

Pine Labs

IN-STORE INFRASTRUCTURE



POS Terminal



Smart Routing



QR

ONLINE INFRASTRUCTURE



Secure Gateway



Pay Now



Pine Labs

AFFORDABILITY, VAS & TRANSACTION PROCESSING



EMI & Affordability



UPI & DCC



AI & Analytics

ISSUING & ACQUIRING PLATFORM



Prepaid & Gift Cards



Corporate & Employee Benefits



Co-branded Cards



Powering payments: Monetization in motion!

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Powering payments: Monetization in motion!

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Financials and valuations

BSE Sensex
74,295

S&P CNX
23,346



Stock Info

Bloomberg	PINELABS IN
Equity Shares (m)	1154
M.Cap.(INRb)/(USD\$)	221.6 / 2.3
52-Week Range (INR)	284 / 135
1, 6, 12 Rel. Per (%)	23/14/-
12M Avg Val (INR M)	2210
Free float (%)	100.0

Financial Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Revenue from Op	27.1	32.8	41.7
Contribution Profit	20.4	24.4	31.2
Adjusted EBITDA	5.6	7.7	12.0
EBITDA	4.1	6.2	10.5
PAT	1.1	2.6	5.9

Ratios

Contribution Margin (%)	75.3	74.2	74.9
EBITDA Margin (%)	15.0	18.8	25.2
Adjusted EBITDA Margin (%)	20.6	23.4	28.7
RoE (%)	2.4	4.3	9.4
RoA (%)	0.9	1.9	3.9

Valuations

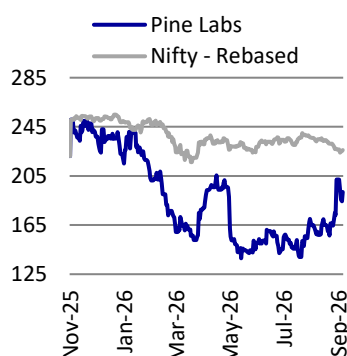
P/E(X)	182.8	81.5	35.6
P/BV (X)	5.7	3.6	3.2
EV/EBITDA (X)	48.9	32.3	19.0

Shareholding Pattern (%)

As On	Jun-26	Mar-26
Promoter	0.0	0.0
DII	24.8	11.8
FII	9.5	4.8
Others	65.7	83.4

FII Includes depository receipts

Stock's performance (one-year)


CMP: INR192
TP: INR250 (+30%)
Buy

Powering payments: Monetization in motion!

Strong roots, expanding canopy of products

- Pine Labs is a leading merchant commerce platform offering payment acceptance, affordability and issuing solutions. Its digital infrastructure and transaction platform (DITP) and issuing and acquiring platform (IAP) generate a healthy mix of recurring and transaction-linked revenue, aided by long-standing enterprise relationships and scalable technology.
- With a merchant base of over 1m, gross transaction value (GTV) of INR17.2t, and 7.4b transactions in FY26, Pine Labs continues to expand across merchant segments, aided by acquisitions and a growing international issuing franchise.
- DITP is the largest revenue contributor, and we estimate the segment to deliver ~24.5% revenue CAGR over FY26-28. The introduction of a 0.4% MDR on eligible peer-to-merchant (P2M) transactions would further benefit Pine Labs given its strong merchant payment franchise.
- IAP business has started to scale up meaningfully, with FY26 GTV growing 24% YoY to INR640b. We estimate the business to maintain healthy momentum and post ~25% GTV CAGR over FY26-28E, aided by prepaid programs and increasing traction across international markets. Accordingly, we estimate 23% revenue CAGR over FY26-28E.
- Overall, we estimate Pine Labs to deliver a healthy CAGR of 24%/46%/129% in revenue/adj. EBITDA/PAT over FY26-28E, while adj. EBITDA margin is expected to improve to 28.7% by FY28E from ~9% in FY24. **We initiate coverage on Pine Labs with a BUY rating and a TP of INR250, based on 25x FY28E EV/EBITDA.**

At the intersection of multiple monetization rails

- Pine Labs has created a complete merchant commerce platform across payment acceptance, affordability, issuing, and fintech infra. The company serves over 1m merchants, 750+ brands & enterprises, and 200+ financial institutions, processing INR17.2t in GTV across 7.4b transactions in FY26.
- Beyond the core business, Pine Labs has broadened its platform across gifting, online payments, fintech infrastructure and issuing, adding capabilities such as Plural, Setu, Qwiksilver and Fave. The wider stack allows it to address more use cases and widen its monetization opportunities.
- International markets are emerging as an important growth driver for Pine Labs. Partnerships with global retailers, financial institutions and platforms, including Amazon, are strengthening its issuing franchise across Southeast Asia, Australia, and the Middle East, supporting a 23% GTV CAGR over FY26-28E.

DITP to remain the key earnings engine, with monetization driving growth

- DITP is Pine Labs' largest business, bringing together payment acceptance, affordability, merchant software and other value-added services on a single platform. The breadth of offerings allows the company to generate revenue from subscriptions, transaction processing, and merchant services, reducing dependence on any single revenue stream.
- The business has delivered a 16.8% revenue CAGR over FY23-26, and we estimate growth to remain healthy at ~24.5% over FY26-28 and contribution margin to remain around ~82-83% by FY28E.

Merchant expansion to shift toward the long tail

- Digital checkout points (DCPs) are the foundation of Pine Labs' merchant franchise. We estimate a ~17% CAGR in DCP additions over FY26-28E, with incremental deployments increasingly skewed toward small- and mid-sized merchants, where digital payment penetration is relatively low; thus, they are the key source of market share gains.
- Large enterprises and organized retailers have already achieved high adoption of integrated checkout solutions, limiting incremental demand largely to store additions, device replacement, and higher device density.

Affordability to emerge as the key monetization engine

- Affordability is expected to emerge as the key growth driver for DITP, offsetting the moderation in traditional device subscription revenue. Subscription income from POS rentals is likely to clock a modest 11% CAGR over FY26-28E, while transaction-led revenue from EMI, BNPL and other affordability solutions will gain traction, aided by deeper merchant adoption.
- With its extensive merchant network and strong issuer relationships, Pine Labs is well positioned to capitalize on this opportunity, and we estimate the affordability business to deliver a healthy ~27% revenue CAGR over FY26-28E.

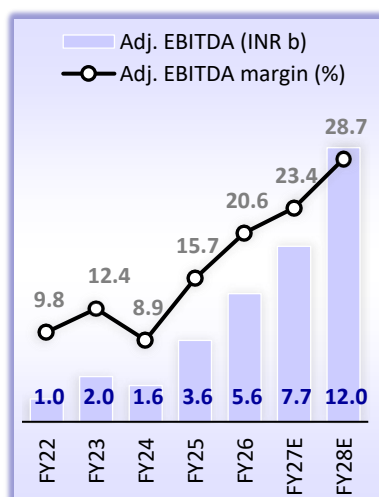
IAP to emerge as a recurring revenue stream

- IAP business has evolved into a scalable, transaction-led platform spanning prepaid, gift cards and issuer-processing solutions. The company processed GTV of INR640b in FY26, representing 25% YoY growth.
- We estimate IAP GTV to clock ~25% CAGR over FY26-28, driven by new issuing programs, broader adoption of prepaid solutions and higher transaction intensity. Global markets, including SEA, Australia, the UAE and the US, offer a sizeable opportunity, with addressable market likely to exceed USD3t by 2028.
- While overseas operations currently operate at lower margins than the domestic business, improving scale, a richer product mix and higher processing volumes should support steady margin expansion, making IAP one of Pine Labs' fastest-growing earnings drivers in the medium term.

Valuation and view: Initiate coverage with Buy rating and TP of INR250

- Pine Labs is well positioned to benefit from India's accelerating digital payments ecosystem. Its diversified product suite and deep relationships with merchants, brands and financial institutions provide multiple monetization levers beyond traditional payment processing.
- We estimate a healthy revenue CAGR of ~24% over FY26-28E, driven by stable growth in DITP, continued traction in affordability solutions and online payments, and a faster scale-up of IAP business. DITP will remain the largest revenue contributor, accounting for ~68% of revenue, while IAP business is set to outpace the broader portfolio.
- The introduction of a 0.4% MDR on eligible P2M transactions should benefit Pine Labs given its robust merchant-acquiring and payments franchise. As the revenue mix gradually shifts toward higher-margin, transaction-led businesses, we estimate adj. EBITDA margin to improve meaningfully from ~9% in FY24 to ~29% by FY28E, aided by improving operating leverage.
- We estimate Pine Labs to deliver a healthy CAGR of 24%/46%/129% in revenue/adj. EBITDA/PAT over FY26-28E and adj. EBITDA margin would improve to 28.7% from 9% in FY24. **Initiate with BUY and a TP of INR250 (25x FY28E EV/EBITDA).**

Adj. EBITDA margin likely to improve to ~28.7% by FY28E

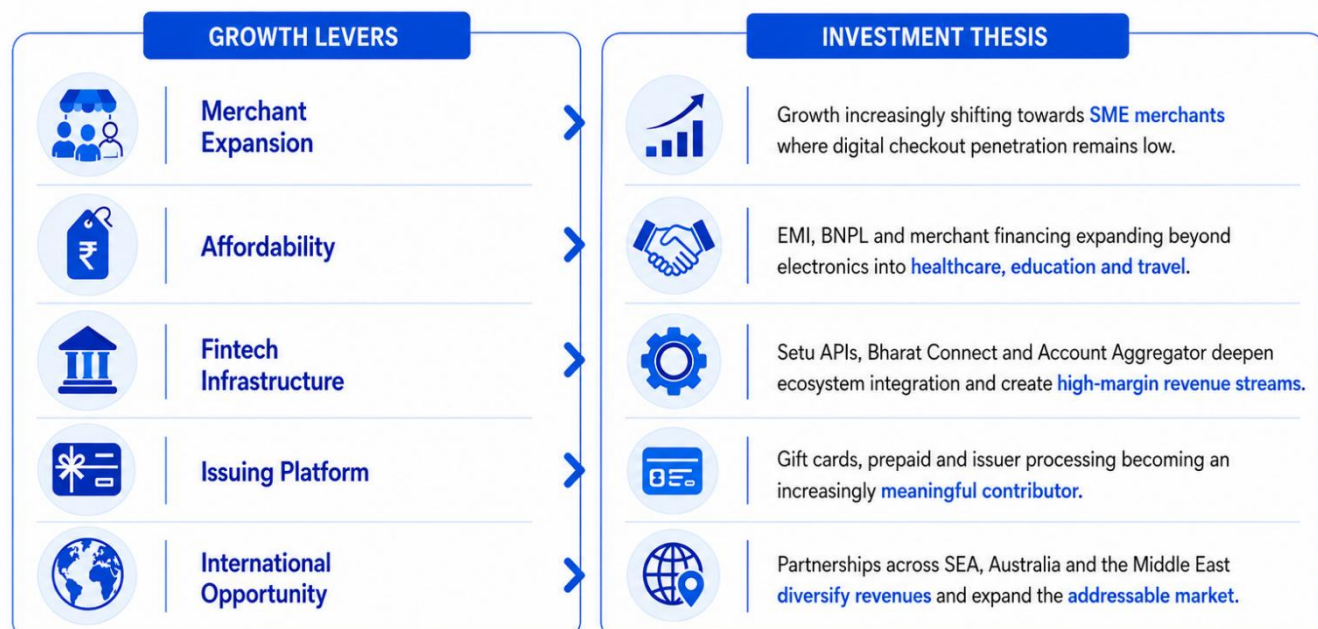


STORY IN CHARTS

Growth Drivers



Scaling Growth Levers



TPV is estimated to clock 22-24% CAGR over FY25-29

Segment (INR t)	FY20	FY25	FY29P	FY25-29P CAGR %
Digital Payments*	22.4	109.5	237-257	21-24
Affordability Solutions	0.9	2.4	6.6-7.2	29-32
Issuing	1.8	5	12.4	~26
Total Market (TPV)	25.2	116.8	256-276	22-24

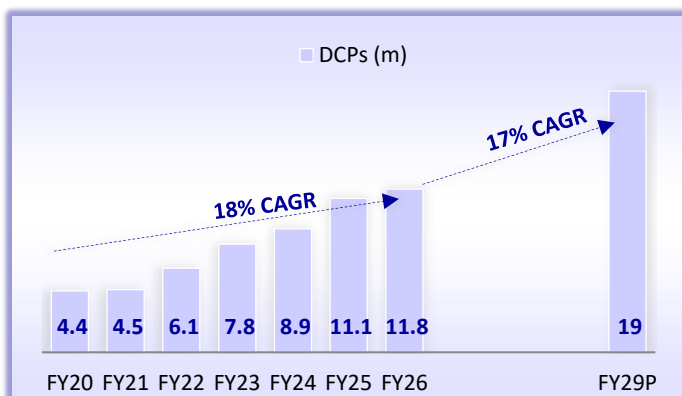
* Digital Payments include the Affordability Solutions market | Source: Redseer Research, Company, MOFSL

P2M digital payments to post 21-24% CAGR over FY25-29

India Statistics (INR t)	FY25	FY29P	CAGR (FY25-29P) %
Nominal GDP	356	521	10
Consumption	203	298-306	11
Retail Market Size	83	125	10
P2M Digital Payments	111.8	244-264	21-24
Internet Penetration	56-59%	70-73%	4-6
Digital Transactors Penetration	30-32%	53-57%	14-16

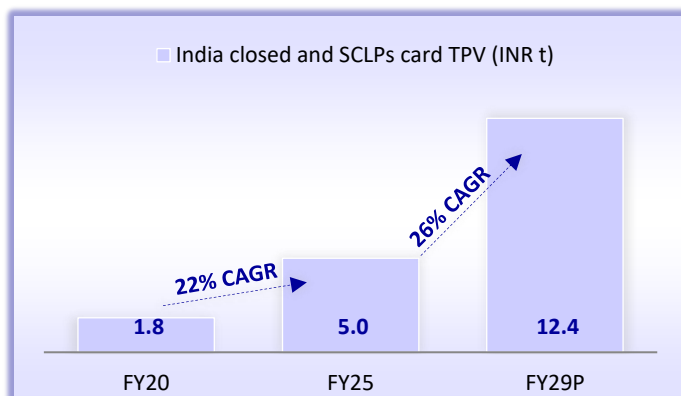
Source: MOSPI, IMF, Redseer, Company, MOFSL

DCPs estimated to clock healthy CAGR of 17% over FY26-29



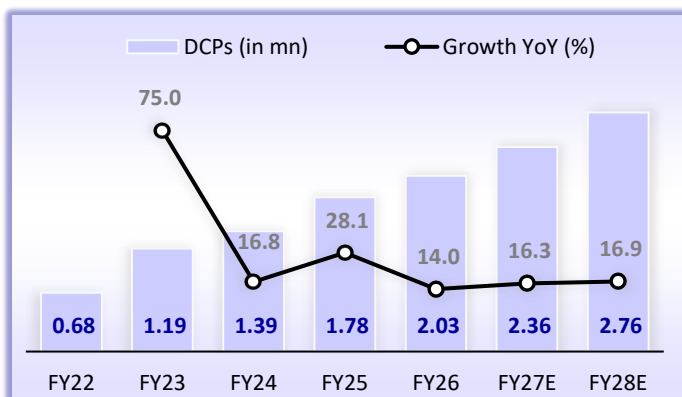
Source: RBI, Company, MOFSL

Prepaid cards TPV estimated to see 26% CAGR (FY25-29P)



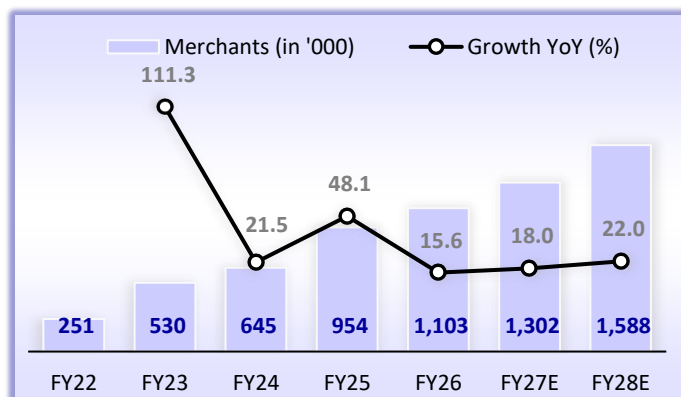
Source: PayNXT360, MOFSL, Company

Pine Labs – DCP growth over FY22-26



Source: MOFSL, Company

Pine Labs – merchant growth



Source: MOFSL, Company

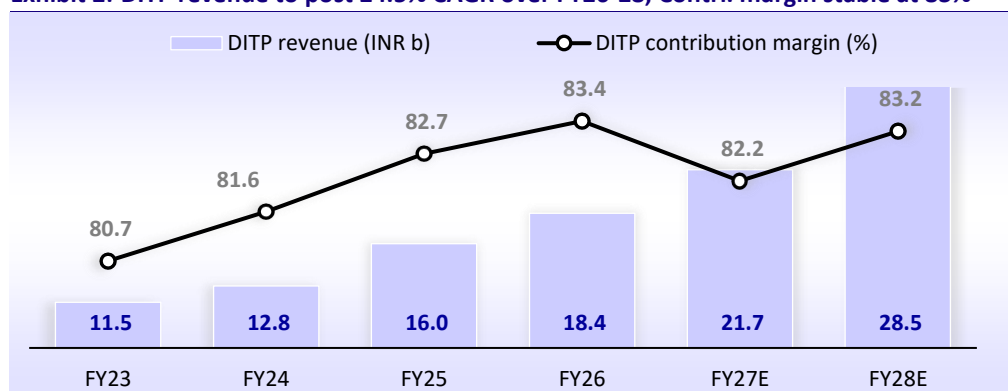
Prepaid cards are gaining popularity, led by corporate tie-ups as well as instant issuances

Exhibit 1: Prepaid cards are estimated to clock ~22% CAGR over FY25-29E

Industry	FY20	FY25	FY29P	FY20-25 CAGR	FY25-29P CAGR
Volume of transaction (in b)					
Debit cards	5.1	1.6	1.3	-21%	-5%
Credit cards	2.2	4.8	7.8	17%	13%
Prepaid cards	0.9	2.1	4.7	18%	22%
Total	8.2	8.5	13.8	1%	13%
% of total					
Debit cards	62%	19%	9%		
Credit cards	27%	56%	57%		
Prepaid cards	11%	25%	34%		

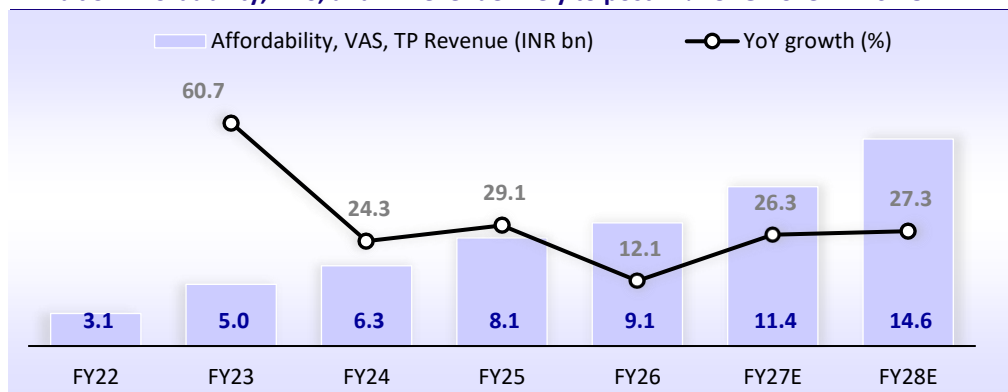
Source: PayNXT360, Redseer, Company, MOFSL

Exhibit 2: DITP revenue to post 24.5% CAGR over FY26-28; Contri. margin stable at 83%



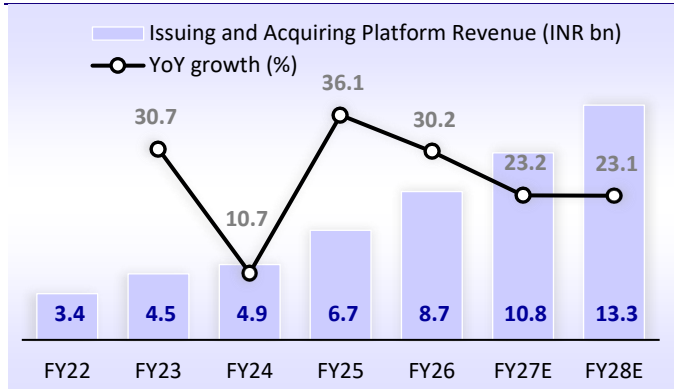
Source: Company, MOFSL

Exhibit 3: Affordability, VAS, and TP revenue likely to post 27% CAGR over FY26-28



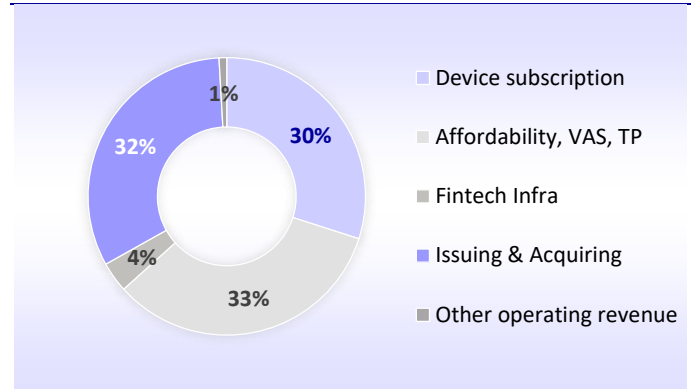
Source: Company, MOFSL

Exhibit 4: IAP revenue to grow at 23% CAGR over FY26-28



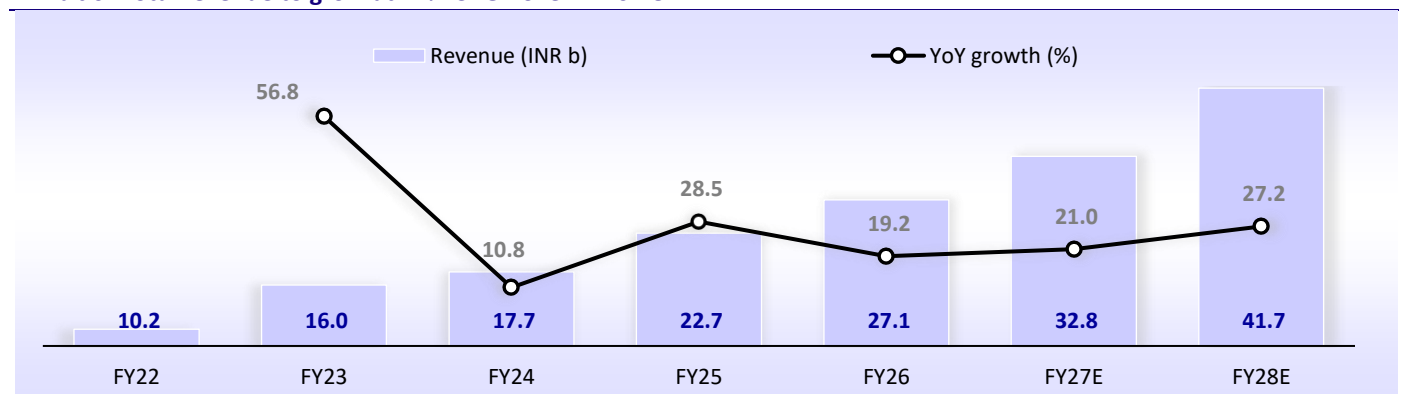
Source: MOFSL, Company

Exhibit 5: Pine Labs: Revenue mix across segments (%)



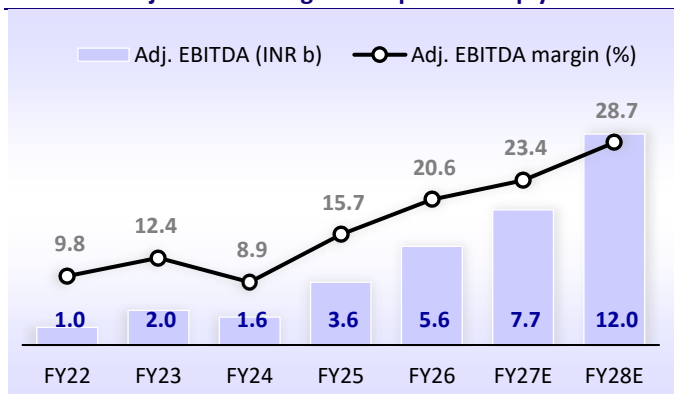
Source: MOFSL, Company

Exhibit 6: Total revenue to grow at 24% CAGR over FY26-28E



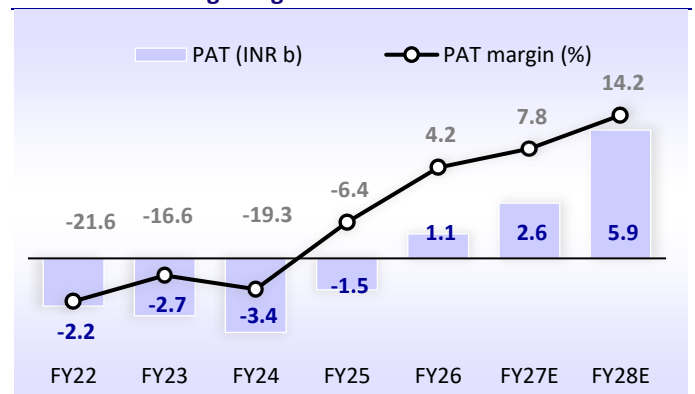
Source: Company, MOFSL

Exhibit 7: Adj. EBITDA margin to improve sharply



Source: MOFSL, Company

Exhibit 8: Enabling >5x growth in PAT over FY26-28E



Source: MOFSL, Company

Pine Labs is a technology company focused on digitizing commerce through digital payments and issuing solutions for merchants, consumer brands and enterprises, and financial institutions

Pine Labs: Empowering India's digital payments

Moving from scale to profitability

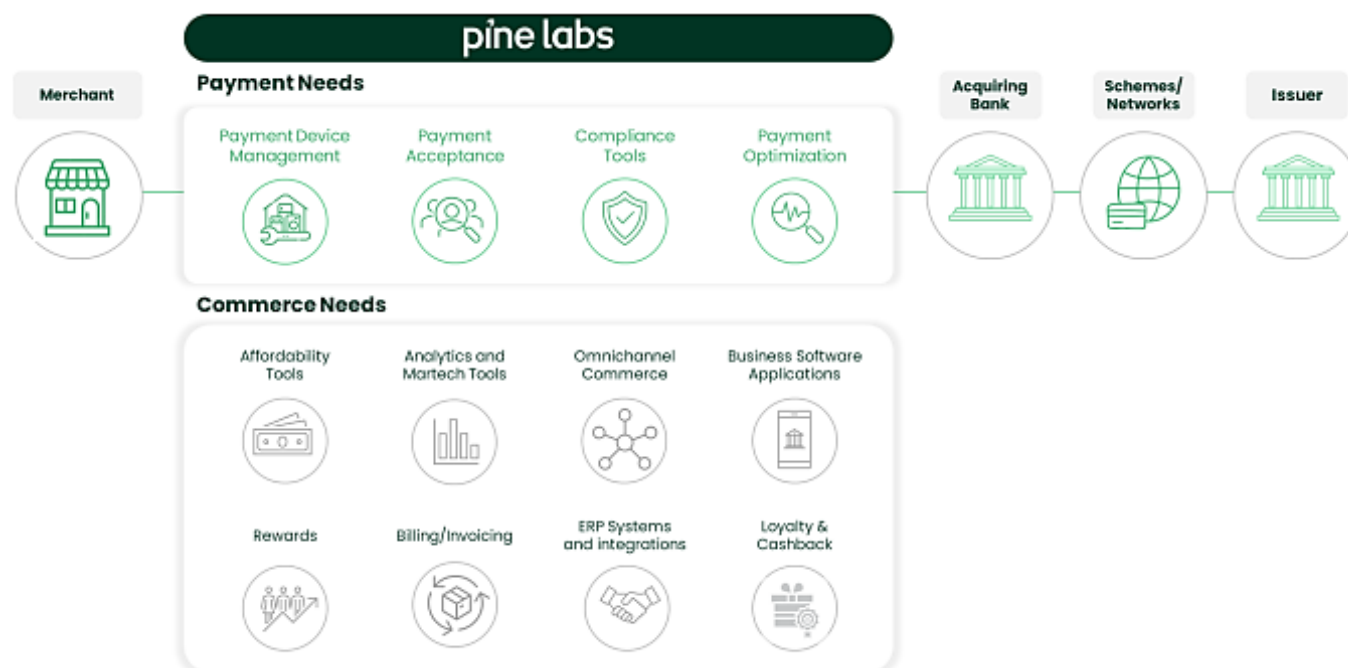
Pine Labs is a merchant commerce and payments platform with a strong franchise in enterprise and mid-market offline payments, anchored around its Digital Checkout Point (DCP) infrastructure. The company enables payment acceptance, transaction processing, and consumer affordability solutions through an integrated hardware and software stack, with India as its core market and selective international presence in issuing and prepaid solutions.

The company's business is organized around two key verticals: **I) Digital Infrastructure & Transaction Processing (DITP)** and **II) Issuing & Acquiring Platforms**.

I) Digital Infrastructure & Transaction Processing (DITP):

- This is Pine Labs' primary revenue driver and includes POS terminals, payment orchestration, and merchant software. Its DCP network enables acceptance of cards, UPI, wallets, and EMI through a single device, with deep integration into merchant billing and ERP systems. Pine Labs has built a strong position among large-format retailers and organized merchants, where operational integration, reliability, and breadth of payment options matter more than pricing. This has resulted in high merchant stickiness but also ties growth to the pace of expansion in organized retail and device additions.

Exhibit 9: Pine Labs caters to a wide range of payments and commerce needs



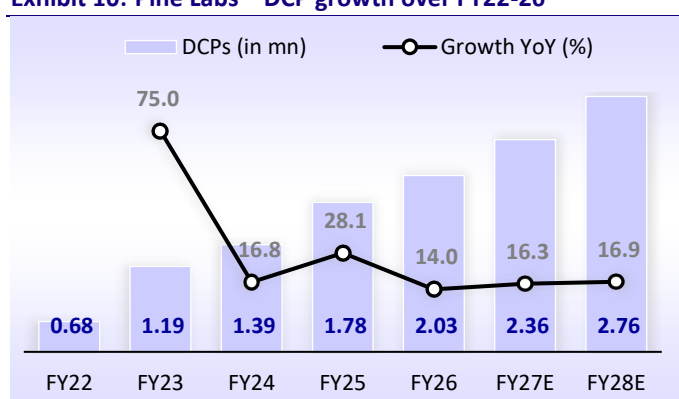
Source: Company, MOFSL

DITP further has three sub-segments

a) In-store and online infrastructure:

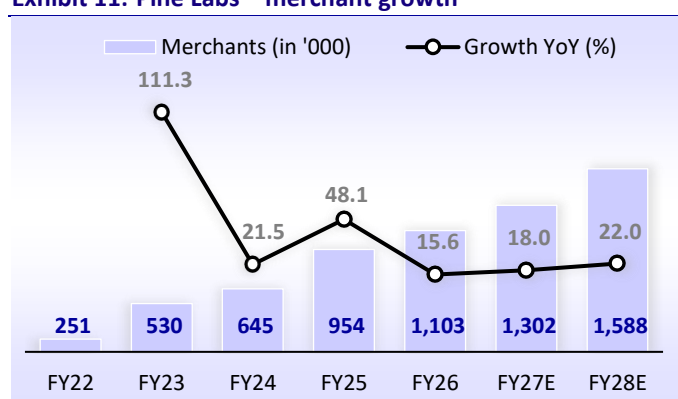
- ❖ This segment forms the core of Pine Labs' DITP business and includes **POS terminals, Digital Checkout Points (DCPs), merchant software, and payment orchestration across offline and online channels**. Pine Labs' strength lies in its deep integration with enterprise billing, ERP, and reconciliation systems, which enables seamless checkout, reporting, and settlement for organized merchants. This integration-driven model creates high switching costs, particularly in large-format retail, where operational continuity and uptime are critical.
- ❖ **Revenue in this segment is largely driven by subscription fees, device rentals, and platform charges, with incremental upside linked to device additions and merchant upgrades rather than pure transaction growth.**

Exhibit 10: Pine Labs – DCP growth over FY22-26



Source: MOFSL, Company

Exhibit 11: Pine Labs – merchant growth



Source: MOFSL, Company

- ❖ Pine Labs Online caters to online-first and omnichannel merchants through its payment gateway, with **revenues directly linked to GTV processed rather than device subscriptions**. The business processed ~INR500b of GTV in FY26 and generated ~INR800m of revenue, implying ~30%+ YoY growth, offering a meaningful incremental growth lever within DITP.

b) Affordability, VAS, and transaction processing

- ❖ This sub-segment represents Pine Labs' key monetization lever within DITP and encompasses transaction processing, EMI solutions, and value-added services (VAS) such as analytics, loyalty, and merchant enablement tools. Pine Labs has built a dominant position in POS affordability, enabling no-cost EMI, subvented EMI, and cashback programs by orchestrating partnerships between banks, card networks, brands, and merchants.
- ❖ Affordability solutions are particularly relevant in discretionary retail categories, where they directly drive conversion and average ticket size, making Pine Labs a critical partner rather than a commoditized payment provider.
- ❖ The VAS portfolio includes DCC for international customers, static and dynamic UPI QR with smart switching, payment aggregation, Smart Routing and Growth X analytics, along with integrations across billing, invoicing, inventory and ERP systems. Pine Labs also provides customized workflows for use cases such as government collections, transport, fuel and gas, municipalities and agriculture, while its loyalty solutions cover rewards, refunds, cashback and pay-by-points.

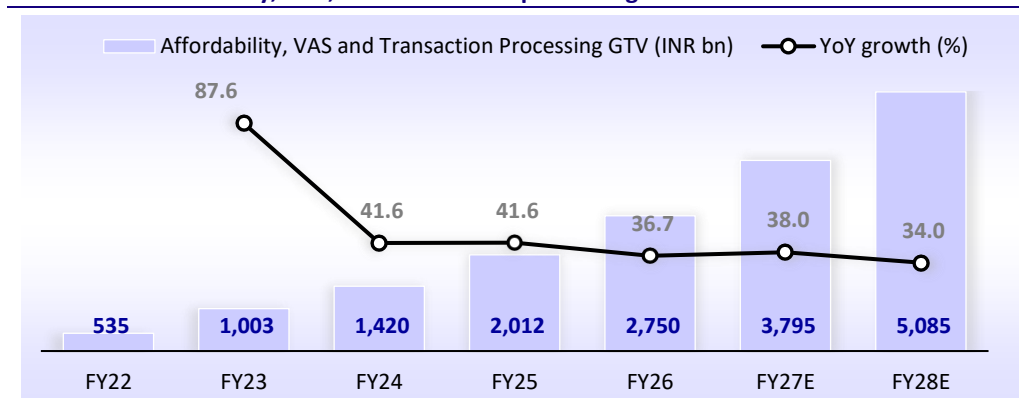
- ❖ The business processed INR2tn+ of GTV in FY26, with revenues linked primarily to transaction volumes and the adoption of these value-added services. As merchants increasingly use Pine Labs beyond basic payment acceptance, higher throughput and greater VAS penetration should support better monetization per DCP and improve operating leverage.

Exhibit 12: Merchant acquisition characteristics

Payment Mode	Merchant Charge Structure
UPI	❖ 0.4% MDR (for P2M transactions above IN2k)
Debit cards	❖ ~0.4% - 0.9%
Credit cards	❖ ~1.5% - 2.5%
Net banking	❖ Flat fee / low bps
Wallets / BNPL	❖ Higher than UPI, lower than credit cards

Source: MOFSL

Exhibit 13: Affordability, VAS, and transaction processing GTV



Source: Company, MOFSL

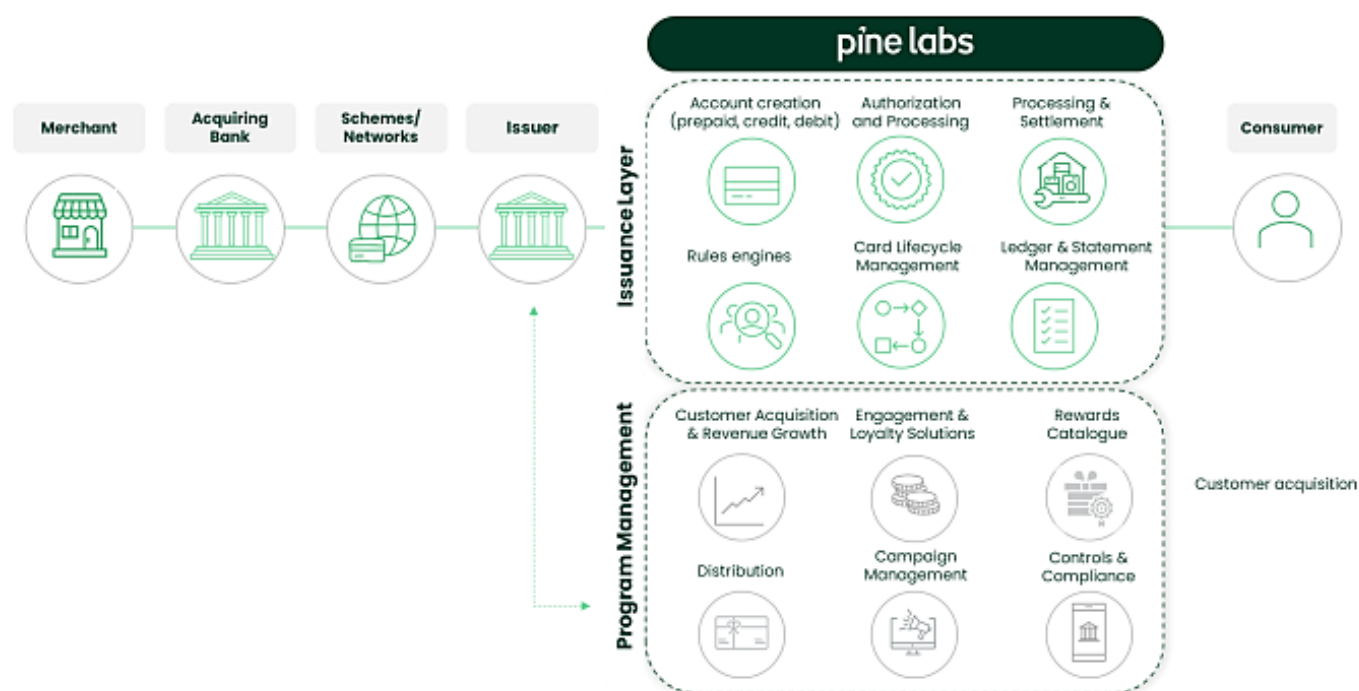
c) Fintech Infrastructure

- ❖ FinTech Infrastructure includes Pine Labs' API-led platforms and embedded financial services, offered primarily through its technology stack to banks, fintechs, and enterprises. This segment enables use cases such as bill payments, digital public infrastructure integrations, data aggregation, and financial workflow automation. The offering is largely platform-driven, with revenues derived from service fees and usage-based pricing.
- ❖ While FinTech Infrastructure is currently sub-scale relative to core DITP revenues, it plays a strategic role in expanding Pine Labs' addressable market beyond merchant payments. The segment enhances cross-sell opportunities, improves ecosystem stickiness, and positions Pine Labs as an infrastructure partner within India's evolving digital financial architecture.
- ❖ **Growth in this segment is driven by increased adoption of API-based financial services and enterprise digitization, though monetization remains nascent and margins are still evolving.** Over the medium term, this business has optionality, but execution and competitive differentiation will be key to meaningful value creation.

II) Issuing & Acquiring Platforms: Beyond gift cards, a full-stack issuing infrastructure:

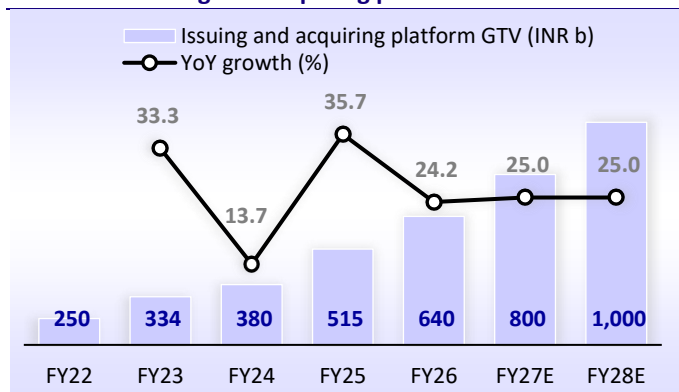
- ❖ **Pine Labs' Issuing & Acquiring Platform spans two businesses: Pine Labs Prepaid and Credit+** covering the full lifecycle of prepaid and payment instruments. **Pine Labs Prepaid** enables brands and enterprises to issue closed-, semi-closed- and open-loop instruments across gift cards, refunds, vouchers, cashbacks, employee benefits, incentives, wallets and loyalty programs. **Credit+**, meanwhile, provides API-led infrastructure for banks and fintechs to issue credit, debit, forex and prepaid products, while also supporting merchant acquiring. The platform processed INR640b+ GTV in FY26
 - ❖ The company operates across the issuing value chain as a technology service provider and processor, co-brand issuer, and program manager/distributor. Its stack covers program setup, real-time processing, compliance, reporting, loyalty and distribution through channels such as Woohoo, white-labelled storefronts and the Rewards Catalogue, making it more than a conventional gift-card processor.
 - ❖ **The business has a broad use-case and geographic footprint**, spanning gifting, promotions, employee benefits, channel incentives, mobility and travel across **India, Southeast Asia, the UAE and Australia**, with early traction in the US. This gives Pine Labs multiple avenues to scale programme volumes and deepen relationships with brands, enterprises, banks and fintechs.
- Monetization is driven by program management fees. While the Indian gift-card business is profitable, the international issuing business has scaled rapidly from a low base.**

Exhibit 14: Use cases across issuing and acquiring, program management



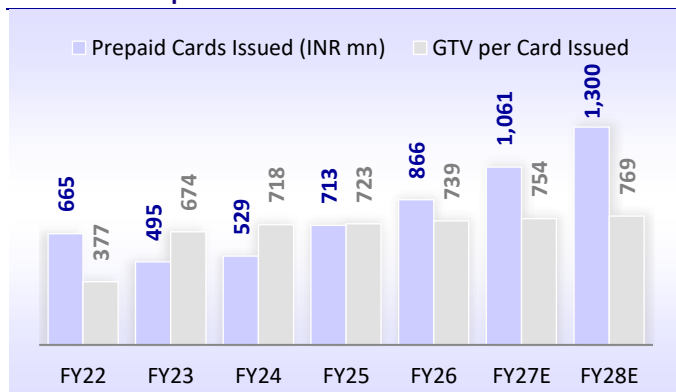
Source: Company, MOFSL

Exhibit 15: Issuing and Acquiring platform GTV trend



Source: MOFSL, Company

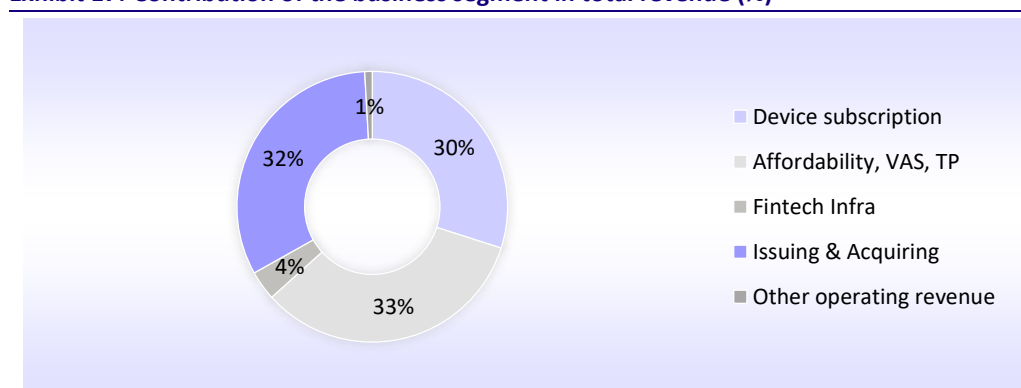
Exhibit 16: Prepaid cards to see 23% CAGR over FY26-28



Source: MOFSL, Company

- A key differentiator for Pine Labs within merchant payments has been its early leadership in affordability solutions, particularly EMI at the point of sale. By connecting banks, brands, and merchants on a common platform, Pine Labs enables interest subvention, cashback, and no-cost EMI programs that materially improve conversion and ticket sizes for merchants. This capability has enabled Pine Labs within discretionary retail categories such as electronics, consumer durables, and lifestyle.
- Its platform connects 450+ brands, 40+ credit partners and 80k+ monthly transacting stores, allowing a new brand to plug into the existing ecosystem without building separate bank and merchant integrations. As more brands join, issuers gain greater transaction volumes and merchants get a wider range of offers, reinforcing the platform's value.
- ***This flywheel is already visible, with brands per 10,000 affordability terminals doubling to 30 from 15, while transaction volume per issuer increased 23%. At INR740b FY26 affordability GTV, the expanding network, newer categories and products such as EMI on UPI should help Pine Labs deepen its position in affordability while making the proposition harder to replicate.***
- Overall, Pine Labs combines recurring merchant revenues with transaction-linked monetization, supported by scale, ecosystem partnerships, and operating leverage. However, growth is increasingly shaped by competitive dynamics in merchant acquisition, the shift toward lower-cost acceptance solutions, and the company's ability to defend relevance beyond enterprise POS as payment acceptance models evolve.

Exhibit 17: Contribution of the business segment in total revenue (%)



Source: Company, MOFSL

Industry: Digitalizing India; Expanding merchant base

P2M digital payments estimated to grow at ~23% CAGR over FY25-29E

India's payments ecosystem has transitioned from an adoption-led phase to a scale- and monetization-driven phase, with growth increasingly driven by higher transaction intensity, expanding merchant use cases and value-added services rather than first-time digitization.

Size and growth of digital payments

India's digital payment volumes have expanded sharply over the past five years, supported by UPI-led adoption and increased formalization of merchant payments. Total consumer digital payment value is estimated to have grown at a mid-teens CAGR, reaching well over INR300t in recent years. While growth remains robust, the mix has evolved materially.

- **UPI dominates volumes**, accounting for the bulk of transaction counts, but contributes a lower share of payment value due to small-ticket usage.
- **Card-based payments**, though growing more slowly in volume terms, continue to account for a disproportionate share of value, especially in discretionary and credit-led consumption.
- **Cash usage** has structurally declined, with the cash share in overall payments estimated to have fallen from ~80% a decade ago to ~50-55%. A further decline is estimated over the medium term.

India's digital payments opportunity remains large and underpenetrated

Pine Labs' India TPV opportunity stood at INR116.8t in FY25, up 36% CAGR from INR25.2t in FY20, and is expected to reach INR256-276t by FY29P, implying 22-24% CAGR. While, P2M digital payments could grow from INR111.8t to INR244-264t at 21-24% CAGR, while affordability and issuing are expected to grow faster at 29-32% and ~26%, respectively.

Low penetration remains a key opportunity, with digital transactor penetration at just 30-32% and cards at ~0.8 per capita. For Pine Labs, this translates into exposure across multiple payment pools rather than just traditional acceptance, with the company's FY26 platform GTV already at ~INR17.2t.

Exhibit 18: Total Market Size (TPV) – by segments

Segment (INR t)	Pine Labs – FY26 (GTV)	FY20	FY25	FY29P	CAGR (FY25-29P)
Digital Payments*	19.3	22.4	109.5	237-257	21-24%
Affordability Solutions	2.8	0.9	2.4	6.6-7.2	29-32%
Issuing	0.6	1.8	5	12.4	~26%
Total Market (TPV)	19.9	25.2	116.8	256-276	22-24%

* Digital Payments includes the Affordability Solutions market; Source: Redseer research, Company, MOFSL

TPV in India is expected to clock a 22-24% CAGR over FY25-29, with Pine Labs being the major beneficiary of the same

TPV is estimated to post a 22-24% CAGR over FY25-29

P2M digital payments likely to clock a 21-24% CAGR over FY25-29

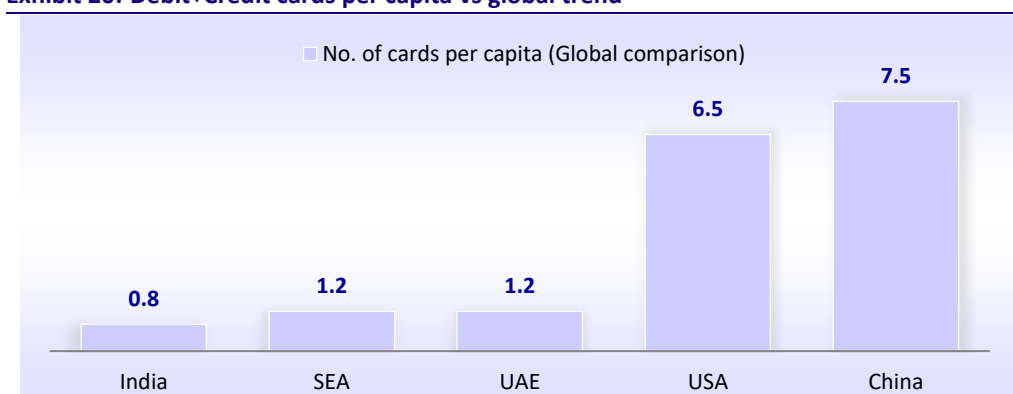
Exhibit 19: India: Trends driving commerce and digital payments growth

India Statistics (INR t)	FY25	FY29P	CAGR (FY25-29P)
Nominal GDP	356	521	10%
Consumption	203	298-306	11%
Retail Market Size	83	125	10%
P2M Digital Payments	111.8	244-264	21-24%
Internet Penetration	56-59%	70-73%	4-6%
Digital Transactors Penetration	30-32%	53-57%	14-16%

Source: MOSPI, IMF, Redseer, Company, MOFSL

The number of cards per capita in India, at 0.8, is highly underpenetrated vs. the US and China

Exhibit 20: Debit+Credit cards per capita vs global trend



Includes debit and credit cards; SEA includes Indonesia, Singapore, Thailand, Vietnam, the Philippines, and Malaysia; Source: RBI, Redseer, Company, MOFSL

Offline payments and merchant acceptance

Estimate DCP check-out points to grow at 17% CAGR over FY26-29E

- Offline payments refer to digital payment acceptance at physical merchant locations, including retail stores, service outlets, and point-of-sale terminals. They represent the largest and most monetizable segment of India's payments ecosystem, driven by higher ticket sizes, greater card transaction volumes, and opportunities for value-added services.
- Unlike online payments, where transaction volumes are higher but monetization is relatively limited, offline payments are characterized by lower transaction volumes but significantly higher revenue per merchant, particularly across organized retail and discretionary consumption categories.

P2M market is estimated to grow at a rapid pace

India's digital payment (P2M) ecosystem has witnessed rapid growth, with transaction value increasing from INR23.4t in FY20 to INR111.8t in FY25, clocking a CAGR of ~37%. The market is estimated to expand further to INR278-302t by FY29, implying a CAGR of 21-24% over FY25-29.

Exhibit 21: India's digital P2M TPV: Online and offline payments expanding at a steady pace

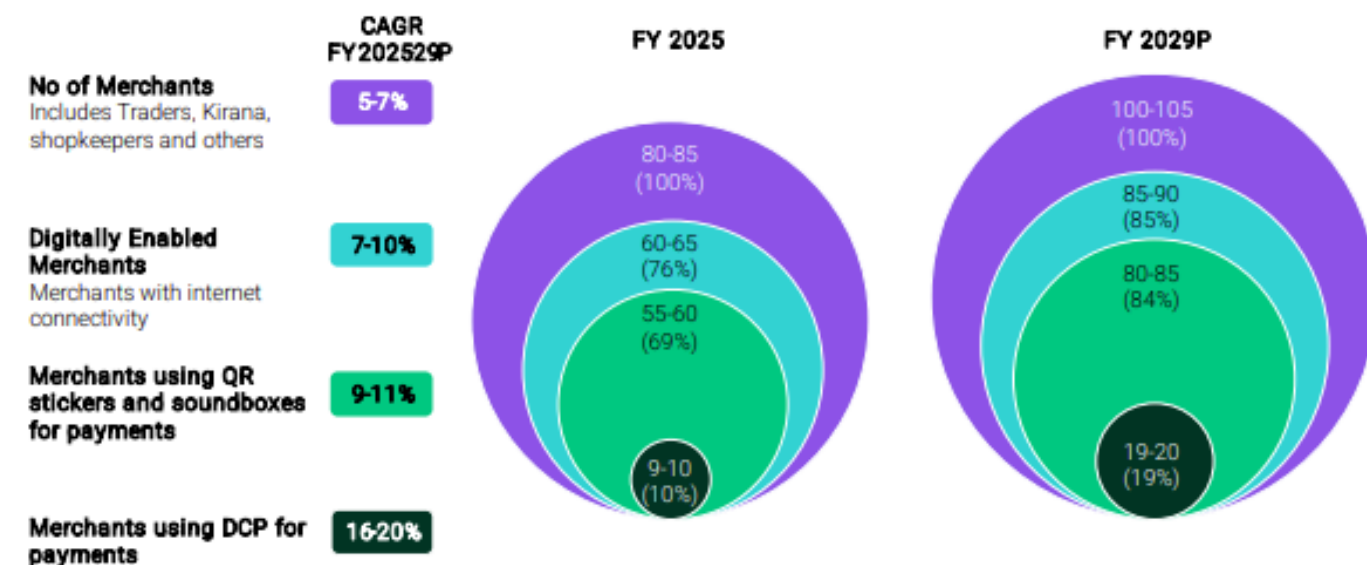
Segment (INR t)	FY20	FY25	FY29E	CAGR (FY25-29E)
Online Payments	13.5	53.8	123-134	23-25%
In-store Payments	9.9	58	120-131	20-22%
Total Digital P2M TPV	23.4	111.8	278-302	21-24%

Source: RBI, Redseer, MOFSL

DCP merchants are under-penetrated

- India's digital merchant base is expanding rapidly, reaching 83m in FY25 from 65m in FY21 (6% CAGR over FY21-25). The merchant base is estimated to clock a similar 6% CAGR over FY25-29, reaching 103m by FY29.
- The share of digitally-enabled merchants has increased from 69% of the total merchant base in FY21 to 76% in FY25, and is estimated to rise further to 85% by FY29.
- As reliance on cash has continued to decline, the acceptance of QR-based merchants has increased from 50% in FY21 to 70% in FY25 and is estimated to rise further to 80% in FY29.
- Further, merchants are increasingly migrating toward DCP-enabled payments, which act as a funnel to propel the growth of affordability solutions (EMI and loan solutions) as well as issuing solutions (gift cards).
- We estimate DCP acceptance to continue improving, with the % of merchants accepting DCP rising from 7% in FY21 to 13% in FY25, and further to 20% in FY29.

Exhibit 22: India's digital payments merchant funnel



Source: Redseer, Company, MOFSL

DCP merchants are expected to account for 20% of the total merchant base by FY29E, rising from 13% in FY25 and 7% in FY21.

Exhibit 23: India's digital payments merchant funnel

Merchant ecosystem (m)	FY21	FY25	FY29E	Growth CAGR	
				FY21-25	FY25-29E
No of merchants	65	83	103	6%	6%
Digitally-enabled merchants	45	63	88	9%	9%
Merchants using QR	33	58	83	15%	9%
Merchants using DCP	4	11	19	26%	17%
% of total					
Digitally-enabled merchants	69%	76%	85%		
Merchants using QR	50%	70%	80%		
Merchants using DCP	7%	13%	20%		

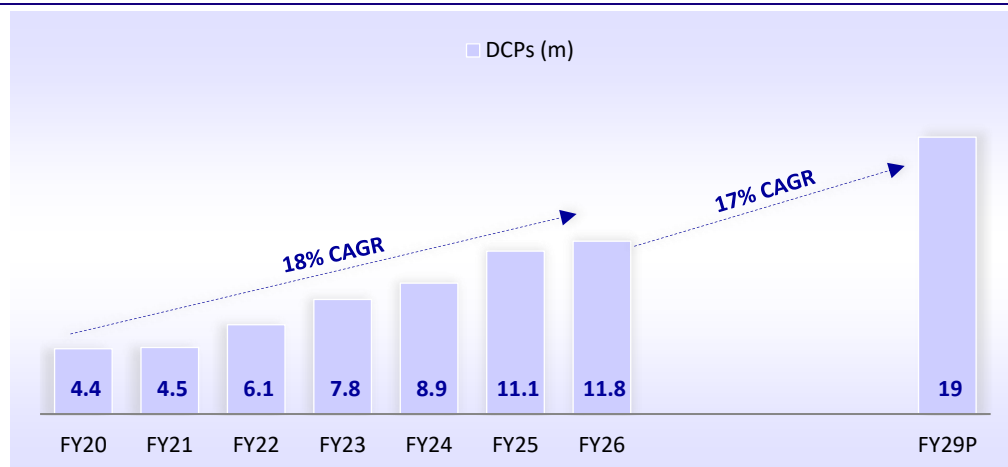
Source: Redseer, Company, MOFSL

DCPs (Digital checkout points) are estimated to clock a 17% CAGR over FY26-29

POS devices have become increasingly pivotal in facilitating cashless transactions across merchant segments and are currently deployed across ~13% of the total merchant base. The installed base of DCPs has grown rapidly, rising from 4.4m in FY20 to 11.8m in FY26 (18% CAGR over FY20-26). This momentum is expected to continue, with the installed base estimated to expand at a 17% CAGR over FY26-29, reaching 19m devices by FY29.

India's digitization to drive healthy DCP growth, with a 17% CAGR expected over FY26-29.

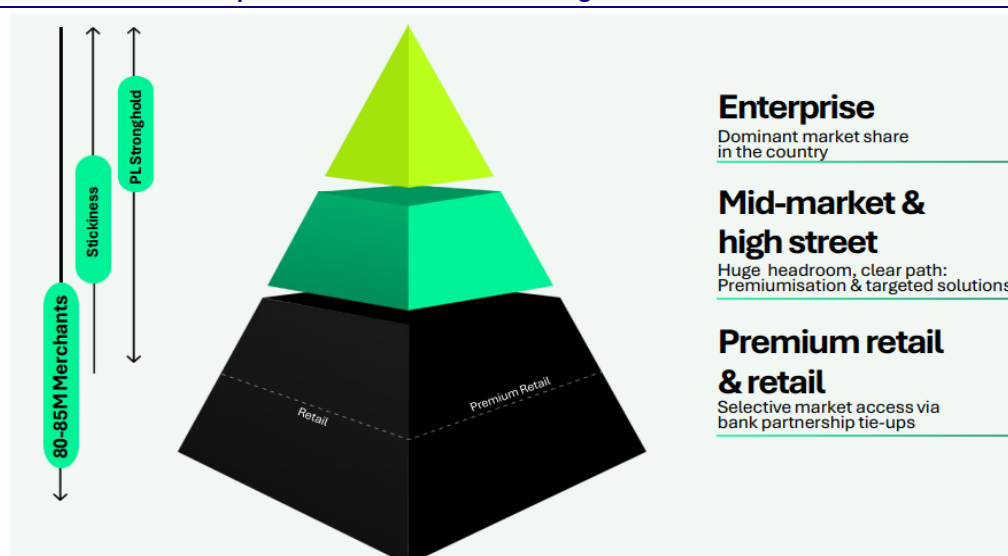
Exhibit 24: DCPs to expand at a healthy CAGR of 17% over FY26-29



Source: RBI, Company, MOFSL

Pine Labs holds a dominant share in the enterprise merchants segment and is selectively expanding into the mid-market segment.

Exhibit 25: Pine Labs' presence across merchant categories



Source: Company, MOFSL

PoS devices follow a multi-layered monetization model

POS devices operate on a stacked revenue architecture that combines device monetization, transaction-linked income, and recurring software fees, resulting in significantly higher revenue density per merchant than QR- or soundbox-based acceptance. Initial revenue is driven by device sales or rentals, while the bulk of monetization comes from MDR earned on card and credit-led transactions processed through POS terminals. Importantly, POS economics are mix-sensitive rather than volume-led, with credit cards and EMI transactions contributing disproportionately to revenue, while UPI volumes carry zero MDR.

Exhibit 26: POS devices – Revenue model breakdown

Revenue Stream	Nature of Revenue	Description	Key Drivers	Stability
Device sale/rental	Fixed/ semi-recurring	❖ One-time sale or monthly rental of POS/smart POS devices, depending on the merchant's contract	❖ Net POS additions, replacement, and upgrade cycles	Medium
Transaction MDR (cards)	Variable	❖ MDR earned on debit and credit card transactions processed through POS	❖ Transaction throughput, ticket size, and card share	High
Transaction MDR (EMI/affordability)	Variable (higher yield)	❖ Incremental revenue from EMI-led transactions, including service fees and revenue share	❖ EMI penetration, discretionary consumption	High
Subscription/platform fees	Recurring	❖ Fees for software, reporting, reconciliation, integrations, and dashboards	❖ Installed base of smart POS/DCPs	High
Value-added services (VAS)	Incremental	❖ Analytics, loyalty, settlement tools, upgrades, and add-on services	❖ VAS attach rate, enterprise adoption	Medium
Other service income	Ancillary	❖ Installation, maintenance, or bespoke enterprise services (where applicable)	❖ Enterprise customization	Low-Medium

Source: MOFSL

Beyond transaction revenue, POS platforms generate stable, recurring income through subscription and platform fees for billing, reconciliation, analytics, and enterprise integrations, improving revenue visibility and merchant stickiness. Affordability solutions, such as no-cost EMI, act as a high-margin overlay, enhancing monetization per device without requiring proportional growth in POS deployments. As a result, POS revenue can continue to scale through higher throughput, a richer payment mix, and deeper software adoption, even as device additions moderate, making the POS model structurally more attractive than other offline payment acceptance solutions.

Exhibit 27: POS device charge for an INR1,000 transaction on a typical payment gateway dashboard

Charge Component	Typical Fee	Fee Amount (Approx)	Description
MDR/TDR	1.5%-3%	INR15-INR30	❖ The core gateway processing fee covers payment acceptance and processing.
Interchange Fee	1.4%-2.6% (cards)	INR14-INR26	❖ Fee paid to card-issuing banks varies by card type and network.
Platform Fee	Flat	INR2-INR5	❖ Gateway/platform usage fee charged by the provider per transaction.
Settlement Charge	~INR2	INR 2	❖ Batch settlement processing fee (e.g., T+1 settlements).
Refund/Chargeback Fee	Transaction	INR15-INR50 (one-off)	❖ Fee when a refund or dispute is processed (only if applicable).
Integration/Setup Cost	One-time	INR5,000-INR50,000 (amortized)	❖ Setup/integration cost amortized over transactions; shown on dashboard or invoice separately.

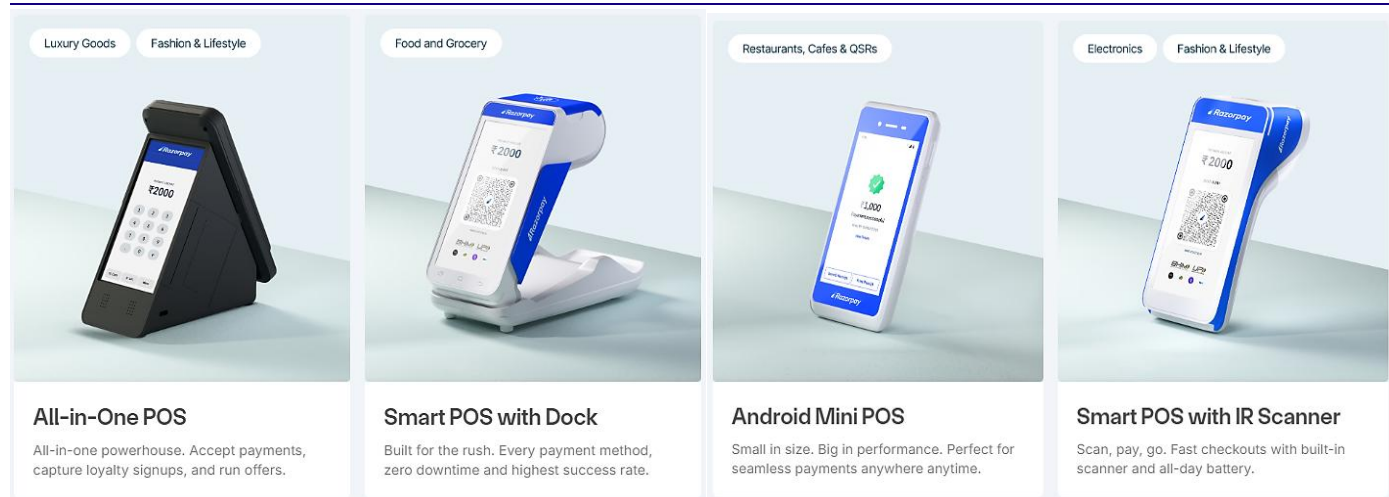
Source: Pine Labs, MOFSL

Exhibit 28: Razorpay's POS offering combines low rentals with transaction-linked monetization

Plan Type	Installation / Set-Up Fee	Monthly Rental (post-offer)	Transaction Charges (Credit Cards)
Monthly Rental - Android Smart POS	INR 0 (intro offer)	INR299/month (after a 3-month waiver)	❖ 1.30% - Grocery/Supermarket; 1.00% - Utility, Govt., Education, Fuel, Insurance, Transport; 1.75% - Others (GST extra)
Monthly Rental - Android Smart Mini POS	INR 0 (intro offer)	INR249/month (after a 3-month waiver)	
Lifetime Plan - Android Smart POS	INR 5999	INR99/month (if post-24-month conditions are met)	
Lifetime Plan - Android Smart Mini POS	INR 4999	INR99/month (if post-24-month conditions are met)	

Source: Razorpay, MOFSL

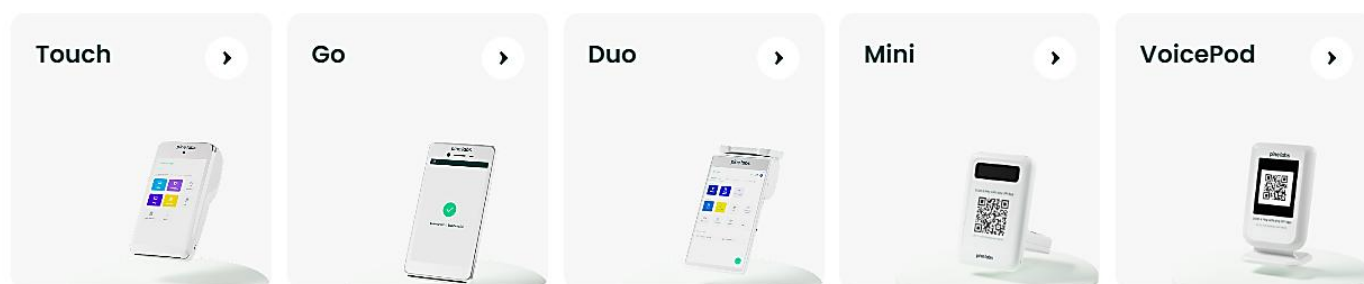
Exhibit 29: Razorpay's flexible POS plans cater to diverse merchant segments



Source: Razorpay, MOFSL

Exhibit 30: Pine Labs' POS product offerings

Devices



Source: Pine Labs, MOFSL

Exhibit 31: PhonePe payment products caters to retail segment



Source: PhonePe, MOFSL

Online Payments

Building omni-channel presence across payments

Online payments are the fastest-scaling segment in terms of transaction volumes, driven by e-commerce, food delivery, mobility, and bill payments. UPI and cards together account for the majority of online checkout transactions, with wallets and net banking gradually losing relevance.

Online Payment Gateways (PGs) are licensed by the RBI as Payment Aggregators (PAs) and provide merchants with a unified platform to accept payments through UPI, cards, net banking, and wallets. They simplify payment acceptance by managing transaction processing, settlement, security, and regulatory compliance.

Online payments enable merchants to accept digital payments on websites, mobile applications, and digital platforms through payment gateways and aggregators. In India, this ecosystem has expanded rapidly with the growth of e-commerce, digital services, bill payments, and app-based consumption.

Merchant acquisition in online payments

Merchant acquisition in online payments follows a platform-led and API-driven model, unlike offline payments, which require physical infrastructure. Merchants are typically onboarded through:

- **Direct sales and partnerships with large enterprises and platforms**
- **Self-serve onboarding via payment aggregators' dashboards for SMEs**
- **Platform integrations, where marketplaces, SaaS providers, and commerce platforms embed payment gateways**

Exhibit 32: Merchant acquisition characteristics

Parameter	Large Merchants	Mid/small Merchants
Acquisition model	❖ Relationship-led, contracts	❖ Digital/self-serve
Pricing power	❖ High	❖ Low
Integration	❖ Custom APIs	❖ Standard SDK / plugins
Volumes	❖ Very high	❖ Moderate
Switching costs	❖ Moderate	❖ Low

Source: Company, MOFSL

Large merchants typically negotiate customized pricing, while SMEs are acquired at standard rate cards but churn more frequently.

Pricing and charges for online payments

The online payment is largely dependent on charging MDR (Merchant discount rate), which is usually a percentage of the payment, a fixed fee, or a processing fee to the payment aggregator.

Exhibit 33: Merchant acquisition characteristics

Payment Mode	Merchant Charge Structure
UPI	❖ 0.4% MDR (for P2M transactions above IN2k)
Debit cards	❖ ~0.4% - 0.9%
Credit cards	❖ ~1.5% - 2.5%
Net banking	❖ Flat fee / low bps
Wallets / BNPL	❖ Higher than UPI, lower than credit cards

Source: MOFSL

- UPI charges have zero MDR, which has materially reduced monetization for online payment providers and shifted economics toward non-UPI payment modes and value-added services.
- Large merchants, which typically have partnerships with multiple payment gateways, can route their payments through different platforms, resulting in increased competitive pricing. In contrast, mid-sized and small merchants, due to their lower transaction volumes, lack pricing power, leading to higher take rates compared to larger merchants.

Exhibit 34: Key online payment aggregators in India and their strengths

Player	Key Strengths
Pine Labs	❖ Omnichannel merchant relationships; integration between offline checkout and online acceptance for organized merchants
Razorpay	❖ Strong SME onboarding; developer-friendly APIs
PayU	❖ Enterprise-focused; strong cross-border and global merchant coverage
Cashfree	❖ SME and mid-market focus; fast onboarding and payouts
PhonePe	❖ UPI-led scale; strong consumer ecosystem linkage
Paytm	❖ Platform-led merchant ecosystem; broad merchant reach
Stripe (select)	❖ Cross-border payments; global developer ecosystem
Banks (PGs)	❖ High trust, settlement, and regulatory rails

Source: MOFSL

Prepaid cards gaining popularity

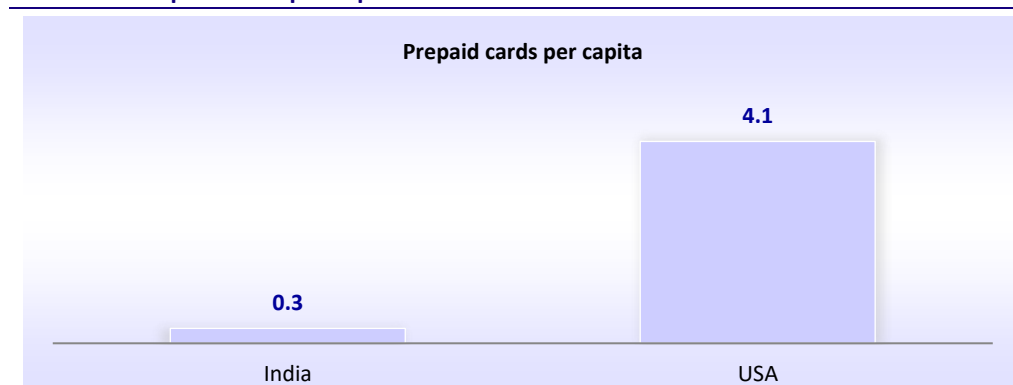
India remains highly under-penetrated market

Prepaid cards represent a versatile payment instrument that can be issued in physical or virtual forms. Based on their usability, they are classified into:

- **Open-Loop Cards:** Usable at any merchant accepting card networks (e.g., Visa, MasterCard, RuPay), typically issued by banks for use cases such as forex, travel, and corporate expenses.
- **Semi-Closed-Loop Cards:** Restricted to specific merchant ecosystems (e.g., e-commerce platforms, retail chains), issued by banks and RBI-registered non-banking entities.
- **Closed-Loop Cards:** Accepted only by the issuing merchant (e.g., gift cards, fuel payments, loyalty programs), issued by any entity, even non-RBI-registered ones.

Closed and semi-closed loop prepaid (SCLP) cards are underpenetrated in India, with ~0.3 cards per capita compared to ~4.1 in the US.

Exhibit 35: Prepaid cards per capita in CY24 for India and the US



Source: PayNXT360, Company, MOFSL

Over the last 5 years, India has witnessed continued growth in the total number of cards (credit, debit, and prepaid), which have risen by ~7% from ~1.0 billion in FY20 to ~1.4b in FY25. Between the year FY20 and FY25, credit card transactions grew at 17%, prepaid transactions grew at 20% and debit transaction declined at -21%. The credit card transactions are further estimated to grow at 13% CAGR between FY25 and FY29 with credit card on UPI being a key driver, whereas prepaid cards transactions is estimated to grow at ~22% CAGR and debit cards transactions is estimated to decline at 5% CAGR during the same period.

Exhibit 36: Prepaid cards are estimated to expand at a 22% CAGR over FY25-29

	FY20	FY25	FY29E	FY20-25 CAGR	FY25-29E CAGR
Volume of transaction (in b)					
Debit cards	5.1	1.6	1.3	-21%	-5%
Credit cards	2.2	4.8	7.8	17%	13%
Prepaid cards	0.9	2.1	4.7	18%	22%
Total	8.2	8.5	13.8	1%	13%
% of total					
Debit cards	62%	19%	9%		
Credit cards	27%	56%	57%		
Prepaid cards	11%	25%	34%		

Source: PayNXT360, Redseer, Company, MOFSL

Key growth drivers for prepaid cards:

- 1) The corporate sector is leveraging prepaid cards for employee rewards and benefits, expense management, meal cards, and rewards for channel partners.
- 2) Brands are increasingly using prepaid cards as a customer acquisition and engagement channel, supported by loyalty and rewards programs, seamless refund experiences, and analytics and campaign tools that encourage recurring spending and build loyalty.
- 3) Central and state governments are widely adopting prepaid cards for direct benefit transfers (DBTs) like subsidies, pensions, and welfare payments to make DBTs more efficient.

New formats, such as virtual cards, are gaining popularity due to their convenience and features such as instant issuance. Beyond these growth drivers, prepaid card adoption is also being supported by the emergence of innovative use cases, such as:

- **Mobility Cards:** For transit systems, fleet management, and fuel expenses.
- **Gig Economy & Neo-Banking:** Prepaid salary cards for gig workers, freelancers, and contract employees, addressing liquidity challenges.
- **Retail and E-Commerce:** Prepaid instruments for promotions, customer loyalty, and festive gifting.
- **Gaming and Health:** Gaming cards for in-game purchases and health cards for medical expenses, showcasing niche applications.
- **Employee benefits:** Employee benefits are emerging as a new growth avenue, supported by India's 50m+ formal employees, changes in tax regulations that are improving adoption, and a broader benefits basket.
- **Forex Cards:** Prepaid cards for international travel, offering currency conversion convenience.

Closed and SCLP cards and gift cards to clock 26% and 16% CAGR, respectively

Gift cards, a major category within India's prepaid cards market, account for 11% of prepaid card TPV. Key use cases, including corporate incentives, returns, and cancellations, drive the majority of prepaid card usage. The segment is estimated to expand at a 16% CAGR, underscoring its critical role in the continued expansion of the prepaid card ecosystem. Closed and SCLP cards dominate the market, accounting for 71% of total card issuances.

Exhibit 37: India's closed and SCLP cards to post a 26% CAGR over FY25-29

	FY20	FY25	FY29E	FY20-25 CAGR	FY25-29E CAGR
TPV (INR t)					
India closed, and SCLP card	1.8	5.0	12.4	22%	26%
Gift cards	0.2	0.4	0.7	12%	16%

Source: PayNXT360, Redseer, Company, MOFSL

Pine Lab's product suite spans across payment spectrum

Pine Lab maintains leadership positioning across diverse product solutions

- Pine Labs operates across multiple segments of the merchant payments ecosystem, competing with different players across each business vertical rather than a single like-for-like peer. In India, the competitive landscape includes payment platforms such as Paytm, Razorpay, PayU, PhonePe, BharatPe, and Mswipe, each with strengths in merchant acquiring, online payments, or value-added services. Within offline payments, Innoviti competes with Pine Labs in enterprise POS and DCPs. However, its business remains relatively small and is more focused on acquiring customers through credit origination than on driving EMI-at-POS solutions.
- Internationally, Pine Labs competes with global payment technology companies such as Adyen, Shopify, Block, and Marqeta across select merchant payment, commerce, and card-issuing solutions.

Exhibit 38: Product-wise competitive positioning of merchant payment platforms

Product / Offering	Pine Labs	Paytm	PhonePe	BharatPe	Razorpay	PayU	Mswipe	Innoviti
POS	★★★★★	★★★★☆	★★★★☆	★★★★☆	★★☆☆☆	★★☆☆☆	★★★★☆	★★★★★
Smart POS/Android POS	★★★★☆	★★★★★	★★★★☆	★★★★☆	★★☆☆☆	★★☆☆☆	★★★★☆	★★★★★
QR payments	★★★★☆	★★★★★	★★★★★	★★★★★	★★★★☆	★★☆☆☆	★★★★☆	★★☆☆☆
Soundbox	★★☆☆☆	★★★★★	★★★★★	★★★★☆	☆☆☆☆☆	☆☆☆☆☆	☆☆☆☆☆	☆☆☆☆☆
Online payment gateway	★★★★☆	★★★★☆	★★★★☆	★★☆☆☆	★★★★★	★★★★★	★★☆☆☆	★★☆☆☆
Payment orchestration	★★★★☆	★★★★☆	★★★★☆	☆☆☆☆☆	★★★★★	★★★★☆	☆☆☆☆☆	☆☆☆☆☆
Merchant acquiring	★★★★★	★★★★☆	★★★★☆	★★★★☆	★★★★☆	★★★★☆	★★★★☆	★★★★★
Enterprise merchant solutions	★★★★★	★★★★☆	★★★★☆	★★☆☆☆	★★★★☆	★★★★☆	★★★★☆	★★★★☆
SME merchant solutions	★★★★☆	★★★★★	★★★★★	★★★★★	★★★★☆	★★★★☆	★★★★☆	★★★★☆
EMI/affordability	★★★★★	★★★★☆	★★★★☆	★★★★☆	★★☆☆☆	★★☆☆☆	★★★★☆	★★★★☆
BNPL integration	★★★★★	★★☆☆☆	★★★★☆	★★★★☆	★★★★☆	★★★★☆	★★☆☆☆	★★★★☆
Gift cards	★★★★★	★★☆☆☆	☆☆☆☆☆	☆☆☆☆☆	☆☆☆☆☆	☆☆☆☆☆	☆☆☆☆☆	★★☆☆☆
Issuing platform	★★★★★	★★☆☆☆	☆☆☆☆☆	☆☆☆☆☆	★★☆☆☆	★★☆☆☆	☆☆☆☆☆	★★☆☆☆
Prepaid solutions	★★★★★	★★☆☆☆	☆☆☆☆☆	☆☆☆☆☆	★★☆☆☆	★★☆☆☆	☆☆☆☆☆	★★☆☆☆
Loyalty & rewards	★★★★☆	★★★★☆	★★★★☆	★★☆☆☆	★★☆☆☆	★★☆☆☆	★★☆☆☆	★★★★☆
Fintech infrastructure/APIs	★★★★☆	★★★★☆	★★★★☆	★★☆☆☆	★★★★★	★★★★☆	☆☆☆☆☆	★★☆☆☆
Account aggregator	★★★★☆	★★☆☆☆	★★☆☆☆	☆☆☆☆☆	★★☆☆☆	★★☆☆☆	☆☆☆☆☆	☆☆☆☆☆
Bill payments/Bharat Connect	★★★★☆	★★★★☆	★★★★☆	★★☆☆☆	★★★★☆	★★★★☆	★★☆☆☆	★★☆☆☆
Cross-border payments	★★☆☆☆	★★☆☆☆	★★☆☆☆	☆☆☆☆☆	★★★★★	★★★★☆	☆☆☆☆☆	★★☆☆☆
Consumer app ecosystem	★★☆☆☆	★★★★★	★★★★★	★★★★☆	☆☆☆☆☆	☆☆☆☆☆	☆☆☆☆☆	☆☆☆☆☆

Source: MOFSL

Exhibit 39: KPI comparison of fintech/payment players

KPIs FY26	Pine Labs	Paytm	PhonePe*	BharatPe*	Razorpay*	PayU	Mswipe**	Innoviti*
Platform Gross Transaction Value (INR bn)	17,150	23,810	1,47,700	1,440	17,280	8,640	504	800+
Digital Infrastructure and Transaction Platform GTV (INR bn)	16,507	NA	NA	NA	NA	NA	NA	NA
Affordability, VAS, and Transaction Processing GTV (INR bn)	2,751	NA	NA	NA	NA	NA	NA	NA
Issuing and Acquiring Platform GTV (INR bn)	644	NA	NA	NA	NA	NA	NA	NA
Number of Merchants (000's)	1,103	~49000	40,000	17,000	12,000	NA	~400	~20
Digital check-out points (mn)	2.0	NA	9.2	0.13	NA	NA	NA	NA
Prepaid Cards Issued (mn)	865.5	NA	NA	NA	NA	NA	NA	NA
Number of Transactions (mn)	7,403.7	66,600.0	1,32,930.0	5,400.0	7,400.0	NA	NA	NA
Fintech Infrastructure Transactions (mn)	1,143.9	NA	NA	NA	NA	NA	NA	NA
Revenue from operations (INR b)	27.1	84.4	71.1	16.7	37.8	74.97	2.76	1.4
Digital Infrastructure and Transaction Platform Revenue (INR b)	18.4	NA	NA	NA	NA	NA	NA	NA
Issuing and Acquiring Platform Revenue (INR b)	8.7	NA	NA	NA	NA	NA	NA	NA
Revenue from external customers – Outside India as a percentage of revenue from operations (%)	15%	NA	NA	~0%	NA	NA	~0%	~0%
Contribution Margin (INR bn)	20.4	48.6	NA	NA	12.77***	NA	NA	1.21***
Contribution Margin as a percentage of revenue from operations	75%	58%	NA	NA	~34%	NA	NA	~85%
Adjusted EBITDA (INR bn)	5.6	5.0	14.8	0.5	NA	1.73	NA	-0.26
Adjusted EBITDA Margin (%)	21%	6%	21%	2.8%	NA	~2.3%	-2.09%	-18%
PAT (INR b)	1.13	5.5	-17.3	-0.9	-12.1	NA	-0.46	-0.62

*** Gross profit used as proxy, ** FY24 data, * FY25 data, Source: Company, MOFSL

Product-led expansion, strategic acquisitions, and global expansion have significantly broadened Pine Labs' monetization opportunities.

Operates at the intersection of multiple monetizable rails

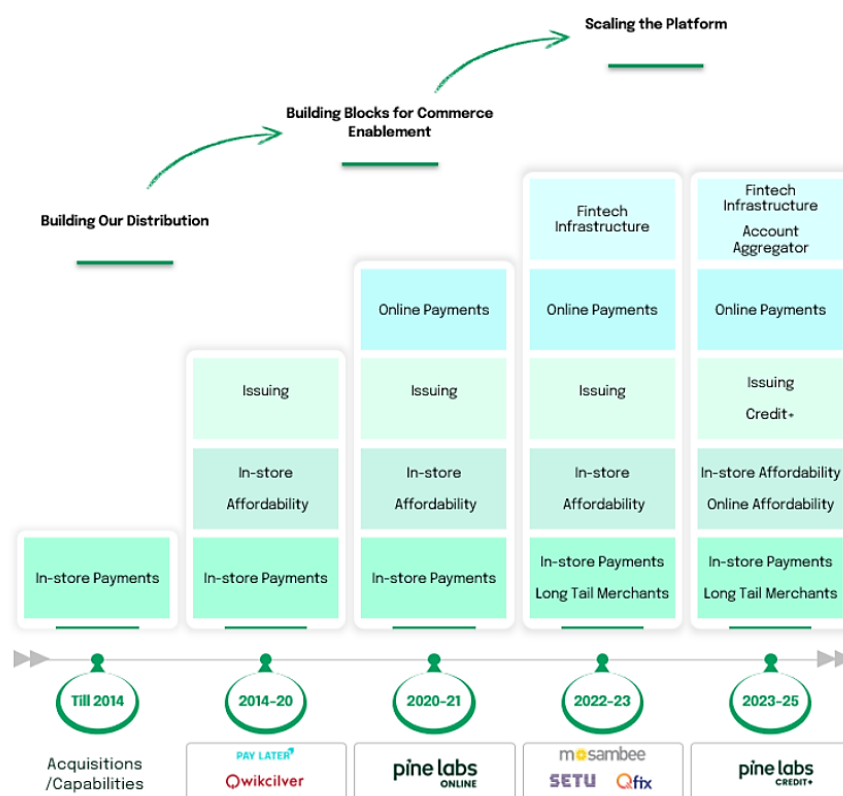
Well positioned at the merchant-issuer-platform junction

Pine Labs' competitive advantage stems from its presence across multiple monetizable rails; merchant acceptance (in-store), digital affordability at checkout, and card issuing and processing; allowing it to benefit from payment growth even as individual rails mature. Its scale is reflected in the breadth of its ecosystem, serving ~1m+ merchants, 770+ consumer brands and enterprises, and 200+ financial institutions. In FY25, the company processed INR11.42t of GTV across 5.7b transactions, creating volume-led learning loops across risk management, transaction routing, underwriting partnerships, and merchant conversion tools—capabilities that smaller platforms struggle to replicate.

Product-led expansion has broadened Pine Labs' monetization opportunities

Pine Labs has consistently expanded its capabilities (acquisitions + new platforms) to move up the value chain, from merchant acceptance to gifting/prepaid solutions (Qwiksilver), consumer engagement (Fave), online payments (Plural + Qfix), fintech infrastructure (Setu), and the credit/issuing stack (Credit+). This has positioned the company as a leading issuer of closed and SCLP and a leading digital affordability enabler at checkout, with relevance across merchants, banks, and brands. As a result, Pine Labs has broadened its monetization opportunities by capturing a greater share of merchant spend, rather than relying solely on merchant acquisition.

Exhibit 40: Product, solution, and capability expansion through innovation and acquisitions over the past 10 fiscal years



Source: Company, MOFSL

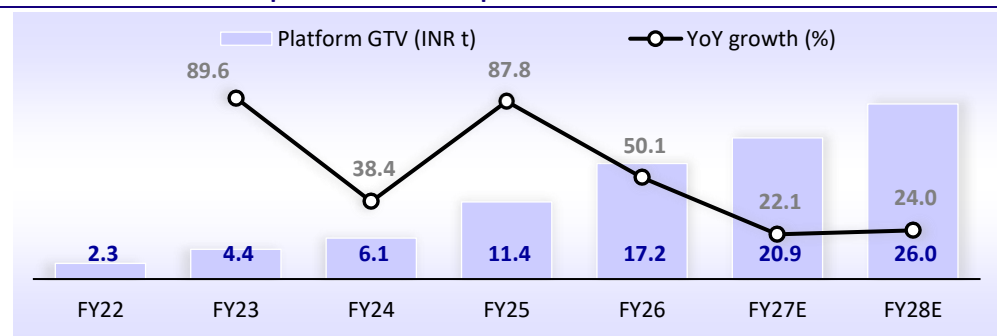
Exhibit 41: Pine Labs – Acquisitions, platform additions and business model evolution over time

Year	Business/Platform	Type	Date announced	Acquisition price/deal value (as disclosed)	What it added (business description)	Business model
2019	Qwikcilver	Acquisition	19-Mar-19	USD 110m	❖ Gift cards/closed & semi-closed loop issuance, gifting tech	❖ Issuing + program management fees from brands/merchants; processing/servicing on prepaid/gift instruments
2021	Fave	Acquisition	13-Apr-21	> USD 45m	❖ Consumer fintech/merchant discovery + engagement platform in SEA	❖ Merchant-funded offers/marketing + consumer engagement monetization; supports merchant RoI & retention
2021	Plural	Product/Platform launch	14-Oct-21	NA	❖ Entry into online payments stack under Pine Labs Online	❖ Gateway/aggregation economics + value-added services for online merchants (contracted/volume-led)
2022	Qfix	Acquisition	08-Feb-22	NA	❖ Online payments + billing platform (cloud-based integrated payments)	❖ Online merchant processing + SaaS-like billing workflows; strengthens Plural's merchant proposition
2022	Mosambee	Majority investment	13-Apr-22	valued upwards of USD 100m	❖ POS acceptance + mPOS distribution footprint	❖ Device-led acceptance monetization (hardware/rental + MDR/fees) + merchant servicing at scale
2022	Setu	Acquisition	23-Jun-22	USD 70-75m	❖ API fintech infrastructure (rails/connectivity for fintech products)	❖ API/platform fees + enablement across bill payments, credit, payments; expands beyond pure checkout into infra
2023	Saluto Wellness ent ptfrm (issuing)	Acquisition (asset/platform)	23-Jan-23	NA	❖ Enterprise platform to boost the issuing business	❖ Issuing/processing platform economics; improves ability to serve banks/brands on issuance lifecycle
2023	Credit+	Product/Platform launch	30-Nov-23	NA	❖ Credit issuing platform for banks/brands/fintechs	❖ Issuer processing + program enablement fees; expands issuing stack

Source: PayNXT360, Redseer, Company, MOFSL

Global partnerships provide a scalable, capital-light lever to GTV growth

Pine Labs' next phase of growth is increasingly anchored in global partnerships across the issuing and prepaid ecosystems. The company already supports large global platforms such as Amazon in select international markets through its issuing and gift-card infrastructure, enabling high-frequency, repeat transactions without the need for on-the-ground merchant acquisition. International markets, primarily SEA, Australia, and parts of the Middle East, currently account for a smaller share of revenue but have been among the company's fastest-growing segments. As it deepens partnerships with large consumer platforms, global retailers, and banks, the GTV mix is likely to shift toward higher-quality, repeat transaction streams, improving the durability of growth while reducing reliance on cyclical merchant acquisition in any single geography. **We estimate GTV to clock a healthy 23% CAGR over FY26-28.**

Exhibit 42: We estimate platform GTV to expand at ~23% CAGR over FY26-28


Source: Company, MOFSL

Overseas opportunity: Expanding across the globe

Building a global commerce OS

Pine Labs has a presence across 22 markets.

Singapore, UAE, Philippines, Malaysia, and Indonesia remain the top focus markets.

- Historically, Pine Labs' business was centered on India's merchant acquiring ecosystem, where its competitive advantage was built around POS infrastructure and in-store payment acceptance. Over the past four years, however, the company has strategically expanded beyond merchant acquiring to build technology platforms that are geography-agnostic, rather than being tailored solely to the Indian market.
- Management's strategy is now centered on building a commerce OS spanning payments, issuing, embedded finance, fintech infrastructure, and merchant software. These capabilities can be deployed across multiple markets without replicating the physical merchant acquisition model. The transition materially expands Pine Labs' addressable market while reducing dependence on any single payment ecosystem.

Exhibit 43: Top five global focus markets account for USD4t of GDP

Top 5 global markets.



~\$4T
Combined GDP

\$1.7T
Digital payments opportunity,
growing at 30% CAGR.

\$114B
QR payments by 2030,
5x since 2019.

Source: Company, MOFSL

Platform architecture enables scalable international expansion

One of Pine Labs' key competitive advantages is that most of its newer businesses are API-led software platforms, unlike traditional merchant acquiring businesses that require extensive field sales and physical infrastructure.

Exhibit 44: Pine Labs - Acquisitions, platform additions, business model evolution over time

Till 2014	2014-20	2020-22	2022-23	2023-25	FY26 onwards
In-store Payments	Issuing	Online Payments	Fintech Infrastructure	Account Aggregator	Agentic Payments
	Affordability	Credit+	Cross-border payouts	Online Affordability	Stablecoins

Source: Company, MOFSL

Opportunity across select international geographies

The total market opportunity for Pine Labs across key geographies-SEA, UAE, Australia, and the US and across its addressable segments exceeded USD2.0t in 2024, up from ~USD1.0t in 2019, reflecting a 15% CAGR. It is estimated to expand further to ~USD3.1t by 2028, implying a CAGR of 10-11%, driven by the increasing penetration of affordability solutions and the continued maturation of the digital payment ecosystem.

Exhibit 45: Total market size (TPV) for international geographies - Split by segments

Segment (in US b)	CY19	CY24	CY28E	CY24-28E CAGR
Digital Payments	512	1,273	1,910-1,932	11%
Affordability Solutions	27	51	100-115	18-22%
Issuing	517	768	1,107	11%
Total Market (TPV)	1,056	2,092	3,117-3,154	10-11%

Source: Redseer, Company, MOFSL

1. SEA opportunity

Within the Southeast Asian market, the market opportunity spans digital payments through DCPs, affordability solutions, and issuing across six key markets: Indonesia, Singapore, Thailand, Vietnam, the Philippines, and Malaysia.

Exhibit 46: SEA opportunity over the next few years

Metric (USD)	CY19	CY24	CY28E	CAGR (CY24-28E)
Nominal GDP (in t)		3.95	5	7%
Consumption (in t)		2.5	3.2	7%
Retail Market Size (in t)		1.1	1.4-1.5	6-8%
P2M Digital Payments (in t)		1.2	1.8-1.9	11-13%
Internet Penetration		84%	90-92%	2-3%
Digital Transactors Penetration		36%	41%	4%
TPV through DCP (in bn)	276	449	614-664	8-10%
Affordability solution TPV (in b)	24	48	94-102	18-20%
Prepaid card TPV (in bn)	32	53	86	13%
Credit card transactions (in b)	161	249	317	6%

Source: Redseer, Company, MOFSL

2. UAE opportunity

Similar to India and SEA, the growth of digital payments in the UAE is being driven by robust retail growth, increasing customer digitization, and favorable government initiatives such as Cashless UAE, among other drivers. In 2024, the UAE's retail market was valued at USD83b.

Exhibit 47: UAE opportunity over the next few years

Metric (US \$)	CY19	CY24	CY28E	CAGR (CY24-28E)
Nominal GDP (in bn)		537	674	6%
Consumption (in bn)		319	418	7%
Retail Market Size (in bn)		83	108	7%
P2M Digital Payments (in bn)		107	163-178	10-12%
Internet Penetration		99%	99%	1%
Digital Transactors Penetration		68%	77%	3%
TPV through DCP (in bn)	53	73	99-109	7-9%
Affordability solution TPV (in bn)	2.5	3.4	5.8-6.3	14-16%
Prepaid card TPV (in bn)	4.8	8.6	13.8	12%
Credit card transactions (in bn)	37	67	113	14%

Source: Redseer, Company, MOFSL

3. Other select markets

- Prepaid card markets in other select geographies, including Australia and the US, are witnessing strong growth, with a combined CAGR of 8% over 2019-24. The US remains the market leader, driven by high consumer adoption of prepaid cards across payroll, gifting, and expense management.
- Australia shows steady growth, supported by increasing digital adoption and corporate use cases. The market is estimated to record a 9% CAGR over 2024-2028, reaching ~USD1,008b.

Exhibit 48: Opportunities in other select markets

Year (in \$ bn)	US	Australia	Total Market Size	CAGR
CY19	464	16	480	
CY24	682	24	706	8%
CY28E	973	36	1,008	9%

Source: Redseer, Company, MOFSL

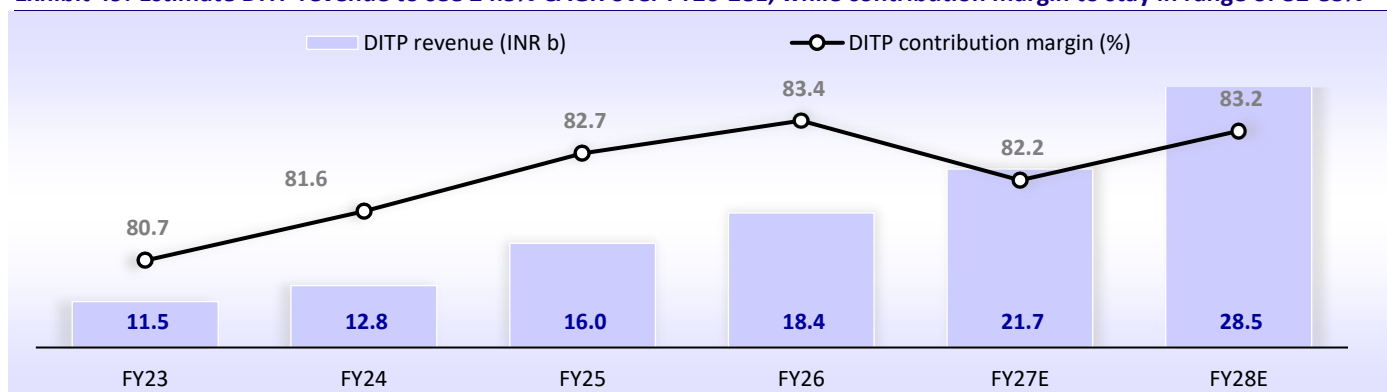
Merchant expansion to drive payment revenues

Subscription revenues to grow at modest CAGR

Enterprise segment remains fairly penetrated, incremental growth skewed towards mi-small merchant business

- DITP is the central monetization layer of Pine Labs, spanning in-store and online transaction processing, merchant infrastructure (POS/DCP), affordability enablement, and platform-led services such as reconciliation and analytics. Unlike pure payment acceptance, where revenue is volume-led and increasingly commoditized, DITP revenue scales up with transaction complexity, payment mix and service intensity.
- Over FY23-26, DITP revenue clocked a 17% CAGR, and we estimate a 24.5% CAGR over FY26-28. We estimate margins to remain steady amid rising competitiveness in the industry, resulting in a contribution margin of 82-83% by FY28E.

Exhibit 49: Estimate DITP revenue to see 24.5% CAGR over FY26-28E, while contribution margin to stay in range of 82-83%



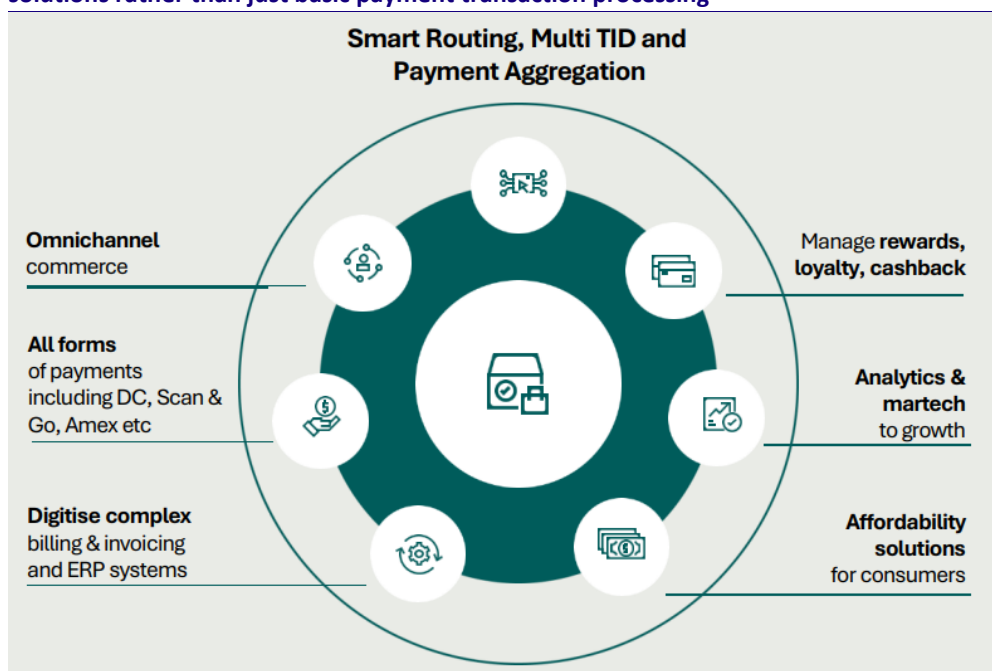
Source: Company, MOFSL

Exhibit 50: Bespoke solutions for new segments provide a 1m+ additional market opportunity



Source: Company, MOFSL

Exhibit 51: Enterprise segment: Merchant needs have evolved and require complex solutions rather than just basic payment transaction processing



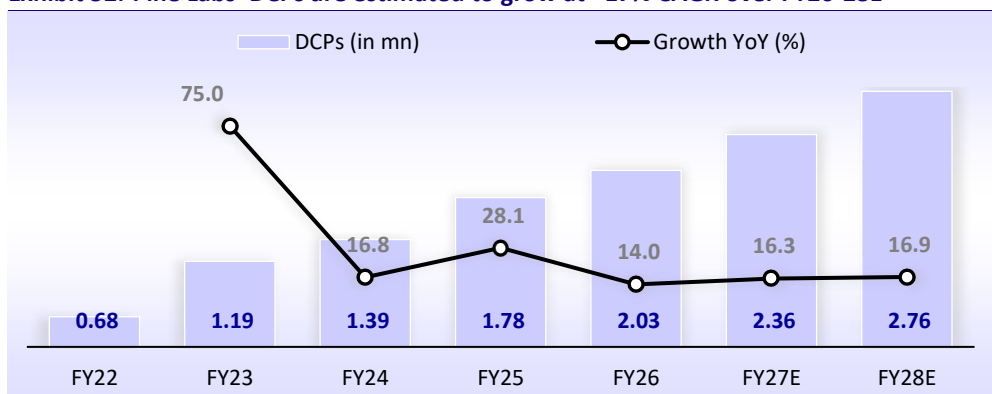
Source: Company, MOFSL

Pine Labs' DCP is expected to post 16-17% CAGR over FY26-28E

DCP growth to be led by small & mid-sized merchants

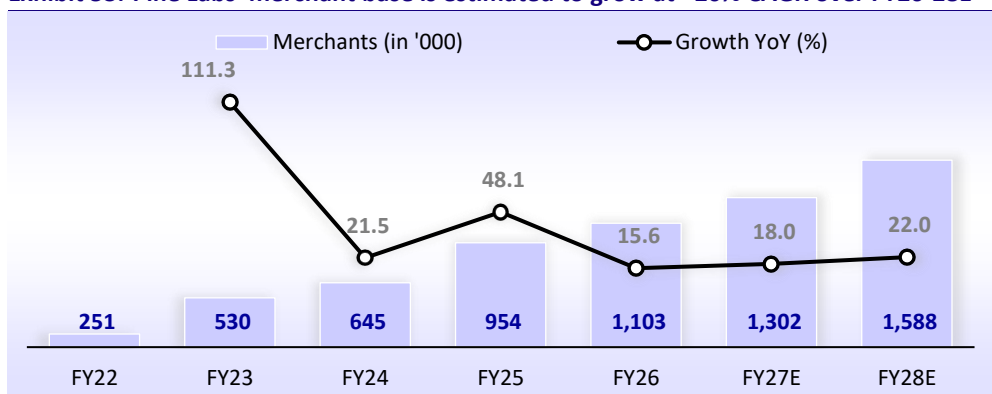
- While the company model is not only focused on devices, it has multiple monetization levers to generate profitability. We believe PoS devices are likely to stay relevant for the next few years.
- Going forward, **growth in DCPs is expected to be incremental rather than a step-change, with the primary expansion vector shifting toward small- and mid-sized merchants, as large enterprise merchants are already largely digitized.**
- Organized retail, large-format stores, and national chains have achieved high penetration of POS and integrated checkout solutions, implying that incremental DCP additions in this segment will be limited to replacement, upgrades, and selective format expansion. In contrast, the long tail of small- and mid-sized merchants remains under-penetrated in terms of full-stack digital checkout, particularly solutions that integrate cards, UPI, affordability, and basic software features.
- For Pine Labs, we expect the number of large merchants to increase at a slower pace, while DCPs should largely be dominated by large DCPs. Investments in PoS have incrementally shifted toward the low-end devices.
- We estimate a 16-17% CAGR in DCPs over FY26-28E, led by market share gains in small- and mid-sized merchants. With penetration already being healthy in large merchants, we expect merchant base addition in the large segment to be slightly lower than mid-market merchant addition.
- For large merchant expansion, dependability on existing merchants (new store additions and an increase in devices per store) is a key monitorable, while tie-ups with new upcoming segments will be vital for sustaining growth.

Exhibit 52: Pine Labs' DCPs are estimated to grow at ~17% CAGR over FY26-28E



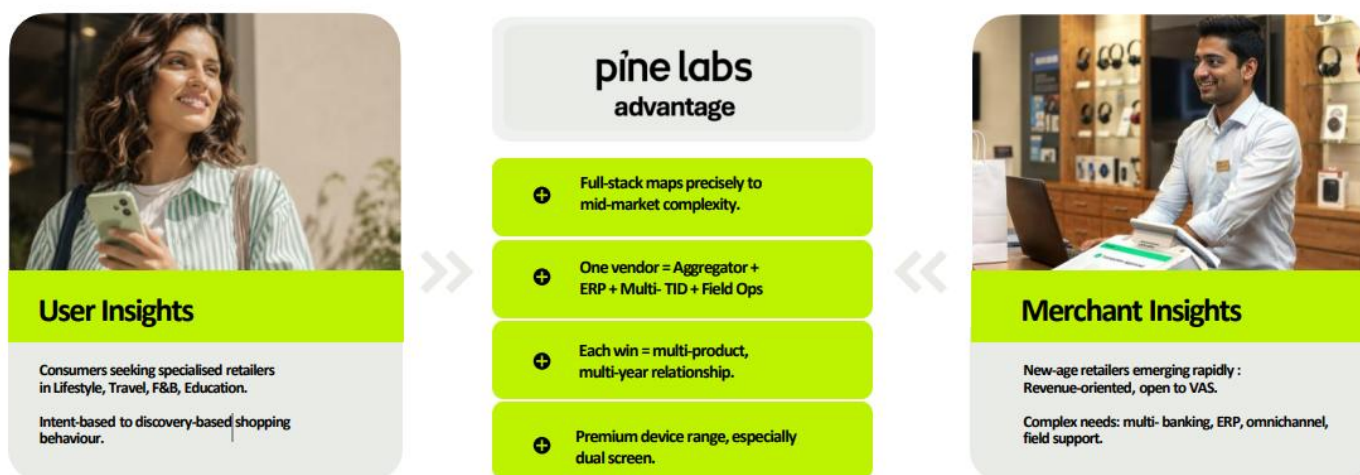
Source: Company, MOFSL

Exhibit 53: Pine Labs' merchant base is estimated to grow at ~20% CAGR over FY26-28E



Source: Company, MOFSL

Exhibit 54: Mid-market segment has been underserved and is the fastest-growing cohort



Source: Company, MOFSL

Affordability segment: Three-party orchestration engine

- Affordability solutions at checkout, such as EMI and cashback, are fundamentally an orchestration of merchants, brands and financial institutions. While credit is extended by the issuing banks, the interest cost is often borne by brands to drive incremental sales and conversion, with merchants benefiting from higher ticket sizes and throughput. Pine Labs sits at the center of this network as the technology intermediary, enabling scheme discovery, routing and settlement, and earns a transaction-linked commission on the GTV processed. Alongside affordability, the platform also monetizes VAS such as

dynamic currency conversion and transaction processing across in-store and online payment flows.

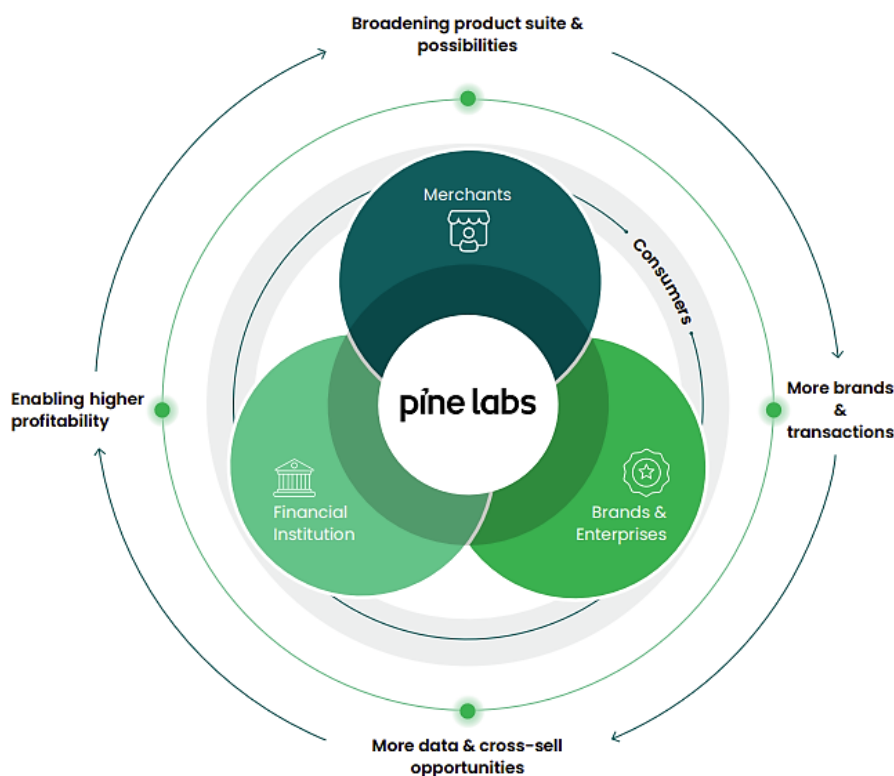
- The strength of this model lies in network scale, which reinforces itself over time. Merchants prefer platforms that offer the widest range of affordability options, while brands and banks gravitate toward PSPs with deep penetration in relevant retail categories. Pine Labs had partnerships with 350+ consumer brands and enterprises and 40+ credit partners, making it one of the largest affordability ecosystems. However, competitive intensity has risen, with peers rapidly scaling similar networks, narrowing Pine Labs' early-mover advantage and making continued growth increasingly dependent on depth of integration and transaction intensity, rather than exclusivity alone.

Exhibit 55: Prominent ecosystem partners of Pine Labs



Source: Company, MOFSL

Exhibit 56: Affordability segment is three-party orchestration engine

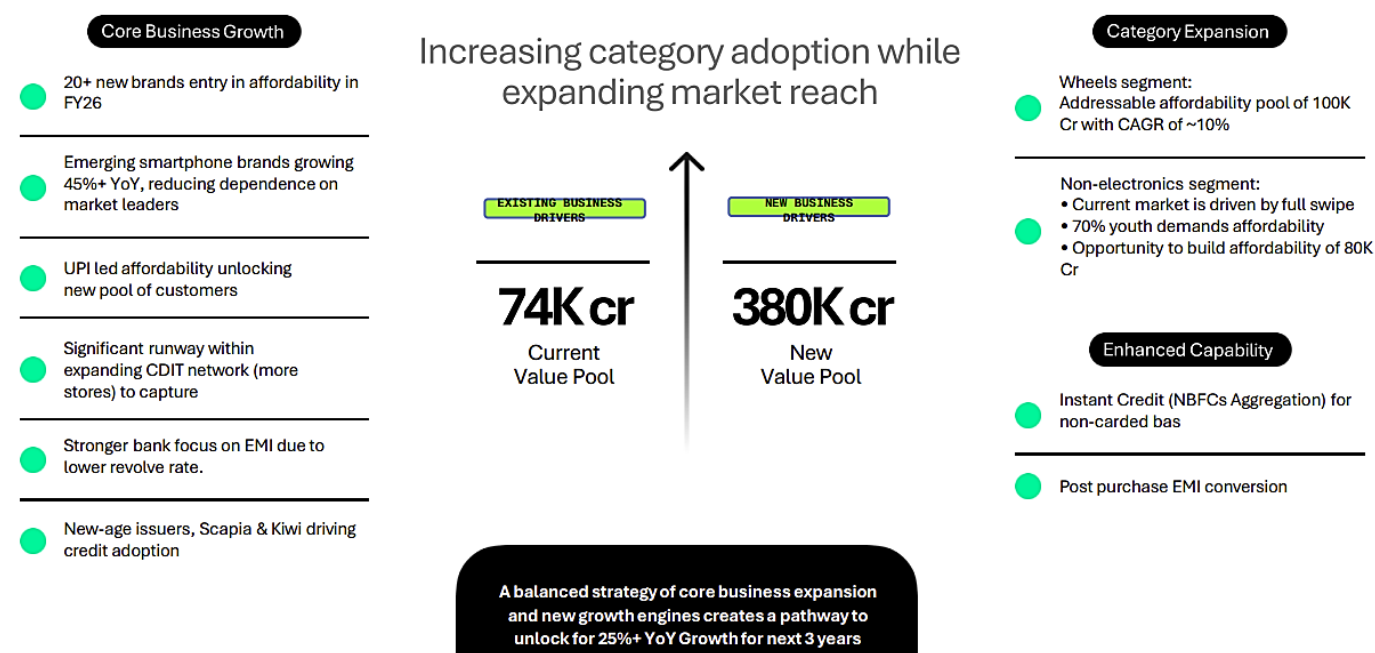


Source: Company, MOFSL

Affordability offerings likely to offset softer growth in subscription revenue

- For Pine Labs, affordability solutions such as EMI, post purchase EMI conversion, BNPL and interest-subvention programs are emerging as among the most important levers of revenue growth within DITP, and thus the new business drivers. **This segment has shown strong traction relative to slower growth in subscription-like revenue from large enterprise device rollouts, which have matured as enterprise penetration has reached high levels.**

Exhibit 57: Category expansion to drive the next leg of growth

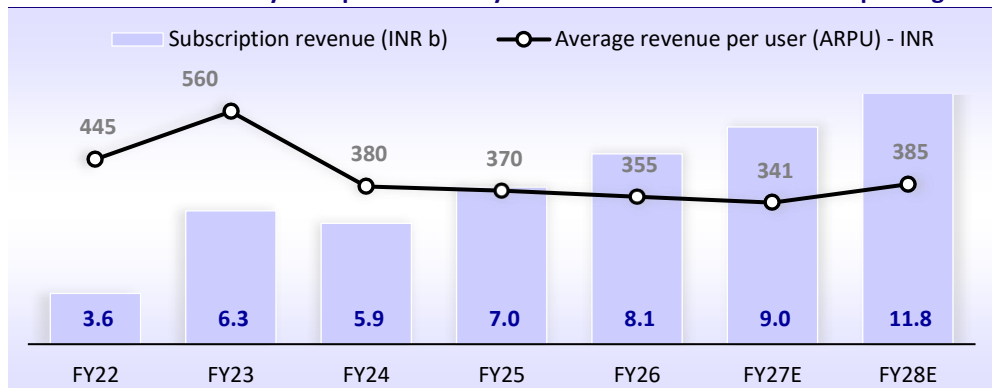


Source: Company, MOFSL

Device subscription revenue: Estimate revenues to grow at 21% CAGR

Subscription revenue across high-end POS and device fees is estimated to expand at only high single-digit annual rates (we build at 21% CAGR growth over FY26-28E) given saturation among large merchants. Affordability-linked revenue is growing materially faster as they benefit from deeper adoption across the merchant base and increasing usage intensity at checkout.

Exhibit 58: ARPU is likely to improve aided by introduction of UPI-MDR and improving scale



Source: Company, MOFSL

While most of the affordability GTV is mainly toward the consumer electronics segment, where the company has had tie-ups with marquee consumer brands like Croma, LG, and HDFC Bank for the past 10 years. Of the overall GTV in the affordability segment, about 90% accounts for electronic gadgets. We expect the

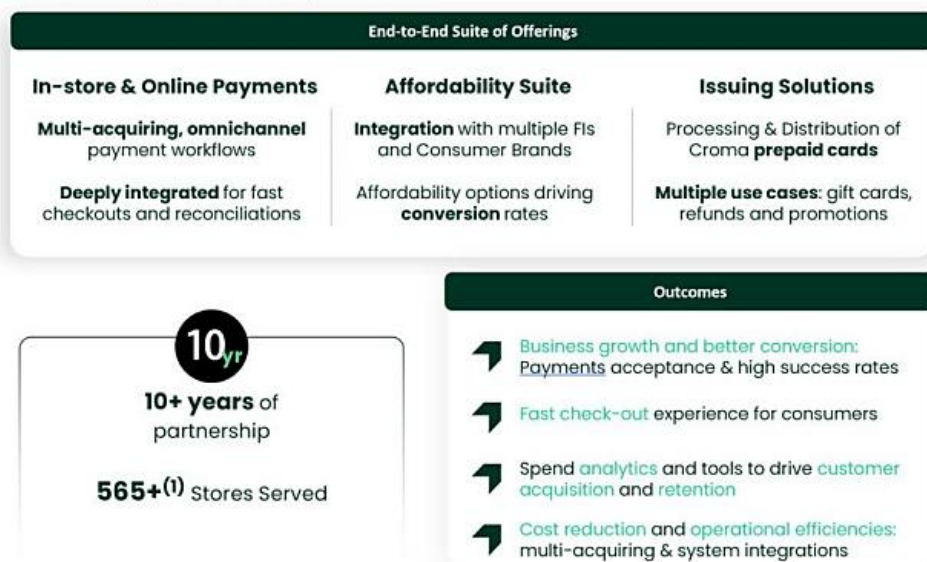
growth in this segment to be driven by the expanding distribution network of EMI terminals and the availability of more brands.

Exhibit 59: Pine Labs has decade-long partnership with Croma

Our Value Proposition for Merchants

10+ Yrs of multi-product relationship with Croma

croma



Notes: (1) - Pine Labs serves all the stores of Croma. No of stores as of 15th May 2025.

Source: Company, MOFSL

Exhibit 60: Ease of digital payments through long-term association with LG

Ease of digital payment through association



10+ Yrs of association collaboratively progressing for better customer digital payment experience

End-to-end digital payment solution powering 750+ LG brand stores

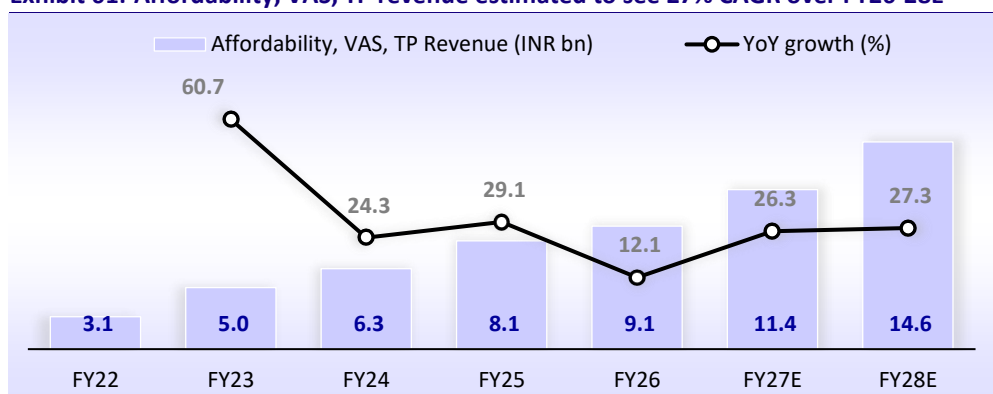


Source: Company, MOFSL

Affordability solutions: New use cases to broaden revenue base

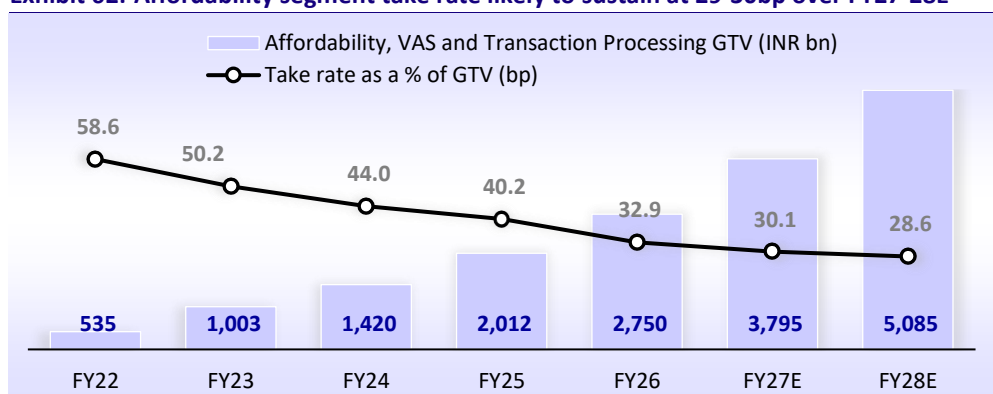
- While consumer electronics items have historically dominated EMI-led affordability, the next leg of growth is likely to come from non-electronics, higher-frequency categories, where ticket sizes are growing and consumer preference is shifting toward structured payments. **Segments such as healthcare (diagnostics, elective procedures, dental, wellness programs), education and skilling (professional courses, test prep, ed-tech subscriptions), and travel & lifestyle services are increasingly adopting EMI and pay-later formats to improve conversion and affordability.** These categories are less cyclical than discretionary electronics and benefit from repeat usage, allowing affordability penetration to expand without relying solely on replacement-driven gadget demand.
- With the first-mover advantage in these segments, we believe that the target market expands for Pine Labs, which should unlock its strong growth potential for Pine Labs. As a result, we build in ~27% CAGR in revenue for the affordability segment.

Exhibit 61: Affordability, VAS, TP revenue estimated to see 27% CAGR over FY26-28E



Source: Company, MOFSL

Exhibit 62: Affordability segment take rate likely to sustain at 29-30bp over FY27-28E



Source: Company, MOFSL

Affordability segment revenue likely to clock a 27% CAGR over FY26-28E

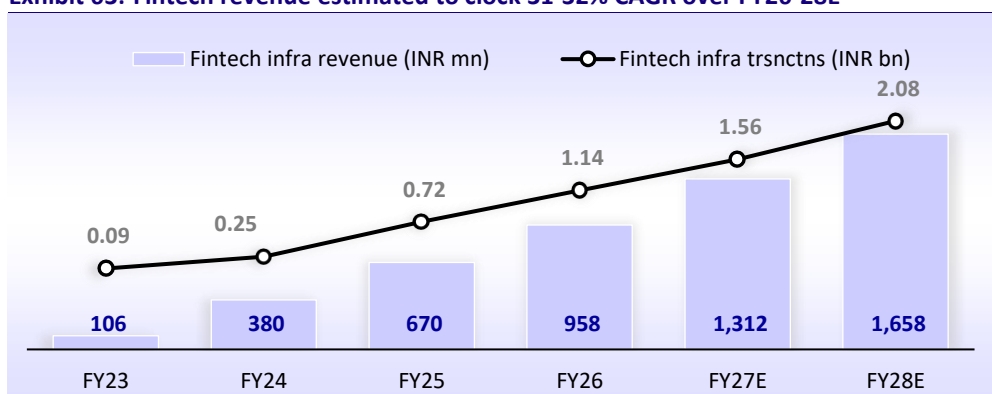
Fintech infra revenue gaining traction, albeit on a low base

- The Fintech Infrastructure segment, anchored around Setu, is emerging as a high-growth segment, though it is currently a small contributor to Pine Labs' revenue mix (**3.5% of total revenue**). The platform operates at the intersection of India's digital public infrastructure, providing APIs across identity (eKYC, digital mandates), data (Account Aggregator) and payments (UPI, bill

collections). These capabilities enable financial institutions and billers to embed critical workflows – consumer onboarding, underwriting insights, recurring collections and in-app UPI acceptance – directly into their own digital journeys. Monetization is volume-linked, with revenue accruing as transaction intensity scales up across bill payments, loan and insurance collections, and UPI usage. While absolute revenue remains modest, transaction volumes in this segment have grown sharply, indicating an early product-market fit within regulated, high-compliance use cases.

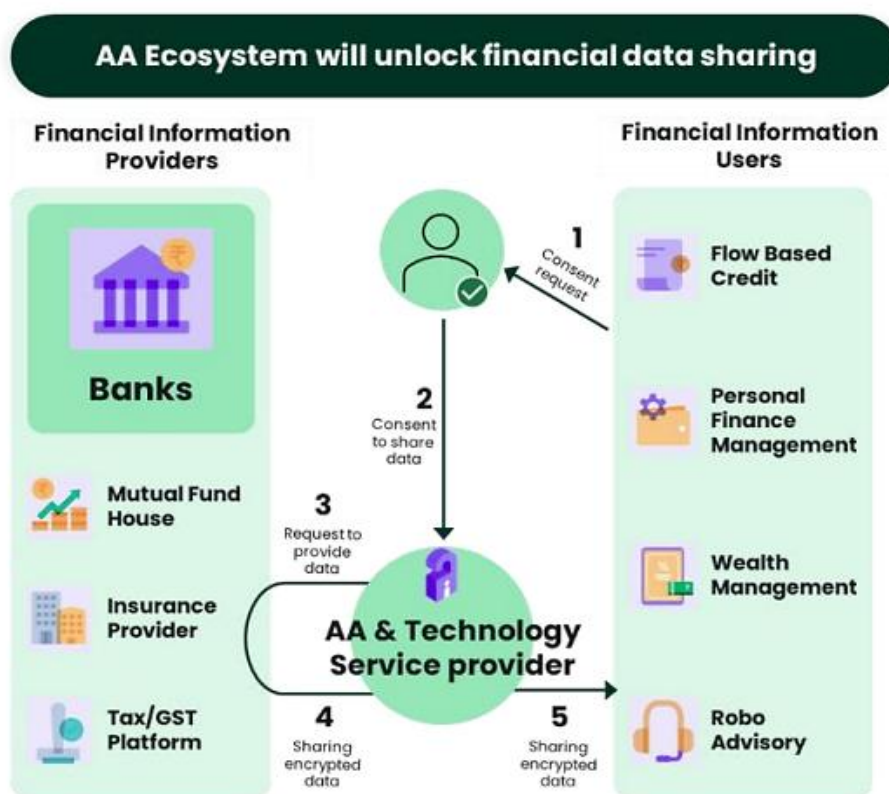
- While payments revenue continues to scale up amid a strong backing of partnerships, the growth has been steadfast, with fintech transactions growing from 90m in FY23 to 1.14b in FY26. We estimate the fintech revenue to clock a 31-32% CAGR over FY26-28E, with revenue contribution to remain at a range of 4%.

Exhibit 63: Fintech revenue estimated to clock 31-32% CAGR over FY26-28E



Source: Company, MOFSL

Exhibit 64: Fintech infrastructure ecosystem



Source: Company, MOFSL

IAP platform: Program-based; recurring revenue engine

Estimate IAP GTV to grow at 25% CAGR over FY26-28E

Pine Labs' Issuing and Acquiring platform represents a program-driven, repeat-usage revenue stream that is structurally different from merchant-led acceptance businesses.

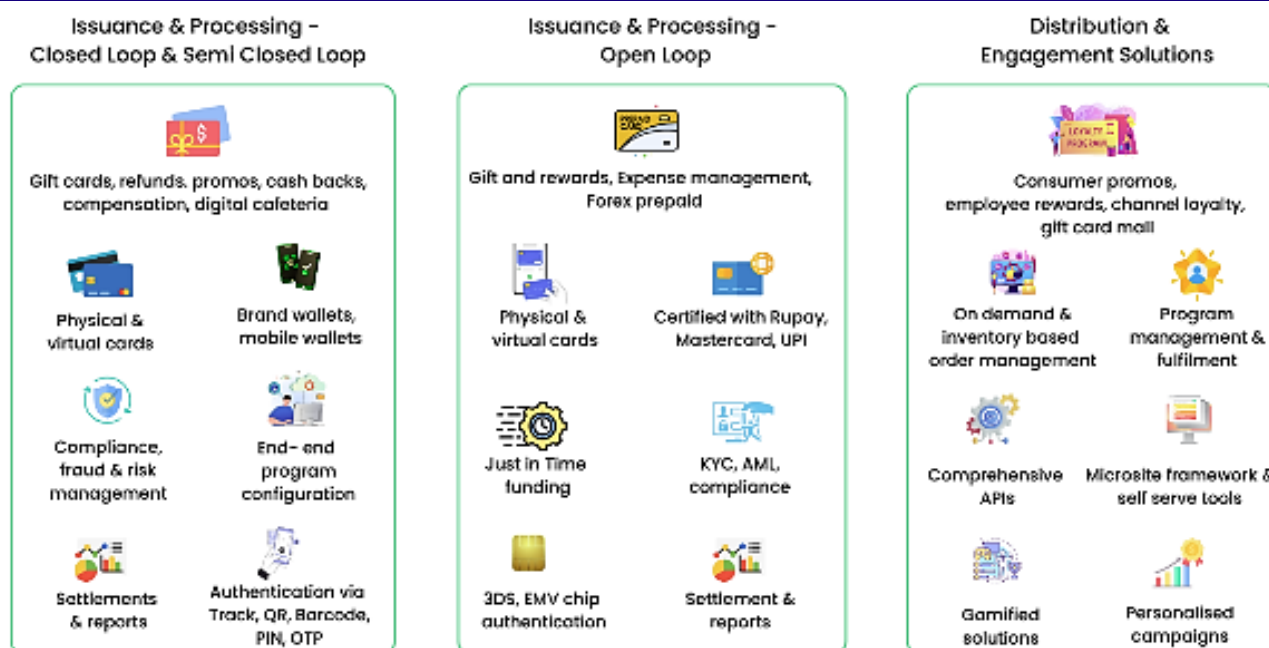
Contribution margin in issuing and acquiring business is likely to be maintained at 59-61%

- **On the issuing side**, Pine Labs enables closed and semi-closed loop instruments, prepaid programs and card-based issuance solutions for large consumer platforms, brands and financial institutions. Revenue is generated through program management fees, processing fees and lifecycle services, making this business less sensitive to merchant churn or device additions.

'Woohoo' is its consumer-facing prepaid distribution platform, where consumers can purchase prepaid cards online. Consumers can also instantly send an e-gift card to friends and families via various modes, including SMS and email.

- **On the acquiring side**, Pine Labs supports transaction processing and settlement workflows for partner institutions, allowing it to participate in transaction value without directly competing for end-merchant relationships. The key revenue driver here is program scale and transaction intensity, not headline customer count.

Exhibit 65: Capabilities and key features of the issuing and acquiring platform



Source: Company, MOFSL

The company generates revenue from two primary sources: A) processing and distribution commissions on transactions, and B) interest earned on funds maintained in escrow accounts. Revenue growth is, therefore, driven by both transaction throughput and the effective monetization achieved on each payment processed. Going forward, we assume contribution margin as a % of GTV to be stable at 0.8% as a % of GTV amid stable interest income (other operating revenue) and revenue from contracts with customers as well. (Refer to the below table for a detailed view).

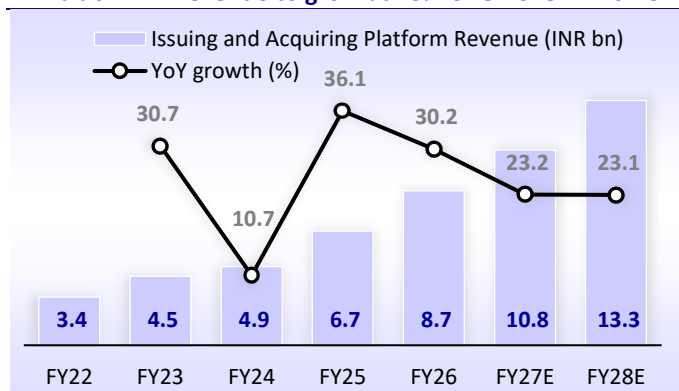
Exhibit 66: Take rate breakup as a % of GTV

Take rate breakup (%)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Take Rate of Issuing and Acquiring Platform (%) - A (B + C)	1.36	1.33	1.30	1.30	1.37	1.35	1.33
Take Rate of Revenue from Contracts with Customers (%) - B	0.71	0.63	0.48	0.63	0.91	0.90	0.89
Take Rate of Other Operating Revenue (%) - C	0.66	0.70	0.82	0.67	0.45	0.44	0.43
Direct costs as a % of GTV (%) - D	0.34	0.28	0.39	0.52	0.57	0.55	0.52
Contribution margin as a % of GTV (%) (A - D)	1.02	1.05	0.90	0.78	0.80	0.80	0.81

Source: Company, MOFSL

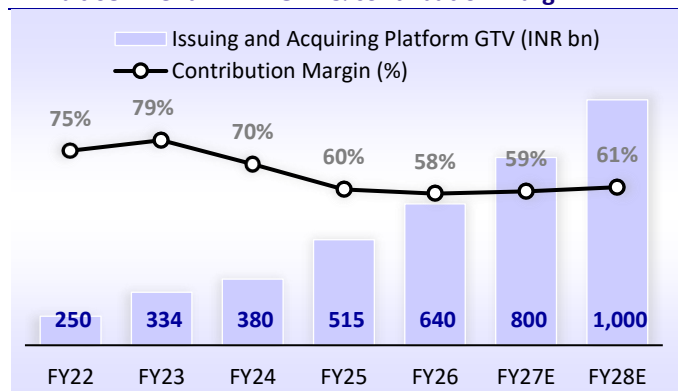
- Growth in the issuing and acquiring segment is driven by the addition of new issuance programs, expansion of existing programs into new use cases, and higher transaction frequency per issued instrument. Unlike acceptance-led revenue, which is exposed to pricing pressure and UPI-led commoditization, issuing revenue benefits from contractual visibility and embedded integration, resulting in higher predictability.
- The revenue drivers in the issuing and acquiring platform are GTV and take rates. During FY26, it processed GTV of around INR640b in this segment, up 24% YoY and a 26% CAGR over FY22-26, we estimate GTV growth to remain healthy at 25% over FY26-28E.
- Lately, the company has seen growth in overseas opportunity in issuing as it is structurally attractive given that international markets are less dominated by UPI and more reliant on prepaid, gift and card-based instruments. Pine Labs is already supporting global consumer platforms and enterprises through its issuing stack, enabling issuance and processing across multiple geographies without replicating a full merchant acquisition network.
- The total market opportunity for Pine Labs in select geographies – Southeast Asia, UAE, Australia, and USA – across different segments stood at over USD2t in 2024, having grown at a CAGR of 15% from ~USD1t in 2019. It is estimated to grow further to USD3.1-3.2t by 2028 at a CAGR of 10-11%, driven by the increasing penetration of affordability solutions and maturing of the digital payment ecosystem.
- We estimate the issuing & acquiring business to deliver a healthy ~23% revenue CAGR over FY26-28E, led by international expansion and growing adoption of prepaid and issuing solutions. While overseas operations currently generate lower contribution margins (~20-25%) than the India business (~70-80%), scale benefits and a richer product mix should gradually improve profitability.

Exhibit 67: IAP revenue to grow at 23% CAGR over FY26-28E



Source: MOFSL, Company

Exhibit 68: Trend in IAP GTV & contribution margin



Source: MOFSL, Company

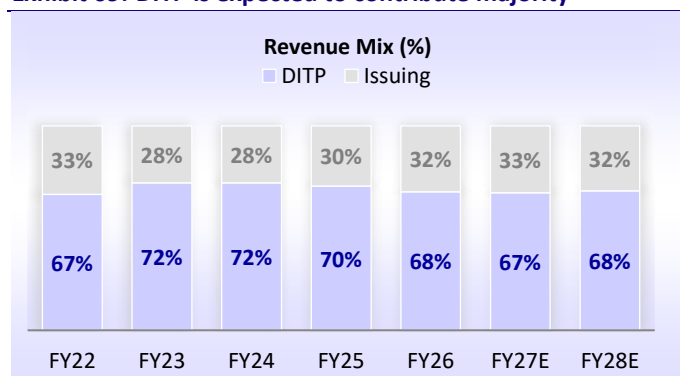
Estimate 24% revenue CAGR over FY26-28E

Adj. EBITDA margins to improve to 28.7% by FY28E; PAT to improve to INR5.9b

Adj. EBITDA margin likely to improve to ~28.7% by FY28E

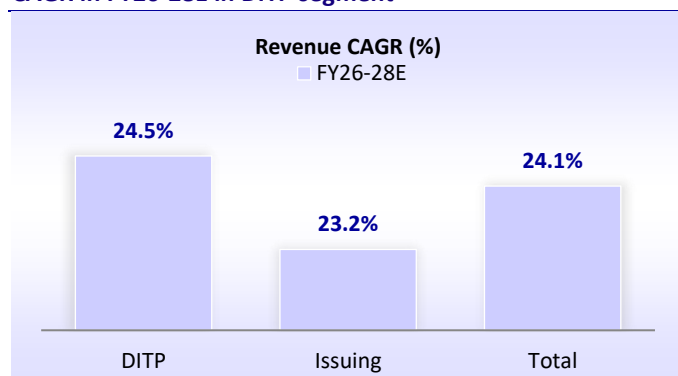
- Pine Labs is entering its next phase of growth with a significantly larger operating platform than in the past. As of FY26, the company processes INR17.1b+ of platform GTV, serves 1.1m+ merchants through 2.03m digital checkout points, and processes more than 1.14 billion annual transactions, providing a sizeable base for incremental monetization. We estimate the company to deliver a ~24% revenue CAGR over FY26-28E, driven by continued merchant digitization, higher transaction throughput and deeper penetration of platform-led offerings, rather than merely expanding its physical acceptance network.
- DITP should remain the key growth driver, with increasing contribution from affordability, online payments and fintech infrastructure. Hereon, we expect 67-68% revenue contribution from DITP and 32-33% from the issuing segment.
- We estimate the issuing solutions business to deliver a revenue CAGR of 23% over FY26-28E. Growth is likely to be driven by the increasing adoption of domestic issuing programs, particularly in gift cards and prepaid solutions, following improved regulatory clarity and broader network acceptance. In parallel, Pine Labs continues to strengthen its global presence in Australia, the Middle East and Southeast Asia, where expanding issuer partnerships and gift-card processing capabilities could provide an additional growth lever. Consequently, we estimate adj. EBITDA margins to expand to ~28.7% over FY28E from 9% in FY24, supported by high platform monetization, improving asset utilization and moderation in infrastructure-related costs. We estimate PAT to improve over the next 2-3 years, aided by continuous focus on monetization.

Exhibit 69: DITP is expected to contribute majority



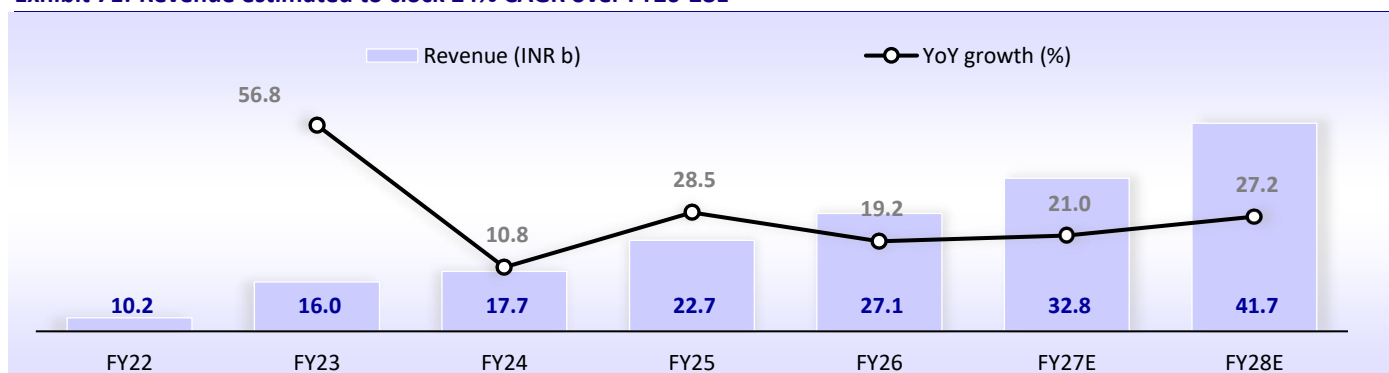
Source: MOFSL, Company

Exhibit 70: Introduction of MDR to lead to 24.5% revenue CAGR in FY26-28E in DITP segment



Source: MOFSL, Company

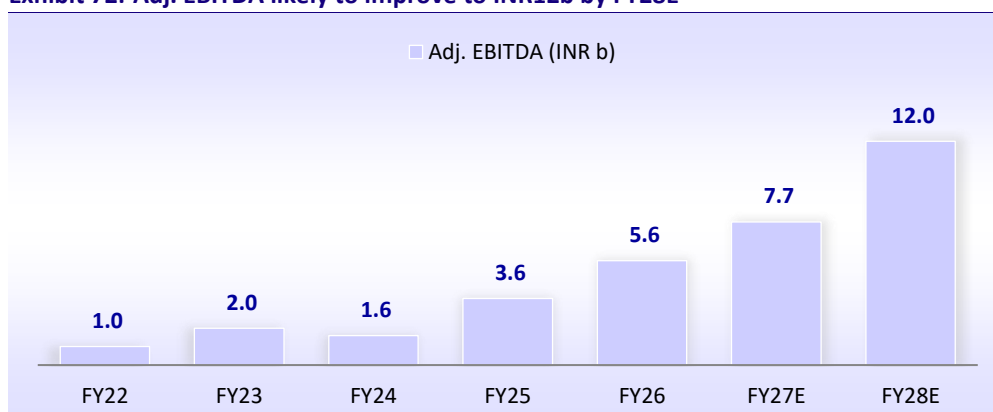
Exhibit 71: Revenue estimated to clock 24% CAGR over FY26-28E



Source: Company, MOFSL

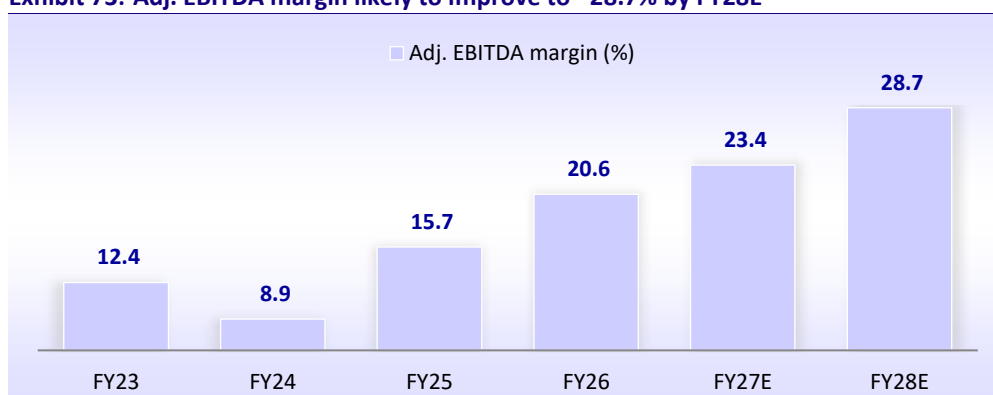
Following several years of investment in technology, merchant infrastructure and product expansion, Pine Labs is well positioned to deliver meaningful operating leverage over the medium term. As the business scales up, revenue growth is expected to outpace the increase in operating expenses, supported by disciplined hiring, greater automation and improved productivity across technology and support functions. In addition, the increasing contribution from transaction- and platform-led businesses is likely to enhance the overall profitability profile. Consequently, we estimate adjusted EBITDA margins to expand steadily over FY25-28E, with adj. EBITDA rising to INR12b by FY28E from INR5.6b in FY26 and the adj EBITDA margin to improve to 28.7% by FY28E from 9%/ 21% in FY24/ FY26.

Exhibit 72: Adj. EBITDA likely to improve to INR12b by FY28E



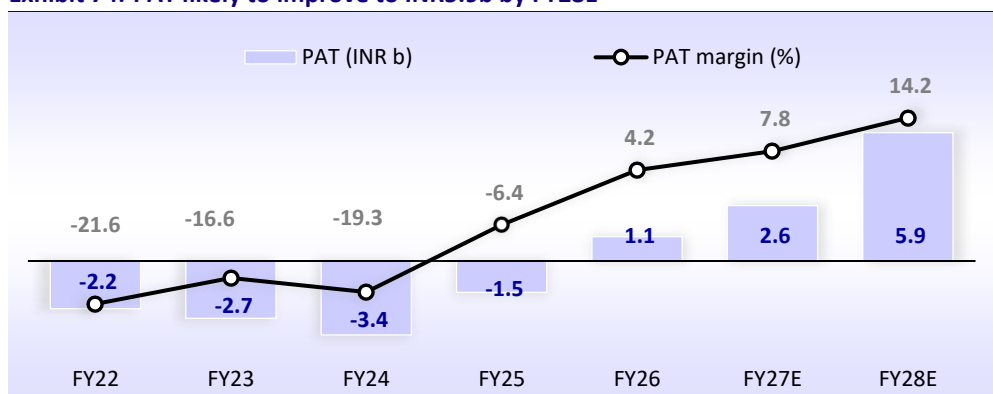
Source: Company, MOFSL

Exhibit 73: Adj. EBITDA margin likely to improve to ~28.7% by FY28E



Source: Company, MOFSL

Exhibit 74: PAT likely to improve to INR5.9b by FY28E



Source: Company, MOFSL

We expect PAT to improve to INR5.9b by FY28E from INR1.1b in FY26

Valuation and view: Initiate with Buy with a TP of INR250

Estimate PAT to increase to ~INR5.9b by FY28E

- Pine Labs is well positioned to benefit from India's accelerating digital payments ecosystem. Its diversified product suite and deep relationships with merchants, brands, and financial institutions provide multiple monetization levers beyond traditional payment processing.
- We estimate revenue to grow at a healthy ~24% CAGR over FY26-28E, driven by sustained growth in the DITP, continued traction in affordability solutions and online payments, and a faster scale-up of the Issuing & Acquiring business. DITP will remain the largest revenue contributor, accounting for ~68% of revenues, while the Issuing & Acquiring business is set to outpace the broader portfolio.
- The introduction of a 0.4% MDR on eligible P2M transactions should benefit Pine Labs given its robust merchant-acquiring and payments franchise. As the revenue mix gradually shifts towards higher-margin, transaction-led businesses, we estimate the adj. EBITDA margin to improve meaningfully from ~9% in FY24 to ~29% by FY28 aided by improving operating leverage.
- We estimate Pine Labs to deliver a healthy revenue/Adj. EBITDA/PAT CAGR of 24%/46%/129% over FY26-28E while the adj. EBITDA margin improves to 28.7% from ~9% in FY24. **Initiate with BUY and TP of INR250 (25x FY28E EV/EBITDA).**
- **Key risks:** Intensifying competition from payment aggregators, banks and fintech platforms may result in pricing pressure, lower merchant yields and slower market-share gains. Further, any delay in scaling up new businesses such as online payments, fintech infrastructure and international issuing, or a prolonged slowdown in discretionary consumption, could moderate revenue growth and delay the anticipated improvement in operating margins.

Exhibit 75: Comparison with Indian internet companies

Company name	Mcap (INR b)	Revenue (INR b)		Revenue growth (%)		EBITDA (INR b)		EBITDA growth (%)		EBITDA margin (%)	
		FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Pine Labs	222	32.8	41.7	21.0	27.2	6.2	10.5	51.3	70.3	18.8	25.2
PayTM	1171	106.4	132.7	26.0	24.7	12.3	22.3	126.9	80.6	11.6	16.8
PB Fintech.	805	89.4	114.4	33.1	28.0	11.2	18.7	101.6	67.8	12.5	16.4
Billionbrains	1203	63.3	79.0	40.0	24.8	40.5	51.7	50.6	27.5	64.0	65.4
Zomato	3156	973.6	1,423.4	77.1	46.2	34.8	65.3	203.3	87.5	3.6	4.6
Swiggy	765	303.0	381.6	32.5	25.9	(20.6)	(3.7)	NA	NA	(6.8)	(1.0)
FSN E-commerce	934	128.0	160.9	28.0	25.7	11.7	16.7	59.6	42.7	9.2	10.4
Firstcry	90	97.5	110.9	14.0	13.8	4.4	7.1	73.4	61.9	4.5	6.4
Indiamart Inter.	99	17.0	18.8	8.5	10.6	5.8	6.4	8.3	10.2	34.1	34.0
Delhivery	319	126.0	147.2	21.6	16.8	9.3	13.8	44.5	49.4	7.3	9.4
Zinka Logistics	115	8.5	11.2	34.1	32.1	2.4	3.3	34.3	37.2	28.3	29.4
Urban Company	146	111.9	119.8	7.6	7.1	17.1	18.8	9.4	9.5	15.3	15.7

Exhibit 76: Comparison with Indian internet companies - Valuations

Company name	Mcap (INR b)	EV/ EBITDA (x)		P/E (x)		P/Sales(x)	
		FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Pine Labs	222	32.3	19.0	81.5	35.6	6.4	5.0
PayTM	1171	46.1	30.7	90.1	51.1	11.0	8.8
PB Fintech.	805	42.1	29.6	73.4	52.1	9.0	7.0
Billionbrains	1203	21.6	17.7	38.5	30.0	19.0	15.2
Zomato	3156	48.3	31.5	180.6	79.5	3.2	2.2
Swiggy	765	NA	45.2	NA	NA	2.5	2.0
FSN E-commerce	934	56.4	40.8	190.5	111.4	7.3	5.8
Firstcry	90	13.6	9.9	623.7	45.8	0.9	0.8
Indiamart Inter.	99	10.7	9.7	17.9	17.4	5.8	5.3
Delhivery	319	22.7	16.6	75.2	40.5	2.5	2.2
Zinka Logistics	115	33.2	25.3	55.6	41.9	13.6	10.3
Urban Company	146	8.3	7.6	13.5	12.0	1.3	1.2

Source: Bloomberg consensus, MOFSL

Exhibit 77: Comparison with global fintech companies

Company name	Mcap (USD b)	Revenue (USD b)		Revenue growth (%)		EBITDA (USD b)		EBITDA growth (%)		EBITDA margin (%)	
		FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Block Inc.	46	28.6	31.7	9.7	10.8	5.7	6.8	24.9	19.5	19.9	21.5
Affirm holdings Inc	24	5.5	6.8	30.8	24.6	1.8	2.2	47.0	23.0	32.2	31.8
Global Payments	23	13.0	13.7	5.4	4.9	6.3	6.6	7.2	3.8	48.5	48.0
Paypal Holdings	45	36.2	37.8	4.3	4.4	6.7	6.7	-0.2	-0.7	18.6	17.7
Mastercard	496	42.0	47.0	12.5	11.9	26.7	30.2	13.0	13.3	63.6	64.3
Visa	691	50.8	56.1	10.8	10.4	35.8	39.6	11.3	10.6	70.4	70.6
Adyen	32	3.5	4.2	21.4	20.2	1.9	2.3	24.7	24.3	53.5	55.3
Toast	18	8.9	10.4	18.6	17.0	1.1	1.3	27.8	28.1	11.9	13.0
Wise Plc	14	2.9	3.5	35.9	18.1	0.9	1.0	10.2	14.6	28.9	28.1

Exhibit 78: Comparison with global fintech companies - Valuations

Company name	Mcap (USD b)	EV/EBITDA		P/E (x)		P/Sales(x)	
		FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Block Inc.	46	7.9	6.6	14.6	11.7	1.6	1.5
Affirm holdings Inc	24	12.2	9.4	33.0	22.6	4.3	3.5
Global Payments	23	6.6	6.4	5.4	4.5	1.7	1.7
Paypal Holdings	45	6.7	6.7	9.2	8.4	1.3	1.2
Mastercard	496	19.1	16.8	24.6	21.1	11.8	10.6
Visa	691	19.5	17.6	24.6	21.7	13.6	12.3
Adyen	32	8.6	6.9	18.8	15.2	9.2	7.7
Toast	18	15.2	11.9	23.0	16.7	2.0	1.7
Wise Plc	14	NA	NA	19.9	17.4	4.9	4.1

Source: Bloomberg consensus, MOFSL

ESG initiatives



Environmental initiatives

- Pine Labs' operations are primarily technology-led and asset-light, with limited direct environmental impact, as the business does not involve manufacturing or heavy physical infrastructure.
- The company follows responsible e-waste management practices for POS devices and other electronic equipment, including disposal through authorized vendors, in line with applicable environmental regulations.
- Pine Labs focuses on efficient utilization of office infrastructure and operational resources, and continues to evaluate opportunities to reduce its environmental footprint as part of routine business operations.

CSR initiatives

- Pine Labs has constituted a CSR Committee of the Board, responsible for formulating, implementing, and monitoring the CSR policy in accordance with the Companies Act, 2013.
- The company's CSR activities are primarily focused on education, healthcare and community development, with initiatives aimed at improving access to basic facilities and social welfare.
- Pine Labs undertakes CSR programs through approved implementing agencies, with emphasis on long-term social impact and compliance with statutory CSR obligations.

Governance

- Pine Labs has an experienced and professionally constituted Board, including independent directors, supported by key committees such as Audit, Nomination & Remuneration, Stakeholders' Relationship and CSR Committees.
- The company has established formal governance frameworks, internal controls and risk management processes, aligned with regulatory requirements and best practices, as it prepares for life as a listed entity.

Bull and Bear case



Bull case

- ✓ In our bull case, we estimate FY26-28 revenue CAGR of 29% vs. the base case assumption of 24%
- ✓ Adj. EBITDA margin is estimated to increase to 32% in FY28 vs. the base case assumption of 29%.
- ✓ FY26-28 PAT CAGR is estimated to be 157% vs. the base case assumption of 129%.



Bear case

- ✓ In our bull case, we estimated FY26-28 revenue CAGR of 18% vs. the base case assumption of 24%
- ✓ Adj. EBITDA margin is estimated to be at to 27% in FY28 vs. the base case assumption of 29%.
- ✓ FY26-28 PAT CAGR is estimated to be 103% vs. the base case assumption of 129%.

Scenario analysis - Bull Case

Bull Case (INRm)	FY24	FY25	FY26	FY27E	FY28E
Revenue	17,695	22,743	27,106	33,937	44,820
YoY growth (%)	10.8	28.5	19.2	25.2	32.1
EBITDA	580	2,572	4,097	6,646	12,779
EBITDA Margin (%)	3.3	11.3	15.1	19.6	28.5
PAT	-3,419	-1,455	1,125	2,867	7,454
PAT Margin (%)	-19.3	-6.4	4.2	8.4	16.6
Target EV/ EBITDA multiple					28
Target EV (INRb)					358
Net cash					21
Company Value					379
No. of shares (m)					1,148
Target Price					330
CMP					192
Upside					72%

Scenario analysis - Bear Case

Bull Case (INRm)	FY24	FY25	FY26	FY27E	FY28E
Revenue	17,695	22,743	27,106	31,497	37,631
YoY growth (%)	10.8	28.5	19.2	16.2	19.5
EBITDA	580	2,572	4,097	5,889	9,097
EBITDA Margin (%)	3.3	11.3	15.1	18.7	24.2
PAT	-3,419	-1,455	1,125	2,299	4,670
PAT Margin (%)	-19.3	-6.4	4.2	7.3	12.4
Target EV/ EBITDA multiple					15.4
Target EV (INRb)					140
Net cash					21
Company Value					161
No. of shares (m)					1,148
Target Price					140
CMP					192
Upside					-27%

SWOT analysis

- ✓ Scaled up presence in offline merchant payments via POS/DCP
- ✓ Strong monetization via EMI/affordability and issuing
- ✓ Sticky enterprise relationships with merchants, brands and banks
- ✓ Multi-product platform across payments, issuing, online and fintech infra
- ✓ Capital-light international expansion in issuing platforms

S

STRENGTH



- ✓ Revenue sensitivity to discretionary consumption cycles
- ✓ UPI dominance structurally limits transaction monetization
- ✓ Slowing growth in large merchant subscriptions
- ✓ Complex multi-platform execution and integration risk
- ✓ Limited visibility on segment-level profitability

W

WEAKNESS



- ✓ Affordability expansion beyond electronics into services and healthcare
- ✓ Higher monetization per DCP via EMI and software attach
- ✓ Growth in international issuing and prepaid programs
- ✓ Formalization of small- and mid-sized merchants driving DCP adoption
- ✓ Scaling up fintech infrastructure via DPI-led APIs

O

OPPORTUNITY



- ✓ Payments commoditization from UPI and QR-led models
- ✓ Rising competition from banks and large fintech platforms
- ✓ Regulatory risk across payments, data and lending facilitation
- ✓ Cyclicity in EMI-led discretionary spending
- ✓ Technology and cybersecurity risks

T

THREATS



Management team



Mr. Amrish Rau – Chairman, MD and CEO: He joined Pine Labs in 2020 and currently leads the company's strategy and operations, overseeing its evolution from a payments acceptance company into a broader merchant commerce and fintech platform. Prior to Pine Labs, he was the Co-founder and CEO of Citrus Pay, which was acquired by PayU, and subsequently served in senior leadership roles at PayU India. Earlier, he worked with First Data Asia and NCR Corp., building payments and merchant solutions across Asia. He holds a bachelor's degree in engineering.



Mr. Kush Mehra – President and Chief Business Officer - DITP: He obtained a post-graduate diploma in business management from FORE School of Management, New Delhi, in 2004. He has experience in payments and fintech. He was previously associated with Visa Consolidated Support Services (India) and American Express Banking Corp. He has been associated with Pine Labs since May'12.



Mr. Sameer Kamath – CFO: He was appointed CFO in 2025 and is responsible for finance, accounting, capital markets interface and governance as Pine Labs transitions toward a public-company framework. Before joining Pine Labs, he was associated with Avendus in senior finance roles, with experience across financial strategy, fundraising and investor relations.



Mr. Swarnendu Mukherjee – Chief Growth Officer – Issuing: He leads growth for Pine Labs' India Issuing & Prepaid business, with a focus on expanding prepaid programmes across gifting, employee benefits, rewards, incentives and mobility. He has been associated with Pine Labs and the prepaid business for several years, working with large brands and enterprises to build and scale new use cases.

Financials and valuations

Income Statement (INR m)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Digital infrastructure and transaction platform	11,422	12,518	15,786	18,126	21,720	28,040
Growth (%)		10	26	15	20	29
Issuing and acquiring platform	2,115	1,813	3,262	5,837	7,216	8,920
Growth (%)		-14	80	79	24	24
Revenue from contracts with customers	13,537	14,331	19,048	23,962	28,935	36,959
Growth (%)	59	6	33	26	21	28
Other operating revenue	2,439	3,364	3,695	3,144	3,874	4,759
Revenue from operations	15,977	17,695	22,743	27,106	32,809	41,718
Growth (%)	57	11	29	19	21	27
Transaction and related costs	2,076	2,275	2,601	3,030	3,787	4,734
Cost of traded goods sold	1,343	1,434	2,873	3,646	4,666	5,740
Changes in inventories of traded goods	-253	133	-19	19	-	-
Direct Expenses	3,166	3,842	5,454	6,694	8,454	10,474
Growth (%)	57	21	42	23	26	24
Contribution Profit	12,810	13,854	17,289	20,412	24,355	31,244
Growth (%)	57	8	25	18	19	28
Employee cost (Excl ESOPs)	7,362	7,815	8,694	9,165	10,357	12,118
Other indirect expenses	3,475	4,460	5,029	5,650	6,328	7,138
Indirect Expenses	10,837	12,275	13,723	14,815	16,685	19,256
Growth (%)	51	13	12	8	13	15
Adjusted EBITDA	1,974	1,579	3,566	5,596	7,671	11,989
Growth (%)	97	-20	126	57	37	56
Share-Based Payment Expenses (ESOP)	1,590	1,058	1,148	1,524	1,509	1,494
EBITDA	383	521	2,418	4,072	6,161	10,495
Growth (%)	NA	36	364	68	51	70
Depreciation and Amortization Expenses	3,150	4,270	3,370	2,750	3,299	3,449
EBIT	-2,767	-3,749	-952	1,322	2,862	7,045
Growth (%)	NA	35	-75	-239	116	146
Finance Costs	357	640	790	830	485	492
Other Income	928	546	528	1,366	1,226	1,453
Profit/(loss) before non-recurring item	-2,197	-3,843	-1,214	1,858	3,603	8,006
Impairment of non-current assets	85	126	148	446	-	-
Impairment losses on financial assets and contract assets	245	-	-	-	-	-
Profit/(loss) before exceptional items and tax	-2,526	-3,969	-1,362	1,412	3,603	8,006
Growth (%)	NA	NA	NA	NA	155	122
Exceptional items	368	-	-	35	-	-
PBT	-2,895	-3,969	-1,362	1,377	3,603	8,006
Growth (%)	NA	NA	NA	NA	162	122
Tax	-243	-557	91	248	1,045	2,081
Loss on impairment of associate	-	-	-	-	-	-
PAT	-2,651	-3,412	-1,453	1,129	2,558	5,924
Growth (%)	NA	NA	NA	NA	127	132

Financials and valuations

Balance Sheet (INR m)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share capital	0	1	1,148	1,148	1,148	1,148
Equity Share capital pending issuance	234	237	-	-	-	-
Instruments entirely equity in nature	-	-	-	-	-	-
Instruments entirely equity in nature pending issuance	754	754	-	-	-	-
Other equity	36,402	34,427	77,432	57,806	59,607	63,610
Net Worth	37,390	35,419	78,580	58,954	60,756	64,758
Non-Current Liabilities	4,585	2,473	525	1,446	415	449
Current Liabilities	50,089	56,970	1,16,176	70,930	76,412	89,303
Total financial liabilities	54,674	59,443	1,16,701	72,375	76,827	89,752
Total Non-financial liabilities	1,568	1,623	5,894	1,640	4,793	6,517
Total liabilities and equity	93,632	96,486	2,01,175	1,32,970	1,42,376	1,61,027
Fixed Assets	26,964	24,136	25,525	20,757	21,866	23,041
Investments	178	213	408	279	307	337
Other Non-Current Assets	1,478	2,281	7,604	3,091	3,881	4,924
Non-Current Assets	28,620	26,630	33,538	24,126	26,053	28,303
Investments	-	-	-	-	-	-
Cash and Bank Balances	51,201	52,349	1,13,669	82,259	75,522	87,134
Other Current Assets	13,811	17,507	53,968	26,584	40,800	45,590
Current Assets	65,012	69,856	1,67,637	1,08,843	1,16,322	1,32,724
Total Assets	93,632	96,486	2,01,175	1,32,970	1,42,376	1,61,027

Key Operating Metrics

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Digital Infrastructure GTV (INRb)	4,063	5,705	10,910	16,507	20,142	24,976
Issuing and Acquiring Platform GTV (INRb)	334	380	515	644	800	1,000
Platform GTV (INRb)	4,397	6,084	11,425	17,150	20,942	25,976
Prepaid Cards issued (in mn)	495	529	713	866	1,061	1,300
Digital Infrastructure and Transaction Platform Revenue (mn)	11,524	12,764	16,032	18,368	22,047	28,465
Number of Total Transactions (mn)	2,570	3,440	5,690	7,400		
Digital check-out points (mn)	1.19	1.39	1.78	2.03	2.36	2.76
Number of merchants (mn)	0.53	0.64	0.95	1.10	1.30	1.59
Fintech Infrastructure transactions (mn)	90	250	720	1,140	1,562	2,077

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Business & Efficiency Ratios (%)						
Contribution Margin (%)	80.2	78.3	76.0	75.3	74.2	74.9
Revenue from Digital Infrastructure & Transaction Platform / GTV (%)	0.3	0.2	0.1	0.1	0.1	0.1
Direct Expenses / Revenues (%)	19.8	21.7	24.0	24.7	25.8	25.1
Indirect Expenses / Revenues (%)	67.8	69.4	60.3	54.7	50.9	46.2
Profitability & Valuation Ratios						
Adjusted EBITDA Margin (%)	12.4	8.9	15.7	20.6	23.4	28.7
EBITDA Margin (%)	2.4	2.9	10.6	15.0	18.8	25.2
ESOP as % of Rev Ops	10.0	6.0	5.0	5.6	4.6	3.6
PAT Margin (%)	-16.6	-19.3	-6.4	4.2	7.8	14.2

Valuation

RoE	-7.1	-9.4	-4.1	2.4	4.3	9.4
RoA	-3.0	-3.6	-1.4	0.9	1.9	3.9
Sales per share (INR)	16	18	23	25	30	38
Growth (%)	NM	10.2	26.8	10.9	19.8	25.9
Price-Sales (x)	11.8	10.7	8.4	7.6	6.4	5.0
Book Value per share (INR)	141	38	36	33	54	60
Growth (%)	NM	-73.1	-5.7	-6.9	60.6	12.1
Price-BV (x)	1.4	5.0	5.4	5.7	3.6	3.2
EBITDA per share (INR)	0.4	0.5	2.4	3.8	5.7	9.6
Price-EBITDA (x)	492.4	364.0	79.5	50.7	33.8	20.1
EV/EBITDA	519.8	382.5	82.4	48.9	32.3	19.0
EPS (INR)	-2.7	-3.5	-1.5	1.1	2.4	5.4
Growth (%)	NA	NA	NA	NA	124.3	129.3
Price-Earnings (x)	NA	NA	NA	182.8	81.5	35.6

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

RECENT INITIATING COVERAGE REPORTS



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

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