

# Research Report

## MAX FINANCIAL SERVICES LTD



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# Company Overview

Max Financial Services Limited (MFSL) is a Bengaluru-based financial holding company incorporated in 1988. It owns and actively manages an 81.83% majority stake in Axis Max Life Insurance Limited (formerly Max Life Insurance), India's 4th largest private life insurer and the largest non-bank life insurer. MFSL is a pure-play holding company — its value is anchored in Max Life's EV, VNB, and Operating RoEV. The company benefits from India's rising insurance penetration and growing participation of retail investors in protection and savings products.

## Key Business segments

- Life Insurance (Brokerage/GWP): ~80-85%
- Protection & Health Products: ~10% of APE
- ULIP (Unit Linked Plans): ~42% of APE (FY26)
- Non-Par Savings: ~38% of APE
- Lending & Other Businesses:

Early stage (NBFC) MFSL's value is heavily anchored in Axis Max Life's VNB (2,107 Cr in FY25) and growing AUM (1,75,000 Cr), while lending and asset management are emerging as higher-growth diversification vectors.

## Synopsis of Financials

Max Financial Services Ltd, the holding company of Axis Max Life Insurance, reported the following key financial numbers for Q3 FY26:

- Total Revenue: ₹14,259 crore
- Net Profit: ₹45 crore
- Gross Profit: ₹77 crore
- Q2 FY26 Revenue: ₹12,375 crore
- Q2 FY26 Net Profit: ₹31 crore
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Operating trend: Sequential revenue growth with gradual profit recovery, though margins remain relatively low due to insurance business structure and market-linked income variability.

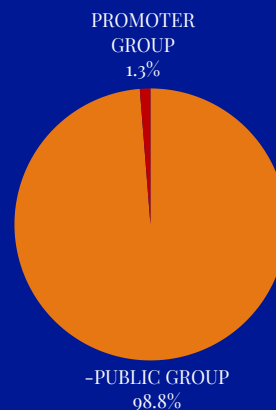
## Stock data (as 23 th April 2026)

Nifty Price	:24,310.20
52 week High (in Rs.)	: 1,790.10
52 week Low (in Rs.)	: 1,213.20
Market Cap. (in Crore)	: 55,107.93
NSE Code	: INE180A01020

## Stock data



## Shareholding Pattern (March 2026)



## Financial Summary

Particulars	Mar 2023	Mar 2024	Mar 2025
Sales -	31,415	46,576	46,469
Sales Growth	0.75%	48.26%	-0.23%
Expenses +	30,862	46,150	45,994
Operating Profit	554	426	476
OPM %	2%	1%	1%
Tax %	14%	5%	10%
Net Profit +	452	393	403
EPS in Rs	10.97	9.85	9.48



# Quarterly Results

Particular	Dec 2024	Mar 2025	Jun 2025	Sep-25	Dec 2025
Sales -	8,923	12,376	12,822	9,792	14,259
YOY Sales Growth %	-28%	-17%	9%	-27%	60%
Expenses +	8,834	12,356	12,703	9,771	14,181
Operating Profit	89	20	119	21	78
OPM %	1%	0%	1%	0%	1%
Other Income +	3	18	3	7	9
Interest	10	15	20	21	36
Depreciation	1	1	1	1	1
Profit before tax	81	22	101	6	50
Tax %	14%	-73%	14%	6%	11%
Net Profit +	70	38	86	6	45
EPS in Rs	1.62	0.91	2.02	0.12	1.06

Source: Screener

# Yearly Results

Particulars	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
Equity Capital	69	69	69	69	69
Reserves	3,274	3,866	3,450	3,797	5,206
Borrowings +	3	522	523	523	1,026
Other Liabilities +	94,710	113,291	127,783	158,383	183,698
<b>Total Liabilities</b>	<b>98,057</b>	<b>117,747</b>	<b>131,824</b>	<b>162,771</b>	<b>189,999</b>
Fixed Assets +	639	616	614	612	610
CWIP	0	0	0	0	0
Investments	91,766	109,794	123,355	152,959	179,841
Other Assets +	5,652	7,337	7,854	9,201	9,548
<b>Total Assets</b>	<b>98,057</b>	<b>117,747</b>	<b>131,824</b>	<b>162,771</b>	<b>189,999</b>

# Peer Comparison

## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
<a href="#">HDFC Bank</a>	784.1	15.88	1206994	1.39	21074.2	8.05	87182.5	0.46	7.04
<a href="#">SBI</a>	1090.5	12.37	1006599	1.44	22175.7	13.07	130590	4.76	6.47
<a href="#">ICICI Bank</a>	1349.95	17.75	967291.5	0.81	15680.6	9.28	49593.8	2.49	7.2
<a href="#">Bajaj Finance</a>	922.45	31.56	574313.2	0.48	4066.01	-2.16	21213.9	17.63	11.35
<a href="#">Max Financial</a>	1598	383.81	55149.32	0	44.76	-34.95	14258.9	59.81	8.13

Source: Screener

# Synopsis Quarter Results



Max Financial Services Ltd, the holding company of Axis Max Life Insurance, has shown a recovery trend across FY26 quarters, although profitability remains volatile due to the nature of the insurance business. In Q1 FY26, the company reported revenue of around ₹9,791 crore with a sharply lower net profit of about ₹4 crore, reflecting pressure from weak investment income and margin compression. Moving into Q2 FY26, performance improved with revenue rising to approximately ₹12,375 crore and net profit increasing to nearly ₹31 crore, indicating a recovery in premium inflows and better cost absorption. The momentum continued in Q3 FY26, where revenue further expanded to about ₹14,258 crore and net profit reached around ₹44 crore, marking the strongest quarter of the year so far.

This progression highlights a clear sequential improvement in both revenue and earnings. However, from a theoretical standpoint, the company's earnings pattern reflects the inherent volatility associated with insurance-led financial firms. Revenue growth from ₹9,791 crore in Q1 to ₹14,258 crore in Q3 demonstrates strong business momentum driven by higher premium income and improved investment performance. At the same time, profit growth from ₹4 crore to ₹44 crore suggests operating leverage beginning to take effect, as fixed costs are spread over a larger revenue base.

Despite this improvement, margins remain inconsistent because profitability depends on multiple factors such as actuarial assumptions, claim ratios, and capital market movements. The relatively low absolute profit levels compared to revenue indicate that accounting earnings do not fully capture the company's underlying value. In insurance businesses, embedded value and future profit potential are more relevant indicators than quarterly net profit.

# Final Outlook

**MFSL: HOLD ₹1,596 . 90**

Max Financial Services Ltd, the holding company of Axis Max Life Insurance, is witnessing a gradual recovery in FY26, supported by improving quarterly performance and stable long-term fundamentals. The company's revenue has shown a strong sequential trend, rising from ₹9,791 crore in Q1 FY26 to ₹12,375 crore in Q2, and further to ₹14,259 crore in Q3 FY26. Similarly, net profit improved from ₹4 crore in Q1 to ₹31 crore in Q2 and ₹45 crore in Q3, indicating recovery in business momentum and early signs of operating leverage.

On an annual basis, Max Financial maintains a large revenue base of over ₹40,000–₹45,000 crore, driven by its life insurance operations. However, profitability remains volatile due to the nature of the insurance business, where earnings are influenced by actuarial assumptions, claim ratios, and investment income linked to capital market performance. The company's reserves and surplus of around ₹6,673 crore provide strong capital support, ensuring stability and growth capacity.

From an equity research perspective, the key valuation driver is embedded value (EV) rather than reported profits. While quarterly earnings appear modest relative to revenue, they do not fully reflect the long-term value generated from future policy cash flows. The company benefits from structural tailwinds such as increasing insurance penetration, rising demand for protection products, and strong distribution through bancassurance partnerships.

Despite these positives, risks remain in the form of earnings volatility and margin inconsistency. The sharp variation in profits during FY26 highlights sensitivity to external factors like market movements and product mix

Given the improving sequential performance but continued earnings volatility, the stock is best positioned as a Hold. Existing investors can stay invested to benefit from long-term insurance sector growth and embedded value expansion, while fresh entry may require more consistent profitability and margin visibility.

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