

Investor Presentation

For the quarter and year ended March 31, 2020



IIFL Securities Limited

May 15 , 2020

NSE : IIFLSEC | BSE : 542773

Table of Contents



Section	Contents	Slide reference
1	Navigating through Covid-19 crisis	4 - 5
2	Financial Highlights	7 – 8
3	Business Segments and Strategy	10 - 10
4	Business Performance	12 – 23
5	Governance, Awards and CSR	25 – 27
6	Annexures	29 - 29

Section 1:

Navigating through Covid-19 crisis

- **Covid-19 : An onslaught of unprecedented challenges**
 - Global economy brought to a standstill
 - No clarity on when lockdown will be lifted
 - Recovery in economic activity unlikely in short run – challenges with safety, regulations & logistics, negative sentiments, and reduction in purchasing power
 - Major changes to be implemented in way to do business

- **Adverse external environment causing uncertainty in business outlook**

- **Digitization initiatives will be more crucial than ever before**
 - Edge gained with existing technological capabilities to be leveraged
 - Customers to be encouraged to further adopt digital modes of transactions

- **Successfully migrated front, back, and mid-office to WFH environment**
 - Arrangements for staff to work from home were undertaken before the lockdown announcement
 - Almost 100% staff working from home without any disruptions

- **Business continuity without disruption, leveraging established digital capabilities**
 - Our well established digital platforms including IIFL Markets & AAA ensured RMs, partners and customers functioned seamlessly
 - Broking revenue generated from our mobile platform saw a 17% m-o-m growth in March'20
 - Account opening process is entirely digitized
 - Dealing and customer service functions operated smoothly with zero downtime through mobile to cloud based recording systems
 - Customer service largely carried out through the chat-bot “Ask IIFL”

- **Strong risk management systems and practices in place**
 - All risk and surveillance activities being carried out accurately from home
 - Ensured exchange / clients settlements managed well despite volatile conditions

Section 2:

Financial Highlights

Consolidated Results (as per IND AS)

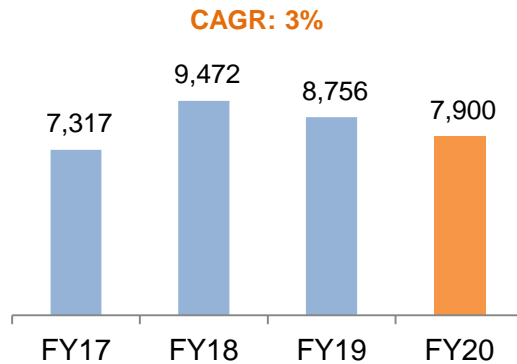
Quarter and year ended March 31, 2020



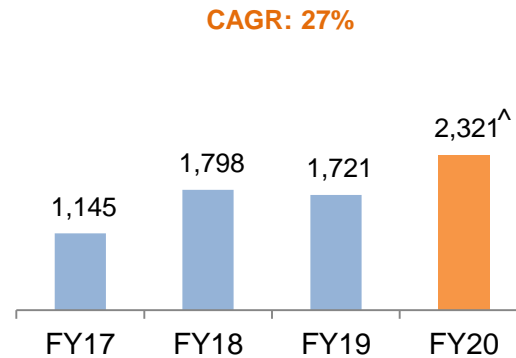
Rs Mn	Q4FY20	Q3FY20	Q-o-Q	Q4FY19	Y-o-Y	FY20	FY19	Y-o-Y
Revenue from Operations	1,900.7	1,895.7	0%	2,065.4	(8%)	7,174.5	8,351.3	(14%)
Other income	197.7	206.5	(4%)	90.4	119%	725.0	404.3	79%
Total income	2,098.4	2,102.2	(0%)	2,155.8	(3%)	7,899.5	8,755.6	(10%)
Employee cost	507.9	564.7	(10%)	715.3	(29%)	2,212.5	2,566.4	(14%)
Finance Cost	358.5	214.4	67%	207.1	73%	1,021.1	1,145.0	(11%)
Depreciation and amortisation	125.2	139.9	(11%)	111.3	12%	553.1	419.0	32%
Administration and other expense	597.1	553.1	8%	523.8	14%	2,115.1	2,044.4	3%
Total Expenses	1,588.7	1,472.1	8%	1,557.5	2%	5,901.8	6,174.8	(4%)
Profit before tax	509.7	630.1	(19%)	598.3	(15%)	1,997.7	2,580.8	(23%)
Provision for tax	137.1	165.3	(17%)	225.6	(39%)	529.9	866.5	(39%)
Profit after tax	372.6	464.8	(20%)	372.7	(0%)	1,467.8	1,714.3	(14%)
Other Comprehensive Income	(0.3)	(6.6)	-	(1.2)	-	(18.2)	6.7	-
Total Comprehensive Income (excluding exceptional items)	372.3	458.2	(19%)	371.5	0%	1,449.6	1,721.0	(16%)
Exceptional Items	-	-	-	-	-	871.6	-	-
Total Comprehensive Income (including exceptional items)	372.3	458.2	(19%)	371.5	0%	2,321.2	1,721.0	35%

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

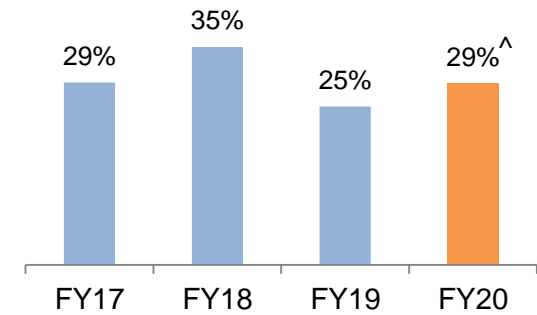
Total Revenue (₹ Mn)*



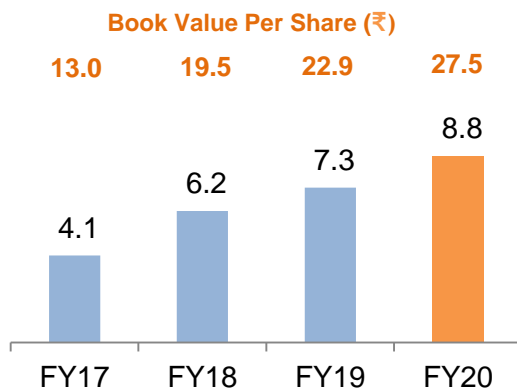
Profit after tax (TCI) (₹ Mn)*



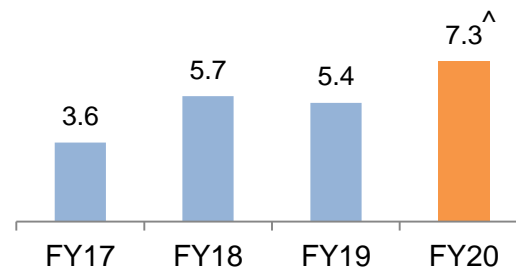
Return on Equity (%)*



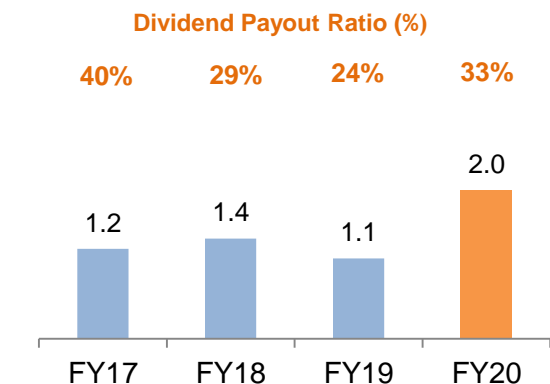
Net Worth (₹ Bn)*



EPS (₹)*



DPS (₹)*



*FY17 and FY18 figures are based on Proforma Accounts;

[^]Including exceptional items

DPS includes dividend paid by subsidiaries in FY17, F18 and FY19.

DPR is including DDT

Section 3:

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,
675 institutional & 500
corporate clients

Well capitalized

Industry leading online
platform Trader Terminal

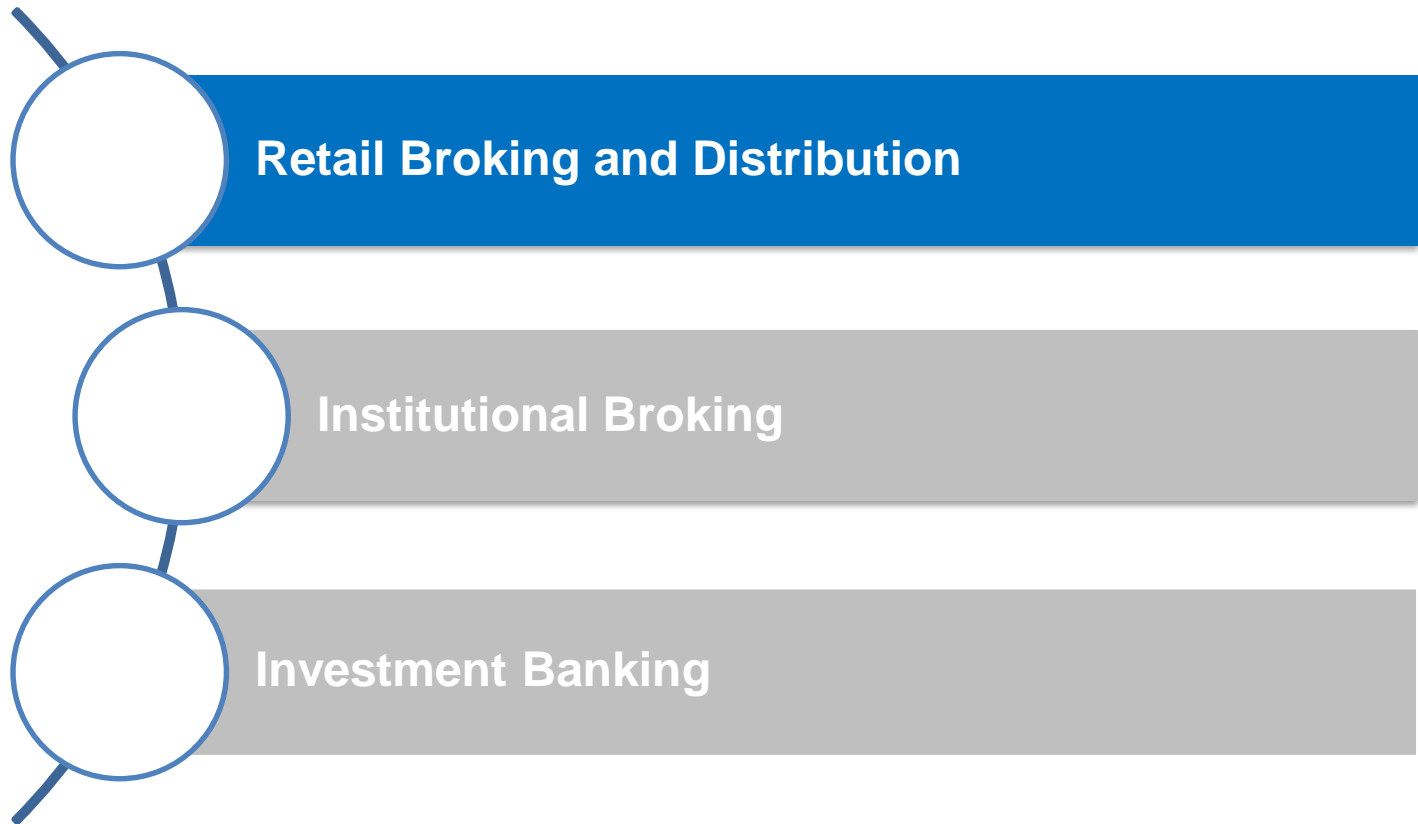
More than 200 stocks
covered by Research

4 million downloads of IIFL
Markets, Mutual Funds App

Industry pioneer platform for
IFAs

Section 4:

Business Performance

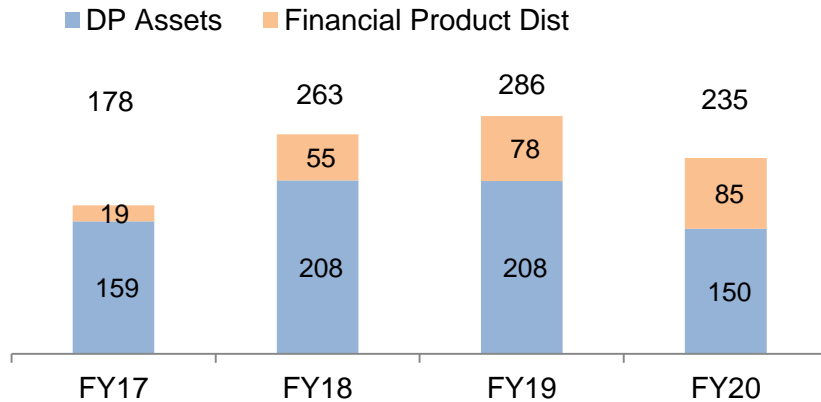


Legacy Business in Retail Broking and Distribution



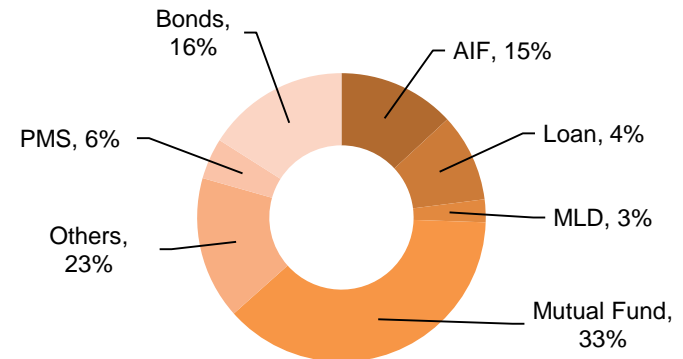
- Legacy of about two decades in retail broking and financial product distribution.
- Business offerings comprise equity, commodities and currency broking, DP services portfolio advisory and distribution of investment products

Assets Under Management (₹ Bn)

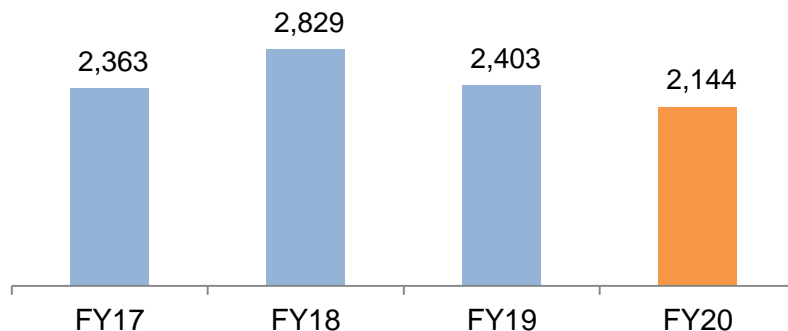


FPD AUM (₹ Bn)

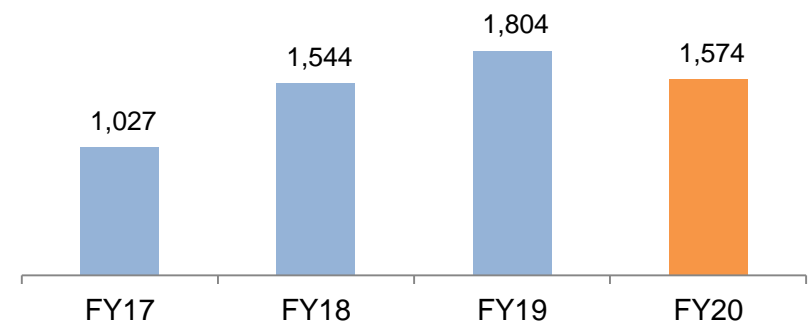
AUM Rs 85 Bn as at March 31, 2020



Retail Brokerage Income (₹ Mn)

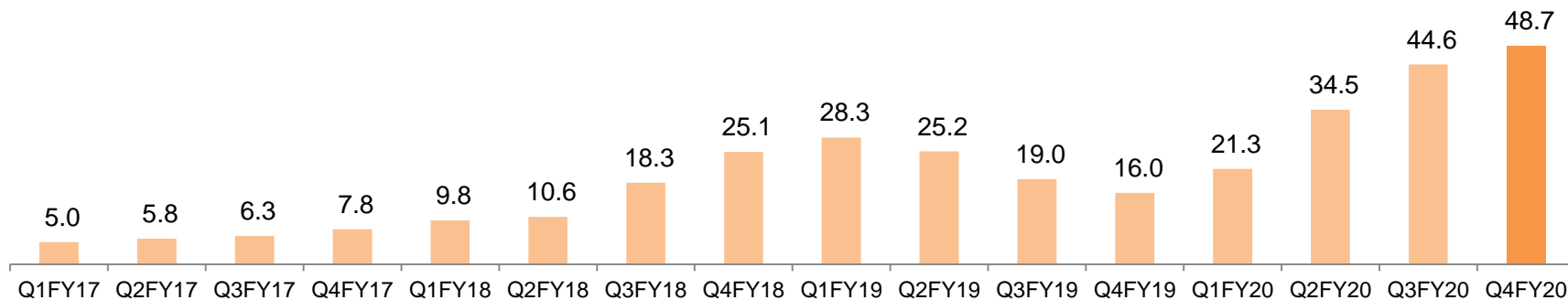


Financial Products Distribution Revenues (₹ Mn)

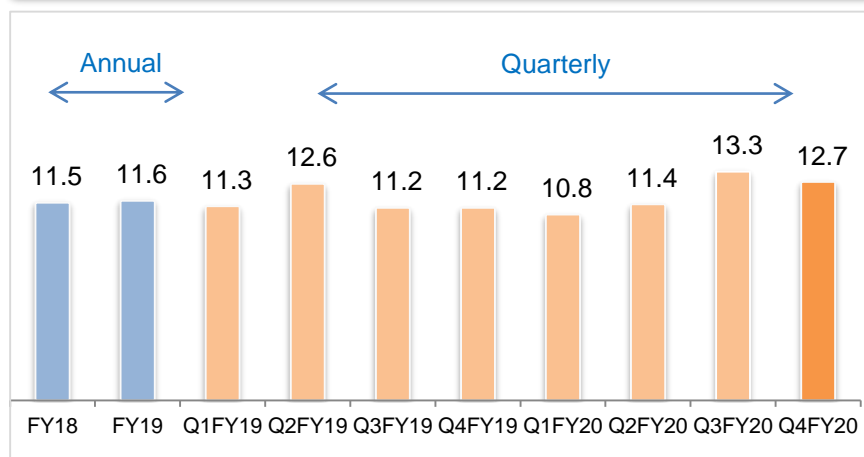


Improving Customer Acquisition Trend

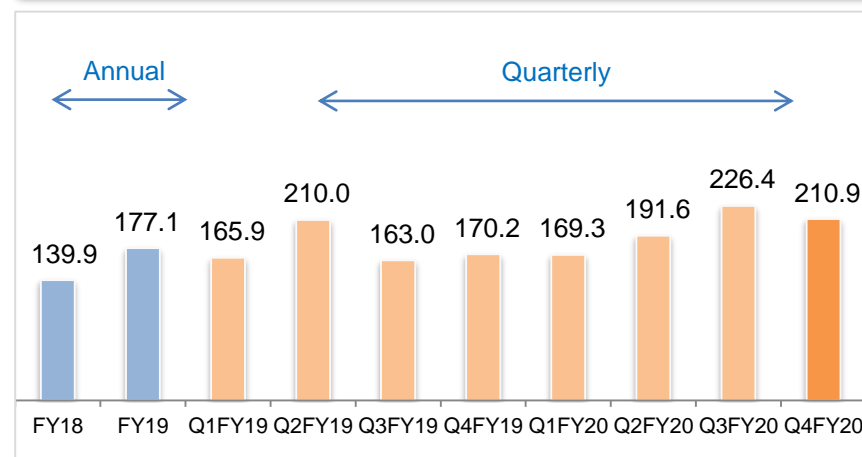
Customer Acquisitions ('000)



IIFL Average Daily Turnover – Cash (₹ Bn)*



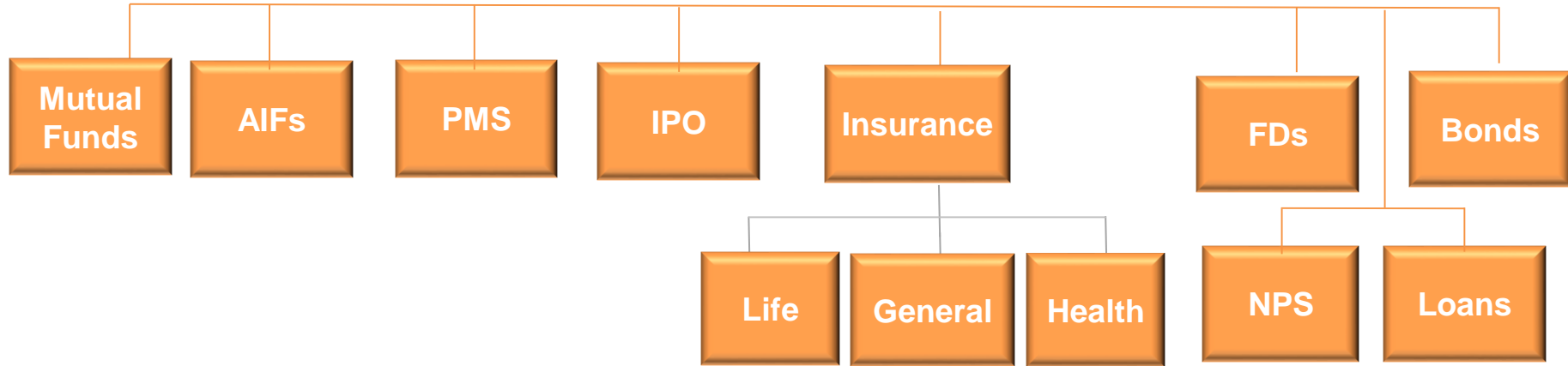
IIFL Average Daily Turnover – Total (₹ Bn)*



Source: NSE

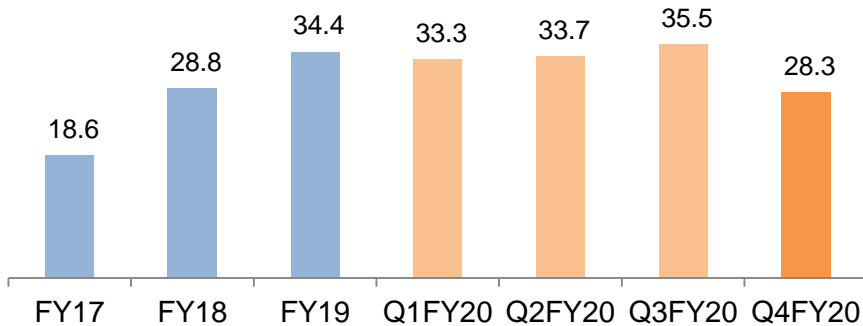
*Turnover includes retail and institutional segments from NSE

Product offerings



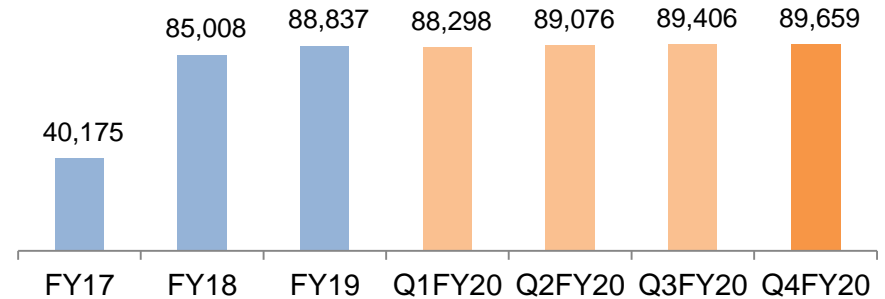
- Open architecture model in distribution
- MF and Insurance are retail focus products with good long term growth prospects
- Insurance premiums amounting to Rs 1,032 Mn have witnessed 49% y-o-y growth in FY20
- SIP transactions of a monthly average of 89k for the period ended March 31, 2020 have witnessed a CAGR of 30% for the period FY17 – FY20
- Financial Product Distribution revenue has grown consistently over the last three years, constituting ~20% of total income

Mutual Fund AUM (₹ Bn)

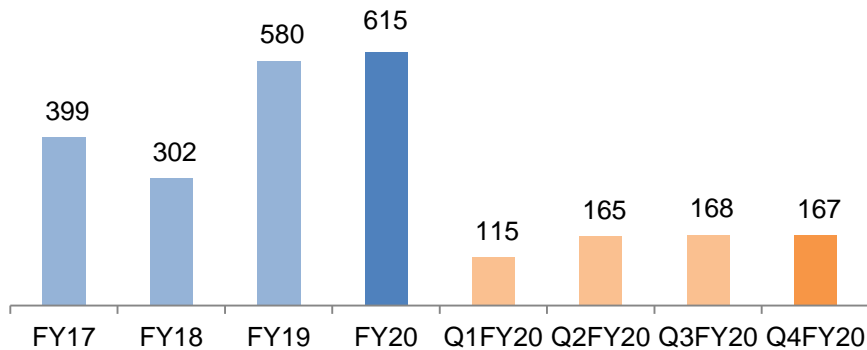


SIP Transactions (Count)

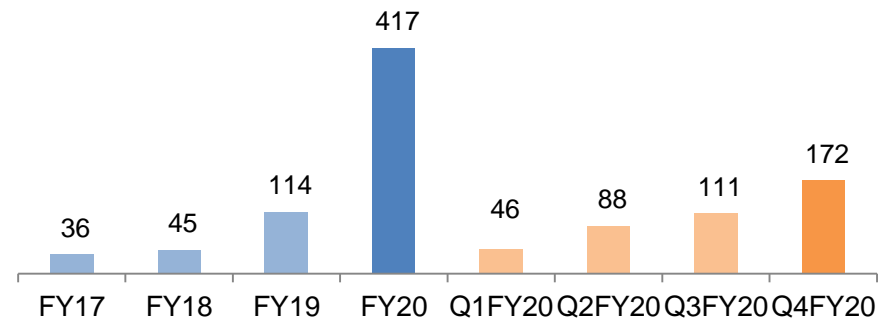
SIP AUM as at March 31, 2020 was ₹5.4 Bn



Life Insurance Premium (₹ Mn)



Non-life Insurance Premium (₹ Mn)



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

- The self-serviced segment is catered to with a Digital, Mobile First strategy. Our mobile applications IIFL Markets and IIFL Mutual Funds are widely used for mobile trading
- Partner serviced channel is also enhanced with use of AAA tablet based proprietary software
- Mobile trading constitutes 50% of number of retail clients and 43% of retail broking revenue



IIFL Markets



Comprehensive, market leading trading and investment app

3.4 Mn downloads

Highest rated (4.3) & Most downloaded stock trading App



IIFL Mutual Funds



Dedicated app for Mutual Fund advisory, investments and investment management

~900,000 downloads

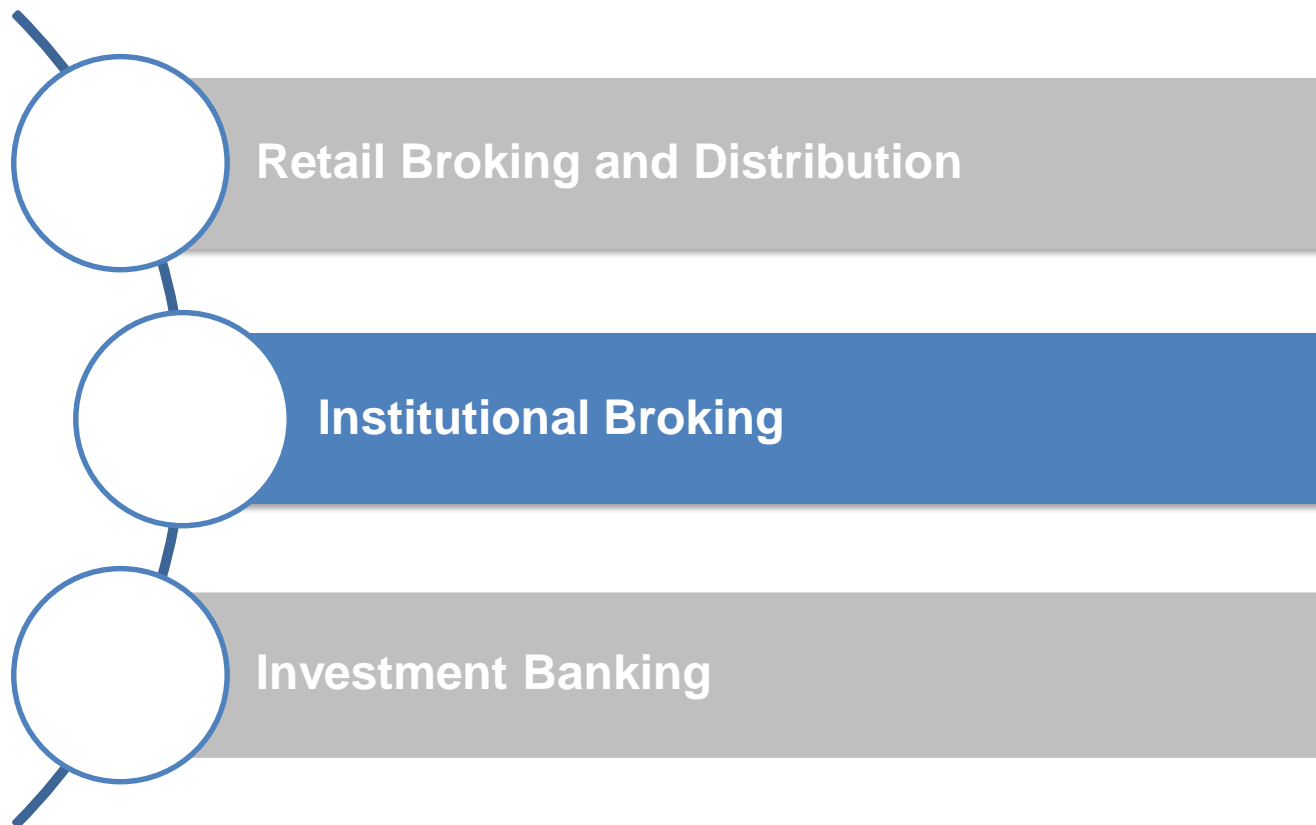
Consistently highly rated (4.2)



Advisor Anytime Anywhere (AAA)

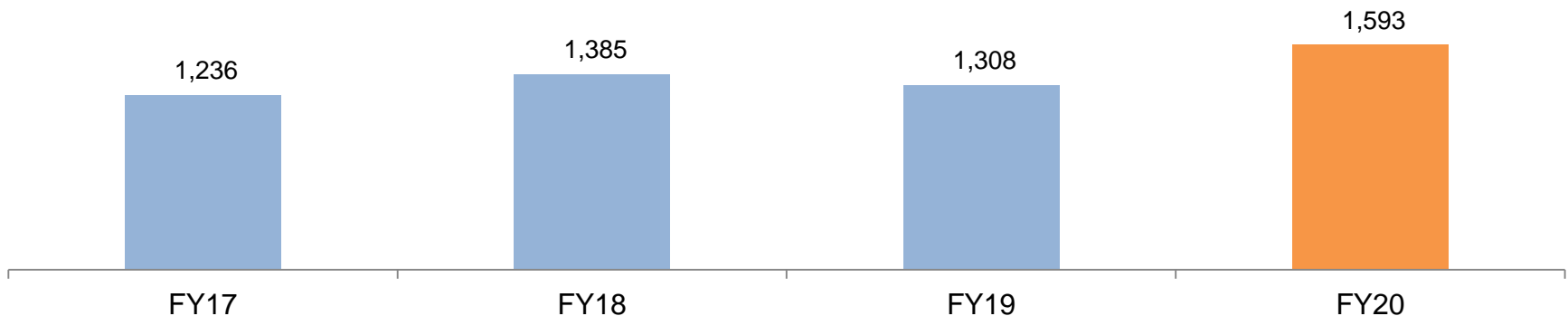
AAA is a mobile office solution providing execution, reporting, monitoring and learning capabilities in a single tab-based platform with zero investment and freedom to operate at anytime from anywhere

Significant investment has been made in the AAA platform to offer a comprehensive office for partners. AAA enhances our capability to reach investors in smaller towns and cities where other channels are not available or effective



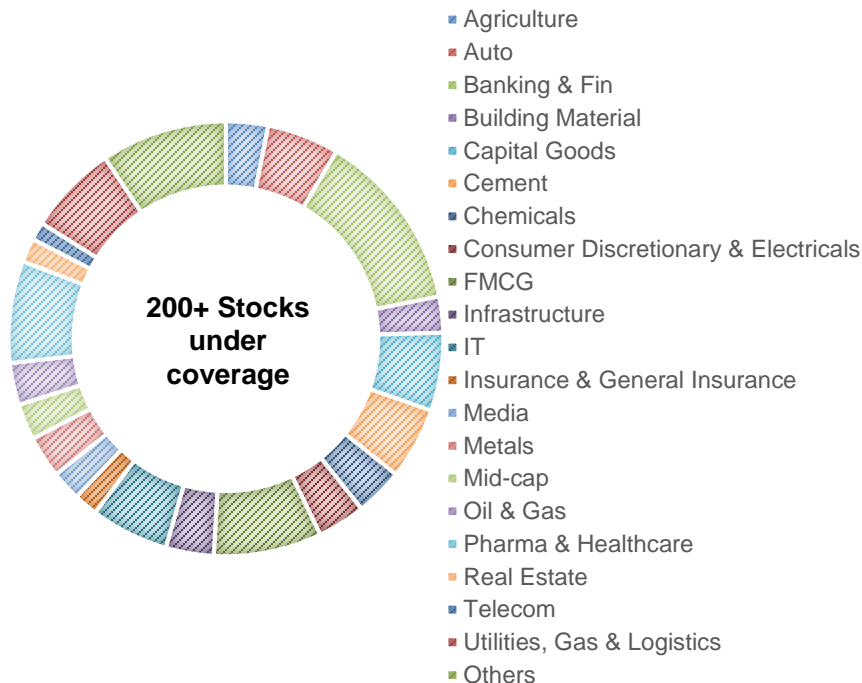
- Among the top franchises on the street, 83 member team with offices in Mumbai, New York and London
- 675+ institutional (domestic and foreign) clients
- Wide customer base covering sovereign wealth funds, foreign portfolio investors, mutual funds, insurance companies, banks, pension funds and alternate investment funds
- 200+ stocks under research coverage accounting for over 80% of India's market capitalization
- Market leader in block placements – over US\$ 4.5 billion of blocks executed in FY20

Institutional Broking Revenues (₹Mn)



Comprehensive Research Coverage across Sectors

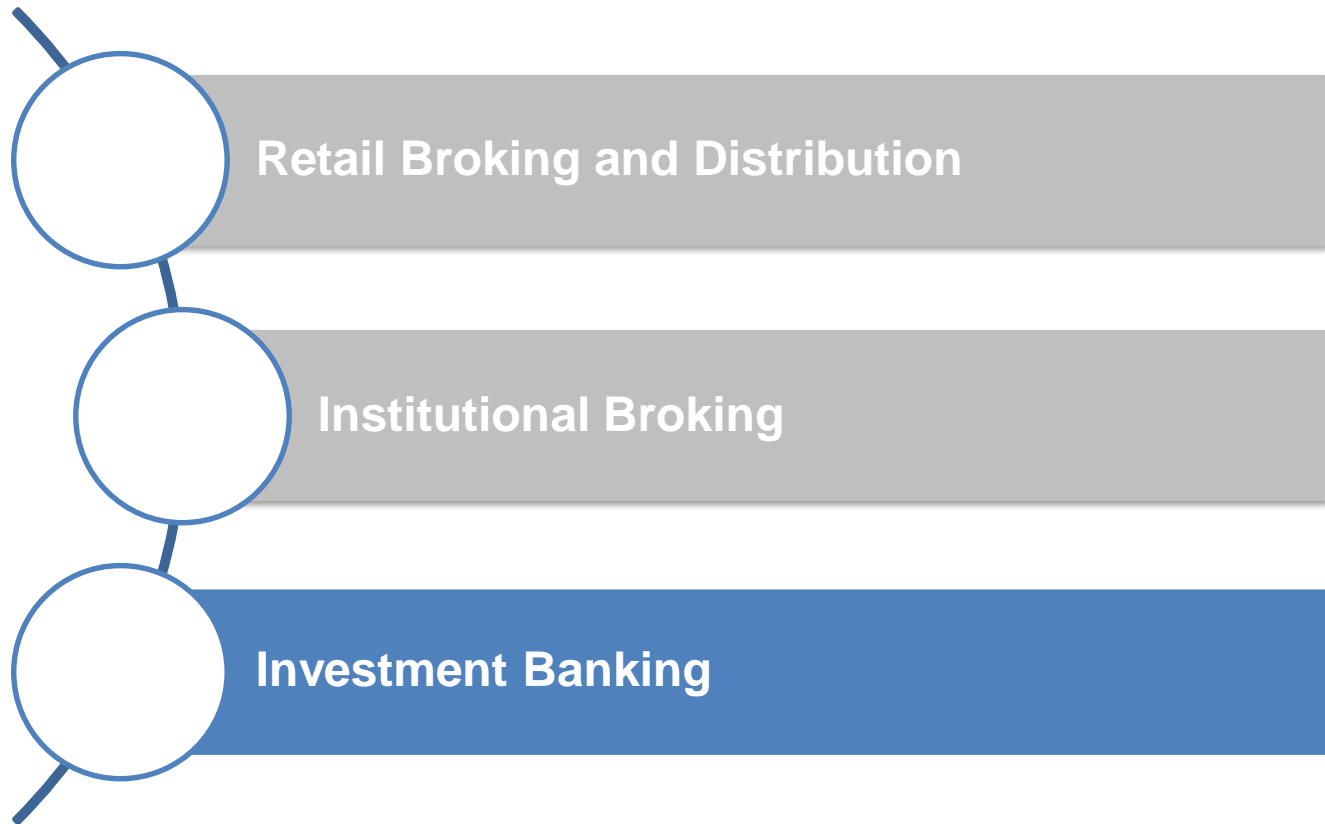
Sector-wise break up of stocks under coverage



Market Cap[^] break up of stocks under coverage

Market Cap bracket	IIFL Research Universe
Above US\$ 10 bn	42
Between US\$ 5 bn and US\$ 10 bn	34
Between US\$ 3 bn and US\$ 5 bn	30
Between US\$ 1 bn and US\$ 3 bn	57
Between US\$ 500 mn and US\$ 1 bn	29
Below US\$ 500mn	32
Total	224

- Pedigreed institutional equities team comprising 29 analysts covering 200+ stocks across 20+ sectors accounting for over 80% of India's market capitalization
- Top-tier rankings with most large long-only / domestic mutual funds

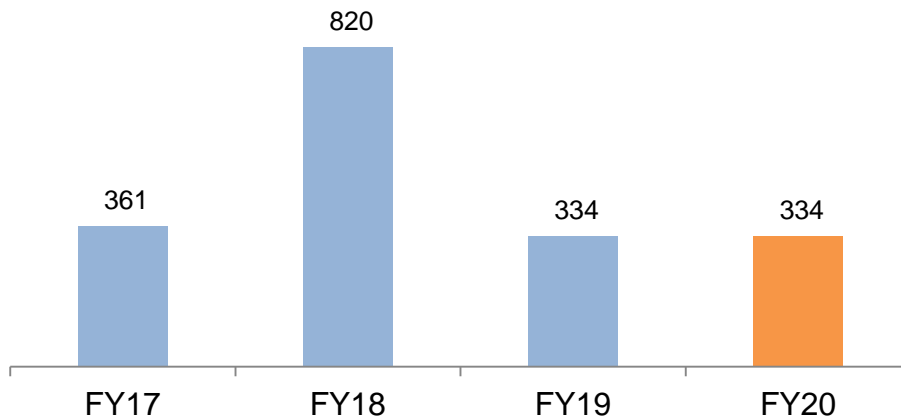




IIFL ranks #1 Investment Banker in FY19 + FY20 (Private Sector IPOs) both in terms of number of IPOs and amount raised

- Rapidly growing franchise – ranked #1 in the league tables in FY19 and FY20 in equity raising through IPOs for private sector corporates both in terms of number of IPOs and amount raised
- 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)



- Completed 16 transactions in FY20 including IPOs, QIPs and private equity advisory/pre-IPOs transactions across capital markets and advisory, despite volatile market conditions
- Continue to diversify product offerings beyond capital markets into debt and private equity advisory transactions.

Select Equity Capital Market Transactions

Ujjivan Small Finance Bank



Rs.10,000Mn
IPO + Pre IPO
Dec 2019

RBL Bank



Rs.27,002Mn
QIP + Pref Allotment
Dec 2019

CSB Bank



Rs.4,097Mn
IPO
Nov 2019

Spandana Sphoorty



Rs.12,009Mn
IPO
Aug 2019


Polycab India



Rs.13,453Mn
IPO
Apr 2019

Select Private Equity Advisory Transactions

Berar Finance




Rs.700mn
Private Equity
Feb 2020

EtechAces Marketing and Consulting



Rs.1,750mn
Private Round
Dec 2019


LoanTap



Rs.800Mn
Private Equity
Sep 2019

Select Other Transactions (Debt advisory, Buybacks and Placements)

IIFL Finance



Rs.2,442mn
Public Issue of NCD
Aug 2019

Indian Energy Exchange



Rs.690Mn
Buyback
Apr 2019

Shree Digvijay Cement Company

On-market stake sale post open offer

Apr 2019

Section 5:

Governance, Awards and CSR

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, 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**



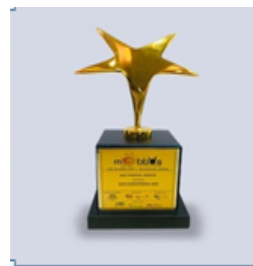
**'Company of the
Year 2019'**

**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.

During the last quarter we also made humble contributions to the PM Cares fund and participated in local relief initiatives to do our bit towards those worse affected by the crisis.

Covid-19 relief

- IIFL Securities contributed Rs 5.0 Million to the PM Cares Fund
- The founders and employees of IIFL contributed a further Rs 4.0 Mn as part of a one-day salary donation drive
- On a regional front , IIFL directed Rs 500,000 towards various hospitals for sourcing and distribution of safety kits, masks and other essentials

Education Initiatives



Sakhion 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.



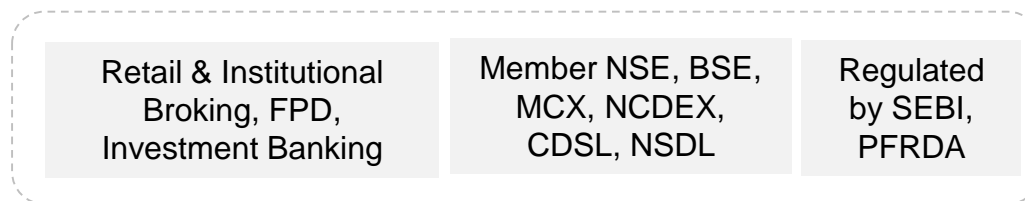
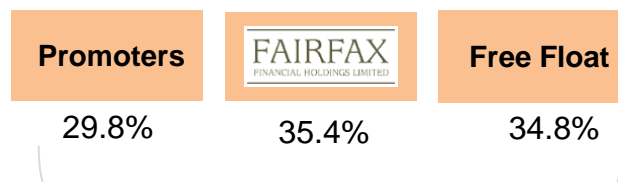
Financial Literacy

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



Section 6:
Annexures

Annexure I - Corporate Structure and Ownership



Major Subsidiaries



Thank You

Published in May 2020

IIFL Securities Limited

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