

November 12, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	1,925		1,850	
NBP-APE (Rs mn)	101,854	117,618	102,694	119,567
% Chng.	(0.8)	(1.6)		
VNB (Rs mn)	24,649	28,934	24,441	29,005
% Chng.	0.8	(0.4)		
EV (Rs mn)	297,978	351,856	297,770	351,455
% Chng.	0.1	0.1		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
NBP (Rs mn)	1,21,736	1,44,058	1,66,153	1,91,076
APE (Rs mn)	87,700	1,01,854	1,17,618	1,35,260
VNB (Rs mn)	21,070	24,649	28,934	33,815
Margin (%)	24.0	24.2	24.6	25.0
Embedded Value (Rs mn)	2,51,920	2,97,978	3,51,856	4,14,622
EVOP (Rs mn)	37,300	46,058	53,878	62,765
RoEV (%)	19.1	18.3	18.1	17.8
P/EV (x)	2.9	2.5	2.1	1.8

Key Data

MAXI.BO | MAXF IN

52-W High / Low	Rs.1,728 / Rs.9673
Sensex / Nifty	84,467 / 25,876
Market Cap	Rs.592.9bn/ \$ 6,689.3m
Shares Outstanding	345.1m
3M Avg. Daily Value	Rs.920.4m

Shareholding Pattern (%)

Promoter's	1.71
Foreign	44.78
Domestic Institution	47.26
Public & Others	6.24
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	8.5	32.7	40.4
Relative	6.2	28.9	32.1

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Growth to sustain; margin outlook positive

Quick Pointers:

- 15% APE growth in Q2 led by NPAR/ protection; expect momentum to sustain
- Q2 VNB Margin improves; drag from GST exemption to be offset by product mix re-balancing

2QFY26 APE grew 15% YoY driven by NPAR and protection and company expects the momentum to continue. We build an APE growth of 16% in FY26 driven by a strong uptick in retail protection post GST exemption, new launches in NPAR/ annuity and recovery in credit life segment. Q2 VNB margin saw a significant expansion to 25.5% and company expects the drag from GST exemption to be offset by a favorable product mix. We revise our margin estimates upwards to 24.2%/ 24.6% for FY26/ FY27E as the share of NPAR/ protection improves. We value Max Life using the Appraisal Value framework with a TP of Rs1,925 (2.1x FY27E P/EV vs. 2.0 earlier). Strong outlook on growth and margin trajectory to be key positives. Retain BUY.

- Confident of sustaining growth momentum:** 2Q APE saw a strong growth of 15% YoY to Rs 25bn, led by PAR (+44% YoY), NPAR (+16% YoY) and protection (+39% YoY) segment. De-growth in the ULIP portfolio (-9% YoY) was offset by robust retail protection volumes (aided by SEWA, STEP) and uptick in NPAR (new launch- Smart VIBE). Annuity (+80% YoY on a small base) continues to be a key focus area for the company with SWAG pension launched recently. PAR/ NPAR/ ULIP/ Protection/ Annuity comprise 12%/ 26%/ 35%/ 18%/ 9% of 2Q APE. H1FY26 APE grew 15% YoY and the company is confident of sustaining momentum in H2. We build a similar growth trajectory (16% APE growth) in FY26E driven by a strong uptick in retail protection post GST exemption, new launches in NPAR/ annuity and recovery in credit life disbursements.
- FY26 VNB margin to range between 24-25%:** Q2 VNB grew 25% YoY to Rs 6.4bn. Despite a drag of 60bps due to GST exemption, 2Q VNB Margin saw a significant jump of 190bps YoY to 25.5% largely driven by a favorable product mix (+250bps YoY). The company highlighted a negative gross impact of ~300-350bps on FY26E VNB margin due to non-availability of Input Tax Credit. However, it is undertaking various measures such as distributor re-negotiations, cost optimization/ efficiency initiatives to offset the impact. H1FY26 VNB Margin stood at 23.3% and the company reiterated a guidance of 24-25%, considering the drag from GST exemption. Strong growth in protection/ NPAR is likely to absorb the hit from GST exemption. We revise our FY26/ FY27E VNB Margin estimates to 24.2%/ 24.6% with a gradual improvement in FY28E as the share of protection increases.
- EV growth of 15% YoY; expect Operating RoEV to improve:** Embedded Value grew 15% YoY to Rs 269.0bn and Operating RoEV stood at 16.3%. Company expects it to improve to 18-19% led by higher operating leverage. While 13M persistency declined to 85% (vs. 87% for 5MFY25), other buckets

showed an improvement. AUM grew 9% YoY to Rs 1,853.4bn. Solvency got a boost in 2Q aided by a sub-debt raise of Rs 80bn and stood at 208%.

- **Proprietary channel driving growth:** Proprietary/ partnership channel contributed 46%/54% of APE in Q2. Growth was led by the proprietary channel (22% YoY) across agency, direct and e-commerce. Axis Max Life continues to maintain leadership position in online protection and savings business (ranked #1). Agency remains a core focus area for the company and it is recruiting new agents to drive growth. While company has maintained counter-share in Axis Bank, it highlighted a pick-up in new banca partners (counter share at ~25%) and remains focused on consolidating its presence in the channel. The total cost ratio stood at 15.5% for H1FY26 (vs. 16.5% in H1FY25) and the company expects higher operating leverage to play out over the year.

Exhibit 1: Q2FY26 Results Overview

Particulars (mn)	2QFY26	2QFY25	YoY gr.	1QFY26	QoQ gr.	H1FY26	H1FY25	YoY gr.
New Business Premium	34,635	30,154	14.9%	25,235	37.2%	59,870	50,907	17.6%
Renewal premium	56,300	47,229	19.2%	38,730	45.4%	95,030	80,461	18.1%
Gross Written Premium	90,935	77,383	17.5%	63,965	42.2%	154,900	131,368	17.9%
Total APE	25,070	21,700	15.5%	16,680	50.3%	41,750	36,230	15.2%
Solvency (%)	208.0	198.0		199.0		208.0	198.0	
AUM (Rs bn)	1,853	1,701	8.9%	1,832	1.2%	1,853	1,701	8.9%
VNB	6,390	5,120	24.8%	3,350	90.7%	9,740	7,660	27.1%
VNB margin	25.5	23.6	190bps	20.1	540bps	23.3	21.2	210bps
Embedded Value (Rs bn)	269	233	15.2%	265	1.6%	269	233	15.2%
Op RoEV (%)	16.3	16.8	-5bps	14.3	20bps	16.3	16.8	-5bps

Source: Company, PL

Exhibit 2: Actual performance v/s. our Estimates

(Rs mn)	2Q FY26	2Q FY25	YoY gr. (%)	1Q FY26	QoQ gr. (%)	2Q FY26E	% Var.
APE	25,070	21,700	15.5	16,680	50.3	23,887	5.0
VNB	6,390	5,123	24.7	3,350	90.7	5,375	18.9
VNB Margin (%)	25.5	23.6	190 bps	20.1	540 bps	22.5	300 bps

Source: Company, PL

Exhibit 3: Change in estimates

(Rs mn)	Revised estimate			Earlier estimate			% Revision		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
APE	101,854	117,618	135,260	102,694	119,567	138,073	(0.8)	(1.6)	(2.0)
VNB	24,649	28,934	33,815	24,441	29,055	34,104	0.8	(0.4)	(0.8)
VNB margin (%)	24.2	24.6	25.0	23.8	24.3	24.7	40bps	30bps	30bps
EV	297,978	351,856	414,622	297,770	351,455	414,125	0.1	0.1	0.1

Source: Company, PL

Exhibit 4: Appraisal Value Framework

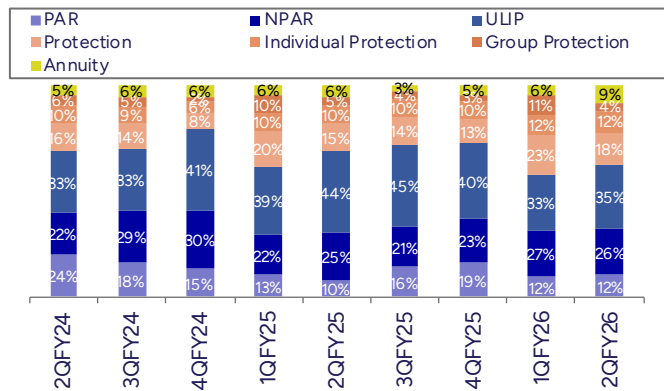
	Value (Rs mn)
FY27 VNB	28,934
VNB Multiple	21.0x
Structural Value - (A)	608,655
Embedded Value, FY26E - (B)	297,978
Appraisal Value- (A) + (B)	906,633
Max Financial Services Ltd. Stake (%)	81%
Stake value	734,373
Holding company discount	10%
No. of shares o/s (#)	345.1
Value per share (Rs)	1,925
Implied P/EV, F27	2.1x

Source: PL

Q2FY26 Concall Highlights

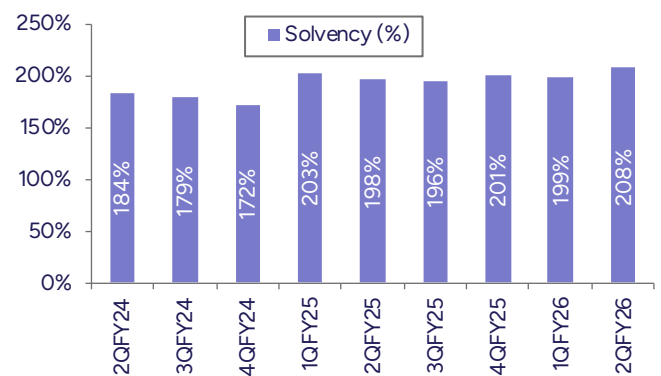
- The company's private market share increased to 10.1% in H1FY26, up 83bps YoY from 9.3% in H1FY25
- Company has passed the full benefit of GST to customers and expects strong protection volumes, distributor renegotiations, optimized product mix and cost-efficiency measures to offset the impact of ITC disallowance.
- Management has guided for a 15-17% growth in APE with Operating RoEV in the range of 18-19%
- Despite a 60bps margin impact from GST disallowance and a possible 300-350 bps run-rate effect, the company remains confident of sustaining 24-25% VNB margin
- The improvement in margin was primarily driven by favorable product mix contribution (60-70% of the improvement) with the remainder attributed to category-wise margin expansion
- Proprietary APE in Q2FY26 grew by 26% through offline channels and 14% through online channels, while partnership APE rose 6% with Axis and 31% with other partners
- Company onboarded 15 group & 16 retail partners in H1FY26; new partnerships contribute 5% of Ind. APE, up 87% YoY
- Company focuses on driving protection and health products in proprietary channels and expects no further reduction in ULIP business
- Commentary highlights operating leverage to benefit proprietary distribution channels while faster growth from Axis bank channel is expected in H2 driven by recent digital initiatives
- Embedded value as of H1FY26 stood at Rs 269bn which includes the impact of GST disallowance of Rs 2.7bn; Operating RoEV stood at 16.3%
- The company raised Rs 8bn of sub-debt during the quarter resulting in an improvement in solvency ratio to 208% vs. 198% YoY

Exhibit 5: APE mix trend by product segment (%)



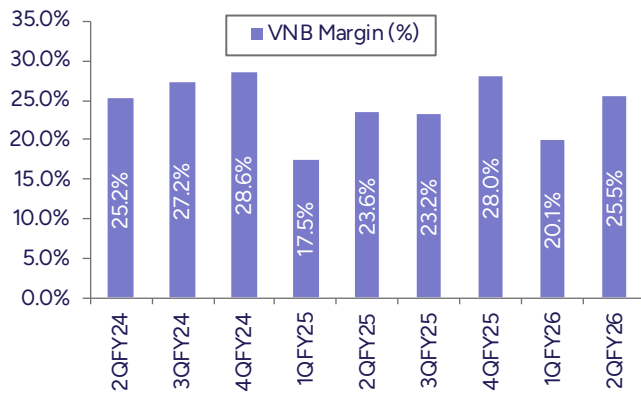
Source: Company, PL

Exhibit 6: Solvency Ratio stood at 208%



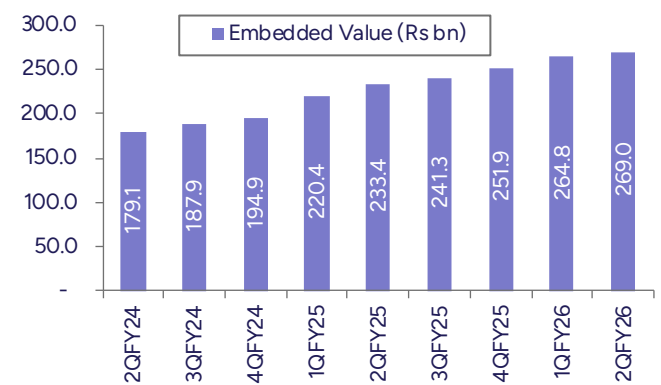
Source: Company, PL

Exhibit 7: VNB Margin saw a significant jump to 25.5%



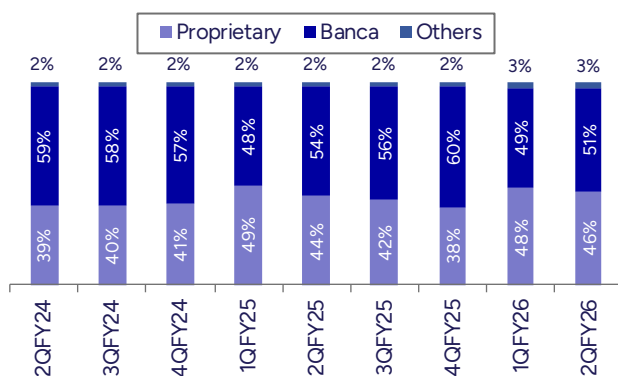
Source: Company, PL

Exhibit 8: Embedded Value grew by 15% to Rs 269bn



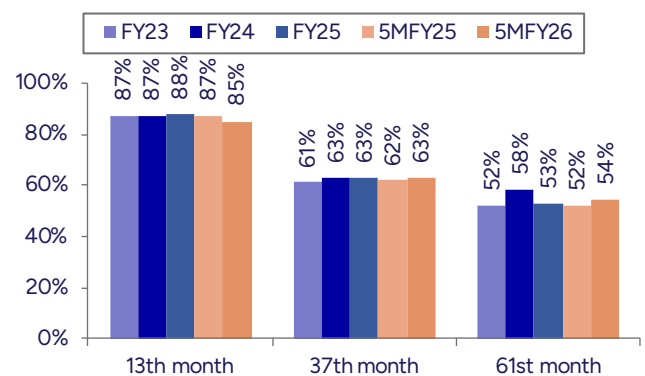
Source: Company, PL

Exhibit 9: Distribution mix across channels (%)



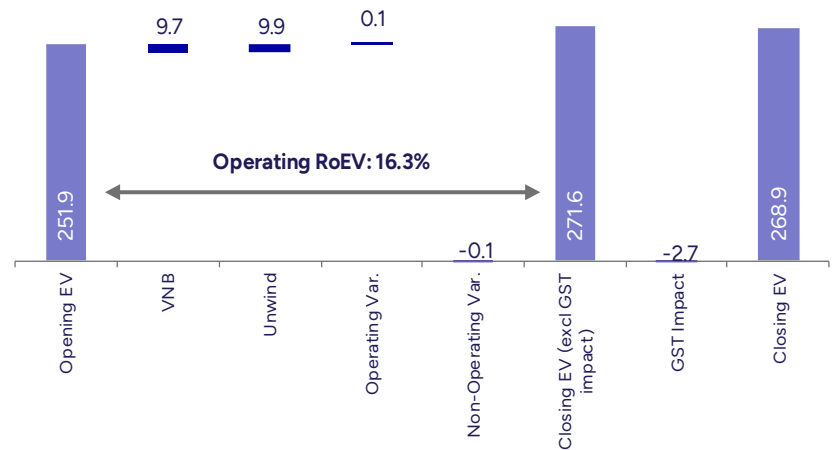
Source: Company, PL

Exhibit 10: Persistency trends (%)



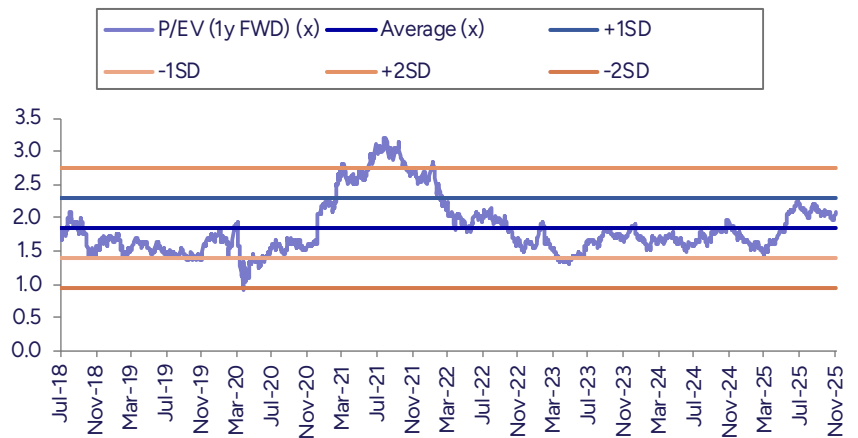
Source: Company, PL

Exhibit 11: EV Movement Analysis as on H1FY26



Source: Company, PL

Exhibit 12: One-year forward P/EV of MAXF trades at 2.1x



Source: Company, PL

Financials

Exhibit 13: Revenue Account

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
FYP (first year premium)	68,894	81,995	97,164	112,225	129,059
SP (single premium)	41,337	39,741	46,894	53,928	62,017
NBP (new business premium)	110,231	121,736	144,058	166,153	191,076
RP (renewal premium)	185,059	210,490	242,428	285,258	337,860
Gross premium	295,290	332,226	386,487	451,411	528,936
(-) Reinsurance ceded	5,443	6,250	7,270	9,028	10,579
Net premiums	289,847	325,977	379,216	442,382	518,357
Investment & other income	170,875	132,119	143,260	154,009	176,781
Total income	460,800	458,179	522,476	596,392	695,138
- Commission expenses	23,983	31,449	36,026	41,142	47,689
- Operating expenses	40,861	45,140	52,176	59,586	68,762
- Provision for doubtful debts and taxes	2,094	2,717	2,773	3,231	3,783
Operating surplus	393,862	378,872	431,502	492,433	574,905
- Benefits paid (net)	133,177	170,258	189,608	199,072	230,151
- Interim & terminal bonuses paid	35	25	20	20	20
- Change in reserves	257,486	205,253	238,333	289,547	340,825
Pre-tax surplus / (deficit)	3,164	3,336	3,541	3,793	3,909
Provisions for tax	-	-	-	-	-
Post-tax surplus / (deficit)	3,164	3,336	3,541	3,793	3,909

Source: Company, PL

Exhibit 14: P&L Account

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
T/f from technical a/c	2,612	2,777	2,832	3,035	3,323
Investment and other income	4,246	6,129	8,989	9,499	10,145
Total income	6,858	8,907	11,822	12,534	13,468
Total expenses	3,110	4,423	5,086	6,103	7,324
PBT	3,749	4,484	6,736	6,431	6,144
Provision for tax	152	420	842	804	768
PAT	3,597	4,064	5,894	5,627	5,376

Source: Company, PL

Exhibit 15: Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Sources of Funds					
Shareholders' fund	39,983	61,244	64,649	64,687	64,738
Policy liabilities	1,459,507	1,672,958	1,901,643	2,191,480	2,532,597
Funds for future appropriations	38,727	42,470	67,807	68,565	69,152
Total	1,538,216	1,776,671	2,034,099	2,324,733	2,666,487
Application of Funds					
Shareholders' investments	58,484	90,932	100,025	115,028	132,283
Policyholders' investments	1,008,078	1,182,110	1,386,187	1,625,494	1,906,116
Asset held to cover linked liabilities	441,793	477,681	516,484	558,439	603,802
Net other and current assets	29,861	25,949	31,403	25,771	24,287
Total	1,538,216	1,776,671	2,034,099	2,324,733	2,666,487

Source: Company, PL

Exhibit 16: Embedded Value (EV)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Opening EV	162,630	194,940	251,920	297,978	351,856
Unwind	13,690	16,180	20,909	24,434	28,500
VNB	19,730	21,070	24,649	28,934	33,815
Operating variance	-570	50	500	510	450
EV Operating Profit (EVOP)	32,850	37,300	46,058	53,878	62,765
Non-operating variance	-540	3,560	-	-	-
EV Profit	32,310	40,860	46,058	53,878	62,765
Net capital injection	-	16,120	-	-	-
Closing EV	194,940	251,920	297,978	351,856	414,622

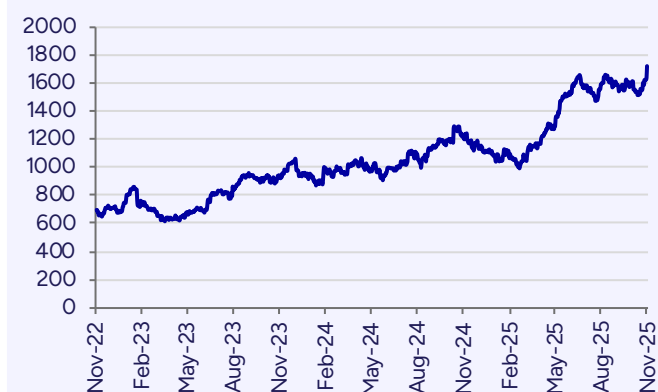
Source: Company, PL

Exhibit 17: Key Ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Growth (%)					
APE	23.0	10.4	18.3	15.3	15.0
Renewal premium	13.0	13.7	15.2	17.7	18.4
Net premium	16.5	12.5	16.3	16.7	17.2
PAT	-17.4	13.0	45.0	-4.5	-4.5
Total AUM	22.8	16.1	14.4	14.8	14.9
Total Assets	23.8	15.5	14.5	14.3	14.7
Expense analysis (%)					
Commission ratio	8.1	9.5	9.3	9.1	9.0
Opex ratio	13.8	13.6	13.5	13.2	13.0
Claims ratio	45.9	52.2	50.0	45.0	44.4
P/hs' opex / Avg P/hs' AUM	3.1	2.9	2.9	2.9	2.9
Profitability analysis (%)					
RoA	0.3	0.2	0.3	0.3	0.2
RoE	9.5	8.0	9.4	8.7	8.3
RoEV	20.2	19.1	18.3	18.1	17.8
VNB margin	26.5	24.0	24.2	24.6	25.0
S/hs' AUM yield	7.5	8.2	8.2	8.2	8.2
P/hs' AUM yield	13.0	8.4	7.9	7.3	7.1
Balance sheet analysis					
P/hs' funds / P/hs' AUM (x)	1.0	1.0	1.0	1.0	1.0
P/hs' liabilities / Net worth (x)	7.2	5.3	5.9	6.8	8.0
Per share data (Rs)					
EPS	8.4	9.5	13.8	13.2	12.6
BVPS	92.4	141.8	151.0	151.0	151.0
EVPS	457.5	591.3	699.4	825.8	973.1
Valuation data (x)					
P/E	203.5	180.1	124.2	130.1	136.1
P/BV	18.6	12.1	11.4	11.4	11.4
P/EV	3.8	2.9	2.5	2.1	1.8

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Oct-25	BUY	1,850	1,597
2	10-Sep-25	BUY	1,850	1,597

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bajaj Finance	Hold	1,030	1,085
2	Cholamandalam Investment and Finance Company	Hold	1,725	1,704
3	HDFC Life Insurance Company	BUY	900	761
4	ICICI Prudential Life Insurance Company	BUY	710	597
5	Mahindra & Mahindra Financial Services	Hold	300	300
6	Max Financial Services	BUY	1,850	1,604
7	SBI Life Insurance Company	Hold	1,950	1,903
8	Shriram Finance	BUY	875	749
9	Sundaram Finance	Hold	5,000	4,691

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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