



To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
Symbol: ANGELONE

Department of Corporate Service
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code: 543235

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further to our intimation on September 21, 2026, intimating of the earnings call with analysts and investors to be hosted by the Company on October 16, 2026, please find enclosed herewith the transcript of the said earnings call for your reference and records.

The transcript of the earnings call will be posted on the Company's website at www.angelone.in.

Thanking You,

For **Angel One Limited**

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REHAN
PATEL

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NAHEED REHAN
PATEL
Date: 2026.10.21
12:05:42 +05'30'

Naheed Patel

Company Secretary and Compliance Officer

ACS: 22506

Date: October 21, 2026

Place: Mumbai



Corporate & Regd Office:
601, 6th Floor, Ackruti Star, Central Road, MIDC,
Andheri (E), Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angelone.in
www.angelone.in

Angel One Limited
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Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.



Angel One Limited
Q2 FY'27 Earnings Conference Call
October 16, 2026



MANAGEMENT:

Ambarish Kenghe	Group Chief Executive Officer	Vineet Agrawal	Group Chief Financial Officer
Amit Majumdar	Group Chief Strategy Officer	Ajit Narayanan	Chief Technology Officer
Anand Agrawal	Head of Product	Arief Mohamad	Chief Business Officer – Direct Business
Nishant Jain	Chief Business Officer – Assisted Business	Saurabh Agarwal	Chief Business Officer - New Business
Rohit Chatter	Chief AI Officer	Sridhar Govardhan	Group Chief Information Security Officer
Manmohan Singh	Group Chief Risk Officer	Ajit Sinha	General Counsel
Manoj Agarwal	Group Chief Compliance Officer	Bhavin Parekh	Chief Product Operations Officer
Shobhit Mathur	Co-founder – Ionic Wealth	Dharmendra Jain	Co-founder – Ionic Wealth
Murali Ramasubramanian	Interim CEO – Asset Management – Angel One Asset Management Company	Hitul Gutka	Head of Investor Relations

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 16th October 2026 will prevail.



Angel One Limited
October 16, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and FY27 Earnings Conference Call hosted by Angel One Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of the future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Hitul Gutka from Angel One Limited. Thank you, and over to you, Mr. Gutka.

Hitul Gutka: Good morning, and welcome, everyone. Thank you for joining us today to discuss Angel One's Q2 FY27 financial and business performance. The recording of today's earnings call and transcript will be uploaded on our website under the Investor Relations section. The financial results, investor presentation, press release and data book are also uploaded on the website.

We would like to inform that Mr. Dinesh Thakkar, Chairman and Managing Director of Angel One, is unable to join today's call. Angel One will be represented today by Ambarish Kenghe, Group CEO; Vineet Agrawal, Group CFO, along with the senior management team of Angel One and SGA, our IR consultants.

The leadership team will give us a brief overview of the operational and the financial performance of the quarter gone by, followed by a Q&A session. Please note that there may be certain forward-looking statements during the call which must be viewed in aggregate with the risks that the company faces.

With this brief introduction, I now invite Mr. Ambarish Kenghe for his opening remarks.

Ambarish Kenghe: Thank you, Hitul. Good morning, everyone, and thank you for joining us today. This wasn't a typical quarter, but I am very proud of how our teams and partners handled it to deliver a very strong performance. As you know, there have been some regulatory changes that have impacted the market volumes.

However, as we have always maintained, regulatory changes are designed to make our markets stronger, even if sometimes the refinement and the ecosystem adjusting to it may take time. You saw a bit of it this quarter. However, the Indian capital markets and the economy continue to be strong with the GDP growing at 7.8% last quarter. No mean feat at this scale.

As I mentioned earlier, I am very proud that our users, partners and teams adapted fast. In September, average daily orders rebounded to 5.8 million, up nearly 12% from August. Despite the regulatory environment, our consolidated revenue and PAT grew 18.9% and 58.2% year-over-year, respectively.

And the stand-alone OPM was at 48.9%, which is above the range we have been guiding. This is a proof point of our strategy and execution. And of course, the strength of capital markets ecosystem in India.

The road ahead is also getting clearer with SEBI circular yesterday evening on updates to closing auction session, CAS. This will bring greater clarity to traders, and we expect that to create some tailwind for us.

40 million Indians have chosen Angel One as their way into the markets. We welcomed nearly 1.5 million new clients this quarter, 11.6% more than Q1, and we did it while keeping acquisition costs well under control. We also witnessed growth in our NSE active client base, leading to an expansion in our active clients market share month-over-month in each month of this quarter.

And here's another interesting number you'd like to take away. Our average client funding book reached a lifetime high of ₹ 74.5 billion, up about 40.5% from a year ago. Our overall equity retail market share based on option premium turnover stood at 19.7%. In the derivatives, we held our position with a retail turnover share of 22.1% for the quarter, and it rose to 22.5% in September, even as our market share in cash moderated.

In commodities, our turnover more than doubled over last year. Our share came down to 44% because of market expansion owing to more participants entering the market, which is a sign of how fast the segment is growing. We are one of the leading players now in a much bigger market.

On investing, our SIP registrations grew nearly 12% over Q1. For many of our clients, mutual funds becomes the first engagement on the platform.

Credit is where I'm especially excited. Responsible credit is a tremendous opportunity for India, and the journey is just getting started. In September, we delivered our highest ever credit distribution, taking our annualized run rate to ₹ 33 billion. That is powered by continuous advances in our AI and ML capabilities. Our credit models run on a continuous data flywheel of learning, iteration and refinement. This helps us sharpen risk assessment, making sure that we show loan offers to the appropriate cohorts, reducing risk for consumers as well as our lending partners. We upgraded our probability of default model and launched the early beta of our loan against securities offering. As we have always guided, we will scale this business with discipline and responsibility. With a client base of this size, the opportunity in front of us is very large.

Our wealth business is gaining depth as well with Ionic Wealth AUM at ₹ 160 billion, up 19.1% over Q1 FY27. The regulatory backdrop is also turning positive supportive with SEBI's Board approving new portfolio manager regulations. A wider product shelf means platforms like ours can offer clients richer, more diversified portfolios.

In Asset Management, our AUM stands at nearly ₹ 6 billion, and we are evaluating a comprehensive play in this business, including bringing a new leader to build, scale, build and scale. We'll share more in future quarters.

Two developments give us new ways to serve our customers. First, we have received authorization to operate as a Global Access Provider in the IFSC. With that, we are piloting U.S. stocks on our platform. We are excited about providing a simple way for our users to access the largest market in the world.

Second, IRDAI's September consultation paper proposes a reset of insurance commissions with the aim to lower insurance costs, thus bringing the product within reach of many more Indians. It's still a proposal, but we believe a lower cost, more transparent model is good for the consumers and favors digital platforms like ours, which can reach clients at scale and add insurance to the financial relationships we are already building.

What ties this together is our technology capabilities and a platform built to be product agnostic. We can go deeper across capital markets, wealth, credit and other financial services. Each addition deepens the relationship, raises lifetime value and unlocks operating leverage without a proportionate rise in cost, and that compounds across customer economics, profitability and enterprise value.

Now AI. For us, it's becoming a shared intelligence layer across the group, embedded in our business, products and operations. For customers, it makes discovery, engagement, support and personalization better. Inside the company, it speeds up productivity, automation and decision-making across functions.

All of these sit with a strong governance and security framework, which is critical as we scale the AI-first operating model because security and trust are non-negotiable. This quarter, we strengthened our cybersecurity stack with AI-driven vulnerability detection and automated remediation workflows, improving our resilience and reducing risk exposure.

To sum up, Q2 tested us and the platform held up. A record funding book, nearly 40 million clients, orders recovering, stand-alone margins above the upper end of our range and a credit business that's starting to scale further. India's financial journey is a long one. We are building Angel One to be with our clients every step of the way in this journey. Thank you.

And I'll now hand over to Vineet, our Group CFO.

Vineet Agrawal:

Thank you, AK. Good morning, everyone. Let me take you through our financial performance for the quarter and highlight a few underlying trends that I believe are particularly noteworthy. We delivered a strong earnings performance in quarter 2, notwithstanding a relatively subdued capital markets environment.

Consolidated gross revenue stood at ₹ 14.3 billion, growing 18.9% year-on-year and remaining broadly stable sequentially despite moderation in trading activity. What is particularly

encouraging is the strength of our profitability. Consolidated operating profit grew 52% year-on-year to ₹ 4.9 billion, while the consolidated profit after tax increased 58% to ₹ 3.35 billion.

The significant outperformance of earnings growth relative to revenue growth reflects the operating leverage and growing earnings capacity of our business. An important development has been the continued evolution of our revenue composition.

Gross broking income now accounts for approximately 55% of total revenues compared with nearly 60% a year ago. Interest income grew 34% year-on-year and 9% sequentially to ₹ 5.1 billion, supported by the continued expansion of our client funding book.

The average client funding book increased over 40% year-on-year to ₹ 74.5 billion, while the closing book reached a record ₹ 82.1 billion. Importantly, the number of funded clients increased by nearly 30% over the last year to 437,000, reflecting broader client adoption.

Distribution income also recorded healthy growth, supported by strong credit distribution and IPO activity. The increasing contribution from these businesses is progressively broadening our earnings base and enabling us to monetize our growing client franchise beyond transaction-led income.

Moving to profitability. Consolidated operating margins stood at 45.1% compared to 34.5% in the corresponding quarter last year, an expansion of over 1,000 basis points. At the stand-alone level, operating margins reached 48.9%, exceeding our guided range of 40% to 45%.

Importantly, after normalizing for seasonal IPL expenditure and ESOP-related reversals, consolidated operating margins remained stable at 43.8% compared to 43.6% in the preceding quarter. This stability in underlying margins despite softer trading activity and continued investment in growth reinforces our confidence in the operating efficiency and scalability of our business.

While quarterly margins will naturally fluctuate depending on market activity, seasonality and the timing of investments, we remain confident in our ability to sustain stand-alone operating margins of around 45% on an annual basis.

This provides us with the flexibility to continue investing in future growth opportunities while maintaining a healthy balance between growth and profitability. Coming to our balance sheet. Net worth increased to ₹ 67.1 billion compared with ₹ 58.3 billion a year ago.

Borrowings stood at approximately ₹ 75.5 billion, largely reflecting the expansion of our client funding portfolio. The underlying portfolio remains granular and well collateralized. Approximately 84% of clients -- funded clients have exposures below ₹ 100,000, while 82% of the closing book is less than 30 days old.

Delinquencies remain negligible, reflecting the quality of the portfolio and our robust risk management practices. As the funding business scales, we remain focused on maintaining adequate liquidity, optimizing funding costs and ensuring prudent capital deployment.

The Board has also approved the second interim dividend for this financial year of ₹ 1.4 per share with October 22, 2026, as the record date.

Before I conclude, I would like to put our performance in a broader perspective. Over the last several quarters, we have been steadily strengthening our earnings capacity of our business through an expanding revenue base, deeper client monetization and improved operating efficiency.

An important characteristic of our financial model is that the customer acquisition costs are largely incurred upfront, while existing customer cohorts continue to contribute revenues over time with relatively low incremental servicing costs.

As customer relationships mature and product adoption deepens, this creates meaningful opportunities for incremental earnings and operating leverage. What is particularly reassuring is that we are seeing the benefits of this model even during periods of relative subdued trading activity.

As market conditions become more supportive, we believe our broader earnings base and scalable operating infrastructure position us well to capture incremental opportunities and translate them efficiently into profitability.

Our financial priorities remain clear, maintain healthy margins, strengthen return on capital and ensure that our investments translate into sustainable long-term shareholder value. Overall, Q2 reinforces our confidence in the financial strength, scalability and long-term earnings potential of Angel One.

With that, we would be happy to take your questions. Thank you.

Moderator:

Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Swarnabha Mukherjee from 360 ONE Capital.

Swarnabha Mukherjee:

Sir, so I have three, four questions. And first of all, congratulations on a great set of numbers in a difficult quarter. So first of all, I just wanted to start with the stand-alone margin guidance that you have provided of around 45% at the annual level. So just wanted to understand that you would be giving this including the IPL cost, right? Because you are already at almost 49% this quarter at a stand-alone level. I wanted to understand the nuances of this?

Second query is on the client acquisition part. So if I look at how the demat accounts are getting added in the industry, I think we are in our gross client acquisition running slower than the industry.

So I just wanted to understand the thought process that why we are not going aggressively in this? I mean -- and how are the activation rates trending post the client acquisition? And when you acquire a new client nowadays, which segment are they starting with broadly, if you can give some idea. So that's on the client acquisition part.

And then a couple of other questions in terms of, say, for example, the employee benefits expenditure, ex of the ESOP cost. So that has come very benign this quarter. So what has happened? And would we expect this to be the run rate there or is there any one-off in that number? So if you could explain this. Yes. So these are my questions. I'll come back with some other smaller queries post this?

Ambarish Kenghe: Let me -- thank you, Swarnabha, for the question. Let me pass on to Vineet for the first question, and then I'll take the next two.

Vineet Agrawal: Thank you, Swarnabha. On your question about the margin guidance. So this margin guidance of about 45% for the broking and distribution business on an annual basis, subsumes all the expenses, including the IPL. So as I mentioned in the commentary that there could be some gyrations in the quarters. But on an annual basis, we will endeavor to achieve 45% operating margin.

Ambarish Kenghe: Swarnabha, your question on client acquisitions, like we said, our client acquisitions are 11% higher than Q1. That said, we are always very mindful of how we acquire and how the activation trend. Overall, the activation trend has been strong for us, and we are continuing to grow stronger on that front.

As you know, activations can also vary seasonally. But adjusted for that, we are generally trending in a better direction. And you are seeing that in our NSE active numbers also that last 3 months, actually, we've improved market share in NSE actives and reduced the difference to the next largest player from us. So it's actually overall a very strong performance on client acquisition because we just don't look at KYCs and CDSL share, but we really look at the getting activated and generating revenue for us. So that's on the client acquisition.

On employee benefits, what's happened is that we have -- I think -- we may have mentioned this, but what we have done is that for increasing productivity, we brought most of the employees back to office, and that has actually increased the productivity and overall just morale in the team. That did result in some attrition, which we were expecting. And so you're seeing some of that fully playing out in this quarter, and some of it was just onetime costs in the last quarter as that attrition happened.

But Vineet, more to add there?

Vineet Agrawal: Yes. So we'll continue to maintain our guidance of about ₹ 1,100 crores of employee costs, including the cost of stock options for this financial year, which is flat for year-on-year comparison.

- Swarnabha Mukherjee:** Got it. This is very helpful. I think just ask a small question. One is on the new SIP creation, what we saw in SIP in September for you guys that there was almost a 17%, 18% drop in that number...
- Ambarish Kenghe:** Earlier, we were able to hear you. We are not able to hear you on this question.
- Swarnabha Mukherjee:** Yes. Can you hear me now? Is this better?
- Ambarish Kenghe:** Yes.
- Swarnabha Mukherjee:** Yes. So I was asking what the new SIP creation number, what you disclosed in the September release, there has been the drop that we are seeing, I think that is more than what we have seen for the industry. Just wanted to understand that what you are seeing on thinking there? And is this more a direct versus regular kind of phenomenon and how to read this?
- And the CAS paper that came yesterday, do you think that this would help you to -- as you mentioned, there are tailwinds, but I mean, is this as per what your expectations were? And does this sort out the challenges that you think were there in terms of volume and you should be able to recoup back to the earlier levels with this?
- Ambarish Kenghe:** Swarnabha, so all very good questions. On SIP registration, again, things vary month-to-month, so I wouldn't read too much into it. Also, the SIP registration can sometimes be a bit optical because it just counts lots of like sometimes it will count edits, new registrations, all of it. We do keep following what the SIP inflows are, how active SIPs are trending. So I wouldn't read too much into that number for September. Over a broad period, it probably provides a better metric.
- On CAS, I mean, I think the circular came last night. I think very thankful to the regulator because I think all the regulators in India are very progressive and continuously monitoring both the consumer protection as well as the strength of the ecosystem. And this is a proof point of what we've always been saying that overall, regulators are looking at things and improving it, and this is a fantastic proof point of that. I already see -- so if you see October and I'll come to CAS, but if you see October ADTO for, let's say, F&O overall in the industry, the October ADTO month-to-date compared to September is up about 39% for options from what I see till 14th of October for overall industry. That doesn't mean like one-to-one increase in orders, but that does give you a sense of where things are trending already in October. We do think that CAS provides, as I mentioned in my previous note, it does provide -- the new circular provides clarity and it will create more tailwinds for us.
- Moderator:** The next question is from the line of Vivek Ramakrishnan from DSP Mutual Fund.
- Vivek Ramakrishnan:** Congratulations on a solid performance. My questions are 2. One, in terms of you classify your stocks into blue chip, good and average. Sir, if you could provide how much of the portfolio is in each of these categories, that would be very useful because it will help us deal with when this market volatility.

Second is interest rates have been on the rise. So I wanted to know your flexibility in raising interest rates or is it a band of interest rates that you operate in? And how is the competitive dynamics there for your MTF book?

Ambarish Kenghe: So on the first question, I'll have Bhavin come in. I'm assuming you're talking about our MTF book, right, Vivek?

Vivek Ramakrishnan: That's right, sir.

Ambarish Kenghe: Bhavin?

Bhavin Parekh: Vivek, as you know, from our risk policy, we classify stocks into blue chip, good and average. And there are individual limits for individual customers across this category. Largely, our book is good and blue chip constitutes almost upwards of 85%.

Ambarish Kenghe: Thanks, Bhavin. I'll have Vineet take in the next one.

Vineet Agrawal: On your question about the rising cost of borrowing and the cost that we charge to the clients. I think for the time being, we are not looking at any increase in the lending cost. So it remains at 14.99%. And the cost of borrowing has marginally gone up because of the increase in the benchmark rate by RBI, but it's within our toleration limit. So it's okay. I mean, the NIMs haven't really gotten impacted.

Ambarish Kenghe: I think the other thing to note here is that our book is growing in a very healthy way. So that continues to be a fairly healthy business for us. It's -- as we mentioned in the last quarter, it was all-time high.

Moderator: Our next question is from the line of Prayesh Jain from Motilal Oswal Financial Services.

Prayesh Jain: Congrats on a good set of numbers. A few questions. Firstly, if you look at your market share in terms of ADTO, while on F&O it's been kind of holding up, but commodities, cash, it's been kind of falling and especially with your growth in margin trade funding book, I would have expected the expectation would be otherwise, right, the MTF has a higher churn as well. So in that sense, what is the kind of course correction we are looking at here? And how should we think about the market share improvement trajectory? That's question number one.

Question number two is on your distribution side of the business where credit has seen volatile times in your data where you went down and then again, you've kind of recovered and September has been a new high.

Now that you would have recalibrated your risk management risk practices, would you say that it will be more of a structural story now or it will still kind of go through the volatility? And can you give some color in here in terms of whatever the realizations that you make here?

And on the third question is on the Wealth Management side, where we have reached a reasonably good sized AUM. Where -- what is the size of revenue that we are building and I've been asking this question for some few quarters now, but it's a reasonable size AUM now. And what is the percentage of AUM that is actually earning fees for us? Is the entire AUM earning fees for us or what's some unit economics that can help us build this for the future?

And last question, Ambarish, to you, how do you think about, say, the mix of revenue 3 years out from today? Broking obviously went down this quarter and went down to 54%. But obviously, we know it's because of the CAS and if the volumes are back, broking will see a jump again.

We are still dependent on quite a bit on broking. So how do you see the business mix kind of panning out in the next 3-4 years? And having this costs incurred, do you want to think about a 45% margin going to a 50% margin, say, in 3 years' of time?

Ambarish Kenghe:

Prayesh, all great questions. Let me take one by one. On market share, as you noted, I think F&O, we've held up really well, and we talked about September share being 22.5%. So that's been on an upward trajectory, if anything.

On commodities, we talked about it. I talked about it in my initial comments, that the markets expanded. Our ADTO has gone up more than 40%, but the market has expanded, which is actually a good thing. We always welcome the market expanding.

Also, there is a little bit of a nuance there on the market share because it's a ADTO market share, sometimes commodities that have higher ADTO may not have higher number of orders. So we are never running after that sort of optics even though we report it, we never try to manage those optics and we say, look, wherever the consumers want to have orders and want to actually utilize it, that's where we are going.

So there's a bit of a mix of things there. But overall, there's a big market expansion story and ADTO has been going up there, orders have been going up there. On cash, it's a segmented story there, and that is what I think you very astutely pointed out that the MTF is going up while you're seeing the cash share go down. Part of it is it's a tale of segments. There are various segments of customers within cash itself.

And when certain market conditions exist, you see one segment going up versus the other one going down. And we may have a different set of customers there, and that's what's likely resulting in that. What you saw is that actually, as a percentage, our cash broking share has, in fact, gone up. Some of it was the F&O share going down.

But overall, we don't think there is any sort of challenge there. We continuously are improving our product, and we'll keep seeing more work on that front. Let me take the mix of revenues and then I think for Distribution and Wealth I'm going to pass to Shobhit and distribution, I'll talk a bit and then pass to Saurabh.

On the mix of revenues, you -- like you pointed out, this was an interesting quarter for F&O. But overall, our F&O share has been on a downward trend, which is actually healthy because you've got sort of a diversified set of portfolio coming up. And Q2 was very encouraging in that sense that other things held up. Your interest income is higher, and that held up even as the F&O share went down. And overall, if you see what is very interesting, which we've talked about in the long term is that beyond broking, you're going to see low double digits in the next 2 to 3 years, we're already starting to get to about 5% there in distribution revenue.

But over the next 2, 3 years, we should expect again same guidance, low double digit in terms of revenue and it will start contributing and accretive to our PAT. On credit distribution overall, this was the best month ever for us. And I think we are seeing lots of good momentum there, but Saurabh can talk more about it.

Saurabh Agarwal:

On credit, I think a fair question. But look, as a distributor, there are a ton of factors that keep playing on the distribution side. Some of them are within our control. Some of them probably not, say things around regulators, things around lenders, risk appetite, etc., are things that also move the distribution play. Having said that, I think we have done a really good bunch of things over the last quarter or two. And we are seeing good results, be it in terms of AI ML models and in terms of our platform stability and a deeper integration with partners. So things look really positive on the credit distribution side and hopefully, we'll go on to create newer highs over the next few quarters.

Ambarish Kenghe:

Thanks Saurabh, and Shobhit will you come in on the Wealth Management question?

Shobit Mathur:

Yes. Thanks, AK. So Prayesh, I think like we have always maintained, we are building the Wealth Management business, a very strong relationship-based focus and primarily, the focus is more to build annuity-based assets. And I think that's the breakup of the way the assets are today also getting built, primarily more annuity-based assets. And I think margins we have always maintained, will always be in line with the industry. We are, in that sense, on track to sort of be in line with how industry benchmarks are. I think too early to give more specifics, but you can assume that margins will be in line with the industry standards.

Prayesh Jain:

Just one follow-up on the wealth side. When you say ₹ 160 billion, ₹ 16,000 crores of AUM and you've given a ARR breakup there as well. Is the entire ₹ 160 billion earning fees today, whether some of that AUM is just transferred to you and is classified? Because even if I assume 100 basis points yield, that's talking about ₹ 160 crores kind of a revenue and yearly revenue, and we're talking about a ₹ 40 crores revenue from that part of the business, but that doesn't seem to add up in the -- on the distribution side. So what part of the fee is actually -- what part of the AUM is actually earning fees for us rather than just sitting there in AUM?

Shobit Mathur:

Yes. So again, I think we specifically separately give out the assets which are under custody, which are assets which do not earn, which is a very small number. But overall basis, I think the industry margins are not -- at least in the ultra-HNI segment, they are not in the ranges that you spoke about. The margins overall at an industry level are more closer to that 0.5% kind of

mark. So I think the way you should think about is more in line with those kind of industry benchmarks.

- Amit Majumdar:** Prayesh, if I may also add. So in typical wealth management business, we acquired assets over a period of last 12 months, and they have been acquired at various points in time. So if you are looking to apply the margin yield -- I mean, the industry yield to the closing AUM, you will not get the desired number because the AUM obviously is spread not evenly across the year. So that is one reason why. But we continue to track the AUM basis the yields that are generally prevalent in the market. And as we stated, the yields are thereabouts as far as the industry standards are concerned. And so at the end of 12 months of every asset acquired, it will be at that yield. So we are tracking that very closely.
- Prayesh Jain:** Ambarish, you didn't touch upon the margin front, 45% going to 50% stand-alone, is that what should we think in 3 years out?
- Ambarish Kenghe:** Prayesh, I think we continue to -- I think, look, we don't want to give a give you a prediction beyond a certain point, but you should assume strong margins. The only reason you're not seeing that like specific guidance is that as we see growth opportunities, we want to be able to invest in them. And we'll always think about long-term growth. So as we go opportunities, we want to be able to continue to invest in that. But 40% to 45%, we can give very comfortably. We have seen that very comfortably. It will, at times go towards 50%, but I don't sort of provide that specific guidance at that time because as there are growth opportunities, we'll continue investing in them. But you're seeing the results as you continue -- our margins are continuing to improve.
- Moderator:** The next question is from the line of Mohit Surana from HDFC AMC. Since there is no response from Mohit, we'll move to our next participant, Nidhesh from Investec.
- Nidhesh:** I have two, three questions. First question is on the cash brokerage, are we charging any differential brokerage for MTF customers or is it flat across all customers? Second question is on mutual fund distribution, we have seen pretty healthy growth there. What is the share of regular plan within the mutual fund distribution? And third is, if you can quantify the drag on EBITDA margin because of the new businesses?
- Ambarish Kenghe:** So on the cash brokerage for MTF, we charge the same. We don't do a differential brokerage on that. On MF distribution, regular is about one-third of the total distribution, if you look at it. What was your third question?
- Nidhesh:** What is the drag on EBITDA margin because of the new businesses?
- Vineet Agrawal:** So that burn is about 3.5% to 4%, as I mentioned in the previous call also. So it remains in that range.
- Nidhesh:** So it has increased right? Earlier, it used to be around 2%.

- Vineet Agrawal:** When we started operations when the scale was low, say, about 6 quarters back, it used to hover around 2.5%, 3%. Now it's about 3.5% to 4%.
- Nidhesh:** Sure. And just one question is on the AP channel. What is happening there? And I think earlier we had aspiration to scale other products from AP channel also. So what is the progress on that? And how the broking business in AP channel is doing in terms of your share? And any trend that you can share on the broking business and the non-broking business from AP channel.
- Ambarish Kenghe:** I'll have Nishant come in on that, who's the Chief Business Officer for the AP business.
- Nishant Jain:** So happy to report that we are having very strong growth trends as far as the assisted business is concerned. We are, in fact, tracking ahead of the industry, if I was to quote the relevant competitors. We are way ahead of them in terms of our growth for the first half of this year.
- As also the distribution products are tracking as are now in a triple-digit growth and primarily because of a low base that we have. And there is a very clear-cut progression that we are seeing and the metric that we are tracking as a percentage of distribution revenue to the overall revenue, and that continues to be on a healthy trajectory.
- Nidhesh:** And can you speak about what all products we are distributing from the channel apart broking?
- Nishant Jain:** So we do everything that is being cited here, which is part of wealth products, mutual fund insurance, lending and some more. Advisory as well.
- Moderator:** The next question is from the line of Mohit Surana from HDFC AMC.
- Mohit Surana:** Just a question on the new client acquisitions. So what we have seen is that if we have -- if we look over, let's say, a 2-year period on the client acquisition side, we have added approximately 1.2 crore clients on a total user basis. However, the NSE active or the active clients have actually declined by around from 7.4 million to 6.8 million, so 6 lakhs, 7 lakhs.
- So one is what the trend in terms of lower activation in case of new users versus existing users? So the drop in activation rates, where is it impacting more in terms of these two cohorts?
- The second is that how does that -- how does that activation rate mathematics feed into your LTV to CAC thresholds that you apply for new customer acquisition? And is that the reason for slowing down the customer acquisition over last few quarters? And hence, the follow-up is that when do we feel confident to go back to the kind of acquisition rate that we had earlier maybe 1.5-2 years back. Yes, those would be my questions.
- Ambarish Kenghe:** Thanks, Mohit. All good questions. Look, I think the NSE clients I talked about this that, in fact, the last few months, if you see, we've been actually increasing that share. Over a period of time, we do expect our NSE actives to increase. The industry in the last 2 years also, if you see, when the stock market is doing well, there is more happening, more people become active,

more people want to participate in it. Last two years have been a very interesting period from that perspective that you've not seen indices go anywhere and slightly muted performance from the stock market. So it's a very sort of specific time to pick up on. So we are seeing some of that happen there.

On the second question on the -- how we think about client acquisition. In general, what happens is that we have various channels across the board, including our AP channel, performance marketing, organic across the board, we are looking to acquire customers.

Wherever we find the right equation for us, we go and acquire them. Because the -- again, going back to because the performance in the stock markets have been somewhat muted. You've seen fewer people interested in it than there used to be. Also, there have been -- with the F&O regulation, there were some structural changes in the industry as well that caused some of that sort of interest to perhaps wane away. But I wouldn't read too much into that sort of specific of us trying to adjust it. It's really based on where we find the growth at the right price because we want to create long-term value for our shareholders. I wouldn't -- like I mentioned in the previous question also, we don't want to focus on CDSL share or just a number of KYCs because that can become optical at times. You will see us create more value in terms of creating more actives and activation, which is what you saw, for example, in September, we were the second largest addition of actives, of any player in the industry. So you'll continue to see that growth. And wherever we find the right opportunity, we'll continue to invest and acquire customers.

Mohit Surana: Got it. And just a follow-up on that. So when you think about a customer cohort having a particular characteristics, does the LTV of that kind of customer cohort would have come down because of the structural changes in the industry over the last 2-3 years? I understand that, that would obviously have a lot of variable and it has its own drivers, but just wanted to understand more in terms of LTV, how we are thinking about a particular customer cohort over time? Has the LTV come down or has it remained the same?

Ambarish Kenghe: I think you are seeing a multitude of factors in the last 2 years. So if we just take that into account, you might have a different set of calculation. But overall, as we are adding more products to it and as customers stay with us, I think we'll have a fairly strong LTV value. So I don't want to guide anywhere differently on that front.

Moderator: The next question is from the line of Abhijeet Sakhare from Kotak Securities.

Abhijeet Sakhare: My first question is on the acquisition cost. I just want to kind of qualitatively ask or maybe details of some numbers to check if there's been any material change...

Ambarish Kenghe: Abhijeet, you're not very clear. We can kind of hear you, but it's not fully clear.

Abhijeet Sakhare: Yes. I was checking on the acquisition cost, post your joining maybe the last 1, 1.5 years, have you implemented anything material in the way you were acquiring customers and the cost

effectiveness of it and in terms of throughput or anything at all in terms of some sense on if something has changed out there?

Ambarish Kenghe:

We've been actually making that engine more and more efficient. Sometime -- and across the board, I think the company is becoming more efficient and you are seeing that across the board and how the costs are trending.

On the acquisition, Abhijeet, we have done a bunch of changes and made it more efficient in terms of what happens on performance marketing in various channels, but also in the AP channel as well, things have become more efficient and where we focus harder on activations as well as make sure that we can balance across channels. And you're always looking at the marginal CAC of a new action, not just sort of a collective cost of a broad channel. So there is stuff going on there. We have made a bunch of product changes also that have created incremental activations for us. Now some of this will show up as the market returns to normal. As FPI starts investing, you've got as the indices come back to the regression to mean will, should happen there. So you'll start seeing that fare more, but we can see because we end up doing A/B tests, and we are seeing very clearly incremental benefit of the work that we are doing on that front.

Arief and Nishant, anything to add there?

Arief Mohamad:

No, I think you've kind of covered a bunch, AK. I think there are a lot of tactical adjustments that keep happening quarter-to-quarter basis the market scenarios. But as Ambarish mentioned, activation is the absolute priority for us at this point of time in terms of finding the right balance of channels and the right product experiences.

Abhijeet Sakhare:

Second question was I just wanted to double check if for the next financial year, did you mention that you would be aiming for 45% sort of a margin or is there a scope for improvement?

Vineet Agrawal:

Well, there's always scope for improvement. But yes, we would endeavor to achieve 45% operating margin on an annual basis, and there could be some gyration quarter-on-quarter. But businesses are unpredictable, so we can always gun for a higher margin.

Ambarish Kenghe:

One thing, Abhijeet, I want to mention, that is something a trend you can see over the 1.5-2 years for us is that -- and it's -- I mean, everybody said this is cliché, but I'll say it again, is that we control the controllables and what we can control is our productivity, our efficiency, and that is continuously going up. So as the market supports, you could see a much higher OPM as well. But given sort of that we can't predict the future, therefore, you're seeing that kind of 45% kind of guidance. But we are -- we will continue to be efficient on the cost. We'll continue to increase our productivity. So you could see it go up higher as well.

Abhijeet Sakhare:

Got it. And just last one, given the plans to scale up the NBFC book as well, if you could give some thoughts around the dividend payout ratio over the next, let's say, couple of years?



- Vineet Agrawal:** The dividend distribution is guided by the requirement of capital for the business. I think as far as the current situation is, we're good to keep giving this dividend out quarter-on-quarter and continue to invest in growth of new businesses. So I don't see that as a challenge.
- Moderator:** The next question is from the line of Madhukar from JPMorgan.
- Madhukar Laddha:** Congratulations on a good set of numbers. Two questions from me. First, I think you mentioned in your opening remarks that you are looking to open up international investing and especially U.S. investing. So I wanted to know what is the time line or time line on this? And what are you -- how are you doing it? Are you setting up your own operations or your partly just tying up or U.S.-based broker to offer this product? And maybe you could spend a little bit of time just giving us a better understanding on this, please?
- Ambarish Kenghe:** I'll give you a bit, and then I'm going to pass it on to Arief for more detail. So we have already - we are already in pilot for U.S. stocks. And like with any product, we want to be absolutely sure that everything is going right. And we've already seen orders flow through that. And this pilot is not internal. It's already out for a certain number of customers. And we just have a standard process of rolling it out as we see and fix anything that comes up. But we are seeing very encouraging interest in that. We are -- like I mentioned in my opening remarks, we have sort of GAP license in the IFSC. So that allows us to operate this, but we do also have partners outside on this, and that is required.
- Arief, do you want to take -- put a bit more detail on that?
- Arief Mohamad:** Yes. As AK mentioned, we are operating through GIFT City and we were tied up with a U.S. brokerage firm kind of partners with us, right? And obviously, a bunch of other entities who can give us the right data from U.S. markets in real time and all that. So that's what is happening on that partnership side.
- Ambarish Kenghe:** This is a fantastic opportunity because I think Indians more and more are looking for global investing. And that again, like as we diversify our business, the whole idea is to even out the sigma. If there is gyrations on one end, the other one actually acts as a baler. And you've seen a bit of that with our diversified portfolio. This is sort of another one. And there is a ton of interest from Indian customers in U.S. stock market at this point in time.
- Madhukar Laddha:** Right. And I also noticed like on to Jio app, I think it was Angel only that was offering a sort of no fee plan. Can you talk a little bit about that? I mean, like -- I mean, absolutely no charges plan. Why are you making that offering and what's your sense in terms of competitive intensity? Do you think that in any adverse environment, you would still have power to sort of raise prices in case there's a crackdown on derivatives? Can you -- how do you think about pricing for your cash segment?
- Ambarish Kenghe:** So two different questions, Madhukar, there. So first one, as I understand that you mentioned that you saw some banner on the Jio app. And look, I think there is no special pricing on that

one. We offer certain -- like we'll offer certain free orders to customers as any customer joins in, so there is no special pricing for, Jio. It is -- and across the board, we have a bunch of acquisition channels, and this one is acting like one. So there's nothing special going on there. Now you merged the two questions, so I'm a bit confused about the second one. Could you please repeat that one?

Madhukar Laddha:

Second one is more -- what are you seeing in terms of competitive intensity given that there are other large corporate houses also who are launching sort of their own brokerage operations and the pricing of there is also very low, right? So then do we see a risk in our ability to raise prices in case of any adverse developments, let's say, on the derivative segment, etc.?

Ambarish Kenghe:

Okay. I think, first of all, Madhukar, again, a good strategic question. On F&O as you see our share actually is very strong and going up, if anything. So I don't think we are -- we think we have the right pricing right now. We are not looking to either increase or reduce it. At this time, I think it is working really, really well. So I don't see a problem.

On -- in terms of F&O, the near term actually looks very good because we talked about the cash circular that came out yesterday evening. So you will see actually that, that will create an upside. Long term is hard to predict, which is why you're seeing pricing is one action, but you're seeing us diversify the business.

So across the board, you will see that ballast action where distribution business is there, cash is there, commodity is there. So across the board, you will see that happening. So right now, I don't see a challenge for us at all.

The other thing to note in this market, which we have seen that there are players who are pricing across the board. Some people would have less than us, some would have more than us.

The important thing to note is that because it's a business of trust and money, people definitely want to make sure that they're going with a trusted player because the brokerage is a very small part of the investment that they are making. So while there is some price elasticity, we don't think it's a challenge for us in how we are charging customers and future is hard to predict, but I think we are in a good position here.

Moderator:

The next question is from the line of Dipanjan Ghosh from Goldman Sachs.

Dipanjan Ghosh:

Two questions from my side. First, obviously, for you and for the industry, the MTF book has grown quite considerably over the past quarters. Now I just wanted to understand internally, have you done any exercise to understand if the customers are in the green or in the red on an average, given the extremely short tenure of holding to the book which you have presented? So just some qualitative color on that will be useful.

The second question is on the ultra HNI versus the wealth-tech AUM that you give. Now when you look at it 5 years out in terms of scaling both these propositions, I would presume that the

customer servicing intensity, the product quality, a lot of things will be different across these 2 businesses. So just in terms of your understanding of the scalability and scope of profit in both these businesses, which ones do you think will probably have a bigger share of the pie?

The third is on the brand spend, you have the ongoing IPL spend, which will go on for 1 or 2 years. Now -- but given that by now you have become a very large brand compared to, let's say, where you were maybe some years back and you have become more diversified also, do you think there's a potential for you to drive a little bit of reduction in that on a, let's say, percentage of revenue basis as you kind of scale and become bigger and bigger? Do you think there's a potential to kind of normalize or rationalize the brand?

And the last is a data keeping question, if you can give the product per customer right now versus, let's say, 1 or 2 years back?

Ambarish Kenghe: Your line is not very clear. Could you repeat the last question, please?

Dipanjan Ghosh: Sir, last one was on the products per customer. What would be the average product per customer today versus, let's say, two years back?

Ambarish Kenghe: Let me take the brand spend question, I will go through these questions one by one. See, product per customer is a data that we don't share, at this time. We'll think about looking at sharing it in the future since you're interested in it. On the brand spend, look, thank you, first of all, for recognizing the fact that we are actually a more known brand than we used to be and the IPL spend and all the work that the brand team is putting into it is helping, which is fantastic. You should expect that over a period of time as a percentage of revenue, definitely, the spends will come down unless we sort of see a new opportunity, which in my mind, as a percentage of revenue, it will come down because I don't see the spend going up too much from here, but our revenue will scale. So you will definitely see that percentage spend go down.

I'll ask Shobhit to take the ultra-HNI question, and then I'll get with MTF question.

Shobhit Mathur: Yes. I think on the scale up, we have always maintained, I think, very, very strong tailwinds in this segment of the market, where as we have seen scale up of asset management companies, mutual funds, PMSs, AIFs, I think usually globally also wealth management trails the growth in asset management companies, and to that extent, I think there is a very strong tailwind, which is why the wealth management piece is a very, very exciting piece for us to keep building towards. I think the right ingredients there are very strong focus on investment and research, which is what we bring as people having done that for decades of experience. And of course, the second piece which we are building towards there is having a very strong layer of technology, which is also something which we did in the form of the release of the new AI campaign that we had done.

So I think the focus continues to remain both on the ultra-HNI segment as well as on the emerging HNI segment because that segment is also growing very, very fast in India, but it is

going to be driven with a very strong lever on the underlying investment and research capability that the team has. We also bring in a very strong perspective about getting people to diversify their portfolios globally. So we do also offer them through our GIFT City funds and multiple third-party offerings. And also from an overall standpoint, I think the way we have structured our business is that we offer -- because you're dealing with HNI, ultra HNI customers, you have multiple licenses, so different customers come and deal with you in different forms. So we -- from a distribution license of a mutual fund to an asset management license to an advisory license, we offer customer services across the whole spectrum of their investment needs.

So I think that's the basis on which the business should keep building. And I think it is clearly a very long-term story that one is chasing there. So very, very strong tailwinds, which should continue to power that growth.

Ambarish Kenghe:

Thanks, Shobhit. And I know we are at time, but we'll maybe take a couple of more questions. On MTF book, Dipanjan, the quality of the book is solid because our margins change depending on the scrip that we are giving MTF on.

And therefore, a little to no risk on that front because we have the ability to square off if margins fall below a certain point. And I'm continuing to see that book grow in a very healthy way. So no challenges there. Just very happy with the quality.

Moderator:

The next question is from the line of Sanketh Godha from Avendus Spark.

Sanketh Godha:

Just wanted to understand the current employee count because in the current quarter, the EBITDA margin also expanded because of the decrease in the employee cost, which in the waterfall you mentioned around ₹ 20-odd crores. So just wanted to understand whether we -- what is the current employee count? And do you think this count will further come down with the productivity or efficiencies going up?

And that's the reason you are confident in telling that the normalized EBITDA margin, which is 43.6% today, we will expand to 45% kind of a number by end of the year. So just wanted to understand the lever which exactly will play out from 43.6% normalized EBITDA margin going to 45%.

Vineet Agrawal:

Sanketh, first of all, the 45% margin that we guide is on a broking plus distribution business that does not include the other businesses. And the 43% includes the other businesses. So that's the difference. On the employee count, the current employee count as of 30th September is close to about 3,050-odd employees. And yes, this has definitely come down. as Ambarish had mentioned that there were some attritions in quarter 4 and quarter 1. So that is there. We've slowed down the backfills, and therefore, we don't think that this count will go up dramatically over the next few quarters. And therefore, we are confident of being able to achieve our employee cost guidance of about ₹ 1,100 crores, which is flat as compared to the previous year for this year.



- Ambarish Kenghe:** Sanketh, one thing I wanted to add is that -- it is not just about the count, but it is about the density of talent that we have. And continuously, the approach is to increase the density of talent, similar to how we talked about customer acquisition. Wherever we have opportunities, we get great talent, we'll continue to acquire that because if that productivity works for us, that's great. So it's really about increasing the talent density. Numbers like Vineet guided will stay like that, but you should look at more the productivity and talent density.
- Vineet Agrawal:** I think on the margin guidance, the dominant force for the improvement in margins is going to be the revenue growth. Cost definitely will play a part, but I think it's dominant guidance will be -- propensity will be with the growth in revenue.
- Sanketh Godha:** Understood. So Vineet, just extending this point, I mean, 43.6% -- 43.8% Q-on-Q2 normalized EBDAT margin. This number, how do you see to play out in full year '28 -- on consol, I mean to say, all businesses put together. How do you expect it to play out in FY27 and the trajectory probably you have in your mind for '28?
- Vineet Agrawal:** On a consol basis, so the guidance is anywhere between 40% to 45% in the near term. And with the improvement in the overall growth in business, as Ambarish also mentioned that we see over the next 2 to 3 years, the other businesses starting to contribute somewhat meaningfully to the top line. We will see the improvement in the margins.
- Right now, it's a bit too early to give any number out. But I mean, our endeavor is going to be to maintain a healthy margin profile, not compromising on the growth or the investment opportunities that we are going to add.
- Sanketh Godha:** Understood. And two data keeping questions. In the distribution income, which was pretty solid in the current quarter, around ₹ 71 crores, how much was contributed by the IPO primary activity and normal distribution income which you earn from other products? And second, if you can break down your net broking income into AP and direct will also be useful, whether there is some change or it is broadly in lines of 75-25.
- Vineet Agrawal:** Right now, we are not giving any breakout of the distribution income. The income is growing in a healthy fashion. As you rightly said, it's about 5% in this quarter. Once we get to a certain scale and then we'll start disclosing the details going forward. On the net broking income, yes, it's in the same range of about 75%-25% in favor of the direct business.
- Sanketh Godha:** Understand. So, Vineet, my simple point was that this growth was phenomenal, right, whether in distribution income on quarter-on-quarter basis, whether it was actually contributed by the IPO activity, or it was business as usual?
- Vineet Agrawal:** No, no, it's both. So I mean, we mentioned that we've seen a robust quarter as far as the credit distribution is concerned. And as far as the IPO activities, again, some of the marquee IPOs were there. So we've seen a strong momentum in the IPO segment as well. So yes, that's where we are.



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- Moderator:** The next question is from the line of NR Deva Charith from Tata Mutual Fund.
- NR Deva Charith:** I just have one question pertaining to the broking business. We have seen a 10% quarter-on-quarter decline in broking volumes, but the fees and fees commission revenue only declined by 5%. Was there an improvement in price realization or the segmental difference? Could you share the per trade realization across the different segments?
- Ambarish Kenghe:** We don't share like across the segments, the product realization. But Arief, do you want to comment on the orders versus revenue situation?
- Arief Mohamad:** Yes, yes. If you look at it, segments like commodities really took off, right? I think Ambarish mentioned on the fact that commodities space has been growing handsomely for us irrespective of the ADTO, the way we look at it in general. So, I think that played one of the critical roles in terms of general realizations, but, yes.
- Moderator:** Ladies and gentlemen, due to the time constraint, that was the last question. I now hand over the conference to Mr. Ambarish Kenghe for the closing comments. Over to you, sir.
- Ambarish Kenghe:** Thank you, and thank you once again for joining us today. As always, it has been a pleasure engaging with you to discuss our results and progress. If you need any further information, feel free to reach out to Hitul Gutka, our Head of Investor Relations or to SGA, our Investor Relations Advisor. Have a wonderful day. Thank you.
- Moderator:** Thank you. On behalf of Angel One Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.