

# Simca Advertising IPO

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- The company is engaged in providing OOH advertising services in Maharashtra.
- The company marked constant growth in its top and bottom lines for the reported periods.
- It is operating in a highly competitive and fragmented segments.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed investors may park moderate funds for long term.

## About the Company

Simca Advertising Ltd. (SAL) is in the business of providing advertising services, with a focus on Out of Home (“OOH”) media in Mumbai and Maharashtra. It offers a range of OOH advertising solutions that help brands reach people in public spaces. These include hoardings, gantries, bus side and back panels, bus shelters, kiosks, utilities, and vinyl signage.

The company works across different advertising formats and locations to help clients communicate with their target audiences. By understanding different audience groups and their habits, it can plan and execute campaigns that match the client’s goals and budgets. Its services include selecting the right locations and creating media plans that aim to deliver value and reach. The company supports clients with end-to-end OOH campaign execution, helping them use public space as a communication channel to increase awareness and visibility.

The advertising industry in India is experiencing dynamic growth, driven by evolving consumer behaviors and rapid digitalization. It operates a portfolio of over 100 Out-of-Home (OOH) media assets across Mumbai, covering high-traffic locations such as arterial roads, major junctions, commercial hubs, and market areas. These assets include a mix of static hoardings, gantries, and digital LED displays. The sites are primarily operated under lease or sub-lease arrangements from the promoters and third-party owners. The strategic placement of these media sites across the city enables consistent visibility and audience reach, making Mumbai its core operational geography for outdoor advertising.

The Company counts one LED board as six media assets, as each LED board operates on a slot-based commercial structure. Every LED board contains six slots, and each slot has the capability of displaying up to six different advertisements during a cycle. This structure enables an LED board to generate higher advertising inventory and revenue compared to a static board. It operates a portfolio of over 100 Out-of-Home (OOH) media assets across Mumbai, covering high-traffic locations such as arterial roads, major junctions, commercial hubs, and market areas. These assets include a mix of

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## Issue Details / Capital History

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The company is coming out with its maiden book building route combo IPO of 3171600 equity shares of Rs. 10 each to mobilize Rs. 58.04 cr. at the upper cap. The company has announced a price band of Rs. 174 - Rs. 183 per share of Rs. 10 each. The minimum application to be made is for 1200 shares and in multiples of 600 shares thereon, thereafter.

The issue opens for subscription on May 08, 2026 and will close on May 12, 2026. The shares will be listed on NSE SME Emerge. The IPO constitute 26.49% of the post-IPO paid-up capital of the company. From the net proceeds of the fresh equity issue, it will utilize Rs. 23.50 cr. for working capital, Rs. 12.72 cr. for purchase and installation of LED screens, Rs. 5.00 cr. for funding strategic collaboration with Capital World Media Services Pvt. Ltd. for monetization of LED screens, and the rest for general corporate purposes.

The IPO is solely lead managed by Socradamus Capital Pvt. Ltd., and MUFG Intime India Pvt. Ltd. is the registrar to the issue. Giriraj Stock Broking Pvt. Ltd. is the market maker. Intellect Stock Broking Ltd. is a syndicate member.

The company has issued entire initial equity capital at par value. It also issued bonus shares in the ratio of 175 for 1 in May 2025. The average cost of acquisition of shares by the promoters is Rs. 0.06, and Rs. 0.24 per share.

Post-IPO, company's current paid-up equity capital of Rs. 8.80 cr. will stand enhanced to Rs. 11.97 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 219.08 cr.

## Financial Performance

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On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 11.96 cr. / Rs. 1.57 cr. (FY23), Rs. 49.31 cr. / Rs. 5.78 cr. (FY24), Rs. 75.09 cr. / Rs. 9.98 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs. 10.68 cr. on a total income of Rs. 78.16 cr. The company marked quantum jump in its top and bottom lines from FY24 onward, that raise eyebrows, as well as concern over its sustainability going forward, as it is operating in a highly competitive and fragmented segment.

For the last three fiscals, the company has reported an average EPS of Rs. 8.23 and an average RoNW of 70.92%. The issue is priced at a P/BV of 5.42 based on its NAV of Rs. 31.87 per share as of December 31, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 15.39, and based on FY25 earnings, the P/E stands at 21.97. The issue appears fully priced based on its recent earnings.

The company has posted PAT Margins of 13.10% (FY23), 11.71% (FY24), 13.31% (FY25), 13.73% (9M-FY26), and RoCE margins of 127.47%, 104.50%, 76.57%, 50.89%, respectively for referred periods.

## Dividend Policy

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The company has not paid any dividends for the reported periods of the offer document. It has adopted a dividend policy in March 2025, based on its financial performance and future prospects.

## Comparison with Listed Peers

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As per the offer document, the company has shown Bright Outdoor, as its listed peer. It is currently trading at a P/E of 42.1 (as of May 04, 2026). However, they are not truly comparable on an apple-to-apple basis. This compare is nothing but an eyewash.

## Merchant Banker's Track Record

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This is the 5th mandate from Socradamus Capital in the last three fiscals (including the ongoing one). Out of the last 4 listings, 2 opened at discount, and the rest with premium ranging from 17.65% to 75.93% on the date of listing.

### Conclusion / Investment Strategy

SAL is engaged in providing OOH advertising services in Maharashtra. The company marked constant growth in its top and bottom lines for the reported periods. It is operating in a highly competitive and fragmented segments. Based on its recent financial data, the issue appears fully priced. Well-informed investors may park moderate funds for long term.

## About Dilip Davda

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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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