UTI AMC

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	1,407
12 month price target (INR)	1,650
52 Week High/Low	1,472/891
Market cap (INR bn/USD bn)	180/2.0
Free float (%)	32.3
Avg. daily value traded (INR mn)	234.4

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	7.62%	7.70%	7.85%
FII	59.71%	59.47%	59.27%
DII	32.68%	32.84%	32.88%
Pledge	%	%	%

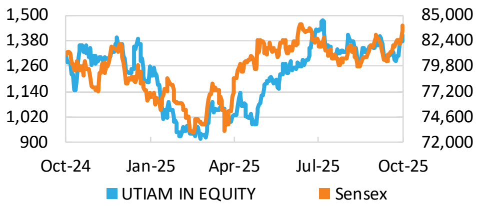
FINANCIALS (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	14,453	15,540	17,169	19,397
EBITDA	6,958	7,192	8,874	10,310
Adjusted profit	7,436	9,292	9,510	10,953
Diluted EPS (INR)	57.9	59.2	70.7	81.4
EPS growth (%)	(3.9)	2.2	19.5	15.2
RoAE (%)	16.5	16.4	18.8	20.4
P/E (x)	24.0	23.5	19.6	17.1
EV/EBITDA (x)	19.2	18.5	14.7	12.3
Dividend yield (%)	341.2	295.5	353.1	406.6

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	15,540	17,169	(3.6)	(4.3)
EBIT	6,694	8,369	(8.0)	(0.0)
Adjusted profit	7,601	9,083	(10.1)	(2.3)
Diluted EPS (INR)	59.2	70.7	(10.1)	(2.3)

PRICE PERFORMANCE



Market share continues to slide

Choppy equity markets led UTIAM to post a muted 4.3% QoQ increase in Q2FY26 equity QAAUM. Yields declined 1.9bp YoY/0.7bp QoQ due to a fall in equity share, resulting in stunted revenue growth of just 4.6% YoY/2.9% QoQ. Ex-one-time expense due to revision in family pension payouts (INR249.1mn) operating profits came in at INR1.58bn (-6.5% YoY/0.8% QoQ) i.e. 5.6% below estimate. Lower other income dragged APAT by 47.6% YoY/44.3% QoQ to INR1.32bn. RPAT came in even lower at INR1.13bn (-52.7% YoY/-52.2% QoQ).

We are building in impact of VRS and revising FY26E/27E/28E NOPLAT by –(8.2)/0/(0.8)%. We roll forward and raise TP to INR1,650 i.e. FY27E PE of 23x (50% discount to HDFCAMC's multiple); maintain 'BUY'.

Weak markets and moderate net flows slow AUM growth

Weak equity markets (Nifty 50 -3.6% and Nifty midcap 150/Nifty small cap 250 down 4.3%/6.2% in Q2FY26) resulted in equity QAAUM growth of 3.3% YoY/+4.3% QoQ. UTIAM posted a decline of 246bp YoY/19bp QoQ in equity share in QAAUM to 35.2%. This led to a slight decrease in blended yields by 1.9bp YoY/0.7bp QoQ. Despite no NFO, equity and hybrid net inflows expanded 11.2% sequentially in Q2 to INR5.37bn (versus INR4.83bn in Q1FY26 and outflows of INR0.4bn in Q2FY25). While total QAAUM grew 10.5% YoY/4.9% QoQ, revenues grew moderately at 4.6% YoY/2.9% QoQ to INR3.9bn. Higher employee expenses (+37.7% YoY/+23.0% QoQ) led to a rise in total expenses (+26.9% YoY/+16.6% QoQ). Employee expenses surged 37.7% YoY/ 23.0% QoQ to INR 1.59bn due to one-time impact of INR249.1mn due to revision in Family Pension as part of the VRS settlement. Other expenses have grown partly due to CSR expense of INR60mn. This resulted in core operating profit decline of 6.5% YoY to INR1.58bn, missing our estimates by 5.6%. APAT plunged 47.6% YoY/44.3% QoQ due to low core profits, higher expense, and sequential decline in other income (market action driven) which came in at INR314mn (-81.2% YoY/+81.4% QoQ).

Market share indicators weaken; new CEO to take charge in Feb-26

Due to slower net inflows compared with peers, equity AUM market share fell 39bp YoY/8bp QoQ to 2.9% as equity and hybrid net inflows market share remains low at just 0.4% (+38bp YoY/-3bp QoQ). SIP market share fell 17bp YoY/9bp QoQ to 2.72% while SIP flow for Q2 improved 13.6% YoY/3.5% QoQ to INR23.38bn. SIP AUM was INR423bn (6.0% YoY/0.2% QoQ). UTIAM continues to lose market share across key parameters. Mr Vetri Subramaniam (MD & CEO designate) stated his key priorities as: i) focus on correcting sales manpower ratios to build more retail reach; ii) brand enhancements; iii) digital initiatives; and iv) increase SIPs.

Financial

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	3,900	3,730	4.6	3,790	2.9
EBITDA	1,736	1,829	(5.1)	1,721	0.9
Adjusted Profit	1,317	2,513	(47.6)	2,366	(44.3)
Diluted EPS (INR)	8.8	18.8	(52.7)	18.4	(52.2)

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Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	14,453	15,540	17,169	19,397
Gross profit	0	0	0	0
Employee costs	4,580	5,172	4,758	5,139
Other expenses	2,916	3,176	3,537	3,948
EBITDA	6,958	7,192	8,874	10,310
Depreciation	455	498	505	511
Less: Interest expense	127	133	143	156
Add: Other income	4,146	3,603	3,967	4,399
Profit before tax	10,522	10,164	12,193	14,042
Prov for tax	2,271	2,205	2,682	3,089
Less: Other adj	(121)	0	0	0
Reported profit	7,315	7,960	9,510	10,953
Less: Excp.item (net)	121	1,332	0	0
Adjusted profit	7,436	9,292	9,510	10,953
Diluted shares o/s	128	128	128	128
Adjusted diluted EPS	57.9	59.2	70.7	81.4
DPS (INR)	48.0	41.6	49.7	57.2
Tax rate (%)	21.6	21.7	22.0	22.0

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	1,280	1,280	1,280	1,280
Reserves	44,712	45,660	48,385	51,523
Shareholders funds	45,991	46,940	49,665	52,803
Minority interest	5,612	5,970	6,398	6,891
Borrowings	1,424	1,533	1,656	1,801
Trade payables	1,791	1,703	1,882	2,126
Other liabs & prov	1,164	1,007	1,046	1,096
Total liabilities	56,584	57,786	61,312	65,416
Net block	4,195	4,149	4,125	4,139
Intangible assets	0	0	0	0
Capital WIP	0	0	0	0
Total fixed assets	4,195	4,149	4,125	4,139
Non current inv	45,575	47,398	49,294	51,266
Cash/cash equivalent	5,045	3,864	5,311	7,166
Sundry debtors	817	1,362	1,505	1,701
Loans & advances	74	78	82	86
Other assets	464	499	538	580
Total assets	56,584	57,786	61,312	65,416

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue as bp of AAUM	43.0	41.2	39.8	38.9
Core Op. Profit as bp of AAUM	19.0	17.4	19.1	19.3
NOPLAT as bp of AAUM	14.2	13.0	14.3	14.5
EBITDA margin (%)	48.1	46.3	51.7	53.2
Net profit margin (%)	51.4	48.9	52.9	53.9
Revenue growth (% YoY)	22.3	7.5	10.5	13.0
EBITDA growth (% YoY)	33.3	3.4	23.4	16.2
Adj. profit growth (%)	(12.1)	25.0	2.4	15.2

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	7,315	7,960	9,510	10,953
Add: Depreciation	455	498	505	511
Interest (net of tax)	127	133	143	156
Others	936	(1,332)	0	0
Less: Changes in WC	1,277	(819)	43	65
Operating cash flow	10,110	6,439	10,202	11,684
Less: Capex	(2,581)	(2,436)	(2,567)	(2,708)
Free cash flow	7,529	4,004	7,634	8,976

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.0	6.2	7.0	7.0
Repo rate (%)	6.0	5.0	5.0	5.0
USD/INR (average)	84.0	82.0	81.0	81.0
Core Op. Profit (INR mn)	6,375.4	6,561.8	8,225.9	9,643.7
NOPLAT (INR mn)	4,770.1	4,909.6	6,154.6	7,215.4
NOPLAT YoY growth (%)	36.1	2.9	25.4	17.2
AAUM (INR mn)	3,363.5	3,768.1	4,312.3	4,986.9
AAUM growth (%)	24.7	12.0	14.4	15.6
Equity as a % of AAUM	36.9	35.3	34.9	35.0

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	16.5	16.4	18.8	20.4
RoCE (%)	14.7	14.5	16.7	18.1
Inventory days	nm	nm	nm	nm
Receivable days	21	32	32	32
Payable days	45	40	40	40
Working cap (% sales)	(10.0)	(4.2)	(4.2)	(4.2)
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	(0.9)	(0.9)	(0.9)	(0.9)
Interest coverage (x)	51.2	50.5	58.4	62.9

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	24.0	23.5	19.6	17.1
Price/BV (x)	3.9	3.8	3.6	3.4
EV/EBITDA (x)	19.2	18.5	14.7	12.3
Dividend yield (%)	341.2	295.5	353.1	406.6

Source: Company and Nuvama estimates

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	(3.9)	2.2	19.5	15.2
RoE (%)	16.5	16.4	18.8	20.4
EBITDA growth (%)	33.3	3.4	23.4	16.2
Payout ratio (%)	82.6	70.0	70.0	70.0

Exhibit 1: High expense and low other income lead to Q2FY26 APAT decline of 47.6% YoY/44.3% QoQ

P&L (INR mn)	Q2FY26	Q2FY25	YoY(%)	Q1FY26	QoQ(%)	H1FY26	H1FY25	YoY(%)	FY26E	FY27E	FY28E
Revenues	**3,900**	**3,730**	**4.6**	**3,790**	**2.9**	**7,690**	**7,100**	**8.3**	**15,540**	**17,169**	**19,397**
Employee Benefit Expenses	1,339	1,153	16.1	1,292	3.7	2,631	2,290	14.9	5,172	4,758	5,139
Other Expenses	817	742	10.2	770	6.1	1,587	1,380	15.0	3,147	3,506	3,915
Fees and Commission Expense	8	6	24.2	8	0.0	15	12	27.3	28	31	33
Total expenses	**2,164**	**1,901**	**13.8**	**2,069**	**4.6**	**4,233**	**3,682**	**15.0**	**8,348**	**8,295**	**9,087**
EBITDA	**1,736**	**1,829**	**(5.1)**	**1,721**	**0.9**	**3,457**	**3,418**	**1.1**	**7,192**	**8,874**	**10,310**
D&A	127	112	13.0	123	3.5	250	224	11.3	498	505	511
EBIT	**1,609**	**1,716**	**(6.3)**	**1,598**	**0.7**	**3,207**	**3,194**	**0.4**	**6,694**	**8,369**	**9,800**
Finance Cost	33	31	8.5	34	(2.1)	67	62	7.7	133	143	156
Other income	314	1,671	(81.2)	1,693	(81.4)	2,007	3,640	(44.9)	3,603	3,967	4,399
PBT	**1,890**	**3,357**	**(43.7)**	**3,257**	**(42.0)**	**5,147**	**6,772**	**(24.0)**	**10,164**	**12,193**	**14,042**
Tax	382	605	(36.9)	722	(47.1)	1,103	1,275	(13.5)	2,205	2,682	3,089
PAT (pre minority interest)	**1,508**	**2,752**	**(45.2)**	**2,536**	**(40.5)**	**4,044**	**5,497**	**(26.4)**	**7,960**	**9,510**	**10,953**
Less: Non-controlling interests	192	239	(19.7)	170	12.8	362	440	(17.8)	358	428	493
APAT (post minority interest)	**1,317**	**2,513**	**(47.6)**	**2,366**	**(44.3)**	**3,682**	**5,057**	**(27.2)**	**7,601**	**9,083**	**10,460**
Adjustment	**186**	**121**	**54.0**	**0**	**NL**	**186**	**121**	**54.0**	**1,332**	**0**	**0**
RPAT	**1,130**	**2,392**	**(52.7)**	**2,366**	**(52.2)**	**3,496**	**4,936**	**(29.2)**	**6,270**	**9,083**	**10,460**
FDEPS	**8.8**	**18.6**	**-52.7**	**18.4**	**-52.2**	**27.2**	**38.4**	**-29.2**	**59.2**	**70.7**	**81.4**
Core operating profit	1,576	1,686	(6.5)	1,564	0.8	3,140	3,132	0.3	6,562	8,226	9,644
NOPLAT	1,179	1,261	(6.5)	1,170	0.8	2,349	2,343	0.3	4,910	6,155	7,215
Margin and tax rate (%)											
Core operating profit	40.4	45.2	(479)bp	41.3	(86)bp	40.8	44.1	(327)bp	42.2	47.9	49.7
NOPLAT	30.2	33.8	(358)bp	30.9	(64)bp	30.5	33.0	(245)bp	31.6	35.8	37.2
Tax rate	20.2	18.0	217bp	22.2	(196)bp	21.4	18.8	261bp	21.7	22.0	22.0
QAAUM / AAAUM (INR bn)											
Equity	1,332	1,290	3.3	1,277	4.3	1,305	1,225	6.5	1,330	1,506	1,747
Debt	400	314	27.7	375	6.8	388	305	27.0	382	400	433
Liquid	427	371	15.3	406	5.3	416	374	11.4	400	406	435
Others	1,624	1,451	11.9	1,551	4.8	1,588	1,362	16.6	1,656	1,999	2,372
Total	**3,784**	**3,425**	**10.5**	**3,609**	**4.9**	**3,696**	**3,266**	**13.2**	**3,768**	**4,312**	**4,987**
As % of QAAUM											
Revenue	41.2	43.6	(2.3)bp	42.0	(1)bp	20.8	21.7	(0.9)bp	41.2	39.8	38.9
Total expenses	22.9	22.2	0.7bp	22.9	(0)bp	11.5	11.3	0.2bp	22.2	19.2	18.2
EBIT	17.0	20.0	(3.0)bp	17.7	(1)bp	8.7	9.8	(1.1)bp	17.8	19.4	19.7
Core operating profits	16.7	19.7	(3.0)bp	17.3	(1)bp	8.5	9.6	(1.1)bp	17.4	19.1	19.3
NOPLAT	12.5	14.7	(2.3)bp	13.0	(1)bp	6.4	7.2	(0.8)bp	13.0	14.3	14.5
PBT	20.0	39.2	(19.2)bp	36.1	(16)bp	13.9	20.7	(6.8)bp	27.0	28.3	28.2
APAT	13.9	29.3	(15.4)bp	26.2	(12)bp	10.0	15.5	(5.5)bp	20.2	21.1	21.0

Source: Company, Nuvama Research Note: Employee expense adjusted for one time provision of family pension scheme revision of INR 249.1mn. Impact of taxes also accounted for @25.2% and net impact taken in exceptional items.

Exhibit 2: Equity share in QAAUM declines 246bp YoY to 35.2%

Closing AUM (INR bn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY(% / bp)	QoQ(% / bq)
Equity	1,344	1,274	1,227	1,347	1,320	-1.8	-2.0
Debt	300	327	337	381	366	22.2	-3.9
Liquid	319	359	317	347	377	18.0	8.5
Others	1,540	1,451	1,467	1,639	1,634	6.1	-0.3
Total	**3,503**	**3,410**	**3,348**	**3,714**	**3,697**	**5.5**	**-0.5**
Share (%)							
Equity	38.4	37.4	36.6	36.3	35.7	(267)bp	(58)bp
Debt	8.6	9.6	10.1	10.3	9.9	135bp	(36)bp
Liquid	9.1	10.5	9.5	9.3	10.2	108bp	85bp
Others	44.0	42.5	43.8	44.1	44.2	24bp	9bp
Total	**100**	**100**	**100**	**100**	**100**	-	-
QAAUM (INR bn)							
Equity	1,290	1,288	1,223	1,277	1,332	3.3	4.3
Debt	314	344	360	375	400	27.7	6.8
Liquid	371	403	399	406	427	15.3	5.3
Others	1,451	1,489	1,415	1,551	1,624	11.9	4.8
Total	**3,425**	**3,524**	**3,397**	**3,609**	**3,784**	**10.5**	**4.9**
QAAUM Share (%)							
Equity	37.7	36.5	36.0	35.4	35.2	(246)bp	(19)bp
Debt	9.2	9.8	10.6	10.4	10.6	143bp	19bp
Liquid	10.8	11.4	11.8	11.2	11.3	47bp	5bp
Others	42.4	42.3	41.6	43.0	42.9	56bp	(4)bp
Total	**100**	**100**	**100**	**100**	**100**	-	-

Source: Company, Nuvama Research

Exhibit 3: Operating profit yield declines 5.7bp YoY while decreasing 3.3bp QoQ

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY(% / bp)	QoQ(% / bq)
Operating Profits (PBT-OI) (INR mn)	1,686	1,757	1,480	1,564	1,327	-21.3	-15.2
NOPLAT (INR mn)	1,261	1,314	1,107	1,170	993	-21.3	-15.2
Margins(%)							
Operating Profits (PBT-OI)	45.2	46.9	41.1	41.3	34.0	(1,118)bp	(725)bp
NOPLAT	33.8	35.1	30.7	30.9	25.4	(836)bp	(542)bp
APAT (post minority interest)	67.4	40.1	24.3	62.4	29.0	(3,839)bp	(3,344)bp
As a % of QAAuM (bps)							
Income from operations	43.6	42.6	42.4	42.0	41.2	(2.3)bp	(0.8)bp
Total expenses	22.2	21.0	23.2	22.9	25.5	3.3bp	2.6bp
Operating Profits (PBT-OI)	19.7	19.9	17.4	17.3	14.0	(5.7)bp	(3.3)bp
NOPLAT	14.7	14.9	13.0	13.0	10.5	(4.2)bp	(2.5)bp
PBT	39.2	25.1	18.1	36.1	17.3	(21.9)bp	(18.8)bp
APAT (post minority interest)	29.3	17.1	10.3	26.2	11.9	(17.4)bp	(14.3)bp

Source: Company, Nuvama Research

Exhibit 4: Direct contribution in equity AUM falls 200bp QoQ to 33%

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY(% / bp)	QoQ(% / bq)
Distribution							
Share in total AUM (%)							
Direct	69.0	70.0	70.0	71.0	69.0	(100)bp	(200)bp
MFD	23.0	23.0	22.0	21.0	23.0	-	200bp
Banks and distributors	7.0	7.0	8.0	8.0	7.0	-	(100)bp
Total	**99**	**100**	**100**	**100**	**99**	**0**	**0**
Share in equity including hybrid AuM (%)							
Direct	33.0	34.0	34.0	35.0	33.0	-	(200)bp
MFD	56.0	55.0	55.0	54.0	56.0	-	200bp
Banks and distributors	11.0	11.0	11.0	11.0	11.0	-	-
Total	**100**	**100**	**100**	**100**	**100**	**0**	**0**

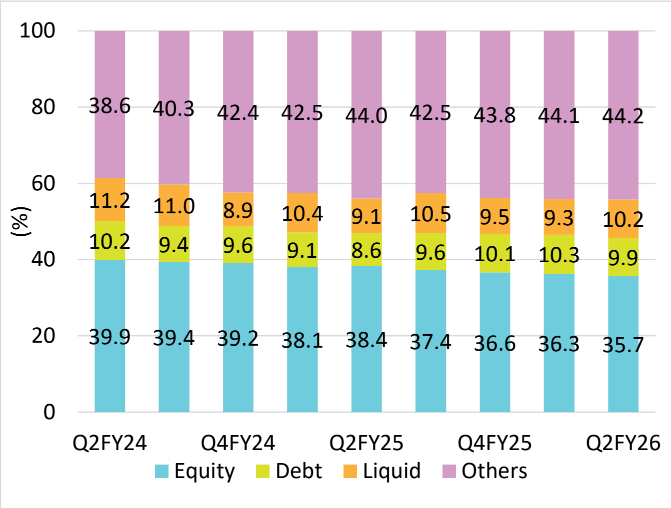
Source: Company, Nuvama Research

Exhibit 5: Equity and hybrid AUM market share declines 39bp YoY/8bp QoQ to 2.9%

Other operating metrics	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY(%/bp)	QoQ(%/bq)
Quarterly gross SIP inflow (INR bn)	20.6	22.0	22.2	22.6	23.4	13.6	3.5
SIP AUM (INR bn)	399	384	376	422	423	6.0	0.2
Total MF QAAUM market share (%)	5.2	5.1	5.0	5.0	4.9	(26)bp	(9)bp
Total Equity and Hybrid QAAUM market share (%)	3.3	3.2	3.1	3.0	2.9	(39)bp	(8)bp
Online gross sales as % of total gross sales (%)	94.4	95.0	95.1	88.9	89.5	(488)bp	63bp
No. of digital purchase transaction (mn)	4.5	5.1	5.0	4.9	5.3	18.0	7.3
Digital platform as % of equity gross sales	37.6	44.5	47.9	42.2	41.3	366bp	(96)bp

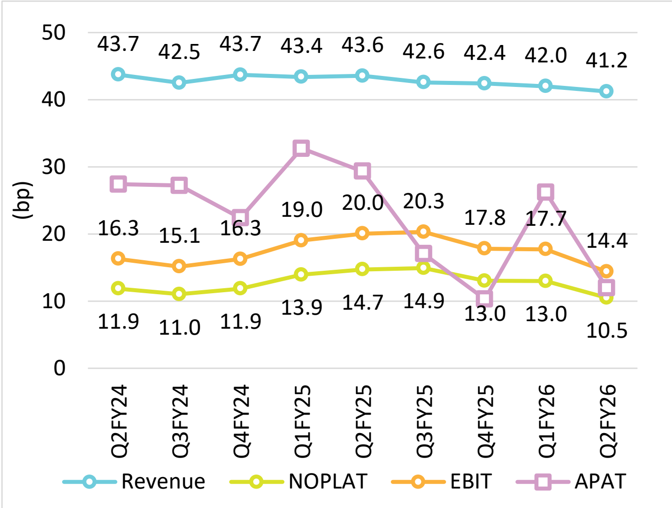
Source: Company, Nuvama Research

Exhibit 6: Equity share declines 267bp YoY in closing AUM



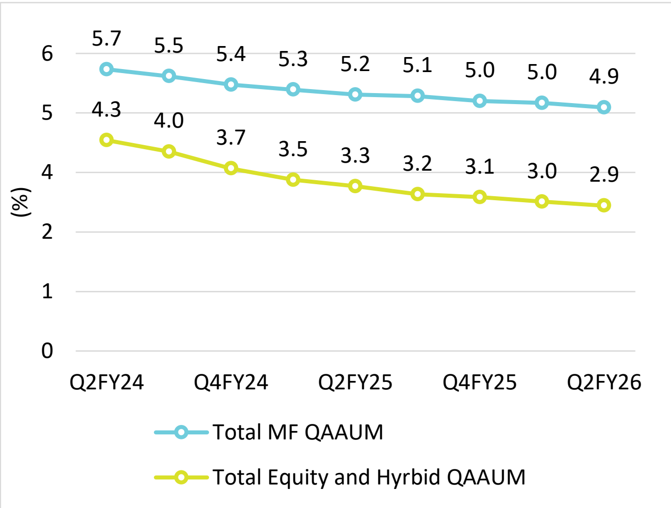
Source: Company, Nuvama Research

Exhibit 7: NOPLAT yield at 10.5bp (-4.2bp YoY/-2.5bp QoQ)



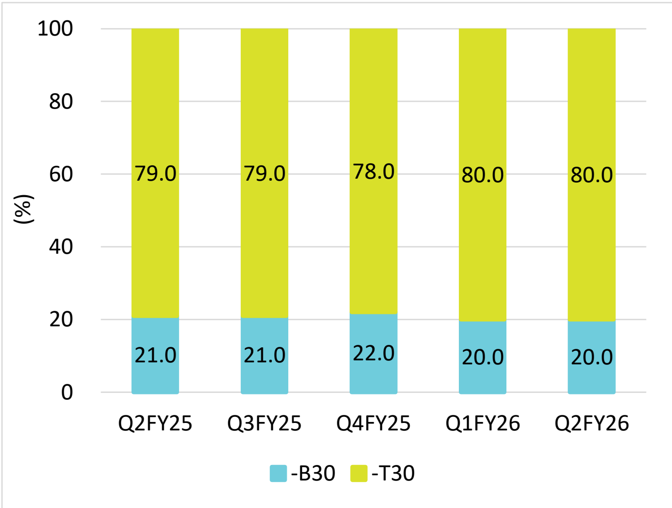
Source: Company, Nuvama Research

Exhibit 8: Market share continues to decline



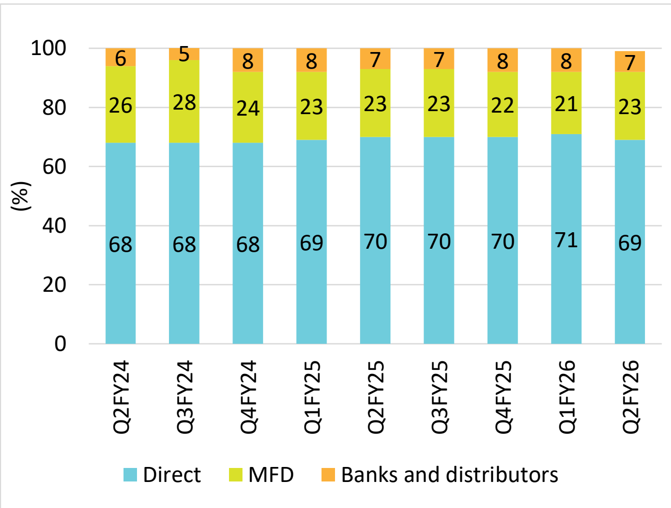
Source: Company, Nuvama Research

Exhibit 9: B30 share in total MAAUM decreases YoY to 20%



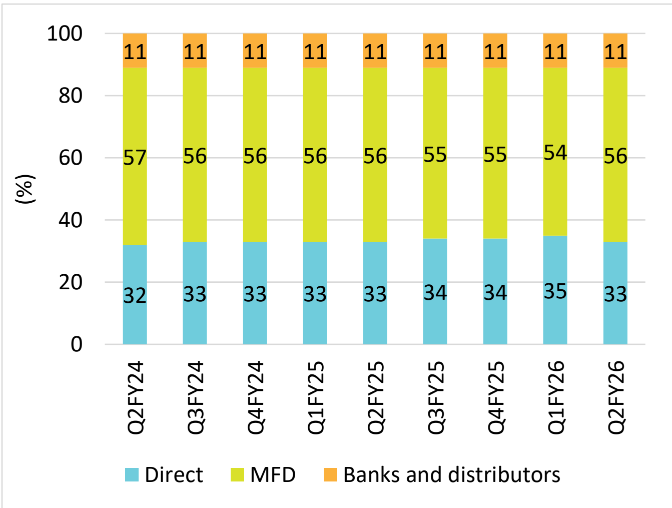
Source: Company, Nuvama Research

Exhibit 10: Direct channel leads in total AUM distribution mix



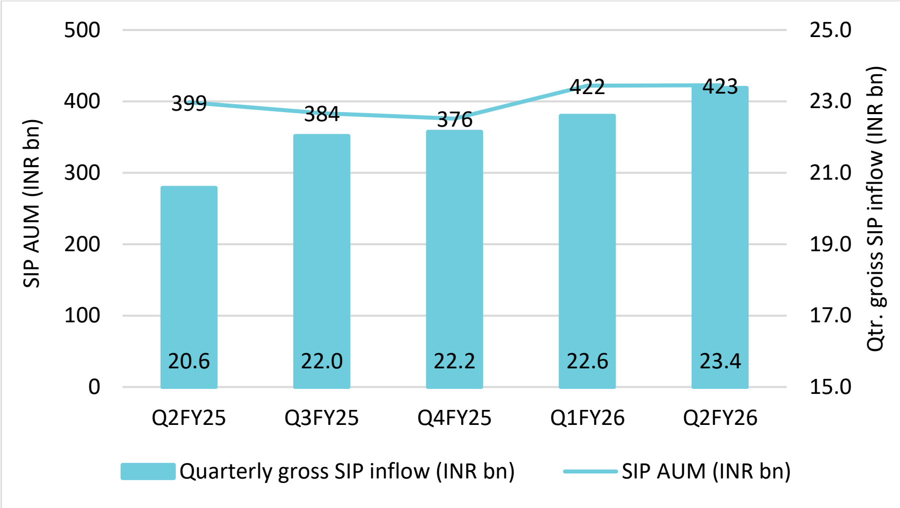
Source: Company, Nuvama Research

Exhibit 11: MFDs leads in equity AUM distribution mix



Source: Company, Nuvama Research

Exhibit 12: SIP AUM grows 6.0% YoY to INR423bn



Source: Company, Nuvama Research

Exhibit 13: Estimate change

	Earlier			Revised			Change (%/bps)		
(INR mn)	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**
Equity AUM	1,458	1,692	1,956	1,393	1,620	1,875	(4.4)	(4.3)	(4.2)
Revenues	16,136	17,933	20,244	15,540	17,169	19,397	(3.6)	(4.3)	(4.2)
EBIT	7,287	8,370	9,875	6,694	8,369	9,800	(8.0)	(0.0)	(0.8)
EBIT margin (%)	45.2	46.7	48.8	43.1	48.7	50.5	(205)bp	207bp	174bp
NOPLAT	5,352	6,154	7,270	4,910	6,155	7,215	(8.2)	0.0	(0.8)
NOPLAT margin (%)	33.2	34.3	35.9	31.6	35.8	37.2	(155)bp	153bp	129bp
APAT	8,466	9,295	10,612	7,601	9,083	10,460	(10.1)	(2.3)	(1.4)
EPS	65.9	72.3	82.6	59.2	70.7	81.4	(10.1)	(2.3)	(1.4)
ROE (%)	17.9	18.6	20.1	16.4	18.8	20.4	(154)bp	19bp	36bp
Target Price (INR)		**1,590**			**1,650**			**3.8**	
Rating		**BUY**			**BUY**				

Source: Company, Nuvama Research

H1FY26 earning call highlights

Yields: Equity- 75bp, ETF/ Index- 8bp, Liquid- 9bp, Fixed Income- 19–20bp

Management transition: Mr Vetri Subramaniam will take over as MD & CEO from February 1, 2026.

Employee expense- The company revised Voluntary Retirement Scheme (VRS) for select employees (470 eligible of ~1,450 total staff). The financial impact will depend on applications (open till October 31, 2025) and will be booked in Q3FY26. An INR250mn one-time charge was taken this quarter for family pension revision. An additional INR 65mn actuarial impact arose from salary revision and related benefits. Management expects per employee payout to be around INR 6-6.5mn. Management expects long-term employee cost reduction post-VRS, with possible replacement of only 70–75 of 479 staff if all opt in.

Other expenses- Other expenses rose due to INR60mn CSR expenditure, booked on a cash basis. Management guided for 7–8% full-year growth in other expenses, expecting normalization in subsequent quarters.

Subsidiary performance: UTI Pension Fund: AUM at INR 3.89tn, managing 24.6% of NPS industry AUM.

UTI International: AUM at INR 236bn, with resilience in UTI India Dynamic Equity Fund (US$874 mn). Some short-term decline due to market impact in select funds.

UTI Alternatives: AUM at INR 27bn; launched HDOC 4 (INR 15bn planned)

Strategic focus: Management to reinvest cost savings from VRS and efficiencies into brand building and digital expansion. Emphasis on younger workforce, restructured sales hierarchy, and increased retail penetration. The company plans to launch new products (including SIFs) but will wait for stronger distributor readiness and regulatory clarity. Long-term focus remains on SIP-led retail growth, digital adoption, and global expansion. Management highlighted continued focus on hybrid funds, with increased efforts in multi-asset and aggressive hybrid categories, which are now approved on multiple sales platforms

Company Description

UTI Asset Management Company (UTIAMC) is a highly trusted household brand, and market share of 5% as of Mar-25. Countrywide network of 255 branches with a diversified distribution network of banks, DAs, national distributors and MFDs. B-30 presence contributes 22% to AUM (Mar-25). UTI MF boasts of having 13.3mn live folios as of Mar-25, largely supplemented by its SIP book. UTIAM also manages pension assets and overseas assets through its subsidiaries and has plans to increase overseas presence to raise fresh inflows.

Investment Theme

UTIAM commands market 3.1% market share in equity AUM. It is predominantly a mutual fund distributor (MFD)-driven granular distribution business (55% equity assets) with solid B-30 penetration. We see its investments in the international and retirement solutions businesses adding wind to its sails. Inheriting the 'UTI' moniker from its government entity days drives a strong brand recall for UTIAMC.

The company's strong distribution presence in the semi-urban and rural areas enables it to garner granular AUM. UTIAM however has the highest costs (pre-EBITDA expenses) as a percentage of AAAUM at 22bp for FY25 versus listed peers. This is largely due to steep costs in the non-officer category employees. Costs remaining under check is key to operating leverage playing out.

Key Risks

- Regulatory changes in terms of increased taxation or further reduction in TERs threshold may also affect inflows and revenue for the industry at large.
- Protracted weakness in equity markets may dampen inflows and revenues
- Further shift towards ETFs/index funds may hurt revenues as this segment commands significantly lower fees. Any rise in AUMs driven largely by alternatives may result in cannibalisation of revenue and growth prospects.
- Greater offtake of insurance/alternative investment products, particularly ULIPs and NPAR products, may trigger lower-than-anticipated revenue
- Key management personnel exits
- Any persistent underperformance, or brand related adversities
- Continued high costs
- Unfavourable judgment on ongoing pension-related labour litigation
- Exit of key shareholder

Additional Data

Management

CEO	Imtaiyazur Rahman
CRO	Vivek Maheshwari
CFO	Vinay Lakhotia
Auditor	M/s. BSR & Co. LLP

Holdings – Top 10*

	% Holding		% Holding
T Rowe. Price G	22.74	Nippon Life Ind	5.87
Punjab National	15.07	Vanguard Inc	2.62
Bank of Baroda	9.88	HDFC Asset Mana	2.11
Life Insurance	9.88	Tata Asset Mana	2.06
State Bank of I	9.88	Norges bank	0.92

**Latest public data*

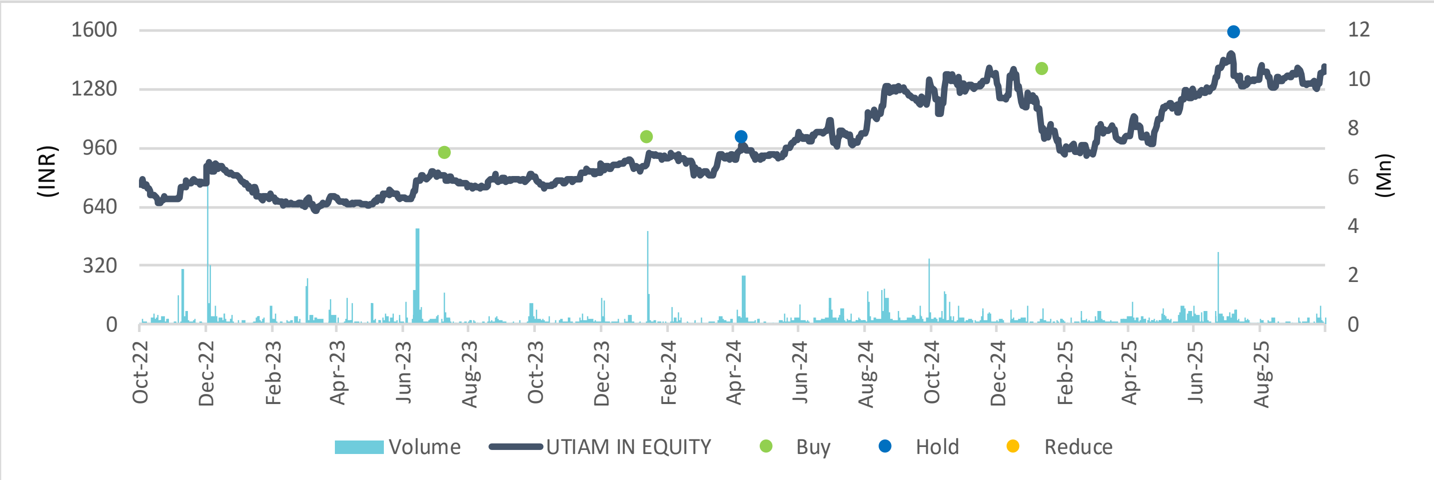
Recent Company Research

Date	Title	Price	Reco
24-Jul-25	Market share loss continues ; *Result Update*	1,415	Hold
29-Apr-25	Key metrics remain weak; *Result Update*	1,075	Buy
28-Jan-25	Green shoots appearing; *Result Update*	1,260	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
15-Oct-25	HDFC AMC	Core business strength sustains; *Result Update*
10-Oct-25	Other financial services	Sep-25: SIPs scale new highs; *Sector Update*
07-Oct-25	Other financial services	Core earnings growth remains strong; *Sector Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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