kotak Securities

Dated: 03rd Nov 2025

# Aptus Value Housing Finance (APTUS) - BUY

## Q2FY26 Result Update

| Current Market Price (CMP) | Fair Value (FV) |
|---|---|
| Rs.318 | Rs.410 |

## Rationale:

- Aptus missed core estimates due to low Net Interest Income (NII) growth; credit costs were elevated, driven by higher write-offs.
- While its large fixed-rate book buoys near-term margins, we remain watchful of asset quality trends.
- Despite building in haircuts on Net Interest Margin (NIM) and Return on Assets (RoA), valuations look comfortable after the sharp underperformance.
- BUY rating; FV is unchanged at Rs410.

### Positives:

- Aptus reported PAT of Rs230 cr in Q2FY26, up 24% yoy and 2% above our estimates
- Operating expense growth was broadly in line with AUM growth, leading to a stable cost-to-AAUM ratio of 2.7%.
- Collection efficiency inched up to 99.4% in Q2FY26, up from 99.1% in Q1FY26.
- Despite elevated write-offs, gross stage3 ratio inched up 8 bps qoq to 1.6%. The gross stage-2 declined 18 bps qoq to 4.8%.

### Negatives:

- Net Interest Income (NII) growth at 11% was lower than 22% yoy AUM growth due to a sharp 89 bps yoy NIM compression.
- Credit costs were elevated at 0.6% (0.4% in Q1FY26 and 0.4% in Q2FY25) due to higher write-offs of 0.5% in Q2FY26 (0.1% in Q1FY25).



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. |

### FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)


**Shrikant Chouhan**
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

**Arun Agarwal**
Auto/Auto Ancillary, Building Material
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

**Amit Agarwal, CFA**
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

**Rini Mehta**
Research Associate
rini.mehta@kotak.com
+91 22 6218 6433

**Sumit Pokharna**
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

**K. Kathirvelu**
Support Executive
k.kathirvelu@kotak.com
+91 22 6218 6427

**Pankaj Kumar**
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 6434

**Amarjeet Maurya**
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

**Veer Trivedi**
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432


### TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)


**Shrikant Chouhan**
shrikant.chouhan@kotak.com
+91 22 6218 5408

**Amol Athawale**
amol.athawale@kotak.com
+91 20 6620 3350

**Sayed Haider**
sayed.haider@kotak.com
+91 22 62185458


### DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)


**Sahaj Agrawal**
sahaj.agrawal@kotak.com
+91 79 66041701

**Prashanth Lalu**
prashanth.lalu@kotak.com
+91 80 61563691

**Prasenjit Biswas, CMT, CFTe**
prasenjit.biswas@kotak.com
+91 33 6638 8331

**Karan Kulkarni**
karan.kulkarni@kotak.com
+91 20 66203350

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