Info Edge (India) Ltd

Resilient Quarter despite recruitment moderation

Stock Update | Result Update

Internet & New media	Sharekhan code: NAUKRI
Reco/View: Buy ⇔	CMP: Rs. 1,333 (as on Aug 08, 2025)
Price Target: Rs. 1,680 ↓	

3R MATRIX	+	=	-
Right Sector (RS)	✓		
Right Quality (RQ)	✓		
Right Valuation (RV)		✓	

\+ Positive = Neutral – Negative

What has changed in 3R MATRIX

	Old		New
RS		⇔	
RQ		⇔	
RV		⇔	

Company details

Market cap:	Rs. 86,368 cr
52-week high/low:	Rs. 1,839/1,152
NSE volume: (No of shares)	9.6 lakh
BSE code:	532777
NSE code:	NAUKRI
Free float: (No of shares)	40.4 cr

Shareholding (%)

Promoters	37.6
FII	33.0
DII	18.4
Others	11.0

Price chart

Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-8.7	-1.7	-15.1	-3.7
Relative to Sensex	-4.1	-1.1	-17.7	-4.9

Source: Mirae Asset Sharekhan Research, Bloomberg

Summary

- Standalone revenue stood at Rs. 736.4 crore, up 15.3% y-o-y, beating our estimate of Rs. 725 crore.
- EBITDA margin fell ~130 bps y-o-y to 37.7% missing our estimates of 40.2% owing to higher A&P cost and other expenses.
- Company saw moderation in recruitment billings growth vs. high teens in prior quarters due to Q1 macro softness and client contract deferrals.
- We maintain a Buy rating with an SOTP-based revised PT of Rs. 1,680. At CMP, the stock trades at 68.6x FY27E EPS and 57.3x FY27E EV/EBITDA.

Standalone revenues stood at Rs. 736.4 crore, up 7.2% q-o-q/15.3% y-o-y beating our estimates of Rs 725 crore. Standalone billing grew by 11.2% y-o-y and stood at Rs 644.2 crore. Billing in the recruitment business grew by 9.0%, while the non-recruitment portfolio, 99acres (real estate), Jeevansathi.com (matrimony), and Shiksha.com (education), together grew 17.6%. EBITDA margins were flat sequentially but fell 130 bps y-o-y to 37.7% missing our estimates of 40.2% owing to higher advertising & promotion costs and other expenses. Adjusted PAT stood at Rs 259.6 crore, up 4.9% q-o-q/ up 11.8% y-o-y. 99acres.com platform delivered decent growth and continued gaining market share despite seasonal softness, supported by sustained marketing investments. Jeevansathi.com maintained strong momentum through premium-subscription monetisation, a focus on Hindi-speaking markets, and AI-driven matching, while Shiksha's domestic business remained steady and profitable. However, hiring demand moderated in IT services, BPM, BFSI, and infrastructure, even as GCCs, technology, retail, healthcare, and manufacturing sectors sustained double-digit growth. Management is cautiously optimistic on growth momentum recovering post Q1 moderation. We maintain a Buy rating with SOTP-based revised price target (PT) of Rs. 1,680. At CMP, the stock trades at 68.6x FY27E EPS and 57.3x FY27E EV/EBITDA.

Key positives

- Billing in 99acres grew 16.7% y-o-y
- Jeevansathi revenue grew 28.6 y-o-y

Key negatives

- Recruitment business' OPM fell 150-bps y-o-y to 52.5%.
- 99acres.com operating loss widened to Rs. 19 crore versus Rs 14 crore loss in Q1FY25

Management Commentary

- Recruitment billings growth moderated to 9% as compared to high teens in prior quarters on macro softness, client contract deferrals.
- The company saw moderation in hiring demand across certain sectors, particularly in IT services, BPM, BFSI and infrastructure, while other sectors like GCCs, technology companies, retail, healthcare and manufacturing maintained double-digit growth.
- Marketing spend was elevated in Q1 due to IPL brand building campaigns, expansion into Tier 2/3, non-IT, and increased investments in smaller businesses such as IIMJobs, Naukri Gulf and JobHai.
- Despite moderatioan in recruitment billings management is cautiously optimistic on growth momentum recovering post Q1 moderation.
- 99acres.com clocked decent growth and is gaining market share despite seasonal Q1 softness. Higher marketing investments continue.
- Jeevansathi.com maintained growth momentum, driven by premium-subscription monetisation, focus on Hindi-speaking markets and AI-driven matching algorithms.
- Shiksha's domestic business remained on a steady, healthy trajectory and continues to operate profitably.

Revision in earnings estimates – We have revised our earnings estimates to factor in Q1FY26 performance.

Our Call

Valuation – Maintain Buy with a revised PT of Rs. 1,680: Q1FY26 numbers were resilient despite a moderation in recruitment billings amid soft macros and sectoral headwinds in late Q1. However, some recovery in collections and billings growth, up 19%/13%, was seen in July. 99acres and Jeevansathi, continue to gain market share driven by strong execution. The company is actively leveraging AI across platforms to enhance search, personalization, and productivity, while maintaining high-growth investments in premium adjacencies like iimjobs, Naukri Gulf, JobHai, and real estate/matrimony verticals. We maintain Buy rating with SOTP-based revised price target (PT) of Rs. 1,680. At CMP, the stock trades at 68.6x FY27E EPS and 57.3x FY27E EV/EBITDA.

Key Risks

Intense competition from international and domestic players in the recruitment business could affect the growth trajectory and margins of the recruitment business. Further, high competitive intensity in the real estate segment could enhance losses.

Valuation (Standalone)

Rs cr

Particulars	FY24	FY25	FY26E	FY27E
Revenue	2,381.0	2,653.6	3,050.1	3,432.8
OPM (%)	40.1	40.4	41.5	42.6
Adjusted PAT	850.2	717.0	1,105.7	1,258.1
YoY growth (%)	20.4	-15.7	54.2	13.8
Adjusted EPS (Rs.)	13.1	11.1	17.1	19.4
PER (x)	101.5	120.4	78.1	68.6
P/BV (x)	3.4	3.1	3.0	2.9
EV/EBITDA (x)	88.3	79.2	66.8	57.3
ROE (%)	4.7	2.7	3.9	4.3
ROCE (%)	3.4	1.9	2.8	3.2

Source: Company; Mirae Asset Sharekhan estimates

Key Highlights

- **Billings:** Total billings stood at Rs. 644 crore, up 11.2% y-o-y. Billing growth in the recruitment business was 9% y-o-y and for non-recruitment business verticals namely 99acres.com, Jeevansathi.com and Shiksha.com, it was up 17%, 36%, and 8% y-o-y respectively.
- **Recruitment solutions:** Revenues stood at Rs. 542 crore, up 14.8% y-o-y. Recruitment billing grew 9% y-o-y, Growth was widespread with tech, IT Services, BPM, etc, together growing by 27.5%, GCCs by 16.7%, Other Sectors by 28.8%, and the recruitment consultant segment by 27%. iimjobs, Naukri Gulf and Naukri Fast Forward, also witnessed healthy billings growth of 41%, 18% and 15% YoY, respectively. The recruitment business's operating margin declined by 150 bps y-o-y, to 52.5%.
- **Activities on recruitment platforms:** Naukri's database comprised of 108 million resumes; Avg. number of resumes added daily was 26,000 in Q1FY26.
- **99acres.com:** 99acres.com billings growth stood at Rs. 94 crore, up 16.7% y-o-y. Billing growth was steady in a typically soft quarter. 99acres.com's revenue grew 12% y-o-y to Rs. 111 crore. Operating loss widen to Rs. 19 crore in Q1FY26 as compared to a loss of Rs. 14 crore Q1FY25
- **Jeevansathi.com:** Jeevansathi.com's billings rose by 36.4% y-o-y to Rs. 35 crore, while revenue grew by 28.9% y-o-y to Rs. 34 crore the business achieved operating breakeven and generated positive cash flow from operations.
- **Shiksha.com:** Billings grew 8% y-o-y to Rs. 45 crore, while revenue grew 19% y-o-y to Rs. 50 crore. Operating profit stood at Rs. 6 crore in Q1FY26, compared to operating profit of Rs. 4 crore in Q1FY25
- **Cash:** Cash flow from operations for Q1FY26 stood at Rs. 180 crore , up 3.3% y-o-y with cash balance of Rs. 4,828 crore at the end of the quarter.

Results (Standalone) **Rs cr**

Particulars	Q1FY26	Q1FY25	Q4FY25	YoY (%)	QoQ (%)
Net Sales	736.4	638.9	687.1	15.3	7.2
Network, internet and other direct charges	15.7	12.2	14.8	28.1	6.1
Employee benefits Expense	291.5	258.7	292.3	12.7	-0.3
Gross Profit	429.2	368.0	380.0	16.6	13.0
Advertising and promotion cost	111.1	85.6	84.6	29.8	31.3
Other Expenses	40.3	33.0	36.4	22.1	10.4
Operating profit	277.9	249.5	258.9	11.4	7.3
Depreciation and amortisation	22.6	17.5	22.4	29.1	1.1
EBIT	255.3	231.9	236.6	10.1	7.9
Other Income	96.0	77.0	78.4	24.7	22.5
Finance Costs	5.1	4.6	5.1	10.0	-0.4
PBT	346.2	304.3	309.9	13.8	11.7
Adjusted Net Income	259.6	232.3	247.4	11.8	4.9
Reported Net Income	259.6	232.3	255.1	11.8	1.8
Adjusted EPS (Rs)	4.0	3.8	4.1	4.8	-1.6
Margin (%)				**(Bps)**	**(Bps)**
GPM	58.3	57.6	55.3	69	298
OPM	37.7	39.0	37.7	-131	5
EBIT Margin	34.7	36.3	34.4	-163	24
NPM	35.3	36.4	36.0	-110	-75

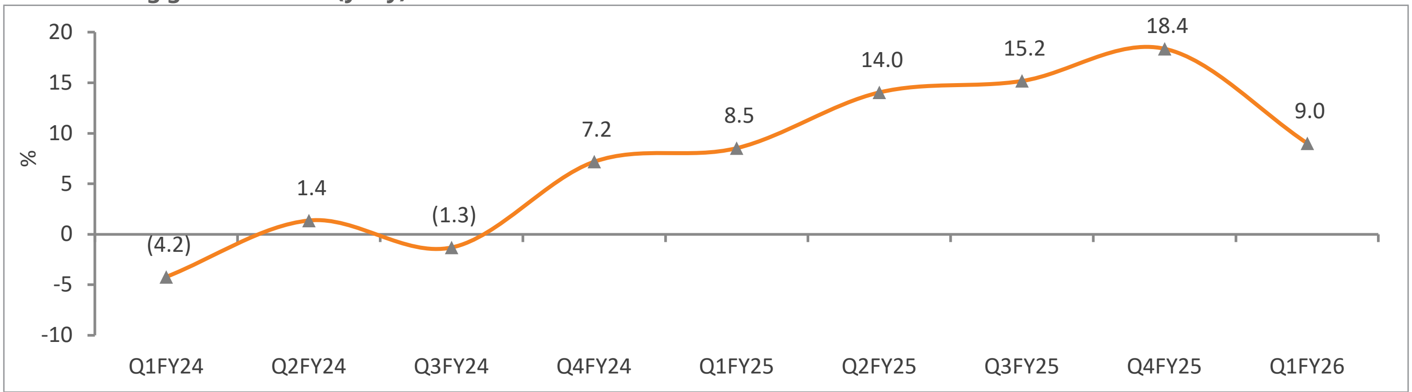
Source: Company; Mirae Asset Sharekhan Research

SOTP Valuation

Business segment	Stake	Valuation methodology/rational	Per Share value
Recruitment business	100%	EV/EBITDA	785
99 Acres	100%	EV/Sales	59
Jeevansathi.com	100%	EV/Sales	11
Shiksha	100%	EV/Sales	20
Standalone business (per share)			876
Zomato Media Pvt. Ltd.	12.43%		557
PolicyBazzar	12.52%		157
Others investee company			16
Cash		Per share	75
Total per share			**1,681**

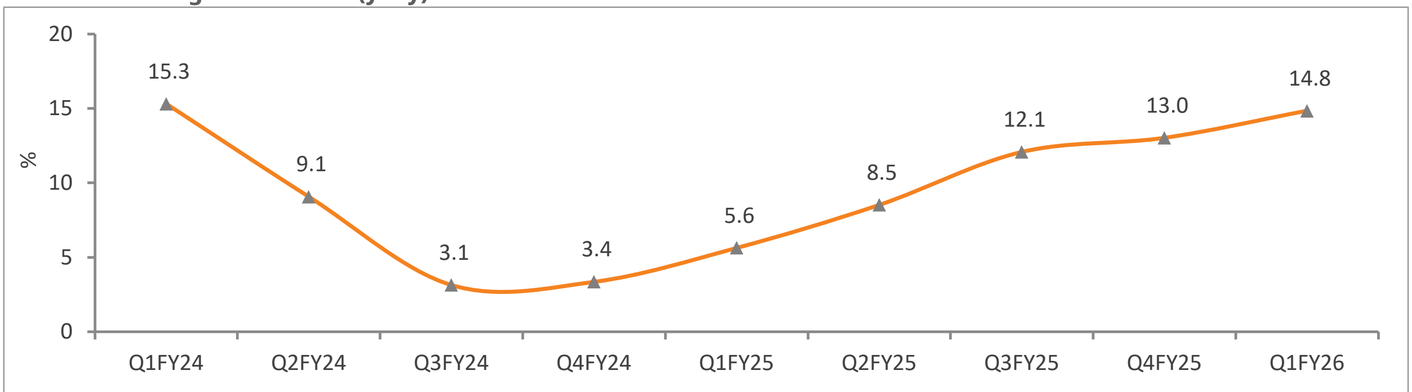
Source: Company; Mirae Asset Sharekhan Research

Naukri billing growth trends (y-o-y)



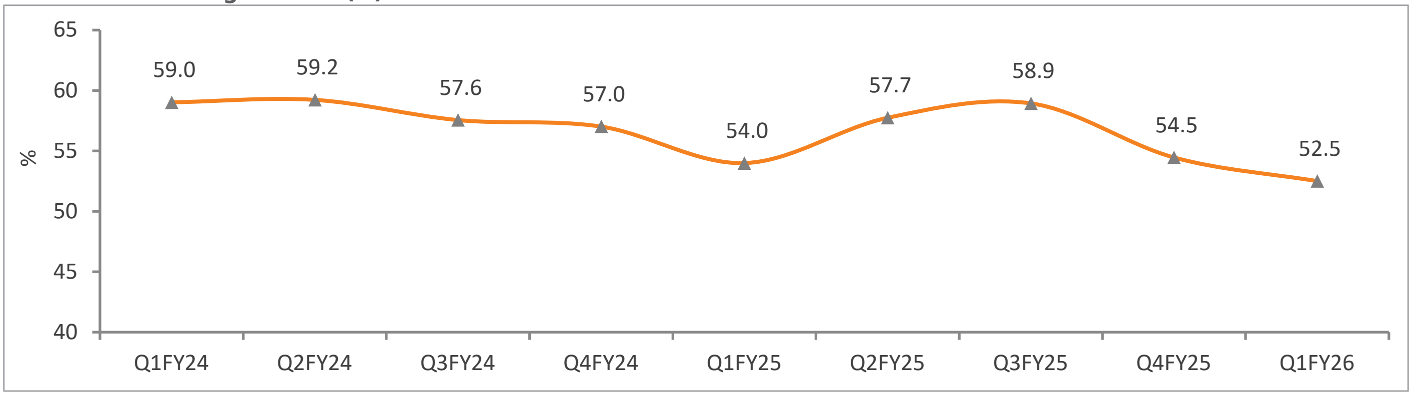
Source: Company; Mirae Asset Sharekhan Research

Naukri revenue growth trends (y-o-y)



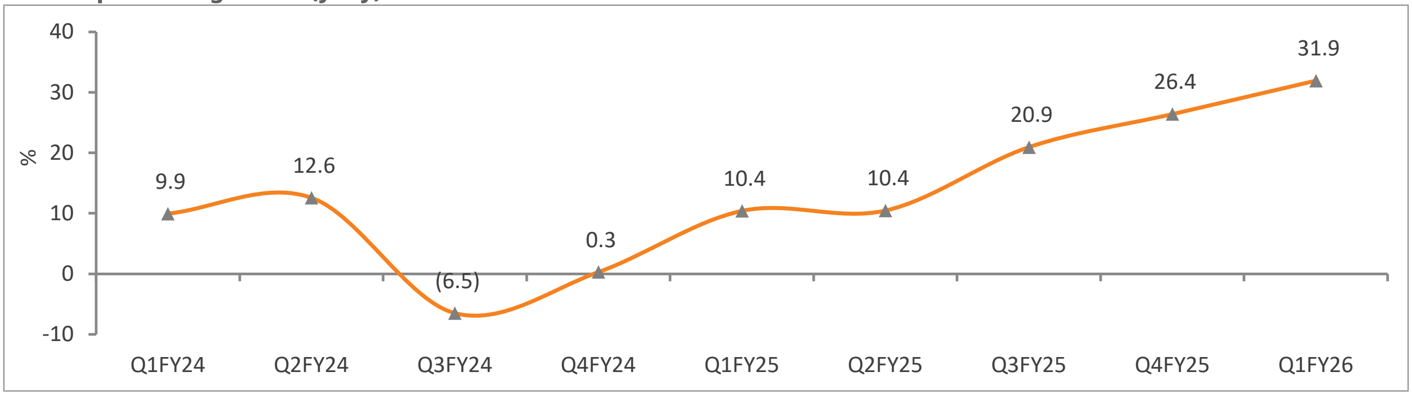
Source: Company; Mirae Asset Sharekhan Research

Naukri EBITDA margin trends (%)



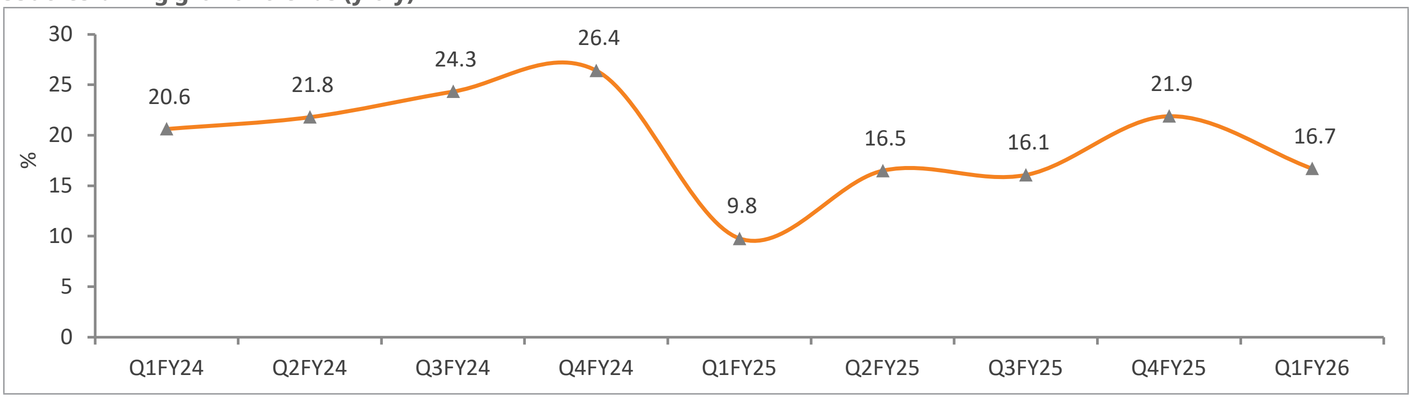
Source: Company; Mirae Asset Sharekhan Research

99acres paid listing trends (y-o-y)



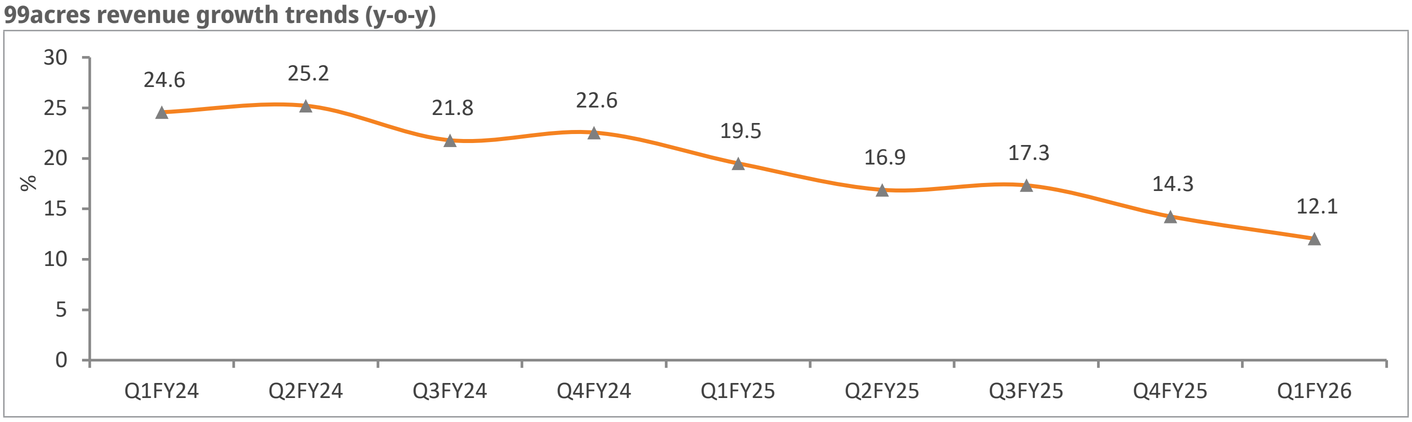
Source: Company; Mirae Asset Sharekhan Research

99acres billing growth trends (y-o-y)



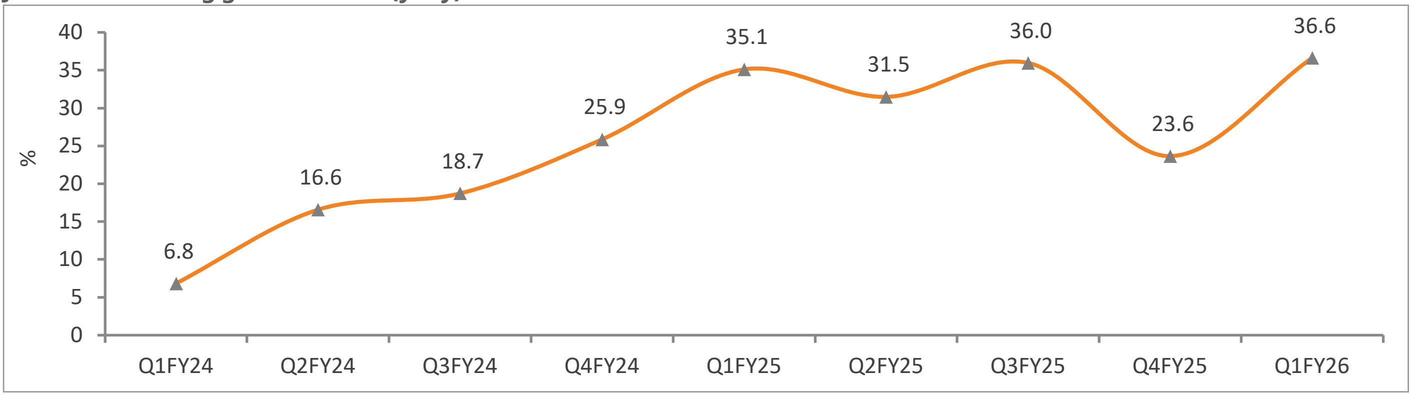
Source: Company; Mirae Asset Sharekhan Research

99acres revenue growth trends (y-o-y)



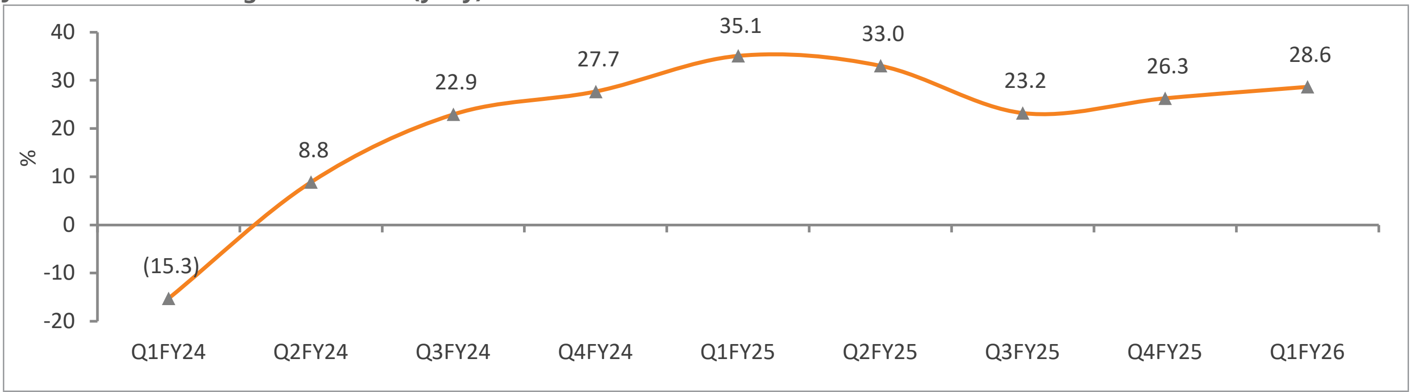
Source: Company; Mirae Asset Sharekhan Research

Jeevansathi billing growth trends (y-o-y)



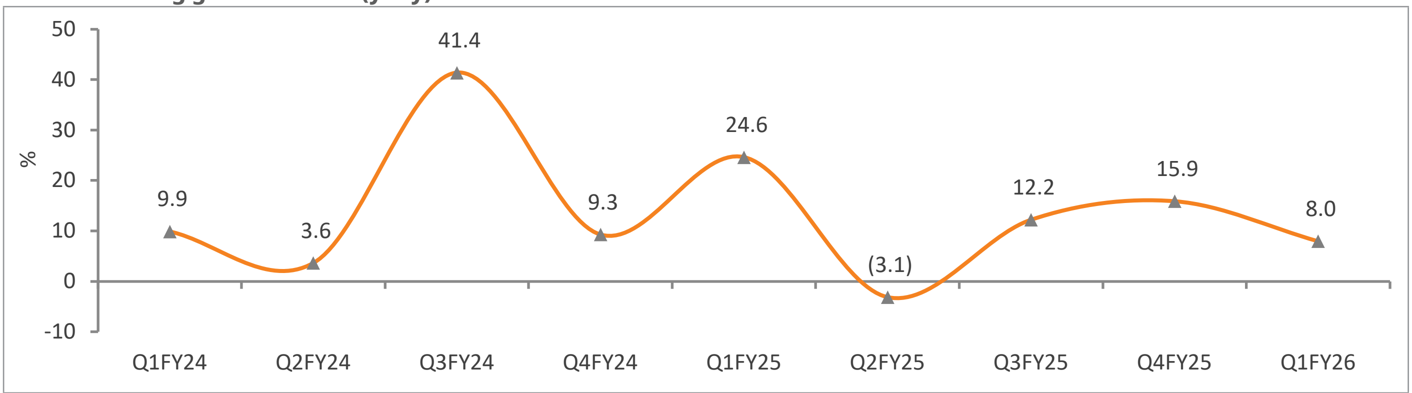
Source: Company; Mirae Asset Sharekhan Research

Jeevansathi revenue growth trends (y-o-y)



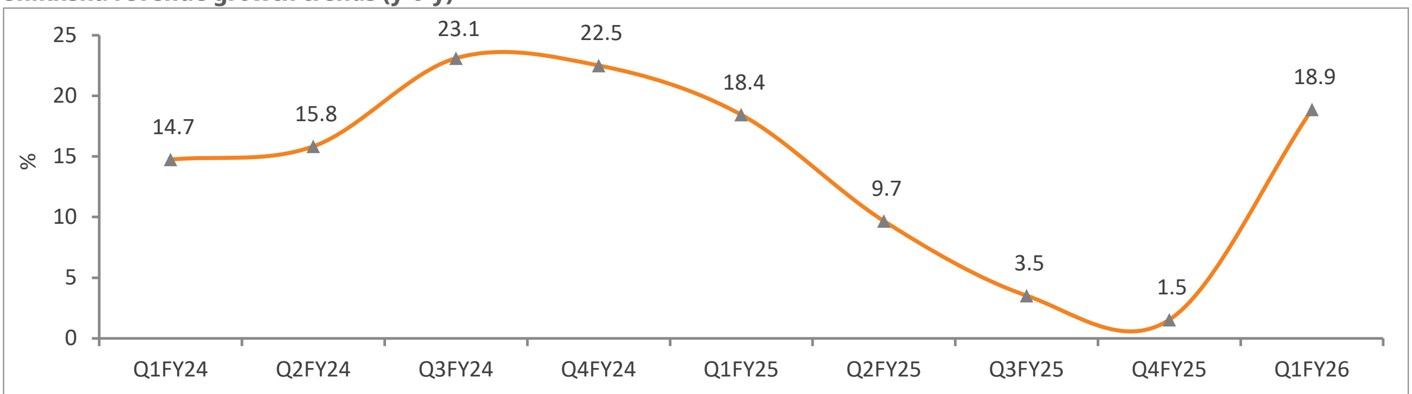
Source: Company; Mirae Asset Sharekhan Research

Shikhsha billing growth trends (y-o-y)



Source: Company; Mirae Asset Sharekhan Research

Shikhsha revenue growth trends (y-o-y)



Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Expect acceleration in internet businesses going forward

Info Edge's recruitment business directly and disproportionately benefits from a pick-up in GDP growth. With a strong shift from print ads to digital and lower interest rates, we expect high-growth trajectory for 99acres.com in the long term. Further, India's real estate online classifieds market is expected to be worth Rs. 6,000 crore by 2030, with a 21% CAGR over 2018-2030E.

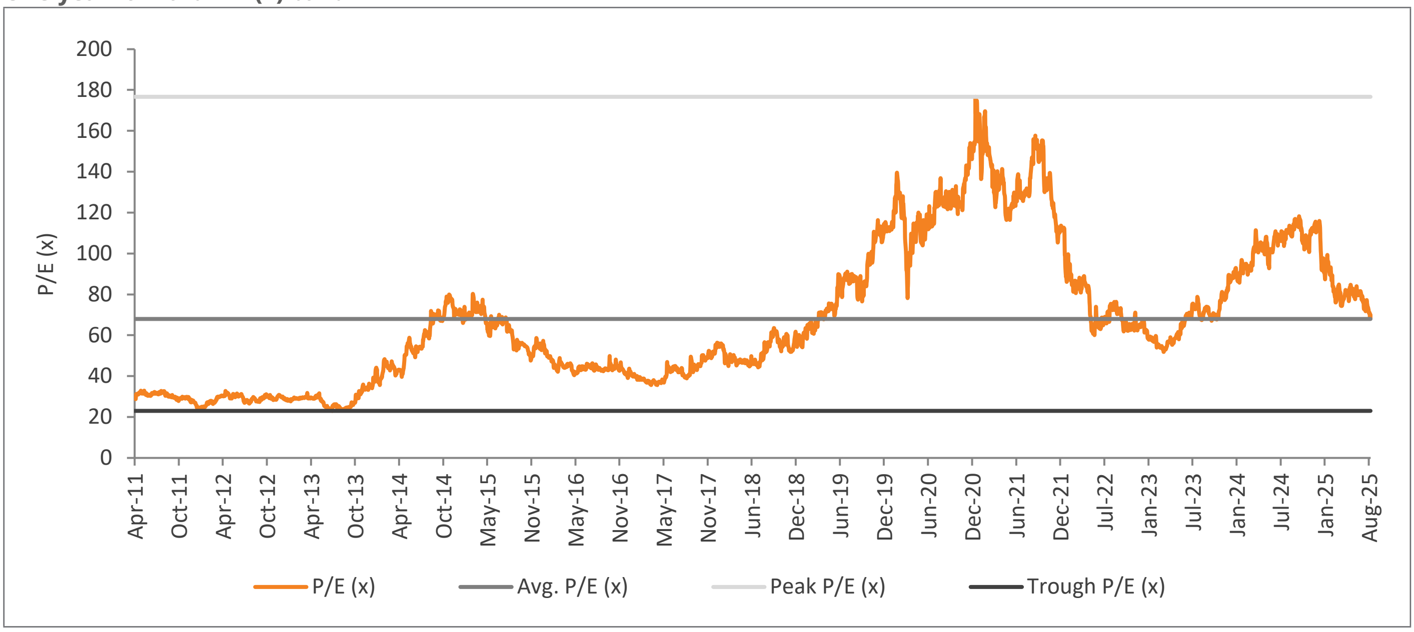
■ Company Outlook – Poised to lead the pack

Info Edge is a leading online classifieds company with a strong position in recruitment, real estate, matrimony, and education. Info Edge sustains its strong traffic share across its core businesses over the past few quarters. Among its early investments in start-ups, Zomato and PolicyBazaar.com have emerged as big bets and have a huge potential to grow in the coming years. In the long term, we believe market-leading position across core businesses along with improving traction in certain investee companies and potential higher valuation for its financial investments would bode well for the company.

■ Valuation – Maintain Buy with revised PT of Rs. 1,680

Q1FY26 numbers were resilient despite a moderation in recruitment billings amid soft macros and sectoral headwinds in late Q1. However, some recovery in collections and billings growth, up 19%/13%, was seen in July. 99acres and Jeevansathi, continue to gain market share driven by strong execution. The company is actively leveraging AI across platforms to enhance search, personalization, and productivity, while maintaining high-growth investments in premium adjacencies like iimjobs, Naukri Gulf, JobHai, and real estate/matrimony verticals. We maintain a Buy rating with SOTP-based revised price target (PT) of Rs. 1,680. At CMP, the stock trades at 68.6x FY27E EPS and 57.3x FY27E EV/EBITDA.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Info Edge is India's largest listed internet technology player, operating in businesses such as online recruitment, real estate, matrimony, and others. The company operates in the online recruitment business under its flagship brand Naukri.com, which has a share of more than 80% of the recruitment market. The company's other businesses such as online real estate and matrimony divisions operate under 99acres.com and Jeevansathi.com, respectively. The company also has stakes in a number of companies, including Zomato and Policybazaar.com.

Investment theme

Info Edge enjoys a leadership position in its core businesses such as online recruitment, real estate, and matrimony and stands to benefit from the rising popularity of these platforms with greater internet penetration. Naukri is the leader in the industry and its revenue growth is directly linked to GDP growth. Cash generated by Naukri.com supports other businesses (99acres and Jeevansathi.com) and investments in start-ups. 99acres is well placed to capitalise from increasing spends on the digital front by real estate developers and brokers. In addition, the company has invested in more than 20 start-ups, of which some investments (Zomato and Policybazaar) have created higher value for the company.

Key Risks

1) Entry of large internet players with aggressive expansion plans and any slower-than-expected economic recovery could affect growth trajectory and margins of the recruitment business, 2) any new technology that can provide tough competition to core businesses, 3) high competitive intensity in the real estate segment would widen losses, 4) higher competition for attracting talent in food delivery platforms would increase cash burn rates, and 5) increasing losses from companies that Info Edge has invested in.

Additional Data

Key management personnel

Name	Designation
Sanjeev Bikhchandani	Founder and Executive Vice Chairman
Hitesh Oberoi	Managing Director and CEO
Chintan Arvind Thakkar	Director and CFO

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Blackrock Inc	2.67
2	Republic of Singapore	2.41
3	ICICI Prudential Asset Management	2.4
4	Vanguard Group Inc	2.29
5	Norges Bank	1.98
6	UTI Asset Management Co Ltd	1.85
7	First Sentier Investors ICVC	1.67
8	Axis Asset Management Co Ltd	1.6
9	Nippon Life India Asset Management	1.21
10	Sbi Life Insurance	1.01

Source: Bloomberg

Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and detoriating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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