ANGEL ONE LIMITED

ISIN :INE732I01013 | NSE :ANGELONE

Price: 2,312
Recommendation: Buy
Industry: Stockbroking & Allied
Sector: Financial Services
Report Date: 01-May-2025

Angel One Limited is a leading digital-first financial services platform, offering broking, credit, insurance, wealth, and asset management solutions. With a strong focus on technology, AI, and customer-centric innovation, it serves Tier 2 and Tier 3 cities, achieving 16.1% demat market share. Strategic investments and diversified offerings position Angel One for sustainable growth and market leadership.

Sales		Profit & Loss		Profitability Matrix	
Current Year	5172 Cr	Operating Profit(Year)	2015 Cr	Operating Profit Margin	39.0 %
Previous Year	4248 Cr	Operating Profit(Quarter)	347 Cr	EBITDA Margin	39.17 %
Current Quarter	1031 Cr	PAT (Year)	1216 Cr	Net Profit Margin	23.5 %
Previous Quarter	1246 Cr	PAT (Quarter)	180 Cr	EPS	135
Revenue (QYoY)	1347 Cr				
Valuation Matrix		**Growth(YoY)**		**Growth(QoQ)**	
Trailing P/E	17.2	Sales Growth	21.8 %	Sales Growth	-17.26 %
PEG Ratio	0.25	PAT Growth	7.33 %	Sales Growth QYoY	-23.46 %
EV/EBITDA	6.29	EPS Growth	0.0 %	PAT Growth	-40.2 %
P/B	3.73	Dividend Yield	1.50	PAT Growth QYoY	-47.98 %
Capital Allocation		**Holdings**		**Leverage**	
RoE	28.3 %	Promoter	35.6 %	Debt/Equity	0.61
RoA	8.07 %	FII	13.0 %	Debt	3409 Cr
RoCE	26.3 %	DII	14.3 %	Market Cap	20879 Cr
RoIC	30.0 %	Public	37.1 %	Enterprise value	12736 Cr
		No of Shares	9.03 Cr	Cash Equivalents	11552 Cr

source : Company filings

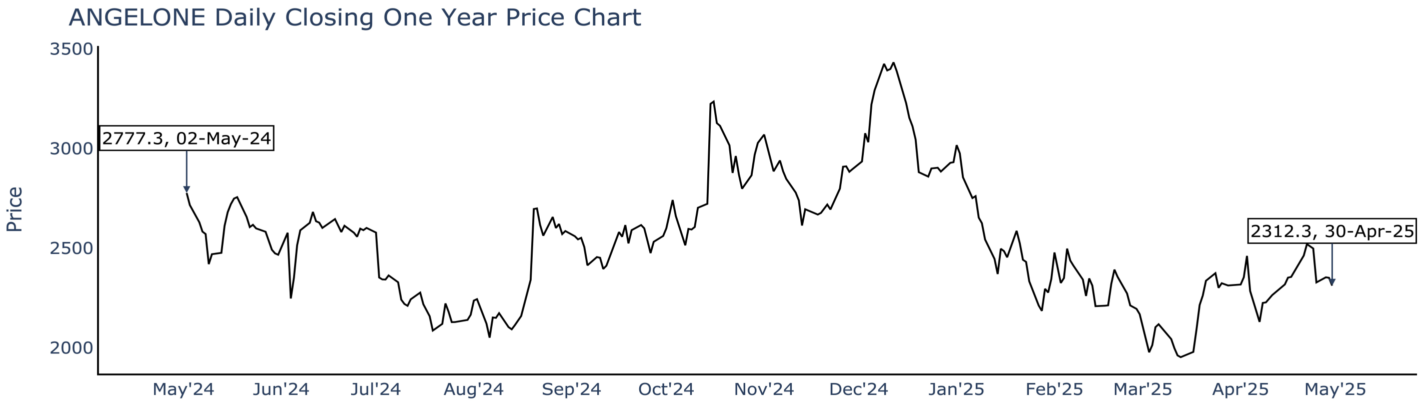
Company's Overview Based on Recent Concall and Performance:

Angel One Limited's Q4 FY '25 earnings call highlighted the company's resilience amidst regulatory changes and market softness. The management emphasized its commitment to long-term growth through strategic investments in technology, product diversification, and customer acquisition. Despite challenges from F&O; regulations and subdued market activity, Angel One maintained its focus on expanding its client base, particularly in Tier 2 and Tier 3 cities, acquiring 1.6 million clients during the quarter. The company is leveraging its digital-first model to enhance operational scalability and lifetime value while keeping costs efficient. Key metrics such as demat account market share (16.1%) and active client market share (15.4%) reflect sustained trust and operational execution.

Angel One is diversifying its offerings beyond broking to include credit, insurance, wealth management, and asset management. The credit distribution business added three new lenders, disbursing over 7 billion cumulatively, while the insurance vertical onboarded two more insurers, enhancing coverage. The mutual fund business saw incremental SIPs stabilize at 1.9 million, with AUM growing steadily. The newly launched AMC introduced innovative passive investment products, garnering 740 million in AUM across 8,800 PIN codes. Wealth management, under Ionic Wealth, achieved 3,790 crores in AUM, with a strong focus on recurring income streams and personalized client engagement. These initiatives position Angel One as a comprehensive financial services platform, aiming to capture greater wallet share.

The company is investing heavily in technology, particularly AI and machine learning, to personalize client journeys, improve risk profiling, and enhance operational efficiency. The appointment of Ambarish Kenghe as Group CEO and Rohit Chatter as Chief Data Officer underscores Angel One's commitment to becoming an AI-first organization. The leadership team is focused on integrating advanced analytics to drive deeper customer engagement and operational excellence. Branding efforts, such as the IPL partnership, are enhancing visibility and recall, supporting long-term customer acquisition and retention.

Looking ahead, Angel One anticipates normalization of operational metrics by Q4 FY '26, with margins returning to 40%-45%. The company remains confident in its ability to scale sustainably, leveraging its robust tech stack and diversified product portfolio. While macroeconomic conditions and regulatory adjustments pose near-term challenges, Angel One's strategic focus on customer-centric innovation and market leadership positions it well for durable growth. The Board's approval of a 26 per share dividend further reflects confidence in long-term value creation for shareholders.



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
Prudent Corp.	9172.82	48.67	33.40%	-0.36%	35.78%	-6.46%	34.99%
IIFL Capital	6839.79	9.60	33.18%	-7.80%	-21.75%	-35.10%	-28.87%
Motil.Oswal.Fin.	39120.21	15.64	25.25%	-40.29%	-44.74%	-111.19%	-108.74%
Monarch Networth	2444.45	15.76	43.40%	-26.50%	-7.49%	-7.87%	5.06%
Nuvama Wealth	21924.57	24.08	24.28%	-1.86%	22.74%	-2.18%	42.89%

Aspect	Commentary
Revenue	Revenue grew 21.8% YoY, driven by strong client acquisition and diversified offerings. However, QoQ revenue declined 17.26%, reflecting market softness and regulatory impacts. The company's focus on Tier 2 and Tier 3 cities supports sustainable growth despite quarterly fluctuations.
Profit & Loss	Annual PAT increased 7.33% YoY, showcasing resilience amidst regulatory challenges. Quarterly PAT declined 40.2% QoQ, impacted by subdued market activity. Strategic investments in technology and diversification aim to stabilize profitability in the long term.
Profitability Matrix	Operating profit margin remains robust at 39%, reflecting efficient cost management and scalability. Net profit margin at 23.5% highlights strong operational execution. EBITDA margin stability underscores the company's ability to maintain profitability despite external pressures.
Valuation Matrix	Trailing P/E of 17.2 and PEG ratio of 0.25 indicate attractive valuation relative to growth potential. EV/EBITDA of 6.29 suggests efficient enterprise value generation. Dividend yield of 1.50% reflects shareholder confidence in long-term returns.
Growth (YoY)	Sales growth of 21.8% YoY reflects strong client acquisition and product diversification. PAT growth of 7.33% YoY highlights resilience despite regulatory challenges. EPS growth stagnation suggests near-term pressures but long-term growth potential remains intact.
Growth (QoQ)	QoQ sales declined 17.26%, reflecting market softness. PAT dropped 40.2% QoQ due to regulatory impacts and subdued activity. EPS stagnation and PAT decline highlight short-term challenges, but strategic investments aim to drive recovery in future quarters.
Capital Allocation	RoE of 28.3% and RoIC of 30% reflect efficient capital utilization and strong returns. Cash equivalents of Rs.11,552 Cr provide liquidity for strategic investments. Dividend approval underscores confidence in sustainable shareholder value creation.
Holdings	Promoter holding at 35.6% reflects strong ownership confidence. FII and DII holdings at 13% and 14.3% respectively indicate institutional trust. Public holding of 37.1% showcases broad investor interest, supporting market stability and growth potential.
Leverage	Debt/Equity ratio of 0.61 indicates moderate leverage, supporting operational scalability. Debt of Rs.3,409 Cr is manageable given strong cash reserves. Enterprise value of Rs.12,736 Cr highlights robust market positioning and growth capacity.

Analyst viewpoint: Angel One Limited demonstrates strong potential for short to mid-term growth, driven by its robust operational metrics and strategic focus on technology and diversification. The company achieved a 21.8% YoY sales growth, supported by client acquisition in Tier 2 and Tier 3 cities and expansion into credit, insurance, and wealth management. Despite a 17.26% QoQ revenue decline due to market softness and regulatory impacts, Angel One's operating profit margin of 39% and net profit margin of 23.5% highlight its efficient cost management and scalability. The management's commitment to leveraging AI and machine learning for personalized client experiences and operational efficiency further strengthens its competitive edge. With a trailing P/E of 17.2 and PEG ratio of 0.25, the stock offers attractive valuation relative to its growth potential, while a dividend yield of 1.50% underscores confidence in long-term shareholder returns.

Peer comparison reveals Angel One's superior RoE of 28.3% and RoIC of 30%, reflecting efficient capital allocation and strong returns. The company's diversified offerings and strategic investments position it well against competitors like Motilal Oswal and IIFL Capital, which face steeper declines in QoQ metrics. While quarterly PAT dropped 40.2% due to regulatory challenges, Angel One's liquidity of Rs.11,552 Cr and manageable debt levels provide a solid foundation for recovery. The recent appointment of key leadership roles and branding initiatives, such as the IPL partnership, further enhance visibility and operational execution. However, near-term pressures from regulatory adjustments may temper growth momentum, requiring close monitoring. Overall, Angel One's strategic initiatives and market leadership make it a compelling buy for investors seeking durable growth.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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