

ADITYA BIRLA SUN LIFE AMC LTD.

RECOMMENDATION : BUY

MARKET PRICE : Rs.408.10 (As on 28th July 2023)

TARGET PRICE : Rs.511.00

FACE VALUE : Rs.5

BSE CODE : 543374

NSE CODE : ABSLAMC

Aditya Birla Sun Life
AMC Ltd.



ADITYA BIRLA
CAPITAL

WHY CHOOSE US

Why Aditya Birla Sun Life Mutual Fund is Your Trusted Partner?



Invest big

We are amongst the largest fund houses in the country.



Find us anywhere

Our PAN-India presence across 247 locations, serves investors all around the country.



Invest with the best

Our exemplary asset management skills and consistent risk-adjusted performance are backed by 25 years of strong research and expert fund managers.



All investments under one roof

Whatever your financial need, we have a mutual fund for you.



Part of a global powerhouse

We are a joint venture between Aditya Birla Group and Sun Life Financial, one of the leading international financial organization

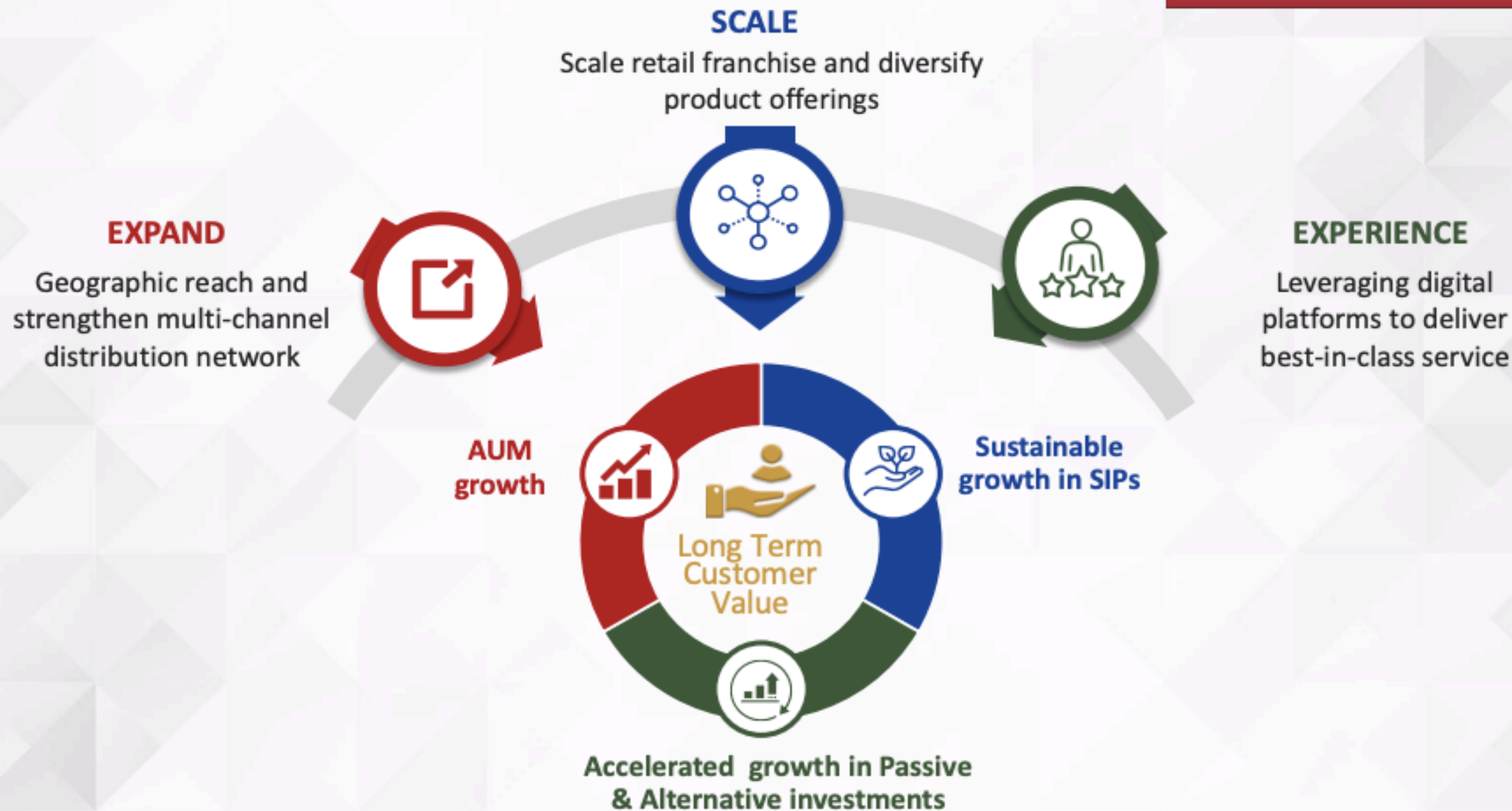
Established in 1994, Aditya Birla Sun Life AMC Ltd. (ABSLAMC) is co-owned and backed by Aditya Birla Capital Ltd. and Sun Life (India) AMC Investments Inc. ABSLAMC is primarily the investment manager of Aditya Birla Sun Life Mutual Fund, a registered trust under the Indian Trusts Act, 1882. ABSLAMC also operates multiple alternate strategies including Portfolio Management Services, Real Estate Investments and Alternative Investment Funds.

ABOUT THE COMPANY

Aditya Birla Sun Life AMC Ltd. is one of the leading asset managers in India, servicing around 8.05 million investor folios with a pan India presence across 290 plus locations and a total AUM of over Rs. 2,862 billion for the quarter ending March 31, 2023, under its suite of mutual fund (excluding its domestic FoFs), portfolio management services, offshore and real estate offerings.

Staying focused on building scalable business

Aditya Birla Sun Life
AMC Ltd.



Driven by a strong and robust risk management and governance framework

Performance at a Glance

Aditya Birla Sun Life
AMC Ltd.



(INR Billion unless otherwise stated)

Particulars	Jun-22	Mar-23	Jun-23	Q-o-Q Change %	Y-o-Y Change %
Mutual Fund QAAuM	2,815	2,752	2,969	8%	5%
Equity QAAuM	1,168	1,158	1,186	2%	2%
Fixed Income QAAuM ¹	1,647	1,594	1,783	12%	8%
Individual MAAuM	1,315	1,403	1,501	7%	14%
Institutional MAAuM	1,415	1,272	1,590	25%	12%
B-30 MAAuM	435	448	493	10%	13%
Monthly SIP Book ²	8.98	10.03	9.87	-2%	10%

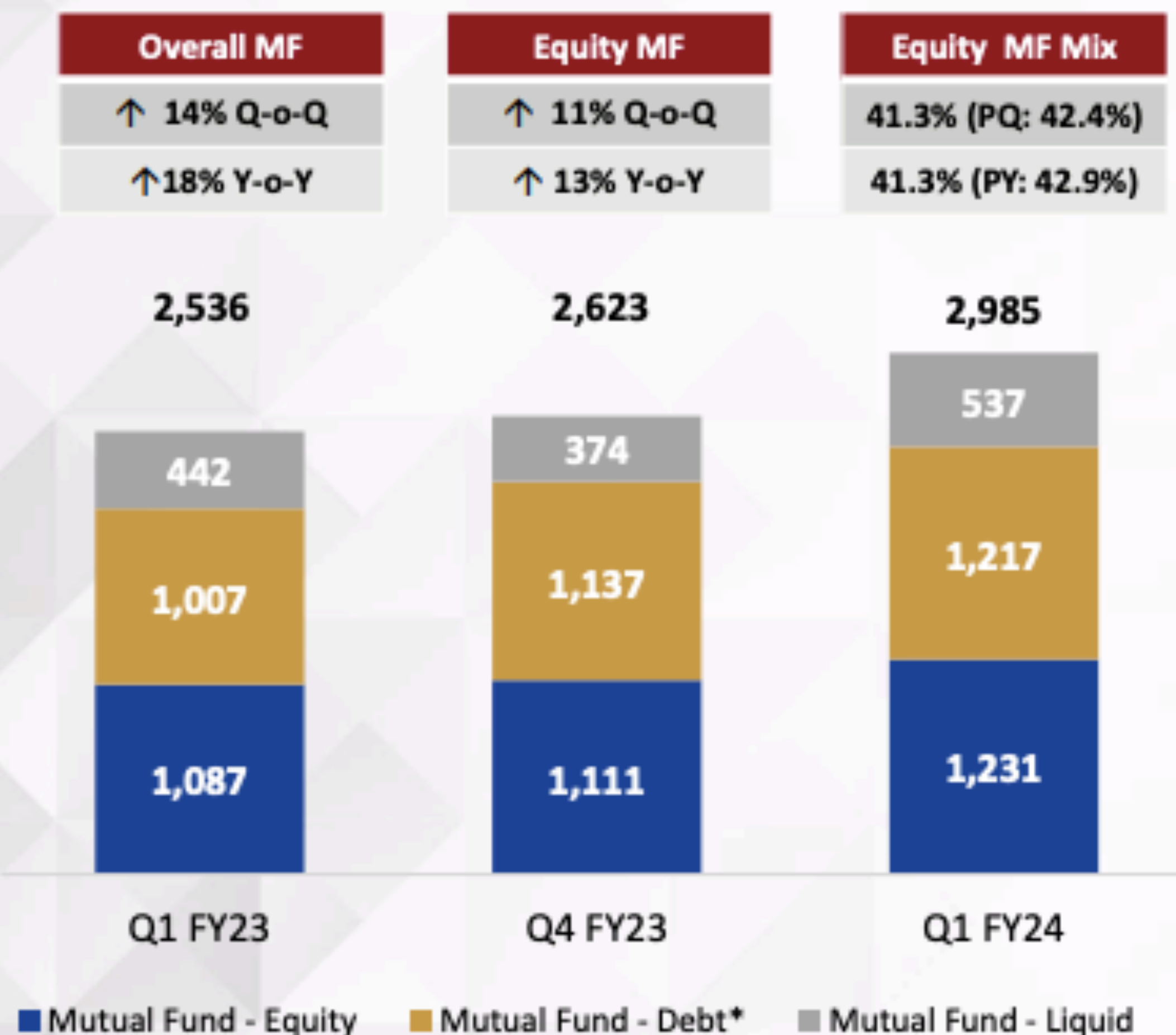
AUM Highlights

Aditya Birla Sun Life
AMC Ltd.

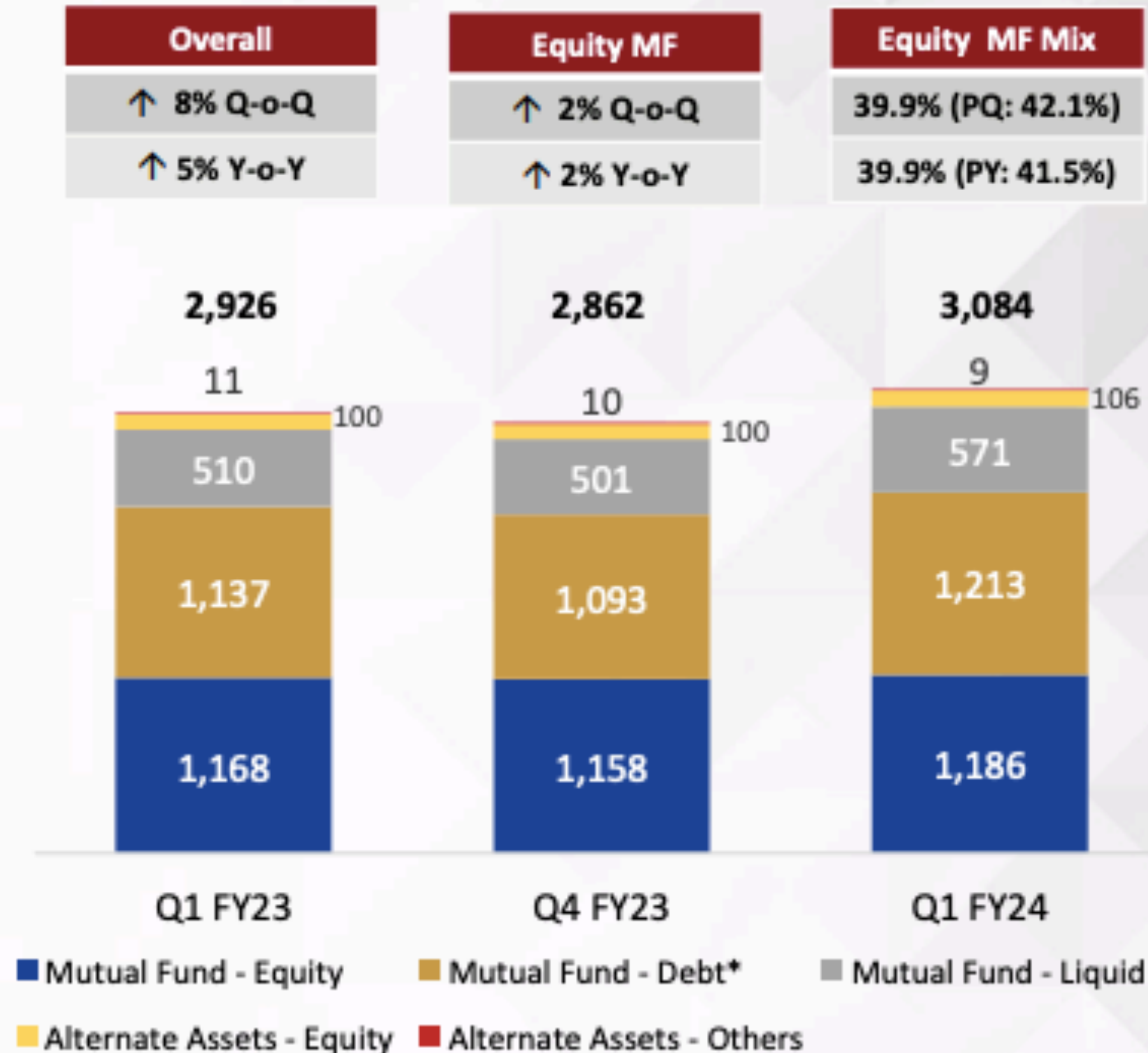


(INR Billion unless otherwise stated)

Closing Assets under Management



Quarterly Average Assets under Management



Scaling Retail Franchise

Aditya Birla Sun Life
AMC Ltd.

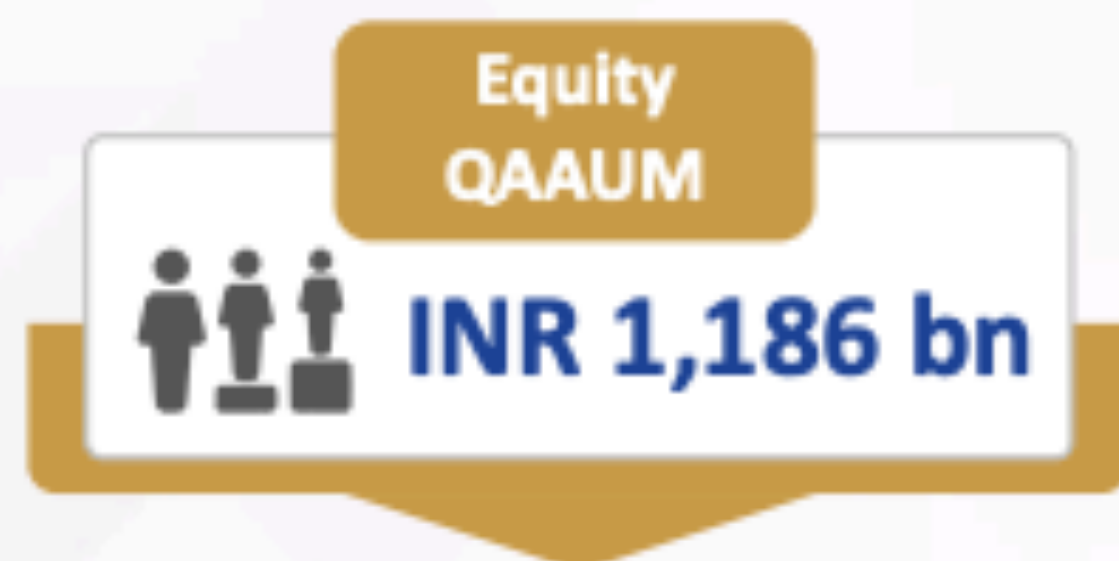


Strong retail franchise with **7.91 mn** folios (as on June 30, 2023)

June-23 unless stated otherwise



Size



Growth



Contribution
to AUM



Focus on Growing SIP Book

Aditya Birla Sun Life
AMC Ltd.

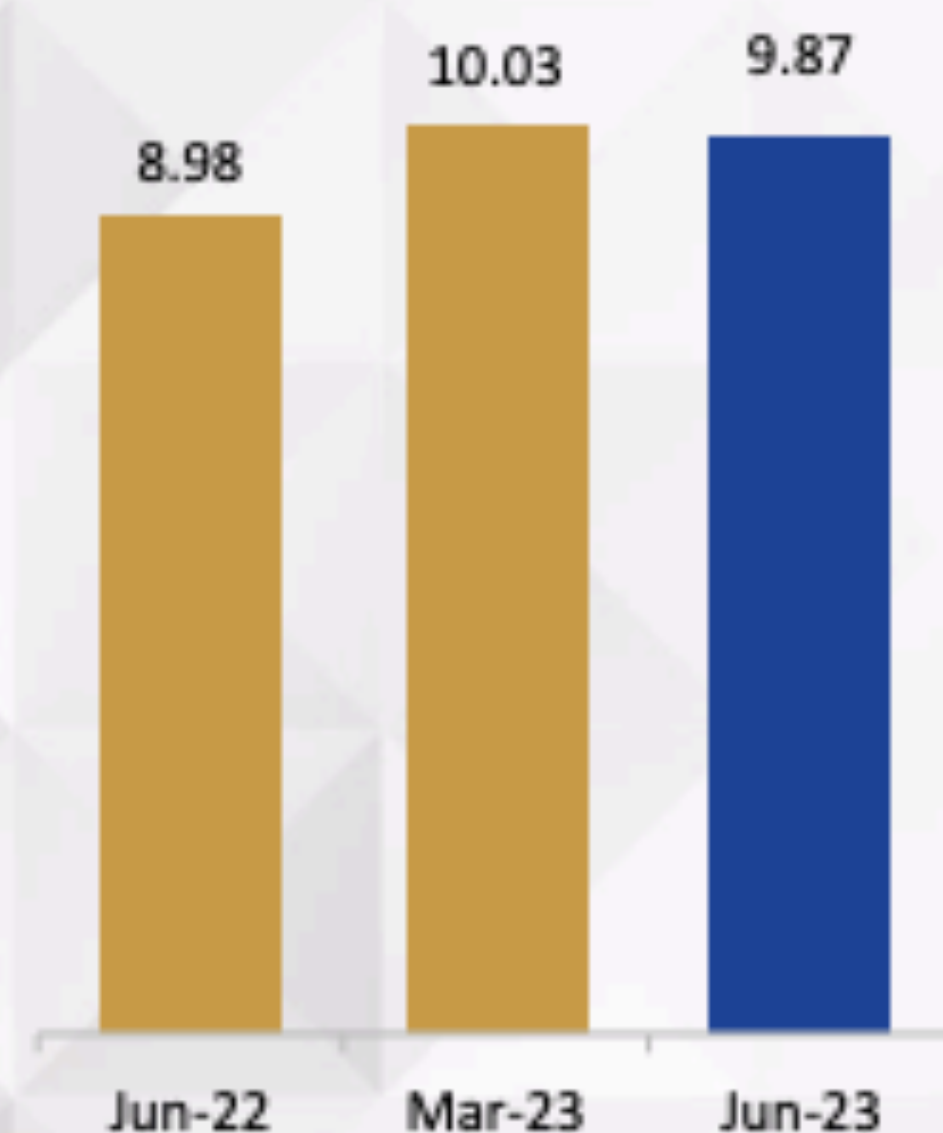


Higher share of SIPs generates consistent inflows across market cycles

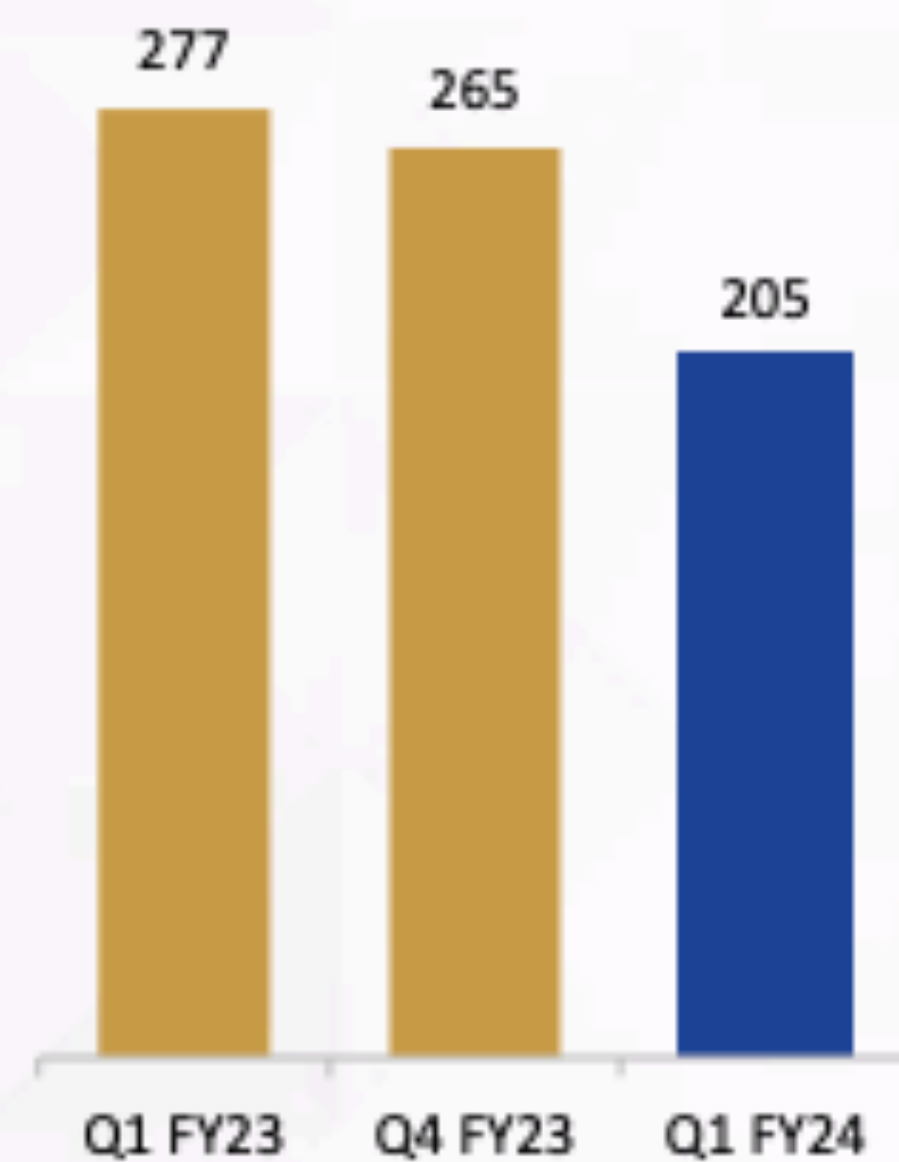
Building sustainable SIP Book

Long Tenure SIP Book²

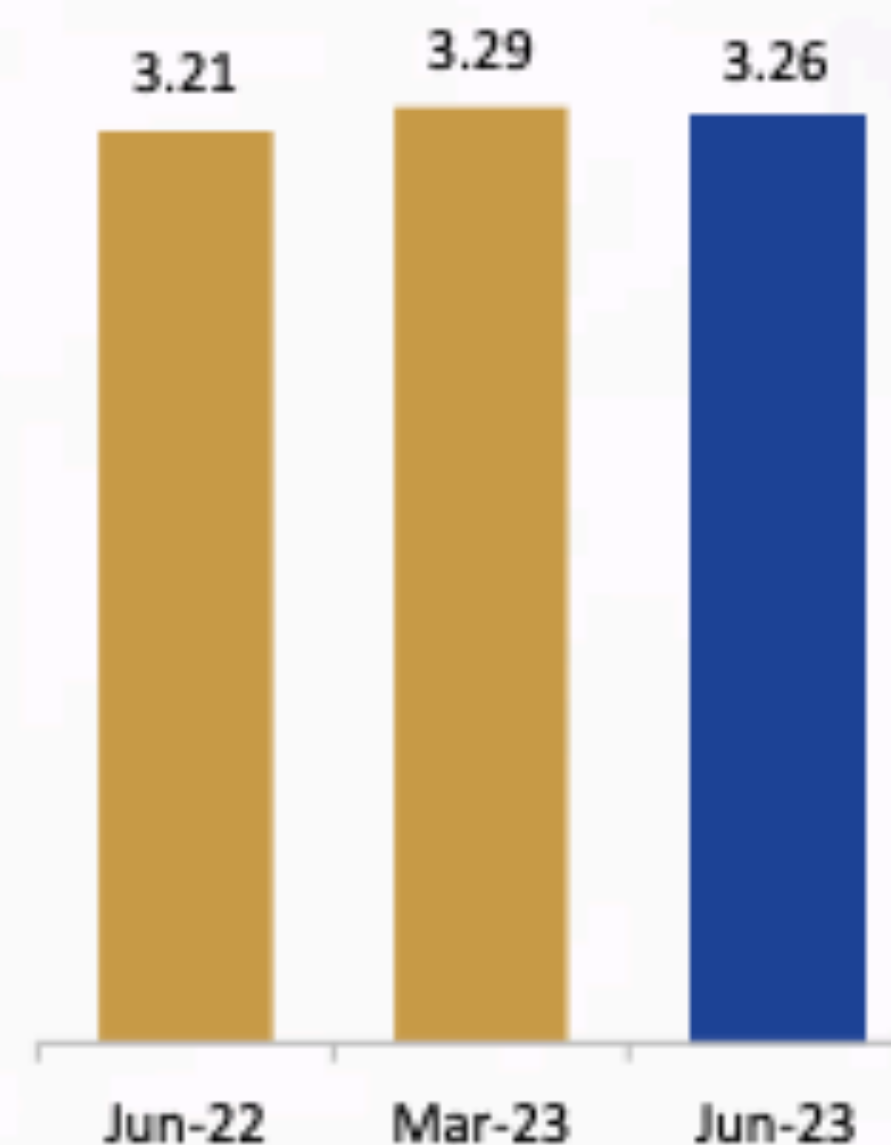
SIP¹ Book in INR (bn)



New SIP¹ Registrations Count ('000)



Number of Live Outstanding SIPs¹ (mn)



% Count of Total SIPs



Pan India Distribution Network

Aditya Birla Sun Life
AMC Ltd.



One of the largest empaneled distributor base

Servicing Investors across 19,000+ Pan-India pin codes



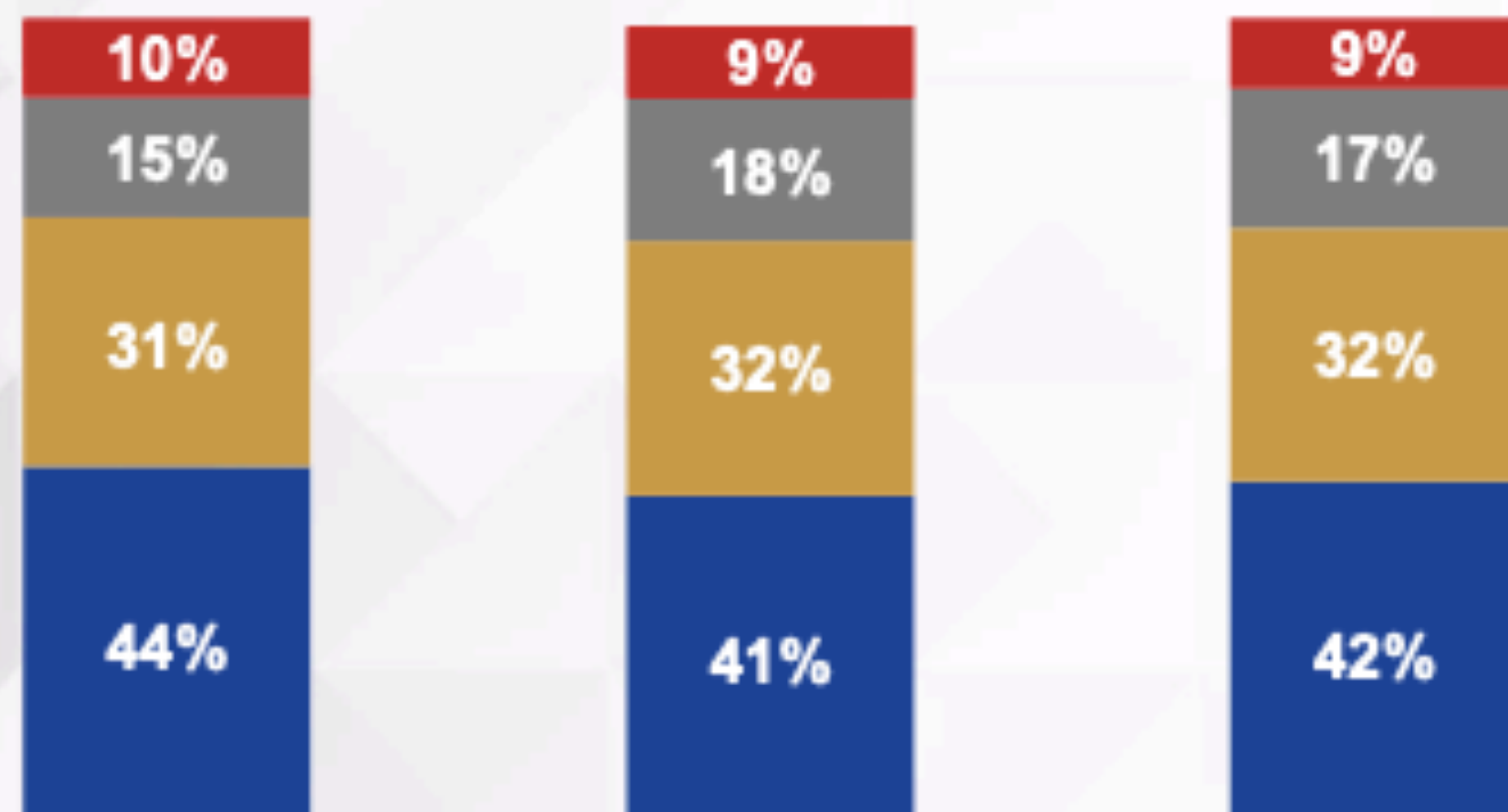
B-30 Markets of 290+ locations, over 80% are in B-30 cities

Multi-Channel Distribution Network

Aditya Birla Sun Life
AMC Ltd.



Overall Asset Sourcing Mix¹



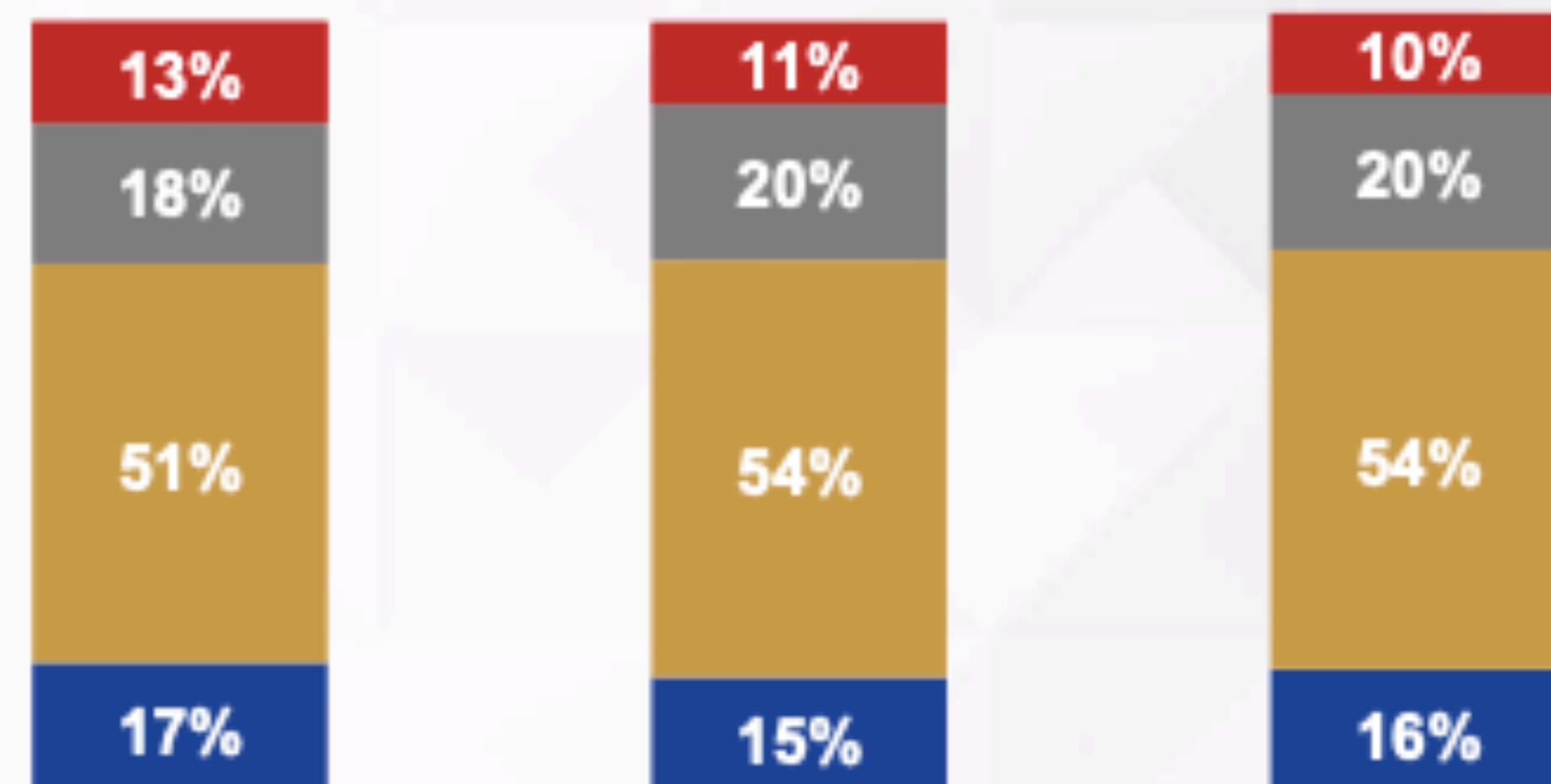
Q1 FY23

Q4 FY23

Q1 FY24

■ Direct ■ MFDs ■ National Distributor ■ Bank

Broad-based sourcing of Equity Assets



Q1 FY23

Q4 FY23

Q1 FY24

■ Direct ■ MFDs ■ National Distributor ■ Bank





Continue to expand distributor base and empaneled 2000 + new MFDs in Q1 FY24

Multi-Channel Distribution Network Strategy

Aditya Birla Sun Life
AMC Ltd.



A lean model to expand into deeper markets

	Emerging Markets	85 + EM locations	<ul style="list-style-type: none">• Aim to tap into potential rural and emerging markets at an early stage to build early growth• Deepening product awareness through continuous engagement drives for investors and distributors
	Virtual Relationship Manager	400 + Distributors Activated ¹	<ul style="list-style-type: none">• Improve new distributor experience through virtual assistance and guidance with primary focus on increasing activations, SIPs and gross sales.• Upgrade MFDs to high potential business partners and transfer them to Retail Sales
	Service to Sales	~ 230 Dedicated Service Persons	<ul style="list-style-type: none">• Service RMs engage effectively with investors and facilitate their investment decision• Identify opportunities for win back, retention and upsell
	Sampark	2000 + Distributor Empaneled ¹	<ul style="list-style-type: none">• Our distribution expansion initiative in empaneling and welcoming new distributors• A comprehensive distributor engagement plan is implemented, encompassing empanelment, activation, digital transactions, education, and marketing communication

Building our Passives Business

Aditya Birla Sun Life
AMC Ltd.



2x

Growth⁽¹⁾ in Passives



~5,00,000

Investor Folios Serviced

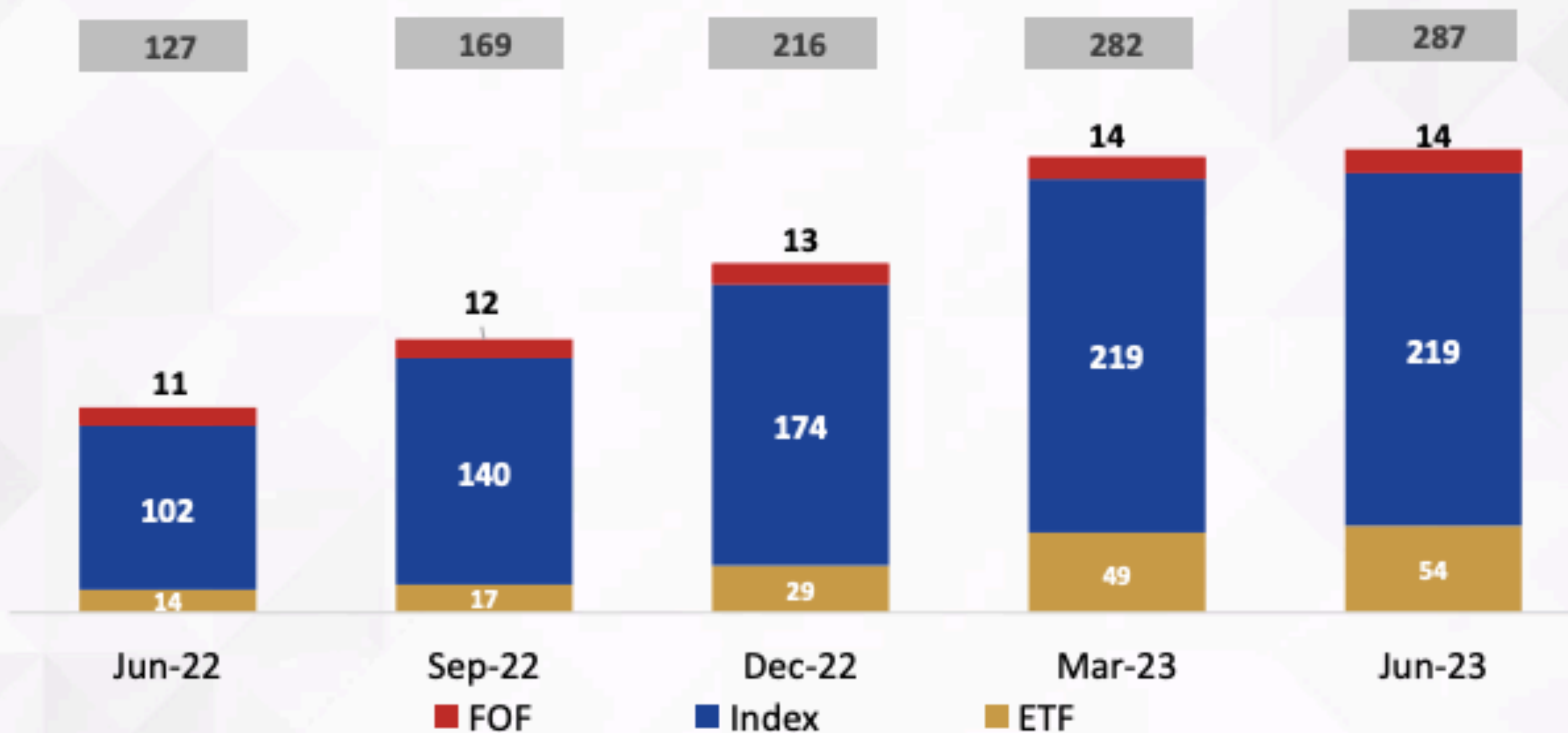


40

Product Bouquet

Passive AUM⁽²⁾

AUM INR bn->



Alternative Assets

Aditya Birla Sun Life
AMC Ltd.



PMS / AIF

QAAUM
INR 19.23 bn

Closed **India Equity Services Fund** (CAT III AIF) with Commitment of **INR 8.93 bn**

New Launches

ABSL India Special Opportunities Fund
(CAT III AIF)

ABSL India Equity Services Portfolio
(PMS Platform)

SEBI Clearance Received

ABSL India Equity Services Fund Series 2
(CAT III AIF)



Real Estate

QAAUM
INR 5.77 bn

Aditya Birla Real Estate Credit Opportunities Fund (Cat II AIF)

- Deployment of first two investment concluded
- One more deal in pipeline



Offshore

QAAUM
INR 89.87 bn

Launched

"ABSL Global Emerging Market Equity Fund (IFSC)"

Cat II AIF (Global Equity FoF AIF) domiciled in GIFT City and feeding into **"ARGA Emerging Market Equity Fund"**

Our Digital Assets & Partnerships



Investor Assets

Partner Assets

Enhancing Digital Capabilities

Customer Journey

- Launched integrated purchase journey with Turbo STP
- Launched Digital NRI KYC for investing in mutual funds in India
- Modification of KYC enabled on Investor Portal

Digital Integration

- API for *Sampoorna SIP* and Turbo STP for Fintech and NDs.
- APIs for Instant Redemption for Overnight Fund

Data & Analytics

- Google Analytics to provide different kind of analytics to track and understand the investor activity.

Automation

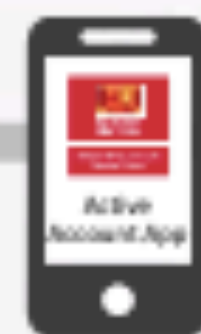
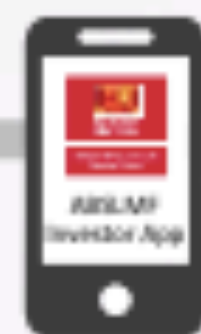
- Automated internal process to update email id and mobile number
- Modification of KYC enabled on Partner Portal

Cutting Edge Investment Tools

- Propensity based communication for the investors using data analytics, ML AI and automation

Pro Features

- Enhanced capability for CAMS OTM registration.



Investor & Distributor Engagement

Aditya Birla Sun Life
AMC Ltd.



Aim to educate existing and next generation of investors and distributors

Reached **10,00,000+ people** through conducting over **13,800 training sessions**¹

SAMRIDHI MAGAZINE



5.3 million+ passengers across 26 routes¹
Generated **7,42,000+** views on website

INVESTORS HANGOUTS PROGRAM



98.7K active users¹ And over
10 million YouTube viewers¹

FIRST FINANCIAL LESSONS AND FIRST PAY CHEQUE



Partnered with
20 universities in association with NISM²
Reached over **44,000** students¹

FOR HER - FINANCIAL EDUCATION



Customized engagements and workshops to
create women investors and MFDs
7.75 Million
Social Media Impressions¹

NIVESH MAHAKUMBH PROGRAM



Viewership of **13,43,000+**

NIPUN LEARNING ACADEMY



Offer customized training modules
and workshops to our channel partners



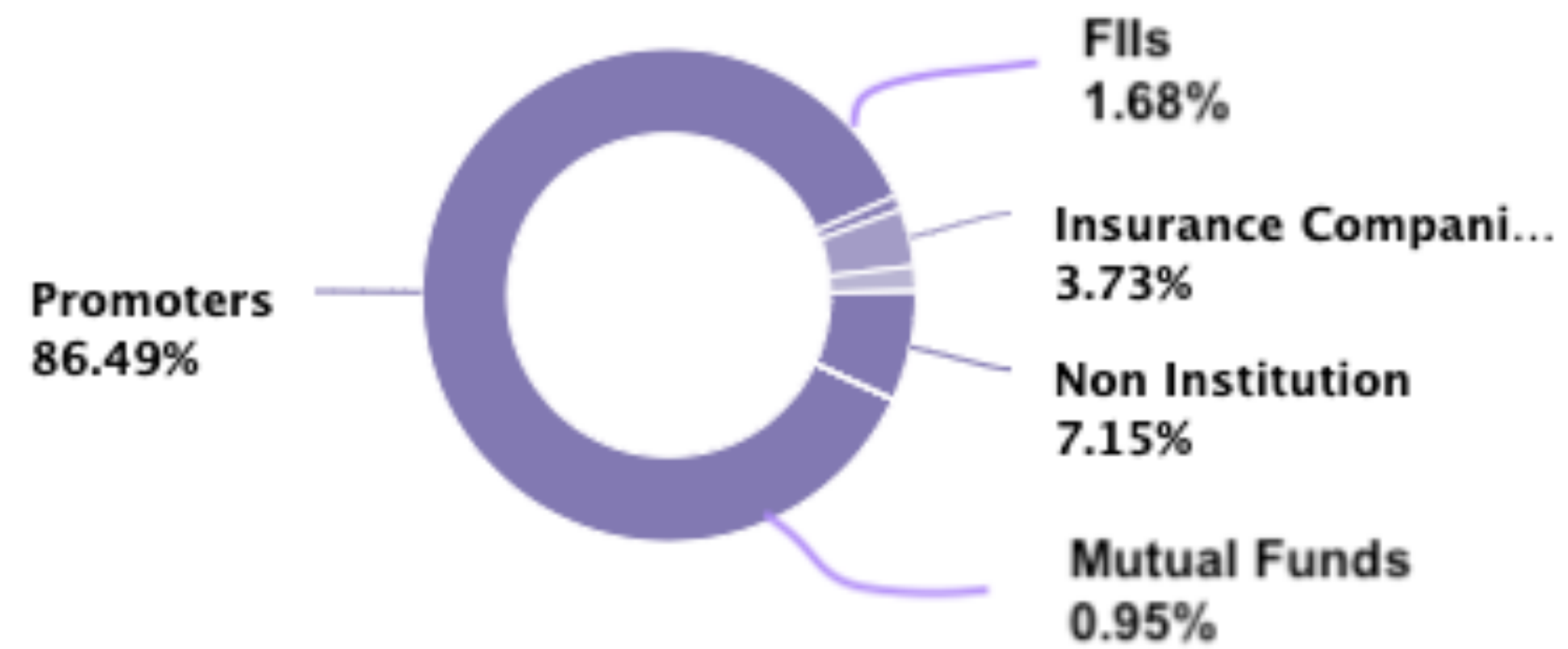
Yearly Results

YEARLY RESULTS OF ADITYA BIRLA SUN LIFE AMC (in Rs. Cr.)	MAR '23	MAR '22
Net Sales/Income from operations	1,226.61	1,292.96
Total Income From Operations	1,226.61	1,292.96
EXPENDITURE		
Employees Cost	277.20	253.25
Depreciation	34.33	35.62
Other Expenses	244.41	220.09
P/L Before Other Inc., Int., Excpt. Items & Tax	670.66	784.01
Other Income	127.10	115.56
P/L Before Int., Excpt. Items & Tax	797.76	899.57
Interest	3.90	4.86
P/L Before Exceptional Items & Tax	793.86	894.70
P/L Before Tax	793.86	894.70
Tax	197.48	221.93
P/L After Tax from Ordinary Activities	596.38	672.77
Net Profit/(Loss) For the Period	596.38	672.77
Net P/L After M.I & Associates	596.38	672.77
Equity Share Capital	144.00	144.00
Reserves Excluding Revaluation Reserves	2,372.99	2,052.46
EPS BEFORE EXTRA ORDINARY		
Basic EPS	20.71	23.36
Diluted EPS	20.65	23.29
EPS AFTER EXTRA ORDINARY		
Basic EPS.	20.71	23.36
Diluted EPS.	20.65	23.29

Key Financial Ratios

KEY FINANCIAL RATIOS OF ADITYA BIRLA SUN LIFE AMC (in Rs. Cr.)	MAR 23	MAR 22	MAR 21
PER SHARE RATIOS			
Basic EPS (Rs.)	20.71	23.36	292.38
Diluted EPS (Rs.)	20.65	23.36	292.38
Cash EPS (Rs.)	21.90	24.60	313.18
Book Value [ExclRevalReserve]/Share (Rs.)	87.40	76.27	947.01
Book Value [InclRevalReserve]/Share (Rs.)	87.40	76.27	947.01
Revenue from Operations/Share (Rs.)	42.59	44.89	593.28
PBDIT/Share (Rs.)	28.89	32.47	410.49
PBIT/Share (Rs.)	27.70	31.23	389.69
PBT/Share (Rs.)	27.56	31.07	386.60
Net Profit/Share (Rs.)	20.71	23.36	292.38
NP After MI And SOA / Share (Rs.)	20.71	23.36	292.38
PROFITABILITY RATIOS			
PBDIT Margin (%)	67.83	72.32	69.19
PBIT Margin (%)	65.03	69.57	65.68
PBT Margin (%)	64.72	69.19	65.16
Net Profit Margin (%)	48.62	52.03	49.28
NP After MI And SOA Margin (%)	48.62	52.03	49.28
Return on Networth/Equity (%)	23.69	30.62	30.87
Return on Capital Employed (%)	30.20	39.38	38.09
Return on Assets (%)	21.38	27.63	26.51
Total Debt/Equity (X)	0.00	0.00	0.00
Asset Turnover Ratio (%)	0.46	0.57	0.58
LIQUIDITY RATIOS			
Current Ratio (X)	17.51	15.02	12.79
Quick Ratio (X)	17.51	15.02	12.79
Inventory Turnover Ratio (X)	0.00	0.00	0.00
Dividend Payout Ratio (NP) (%)	24.14	34.46	26.60
Dividend Payout Ratio (CP) (%)	22.83	32.72	24.83
Earnings Retention Ratio (%)	75.86	65.54	73.40
Cash Earnings Retention Ratio (%)	77.17	67.28	75.17
COVERAGE RATIOS			
Interest Coverage Ratios (%)	213.21	192.29	132.97
Interest Coverage Ratios (Post Tax) (%)	213.21	192.29	132.97
VALUATION RATIOS			
Enterprise Value (Cr.)	8,840.25	15,251.03	0.00
EV/Net Operating Revenue (X)	7.21	11.80	0.00
EV/EBITDA (X)	10.62	16.31	0.00
MarketCap/Net Operating Revenue (X)	7.31	11.87	0.00
Retention Ratios (%)	75.85	65.53	73.39
Price/BV (X)	3.56	6.99	0.00
Price/Net Operating Revenue	7.31	11.87	0.00
Earnings Yield	0.07	0.04	0.00

Shareholding Pattern an on Jun'23



Summary

- ❖ With deliverance of stellar performance in Q1 of FY'24, the Company's Net Sales grew up by 2.18% i.e. Rs.311.16 crs in Jun'23 as compared to Rs.304.50 crs in Jun'22. However, the Net Profits proliferated by 79.47% i.e. Rs.184.57 crs in Jun'23 versus Rs.102.84 crs in Jun'22. In addition to this, the Statement of Changes in Equity witnessed a slight increase in the Equity Capital i.e. Rs.144.02 crs in Jun'23 juxtapose to Rs.144.00 crs in Jun'22.
- ❖ Considering sound financials and healthy fundamentals, the Company is available at a good price of Rs.408.10 with its 52 week low at Rs.307.00 and its 52 week high at Rs.503.00.
- ❖ In view of the Promoters holding majority stake around 86.49% as well as its robust valuations, anticipates that the Management is committed to growth of the Company.
- ❖ In Public Shareholding as on Jun'23, the FIIs stood with 1.68% stake. Whereas, the Mutual Fund Houses own 0.95% holdings in the Company.
- ❖ Aditya Birla Sun Life AMC Ltd. is held by HDFC MF, ICICI PRU MF, QUANTUM MF and a few more.
- ❖ On consolidated basis, Return on Equity (ROE) and Return on Capital Employed (ROCE) were registered around 23.69% & 30.20% respectively as on Mar'23.
- ❖ For the year ending Mar'23, Aditya Birla Sun Life AMC Ltd. has declared an equity dividend of 205.00% i.e. Rs.10.25 per equity share.

Disclosure

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Disclosures as required under SEBI (Research Analyst) Regulations, 2014

Introduction:

I, Amiteshwar Singh, am the proprietor of M/S Amiteshwar.in. I am a Research Analyst registered with SEBI having registration no. INH100010013. I provide services through my website www.researchlyne.com which is primarily focused on research of Multi-Cap stocks of India.

Business Activity:

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List of Associates / Relatives:

1. My spouse, Mrs. Prabhjash Kaur
2. My daughter, Ms. Palvit Kaur

Note: Subject Company is a company on which buy/sell recommendation or target price is given or changed in the research report.

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