Stock Update

Result Update

MIRAE ASSET Sharekhan

Info Edge (India) Ltd

Q2 steady; Yet demand prospects cloudy

Internet & New Media		Sharekhan code: NAUKRI	
Reco/View: Buy	⇔	CMP: Rs. 1,376 (as on Nov 12, 2025)	Price Target: Rs. 1,618 ↓

3R MATRIX

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

\+ Positive = Neutral – Negative

What has changed in 3R MATRIX

	Old		New
RS	Positive	⇔	Positive
RQ	Positive	⇔	Positive
RV	Neutral	⇔	Neutral

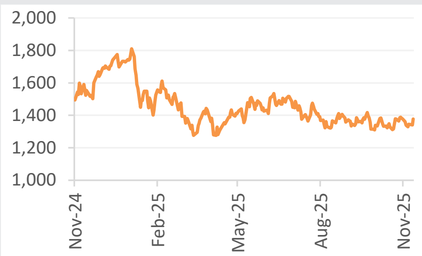
Company details

Market cap:	Rs. 89,223 cr
52-week high/low:	Rs. 1,826/1,157
NSE volume: (No of shares)	13.4 lakh
BSE code:	532777
NSE code:	NAUKRI
Free float: (No of shares)	266.4 cr

Shareholding (%)

Promoters	37.6
FII	30.3
DII	21.0
Others	11.1

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	3.2	3.8	-8.8	-9.6
Relative to Sensex	0.6	-1.1	-11.4	-18.3

Source: Mirae Asset Sharekhan Research, Bloomberg

Summary

- Revenue from operations grew by 13.7% y-o-y to Rs. 746 crore (up 1.3% q-o-q), on steady momentum in Naukri business and 99acres.
- Jeevansathi saw robust traction too, with a revenue of Rs 34 crore, Shiksha.com's number stood at Rs. 39 crore.
- EBIT rose by 6.6% y-o-y to Rs. 273 crore while EBIT margins fell 243 bps to 36.6%, on higher expenses. Yet, margins rose sequentially by 190 bps, on absence of IPL-related expenses.
- We maintain a Buy rating with a SOTP-based price target of Rs. 1,618. At CMP, the stock trades at 65.7x FY28E EPS and 54.6x FY28E EV/EBITDA.

Q2FY26 billings stood at Rs. 729 crore, up 12.1% y-o-y (13.2% q-o-q), largely led by double-digit growth across segments. Recruitment solutions billings grew by 10.8% y-o-y to Rs. 545 Cr. 99acres saw a growth of 14.0% y-o-y to Rs 122 crore, led by strong secondary market performance and customer growth. Jeevansathi.com revenues came in strong at Rs. 33.5 crore, up 29.3% y-o-y, led by monetisation initiatives in the past 12-18 months. Shiksha.com saw steady traction posting a growth of 12.9% y-o-y to Rs. 28 crore, led by growth across domestic and study abroad business.

Key positives

- Non-IT segment remains prime growth driver, reducing reliance on IT hiring and helping diversify associated risks.
- Non-IT billings remained strong, supported by robust performance in Jeevansathi, which grew 29.3% y-o-y, with PBIT margins improving to 1.5% from a loss in the prior year.
- Listing momentum remained healthy, rising to 1,580 (up 36 q-o-q) and paid listings increasing to 1,140 (+173 y-o-y).
- Naukri Gulf billings rose strongly by 22% y-o-y.

Key negatives

- Hiring across IT and BPM segments remains soft, constrained by ongoing uncertainty in global tech spending and muted demand visibility across key client verticals.
- Margins of recruitment solutions business improved, on lower advertising costs post IPL, though they are still below FY25 levels.
- Naukri billings, while registering double-digit growth, need to accelerate further to serve as a key margin driver for the business.

Management Commentary

- Hiring market modest and unpredictable. Initial guidance seen at 15-17% for the year; however, Q1 results missed the mark, with only marginal improvement in Q2.
- Cautiously optimistic outlook retained, inherent uncertainty in forecasting market direction and evolution.
- Renewal, upsell, and new customer acquisition require concerted effort; new clients typically start small.
- Price increases are challenging and recruitment consultants most impacted in a weak market.
- Non-recruitment businesses demonstrated steady growth and further reduction in cash losses during the quarter, reflecting consistent execution and improved operational efficiency, particularly in 99acres.
- Growing demand for senior/premium professionals; average salary of CVs viewed has doubled over five years.

Revision in earnings estimates – We have revised it to factor in Q2FY26 performance.

Our Call

Info Edge reported moderate billings growth in its core Naukri business, with stable performance in its non-core segments. The slowdown in IT and mass hiring continues to weigh on Naukri's topline growth, while other verticals are showing signs of traction, Jeevansathi has reached profitability, and margin trends have improved over the past two quarters. However, these businesses contribute in a limited way to overall profitability. We view near-term earnings trajectory as heavily dependent on a recovery in Naukri's billings and margin expansion, partially offsetting cost pressures. Accordingly, we now project moderately conservative billings growth and a gradual recovery in margins. We maintain a Buy rating with a SOTP-based price target of Rs. 1,618. At the current market price, the stock trades at 65.7x FY28E EPS and 54.6x FY28E EV/EBITDA.

Key Risks

- Slower-than-expected recovery in the IT sector could weigh on Naukri's billings and margin trajectory.
- Rising competition in 99acres and Jeevansathi may pressure profitability and potentially lead to incremental losses.
- Strategic and unlisted investments may not yield anticipated returns or lag expectations.
- Higher technology and AI-related expenses may limit operating leverage and constrain margin expansion in the near term.

Valuation (Consolidated) Rs cr

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	23,810	26,536	30,050	33,723	37,690
EBIT	8,875	9,924	11,318	13,396	14,972
Adj. PAT	8,331	7,734	10,790	12,393	13,583
YoY Growth	102.6%	-7.2%	39.5%	14.9%	9.6%
Adj. EPS	13.1	15.1	16.7	19.1	21.0
P/E (x)	85.2x	95.1x	82.6x	72.0x	65.7x
P/Bv	2.8x	3.4x	3.1x	3.0x	2.9x
EV/EBITDA (x)	75.1x	86.8x	72.8x	61.5x	54.6x
ROE (%)	4.7%	3.7%	3.8%	4.3%	4.5%
ROCE (%)	3.5%	3.6%	4.0%	4.6%	4.9%

Source: Company; Mirae Asset Sharekhan estimates

Key Result Highlights:

OCF

Cash from operations before taxes stood at Rs. 293 crore, up 12% y-o-y. Including Zwayam and DoSelect, number was higher at Rs. 302 crore, up 14% y-o-y. Recruitment business remained a key contributor with Rs. 325 crore of cash generation during the quarter. In contrast, the non-recruitment businesses reported cash losses of Rs. 6 crore, down 62% y-o-y, indicating improved operational efficiency.

Exceptional Gains

Info Edge recognized an exceptional gain of Rs. 5,200 crore following the NCLT-approved merger of its joint venture Makesense Technologies into PB Fintech (effective August 29, 2025). This transaction resulted in the loss of joint control over Makesense, leading to the reclassification of the shares received in PB Fintech as financial investments, which are fair valued under Ind-AS 109. A deferred tax charge of ₹747 crore related to this event has been recorded in the P&L and disclosed separately as "exceptional gain and deferred tax charges".

Non-Recruitment Businesses:

- **99acres:** Traffic share up to ~50%, with growth across new homes, resale, rentals, and commercial. Revenue expected to follow with lag; profitability depends on sustained mid-to-high 20% revenue growth.
- **Jeevansathi:** Market growing 10–11%, company growing at ~30%, and is breaking even and gaining share. Focus remains on growth over profitability.
- **Shiksha:** Traffic declining due to changes in search and AI; pricing improving, recovery expected over several quarters.
- **Jobhai:** Annual cash burn is at Rs. 40 crore; monetization is accelerating, FY26 revenue of Rs. 15–17 crore eyed.

Other Details

- As of September 2025, Info Edge, along with its wholly-owned subsidiaries, reported a cash balance of Rs. 4,823 crore. The board declared an interim dividend of Rs. 2.4 per share for the period. Total headcount stood at 6,238 as of September 30, 2025.
- International business: Naukri Gulf growing ~20% YoY; Canada operations growing 15–18% YoY, both profitable.

Results (Standalone) — Rs cr

Particulars	Q2FY26	Q2FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue from Operations	746	656	736	13.7	1.3
Network, internet and other direct charges	15	13	16	22.5	-1.6
Employee benefits Expense	302	262	291	15.2	3.7
Advertising and promotion cost	90	76	111	19.3	-18.9
Other Expenses	43	31	40	37.1	6.0
EBITDA	**295**	**274**	**278**	**7.7**	**6.3**
Depreciation and amortisation	23	19	23	21.8	0.2
EBIT	**273**	**256**	**255**	**6.6**	**6.9**
Other Income	82	80	96	2.1	-14.6
Finance Costs	5	5	5	12.6	4.0
PBT	**350**	**331**	**346**	**5.4**	**1.0**
Provision of Tax	88	94	87	-5.9	2.2
PAT	**261**	**238**	**260**	**9.9**	**0.5**
Exceptional Item	-4,459	152	0	-3,040.9	0.0
PAT after MI	**4,720**	**86**	**260**	**5,396.9**	**1,718.2**
Margin (%)					
EBITDA Margin	39.6	41.8	37.7	-223	186
EBIT Margin	36.6	39.0	34.7	-243	190
PBT Margin	46.9	50.5	47.0	-367	-17
PAT Margin	35.0	36.2	35.3	-121	-26
ETR (%)	25.3	28.4	25.0	-304	30

Source: Company; Mirae Asset Sharekhan Research

Segmental Revenues Rs cr

Particulars	Q2FY26	Q2FY25	Q1FY26	YoY (%)	QoQ (%)
Net Sales	746	656	736	13.7	1.3
Recruitment Solutions	558	495	542	12.8	3.1
99acres for real estate	115	102	111	12.8	4.0
Other Verticals	73	59	84	23.0	-13.6
Jeevansathi	34	26	34	29.4	0.6
Education	39	33	50	17.9	-23.0

Source: Company; Mirae Asset Sharekhan Research

Segment Billing Rs cr

Particulars	Q2FY26	Q2FY25	Q1FY26	YoY (%)	QoQ (%)
Total Segment Billing (in cr)	729	650.3	644.2	12.1	13.2
Recruitment Solutions	545	492	470.3	10.8	15.9
Real Estate Business	122.4	107.4	94.4	14.0	29.7
Matrimony Business	33.5	25.9	34.7	29.3	-3.5
Education Business	28.1	24.9	44.8	12.9	-37.3

Source: Company; Mirae Asset Sharekhan Research

Billing Distribution Mix Rs cr

Particulars	Q2FY26	Q2FY25	Q1FY26	YoY (%)	QoQ (%)
- Tech, IT Services, BPM, etc	27.9	29.4	27.5	-150	40
- Other Sectors	31.9	32.7	28.8	-80	310
- Recruitment Consultants	25.0	23.6	27.0	140	-200
- GCCs	15.2	14.3	16.7	90	-150

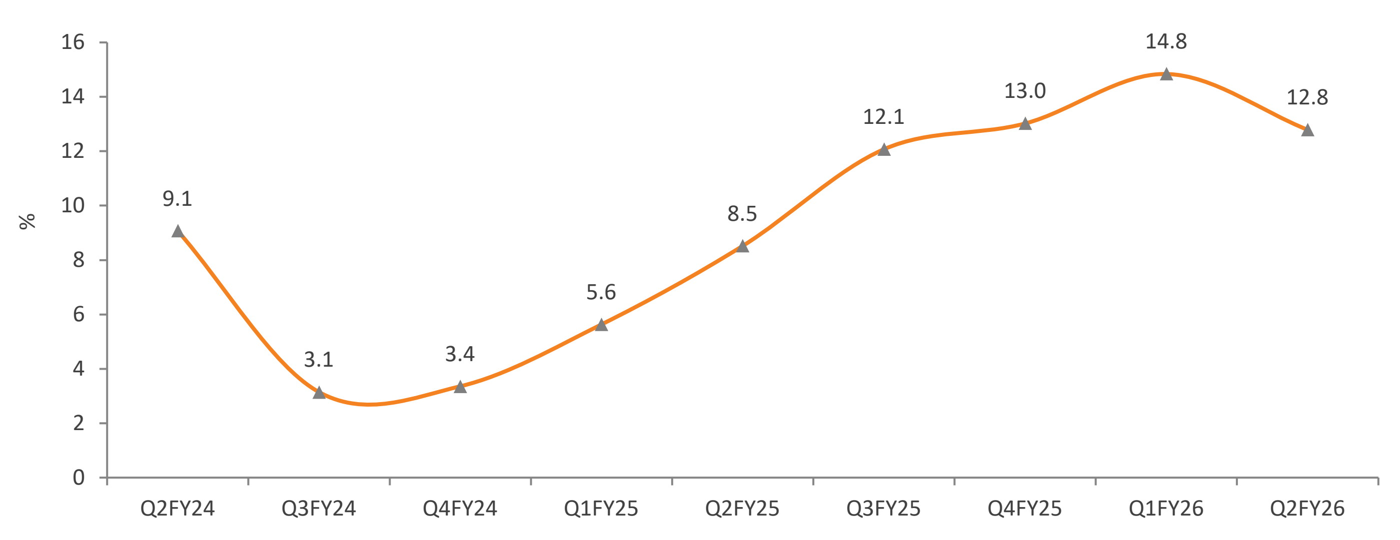
Source: Company; Mirae Asset Sharekhan Research

SOTP

Segment	EV/Sales	EV/EBITDA	Value	Discount	Stake (%)	Value Per Share	% share in SOTP
Recruitment Solutions	18.9	31	50,175		100.0%	774	47.8%
Real Estate Business	10.0		5,470		100.0%	84	5.2%
Matrimony Business	9.0		1,416		100.0%	22	1.3%
Education Business	9.0		1,963		100.0%	30	1.9%
Total Standalone per share			59,023		100.0%	910	56.3%
Eternal			2,97,762	15.0%	12.4%	485	30.0%
PB Fintech			81,656	15.0%	12.5%	134	8.3%
Other Investments			1,065	15.0%		14	0.9%
Cash and Cash Equivalent			4,823			74	4.6%
Total Value of InfoEdge						1,618	100.0%

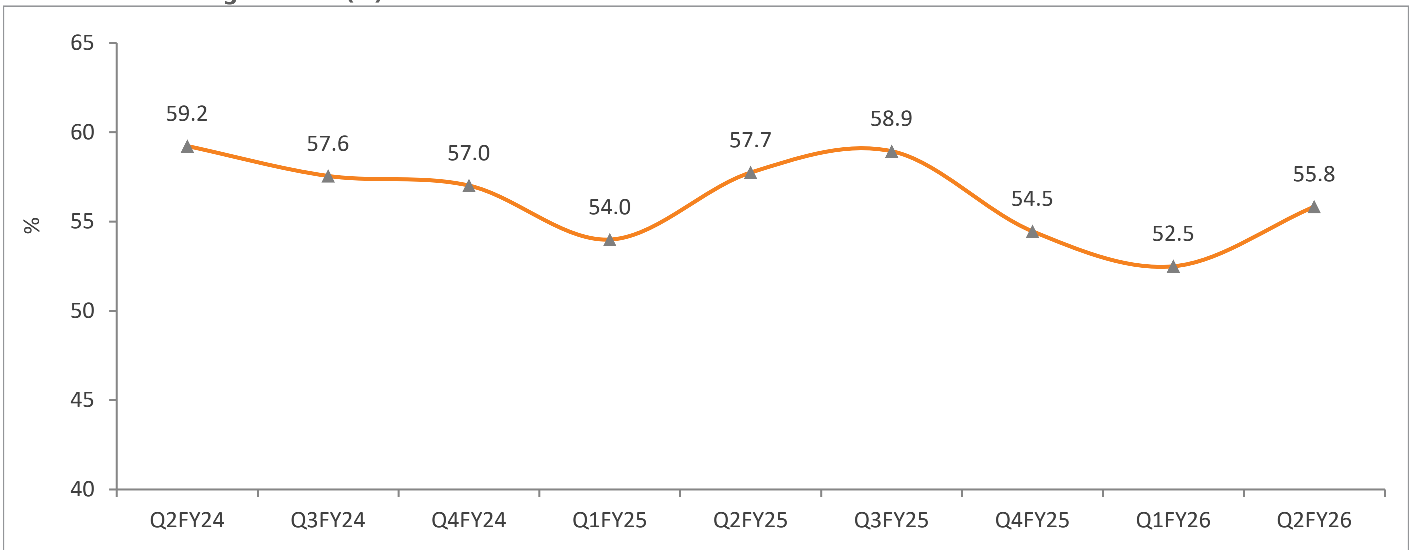
Source: Company; Mirae Asset Sharekhan Research

Naukri revenue growth trends (y-o-y)



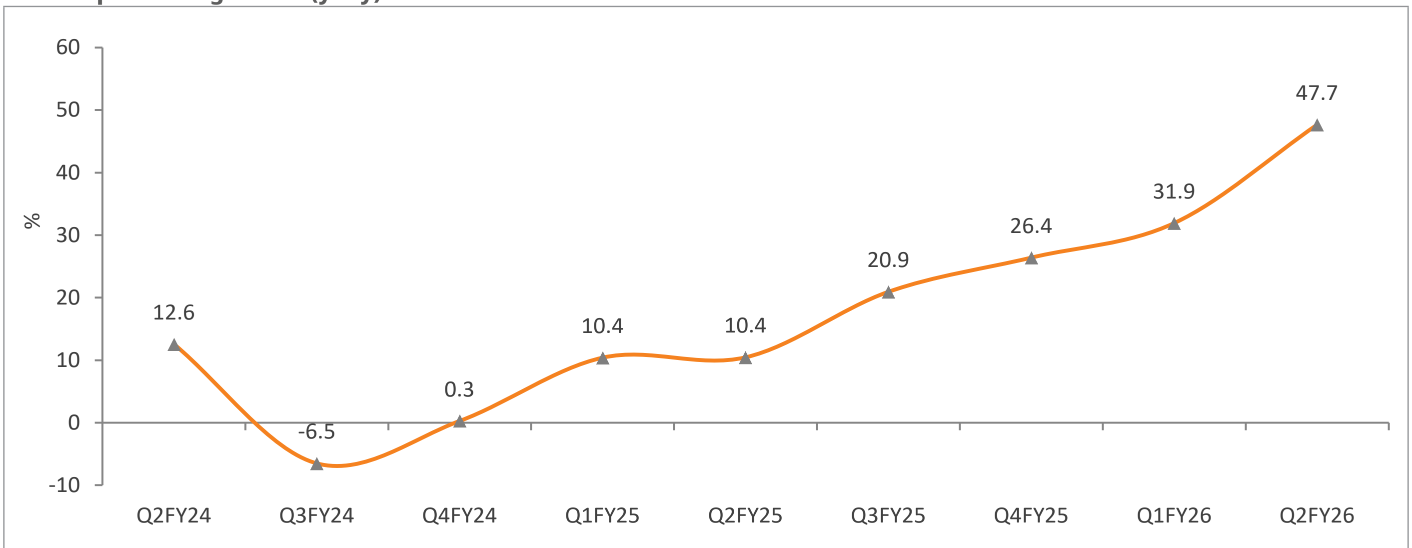
Source: Company; Mirae Asset Sharekhan Research

Naukri EBITDA margin trends (%)



Source: Company; Mirae Asset Sharekhan Research

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



Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Riding the market expansion

We expect an acceleration in internet-led 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 ads 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.

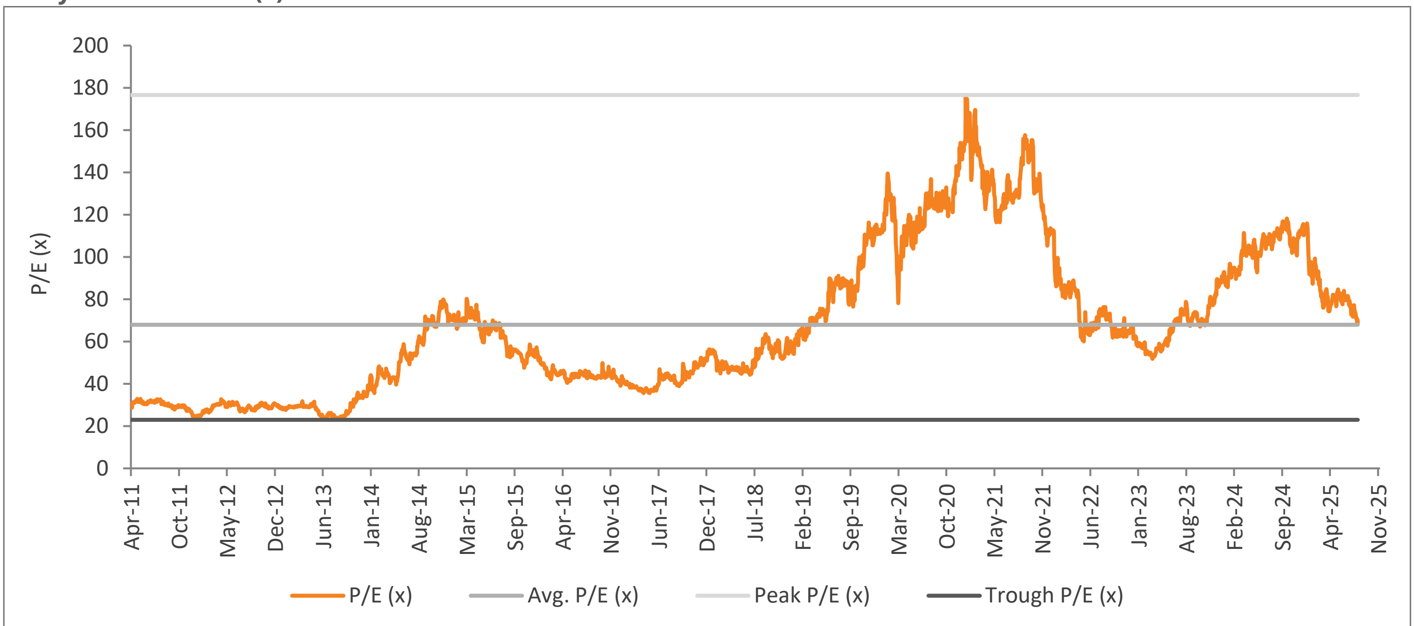
■ Company Outlook – Poised to lead pack

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

Info Edge reported moderate billings growth in its core Naukri business, with stable performance in its non-core segments. The slowdown in IT and mass hiring continues to weigh on Naukri's topline, while other verticals are showing signs of traction, Jeevansathi has reached profitability, and margin trends have improved over the past two quarters. However, these businesses contribute in a limited way to overall profitability. We view near-term earnings trajectory as heavily dependent on a recovery in Naukri's billings and margin expansion, partially offsetting cost pressures. Accordingly, we now project moderately conservative billings growth and a gradual recovery in margins. We maintain a Buy rating with a SOTP-based price target of Rs. 1,618. At the current market price, the stock trades at 65.7x FY28E EPS and 54.6x FY28E 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

- A slower-than-expected recovery in the IT sector could weigh on Naukri's billings and margin trajectory.
- Rising competition in 99acres and Jeevansathi may pressure profitability and potentially lead to incremental losses.
- Strategic and unlisted investments may not yield the anticipated returns or could underperform expectations.
- Higher technology and AI-related expenses may limit operating leverage and constrain margin expansion in the near term.

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	Bikhchandani Sanjeev	24.15
2	ENDEAVOUR HLDG TRUST	6.22
3	Oberoi Hitesh	4.94
4	ICICI Prudential Asset Management	4.32
5	Life Insurance Corp of India	3.75
6	Nalanda India Equity Fund Ltd	2.83
7	Blackrock Inc	2.72
8	Republic of Singapore	2.53
9	Lall Anil	2.42
10	Vanguard Group Inc/The	2.3

Source: Bloomberg

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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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