

October 20, 2025

Q2FY26 Result Update

☑ Change in Estimates | ■ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		BUY	
Target Price	1,400		1,400	
Revenue (Rs m)	15,934	17,173	15,934	17,602
% Chg	-	(2.4)		
Opex (Rs m)	9,859	9,189	8,660	9,309
% Chg	13.8	(1.3)		
Core EPS (Rs)	37.0	48.7	44.3	50.5
% Chg	(16.5)	(3.7)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (Rs m)	14,453	15,934	17,173	18,410
Opex	8,078	9,859	9,189	9,804
Employee	4,580	6,051	5,073	5,343
Others	3,498	3,807	4,116	4,461
Core Inc. (Rs m)	6,375	6,075	7,984	8,606
PAT (Rs mn)	8,130	7,796	9,668	10,579
Core PAT (Rs m)	4,926	4,738	6,228	6,713
Core EPS (Rs.)	38.5	37.0	48.7	52.5
Gr. (%)	41.8	(3.8)	31.4	7.8
AAuM (Rs bn)	3,377	3,806	4,296	4,848
Gr. (%)	25.2	12.7	12.9	12.9
RoAAuM (bps)*	0.1	0.1	0.1	0.1
RoE (%)*	15.7	14.6	17.4	16.9
P/Core EPS (x)	19.0	23.1	16.4	14.1

* Core Nos.

Key Data

UTIA.BO | UTIAM IN

52-W High / Low	Rs.1,472 / Rs.893
Sensex / Nifty	84,363 / 25,843
Market Cap	Rs.171.7bn / \$ 1,952.7m
Shares Outstanding	128.2m
3M Avg. Daily Value	Rs.236.3m

Shareholding Pattern (%)

Promoter's	-
Foreign	7.61
Domestic Institution	59.71
Public & Others	32.68
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	3.2	38.7	11.1
Relative	1.7	32.1	7.4

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Company to tide over near-term challenges

Quick Pointers:

- Core PAT miss led by higher other staff costs led by one-time VRS cost.
- VRS scheme approved; entire cost would be booked in Q3FY26.

UTIAM saw a weak quarter as core income at Rs1.33bn missed PLe by 20% led by higher staff cost due to VRS related one-time impact of Rs250mn. VRS was implemented w.e.f. 1st Oct'25, to offer exit to eligible employees; 479 are eligible for VRS. Avg. payout would be between Rs6.0-6.5mn. Entire VRS cost will be booked in the P&L in Q3FY26. All eligible employees may not take VRS; we increase staff cost and overall opex by 15%/25% respectively. Due to a combination of higher employee cost for FY26 and lower AAuM growth for FY27/28E led by weak equity performance leading to lower market share, we trim core PAT for FY26/27/28E by 16.5%/3.7%/5.5%. Valuation is at 15x on Sep'27 core EPS suggesting a ~57% discount to NAM. We maintain multiple at 16x and TP of 1,400 but change rating to 'ACCUMULATE' from 'BUY'.

- Weak quarter as higher staff cost led to core PAT miss:** QAAuM was in-line at Rs3,810bn (+5% QoQ); equity at Rs1332bn grew by 4.3% QoQ. Revenue grew by 2.8% QoQ and was largely in-line at Rs3.9bn; revenue yields were lower at 40.9bps (PL 41.3bps). Opex grew by 15.6% QoQ and was higher at 2.6bn (PL Rs2.3bn) due to higher staff cost. Employee cost was more at 1.6bn (PL Rs1.3bn) due to VRS related provisions. Other opex was Rs985mn (PL Rs947mn). Core income was a miss at 1.3bn (PL Rs1.7bn) resulting in lower operating yields at 13.9bps (PL 17.5bps). Core income fell by 15.3% QoQ. Other income was lower at 0.3bn (PL Rs0.4bn) due to lower MTM gains. Tax rate reduced to 19.4% (PL 23%). Hence, core PAT at Rs1.07bn was 16% below PL. Core PAT yields were 11.2bps. PAT came in at Rs1.3bn.
- AMC yields were stable QoQ:** Equity share slightly fell QoQ to 35.0% from 35.2% in Q1'26; debt share inched up 34bps to 11.0% while liquid share fell by 37bps to 8.9%. AMC yields were a bit lower QoQ to 32.7bps from 33.4bps. Company rationalized commissions during Q4FY25 due to which equity yields have been largely stable at ~75bps despite equity AAuM growth of 4% in H1FY26 over H2FY25. Other opex was more due to CSR expenses. Company maintains guidance of 7-8% growth in other opex. AUM for UTI International declined due to i) maturity of UTI Pheonix Fund ii) some redemption and MTM impact on UTI India Dynamic Equity Fund and iii) MTM in UTI Innovation Fund.
- VRS announced, would increase opex estimates:** UTIAM approved VRS w.e.f. 1st Oct'25, one-time impact of which was Rs250mn. This was designed to offer an exit to eligible employees while realigning the workforce to support the firm's business priorities. Actual impact of VRS will depend on number of people opting for it which will be communicated in November. Out of 1,450 employees, 479 overall and 315 in sales are eligible for VRS. Avg. payout would be between Rs6.0-6.5mn. Management suggested that in case all employees take VRS, company will be requiring 70-75 replacements. Entire VRS cost will be booked in the P&L in Q3FY26. We increase staff cost for FY26E by ~25% but trim it for FY27E by 1.4%. Overall opex would increase by ~15% for FY26.

Exhibit 1: Core PAT miss led by higher staff cost

Financials (Rs m)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26E	% Var.
Revenue	3,900	3,730	4.6	3,793	2.8	3,907	(0.2)
Total Expenses	2,573	2,044	25.9	2,226	15.6	2,252	14.3
Employees	1,588	1,153	37.7	1,292	23.0	1,305	21.7
Other expenses	817	742	10.2	770	6.1	782	4.5
Finance cost	33	31	8.5	34	(2.1)	34	(3.0)
Fees and Commission	8	6	24.2	8	-	8	(1.0)
Depreciation	127	112	13.0	123	3.5	124	2.5
Operating Income	1,327	1,686	(21.3)	1,567	(15.3)	1,655	(19.8)
Other Income	314	1,671	(81.2)	1,693	(81.4)	400	(21.5)
Profit before tax	1,641	3,357	(51.1)	3,260	(49.7)	2,055	(20.1)
Tax	319	726	(56.0)	722	(55.8)	473	(32.5)
Profit after tax	1,322	2,631	(49.7)	2,539	(47.9)	1,582	(16.4)
Core PAT	1,069	1,321	(19.1)	1,220	(12.4)	1,274	(16.1)
Profitability ratios (bps)							
Revenue yield	40.9	43.4	(246)	41.8	(86)	41.3	(35)
Employee to AuM	16.7	13.4	325	14.2	244	13.8	288
Opex to AuM	10.3	10.4	(2)	10.3	4	10.0	33
Core income/AuM	13.9	19.6	(569)	17.3	(334)	17.5	(356)
PAT/AuM	13.9	30.6	(1,674)	28.0	(1,411)	16.7	(284)
Core PAT/AuM	11.2	15.4	(415)	13.5	(223)	13.5	(224)
QAAuM (Rs. mn)							
Equity	38,09,743	34,37,118	10.8	36,28,398	5.0	37,84,133	0.7
Balanced	9,95,638	9,86,565	0.9	9,49,336	4.9	9,95,506	0
Debt	3,36,559	3,03,821	10.8	3,28,187	2.6	3,36,515	0
Liquid	4,18,989	3,22,407	30.0	3,86,687	8.4	4,00,470	5
ETF	3,38,148	3,08,857	9.5	3,35,583	0.8	3,38,977	(0)
Index	12,17,842	11,15,201	9.2	11,67,339	4.3	12,10,474	1
Arbitrage	4,14,183	3,39,741	21.9	3,90,035	6.2	4,13,957	0
	88,385	60,526	46.0	71,232	24.1	88,233	0

Source: Company, PL.

Q2FY26 Concall Highlights

Industry

- Total industry AUM grew to Rs75.61trn as of Sep'25, up from Rs75.19trn, reflecting a 0.56% increase M-o-M.
- Equity MF inflows fell 9% to Rs304bn in Sept. In September the SIP stoppage ratio rose to 76.27% up from 74.51% in August. Overall sentiment of retail investors remains strong. SIPs have reached a new milestone with record monthly contribution of Rs294bn.

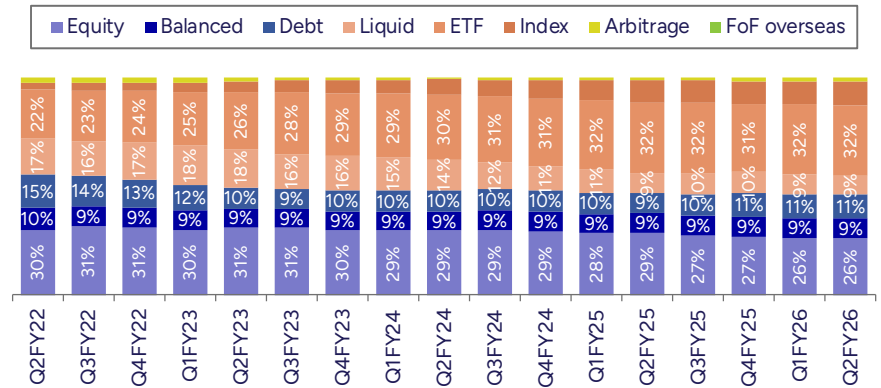
MD&CEO appointment

- The Board has unanimously decided to appoint Mr. Vetri Subramaniam as MD&CEO of UTI AMC with effect from 1st Feb'26. Current MD&CEO will act as strategic advisor from 1st Feb'26 to 12th Jun'26.

Financial Performance

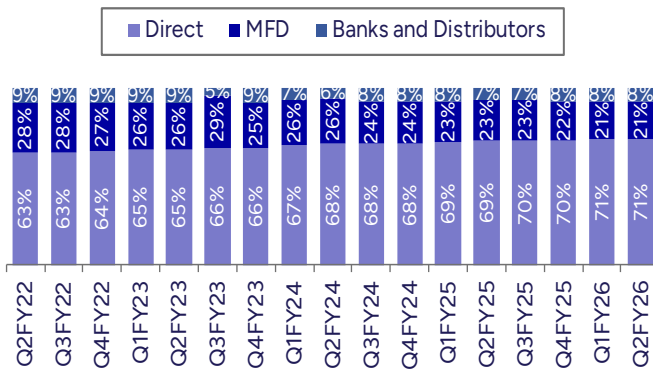
- AUM for UTI International declined due to i) maturity of UTI Pheonix Fund ii) some redemption and MTM impact on UTI India Dynamic Equity Fund and iii) MTM in UTI Innovation Fund.
- Yields by asset class: equity & hybrid at 75bps, ETF/index at 8bps, liquid at 9bps & debt 19-20bps.
- UTI AMC approved implementation of VRS effective from 1st Oct'25. The one-time financial aspect as per the actuarial valuation is Rs250mn which has been fully accounted in Q2FY26. This initiative is designed to offer a structured and dignified exit framework for eligible employees while strategically realigning the workforce to support the organization's future business priorities. The actual impact of VRS will depend on number of people opting for it which will be communicated in November.
- Out of 1,450 employees, 479 overall and 315 in sales are eligible for VRS. Avg. VRS payout would be between Rs6-6.5mn. Management data suggests that in case all employees take VRS, company will be requiring 70-75 replacements. The entire VRS cost will be booked in the P&L in Q3FY26 as per the accounting standard and it would lead to DTA as per taxation rules.
- The full year tax rate for FY26 is expected be slightly higher at around 26-27% as VRS cost will be amortized over 5 years as per taxation rules.
- Apart from Rs250mn, around Rs65mn in employee cost relates to actuarial impact of salary revision which is a one quarter event.
- Other expenses grew on account of higher CSR expenses. Company maintains guidance of 7-8% growth in other opex.
- Company currently operates through 31 branches across India and plans to take the total number of branches to 40 in FY26.

Exhibit 2: Share of equity & bal fell to 35%, debt share increases to 11%



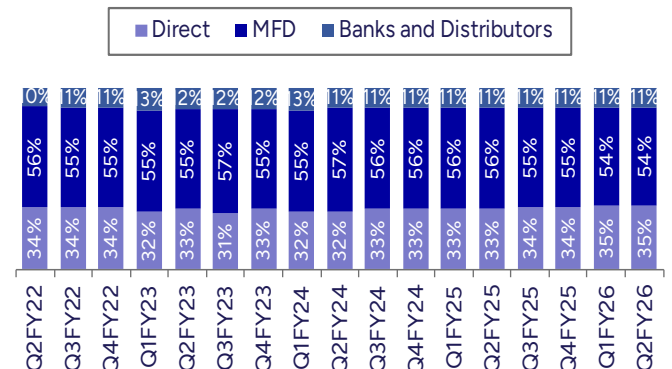
Source: Company, PL

Exhibit 3: Total distribution: Direct dominates at 71%



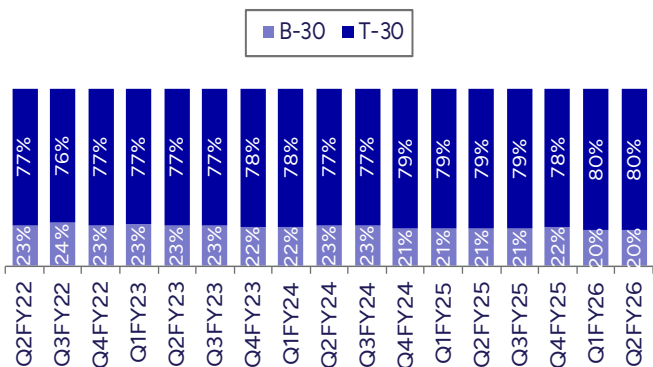
Source: Company, PL

Exhibit 4: Equity distribution mix stable led by MFD at 54%



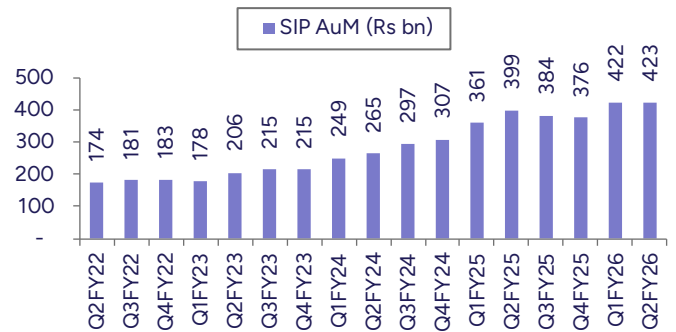
Source: Company, PL

Exhibit 5: B-30 contribution steady at 20%, T-30 at 80%



Source: Company, PL

Exhibit 6: SIP AuM steady QoQ to Rs423bn



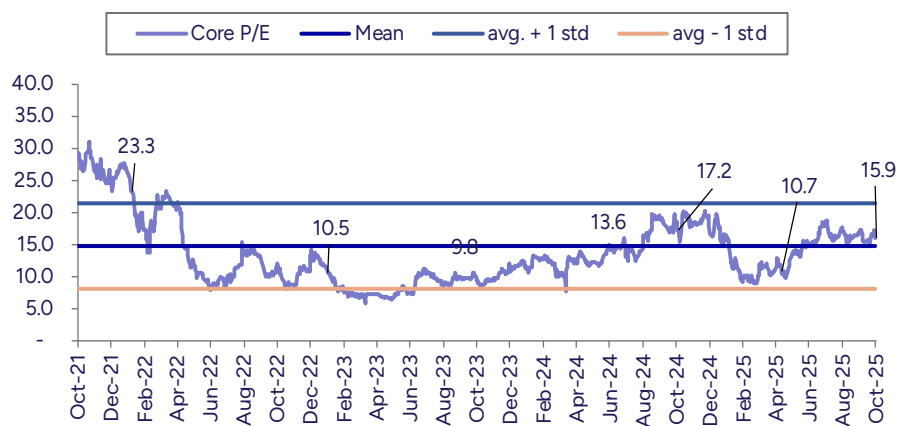
Source: Company, PL

Exhibit 7: Consol revenue up 2.9% QoQ

Revenue Split (Rs. Mn)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
MF	3,110	2,980	4.4	3,030	2.6
PMS	70	70	-	60	16.7
SUUTI	-	10	NA	-	NA
POP	-	-	NA	-	NA
Stand Rev.	3,180	3,040	4.6	3,090	2.9
UTI Int.	340	380	(10.5)	330	3.0
UTI RSL	380	340	11.8	370	2.7
UTI Cap. & Ven.	50	30	66.7	50	-
Elimination	(50)	(60)	(16.7)	(50)	-
Consol Rev.	3,900	3,730	4.6	3,790	2.9

Source: Company, PL

Exhibit 8: UTIAMC 2-year forward P/Core EPS trades at 15.9x



Source: Company, PL

Financials

Exhibit 9: Quarterly Financials

Particulars (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue	2,916	2,900	3,177	3,368	3,730	3,754	3,602	3,793	3,900
Expenses	1,858	1,895	2,024	1,924	2,044	1,993	2,122	2,226	2,573
Employee	1112	1053	1165	1137	1153	1128	1162	1292	1588
Others	611	704	704	638	742	714	801	770	817
Depreciation	104	104	118	112	112	113	118	123	127
Core Income	1,058	1,005	1,153	1,444	1,686	1,761	1,480	1,567	1,327
Other Income	1140	1602	1026	1970	1671	451	60	1693	314
PBT	2,198	2,607	2,180	3,413	3,357	2,212	1,540	3,260	1,641
Tax	370	573	365	670	726	476	520	722	319
PAT	1,828	2,034	1,814	2,743	2,631	1,736	1,020	2,539	1,322
Core PAT	880	784	960	1,160	1,321	1,382	980	1,220	1,069
QAAuM	26,69,125	27,27,687	29,07,290	31,17,546	34,37,118	35,39,487	34,12,425	36,28,398	38,09,743
Equity	7,82,912	8,04,418	8,47,682	8,85,974	9,86,565	9,69,685	9,07,335	9,49,336	9,95,638
Balanced	2,32,794	2,46,909	2,59,716	2,74,049	3,03,821	3,18,150	3,14,342	3,28,187	3,36,559
Debt	2,69,092	2,77,717	2,84,271	3,04,046	3,22,407	3,53,497	3,69,679	3,86,687	4,18,989
Liquid	3,67,875	3,20,392	3,15,753	3,27,722	3,08,857	3,39,395	3,34,040	3,35,583	3,38,148
ETF	8,02,558	8,35,294	9,08,097	9,88,282	11,15,201	11,36,341	10,68,142	11,67,339	12,17,842
Index	1,81,978	2,03,859	2,46,485	2,86,844	3,39,741	3,59,107	3,53,262	3,90,035	4,14,183
Arbitrage	31,917	39,098	45,285	50,629	60,526	63,311	65,626	71,232	88,385
FoF overseas	0	0	0	0	0	38	37	-1	0
Market share (%)	5.7	5.5	5.4	5.3	5.2	5.2	5.1	5.0	4.9
Equity	4.2	4.0	3.7	3.5	3.3	3.2	3.1	3.0	3.0
Balanced	4.6	4.6	4.3	4.2	4.2	4.3	4.3	4.2	4.1
Debt	3.0	3.1	3.2	3.3	3.2	3.3	3.5	3.4	3.3
Liquid	6.4	5.9	5.4	5.5	5.0	5.2	4.9	4.9	4.9
ETF	13.9	13.8	13.6	13.6	13.7	13.7	13.2	13.3	13.1
Index	10.1	10.7	11.9	12.6	13.1	13.2	12.8	13.2	13.4
QAAuM Growth (%)	7.6	2.2	6.6	7.2	10.3	3.0	-3.6	6.3	5.0
Equity	7.5	2.7	5.4	4.5	11.4	-1.7	-6.4	4.6	4.9
Balanced	10.3	6.1	5.2	5.5	10.9	4.7	-1.2	4.4	2.6
Debt	8.1	3.2	2.4	7.0	6.0	9.6	4.6	4.6	8.4
Liquid	-2.4	-12.9	-1.4	3.8	-5.8	9.9	-1.6	0.5	0.8
ETF	11.1	4.1	8.7	8.8	12.8	1.9	-6.0	9.3	4.3
Index	12.4	12.0	20.9	16.4	18.4	5.7	-1.6	10.4	6.2
Arbitrage	1.3	22.5	15.8	11.8	19.5	4.6	3.7	8.5	24.1
Dupont (bps)									
Revenue yield	43.7	42.5	43.7	43.2	43.4	42.4	42.2	41.8	40.9
Opex to AuM	27.8	27.8	27.8	24.7	23.8	22.5	24.9	24.5	27.0
Staff cost	16.7	15.4	16.0	14.6	13.4	12.7	13.6	14.2	16.7
Other opex	9.2	10.3	9.7	8.2	8.6	8.1	9.4	8.5	8.6
Depreciation	1.6	1.5	1.6	1.4	1.3	1.3	1.4	1.4	1.3
Core income/AuM	15.9	14.7	15.9	18.5	19.6	19.9	17.3	17.3	13.9
PAT/AuM	27.4	29.8	25.0	35.2	30.6	19.6	12.0	28.0	13.9
Core PAT/AuM	13.2	11.5	13.2	14.9	15.4	15.6	11.5	13.5	11.2
Profitability (%)									
Staff cost/revenue	38.1	36.3	36.7	33.7	30.9	30.0	32.3	34.1	40.7
Other opex/revenue	20.9	24.3	22.2	19.0	19.9	19.0	22.3	20.3	21.0
Core income/revenue	36.3	34.6	36.3	42.9	45.2	46.9	41.1	41.3	34.0
Tax rate	16.8	22.0	16.8	19.6	21.6	21.5	33.8	22.1	19.4
PAT margin	39.1	55.3	32.3	58.5	44.8	12.0	1.7	44.6	8.1
Core PAT margin	30.2	27.0	30.2	34.4	35.4	36.8	27.2	32.2	27.4

Source: Company, PL

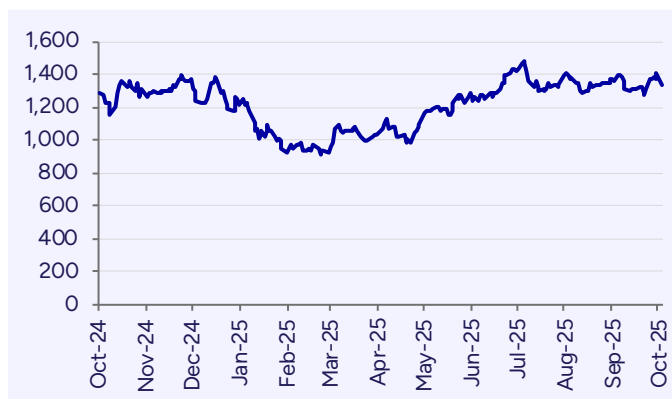
Exhibit 10: Summary Financials (Rs mn)

Particulars	FY25	FY26E	FY27E	FY28E	Particulars	FY25	FY26E	FY27E	FY28E
Profit & Loss					Balance Sheet				
Revenue	14,453	15,934	17,173	18,410	Net Worth	51,603	57,972	65,005	72,862
Investment mgmt.	14,443	15,916	17,155	18,392	Capital (FV Rs5)	1,280	1,280	1,280	1,280
PMS / Advisory	10	18	18	18	Reserves	50,324	56,693	63,725	71,582
Expenses	8,078	9,859	9,189	9,804	Employee benefit	1,546	1,577	1,608	1,640
Employee	4,580	6,051	5,073	5,343	Others	3,435	3,583	3,738	3,900
Others	3,043	3,332	3,617	3,937	Total Liabilities	56,584	63,132	70,351	78,402
Depreciation	455	475	499	524	Cash and Bank	5,045	5,549	6,104	6,714
Core Income	6,375	6,075	7,984	8,606	Investment	45,575	51,333	57,693	64,810
Other Income	4,146	3,919	4,411	4,957	Fixed assets	4,195	4,356	4,524	4,700
PBT	10,522	9,994	12,395	13,563	Others	1,770	1,895	2,030	2,177
Tax	2,392	2,199	2,727	2,984	Total Assets	56,584	63,132	70,351	78,402
PAT	8,130	7,796	9,668	10,579	AuM Data				
Core PAT	4,926	4,738	6,228	6,713	AAuM	33,76,644	38,05,806	42,95,535	48,48,276
Dividend	6,144	6,393	8,219	8,993	Equity	9,37,390	10,44,896	11,30,745	12,40,206
Growth ratios (%)	42.6%	-3.8%	31.4%	7.8%	Balanced	3,02,590	3,55,979	4,01,671	4,54,165
Revenue	22.3	10.2	7.8	7.2	Debt	3,37,407	3,81,258	4,27,638	4,79,810
Opex	6.7	22.0	-6.8	6.7	Liquid	3,27,504	2,87,884	3,25,596	3,68,250
Employee	4.2	32.1	-16.2	5.3	ETF	10,76,992	12,57,231	14,40,252	16,32,819
Others	10.4	9.5	8.5	8.8	Index	3,34,738	4,09,287	4,89,010	5,78,947
Core income	50.0	-4.7	31.4	7.8	Arb & FoF	60,023	69,270	80,622	94,079
PAT	1.4	-4.1	24.0	9.4	Mix				
Core PAT	42.6	-3.8	31.4	7.8	Equity	27.8	27.5	26.3	25.6
DuPont analysis (%)					Balanced	9.0	9.4	9.4	9.4
Revenue	0.43	0.42	0.40	0.38	Debt	10.0	10.0	10.0	9.9
Expenses	0.24	0.26	0.21	0.20	Liquid	9.7	7.6	7.6	7.6
Employee	0.14	0.16	0.12	0.11	ETF	31.9	33.0	33.5	33.7
Others	0.09	0.09	0.08	0.08	Index	9.9	10.8	11.4	11.9
Depreciation	0.01	0.01	0.01	0.01	Arb & FoF	1.8	1.8	1.9	1.9
Core Income	0.19	0.16	0.19	0.18	Growth				
Other Income	0.12	0.10	0.10	0.10	Overall	25.2	12.7	12.9	12.9
PBT	0.31	0.26	0.29	0.28	Equity	18.5	11.5	8.2	9.7
Tax	0.07	0.06	0.06	0.06	Balanced	27.3	17.6	12.8	13.1
PAT (RoAAuM)	0.24	0.20	0.23	0.22	Debt	25.0	13.0	12.2	12.2
Core RoAAuM	0.146	0.125	0.145	0.138	Liquid	-5.1	-12.1	13.1	13.1
ROE	16.0	14.2	15.7	15.3	ETF	31.8	16.7	14.6	13.4
Core RoE	15.7	14.6	17.4	16.9	Index	68.6	22.3	19.5	18.4
Other Ratios (%)					Valuations				
Staff cost/revenue	31.7	38.0	29.5	29.0	EPS	63.5	60.9	75.5	82.7
Other opex/revenue	21.1	20.9	21.1	21.4	Core EPS	38.5	37	48.7	52.5
Core Income/revenue	44.1	38.1	46.5	46.7	CPS	395.5	444.5	498.5	558.9
Other Income/revenue	28.7	24.6	25.7	26.9	DPS	48.0	50.0	64.2	70.3
Yield on Investments	8.69	7.50	7.50	7.50	Dividend yield	4.4	3.8	4.9	5.4
Effective tax rate	22.7	22.0	22.0	22.0	BVPS	403	453	508	569
PAT margin	56.2	48.9	56.3	57.5	P/B	2.4	2.9	2.6	2.3
Core PAT margin	34.1	29.7	36.3	36.5	P/E	18.1	21.3	17.2	15.7
Dividend payout (%)	75.6	82.0	85.0	85.0	P/core EPS	19.0	23.1	16.4	14.1

Source: Company, PL

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	BUY	1,400	1,332
2	08-Jul-25	BUY	1,300	1,329
3	02-May-25	BUY	1,300	1,019
4	08-Apr-25	BUY	1,320	1,035
5	08-Jan-25	BUY	1,320	1,296
6	28-Oct-24	BUY	1,320	1,155
7	08-Oct-24	BUY	1,050	1,202
8	09-Jul-24	BUY	1,050	1,049
9	27-Apr-24	BUY	1,050	975
10	10-Apr-24	BUY	900	915

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	875	805
5	City Union Bank	BUY	245	219
6	DCB Bank	BUY	155	132
7	Federal Bank	BUY	235	213
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	2,350	2,127
13	LIC Housing Finance	BUY	725	567
14	Nippon Life India Asset Management	BUY	900	875
15	State Bank of India	BUY	960	865
16	Union Bank of India	BUY	150	139
17	UTI Asset Management Company	BUY	1,400	1,332

PL's Recommendation Nomenclature (Absolute Performance)

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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