



## Before the Bell: IPO Edition

*by*

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# Company Overview

- Truhome Finance (formerly known as "Shriram Housing Finance Limited"), was founded in 2010 and is a retail-focused affordable housing finance company with an AUM of INR 21,124 crores as on 31st December, 2025.
- The Company is the third largest Affordable Housing Finance Company ('AHFC') in India by AUM as of 31<sup>st</sup> December, 2025 and is the fastest growing AHFC in India in terms of CAGR over the financial years 2025, 2024 & 2023.
- The Company has well-diversified pan-India distribution network. The company is led by an experienced and a stable management, backed by reputed board of directors and a marquee global private equity firm (Warburg Pincus Group).
- **Competitive Advantages:**
  - **Low Net NPA:** The company has low Net NPA of 1.09% as at 31<sup>st</sup> December, 2025 and 1.03% as at 31<sup>st</sup> March, 2025.
  - **Strong Promoter Backing:** The Company is backed by marquee global private equity firm (Warburg Pincus Group)
  - **Geographical Expansion:** The Company is expanding and deepening its distribution network in Tier II, Tier III cities and beyond.
- **Risks/Challenges:**
  - **Operational Risks:** Real Estate financing includes project delays due to legal issues, funding shortfalls, or logistical challenges and construction risks.
  - **Interest rate Sensitivity:** Housing finance activity is sensitive to movements in interest rates, as changes in borrowing costs can influence affordability and borrower's decision making.
  - **Intense competitive landscape:** Faces aggressive competition from banks, other housing finance companies, small finance banks and NBFCs.

# Financial Overview

(Amount in INR Crores)

Income Statement	FY 2022A	FY 2023A	FY 2024A	FY 2025A
Revenue from Operations	531	779	1,425	1,905
EBITDA	397	576	1,037	1,352
PBT	109	167	290	370
PAT	80	138	217	286

## Key Points:

- Revenue grew significantly from INR 531 crores in FY 2022 to INR 1,905 crores in FY 2025, reflecting a CAGR of 53%.
- The Company has maintained stable PAT margins of ~15% from FY 2022 to FY 2025.
- The Company has reported negative operating cash flows from FY 2022 to FY 2025.
- The Company's spread (average yield minus cost of borrowings) stood at 3.50% in FY 2025 and 3.60% in FY 2024. This was driven by an average yield of 12.57% and borrowing cost of 9.07% in FY 2025, compared to 12.76% and 9.16%, respectively, in FY 2024.

## Important Points

- Housing Loans contribute approx. ~60% to the company's AUM. Any conditions affecting the real estate and property markets in India or reduction in disbursement of housing loans may have an adverse impact on the Company.
- A significant portion of the Company's customers being approx. ~77% are self-employed individuals. Any difficulty among these customers in servicing their loan obligations may have an adverse impact on the Company.
- **Financial Summary for Nine-months ended 31<sup>st</sup> December, 2025:**
  - Revenue: INR 1,807 Crores
  - EBITDA: INR 1,297 Crores
  - PAT: INR 334 Crores
- The Company sources a significant portion of loans being approx. ~66% from Direct Selling Agents ('DSAs') and connectors. Any reduction in the availability or effectiveness of DSAs or connectors, could adversely affect the ability to source customers and may have an adverse impact on the Company.
- Out of the total issue size of INR 3,000 crores, INR 1,500 crores is a fresh issue and the remaining being Offer for sale.
  - The INR 1,500 crores of fresh issue, will be used to strengthen the Company's capital base to support future growth, including onward lending, and to meet capital adequacy requirements as prescribed by the Reserve Bank of India ('RBI')
- The Company undertook a preferential allotment of equity shares to its promoter, Mango Crest Investment Ltd., at an issue price of INR 198.08 per share in October 2025.

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