kotak Securities

Dated: 27th Oct 2025

ABSL AMC (ABSLAMC) - ADD

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.831	**Rs.950**

Rationale:

- ABSL AMC's core Profit Before Tax ("PBT") rose 13% yoy, led by a 9% yoy increase in investment management fees and modest 3% yoy expense growth.
- Q2 shows early signs of recovery.
- We retain ADD rating to the stock, with Fair value of 950.

Q2FY26 Earnings Update:

Positives:

- Revenue from operations grew 3% qoq and 9% yoy to Rs. 460 crores, supported by higher contribution from Portfolio Management Services ("PMS")/Alternative Investment Fund ("AIF") and real estate credit funds.
- Operating profit rose 13% yoy to Rs. 270 Crores.
- Alternate assets AUM grew 14% yoy to Rs. 1,150 Crores, while real estate book expanded 23% yoy to Rs. 2,060 Crores.
- Passive QAAUM reached Rs 32,000 crores (+20% yoy), with new launches in momentum and quality index funds.

Negatives:

- Offshore flows were volatile due to global allocation shifts.
- Equity yield dipped marginally (2-3 bps) due to distributors' commission changes and product mix.

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.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	**Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
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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