BUY

Nippon Life India Asset Management

Steady quarter; market share gain continues

BFSI - Capital Markets ▸ Result Update ▸ **July 23, 2026**

CMP (Rs): 1,148 | TP (Rs): 1,350

NAM delivered a healthy quarter, with MF QAAUM growing ~4% qoq to Rs7.52trn while continuing to gain market share at 9.04% (+54bps qoq). Yields witnessed a slight qoq dip to 40.9bps, resulting in revenue of Rs7.7bn (+4% qoq), ~2% above our estimate. EBITDA at Rs5.1bn (Emkay: Rs5.0bn) was largely flat qoq due to higher employee costs and other expenses. Other income increased significantly to Rs1.7bn, driving PAT to Rs5.04bn (+31% qoq and ~14% above our estimate). NAM remained the fastest-growing AMC and topped the charts in market share accretion during the quarter. The company plans to launch differentiated products in the SIF category and is currently adopting a measured approach. The management plans to invest in technology, digital platforms, and brand building, resulting in elevated costs going forward. To bake in the 1Q developments, we tweak our estimates, leading to a ~2-3% cut in PAT over FY28-29E, while our FY27E PAT remains largely unchanged. We maintain BUY with an unchanged Jun-27E TP of Rs1,350, implying FY28E PER of ~42x.

Healthy show; continues to gain market share

MF QAAUM at Rs4.52trn grew ~4% qoq, driving ~54bps qoq increase in overall market share to 9.04%. Equity market share increased 34bps sequentially to 7.38%. Yields witnessed a slight dip to 40.9bps, leading to revenue of Rs7.7bn (~+4% qoq), ~2% above our estimate. Employee costs increased 10% qoq to Rs1.39bn and were lower than our estimate. However, other expenses rose 17% qoq to Rs1bn and were 10% above our estimate, driven by investments in brand building, technology, and digital capabilities. Consequently, EBITDA at Rs5.1bn remained flat qoq, while EBITDA margin dipped 240bps qoq to 66.2% and was largely in line with our estimate. Other income increased sharply to Rs1.7bn, driving PAT to Rs5.04bn (+31% qoq), ~14% above our estimate. Core PAT declined 9% qoq to Rs3.75bn due to a lower tax rate in 4Q and was ~2% above our estimate.

Maintained the tag of fastest-growing AMC; investments to drive higher costs

NAM continued to be the fastest-growing AMC among the top 10 AMCs and recorded the highest market share accretion during the quarter. While SIP flow market share remained in the high single digits, equity flow market share improved to double digits, with both exceeding its AUM market share. On SIFs, the management said the company is awaiting approvals for the launch of SIFs but has intentionally adopted a measured approach, as it plans to launch differentiated offerings. Given the investments in brand building, technology, and digital capabilities, costs are likely to increase going forward.

We maintain BUY and Jun-27E TP of Rs1,350

To bake in the 1Q developments, we tweak our estimates, which leaves revenue broadly unchanged. However, elevated costs result in ~2-3% cut in EBITDA over FY27-29E, leading to ~2-3% cut in FY28-29E PAT, while FY27E PAT remains broadly unchanged. Given its strong retail franchise, consistent market share gains, and widespread distribution, we maintain BUY and Jun-27E TP of Rs1,350, implying FY28E PER of ~42x.

Nippon Life India Asset Management: Financial Snapshot (Consolidated)					
Y/E Mar (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	22,307	27,087	31,893	36,599	41,727
EBITDA	14,416	17,949	20,914	23,686	26,945
Adj. PAT	12,864	15,294	18,218	20,374	23,100
Adj. EPS (Rs)	20.0	23.6	28.1	31.5	35.7
Core PAT	10,663	13,555	15,434	17,496	19,935
EBITDA margin (%)	64.6	66.3	65.6	64.7	64.6
EBITDA growth (%)	45.1	24.5	16.5	13.3	13.8
Adj. EPS growth (%)	14.3	18.0	19.1	11.8	13.4
RoE (%)	31.4	34.5	38.0	40.4	43.4
P/E (x)	56.4	47.7	40.2	36.0	31.7
EV/EBITDA (x)	47.9	38.4	32.9	28.9	25.3
P/B (x)	17.5	15.9	15.1	14.4	13.6
FCFF yield (%)	1.0	2.0	2.3	2.5	2.9

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	17.6

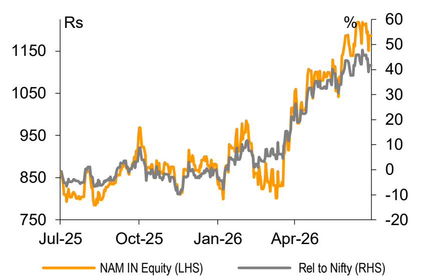
Stock Data	**NAM IN**
52-week High (Rs)	1,234
52-week Low (Rs)	756
Shares outstanding (mn)	639.3
Market-cap (Rs bn)	734
Market-cap (USD mn)	7,599
Net-debt, FY27E (Rs mn)	(44,260.3)
ADTV-3M (mn shares)	1.1
ADTV-3M (Rs mn)	1,270.1
ADTV-3M (USD mn)	13.2
Free float (%)	24.8
Nifty-50	23,996.3
INR/USD	96.6

Shareholding,Jun-26	
Promoters (%)	71.8
FPIs/MFs (%)	7.0/15.5

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	(3.4)	8.3	33.9
Rel. to Nifty	(3.0)	10.0	39.9

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 – 1QFY27 financial summary

Rs mn	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy	qoq	1QFY27E	Var
Revenue from operations	6,066	6,581	7,053	7,387	7,669	26%	4%	7,544	2%
Other income	1,460	366	753	-335	1,702	17%	-608%	1,000	70%
Total revenue	**7,526**	**6,947**	**7,806**	**7,052**	**9,371**	**25%**	**33%**	**8,544**	**10%**
Employee benefits expense	1,226	1,233	1,335	1,259	1,388	13%	10%	1,410	-2%
Depreciation expense	84	88	109	122	120	42%	-2%	123	-3%
Fee and commission expense	186	198	196	203	203	9%	0%	211	-4%
Other expenses	772	855	821	854	999	29%	17%	911	10%
Finance costs	18	18	18	16	16	-13%	-4%	16	-5%
EBITDA	3,881	4,295	4,701	5,071	5,078	31%	0%	5,011	1%
EBITDA margin (%)	64.0%	65.3%	66.7%	68.6%	66.2%	2.2ppt	-2.4ppt	66.4%	-0.2ppt
Total expense	**2,287**	**2,392**	**2,478**	**2,454**	**2,726**	**19%**	**11%**	**2,672**	**2%**
PBT	5,239	4,555	5,328	4,598	6,645	27%	45%	5,871	13%
PAT	**3,961**	**3,446**	**4,039**	**3,847**	**5,037**	**27%**	**31%**	**4,434**	**14%**
Tax rate (%)	24.4%	24.3%	24.2%	16.3%	24.2%	-0.2ppt	7.9ppt	24.5%	-0.3ppt
Core PAT	**2,857**	**3,170**	**3,468**	**4,128**	**3,747**	**31%**	**-9%**	**3,679**	**2%**
AUM (Rs bn)	**6,127**	**6,565**	**7,010**	**7,249**	**7,515**	**23%**	**4%**	**7,515**	**0.0%**
Key ratios (As bps of AUM)	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**	**yoy (bps)**	**qoq (bps)**	**1QFY27E**	**Var (bps)**
Revenue yield (bps)	39.7	39.8	39.9	41.3	40.9	1.2	-0.4	40.3	0.7
Opex	14.3	13.8	13.3	13.0	13.8	-0.5	0.9	13.5	0.3
Operating profit	25.4	26.0	26.6	28.4	27.1	1.7	-1.3	26.7	0.4
PAT	25.9	20.8	22.8	21.5	26.9	0.9	5.3	23.7	3.2
AUM	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**	**yoy (ppt)**	**qoq (ppt)**		
AUM (Rs bn)									
AUM mix (%)									
Equity	*49.2*	*50.0*	*49.3*	*47.8*	*48.9*	*-0.3*	*1.2*		
Debt	*14.7*	*15.5*	*15.3*	*13.4*	*12.4*	*-2.3*	*-1.0*		
Liquid	*7.7*	*6.6*	*5.5*	*5.5*	*6.3*	*-1.4*	*0.8*		
Other	*28.4*	*27.9*	*29.9*	*33.4*	*32.4*	*4.0*	*-1.0*		

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)	428,323
Terminal value (Rs mn)	400,517
Fair value (Rs mn)	828,840
Number of shares (mn)	638.12
Mar-27 fair value (Rs)	1,299
Jun-27E target price (Rs)	1350

Source: Company, Emkay Research

Exhibit 3: Implied valuation multiples for NAM

Valuation at target price	**1350**
FY28E PER	42.3
FY28E PBV	16.7
FY28 PAUM	9%
Valuation at current price	**1,148**
FY28E PER	36.0
FY28E PBV	14.2
FY28 PAUM	7%

Source: Company, Emkay Research

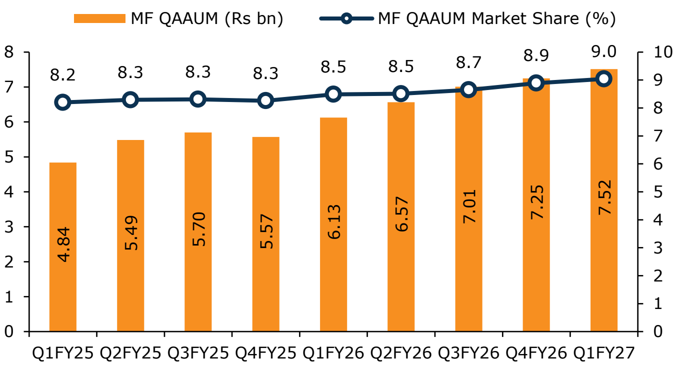
Exhibit 4: Changes in estimates

Rs mn	FY27E			FY28E			FY29E		
	Old	Revised	%change	Old	Revised	%change	Old	Revised	%change
Op revenue	31,792	31,893	0%	36,454	36,599	0.4%	41,523	41,727	0%
EBITDA	21,270	20,914	-2%	24,460	23,686	-3%	27,900	26,945	-3%
EBITDA margin	66.9%	65.6%	-1.3 ppt	67.1%	64.7%	-2.4 ppt	67.2%	64.6%	-2.6 ppt
PAT	18,173	18,218	0%	20,881	20,374	-2%	23,723	23,100	-3%
ROE %	38.0%	38.0%	0.1 ppt	41.2%	40.4%	-0.8 ppt	44.0%	43.4%	-0.5 ppt

Source: Company, Emkay Research

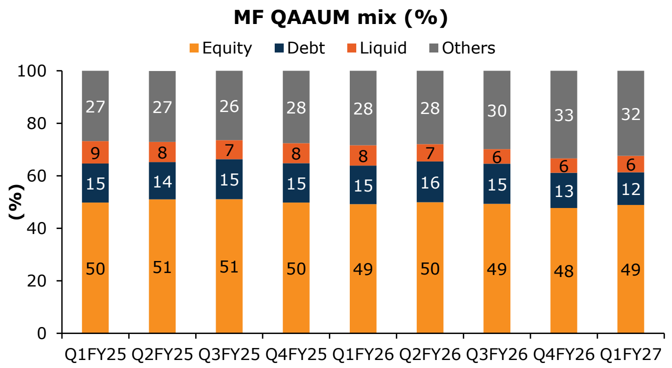
Story in charts

Exhibit 5: NAM has witnessed consistent market share gains



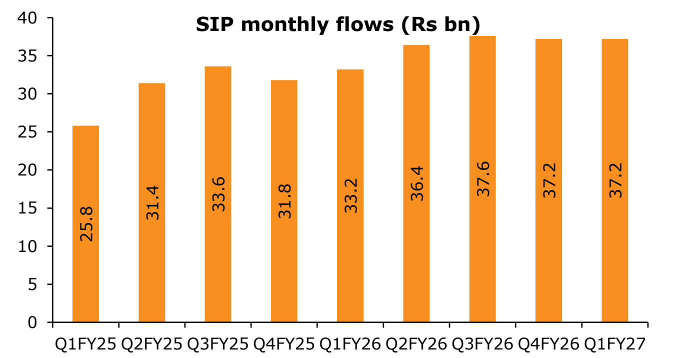
Source: Company, Emkay Research

Exhibit 6: Share of Equity AUM increases to 49% in 1QFY27



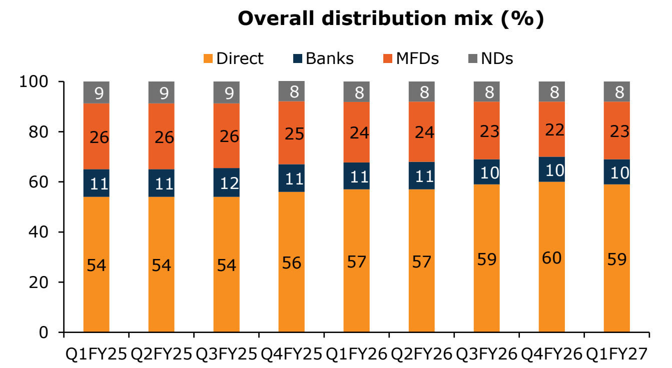
Source: Company, Emkay Research

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



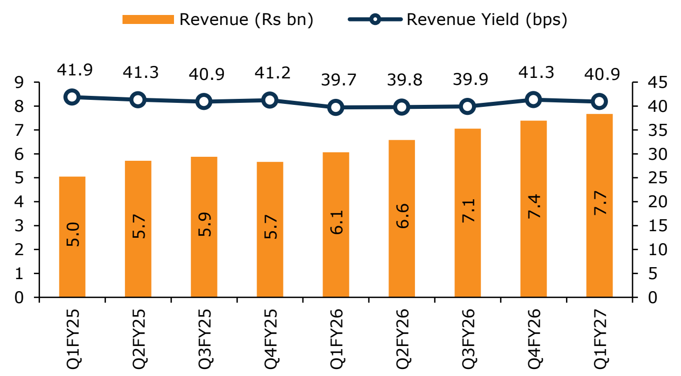
Source: Company, Emkay Research

Exhibit 8: Share of Direct channel falls to 59% in 1QFY27, led by slow growth in ETFs



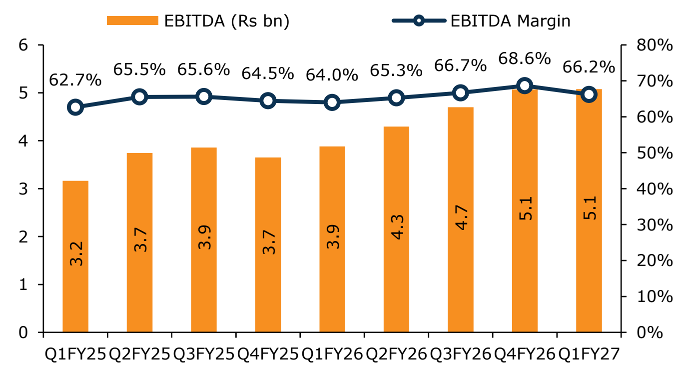
Source: Company, Emkay Research

Exhibit 9: Revenue yield dipped sequentially



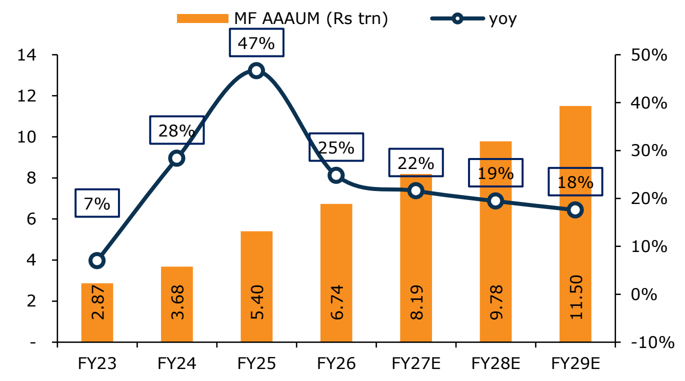
Source: Company, Emkay Research

Exhibit 10: EBITDA margin contracted to 66.2% in 1QFY27



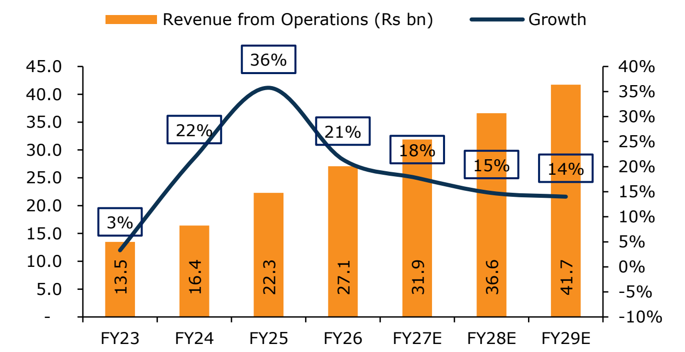
Source: Company, Emkay Research

Exhibit 11: We expect ~19% AUM CAGR over FY26-29E



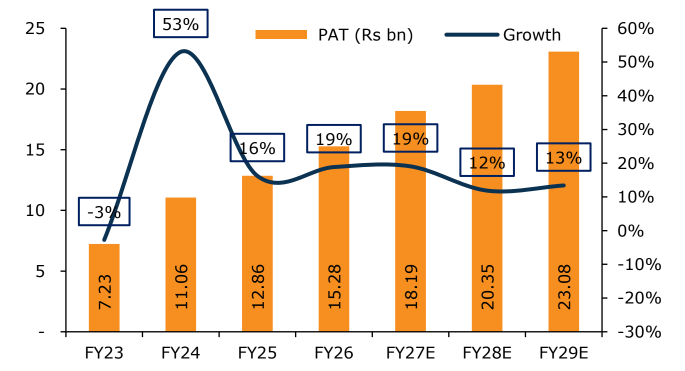
Source: Company, Emkay Research

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



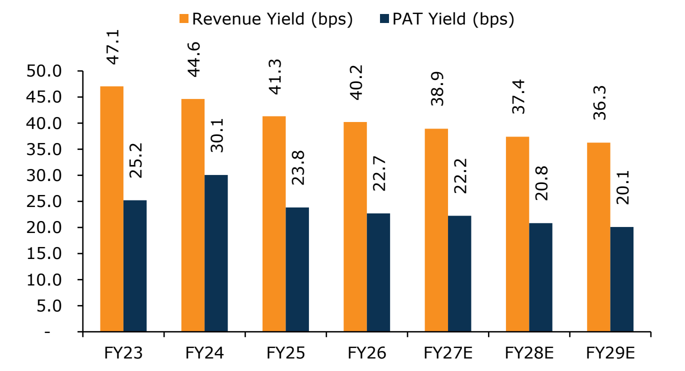
Source: Company, Emkay Research

Exhibit 13: We expect ~19% 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

Earnings conference call highlights

- NAM remained the fastest-growing AMC among the top 10 AMCs based on overall AUM and equity AUM, clocking ~9% market share basis MF QAAUM.
- SIP market share was in high single digits at 9.8%, while equity net sales market share remained in the double digits—both being above the AUM market share.
- The industry witnessed a decline in gold and silver ETFs. NAM's gold and silver ETFs combined amounted to an AUM of Rs0.8trn, representing 32% of ETF AUM and 12% of overall AUM. Net sales stayed positive and NAM held its gold and silver market share.
- The management mentioned that the TER changes were implemented during the quarter and the impact was mostly passed on to distributors.
- Incremental flows across the banking channel are steady, supported by a wide banking interface across PSU, private and foreign banks. There are no trends showing any moderation.
- Direct flows have inched up on account of flows from fintech platforms and the company's proprietary distribution.
- The company has always maintained a de-risked distribution channel with no single distributor contributing more than 5%.
- The company advertises its funds based on trust and process rather than selling on performance.
- The strong other-income print was driven by market movements—mainly the equity book (which carries a higher small- and mid-cap tilt than typical) and softening debt yields.
- NAM-India targets a top-three position across fintech platforms and expects to sustain it, ensuring equitable distribution across the ecosystem.
- The management is "in a state of readiness" and will launch SIFs on receipt of approvals, but is deliberately taking a wait-and-watch approach. It views many early industry SIF products as "me-too/mutual-fund-plus-plus" and intends to launch highly differentiated products leveraging its large retail franchise. Senior hire Andrew Holland and team are driving the effort; SIF is positioned as an important forward strategy.
- Debt flows have been volatile industry-wide on rate movements; the company is broad-basing fixed-income awareness and promoting asset allocation (allocation funds and medium-to-long-duration debt portfolios) to de-risk and widen its fixed-income investor base.
- NAM voluntarily capped bullion ETF inflows above Rs250mn and gold-fund (non-ETF) inflows above Rs1mn, framed against elevated gold imports/national-cost considerations; retail access is largely preserved (only short-term/trading flows affected).
- On behavior, the management sees investor conduct broadly stable through volatility; DIY/digital-native investors historically run shorter cycles, but investor education is lengthening holding periods, and both ticket sizes and SIP longevity from digital-native investors have improved over the last two years.
- The ~17% qoq rise in other expenses reflects continued investment in technology, brand, and the digital platform; the management intends to sustain this pace over the next ~6–8 quarters.
- The Management mentioned that overall opex costs excluding ESOPs could grow at 18-20% going forward.

Exhibit 15: Financial summary

Income statement (Y/E Mar, Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue from operations	22,307	27,087	31,893	36,599	41,727
Other income	2,900	2,243	3,676	3,801	4,180
Total revenue	**25,207**	**29,331**	**35,569**	**40,401**	**45,908**
Employee expenses	4,290	5,053	5,989	7,008	8,075
Depreciation and amortization	306	403	498	548	588
Other expenses	2,883	3,302	4,143	4,972	5,643
Total operating expenses	7,891	9,138	10,978	12,913	14,783
EBITDA	**14,416**	**17,949**	**20,914**	**23,686**	**26,945**
Total opex	**8,264**	**9,611**	**11,539**	**13,522**	**15,429**
Exceptional items					
PBT	**16,943**	**19,720**	**24,030**	**26,879**	**30,479**
Tax expense	4,086	4,438	5,837	6,529	7,403
PAT	**12,857**	**15,281**	**18,193**	**20,350**	**23,076**
PAT (adj)	**12,864**	**15,294**	**18,218**	**20,374**	**23,100**
Core PAT	**10,663**	**13,555**	**15,434**	**17,496**	**19,935**
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	42,794	45,301	48,300
Shareholders' equity	**42,129**	**46,591**	**49,175**	**51,682**	**54,681**
Payables	589	956	1,311	1,504	1,715
Other liabilities	3,983	4,375	5,104	5,875	6,746
Total equity and liabilities	**46,701**	**51,923**	**55,590**	**59,061**	**63,142**
Cash and bank balances	266	166	201	140	226
Cash and bank balances	2,611	2,855	2,998	3,118	3,274
Investments	33,238	37,671	41,061	44,346	47,894
Receivables	707	793	874	902	1,029
Fixed assets	8,717	9,185	9,155	9,250	9,393
Other assets	1,163	1,253	1,301	1,304	1,327
Total assets	**46,701**	**51,923**	**55,590**	**59,061**	**63,142**
Assets under management (Rs bn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
AAAUM	**5,399**	**6,738**	**8,192**	**9,784**	**11,504**
Equity	2,724	3,303	4,002	4,848	5,776
Debt	801	991	1,091	1,260	1,404
Liquid	418	423	478	498	533
Other	1,455	2,021	2,620	3,178	3,792
DuPont analysis (bps of AAUM)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue from operations	41.3	40.2	38.9	37.4	36.3
Total revenue	46.7	43.5	43.4	41.3	39.9
Employee expenses	7.9	7.5	7.3	7.2	7.0
Total opex	**15.3**	**14.3**	**14.1**	**13.8**	**13.4**
PAT (adj)	**23.8**	**22.7**	**22.2**	**20.8**	**20.1**
Key ratios (%)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Total revenue/AAUM (bps)	47	44	43	41	40
Cost-to-income ratio	35.4	33.7	34.4	35.3	35.4
Tax rate	24.1	22.5	24.3	24.3	24.3
Adj PAT/AAUM (bps)	24	23	22	21	20
RoE (adj)	31.4	34.5	38.0	40.4	43.4
Dividend payout ratio	88.8	89.7	91.1	92.4	93.9
Per share data (Rs)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
EPS	20.34	24.05	28.55	31.93	36.20
EPS (adj)	20.34	24.05	28.55	31.93	36.20
BVPS	66.4	73.0	77.1	81.0	85.7
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**	**31,893**	**36,599**	**41,727**
Revenue growth (%)	35.8	21.4	17.7	14.8	14.0
EBITDA	**14,416**	**17,949**	**20,914**	**23,686**	**26,945**
EBITDA growth (%)	45.1	24.5	16.5	13.3	13.8
Depreciation & Amortization	306	403	498	548	588
EBIT	**14,110**	**17,546**	**20,417**	**23,138**	**26,356**
EBIT growth (%)	46.3	24.4	16.4	13.3	13.9
Other operating income	-	-	-	-	-
Other income	2,900	2,243	3,676	3,801	4,180
Financial expense	67	70	63	61	58
PBT	**16,943**	**19,720**	**24,030**	**26,879**	**30,479**
Extraordinary items	0	0	0	0	0
Taxes	4,086	4,438	5,837	6,529	7,403
Minority interest	-	-	-	-	-
Income from JV/Associates	7	13	24	24	24
Reported PAT	**12,864**	**15,294**	**18,218**	**20,374**	**23,100**
PAT growth (%)	16.2	18.9	19.1	11.8	13.4
Adjusted PAT	**12,864**	**15,294**	**18,218**	**20,374**	**23,100**
Diluted EPS (Rs)	**20.0**	**23.6**	**28.1**	**31.5**	**35.7**
Diluted EPS growth (%)	14.3	18.0	19.1	11.8	13.4
DPS (Rs)	**17.8**	**21.2**	**25.6**	**29.1**	**33.5**
Dividend payout (%)	**87.5**	**88.1**	**89.8**	**91.1**	**92.6**
EBITDA margin (%)	64.6	66.3	65.6	64.7	64.6
EBIT margin (%)	63.3	64.8	64.0	63.2	63.2
Effective tax rate (%)	24.1	22.5	24.3	24.3	24.3
NOPLAT (pre-IndAS)	**10,708**	**13,597**	**15,457**	**17,518**	**19,955**
Shares outstanding (mn)	642	647	647	647	647

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	42,794	45,301	48,300
Net worth	**42,129**	**46,591**	**49,175**	**51,682**	**54,681**
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**	**51,487**	**54,315**	**57,663**
Net tangible fixed assets	5,440	6,040	6,063	6,197	6,335
Net intangible assets	2,422	2,421	2,400	2,367	2,357
Net ROU assets	814	702	670	664	679
Capital WIP	41	23	23	23	23
Goodwill	-	-	-	-	-
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**36,114**	**40,692**	**44,260**	**47,605**	**51,394**
Current assets (ex-cash)	1,870	2,046	2,174	2,206	2,355
Current Liab. & Prov.	2,489	3,289	4,103	4,746	5,479
NWC (ex-cash)	**(618)**	**(1,243)**	**(1,929)**	**(2,540)**	**(3,123)**
Total assets	**44,213**	**48,634**	**51,487**	**54,315**	**57,663**
Net debt	(36,114)	(40,692)	(44,260)	(47,605)	(51,394)
Capital employed	44,213	48,634	51,487	54,315	57,663
Invested capital	**7,244**	**7,218**	**6,534**	**6,024**	**5,568**
BVPS (Rs)	65.6	72.0	76.0	79.9	84.5
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	383.7	444.3	524.3
RoCE (%)	**41.5**	**44.6**	**50.3**	**53.4**	**57.4**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	16,943	19,720	24,030	26,879	30,479
Others (non-cash items)	(2,526)	(1,805)	(3,676)	(3,801)	(4,180)
Taxes paid	(3,752)	(4,366)	(5,837)	(6,529)	(7,403)
Change in NWC	1,269	710	879	833	839
Operating cash flow	**11,995**	**14,660**	**15,957**	**17,991**	**20,381**
Capital expenditure	(5,410)	(771)	(468)	(644)	(731)
Acquisition of business	-	-	-	-	-
Interest & dividend income	346	385	3,676	3,801	4,180
Investing cash flow	**(816)**	**(3,257)**	**(301)**	**(223)**	**(229)**
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	(63)	(61)	(58)
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)**	**(15,621)**	**(17,829)**	**(20,066)**
Net chg in Cash	22	(100)	35	(60)	85
OCF	11,995	14,660	15,957	17,991	20,381
Adj. OCF (w/o NWC chg.)	10,725	13,950	15,078	17,157	19,542
FCFF	6,585	13,889	15,489	17,347	19,650
FCFE	6,863	14,203	19,102	21,088	23,773
OCF/EBITDA (%)	83.2	81.7	76.3	76.0	75.6
FCFE/PAT (%)	53.4	92.9	104.9	103.5	102.9
FCFF/NOPLAT (%)	**61.5**	**102.1**	**100.2**	**99.0**	**98.5**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	56.4	47.7	40.2	36.0	31.7
EV/CE(x)	16.4	14.8	14.0	13.3	12.5
P/B (x)	17.5	15.9	15.1	14.4	13.6
EV/Sales (x)	30.9	25.4	21.6	18.7	16.3
EV/EBITDA (x)	47.9	38.4	32.9	28.9	25.3
EV/EBIT(x)	48.9	39.3	33.7	29.6	25.8
FCFF yield (%)	1.0	2.0	2.3	2.5	2.9
FCFE yield (%)	0.9	1.9	2.6	2.9	3.2
Dividend yield (%)	1.5	1.8	2.2	2.5	2.9
DuPont-RoE split					
Net profit margin (%)	57.7	56.5	57.1	55.7	55.4
Total asset turnover (x)	0.5	0.6	0.6	0.7	0.8
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	**31.4**	**34.5**	**38.0**	**40.4**	**43.4**
DuPont-RoIC					
NOPLAT margin (%)	48.0	50.2	48.5	47.9	47.8
IC turnover (x)	4.4	3.7	4.6	5.8	7.2
Operating metrics					
Core NWC days	(10.1)	(16.7)	(22.1)	(25.3)	(27.3)
Total NWC days	**(10.1)**	**(16.7)**	**(22.1)**	**(25.3)**	**(27.3)**
Fixed asset turnover	-	-	-	-	-
Opex-to-revenue (%)	35.4	33.7	34.4	35.3	35.4

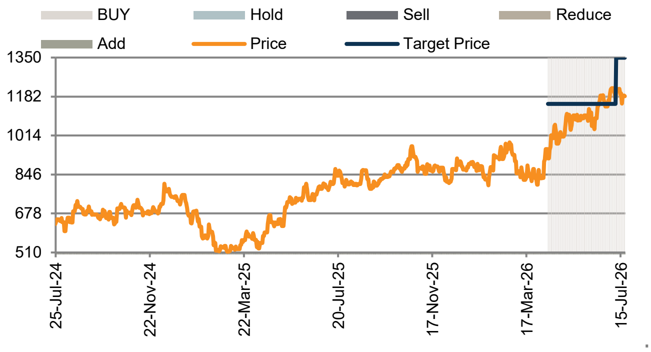
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
09-Jul-26	1,218	1,350	Buy	Avinash Singh
28-Apr-26	1,023	1,150	Buy	Avinash Singh
13-Apr-26	915	1,150	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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 believed 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.

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-:

1. 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 July 23, 2026
2. 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:

3. 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.
4. 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 July 23, 2026
5. 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 July 23, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. 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.
8. EGFSL, its affiliates and/or and 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

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.

Seshadri Kumar Sen

Digitally signed by Seshadri Kumar Sen
Date: 2026.07.23 02:53:24 +05'30'