



A STOCK BROKING ARM OF HDFC BANK

**PREPARED BY:
ALTIUS INVESTECH**

ABOUT

Headquartered in Mumbai and having its branches in many of India's largest cities and towns, HDFC Securities was established in 2000. HDFC Bank which owns a 95.6% stake in HDFC Securities is its holding company.

Indocean Securities Holdings Limited, HDFC Bank and HDFC Limited initially collaborated on it as a joint venture. It offers a vast array of financial services and products related to debt, real estate, gold, and equity.



Introduction to



MILESTONES

HDFC Securities MF AUM has grown 17% vs Industry AUM growth of 7% due to increased focus on SIP book and new client participation.

7th

Largest IPO DIstributor (Maintained leadership with 21% market share)

6th

Largest SIP Distributor (SIP doubled from 3.4L to 6.8L)

3rd

Largest Life Insurance Mobilizer

BUSINESS SEGMENTS

The Company derives revenue primarily from the share broking business. Its other major revenue sources are interest income and services income.

Particulars	FY 24	FY 23
Brokerage and fee income	1597	1165
Interest Income	1030	648
Net gain on fair value changes	2500	47
Sales of services	489	11
Other income	15	18
Total Income	2660	1892

₹ in crores

FINANCIALS

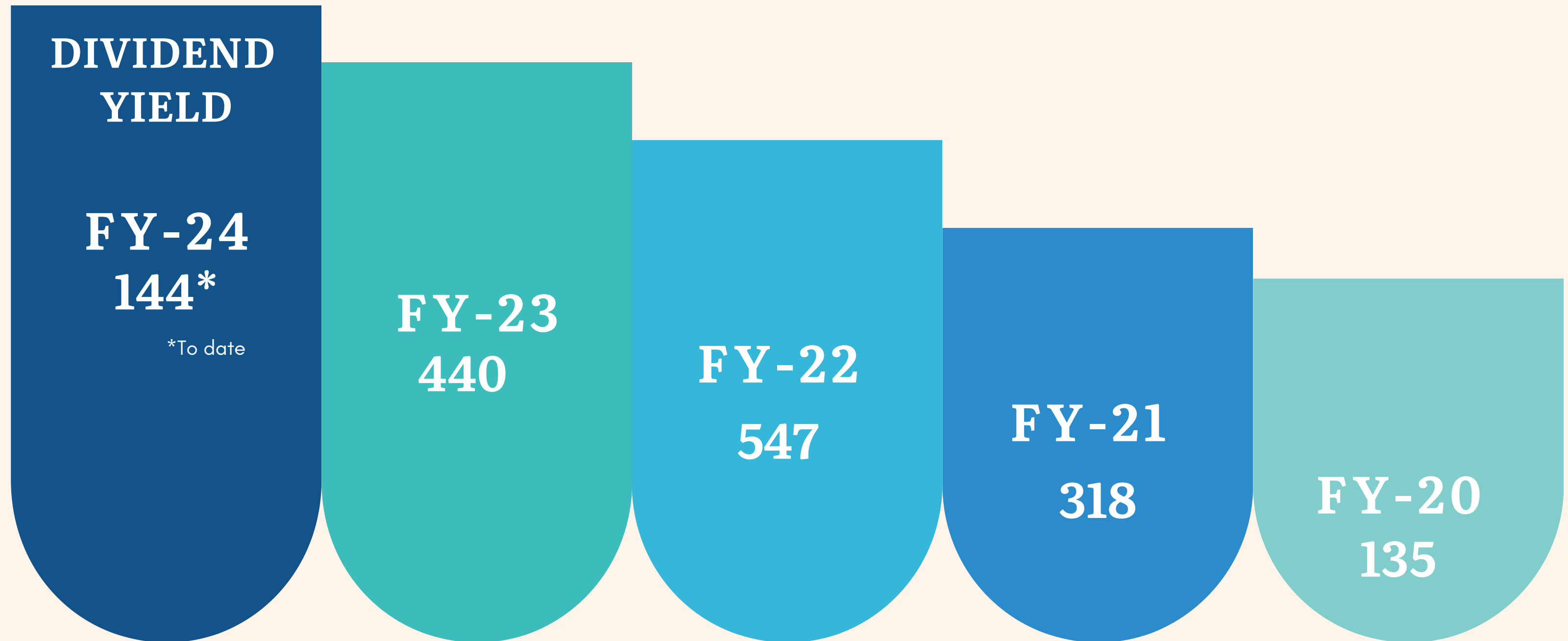
₹ in crores

Particulars	FY 24	FY 23
Net Income	2660	1874
PAT	951	777
Net worth	2029	1797
DPS	144	440

KEY METRICS

Particulars	FY 24	FY 23
Current Ratio	1.14	1.12
D/E	4.7	2.92
ROE	46%	43%
ROCE		19%
Operating Profit	73%	74%
Net Profit	36%	41%

DIVIDEND HISTORY



HDFC SECURITIES NEW PLATFORM

~ “HDFC SKY”

- A discount broking platform that allows trading and investing at a single price point of Rs 20 similar to other online platforms such as Groww, 5Paisa, and Zerodha
- HDFC Sky's USP is its margin trading facility which is available at a 12% interest rate whereas its competitors charge between 18 to 21%
- Its target market is Gen-Z, millennials, and new-age investors
- HDFC Sky is accessible to everyone, in contrast to HDFC Securities, which restricts demat account opening, trading, and investment to HDFC Bank customers only



ACTIVE CLIENT BASE

Active clients (in lakhs)	March-22	June-22	Sept-22	Dec-22
Zerodha	62.8	65.8	66.8	65.9
Groww	38.5	44.2	48.9	51.7
HDFC Securities	11.4	11.7	11.7	11.3
RKSV Securities	52.2	54.6	47.1	38.6
5 Paisa	17.5	16.5	14.3	10.8

It is evident that while the clientele of 5 paisa & RKSV Securities has **significantly decreased**, and that of HDFC Securities has remained nearly unchanged. Conversely, Groww's active clientele has **increased significantly**.

PEER COMPARISON

₹ in crores

~Financials as of 31st March,
2024

~Share Price as of 25th
November, 2024

PARTICULARS	HDFC SECURITIES	ICICI SECURITIES	ANGEL ONE
Total Income	2660	5050	4280
PAT	951	1697	1126
Market Price	11300	877	2928
Market Cap	17568	28536	26442
P/E	18.40	13.9	20
P/B	8.65	6.4	5.06
EPS	595	52	134
BVPS	1283	100	585

LETS DISCUSS VALUATIONS

~as of Nov 24

P/E	18.4
P/B	8.65
EPS	595
BVPS	1283
Market Price	11300
Market Cap	17568

At the moment, ICICI Securities is trading at a P/E of 13.9, Angel One is trading at a P/E of 20 and Hdfc Securities is valued at a P/E of 18.4

The valuations seem reasonable in comparison to its peers. From its peak of 18,500, HDFC Securities has demonstrated a healthy correction of almost 45%, and given the current values and business performance, it may be an intriguing opportunity.



THANK YOU!

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