

**PINE LABS LTD.**

**'SUBSCRIBE'**

**07-11-2025 TO 11-11-2025**

**Industry: Fintech**

**Price Band: ₹210 to ₹221**

**Recommendation: Subscribe for long term**

**Post Implied Market Cap: ₹24,217 Cr – ₹25,377 Cr**

### Key Data

Issue Size (₹ Cr)	₹3,899.91
Fresh (₹ Cr)	₹2,080.00
OFS (₹ Cr)	₹1,819.91
No of shares offered (total issue)	17,64,66,426
Face Value (₹ /share)	1
Bid Lot	67 Shares

### Indicative Timetable

IPO Open Date	Fri, Nov 7, 2025
IPO Close Date	Tue, Nov 11, 2025
Tentative Allotment	Wed, Nov 12, 2025
Initiation of Refunds	Thu, Nov 13, 2025
Credit of Shares to Demat	Thu, Nov 13, 2025
Tentative Listing Date	Fri, Nov 14, 2025
Cut-off time for UPI mandate confirmation	5 PM on Tue, Nov 11, 2025

### Shareholding (No. of shares)

Pre-Issue	1,05,41,46,853
Post-Issue	1,14,82,64,500

### Issue Breakup

QIB	75%
NII	15%
Retail	10%

### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	0.00%	0.00%
Other Selling Shareholders	70.41%	57.46%
Public -Others	29.59%	42.54%
Total	100%	100%

### Other Details

**BRLMs:** Axis Capital Limited, Morgan Stanley India Company Private Limited, Citigroup Global Markets India Private Limited, J.P. Morgan India Private Limited, Jefferies India Private Limited  
**Registrar:** KFin Technologies Limited  
**Listing:** BSE & NSE

### Research Analyst

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### About the company

Pine Labs Ltd. is a prominent Indian fintech company founded in 1998, specializing in providing an integrated merchant platform for digital commerce and financial services. The company's primary solutions include Point-of-Sale (POS) systems for in-store and online transactions, along with a suite of value-added services like consumer affordability solutions (EMIs/BNPL) and prepaid/gift card programs. Operating extensively across India, Southeast Asia, and the Middle East, Pine Labs' mission is to simplify payments and empower merchants for accelerated business growth.

### Investment Rationales

**Unified Commerce Ecosystem:** Owns a comprehensive platform combining in-store POS, online payments (Plural), and value-added services, creating a high barrier to entry and strong merchant loyalty.

**High-Margin VAS Growth:** Drives superior revenue quality through fast-growing, high-margin solutions like Buy Now, Pay Later (BNPL)/EMI and its market-leading prepaid/gifting platform (Qwikilver).

**Path to Profitability:** Recently achieved its first quarterly net profit (Q1 FY26) and significantly reduced annual losses, validating its scalable model and improving operational efficiency.

**International Expansion:** Actively growing its presence and revenue share in large, under-penetrated fintech markets like Southeast Asia and the Middle East, diversifying geographic risk.

**Fintech Infrastructure Edge:** Strategic acquisitions (like Setu) position it as a core fintech infrastructure provider, ready to capitalize on the future of embedded finance and API-based banking.

### Risk

Dependence on Merchants, Consumer brand & enterprises and Financial institutions base: Although net additions have stayed positive since three fiscals, non-renewal of agreements can significantly affect volume/revenues. Operations are subject to extensive regulatory oversight from RBI, ReBIT, etc.

### Our views

Pine Labs Limited is a leading global digital payments and merchant commerce platform, offering diversified solutions across India, Southeast Asia, and the Middle East. Pine Labs Ltd. shows a critical shift towards sustainability. Operating revenue grew 28.5% to ₹2,274 Cr in FY25, with net losses sharply reduced by over 57%. Most notably, the company reported its first-ever quarterly net profit of ₹4.8 Cr in Q1 FY26, underpinned by robust adjusted EBITDA growth and strong institutional support (PayPal, Mastercard).

Pine Labs Ltd. Has a very large OFS component (47% of the total issue size), suggesting that the primary motive of the offering is to give liquidity to existing stakeholders rather than raising capital primarily for the company's future growth and expansion.

IPO proceeds will be strategically deployed for debt reduction, IT infrastructure investment, and international expansion. Given its market leadership, proven operational scale, and recent successful transition to profitability, Pine Labs is strongly positioned to capitalize on global digital consumption growth. We recommend a 'SUBSCRIBE' rating for very long-term investors in this high-growth fintech platform.

## CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from operations	₹ in Cr.	1597.658	1769.546	2274.274
Digital Infrastructure and Transaction Platform Revenue	₹ in Cr.	1152.402	1276.433	1603.227
Issuing and Acquiring Platform Revenue	₹ in Cr.	445.256	493.113	671.047
Percentage of revenue from operations from outside India	%	8.50%	10.94%	14.85%
Non-GAAP Financial KPIs				
Contribution Margin	₹ in Cr.	1281.037	1385.385	1728.883
Contribution Margin as a percentage of revenue from operations	%	80.18%	78.29%	76.02%
Adjusted EBITDA	₹ in Cr.	196.795	158.201	356.716
Adjusted EBITDA Margin	%	12.32%	8.94%	15.68%
Operating Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Platform Gross Transaction Value (Platform GTV)	billion	4397.27	6084.36	11424.97
Digital Infrastructure and Transaction Platform GTV	billion	4063.36	5704.72	10909.80
Affordability, VAS and Transaction Processing GTV	billion	1002.75	1420.15	2011.63
Issuing and Acquiring Platform GTV	billion	333.91	379.64	515.17
Number of Transactions	billions	2.57	3.44	5.68
Fintech Infrastructure Transactions	billions	0.09	0.25	0.72
Digital check-out points (DCPs)	millions	1.19	1.39	1.78
Number of Merchants	thousands	530.32	644.50	954.42
Prepaid Cards Issued	millions	495.15	529.00	712.99

Source: Company RHP

## Pine Labs Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	Financial statements
<b>Pine Labs Ltd.</b>	<b>-1.45</b>	<b>-1.45</b>	<b>-22.43</b>		<b>-4.15</b>	<b>Consolidated</b>
One97 Communications (Paytm)	-10.35	-10.35	235.54	-110.98	-4.69	Consolidated
Zaggle Prepaid Ocean Services (Zaggle)	6.99	6.96	99.25	48.87	9.64	Consolidated
Adyen N.V.	3058.07	3047.77	13987.40	46.23	25.06	Consolidated
Shopify Inc.	133.45	131.75	761.60	96.50	19.58	Consolidated
Block Inc.	399.5	387.6	2925.70	16.10	14.51	Consolidated
Marqeta Inc.	4.25	4.25	180.20	101.20	2.34	Consolidated

### Notes:

Note: Adyen N.V. reports financials in EUR; Shopify Inc., Block, Inc. and Marqeta, Inc. report financials in USD. The conversion rate used is EUR 1 = ₹ 103; and USD 1 = ₹ 85 # Financial information of our Company has been derived from the Restated Consolidated Financial Information. ^ To be updated upon finalization of the Price Band. \* Sources for listed peers information included above:

All financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2025 for India listed peers and for the year ended December 31, 2024 for global listed peers available on the website of the stock exchanges or the Company.

P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares as on October 1, 2025 divided by the diluted earnings per share for the year ended March 31, 2025 for India listed peers and for the year ended December 31, 2024 for global listed peers.

Return on Net Worth % is calculated as profit/(loss) for the period/year divided by the Net Worth as of the end of the respective period/year.

Net Asset Value per equity share is Net Worth divided by the weighted average number of equity shares for the period/year.

Return on Net Worth is not applicable as return and net worth both are negative. Hence, the RoNW disclosed in this table represents Adjusted Return on Net Worth as disclosed for the Fiscal 2025.

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