

# Nippon Life India Asset Management Ltd.

## ACCUMULATE

Sector: AMC

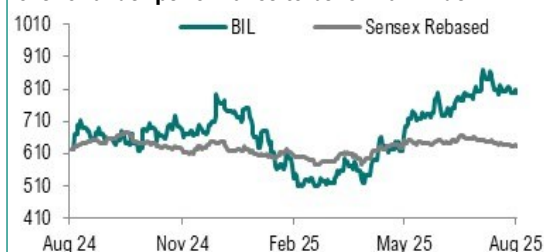
14th August, 2025

Key Changes	Target	Rating	Earnings	Target	Rs. 917
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	NAM:IN	80,598	NAM-INDIA	540767	12 Months
				<b>CMP</b>	<b>Rs. 803</b>
				<b>Return</b>	<b>+14%</b>

Data as of: 14-Aug-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	50,987		
52 Week High — Low (Rs.)	878 – 456		
Enterprise Value (Rs. cr)	50,848		
Outstanding Shares (cr)	63.5		
Free Float (%)	27.7		
Dividend Yield (%)	2.2		
6m average volume (cr)	0.11		
Beta	1.2		
Face value (Rs. )	10.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	72.4	72.3	72.3
FII's	8.3	8.3	7.6
MFs/Institutions	13.0	12.8	13.5
Public	5.5	5.8	5.9
Others	0.8	0.7	0.9
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	11.9%	57.5%	28.9%
Absolute Sensex	-2.5%	5.7%	1.4%
Relative Return	14.5%	51.8%	27.5%

\*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	2,231	2,894	3,357
Growth (%)	35.8	29.7	16.0
EBITDA	1,442	1,657	1,981
EBITDA Margin (%)	64.6	57.3	59.0
PAT Adjusted	1,286	1,512	1,767
Growth (%)	16.2	17.5	16.9
Adjusted EPS	20.3	23.8	27.8
Growth (%)	15.3	17.5	16.9
P/E	40.3	34.3	29.3
P/B	12.3	11.3	10.8
EV/EBITDA	35.7	31.0	25.9
ROE (%)	30.5	33.0	37.0
D/E	0.0	0.0	0.0

## Growth trajectory remains intact

**Nippon Life India Asset Management Limited (Nippon AMC) manages various investment products, including mutual funds, exchange traded funds (ETFs), pension funds and alternative investment funds.**

- Nippon AMC's consolidated revenue grew 20.1% YoY to Rs. 607cr in Q1FY26, primarily driven by a robust growth in quarterly average assets under management (QAAUM) (+27% YoY/+10%QoQ) to Rs. 6.13 lakh cr.
- Nippon AMC's market share was at 8.49% in Q1FY26, up 29bps YoY and 23bps QoQ. The market share of equity AUM increased 19bps YoY and 12bps QoQ to 7.04%. The share of equity AUM in the company's overall AUM decreased slightly to 46.9% vs 47.2% in Q4FY25.
- Nippon AMC had 21.2mn unique investors, accounting for 38.3% of the market share, with total folios at 33.4mn as of Q1FY26. It had a low investor complaint ratio of 9 per million folios, much lower than the top 6 AMCs' average of 12 for the quarter.
- EBITDA rose 22.7% YoY to Rs. 388cr with margin improving 130bps to 64.0%, due to higher topline growth.

## Outlook & Valuation

Nippon AMC is expected to continue its growth momentum, led by its strong position in the Indian mutual fund industry, diversified product suite and robust growth trajectory. Its ability to capitalise on the growing demand for financial services in India, coupled with its expanding market share and increasing digital presence, positions it for long-term success. Its commitment to launching new products, including alternative investment funds and ETFs, further underscores its growth potential. Although the industry is competitive, we believe Nippon AMC's strong brand and expanding digital presence should help maintain its market share and pricing power. Therefore, **we reiterate our Accumulate rating on the stock, with a revised target price of Rs. 917 using a target multiple of 33x on FY27E adjusted EPS.**

## Quarterly Finance Consol.

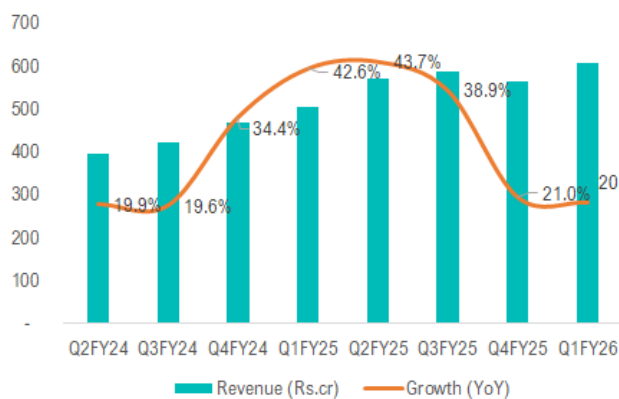
Rs.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	607	505	20.1	567	7.1
EBITDA	388	316	22.7	365	6.3
Margin (%)	64.0	62.7	130bps	64.5	-50bps
EBIT	380	310	22.6	357	6.5
PBT	524	439	19.4	378	38.7
Rep. PAT	396	332	19.1	298	32.6
Adj PAT	396	332	19.2	299	32.7
Adj. EPS (Rs)	6.2	5.3	18.5	4.7	32.5



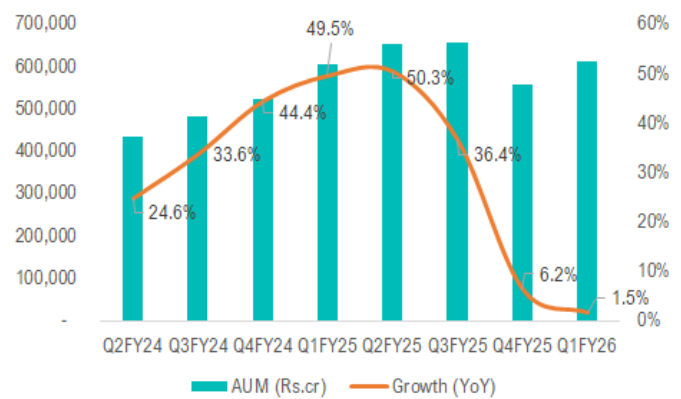
## Key concall highlights

- Nippon AMC's systematic book grew 29% YoY and 4% QoQ to Rs. 3,320cr in Jun-2025. This led to an annualised systematic book of Rs. 39,800cr. Nippon's SIP market share stood at 10.07% as of Jun-2025.
- In Q1FY26, digital purchase transactions jumped 27% YoY to 3.57 million. Notably, digital channels accounted for 75% of all new purchase transactions during the quarter.
- Nippon India remains a leading ETF player, with an AUM of Rs. 1,74,000cr and a market share of 19.76%, up 69bps QoQ.
- Nippon India expanded its product suite in Q1FY26 with the launch of four new funds, including two index funds and an ETF tracking the Nifty 500 and BSE Sensex Next 30 indices.
- Nippon India witnessed robust fund deployment in Q1FY26, with 9 active investments in performing credit and full deployment in its venture capital fund of funds across 14 funds. This resulted in underlying exposure to over 395 start-up companies, demonstrating Nippon's active investment approach and diversified portfolio.
- Nippon India's future product pipeline includes the launch of two new funds: the Nippon India Digital Innovation Fund 2-B, a follow-on VC fund of fund, and the Nippon India Sharp Equity Fund, a long short equity fund.

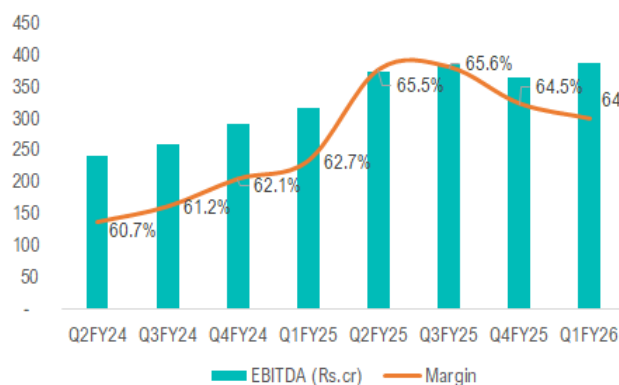
## Revenue



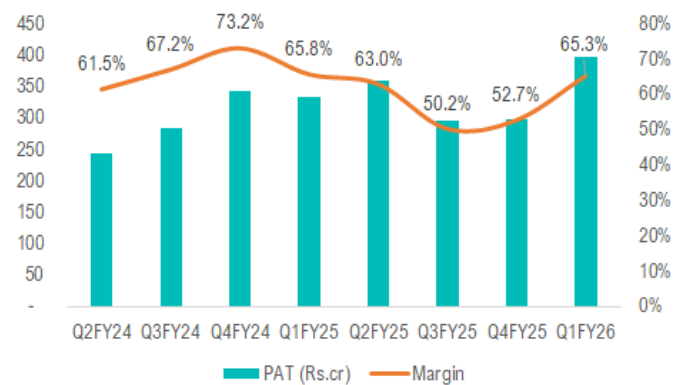
## AUM



## EBITDA



## PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	2,906	3,348	2,894	3,357	-0.4	0.3
EBITDA	1,709	1,997	1,657	1,981	-3.0	-0.8
Margins (%)	58.8	59.7	57.3	59.0	-150bps	-70bps
Adj. PAT	1,488	1,737	1,512	1,767	1.6	1.7
EPS	23.5	27.4	23.8	27.8	1.4	1.6



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Sales</b>	<b>1,350</b>	<b>1,643</b>	<b>2,231</b>	<b>2,894</b>	<b>3,357</b>
% change	3.3	21.7	35.8	29.7	16.0
<b>EBITDA</b>	<b>795</b>	<b>994</b>	<b>1,442</b>	<b>1,657</b>	<b>1,981</b>
% change	0.5	25.0	45.1	14.9	19.5
Depreciation	30	29	31	39	42
<b>EBIT</b>	<b>765</b>	<b>965</b>	<b>1,411</b>	<b>1,618</b>	<b>1,938</b>
Interest	4	6	7	8	9
Other Income	167	394	290	406	426
<b>PBT</b>	<b>928</b>	<b>1,352</b>	<b>1,694</b>	<b>2,015</b>	<b>2,355</b>
% change	-6.2	45.8	25.3	18.9	16.9
Tax	205	246	409	504	589
Tax Rate (%)	22.1	18.2	24.1	25.0	25.0
<b>Reported PAT</b>	<b>723</b>	<b>1,107</b>	<b>1,286</b>	<b>1,512</b>	<b>1,767</b>
<b>PAT att. to common shareholder-</b>	<b>723</b>	<b>1,107</b>	<b>1,286</b>	<b>1,512</b>	<b>1,767</b>
Adj.*	-	-	-	-	-
<b>Adj. PAT</b>	<b>723</b>	<b>1,107</b>	<b>1,286</b>	<b>1,512</b>	<b>1,767</b>
% change	-2.8	53.1	16.2	17.5	16.9
No. of shares (cr)	62.3	63.0	63.5	63.5	63.5
<b>Adj EPS (Rs.)</b>	<b>11.6</b>	<b>17.6</b>	<b>20.3</b>	<b>23.8</b>	<b>27.8</b>
% change	-3.0	51.4	15.3	17.5	16.9
DPS (Rs.)	11.5	16.5	10.0	11.0	12.1

### Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	753	1,136	1,317	1,551	1,809
Non-cash adj.	-155	-309	-186	-15	-14
Other adjustments	-	-	-	-	-
Changes in W.C	-11	-50	68	2	5
<b>C.F. Operation</b>	<b>587</b>	<b>777</b>	<b>1,200</b>	<b>1,538</b>	<b>1,801</b>
Capital exp.	-10	-12	-538	-58	-67
Change in inv.	79	-120	425	-612	-977
Other invest.CF	29	28	31	36	38
<b>C.F - Investment</b>	<b>98</b>	<b>-104</b>	<b>-82</b>	<b>-634</b>	<b>-1,007</b>
Issue of equity	26	155	121	-	-
Issue/repay debt	-	-	-	-	-
Dividends paid	-716	-811	-1,202	-698	-768
Other finance.CF	-22	-15	-35	-3	-6
<b>C.F - Finance</b>	<b>-712</b>	<b>-671</b>	<b>-1,116</b>	<b>-701</b>	<b>-774</b>
Chg. in cash	-27	3	2	204	20
Closing Cash	21	24	27	230	250

### Balance Sheet

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	273	271	288	491	511
Accts. Receivable	97	130	71	89	100
Inventories	-	-	-	-	-
Other Cur. Assets	24	18	19	19	19
Investments	3,023	3,513	3,324	3,490	3,664
Gross Fixed As-sets	47	55	593	650	718
Net Fixed Assets	12	17	544	478	511
CWIP	2	2	4	103	110
Intangible Assets	293	314	324	309	294
Def. Tax -Net	21	26	18	25	29
Other Assets	116	85	79	87	96
<b>Total Assets</b>	<b>3,861</b>	<b>4,375</b>	<b>4,670</b>	<b>5,092</b>	<b>5,335</b>
Current Liabilities	190	227	264	305	344
Provisions	13	8	12	13	15
Debt Funds	-	-	-	-	-
Other Liabilities	143	157	181	192	199
Equity Capital	623	630	635	635	635
Res. & Surplus	2,892	3,352	3,578	3,947	4,143
Shareholder Funds	3,516	3,982	4,213	4,581	4,778
Minority Interest	-	-	-	-	-
<b>Total Liabilities</b>	<b>3,861</b>	<b>4,375</b>	<b>4,670</b>	<b>5,092</b>	<b>5,335</b>
BVPS	56	63	66	72	75

### Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	58.9	60.5	64.6	57.3	59.0
EBIT margin (%)	56.7	58.7	63.3	55.9	57.7
Net profit mgn.(%)	53.6	67.4	57.7	52.2	52.6
ROE (%)	20.6	27.8	30.5	33.0	37.0
ROCE (%)	21.8	24.2	33.5	35.3	40.6
<b>W.C &amp; Liquidity</b>					
Receivables (days)	26.2	29.0	11.6	11.2	10.8
Inventory (days)	-	-	-	-	-
Payables (days)	-	-	-	-	-
Current ratio (x)	18.0	17.3	14.0	13.4	12.5
Quick ratio (x)	17.9	17.2	13.9	13.3	12.4
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	30.7	32.4	6.9	4.7	4.9
Total asset T.O (x)	0.4	0.4	0.5	0.6	0.6
Int. covge. ratio (x)	192.7	154.6	209.4	192.3	204.5
Adj. debt/equity (x)	-	-	-	-	-
<b>Valuation</b>					
EV/Sales (x)	9.1	17.6	23.1	17.7	15.3
EV/EBITDA (x)	15.4	29.0	35.7	31.0	25.9
P/E (x)	17.3	26.3	40.3	34.3	29.3
P/BV (x)	3.6	7.3	12.3	11.3	10.8



## Recommendation Summary - last 3 years



Dates	Rating	Target
16-Feb-24	HOLD	531
31-Jul-24	HOLD	701
19-Feb-25	ACCUMULATE	586
14-Aug-25	ACCUMULATE	917




## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

**Symbols definition:**  Upgrade  No Change  Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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