

# 360ONE WAM

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	360ONE IN
Equity Shares (m)	388
M.Cap.(INRb)/(USDb)	418 / 4.8
52-Week Range (INR)	1318 / 597
1, 6, 12 Rel. Per (%)	-10/16/64
12M Avg Val (INR M)	702

## Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Net Revenues	24.0	27.1	31.8
Opex	11.9	13.0	15.0
Core PBT	12.1	14.1	16.9
PAT	10.3	12.8	15.2
EPS	26.4	32.9	39.0
EPS Grw (%)	18.0	24.3	18.7
BV	162.7	175.9	183.7
<b>Ratios</b>			
RoE (%)	21.0	19.4	21.7
Div. Payout (%)	40.0	60.0	80.0
<b>Valuations</b>			
P/E (x)	40.7	32.8	27.6
P/BV (x)	6.6	6.1	5.9
Div. Yield (%)	1.0	1.8	2.9

## Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	14.8	15.7	17.8
DII	9.7	8.5	8.9
FII	66.2	65.6	62.5
Others	9.4	10.3	10.9

FII Includes depository receipts

**CMP: INR1077**

**TP: INR1350 (+25%)**

**Buy**

## Acquires B&K Sec.; PAT beat led by TBR and other income

- 360 One WAM (360 ONE) reported net revenue of INR6b (7% beat), up 38% YoY in 3QFY25. For 9MFY25, net revenue grew 41% YoY to INR17.9b.
- Total AUM rose 28% YoY to INR5.8t (in line), driven by 33% YoY growth in ARR AUM to INR2.5t (in line) and 24% YoY growth in TBR AUM to INR3.3t (in line) during the quarter.
- Opex grew 38% YoY to ~INR3.2b, 7% higher than our estimate, due to higher-than-expected admin costs, while employee expenses were in line. The cost-to-income ratio was largely flat YoY at 52.8% in 3QFY25 (vs. our estimate of 52.4%).
- PAT came in at INR2.7b reflecting a growth of 42% YoY (17% beat). For 9MFY25, PAT came in at INR7.7b, growing 37% YoY.
- Management expects TBR contribution in the revenue mix to be in the range of 20-25%, NII at 20%, and core ARR income at 60% in the long run.
- The proposed acquisition of B&K Securities (B&K) will add a new research capability across all platforms of 360 ONE and also provide entry into the IB segment. Since the cost structure of B&K is aligned with 360 ONE, the acquisition will be EPS accretive.
- We raise our FY25E EPS by 5% considering its 3Q performance. However, we cut our FY26/FY27E EPS by 4%/3% to factor in the decline in transactional revenue. **We reiterate our BUY rating with a one-year TP of INR1,350 (based on 38x Sep'26E EPS).**

## The new acquisition to enhance capabilities

- 360 ONE's Board has proposed the acquisition of one of India's leading brokerage and corporate advisory houses – B&K.
- B&K is highly rated in the institutional equity broking space with 55+ research analysts. The company also has a recently launched ECM segment offering merchant banking services and a corporate treasury business with an AUM of INR140b.
- The acquisition provides an opportunity to introduce research as a product offering across all segments in existing geographies as well as new market segments through B&K.
- The budding ECM segment provides an opportunity to (a) offer wealth plus IB services to HNIs/ UHNIs and (b) capture deal flow in the AMC segment.
- The corporate treasury business provides an opportunity to deepen the platform and acquire new corporate clients.
- The acquisition will result in a dilution of 4.2% for shareholders of 360 One WAM. However, according to our PAT forecasts for B&K and assuming an FY26E P/E of 15x (similar to DAM Capital), we expect a value accretion of INR184b.

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

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### Flows remain robust; core revenue in line

- 360 ONE's ARR AUM at INR2.5t (in line) grew 33% YoY, driven by net ARR inflows of INR66.4b in 3QFY25. While wealth management ARR net flows grew 24% YoY, AMC net flows declined 38% YoY largely due to weak equity markets.
- Wealth Management ARR AUM grew 39% YoY to INR1.63t driven by 49%/32%/40% YoY growth in 360 One Plus/ Distribution/ Lending AUM.
- Asset Management AUM grew 23% YoY to INR852b driven by 29%/16%/34% YoY growth in discretionary/AIF/MF AUM. However, AUM declined slightly (-1%) on a sequential basis due to negative MTM in equities and redemptions in the matured PE funds.
- ARR yields declined YoY to 69bp (vs our est. of 68bp) largely due to a decline in retentions of the asset management segment. Wealth management yields declined YoY to 73bp (76bp in 3QFY24), while asset management yields declined to 65bp (72bp in 3QFY24).
- The decline in yields was offset by stable net flows, resulting in 26% YoY growth in ARR income to ~INR4.3b (in line). During 9MFY25, ARR income grew 24% YoY to INR12b.
- TBR income grew 76% YoY to INR1.8b (14% beat), driving the 7% beat in net revenue at INR6b. However, the current growth in TBR is not sustainable according to the management, and the contribution is expected to decline to 20-25% (from 30% currently).
- Employee costs jumped 40% YoY to INR2.4b (in line), and other admin costs grew 33% YoY to INR789m (22% higher than our estimate).
- Other income came in at INR732m (146% beat) owing to a higher proportion of unlisted equity in 360 ONE's book, resulting in 42% YoY growth in PAT to INR2.7b (17% beat).

### Highlights from the management commentary

- AMC AUM witnessed an MTM impact, which was offset by strong inflows, especially in the PE and multi-asset segments. Flows in the wealth management business remain robust, but some tiredness towards investing in equities is being witnessed.
- The company maintains the guidance of 20-25% AUM growth, with 10-12% of AUM added through net inflows.
- RM attrition in the Northern Belt may lead to a 5% reduction in revenue from the Delhi office, but new senior hires in that geography will take the strength higher than the old team, resulting in 40-50% higher revenue in the next 5-6 years.

### Valuation and view

360ONE maintains a strong position in the industry, reflected by robust flows and consistent performance. The company's plans to diversify across client segments (mass affluent) and geography (lower-tier cities) is gaining traction and the global platform has also seen green shoots. While we have not factored in incremental revenue from the acquisition of B&K, the transaction is likely to be value-accretive. We raise our FY25E EPS by 5% considering its 3Q performance. However, we cut our FY26/FY27E EPS by 4%/3% to factor in the decline in transactional revenue. **We reiterate our BUY rating with a one-year TP of INR1,350 (based on 38x Sep'26E EPS).**

## Quarterly performance

INR m

Y/E March	FY24				FY25				FY24	FY25E	3Q. FY25E	Act. Vs Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
<b>Net Revenues</b>	<b>4,055</b>	<b>4,275</b>	<b>4,395</b>	<b>5,731</b>	<b>6,002</b>	<b>5,886</b>	<b>6,050</b>	<b>6,092</b>	<b>18,456</b>	<b>24,030</b>	<b>5,678</b>	<b>6.6</b>	<b>38%</b>	<b>3%</b>
Change (%)	8.2	11.8	5.9	45.8	48.0	37.7	37.7	6.3	17.9	30.2	29.2			
ARR Assets Income	3,217	3,108	3,377	3,568	3,756	3,973	4,262	4,522	13,270	16,512	4,109	3.7	26%	7%
TBR Assets Income	839	1,166	1,018	2,163	2,247	1,913	1,788	1,571	5,185	7,519	1,569	14.0	76%	-7%
<b>Operating Expenses</b>	<b>2,103</b>	<b>2,144</b>	<b>2,315</b>	<b>3,002</b>	<b>2,649</b>	<b>2,992</b>	<b>3,193</b>	<b>3,114</b>	<b>9,565</b>	<b>11,948</b>	<b>2,973</b>	<b>7.4</b>	<b>38%</b>	<b>7%</b>
Change (%)	25.9	19.5	24.3	62.3	25.9	39.5	37.9	3.7	33.3	24.9	28.4			
Cost to Income Ratio (%)	51.9	50.2	52.7	52.4	44.1	50.8	52.8	51.1	51.8	49.7	52.4	43bps	10bps	194bps
<b>Operating Profits</b>	<b>1,952</b>	<b>2,130</b>	<b>2,080</b>	<b>2,729</b>	<b>3,354</b>	<b>2,893</b>	<b>2,856</b>	<b>2,979</b>	<b>8,891</b>	<b>12,083</b>	<b>2,705</b>	<b>5.6</b>	<b>37%</b>	<b>-1%</b>
Change (%)	-6.0	4.9	-9.0	31.3	71.8	35.8	37.4	9.2	4.9	35.9	30.1			
Other Income	287	137	271	500	969	298	732	-146	1,195	1,852	298	145.9	170%	146%
<b>Profit Before Tax</b>	<b>2,239</b>	<b>2,268</b>	<b>2,350</b>	<b>3,229</b>	<b>4,323</b>	<b>3,191</b>	<b>3,588</b>	<b>2,833</b>	<b>10,085</b>	<b>13,934</b>	<b>3,003</b>	<b>19.5</b>	<b>53%</b>	<b>12%</b>
Change (%)	11.0	0.5	5.3	61.4	93.1	40.7	52.7	-12.3	18.6	38.2	27.8			
<b>PBT (after exceptional item)</b>	<b>2,239</b>	<b>2,268</b>	<b>2,350</b>	<b>3,229</b>	<b>3,447</b>	<b>3,191</b>	<b>3,588</b>	<b>2,833</b>	<b>10,085</b>	<b>13,058</b>	<b>3,003</b>	<b>19.5</b>	<b>53%</b>	<b>12%</b>
Tax	426	415	410	817	1,011	719	839	220	2,068	2,788	661			
Tax Rate (%)	19.0	18.3	17.4	25.3	23.4	22.5	23.4	7.8	20.5	20.0	22.0		592bps	85bps
<b>PAT</b>	<b>1,813</b>	<b>1,853</b>	<b>1,940</b>	<b>2,412</b>	<b>2,435</b>	<b>2,472</b>	<b>2,749</b>	<b>2,613</b>	<b>8,018</b>	<b>10,270</b>	<b>2,342</b>	<b>17.4</b>	<b>42%</b>	<b>11%</b>
Change (%)	15.6	6.3	13.1	55.2	34.3	33.4	41.7	8.3	21.8	28.1	20.7			
PAT Margins (%)	44.7	43.3	44.1	42.1	40.6	42.0	45.4	42.9	43.4	42.7	41.2	420bps	130bps	344bps
<b>Key Operating Parameters (%)</b>														
<b>AUM (INR b)</b>	<b>3,827</b>	<b>4,125</b>	<b>4,539</b>	<b>4,669</b>	<b>5,212</b>	<b>5,694</b>	<b>5,792</b>	<b>5,887</b>	<b>4,669</b>	<b>5,887</b>	<b>5,721</b>	<b>1.3</b>	<b>28%</b>	<b>2%</b>
Change (%)	21.6	23.8	31.7	37.0	36.2	38.0	27.6	26.1	37.0	26.1	26.0			
ARR Assets	1,657	1,725	1,867	2,004	2,213	2,426	2,480	2,562	2,004	2,562	2,421	2.5	33%	2%
TBR Assets	2,170	2,400	2,672	2,665	2,999	3,268	3,312	3,326	2,665	3,326	3,300	0.4	24%	1%
<b>Yield on AUM - Calculated (%)</b>	<b>0.45</b>	<b>0.43</b>	<b>0.41</b>	<b>0.50</b>	<b>0.49</b>	<b>0.43</b>	<b>0.42</b>	<b>0.42</b>	<b>0.46</b>	<b>0.46</b>	<b>0.40</b>			
ARR Assets	0.77	0.74	0.75	0.74	0.71	0.69	0.69	0.72	0.72	0.72	0.68			
TBR Assets	0.17	0.20	0.16	0.32	0.32	0.24	0.22	0.19	0.24	0.25	0.19			

## Changes to our estimates

INR b	New estimates			Old estimates			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Y/E March									
Net Revenues	24.0	27.1	31.8	23.6	28.2	32.9	2.0%	-3.7%	-3.3%
Opex	11.9	13.0	15.0	11.7	13.5	15.4	1.9%	-3.4%	-3.0%
Core PBT	12.1	14.1	16.9	11.8	14.7	17.5	2.1%	-4.0%	-3.5%
PAT	10.3	12.8	15.2	9.8	13.2	15.6	4.9%	-3.4%	-3.1%
EPS	26.4	32.9	39.0	25.3	34.1	40.3	4.7%	-3.6%	-3.2%
<b>Ratios</b>									
RoE (%)	21.0	19.4	21.7	20.1	20.2	22.4	92bp	-75bp	-71bp
Div. Payout (%)	40.0	60.0	80.0	40.0	60.0	80.0	0bp	0bp	0bp

## Exhibit 1: B&amp;K's acquisition likely to be a value-accretive proposition for 360 ONE

Particulars	No of shares (m)
Current Market cap (INR m)	4,18,850
Shares issued to promoters	10.0
Warrants issued to Saahil Murarka	3.3
ESOP for the leadership team and team members	2.8
Total issuance	16.2
O/S shares	388
Dilution (%)	4.2
FY25 B&K PAT (9m annualized)	1,020
Total Payout	18,840
P/E	18.5
FY26E PAT B&K (assuming 20% growth)	1,224
Current FY26 P/E DAM	15.0
Value accretion	18,360

Source: MOFSL, Company

**Exhibit 2: B&K's Institutional Equities business offers full-service broking**

<b>Coverage</b>	<b>450+ mid and small cos.</b>
Clients	300+ DIIs and FIIIs
Research analysts	55+
Cash broking	90% of revenue
Rating	Top quartile by key clients

Source: MOFSL, Company

**Exhibit 3: Corporate Treasury business has been gaining traction from domestic companies and start-ups**

<b>Clients</b>	<b>600+</b>
Recurring revenue	75%+
Retentions	20bp+

Source: MOFSL, Company

**Exhibit 4: B&K's leadership is experienced and committed to the growth journey**

Saahil Murarka  
Managing  
Director

- 12+ years of experience; took over the reins of B&K Group in 2021
- Worked extensively to expand the B&K footprint and grow the group across verticals
- Actively involved in running ECM/IB, Sales and dealing



Dr. Sanjeev  
Mohta  
VC & CEO

- 35+ years of experience in IB and FS (including leadership roles at global firms)
- Architected B&K's comprehensive approach including broking, investment banking and other key financial services

Source: MOFSL, Company

**Exhibit 5: The transaction is a combination of upfront cash and stock issuance to promoters as well as a reward for long-term employment**

Consideration	❖ Cash - INR7.1b Shares - 10m @ 1,174/ share (Lock-in of five years)
Employment retention	❖ 2.8m ESOPs of 360 One WAM @ INR1/ share Target linked bonus of INR20b
Promoter	❖ 3.3m warrants @ INR1,174/ warrant

Source: MOFSL, Company



## Highlights from the management commentary

### Acquisition of B&K Securities

- B&K Securities has a strong institutional equities presence, a budding ECM business, and a stable corporate treasury business.
- The existing team and leadership will continue. Transaction structure is a combination of upfront cash and stock worth INR19b (inclusive of INR2b of cash and cash equivalents in entities). A long-term retention plan is in place through ESOPs of 360 One and cash payouts linked to financial targets for the next six years.
- The acquisition adds research products to the entire 360 ONE platform and the ability to cover all aspects of offerings to clients. IB business will enhance promoter engagement and corporate treasury will boost the current minimal treasury business of 360 One. B&K's clientele of prominent FIIs and DIIs will enhance 360 ONE's existing corporate client base.
- Research and capital market capabilities were the missing link with 360 ONE's clients for the last 24-36 months and competitors took advantage of the same.
- No change in revenue mix is expected. Currently, 65-70% of 360 ONE's revenue is ARR. Adding INR2-2.5b of brokerage revenue of B&K and considering a decline in TBR from next year, the overall mix is likely to remain the same post-acquisition.
- B&K's existing revenue mix is 80-85% from IE, 4-5% from IB and 17-18% from mutual fund distribution. 95-96% of transactional revenue comes from repetitive activity which is linked to the market cycle.
- The transaction will take 4-6 months to complete.
- B&K's cost-to-income ratio is similar to 360 ONE at 45-46%.
- For B&K, the acquisition will enhance the balance sheet, which will further improve the research and IB capabilities.

### Business highlights

- AMC AUM witnessed MTM impact which was offset by strong inflows, especially in PE and multi-asset segments. Flows in the wealth management business remain robust, but some tiredness towards investing in equities is being witnessed.
- Clients have been advised to allocate 10-30% of their portfolio towards cash to have some liquidity for better investment opportunities over the next 3-6 months. 360 ONE has been underweight on Mid-caps for the last 7-8 months.
- Inclination towards keeping some fixed income allocation in the portfolio has been witnessed.
- QIP proceeds deployment over the next 3-4 quarters will improve RoE.
- Traction in wealth management remains towards advisory from large clients. New clients are also on the lookout for players such as 360 ONE for execution and advisory for their family office.
- Competitive position in the asset management business remains strong with a stellar performance for the last five funds, having IRR over 25%. Sector-focused private equity funds have also been launched in financial services, tech, and healthcare space.

- Geographical expansion has been tough for getting the right talent, but 360 ONE now has the identified 1-2 people in each location to lead.
- RM attrition in the Northern belt may lead to a 5% reduction in revenue from the Delhi office but new senior hires in that geography will take the strength higher than the old team, resulting in 40-50% higher revenue in the next 5-6 years.
- Stellar growth in other income was largely due to a gain in unlisted equity investment. 15-20% of own book is in listed equity and 80-85% in alternates space.
- 360 One has a 9-10% market share across active wealth managers with respect to AUM and a 14-15% incremental AUM market share.

**Guidance**

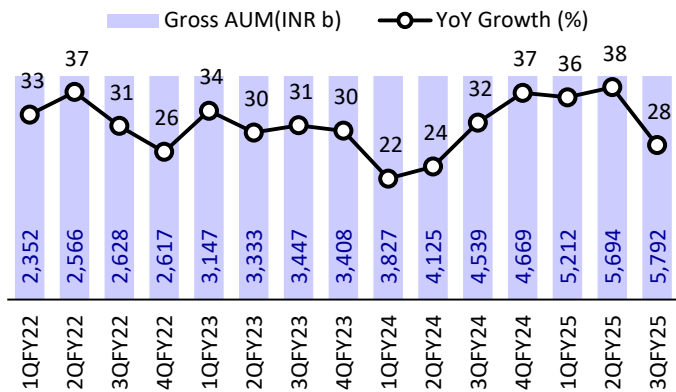
- The company maintains the guidance of 20-25% AUM growth, with 10-12% of AUM added through net inflows.
- Fixed cost is expected to be INR1500m/ quarter for next year. Employee cost will be in the range of INR9,500-INR10,500m (34-35% of overall revenue) and INR500m of additional cost can be there, in case of experienced workforce hiring.
- Regarding revenue mix, TBR contribution is likely to be in the range of 20-25%, NII at 20%, and core ARR income at 60%.

**Strategic Initiatives**

- The HNI platform has been strengthened and clients are being onboarded. The company is on track for a full launch in Apr'25.
- The global platform has tie-ups in place and testing is being done with clients on a selective basis.
- Regulatory approval has been received for the ET Money acquisition and the transaction will be consummated within the next 8-10 days. The focus is on cost optimization and growth. The management aims for 25-30% growth in revenue and 30-40% growth in PAT.

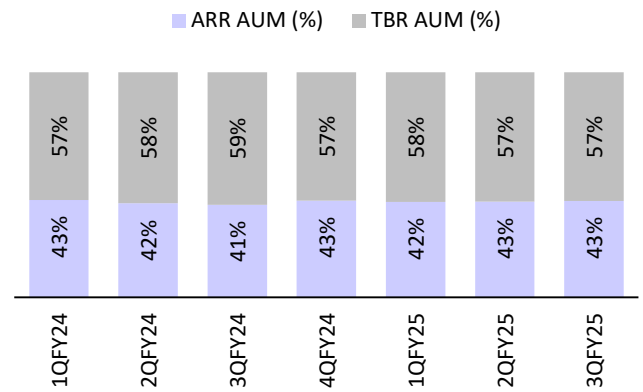
Key exhibits

Exhibit 6: Total AUM grew 28% YoY



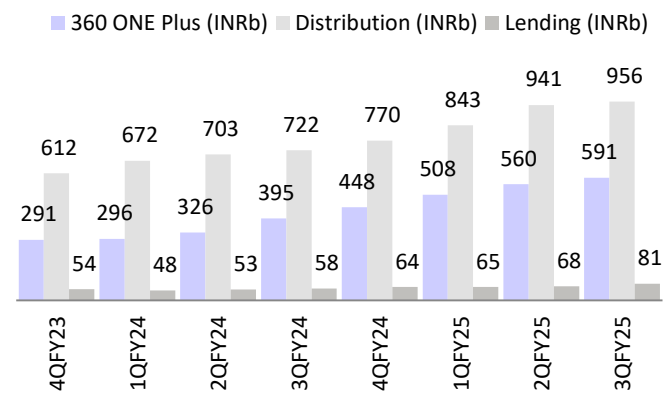
Source: MOFSL, Company

Exhibit 7: ARR AUM mix stable at ~43%



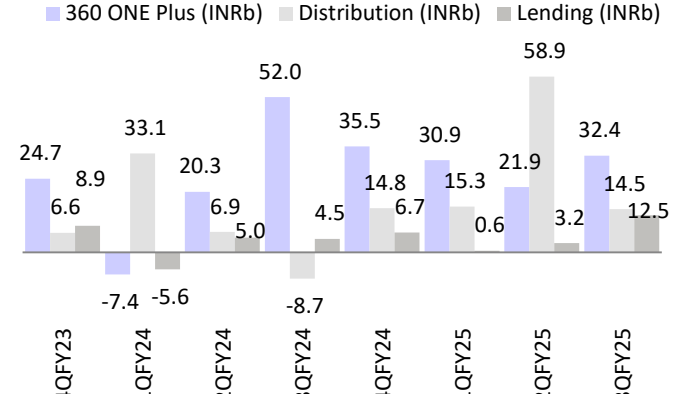
Source: MOFSL, Company

Exhibit 8: Wealth Management - ARR AUM



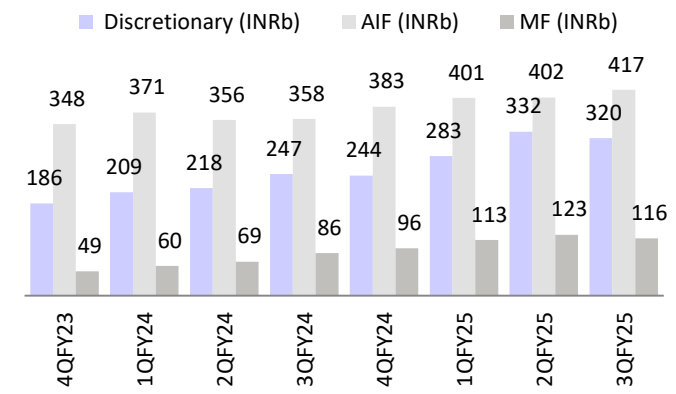
Source: MOFSL, Company

Exhibit 9: Wealth Management - ARR flows



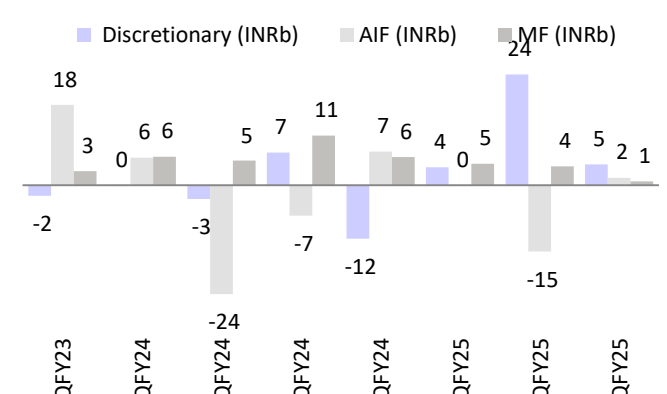
Source: MOFSL, Company

Exhibit 10: Asset Management - ARR AUM



Source: MOFSL, Company

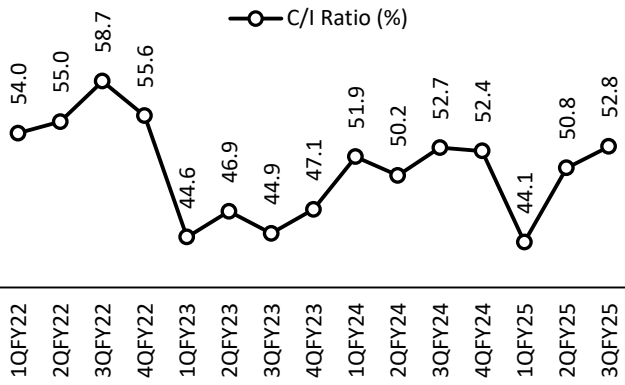
Exhibit 11: Asset Management - ARR flows



Source: MOFSL, Company

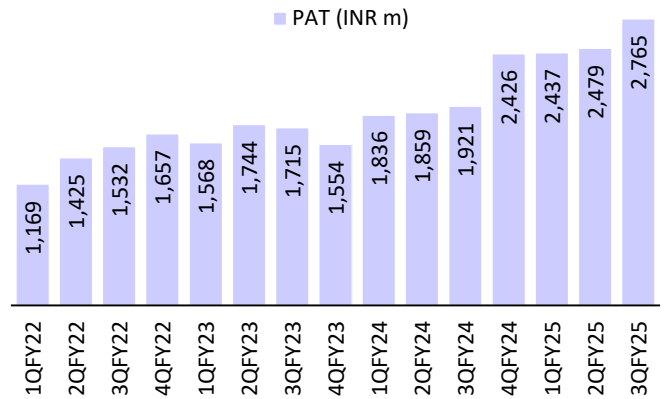


**Exhibit 12: Cost-to-income ratio rose to ~53%**



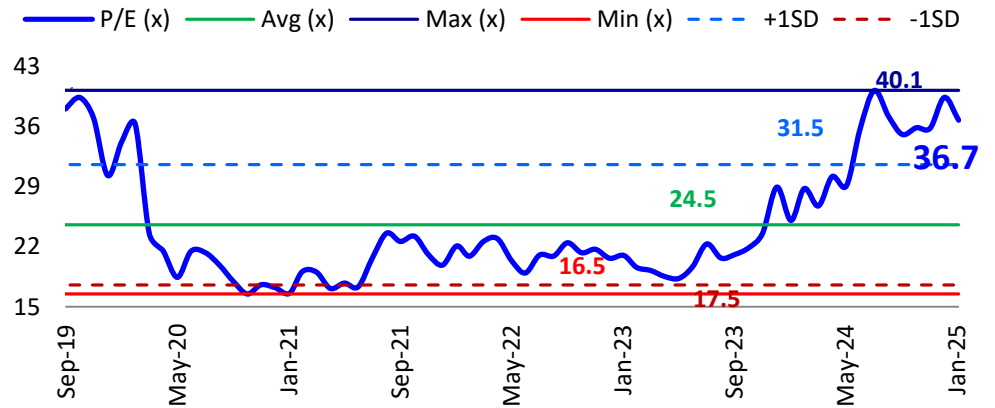
Source: MOFSL, Company

**Exhibit 13: The trend in consolidated PAT**



Source: MOFSL, Company

**Exhibit 14: One-year forward P/E**



Source: MOFSL, Company



## Financials and valuations

Income Statement								(INR m)
Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
Annual Recurring Revenues Assets	5,345	5,800	9,209	11,653	13,270	16,512	20,751	25,439
Transactional/Broking Revenues Assets	3,855	3,355	4,773	3,997	5,185	7,519	6,391	6,391
<b>Net Revenues</b>	<b>9,200</b>	<b>9,155</b>	<b>13,982</b>	<b>15,650</b>	<b>18,455</b>	<b>24,031</b>	<b>27,142</b>	<b>31,830</b>
Change (%)	-10.1	-0.5	52.7	11.9	17.9	30.2	12.9	17.3
Operating Expenses	5,645	5,679	7,841	7,184	9,565	11,948	13,000	14,955
<b>Core Profit Before Tax</b>	<b>3,555</b>	<b>3,476</b>	<b>6,141</b>	<b>8,466</b>	<b>8,891</b>	<b>12,083</b>	<b>14,142</b>	<b>16,876</b>
Change (%)	-28.0	-2.2	76.7	37.9	5.0	35.9	17.0	19.3
Other Income	-691	1,375	1,372	37	1,195	1,852	2,222	2,556
<b>Profit Before Tax</b>	<b>2,864</b>	<b>4,850</b>	<b>7,513</b>	<b>8,503</b>	<b>10,085</b>	<b>13,935</b>	<b>16,364</b>	<b>19,431</b>
Change (%)	-46.8	69.4	54.9	13.2	18.6	38.2	17.4	18.7
<b>PBT after exceptional items</b>	<b>2,864</b>	<b>4,850</b>	<b>7,513</b>	<b>8,503</b>	<b>10,085</b>	<b>13,055</b>	<b>16,364</b>	<b>19,431</b>
Change (%)	525.4	69.4	54.9	13.2	18.6	29.4	25.3	18.7
Tax	853	1,157	1,736	1,924	2,043	2,787	3,600	4,275
Tax Rate (%)	29.8	23.9	23.1	22.6	20.3	20.0	22.0	22.0
<b>PAT</b>	<b>2,011</b>	<b>3,693</b>	<b>5,777</b>	<b>6,579</b>	<b>8,042</b>	<b>10,268</b>	<b>12,764</b>	<b>15,156</b>
Change (%)	-46.3	83.6	56.4	13.9	22.2	27.7	24.3	18.7
Proposed Dividend	2,018	6,153	4,858	4,418	6,023	4,107	7,658	12,125

Balance Sheet								(INR m)
Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
Equity Share Capital	174	176	177	356	359	388	388	388
Reserves & Surplus	29,741	28,102	29,798	30,685	34,138	62,799	67,905	70,936
<b>Net Worth</b>	<b>29,915</b>	<b>28,278</b>	<b>29,976</b>	<b>31,041</b>	<b>34,497</b>	<b>63,188</b>	<b>68,293</b>	<b>71,324</b>
Borrowings	88,381	47,116	58,075	67,473	94,111	88,412	1,15,538	1,44,422
Other Liabilities	11,967	12,006	19,345	13,406	22,581	24,839	27,323	30,055
<b>Total Liabilities</b>	<b>1,30,263</b>	<b>87,400</b>	<b>1,07,396</b>	<b>1,11,921</b>	<b>1,51,189</b>	<b>1,76,438</b>	<b>2,11,154</b>	<b>2,45,802</b>
Cash and Investments	76,911	33,010	49,566	43,347	65,859	72,275	84,537	1,01,519
Change (%)	131.0	-57.1	50.2	-12.5	51.9	9.7	17.0	20.1
<b>Loans</b>	<b>36,319</b>	<b>37,206</b>	<b>40,549</b>	<b>49,101</b>	<b>63,687</b>	<b>80,374</b>	<b>1,00,468</b>	<b>1,15,538</b>
Net Fixed Assets	5,754	8,153	8,163	8,798	9,397	10,337	11,371	12,508
Net Current Assets	11,278	9,030	9,117	10,675	12,246	13,452	14,778	16,237
<b>Total Assets</b>	<b>1,30,263</b>	<b>87,400</b>	<b>1,07,396</b>	<b>1,11,921</b>	<b>1,51,189</b>	<b>1,76,438</b>	<b>2,11,154</b>	<b>2,45,802</b>

E: MOFSL Estimates

Cash Flow (INR m)								
	2020	2021	2022	2023	2024	2025E	2026E	2027E
PAT	2,011	3,693	5,777	6,579	8,042	10,268	12,764	15,156
Dep	410	430	417	463	486	511	536	563
Changes in working capital	-1,541	2,248	-87	-1,558	-1,571	-1,206	-1,326	-1,458
<b>Op Cash flow</b>	<b>881</b>	<b>6,371</b>	<b>6,108</b>	<b>5,484</b>	<b>6,957</b>	<b>9,572</b>	<b>11,974</b>	<b>14,261</b>
Capex	-1,064	-2,828	-427	-1,098	-1,086	-1,450	-1,570	-1,700
Loans	13,346	-887	-3,344	-8,551	-14,586	-16,688	-20,094	-15,070
Changes in equity	817	822	779	-1,095	1,436	22,529	-	-
Debt	31,650	-41,226	18,298	3,459	35,812	-3,441	29,610	31,617
Dividend	-2,018	-6,153	-4,858	-4,418	-6,023	-4,107	-7,658	-12,125
Cash generation	43,612	-43,901	16,556	-6,219	22,512	6,416	12,262	16,982
Op Cash	33,300	76,911	33,010	49,566	43,347	65,859	72,275	84,537
Cl Cash	76,911	33,010	49,566	43,347	65,859	72,275	84,537	1,01,519
<b>FCFF</b>	<b>-183</b>	<b>3,542</b>	<b>5,681</b>	<b>4,386</b>	<b>5,872</b>	<b>8,122</b>	<b>10,404</b>	<b>12,561</b>

## Financials and valuations

Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>AUM (Ex Custody assets) (INR b)</b>	<b>1,569</b>	<b>2,461</b>	<b>3,272</b>	<b>2,743</b>	<b>3,391</b>	<b>4,226</b>	<b>4,985</b>	<b>5,873</b>
Change (%)	0.9	56.8	33.0	-16.2	23.6	24.6	17.9	17.8
Annual Recurring Revenue Assets	626	1,020	1,444	1,540	2,004	2,562	3,187	3,931
Transactional/Brokerage Assets	943	1,441	1,828	1,203	1,387	1,665	1,798	1,942

E: MOFSL Estimates

Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>As a percentage of Net Revenues</b>								
ARR Income	58.1	63.4	65.9	74.5	71.9	68.7	76.5	79.9
TRB Income	41.9	36.6	34.1	25.5	28.1	31.3	23.5	20.1
Total Cost (Cost to Income Ratio)	61.4	62.0	56.1	45.9	51.8	49.7	47.9	47.0
Employee Cost	40.5	44.7	43.0	33.2	38.4	36.9	36.6	34.9
PBT	38.6	38.0	43.9	54.1	48.2	50.3	52.1	53.0
<b>Profitability Ratios (%)</b>								
RoE	6.8	12.7	19.8	21.6	24.5	21.0	19.4	21.7
Dividend Payout Ratio	100.3	166.6	84.1	67.2	74.9	40.0	60.0	80.0

### Dupont Analysis (Bps of AAAUM)

Y/E March	2020	2021	2022	2023	2024	2025E	2026E	2027E
Operating Income	58.9	45.4	48.8	52.0	60.2	63.1	58.9	58.6
Operating Expenses	36.1	28.2	27.4	23.9	31.2	31.4	28.2	27.5
<b>Core Profit Before Tax</b>	<b>22.8</b>	<b>17.2</b>	<b>21.4</b>	<b>28.1</b>	<b>29.0</b>	<b>31.7</b>	<b>30.7</b>	<b>31.1</b>
Other Income	-4.4	6.8	4.8	0.1	3.9	4.9	4.8	4.7
<b>Profit Before Tax</b>	<b>18.3</b>	<b>24.1</b>	<b>26.2</b>	<b>28.3</b>	<b>32.9</b>	<b>36.6</b>	<b>35.5</b>	<b>35.8</b>
Tax	5.5	5.7	6.1	6.4	6.7	7.3	7.8	7.9
<b>ROAAAUM</b>	<b>12.9</b>	<b>18.3</b>	<b>20.2</b>	<b>21.9</b>	<b>26.2</b>	<b>29.3</b>	<b>27.7</b>	<b>27.9</b>

Valuations	2020	2021	2022	2023	2024	2025E	2026E	2027E
BVPS (INR)	86	80	84	87	96	163	176	184
Change (%)	-0.4	-6.3	5.0	3.2	10.3	69.3	8.1	4.4
Price-BV (x)	<b>12.5</b>	<b>13.4</b>	<b>12.7</b>	<b>12.4</b>	<b>11.2</b>	<b>6.6</b>	<b>6.1</b>	<b>5.9</b>
EPS (INR)	6	11	16	18	22	26	33	39
Change (%)	-47.9	82.1	55.0	13.5	21.3	18.0	24.3	18.7
Price-Earnings (x)	<b>186.6</b>	<b>102.5</b>	<b>66.1</b>	<b>58.3</b>	<b>48.1</b>	<b>40.7</b>	<b>32.8</b>	<b>27.6</b>
DPS (INR)	5	18	14	12	17	11	20	31
Dividend Yield (%)	<b>0.5</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>1.6</b>	<b>1.0</b>	<b>1.8</b>	<b>2.9</b>

E: MOFSL Estimates

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