

ABSL AMC (ABSLAMC) - ADD

Q4FY26 Result Update

Current Market Price (CMP) Rs.1,047	Fair Value (FV) Rs.1,100
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Rationale:

- ABSL AMC's core Profit Before Tax ("PBT") rose 8% yoy, led by a 7% yoy increase in investment management fees and 5% yoy expense growth.
- The recent fund performance improvement continues to be visible in the 1Y bucket, driving relatively better flows in recent months.
- The recent share price outperformance reflects optimism around a potential turnaround, which is in its early stages currently.
- We retain our ADD rating with a revised FV of Rs1,100, We value ABSLAMC at ~25X March 2028E Earning Per Share ("EPS").

👍 Positives:

- Monthly Systematic Investment Plan contribution was healthy at about Rs 1,200 crore, up 12% qoq.
- Alternate assets AUM, ex-Employee State Insurance Corporation mandate, grew 20% yoy to Rs 4,500 cr.
- While fund performance has been volatile in the past, it is now in an upward trajectory.
- The company has seen higher qoq flows in better-performing funds, and overall FY2026 flows were up 2X yoy.
- SIP flow market share increased in 4QFY26 to 4.8% in March2026.
- We bake in overall AAUM growth rate of 11-12% in FY2027-29E.

👎 Negatives:

- ABSL's actively managed equity oriented Average Asset Under Management ("AAUM") has declined to 4% in FY26 from 4.8% in FY24 and 4.2% in FY25. But recent fund performance has helped ABSL arrest market share decline in recent months.
- Folio market share dropped in the quarter to 14% in Q4FY26.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan

Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal

Auto & Auto Ancillary, Building Material,
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA

Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta

Research Analyst
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna

Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

Veer Trivedi

BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

Pankaj Kumar

Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 5498

Amarjeet Maurya

Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Gaurav Bhandari

Research Analyst
bhandari.gaurav@kotak.com
+91 22 6218 6440

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan

shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale

amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider

sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal

sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe

prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni

karan.kulkarni@kotak.com
+91 20 66203350

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