

Price: 3,811

Recommendation: Buy

Industry: Depositories, Clearing

Sector: Financial Services

Report Date: 05-May-2025

Computer Age Management Services Limited (CAMS) is India's leading registrar and transfer agent for mutual funds, managing over INR 25 lakh crores in equity assets. With a diversified portfolio spanning MF and non-MF segments, CAMS leverages technology, operational efficiency, and client-centric strategies to drive growth. Its innovative solutions and global expansion underscore its leadership in financial services.

Sales		Profit & Loss		Profitability Matrix	
Current Year	1285 Cr	Operating Profit(Year)	601 Cr	Operating Profit Margin	46.8 %
Previous Year	929 Cr	Operating Profit(Quarter)	163 Cr	EBITDA Margin	38.83 %
Current Quarter	348 Cr	PAT (Year)	326 Cr	Net Profit Margin	30.9 %
Previous Quarter	342 Cr	PAT (Quarter)	118 Cr	EPS	87.7
Revenue (QYoY)	269 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	43.6	Sales Growth	27.9 %	Sales Growth	1.75 %
PEG Ratio	1.73	PAT Growth	23.02 %	Sales Growth QYoY	29.37 %
EV/EBITDA	29.2	EPS Growth	27.84 %	PAT Growth	2.61 %
P/B	19.1	Dividend Yield	1.22	PAT Growth QYoY	37.85 %
Capital Allocation		Holdings		Leverage	
RoE	40.5 %	Promoter	0.00 %	Debt/Equity	0.08
RoA	28.2 %	FII	55.0 %	Debt	79.0 Cr
RoCE	49.8 %	DII	16.7 %	Market Cap	18837 Cr
RoIC	82.9 %	Public	28.3 %	Enterprise value	18744 Cr
		No of Shares	4.94 Cr	Cash Equivalents	172 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

Computer Age Management Services Limited (CAMS) delivered a strong Q3 FY25 performance, showcasing robust growth across mutual fund (MF) and non-MF segments despite market challenges. Revenue grew 27% YoY, driven by a 38% AUM expansion, with equity assets growing 51% and crossing INR 25 lakh crores. EBITDA margins improved to 47%, up 220 basis points YoY, while PAT grew over 40%, reaching 32.6%. CAMS attributed this success to disciplined cost management, operational efficiency, and investments in technology, talent, and platform re-architecture. The company also declared an interim dividend of INR 17.5 per share, reflecting its commitment to shareholder returns.

CAMS continues to diversify its portfolio with significant wins in MF-RTA mandates, including Jio BlackRock, Pantomath MF, and Choice, alongside inbound international contracts like CeyBank. The company added 21 new clients in the AIF segment, scaling operations in GIFT City with over \$1 billion AUM and 25 clients. Non-MF businesses like CAMSPay and CAMS KRA demonstrated stellar growth, with CAMSPay revenue surging 53% and CAMS KRA growing 27% despite a slowdown in account openings. CAMS also expanded its insurance repository, crossing 1 crore e-policies and onboarding a second life insurer for 100% policy management, signaling strong traction in this segment.

Future growth is anchored on scaling non-MF revenue to 20% of the mix within 2-3 years, supported by new client acquisitions, product innovation, and market expansion. CAMS aims to sustain 30%+ growth in non-MF businesses, leveraging automation, platform efficiency, and annuity-based models. Initiatives like WhatsApp KYC, NEXUS dashboards, and Gen AI-led ad-surveillance solutions further enhance CAMS' competitive edge. The company remains optimistic about foundational shifts like micro-SIPs, which could significantly expand the MF market, while maintaining profitability through operational leverage and cost control.

CAMS' strategic focus on diversification, client-centricity, and technology investments positions it well for sustained growth. While yield pressures in MF-RTA may impact margins, CAMS is confident in mitigating effects through automation and scaling non-MF businesses. The company's ability to win prestigious mandates, expand internationally, and grow across segments underscores its leadership in the financial services ecosystem. With a strong operational foundation and forward-looking strategies, CAMS is poised to capitalize on emerging opportunities and deliver long-term value.

CAMS Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
BSE	87310.99	93.34	15.20%	2.27%	95.20%	-36.78%	105.69%
Multi Comm. Exc.	31931.43	62.31	5.82%	5.53%	57.35%	4.18%	3091.40%
C D S L	27462.60	52.12	32.65%	-19.29%	-6.78%	-22.72%	-22.40%
Cams Services	18836.75	43.60	40.47%	1.65%	29.26%	2.26%	37.72%
KFin Technolog.	18688.21	56.16	26.10%	-2.52%	23.81%	-5.69%	14.21%

Aspect	Commentary
Revenue	CAMS demonstrated strong revenue growth, increasing 27% YoY to INR 1285 Cr, driven by a 38% AUM expansion and equity assets growing 51%. Quarterly revenue growth was modest at 1.75%, reflecting consistent performance despite market challenges.
Profit & Loss	Operating profit surged to INR 601 Cr, with PAT growing 23% YoY to INR 326 Cr. Quarterly PAT growth was 2.61%, indicating stable profitability. Interim dividend of INR 17.5 per share highlights shareholder return focus.
Profitability Matrix	Operating profit margin improved to 46.8%, showcasing disciplined cost management. Net profit margin stood at 30.9%, while RoCE of 49.8% and RoIC of 82.9% reflect strong operational efficiency and capital utilization.
Valuation Matrix	Trailing P/E of 43.6 and PEG ratio of 1.73 indicate growth potential despite premium valuation. EV/EBITDA of 29.2 and P/B of 19.1 suggest high investor confidence. Dividend yield of 1.22% aligns with shareholder value creation.
Growth (YoY)	Sales grew 27.9% YoY, driven by robust AUM expansion. PAT growth of 23.02% and EPS growth of 27.84% reflect strong profitability. CAMSPay revenue surged 53%, showcasing diversification success in non-MF segments.
Growth (QoQ)	Quarterly sales growth was modest at 1.75%, while PAT grew 2.61%. EPS growth of 37.85% QoQ highlights profitability improvement. CAMS KRA revenue grew 27%, signaling resilience in non-MF businesses despite market headwinds.
Capital Allocation	RoE of 40.5% and RoA of 28.2% underscore efficient capital deployment. Cash equivalents of INR 172 Cr and low debt/equity ratio of 0.08 reflect strong financial health and prudent capital allocation strategies.
Holdings	Promoter holding is nil, while FII ownership is high at 55%, indicating strong institutional interest. DII holds 16.7%, and public ownership is 28.3%, reflecting balanced investor participation in CAMS' equity structure.
Leverage	Debt remains minimal at INR 79 Cr, with a debt/equity ratio of 0.08, showcasing low leverage. Market cap of INR 18,837 Cr and enterprise value of INR 18,744 Cr highlight CAMS' robust valuation and financial stability.

Analyst viewpoint: Computer Age Management Services Limited (CAMS) has showcased impressive growth metrics, reinforcing its position as a leader in the financial services sector. The company reported a 27% YoY revenue growth to INR 1285 Cr, driven by a 38% AUM expansion and a remarkable 51% growth in equity assets, crossing INR 25 lakh crores. EBITDA margins improved to 46.8%, reflecting disciplined cost management and operational efficiency, while PAT grew 23% YoY to INR 326 Cr. CAMS' diversification strategy is evident in its non-MF segments, with CAMSPay revenue surging 53% and CAMS KRA growing 27%, despite market headwinds. The company's ability to secure prestigious mandates like Jio BlackRock and expand internationally with contracts such as CeyBank further underscores its competitive edge. Additionally, CAMS declared an interim dividend of INR 17.5 per share, highlighting its commitment to shareholder returns.

Valuation metrics such as a trailing P/E of 43.6 and PEG ratio of 1.73 indicate strong growth potential, supported by robust profitability metrics like RoCE of 49.8% and RoIC of 82.9%. CAMS' low debt/equity ratio of 0.08 and cash equivalents of INR 172 Cr reflect prudent capital allocation and financial stability. While yield pressures in the MF-RTA segment may pose mild challenges to margins, CAMS is well-positioned to mitigate these through automation and scaling its non-MF businesses. With a strategic focus on technology investments, client-centricity, and market expansion, CAMS is poised for sustained growth in the short to mid-term, making it an attractive buy recommendation.

Please read detailed disclosure on next page.

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Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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