

EW/Sec/2022/166

September 2, 2022

BSE Limited P J Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: - 532922	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Symbol:- EDELWEISS
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Dear Sir/Madam,

Sub: 27th Annual General Meeting - Presentation

Please find attached the presentation made at the 27th Annual General Meeting of the Company held on September 2, 2022.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl. as above



Edelweiss Financial Services Limited

27th Annual General Meeting

Contents



Overview

Key highlights for FY22

Update on focus areas

Edelweiss at a glance – Year ended Mar 22



Net Worth

INR 8,457 Cr

Ex-Insurance PAT

INR 405 Cr

BVPS

INR 72

(FV ₹1)

Liquidity

INR 5,500 Cr

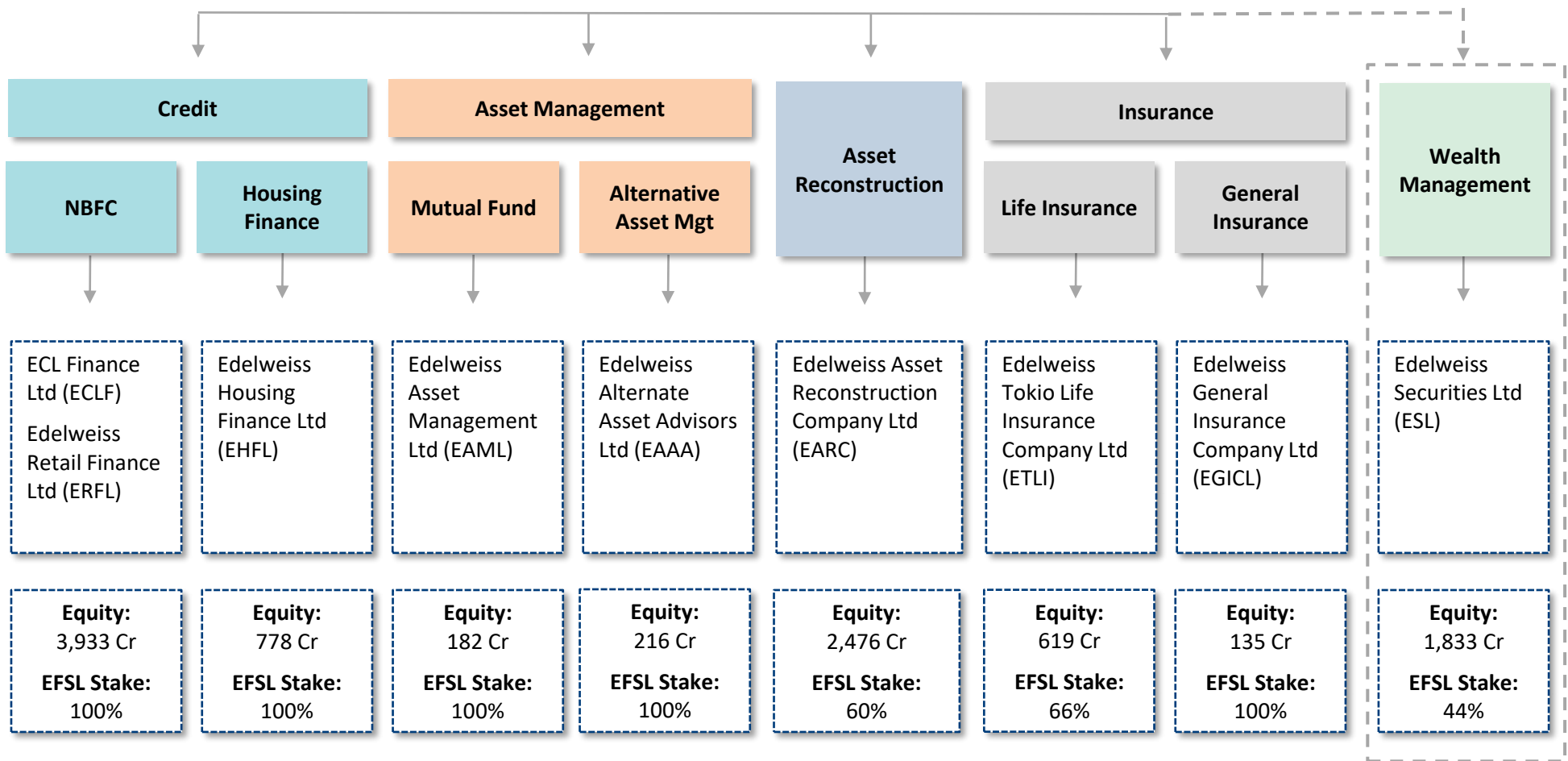
Customer Assets

INR 3,57,700 Cr

We are a diversified company across eight businesses



Edelweiss Financial Services Ltd (EFSL)



EFSL has increased its stake in the Life Insurance business to 66% with effect from January 31, 2022

Key highlights for FY22

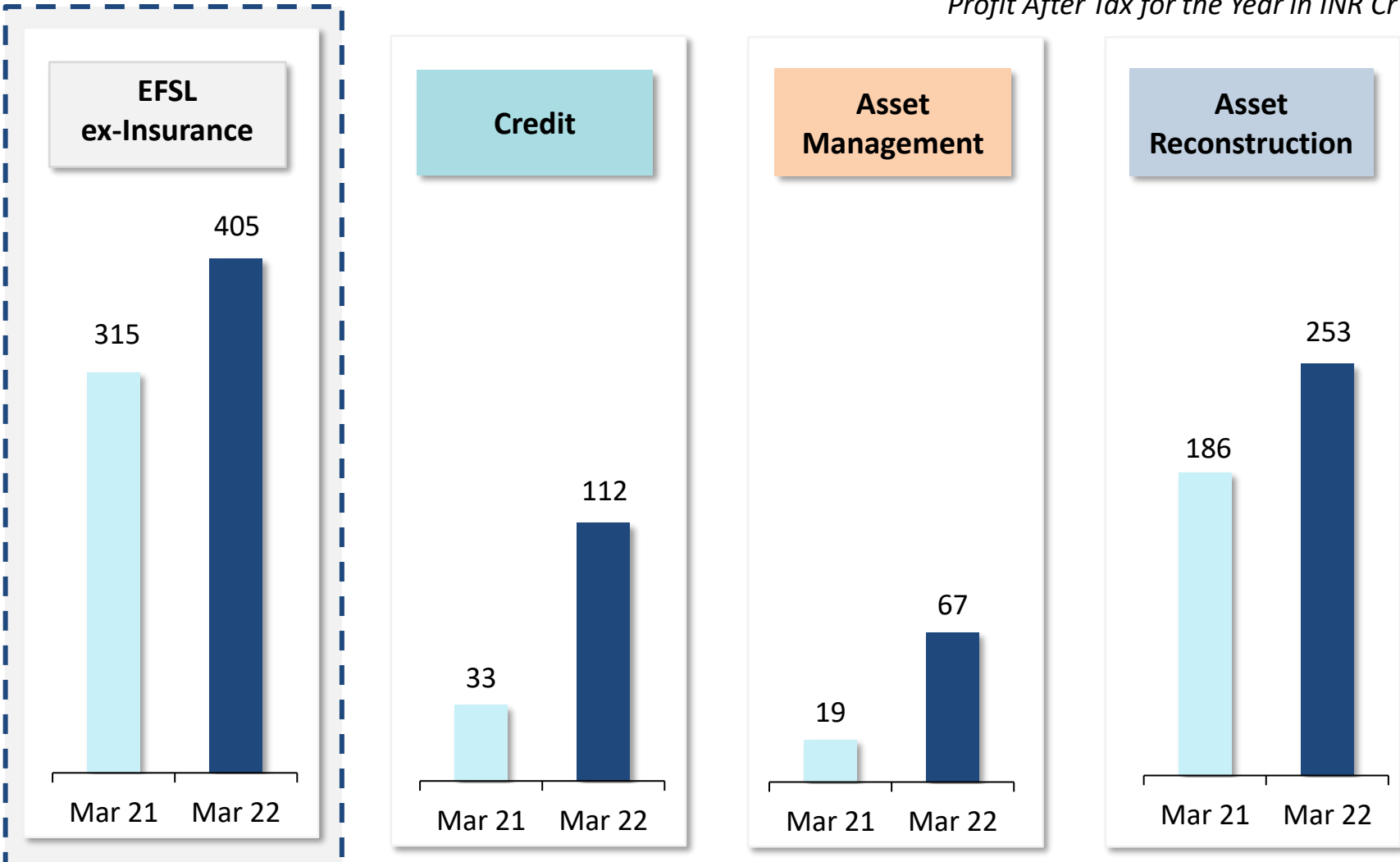


- 1 Steady performance across businesses – upward trend across key metrics
- 2 Growth in customer franchise enabled by digital ecosystems and synergistic partnerships
- 3 Significant improvement in asset quality; aided by strong wholesale recoveries and high retail collection efficiency
- 4 Robust Balance Sheet - comfortable liquidity and well capitalized businesses

1 EFSL Ex-Insurance PAT increased 29% YoY



Profit After Tax for the Year in INR Cr



EFSL ex-insurance PAT for year ended Mar 21 has been commensurately adjusted to reflect changes in EFSL stake in Edelweiss Wealth Management

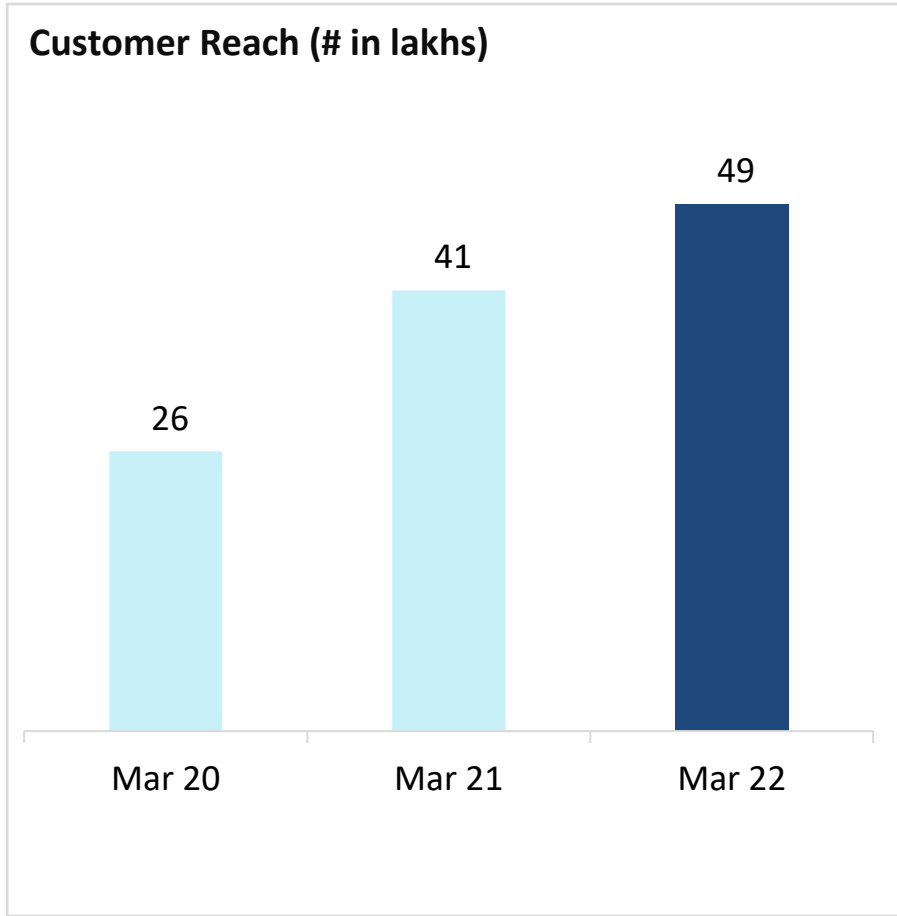
1 Earnings distribution across businesses



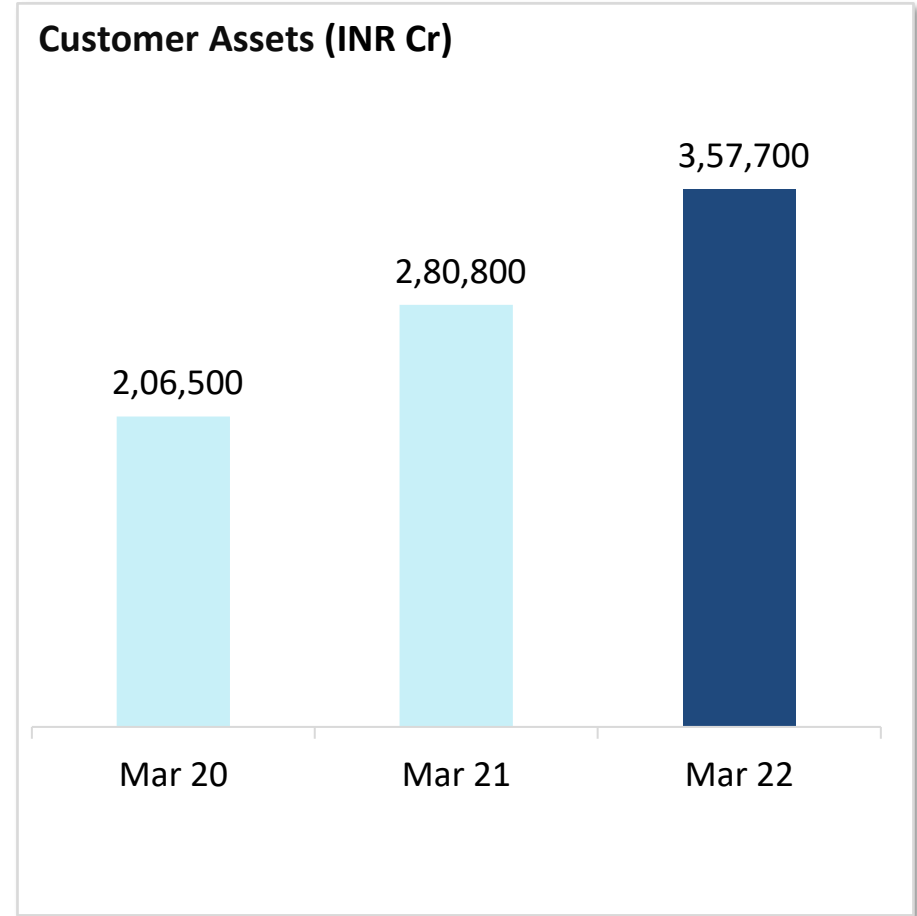
INR Cr

Business	Year ended Mar 22
NBFC	98
Housing Finance	14
Mutual Fund	20
Alternatives Asset Management	47
Asset Reconstruction	253
Life Insurance	(206)
General Insurance	(105)
EFSL share in Wealth Management	97
BMU & Corporate	(6)
<i>(Less) Minority shareholders' PAT</i>	23
EFSL Consolidated PAT (Post MI)	189
EFSL Ex-Insurance PAT (Post MI)	405

2 Customer reach nearly doubled in 2 years

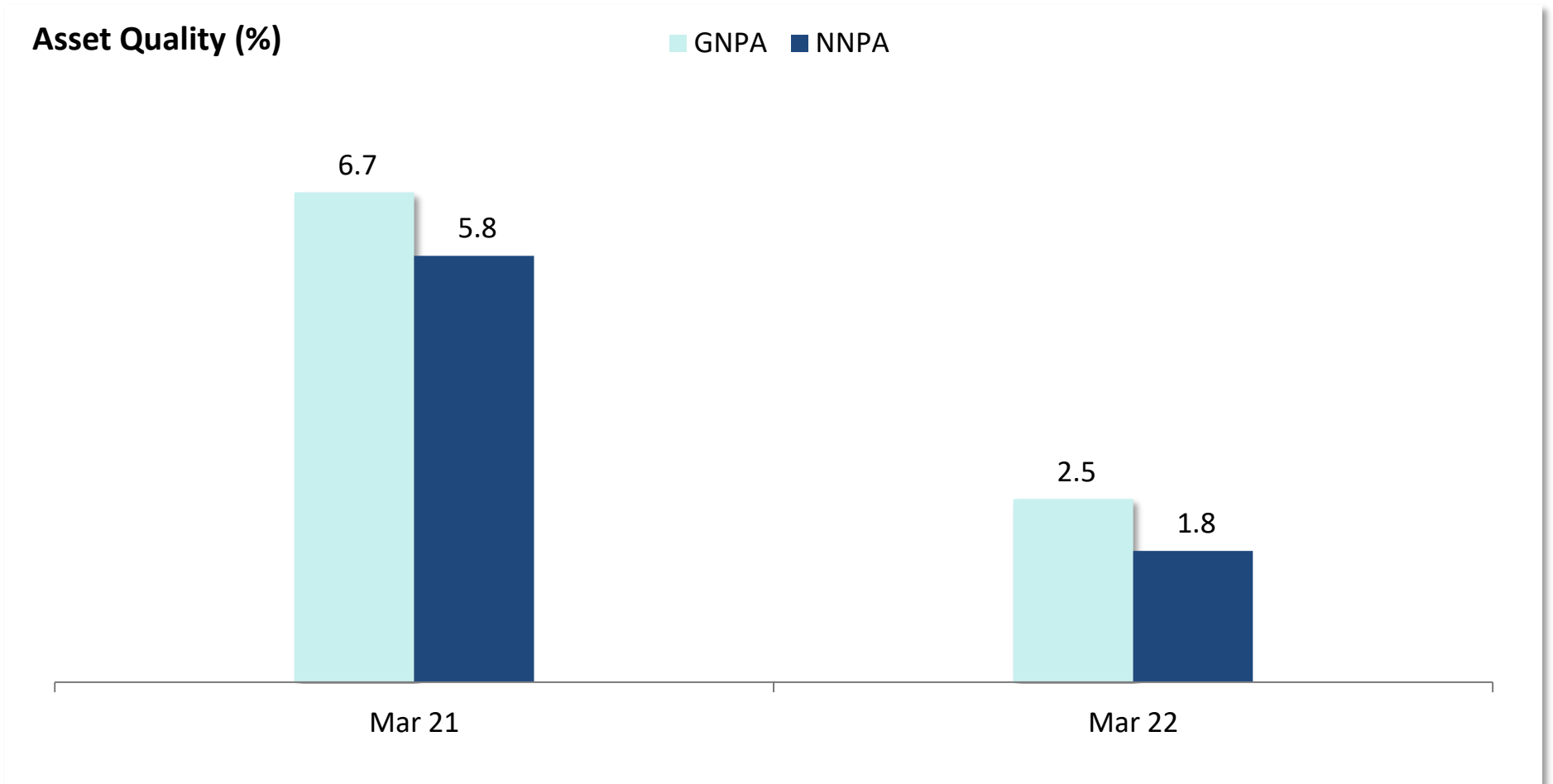


Growth of ~20% YoY



Growth of ~27% YoY

3 Significant improvement in asset quality



Total provision cover improved to 189% as on Mar 22 from 70% as on Mar 21

4 Robust balance sheet with well-capitalised businesses



Reduction in debt by ~30% over last 2 years; net D/E improved to 2x

Strong capitalization across businesses; well above regulatory requirements

Comfortable liquidity of INR 5,500 Cr at ~23% of debt

Update on focus areas



1 List Edelweiss Wealth Management and unlock value for shareholders

2 Reduce Wholesale book

3 Reduce debt at Corporate and ECLF

4 Scale up Asset Management and Insurance businesses

5 Create and unlock value – our Intrinsic Value framework

1 Edelweiss Wealth Management – value unlock for shareholders



Edelweiss Securities Limited (ESL) is the legal entity under which Edelweiss Wealth Management (EWM) is housed

Transaction rationale - Win-Win for all stakeholder

For ESL - Independent listed business with flexibility to attract business-specific partners – primary infusion of ~INR 700

For EFSL Shareholders - Opportunity for direct participation in ESL's growth journey in addition to EFSL's

For EFSL - Opportunity to monetise for debt reduction and to provide for liquidity

Transaction update – Phase I and II completed

Phase III

- Demerger completion
- Edelweiss Securities Limited listing

Expected by Jan 23

Expected by Mar 23

1 Edelweiss Wealth Management – value unlock for shareholders



Proposed ESL ownership structure post demerger

30% EFSL Shareholders on a pro rata basis

14% Edelweiss Group

56% PAG

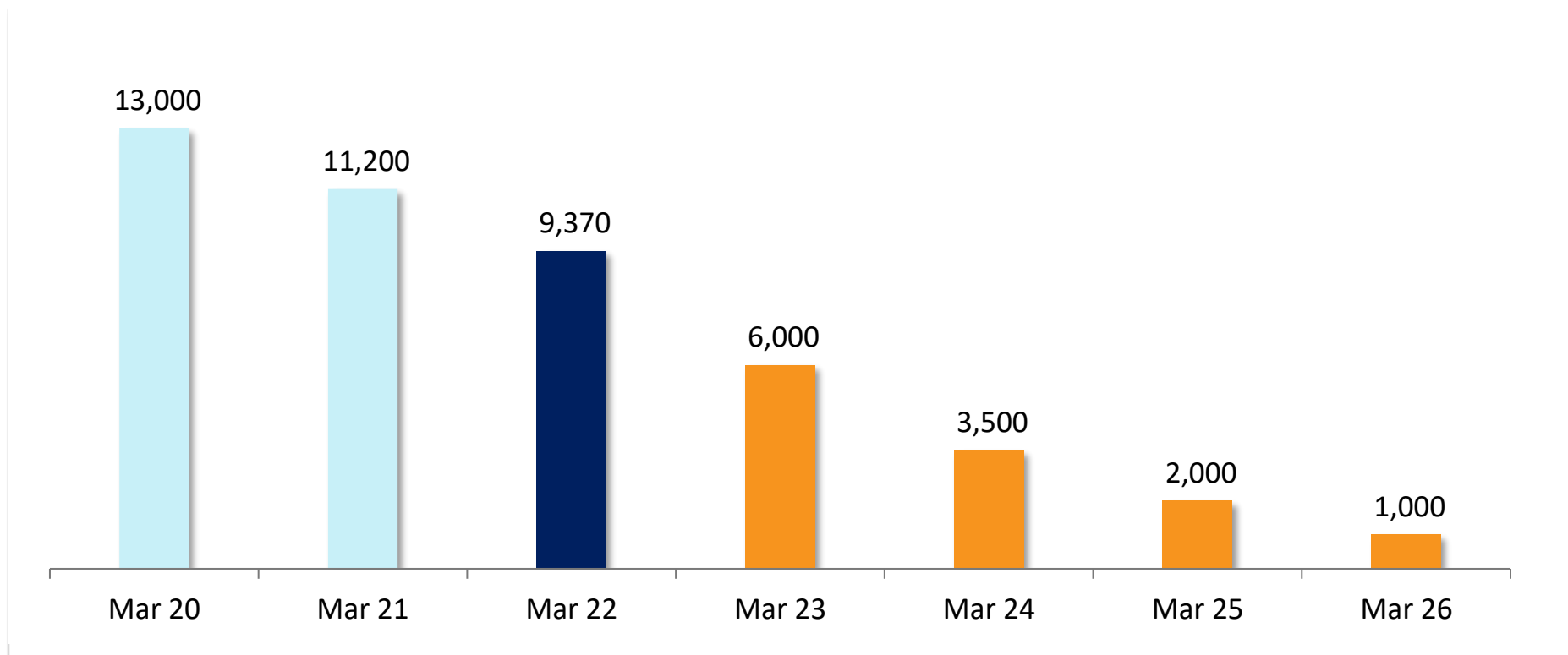
Consideration for demerger

- Post demerger, 1,05,28,746 ESL shares (FV of INR 10) shall be allotted to EFSL shareholders (as on the record date) on proportionate basis. As on Mar 22, EFSL had 94,30,97,965 outstanding shares.
- These 1,05,28,746 shares represent ~30% of ESL share capital

2 Wholesale book reduced by ~30% in the past 2 years



ECLF wholesale loan assets (incl SRs) (INR Cr)



Further reduction by ~60% in the next 2 years aided by strong demand in real estate

3 Debt across businesses



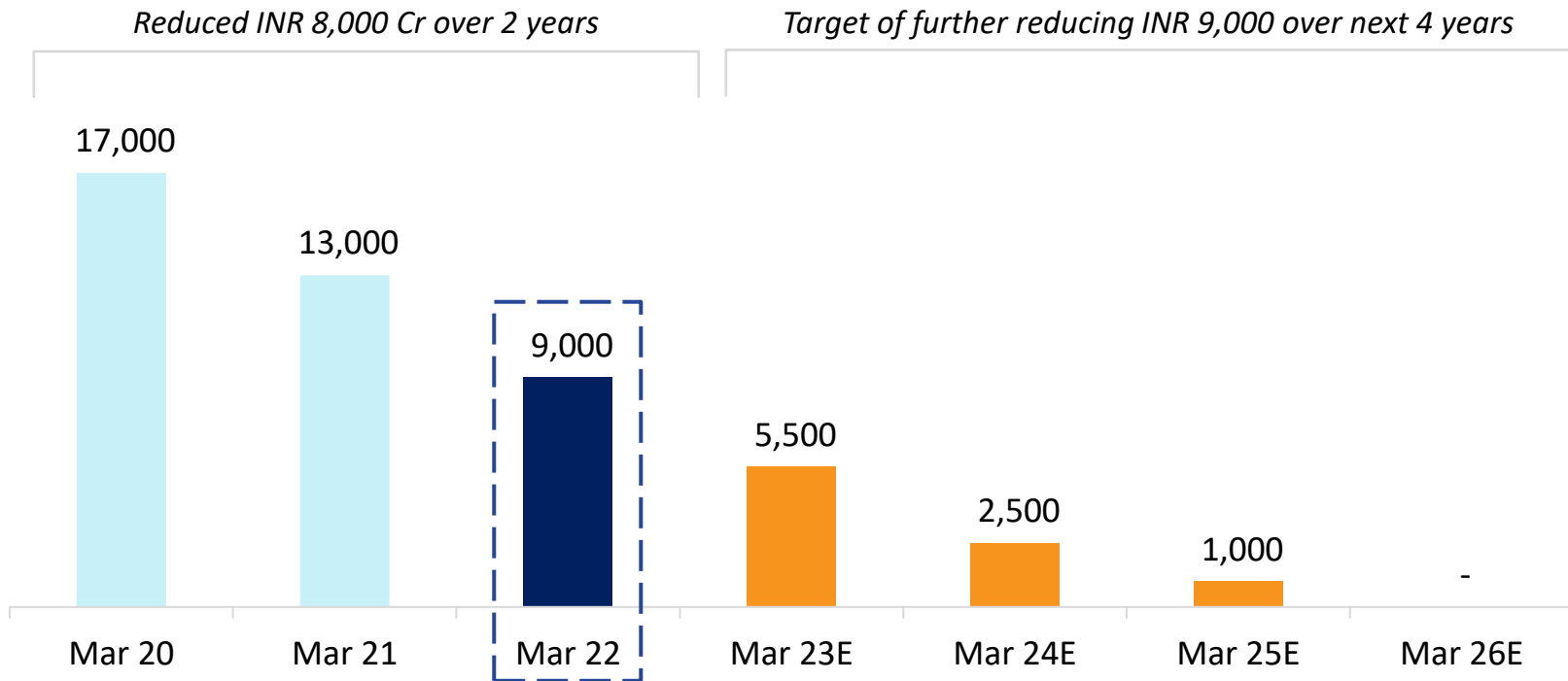
Debt (INR Cr)

Business	Mar 22
NBFC	10,400
Housing Finance	2,300
Asset Reconstruction	3,350
Wealth Management	3,530
BMU & Corporate	5,550
Gross Borrowings	25,130
<i>(Less) liquid / treasury assets</i>	<i>5,500</i>
Net Borrowings	19,630

3 Planned reduction in ECLF debt over next 4 years



ECLF Debt (INR Cr) – largely wholesale

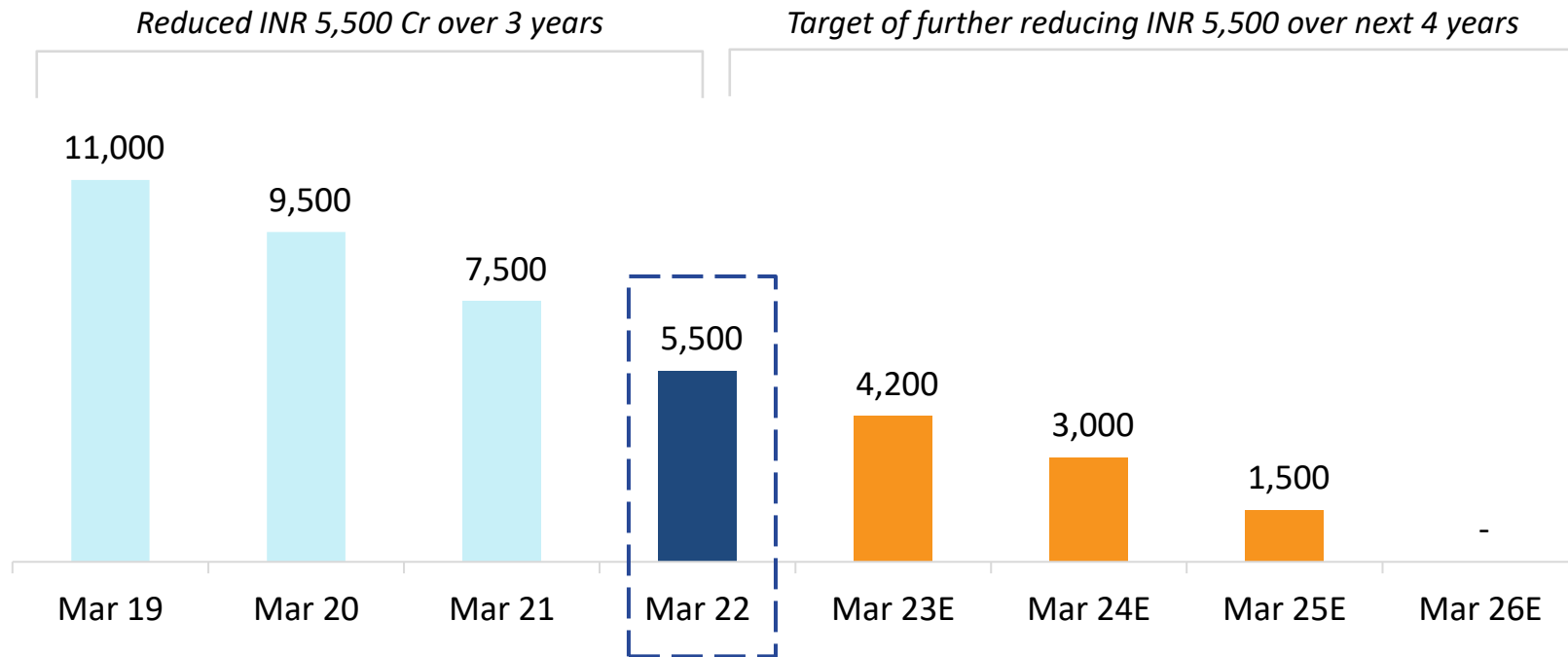


Planned debt reduction aligned with cash inflows from wholesale book

3 Planned reduction of corporate debt over next 4 years



Corporate Debt (INR Cr)



3 Potential cashflow expected for repayment of corporate debt



INR Cr

Stake monetisation • 14% of EWM	~1,500 – 2,000
Stake sale in underlying business • ETLI & EHFL	~1,000 – 2,000
Treasury Assets	~600 – 800
Liquidation of Corporate Assets • Credit assets & Investments	~2,000 - 2,500
ECLF equity release • Post wholesale book reduction	~1,500
Total expected cashflow	~6,600 – 8,800

Expected cashflow adequately covers current debt

4 Significant growth across key businesses



Fastest growing amongst the top 15 **Asset Management Companies** in the industry and top 10 in the fixed income segment with continued leadership in debt passives segment

India's leading **Alternative Asset** manager with AUM growth of 15x over the past 7 years, credited with pioneering strategies in private debt and infra yield segments

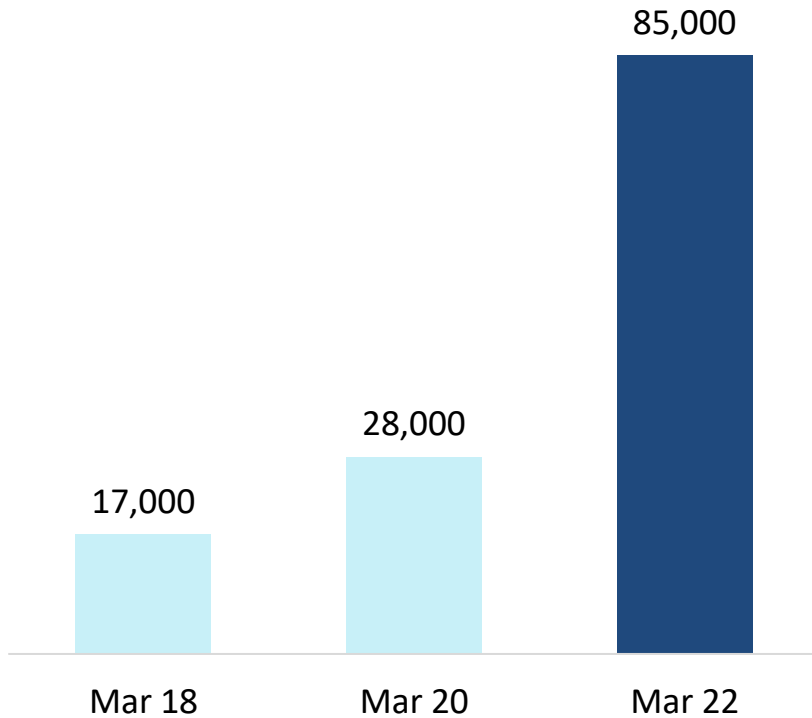
Amongst the fastest growing **General Insurance** player with innovative industry-first digital solutions

Youngest and fastest growing **Life Insurance** player with individual APE growing at a 5-year CAGR of 21% against industry growth at 10%

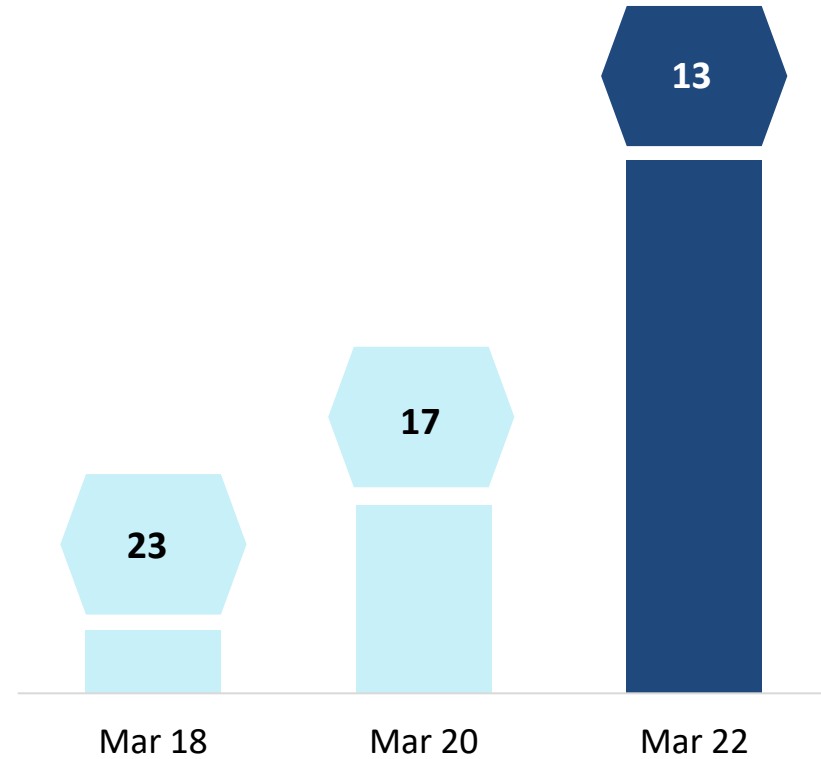


4 Amongst the fastest growing AMCs over last 4 years

Mutual Fund AUM (INR Cr)



Mutual Fund Industry Rank (#)



Aspiring to be amongst the top 10 AMCs

4 The largest player in alternatives in India



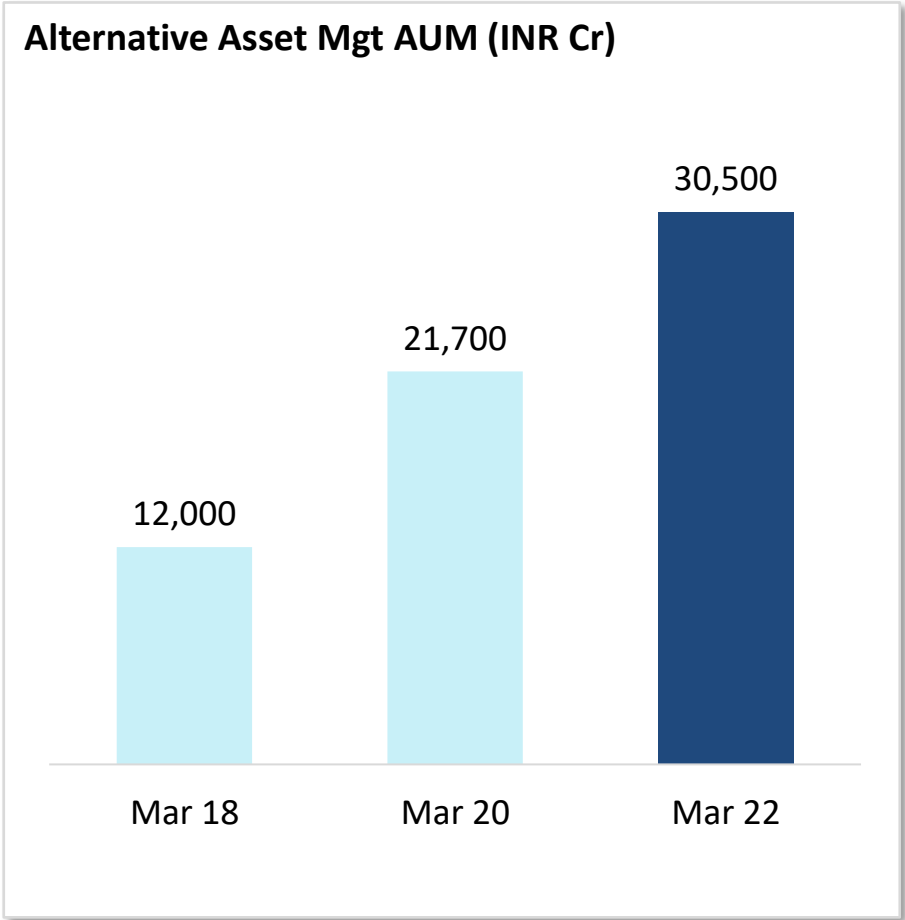
#1 Private Debt player in India



One of the only two Asian players featured in PDI list of the top 100 fund raisers globally for 2021



4th largest by capital raise over 10 years in Asia

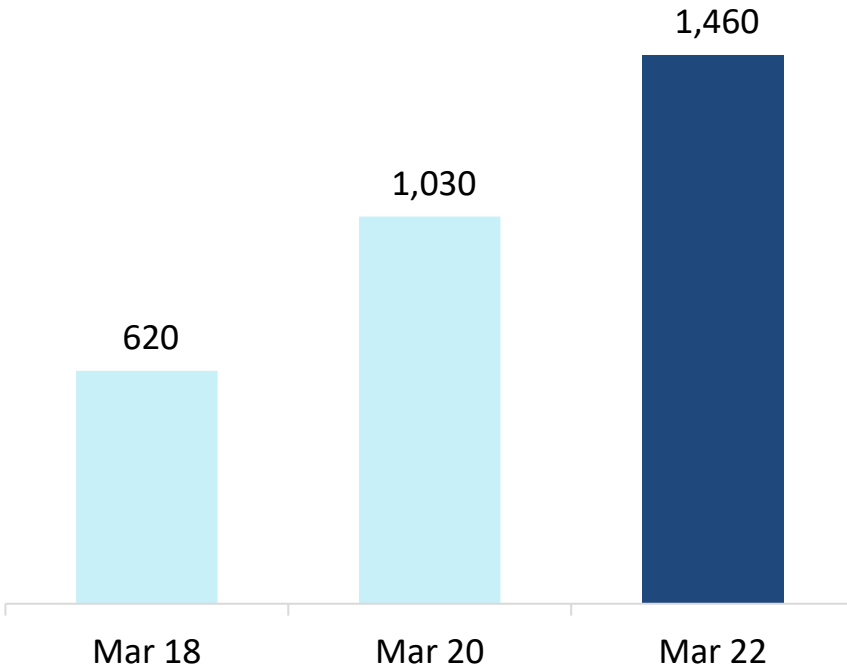


Business poised to enter compounding phase; expected AuM growth of ~3x over the next 5 years

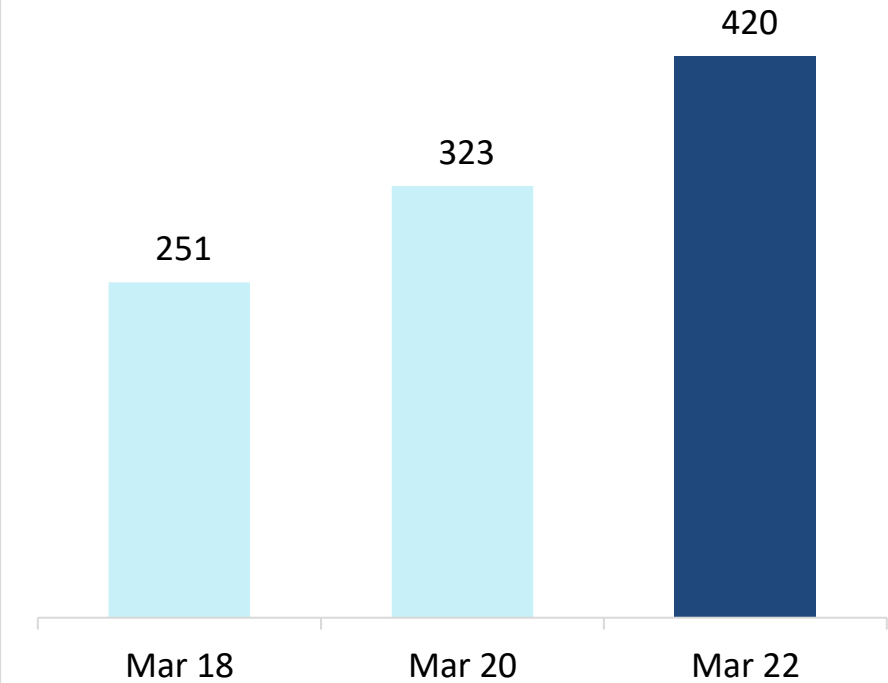


4 Robust growth with superior business quality

LI – Gross Premium for the year (INR Cr)



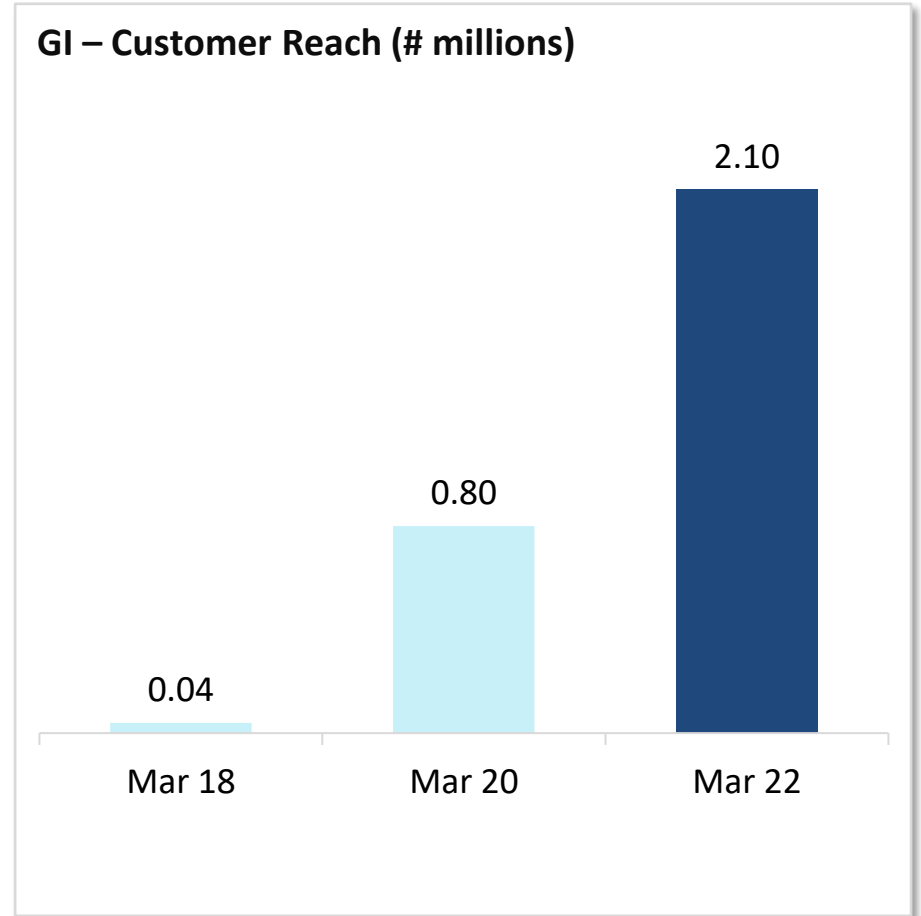
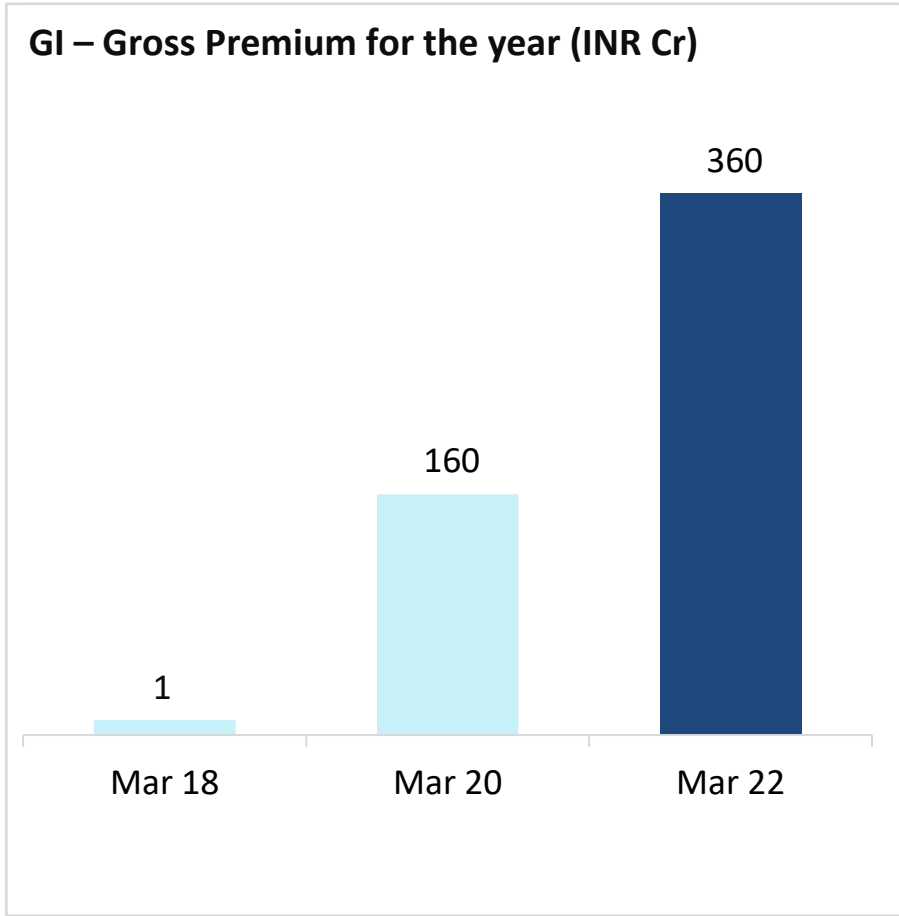
LI – Individual APE (INR Cr)



Total premium grew at a CAGR of 23% against industry growth of 11% since Mar 18



4 Amongst the fastest growing with a robust digital platform



Gross premium grew at ~5x of industry growth since Mar 18

5 Create and unlock value – our Intrinsic Value framework



INR Cr

Business	Metric	Amount
NBFC	Book Value	4,000
Housing Finance	Book Value	800
Asset Reconstruction	Book Value	2,600
Mutual Fund	Assets under Management	88,000
Alternative Asset Management	Assets under Management	36,250
Life Insurance	Embedded Value	1,900
General Insurance	Gross Written Premium	500
Wealth Management	Profit after Tax	300

Business specific metrics and industry multiples used for estimating value

5 Value creation aided by high growth and quality businesses



INR Cr

Business	Business Intrinsic Value	Edelweiss' share
NBFC	4,000 - 4,800	3,200 - 3,800
Housing Finance	1,400 - 1,600	1,400 - 1,600
Asset Reconstruction	3,100	1,900
Mutual Fund	2,600 - 4,400	2,600 - 4,400
Alternative Asset Management	3,600 - 4,700	3,600 - 4,700
Life Insurance	3,800 - 5,700	2,500 - 3,800
General Insurance	2,000 - 2,500	2,000 - 2,500
Wealth Management	7,500 - 9,000	3,300 - 4,000
Corporate Assets		4,000
Corporate Treasury		1,000
Total		25,500 - 31,700
<i>(Less) Corporate Debt</i>		<i>(5,500)</i>
Total		20,000 - 26,200

In summary, we will...



- 1 Create and enhance value in our underlying businesses
- 2 Unlock this value towards creating a win-win for the business and shareholders
- 3 Be financially strong and resilient by reducing debt and holding comfortable liquidity



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Edelweiss Financial Services Limited Corporate Identity Number: L99999MH1995PLC094641

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Safe Harbour



Slide 3:	Net worth is including MI, investment in CCD by CDPQ of INR 866 Cr and excluding Edelweiss Wealth Mgt equity
Slide 3:	Ex-Insurance PAT is excluding MI
Slide 3:	BVPS has been computed by taking into account potential stake dilution from convertible instruments in NBFC
Slide 3,10,15:	Available Liquidity is calculated as on balance sheet liquidity, liquid able assets and undrawn bank lines; Numbers are based on management estimates and rounded off to nearest 100; It includes EWM liquidity
Slide 3,8:	Customer Assets are rounded off to nearest 100 and includes EWM AuA
Slide 4	We have divested the residual 9% stake in EGIBL to Arthur J Gallagher & Co. in the quarter ended Mar 22. EFSL stake refers to stake held by EFSL Group. All stakes have been rounded off to the nearest integer.
Slide 4,24:	NBFC equity includes investment in CCD by CDPQ of INR 866 Cr
Slide 6:	EFSL ex-insurance PAT is post-MI, Cluster level PATs are pre-MI
Slide 6,7,21:	EAAA numbers represent consolidated numbers of Edelweiss Alternative Asset Advisors Ltd, EAAA LLC, Edelweiss Alternative Asset Advisors Pte. Ltd, Sekura India Management Ltd, Edelweiss Real Assets Managers Ltd and Edelweiss Trusteeship Company Ltd
Slide 7:	WM numbers represent consolidated numbers of 4 key entities - Edelweiss Securities Ltd, Edelweiss Broking Ltd, Edelweiss Custodial Services Ltd, Edelweiss Finance and Investments Ltd and 7 other entities
Slide 8,23:	Customer reach includes individuals covered under Group Insurance policies for LI and customer serviced since inception for GI. All numbers are rounded to the nearest lakh.
Slide 9:	Numbers are for ECLF, ERFL and EHFL entities
Slide 10,15,16:	Debt includes accrued interest, liabilities on market linked debentures and excludes CBLO, CDPQ CCD and securitisation liabilities, Net D/E excludes treasury assets
Slide 14:	ECLF Wholesale Loan Assets includes gross loan book and SR Investments
Slide 16,17:	Numbers are rounded to nearest 100
Slide 22,23,27:	Source for industry data - GI Council and LI Council. Total premium is as per IGAAP and Gross Premium is as per Ind AS
Slide 24,25:	BV for NBFC, HFC and ARC represent respective equity as on Jun 22, AUM for MF and Alts is as on Jun 22, EV for LI is based on estimates for H1FY23, GWP is annulised based on Q1FY23 GWP, PAT for WM is annulised based on management estimates of normalized PAT excluding one off expenses. Business valuation is indicative and based on forward looking management estimates. Metric multiple range is based on peer benchmarking on best effort basis. All numbers are rounded to nearest 100.

Annexure

Business highlights



NBFC

- NNPA improved to 1.96% as on Mar 22 from 2.31% on Dec 21 and 6.83% on Mar 21
- Retail collection efficiency at 96% for the quarter ended Mar 22
- Strong wholesale recoveries of ~INR 1,600 Cr in the quarter ended Mar 22, momentum expected to continue

Housing Finance

- NNPA improved to 1.46% as on Mar 22 from 2.98% as on Dec 21 and 3.14% on Mar 21
- Retail collection efficiency at 101% for the quarter ended Mar 22
- Partnered with State Bank of India for CLM tie-up in the quarter ended Mar 22

Mutual Fund

- AUM grew ~55% YoY to ~INR 85,000 Cr; share of Equity AUM rose to 23% as on Mar 22
- Total net equity inflows doubled YoY to ~INR 8,000 Cr
- Market share improved ~50 bps to ~2.2% with rank improving from 15 to 13 in the year

Alternative Asset Management

- Fee paying AUM grew ~25% YoY; deployed ~INR 4,900 Cr in the year
- PAT for the year grew by 2.4x YoY aided by onset of operating leverage, margins to see improvement

Business highlights



Asset Reconstruction

- Robust recoveries of ~INR 6,900 Cr during the year; 11% from retail portfolio
- Share of retail assets in capital employed grew ~4x YoY to ~14% as on Mar 22

Life Insurance

- Gross premium grew at 66% QoQ & 20% for the year
- Dominant share of Traditional Par and Non-Par at ~82%

General Insurance

- Strong YoY GDPI growth of ~60% in the year; industry growth at ~11%
- Issued ~3 lakh policies during the year; ~60% growth both QoQ & YoY

Wealth Management

- AuA grew ~30% YoY; net new money of ~INR 10,500 Cr in the year
- LAS book grew 95% YoY and 20% QoQ to ~INR 3,000 Cr as on Mar 22