



IPO INSIGHTS



Kfin Technologies Ltd

Issue Dates - Opens: 19-12-2022 | Closes: 21-12-2022

IPO Note	<ul style="list-style-type: none"> ▪ Leading Technology driven financial services platform providing comprehensive services and solutions to the capital markets ecosystem including Asset Managers and Corporate Issuers across asset-classes in India ▪ Marquee Clientele such as Nippon Life AMC, Reliance Industries, Happiest Minds Technologies, Computershare Inc, Kotak Mahindra Bank, etc ▪ Asset-Light Business Model ▪ Fully-Priced ▪ Offer for Sale Only
Rating	★★★★ (GOOD)

IPO SNAPSHOT

Issue Size	₹ 1500 Crores
Issue Type	Offer for sale
Offer for Sale	₹ 1500 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 347 - ₹ 366
Minimum Lot Size	40 shares
Listing On	BSE, NSE
Pre-Issue Promoter Holding	74.37%
Post-Issue Promoter Holding	71.74%
Registrar to the Issue	Bigshare Services Private Ltd

IPO SNAPSHOT – Kfin Technologies Ltd

About the Company	<ul style="list-style-type: none"> ▪ Incorporated On June 8, 2017 ▪ Leading Technology driven financial services platform providing comprehensive services and solutions to the capital markets ecosystem including Asset Managers and Corporate Issuers across asset-classes in India ▪ Provides several investor solutions including transaction origination and processing for mutual funds and private retirement schemes in Malaysia, Philippines and Hong Kong ▪ India's Largest Investor Solutions provider to Indian Mutual Funds based on number of AMC Clients serviced as on Sept 30, 2022, providing services to 24 out of 41 AMCs. ▪ Only Investor and Issuer solutions provider in India that offers services to Asset Managers such as MFs, AIFs, Wealth Managers, Pension Funds as well as Corporate Issuers in India as on Sept 30, 2022 ▪ Servicing 301 funds of 192 asset managers representing 30% market share based on number of AIFs serviced as on Sept 30, 2022 ▪ Also serves overseas clients in South East Asia and Hong Kong ▪ One of the 3 Operating Central Record-Keeping Agencies (CRA) for NPS in India as on Sept 30, 2022 ▪ As on June 30, 2022, Out of 60 AMCs in Malaysia across wholesale funds, unit trust funds and private retirement schemes as specified in CRISIL Report, the company serviced 18 AMC clients ▪ Signed 2 new AMCs in Malaysia and 1 AMC in Singapore which is yet to commence operations as on Sept 30, 2022 ▪ Serviced 3 Clients in Philippines and Hong Kong each as on Sept 30, 2022 ▪ Some known Offerings: <ol style="list-style-type: none"> 1. Virtual Online Registry KaRISMA 2. Insider Trading Management Platform Fintraks 3. Evoting Software – E-Voting 4. A mobile based platform allowing shareholders to view their investment across Equity and Bonds – Kprism 5. IPO Bidding Platform – Pushpak 6. Video Conferencing and e-voting platform – Eagm 7. Data Security Platform – eVault ▪ For AIFs, developed AIF-In-a-Box, a solution for managers looking to launch and AIF expected to launch in 2023 ▪ Offers Platform-as-a-Service (PaaS) and use technology to create platforms that eliminate manual intervention, improve accuracy of transaction processing and reduce cost by eliminating the manpower needs in conducting day to day business ▪ Acquired Hexagram and played prominent role in development of IQBOT 																														
Competitive Strengths	<ul style="list-style-type: none"> ▪ Marquee Clientele including Computershare Inc, Happiest Minds Technologies, Kotak Mahindra Bank, HUL, Bharti Airtel, Reliance Industries, Infosys, Wipro, Nippon Life AMC, etc ▪ Scaled Platform of Strong Track Record and Market Leadership ▪ Diverse Multi-Asset Servicing Platform ▪ Well-Positioned to benefit from Strong growth across large markets in India and South-East Asia ▪ Unique PaaS Business Model providing comprehensive end-to-end solutions powered by Technology ▪ Asset-Light Business Model with Recurring Revenue, high operating leverage, profitability and cash generation 																														
Financials (₹ in Crores)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Particulars</th> <th style="width: 15%;">31-3-2020</th> <th style="width: 15%;">31-3-2021</th> <th style="width: 15%;">31-3-2022</th> <th style="width: 15%;">Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>449.87</td> <td>481.14</td> <td>639.51</td> <td style="color: green;">32.92%</td> </tr> <tr> <td>EBITDA as stated</td> <td>164.02</td> <td>217.45</td> <td>293.91</td> <td style="color: green;">35.16 %</td> </tr> <tr> <td>EBITDA Margin</td> <td>36.03%</td> <td>44.72%</td> <td>45.52%</td> <td></td> </tr> <tr> <td>Profit After Tax as stated</td> <td>4.52</td> <td style="color: red;">(64.51)</td> <td>148.55</td> <td style="color: green;">Loss to Profit</td> </tr> <tr> <td>Profit After Tax Margin</td> <td>1.01%</td> <td style="color: red;">(-13.41)%</td> <td>23.23%</td> <td></td> </tr> </tbody> </table>	Particulars	31-3-2020	31-3-2021	31-3-2022	Y-o-Y	Revenue from Operations	449.87	481.14	639.51	32.92%	EBITDA as stated	164.02	217.45	293.91	35.16 %	EBITDA Margin	36.03%	44.72%	45.52%		Profit After Tax as stated	4.52	(64.51)	148.55	Loss to Profit	Profit After Tax Margin	1.01%	(-13.41)%	23.23%	
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Valuation	<ul style="list-style-type: none"> ▪ Based on Annualized FY23 Earnings, fully diluted paid up equity capital Asking P/E = 35.92 																														
Peers	<ul style="list-style-type: none"> ▪ Computer Age Management Services (CAMS) with TTM P/E = 39.37 																														
Promoters	<ul style="list-style-type: none"> ▪ General Atlantic Singapore Fund Pte Ltd 																														
Area of Concern	<ul style="list-style-type: none"> ▪ According to the management the outstanding litigations of erstwhile Karvy will not impact Kfin Technologies but before investing, investor must be aware of the same 																														

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