

Muthoot Finance

Set to shine

Convergence of fundamentals and tailwinds to prop growth

Muthoot Finance (MUTH IN) is in a sweet spot, given robust growth prospects backed by sound fundamentals and sectoral tailwinds. Fundamentals are underscored by 1) proven moats of leadership and higher productivity (AUM per branch at INR 145mn vs INR 80mn for IIFL Finance and a mere INR 56mn for MGFL), 2) steady-state branch and customer expansion, 3) customer segmentation with limited share of 27% in the above INR 300,000 ticket size which faces rising competition, and 4) increased thrust on marketing & digital initiatives along with enhanced customer service to strengthen MUTH's competitive positioning. We believe high productivity and staunch distribution network can add ~3% to AUM growth annual basis.

Sectoral tailwinds, such as 1) continued momentum in underlying asset value like gold, 2) concerns regarding unsecured, systemic credit expansion fueling MSME credit via gold loans, 3) less competition from banks (refer Exhibit 15) with unit economics turning unfavorable amid tight liquidity will enable MUTH to reclaim its market positioning. We revise 14% growth to 15%+ during FY24-26E.

Margin to stabilize as competitive positioning strengthens

Taking cognizance of high funding cost, MUTH is yet expected to clock stable margins without requiring material alteration in lending rates. Moreover, its ability to transmit high cost (we factor in 100bp COF spike in FY24E) may sustain margin at the current levels. We expect yield to stabilize in the range of 18-19%, leading to margin improvement from 11.6% in FY24 to settle at 11.8% by FY26E, as MUTH succeeds in countering increased competition in the near term.

Benign asset quality; auctions at the lowest levels

Firm's underlying security and robust risk-management systems have ensured good credit quality across cycles. Credit cost was lower and auctions at INR 3,810mn or 0.6% of gold loan book was modest at Q3FY24-end. We expect GNPA at 2.5% during FY24-26E.

Valuation: revise to Buy with a higher TP of INR 1,948

MUTH is poised to reclaim strong market positioning in the gold finance space. Continued rise in gold prices and tight liquidity scenario for banks are leading to healthy business traction. This along with the company's moats of higher productivity and strong branch network would result in a loan CAGR of 15% during FY24-26E. Margin should stabilize as its competitive positioning strengthens. We expect a rich return profile with an ROA of 5.2% and 17% ROE during FY24-26E. MUTH also stands in conformation with regulatory norms. We revise our rating to **Buy** from Accumulate with a higher SOTP-based TP 1,948 from INR 1,520. We ascribe 2.5x (from 2.2x) September 2025E P/ABV for the core business and 1.2x (unchanged) for Belstar Micro finance business and 0.4x (unchanged) September 2025E P/ABV for the home finance business.

Rating: Buy

Target Price: INR 1,948

Upside: 20%

CMP: INR 1,630 (as on 3 April 2024)

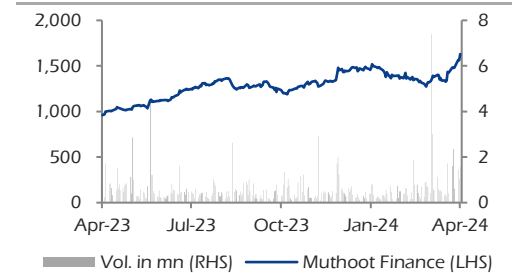
Key data

| | |
|------------------------------|-------------------|
| Bloomberg /Reuters Code | MUTH IN/MUTToI.BO |
| Current /Dil Shares O/S (mn) | 401/401 |
| Mkt Cap (INR bn/USD mn) | 654/7,843 |
| Daily Volume (3M NSE Avg) | 651,359 |
| Face Value (INR) | 10 |

1 USD = INR 83.4

Note: *as on 3 April 2024; Source: Bloomberg

Price & volume



Source: Bloomberg

| Shareholding (%) | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 |
|------------------------|--------|--------|--------|--------|
| Promoter | 73.4 | 73.4 | 73.4 | 73.4 |
| Institutional Investor | 22.0 | 22.4 | 22.8 | 22.9 |
| Other Investor | 0.7 | 0.6 | 0.5 | 0.5 |
| General Public | 4.0 | 3.7 | 3.4 | 3.3 |

Source: BSE

| Price performance (%) | 3M | 6M | 12M |
|-----------------------|------|------|------|
| Nifty | 4.3 | 14.9 | 28.9 |
| Muthoot Finance | 10.5 | 32.0 | 66.1 |
| LIC Housing Finance | 15.0 | 34.4 | 92.3 |

Source: Bloomberg

Key financials

| YE | NII | YoY | PPoP | YoY | PAT | YoY | EPS | Core RoE | RoA | P/E | P/ABV |
|-------|----------|-------|----------|--------|----------|--------|-------|----------|-----|------|-------|
| March | (INR mn) | (%) | (INR mn) | (%) | (INR mn) | (%) | (INR) | (%) | (%) | (x) | (x) |
| FY23 | 66,695 | (6.3) | 47,270 | (13.0) | 34,735 | (12.2) | 86.5 | 16.5 | 4.9 | 18.8 | 3.3 |
| FY24E | 78,910 | 18.3 | 57,483 | 21.6 | 42,376 | 22.0 | 105.6 | 17.3 | 5.3 | 15.4 | 2.7 |
| FY25E | 90,801 | 15.1 | 67,189 | 16.9 | 49,693 | 17.3 | 123.8 | 17.3 | 5.3 | 13.2 | 2.3 |
| FY26E | 104,490 | 15.1 | 77,206 | 14.9 | 57,103 | 14.9 | 142.3 | 16.9 | 5.2 | 11.5 | 2.0 |

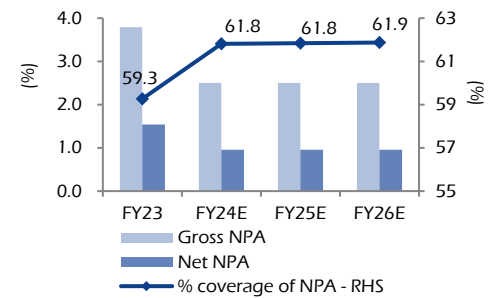
Note: pricing as on 3 April 2024; Source: Company, Elara Securities Estimate

Financials (YE March)

| Income statement (INR mn) | FY23 | FY24E | FY25E | FY26E |
|-----------------------------------|----------------|----------------|------------------|------------------|
| NII | 66,695 | 78,910 | 90,801 | 104,490 |
| Other income | 1,751 | 1,962 | 1,962 | 1,962 |
| Gross Income | 68,446 | 80,871 | 92,762 | 106,452 |
| Operating expenses | 21,177 | 23,388 | 25,573 | 29,246 |
| PPOP | 47,270 | 57,483 | 67,189 | 77,206 |
| Provisions | 605 | 853 | 781 | 896 |
| PBT | 46,664 | 56,630 | 66,408 | 76,310 |
| Tax | 11,929 | 14,254 | 16,715 | 19,207 |
| PAT | 34,735 | 42,376 | 49,693 | 57,103 |
| Balance sheet (INR bn) | FY23 | FY24E | FY25E | FY26E |
| Capital | 4,014 | 4,013 | 4,013 | 4,013 |
| Reserves and Surplus | 206,605 | 241,568 | 283,774 | 333,390 |
| Net worth | 210,619 | 245,582 | 287,788 | 337,403 |
| Borrowings | 497,343 | 598,668 | 691,966 | 793,245 |
| Other liabilities | 18,236 | 20,803 | 39,805 | 49,127 |
| Total Liabilities | 726,198 | 865,053 | 1,019,559 | 1,179,776 |
| Fixed assets | 3,392 | 3,131 | 3,131 | 3,131 |
| Loans | 642,649 | 713,723 | 824,951 | 945,695 |
| Investments | 13,169 | 27,763 | 40,257 | 58,372 |
| Cash and bank balances | 64,612 | 117,244 | 146,723 | 167,249 |
| Other assets | 2,377 | 3,192 | 4,498 | 5,328 |
| Total Assets | 726,198 | 865,053 | 1,019,559 | 1,179,776 |
| Per Share data & Valuation Ratios | FY23 | FY24E | FY25E | FY26E |
| EPS- (INR) | 87 | 106 | 124 | 142 |
| BV (INR) | 525 | 612 | 717 | 841 |
| ABVS- (INR) | 500 | 595 | 697 | 818 |
| P/E- (x) | 18.8 | 15.4 | 13.2 | 11.5 |
| P/ABV-(x) | 3.3 | 2.7 | 2.3 | 2.0 |
| Yield and Cost (%) | | | | |
| Yield on advances | 17.1 | 18.8 | 18.8 | 18.8 |
| Interest Income/ Avg. assets | 14.5 | 16.0 | 15.6 | 15.4 |
| Interest Expense/ Avg. assets | 5.2 | 6.1 | 6.0 | 5.9 |
| Net Interest Margin (%) | 11.0 | 11.6 | 11.8 | 11.8 |
| Asset Quality (%) | | | | |
| Gross NPA | 3.8 | 2.5 | 2.5 | 2.5 |
| Net NPA | 1.5 | 1.0 | 1.0 | 1.0 |
| % coverage of NPA | 59.3 | 61.8 | 61.8 | 61.9 |
| credit cost (calc) | 0.1 | 0.1 | 0.1 | 0.1 |
| Capital Adequacy (x) | | | | |
| Tier 1 | 28.6 | 27.0 | 25.9 | 26.2 |
| CAR | 29.5 | 27.8 | 26.8 | 27.1 |
| Growth Rates (%) | | | | |
| Loan growth | 8.2 | 11.1 | 15.6 | 14.6 |
| Earnings growth | (12.2) | 22.0 | 17.3 | 14.9 |
| Business Ratios | | | | |
| RoAA (%) | 4.9 | 5.3 | 5.3 | 5.2 |
| Core RoE (%) | 16.5 | 17.3 | 17.3 | 16.9 |
| Leverage (x) | 3.4 | 3.2 | 3.3 | 3.3 |

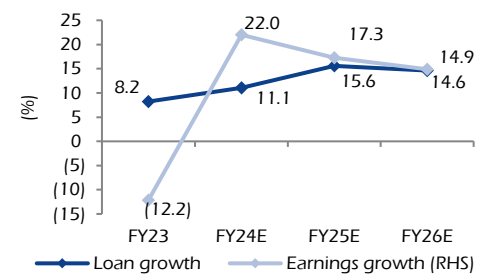
Note: pricing as on 3 April 2024; Source: Company, Elara Securities Estimate

Gross and net NPA (%)



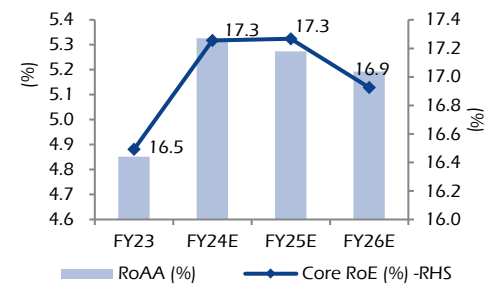
Source: Company, Elara Securities Estimate

Loans & earnings growth trend (%)



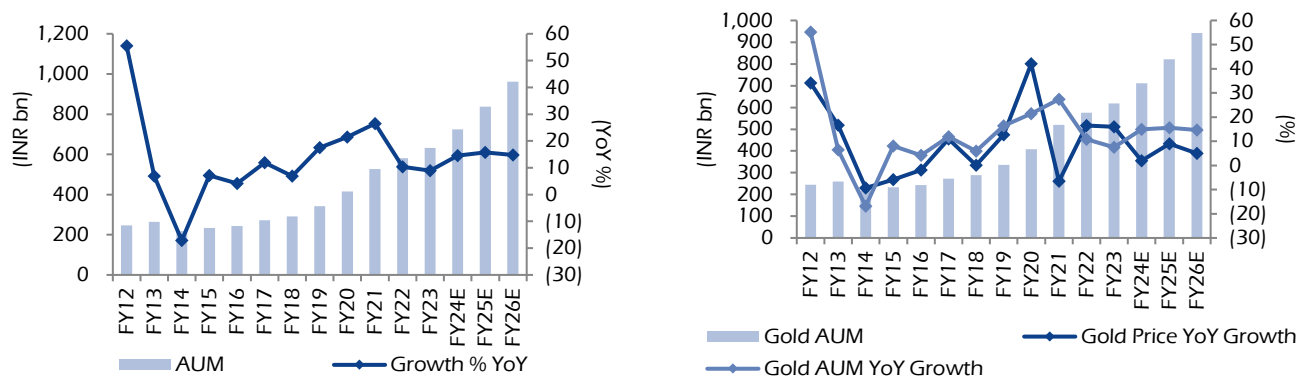
Source: Company, Elara Securities Estimate

Return ratios (%)



Source: Company, Elara Securities Estimate

Exhibit 1: Growth back in the reckoning: AUM strengthening



Source: Company, Elara Securities Estimate

Source: Company, Elara Securities Estimate

Exhibit 2: Growth driven by higher productivity and continued network expansion

| Particulars | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22E | FY23E | FY24E | FY25E | FY26E |
|------------------------------------|-------|--------|-------|-------|-------|------|-------|-------|------|-------|-------|-------|-------|-------|-------|
| Employees / Branch | 6.9 | 6.1 | 5.9 | 5.4 | 5.3 | 5.6 | 5.4 | 5.4 | 5.6 | 5.6 | 5.8 | 5.8 | 5.7 | 5.6 | 5.5 |
| Growth % YoY | 12.9 | (11.6) | (3.9) | (8.0) | (1.1) | 5.5 | (3.5) | (0.3) | 3.5 | (0.0) | 3.4 | (0.6) | (1.1) | (1.0) | (1.9) |
| Average AUM / Branch (INR mn) | 45.2 | 58.8 | 56.8 | 53.6 | 56.2 | 60.9 | 66.4 | 71.9 | 84.9 | 104.3 | 122.9 | 130.5 | 138.7 | 152.7 | 169.0 |
| Growth % YoY | 4.8 | 30.0 | (3.4) | (5.6) | 4.8 | 8.4 | 9.0 | 8.2 | 18.0 | 22.9 | 17.7 | 6.2 | 6.3 | 10.1 | 10.7 |
| Average AUM / Employee (INR mn) | 6.6 | 9.6 | 9.7 | 10.0 | 10.5 | 10.8 | 12.3 | 13.3 | 15.2 | 18.7 | 21.2 | 22.7 | 24.4 | 27.1 | 30.6 |
| Growth % YoY | (7.2) | 47.0 | 0.6 | 2.6 | 6.0 | 2.8 | 13.0 | 8.6 | 14.1 | 23.0 | 13.8 | 6.9 | 7.5 | 11.2 | 12.8 |
| Average Salary / Employee (INR mn) | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 |
| Growth % YoY | 23.5 | 34.0 | 7.9 | 16.5 | 2.3 | 12.0 | 5.7 | 11.1 | 8.7 | (1.4) | (5.2) | 0.4 | 14.1 | 2.9 | 12.7 |

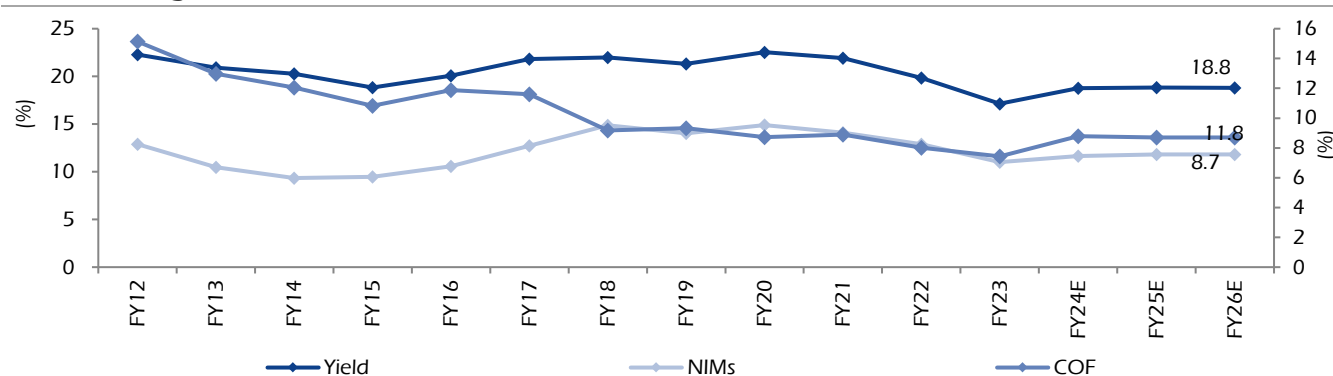
Source: Company, Elara Securities Estimate

Exhibit 3: Improving operational metrics with steady increase in active customer count

| Particulars | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Active customers (INR mn) | 5.3 | 5.3 | 5.2 | 5.2 | 5.2 | 5.3 | 5.4 | 5.5 | 5.6 |
| Growth % QoQ | (1.5) | (0.5) | (2.7) | 0.8 | 0.3 | 1.7 | 1.7 | 1.7 | 0.9 |
| Branches (nos.) | 4,617 | 4,617 | 4,617 | 4,641 | 4,672 | 4,739 | 4,742 | 4,745 | 4,774 |
| Growth % QoQ | (0.0) | 0.0 | 0.0 | 0.5 | 0.7 | 1.4 | 0.1 | 0.1 | 0.6 |
| Tonnage (tonnes) | 178 | 187 | 178 | 177 | 175 | 180 | 182 | 183 | 184 |
| Growth % QoQ | 0.0 | 5.1 | (4.8) | (0.6) | (1.1) | 2.9 | 1.1 | 0.5 | 0.5 |

Source: Company, Elara Securities Research

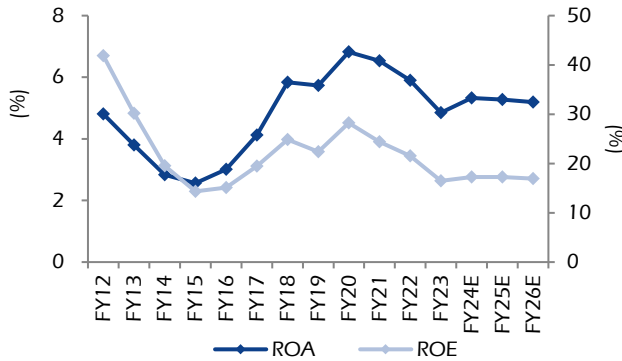
Exhibit 4: Margin to stabilize at 11.8% over FY24-26E



Source: Company, Elara Securities Estimate

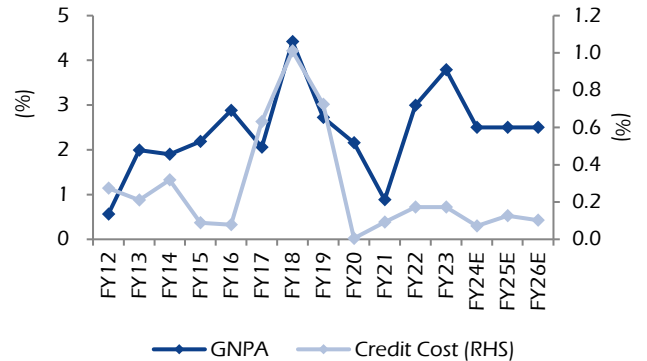
Muthoot Finance

Exhibit 5: Superior ROA of 5.2% and ROE of 16.9% during FY24-FY26E



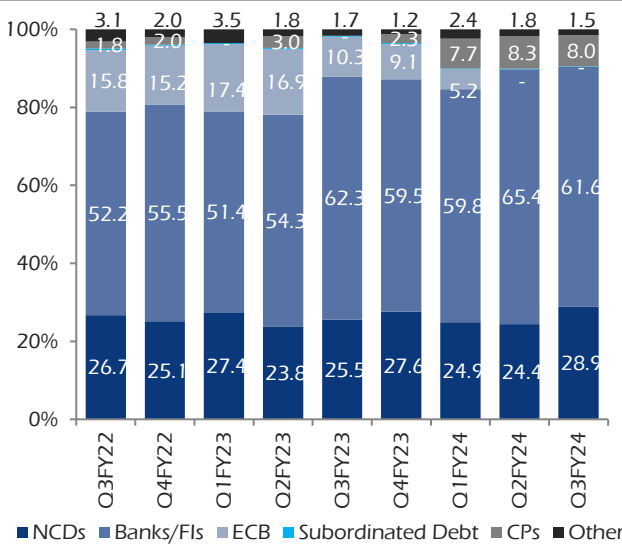
Source: Company, Elara Securities Estimate

Exhibit 6: Improving Asset quality as GNPA to restrict at 2.5% during FY24-26E



Source: Company, Elara Securities Estimate

Exhibit 7: Banks continue to dominate with increasing share of NCD and gradual rise in ECBs



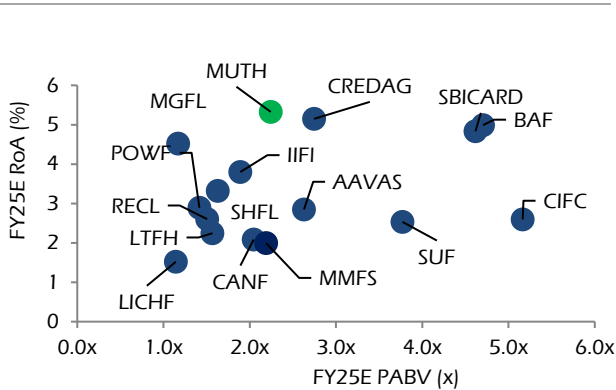
Source: Company, Elara Securities Research

Exhibit 8: Fund raising through ECB over the past year

| Date of issuance | Type | Amount (INR mn) | Rate (%) | Tenure (months) |
|------------------|---|-----------------|-------------|-----------------|
| 8-Jan-24 | Secured redeemable non-convertible debentures | 10,000 | up to 9% | Up to 60 |
| 21-Sep-23 | Secured redeemable non-convertible debentures | 7,000 | up to 9% | Up to 60 |
| 12-Apr-23 | Secured redeemable non-convertible debentures | 3,000 | up to 8.6% | Up to 61 |
| 8-Feb-23 | Secured redeemable non-convertible debentures | 5,000 | up to 8.6% | Up to 61 |
| 28-Nov-22 | Secured redeemable non-convertible debentures | 3,000 | up to 8.25% | Up to 60 |
| 6-Oct-22 | Secured redeemable non-convertible debentures | 3,000 | up to 8% | Up to 60 |

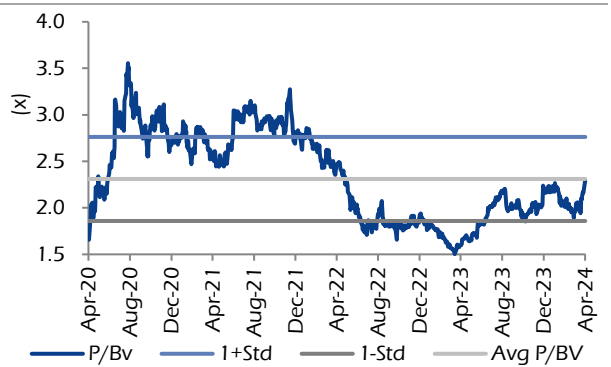
Source: Company website, Elara Securities Research

Exhibit 9: MUTH ROA higher than peers but valuations still stand attractive



Source: Company, Elara Securities Estimate

Exhibit 10: MUTH trades in line with the five-year average of 2.2x; poised for re-rating now



Source: Bloomberg, Company, Elara Securities Research

Exhibit 11: SOTP valuation

| | % share in overall business | September 2025E (x) | Per share (INR) |
|----------------------------|-----------------------------|---------------------|-----------------|
| Core business | 88.7 | 2.5 | 1,919.8 |
| Home finance | 2.2 | 0.4 | 4.7 |
| Belstar Micro | 8.2 | 1.2 | 29.1 |
| Muthoot Money | 0.5 | 0.1 | 1.0 |
| Asia asset (Sri Lanka) | 0.7 | 0.1 | 1.0 |
| Total value of ventures | - | - | 35.8 |
| Less: 20% holding discount | - | - | 7.2 |
| Value of Key ventures | - | - | 28.7 |
| Target price (INR) | - | - | 1,948.5 |
| CMP (INR) | - | - | 1,630.0 |
| Upside (%) | - | - | 19.5 |

Note: pricing as on 3 April 2023; Source: Elara Securities Estimate

Exhibit 12: Change in estimates

| (INR mn) | Old | | | Revised | | | Change (%) | | |
|---------------------|--------|--------|-------------------|---------|--------|--------------|------------|-------|-------------|
| | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E |
| Net interest income | 78,029 | 87,968 | 101,235 | 78,910 | 90,801 | 104,490 | 1.1 | 3.2 | 3.2 |
| Operating profit | 56,603 | 64,356 | 73,951 | 57,483 | 67,189 | 77,206 | 1.6 | 4.4 | 4.4 |
| Net profit | 41,731 | 47,587 | 54,692 | 42,376 | 49,693 | 57,103 | 1.5 | 4.4 | 4.4 |
| EPS (INR) | 104.0 | 118.6 | 136.3 | 105.6 | 123.8 | 142.3 | 1.5 | 4.4 | 4.4 |
| TP (INR) | | | 1,520 | | | 1,948 | | | 28.2 |
| Rating | | | Accumulate | | | Buy | | | |

Source: Elara Securities Estimate

Annexure 1: Gold loan dynamics in favor of MUTH

Exhibit 13: Gold with Indian households show increasing trend

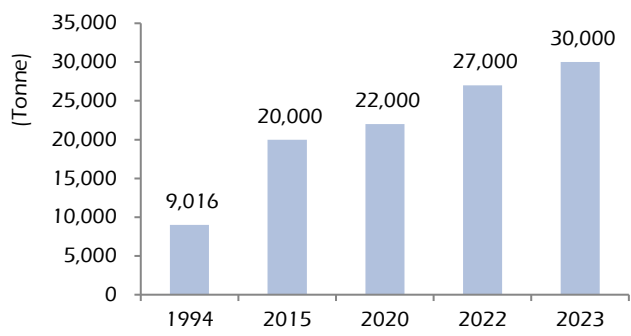
Source: [The Times of India](#), RBI, Elara Securities Research

Exhibit 14: Specialized NBFC sustain market share (%)

| (INR bn) | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| MUTH | 233 | 243 | 272 | 288 | 336 | 408 | 519 | 575 | 619 |
| MGFL | 92 | 101 | 111 | 117 | 130 | 170 | 191 | 202 | 197 |
| IIFL | 38 | 29 | 29 | 40 | 46 | 91 | 131 | 162 | 207 |
| Banks | - | - | - | - | 249 | 333 | 605 | 739 | 884 |
| Overall market | 1,774 | 1,966 | 2,168 | 2,467 | 2,928 | 3,448 | 4,051 | 4,617 | 6,000 |

Source: [ET BFSI](#), Company, RBI, Elara Securities Research

Exhibit 15: Gold loan advances decline in Q3FY24 for most banks; growth run-rate also slows

| (INR bn) | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Federal Bank | 163,780 | 173,160 | 184,690 | 192,990 | 195,200 | 198,410 | 209,270 | 226,080 | 239,170 |
| Growth YoY % | | 5.7 | 6.7 | 4.5 | 1.1 | 1.6 | 5.5 | 8.0 | 5.8 |
| City Union Bank | 81,697 | 90,033 | 94,944 | 100,435 | 107,239 | 110,272 | 107,805 | 108,798 | 105,910 |
| Growth YoY % | | 10.2 | 5.5 | 5.8 | 6.8 | 2.8 | -2.2 | 0.9 | -2.7 |
| South Indian Bank | 107,660 | 107,660 | 119,610 | 129,110 | 130,530 | 138,080 | 144,780 | 149,980 | 153,690 |
| Growth YoY % | | 0.0 | 11.1 | 7.9 | 1.1 | 5.8 | 4.9 | 3.6 | 2.5 |
| State Bank of India | 220,630 | 230,630 | 246,480 | 264,510 | 271,880 | 287,050 | 294,030 | 302,580 | 308,810 |
| Growth YoY % | | 4.5 | 6.9 | 7.3 | 2.8 | 5.6 | 2.4 | 2.9 | 2.1 |
| Union Bank | 317,070 | 338,280 | 362,340 | 403,030 | 445,110 | 501,650 | 554,130 | 630,760 | 680,720 |
| Growth YoY % | | 6.7 | 7.1 | 11.2 | 10.4 | 12.7 | 10.5 | 13.8 | 7.9 |
| CSB Bank | 58,260 | 65,700 | 71,070 | 80,290 | 87,620 | 97,010 | 100,720 | 106,190 | 108,170 |
| Growth YoY % | | 12.8 | 8.2 | 13.0 | 9.1 | 10.7 | 3.8 | 5.4 | 1.9 |

Source: Company, Elara Securities Research

Exhibit 16: Growth opportunity for the gold financiers (%)

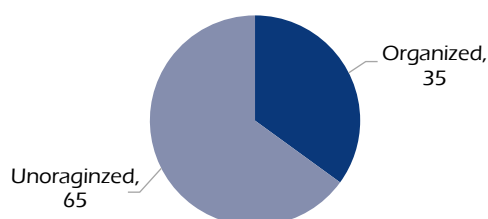
Source: [ET BFSI](#), Elara Securities Research

Exhibit 17: Customer segments availing gold loans

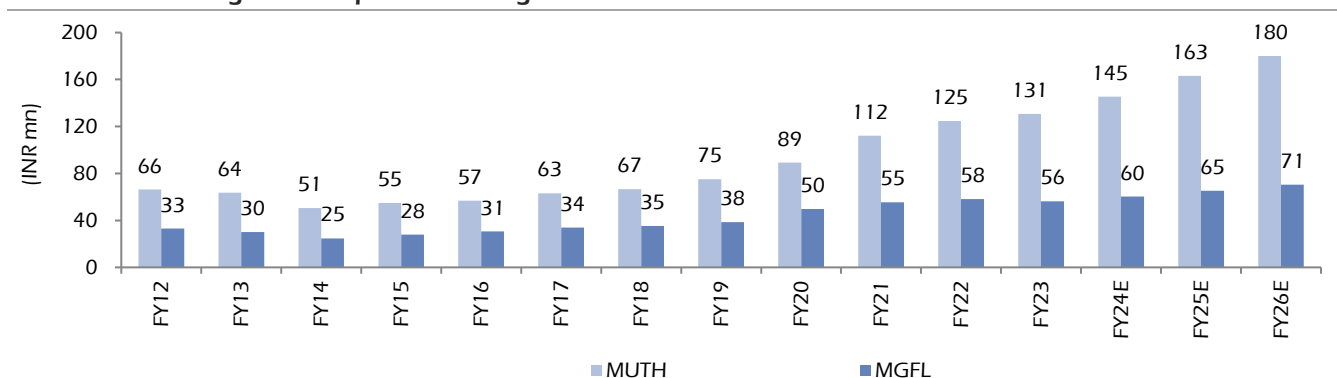
| Customer segments | Household income segment share (%) | Household income segment | Retail credit consumption categories | Primary lenders |
|-------------------|------------------------------------|--------------------------|--|--|
| High income | 3 | Above INR 2.75mn | Housing loan, CD loan, Auto loan, Educational loan, Personal loan | Banks, NBFC |
| Upper mid income | 21 | INR 0.55mn to INR 2.75mn | Housing loan, CD loan, Auto loan, Educational loan, Personal loan, Gold loan | Banks, NBFC |
| Lower mid income | 33 | INR 0.25mn to INR 0.55mn | Housing loan, CD loan, Auto loan, Educational loan, Personal loan, Gold loan | Co-operative banks, NBFC |
| Low income | 43 | Up to INR 0.25mn | MFI/SHG loans, Gold loan | Co-operative banks, MFI, SHG, Gold finance companies |

Source: KPMG Report. Elara Securities Research

Annexure 2: MUTH & MGFL comparative analysis
Exhibit 18: AUM traction remains healthy for MUTH irrespective of the gold price

| Particulars | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
|-------------------------------------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|
| Gold Price per gram (INR) | 2,492 | 2,908 | 2,637 | 2,483 | 2,437 | 2,705 | 2,708 | 3,050 | 4,332 | 4,048 | 4,716 | 5,473 | 5,582 | 6,085 | 6,389 |
| <i>YoY Growth</i> | 34.1 | 16.7 | (9.3) | (5.8) | (1.9) | 11.0 | 0.1 | 12.6 | 42.0 | (6.6) | 16.5 | 16.1 | 2.0 | 9.0 | 5.0 |
| MUTH | | | | | | | | | | | | | | | |
| Gold AUM (INR bn) | 244 | 260 | 216 | 233 | 243 | 272 | 288 | 336 | 408 | 519 | 575 | 619 | 711 | 822 | 943 |
| <i>YoY Growth</i> | 55.2 | 6.5 | (16.9) | 8.0 | 4.2 | 11.9 | 6.0 | 16.4 | 21.4 | 27.4 | 10.8 | 7.6 | 14.9 | 15.6 | 14.7 |
| Gold Branches (units in no.) | 3,678 | 4,082 | 4,270 | 4,245 | 4,275 | 4,307 | 4,325 | 4,480 | 4,567 | 4,632 | 4,617 | 4,739 | 4,889 | 5,039 | 5,239 |
| <i>YoY Growth</i> | 34.6 | 11.0 | 4.6 | (0.6) | 0.7 | 0.7 | 0.4 | 3.6 | 1.9 | 1.4 | (0.3) | 2.6 | 3.2 | 3.1 | 4.0 |
| Gold Holdings (in tonnes) | 137 | 134 | 118 | 131 | 142 | 149 | 155 | 169 | 176 | 171 | 187 | 180 | 192 | 198 | 215 |
| <i>YoY Growth</i> | 22.3 | (2.2) | (11.9) | 11.0 | 8.4 | 4.9 | 4.0 | 9.0 | 4.1 | (2.8) | 9.4 | (3.7) | 6.7 | 3.1 | 8.6 |
| MGFL | | | | | | | | | | | | | | | |
| Gold AUM (INR bn) | 96 | 99 | 82 | 92 | 101 | 111 | 117 | 130 | 170 | 191 | 202 | 197 | 213 | 232 | 253 |
| <i>YoY Growth</i> | 51.0 | 3.4 | (18.0) | 13.0 | 9.4 | 10.4 | 5.5 | 10.4 | 30.9 | 12.5 | 5.7 | (2.1) | 8.0 | 9.0 | 9.0 |
| Gold Branches (units in no.) | 2,908 | 3,295 | 3,293 | 3,293 | 3,293 | 3,293 | 3,330 | 3,372 | 3,529 | 3,524 | 3,524 | 3,985 | 4,065 | 4,146 | 4,146 |
| <i>YoY Growth</i> | 40.9 | 13.3 | (0.1) | 0.0 | 0.0 | 0.0 | 1.1 | 1.3 | 4.7 | (0.1) | 0.0 | 13.1 | 2.0 | 2.0 | 0.0 |
| Gold Holdings (in tonnes) | 66 | 51 | 46 | 53 | 60 | 61 | 64 | 68 | 72 | 65 | 68 | 60 | 62 | 64 | 64 |
| <i>YoY Growth</i> | 23.8 | (21.5) | (11.4) | 16.5 | 12.2 | 2.5 | 4.7 | 5.5 | 7.3 | (9.8) | 4.1 | (11.6) | 3.0 | 3.0 | 0.0 |

Source: Company, Elara Securities Estimate

Exhibit 19: MUTH gold AUM per branch higher than MGFL


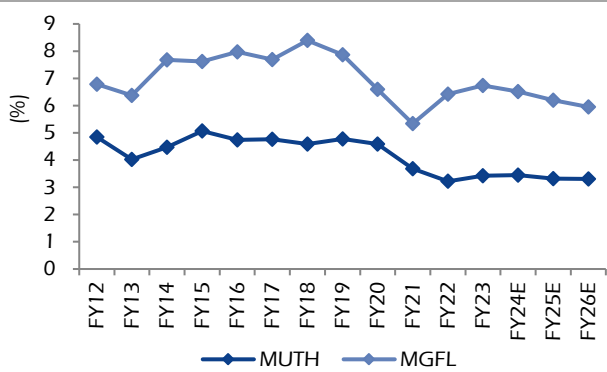
Source: Company, Elara Securities Estimate

Exhibit 20: MUTH maintains core book focus vs MGFL, ensuring limited asset quality concerns

| Loan mix (%) | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22E | FY23E | FY24E | FY25E | FY26E |
|--------------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|
| MUTH | | | | | | | | | | | | | | | |
| Gold | 99.0 | 98.5 | 98.9 | 99.7 | 99.8 | 99.8 | 90.4 | 87.7 | 87.0 | 89.1 | 89.2 | 86.5 | 85.6 | 84.9 | 84.1 |
| Non Gold | 1.0 | 1.5 | 1.1 | 0.3 | 0.2 | 0.2 | 9.6 | 12.3 | 13.0 | 10.9 | 10.8 | 13.5 | 14.4 | 15.1 | 15.9 |
| MGFL | | | | | | | | | | | | | | | |
| Gold | 82.7 | 99.9 | 99.9 | 96.6 | 88.2 | 81.5 | 74.4 | 66.7 | 67.3 | 70.1 | 66.6 | 55.7 | 49.2 | 44.4 | 39.7 |
| Non Gold | 17.3 | 0.1 | 0.1 | 3.4 | 11.8 | 18.5 | 25.6 | 33.3 | 32.7 | 29.9 | 33.4 | 44.3 | 50.8 | 55.6 | 60.3 |

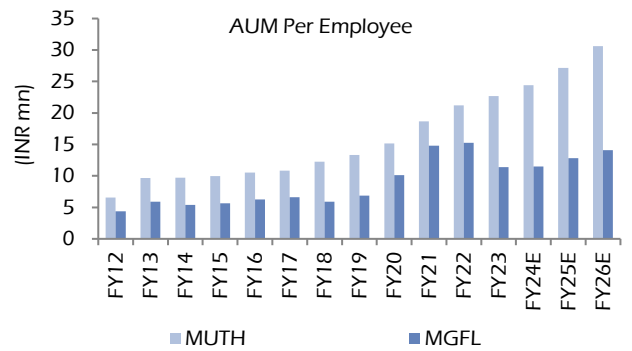
Source: Company, Elara Securities Estimate

Exhibit 21: MUTH shows lower opex-assets than MGFL



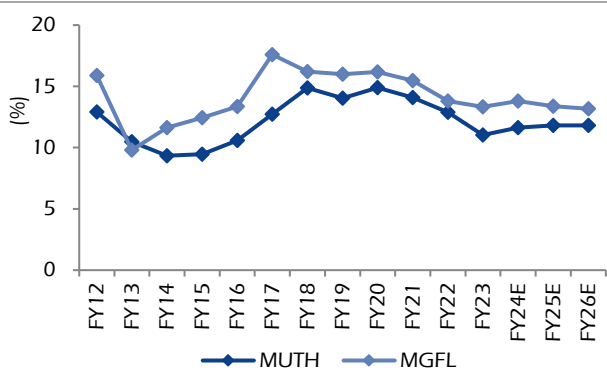
Source: Company, Elara Securities Estimate

Exhibit 22: MUTH has higher AUM per employee than MGFL



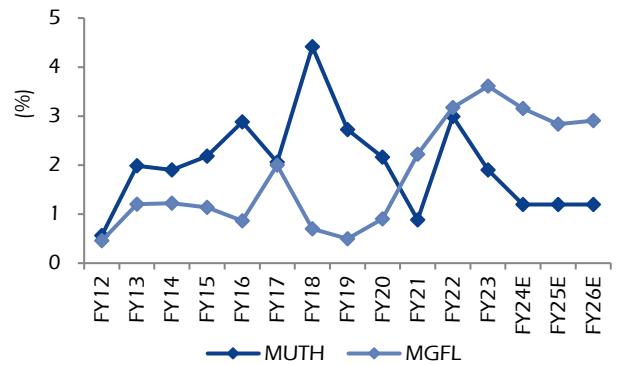
Source: Company, Elara Securities Estimate

Exhibit 23: MUTH better placed on margin than MGFL



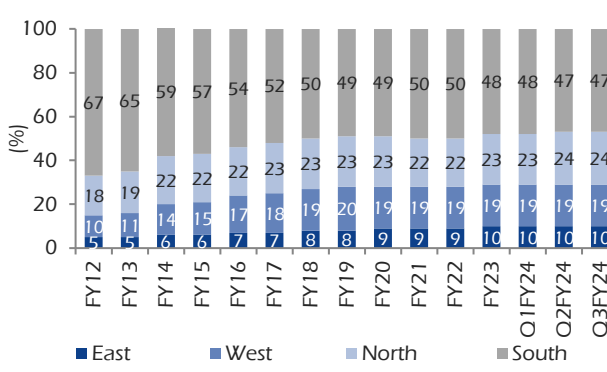
Source: Company, Elara Securities Estimates

Exhibit 24: Historically asset quality trends better for MUTH than MGFL



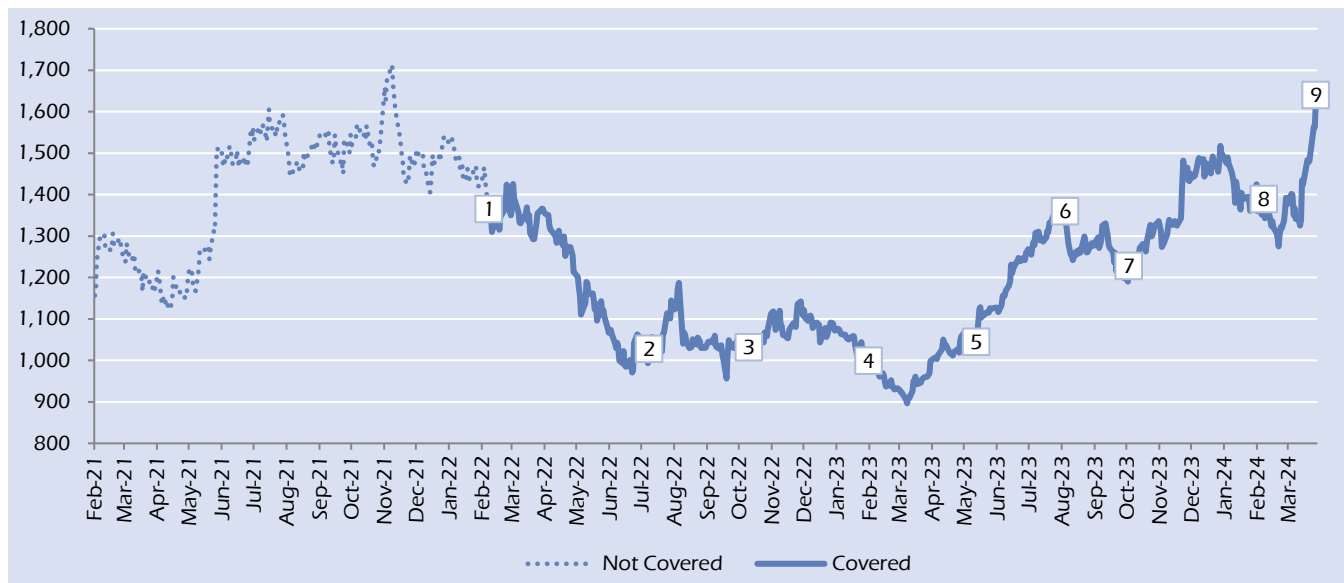
Source: Company, Elara Securities Estimates

Exhibit 25: Non-South contributes 53% to AUM as on Q3FY24



Source: Company, Elara Securities Estimate

Coverage History



| | Date | Rating | Target Price | Closing Price |
|---|-------------|------------|--------------|---------------|
| 1 | 14-Feb-2022 | Buy | INR 1,657 | INR 1,355 |
| 2 | 15-Jul-2022 | Buy | INR 1,522 | INR 1,018 |
| 3 | 14-Oct-2022 | Accumulate | INR 1,200 | INR 1,014 |
| 4 | 7-Feb-2023 | Accumulate | INR 1,156 | INR 1,011 |
| 5 | 19-May-2023 | Accumulate | INR 1,200 | INR 1,035 |
| 6 | 11-Aug-2023 | Accumulate | INR 1,404 | INR 1,350 |
| 7 | 10-Oct-2023 | Buy | INR 1,520 | INR 1,218 |
| 8 | 14-Feb-2024 | Accumulate | INR 1,520 | INR 1,379 |
| 9 | 3-Apr-2024 | Buy | INR 1,948 | INR 1,630 |

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| | |
|-------------------|-----------------------------|
| BUY | Absolute Return >+20% |
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| REDUCE | Absolute Return -5% to +5% |
| SELL | Absolute Return < -5% |

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