

360 One (360ONE) - ADD

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1,149	Rs.1,300

Rationale:

- 360 One delivered 20% earnings growth, driven by strong momentum across recurring and non-recurring revenues.
- A recovery in net flows points to normalization, while the strong outlook for carry income allows the company to absorb some of the cost pressures.
- We retain our ADD rating with a FV of Rs1,300 (unchanged), even as valuations remain elevated.

👍 Positives:

- Q3FY26 results outperformed, with 20% yoy earnings growth, driven by 22% yoy revenue growth.
- Non-recurring revenue grew 28% yoy, led by a higher-than-expected carry income.
- Recurring AUM grew ~28% yoy (~8% qoq).
- We believe that the sustained strength in the core UHNI and alternatives franchise remains 360 One's key strength and differentiator.
- Co. has been expanding beyond its core UHNI franchise by building out HNI offerings organically and acquiring platforms

👎 Negatives:

- Transactional/brokerage revenues were a tad weak in the quarter.
- Cost-income ratios have inched up to ~48%, largely driven by ETMoney and HNI businesses that are yet to break even.



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.
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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