

# Asset and Wealth Management



## 1QFY26 Preview: Strong markets to drive earnings growth

1QFY26 has been a strong quarter for equity markets with Nifty returning 8.5% and mid and small cap indices outperforming the Nifty. Resultantly, we expect the asset and wealth managers to report strong numbers. We expect AMCs under our coverage to report core revenues, operating PBT and PAT growth of 20%/23%/15% on YoY basis and 6%/5%/29% on QoQ basis. For wealth managers, we expect revenues/PAT growth of 20%/18% on YoY basis and 7%/7% on QoQ basis. Stocks have done well over the quarter with strong market sentiments, despite weakish net inflows and rangebound SIP inflows. With continued market share gains in equity segment, we continue to prefer Nippon Life AMC.

- **Asset Management Companies:** For 1QFY26, we expect all three AMCs – HDFC AMC, NAM, and UTI – to report strong QoQ growth in core revenue and earnings – 6.0%/8.0%/2.9% in revenue and 9.6%/30.1%/174% in PAT respectively. On a YoY basis, we expect PAT growth of +15.9%/+16.9%/+2.0% for HDFC AMC/NAM/UTI AMC. Post a sharp decline in broader indices during 4Q25 (-3.8%), overall Nifty 500 index has recovered strongly (+10.7%) led by surge in mid and small cap space in 1QFY26. Given continued prudence on costs in FY26, we expect profitability to fare well even if MTM gains plateau from hereon. We prefer Nippon Life AMC in this space given continued market share gain in equity segment.
- **Wealth Management Companies:** We expect wealth managers to post healthy growth even on a strong base as equity markets saw sharp rebound in 1QFY26 and on the back of organic and inorganic expansion (Capital markets and global and HNI segment for 360 ONE WAM; Asset services, Private Wealth and AMC businesses for Nuvama WM). We expect the companies to report stable earnings growth of 14.7%/3.2% QoQ and 17.7%/19.3% YoY for 360 ONE WAM/Nuvama WM in 1QFY26. For 360 ONE WAM, consolidation of around one month of earnings for B&K Securities will support P&L.
- **Valuations and view:** Strong 1Q implies higher AAUM (Average AUM) for asset and wealth managers, which would support earnings through the year. Hence, the stocks have given strong returns in 1Q buoyed by strong equity markets. However, another leg of rerating will come with a reset in inflows to that seen in second and third quarters of FY25. With continued market share gains in equity segment, we continue to prefer Nippon Life AMC at CMP.

### Nifty Mid and Smallcap constitute 33.3% of NSE500 M-cap; have outperformed in 1Q26

Indices	MTM in 4Q25	MTM in 1Q26	NSE500 share %	Change QoQ
Nifty 50	-0.2%	8.5%	48.6%	-1.1%
Nifty Next 50	-6.5%	9.4%	18.1%	-0.3%
Nifty Midcap 150	-6.1%	15.0%	21.7%	0.7%
Nifty Smallcap 250	-9.7%	17.8%	11.6%	0.7%
<b>NSE 500</b>	<b>-3.8%</b>	<b>10.7%</b>	<b>100.0%</b>	

Source: Company, JM Financial

**Raghvesh**  
raghvesh@jmfl.com | Tel: (91 22) 66303099

**Ajit Kumar**  
ajit.k@jmfl.com | Tel: (91 22) 66303489

**Shreyas Pimple**  
shreyas.pimple@jmfl.com | Tel: (91 22) 66301881

**Mayank Mistry**  
mayank.mistry@jmfl.com | Tel: (91 22) 62241877

**Gayathri Shivaram**  
gayathri.shivaram@jmfl.com | Tel: (91 22) 66301889

**Shubham Karvande**  
shubham.karvande@jmfl.com | Tel: (91 22) 66303696

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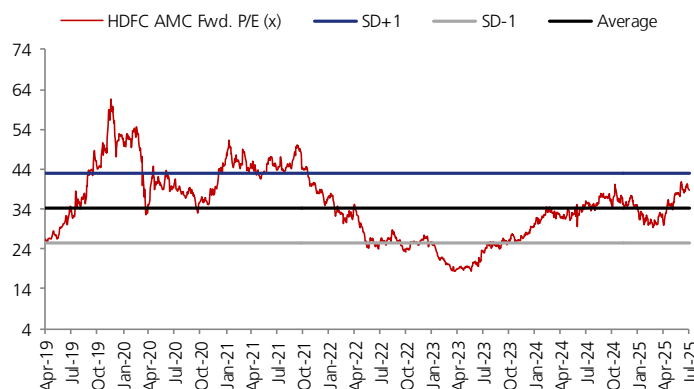
## Asset Management Companies

**Exhibit 1. Quarterly estimates for AMCs under coverage**

Company (INR mn)	HDFC AMC					Nippon Life AMC (consol)					UTI AMC (consol)				
	1Q25	4Q25	1Q26e	QoQ %	YoY %	1Q25	4Q25	1Q26e	QoQ %	YoY %	1Q25	4Q25	1Q26e	QoQ %	YoY %
Revenue from operations	7,752	9,012	9,553	6.0%	23.2%	5,050	5,665	6,119	8.0%	21.2%	3,368	3,602	3,705	2.9%	10.0%
Other Income	1,731	1,238	1,750	41.4%	1.1%	1,308	230	1,300	464.2%	-0.6%	1,970	60	1,940	3111.9%	-1.5%
Total expenses	1,959	1,897	2,211	16.6%	12.9%	1,970	2,118	2,376	12.2%	20.6%	1,924	2,122	2,082	-1.9%	8.2%
PBT	7,525	8,353	9,092	8.8%	20.8%	4,388	3,778	5,042	33.5%	14.9%	3,413	1,540	3,563	131.3%	4.4%
PAT	6,040	6,387	7,001	9.6%	15.9%	3,322	2,983	3,882	30.1%	16.9%	2,743	1,020	2,797	174.2%	2.0%
Operating PBT*	5,794	7,116	7,342	3.2%	26.7%	3,080	3,548	3,742	5.5%	21.5%	1,444	1,480	1,623	9.7%	12.4%
QAAUM (INR bn)	6,716	7,740	8,286	7.1%	23.4%	4,838	5,572	6,127	10.0%	26.7%	3,107	3,397	3,609	6.2%	16.1%

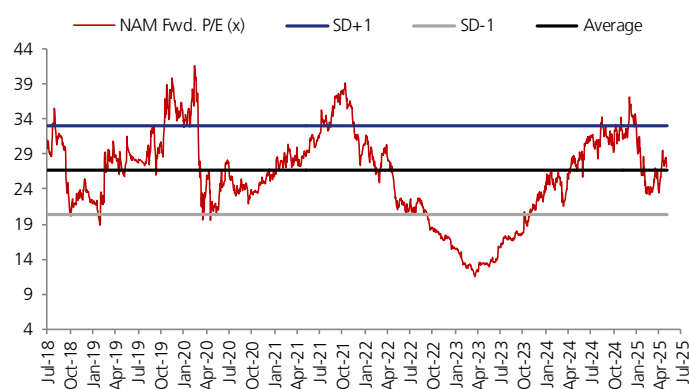
Source: Company, JM Financial, \*Operating PBT is calculated by subtracting other income from PBT

**Exhibit 2. HDFC AMC – 1 year forward P/E chart**



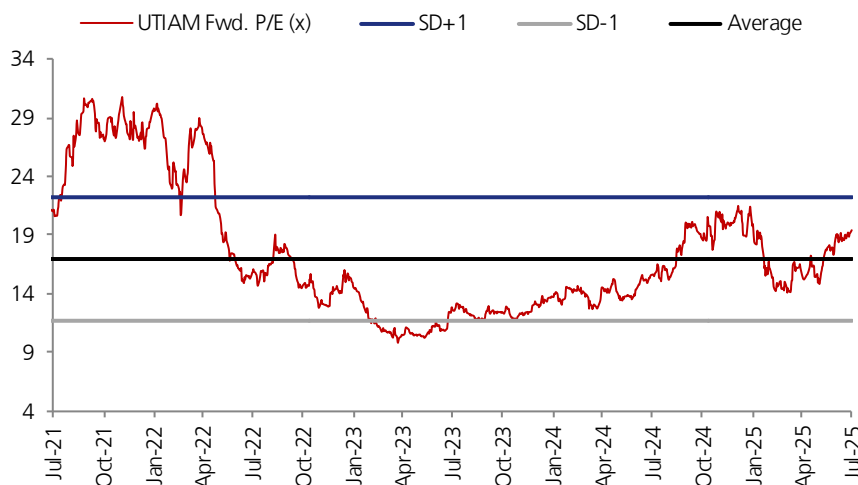
Source: Company, JM Financial

**Exhibit 3. NAM – 1 year forward P/E chart**



Source: Company, JM Financial

**Exhibit 4. UTI AMC – 1 year forward P/E chart**



Source: Company, JM Financial

## Wealth Management Companies

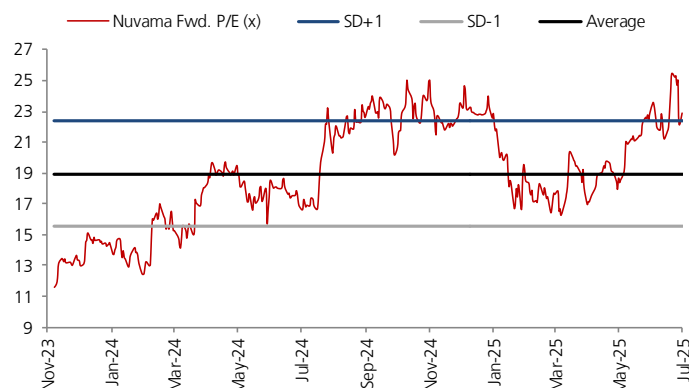
**Exhibit 5. Quarterly estimates for wealth managers under coverage**

Company INR mn	Nuvama WM					360 ONE WAM				
	1Q25	4Q25	1Q26e	QoQ %	YoY %	1Q25	4Q25	1Q26e	QoQ %	YoY %
Revenue from operations	5,938	7,066	7,203	1.9%	21.3%	6,010	6,520	7,161	9.8%	19.2%
Other Income	738	646	804	24.5%	9.0%	970	70	100	42.9%	-89.7%
Total Revenue	6,675	7,712	8,007	3.8%	20.0%	6,980	6,590	7,261	10.2%	4.0%
Total expenses	3,741	4,349	4,519	3.9%	20.8%	2,650	3,340	3,540	6.0%	33.6%
PBT	2,934	3,363	3,488	3.7%	18.9%	4,330	3,250	3,721	14.5%	-14.1%
PAT	2,208	2,553	2,634	3.2%	19.3%	2,434	2,498	2,865	14.7%	17.7%

Source: Company, JM Financial

**Exhibit 6. 360 ONE WAM – 1 year forward P/E chart**


Source: Company, JM Financial

**Exhibit 7. Nuvama WM – 1 year forward P/E chart**


Source: Company, JM Financial

**Exhibit 8. Asset and Wealth Managers – JMFL Valuation and Estimates**

Company	M. Cap USD bn	Reco	EPS			P/E			P/B			PAT/ Avg AUM			Price / AUM		
			FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E
HDFC AMC	12.5	HOLD	115.1	124.2	142.0	43.4	40.2	35.2	13.1	12.0	10.9	0.33%	0.33%	0.32%	14.2%	12.4%	10.4%
NAM (c)	5.8	BUY	20.3	22.3	28.5	38.5	35.0	27.4	11.7	11.0	9.6	0.24%	0.23%	0.24%	8.9%	7.4%	6.1%
UTI AMC (c)	2.0	HOLD	63.9	65.3	72.7	20.5	20.0	18.0	3.6	3.5	3.3	0.24%	0.23%	0.22%	4.9%	4.4%	3.8%
360 ONE WAM	5.9	BUY	25.8	33.2	39.0	48.5	37.7	32.1	7.0	6.3	5.8	0.19%	0.21%	0.22%	8.7%	7.2%	6.0%
Nuvama WM	3.2	BUY	273.9	309.3	375.5	27.4	24.2	20.0	3.6	3.5	3.3	0.25%	0.23%	0.23%	6.3%	5.2%	4.3%

Source: Company, JM Financial, (c) stands for consolidated numbers

## APPENDIX I

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SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: [jmfinancial.research@jmfl.com](mailto:jmfinancial.research@jmfl.com) | [www.jmfl.com](http://www.jmfl.com)Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: [sahil.salastekar@jmfl.com](mailto:sahil.salastekar@jmfl.com)Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: [instcompliance@jmfl.com](mailto:instcompliance@jmfl.com)

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