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UNRATED

Equity tilted AMC with dominant retail proportion...

About the Company: Canara Robeco asset management company Ltd (CANAMC) is India's second oldest AMC (asset management company) incorporated in 1993. The JV was formed in 2007 wherein Canara Bank held 51% and ORIX Corporation (OCE) i.e. erstwhile Robeco Grope held 49%. Post IPO which is an OFS, their stake will be reduced to 38% and 37% resp. CANAMC manages 26 schemes comprising 12 equity schemes, 10 debt schemes and 4 hybrid schemes with a quarterly average asset under management (QAAUM) of ₹1110.5 bn as on June 30, 2025 and a pan India geographical presence in more than 23 cities across 14 states and 2 union territories with a network of 25 branches and over 52,343 empanelled distributors.

Key Highlights:

- **Equity book proportion dominates total AUM backed by research-driven investment process:** Company QAAUM is dominated by equity-oriented scheme (~91% of QAAUM) wherein out of the 15 equity-oriented schemes, 7 schemes have been managed for more than 10 years. These schemes have outperformed their respective benchmark indices over 10-year horizon. The company has been specifically focusing on equity AUM considering relatively better liquidity, long-term growth potential, and higher yield opportunity it provides. Further company's equity-oriented QAAUM has grown by 31% CAGR over FY23-FY25. It holds highest share of equity-oriented AUM in top 10 AMCs and third highest share of equity AUM among top 20 AMCs in India.
- **Expanding proportion of AUM contributed by individual investors and SIP contributions:** As on 30th June, 2025, total folios invested in schemes were 5.05 mn of which 5 mn were from individual customer representing 99.0% of total customer folios. Further the company has the second highest share of retail AUM amongst the top 20 AMCs in India and highest share of retail AUM compared to top 10 AMCs. Besides, it is noteworthy that SIP AUM comprises ~33% of total AUM, much higher than industry average of ~21%. Overall, granularity of client base and large SIP book proportion provides stability to the overall business.
- **Recognized brand with established parentage:** CANAMC leverages Canara bank's brand, extensive branch network and broad customer base as well as OCE's global expertise in investment, product management, risk management and other operational departments. Distribution mix is well-diversified across all distributors: 61.2%, Canara bank: 8.0%, other banks: 4.2%, direct: 26.6%.

Our View & Rating

Canara Robeco has recorded revenue / EBITDA / PAT CAGR of 40.5% / 52.9% / 55.4% over FY23-25 backed by its equity focus. At upper price band, the stock is priced at FY25 PE of 27.8x. The business is highly sensitive to the equity market volatility and regulatory risk. **We assign UNRATED rating to Canara Robeco IPO.**

Key risk & concerns

- Dependence on equity-oriented scheme: Underperformance by company's equity-oriented schemes or equity market volatility esp. with intensifying competition from incumbents and new entrants poses market share risk.
- Regulatory risk.

Key Financial Summary

Key Financials	FY23	FY24	FY25
Revenue	205	318	404
EBITDA	113	201	264
EBITDA Margin (%)	55.2	63.2	65.4
Reported PAT	79	151	191
AUM/share	3,133	4,363	5,182
PE (x)	67.1	35.1	27.8
RoE (%)	24	33	32

Source: RHP, ICICI Direct Research; * PE calculated on upper price band of ₹266

IPO Details

Issue Details

Issue opens	9th Oct, 2025
Issue closes	13th Oct, 2025
Issue size	₹1326 crore
QIB (Institutional) Share	Not more than 50% of the offer
Non Institutional Share	Not less than 15% of the offer
Retail share	Not less than 35% of the offer
Issue Type	Offer for sale - 4.99 crore shares at upper price band
Price band (₹/share)	₹253-266
Market Lot	56 shares
Face value	₹10
Bid lot	56 shares
Listing Market Cap @	₹5304 crore
Upper Price Band	

Shareholding pattern

	Pre-Issue (%)	Post-Issue (%)
Promoters	100.0	75.0
Public	0.0	25.0
Total	100.0	100.0

Objects of the issue

To carry out offer for sale of 4.99 crore shares
- aggregating upto ₹1,326 crore

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Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Subscribe only for long term: Apply for the IPO only from a long term investment perspective (>two years)



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