

Investor Presentation

Q2 FY21

30.10.2020



Safe Harbor

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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

Dear Investors

Seasons Greetings !

With Unlock 5.0, economic activity across the country has almost come back to normal. All high frequency data like power consumption, E-Way GST Bills, Tolls Data , Cement consumption , Stamp Duty, GST collection, suggests that the country is leaping back to normal, earlier than anticipated. Many large corporates have announced their Q2 results and shared their prognosis for the coming quarters .I am happy to state that almost all corporates today are more constructive and confident about their business prospects than they were at the end of the first quarter. Markets as always are forward looking and had kind of anticipated this recovery, as can be seen in the indices on Sept 30 versus June 30. Nifty has moved from 10,300 levels on June 30th to 11,250 on Sep 30th (a move of more than 9%). Cash Market volumes continue to remain stable with average daily volumes being Rs. 65,000 crore versus Rs. 66,000 crore in the last quarter.

Our DII cash market share this quarter was at 2.63% versus 2.80% in the previous quarter. We continued to grow our commodities and currency businesses with an increase in our average daily volumes from Rs. 13,123 lac and Rs. 1,66,469 lac respectively in the previous quarter to Rs. 16,202 lac and Rs. 1,67,034 lac respectively in Q2 FY21. Our IB division had a few successes, notable being the IPO filing of Heranba Industries Ltd. IB and IE successfully placed a Block of Rs. 137 crore in Valiant Organics with marquee Mutual Funds. Our wealth and AMC verticals continued with their efforts to engage with existing and prospective customers. An important step in this direction was the launch of Emkay Investment Managers Limited's website www.emkayim.com and its social media handles in August. The month also saw our flagship annual conference 'Emkay Confluence' make its mark as a six day virtual conference, and received an overwhelming participation of more than 100 corporates and top management representing over US\$650 bn in market cap - cutting across all market-cap buckets and spread across diverse sectors.

Message from the Management

On a QoQ basis consolidated topline in Q2 has grown at 29% from Rs. 3285 lac in Q1 to Rs. 4233 lac in Q2. Similarly, consolidated PBT has grown from Rs. 16 lac in Q1 to Rs. 591 lac in Q2, a growth of 3593%. Consolidated topline in H1 FY21 was at Rs. 7518 lac as against Rs. 6809 lac in H1 FY20, a growth of 10%. Consolidated PAT in H1 FY 21 was at Rs. 401 lac as against a loss of Rs. 334 lac in H1 FY20 - Loss to Profit.

We are optimistic that the coming quarters should see improving traction across all verticals in light of gradual return to normalcy across the country. We all need to be more vigilant than ever. The pandemic has not gone away and the vaccine is still some time away. We have seen a resurgence of cases in the US and Europe though thankfully the fatalities are much lower than during the earlier peak.

During the quarter we on-boarded Nirav Sheth who joined us as the CEO of the Institutional Equities vertical. He comes with a rich experience of over 25 years and his last assignment was with SBI Cap Securities as the CEO of its IE business. We welcome Nirav to Emkay and wish him all the success.

We are in the midst of the festive season with Navratri / Durga Puja just gone by and Diwali a few weeks away. We wish you and your family members a Happy and Safe Diwali. It is important to not let our guard down during the festivities and take all the necessary precautions, be it wearing masks, physical distancing or hand washing.

Best Wishes,



Krishna Kumar Karwa
Managing Director



Prakash Kacholia
Managing Director

Consolidated Performance Highlights

Consolidated Performance: Key Highlights

	Revenues (Rs. In Lac)	Profit/Loss Before Tax (Rs. In Lac)	Profit/Loss After Tax (Rs. In Lac)	EPS (Rs.)	BVPS (Rs.)
Q2 FY21	4,233	591	367	1.49	64.07
	↑ 29%	↑ 3593%	↑ 3978%	↑ 3625%	↑ 2.81%
Q1 FY21	3,285	16	9	0.04	62.32
Q2 FY21	4,233	591	367	1.49	64.07
	↑ 24.43%	↑ 262%	↑ 279%	↑ 275%	↓ 2.60%
Q2 FY20	3,402	(364)	(205)	(0.85)	65.78
6M FY21	7,518	607	376	1.53	64.07
	↑ 10%	↑ 224%	↑ 208%	↑ 209%	↓ 2.60%
6M FY20	6,809	(488)	(347)	(1.41)	65.78

Consolidated Profit & Loss Statement

Particulars (Rs. In Lac)	Cons. Q2 FY21	Cons. Q1 FY21	QoQ% Change	Cons. Q2 FY20	YoY % Change
Revenue					
Income from Operations	4,190	3,238	29	3,325	26
Other Income	43	47	(9)	77	(44)
Total Revenue	4,233	3,285	29	3,402	24
Expenses					
Employees Benefit Expense	2,190	1,891	16	1,833	19
Finance Costs	113	99	14	281	(60)
Depreciation & Amortisation Expense	187	182	3	185	1
Other Expenses	1,152	1,097	5	1,467	(21)
Total Expenses	3,642	3,269	11	3,766	(3)
Profit/Loss Before Tax	591	16	3,593	(364)	262
Exceptional Items	-	-	-	-	-
Tax Expense	213	(7)	3,143	(163)	231
Profit After Tax	378	23	1,543	(200)	289
Share of Profit/Loss of Associates	(11)	(14)	21	(5)	120
Profit/Loss for the Period/Year	367	9	3,978	(205)	279
Other Comprehensive Income	20	(11)	282	(40)	150
Total Comprehensive Income	387	(2)	19,450	(245)	258

Consolidated Profit & Loss Statement

Particulars (Rs. In Lac)	Cons. 6M FY21	Cons. 6M FY20	% Change
Revenue			
Income from Operations	7,428	6,704	11
Other Income	90	105	(14)
Total Revenue	7,518	6,809	10
Expenses			
Employees Benefit Expense	4,081	3,636	12
Finance Costs	212	437	(51)
Depreciation & Amortisation Expense	369	349	6
Other Expenses	2,249	2,875	(22)
Total Expenses	6,911	7,297	(5)
Profit/Loss Before Tax	607	(488)	224
Exceptional Items	-	--	
Tax Expense	206	(154)	234
Profit After Tax	401	(334)	220
Share of Profit/Loss of Associates	(25)	(13)	92
Profit/Loss for the Period/Year	376	(347)	208
Other Comprehensive Income	9	(5)	280
Total Comprehensive Income	385	(352)	209

Business Performance

Spectrum of Businesses

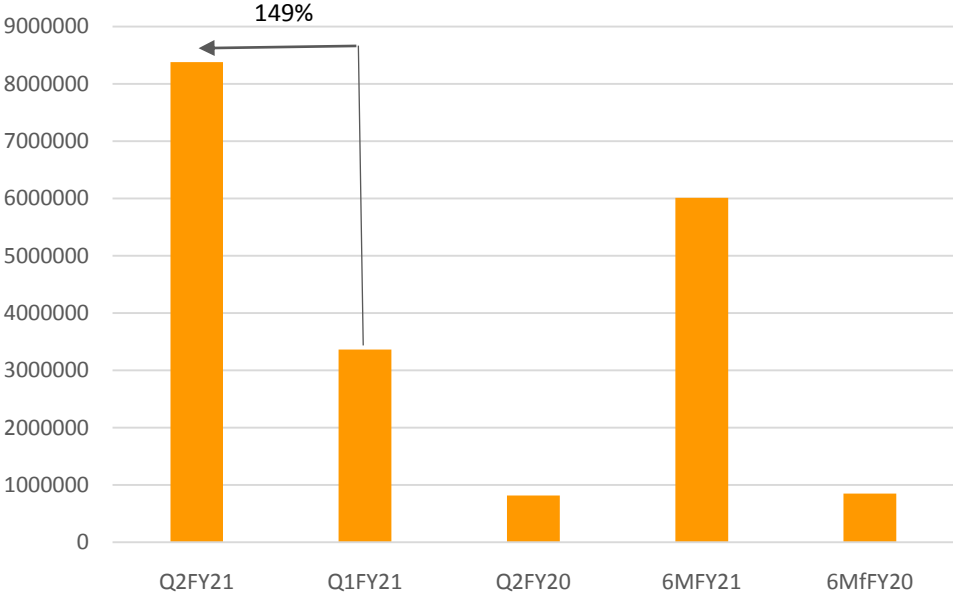
Our Businesses

	Broking & Allied Services	Asset Management	Wealth Management
Revenue in Q2 FY21	Rs. 2,374 lacs	Rs. 137 lacs	Rs. 100 lacs
Revenue in Q1 FY21	Rs. 1,810 lacs	Rs. 123 lacs	Rs. 78 lacs
% Revenue change	31.16%	11.38%	28.21%
Revenue in Q2 FY20	Rs. 2,222 lacs	Rs. 138 lacs	Rs. 36 lacs
% Revenue change	6.84%	(0.72%)	177.78%
Revenue in 6M FY21	Rs. 4,184 lacs	Rs. 260 lacs	Rs. 178 lacs
Revenue in 6M FY20	Rs. 4,498 lacs	Rs. 275 lacs	Rs. 68 lacs
% Revenue change	(6.98%)	(5.45%)	161.76%

Broking Business

Equity Broking

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



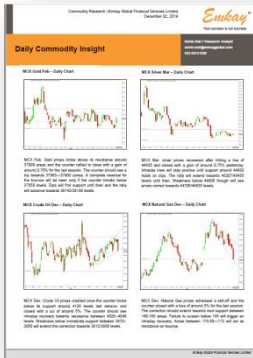
Equity Broking



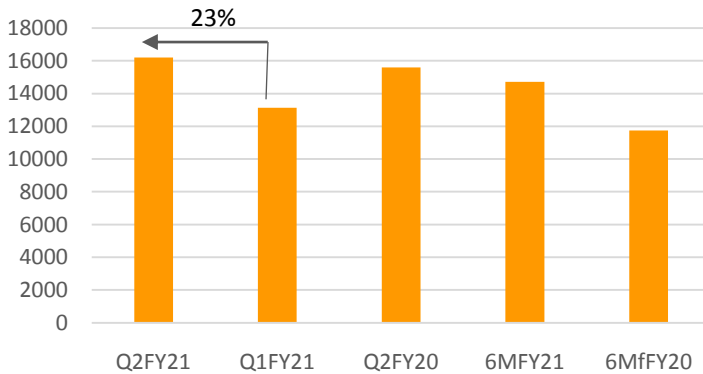
Emkay Confluence, the flagship annual conference of Emkay Global, despite being a virtual affair given the prevailing pandemic situation, turned out to be one of the most successful events. We had an overwhelming participation of more than 100 corporates and top management representing over US\$650 bn in market cap - cutting across all market-cap buckets and spread across diverse sectors.

The confluence was a 6 day virtual event with corporates presenting to investors, while all companies agreed that the worst is behind on economic activity, the views on the pace of recovery differed over a mix of timeframes.

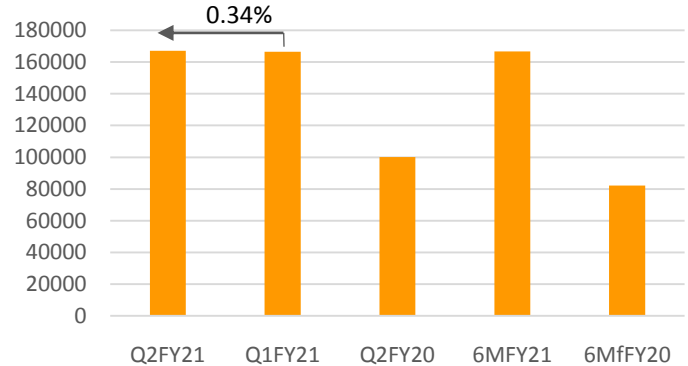
Commodity & Currency



Emkay Commodity ADTO (Rs. in Lac)



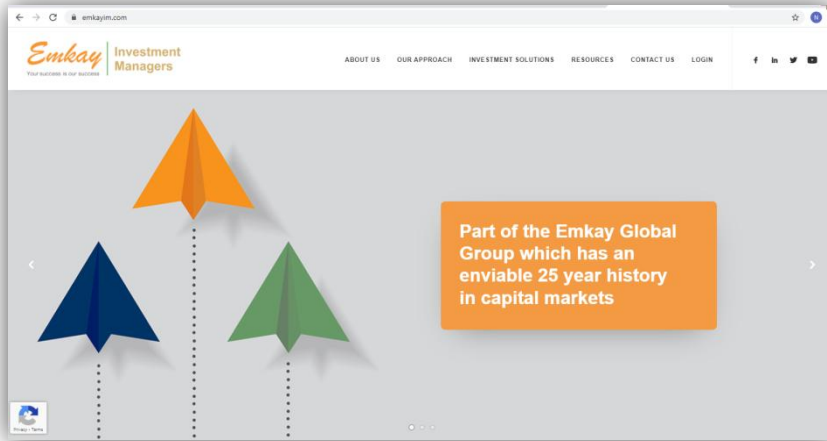
Emkay Currency ADTO (Rs. in Lac)



Asset Management Business

Asset Management – PMS & AIF

Total AUM (PMS + AIF) : Rs. 62,600+ Lac



Launched the website of Emkay Investment Managers
www.emkayim.com



Launched a unique algo-based solution –
ValueShastra, a first of its kind in the PMS industry

Wealth Management Business

Wealth

- Managing over Rs. 1,88,550 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
- Offices in key cities of Mumbai, New Delhi, Dehradun, Bengaluru, Chennai & Hyderabad.
- Research Reports
 - » Navigator: A monthly with a roundup on economy, markets, mutual funds, PMS, Estate & Succession Planning, et al.
 - » FinSights: Economy update
 - » Product Updates

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www.emkaywealth.com

13th Jul 20

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IIIrd Third Consecutive Month of Contraction

The annualized contraction rate for a consecutive 01st year-on-year growth continues to be the third consecutive month after April'20. The contraction continued in the month of July'20 as well. In each, it rose compared to the previous month. The official release of Industrial Production data is being in the 3rd year of contraction. The 3rd contraction for the month of July'20 came in at 33.7% as compared to 33.5% in the preceding month.

The pace of contraction slowed as new industrial investment activities, the 9thrd effect of the same was seen in the production of essential products. These brought the 3rd industrial turning point of the manufacturing sector. The growth for pharmaceuticals, medicines and chemical and petrochemical products related to positive growth since after two months of contraction. The contraction rate for these has noticed improvement. Mining, Manufacturing and Electricity was reported at 20%, 18.9% and 15.1% respectively for the month of July'20. The official press release continues to mention that, "It may be appropriate to compare the IIP for July'20 with those of months preceding the COVID-19 pandemic". Thus, the official release indicates into the index numbers and has reflected from decelerating the growth/contraction trend.

Despite trend was witnessed in an overall contraction along with the pace of contraction slowing in the month of July'20. The contraction in growth was the change in output shock and consumer demand, on the other hand contraction was observed in primary demand and consumer demand.

INDEX OF INDUSTRIAL PRODUCTION

Notes:
The IIP is an activity as reported last, with the addition situation regarding the production activity as witnessed earlier in the previous year in each. The latest numbers used of measuring reflect the activity of production. The actual output of the producer as the manufacturing activity would be reflected in the IIP growth number for the subsequent months. The production activity was earlier reported to increase in the month of June, with gradual withdrawal of restriction, but with the number of some pattern again being on the rise, the reverse or economic activity may take longer before anticipated. The steel industry manufacturing this witnessed 10% rise. The overall industrial sector remains relatively expansion. The pandemic is not so stable at the global level as well, this has led to the manufacturing industry or export demand continues to be.

13th Oct 20

FINSIGHTS
www.finights.com

Emkay WEALTH MANAGEMENT

CPI Surges Ahead, Riding on High Food Inflation

The CPI-based inflation edged further and was reported at 7.54% for the month of Sept as compared to 6.81% for the preceding month and 3.8% during the year ago period. The inflation number has remained only above the 6% level and breached the 7% mark for the third time in 2020. The elevated level of food inflation during the year has been the major factor contributing to higher headline numbers. The inflationary pressures were even higher in real terms as compared to other countries. The CPI-based inflation is measured at 12th as compared to 12th base for the year.

The continued increase in food prices has been the major contributor to the upward surge in headline numbers. The pandemic-related lockdown and the restricted demand destruction has mostly kept the inflation rates for other components under check. The same factor on the other hand led to high demand for essentials. The typical constraints regarding the demand supply has restricted demand pressure in general food articles. In this context, the RBI noted in its latest policy statement that, "While inflation has been above the low-inflation band for several months, the IIP judges that the underlying factors are essentially major shocks which should dissipate over the coming months as the economy recovers, supply chains are restored, and activity resumes". The extended inflation remains in part of the country has led an effect on the price levels of production. The management action had taken to report heightened inflationary pressures were food and PMS, egg, vegetables and pulses.

Year	General Inflation	Core Inflation	Food Inflation	Oil Price	Energy	Transport	Public and Private Services	Light and Heavy Vehicle	Real GDP Growth	Headline Inflation
2019	4.88	3.78	2.17	5.86	13.54	5.23	2.27	18.47	2.17	11.71
2020	7.54	2.50	12.50	1.20	1.20	1.20	1.20	1.20	1.20	1.20

Volume 23
OCTOBER 2020

NAVIGATOR

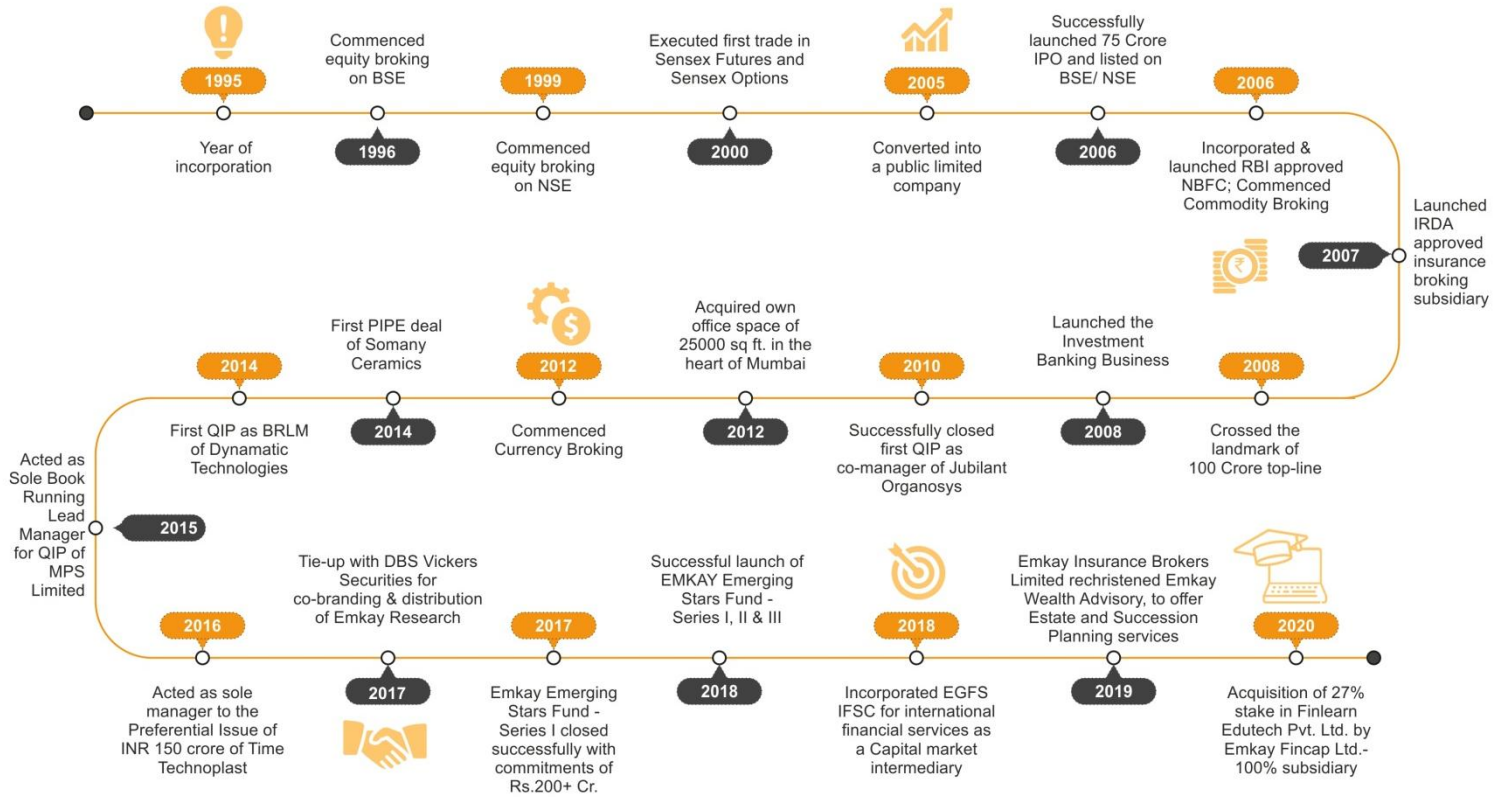
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Corporate Overview

The Journey



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

ASIAMONEY

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

Team Rankings 2019

Best Energy Team	2
Best Media Team	2
Best Healthcare Team	3

Individual Rankings 2019

Best Analysts for Energy	2
Best Analysts for Media	2
Best Analysts for Healthcare	4

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



Emkay Wealth Management recognised as

One of the Top 10 Wealth Management Advisors - 2020

by CEO Insights magazine, an annual recognition for being center stage for industry leaders to portray their business acumen & insights and for high quality, secure and reliable wealth management services.



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

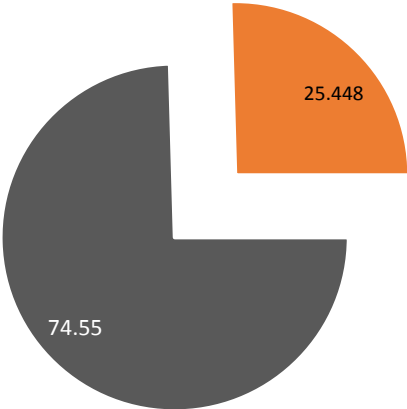


India's Most Trusted Financial Brand for 2016-17 by World Consulting & Research Corporation



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

Shareholding Summary



Promoters & Promoter Group - 74.55%

General Public - 25.448%

Financial Institutions/ Banks - 0.0%

■ Promoters & Promoter Group ■ General Public ■ Financial Institutions

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

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