

December 1, 2025

Management Meet Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,925		1,925	
NBP-APE (Rs mn)	1,66,153	1,91,076	1,66,153	1,91,076
% Chng.	-	-	-	-
VNB (Rs mn)	28,934	33,815	28,934	33,815
% Chng.	-	-	-	-
EV (Rs mn)	3,51,856	4,14,622	3,51,856	4,14,622
% Chng.	-	-	-	-

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	2.4	2.1	1.7

Key Data

MAXI.BO | MAXF IN

52-W High / Low	Rs.1,765 / Rs.973
Sensex / Nifty	85,707 / 26,203
Market Cap	Rs.587.3bn/ \$ 6,565.3m
Shares Outstanding	345.1m
3M Avg. Daily Value	Rs.1,077.3m

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	10.1	13.3	50.1
Relative	8.2	7.4	41.6

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Growth to sustain; margin outlook favorable

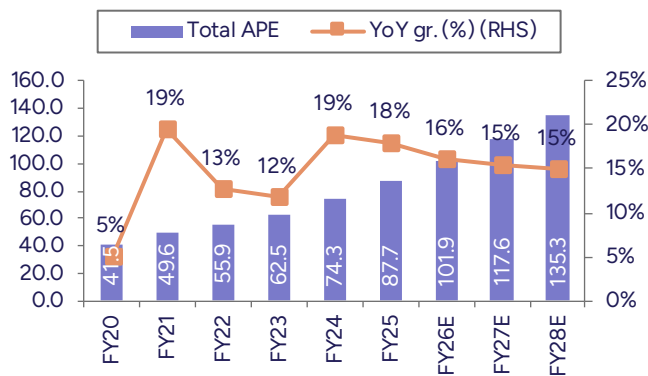
We met with the management of Axis Max Life to identify key drivers of growth and margin outlook over the medium-term. Company expects tailwinds from strong protection growth in H2 and has launched new products across PAR/ NPAR and annuity to drive growth. It expects agency/ e-commerce channel and new banca partners to sustain growth momentum over the medium-term. While FY26E VNB Margin is likely to see a drag from GST exemption due to non-availability of ITC, it expects re-balancing of product mix (towards NPAR/ protection) and cost optimization initiatives to absorb the hit. We build a positive margin profile - 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.

- **Multiple levers to sustain growth momentum:** 2QFY26 APE grew 15% YoY driven by protection and NPAR and company expects the momentum to continue to H2. It expects near-term tailwinds in retail protection volume post GST exemption and expects a recovery in credit life disbursements to drive growth. Newly launched products - Smart VIBE (NPAR), SWAG 2.0 (PAR) and SWAG Pension (Annuity) are seeing strong traction and are expected to offset the de-growth in ULIP (-9% YoY in Q2). Over the medium-term, company expects to maintain a diversified product mix with ~35% in ULIP, 15%/ 25% in PAR/ NPAR, 10-15% in protection and 5-7% in annuity. We build an APE growth of 16% CAGR over FY25-28E driven by robust growth in protection and new launches across PAR/ NPAR/ annuity.
- **Proprietary and new banca partners to drive growth:** Proprietary channel (+22% YoY) contributed 46% of APE in Q2 and constitutes agency, direct and e-commerce. Company has recruited new 64k agents since FY22 and is now looking at productivity levers to drive higher growth from the channel. Within e-commerce, Axis Max Life has been ranked #1 in online protection and recently launched savings business and expects to maintain the position. Within banca, it has tied up with new partners- South Indian bank, Ujjivan SFB, Tamil Nadu Mercantile Bank, CSB and DCB and already has the highest counter-share in 3 out of the 6 new banks. Post re-branding, company has identified verticals within Axis Bank (Bharat banking, credit card segment, D2C) to get exclusive leads/ access to customers and has dedicated manpower (~7k employees) across Axis Bank branches. Company has 65-70% counter-share within Axis Bank and expects to maintain it at a similar level over the medium-term. While Axis Bank as a channel has grown 12% over FY20-25, it expects new banca partners/ proprietary channel to grow faster. Company has also started selling via brokers in FY23 and expects the channel to contribute to growth.
- **VNB Margin to range between 24- 25%:** 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 such as cut in discretionary expenses (consulting, professional, legal, travel) to offset

the impact. Moreover, strong growth in protection/ NPAR in H2 is likely to absorb the hit from GST exemption. H1FY26 VNB Margin stood at 23.3% and the company reiterated a guidance of 24-25%, considering the drag from GST exemption. We build a margin of 24.2%/ 24.6% for FY26/ FY27E, driven by a favorable product mix.

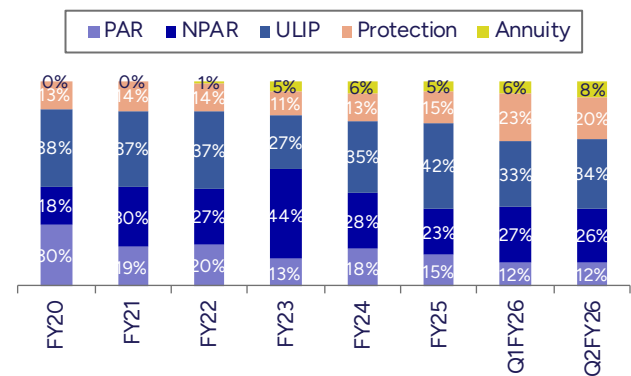
- **Awaiting reverse merger guidelines:** Company expects the Insurance Bill to be passed in the Winter/ Budget session of Parliament, with a clear timeline for its reverse merger with Max Financial. On composite licenses, it is in discussion with health insurance companies to distribute retail health. It expects IFRS-17 to be applicable over the next 2 years and has submitted pro-forma statements to IRDAI for easier implementation.

Exhibit 1: Expect 16% APE CAGR over FY25-28E...



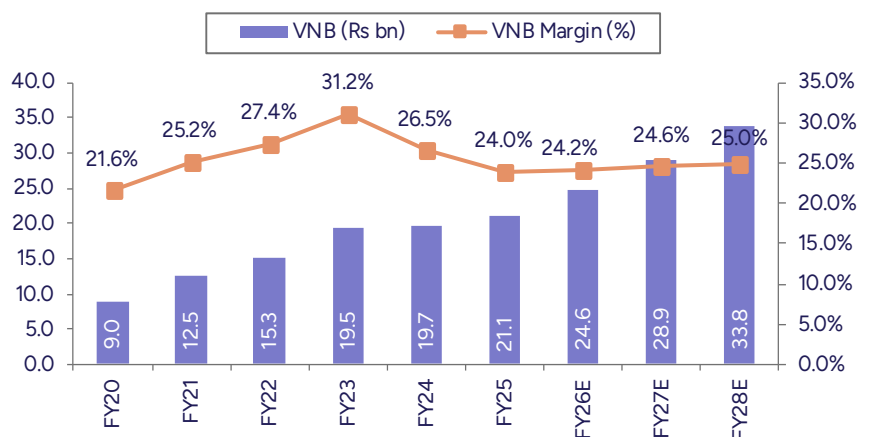
Source: Company, PL

Exhibit 2: ...with the share of protection, PAR/ NPAR to grow



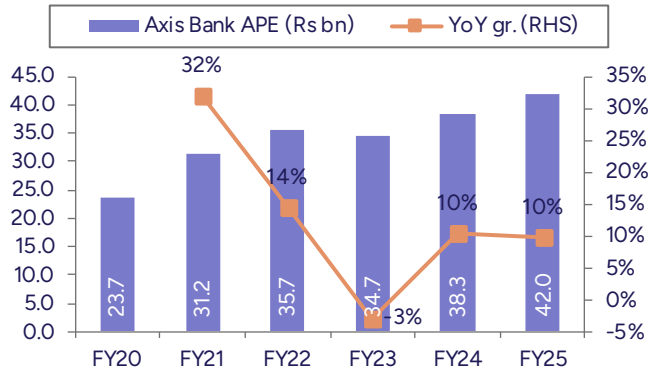
Source: Company, PL

Exhibit 3: VNB margin to improve to ~25% by FY28E



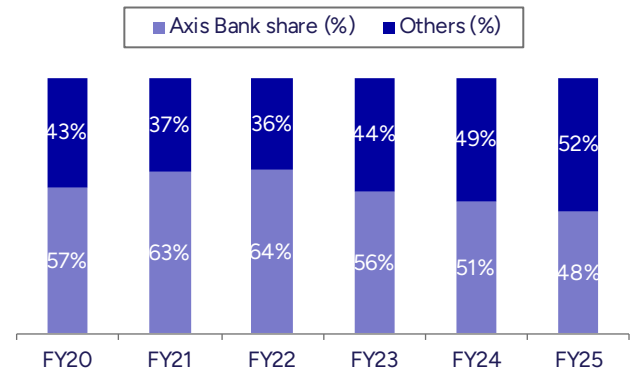
Source: Company, PL

Exhibit 4: Axis Bank APE grew 12% over FY20-25



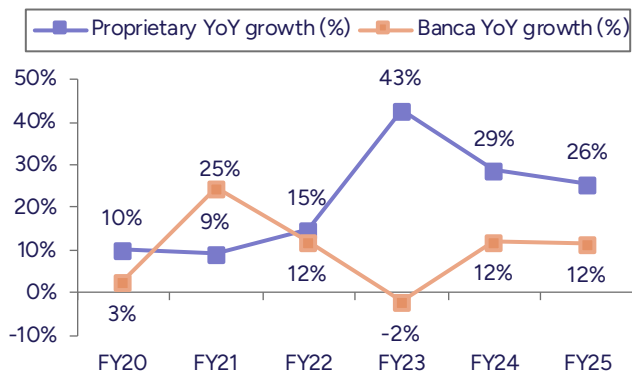
Source: Company, PL

Exhibit 5: ... and contributes ~48% of Total APE (FY25)



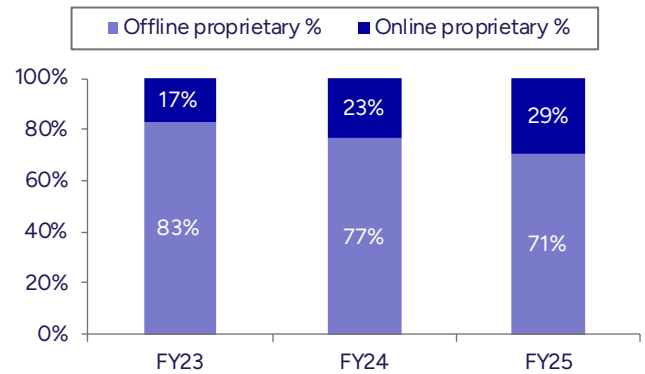
Source: Company, PL

Exhibit 6: Proprietary channels have grown faster than banca



Source: Company, PL

Exhibit 7: ...led by strong growth in the online channel



Source: Company, PL

Exhibit 8: Axis Max Life has tied up with 31 new partners in H1FY26



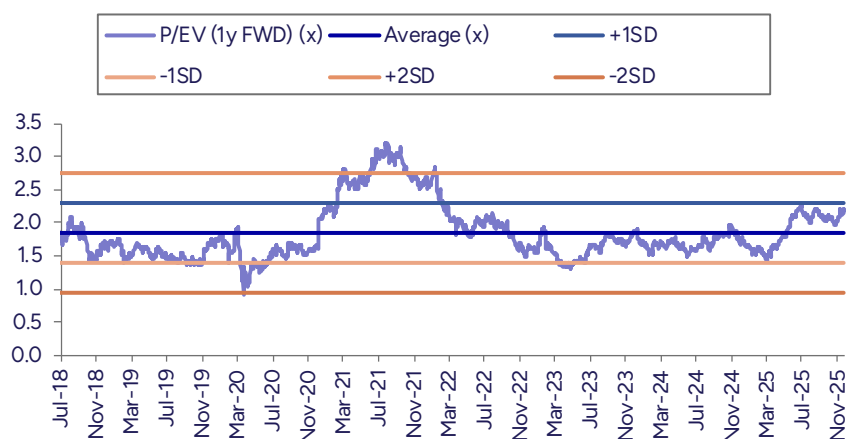
Source: Company, PL

Exhibit 9: 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

Exhibit 10: One-year forward P/EV of MAXF trades at 2.2x



Source: Company, PL

Financials

Exhibit 11: Revenue Account

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
FYP (first year premium)	68,894	81,995	97,164	1,12,225	1,29,059
SP (single premium)	41,337	39,741	46,894	53,928	62,017
NBP (new business premium)	1,10,231	1,21,736	1,44,058	1,66,153	1,91,076
RP (renewal premium)	1,85,059	2,10,490	2,42,428	2,85,258	3,37,860
Gross premium	2,95,290	3,32,226	3,86,487	4,51,411	5,28,936
(-) Reinsurance ceded	5,443	6,250	7,270	9,028	10,579
Net premiums	2,89,847	3,25,977	3,79,216	4,42,382	5,18,357
Investment & other income	1,70,875	1,32,119	1,43,260	1,54,009	1,76,781
Total income	4,60,800	4,58,179	5,22,476	5,96,392	6,95,138
- 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	3,93,862	3,78,872	4,31,502	4,92,433	5,74,905
- Benefits paid (net)	1,33,177	1,70,258	1,89,608	1,99,072	2,30,151
- Interim & terminal bonuses paid	35	25	20	20	20
- Change in reserves	2,57,486	2,05,253	2,38,333	2,89,547	3,40,825
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 12: 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 13: Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Sources of Funds					
Shareholders' fund	39,983	61,244	65,167	70,831	76,259
Policy liabilities	14,59,507	16,72,958	19,01,643	21,91,480	25,32,597
Funds for future appropriations	38,727	42,470	67,807	68,565	69,152
Total	15,38,216	17,76,671	20,34,616	23,30,877	26,78,008
Application of Funds					
Shareholders' investments	58,484	90,932	1,00,025	1,15,028	1,32,283
Policyholders' investments	10,08,078	11,82,110	13,86,187	16,25,494	19,06,116
Asset held to cover linked liabilities	4,41,793	4,77,681	5,16,484	5,58,439	6,03,802
Net other and current assets	29,861	25,949	31,921	31,916	35,808
Total	15,38,216	17,76,671	20,34,616	23,30,877	26,78,008

Source: Company, PL

Exhibit 14: Embedded Value (EV)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Opening EV	1,62,630	1,94,940	2,51,920	2,97,978	3,51,856
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	1,94,940	2,51,920	2,97,978	3,51,856	4,14,622

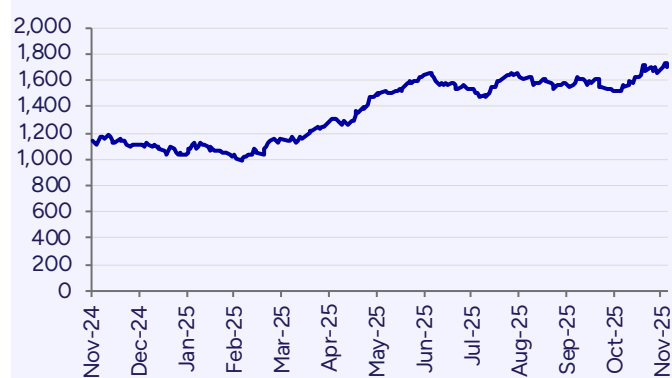
Source: Company, PL

Exhibit 15: 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	14.6	14.9
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	9.3	8.3	7.3
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	5.8	6.2	6.8
Per share data (Rs)					
EPS	8.4	9.5	13.8	13.2	12.6
BVPS	92.4	141.8	152.2	165.4	178.1
EVPS	457.5	591.3	699.4	825.8	973.1
Valuation data (x)					
P/E	201.6	178.4	123.0	128.9	134.9
P/BV	18.4	12.0	11.2	10.3	9.6
P/EV	3.7	2.9	2.4	2.1	1.7

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	12-Nov-25	BUY	1,925	1,718
2	06-Oct-25	BUY	1,850	1,604
3	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	1,925	1,718
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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