

October 31, 2025

Q2FY26 Result Update

■ Change in Estimates | ☒ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	350		320	
Sales (Rs. m)	4,201	4,983	4,201	4,983
% Chg	-	-	-	-
Opex (Rs. m)	1,761	2,036	1,761	2,036
% Chg	-	-	-	-
Core EPS (Rs.)	9.1	10.9	9.1	10.9
% Chg	-	-	-	-

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (Rs m)	3,645	4,201	4,983	5,859
Opex	1,464	1,761	2,036	2,358
Employee	885	1,096	1,251	1,447
Others	578	666	784	911
Core Inc. (Rs m)	2,182	2,440	2,948	3,501
PAT (Rs mn)	1,907	2,115	2,504	2,932
Core PAT (Rs m)	1,615	1,806	2,181	2,590
Core EPS (Rs.)	8.1	9.1	10.9	13.0
Gr. (%)	42.7	11.8	20.8	18.8
AAuM (Rs bn)	1,033	1,223	1,469	1,745
Gr. (%)	33.8	18.4	20.1	18.8
Core RoAAuM (%)	0.2	0.1	0.1	0.1
Core RoE (%)	40.0	39.3	48.7	58.8
P/Core EPS (x)	29.1	31.5	26.0	21.7

Key Data CANE.BO | CRAMC IN

52-W High / Low	Rs.354 / Rs.280
Sensex / Nifty	80,891 / 24,681
Market Cap	Rs.63.1bn / \$ 711.3m
Shares Outstanding	199.4m
3M Avg. Daily Value	NA

Shareholding Pattern (%)

Promoter's	75.00
Foreign	3.63
Domestic Institution	8.87
Public & Others	12.50
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	NA	NA	NA
Relative	NA	NA	NA

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Better performance key to capture market share

Quick Pointers:

- Decent quarter with steady MF yields QoQ; core income growth healthy.
- Net equity flow market share a key monitorable as performance is decent.

CRAMC saw a decent quarter as core PAT (adjusted of MTM gains/losses) increased by 7.7% QoQ & 25% YoY. Blended yields were steady QoQ despite (1) decrease in equity share in AUM mix by 120bps QoQ to 90.8% (2) telescopic pricing impact due to strong QAAUM growth of 7.8% QoQ (3) increase in liquid share QoQ to 6.3% from 5.3% in Q1FY26, suggesting some pass through of telescopic pricing to distributors. Performance in 1-yr bucket has been decent that was maintained in Q2FY26. Net equity flow market share has remained steady at 1.3% in H1FY26 while SIP market share was 2.6% (similar to stock equity market share). Our estimates remain unchanged, and we see healthy core earning CAGR of 17% over FY25-28E. While stock has run-up from the issue price of Rs266 we continue to remain positive on CRAMC; stock is trading at 23.8x on Sep'27 core ABV. We increase multiple on FY27E core EPS to 26x from 24x and raise TP to Rs350 from Rs320. Retain 'BUY'.

- Steady core income yields QoQ:** QAAuM at Rs1,197bn grew by +7.8% QoQ; while equity (incl. bal) at Rs1,087bn grew by 6.4% QoQ. Revenue accretion was 7.1% QoQ and 19.8% YoY while revenue yield was stable QoQ at 34.7bps (Q1FY26-35bps). Opex grew by 1.2% QoQ and came in at Rs420mn (Q1FY26-Rs415mn); staff cost was slightly elevated QoQ to Rs257mn while other opex was steady at Rs163mn. Hence, core income (+11.5% QoQ & 27.8% YoY) was healthy at Rs620mn resulting in operating yields of 20.7bps (Q1FY26-20bps). Other income dipped QoQ to Rs41mn from Rs243mn in Q1FY26. Tax rate was higher at 26.3% (Q1FY26 23.7%). Hence, core PAT yields were steady QoQ at 15.3bps. PAT came in at Rs487mn (Q1FY26 Rs610Mn).
- Strong 1-yr performance may translate to 3-yr:** Equity share decreased QoQ to 90.8% (92.0% in Q1FY26) while debt inched up by 22bps to 2.9% and share of liquid rose by 101bps to 6.3%. Blended yields were maintained QoQ despite (1) decrease in equity share in AUM mix by 120bps (2) telescopic pricing impact due to strong QAAUM growth of 7.8% QoQ. Weighted average performance in 1yr bucket remained decent in Q2FY26; it has been improving since Mar'24. If this trend continues, the 3-yr bucket would also show improvement, which in turn may lead to higher net inflows. Net equity flow market share was broadly steady at 1.3% in H1FY26 (1.3% in FY25).
- Revenue yields stable QoQ; no changes in overall estimates:** Management indicated that reported revenue from operations included investment book gains and losses. Excluding MTM, underlying revenue remained stable QoQ. ESOP cost for FY26 is expected to be minimal as initial grants will be made at mid-range of IPO band (253-266) and subsequent grants will be made at market price. Opex is expected to grow at 12-15%. Cost to income ratio is guided to be maintained between 30-40%.

Exhibit 1: PAT at R487mn led by higher revenue and lower tax QoQ

Financials (Rs m)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Revenue	1,040	868	19.8	971	7.1
Total Expenses	420	383	9.6	415	1.2
Employees	257	208	23.4	249	3.4
Other expenses	163	174	(6.8)	166	(2.1)
Operating Income	620	485	27.8	556	11.5
Other Income	41	178	(77.2)	243	(83.3)
Profit before tax	661	663	(0.3)	799	(17.3)
Tax	173	162	6.9	189	(8.3)
Profit after tax	487	500	(2.7)	610	(20.1)
Core PAT	457	366	24.8	424	7.7
Profitability ratios (bps)					
Revenue yield	34.7	32.5	225	35.0	(24)
Employee to AuM	8.6	7.8	79	9.0	(37)
Opex to AuM	5.4	6.5	(110)	6.0	(55)
Core income/AuM	20.7	18.2	256	20.0	68
PAT/AuM	16.3	18.7	(246)	22.0	(569)
Core PAT/AuM	15.3	13.7	156	15.3	(2)
QAAuM (Rs. mn)					
Equity	9,42,397	8,74,583	7.8	8,87,062	6.2
Balanced	1,44,790	1,28,331	12.8	1,34,902	7.3
Debt	34,489	27,982	23.3	29,552	16.7
Liquid	75,781	37,888	100.0	59,050	28.3

Source: Company, PL.

Q2FY26 Concall Highlights

Financial Performance

- Management aspires to grow at 20%+ and at a range of 30-40bps of margins.
- Yields by asset class: Overall 33bps, equity 35bps, debt 28bps, liquid 2bps.
- ESOP cost is expected to be marginal in FY26 as initial grant will be made at mid-range of IPO band (253-266) and subsequent grants will be made at market price.
- As per management, distributor pricing is offered at same terms across AMCs and preferential pricing is existent in MFD space.
- Opex is expected to grow at 12-15%.
- Cost to income ratio is aspired to be maintained at 30-40%.
- Management stated that they intend to focus on MFs though options of SIF, GIFT city are available.
- Company plans to launch 2 NFOs in FY26, namely Banking & Financial Services Fund and Innovation Fund.
- Management stated that there is a possibility of a brand name change from Robeco to Orix as Orix acquired Robeco.
- As per RBI regulations, Canara bank is required to reduce its stake in AMC to below 30% by Oct 2029.
- Company does not intend to enter into passives in near term.
- SIP to STP ratio stood at 90:10.

Financials

Exhibit 2: Quarterly Financials

Particulars (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue			844	804	868	1,056	1,013	971	1,040
Expenses			368	331	383	324	426	415	420
Employee			217	215	208	198	263	249	257
Others			138	104	163	112	149	149	145
Depreciation			13	12	12	13	14	17	18
Core Income			476	474	485	732	586	556	620
Other Income			114	214	178	-89	-3	243	41
PBT			590	688	663	643	583	799	661
Tax			142	177	162	164	166	189	173
PAT			448	511	500	478	417	610	487
Core PAT			361	352	366	545	419	424	457
QAAuM	7,49,418	7,93,542	8,70,772	9,46,966	10,68,784	10,83,443	10,33,153	11,10,566	11,97,458
Equity	77.9%	79.3%	80.4%	81.6%	81.8%	81.7%	80.3%	79.9%	78.7%
Balanced	13.4%	12.9%	12.4%	11.8%	12.0%	12.3%	12.2%	12.1%	12.1%
Debt	3.9%	3.5%	3.1%	2.7%	2.6%	2.5%	2.4%	2.7%	2.9%
Liquid	4.8%	4.4%	4.1%	3.9%	3.5%	3.5%	5.1%	5.3%	6.3%
ETF									
Index									
Market share (%)									
Equity	3.2	3.1	3.1	3.0	3.0	2.9	2.9	2.8	2.8
Balanced	2.0	1.9	1.8	1.7	1.8	1.8	1.7	1.7	1.8
Eq+Bal	2.9	2.9	2.8	2.8	2.7	2.7	2.6	2.6	2.6
Debt	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3
Liquid	0.6	0.6	0.6	0.6	0.6	0.6	0.8	0.9	1.1
ETF									
Index									
QAAuM Growth (%)									
Equity	11.0	5.9	9.7	8.8	12.9	1.4	-4.6	7.5	7.8
Balanced	13.7	7.7	11.4	10.3	13.2	1.2	-6.3	6.9	6.2
Eq+Bal	4.4	1.5	5.3	3.6	15.0	4.1	-5.3	6.6	7.3
Debt	12.2	6.8	10.5	9.4	13.4	1.6	-6.1	6.8	6.4
Liquid	-1.4	-6.6	-1.6	-3.6	7.7	-4.6	-8.6	21.2	16.7
ETF									
Index									
Dupont (bps)									
Revenue yield			38.8	34.0	32.5	39.0	39.2	35.0	34.7
Opex to AuM			16.9	14.0	14.3	11.9	16.5	14.9	14.0
Staff cost			10.0	9.1	7.8	7.3	10.2	9.0	8.6
Other opex			6.3	4.4	6.1	4.1	5.8	5.4	4.8
Depreciation			0.6	0.5	0.4	0.5	0.5	0.6	0.6
Core income/AuM			21.9	20.0	18.2	27.0	22.7	20.0	20.7
PAT/AuM			20.6	21.6	18.7	17.7	16.2	22.0	16.3
Core PAT/AuM			16.6	14.9	13.7	20.1	16.2	15.3	15.3
Profitability (%)									
Staff cost/revenue			25.7	26.8	24.0	18.8	26.0	25.6	24.7
Other opex/revenue			16.3	12.9	18.7	10.6	14.7	15.4	13.9
Core income/revenue			56.4	58.9	55.9	69.4	57.9	57.3	59.6
Tax rate			24.1	25.7	24.5	25.6	28.4	23.7	26.3
PAT margin			53.1	63.5	57.7	45.3	41.2	62.8	46.9
Core PAT margin			42.8	43.7	42.2	51.6	41.4	43.7	44.0

Source: Company, PL

Exhibit 3: Summary Financials (Rs mn)

Particulars	FY25	FY26E	FY27E	FY28E	Particulars	FY25	FY26E	FY27E	FY28E
Profit & Loss					Balance Sheet				
Revenue	3,645	4,201	4,983	5,859	Net Worth	6,001	6,243	6,406	6,766
Investment mgmt.	3481	4020	4769	5607	Capital (FV Rs5)	1,994	1,994	1,994	1,994
PMS / Advisory	165	181	215	252	Reserves	4,006	4,249	4,412	4,772
Expenses	1,464	1,761	2,036	2,358	Employee benefit	306	337	405	485
Employee	885	1,096	1,251	1,447	Others	433	476	523	574
Others	528	614	728	852	Total Liabilities	6,740	7,056	7,333	7,825
Depreciation	50	52	56	59	Cash and Bank	3	3	3	3
Core Income	2,182	2,440	2,948	3,501	Investment	6,041	6,296	6,508	6,928
Other Income	395	418	437	461	Fixed assets	185	194	203	214
PBT	2,576	2,858	3,384	3,962	Others	512	563	619	681
Tax	669	743	880	1,030	Total Assets	6,740	7,056	7,333	7,825
PAT	1,907	2,115	2,504	2,932	AuM Data	0	0	0	0
Core PAT	1,615	1,806	2,181	2,590	AAuM	10,33,087	12,23,344	14,69,163	17,44,686
Dividend	249	381	451	528	Equity	8,40,644	9,94,453	12,03,010	14,38,639
Growth ratios (%)					Balanced	1,25,019	1,47,601	1,70,710	1,95,463
Revenue	35.1	15.2	18.6	17.6	Debt	26,260	32,349	40,091	47,981
Opex	18.4	20.3	15.6	15.8	Liquid	41,163	48,940	55,351	62,602
Employee	16.8	23.8	14.2	15.6	ETF				
Others	22.8	16.2	18.7	17.1	Index				
Core income	49.2	11.8	20.8	18.8	Arb & FoF				
PAT	26.3	10.9	18.4	17.1	Mix				
Core PAT	42.7	11.8	20.8	18.8	Equity	81.4	81.3	81.9	82.5
DuPont analysis (%)					Balanced	12.1	12.1	11.6	11.2
Revenue	0.35	0.34	0.34	0.34	Debt	2.5	2.6	2.7	2.8
Expenses	0.14	0.14	0.14	0.14	Liquid	4.0	4.0	3.8	3.6
Employee	0.09	0.09	0.09	0.08	ETF				
Others	0.05	0.05	0.05	0.05	Index				
Depreciation	0.00	0.00	0.00	0.00	Arb & FoF				
Core Income	0.21	0.20	0.20	0.20	Growth				
Other Income	0.04	0.03	0.03	0.03	Overall	33.8	18.4	20.1	18.8
PBT	0.25	0.23	0.23	0.23	Equity+Bal	38.6	18.3	21.0	19.6
Tax	0.06	0.06	0.06	0.06	Debt	22.9	18.1	15.7	14.5
PAT (RoAAuM)	0.18	0.17	0.17	0.17	Liquid	-7.3	23.2	23.9	19.7
Core RoAAuM	0.16	0.15	0.15	0.15	ETF	16.0	18.9	13.1	13.1
ROE	36.2	34.6	39.6	44.5	Index				
Core RoE	40.0	39.3	48.7	58.8	Arb & FoF				
Other Ratios (%)					Valuations				
Staff cost/revenue	24.3	26.1	25.1	24.7	EPS	9.6	10.6	12.6	14.7
Other opex/revenue	14.5	14.6	14.6	14.5	Core EPS	8.1	9.1	10.9	13.0
Core Income/revenue	59.9	58.1	59.2	59.7	CPS	30.3	31.6	32.6	34.8
Other Income/revenue	10.8	10.0	8.8	7.9	DPS	1.3	1.9	2.3	2.6
Yield on Investments	7.4	6.5	6.5	6.5	Dividend yield	0.5	0.6	0.7	0.8
Effective tax rate	26.0	26.0	26.0	26.0	BVPS	30	31	32	34
PAT margin	52.3	50.3	50.3	50.0	P/B	8.8	10.1	9.9	9.3
Core PAT margin	46.4	44.9	45.7	46.2	P/E	27.8	29.9	25.2	21.5
Dividend payout (%)	13.1	18.0	18.0	18.0	P/core EPS	29.1	31.5	26.0	21.7

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,925	1,672
2	Axis Bank	BUY	1,425	1,170
3	Bank of Baroda	BUY	270	262
4	Can Fin Homes	BUY	950	838
5	City Union Bank	BUY	245	219
6	DCB Bank	BUY	155	132
7	Federal Bank	BUY	250	227
8	HDFC Asset Management Company	BUY	6,175	5,764
9	HDFC Bank	BUY	1,150	1,003
10	ICICI Bank	BUY	1,800	1,437
11	IndusInd Bank	Hold	840	751
12	Kotak Mahindra Bank	BUY	2,480	2,187
13	LIC Housing Finance	Hold	690	570
14	Nippon Life India Asset Management	BUY	900	875
15	State Bank of India	BUY	960	865
16	Union Bank of India	BUY	160	142
17	UTI Asset Management Company	Accumulate	1,400	1,339

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Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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