

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

ICICI Prudential AMC (ICICIAMC)

Current Market Price	Fair Value (FV)
Rs.3,354	Rs.3,250

Date: 16 February 2026

Previous Rating: - **ADD**

Current Rating: **REDUCE**

Change: **Downgrade**

Ratings Rationale

- IPRU reported better-than-expected results, with headline revenues growing by 20% yoy and flat qoq compared to 25% yoy and 2% qoq Asset Under Management growth.
- Core earnings grew 30% yoy and 2% qoq, aided by lower operating expenses.
- For FY2026, management indicated margins of ~67 bps for equity, 32 bps for debt, 12 bps for liquid, ~10 bps for passive and ~30 bps for arbitrage.
- We like IPRU's consistent long-term performance across most operational and financial metrics.
- However, valuations are now a constraint after a strong share price performance since the IPO.
- We expect healthy earnings compounding of 16-18% in the medium term, driven by 18% CAGR in Average Asset Under Management.
- We expect ~17% operating profit CAGR over FY2027-29E.
- ICIC PRU AMC market share sees sustained gains and reaches 14.2% of active MAAUM.
- Current valuations limit scope for a more constructive view on the stock, downgrade a notch to REDUCE from ADD.

Valuation

Downgrade to REDUCE (from ADD), with Rs3,250 FV (Rs3,150 earlier) implying 35X FY28E EPS.

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.
- SUBSCRIBE** – We advise investor to subscribe to the IPO.
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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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