




HDFC Asset Management Company Ltd.

BUY

Sector: AMC

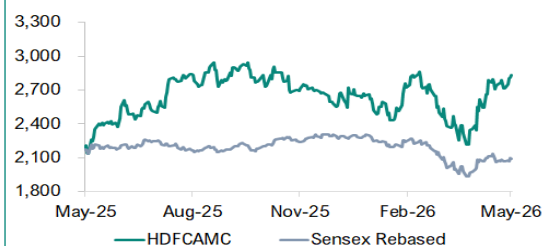
8th May, 2026

Key Changes	Target 	Rating 	Earnings 	Target	Rs. 3,239		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 2,835
Large Cap	HDFCAMC:IN	77,845	HDFCAMC	541729	12 Months	Return	+14%

Data as of: 07-May-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	121,454		
52 Week High — Low (Rs.)	2,965 - 2,081		
Enterprise Value (Rs. cr)	121,372		
Outstanding Shares (cr)	42.8		
Free Float (%)	47.4		
Dividend Yield (%)	1.6		
6m average volume (cr)	1.1		
Beta	1.4		
Face value (Rs.)	5.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	52.4	52.4	52.4
FII's	24.7	24.0	24.5
MFs/Institutions	14.1	14.9	14.4
Public	8.8	8.7	8.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	4.2%	4.4%	28.1%
Absolute Sensex	-6.9%	-6.5%	-3.6%
Relative Return	11.1%	10.8%	31.7%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	4,122	5,105	5,880
Growth (%)	17.8	23.8	15.2
EBITDA	3,295	4,081	4,709
EBITDA Margin (%)	79.9	80.0	80.1
PAT Adjusted	2,858	3,305	3,767
Growth (%)	16.2	15.6	14.0
Adjusted EPS	66.7	77.1	87.9
Growth (%)	16.0	15.6	14.0
P/E	33.2	36.7	32.2
P/B	10.3	12.3	11.5
EV/EBITDA	28.8	29.7	25.8
ROE (%)	31.0	33.1	34.7
D/E	0.0	0.0	0.0

Strong AUM and new launches drive revenue

HDFC Asset Management Company Ltd. (HDFC AMC) is a leading asset-management company (AMC) in India, with assets under management (AUM-closing) of Rs. 8,440bn as on 31 March 2026.

- In Q4FY26, the AMC's operating revenue increased 16.7% YoY to Rs. 1,052cr, driven by growth in quarterly average AUM (QAAUM) and healthy equity and systematic flows.
- As of Q4FY26, overall QAAUM increased 19.8% YoY to Rs. 927,500cr, translating into an 11.4% share of the overall mutual fund (MF) industry.
- Equity-oriented QAAUM (excluding index funds) increased 22.7% YoY to Rs. 565,700cr, while debt-oriented QAAUM rose 10.8% YoY to Rs. 175,800cr.
- In Q4FY26, systematic transaction value grew 33.7% YoY to Rs. 48,800cr.
- EBITDA grew 15.7% YoY to Rs. 845cr; however, EBITDA margin declined 60bps YoY to 80.4%, mainly due to higher employee costs (+29.4% YoY) and other expenses (+7.1% YoY).
- Consequently, profit after tax fell 2.5% YoY to Rs. 623cr in Q4FY26.

Outlook & Valuation

HDFC AMC continued to demonstrate resilient performance, with management emphasising that domestic investors have become meaningfully more long-term oriented and systematic in their approach even amid heightened volatility. Additional momentum is expected to come from passive and hybrid products, along with newer growth engines such as alternatives, PMS mandates and the GIFT City international platform. The company is also increasingly leveraging technology and AI-led capabilities to enhance investment processes, improve customer engagement and drive operational efficiencies. Ongoing investments in digital platforms and analytics are expected to strengthen scalability over time. Hence, **we upgrade our rating on the stock to BUY, with a roll-forward target price of Rs. 3,239, based on discounted dividend model valuation.**

Quarterly Financials Consolidated

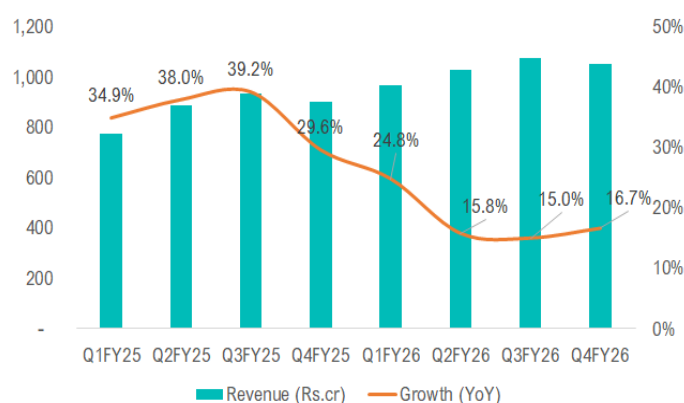
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	1,052	901	16.7	1,075	2.2	4,122	3,498	17.8
EBITDA	845	730	15.7	873	-3.2	3,295	2,787	18.0
Margin (%)	80.4	81.0	-60bps	81.2	80bps	79.8	79.7	10bps
EBIT	826	714	15.7	855	-3.4	3,210	2,724	17.8
PBT	834	835	-0.2	1,014	-17.8	3,710	3,286	12.9
Rep. PAT	623	638	-2.5	769	-19.1	2,858	2,460	16.2
Adj PAT	623	638	-2.5	769	-19.1	2,858	2,460	16.2
Adj. EPS (Rs)	14.5	14.9	-2.7	17.9	-19.0	66.7	57.4	16.0



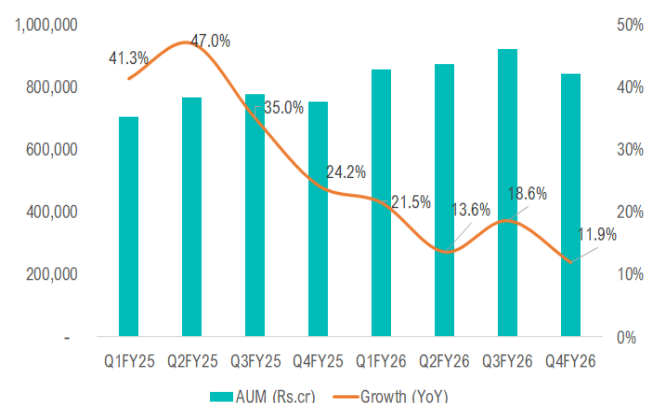
Key concall highlights

- On TER/BER regulatory change, management guided that the gross impact on the existing book is ~3-4 bps and it intends to largely offset it via commission optimisation and prudent cost management, targeting no material impact on the P&L.
- In Q4FY26, HDFC AMC reported resilient yields across asset classes. The equity yield was approximately 56 bps, including index funds; the debt yield was around 28bps; and the liquid yield was about 13bps. The blended yield for the FY26 was 45bps.
- Management highlighted that it has received all regulatory approvals for SIF, but is not rushing, and will launch only an investment-led, differentiated offering that solves a real client need rather than being first-to-market.
- In Q4FY26, the AUM of its portfolio management services (PMS) was Rs. 106bn, with non-discretionary PMS at Rs. 56bn, discretionary PMS at Rs. 48bn and Rs 1.5bn in advisory.
- AI is being integrated across the organisation as an operating layer from marketing and client engagement to investment processes, risk management and compliance serving as a force multiplier for teams rather than a replacement.
- The company declared a final dividend of Rs. 54 per share.

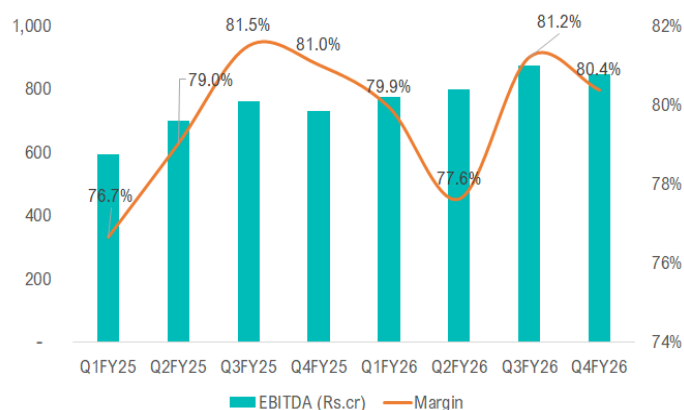
Revenue



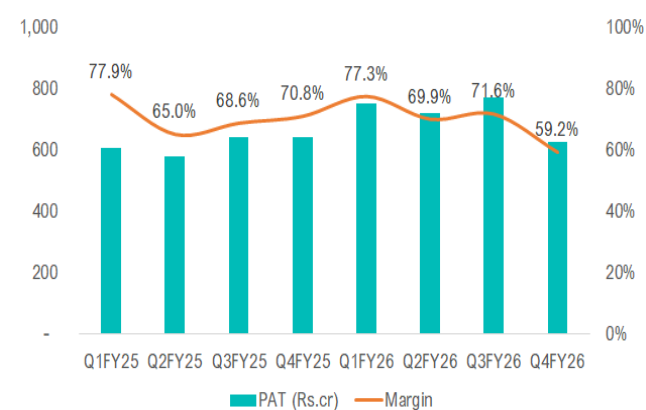
Closing AUM



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	4,904	-	5,105	5,880	4.1	-
EBITDA	3,810	-	4,081	4,709	7.1	-
Margins (%)	77.7	-	80.0	80.1	230bps	-
Adj. PAT	3,349	-	3,305	3,767	-1.3	-
EPS	78.3	-	77.1	87.9	-1.5	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	2,584	3,498	4,122	5,105	5,880
% change	19.3	35.4	17.8	23.8	15.2
EBITDA	1,957	2,792	3,295	4,081	4,709
% change	21.0	42.6	18.0	23.8	15.4
Depreciation	52	59	73	91	87
EBIT	1,905	2,733	3,222	3,991	4,622
Interest	-9	-9	-13	-16	-20
Other Income	579	562	500	450	441
PBT	2,475	3,286	3,709	4,424	5,043
% change	32.3	32.7	12.9	19.3	14.0
Tax	-532	-825	-851	-1,119	-1,276
Tax Rate (%)	21.5	25.1	22.9	25.3	25.3
Reported PAT	1,943	2,460	2,858	3,305	3,767
PAT att. to common shareholders	1,943	2,460	2,858	3,305	3,767
Adj.*	-	-	-	-	-
Adj. PAT	1,943	2,460	2,858	3,305	3,767
% change	36.5	26.6	16.2	15.6	14.0
No. of shares (cr)	42.7	42.8	42.8	42.8	42.8
Adj EPS (Rs.)	45.5	57.5	66.7	77.1	87.9
% change	36.4	26.4	16.0	15.6	14.0
DPS (Rs.)	35.0	45.0	54.0	62.5	71.2

Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	1,943	2,460	2,858	3,305	3,767
Non-cash adj.	-468	-354	-313	81	99
Other adjustments	-	-	-	-	-
Changes in W.C	140	-31	-17	70	100
C.F. Operation	1,615	2,075	2,528	3,456	3,966
Capital exp.	-19	-45	-23	-61	-74
Change in inv.	-559	-575	-663	-691	-791
Other invest.CF	36	22	43	-19	-21
C.F - Investment	-542	-598	-643	-772	-885
Issue of equity	4	69	98	-	-
Issue/repay debt	-	-	-	-	-
Dividends paid	-1,025	-1,495	-1,925	-2,677	-3,052
Other finance.CF	-46	-49	-58	-	-
C.F - Finance	-1,066	-1,475	-1,886	-2,677	-3,052
Chg. in cash	6	2	-1	7	29
Closing Cash	40	42	55	62	91

Balance Sheet

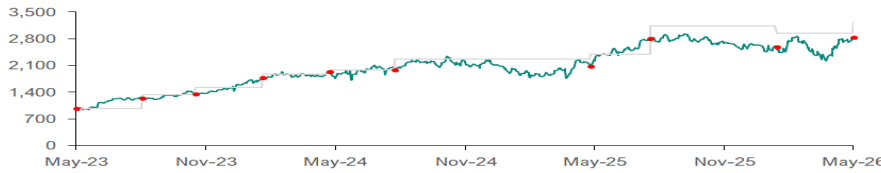
Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	40	42	55	62	91
Accts. Receivable	93	134	159	204	213
Inventories	-	-	-	-	-
Other Cur. Assets	52	61	90	94	95
Investments	7,156	8,255	9,362	10,053	10,844
Gross Fixed Assets	288	335	357	418	492
Net Fixed Assets	138	183	261	232	218
CWIP	-	-	-	-	-
Intangible Assets	16	16	13	16	17
Def. Tax -Net	-	-	-	-	-
Other Assets	59	61	52	77	85
Total Assets	7,554	8,751	9,991	10,739	11,564
Current Liabilities	45	60	64	93	99
Provisions	16	21	25	32	35
Debt Funds	-	-	-	-	-
Other Liabilities	417	540	674	757	858
Equity Capital	107	107	214	214	214
Res. & Surplus	6,968	8,023	9,015	9,642	10,358
Shareholder Funds	7,075	8,130	9,229	9,857	10,572
Minority Interest	-	-	-	-	-
Total Liabilities	7,554	8,751	9,991	10,739	11,564
BVPS	166	190	215	230	247

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	75.7	79.8	79.9	80.0	80.1
EBIT margin (%)	73.7	78.1	78.2	78.2	78.6
Net profit mgn.(%)	75.2	70.3	69.3	64.7	64.1
ROE (%)	27.5	30.3	31.0	33.5	35.6
ROCE (%)	26.9	33.6	34.9	40.5	43.7
W.C & Liquidity					
Receivables (days)	13.2	13.9	14.0	14.6	13.2
Inventory (days)	-	-	-	-	-
Payables (days)	-	-	-	-	-
Current ratio (x)	15.9	14.2	13.1	12.3	11.8
Quick ratio (x)	15.9	14.2	13.1	12.3	11.8
Turnover & Leverage					
Gross asset T.O (x)	9.2	11.2	11.9	13.2	12.9
Total asset T.O (x)	0.4	0.4	0.4	0.5	0.5
Int. covge. ratio (x)	-209.6	-290.5	-241.9	-242.3	-233.8
Adj. debt/equity (x)	-	-	-	-	-
Valuation					
EV/Sales (x)	30.5	21.5	23.0	23.8	20.6
EV/EBITDA (x)	40.2	27.0	28.8	29.7	25.8
P/E (x)	40.6	30.6	33.2	36.7	32.2
P/BV (x)	11.1	9.3	10.3	12.3	11.5



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
23-Oct-23	HOLD	1,524
25-Jan-24	HOLD	1,875
29-Apr-24	HOLD	1,978
30-Jul-24	HOLD	2,258
02-May-25	HOLD	2,387
25-Jul-25	ACCUMULATE	3,132
08-May-26	BUY	3,239

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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