



MONEYBOXX FINANCE LIMITED

Board Meeting
Q4 FY21 & FY21 Financial Results



- ▶ **Fast-growing NBFC** : MoneyBoxx Finance Limited (MBFL) is a BSE-listed NBFC providing small-ticket loans to micro and small enterprises. It started operations in Feb 2019 and has 22 branches across four states as of March 2021. By FY24, MBFL targets to have 100+ branches, AUM of INR 950+ crores from current INR 61.88 crores (~15 times increase) and ROE of 15% which will further improve to 23% by FY26
- ▶ **Coveted Board** : Veteran independent directors, one is ex-executive director of RBI and independent director on multiple NBFCs and another independent director is ex-IAS Officer from CAG, ex-CEO of MFIL and currently heading India operations of a global NGO
- ▶ **Professional Management** : Run by promoter management having senior level experience at HSBC, JP Morgan, Bank of America, Deutsche Bank & KPMG and decade long experience of running own boutique IB firm. Additionally, entire operating team has significant experience in similar lending space
- ▶ **Superior Asset Quality** : Proven underwriting standards with negligible NPAs till date, 95+% collection efficiency during moratorium & 99+% from September onwards and 99.36% of AUM in Current category as of Mar 2021

To deliver easy, cost efficient and technology driven financing solutions to aspiring micro enterprises

VISION STATEMENT



MISSION STATEMENT



To be "The Lender of Choice" for deserving micro enterprises in India

- ▶ Targeting deserving micro and small enterprises across sectors with unmet credit needs, often those graduating from group borrowing (MFI) to individual borrowing
- ▶ Main sectors: Essentials - Livestock, Kirana, Trading (retailers other than Kirana) and Small Manufacturers
- ▶ Tier 2 and Tier 3 cities with initial focus on Rajasthan, Punjab, Madhya Pradesh and Haryana

Customer

Product

Geography

Origination

- ▶ Unsecured / secured business loans
- ▶ Ticket size: INR 50,000-300,000
- ▶ Shorter tenure: 12-36 months
- ▶ Lending Rate: 27% + PF

- ▶ Establish long-term relationships with customers through "Direct to Customer" approach (No DSA), resulting in better understanding of the customer and repeat business
- ▶ Cluster based approach allows us to create many customers in a particular geography





Highlights of Q4 FY21 & FY21

Business Performance Update



Branch Expansion –
doubling of branches to 22



Disbursements –
business picked during Q3 and Q4



AUM Growth – focus on borrowers
in essential sectors paying off



Collection Efficiency - remains one of
the best in industry & NPA amongst
lowest in industry amidst pandemic



Debt Funding – diversification
of funding sources at lower cost

Review of Financial Position



Path to Profitability



**Asset quality remains
strong and stable**



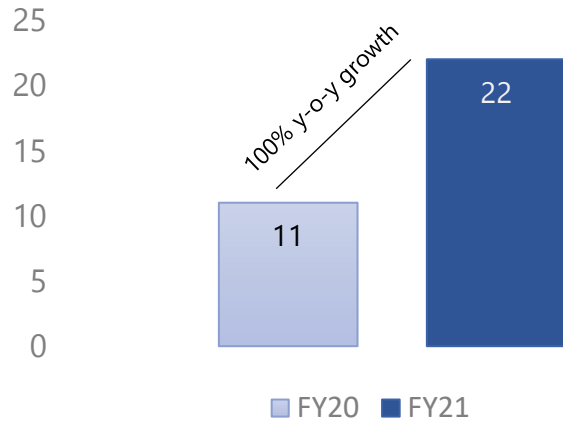
Strong Capital Adequacy



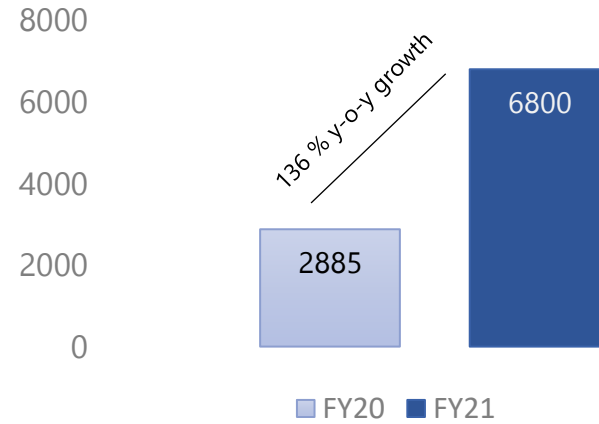
Business Summary FY21



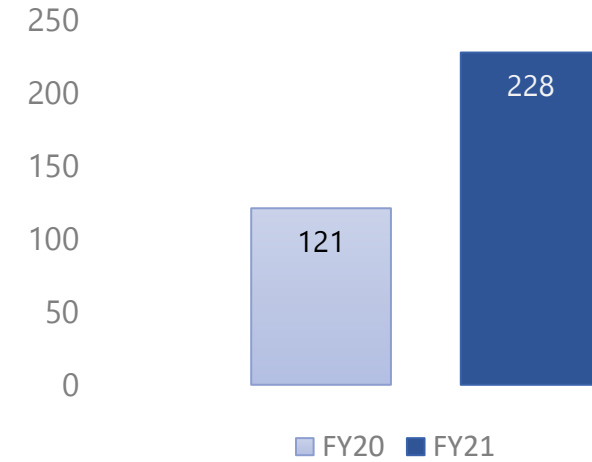
Branches



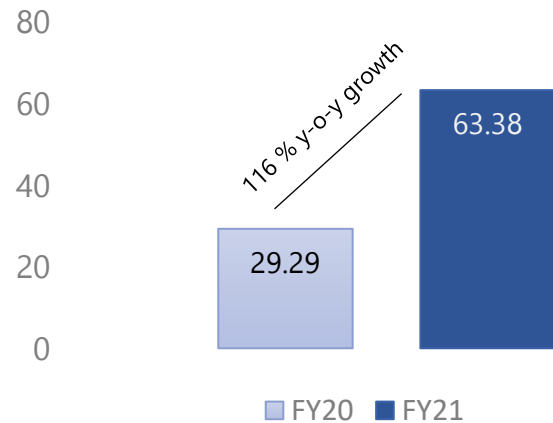
Number of Live Customers



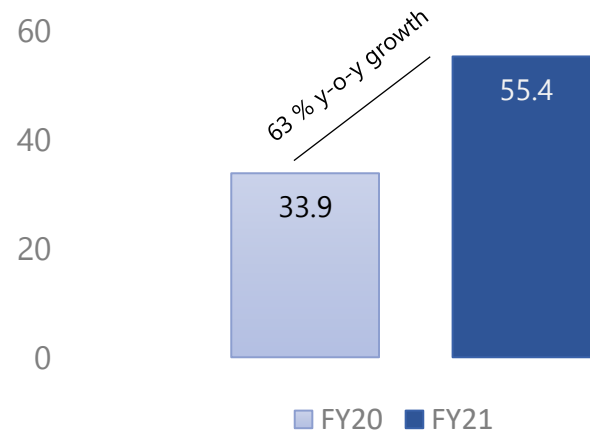
Employees



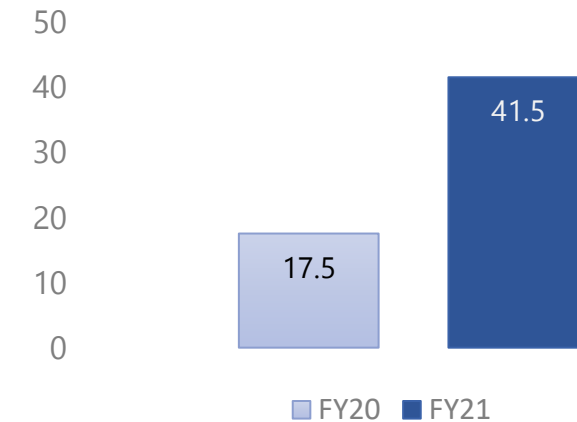
AUM (in INR crores)



Gross Disbursements (in INR crores)



Debt Capital Raised (in INR crores)

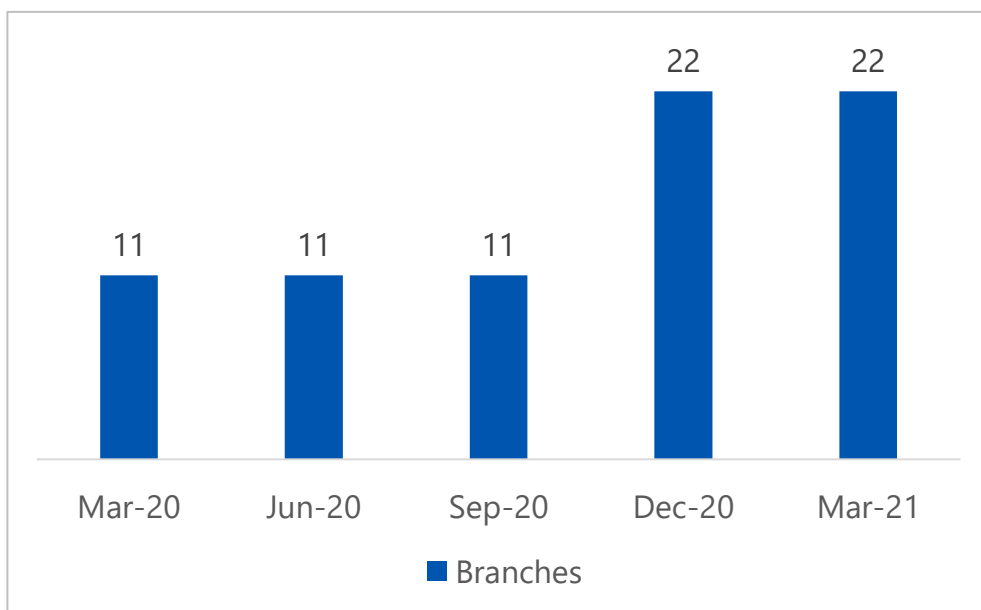


Branch expansion

Expanding in existing states to seize growth opportunities with focus on essential sectors and services



Branch expansion proceeding as per plan



Expansion plan supported by:

- ▶ Resiliency of borrower in essential sectors in pandemic
- ▶ High collection efficiency & strong asset quality of MBFL
- ▶ Healthy financial position after Feb'20 Equity funding

Penetration in existing States

Branches	31-Mar-2020	31-March-2021
Rajasthan	5	8
Madhya Pradesh	3	5
Haryana	2	5
Punjab	1	4
Total	11	22

22 Branches as of Mar 2021

- 8 - Rajasthan: Bharatpur, Behror, Beawar, Bhilwara, Kota, Mahwa, Kekri, Sikar
- 5 - Madhya Pradesh: Ujjain, Dewas, Mandasaur, Sehore, Agar
- 5 - Haryana: Hisar, Fatehabad, Jind, Kaithal, Bhiwani
- 4 - Punjab: Bhatinda, Mansa, Abohar, Sangrur

Medium-term outlook remains promising

- ▶ Expand AUM to INR 1000 crores over medium-term despite COVID uncertainties
- ▶ Focus on micro enterprises in manufacturing, trading, services and livestock segment
- ▶ New states: Uttar Pradesh to be started in FY22



Business picked up in Q3 & Q4

Strong demand from essential sectors provide growth opportunity

Branch Expansion

Disbursements

AUM Growth

Collection Efficiency

Debt Funding

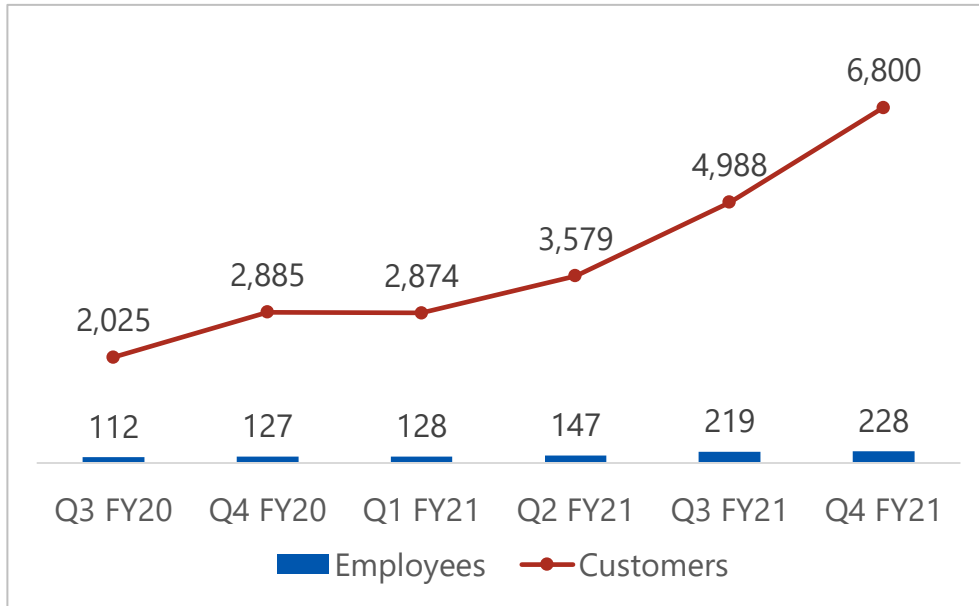
Path to Profitability

Asset quality

Strong Capital Adequacy



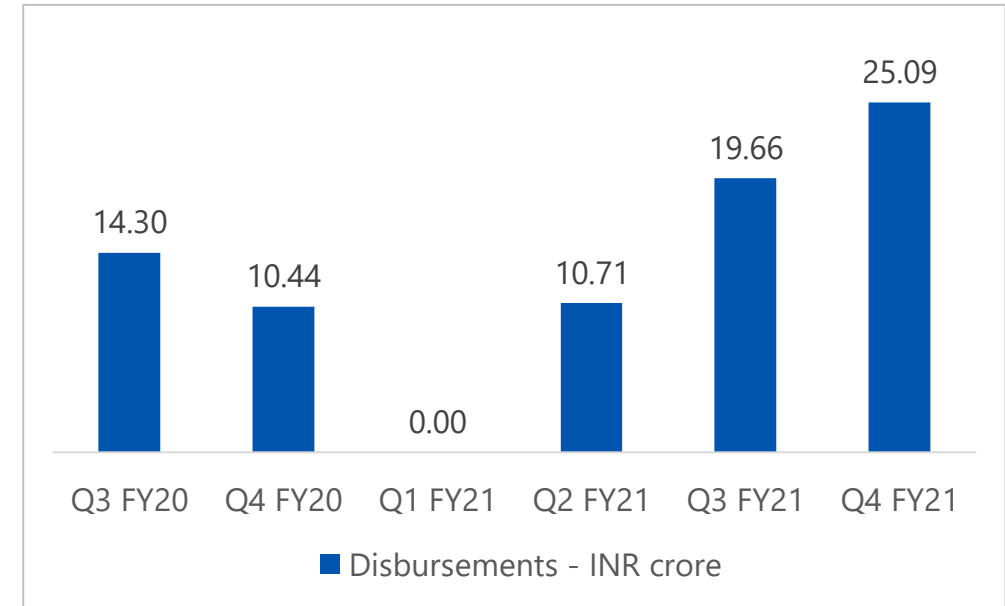
Employees & Customers



Business expansion

- ▶ Strong customer traction in Q4 (~36% growth)
- ▶ Addition of over 100 new employees during FY21, driven by opening of 11 new branches and further consolidation of operations

Business picked up from Q3



Strong demand for credit

- ▶ Disbursements picked up in Q4 after good growth in Q3, cautious growth in Q2 and nil disbursements in Q1
- ▶ FY21 disbursement grew by 63.5% to INR 55.44 crore
- ▶ Focus on borrowers in resilient/essential sectors (Livestock, Kirana stores)

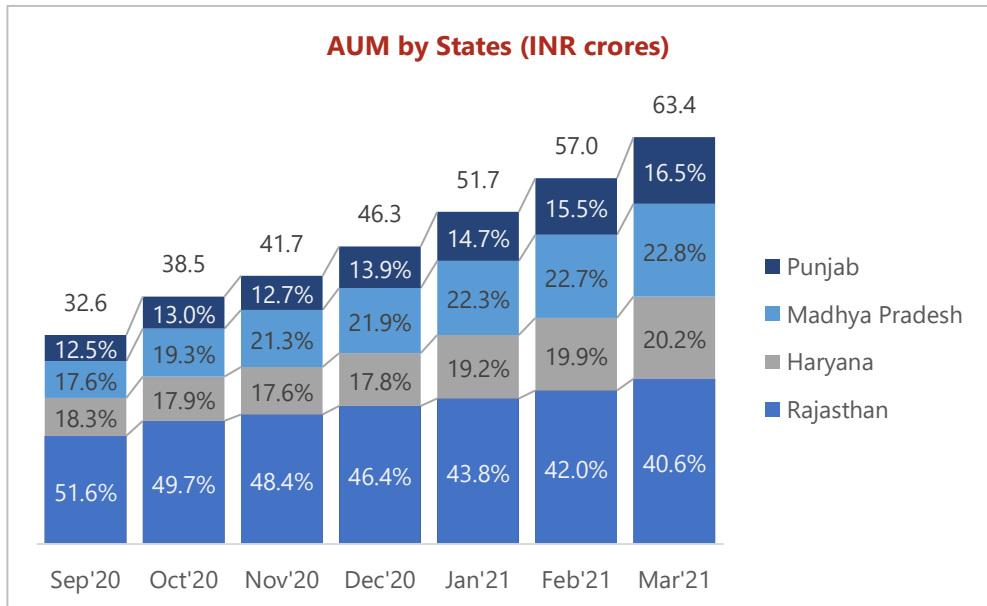


Strong growth in AUM

Diversification across Sectors & Geographies



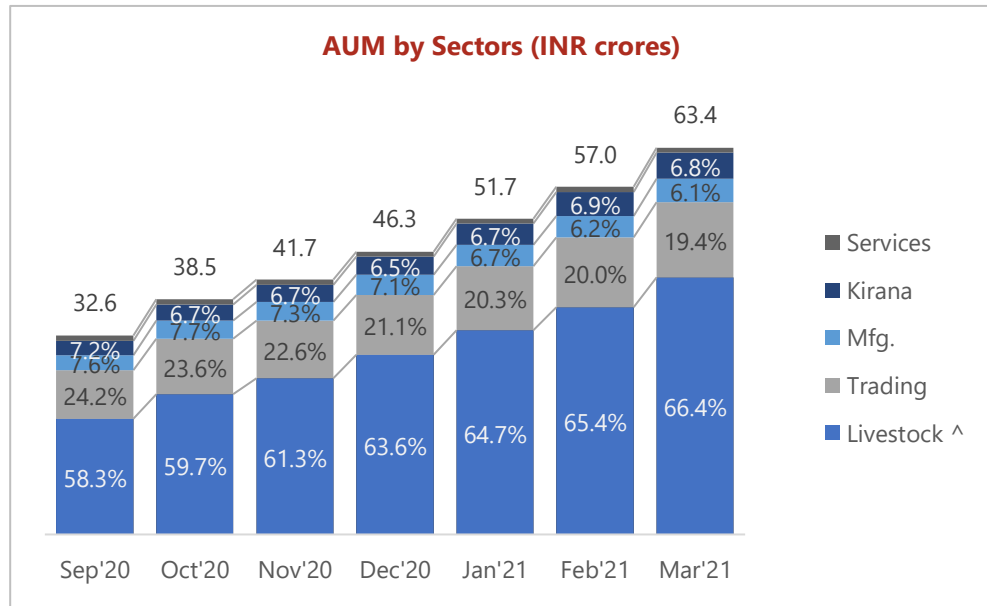
Geographic diversification lends stability



- ▶ AUM Growth of 36.9% on Q-o-Q basis
- ▶ AUM Growth of ~116.5% on Y-o-Y basis
- ▶ Opportunity to expand further in existing states

Note: AUM based on AS (not as per Ind-AS)

Livestock & Kirana sectors provide resiliency



- ▶ ^ Most livestock borrowers have more than one sources of income such as agriculture income, small kirana shop or small job which provides additional stability in income
- ▶ As COVID situation improves based on vaccination & cure, exposure to non-livestock segment expected to go back to pre-COVID levels (~50%)

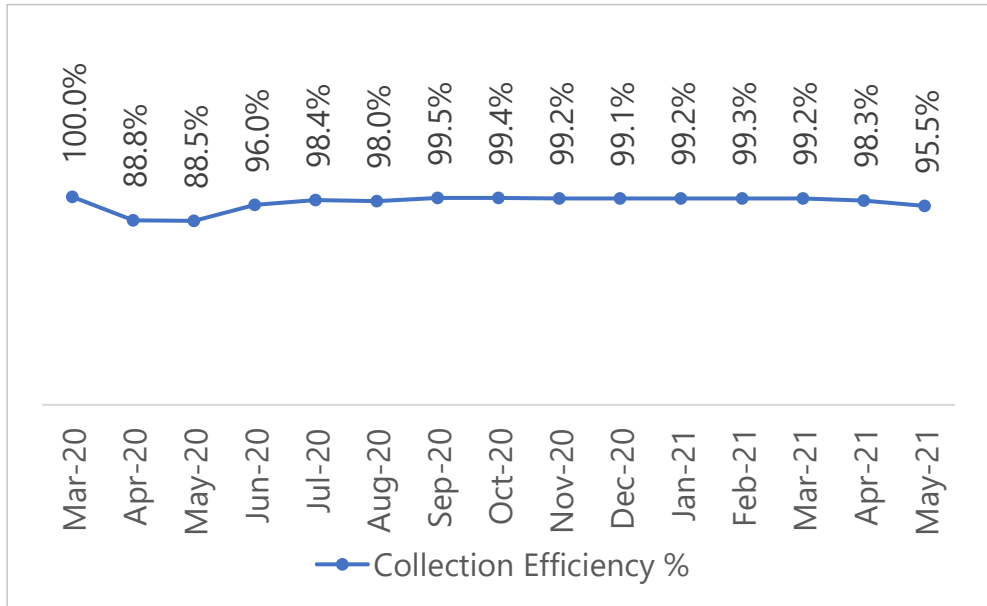


Robust asset quality amidst pandemic

High collections efficiency & strong asset quality testimony of underwriting standards & collection efficiency



Excellent Collection even during lock-downs



Best-in-industry Collection Efficiency

- ▶ Strong underwriting standards
- ▶ Focus on essential sectors
- ▶ Efficient collection machinery of MBFL (on-ground presence)
- ▶ 95% during moratorium last year; over 99% during H2 FY21 and high in Apr-May 2021 despite lock-downs

Resilient portfolio with negligible delinquencies

Portfolio	Mar-2020		Mar-2021	
On-time	29.28	100%	61.49	99.36%
Delinquent	-	-	0.39	0.64%
1-30 DPD	-	-	0.13	0.20%
31-60 DPD	-	-	0.05	0.09%
61-90 DPD	-	-	0.08	0.13%
91-120 DPD	-	-	0.07	0.11%
121- 150 DPD	-	-	0.06	0.10%
Total (INR crore)	29.28	100%	61.88	100%

Robust asset quality

- ▶ Portfolio in 'Current/On-time' category at 99.36% as of Mar'21
- ▶ Gross NPA 0.21% as of Mar'21 (Nil as of Mar'20)
- ▶ Net NPA 0.11% as of Mar'21 (Nil as of Mar'20)
- ▶ ECL Provisions 0.49% of Loans as of Mar'21 (1.04% as of Mar'20)



Diversification of funding sources

Addition of 12 new lenders in FY21

Branch Expansion

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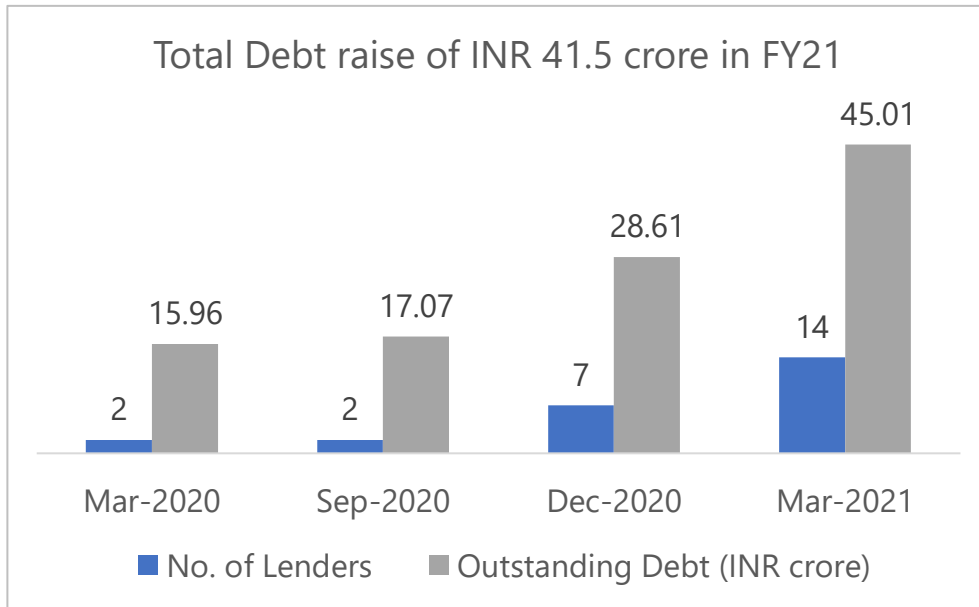
Path to Profitability

Asset quality

Strong Capital Adequacy

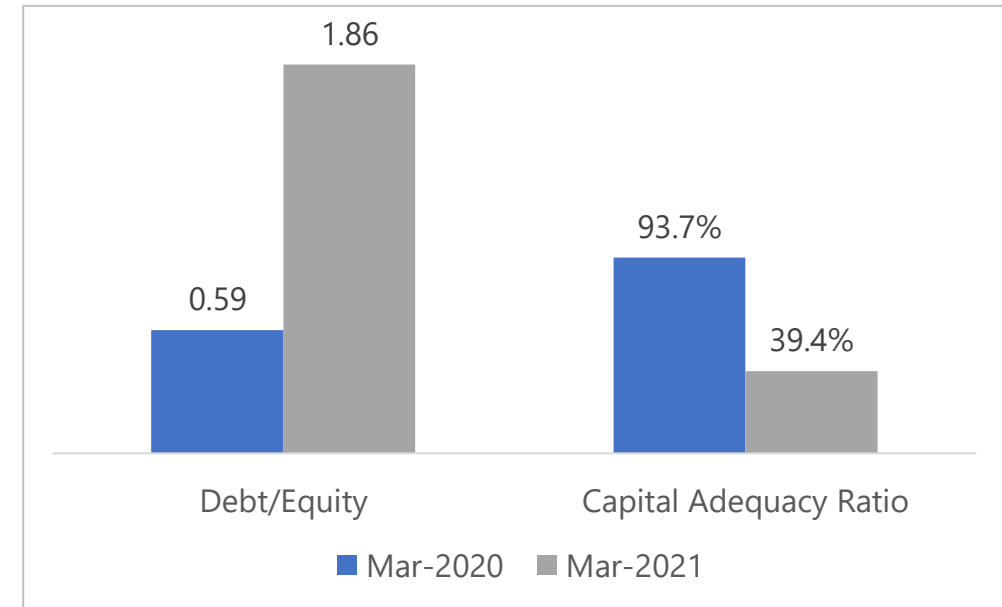


Validation of model by new lenders



- ▶ Added reputed lenders in FY21: AU Small Finance Bank, Ambit Finvest, Ashv Finance, BlackSoil Capital, Caspian Debt, Capri Global, Hinduja Leyland Finance, InCred, UC Inclusive Credit
- ▶ Declining cost of borrowing in FY21, down to 16.4% from 17.5% in FY20
- ▶ Borrowing cost expected to further decline in FY22

Adequately capitalized for growth



- ▶ Relatively conservative gearing (D/E of 1.86 times) leaves borrowing headroom for growth
- ▶ Adequately capitalized for growth with high Capital Adequacy Ratio of 39.4% as of Mar'21



Growing network of Partners

12 New Lenders added in FY21; Targeting to diversify funding sources



Existing Lenders



FY20



Q3 FY21



Hindon Mercantile Limited

Q4 FY21



IT Partners



Banking Partners

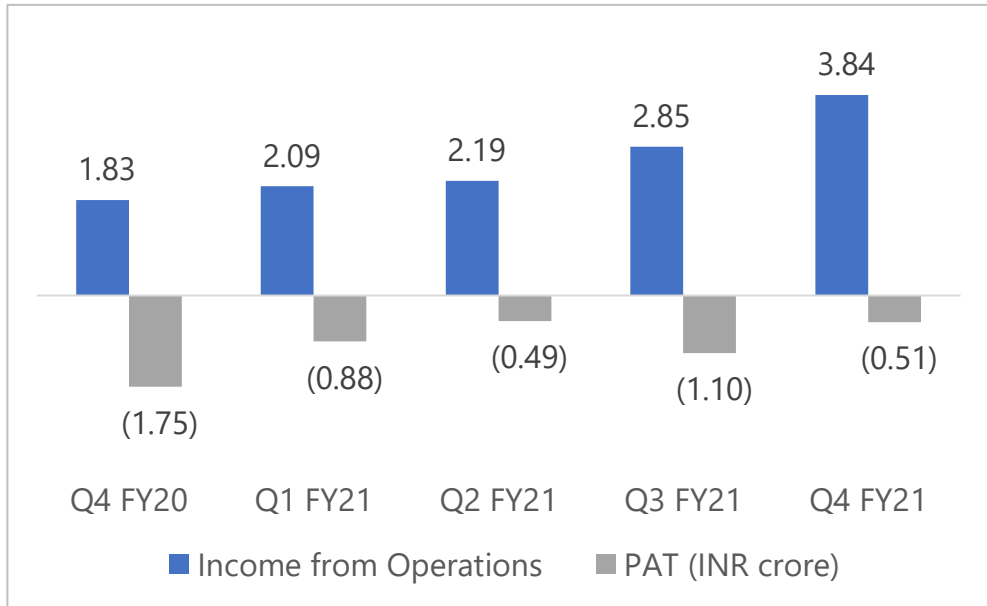


Path to Profitability

Rising scale of operations and improving productivity

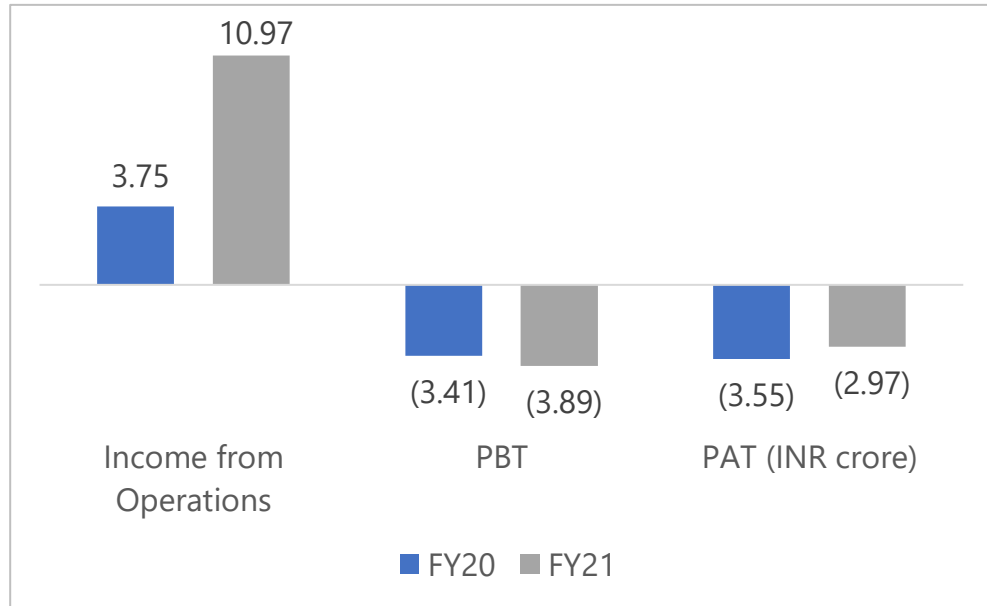


Growing Income with rising scale of operations



- ▶ Growing Income from Operations (35% sequential growth in Q4 and 110% over last year) with rising scale of operations. Expansion in existing states to solidify its presence and extract value from existing clusters
- ▶ Loss widened in Q3-Q4 FY21 mainly on account of opening of 11 new branches in Q3;
- ▶ Branch unit economics remain solid with high NIMs and fast break-even period

Profitability to improve with rising scale



- ▶ FY21 performance reflected tremendous growth in income, due to growth in scale, despite the problems posed by the pandemic and associated lockdowns
- ▶ Target to achieve profitability in FY22 with solid Branch unit economics, improving productivity, rising scale of operations and declining cost of borrowings



Summary Financial Statements

Branch Expansion

Disbursements

AUM Growth

Collection Efficiency

Debt Funding

Path to Profitability

Asset quality

Strong Capital Adequacy



P&L (INR crore)	FY20	FY21	Change YOY
Income from Operations	3.75	10.97	192%
Other Income	0.37	0.04	
Total Income	4.12	11.01	167%
Finance Cost	0.81	3.65	
Employee	3.82	8.18	
D&A	0.54	0.81	
ECL Prov. & Impairments	0.27	0.11	
Other expenses	2.09	2.14	
Total Expenses	7.53	14.89	
PBT	-3.41	-3.89	
Taxes	0.14	-0.91	
PAT	-3.55	-2.97	

Balance Sheet (INR crore)	FY20	FY21	Change YOY
Equity	27.13	24.15	
Debt	15.96	45.01	
Other liabilities	2.07	3.87	
Total	45.16	73.03	
Cash & Bank	9.84	2.43	
Loans	29.28	61.88	111%
Other assets	6.04	8.72	
Total	45.16	73.03	

- ▶ FY21 Income from Operations grew by 192% led by growing scale of operations (doubling of branches to 22)
- ▶ Finance cost increased in FY21 led by higher borrowing though average cost of funding declined by over 110 basis points in FY21 and gearing remains modest with Debt / Equity of 1.86x
- ▶ Increase in Employee costs driven by branch expansion
- ▶ Negligible loan write-offs at INR 0.11 crore in FY21.
- ▶ Loss before taxes increased to INR 3.89 crore mainly on account of opening of 11 new branches in Q3, gratuity provisions in Q4
- ▶ Loss after taxes narrowed to INR 2.97 crore in FY21 supported by deferred tax assets of INR 0.91 crore
- ▶ Target to achieve profitability in FY22 with improving productivity, rising scale of operations and declining cost of borrowings
- ▶ Strong equity after funding round of INR 11.65 crore in FY20
- ▶ Gearing (Debt/Equity) comfortable at 1.86 times as of FY21. Total debt raise was INR 41.5 crores in FY21 with total number of lending partners increasing to 14 in FY21 from 2 in FY20
- ▶ Optimum deployment of funds into high-yielding loan assets which grew by 111% to INR 61.88 crores
- ▶ Adequate ECL Provisions of INR 0.30 crore (0.49% of AUM) and asset quality remains strong & stable with GNPA of 0.21% and NNPA of 0.11% as of 31.03.2021





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Thank You!