

HMC Capital Equity Research Report

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Company Overview

BUY

HMC Capital Limited (ASX: HMC) is a diversified Australian alternative asset manager specializing in high-conviction, scalable real asset strategies. Since its rebranding from Home Consortium in 2021, HMC has rapidly expanded its funds under management (FUM) and diversified its investment platforms across real estate, private equity, private credit, energy transition, and digital infrastructure.

Stock Code: ASX:HMC
 Price (as of 10/4/25): A\$4.68
 Price Target: A\$9.00
 Upside: 92.31%
 Dividend yield: 2.56%
 GICS Sector: Financials

Industry Overview

The alternative asset management industry has experienced significant growth in recent years, driven by increasing investor demand for diversification, higher returns, and protection against market volatility. This sector includes investments in real estate, private equity, infrastructure, and energy transition, all of which are seen as attractive due to their stable returns and long-term growth potential. Institutional investors, particularly pension funds and sovereign wealth funds, are shifting more capital towards alternatives as traditional asset classes offer lower yields. Furthermore, the rise of ESG investing is reshaping the industry, with asset managers integrating sustainability into their portfolios. Despite facing challenges such as market volatility and high competition, the alternative asset management industry remains robust, offering considerable opportunities for growth, particularly for firms with expertise in emerging sectors like digital infrastructure and renewable energy.

DCF Output

AUD\$m	2025E	2026E	2027E	2028E	2029E
EBITDA	433	344	390	394	473
Less: Depreciation and Amortisation	109	111	121	52	51
EBIT	323	233	269	341	422
Less: Tax on EBIT	-97	-70	-81	-102	-127
NOPAT	226	163	188	239	295
Add: Depreciation and Amortisation	109	111	121	52	51
Less: Capital Expenditure	0	0	0	0	0
Less: Change in Working Capital	-230	-128	-140	-94	-135
Unlevered Free Cash Flow	105	145	170	197	211
Date For Discounting Cash Flows	45838	46203	46568	46934	47299
Years Away From Present	0	1	2	3	4
Discounted Free Cash Flow	104	133	145	156	156
Present Value of Free Cash Flows	0	0	0	0	694
Present Value of Terminal Value	0	0	0	0	3157
Enterprise Value	0	0	0	0	3850
Net Debt	0	0	0	0	135
Equity Value	0	0	0	0	3715
Shares Outstanding	0	0	0	0	413
Share Price	0	0	0	0	9