

## Angel One (ANGELONE) - ADD

### Result Update

Current Market Price (CMP) <b>Rs.2344</b>	Fair Value (FV) <b>Rs.2800</b>
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### Rationale:

- Angel One's Q2 FY26 headline results were better than expected, with underlying operating growth of 5 qoq, reflecting 5% qoq growth in broking, net interest income and expenses.
- A price hike in the cash segment provides buffers to absorb recent expense growth and an offset for potentially muted order growth.
- Retain ADD with a Fair Value of Rs. 2,800 (Rs. 2,900 earlier).

### Q2FY26 Earnings Update:

#### 👍 Positives:

- Angel's Q2 FY26 revenues were in line (-21%yoy; 6% qoq), supported higher net broking revenues and net interest income. Overall cost were up 3% yoy, but declined 11% qoq.
- Wealth has reached recurring AUM of Rs. 5,500 Crores and MF distribution AUM has reached Rs. 15,000 Crores AUM. Credit disbursements jumped to Rs. 460 Crores during the quarter, reaching cumulative disbursements of Rs 1,400 Crores since launch in Q4 FY24.
- Angel One has announced a price hike in the cash segment, which will add 4-5% to pre-tax profits.

#### 👎 Negatives:

- The Broking segment saw flat daily average orders. Further, the broking segment saw a decline in derivatives segment as a result of regulations.
- Business model exposed to index derivatives are grappling with heightened uncertainty with respect to the potential impact of the next round of regulations.



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