

Pick of the week

HDFC Life (HDFCLIFE)

Recommendation:	BUY
Target Price:	₹840
Current Price:	₹709
Time Period:	12 Months
Date:	7th October 2024



- Co. reported 18% VNB (Value of new business) growth in Q1FY25, driven by 23% APE (Annualized premium equivalent) growth.
- High growth in Term and Non-par restricted margin compression to 130 bps.
- Significant Investments in Agency channel to increase tier 2/3 penetration.
- We expect the company to deliver 17% VNB CAGR (FY2024-27E).
- Co. is better-placed even as the industry keenly watches the impact of surrender penalty guidelines.
- Valuations remain favourable, we maintain BUY with FV at 840 (rollover from Rs 805).

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 15th July, 2024 & 25th Sep, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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