

DAM Capital Advisors Limited

IPO Note



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DAM Capital Advisors has established itself as one of India's fastest-growing merchant banks, achieving a robust revenue CAGR of 38.77% between FY22 and FY24, with the highest profit margin among peers in FY24 (Source: CRISIL Report). The company commands a 12.1% market share in IPOs and QIPs managed as the book-running lead manager in FY24, reflecting its leadership in the Indian equity capital markets.

Its diverse suite of services spans equity capital markets (ECM), mergers and acquisitions (M&A), private equity (PE), structured finance advisory, institutional broking, and research.

Since its acquisition in November 2019, DAM Capital has demonstrated strong execution capabilities with 72 ECM transactions and 23 advisory mandates completed by October 2024. These include 27 IPOs, 16 QIPs, and various other significant deals across REITs, OFS, buybacks, and open offers. The institutional equities business supports 263 active clients, including global FPIs, spread across geographies such as India, the USA, the UK, Europe, and key Asian markets.

This comprehensive expertise has positioned DAM Capital as a go-to partner for corporates, institutional investors, financial sponsors, and family offices seeking capital markets and strategic advisory solutions.

Under the leadership of Mr. Dharmesh Anil Mehta, a veteran with over 25 years of industry experience, the company has delivered consistent financial growth. Total income rose to INR 1,820.00 mn in FY24, representing a 38.77% CAGR over FY22-FY24. Profit after tax (PAT) grew at a remarkable 79.46% CAGR during the same period, reaching INR 705.23 mn in FY24, showcasing operational efficiency and strong execution despite market volatility.

DAM Capital's strategic focus on the high-growth Indian capital markets, backed by its deep sector knowledge and experienced team, has allowed it to consistently achieve landmark transactions.

With a track record of rapid growth and market leadership, DAM Capital is well-positioned to capitalize on future opportunities in India's dynamic financial ecosystem.

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY22	93.4	33.1	21.9	35.5	23.5	3.1	12.5	24.9	24.5	91.2	57.8
FY23	84.9	18.2	8.7	21.5	10.2	1.2	13.5	9.1	9.5	230.3	68.0
FY24	180.0	101.1	70.5	56.1	39.2	10.0	23.0	43.4	41.8	28.3	18.2

Source: Ventura Research & Company update

Industry	Finance & Investments
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Scrip Details	
Listing	BSE & NSE
Open Date	Dec 19, 2024
Close Date	Dec 23, 2024
Price Band	INR 269 – 283
Face Value	INR 2
Market Lot	53 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	INR 840.2
Issue Size (Shares)	29,690,900
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	7.0
Post Issue sh. (cr)	7.0
Post Issue Market Cap (cr)	1,998

Shareholding (%)	Pre (%)	Post (%)
Promoter	45.88	03.87
Public	54.12	96.13
TOTAL	100	100

Issue Structure and Offer Details

DAM capital advisors IPO is a book built issue of INR 840.25 cr. The issue is a offer for sale of 2.96 cr shares aggregating to INR 840.25cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
Retail NII (HNI)	Not less than 35.00% of the Offer
NII (HNI)	Not less than 15.00% of the Offer

Number of shares based on a higher price band of INR 283

Source: Company Reports

Objects of the Issue

The Company proposes to utilize the Net Proceeds towards the following objects:

1. Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and the relevant taxes thereon.

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	93.4	84.9	180.0	Adjusted EPS (INR)	3.1	1.2	10.0
<i>YoY Growth (%)</i>		<i>(9.0)</i>	<i>112.0</i>	Adjusted Cash EPS (INR)	3.8	2.0	10.9
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	12.5	13.5	23.0
<i>RM Cost to Sales (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	Adjusted CFO per share (INR)	5.3	96.2	(84.3)
Employee Cost	48.2	53.5	65.3	CFO Yield (%)	1.9	34.0	(29.8)
<i>Employee Cost to Sales (%)</i>	<i>51.7</i>	<i>63.0</i>	<i>36.3</i>	Adjusted FCF per share (INR)	5.2	95.9	(84.8)
Other Expenses	12.0	13.2	13.6	FCF Yield (%)	1.8	33.9	(30.0)
<i>Other Exp to Sales (%)</i>	<i>12.9</i>	<i>15.5</i>	<i>7.6</i>	Solvency Ratio (X)			
EBITDA	33.1	18.2	101.1	Total Debt to Equity	0.0	0.0	0.0
<i>Margin (%)</i>	<i>35.5</i>	<i>21.5</i>	<i>56.1</i>	Net Debt to Equity	(1.0)	(8.0)	(1.0)
<i>YoY Growth (%)</i>		<i>(45.0)</i>	<i>454.4</i>	Net Debt to EBITDA	(2.5)	(41.6)	(1.6)
Depreciation & Amortization	5.1	5.4	6.3	Return Ratios (%)			
EBIT	28.1	12.9	94.7	Return on Equity	24.9	9.1	43.4
<i>Margin (%)</i>	<i>30.1</i>	<i>15.1</i>	<i>52.6</i>	Return on Capital Employed	24.5	9.5	41.8
<i>YoY Growth (%)</i>		<i>(54.2)</i>	<i>637.1</i>	Return on Invested Capital	708.9	(1.9)	2,176.0
Other Income	1.1	0.1	2.0	Working Capital Ratios			
Bill discounting & other charges	1.2	1.1	1.2	Payable Days (Nos)	184	4,601	5
Fin Charges Coverage (X)	24.4	11.7	78.2	Inventory Days (Nos)	0	0	0
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	185	803	48
PBT	28.0	11.9	95.5	Net Working Capital Days (Nos)	1	-3,798	43
<i>Margin (%)</i>	<i>30.0</i>	<i>14.0</i>	<i>53.0</i>	Net Working Capital to Sales (%)	0.2	(1,040.4)	11.7
<i>YoY Growth (%)</i>		<i>(57.7)</i>	<i>704.6</i>	Valuation (X)			
Tax Expense	6.1	3.2	24.9	P/E	91.2	230.3	28.3
<i>Tax Rate (%)</i>	<i>21.9</i>	<i>26.9</i>	<i>26.1</i>	P/BV	22.7	21.0	12.3
PAT	21.9	8.7	70.5	EV/EBITDA	57.8	68.0	18.2
<i>Margin (%)</i>	<i>23.5</i>	<i>10.2</i>	<i>39.2</i>	EV/Sales	20.5	14.6	10.2
<i>YoY Growth (%)</i>		<i>(60.4)</i>	<i>713.0</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	28.0	11.9	95.5
Net Profit	21.9	8.7	70.5	Adjustments	3.3	(213.1)	239.1
<i>Margin (%)</i>	<i>23.5</i>	<i>10.2</i>	<i>39.2</i>	Change in Working Capital	(0.0)	883.8	(904.6)
<i>YoY Growth (%)</i>		<i>(60.4)</i>	<i>713.0</i>	Less: Tax Paid	(6.1)	(3.2)	(24.9)
Cash Flow Statement				Cash Flow from Operations	37.4	679.4	(595.0)
PBT	28.0	11.9	95.5	Net Capital Expenditure	(1.6)	(3.1)	(4.3)
Adjustments	3.3	(213.1)	239.1	Change in Investments	(26.8)	(667.7)	662.5
Change in Working Capital	(0.0)	883.8	(904.6)	Cash Flow from Investing	(28.4)	(670.8)	658.2
Less: Tax Paid	(6.1)	(3.2)	(24.9)	Change in Borrowings	(1.9)	(0.9)	(1.6)
Cash Flow from Operations	37.4	679.4	(595.0)	Less: Finance Cost	(1.2)	(1.1)	(1.2)
Net Capital Expenditure	(1.6)	(3.1)	(4.3)	Proceeds from Equity	0.0	0.0	0.0
Change in Investments	(26.8)	(667.7)	662.5	Buyback of Shares	0.0	0.0	0.0
Cash Flow from Investing	(28.4)	(670.8)	658.2	Dividend Paid	0.0	(2.1)	(1.4)
Change in Borrowings	(1.9)	(0.9)	(1.6)	Cash flow from Financing	(3.1)	(4.2)	(4.3)
Less: Finance Cost	(1.2)	(1.1)	(1.2)	Net Cash Flow	6.0	4.5	59.0
Proceeds from Equity	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0	Opening Balance of Cash	15.1	21.1	25.6
Dividend Paid	0.0	(2.1)	(1.4)	Closing Balance of Cash	21.1	25.6	84.6
Cash flow from Financing	(3.1)	(4.2)	(4.3)				
Net Cash Flow	6.0	4.5	59.0				
Forex Effect	0.0	0.0	0.0				
Opening Balance of Cash	15.1	21.1	25.6				
Closing Balance of Cash	21.1	25.6	84.6				

Source: Company Reports

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