

CONSOLIDATED BUSINESS SUMMARY

Q3 FY22 - KEY FINANCIAL HIGHLIGHTS

AUM

- Total AUM² is up 2.4% QoQ and up 31.1% YoY to Rs 2,62,780 Crs
- Continued focus on ARR assets – Increase of 5.3% QoQ and 53.5% YoY to Rs 1,38,946 Crs
- Net flows² are Rs 6,390 Crs for Q3 FY22 and Rs 24,385 Crs for 9M FY22

Revenues

- Total Revenues up 16.1% QoQ and up 50.1% YoY to Rs 420 Crs
- Revenue from Operations up 20.2% QoQ and up 57.9% YoY to Rs 378 Crs
- ARR Revenues up 10.3% QoQ and up 58.9% YoY to 245 Crs

Cost

- Total Cost up 28.0% QoQ and 46.4% YoY to Rs 222 Crs
- Total Employee Costs up 26.5% QoQ to 171 Crs. Higher variable costs are driven by the business model transition which is expected to conclude in March 22. From FY 23 onwards, we expect the overall employee cost to stabilize around 32-33% of Total Revenues
- Administrative Costs are up 33.1% QoQ to Rs 51 Crs. on account of increase in technology; client engagement and marketing spends
- Cost to income Ratio is at 52.9% in Q3 FY22 vs 48.0% in Q2 FY22 and 54.3% in Q3 FY2

Profitability

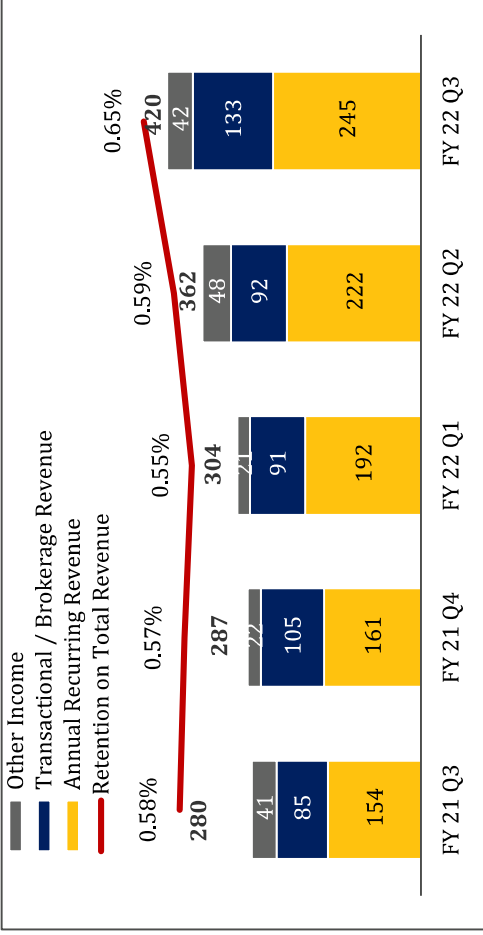
- Operating Profits (OPBT) up 10.5% QoQ and 78.0% YoY to Rs 155 Crs.
- PAT increased 10.3% QoQ and 59.0% YoY to Rs 155 Crs.
- Tangible RoE¹ for Q3 FY22 is at 26.9%, up from 23.7% in Q2 FY22

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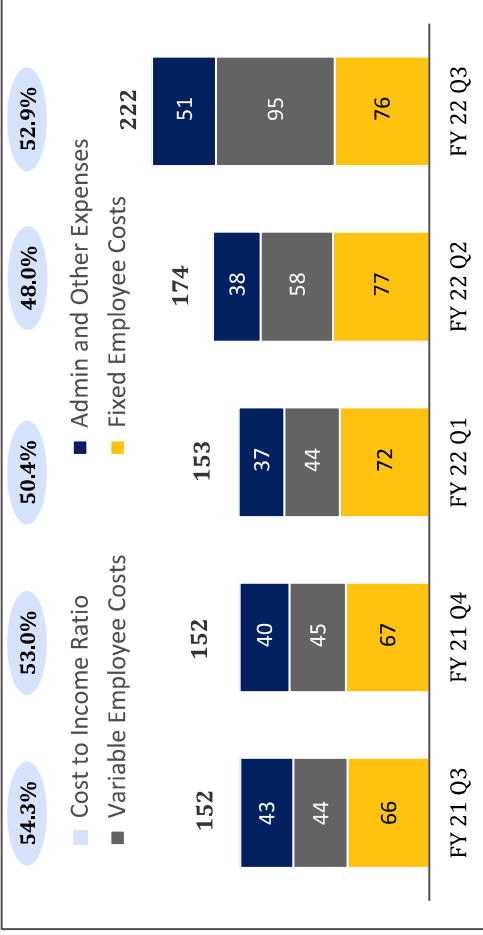
INR Cr	Q2 FY 22	Q3 FY 22	QoQ	Q3 FY 21	YoY	9M FY 21	9M FY 22	%
Closing AUM								
<i>Annual Recurring Revenue Assets</i>	1,31,977	1,38,946	5.3%	90,500	53.5%	90,500	1,38,946	53.5%
<i>Transactional / Brkg Revenue Assets</i>	1,24,612	1,23,834	-0.6%	1,09,994	12.6%	1,09,994	1,23,834	12.6%
Total AUM	2,56,589	2,62,780	2.4%	2,00,494	31.1%	2,00,494	2,62,780	31.1%
Revenues & Retention								
<i>Annual Recurring Revenues</i>	222	245	10.3%	154	58.9%	422	660	56.3%
<i>Transactional / Brokerage Revenue</i>	92	133	43.9%	85	56.1%	228	316	38.6%
Total Revenue from Operations	314	378	20.2%	239	57.9%	650	975	50.1%
<i>Other Income</i>	48	42	-11.0%	41		116	111	-4.5%
Total Revenue	362	420	16.1%	280	50.1%	766	1,086	41.8%
<i>Average Annual Recurring Assets</i>	1,24,012	1,32,714	7.0%	84,095	57.8%	74,474	1,21,499	63.1%
Total Average Assets	2,45,193	2,56,937	4.8%	1,93,069	33.1%	1,79,031	2,40,437	34.3%
Retention on ARR Assets	0.72%	0.74%		0.73%		0.76%	0.72%	
Total Retention	0.59%	0.65%		0.58%		0.57%	0.60%	
Costs	174	222	28.0%	152	46.4%	416	549	32.1%
<i>Employee Costs</i>	135	171	26.5%	109	56.9%	305	423	38.6%
<i>Fixed Employee Costs</i>	77	76	-1.4%	66	15.9%	194	225	15.6%
<i>Variable Employee Costs</i>	48	89	84.5%	33	168.9%	72	174	143.0%
<i>Employee ESOP Costs</i>	10	6	-37.1%	11	-39.7%	39	24	-38.4%
<i>Admin and Other Expenses</i>	38	51	33.1%	43	19.4%	110	126	14.0%
Profit Metrics								
<i>Operating Profit before Taxes (OPBT)</i>	141	155	10.5%	87	78.0%	234	426	82.0%
<i>Profit before Taxes (PBT)</i>	188	198	5.1%	128	54.6%	350	537	53.4%
<i>Profit After Tax (PAT)</i>	140	155	10.3%	97	59.0%	267	414	55.2%
<i>Cost to Income Ratio</i>	48.0%	52.9%		54.3%		54.3%	50.5%	
ROE	19.4%	21.9%		13.4%		12.0%	19.2%	
ROE Ex Goodwill & Intangibles	23.7%	26.9%		16.4%		14.3%	23.5%	

KEY METRICS SUMMARY

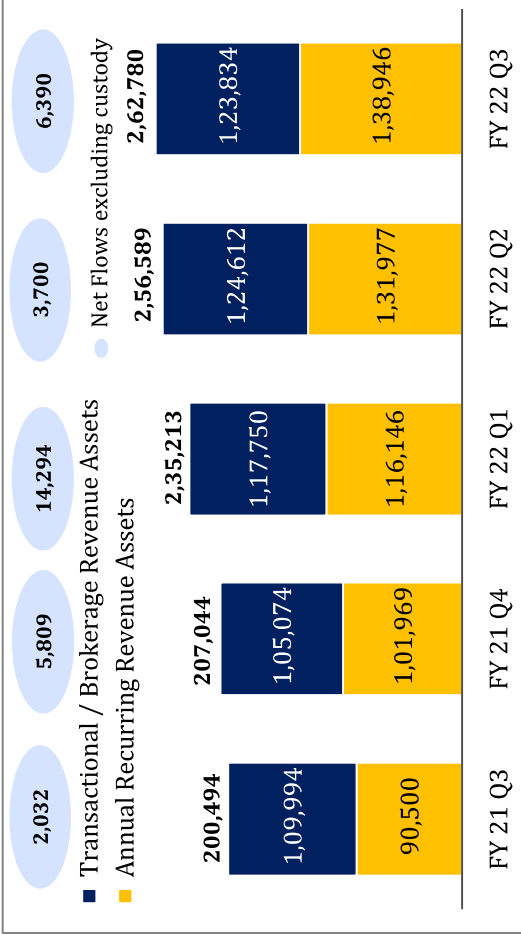
Total Revenues (Rs. Cr.) & Retentions (%) QoQ



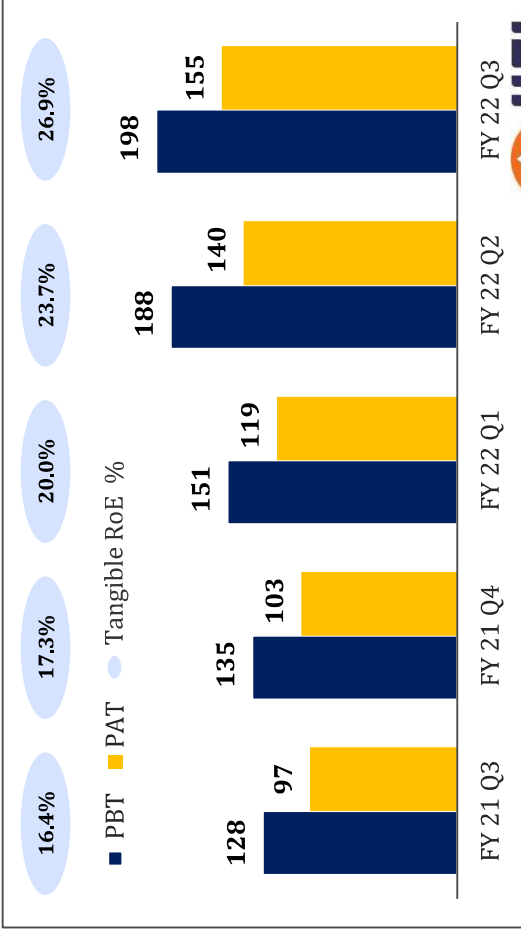
Cost Mix (Rs. Cr.)



Total Assets Under Management (Rs. Cr.)



Profitability (Rs. Cr.)



SEGMENTAL BUSINESS SUMMARY

SEGMENTAL BUSINESS SNAPSHOT

Particulars	AUM			NET FLOWS			REVENUE FROM OPERATIONS			RETENTION		
	Q2 FY 22	Q3 FY 22	Q2 FY 22	Q3 FY 22	Q2 FY 22	Q3 FY 22	Q2 FY 22	Q3 FY 22	Q2 FY 22	Q3 FY 22	Q2 FY 22	Q3 FY 22
Wealth Management	2,04,669	2,07,032	1,691	2,829	226	278	718	0.46%	0.54%	0.50%		
Asset Management	51,920	55,748	2,009	3,562	88	100	257	0.72%	0.76%	0.73%		
Totals	2,56,589	2,62,780	3,700	6,390	314	378	975	0.51%	0.59%	0.54%		
Custody : Promoter Holding	58,561	66,041	2,189	441	-	-	-					
Grand Total	3,15,150	3,28,821	5,890	6,832	314	378	975					
ASSET MANAGEMENT												
Revenue from Operations	226	278	718	88	100	257						
ARR Revenue	134	145	404	88	100	256						
TBR Revenue	92	133	314	-	-	1						
Other Income	39	34	90	9	8	20						
Cost	132	176	425	42	46	124						
Profit before tax	133	136	384	55	62	153						

SEGMENTAL SNAPSHOT - WEALTH MANAGEMENT (PRODUCTS)

WEALTH MANAGEMENT	AUM		NET FLOWS			REVENUE FROM OPERATIONS			RETENTION		
	Q2 FY 22	Q3 FY 22	Q2 FY 22	Q3 FY 22	9M FY 22	Q2 FY 22	Q3 FY 22	9M FY 22	Q2 FY 22	Q3 FY 22	9M FY 22
TOTAL	2,04,669	2,07,032	1,691	2,829	14,202	226	278	718	0.46%	0.54%	0.50%
IIFL One	31,523	31,282	423	82	1,944	22	23	67	0.33%	0.34%	0.33%
<i>Discretionary PMS</i>	10,752	10,090				13	13	38	0.49%	0.51%	0.50%
<i>Non Discretionary PMS</i>	15,183	14,875				8	9	26	0.32%	0.32%	0.32%
<i>Advisory</i>	5,588	6,318				1	1	3	0.06%	0.08%	0.07%
Distribution Assets Earning Trail Fees	44,975	47,766	2,935	3,274	9,843	55	63	174	0.50%	0.52%	0.53%
<i>Mutual Funds</i>	30,504	32,338				31	34	92	0.39%	0.41%	0.39%
<i>Managed Accounts</i>	14,472	15,428				25	30	82	0.79%	0.79%	0.91%
Net Interest Margin on Loans¹	3,558	4,151		593	593	57	59	163	5.14%	5.01%	5.14%
Brokerage Income	1,02,207	1,02,596	-1,501	-142	5,839	92	133	314	0.37%	0.52%	0.43%
<i>Direct Stocks</i>	51,100	53,874									
<i>Debt Instruments & Bonds</i>	29,513	29,890									
<i>Mutual Funds Direct</i>	21,594	18,832									
Distribution Assets Not Earning Trail Fees	22,405	21,237	-165	-977	-4,016						
<i>Mutual Fund where upfront fees received earlier</i>	1,832	911									
<i>Managed Accounts where upfront fees received earlier</i>	20,573	20,327									



SEGMENTAL SNAPSHOT - WEALTH MANAGEMENT (ASSET CLASS)

WEALTH MANAGEMENT	AUM		NET FLOWS	
	Q2 FY 22	Q3 FY 22	Q2 FY 22	Q3 FY 22
TOTAL	2,01,111	2,02,881¹	1,691	2,236¹
<i>Equity</i>	1,06,175	1,10,343	4,303	4,560
<i>Debt</i>	94,935	92,538	-2,612	-2,324
<i>- Long Term</i>	62,466	63,067	-108	564
<i>- Short Term</i>	13,614	13,159	-2,106	-362
<i>- Liquid and Cash Equivalents</i>	18,855	16,312	-398	-2,526

SEGMENTAL SNAPSHOT - ASSET MANAGEMENT

ASSET MANAGEMENT	AUM		NET FLOWS			REVENUE FROM OPERATIONS			RETENTION		
	Q2 FY 22	Q3 FY 22	Q2 FY 22	Q3 FY 22	9M FY 22	Q2 FY 22	Q3 FY 22	9M FY 22	Q2 FY 22	Q3 FY 22	9M FY 22
TOTAL	51,920	55,748	2,009	3,562	10,184	88	100	257	0.72%	0.76%	0.73%
Discretionary Portfolio Manager	16,508	18,786	415	2,205	4,625	19	20	55	0.48%	0.49%	0.49%
<i>Listed Equity - Standardized Strategies</i>	5,384	5,442				12	14	36	0.96%	1.02%	0.95%
<i>Listed Equity - Institutional Mandates</i>	11,123	13,344				7	6	19	0.25%	0.23%	0.26%
Alternate Investment Manager	32,005	32,666	1,221	571	4,300	65	75	191	0.87%	0.95%	0.87%
<i>Listed Equity</i>	3,958	3,709				10	10	28	1.03%	1.04%	1.00%
<i>Private Equity</i>	21,811	22,307				42	54	130	0.87%	1.01%	0.91%
<i>Credit & Real Estate Strategies</i>	4,682	5,071				7	8	22	0.59%	0.62%	0.58%
<i>Long Short Strategies</i>	1,554	1,579				5	4	11	1.39%	0.92%	0.96%
Mutual Fund Manager	3,407	4,295	372	786	1,258	4	4	10	0.45%	0.43%	0.44%
<i>Listed Equity</i>	2,367	2,739				3	4	9	0.58%	0.56%	0.57%
<i>Debt</i>	746	722				0	0	1	0.16%	0.16%	0.16%
<i>Liquid Funds</i>	295	835				0	0	0	0.11%	0.11%	0.11%
Performance Fee						0	0	1			

GUIDANCE

Guidance is based on Management estimates and an assumption of continuing prevailing market conditions. Significant fluctuations in markets can have adverse mark to market impacts on AUM and projected net flows and therefore impact overall projected incomes.

GUIDANCE (1/2)

AUM & Net Flows

- Strong momentum going into FY23 – **AUM expected to sustain growth at 17-20%**, with Recurring Revenue (ARR) assets expected to grow faster at 25-30% YoY
- **Net flows expected to remain strong at Rs. 35-40k Crs**, with both Wealth and Alternates showing robust growth; Approximately 90% of net flows are expected to be ARR in nature

Revenue & Retentions

- Continued tailwinds on our transition towards Recurring Revenues, **with ARR Revenue expected to stabilize at approximately 80% share of Revenue from Operations by FY24**
- **Total Retention expected to be around 0.55 bps** – FY 22 has seen higher retentions due to stronger transactional & other incomes, which will should normalize in FY23 and FY 24

Cost

- **Total cost to income ratio expected to reduce, to be around 45% in FY23** – and trend towards the steady state 41-43% level by FY24, demonstrating benefits of operating leverage
- With higher employee costs due to business model change being absorbed over FY22, **employee expenses expected to stabilize around 32-33% of Total Revenues in FY23**
- Other costs to sustain at around 12% due to increase in technology & marketing spends

Profitability & ROE

- **PAT expected to grow at 20%+ YoY**, reaching Rs. 700 Crs in FY23 and Rs. 840 Crs in FY24
- Continued focus on prudent capital management and dividend payouts – **Tangible ROE is expected to improve to over 25% in FY23** and trend towards 30% in FY24

GUIDANCE (2/2)

Rs. In Crs	Actuals	Revised Guidance ¹		Guidance
		FY 22	FY23	
Closing AUM	2,62,780	2,74,500	3,25,500	3,84,000
Net Flows	24,385	30,000	37,500	45,000
Total Retention	0.60%	0.62%	0.56%	0.55%
Total Revenue	1,086	1,520	1,660	1,940
Expenses	549	770	740	835
Profit Before Tax	537	750	920	1,105
Profit After Tax	414	570	700	840
Cost to Income	51%	51%	44%	43%
Employee Expenses/Total Revenue	39%	39%	32%- 33%	31%- 33%
Tangible RoE (ex Goodwill & Intangibles)	23.5%	24.5%	26.8%	29.4%

DATA BOOK AND OTHER UPDATES

AWARDED BEST BRAND - 2021

**THIS ONE IS FOR YOU,
THANK YOU FOR
HAVING FAITH IN US**

**IIFL WEALTH MANAGEMENT
RECOGNIZED AS ET BEST BRANDS 2021**

As a 13-year-old homegrown company, we hold our roots dearly.
What we hold dearer is the trust you have placed in us and our
services.

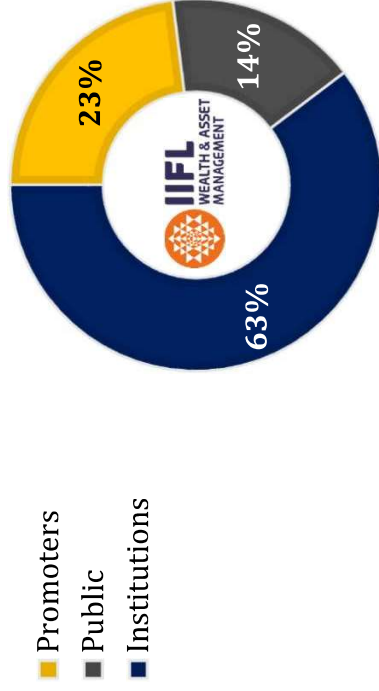
This is what makes our brand special.

You are a big part of our success. Here's to you!



MARQUEE INSTITUTIONAL SHAREHOLDING AND EXPERIENCED BOARD











Shareholding Split¹













Details of Key Shareholders

Promoters ²	23%
Public Shareholding	14%
Institutional Shareholding ³	63%
<i>General Atlantic</i>	21%
<i>Fairfax</i>	14%
<i>Others</i>	28%

Board of Directors

Name & Designation	Previous Experience
 Nilesh Vikamsey <i>Independent Director, Chairman</i>	 Khimji Kunverji & Co Chartered Accountants 30+ years of experience
 Nirmal Jain <i>Non-Executive Director & Promoter</i>	 Hindustan Unilever Limited 30+ years of experience
 R. Venkataraman <i>Non-Executive Director & Promoter</i>	 ICICI Bank 20+ years of experience
 Karan Bhagat <i>Managing Director & Promoter</i>	 IIFL WEALTH & ASSET MANAGEMENT 20+ years of experience
 Yatin Shah <i>Non-Executive Director & Promoter</i>	 IIFL WEALTH & ASSET MANAGEMENT 20+ years of experience

Name & Designation	Previous Experience
 Sandeep Naik <i>Nominee Director</i>	 GENERAL ATLANTIC PARTNERS 20+ years of experience
 Shantanu Rastogi <i>Nominee Director</i>	 GENERAL ATLANTIC PARTNERS & Company 20+ years of experience
 Geeta Mathur <i>Independent Director</i>	 ICICI Bank 25+ years of experience
 S Narayanan <i>Independent Director</i>	Former Fin. Secy, Former Economic Advisor to PM
 Mr. Pankaj Vaish <i>Independent Director</i>	 accenture 34+ years of experience
 Mr. G Soundarajan <i>Non-Executive Director</i>	<i>Hambli Walsa Investment Counsel Ltd.</i>  ICICI Lombard <i>Nibhaye Vaade</i>

1. Share holding Pattern is represented as on the record date – 31st December 2021
2. Promoters have 8.8% shares in lock till September 2022
3. Institutions Holding less than 1 lakh shares are classified under Public

LINK TO DOWNLOAD DATA BOOK

Data reported across previous quarters is now continued to be reported in a Data Book, maintained in an excel format on our website . The Link for the data book is hosted below.

Contents of the Data Book:

1. Re-classified Result Table
2. Consolidated Data
3. Segmental – Wealth Management
4. Segmental – Asset Management
5. Balance Sheet
6. PPT Data Tables
7. Details of Funds which may accrue carry income

Link for the Data Book: <https://www.iiflwealth.com/Investor-Relations>

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