




# Nippon Life India Asset Management

**ACCUMULATE**

Sector: AMC

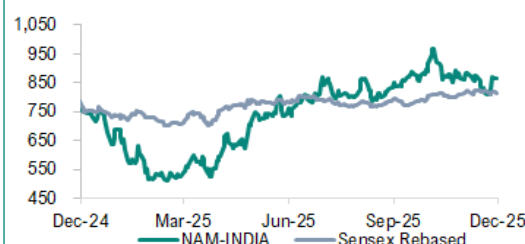
24<sup>th</sup> December, 2025

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 1,012
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 897
Mid Cap	NAM:IN	85,525	NAM-INDIA	540767	12 Months	Return	+13%

Data as of: 23-Dec-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	57,110		
52 Week High — Low (Rs.)	987 - 456		
Enterprise Value (Rs. cr)	57,065		
Outstanding Shares (cr)	63.7		
Free Float (%)	27.9		
Dividend Yield (%)	2.1		
6m average volume (cr)	0.1		
Beta	1.2		
Face value (Rs. )	10.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	72.3	72.3	72.1
FII's	8.3	7.6	7.6
MFs/Institutions	12.8	13.5	13.0
Public	5.8	5.9	6.2
Others	0.7	0.9	1.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	5.8%	17.3%	22.2%
Absolute Sensex	5.5%	1.8%	9.1%
Relative Return	0.3%	15.5%	13.1%

\*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	2,231	2,916	3,384
Growth (%)	35.8	30.7	16.1
EBITDA	1,442	1,694	2,003
EBITDA Margin (%)	64.6	58.1	59.2
PAT Adjusted	1,286	1,520	1,786
Growth (%)	16.2	18.1	17.5
Adjusted EPS	20.3	23.9	28.1
Growth (%)	15.3	18.1	17.5
P/E	42.9	36.1	30.7
P/B	13.1	11.9	11.5
EV/EBITDA	38.1	32.1	27.2
ROE (%)	30.5	32.9	37.5
D/E	0.0	0.0	0.0

## Strong Performance, Promising Outlook

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

- In Q2FY26, Nippon AMC's consolidated revenue rose 15.2% YoY to Rs. 658cr, mainly on account of robust growth in quarterly average assets under management (QAAUM), gains in market share and growth of the digital business.
- The asset management company's (AMC) mutual fund QAAUM rose 19.5% YoY (+7.1% QoQ) to Rs. 6.57lakh cr, with QAAUM growth expected to sustain on increasing financialisation of savings in India.
- Market share rose 22bps YoY to 8.51% (+2bps QoQ), the most since June 2019, which is likely to support growth in asset under management (AUM) and revenue.
- Digital purchase transactions jumped 18% YoY to 42lakh, with digital channels accounting for ~75% of all new purchase transactions.
- EBITDA rose 14.7% YoY to Rs. 430cr, led by higher topline growth, while EBITDA margin marginally declined 20bps YoY to 65.3%, owing to the higher other expenses of Rs. 86cr (+20.8% YoY) .

## Outlook and Valuation

Nippon AMC delivered strong Q2FY26 financial performance, driven by robust revenue growth, improving profitability and expanding margins. The growth drivers included growing financialisation of savings, gains in market share and growth in the digital business, which are expected to continue propelling growth. Expansion into new product categories and growing presence in global markets are expected to drive growth as well. Also, SEBI's recent consultation paper on mutual funds is likely to have only a minimal financial impact, with Nippon AMC well-positioned to maintain a strong performance, driven by its robust product suite, expanding market share and growing digital presence. **Hence, we reiterate our 'Accumulate' rating on the stock, with a revised target price of Rs. 1,012, using a target multiple of 36x on FY27E adjusted earnings per share.**

## Quarterly Financial Consol.

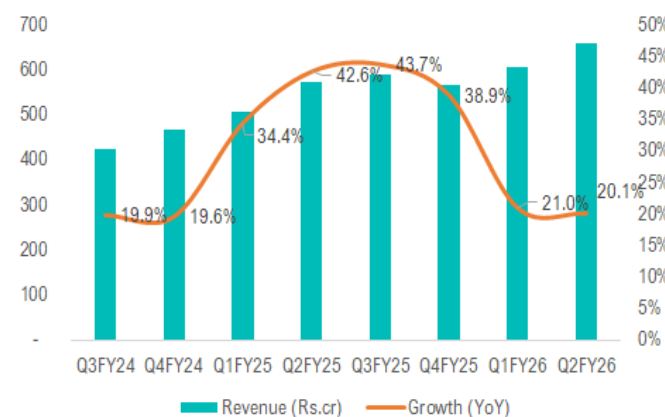
Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	658	571	15.2	607	8.5	1,265	1,076	17.5
EBITDA	430	374	14.7	388	10.7	818	691	18.4
Margin (%)	65.3	65.5	-20bps	64.0	130bps	64.7	64.2	50bps
EBIT	421	367	14.7	380	10.8	800	677	18.3
PBT	456	486	-6.3	524	-13.1	979	925	5.9
Rep. PAT	344	360	-4.4	396	-13.0	740	692	6.9
Adj PAT	345	360	-4.3	396	-13.0	741	692	7.0
Adj. EPS (Rs)	5.4	5.7	-4.8	6.2	-13.2	11.6	10.9	6.4



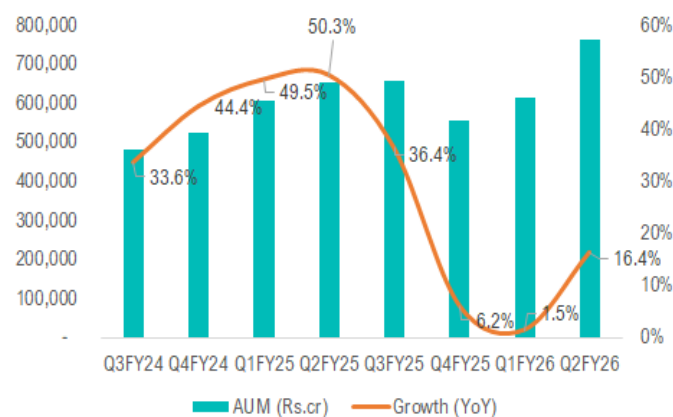
## Key concall highlights

- As of September 2025, NIMF's QAAUM distribution was: Equity 47.6%, ETFs 27.9%, Debt 15.5%, Liquid Funds 6.6%, and Arbitrage 2.3%. Both Equity and ETF AUM shares have remained relatively stable in the 47–48% and 27–28% ranges, respectively, over recent quarters.
- Nippon AMC's systematic investment plan market share was >10% in September 2025 and equity net sales market share was in the high single digits in Q2FY26. It remains a leading ETF player, with an AUM of Rs. 1.83lakh cr and a market share of 19.77% (+160bps YoY).
- Nippon AMC, while still evaluating the potential impact of SEBI's consultation paper released on October 28, 2025, expects only a minimal financial impact.
- Its yield rates varied across product categories, with equity at 54bps, debt at 25bps, liquid at 12bps and ETF at 17bps, resulting in an overall average yield of 36bps. Notably, gold ETF yields are higher, exceeding the average ETF yield. The AMC aims to maintain overall yield improvement of ~2bps annually via AUM growth and telescopic pricing.
- The AMC saw robust fund deployment in Q2FY26, with 12 active investments in performing credit and full deployment in its venture capital fund of funds across 14 funds. As a result, it gained exposure to over 410 startups, demonstrating an active investment approach as well as diversifying its portfolio.
- The AMC continues to expand its footprint in the Japanese institutional and retail markets in conjunction with Nissay Asset Management Corporation, and also continues to expand into new geographies in Asia, Europe and Latin America.

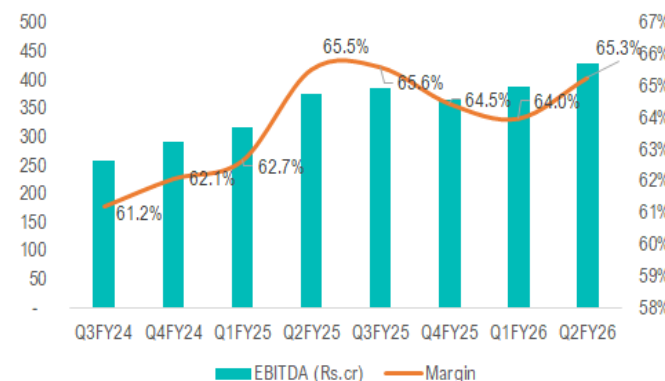
## Revenue



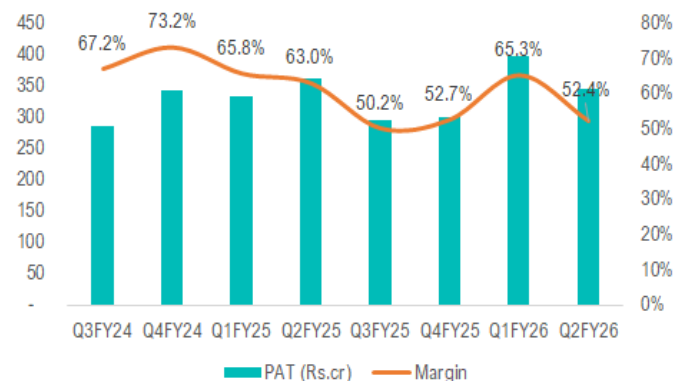
## AUM



## EBITDA



## PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	2,894	3,357	2,916	3,384	0.8	0.8
EBITDA	1,657	1,981	1,694	2,003	2.3	1.2
Margins (%)	57.3	59.0	58.1	59.2	80bps	20bps
Adj. PAT	1,512	1,767	1,520	1,786	0.5	1.0
EPS	23.8	27.8	23.9	28.1	0.5	1.0



## 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>2,916</b>	<b>3,384</b>
% change	3.3	21.7	35.8	30.7	16.1
<b>EBITDA</b>	<b>795</b>	<b>994</b>	<b>1,442</b>	<b>1,694</b>	<b>2,003</b>
% change	0.5	25.0	45.1	17.5	18.2
Depreciation	30	29	31	37	40
<b>EBIT</b>	<b>765</b>	<b>965</b>	<b>1,411</b>	<b>1,657</b>	<b>1,963</b>
Interest	4	6	7	8	9
Other Income	167	394	290	377	426
<b>PBT</b>	<b>928</b>	<b>1,352</b>	<b>1,694</b>	<b>2,025</b>	<b>2,380</b>
% change	-6.2	45.8	25.3	19.5	17.5
Tax	205	246	409	506	595
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>1,520</b>	<b>1,786</b>
<b>PAT att. to common shareholder-</b>	<b>723</b>	<b>1,107</b>	<b>1,286</b>	<b>1,520</b>	<b>1,786</b>
Adj.*	-	-	-	-	-
<b>Adj. PAT</b>	<b>723</b>	<b>1,107</b>	<b>1,286</b>	<b>1,520</b>	<b>1,786</b>
% change	-2.8	53.1	16.2	18.1	17.5
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>23.9</b>	<b>28.1</b>
% change	-3.0	51.4	15.3	18.1	17.5
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	1,557	1,826
Non-cash adj.	-155	-309	-186	4	-11
Other adjustments	-	-	-	-	-
Changes in W.C	-11	-50	68	-55	-11
<b>C.F. Operation</b>	<b>587</b>	<b>777</b>	<b>1,200</b>	<b>1,506</b>	<b>1,804</b>
Capital exp.	-10	-12	-538	-60	-69
Change in inv.	79	-120	425	-643	-1,054
Other invest.CF	29	28	31	36	38
<b>C.F - Investment</b>	<b>98</b>	<b>-104</b>	<b>-82</b>	<b>-667</b>	<b>-1,086</b>
Issue of equity	26	155	121	2	-
Issue/repay debt	-	-	-	-	-
Dividends paid	-716	-811	-1,202	-698	-768
Other finance.CF	-22	-15	-35	-2	-5
<b>C.F - Finance</b>	<b>-712</b>	<b>-671</b>	<b>-1,116</b>	<b>-698</b>	<b>-773</b>
Chg. in cash	-27	3	2	140	-56
Closing Cash	<b>21</b>	<b>24</b>	<b>27</b>	<b>167</b>	<b>111</b>

### Balance Sheet

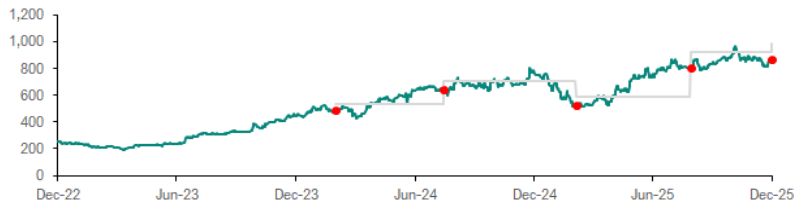
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	273	271	288	428	373
Accts. Receivable	97	130	71	155	183
Inventories	-	-	-	-	-
Other Cur. Assets	24	18	19	19	19
Investments	3,023	3,513	3,324	3,556	3,734
Gross Fixed As-sets	47	55	593	652	722
Net Fixed Assets	12	17	544	481	516
CWIP	2	2	4	104	111
Intangible Assets	293	314	324	310	296
Def. Tax -Net	21	26	18	9	12
Other Assets	116	85	79	87	96
<b>Total Assets</b>	<b>3,861</b>	<b>4,375</b>	<b>4,670</b>	<b>5,149</b>	<b>5,340</b>
Current Liabilities	190	227	264	313	353
Provisions	13	8	12	16	17
Debt Funds	-	-	-	-	-
Other Liabilities	143	157	181	194	202
Equity Capital	623	630	635	637	637
Res. & Surplus	2,892	3,352	3,578	3,989	4,130
Shareholder Funds	3,516	3,982	4,213	4,626	4,767
Minority Interest	-	-	-	-	-
<b>Total Liabilities</b>	<b>3,861</b>	<b>4,375</b>	<b>4,670</b>	<b>5,149</b>	<b>5,340</b>
BVPS	56	63	66	73	75

### Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	58.9	60.5	64.6	58.1	59.2
EBIT margin (%)	56.7	58.7	63.3	56.8	58.0
Net profit mgn.(%)	53.6	67.4	57.7	52.1	52.8
ROE (%)	20.6	27.8	30.5	32.9	37.5
ROCE (%)	21.8	24.2	33.5	35.8	41.2
<b>W.C &amp; Liquidity</b>					
Receivables (days)	26.2	29.0	11.6	19.3	19.7
Inventory (days)	-	-	-	-	-
Payables (days)	-	-	-	-	-
Current ratio (x)	18.0	17.3	14.0	13.3	12.2
Quick ratio (x)	17.9	17.2	13.9	13.2	12.1
<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	197.0	207.1
Adj. debt/equity (x)	-	-	-	-	-
<b>Valuation</b>					
EV/Sales (x)	9.1	17.6	24.3	18.7	16.1
EV/EBITDA (x)	15.4	29.0	37.6	32.1	27.2
P/E (x)	17.3	26.3	42.4	36.1	30.7
P/BV (x)	3.6	7.3	12.9	11.9	11.5



## 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
24-Dec-25	ACCUMULATE	1,012




## 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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