

IndiaMART InterMESH

Net additions weak; collections strong

IndiaMART delivered a decent quarter with revenue growth of +2.7% QoQ / +13.4% YoY, supported by strong cash collection growth of +17% YoY. Revenue growth was driven by ARPU expansion (+3.1% QoQ / +6.5% YoY) led by price hikes and package upgrades among gold and platinum customers. However, this was partly offset by a decline in net subscriber additions (~1K QoQ, the lowest in the last four quarters) due to price hikes and continued churn. The impact of price increases is expected to weigh on net additions in the coming quarters, with revenue growth primarily supported by ARPU expansion, guided at 6–8% YoY. Despite several initiatives to reduce churn in the silver bucket, improvement remains limited, though overall platform experience has enhanced with better-quality RFQs for sellers. Traffic and unique business enquiry growth have moderated but are expected to recover with marketing initiatives. We expect ARPU growth of ~7% YoY and a pick-up in supplier additions by FY27E. PAT increased in the quarter due to a one-time remeasurement gain of ~INR 824mn from Baldor Technologies. We trim our estimates by ~1% and maintain BUY with a DCF-based TP of INR 2,710 (~26x FY28E EPS), factoring in revenue/PAT CAGR of 17%/20% over FY26–28E.

- **Q3FY26 highlights:** (1) Q3 revenue stood at INR 4.02bn, +2.7/13.4% QoQ/YoY. Gold and platinum customers contributed ~75% to revenue and the net additions to paid suppliers declined by ~1,000. (2) EBITDA margin stood at 33.4%, marginally up 24bps QoQ, due to decrease in outsource sales cost (~23% QoQ). (3) In Q3FY26, BUSY revenue increased by 10% QoQ to INR 0.32bn and EBITDA margin declined to 19% vs 21% in Q2FY26. (4) Standalone EBITDA margin stood at 36.7%, +474bps QoQ, given the 34% QoQ decline in G&A cost. (5) Top 1/10 supplier ARPU stood at 1,103K/333K, +5.7/8% YoY. (6) Top 10% of customers account for 50% of revenue. (7) PAT stood at INR 1.88bn, an increase of 127.7% QoQ. (8) Net cash stood at INR 30.5bn (~23.8% of market cap).
- **Outlook:** We expect revenue growth of +13.6/15.8/17.8%, based on paid supplier growth of +2.3/7.0/8.8% and ARPU growth of +8.0/7.5/8.2% for FY26/27/28E. Consolidated EBITDA margin estimates stand at 33.1/32.2/32.3% for FY26/27/28E.

Quarterly financial summary

YE March (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	4,016	3,543	13.4	3,910	2.7	11,968	13,884	15,778	18,267	21,515
EBITDA	1,342	1,382	-2.9	1,297	3.5	3,314	5,228	5,223	5,883	6,946
APAT	1,883	1,210	55.6	827	127.7	3,340	5,507	4,319	5,418	6,242
EPS	31.0	19.9	55.6	13.6	127.7	55.0	91.8	71.7	89.9	103.6
P/E (x)						38.9	23.3	29.9	23.8	20.7
EV / EBITDA (x)						32.7	19.7	18.5	15.2	11.5
RoE (%)						17.6	28.1	18.3	19.7	19.4

Source: Company, HSIE research

Change in estimates

YE March (INR mn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	15,788	15,778	-0.1	18,433	18,267	-0.9	21,768	21,515	-1.2
EBITDA	5,263	5,223	-0.8	5,936	5,883	-0.9	7,054	6,946	-1.5
EBITDA margin (%)	33.3	33.1	-23 bps	32.2	32.2	0 bps	32.4	32.3	-12 bps
APAT	4,336	4,319	-0.4	5,457	5,418	-0.7	6,322	6,242	-1.3
EPS (Rs)	71.9	71.7	-0.3	90.5	89.9	-0.6	104.8	103.6	-1.2

Source: Company, HSIE Research

BUY

CMP (as on 20 Jan 2026)	INR 2,142
Target Price	INR 2,710
NIFTY	25,233

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,740	INR 2,710
	FY26E	FY27E
EPS %	-0.3	-0.6

KEY STOCK DATA

Bloomberg code	INMART IN
No. of Shares (mn)	60
MCap (INR bn) / (\$ mn)	129/1,415
6m avg traded value (INR mn)	283
52 Week high / low	INR 2,799/1,835

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.3)	(19.3)	(4.9)
Relative (%)	(5.7)	(19.8)	(11.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	49.17	49.12
FIs & Local MFs	13.00	16.41
FPIs	21.53	18.27
Public & Others	16.38	16.15
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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