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PRIVATE MARKET RESEARCH · FY26

PPFAS: Nine Months In, Already Past Last Year. Is Anyone Asking What You Are Actually Paying For?

9M FY26 PAT crosses full year FY25 · Fee income outpacing AUM · IPO 2030, unfiled

Asset Management

Unlisted · Pre-IPO Watch

Initiating Coverage

Priveq Investech Pvt Ltd



research@priveq.in



[+91 82874 66698](tel:+918287466698)



www.priveq.in

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PPFAS grew AUM 5x in 3 years. The unlisted price grew faster. Neil Parikh said 2030 for the IPO. That is not a launch date. That is a lock-in period. So before you buy at 39x TTM earnings, ask yourself: what exactly are you buying, and is the compounding ahead worth the wait?

PPFAS is genuinely one of India's best AMC businesses. An unlisted investor buying today is making one core bet: that a business growing PAT at 56% annually will continue compounding quietly while the rest of the market waits for a 2030 IPO that has not been filed. That is not a bad bet. It is just a long one. At Rs.17,900 per share, you are not buying cheap. You are buying quality at a price that demands patience and conviction in equal measure.

The latest numbers suggest the conviction is well-placed. The question now is not whether the business is great. It clearly is. The question is whether you have the temperament to own it.

The Business

PPFAS is the unlisted holding company that owns 100% of PPFAS Asset Management, the AMC behind Parag Parikh Mutual Fund. AUM grows, fee income grows automatically, and since fixed costs barely move, profits compound faster than revenue. One of the purest operating leverage stories in Indian finance.

The flagship Parag Parikh Flexi Cap Fund crossed Rs.1 lakh crore AUM in May 2025, becoming India's largest actively managed flexi-cap fund. Total group AUM stands at approximately Rs.1.5 lakh crore across seven schemes. The investor base grew from 80,000 in 2019 to 49 lakh in 2025, a 60x expansion driven almost entirely by retail SIPs. PPFAS has never run a distributor incentive programme. Every rupee of AUM was earned through performance and reputation.

Financial Breakdown

Metric	FY23	FY24	FY25	9M FY26	FY26E
Revenue (Rs. Cr)	146	216	429	459	~610
PAT (Rs. Cr)	77	109	247	289	~385
PAT Growth YoY	-	+43%	+126%	79% CAGR	79% CAGR
Rev Growth YoY	-	+48%	+99%	71% CAGR	71% CAGR
PAT vs Revenue	-	PAT lags	PAT leads	1.6x lead	1.6x lead
TTM P/E (9M basis)	-	-	-	~39x	Best in peer set

All consolidated figures from primary source quarterly results. TTM P/E calculated as Rs.17,900 / TTM PAT (9M FY26 + Q4 FY25) of Rs.352 Cr = ~39x. FY26E annualised from 9M FY26 actuals. Forward P/E on FY26E EPS ~Rs.500 = 36x.

What Changed: The Trigger

In nine months of FY26, PPFAS earned Rs.288.82 crore in PAT, surpassing the entire FY25 full year of Rs.246.60 crore with one quarter still remaining. Full year FY26 is tracking towards Rs.385 crore, representing 56% growth over FY25. This is not incremental improvement. This is a business hitting escape velocity.

The quarterly fee income trajectory confirms it. Q1 FY26 Rs.117.85 Cr, Q2 FY26 Rs.139.98 Cr, Q3 FY26 Rs.151.61 Cr. Every quarter higher than the last. The unlisted price has moved from Rs.17,700 to Rs.17,900. The market is re-rating upward even as you read this.

THE INSIGHT NOBODY ELSE IS PUBLISHING

Fee income is growing faster than AUM. Q1 to Q3 FY26 fee income grew 29% while AUM grew roughly 15 to 18% in the same period. The product mix is shifting toward higher-fee equity PMS and AIF products versus lower-fee debt and arbitrage. Even if AUM growth slows, PPFAS earns more per rupee of AUM than a year ago. The revenue yield per rupee of AUM is silently expanding. No unlisted market coverage is talking about this yet.

Key Fundamental Ratios and Peer Comparison

All ratios at unlisted price Rs.17,900. Listed peer data from FY26 actuals sourced from Screener.in and company filings as of May 2026.

Metric	PPFAS	HDFC AMC	Nippon AMC	Priveq Reading
P/E TTM (9M FY26)	~39x	~40x	~44x	At parity with HDFC AMC
P/E Forward (FY26E)	36x	~37x	~36x	Broadly in line with peers
Price to Book (P/B)	~21x	~12.5x	~14x	Premium justified by ROE
Return on Equity	38%	32%	32%	Best in class among peers
PAT Margin	57%	63%	52%	Among the strongest AMCs
Mcap / AUM	9.2%	12.1%	8.7%	Cheaper than HDFC AMC
PAT Growth FY26	~56% YoY	16.2% YoY	18.9% YoY	3x faster than both peers
Dividend Yield	0.08%	~2.1%	~2.1%	Growth play, not income
SEBI Regulatory Risk	None	None	Active SCN	PPFAS cleanest of three

THE VALUATION INSIGHT THAT CHANGES EVERYTHING

On TTM P/E basis, PPFAS at 39x is cheaper than Nippon AMC at 44x and at near-parity with HDFC AMC at 40x. Yet PPFAS is growing PAT at 56% versus HDFC AMC at 16% and Nippon at 19%. An investor paying 39x for 56% growth is getting a materially better deal than one paying 44x for 19% growth. The unlisted illiquidity discount is real. But on pure earnings growth quality, PPFAS is the most compelling AMC story in India right now.

Why It Matters for Unlisted Investors

Pre-IPO opportunity: Neil Parikh guided a listing around 2030, tied to ESOP vesting cycles across four active schemes. No DRHP has been filed. An investor buying today acquires shares where earnings are accelerating and the IPO catalyst is visible but not imminent. That combination is rare.

Valuation context: At Rs.17,900, implied market cap is Rs.13,760 crore. TTM P/E of 39x is at parity with HDFC AMC. Mcap/AUM ratio of 9.2% is cheaper than HDFC AMC's 12.1%. On the metric most analysts use for AMC valuation, PPFAS is not expensive. It is fairly priced for a franchise of this quality.

Liquidity reality: The unlisted market for PPFAS has active buyers given its brand recognition. However, large block exits before 2030 will carry a spread discount. Size positions accordingly.

Forward P/E of 36x: On FY26E PAT of Rs.385 crore and EPS of ~Rs.500, the forward P/E drops to 36x, broadly in line with listed peers. The business is already growing into its valuation.

The ESOP Picture: Correctly Understood

PPFAS runs four active ESOP schemes with very different strike prices and vesting timelines. The market tends to oversimplify this. Here is the full picture:

Scheme	Strike Price	Nature	Status
ESOP 2018	Rs.100	Earliest scheme, lowest strike	2,13,900 shares exercised Q3 FY26
ESOP 2019	Rs.150	50% higher cost than 2018	Partially vested, limited near-term exercise
ESOP 2021	Rs.450	4.5x higher cost than 2018	Mostly unvested, FY27 expected vest
ESOP 2022	Rs.1,200	12x higher cost than 2018	Unvested, tied to 2028-30 IPO timeline

ESOP Vesting is Not Always ESOP Liquidation

The 2018 scheme at Rs.100 strike is the only one exercised recently, and only 2,13,900 shares in Q3 FY26. The 2022 scheme at Rs.1,200 strike may give employees a 15x return, not 179x. More importantly, PPFAS employees are the most aligned workforce in Indian asset management. They invest in their own funds, hold their own company shares, and operate on a skin-in-the-game philosophy. Exercising options and immediately selling into the illiquid unlisted market is structurally difficult and culturally inconsistent with PPFAS's identity. Employees who exercise may hold their shares and exit at the IPO alongside every other investor. The ESOP story might be better read as a co-investor signal rather than a dilution threat.

Final View

PRIVEQ VERDICT: WORTH TRACKING, HIGH CONVICTION, PATIENT ENTRY



PPFAS is India's finest unlisted AMC and one of the most compelling compounders in the private market today. The business is structurally sound, the management team is irreplaceable, the SIP-driven AUM is stickier than any other fund house in India, and the earnings trajectory is accelerating. At 39x TTM P/E, you are not overpaying. You are paying a fair price for one of the rarest things in Indian finance: a high-quality, high-integrity compounding machine that is still unlisted. The 2030 IPO is a structured plan tied to a specific event. The patient investor who builds a position today and holds through the noise may well look back at Rs.17,900 as an excellent entry into one of India's great investment stories. The only condition: you must be genuinely long-term. This is not a trade. It is an investment in a franchise.

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 EMAIL	 WHATSAPP	 WEBSITE
research@priveq.in	+91 82874 66698	www.priveq.in

Data sourced from PPFAS Q1 FY26 quarterly results (Aug 2025), PPFAS Q3 FY26 quarterly results (Feb 2026), PPFAS FY24 Annual Report ESOP disclosures, and publicly available disclosures including HDFC AMC and Nippon AMC FY26 results. Unlisted price Rs.17,900, May 2026. All figures consolidated. FY26E is Priveq Investech's annualised estimate based on 9M FY26 actuals, not company guidance. Peer ratio data sourced from Screener.in and Yahoo Finance as of May 2026. This research note is published by Priveq Investech Pvt Ltd for informational purposes only and does not constitute investment advice or a solicitation to buy or sell securities. Investments in unlisted shares carry significant liquidity, valuation, and regulatory risks. Past performance is not indicative of future results. Consult a SEBI-registered investment adviser before making any investment decisions.

