

**Price:** 2,390

**Recommendation:** Buy

**Industry:** Stockbroking & Allied

**Sector:** Financial Services

**Report Date:** 05-May-2025

Angel One Limited is a leading financial services platform in India, offering brokerage, mutual funds, credit, insurance, and asset management. Leveraging advanced AI/ML technology, it focuses on personalized client experiences and hyperlocal strategies. With a digital-first approach, Angel One drives growth through diversification, innovation, and customer-centric solutions, ensuring long-term value creation.

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	17.8	Sales Growth	21.8 %	Sales Growth	-17.26 %
PEG Ratio	0.26	PAT Growth	7.33 %	Sales Growth QYoY	-23.46 %
EV/EBITDA	6.63	EPS Growth	0.0 %	PAT Growth	-40.2 %
P/B	3.77	Dividend Yield	1.47	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	21579 Cr
RoIC	30.0 %	Public	37.1 %	Enterprise value	13436 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 strategic focus on navigating regulatory changes, leveraging technology, and diversifying its offerings to drive long-term growth. Despite temporary headwinds from F&O; regulations and softer market conditions, the management emphasized its commitment to growth investments, even at the expense of short-term profitability. Key initiatives include expanding into credit, insurance, wealth management, and asset management, supported by advanced AI/ML-driven personalization and risk profiling. The company is also enhancing its Assisted business through hyperlocal engagement strategies and improving its NXT digital platform for partners. These efforts aim to deepen client relationships and diversify revenue streams, positioning Angel One as a comprehensive financial services platform.

The company reported steady progress in its diversification strategy, with notable achievements in mutual funds, credit distribution, and insurance. Mutual fund AUM grew to 3,700 crores, supported by intelligent cross-sell nudges and distributor onboarding. Credit distribution saw cumulative disbursements of 7 billion, with new partnerships established with banks and fintechs. Insurance distribution expanded with the onboarding of additional insurers, focusing on frictionless journeys and personalized policies. The newly launched AMC business garnered 740 million in AUM across three flagship products, demonstrating strong early traction and validating the potential of passive investing in India. These initiatives reflect Angel One's ambition to capture a greater wallet share from its clients.

Looking ahead, Angel One is confident in its ability to return to normalized operational and profitability metrics by Q4 FY '26. The company anticipates margin expansion driven by increased client activity, improved macroeconomic conditions, and contributions from new business verticals. The leadership team is focused on scaling its platform, leveraging AI to enhance customer engagement, and maintaining a digital-first model to ensure cost efficiency. The IPL sponsorship is expected to strengthen brand recall and visibility, further supporting customer acquisition efforts. The management remains optimistic about achieving sustainable growth and maintaining its leadership position across multiple financial services segments.

Key data points include a 1.6 million client acquisition in Q4, with 88% from Tier 2 and Tier 3 cities, and a steady market share in active clients (15.4%) and retail equity turnover (19.9%). The company reported a consolidated profit after tax of 1.7 billion for Q4 and 11.7 billion for FY '25, despite regulatory and market challenges. Angel One's focus on technology, customer-centric strategies, and diversified offerings positions it well to capitalize on India's growing financial services market, ensuring long-term value creation for shareholders.

ANGELONE Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
<b>Prudent Corp.</b>	9643.63	51.12	33.40%	-0.36%	35.78%	-6.46%	34.99%
<b>IIFL Capital</b>	6919.76	9.73	33.18%	-7.80%	-21.75%	-35.10%	-28.87%
<b>Motil.Oswal.Fin.</b>	41871.05	16.73	25.25%	-40.29%	-44.74%	-111.19%	-108.74%
<b>Monarch Networth</b>	2391.53	15.35	43.40%	-26.50%	-7.49%	-7.87%	5.06%
<b>Geojit Fin. Ser.</b>	2192.54	11.66	18.61%	-21.41%	12.79%	-36.00%	-2.79%

Aspect	Commentary
<b>Revenue</b>	Revenue grew 21.8% YoY to Rs.5172 Cr, driven by diversification and client acquisition. However, QoQ revenue declined 17.26%, reflecting softer market conditions and regulatory impacts. The company's focus on Tier 2/3 cities and hyperlocal strategies supports long-term growth potential.
<b>Profit &amp; Loss</b>	Operating profit rose to Rs.2015 Cr, with a margin of 39%. PAT grew 7.33% YoY to Rs.1216 Cr, but QoQ PAT fell 40.2%, impacted by regulatory changes and market softness. EPS remained stable at Rs.135, indicating resilience despite short-term profitability pressures.
<b>Profitability Matrix</b>	Operating profit margin of 39% and net profit margin of 23.5% highlight strong operational efficiency. EBITDA margin of 39.17% reflects consistent cost management. ROIC at 30% underscores effective capital utilization, supporting long-term shareholder value.
<b>Valuation Matrix</b>	Trailing P/E of 17.8 and EV/EBITDA of 6.63 suggest attractive valuation relative to peers. PEG ratio of 0.26 indicates strong growth potential at a reasonable price. Dividend yield of 1.47% provides income stability, enhancing investor appeal.
<b>Growth (YoY)</b>	Sales growth of 21.8% YoY reflects robust client acquisition and diversification. PAT growth of 7.33% YoY indicates steady profitability despite regulatory headwinds. EPS growth flat at 0% suggests stable earnings performance amid challenging conditions.
<b>Growth (QoQ)</b>	QoQ sales declined 17.26%, reflecting market softness. PAT fell 40.2% QoQ due to regulatory impacts. EPS remained stable, showcasing resilience. The company's diversification strategy aims to mitigate short-term volatility and drive future growth.
<b>Capital Allocation</b>	RoE of 28.3% and RoCE of 26.3% highlight efficient capital deployment. Cash equivalents of Rs.11552 Cr provide liquidity for growth investments. Debt/Equity ratio of 0.61 indicates manageable leverage, supporting sustainable expansion initiatives.
<b>Holdings</b>	Promoter holding at 35.6% ensures strong governance. FII and DII holdings at 13% and 14.3% reflect institutional confidence. Public holding of 37.1% indicates broad investor interest. Strategic partnerships and diversification enhance shareholder value.
<b>Leverage</b>	Debt/Equity ratio of 0.61 reflects moderate leverage, supporting growth without excessive risk. Debt of Rs.3409 Cr is manageable given strong cash reserves. Enterprise value of Rs.13436 Cr highlights market confidence in the company's long-term prospects.

**Analyst viewpoint:** Angel One Limited demonstrates strong growth potential in the short to mid-term, supported by its robust diversification strategy and focus on technology-driven solutions. The company reported a 21.8% YoY revenue growth to 5,172 Cr, driven by client acquisition and expansion into Tier 2 and Tier 3 cities, which now account for 88% of new clients. Despite a QoQ revenue decline of 17.26% due to softer market conditions and regulatory impacts, Angel One's operating profit margin of 39% and net profit margin of 23.5% underscore its operational efficiency. The management's emphasis on leveraging AI/ML technology, enhancing its NXT platform, and expanding into credit, insurance, and asset management positions the company well for sustained growth. Additionally, its trailing P/E of 17.8 and PEG ratio of 0.26 indicate attractive valuation metrics relative to peers, while a dividend yield of 1.47% provides income stability for investors.

While the company faces short-term profitability pressures, as evidenced by a 40.2% QoQ decline in PAT, its strategic initiatives and strong liquidity position with 11,552 Cr in cash equivalents provide confidence in its ability to navigate challenges. Angel One's RoE of 28.3% and RoIC of 30% highlight efficient capital allocation, while its manageable debt/equity ratio of 0.61 supports sustainable growth. The recent IPL sponsorship is expected to enhance brand visibility, aiding customer acquisition efforts. Although regulatory changes in the F&O segment pose temporary headwinds, Angel One's diversification strategy and focus on hyperlocal engagement ensure long-term value creation, making it a compelling investment opportunity in India's growing financial services market.

Please read detailed disclosure on next page.

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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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