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SBI FUNDS MANAGEMENT LIMITED

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IPO Report

13th July 26

Snapshot

Company is the largest asset management company ("**AMC**") in India by quarterly average mutual fund assets under management ("**QAAUM**"), with QAAUM of ₹12,509.98 billion and a mutual fund market share of 15.3% as of March 31, 2026, a position company have consistently held since March 2021 . Including company's Portfolio Management Services ("**PMS**") and other advisory mandates (collectively with PMS, "**Alternates**"), company'stotal QAAUM was ₹29,461.05 billion as at March 31, 2026. Company is India's oldest AMC, acting as the investment manager to SBI Mutual Fund, which commenced operations in June 1987 as the first mutual fund entity outside the Unit Trust of India. Company is also India's largest passive (exchange traded fund ("**ETF**") and index funds) asset manager with passive (ETF and index funds) QAAUM of ₹4,055.26 billion representing a market share of 27.9% as at March 31, 2026.

VALUATION

Company is bringing the issue at price band of Rs 545-574 per share at p/e multiple of 38x on FY26 basis.

Company being the largest asset management company in India in terms of mutual fund assets under management is market-leading SIP franchise with a 15.5% market share by live SIP count has dual Parentage as integration of State Bank of India's domestic franchise with Amundi's global expertise along with process-driven investment framework with demonstrated track record of product innovation and consistent investment performance. Also, company has well-diversified, pan-India multi-channel distribution infrastructure . Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	**545-574**
Opening date of the issue	**14th July '2026**
Closing Date of the issue	**16th July '2026**
No of shares pre issue	2,03,68,27,612 Eq Shares
Issue Size	Rs 9300-9795 Cr
OFS	Rs 9300-9795 Cr
No of Shares in OFS	203,709,239 Eq Shares
Face Value (Rs/ share)	Rs 1/share
Bid Lot	26
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 773,21,826 eq Shares)
Non-Institutional	15% of the offer (Approx 2,31,96,549 eq Shares)
Retail	35% of the offer (Approx 54125280 eq Shares)
Lead managers	Axis Capital, Kotak Mahindra capital, Motilal Oswal,BOFA Securities,HSBC Securities,ICICI Securities,Jefferies,JM Financial
Registrar to the issue	Kfin Technologies Ltd

WHAT WE LIKE

Largest asset management company in India in terms of mutual fund assets under management, benefitting from strong operating leverage driven by scale and growth

Company's position as India's largest AMC by mutual fund QAAUM as of March 31, 2026, with a market share of 15.3%, provides significant economies of scale that translate into competitive advantages across research, operations, and profitability. Company's scale enables it to spread fixed costs across a larger AUM base, resulting in the lowest operating expense ratio among the top 10 AMCs in India, with operating expenses as a percentage of QAAUM of 0.08% for Fiscal 2026, compared to a range of 0.10% to 0.25% among the remaining top 10 AMCs for the same period

India's largest portfolio management services provider by PMS and advisory assets under management, with a 39.7% market share in the PMS segment, and one of India's largest Specialized Investment Fund platforms, with an AUM of ₹29.95 billion representing a 28.2% market share of the SIF segment as of March 31, 2026

Company operate India's largest institutional asset management platform, spanning PMS, AIFs, and company's recently launched SIF platform. Company is India's largest PMS manager by assets under management, with a market share of 39.7% of the PMS segment as of March 31, 2026

Dual Parentage - Integration of State Bank of India's domestic franchise with Amundi's global expertise

Company benefit from dual parentage that combines SBI's wide domestic distribution franchise with Amundi's global asset management capabilities, creating a structurally differentiated platform that is difficult to replicate. Company's SBI parentage provides it with unique competitive advantages. Company's integration with the YONO platform provides seamless digital investment journeys for SBI's 100+ million YONO users, as at March 31, 2026, while its Jan Nivesh SIP initiative, designed for SBI's mass-market customers, has mobilized over 46,928 SIP accounts out of which 43,593 SIP accounts have been sourced through YONO .

COMPANY BACKGROUND

Company's total QAAUM has grown at a compound annual growth rate ("**CAGR**") of 14.22% between March 31, 2024, and March 31, 2026, while company's mutual fund QAAUM has grown at a CAGR of 16.97% during the same period. Company's equity, equity-oriented and equity-hybrids (excluding arbitrage and including overseas fund of funds) QAAUM grew at a CAGR of 21.79% during the same period. Company was incorporated in 1992 and received SEBI's approval to act as the asset management to SBI Mutual Fund in 1993. In 2004, companyh became a joint venture when Société Générale Asset Management S.A. acquired a 37% stake in company. Following the merger in 2011 of Crédit Agricole's and Société Générale's asset management businesses, Amundi India Holding, a wholly owned subsidiary of Amundi Asset Management, acquired the shareholding previously held by Société Générale Asset Management S.A., and continued operating as a joint venture.
Company's Promoters are State Bank of India ("**SBI**"), Amundi India Holding and Amundi Asset Management. SBI, established in 1806 with over 200 years of banking experience, is India's largest bank by advances, deposits, and branch network, with total assets of ₹83,215.7 billion, with 23,265 branches and over 530 million customers as of March 31, 2026 .Amundi India Holding, a wholly owned subsidiary of Amundi Asset Management, is part of Amundi, which is the largest asset manager in Europe and among the global top 10 asset managers as at December 31, 2024 and is headquartered in Paris and listed on Euron ext, Paris. Amundi group has close to €2.4 trillion in assets under management, serving more than 200 million retail clients, with 5,400 employees, across 34 countries, including 905 investment professionals, and 1,000 institutional and corporate clients as at March 31, 2026. Amundi ranks among the 10 l argest global asset managers for its votes on environment and social-related shareholder resolutions, for calendar year 2024 (*i.e.*, from January 1, 2024 to December 31, 2024). This strategic dual parentage creates a unique competitive advantage that distinguishes company from both standalone domestic asset managers and other bank-affiliated AMCs in India.
Company serve a large unique investor base of 18.00 million as of March 31, 2026 in its mutual fund business comprising individuals as well as institutional customers and manage a diversified portfolio of 128 mutual fund schemes across equity and equity-oriented, debt, arbitrage, ETFs, index and overseas fund-of-funds, and liquid and overnight schemes, thereby offering both actively managed and passive investment strategies to cater to diverse investor risk profiles and financial objectives. Beyond its core mutual fund schemes business, company offer a comprehensive suite of investment solutions across product categories and geographies. Company provide PMS and advisory mandates as well as alternative investment funds ("**AIFs**"), and specialized investment funds ("**SIFs**"). Company provide investment management and advisory services to a range of offshore India-focused funds under regulatory approval in accordance with the SEBI Mutual Funds Regulations. Company's international business comprises: India-focused investment management mandates for overseas institutional investors across Japan, Australia, and Korea, and Undertakings for Collective Investment in Transferable Securities ("**UCITS**") India-focused funds sponsored by Amundi with of ₹107,834.60 million distributed across Europe, Middle East, South America, and Southeast Asia, and (iii) advisory services to Amundi's Global Emerging Markets mandates of ₹149,653.07 million of India-related assets under advisory, as of March 31, 2026. Company facilitate outbound diversification for Indian investors through dedicated international funds including SBI International Acces s – US Equity Fund of Funds in partnership with Amundi group and other overseas equity-oriented schemes, with investments outside India through company's domestic funds amounting to US$0.99 billion as of March 31, 2026.

OBJECTS OF OFFER

The objects of the Offer are to (i) carry out the Offer for Sale of up to 203,709,239 Equity Shares of face value of ₹1 each by the Promoter Selling Shareholders and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

RISKS

Company's revenues and profitability are directly linked to its quarterly average assets under management ("QAAUM"), and any material decline or changes in the composition of company's QAAUM due to market movements, redemptions, or other factors could significantly impact its financial performance.

Source:RHP

Consolidated Financials (Rs in Mn)

Financials	FY24	FY25	FY26
Total Revenue (A)	26905.58	35977.57	43894.88
Total Expenditure (B)	7072.56	8232.09	9176.62
EBIDTA	19833.02	27745.48	34718.26
EBIDTA Margin	73.71	77.12	79.09
Other Income	7355.21	6383.94	5866.18
Depreciation	374.90	400.01	438.37
EBIT	26813.33	33729.41	40146.07
Interest	77.11	86.03	91.17
PBT	26736.22	33643.38	40054.90
Share of profit in Asso	124.85	146.21	143.21
PBIT	26861.07	33789.59	40198.11
Exceptional	0.00	0.00	0.00
PBT	26861.07	33789.59	40198.11
Tax	6133.22	8388.05	9524.35
PAT	20727.85	25401.54	30673.76
NPM	77.04	70.60	69.88
ROE%	36.05	33.77	43.02
EPS	10.29	12.53	15.08
Eq Cap	505.82	507.86	2,036.83
Net Worth	67,477.47	82,975.26	59,630.62

(Source: RHP)

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