

Opportune

Exclusively curated opportunities to re-enter fundamentally strong companies at attractive valuations!

BUY – HDFC Life Insurance (HDFCLife)

CMP: **Rs-575** (Upside Potential: 34.8%) as on 11th May 2022

Fair Value (FV): **Rs-775** | Time Period: **12 months**

Why Invest?

- HDFC Life remains the best in class on product leadership and delivery.
- Increasing focus on the protection business and short-duration non-par coupled with integration of Exide Life will drive near-term performance.
- Business franchise remains solid; however, overhang of stock sale, including likely capital issuance, will temper near-term performance.
- A reduction of HDFC group's stake in HDFC Life is not ruled out.
- We expect the company to deliver 18% VNB CAGR during FY2022-25E with 19-20% operating RoEV.
- We retain BUY with AV-based FV of Rs775, i.e. 3.6X EV FY2024E.

Maintain BUY with

FV Rs-775

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