Investor Presentation

For the quarter and half year ended September 30, 2020

IIFL Securities Limited

October 16, 2020

NSE : IIFLSEC | BSE : 542773
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Section 1:  
Financial Highlights
**Consolidated Results (as per IND AS)**

*Quarter and half year ended September 30, 2020*

<table>
<thead>
<tr>
<th>₹ Mn</th>
<th>Q2FY21</th>
<th>Q1FY21</th>
<th>Q-o-Q</th>
<th>Q2FY20</th>
<th>Y-o-Y</th>
<th>H1FY21</th>
<th>H1FY20</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue from operations</strong></td>
<td>1,939.9</td>
<td>1,497.7</td>
<td>30%</td>
<td>1,736.8</td>
<td>12%</td>
<td>3,437.6</td>
<td>3,378.1</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>242.3</td>
<td>285.2</td>
<td>(15%)</td>
<td>111.8</td>
<td>117%</td>
<td>527.5</td>
<td>320.8</td>
<td>64%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>2,182.2</td>
<td>1,782.9</td>
<td>22%</td>
<td>1,848.6</td>
<td>18%</td>
<td>3,965.1</td>
<td>3,698.9</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Employee cost</strong></td>
<td>482.7</td>
<td>466.8</td>
<td>3%</td>
<td>562.2</td>
<td>(14%)</td>
<td>949.5</td>
<td>1,139.9</td>
<td>(17%)</td>
</tr>
<tr>
<td><strong>Finance cost</strong></td>
<td>136.3</td>
<td>119.2</td>
<td>14%</td>
<td>188.2</td>
<td>(28%)</td>
<td>255.5</td>
<td>448.2</td>
<td>(43%)</td>
</tr>
<tr>
<td><strong>Depreciation and amortization expense</strong></td>
<td>120.7</td>
<td>113.4</td>
<td>6%</td>
<td>139.3</td>
<td>(13%)</td>
<td>234.1</td>
<td>288.0</td>
<td>(19%)</td>
</tr>
<tr>
<td><strong>Administration and other expense</strong></td>
<td>749.3</td>
<td>529.5</td>
<td>41%</td>
<td>472.9</td>
<td>58%</td>
<td>1,278.8</td>
<td>964.8</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,489.0</td>
<td>1,228.9</td>
<td>21%</td>
<td>1,362.6</td>
<td>9%</td>
<td>2,717.9</td>
<td>2,840.9</td>
<td>(4%)</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>693.2</td>
<td>554.0</td>
<td>25%</td>
<td>486.0</td>
<td>43%</td>
<td>1,247.2</td>
<td>858.0</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Provision for tax</strong></td>
<td>184.0</td>
<td>139.1</td>
<td>32%</td>
<td>92.0</td>
<td>100%</td>
<td>323.1</td>
<td>227.5</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>509.2</td>
<td>414.9</td>
<td>23%</td>
<td>394.0</td>
<td>29%</td>
<td>924.1</td>
<td>630.5</td>
<td>47%</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income</strong></td>
<td>4.1</td>
<td>(0.2)</td>
<td>(1905%)</td>
<td>(11.7)</td>
<td>(136%)</td>
<td>3.9</td>
<td>(11.3)</td>
<td>(135%)</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td>513.3</td>
<td>414.7</td>
<td>24%</td>
<td>382.3</td>
<td>34%</td>
<td>928.0</td>
<td>619.2</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Exceptional Items</strong></td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>(145.5)</td>
<td>(100%)</td>
<td>-</td>
<td>871.6</td>
<td>(100%)</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income (Including exceptional items)</strong></td>
<td>513.3</td>
<td>414.7</td>
<td>24%</td>
<td>236.8</td>
<td>117%</td>
<td>928.0</td>
<td>1,490.8</td>
<td>(38%)</td>
</tr>
</tbody>
</table>

*Exceptional item in H1FY20 and Q2FY20 consists of write-down of deferred tax assets and MAT credit due to reduction in corporate tax rate of Rs 145.5 Mn. Additionally, exceptional items in H1FY20 includes profit of Rs1,017.1 Mn on sale of office property.*
Financial Trends

<table>
<thead>
<tr>
<th>Total Revenue (₹ Mn)*</th>
<th>Profit after tax (TCI) (₹ Mn)*</th>
<th>Return on Equity (%)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17: 7,317</td>
<td>FY17: 1,145</td>
<td>FY17: 29%</td>
</tr>
<tr>
<td>FY18: 9,472</td>
<td>FY18: 1,798</td>
<td>FY18: 35%</td>
</tr>
<tr>
<td>FY19: 8,756</td>
<td>FY19: 1,721</td>
<td>FY19: 25%</td>
</tr>
<tr>
<td>FY20: 7,900</td>
<td>FY20: 2,321</td>
<td>FY20: 29%</td>
</tr>
<tr>
<td>H1FY21: 3,965</td>
<td>H1FY21: 928</td>
<td>H1FY21: 19%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Worth (₹ Bn)*</th>
<th>EPS (₹)*</th>
<th>DPS (₹)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17: 7,317</td>
<td>FY17: 3.6</td>
<td>FY17: 1.2</td>
</tr>
<tr>
<td>FY18: 9,472</td>
<td>FY18: 5.7</td>
<td>FY18: 1.4</td>
</tr>
<tr>
<td>FY19: 8,756</td>
<td>FY19: 5.4</td>
<td>FY19: 1.1</td>
</tr>
<tr>
<td>FY20: 7,900</td>
<td>FY20: 7.3</td>
<td>FY20: 2.0</td>
</tr>
<tr>
<td>H1FY21: 3,965</td>
<td>H1FY21: 5.8</td>
<td></td>
</tr>
</tbody>
</table>

**Book Value Per Share (₹)**
- FY17: 13.0
- FY18: 19.5
- FY19: 22.9
- FY20: 27.5
- H1FY21: 30.5

**Dividend Payout Ratio (%)**
- FY17: 40%
- FY18: 29%
- FY19: 24%
- FY20: 33%

*FY17 and FY18 figures are based on Proforma Accounts;
^Including exceptional items
# Annualised
DPS includes dividend paid by subsidiaries in FY17, F18 and FY19.
DPR is including DDT
Quarterly EPS is annualized
Section 2:

Business Performance
Legacy Business in Retail Broking and Distribution

- Legacy of about two decades in retail broking and financial product distribution.
- Business offerings comprise equity, commodities and currency broking, DP services, portfolio advisory and distribution of investment products.

### Assets Under Management (₹ Bn)

<table>
<thead>
<tr>
<th></th>
<th>DP Assets</th>
<th>Financial Product Dist</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>178</td>
<td>19</td>
</tr>
<tr>
<td>FY18</td>
<td>263</td>
<td>55</td>
</tr>
<tr>
<td>FY19</td>
<td>286</td>
<td>78</td>
</tr>
<tr>
<td>FY20</td>
<td>235</td>
<td>85</td>
</tr>
<tr>
<td>H1FY21</td>
<td>331</td>
<td>102</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>H1FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Brokerage Income (₹ Mn)</td>
<td>2,363</td>
<td>2,829</td>
<td>2,403</td>
<td>2,144</td>
<td>1,460</td>
</tr>
<tr>
<td>FPD AUM (₹ Bn)</td>
<td>178</td>
<td>263</td>
<td>286</td>
<td>235</td>
<td>331</td>
</tr>
<tr>
<td>FPD AUM stood at ₹102 Bn. as on 30th September, 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Fund 37%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds 17%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIF 13%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan PMS 8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others 19%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Products Distribution Revenues (₹ Mn)</td>
<td>1,027</td>
<td>1,544</td>
<td>1,804</td>
<td>1,574</td>
<td>577</td>
</tr>
</tbody>
</table>
Customer acquisition focus is showing results

Customer Acquisitions (‘000)

Source: NSE

*Turnover includes retail and institutional segments from NSE
Open architecture model in distribution

MF and Insurance are retail focus products with good long term growth prospects

Insurance premiums amounting to Rs 404 Mn have witnessed 60% y-o-y growth in Q2FY21

Mutual Fund AUM grew by 12% q-o-q to Rs 38.0 Bn as at September 30, 2020. SIP AUM grew by 13% q-o-q to Rs 7.9 Bn with a monthly average transaction count of 84,238
Retail Focus on Insurance and Mutual Funds

**Mutual Fund AUM (₹ Bn)**

- FY17: 18.6
- FY18: 34.4
- FY19: 34.4
- Q1FY20: 33.3
- Q2FY20: 33.7
- Q3FY20: 35.5
- Q4FY20: 28.3
- Q1FY21: 33.8
- Q2FY21: 38.0

SIP AUM as at September 30, 2020 was ₹7.9 Bn

- FY17: 40,175
- FY18: 85,008
- FY19: 88,837
- Q1FY20: 88,298
- Q2FY20: 89,076
- Q3FY20: 89,406
- Q4FY20: 89,659
- Q1FY21: 85,177
- Q2FY21: 84,238

**Life Insurance Premium (₹ Mn)**

- FY17: 399
- FY18: 302
- FY19: 615
- Q1FY20: 115
- Q2FY20: 165
- Q3FY20: 168
- Q4FY20: 167
- Q1FY21: 84
- Q2FY21: 142

**Non-life Insurance Premium (₹ Mn)**

- FY17: 36
- FY18: 45
- FY19: 114
- Q1FY20: 46
- Q2FY20: 88
- Q3FY20: 111
- Q4FY20: 172
- Q1FY21: 208
- Q2FY21: 262

SIP transaction count is a monthly average.
Mobile First Approach to Retail Customers

- The self-serviced segment is catered to with a Digital, Mobile First strategy. Our mobile applications IIFL Markets and IIFL Mutual Funds are widely used for mobile trading.
- Partner serviced channel is also enhanced with use of AAA tablet based proprietary software.
- Mobile trading constitutes 61% of number of retail clients.

**IIFL Markets**

- Comprehensive, market leading trading and investment app
- 4.8 Mn downloads
- ~140,000 daily active users

**IIFL Mutual Funds**

- Dedicated app for Mutual Fund advisory, investments and investment management
- 900,000 downloads

**AAA**

- AAA is a mobile office solution providing execution, reporting, monitoring and learning capabilities in a single tab-based platform with zero investment and freedom to operate at anytime from anywhere.

- Significant investment has been made in the AAA platform to offer a comprehensive office for partners. AAA enhances our capability to reach investors in smaller towns and cities where other channels are not available or effective.
Pedigreed Institutional Broking Franchise with Strong Research Capabilities

- Among the top franchises on the street, 80 member team with offices in Mumbai and New York.
- 700+ institutional (domestic and foreign) clients
- Top-tier rankings with most large long-only / domestic mutual funds
- Pedigreed institutional equities team comprising 28 analysts covering over 225 stocks across 20+ sectors accounting for over 80% of India’s market capitalization

Sector-wise break up of stocks under coverage
- Agriculture
- Auto
- Banking & Fin
- Building Material
- Capital Goods
- Cement
- Chemicals
- Consumer Discretionary & Electricals
- FMCG
- Infrastructure
- IT
- Insurance & General Insurance
- Media
- Metals
- Mid-cap
- Oil & Gas
- Pharma & Healthcare
- Real Estate
- Telecom
- Utilities, Gas & Logistics
- Others

Market Cap break up of stocks under coverage

<table>
<thead>
<tr>
<th>Market Cap bracket</th>
<th>IIFL Research Universe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above US$ 10 bn</td>
<td>39</td>
</tr>
<tr>
<td>Between US$ 5 bn and US$ 10 bn</td>
<td>37</td>
</tr>
<tr>
<td>Between US$ 3 bn and US$ 5 bn</td>
<td>28</td>
</tr>
<tr>
<td>Between US$ 1 bn and US$ 3 bn</td>
<td>67</td>
</tr>
<tr>
<td>Between US$ 500 mn and US$ 1 bn</td>
<td>24</td>
</tr>
<tr>
<td>Below US$ 500 mn</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>231</td>
</tr>
</tbody>
</table>
Q2FY21 had been a strong quarter for the Investment Banking division. Completed 4 transactions - 3 QIPs and 1 buyback

- Filed 3 DRHPs over the past quarter- a number of IPOs are in various stages of execution
- Deal activity has picked up substantially- pipeline is robust
- New product diversification underway - Have won a number of debt and private equity mandates- which are in advanced stages of execution

IIFL ranks #1 Investment Banker in FY19 + FY20 (Private Sector IPOs) both in terms of number of IPOs and amount raised
Section 3:
Governance, Awards and CSR
Led by an Independent and Illustrious Board

### R Venkataraman, Managing Director
- Co-founder of IIFL
- Previous experience with ICICI Bank, Barclays, GE Capital
- MBA from IIM Bangalore, B. Tech, IIT Kharagpur

### Shamik Das, Independent Director
- Former CTO at Myntra
- M.S. from University of Maryland (USA), B. Tech in Computer Science and engineering from IIT, Kharagpur

### Mohan Radhakrishnan, Whole-time Director
- Chief Compliance Officer
- Former General Manager at SEBI
- Chartered Accountant

### Narendra Jain, Whole time Director
- Head Operations
- Previous experience with ICICI and HPCL
- Chartered Accountant

### Rekha Warriar, Independent Director
- Former Regional Director (West Bengal and Sikkim), RBI
- Former Chief General Manager - Internal Debt Management Department - RBI Financial Stability Unit

### Anand Bhatiya, Independent Director
- 15+ years of experience in business structuring, due diligence and executing domestic and international mergers & acquisitions
- Chartered Accountant, Company Secretary, LLB
Awards & Recognitions

Best Product Launch PR Campaign 2019’ Award for AAA - Advisor Anytime Anywhere

At Corporate Communications & PR Awards 2019

The Mobby’s Award for Best Financial Website

At World Marketing Congress

"Leadership in Customer Service in Financial Services Sector"

At The 7th Edition of World Quality Congress & Awards

'Best Use of Digital Media/Platform in the share trading category’ Award

At INKSPELL for IIFL Markets App

IIFL Group awarded the ‘Great Place to Work’ Certification

‘Going The Extra Mile'

from MCX

‘Company of the Year 2019'

by The CEO Magazine
IIFL strongly believes in community development and sincerely undertakes multiple CSR initiatives focused around Education, Financial Literacy and Environment protection, among others.

**Education Initiatives**

The flagship initiative of IIFL Foundation - *Sakhiyon Ki Baadi* (SKB), that aims at eradication of illiteracy among females, regained its operation during the unlock phase from June 2020. It is a community based learning centre for girls in the age group of 4 to 14 years to address the situation of illiteracy among girls in rural Rajasthan.

**Covid-19 relief**

To help battle the Covid-19 crisis for patients residing at higher altitudes, such as inhabitants of Kashmir, IIFL Foundation has donated **24 oxygen concentrators** to the community, to help patient’s during their home quarantine period.

**Rathshaala (school-on-wheels)**

- IIFL Foundation’s unique initiative ‘**Rathshaala**’ is a *school-on-wheels* set-up that travels along with the nomadic tribe of Rebaris,. Formal literacy among the tribe is very low as they are seldom stationed at a location for more than a few weeks.

- It is led by a teacher who conducts learning session for children from the tribe, twice in a day.

<table>
<thead>
<tr>
<th>Rathshaala</th>
<th>No. of students</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>300+</td>
</tr>
</tbody>
</table>
Section 4: Annexures
Annexure I - Corporate Structure and Ownership

Promoters
- 29.8%

Free Float
- 35.4%
- 34.8%

Major Subsidiaries

IIFL Capital Inc.
- Institutional Broker-Dealer for USA clients,
  Regulated by SEC, FINRA

IIFL Facilities Services Limited
- Real Estate (premises) holding company

IIFL Insurance Brokers Limited
- Insurance Broking
  Regulated by IRDA
Thank You

Published in October 2020

IIFL Securities Limited

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