

One Mobikwik Systems Ltd

IPO Note



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Empowering Financial Inclusion, Driving Digital Innovation

One Mobikwik Systems Ltd. (OMSL) operates as a platform business, managing a two-sided payments network that connects consumers and merchants. As of June 30, 2024, the company has acquired 161.03 million registered users and onboarded 4.26 million merchants to facilitate payments both online and offline. OMSL enhances the utility of its platform by continuously introducing new products across digital credit, investments, and insurance verticals. By expanding its portfolio in these areas, the company aims to transform its platform into a more compelling solution for consumers, driving both profitability and value creation. For the fiscal year ending March 31, 2024, OMSL reported a profit of ₹14.08 crore. Its overarching goal is to leverage technology to promote financial inclusion, particularly among India's underserved populations.

OMSL's commitment to growth is reflected in its focus on frugal, digital-first innovations, offering a scalable product portfolio while maintaining one of the lowest employee cost-to-revenue ratios among digital financial platforms in FY23. The company's payment GMV grew at a CAGR of 45.88%, while Mobikwik ZIP GMV (disbursements) witnessed a CAGR of 112.16% between FY22 and FY24. Its core focus areas include payments, consumer credit, investments, and insurance. Notably, it has introduced co-branded credit cards backed by fixed deposits, showcasing its innovative approach to financial services.

The financial services sector in India remains significantly underpenetrated across various segments, including lending, insurance, and mutual funds, presenting a substantial growth opportunity for a technology-driven company like Mobikwik to capture a sizable market share.

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E	EV/EBITDA
FY22	527	-41	-128	-7.84	-24.34	-16.43	27.76	-59.19	259.85	-16.98	-47.06
FY23	539	32	-84	5.94	-15.54	-10.75	18.29	-58.74	-103.80	-25.96	62.66
FY24	875	55	14	6.24	1.61	1.81	20.84	8.66	-380.67	154.57	36.66

Source: Ventura Research & Company update

Industry	Fintech
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Scrip Details

Listing	BSE & NSE
Open Date	Dec 11, 2024
Close Date	Dec 13, 2024
Price Band	INR 265 – 279
Face Value	INR 2
Market Lot	53 Shares
Minimum Lot	1

Issue Structure (%)

Issue Size (INR cr)	INR 572
Issue Size (Shares)	20,501,792
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≤ 10%
Pre Issue sh. (cr)	5.72
Post Issue sh. (cr)	7.77
Post Issue Market Cap (cr)	2,176

Shareholding (%)	Pre (%)	Post (%)
Promoter	32.96	25.18
Public	58.54	74.82
TOTAL	100	100

Issue Structure and Offer Details

One Mobikwik Systems Ltd IPO is a book built issue of INR 572 cr. The issue is entirely a fresh issue of 2.05 cr shares aggregating to INR 572 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not Less than 75% of the Net Issue
NII (HNI)	Not more than 10% of the Net Issue
Retail	Not more than 15% of the Net Issue

Number of shares based on a higher price band of INR 279

Source: Company Reports

Objects of the Issue

The Company proposes to utilize the Net Proceeds towards the following objects:

1. Funding organic growth in our financial services business: INR 150 cr
2. Funding organic growth in our payment services business: INR 135 cr
3. Research and development in data, ML and AI and product and technology : INR 107 cr
4. Capital expenditure for payment devices business: INR 70 cr
5. General corporate purposes

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	526.6	539.5	875.0	Adjusted EPS (INR)	(16.4)	(10.7)	1.8
<i>YoY Growth (%)</i>	<i>82.5</i>	<i>2.5</i>	<i>62.2</i>	Adjusted Cash EPS (INR)	(16.2)	(10.2)	2.4
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	27.8	18.3	20.8
<i>RM Cost to Sales (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	Adjusted CFO per share (INR)	(41.1)	3.5	(2.8)
Employee Cost	107.2	98.2	116.0	CFO Yield (%)	(14.7)	1.2	(1.0)
<i>Employee Cost to Sales (%)</i>	<i>20.4</i>	<i>18.2</i>	<i>13.3</i>	Adjusted FCF per share (INR)	(28.5)	20.6	3.1
Other Expenses	460.6	409.2	704.5	FCF Yield (%)	(10.2)	7.4	1.1
<i>Other Exp to Sales (%)</i>	<i>87.5</i>	<i>75.9</i>	<i>80.5</i>	Solvency Ratio (X)			
EBITDA	(41.3)	32.0	54.6	Total Debt to Equity	0.7	1.3	1.3
<i>Margin (%)</i>	<i>(7.8)</i>	<i>5.9</i>	<i>6.2</i>	Net Debt to Equity	(1.1)	(1.2)	(1.1)
<i>YoY Growth (%)</i>	<i>(27.7)</i>	<i>(177.6)</i>	<i>70.4</i>	Net Debt to EBITDA	5.6	(5.3)	(3.2)
Depreciation & Amortization	2.1	4.3	4.3	Return Ratios (%)			
EBIT	(43.4)	27.7	50.2	Return on Equity	(59.2)	(58.7)	8.7
<i>Margin (%)</i>	<i>(8.2)</i>	<i>5.1</i>	<i>5.7</i>	Return on Capital Employed	(11.8)	8.6	13.4
<i>YoY Growth (%)</i>	<i>(25.8)</i>	<i>(163.9)</i>	<i>81.1</i>	Return on Invested Capital	259.9	(103.8)	(380.7)
Other Income	16.7	21.6	15.3	Working Capital Ratios			
Bill discounting & other charges	101.7	130.0	51.5	Payable Days (Nos)	52	80	95
Fin Charges Coverage (X)	(0.4)	0.2	1.0	Inventory Days (Nos)	0	0	0
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	20	51	34
PBT	(128.4)	(80.6)	14.1	Net Working Capital Days (Nos)	-31	-28	-61
<i>Margin (%)</i>	<i>(24.4)</i>	<i>(14.9)</i>	<i>1.6</i>	Net Working Capital to Sales (%)	(8.6)	(7.8)	(16.7)
<i>YoY Growth (%)</i>	<i>16.5</i>	<i>(37.2)</i>	<i>(117.5)</i>	Valuation (X)			
Tax Expense	(0.3)	3.2	0.0	P/E	(17.0)	(26.0)	154.6
<i>Tax Rate (%)</i>	<i>0.2</i>	<i>(4.0)</i>	<i>0.0</i>	P/BV	10.0	15.3	13.4
PAT	(128.2)	(83.8)	14.1	EV/EBITDA	(47.1)	62.7	36.7
<i>Margin (%)</i>	<i>(24.3)</i>	<i>(15.5)</i>	<i>1.6</i>	EV/Sales	3.7	3.7	2.3
<i>YoY Growth (%)</i>	<i>15.2</i>	<i>(34.6)</i>	<i>(116.8)</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	(0.0)	PBT	(128.4)	(80.6)	14.1
Net Profit	(128.2)	(83.8)	14.1	Adjustments	(194.1)	114.2	(140.1)
<i>Margin (%)</i>	<i>(24.3)</i>	<i>(15.5)</i>	<i>1.6</i>	Change in Working Capital	1.7	(3.4)	104.0
<i>YoY Growth (%)</i>	<i>15.2</i>	<i>(34.6)</i>	<i>(116.8)</i>	Less: Tax Paid	0.3	(3.2)	(0.0)
Balance Sheet				Cash Flow from Operations	(320.6)	27.0	(22.1)
Share Capital	11.4	11.4	11.4	Net Capital Expenditure	(3.3)	(1.5)	(5.6)
Total Reserves	205.1	131.3	151.2	Change in Investments	(81.4)	0.8	32.6
Shareholders Fund	216.5	142.7	162.6	Cash Flow from Investing	(84.8)	(0.7)	27.1
Long Term Borrowings	0.0	22.5	42.3	Change in Borrowings	109.7	148.0	55.0
Deferred Tax Assets / Liabilities	(3.1)	0.0	0.0	Less: Finance Cost	(101.7)	(130.0)	(51.5)
Other Long Term Liabilities	6.0	11.4	9.2	Proceeds from Equity	321.4	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	2.4	2.2	2.6	Dividend Paid	0.0	0.0	0.0
Total Liabilities	221.8	178.8	216.8	Cash flow from Financing	329.4	18.0	3.5
Net Block	9.3	14.5	15.8	Net Cash Flow	(75.9)	44.3	8.5
Capital Work in Progress	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	Opening Balance of Cash	2.3	(73.7)	(29.4)
Non Current Investments	1.0	1.6	4.6	Closing Balance of Cash	(73.7)	(29.4)	(20.9)
Long Term Loans & Advances	162.1	147.4	143.9				
Other Non Current Assets	1.6	0.1	0.3				
Net Current Assets	47.8	15.2	52.1				
Total Assets	221.8	178.8	216.8				

Source: Company Reports

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