



Motilal Oswal Financial Services Ltd

Earnings Presentation | Q3FY22 & 9MFY22

BUSINESSES BUILDING SCALE

FOCUS ON PROFITABLE GROWTH

ALL BIZ OFFER HUGE HEADROOM FOR GROWTH

Page 3-4 **Key Highlights**

Page 5-8 **Financials**

Page 9-44 **Businesses**

Motilal Oswal Financial Services

CAPITAL MARKETS

- Highest ever quarterly broking revenue & profit.
- Overall market share up by 20 bps QoQ in Q3FY22
- Acquired 0.64 mn in 9MFY22, +62% YoY
- ADTO grew 29% QoQ to Rs 956 bn in Q3FY22
- Distribution AUM at Rs 166 bn, +39% YoY led by multi fold jump in Net Sales
- Strong liquidity on parent balance sheet with unutilised banking lines of Rs 16.4 bn & cash of Rs 6.4 bn.

ASSET MANAGEMENT

- AMC AUM stood at Rs 507 bn, +20% YoY in 9MFY22
- AMC profitability grew by 27% QoQ
- AMC gross sales grew 70% YoY in 9MFY22 led by traction in MF & alternate sales
- Fee earning PE & RE AUM stands at Rs 83 bn
- IBEF IV fund 1st closing at Rs 27 bn; IREF V fund raised Rs 11 bn till date
- Wealth (incl. mass affluent) AUM crossed Rs 500 bn for the 1st time
- Wealth profit at all time high at Rs 223 mn, +45% QoQ in Q3FY22

HOUSING FINANCE

- Disbursements grew by 19% QoQ to Rs 1.9 bn in Q3FY22
- Expansion in sales force and penetration into newer geographies
- NIM expanded by 125 bps YoY in Q3FY22 to 7.6%
- CoF reduction by 85 bps YoY in Q3FY22 to 8.1%; incremental COF at 7.03%
- Liquidity on balance sheet with undrawn sanction of Rs 8.1 bn & cash of Rs 2.3 bn.
- India Ratings assigned AA rating

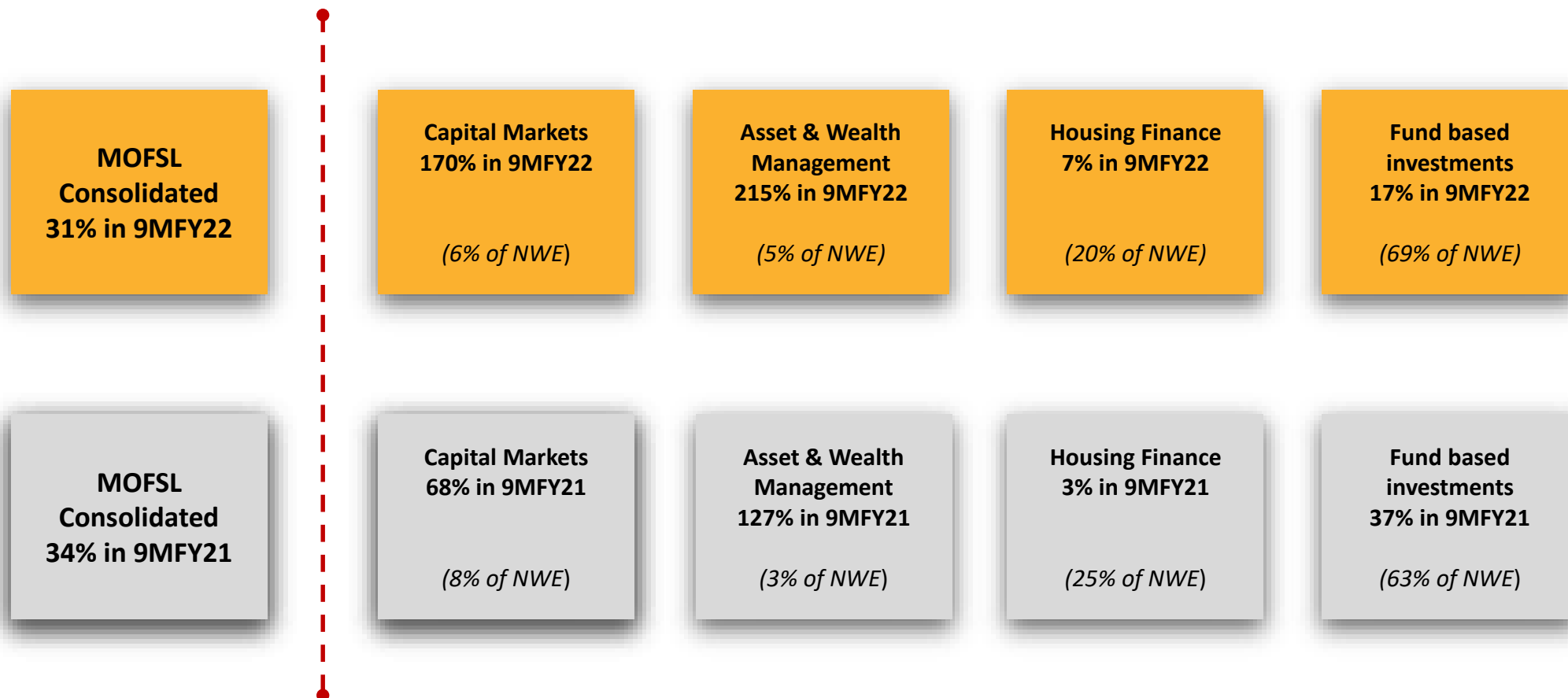
FUND BASED INVESTMENTS

- MTM gain of Rs 3.6 bn in 9MFY22
- Total quoted equity investment including gains at Rs 26.9 bn, +42% YoY
- Total equity investment including alternate stands at Rs 37.6 bn, +44% YoY
- Cumulative XIRR of ~18% on total quoted investments (16% on listed/40% on unlisted)
- Cumulative XIRR of 33% on PE/RE investments

Declared interim dividend of Rs 7 per share

Group RoE*

Segment-wise RoE, with % of net worth employed (NWE)



Note:

* Excluding Other comprehensive income
ROE on annualized basis

Consolidated Financials – Strong sequential profit growth @ 25%



Particulars (Rs mn)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	9MFY22	9MFY21	YoY (%)
Capital Markets (Broking, Distribution & IB)	7,259	4,309	68%	6,075	19%	18,440	11,982	54%
Asset Management	1,675	1,291	30%	1,472	14%	4,528	3,489	30%
Private Equity (1)	323	266	21%	278	16%	837	754	11%
Wealth Management	593	330	80%	476	24%	1,465	900	63%
Housing Finance	1,290	1,369	-6%	1,328	-3%	3,986	4,062	-2%
Others	84	56	50%	77	9%	246	234	5%
Total Revenues	11,223	7,621	47%	9,705	16%	29,502	21,421	38%
Total Revenues after Intercompany adjustments	10,351	7,028	47%	9,020	15%	27,352	19,848	38%
Operating Costs	5,767	4,130	40%	5,139	12%	15,886	11,323	40%
Operating Expense (2)	2,384	1,563	53%	2,125	12%	6,476	4,386	48%
Employee Expense	2,268	1,641	38%	1,961	16%	6,033	4,577	32%
Other Expense	1,114	927	20%	1,053	6%	3,376	2,360	43%
EBITDA	4,584	2,898	58%	3,881	18%	11,466	8,525	34%
PBT	3,014	1,748	72%	2,624	15%	7,463	4,976	50%
Operating PAT (1)	2,332	1,216	92%	1,865	25%	5,489	3,479	58%
Total Operating PAT incl. PE profit share	2,332	1,216	92%	2,693	-13%	6,316	3,479	82%
MTM PAT (3)	51	2,123	-98%	2,672	-98%	3,642	5,159	-29%
PAT (4)	2,383	3,338	-29%	5,365	-56%	9,958	7,973	25%

1. PE Revenue and Operating PAT excludes Rs 1,233 mn / Rs 828 mn respectively being profit on exit of investments in Q2FY22
2. Operating Expense comprises of commission shared with channel partners/distributors
3. MTM PAT includes profits/(loss) on account of Fund based investments made in Equity & Alternate Funds
4. 9MFY21 PAT includes - Rs 666 mn of exceptional item comprising of provision made by the company on account of negative price settlement of Crude Oil Derivative positions of the customers in Commodity broking.

Consolidated Financials – PAT Mix

PAT (Rs mn)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	9MFY22	9MFY21	YoY (%)
Capital Markets (Broking, Distribution & IB)	1,476	740	99%	1,211	22%	3,461	2,110	64%
Asset Management	528	382	38%	417	27%	1,301	911	43%
Private Equity (1)	100	69	46%	37	173%	199	190	5%
Wealth Management	223	78	186%	154	45%	494	160	209%
Asset & Wealth	851	528	61%	608	40%	1,994	1,261	58%
Home Finance	188	47	301%	201	-6%	473	214	121%
Others (2)	-184	-98	-	-153	-	-439	-102	-
Operating PAT	2,332	1,216	92%	1,865	25%	5,489	3,479	58%
Total Operating PAT incl. PE profit share	2,332	1,216	92%	2,693	-13%	6,316	3,479	82%
MTM PAT	51	2,123	-98%	2,672	-98%	3,642	5,159	-29%
PAT	2,383	3,338	-29%	5,365	-56%	9,958	7,973	25%
Other Comprehensive Income (OCI) (3)	-319	901	-	648	-	-62	1,687	-
Total incl. OCI	2,063	4,239	-51%	6,012	-66%	9,896	9,660	2%

1. PE PAT excludes Rs 828 mn of profit on exit of investments in Q2FY22
2. Others includes intercompany adjustments and Fund Based (ex-MTM) PAT
3. OCI includes MTM profit on equity share investment

Consolidated Balance Sheet

Particulars (Rs bn)	9MFY22	FY21
Sources of Funds		
Net Worth	53.8	44.3
Borrowings (1)	56.0	56.9
Minority Interest	0.5	0.6
Total Liabilities	110.4	101.8
Application of Funds		
Fixed assets (net block)	3.5	3.5
Investments	43.3	39.2
Loans and Advances (2)	48.3	45.2
Net current assets	15.2	13.8
Total Assets	110.4	101.8

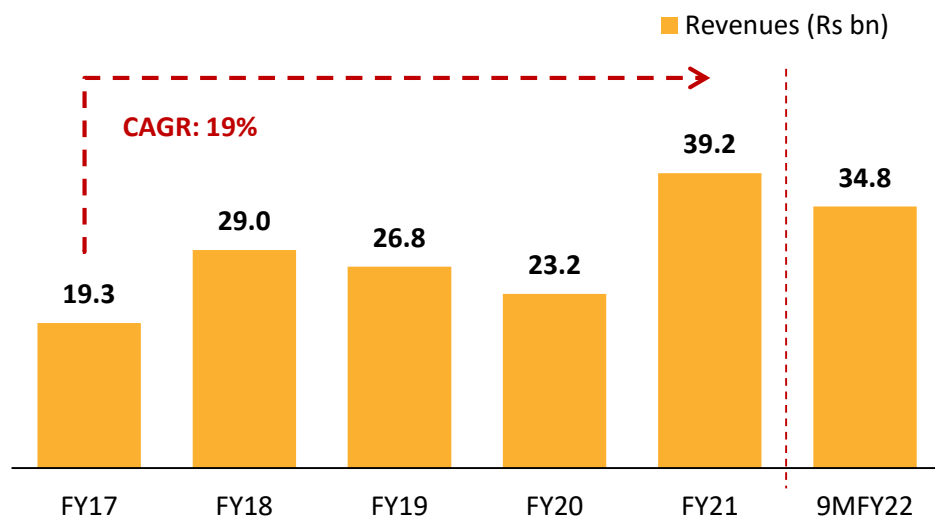
1 Borrowings are inclusive of MOHFL. Ex- MOHFL borrowings are Rs 30.5 bn in Dec-21.

2 Loan & Advances include loan book of Motilal Oswal Home Finance and Margin Trading Facility book.

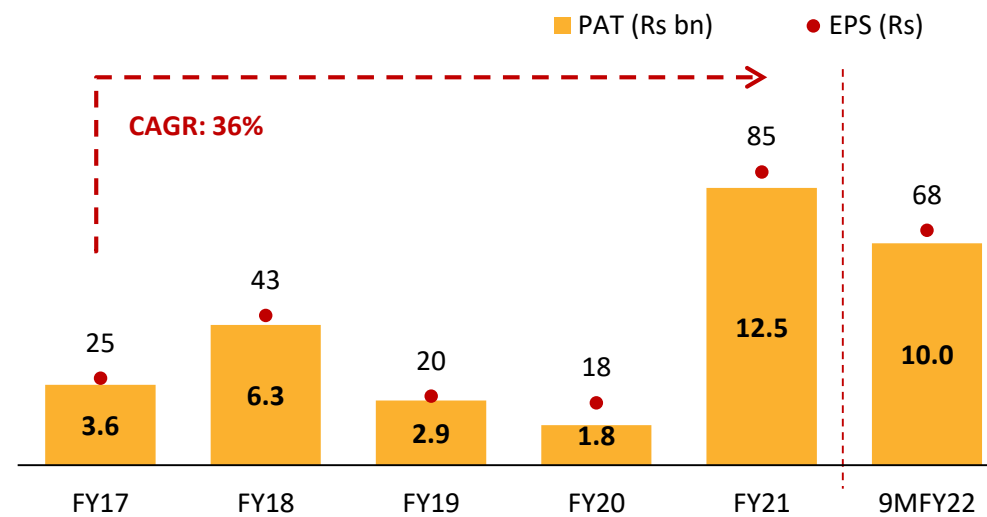
- Consolidated net debt is Rs 46 bn. Excluding Home finance, net debt is Rs 23.3 bn. Total D/E stood at 1.0x. Ex-MOHF D/E stood at 0.6x.
- Net of investments, we have net cash on the balance sheet.

Strong Revenue and Profit trend

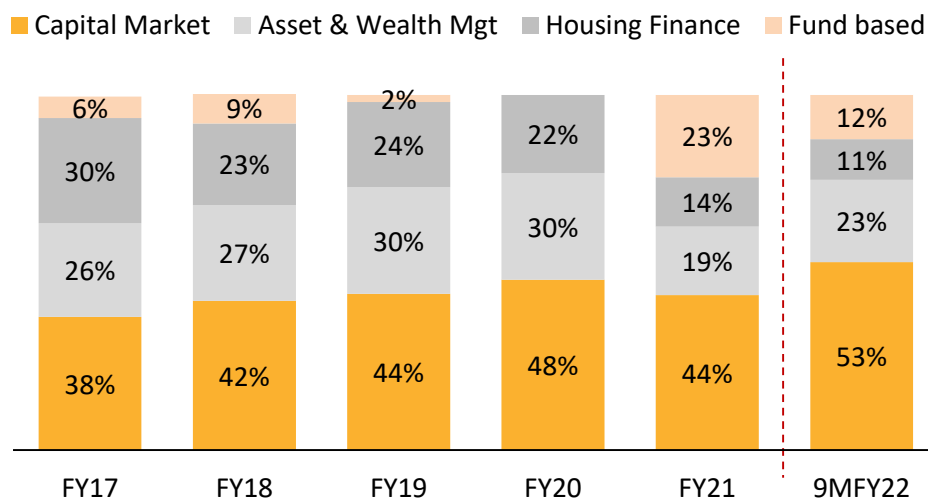
Revenue Trend



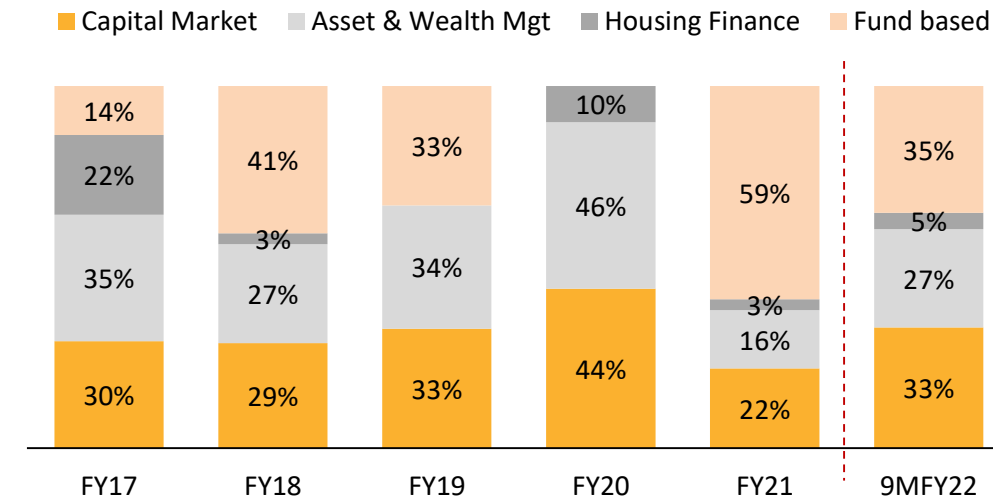
Profitability Trend



Revenue Mix



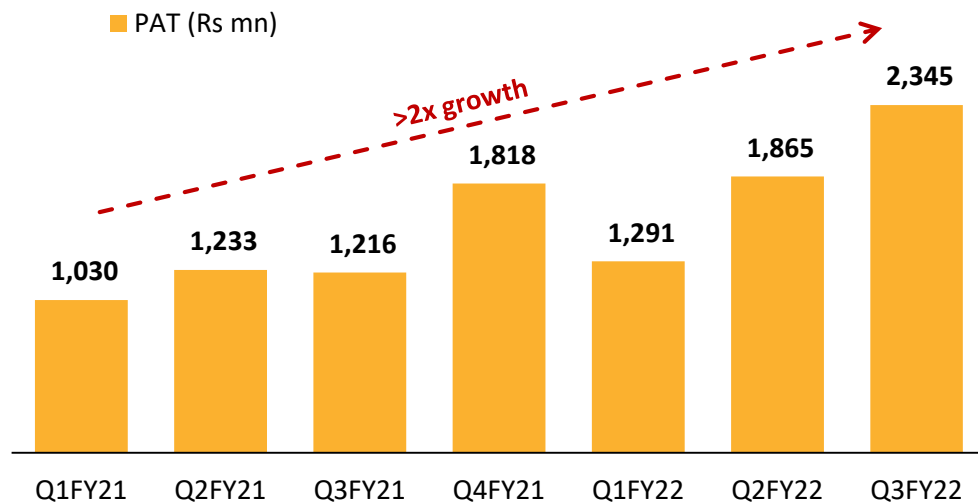
PAT Mix



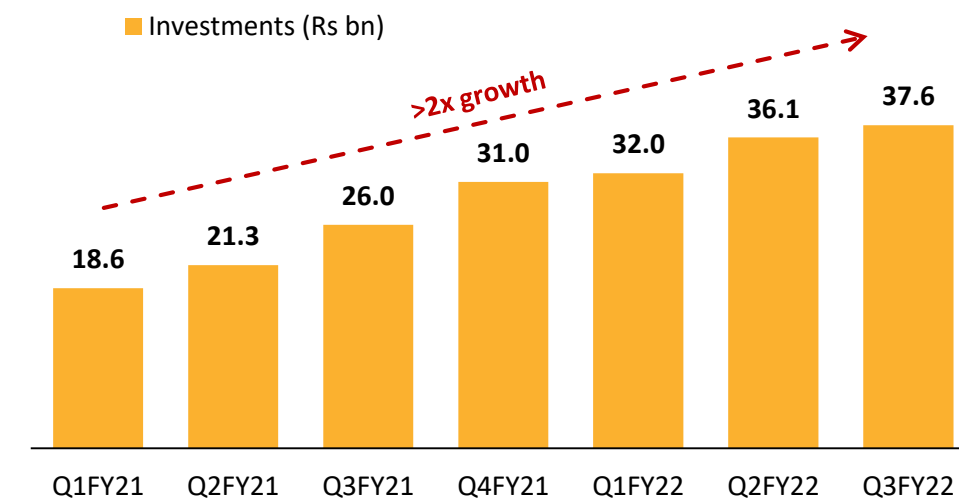
Note: Revenue and PAT are as per IGAAP for FY17. FY20 Fund Based Revenue and PAT are not factored in mix due to negative MTM.

Growth Journey During Covid Period

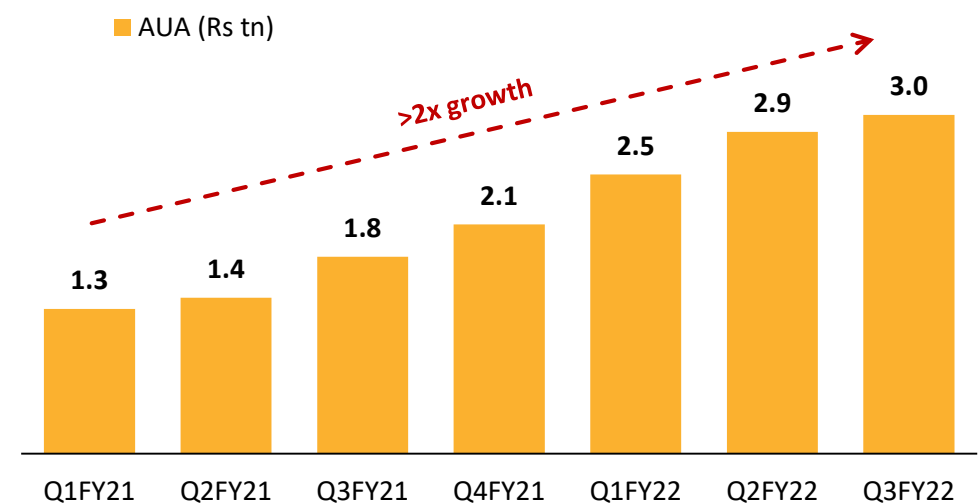
Operating PAT Trend



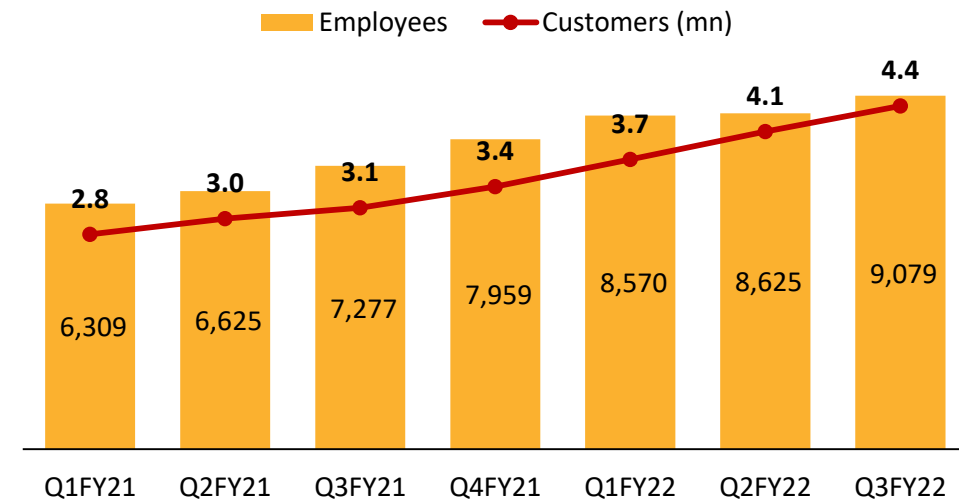
Growth in Equity Investments



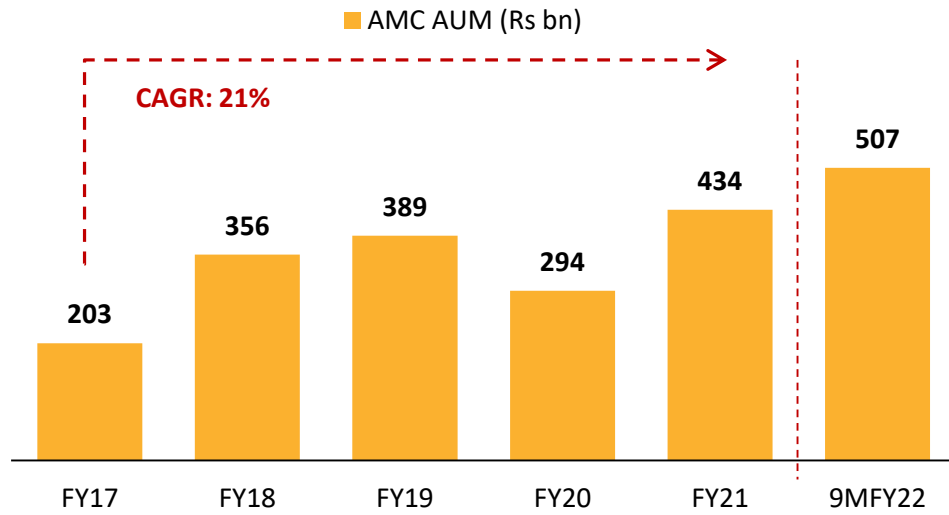
Asset Under Advice Trend



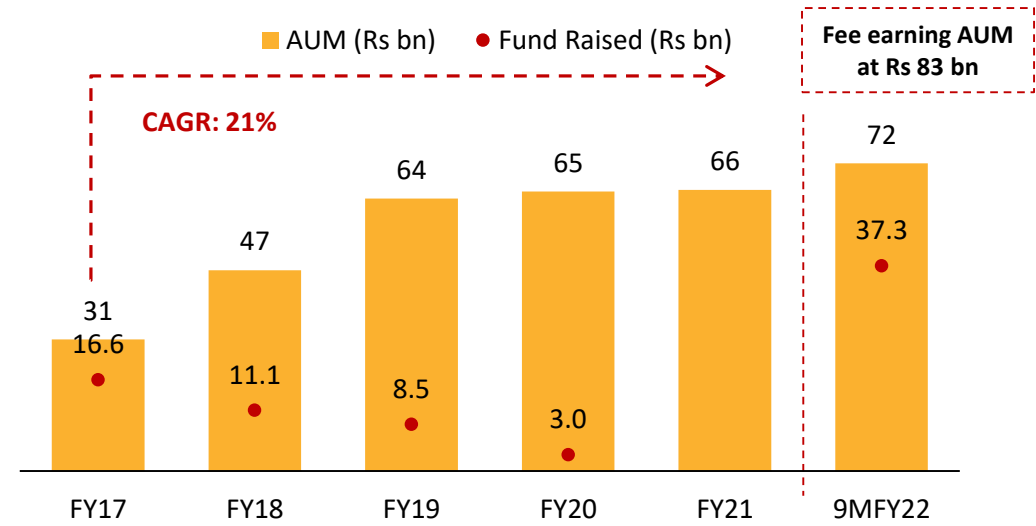
Customer and Employee Trend



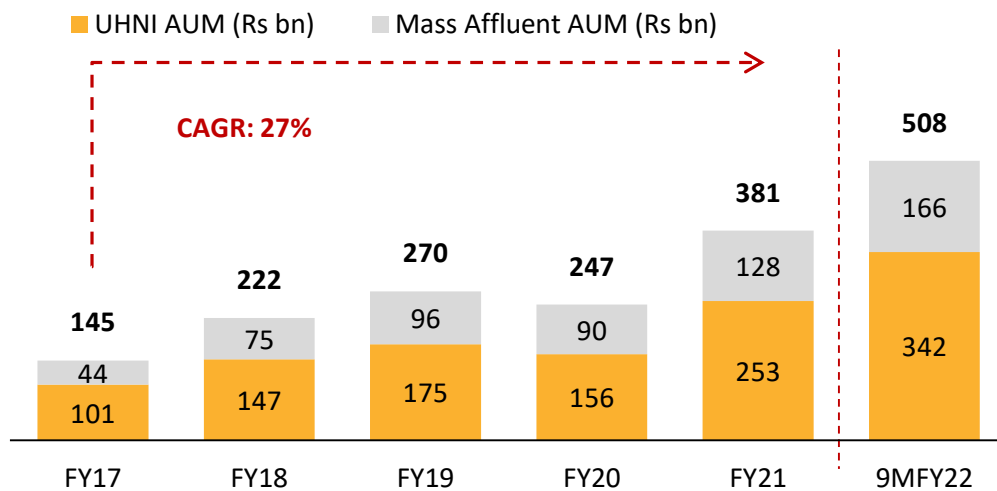
AMC AUM growth trend



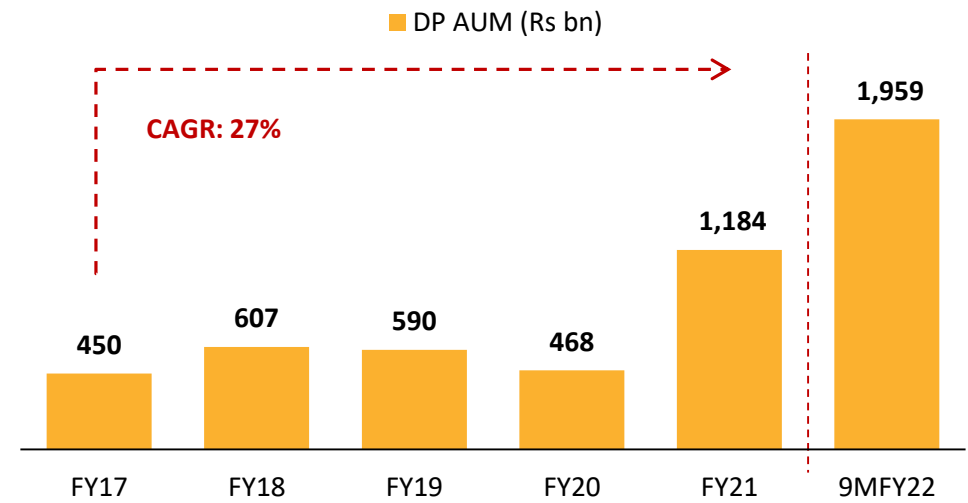
PE/RE Commitment AUM & Fund Raise



Wealth AUM (UHNI + Mass Affluent) growth trend

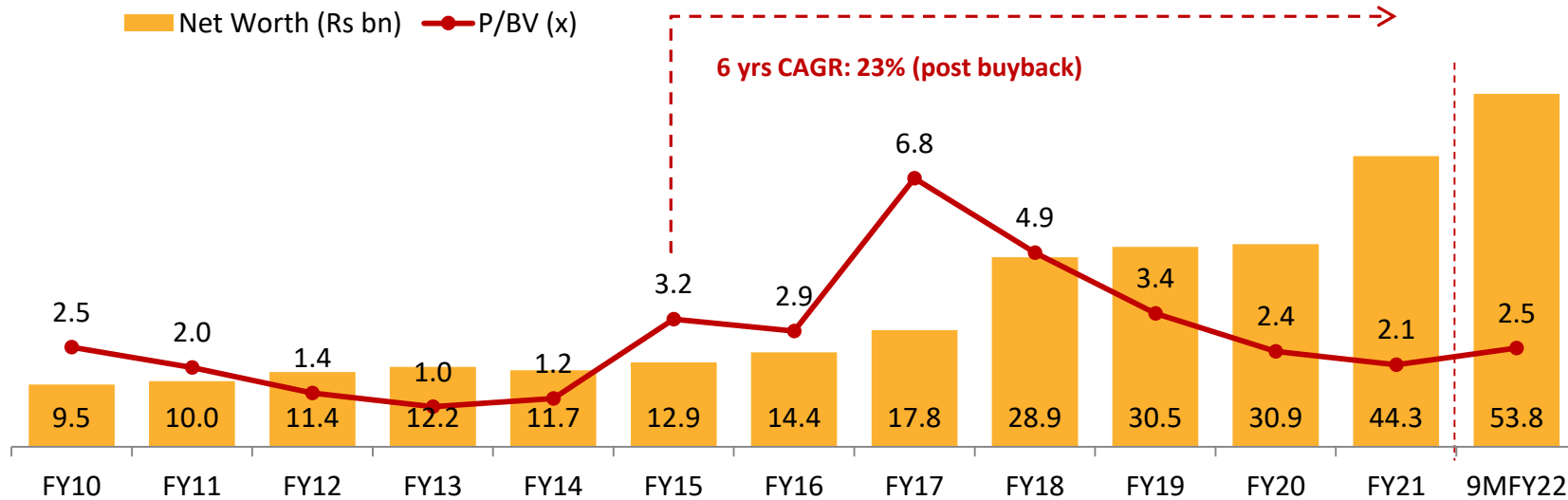


DP AUM growth trend



Strong growth in Net Worth

Net Worth Trend



6 yrs CAGR: 23% (post buyback)

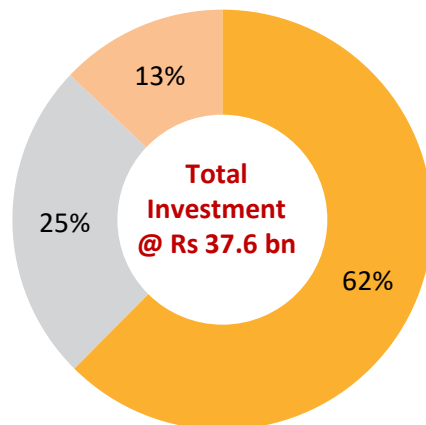
Allocation of free cash to fund based investments over and above sponsor commitment started from FY15 onwards.

Benefits of having near to liquid Net Worth:

- Helped “seed” new businesses, which are adjacent, scalable and profitable opportunities.
- Serve as highly liquid “resources” available for future investments in business.
- Raise working capital resources on balance sheet to handle volatility intrinsic to capital market business comfortably.
- Capable of generating high ROE

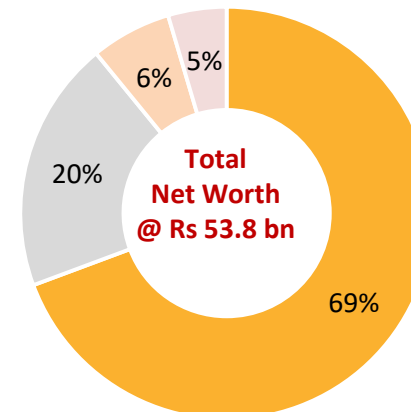
Investment Breakup

MF+Alternates PE+RE Equity Shares



Net Worth Breakup

Fund Based Investments MOHF
Corporate Office Working Capital and Others



GROWTH DRIVERS

BROKING & DISTRIBUTION

- Digital acquisition channel takes the lead in client addition
- Investment made in manpower & branches started yielding results with improvement in productivity
- Advisory and research coupled with product innovation
- Distribution business gaining traction from strong sale of high yielding alternate and insurance products.

ASSET MANAGEMENT

- Multi fold jump in Net inflows
- Strong response to our AIF offerings
- Turnaround in performance likely to augment inflows
- Rising Digital contribution in MF gross sales mix.
- Expanding product offerings across passive categories.
- Traction in SIP book

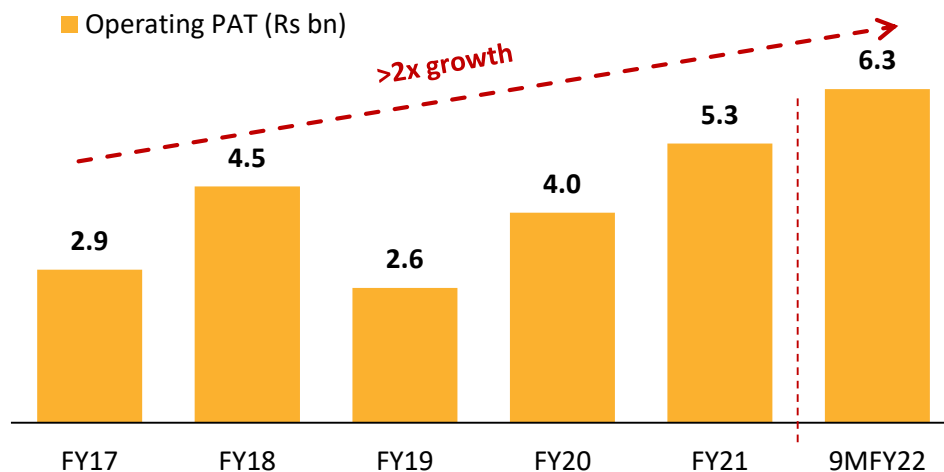
WEALTH MANAGEMENT

- Expanding products across asset classes.
- On-boarding new managers with differentiated product offerings.
- Focus on deepening client relationship
- Intensifying client level engagement
- Focus on adding New to Firm clients
- Expanding RM base
- Rise in RM productivity aiding margins

HOUSING FINANCE

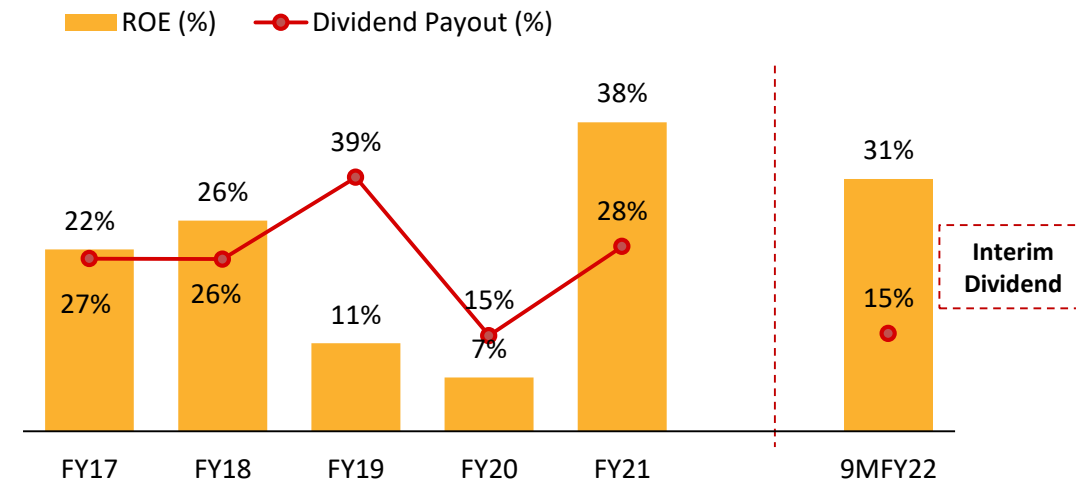
- Focus on hiring RO/RM to ramp up sales.
- Cost of funds to trend lower as new fund raising happening at 100 bps lower rates.
- Product & geographical diversification likely to boost sales
- Robust performance of new loan book

Core Business Profitability Trend



Note: Operating PAT incl. profit share on exit of investments

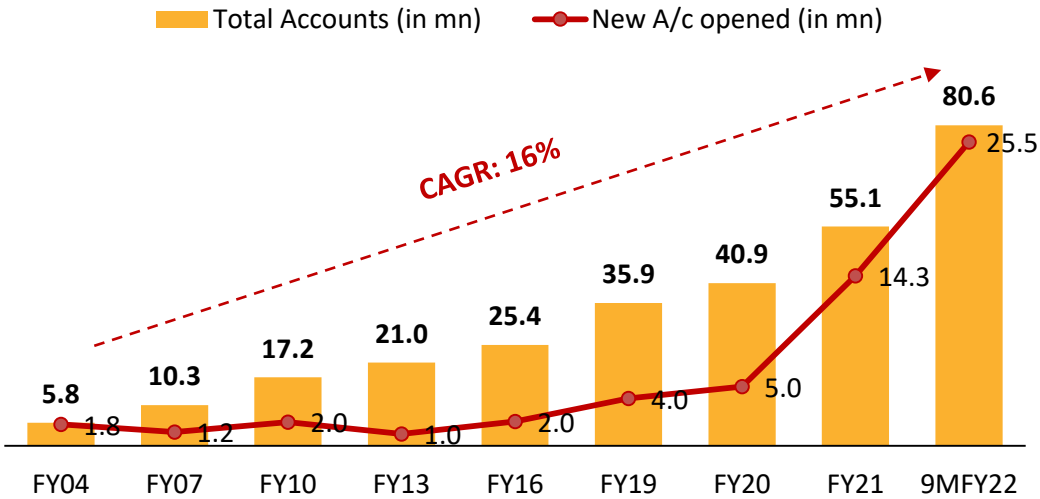
ROE trend, Dividend Payout (% of PAT excl. MTM)



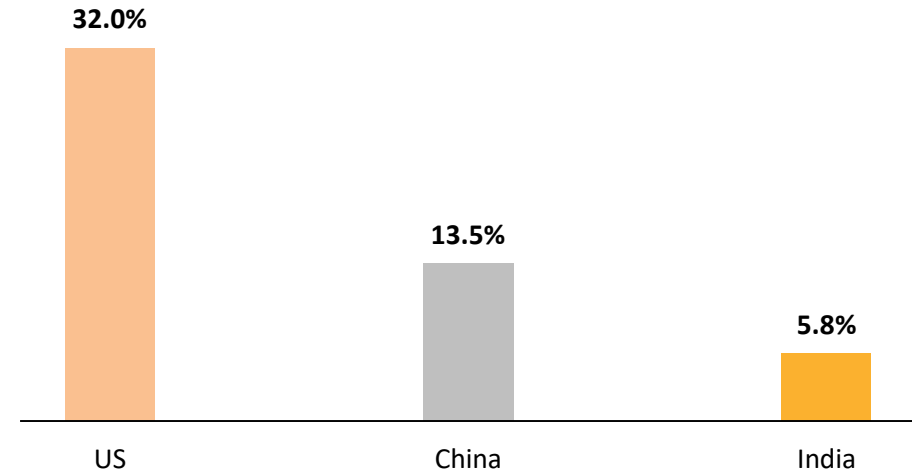
Note: ROE for FY18, FY19, FY20, FY21 & 9MFY22 are excluding OCI. In FY21, company completed buyback of equity shares of Rs 1.5 bn (incl. tax)

India's Broking Industry- Huge untapped potential

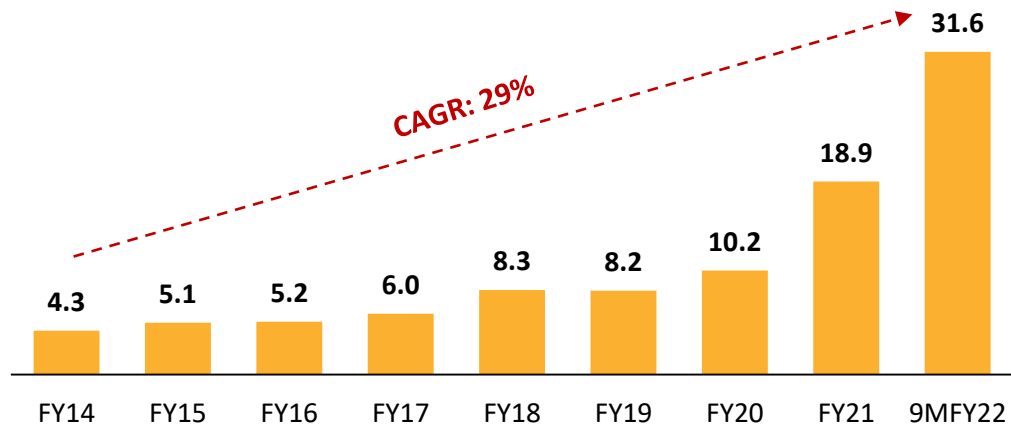
Demat Account Trend



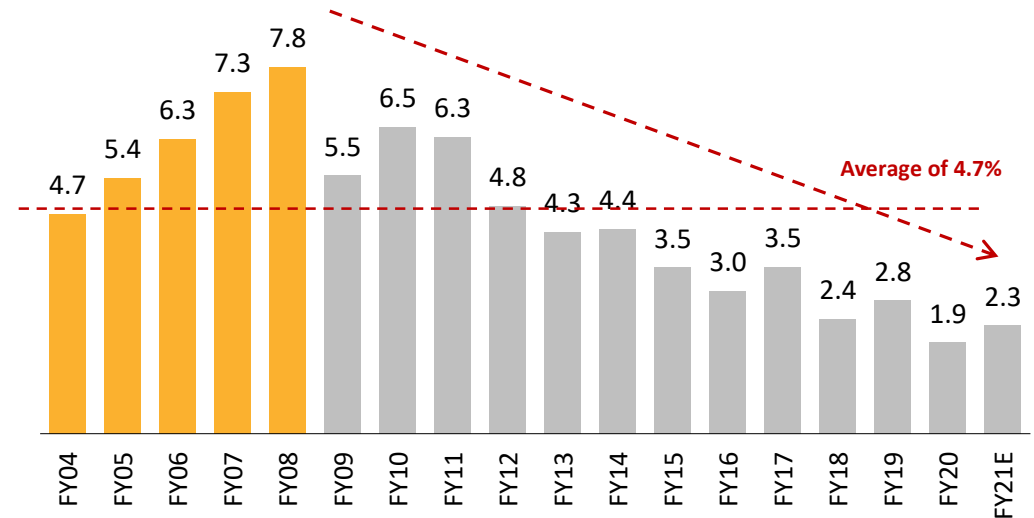
Demat Account Penetration



Active Client Trend (mn)



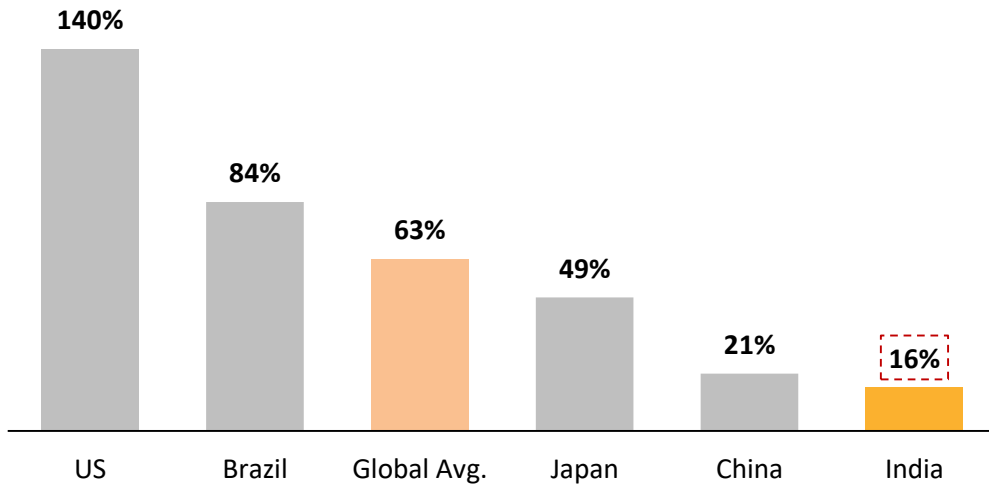
Corporate Profit to GDP (%)



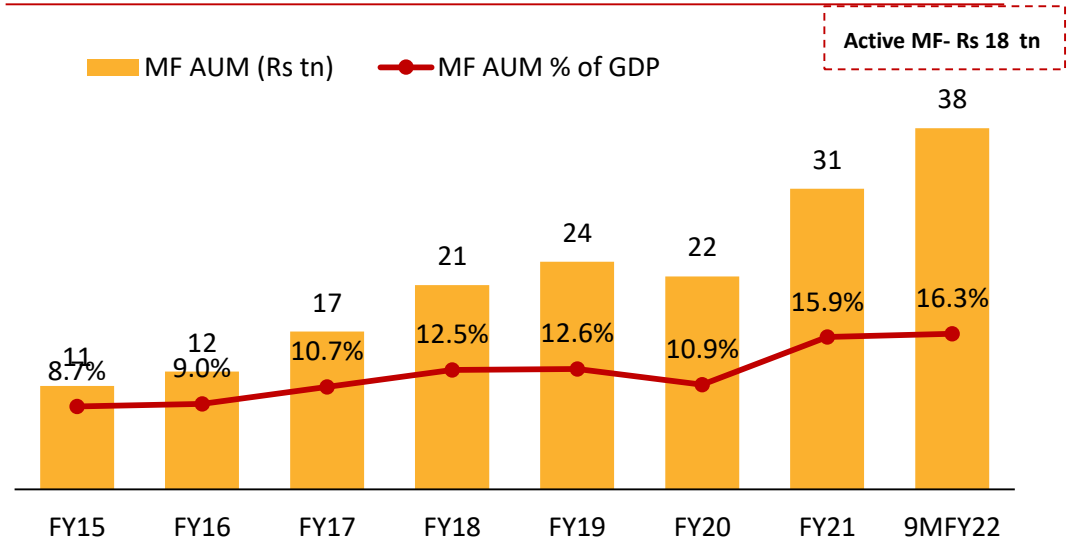
Demat account penetration= No. of demat account/population. Data as of Dec'21 for India , Nov'21 for China and as of 2018 for USA.

India, largely under penetrated market – MF, Wealth and Mortgage

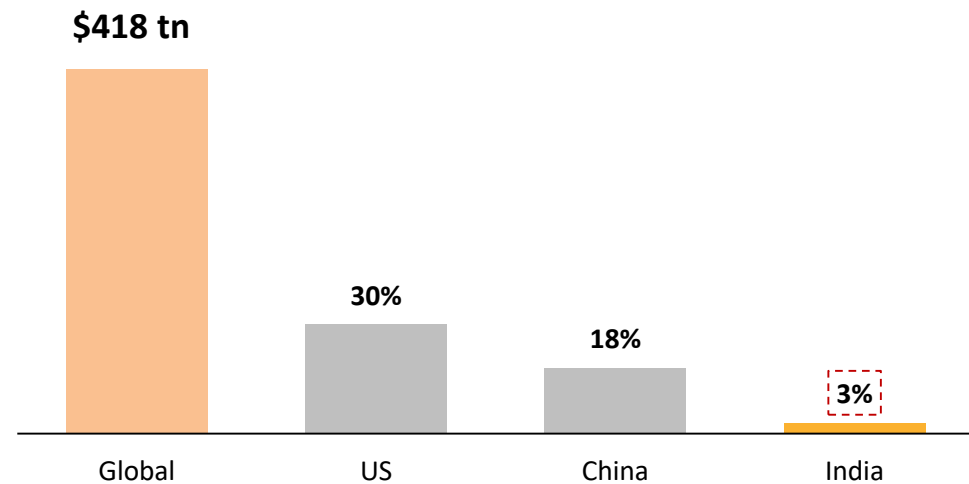
Mutual Fund Penetration



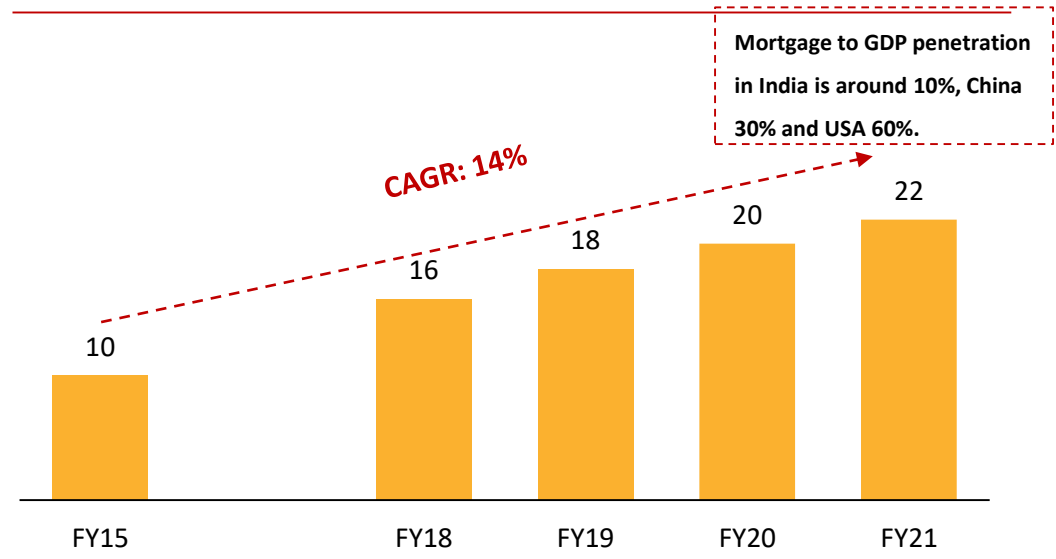
Mutual Fund AUM as % of GDP



Global Wealth



Indian Housing Finance- Loans Outstanding Trend (Rs tn)



1. Mutual Fund penetration= AUM/GDP. Data as of CY20
2. Global Wealth for CY20
3. Mortgage penetration= Mortgage/GDP. Data as of CY18

New Digital head on-boarded- Vipul Nirwani (ex- Amazon, McKinsey)

Overall market share up 20 bps QoQ to 2.5%

Added 6.4 lakh new clients in 9MFY22; 52% acquired through digital channel

Strong pipeline of signed mandates in IB

Distribution business AUM at Rs 166 bn, +39% YoY

Particulars (Rs mn)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	9MFY22	9MFY21	YoY (%)
Revenues	7,259	4,309	68%	6,075	19%	18,440	11,982	54%
- Brokerage	4,155	2,939	41%	3,856	8%	11,582	8,376	38%
- Distribution	677	266	154%	415	63%	1,423	677	110%
- Interest/Other Income	2,371	1,101	115%	1,752	35%	5,316	2,904	83%
- IB	56	2	-	51	9%	119	25	367%
Operating Costs	4,276	2,878	49%	3,766	14%	11,564	7,889	47%
EBITDA	2,983	1,430	109%	2,309	29%	6,876	4,093	68%
EBITDA Margin	41%	33%	-	38%	-	37%	34%	-
PBT	1,966	991	98%	1,621	21%	4,647	2,847	63%
PAT	1,476	740	99%	1,211	22%	3,461	2,110	64%

- The business reported highest ever revenue and profit for the quarter and 9MFY22. Brokerage revenue growth was led by gain in market share coupled with strong growth in volumes. Further, robust growth in distribution income and interest income boosted total revenues.
- In **Retail broking** business, strong traction witnessed in new clients addition driven by digital acquisition, total 6.4 lakh clients acquired in 9MFY22, +62% YoY. Active clients have registered 59% YoY growth at 0.79 mn as of December 2021.
- Distribution business AUM grew by 39% YoY at Rs 166 bn. Current penetration of only ~16% on total client base. During the quarter, strong traction witnessed in high yielding alternate products offering.
- MOFSL's overall ADTO grew 29% QoQ to Rs 956 bn with a market share of 2.5% (ex-prop) in Q3FY22. Our overall market share improved by 20 bps QoQ led by improvement in derivative market share.
- Significant investment has been made in talent and expanding our reach. In 9MFY22 we continue to add talent (~780 in 9M, majority in digital vertical) which will augment future growth. Operating leverage benefit already visible and likely to continue as productivity improves further.
- Broking business funding book stood at Rs 21 bn in Q3FY22, + 71% YoY.

Broking & Distribution – Strong business performance

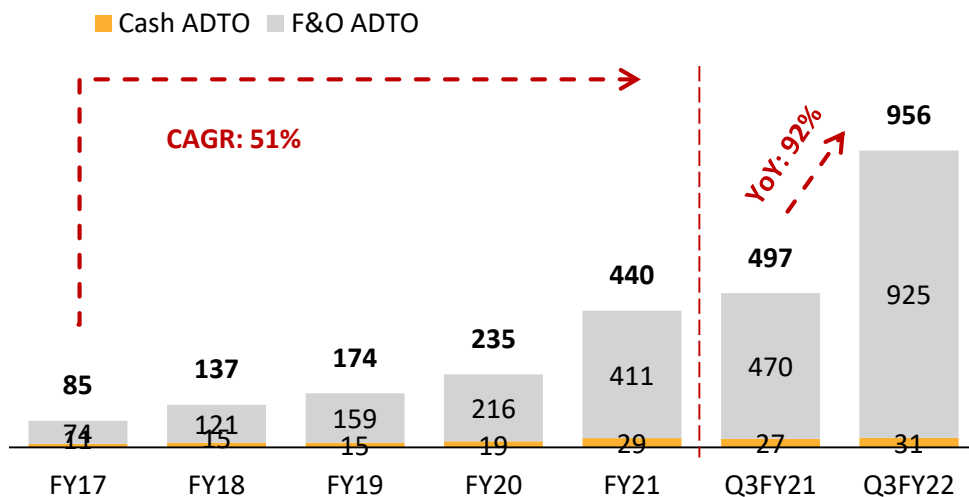
Retail Broking & Distribution

- Ramped up digital acquisition by expanding dedicated digital acquisition team.
- Enhancing our client journey by building Super Fina app, Research Portal, e-KYC journey and redesigning options flow strategy.
- New product launched- “Option Brains”, providing expert’s advice on derivatives which is published real-time on multiple “MO Platforms” through our in-house Research Module “IDEAGEN”.
- 57% of total trades were online trades & 61% of clients have traded online.

Institution broking

- Institutional team wins big in Asiamoney poll 2021.
- Ranked #1 Domestic Brokerage, #1 Overall Sales, #1 Corporate Access Team, #1 Execution Team and #1 Sales Person

MOFSL Broking ADTO (Ex-prop, Rs bn)



Investment Banking

- During the quarter, we completed IPO of Metro Brands Limited., QIP of Mold-Tek Packaging Limited and participated in fund raising activity of Muthoot Microfin Limited.
- We have a strong pipeline of signed IPO mandates which will start entering the markets, as a result further revenue traction can be witnessed in coming quarters.
- The team continues to engage on a wide cross-section of mandated transactions across capital markets and advisory.



IPO - Rs 13.7 bn

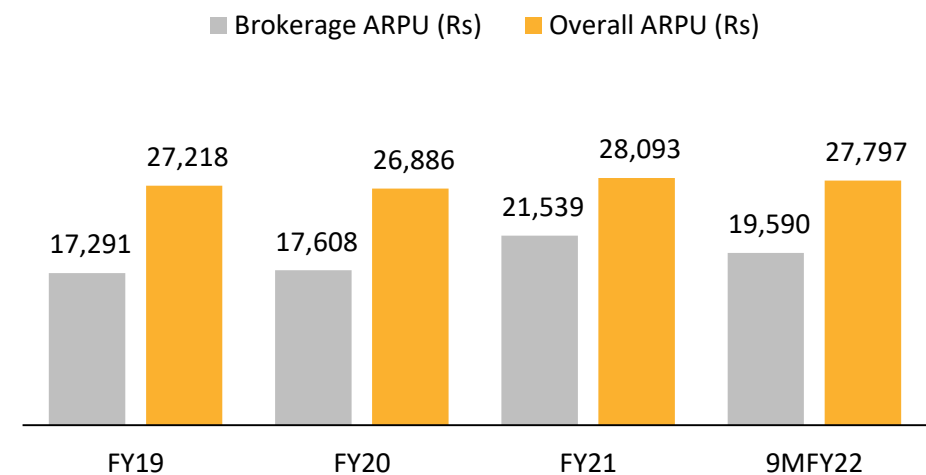


QIP - Rs 1.04 bn



Private Placement of equity

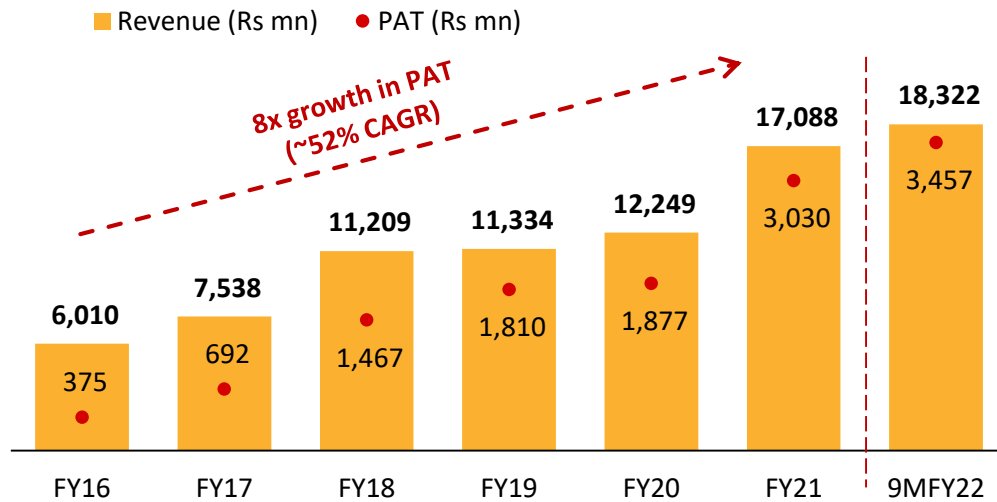
ARPU Trend



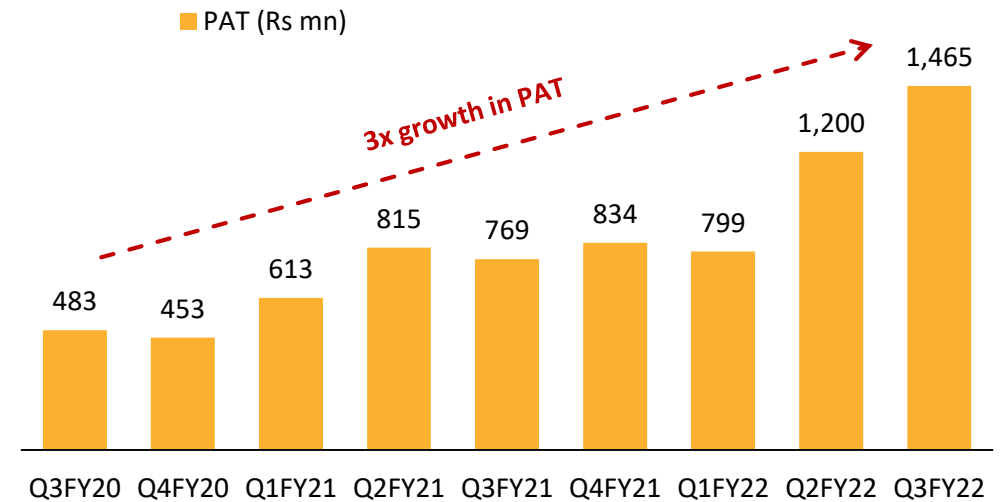
Note: ARPU= Revenue/ Average of NSE Active Clients.

Broking & Distribution- Growth Journey

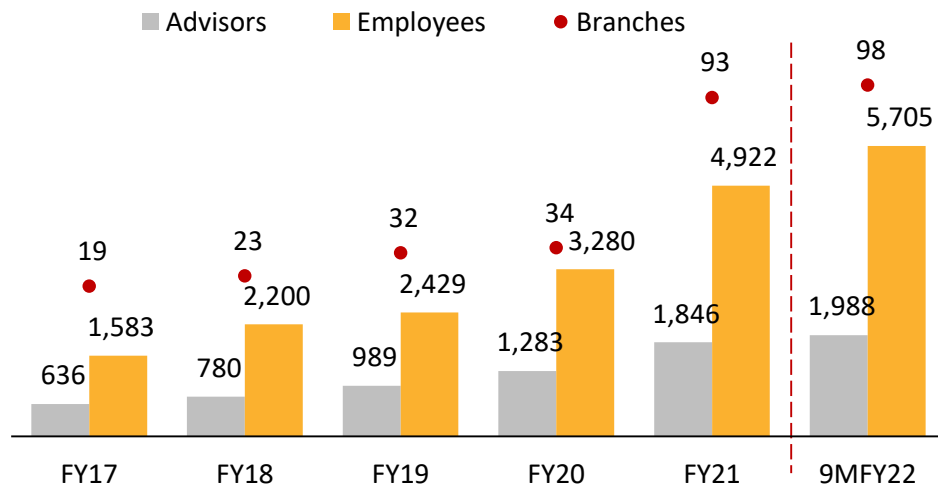
Revenue & PAT Trend



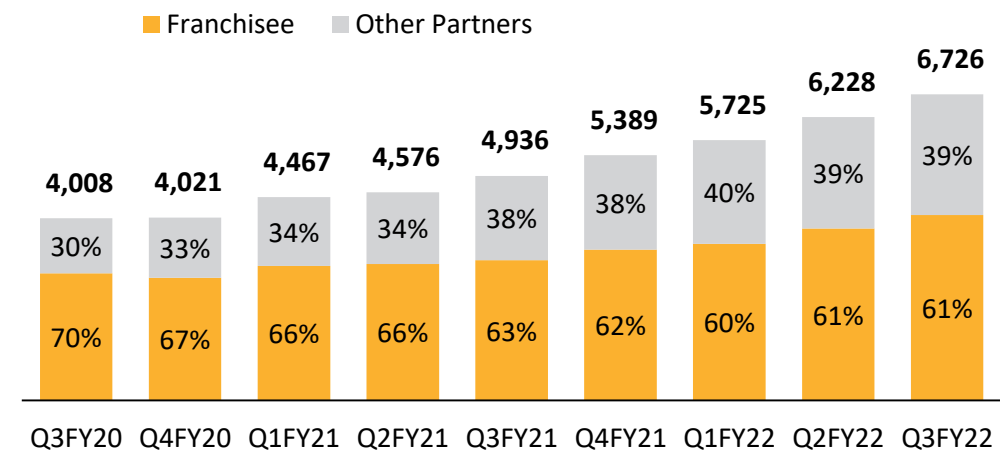
Quarterly Broking PAT Trend



Investment in talent & geographically diversified branches

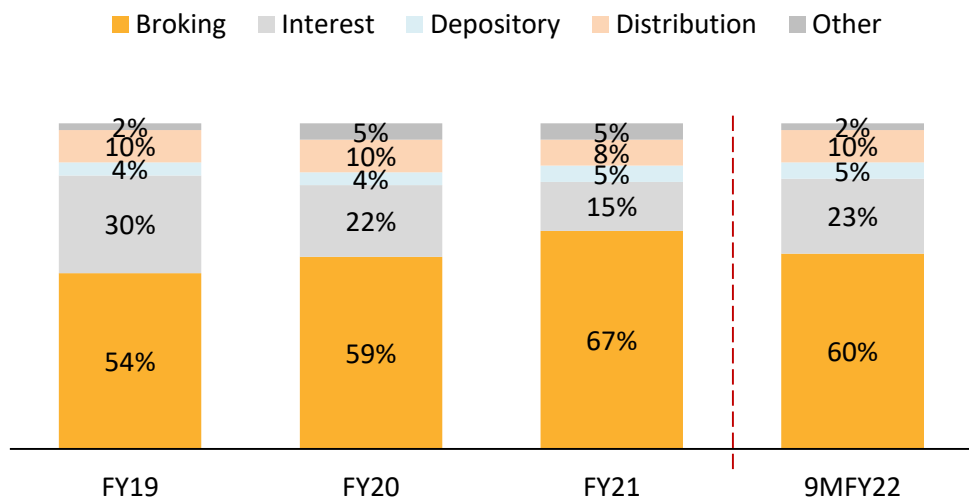


Acquisition Trend of Franchisees/Business Partners

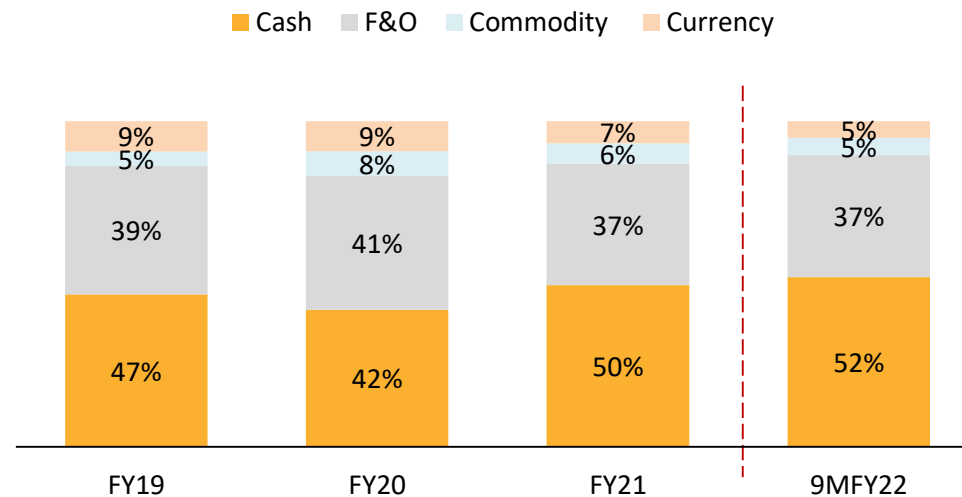


Broking & Distribution- Revenue Mix

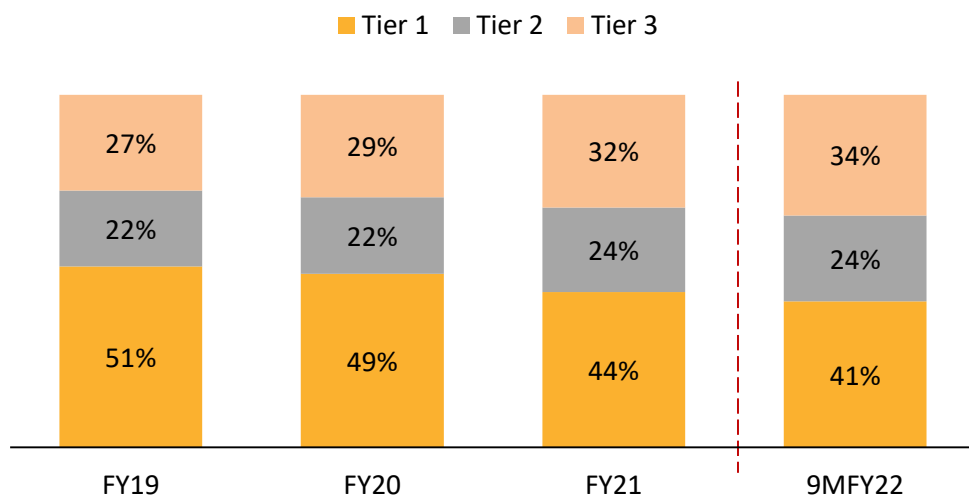
Net Revenue Mix



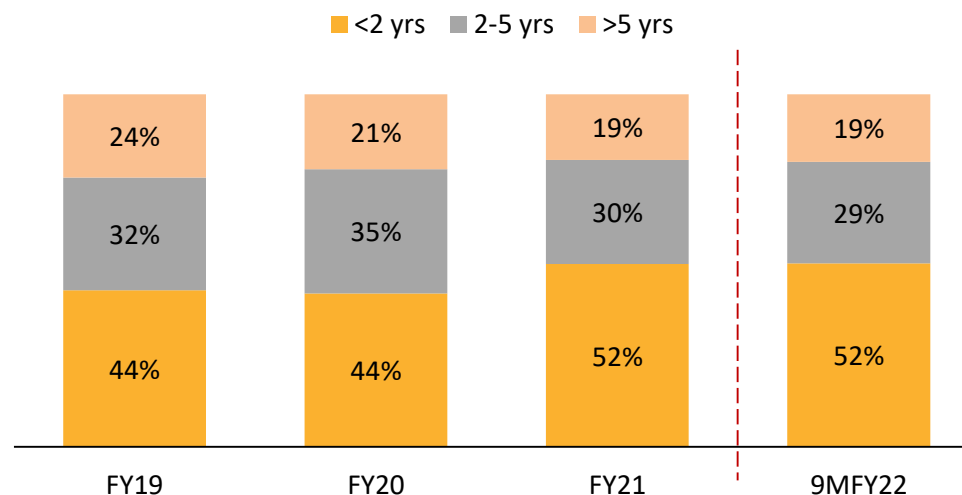
Gross Brokerage Mix



Tier wise Net Brokerage Mix

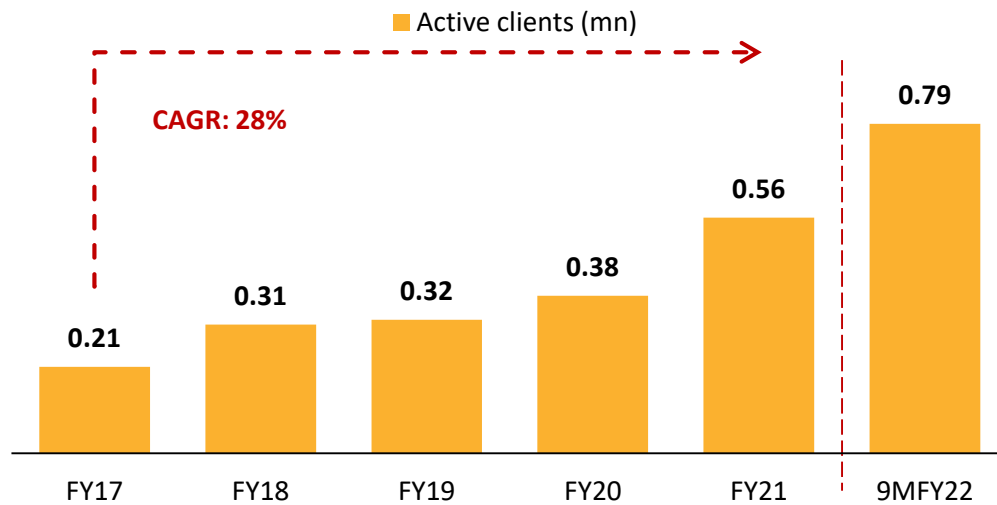


Vintage wise Net Brokerage Mix

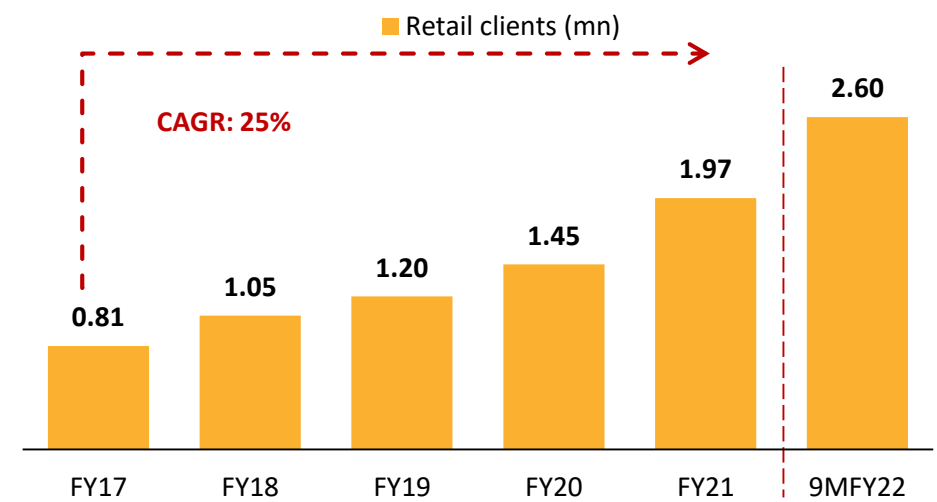


Broking & Distribution – Strong growth in Client acquisition

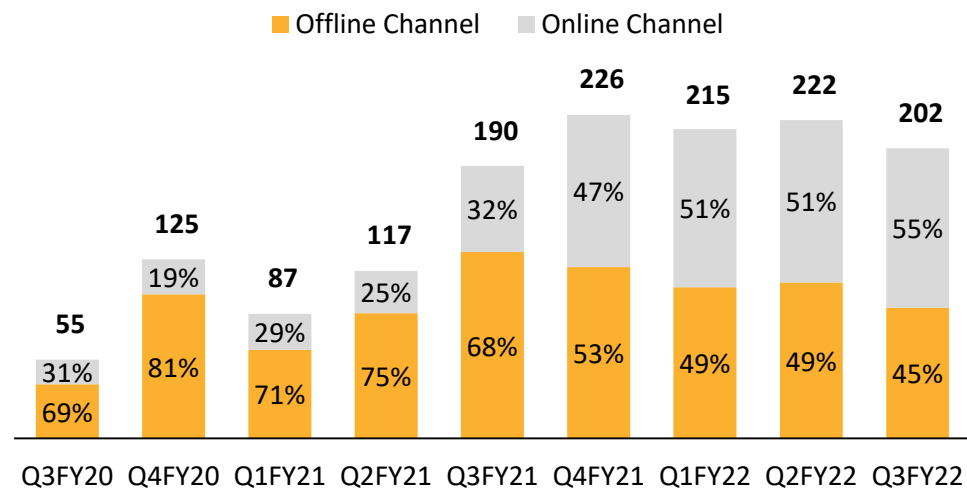
Active Clients



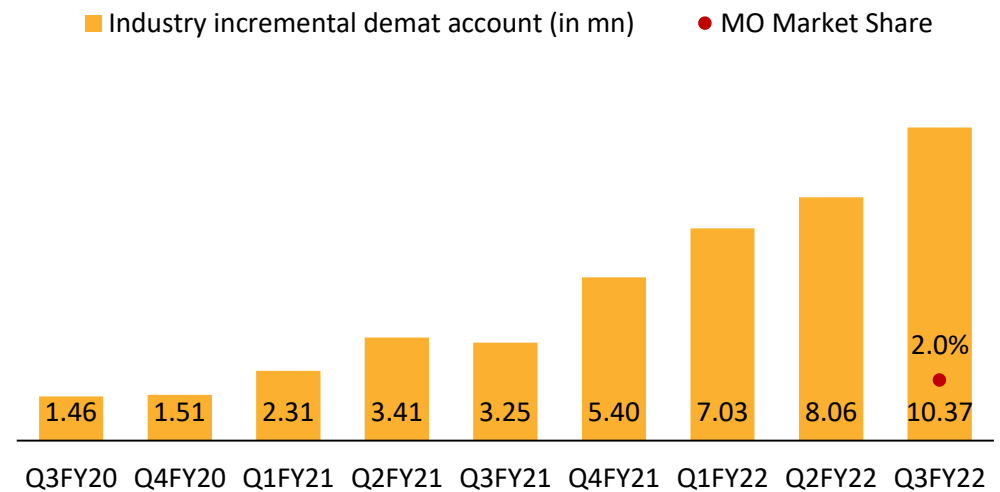
Strong growth in Retail Client base



Significant traction in Client Acquisition (in '000)



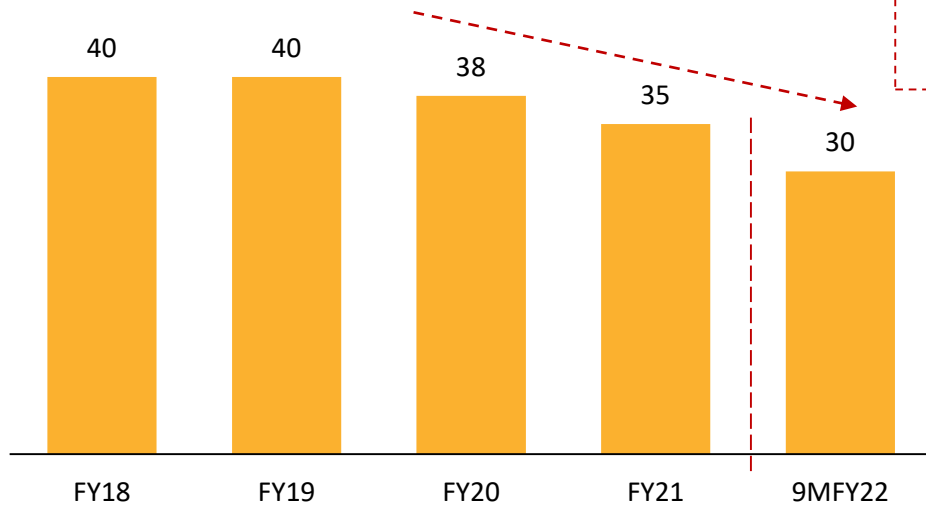
Incremental Demat Account Market Share



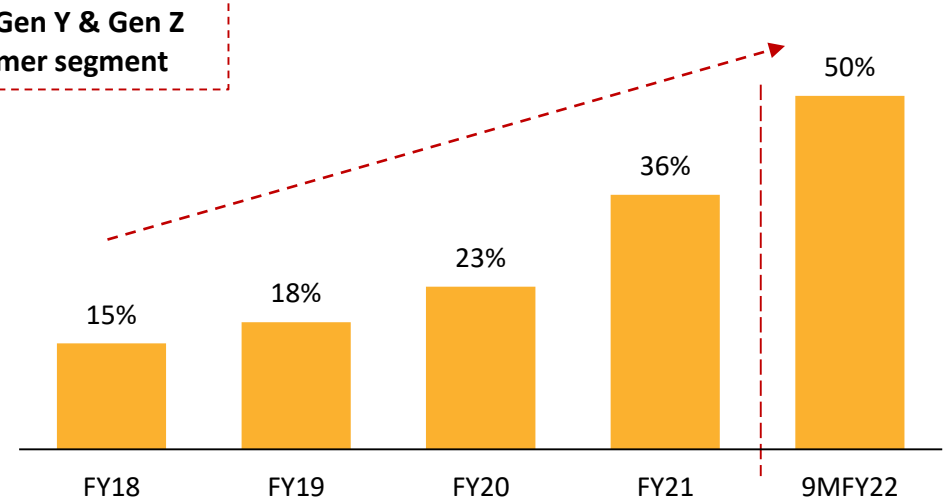
Source: NSE, BSE, NSDL, CDSL

Broking & Distribution – Diversifying Customer Segment & Penetration

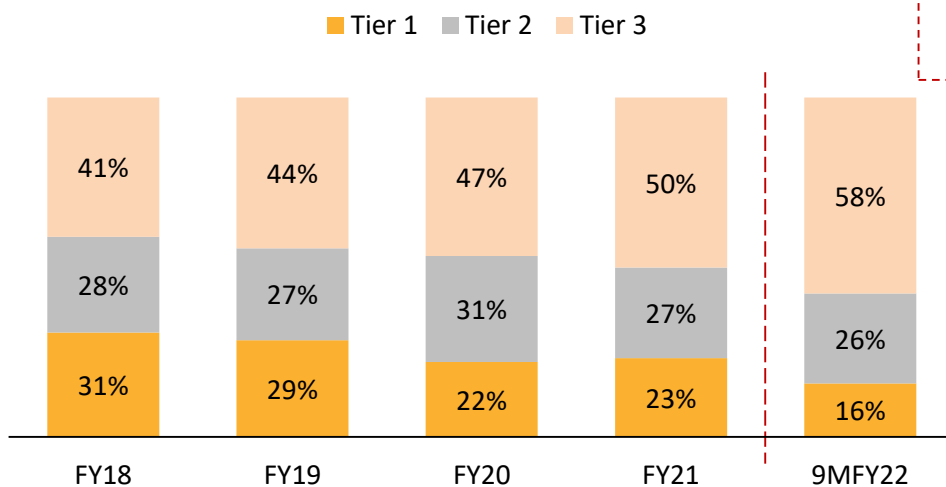
Median Age of Clients Acquired



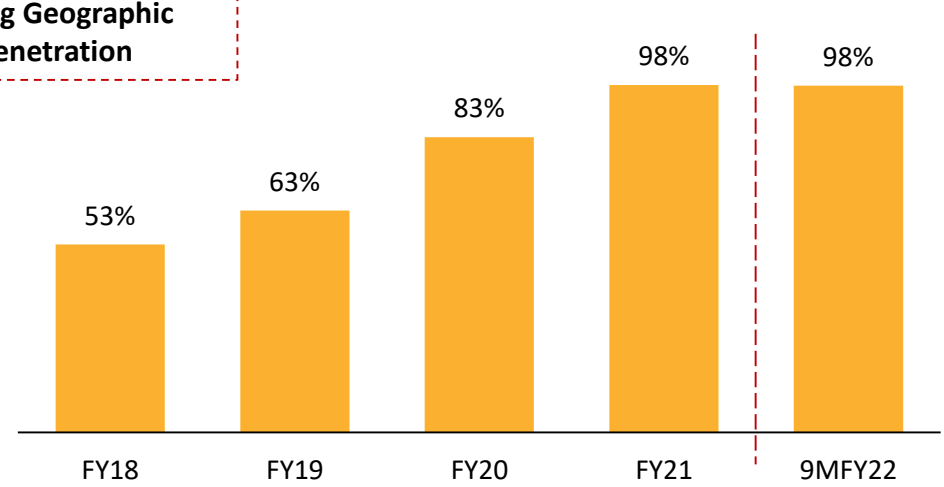
Customers acquired % below 30 years of age



City wise Acquisition

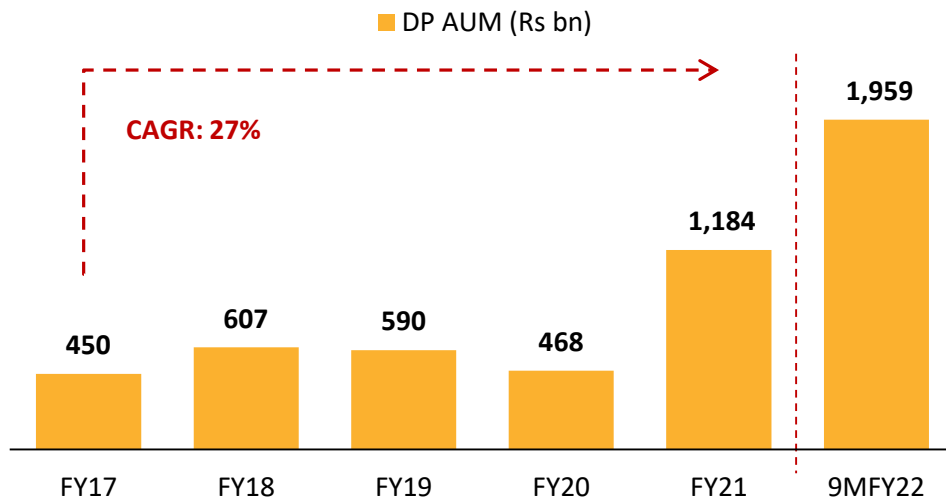


Pin code coverage-new clients acquired

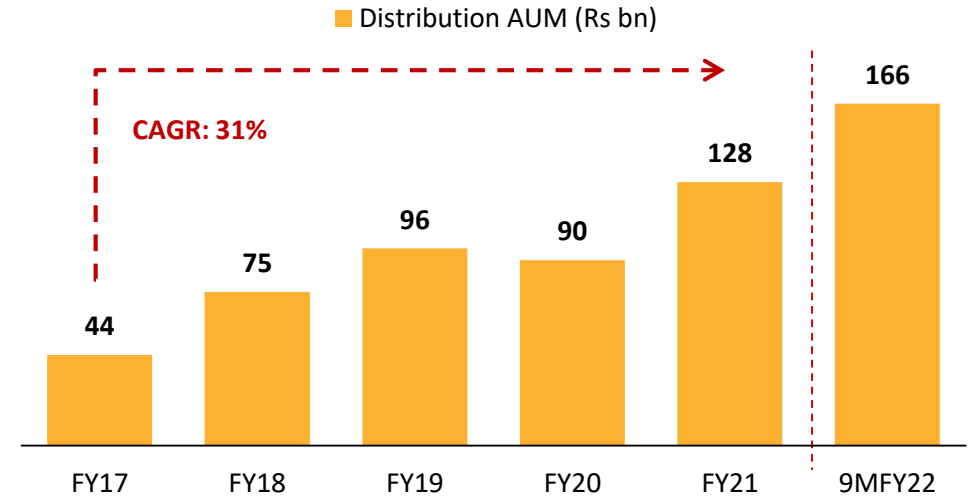


Broking & Distribution – Strong growth in Distribution AUM

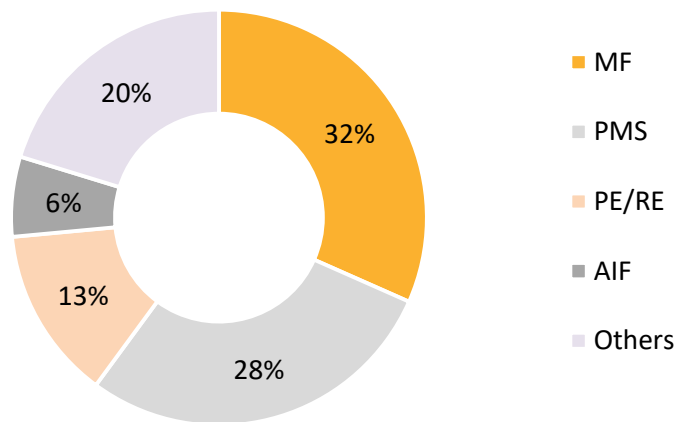
DP AUM growth trend



Rising Distribution (Mass Affluent) AUM

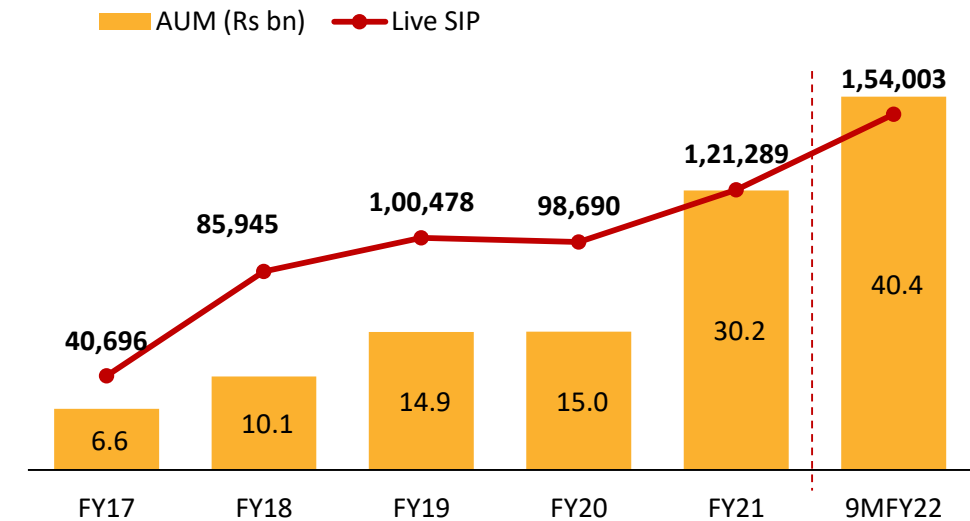


Distribution AUM Mix

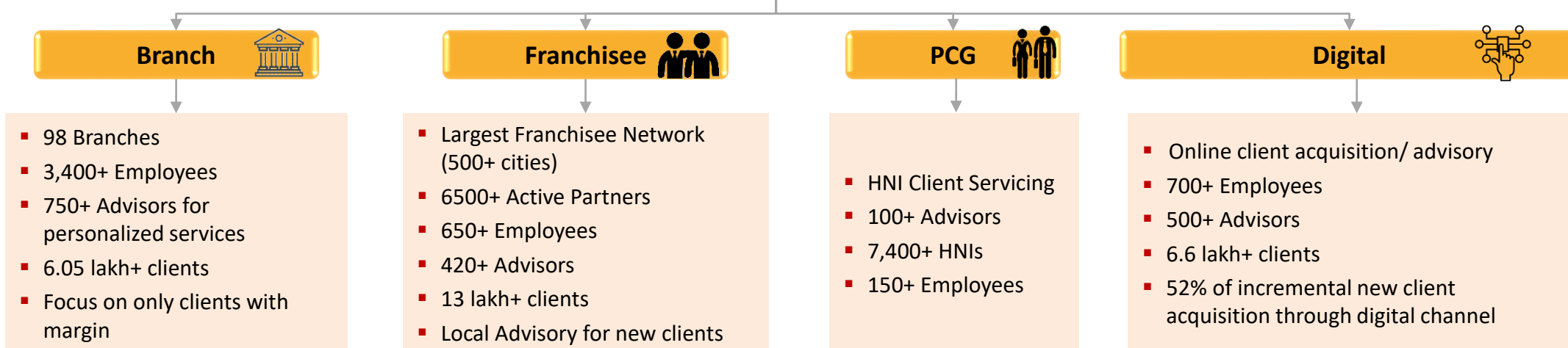


Insurance premium of Rs 30 cr collected in 9MFY22 vs Rs 40 cr in FY21

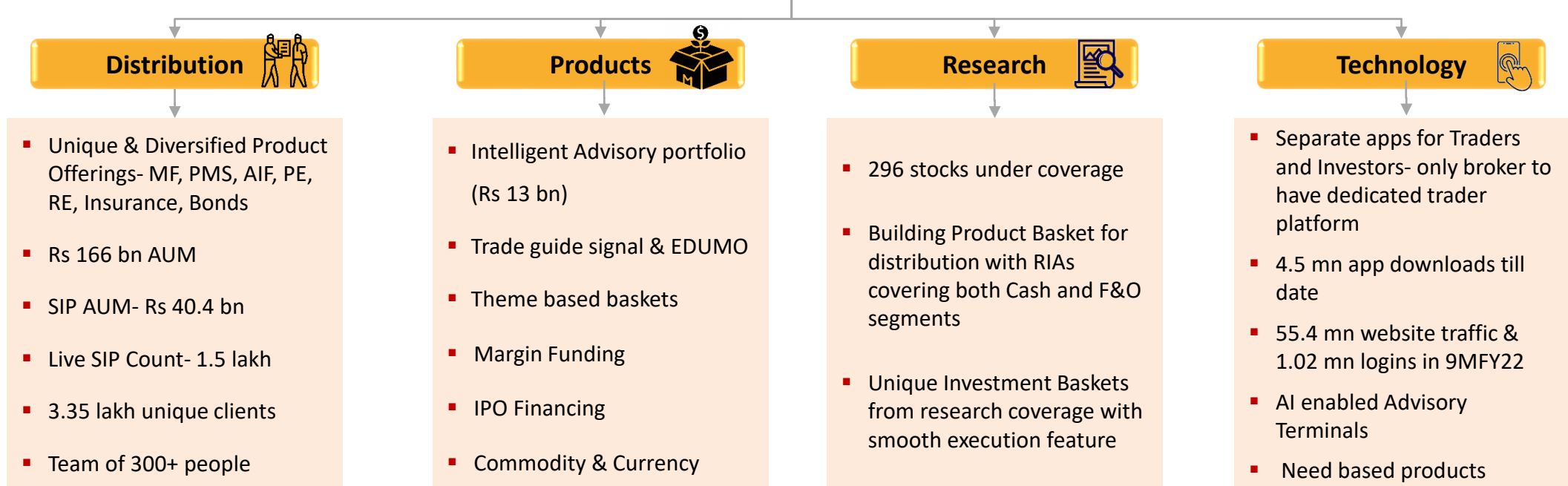
SIP AUM and Live SIP count



Retail Broking Business Model



Broking Business Enablers



**RESEARCH
360- POWERED
BY
MOTILAL
OSWAL**

Research
360

In the process to launch Subscription Based Research Portal



In the process to launch Super Fina App in 3-4 quarters where all financial products will be available on 1 platform with enhanced features

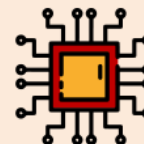
**PROJECT
SUPER
APP**



**UI/UX improvement
of MO Trader App**



**Enhancing
E-KYC Journey**



**Revamping
Options Flow**



**Strengthening
In-House Digital Team**

**AMC AUM crossed
Rs 500 bn mark**

**Passive AUM crossed
Rs 100 bn mark**

**Strong traction in AMC
net sales, up 52% QoQ
in Q3FY22**

**Strong growth in SIP
addition, +57% YoY**

**Market share of 1.5%
in MF Equity AUM**

Particulars (Rs mn)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	9MFY22	9MFY21	YoY (%)
Avg. AUM (bn)	503	395	28%	486	4%	478	360	33%
-MF	315	228	38%	301	5%	295	203	46%
-Alternates	186	165	13%	183	2%	181	155	16%
Total Revenues	1,675	1,291	30%	1,472	14%	4,528	3,489	30%
-Mutual Fund (Net)	439	315	39%	379	16%	1,164	812	43%
-Alternates (Net)	585	476	23%	489	20%	1,548	1,260	23%
Opex	356	262	36%	315	13%	1,004	811	24%
EBITDA	684	532	29%	571	20%	1,753	1,279	37%
EBITDA Margin	41%	41%	-	39%	-	39%	37%	-
PBT	680	524	30%	565	20%	1,736	1,253	39%
PAT	528	382	38%	417	27%	1,301	911	43%

- Strong growth in revenue and profit across periods led by strong growth in quarterly net flows and average AUM.
- In Q3FY22, MF AUM stood at Rs 317 bn (+30% YoY), while PMS and AIF AUM stood at Rs 155 bn (+4% YoY) and Rs 32 bn (+21% YoY) respectively.
- Gross sales of AMC improved 70% YoY in 9MFY22 led by 50% YoY growth in MF and 3x growth in AIF sales. Further, drop in MF redemption market share by 20 bps YoY and 38% decline in PMS redemptions has resulted in strong positive net sales of AMC (+52% QoQ in Q3FY22).
- Moreover, strong performance in our MF schemes, flagship PMS and AIF products augmenting growth in flows and AUM.
- Added around 3.4 lakh SIPs in 9MFY22, +57% YoY. New SIP count market share stood at 1.7% in 9MFY22.
- SIP inflows in 9MFY22 was at Rs 15.7 bn, +28% YoY (on realised basis).

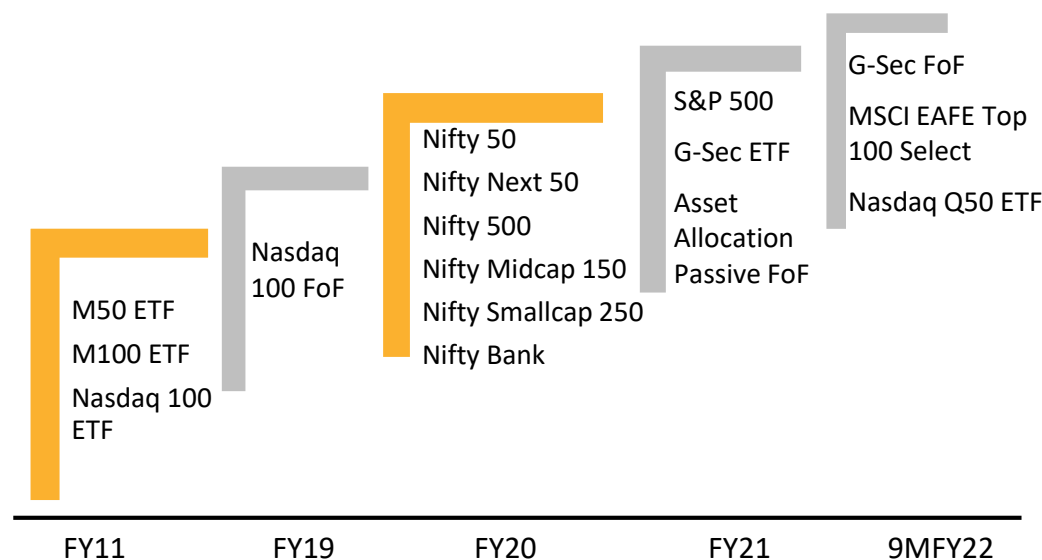
- Distribution reach is expanded by reaching out to more number of IFAs and tie-up with banking channels.
- Focus on CAT III long only close ended AIF with AUM of Rs 46 bn (Rs 32 bn AUM + Rs 14 bn commitment).
- Favourable response to alternate offerings under AIF strategy, garnered Rs 22 bn in 9MFY22. Expect continued strong flows in AIF strategies.
- Moreover, exit of some of the AIF strategies with strong returns will enhance investor confidence and also accumulate gain from share of profit from the exits.
- Launched Motilal Oswal MSCI EAFE Top 100 Select Index Fund and Motilal Oswal Nasdaq Q50 ETF during the quarter.
- Received strong traction in Passive offerings, our AUM crossed Rs 100 bn mark. Most of the investments by large family offices are preferring our unique passive and international offerings.

Top Performing Products

Product	Strategy	Inception Date	1 Year Return	1 Year Alpha	S.I. Return	S.I. Alpha
MF – F-30	Mid-Cap	Feb-14	55.8%	7.7%	21.3%	-
MF – ELSS	Tax Saver	Jan-15	32.1%	0.5%	15.4%	2.7%
MF – LMC	Large & Mid-Cap	Oct-19	40.8%	3.8%	27.0%	-
PMS-NTDOP	Multi-Cap	Dec-07	33.6%	2.0%	16.5%	5.0%
PMS-Value	Large-Cap	Mar-03	23.8%	-	20.1%	2.5%
PMS-FMS	Mid-Cap	Dec-19	52.6%	-	39.4%	7.6%

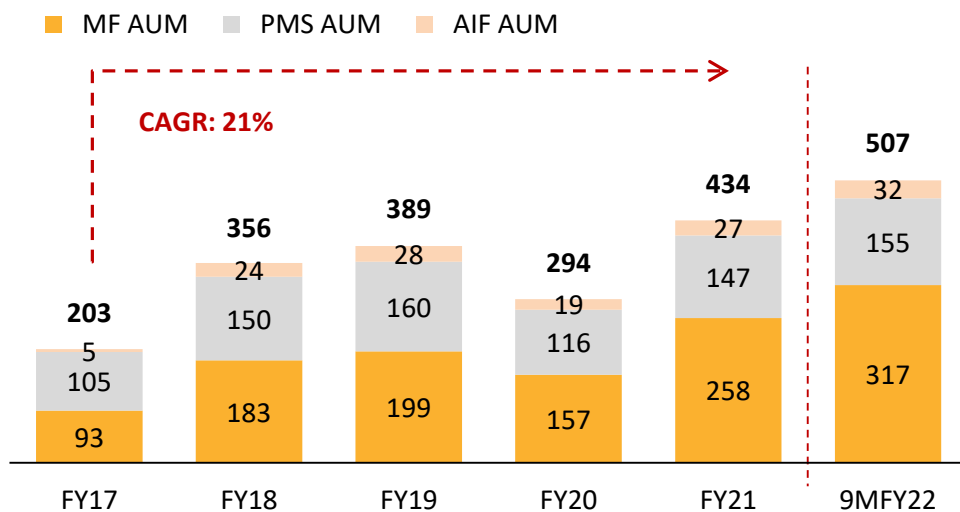
* Read above MF (direct) performances with their corresponding Disclaimers in the funds' Fact Sheets, which are available in www.motilaloswalmf.com.

Passive Product Launches

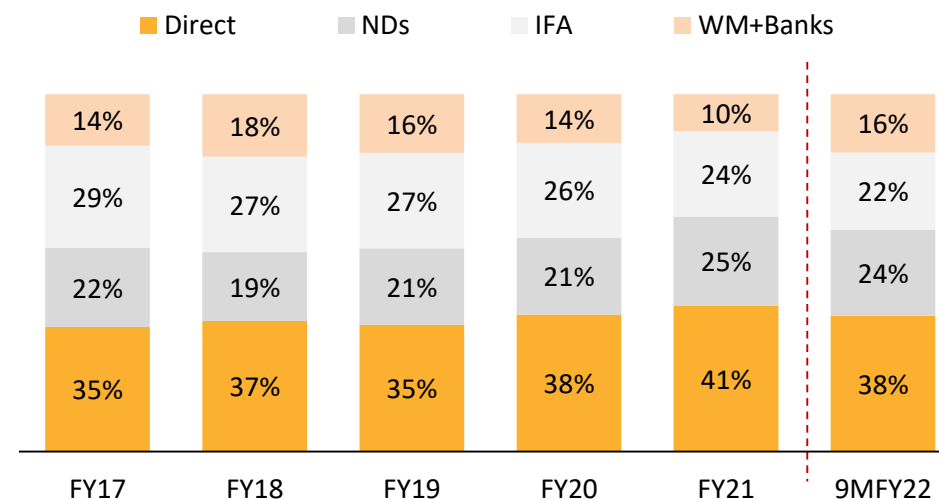


Asset Management – Potential levers to scale business

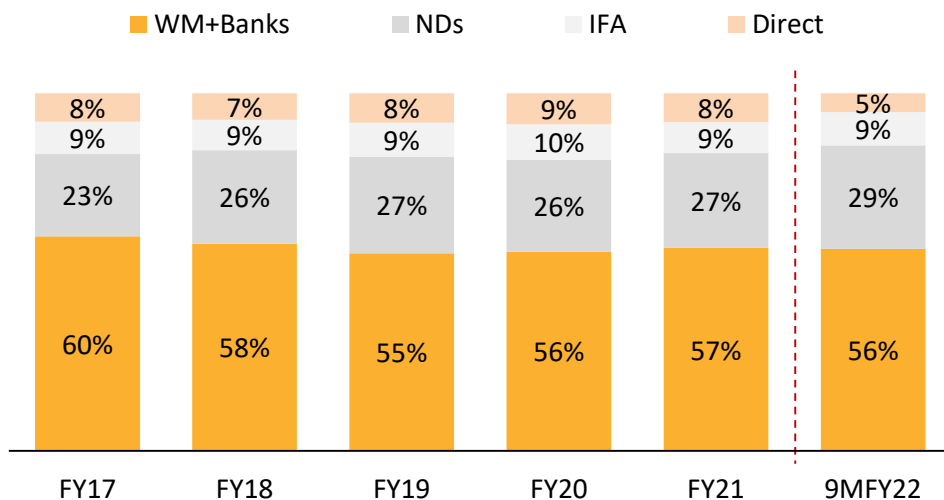
MOAMC AUM breakup and growth trend (Rs bn)



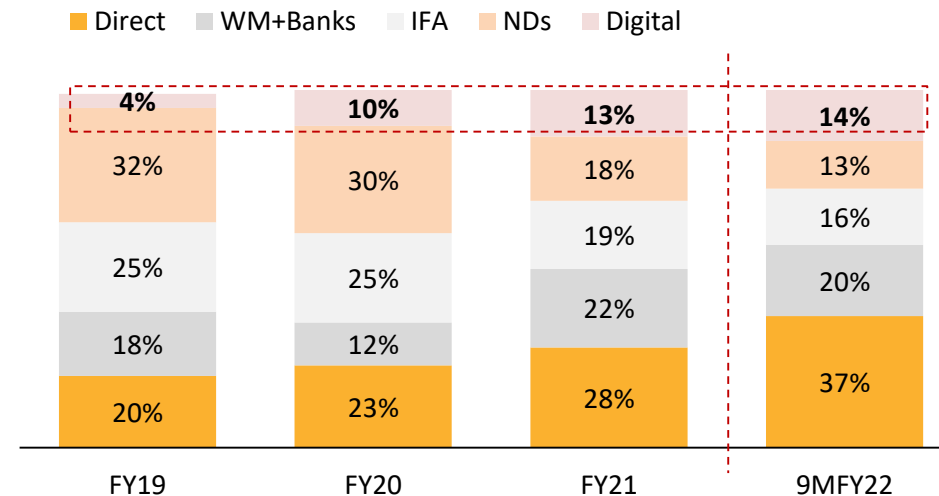
MOMF AUM mix



MO Alternates AUM mix

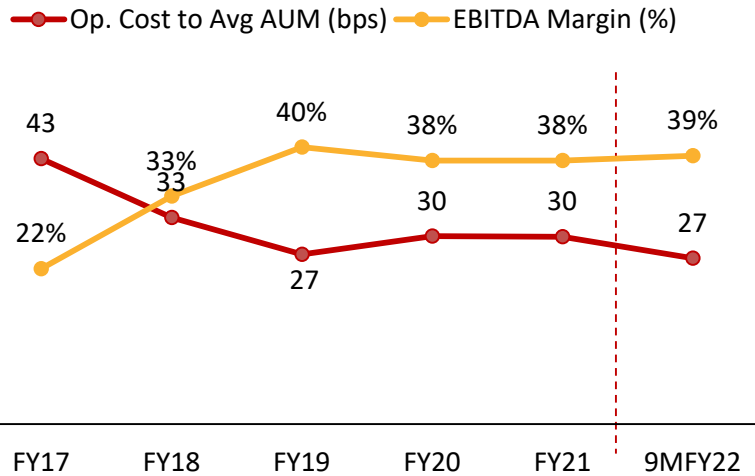


MO MF GS mix

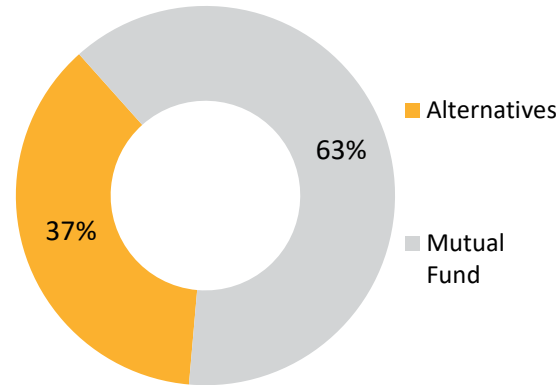


Asset Management – Potential levers to scale profitability

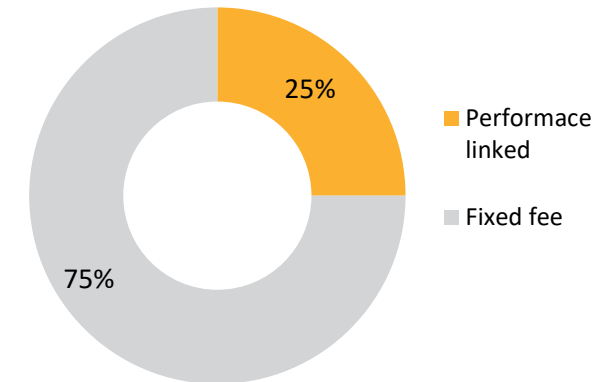
AMC EBITDA Margin and Opex to AAUM trend



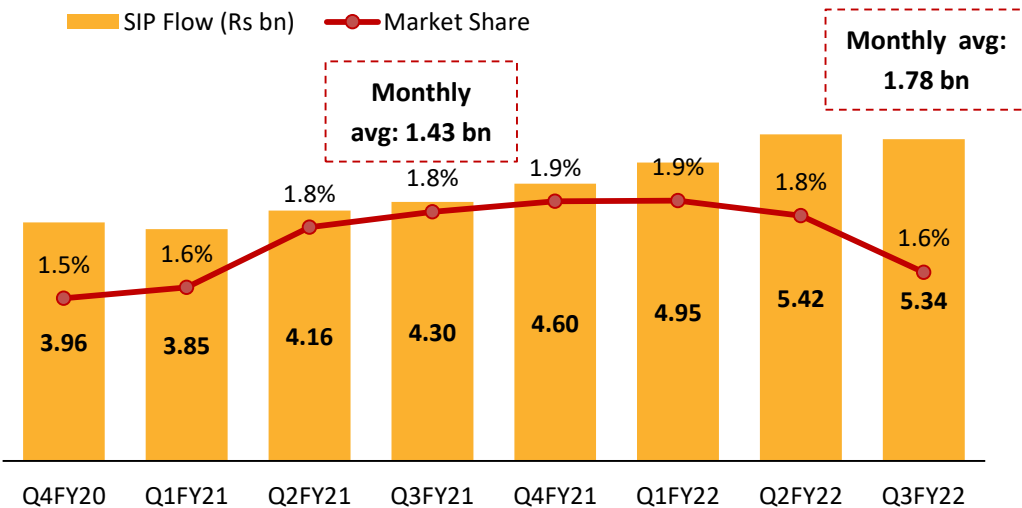
Alternatives share in AUM



Performance linked AUM share in alternatives

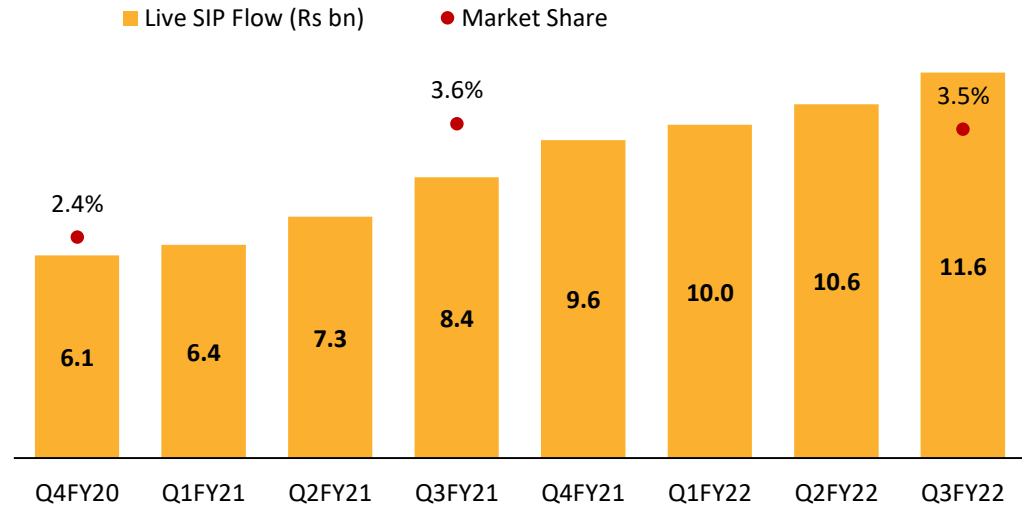


MOMF SIP flows (Rs bn)



Note :SIP Flows amount are on realized basis

MOMF Live SIP Flows (Rs bn)



Note : Live SIP Flows amount includes unrealized flows.

Fee earning PE & RE
AUM stands at Rs 83 bn

IBEF IV achieved its 1st
close at Rs 27 bn

IREF V raised Rs 10.9 bn
till date

Strong performance of
IREF II & III funds with
+21% IRR

Particulars (Rs mn)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	9MFY22	9MFY21	YoY (%)
Total Revenues	323	266	21%	278	16%	837	754	11%
Operating Cost	185	156	18%	174	6%	507	459	11%
EBITDA	138	110	25%	103	34%	330	295	12%
PBT	137	108	28%	103	34%	328	289	13%
PAT	100	69	46%	37	173%	199	190	5%
PAT incl. profit share	100	69	46%	864	-	1,026	190	-

- PE Revenue and PAT excludes Rs 1,233 mn and Rs 828 mn respectively of profit on exit of investments in Q2FY22.
- IBEF IV fund, with a target size of Rs 45 bn, has achieved its 1st close at Rs 27 bn. We have received strong response for this fund and closure of this fund will be sooner than expected. The full impact on the fee based revenue will be visible in FY23.
- Most of our investments across PE & RE products will start maturing in next 24-36 months which will result in high profits from exit of investments on consistent basis.

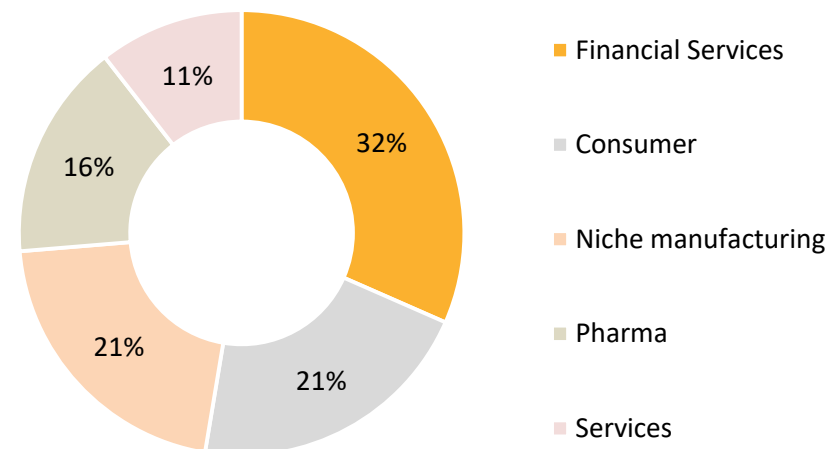
Growth PE Funds

- MOPE Funds stand out with stellar performance. Fund I has exited all its 13 investments and delivered a portfolio IRR of 26.8%.
- Fund II was deployed across 11 investments after raising commitments from marquee institutions; portfolio exits have commenced with 1 divestment completed and the balance lined up over next few quarters.
- Fund III was raised in 2018 with a corpus of ~Rs 23 bn of which it has already committed 89% across 9 investments; the Fund is extensively evaluating opportunities for deploying the balance amount.
- Launched Fund IV with an estimated corpus of ~Rs 45 bn.

MOPE Funds Performance

No. of Investments	32
Investments Fully Exited	14
Drawdown	Rs 23.7 bn
Amount Invested	Rs 21.2 bn
Current Value of Investments	Rs 49.5 bn
Average IRR of Fully Exited Investments (IBEF 1st Fund)	26%+

MOPE Funds- Sector Allocation



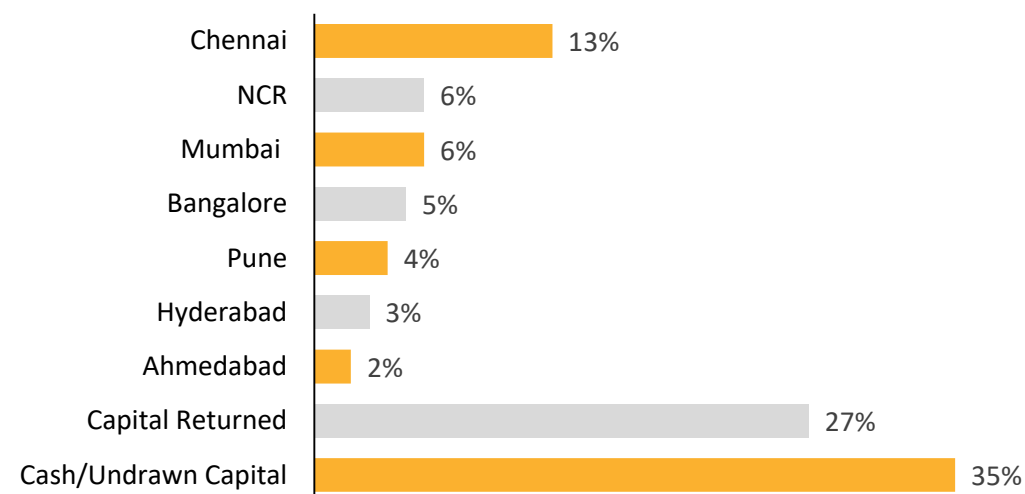
Real Estate Funds

- IREF II is fully deployed across 14 investments. The Fund has secured 10 complete exits and 1 structured exit and has returned money equalling 134.8% of the Fund Corpus back to the investors. Average IRR on exited investments is 21.3%
- IREF III has deployed Rs 14.2 bn including reinvestments across 26 investments. The Fund has secured 10 full exits and has returned money equalling 71.9% of the investible funds back to its investors. Average IRR on exited investments is 22.5%.
- IREF IV, with a size of Rs.11.48 bn has deployed Rs 10.4 bn across 20 investments. It has secured 5 full exits and has returned money equalling 16.4% of the investible funds back to its investors. Average IRR on exited investments is 20.3%.
- IREF V with a target size of Rs 15 bn has raised Rs 10.9 bn. The Fund has deployed Rs 1.8 bn across 5 investments till date.

MORE Funds Performance

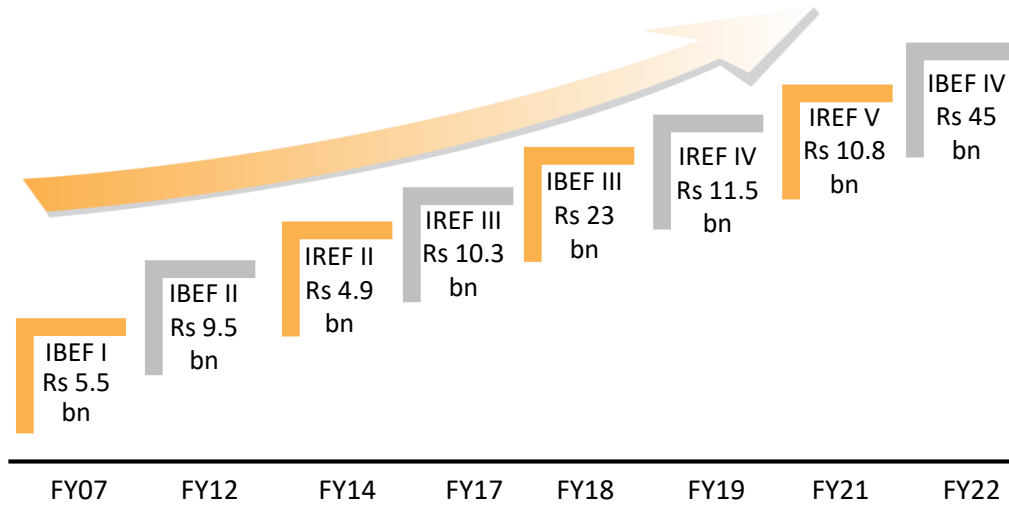
No. of Investments	74
Investments Fully Exited	38
Amount Invested	Rs 35.4 bn
Total Receipts	Rs 32.8 bn
Amount Distributed	Rs 21.6 bn
Average IRR of Fully Exited Investments (Fund II, III & IV)	21%+

MORE Funds- City Allocation

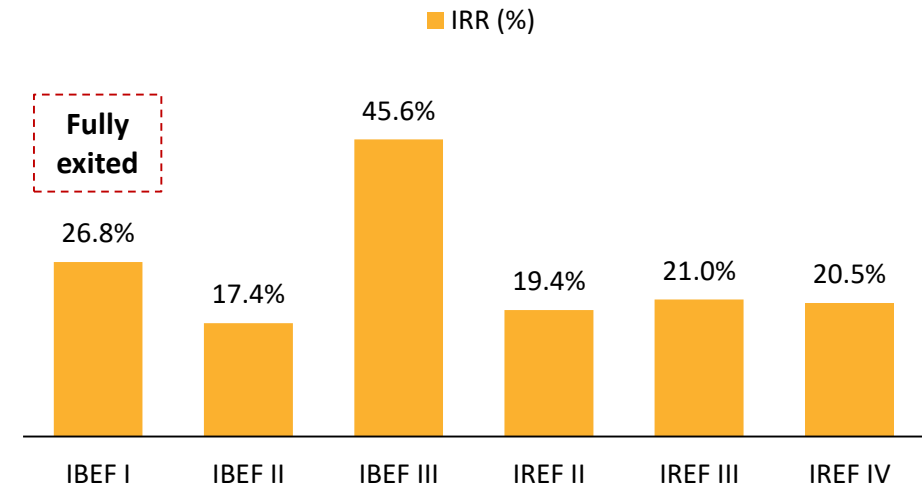


PE & RE– Exits from 7 funds provides strong visibility over next decade

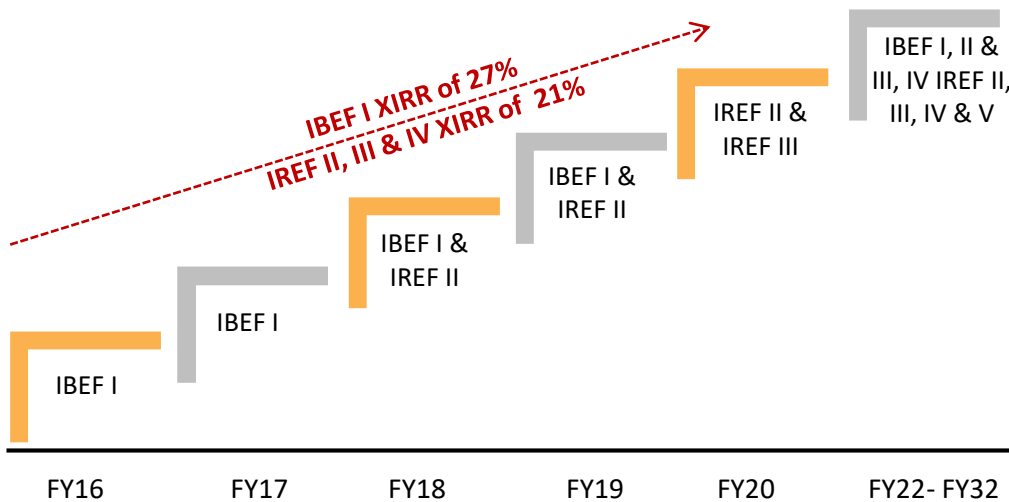
Launch period of PE & RE Funds



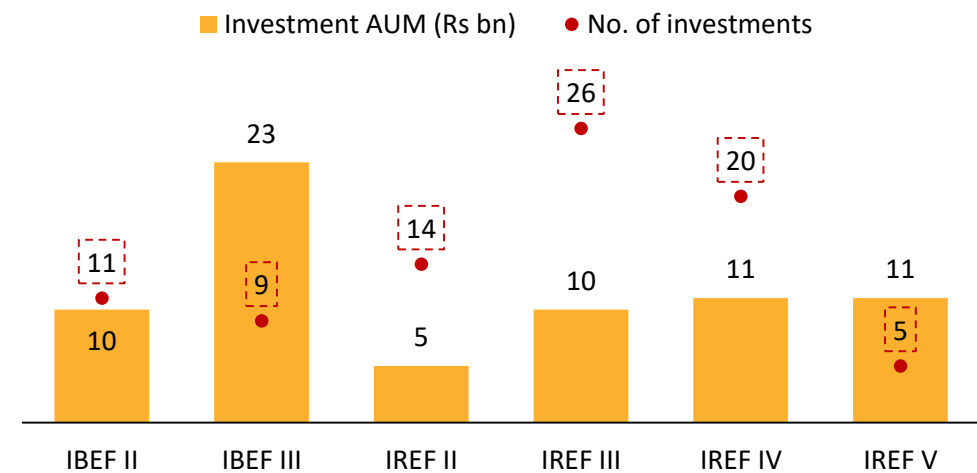
PE & RE Fund Level IRR



Exit period of PE & RE Funds



PE & RE Active Investments



WEALTH MANAGEMENT- Aiming high

**Wealth AUM
at an all-time high at Rs
342 bn, up 51% YoY**

**Strong traction in Net
Sales at Rs 49 bn in
9MFY22, +170% YoY**

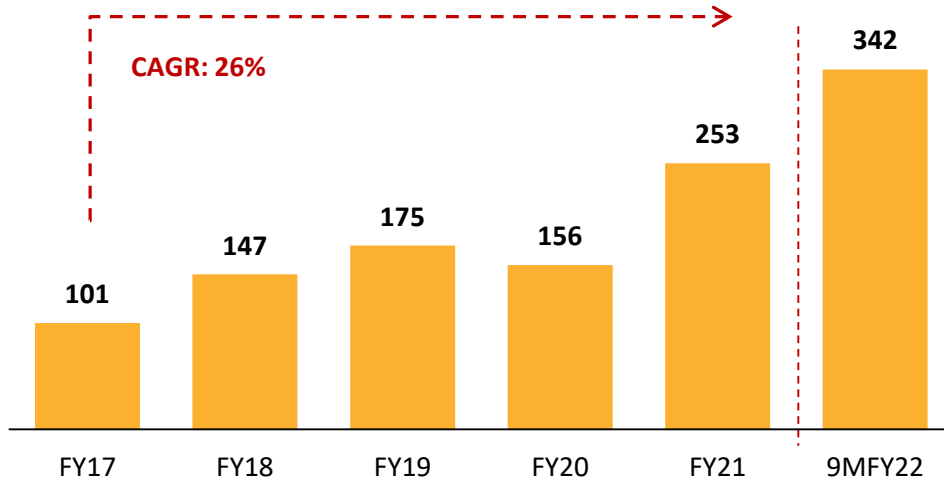
**Trail income covers 88%
of expenses; will help
in protecting margin in
downturn**

Total families ~4,600

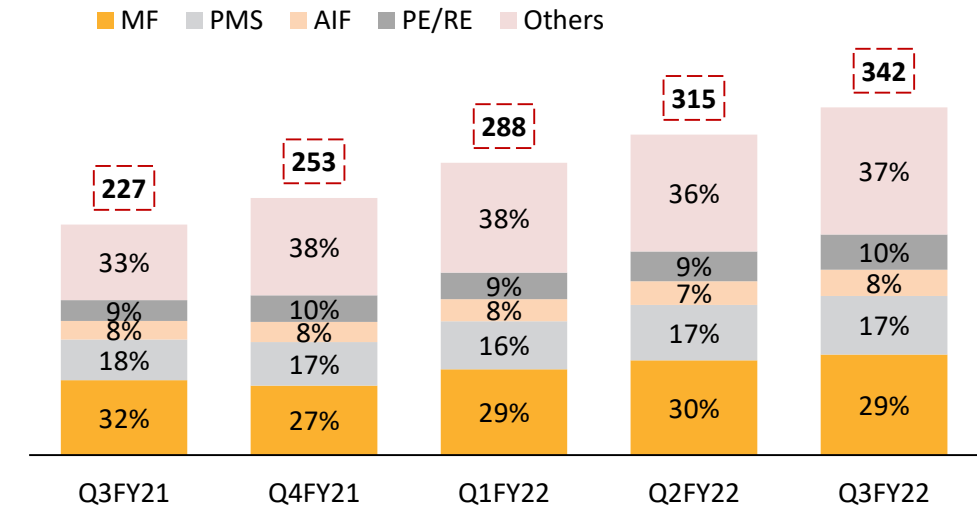
Particulars (Rs mn)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	9MFY22	9MFY21	YoY (%)
AUM (bn)	342	227	51%	315	9%	342	227	51%
Revenues	593	330	80%	476	24%	1,465	900	63%
Operating Cost	290	224	29%	268	8%	783	677	16%
EBITDA	303	106	185%	208	46%	682	224	205%
<i>EBITDA Margin</i>	<i>51%</i>	<i>32%</i>	-	<i>44%</i>	-	<i>47%</i>	<i>25%</i>	-
PBT	299	103	190%	204	46%	666	215	210%
PAT	223	78	186%	154	45%	494	160	209%

- Wealth business demonstrated strong growth in revenue and profitability led by significant traction in net sales and average AUM.
- Net Sales in Q3FY22 at Rs 18.4 bn, +296% YoY and Rs 49 bn in 9MFY22, +170% YoY.
- Strong operating leverage is visible led by improvement in RM productivity. We continue to invest in this business by adding RMs.
- RM Vintage (3+ years) have improved to 48% in Q3FY22 from 46% in Q3FY21.
- Trail based revenue model since inception has helped us to cover our fixed costs despite higher investment in RMs in the recent past.
- Yield stood at 73 bps. Equity mix of ~62% in total AUM in Q3FY22.
- Launched several new products during the quarter across various asset classes. New portfolio managers are getting on-boarded with differential offerings.

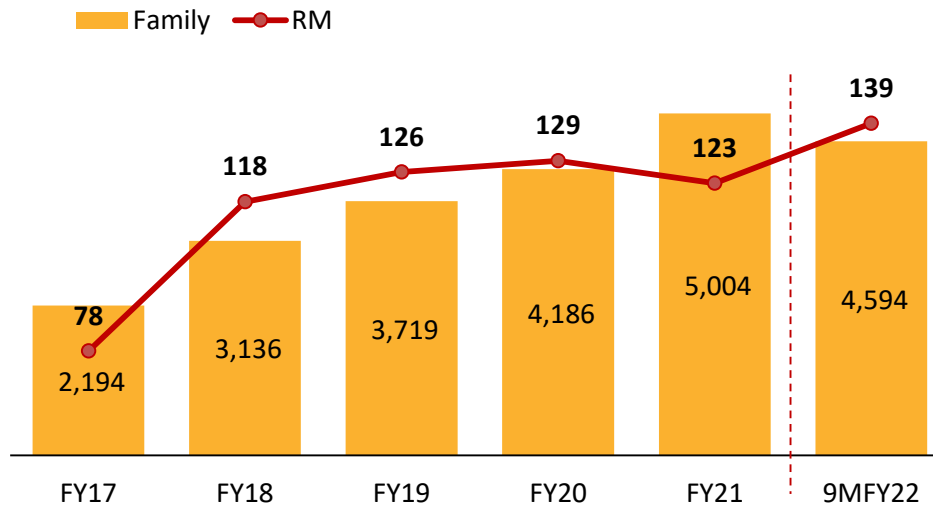
Wealth AUM (Rs bn)



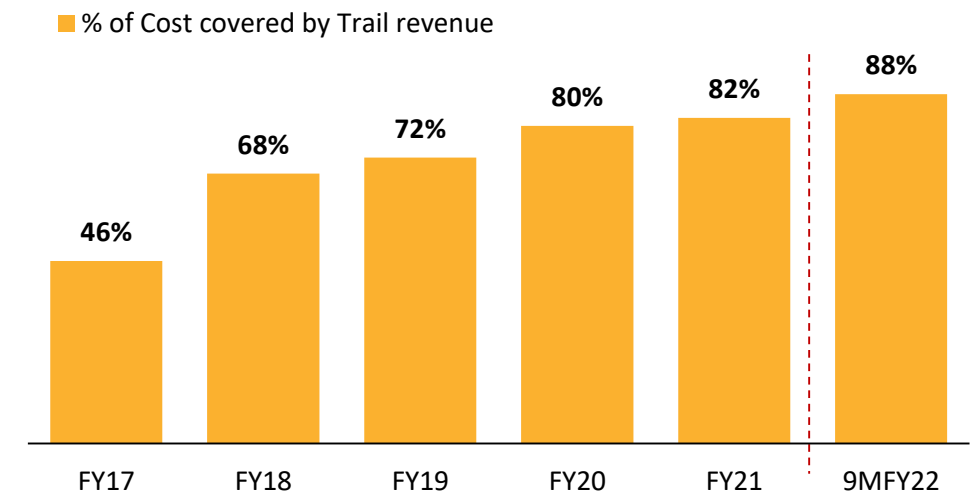
AUM Breakup (Rs bn)



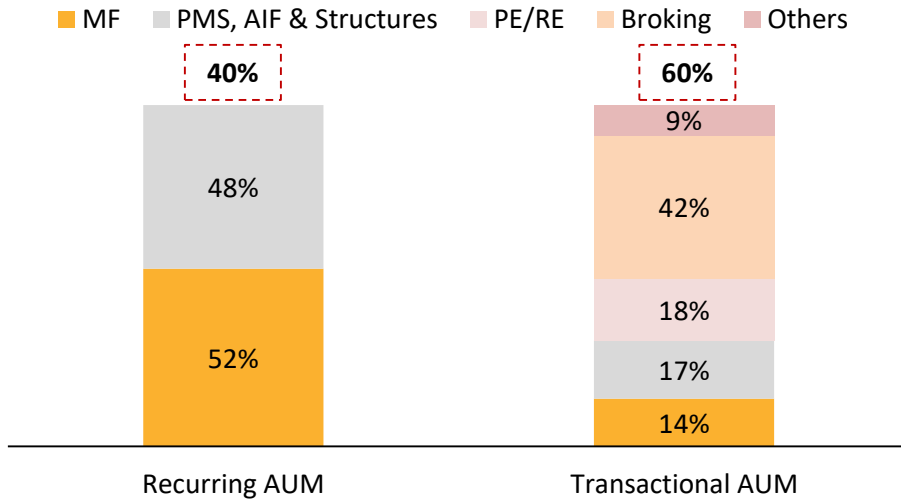
Wealth UHNI Family Clients and Sales RM



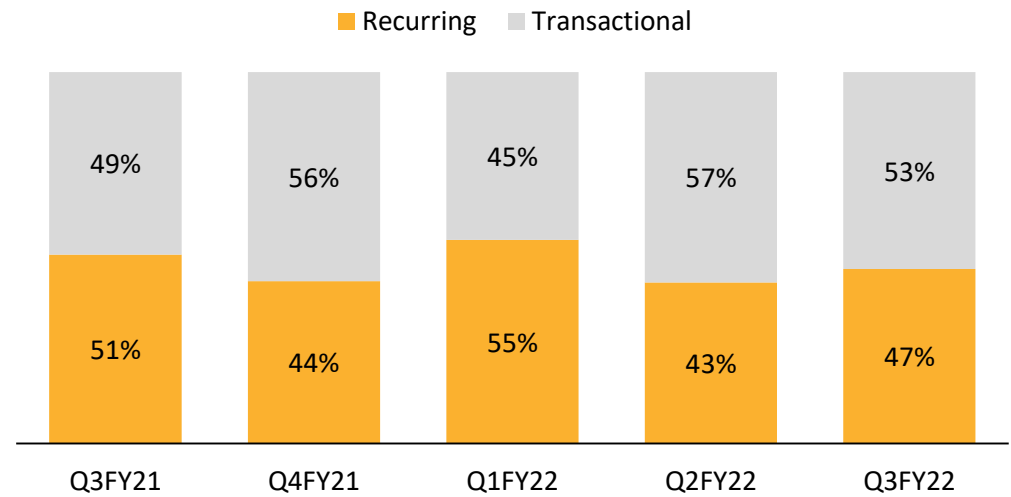
Trail income will protect margin in downturn



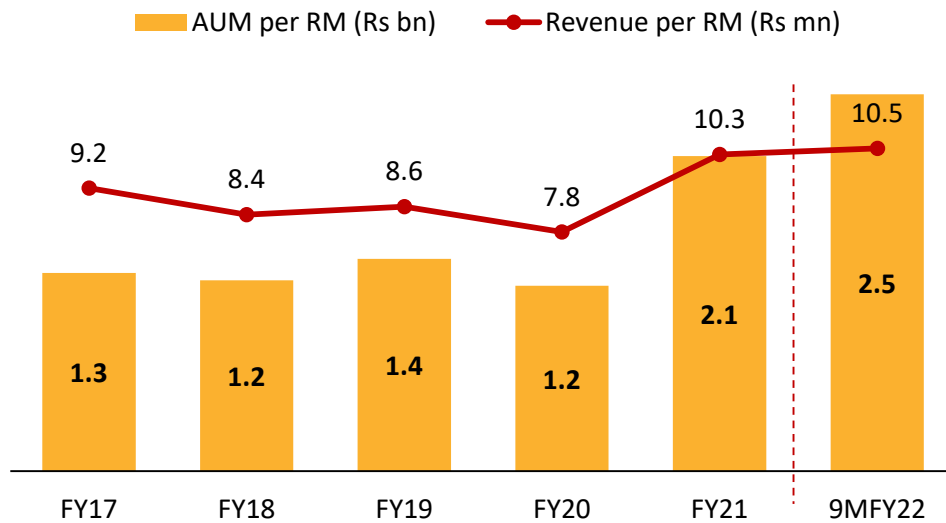
AUM Mix- Q3FY22



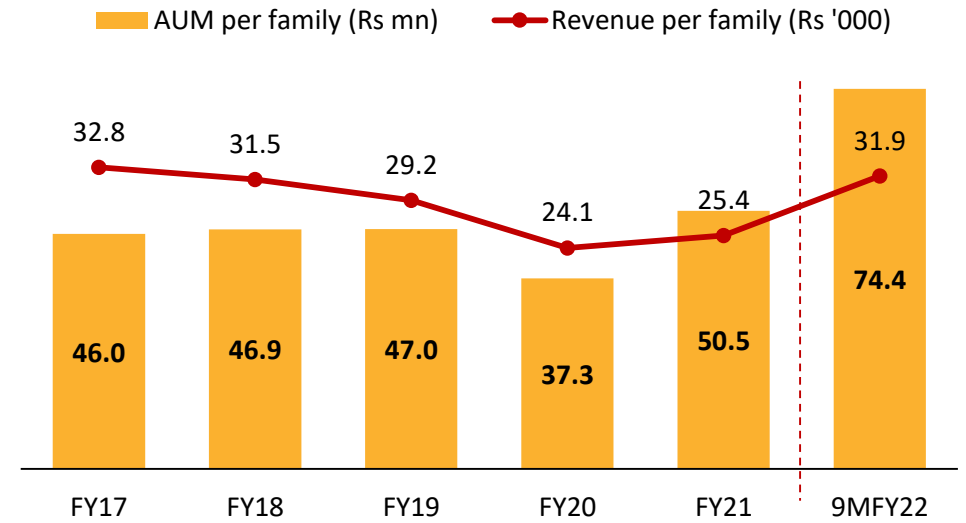
Revenue Mix



RM Productivity



AUM and Revenue per Family Trend



Mr. P H Ravikumar joins MOHFL board (ex- Vastu HFC, Utkarsh SFB, ICICI Bank, BOI, BFIL)

Logins & disbursements have seen strong uptick in Q3FY22

Incremental COF @7.06% in 9MFY22 led by long term diversified liabilities

Diversification play at both geography and products side

Expanding sales force and connectors onboarding/engagement/activation

Particulars (Rs mn)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	9MFY22	9MFY21	YoY (%)
Net Interest Income (NII)	695	629	10%	694	-	2,004	1,755	14%
Total Income	741	655	13%	733	1%	2,208	1,795	23%
Operating Cost	265	215	23%	253	4%	768	628	22%
- Employee Cost	191	151	26%	178	7%	549	428	28%
- Other Cost	74	64	15%	76	-2%	220	199	10%
Operating Profit (Pre-Prov.)	476	439	8%	479	-	1,439	1,168	23%
Provisioning	215	286	-25%	202	6%	789	606	30%
PBT	261	154	70%	277	-6%	651	561	16%
PAT	188	47	301%	201	-6%	473	214	121%

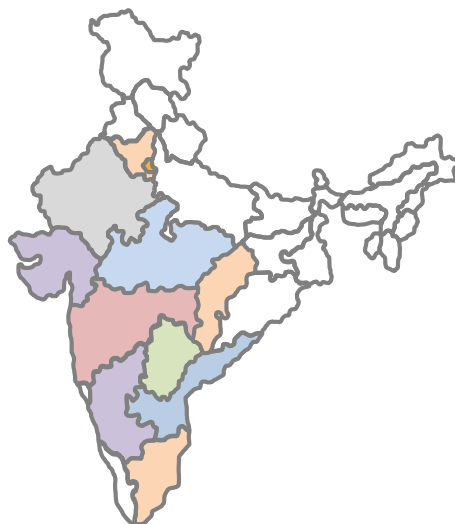
- Disbursements in Q3FY22 stood at Rs 1.9 bn, +19% QoQ. Business is geared up for stronger growth in disbursements in Q4FY22.
- Yield on Advances stood at 14% in Q3FY22 while Cost of Funds was down by 85 bps YoY to 8.1%, resulting in expansion in Spread by 65 bps YoY to 5.9%.
- NII grew by 10% YoY in Q3FY22 led by robust disbursement and improvement in cost of funds. NIM expanded to 7.6% in Q3FY22 mainly on account of lower cost of funds.
- Provisions were higher in Q3FY22 due to new NPA recognition norms by RBI which led to rise in GNPA by 120 bps QoQ to 3.4%. Excluding this new norm, GNPA would have been 1.3%. Our collection efficiency in December has reached to ~100%.
- MOHFL carries liquidity on balance sheet of Rs 2.3 bn representing 9% of its borrowing. Undrawn sanction of Rs 8.1 bn as of Dec-21. Net gearing stood at 2.4x, Tier 1 CRAR remained robust at 47%.
- We have added 200 people in sales in 9MFY22 and plan to strengthen further in coming quarters. This expansion in sales force coupled with improvement in their productivity would result in strong disbursement growth in coming quarters.

ECL Provisioning Details

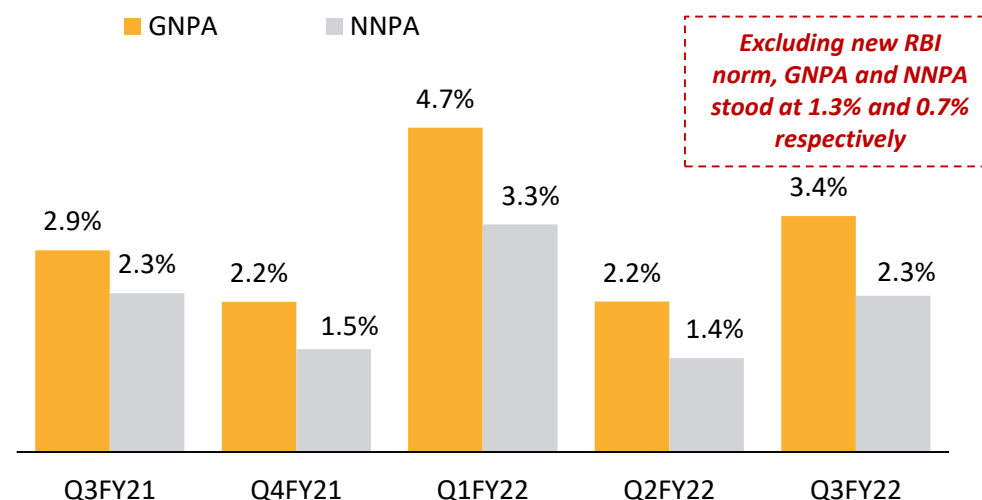
Particulars (Rs mn)	9MFY22
Stage 1 & 2	33,422
% portfolio in stage 1 & 2	96.57%
Stage 3	1,188
% portfolio in Stage 3	3.43%
ECL Provision % Stage 1 & 2	1.63%
Total Assets	34,610
ECL Provision	945
ECL Provision %	2.73%
Coverage Ratio % (incl. Std. and Covid provisioning)	80%

MOHFL's geographic reach - Presence across 103 locations in 11 states/UTs

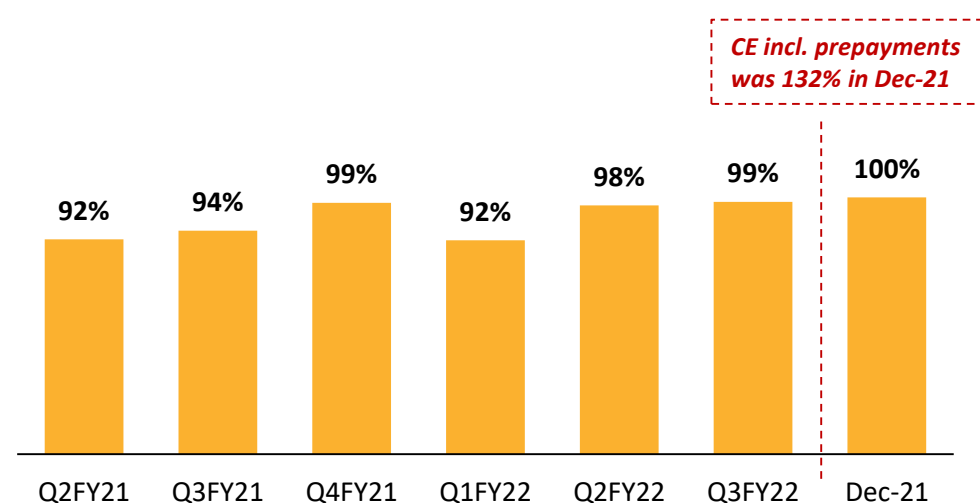
State	Nos. of Branches
Maharashtra	32
Gujarat	15
Tamil Nadu	14
Rajasthan	10
Karnataka	9
Madhya Pradesh	9
Andhra Pradesh	5
Haryana	3
Chhattisgarh	2
Telangana	2
Delhi	2



MOHFL's GNPA and NNPA Trend



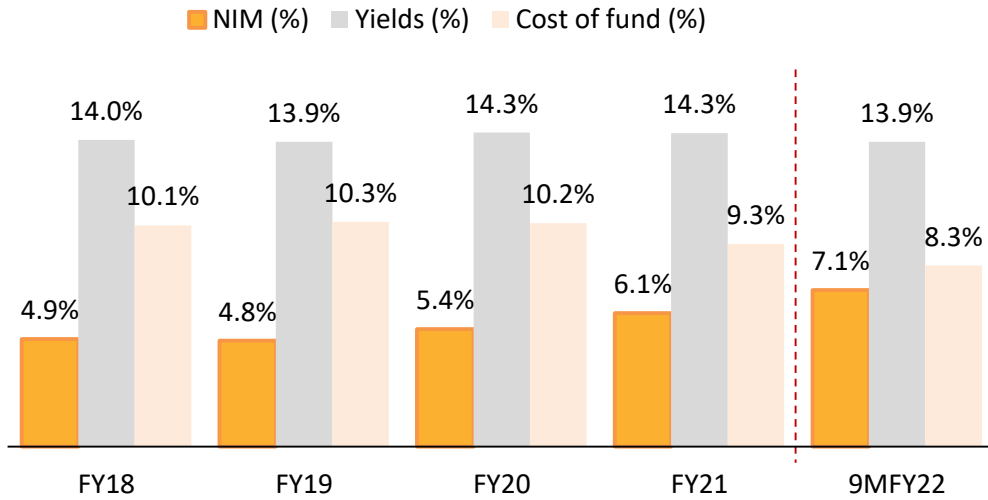
Collection efficiency trend



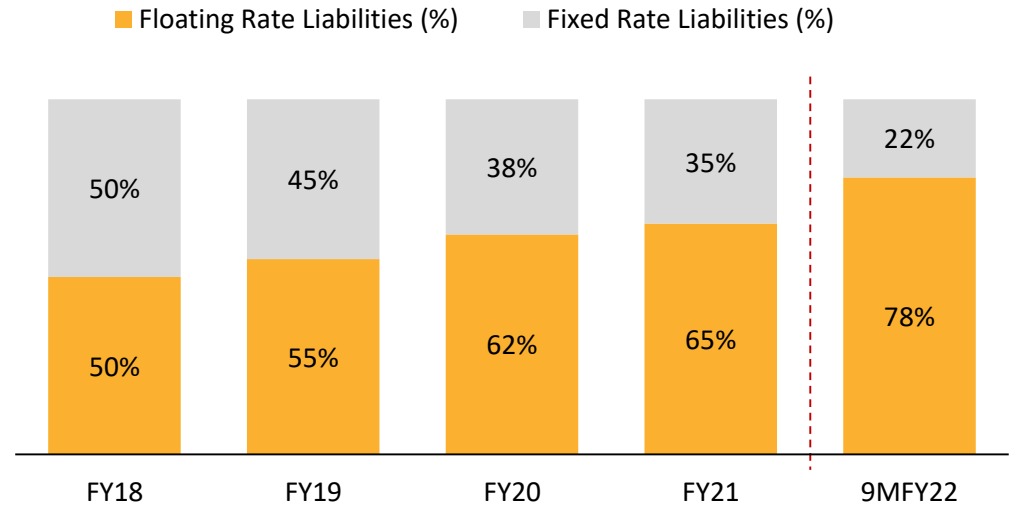
Collection efficiency (CE) = Total EMI Collected / 1 EMI Due. CE is excl. prepayments.

Home Finance – Strong liability management

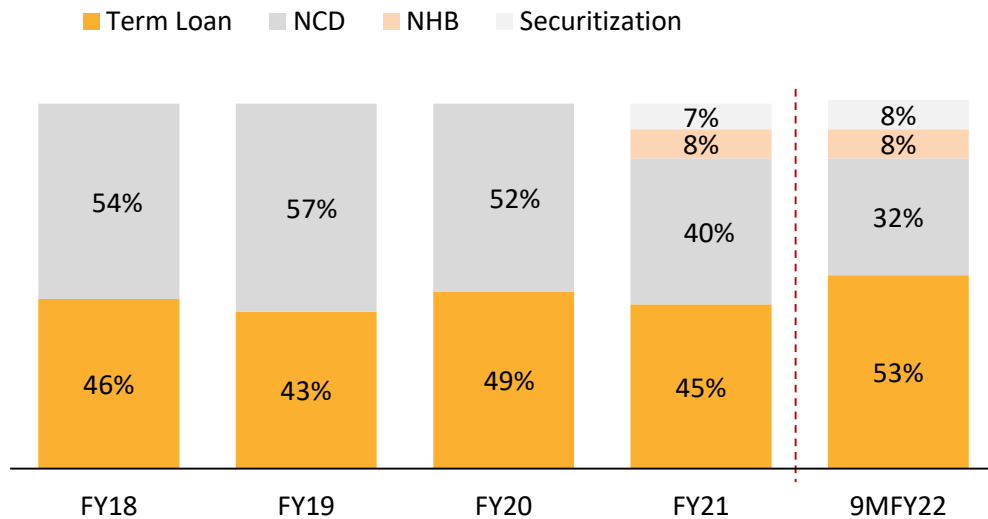
NIM expansion led by traction in CoF



Liability mix based on rates (%)

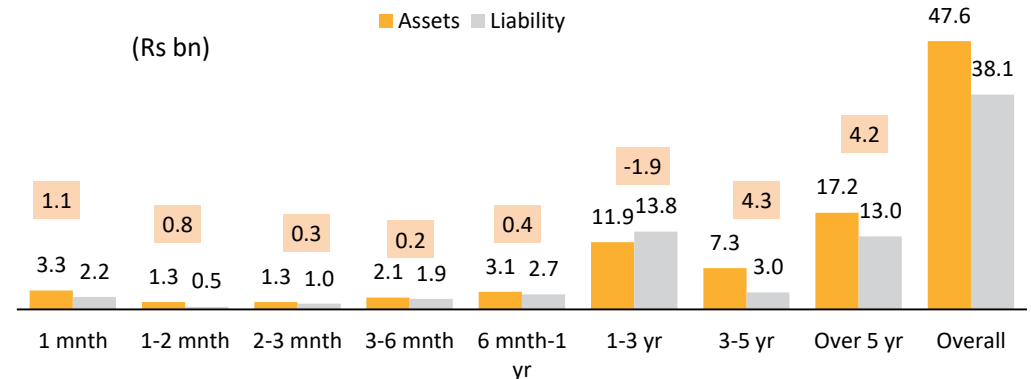


Diversified liability mix

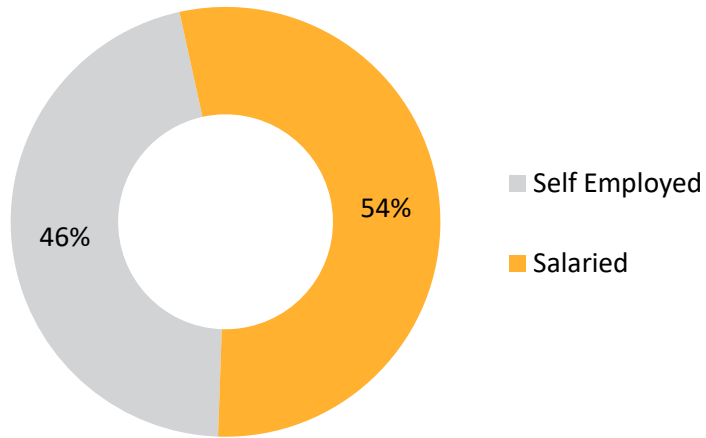


Positive ALM for 1 year

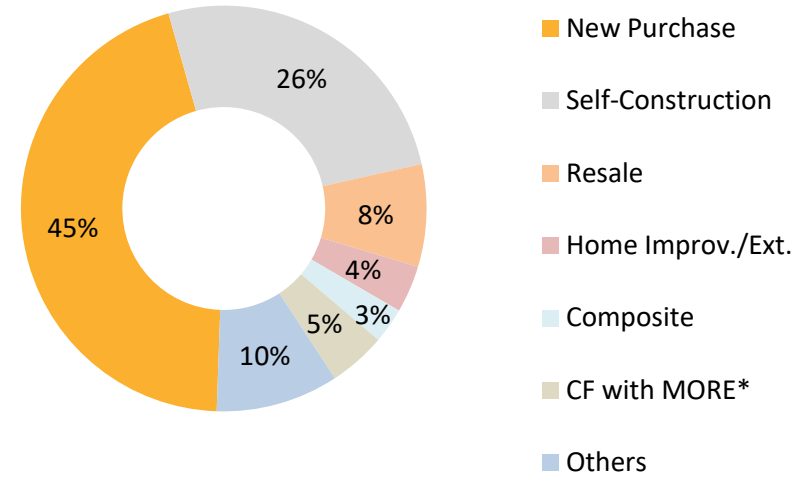
Strong liquidity on balance sheet with undrawn sanction of Rs 8.1 bn & cash of Rs 2.3 bn.



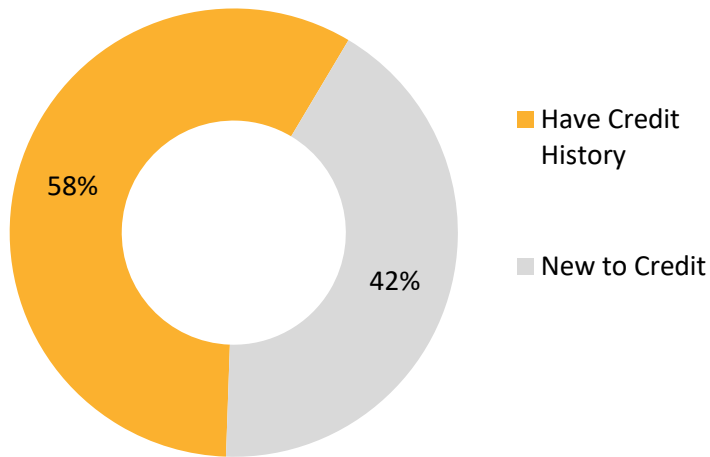
Customer Mix



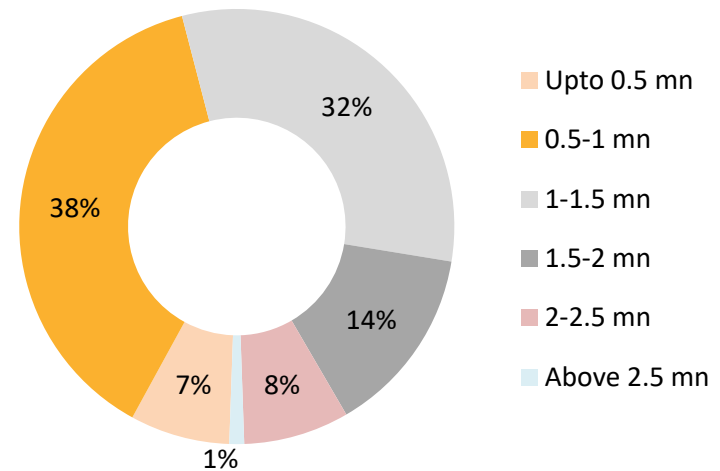
Product Mix



AUM by Credit History



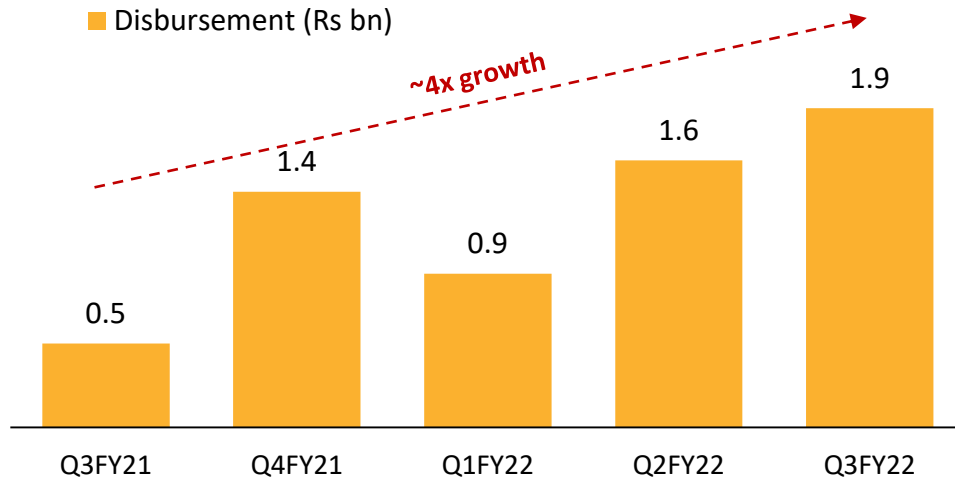
AUM by Ticket Size



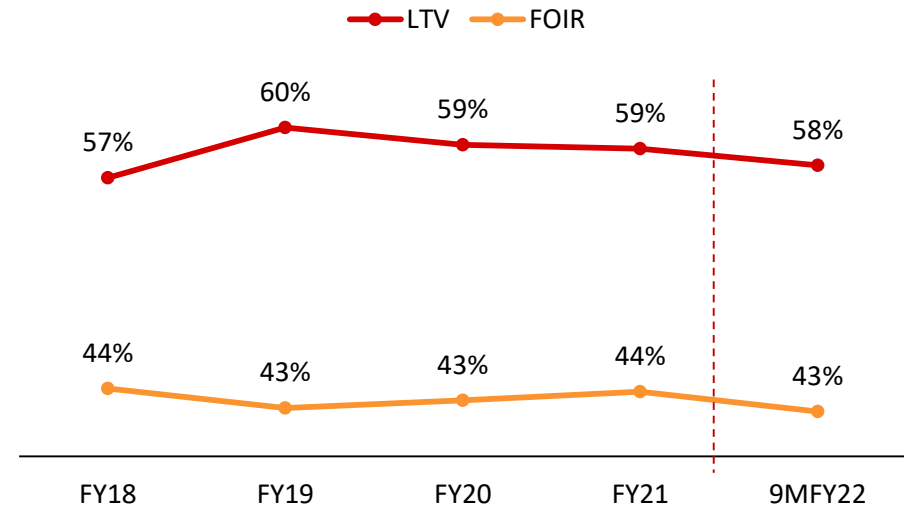
*Motilal Oswal Real Estate (MORE); joint lending to CAT A builders with MORE

Home Finance- Disbursement Trend

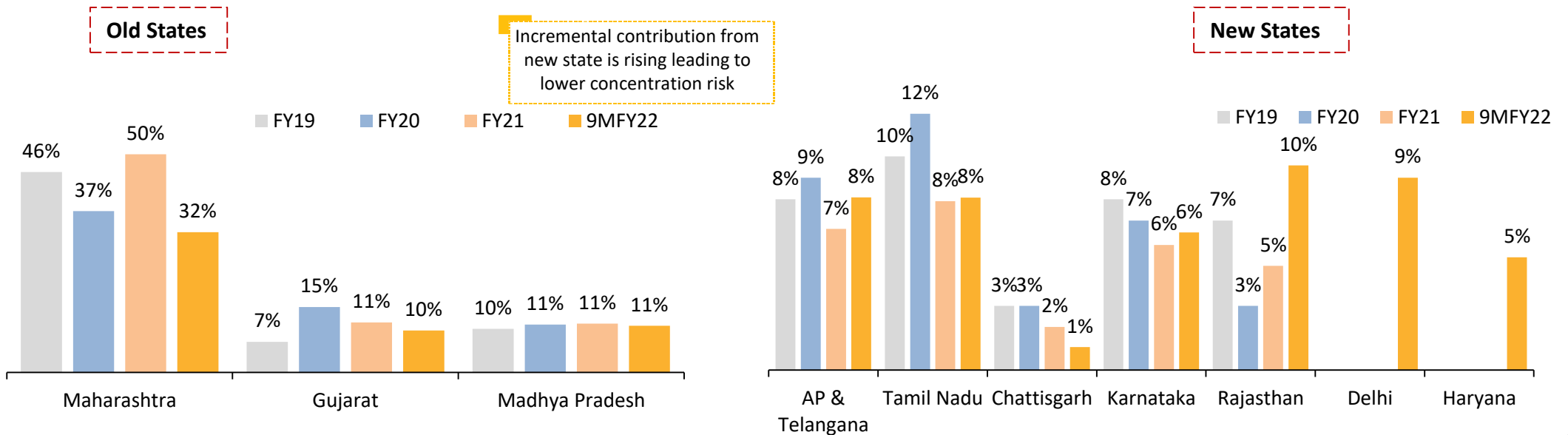
Disbursement Trend



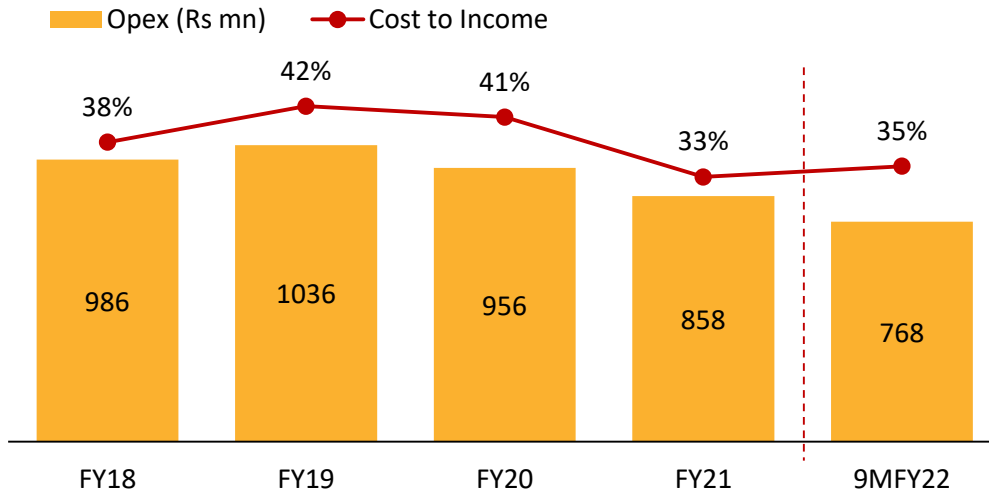
Conservative LTV and FOIR



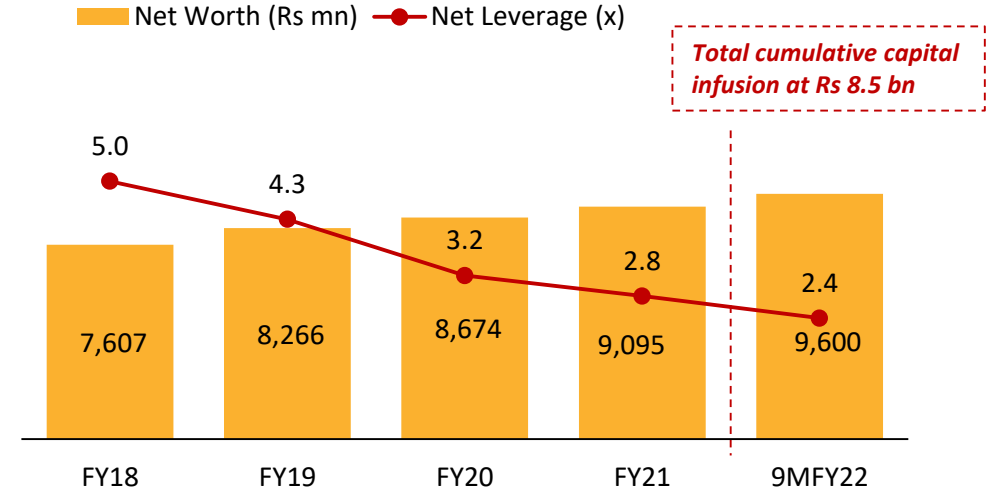
State Wise Disbursement – Rising new state contribution



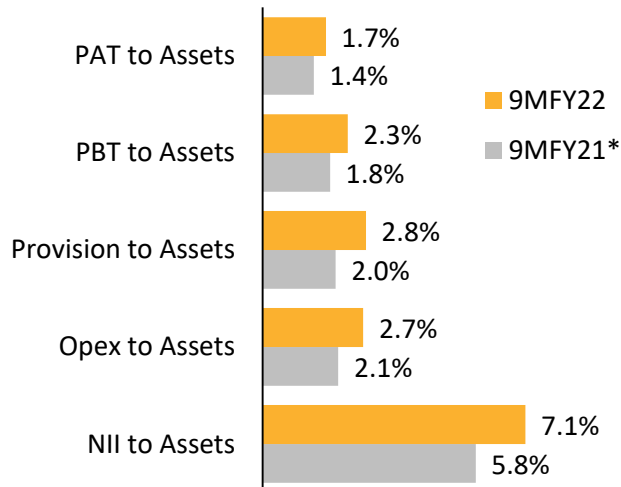
Opex and Cost to Income Trend



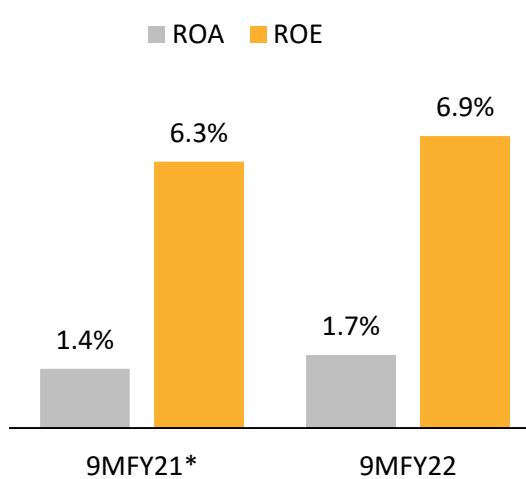
Net Worth (in mn) and Net D/E



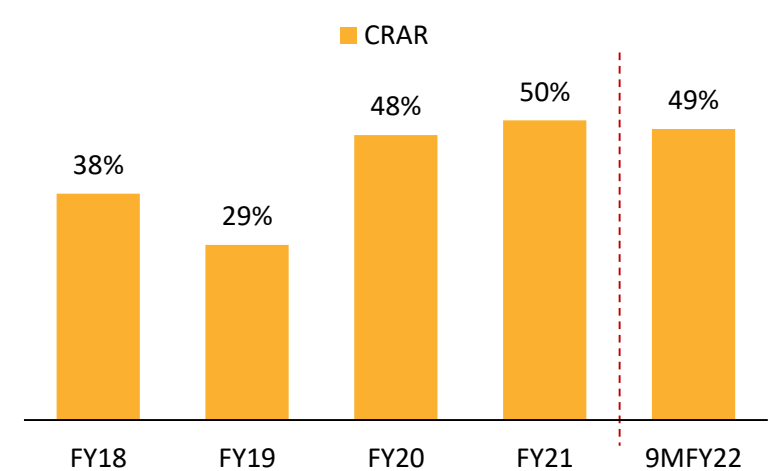
ROA Tree



ROA and ROE Trend



Capital adequacy ratio Trend



*ROA and ROE are after excluding the impact of adoption to new tax regime in FY20.

Informal Self Employed



Age 47//Location- Bengaluru

- Runs his own loading auto and another passenger auto on rental basis.
- He is in this business since last 25 years and earns ~Rs 35k
- Due to his income profile he was finding it difficult to get a loan from others, thus he approached us through our channels
- Loan of Rs 9 lakh provided at 14.25% with FOIR <40% and LTV <30%

Informal Self Employed



Age 28//Location- Ahmedabad

- Runs own fast food cart since last 6 years, earns ~ Rs 30k p.m.
- Wife and brother helps him in the business
- Income assessment done basis stock and purchase records with daily average sales being assessed
- Loan of Rs 10 lakhs provided for purchase of his own house with LTV <40% and EMI of Rs 13,887

Formal Self Employed



Age 43//Location- Jaipur

- Owner of a dhaba in Jaipur; started this business 10 years back
- Income from business is ~ Rs 65k p.m.
- Additionally son runs another Dhaba in Jaipur
- Due to the nature of his business, he found it tough to get loan from large FIs.
- He approached MOHF and we sanctioned him a loan Rs 25 lakh with LTV <64%

Salaried



Age 50//Location- Faridabad

- Cash salaried employee, works as a machine operator in a workshop for last 5 years
- Salary of Rs 19k p.m.
- Total family income is Rs 50k p.m.
- It was difficult for him to avail a loan to purchase his first home from other FIs due to his income profile
- Loan sanctioned of Rs 9.5 lakhs at 13.5% RoI

Mobility



- MO Parivaar App for all stakeholders
- 360 Degree view of customer for employees
- Download various certificate, statements and receipts
- Online EMI, PEMI & Part payment facility
- Online E-KYC
- Employee Training Application

Digital Marketing



- Chat Bot and E-mail BOT solution for customer query handling
- Whatsapp solutions is In-process
- Digital promotion on major online media platform
- 14,000 + digital leads generated
- Social Media presence on Instagram, Facebook, Twitter, YouTube, LinkedIn



- 80% of channel partners are on-boarding with MO Partner Application
- Real-Time empanelment of MOF and MOP
- Real-Time lead sharing capability
- Real-Time lead Status

Channel Partners (MOF & MOP)



Infrastructure

- E-Ticket system for customer query handling
- API Integration (CIRIF & Hunter)
- Digital documentation management
- Individual tracking platform for various loan processes
- Digital payment solutions



FUND BASED INVESTMENTS

Total equity investment including alternate funds was Rs 37.6 bn as of 9MFY22.

Total quoted equity investment was Rs 26.9 bn as of 9MFY22.

Total unrealised gain on fund based investments at ~Rs 17 bn

Cumulative XIRR of ~18% on total quoted investments

XIRR of 33% on PE/RE investments

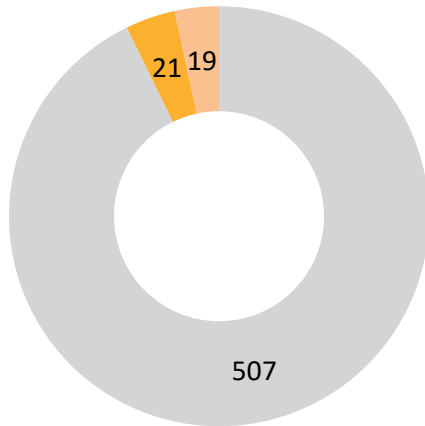
Particulars (Rs mn)	Q3FY22	Q3FY21	YoY (%)	Q2FY22	QoQ (%)	9MFY22	9MFY21	YoY (%)
Revenues	87	2,523	-	3,100	-	4,321	6,043	-28%
-MF/Alternates	145	2,206	-	1,782	-	3,136	4,588	-32%
-PE/RE	-163	216	-	1,341	-	1,037	1,346	-23%
-Others	105	100	5%	-23	-	147	109	36%
PAT	61	2,112	-	2,656	-	3,637	5,143	-29%
Fund Based OCI	-310	897	-	632	-	-56	1,664	-
TCI	-249	3,009	-	3,288	-	3,581	6,807	-47%

- Fund based book includes gains/loss on sponsor commitments cum investments in equity MF, PE funds, Real estate funds, AIF and strategic equity investments.
- Total equity investment including alternate funds was at Rs 37.6 bn as of Dec-21, MTM of these gains are now included in earnings under Ind-AS reporting.
- Cumulative XIRR on total quoted equity investments is ~18% (16% on listed/40% on unlisted), whereas XIRR on PE/RE investments stood at 33%.
- These investments have helped “seed” our new businesses, which are scalable, high-RoE opportunities. They also serve as highly liquid “resources” available for future investments in business, if required.

Fund Based investments – Skin in the game

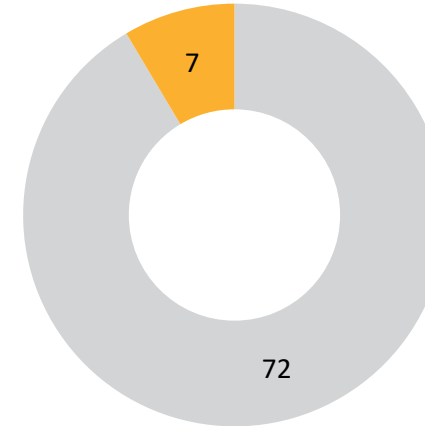
Skin in the game in AMC

■ AMC AUM (Rs bn) ■ Sponsor AUM (Rs bn) ■ Promoter AUM (Rs bn)

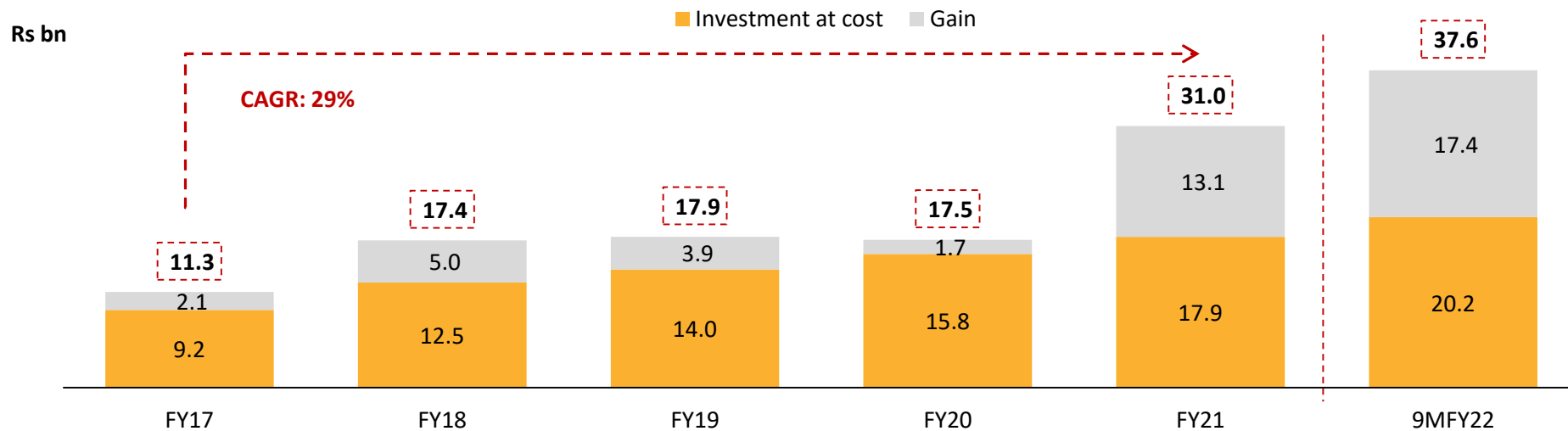


Skin in the game in PE

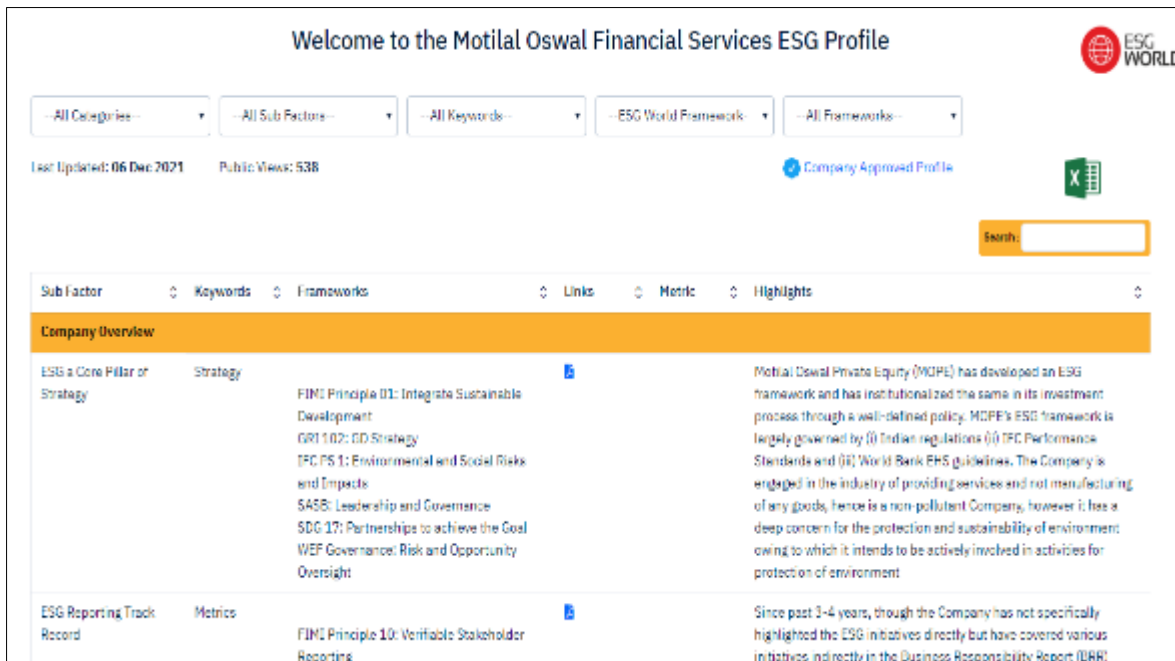
■ Committed investment AUM (Rs bn) ■ Sponsor Commitment in PE (Rs bn)



Strong Growth in investments over the years



- Launched online ESG profile ([link](#)) platform, a public, consolidated, and searchable profile on MOFSL group website, that summarizes the company’s approach towards sustainability.
- Provides insightful and easily accessible information on the impact of group’s activities across the three ESG areas.
- This profile will allow various stakeholders such as clients, shareholders, rating agencies etc. to conveniently review and keep abreast of company’s rapidly evolving ESG practices.
- By pioneering this effort, MOFSL became one of early adopters of a transparent, comprehensive and real time platform to share company-wide ESG commitments.



ESG World Frameworks





ENVIRONMENTAL

- Usage of LED lights which consume 45% less electricity
- Emphasis on increased use of electronic means of communication
- Food wastage awareness drive in head office
- Main office building is equipped with rainwater harvesting system and recycled waste water is reused as flush water and in watering plants
- Around 1000+ trees planted by employees through various volunteer programs
- We ensure that we fund to projects which is on non agriculture land & non forest land and having all **environmental clearance**.
- MOHF follows **International Finance Corporation (IFC)** Performance Standard



SOCIAL

- Physical & emotional wellbeing assistance program
- Medical – Moral – Financial support to Employees & their families combating Covid
- Set standard practices is followed across all branches to ensure safety of employees
- Dedicated Talent Development Program for developing High Potentials, fast-tracking for Hi-Pos
- Company has formed committee **W-I-N-G-S (Women Initiative to Nurture, Grow & Succeed)** to ensure substantial women representation in mid-senior level of the organization
- Offers **home loan at concessional rate to women borrowers**.



GOVERNANCE

- Diverse Board Composition
- **50% Independent Director** in Holding Company and at least 30% in material subsidiary
- Average Board experience > 30 years
- Remuneration policy recommended by Nomination & Remuneration Committee
- Corporate Governance
- Code of Conduct Policy
- Risk Management Policy
- Data privacy policy
- Business Responsibility Reporting
- Policy for prohibition of Insider Trading
- Prevention of sexual harassment at workplace policy & awareness

Awards & Accolades




**Motilal Oswal
Financial Services
Limited once again
recognized as a Great
Place to Work - India
certified
organization.**



**Asia Money Brokers
Poll 2021
No. 1 Local Brokerage
No. 1 Overall Sales,
No. 1 Execution
Team,
No. 1 Corporate
Access Team**



**Motilal Oswal Wins
Best PMS in 10
years performance
across all categories
at India's Smart
Money Manager
Awards - 2021.**



**Motilal Oswal PWM win
"Best Boutique Wealth
Manager – India award
by Asset Triple A three
years in a row**



**Motilal Oswal PWM
win "Best Wealth
Manager - Highly
Commended (India)"
award at The Asset
Triple A Private Capital
Awards 2021.**



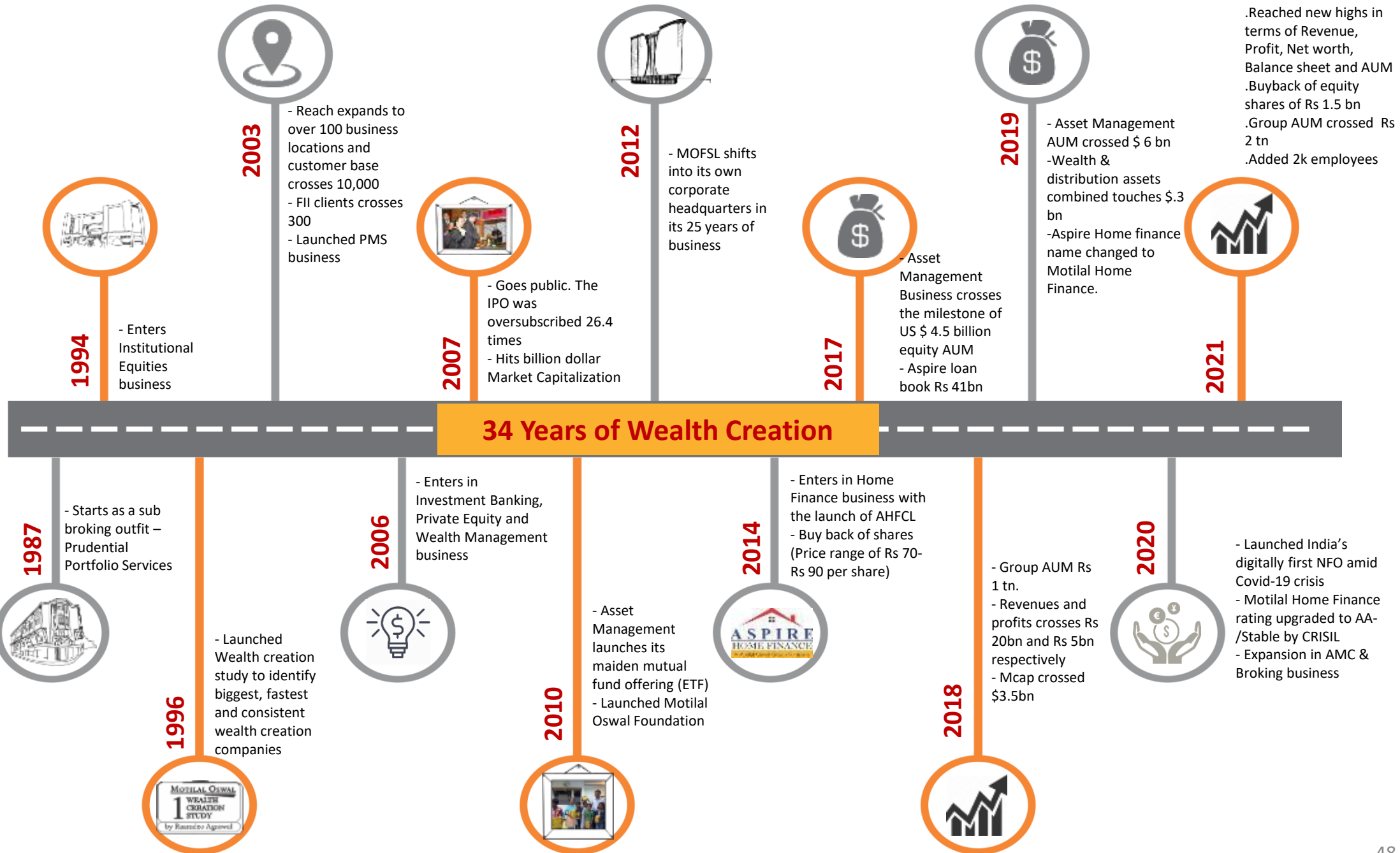
**Motilal Oswal Real
Estate awarded
"Franchise Brand of the
year Award" from
Franchise & Retail
Award 2021.**



**Motilal Oswal
wins Innovation in
cross media marketing
award for Skin in the
game campaign at Asia-
Pacific Stevie Awards.**



**Motilal Oswal
Corporate
Communication team
featured in Reputation
Today's top 30
corporate
communication teams
for 2021.**



Management team



Raamdeo Agrawal, Chairman

A CA by qualification, Mr Agarwal started MOFSL along with Mr Motilal Oswal in 1987. He is Chairman of MOFSL and also the co-founder of MOFSL. A keen believer and practitioner of the QGLP philosophy, his wealth creation insights and decades-rich experience have played a pivotal role in the growth of MOFSL.



Motilal Oswal, MD & CEO

A CA by qualification, Mr. Oswal started MOFSL along with Co-promoter, Mr Raamdeo Agrawal in 1987. He has served on the Boards of the BSE, Indian Merchant's Chamber (IMC), and on various committees of the BSE, NSE, SEBI and CDSL.



Navin Agarwal, MD & CEO – Asset Management

Mr Agarwal is a CA, ICWA, CS and CFA by qualification. He was responsible for the Institutional Broking & Investment Banking business and has been instrumental in building a market-leading position for the Group in Institutional Broking. He has been with MOFSL since 2000.



Ajay Menon , CEO – Retail Broking and Distribution

Mr Menon is a CA by qualification. He possesses over 23 years of experience in Capital Markets. He joined the Group in 1998. He is also a Whole time Director of MOFSL.



Rajat Rajgarhia , CEO – Institutional Equities

Mr Rajgarhia is a CA and MBA by qualification. He joined MOFSL in 2001 as a Research Analyst, went on to Head the Research team, and currently heads the Institutional Equities business.



Abhijit Tare, CEO – Investment Banking

Mr Tare brings with him over 25 years of rich experience in Institutional Equities and Investment Banking. He is a CA by qualification. He has worked with TAIB Securities and HRS Insight. He joined MOFSL Group in 2004.



Arvind Hali, CEO- Housing Finance

Mr Hali is an MMS post graduate from the University of Mumbai and has more than 20 years of experience. Previously he was with Art Housing Finance Ltd. Prior to that, he was associated with Intec Capital, AU Financiers limited, Capri global, Dhanlaxmi Bank, Reliance Capital Ltd, Standard Chartered Bank, and GE countrywide.



Ashish Shanker, CEO- Wealth Management

Mr Shanker is an alumni of Harvard University and has 24 years of experience. He joined MOPWM as Head- Investment Advisory in 2012. and was instrumental in building the research and advisory platform and creating the proprietary 4C fund manager framework Prior to joining MOPWM, he was associated with HSBC and SCB.



Vishal Tulsyan, CEO – Private Equity

Mr Tulsyan is a CA (all-India rank holder). He has more than 15 years of experience in Financial Services. He has worked with Rabobank as a Director. He joined MOFSL in 2006 and is the founder MD& CEO, of Motilal Oswal Private Equity (MOPE).



Sharad Mittal, CEO - Real Estate Funds

Mr Mittal has been instrumental in scaling up the MORE business to an .AUM of Rs 28 bn in last 6 years. Prior to joining MORE, he was associated with ICICI Bank, ICICI Pru AMC and ASK Property Advisors



Shalibhadra Shah, Chief Financial Officer

Mr Shah is a CA by qualification. He is a Finance professional with 17 years of experience spanning the entire gamut of Finance, Accounts, Taxation & Compliance He joined MOFSL Group in 2006.

Independent Directors



C. N. Murthy, Independent Director (MOFSL)

Mr Murthy has done his B.Tech (Hons) from IIT, Kharagpur. He is a trained Professional Life/Executive Coach certified by Coaching & Leadership Inc. Canada. He has nearly 40 years of experience in the packaging industry working with ITC Ltd. and with a global packaging major, HPPL headquartered in Finland.



Divya Sameer Momaya , Independent Director (MOFSL)

Mrs. Momaya has done B.com from Garware College of Commerce, University of Pune. She is a founder mentor of D. S. Momaya & Co. and possesses more than 16 years of industry experience. Her corporate journey includes experience with companies like BSEL Infrastructure Realty Limited and Bombay Stock Exchange Limited.



Pankaj Bhansali, Independent Director (MOFSL)

Mr Bhansali is a qualified Chartered Accountant with over 20 years of experience. He has held various positions in Religare Enterprise Limited in India as well as in UK. He is currently the Managing Partner of Arth Capital Advisors Private limited, a boutique investment banking and advisory firm.



Chandrashekhar Karnik , Independent Director (MOFSL)

Mr. Karnik has done Post Graduation in Business Management. He also holds Post Graduate Diploma in Industrial Relations and Personnel Management. He is a Business focused and strategic HR leader with over 43 years of experience. He has worked with corporates such as Forbes & Company Ltd., Hotel Corporation of India Ltd., FER Electricals Ltd. and Bombay Oxygen Corporation Ltd.



Swanubhuti Jain , Independent Director (MOFSL)

Mrs. Jain has done Post Graduate Diploma in Sales and Marketing Management from NMIMS. She has been associated with ICICI Pru Life Insurance, Birla Sun Life Insurance, Asit C. Mehta Investment, MCX and Accenture Consulting India. She spearheaded the JITO Incubation & Innovation Foundation (JIIF) to become one of the fastest growing Angel Network & Incubator. She is currently serving as CEO/COO of JIIF.



Ashok Jain Independent Director (MOAMC)

Mr Jain is the Whole-time Director and CFO of Gujarat Borosil. He has rich and varied experience of more than two decades in Corporate Management, particularly Finance .



Abhay Hota, Independent Director (MOAMC)

Mr. Hota has rich and varied experience of over 35 years in Regulatory and technical aspects, and Project Management. He has worked with the RBI as a central banker.



P H Ravikumar, Independent Director (MOHFL)

Mr Ravikumar is a commerce graduate and is also an 'Honorary Fellow' of the Chartered Institute for Securities & Investment, UK. He is a seasoned Banker having over 48 years of experience. He has served on the Board of Bank of India, ICICI group, NCDEX, Bharat Financial Inclusion Limited, L&T Investment Management, BOB Capital Markets, He is a member of several national level policy/ regulatory committees set up by the Government of India.

This earning presentation may contain certain words or phrases that are forward - looking statements. These forward-looking statements are tentative, based on current analysis and anticipation of the management of MOFSL. Actual results may vary from the forward-looking statements contained in this presentations due to various risks and uncertainties involved. These risks and uncertainties include volatility in the securities market, economic and political conditions, new regulations, government policies and volatility in interest rates that may impact the businesses of MOFSL. MOFSL has got all market data and information from sources believed to be reliable or from its internal analysis estimates, although its accuracy can not be guaranteed. MOFSL undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Covid-19 Impact

The Covid-19 pandemic have resulted in significant number of cases in India. The impact of the same is uncertain and will depend on on-going as well as future developments. The Company has recognised provisions as on 31st December 2021 towards its loans based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of these results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

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Thank You...

For any query, please contact :

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