



IPO Note

PINE LABS LIMITED

Nov 07th, 2025

pine labs



Nov 07th, 2025**Details of the Issue**

Price Band	₹ 210 - ₹ 221
Issue Size	₹ 3,899.91 Cr
Face Value	₹ 1
Bid Lot	67
Listing on	BSE,NSE
Post Issue Mcap	₹ 25,377 Cr
Investment Range	₹ 14,070 - ₹ 14,807

Important Indicative Dates (2025)

Opening	07 - Nov
Closing	11 - Nov
Basis of Allotment	12 - Nov
Refund Initiation	13 - Nov
Credit to Demat	13 - Nov
Listing Date	14 - Nov

Lead Manager

Citigroup Global Markets India Pvt Ltd
Morgan Stanley India Company Pvt Ltd
Axis Capital Ltd
J.P Morgan India Pvt Ltd
Jefferies India Pvt Ltd

Offer Details

Offer Size	₹ 3,899.91 Cr
Fresh Issue	₹ 2,080 Cr
OFS	₹ 1,819.91 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	2,925	132	139	75
NII	585	26.47	27.36	15
Retail	390	17.65	18.57	10
Em- ploy.	-	-	-	-
Total	3,899.9	177	186	100

Invest Now**Company Profile**

Incorporated in 1998, Pine Labs is a leading Indian merchant commerce platform offering end-to-end digital payment, merchant financing, and value-added services to businesses ranging from small retailers to large enterprises. Its key offerings include smart POS devices that accept cards, UPI, mobile wallets, and EMIs; Buy Now Pay Later solutions for instant EMIs at checkout; merchant financing through partnerships with financial institutions; loyalty and gift solutions for brands; and online payment APIs and gateways for e-commerce platforms. As of June 30, 2025, Pine Labs served 988,304 merchants, 716 consumer brands, and 177 financial institutions, including Amazon Pay, LG, Flipkart, HDFC Bank, Axis Bank, and ICICI Bank. Evolving from a card-based POS provider to a comprehensive fintech platform, it has become a key enabler of India's transition to a cashless, digitally empowered retail economy.

GEPL's Insights & Investment Thesis:

- Pine Labs offers smart POS devices that accepts cards, UPI, wallet payments, and other digital services related to payments. It has a strong domestic presence with an expanding international footprint in Malaysia, UAE, Singapore, and other countries.
- Despite a healthy growth in the topline, the company has not been able to turn profitable during the period FY23-25. This has led to poor cash flow generation.
- Based on the FY25 sales, relative to the company's post-IPO paid up capital, the issue is priced at a P/S ratio of 11.2x. We believe that the issue is over valued compared to its peers and has been posting negative profitability over the last three years. Therefore, we recommend a **"Avoid"** rating for the issue.

Business Highlights & Services

Pine Labs has built a robust, self-reinforcing ecosystem connecting merchants, consumer brands, financial institutions, and software partners, enabling strong network effects and multiple monetization opportunities. With steady growth across all participant categories, it processed ₹11.4 trillion in GTV and 5.68 billion transactions in FY25 and retained leadership positions in gift card issuance, digital affordability, and in-store digital platforms, according to Redseer. Financially, revenue grew 28.5% YoY to ₹22,742.74 million in FY25, while losses narrowed with Contribution Margin improving to 76.0% and Adjusted EBITDA Margin rising to 15.7%, demonstrating scale, operational efficiency, and a clear trajectory toward profitability.

Pine Labs has established a strong domestic presence with an expanding international footprint across markets such as Malaysia, UAE, Singapore, Australia, the U.S., and Africa, supported by deep partnerships with leading brands and financial institutions like Croma and HDFC Bank. Having evolved from an in-store payment provider to a full-stack fintech platform, the company now offers multi-issuer affordability solutions, issuing capabilities, billing integrations, analytics, and loyalty programs. Its robust, cloud-native, API-driven technology stack is designed for scalability, security, and interoperability, ensuring high-speed, seamless transactions with 99.93% uptime for payments and 99.99% uptime for prepaid issuing between FY23 and FY25. Pine Labs processed 5.68 billion transactions and issued 71.30 crore prepaid cards in FY25, serving 28 issuers across 16 countries.

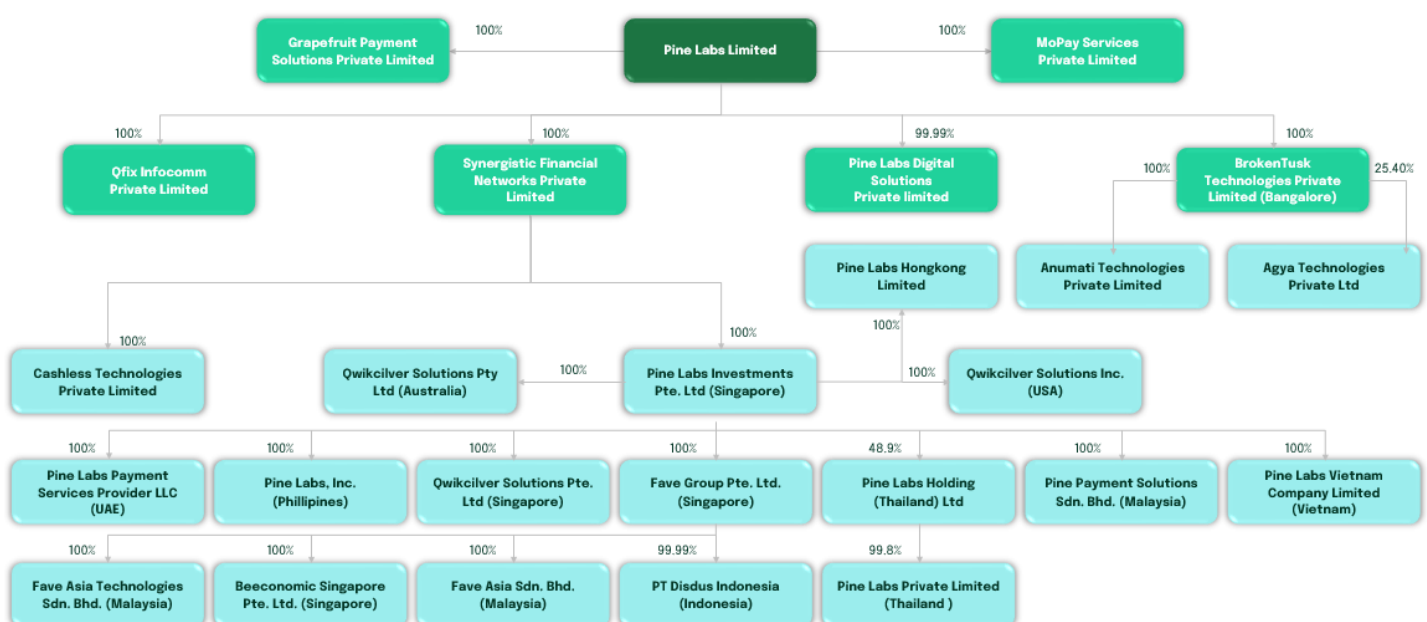


The modular, open ecosystem architecture allows rapid integration for partners via its Setu API toolkit, enabling third-party developers and merchants to customize and deploy solutions swiftly. With globally recognized certifications including PCI-DSS, ISO 27001:2013, and SOC 2 Type 2, the platform ensures enterprise-grade security and regulatory compliance. Overall, Pine Labs' scalable infrastructure, technological depth, and long-standing customer relationships position it as a leading enabler of digital commerce growth, both in India and abroad, with strong visibility into sustainable, high-margin expansion.

Pine Labs is strategically positioned for sustained growth through continued investment in scaling and innovation across its digital infrastructure and fintech platforms. The company aims to deepen penetration among mid-market and small merchants by expanding its distribution network and introducing solutions like UPI-first offerings such as Mini, designed to accelerate digital payment adoption among India's 80-83 million micro and small merchants. It plans to broaden its affordability and value-added service suite beyond electronics and mobile segments into high-growth verticals such as fashion, healthcare, lifestyle, and education. Pine Labs also intends to enhance its Issuing and Acquiring Platform by developing new use cases across prepaid, debit, and credit categories, including refunds, promotions, and mobility solutions. With a strong ecosystem spanning merchants, consumer brands, and financial institutions, the company benefits from powerful network effects that drive higher transaction volumes and data-driven insights. Supported by a direct sales force, robust technology infrastructure, and an expanding partner base including fintechs, enterprise software providers, and distribution partners Pine Labs is well placed to strengthen its leadership in digital commerce and unlock long-term, scalable, and profitable growth opportunities.

Pine Labs is committed to driving sustained growth through continuous investment in technology, innovation, and strategic acquisitions. The company plans to strengthen its IT assets, cloud infrastructure, and digital capabilities while expanding its presence at points of sale through additional DCPs. Its technology arm, Setu, has launched advanced products such as a UPI switch for financial institutions and an AI-powered Insights product leveraging India's digital public infrastructure to enhance credit underwriting, fraud detection, and loan monitoring demonstrating its focus on next-generation fintech innovation. With a dedicated R&D and engineering team of 289 professionals, Pine Labs continues to enhance its product suite and technological depth. Complementing its organic growth, the company follows an active inorganic strategy, having acquired platforms like Qwiksilver, Fave, Mosambee, QFix, Setu, Saluto, and Credit+, each expanding its reach, product capabilities, and market access. This disciplined acquisition framework focused on enhancing competitiveness, acquiring new technologies, and entering new geographies—positions Pine Labs as a diversified, innovation-led fintech leader with strong visibility into sustainable and scalable growth.

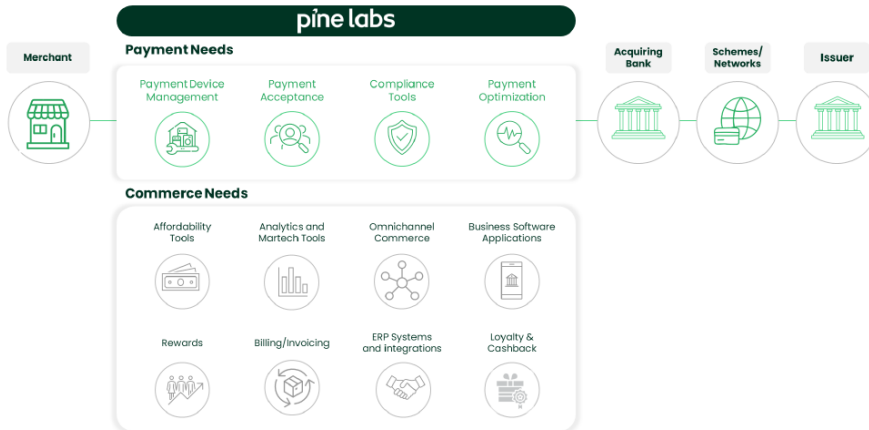
Corporate Structure



a) An external company (branch equivalent) of Qwiksilver Solutions Pte. Ltd. (Singapore) has been registered in South Africa with effect from 02/09/2024.



Pin Lab Offerings



Revenue breakup

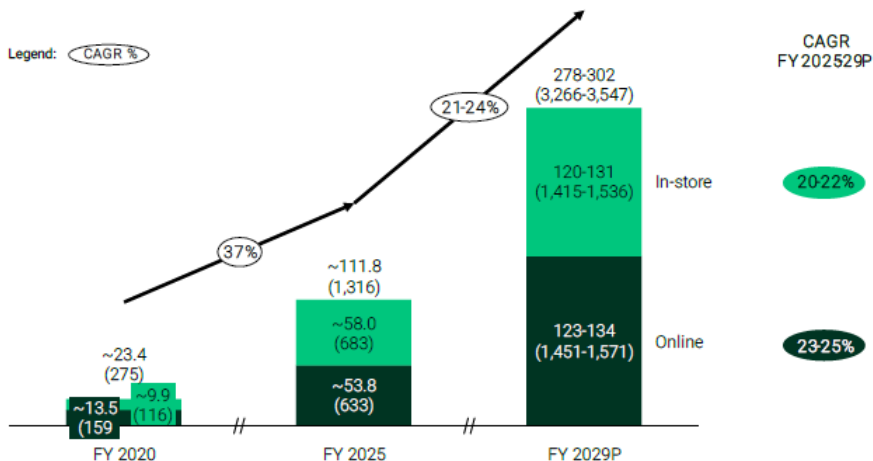
Particular (In Cr)	Q1FY26	FY25	FY24	FY23
Revenue from operations	616	2274	1770	1598
Digital Infrastructure and Transaction Platform Revenue	434	1603	1276	1152
Issuing and Acquiring Platform Revenue	182	671	493	445
Revenue from external customers - Outside India as a percentage of revenue from operations (%)	15.31%	14.85%	10.94%	8.50%

Operational KPI

Particular (In Bn)	Q1FY26	FY25	FY24	FY23
Platform Gross Transaction Value ("Platform GTV")	4,056.22	11,424.97	6,084.36	4,397.27
Digital Infrastructure and Transaction Platform GTV	3,916.66	10,909.80	5,704.72	4,063.36
Affordability, VAS and Transaction Processing GTV	592.82	2,011.63	1,420.15	1,002.75
Issuing and Acquiring Platform GTV	139.56	515.17	379.64	333.91
Number of Transactions	1.75	5.68	3.44	2.57
Fintech Infrastructure Transactions	0.25	0.71	0.25	0.09
Digital check-out points (DCPs)	1.84	1.78	1.39	1.19
Number of Merchants	988.3	954.42	644.5	530.32
Prepaid Cards Issued	225	712.99	529	495.15

Industry Outlook

Figure 4: India Digital P2M TPV¹ – by in-store vs. online payments
In ₹ trillions (US\$ billion), FY 2020, FY 2025, FY 2029P





Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (In Cr)	EPS	P/E (x)	NAV (In INR)	RoNW(%)
Pine Labs Ltd	1	2,274.3	-1.45	NA	-22.43	-4.15
Peers Group						
One 97 Communications Ltd	1	6,900.4	-10.35	-110.98	235.54	-4.69
Zaggle Prepaid Ocean Services Ltd	1	1,303.7	6.96	48.87	99.25	9.64

Company's Competitive Strength

- Ecosystem which brings together merchants, consumer brands and enterprises, and financial institutions enabling commerce transactions and creating network effects.
- Platform with proven scale and growth in operating profitability.
- Deep partnerships with large merchants, consumer brands and enterprises, and financial institutions.
- Full stack, cloud-based flexible and scalable technology platform.
- Ability to Consistently Innovate New Solutions and Features.
- Experienced, professional management team with entrepreneurial leadership.

Key Strategies Implemented by Company

- Scale and increase adoption of the existing offerings and expand the offerings suite.
- Broaden and deepen the partnership ecosystem.
- Invest in the technology platform.
- Enter new international markets and expand within existing international markets.
- Continue to pursue strategic acquisitions and investments.

Particular (INR in Cr)	Q1 FY2026	FY25	FY24	FY23
Net Worth	2,328	-2,244	-2,035	-1,765
Revenue	616	2,274	1,770	1,598
Growth (%)		29%	11%	95%
EBITDA	121	357	158	197
Adjusted EBITDAM (%)	19.6%	15.7%	8.9%	12.3%
PAT	5	-145	-342	-265
PATM (%)	0.8%	-6.4%	-19.3%	-16.6%
ROE (%)	-	-3.1%	-9.7%	-6.1%
ROCE (%)	-	-0.5%	-8.2%	-5.3%



Notes

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