

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|-----------------------|--------------|
| Bloomberg | HDFCAMC IN |
| Equity Shares (m) | 214 |
| M.Cap.(INRb)/(USDb) | 901.8 / 10.6 |
| 52-Week Range (INR) | 4864 / 3416 |
| 1, 6, 12 Rel. Per (%) | 7/-/7/5 |
| 12M Avg Val (INR M) | 2077 |

Financials & Valuations (INR b)

| Y/E Mar | FY25 | FY26E | FY27E |
|-------------------|-------|-------|-------|
| AAUM | 7,480 | 8,431 | 9,814 |
| MF Yield (bps) | 46.8 | 45.8 | 44.8 |
| Rev from Ops | 35.0 | 38.6 | 43.9 |
| Core PAT | 20.4 | 23.1 | 26.5 |
| PAT | 24.6 | 28.0 | 31.8 |
| PAT (bps as AAUM) | 33 | 33 | 32 |
| Core EPS | 96 | 108 | 124 |
| EPS | 115 | 131 | 149 |
| EPS Grw. (%) | 27 | 14 | 13 |
| BVPS | 381 | 414 | 451 |
| RoE (%) | 32 | 33 | 34 |
| Div. Payout (%) | 78 | 75 | 75 |

Valuations

| | | | |
|----------------|------|------|------|
| Mcap/AUM (%) | 12.0 | 10.7 | 9.2 |
| P/E (x) | 36.6 | 32.1 | 28.3 |
| P/BV (x) | 11.1 | 10.2 | 9.4 |
| Div. Yield (%) | 2.1 | 2.3 | 2.6 |

Shareholding pattern (%)

| As On | Dec-24 | Sep-24 | Dec-23 |
|----------|--------|--------|--------|
| Promoter | 52.5 | 52.5 | 52.6 |
| DII | 17.0 | 16.9 | 19.5 |
| FII | 21.3 | 21.6 | 18.0 |
| Others | 9.2 | 9.0 | 10.0 |

FII Includes depository receipts

CMP: INR4,218 **TP: INR5,000 (+19%)** **Buy**

PAT beat driven by other income

- HDFC AMC's operating revenue was up 30% YoY/down 4% QoQ at INR9b (in line) in 4QFY25. Yields for the quarter came in at 46.6bp vs. 45.4bp in 4QFY24 and 47.5bp in 3QFY25. FY25 yields stood at INR35b, up 35% YoY.
- Total opex rose 10% YoY to INR1.7b (5% lower than est.), driven by 12% YoY growth in employee costs (in line) and 6% YoY growth in other expenses (11% lower than est.).
- 4Q EBIDTA was at INR7.3b, up 35% YoY. EBIDTA margins stood at 81% vs. 77.5% in 4QFY24 and 81.7% in 3QFY25. Other income came in at INR1.2b, 54% above our estimates (down 20% YoY, up 33% QoQ).
- Higher other income led to a 3% beat in PAT to INR6.4b, up 18% YoY and flat QoQ. PAT margins came in at 70.8% vs. 77.8% in 4QFY25 and 68.6% in 3QFY25. For FY25, PAT grew 26% YoY to INR24.6b.
- Despite weak market sentiment, industry-level gross SIP flows declined just 2% QoQ in Mar'25 but rose 25% YoY. Management remains optimistic about a pickup in flow trends, noting that the company's decline in SIP flows was lower than the industry average.
- We have largely kept our estimates unchanged. We maintain BUY on the stock with a TP of INR5,000 (premised on 40x Mar'27E Core EPS).

AUM growth remains stable; overall market share improves slightly

- QAAUM stood at INR7.7t, up 26% YoY/down 2% QoQ, driven by 30%/22%/12%/27%/56%/48%YoY growth in Equity/Hybrid/Debt/Liquid/ETFs/Index funds.
- Closing AUM for 4QFY25 was INR7.5t, up 24% YoY, and the company's market share improved to 11.5% (11.4% in 4QFY24). Excl. ETFs, HDFC AMC's AUM market share remained stable YoY at 12.8%.
- Actively managed equity/debt/liquid AUM market share stood at 12.9%/13.1%/11.9% at the end of 4QFY25.
- SIP AUM at the end of 4QFY25 was up 26% YoY/down 1% QoQ at INR1.8t, backed by growth in the number of transactions to 11m.
- The number of unique investors at 4Q end stood at 13.2m (vs. 9.6m at 4QFY24 end), reflecting 24% penetration in the mutual fund industry.

Operational efficiency leads to profitability improvement

- Employee costs grew 12% YoY to INR969m (in line with est.), while other expenses grew 6% YoY to INR731m (11% lower than est.). This resulted in an opex-to-AUM ratio of 8.8bp vs. 10.2bp in 4QFY24.
- Despite weak market sentiment and underperformance in small- and mid-cap segments, other income recorded strong sequential growth, driven by lower yields that translated into gains in debt funds.
- Tax rates were higher in FY25, driven by increased capital gains tax rates and the recognition of deferred tax liabilities on mark-to-market (MTM) gains.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Key takeaways from the management commentary

- On the Alternatives front, HDFC AMC is set to launch a Category II Credit Fund, for which regulatory approval has already been obtained. Meanwhile, the international subsidiary launched three funds in 3QFY25, which received strong investor response, enabling global investors to access Indian markets. Management has indicated that additional fund launches are planned for the upcoming fiscal year.
- AMFI's 'Debt Fund Sahi Hai' campaign has successfully enhanced investor awareness, driving a positive response. At HDFC AMC, corporate investors continued to prefer shorter-duration debt funds, while individual investors leaned towards longer-duration strategies
- In response to the SIF regulation, HDFC AMC has established a dedicated team for the development of suitable products for this investor category, aligning with its vision to be a one-stop shop for a comprehensive range of savings and investment solutions across all investor segments.

Valuation and view

- HDFC AMC remains a strong player in the mutual fund industry, backed by robust financial performance, steady AUM growth, cost efficiency and a strong retail presence. While short-term market fluctuations pose challenges, the company's long-term fundamentals remain solid.
- With an improved market position, a well-diversified product portfolio, and digital expansion efforts, HDFC AMC is well-positioned to sustain growth and deliver value to its stakeholders.
- For FY26/FY27, we expect 12%/18% growth in equity AUM and 13%/16% growth in total AUM. We maintain our BUY rating on the stock with a one-year TP of INR5,000, based on 40x FY27E core EPS.

Quarterly Performance

(INR m)

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25 | 4Q FY25E | Act v/s Est. (%) | YoY | QoQ |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|------------------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | | |
| Revenue from Operations | 5,745 | 6,431 | 6,713 | 6,954 | 7,752 | 8,872 | 9,346 | 9,014 | 25,843 | 34,984 | 9,206 | -2.1 | 29.6 | -3.6 |
| Change YoY (%) | 10.1 | 18.1 | 20.0 | 28.6 | 34.9 | 38.0 | 39.2 | 29.6 | 19.3 | 35.4 | 32.4 | | | |
| Fees & Commission | 9.9 | 3.8 | 4.5 | 6.6 | 9.0 | 9.0 | 11.0 | 11.6 | 25 | 41 | 11.0 | 5.5 | 75.8 | 5.5 |
| Employee Expenses | 838 | 929 | 903 | 864 | 1,011 | 959 | 953 | 969 | 3,535 | 3,894 | 970.5 | -0.1 | 12.1 | 1.7 |
| Other expenses | 612 | 675 | 691 | 691 | 788 | 869 | 743 | 731 | 2,670 | 3,132 | 817.1 | -10.6 | 5.8 | -1.7 |
| Total Operating Expenses | 1,460 | 1,608 | 1,599 | 1,562 | 1,809 | 1,838 | 1,708 | 1,712 | 6,229 | 7,066 | 1,799 | -5 | 9.6 | 0.2 |
| Change YoY (%) | 10.6 | 14.7 | 9.2 | 19.8 | 23.9 | 14.3 | 6.8 | 9.6 | 13.5 | 13.4 | 15.2 | -36.7 | | |
| EBIDTA | 4,285 | 4,822 | 5,114 | 5,393 | 5,944 | 7,034 | 7,639 | 7,302 | 19,615 | 27,919 | 7,407 | -1.4 | 35.4 | -4.4 |
| EBIDTA Margin (%) | 74.6 | 75.0 | 76.2 | 77.5 | 76.7 | 79.3 | 81.7 | 81.0 | 75.9 | 79.8 | 80.5 | 55bps | 347bps | -72bps |
| Other Income | 1,580 | 1,221 | 1,424 | 1,555 | 1,735 | 1,710 | 931 | 1,241 | 5,781 | 5,617 | 809 | 53.5 | -20.2 | 33.3 |
| Depreciation | 129 | 130 | 131 | 133 | 133 | 137 | 149 | 166 | 523 | 585 | 149 | 11.5 | 25.0 | 11.8 |
| Finance Cost | 23 | 23 | 22 | 23 | 23 | 23 | 22 | 26 | 91 | 94 | 23 | 11.1 | 12.1 | 16.6 |
| PBT | 5,713 | 5,891 | 6,386 | 6,791 | 7,523 | 8,584 | 8,399 | 8,351 | 24,782 | 32,856 | 8,044 | 3.8 | 23.0 | -0.6 |
| Tax Provisions | 939 | 1,516 | 1,489 | 1,380 | 1,485 | 2,818 | 1,985 | 1,966 | 5,323 | 8,254 | 1,849 | 6.3 | 42.5 | -0.9 |
| Net Profit | 4,775 | 4,376 | 4,897 | 5,411 | 6,038 | 5,766 | 6,414 | 6,385 | 19,459 | 24,602 | 6,194 | 3.1 | 18.0 | -0.5 |
| Change YoY (%) | 52.0 | 20.2 | 32.6 | 43.8 | 26.4 | 31.8 | 31.0 | 18.0 | 36.7 | 26.4 | 14.5 | | | |
| Core PAT | 3,454 | 3,468 | 3,805 | 4,172 | 4,645 | 4,618 | 5,703 | 5,436 | 14,920 | 20,396 | 5,571 | -2.4 | | |
| Change YoY (%) | 13.3 | 20.8 | 29.8 | 38.1 | 34.5 | 33.1 | 49.9 | 30.3 | 26.1 | 36.7 | 33.5 | | | |

| Key Operating Parameters (%) | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue / AUM (bps) | 47.3 | 49.0 | 48.6 | 45.4 | 46.2 | 46.8 | 47.5 | 46.6 |
| Opex / AUM (bps) | 12.0 | 12.3 | 11.6 | 10.2 | 10.8 | 9.7 | 8.7 | 8.8 |
| PAT / AUM (bps) | 39.3 | 33.4 | 35.4 | 35.3 | 36.0 | 30.4 | 32.6 | 33.0 |
| Cost to Operating Income Ratio | 25.4 | 25.0 | 23.8 | 22.5 | 23.3 | 20.7 | 18.3 | 19.0 |
| EBITDA Margin | 74.6 | 75.0 | 76.2 | 77.5 | 76.7 | 79.3 | 81.7 | 81.0 |
| Tax Rate | 16.4 | 25.7 | 23.3 | 20.3 | 19.7 | 32.8 | 23.6 | 23.5 |
| PAT Margin | 83.1 | 68.0 | 72.9 | 77.8 | 77.9 | 65.0 | 68.6 | 70.8 |
| Core PAT Margin | 60.1 | 53.9 | 56.7 | 60.0 | 59.9 | 52.0 | 61.0 | 60.3 |



Key takeaways from the management commentary

Business:

- Despite subdued market sentiment, gross SIP inflows dipped just 2% QoQ in 4Q, while registering a robust 25% YoY growth. Management remains confident of a sustained improvement in flow trends.
- The decline in SIP flows at the company level was lower compared to the industry average, indicating relative strength.
- The average ticket size (ATS) of SIPs declined 12% YoY, mainly due to a reduction in high-value STP transactions.
- While equity NFO flows saw a sharp decline at the industry level, the impact on HDFC AMC was limited due to its broad and diversified product suite.
- HDFC AMC is set to launch a Category II Credit Fund, having already received regulatory approval.
- The international subsidiary launched three new funds in 3QFY25, which received strong investor interest and enabled global investors to access Indian markets. Management has indicated that additional launches are planned in the upcoming fiscal.
- The direct channel's share in total equity AUM continues to rise. Management expects this trend to continue, supported by lower TERs in direct plans and increased participation from fintech platforms, RIAs, family offices, and HNIs.

- Funds have navigated market cycles well and are positioned for further performance improvement. Mid- and small-cap fund managers have made effective calls, contributing to the overall outperformance.
- FY25 marked the first year where both liquid and debt funds saw inflows concurrently. AMFI's "Debt Fund Sahi Hai" campaign drove awareness and contributed to strong traction.
- Corporate investors continued to prefer shorter-duration debt funds, while individual investors gravitated toward longer-duration products.
- ~94% of total transactions were processed digitally, reflecting strong digital capabilities.
- The company opened 25 new offices in Jan'25 (~50 over the past 15 months), bringing the total to 280, including 196 in B-30 locations. Management will continue to explore further geographic expansion.

Yields

- Equity/Debt/Liquid fund yields stood at 58bp/28bp/12-13bp.
- Overall yields (as % of AUM) declined to 46.6bp in 4QFY25 from 47.5bp in 3Q, primarily due to fewer trading days leading to lower flows.

Financials

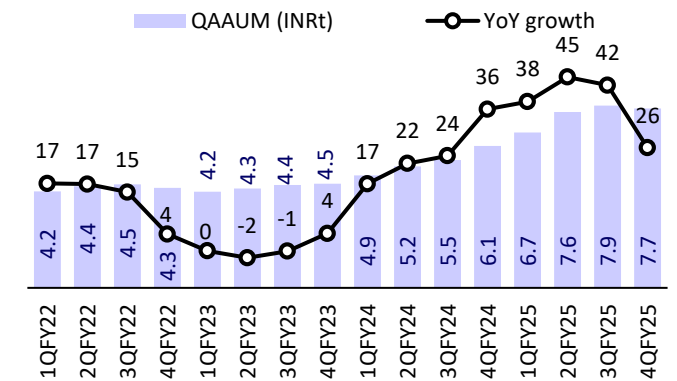
- A new ESOP plan has been proposed, awaiting shareholder approval. Under this, ~2.5 million shares (including performance-linked stock units) will be allocated to employees over four years in a 10%/20%/30%/40% vesting structure.
- The FY20 ESOP scheme (old scheme) had approved ~3.2m shares, of which ~2.3m were granted. The remaining shares have been cancelled and replaced with the new scheme.
- Despite challenging market conditions and underperformance in small- and mid-cap segments, other income posted strong sequential growth, supported by rate cuts, which benefited debt fund investors.

Exhibit 1: Revised estimates

| Y/E March | New estimates | | | Old estimates | | | Change in estimates | | |
|-------------------|---------------|-------|-------|---------------|-------|-------|---------------------|--------|--------|
| | 2025 | 2026E | 2027E | 2025 | 2026E | 2027E | 2025 | 2026E | 2027E |
| AAUM | 7,480 | 8,431 | 9,814 | 7,534 | 8,493 | 9,883 | -1% | -1% | -1% |
| MF Yield (bps) | 46.8 | 45.8 | 44.8 | 46.6 | 45.6 | 44.6 | 2bps | 2bps | 2bps |
| Rev from Ops | 35.0 | 38.6 | 43.9 | 35.2 | 38.8 | 44.2 | -1% | -1% | -1% |
| Core PAT | 20.4 | 23.1 | 26.5 | 20.5 | 23.2 | 26.6 | -1% | 0% | 0% |
| PAT | 24.6 | 28.0 | 31.8 | 24.4 | 27.8 | 31.7 | 1% | 1% | 0% |
| PAT (bps as AAUM) | 33 | 33 | 32 | 32 | 33 | 32 | 6bps | 6bps | 4bps |
| Core EPS | 96 | 108 | 124 | 96 | 109 | 125 | -1% | 0% | 0% |
| EPS | 115 | 131 | 149 | 114 | 130 | 148 | 0.8% | 0.7% | 0.3% |
| EPS Grw. (%) | 27 | 14 | 13 | 26 | 14 | 14 | | | |
| BVPS | 381 | 414 | 451 | 360 | 393 | 430 | 6% | 5% | 5% |
| RoE (%) | 32 | 33 | 34 | 33 | 35 | 36 | -7bps | -16bps | -16bps |
| Div. Payout (%) | 78 | 75 | 75 | 75 | 75 | 75 | | | |
| Valuations | | | | | | | | | |
| Mcap/AUM (%) | 12.0 | 10.7 | 9.2 | 11.3 | 10.0 | 8.6 | | | |
| P/E (x) | 36.6 | 32.1 | 28.3 | 34.9 | 30.6 | 26.9 | | | |
| P/BV (x) | 11.1 | 10.2 | 9.4 | 11.1 | 10.2 | 9.3 | | | |
| Div. Yield (%) | 2.1 | 2.3 | 2.6 | 2.2 | 2.5 | 2.8 | | | |

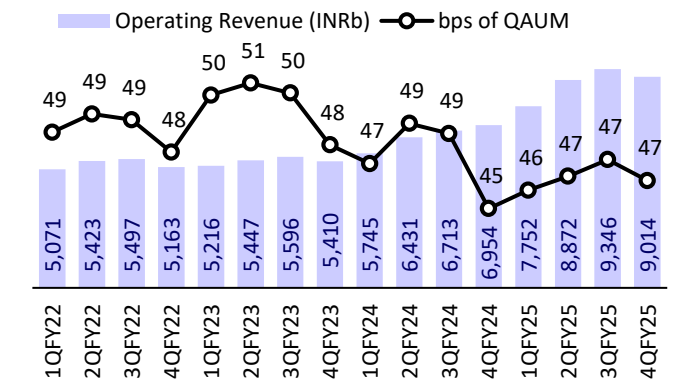
Key exhibits

Exhibit 1: QAUM grew 26% YoY in 4QFY25



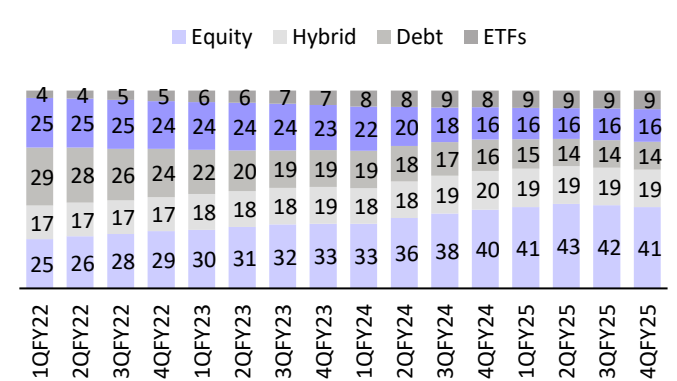
Source: MOFSL, Company

Exhibit 2: Trend in operating revenue



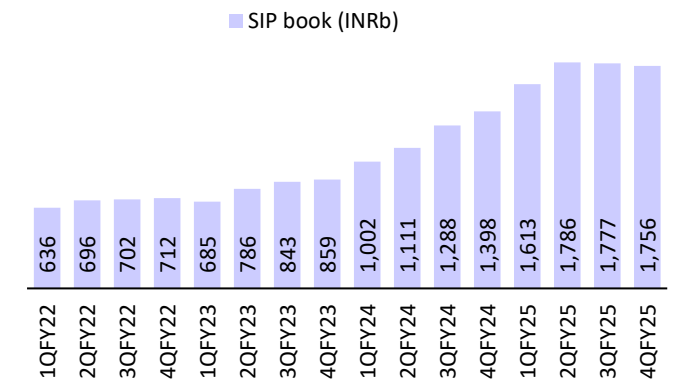
Source: MOFSL, Company

Exhibit 3: Equity share stood at 41% in 4QFY25



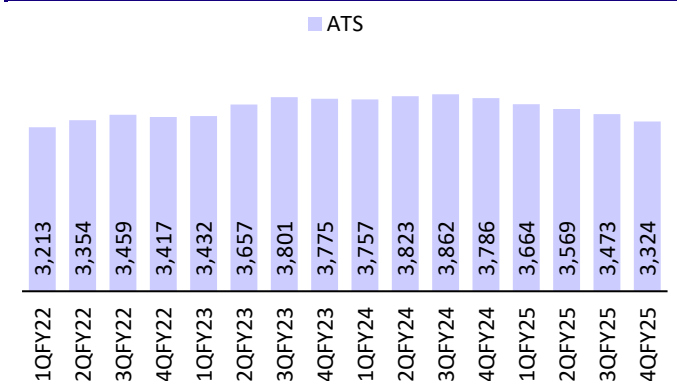
Source: MOFSL, Company

Exhibit 4: SIP (incl STP) momentum sustains amid weak markets



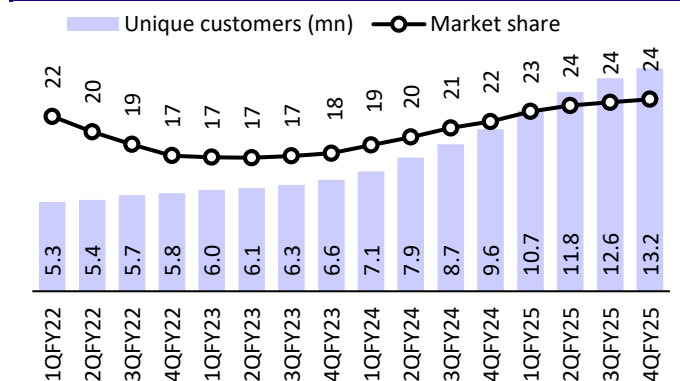
Source: MOFSL, Company

Exhibit 5: Average ticket size on a declining trend



Source: MOFSL, Company

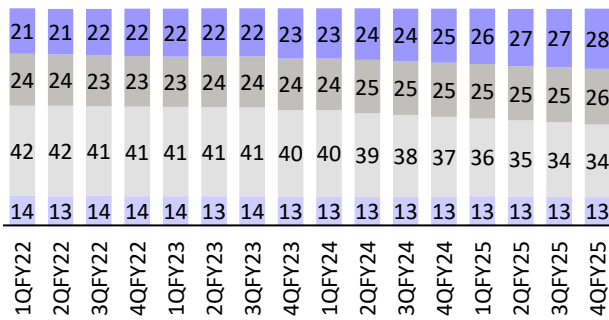
Exhibit 6: Unique customers/market share remain stable



Source: MOFSL, Company

Exhibit 7: Diverse distribution mix (%)

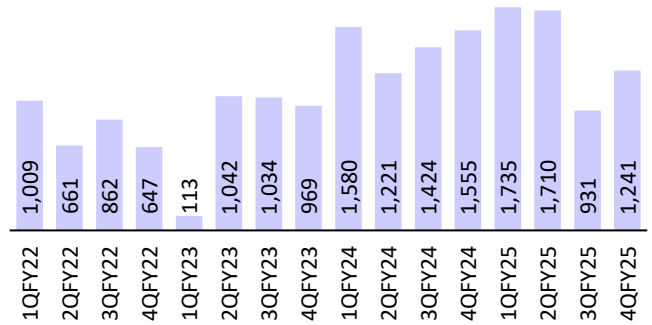
■ Banks ■ IFAs ■ National Distributors ■ Direct



Source: MOFSL, Company

Exhibit 8: Other income improves sequentially

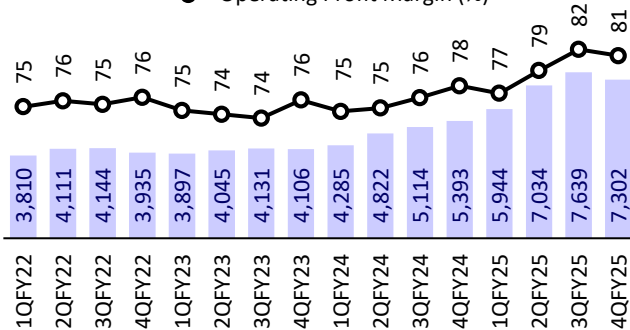
■ Other income (INRm)



Source: MOFSL, Company

Exhibit 9: Operating profit trends

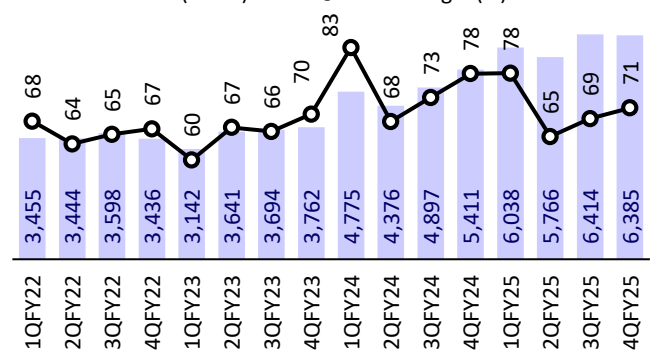
■ Operating Profit (INRm)
● Operating Profit Margin (%)



Source: MOFSL, Company

Exhibit 10: PAT trends

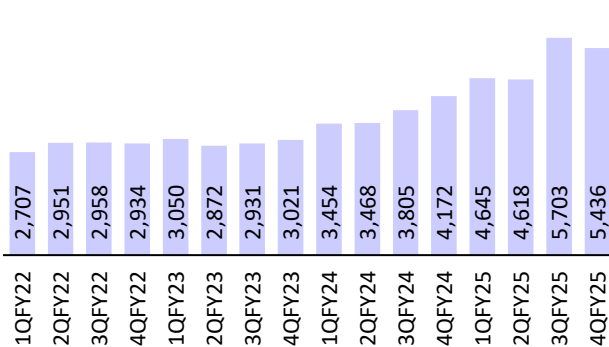
■ PAT (INRm) ● PAT margin (%)



Source: MOFSL, Company

Exhibit 11: Core PAT Trends

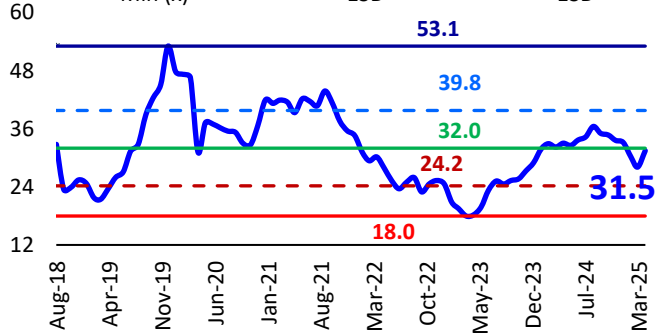
■ Core PAT (INRm)



Source: MOFSL, Company

Exhibit 12: 1-yr forward P/E

— P/E (x) — Avg (x) — Max (x)
— Min (x) — +1SD — -1SD



Source: MOFSL, Company

Financials and valuations

Income Statement

| | | | | | | | | INR m |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
| Investment management fees | 20,033 | 18,525 | 21,154 | 21,668 | 25,844 | 34,984 | 38,592 | 43,940 |
| Change (%) | 4.6 | -7.5 | 14.2 | 2.4 | 19.3 | 35.4 | 10.3 | 13.9 |
| Operating Expenses | 4,310 | 3,884 | 5,154 | 5,489 | 6,270 | 7,066 | 7,847 | 8,724 |
| Core Operating Profits | 15,722 | 14,641 | 15,999 | 16,179 | 19,574 | 27,919 | 30,746 | 35,216 |
| Change (%) | 26.2 | -6.9 | 9.3 | 1.1 | 21.0 | 42.6 | 10.1 | 14.5 |
| Dep/Interest/Provisions | 594 | 644 | 625 | 630 | 614 | 680 | 709 | 739 |
| Core PBT | 15,129 | 13,997 | 15,375 | 15,549 | 18,960 | 27,239 | 30,037 | 34,478 |
| Change (%) | 26.8 | -7.5 | 9.8 | 1.1 | 21.9 | 43.7 | 10.3 | 14.8 |
| Other Income | 1,402 | 3,492 | 3,178 | 3,158 | 5,790 | 5,617 | 6,379 | 6,829 |
| PBT | 16,531 | 17,490 | 18,553 | 18,706 | 24,750 | 32,856 | 36,415 | 41,306 |
| Change (%) | 20.2 | 5.8 | 6.1 | 0.8 | 32.3 | 32.7 | 10.8 | 13.4 |
| Tax | 3,906 | 4,232 | 4,622 | 4,467 | 5,323 | 8,254 | 8,375 | 9,500 |
| Tax Rate (%) | 23.6 | 24.2 | 24.9 | 23.9 | 21.5 | 25.1 | 23.0 | 23.0 |
| PAT | 12,624 | 13,258 | 13,931 | 14,239 | 19,427 | 24,602 | 28,040 | 31,806 |
| Change (%) | 35.7 | 5.0 | 5.1 | 2.2 | 36.4 | 26.6 | 14.0 | 13.4 |
| Core PAT | 11,554 | 10,610 | 11,545 | 11,836 | 14,882 | 20,396 | 23,128 | 26,548 |
| Change (%) | 43.1 | -8.2 | 8.8 | 2.5 | 25.7 | 37.1 | 13.4 | 14.8 |
| Dividend | 7,183 | 7,241 | 8,954 | 10,244 | 14,944 | 19,242 | 21,030 | 23,854 |

Balance Sheet

| | | | | | | | | INR m |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
| Equity Share Capital | 1,064 | 1,065 | 1,066 | 1,067 | 1,067 | 1,069 | 1,069 | 1,069 |
| Reserves & Surplus | 39,229 | 46,697 | 54,235 | 60,017 | 69,683 | 80,231 | 87,241 | 95,192 |
| Net Worth | 40,293 | 47,762 | 55,301 | 61,084 | 70,750 | 81,300 | 88,310 | 96,261 |
| Borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Liabilities | 2,793 | 3,185 | 3,503 | 4,281 | 4,788 | 6,207 | 4,315 | 4,559 |
| Total Liabilities | 43,086 | 50,947 | 58,804 | 65,365 | 75,539 | 87,507 | 92,624 | 1,00,820 |
| Cash and Investments | 39,716 | 47,556 | 55,783 | 60,832 | 71,961 | 82,966 | 87,749 | 95,530 |
| Change (%) | 33.9 | 19.7 | 17.3 | 9.1 | 18.3 | 15.3 | 5.8 | 8.9 |
| Loans | 217 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Fixed Assets | 1,567 | 1,532 | 1,351 | 1,505 | 1,526 | 1,983 | 2,083 | 2,183 |
| Current Assets | 1,586 | 1,859 | 1,670 | 3,029 | 2,052 | 2,557 | 2,793 | 3,107 |
| Total Assets | 43,086 | 50,947 | 58,804 | 65,365 | 75,539 | 87,507 | 92,624 | 1,00,820 |

E: MOFSL Estimates

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| AAAUM (INR B) | 3,729 | 3,842 | 4,337 | 4,348 | 5,440 | 7,480 | 8,431 | 9,814 |
| Change (%) | 15.5 | 3.0 | 12.9 | 0.2 | 25.1 | 37.5 | 12.7 | 16.4 |
| Equity (Including Hybrid) | 44.6 | 39.1 | 44.0 | 49.8 | 54.1 | 60.9 | 60.5 | 61.3 |
| Debt | 23.6 | 27.4 | 26.9 | 20.0 | 17.3 | 14.1 | 14.0 | 13.4 |
| Liquid | 30.0 | 30.6 | 24.7 | 23.7 | 18.8 | 16.0 | 15.9 | 15.3 |
| Others | 1.7 | 2.9 | 4.5 | 6.5 | 9.8 | 9.0 | 9.6 | 9.9 |

E: MOFSL Estimates

Financials and valuations

Cash Flow Statement

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|--------------------------------------|----------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Cashflow from operations | 13,908 | 13,813 | 14,416 | 14,189 | 21,521 | 26,203 | 26,306 | 32,141 |
| PBT | 16,531 | 17,490 | 18,553 | 18,706 | 24,750 | 32,856 | 36,415 | 41,306 |
| Depreciation and amortization | 504 | 554 | 539 | 533 | 523 | 585 | 615 | 644 |
| Tax Paid | -3,906 | -4,232 | -4,622 | -4,467 | -5,323 | -8,254 | -8,375 | -9,500 |
| Deferred tax | -28 | 321 | 432 | 254 | 148 | 952 | -2,108 | 0 |
| Interest, dividend income (post-tax) | -915 | -243 | -234 | -220 | 0 | 0 | -318 | -337 |
| Interest expense (post-tax) | 69 | 68 | 65 | 74 | 71 | 70 | 72 | 72 |
| Working capital | 1,655 | -145 | -317 | -692 | 1,351 | -7 | 5 | -45 |
| Cash from investments | -10,849 | -8,204 | -7,901 | -5,699 | -11,329 | -12,063 | -5,422 | -7,433 |
| Capex | -1,688 | -485 | -350 | -704 | -532 | -1,037 | -715 | -744 |
| Interest, dividend income (post-tax) | 915 | 243 | 234 | 220 | 0 | 0 | 318 | 337 |
| Others | -10,076 | -7,962 | -7,786 | -5,215 | -10,797 | -11,026 | -5,025 | -7,026 |
| Cash from financing | -3,107 | -5,856 | -6,457 | -8,529 | -9,832 | -14,121 | -21,102 | -23,927 |
| Equity | 0 | 0 | 0 | 1 | 0 | 2 | 0 | 0 |
| Debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest costs | -69 | -68 | -65 | -74 | -71 | -70 | -72 | -72 |
| Dividends Paid | -7,183 | -7,241 | -8,954 | -10,244 | -14,944 | -19,242 | -21,030 | -23,854 |
| Others | 4,144 | 1,452 | 2,562 | 1,788 | 5,183 | 5,190 | 0 | 0 |
| Change of cash | -49 | -248 | 57 | -39 | 360 | 20 | -218 | 781 |
| Cash start | 320 | 271 | 23 | 81 | 40 | 400 | 418 | 200 |
| Cash end | 271 | 23 | 81 | 40 | 400 | 418 | 200 | 982 |
| FCFF | 12,220 | 13,328 | 14,065 | 13,485 | 20,988 | 25,166 | 25,592 | 31,397 |

| Valuations | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| BVPS (INR) | 189 | 224 | 259 | 286 | 331 | 381 | 414 | 451 |
| Change (%) | 31.2 | 18.5 | 15.8 | 10.5 | 15.8 | 14.9 | 8.6 | 9.0 |
| Price-BV (x) | 22.3 | 18.9 | 16.3 | 14.7 | 12.7 | 11.1 | 10.2 | 9.4 |
| EPS (INR) | 59.1 | 62.1 | 65.3 | 66.7 | 91.0 | 115.2 | 131.3 | 149.0 |
| Change (%) | 35.7 | 5.0 | 5.1 | 2.2 | 36.4 | 26.6 | 14.0 | 13.4 |
| Price-Earnings (x) | 71.3 | 67.9 | 64.6 | 63.2 | 46.4 | 36.6 | 32.1 | 28.3 |
| Core EPS (INR) | 54.1 | 49.7 | 54.1 | 55.4 | 69.7 | 95.5 | 108.3 | 124.4 |
| Change (%) | 43.1 | -8.2 | 8.8 | 2.5 | 25.7 | 37.1 | 13.4 | 14.8 |
| Core Price-Earnings (x) | 77.9 | 84.9 | 78.0 | 76.1 | 60.5 | 44.1 | 38.9 | 33.9 |
| DPS (INR) | 28.0 | 34.0 | 42.0 | 48.0 | 70.0 | 90.0 | 98.4 | 111.6 |
| Dividend Yield (%) | 0.7 | 0.8 | 1.0 | 1.1 | 1.7 | 2.1 | 2.3 | 2.6 |

E: MOFSL Estimates

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| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | > - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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