

# CMS INFOSYSTEM LTD



**CMP: Rs. 273**

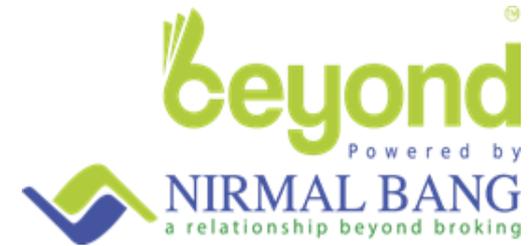
**Target: Rs.351**

- ✦ CMS is the largest cash management company in India and majorly serves 2 verticals. Cash management services (69% of revenue)- wherein company mainly caters to Different Banks by helping them in managing cash for ATM & retail services. Managed services (28% of rev), which majorly includes end-to-end Brown Label deployment , Software solution , Banking automation solution , AI based remote monitoring
- ✦ Company has strong management with Proven track record wherein Mr Rajiv Kaul who is executive vice chairman and CEO. He has been associated with Company since July 1, 2009. Prior to turning around CMS, Rajiv was CEO of Microsoft India at the age of 33.
- ✦ CMS Is the market leader with 46% market share in ATM cash management, 36% in Retail cash management, 26% in Cash-in-transit
- ✦ Company has done acquisition and enter into Adjacent service lines. Companies Long term Relation with clients, being a market leader helps in cross selling and expanding its new service line which has great potential and scaling it up
- ✦ Over FY21- 27, TAM for Cash Management in India is expected to grow at a +19.1% CAGR & managed services market is expected to grow at a CAGR of 16.5%. We feel rising growth in the industry will support the growth of the company
- ✦ FY22 revenue grew by 22% and came at RS 1589.6 cr and plans to reach to Rs 2,500 crore-2,700 crore revenue by FY25E. (ie. A CAGR growth of over 18%). Operating cash flows to EBITDa for FY22 stands at 64%, indicating lower working capital requirement by the company .The company is a debt free company and FCFE stands at Rs 130 cr..
- ✦ At CMP share is trading at a PE of 13.2x FY 24E EPS & PEG ratio of 0.7x which we feel is attractive looking at the growth potential

Year	Revenues	Growth	EBITDA	Margin	PAT	Margin	EPS	PE	EV/EBITDA	ROE
FY21	1306.1	-5.6%	293.5	22.5%	168.4	12.9%	11.4	24.0	12.7	17.1%
FY22	1589.6	21.7%	399.8	25.2%	224.2	14.1%	14.6	18.7	9.8	17.9%
FY23E	1910.0	20.2%	490.9	25.7%	263.2	13.8%	17.1	15.9	7.8	17.6%
FY24E	2267.1	18.7%	591.7	26.1%	317.8	14.0%	20.7	13.2	6.0	17.7%

Figures in Rs cr

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