MIRAE ASSET Sharekhan

Info Edge (India) Ltd

Structural Moats Intact

Reco/View: **BUY**	CMP: **Rs. 1,141**	Price Target: **Rs. 1,400**

infoedge

STOCK UPDATE

Result Update - Q3FY2026

SECTOR

IT & ITES

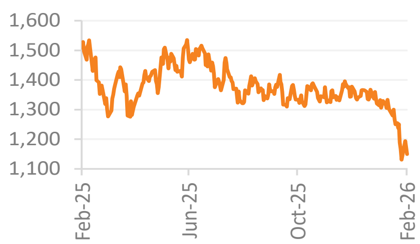
COMPANY DETAILS	
Market cap:	Rs. 73,991 cr
52-week high/low:	Rs. 1,600/1,104
NSE volume: (No of shares)	11.4 lakh
BSE code:	532777
NSE code:	NAUKRI
Free float: (No of shares)	40.4 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)	
Promoters	37.6
FII	29.7
DII	21.8
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	-21.2	-20.9	-24.2	-30.1
Relative to Sensex	-21.8	-20.3	-27.1	-40.8

Source: Mirae Asset Sharekhan Research, Bloomberg

Quick Snapshot

- Revenue, EBIT, and PBT beat estimates; Revenues rose 2.5% q-o-q (up 13.9% y-o-y) to Rs. 765 crore, driven by steady growth across businesses, even as Shiksha segment lagged.
- EBIT rose 10.9% q-o-q (12.9% y-o-y) to Rs. 303 crore, as margins grew y-o-y to 39.9%. APAT rose 13.1% q-o-q (13.8% y-o-y) to Rs. 295 crore, driving up OPM by 362 bps q-o-q to 38.6%.
- **Segment-wise mix -** IT & Tech stood at 24.8%, recruitment at 25.4%, GCCs at 18.2%, while others stood at 31.6%. Billing was strong across segments, except that of education.
- We maintain a Buy rating but reduce PT to Rs 1,400 on AI-driven IT hiring uncertainty, but stay positive given structural drivers for Naukri biz, better B2C monetization and JobHai's blue-collar leadership, positioning company for long-term market share gains.

Result overview

- **Hiring remains uncertain with volume growth varying by segment -** Premium (>Rs. 30 lakh) and value (<Rs. 5 lakh) segments show robust demand while mid-segment growth has moderated to 4% from 7-8% historically. Non-IT sectors face cyclical slowdown on weak macros, while IT hiring outlook remains uncertain though newer GCCs continue scaling. India's unique database-driven hiring model (versus job listings globally) provides structural advantages, especially as AI-generated applications could increase spam and strengthen value of curated platforms. the management expects recovery when economic conditions improve, continues investing in premium segment gains and blue-collar platform JobHai targeting 10-15% of Naukri revenue in 5-6 years.
- **Expanding client base through freemium strategy:** Info Edge has expanded its sales operations to more cities and launched freemium offerings on Naukri to attract new customers, particularly small SMEs. While these new clients start small with low ARPUs and high churn, some gradually scale up their hiring and platform usage over time, with the freemium model serving as an entry point that the company then upsells to paid subscriptions.

Our Call

We reduce our valuation multiples and reduce our PT to Rs 1,400 due to elevated uncertainty around AI's impact on hiring volumes, particularly in IT services which contribute 30-35% of recruitment revenue. While near-term headwinds persist with mid-segment hiring pressures and weak macros, we stay constructive, underpinned by Naukri's structural moats proprietary behavioural data from millions of daily interactions, deep AI/ML capabilities across 130-150 specialists, and India's unique database-driven hiring model that may gain relevance if AI-generated spam increases. The company's expanding premium segment presence improving monetization in B2C offerings, and leadership in blue-collar hiring through JobHai position it well for long-term market share gains, though we acknowledge terminal value risks warrant a more conservative near-term approach.

Key Risks

Slower recovery in IT sector could weigh on billings and margin trajectory, while intensifying competition for 99acres and Jeevansathi may erode profitability. Additionally, underperforming strategic investments and high AI/technology expenses could constrain operating leverage and margin expansion in the near term.

Valuation (Standalone) Rs cr

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	23,810	26,536	30,237	34,143	38,130
EBIT Margin	37.3	37.4	37.6	39.0	39.7
Adj. PAT	8,331	7,734	10,994	12,334	13,717
YoY Growth	102.6%	-7.2%	42.1%	12.2%	11.2%
Adj. EPS	13.1	15.1	17.0	19.0	21.2
P/E (x)	85.2x	95.1x	67.2x	59.9x	53.9x
P/Bv	2.8x	3.4x	2.6x	2.5x	2.4x
EV/EBITDA (x)	75.1x	86.8x	60.0x	51.0x	44.5x
ROE (%)	4.7%	3.7%	3.9%	4.3%	4.6%
ROCE (%)	3.5%	3.6%	4.0%	4.5%	5.0%

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Feb 13, 2026

Concall Highlights:

- **Billing:** Recruitment business delivered close to 10% year-on-year billing growth in Q3, similar to Q2 performance, despite an uncertain hiring environment as reflected in their JobSpeak index. The technology, IT, and BPM segment combined grew at 14% year-on-year, GCCs grew at 13%, recruitment consultants at 5%, and other sectors at 2%. BFSI retail, infrastructure, and consultant segments witnessed softness in growth, whereas healthcare and manufacturing continued to grow in double-digits.
- **Real estate business:** Q3FY26 billings grew by 14.4% to Rs. 117 crores and revenue grew 13.8% to Rs. 119 crore, though the segment posted operating losses of Rs. 20 crore and cash losses of Rs. 10 crore. The secondary business performed well in real estate while the primary segment remained relatively slower. The company continued to gain fresh supply share across categories including residential, resale, rental, and commercial, spanning both owner and broker segments, further strengthening its supply leadership.
- **JeevanSaathi:** Q3FY26 billings grew by 29.3% to Rs. 36 crores and revenue increased by 28.0% to Rs. 35 crore. The business incurred an operating loss of Rs. 2 crore but generated positive cash flow of Rs. 5 crores from operations. Info Edge acquired Aisle a few years ago, now owns 100% of the business, and reports its performance alongside Jeevansathi as part of the matchmaking portfolio. Together, Jeevansathi plus Aisle reported Rs. 46 crores in billing with 31% YoY growth, and operating losses reduced by 60% to Rs. 4 crores in Q3, with both businesses now operating near break-even.
- **Siksha:** In Q3FY26, the education business reported billings of Rs. 46 crore (4% y-o-y growth) and revenue of Rs. 336 crores (3% growth), with an operating loss of Rs. 1 crore but generated positive cash flow of Rs. 17 crore. The domestic Shiksha business continued growing in billings while the study abroad segment witnessed softness in Q3. AI-related impact is now very visible in the Shiksha domestic business, causing a sharp drop in traffic that will impact billing growth over time. The business is strengthening its domestic counselling capabilities to drive higher conversions from client responses to student applications and is pivoting its business model to mitigate AI impact, though results remain to be seen.
- **Targets Premium Hiring Segment with Naukri Top Tier:** Info Edge launched Naukri top tier for premium hiring, which is showing higher CV view growth than the overall platform, while also strengthening vertical offerings like iimjobs (management) and Hirist (tech) that have exclusive user bases not present on Naukri. The company is experimenting with a "Naukri Talent Crowd" concept to provide recruiters unified access across multiple platforms, though this integration is in early stages. Management aims to build dominance in the premium segment where it's currently weaker than in mid-market, expecting to refine the strategy over the next 12-18 months to drive higher monetisation.
- **Focuses on small, strategic acquisitions to build adjacent capabilities:** Info Edge's successful M&A track record comprises small acquisitions like Makesense Technology (semantic search/early AI), AmbitionBox (now bigger than Glassdoor in India), iimjobs, Hirist, Zwayam, and DoSelect that helped acquire technology or small businesses the company could scale using its distribution and customer base. The company remains open to acqui-hires and acquisitions in adjacent areas within core verticals that provide new capabilities, help enter different segments like premium hiring or blue-collar (JobHai), or offer products it can scale 10x through its sales reach. Big M&A remains opportunistic with no major diversification planned near-term.
- **Other details:** The dividend payout ratio has been revised to up to 65% of PAT. The board has also approved a second interim dividend of Rs 2.4 per share.

Q3FY26 Result Snapshot: Rs cr

Particulars	Q3FY26	Q3FY25	Q2FY26	YoY (%)	QoQ (%)
Revenue from Operations	765	672	746	13.9	2.5
Network, internet and other direct charges	15	14	15	12.5	-0.7
Employee benefits Expense	298	268	302	11.3	-1.3
Advertising and promotion cost	81	67	90	20.7	-10.6
Other Expenses	46	33	43	37.0	7.3
EBITDA	**325**	**290**	**295**	**12.0**	**9.9**
Depreciation and amortisation	22	22	23	1.5	-2.7
EBIT	**303**	**268**	**273**	**12.9**	**10.9**
Other Income	81	78	82	3.8	-1.1
Finance Costs	5	5	5	12.1	-1.1
PBT	**378**	**341**	**350**	**10.8**	**8.3**
Provision of Tax	83	82	88	1.5	-6.0
PAT	**295**	**259**	**261**	**13.8**	**13.1**
Exceptional Item	49	59	-4,459	-17.7	-101.1
PAT after MI	**246**	**200**	**4,720**	**23.1**	**-94.8**
Margin (%)					
EBITDA Margin	42.5	43.1	39.6	-69	285
EBIT Margin	39.6	39.9	36.6	-34	300
PBT Margin	49.5	50.8	46.9	-135	264
PAT Margin	38.6	38.6	35.0	-3	362
ETR (%)	22.0	24.0	25.3	-202	-333

Source: Company; Mirae Asset Sharekhan Research

Segmental Revenues Rs cr

Particulars	Q3FY26	Q3FY25	Q2FY26	YoY (%)	QoQ (%)
Net Sales	764	672	746	13.8	2.5
Recruitment Solutions	575	505	558	13.9	3.0
99acres for real estate	119	104	115	13.8	3.0
Other Verticals	71	62	73	13.9	-2.2
Jeevansathi	35	27	34	28.0	2.4
Education	36	35	39	3.1	-6.2

Source: Company; Mirae Asset Sharekhan Research

Rs cr

Particulars	Q3FY26	Q3FY25	Q2FY26	YoY (%)	QoQ (%)
Segment billing (in cr)	747.2	668.2	729	11.8	2.5
Recruitment Solutions	548.3	494	545	11.0	0.6
Real Estate Business	117.4	102.6	122.4	14.4	-4.1
Matrimony Business	35.7	27.6	33.5	29.3	6.6
Education Business	45.8	44.1	28.1	3.9	63.0

Source: Company; Mirae Asset Sharekhan Research

Billing Distribution Mix

Particulars (%)	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
- Tech, IT Services, BPM, etc	24.8	24.0	27.9	80	-310
- Other Sectors	31.6	33.8	31.9	-220	-30
- Recruitment Consultants	25.4	24.8	25.0	60	40
- GCCs	18.2	17.4	15.2	80	300

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Bikhchandani Sanjeev	24.15
2	Endeavour Holding Trust	6.22
3	Oberoi Hitesh	4.94
4	ICICI Pru AMC	4.54
5	LIC	3.75
6	BlackRock Inc	2.97
7	Nalanda India Equity Fund	2.83
8	Republic of Singapore	2.81
9	Lall Anil	2.42
10	Vanguard Group Inc	2.33

Source: Bloomberg

Key management personnel

Name	Designation
Hitesh Oberoi	MD & CEO
Sanjeev Bikhchandani	Founder and Executive Vice Chairman
Vineet Ranjan	Executive Vice President, Investor Relations

Source: Company Website

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address: Gigaplex IT Park, Unit No 1001, 10th Floor, Building No. 9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai – 400708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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