ICICI Prudential Asset Management Company Limited

Media Conference Call – Quarter ended June 30th, 2026

July 13, 2026

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Moderator: Ladies and gentlemen, good day and welcome to the ICICI Prudential Asset Management Company Limited's Media Conference Call for the Quarter Ended June 30th, 2026.

Joining us today on the call are Mr. Nimesh Shah, MD and CEO; Mr. Naveen Agarwal, Chief Financial Officer; Mr. Abhijit Shah, Chief Marketing and Digital Business Officer; Mr. Vipin Bhandari, senior member from business team; Mr. Harshil Sanghavi, Lead Investor Relations, who will be available to address your questions following the opening remarks.

As a reminder, all participant 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Nimesh Shah, MD and CEO of ICICI Prudential AMC Limited. Thank you and over to you.

Nimesh Shah: Welcome everybody. I trust that you have had the opportunity to review our earnings presentation and the investor material that have been shared on the stock exchange and our website.

If I talk about the industry, the industry's quarterly average AUM has grown by 15.4% year-on-year and 2% sequentially in Q1 27, reaching INR 83.28 lakh crores. The sequential growth in quarterly average AUM appears to be muted, but however, a comparison of closing AUM between the two quarters indicate a stronger momentum reflecting a growth of 11.6%. Just check the background, we had a correction in the market and the market was slightly subdued on March 31st than where it is today.

Equity and equity-oriented AUM was at INR 45.2 lakh crores. As the market sentiments improved during the quarter, equity market witnessed a broad-based recovery across segments, wherein the small-caps outperformed with a return of 24% followed by mid-caps at 17.2%, while the large-caps lagged behind delivering a recovery of only 8.9%.

With the quantum of AUM in the industry, this numbers become very important as to what will be -- because to that extent there is a mark-to-market growth or degrowth in the AUM numbers.

During the quarter, net flows for equity category was INR 1.14 lakh crores, which marked a reduction of INR 10,064 crores as compared to the previous quarter. Categories like mid-cap and small-cap were at the forefront of attracting highest amount of equity net flows and the categories like thematic and hybrids, specifically multi-asset fund, faced reduction in net flows when compared sequentially.

While the industry saw steep fall for the month of May 2026, net flows for the month of June 2026 rebounded by 26% month-on-month, coming back to pre-Middle Eastern crisis levels. June 2026 recorded SIP contribution of INR 31,781 crores. Monthly SIP inflow remained largely stable throughout Q1 Financial Year 27, despite volatile market conditions, demonstrating the resilience and stickiness of the retail investor participation. This stability underscores investor continued commitment to long-term wealth creation through systematic investing.

In the debt segment, quarterly average AUM stood at INR11.93 lakh crores. The quarter witnessed redemptions by institutions, investors amid tight liquidity conditions resulting in a sequential moderation of 6% in quarterly average AUM.

Passive quarterly average AUM grew by 25.3% year-on-year and 1.5% sequentially to INR14.73 lakh crores.

Industry continued to have positive new customer addition reaching 6.2 crores which represents an increase of 12.1% year-on-year.

I now hand over the call to Harshil for covering the performance of our company.

Harshil Sanghavi: Thank you Nimesh. Good evening, everyone. For the quarter ended June 2026, our total mutual fund quarterly average AUM reached to INR11.17 lakh crores, which is up 1.1% sequentially and 18.3% year-on-year, thereby maintaining our position as the second largest AMC with a market share of 13.4%.

In active schemes, we continue to maintain the highest market share of 13.5% with a quarterly average AUM of INR9.25 lakh crores. As of June 30th, 2026, we continue to maintain our leadership position in equity and equity-oriented schemes with a market share of 14% and a quarterly average AUM of INR6.31 lakh crores. This represents growth of 1.7% sequentially and on year-on-year basis, we outperformed the industry growth rate by 3.6% recording a growth of 19.8%.

It is important to note that in Q1 FY27, we continued to receive one of the highest net flows amongst the industry. The quarterly average AUM of our equity-oriented hybrid schemes grew to INR2.22 lakh crores. This represents the largest market share of 26.6% as of June 30th, 2026.

For the quarter ended June 2026, our margins on an annualized basis stands at 66 basis points for equity, 32 basis points for debt, 12 basis points for liquid, 12 basis points for passives, and 30 basis points for arbitrage.

There is no negative impact on account of changes in the TER regulations.

As of June 30th, 2026, we have a unique customer base of 1.73 crores. Notably in this quarter, we added every seven of 10 new customers from the industry.

In June 2026, our systematic transactions, which includes SIPs and Systematic Transfer Plans, moderated marginally to INR4,872 crores from INR5,104 crores in the month of March 2026. Similar to the industry trend, we saw a moderate dip in the first two months of the quarter followed by a rebound in June as compared to May 2026.

Our distribution mix of our mutual fund equity quarterly average AUM is as follows, wherein MFDs accounts for 36.2%, national distributors accounts for 15.9%, ICICI Bank share at 7.7%, other banks contributing 10.7%, and direct representing 29.5%.

Now coming to SIF. SEBI introduced Specialized Investment Fund under mutual fund, which is well positioned between traditional mutual funds and alternative investment products. iSIF is a distinct brand assigned to SIF launched by ICICI Prudential Mutual Fund.

There are seven investment strategies permitted, of which we have launched four investment strategies. iSIF Equity Ex Top 100 and iSIF Hybrid Long-Short Fund was launched in previous quarter, while iSIF Active Asset Allocator Fund and iSIF Equity Long-Short Fund in June 2026. Our quarterly average AUM of SIF is INR2,678 crores.

We believe the SIF category has long-term potential and the way these products are structured offers fund manager greater flexibility in portfolio construction, risk management, and implementation of differentiated investment strategies. Having said that, the category is still at early stage of evolution and we believe further expansion in investor awareness and advisor participation will be important for the category to scale meaningfully over time.

Coming to GIFT City, we had launched our first offering in GIFT City, the ICICI Prudential Smart Navigator Fund, which is an inbound fund. It is encouraging to see that the fund is gaining traction and witnessing growing investor interest.

Now let's move to our alternates business. Just to clarify, comparative data has been restated by considering the effect of acquired business of ICICI Venture.

Our alternates business comprise listed equity focused PMS and AIF, private credit, real estate, private equity, early stage private equity, and offshore advisory. For the June quarter end, our alternates quarterly average AUM stood at INR79,446 crores. Within alternates, our PMS quarterly average AUM grew by 8.1% sequentially to INR28,996 crores. Our AIF quarterly average AUM stands at INR22,737 crores.

For the quarter ended June 2026, on an annualized basis, the gross yield on our PMS and AIF business was 1.91% and the net yield, that is after reducing the fees and commission expenses attributable to PMS and AIF business, was 0.95%. Yields on assets under advisory stands at 30 basis points.

Now coming to AI. Our focus is to deliver value across three core pillars: customer and distributor experience, operational efficiency, and investment management. On customer and distributor experience, our goal is frictionless. Today, a customer can use our natural language search engine on our website, which has already processed over 5 million queries.

For our customers and partners, we have embedded an engine in our mobile apps and distribution portal that delivers a hyper-personalized prompts, which helps to engage better with the clients. On the operational efficiency front, 60% of our customer queries over email are replied using AI.

We are actively expanding such AI capability, like by transitioning outbound SIP renewal calling to an AI-driven process. In investment management, through a proprietary platform, we are building a conversational layer over our investment data. At present, we are using AI to generate summaries of reports, videos, DRHPs to suit our requirements. It enables faster processing of data and gives our investment professionals a head start so that they can focus on alpha generation and judgment. I now hand over the call to Naveen for covering the financial performance of the company.

Naveen Agarwal: Good evening, everyone. Let's cover the financial performance for the quarter and yields which are presented on annualized basis. Just to clarify, as was mentioned earlier also, comparative data has been restated by considering the effect of acquired business of ICICI Venture.

Our operating revenue stood at INR1,564 crores representing a growth of 17.6% year-on-year. Our operating net revenue mix from mutual fund was 90.02%, alternate 8.54%, and advisory business was 1.44%.

Other income of INR181 crores turned positive from negative on the back of positive mark-to-market as of June 30th as compared to March 31st.

Operating expenses amounted to INR464 crores which was an increase by 11.7% year-on-year and 14.3% quarter-on-quarter. The sequential increase was largely on account of employee expenses.

As we had mentioned in our previous call you would remember, the ESOP related expenses have started debiting from this quarter, while no such charge was there in the P&L in the last year. And also particularly in Q4 of FY26, the provisions that we

had made related to employee expenses in the previous quarters were also reversed.

On operating profit before tax, which indicates the core profitability of our business, it reached INR1,100 crores. This represents a 20.2% increase on year-on-year basis.

Profit after tax stood at INR965 crores which is up by 23.1% on year-on-year basis. For the quarter ended June 2026, our gross yield and net yield on an annualized basis stood at 52.4 basis points and 48.3 basis points respectively. And as you note, net yield is arrived at after reducing fees and commission expenses on PMS and AIF business, which is shown as an expense item in the P&L.

For quarter ended June 2026, our operating margins stood at 36.9 basis points as compared to 36.1 basis points for the quarter ended June 25, which is the same quarter last year.

Thank you for your attention. I look forward to discussing our performance in more details and addressing any queries that you may have.

Moderator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We'll take our first question from the line of Anishaa Kumar from Moneycontrol. Please go ahead.

Anishaa Kumar: Hi Sir, just quick understanding with regards to this systematic numbers that is obviously we've seen a slight deceleration that's been there because of the way the markets have been. But do we have a breakup in terms of how much was STP, how much is

SWP, and what do you expect with regards to the trend going further? Because we've been seeing a slowdown in investor interest in SIPs, even though the number is positive.

Naveen Agarwal: So we have always given the number which is the systematic transaction, which is a summation of SIP as well as systematic transfer plan because that is what hits our equity AUM adds to our equity AUM on a monthly basis. If you look at the industry number vis-a-vis May, June number vis-a-vis May, there has been a rebound.

And frankly, I think even though while the market has been where it is, the numbers have been fairly resilient. I think one should not draw too much reference to two-three months number, but given the trend that the June number has shown better rebound as compared to May, that's a positive sign. And our numbers are in line with that of the industry.

Anishaa Kumar: Right, sir. Sir, also I wanted to if you could throw any light on any further GIFT City plans that you have going ahead.

Naveen Agarwal: On GIFT City, you know, as we mentioned, we already have one inbound fund and that is gaining traction. We are continuously evaluating more product opportunities, both inbound and outbound and we'll work on that and launch them in due course.

Anishaa Kumar: Right, sir. Thank you.

Moderator: Thank you. Next question is from the line of Ashokamithran T from The Hindu. Please go ahead.

Ashokamithran T: Hi, sir. I just wanted to ask.

Moderator: I am sorry can you use your handset mode please. Audio is not very clear.

Ashokamithran T: Yes, sure. Am I audible now?

Moderator: Yes please go ahead.

Ashokamithran T: I just wanted to ask a couple of very basic questions. First one in just I mean you might have explained it earlier in the call, but I just want you to repeat it for me. What really went well this time around in the first quarter despite all the geopolitics, the numbers are pretty good. What really helped you push the profit 23% up is my first question. I'll come back to second question if you could just tell me first?

Naveen Agarwal: If you look at the industry first and if you look at what has been the net inflow in the industry, what was the run rate for the last year, so that has pretty much held on. Again as a subset of the net flow, the SIP numbers at the industry level that has also -- that has seen a fall, but it is pretty much still there. In so far as the PAT number is concerned, if you see, I think you're referring to the growth on a Y-o-Y basis.

So on a Y-o-Y growth, obviously there was an impact both on account of sales as well as mark-to-market. And all the other factors that we mentioned, last year sales were also very resilient. The entire last year, I think on an overall basis, the net sales for the full of last year was in excess of INR4,60,000 crores.

So and that if you apply on a equity base, it is an upwards -- a number in upwards of 10% plus the mark-to-market that was received. So all of these have contributed to increase in the equity AUM, which effectively drives the profitability of us as well as the industry. Since these two numbers were resilient, that is effectively reflected in the PAT as well.

Ashokamithran T: Right, got it, sir. My second question is with regard to the small ticket SIPs, INR250 SIP. Have you seen it's been I think introduced in a handful of schemes? What has been the demand for it? It's been some time since you introduced it. Has it shown any signs of picking up? Can you -- if you can share some numbers on that?

Abhijit Shah: Yes, hi. As you know, this is a very new initiative on the small ticket...

Moderator: I am sorry, sir. You are sounding distant.

Abhijit Shah: Am I audible?

Moderator: Yes, sir.

Abhijit Shah: So the small ticket SIP or the Choti SIP which is introduced by the regulator is a very nascent initiative. We are investing in it through various partners. As you rightly pointed out, we have enabled it in a lot of our schemes right now. The traction that we are getting, especially, on products like daily SIP, that we have introduced , it's a very nascent and initial trend, but we are continuing to invest in it.

Ashokamithran T: Any you don't have any numbers to share, sir, on that? Because viability seems to be a problem across the industry. So my question was more on the lines of have you found it viable or has it started becoming viable?

Abhijit Shah: Very early, no, right now because in SIP, as you know, the 12 to 15 months is when we look into it

Ashokamithran T: Right, right. Got it, sir. Thank you so much.

Moderator: Thank you. We have a question from the line of Kundan Kishore from Outlook India. Please go ahead.

Kundan Kishore: Sir, actually I just wanted to check with you as we have reached in Tier 1 and Tier 2 cities, but what's your plan to reach to Tier 3 and 4 cities?

Nimesh Shah: See, on a regular basis, we are already present across 280 how many?

Management: About 300 plus.

Nimesh Shah: We are present anywhere around more than 300 towns of India. We are completely committed wherever we believe that there is a good scope for business and there are people who are ready to invest in mutual funds, we are happy to take a call and start offices over there. All these decisions are taken at a very regional level.

If the regional head of a state feels that he wants to increase, he keeps on increasing, the expansion happens at his discretion at the ground level. So we keep this is a very dynamic thing. Every year, the local offices will decide how much expansion we do.

Kundan Kishore: Okay.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Naveen Agarwal for closing comments. Over to you, sir.

Naveen Agarwal: Thank you, everyone. We appreciate the interest shown by the analyst. We wish you all a good evening. Thank you.

Moderator: Thank you. On behalf of ICICI Prudential AMC Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.