

# ADDING VALUE. MULTIPLYING GROWTH.



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## FIND US ONLINE

<http://www.ia.ooo/financial-results/fy-2018-19>

## Infibeam Avenues Limited (IAL) Quick Facts



India's leading digital payment solutions, cloud infrastructure and e-commerce technology platform company

Strong value proposition for merchants transacting online (enterprises and governments)

Provides digital payment solutions to over 70% e-merchants in India

Comprehensive technology platform portfolio built in-house

Profitable and publicly-listed company in India



# ADDING VALUE. MULTIPLYING GROWTH.

In the early days, we knew that success will come through trying different business opportunities and focusing on the ones that can scale significantly with profitability in sight. The competitive landscape in e-commerce has continued to evolve at a fast pace and a few large players have invested significant capital and resources in building online marketplace awareness, traffic and sales.

Instead of competing in the online marketplace price war and incur huge losses, we continued our sharp focus in growing our web-services business, which is an enabler for digital transactions. The web services business comprises digital payments, data centre infrastructure and e-commerce enterprise platforms to government and enterprises.

We have used detailed analysis, intuition and crisp execution to define and focus on core business opportunities of web services and find our way forward to build market leadership as an enabler for digital transactions. Our web services solutions address customers belonging to different industries and segments who use our digital payments to platforms and digital infrastructure solutions. We believe that our unique, asset-light business model holds immense potential for scaling up and provides strength and stability to our business activities.

We continue to be guided by our principles of long term thinking and passion to make a positive difference for our customers, employees and shareholders. To get to this point was hard and the path to success has been anything but straight. As our Company grows, everything needs to scale, including our investments in experiments that we undertake to gain market leadership. We believe that we

have acquired the right scale for the Company to take risks that can actually move the needle. We will share with you the rationale and strategic thought process when we make bold decisions so you may evaluate if we are making the right long term investment. We will be very careful before undertaking such bold bets and work hard to make them a success, but we also realise that not all bets will ultimately pay-out. We will learn important lessons from our mistakes along the way.

Owing to our approach of providing innovative and bespoke solutions to our customers, we have built a defensible business across our business segments. With rapid additions of users and merchants, all our business segments are braced up to touch higher peaks. We have a great track record of creating sustainable, long-term value for all our stakeholders and are committed to progress on this path in a steadfast manner.

During the year, we witnessed exponential growth in number of users/merchants, value of transactions processed and revenues across our key businesses. We formed strategic alliances and also divested the non-core marketplace businesses to create long term shareholder value.

Having laid a solid foundation across our businesses, we are now looking to tap into and maximise the unlimited opportunities to scale our web services business. This can be achieved by identifying, planning and executing key focus areas across all business segments and by optimising efficiencies as much as possible. An approach of driving both organic and inorganic growth will expedite our progress and help us become a larger and leaner Company in future. Guided by our experienced management team and by staying true to our spirit of pioneering, we are confident of adding value, multiplying growth in future.

## Performance Highlights during the Year

### REVENUES

₹ 11,591 million

**38.1%\* ▲**

### PROFIT AFTER TAX

₹ 1,263 million

**43.3%\* ▲**

### EBITDA

₹ 1,762 million

**12.4%\* ▲**

### PAYMENTS PROCESSED

₹ 494,220 million

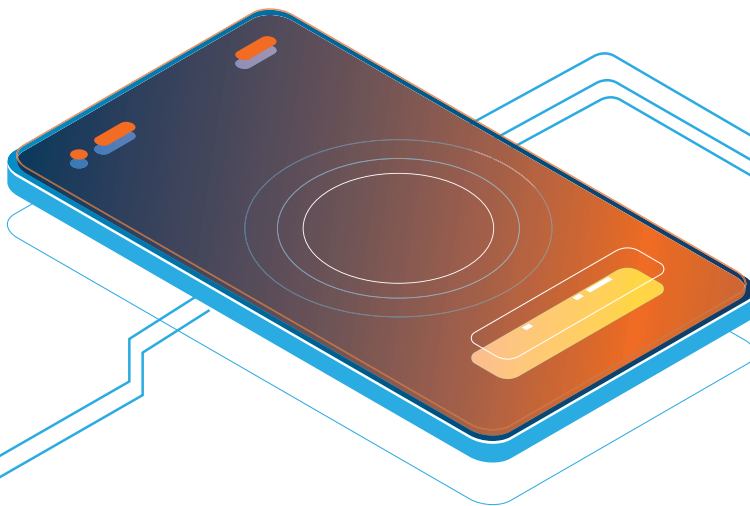
**129.3%\* ▲**

\*Over FY 2017-18

## IAL at a glance

# A NICHE DIGITAL PLAYER IN INDIA

Infibeam Avenues Limited (IAL) is a leading digital payments and e-commerce technology company in India and provides a comprehensive suite of web services spanning digital payment solutions, data centre infrastructure and software platforms. We provide solutions to merchants, enterprises, corporations and governments in both domestic as well as international markets to enable online commerce. Our digital technology facilitates businesses and governments to execute e-commerce transactions in a safe and secure manner.



Mr. Vishal Mehta, MD and founder of our e-commerce technology business (established in 2010), is an MIT graduate and former executive at Amazon, USA. Mr. Vishwas Patel, founder of the payments business (established in 2001) is also the Chairman of Payments Council of India (PCI), an apex body in India representing companies in payments and settlement system. Our Company has grown from strength to strength since its inception. Headquartered in GIFT City, Gandhinagar, we are a team of over 650 people. Our offices are located in Mumbai, Delhi, Bengaluru, the UAE and Kingdom of Saudi Arabia.



**Mr. Vishal Mehta**  
Managing Director



**Mr. Vishwas Patel**  
Executive Director

## Our strengths



**800,000+**  
Merchants



**240+**  
Payment options



**27**  
Multi-currency



**10** International **8** Domestic  
Languages

Our businesses, also called as Infibeam Avenues Web Services (IWS), are clubbed under three broad categories of digital **Payments**, **Infrastructure** and **Platforms (PIP)**.



### Payments

This business operates through our flagship brand—CCAvenue—which is a PCI DSS 3.2.1 compliant payment gateway platform. With over 240 payment options connecting more than 55 Indian banks on a real-time basis, CCAvenue is one of India's largest direct debit engines. It processes payments through net-banking, all types of credit cards, debit cards and digital wallets, including UPI payments. With operations in India and the Middle East, this business offers multi-lingual and multi-currency payment solutions to users.

As a pure-play online payment solutions provider, in India, we rank second by net profit share, third in revenue market share and first in number of wallet and EMI options that we offer to our merchants, while in the UAE, we rank second in payments processed among all the non-bank players.



### Infrastructure

Under this business, we have built a data centre at GIFT City, Gandhinagar in collaboration with Schneider and IBM. This centre has received Tier-III design certification from Uptime Institute and is built on resilient and high-speed processors. Our Company will run the captive workload through this data centre and will also open additional capacity as public cloud with the following services: Infrastructure as a Service (IaaS), Platform as a Service (PaaS) (blockchain platform, e-commerce platform), Database as a Service (DBaaS). The data centre business will offer storage as well as compute services. It will also provide domain infrastructure services under our '.OOO' generic top-level domain (gTLD) and will also run our advertisement platform frameworks.

This centre houses the first IBM LinuxONE in India to run public cloud services and is the first production-ready blockchain platform in India running on HyperLedger.



### Platforms

Through this business, we provide cloud-based, end-to-end software as a service (SaaS) platforms that allow our corporate clients to transact online, manage the back-end (orders, inventory and logistics), make digital payments, undertake online marketing and so on. We also host one of the largest online market for government procurement called Government of India e-Marketplace (GeM) and enterprise clients. BillAvenue and ResAvenue are some of our other prominent platform brands in this business.

Our business model

# WELL INTEGRATED ACROSS THE VALUE CHAIN

**Payment gateway CCAvenue, empowers transactions across platforms**

## Target segment



MSMEs, large enterprises, brands, governments, across various industries in India and the Middle East

## Brand

- ▶ E-commerce platform for enterprise clients
- ▶ ResAvenue, end-to-end platform for hoteliers



Government (central and state), government departments, Public Sector Undertakings (PSUs)

- ▶ GeM (built on Enterprise platform)

**IAL data centre and .ooo domain business have the potential to provide support to above digital payment solutions and platforms**



## Value created

- ▶ Enterprise e-commerce store
- ▶ Full chain of online hospitality solutions
- ▶ Access to large set of customers
- ▶ Marketing support

- ▶ Government can procure genuine products and services at competitive prices from KYC completed registered merchants
- ▶ E-bidding
- ▶ Reverse auctions
- ▶ Demand aggregation
- ▶ User ratings
- ▶ Analytics
- ▶ and more...



## Our investment case

## OUR VALUE PROPOSITION



### An integrated and scalable business model

We have built a robust business model largely on transaction-based revenues. This model can be scaled up significantly. We are well-poised to capture and maximise the opportunities arising from the exponential growth of digitalisation and e-commerce in India. The government's digital initiatives and efforts to make India a less-cash economy through use of digital modes for payment will further aid our prospects.



### Diversified offerings

Our offerings span multiple domains of digital payments, digital infrastructure services, domain infrastructure, advertisement platform frameworks, e-commerce technology for large enterprises and governments, and more. We have a track record of creating sustainable value for a large set of merchants, users, corporations and governments. In fact, many of our customers use our multiple offerings from the three PIP business segments. We are looking to gain larger share of their wallet in future by exploring and optimising cross-selling opportunities.



### Strong brand equity

In our journey so far, we have created strong brands across all our business segments. These brands are trusted by our customers, merchants and all key stakeholders. We are committed to making the requisite investments in further fortifying these brands and leveraging their full potential.

### Growth over the past four years



# 3x

Consolidated revenues



# 14x

Consolidated Profit After Tax

### Our offerings

- ▶ Payment gateway
- ▶ Bill payments
- ▶ Offline to online payments
- ▶ Cross-border payments
- ▶ Data centre services
- ▶ Hospitality solutions
- ▶ GeM
- ▶ E-commerce technology for large enterprises
- ▶ Blockchain applications
- ▶ .ooo domain registry
- ▶ Advertisement platform frameworks

### Our brands

CC Avenue®

Bill Avenue®

Res Avenue®



Data Center



BuildaBazaar  
For Enterprise





## Robust financials

With one eye firmly on operational and financial efficiencies, we have a proven track record of balancing rapid growth with high-quality earnings. In fact, we are among the very few profitable digital payments and e-commerce technology companies in India. Our strong financial health and generation of positive cash flow provide us with the growth capital for future.

We are amongst the most scaled and profitable online payment gateway in India



## Experienced management team

Our management team has been instrumental in our success story so far. Their rich experience, futuristic-thinking and strong execution capabilities have acted as a guiding light for us and will continue to take us in the right direction, going forward. In our rapidly evolving industry, their expertise helps us stay ahead of the curve.

### 20 years

Average industry experience of our management team



## Asset-light business

We have predominantly adopted an asset-light business model, which helps us keep a tab on our expenses and drive our overall profitability. Most of our large-ticket expenditure is behind us and we are now leveraging on the strength of our integrated portfolio built in-house. We are also forming strategic and mutually beneficial partnerships with prominent players across our businesses and sub-segments both in domestic and international markets to scale newer heights and achieve a favourable risk-reward equation.

### Cash flow from operations

₹ 3,393 million

FY 2018-19

₹ 973 million

FY 2017-18

Operational highlights

# CLOCKING-IN ALL-ROUND GROWTH

Q1

## Organic

We welcomed many merchants to **our web services this year and increased the total number of merchants to over 800,000**. We continued to add healthy number of merchants and enterprises to our universe. Our target is to touch one million merchants by the end of FY 2019-20 through our various web services.

## Inorganic

Our Company completed acquisition of payments solutions provider, Vavian International in the Middle East in June 2018 for a consideration of \$1.2 million. Vavian is the second largest non-bank payment player in terms of number of payments processed in the UAE.

Q2

## Organic

Three new states signed Memorandum of Understanding (MoU) with the government and joined the GeM platform in the quarter. **The Government aims to ramp up procurement from this platform rapidly in future**. We added several new merchants, including Tata Power Delhi Distribution, Mahanagar Gas, National Insurance Company and Vodafone Mpesa. In August 2018, we launched the advertising platform on our '.OOO' domain and garnered ~85,000 publisher registrations as affiliates by the end of September 2018.

Q3

## Organic

Our data centre at GIFT City, Gandhinagar **received Tier-III design certification from Uptime Institute**, the most trusted and recognised certification body for data centre infrastructure.

We **collaborated with IBM India** to bring developer tools, high-speed compute infrastructure and capabilities to clients for building blockchain applications on our cloud data centre.

The reputed Sintex Group entered into an agreement with our Company for developing and managing their digital platform.

We added many new merchants during the quarter, including Torrent Power, Shriram General Insurance and eSEVA Government of Telangana.