

IPO Note: C.E. Info Systems Ltd.

Industry: Digital Maps

Reco: Subscribe

Date: December 08, 2021

Issue Snapshot		Issue Break up		
Company Name	C.E. Info Systems Ltd.	QIB ex Anchor	20%	2,012,789
Issue Opens	December 09, 2021 to December 13, 2021	Anchor Investor	30%	3,019,184
Price Band	Rs. 1000 to Rs. 1033	HNI	15%	1,509,592
Bid Lot	14 Equity Shares and in multiples thereof.	RII	35%	3,522,381
The Offer	Public issue of 1,00,63,945 Equity shares of Face value Rs. 2 each, (Comprising of Offer for Sale by Selling Shareholder).	Total Public	100%	10,063,945
Issue Size	Rs. 1006.4 – 1039.6 Crore			
IPO Process	100% Book Building	Equity Share Pre Issue (Nos. Cr.)	5.3	
Face Value	Rs. 2.00	OFS Share (Nos. Cr.)	1.0	
Exchanges	NSE & BSE	Equity Share Post Issue (Nos. Cr.)	5.3	
BRLM	Axis Capital Ltd, JM Financial Ltd, Kotak Mahindra Capital Company Ltd and DAM Capital Advisors Ltd	Market Cap (Rs. Cr.)	5,500.0	
Registrar	Link Intime India Private Ltd	Stake Sale by OFS	18.9%	

Objects of the Offer

Offer for Sale

The Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. (up to 4,251,044 equity shares by Rashmi Verma, up to 2,701,407 equity shares by Qualcomm Asia Pacific Pte. Ltd., up to 1,369,961 equity shares by Zenrin Co. Ltd., up to 1,741,533 equity shares by Other Selling Shareholders)

Company Highlights

- C.E. Info Systems Ltd (MapMyIndia) is data and technology products and platforms company, offering proprietary digital maps as a service (MaaS), software as a service (SaaS) and platform as a service (PaaS). As per the F&S Report, MapMyIndia is India's leading provider of advanced digital maps, geospatial software and location-based IoT technologies. Having pioneered digital mapping in India in 1995, the company has earned the market leadership position in this industry and built a strong moat by capitalizing on the early mover advantage, developing proprietary and integrated technologies, full stack product offerings, continuous innovation and robust sustainable business model.
- The company provides products, platforms, application programming interfaces (APIs) and solutions across a range of digital map data, software and IoT for the Indian market under the (MapMyIndia) brand, and for the international market under the (Mappls) brand.
- As of September 30, 2021, MapMyIndia has serviced over 2,000 enterprise customers since inception. During FY21 and H1FY22, the company had over 500 customers on the SaaS, PaaS and MaaS platforms. The customers include marquee and renowned global tech giants, new-age consumer internet technology companies, leading automotive manufacturers, large businesses across industry segments such as BFSI, telecom, FMCG, industrials, logistics and transportation, and key government organisations. Some of the customers include PhonePe, Flipkart, Yulu, HDFC Bank, Airtel, Hyundai, MG Motor, Avis, Safexpress and Goods and Service Tax Network (GSTN).
- Currently, the digital map data provides location, navigation, analytics and other information for 7,933 towns, 6,37,472 villages, 17.79 million places across many categories such as restaurants, retail shops, malls, ATMs, hotels, police stations, electric vehicle charging stations etc., and 14.51 million house or building addresses. The AI-powered, 4-dimensional (4D), high-definition (HD), information-rich (IR), multi-lingual, hyperlocal digital map twin digitally and geospatially represents the dynamically changing real world in near real time. The 'RealView' maps provide actual roadside and on-ground views based on over 400 million geo-referenced photos, videos and 360-degree panoramas across India. Although the core business focuses on the Indian market, the geospatial software and location-based IoT platforms, products, APIs and solutions are geography and data agnostic, enabling them to offer global solutions.

- MapMyIndia derives majority of the revenue from B2B and B2B2C enterprise customers. The business model is to charge the customer fees per period based on per vehicle, per asset, per transaction, per use case or per user basis, as applicable. These take the form of subscription fees, royalties or annuities for licenses and usage rights to the proprietary digital MaaS, PaaS and SaaS offerings. Subscription fee, royalty and annuity payments together contributed over 90% of the revenue from operation for FY21 and over 93% of the revenue from operation for H1FY22.








View


- MapMyIndia pioneered digital mapping in India in 1995 and has earned its leading market position today in the B2B and B2B2C market for digital maps and location intelligence technologies and services by capitalizing on the early mover advantage, creating a niche market, developing proprietary and integrated technologies, full stack product offerings, continuous innovation and robust sustainable business model.
- As per the F&S Report, the total Indian addressable market of digital maps and location based intelligence services is expected to grow to USD 7.74 billion (Rs. 474.9 billion) in 2025 at around 15.5% CAGR from 2019 to 2025, and most of the growth would be from new projects and policies announced by the Govt that encourages domestic players of digital maps and associated solutions. The total global addressable market stood at around USD 86.55 billion (Rs. 6.4 trillion) as of 2020 and is expected to reach around USD 173.61 billion (Rs. 12.9 trillion) by 2025 growing at a CAGR (2019-2025) of 13%. (Source: F&S Report)
- Mobile navigation devices, the wide usage of 3D platforms and advanced survey technology, digital mapping etc., are the key driver for growth in the total addressable market. (Source: F&S Report) As a result of increasing awareness of the benefits of, and growing number of use cases and applications of digital maps and location intelligence technologies, the rate of adoption of digital maps and location intelligence is increasing in consumer apps, in enterprise digital transformation, in new vehicles being introduced to the market, and for existing vehicles and fleets plying on the roads.
- MapMyIndia seek to continuously enhance the scope and quality of the existing offerings to further differentiate them from the competition. The company will continue to build a deeper and broader stack of software products in a modular platform and API-driven manner to increase use cases and adoptability of the products and offerings by an ever-increasing addressable market. The company plan to increase the range of the digital maps and geospatial data products both in terms of geographical coverage, as well as in terms of features and functionalities.
- Expanding of the relationships with existing active customers will remain a key strategy going forward as the company continue to leverage the domain expertise and knowledge of emerging technology trends to drive incremental growth for the business. The company engage actively with the ecosystem of the customers, partners, technology developers and systems integrators across industry verticals, and are focused on continuing to expand the relationships with existing customers by helping them solve new problems and become more engaging, responsive and efficient. The company has a demonstrated track record of expanding their work with customers after an initial engagement.
- The company has built the technology suite to be globally usable and geography agnostic. This allows the company to offer to the global market the comprehensive suite of location-powered software for advanced mapping, navigation, GIS, geospatial analytics, AI, dash-boarding, workforce and workflow management, and IoT-enabled software and hardware solutions for N-CASE mobility, telematics, logistics and transportation.
- In terms of the valuations, on the higher price band, MapMyIndia demands a P/E multiple of 58.8x based on H1FY22 post issue fully diluted EPS and on the basis on FY21 post issue fully diluted EPS, MapMyIndia demands a P/E multiple of 92.5x. There are no listed peers of the company in India as per the RHP. Perhaps under the pre-text of first-mover, the company is trying to extract higher valuations.
- The adoption of the solutions by new age companies and start-up companies across consumer tech, last-mile delivery, shared mobility and e-commerce is helping them scale rapidly. A growing number of use cases of the products across multiple functions within organizations including sales, distribution, marketing, analytics, engineering, IT, logistics, call center and support services provides them with growth opportunities. Increased adoption of the navigation, connected, autonomous, shared and electric mobility technologies in the automotive sector, and of the IoT and telematics technologies in the mobility, transportation and logistics sectors also help in business growth. Hence, it is recommended to "SUBSCRIBE" the issue from the long term perspective.


Revenue from Operations


	FY19		FY20		FY21		H1FY22	
	Revenue (Rs. Cr)	% of Total	Revenue (Rs. Cr)	% of Total	Revenue (Rs. Cr)	% of Total	Revenue (Rs. Cr)	% of Total
Product-wise								
Map and data products	66.2	49%	88.7	60%	60.8	40%	44.9	45%
Platform and IoT products	69.1	51%	60.0	40%	91.7	60%	55.1	55%
Total for Revenue from Operations	135.3	100%	148.6	100%	152.5	100%	100.0	100%
Customer Segment-wise								
Automotive	87.7	65%	85.9	58%	67.2	44%	39.2	39%
Corporate	36.7	27%	48.9	33%	66.6	44%	53.7	54%
Government	4.4	3%	5.6	4%	14.0	9%	5.0	5%
Retail	6.5	5%	8.2	6%	4.7	3%	2.1	2%
Total for Revenue from Operations	135.3	100%	148.6	100%	152.5	100%	100.0	100%
Geography-wise								
Revenue in foreign currency	41.9	31%	53.5	36%	53.4	35%	46.4	46%
Revenue received	93.3	69%	95.2	64%	99.1	65%	53.6	54%
Total for Revenue from Operations	135.3	100%	148.6	100%	152.5	100%	100.0	100%

Competitive Product Mapping, CY 2020








OFFERINGS SOLD TO B2B & B2B2C CUSTOMERS							
							
	MapmyIndia	Google	ESRI	Trimble	Here	TomTom	MapBox
Digital Map and Geospatial Data for India *	✓	✗	✗	✗	✓	✓	✗
Digital Map and Geospatial Data for Rest of World *	P	✗	✗	✗	✓	✓	✗
Map, Location and Navigation Platforms and Products	✓	✓	P	P	✓	✓	✓
Developer APIs and SDKs	✓	✓	P	✗	P	P	P
GIS, Geo analytics and Geo-AI	✓	P	✓	P	✗	✗	✗
Location based IoT, Fleet and Workforce Automation	✓	✗	✗	P	✗	✗	✗
N-CASE Automotive & Mobility Tech	✓	P	✗	✗	P	P	P
Consumer location based apps & IoT	P	✓	✗	✗	✗	✗	✗
Location Powered Consumer Tech & Enterprise Digital Transformation	✓	P	P	P	P	P	P
Location Based Advertising	✗	✓	✗	✗	✗	✗	✓
Geospatial Positioning Infrastructure	✗	✗	✗	✓	P	✗	✗

 **Offered**

 **Not Offered**

 **Partial**

Competitive Analysis of Main Market Players, CY 2020

	TYPE	FOCUS/ STRATEGY	PRODUCTS	KEY CUSTOMERS	GEOGRAPHY
 TomTom	Public Listed Company	Consumer electronics, navigation technology	Devices, Digital Map, Software and Services	Uber, Verizon, Fiat, Volkswagen, Microsoft	Austria, Belgium, Denmark, Finland, France, Germany, Liechtenstein, Luxembourg, Monaco, Norway, Sweden, Switzerland, the Republic of Ireland, the Netherlands and the United Kingdom
 Here Technologies	Private Company	Mapping data, GPS navigation software	Devices, Digital Map, Traffic management solutions, Software and Services	BMW, Mercedes, Volkswagen	~200 countries
 MapBox	Private Company	Maps	Digital Map	New York Times, Lonely Planet, Snapchat, Xiaomi, Land Rover, Skyscanner, Booking.com	Global
 Google Maps	Public Listed Company	Map API's	Google APIs	NA	Global
 ESRI	Private Company	Geo-spatial Solutions	GIS & Mapping Products, Geo Enabled Products, Location Analytics	AT&T, Red Bull, Clearwater Seafoods	Global
 Trimble	Public Listed Company	Geo-spatial Solutions	Geospatial, Construction, Agriculture, Transportation & Logistics, Telecommunications	Warren Averett, LLC, Chesapeake Utilities Corp, Federal Emergency Management Agency	Global
 MapmyIndia Mapmy India	Private Company	Maps, Navigation Systems, Analytics	Map & Data, APIs and SDKs, GIS, Analytics and AI, IoT and Automation, Navigation	Apple Inc. Honda Motors India, Amazon.in, McDonald's, MG, PhonePe	India, Japan, USA

Financial Statement

(In Rs. Cr)	FY19	FY20	FY21	H1FY21	H1FY22
Share Capital	132.8	132.8	132.8	132.8	8.0
Net Worth	285.2	297.7	358.0	316.3	406.2
Long Term Borrowings	0.0	0.0	0.0	0.0	0.0
Other Long Term Liabilities	24.2	21.8	18.5	19.5	16.9
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities	29.9	38.3	50.4	31.1	42.9
Fixed Assets	44.3	40.5	32.8	36.8	30.2
Non Current Assets	181.6	146.1	124.8	108.0	192.3
Current Assets	157.6	171.3	269.2	222.1	243.5
Total Assets	339.3	357.8	426.9	366.9	466.0
Revenue from Operations	135.3	148.6	152.5	55.2	100.0
Revenue Growth (%)		9.9	2.6		81.3
EBITDA	25.5	29.4	51.4	11.1	45.3
EBITDA Margin (%)	18.9	19.7	33.7	20.1	45.2
Net Profit	33.6	23.2	59.4	17.9	46.8
Net Profit Margin (%)	24.8	15.6	39.0	32.4	46.8
Earnings Per Share (Rs.)	6.2	4.3	11.0	3.3	8.6
Return on Networth (%)	11.8	7.8	16.6	5.7	11.5
Net Asset Value per Share (Rs.)	54.2	56.6	68.1	60.2	76.3

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY19	FY20	FY21	H1FY21	H1FY22
Cash flow from Operations Activities	26.8	26.7	83.3	27.3	17.9
Cash flow from Investing Activities	(19.1)	(1.6)	(59.3)	(20.5)	9.3
Cash flow from Financing Activities	(4.2)	(18.8)	(5.4)	(2.7)	0.2
Net increase/(decrease) in cash and cash equivalents	3.4	6.4	18.6	4.1	27.5
Cash and cash equivalents at the beginning of the year	4.8	8.2	15.1	15.1	33.6
Cash and cash equivalents at the end of the year	8.2	15.1	33.6	18.7	61.4

Source: RHP

Comparison with listed industry peers

There are no listed companies in India that engage in a business similar to that of the Company. Accordingly, it is not possible to provide an industry comparison in relation to the Company.

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