PICK OF THE WEEK

05th September, 2026

Nippon Life India Asset Management Ltd

BUY

Sector: BFSI – Diversified Financials

CMP	Target Price	Upside
1,160	1,275	10%

CMP as on 04th September, 2026 | Time horizon: 6-9 Months

Why NAM-India Ltd

- B30 is No Longer the Ceiling; B100/B200 Emerging as the Next Growth Market
- Distribution Franchise Remains Well Diversified
- SIP Momentum Remains Robust

About the Company

Nippon Life India Asset Management Limited (NAM) is the 4th largest AMC in terms of QAAUM market share and the asset manager of Nippon India Mutual Fund (NIMF). The company's total AUM stands at Rs 8.6 Tn with a MF QAAUM market share of 9.04% as of Jun'26.

Investment Rationale

A. B30 is No Longer the Ceiling; B100/B200 Emerging as the Next Growth Market

- NAM believes opportunity lies beyond the traditional B30 framework, with the company increasingly focusing on B100/B200 markets.
- Opportunity lies in deeper penetration and replicating this model across smaller cities and towns beyond the B30 geographies

B. Distribution Franchise Remains Well Diversified

- The company's distribution channel remains well diversified and de-risked, with no single distributor accounting for a disproportionate share of flows (>5%).
- Driven by strong banking relationships and a well-diversified digital network, NAM continues to achieve steady distribution growth and maintain a top-three market position across major fintech platforms.

C. SIP Momentum Remains Robust Despite Volatility

- Management highlighted that SIP inflows are now significantly more diversified (vs relative concentration in the past), supported by fintech platforms, B-30 expansion, enhancing brand presence and sustained investor engagement initiatives.
- The quality of digital investors is steadily improving, reflected in higher average SIP ticket sizes and greater longevity of investments.

Outlook & Valuation

- The company is looking to compound its existing retail franchise through investor acquisition, increase wallet share through cross-selling, deepen HNI and institutional penetration, build SIF/AIF product portfolios and ETF capabilities, while simultaneously tapping growth opportunities into B100/B200 markets.
- We expect NAM to deliver a healthy MF QAAUM/Revenue/Earnings growth of 20/17/17% CAGR over FY26-29E, supported by (i) Diversified product offerings, (ii) Improving market share across segments, (iii) Focus on passive offerings and (iv) Strong SIP franchise.

Valuation: Trading at 34x FY28E EPS

Analyst Insights

We recommend a **BUY** with a target price of Rs 1,275/share, implying an **upside of 10%** from the CMP.

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Financial Summary

(Rs Cr)	FY27E	FY28E	FY29E
MF AUM (Rs Bn)	8,765	10,528	12,582
Op. Revenue	3,260	3,780	4,352
Operating Profit	2,186	2,546	2,934
OP Margin (%)	67.1	67.3	67.4
PAT (Rs)	1,874	2,158	2,465
EPS (Rs)	29.4	33.9	38.7
DPS (Rs)	25.9	29.8	34.1
ROE (%)	39.3	43.1	46.7

Market Data

No. of Shares	64.0 Cr
Market Cap (Rs Cr)	74,208
52-week High	1,270
52-week Low	780
P/BV (x)	34x FY28E EPS
BSE Code	540767
NSE Code	NAM-INDIA

About Pick of the Week

| Product Objective

The Pick of the Week (POW) is our flagship high-conviction weekly investment recommendation, designed to identify companies that offer an attractive combination of **earnings visibility, strong business fundamentals, reasonable valuations, and identifiable near-to-medium-term catalysts.** The objective is to provide investors with **timely, actionable, and high-conviction investment ideas** that can generate superior risk-adjusted returns while maintaining a disciplined investment approach.

| Why Pick of the Week?

Markets constantly create opportunities through earnings upgrades, valuation mismatches, sector rotation, policy developments, and company-specific catalysts. While hundreds of listed companies compete for investors' attention, only a select few offer the right balance of quality, growth, valuation, and timing.

Our **Pick of the Week** aims to simplify this selection process by identifying those companies where:

- Earnings visibility has materially improved.
- Business fundamentals continue to strengthen.
- Valuations remain attractive relative to growth prospects.
- Multiple positive catalysts are expected over the next few quarters.
- The risk-reward profile appears favourable versus peers and the broader market.

Each recommendation is therefore intended to represent one of our **highest-conviction investment ideas** available at that point in time.

| Investment Horizon

The recommended investment horizon for **Pick of the Week** ideas is **6–9 months**, allowing sufficient time for business fundamentals and identified catalysts to be reflected in stock prices. However, depending on market conditions, earnings announcements, or company-specific developments, some recommendations may achieve their target returns over a shorter period.

| Risk–Return Profile

Pick of the Week recommendations represent our **highest-conviction research ideas** and are selected based on an attractive balance between expected returns and investment risk.

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BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward-looking estimates for the stock, but we refrain from assigning a valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events.
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Note: Returns stated in the rating scale are our internal benchmark.