

NAM delivered a healthy performance during Q4FY26, with MF QAAUM at Rs7.25trn (+3% QoQ) while its market share was up by 24bps on sequential basis. Revenue yield at 41.3bps increased by 1bp sequentially, led by a change in asset mix toward commodity ETFs. Resultantly, revenue at Rs7.39bn increased 5% QoQ, while EBITDA margin at 68.6% expanded by 200bps QoQ. The management plans to mitigate the 3-4bps impact on account of the new TER regulation by passing it to distributors. The management intends to maintain focus on growing absolute profitability in line with or higher than that of industry players rather than monitoring yields on basis points. To bake in the Q4 developments, we tweak our estimates which results in ~1-2% increase in PAT over FY27-28E. We maintain BUY and Mar-27E TP of Rs1,150 implying FY28E P/E of ~35x.

Asset mix change drives yields higher

NAM clocked ~3% QoQ growth in MF QAAUM to Rs7.25trn despite market volatilities. The growth in AUM was primarily driven by ~16% QoQ growth in ETFs while Equity AUM was largely flat sequentially. MF QAAUM market-share inched up, to 8.89% (up by 24bps QoQ), while ETF AUM market-share at 21.4% increased by 109bps sequentially. Led by a change in asset mix toward relatively high-yielding commodity ETFs, revenue yield increased by 1bp sequentially to 41.3bps in Q4. Consequently, revenue at Rs7.39bn increased ~5% QoQ and was higher than our estimate of Rs7.06bn. EBITDA margin at 68.6% expanded by 200bps sequentially, higher than our estimate of 66.7% led by sequential decline in employee costs and lower other expenses. PAT at Rs3.85bn declined 5% QoQ on account of lower other income, but was higher than our estimate of Rs3.3bn owing to lower tax rate.

NAM remains fastest-growing AMC; focus retained on absolute profitability

NAM has consistently been the fastest-growing AMC among the top-10 and saw the highest market-share accretion in the industry in FY26, at 8.89% (highest since Jun-19). Further, NAM's Equity Net Flows market-share and SIP market-share remained higher than its Equity AUM market-share, which will drive further growth in AUM. The mgmt stated that the regulatory change with respect to TERs would result in a 3-4bps impact, which would be mitigated by passing it on to distributors. The company is strategically focusing on building the SIP book in hybrid, commodities, flexi-cap, and sector funds. The management continues to focus on driving absolute profit growth in line or higher than that of industry players rather than solely monitoring yields on basis points.

We maintain BUY and Mar-27E TP of Rs1,150

To reflect the Q4 developments, we tweak our estimates; this results in a ~1-2% increase in PAT over FY27-28E owing to marginally higher investment income. While NAM remains the fastest growing AMC among the top-10, its strong retail franchise, consistent investment performance, and ETF dominance position it well to drive profitable growth. We maintain BUY with unchanged Mar-27E TP of Rs1,150 implying FY28E P/E of 35x.

Nippon Life India Asset Management: Financial Snapshot (Consolidated)

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---------------------|--------|--------|--------|--------|--------|
| Revenue | 22,307 | 27,087 | 31,847 | 36,489 | 41,741 |
| EBITDA | 14,416 | 17,949 | 21,290 | 24,457 | 28,069 |
| Adj. PAT | 12,864 | 15,294 | 18,416 | 20,907 | 23,754 |
| Adj. EPS (Rs) | 20.0 | 23.6 | 28.5 | 32.3 | 36.7 |
| Core PAT | 10,663 | 13,555 | 15,692 | 18,051 | 20,631 |
| EBITDA margin (%) | 64.6 | 66.3 | 66.9 | 67.0 | 67.2 |
| EBITDA growth (%) | 45.1 | 24.5 | 18.6 | 14.9 | 14.8 |
| Adj. EPS growth (%) | 14.3 | 18.0 | 20.4 | 13.5 | 13.6 |
| RoE (%) | 31.4 | 34.5 | 38.4 | 41.1 | 43.8 |
| P/E (x) | 48.9 | 41.4 | 34.5 | 30.4 | 26.7 |
| EV/EBITDA (x) | 41.1 | 33.0 | 27.7 | 24.0 | 20.7 |
| P/B (x) | 15.2 | 13.8 | 13.0 | 12.3 | 11.5 |
| FCFF yield (%) | 1.1 | 2.3 | 2.7 | 3.0 | 3.5 |

Source: Company, Emkay Research

| | |
|-----------------------|--------|
| Target Price – 12M | Mar-27 |
| Change in TP (%) | - |
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Upside/(Downside) (%) | 15.6 |

| Stock Data | NAM IN |
|-------------------------|------------|
| 52-week High (Rs) | 1,064 |
| 52-week Low (Rs) | 613 |
| Shares outstanding (mn) | 638.1 |
| Market-cap (Rs bn) | 635 |
| Market-cap (USD mn) | 6,740 |
| Net-debt, FY27E (Rs mn) | (44,406.9) |
| ADTV-3M (mn shares) | 1.0 |
| ADTV-3M (Rs mn) | 1,005.2 |
| ADTV-3M (USD mn) | 10.7 |
| Free float (%) | 24.8 |
| Nifty-50 | 24,092.7 |
| INR/USD | 94.2 |

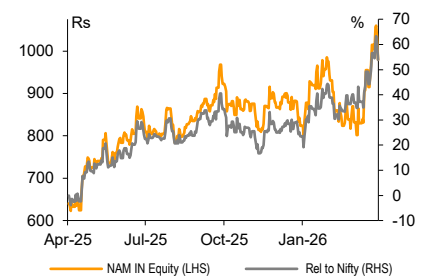
Shareholding, Mar-26

| | |
|---------------|----------|
| Promoters (%) | 71.9 |
| FPIs/MFs (%) | 7.3/14.8 |

Price Performance

| (%) | 1M | 3M | 12M |
|---------------|------|------|------|
| Absolute | 19.6 | 24.5 | 55.4 |
| Rel. to Nifty | 13.3 | 30.1 | 55.1 |

1-Year share price trend (Rs)



Avinash Singh

avinash.singh@emkayglobal.com
+91-22-66121327

Mahek Shah

mahek.shah@emkayglobal.com
+91-22-66121218

Exhibit 1: NAM – Q4FY26 Financial Summary

| (Rs mn) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY | QoQ | Q4FY26E | Var |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|------------------|------------------|----------------|------------------|
| Revenue from Operations | 5,665 | 6,066 | 6,581 | 7,053 | 7,387 | 30% | 5% | 7,059 | 5% |
| Other Income | 230 | 1,460 | 366 | 753 | -335 | -246% | -145% | -250 | 34% |
| Total revenue | 5,896 | 7,526 | 6,947 | 7,806 | 7,052 | 20% | -10% | 6,809 | 4% |
| Employee Benefits Expense | 1,105 | 1,226 | 1,233 | 1,335 | 1,259 | 14% | -6% | 1,271 | -1% |
| Depreciation Expense | 86 | 84 | 88 | 109 | 122 | 42% | 12% | 72 | 69% |
| Fee & Commission expense | 159 | 186 | 198 | 196 | 203 | 28% | 4% | 212 | -4% |
| Other Expenses | 750 | 772 | 855 | 821 | 854 | 14% | 4% | 870 | -2% |
| Finance Costs | 18 | 18 | 18 | 18 | 16 | -9% | -8% | 18 | -7% |
| EBITDA | 3,652 | 3,881 | 4,295 | 4,701 | 5,071 | 39% | 8% | 4,707 | 8% |
| EBITDA Margin | 64.5% | 64.0% | 65.3% | 66.7% | 68.6% | 4.2ppt | 2.0ppt | 66.7% | 2.0ppt |
| Total expense | 2,118 | 2,287 | 2,392 | 2,478 | 2,454 | 16% | -1% | 2,442 | 0% |
| PBT | 3,778 | 5,239 | 4,555 | 5,328 | 4,598 | 22% | -14% | 4,367 | 5% |
| PAT | 2,983 | 3,957 | 3,443 | 4,037 | 3,845 | 29% | -5% | 3,296 | 17% |
| Tax Rate | 21.0% | 24.5% | 24.4% | 24.2% | 16.4% | -4.7ppt | -7.8ppt | 24.5% | -8.1ppt |
| Core PAT | 2,801 | 2,854 | 3,166 | 3,467 | 4,125 | 47% | 19% | 3,485 | 18% |
| AUM (Rs bn) | 5,572 | 6,127 | 6,565 | 7,010 | 7,249 | 30% | 3% | 7,249 | 0.0% |
| Key ratios (As bps of AUM) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY (bps) | QoQ (bps) | Q4FY26E | Var (bps) |
| Revenue Yield (bps) | 41.2 | 39.3 | 39.8 | 40.4 | 41.3 | 0.1 | 1.0 | 39.5 | 1.8 |
| Opex | 14.7 | 14.1 | 13.8 | 13.5 | 13.0 | -1.7 | -0.5 | 13.2 | -0.2 |
| Operating profit | 26.6 | 25.1 | 26.0 | 26.9 | 28.4 | 1.8 | 1.5 | 26.3 | 2.0 |
| PAT | 21.7 | 25.6 | 20.8 | 23.1 | 21.5 | -0.2 | -1.6 | 18.4 | 3.1 |
| AUM Mix (%) | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | YoY (ppt) | QoQ (ppt) | | |
| Equity | 49.8 | 49.2 | 50.0 | 49.3 | 47.8 | -2.1 | -1.6 | | |
| Debt | 15.0 | 14.7 | 15.5 | 15.3 | 13.4 | -1.6 | -1.9 | | |
| Liquid | 7.6 | 7.7 | 6.6 | 5.5 | 5.5 | -2.1 | -0.0 | | |
| Other | 27.6 | 28.4 | 27.9 | 29.9 | 33.4 | 5.8 | 3.5 | | |

Source: Company, Emkay Research

Exhibit 2: DCF-based valuation for NAM

| | |
|-------------------------------------|---------|
| Cost of Equity | 12.0% |
| Terminal Growth | 5.0% |
| Sum of Discounted Cashflows (Rs mn) | 401,786 |
| Terminal Value (Rs mn) | 344,429 |
| Fair Value (Rs mn) | 746,215 |
| Number of Shares (mn) | 638.12 |
| Mar-27E fair value (Rs) | 1,169 |
| Mar-27E target price (Rs) | 1150 |
| CMP (Rs) | 990 |
| Upside | 16% |

Source: Company, Emkay Research

Exhibit 3: Implied valuation multiples for NAM

| | |
|-----------------------------------|----------------|
| Valuation at target price | Rs1,150 |
| FY28E P/E (x) | 35.1 |
| FY28E P/B (x) | 14.0 |
| FY28E P/AUM | 8% |
| Valuation at current price | Rs990 |
| FY28E P/E (x) | 30.2 |
| FY28E P/B (x) | 12.0 |
| FY28E P/AUM | 6% |

Source: Company, Emkay Research

Exhibit 4: Changes in estimates

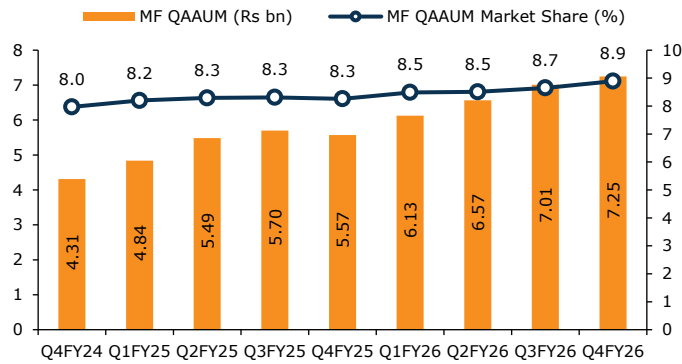
| Rs mn | FY27E | | | FY28E | | | FY29E | | |
|---------------|--------|---------|----------|--------|---------|---------|-------|---------|--------|
| | Old | Revised | Change | Old | Revised | Change | Old | Revised | Change |
| Op Revenue | 31,888 | 31,847 | 0% | 36,641 | 36,489 | 0% | NA | 41,741 | NM |
| EBITDA | 21,219 | 21,290 | 0% | 24,535 | 24,457 | 0% | NA | 28,069 | NM |
| EBITDA Margin | 66.5% | 66.9% | 0.0 ppt | 67.0% | 67.0% | 0.0 ppt | NA | 67.2% | NM |
| PAT | 18,034 | 18,416 | 2% | 20,790 | 20,907 | 1% | NA | 23,754 | NM |
| RoE | 39.0% | 38.4% | -0.6 ppt | 41.0% | 41.1% | 0.1 ppt | NA | 43.8% | NM |

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)

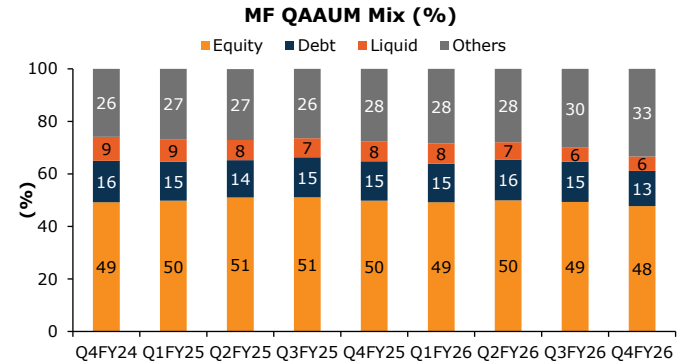
Story in charts

Exhibit 5: NAM has witnessed consistent market-share gains



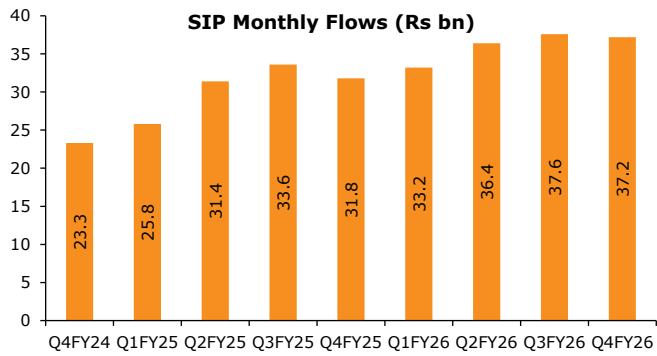
Source: Company, Emkay Research

Exhibit 6: Share of ETFs increases to 33% in Q4FY26



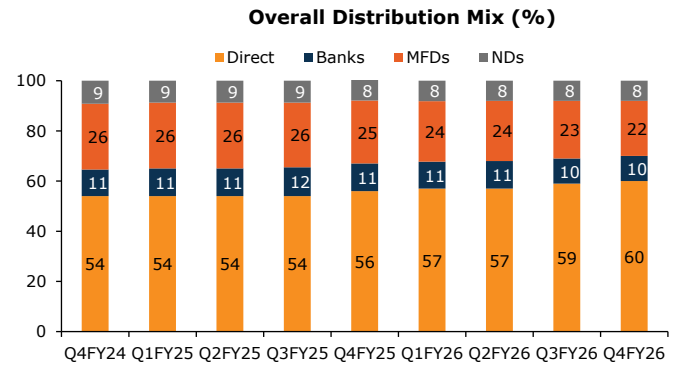
Source: Company, Emkay Research

Exhibit 7: SIP flows have been largely stable in Mar-26 vs Dec-25



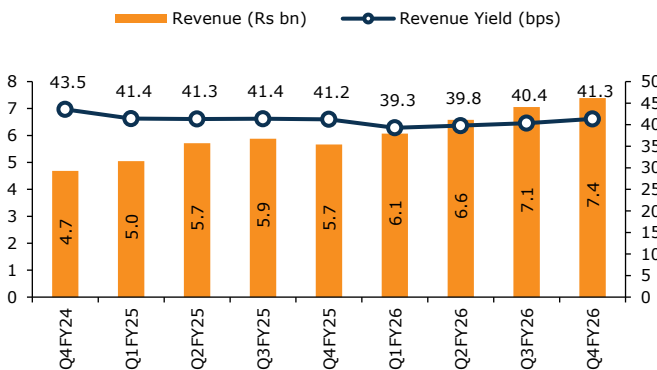
Source: Company, Emkay Research

Exhibit 8: Share of Direct channel increases to 60% in Q4FY26, led by growth in ETFs



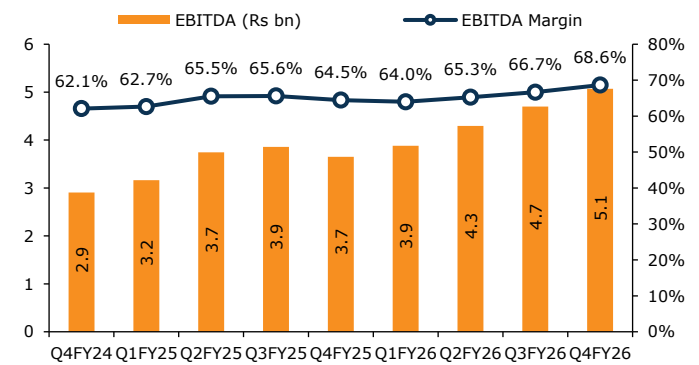
Source: Company, Emkay Research

Exhibit 9: Revenue yield increases sequentially



Source: Company, Emkay Research

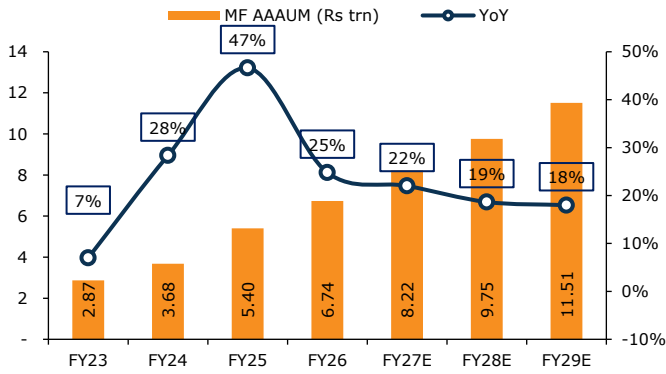
Exhibit 10: EBITDA margin increases to 68.6% in Q4FY26



Source: Company, Emkay Research

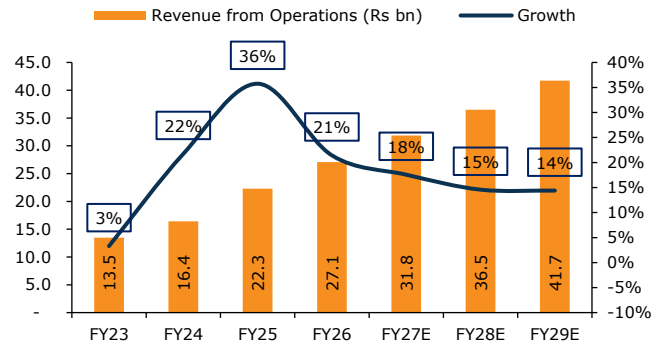
This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 11: We expect ~20% AUM CAGR over FY26-29E



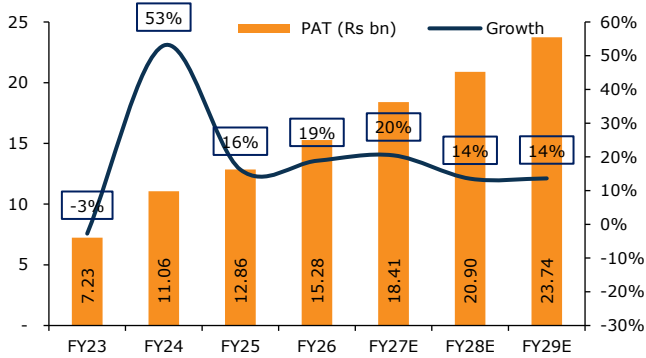
Source: Company, Emkay Research

Exhibit 12: We expect revenue to grow at 18% in FY27E



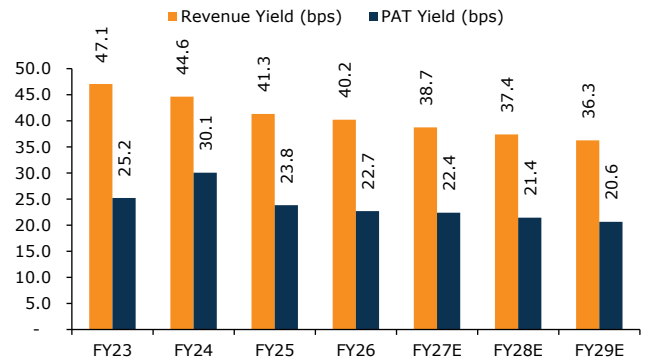
Source: Company, Emkay Research

Exhibit 13: We expect ~20% PAT growth in FY27E led by higher other income



Source: Company, Emkay Research

Exhibit 14: Yields to witness a decline going forward



Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Earnings Conference Call Highlights

- Nippon Asset Management (NAM) clocked the highest market share accretion in the industry in FY26, with its market share at 8.89%, the highest since Jun-19.
- NAM was the fastest-growing AMC among the top-10, and has consistently maintained its position for the last few quarters.
- The company's Equity Net Sales market share and SIP Flows market share are higher than its Equity AUM market share in the high single digit. Further, the management mentioned that excluding NFOs, the company's Equity Net Sales market share was in double digits.
- Completed two Debt Index Fund NFOs during the quarter, raising Rs8.6bn cumulatively (Nippon India CRISIL-IBX Financial Services: 3–6 month; and 9–12 month Debt Index Funds).
- Strategic focus is on growing absolute profit in absolute terms (not just bps-on-AUM metrics), with profit growth at or above that of industry peers.
- Yields saw an improvement on account of a change in asset mix toward higher yield commodity ETFs. The yield on Equity Assets stood at 53bps (ex-Arbitrage: 55bps) while debt segment yields stood at ~25bps. Liquid Asset yields were in the 11-12bps range while ETFs saw higher yields at 25bps.
- Full year ESOP cost for FY26 was ~Rs430mn. The management mentioned that the new ESOP scheme is expected to result in a P&L impact of Rs350mn in FY27 while the total ESOP cost charged to the P&L over 4 years would be in the ~Rs700-750mn range – front loaded in the first year.
- The management mentioned that SIP flows have broadly plateaued at Rs36–37bn per month — consistent with industry-level flattening. November through February were softer months; however, March saw improvement and similar trends have continued in April too.
- The management is focusing on building the SIP book across Hybrid and Commodity ETFs, Flexi Cap, and Sector funds categories.
- Impact of the TER regulatory change is estimated at 3–4bps. The management intends to pass through the full impact to distributors, making it a pass-through with no P&L hit.
- Lower effective tax rate in Q4 was driven by: i) release of tax provisions following completed assessments, and ii) mark-to-market related adjustments resulting in lower taxable income.
- As AUM scales up, operating leverage is expected to reduce the cost-to-income over the medium term.
- Fintech platforms are driving a meaningful SIP growth industrywide. Average ticket size (ATS) on fintech channels is ~60–70% of traditional distributor-led SIPs, but the gap is narrowing quickly.
- Fintech SIP cycles are shorter — investors tend to pause and restart rather than exit entirely, which inflates SIP discontinuation counts but does not result in AUM exits.
- Distributor-led SIPs are showing better retention under volatile conditions. A shift toward hybrid and large-cap oriented funds is expected to further improve retention over time.
- The management focuses on maintaining low tracking error and high liquidity as structural advantages. Growing SIP flows into the commodity category is expected to provide long-term stability.
- SIF products have not yet been formally launched. Backend work — including strategy back-testing — is underway under industry veteran Andrew Holland's leadership.

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 15: NAM – Financial Summary

| Income Statement (Y/E Mar, Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|--|---------------|---------------|---------------|---------------|---------------|
| Revenue from operations | 22,307 | 27,087 | 31,847 | 36,489 | 41,741 |
| Other income | 2,900 | 2,243 | 3,608 | 3,783 | 4,161 |
| Total revenue | 25,207 | 29,331 | 35,455 | 40,273 | 45,902 |
| Employee expenses | 4,290 | 5,053 | 5,860 | 6,710 | 7,623 |
| Depreciation and amortization | 306 | 403 | 446 | 490 | 536 |
| Other expenses | 2,883 | 3,302 | 3,788 | 4,319 | 4,902 |
| Total operating expenses | 7,891 | 9,138 | 10,556 | 12,032 | 13,672 |
| EBITDA | 14,416 | 17,949 | 21,290 | 24,457 | 28,069 |
| Total opex | 8,264 | 9,611 | 11,068 | 12,586 | 14,269 |
| Exceptional items | | | | | |
| PBT | 16,943 | 19,720 | 24,386 | 27,687 | 31,633 |
| Tax expense | 4,086 | 4,438 | 5,980 | 6,789 | 7,888 |
| PAT | 12,857 | 15,281 | 18,406 | 20,897 | 23,744 |
| PAT (adj) | 12,864 | 15,294 | 18,416 | 20,907 | 23,754 |
| Core PAT | 10,663 | 13,555 | 15,692 | 18,051 | 20,631 |
| Balance sheet (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
| Share capital | 6,347 | 6,381 | 6,381 | 6,381 | 6,381 |
| Reserves and surplus | 35,782 | 40,210 | 42,992 | 46,031 | 49,684 |
| Shareholders' equity | 42,129 | 46,591 | 49,373 | 52,413 | 56,066 |
| Payables | 589 | 956 | 1,309 | 1,500 | 1,715 |
| Other liabilities | 3,983 | 4,375 | 5,104 | 5,875 | 6,746 |
| Total equity and liabilities | 46,701 | 51,923 | 55,786 | 59,787 | 64,527 |
| Cash and bank balances | 266 | 166 | 234 | 172 | 320 |
| Cash and bank balances | 2,611 | 2,855 | 2,998 | 3,133 | 3,290 |
| Investments | 33,238 | 37,671 | 41,174 | 44,921 | 49,009 |
| Receivables | 707 | 793 | 873 | 900 | 1,029 |
| Fixed assets | 8,717 | 9,185 | 9,206 | 9,358 | 9,553 |
| Other assets | 1,163 | 1,253 | 1,301 | 1,304 | 1,327 |
| Total Assets | 46,701 | 51,923 | 55,786 | 59,787 | 64,527 |

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 16: AUM, key ratios, and DuPont analysis

| Assets Under Management (Rs bn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|--------------------------------------|--------------|--------------|--------------|--------------|---------------|
| AAAUM | 5,399 | 6,738 | 8,221 | 9,755 | 11,510 |
| Equity | 2,724 | 3,303 | 3,999 | 4,804 | 5,731 |
| Debt | 801 | 991 | 1,140 | 1,297 | 1,458 |
| Liquid | 418 | 423 | 444 | 468 | 492 |
| Other | 1,455 | 2,021 | 2,638 | 3,186 | 3,828 |
| AAAUM YoY (%) | 46.6 | 24.8 | 22.0 | 18.7 | 18.0 |
| Equity | 55.8 | 21.2 | 21.1 | 20.1 | 19.3 |
| Debt | 20.0 | 23.7 | 15.1 | 13.7 | 12.4 |
| Liquid | 13.4 | 1.1 | 4.9 | 5.4 | 5.3 |
| Other | 62.2 | 38.8 | 30.5 | 20.8 | 20.2 |
| AAAUM Mix (%) | | | | | |
| Equity | 50 | 49.0 | 48.6 | 49.2 | 49.8 |
| Debt | 15 | 14.7 | 13.9 | 13.3 | 12.7 |
| Liquid | 8 | 6.3 | 5.4 | 4.8 | 4.3 |
| Other | 27 | 30.0 | 32.1 | 32.7 | 33.3 |
| DuPont analysis (bps of AAUM) | FY25 | FY26 | FY27E | FY28E | FY29E |
| Revenue from operations | 41.3 | 40.2 | 38.7 | 37.4 | 36.3 |
| Other income | 5.4 | 3.3 | 4.4 | 3.9 | 3.6 |
| Total revenue | 46.7 | 43.5 | 43.1 | 41.3 | 39.9 |
| Employee expenses | 7.9 | 7.5 | 7.1 | 6.9 | 6.6 |
| Depreciation and amortization | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 |
| Other expenses | 5.3 | 4.9 | 4.6 | 4.4 | 4.3 |
| Total opex | 15.3 | 14.3 | 13.5 | 12.9 | 12.4 |
| Exceptional items | - | - | - | - | - |
| PBT | 31.4 | 29.3 | 29.7 | 28.4 | 27.5 |
| Tax expense | 7.6 | 6.6 | 7.3 | 7.0 | 6.9 |
| PAT | 23.8 | 22.7 | 22.4 | 21.4 | 20.6 |
| PAT (adj) | 23.8 | 22.7 | 22.4 | 21.4 | 20.6 |
| YoY growth (%) | FY25 | FY26 | FY27E | FY28E | FY29E |
| AAAUM | 46.6 | 24.8 | 22.0 | 18.7 | 18.0 |
| Revenue | 23.7 | 16.4 | 20.9 | 13.6 | 14.0 |
| Expenses | 20.7 | 16.3 | 15.2 | 13.7 | 13.4 |
| PAT (adj) | 16.2 | 18.9 | 20.4 | 13.5 | 13.6 |
| EPS (adj) | 14.9 | 18.2 | 20.0 | 13.5 | 13.6 |
| BVPS | 5.0 | 10.0 | 6.0 | 6.2 | 7.0 |
| Key ratios (%) | FY25 | FY26 | FY27E | FY28E | FY29E |
| Total revenue/AAAUM (bps) | 47 | 44 | 43 | 41 | 40 |
| Cost-to-income ratio | 35.4 | 33.7 | 33.1 | 33.0 | 32.8 |
| Tax rate | 24.1 | 22.5 | 24.5 | 24.5 | 24.9 |
| Adj PAT/AAAUM (bps) | 24 | 23 | 22 | 21 | 21 |
| RoE (adj) | 31.4 | 34.5 | 38.4 | 41.1 | 43.8 |
| Dividend payout ratio | 88.8 | 89.7 | 90.1 | 90.0 | 91.3 |
| Per share data (Rs) | FY25 | FY26 | FY27E | FY28E | FY29E |
| EPS | 20.34 | 24.05 | 28.86 | 32.76 | 37.22 |
| EPS (adj) | 20.34 | 24.05 | 28.86 | 32.76 | 37.22 |
| BVPS | 66.4 | 73.0 | 77.4 | 82.1 | 87.9 |
| DPS | 18.0 | 21.5 | 26.0 | 29.5 | 34.0 |

Source: Company, Emkay Research

Nippon Life India Asset Management: Consolidated Financials and Valuations

Profit & Loss

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 22,307 | 27,087 | 31,847 | 36,489 | 41,741 |
| Revenue growth (%) | 35.8 | 21.4 | 17.6 | 14.6 | 14.4 |
| EBITDA | 14,416 | 17,949 | 21,290 | 24,457 | 28,069 |
| EBITDA growth (%) | 45.1 | 24.5 | 18.6 | 14.9 | 14.8 |
| Depreciation & Amortization | 306 | 403 | 446 | 490 | 536 |
| EBIT | 14,110 | 17,546 | 20,844 | 23,967 | 27,533 |
| EBIT growth (%) | 46.3 | 24.4 | 18.8 | 15.0 | 14.9 |
| Other operating income | - | - | - | - | - |
| Other income | 2,900 | 2,243 | 3,608 | 3,783 | 4,161 |
| Financial expense | 67 | 70 | 66 | 64 | 61 |
| PBT | 16,943 | 19,720 | 24,386 | 27,687 | 31,633 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Taxes | 4,086 | 4,438 | 5,980 | 6,789 | 7,888 |
| Minority interest | - | - | - | - | - |
| Income from JV/Associates | 7 | 13 | 10 | 10 | 10 |
| Reported PAT | 12,864 | 15,294 | 18,416 | 20,907 | 23,754 |
| PAT growth (%) | 16.2 | 18.9 | 20.4 | 13.5 | 13.6 |
| Adjusted PAT | 12,864 | 15,294 | 18,416 | 20,907 | 23,754 |
| Diluted EPS (Rs) | 20.0 | 23.6 | 28.5 | 32.3 | 36.7 |
| Diluted EPS growth (%) | 14.3 | 18.0 | 20.4 | 13.5 | 13.6 |
| DPS (Rs) | 17.8 | 21.2 | 25.6 | 29.1 | 33.5 |
| Dividend payout (%) | 87.5 | 88.1 | 88.8 | 88.8 | 90.1 |
| EBITDA margin (%) | 64.6 | 66.3 | 66.9 | 67.0 | 67.2 |
| EBIT margin (%) | 63.3 | 64.8 | 65.5 | 65.7 | 66.0 |
| Effective tax rate (%) | 24.1 | 22.5 | 24.5 | 24.5 | 24.9 |
| NOPLAT (pre-IndAS) | 10,708 | 13,597 | 15,733 | 18,090 | 20,667 |
| Shares outstanding (mn) | 642 | 647 | 647 | 647 | 647 |

Source: Company, Emkay Research

Cash flows

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| PBT (ex-other income) | 16,943 | 19,720 | 24,386 | 27,687 | 31,633 |
| Others (non-cash items) | (2,526) | (1,805) | (3,608) | (3,783) | (4,161) |
| Taxes paid | (3,752) | (4,366) | (5,980) | (6,789) | (7,888) |
| Change in NWC | 1,269 | 710 | 879 | 832 | 841 |
| Operating cash flow | 11,995 | 14,660 | 16,189 | 18,500 | 21,021 |
| Capital expenditure | (5,410) | (771) | (467) | (642) | (731) |
| Acquisition of business | - | - | - | - | - |
| Interest & dividend income | 346 | 385 | 3,608 | 3,783 | 4,161 |
| Investing cash flow | (816) | (3,257) | (496) | (731) | (805) |
| Equity raised/(repaid) | 1,210 | 838 | 0 | 0 | 0 |
| Debt raised/(repaid) | - | - | - | - | - |
| Payment of lease liabilities | (187) | (328) | 75 | 99 | 93 |
| Interest paid | (67) | 70 | (66) | (64) | (61) |
| Dividend paid (incl tax) | (12,015) | (12,083) | (15,634) | (17,867) | (20,101) |
| Others | (96) | 0 | 0 | 0 | 0 |
| Financing cash flow | (11,156) | (11,503) | (15,624) | (17,831) | (20,069) |
| Net chg in Cash | 22 | (100) | 69 | (62) | 147 |
| OCF | 11,995 | 14,660 | 16,189 | 18,500 | 21,021 |
| Adj. OCF (w/o NWC chg.) | 10,725 | 13,950 | 15,310 | 17,667 | 20,180 |
| FCFF | 6,585 | 13,889 | 15,722 | 17,858 | 20,291 |
| FCFE | 6,863 | 14,203 | 19,264 | 21,578 | 24,390 |
| OCF/EBITDA (%) | 83.2 | 81.7 | 76.0 | 75.6 | 74.9 |
| FCFE/PAT (%) | 53.4 | 92.9 | 104.6 | 103.2 | 102.7 |
| FCFF/NOPLAT (%) | 61.5 | 102.1 | 99.9 | 98.7 | 98.2 |

Source: Company, Emkay Research

Balance Sheet

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---------------------------------------|---------------|----------------|----------------|----------------|----------------|
| Share capital | 6,347 | 6,381 | 6,381 | 6,381 | 6,381 |
| Reserves & Surplus | 35,782 | 40,210 | 42,992 | 46,031 | 49,684 |
| Net worth | 42,129 | 46,591 | 49,373 | 52,413 | 56,066 |
| Minority interests | - | - | - | - | - |
| Non-current liab. & prov. | 1,203 | 1,289 | 1,483 | 1,705 | 1,961 |
| Total debt | 0 | 0 | 0 | 0 | 0 |
| Total liabilities & equity | 44,213 | 48,634 | 51,685 | 55,046 | 59,048 |
| Net tangible fixed assets | 5,440 | 6,040 | 6,075 | 6,227 | 6,416 |
| Net intangible assets | 2,422 | 2,421 | 2,424 | 2,420 | 2,409 |
| Net ROU assets | 814 | 702 | 684 | 688 | 705 |
| Capital WIP | 41 | 23 | 23 | 23 | 23 |
| Goodwill | - | - | - | - | - |
| Investments [JV/Associates] | - | - | - | - | - |
| Cash & equivalents | 36,114 | 40,692 | 44,407 | 48,226 | 52,618 |
| Current Liab. & Prov. | 2,489 | 3,289 | 4,101 | 4,741 | 5,479 |
| NWC (ex-cash) | (618) | (1,243) | (1,928) | (2,538) | (3,124) |
| Total assets | 44,213 | 48,634 | 51,685 | 55,046 | 59,048 |
| Net debt | (36,114) | (40,692) | (44,407) | (48,226) | (52,618) |
| Capital employed | 44,213 | 48,634 | 51,685 | 55,046 | 59,048 |
| Invested capital | | | | | 5,702 |
| BVPS (Rs) | 65.6 | 72.0 | 76.3 | 81.0 | 86.6 |
| Net Debt/Equity (x) | (0.9) | (0.9) | (0.9) | (0.9) | (0.9) |
| Net Debt/EBITDA (x) | (2.5) | (2.3) | (2.1) | (2.0) | (1.9) |
| Interest coverage (x) | 252.4 | 282.7 | 371.3 | 436.5 | 519.0 |
| RoCE (%) | 41.5 | 44.6 | 51.0 | 54.5 | 58.4 |

Source: Company, Emkay Research

Valuations and key Ratios

| Y/E Mar | FY25 | FY26 | FY27E | FY28E | FY29E |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| P/E (x) | 48.9 | 41.4 | 34.5 | 30.4 | 26.7 |
| EV/CE(x) | 14.1 | 12.7 | 12.0 | 11.2 | 10.4 |
| P/B (x) | 15.2 | 13.8 | 13.0 | 12.3 | 11.5 |
| EV/Sales (x) | 26.6 | 21.9 | 18.5 | 16.1 | 13.9 |
| EV/EBITDA (x) | 41.1 | 33.0 | 27.7 | 24.0 | 20.7 |
| EV/EBIT(x) | 42.0 | 33.7 | 28.3 | 24.5 | 21.1 |
| EV/IC (x) | | | | | |
| FCFF yield (%) | 1.1 | 2.3 | 2.7 | 3.0 | 3.5 |
| FCFE yield (%) | 1.1 | 2.2 | 3.0 | 3.4 | 3.8 |
| Dividend yield (%) | 1.8 | 2.1 | 2.6 | 2.9 | 3.4 |
| DuPont-RoE split | | | | | |
| Net profit margin (%) | 57.7 | 56.5 | 57.8 | 57.3 | 56.9 |
| Total asset turnover (x) | 0.5 | 0.6 | 0.6 | 0.7 | 0.7 |
| Assets/Equity (x) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| RoE (%) | 31.4 | 34.5 | 38.4 | 41.1 | 43.8 |
| DuPont-RoIC | | | | | |
| NOPLAT margin (%) | 48.0 | 50.2 | 49.4 | 49.6 | 49.5 |
| IC turnover (x) | 4.4 | 3.7 | 4.6 | 5.8 | 7.1 |
| Operating metrics | | | | | |
| Core NWC days | (10.1) | (16.7) | (22.1) | (25.4) | (27.3) |
| Total NWC days | (10.1) | (16.7) | (22.1) | (25.4) | (27.3) |
| Fixed asset turnover | - | - | - | - | - |
| Opex-to-revenue (%) | 35.4 | 33.7 | 33.1 | 33.0 | 32.8 |

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

RECOMMENDATION HISTORY - DETAILS

| Date | Closing Price (Rs) | TP (Rs) | Rating | Analyst |
|-----------|--------------------|---------|--------|---------------|
| 13-Apr-26 | 915 | 1,150 | Buy | Avinash Singh |

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources expressed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of April 28, 2026
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of April 28, 2026
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the April 28, 2026
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

| Ratings | Expected Return within the next 12-18 months. |
|---------------|---|
| BUY | >15% upside |
| ADD | 5-15% upside |
| REDUCE | 5% upside to 15% downside |
| SELL | >15% downside |

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions.com)