while Shiksha billings declined 27.2%. Matchmaking billing (Jeevansathi + Aisle) grew 23% YoY with Aisle growing 40% YoY.
- **Margin performance:** EBITDA margin stood at 44.8%, up ~80 bps QoQ/520 bps YoY. Recruitment EBITDA margin improved to 59.1%, up ~80 bps QoQ/325 bps YoY, while 99acres' operating loss narrowed 93% YoY to ₹1.6 crore. Others' EBITDA margin declined to 1.3%, reflecting continued weakness in Shiksha. Reported PAT stood at ₹334 crore, up 36% QoQ/down 92.9% YoY, while adjusted PAT grew 5.1% QoQ/28% YoY.
- **Naukri (Recruitment Business) – 75% of mix**
  - Billings grew 12.6% YoY to ₹614 crore, while revenue increased 13.3% to ₹632 crore. Management indicated underlying billings growth of ~14–15% after adjusting for renewal timing.
  - **AI monetisation: AI-led offerings (AI-Rex, Talent Pulse and job-seeker offerings) contributed a high-single-digit share of recruitment topline, with an annualised run rate of ~₹240 crore, while delivering 15-20% efficiency gains across workflows.**
  - **AI-Rex had over 2,000 paid customers, while Talent Pulse served over 750 paid customers.**
  - Recruitment EBITDA margin stood at 59.1%, up ~80 bps QoQ/325 bps YoY supporting strong profitability.
  - Growth was broad-based YoY in H1: Tech/IT/BPM +9%, GCCs +19%, other sectors +16%, while recruitment consultants grew 5%.
  - Naukri B2C billings grew 37% in Q2, with paid conversion improving to 2.7% of monthly active users and online mix increasing to 59%. Naukri Gulf grew 9% YoY in Q2.
  - Naukri's resume database has reached ~120 mn resumes, with ~20,000 new profiles added daily.
- **99acres (Real Estate) – ~16% of mix**
  - Billings grew 21.2% YoY to ₹148 crore, while revenue increased 16.7% to ₹134 crore. Operating losses narrowed 93% YoY to ₹1.6 crore.
  - Traffic leadership remained strong, with web/app/iOS traffic-time share at 49%. App DAUs grew 25% YoY, while property enquiries increased 33%.
  - Supply momentum remained healthy, with owner listings up 23%, broker resale and rental listings up 14% and new-project listings up 15% YoY. Marketing investment declined 13% YoY despite higher enquiries.
  - The business generated ₹22 crore of operating cash in Q2 vs ₹2 crore last year, with management expecting positive operating cash generation in FY27.

- **Jeevansathi / Aisle (Matchmaking) - ~5% of mix**
  - Jeevansathi billings grew 18.5% YoY to ₹40 crore, with revenue up 16.5% YoY to ₹40 crore and operating PBT of ₹1.8 crore.
  - Jeevansathi + Aisle Combined billings grew 23.1% YoY, with Jeevansathi growing 18.4% and Aisle 40%.
  - Jeevansathi maintained >45% profile share in Hindi-speaking markets.
- **Shiksha (Education) - ~4% of mix**
  - Billings declined 27.2% YoY to ₹20 crore, while revenue declined 20% QoQ it increased 8.5% YoY to ₹35 crore. The business reported an operating loss of ₹0.8 crore.
  - AI-led changes in Google search behaviour continue to reduce referred traffic and affect client delivery. Management is pivoting towards domestic counselling supported by AI voice bots, while expanding study-abroad coverage towards the UK, UAE and continental Europe.
  - Student interest in studying abroad in markets like the US remains subdued, with preference shifting to the UK, Australia and Europe.
- **Cash / Balance sheet:** Standalone cash from operations increased 27.4% YoY to ₹373 crore, and cash balance stood at ₹4,976 crore at September-end. Info Edge's investment portfolio spans around 135 companies, with ~₹5,000 crore invested through its balance sheet and AIFs.
- **Management change:** Hitesh Oberoi will step down as MD and CEO on December 2, with Sanjeev Bikhchandani taking over from December 3, with no external hiring decision made yet.
- **Outlook:** Recruitment growth remains healthy after adjusting for renewal timing, while 99acres is progressing towards sustainable profitability. Shiksha's structural traffic challenges and the CEO transition are key monitorables.

Exhibit 1: Quarter Performance

	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	Comments
Revenue	841.7	746.0	12.8	824.5	2.1	Recruitment (75.1% of the mix) reported revenue of ₹632.3 crore, up 3.4% QoQ/13.3% YoY. 99acres (16% of the mix) reported revenue of ₹134.3 crore, up 3.5% QoQ/16.7% YoY, while the Others vertical (8.9% of the mix) reported revenue of ₹75 crore, down 9.5% QoQ/up 3.2% YoY. Within Others, Jeevansathi reported revenue of ₹40 crore, up 2.6% QoQ/16.5% YoY, while Shiksha reported revenue of ₹35 crore, down ~20% QoQ/8.5% YoY.
Employee expenses	304.0	302.3	0.5	300.1	1.3	
Marketing expenses	92.7	90.1	2.9	98.3	-5.7	
Network & other charges	21.7	15.4	41.1	21.1	3.0	
Other expenses	46.0	42.7	7.7	41.9	9.6	
EBITDA	377.2	295.4	27.7	362.9	3.9	
EBITDA Margin (%)	44.8	39.6	522 bps	44.0	80 bps	Recruitment EBITDA margin improved to 59.1%, up ~80 bps QoQ/325 bps YoY, while 99acres' operating loss narrowed 93% YoY to ₹1.6 crore. Others' EBITDA margin declined to 1.3%, reflecting continued weakness in Shiksha.
Depreciation & amortisation	25.1	22.6	10.7	24.1	4.1	
EBIT	352.2	272.8	29.1	338.9	3.9	
EBIT Margin (%)	41.8	36.6	528 bps	41.1	74 bps	
Other income (less interest)	85.0	82.0	3.6	93.3	-8.9	
PBT	437.2	354.8	23.2	432.2	1.2	
Tax paid	98.4	829.1	-88.1	109.5	-10.2	
PAT	333.9	4,720.5	-92.9	245.5	36.0	
Adj. PAT	333.9	261.0	27.9	317.6	5.1	YoY comparison is distorted by the exceptional gain in the corresponding quarter last year.

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY27E			FY28E		
(₹ Crore)	Old	New	% Change	Old	New	% Change
Revenue	3,447	3,421	-0.8	4,012	3,971	-1.0
EBITDA	1,491	1,489	-0.1	1,757	1,747	-0.6
EBITDA Margin (%)	43.2	43.5	29bps	43.8	44.0	20bps
PAT	1,307	1,294	-1.0	1,492	1,478	-0.9
Diluted EPS (₹)	20.2	20.0	-1.0	23.1	22.9	-0.9

Source: Company, ICICI Direct Research

Financial summary

Exhibit 3: Profit and loss statement	₹ crore		
(Year-end March)	FY26	FY27E	FY28E
Total operating Income	3,052	3,421	3,971
Growth (%)	15	12	16
Employee Expenses	1,186	1,262	1,489
Marketing Expenses	381	396	457
Network and Other Charges	65	88	71
Other Expenditure	173	184	206
EBITDA	**1,248**	**1,489**	**1,747**
Growth (%)	16	19	17
Depreciation	89	102	115
EBIT	1,158	1,388	1,632
Interest	21	20	19
Other Income	335	348	358
PBT	1,473	1,716	1,971
Total Tax	1,105	422	493
Reported PAT	**5,536**	**1,222**	**1,478**
Adjusted PAT	**368**	**1,294**	**1,478**
Growth (%)	(49)	251	14
Adjusted EPS (₹)	5.7	20.0	22.9

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement	₹ crore		
(Year-end March)	FY26	FY27E	FY28E
Profit after Tax	**5,536**	**1,222**	**1,478**
Add: Depreciation	89	102	115
(Inc)/dec in Current Assets	(6)	(10)	(15)
Inc/(dec) in CL and Provisions	(3)	197	294
Others	(763)	(679)	(303)
CF from operating activities	**1,169**	**1,207**	**1,570**
(Inc)/dec in Investments	(146)	(500)	(500)
(Inc)/dec in Fixed Assets	(71)	(15)	(15)
Others	367	707	358
CF from investing activities	**(557)**	**(167)**	**(157)**
Proceeds from fresh issue of share capital	0	(72)	0
Inc/(dec) in loan funds	(1)	-	-
Dividend & DDT	(544)	(367)	(444)
Others	(21)	(20)	(19)
CF from financing activities	**(592)**	**(484)**	**(489)**
Net Cash flow	21	556	924
Exchange difference			
Opening Cash	104	132	688
Closing Cash	**132**	**688**	**1,611**

Source: Company, ICICI Direct Research

Exhibit 5: Balance sheet	₹ crore		
(Year-end March)	FY26	FY27E	FY28E
Liabilities			
Equity Capital	130	130	130
Reserve and Surplus	34,618	35,473	36,508
ESOP	-	-	-
Secured Loan	0	0	0
Minority interest	-	-	-
Other non-current liabilities	210	210	210
Sources of funds	**34,958**	**35,813**	**36,848**
Assets			
Gross Block	805	846	888
Less: Acc Depreciation	467	569	684
Net Block	338	277	204
Capital WIP	18	18	18
Net Intangible assets	3	3	3
Other Investments	-	-	-
Liquid Investments	1,260	1,260	1,260
Inventory	-	-	-
Debtors	11	12	14
Loans and Advances	-	-	-
Cash	132	688	1,611
Other Current Assets	3,016	3,024	3,037
Other Non-Current Assets	32,083	32,583	33,083
Creditors	100	112	130
Provisions	172	112	131
Other current liabilities	1,631	1,828	2,122
Net Current Assets	2,516	2,932	3,540
Application of Funds	**34,958**	**35,813**	**36,848**

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios			
(Year-end March)	FY26	FY27E	FY28E
Per share data (₹)			
Reported EPS	5.7	20.0	22.9
Cash EPS	87.1	20.5	24.7
BV	538.0	551.2	567.2
DPS	1.7	5.7	-
Cash Per Share	2.0	10.6	24.9
Operating Ratios (%)			
EBITDA Margin	40.9	43.5	44.0
EBIT Margin	38.0	40.6	41.1
PAT Margin	12.1	37.8	37.2
Debtor days	1	1	1
Creditor days	12	12	12
Return Ratios (%)			
RoE	1.1	3.6	4.0
RoCE	4.3	4.8	5.4
RoIC	3.5	4.1	4.8
Valuation Ratios (x)			
P/E	13.8	62.4	51.6
EV / EBITDA	60.0	49.9	42.0
EV / Net Sales	24.5	21.7	18.5
Market Cap / Sales	25.0	22.3	19.2
Price to Book Value	2.2	2.1	2.1
Solvency Ratios			
Debt/EBITDA	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0
Current Ratio	1.6	1.5	1.3
Quick Ratio	1.6	1.5	1.3

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, CFA, MBA (Finance), Anjini Sharma, CA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions".