

PINE LABS LTD

07-11-2025 to 11-11-2025

Industry: Financial Technology (Fintech)
Recommendation: Subscribe for long term

Price Band: ₹ 210– 221
Post Implied Market Cap: ₹24,217 Cr - ₹25,377 Cr

Key Data

Issue Size (₹ Cr)	3,809 - 3,900
Fresh (₹)	2,080
OFS (₹)	1820
No. of shares offered	9,41,17,647

Face Value (₹ /share)	1
Bid Lot	67

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	12-11-2025
Refunds/Unblocking ASBA Fund	13-11-2025
Credit of equity shares to DP A/c	13-11-2025
Trading commences	14-11-2025

Shareholding (No. of shares)

Pre-Issue	1,05,41,46,853
Post Issue (Lower price band)	1,15,32,07,699
Post Issue (Higher price band)	1,14,82,76,377

Shareholding Pattern

Promoter & Promoter Group :	
Pre Issue	0.00%
Post Issue	0.00%

Investor Selling Shareholders:

Pre Issue	70.41%
Post Issue	57.46%

Public - Others:

Pre Issue	29.59%
Post Issue	42.54%

Issue Breakup

QIB	75%
NIB	15%
Retail	10%

Other Details

BRLMs: Axis Capital, Morgan Stanley India, Citigroup Global, J.P. Morgan India, Jefferies India

Registrar: KFin Technologies Limited

Listing: BSE & NSE

Research Analyst

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About the Company

Pine Labs Ltd (Pine Lab) is a leading commerce technology company that digitises payments and issuing solutions for merchants, brands, enterprises, and financial institutions. Its offerings span digital infrastructure, transaction, and issuing platforms, serving 988,304 merchants, 716 brands, and 177 financial institutions across India and global markets including Malaysia, UAE, Singapore, Australia, the U.S., and Africa.

Investment Rationales

1) An ecosystem that brings together merchants, consumer brands, enterprises, and financial institutions, enabling commerce transactions and creating network effects: The company operates a rapidly expanding digital ecosystem connecting merchants, consumer brands, enterprises, financial institutions, and software partners. This growing network enhances platform efficiency through increased interactions and data-driven insights, unlocking diverse monetisation opportunities. As of June 30, 2025, the company served 988,304 merchants, 716 consumer brands and enterprises, and 177 financial institutions – reflecting strong ecosystem growth across all segments.

2) Platform with proven scale and growth in operating profitability: The company emerged as India's largest player in closed and semi-closed loop gift card issuances and a leading enabler of digital affordability solutions, in FY 2025. It ranked among the top 5 in-store digital platforms, processing ₹11,425 billion in GTV across 5.68 billion transactions. Serving 988,304 merchants, 716 consumer brands, and 177 financial institutions, the company achieved strong growth, with revenue rising from ₹1,598 crore in FY 2023 to ₹2,274 crore in FY 2025 and contribution margin improving from ₹1,281 crore to ₹1,729 crore over the same period.

3) Deep partnerships with large merchants, consumer brands, enterprises, and financial institutions: Pine Lab has a strong presence in India and a growing international footprint, serving merchants across sectors like retail, e-commerce, electronics, healthcare, and hospitality. Partnering with leading brands such as Croma and HDFC Bank, it has evolved from an in-store digital payments provider into a full-stack fintech platform offering multi-issuer affordability solutions, issuing capabilities, and value-added services like billing integration, merchant dashboards, analytics, and loyalty programs.

4) Full-stack, cloud-based, flexible and scalable technology platform: The company operates a cloud-native, API-driven technology stack designed for scale, speed, and security in digital commerce. Its scalable and portable infrastructure supports global operations across India, Southeast Asia, the Middle East, Africa, and the U.S. The open, flexible ecosystem allows merchants to customize solutions, while its security-certified platform ensures trusted, compliant payment services for major merchants and financial institutions.

5) Ability to Consistently Innovate New Solutions and Features: The company has expanded from its core cloud-based payments platform, Plutus, into a comprehensive commerce ecosystem through innovation and strategic acquisitions. It added affordability and prepaid solutions, launched an omnichannel online payments suite in 2021, and strengthened capabilities via acquisitions like Qwikilver, Mosambee, Qfix, Setu, and Credit+. These initiatives have enhanced its API integration, security, and scalability while supporting merchants, brands, and financial institutions across the ecosystem.

Risk

- 1) High regulated industry.
- 2) Exposure to cybersecurity and data or privacy breaches.

MView

We believe Pine Labs Ltd IPO brings investors an opportunity to invest in one of India's leading and globally expanding commerce technology platforms, uniquely positioned at the intersection of payments, fintech and digital infrastructure. We think company's strong merchant base of nearly 1 million, deep relationships with over 700 brands and 170+ financial institutions and leadership in prepaid gift cards and digital affordability solutions underscore its scale and ecosystem strength. We also think Pine Labs diversified revenue model, asset-light operations and cloud-native, API-driven platform provide strong visibility for margin expansion and sustainable growth. Its proven ability to innovate—through in-house technology and strategic acquisitions such as Qwikilver, Mosambee and Setu—positions it well to capture increasing digital payment adoption across India and emerging international markets. By looking at the financials, the company reported 10.8% revenue growth in FY2024 and 28.5% in FY2025, with profitability achieved in 1QFY2026 after three years of net losses. Given this early profitability phase, traditional valuation metrics like P/E may not be meaningful. However, based on FY2025 actuals, the company is valued at approx ~60x EV to Adj EBITDA and ~11x Market cap to Sales, which appear aggressively priced relative to industry peers. While Pine Labs may command a premium for its market leadership, high contribution margins and scalable digital infrastructure, investors should note that the IPO includes a 47% Offer for Sale (OFS)—amounting to ₹1,819.9 crore of the total ₹3,899.9 crore issue—which could be a point of caution for new investors. Given its market leadership, expanding addressable base, and continued focus on high-margin, tech-driven solutions, we recommend only risk taking investors should “SUBSCRIBE” the Pine Labs Ltd IPO for long term perspective only.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	As at June 30		As at March' 31		
	2025 (03)	2024 (03)	2025 (12)	2024 (12)	2023 (12)
Share Capital	44.71	0.1	0.1	0.1	0.2
Instruments Equity in Nature	57.95	99.22	102.56	99.11	98.81
Reserves	2224.89	-2148.49	-2346.93	-2134.45	-1863.6
Net Worth	2327.55	-2049.17	-2244.27	-2035.24	-1764.77
Total Borrowing	888.74	654.87	829.49	532.92	329.51
Revenue From Operations	615.91	522.42	2274.27	1769.55	1597.66
Revenue Growth (%)	17.9	-	28.52	10.76	-
EBITDA	81.81	65.05	234.66	29.66	61.3
Adjusted EBITDA	120.56	90.14	356.72	158.2	196.8
Adjusted EBITDA Margin (%)	19.57	17.25	15.68	8.94	12.32
Net Profit/ (loss) for the Year	4.79	-27.89	-145.49	-341.9	-265.15
EPS - basic (₹)	0.05	-0.28	-1.45	-3.46	-2.7
RONW (%)	-	NA	NA	NA	NA
Net Asset Value (₹) as stated	22.69	-20.7	-22.43	-20.61	-17.95

Source: Company RHP

COMPARISON WITH INDUSTRY LISTED PEERS ₹ (IN CR)

Companies	Revenue from Operations (₹ in Cr)	Mcap (₹ in Cr)	FV	EPS	NAV (₹ Per Share)	P/B	P/E	RoNW
Pine Labs	2274.27	25377	1	0.17	38.51	5.74	1321	-4.15
One 97 Communication	6900.40	85481	1	-10.35	235.54	5.6	788	-4.69
Zaggle Prepaid	1303.76	4820	1	6.96	99.25	3.9	49.9	9.64

Date as on 31st March 2025, Cline Mcap, PE, PB calculated as on 07-11-2025

Pine Labs Ltd, EPS/PE,PB, NAV calculated on FY 2026 annualised basis post money



MSEARCH

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Msearch's Recommendation (Absolute Performance)

Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months

Sell : < -20% within the next 12 Months

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