



Company Background

PB Fintech is one of India's leading digital financial services platforms, operating through Policybazaar and Paisabazaar. The company has established a dominant position in online insurance distribution with over 145.7 million registered users and 67.3 million policies sold, while also expanding its presence in credit and fixed-income distribution. Supported by a scalable asset-light model, strong technology platform, and growing offline advisor network through PB Partners, PB Fintech is well positioned to benefit from India's rising insurance penetration and digital financial adoption.

Investment View

PB Fintech is poised to be among the most significant beneficiaries of India's deepening insurance penetration cycle. The company's flagship platform, Policybazaar, commands a dominant position in digital insurance distribution, while Paisabazaar provides meaningful optionality in the credit marketplace. A powerful combination of post-pandemic awareness, favourable regulation, and digital adoption has materially strengthened the earnings trajectory for the company. Policybazaar commands an overwhelming majority of India's online insurance marketplace, with 145.7 million registered users and over 67.3 million policies sold. The scale of this franchise creates a structural competitive moat that is increasingly difficult to replicate.

What We Think:

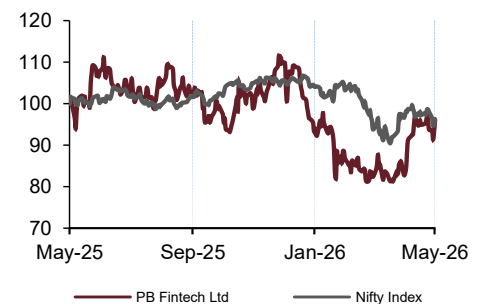
We believe PB Fintech has entered a decisive profitability inflection point with the potential for massive alpha as its "renewal flywheel" matures. The company is successfully transitioning from a high-growth customer acquisition phase to a high-margin cash-generating machine. With core insurance premiums growing at 42% YoY and renewal revenues compounding at a 43% CAGR, the business model is demonstrating exceptional unit economics. As PAT nearly doubled in FY26, we see a clear path toward management's FY30 targets, supported by an asset-light model and a dominant 90%+ share of the online market.

Rating	TP (Rs)	Up/Dn (%)
BUY	1,989	18

Market Data

Current price	Rs	1,684
Market Cap (Rs.Bn)	(Rs Bn)	779
Market Cap (US\$ Mn)	(US\$ Mn)	8,140
Face Value	Rs	2
52 Weeks High/Low	Rs	1978 / 1334.2
Average Daily Volume	('000)	1,569
BSE Code		143390
Bloomberg		POLICYBZ.IN
Source: Bloomberg		

One Year Performance



Source: Bloomberg

% Shareholding	Mar-26	Dec-25
FII	40	41
DII	31	36
Public	30	23
Total	100	100

Source: Bloomberg

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Why We Think So

The "Renewal Flywheel" and High-Margin Compounding:

Policybazaar's core online insurance premium grew 39% YoY to ₹20,390 crore in FY26, led by high-value protection products. The critical driver of future value is the renewal trail revenue, which reached ₹935 crore for the year. This revenue is highly attractive because it carries ~80% margins and requires minimal incremental cost. As new policy sales continue to outpace renewals, the platform is effectively stacking future revenue layers that ensure significantly higher income in subsequent years as the book matures.

Operating Leverage Driving Disproportionate Profit Growth:

The most important feature of the current phase is the operating leverage embedded in the model. Since distribution costs, technology infrastructure, and brand spend are largely fixed or semi-fixed, incremental premium growth flows disproportionately into profitability. This was evidenced in Q4FY26, where a 36.7% rise in revenue led to a staggering 87% surge in adjusted EBITDA. EBITDA margins improved to 10% from 7% a year earlier, reflecting the benefits of scale even as the company continues to invest in brand and hiring.

PB Partners: Capturing "Bharat" via B2B2C Expansion:

PB Partners has emerged as a critical growth engine by digitizing India's vast offline insurance market. In FY26, this vertical achieved a major milestone by reaching Adjusted EBITDA breakeven while delivering 43% YoY revenue growth. With a network of 450k+ registered advisors across 18k+ pin codes, the platform has built an extensive physical moat. This asset-light distribution allows PB Fintech to penetrate Tier 2 and Tier 3 cities without the overhead of physical branches, capturing the "Bharat" opportunity efficiently.

New Growth Avenues: Debt Market Broking:

Strategic diversification is underway with the entry into debt market broking. Having received SEBI registration to operate in the NSE's debt segment as of May 8, 2026, PB Fintech is targeting the underpenetrated retail bond market. This move leverages the company's strong brand and large customer base to expand into fixed-income distribution. While currently a small segment, it represents meaningful long-term optionality that is not yet fully reflected in market expectations.

Long-Term Target: FY30 Vision:

Management aims for ₹1 trillion in annual insurance premiums by FY30. They expect PAT as a percentage of premium to reach 3% (up from ~1.77% currently), driven by the maturing renewal base. At that run-rate, the implied PAT would be approximately ₹3,000 crore—nearly five times current levels.

Valuation:

PB Fintech offers a compelling long-term opportunity with a Target Price of ₹1,989, based on a target multiple of 45x FY28E EV/EBITDA. We believe the company is well positioned for sustained growth, supported by rising insurance penetration, expanding renewal revenues, and improving operating leverage.

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