

InCred!

<https://www.incred.com/home/>

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ABOUT THE COMPANY

InCred Group is a leading financial services firm with a presence in the areas of Financing, Investment Banking, Wealth Management, Asset Management and Institutional Equities.

InCred operates as a two-pronged entity: InCred Holdings Limited, the holding company, and its subsidiary, InCred Financial Services Limited, the actual NBFC that interacts with borrowers.

It is the parent company, established in 2011 under the name KKR Capital Markets India Limited. Following the merger with KKR India Financial Services in July 2022, it was renamed InCred Holdings.

It doesn't directly offer financial products. Instead, it serves as the financial backbone for its subsidiary, InCred Financial Services.

BUSINESS ENTITIES

InCred operates through three main business entities, each catering to a specific financial service area:

InCred Finance: offering personal loans, education loans, and SME business loans. They leverage technology and data analytics to provide these lending services.

InCred Capital: This arm deals with wealth management, investment banking, and equities.

InCred Money: This entity focuses on retail bonds and alternative investments products.

MANAGEMENT



Mr. Bhupinder Singh, Wholetime Director & CEO is the Founder of the InCred Group.

Prior to the InCred:

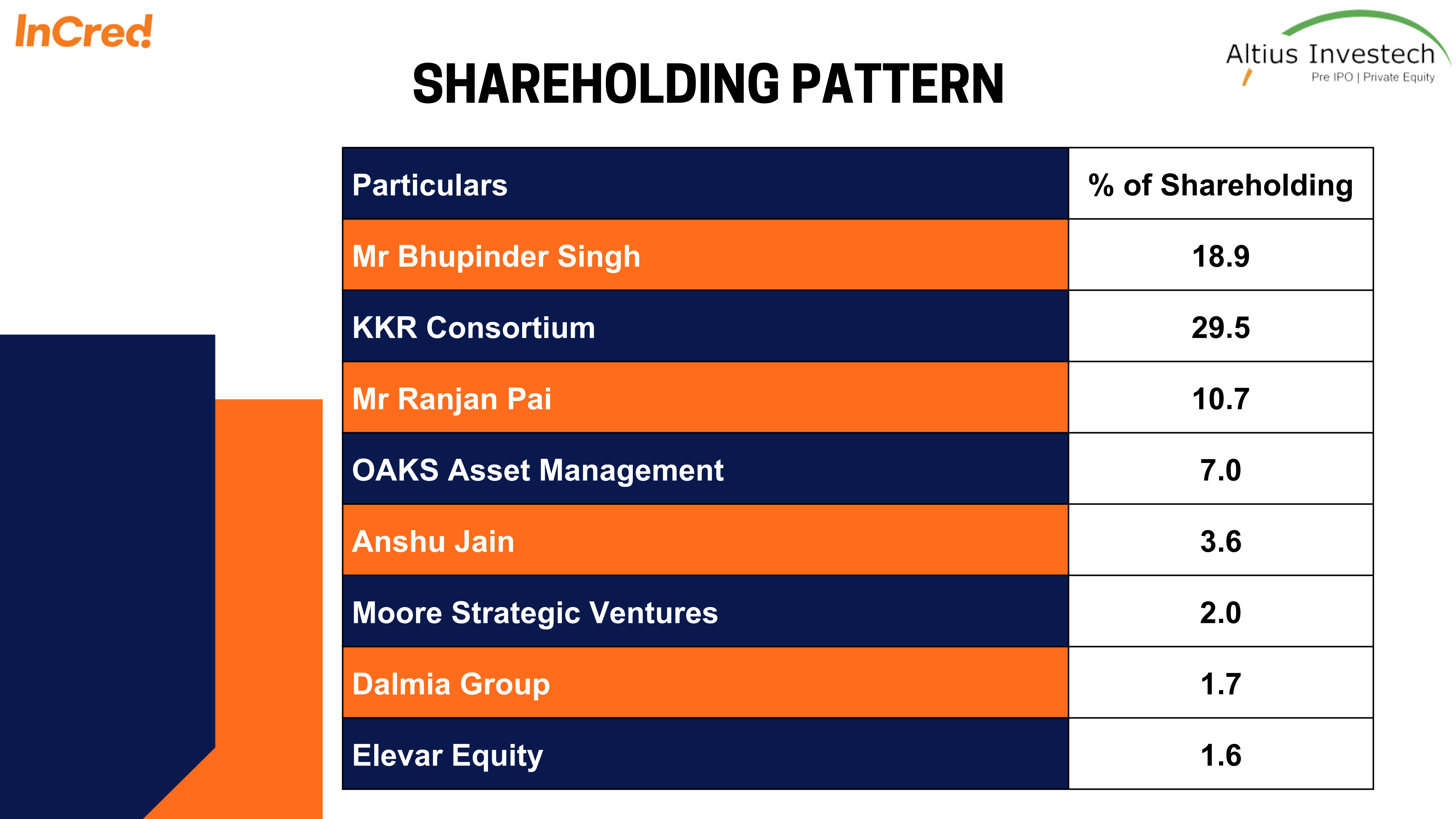
- Co-headed the Investment Banking and Securities division of Deutsche Bank for the Asia Pacific region
- Head of the Corporate Finance division for Deutsche Bank in the Asia Pacific region
- Post Graduate Diploma in Management (PGDM) from IIM Ahmedabad



Mr. Vivek Bansal, Wholetime Director & CFO of the Company.

Prior to InCred:

- Deputy Chief Financial Officer at Yes Bank
- Prior to Yes Bank, he worked with Fidelity Investments in London and Standard Chartered in Mumbai
- He is a Chartered Accountant and a CFA



MERGER WITH KKR

Incred Finance merged with KKR India Financial Services Ltd in 2021 in an all-stock deal. According to a joint statement by the companies, the merger created an NBFC with a \$600-million (around ₹4,700-crore) balance sheet and an equity base of \$300 million.

Under the merger terms, KKR, along with two other investors, Teacher Retirement System of Texas, and Abu Dhabi Investment Authority, hold a 35% stake in the merged entity. KKR alone holds 15-16% in the consortium.

The transaction reaffirms the strength and quality of the retail lending platform built by InCred Finance, which has a sharp focus on strong risk-management and collections practices and incorporates innovative technology solutions to enhance operational efficiencies.

FUNDRAISING

InCred has achieved a valuation exceeding 1 billion dollars. This milestone was reached following a successful funding round in **November 2023**, that **raised \$60 million**, placing the **company's valuation 8800 Crs.**

The company additionally stated that the equity capital would be strategically allocated across its primary business segments, encompassing consumer loans, student loans, and lending to micro, small, and medium enterprises (MSMEs).

The funding round was spearheaded by:

- **Ranjan Pai** of MEMG, contributed **\$9 million**.
- **Ravi Pillai**, the chairman of RP Group of Companies, infused **\$5.4 million**
- **Ram Nayak**, Head of Fixed Income & Currencies at Deutsche Bank, invested **\$1.2 million**.
- **Varanium Capital Advisors and Sattva Group**

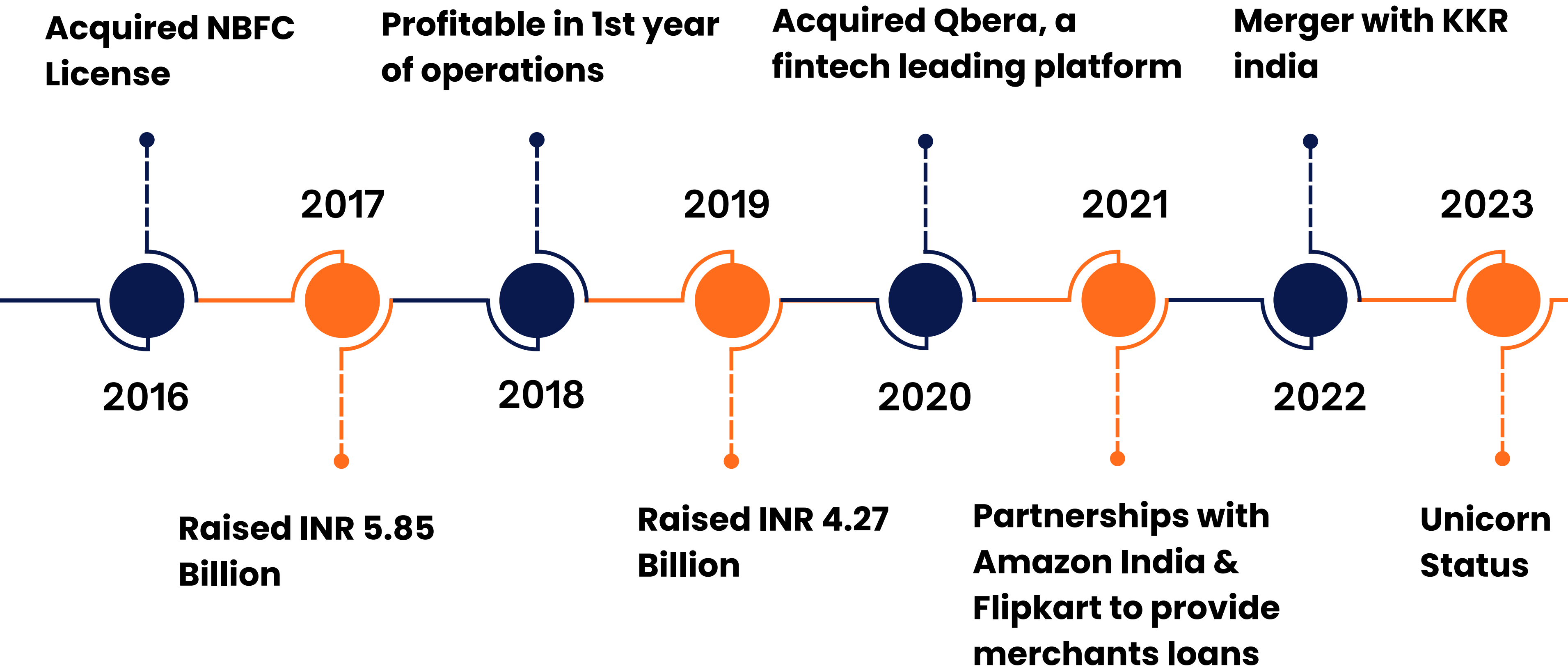
INCRED FINANCE

InCred Financial Services Ltd. is a non-banking financial company (NBFC) that offer a diverse portfolio of loans products including personal loans, education loans, SME (small and medium enterprise) business loans, and merchant loans to meet the varied credit needs of emerging India.

InCred is known for using technology and data science to make the loan application process quick and easy, with many loans being approved online. They aim to provide a more streamlined lending experience compared to traditional lenders

Crisil and Care ratings have improved the credit rating of InCred to AA-/stable.

TIMELINE



InCred!

Altius Investech

Pre IPO | Private Equity

In Lacs

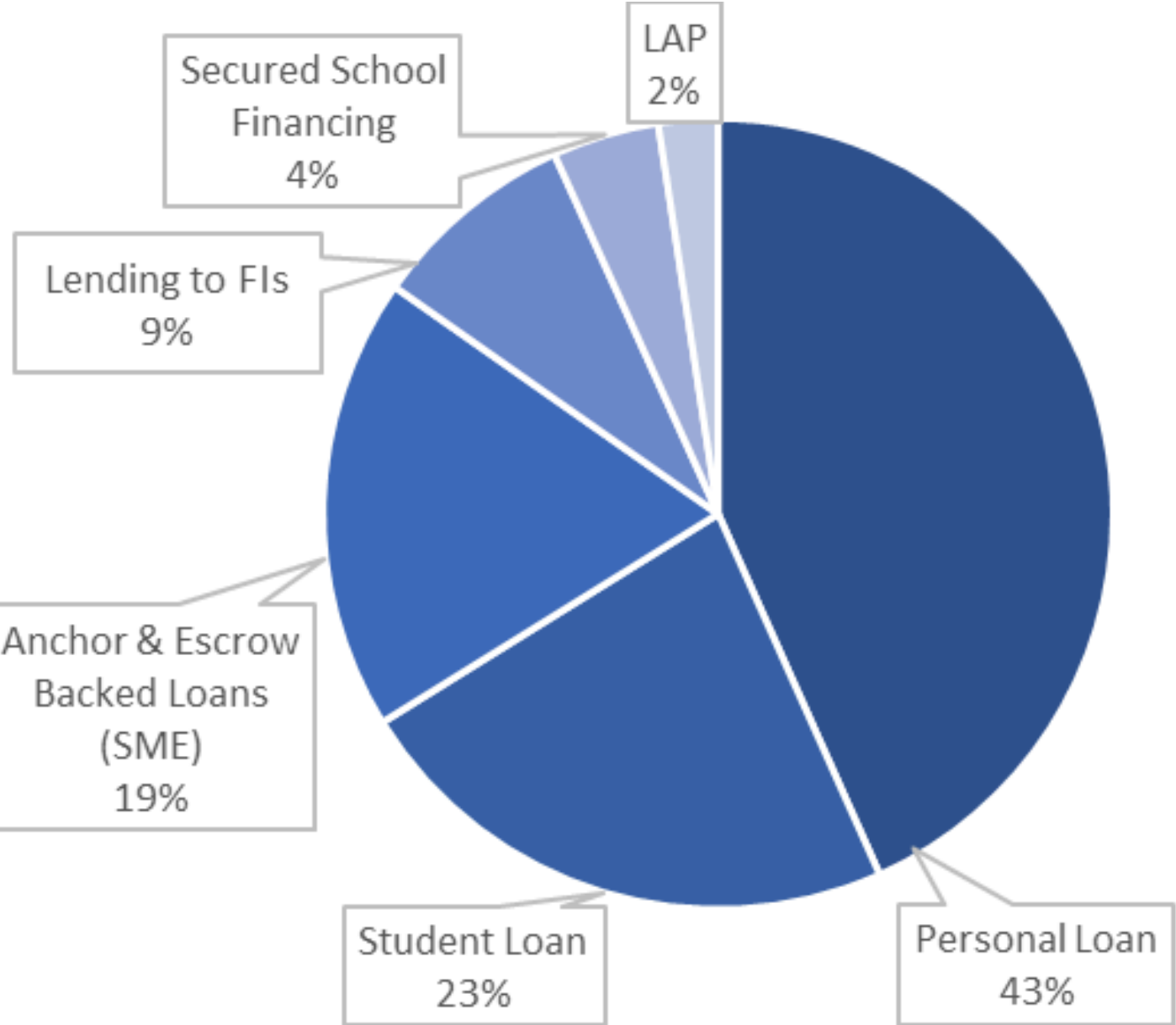
REVENUE SPLIT FROM SUBSIDIARIES

Subsidiary	% of Shareholding	Revenue	PAT
InCred Financial Services Limited	100	87745	12092
InCred Prime Finance Limited	59.37	211.5	1.51
*InCred Management and Technology Services Private Limited	100	15.64	-375.67
*Booth FintechPrivate Limited	100	0	-1485
*InCred.AI Limited	100	0	-1
*mValu Technology Services Private Limited	75.82	72.6	-308

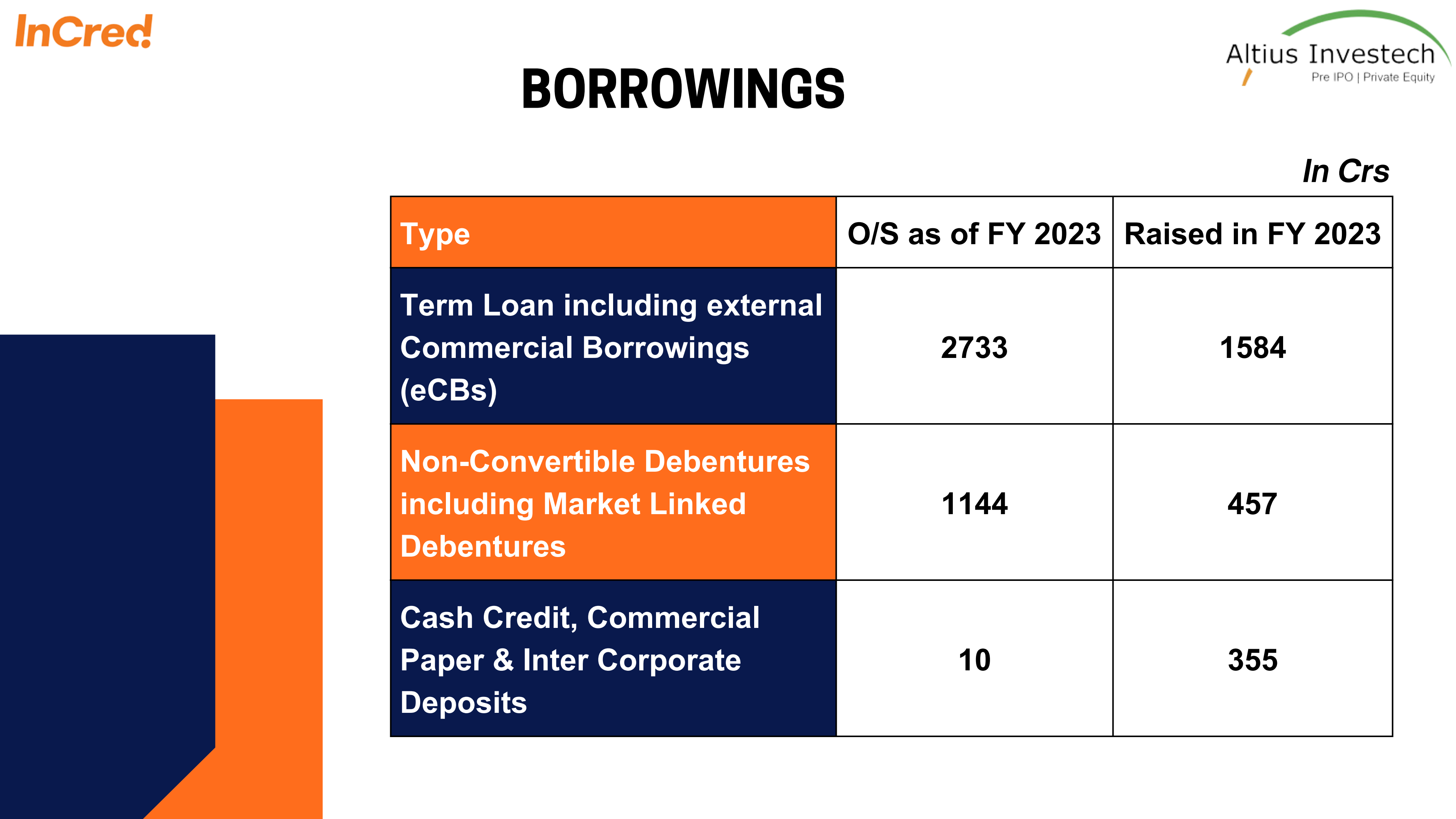
*Companies are a step down subsidiary of InCred financial services limited

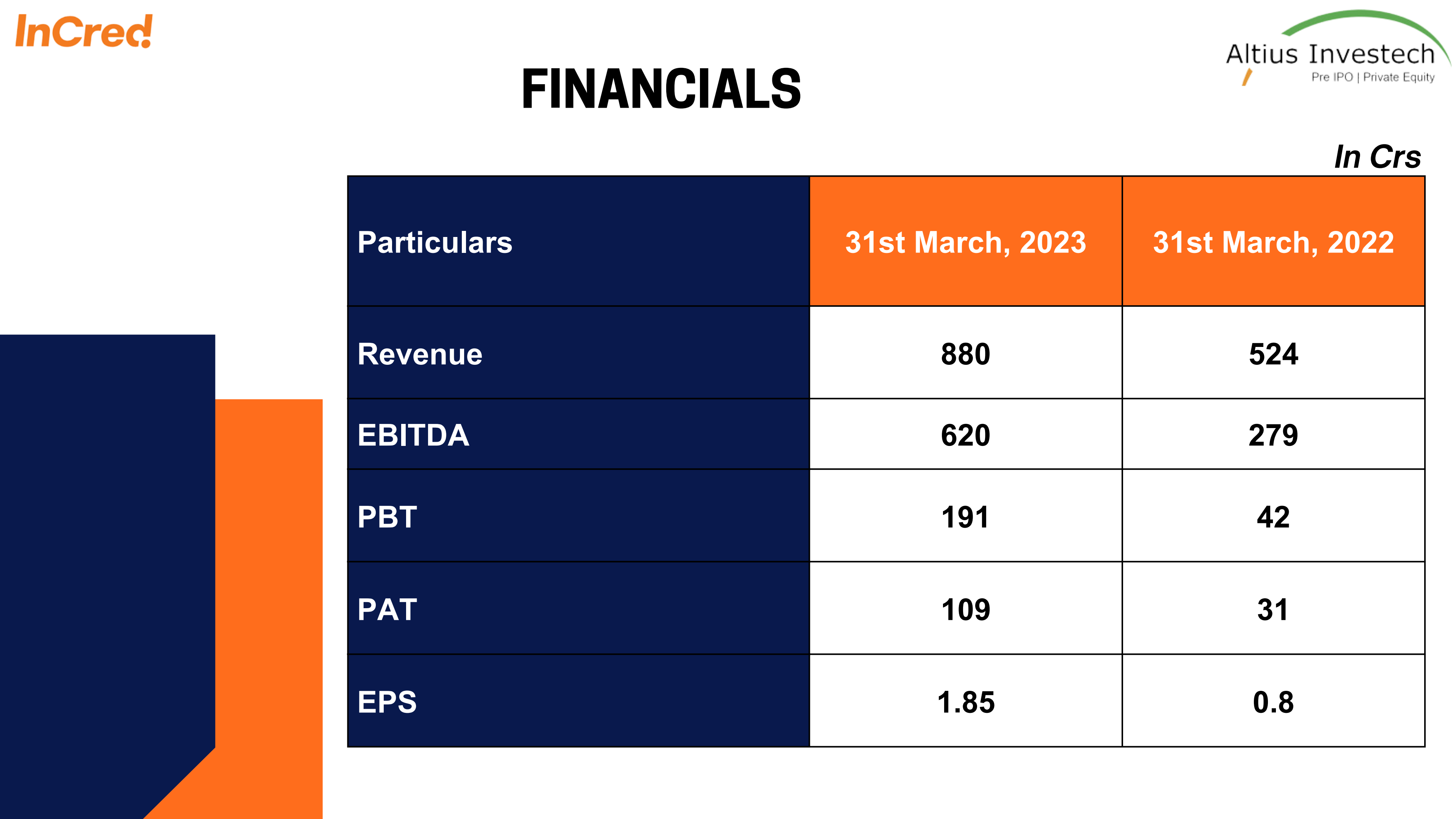
PRODUCT MIX

**As of H1FY24*



Type	AUM (in Cr)	Yield
Personal Loan	3187.5	24.3%
Student Loan	1684	13%
Anchor & Escrow Backed Loans (SME)	1367	15%
Lending to FIs	623	14.2%
Secured School Financing	322	14.5%
LAP	179	15%
Total	7364	





VALUATION

Average Industry mean:

- P/E – 20.67
- P/S – 3.17
- P/B – 2.1

When using these metrics to value InCred,

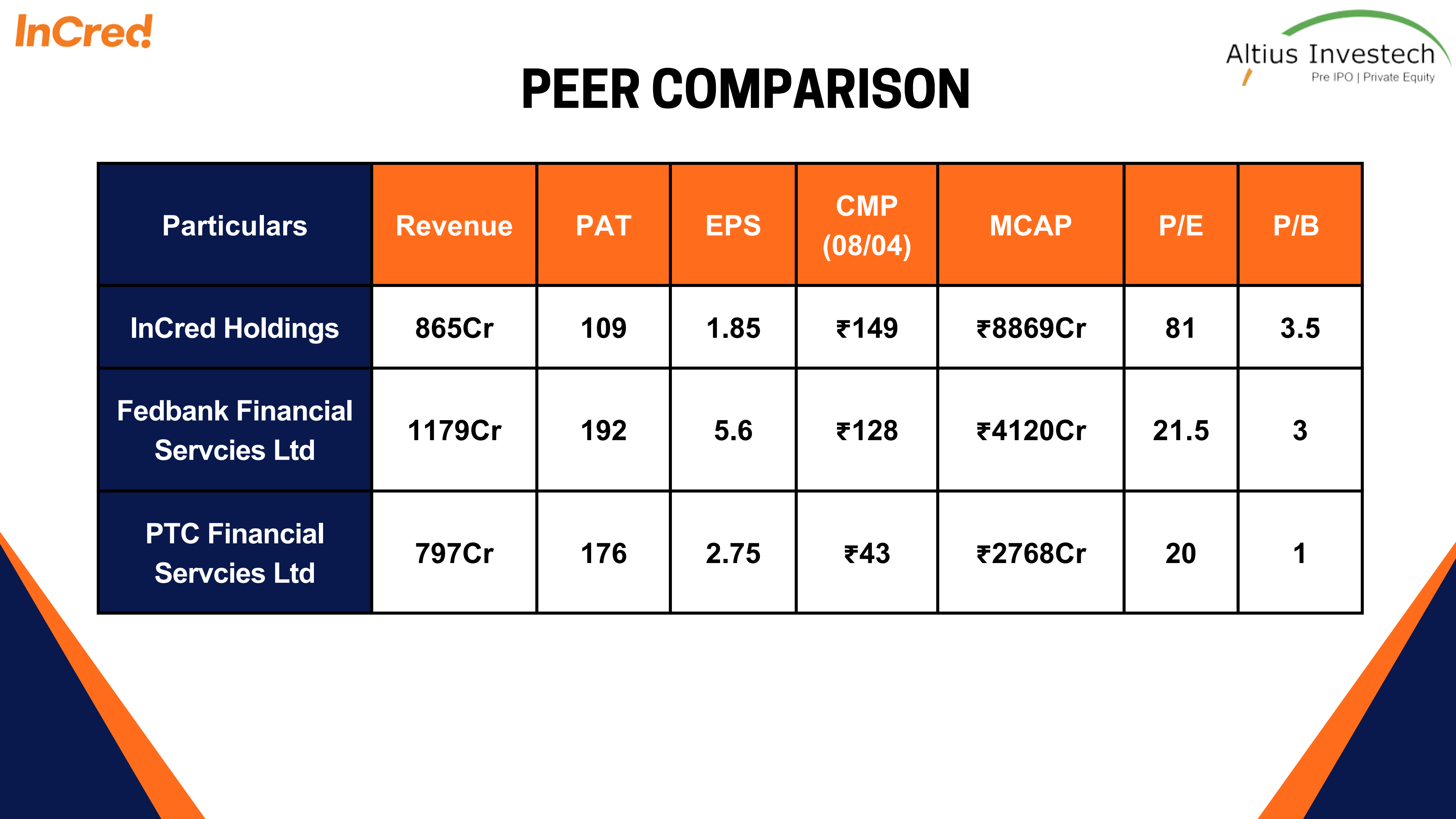
- MCAP using P/E – 5064Cr, Price per share – 85
- MCAP using P/S – 4400Cr, Price per share – 74
- MCAP using P/B – 6664Cr, Price per share – 112

While raising funds the company was valued at 8800Cr, which is 10x of Revenue and 80x of PAT. Using this valuation, the price per share comes out to be ₹149

The Book Value Per Share is ₹56, networth being 3320Cr

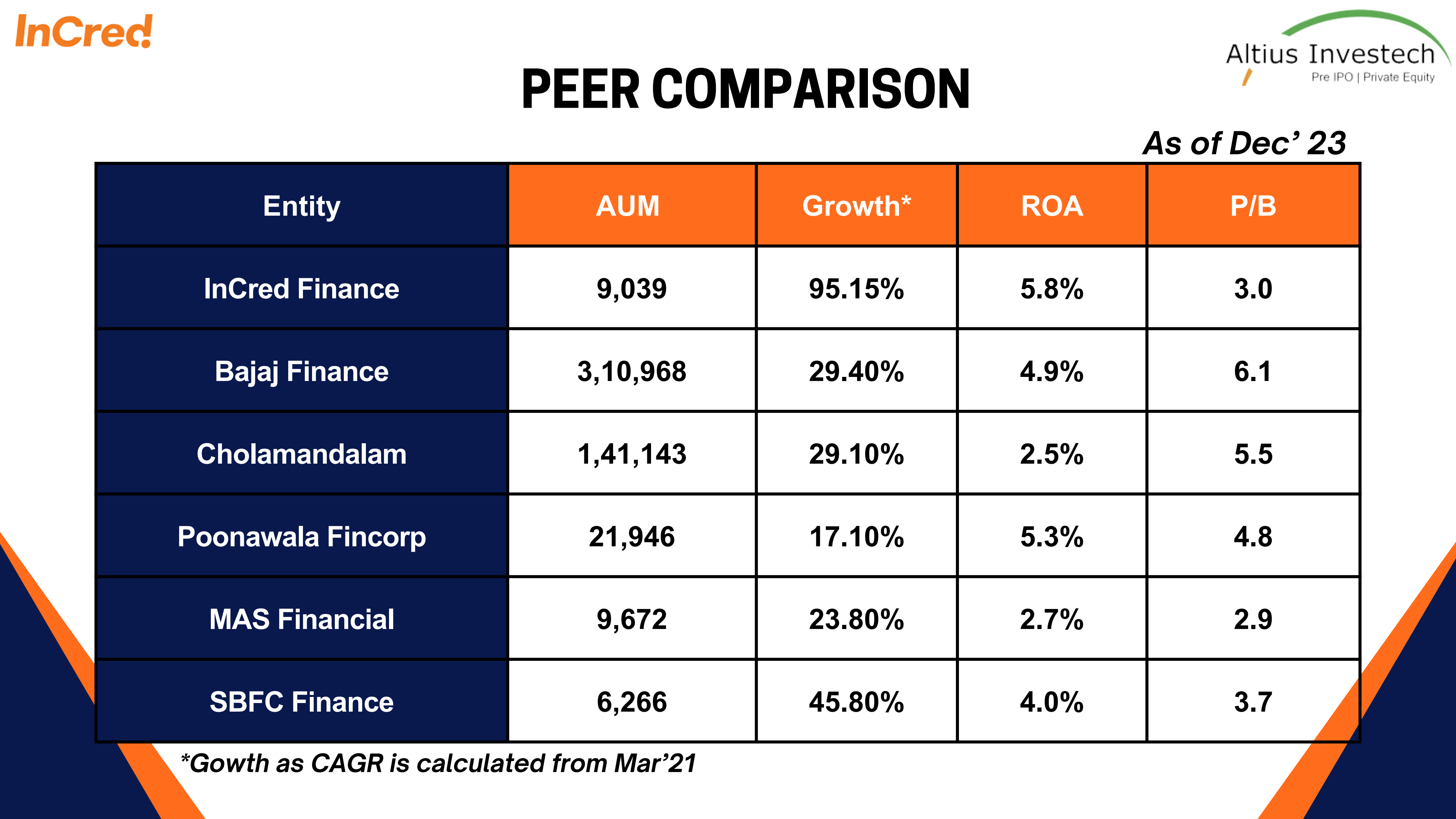
VALUATION

Particulars	March 31st, 2024
Share Price	159
Outstanding shares	59,52,35,388
MCAP	9464 Crs
P/E Ratio	39
P/S Ratio	7
P/B Ratio	3
Book value per share	56



PEER COMPARISON

Particulars	Revenue	PAT	EPS	CMP (08/04)	MCAP	P/E	P/B
InCred Holdings	865Cr	109	1.85	₹149	₹8869Cr	81	3.5
Fedbank Financial Servcies Ltd	1179Cr	192	5.6	₹128	₹4120Cr	21.5	3
PTC Financial Servcies Ltd	797Cr	176	2.75	₹43	₹2768Cr	20	1



PEER COMPARISON

As of Dec' 23

Entity	AUM	Growth*	ROA	P/B
InCred Finance	9,039	95.15%	5.8%	3.0
Bajaj Finance	3,10,968	29.40%	4.9%	6.1
Cholamandalam	1,41,143	29.10%	2.5%	5.5
Poonawala Fincorp	21,946	17.10%	5.3%	4.8
MAS Financial	9,672	23.80%	2.7%	2.9
SBFC Finance	6,266	45.80%	4.0%	3.7

*Gowth as CAGR is calculated from Mar'21

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