



Before the Bell: IPO Edition

by

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Company Overview

- SBI Funds Management Limited incorporated in 1992, is the largest asset management company in India by quarterly mutual fund assets under management (“QAAUM”), with QAAUM of INR 12,499.70 billion and a mutual fund market share of 15.4% as of December 31, 2025.
- Beyond the core mutual fund business, the Company also provides a comprehensive suite of investment products across categories and geographies such as PMS, Alternative Investment Funds ('AIFs') and Specialized Investment Funds ('SIFs'). The company also provides investment management and advisory services to a range of offshore India-focused funds.
- The Company is also India’s largest PMS manager by assets under management, with a market share of 39.0% of the PMS segment and is also the largest SIF platform in India with a market share of 61.0% of the SIF segment as of December 31, 2025.
- **Competitive Advantages:**
 - **Strong Promoter Backing:** The Company is backed by SBI and Amundi Asset Managers, largest asset manager in Europe
 - **Geographical Expansion:** The Company aims to leverage its extensive multi-channel distribution network to expand their investor base in Tier II, Tier III, and rural markets
 - **Extensive Product Offering:** The Company manages a diversified portfolio of 126 mutual fund schemes, offering both actively and passively managed schemes.
- **Risks/Challenges:**
 - **Market Volatility:** The business of company as an asset management company is significantly dependent on the performance of Indian capital markets.
 - **Extensive Regulations:** The Company is subject to extensive regulation by SEBI along with regulations by the Reserve Bank of India, the Ministry of Corporate Affairs, and various tax authorities.
 - **Intense competitive landscape:** The Company faces intense competition from other mutual fund houses and from new players entering the market.

Financial Overview

(Amount in INR Crores)

Income Statement	FY 2022A	FY 2023A	FY 2024A	FY 2025A
Revenue from Operations	1,837	2,162	2,691	3,598
EBITDA	1,467	1,810	2,719	3,413
PBT	1,429	1,771	2,674	3,364
PAT	1,082	1,340	2,073	2,540

Key Points:

- Revenue grew significantly from INR 1,837 crores in FY 2022 to INR 3,598 crores in FY 2025, reflecting a CAGR of 25%
- The Company has maintained stable EBITDA margins of ~90% from FY 2022 to FY 2025.
- The Company has contingent liabilities of INR 176 crores as at 31st December, 2025, which has not yet been provided for in the books.
- The Company's revenue and profitability is subject to fee pressure from regulatory changes, competitive dynamics, and investor preferences for lower-cost products.

Important Points

- The Company's top 5 schemes by mutual fund QAAUM accounted for 43.41% of the total mutual fund QAAUM, and top 10 schemes by mutual fund QAAUM accounted for 59.95% of the mutual fund QAAUM. Any adverse developments affecting these schemes would have an adverse impact on the Company.
- The Company is exposed to liquidity risks in its debt and money market schemes. debt and debt-hybrid mutual fund schemes had total QAAUM of INR 1,766.36 billion, representing 14.13% of the total mutual fund QAAUM. These schemes are particularly exposed to liquidity risks if enough buffers are not maintained. Any challenges in maintaining enough liquidity would have an adverse impact on the Company.
- The Company became the first bank-backed AMC to launch a SIF platform. The SIF regulatory framework is still evolving as a relatively new product category, investor awareness and acceptance of SIFs is still developing, the Company may face challenges in investor acceptance and regulatory uncertainty.
- **Financial Summary for Nine-months ended 31st December, 2025:**
 - Revenue: INR 3,251 Crores
 - EBITDA: INR 3,187 Crores
 - PAT: INR 2,433 Crores
- The Company's top 5 distributors accounted for approx. ~25% of total monthly average assets under management ('MAAUM') and top 10 distributors accounted for approx. ~27% of total MAAUM. Any disruption in distribution channels or deterioration in relationships with key distributors would have an adverse impact on the Company.
- The IPO is an entirely an Offer for Sale, with no Fresh Issue component.

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