Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

PB Fintech

Current Market Price	Potential Returns	Fair Value (FV)
Rs. 593	18.0%	Rs. 700

Date: 21st June, 2022

Previous Rating: NA **Current Rating:** ADD **Change:** Upgrade

Ratings Rationale

- PB Fintech's insurance business is well placed to deliver high multi - year growth (39% premium CAGR during FY22-26E).
- High multi-year growth, leading to consistent market share gains, will likely improve unit economics.
- Improving contribution margin and operating leverage will likely drive strong long-term earnings notwithstanding EBITDA loss in the near term on the back of investments in new initiatives.
- Dominant player in online insurance distribution; offline is the next bet.

Valuation

Discounted cash flow based Fair Value of Rs. 700.

Read Full Report

Note: The performance horizon is 12 months unless specified.