

Weak Quarter; Growth Guidance Remains Intact

Est. Vs. Actual for Q4FY26: Revenue – **INLINE**; EBIT Margin – **MISS**; PAT – **MISS**

Change in Estimates post Q4FY26:

FY27E/FY28E: Revenue: -3%/-2%; EBIT: -3%/-2%, PAT: -4%/-6%

Recommendation Rationale

- **Rising ARPU Growth:** ARPU continues to be the key driver of revenue growth and is currently rising at around 9% annually. The recent Silver plan price hike, the first in six years, will benefit gradually as the revised pricing applies only to new subscriptions. Management expects ARPU to grow at 6–10% annually going forward, while a recovery in customer additions can provide an extra growth boost.
- **Customer Churn and Retention:** Churn remains elevated among Silver subscribers, while it is well controlled for Gold and Platinum subscribers. Management expects it will take a few more months to see meaningful improvement, particularly in monthly subscriber retention.
- **AI Implementation:** The company is leveraging generative AI to enhance audit and classification capabilities, improve cost efficiency, and strengthen user experience. However, revenue opportunities from AI in the B2B space are yet to be meaningfully captured.

Sector Outlook: Optimistic

Company Outlook & Guidance: The company guided an EBITDA margin of 30-35% in the long run. 30-33% sustainable margins are expected on the back of retention and sales, and marketing efforts.

Current Valuation: 18x FY28E EPS (Unchanged)

Current TP: Rs 2,235/share (Earlier TP: Rs 2,190/share)

Recommendation: We recommend a HOLD rating on the stock.

Financial Performance

In Q4FY26, IndiaMart Intermesh reported revenue of Rs 404 Cr vs Rs 355 Cr, up 13.9% YoY and 0.7% QoQ. EBIT stood at Rs 126 Cr vs Rs 122 Cr, up 2.9% YoY but down 1% QoQ, while EBIT margin stood at 31.1% vs 34.4% YoY (-332 bps YoY/-53 bps QoQ). Net income came in at Rs 50 Cr vs Rs 181 Cr, down 72.5% YoY and 73.6% QoQ, mainly due to a loss in treasury income. The company paid a final dividend of Rs 60/share in FY26.

Valuation & Recommendation

The company continues to strengthen its position as a leading marketplace for MSMEs, and the key developments are likely to support higher revenue growth and margins in the long run. However, a higher churn rate in the Silver subscription and continued loss in the subsidiary remain key concerns to watch out for. We value the stock at 18x FY28E earnings, arriving at a TP of Rs 2,235/share, implying a 6% upside from the CMP. We maintain our **HOLD** rating on the stock.

Key Financials (Consolidated)

(Rs Cr)	Q4FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	404	0.7	13.9	401	0.9
EBIT	126	(1.0)	2.9	129	(2.7)
EBIT Margin	31.1	-53bps	-332bps	32.2	-114bps
Net Profit	50	(73.6)	(72.5)	140	(64.5)
EPS (Rs)	8.3	(73.6)	(72.5)	23.3	(64.5)

Source: Company, Axis Securities Research

(CMP as of 30th April, 2026)

CMP (Rs)	2,104
Upside /Downside (%)	6%
High/Low (Rs)	2,799/1,925
Market cap (Cr)	12,636
Avg. daily vol. (6m) Shrs.	1,55,270
No. of shares (Cr)	60

Shareholding (%)

	Sep-25	Dec-25	Mar-26
Promoter	49.2	49.1	49.1
FIIIs	21.5	18.3	19.2
MFs/UTI	11.6	14.6	11.9
Banks/FIs	0.0	0.0	0.0
Others	17.7	18.0	19.9

Financial & Valuations

Y/E Mar (Rs Cr)	FY26	FY27E	FY28E
Net Sales	1,569	1,663	1,840
EBIT	502	556	616
Net Profit	474	636	731
EPS (Rs)	79	106	122
PER (x)	27	20	17
P/BV (x)	5	4	3
EV/EBITDA (x)	24	21	18
ROE (%)	21	23	21

Change in Estimates (%)

Y/E Mar	FY27E	FY28E
Sales	-3%	-2%
EBIT	-3%	-2%
PAT	-4%	-6%

Relative Performance



Source: AceEquity, Axis Securities Research

Results Gallery

[Q3FY26](#)
[Q2FY26](#)
[Q1FY26](#)

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Outlook

From a long-term perspective, we believe Indiamart is well-placed to report encouraging growth in light of the multiple long-term contracts it has procured from the world's leading brands. Richer revenue visibility also gives us further confidence in the company's business growth moving forward.

Key Highlights

- **Subscriber Trend:** Total paying suppliers stood at 220,000 at the end of FY26, with a net addition of 3,200 subscribers during the year. However, Q4FY26 saw a net decline of 1,200 subscribers, making it the weakest quarter of the year. The drop was mainly due to the continued impact of the Silver plan price hike introduced in Q2FY26, and the loss of around 1,000–1,500 customers because of business disruption caused by global events. Management has clearly stated that the company does not plan to roll back the price increase.
- **Busy Infotech Performance:** Busy Infotech delivered strong performance, reporting quarterly billings of Rs 45 Cr (growth of 24% YoY) and full-year billings of Rs 170 Cr (growth of 43% YoY). Revenue from operations stood at Rs 119 Cr in FY26. Deferred revenue increased to Rs 124 Cr, reflecting higher adoption of annual subscription plans. The company added around 11,000 new licenses in Q4 and 45,000 during FY26, taking total licenses sold to over 142,000. Management is also working on launching AI-powered features within BUSY.
- **ARPU Growth Outlook:** ARPU continues to be the key driver of revenue growth and is currently rising at around 9% annually. The recent Silver plan price hike, the first in six years, will benefit gradually as the revised pricing applies only to new subscriptions. Management expects ARPU to grow at 6–10% annually going forward, while a recovery in customer additions can provide an extra growth boost.
- **Margin Guidance:** The company has guided for long-term EBITDA margins of 30–35%, while near-term margins are expected at 30–33%. This outlook is supported by controlled employee costs, with headcount easing to around 6,200 from 6,300 in Q3 due to attrition and no active workforce rationalisation. Margins are also supported by disciplined performance marketing spend of around Rs 6–10 Cr per quarter.
- **Dividend Declared:** The Board has recommended a total dividend of Rs 60 per share, including a final dividend of Rs 30 and a special dividend of Rs 30, subject to shareholder approval. This highlights the company's continued focus on rewarding shareholders, with around 40–60% of cash generated being returned over the last 3–4 years.

Key Risks to our Estimates and TP

- The rising competition may reduce the market share and impact the revenue potential of the company.
- Higher headcounts and other operating costs may impact the company's operating margins negatively.

Change in Estimates
(Rs Cr)

	New		Old		% Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	1,663	1,840	1,710	1,880	-3%	-2%
EBIT	556	616	570	630	-3%	-2%
PAT	636	731	660	780	-4%	-6%

Source: Company, Axis Securities Research

Results Review
(Rs Cr)

Y/E March	Q4FY26	Q3FY26	QoQ (%)	Q4FY25	YoY (%)
Net sales	404	402	0.7	355	13.9
Total Expenditure	272	267	1.6	225	20.9
EBITDA	133	134	(1.2)	130	1.7
<i>EBITDA margin (%)</i>	<i>32.8%</i>	<i>33.4</i>	<i>-62bps</i>	<i>36.7</i>	<i>-392bps</i>
Depreciation	7	7	(4.1)	8	(15.7)
EBIT	126	127	(1.0)	122	2.9
<i>EBIT margin (%)</i>	<i>31.1%</i>	<i>31.6</i>	<i>-53bps</i>	<i>34.4</i>	<i>-332bps</i>
Interest cost	1	1	(14.3)	2	(64.7)
Other income	-34	135	NM	109	NM
Exceptional item	-	-	-	-	-
PBT	91	262	(65.2)	229	(60.3)
Tax	29	59	(51.1)	38	(23.5)
Share of associates	-13	-15	NM	-11	NM
Profit after tax	50	188	(73.6)	181	(72.5)
Reported EPS	8.3	31.4	(73.6)	30.1	(72.5)
Adj. PAT	50	188	(73.6)	181	(72.5)
Adj. EPS	8.3	31.4	(73.6)	30	(72.5)

Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
Net sales	1,197	1,388	1,569	1,663	1,840
Change (YoY, %)	21%	16%	13%	6%	11%
Operating expenses	865	866	1,039	1,081	1,196
EBITDA	332	522	530	582	644
Change (YoY, %)	24	58	1	10	11
Margin (%)	28	38	34	35	35
Depreciation	37	33	28	26	28
EBIT	295	490	502	556	616
Interest paid	9	7	3	4	4
Other income	211	272	204	349	405
Pre-tax profit	495	755	703	901	1,017
Tax	120	155	174	216	244
Effective tax rate (%)	24	21	25	24	24
Share of associates	-40	-49	-55	-49	-42
Net profit	334	551	474	636	731
Exceptional items	-2	0	0	0	0
Adjusted net profit	332	551	474	636	731
Change (YoY %)	17%	66%	-14%	34%	15%
Adj.EPS	55	91	79	106	122
Dividend per share	20	50	60	60	60
Dividend Payout (%)	36	55	76	57	66

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
Share capital	60	60	60	60	60
Reserves & surplus	1,676	2,125	2,340	2,976	3,707
Shareholders' funds	1,736	2,185	2,400	3,036	3,767
Total Debt	29	23	13	16	19
Other liabilities	616	704	846	846	846
Current Liabilities & Provisions	1,067	1,222	1,365	1,365	1,369
Current liabilities	1,058	1,211	1,350	1,351	1,354
Provisions	10	10	15	15	15
Total liabilities	1,712	1,948	2,224	2,227	2,234
Total equity & liabilities	3,449	4,134	4,625	5,263	6,001
Net fixed assets	16	8	5	8	8
Investments	269	420	408	408	408
Other non-current assets	794	770	1,018	1,018	1,018
Current assets	2,370	2,936	3,194	3,829	4,566
Inventories	0	0	0	0	0
Sundry Debtors	5	4	5	5	5
Cash & Liquid	101	84	91	576	1,122
Other Current Assets	2,264	2,847	3,097	3,248	3,439
Total assets	3,449	4,134	4,625	5,263	6,001

Source: Company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
Pre tax	334	551	474	636	731
Depreciation	37	33	28	26	28
Chg in working capital	248	(428)	(108)	(150)	(188)
Other operating activities	(211)	(272)	(204)	(349)	(405)
Cash flow from operations (a)	418	(110)	194	166	170
Capital expenditure	(34)	(0)	(1)	(5)	(3)
Chg in investments	(7)	6	(90)	-	-
Other investing activities	(0)	1	-	-	-
Cash flow from investing (b)	(40)	7	(91)	(5)	(3)
Equity raised/(repaid)	29	0	-	-	-
Debt raised/(repaid)	115	82	132	3	3
Dividend (incl. tax)	(121)	(303)	(361)	(361)	(486)
Chg in minorities	-	-	-	-	-
Other financing activities	(16)	(33)	(27)	(28)	(29)
Cash flow from financing (c)	(558)	(52)	(154)	(25)	(26)
Net change in cash (a+b+c)	(180)	(155)	(51)	136	141
Opening cash balance	58	101	84	91	576
Closing cash balance	101	85	91	576	1,122

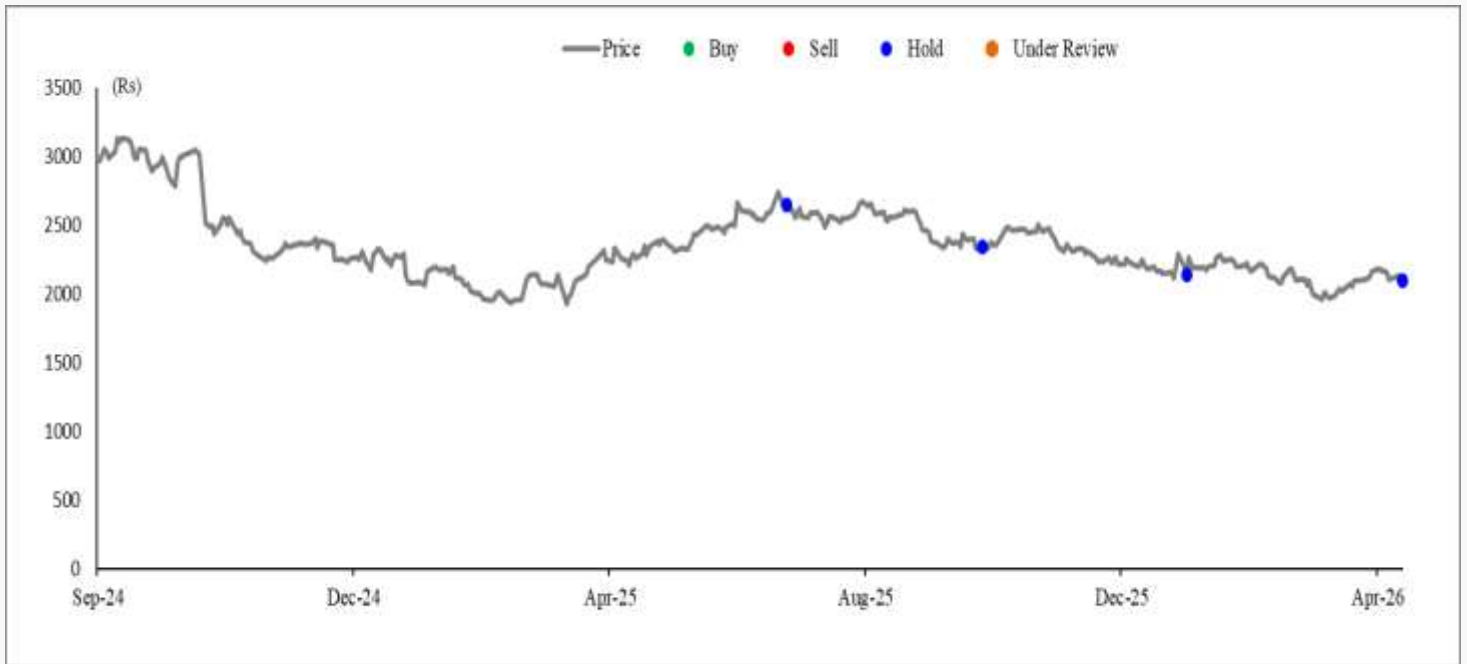
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
Book Value (Rs)	287	361	399	505	627
Adj EPS (Rs)	55	91	79	106	122
Adj EPS growth (%)	-43.0	63.9	-13.2	34.1	15.0
EBITDA margin (%)	27.7	37.6	33.8	35.0	35.0
Pre-tax margin (%)	41.4	54.3	44.8	54.2	55.3
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0
ROCE (%)	15.3	22.9	17.2	19.2	18.2
ROE (%)	17.6	28.1	20.7	23.4	21.5
Financial leverage ratios					
Debt / Equity (x)	2%	1%	1%	1%	1%
Interest Coverage (x)	33	66	167	154	158
Interest / Debt (%)	28%	28%	17%	25%	24%
Working Capital & Liquidity Ratio					
Inventory days	0	0	0	0	0
Receivable days	1	1	1	1	1
Payable days	10	7	7	7	7
Valuation ratio					
PER (x)	38.1	23.1	26.7	19.9	17.3
Adjusted PER (x)	37.9	23.1	26.7	19.9	17.3
P/BV (x)	7.3	5.8	5.3	4.2	3.4
EV/EBITDA (x)	38.2	24.3	23.7	20.8	17.9
Market Cap. / Sales (x)	10.6	9.2	8.1	7.6	6.9

Source: Company, Axis Securities Research

IndiaMART Intermesh Price Chart and Recommendation History



Date	Reco	TP	Research
21-Jul-25	HOLD	2,880	Result Update
20-Oct-25	HOLD	2,530	Result Update
21-Jan-26	HOLD	2,310	Result Update
20-Mar-26	HOLD	2,190	Sector Update
04-May-26	HOLD	2,235	Result Update

Source: Axis Securities Research

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BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
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