



**STOCK UPDATE**

Result Update - Q3FY2026

**SECTOR**

IT & ITES

**COMPANY DETAILS**

Market cap:	Rs. 22,567 cr
52-week high/low:	Rs. 2185.9/1246
NSE volume: (No of shares)	2.4 lakh
BSE code:	542752
NSE code:	AFFLE
Free float: (No of shares)	6.3 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

**SHAREHOLDING (%)**

Promoters	55.0
FII	17.8
DII	16.4
Others	10.9

Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE CHART**



Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE PERFORMANCE**

(%)	1m	3m	6m	12m
Absolute	-10.5	-15.9	-18.2	6.5
Relative to Sensex	-5.8	-13.2	-19.6	0.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 1,605**

Price Target: **Rs. 2,100**

**Quick Snapshot**

- Revenue rose to Rs 717 crore, up 10.9% q-o-q and 19.2% y-o-y, driven by improved conversions and average CPCU. Converted user rose 9.8% q-o-q to 119.7 million, while Average CPCU grew 2.8% to Rs 59.6
- India & Emerging Markets contributed 73.9% of revenue, growing 19.8% y-o-y and 11% q-o-q, despite the full-quarter impact of real-money gaming in India, supported by diversified demand.
- Developed markets grew 17.8% y-o-y (10.9% q-o-q) on deeper engagements and new accounts.
- Management eyes a 19-20% organic revenue and 23-25% EBITDA growth. We model a revenue growth of 19.3% CAGR (FY26–FY28E), apply a 45x FY28 P/E, with a Rs. 2,100 price target.

**Result overview**

- **Q3 Scorecard:** EBITDA stood at Rs 163 crore, up 11.6% q-o-q (up 24.1% y-o-y), resulting in EBITDA margin rising 13 bps q-o-q (up 89 bps y-o-y) to 22.7%. APAT stood at Rs 119 crore, up 8.0% q-o-q (up 19.1% y-o-y). APAT margin stood at 16.6%, down 46 bps q-o-q (flat y-o-y).
- **Inorganic acquisitions:** The pool of potential inorganic acquisition targets has been narrowed from 10-12 companies to four shortlisted companies, with active due diligence going on. The company emphasised making a firm, sensible decision at the appropriate time and valuation, indicating no imminent closure but continued disciplined evaluation.

**Our Call**

Affle 3i eyes a 19-20% organic revenue growth and 23–25% EBITDA growth, supported by international expansion, sales-force enhancements, and active inorganic pursuits. We have modelled revenue growth at 19.3% CAGR over FY26–FY28E, aligning with management’s guidance, and rolled forward our valuation to FY28 applying a 45x P/E multiple, yielding a price target of Rs 2,100.

**Key Risks**

Slowdown in CPCU conversion and rates and key verticals.

**Valuation**

Particulars	FY25	FY26E	FY27E	FY28E
Revenue	2,266.3	2,700.3	3,226.3	3,844.0
EBITDA Margin %	21.3	22.6	22.8	23.3
EBIT Margin	17.1	18.0	18.3	19.0
Adjusted Net Profit	381.9	449.8	531.6	659.0
% y-o-y growth	28.5	17.8	18.2	24.0
EPS (Rs)	27.2	32.0	37.8	46.9
PER (x)	59.1	49.9	42.2	34.0
P/BV (x)	7.7	6.6	5.7	4.9
EV/EBITDA	44.1	33.9	27.4	21.7
ROE (%)	13.0	13.2	13.5	14.4
ROCE (%)	11.6	12.4	12.9	13.7

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Feb 02, 2026

### Concall Highlights:

- Company's data and inventory costs consist of two components - expenses directly tied to revenue generation in the current quarter and deliberate investments in building verticalized intelligence for international market expansion. The incremental costs are fully expensed in the period incurred, with a meaningful portion reflecting strategic investments to deepen penetration and launch additional verticals across global markets. As a result, the recent elevation in costs and the corresponding impact on gross margins is expected to persist in the medium term during this active phase of international scaling.
- **Growth strategy:** Company internally targets a 20-25% average annual growth in both revenue and EBITDA across all markets and geographies, with sustained margin expansion serving as an essential qualifying criterion. Accordingly, modelling the company at an over 19-20% revenue growth remains a prudent and realistic assumption for medium-term forecasts.
- **Wage Hike:** The company has implemented selective wage hikes for high-performing talent while maintaining tight control over operating expenses. This cost discipline is achieved through greater AI adoption and automation enhancing platform efficiency and enabling 24/7 global support as well as centralization of select functions in lower-cost markets such as India and Southeast Asia, relative to higher-cost regions like the US, Israel, and Europe.
- **Verticals:** Affle 3i is performing exceptionally well in the EFGH categories, particularly in E (e-commerce and entertainment) and F (FinTech, Foodtech, and FMCG), which remain very strong and resilient in India. Category G (Gaming) experienced some pullback, while H (hospitality & travel) is performing well, supported by multiple case studies presented for India and emerging markets. He noted ongoing strength in non-Real Money Gaming despite challenges in real-money Gaming and emphasized the need to intensify investments and efforts in healthcare to accelerate growth in that vertical.

### Q3FY26 Result Snapshot:

Particulars	Rs cr				
	Q3FY26	Q3FY25	Q2FY26	y-o-y (%)	q-o-q (%)
Net sales	717	602	647	19.2	10.9
Inventory and data costs	447	363	396	23.2	13.0
Employee expenses	64	58	63	10.6	0.9
Other expenses	43	50	41	-12.7	4.7
EBITDA	163	131	146	24.1	11.6
Depreciation	33	26	32	28.9	4.1
EBIT	130	106	114	22.9	13.7
Finance cost	1	3	1	-54.9	7.9
Other income	18	21	22	-16.2	-21.3
EO Exp				NA	NA
PBT	146	124	135	18.1	8.0
Total tax	27	24	25	14.0	8.0
PAT	119	100	111	19.1	8.0
Adjusted PAT	119	100	111	19.1	8.0
EPS (Rs)	8.5	7.1	7.9	19.1	8.0
<b>Margin (%)</b>					
EBITDA Margin	22.7	21.8	22.6	89	13
EBIT Margin	18.1	17.6	17.7	54	44
PBT Margin	20.4	20.6	20.9	-20	-56
PAT Margin	16.6	16.7	17.1	-3	-46
ETR	18.3	19.0	18.3	-66	0

Source: Company; Mirae Asset Sharekhan Research

**Additional Data**

**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Affle Holdings Pte Ltd	40.65
2	Agpl Pte Ltd	14.27
3	Gamnath Pte Ltd	4.90
4	ICICI Prudential AMC	2.64
5	Sundaram AMC	2.47
6	Malabar India Fund Ltd	2.18
7	Franklin Resources Inc	2.12
8	ICICI Prudential Life Insurance Co Ltd	1.94
9	Nippon Life India Trustee Ltd	1.90
10	Nippon Life India AMC Ltd	1.90

Source: Bloomberg

**Key management personnel**

Name	Designation
Anuj Khanna Sohum	MD, Founder & CEO
Kapil Bhutani	CFO

Source: Company Website

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