



MONEYBOXX FINANCE LIMITED

Investor Presentation

Financial Results: Q1 FY23 ending June 30, 2022

10 Aug 2022



Disclaimer

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 considering 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.

Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose.

Agenda

Highlights of Q1 FY23

About the Company



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

Target Market & Opportunity

Our differentiated & proven model



Operations Snapshot –
Balanced Business Model

Business Performance Update



Disbursements – Improving productivity, new branches, launch of Secured products and co-lending to drive growth



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



Robust Asset Quality & High Collection Efficiency - remains one of the best in industry even during stress periods

Review of Financial Position



Prudent Capital Management
Strong Capital Adequacy
Raised Tier-I Equity Capital in Q1



Income Statement



Other Updates – Funding sources; Impact Initiatives

Who we are – Moneyboxx Finance Limited

Building a scalable and profitable business with financial inclusion at heart

Fast-growing, tech-driven, BSE-listed NBFC

- ✓ Small **unsecured business loans** ₹ 70k-300k in Tier-3 and below places
- ✓ **Secured** business loans ₹ 200k-700k from Q1 FY23
- ✓ Started in Feb'19, operating in **5** states with **39** branches as of Aug'22
- ✓ Current AUM of ₹ **132.2** crores (Jun'22) and served more than **15,000** borrowers

TARGET FY27:



117% AUM CAGR
₹ 5,700+ crores



11x branches
330 branches

Funding Livelihoods not Lifestyles, Transforming Lives

- ✓ Serving the most underserved segment i.e., '**The Missing Middle**'
- ✓ **Sustainable impact** beyond just capital
- ✓ Enabling **2x growth** in disposable income of borrowers in 3 years



MISSION STATEMENT

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



VISION STATEMENT

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



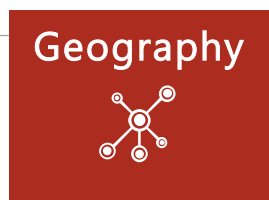
Target Market: MFI+ Segment

Moneyboxx addressing credit needs of under-served Micro & Small Enterprises (MSEs) in Tier-III & beyond

▶ **Targeting the Missing Middle** – Deserving micro and small enterprises with unmet credit needs, often those graduating from group borrowing (MFI) to individual borrowing

▶ **Customers across sectors with focus on essential:** Livestock, Kirana, Trading (retailers other than Kirana) and Small Manufacturers

▶ **Tier 3 cities and below** with initial focus on Rajasthan, Punjab, Haryana, Madhya Pradesh and Uttar Pradesh



Unsecured business loans

- ▶ Ticket size: INR 70,000-300,000
- ▶ Lending Rate: 28% + PF
- ▶ Shorter tenure: 12-36 months

Secured business loans

- ▶ INR 2-7 Lakhs from Q1FY23

- ▶ **'Direct-to-customer' (No DSA):** Direct sourcing leads to better customer understanding and long-term relationship
- ▶ Entirely **digital** (paperless) process from lead generation to disbursement

We are solving a huge problem

Meeting credit needs of the Missing Middle



- ✓ Unsecured business loan of ₹ 0.7 Lac – 3 Lacs
- ✓ MFI borrowers graduating to individual borrowing
- ✓ Less than 3 notable & focused players in this segment

- ✓ ₹ 2 Lacs – 7 Lacs, secured loans from Q1 FY23
- ✓ Very few players addressing this segment as well

Size of the problem and the opportunity

Huge addressable market for Moneyboxx

Micro Enterprises face a huge credit gap of ₹ 8 trillion ^

Why is there a huge credit gap?

Demand-side (borrowers)

- + Lack of credit history
- + Inadequate business documentation (ITR, GST, Banking)
- + Inability to provide collateral

Supply-side (lenders)

- + Perceived as a high-risk segment by financial institutions
- + High transaction costs
- + Outdated, unfeasible underwriting processes
- + Inadequate technology usage
- + Weak collections

^ Source: IFC Report 'Financing India's MSMEs: Estimation of Debt Requirement of MSMEs in India' Nov 2018

Micro enterprise as previously defined in the MSMED Act, 2006 based on the initial investment of the enterprise in plant and machinery or equipment. Micro enterprise definition: For a manufacturing enterprise, investment up to INR 2.5 m. For a service enterprise, investment up to INR 1 m.

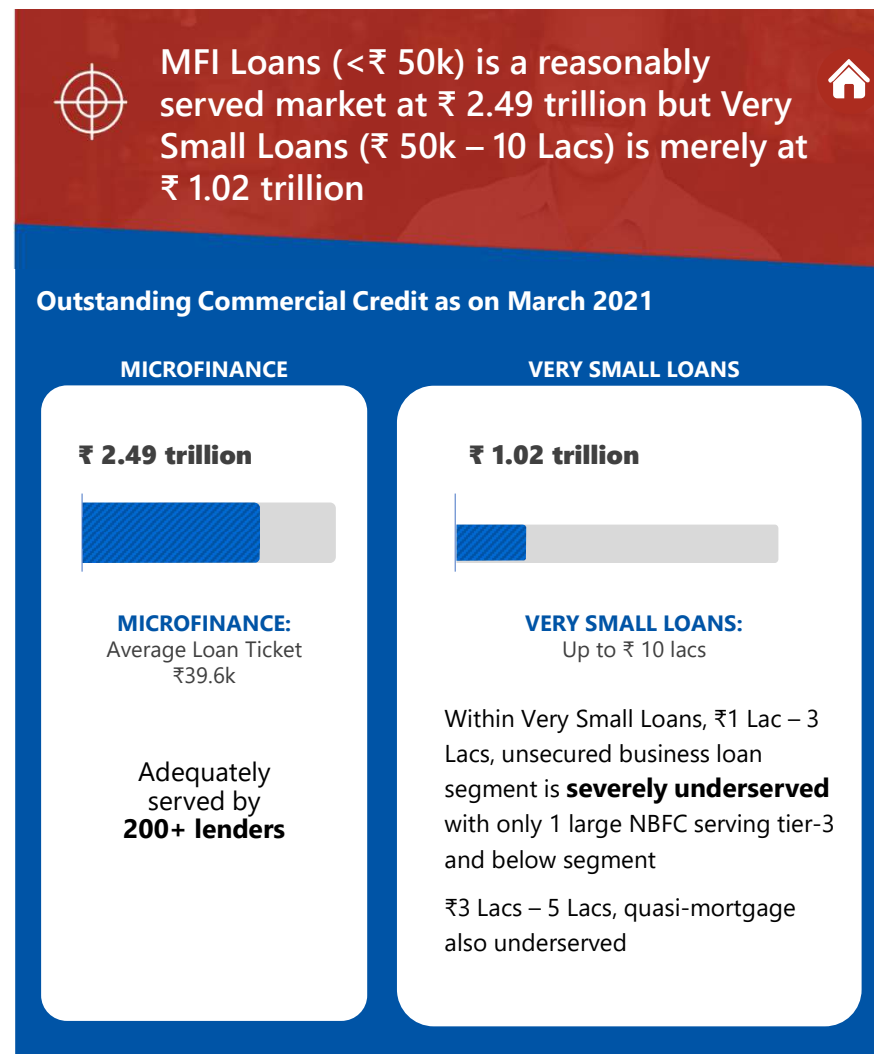


Chart Data Sources: TransUnion CIBIL, SIDBI MSME Pulse Report, June 2021 | Equifax-SIDBI Microfinance Pulse Report, Vol IX – July 2021

Moneyboxx has a proven business model to execute MFI+ Loans



Competitive advantages of MONEYBOXX



On-ground presence

Solid understanding of local economies, clusters and sectors



Origination: Direct-to-customer

No DSA. Direct sourcing leads to better customer understanding and long-term relationship



Robust underwriting

In-depth analysis of customers using non-traditional & non-financial alternative data sources & sector-specific inputs



IT-enabled decision-making

Strong analytics, digital processes

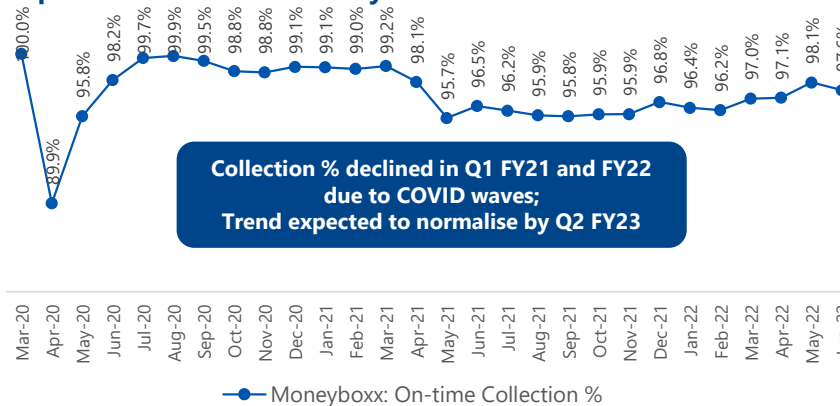


Leveraging local team & intelligence Strong Collection Mechanism

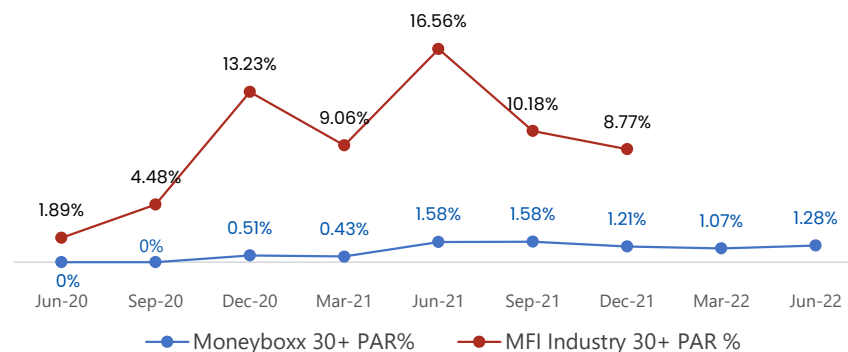
Proven underwriting capabilities and collection efficiency amidst the most challenging environment



Exceptional Collection Efficiency



Robust asset quality despite pandemic





Q1 FY23: Results at a glance

~100% income growth over last year and strong capital position with equity infusion in Q1

Results at a glance:	Q1 FY23	Q4 FY22	Q1 FY22	% YOY	% QOQ
Quarter ending	30-Jun-22	31-Mar-22	30-Jun-21		
Operations					
Branches	31	30	22	40.9%	3.3%
Headcount	392	313	234	67.5%	25.2%
Business (₹ crore)					
Disbursements	30.39	46.85	0.55		-35.1%
AUM #	130.18	119.05	53.26	144.4%	9.3%
Key Financials (₹ crore)					
Total Income	8.48	7.62	4.25	99.4%	11.2%
Profit after taxes	-1.60	-0.42	-1.08		
Balance Sheet (₹ crore)					
Total assets	168.17	140.60	77.18	117.9%	19.6%
Equity	53.28	34.51	23.07	131.0%	54.4%
Debt	103.81	90.99	49.71	108.9%	14.1%
Subordinated Debt	6.53	6.53	2.11	209.4%	0.0%

- ▶ 144% growth in AUM over last year driven by improving productivity & new branches
- ▶ ~ 2x Total Income growth led by rising scale of operations
- ▶ Q1 FY23 Loss increased mainly due to annual salary revision effect and hiring for new branches
- ▶ Stronger capital position after Equity raise of ₹ 20.77 crore in Q1

Key Ratios	Q1 FY23	Q4 FY22
Quarter ending	30-Jun-22	31-Mar-22
Profitability		
NIM % (Note 1)	13.1%	14.1%
ROA (annualised)	-4.1%	-1.2%
Asset Quality		
Gross NPA (90+ PAR%)	0.79%	0.62%
Net NPA (90+ PAR%)	0.39%	0.31%
Write-offs (Note 2)	0.18%	0.32%
Capital Adequacy		
Total Capital (% of Loan Assets)	43.76%	30.59%
Leverage (TOL/TNW)	2.34	3.43

Note 1: NIM as % of Average Interest-earning assets (Loans, FD, FLDG assets)

Note 2: Quarterly loan write-offs as % of Average Loan Book

- ▶ Solid unit economics with high NIM %
- ▶ NIM % moderated in Q1 due to higher liquidity after equity raise
- ▶ Robust asset quality with less than 1% GNPA and low write-offs
- ▶ Strongly capitalized for growth with ₹20.77 crore equity raise in Q1FY23

Note: AUM as on 30.06.2022 includes co-lending/managed book of INR 6.07 crore

Journey so far – Robust systems & processes ensured success despite COVID



Successfully scaled up operations in a span of three years



BRANCHES	Jun'21	Mar'22	Jun'22	Aug'22
Rajasthan	8	10	10	10
Madhya Pradesh	5	7	7	11
Haryana	5	7	8	9
Punjab	4	5	5	6
Uttar Pradesh	-	1	1	3
Total	22	30	31	39

We today are...

Data as of June 2022



39 branches (Aug'22)



12,922 live customers



392 employees



₹ 132.2 crores AUM #



₹ 232.2 crores disbursements



20 lenders

Transforming lives



15,032 borrowers funded



40% women borrowers

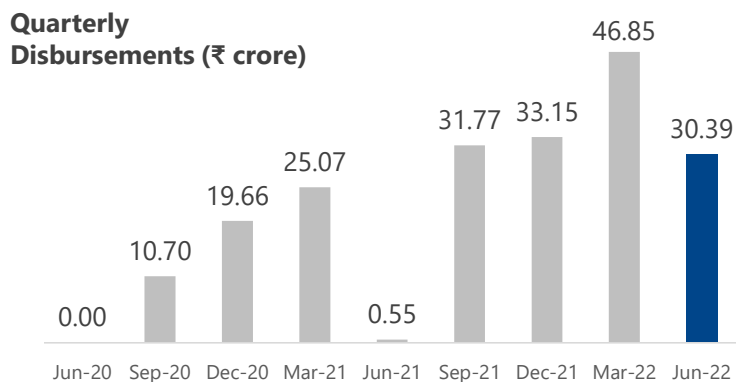
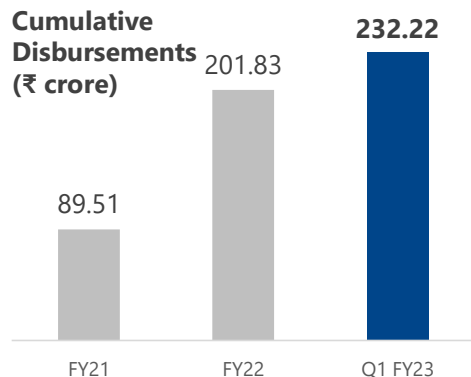


40% new-to-credit

Note: AUM before Ind-AS adjustments; AUM as on 30.06.2022 includes co-lending/managed book of INR 6.07 crore

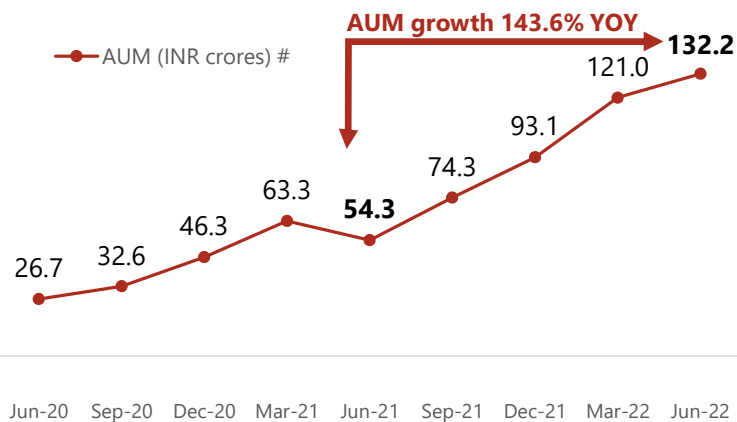
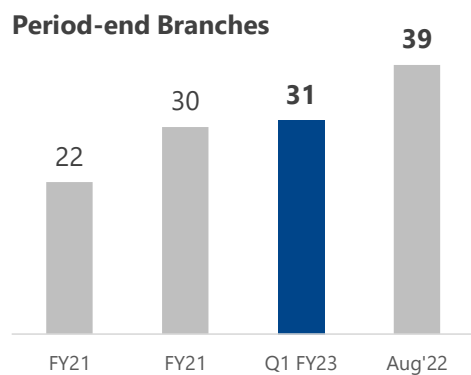


Business expected to grow strongly with improving productivity, launch of secured product, new branches and improved liquidity with co-lending



Successfully migrated to cloud-based LMS and fully integrated Co-lending

Business improving and long-term prospects remain favorable



Robust AUM growth due to strong business growth and ...

... rising branch productivity (1.76x increase in AUM per Branch)

Note: AUM before Ind-AS adjustments; AUM as on 30.06.2022 includes co-lending/managed book of INR 6.07 crore

Branch Productivity	Jun'21	Jun'22
Period-end Branches	22	31
Branches (over 3-month vintage)	22	30
AUM per Branch:	₹ 2.5 crore	₹ 4.4 crore



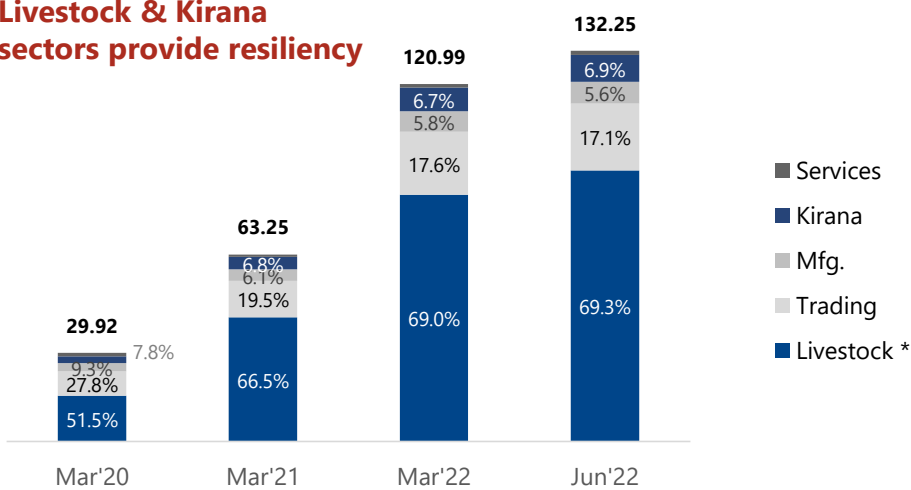
Diversified AUM across sectors and geographies

Focus on essential sectors provide stability



Livestock & Kirana sectors provide resiliency

AUM by Sectors (INR crores) #



Focused more on essential sectors amidst pandemic leading to high collections and resilient asset quality

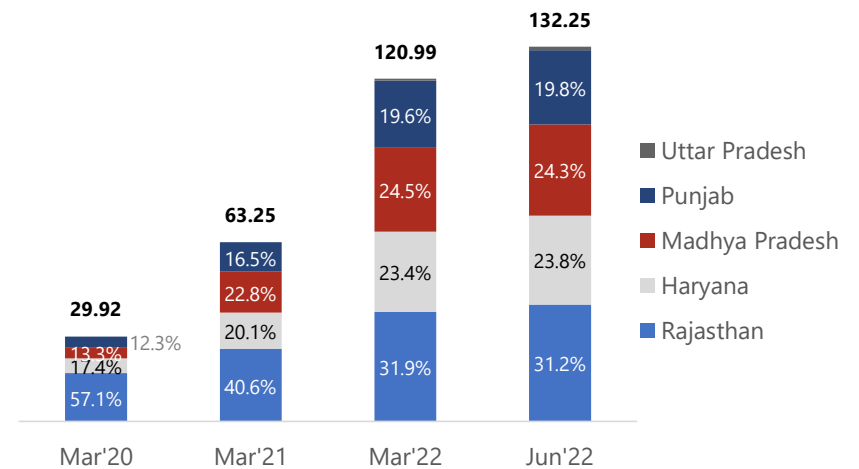
***Livestock customers have multiple sources of income including agri-income from farmland**



Geographic diversification lends stability

Improved geographic diversification with no single state accounting for more than **32% of AUM**

AUM by States (INR crores) #



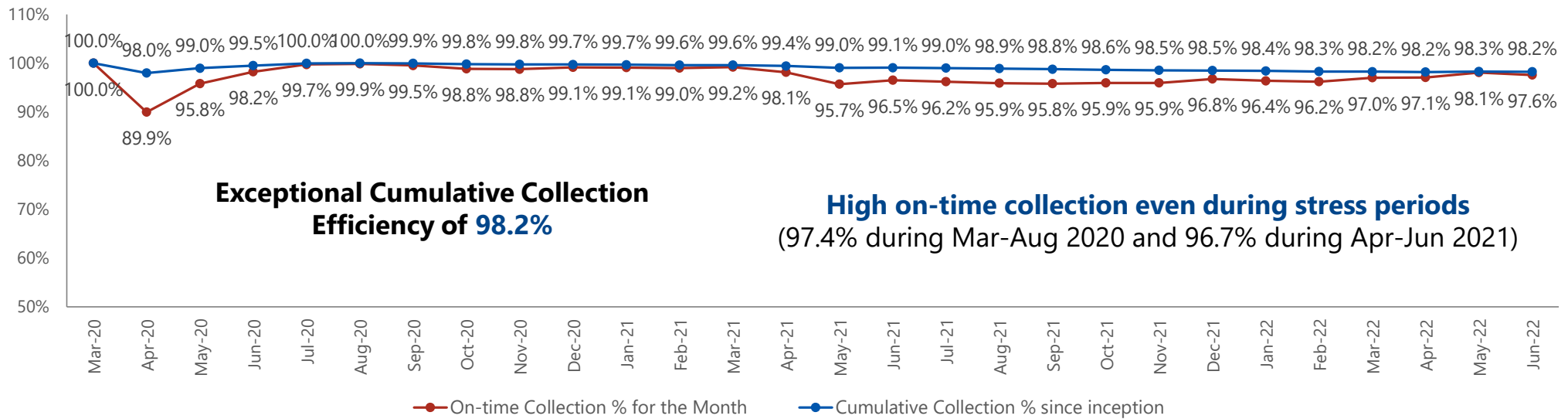
Note: AUM before Ind-AS adjustments; AUM as on 30.06.2022 includes co-lending/managed book of INR 6.07 crore

Exceptional collection efficiency even during stress periods

Testimony of strong underwriting standards and collection efficiency at Moneyboxx



Collection % declined from April 2021 due to severe lockdowns in Q1 FY22 & no moratorium. Trend expected to normalise from Q2 FY23 onwards with improving outlook



Prudent Capital Management

Stronger balance sheet after Equity fund raise of ₹ 20.77 crore in Q1 FY23



Continuous validation of model by lenders

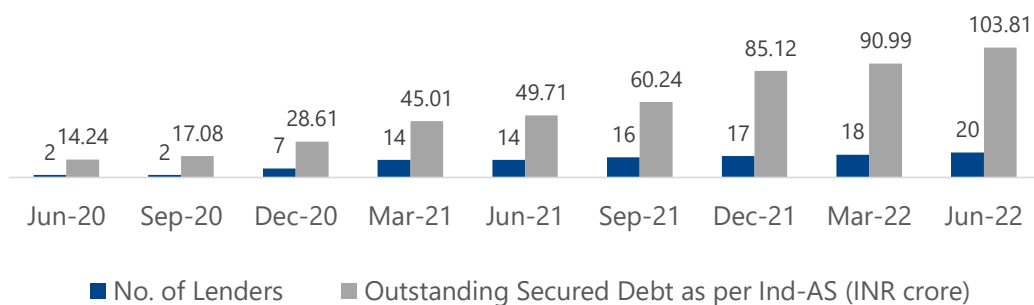
Debt Raised (INR crore)	Up to Mar-20	Up to Mar-21	Up to Mar-22	Up to Jun-22
Term Loans	17.50	59.00	135.50	158.50
PTC Securitisation	-	-	15.81	25.68
Subordinated Debt	-	-	6.61	6.61
Total Cumulative Debt Raised	17.50	59.00	157.92	190.79
Total raised during period	17.50	41.50	98.92	32.87



Supported by **20 lenders**, including **3 banks** (DCB Bank, IDFC First Bank, AU SFB), leading NBFCs, and a global impact fund: Caspian Debt



Debt raising capacity improving and funding costs to decline with maturing relationships with existing lenders and expected addition of **multiple banks**



Adequately capitalized for growth

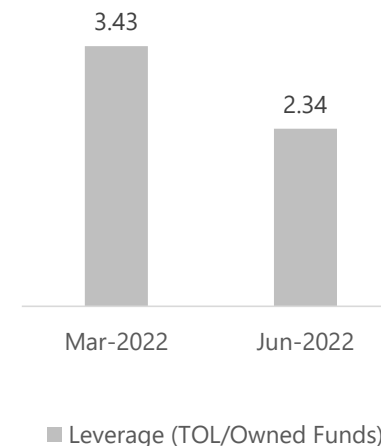
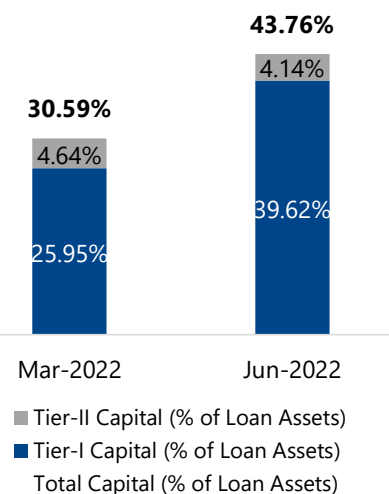


Strong Capital Adequacy:

43.76% as of Jun'22

Strengthened capital position with:
₹ 20.77 crore of Tier-I Equity Capital in Q1 FY23
₹ 14.42 crore of Tier-I Equity Capital in Q3 FY22

Plans to raise further Capital to support growth plans



Income Statement



Income Statement (INR crore)	Q1 FY23	Q4 FY22	Q1 FY22	% YOY	% QOQ
Quarter ending	30-Jun-22	31-Mar-22	30-Jun-21		
(a) Interest Income	8.35	7.51	4.20	98.7%	11.1%
(b) Sale of Services	0.12	0.10	0.05	177.1%	22.3%
Income from Operations	8.47	7.61	4.25	99.5%	11.3%
(c) Other Income	0.00	0.01	0.00		
Total Income (I)	8.48	7.62	4.25	99.4%	11.2%
Finance Cost	4.03	3.58	1.80	124.0%	12.8%
Employee Benefits Expenses	4.57	3.48	2.60	76.1%	31.4%
Other Expenses	1.24	1.40	0.59	109.1%	-10.9%
Depreciation & amortisation	0.34	0.25	0.22	52.2%	35.9%
Impairment on financial instruments	0.37	0.47	0.13	182.7%	-22.6%
Total Expenses (II)	10.55	9.17	5.34	97.5%	15.1%
Profit/(loss) before taxes (I-II)	-2.08	-1.55	-1.09	90.0%	34.2%
Deferred Tax Expenses	-0.48	-1.13	-0.01		
Profit/(loss) after taxes	-1.60	-0.42	-1.08	47.6%	280.0%

Q1 FY23 – Other Important Updates



Diversification of funding sources and lowering of funding cost

Co-lending started with **Vivriti Capital** from Q1 FY23 with monthly commitment of **INR 20 crore**. Co-lending with **MAS Financial** of **INR 5 crore** planned from Aug'22

Bank funding: Added **IDFC First Bank** in Q1 FY23

Securitization: Third PTC transactions of ₹ 9.87 crore closed in Q1 FY23

Further banking partnership discussions ongoing



Equity capital raise

Raised ₹ 20.77 crore Equity from non-promoter investors in Jun 2022

Raised ₹ 14.42 crore Equity from non-promoter investors in Dec 2021

Ongoing discussions for raising further Equity capital for growth



Other Updates

Secured lending: Launch of quasi-secured and secured lending products from Q1 FY23

Expanded **Branch Network to 39** as of Aug'22 (added 9 branched in YTD FY23)

Ongoing **impact initiatives** (vet doctor consultancy for livestock borrowers)

Launch of **CSR partnership** (agro-forestry) to boost agriculture income of borrowers



THANK YOU



Corporate Office Address

Moneyboxx Finance Ltd, 2nd Floor, Vatika Business Centre, First India Place, M.G. Road, Gurgaon – 122002, Haryana



+91 9971882650
+91 8828230582



deepakaggarwal@moneyboxxfinance.com
mayurmodi@moneyboxxfinance.com



www.moneyboxxfinance.com

