



IPO INSIGHTS



Phantom Digital Effects Ltd

Issue Dates - Opens: 12-10-2022 | Closes: 14-10-2022

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|-----------------|--|
| IPO Note | <ol style="list-style-type: none"> 1. Creative VFX Studio specialized in Movies, Web-Series and Commercials 2. National and International client portfolio 3. Significant growth in revenues and margins in FY22 but seems unsustainable 4. P/E is 2x the industry and listed peer 5. Expensive Valuation |
| Rating | ★★ (Average) |

IPO SNAPSHOT

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|----------------------|--------------------------|
| Issue Size | ₹ 29.10 Crores |
| Issue Type | Fresh and Offer For Sale |
| Fresh Issue | 25.08 |
| Offer for Sale | 4.02 |
| Face Value Per Share | ₹ 10 |
| Price Band Per Share | ₹ 91 - ₹ 95 |
| Minimum Lot Size | 1200 shares |
| Listing On | NSE SME |

Registrar to the Issue

PURVA SHAREGISTRY PRIVATE LIMITED

IPO SNAPSHOT – Phantom Digital Effects Ltd.

| About the Company | <ul style="list-style-type: none"> ▪ Incorporated on January 19, 2011 ▪ Creative VFX studio specializing in Films, Web-Series and Commercials with delivered more than thousands of shots for both domestic and international projects ▪ Also take time to time sub-contracts from larger Visual Effects Studio ▪ Certified Trusted Partner Network company with presence in Canada and USA, procuring orders through agencies and providing reliable and High Quality shots at a Competitive prices ▪ Service portfolio includes services from Final Compositing and Roto to creating 3D Elements, Photo real creatures and Environments, 3D, match move, and Animations ▪ Work portfolio includes some of the most successful movies, web-series and commercials, both Domestic and International ▪ Two studios located at Chennai and Mumbai ▪ Have received several awards including VAM (2021, 2022) FICCI BAF (2020) and IAC (2019) across categories | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|--|-------------|-----------|--|-----------|-------|-------------------------|-------|------|-------|----------------|--------|------|------|------|--|---------------|-------|-------|-----|------------------|------|------|------|-------------------------|-------|-------|--------|
| Competitive Strengths | <ul style="list-style-type: none"> ▪ Well equipped with advance technology ▪ Experienced Promoters and Technically Sound Operation Team ▪ Marquee Clientele | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financials (₹ in Crores) | <table border="1"> <thead> <tr> <th>Particulars</th> <th>31-3-2020</th> <th>31-3-2021</th> <th>31-3-2022</th> <th>Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>12.94</td> <td>6.76</td> <td>22.33</td> <td>230.32%</td> </tr> <tr> <td>EBITDA</td> <td>1.29</td> <td>0.32</td> <td>7.45</td> <td rowspan="4">Significant rise, taking FY21 as base but further sustainability is uncertain</td> </tr> <tr> <td>EBITDA Margin</td> <td>9.96%</td> <td>4.73%</td> <td>33%</td> </tr> <tr> <td>Profit After Tax</td> <td>0.11</td> <td>0.07</td> <td>4.90</td> </tr> <tr> <td>Profit After Tax Margin</td> <td>0.85%</td> <td>1.03%</td> <td>21.94%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ▪ Debt to Equity = 0.47 | Particulars | 31-3-2020 | 31-3-2021 | 31-3-2022 | Y-o-Y | Revenue from Operations | 12.94 | 6.76 | 22.33 | 230.32% | EBITDA | 1.29 | 0.32 | 7.45 | Significant rise, taking FY21 as base but further sustainability is uncertain | EBITDA Margin | 9.96% | 4.73% | 33% | Profit After Tax | 0.11 | 0.07 | 4.90 | Profit After Tax Margin | 0.85% | 1.03% | 21.94% |
| Particulars | 31-3-2020 | 31-3-2021 | 31-3-2022 | Y-o-Y | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue from Operations | 12.94 | 6.76 | 22.33 | 230.32% | | | | | | | | | | | | | | | | | | | | | | | | |
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| Profit After Tax Margin | 0.85% | 1.03% | 21.94% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Valuation | <ul style="list-style-type: none"> ▪ Attributing FY22 Earnings P/E = 17.43 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Peers | <ul style="list-style-type: none"> ▪ Prime Focus Ltd - P/E = 9.40 (Based on FY22 Earnings) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Promoters | <ul style="list-style-type: none"> ▪ Mr. Bejoy Arputharaj Sam Manohar | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Objects of the issue | <ul style="list-style-type: none"> ▪ Capital Expenditure for Setting up of Studios ▪ General Corporate Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risks | <ul style="list-style-type: none"> ▪ Uncertain margins and revenue growth ▪ Lack of sustainable growth strategies ▪ Highly dependent on Top 10 clients | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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