

# IIFL WEALTH AND ASSET MANAGEMENT

Investor Presentation - Q2 FY23



# INVESTOR PRESENTATION

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# BUSINESS SNAPSHOT - Q2 FY23

## Wealth Management

INR 213k cr / \$26bn\* AUM

INR 6.0k cr New Flows in Q2 FY23

INR 272 cr / \$33 mn\*

Operating Revenue in Q2 FY 23

6,800+ Relevant Families

Distribution, Brokerage, Advisory,  
Lending & Estate planning

## Asset Management

INR 56k cr / \$6.8bn\* AUM

INR 53 cr / 367 cr (excl liquid MF)  
New Flows in Q2 FY23

INR 110 cr / \$13 mn\*

Operating Revenue in Q2 FY 23

169k+ Folios

AIF, PMS and Mutual Funds



**58%**

ARR AUM as a %  
of Total AUM

**44%**

Cost to income ratio



**68%**

ARR Revenue as a % of  
Total Operating Revenue

**28%**

Return on tangible equity



**44%**

Operating Profit  
(YoY)

**₹17 per share**

Proposed Third Interim  
Dividend



**63bps**

Total Retention

**110+**

Average count of  
families managed per TL

# KEY FINANCIAL HIGHLIGHTS

## AUM

- Total AUM<sup>2</sup> is up 4.6% YoY and up 6.4% QoQ at Rs 2,68,286 Crs
- Continued focus on ARR – AUM up 17.4% YoY and up 8.5% QoQ at Rs 154,965 Crs
- Net flows were Rs 6,104 Crs for the quarter (~90% ARR) and Rs 12,183 Crs for H1 FY23

## Revenues

- Total Revenues is up 11.9% YoY and up 9.7% QoQ at Rs 405 Crs, and up 16% to Rs 774 Crs for H1 FY23
- Revenue from Operations is up 21.7% YoY and up 2.1% QoQ to Rs 382 Crs, and up 27% to Rs 757 Crs for H1 FY23
- ARR Revenues is up 17.3% YoY and up 5.3% QoQ at Rs 261 Crs, and up 23% to Rs 508 Crs for H1 FY23

## Cost

- Total Costs is up 7% QoQ at Rs 179 Crs, largely due to higher spends on technology and digital initiatives
- Total Employee Costs is up 5% QoQ to Rs 131 Crs, and stands at ~32.3% of Total Revenues for the quarter
- Administrative Costs are up 12% QoQ to Rs 48 Crs, and stands at ~12% of Total Revenues for the quarter
- Cost to income Ratio has resultantly decreased to 44.3% from 48.0% YoY, largely in line with our stated guidance and transition to steady state cost structure

## Profitability

- Profit After Tax (PAT) is up 23.0% YoY, up 8.0% QoQ at Rs 173 Crs; and up 28% to Rs 333 Crs for H1 FY23
- PBT is up 19.8% YoY and up 11.9% QoQ, to Rs 226 Crs
- OPBT is up 44.4% YoY, marginally down 1.9% QoQ, to Rs 203 Crs, and up 51% to Rs 410 Crs for H1 FY23
- Tangible RoE<sup>1</sup> for Q2 FY23 is at 28%

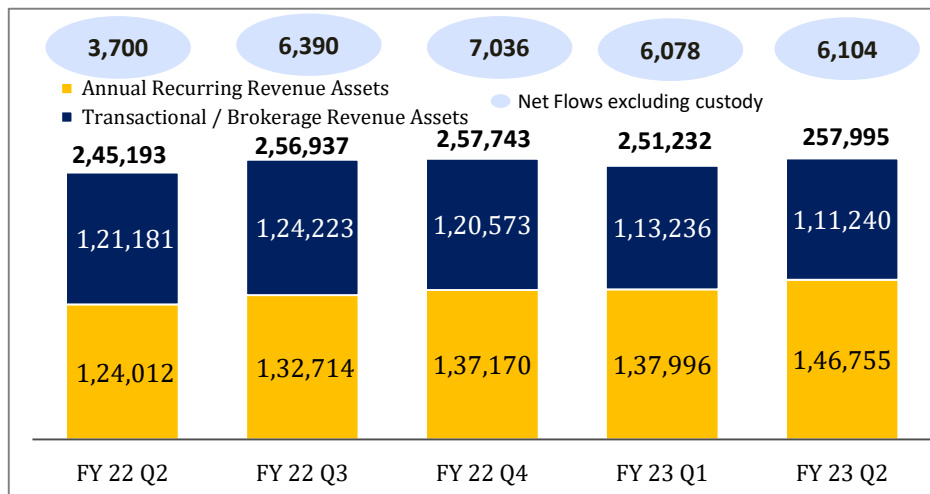
# CONSOLIDATED BUSINESS SUMMARY

<i>Particulars (Rs. Crs.)</i>	Q1 FY 23	Q2 FY 23	QoQ %	Q2 FY 22	YoY %	H1 FY 22	H1 FY23	YoY %
<b>AUM</b>	<b>2,52,038</b>	<b>2,68,286</b>	<b>6%</b>	<b>2,56,589</b>	<b>5%</b>	<b>2,56,589</b>	<b>2,68,286</b>	<b>5%</b>
<i>Annual Recurring Revenue Assets</i>	1,42,880	1,54,965	8%	1,31,977	17%	1,31,977	1,54,965	17%
<i>Transactional / Brkg Revenue Assets</i>	1,09,159	1,13,321	4%	1,24,612	-9%	1,24,612	1,13,321	-9%
<b>REVENUE</b>	<b>369</b>	<b>405</b>	<b>10%</b>	<b>362</b>	<b>12%</b>	<b>666</b>	<b>774</b>	<b>16%</b>
<i>Annual Recurring Revenues<sup>1</sup></i>	248	261	5%	222	17%	414	508	23%
<i>Transactional / Brokerage Revenue</i>	127	122	-4%	92	32%	183	249	36%
<b>Total Revenue from Operations</b>	<b>375</b>	<b>382</b>	<b>2%</b>	<b>314</b>	<b>22%</b>	<b>598</b>	<b>757</b>	<b>27%</b>
<i>Other Income</i>	-6	22	NA	48	-53%	68	17	-75%
<b>RETENTION</b>	<b>0.59%</b>	<b>0.63%</b>		<b>0.59%</b>		<b>0.57%</b>	<b>0.61%</b>	
<i>Average Annual Recurring Assets</i>	1,37,996	1,46,755	6%	1,24,012	18%	1,15,891	1,42,375	23%
<b>Total Average Assets</b>	<b>2,51,232</b>	<b>2,57,995</b>	<b>3%</b>	<b>2,45,193</b>	<b>5%</b>	<b>2,32,188</b>	<b>2,54,612</b>	<b>10%</b>
<i>Retention on ARR Assets</i>	0.72%	0.71%		0.72%		0.72%	0.71%	
<b>COSTS</b>	<b>168</b>	<b>179</b>	<b>7%</b>	<b>174</b>	<b>3%</b>	<b>327</b>	<b>347</b>	<b>6%</b>
<i>Employee Costs</i>	125	131	5%	135	-3%	252	256	2%
<i>Fixed Employee Costs</i>	88	91	3%	77	18%	149	179	20%
<i>Variable Employee Costs</i>	30	35	17%	48	-27%	85	66	-23%
<i>Employee ESOP Costs</i>	6	5	-21%	10	-50%	18	11	-35%
<i>Admin and Other Expenses</i>	43	48	12%	38	26%	75	91	21%
<b>PROFIT METRICS</b>								
<i>Operating Profit before Taxes (OPBT)</i>	207	203	-2%	141	44%	271	410	51%
<i>Profit before Taxes (PBT)</i>	201	226	12%	188	20%	339	427	26%
<i>Profit After Tax (PAT)</i>	160	173	8%	140	23%	259	333	28%
<i>Cost to Income Ratio</i>	45.4%	44.3%		48.0%		49.1%	44.8%	
<i>ROE</i>	21.4%	22.9%		19.4%		17.9%	22.1%	
<i>ROE Ex Goodwill &amp; Intangibles</i>	25.9%	27.7%		23.7%		21.9%	26.7%	

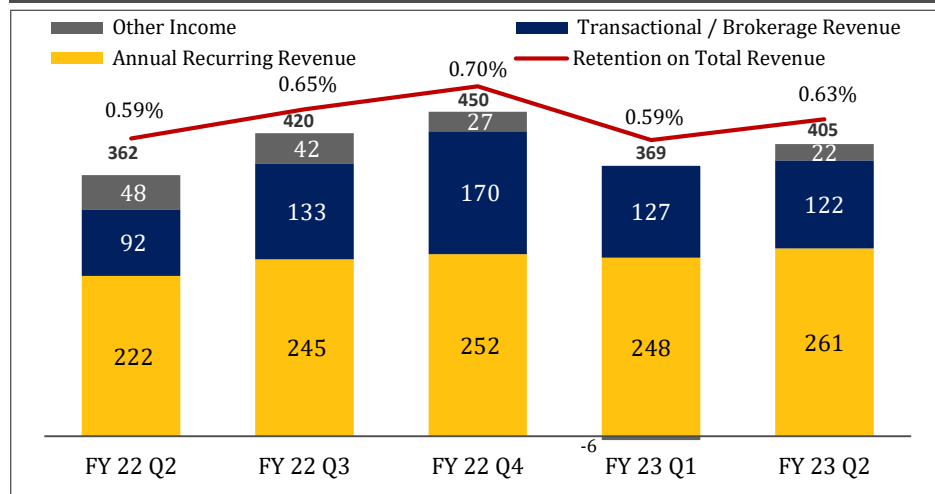
<sup>1</sup> Annual Recurring Revenue (ARR) for Q1 FY23 included performance fee of Rs 8 cr; this has been reclassified to Transactional/Brokerage Revenue (TBR)

# KEY METRICS SUMMARY

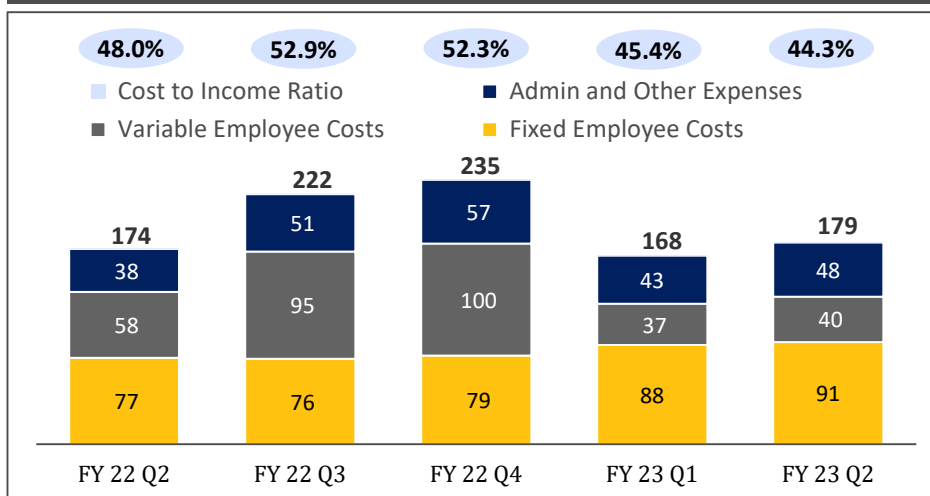
## Total Average Assets Under Management (Rs. Crs.)



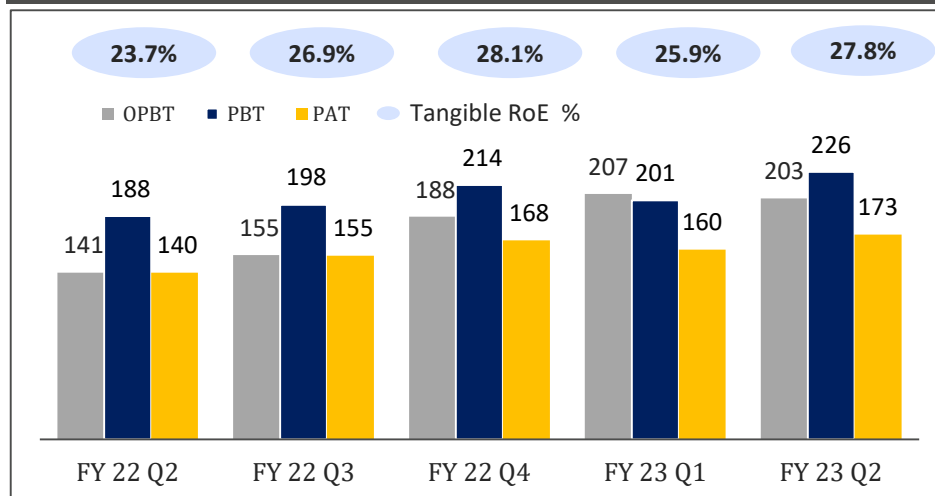
## Total Revenues (Rs. Crs.) & Retentions (%) QoQ



## Cost Mix (Rs. Crs.)



## Profitability (Rs. Crs.)



## SEGMENTAL BUSINESS SUMMARY

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## SEGMENTAL BUSINESS SNAPSHOT - QUARTERLY

Particulars (Rs. Crs.)	AUM		NET FLOWS			REVENUE FROM OPERATIONS			RETENTION		
	Q1 FY 23	Q2 FY 23	Q1 FY 23	Q2 FY 23	H1 FY 23	Q1 FY 23	Q2 FY 23	H1 FY 23	Q1 FY 23	Q2 FY 23	H1 FY 23
Wealth Management	1,98,843	2,12,520	5,116	6,051	11,168	259	272	531	0.53%	0.54%	0.53%
Asset Management	53,195	55,766	962	53	1,015	116	110	226	0.86%	0.79%	0.82%
<b>Totals</b>	<b>2,52,038</b>	<b>2,68,286</b>	<b>6,078</b>	<b>6,104</b>	<b>12,183</b>	<b>375</b>	<b>382</b>	<b>757</b>	<b>0.60%</b>	<b>0.59%</b>	<b>0.59%</b>
Custody : Promoter Holding	62,624	65,000	1,563	-535	1,027	-	-	-			
<b>Grand Total</b>	<b>3,14,662</b>	<b>3,33,285</b>	<b>7,641</b>	<b>5,569</b>	<b>13,210</b>	<b>375</b>	<b>382</b>	<b>757</b>			

WEALTH MANAGEMENT (Rs. Crs.)	Q1 FY 23	Q2 FY 23	H1 FY 23
Revenue from Operations	259	272	531
<i>ARR Revenue</i>	153	165	318
<i>TBR Revenue</i>	106	108	214
Other Income	-5	18	13
Cost	121	134	255
<b>Profit before tax</b>	<b>133</b>	<b>157</b>	<b>290</b>

ASSET MANAGEMENT (Rs. Crs.)	Q1 FY 23	Q2 FY 23	H1 FY 23
Revenue from Operations	116	110	226
<i>ARR Revenue<sup>1</sup></i>	95	96	191
<i>TBR Revenue</i>	21	14	35
Other Income	-1	4	3
Cost	46	46	92
<b>Profit before tax</b>	<b>68</b>	<b>68</b>	<b>137</b>



# SEGMENTAL SNAPSHOT - WEALTH MANAGEMENT

PRODUCTS (Rs. Crs.)	AUM Build up Q2 FY 23				Revenue Build Up Q2 FY 23		
	Opening AUM	Net Flows	MTM	Closing AUM	Average AUM	Retentions	Revenue
<b>TOTAL</b>	<b>1,98,843</b>	<b>6,051</b>	<b>7,625</b>	<b>2,12,520</b>	<b>2,02,236</b>	<b>0.54%</b>	<b>272</b>
<b>IIFL One</b>	<b>32,282</b>	<b>3,449</b>	<b>822</b>	<b>36,553</b>	<b>30,778</b>	<b>0.31%</b>	<b>24</b>
<i>Discretionary</i>	10,689			11,044	10,152	0.48%	12
<i>Non Discretionary</i>	14,387			15,555	12,047	0.33%	10
<i>Advisory</i>	7,206			9,953	8,579	0.09%	2
<b>Distribution Assets Earning Trail Fees</b>	<b>53,240</b>	<b>3,644</b>	<b>1,478</b>	<b>58,362</b>	<b>56,111</b>	<b>0.57%</b>	<b>80</b>
<i>Mutual Funds</i>	32,107			31,681	32,204	0.41%	33
<i>Managed Accounts</i>	21,134			26,681	23,907	0.78%	47
<b>Net Interest Margin on Loans</b>	<b>4,163</b>	<b>121</b>	<b>-</b>	<b>4,284</b>	<b>4,107</b>	<b>5.94%</b>	<b>61</b>
<b>Brokerage Income</b>	<b>93,703</b>	<b>2,915</b>	<b>5,365</b>	<b>1,01,983</b>	<b>97,843</b>	<b>0.44%</b>	<b>108</b>
<i>Direct Stocks</i>	49,666			58,458	54,062		
<i>Debt Instruments &amp; Bonds</i>	28,258			27,012	27,635		
<i>Mutual Funds Direct</i>	15,778			16,513	16,146		
<b>Distribution Assets Not Earning Trail Fees</b>	<b>15,456</b>	<b>-4,078</b>	<b>-40</b>	<b>11,339</b>	<b>13,397</b>		
<i>Managed Accounts where upfront fees received earlier</i>	15,456			11,339	13,397		

## SEGMENTAL SNAPSHOT - WEALTH MANAGEMENT

ASSET ALLOCATION (Rs. Crs.)	AUM Build Up – Q2 FY 23			
	Opening AUM	Net Flows	MTM	Closing AUM
<b>TOTAL<sup>1</sup></b>	<b>1,94,680</b>	<b>5,930</b>	<b>7,626</b>	<b>2,08,236</b>
<i>Equity</i>	1,02,965	4,456	6,562	1,13,983
<i>Debt</i>	91,716	1,474	1,064	94,253
- <i>Long Term</i>	61,777	-50	812	62,539
- <i>Short Term</i>	13,020	-496	132	12,656
- <i>Liquid and Cash Equivalents</i>	16,918	2,020	120	19,058

## SEGMENTAL SNAPSHOT - ASSET MANAGEMENT

ASSET MANAGEMENT (Rs. Crs.)	AUM Build up Q2 FY 23				Revenue Build Up Q2 FY 23		
	Opening AUM	Net Flows	MTM	Closing AUM	Average AUM	Retentions	Revenue
<b>TOTAL</b>	<b>53,195</b>	<b>53</b>	<b>2,518</b>	<b>55,766</b>	<b>55,758</b>	<b>0.79%</b>	<b>110</b>
<b>Discretionary Portfolio Manager</b>	<b>16,364</b>	<b>-60</b>	<b>2,015</b>	<b>18,320</b>	<b>18,251</b>	<b>0.49%</b>	<b>22</b>
<i>Listed Equity - Standardized</i>	5,080			5,568	5,562	0.88%	12
<i>Listed Equity - Institutional Mandates</i>	11,284			12,752	12,689	0.32%	10
<b>Alternate Investment Manager</b>	<b>32,374</b>	<b>368</b>	<b>127</b>	<b>32,869</b>	<b>32,814</b>	<b>0.83%</b>	<b>69</b>
<i>Listed Equity</i>	3,027			3,257	3,252	1.01%	8
<i>Private Equity</i>	21,495			20,888	21,196	0.86%	46
<i>Credit &amp; Real Estate</i>	5,941			6,742	6,406	0.59%	9
<i>Customized Multi-Asset</i>	344			377	374	0.34%	0
<i>Long Short</i>	1,567			1,604	1,587	1.22%	5
<b>Mutual Fund Manager</b>	<b>4,456</b>	<b>-256</b>	<b>376</b>	<b>4,577</b>	<b>4,693</b>	<b>0.43%</b>	<b>5</b>
<i>Listed Equity</i>	2,866			3,331	3,238	0.57%	5
<i>Debt</i>	576			534	555	0.16%	0
<i>Liquid Funds</i>	1,014			711	900	0.11%	0
<b>Performance Fee</b>							14

## SEGMENTAL SNAPSHOT - ASSET MANAGEMENT

STRATEGY WISE (Rs. Crs.)	AUM Build Up – Q2 FY 23			
	Opening AUM	Net Flows	MTM	Closing AUM
<b>TOTAL</b>	<b>53,195</b>	<b>53</b>	<b>2,517</b>	<b>55,766</b>
Listed Equity <sup>1</sup>	21,655	-1	2,645	24,299
Private Equity	21,495	-330	-277	20,888
Credit <sup>1,2</sup>	3,682	753	100	4,536
Real Estate	3,437	-81	-6	3,350
Long Short	1,567	-2	38	1,604
Customized Multi Asset	344	29	4	377
Liquid <sup>2</sup>	1,014	-314	12	711

## CAPITAL ALLOCATION & DIVIDEND

### Net Worth

<b>Tangible ~</b>	<b>2,522 Crs</b>
<b>Wealth Management</b>	<b>515 Crs</b>
<b>Lending</b>	<b>1,322 Crs</b>
<b>Asset Management</b>	<b>395 Crs</b>
<b>Fixed Assets</b>	<b>290 Crs</b>
<b>+</b>	
<b>Goodwill + Intangibles</b>	<b>516 Crs</b>
<b>Total ~</b>	<b>3,038 Crs</b>

### Dividend History

<b>Time period</b>	<b>INR /share</b>
<b>Total FY 21</b>	<b>70</b>
<b>Total FY 22</b>	<b>55</b>
<b>Total FY 23 till date -</b>	<b>52</b>
<i>First Interim Dividend (May 2022)</i>	<i>20</i>
<i>Second Interim Dividend (July 2022)</i>	<i>15</i>
<i>Third Interim Dividend (Oct 2022)</i>	<i>17</i>
<ul style="list-style-type: none"><li>• Dividend of Rs. 17 will reduce Tangible Net Worth to ~ Rs 2,371 Crs</li><li>• Dividend pay out is proposed to continue at ~70-80% of PAT</li></ul>	

## LINK TO DOWNLOAD DATA BOOK

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Data reported across previous quarters is now continued to be reported in a Data Book, maintained in an excel format on our website . The Link for the data book is hosted below.

### Contents of the Data Book:

1. Re-classified Result Table
2. Consolidated Data
3. Segmental – Wealth Management
4. Segmental – Asset Management
5. Balance Sheet
6. PPT Data Tables
7. Details of Funds which may accrue carry income

**Link for the Data Book: [Databook](#)**

THANK YOU.

For Any further information, please reach out to [ir@iiflw.com](mailto:ir@iiflw.com)

