



BSE SENSEX
77,341

S&P CNX
23,538

CMP: INR3,656

TP: INR4,200 (+15%)

Buy

Ready to seize future opportunities

CAMS in its FY24 annual report highlighted the use of innovative technologies to make its business processes seamless and deliver the best-in-class customer service in its mutual fund (MF) business, as well as non-MF businesses.

MF business (87% of revenues)

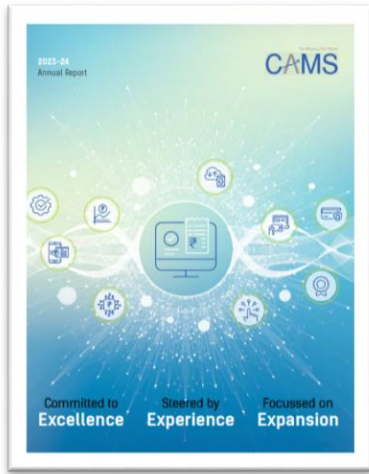
- In FY24, CAMS won all three new AMC mandates: Angel One, Torus Oro and Unifi Capital. It continues to be the partner of choice for 10 of the 15 largest MFs (based on AAUM).
- During the year, many NFOs were launched across CAMS-serviced funds including (162 schemes) and new MF folios touched 24m. CAMS has a 62% market share in new SIP registrations.
- CAMSPay crossed 1.4m UPI auto pay mandate registrations per month and is now a preferred payments partner. It recently launched the industry's first Daily SIP, offering unparalleled flexibility in investment opportunities. It holds a more than 50% market share in the MF ecosystem.
- **MF Central** delivered over 0.13m CAS requests per day and now provides users with consolidated capital gain statement download feature.
- CAMS MF AUM stood at INR34.3t in FY24, up 33% YoY, with a 68% market share. Equity AUM stood at INR19.3t, up 49.4% YoY, outpacing the industry and capturing an additional market share.

Non-MF businesses (13% of revenues)

- **AIF/PMS:** CAMS is the first RTA in GIFT City to set up full-stack operations for AIFs. It added 32 new mandates in FY24, including four in GIFT City.
- **Account Aggregation:** CAMS has collaborated with Microsoft India to steer digital transformation in credit lending, investment advisory, and personal finance management.
- **Insurance Repository:** CAMS is building India's first insurance portfolio management platform, Bima Central, for providing policy holder services, renewal reminders, policy downloads and several other compelling features. It has a 40% market share in this segment (based on the number of policies).
- **Others:** CAMS has made a strategic investment in Fintuple Technologies, which functions as an API-enabled gateway, connecting digitally savvy consumers to digitally enabled manufacturers and providers.
- The share of non-MF revenue grew 250bp YoY to 13.5% in FY24.

Strong financial performance with 110bp EBIDTA margin gain

- In FY24, revenue/PAT grew 17%/23% to INR11.4b/INR3.5b. EBIDTA rose 20% YoY to INR5b. EBIDTA margins stood at 44.4% vs. 43.3% in FY23. PAT margin grew to 30.9% vs. 29.3% in FY23. ROE improved to 41.3% vs. 39.8% in FY23.
- **Valuation:** While MF business will continue to see tailwinds from rising SIP investments, non-MF segments will gain scale on the back of investments made over the past couple of years. Revenue/EBIDTA/PAT are expected to witness a CAGR of 15%/19%/20% over FY24-26. We maintain our BUY rating with a TP of INR4,200, based on 40x on FY26E EPS.



Stock Info

Bloomberg	CAMS IN
Equity Shares (m)	49
M.Cap.(INRb)/(USDb)	179.9 / 2.2
52-Week Range (INR)	3686 / 2132
1, 6, 12 Rel. Per (%)	4/26/43
12M Avg Val (INR M)	955
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E March	2024	2025E	2026E
AAUM	33.4	39.5	45.9
Revenue	11.4	13.3	15.3
EBITDA	5.0	6.2	7.3
EBITDA Margin (%)	44.4	46.7	47.9
PAT	3.5	4.4	5.2
PAT Margin (%)	31	33	34
EPS	71.6	89.2	107.0
EPS Grw. (%)	23.3	24.6	19.9
BVPS	186.9	217.9	255.3
RoE (%)	41.3	44.1	45.2
Div. Payout (%)	58.8	65.0	65.0
Valuations			
P/E (x)	51.1	41.0	34.2
P/BV (x)	19.6	16.8	14.3
Div. Yield (%)	1.2	1.6	1.9

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	0.0	0.0	19.9
DII	19.9	23.1	12.9
FII	53.8	47.7	35.0
Others	26.3	29.2	32.2

FII Includes depository receipts