



SATIN CREDITCARE NETWORK LTD.
Reaching out!

Satin Creditcare Network Limited's Standalone AUM Up by 31% YoY; PAT for Q1 FY24 Up by 43% YoY

28th July 2023, New Delhi

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) has announced its unaudited financial results for the quarter ended 30th June 2023. The financial numbers are based on IndAS.

Consolidated Highlights

Particulars (Rs. crore)	Q1 FY24	Q1 FY23	% Change	Q4 FY23	% Change
Assets under Management (AUM)	9,535	7,569	26%	9,115	5%
Disbursement	2,122	1,709	24%	2,789	-24%
Net Interest Income (NII)	278	186	49%	279	-
Profit After Tax (PAT)	88	-210	142%	99	-11%
Return on Assets (RoA)	4.27%	-11.09%	+1536 bps	5.03%	-76 bps
Return on Equity (RoE)	20.97%	-56.77%	+7774 bps	25.08%	-411 bps

Standalone Highlights

Particulars (Rs. crore)	Q1 FY24	Q1 FY23	% Change	Q4 FY23	% Change
Assets under Management (AUM)	8,367	6,389	31%	7,929	6%
Disbursement	1,980	1,554	27%	2,546	-22%
Profit After Tax (PAT)	86	60	43%	94	-9%
Return on Assets (RoA)	4.28%	3.25%	+104 bps	4.90%	-62 bps
Return on Equity (RoE)	17.52%	14.71%	+281 bps	20.30%	-278 bps

Footprints and Outreach

Particulars	Q1 FY24	Q1 FY23
States & UTs	24	23
Branches	1,310	1,224
No. of Employees	11,291	11,483
No. of Loan Officers	7,626	7,680
No. of Clients (lakhs)	30.5	27.3

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Update on Capital Raise

- The Company has successfully completed the preferential allotment of Rs. 225 crore via issue of equity shares and fully convertible warrants in July 2023
- Post allotment, Promoter shareholding is at 40.0% and Florintree Ventures LLP at 12.4%

Update on Q1 FY24

- Reported highest Q1 disbursements of Rs. 1,980 crore
- Observed strong net customer addition of ~2.3 lakhs
- PAT stood at Rs. 86 crore, RoA at 4.3% & RoE at 17.5%; highest ever profitability
- With operational efficiencies playing out, Opex to Avg AUM has reduced to 5.8% as compared to 7.1% in Q1 FY23, decreased by 133 bps
- Cost to Income ratio of 48.9% as compared to 71.1% in Q1 FY23

Capital Adequacy and Liquidity

- During Q1 FY24, the Company did a fundraise of Rs. 2,148 crore from various lenders; 66% YoY growth
- ~81% of fundraise was via on book borrowing and 5 new lenders were added to the portfolio
- Our capital base is strong with a capital adequacy ratio of 25.0% as on 30th June 2023
- Book Value per Share at Rs. 180 on a consolidated basis (fully diluted)
- The Company continues to maintain a healthy balance sheet liquidity of ~Rs. 1,200 crore and has undrawn sanctions worth Rs. 897 crore as on 30th June 2023

Borrowing Profile

- Total borrowings stood at Rs. 6,107 crore as on 30th June 2023
- Debt-to-equity ratio as on 30th June 2023 stood at 3.0x
- 64% of our borrowings are from banks, followed by overseas funds at 17%, NBFCs at 10% and DFIs at 9%
- The Company has a diversified and large lender base of 70 active lenders

Asset Quality

- On-book Gross Non-Performing Assets stood at 2.49% amounting to Rs. 155 crore as on 30th June 2023 as compared to 4.31% as on 30th June 2022 amounting to Rs. 217 crore
- The portfolio originated from Jul'21 onwards which constitutes ~96% of on-book MFI portfolio is showing excellent performance with PAR 1 at 0.9% and PAR 90 at 0.5%; best portfolio quality in Industry post pandemic
- We have sufficient on-book provisions amounting to Rs. 103 crore as on 30th June 2023, which is 1.6% of on-book portfolio
- During Q1 FY24, collection against write-offs were ~Rs. 9 crore
- Gross cumulative collection efficiency for Q1 FY24 stood at 99.6%

Subsidiaries - Both the subsidiaries are profitable during Q1 FY24

- Satin Housing Finance Ltd witnessed YoY growth of 55% in AUM which stood at Rs. 514 crore, having presence across 4 states with 5,666 customers

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- GNPA stood at 0.76% highlighting strong asset quality
 - SHFL has 100% retail book
 - The Company has 22 active lenders including NHB refinance
 - CRAR of 46.1% and gearing of 2.5x
 - PAT for Q1 FY24 stood at Rs. 1 crore
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- Satin Finserv Ltd, the Company's MSME & BC arm has reached an AUM of Rs. 654 crore
 - GNPA stood at 4.73%
 - CRAR of 41.0% and gearing of 1.3x
 - PAT for Q1 FY24 stood at Rs. 1.1 crore

Commenting on the performance, Mr. HP Singh, Chairman cum Managing Director of Satin Creditcare Network Limited, said, "We are pleased to highlight our Company's outstanding success in Q1 FY24, which marks the most considerable growth in the last 5 years across all financial and operational parameters. This remarkable accomplishment reflects our unwavering dedication to excellence and steadfast progress.

With an impressive YoY consolidated growth of 26%, this quarter has surpassed all expectations, and it also represents the highest-ever Q1 disbursement in the last 5 years, a testament to the strength of our resilient business model and key initiatives.

Our relentless focus on prioritizing our customers' needs has yielded significant outcomes, as exemplified by the substantial net customer additions, propelling us to surpass the notable milestone of serving more than 3 million active clients. This robust expansion is a resounding demonstration of the confidence and trust our clients have in us as their preferred financial partner.

Aligning with our vision for the subsequent years to come, we have expanded our footprint by adding 27 branches during Q1 FY24, allowing us to effectively extend our reach to previously untapped regions, empowering more lives with access to essential financial services. Leveraging the outreach through our subsidiaries further enhances our ability to serve diverse communities and extend our positive impact.

Further validating the success of this quarter, we achieved the highest-ever Q1 PAT in the last 5 years, reflecting the efficacy of our financial decisions and operational efficiency.

To further demonstrate the faith our investors have in our long-term outlook and strategic direction, we are glad to unveil that we successfully completed the preferential allotment of Rs. 225 crore through the issuance of equity shares and fully convertible warrants.

As we move forward on this phenomenal path, we will never waver in our adherence to responsible lending practices, which includes ensuring that a sizable portion of our clients have our company as their sole lender at the time of disbursement, reiterating our pledge to long-term growth and encouraging individuals to improve their lives.

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With ample liquidity and a strong foundation, we are well on track to achieve our guided growth of 25%+, confidently navigating towards a future of continued success and delivering value to all our stakeholders. Together, we stride ahead, building a better, more inclusive financial landscape for all."

About Satin Creditcare Network Limited

Satin Creditcare Network Limited (SCNL or Satin) is a leading microfinance institution (MFI) in the country with presence in 24 states & union territories and 96,000 villages. The Company mission is to be a leading micro financial institution by providing a comprehensive range of products and services for the financially under-served community. The Company also aims to lead in gender empowerment by leveraging on technology and innovation that forge sustainable strategic partnerships.

The Company also offers a bouquet of financial products in the Non-MFI segment, comprising of loans to MSMEs, affordable housing loans, and business correspondent services. In April 2017, SCNL incorporated a wholly owned housing finance subsidiary (Satin Housing Finance Limited or "SHFL") for providing loans to the affordable housing segment. Acquired in 2016, Taraashna Financial Services Limited or TFSL (now merged with SFL) is engaged in the business correspondent activity with various banks and NBFCs. In January 2019, SCNL received separate NBFC license to commence MSME business through Satin Finserv Limited (SFL). The merger of two wholly owned subsidiaries, TFSL (transferor) with SFL (transferee) got effective from March 2023. As on 30th June 2023, SCNL had 1,310 branches and a headcount of 11,291 across 24 states and union territories serving 30.5 lakh clients.

Disclaimer

This document may contain certain forward-looking statements within the meaning of applicable securities law and regulations. 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 in light of its operating experience in recent years. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from any future results, performances, or achievements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime and other statutes. 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.

Satin Creditcare Network Ltd.

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