



**MONEYBOXX FINANCE
LIMITED**

Board Meeting
Q1 FY22 Financial Results



This document may contain certain forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company.





Highlights of Q1 FY22

About the Company



Moneyboxx Finance Limited –
Fast-growing, new-age NBFC



Operations Snapshot –
Balanced Business Model

Business Performance Update



Disbursements –
business improving in Q2 after a
dip in Q1 due to COVID



Diversified AUM – focus on
borrowers in essential sectors and
granular portfolio paying off



Collection Efficiency - remains one of
the best in industry even during stress
periods



**Asset quality remains
strong and stable**

Review of Financial Position



Prudent Capital Management
Strong Capital Adequacy



Path to Profitability



Other Updates – Funding
sources; Impact Initiatives





- ▶ **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'19 and has 22 branches across four states as of Jun 2021. Target to have 100+ Branches and AUM of INR 800+ crore by FY24 and 200+ Branches and AUM of INR 2100+ crore by FY26 from current INR 54.3 crores
- ▶ **Coveted Board**: Veteran independent directors - Uma Shankar Paliwal is ex-executive director of RBI and independent director on multiple NBFCs and Ms. Ratna Vishwanathan is ex-IAS Officer from CAG, ex-CEO of MFIN and currently heading India operations of a global NGO
- ▶ **Professional Management** : Senior management having two decades of experience in financial services industry having worked at HSBC, JP Morgan, Bank of America, Deutsche Bank & KPMG. Entire mid-management team has significant experience in MFI and similar lending space
- ▶ **Superior Asset Quality** : Proven underwriting standards with negligible NPAs till date and over 99% cumulative collection efficiency as of June 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

- ▶ **Target Customers: MFI+** 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 3 cities and beyond** with initial focus on Rajasthan, Punjab, Madhya Pradesh and Haryana



- ▶ **Ticket size: INR 50,000-300,000**
- ▶ Unsecured business loans (secured: planned in Q4 FY22)
- ▶ Lending Rate: 27% + PF
- ▶ Shorter tenure: 12-36 months

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

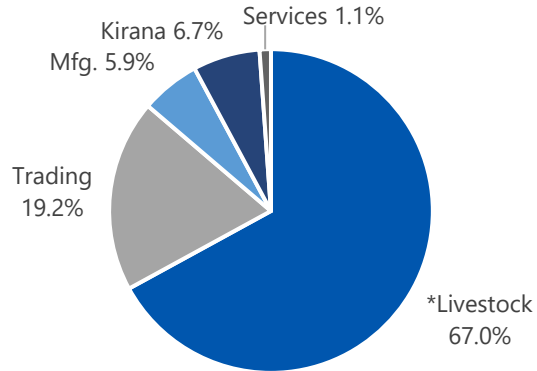


Balanced and diversified business model

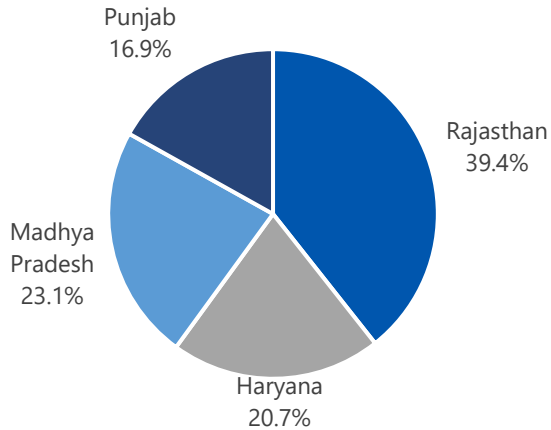
Growth strategy focussed on identify promising clusters with stable environment



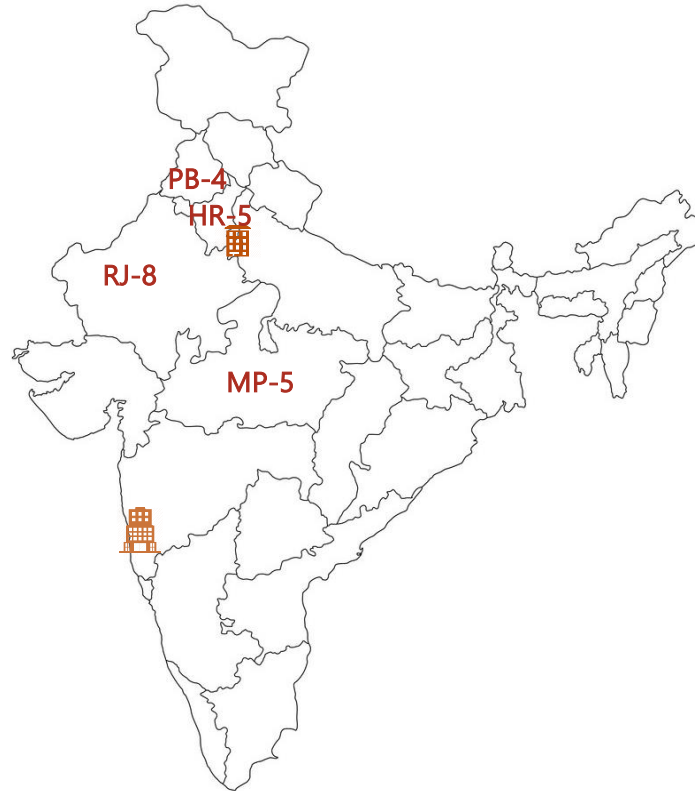
Diversification across Sectors & Geographies



AUM INR 54.3 Crores as of 30.06.2021 ^



Current Branches: 22



Expansion Plan

Target Geographies

Small towns (Tier 3 and beyond):

Existing

- ▶ Rajasthan
- ▶ Punjab
- ▶ Haryana
- ▶ Madhya Pradesh

Planned

- ▶ Uttar Pradesh
- ▶ Chhattisgarh
- ▶ Maharashtra
- ▶ Gujarat
- ▶ Bihar
- ▶ Jharkhand

22 Branches as of now

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

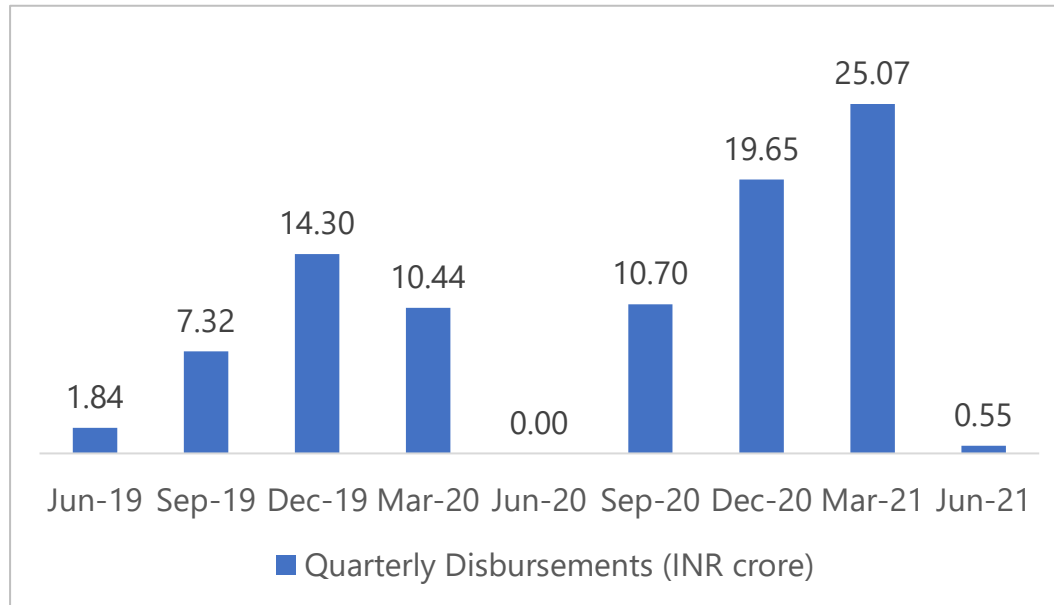
4 - Punjab: Bhatinda, Mansa, Abohar, Sangrur

* Livestock: 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 the COVID situation improves, exposure to non-livestock segment is expected to increase back to pre-COVID levels of about 50%



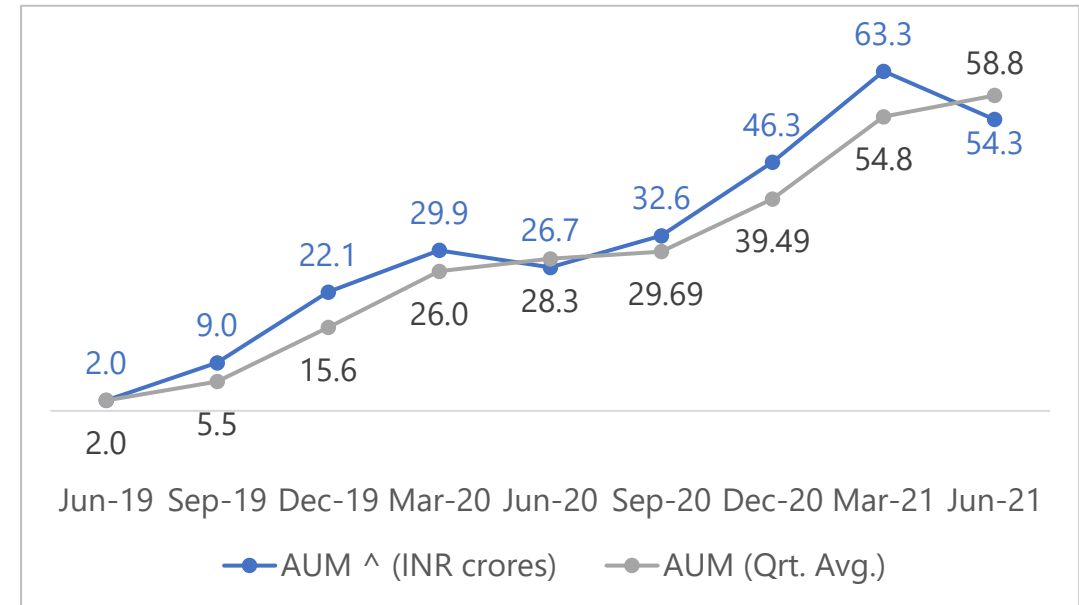


Disbursements normalizing after a drop in Q1



- ▶ Like last year, disbursements low in Q1 FY22 due to a severe second wave of COVID this year
- ▶ Focus remained on collection efficiency
- ▶ Business normalizing and growing from July 2021 and expected to pick up in coming months

AUM to increase with expected pick up in disbursements



- ▶ AUM declined by 14% in Q1 FY22 compared to Q4 FY21 due to very low disbursements in Q1 amidst COVID
- ▶ AUM grew 103% compared to previous year mainly driven by doubling of branches
- ▶ Strong disbursements in previous quarter Q4FY21 led to 7.3% growth in Average Quarterly AUM in Q1FY22

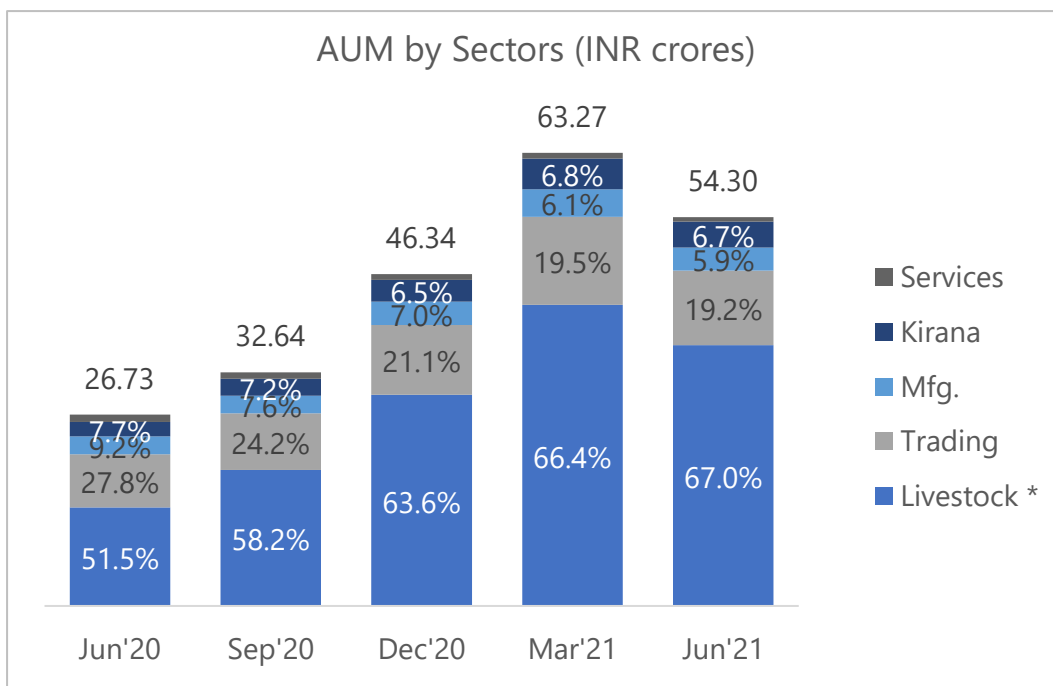


Diversified AUM across sectors and geographies

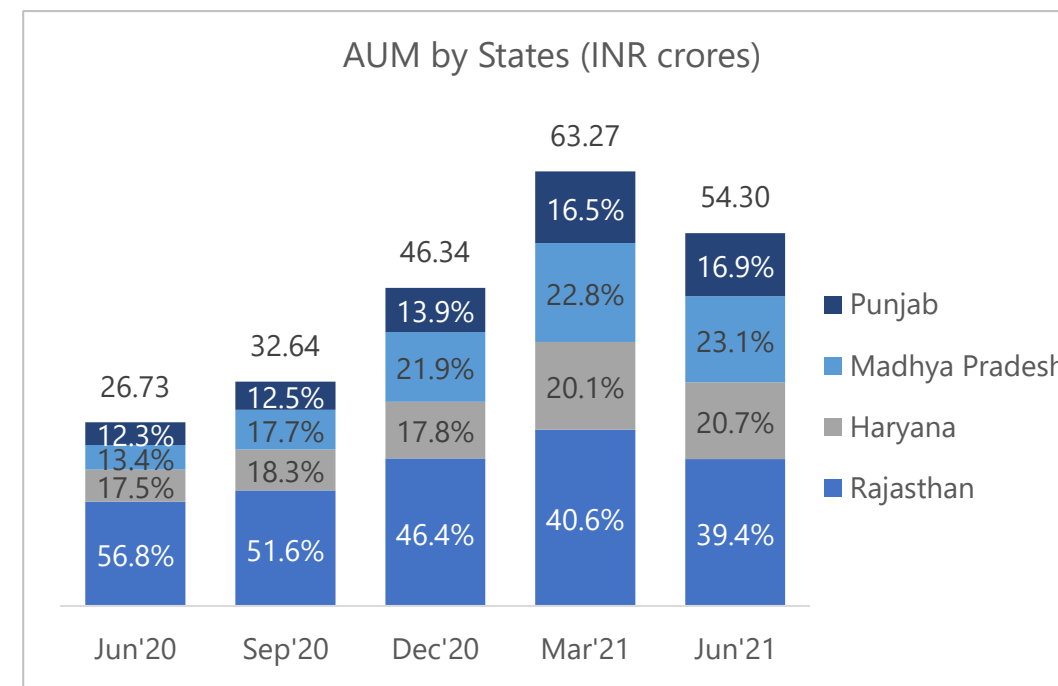
Focus on essential sectors provide stability



Livestock & Kirana sectors provide resiliency



Geographic diversification lends stability



- ▶ Focused more on essential sectors amidst pandemic leading to high collections and resilient asset quality
- ▶ * Livestock customers generally have multiple sources of income (small kirana shop or small job) which provides income stability and thus mitigating sector-specific risk

- ▶ Improved geographic diversification with no single state accounting for more than 40% of AUM

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



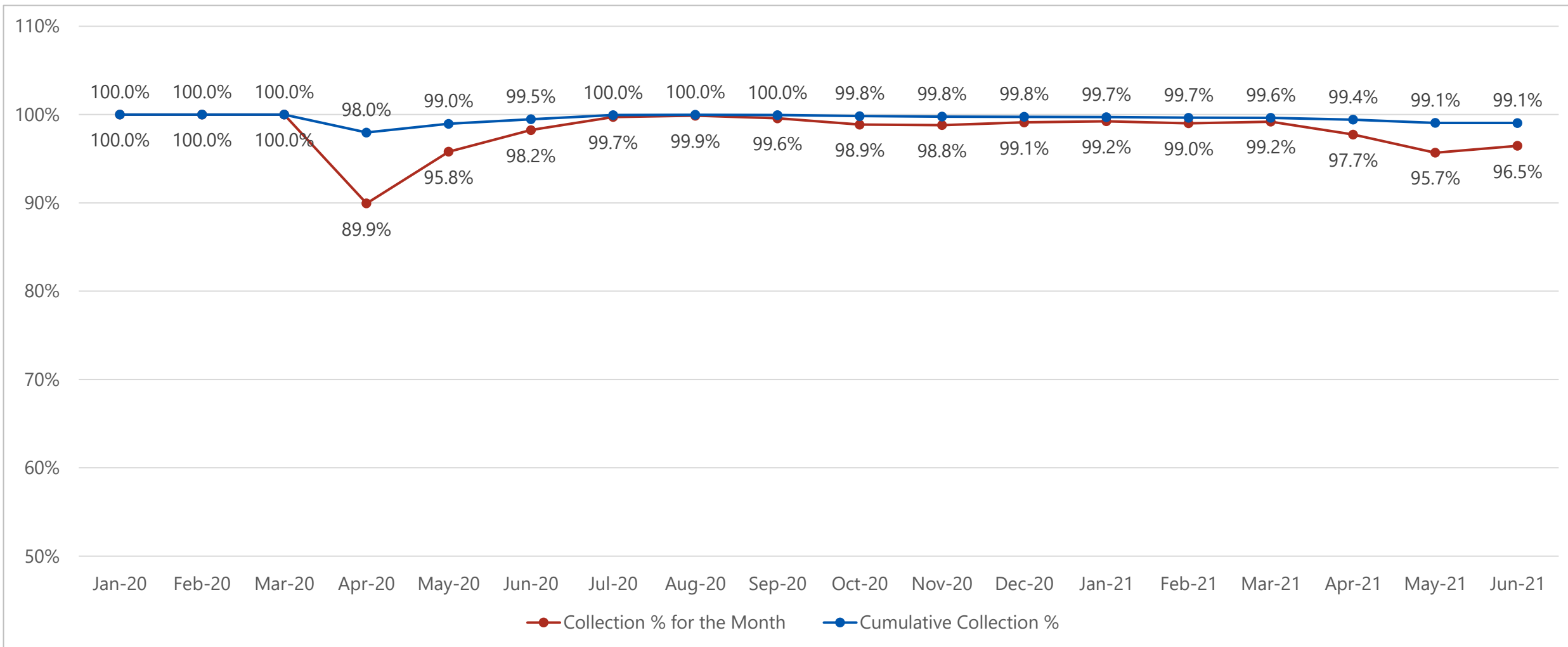
Exceptional collection efficiency even during stress periods

Testimony of strong underwriting standards and collection efficiency at Moneyboxx



High collection even during stress periods (97.4% during Mar-Aug 2020 and 96.6% during Apr-Jun 2021);

Exceptional Cumulative Collection Efficiency of 99%+

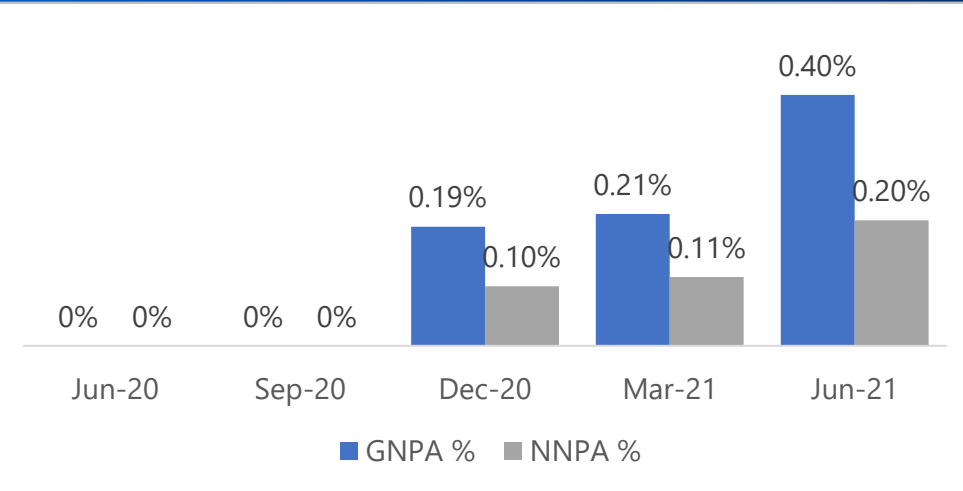


Resilient Portfolio

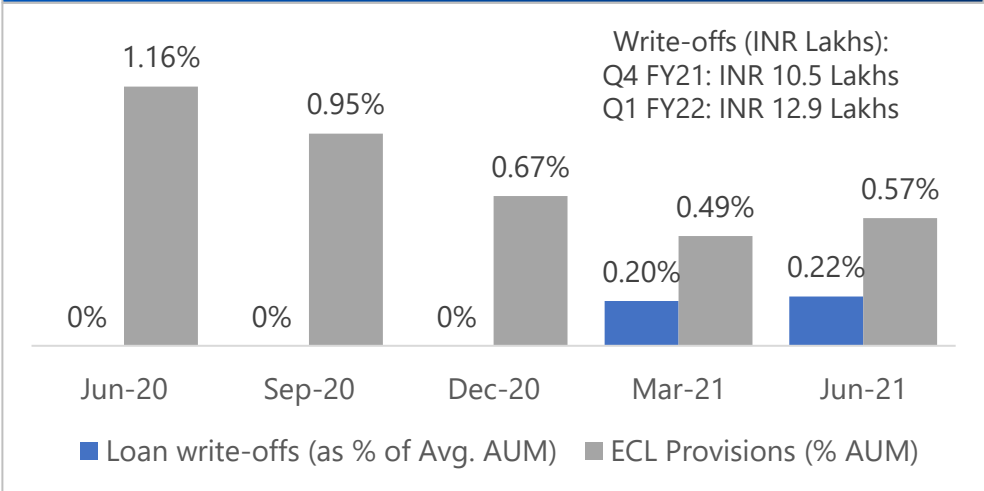
Strong and stable asset quality with negligible NPAs



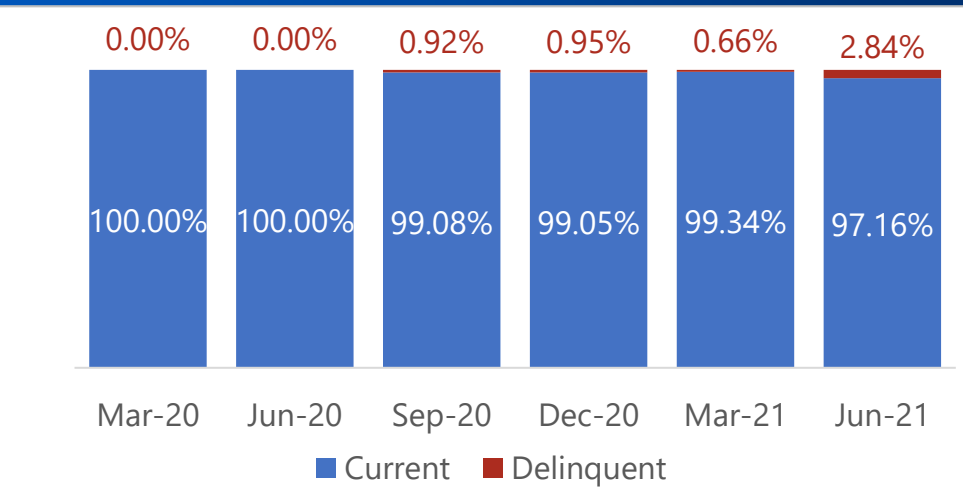
Low NPAs



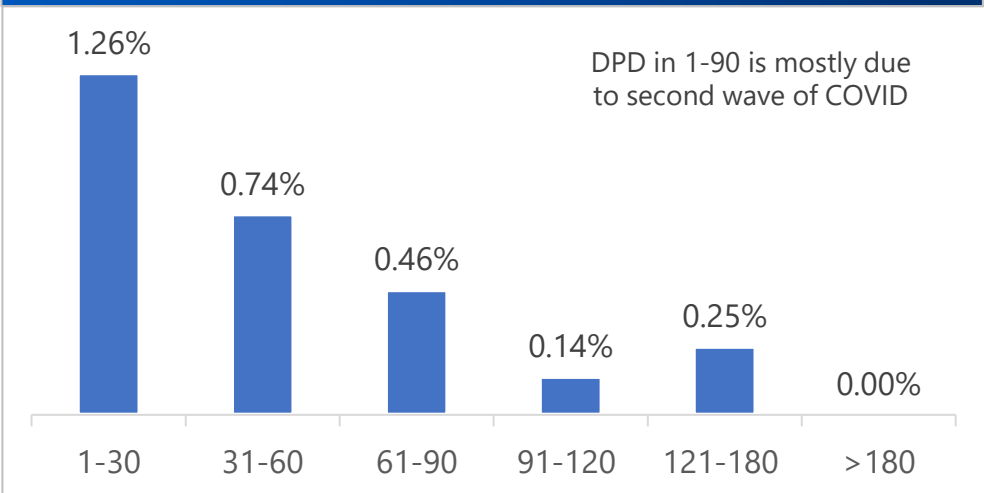
Negligible write-offs and adequate ECL Provisions



DPD Movement: Current vs. Delinquent (% of AUM)



Delinquent Loans by buckets as of Jun'21 (% of AUM)

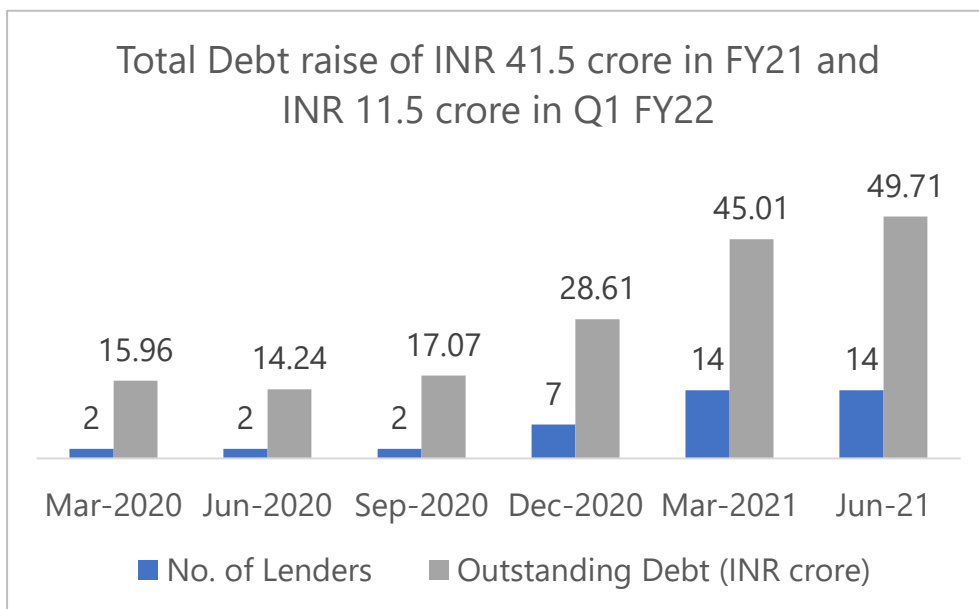


Prudent Capital Management

Stronger balance sheet after Tier-II Capital raise in Q1

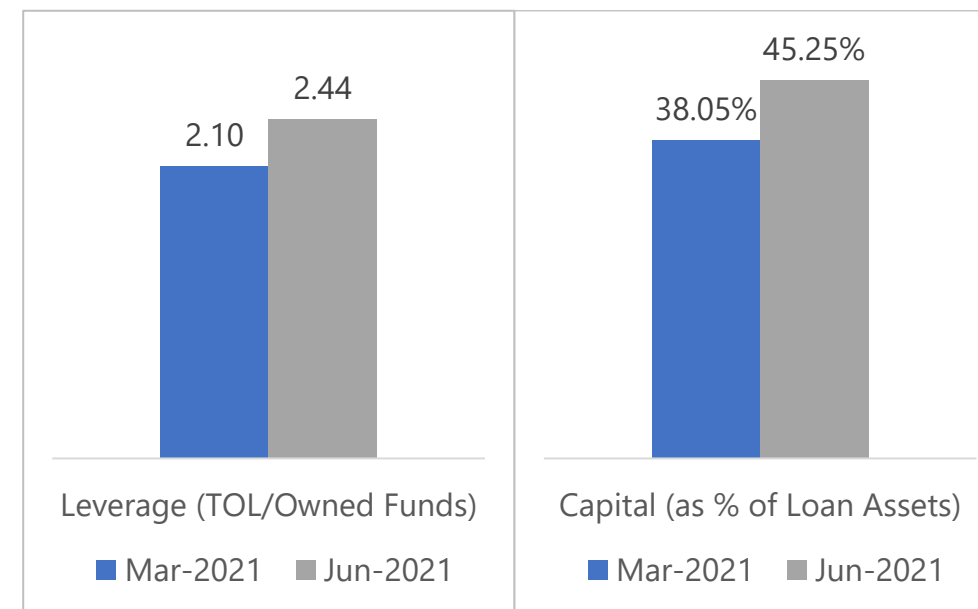


Validation of model by new lenders



- ▶ Raised INR 11.5 crore from existing lenders in Q1 FY22
- ▶ Debt raising capacity improving and funding costs to decline with maturing relationships with existing lenders and expected addition of new lenders

Adequately capitalized for growth



- ▶ Conservative leverage of 2.44 times leaves borrowing headroom for growth
- ▶ Raised INR 2.11 crore of Tier-II Capital in June 2021 and another INR 7-8 crore will be raised in Aug 2021
- ▶ Plans to further raise Capital in FY22 to support growth
- ▶ Adequately capitalized for growth with high Capital in relation to Loan Assets at 45.25% as of Jun'21

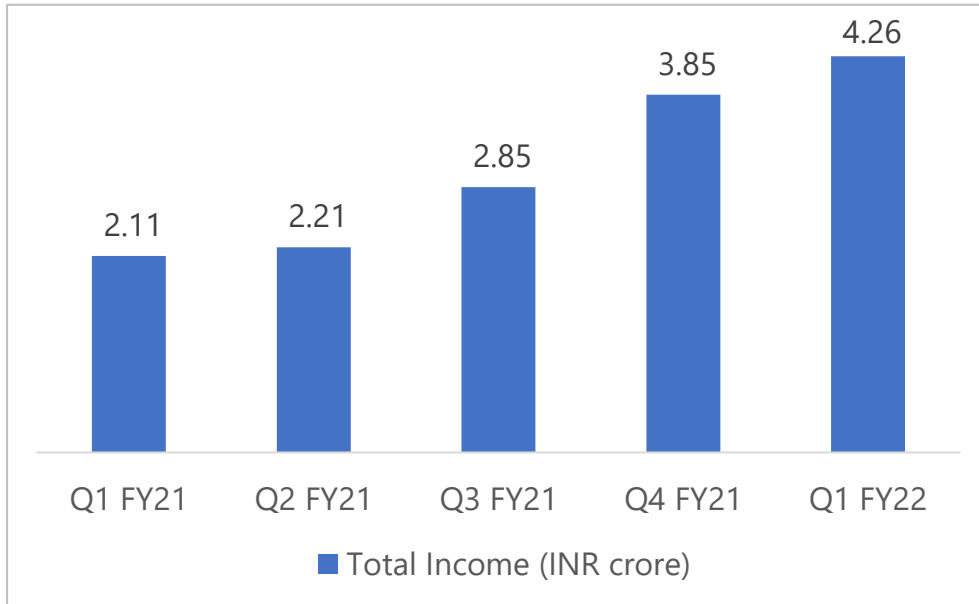


Path to Profitability

Strong unit economics, rising scale of operations and improving productivity to drive profitability

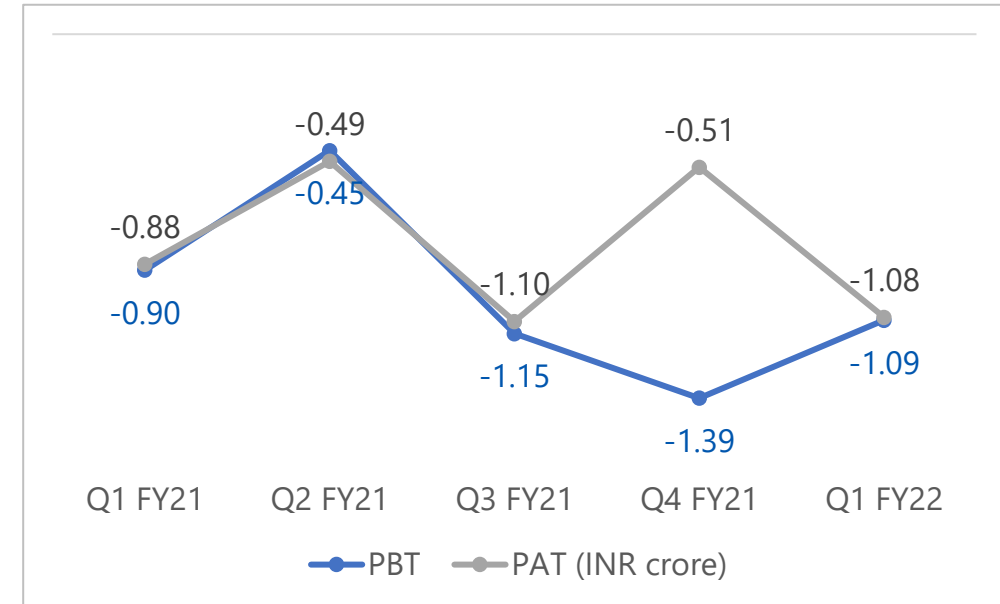


Growing Income with rising scale of operations



- ▶ Growing Income (10.7% sequential growth in Q1 and 101.6% over last year) with rising scale of operations.
- ▶ Opportunity of expansion in existing states to solidify its presence and extract value from existing clusters and new states in Central, North and West India
- ▶ Branch unit economics remain solid with high NIMs and fast break-even period

Profitability to improve with rising scale



- ▶ PBT Loss narrowed in Q1 FY22 supported by growing income and lower other expenses
- ▶ Losses in last two years on account of build-out stage
- ▶ Losses would have been negligible in FY21 without COVID
- ▶ Clear plan to achieve profitability supported by solid Branch unit economics, improving productivity, rising scale of operations and declining cost of borrowings





Diversification of Funding Sources

First PTC Transaction

- ▶ Moneyboxx completed its first securitisation transaction of INR 7.42 crores in July 2021
- ▶ Investment-grade rating assigned to the Instrument by Acuité Ratings & Research Limited
- ▶ Opens new avenues of funding and lowers cost of funding

Banking Partnerships

- ▶ Advanced stage discussions with banks for term loans to significantly lower cost of funds
- ▶ Also exploring partnership models with banks (BC/Co-lending)

Impact Initiatives

- ▶ Appointment of Praveen Gupta as Chief Impact Officer who has varied experience of 15 years
- ▶ Gupta will lead Moneyboxx initiatives in improving the lives of customers through higher business efficiencies across segments – a higher milk yield for livestock customers, increasing income for agri-farmers, and improving supply-chain for other retail borrowers





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Thank You!