

ONE MOBIKWIK SYSTEMS LIMITED



<p>+</p> <p>Issue Opens</p> <p>December 11, 2024</p>	<p>+</p> <p>Issue Closes</p> <p>December 13, 2024</p>	<p>+</p> <p>Total Issue Size (Rs Cr)</p> <p>572.00</p> <p><small>Including Anchor Investor Portion</small></p>	<p>+</p> <p>Price Band (Rs)</p> <p>265-279</p>
<p>+</p> <p>Face Value (Rs)</p> <p>2</p>	<p>+</p> <p>Lot size (No. of units)</p> <p>53</p>	<p>+</p> <p>Listing at</p> <p>BSE, NSE</p>	<p>+</p> <p>Issue Type</p> <p>Book Building</p>

Tentative Timetable

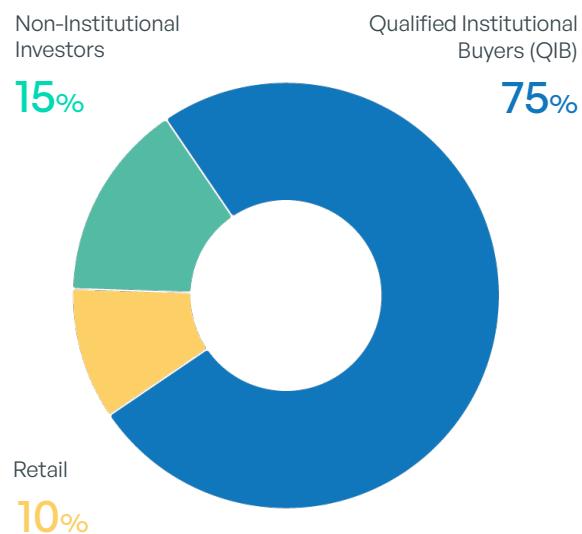
Basis of Allotment Date	December 16, 2024
Initiation of Refunds	December 17, 2024
Credit of Shares to Demat Account	December 17, 2024
IPO Listing Date	December 18, 2024

Application Structure

Application	Lot	Shares	Amount
Retail (Min)	1	53	14,787
Retail (Max)	13	689	1,92,231

Book Running Lead Managers

SBI Capital Markets Limited
DAM Capital Advisors Limited



Registrar

Link Intime India Private Limited

Company Background

One MobiKwik Systems is India's leading digital banking platform, offering a wide range of financial products for both consumers and merchants, including payments, digital credit, and investments. As a technology-first company, the company leverages big data analytics and deep data science (including machine learning) to continuously delight users and merchants on its platform. The company's mission is to build world-class financial products for Bharat. The company has the fourth highest user base in India in terms of total registered users on the platform.

The company operates a two-sided payments network connecting consumers and merchants, focusing on payment services and financial services. Payment services include solutions like One MobiKwik Wallet, UPI, credit/debit cards, and ZIP for utility payments, money transfers, and merchant transactions via QR codes, soundboxes, and EDC devices, generating revenue through merchant fees and user convenience fees. Financial services provide credit products such as ZIP (pay-later), ZIP EMI (personal loans), and merchant cash advances, earning revenue from activation fees, late payment charges, and collection fees. Additionally, One MobiKwik offers FDs, insurance, mutual funds, digital gold, and personal finance management through Lens.ai.

The company has acquired 161.03 million registered users and enabled 4.26 million merchants to make and accept payments online and offline as of June 30, 2024. The usefulness of the platform for new and existing consumers increases as the company adds newer products to digital credit, investments, and insurance verticals. As the company continues to expand the portfolio of products under these verticals, the company believes it can transform the platform into an increasingly compelling offering for consumers while simultaneously enhancing its profitability and value.

Objects of the Issue

The company proposes utilizing the Net Proceeds of the Fresh Issue towards funding the following objects:

- Funding organic growth in financial and payment services business.
- Capital expenditure for payment devices business.
- Research and development in data, ML and AI and product and technology.
- General corporate purposes.

Strengths

- The company has established a legacy of providing a positive and sustainable consumer experience.
- It has acquired a large, engaged consumer base with a low customer acquisition cost (CAC).
- The company efficiently manages the operations of the loan products it distributes.
- Trust in the company's brand has been a key driver of growth.
- A technology and product-first approach to business is central to the company's operations.

Risks

- The company's operations are subject to RBI regulation, and any adverse actions from the RBI could impact its business.
- Security breaches or failure to protect sensitive data could damage the company's reputation and affect its operations.
- The company relies on Lending Partners for its Financial Services, and failure to maintain these partnerships could adversely affect its business.
- Failure to obtain or renew necessary permits and approvals could negatively impact the company's operations and financial condition.
- The company's financial services revenue is significantly dependent on MobiKwik ZIP and ZIP EMI products, and any failure to scale these products could adversely affect results.

Profit and Loss

Particulars	For the year/period ended (in Rs Mn)			
	Q1FY25	FY24	FY23	FY22
Revenue from Operation	3,422.67	8,750.03	5,394.67	5,265.65
Other Income	35.62	153.12	216.49	166.54
Total Income	3,458.29	8,903.15	5,611.16	5,432.19
EBITDA	22.30	372.20	-559.20	-1154.06
EBITDA Margin (%)	0.64	4.18	-9.97	-21.24
Profit Before Tax	-63.47	140.80	-806.26	-1284.18
Tax	2.68	0.01	31.88	-2.56
Profit After Tax	-66.15	140.79	-838.14	-1281.62

CA & CL Key Parameters

Particulars	For the year/period ended (in Rs Mn)			
	Q1FY25	FY24	FY23	FY22
Current Assets				
Trade receivables	1,091.96	810.89	758.53	294.39
Cash and cash equivalents	4,059.88	3,874.88	3,616.93	3,841.54
Other current assets	442.96	463.83	295.96	191.36
Current Liabilities				
Trade Payables	2,319.53	2,270.68	1,178.33	747.94
Other financial Liabilities	2,817.21	2,234.13	2,299.62	3,725.04

Debt Matrices

Particulars	For the year/period ended (in Rs Mn)			
	Q1FY25	FY24	FY23	FY22
Long Term Borrowing	308.97	423.49	224.96	-
Short Term Borrowing	1,754.39	1,693.50	1,697.77	1,509.14
TOTAL	2,063.36	2,116.99	1,922.73	1,509.14

Cash Flows

Particulars	For the year/period ended (in Rs Mn)			
	Q1FY25	FY24	FY23	FY22
CFO	135.04	-220.66	270.13	-3,205.86
CFI	-113.41	270.63	-6.78	-847.72
COFF	-145.70	34.85	179.68	3,294.16

Our View

The financial services space in India is highly underpenetrated (across segments including lending, insurance, and mutual funds), which represents a big opportunity for a technology-first companies to capture a large market share. Digital payments are on a growth trajectory, and in FY28 the expected volume of

digital transactions are projected to be in the range of USD 500-550 Billion, with an estimated value of USD 60-70 Trillion. Traditional market players usually serve the 20-25 million affluent and 90-100 million well-off individuals in the country. However, there exists a substantial untapped market of more than 500 million individuals in “middle India population”, who are not actively addressed by the traditional market players. Among these, 120-130 million individuals are credit active, presenting a considerable opportunity. Additionally, there are more than 400 million consumers who are not currently engaged in credit activities but require access to financial products. One Mobikwik Systems being one of the leading digital banking platform with robust customer base, aims for sustained growth and market dominance, through strategic focus centres on the expansion and refinement of existing business segments. The company also plans to expand it’s product portfolio in existing business lines. Investors looking to invest can invest in the IPO for the long term.

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Name of Research Analyst

Manjyot Singh Bhasin

MASTER CAPITAL SERVICES LTD.

Regd. Office: A-852-A, Basement, Sushant Lok, Phase-I, Gurugram, Haryana-122002;
Corp Office: 1012, 10th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi-110001
CIN: U67190HR1994PLC076366, Member of NSE, BSE, MSEI, MCX, NCDEX & ICEX. SEBI Regn No. IN2000210539.
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