

# Nuvama Wealth Management | BUY



First cut: In line results, Wealth outperforms Private in a QoQ reversal

Nuvama Wealth Management reported a PAT of INR 2.64bn, +20% YoY, +4% QoQ, in line JMFe. Consol. revenues were flattish QoQ, up 15% YoY while Cost to Income Ratio (CIR) improved by (170bps QoQ, 140bps YoY) to 54.7%. Wealth management segments saw divergent trends. Private segment saw muted inflows, a reversal from 4QFY25. While the segment saw a decline in transactional revenues, ARR AUM and revenues were both up 9% QoQ. Meanwhile, Wealth segment was stable with strong inflows of 12% (annualised) and a steady revenue growth of (3% QoQ, 17% YoY). Capital markets businesses reported robust revenues and a CIR of 40% - revenue growth of (3% QoQ, 13% YoY) looks weak only due to a strong base.

- **Wealth management – Private and Wealth segments:** AUM growth was expectedly robust in both Private and Wealth segments, growing 9% and 13% QoQ, respectively. The difference came from **strong inflows into Wealth (INR 29bn, 12% annualised – against 8% in FY25) while Private segment saw muted inflows of INR 5.6bn (just 1% annualised, against 5% in FY25)**. However, on revenues (and consequently Cost to Income), while Private segment saw stable ARR (Annual Recurring Revenues) with weak TBR (Transaction and Broking Revenues), Wealth segment saw weak ARR fees compensated by strong lending income. Private segment saw a decline in transactional revenues, while ARR AUM and revenues were both up 9% QoQ. While costs declined sequentially, weak transactional revenues meant Cost-to-Income inched up by 280bps QoQ, was flattish YoY at 69% levels. The Wealth segment saw ARR revenue from MPIS moderate to INR 1.2bn (in line with 3QFY25 levels) while strong NII helped to maintain a decent (3% QoQ, 17% YoY) growth in revenues, driving Cost to Income to 66% levels, -320bps QoQ, -40bps YoY.
- **Subdued growth in capital markets on very strong bases, both QoQ and YoY:** IE & IB revenues were robust at INR 1.8bn, up 10% QoQ, down 10% YoY. YoY decline was on account of strong revenues booked in 1HFY25. Asset services revenues cooled off by 3% sequentially, however, YoY growth was robust at 46%. Commentary on this segment would be most keenly listened to in the concall. Cost to Income for the segment improved to 39.5%, down (60bps QoQ, 240bps YoY). **Performance was robust, just the revenue growth was modest at (3% QoQ, 13% YoY) on strong bases.**
- **Valuation and view:** Results were in line JMFe. We wait for concall to revise our estimates – we keenly await management commentary on asset services business and any guidance on flows into the Private and Wealth segment.

The concall is scheduled at 2:00 PM tomorrow, 14th Aug'25.

[Link to join concall](#)

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## Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	7,800
Upside/(Downside)	12.1%
Previous Price Target	7,800
Change	0.0%

## Key Data – NUVAMA IN

Current Market Price	INR6,960
Market cap (bn)	INR250.4/US\$2.9
Free Float	40%
Shares in issue (mn)	3,063.7
Diluted share (mn)	
3-mon avg daily val (mn)	INR663.3/US\$7.8
52-week range	8,510/4,568
Sensex/Nifty	80,540/24,619
INR/US\$	87.4

## Price Performance

%	1M	6M	12M
Absolute	-5.3	25.9	12.7
Relative*	-3.3	18.8	10.7

\* To the BSE Sensex

Financial Summary (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Profit	6,248.4	9,850.6	11,124.7	13,505.4	16,562.6
Net Profit (YoY) (%)	103%	55%	13%	21%	23%
Assets (YoY) (%)	49.7%	24.5%	20.9%	21.4%	21.8%
ROA (%)	3.8%	4.0%	3.7%	3.9%	4.1%
ROE (%)	24.2%	30.8%	29.6%	31.1%	32.8%
EPS	177.0	273.9	309.3	375.5	460.5
EPS (YoY) (%)	103.4%	54.8%	12.9%	21.4%	22.6%
<b>PE (x)</b>	<b>39.2</b>	<b>25.3</b>	<b>22.4</b>	<b>18.5</b>	<b>15.1</b>
BV	821.0	971.1	1,117.2	1,294.6	1,512.1
BV (YoY) (%)	27.4%	18.3%	15.0%	15.9%	16.8%
<b>P/BV (x)</b>	<b>8.5</b>	<b>7.2</b>	<b>6.2</b>	<b>5.4</b>	<b>4.6</b>

Source: Company data, JM Financial. Note: Valuations as of 29/May/2025

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Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## Nuvama – 1QFY26 Quarterly Performance

## Exhibit 1. 1QFY26 Consolidated business performance – per databook

(INR mn)	Q1FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
Total Revenue	6,675	7,712	7,701	-0.1%	15.4%
Total Costs	3,741	4,349	4,209	-3.2%	12.5%
Employee Cost	2,793	3,082	3,156	2.4%	13.0%
Fixed Employee costs	1,662	1,793	1,952	8.8%	17.4%
ESOP costs	75	97	100	2.7%	33.6%
Variable employee costs	1,057	1,192	1,105	-7.3%	4.5%
Opex	948	1,267	1,053	-16.9%	11.1%
<b>Cost to Income</b>	<b>56.0%</b>	<b>56.4%</b>	<b>54.7%</b>	<b>-1.7%</b>	<b>-1.4%</b>
Operating PBT	2,934	3,363	3,492	3.8%	19.0%
Operating PAT	2,174	2,515	2,623	4.3%	20.7%

Source: Company, JM Financial

## Exhibit 2. 1QFY26 Key Financial Highlights

P&L (INR mn)	Q1FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
Revenue from operations	8,789	10,602	10,323	-2.6%	17.4%
- Interest Income	3,845	4,854	5,043	3.9%	31.2%
- Fees and commission income	4,945	5,748	5,279	-8.1%	6.8%
Other Income	738	646	924	43.0%	25.2%
<b>Total income</b>	<b>9,527</b>	<b>11,248</b>	<b>11,246</b>	<b>0.0%</b>	<b>18.0%</b>
<b>Total expenses</b>	<b>6,593</b>	<b>7,885</b>	<b>7,754</b>	<b>-1.7%</b>	<b>17.6%</b>
<b>Operating PBT</b>	<b>2,197</b>	<b>2,717</b>	<b>2,569</b>	<b>-5.5%</b>	<b>16.9%</b>
PBT	2,968	3,401	3,507	3.1%	18.2%
Tax	761	848	869	2.4%	14.2%
<b>PAT</b>	<b>2,208</b>	<b>2,553</b>	<b>2,639</b>	<b>3.4%</b>	<b>19.5%</b>
Effective tax rate (%)	25.6%	24.9%	24.8%	-0.2%	-0.9%

AUM (INR bn) - End of Period	Q1FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
Nuvama Wealth - WM	878	938	1,057	12.6%	20.3%
Nuvama Private - WM	1,863	1,995	2,179	9.2%	17.0%
Asset Management	77	113	118	4.4%	53.5%
Asset Services	1,072	1,260	1,273	1.0%	18.8%
<b>Total</b>	<b>3,890</b>	<b>4,307</b>	<b>4,627</b>	<b>7.4%</b>	<b>18.9%</b>

Du-pont Analysis	Q1FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
NII / AUM %	0.22%	0.25%	0.24%	0.0%	0.0%
Fee Income / AUM %	0.54%	0.52%	0.47%	0.0%	-0.1%
Other income / AUM %	0.08%	0.06%	0.08%	0.0%	0.0%
<b>Total Revenue / AUM %</b>	<b>0.84%</b>	<b>0.82%</b>	<b>0.79%</b>	<b>0.0%</b>	<b>0.0%</b>
Employee cost / AUM %	0.30%	0.28%	0.28%	0.0%	0.0%
Other expenses / AUM %	0.22%	0.17%	0.14%	0.0%	-0.1%
<b>Total Cost / AUM %</b>	<b>0.52%</b>	<b>0.45%</b>	<b>0.41%</b>	<b>0.0%</b>	<b>-0.1%</b>
<b>Core PBT / AUM %</b>	<b>0.24%</b>	<b>0.25%</b>	<b>0.23%</b>	<b>0.0%</b>	<b>0.0%</b>
PBT / AUM %	0.32%	0.31%	0.31%	0.0%	0.0%
<b>PAT / AUM %</b>	<b>0.24%</b>	<b>0.23%</b>	<b>0.24%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>RoA (%)</b>	<b>4.23%</b>	<b>3.74%</b>	<b>3.69%</b>	<b>0.0%</b>	<b>-0.5%</b>
<b>ROE (%)</b>	<b>29.2%</b>	<b>30.4%</b>	<b>30.1%</b>	<b>-0.3%</b>	<b>0.9%</b>

Source: Company, JM Financial

**Exhibit 3. Segment wise breakup of Revenue and Operating PBT**

Revenue (INR mn) - segments	Q1FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
Nuvama Wealth - WM	1,894	2,146	2,217	3.3%	17.1%
Nuvama Private - WM	1,309	1,831	1,554	-15.1%	18.7%
Asset Management	150	132	186	40.6%	23.4%
<b>Capital markets</b>	<b>3,306</b>	<b>3,614</b>	<b>3,727</b>	<b>3.1%</b>	<b>12.7%</b>
Asset Services	1,318	1,984	1,930	-2.8%	46.4%
IE & IB	1,988	1,630	1,797	10.3%	-9.6%

Operating PBT	Q1FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
Nuvama Wealth - WM	636	660	776	17.5%	21.9%
Nuvama Private - WM	405	620	544	-12.3%	34.1%
Asset Management	(44)	(70)	(28)	-60.5%	-36.1%
Capital markets	1,920	2,163	2,120	-2.0%	10.4%

Revenue split, %	6,659	7,722	7,684
Nuvama Wealth - WM	28%	28%	29%
Nuvama Private - WM	20%	24%	20%
Asset Management	2%	2%	2%
<b>Capital markets</b>	<b>50%</b>	<b>47%</b>	<b>49%</b>
Asset Services	20%	26%	25%
IE & IB	30%	21%	23%

Operating PBT split, %	2,918	3,373	3,412
Nuvama Wealth - WM	22%	20%	23%
Nuvama Private - WM	14%	18%	16%
Asset Management	-1%	-2%	-1%
<b>Capital markets</b>	<b>66%</b>	<b>64%</b>	<b>62%</b>

Source: Company, JM Financial

## Financial Tables (Standalone)

Profit & Loss (INR bn)					
Income Statement (INR mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Interest income	11,143	17,180	18,898	20,788	22,867
Invst. Mgmt. Fees	17,336	21,395	14,581	19,333	24,923
Sale of products	-	-	-	-	-
Operating Revenue	<b>28,480</b>	<b>38,576</b>	<b>33,479</b>	<b>40,121</b>	<b>47,790</b>
Contribution expenses	8,886	11,162	13,394	14,733	16,207
Core revenues	<b>19,594</b>	<b>27,414</b>	<b>20,086</b>	<b>25,388</b>	<b>31,584</b>
Total Other income	3,098	3,117	3,730	4,464	5,343
Total Revenue	<b>22,691</b>	<b>30,531</b>	<b>23,815</b>	<b>29,851</b>	<b>36,927</b>
Employee costs	8,910	11,660	15,158	16,825	18,844
Admin & Other expenses	4,319	4,819	6,281	8,631	10,866
Contribution expenses (already netted off in core revenues)	8,886	11,162	13,394	14,733	16,207
Total Operating Expenses	<b>22,114</b>	<b>16,479</b>	<b>21,439</b>	<b>25,456</b>	<b>29,710</b>
Depreciation	1,364	944	1,132	1,359	1,631
Total Expenditure	<b>23,479</b>	<b>17,422</b>	<b>22,571</b>	<b>26,815</b>	<b>31,341</b>
Profit before tax & Exceptional items	8,099	24,271	1,244	3,037	5,586
Exceptional Items	-	-	-	-	-
Share of Profit from Associates/JVs	21	74	-	-	-
PBT	<b>8,120</b>	<b>24,271</b>	<b>14,638</b>	<b>17,770</b>	<b>21,793</b>
Tax	(1,872)	(3,332)	(3,513)	(4,265)	(5,230)
Reported Profit (PAT)	<b>6,248</b>	<b>20,938</b>	<b>11,125</b>	<b>13,505</b>	<b>16,563</b>
Dividend	-	5,198	5,870	7,126	8,739
Share buy back	-	-	-	-	-
Retained earnings	<b>6,248</b>	<b>4,653</b>	<b>5,255</b>	<b>6,379</b>	<b>7,823</b>

Source: Company, JM Financial

Key Ratios					
Growth ratios (YoY %)	FY24A	FY25A	FY26E	FY27E	FY28E
Inv mgmt fees	<b>25.4%</b>	<b>31.0%</b>	<b>-2.0%</b>	<b>25.1%</b>	<b>16.5%</b>
Interest + other income	128.4%	40.0%	28.9%	20.0%	10.0%
Total Revenue	6.0%	42.2%	-24.0%	19.9%	18.4%
Employee cost	21.4%	22.3%	30.0%	30.0%	11.0%
Admin & other exp	-29.8%	15.7%	-5.6%	20.0%	20.0%
Total operating exp	23.2%	27.3%	-29.2%	27.4%	13.2%
PBT	-56.6%	100.0%	50.0%	10.4%	17.4%
Tax	29.6%	85.3%	56.1%	10.4%	17.4%
PAT	-64.4%	104.8%	48.1%	10.4%	17.4%
Total Assets	20.0%	60.3%	11.3%	11.8%	12.4%
AUM Split					
Nuvama Wealth - WM	23%	23%	18%	18%	19%
Nuvama Private - WM	56%	49%	55%	56%	56%
Asset Management	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
Asset Services	19%	26%	25%	24%	23%
Total	100%	100%	100%	100%	100%

Source: Company, JM Financial

Balance Sheet (INR bn)					
Balance Sheet (INR mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Share capital	353	360	360	360	360
Reserves & Surplus	28,636	34,571	39,826	46,205	54,029
Networth	<b>28,989</b>	<b>34,931</b>	<b>40,186</b>	<b>46,565</b>	<b>54,388</b>
Borrowings	67,457	118,065	118,065	118,065	118,065
Other financial liabilities	67,289	106,973	139,065	180,785	235,020
Other liabilities	40,135	23,907	26,298	28,928	31,820
Total Liabilities	<b>203,869</b>	<b>283,876</b>	<b>323,614</b>	<b>374,342</b>	<b>439,294</b>
Gross Fixed Assets (incl. WIP)	2,306	2,617	2,879	3,167	3,483
Deferred tax assets	1,004	859	988	1,136	1,306
Long - term loans and advances	48,629	46,003	55,204	66,245	79,494
Other non - current assets	<b>669</b>	<b>552</b>	<b>579</b>	<b>608</b>	<b>639</b>
Total Investments	1,702	2,208	2,428	2,671	2,938
Trade receivables	6,568	7,498	7,123	6,767	6,429
Cash and bank balance	126,133	202,354	231,538	269,501	319,303
Other current assets	16,858	21,786	22,875	24,248	25,702
Total Assets	<b>203,869</b>	<b>283,876</b>	<b>323,614</b>	<b>374,342</b>	<b>439,294</b>

Source: Company, JM Financial

DuPont Analysis					
As a % of Balance sheet assets	FY24A	FY25A	FY26E	FY27E	FY28E
NII / AUM %	0.17%	0.23%	0.19%	0.17%	0.16%
Fee Income / AUM %	0.60%	0.55%	0.31%	0.34%	0.36%
Total Revenue / AUM %	0.79%	0.79%	0.78%	0.77%	0.76%
Employee cost / AUM %	0.31%	0.30%	0.32%	0.29%	0.27%
Other expenses / AUM %	0.14%	0.12%	0.13%	0.15%	0.15%
Total Cost / AUM %	0.81%	0.74%	0.76%	0.72%	0.68%
PBT / AUM %	0.28%	0.34%	0.31%	0.31%	0.31%
PAT / AUM %	0.22%	0.25%	0.23%	0.23%	0.24%
RoA (%)	<b>3.78%</b>	<b>4.04%</b>	<b>3.66%</b>	<b>3.87%</b>	<b>4.07%</b>
Assets/Equity (x)	6.4x	7.6x	8.1x	8.x	8.1x
RoE (%)	<b>24.23%</b>	<b>30.82%</b>	<b>29.62%</b>	<b>31.14%</b>	<b>32.81%</b>

Source: Company, JM Financial

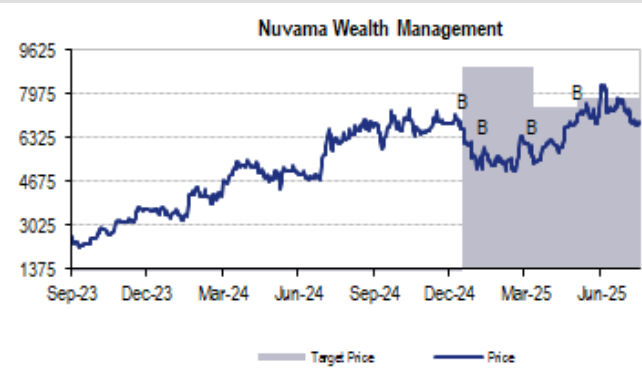
Valuations					
Valuation	FY24A	FY25A	FY26E	FY27E	FY28E
Shares in issue (mn)	35.3	36.0	36.0	36.0	36.0
EPS (INR)	<b>177.0</b>	<b>273.9</b>	<b>309.3</b>	<b>375.5</b>	<b>460.5</b>
EPS (YoY)(%)	103%	55%	13%	21%	23%
PER (x)	<b>39.3</b>	<b>25.4</b>	<b>22.5</b>	<b>18.5</b>	<b>15.1</b>
BV (INR)	821.0	971.1	1,117.2	1,294.6	1,512.1
BV (YoY)	27.4%	18.3%	15.0%	15.9%	16.8%
P/BV (x)	8.5	7.2	6.2	5.4	4.6
DPS (INR)	-	144.5	163.2	198.1	243.0
Div. yield (%)	0.0%	2.1%	2.3%	2.8%	3.5%

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
10-Jan-25	Buy	9,000	
4-Feb-25	Buy	9,000	0.0
4-Apr-25	Buy	7,500	-16.7
29-May-25	Buy	7,800	4.0

Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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