IPO Awareness & Readiness

'One PANTOMATH': A Comprehensive Solution to Clients Financial Needs

"Progress with Values"

Pantomath Capital Advisors Pvt Ltd	**Leading full-service investment bank** with strong credentials in IPOs, QIPs, M&A and PE advisory, leadership in sole-bank ECM
Wealth Company Asset Management Pvt Ltd	**Asset management arm** of Pantomath Group, **manages ~₹10,000 crores in client assets.** Focused on Make in India, Rural Consumption, and Impact Investing themes
Wealth Company Asset Management Holdings Pvt Ltd	**India's first Female Founded Mutual Fund House**, launched four active funds simultaneously in 2025; **achieved ₹ 2,000 Cr in debut NFO collections**
Asit C. Mehta Investment Interrmediates Ltd	**Strong and established platform of over 40 years in** Institutional Equities and Retail Broking
Analyst AI Technology Pvt Ltd	**AI-led research platforms** for public and private markets, offering intelligent lead generation, and actionable decision-ready insights

Rapidly growing Full Service Financial Platform

Introduction to Initial Public Offering (IPO)

What is an Initial Public Offering (IPO)?

- An **Initial Public Offering (IPO)** is the process through which a private company offers its shares to the public for the first time by listing on a stock exchange.
- This transition from a privately-held entity to a publicly-traded company enables access to capital markets, enhances brand visibility, and increases credibility among investors, customers, and partners.
- Its main purpose is to raise capital for business expansion, debt repayment, R&D, working capital.
- It also offers liquidity to early investors and promoters

Types of IPO Issue

Fresh Issue:
New shares are issued by the Company to raise capital.

Offer For Sale (OFS):
Existing shareholders sell their shares to the public.

What IPO listing brings in?

Financial

- A platform with large set of investors and an option to raise further capital in future
- Highest liquidity for investors as shares can be bought and sold quickly in actively traded markets
- Interest free fund raising from different set of investors (No debt service kind burden)
- Listed shares act as currency for future strategic initiatives and acquisitions

Operational

- Opens strategic growth avenues for Company including Joint Ventures, Acquisitions, Mergers, etc.
- Listed status works as additional comfort for all stakeholders including customers, creditors, lenders, etc.
- Being publicly traded adds to a Company's stature as an institution, enhancing its competitive position
- Implementation of internal audit & control systems helps in cost control and improvise the operations

Behavioral

- Listing results in amplified public image, reach and credibility of the Company
- Inculcates a positive behavior from privately run business to professional managed public Company
- Enhanced employee motivation as listed shares can be offered as stock options, driving performance
- Corporate governance standards for listed companies help in fair dealing and conduct

Purpose of IPO

Capital Raising	Raise long-term capital for growth, expansion, acquisitions, R&D, debt reduction, etc.
Liquidity for Shareholders	Provide an exit opportunity for early investors, promoters, PE/VCs through listing.
Valuation Discovery	Market-based valuation via stock exchange enhances transparency and credibility.
Brand & Visibility	Increased public and media exposure boosts company reputation and stakeholder trust.
Currency Acquisitions	Public shares can be used as acquisition currency in mergers or strategic alliances
Corporate Governance & Discipline	Listing imposes SEBI regulations and compliance which improves internal governance

Why IPO readiness Starts 18-24 months Before Listing?

IPO Is a Transformation, Not an Event: A company must transition from a privately managed business to a publicly governed institution, which requires time to embed discipline, transparency and accountability.

Financial Track Record Needs Time to Mature: Public market investors rely on consistent, comparable and normalized financial performance that can only be demonstrated over multiple reporting periods.

Governance & Compliance Cannot Be Rushed: Board restructuring, internal controls and compliance frameworks need time to operate effectively and demonstrate a credible track record to regulators and investors.

Business & Equity Story Must Be Proven: Markets value evidence of execution and growth momentum, not just strategy, which requires time to show results before approaching investors.

Risk Identification & Resolution Takes Time: Legacy issues, structural inefficiencies and regulatory risks must be identified, resolved or transparently disclosed well ahead of filing.

Market Timing & Investor Perception: Matter Early readiness allows flexibility to access the market when conditions are favorable, improving valuation outcomes and investor confidence.

IPO Ecosystem & Role Clarity

Key Stakeholders in the IPO Process

Where Consultants & Advisors Add Value

1. IPO Readiness & Strategic Alignment

Setting the foundation

- Help promoters and management clearly articulate why to IPO and why now
- Assess IPO suitability vs other capital-raising options
- Align long-term business strategy with public market expectations
- Prepare management for the shift from private to public company mindset
- Define a realistic IPO roadmap and timelines

2. Company Preparation & Readiness Execution

Making the company

- IPO-worthy Identify readiness gaps across governance, compliance, financial discipline
- Guide clean-up of corporate structure, shareholding and legacy issues
- Support board composition, independent directors and committee setup
- Ensure internal processes, controls and reporting discipline are IPO-aligned
- Act as an internal sounding board before formal due diligence begins

3. Merchant Banker Selection & Coordination

Choosing and enabling the right execution partner

- Advise on selection of the right Merchant Banker (fit, experience, sector focus)
- Assist in structuring mandates and aligning expectations upfront
- Establish clear roles, responsibilities and communication protocols
- Act as a bridge between management and Merchant Banker teams
- Help management stay focused while bankers drive execution

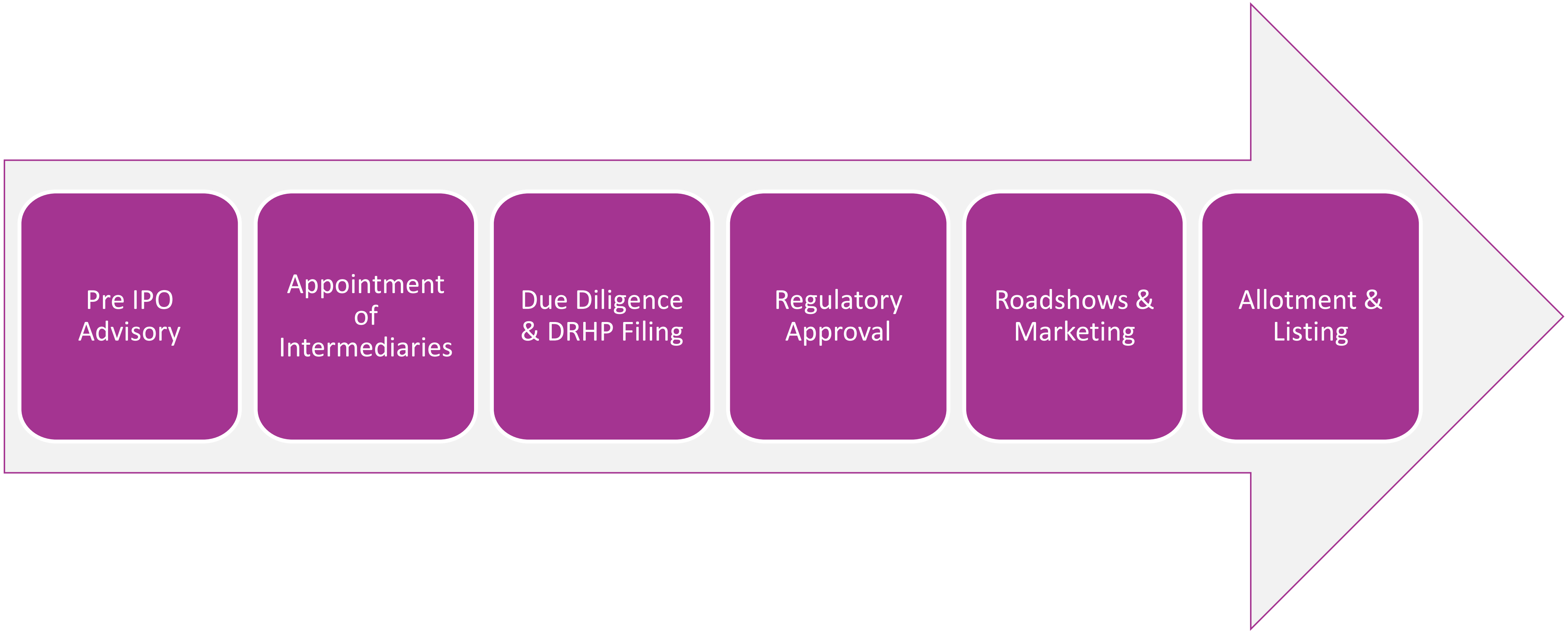
4. Communication, Governance, & Market Preparedness

Ensuring smooth engagement and long-term credibility

- Prepare management for ongoing interactions with bankers, regulators & investors
- Support consistency and clarity in messaging throughout the IPO journey
- Align internal stakeholders on disclosures, timelines and decision-making
- Help institutionalize governance, compliance and disclosure culture
- Ensure the company is ready for life after listing, not just the IPO event

IPO Positioning, Pricing & Timing

The Role of a Merchant Banker: IPO Journey



The Role of a Merchant Banker: Company Positioning Drives Investor Confidence

Bankers play a central role in shaping how the company is understood, valued, and underwritten by public market investors.

Their role goes beyond execution — it is about crafting a credible, differentiated, and scalable growth narrative.

1. Equity Story & Strategic Positioning

Bankers work with management to craft a clear investment thesis, positioning the company versus peers on growth, profitability, market leadership, and competitive moats—ensuring alignment with relevant valuation benchmarks.

2. Business Chapter Structuring (DRHP)

Bankers play a key role in drafting the Business Overview section of the DRHP by clearly articulating business segments, revenue drivers, value chain positioning, competitive advantages, and scalability—while maintaining SEBI-compliant disclosures.

2. Growth Narrative & Earnings Visibility

Bankers translate historical performance into a credible forward-looking growth story, highlighting addressable market expansion, operating leverage, margin trajectory, and capital efficiency to enhance earnings visibility for investors.

4. Risk Framing, Valuation Alignment & Investor Appeal

Bankers help contextualize key business risks and mitigants, while aligning the narrative with target valuation, investor expectations, and demand creation, supporting effective price discovery and aftermarket performance.

Example: A technology company believed it was a digital transformation player; however, deeper analysis revealed that its true differentiation lay in AI and ML-led analytics, which became the central pillar of its equity and growth story.

<u>How we positioned it in the DRHP:</u>

"We are an Artificial Intelligence ("AI")-native enterprise technology company building next-generation AI-powered SaaS solutions and AI-powered Internet of Things ("IoT") products that deliver intelligence, safety, and compliance at a global scale, according to the F&S Report."

"Our platforms are designed with AI at their core, with blockchain, data science, machine learning ("ML"), and IoT integrated as foundational components."

The Role of a Merchant Banker: Valuation, IPO Sizing & Structuring | Case Study

Valuation – Illustrative Case Study (Trading Comparables)

How market-based valuation is assessed using listed peers

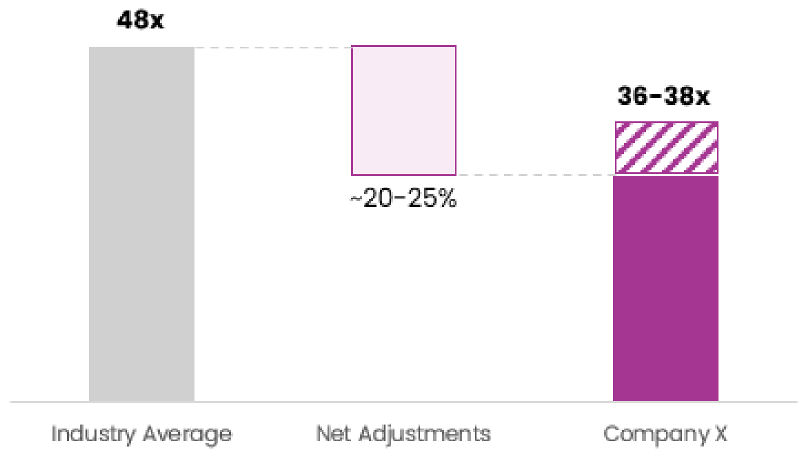
Step 1: Identify the Right Peer Set
- Select relevant Indian listed peers and global comparables
- Match peers on business model, scale, end-markets and growth profile
- Exclude outliers with structurally different economics

Step 2: Analyse Peer Financial Performance
- Compare revenue growth and margin trajectory
- Assess profitability, capital efficiency and business mix
- Understand what drives market confidence in each peer

Step 3: Observe Market Valuation Metrics
- Calculate 1-year forward P/E and EV/EBITDA multiples
- Analyse valuation dispersion across peers
- Identify drivers of premium or discount valuations

Step 4: Derive a Sector-Relevant Multiple Range
- Select appropriate multiple based on sector characteristics
- Adjust for sector momentum, cyclicality and visibility
- Arrive at a realistic valuation band supported by market data

Step 5: Apply Company-Specific Adjustments
- Premiums / discounts based on:
    - Growth visibility
    - Margin profile
    - Scale and liquidity
    - Governance and execution track record
- Derive final valuation range and equity value



Valuation Range – Trading

Approach	Applicable Multiples Range- 1 yr forward	FY27E PAT	Equity Value (INR Cr)	Implied EV/EBITDA
P/E	36-38x	78	2,808 – 2,964	23-26x (Vs 23.5x for peers)

❑ The Premium/discount adjustment to be done basis the following:

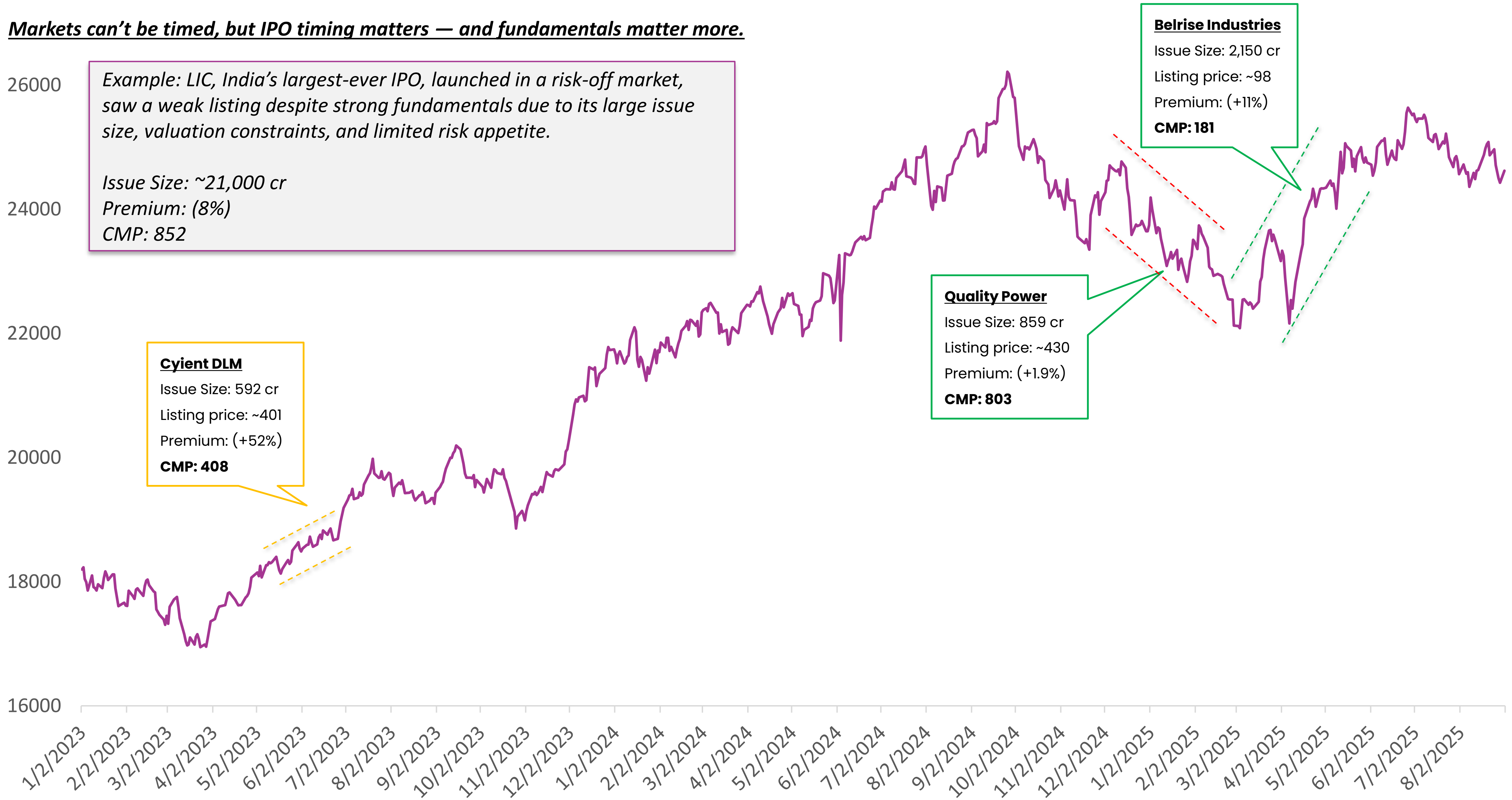
1. Size, Scale & Growth
2. Product Offerings
3. Financial Metrics (Margins, Return Ratios, etc.)
4. Liquidity

IPO Timing Case Study

Markets can’t be timed, but IPO timing matters — and fundamentals matter more.

Example: LIC, India’s largest-ever IPO, launched in a risk-off market, saw a weak listing despite strong fundamentals due to its large issue size, valuation constraints, and limited risk appetite.

Issue Size: ~21,000 cr
Premium: (8%)
CMP: 852



Preparing The Company For An IPO

IPO Fundraise Plan

1. Preliminary Evaluation & IPO Guidance

Develop track record & prepare for IPO

- Finalizing long term business strategy
- Financial information & internal financial controls
- To decide on promoter dilution and approximate issue size
- IPO timeliness & data room creation
- Implications of investment agreements (eg. any put or call options)

IPO Guidance

- Amendments in Memorandum/ Article of Association
- Capital restructuring & tax structuring and implications
- Dematerialization and ISIN activation
- Composition of board/ board committees
- Potential management changes/ additions
- Search for independent directors
- Determine Compensation packages for executive and management and board (including ESOPs)

2. Due Diligence & IPO Readiness Assessment

Due Diligence

- IPO checklist, Business, Site Visit, Financial, Legal, Directors, Secretarial
- Review of capital built-up and source of promoter contribution
- Examining associates/ group/ subsidiaries and disclosure as per SEBI

IPO Readiness

- Drafting and review of DRHP as per SEBI and ICDR
- Hire Intermediaries – Auditors, Lawyers, Registrars, Road Shows Coordinator, Syndicate Members, PR
- Updation of website as per SEBI (LODR)

3. Pre Marketing & Filing with SEBI & Exchange

Pre Marketing and Roadshows

- Identifying specific target set of potential investors domestic and overseas
- Circulation of DRHP to investors and engaging in multiple rounds of discussions
- Building a strong equity story, resolving investors concerns and discussion on valuation benchmarking

Finalization of DRHP

- Finalization of DRHP
- Filing with SEBI and Exchange
- Resolving SEBI's queries, if any and receive approval to float shares

4. RHP, Issue Pricing & Roadshows

Finalization of RHP

- Determine offer price per share of the IPO and quantum of capital to be raised
- Filing of Red Herring Prospectus (RHP) with Registrar of Companies

Marketing and Roadshows

- Roadshows, advertisements, PR activities, Media planning and management
- Create of strong demand of equity shares in the market
- Online reputation management

5. Initiation of IPO & Post Issue Compliances

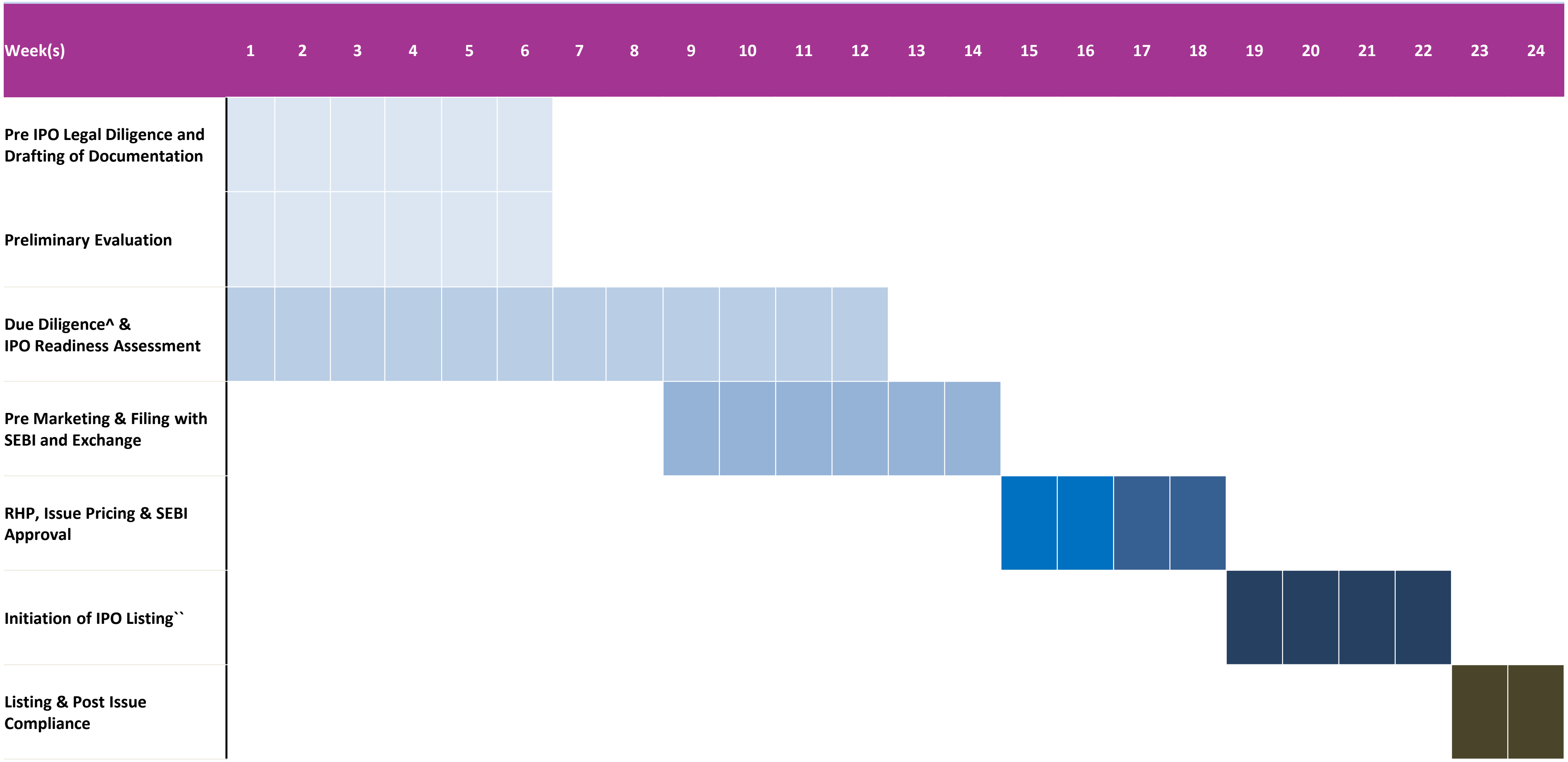
IPO Launch

- Statutory advertisements such as issue opening and price band advertisement
- Distribution of IPO forms and coordination with brokers and syndicate members
- Coordination with registrar and bankers for smooth bidding

Compliances

- Execution of lock in of Pre IPO shares
- Finalization of basis of allotment
- Completion of formalities to obtain trading permission
- Listing of shares on stock exchange and coordination for listing ceremony

IPO Activity Timeline



Timeline related Note:
*Business Restructuring can take ~1 month depending upon the nature and depth of restructuring needed eg. any merger/ demerger which is subject to regulatory timeliness
^ Due Diligence is subject to receipt of necessary documents from the company, legacy and the size of the business
`` Timing the IPO is crucial taking into consideration the macroeconomic conditions, demand supply forces, and traction in the primary market

Case Study – Quality Power Electrical Equipment Ltd– R & D Driven Global Player in Critical Energy Transition Equipment and Power Technologies

Quality Power Limited

Quality Power listed in a cautious market but went on to deliver strong post-IPO gains.

- Leading provider of tech-driven products for high-voltage equipment, grid connectivity, and energy transition solutions.
- Product applications across power utilities, oil and gas, cement, chemical, renewables, steel, metal and automobiles.
- The company expanded its portfolio and market reach through strategic acquisitions of Mehru, Stap, Endoks, and Epec- generating 75% of its revenue from exports and serving customers in over 100 countries, while remaining almost debt-free and cash-rich.
- FY24 Revenue - ₹ 301 Crores, EBITDA – ₹ 68 Crores, PAT – ₹ 56 Crores.
- FY25 Revenue - ₹ 337 Crores, EBITDA – ₹ 119 Crores, PAT – ₹ 100 Crores.
- Pantomath acted as the Sole Merchant Banker to the IPO

Quality Power
OFS +IPO
~₹859Crores

01 End to End Restructuring Assistance

Operating a foreign subsidiary expands market reach. Utilizing a different accounting system enables compliance with local regulations and enhances financial reporting.

02 Positioning and Marketing

Positioned the Company uniquely as a Critical energy transition equipment and power technologies provider. It is the only indigenous company of Indian origin competing in the international market.

03 Marquee Anchor Participation

LIC MUTUAL FUND, Maybank Securities, SBI general INSURANCE, Bank of India Mutual Fund, NEGEN CAPITAL, kotak Mutual Fund

04 Enhanced Coverage led by unique Positioning

IPO was covered by 15 Brokerages and Research Houses.

05 Attracted Bumper Subscription

QIB- 1.03x
NII- 1.45x
Retail- 1.82x
Overall – 1.2Gx

06 Pantomath Differentiator

The unique objective of the issue was the acquisition of a company, providing strategic growth opportunities and expanding market reach.

Thank You

Karan Gupta
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Pantomath Group