

Century Business Media IPO

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- The company is primarily engaged in providing OOH format advertising services.
- It provides media spaces on Airports, Railways, Metros and other conventional mode of advertising including AOOH and MOOH formats.
- The company posted steady growth in its revenues and earnings for the reported periods.
- It operates in a highly competitive and fragmented segment.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors may park funds for medium to long term.

About the Company

Century Business Media Ltd. (CBML) provides advertising services with a primary focus on Out-of-Home (“OOH”) media formats, including both digital and non-digital solutions. It operates primarily in the Airport Out-of-Home (“AOOH”) and Railway Out-of-Home (“ROOH”) segments by offering advertising spaces within and outside airport terminal buildings and through digital and static hoardings across railway stations and railway land. We have recently commenced Metro Out-of-Home (“MOOH”) advertising, including advertisements on Platform Screen Doors (“PSDs”), and has also started offering in-shop branding services. Additionally, CBML provides a variety of traditional city media formats, including hoardings, billboards, unipole, multipoles, pole kiosks, wall wraps, wall paintings, lollipops, gantries, in-shop branding, and other related media assets.

The company has an operational presence across Bihar, Jharkhand, West Bengal, and the North Eastern states such as Tripura, Arunachal Pradesh, Assam, Nagaland, managing outdoor media assets and executing advertising campaigns. Beyond these regions, it provides OOH advertising services across India through a mix of exclusive and non-exclusive media rights, catering to a client base in multiple states and industry sectors. The company holds exclusive advertising rights at the airports in Patna, Ranchi, Deoghar, Darbhanga, and Jorhat, and non-exclusive rights at Dimapur and Lilabari airports. Additionally, it has marketing rights at Gaya, Agartala, and Silchar airports. In the railway segment, CBML holds exclusive advertising rights outside station campuses under the East Central Railway (“ECR”) zone, covering the divisions of Danapur, Dhanbad, Mughal Sarai, Samastipur, and Sonapur, encompassing a total of 714 railway stations.

In the metro segment, it holds Platform Screen Door (“PSD”) advertising rights at Howrah and Esplanade metro stations. Further, for specific client campaigns, the company also procures temporary advertising assets from third-party hoarding owners based on campaign requirements. It operates a store-cum-workshop facility located at Khata No. 3, Khesra No. 775 at Mauja- Rajapur,

Anchal- Patna Sadar, Halka- Patliputra, P.S No. 9/3, District-Patna, Bihar, where inventory including advertising material and equipment are stored and prepared. The Company follows internal procedures intended to ensure quality control, timely delivery, and cost management. It aims to align media offerings with client requirements in the area of communication and brand visibility. Its clients include corporate, non-corporate, government, and non-government organizations, including public sector undertakings, across sectors such as banking and financial services, insurance, education, healthcare, hosiery, jewellery, FMCG, oil and gas, power and energy, steel, mining, and infrastructure services.

It also caters to government departments, including tourism and communication agencies at the state and central levels. Additionally, it serves advertising agencies, media buying firms, and marketing consultancies. These entities engage its OOH advertising services to promote their products, services, awareness campaigns, and brand communications across various formats. As of July 31, 2026, it had 58 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 2312000 equity shares of Rs. 10 each to mobilize Rs. 17.11 cr. at the upper cap. The company has announced a price band of Rs. 70 – Rs. 74 per share. The minimum application to be made is for 3200 shares and in multiples of 1600 shares thereon, thereafter. The issue opens for subscription on September 11, 2026 and will close on September 16, 2026. The shares will be listed on BSE SME. The IPO constitute 26.39% of the post-IPO paid-up capital of the company. From the net proceeds of the fresh issue, the company will utilize Rs. 4.21 cr. for funding capex on purchase of media assets, Rs. 3.77 cr. for payment of security deposit for advertising rights at Patna Airport, Rs. 1.45 cr. for repayment of certain borrowings, Rs. 3.25 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by Hem Securities Ltd., while KFin Technologies Ltd. is the registrar to the issue. Hem group's Hem Finlease Pvt. Ltd. is a market maker.

After issuing initial equity capital at par value, the company issued further equity shares at a fixed price of Rs. 50 per share in March 2018. It has also issued bonus shares in the ratio of 2 for 1 in November 2018, and 7 for 1 in March 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NIL, Rs. 0.34, Rs. 0.86, and Rs. 2.47 per share.

Post-IPO, company's current paid-up equity capital of Rs. 6.45 cr. (6449280 equity shares) will stand enhanced to Rs. 8.76 cr. (8761280 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 64.83 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 32.27 cr. / Rs. 3.68 cr. (FY24 – consolidated), Rs. 36.91 cr. / Rs. 4.70 cr. (FY25 -

consolidated), and Rs. 46.76 cr. / Rs. 5.56 cr. (FY26 - standalone). The company posted growth in its top and bottom lines for the reported periods. Rising trade receivables year-on-year, raise alarms.

For the last three fiscals, the company has reported an average EPS of Rs. 7.69 and an average RoNW of 35.89%. The issue is priced at a P/BV of 2.65 based on its NAV of Rs. 27.94 per share as of March 31, 2026 , but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 11.67, and based on FY25 earnings, the P/E stands at 13.78. The issue appears fully priced based on its recent average earnings.

The company has posted PAT Margins of 11.48% (FY24), 12.84% (FY25), 11.96% (FY26) and RoCE margins of 32.57%, 36.65%, 30.06%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Bright Outdoor, Signpost India, and Simca Advertising, as its listed peers. They are currently trading at a P/E of 32.3, 19.5, and 18.8 (as of September 10, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 29th mandate from Smart Horizon Capital Advisors, in the last three fiscals (including the ongoing one). Out of the last 10 listings, 2 opened at discount, 2 at par, and the rest listed with a premium ranging from 0.28% to 12.99% on the listing date. The merchant banker has an average track record.

Conclusion / Investment Strategy

CBML is primarily engaged in providing OOH format advertising services. It provides media spaces on Airports, Railways, Metros and other conventional mode of advertising including AOOH and MOOH formats. The company posted steady growth in its revenues and earnings for the reported periods. It operates in a highly competitive and fragmented segment. Based on its recent average financial data, the issue appears fully priced. Small post-IPO equity base indicates longer gestation for migration. Well-informed investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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