

IIFL WEALTH AND ASSET MANAGEMENT

Investor Presentation - Q1 FY23



INVESTOR PRESENTATION

BUSINESS SNAPSHOT - Q1 FY23

Wealth Management

INR 198.8k cr / \$25bn* AUM

INR 5.1k cr New Flows in Q1 FY23

INR 259 cr / \$33 mn*

Operating Revenue in Q1 FY 23

6,800+ Relevant Families

Distribution, Brokerage, Advisory,
Lending & Estate planning

Asset Management

INR 53k cr / \$6.7bn* AUM

INR 962 cr New Flows in Q1 FY23

INR 116 cr / \$14 mn*

Operating Revenue in Q1 FY 23

175k+ Folios

AIF, PMS and Mutual Funds



57%

ARR AUM as a %
of Total AUM

45%

Cost to income ratio



69%

ARR Revenue as a % of
Total Revenue

26%

Return on tangible equity



10%

Operating Profit
growth (QoQ)

₹15 per share

Proposed Second Interim
Dividend



59bps

Total Retention

110+

Average count of
families managed per TL

KEY FINANCIAL HIGHLIGHTS

AUM

- Total AUM² is up 7.2% YoY, down 3.9% QoQ at Rs 2,52,038 Crs primarily on account of MTM impacts, Net flows were Rs 6,078 Crs for the quarter
- ARR assets are up 21.6% YoY, down 1.1% QoQ at Rs 142,880 Crs with healthy net flows of Rs 4,469 Crs

Revenues

- Total Revenues is up 21.4% YoY, down 17.9% QoQ at Rs 369 Crs – primarily due to moderation in transactional revenues and lower other income in the current quarter
- Revenue from Operations is up 32.2% YoY, down 11.4% QoQ to Rs 375 Crs; ARR Revenues is up 32.9% YoY and flat QoQ at Rs 256 Crs

Cost

- Total Costs are down 28.7% QoQ at Rs 168 Crs, largely due to lower employee costs. This is largely on account of elevated variable costs associated with change in business model ending in FY22
- Total Employee Costs is down 30% QoQ to 125 Crs, and as guided earlier, stands at ~33% of Total Revenues
- Administrative Costs are up 16.7% YoY, down 24.4% QoQ to Rs 43 Crs,
- Cost to income Ratio has resultantly decreased to 45.4% from 52.3% QoQ, largely in line with our stated guidance and transition to steady state cost structure

Profitability

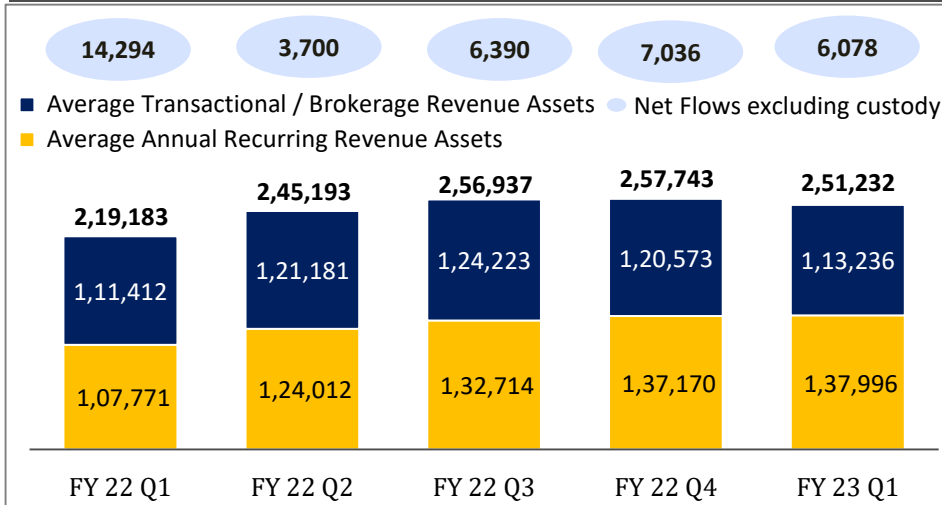
- Highest ever Operating Profit (OPBT) up 58.8% YoY and up 10.3% QoQ at Rs 207 Crs
- PBT was up 33.5% YoY, down 6.0% QoQ, to Rs 201 Crs
- PAT was up 34.9% YoY, down 4.7% QoQ, to Rs 160 Crs
- Tangible RoE¹ for Q1 FY23 is at 26%

CONSOLIDATED BUSINESS SUMMARY

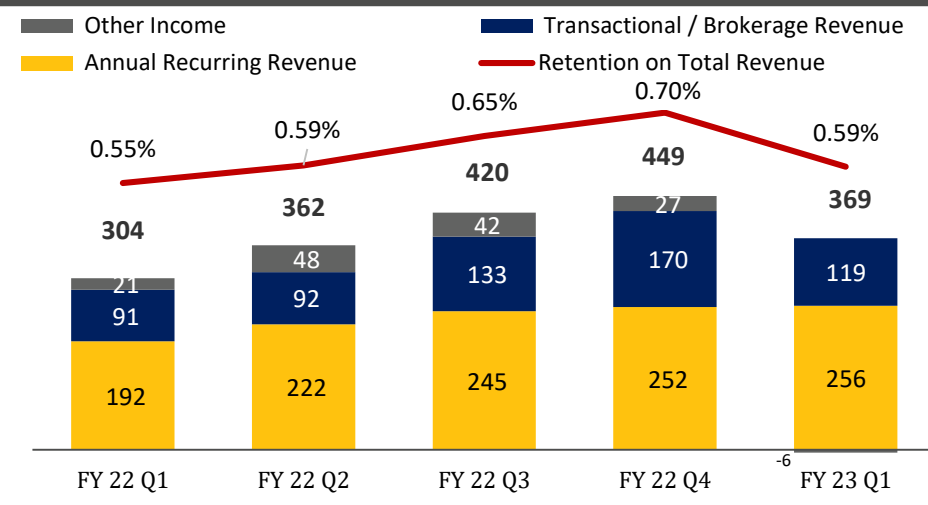
INR Cr	Q4 FY 22	Q1 FY 23	QoQ	Q1 FY 22	YoY
AUM	2,61,745	2,52,038	-3.9%	2,35,213	7.2%
<i>Annual Recurring Revenue Assets</i>	1,44,432	1,42,880	-1.1%	1,17,463	21.6%
<i>Transactional / Brkg Revenue Assets</i>	1,17,313	1,09,159	-7.0%	1,17,750	-7.3%
REVENUE	449	369	-17.9%	304	21.4%
<i>Annual Recurring Revenues</i>	252	256	1.2%	192	32.9%
<i>Transactional / Brokerage Revenue</i>	170	119	-30.1%	91	30.7%
Total Revenue from Operations	423	375	-11.4%	283	32.2%
<i>Other Income</i>	27	-6		21	
RETENTION	0.70%	0.59%		0.55%	
<i>Average Annual Recurring Assets</i>	1,37,170	1,37,996	0.6%	1,07,771	28.0%
Total Average Assets	2,57,743	2,51,232	-2.5%	2,19,183	14.6%
Retention on ARR Assets	0.74%	0.74%		0.71%	
COSTS	235	168	-28.7%	153	9.5%
Employee Costs	178	125	-30.0%	116	7.3%
<i>Fixed Employee Costs</i>	79	88	11.8%	72	22.6%
<i>Variable Employee Costs</i>	93	30	-67.5%	37	-17.9%
<i>Employee ESOP Costs</i>	6	6	1.1%	8	-15.5%
Admin and Other Expenses	57	43	-24.4%	37	16.7%
PROFIT METRICS					
<i>Operating Profit before Taxes (OPBT)</i>	188	207	10.3%	130	58.8%
<i>Profit before Taxes (PBT)</i>	214	201	-6.0%	151	33.5%
<i>Profit After Tax (PAT)</i>	168	160	-4.7%	119	34.9%
Cost to Income Ratio	52.3%	45.4%		50.4%	
ROE	23.1%	21.4%		16.4%	
ROE Ex Goodwill & Intangibles	28.1%	25.9%		20.0%	

KEY METRICS SUMMARY

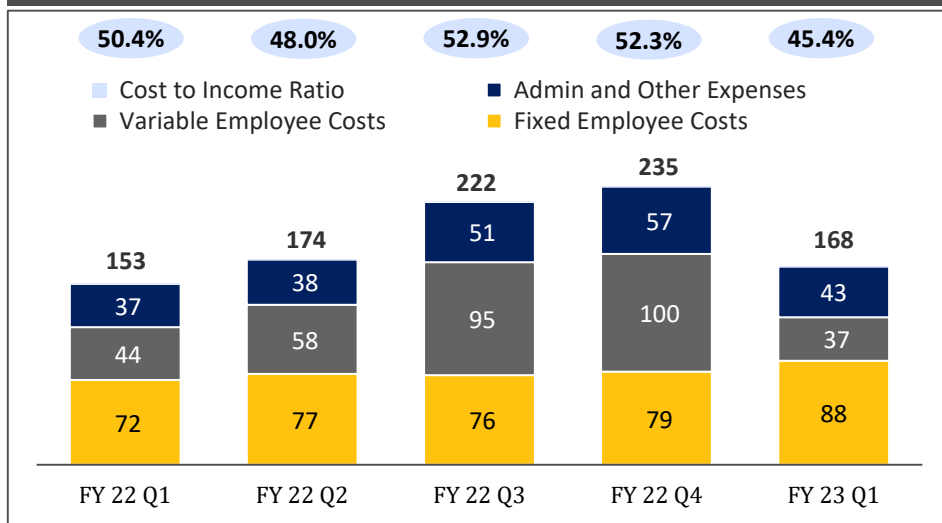
Total Average Assets Under Management (Rs. Cr.)



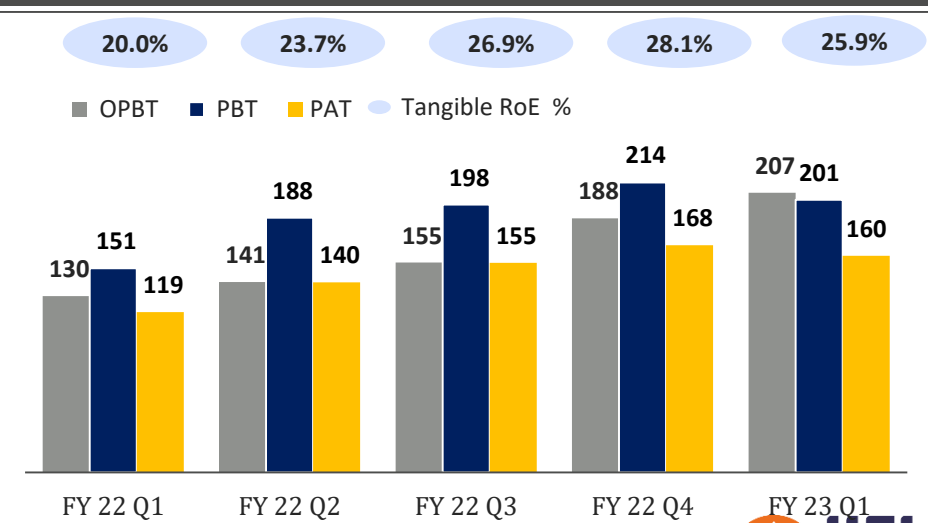
Total Revenues (Rs. Cr.) & Retentions (%) QoQ



Cost Mix (Rs. Cr.)



Profitability (Rs. Cr.)



SEGMENTAL BUSINESS SUMMARY

SEGMENTAL BUSINESS SNAPSHOT - QUARTERLY

Particulars	AUM		NET FLOWS		REVENUE FROM OPERATIONS		RETENTION	
	Q4 FY 22	Q1 FY 23	Q4 FY 22	Q1 FY 23	Q4 FY 22	Q1 FY 23	Q4 FY 22	Q1 FY 23
Wealth Management	2,06,170	1,98,843	5,263	5,116	320	259	0.63%	0.53%
Asset Management	55,574	53,195	1,774	962	103	116	0.75%	0.86%
Totals	2,61,745	2,52,038	7,036	6,078	423	375	0.66%	0.60%
Custody : Promoter Holding	65,493	62,624	5,740	1,563	-	-		
Grand Total	3,27,237	3,14,662	12,776	7,641	423	375		

WEALTH MANAGEMENT	Q4 FY 22	Q1 FY 23
Revenue from Operations	320	259
<i>ARR Revenue</i>	<i>149</i>	<i>153</i>
<i>TBR Revenue</i>	<i>170</i>	<i>106</i>
Other Income	21	(5)
Cost	188	121
Profit before tax	153	133

ASSET MANAGEMENT	Q4 FY 22	Q1 FY 23
Revenue from Operations	103	116
<i>ARR Revenue</i>	<i>103</i>	<i>103</i>
<i>TBR Revenue</i>	<i>-</i>	<i>13</i>
Other Income	5	(1)
Cost	47	46
Profit before tax	62	68

SEGMENTAL SNAPSHOT - WEALTH MANAGEMENT

PRODUCTS	AUM Build up Q1 FY 23				Revenue Build Up Q1 FY 23		
	Opening AUM	Net Flows	MTM	Closing AUM	Average AUM	Retentions	Revenue
TOTAL	2,06,170	5,116	(12,443)	1,98,843	1,97,039	0.53%	259
IIFL One	32,724	1,312	(1,754)	32,282	27,768	0.32%	22
<i>Discretionary</i>	10,677			10,689	9,554	0.48%	12
<i>Non Discretionary</i>	15,146			14,387	11,161	0.33%	9
<i>Advisory</i>	6,901			7,206	7,053	0.10%	2
Distribution Assets Earning Trail Fees	51,815	2,350	(925)	53,240	51,757	0.53%	69
<i>Mutual Funds</i>	32,601			32,107	31,956	0.40%	32
<i>Managed Accounts</i>	19,214			21,134	19,801	0.74%	37
Net Interest Margin on Loans	4,318	(155)	-	4,163	4,278	5.76%	62
Brokerage Income	99,856	2,099	(8,252)	93,703	96,781	0.44%	106
<i>Direct Stocks</i>	53,527			49,666	51,597		
<i>Debt Instruments & Bonds</i>	29,198			28,258	28,728		
<i>Mutual Funds Direct</i>	17,131			15,778	16,457		
Distribution Assets Not Earning Trail Fees	17,458	(489)	(1,513)	15,456	16,455		
<i>Managed Accounts where upfront fees received earlier</i>	17,458			15,456	16,455		

SEGMENTAL SNAPSHOT - WEALTH MANAGEMENT

ASSET ALLOCATION	AUM Build Up – Q1 FY 23			
	Opening AUM	Net Flows	MTM	Closing AUM
TOTAL¹	2,01,852	5,271	(12,443)	1,94,680
<i>Equity</i>	1,09,864	5,166	(12,065)	1,02,965
<i>Debt</i>	91,989	105	(378)	91,716
<i>- Long Term</i>	64,012	(1,425)	(810)	61,777
<i>- Short Term</i>	12,372	406	242	13,020
<i>- Liquid and Cash Equivalents</i>	15,605	1,124	189	16,918

SEGMENTAL SNAPSHOT - ASSET MANAGEMENT

VEHICLE / STRATEGY	AUM Build up Q1 FY 23				Revenue Build Up Q1 FY 23		
	Opening AUM	Net Flows	MTM	Closing AUM	Average AUM	Retentions	Revenue
TOTAL	55,574	962	(3,341)	53,195	54,193	0.86%	116
Discretionary Portfolio Manager	18,505	98	(2,239)	16,364	17,318	0.66%	29
<i>Listed Equity - Standardized</i>	5,507			5,080	5,285	0.81%	11
<i>Listed Equity - Institutional Mandates</i>	12,998			11,284	12,032	0.60%	18
Alternate Investment Manager	32,550	596	(772)	32,374	32,339	0.86%	69
<i>Listed Equity</i>	3,489			3,027	3,245	0.97%	8
<i>Private Equity</i>	22,057			21,495	21,686	0.89%	49
<i>Credit & Real Estate</i>	5,450			5,941	5,702	0.62%	9
<i>Customized Multi-Asset</i>	-			344	140	0.31%	-
<i>Long Short</i>	1,553			1,567	1,566	1.01%	4
Mutual Fund Manager	4,519	268	(331)	4,456	4,536	0.40%	5
<i>Listed Equity</i>	2,930			2,866	2,878	0.56%	4
<i>Debt</i>	689			576	635	0.16%	0
<i>Liquid Funds</i>	900			1,014	1,023	0.11%	0
Performance Fee							13

SEGMENTAL SNAPSHOT - ASSET MANAGEMENT

STRATEGY WISE	AUM Build Up – Q1 FY 23			
	Opening AUM	Net Flows	MTM	Closing AUM
TOTAL	55,574	962	(3,341)	53,195
Listed Equity	24,924	297	(2,963)	22,258
Private Equity	22,057	(48)	(514)	21,495
Credit	3,614	401	78	4,093
Real Estate	3,425	-	12	3,437
Long Short	1,553	(21)	35	1,567
Customized Multi Asset		334	10	344

CAPITAL ALLOCATION & DIVIDEND

Net Worth

Tangible	2,470 Crs
Wealth Management	420 Crs
Lending	1,370 Crs
Asset Management	400 Crs
Fixed Assets	280 Crs
+	
Goodwill + Intangibles	520 Crs
Total	2,990 Crs

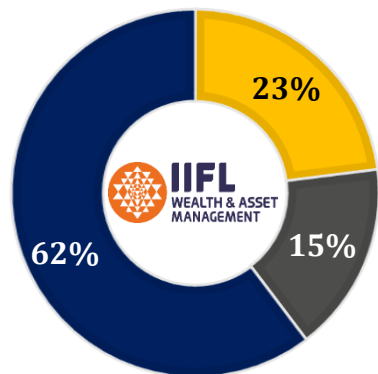
Dividend History

Time period	INR /share
Total FY 21	70
Total FY 22	55
Total FY 23 till date -	35
<i>First Interim Dividend (May 2022)</i>	20
<i>Second Interim Dividend (July 2022)</i>	15
<ul style="list-style-type: none">• Dividend of Rs. 15 will reduce Tangible Net Worth to ~ INR 2,330 Crs• Dividend pay out is proposed to continue at ~70-80% of PAT	

MARQUEE INSTITUTIONAL SHAREHOLDING AND EXPERIENCED BOARD

Shareholding Split¹











- Promoters
- Public
- Institutions



Details of Key Shareholders

Promoters	23%
Public Shareholding	15%
Institutional Shareholding	62%
<i>General Atlantic²</i>	21%
<i>Fairfax²</i>	14%
<i>Others</i>	27%

Board of Directors

Name & Designation	Previous Experience
 Nilesh Vikamsey Independent Director, Chairman	 Khimji Kunverji & Co Chartered Accountants (Registered) 30+ years of experience
 Nirmal Jain Non-Executive Director & Promoter	 Mandator Univer Limited 30+ years of experience
 R. Venkataraman Non-Executive Director & Promoter	  ICICI Bank GE Capital 20+ years of experience
 Karan Bhagat Managing Director & Promoter	 IIFL WEALTH & ASSET MANAGEMENT 20+ years of experience
 Yatin Shah Non-Executive Director & Promoter	 IIFL WEALTH & ASSET MANAGEMENT 20+ years of experience

Name & Designation	Previous Experience
 Sandeep Naik Nominee Director	 GENERAL ATLANTIC Apax PARTNERS 20+ years of experience
 Shantanu Rastogi Nominee Director	 GENERAL ATLANTIC Apax PARTNERS McKimsey & Company 20+ years of experience
 Geeta Mathur Independent Director	  ICICI Bank 25+ years of experience
 S Narayanan Independent Director	Former Fin. Secy, Former Economic Advisor to PM
 Mr. Pankaj Vaish Independent Director	 accenture 34+ years of experience
 Mr. G Soundarajan Non-Executive Director	Hamblin Watsa Investment Counsel Ltd.  ICICI Lombard Nibhaye Vaade

1. Share holding Pattern is represented as on 30th June 2022
2. Transaction between GA, Fairfax and Bain Capital is awaiting regulatory approval

LINK TO DOWNLOAD DATA BOOK

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

