

## CAMS (CAMS) - ADD

### Q4 Result Update

Current Market Price (CMP) <b>Rs. 739</b>	Fair Value (FV) <b>Rs.800</b>
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### Rationale:

- The MF RTA business is back on track after absorbing large repricing over the past 12 months.
- Incremental yield pressure is likely to be manageable at around ~3%.
- non- MF RTA CAGR is likely to remain around ~20% over the next few years.
- The re-architecture exercise of the RTA platform is on track with long-term margin benefit potential.

### 👍 Positives:

- Industry AUM continues to rise with CAMS maintaining ~67.5-68% asset share.
- Activity indicators remain robust; transaction volumes grew 19% yoy. SIP book grew 8% yoy. Live investor folios went up 18.5%.
- Beyond mutual funds, CAMS' non-MF businesses are now scaling at a 26% CAGR in FY2021-26, with a revenue aspiration of Rs 400 crore by FY2029E.
- We build ~15% earnings growth over FY2027-28E.
- We expect EBITDA margin improvement to ~45% in FY2027-28. Overall, we believe CAMS can deliver 15% earnings growth.

### 👎 Negatives:

- A key risk would be one more round of elevated repricing pressure, either in response to regulations or other market forces.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months