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This report is a compilation of our analysis of Financial / Business performance “**Nuvama Wealth Management Limited**” from an investment perspective

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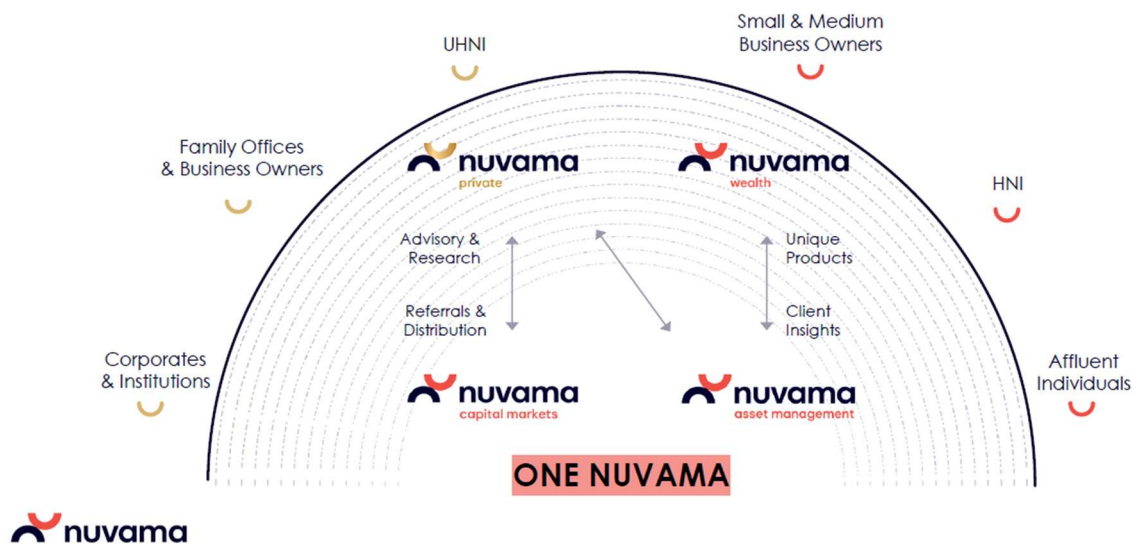
Company Analysis: Nuvama Wealth Management Limited

Posted on 9th September 2024

Nuvama Wealth Management Limited, formerly known as Edelweiss Securities Limited, is one of India’s leading wealth management companies. Established over two decades ago, the company has developed a diverse client base, offering comprehensive financial services ranging from wealth management to capital markets solutions.

The following slide provides an overview of the business segments and customers for each segment.

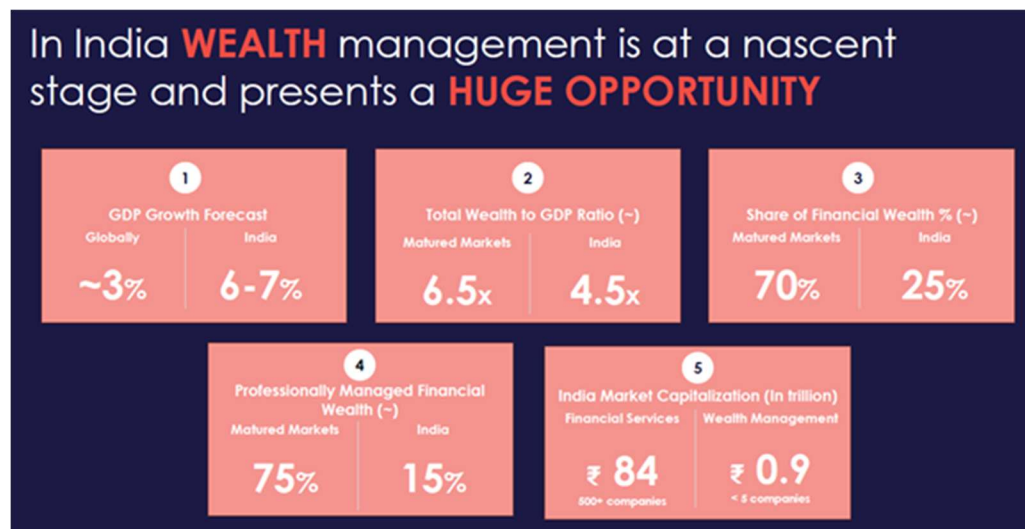
UNIQUE BUSINESS MODEL, enabling value and seamless client solutioning across ecosystem



Opportunity

The wealth management industry in India is poised for significant growth, driven by increasing affluence, a shift towards financial assets, and supportive policy frameworks. The Long term tailwind is being driven by Increase in Indian middle class and HNI/UHNI.

As the GDP rises, the pool of wealth to be managed increases. Wealth management has a low penetration of 10-11% v/s 30%+ in China and other countries. These two factors put together is resulting in a long-term tailwind for the sector.



Investment asset class is growing fast driven by **VALUE MIGRATION** and has a **LONG RUNWAY**

Asset Class	AUM CAGR Last 10Y	AUM / Premium to GDP	
		India	US / Global
Mutual Funds	21%	16%	116%
AIF	68%	1%	13%
Insurance	14%	3%	11%

India to become the 4th largest private wealth market globally by 2028



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Company Strategy

Nuvama offers wealth and asset management services to multiple segments. It provides additional services such as custodial services, research and fund raising (investment banking). The company’s businesses and metrics are shown below.

Segmental Summary: Q1 FY25

Wealth Management



Asset Management



Capital Markets



Business Summary: Q1 FY25

MOST COMPREHENSIVE PRODUCT SUITE	SERVING	WIDE AND GROWING SALES COVERAGE	WELL SCALED PLATFORM
Wealth Management Investment Solutions Managed Products Advisory Exchange Traded Lending Solutions Estate Planning Solutions Family Office Solutions Corporate Advisory Treasury Services Asset Management Private Markets Public Markets Commercial Real Estate Capital Markets	3,850+ Ultra High Networth Families ~1.2 million Affluent and High Networth Individuals	1,250+ Wealth RMs 20+ Investment Professionals 50+ Senior Institutional Coverage Bankers	₹ 2,74,124 Cr Client Assets Wealth Management ₹ 7,692 Cr AUM Asset Management ₹ 1,07,225 Cr Client Assets Custody & Clearing



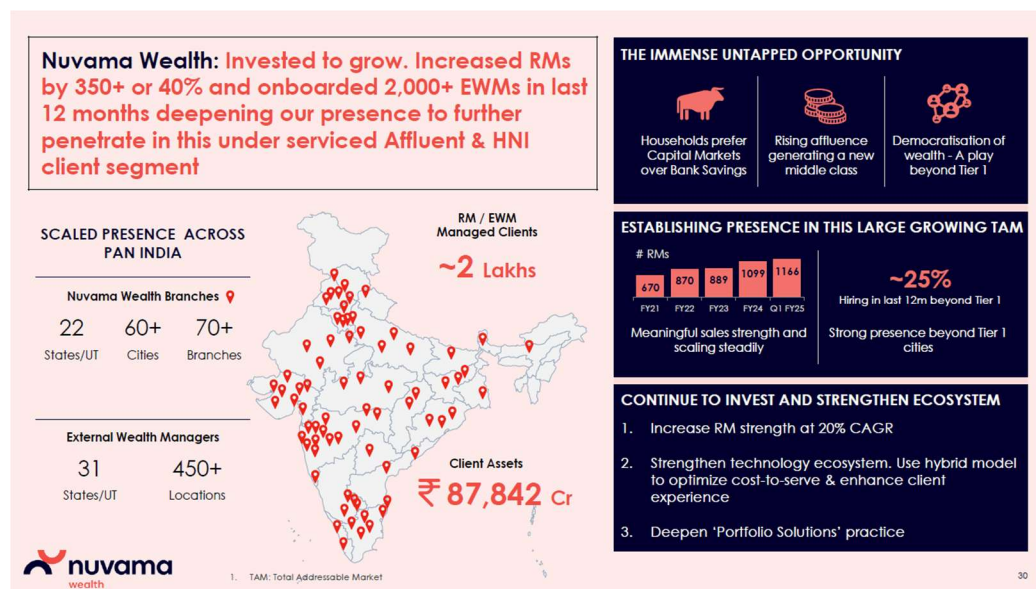
1. All figures are as on 30th June 2024

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The company’s growth strategy can be described as follows.

- **Market Expansion and Innovation:** Nuvama Wealth Management is expanding both its private and public market strategies by introducing new products across asset classes.
- **Scaling Digital and Geographic Reach:** Nuvama is enhancing its digital platforms to expand reach and serve investors in Tier 2 and Tier 3 cities. It is also setting up a platform at GIFT City to cater to Non-Resident Indians (NRIs) and foreign investors, along with launching initiatives in Dubai.
- **Strategic Focus on Asset Management:** The company plans to scale asset management by strengthening its distribution and introducing new strategies. In Q1 FY25, Nuvama’s Asset Management AUM grew by 30% YoY, driven by public markets.
- **Wealth Management Strategy:** Expansion into new markets, growth in Relationship Manager (RM) capacity, and deepening client relationships are the key focus areas. The company has added 350+ RM/ 2000+ external wealth managers to penetrate the affluent

and HNI segments. The company is doubling its RM capacity over the next 3-5 years to drive growth in its Wealth Management segment.



Competition

Nuvama competes with players like IIFL Wealth, Kotak Wealth, and HDFC Wealth. Most wealth managers are linked to an existing financial group (such as IIFL) or are the subsidiary of a bank (such as Kotak, ICICI, HDFC etc). Most companies in this space compete based on brand name, trust and wide distribution network and are able to leverage the parent company for the same

Nuvama is building its business without the support of a domestic parent. However, it has been in this business for 20 years and has the distribution and brand recognition. The company continues to offer investment solutions across public and private markets, venture debt, and real assets which adds depth to its product profile.

As the industry is growing, companies in this sector are doing well, growing at 15%+ with high margins and return on capital. Scale of operations, brand name and distribution provide a competitive advantage to existing players due to which competition should remain rational

Financials

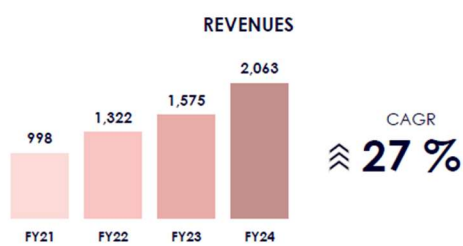
In Q1 FY25, the company reported a 60% YoY increase in revenues to ₹668 crore, with the Wealth and Asset Management businesses showing growth. The operating profit after tax (PAT) grew by 133% YoY to ₹221 crore. Return on Equity (RoE) improved to 29% due to higher operating margin

Client assets in Wealth Management grew by 45% YoY to ₹87,842 crore in Q1 FY25. Nuvama’s client acquisition and retention strategies, combined with a diversified product offering, have helped increase its market share significantly. The Asset Management AUM stood at ₹7,692 crore, reflecting a 30% YoY growth driven by public markets

The company topline and profit has grown at 30+% CAGR for the last three years. This can be seen in the numbers below

Focused execution delivering **STRONG AND SUSTAINABLE OUTCOMES**

All figures are in ₹ Cr



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Positives

Nuvama is expanding its product offerings, geographic footprint, and client base. The company’s partnership with PAG, a leading investment firm managing over USD 55 billion, further strengthens its position in the market.

Nuvama’s expansion into international markets, such as the recent launch in Dubai, along with its digital strategy, positions it well for future growth. The continued investment in technology and human capital is likely provide sustainable growth and higher market share

Growth in Financial Metrics: Nuvama reported growth across all segments. Q1 FY25 saw a 60% YoY increase in revenues to ₹668 crore, with the Wealth and Asset Management businesses showing strong growth.

Expansion in Client Assets and Market Share: The company's client assets in Wealth Management grew by 45% YoY to ₹87,842 crore in Q1 FY25. Nuvama's client acquisition and retention strategies, coupled with a diversified product offering, have helped increase its market share

Technological Integration and Innovation: Nuvama has integrated digital platforms and AI tools into its business model to enhance client engagement, reduce operational costs, and increase efficiency. This should help reduce the cost to income ratio and improve operating margin further

Risks

The investment banking and capital market activities are cyclical. This segment grew from 131 to 331 on a Y-o-Y basis which clearly would be impacted when there is a market downturn

In the long run, the scale up in asset management and other business should mitigate this impact. Also, the company is moving more to ARR and wealth management model which should reduce the cyclicity of the business. For now, the topline and profit is linked to the state of the stock market

The other risk is loss of reputation which can impact growth of its wealth management business. This risk is however low

Conclusion

The company has strong financials, and growth strategy driven by growth in the wealth and asset management business. As the company scales, it should be able to improve its cost to income ratio further (from 60%+ to industry average of low 50%). This will drive further expansion in operating profitability

As long as the company executes to its strategy, the long-term tailwinds in the sector should enable it to grow through the capital market cycles.

Q3- 2025 Results Analysis

Posted on 5th March 2025

Q3 FY25 revenue stood at ₹723 crore, up 30% YoY (from ₹558 crore in Q3 FY24). For 9M FY25, revenue reached ₹2,130 crore, a 45% YoY increase. Profit after tax (PAT) in Q3 FY25 was ₹252 crore, up 43% YoY, while 9M FY25 PAT grew 76% YoY to ₹731 crore.

ROE improved to 31.8% in 9M FY25 from 22.7% in 9M FY24. The cost-to-income ratio improved from 59% in Q3 FY24 to 54% in Q3 FY25, reflecting better operational efficiency

The segment performance is as follow

Wealth Management (Nuvama Wealth and Nuvama Private)

Revenues grew 19% YoY to INR 3,589.5 million, with client assets increasing by 36% YoY.

The segment saw high growth due to a 38% YoY increase in assets under management (AUM) for Nuvama Wealth, with net new flows of INR 5,800 crores for nine months (similar to the previous full year). Nuvama Private's client assets grew by 24%, with ARR assets up 38-39% and net flows of INR 8,000 crores, up 88% YoY.

The shift towards managed products (now 65-70% of flows, up from 45-50%) and capacity expansion, adding over 270 RMs, were the main reasons for the performance. Management also confirmed that the temporary yield pressures from self-clearing transactions will be gone by Q4.

Asset Management

Revenues (management fees) grew 31% YoY to INR 167 million, with public market AUM tripling to INR 5,000 crores over the last 12 months.

Net flows of INR 1,200 crores in Q3 was driven by the launch of new funds, including a commercial real estate fund (first close at INR 1,700 crores) and a private equity fund.

Management plans to grow AUM to INR 20,000 crores within 12-15 months to achieve break even, focusing on public market funds and new strategies like long-short and absolute return funds under SEBI's specialized investment fund category

Asset Services

Revenues grew 77% YoY to INR 1,753.5 million, with assets under custody and clearing growing 57% to INR 1.3 lakh crores.

This segment's performance was due to a significant increase in clients and a 22% market share of incremental AIF and PMS registrations domestically. This segment has recurring revenue and lower correlation to capital market volatility. The business maintains a 25-75 domestic-international client split

Capital Markets (Institutional Equities and Investment Banking)

Revenues grew 25% YoY to INR 1,753.5 million, with institutional equities maintaining a 6.2% market share and investment banking capturing 18% market share in deals worth INR 25,000 crores.

Institutional equities faced slowdown due to a 10% fall in market volumes, further impacted by SEBI F&O regulations and market volatility. However, investment banking performed well, with a strong pipeline expected to pick up in Q4. Nuvama secured the number 1 rank in market share for public debt issues in calendar year 2024 which should reduce the impact on the segment due to market volatility

Management plans

- Management plans to continue scaling core businesses, with plans to expand geographically in Dubai and later in Singapore. They are adding capacity and aiming for AUM growth of 25% annually over the next 2-3 years.
- Maintain RoE at 25%+ , with plans to grow the loan book with a 25% ROE in lending
- Increase annuity and recurring revenue (ARR) assets, target managed products and investment solutions to stabilize earnings against market volatility.
- Continue investing in technology to support efficiency and growth

Q1- 2026 Results Analysis

Posted on 8th September 2025

Q1 FY26 revenue stood at ₹770 crore, up 15% YoY (from ₹668 crore in Q1 FY25). Profit after tax (PAT) in Q1 FY26 was ₹264 crore, up 19% YoY.

ROE improved to 30.3% by 1%. The cost-to-income ratio improved from 56% in Q1 FY25 to 55% in Q1 FY26, reflecting better operational efficiency

The segment performance is as follow

Wealth Management (Nuvama Wealth and Nuvama Private)

Revenues grew 18% YoY to INR 3,980 million, with client assets increasing by 19% YoY.

Nuvama wealth assets grew by 20% with MPIS (managed products) assets growing 30%. Private client assets grew by 17% with ARR assets growing by 25%

The shift towards managed products (now 65-70% of flows, up from 45-50%) and capacity expansion, continues though the rate of addition of new RM has slowed down

Asset Management

Revenues (management fees) grew 37% YoY to INR 180 million, with public market AUM reaching 5280 Cr

Management plans to grow AUM to INR 20,000 crores within 12-15 months to achieve break even, focusing on public market funds and new strategies like long-short and absolute return funds under SEBI's specialized investment fund category

Asset Services

Revenues grew 46% YoY to INR 193 Cr, with assets under custody and clearing growing 19% to INR 1.3 lakh crores.

This segment's performance was due to a significant increase in clients. This segment has recurring revenue and lower correlation to capital market volatility. The business maintains a 25-75 domestic-international client split

Capital Markets (Institutional Equities and Investment Banking)

Revenues dropped 10% due to slow down in market activity. IPO/QIP activity was lower, though managements expect pickup in H2

Jane Street event

There is a ban on the trading firm Jane Street which is a major client for the company. As of now the revenue from this customer is zero and even if this does not recover, management expects Asset services to show low double-digit growth. International clients contribute around 70-75% revenue with top 10 contributing not more than 30% of the segment revenue, so the single customer concentration is not too high

Overall, the impact of this event is low on the company and management expects continued growth for the year

Q4- 2026 Results Analysis

Posted on 2nd June 2026

Q4 FY26 revenue stood at ₹825 crore, up 7% YoY from ₹771 crore in Q4 FY25. Operating PAT stood at ₹269 crore, up 5% YoY, while FY26 operating PAT was ₹1,049 crore, up 6% YoY. ROE moderated to 28.1% in FY26 from 31.5% in FY25, and cost-to-income increased to 56% from 55% mainly due to mix changes

Topline growth has slowed, mainly because Capital Markets was weak, while the earnings mix has shifted further towards Wealth, Asset Management and Asset Services. Management said Wealth + Private now contributes 55% of firm revenues versus 49% last year, and Wealth + Asset Management + Asset Services together contribute ~80% versus 74%, improving predictability of earnings

The segment performance is as follows

- **Wealth Management – Nuvama Wealth and Nuvama Private**

Wealth Management revenues grew 19% YoY to ₹474 crore in Q4 FY26 and 20% YoY to ₹1,718 crore for FY26. PBT grew 23% YoY to ₹158 crore in Q4 and ₹585 crore for FY26. Client assets stood at ₹3,13,787 crore, up 7% YoY.

Nuvama Wealth revenues grew 16% YoY to ₹250 crore in Q4, led by MPIS and lending. MPIS assets grew 32% YoY to ₹39,227 crore, and FY26 MPIS net flows were ₹8,920 crore, up 38% YoY and equal to 30% of opening MPIS assets. MPIS assets are more annuity like and sticky in nature. As a result, the earnings quality is much better from these assets.

Nuvama Private revenues grew 22% YoY to ₹224 crore in Q4 and 24% YoY to ₹758 crore for FY26. ARR revenue grew 32% YoY and now contributes about 59-60% of Private revenues. ARR earning assets stood at ₹54,021 crore, up 22% YoY, while ARR net new money was ₹9,630 crore, or 22% of opening assets. Management continues to add RMs selectively and said RM capacity in Private has increased from ~90 to ~150 over four years.

New updates include launch of Virasat, an estate and legacy planning solution for HNI clients, rollout of AI tools across RM workflows, Agentic AI in Private for portfolio analytics and product insights, and multicurrency portfolio reporting for offshore allocations.

- **Asset Management**

Management fees grew 34% YoY to ₹22 crore in Q4 and 31% YoY to ₹77 crore for FY26. Closing AUM stood at ₹12,807 crore, up 13% YoY, with 85% fee-paying AUM. Growth

was led by the commercial real estate strategy, while public markets saw headwinds and net flows were broadly flat.

The CRE fund is now around ₹4,000 crore, with three assets acquired and 40-50% of the fund deployed; management plans a new CRE fund once deployment reaches ~70%

- **Asset Services**

Asset Services revenue grew 5% YoY to ₹209 crore in Q4 and 12% YoY to ₹734 crore in FY26. Assets under custody and clearing stood at ₹1,25,954 crore. This segment has recovered from the Q1 client loss (jane street incident) and 50 bps fall in interest rates; management said Q4 revenue exceeded Q1 and the business delivered ~15% profit growth despite market volatility, yield compression and client loss.

The business remains more like market infrastructure than a capital markets revenue line. New growth areas include a potential global custodian-local custodian tie-up, and RTA and trusteeship services expected to go live around mid-Q3

- **Capital Markets – Institutional Equities and Investment Banking**

Capital Markets revenues declined 17% YoY to ₹135 crore in Q4 and 19% YoY to ₹613 crore for FY26. The weakness was mainly due to lower secondary market activity, lower QIP volumes, weaker retail participation in H2 and a lower-fee IPO mix.

Fixed income revenues grew 34-35% YoY and Nuvama maintained #1 ranking in public debt issuances and was around #3/#4 in private placements.

Overall, the business model is moving towards wealth and asset management versus capital market business. These segments are less volatile and have a higher quality of earnings. We saw the impact of that in 2026 where in spite of the bear market, the company was able to maintain its topline and profits. This should improve further in the future as these segments become a bigger share of the business

You can see financials for the company at [Nuvama Wealth Management Ltd Live Stock Price , Nuvama Live Share Price, 543988 | BSE \(bseindia.com\)](#)

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