



IPO INSIGHTS



Global Surfaces Ltd

Issue Dates - Opens: 13-03-2023 | Closes: 15-03-2023

IPO Note	<ul style="list-style-type: none"> Engaged in the business of processing natural stones and manufacturing engineered quartz 2 Subsidiaries : Global Surfaces Inc, USA & Global Surfaces FZE, UAE Product application in Flooring, Wall-Cladding, Counter-Tops, Cut-to-Size & other items, used in both commercial and residential properties in and outside India Aggressively-Priced
Rating	★★ (AVERAGE)

IPO SNAPSHOT

Issue Size	₹ 154.98 Crores
Issue Type	Fresh Issue & Offer for Sale
Fresh Issue	₹ 119.28 Crores
Offer for Sale	₹ 35.70 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 133 - ₹ 140
Minimum Lot Size	100 shares
Pre-Issue Promoter Group Holding	99.35%
Post-Issue Promoter Group Holding	73.36%
Listing On	BSE, NSE

Registrar to the Issue

Bigshare Services Private Ltd

IPO SNAPSHOT – Global Surfaces Ltd

About the Company	<ul style="list-style-type: none"> ▪ Incorporated on August 23, 1991 ▪ Engaged in the business of processing natural stones and manufacturing engineered quartz ▪ Natural Stones are produced by complex geological processes and include a number of products such as granite, limestone, marble, slate, quartzite, onyx, sandstone, travertine and others that are quarried from the earth. ▪ Natural stones are widely known for their uniqueness, aesthetic appeal, texture, colour and composition as no two natural stones are the same ▪ Engineered Quartz is an example of engineered stone used in the countertop industry which is a composite material made of crushed stone bonded by an adhesive ▪ Globally, the natural and engineered stone (combined) market accounted for \$65,746million in 2022and is expected to reach of \$114,504million by 2032. In the year 2022, the natural stone segment accounted for a major 59% of market share with \$38,829 million while the contribution of engineered stone segment stood at \$26,917million. However, in projected years between 2022and 2027, the engineered stone is expected to grow at a higher CAGR of 6-7% as compared to natural stone which is expected to grow at a CAGR of 5-6%. This is mainly because the engineered stones are non-porous, strong, durable and stain resistant. The engineered stones are also available in various colors and designs which is making them a preferred choice.(Source: CARE Report) ▪ Global Surfaces has 2 units for processing and manufacturing of their products <ul style="list-style-type: none"> ○ Unit 1 - RIICO Industrial area, Jaipur and ○ Unit 2 - Mahindra World City, SEZ, Jaipur ▪ Products application – Flooring, Wall-Cladding, Countertops, Cut to Size and Other Items ▪ Products used in both commercial & residential properties in and outside India ▪ Focused on exporting products and have so far exported to USA, Canada, Australia and Middle-East ▪ Propose to set up new facility in Dubai, UAE for manufacturing engineered quartz – the facility will be set up through their wholly owned subsidiary Global Surfaces FZE incorporated in UAE ▪ Subsidiaries : Global Surfaces Inc, State of Delaware, USA & Global Surfaces FZE, Dubai, UAE 																														
Competitive Strengths	<ul style="list-style-type: none"> ▪ Consistent Growth ▪ Wide Product Portfolio and Multiple Designs ▪ Established Presence in International Markets ▪ Experienced and Result Oriented Promoter ▪ Synergy of Young and Experienced Management Team with Committed Employee Base ▪ Effective Quality Checks thereby Reducing Loss ▪ R&D Setup for new product development 																														
Financials (₹ in Crores)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Particulars</th> <th style="width: 15%;">Mar-2020</th> <th style="width: 15%;">Mar-2021</th> <th style="width: 15%;">Mar-2022</th> <th style="width: 20%;">Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>163.29</td> <td>175.37</td> <td>190.31</td> <td style="color: green;">8.52%</td> </tr> <tr> <td>EBITDA as stated</td> <td>40.32</td> <td>47.43</td> <td>41.80</td> <td style="color: red;">-11.87%</td> </tr> <tr> <td>EBITDA Margin</td> <td>24.69%</td> <td>27.05%</td> <td>21.97%</td> <td></td> </tr> <tr> <td>Profit After Tax as stated</td> <td>20.96</td> <td>33.93</td> <td>35.63</td> <td style="color: green;">5.01%</td> </tr> <tr> <td>PAT Margin</td> <td>12.84%</td> <td>19.35%</td> <td>18.72%</td> <td></td> </tr> </tbody> </table> <p>Debt to Equity = 0.34 (as on Sept 30, 2022)</p>	Particulars	Mar-2020	Mar-2021	Mar-2022	Y-o-Y	Revenue from Operations	163.29	175.37	190.31	8.52%	EBITDA as stated	40.32	47.43	41.80	-11.87%	EBITDA Margin	24.69%	27.05%	21.97%		Profit After Tax as stated	20.96	33.93	35.63	5.01%	PAT Margin	12.84%	19.35%	18.72%	
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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 = 21.8 																														
Peer Comparison	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Name of the Company</th> <th style="width: 40%;">TTM P/E</th> </tr> </thead> <tbody> <tr> <td>Pokarna Limited</td> <td>29.53</td> </tr> </tbody> </table>	Name of the Company	TTM P/E	Pokarna Limited	29.53																										
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Promoters	<ul style="list-style-type: none"> ▪ Mayank Shah 																														
Objects	<ul style="list-style-type: none"> ▪ Investment in Global Surfaces FZE for part-financing capex requirements in relation to setting up the proposed facility ▪ General Corporate Purposes 																														
Significant Development	<ul style="list-style-type: none"> ▪ Wholly-owned subsidiary, Global Surfaces FZE has, on the basis of security provided by the Company, been sanctioned financial assistance of USD equivalent to ₹ 500 millions each from HDFC Bank and Kotak Mahindra Bank, respectively for setting up the Proposed Facility. As on January 31, 2023, ₹ 496.81 millions (includes LC of up to ₹ 341.93 millions) and ₹ 236.90 millions has been disbursed by HDFC Bank and Kotak Mahindra Bank respectively towards the same. 																														

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