




Retail Equity Research

PB Fintech Ltd.

Sector: Financial Services

20th August, 2025

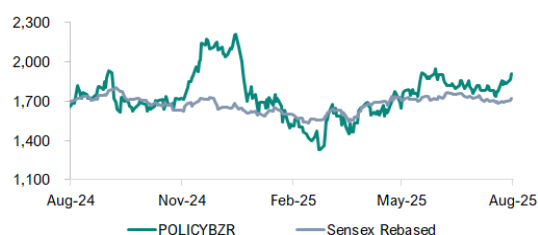
Accumulate

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 2,143
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 1,921
Mid cap	POLICYBZ:IN	81,858	POLICYBZR	543390	12 Months	Return	+12%

Data as of: 20-08-2025, 16:00 hrs

Company Data			
Market Cap (Rs.cr)	87,806		
52 Week High — Low (Rs.)	2,255 - 1,312		
Enterprise Value (Rs. cr)	87,370		
Outstanding Shares (cr)	45.9		
Free Float (%)	72.1		
Dividend Yield (%)	0.0		
6m average volume (cr)	0.2		
Beta	1.5		
Face value (Rs.)	2.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	0.0	0.0	0.0
FII's	47.8	45.9	46.8
MFs/Institutions	20.6	23.0	23.3
Public	5.2	4.8	4.8
Others	26.4	26.3	25.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	13.0%	26.7%	15.9%
Absolute Sensex	-0.5%	7.5%	1.5%
Relative Return	13.5%	19.2%	14.4%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY25A	FY26E	FY27E
Sales	4,977	6,570	8,337
Growth (%)	44.8	32.0	26.9
EBITDA	94	575	1,115
EBITDA Margin (%)	1.9	8.8	13.4
Adj. PAT	394	717	1,193
Growth (%)	488.3	82.1	66.3
Adj. EPS	8.6	15.6	26.0
Growth (%)	478.0	82.1	66.3
P/E	185.2	122.5	73.6
P/B	11.3	12.3	10.5
EV/EBITDA	774.1	151.8	78.3
ROE (%)	5.5	10.0	14.3
D/E	0.1	0.0	0.0

Solid Q1 Sparks Growth Outlook

PB Fintech Ltd (PBFL) owns online financial services platform—PolicyBazaar. By collaborating with financial services companies, including insurance providers, the company aims to enrich its platform and deliver a seamless consumer experience from an e-commerce perspective.

- In Q1FY26, revenue increased 33.4% YoY to Rs. 1,348cr, driven by growth in online insurance premium.
- Online insurance premium grew 35% YoY, led by an increase in the new health insurance (+65% YoY) and core online insurance revenue rose 37% YoY to Rs. 732cr, while core credit revenue fell 22% YoY.
- Trail revenue rose 43% YoY to Rs. 725cr in Q1FY26 from Rs. 506cr in the same quarter last year while total insurance premium grew 36% YoY to Rs. 6,616cr.
- EBITDA turned positive to Rs. 34cr in Q1FY26 (Rs. -39cr in Q1FY25), despite a rise in employee-benefit expenses (+22.9% YoY). EBITDA margin stood at 2.6%.
- Reported PAT grew 41.1% YoY Rs. 85cr, owing to higher revenue.

Outlook & Valuation

PBFL has reported robust revenue growth, driven by a significant increase in online insurance premium. The company's quarterly renewal revenue, as measured by annual recurring revenue (ARR), rose substantially and is expected to be a key driver of long-term profit growth. The health business and new insurance premium continue to exhibit strong growth. Furthermore, the company's focus on acquiring new customers, its pan-India presence and diversified business across various lines of business are expected to support future growth. PBFL's partners and agents continue to lead the market in terms of scale and operational efficiency. The introduction of new offers and the utilisation of artificial intelligence (AI) to enhance engagement and retention are expected to contribute to the company's long-term profitability. Hence, **we upgrade our rating on the stock to Accumulate with a revised target price of Rs. 2,143 using a target multiple of 11.8x on FY27E P/S.**

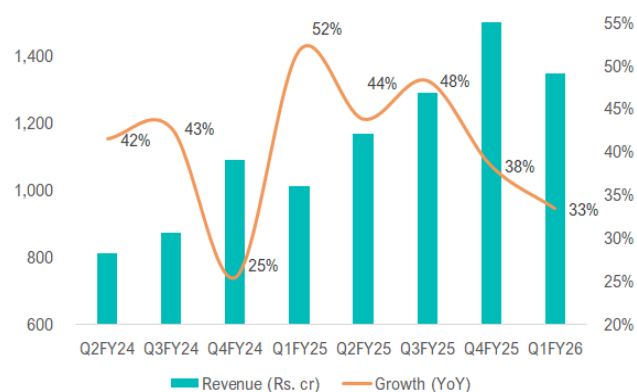
Quarterly Finance Consolidated

Rs.cr	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Sales	1,348	1,010	33.4	1,508	-10.6
EBITDA	34	-39	n.m.	113	-69.6
Margin (%)	2.6	-3.9	n.m.	7.5	-490bps
EBIT	1	-64	n.m.	80	-98.9
PBT	92	71	30.4	171	-46.1
Rep. PAT	85	60	41.1	171	-50.4
Adj. PAT	85	19	342.2	171	-50.4
Adj. EPS (Rs)	1.8	0.4	337.1	3.7	-50.4

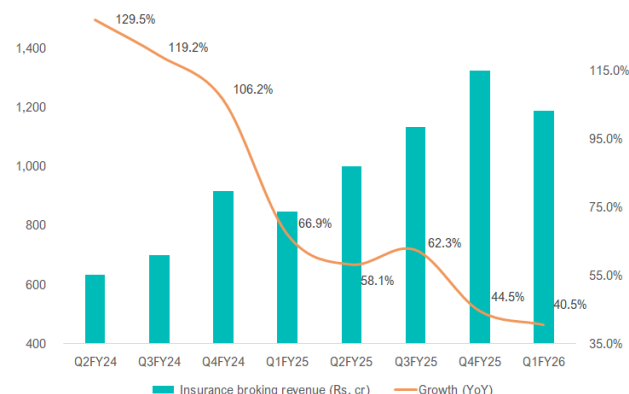
Key concall highlights

- **Business scale and growth:** The company has grown significantly since going public, with operating revenue increasing six-fold from Rs. 890cr to Rs. 4,977cr. This scale and growth trajectory are crucial for understanding the company's current position and future potential.
- **Customer satisfaction (CSAT):** The company reports high customer satisfaction, with a CSAT score of 92.1%, which is revalidating. This indicates a strong focus on customer service quality.
- **Call center operations and AI:** There's a focus on optimising call center operations, with an emphasis on leveraging AI and technology to enhance efficiency. The company anticipates that the integration of AI will lead to headcount optimisation in the call center, suggesting that future headcount growth in this area will be less than that seen in the previous years.
- **Expansion into new assets:** The company is looking to acquire and operate 3-4 new assets, including hospitals, to expand its business. This will help in scaling up operations and increasing revenue.

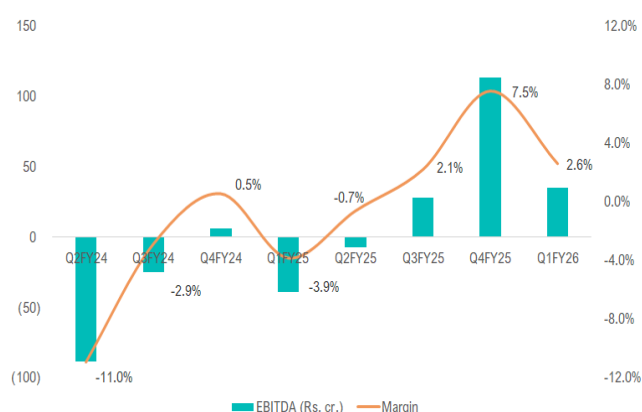
Revenue



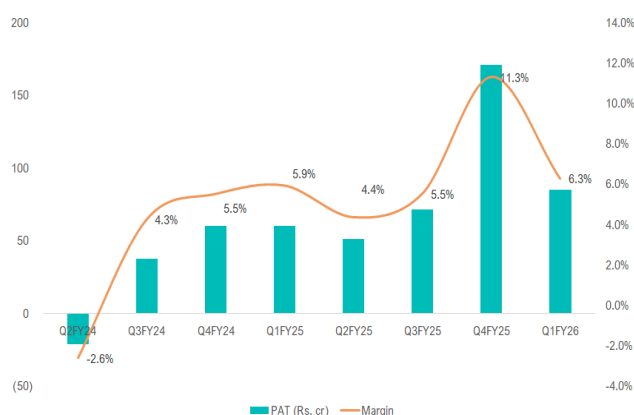
Insurance broking revenue



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	6,591	8,364	6,570	8,337	-0.3	-0.3
EBITDA	590	1,121	575	1,115	-2.5	-0.6
Margins (%)	9.0	13.4	8.8	13.4	-20bps	0bps
Adj. PAT	700	1,120	717	1,193	2.5	6.5
EPS	15.3	24.4	15.6	26.0	2.1	6.5



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	2,558	3,438	4,977	6,570	8,337
% change	79.5	34.4	44.8	32.0	26.9
EBITDA	-662	-186	94	575	1,115
% change	-26.7	-71.8	-150.3	514.3	93.7
Depreciation	64	89	122	142	160
EBIT	-725	-275	-28	434	954
Interest	21	26	34	38	44
Other Income	259	379	449	397	409
PBT	-488	77	388	793	1,319
% change	-41.4	-115.8	402.7	104.6	66.3
Tax	13	13	34	79	132
Tax Rate (%)	0.0	16.5	8.9	10.0	10.0
Reported PAT	-488	64	353	714	1,187
PAT att. to common shareholders	-487	67	353	717	1,193
Adj.*	-	-	41	-	-
Adj. PAT	-487	67	394	717	1,193
% change	-41.5	-113.7	488.3	82.1	66.3
No. of shares (cr)	44.4	45.1	45.9	45.9	45.9
Adj EPS (Rs.)	-11.0	1.5	8.6	15.6	26.0
% change	-46.1	-113.5	478.0	82.1	66.3
DPS (Rs.)	-	-	-	-	-

Cashflow

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	-424	153	475	855	1,348
Non-cash adj.	336	-159	-218	-	-546
Other adjustments	-	-	-	-	-
Changes in W.C	-210	14	-440	-348	-95
C.F. Operation	-299	9	-183	507	707
Capital exp.	-64	-63	-96	-196	-249
Change in inv.	-213	-701	-667	-256	-314
Other invest.CF	318	1,065	1,221	-	-
C.F - Investment	41	301	458	-452	-563
Issue of equity	-	-	2	-	-
Issue/repay debt	-	-	-	20	20
Dividends paid	-	-	-	-	-
Other finance.CF	-43	-57	-74	-38	-44
C.F - Finance	-43	-57	-73	-18	-24
Chg. in cash	-300	253	202	37	120
Closing Cash	763	735	793	830	950

Balance Sheet

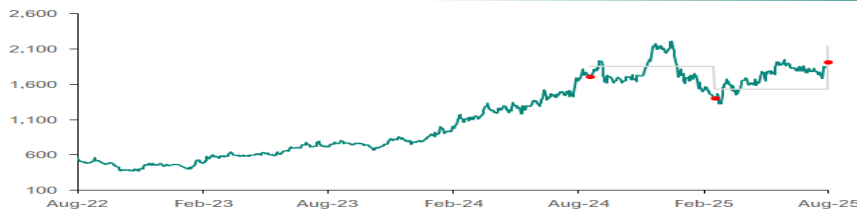
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	763	735	793	830	950
Accts. Receivable	677	651	1,000	1,117	1,251
Inventories	-	-	-	-	-
Other Cur. Assets	2,682	3,437	2,060	2,717	3,727
Investments	-	-	-	-	-
Gross Fixed As-sets	430	450	540	732	977
Net Fixed Assets	270	315	411	468	558
CWIP	-	-	-	-	-
Intangible Assets	44	43	7	5	4
Def. Tax -Net	-	-	-	-	-
Other Assets	1,819	1,547	3,258	3,302	3,358
Total Assets	6,254	6,729	7,529	8,438	9,848
Current Liabilities	518	564	705	876	1,075
Provisions	25	35	65	68	71
Debt Funds	227	253	322	342	362
Other Liabilities	-	-	-	-	-
Equity Capital	90	90	92	92	92
Res. & Surplus	5,386	5,781	6,340	7,058	8,251
Shareholder Funds	5,476	5,871	6,432	7,150	8,343
Minority Interest	9	5	6	2	-4
Total Liabilities	6,254	6,729	7,529	8,438	9,848
BVPS	123	130	140	156	182

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	n.m.	n.m.	1.9	8.8	13.4
EBIT margin (%)	n.m.	n.m.	n.m.	6.6	11.4
Net profit mgn.(%)	n.m.	1.9	7.1	10.9	14.3
ROE (%)	n.m.	1.1	5.5	10.0	14.3
ROCE (%)	n.m.	n.m.	n.m.	5.8	11.0
W.C & Liquidity					
Receivables (days)	96.7	69.1	73.3	62.1	54.8
Inventory (days)	-	-	-	-	-
Payables (days)	1153.5	957.4	963.2	251.9	255.1
Current ratio (x)	7.5	8.0	5.1	4.9	5.1
Quick ratio (x)	3.6	3.0	3.2	3.0	2.9
Turnover & Leverage					
Gross asset T.O (x)	0.0	0.0	0.0	0.0	0.0
Total asset T.O (x)	0.4	0.5	0.7	0.8	0.9
Int. covge. ratio (x)	n.m.	n.m.	n.m.	11.5	21.7
Adj. debt/equity (x)	0.0	0.0	0.1	0.0	0.0
Valuation					
EV/Sales (x)	10.9	14.6	14.6	13.3	10.5
EV/EBITDA (x)	n.m.	n.m.	774.1	151.8	78.3
P/E (x)	n.m.	757.0	185.2	122.5	73.6
P/BV (x)	5.2	8.6	11.3	12.3	10.5



Recommendation Summary - (last 3 years)



Dates	Rating	Target
06-Sep-24	HOLD	1855
06-Mar-25	HOLD	1530
20-Aug-25	Accumulate	2143

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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