

Investor Presentation

Q1 FY20

12.08.2019



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These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond EGFSL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

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Message from the Management

Message from the Management

Dear Investors,

The first three months of FY20 were unstable, to say the least. They were marked by a lot of pre-general election uncertainty. Capital markets were volatile and general investor participation was lower . Post the resounding NDA majority, there was a sharp rally in the large-cap indices. However, the rally was short lived and very narrow. The broad market indices, reflecting the mid-cap and small-cap companies, did not sustain and corrected very quickly before the momentum could attract retail investors .

We continue to invest in all our businesses as we build the foundations for future growth . On the institutional equities side we have added many resources in equities research, technology, compliance as we ramp up our service offering to our institutional clients, to increase our market share. We have seen improvement in our rankings with a few large clients which should reflect in improved revenues in the coming quarters. In the non-institutional equities broking side of the business, we continue to focus on offering value added services to our HNI customers , PMS service providers and specialist traders who rely and leverage on technology to trade in the markets. We have seen significant growth in our currency offering and continue to add corporate customers on a regular basis. Our wealth management business is steadily being ramped up as we open offices in Kolkata / Bengaluru/ Chennai/ Hyderabad and Delhi. We have on-boarded relationship managers across geographies whose revenues will start reflecting in the coming quarters. Our asset management business has been very steady in this challenging environment and we have not seen any major misadventures in our portfolio stocks reflecting our robust stock selection process. It is business as usual with normal inflows and outflows unlike other PMSs that have witnessed aggressive outflows on poor portfolio performance

Continued...

Message from the Management

As we write, Corporate India's performance, announced for Q1 has been lackluster, reflecting the slowdown in domestic economy, absence of liquidity to NBFCs and its trickledown effect on demand across domestic consumption sectors. We believe that the government is seized of this matter and will announce measures to break this slow down log jam. The sentiment should improve soon on announcement of such government interventions though the actual positive impact on the domestic economy will be a few quarters away.

Your Company's financial performance for Q1 reflects the slowdown in revenues owing to a volatile quarter with reduced investor participation as also the increased operational expenditure across verticals where revenues will accrue over time .

We will continue to invest in our chosen lines of business verticals and are enthused with the way all our business segments are shaping up with the efforts of all the business heads. We are confident that you will start seeing the positive impact of these efforts in the coming quarters.

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.)
Q1 FY20 (IND-AS)	3,351	(91)	(108)	-0.46	67.97
	▼ 15%	▼ 113%	▼ 119%	▼ 126%	▼ 0.82
Q1 FY19 (IND-AS)	3,931	701	569	1.76	68.53
Q1 FY20 (IND-AS)	3,351	(91)	(108)	-0.46	67.97
	▼ 1%	▼ 148%	▼ 167%	▼ 171%	▼ 1.73%
Q4 FY19 (GAAP)	3,396	189	162	0.65	69.17

Consolidated Profit & Loss Statement

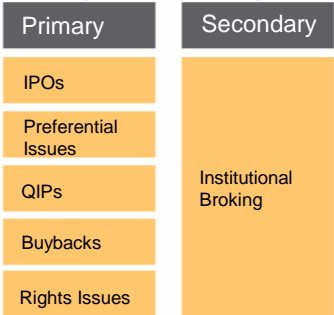
Particulars (Rs. in Lac)	Consolidated Q1 FY 2019-20 IND AS	Consolidated Q1 FY 2018-19 IND AS	YoY % Change	Consolidated Q4 FY 2018-19 IGAAP	QoQ % Change
Revenue					
Income from Operations	3,329	3,910	(14.86)	3,380	(1.51)
Other Income	22	21	4.76	16	37.50
Total Revenue	3,351	3,931	(14.75)	3,396	(1.33)
Expenses					
Employees Benefit Expense	1,769	1,685	4.99	1,815	(2.53)
Finance Costs	156	153	1.96	132	18.18
Depreciation & Amortization Expense	163	152	7.89	125	31.20
Other Expenses	1,353	1,240	9.11	1,307	3.60
Total Expenses	3,441	3,230	23.95	3,379	1.89
Profit Before Tax	(90)	701	(112.98)	17	(605.56)
Exceptional Items	-	-		(171)	(100)
Tax Expense	9	162	(94.44)	40	(77.50)
Profit After Tax	(99)	539	(118.55)	148	(167.11)
Share of Profit/(Loss) of Associate	(8)	30	(126.67)	13	(161.54)
Profit After Tax & Share of Profit/(Loss) of Associate	(107)	569	(118.98)	161	(166.67)

Business Performance

Spectrum of Businesses

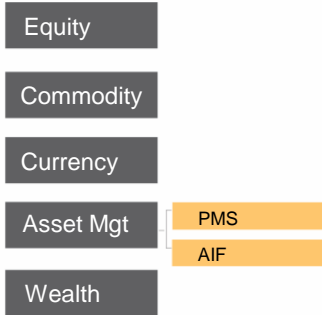
Our Businesses

Institutional Client Group



Revenue in Q1 FY20	₹ 1,711 lac
Revenue in Q1 FY19	₹ 1,919 lac
% Revenue increase	(10.84%)
Revenue in Q4 FY19	₹ 1,659 lac
% Revenue increase	3.13%

Non-Institutional Client Group



₹ 736 lac
₹ 844 lac
(12.80%)
₹ 1,250 lac
(41.12%)

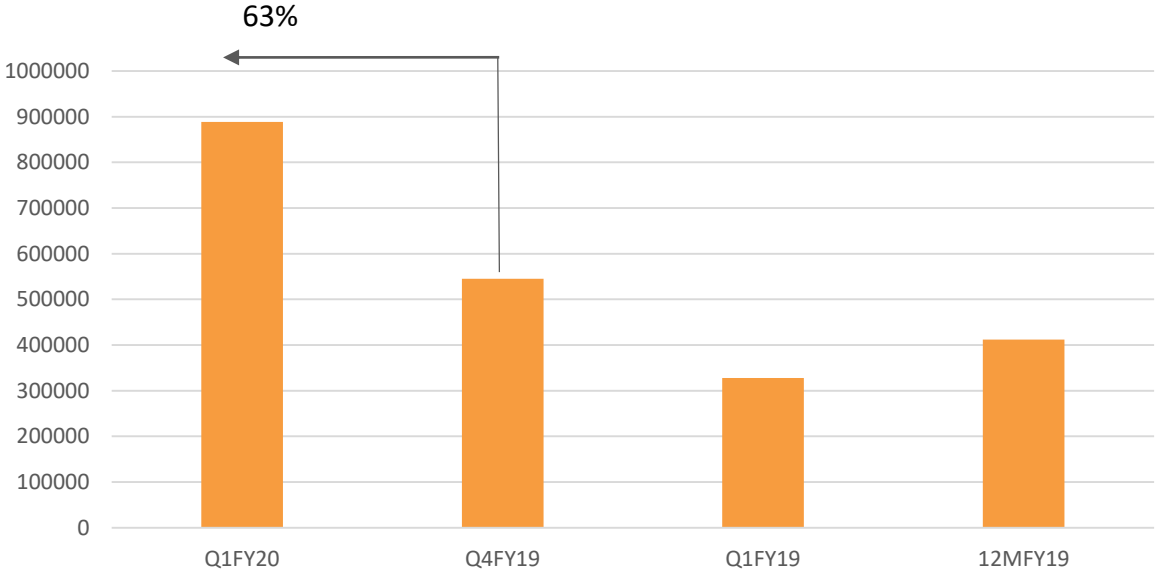
Credit



₹ 137 lac
₹ 142 lac
(3.52%)
₹ 139 lac
(1.44%)

Equity ADTO

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

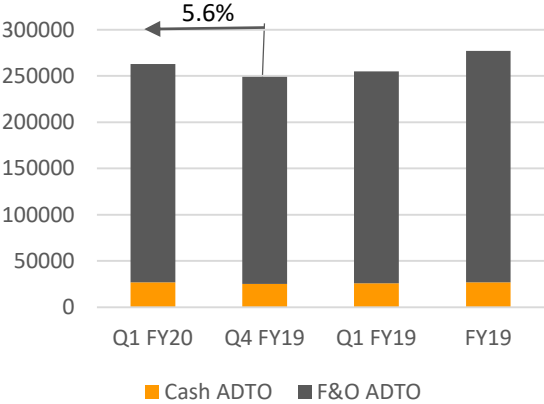


Institutional Segment

Institutional Broking

Total no. of Empanelments	298*		
Market Share: Cash Market (Q1 FY20)	DIIIs: 2.18%	FIIIs: 0.86%	
Market Share amongst FIIIs: F&O (Q1 FY20)	Index Futures: 4.30%	Index Options: 0.25%	Stock Futures: 1.32%

Emkay Institutional ADTO: Cash and F&O (Rs. In Lac)



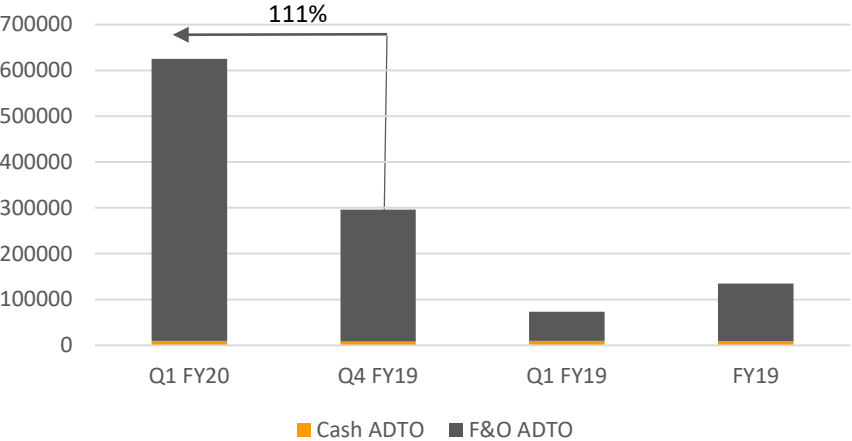
* Does not account for the Non-institutional empanelments

Non-Institutional Segment

Equity

- Total number of Active Clients* : 8659
- Total Branches: 19
- Total Franchisees: 173

Emkay Non-Institutional Broking ADTO: Cash and F&O (Rs. in Lac)



* Active Clients are clients that have traded at least once during the quarter

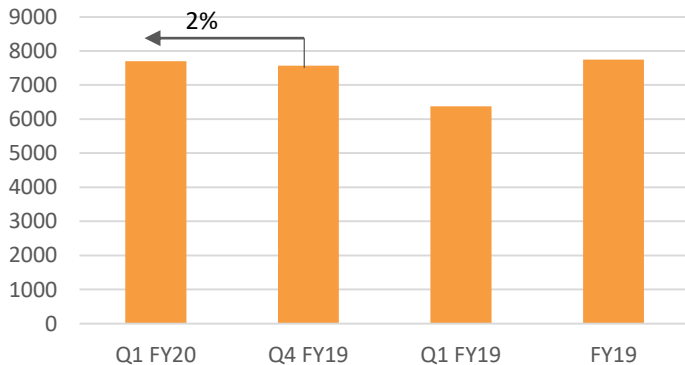
Commodity & Currency

Client Services:

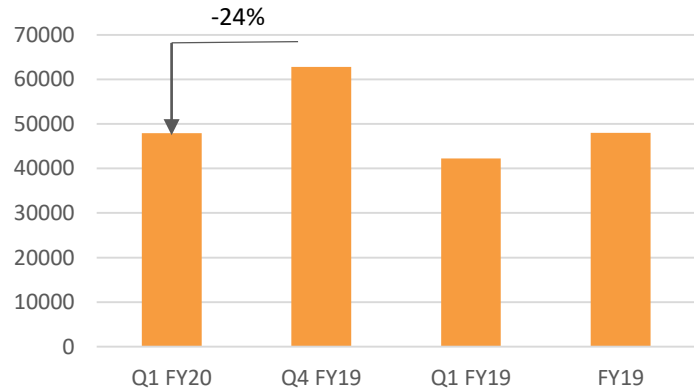
- » Launched Emkay Forex app EmFX
- » Software: Omnesys Nest by Thomson Reuters, NSE NOW
- » Call & trade through recorded lines/Online Terminal/Mobile App
- » Real time Research Advisory through Whatsapp Messages & Phone
- » Online client back office access, Electronic contract notes, SMS Facility
- » Dedicated RM as a single point of contact for all products and operational queries
- » Execution algorithms in place to enable taking advantage of smallest movement in market
- » Best practices in terms of due diligence and compliance process



Emkay Commodity ADTO (Rs. in Lac)



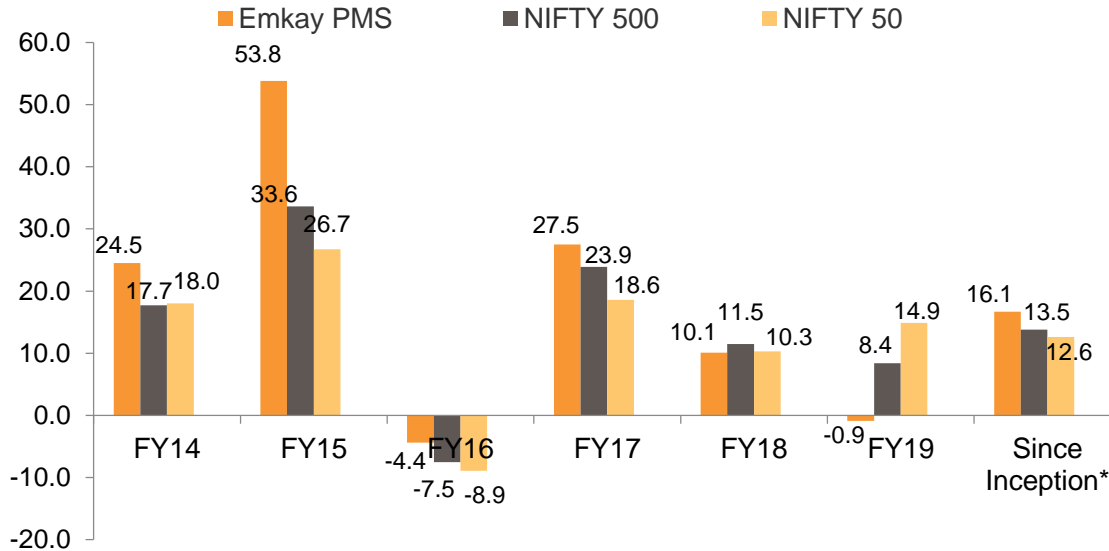
Emkay Currency ADTO (Rs. in Lac)



Asset Management - PMS

TOTAL AUM (PMS +AIF): Rs. 51,000+ LAC

PERFORMANCE OF EMKAY CAPITAL BUILDER PORTFOLIO (AS ON 30th JUNE, 2019)



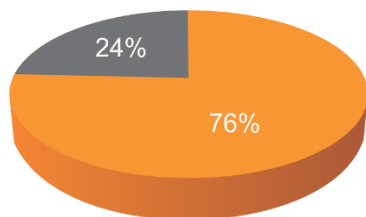
CAGR – Compounded Annualized Growth Rate. Performance <= 1 Year Absolute Returns and > 1 Year CAGR. Past performance may or may not sustain in the future. (Source: Accord Fintech Ltd.)

(Emkay PMS Returns (%) are Post Expenses of a Model Portfolio in Capital Builder Scheme)

Asset Management - AIF

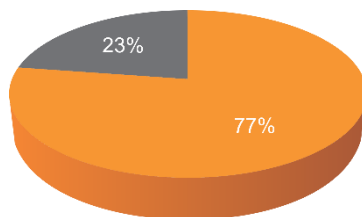
Asset Allocation
(Based on 70% drawdown)

Series I



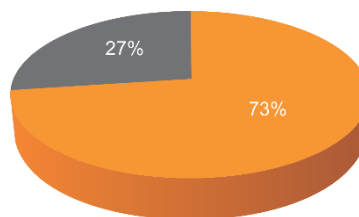
Asset Allocation
(Based on 70% drawdown)

Series II



Asset Allocation
(Based on 70% drawdown)

Series III



Equity Exposure
Cash & Cash Equivalent Exposure

Source: EIML

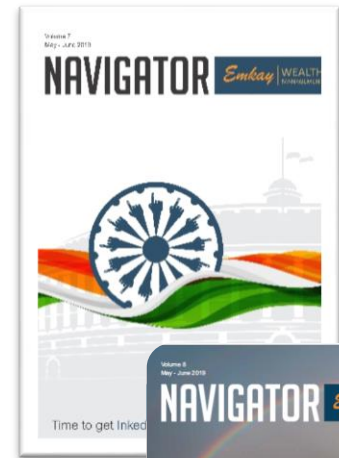
Performance Analysis (As on 30th June, 2019)

AUM: Rs 31,000+ LAC

Scheme Name	1 Month	3 Months	6 Months	9 Months	1 Year	Since Inception
Emkay Emerging Stars Fund - Series I	-1.8	-1.6	1.7	0.2	-1.5	-8.0*
Emkay Emerging Stars Fund - Series II	-1.9	-1.7	1.8	0.2	-1.3	-8.5**
Emkay Emerging Stars Fund - Series III	-1.7	-1.6	1.8	NA	NA	2.3***
S&P BSE Mid-Cap	-1.9	-4.3	-4.1	0.3	-4.2	-18.5 #
S&P BSE Small-Cap	-4.2	-5.2	-3.2	-1.3	-11.2	-28.7 #

* 11th January, 2018 **28th March, 2018 ***15th October, 2018 #Data for Series I

- **16,800+** clients under MF Advisory & Distribution (as on 30th June, 2019)
- Managing INR **103,300+ Lac** under MF Advisory & Distribution (as on 30th June, 2019)
- Mutual Fund recommendations backed by strong research team.
- Understanding financial needs of clients by considering factors like risk appetite, investment time horizon, age, tax implications, etc 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.
- Research Reports
 - » Navigator: A monthly with a roundup on economy, markets, mutual funds, PMS, Estate & Succession Planning, et al.
 - » FinSights: Economy update
 - » Product Updates



Credit

Lending Book Profile

	Gross Loan Book	Yield	COF	NIM
Q1 FY20	₹5,171 lac	10.59%	9.96%	7.19%
Q1 FY19	₹ 4,797 lac	11.13%	9.44%	5.52%

* Gross loan book size is deployed in Capital Market

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

Successful launch of EMKAY Emerging Stars Fund – Series I, II & III

1999

Commenced equity broking on NSE

2008

Crossed the landmark of 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

Grew into 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 75 Crore IPO and listed on BSE/ NSE

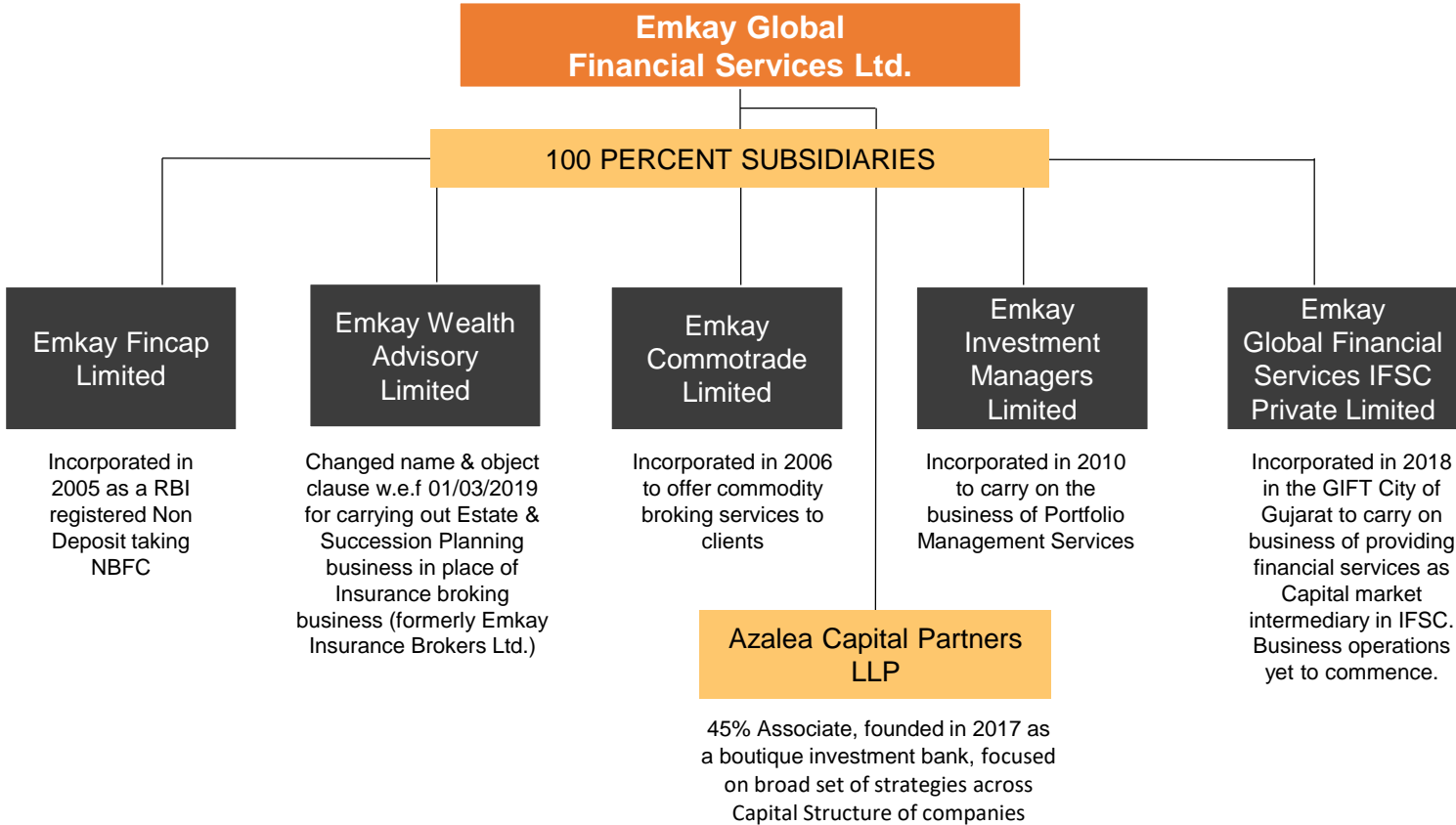
2012

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

Organisational Structure



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, MSEI, NCDEX, MCX-SX and CDSL
 - » Ultralow latency 10G High speed connectivity
 - » Fast and Tick by Tick & Multicast Tick by Tick broadcast from NSE
- Multiple Trading solutions deployed to offer Solutions / Services like
 - » CTCL
 - » Automated Trading
 - » DMA Trading
 - » Internet base Trading
 - » Mobile/ Wireless Trading
- Trading Terminals:
 - » Omnesys CTCL : over 750 Terminals
 - » Omnesys Nest Trader (Web + Exe) Online Trading
 - » Omnesys NEST & Greeksoft Automated Trading Solution
 - » μTrade & Resolute DMA Solution
 - » EmTrade Online Solution

Strong Infrastructure

- International connectivity for disseminating real-time information & Integration with various FIX aggregators
 - » Bloomberg
 - » Fidessa
 - » Thomson Reuters (Autex)
 - » Linedata
 - » Charles River
 - » ITG
 - » Ese 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 & Accolades

Institutional Investor

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

- Emkay Sales Team Ranked 5th in India by Institutional Investor Survey, 2017
- Emkay Research Team Ranked 10th in India by Institutional Investor Survey, 2016

ASIAMONEY

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

- Best Analyst Energy – Rank 3 by Asiamoney Brokers Poll, 2018
- Best Analyst Small Caps – Rank 2 by Asiamoney Brokers Poll, 2018
- Emkay Sales Team Ranked 7th in India by Asiamoney Brokers Poll, 2017

MCX

METAL & ENERGY
Trade with Trust

Emkay recognized by MCX for being the highest volume contributor in the options segment for 2019



Emkay recognized as Most Admired Service Provider in Financial Sector by CMO Asia

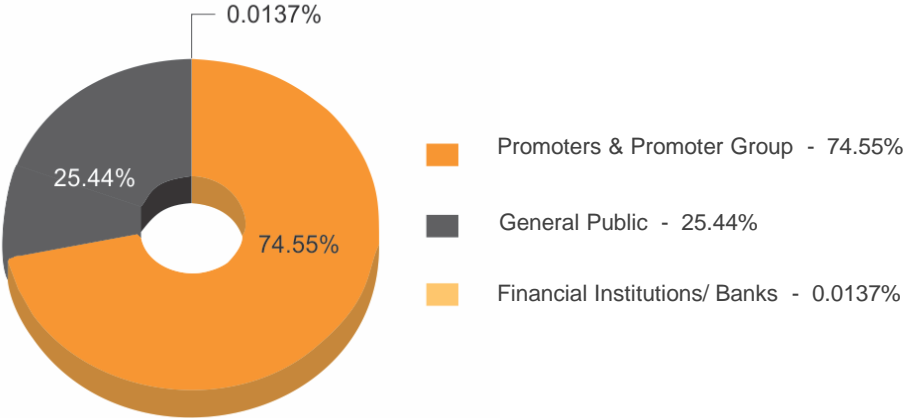


Emkay awarded as India's Most Trusted Financial Brand for the year 2016-17 by World Consulting & Research Corporation



Emkay ranked amongst the 25 fastest growing financial consultant companies in India by the CEO Magazine

Shareholding Summary



Registered Office:

7th Floor, The Ruby, Senapati Bapat Marg, Dadar (W), Mumbai - 400028.

Tel: +91 22 6612 1212; Fax: +91 22 66121299

Website: www.emkayglobal.com