



Pick of the week

Info Edge (INFOE)

Recommendation: **ADD**

Date: **28th November 2022**

Current Price: **₹3,955**

Time Period: **12 Months**

Potential Upside: **23.89%**

Target Price: **₹4,900**

Why Invest

- We like INFOE's market-leading position in the recruitments and real estate classifieds space.
- INFOE reported Q2FY23 revenue growth of 51% yoy, 3% ahead of estimates.
- Naukri's operating profit margin came in at highest level ever of 60.7%.
- Naukri revenues up 56% yoy in Q2FY23 driven by growth in paying customers & realizations.
- INFOE's billings grew 35% yoy and 4% on a sequential basis.
- 99acres' revenues grew 44%/5% yoy/qoq in Q2FY23.
- We increase FY23-25E revenue forecasts by 0.2-2%.
- Non-IT hiring is indexed to Indian economy, has bounced back with massive surge in demand.
- Currently, there is no reason for INFOE to pare down stake in either Zomato or PB Fintech.
- We value Naukri at 40x December 2024 P/E multiple and 99acres at 10x Price/Sales multiple.
- Roll-forward drives fair value of Rs.4,900; retain ADD.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 14th November 2022, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

Disclaimer: <http://bit.ly/2n5AxIE>

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