SBI Funds Management Ltd

IPO Note

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India's Leading Mutual Fund

SBI Funds Management Limited (SBI AMC) is one of India's largest asset management companies and manages the SBI Mutual Fund business. The company is backed by State Bank of India and Amundi, one of the world's leading asset managers. It offers a diversified range of products across equity, debt, ETFs, index funds, liquid funds, fund of funds, portfolio management services, alternative investment funds and Specialized Investment Funds. As of March 31, 2026, the company managed 35 equity schemes, 48 debt schemes, 37 ETF and index schemes, four fund-of-funds, two liquid and overnight schemes and one SIF strategy.

The company follows a fee-based business model, earning management fees on the assets managed across its schemes and mandates. Its distribution network is supported by SBI's large banking franchise, independent financial advisers, digital platforms and institutional relationships. This provides access to customers across metro cities as well as smaller towns. The company also benefits from a strong SIP franchise, with 16.21 million live SIPs, monthly SIP inflows of around INR 4,060 crore and SIP assets under management of nearly INR 1.73 lakh crore as of March 31, 2026.

The partnership with Amundi strengthens SBI AMC's investment, technology and international capabilities. Amundi provides global expertise in active funds, passive funds, ETFs, alternative assets, ESG investing and risk management. Six Amundi professionals are embedded across SBI AMC's investment, risk and technology functions. SBI AMC also managed and advised Amundi funds and mandates worth around INR 25,749 crore as of March 31, 2026. The partnership supports product innovation, offshore distribution and access to global investment processes, while Amundi's Alto Invest platform is expected to improve portfolio management, data handling and operational scalability.

The IPO is entirely an Offer for Sale of up to 20.37 crore equity shares by State Bank of India and Amundi India Holding. SBI is offering up to 12.83 crore shares, while Amundi India Holding is offering up to 7.54 crore shares. Since there is no fresh issue, the company will not receive any proceeds from the IPO. Key strengths include its leading market position, strong SBI brand, diversified product portfolio, large retail customer base, recurring fee income, wide distribution reach and access to Amundi's global investment and technology capabilities.

Industry	AMC

Scrip Details	
Listing	BSE &NSE
Open Date	July 14, 2026
Close Date	July 16, 2026
Price Band	INR 545 – 574
Face Value	INR 1
Market Lot	26 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	11,692.91
Issue Size (Shares Cr)	20.37
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	203.68
Post Issue sh. (cr)	203.68
Post Issue Market Cap (cr)	1,16,912.3

Shareholding (%)	Pre(%)	Post (%)
Promoter	97.99	88.20
Public	2.01	11.80
TOTAL	**100.0**	**100.0**

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (INR)	BVPS (INR)	ROE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	2690.6	1983.3	2072.8	73.7	77.0	10.2	33.1	36.1	29.3	56.1	58.9
FY25	3597.8	2774.5	2540.2	77.1	70.6	12.5	40.7	33.8	34.5	45.9	42.0
FY26	4389.5	3471.8	3067.4	79.1	69.9	15.0	29.3	43.0	62.4	38.2	33.5

Source: Ventura Research & Company update

Issue Structure and Offer Details

SBI Funds Management Limited IPO is a book build issue of INR 11,692.91 Cr. The issue comprises a offer for sale of 20.37 Cr Shares aggregating to an offer for sale of INR 11,692.91 Cr.

Issue Structure

Investor Category	Allocation
QIB	**Not more than 50.00% of the Net Offer**
NII (HNI)	**Not less than 15.00% of the Net Offer**
Retail	**Not less than 35.00% of the Net Offer**

Number of shares based on a higher price band of INR 574

Source: Company Reports

Objects of the Issue:

The Company proposes utilizing the Net Proceeds from the Offer towards the following objects:

1. **Offer for Sale – INR 11,692.91 Cr**

Proceeds go to the existing investors.

Financial Summary

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Income Statement			
Revenue	2,690.6	3,597.8	4,389.5
YoY Growth (%)	*16.8*	*33.7*	*22.0*
Raw Material Cost	0.0	0.0	0.0
RM Cost to Sales (%)	*0.0*	*0.0*	*0.0*
Employee Cost	368.4	421.1	441.0
Employee Cost to Sales (%)	*13.7*	*11.7*	*10.0*
Other Expenses	338.9	402.1	476.7
Other Exp to Sales (%)	*12.6*	*11.2*	*10.9*
EBITDA	1,983.3	2,774.5	3,471.8
Margin (%)	*73.7*	*77.1*	*79.1*
YoY Growth (%)	*16.6*	*39.9*	*25.1*
Depreciation & Amortization	37.5	40.0	43.8
EBIT	1,945.8	2,734.5	3,428.0
Margin (%)	*72.3*	*76.0*	*78.1*
YoY Growth (%)	*16.7*	*40.5*	*25.4*
Other Income	735.5	638.4	586.6
Finance Cost	7.7	8.6	9.1
Fin Charges Coverage (X)	252.3	317.9	376.0
Exceptional Item	0.0	0.0	0.0
PBT	2,673.6	3,364.3	4,005.5
Margin (%)	*99.4*	*93.5*	*91.3*
YoY Growth (%)	*51.0*	*25.8*	*19.1*
Tax Expense	613.3	838.8	952.4
Tax Rate (%)	*22.9*	*24.9*	*23.8*
PAT	2,060.3	2,525.5	3,053.1
Margin (%)	*76.6*	*70.2*	*69.6*
YoY Growth (%)	*55.0*	*22.6*	*20.9*
Min Int/Sh of Assoc	12.5	14.6	14.3
Net Profit	2,072.8	2,540.2	3,067.4
Margin (%)	*77.0*	*70.6*	*69.9*
YoY Growth (%)	*54.7*	*22.5*	*20.8*
Balance Sheet			
Share Capital	50.6	50.8	203.7
Total Reserves	6,697.2	8,246.7	5,759.4
Shareholders Fund	6,747.7	8,297.5	5,963.1
Long Term Borrowings	0.0	0.0	0.0
Deferred Tax Assets / Liabilities	74.3	139.7	105.5
Other Financial Liabilities	112.0	127.9	136.8
Other Non Financial Liabilities	23.1	28.7	34.0
Long Term Provisions	130.2	157.7	157.1
Total Liabilities	7,087.3	8,751.5	6,396.5
Net Block	259.2	269.9	391.0
Capital Work in Progress	0.0	110.0	0.0
Other Financial Asset	8.0	9.1	19.5
Non Current Investments	6,645.4	8,111.5	5,704.4
Long Term Loans & Advances	0.2	0.3	0.2
Other Non Financial Asset	26.9	51.5	69.4
Net Current Assets	147.5	199.3	212.0
Total Assets	7,087.3	8,751.5	6,396.5

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Per share data & Yields			
Adjusted EPS (INR)	10.2	12.5	15.0
Adjusted Cash EPS (INR)	10.4	12.7	15.3
Adjusted BVPS (INR)	33.1	40.7	29.3
Adjusted CFO per share (INR)	7.1	9.8	12.2
CFO Yield (%)	1.2	1.7	2.1
Adjusted FCF per share (INR)	7.0	9.2	13.8
FCF Yield (%)	1.2	1.6	2.4
Solvency Ratio (X)			
Total Debt to Equity	0.0	0.0	0.0
Net Debt to Equity	(0.0)	(0.0)	(0.1)
Net Debt to EBITDA	(0.1)	(0.1)	(0.1)
Return Ratios (%)			
Return on Equity	36.1	33.8	43.0
Return on Capital Employed	22.2	24.7	43.0
Return on Invested Capital	29.3	34.5	62.4
Working Capital Ratios			
Payable Days (Nos)	3	2	2
Inventory Days (Nos)	0	0	0
Receivable Days (Nos)	15	12	7
Net Working Capital Days (Nos)	12	10	5
Net Working Capital to Sales (%)	3.3	2.9	1.5
Valuation (X)			
P/E	56.1	45.9	38.2
P/BV	17.3	14.1	19.6
EV/EBITDA	58.9	42.0	33.5
EV/Sales	43.4	32.4	26.5
Cash Flow Statement			
PBT	2,673.6	3,364.3	4,005.5
Adjustments	(658.6)	(556.5)	(505.5)
Change in Working Capital	(48.2)	(41.6)	12.8
Less: Tax Paid	(528.6)	(773.8)	(1,025.2)
Cash Flow from Operations	1,438.2	1,992.4	2,487.6
Net Capital Expenditure	(10.9)	(119.7)	(28.0)
Change in Investments	(1,414.8)	(961.8)	2,824.9
Cash Flow from Investing	(1,304.9)	(937.6)	2,974.5
Change in Borrowings	(22.3)	(9.8)	3.2
Less: Finance Cost	(7.7)	(8.6)	(9.1)
Proceeds from Equity	100.8	92.6	63.3
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	(202.3)	(1,117.2)	5,515.1
Cash flow from Financing	(131.6)	(1,043.0)	(5,457.8)
Net Cash Flow	1.7	11.8	4.3
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	2.0	3.7	15.5
Closing Balance of Cash	3.7	15.5	19.7

Source: Company Reports

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