Pace Digitek Ltd.

IPO Note

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Powering Infrastructure, Energy and Telecom solutions

Pace Digitek Limited, incorporated in 2007 and headquartered in Bengaluru, Karnataka, is a diversified infrastructure and technology solutions company. The firm, previously known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited, operates primarily in the fields of Infra Power Management, Green Energy, Telecom, Solar Energy Solutions, and Hybrid Solutions, providing comprehensive services across urban infrastructure, power, and power transmission sectors.

The company has established itself as a key player in India's burgeoning green energy sector, particularly focusing on renewable energy, telecom tower solutions, and energy storage systems. Pace Digitek also offers remote monitoring solutions and operations & maintenance services, enabling it to leverage the ongoing trend toward infrastructure digitization and energy efficiency.

Growth Outlook: The increasing demand for renewable energy and energy-efficient infrastructure presents a robust growth opportunity for Pace Digitek. With India's growing focus on renewable energy targets, such as the ambitious 500 GW of renewable power capacity by 2030, the company stands poised to benefit from both public and private sector investments in solar and hybrid energy solutions. Furthermore, government initiatives in infrastructure development, especially in telecom and urban projects, will support Pace Digitek's strategic objectives, particularly in smart cities and telecom tower solutions.

For the year ended March 31, 2025, Pace Digitek reported total revenue from operations of INR 2,438.78 cr., with other income adding INR 23.4 cr., bringing total income to INR 2462.02 cr. The company's expenses were INR 2078.27 cr., primarily driven by the cost of materials consumed and engineering procurement expenses. Despite a rise in costs, Pace Digitek's profit before tax was INR 383.93 cr., and the profit after tax (PAT) stood at INR 267.6 cr.

Industry	Telecom

Scrip Details	
Listing	BSE & NSE
Open Date	Sept 26, 2025
Close Date	Sept 30, 2025
Price Band	INR 208 -219
Face Value	INR 2
Market Lot	68 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	INR 819.15
Issue Size (Shares)	3,74,04,018
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre-Issue sh. (in cr.)	17.84
Post Issue sh. (in cr.)	21.58
Post Issue Market Cap (in cr)	4726

Shareholding (%)	Pre (%)	Post (%)
Promoter	84.07	69.5
Public	15.93	30.5
TOTAL	**100**	**100**

Key Consolidated Financial Data (INR Cr, unless specified):

	Net Revenue	EBITDA	Adj. Net Profit	EBITDA (%)	Adj. Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	503.2	29.0	14.3	5.8	2.8	0.7	14.8	4.5	6.1	330.7	165.1
FY24	2,434.5	401.9	219.4	16.5	9.0	10.2	25.0	40.7	73.7	21.5	11.8
FY25	2,438.8	484.0	267.6	19.8	11.0	12.4	54.2	22.9	42.9	17.7	9.7

Source: Ventura Research & Company update

Issue Structure and Offer Details:

Pace Digitek IPO is a book build issue of INR 819.15 cr. The issue is entirely a fresh issue of 3.74 cr. shares of INR 819.15 cr.

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

Number of shares based on a higher price band of INR 219

Source: Company Reports

Objects of the Issue:

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

- **Funding the Capital Expenditure requirement – INR 630 cr.**
- **General Corporate Purposes**

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement			
Revenue	503.2	2,434.5	2,438.8
YoY Growth (%)	*24.0*	*383.8*	*0.2*
Raw Material Cost	185.4	1,517.1	807.9
RM Cost to Sales (%)	*36.8*	*62.3*	*33.1*
Employee Cost	75.0	53.2	66.7
Employee Cost to Sales (%)	*14.9*	*2.2*	*2.7*
Other Expenses	213.8	462.3	1,080.2
Other Exp to Sales (%)	*42.5*	*19.0*	*44.3*
EBITDA	29.0	401.9	484.0
Margin (%)	*5.8*	*16.5*	*19.8*
YoY Growth (%)	*(0.1)*	*1,283.9*	*20.4*
Depreciation & Amortization	5.6	5.1	6.0
EBIT	23.5	396.8	477.9
Margin (%)	*4.7*	*16.3*	*19.6*
YoY Growth (%)	*25.6*	*1,590.5*	*20.4*
Other Income	11.5	25.8	23.4
Finance costs	12.8	115.8	117.4
Fin Charges Coverage (X)	1.8	3.4	4.1
Exceptional Item	0.0	0.0	0.0
PBT	22.1	306.7	383.9
Margin (%)	*4.4*	*12.6*	*15.7*
YoY Growth (%)	*40.3*	*1,286.0*	*25.2*
Tax Expense	5.6	76.9	104.8
Tax Rate (%)	*25.3*	*25.1*	*27.3*
PAT	16.5	229.9	279.1
Margin (%)	*3.3*	*9.4*	*11.4*
YoY Growth (%)	*43.7*	*1,290.4*	*21.4*
Min Int/Sh of Assoc	(2.2)	(10.4)	(11.5)
Net Profit	14.3	219.4	267.6
Margin (%)	*2.8*	*9.0*	*11.0*
YoY Growth (%)	*30.3*	*1,435.4*	*22.0*
Balance Sheet			
Share Capital	5.0	5.0	35.7
Total Reserves	313.3	534.6	1,134.2
Shareholders Fund	318.3	539.6	1,169.9
Long Term Borrowings	37.8	25.0	24.2
Deferred Tax Assets / Liabilities	(6.3)	(5.5)	(22.7)
Other Long Term Liabilities	1.0	1.3	0.6
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	6.8	31.0	65.0
Total Liabilities	357.6	591.3	1,237.0
Net Block	136.5	137.0	144.7
Capital Work in Progress	8.9	9.8	32.1
Intangible assets under development	0.7	0.0	0.0
Non Current Investments	0.1	0.0	0.0
Long Term Loans & Advances	8.9	11.4	23.9
Other Non Current Assets	10.1	55.1	104.4
Net Current Assets	192.3	378.0	932.0
Total Assets	357.6	591.3	1,237.0

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Per share data & Yields			
Adjusted EPS (INR)	0.7	10.2	12.4
Adjusted Cash EPS (INR)	0.9	10.4	12.7
Adjusted BVPS (INR)	14.8	25.0	54.2
Adjusted CFO per share (INR)	(2.0)	9.9	(8.2)
CFO Yield (%)	(0.9)	4.5	(3.7)
Adjusted FCF per share (INR)	(1.9)	13.7	(5.9)
FCF Yield (%)	(0.8)	6.2	(2.7)
Solvency Ratio (X)			
Total Debt to Equity	0.6	0.9	0.1
Net Debt to Equity	0.2	(0.0)	(0.0)
Net Debt to EBITDA	2.3	(0.0)	(0.1)
Return Ratios (%)			
Return on Equity	4.5	40.7	22.9
Return on Capital Employed	3.4	28.8	26.1
Return on Invested Capital	6.1	73.7	42.9
Working Capital Ratios			
Payable Days (Nos)	156	150	152
Inventory Days (Nos)	43	41	17
Receivable Days (Nos)	286	161	276
Net Working Capital Days (Nos)	174	52	141
Net Working Capital to Sales (%)	47.6	14.2	38.6
Valuation (X)			
P/E	330.7	21.5	17.7
P/BV	14.8	8.8	4.0
EV/EBITDA	165.1	11.8	9.7
EV/Sales	9.5	1.9	1.9
Cash Flow Statement			
PBT	22.1	306.7	383.9
Adjustments	26.2	90.6	139.7
Change in Working Capital	(86.6)	(106.3)	(594.7)
Less: Tax Paid	(5.6)	(76.9)	(104.8)
Cash Flow from Operations	(43.8)	214.1	(175.9)
Net Capital Expenditure	(5.8)	(5.9)	(36.1)
Change in Investments	(48.9)	(311.9)	279.9
Cash Flow from Investing	(54.8)	(317.8)	243.8
Change in Borrowings	60.0	305.0	(330.6)
Less: Finance Cost	(12.8)	(115.8)	(117.4)
Proceeds from Equity	0.0	0.0	362.6
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	0.0	0.0
Cash flow from Financing	47.2	189.1	(85.3)
Net Cash Flow	(51.3)	85.5	(17.4)
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	61.6	10.3	95.7
Closing Balance of Cash	10.3	95.7	78.4

Source: Ventura Research

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