

HOLD

TP: Rs 1,117 | ▲ 8%

UTI AMC

| AMC

| 24 April 2026

Continued market share loss; more growth drivers required

- PAT came in lower in FY26, on account of higher employee expenses and impact of implementation of New Labour Codes
- AUM growth healthy, with continued market share decline. Net inflows in negative territory while SIP momentum remained positive
- We downgrade to HOLD from BUY with TP of Rs 1,117 (earlier Rs 1,274), valuing the stock at 19x Mar'28E EPS

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PAT misses estimate: UTI AMC reported PAT of Rs -514 mn vs Rs 1,378 mn in Q3FY26, below our estimate of Rs 940 mn in Q4FY26. This was largely on account of loss on fair value changes and lower other income. For FY26, PAT came in at Rs 4,724 mn, down by 42% YoY. This was on account of VRS package and revision of family pension benefits and impact of implementation of New Labour Codes to the tune of Rs 1,089 mn and significantly lower other income (down 58% YoY) impacted by MTM losses. Further, core revenue also moderated and grew 6% YoY in FY26. Consequently, revenue yields moderated to 40bps vs. 43bps in FY25. EBITDA declined 6.7% YoY to Rs 6,494 mn. EBITDA margin was 42.2% vs 48.1% in FY25.

QAAUM growth: Total MF AAUM grew 13.1% YoY to Rs 3,804 bn, on a lower base (FY25 AAUM had a growth 24.7% YoY). Total group AUM increased 11% YoY. Equity AAUM saw modest growth of 5.5% YoY, while ETFs grew strong at 24.9%. Market share of MF QAAUM, passive AUM and NPS AUM stood at 4.76%, 12.17% and 24.36% vs. 5.04%, 13.08% and 24.86% respectively in FY25.

Net inflows in negative territory: After clocking the positive net flows of Rs 58.6 bn in Q3FY26, there were outflows to the tune of Rs 4,540 mn in Q4FY26. However, for FY26, the company had positive flows to the tune of Rs 210 bn vs net inflows of Rs 286 bn in FY25. SIP grew 5.9% YoY to Rs 398 bn.

Rating change to HOLD from BUY: FY26 performance was impacted by one-time increase in employee expenses, along with additional impact of New Labour Codes. Further, market share continued to fall in all the MF segments. While our positive outlook is supported by its expanding retail and SIP franchise and increasing traction in passive products, we await sustained fund performance on a 3Y horizon. Additionally, there is prolonged softness in net inflows and market share, volatility in other income, and slower-than-expected margin recovery post exceptional costs. Due to the above factors, we revise our estimates for AAUM/ revenue/ PAT CAGR of 11%/ 7%/11% over FY27E-29E. We downgrade to HOLD with a TP of Rs 1,117 (vs earlier Rs 1,274), valuing the stock at 19x Mar'28E EPS.

Key changes

Target	Rating
▼	▼

Ticker/Price	UTIAM IN/Rs 1,036
Market cap	US\$ 1.4bn
Free float	0%
3M ADV	US\$ 1.4mn
52wk high/low	Rs 1,495/Rs 897
Promoter/FPI/DII	0%/8%/59%

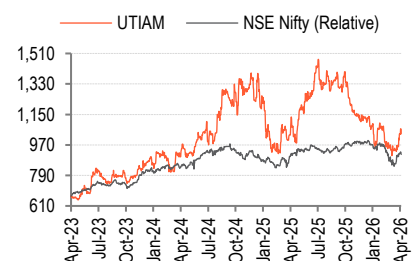
Source: NSE | Price as of 23 Apr 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Core PBT (Rs mn)	5,854	7,739	8,165
Core PBT (YoY)	(8.2)	32.2	5.5
Adj. net profit (Rs mn)	4,724	7,745	8,814
EPS (Rs)	38.8	51.7	58.8
Consensus EPS (Rs)	38.8	67.2	74.7
MCap/AAAUM (%)	4.1	3.5	3.0
ROAAAUM (bps)	12.4	17.7	17.2
ROE (%)	12.0	16.9	18.4
P/E (x)	26.7	20.0	17.6

Source: Company, Bloomberg, BOBCAPS Research

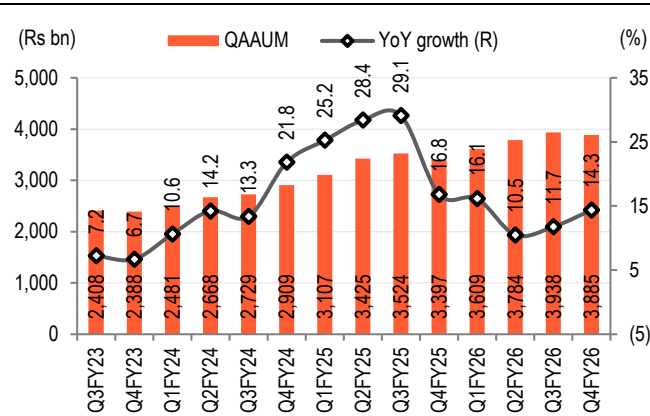
Stock performance



Source: NSE

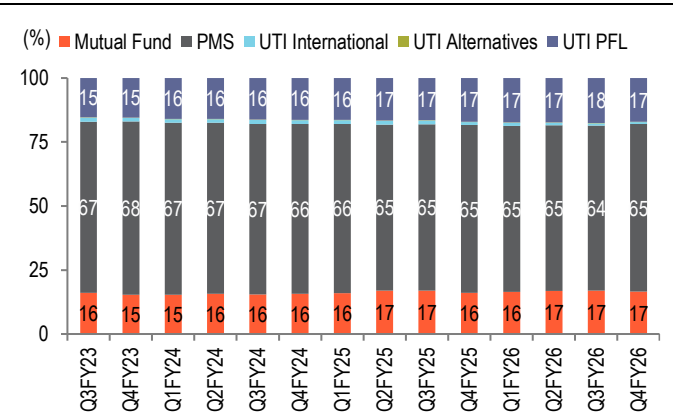


Fig 1 – QAAUM grew 14.3% at Rs 3,885 bn



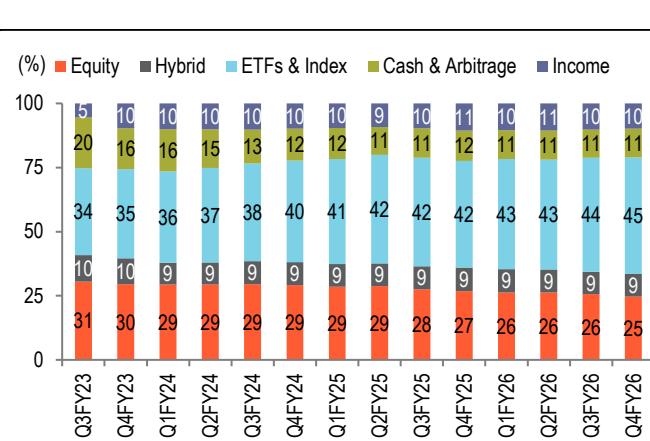
Source: Company, BOBCAPS Research

Fig 2 – PMS contribution to the mix stayed on similar levels



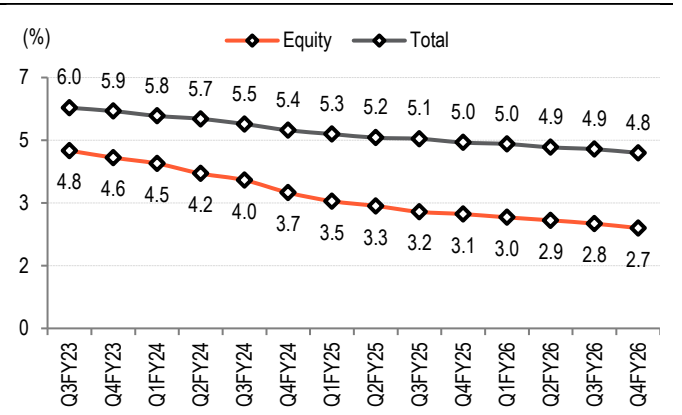
Source: Company, BOBCAPS Research

Fig 3 – ETFs and Index continue to dominate the mix



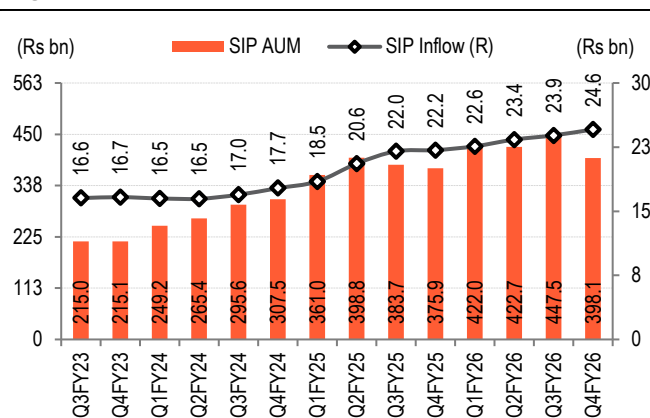
Source: Company, BOBCAPS Research

Fig 4 – Total market share continued to decline, standing at 4.8%



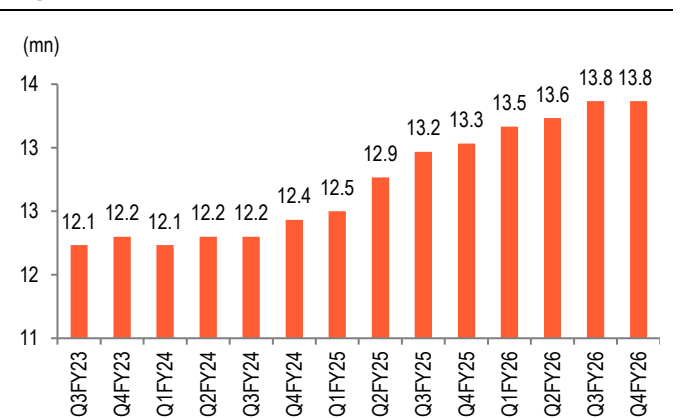
Source: Company, BOBCAPS Research

Fig 5 – SIP inflows continue to increase



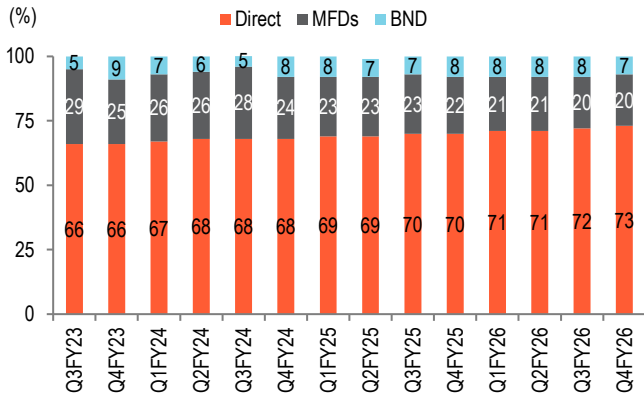
Source: Company, BOBCAPS Research

Fig 6 – Total folio count stood at 13.8 mn as of Q4FY26



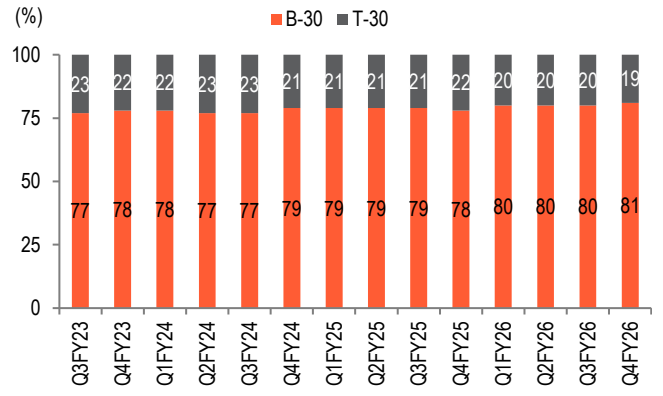
Source: Company, BOBCAPS Research

Fig 7 – Direct channel contributes 73% to QAAUM



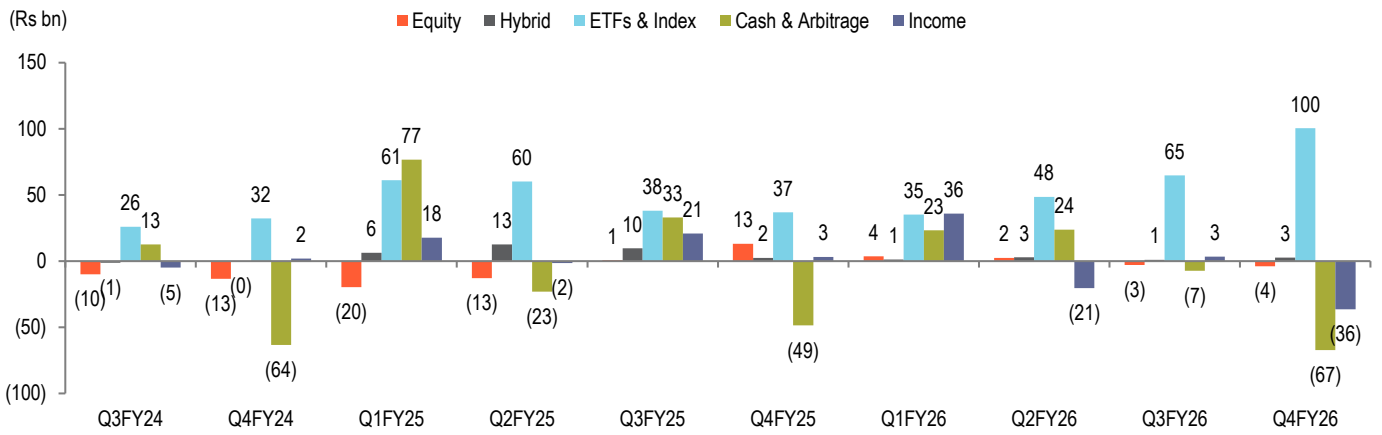
Source: Company, BOBCAPS Re

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



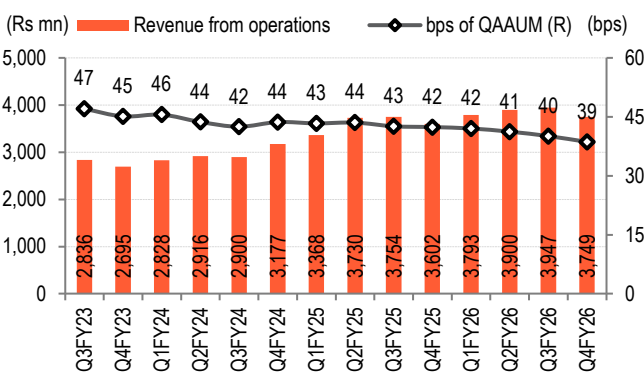
Source: Company, BOBCAPS Research

Fig 9 – Trent in Net Sales



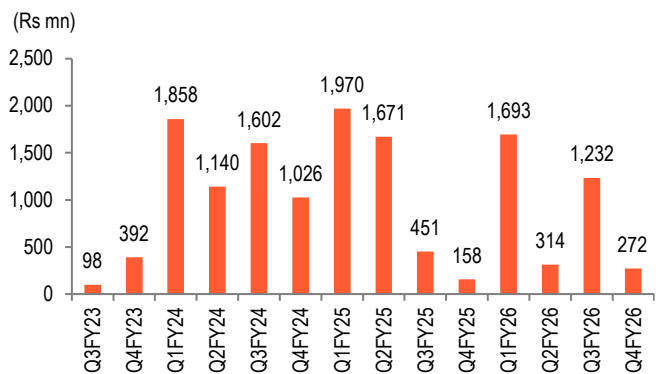
Source: Company, BOBCAPS Research

Fig 10 – Core revenue grew 4.1% at Rs 3,749 mn



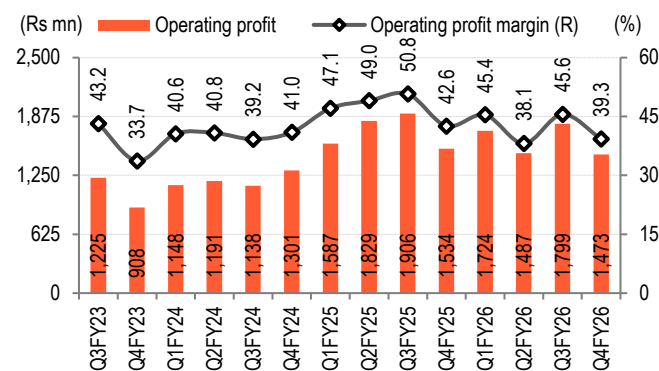
Source: Company, BOBCAPS Research

Fig 11 – Other Income decreased due to MTM losses



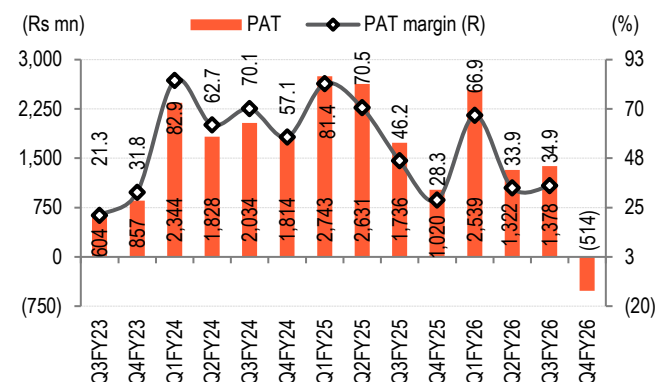
Source: Company, BOBCAPS Research

Fig 12 – Operating profit came in at 39.3% in Q4FY26



Source: Company, BOBCAPS Research

Fig 13 – PAT came in negative, mainly because of MTM losses



Source: Company, BOBCAPS Research

Fig 14 – Quarterly result snapshot

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Revenue from Operations					
Asset Management Services	3,749	3,602	4.1	3,947	(5.0)
Other Income	272	158	72.4	1,232	(77.9)
Total Income	4,021	3,759	7.0	5,179	(22.4)
QAAUM	38,84,698	33,97,480	14.3	39,38,091	(1.4)
Yields as % of QAAUM (bps)	38.6	42.4	(4bps)	40.1	(1bps)
Yields as % of QAAUM (bps) (total revenue)	41.4	44.3	(3bps)	52.6	(11bps)
Expenses					
Fees and Commission Expenses	12	8	62.7	10	22.0
Employee Benefits Expenses	1,320	1,162	13.6	1,327	(0.6)
Other Expenses	944	801	17.8	811	16.4
Total Operating Expenses	2,276	1,971	15.5	2,148	5.9
Fees and Commission Expenses as % of QAAUM (bps)	0.1	0.1	0bps	0.1	0bps
Employee Benefits Expenses as % of QAAUM (bps)	13.6	13.7	(0bps)	13.5	0bps
Other Expenses as % of QAAUM (bps)	9.7	9.4	0bps	8.2	1bps
Total Operating Expenses as % of QAAUM (bps)	23.4	23.2	0bps	21.8	2bps
EBITDA	1,473	1,534	(4.0)	1,799	(18.1)
EBITDA Margin (%)	39.3	42.6	(329bps)	45.6	(629bps)
Depreciation, Amortisation and Impairment	132	118	11.9	127	4.3
Finance Costs	32	33	(3.3)	33	(4.2)
Employee Benefits Impact on account of VRS and New Labour Codes	1,748	97	-	-	-
Profit Before Tax	(168)	1,540	-	1,783	-
Tax Expense					
Current Tax	472	542	-	423	-
Deferred Tax	(126)	(22)	-	(18)	-
Total Tax Expense	346	520	(33.4)	405	(14.4)
Tax Rate (%)	(206.2)	33.8	-	22.7	-
Profit After Tax	(514)	1,020	-	1,378	(137.3)
As % of QAAUM (bps)	-	12.0	-	14.0	-
Core Operating Income	1,473	1,631	(9.7)	1,799	(18.1)
Core PBT	(440)	1,382	-	551	-
Core PAT	(1,346)	916	-	426	-

Source: Company, BOBCAPS Research

Fig 15 – Quarterly snapshot

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
QAAUM					
MF	38,84,700	33,97,480	14.3	39,38,090	(1.4)
PMS	1,53,19,390	1,37,83,890	11.1	1,49,06,000	2.8
UTI International	1,64,670	2,53,830	(35.1)	2,05,180	(19.7)
UTI Alternatives	36,420	26,480	37.5	31,290	16.4
UTI PFL	40,15,200	35,91,800	11.8	40,67,720	(1.3)
Total	2,34,20,380	2,10,53,480	11.2	2,31,48,280	1.2
Market Share (%)	4.8	5.0	(28bps)	4.9	(10bps)
MF QAAUM					
Equity	9,58,240	9,08,630	5.5	10,10,930	(5.2)
Hybrid	3,42,320	3,14,350	8.9	3,45,100	(0.8)
ETFs & Index	17,66,730	14,14,920	24.9	17,48,880	1.0
Cash & Arbitrage	4,36,530	3,99,350	9.3	4,30,650	1.4
Income	3,80,880	3,60,230	5.7	4,02,530	(5.4)
Total	38,84,700	33,97,480	14.3	39,38,090	(1.4)
QAAUM Mix (%)					
Equity	24.7	26.7	(208bps)	25.7	(100bps)
Hybrid	8.8	9.3	(44bps)	8.8	5bps
ETFs & Index	45.5	41.6	383bps	44.4	107bps
Cash & Arbitrage	11.2	11.8	(52bps)	10.9	30bps
Income	9.8	10.6	(80bps)	10.2	(42bps)
Total	100	100		100	
MF net inflows (Rs bn)					
Equity	(3.8)	13.0	-	(3.0)	-
Hybrid	2.5	2.4	3.3	0.8	202.4
ETFs & Index	100.4	36.8	172.9	64.9	54.7
Cash & Arbitrage	(67.2)	(48.6)	-	(7.4)	-
Income	(36.4)	3.2	-	3.3	-
Total	(4.5)	6.7	-	58.6	-
SIP flow during quarter (Rs bn)	24.6	22.2	10.9	23.9	2.9
SIP AUM (Rs bn)	398.1	375.9	5.9	447.5	(11.0)
Live folios (mn)	14	13	3.8	14	-

Source: Company, BOBCAPS Research

Key Takeaways

Financial Performance

- Asset Management Services revenue for FY26 came in at Rs 15,389 mn, reflecting a healthy 6.5% YoY growth over Rs 14,450 mn in FY25.
- Employee costs stood at Rs 5,527 mn for FY26, due to a one-time family pension revision charge of Rs 250 mn booked in Q2FY26. Excluding this, employee costs stood at Rs 5,280 mn. The company expects employee costs to be around Rs 950 mn on a standalone basis and Rs 1,250 mn on consolidated basis for FY27.
- Other expenses grew ~15% YoY, largely on account of Cloud infrastructure upgrades (~Rs 80 mn) and the cost of operating ~90 new branches added over the past 18 months.
- Management guided other expenses to moderate to 7%–8% growth for standalone and ~10% for consolidated in FY27.
- PAT for Q4FY26 came in at Rs -514 mn, while for FY26, it degrew 41.9% to Rs 4,724.3 bn. Normalised PAT for FY26 stood at Rs 5,110 mn.
- The company manages 24.4% of the NPS Industry AUM, as of FY26

QAAUM

- Group QAAUM came in at Rs 23.4 trn, 11.2% YoY growth, while MF QAAUM grew 14.3% at Rs 3.9 trn.
- 50% of fixed income AUM is ranked in top 2 quartiles on a 1Y period, while 60% of AUM is ranked in top 2 quartiles over a 3Y period.
- Equity QAAUM for Q4FY26 came in at Rs 958 bn, up 5.5% YoY, while the ETFs and Index surged 24.86% YoY to Rs 1,767 bn — reflecting strong investor appetite for low-cost index products.
- UTI continues to hold leadership in the Smart Beta segment within passive segment and expects the momentum to continue, led by a robust pipeline of new launches in FY27.
- Yields for the quarter stood at: Equity: 75 bps, Debt: 19 bps, Liquid: 10 bps, ETFs: 8 bps. Blended yield stood at 32 bps.

SIPs

- SIP AUM, as of Mar'26, stood at Rs 398 bn, up 6% YoY from Rs 376 bn.
- Average SIP ticket size for FY26 was Rs 3,381.
- Over 50% of new SIP sign-ups are now originating digitally, and management views this as a structural shift that will continue supporting growth without requiring proportional cost additions.
- Gross inflow mobilised through SIP for Q4FY26 stood at Rs 24.6 bn.

Product Pipeline

- The company launched the multi cap fund during FY26, which mobilised ~Rs 10 bn at launch strong participation across banks, national distributors and MFDs. UTI Arbitrage Fund also crossed the Rs 100 bn AUM in FY26.
- The company has received Board approvals to file multiple passive funds. Some of those include UTI Nifty 500, UTI BSE Index sector leaders, UTI Nifty India new age consumption, and UTI Nifty India internet fund.
- UTI plans to launch in FY27 on SIF front.

AIF

- Structured Debt Opportunity Fund II has exited all the investments with 13.4% IRR.
- UTI SDOF III has an AUM of Rs 6,090 mn and the is currently in the investing stage while UTI Multi-Opportunity Fund 1 has Rs 15,980 mn AUM and is currently in the investing stage.
- The real estate opportunity fund has Rs 1.87 bn commitments and is currently in its fundraising and early investing phase.

Others

- Revenue contribution increased 2.34%, transactions grew 33%, and cost per transaction fell 31%, due to digital business.
- The company launched industry's first AI-powered contact centre solutions, VAANI, which has already automated 59% of inbound calls.
- UTI became the first AMC in India to offer WhatsApp-based payment via CAMSPay.
- Employee headcount, as of March 2026, stood at 1,248.
- UTI AMC has a geographical presence in 699 districts in India, amongst the highest in the industry

Valuation Methodology

UTI AMC’s performance in FY26 was impacted by a one-time increase in employee expenses, along with the additional impact of New Labour Codes. Further, market share continued to decline in all the MF segments. While our positive outlook is supported by its expanding retail and SIP franchise and increasing traction in passive products, we await sustained fund performance on a 3Y horizon. Additionally, there is prolonged softness in net inflows and market share, volatility in other income, and slower-than-expected margin recovery post exceptional costs. Due to the above factors, we revise our estimates for AAUM/ revenue/ PAT CAGR of 11%/ 7%/11% over FY27E-29E. We downgrade to HOLD with TP of Rs 1,117 (vs earlier Rs 1,274), valuing the stock at 19x Mar’28E EPS.

Fig 16 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Total Revenue	19,202	21,578	25,295	20,673	22,118	-	(7.1)	(2.4)	-
Operating Profit	8,173	8,629	9,551	8,798	9,853	-	(7.1)	(12.4)	-
PAT	7,745	8,814	10,532	8,863	9,691	-	(12.6)	(9.0)	-

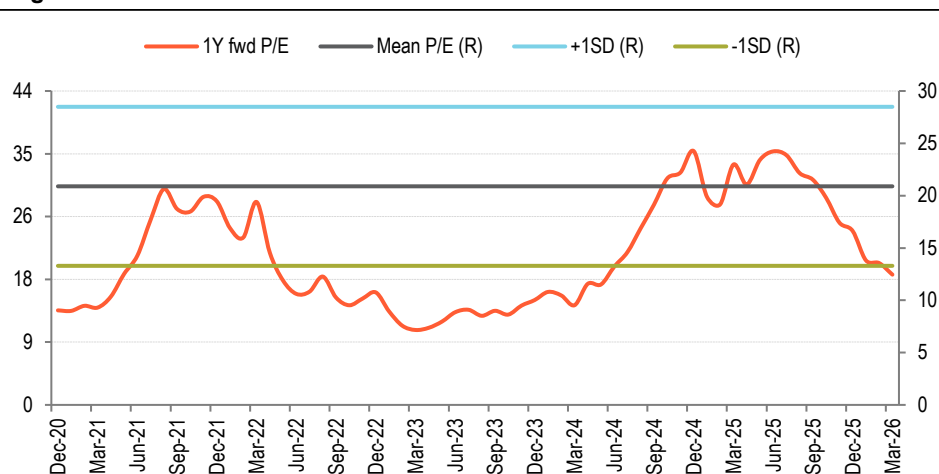
Source: BOBCAPS Research

Fig 17 – Actual vs Estimates

(Rs mn)	Q4FY26A	Q4FY26E	Variance (%)
QAAUM (Rs bn)	3,885	3,885	-
Revenue from operations	3,749	3,923	(4.5)
Operating Profit	1,473	1,796	(18.0)
PAT	(514)	940	-

Source: Company, BOBCAPS Research

Fig 18 – 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

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Investment mgmt. fees	14,453	15,389	16,750	18,146	20,489
YoY (%)	22.3	6.5	8.8	8.3	12.9
Operating expenses	7,495	8,895	8,577	9,517	10,938
Core operating profits	6,958	6,494	8,173	8,629	9,551
Core operating profits growth (%)	45.4	(6.7)	25.8	5.6	10.7
Depreciation and Interest	583	641	433	464	500
Core PBT	6,375	5,854	7,739	8,165	9,052
Core PBT growth (%)	50.0	(8.2)	32.2	5.5	10.9
Other income	4,146	1,751	2,452	3,433	4,806
PBT	10,522	7,605	10,191	11,597	13,857
PBT growth (%)	6.6	(27.7)	34.0	13.8	19.5
Tax	2,392	1,792	2,446	2,783	3,326
Tax rate (%)	22.7	23.6	24.0	24.0	24.0
Reported PAT	8,130	4,724	7,745	8,814	10,532

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	45,209	47,854	51,013
Net worth	51,603	45,046	46,495	49,139	52,298
Borrowings	-	-	-	-	-
Other liab. & provisions	4,981	5,388	5,329	5,864	6,586
Total liab. & equities	56,584	50,434	51,823	55,003	58,885
Cash & bank balance	50,620	44,317	45,549	48,593	52,233
Other assets	5,890	6,107	6,204	6,341	6,584
Total assets	56,584	50,434	51,823	55,003	58,885

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
EPS	57.4	38.8	51.7	58.8	70.2
Dividend per share	48.0	40.0	42.0	41.2	49.2
Book value per share	364.0	300.4	310.1	327.7	348.8

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	18.1	26.7	20.0	17.6	14.7
P/BV	2.8	3.4	3.3	3.2	3.0
Dividend yield (%)	4.6	3.9	4.1	4.0	4.7

DuPont Analysis

Y/E 31 Mar (bps of AAAUM)	FY25A	FY26A	FY27E	FY28E	FY29E
Operating income	35.1	27.1	29.4	28.6	27.2
Operating expenses	22.3	23.4	19.5	18.6	18.3
EBITDA	20.7	17.1	18.6	16.9	16.0
Depreciation and Others	1.7	1.7	1.0	0.9	0.8
Core PBT	19.0	15.4	17.6	16.0	15.1
Other income	12.3	4.6	5.6	6.7	8.0
PBT	31.3	17.1	23.2	22.7	23.2
Tax	7.1	4.7	5.6	5.4	5.6
ROAAAUM	24.2	12.4	17.7	17.2	17.6

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Investment mgmt. fees	22.3	6.5	8.8	8.3	12.9
Core operating profit	45.4	(6.7)	25.8	5.6	10.7
EPS	(4.8)	(32.4)	33.2	13.8	19.5
Profitability & Return ratios (%)					
Operating income to Total inc.	77.7	89.8	87.2	84.1	81.0
Cost to Core income ratio	51.9	57.8	51.2	52.4	53.4
EBITDA margin	48.1	42.2	48.8	47.6	46.6
Core PBT margin	44.1	38.0	46.2	45.0	44.2
PBT margin (on total inc.)	56.6	44.4	53.1	53.7	54.8
ROE	16.0	12.0	16.9	18.4	20.8
Dividend payout ratio	83.7	126.9	70.0	70.0	70.0

Annual Average AUM

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
AAAUM (Rs bn)	3,364	3,804	4,388	5,114	5,986
YoY Growth (%)	24.7	13.1	15.3	16.6	17.0
% of AAAUM					
Equity	37	35	33	32	31
Debt	10	10	10	10	10
Liquid	12	11	11	10	9
Others	42	44	46	48	50

Source: Company, BOBCAPS Research

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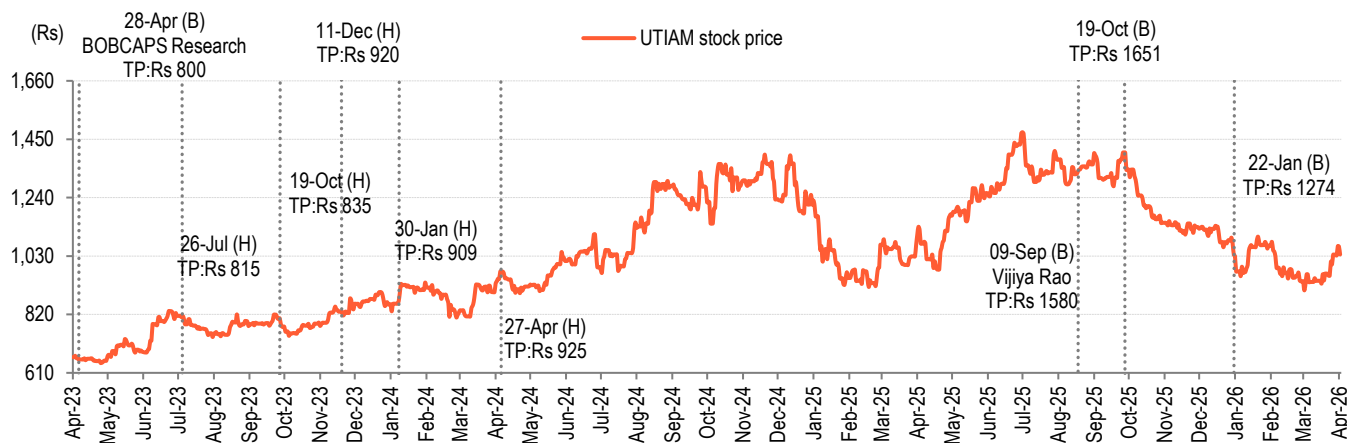
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

- 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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