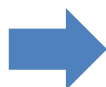


## Name of the Company



**SANSERA**  
ideas@work

### KEY IPO Highlights

**Subscription Period:**  
14<sup>th</sup> Sept., 2021 to 16<sup>th</sup> Sept., 2021

**Issue Size: 17.24 Mn Shares**  
(Aggregating up to INR 1,282.98 Cr)  
(OFS- 1,282.98 Cr)

**Price Band: INR 734 to 744**

**Lot Size: 20 Shares**

**Listing Date:**  
24/09/2021

### About the Company:

- Incorporated in 1981, manufactures complex and critical precision engineered components and caters across automotive and non-automotive sectors.
- The company manufactures and supplies a wide range of precision forged and machined components and assemblies which are critical for the two-wheeler, passenger vehicle, and commercial vehicle verticals for the automotive sector.
- For the non-automotive sector, the company manufactures and supplies a wide range of precision components for aerospace, off-road, agriculture, and other segments.
- The company mostly supplies forged & machined products to OEM's.
- For FY'21, the Automotive sector contributed 88.45% and non-automotive 11.45% of the revenue.
- The company derives around 65% of its revenue from India and the rest 35% from other countries.
- One of the major suppliers of connecting rods globally & 15 manufacturing plants across India of which 9 are in Bangalore.

### Objects of the Issue:

- To carry out the Offer for Sale of up to 17,244,328 Equity Shares by the Selling Shareholders; and achieve the benefits of listing the Equity Shares on the Stock Exchanges.

## Financial Overview (INR Million)

Particulars	Mar-21	Mar-20	Mar-19
Total Assets	19,289	18,282	17,455
Total Revenue	15,724	14,731	16,408
Profit After Tax	1,099	799	981

## P/E MULTIPLE

Sansera Engineering	36
Minda Industries	59
Motherson Sumi Systems	33
Bharat Forge	300
Sector P/E	130

## Recommendation from major brokerage houses

**SUBSCRIBE**

**AVOID**

**Neutral**

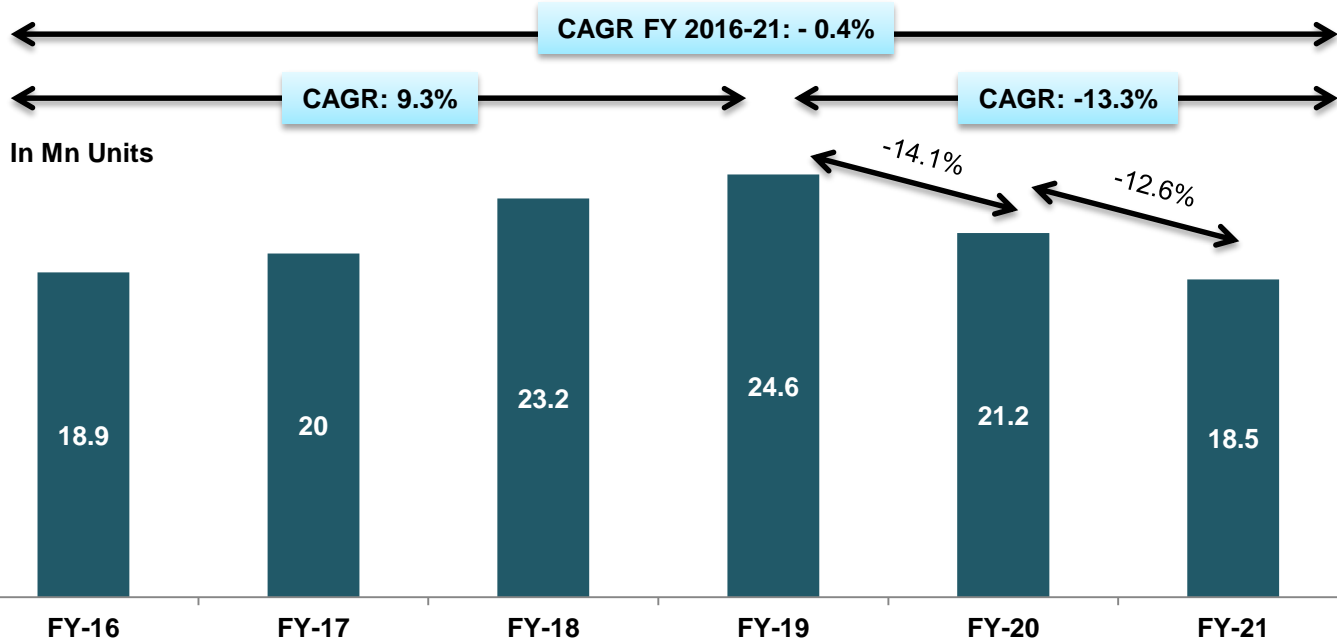


### Highlights:

- Leading supplier of complex and high-quality precision engineered components across automotive and non-automotive sectors which are poised to grow strongly.
- A well-diversified portfolio of segments, products, customers, and geography.
- Strong Engineering & Designing capabilities.
- Strong relationships with respected Indian and Global OEM's.
- Strong financial performance.
- Skilled and experienced management team.

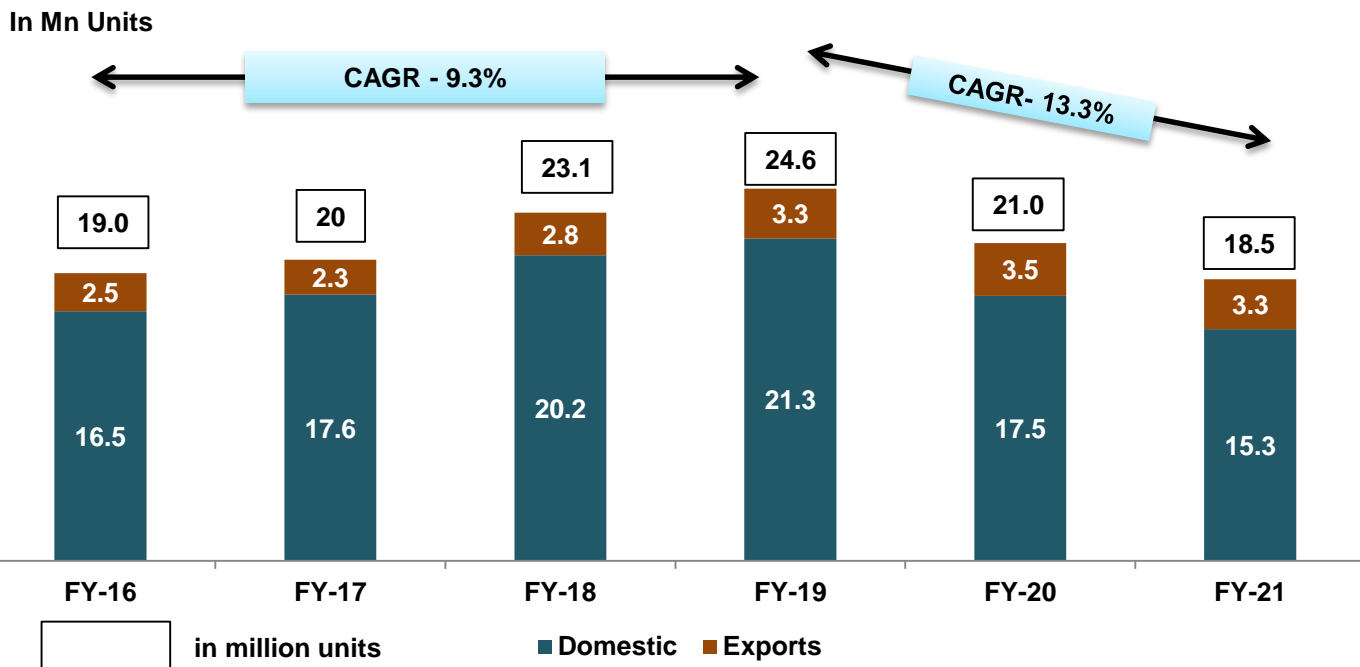
**Disclaimer:** The recommendations stated above are given by individual advisors (including Kreo Capital). Investors are advised to consult their financial advisor and do their own due diligence before subscription.

## Two-wheeler Production Volume



Source: Society of Indian Automobile Manufacturers (SIAM), Society of Manufacturers of Electric Vehicles (SMEV), CRISIL Research

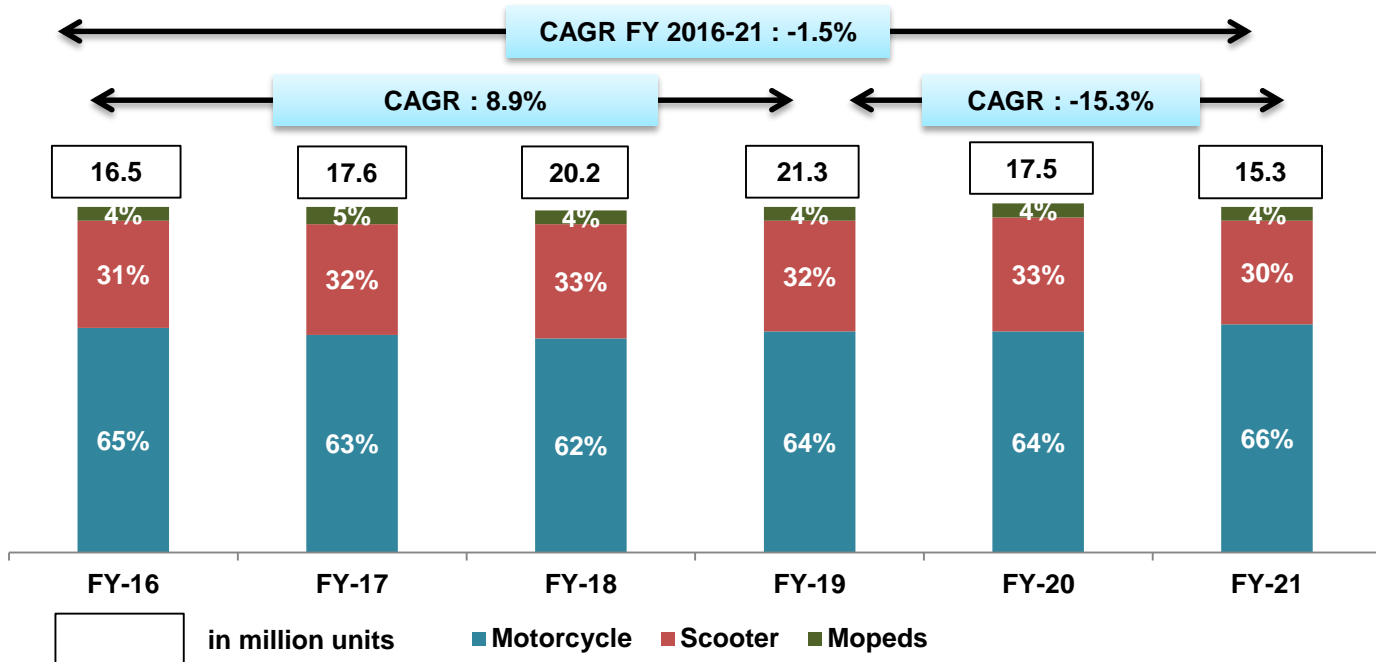
## Two-wheeler Domestic Sales and Exports Volume Break Up



Source: SIAM, SMEV, CRISIL Research

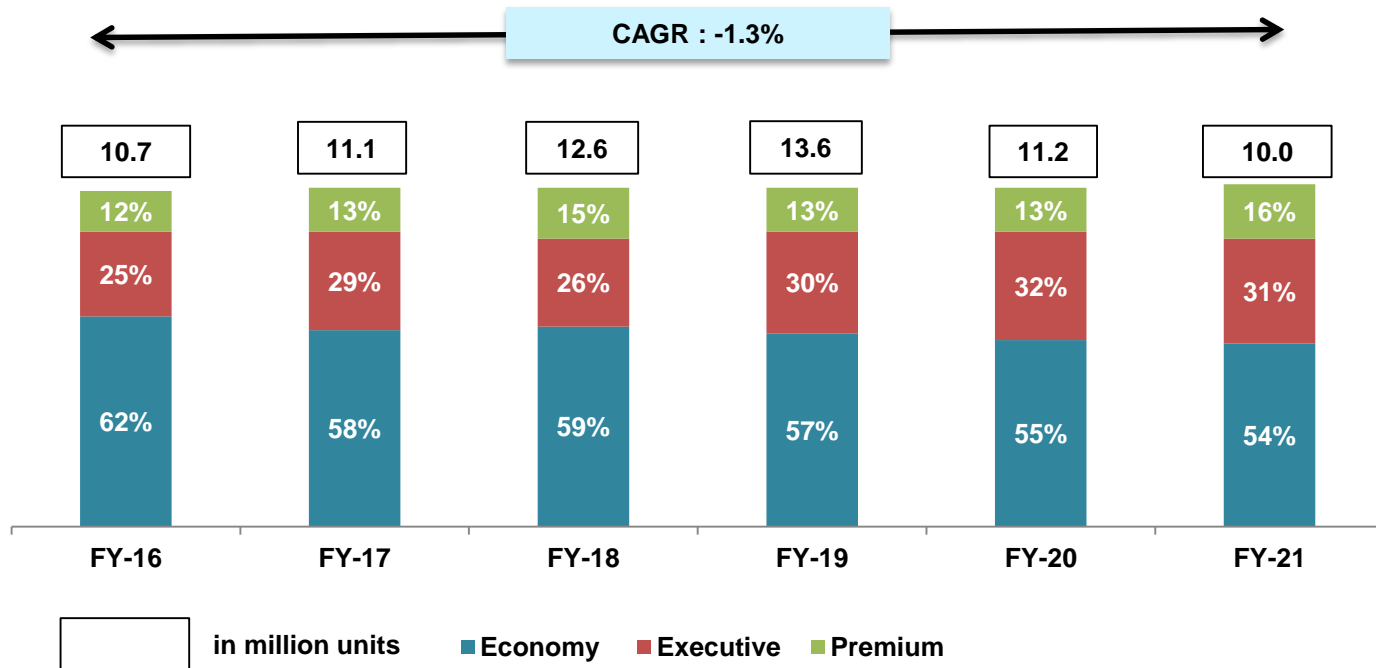
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## Segment-wise domestic two-wheeler volume share



Source: SIAM, SMEV, CRISIL Research

## Segment-wise break up of domestic motorcycle

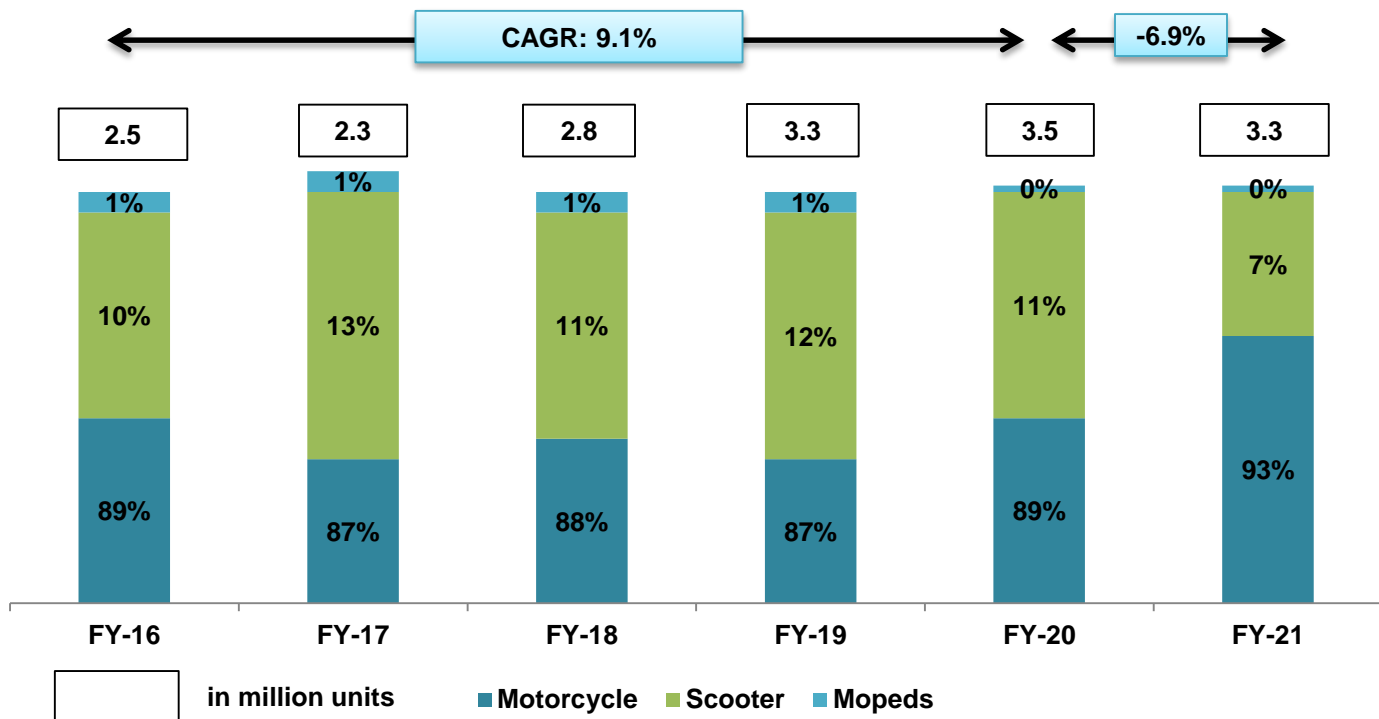


Note: Economy – Engine capacity < 110cc; Executive – Engine capacity – 110-150cc; Premium – Engine capacity > 150cc

Source: SIAM, SMEV, CRISIL Research

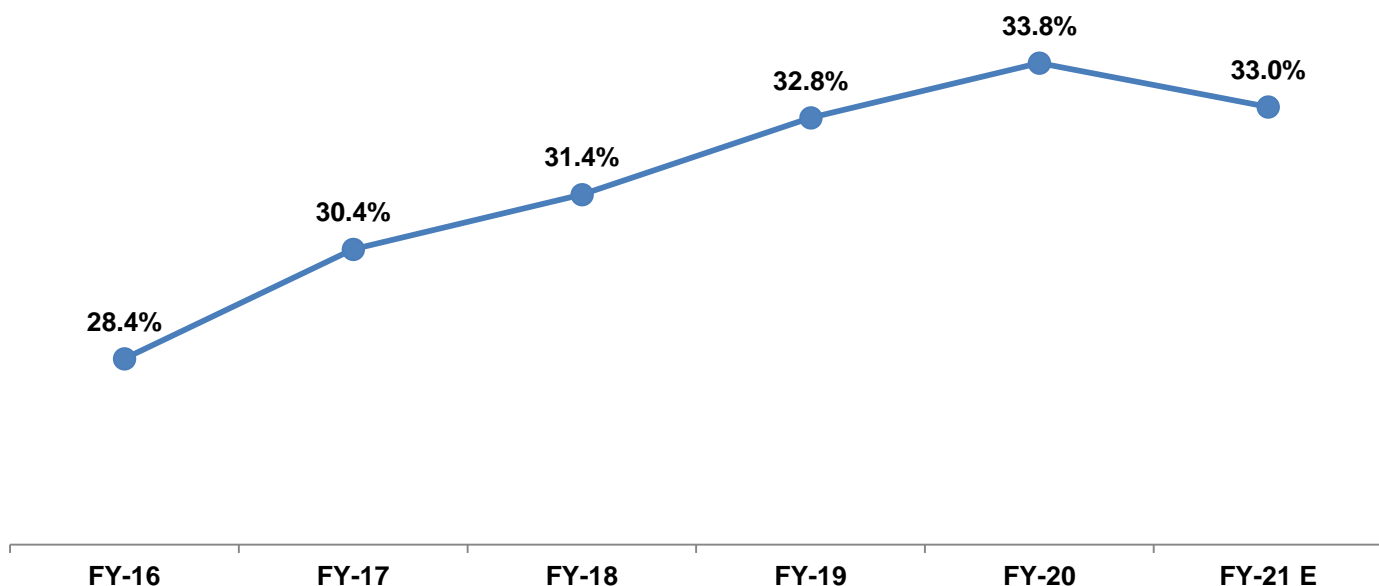
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## Two-wheeler export sales segmental volume share



Source: SIAM, SMEV, CRISIL Research

## Two-wheeler finance penetration, FY16-FY21E



Note: E – Estimated, Finance penetration indicates number of vehicles financed per 100 two wheelers sold in India

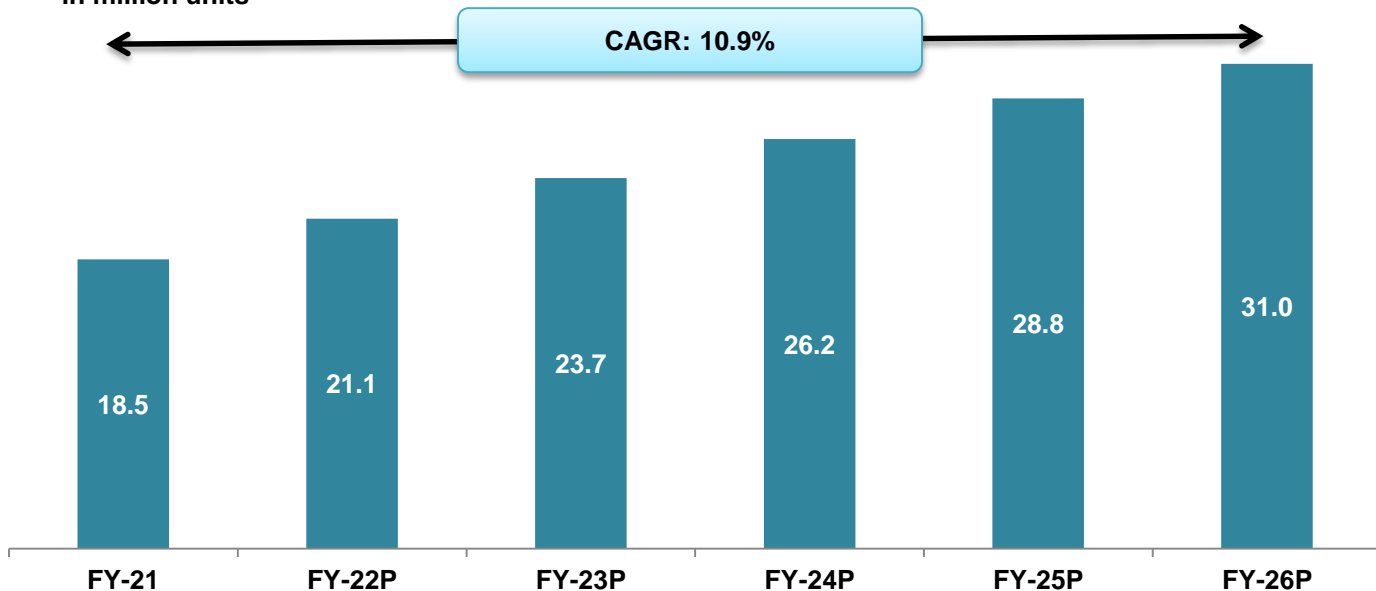
Source: CRISIL Research

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## Outlook on Indian two-wheeler industry (Fiscals 2021 – 2026P)

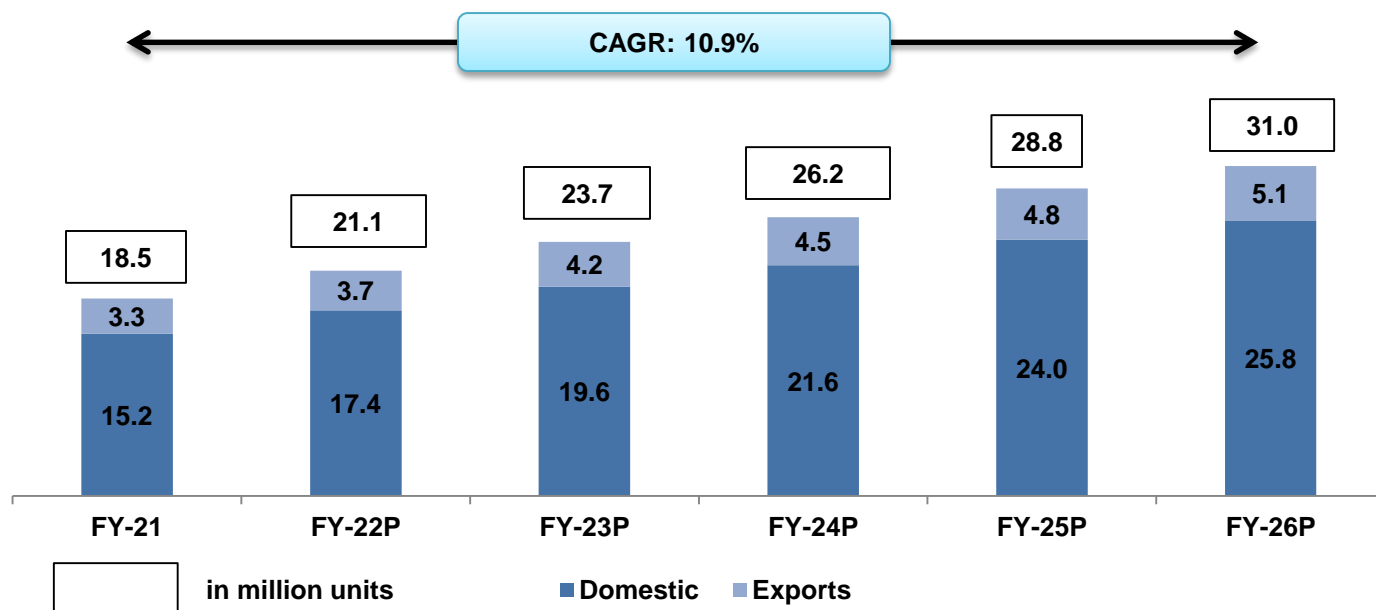
### Two-wheeler production volume outlook

in million units



### Split by domestic sales and exports

### Two-wheeler domestic and exports outlook



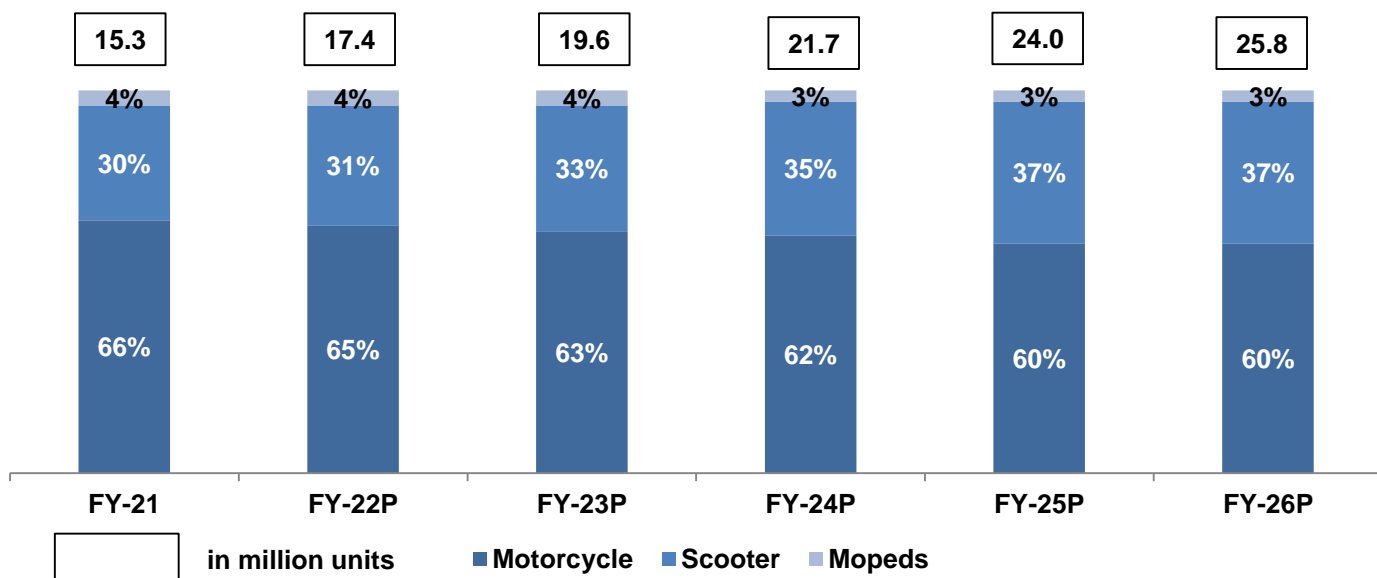
Source: SIAM, SMEV, CRISIL Research

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## Split by motorcycles, scooters and mopeds

## Two-wheeler domestic sales outlook segment-wise share

← CAGR: 11.1% →



Source: SIAM, SMEV, CRISIL Research

## Financials (Restated Consolidated)

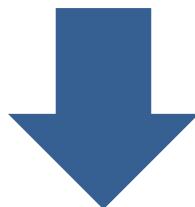
Particulars (Rs. In Million)	FY-21	FY-20	FY-19
Equity Share Capital	93.87	93.87	93.87
Other Equity	8,583.55	7,482.91	6,654.95
<b>Net Worth</b>	<b>8,774.25</b>	<b>7,673.61</b>	<b>6,845.65</b>
Total Borrowings*	5,497.49	6,367.77	5,953.63
<b>Revenue from Operations</b>	<b>15,492.71</b>	<b>14,571.70</b>	<b>16,244.30</b>
<b>EBITDA#</b>	<b>2,952.14</b>	<b>2,406.66</b>	<b>2,919.86</b>
Profit Before Tax	1,461.45	886.76	1,649.51
<b>Net Profit for the year</b>	<b>1,098.60</b>	<b>799.05</b>	<b>980.64</b>

\* Total Borrowings is calculated as the sum of (i) current borrowings, (ii) non-current borrowings, (iii) current maturities of noncurrent borrowings and (iv) accrued interest

# EBITDA is calculated as the sum of (i) Profit for the year, (ii) Total tax expenses, (iii) Depreciation and amortisation expense and (iv) Finance costs

Source: RHP

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## OPINION

*The company has a **strong portfolio, advanced manufacturing capabilities, robust track record, steady cash flow, strong global connection in light vehicle segment and commercial vehicle segment in FY-20.***

*The trend of revenue, EBITDA, PAT are at satisfactory level Y-o-Y. On the valuation front, the issue is **reasonably priced** both as compared to peers and industry.*

*However as the company is doing an 100% OFS issue, we stand as **neutral** and prefer to have a **wait & watch** approach on this IPO.*