

# Max Financial Services

India | Insurance | Result Update | Rating Downgrade



## Growth momentum intact

12 February 2026

Max Financial Services (MAXF IN) reported a stable Q3FY26 performance, with Axis Max Life delivering ~28.8% YoY Annual Premium Equivalent (APE) growth to INR 27.8bn, driving ~34.8% YoY Value of New Business (VNB) growth to INR 6.6bn and a 90bp expansion in VNB margin to 24.1% (9MFY26: 23.6%, +175bp). Growth was supported by a balanced product mix and strong traction in high-margin protection (+98.5%) and annuity (+141%) segments, aided by GST tailwinds. The proprietary channel posted 51.7% YoY growth, driven by higher advisor activation and productivity, while the partnership channel grew ~13% with new relationships contributing ~5% of individual APE. Key monitorables include: 1) sustained APE growth, higher than industry through better agent activation and banca channel, 2) VNB margin in the range 24-25%, led by better product mix, especially retail protection, and 3) the impact of operating variance on EV due to weakening early bucket persistency. We revise to **Accumulate** with a higher TP of INR 2,040.

**Robust VNB growth and margin expansion:** Strong VNB performance was underpinned by a meaningful expansion in margin, which rose 90bp YoY to 24.1% in the quarter (from 23.2% in Q3FY25) and APE growth. Margin improvement was primarily driven by a well-balanced and resilient product mix -- with ULIP at ~36%, participating products at ~19%, non-par savings at ~17%, protection at ~17%, and annuities at ~10% in Q3FY26. Despite a ~300-350bp gross GST drag from loss of input tax credit, the company offset one-third of the impact through cost optimization, distributor negotiations, and product mix shifts toward higher-margin segments. Margin sustainability would be supported by protection and annuity scaling, higher proprietary channel productivity, and digitization-led efficiency gains. We build in ~14.6% APE CAGR during FY26-28E, with a VNB CAGR of ~17.7%.

**Proprietary-led distribution momentum:** Axis Max Life's distribution strength continues to drive outperformance, with proprietary channels posting strong growth across agency, direct sales force, and cross-sell engines, led by improved advisor activation and productivity gains. Persistency remains healthy, with 25-month persistency at a record 76% and 13-month at 85% in Q3FY26, although some early-bucket softness has emerged from select post-surrender regulation products, which is already factored into the pricing. Management expects stabilization, led by digital engagement initiatives, proactive servicing, and a continued focus on quality acquisition.

**Revise to Accumulate with a higher TP of INR 2,040:** We revise to **Accumulate** from Buy, primarily due to stretched valuation. We raise our P/EV to 2.2x from 1.8x, supported by visibility on growth, industry-leading RoEV, and a reversal of the holdco discount. We raise our TP to INR 2,040 from INR 1,790 as we roll forward our valuation by a quarter. We increase our APE estimates by 1.7% for FY26, 1.7% for FY27 & 0.5% for FY28E and VNB estimates by 5.1% for FY26, 6.5% for FY27 & 5.6% for FY28E, due to better visibility of higher VNB margin and the prominent steps taken to offset the impact of GST.

### Key financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
APE (INR mn)	77,330	90,990	106,969	123,086	140,370
YoY (%)	19.2	17.7	17.6	15.1	14.0
VNB (INR mn)	19,730	21,070	26,027	30,941	36,059
VNB margin (%)	25.5	23.2	24.3	25.1	25.7
VNB per share (INR)	45.7	48.8	60.3	71.7	83.6
EVOP per share (INR)	76.1	86.5	105.9	125.5	147.2
EV per share (INR)	451.9	584.0	689.9	815.4	962.6
Operating RoEV (%)	20.2	19.1	18.1	18.2	18.1
P/VNB (x)	21.9	21.8	30.1	25.3	21.7
P/EVOP (x)	13.2	12.3	17.1	14.4	12.3
P/EV (x)	2.2	1.8	2.6	2.2	1.9

Note: Pricing as on 12 February 2026; Source: Company, Elara Securities Estimate

Rating: **Accumulate**

Target Price: **INR 2,040**

Upside: **12%**

CMP: **INR 1,814**

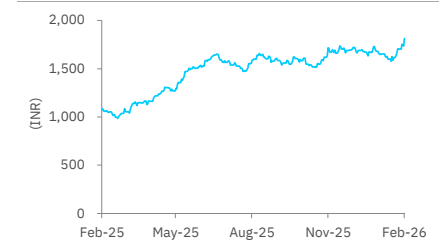
As on 12 February 2026

#### Key data

Bloomberg	MAXF IN
Reuters Code	MAXI.NS
Shares outstanding (mn)	345
Market cap (INR bn/USD mn)	626/6,908
EV (INR bn/USD mn)	530/5,849
ADTV 3M (INR mn/USD mn)	1,230/14
52 week high/low	1,821/950
Free float (%)	76

Note: as on 12 February 2026; Source: Bloomberg

#### Price chart



Source: Bloomberg

	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Shareholding (%)				
Promoter	3.3	1.7	1.7	1.7
% Pledge	0.0	0.0	0.0	0.0
FII	47.5	44.8	44.7	44.8
DII	42.7	47.3	47.3	47.3
Others	6.5	6.2	6.3	6.3

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(0.3)	5.4	12.0
Max Financial Services	5.5	14.2	66.3
NSE Mid-cap	(0.4)	5.9	15.5
NSE Small-cap	(5.1)	(2.2)	8.0

Source: Bloomberg

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## Financials (YE March)

<b>Movement in EV (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Opening EV	162,630	194,940	251,920	297,597	351,750
Assumption changes	-	-	-	-	-
Value of New Business	19,730	21,070	26,027	30,941	36,059
Discount unwind	13,690	16,180	19,650	23,213	27,437
Operating Variance	(570)	50	-	-	-
Operating EV Earnings	32,850	37,300	45,677	54,153	63,495
Economic Variance	(540)	3,560	-	-	-
Total EV Earnings	32,310	40,860	45,677	54,153	63,495
Closing EV	194,940	251,920	297,597	351,750	415,246
<b>RoEV Tree</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Unwind as % of opening EV	8.4	8.3	7.8	7.8	7.8
VNB as % of opening EV	12.1	10.8	10.3	10.4	10.3
Operating variances as % of opening EV	(0.4)	0.0	-	-	-
Assumption changes as % of opening EV	-	-	-	-	-
Operating RoEV (%)	20.2	19.1	18.1	18.2	18.1
<b>Margin Profile</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
VNB (INR mn)	19,730	21,070	26,027	30,941	36,059
YoY %	1.2	6.8	23.5	18.9	16.5
APE (INR mn)	77,330	90,990	106,969	123,086	140,370
YoY %	19.2	17.7	17.6	15.1	14.0
<b>VNB margin (%)</b>	<b>25.5</b>	<b>23.2</b>	<b>24.3</b>	<b>25.1</b>	<b>25.7</b>
<b>APE by segment - mix (%)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Savings					
Non-Linked	45.6	37.7	37.2	37.2	37.1
Unit Linked	34.7	42.1	36.2	35.2	34.6
Annuity	6.0	5.4	8.7	8.7	8.8
Group Savings	-	-	-	-	-
Savings APE	86.3	85.2	82.1	81.1	80.5
Protection					
Retail	8.4	9.8	13.0	14.1	14.8
Group	5.3	4.9	4.9	4.8	4.7
Protection APE	13.7	14.8	17.9	18.9	19.5
<b>Profit &amp; Loss Account (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Gross Premium Written</b>	<b>295,290</b>	<b>342,716</b>	<b>401,799</b>	<b>467,576</b>	<b>540,544</b>
Investment income	174,034	138,510	161,574	188,026	218,980
Commission paid	23,983	27,155	29,867	32,836	36,090
Expenses	43,712	49,431	54,925	61,068	67,945
Claims/benefits paid	133,212	139,454	164,140	192,617	225,953
Change in actuarial liability	260,410	256,567	302,729	357,262	361,808
Profit after tax	3,519	3,181	5,235	4,727	52,108
<b>Balance Sheet (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Sources of funds					
Shareholder's equity	39,983	43,740	49,685	55,241	108,308
Borrowings	-	-	-	-	-
Fair value change - Policyholders	39,204	64,070	94,575	131,743	176,939
Revaluation Reserves	-	-	-	-	-
Policyholder's liabilities	1,415,342	1,665,051	1,963,762	2,316,348	2,672,750
Funds for Future Appropriation	38,727	42,154	46,172	50,848	56,253
Current Liabilities & Provisions	41,143	62,558	74,327	88,257	102,632
<b>Total Liabilities &amp; Equity</b>	<b>1,574,399</b>	<b>1,877,573</b>	<b>2,228,521</b>	<b>2,642,437</b>	<b>3,116,883</b>
Application of capital					
Shareholder's investments	58,484	71,857	84,051	97,192	156,437
Policyholder's investments	1,008,078	1,236,692	1,506,805	1,832,308	2,166,276
Linked investments	441,793	491,501	545,212	602,798	664,201
Other Assets	66,044	77,523	92,452	110,138	129,970
<b>Total Assets</b>	<b>1,574,399</b>	<b>1,877,573</b>	<b>2,228,521</b>	<b>2,642,437</b>	<b>3,116,883</b>
<b>Valuations</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
P/EV (x)	2.2	1.8	2.6	2.2	1.9
P/VNB (x)	21.9	21.8	30.1	25.3	21.7
P/EVOP (x)	13.2	12.3	17.1	14.4	12.3
VNB (x)	12.0	9.8	18.6	13.9	10.2

Note: Pricing as on 12 February 2026; Source: Company, Elara Securities Estimate

## Exhibit 1: Quarterly financials

YE March (INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	M9FY26	M9FY25	YoY (%)
<b>Premium</b>								
Gross written premium (GWP)	97,050	82,230	18.0	90,930	6.7	251,950	213,600	18.0
New business premium (NBP)	36,570	30,000	21.9	34,630	5.6	96,440	80,910	19.2
<b>Annual premium equivalent (APE)</b>	<b>27,810</b>	<b>21,590</b>	<b>28.8</b>	<b>25,960</b>	<b>7.1</b>	<b>72,220</b>	<b>59,990</b>	<b>20.4</b>
Savings	22,960	18,790	22.2	21,410	7.2	58,670	50,500	16.2
Par	5,230	3,530	48.2	3,190	63.9	10,550	7,880	33.9
Non-par	4,800	4,750	1.1	6,670	(28.0)	16,450	13,960	17.8
Annuity	2,870	1,190	141.2	2,290	25.3	6,300	3,040	107.2
ULIP	10,050	9,330	7.7	9,340	7.6	25,370	25,630	(1.0)
Protection	4,850	2,800	73.2	4,550	6.6	13,550	9,490	42.8
Retail protection	3,930	1,980	98.5	3,220	22.0	9,330	5,940	57.1
Group protection	920	820	12.2	1,330	(30.8)	4,220	3,550	18.9
<b>Expenses</b>								
Commission	10,854	8,092	34.1	10,050	8.0	27,446	20,094	36.6
Operating expenses	15,311	10,354	47.9	12,432	23.2	39,263	32,153	22.1
Management Expenses	26,165	18,445	41.9	22,481	16.4	66,710	52,247	27.7
Commission ratio (%)	11.2	9.8	1.3	11.1	0.1	10.9	9.4	1.5
Operating expense ratio (%)	15.8	12.6	3.2	13.7	2.1	15.6	15.1	0.5
<b>Business mix - APE basis (%)</b>								
<b>Savings</b>	<b>82.6</b>	<b>87.0</b>	<b>(4.5)</b>	<b>82.5</b>	<b>0.1</b>	<b>81.2</b>	<b>84.2</b>	<b>(2.9)</b>
Par	18.8	16.4	2.5	12.3	6.5	14.6	13.1	1.5
Non-par	17.3	22.0	(4.7)	25.7	(8.4)	22.8	23.3	(0.5)
Annuity	10.3	5.5	4.8	8.8	1.5	8.7	5.1	3.7
ULIP	36.1	43.2	(7.1)	36.0	0.2	35.1	42.7	(7.6)
<b>Protection</b>	<b>17.4</b>	<b>13.0</b>	<b>4.5</b>	<b>17.5</b>	<b>(0.1)</b>	<b>18.8</b>	<b>15.8</b>	<b>2.9</b>
Retail protection	14.1	9.2	5.0	12.4	1.7	12.9	9.9	3.0
Group protection	3.3	3.8	(0.5)	5.1	(1.8)	5.8	5.9	(0.1)
<b>Profitability</b>								
PAT	660	1,130	(41.6)	850	(22.4)	2,150	3,430	(37.3)
Value of new business (VNB)	6,590	4,890	34.8	6,390	3.1	16,330	12,550	30.1
VNB margin (%)	24.1	23.2	0.9	25.5	(1.4)	23.6	21.9	1.7
<b>Distribution mix - APE basis (%)</b>								
Proprietary	48.5	41.2	7.3	44.3	4.2	45.6	42.4	3.2
Bancassurance	49.8	50.8	(1.0)	54.2	(4.5)	50.0	51.0	(1.0)
Others	1.7	8.1	(6.3)	1.4	0.3	4.3	6.5	(2.2)
<b>Other paraments</b>								
Embedded Value (EV)	281,100	241,290	16.5	268,950	4.5	281,100	241,290	16.5
Assets under management	1,926,680	1,717,050	12.2	1,850,000	4.1	1,926,680	1,717,050	12.2
Solvency ratio (%)	201.0	196.0	5.0	208.0	(7.0)	201.0	196.0	5.0

Source: Company, Elara Securities Research

## Exhibit 2: Quarterly summary

YE March (INR mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
<b>Premium</b>											
Gross written premium (GWP)	72,970	107,360	53,990	77,380	82,230	118,630	63,970	90,930	97,050	18.0	6.7
New business premium (NBP)	26,890	40,530	20,760	30,150	30,000	40,830	25,240	34,630	36,570	21.9	5.6
<b>Annual premium equivalent (APE)</b>	<b>18,479</b>	<b>29,161</b>	<b>15,890</b>	<b>22,510</b>	<b>21,590</b>	<b>31,000</b>	<b>18,450</b>	<b>25,960</b>	<b>27,810</b>	<b>28.8</b>	<b>7.1</b>
Savings	15,919	26,051	12,710	19,000	18,790	27,050	14,300	21,410	22,960	22.2	7.2
Par	3,220	4,180	2,090	2,260	3,530	5,700	2,130	3,190	5,230	48.2	63.9
Non-par	5,360	8,470	3,530	5,680	4,750	6,800	4,980	6,670	4,800	1.1	(28.0)
Annuity	1,090	1,770	820	1,030	1,190	1,880	1,140	2,290	2,870	141.2	25.3
ULIP	6,240	11,940	6,270	10,030	9,330	12,660	5,980	9,340	10,050	7.7	7.6
Protection	2,580	3,110	3,180	3,510	2,800	3,950	4,150	4,550	4,850	73.2	6.6
Retail protection	1,720	2,270	1,560	2,400	1,980	3,020	2,180	3,220	3,930	98.5	22.0
Group protection	860	840	1,620	1,110	820	930	1,970	1,330	920	12.2	(30.8)
<b>Expenses</b>											
Commission	6,152	9,340	4,526	7,477	8,092	11,356	6,543	10,050	10,854	34.1	8.0
Operating expenses	10,112	13,202	9,819	11,981	10,354	13,731	11,521	12,432	15,311	47.9	23.2
Management Expenses	16,265	22,542	14,344	19,458	18,445	25,087	18,064	22,481	26,165	41.9	16.4
Commission ratio (%)	8.4	8.7	8.4	9.7	9.8	9.6	10.2	11.1	11.2	1.3	0.1
Operating expense ratio (%)	13.9	12.3	18.2	15.5	12.6	11.6	18.0	13.7	15.8	3.2	2.1
<b>Business mix - APE basis (%)</b>											
Savings	86.1	89.3	80.0	84.4	87.0	87.3	77.5	82.5	82.6	(4.5)	0.1
Par	17.4	14.3	13.2	10.0	16.4	18.4	11.5	12.3	18.8	2.5	6.5
Non-par	29.0	29.0	22.2	25.2	22.0	21.9	27.0	25.7	17.3	(4.7)	(8.4)
Annuity	5.9	6.1	5.2	4.6	5.5	6.1	6.2	8.8	10.3	4.8	1.5
ULIP	33.8	40.9	39.5	44.6	43.2	40.8	32.4	36.0	36.1	(7.1)	0.2
Protection	14.0	10.7	20.0	15.6	13.0	12.7	22.5	17.5	17.4	4.5	(0.1)
Retail protection	9.3	7.8	9.8	10.7	9.2	9.7	11.8	12.4	14.1	5.0	1.7
Group protection	4.7	2.9	10.2	4.9	3.8	3.0	10.7	5.1	3.3	(0.5)	(1.8)
<b>Profitability</b>											
PAT	1,520	(510)	1,310	990	1,130	630	640	850	660	(41.6)	(22.4)
Value of new business (VNB)	4,890	8,210	2,540	5,120	4,890	8,520	3,350	6,390	6,590	34.8	3.1
VNB margin (%)	27.2	28.6	17.5	23.6	23.2	28.0	20.1	25.5	24.1	0.9	(1.4)
<b>Distribution mix (APE basis) (%)</b>											
Proprietary	38.7	39.3	45.1	41.8	41.2	38.0	43.1	44.3	48.5	7.3	4.2
Bancassurance	56.9	57.1	44.3	56.1	50.8	57.6	44.4	54.2	49.8	(1.0)	(4.5)
Others	4.3	3.7	10.6	2.2	8.1	4.4	12.4	1.4	1.7	(6.3)	0.3
<b>Other paraments</b>											
Embedded Value	187,090	194,940	220,430	233,380	241,290	251,920	264,780	268,950	281,100	16.5	4.5
Assets under management	1,426,210	1,508,360	1,611,530	1,701,440	1,717,050	1,750,720	1,832,110	1,850,000	1,926,680	12.2	4.1
Solvency ratio (%)	179.0	172.0	203.0	198.0	196.0	201.0	199.0	208.0	201.0	5.0	(7.0)

Source: Company, Elara Securities Research

## Conference call key takeaways

### Regulatory developments and corporate structure

- ▶ The Insurance Act amendments under the *Sabka Bima Sabki Raksha Act 2025* increased the FDI limit from 74% to 100% and amended Section 35 to permit merger of an insurer with a non-insurer subject to Insurance Regulatory and Development Authority of India (IRDAI) approval.
- ▶ The Board has granted in-principal approval to initiate the proposed amalgamation of Axis Max Life Insurance with MAXF.
- ▶ Management says once regulatory clarity is received and the scheme is filed, the process may take 12–14 months.
- ▶ Management described the eventual structure simplification as relatively straightforward, given MAXF largely holds equity in the underlying insurance entity, but specific structure details will be shared later.

### Growth performance and market position

- ▶ Individual adjusted first-year premium grew 20% in 9MFY26, driven by 18% growth in the number of policies.
- ▶ Private market share expanded by 53bp to 9.8%, with growth running at roughly double overall industry growth.
- ▶ Retail APE grew 30% in Q3FY26, led by proprietary channels.
- ▶ Proprietary channels grew 52% in Q3, with offline proprietary growth of 43% and online growth of 75%.
- ▶ Partnership channel delivered 13% APE growth in Q3, with new banking and broking partnerships contributing 5% of individual APE.
- ▶ Group credit life grew 45% in Q3, driven by Microfinance Institutions (MFI) segment pickup and new product launches.
- ▶ January growth momentum continues at 29% company-level growth, with equal contribution from proprietary & partnership channels and strong contribution from Axis Bank.

### Distribution and channel commentary

- ▶ Agency channel performance improved significantly, with the company ranking among the Top 4 agency channels in Q3 after several years.
- ▶ Activation rates and productivity improved across agency and direct sales force channels.
- ▶ The Arohan initiative is driving expansion into Tier 2 & 3 markets.
- ▶ In partnership channels, Axis Bank product mix was recalibrated toward a more balanced structure rather than over-dependence on ULIP.
- ▶ Management says corrective actions over previous quarters are currently reflecting in improved growth momentum at Axis Bank.
- ▶ Across seven newly acquired bank partnerships, counter share exceeds 25%, and in three, the company has already become No 1 in counter share.
- ▶ New partnerships added 51 relationships across retail and broking segments during 9MFY26.
- ▶ Management says advanced discussions are ongoing with additional PSU and private banks.

### Product mix and innovation

- ▶ Q3 APE mix comprises 20% participating products, 18% non-PAR savings, 15% protection, 10% annuity and 38% ULIP.
- ▶ For 9MFY26, the mix included participating at 16%, annuity non-PAR at 9%, non-participating savings at 24%, protection and health at 14%, and ULIP at 37%.

- ▶ Retail protection grew 99% in Q3 with pure protection up 95% and riders up of more than 100%.
- ▶ The annuity business grew 141% in Q3 and 107% in 9MFY26, with both retail and group annuity contributing.
- ▶ Management clarified annuity growth is broad-based and not driven by lumpy transactions.
- ▶ The non-par business is viewed as structurally important for long-term guaranteed propositions, with quarterly variations influenced by product introductions.
- ▶ Unit-linked margin improved due to increased sum assured attachment in ULIP sales.
- ▶ Participating margin was described as stable.
- ▶ Credit life margin was described as largely stable.

## **Profitability, margin and the GST Impact**

- ▶ VNB margin for 9MFY26 expanded to 23.6% from 21.9% in the past year, with Q3 margin at 24.1%, up 90bp YoY.
- ▶ Management says 1.5% improvement was due to mix and 1.5% was due to aging & underlying margin lift, partly offset by the GST impact.
- ▶ Gross GST impact on margin was estimated at 350bp.
- ▶ One-third of the GST impact was offset in Q3 through cost actions, commercial negotiations, and product mix changes, with 70–80% mitigation visible in the run-rate.
- ▶ Management reiterates FY26 VNB margin guidance of 24–25%.
- ▶ Without the GST impact, margin could have been higher by 200bp.
- ▶ The new Labor code-related gratuity provision of INR 600mn was undertaken as a one-time impact routed through EV rather than margin.
- ▶ Policyholder OpEx to the GWP ratio stood at 15.8% in 9MFY26, with operating expenses taking a hit from GST disallowance of ~INR 2.9bn and gratuity provision.
- ▶ Adjusted for these, OpEx growth was 14%.
- ▶ Management reiterated its commitment to sustain margin at ~25% while balancing distribution expansion.

## **Financial metrics and balance sheet**

- ▶ MAXF revenue excluding investment income stood at ~INR 246.3bn in 9MFY26, up 18%.
- ▶ Consolidated PAT was ~INR 1.4bn, lower YoY, due to fair value changes and GST expenses impact.
- ▶ Gross retail premiums grew 18% to ~INR 251.9bn.
- ▶ Renewal premium grew 17% to ~INR 155.9bn.
- ▶ Individual new business sum assured grew 41% to INR 3.6tn.
- ▶ Embedded value as on December 31, 2025, stood at INR 281.1bn, up 16% YoY.
- ▶ Operating ROEV was 16.9% in 9MFY26.
- ▶ The solvency ratio stood at 201%.
- ▶ Assets under management have reached ~INR 1.9tn, up 12%.

## **Persistency and customer metrics**

- ▶ The company remains No 1 in 13-month persistency by the number of policies and No 2 in 25- & 37-month persistency.
- ▶ A 13-month persistency stood at 85% in Q3FY26.
- ▶ A 25-month persistency improved to 76%, representing ~420bp YoY improvement.

- ▶ Pressure on 13-month persistency was attributed to specific product designs and surrender regulation changes, allowing earlier surrender value accrual.
- ▶ Management says some expected persistency impact had been factored into product pricing.
- ▶ Net promoter score improved to 58 from 52 at FY25 exit.
- ▶ Grievance incidence improved from 42 to 36 YoY.

**Digital, AI and operational efficiency**

- ▶ Gen AI-powered email bot doubled one-day ticket closures from 20% to 40%.
- ▶ Customer app reached 0.6mn downloads with 0.3mn monthly active users and INR 500mn cumulative transactions.
- ▶ Website digital NPS reached 74.
- ▶ Straight-through processing reached 36% for non-early claims up to ~INR 0.8mn.
- ▶ MSales app and Ellie HR co-pilot support more than 17,000 sales employees.
- ▶ Voice AI-led transcription analytics enabled 100% automated audits for renewal governance.
- ▶ Management emphasized digital and AI investments as foundational for long-term competitiveness and cost rationalization.

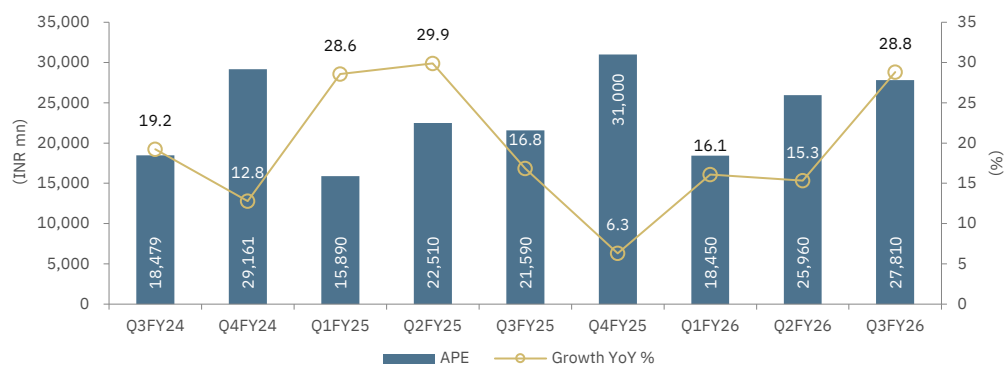
**Brand and tier 2 & 3 expansion**

- ▶ Post brand refresh to Axis Max Life, total awareness in Tier 2 & 3 markets improved from 85% to 90%.
- ▶ Concentration score improved from 78% to 82%.
- ▶ Awareness in South India and East India improved meaningfully following brand refresh.
- ▶ Management says brand strengthening is contributing to growth traction in newer geographies.

**Outlook and management commentary**

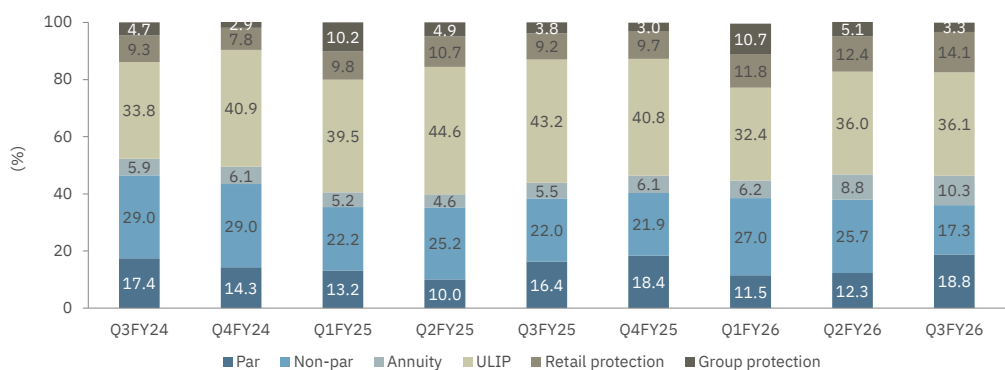
- ▶ Management remains focused on delivering growth 300–500bp ahead of industry growth in the long term.
- ▶ Momentum in proprietary and partnership channels continues into Q4, with management expressing confidence in sustaining growth.
- ▶ Distribution expansion, new partnerships, balanced product mix and digital enablement were highlighted as key levers for sustainable growth.
- ▶ Management reiterated margin will not be sacrificed over growth and that excess margin, if generated, would either be passed on to customers or reinvested in distribution.

**Exhibit 3: Broad-based APE growth, up by 28.8% YoY to INR 27.8bn**



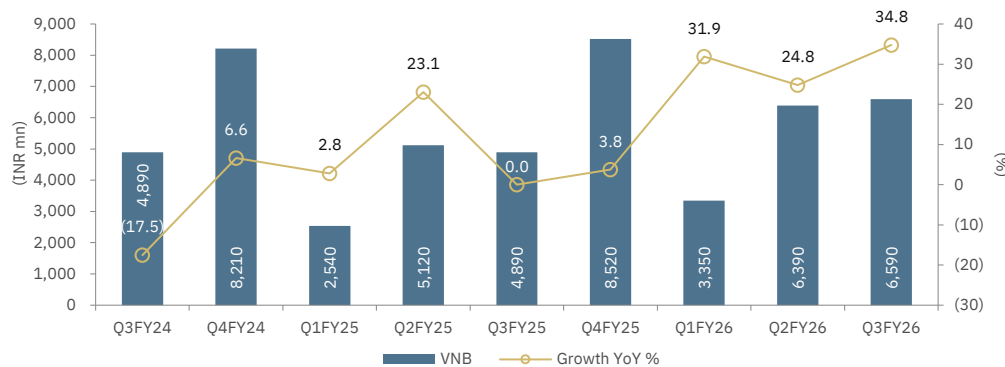
Source: Company, Elara Securities Research

**Exhibit 4: APE mix sees PAR gain share YoY to 18.8% while ULIP declines to 36.1%**



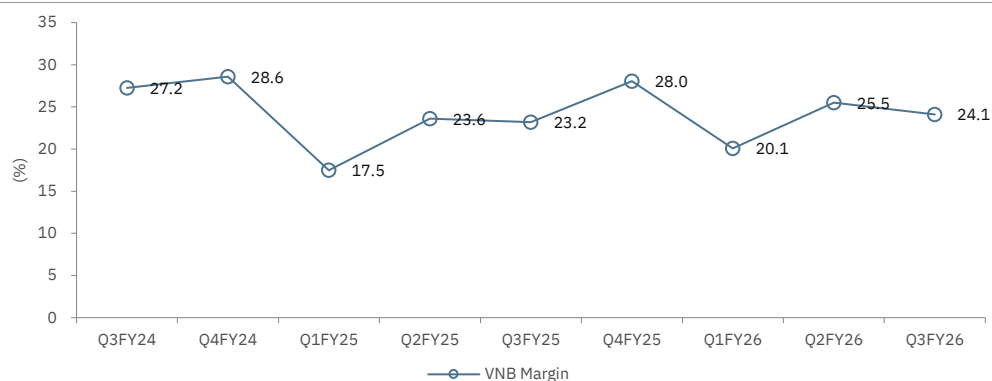
Source: Company, Elara Securities Research

**Exhibit 5: VNB grows 34.8% YoY to ~INR 6.6bn....**

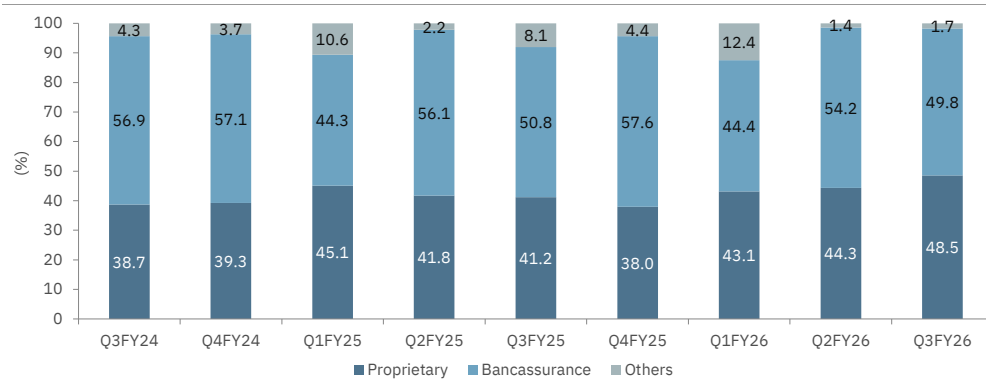


Source: Company, Elara Securities Research

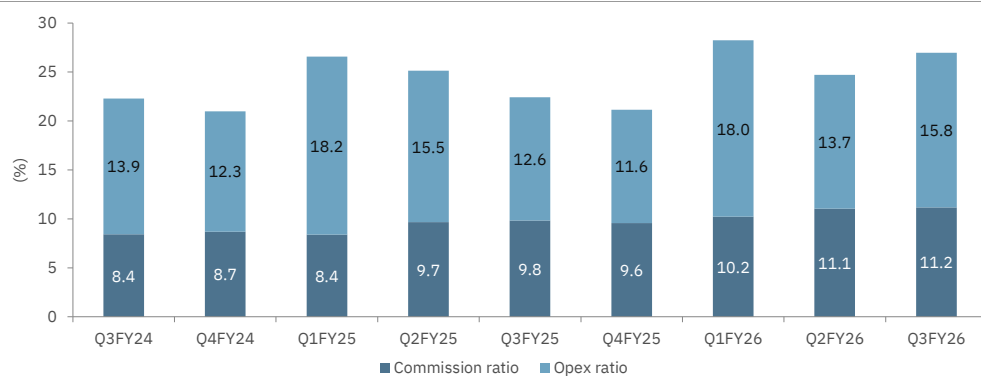


**Exhibit 6: ... with VNB margin improves 90bp YoY to 24.1%**


Source: Company, Elara Securities Research

**Exhibit 7: Proprietary channel strengthens with share rising to 48.5% vs 41.2% in the past year**


Source: Company, Elara Securities Research

**Exhibit 8: Operating expenses and commission ratios see a 320bp YoY & 130bp YoY spike, respectively**


Source: Company, Elara Securities Research

### Exhibit 9: Valuation

<b>Required return (%)</b>	<b>12.0</b>
Terminal growth (%)	5.0
FY28E ROEV (%)	18.1
FY27E EVPS (INR)	815
FY28E EVPS (INR)	963
Weighted EV (INR)	926
P/EV (x)	2.2
TP (INR)	2,040

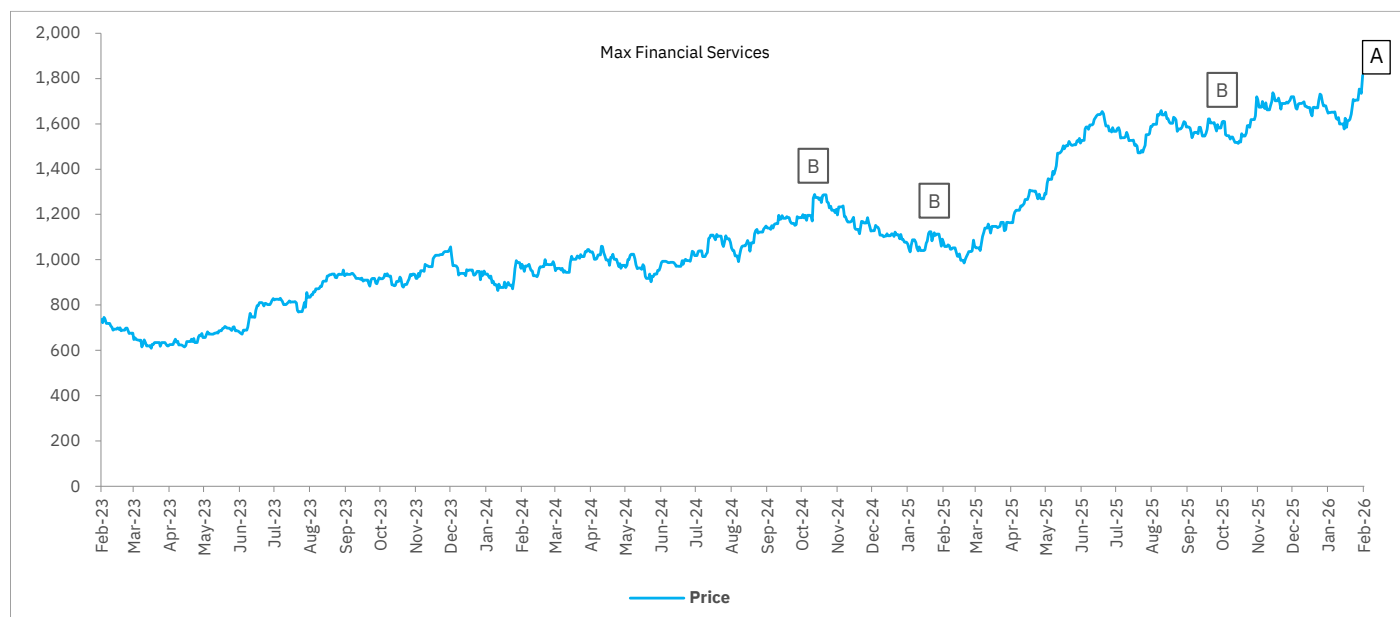
Source: Elara Securities Estimate

### Exhibit 10: Change in estimates

(INR mn)	Old			New			Change (%/bps)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
APE	105,203	121,049	139,684	106,969	123,086	140,370	1.7	1.7	0.5
VNB	24,761	29,039	34,134	26,027	30,941	36,059	5.1	6.5	5.6
VNB Margin (%)	23.5	24.0	24.4	24.3	25.1	25.7	0.8	1.1	1.3
EV per share (INR)	687	808	950	690	815	963	0.4	0.9	1.3
RoEV (%)	17.6	17.6	17.6	18.1	18.2	18.1	0.5	0.6	0.5
<b>TP (INR)</b>	<b>1,790</b>			<b>2,040</b>			<b>14.0</b>		
<b>Rating</b>	<b>Buy</b>			<b>Accumulate</b>					

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
09-Jun-2021	Accumulate	1,100	997
11-Aug-2021	Accumulate	1,150	1,063
10-Nov-2021	Accumulate	1,180	1,001
28-Jan-2022	Buy	1,260	917
10-May-2022	Buy	1,140	702
01-Aug-2022	Buy	1,180	875
20-Oct-2022	Buy	900	712
23-Oct-2024	Buy	1,560	1,272
05-Feb-2025	Buy	1,350	1,119
13-Oct-2025	Buy	1,790	1,608
12-Feb-2026	Accumulate	2,040	1,814

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<b>BUY (B)</b>	Absolute Return >+20%
<b>ACCUMULATE (A)</b>	Absolute Return +5% to +20%
<b>REDUCE (R)</b>	Absolute Return -5% to +5%
<b>SELL (S)</b>	Absolute Return < -5%

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