

Investor Presentation

Q3 FY20

24.01.2020



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Message from the Management

Message from the Management

Dear Investors,

Greetings !

Highlights of the quarter :

1. Emkay signed its first mandate as a left lead banker for a Rs 500 crore fund raise IPO of an agrochemical company.
2. In October 2019 Finlearn Edutech Pvt. Ltd – a step down subsidiary, partnered with NSE Academy to launch the Smart Index Trader Programme, a 100 hour online program aimed at providing specialization in Nifty50 & Nifty Bank across Futures & Options.

The initial response to the program is very encouraging.

3. Currency and commodity business continued its stellar growth albeit on a small base, exceeding its targets by a wide margin.
4. Emkay Institutional Research team had many significant recognitions in the just concluded Asiamoney Polls.

The Equity markets have been suffering from a general investor apathy owing to a weak economy and a polarized equity market, with only a select few stocks out-performing. The large cap indices reached new all-time highs but the small cap/mid cap indices delivered negative returns. However, we have seen improving breadth in the market in the month of December and the momentum continues as we write to you. Investors are optimistic that the upcoming Union Budget will provide a fillip to the languishing economy, providing the much needed boost to business sentiment to revive capex demand and the overall consumption growth in the economy. A bumper rabi crop also augurs well for uplifting rural India's economy. FII inflows have been robust in Q3 benefitting from global liquidity and improved emerging market inflows. Net inflows in Domestic Mutual Funds were very weak in November and improved slightly in December, though below their normal run rate. We expect robust inflows in the small cap and mid cap schemes of various mutual fund houses, which should augur well for the breadth of the market and hence volumes. SEBI continues to introduce new rules and regulations to strengthen the internals of the market ecosystem. We have always believed that in the short term such measures may cause temporary hardship or increased cost of compliance but in the longer run they make the business more robust and sustainable.

Message from the Management

We have always endeavored to be compliant and we do not foresee any significant disruptions of our equity broking business as these new rules and regulations are implemented. With our strong globally recognized and awarded equity research we are very optimistic that we shall be able to partake our share of increased equity volumes across cash , futures and options in both the institutional and non-institutional segments of the market.

The Wealth Management vertical is all poised to grow, now that we have on-boarded front facing teams across the country and have a strong technology led infrastructure with robust research and product identification capabilities to support the differentiated needs of our corporate, family offices and HNI clients across the country. In a short time frame the Wealth Management AUMs have crossed Rs 1000 crore, the revenues from which will start reflecting over the coming months .

Our PMS and AIF have delivered an excellent performance. Both, Emkay L.E.A.D PMS and our small cap AIF offering, Emkay Emerging Stars Fund have significantly outperformed the benchmark indices. We expect robust inflows in our existing schemes. As on December 31, 2019 we manage more than Rs 500 crore across PMS and AIF.

Our financial performance for Q3 was subdued owing to headwinds, as shared above, which kept revenues under pressure despite we maintaining and improving our market share in various segments . Some of our recently launched verticals have still to reach the critical mass and the financial performance is reflective of the investment we continue to make in these verticals . The traction we are seeing makes us believe that we are on the right path to building a robust Emkay in the coming years .

Thanking You,



Krishna Kumar Karwa
Managing Director



Prakash Kacholia
Managing Director

Consolidated Performance Highlights

Consolidated Performance: Key Highlights

	Revenues (Rs. in Lac)	PBT (Rs. in Lac)	PAT (Rs. in Lac)	EPS (Rs.)	BVPS (Rs.)
Q3 FY20 (IND-AS)	3,374	(219)	(157)	-0.62	65.33
	▲ 2%	▼ 46%	▼ 36%	▼ 25%	▼ 0.45
Q2 FY20 (IND-AS)	3,293	(404)	(245)	-0.83	65.78
Q3 FY20 (IND-AS)	3,374	(219)	(157)	-0.62	65.33
	▼ 1%	▼ 764%	▼ 772%	▲ 1967%	▼ 1.44
Q3 FY19 (IND-AS)	3,415	33	(18)	-0.03	66.77

Consolidated Profit & Loss Statement

Particulars (Rs. in Lac)	Consolidated Q3 FY 2019-20 IND AS	Consolidated Q2 FY 2019-20 IND AS	QoQ % Change	Consolidated Q3 FY 2018-19 IND AS	YoY % Change
Revenue					
Income from Operations	3,343	3,255	3	3,397	(2)
Other Income	31	38	(18)	18	72
Total Revenue	3,374	3,293	3	3,415	(1)
Expenses					
Employees Benefit Expense	1,880	1,873	1	1,762	7
Finance Costs	131	281	(53)	190	(31)
Depreciation & Amortization Expense	213	185	15	190	12
Other Expenses	1,369	1,358	1	1,240	10
Total Expenses	3,593	3,697	(3)	3,382	6
Profit Before Tax	(219)	(404)	(46)	33	(764)
Exceptional Items	-	-	-	-	-
Tax Expense	(73)	(164)	(56)	44	(266)
Profit After Tax	(146)	(240)	(39)	(11)	1227
Share of Profit/(Loss) of Associate	(11)	(5)	120	(7)	57
Profit After Tax & Share of Profit/(Loss) of Associate	(157)	(245)	(36)	(18)	772

Business Performance

Spectrum of Businesses

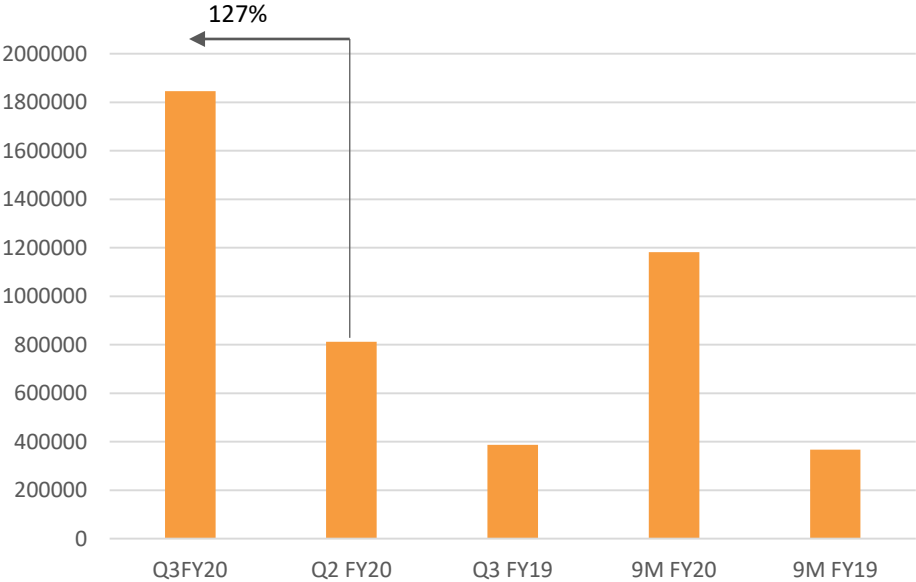
Our Businesses

	Broking & Allied Services	PMS/AIF	Wealth Management
Revenue in Q3 FY20	₹ 2,367 lac	₹ 149 lac	₹ 58 lac
Revenue in Q2 FY20	₹ 2,322 lac	₹ 138 lac	₹ 38 lac
% Revenue increase	1.93%	7.97%	52.63%
Revenue in Q3 FY19	₹ 2,509 lac	₹ 131 lac	₹ 13 lac
% Revenue increase	(5.65%)	13.74%	346.15%

Broking Business

Equity ADTO

Combined Equity ADTO: Cash and F&O (Rs. In Lac)



Equity Broking



India Equity Research | India Economy
December 1, 2019
Sales Executive



Your success is our success

Economy Update

Govt spending lends support to worsening growth; revise FY20E GDP growth to 4.6%

Key takeaways on FY20E GDP growth to 4.6%: The combined headline GDP growth in FY20E is revised downwards to 4.6% as a result of FY20E revenue deficit. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19.

Fiscal deficit budget estimates: Lower collection and increased spending led to higher deficit. Revenue expenditure is being constrained and there is lower collection after the revenue expansion. Overall, the transfer to states is higher than the year of 2019 and total expenditure in 2020 is 17.0% higher. Capital expenditure is estimated at 10.0% of GDP, up from 9.5% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19.

Fiscal deficit @ 0.7% of GDP: Revenue budget estimates by 2.4%: Lower collection and increased spending led to higher deficit. Revenue expenditure is being constrained and there is lower collection after the revenue expansion. Overall, the transfer to states is higher than the year of 2019 and total expenditure in 2020 is 17.0% higher. Capital expenditure is estimated at 10.0% of GDP, up from 9.5% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19.

Headline GDP growth to 4.6%: The combined headline GDP growth in FY20E is revised downwards to 4.6% as a result of FY20E revenue deficit. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19.



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India Strategy

A turning point

Key takeaways: The combined headline GDP growth in FY20E is revised downwards to 4.6% as a result of FY20E revenue deficit. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19. The revenue deficit is estimated at 1.1% of GDP, up from 0.7% in FY19.

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Your success is our success

BFSI

Challenges galore as macros weaken; better stick to quality

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Equity Broking

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

SHINES BRIGHTER AT
ASIAMONEY BROKERS POLL 2019

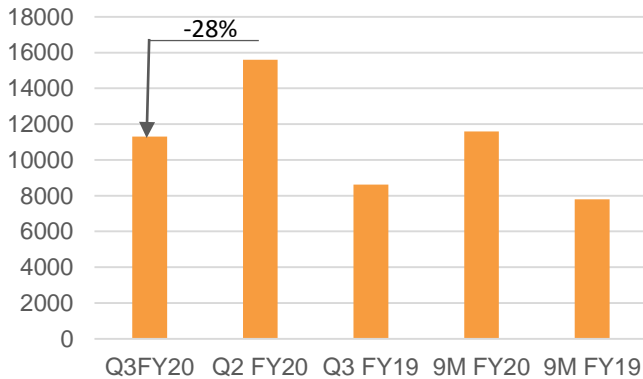


Product/ Service Category	Rank - 2019	Rank - 2018
Team Rankings		
Best Energy Team	2	3
Best Media Team	2	5
Best Healthcare Team	3	19
Best Consumer Discretionary Team	4	5
Best For Corporate Access	5	14
Best Sales People Team	5	12
Best Small/ Mid Caps Team	7	2
Best Sales Traders Team	7	16
Individual Rankings		
Best Analysts for Energy	2	3
Best Analysts for Media	2	10
Best Analysts for Healthcare	4	NA
Best Quantitative Data Analyst	6	NA
Best Analysts for Automobiles & Components	7	12
Best Analysts for Small/ Mid Caps	7	2
Best Analysts for Telecommunication Services	7	8

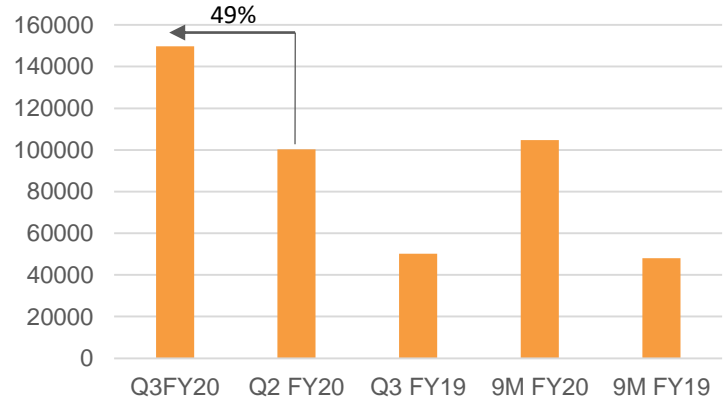
Commodity & Currency



Emkay Commodity ADTO (Rs. in Lac)



Emkay Currency ADTO (Rs. in Lac)



Asset Management Business

Asset Management – PMS & AIF

Total AUM (PMS + AIF) : Rs. 50,000+ Lac

PORTFOLIO MANAGEMENT SERVICES

Emkay
The Capital Growth Experts

IS THERE A WAY TO NAVIGATE THROUGH SUCH MINEFIELDS?

CREDIBILITY RISK > CREDIT RISK
Has your portfolio borne the brunt of any of this? Since classic

Presenting the Emkay Capital Builder Fund

The Portfolio has had 0 Accidents since inception
Not even one company in this portfolio has reported any corporate governance issue

What made this possible?
Presenting E-equal Risk Module

The Country's first governance dedicated Proprietary stock picking model from Emkay Investment Managers Limited

Management Strategy	40%
Market Capitalization	30%
Stock Classification	10%
Investor Commitment	7.00%
Liquidity	7.00%

The Companies are evaluated on the basis of the following parameters of the module and a score is attached to them. This score helps us evaluate the resilience of company, on the basis of which we arrive at the expected rate of return.

Parameter	Score	Weight	Score	Weight	Score	Weight	Score	Weight	Score	Weight
Large Cap Return Expectation	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mid-Cap Return Expectation	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Small Cap Return Expectation	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Overall Return Expectation	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%

Our Return Expectation From E-EQUAL Portfolio Analysis

What else can you expect from the fund?
E-equal is part of Three Pronged Investment Process

Emerging Growth Potential of the Business | Establish Target Price Over the Investment Horizon of 3-5 years

1. Stock Selection
2. Equal Risk
3. Portfolio Price Discovery

Emkay
25
EMKAY
L.E.A.D.
PMS
January '20

Investment Objective
The portfolio seeks to achieve long term capital appreciation by predominantly investing in large and mid cap high-growth companies with a leadership track in the sector along with strong moat, quality management and reasonable valuations.

Sector Allocation %

Risk & Return Metrics

St. Dev: 18.8 vs 12.5
Sharpe Ratio: 0.2 vs -0.8
Beta: 1.0 vs 1.0

Market Capitalization

Market Capitalization	% Equity
Largecap	70
Mid-cap	30
Small-cap	0

Portfolio Performance

L.E.A.D. Portfolio	FY20E	FY21E
Sales Growth (%)	14.6%	18.5%
PAT Growth (%)	27.1%	25.9%
ROE (%)	20.7%	20.9%
PE (x)	48.1x	38.5x
PEG (x)	1.8x	1.5x

Top 5 Holdings

Script Names	% Holdings
Burger King	6.70%
Saaj Finance	6.70%
Whisper	6.70%
Avenue Supermarkets	6.70%
Polina	6.70%

EMKAY EMERGING STARS FUND - AIF Category III

INVESTMENT OBJECTIVE
The Fund seeks to generate long term capital appreciation for investors from a portfolio of equity and equity related securities.

FUND MANAGEMENT TEAM
Kishore Kumar Karwa - Chief Advisor & MD (Emkay Global)
Mr Karwa is a Chartered Accountant with over 30 years of hands on experience in the Equity Markets. He is actively involved in Research, Advisory and Fund management.
Sachin Shah - Fund Manager (Emkay Investment Managers Ltd)
Mr Shah is a Portfolio Manager with over 20 years of experience in equity Markets, (LLC, CFA, CFP®)

AF FUND DETAILS

Committed Capital	₹ 212 Cr.
Fund Closure Date	31 st Jan 2018
Abstract Date	11 th Jan 2018
Tenure of Fund	5 Year Closed ended
Face Value per Unit	₹ 100
Net Asset Value for Class A1 Units	₹ 87.83 (as on 31/03/2018)

KEY RATIOS (as on 31/03/2018)

Ratio	Emkay AIF
Beta Coefficient	0.2142
Standard Deviation	0.5342

PORTFOLIO HOLDING (%) (as on 31/03/2018)

Company	(%) of Net Asset Value
Statec Ltd	7.07%
Laurus Labs Ltd	6.74%
Mahindra & Mahindra Resources India Ltd	6.19%
Suven Life Sciences Ltd	5.87%
Choprasa Bios Ltd	5.86%
Apar Industries Ltd	5.85%
Wonderla Holidays Ltd	4.17%
DCB Bank Ltd	3.72%
Narayana Prudentiality Ltd	3.43%
Rapco Home Finance Ltd	3.20%
NBI Ltd	3.06%
AI&ASL Ltd	3.00%
Capital Pipeworks Pvt Ltd	2.89%
Maple Investment Ltd	2.25%
Chhatrapati Chhatrapati Amrao Indus Ltd	1.82%
City Union Bank Ltd	1.25%
CGIIS	0.841%

ASSET ALLOCATION (%) (as on 31/03/2018)

Asset Class	%
Equity Exposure	84.1%
Debt & Cash Exposure	15.9%

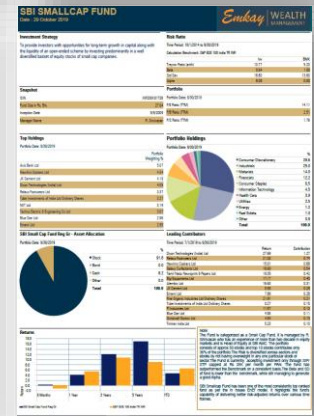
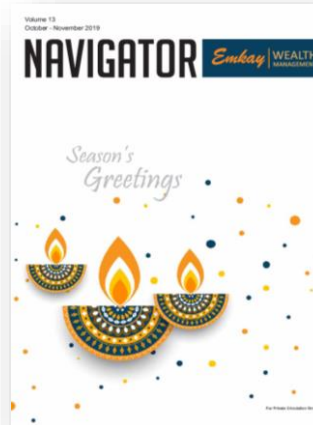
PERFORMANCE ANALYSIS (%) (Based on 100% Investment on 31/03/2018)

Scheme Name	1 M	3 M	6 M	9 M	1 Y	Since Inception*
Emkay Emerging Stars Fund - Series I	-0.8	-3.0	-4.6	-6.1	-8.9	+13.2
SSP BSE Mid-Cap	-0.8	6.1	1.1	-3.3	-3.0	+17.2
SSP BSE Small Cap	1.0	4.0	-3.8	-6.8	-6.8	+31.4

Wealth Management Business

Wealth

- Managing over Rs. 119,700 Lac under MF Advisory & Distribution
- Mutual Fund recommendations backed by a strong research team.
- Understanding financial needs of clients by considering factors like risk appetite, investment time horizon, age, tax implications, among others, before advising on mutual funds.
- Regular and stringent monitoring of portfolios.
- Monthly update on Mutual Fund holdings and portfolio reviews.
- Facility to view portfolio online on the website and intuitive mobile app
- Research Reports
 - » Navigator: A monthly with a roundup on economy, markets, mutual funds, PMS, Estate & Succession Planning, et al.
 - » FinSights: Economy update
 - » Product Updates



Corporate Overview

The Journey

1995

Year of incorporation

2006

Incorporated & launched RBI approved NBFC; Commenced Commodity Broking

2012

Commenced Currency Broking

2017

Emkay Emerging Stars Fund - Series I closed successfully with commitments of Rs.200+ Cr.

1996

Commenced equity broking on BSE

2007

Launched IRDA approved insurance broking subsidiary

2014

First PIPE deal of Somany Ceramics

2018

Successfully launched Emkay Emerging Stars Fund – Series II & III

1999

Commenced equity broking on NSE

2008

Crossed the landmark of Rs. 100 Crore top-line

2014

First QIP as BRLM of Dynamatic Technologies

2018

Incorporated EGFS IFSC for international financial services as a capital market intermediary

2000

Executed first trade in Sensex Futures and Sensex Options

2008

Launched the Investment Banking Business

2015

Acted as Sole Book Running Lead Manager for QIP of MPS Limited

2019

Emkay Insurance Brokers Limited rechristened Emkay Wealth Advisory, to offer Estate and Succession Planning services

2005

Became a public limited company

2010

Successfully closed first QIP as co-manager of Jubilant Organosys

2016

Acted as sole manager to the Preferential Issue of INR 150 crore of Time Technoplast

2006

Successfully launched Rs. 75 Crore IPO and listed on BSE/ NSE

2012

Acquired own office space of 25000 sq ft. in the heart of Mumbai

2017

Tie-up with DBS Vickers Securities for co-branding & distribution of Emkay Research

The Board

Mr. Sushil Kumar Saboo	Chairman	Group Advisor (Chairman's Office) for Aditya Birla Group, one of the premier business groups of India.
Mr. Krishna Kumar Karwa	Managing Director	A rank holder member of the ICAI; Promoter & Managing Director of EGFSL; Independent Director at West Coast Paper Mills Limited
Mr. Prakash Kacholia	Managing Director	A member of ICAI; Promoter and Managing Director of EGFSL
Mr. Girindrachandra Vasudeo	Independent Director	A fellow member of the ICAI, the ICSI; an Associate member of the ICWAI; a law graduate from the University of Mumbai
Mr. Ravikumar Krishnamurthi	Independent Director	A solicitor in the Mumbai High Court and the Supreme Court of England; retired partner of Mulla & Mulla Craigie Blunt & Caroe
Dr. Satish Ugrankar	Independent Director	M.S., D'ORTH (CPS) and F.C.P.S.(CPS), (Mumbai)
Mrs. Preeti Kacholia	Woman Director (Non-Executive)	Woman Director on the Board of Directors of EGFSL
Dr. Bharat Kumar Singh	Independent Director	B.E (Mech), MBA (IIM-C), Ph.D (Management Studies) Mumbai University (JBIMS)

Strong Infrastructure

- Exchange connectivity from BSE, NSE, NCDEX and MCX
- State-of-the-art technology with ultralow latency 10G high speed infrastructure at NSE CoLo
- Tick by Tick, Multicast and Fast Broadcast from NSE
- Multiple trading solutions deployed to offer services like
 - » CTCL
 - » Automated Trading
 - » DMA Trading/ Electronic Execution Services
 - » Internet based Trading
 - » Mobile/ Wireless Trading
- Trading terminals:
 - » Omnesys CTCL : over 750 Terminals
 - » Omnesys Nest Trader (Web + Exe) Online Trading
 - » Omnesys Nest & Greeksoft Automated Trading Solution
 - » μ Trade & Resolute DMA Solution
 - » EmTrade Online Solution

Strong Infrastructure

- International connectivity for disseminating real-time information & Integration with various FIX aggregators such as
 - » Bloomberg
 - » Fidessa
 - » Thomson Reuters (Autex)
 - » Linedata
 - » Charles River
 - » ITG
 - » Eze Castle
- Strong power redundancy to maintain 100% uptime in business
- Online chat facility with branches & business associates
- Comprehensive all exchange combined risk management software

Recent Awards & Recognitions

Institutional Investor

Institutional Investor Award recognizes people and firms in the financial services industry for excellence.

- Best Sales Team: Rank 5 in India by Institutional Investor Survey, 2017
- Best Research Team: Rank 10 in India by Institutional Investor Survey, 2016

ASIAMONEY

Asiamoney Brokers Poll is the largest Asia-focused equity services provider poll.

- Best Energy Team – Rank 2 by Asiamoney Brokers Poll, 2019
- Best Media Team– Rank 2 by Asiamoney Brokers Poll, 2019
- Best Healthcare Team – Rank 3 by Asiamoney Brokers Poll, 2019
- Best for Corporate Access – Rank 5 by Asiamoney Brokers Poll, 2019



Best performing member in commodity Segment – West, for 2019, by NSE



Highest volume contributor in the Options segment for 2019, by MCX



Most Admired Service Provider in Financial Sector for 2017, by CMO Asia

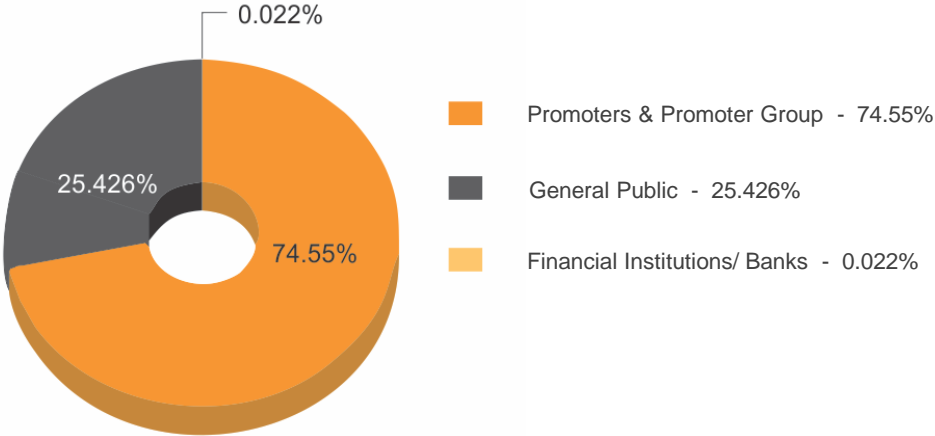


India's Most Trusted Financial Brand for 2016-17 by World Consulting & Research Corporation



Listed among the 25 fastest growing financial consultant companies in India for 2017, by the CEO Magazine

Shareholding Summary



Registered Office:

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Website: www.emkayglobal.com

Data as on 31.12.2019