PICK OF THE WEEK

15th November, 2025

Affle 3i Limited

Sector: IT Services

BUY

CMP	Target Price	Upside
1,726	1,900	10%

CMP as on 14th November 2025 | Time horizon: 6-9 Months

Why Affle 3i Ltd.

- Healthy Track Record
- Diversified presence across verticals and key geographies
- CPCU model offers a competitive edge

About the Company

Affle 3i Ltd is a global ad-tech company specializing in consumer intelligence and engagement solutions. It has built a strong presence in digital advertising with a conversion model through mobile devices.

Investment Rationale

A. Diversified Presence in High-Growth Categories

Affle is well diversified across 8-10 consumer categories, which include e-commerce, fintech, foodtech, entertainment, and travel, reducing its dependence on a single vertical, broadening its advertiser base with lower revenue volatility. The company aims to achieve 10x growth over the decade, supported by consistent organic performance, selective inorganic acquisitions, and deeper penetration in such high-growth verticals and emerging geographies.

B. Consistent Growth across Key Geographical Markets

India and Global Emerging Markets together accounted for 74% of the revenue, up 20% YoY. Moreover, Developed markets registered a 17% YoY growth, contributing 26% to overall revenue in Q2FY26 on account of higher digital penetration as advertisers continue to increase budgets towards performance marketing. Moreover, early festive spending gave an additional boost.

C. CPCU Model and Tech Moat Provide a Competitive Edge

Affle has positioned itself as a conversion-led, full-stack platform in the highly competitive and fragmented adtech space. Conversions grew at a 39% CAGR and CPCU pricing at a 9% CAGR between FY21–25. The company has recently strengthened its tech moat with two new US patents (taking the total to 16) and deepened AI integration through Niko and Opticks AI, with automation now enabling over 80% of operations.

Outlook & Valuation

- Management remains confident in achieving 20% sustainable revenue growth and maintaining 23% EBITDA margins in the coming years.
- We believe the company's Revenue/EBITDA/PAT to grow at a CAGR of 23%/23%/25% over FY25-28E, supported by its scalable CPCU model, strong strategic moat, and expansion into emerging markets.
- The company is currently trading at 40x/32x P/E multiple for FY27E/FY28E

Analyst Insights

- We recommend a **BUY** on the stock with a target price of Rs 1,900/share, implying an upside of ~10% from the CMP.

Research Analysts

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Financial Summary

	FY26E	FY27E	FY28E
Net Sales (Rs Cr)	2,715	3,398	4,250
EBITDA (Rs Cr)	598	757	942
Net Profit (Rs Cr)	460	595	753
EPS (Rs)	33	42	54
PER (x)	60.9	40.5	32.0
EV/EBITDA (x)	44.0	34.0	22.7
P/BV (x)	8.5	7.5	5.6
RoE (%)	15.0	17.0	17.4

Market Data

No. of Shares	14 Cr
Market Cap (Rs Cr)	24,280
52-week High	2,187
52-week Low	1,221
PER(x)	58.0
BSE Code	542752
NSE Code	AFFLE

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