



Pick of the week

Max Financial Services (MAXF)

Recommendation: **BUY**

Date: **19th September 2022**

Current Price: ₹**823**

Time Period: **12 Months**

Potential Upside: **33.7%**

Target Price: ₹**1100**

Why Invest

- Max continues to make large investments in its proprietary channels.
- Max Life's product mix is already optimized.
- We hence continue to model 26-27% VNB (value of new business) margins over the medium term.
- Higher-than-expected growth for Axis Bank will provide upside to growth for the company.
- We believe that Max will continue to deliver moderate medium-term growth driven by its bancassurance partnerships; investments in its proprietary channels will likely yield good results in the medium term.
- We retain BUY with fair value of Rs. 1,100 (2.6X embedded value FY2024E).