

Investor Presentation

Q2 FY20

14.11.2019



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Message from the Management

Message from the Management

Dear Colleagues,

Season's Greetings!

Consolidated revenues for Q2FY20 stand at Rs. 3, 293 lac with a YoY decline of 10% and a QoQ decline of 2%. You all are aware of the turmoil looming over the domestic economy for the past several quarters and its impact on investor sentiment affecting our business verticals across Broking, Investment Banking, Asset Management and Wealth Management. As a company, we have seen several such cyclical downturns and it is best to invest in the businesses during such phases, to reap the benefits, when the tide turns for the better. You are also aware that we have been investing in our Wealth Management vertical for the last 12 months. As of today, we have 8 Wealth Management offices across the country, with 33 relationship managers on board. AUM of our Wealth Management business is Rs 1,000+ crore as on date. As far as our Institutional Equities business is concerned, it continues to gain traction and for Q2 our DII market share has inched up to 2.7% from 2.2% in the previous quarter. We have seen a significant ramp-up in our currency and commodity broking businesses, and we currently enjoy a 1.8% and a 0.78% market share, respectively. Our Advisory business (Equity and Debt) is currently running mandates aggregating to Rs 4,300 crore, which are expected to close in the next few quarters.

The Nomination and Remuneration Committee of the Board of Directors yesterday recommended, subject to shareholder approval, to revise down the exercise price of all applicable outstanding ESOPs granted to employees across verticals, to Rs. 75.60 per ESOP. The committee also approved the grant of 8,25,596 ESOPs, equivalent to the same number of shares, to new and existing employees. With this, the total outstanding (fixed and target based) ESOPs are 44,61,246, equivalent to the same number of shares, aggregating to 18.12% of the outstanding equity of the company.

Continued...

Message from the Management

We believe that our employees are our key strength and these outstanding ESOPs will enable many employees to reap the benefits of future wealth creation. We stay committed to taking further steps and newer initiatives to align the interests of our employees with those of the organization.

We have seen a significant improvement in business traction across verticals during September and the momentum continues. We believe that we are nearing the end of the sharp slowdown seen in the past few quarters. Abundant and spatially well-distributed monsoons, the cumulative effect of repo rate cuts, sufficient liquidity in the banking system, government actions like corporate tax cuts and the launch of the Rs 25,000 crore fund to help viable real-estate projects to be completed, will all lead to improving sentiment among various segments of the economy. Capital markets are already sensing such an uptick as can be seen in the improving breadth of the market in the last one month versus a narrow market prevailing for the last many months.

To summarise, we are sanguine on the business prospects in the coming quarters based on improving macros and the investments we continue to make in people, systems and processes across all our business verticals.

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.)
Q2 FY20 (IND-AS)	3,293	(404)	(245)	-0.83	65.78
	▼ 2%	▲ 349%	▲ 129%	▲ 43%	▼ 2.19%
Q1 FY20 (IND-AS)	3,351	(90)	(107)	-0.58	67.97
Q2 FY20 (IND-AS)	3,293	(404)	(245)	-0.83	65.78
	▼ 10%	▼ 282%	▼ 329%	▼ 298%	▼ 0.91
Q2 FY19 (IND-AS)	3,657	222	107	0.42	66.69

Consolidated Profit & Loss Statement

Particulars (Rs. in Lac)	Consolidated Q2 FY 2019-20 IND AS	Consolidated Q1 FY 2019-20 IND AS	QoQ % Change	Consolidated Q2 FY 2018-19 IND AS	YoY % Change
Revenue					
Income from Operations	3,261	3,329	(2)	3,581	(9)
Other Income	32	22	45	76	(58)
Total Revenue	3,293	3,351	(2)	3,657	(10)
Expenses					
Employees Benefit Expense	1,873	1,769	6	1,698	10
Finance Costs	281	156	80	168	67
Depreciation & Amortization Expense	185	163	13	169	9
Other Expenses	1,358	1,353	0.4	1,400	(3)
Total Expenses	3,697	3,441	7	3,435	8
Profit Before Tax	(404)	(90)	349	222	(282)
Exceptional Items	-	-	-	-	-
Tax Expense	(164)	9	(1922)	115	(243)
Profit After Tax	(240)	(99)	142	107	(324)
Share of Profit/(Loss) of Associate	(5)	(8)	(38)	-	-
Profit After Tax & Share of Profit/(Loss) of Associate	(245)	(107)	(129)	107	(329)

Business Performance

Spectrum of Businesses

Our Businesses

Broking

PMS/AIF

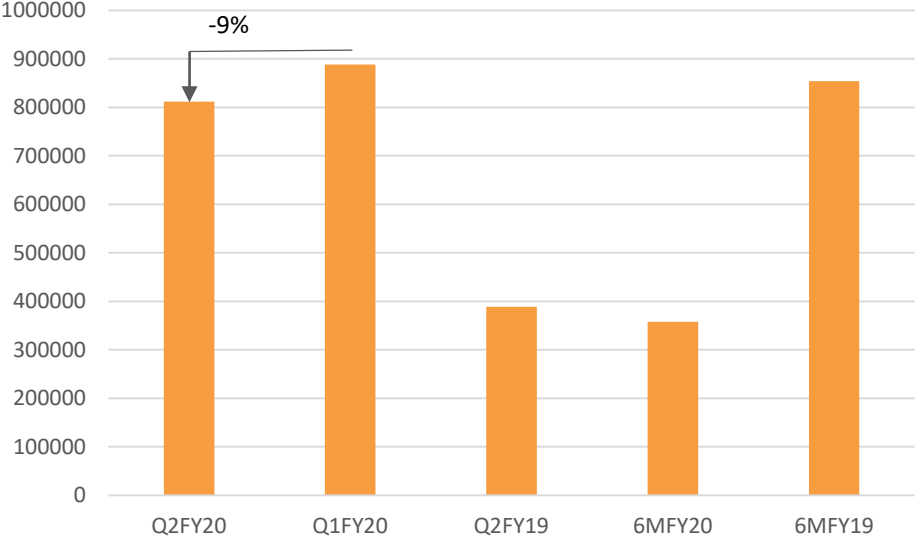
Wealth Management

Revenue in Q2 FY20	₹ 2,227 lac	₹ 138 lac	₹ 36 lac
Revenue in Q1 FY20	₹ 2,270 lac	₹ 137 lac	₹ 32 lac
% Revenue increase	(1.89%)	0.46%	12.88%
Revenue in Q2 FY19	₹ 2,343 lac	₹ 121 lac	₹ 22 lac
% Revenue increase	(4.95%)	13.71%	62.98%

Broking Business

Equity ADTO

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



Equity Broking



100+ COMPANIES
450+ INVESTORS
3000+ MEETINGS OVER
THREE DAYS

Emkay Confluence
— Ideas for Tomorrow —
2019



Curtain Raiser to Emkay Confluence 2019 on CNBC TV18



Curtain Raiser to Emkay Confluence 2019 on Bloomberg Quint



Equity Broking



Emkay Alpha Portfolio update – Auto vs IT & Cash

Emkay Alpha Research - October 2019
Sector Update

Emkay
Cement & Building Materials
Cement to perform better on higher prices; tiles to remain muted

- Market sales volume:** Sales volume for our coverage universe is expected to grow at around 1.0% QoQ for FY20. Despite the higher competition, we expect continued growth of 4.5% during FY20. Market shipment declined slightly over the last quarter but we expect it to rise in the next quarter. The recent price increase of 1.5% for Cement and 2.0% for Tiles is expected to support demand for these materials. The price for Cement is expected to remain stable in the next quarter. Tiles prices are expected to rise in the next quarter. Higher prices for tiles and cement are expected to support demand for these materials.
- Price realisation:** Higher prices for tiles and cement are expected to support demand for these materials. The price for Cement is expected to remain stable in the next quarter. Tiles prices are expected to rise in the next quarter.
- Key names to watch:** Indian Cement, Shree Renuka, UltraTech.



India water 'pipe' dream or USD 2.2bn investable opportunity

Emkay Alpha Research - October 2019
Sector Update

Emkay
TRADING TODAY
September 26, 2019

- Technical Desk
- Dealing Desk
- Statistical Data

After achieving a sharp uptick momentum in the last couple of sessions, the Nifty took a breather yesterday and ended the day on a mixed note of 10 points.

Technically, the Nifty showing a strong correction after a strong uptick rally, could be considered as a sign of fading preference in the market. This is a positive indication and suggests that the uptick rally may be over. However, the Nifty is still in an uptick trend and we expect it to continue in the near future.

The Auto Index had been trading in the last couple of sessions, the Nifty took a breather yesterday and ended the day on a mixed note of 10 points.

Key names to watch: Indian Cement, Shree Renuka, UltraTech.

Index	Today's High	% Change
Nifty	36,591.18	0.29
Sensex	11,945.89	0.58
Nifty 50	8,454.76	0.25
Auto	18,711.18	0.80
IT	18,451.58	0.25
Pharma	16,925.11	0.25
Metals	18,925.11	0.25
Banking	16,925.11	0.25
Oil & Gas	16,925.11	0.25
Real Estate	16,925.11	0.25
Power	16,925.11	0.25
Telecom	16,925.11	0.25
Media	16,925.11	0.25
Healthcare	16,925.11	0.25
Food & Beverage	16,925.11	0.25
Chemicals	16,925.11	0.25
Textiles	16,925.11	0.25
Others	16,925.11	0.25

Emkay
India Strategy
A turning point

- Market to move sideways: A sharp uptick in the price of Nifty stock led to a sharp decline in the price of Nifty stock. The price of Nifty stock is expected to move sideways in the next quarter.
- Key names to watch: Indian Cement, Shree Renuka, UltraTech.

Month	Return
Jan	1.5%
Feb	1.2%
Mar	1.8%
Apr	1.0%
May	1.4%
Jun	1.6%
Jul	1.3%
Aug	1.7%
Sep	1.1%
Oct	1.9%
Nov	1.5%
Dec	1.4%

Emkay
Emkay Alpha Portfolios
September 2019 - Update

Key changes in our High Conviction List:

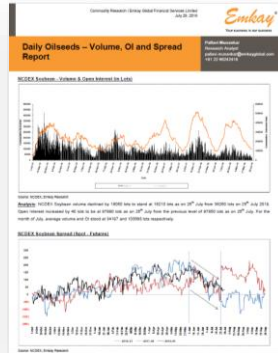
- Large Cap (L1): Indian Cement, Shree Renuka, UltraTech.
- Large Cap (L2): Indian Cement, Shree Renuka, UltraTech.

Emkay Alpha Portfolios - Why and How

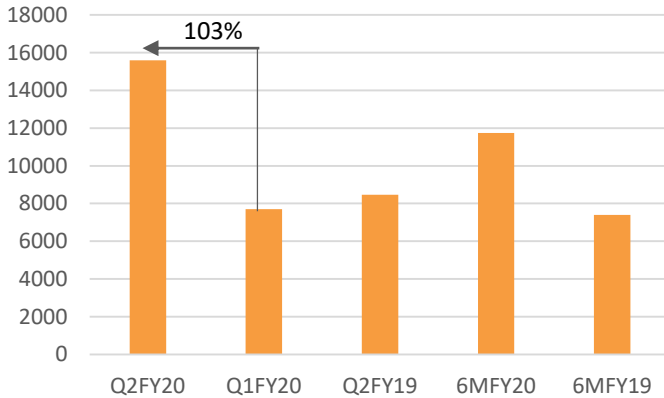
- Emkay Alpha Portfolios (EAP) is an equity portfolio of investing in stock with all our clients' interests, and strong conviction. It is a portfolio of investing in stock with all our clients' interests, and strong conviction.



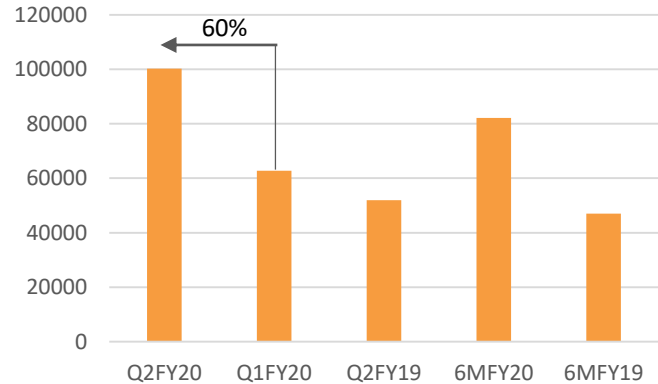
Commodity & Currency



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

TOP 10 PMS STOCKS

as on 30th September, 2019

ICICI Bank Ltd

Divi's Laboratories Ltd

HDFC Bank Ltd

Sundram Fasteners Ltd

Nesco Ltd

Reliance Industries Ltd

Apar Industries Ltd

Mahindra & Mahindra Ltd

VRL Logistics Ltd

L&T Finance Holding Ltd

TOP 10 AIF STOCKS

as on 30th September, 2019

Apar Industries Ltd

Mahindra Holidays Resorts India Limited

Nesco Limited

Shoppers Stop Limited

Suven Life Sciences Limited

Wonderla Holidays Limited

Laurus Labs Limited

NIIT Limited

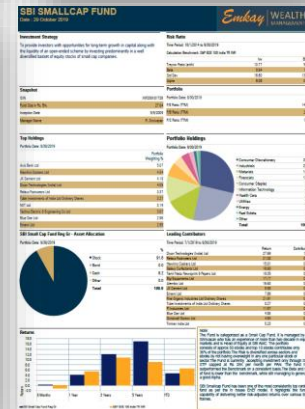
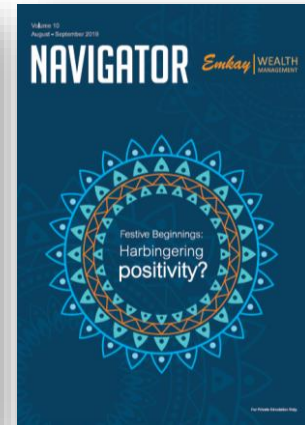
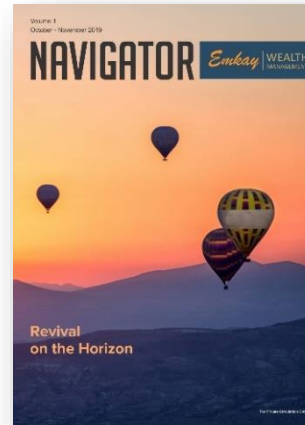
Dishman Carbogen Amcis India Ltd

Repco Home Finance Limited

Wealth Management Business

Wealth

- Managing over Rs. 103,000 Lac under MF Advisory & Distribution (as on 30th September, 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, 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

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

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
 - » μTrade & 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 & 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



Emkay awarded the best performing member in Commodity segment – West, for 2019, by NSE



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

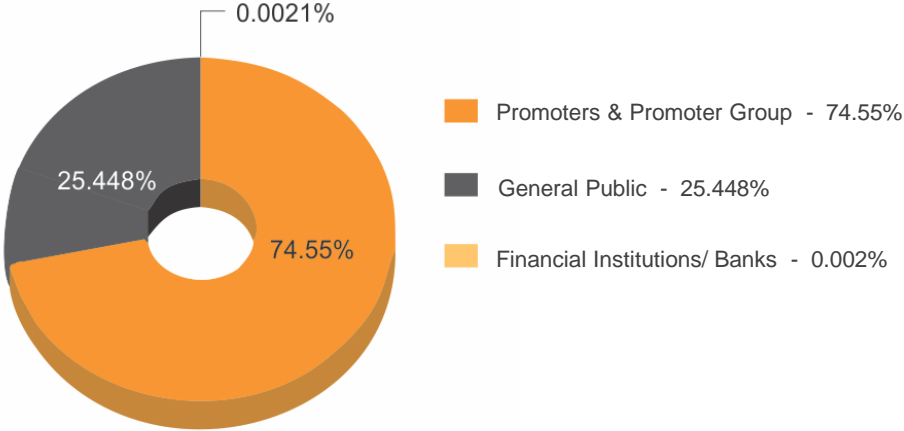


Emkay recognized as Most Admired Service Provider in Financial Sector by CMO Asia



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

Shareholding Summary



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