



IPO INSIGHTS



CMS INFOSYSTEMS LTD

Issue Dates - Opens: 21-12-2021 | Closes: 23-12-2021

IPO Note	<ol style="list-style-type: none"> 1. Flat Growth in Sales 2. Good Growth in Operating & Net Profits 3. High Operating Margins at 18 to 24% & Net Profit Margin at 8 to 13% 4. Offer for Sale Only 5. Fair Valuation 6. Debt-Free
Rating	★★★ (GOOD)

IPO SNAPSHOT

Issue Size	₹ 1100 Crores
Issue Type	Offer For Sale
Fresh Issue	-
Offer for Sale	₹ 1100 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 205 - ₹ 216
Minimum Lot Size	69 shares
Listing On	BSE & NSE
Pre-Issue Promoter Shareholding	100%
Post-Issue Promoter Shareholding	65.59%

Registrar to the Issue

Link Intime Private Ltd

IPO SNAPSHOT – CMS Infosystems Ltd

About the Company	<ul style="list-style-type: none"> ▪ Largest Cash Management company based on number of ATM points and number of retail pick-up points as of March 31, 2021, as well as one of the largest ATM cash management companies worldwide based on number of ATM points as of March 31, 2021 ▪ Segments operated: <ul style="list-style-type: none"> • Cash Management services : end-to-end ATM replenishment services; cash pick-up and delivery; network cash management and verification services • Managed Services : include banking automation product sales, deployment and associated annual maintenance; end-to-end Brown Label deployment and managed services for banks; common control systems and software solutions, including multi-vendor software solutions and other security and automation software solutions; as well as remote monitoring for ATM • Others: end-to-end financial cards issuance and management for banks and card ▪ Personalization services ▪ Pan-India fleet of 3,965 cash vans and our network of 238 branches and offices based on the numbers as of August 31, 2021 																																										
Industry	<ul style="list-style-type: none"> ▪ The total available market for cash management (ATM cash management, RCM and DCV) product sales (including AMC), ATM managed services (managed serviced ATMs and BLAs), MVS and remote monitoring stood at ₹ 8,531 crores in FY 2021 and is estimated to reach a size of ₹ 21,412 crores in FY 2027, growing at a CAGR of 16.6%. ▪ Cash Management Services <ul style="list-style-type: none"> • 3 Mn retail touch points in FY 2021 are expected to grow to 4 Mn by FY 2027 • Of the above, 4.53 lakh organized retail points are expected to grow to 8.13 Lakhs by FY 2027 • Of the above, 1.10 lakh organized retail touch points are expected to grow to 2.24 lakh by FY 2027 ▪ The TAM for Cash Management in India is expected to increase from ₹ 27.7 billion in FY 2021 to ₹79.0 billion in FY 2027 ▪ The managed services market stands at INR 68.1 billion in FY 2021 and is expected to reach a market size of INR 170.9 billion by FY 2027, growing at a CAGR of 16.5%. 																																										
Financials (₹ in Millions)	<table border="1"> <thead> <tr> <th>Particulars</th> <th>31-3-2019</th> <th>31-3-2020</th> <th>31-3-2021</th> <th>30-9-2021</th> <th>Y-o-Y</th> <th>2-Yrs CAGR</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>11,462</td> <td>13,832</td> <td>13,061</td> <td>6,263</td> <td>-6%</td> <td>7%</td> </tr> <tr> <td>EBITDA</td> <td>2,111</td> <td>2,590</td> <td>3,094</td> <td>1,531</td> <td>19%</td> <td>21%</td> </tr> <tr> <td>EBITDA Margin</td> <td>18.4%</td> <td>18.7%</td> <td>23.7%</td> <td>24.4%</td> <td></td> <td></td> </tr> <tr> <td>PAT</td> <td>961</td> <td>1,347</td> <td>1,685</td> <td>845</td> <td>25%</td> <td>32%</td> </tr> <tr> <td>PAT Margin</td> <td>8.4%</td> <td>9.7%</td> <td>12.9%</td> <td>13.5%</td> <td></td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Debt-free 	Particulars	31-3-2019	31-3-2020	31-3-2021	30-9-2021	Y-o-Y	2-Yrs CAGR	Revenue	11,462	13,832	13,061	6,263	-6%	7%	EBITDA	2,111	2,590	3,094	1,531	19%	21%	EBITDA Margin	18.4%	18.7%	23.7%	24.4%			PAT	961	1,347	1,685	845	25%	32%	PAT Margin	8.4%	9.7%	12.9%	13.5%		
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Valuation	<ul style="list-style-type: none"> ▪ At EPS of 11.09, P/E comes at 19.5 at the upper price band ▪ Assuming 10-20% growth in EPS next year P/E can be in the range of 16 to 18 																																										
Peers	<ul style="list-style-type: none"> ▪ SIS Ltd with TTM P/E of 19.6 																																										
Promoters	<ul style="list-style-type: none"> ▪ Rakeshkumar Verma ▪ Rashmi Verma 																																										

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