

November 01, 2023

RESULT REPORT Q2 FY24 | Internet/Platform

CE Info Systems Ltd

Inline financial performance with robust outlook for H2FY24

Result Synopsis

CE Info Systems (MAPMYINDIA) reported inline financial performance for the quarter. Both, the sequential revenue growth and EBITDA margin were as per expectation. It reported sequential revenue growth of 1.9% QoQ (up 19.4% YoY) led by C&E Market Segment which was down 10.6% QoQ (up 15.8% YoY) and A&M Market Segment which was up 16.5% QoQ (up 23.1% YoY). There was sequential improvement in EBITDA margin (up 309 bps QoQ) led by positive operating leverage. IoT-led business EBITDA margin was at 8.2% in Q2FY24 vs 6.3% of Q1FY24 as SaaS income continues to grow.

The business outlook remains strong led by rising demand for digital mapping services and navigation solutions. It enjoys strong moat in domestic B2B digital mapping space led by diverse offerings across Map and Data; and Platform and IoT categories in key markets of a) Automotive and Mobility Tech; b) Consumer Tech and Enterprise Digital Transformation. The use cases of its digital mapping services continue to grow across industries driving business growth. The B2C Mappls application is witnessing rising traction. We estimate revenue CAGR of 39.3% over FY23-25E with average EBITDA margin of 44.4% over the period. We maintain our BUY rating on the stock with revised target price of Rs 2,625/share based on DCF methodology. The stock trades at PER of 81.3x/58.4x on FY24E/FY25E EPS.

Result Highlights

- Reported revenue of Rs 911mn (up 1.9% QoQ, up 19.4% YoY). The sequential growth was led by A&M Market Segment which was up 16.5% QoQ (up 23.1% YoY) and C&E Market Segment which was down 10.6% QoQ (up 15.8% YoY).
- Revenue Contribution of Platform & IoT stood at ~62% of total revenue (up 11.0% QoQ, 28.6% YoY) and contribution of Map & Data stood at ~38% of total revenue (down 10.4% QoQ, up 6.8% YoY).
- EBITDA margin improved by 309 bps QoQ to 45.0%, led by positive operating leverage.
- IoT-led business EBITDA margin continued to expand quarterly to 8.2% in Q2FY24 versus 6.3% of Q1FY24, due to improved product mix and operational efficiency.
- Reported PAT of Rs 336mn (up 4.8% QoQ). Net Profit Margin stood at 36.9% (up 103 bps QoQ).

Exhibit 1: Actual vs estimates

Rs mn	Actual	Estimate		% Variation	
		YES Sec	Consensus	YES Sec	Consensus
Sales	911	935	953	-2.6%	-4.4%
EBITDA	410	391	397	4.9%	3.3%
EBITDA Margin (%)	45.01%	41.82%	41.66%	319 bps	335 bps
Adjusted PAT	336	330	318	1.8%	5.7%

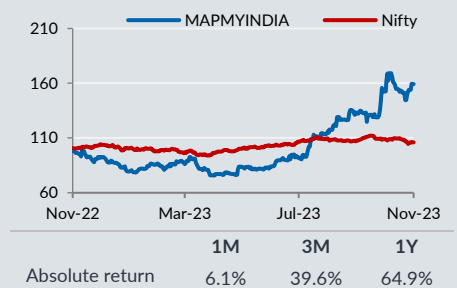
Source: Company, YES Sec

Reco	: BUY
CMP	: Rs 2,117
Target Price	: Rs 2,625
Potential Return	: + 24%

Stock data (as on November 01, 2023)

Nifty	18,986
52 Week h/l (Rs)	2275 / 984
Market cap (Rs/USD mn)	112577 / 1351
Outstanding Shares (mn)	54
6m Avg t/o (Rs mn):	247
Div yield (%):	0.3
Bloomberg code:	MAPMYIND IN
NSE code:	MAPMYINDIA

Stock performance



Shareholding pattern (As of Sep'23 end)

Promoter	52.9%
FII+DII	11.5%
Others	35.5%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	2,625	1,950

Δ in earnings estimates

	FY24E	FY25E
EPS (New)	26.4	36.8
EPS (Old)	26.9	36.7
% change	-1.9%	0.2%

Financial Summary

(Rs mn)	FY23	FY24E	FY25E
Net Revenue	2,815	3,906	5,464
YoY Growth	40.4%	38.8%	39.9%
EBIDTA	1,172	1,716	2,454
YoY Growth	38.0%	46.4%	43.0%
PAT	1,073	1,438	2,002
YoY Growth	23.2%	34.1%	39.2%
ROE	21.7%	23.6%	26.0%
EPS	20	26	37
P/E	108.9	81.3	58.4
BV	100	124	158
P/BV	21.6	17.3	13.5

PIYUSH PANDEY

Lead Analyst

piyush.pandey@ysil.in

+91 22 68850521



PARTH GHIYA, Associate

Exhibit 2: Quarterly snapshot Console: Maintains robust revenue growth momentum

Particulars(Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY%	QoQ%	H1FY24	H1FY23	YoY%
Sales	763	677	725	894	911	19.4	1.9	1,805	1,413	27.7
EBITDA	305	279	290	375	410	34.4	9.4	784	604	29.9
EBITDA %	39.9	41.2	40.0	41.9	45.0	504 bps	309 bps	43.5	42.7	74 bps
Depreciation	19	19	41	32	37	92.3	16.9	69	39	79.7
EBIT	285	259	249	343	372	30.5	8.7	715	565	26.5
EBIT Margin %	37.4	38.3	34.3	38.3	40.9	349 bps	256 bps	79	40.0	3922 bps
Other income	75	106	105	83	82	9.0	-1.2	165	139	18.7
Interest cost	6	7	9	7	7	32.1	10.4	14	12	16.5
PBT	355	358	345	419	447	25.9	6.7	866	693	25.1
Tax	101	60	60	99	111	9.7	12.8	210	197	6.6
PAT	254	298	285	321	336	32.4	4.8	657	496	32.4
NPM (%)	33.3	44.0	39.3	35.9	36.9	363 bps	103 bps	36.4	35.1	130 bps

Source: Company, YES Sec

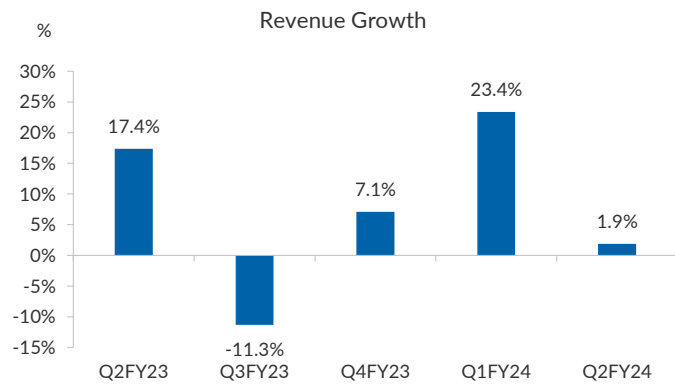
KEY CON-CALL HIGHLIGHTS

- B2C Mappls App has been receiving significant traction recently, and now has 11 Mn+ lifetime downloads, including 10 Mn+ on Android and 1 Mn+ on iOS.
- Attach rates and adoption across the spectrum of our Auto OEM NCASE solutions increased.
- The company achieved business with Defense customers, an important market segment.
- The company had multiple wins and go-lives across many industry verticals for its full range of Map-led and IoT products and solutions.
- Cash Balance including financial instrument stood at Rs 517.9 Crores at the end of Q2FY24.
- EBITDA Margin of Maps and Data segment improved from 50.2% in Q4FY23 to 54.0% in Q1FY24 and further improved to 56.4% in Q2FY24.
- Under IoT and Platform segment, devices sold and rented showed healthy growth for the first half.
- Mobility wins include expansion of business with large State Road Transport Corporation business for public transit IoT-based monitoring and consumer-facing app solution.
- H2FY24 is expected to be a better quarter due to robust order pipeline and a few opportunities in funnel that is expected to be converted in Q4FY24.
- DSO remains in the range of 60 days to 75 days. Due to increase in billings in month of September, the receivables were comparatively high.

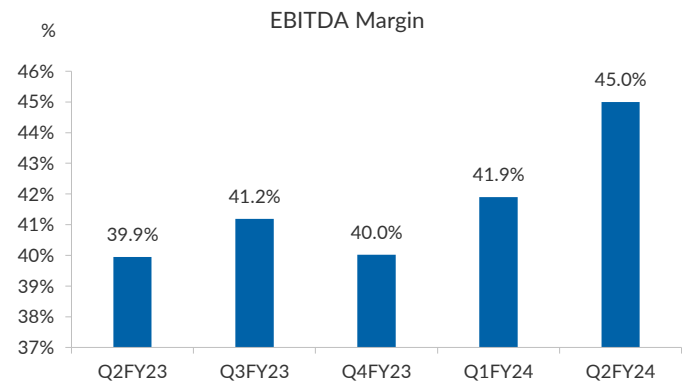
STORY IN CHARTS

Exhibit 3: Muted sequential growth in the quarter

Exhibit 4: EBITDA margin remains above 40%+



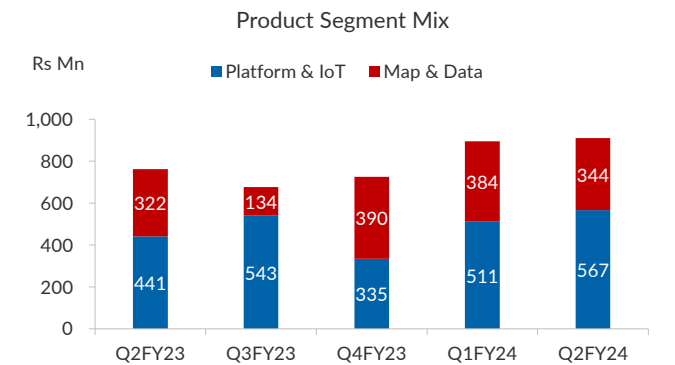
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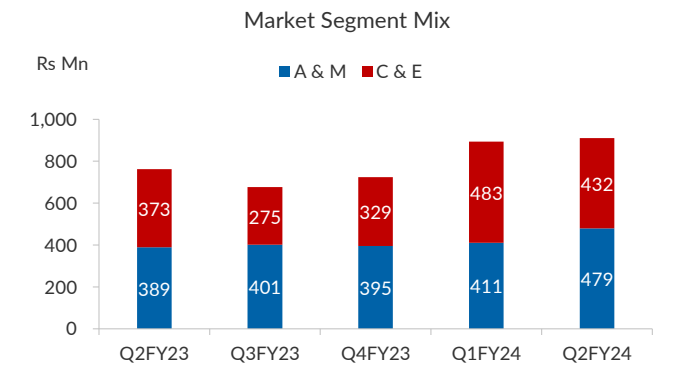
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Exhibit 5: Broadbased growth across segments

Exhibit 6: Both market segments driving growth



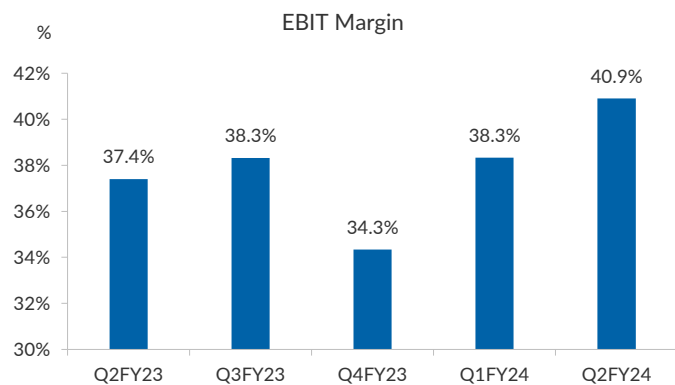
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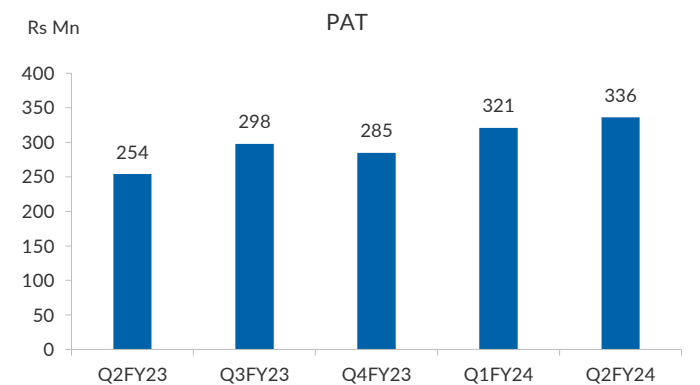
Source: Company, YES Sec

Exhibit 7: EBIT margin stays robust for the quarter

Exhibit 8: Growth in PAT as per the trend



Source: Company, YES Sec



Source: Company, YES Sec

FINANCIALS

Exhibit 9: Balance Sheet

Y/e March 31 (Rs mn)	FY20	FY21	FY22	FY23	FY24E	FY25E
Share capital	1,328	1,328	107	107	107	107
Reserves & surplus	1,649	2,249	4,353	5,314	6,642	8,519
Shareholders' funds	2,977	3,577	4,460	5,421	6,749	8,626
Non-current liabilities	218	187	173	149	156	163
Other non-current liabilities	212	184	163	134	140	147
Current liabilities	383	510	534	1,134	1,213	1,298
Other current liabilities	383	510	513	974	1,050	1,132
Total (Equity and Liabilities)	3,578	4,274	5,166	6,705	8,119	10,089
Non-current assets	1,866	1,582	2,478	2,291	3,403	5,049
Fixed assets (Net block)	325	253	314	369	393	418
Non-current Investments	1,409	1,236	1,975	1,557	1,735	1,933
Other non-current assets	132	93	189	365	1,275	2,698
Current assets	1,713	2,692	2,687	4,414	4,716	5,040
Cash & current investment	1,207	2,214	1,828	3,316	3,551	3,804
Other current assets	506	478	860	1,098	1,165	1,236
Total (Assets)	3,578	4,274	5,165	6,705	8,119	10,089

Source: Company, YES Sec

Exhibit 10: Income Statement

Y/e March 31 (Rs mn)	FY20	FY21	FY22	FY23	FY24E	FY25E
Net sales	1,486	1,525	2,004	2,815	3,906	5,464
Operating expenses	1,193	1,011	1,155	1,642	2,190	3,010
EBITDA	294	514	850	1,172	1,716	2,454
Depreciation	98	99	83	99	132	164
EBIT	196	415	767	1,073	1,584	2,290
Other income	148	398	428	348	362	429
Profit before tax	316	788	1,174	1,393	1,916	2,687
Tax (current + deferred)	(84)	(193)	(303)	(317)	(475)	(677)
Reported Profit / (Loss)	232	594	871	1,073	1,438	2,002
Adjusted net profit	232	594	871	1,073	1,438	2,002

Source: Company, YES Sec

Exhibit 11: Cash Flow Statement

Y/e March 31 (Rs mn)	FY20	FY21	FY22	FY23	FY24E	FY25E
Profit before tax	316	788	1,174	1,393	1,916	2,687
Depreciation	(98)	(99)	(83)	(99)	(132)	(164)
Change in working capital	(41)	154	(378)	223	9	11
Total tax paid	(144)	(197)	(363)	(382)	(475)	(677)
Others	(28)	(26)	(22)	(26)	(24)	(32)
Cash flow from oper. (a)	4	621	329	1,110	1,293	1,825
Capital expenditure	134	171	21	44	109	139
Change in investments	56	(484)	(424)	(637)	(320)	(343)
Others	(22)	13	(33)	(156)	(909)	(1,421)
Cash flow from inv. (b)	168	(299)	(436)	(749)	(1,120)	(1,625)
Free cash flow (a+b)	172	322	(107)	361	173	200
Equity raised/(repaid)	0	0	(1,221)	1	0	0
Debt raised/(repaid)	6	(3)	29	143	3	4
Dividend (incl. tax)	(110)	(0)	(107)	0	(110)	(125)
Others	40	31	1,336	(69)	32	29
Cash flow from fin. (c)	(64)	28	37	75	(74)	(92)
Net chg in cash (a+b+c)	108	350	(71)	437	98	108

Source: Company, YES Sec

Exhibit 12: Ratio Analysis

Y/e March 31	FY20	FY21	FY22	FY23	FY24E	FY25E
Growth(%)						
Revenue Growth	9.9	2.6	31.5	40.4	38.8	39.9
EBITDA Growth	15.1	75.1	65.2	38.0	46.4	43.0
EBIT Growth	19.7	112.0	84.8	39.9	47.6	44.6
Net Profit Growth	(30.9)	156.2	46.5	23.2	34.1	39.2
Profitability Ratios(%)						
EBITDA Margin	19.7	33.7	42.4	41.7	43.9	44.9
EBIT margin	13.2	27.2	38.3	38.1	40.6	41.9
Net Profit margin	15.6	39.0	43.4	38.1	36.8	36.6
RoA	5.6	10.6	16.3	18.1	21.4	25.2
RoE	8.0	18.1	21.7	21.7	23.6	26.0
RoCE	6.2	11.9	18.2	20.7	24.8	28.6
Liquidity Ratios						
Net debt/Equity (x)	(0.9)	(1.0)	(0.8)	(0.9)	(0.8)	(0.6)
Current ratio (x)	4.5	5.3	5.0	3.9	3.9	3.9
Quick ratio (x)	4.4	5.2	4.9	3.8	3.8	3.7
Per Share(Rs)						
EPS	4.3	10.9	16.0	19.7	26.4	36.8
BV per share	54.7	65.7	81.9	99.5	123.9	158.4
DPS	2.0	0.0	2.0	0.0	2.0	2.3
Valuation Ratios						
PER(x)	NA	NA	NA	108.9	81.3	58.4
PCE(x)	NA	NA	NA	120.0	89.5	63.6
Price/Book(x)	NA	NA	NA	21.6	17.3	13.5
EV/EBITDA(x)	NA	NA	NA	95.6	65.1	45.3

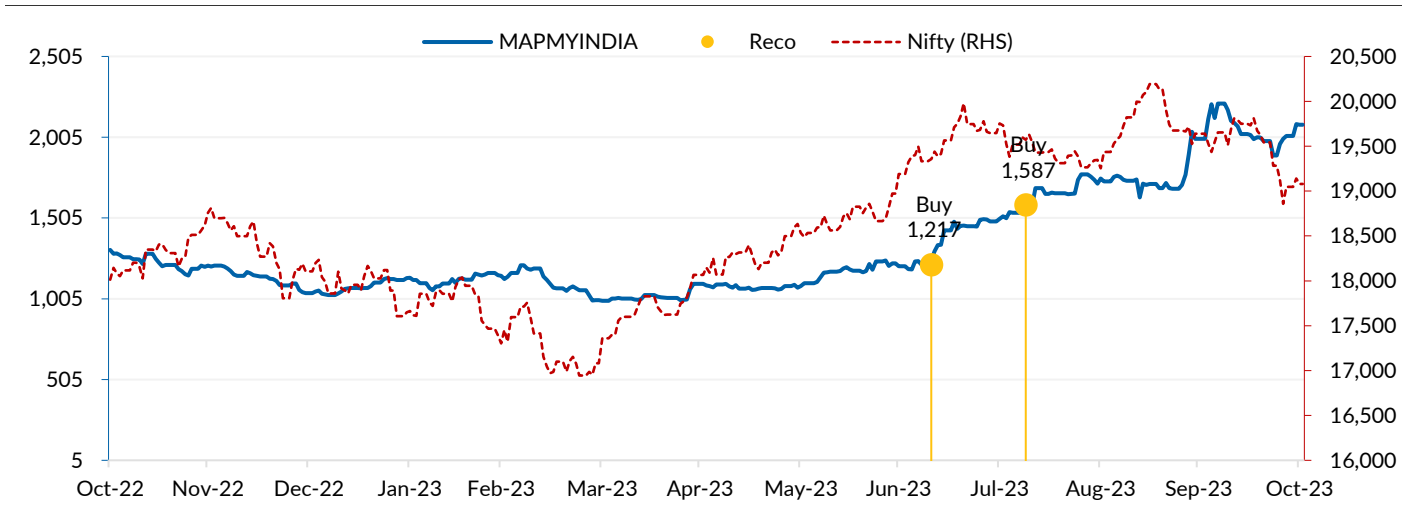
Source: Company, YES Sec

Exhibit 13: Dupont Analysis

Dupont Analysis	FY20	FY21	FY22	FY23	FY24E	FY25E
Net margin(%)	15.6	39.0	43.4	38.1	36.8	36.6
Asset turnover (x)	0.4	0.4	0.4	0.5	0.5	0.6
Leverage factor (x)	1.2	1.2	1.2	1.2	1.2	1.2
Return on Equity(%)	8.0	18.1	21.7	21.7	23.6	26.0

Source: Company, YES Sec

Recommendation Tracker



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Registered Address: 2nd Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400 055, Maharashtra, India.

Correspondence Address: 4th Floor, AFL House, Lok Bharti Complex, Marol Maroshi Road, Andheri East, Mumbai - 400059, Maharashtra, India.

☎ +91 22 68850521 | ✉ research@ysil.in
Website: www.yesinvest.in

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Details of Compliance Officer: Name: Aditya Goenka,
Email id: compliance@ysil.in, **Contact No:** 022- 65078127 (Extn: 718127)

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