

# Investor Presentation

For the quarter ended June 30, 2020

---



**IIFL Securities Limited**

**July 18 , 2020**

**NSE : IIFLSEC | BSE : 542773**

<b>Section</b>	<b>Contents</b>	<b>Slide reference</b>
1	Financial Highlights	4 – 5
2	Business Segments and Strategy	7 - 12
3	Governance, Awards and CSR	14 - 17

Section 1:

# **Financial Highlights**

# Consolidated Results (as per IND AS)

Quarter ended June 30, 2020



Rs Mn	Q1FY21	Q4FY20	Q-o-Q	Q1FY20	Y-o-Y	FY20	FY19	Y-o-Y
Revenue from Operations	1,497.7	1,900.7	(21%)	1,641.3	(9%)	7,174.5	8,351.3	(14%)
Other income	285.2	197.7	44%	209.0	36%	725.0	404.3	79%
<b>Total income</b>	<b>1,782.9</b>	<b>2,098.4</b>	<b>(15%)</b>	<b>1,850.3</b>	<b>(4%)</b>	<b>7,899.5</b>	<b>8,755.6</b>	<b>(10%)</b>
Employee cost	466.8	507.9	(8%)	577.7	(19%)	2,212.5	2,566.4	(14%)
Finance Cost	119.2	358.5	(67%)	259.9	(54%)	1,021.1	1,145.0	(11%)
Depreciation and amortisation	113.4	125.2	(9%)	148.7	(24%)	553.1	419.0	32%
Administration and other expense	529.5	597.1	(11%)	492.0	8%	2,115.1	2,044.4	3%
<b>Total Expenses</b>	<b>1,228.9</b>	<b>1,588.7</b>	<b>(23%)</b>	<b>1,478.3</b>	<b>(17%)</b>	<b>5,901.8</b>	<b>6,174.8</b>	<b>(4%)</b>
<b>Profit before tax</b>	<b>554.0</b>	<b>509.7</b>	<b>9%</b>	<b>372.0</b>	<b>49%</b>	<b>1,997.7</b>	<b>2,580.8</b>	<b>(23%)</b>
Provision for tax	139.1	137.1	1%	135.6	3%	529.9	866.5	(39%)
<b>Profit after tax</b>	<b>414.9</b>	<b>372.6</b>	<b>11%</b>	<b>236.4</b>	<b>75%</b>	<b>1,467.8</b>	<b>1,714.3</b>	<b>(14%)</b>
Other Comprehensive Income	(0.2)	(0.3)	-	0.4	-	(18.2)	6.7	-
<b>Total Comprehensive Income (excluding exceptional items)</b>	<b>414.7</b>	<b>372.3</b>	<b>11%</b>	<b>236.8</b>	<b>75%</b>	<b>1,449.6</b>	<b>1,721.0</b>	<b>(16%)</b>
Exceptional Items	-	-	-	1,017.2	-	871.6	-	-
<b>Total Comprehensive Income (including exceptional items)</b>	<b>414.7</b>	<b>372.3</b>	<b>11%</b>	<b>1,254.0</b>	<b>(67%)</b>	<b>2,321.2</b>	<b>1,721.0</b>	<b>35%</b>

Note: Exceptional item in FY20 is net of profit of Rs1,017.1 Mn on sale of office property and write- down of deferred tax assets and MAT credit due to reduction in corporate tax rate of Rs 145.5 Mn

# Revenue mix and Segment results

Quarter ended June 30, 2020



Revenue mix (Rs Mn)	Q1FY21	Q4FY20	Q-o-Q	Q1FY20	Y-o-Y
Retail Broking	920	845	9%	862	7%
Retail -Financial Products Distribution	214	532	(60%)	300	(29%)
Institutional Equities	285	425	(33%)	338	(16%)
Investment Banking	12	32	(62%)	28	(56%)
Rental Income	67	67	(1%)	49	36%
Treasury and Investment related income	285	197	45%	273	4%
<b>Total Income</b>	<b>1,783</b>	<b>2,098</b>	<b>(15%)</b>	<b>1,850</b>	<b>(4%)</b>

Segment Revenue (Rs Mn)	Q1FY21	Q4FY20	Q-o-Q	Q1FY20	Y-o-Y
Capital market activity	1,599	1,581	1%	1,562	2%
Insurance Broking	74	142	(48%)	84	(12%)
Facilities and ancillary	227	513	(56%)	338	(33%)
Others	1.2	0.4	200%	0.8	49%
<b>Total Income</b>	<b>1,901</b>	<b>2,236</b>	<b>(15%)</b>	<b>1,984</b>	<b>(4%)</b>
Less : Inter Segment Revenue	(118)	(138)	(14%)	(134)	(12%)
<b>Net Total Income</b>	<b>1,783</b>	<b>2,098</b>	<b>(15%)</b>	<b>1,850</b>	<b>(4%)</b>

Segment PBT (Rs Mn)	Q1FY21	Q4FY20	Q-o-Q	Q1FY20	Y-o-Y
Capital market activity	513.3	415.3	24%	376.5	36%
Insurance Broking	32.7	88.6	(63%)	28.6	14%
Facilities and ancillary*	6.9	5.4	28%	983.3	(99%)
Others	1.1	0.4	175%	0.8	38%
<b>Net Total Income</b>	<b>554.0</b>	<b>509.7</b>	<b>9%</b>	<b>1,389.2</b>	<b>(60%)</b>

\*Q1FY20 includes exceptional items - gain on sale of property

Section 2:

# **Business Segments & Strategy**

**Build High ROE,  
Low Risk Business**

**Risk mitigation- Client focus, avoid proprietary**

**Retail,**  
Mass  
affluent,  
Traders

**Institutional**  
Local,  
Foreign,  
PE

**Investment  
Banking**  
Corporates-  
IPO/ QIP

**Technology Edge**

**Talent prowess**

**Research- Capital Market domain depth**

A million retail customers,  
690 institutional &  
500 corporate clients

Well capitalized

Industry leading online  
platform - Trader Terminal

More than 225 stocks  
covered by Research

4 million downloads of IIFL  
Markets, Mutual Funds App

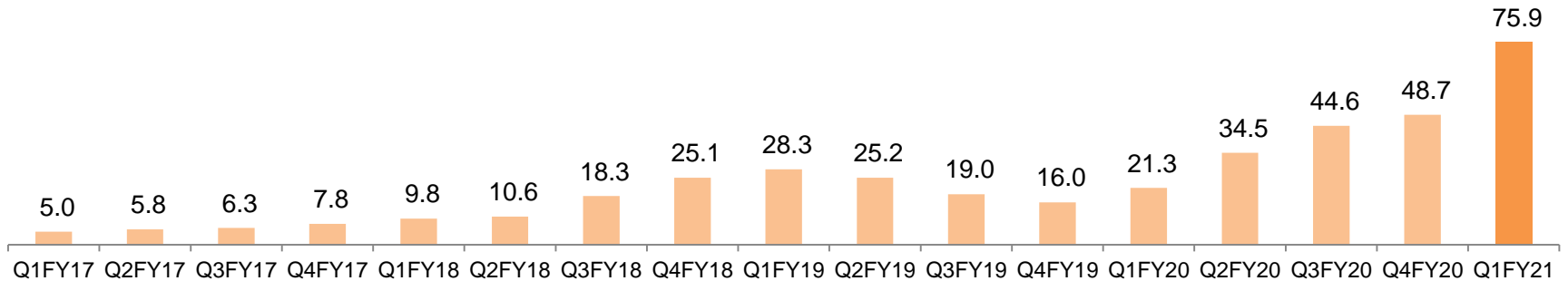
Industry pioneer platform for  
IFAs

- Brand and franchise established with impeccable track record, over two decades
- One stop shop for all investment products including equity, commodities, currency, DP services, portfolio advisory, Mutual Funds, AIF, PMS, Insurance, FD, Bonds
- Open architecture, customer centric business model
- For insurance & distribution, Q1 is a slack quarter but on y-o-y, insurance business witnessed robust growth.
- Focus on customer acquisition showing results, expect market share growth in non-proprietary trading over time
- Digitization drive continues, new initiatives include InvestorQ to build community of investors, traders; FP360 for comprehensive financial planning

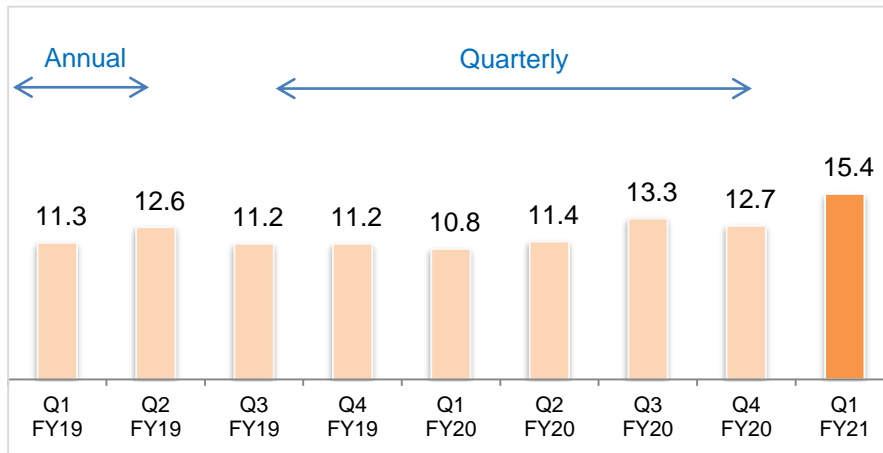


# Customer acquisition focus is showing results

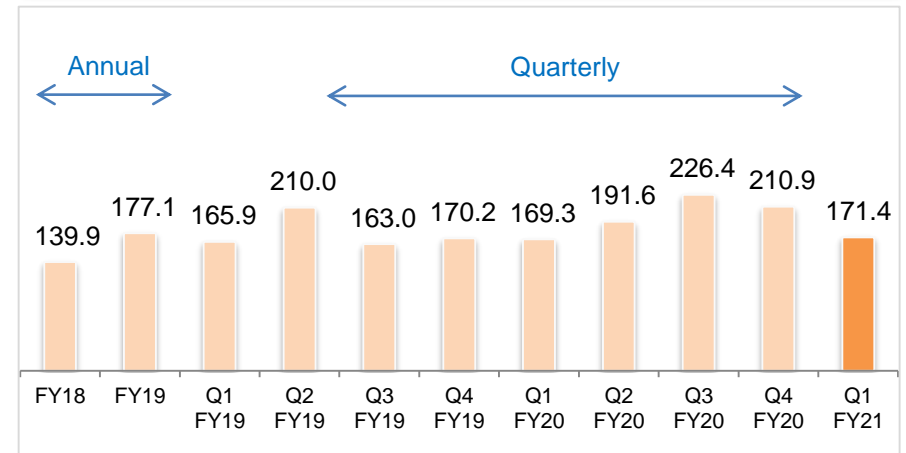
## Customer Acquisitions ('000)



## IIFL Average Daily Turnover – Cash (₹ Bn)\*



## IIFL Average Daily Turnover – Total (₹ Bn)\*



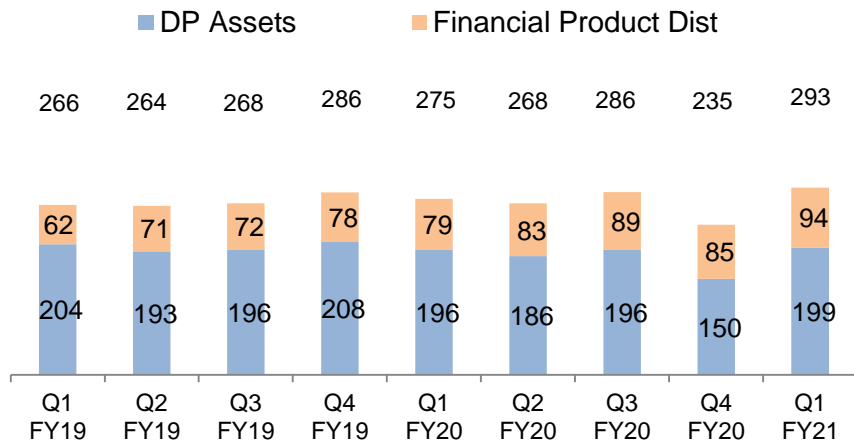
Source: NSE

\*Turnover includes retail and institutional segments from NSE

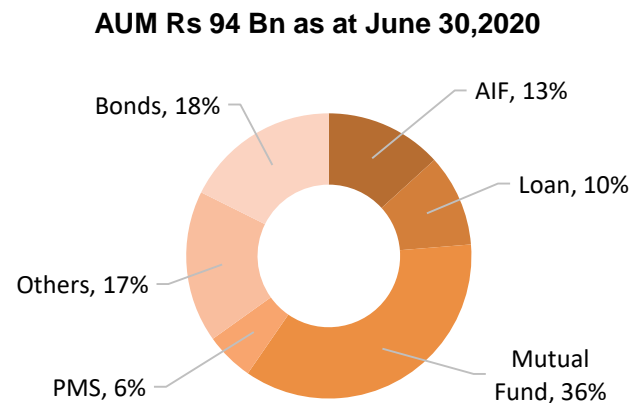
# Insurance distribution is seeing strong traction



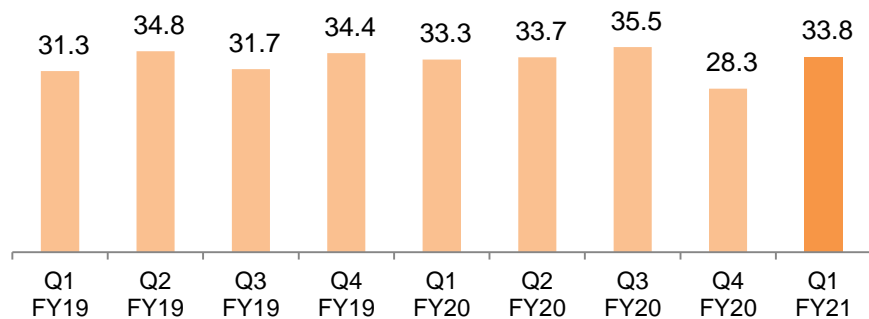
## Assets Under Management (₹ Bn)



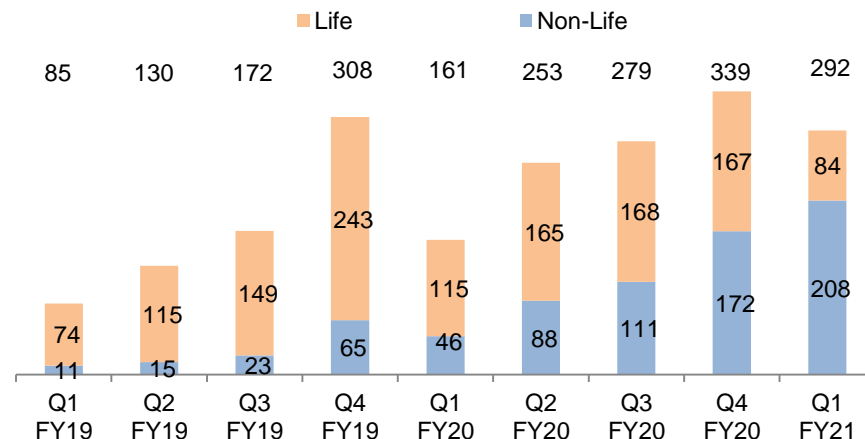
## FPD AUM (₹ Bn)



## Mutual Fund AUM (₹ Bn)



## Insurance Premium (₹ Mn)



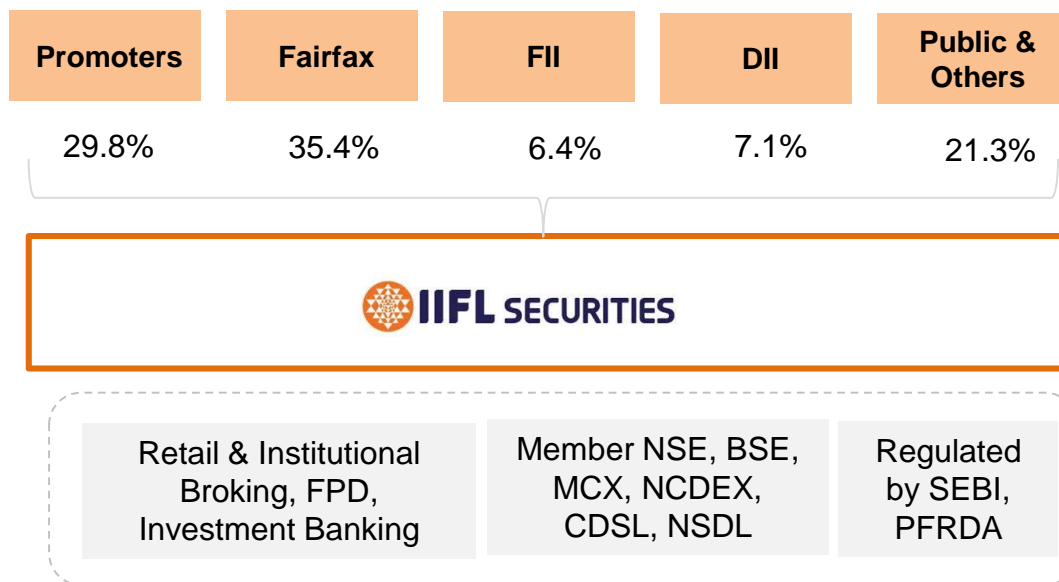
- Among the top franchises on the street, 80 member team with offices in Mumbai, New York and London
- Top-tier rankings with most large long-only / domestic mutual funds
- 690+ institutional (domestic and foreign) clients
- Wide customer base covering sovereign wealth funds, foreign portfolio investors, mutual funds, insurance companies, banks, pension funds and alternate investment funds
- Pedigreed team comprising 28 analysts covering 225+ stocks across 20+ sectors accounting for over 80% of India's market capitalization
- Market leader in block placements – over US\$ 1 billion of blocks executed in Q1FY21

- Q1 was a tough quarter for IB given the market volatility on the back on Covid-19 pandemic
- Engaged in transactions across capital markets, private equity and buybacks/corporate advisory
- Completed 1 advisory transaction; a number of transactions got pushed out on account of market volatility
- Strong pipeline and product diversity with presence in ECM, Private Equity and DCM
- With improvement in market sentiment, we expect a more robust outlook and transaction closures in the coming quarters

Section 3:

# **Governance, Awards and CSR**

# Corporate Structure and Ownership



## Major Subsidiaries





**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, B. Tech, IIT Kharagpur



**Shamik Das, Independent Director**

- Former CTO at Myntra
- M.S. from University of Maryland (USA), B. Tech in Computer Science and engineering from IIT, Kharagpur



**Mohan Radhakrishnan, Whole-time Director**

- Chief Compliance Officer
- Former General Manager at SEBI
- 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



**Narendra Jain, Whole time Director**

- Head Operations
- Previous experience with ICICI and HPCL
- Chartered Accountant

# Awards & Recognitions

**Best Product Launch PR Campaign  
2019' Award for AAA - Advisor  
Anytime Anywhere**



**At  
Corporate  
Communications &  
PR Awards 2019**

**"Leader in Go Green Initiative "  
Award**



**At NSDL Star Performer Awards  
2019**



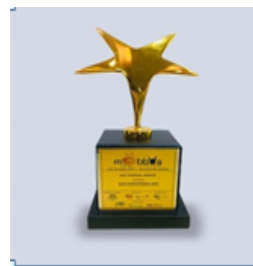
**'Company of the  
Year 2019'**

**by  
The CEO Magazine**



**Best IPO award for  
Embassy Office REIT**

**at  
The Asset Triple A Country Awards**



**The Mobby's  
Award for Best  
Financial Website**

**At  
World Marketing  
Congress**

**"Leadership in Customer Service  
in Financial Services Sector"**



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



**'Best Use of Digital  
Media/Platform in the  
share trading category'  
Award**

**At  
INKSPELL for IIFL Markets App**



**IIFL Group awarded the 'Great  
Place to Work' Certification**

**'Going The Extra Mile'**



**from MCX**



IIFL strongly believes in community development and sincerely undertakes multiple CSR initiatives focused around Education, Financial Literacy and Environment protection, among others through its CSR arm IIFL Foundation

## Covid-19 relief

- IIFL Foundation contributed Rs 50 Million to the PM Cares Fund
- IIFL Foundation supported the initiative of FICCI Socio Economic Development Foundation with Rs.0.5 Mn for procurement of medical kits for hospitals in Mumbai. The medical kits comprised of n95 masks, PPE (Personal Protection Equipment) – Pants, Jackets, 3m Goggles, Ansell Gloves 92-600, Dupont Tyvek 400 Disposable protective coverall with respiratory -fit hood.
- IIFL Foundation made a humble contribution of Rs 1 Mn to 'Mumbai Police Foundation' towards procurement of protective gears for the on-duty personnel.

## Education Initiatives



**Sakhiyon Ki Baadi (SKB)** is a community based learning centre for girls in the age group of 4 to 14 years to address the situation of illiteracy among girls in rural Rajasthan.



## Financial Literacy

IIFL Foundation's 'Financial Literacy Program for Women' – Is an interactive 5 part training module that spans over 3 months aiming to bridge the gender gap in financial literacy in India



**Thank You**

Published in July 2020

IIFL Securities Limited

This report is for information purposes only and does not construe to be any investment, legal or taxation advice. It is not intended as an offer or solicitation for the purchase and sale of any financial instrument. Any action taken by you on the basis of the information contained herein is your responsibility alone and IIFL Securities Ltd (hereinafter referred as ISL) and its subsidiaries or its employees or directors, associates will not be liable in any manner for the consequences of such action taken by you. We have exercised due diligence in checking the correctness and authenticity of the information contained herein, but do not represent that it is accurate or complete. ISL or any of its subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this publication. The recipients of this report should rely on their own investigations. ISL and/or its subsidiaries and/or directors, employees or associates may have interests or positions, financial or otherwise in the securities mentioned in this report.