RESULT REVIEW

HOLD
TP: Rs 1,023 | ⮝ 13%

UTI AMC | AMC | 23 July 2026

Market share slippage persists across MF and NPS

- **Operating margin came in higher on account of benefits received from VRS scheme that decreased employee expenses**
- **MF QAAUM grew 8.8% led by growth in cash & arbitrage and ETF & index; group QAAUM declined 6.2% due to degrowth in PMS QAAUM**
- **We maintain HOLD with TP of Rs 1,023 (earlier Rs 1,117), valuing the stock at 18x Jun'28E EPS**

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Muted core revenue growth: UTI AMC reported flattish core revenue degrowth of 0.1% YoY to Rs 3,787 mn. EBITDA was up 3.2% YoY to Rs 1,778 mn. This was primarily driven by degrowth in employee expenses of 5.8% YoY on account of benefits received from VRS which got implemented in Q3FY26. PAT came in at Rs 2,939, a YoY growth of 15.8% on account of significant higher other income. Consequently, revenue yields moderated to 39 bps vs. 42bps in Q1FY26 and 39bps in Q4FY26.

QAAUM growth: Total MF QAAUM grew 8.8% YoY to Rs 3,927 bn. This was led by cash & arbitrage and ETF & Index growth of 19.3%YoY and 15.9% respectively. Equity and Debt segment degrew by 0.3% YoY and -3.5% YoY. Total group AUM declined 6.2% YoY on account of degrowth in PMS business which showed a decline of 14.6%. The management highlighted implementation of revised EPFO mandate and consequent transfer of assets led to decline in PMS AUM to the tune of Rs 3,160 bn. Market share of MF QAAUM, Hybrid AUM and NPS AUM stood at 4.72% (4.76 in Q4FY26), 3.66% (3.77% in Q4FY26) and 24.16% vs. 24.36% in Q4FY26. Cash and Arbitrage market share saw improvement after declining in last 2 quarters to 4.28%. Equity market share stood at 2.6%.

Positive inflows in cash & arbitrage and ETFs & Index drives net sales: After clocking negative net flows of Rs 4.54 bn in Q4FY26, there were inflows to the tune of Rs 143 bn. This was on account of increased sales in cash & arbitrage and ETFs & Index segment of Rs 108 bn and Rs 62.6 bn respectively.

Maintain HOLD: UTI AMC reported muted revenue growth while its PAT improved due to MTM gains. Further, market share continued to fall in the MF segments. While our positive outlook is supported by its SIP franchise, we await sustained fund performance on a 3Y horizon. Due to the above factors, we maintain HOLD with a TP of Rs 1,023 (vs earlier Rs 1,117), valuing the stock at 18x Jun'28E EPS.

Key changes

Target	Rating
▼	◄ ►

Ticker/Price	UTIAM IN/Rs 904
Market cap	US$ 1.2bn
Free float	0%
3M ADV	US$ 2.4mn
52wk high/low	Rs 1,425/Rs 897
Promoter/FPI/DII	0%/8%/59%

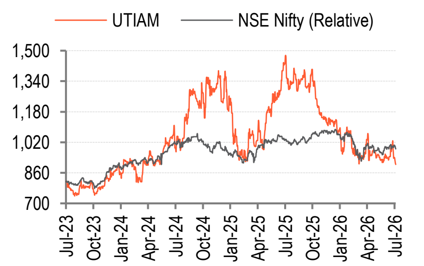
Source: NSE | Price as of 23 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Core PBT (Rs mn)	5,854	7,059	7,645
Core PBT (YoY)	(8.2)	20.6	8.3
Adj. net profit (Rs mn)	4,724	7,133	8,308
EPS (Rs)	31.5	47.6	55.4
Consensus EPS (Rs)	31.5	57.5	65.2
MCap/AAAUM (%)	3.0	2.6	2.3
ROAAAUM (bps)	12.4	16.2	16.2
ROE (%)	12.0	15.8	18.2
P/E (x)	28.7	19.0	16.3

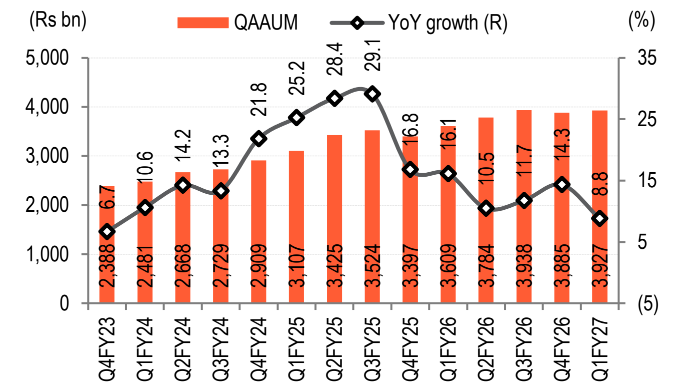
Source: Company, Bloomberg, BOBCAPS Research

Stock performance



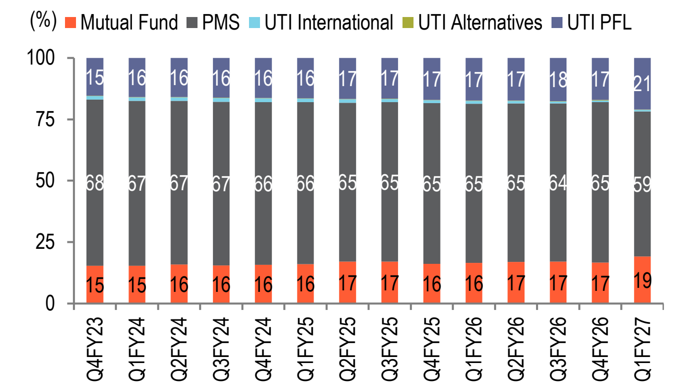
Source: NSE

Fig 1 – QAAUM grew 8.8%YoY at Rs 3,927 bn



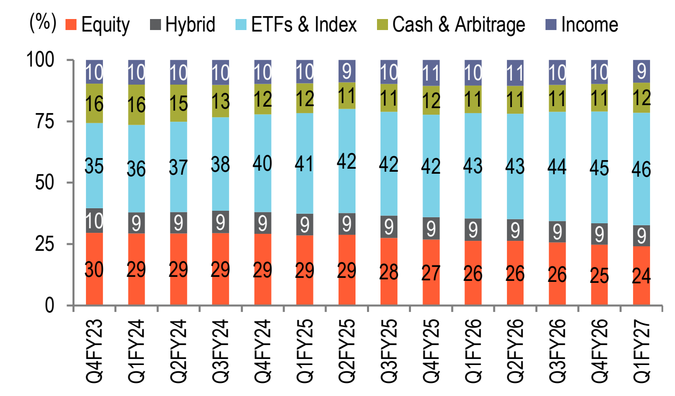
Source: Company, BOBCAPS Research

Fig 2 – PMS contribution to the mix decreased significantly



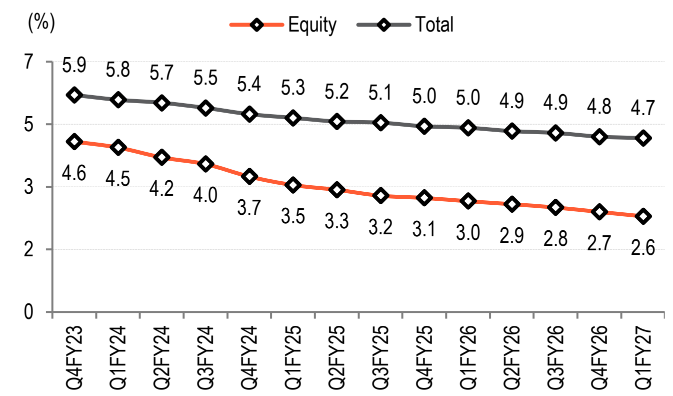
Source: Company, BOBCAPS Research

Fig 3 – ETFs and Index continue to dominate the mix



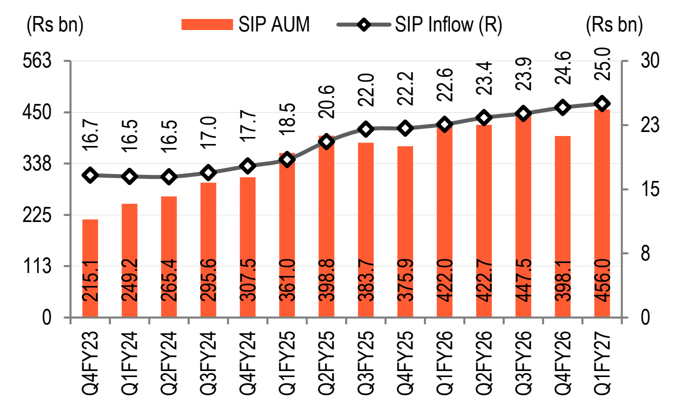
Source: Company, BOBCAPS Research

Fig 4 – Total market share continued to decline, standing at 4.7%



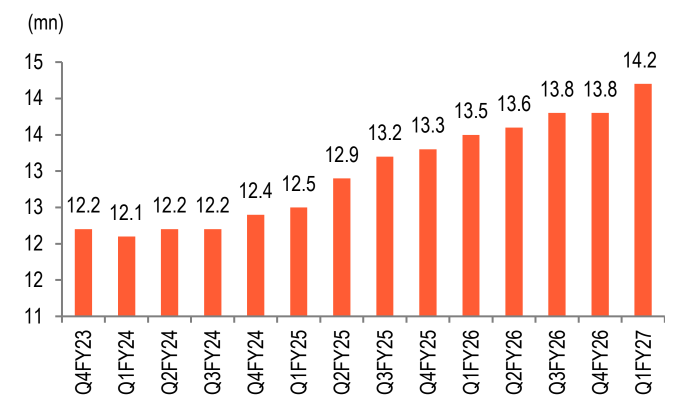
Source: Company, BOBCAPS Research

Fig 5 – SIP inflows continue to increase



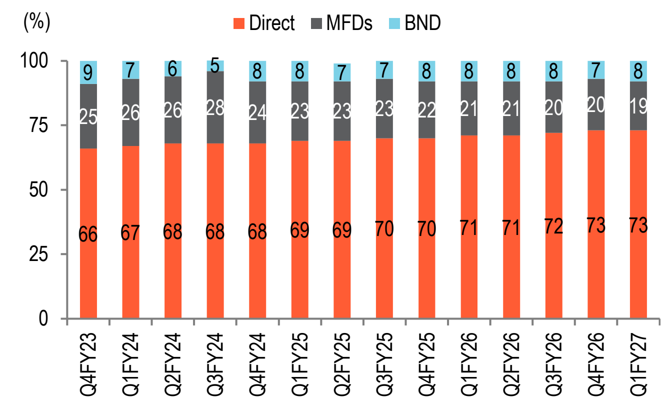
Source: Company, BOBCAPS Research

Fig 6 – Total folio count stood at 14.2 mn as of Q1FY27



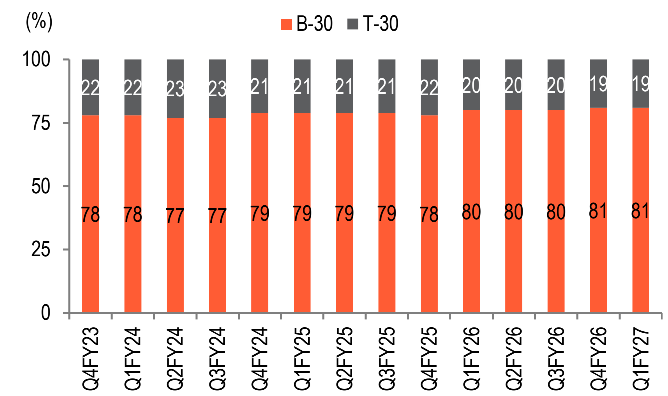
Source: Company, BOBCAPS Research

Fig 7 – Direct channel contributes 73% to QAAUM



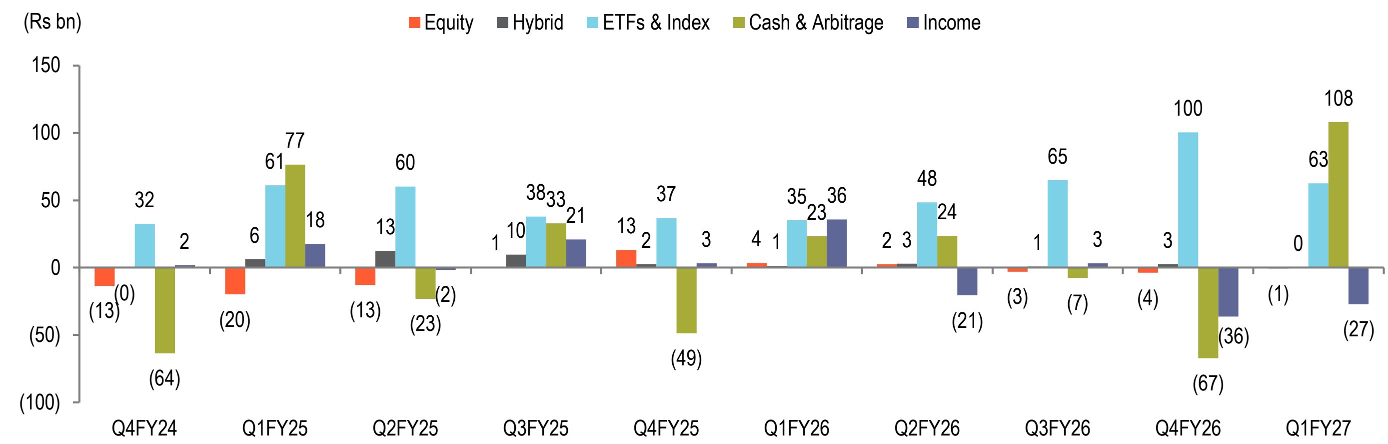
Source: Company, BOBCAPS Re

Fig 8 – B-30 mix remains stable at 81% to the MAAUM



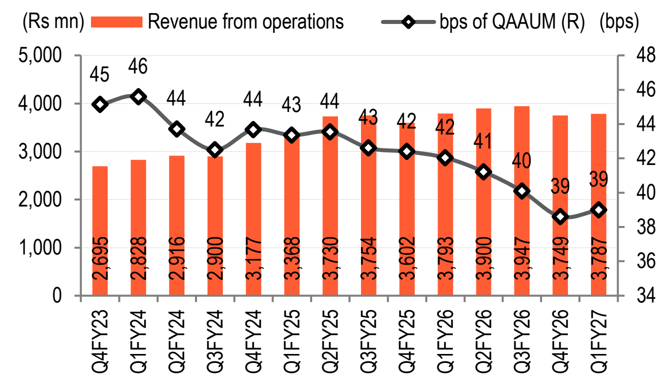
Source: Company, BOBCAPS Research

Fig 9 – Trend in Net Sales



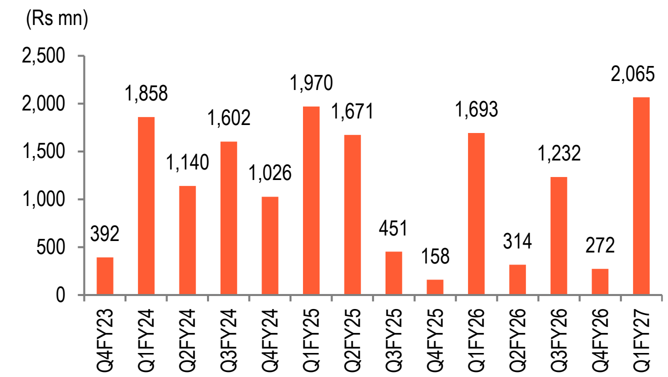
Source: Company, BOBCAPS Research

Fig 10 – Core revenue saw muted degrowth at Rs 3,787 mn



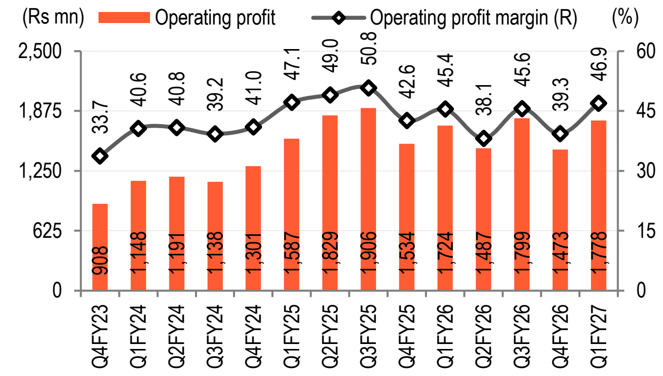
Source: Company, BOBCAPS Research

Fig 11 – Other Income increased due to higher MTM gains



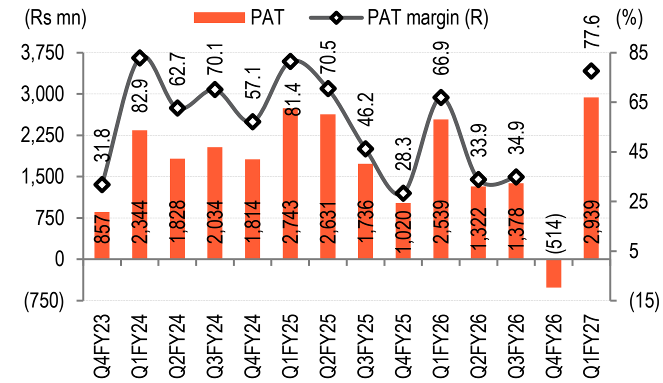
Source: Company, BOBCAPS Research

Fig 12 – Operating profit margin came in at 46.9% in on account of decreased employee expenses



Source: Company, BOBCAPS Research

Fig 13 – PAT came in higher, mainly because of MTM gains



Source: Company, BOBCAPS Research

Fig 14 – Quarterly result snapshot

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Revenue from Operations					
Asset Management Services	3,787	3,793	(0.1)	3,749	1.0
Other Income	2,065	1,693	22.0	272	660.0
Total Income	**5,852**	**5,486**	**6.7**	**4,021**	**45.6**
QAAUM	39,26,910	36,08,680	8.8	38,84,700	1.1
Yields as % of QAAUM (bps)	38.6	42.0	(3bps)	38.6	(0bps)
Yields as % of QAAUM (bps) (total revenue)	59.6	60.8	(1bps)	41.4	18bps
Expenses					
Fees and Commission Expenses	11	8	46.8	12	(7.4)
Employee Benefits Expenses	1,216	1,292	(5.8)	1,320	(7.8)
Other Expenses	782	770	1.5	944	(17.2)
Total Operating Expenses	**2,009**	**2,069**	**(2.9)**	**2,276**	**(11.7)**
Fees and Commission Expenses as % of QAAUM (bps)	0.1	0.1	0bps	0.1	(0bps)
Employee Benefits Expenses as % of QAAUM (bps)	12.4	14.3	(2bps)	13.6	(1bps)
Other Expenses as % of QAAUM (bps)	8.0	8.5	(1bps)	9.7	(2bps)
Total Operating Expenses as % of QAAUM (bps)	**20.5**	**22.9**	**(2bps)**	**23.4**	**(3bps)**
EBITDA	**1,778**	**1,724**	**3.2**	**1,473**	**20.7**
EBITDA Margin (%)	46.9	45.4	150bps	39.3	766bps
Depreciation, Amortisation and Impairment	131	123	6.5	132	(1.1)
Finance Costs	33	34	(3.0)	32	2.8
Employee Benefits Impact on account of VRS and New Labour Codes	-	-		1,748	
Profit Before Tax	**3,679**	**3,260**	**12.9**	**(168)**	**-**
Tax Expense					
Current Tax	615	615		472	
Deferred Tax	126	107		(126)	
Total Tax Expense	**741**	**722**	**2.7**	**346**	**113.9**
Tax Rate (%)	20.1	22.1		(206.2)	
Profit After Tax	**2,939**	**2,539**	**15.8**	**(514)**	**-**
As % of QAAUM (bps)	29.9	28.1	2bps	-	-
Core Operating Income	**1,778**	**1,724**	**3.2**	**1,473**	**20.7**
Core PBT	**1,615**	**1,567**	**3.0**	**(440)**	**-**
Core PAT	**1,289**	**1,220**	**5.7**	**(1,346)**	**-**

Source: Company, BOBCAPS Research

Fig 15 – Quarterly snapshot

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
QAAUM					
MF	39,26,910	36,08,680	8.8	38,84,700	1.1
PMS	1,21,51,620	1,42,24,520	(14.6)	1,53,19,390	(20.7)
UTI International	1,40,270	2,58,350	(45.7)	1,64,670	(14.8)
UTI Alternatives	38,430	26,790	43.4	36,420	5.5
UTI PFL	43,11,480	38,13,830	13.0	40,15,200	7.4
Total	**2,05,68,710**	**2,19,32,170**	**(6.2)**	**2,34,20,380**	**(12.2)**
Market Share (%)	4.7	5.0	(28bps)	4.8	(4bps)
MF QAAUM					
Equity	9,45,670	9,48,940	(0.3)	9,58,240	(1.3)
Hybrid	3,38,570	3,28,200	3.2	3,42,320	(1.1)
ETFs & Index	17,96,740	15,50,710	15.9	17,66,730	1.7
Cash & Arbitrage	4,84,090	4,05,770	19.3	4,36,530	10.9
Income	3,61,840	3,75,060	(3.5)	3,80,880	(5.0)
Total	**39,26,910**	**36,08,680**	**8.8**	**38,84,700**	**1.1**
QAAUM Mix (%)					
Equity	24.1	26.3	(221bps)	24.7	(59bps)
Hybrid	8.6	9.1	(47bps)	8.8	(19bps)
ETFs & Index	45.8	43.0	278bps	45.5	28bps
Cash & Arbitrage	12.3	11.2	108bps	11.2	109bps
Income	9.2	10.4	(11bps8)	9.8	(59bps)
Total	**100**	**100**		**100**	
MF net inflows (Rs bn)					
Equity	(0.6)	3.6	-	(3.8)	-
Hybrid	0.3	1.3	(77.2)	2.5	(88.4)
ETFs & Index	62.6	35.3	77.6	100.4	(37.6)
Cash & Arbitrage	108.0	23.2	364.5	(67.2)	
Income	(27.1)	35.9	-	(36.4)	-
Total	**143.2**	**99.2**	**44.4**	**(4.5)**	**-**
SIP flow during quarter (Rs bn)	25.0	22.6	10.8	24.6	1.9
SIP AUM (Rs bn)	456.0	422.0	8.1	398.1	14.5
Live folios (mn)	14	14	5.2	14	2.9

Source: Company, BOBCAPS Research

Key Takeaways

Financial Performance

- Asset Management Services revenue for Q1FY27 came in at Rs 3,787 mn, reflecting a muted degrowth of 0.1%YoY.
- Employee costs stood at Rs 1,216 mn, 5.8% YoY degrowth. This was mainly due to benefit of VRS which got implemented in Q3FY26. The company expects employee costs to be around Rs 950 mn on a standalone basis and Rs 1,300 mn on consolidated basis per quarter for FY27.
- PAT for Q1FY27 came in at Rs 2,939 mn, 15.8% YoY growth due to increase in other income.
- The company highlighted that there was no dilution in margins due to TER changes as the impact was passed on to intermediaries.
- There will be marginal reduction in terms of management fees on account of EPO transfer.
- The company will try to maintain healthy dividend payout ratio of 95%.

QAAUM

- Group QAAUM came in at Rs 20.6 trn, 6.2% YoY degrowth due to decrease 14.6% YoY decrease in PMS AUM. PMS AUM decreased due to a revised EPFO mandate to the tune of Rs 3,160 bn.
- MF QAAUM grew 8.8% YoY, led by strong growth in ETFs and Index and Cash and Arbitrage segment.
- Equity assets, including active and passive strategies, constitute 70% of the mutual fund AUM
- Management highlighted that fixed income segment was supported by resilient credit portfolio with no rating downgrades.
- The company will significantly expand its passive portfolio through ETF and Index offerings.
- Yields for the quarter stood at: Equity & Hybrid: 72-73 bps, Fixed income: 20 bps bps, Cash & Arbitrage: 12, Liquid: 10 bps, ETFs & Index: 8 bps.
- The company aims to increase its equity flow market share which is currently lower than equity AUM market share.

SIPs

- SIP AUM, as of Jun’26, stood at Rs 456 bn, up 8.1% YoY from Rs 422 bn.
- Gross inflow mobilised through SIP for Q4FY26 stood at Rs 25 bn.
- The company saw increased redemption in its flexicap category while large and midcap positive inflows.

Others

- The international business experienced volatility in reported numbers due to initial feed money flowing through the P&L account, rather than increasing headcount costs.
- The international business saw its last significant headcount expansion in 2024 with its entry into the US market, and management expects its staffing to remain stable, with future growth pursued through alliances rather than further increasing fixed costs.
- The consolidated employee count increased to 1,512 from 1,435 sequentially, primarily driven by recruitment in subsidiaries like the pension fund and alternatives business, while the standalone asset management company's headcount remains stable or slightly lower.
- The management will not consider any buybacks.

Valuation Methodology

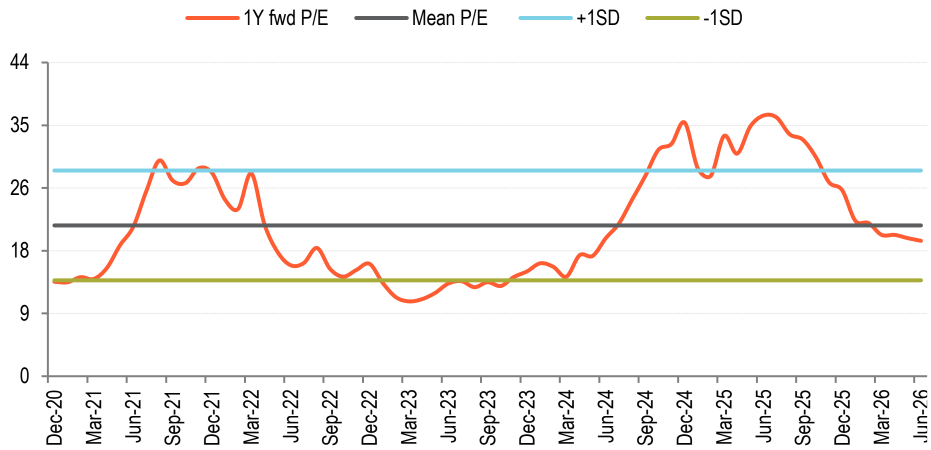
UTI AMC reported muted revenue growth while its PAT improved due to MTM gains. Further, market share continued to fall in the MF segments. While our positive outlook is supported by its SIP franchise, we await sustained fund performance on a 3Y horizon. Due to the above factors, we maintain HOLD with a TP of Rs 1,023 (vs earlier Rs 1,117), valuing the stock at 18x Jun'28E EPS.

Fig 16 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Total Revenue	18,674	20,875	24,331	19,202	21,578	25,295	(2.7)	(3.3)	(3.8)
Operating Profit	7,516	8,126	8,965	8,173	8,629	9,551	(8.0)	(5.8)	(6.1)
PAT	7,133	8,308	9,947	7,745	8,814	10,532	(7.9)	(5.7)	(5.6)

Source: BOBCAPS Research

Fig 17 – P/E chart



Source: Company, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- Correction in equity markets
- Shifts in regulatory landscape
- Intensifying industry competition

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Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Investment mgmt. fees	**14,453**	**15,389**	**16,223**	**17,442**	**19,526**
YoY (%)	22.3	6.5	5.4	7.5	11.9
Operating expenses	7,495	8,895	8,707	9,316	10,561
Core operating profits	6,958	6,494	7,516	8,126	8,965
Core operating profits growth (%)	45.4	(6.7)	15.7	8.1	10.3
Depreciation and Interest	583	641	456	481	508
Core PBT	6,375	5,854	7,059	7,645	8,457
Core PBT growth (%)	50.0	(8.2)	20.6	8.3	10.6
Other income	4,146	1,751	2,452	3,433	4,806
PBT	10,522	7,605	9,511	11,078	13,262
PBT growth (%)	6.6	(27.7)	25.1	16.5	19.7
Tax	2,392	1,792	2,378	2,769	3,316
Tax rate (%)	22.7	23.6	25.0	25.0	25.0
Reported PAT	**8,130**	**4,724**	**7,133**	**8,308**	**9,947**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Equity capital	1,280	1,285	1,285	1,285	1,285
Reserves & surplus	50,324	43,761	44,118	44,533	45,080
Net worth	51,603	45,046	45,403	45,818	46,365
Borrowings	-	-	-	-	-
Other liab. & provisions	4,981	5,388	5,471	5,802	6,511
Total liab. & equities	**56,584**	**50,434**	**50,874**	**51,620**	**52,876**
Cash & bank balance	50,620	44,317	44,724	45,399	46,503
Other assets	5,890	6,107	6,139	6,210	6,363
Total assets	**56,584**	**50,434**	**50,874**	**51,620**	**52,876**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
EPS	57.4	31.5	47.6	55.4	66.3
Dividend per share	48.0	40.0	45.2	52.6	62.7
Book value per share	364.0	300.4	302.8	305.6	309.2

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	15.8	28.7	19.0	16.3	13.6
P/BV	2.5	3.0	3.0	3.0	2.9
Dividend yield (%)	5.3	4.4	5.0	5.8	6.9

DuPont Analysis

Y/E 31 Mar (bps of AAAUM)	FY25A	FY26A	FY27E	FY28E	FY29E
Operating income	35.1	33.0	28.0	27.2	25.9
Operating expenses	22.3	23.4	19.8	18.2	17.9
EBITDA	20.7	17.1	17.1	15.9	15.2
Depreciation and Others	1.7	1.7	1.0	0.9	0.9
Core PBT	19.0	15.4	16.1	14.9	14.3
Other income	12.3	4.6	5.6	6.7	8.1
PBT	31.3	17.1	21.7	21.6	22.4
Tax	7.1	4.7	5.4	5.4	5.6
ROAAAUM	24.2	12.4	16.2	16.2	16.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Investment mgmt. fees	22.3	6.5	5.4	7.5	11.9
Core operating profit	45.4	(6.7)	15.7	8.1	10.3
EPS	(4.8)	(45.1)	51.0	16.5	19.7
Profitability & Return ratios (%)					
Operating inome to Total inc.	77.7	89.8	86.9	83.6	80.2
Cost to Core income ratio	51.9	57.8	53.7	53.4	54.1
EBITDA margin	48.1	42.2	46.3	46.6	45.9
Core PBT margin	44.1	38.0	43.5	43.8	43.3
PBT margin (on total inc.)	56.6	44.4	50.9	53.1	54.5
ROE	16.0	12.0	15.8	18.2	21.6
Dividend payout ratio	83.7	126.9	95.0	95.0	94.5

Annual Average AUM

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
AAAUM (Rs bn)	3,364	3,804	4,393	5,123	5,911
YoY Growth (%)	24.7	13.1	15.5	16.6	15.4
% of AAAUM					
Equity	37	35	34	33	31
Debt	10	10	10	10	10
Liquid	12	11	11	10	10
Others	42	44	45	47	49

Source: Company, BOBCAPS Research

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

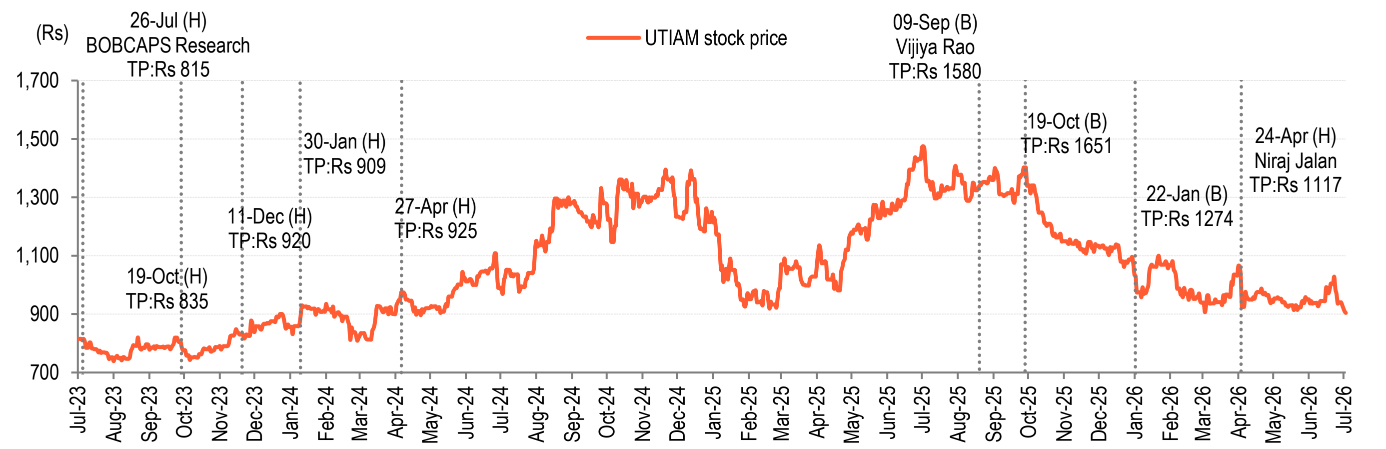
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): UTI AMC (UTIAM IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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