

Opportune

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

BUY – SBI Cards and Payment Services Ltd. (SBICARD)

CMP: **Rs-883** (Upside Potential: 30.2%) as on 19th October 2022

Fair Value (FV): **Rs-1,150** | Time Period: **12 months**

Why Invest?

- We like the space as the opportunity size is a function of cash to digital and a play on economic growth.
- We have been quite surprised at the sharp volatility in the stock price, especially on the downside in recent months.
- Our investment thesis remains unchanged. We are in a period of high growth in the payment business and SBIC is a direct play available.
- SBIC has a strong presence in the card ecosystem and they would be able to leverage their SBI relationship to build superior risk-adjusted returns.
- At our fair value, we value the company at ~8X and ~30X June 2024E earnings for return on equity moving to 25%+ levels and strong earnings growth.

Maintain BUY with

FV Rs-1,150

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