

Corporate Presentation

IIFL Securities Limited



NSE : IIFLSEC

BSE : 542773

indiainfoline.com | iiflcap.com

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Section 1:

IIFL Group Overview

IIFL - India's Leading Integrated Financial Services Group



Vision

To be the most respected financial services company in India

Core values

Fairness

in our transactions with all stakeholders, bereft of fear or favour

Integrity

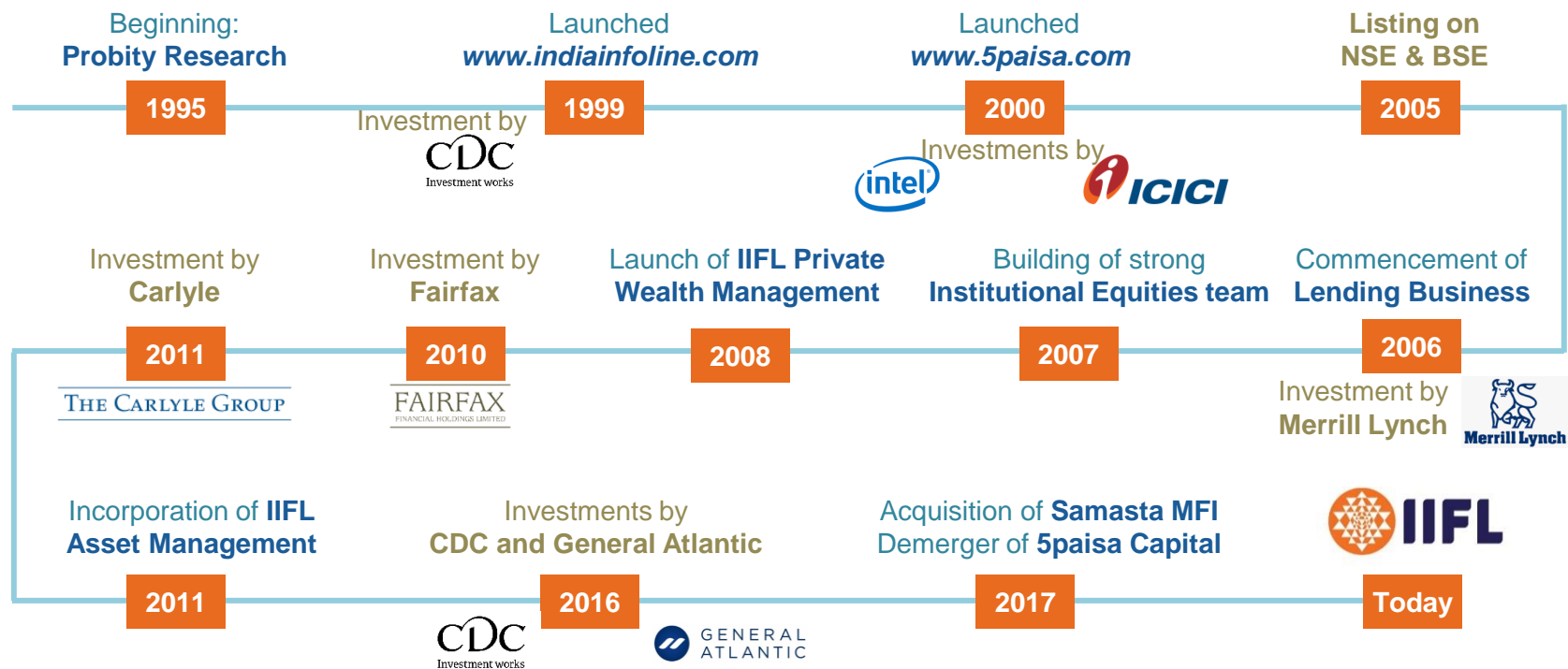
of the utmost nature, in letter, in spirit, and in all our dealings with people

Transparency

in all our dealings with stakeholders, media, investors, and the public

Culture of the organisation driven by "Owner mindset" where Owners work and Workers own

IIFL's journey - Building an integrated platform around "retail" customers over two decades



IIFL Group – Structure and Ownership



IIFL Securities Shareholding Pattern[^]

- Promoters: 29.0%
- Fairfax: 35.4%
- Others: 35.6%



IIFL Securities Ltd [₹]

Products

- Equity Broking – Retail and Institutional
- Investment Banking
- Financial Products Distribution

Customers and Network

- 2.4 Mn customers serviced from 2,500+ locations
- 600+ institutional clients

Financials Q1FY20

Income : ₹ 1.9 Bn
PAT : ₹ 1.3^{iv} Bn

IIFL Wealth Shareholding Pattern[^]

- Promoters: 24.7%
- General Atlantic: 21.9%
- Fairfax: 19.0%
- Others: 34.4%



IIFL Wealth Management Ltd [₹]

Products

Family office, AIFs, Advisory and Distribution Services

Wealth AUM

₹ 1,733 Bn from 10,000+ high networth families

Financials Q1FY20

Income : ₹ 2.2 Bn
PAT : ₹ 610 Mn

IIFL Finance Shareholding Pattern[^]

IIFL Finance Limited [₹]

85% | CDC 15%

- Promoters: 29.0%
- Fairfax: 35.4%
- Others: 35.6%



India Infoline Finance Ltd *

Products

Home loans, Business loans, Gold loans, Microfinance, Developer & Construction finance, Capital Market finance

Loan AUM

₹ 349 Bn of largely retail diversified asset portfolio

Financials Q1FY20

Incomeⁱ : ₹ 6.1 Bn
PAT : ₹ 1.8 Bn

[₹]IIFL Securities and IIFL Wealth have been demerged as on May 13, 2019

^{₹₹}IIFL Holdings Ltd has been renamed to IIFL Finance Ltd

[^]as on June 30, 2019

^{*}India Infoline Finance Ltd will get merged with IIFL Finance Ltd (which is publicly listed) at a later date once all approvals are received

Notes – (i) Income is net of interest expense (ii) PAT is pre-minority (iii) Loan/Wealth assets and customer details as at June 30, 2019 (iv) Including exceptional gain of ₹1.0 Bn during the quarter

Section 2:

IIFL Securities – Business Overview

Institutional Broking

- Leading franchise with 600+ institutional clients
- Track record of \$15Bn block placements over 5 years

Financial Product Distribution

- AUM: 101% 2Yr FY19 CAGR
- SIP Transactions: 49% 2Yr FY19 CAGR



Retail Broking

- 2500+ points of presence across India
- Presence further leveraged by online and mobile technologies

Investment Banking

- #1 Investment Banker* and Best IPO Lead Manager (FY18 & FY19)
- Strong transaction pipeline across products

Real Estate Assets

- ~634,000 sq ft commercial space; Fair Market Value of over ₹7.5Bn vs. Book Value of ₹3.4Bn
- Potential REIT listing / sale of properties to deleverage

Key Financial Highlights (FY19)

Assets Under Advisory[^]
₹286 Bn
2Y CAGR : 27%

Revenues*
₹8,351Mn
2Y CAGR : 13%

Profit After Tax
₹1,714Mn
2Y CAGR : 22%

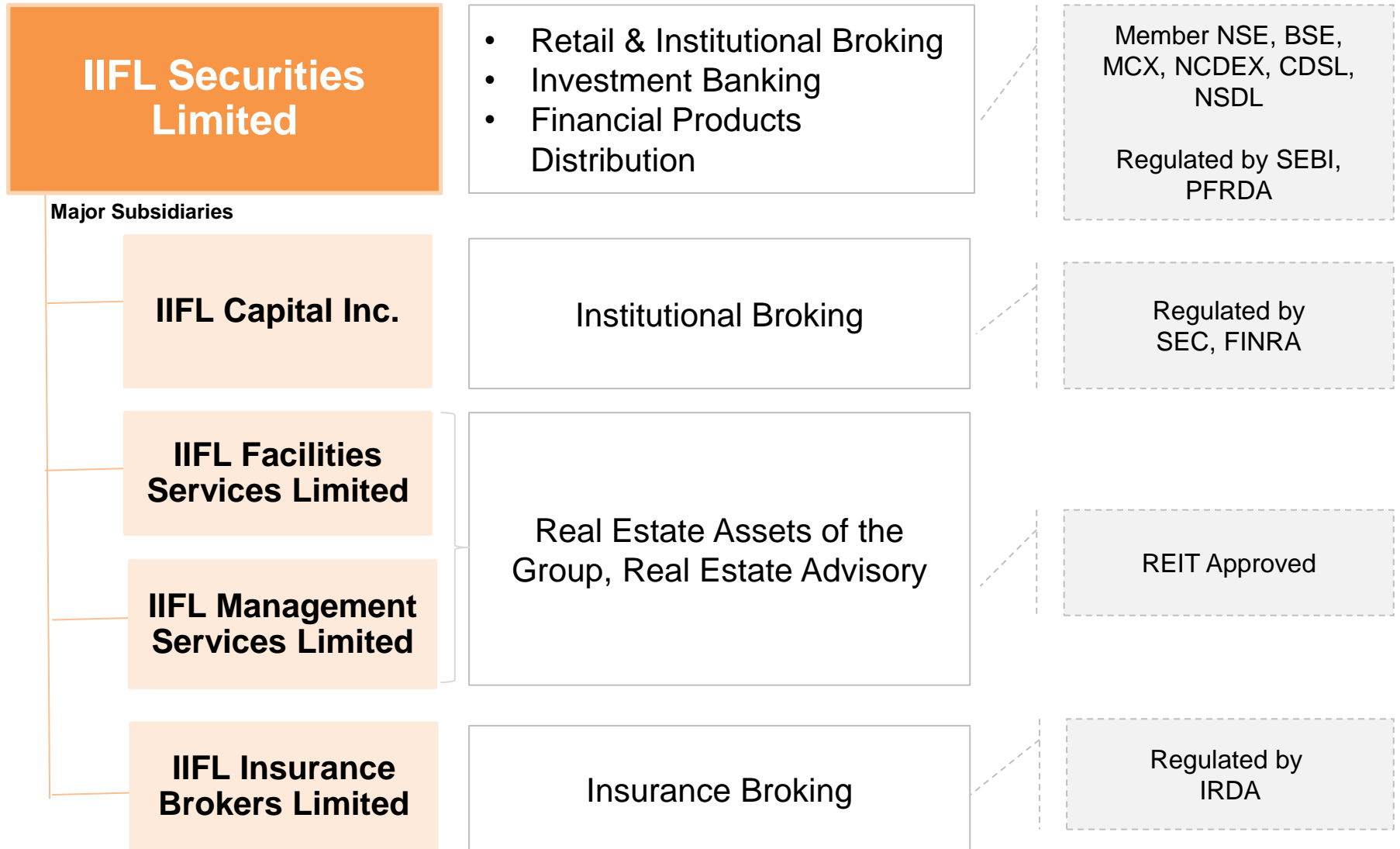
Return on Equity
25.3%
Last 3 fiscals : 25%+

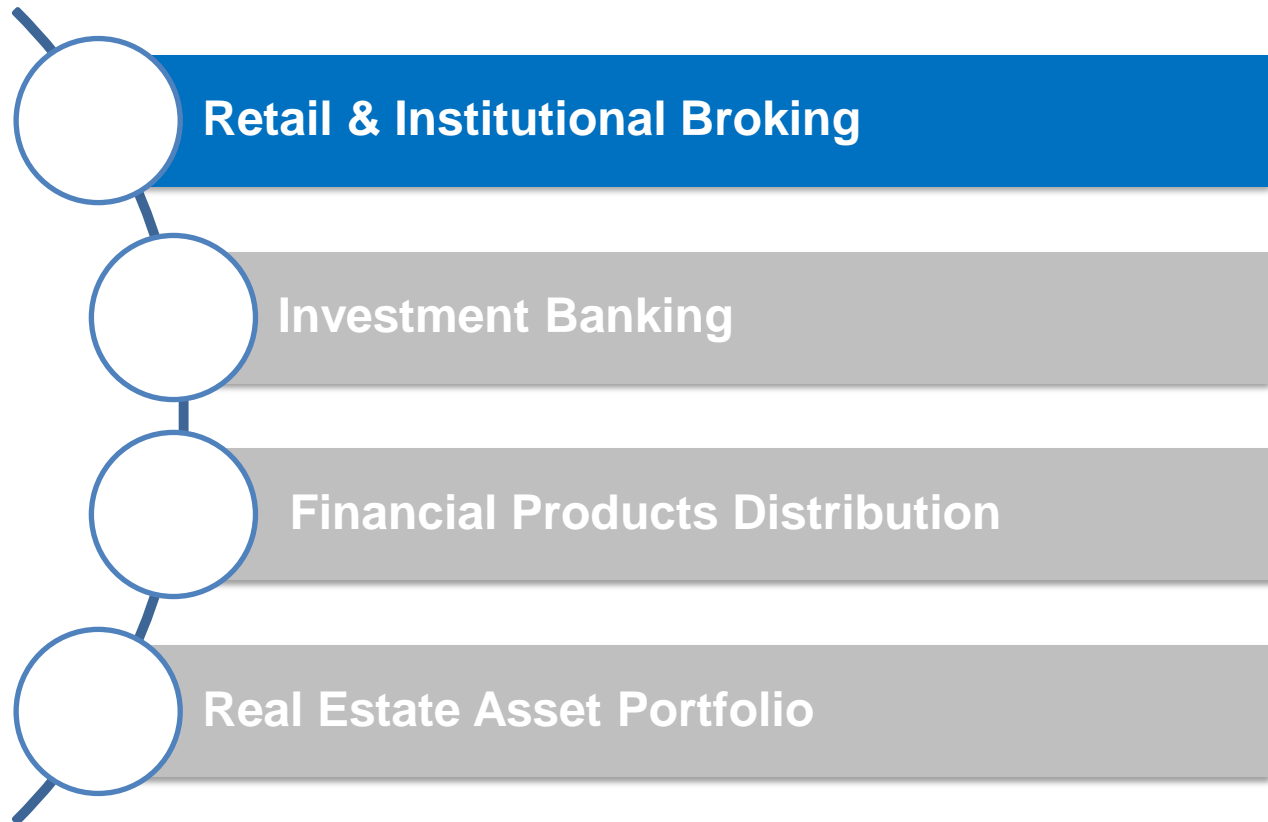
Book Value
₹22.9 per share
2Y CAGR : 33%

Dividend Payout
24.1%
3Y Average 30.0%

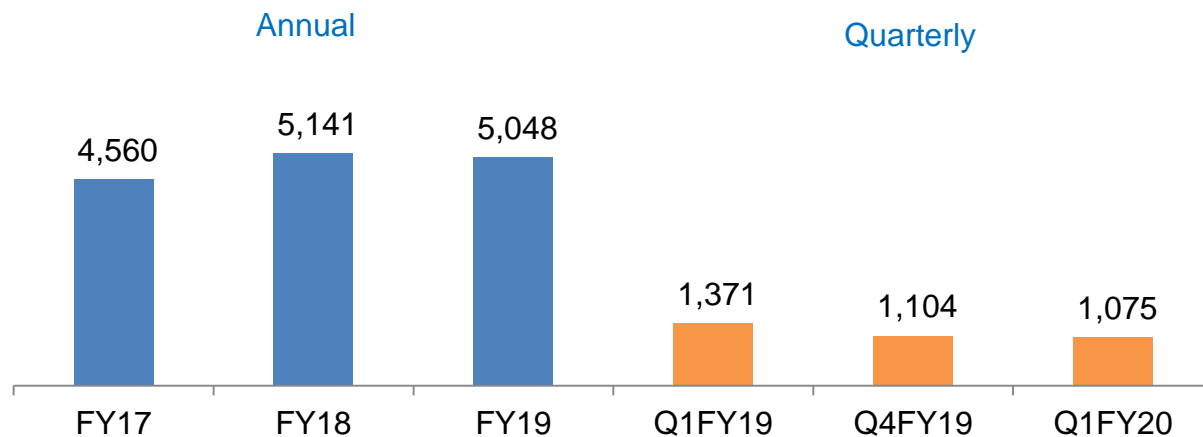
[^] AUA consists of clients' net worth and distribution assets | *Revenue from Operations excluding other income

*Source: Prime Database; as per Investment Banking league tables of private sector issuers for aggregated equity IPOs, FPOs, QIPs, IPPs, ReIT and InvIT IPOs by issue amount on full credit basis for the period Apr 2017 - Mar 2019;

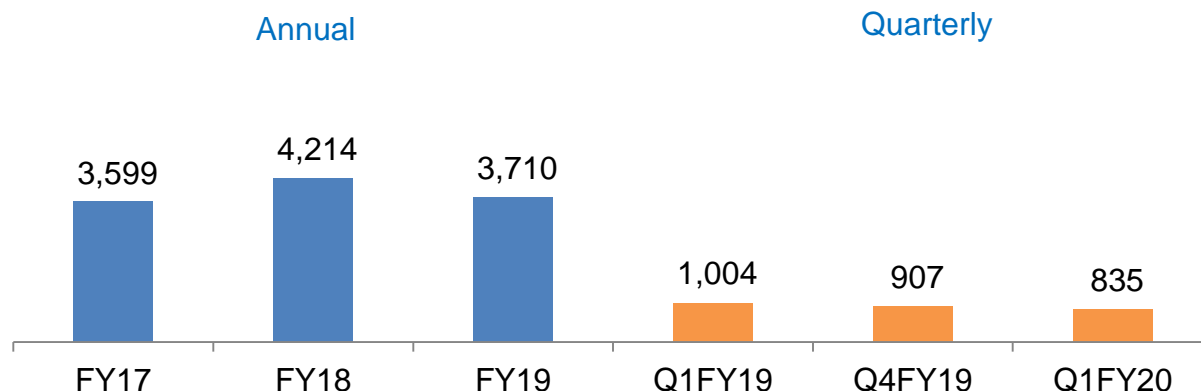




Brokerage and related Income (₹ Mn)



Brokerage Revenues (₹ Mn)



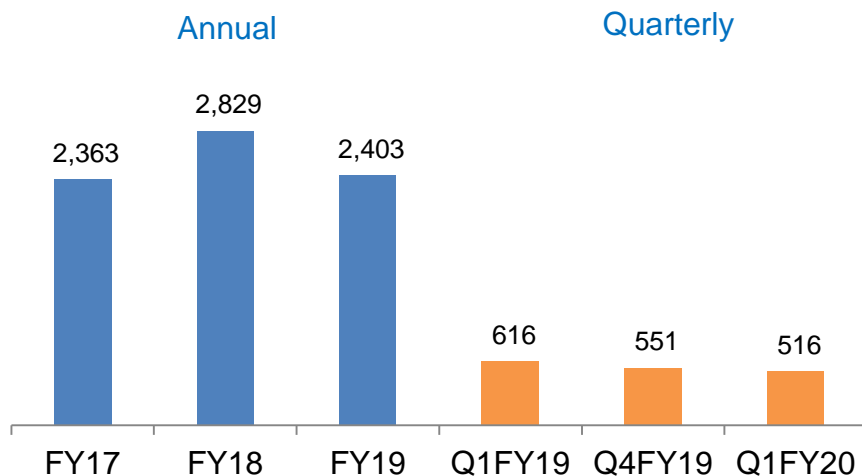
- Our equity broking comprises retail and institutional broking revenues
- Institutional equity broking revenue has been in the range of about 35% of the total broking revenues in the last 3 years
- Brokerage revenues were impacted in fiscal 2019 due to market volatility, causing marginal dip against the previous fiscal

Strong Retail Broking Legacy Business

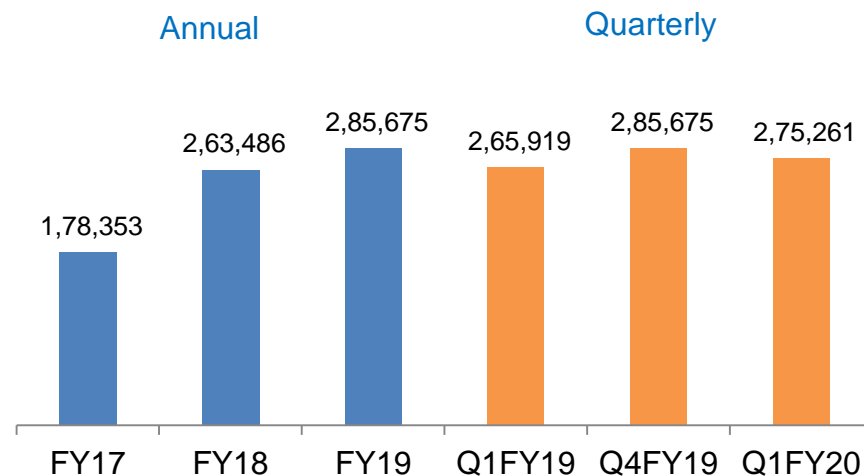


- Legacy of about two decades in retail broking and equity research, serving over 2.4mn customers
- Presence in about 2,500 locations covering branches and business partners over 500 cities in India
- Business offerings comprise equity, commodities and currency broking, DP services portfolio advisory, distribution of mutual funds, bonds, portfolio management services, alternative investment funds and other investment products
- Strong online presence with industry leading mobile apps and web trading platform

Retail Brokerage Income (₹ Mn)

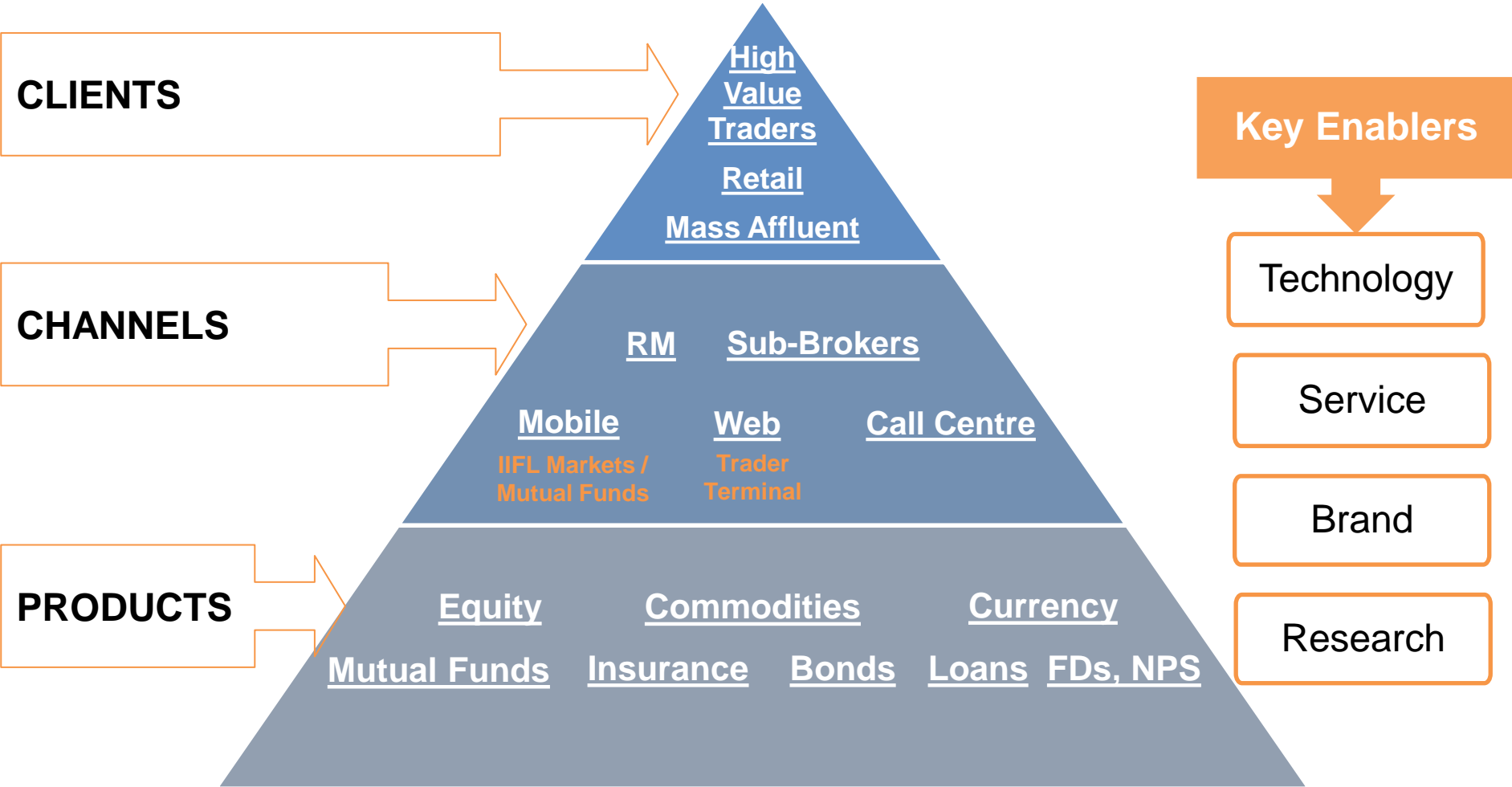


Assets Under Advisory (₹ Mn)

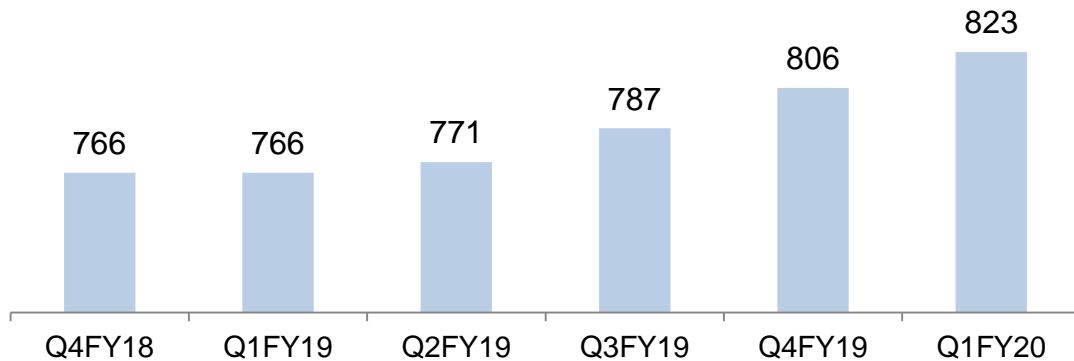


^ AUA consists of clients' net worth and distribution assets

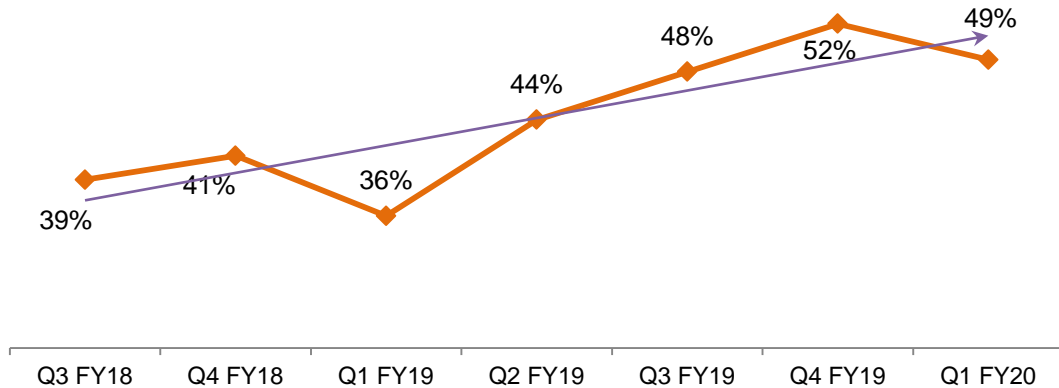
Comprehensive Retail Offerings



Retail Customers (# in '000)



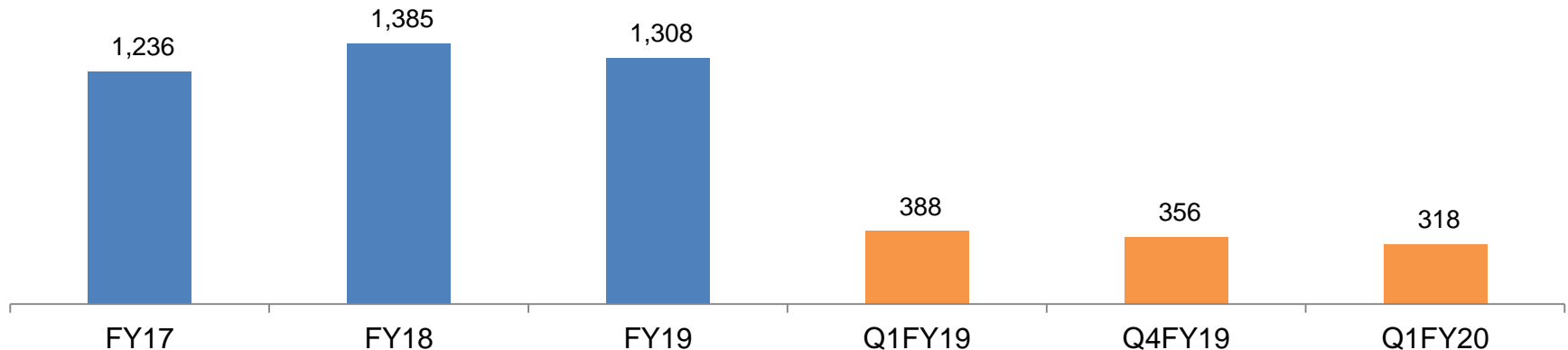
Mobile Trading Retail Clients (% of total)



- Mobile trading has significantly aided in increasing the customer addition and investor participation
- More than 2.7Mn downloads of our mobile app – IIFL markets mobile app[^]; which provides mobile trading platform to our clients

- Among the top franchises on the street, 75 member team with offices in Mumbai, New York and London
- 600+ institutional (domestic and foreign) clients
- Wide customer base covering sovereign wealth funds, foreign portfolio investors, mutual funds, insurance companies, banks, pension funds and alternate investment funds
- 200+ stocks under research coverage with an aggregate market cap of US\$1.60 trillion
- Market leader in block placements – placed over US\$15 billion in blocks over the past 5 years

Institutional Broking Revenues (₹Mn)



IIFL Annual Investor Conferences – FY2019



IIFL's 10th Enterprising India Global Investors' Conference

- ❑ Participation of 120+ companies and over 700 domestic and foreign institutional investors
- ❑ 25 specialist speakers including renowned economists, successful entrepreneurs and revered dignitaries from varied background



IIFL Invest India – International Conferences

- ❑ Three international conferences – London, Toronto and New York
- ❑ Platform for Indian corporates to have one-on-one meetings with global investors from key markets
- ❑ Facilitates exchange of investing perspectives by several Indian and international dignitaries

IIFL “Caravan” | Sector Conferences – initiatives to provide deeper corporate access to investors

IIFL “Caravan” Investor Conferences

“Caravan” – regional conferences to extend investors’ reach to high growth potential companies based out of key cities in India

Delhi



Ahmedabad



IIFL Sector Conferences

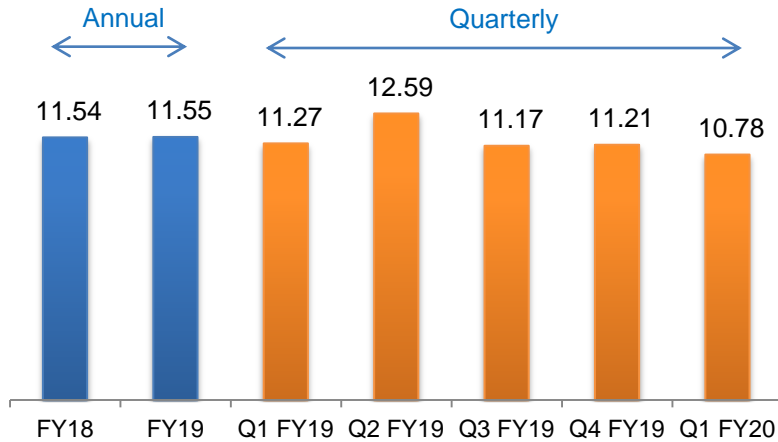
An initiative with an intent to provide investors a forum to explore investment opportunities in high-growth / high-interest sectors



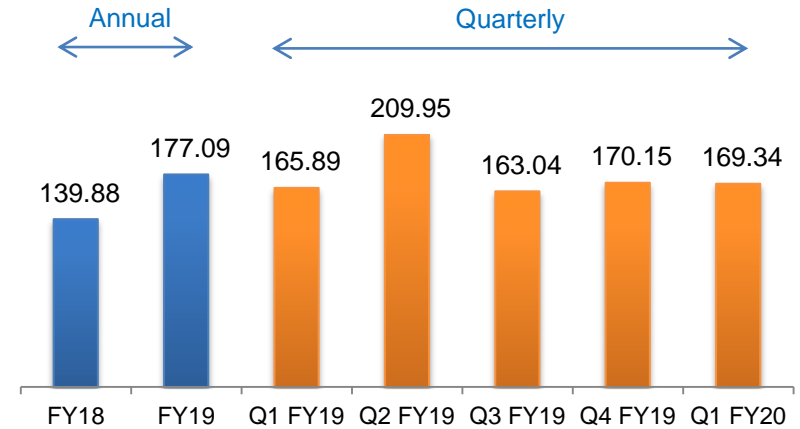
Turnover and Market Share



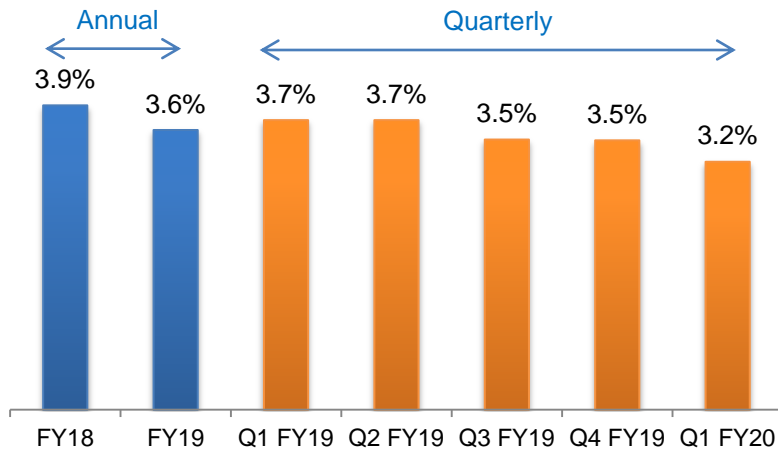
IIFL Average Daily Turnover – Cash (₹ Bn)*



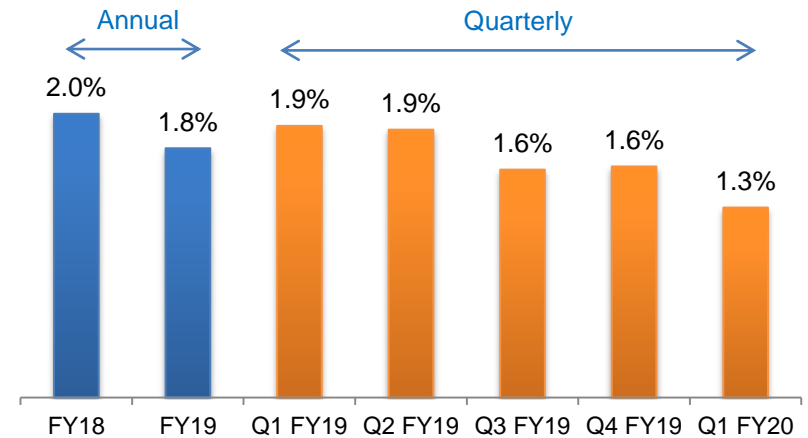
IIFL Average Daily Turnover – Total (₹ Bn)*



IIFL Market Share – Cash*

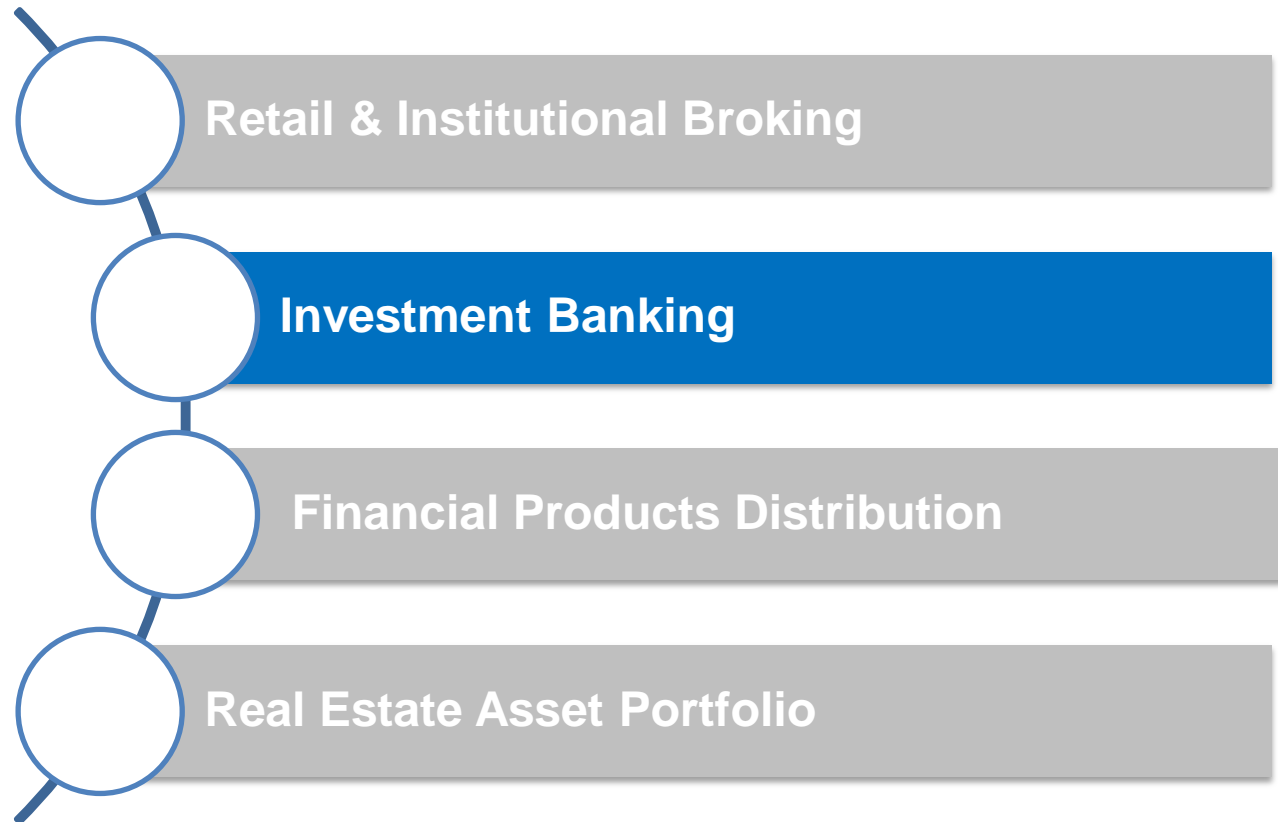


IIFL Market Share – Total*



Source: NSE

*Turnover includes retail and institutional segments from NSE

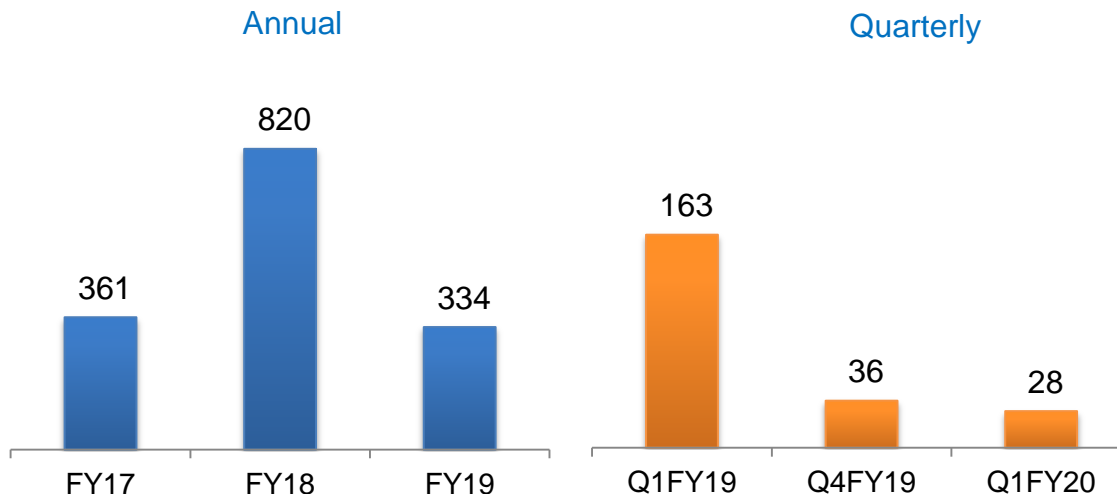




**IIFL ranks #1 Investment Banker
in FY18 + FY19***

- ❑ Rapidly growing franchise – ranked #1* in the league tables in FY18 and FY19 in equity raising for private sector corporates
- ❑ Strong pipeline and product diversity with presence in ECM, Private Equity and DCM
- ❑ Advising a large number of corporates on private equity and advisory transactions

Investment Banking Revenues (₹ Mn)



- Revenues impacted in FY19 and Q1FY20 owing to a muted equity capital markets
- Despite the market volatility, IIFL has completed more than 15 transactions in FY19 & Q1FY20

*Source: Prime Database; as per Investment Banking league tables of private sector issuers for aggregated equity IPOs, FPOs, QIPs, IPPs, ReIT and InvIT IPOs by issue amount on full credit basis for the period Apr 2017 - Mar 2019;

Comprehensive range of Offerings[^]

Capital Markets

- Initial Public Offerings
- Follow-on Public Offerings
- Qualified Institutional Placements
- InvITs
- ReITs
- Buybacks
- Open Offers
- Rights Issue

Financing

- Private Equity
- Structured Finance
- Debt Advisory

Advisory

- Sellside M&A Advisory
- Buyside M&A Advisory
- Corporate Divestitures

Leading franchise with many firsts to its merit



IIFL – Best IPO Lead Manager
for FY18 & FY19 by
Capital Finance International



First IPO of a Real Estate Investment Trust



First IPO of Asset Management Company in India



First IPO of a Power Exchange in India



First IPO of a General Insurance Company in India




First IPO of an Infrastructure Investment Trust



First IPO of a Life Insurance Company in India

Completed Transactions in FY19 and Q1FY20

Polycab India



Rs.13,453Mn
IPO
Apr 2019

Shree Digvijay
Cement Company

On-market stake
sale post open offer

Apr 2019

Indian Energy
Exchange



Rs.690Mn
Buyback
Apr 2019

Aarti Industries




Rs.7,500Mn
QIP
Mar 2019

Embassy Office Parks
ReIT



Rs.47,500Mn
ReIT IPO
Mar 2019

CreditAccess
Grameen



Rs.11,312Mn
IPO
Aug 2018

HDFC Bank




Rs.27,750Mn
QIP
Aug 2018

HDFC Asset
Management



Rs.28,003Mn
IPO
Jul 2018

ECL Finance



Rs.9,105Mn
Public NCD Issuance
Dec 2018

National Stock
Exchange



Rs.5,037Mn
Private Placements
Sept-Dec 2018

Varroc Engineering




Rs.19,550Mn
IPO
Jun 2018

IIFL Private Wealth

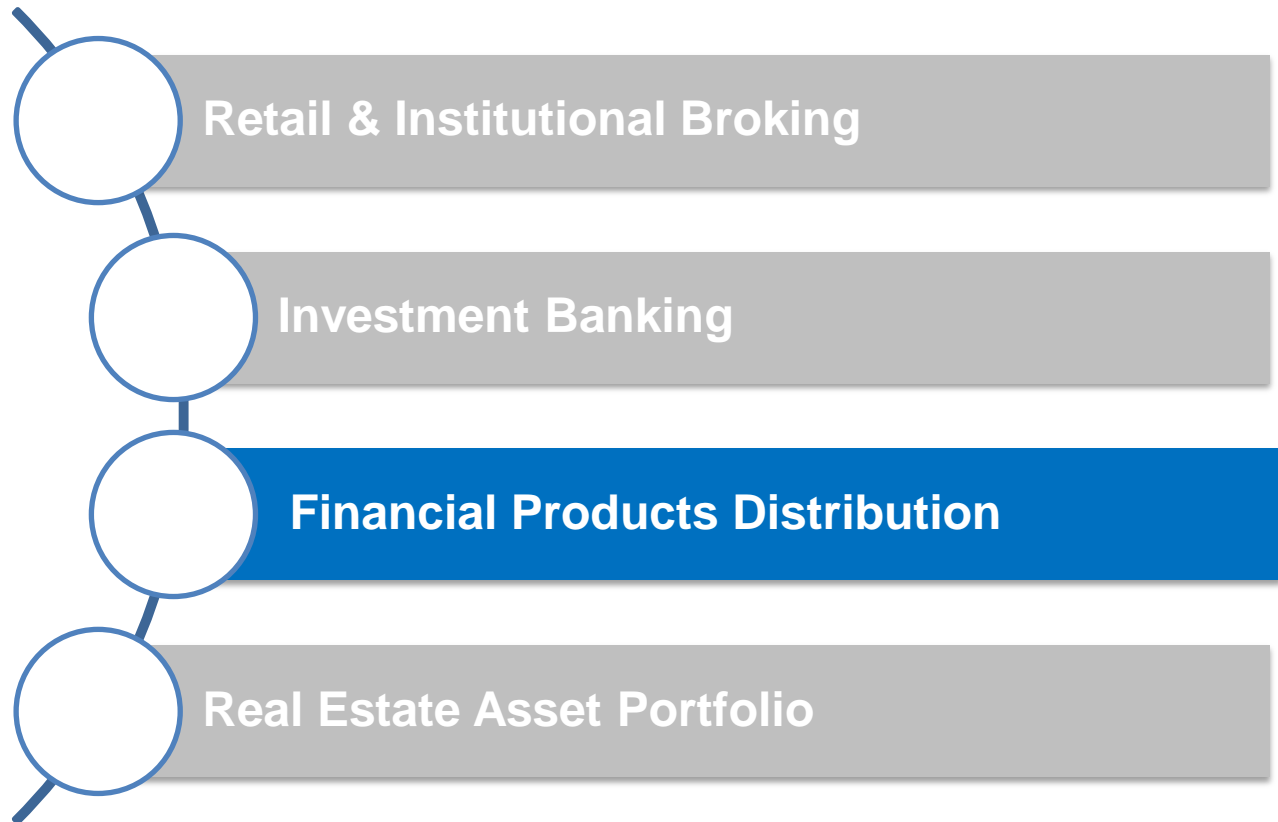


Rs.7,457Mn
Private Equity
Jun 2018

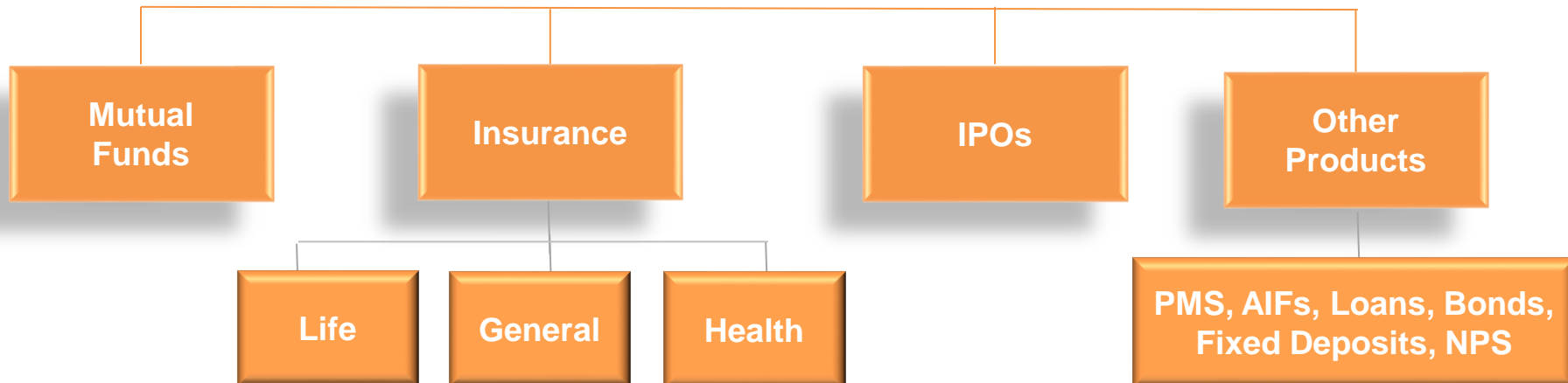
Magma Fincorp.



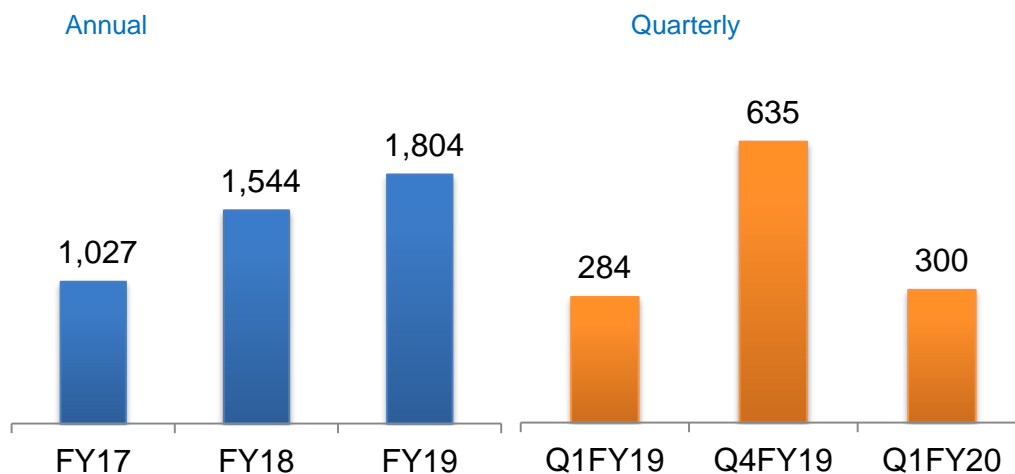
Rs.8,850Mn
QIP + Block
Apr 2018



Product offerings



Financial Products Distribution Revenues (₹ Mn)

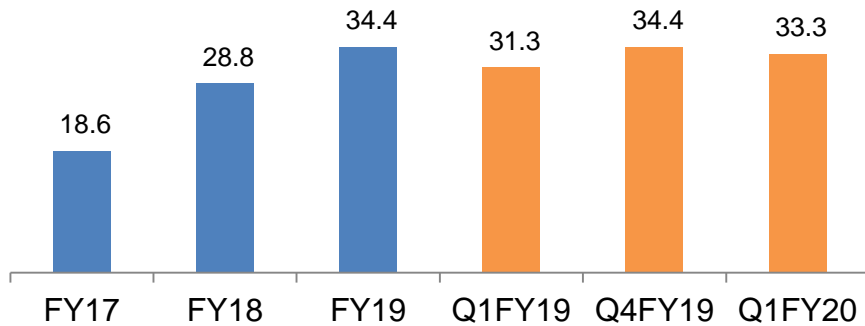


- FPD revenue constituted 36% of total brokerage and related revenue in FY19
- MF and Insurance are focus products with a sustained growth over the years
- SIP transactions have witnessed a CAGR of 49% over a two year growth period
- Insurance premiums have posted a 101% y-o-y growth in FY19

Building Holistic Relationship with Customers through FPD

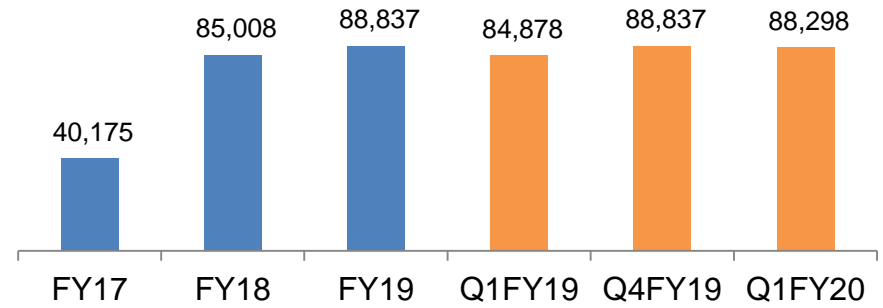


Mutual Fund AUM (₹ Bn)



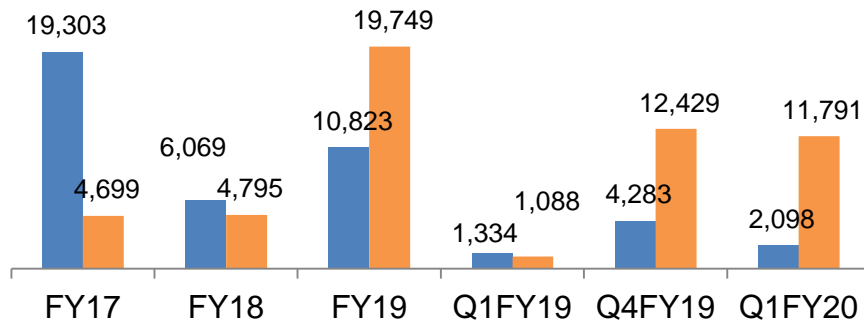
SIP Transactions (Count)

SIP AUM as of June 30, 2019 is ₹6.3Bn, up 41% y-o-y



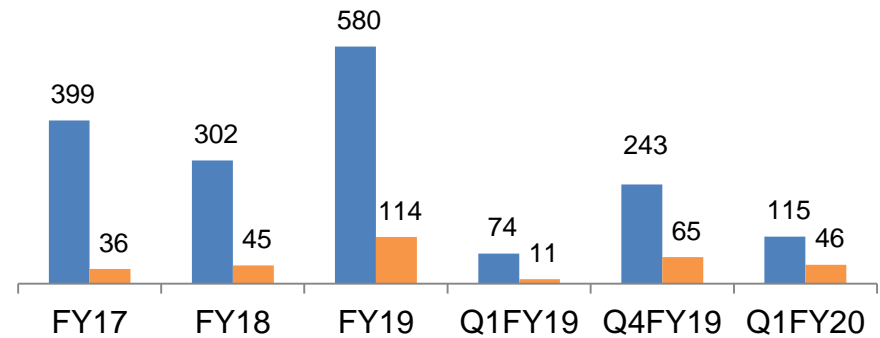
Insurance - Volumes (Count)

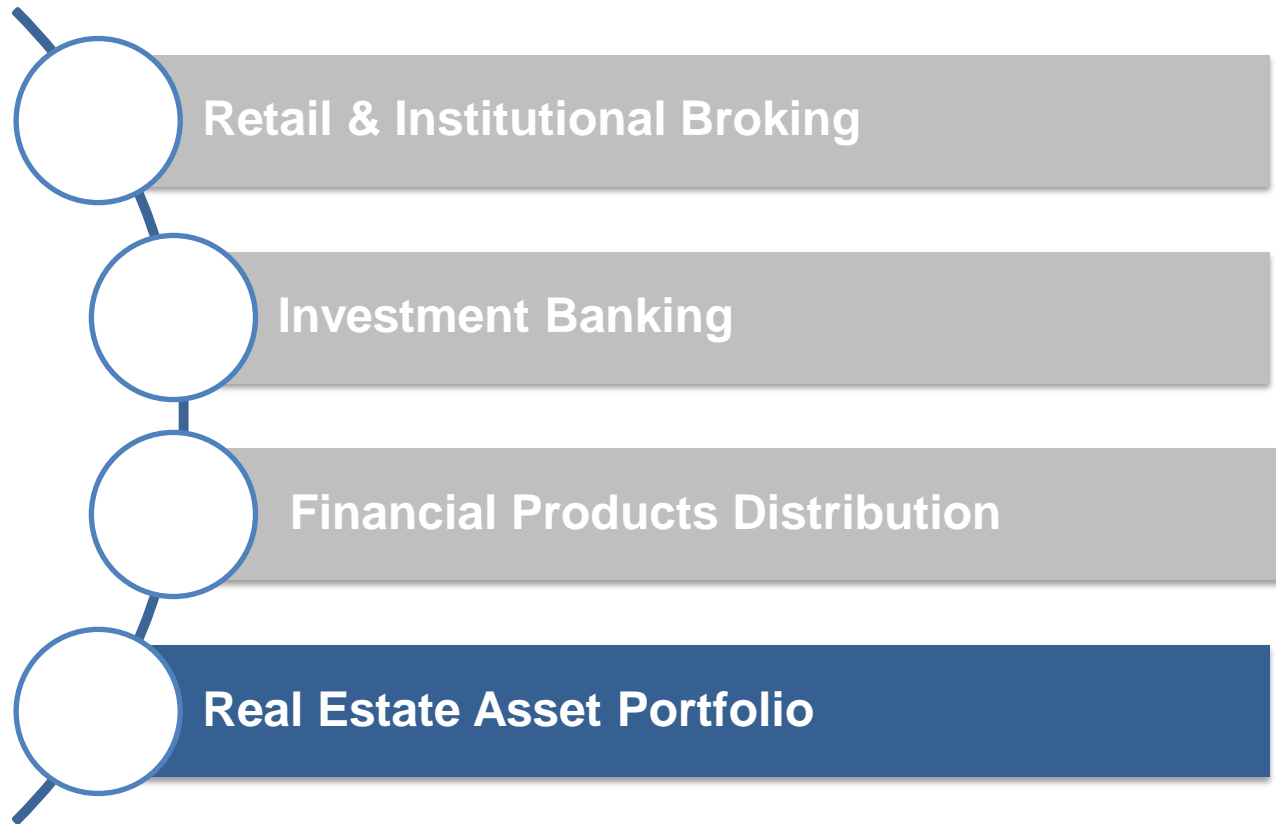
■ Life ■ Non Life



Insurance - Premium (₹ Mn)

■ Life ■ Non Life

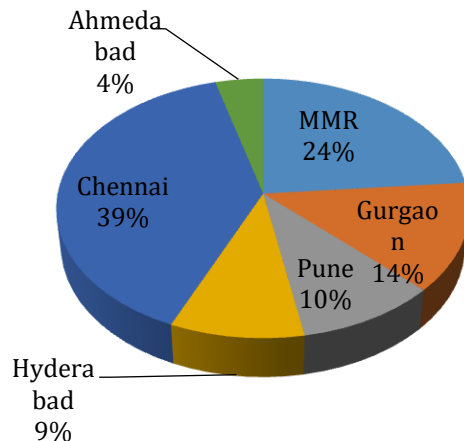




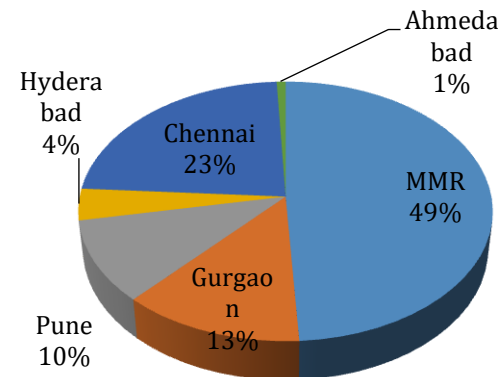
Overview

- Well-spread portfolio of commercial office space and shops primarily leased to IIFL entities
 - Owned building area of 412,000 sq. ft.
 - Commercial office space and shops area of over 222,000 sq. ft.
- Spread across six business locations – MMR, Gurgaon, Chennai, Hyderabad, Pune and Ahmedabad
- Total area of over 634,000 sq. ft. with annual rental of Rs.527mn (excluding GST)
- Fair market value of over Rs7.5bn

Area-wise breakup



Rental breakup



Section 3:

Key Strengths

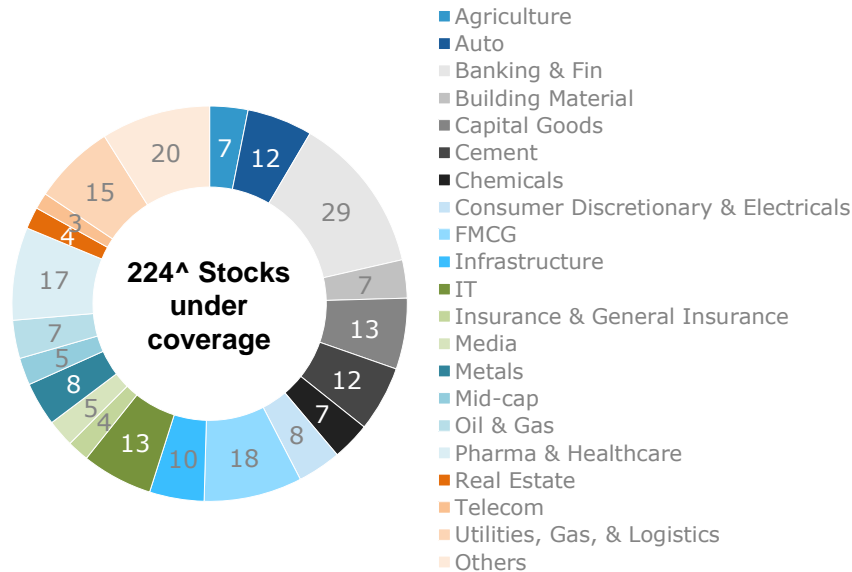


Wide Range of Financial Products and Services



Comprehensive Research Coverage across Sectors

Sector-wise break up of stocks under coverage



Market Cap[^] break up of stocks under coverage

Market Cap bracket	IIFL Research Universe
Above US\$ 10 bn	36
Between US\$ 5 bn and US\$ 10 bn	31
Between US\$ 3 bn and US\$ 5 bn	27
Between US\$ 1 bn and US\$ 3 bn	63
Between US\$ 500 mn and US\$ 1 bn	32
Below US\$ 500mn	35
Total	224

- Pedigreed institutional equities team comprising 25 analysts covering 200+ stocks across 20+ sectors
- Top-tier rankings with most large long-only / domestic mutual funds
- Published over 1,000 reports in FY19 including sector reports, company reports, macro and thematic reports

Technology has been the cornerstone for IIFL's strong presence in the broking industry

- IIFL's technology platform is an optimum mix of in-house proprietary and external software
- 100 member strong in-house technology team



IIFL Markets

3Mn+ downloads



Highest rated (4.3)
and

Most downloaded stock trading
App amongst peers

- 1000+ market and stock related news notifications
- Advanced Research in partnership with MarketSmith
- **First in industry** to launch M-Pin (mobile PIN) login



IIFL Mutual Funds

750,000+ downloads



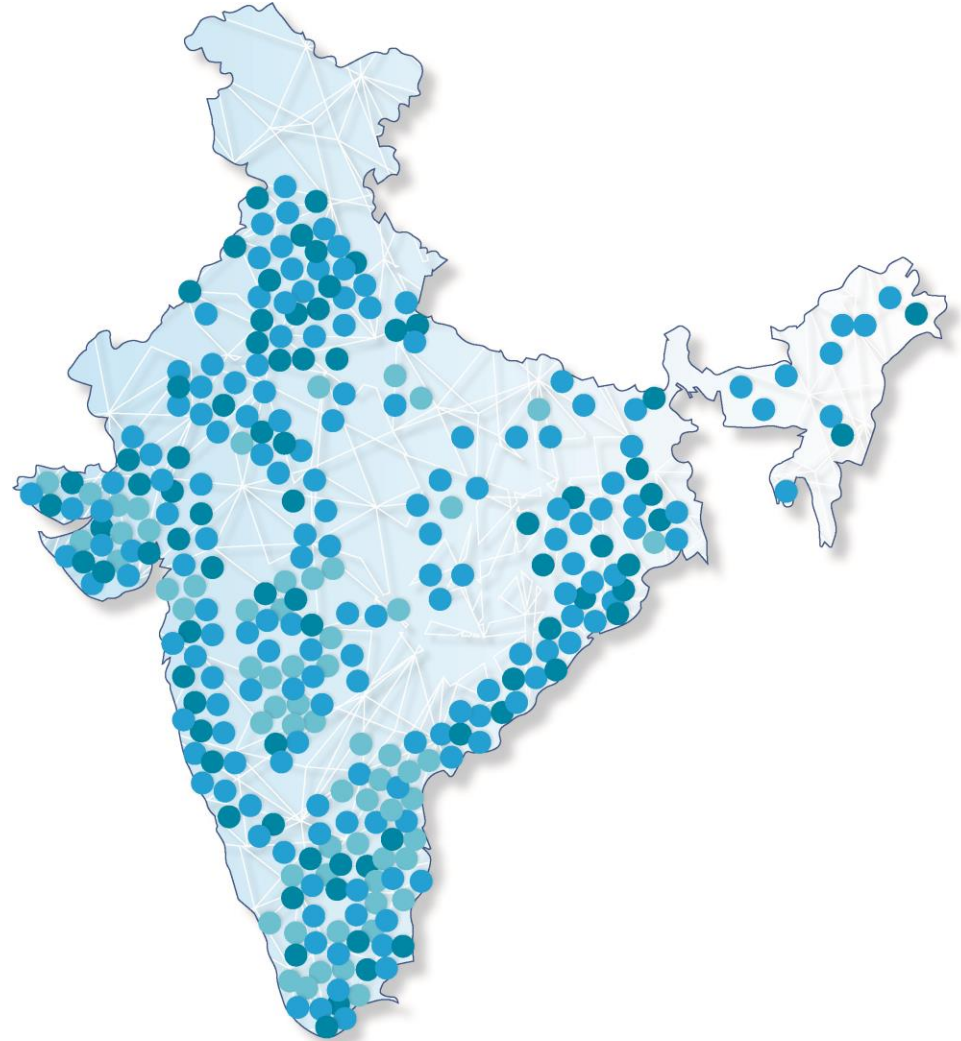
Consistently highly rated (4.3)

- Financial Plan 360 - Goal based advisory and investment solution
- Single view of all MF holdings within industry
- First in industry – Video based In-Person Verification (Video IPV) during on-boarding



- Advisor Anytime Anywhere (AAA) is a mobile office solution empowering aspiring entrepreneurs in the capital market
- AAA provides execution, reporting, monitoring and learning capabilities in a single tab-based platform with zero investment and freedom to operate at anytime from anywhere

- Network of about 2,500 points of presence including branches and sub-brokers
- Network spans 500 cities in India providing extensive presence in Tier II/III cities
- Overseas presence in USA, UK
- Can leverage group company's points of presence including gold loan branches



Led by an Independent and Illustrious Board



Kranti Sinha, Chairman, Independent Director

- Former CEO of LIC Housing Finance
- Former Deputy President Governing Council of Insurance Institute of India



R Venkataraman, Managing Director

- Co-founder of IIFL
- Previous experience with ICICI Bank, Barclays, GE Capital
- MBA from IIM Bangalore



Mohan Radhakrishnan, Whole-time Director

- Chief Compliance Officer at IIFL Group
- Former General Manager at SEBI
- Chartered Accountant



Aniruddha Dange, Non-Executive Director

- Former Head of Research at CLSA
- Bachelor's degree in metallurgical engineering from IIT Bombay
- MBA from IIM Calcutta



Narendra Jain, Whole time Director

- Head Operations at IIFL Securities
- Previous experience with ICICI and HPCL
- Chartered Accountant



Rekha Warriar, Independent Director

- Former Regional Director (West Bengal and Sikkim), RBI
- Former Chief General Manager -Internal Debt Management Department - RBI Financial Stability Unit

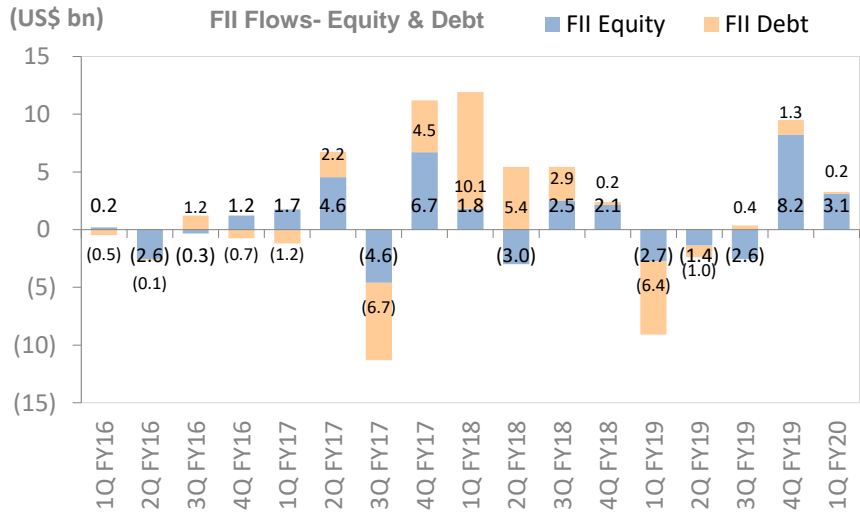
Section 4:

Opportunity Landscape

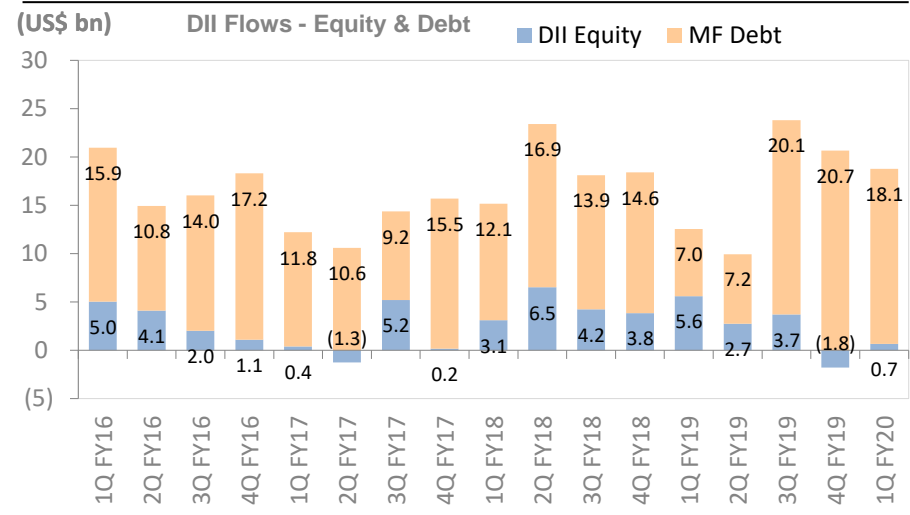
Institutional Investment & Mutual Fund Inflows: Positive Outlook



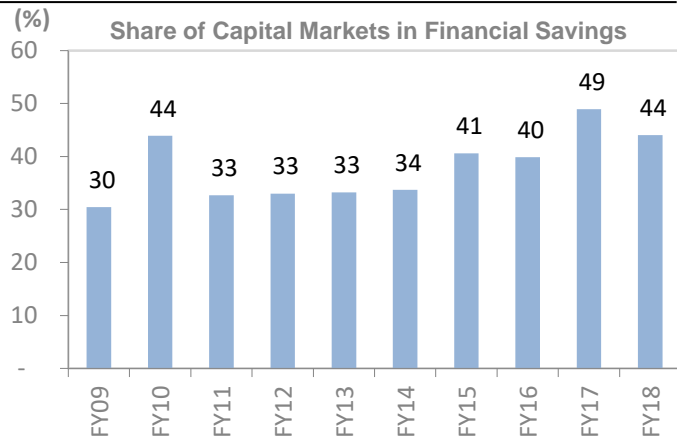
FII Flows



DII Flows

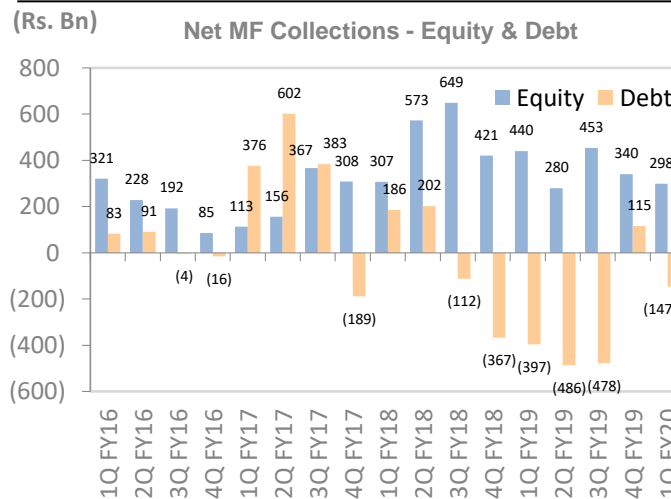


Capital market instruments account for nearly half the financial savings



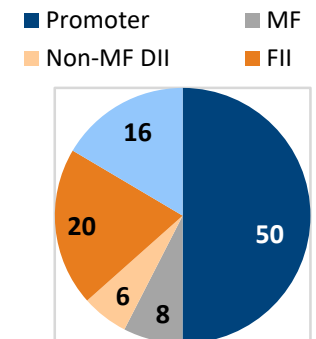
Source: CEIC, IIFL Research. **Note:** Calculated as savings into insurance funds, provident funds and shares and debentures

Strong inflows into domestic mutual funds



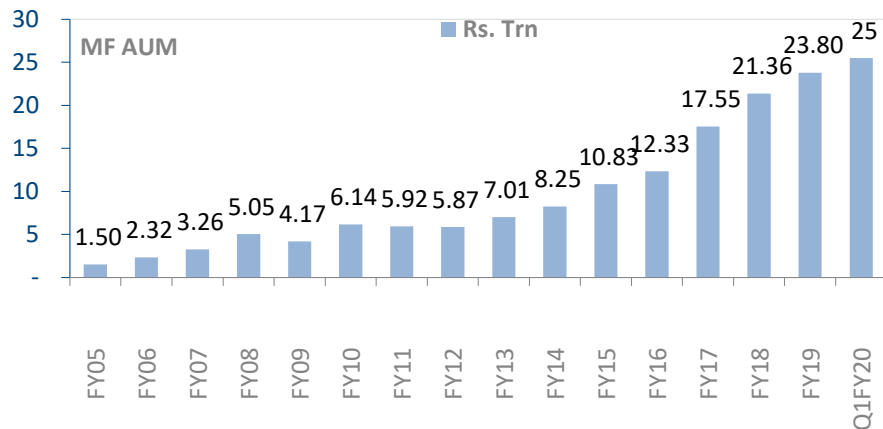
Category-wise Shareholding - Industry

(%) Shareholding in all listed companies as on Jun-19 (%)



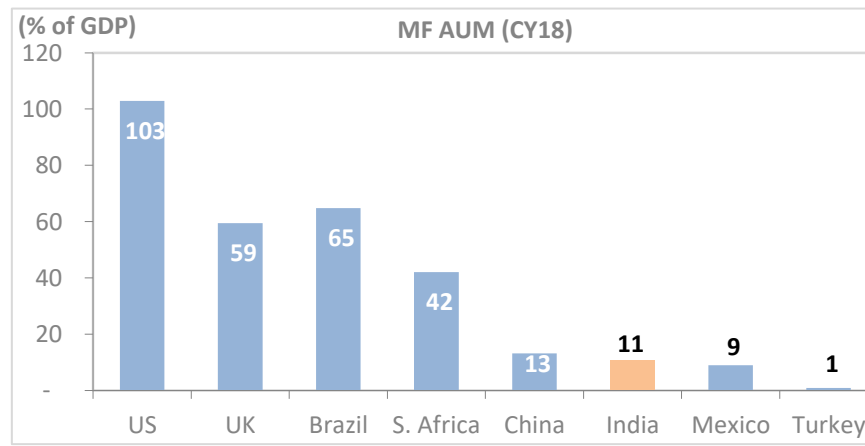
Mutual Funds & Insurance: Key Beneficiaries of Financial Savings

MF AUM has jumped to all time high...



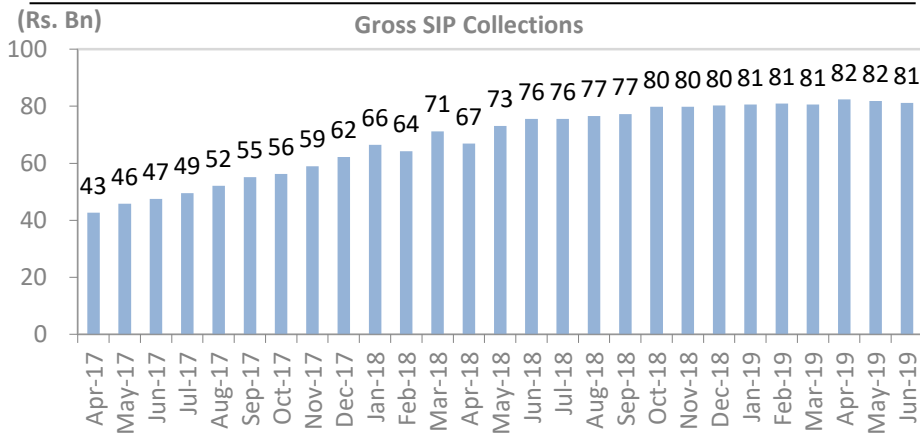
Source: CEIC, IIFL Research.

...However it is significantly below even developing countries



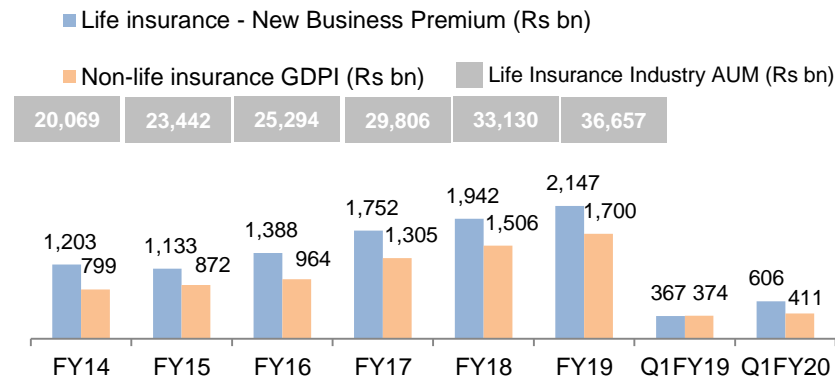
Source: ICI, IIFL Research.

SIP has gained popularity as a mode of MF investments

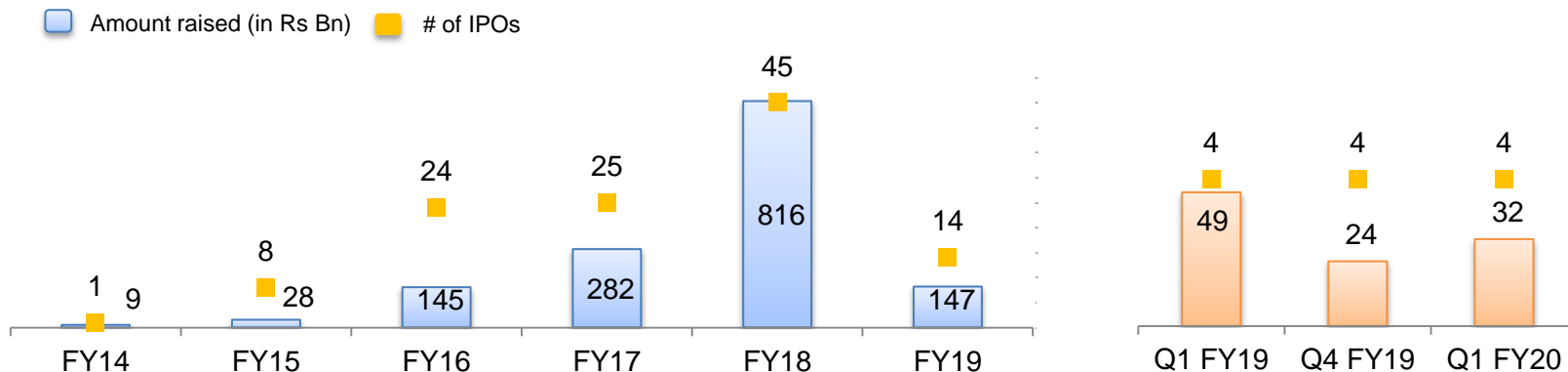


Source: AMFI, IIFL Research

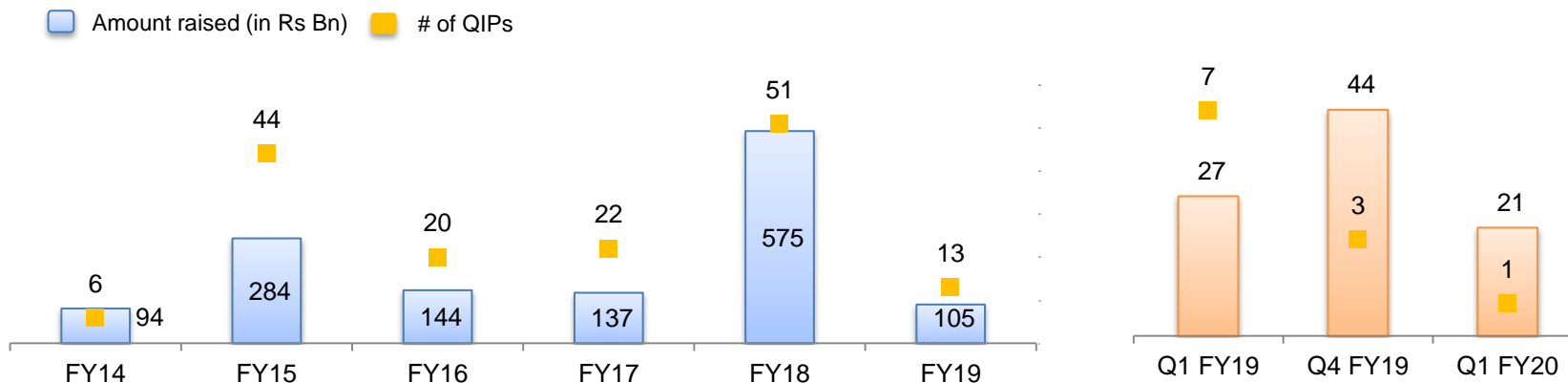
Insurance continues to sustain a growth trend



Equity IPO Issuances



Qualified Institutional Placements



Indian equities markets remained highly volatile since the last fiscal on account of domestic and global issues, which impacted the number of equity issuances in India

Section 5:

Financial Highlights

Consolidated Results (as per IND AS)

Quarter ended June 30, 2019



Amount in Rs Mn	Q1FY20	Q4FY19	Q-o-Q	Q1FY19	Y-o-Y	FY19
Fees and Commission Income	1,403.4	1,775.2	(21%)	1,817.6	(23%)	7,185.8
Brokerage & related income	1,075.2	1,103.9	(3%)	1,370.8	(22%)	5,047.9
Investment banking income	27.9	36.1	(23%)	163.1	(83%)	334.1
Commission & other advisory fees	300.4	635.3	(53%)	283.7	6%	1,803.8
Interest Income	188.8	173.7	9%	99.3	90%	621.4
Rental Income	49.1	115.7	(58%)	142.3	(65%)	544.1
Other income	209.0	90.4	131%	66.5	214%	404.4
Total income	1,850.3	2,155.0	(14%)	2,125.7	(13%)	8,755.7
Employee cost	577.7	715.3	(19%)	589.7	(2%)	2,566.4
Finance Cost	260.0	203.5	28%	272.5	(5%)	1,145.0
Depreciation and amortisation expense	148.7	111.2	34%	99.5	49%	419.0
Administration and other expense	491.9	528.6	(7%)	431.2	14%	2,044.5
Total Expenses	1,478.3	1,558.6	(5%)	1,392.9	6%	6,174.9
Profit before tax and exceptional items	372.0	596.4	(38%)	732.8	(49%)	2,580.8
Exceptional Items	1,017.2	-	0%	-	0%	-
Profit before tax	1,389.2	596.4	133%	732.8	90%	2,580.8
Provision for tax	135.6	225.6	(40%)	213.1	(36%)	866.5
Profit after tax	1,253.6	370.8	238%	519.7	141%	1,714.3
Other Comprehensive Income	0.4	(1.3)	(131%)	14.6	(97%)	6.7
Total Comprehensive Income	1,254.0	369.5	239%	534.3	135%	1,721.0

Note: During the quarter ended June 30, 2019, IIFL Facilities Services Limited, a wholly owned subsidiary of company, has sold its property located at Lower Parel which has resulted into an exceptional profit

Consolidated Balance Sheet

As at June 30, 2019



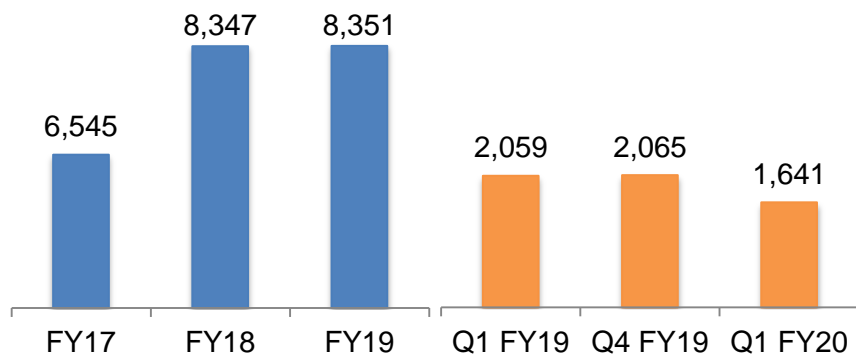
Rs Mn

ASSETS		As at June 30 2019 Unaudited	LIABILITIES AND EQUITY		As at June 30 2019 Unaudited
1	Financial Assets		1	Financial Liabilities	
(a)	Cash and Bank	9,329	(a)	Payables	385
(b)	Receivables	335	(b)	Borrowings	6,332
(c)	Loans & Investments	4,125	(c)	Other financial Liabilities*	12,280
(d)	Other Financial assets*	6,405			
			2	Non-Financial Liabilities	
2	Non-Financial Assets		(a)	Current tax liabilities (Net)	46
(a)	Current & Deferred Tax Assets	972	(b)	Provisions	30
(b)	Capital work-in-progress & Inventories	1,177	(c)	Other non-financial liabilities	548
(c)	Property, Plant and Equipment	3,896			
(d)	Right-to-use of asset & Intangibles	1,091	3	Equity	
(e)	Other non-financial assets	718	(a)	Equity Share Capital	638
			(b)	Other Equity	7,790
			(c)	Non-controlling interest	(1)
Total Assets		28,048	Total Liabilities and Equity		28,048

* Includes clients'/exchange related receivables and payables

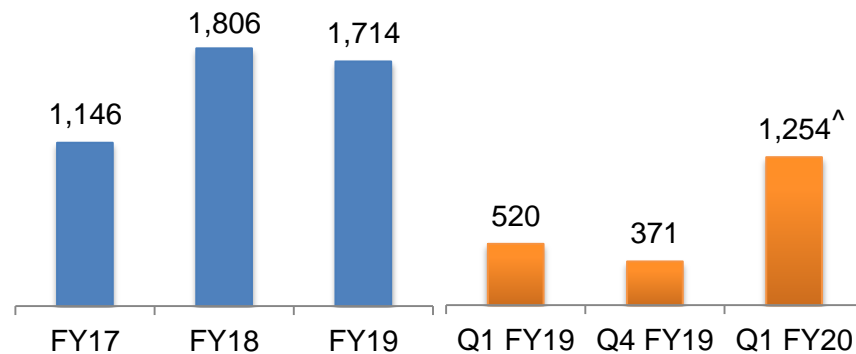
Revenue from Operations (₹ Mn)*

CAGR: 13%



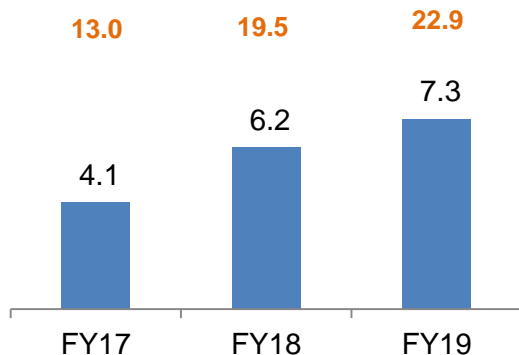
Profit After Tax (₹ Mn)*

CAGR: 22%



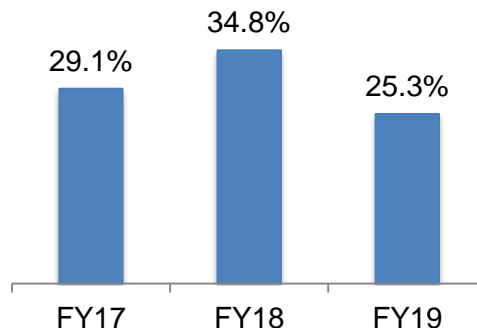
Net Worth (₹ Bn)*

Book Value Per Share (₹)



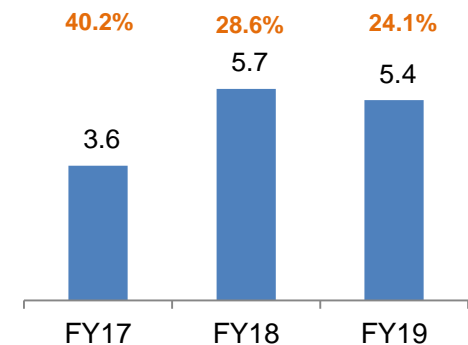
Return on Equity (%)*

Our Return on Equity has remained over 25% in the last 3 financial years



EPS (₹)*

Dividend Payout Ratio (%)



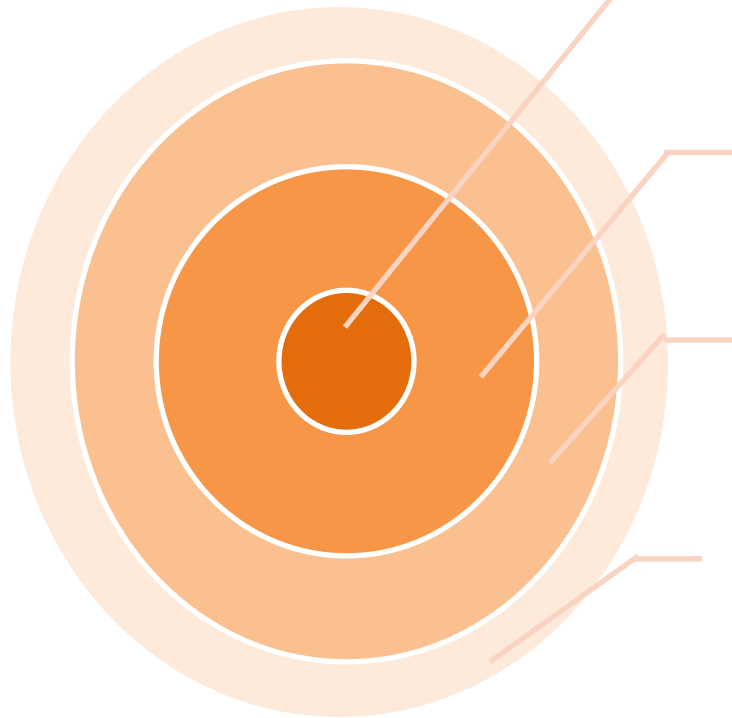
*FY17 and FY18 figures are based on Proforma Accounts;

[^]Including exceptional gain of ₹1,017 Mn during the quarter

*DPR – FY19 includes dividend paid by subsidiaries

Section 6:

Future Growth Strategies



Diversify our revenue streams and continue reducing revenue volatility by offering investment advisory solutions

Increase our retail wallet share by offering customized solutions and financial planning to mass affluent segment

Leverage mobile technology to expand and serve retail customers better

Continue to improve operational efficiency to achieve cost optimization

Section 7:

Appendix

Awards & Recognitions



‘Best Use of Digital Media/Platform in the share trading category’ Award

**At
INKSPELL for IIFL Markets App**



‘Going The Extra Mile’ (for special initiatives & innovative approach adopted towards improving the penetration of the commodity derivatives market)

from MCX



“Leadership in Customer Service in Financial Services Sector”

**At
The 7th Edition of World Quality Congress & Awards**



Best Social Media Marketing Campaign

**At
the BTVI Awards for Marketing Excellence**



The Mobby’s Award for Best Financial Website

**At
World Marketing Congress**



IIFL Group awarded the ‘Great Place to Work’ Certification

Thank You

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IIFL Securities Limited.

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