

Angel One | BUY

A steady quarter

Angel One reported PAT of INR 2.1bn, +85% QoQ, -50% YoY. While growth in net broking was weak with orders growing just 4% QoQ, average client funding book growth was strong at 24%. Expenses moderation was led by seasonal IPL expenses in base (1QFY26) compensated by higher customer acquisition costs (+12% QoQ) – which should support growth going forward. The company maintained its guidance of 40-45% operating profit margins by 4QFY26, despite the INR 1bn of losses on the Asset and Wealth Management businesses. While any regulatory action on derivatives market remains a concern, we remain positive on the medium-term outlook of the company, with growth coming first from funding book and then distribution, aiding the strong broking business. We cut our FY26e EPS by 2%, but raise FY27/FY28e EPS by 5%/2%. We raise our target price to INR 2,900, valuing the company at 20x FY27e EPS of INR 148 (against 19x FY27e of INR 141 earlier). We maintain BUY.

- **Weak broking growth supported by expanding client funding book and cash fee relook:** Angel One saw a modest 4% growth in number of orders to 360mn, as the company recovers from a decline in market volumes. Management maintained its target of around 6.8mn orders per day by 4QFY26, gradually growing from 4.8mn in Feb'25. Growth in client funding book was strong, with the average book growing 24% QoQ to INR 53bn and the closing book 11% ahead of this average at INR 59bn+. Revenues were supported by realignment of charges on cash orders, with a floor of INR 5 per order, at a run-rate of INR 500-600mn per year, which should accrue hereon. Distribution continues to scale, with disbursements doubling QoQ to INR 4.6bn, leading to cumulative disbursements of INR 14bn. The wealth management business continues to scale, with an AUM of INR 61bn. Management mentioned that the burn rate on the Asset and Wealth Management businesses remain around INR 1bn per year. While the wealth management business is expected to breakeven in 2.5-3 years, the AMC is expected to take 7-8 years to breakeven.
- **Higher expenses driven by elevated customer acquisition costs:** The company had spent INR 1.1bn on IPL branding in 1Q, hence, expenses fell 11% sequentially. Expenses were 1% ahead of JMFe, explained by a 12% growth in customer acquisition costs, in line with a 13% growth in gross clients acquired in 2Q. This should support order volumes going into 2H as the company looks to raise the number of orders per day run-rate closer to 7.0mn, from 5.8mn levels over August-September. While revenues were 2% below JMFe and costs 1% higher, PAT miss was also led by a higher tax rate of ~28%. Management maintained its guidance of 40-45% operating margins by 4QFY26.
- **Valuations and view – outlook steady, see a favourable risk-reward despite the regulatory question:** While any regulatory action on derivatives market remains a concern, we remain positive on the medium-term outlook of the company, with growth coming first from funding book and then distribution, aiding the strong broking business. We cut our FY26e EPS by 2%, but raise FY27/FY28e EPS by 5%/2%. Earnings quality and EBDAT margins would improve as the newer businesses scale up. While we cut our FY26e EPS by 2%, but raise FY27/FY28e EPS by 4%/2%. We raise our target price to INR 2,900, valuing the company at 20x FY27e EPS of INR 148 (against 19x FY27e of INR 141 earlier). We maintain BUY.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	2,900
Upside/(Downside)	16.8%
Previous Price Target	2,700
Change	7.4%

Key Data – ANGELONE IN

Current Market Price	INR2,483
Market cap (bn)	INR225.2/US\$2.6
Free Float	56%
Shares in issue (mn)	3,063.7
Diluted share (mn)	3,063.7
3-mon avg daily val (mn)	INR2,567.7/US\$29.2
52-week range	3,503/1,941
Sensex/Nifty	83,468/25,585
INR/US\$	87.8

Price Performance

%	1M	6M	12M
Absolute	11.3	5.5	-23.3
Relative*	9.9	-2.6	-25.6

* To the BSE Sensex

Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Revenue (INR mn)	33,330	41,284	40,061	50,188	60,849
Total expenses (INR mn)	18,193	25,363	27,700	32,382	38,880
PAT (INR mn)	11,255	11,722	9,250	13,324	16,439
YoY growth (%)	26%	4%	-21%	44%	23%
ROA (%)	10.86%	7.78%	5.17%	6.65%	7.3%
RoE (%)	43.3%	27.0%	15.5%	19.8%	21.2%
EPS (INR)	134.0	129.8	102.4	147.6	182.1
EPS YoY (%)	26%	-3%	-21%	44%	23%
P/E (x)	18.5	19.1	24.2	16.8	13.6
BVPS (INR)	361.7	624.5	696.4	796.8	920.8
P/BV (x)	6.9	4.0	3.6	3.1	2.7

Source: Company data, JM Financial. Note: Valuations as of 16/Oct/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

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

Key concall takeaways

■ Broking business

- Management expects to reach a daily order run-rate of 6.8-6.9mn orders by 4QFY26
 - Expect the broking business to grow at 25-30% in the medium to long term;
 - Management declined to comment on potential regulatory action on the derivatives market;
- The company simplified its pricing structure, making it same for both delivery and intra-day trading of 0.1% of the order value, within the range of INR 5 to INR 20 per order
 - This generated additional revenues at a run-rate of INR 500-600mn per year.

■ Asset and Wealth Management New growth drivers

- Angel One's mutual fund AUM grew from to INR 4bn, +17% QoQ - spread across nearly 140k folios;
 - Launched two new offerings in the commodity segment namely Angel One Gold ETF and Angel One ETF FOF - total of 7 Schemes across segments;
- Wealth AUM has reached AUM of INR 61bn with over 1,250 clients across 9 cities;
- The wealth management division has 200 total employees, including 85 client facing staff, 40 tech engineers, and 29 domain experts.

■ Other businesses

- Joint Venture with LivWell Company Holdings, PTE Limited Singapore for expansion in Insurance
 - Angel One has 26% stake, which it acquired for INR 4bn,
 - Management emphasised its continued focus on distribution, rather than manufacturing insurance products;
- Credit distribution grew doubled to INR 4.6 bn in 2Q, taking cumulative distribution to INR 14bn
 - The company added Poonawalla Fincorp as a partner in this quarter.
- Distribution income witnessed growth of 28% QoQ driven by nearly two-fold jump in sale of credit products, robust IPO market and sustained growth in mutual funds.

■ Operating Profit margins

- Management maintained its guidance of 40-45% operating profit margin (OPM) by 4QFY26
 - Wealth Business is expected to breakeven in next 2-3 years and the AMC in 7-8 years;
 - Expect OPM to reach 45-50% in the longer-term, through optimising costs through AI, growth in run-rates and growth in distribution business;
 - Increase in Other expense is due to a 12% growth in Customer Acquisition Cost (CAC), which is in line with a 13% growth in customer acquisition on a gross basis.

Exhibit 1. Angel One 2QFY26: Quarterly trends in key parameters

Quarterly	Q2FY25	Q1FY26	Q2FY26	QoQ (%)	YoY (%)	2Q26e	Var %
Net Revenue	11,914	8,825	9,329	5.7%	-21.7%	9,543	-2%
Other Income	70	87	81	-7.3%	16.3%	91	-11%
Total Revenue	11,984	8,913	9,410	5.6%	-21.5%	9,635	-2%
Employee benefits expense	2,302	2,739	2,745	0.2%	19.2%	2,885	-5%
Other expenses	3,960	4,529	3,725	-17.8%	-5.9%	3,522	6%
Total Expense	6,263	7,269	6,470	-11.0%	3.3%	6,407	1%
PBT	5,721	1,644	2,940	78.8%	-48.6%	3,228	-9%
Tax	1,487	500	823	64.6%	-44.7%	775	6%
PAT	4,234	1,145	2,117	85.0%	-50.0%	2,453	-14%

Source: Company, JM Financial

Exhibit 2. Angel One 2QFY26: Quarterly trends in key ratios

Quarterly	Q2FY25	Q1FY26	Q2FY26	QoQ (%)	YoY (%)
Net broking	6,934	5,217	5,491	5.3%	-20.8%
No of orders	488	346	360	4.2%	-26.1%
Net broking revenue per order	14.2	15.1	15.2	1.0%	7.2%
Client funding book (avg.)	42,628	47,876	53,077	10.9%	24.5%
EBDAT margin, %	49.9%	21.8%	34.5%	12.7%	-15.4%
Effective tax rate (%)	26.0%	30.4%	28.0%	-2.4%	2.0%

Source: Company, JM Financial

Exhibit 3. Angel One: Change in estimates - JMFe

Angel One (INR bn)	FY26 old	FY26 new	Change %	YoY growth	FY27 old	FY27 new	Change %	YoY growth	FY28 old	FY28 new	Change %	YoY growth
Gross Revenue	50,814	51,321	1%	-2%	61,890	64,885	5%	26%	74,843	78,512	5%	21%
Net Revenue	39,945	40,061	0%	-3%	48,648	50,188	3%	25%	59,142	60,849	3%	21%
Employee benefits expense	11,535	11,133	-3%	30%	13,394	12,542	-6%	13%	15,964	14,177	-11%	13%
Other expenses	14,712	15,377	5%	-2%	17,070	18,509	8%	20%	20,643	23,184	12%	25%
Total Expense	38,360	27,700	-28%	9%	45,167	32,382	-28%	17%	54,083	38,880	-28%	20%
PBT	12,454	12,361	-1%	-22%	16,723	17,806	6%	44%	20,760	21,969	6%	23%
Tax	3,094	3,111	1%	-26%	4,348	4,482	3%	44%	5,398	5,530	2%	23%
PAT	9,410	9,250	-2%	-21%	12,719	13,324	4.8%	44%	16,164	16,439	2%	23%
EPS	104	102	-2%	-21%	141	148	4.7%	44%	179	182	2%	23%

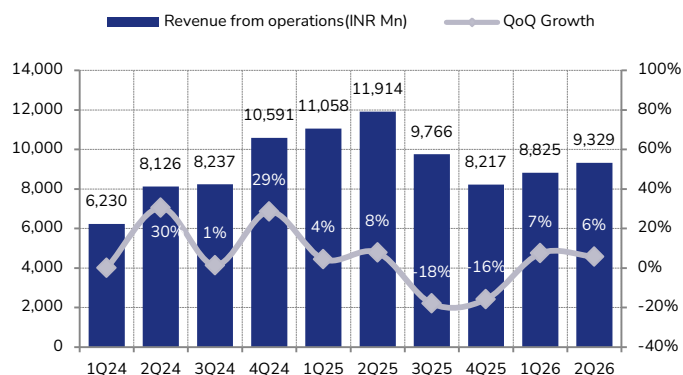
Source: Company, JM Financial

Exhibit 4. Angel One: Change in Ratios - JMFe

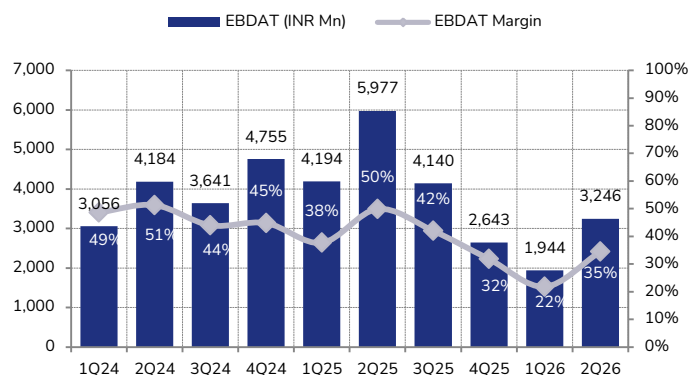
As a % of Balance sheet assets	FY26 old	FY26 new	Change %	YoY growth	FY27 old	FY27 new	Change %	YoY growth	FY28 old	FY28 new	Change %	YoY growth
Revenue from ops / Avg. Assets	28.2%	28.5%	0.3%	-6.1%	30.7%	32.2%	1.5%	3.7%	10.9%	34.8%	23.9%	2.6%
Other Revenues / Avg. Assets	0.2%	0.2%	0.0%	0.0%	0.2%	0.2%	0.0%	0.0%	0.2%	0.2%	0.0%	0.0%
Total Revenues / Avg. Assets	28.4%	28.7%	0.3%	-6.2%	30.9%	32.4%	1.5%	3.7%	11.1%	35.0%	23.9%	2.6%
Employee cost / Avg. Assets	6.4%	6.2%	-0.2%	0.5%	6.7%	6.3%	-0.4%	0.0%	8.1%	6.3%	-1.8%	0.1%
Finance cost and fees expense / Avg. Assets	6.0%	6.3%	0.3%	-1.1%	7.0%	7.3%	0.3%	1.0%	4.9%	7.9%	2.9%	0.5%
Operating cost / Avg. Assets	21.4%	21.8%	0.4%	-2.5%	22.6%	23.5%	0.9%	1.7%	21.5%	25.2%	3.7%	1.7%
PBT / Avg. Assets	7.0%	6.9%	-0.1%	-3.7%	8.4%	8.9%	0.5%	2.0%	-10.5%	9.8%	20.2%	0.9%
RoA (%)	5.0%	5.2%	0.2%	-2.6%	6.0%	6.6%	0.6%	1.5%	-7.7%	7.3%	15.1%	0.7%
Assets/Equity (x)	3.0	3.0	-1.0%	-0.47	3.0	3.0	-0.04	-0.03	4.66	2.89	-1.77	-0.07

Source: Company, JM Financial

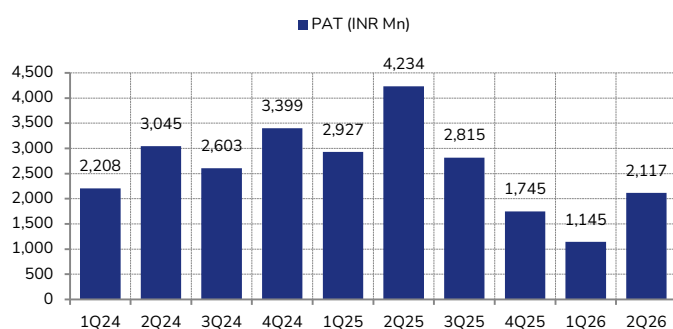
Quarterly Charts

Exhibit 5. Revenue growth steady at 6% QoQ


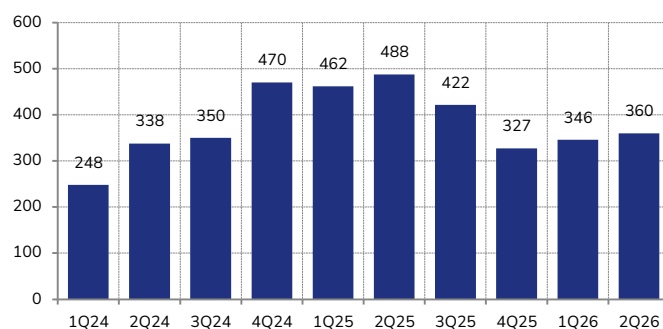
Source: Company, JM Financial

Exhibit 6. EBDAT Margin improved in 2QFY26 to 34.5% levels


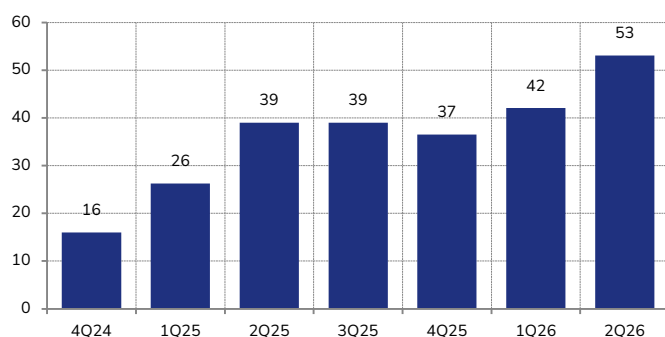
Source: Company, JM Financial

Exhibit 7. PAT has been volatile, grew 85% QoQ, fell 50% YoY
PAT (INR Mn)


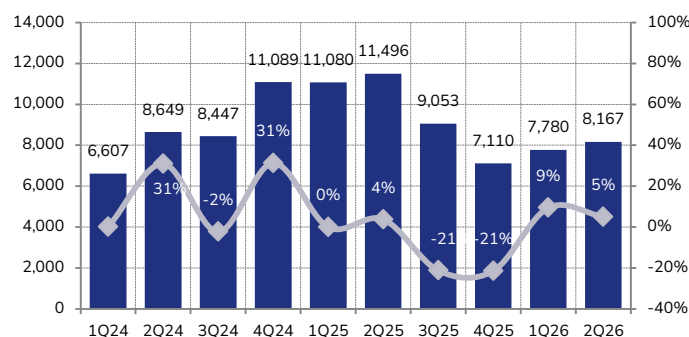
Source: Company, JM Financial

Exhibit 8. Continues to see increase in number of orders
Orders (INR Mn)


Source: Company, JM Financial

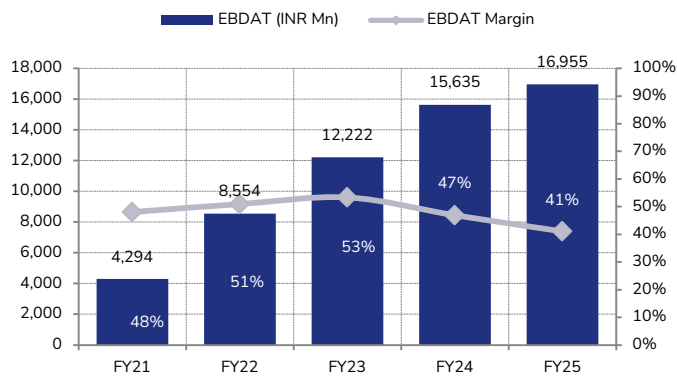
Exhibit 9. Average client funding book saw a strong 24% growth
Average client funding book (INR bn)


Source: Company, JM Financial

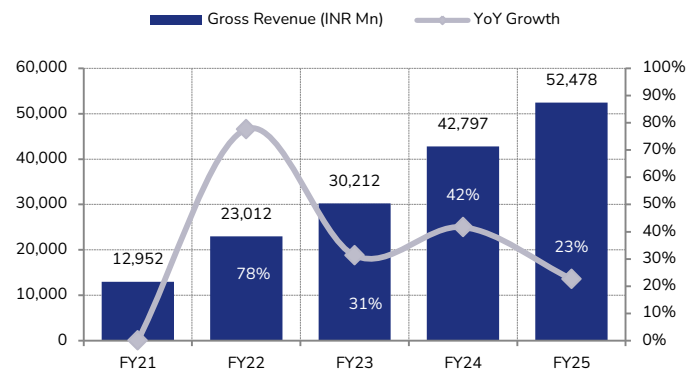
Exhibit 10. Fees and commission income grew 5% QoQ
Fees and commission income (INR Mn)


Source: Company, JM Financial

Annual Charts

Exhibit 11. EBDAT Margin has remained above 40%


Source: Company, JM Financial

Exhibit 12. Gross revenues have grown through cycles


Source: Company, JM Financial

Exhibit 13. Angel One – 1 year forward P/E chart


Source: Company, Bloomberg, JM Financial

Financial Tables

Income Statement (INR mn)					
	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Broking Income	29,169	33,043	30,572	38,046	44,694
Interest Income	7,859	13,410	16,201	20,406	23,626
Other Income	5,769	6,025	4,548	6,433	10,192
Gross Revenue	42,797	52,478	51,321	64,885	78,512
Interest Expense	1,360	2,948	3,914	5,488	6,844
Fees and commission expense	8,107	8,246	7,347	9,209	10,818
Net Revenue	33,330	41,284	40,061	50,188	60,849
Employee benefit expense	5,564	8,552	11,133	12,542	14,177
Impairment on financial instruments	89	25	(29)	(36)	(41)
Other expenses	12,042	15,752	15,377	18,509	23,184
Operating expense	17,695	24,329	26,481	31,015	37,320
Depreciation	499	1,034	1,219	1,367	1,560
Total Expenditure	18,193	25,363	27,700	32,382	38,880
Profit before tax & Exceptional Tax	15,136	15,921	12,361	17,806	21,969
Tax	3,881	4,199	3,111	4,482	5,530
PAT (Pre-Extraordinaries)	11,255	11,722	9,250	13,324	16,439
Exceptional Items	-	-	-	-	-
Reported Profit (PAT)	11,255	11,722	9,250	13,324	16,439
Dividend	2,911	4,334	2,764	4,252	5,249
Retained earnings	8,344	7,388	6,486	9,072	11,191

Source: Company, JM Financial

Du-Pont Analysis					
As a % of Balance sheet	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from ops / Avg.	41.1%	34.6%	28.5%	32.2%	34.8%
Other Revenues / Avg. Assets	0.1%	0.2%	0.2%	0.2%	0.2%
Total Revenues / Avg. Assets	41.3%	34.8%	28.7%	32.4%	35.0%
Employee cost / Avg. Assets	5.4%	5.7%	6.2%	6.3%	6.3%
Finance cost and fees expense	9.1%	7.4%	6.3%	7.3%	7.9%
Operating cost / Avg. Assets	26.7%	24.3%	21.8%	23.5%	25.2%
PBT / Avg. Assets	14.6%	10.6%	6.9%	8.9%	9.8%
RoA (%)	10.9%	7.8%	5.2%	6.6%	7.3%
Assets/Equity (x)	4.0x	3.5x	3.0x	3.0x	2.9x
RoE (%)	43.3%	27.0%	15.5%	19.8%	21.2%

Source: Company, JM Financial

Valuation					
	FY24A	FY25A	FY26E	FY27E	FY28E
Shares in issue (mn)	84.0	90.3	90.3	90.3	90.3
EPS (INR)	134.0	129.8	102.4	147.6	182.1
EPS (YoY)(%)	26%	-3%	-21%	44%	23%
PER (x)	18.5	19.1	24.2	16.8	13.6
BV (INR)	361.7	624.5	696.4	796.8	920.8
BV (YoY)	39.6%	72.7%	11.5%	14.4%	15.6%
P/BV (x)	6.9	4.0	3.6	3.1	2.7
DPS (INR)	34.7	48.0	30.6	47.1	58.1
Div. yield (%)	1.4%	1.9%	1.2%	1.9%	2.3%

Source: Company, JM Financial

Balance Sheet (INR mn)					
	FY24A	FY25A	FY26E	FY27E	FY28E
Share capital	840	903	903	903	903
Reserves & Surplus	29,546	55,488	61,975	71,047	82,238
Networth	30,386	56,391	62,878	71,950	83,141
Trade payables	71,970	73,177	79,031	87,725	97,374
Borrowings	25,353	33,828	41,271	45,398	49,937
Other liabilities	226	393	432	475	523
Tax liabilities	162	256	281	309	340
Provisions	4,440	4,841	5,278	5,755	6,275
Total Equity and Liabilities	132,537	168,886	189,171	211,612	237,591
Net Fixed Assets	3,563	4,504	6,306	8,513	11,492
Total non-current investments	499	494	667	834	1,042
Deferred tax assets	73	85	106	133	166
Other non - current assets	1,740	1,774	2,307	2,883	3,604
Total Non-current assets	5,874	6,857	9,386	12,363	16,304
Total Current investments	-	2,016	2,016	2,016	2,016
Trade receivables	4,869	2,996	3,745	4,681	5,851
Cash and bank balance	98,443	118,044	96,508	101,167	109,597
Short - term loans and	14,841	36,988	75,235	88,760	100,803
Other current assets	8,510	1,985	2,283	2,625	3,019
Total Current Assets	126,663	162,029	179,786	199,250	221,287

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
6-Sep-25	Buy	2,700	

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
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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