Retail Research	IPO Note
Sector: IT - Services	Price Band (Rs): 284 – 299
15th September 2025	Recommendation: SUBSCRIBE

iValue Infosolutions Ltd

Company Overview:

iValue Infosolutions Ltd (IISL) is a value-added distributor and solutions aggregator in the enterprise technology space. The company bridges global Original Equipment Manufacturers (OEMs) with Indian enterprises through System Integrators (SIs). Its role goes beyond distribution — IISL curates multi-vendor technology stacks that integrate cybersecurity, information lifecycle management, data center infrastructure, hybrid cloud, and application lifecycle management. Revenues are generated primarily through spreads between OEM purchase price and customer solution sales, supplemented by service and integration income.

Key Highlights:

1. **Vital link in the technology solutions ecosystem:** IISL enables OEMs (who research, develop and produce technology solutions) to reach their target customers (primarily comprising enterprises) by partnering with System Integrators (who engage with such customers for solving their technology integration requirements). The company typically works with System Integrators to understand enterprise customers' business and technical requirements to curate customized solutions (including multi-OEM stacks) and assist in procurement and deployment of the required technology solutions by partnering with OEMs across cybersecurity, information lifecycle management, data centre infrastructure, application lifecycle management, hybrid cloud solutions and other domains.

2. **Comprehensive multi-OEM solutions and services portfolio**: The company's portfolio is aligned with enterprise spending priorities: cybersecurity, hybrid cloud, and application lifecycle management. These are expected to grow at double-digit CAGRs in India, driven by digital transformation, regulatory compliance (data protection laws, CERT-In, RBI IT directives), and adoption of AI/cloud-native workloads. IISL's partnerships with leading OEMs like Splunk, Google Cloud, Nutanix, Check Point and Arista ensure it is well-placed to ride these tailwinds.

3. **Strong network of OEMs and System Integrators:** Long-standing OEM relationships (19 partners >10 years) and a large SI base (804 in FY25) give IISL a durable competitive advantage. This two-sided ecosystem creates high entry barriers — OEMs value IISL for market access and integration capability, while SIs rely on IISL to deliver bundled solutions. Once embedded into an enterprise's IT landscape, IISL enjoys repeat business and higher wallet share.

Valuation: At the upper price band of Rs 299, the IPO is valued at a P/E multiple of 18.8x on post-issue capital. IISL is more than a distributor; it is a value-added solutions aggregator that is expected to play a structural role in India's enterprise IT landscape. Its business model benefits from ecosystem stickiness, strong OEM partnerships, and alignment with high-growth IT spending categories. These services are expected to grow at double-digit CAGRs in India, driven by digital transformation, regulatory compliance, and adoption of AI/cloud-native workloads and the company is expected to be a key beneficiary of the trend. We recommend investors to SUBSCRIBE to the issue at cut-off price.

Issue Details	
Date of Opening	18th September 2025
Date of Closing	22nd September 2025
Price Band (Rs)	284 – 299
Offer for sale (no. of shares)	1,87,38,958
Fresh Issue (Rs cr)	-
Issue Size (Rs cr)	560.3
No. of shares	1,87,38,958
Face Value (Rs)	2.0
Post Issue Market Cap (Rs cr)	1,521 – 1,601
BRLMs	IIFL Capital Services Ltd, Motilal Oswal Investment Advisors Ltd
Registrar	KFin Technologies Ltd
Bid Lot	50 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	2,13,71,022	39.9
Public & Others	3,21,68,858	60.1
Total	**5,35,39,880**	**100.0**

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	1,75,22,968	32.7
Public & Others	3,60,16,912	67.3
Total	**5,35,39,880**	**100.0**

Promoters selling through OFS	No. of shares
Sunil Kumar Pillai	7,62,115
Krishna Raj Sharma	11,64,645
Srinivasan Sriram	9,21,048
Hilda Sunil Pillai	10,00,246
Total	**38,48,054**

Individuals/Investors selling through OFS	No. of shares
Sundara (Mauritius) Ltd	1,10,12,539
Venkatesh R	6,32,196
Subodh Anchan	5,92,726
Roy Abraham Yohannan	4,77,949
Brijesh Shrivastava	4,57,149
L Nagabushana Reddy	4,49,915
Ran Vijay Pratap Singh	4,49,916
Ravindra Kumar Sankhla	3,77,099
Venkata Naga Swaroop Muvvala	4,41,415
Total	**1,48,90,904**

Source: RHP, SSL Research

Key Financials & KPIs

Particulars (Rs cr)	FY23	FY24	FY25
Revenue from operations	796.8	780.2	922.7
EBITDA	83.2	99.4	114.1
PAT	59.9	70.6	85.3
EBITDA Margin (%)	10.4	12.7	12.4
PAT Margin (%)	7.5	9.0	9.2
RoE (%)	19.9	19.0	18.4
RoCE (%)	25.1	25.8	25.0
P/E (x)*	26.7	22.7	18.8
No. of OEMs signed up	9	8	8
No. of System Integrators Billed	567	648	804
Number of customers served	1,804	2,014	2,877
Total number of employees	400	457	421
Attrition rate	27.4%	32.7%	34.1%

Note: Pre-issue P/E based on upper price band
Source: RHP, SSL Research

Risk Factors

- **High contribution from top 10 OEMs:** As of FY25, the company maintained a network of 109 OEMs, of which the top 5/top 10 OEMs accounted for ~45.9%/63.0% of its total gross sales billed to customers. Thus, failure to maintain relationships with OEMs, or any material changes in the pricing, volume and other terms of existing agreements with OEMs could materially affect the company's business.

- **Competition risk:** The company's System Integrators are not required to purchase any specific volume of products from IISL and may shift their business to competitors (such as other resellers and VADs) if such competitors offer lower prices for similar products and services. Additionally, the OEMs that the company works with, may decide to directly distribute/sell their products or appoint other resellers, thereby impacting IISL's market share.

- **Dependency on OEMs:** The company does not manufacture or develop any of the products used in its offerings, and instead relies on OEMs to develop, test and manufacture products used in the offerings. Since, IISL does not manufacture the products used in any offerings, there can be no assurance that the OEMs whose products the company uses to curate offerings will be able to effectively promote, develop their brands or maintain standard quality of the products.

Growth Strategies

- Capitalize on the growth in enterprise technology solutions market in India and SAARC region.

- Further expand OEM, System Integrator & end-customer portfolio, and leverage existing relationships to generate cross-sell and up-sell opportunities.

- Focus on growing ALM offerings, to leverage increased market focus on digitization and cloudification of applications.

- Focus on growing hybrid cloud offerings, to capture expected growth in hyperscale and hyper converged infrastructure for hybrid cloud needs.

Reconciliation of 'Gross Sales Billed to Customers' to 'Revenue from Operations'

Particulars	FY23	FY24	FY25
Gross sales billed to the Customers	1,810.7	2,110.5	2,439.4
Netting of Gross Sales and Gross Purchase	(1,013.8)	(1,330.3)	(1,516.7)
Revenue from Operations	**796.8**	**780.2**	**922.7**

Source: RHP, SSL Research

Domain-wise Contribution to Gross Sales (%)

Particulars	FY23		FY24		FY25	
	Rs cr	%*	Rs cr	%*	Rs cr	%*
Cybersecurity	846.5	46.8%	1,065.9	50.5%	1,143.9	46.9%
Information Lifecycle Management	595.0	32.9%	620.9	29.4%	535.6	22.0%
Data center infrastructure	166.9	9.2%	193.1	9.2%	415.4	17.0%
ALM, cloud and others	202.3	11.2%	230.5	10.9%	344.4	14.1%
Total gross sales billed to customers	**1,810.7**	**100.0%**	**2,110.5**	**100.0%**	**2,439.4**	**100.0%**

****% of total gross sales billed to customers***
Source: RHP, SSL Research

Revenue Split – Domestic vs Exports

Particulars	FY23		FY24		FY25	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Domestic	729.3	91.5%	730.6	93.6%	875.1	94.8%
Exports	67.5	8.5%	49.6	6.4%	47.6	5.2%
Total Revenue (TR)	**796.8**	**100.0%**	**780.2**	**100.0%**	**922.7**	**100.0%**

Source: RHP, SSL Research

OEM Network Additions

Particulars	FY23		FY24		FY25	
	No. of OEMs	New OEMs added	No. of OEMs	New OEMs added	No. of OEMs	New OEMs added
Cybersecurity	42	3	45	3	50	5
Information Lifecycle Management	9	-	9	-	9	-
Data center infrastructure	17	1	20	3	22	2
ALM, cloud and others	25	5	27	2	28	1
Total OEM Partners	**93**	**9**	**101**	**8**	**109**	**8**

Source: RHP, SSL Research

OEM Partners & Term Agreements (No. of Years)

Source: RHP, SSL Research

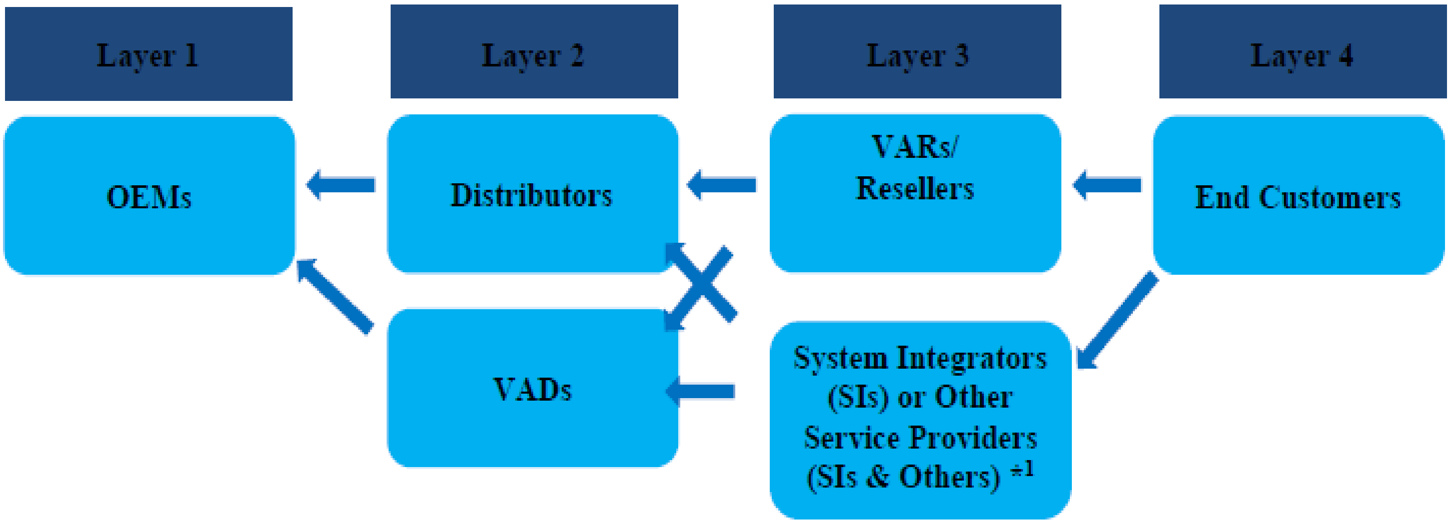
System Integrators Network Count

Particulars	FY23	FY24	FY25
Global System Integrators*	32	33	37
National System Integrators	41	42	97
Local System Integrators	494	573	670
Total	**567**	**648**	**804**

Also includes Regional System Integrators
Source: RHP, SSL Research

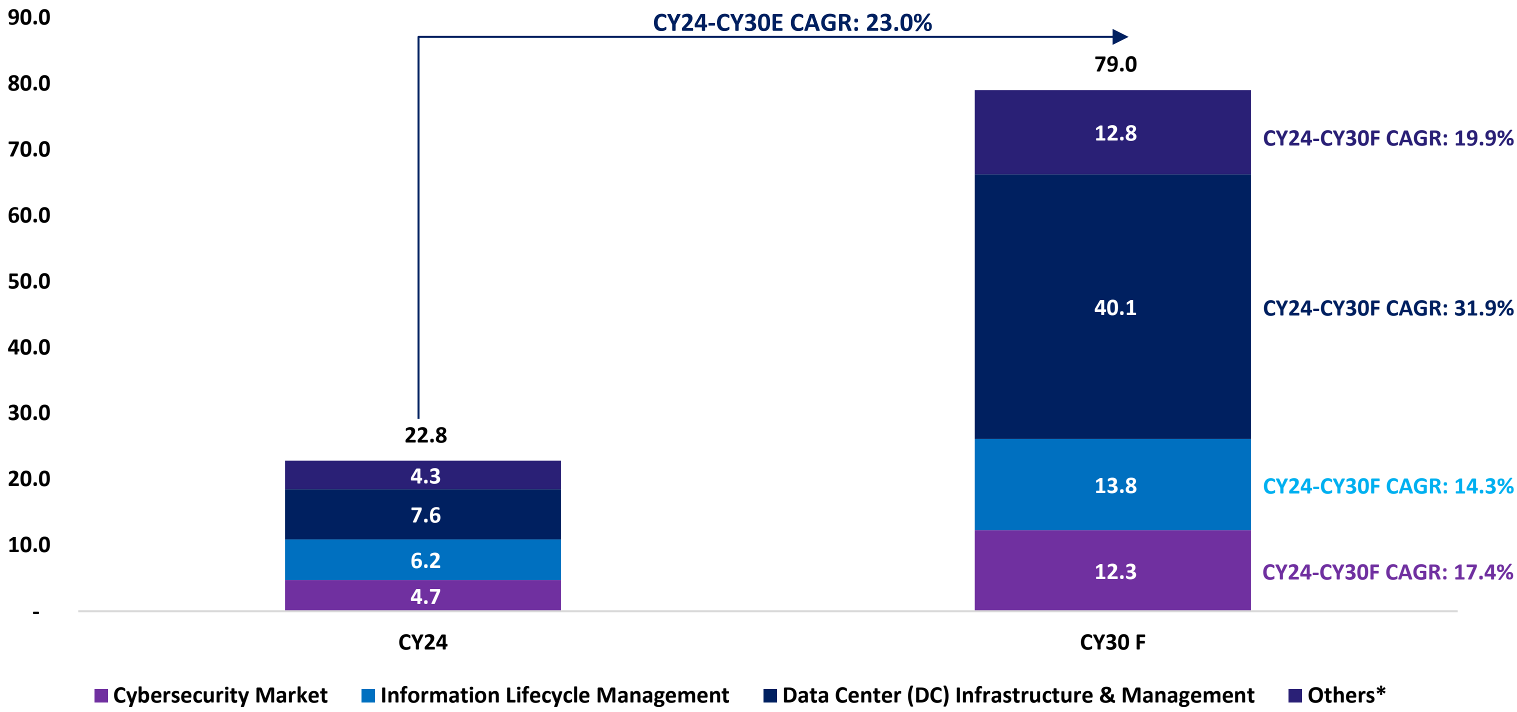
Industry Overview

Products and Services Market Distribution Ecosystem



Blue arrow head indicates "Buy from/Source from"
Source: RHP, SSL Research

India – IT Transformation Industry (USD bn)



**Others includes ALM & Services, Professional & Managed Services*
Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	**FY23**	**FY24**	**FY25**
Revenue from Operations	**797**	**780**	**923**
YoY growth (%)	-	*-2.1%*	*18.3%*
COGS (incl Stock Adj)	**617**	**561**	**680**
Gross Profit	**180**	**219**	**243**
Gross margins (%)	*22.6%*	*28.1%*	*26.4%*
Employee Cost	41	65	69
Other Operating Expenses	56	55	60
EBITDA	**83**	**99**	**114**
EBITDA margins (%)	*10.4%*	*12.7%*	*12.4%*
Other Income	9	15	20
Interest Exp.	8	13	13
Depreciation	4	7	7
PBT	**80**	**95**	**113**
Tax	20	24	28
PAT	**60**	**71**	**85**
PAT margin (%)	*7.5%*	*9.0%*	*9.2%*
EPS (Rs)	**11.2**	**13.2**	**15.9**

BALANCE SHEET			
Particulars (Rs cr)	**FY23**	**FY24**	**FY25**
Assets			
Net Block	6	10	10
Right of use assets	30	30	25
Intangible Assets	1	0	0
Goodwill	8	8	8
Other Non current Assets	37	85	69
Current Assets			
Inventories	90	27	13
Current Investment	11	-	-
Trade receivables	702	673	826
Cash and Bank Balances	80	135	165
Other Current Assets	116	36	48
Total Current Assets	**999**	**871**	**1,051**
Current Liabilities & Provisions			
Trade payables	647	502	555
Other current liabilities	48	47	55
Short-term provisions	2	5	1
Total Current Liabilities	**697**	**554**	**612**
Net Current Assets	**302**	**317**	**440**
Total Assets	**383**	**450**	**551**
Liabilities			
Share Capital	4	4	8
Reserves and Surplus	296	367	455
Total Shareholders Funds	**301**	**372**	**464**
Minority Interest	(1)	(1)	(2)
Total Debt	50	45	42
Long Term Provisions	3	3	2
Lease Liabilities	29	32	28
Other Long Term Liabilities	-	-	16
Total Liabilities	**383**	**450**	**551**

Cash Flow Statement (Rs cr)	FY23	FY24	FY25
Cash flow from Operating Activities	(23)	66	46
Cash flow from Investing Activities	30	24	(36)
Cash flow from Financing Activities	22	(22)	(20)
Free Cash Flow	(25)	62	45

RATIOS			
Particulars	FY23	FY24	FY25
Profitability Ratios (%)			
Return on Capital Employed	25.1%	25.8%	25.0%
Return on Equity	19.9%	19.0%	18.4%
Margin Analysis (%)			
Gross Margin	22.6%	28.1%	26.4%
EBITDA Margin	10.4%	12.7%	12.4%
Net Profit Margin	7.5%	9.0%	9.2%
Short-Term Liquidity			
Current Ratio (x)	1.3	1.5	1.6
Quick Ratio (x)	1.2	1.4	1.6
Avg. Days Sales Outstanding	321	315	327
Avg. Days Inventory Outstanding	53	18	7
Avg. Days Payables	331	269	251
Fixed asset turnover (x)	127.2	78.3	96.3
Debt-service coverage (x)	1.5	1.8	2.3
Long-Term Solvency			
Total Debt / Equity (x)	0.2	0.1	0.1
Interest Coverage Ratio (x)	11.4	8.3	9.4
Valuation Ratios*			
EV/EBITDA (x)	18.9	15.2	13.0
P/E (x)	26.7	22.7	18.8
P/B (x)	5.3	4.3	3.5
EV/Sales (x)	2.0	1.9	1.6
P/Sales (x)	2.0	2.1	1.7

Valuation ratios are based on pre-issue capital at the upper price band
Source: RHP, SSL Research

Peer Comparison

iValue Infosolutions Ltd does not have any listed like-to-like industry peers in India

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