

CMP: ₹ 2780

Target: ₹ 3200 (15%)

Target Period: 12 months

BUY

April 17, 2026

Steady Q4, Resilient flows supportive...

About the stock: HDFC AMC is among the largest and profitable mutual funds with closing AUM of ₹8.4 lakh crore+ as on FY26. Higher presence in equity-oriented schemes & controlled expenses enable it to earn industry leading margins.

- Market share as on Q4FY26 was at 11.4%
- Strong distribution network with 280 branches and over 1,09,000 empanelled distribution partners

Q4FY26 performance: HDFC AMC reported steady set of Q4FY26 results. Quarterly average AUM (QAAUM) grew ~20% YoY, 0.3% QoQ to ₹9.3 tn, while market share remained stable at ~11.4%. Sequentially, revenue yield was down ~1 bp at 45.3 bps owing to lower number of days i.e. 90 days in Q4 vs 92 in Q3. Revenue grew 17% YoY, -2% QoQ to ₹1,050 crore. EBITDA margin was broadly stable. PAT reported at ₹623 crore, declining by 2.5% YoY and 19.1% QoQ mainly owing to lower other income related to its investment book as equity markets corrected in Q4.

Investment Rationale

- Flows and SIP AUM market share healthy:** HDFC AMC continues to maintain its market share broadly stable ~11.4% despite its large base and intensifying competition. Within the AUM mix, actively managed equity-oriented AUM market share remained steady at ~13% in Q4FY26 reflecting sustained strength in core equity funds. Meanwhile, management commented flow market share continues to be on higher side than book share. Here, retail investors behaviour has been noteworthy positive for the industry including HDFC AMC wherein flows have increased in Q4 which has been a tough period for equities. Besides, company continues to witness strong traction in systematic flows, with SIP + STP flows at ~₹48.8 bn in Mar'26 while its SIP AUM market share stands healthy at 13.4%, which has been steadily improving. Debt AUM market share was stable & low yielding liquid AUM market share saw moderation QoQ.
- Industry leading margins to be maintained:** HDFC AMC continues to deliver industry leading profitability with net profit being ~34 bps of AUM for FY26. From 1st April, Sebi's MF regulations related to expense ratio could create headwind for top-line yields, wherein management suggested they shall lower distributor commission, bring more efficiencies and shall endeavour to maintain their margins. Historical track record supports the case for the same. For instance, sharper TER change in 2019 was eventually passed on. Besides, rising share of SIP and equity flows shall be supportive of yields and margin.

Rating and Target Price

- HDFC AMC is among the largest and profitable mutual funds, positioning as a stable play on structural MF growth story with its multi-channel distribution, long-term performance track record, healthy SIP book and strong parentage. Operationally, the company is amongst the most efficient players, earning EBITDA margin of 80%+. We maintain BUY rating on the stock, valuing it at 36x FY28E EPS with target price of ₹3200.

Key Financial Summary

₹ crore	FY23	FY24	FY25	FY26	3 year CAGR (FY23-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenue from operation (₹ crore)	2167	2584	3498	4119	23.9%	4720	5523	15.8%
PBT (₹ crore)	1871	2478	3286	3710	25.6%	4280	5034	16.5%
Net Profit (₹ crore)	1424	1946	2461	2859	26.2%	3210	3776	14.9%
EPS (₹)	33.4	45.6	57.6	66.8		75.0	88.2	
P/E (x)	83.2	61.0	48.3	41.6		37.1	31.5	
AUM /share (₹)	10251	14168	17645	19717		23464	27452	
P/AUM (%)	27.1	19.6	15.8	14.1		11.8	10.1	
RoE (%)	23.3	27.5	30.3	31.0		32.6	35.7	

Source: Company, ICICI Direct Research



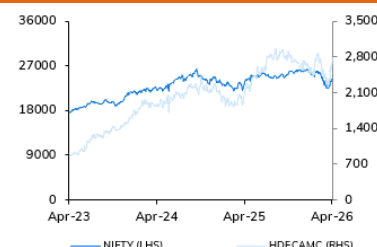
Particulars

Particulars	Amount
Market Capitalisation	₹ 1,18,581 cr
Closing AUM	₹ 8,44,000 cr
Net worth	₹ 9,229 cr
52 week H/L	2967 / 2081
Face value	₹ 5

Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoters	52.4	52.4	52.4	52.4
FII	22.0	24.7	24.0	24.5
DII	16.7	14.1	14.9	14.4
Public	8.9	8.7	8.7	8.8

Price Chart



Key risks

- Heightened volatility in equities
- Intensifying competition across existing and new entrants.

Research Analyst

Jaymin Trivedi
jaymin.trivedi@icicisecurities.com

Kirankumar Choudhary
kiran.choudhary@icicisecurities.com

Concall highlights and outlook

Industry data

- Industry closing AUM stood at ₹73.7 tn as of FY26, witnessing ~12% YoY growth, while equity AUM grew ~10% YoY. Equity inflows remained resilient at ~₹1.34 tn in Q4FY26 despite sharp market correction vs ~₹1.19 tn in Q3FY26.
- SIP flows hit an all-time high of ₹321 bn in Mar'26, with total SIP AUM at ~₹15.1 tn and 97 mn contributing accounts, reflecting strong retail participation.
- Continued broad-based retail penetration, with ~72 lakhs new investors added in FY26, taking the total investor base to 6.1 cr. Rising contribution from B30 cities (~40% of SIP flows) is noteworthy.

HDFC AMC – AUM growth remains resilient

- QAAUM stood at ₹9.3 tn (+20% YoY), with equity AUM at ~₹6.1 tn (~65% mix), significantly higher than industry mix (~56%).
- Closing AUM moderated QoQ to ₹8.44 tn (down ~8% QoQ/ up 12% YoY) due to market correction in month of March. However, market share remained stable at ~11.4%.
- Systematic flows (SIP+STP) remained strong at ₹48.8 bn in Mar'26 (up ~34% YoY) with SIP AUM at ~₹2,010 bn.
- The company's customer base stands at 16.7 mn unique investors with ~30.2 mn live accounts.

Yields and margins maintained

- Overall blended revenue yield remained stable at ~45 bps. Equity yield for the quarter came at 56 bps (60-61 bps ex-index funds), debt yields were at 28 bps and liquid fund yield being stable at 13 bps.
- With telescopic pricing, management highlighted that as the scheme becomes bigger, its expense ratio is lowered but it also bakes in additional returns for the investor. Although in short term, it impacts fees of AMC, its long-term benefit is quite under-appreciated as better returns for investors attracts more flows eventually.
- Operating margin maintained at ~35 bps of AUM, reflecting strong cost discipline. Employee cost excluding ESOPs grew by ~12.5% YoY.

Others

- PMS AUM at ~₹106 bn; mandates won from EPFO & SPFO (fixed income).
- AIF commitments at ₹25 bn, including structured credit fund with IFC as anchor investor.
- Expansion in GIFT City platform with 5 funds and focus on inbound/outbound flows.
- On SIF, the company has secured all necessary regulatory approvals. Management remains watchful and is not in hurry to launch products while the vision remains strategically long-term.

Regulatory developments

- TER Changes (removal of ~5 bps exit load) shall have an impact of ~3-4 bps on existing book which shall largely be manageable via commission optimisation and cost control. Impact shall be more on larger schemes with some offset from smaller schemes.

Exhibit 1: Variance Analysis

	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Revenue from operation	1,051.5	901.4	16.7	1,075.1	-2.2	Revenue growth continued to remain resilient supported by AUM growth
Revenue/AAUM	0.45%	0.47%	-1 bps	0.46%	-1 bps	Revenue yields remain stable.
Other Income	11.6	124.1	-90.7	159.3	-92.7	Other income declined owing to MTM losses during the quarter
Net Total Income	1,063.1	1,025.5	3.7	1,234.4	-13.9	
Staff cost	125.4	96.9	29.4	123.6	1.4	
Other Operating Expenses	80.9	74.2	9.0	75.1	7.8	Expenses well contained
Total Expenses	229.5	190.4	20.5	220.5	4.1	
PBT	833.6	835.1	-0.2	1,013.9	-17.8	
Tax	210.9	196.6	7.3	244.5	-13.7	
PAT	622.7	638.5	-2.5	769.4	-19.1	PAT impacted due to decline in other income (MTM loss).
Total AUM	8,44,000	7,54,500	11.9	9,20,600	-8.3	Overall market share broadly maintained at 11.4%

Financial Summary

Exhibit 2: Profit and loss statement

₹ crore

(₹ crore)	FY25	FY26	FY27E	FY28E
Revenue from Operations	3,498	4,119	4,720	5,523
Growth (%)	35.4%	17.7%	14.6%	17.0%
Other Income	560	499	596	682
Total Revenue	4,058	4,617	5,316	6,205
Growth (%)	28.3%	13.8%	15.1%	16.7%
Employee Benefit Expenses	388	481	556	636
Other Expenses (incl fees)	316	340	389	438
Total operating Expenses	704	821	945	1,074
EBITDA	2,794	3,297	3,775	4,448
Growth (%)	42.4%	18.0%	14.5%	17.8%
Depreciation & Amortization Expense	58	73	78	83
Interest expense	9	13	13	13
Profit Before Tax	3,286	3,710	4,280	5,034
Taxes	825	851	1,070	1,259
Profit After Tax	2,461	2,859	3,210	3,776
EPS (₹)	57.6	66.8	75.0	88.2

Source: Company, ICICI Direct Research

Exhibit 3: Key ratios

	FY25	FY26	FY27E	FY28E
Valuation				
No of Equity shares (crore)	42.8	42.8	42.8	42.8
EPS	57.6	66.8	75.0	88.2
DPS	45.0	54.0	60.6	71.3
BVPS	190.1	215.6	230.0	246.9
P/E	48.3	41.6	37.1	31.5
P/BV	14.6	12.9	12.1	11.3
Growth Ratios (%)				
AUM	25.1	11.9	19.0	17.0
Revenue from operations	35.4	17.7	14.6	17.0
EBITDA	42.4	18.0	14.5	17.8
PAT	26.5	16.2	12.3	17.6
Operating Ratios (%)				
EBITDA margin	79.9	80.1	80.0	80.6
PAT margin	60.6	61.9	60.4	60.9
Rev/AUM	0.46	0.48	0.47	0.47
EBITDA/AUM	0.37	0.39	0.37	0.38
PAT/AUM	0.32	0.34	0.32	0.32
Return Ratios (%)				
RoNW	30.3%	31.0%	32.6%	35.7%

Source: Company, ICICI Direct Research

Exhibit 4: Balance sheet

₹ crore

(₹ crore)	FY25	FY26E	FY27E	FY28E
Sources of Funds				
Share capital	107	214.20	214	214
Reserves and surplus	8,023	9,015	9,630	10,353
Total Shareholders funds	8,130	9,229	9,844	10,567
Total financial Liabilities	285	377	418	464
Total Non Financial Liabilities	335	386	424	467
Total	8,751	9,991	10,687	11,498
Applications of Funds				
Property, plant and equipment	183	261	282	304
Goodwill	6	6	6	6
Intangible assets	10	6	5	4
Intangible asset under development	0	2	2	2
Investments	8,255	9,362	10,100	10,969
Long term loans and advances	28	-	-	-
Other non financial assets	49	52	58	65
Total Current Assets and Others	220	304	234	149
Total Assets	8,751	9,991	10,687	11,498

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavors to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Jaymin Trivedi, MBA, Kiran Choudhary, Chartered Accountant, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report