

April 28, 2026

## Market share accretion continues; this time aided by ETFs

**About the stock:** Nippon Life India AMC (Nippon) is among the largest asset managers in India with total AUM size of ₹ 7.25 lakh crore+. Focus on strong distribution network (1,23,800+ distributors) and passive schemes (ETF Market share of ~21.4%+ on QAAUM basis) remains key strategy.

- MF market share as on Q4FY26 was at 8.89% on QAAUM basis
- Strong presence in B-30 cities that contributes to ~18% of total AUM.

**Q4FY26 performance:** Nippon reported healthy performance as AUM market share improved further to 8.89%, up 63 bps YoY and 24 bps QoQ. Revenue was recorded at ₹738.7 cr (up 30% YoY, 5% QoQ). EBITDA margins improved 419 bps YoY, 199 bps QoQ at 68.6%, owing to operating leverage. PAT reported at ~₹385 cr (up 29% YoY, -5% QoQ) as other income recorded loss of ₹33.5 cr (MTM on investment book).

### Investment Rationale

- **Consistently has been the fastest growing AMC among Top-10:** Nippon continues to outpace peers with ~30% YoY, 3.4% QoQ AUM growth to ~₹7.25 tn and ~63 bps YoY market share gain (highest in the industry), reinforcing its strong execution. Its differentiated positioning has enabled growth in Q4, led by ETF which now constitutes 33.4% of AUM (~21% market share) vs 29.9% in Q3. ETF AUM grew 57.5% YoY, 15.5% QoQ to ~₹2.4 tn. Major part of this growth was led by Gold & silver ETF AUM which together constitute ~35% of total ETF AUM. Besides, flows and SIP market share (9.84% in Q4 vs 9.82% in Q3) are better than book market share of 8.9% as well as equity book market share of 7.16% (up 24 bps YoY, 3 bps QoQ). This suggests market share traction is likely to continue in forthcoming period. Overall, strong flows visibility and diversified product basket across asset classes positions Nippon for sustained AUM compounding and healthy business growth.
- **Yields improved sequentially aided by asset mix:** Blended revenue yields improved marginally from 40.2 bps to 40.8 bps QoQ, aided by better asset mix. Debt AUM witnessed de-growth of 9%+ QoQ while growth was led by bullion ETFs which are relatively better yielding. Gold & silver ETF earn yields of ~60 bps and ~30 bps resp. against debt yield of ~25 bps. From 1st April, Sebi's MF regulations related to expense ratio could create headwind for top-line yields, wherein management suggested they shall eventually maintain their margin, mainly by lowering distributor fee.

### Rating and Target Price

- Backed by strong parentage, Nippon is steadily gaining market share owing to its diversified product basket, fund's track performance, wide distribution network and product innovation. Considering its all-round strong performance, we revise earnings & multiple upwards. Maintain BUY rating, valuing the stock at 36x FY28E EPS, with a target price of ₹ 1190.

### Key Financial Summary

₹ Crore	FY23	FY24	FY25	FY26	3 year CAGR (FY23-FY26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Net Profit	743	1106	1286	1106	14.2%	1780	2090	37%
EPS	11.9	17.8	20.3	17.8	14.2%	27.9	32.7	36%
P/E (x)	85.8	57.6	50.6	57.6		36.7	31.3	
AUM /share	4713	6934	8779	6934		13293	15686	
P/AUM (%)	21.7	14.8	11.7	14.8		7.7	6.5	
DPS	11.5	16.5	18.0	16.5		25.0	29.3	
RoE (%)	25.4	29.5	3137.8	29.5		3745.6	4216.4	

Source: Company, ICICI Direct Research



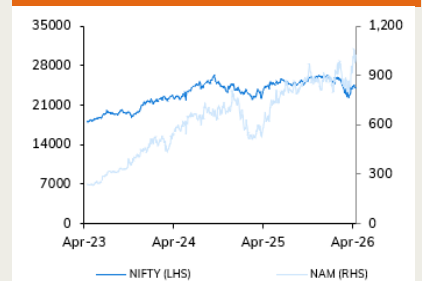
### Particulars

Particulars	Amount
Market Capitalisation	₹ 65,471 crore
Networth	₹ 4,659 crore
MF AUM	₹ 7.73 lakh crore
52 week H/L	1065 / 613
Face Value	₹ 10
DII Holding (%)	14.8
FII Holding (%)	7.4

### Shareholding pattern

	Jun 25	Sept 25	Dec 25	Mar 26
Promoter	72.3	72.1	72.1	71.9
FII	7.6	7.7	7.9	7.4
DII	13.5	13.0	13.8	14.8
Others	6.7	7.3	6.2	6.0

### Price Chart



### Key risks

- Heightened volatility in equities
- Regulatory decline in TER

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## Concall highlights and outlook

### AUM & Flows

- Industry AUM grew 21% YoY and 0.6% QoQ to ₹81.5 trn in Q4, with equity share in overall AUM moderated at ~56%.
- Nippon reported MF QAAUM at ₹7.25 trn, up 30.1% YoY, 3.4% QoQ. Company remained the fastest-growing AMC in the top 10 during Q4FY26 and FY26, with the highest increase in industry market share.
- Overall market share increased by 63 bps YoY and 24 bps QoQ to 8.89% with Equity market share at ~7.16%.
- SIP flows remained strong, with Q4FY26 systematic inflows of ~₹109 bn (+12% YoY / -1% QoQ). Monthly systematic book rose 17% YoY to ₹37.2 bn, translating into an annualised systematic book of ~₹447 bn. SIP market share stood at ~9.84% for Mar'26 vs 9.82% in Dec'25.
- On the ETF front, Nippon continued to be the largest ETF player, with ETF QAAUM of ₹2.42 trn (+57% YoY / +16% QoQ) and market share of 21.4% (+234 bps YoY). Company accounted for ~45% of ETF folios and ~52% of ETF trading volumes on NSE & BSE.
- On the offshore business, AUM stood at ₹139 bn, with inflows from Asia, Europe & Latin America. Company currently has two feeder funds in gift city with AUM of \$38 mn.

### Yields

- Blended yield for Q4FY26 marginally improved from 40.2 bps to 40.8 bps supported by favourable asset mix. Asset class wise yields; equity yields at ~53 bps, debt yields at ~25 bps, ETF yields at ~25 bps (steadily improving with rising proportion of gold and silver) and Liquid funds at ~11-12 bps. This quarter saw de-growth in debt AUM and faster rise in bullion ETF which supported yield improvement.
- Management reiterated that blended yields may decline by 1–2 bps annually over the medium term, driven by pricing competition and regulatory changes, which will be offset through scale benefits and operating efficiency.

### Others

- Operating expenses stood at ~₹231.6 cr (+15% YoY/-1.5% QoQ).
- ESOP expense stood at ~₹11 crore in Q4FY26; total ESOP charge for FY26 at ₹43 crore for FY26 and for FY27E, ESOP cost is likely to be in range of ~₹35 crore. Total ESOP cost for next 4 years expected in range of ~₹70-75 crore.
- TER regulation impact estimated at ~3-4 bps on equity AUM. Entire impact to be passed on to distributors.

**Exhibit 1: Variance Analysis**

	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	Comments
Revenue from Operations	738.7	566.5	30%	705.3	5%	Continued its resilience performance combined by both AUM growth and firm yields.
Revenue/AUM	0.41	0.41	0.1bps	0.40	0.5bps	Yields remained firm aided by better asset mix
Other Income	-33.5	23.0	NM	75.3	NM	Other income volatile owing to MTM on investment book.
Net Total Income	705.2	589.6	20%	780.6	-10%	
Staff Cost	125.9	110.5	14%	133.5	-6%	
Other Operating Expenses	119.5	101.3	18%	114.3	5%	
Total Expenses	245.4	211.8	16%	247.8	-1%	Overall expenses broadly in-line.
PBT	459.8	377.8	22%	532.8	-14%	
Tax Outgo	75.3	79.5	-5%	129.1	-42%	
PAT	384.5	298.3	29%	403.7	-5%	PAT impacted by MTM loss on investment book
MF- AAUM	725000	557200	30%	701000	3%	Market share improved 63 bps YoY, 24 bps QoQ at 8.89%

## Financial Summary

Exhibit 2: Profit & Loss Account				₹ crore
(₹ crores)	FY25	FY26	FY27E	FY28E
Revenue from Operations	2,231	2,709	3,170	3,695
Growth (%)	35.8%	21.4%	17.0%	16.6%
Other Income	290	224	284	336
Total Revenue	2,521	2,933	3,453	4,031
Employee Benefit Expenses	429	505	600	700
Dep & Amortization Expense	31	40	44	47
Other Expenses (incl fees)	367	416	465	532
Total Expenses	826	961	1,109	1,280
Profit Before Tax	1,694	1,972	2,344	2,751
Taxes	409	444	564	662
Profit After Tax	1,286	1,528	1,780	2,090
EPS (₹)	20	24	28	33

Source: Company, ICICI Direct Research

Exhibit 3: Key ratios				
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Exhibit 4: Balance sheet				₹ crore
(₹ crores)	FY25	FY26	FY27E	FY28E
Sources of Funds				
Share capital	635	638	638	638
Reserves and surplus	3578	4021	4208	4427
<b>Total Equity</b>	<b>4213</b>	<b>4659</b>	<b>4846</b>	<b>5065</b>
Trade payables	59	95	110	126
Others	398	438	486	539
<b>Total Liabilities</b>	<b>4670</b>	<b>5192</b>	<b>5441</b>	<b>5731</b>
Applications of Funds				
Property, plant and equipment	544	604	610	616
Intangible assets	324	332	332	332
Cash and bank balance	288	302	335	372
Investments	3324	3767	3954	4173
Receivables	71	79	91	105
Others	120	107	119	132
<b>Total Assets</b>	<b>4670</b>	<b>5192</b>	<b>5441</b>	<b>5731</b>

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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