

Angel One (ANGELONE) - BUY

Q4 Result Update

Current Market Price (CMP) Rs.322	Fair Value (FV) Rs.370
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Rationale:

- Angel One delivered better-than-expected Q4FY26 headline results, with earnings growth of ~83% yoy and 19% qoq.
- Management's FY2027 guidance of near-zero staff cost growth and early-to-mid 40s operating margins highlights a clear focus on improving broking profitability.
- We upgrade FY2027-28E earnings by ~8-10% to reflect stronger broking momentum and tighter cost control.
- We retain BUY rating with an FV of Rs370 (Rs315 earlier) implying 23X March 2028E earnings, although upside is relatively limited after the stock's ~45% rally since our March upgrade.

👍 Positives:

- Angel's Q4FY26 net revenues grew 37% yoy and 10% qoq (+4% versus KIE), led by strong growth in net broking revenues (up 39% yoy and 13% qoq).
- EBDAT increased sharply (79% yoy and 17% qoq), with margin expanding 200 bps qoq to 42%.
- We expect ~10-11% CAGR over FY2027-29E in cash and F&O orders in absence of regulatory intervention.
- Wealth has reached a recurring Asset Under Management of ~Rs 10,000 crore (+23% qoq), with ~1,900 clients.
- We expect a 33.8% Earning per share ("EPS") growth in FY2027E and an 18% EPS growth in FY2028E.

👎 Negatives:

- Average Revenue Per User for incremental cohorts has been falling.
- Client additions have slowed down in recent quarters.



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

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- 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
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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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.

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