

EW/Sec/2024-25/197

September 27, 2024

BSE Limited P J Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: - 532922	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Symbol: - EDELWEISS
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Dear Sir/Madam,

Sub: 29th Annual General Meeting - Presentation

Please find enclosed the presentation made at the 29th Annual General Meeting of the Company held on September 27, 2024.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl. as above



Edelweiss Financial Services Limited

29th Annual General Meeting

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Highlights of the year gone by



Consol PAT

↑ 22% YoY



Customer Reach

↑ 35% YoY



Customer Assets

↑ 13% YoY



Net Debt

↓ 20% YoY



Nuvama value unlock and listing
Allotted 30% EFSL holdings in Nuvama to Shareholders of Edelweiss

Edelweiss at a glance – year ended Mar 24



Net Worth

INR 6,216 Cr

Ex-Insurance PAT

INR 661 Cr

BVPS

INR 48

(FV ₹1)

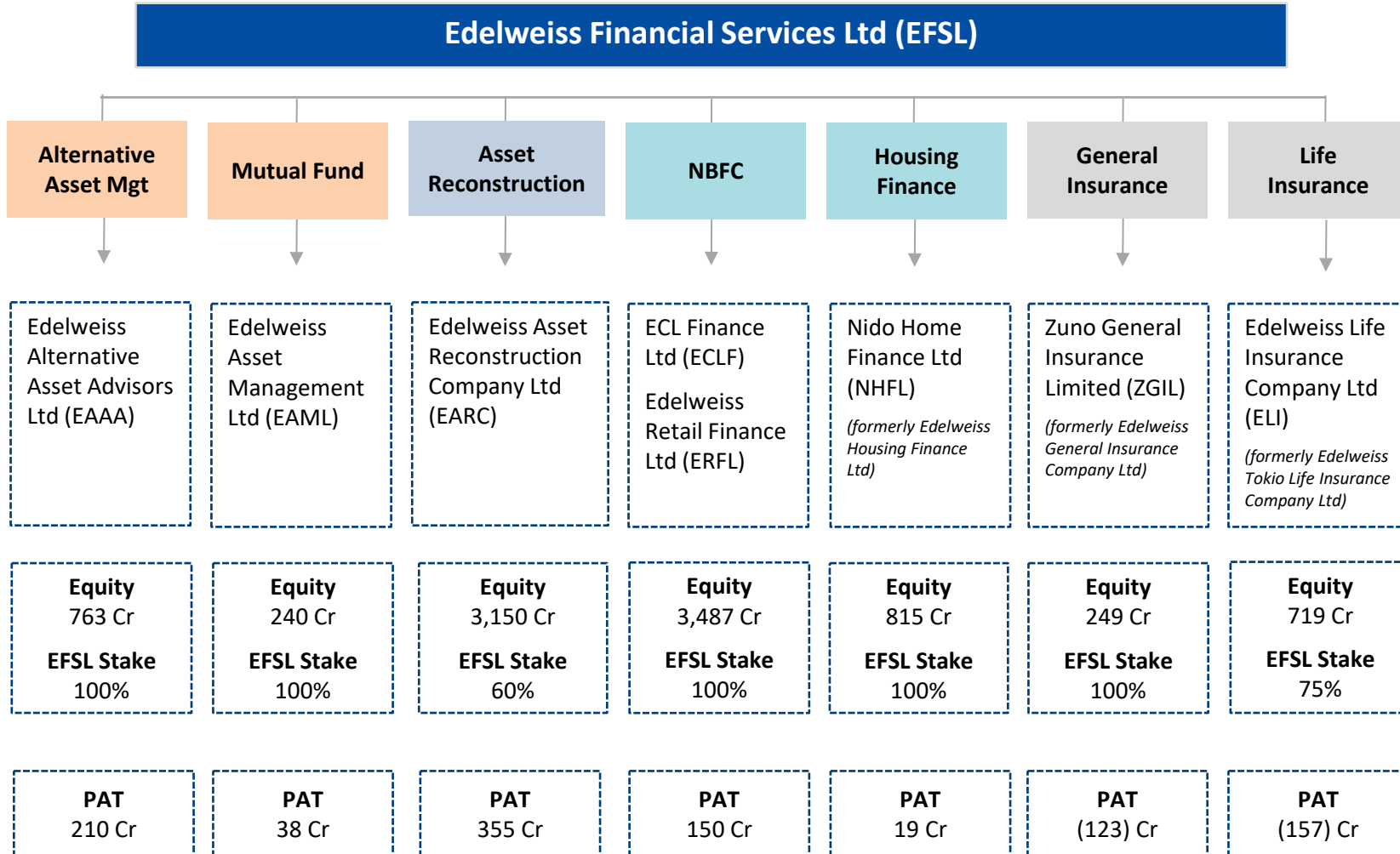
Net Debt

INR 13,090 Cr

Liquidity as a % of Debt

16%

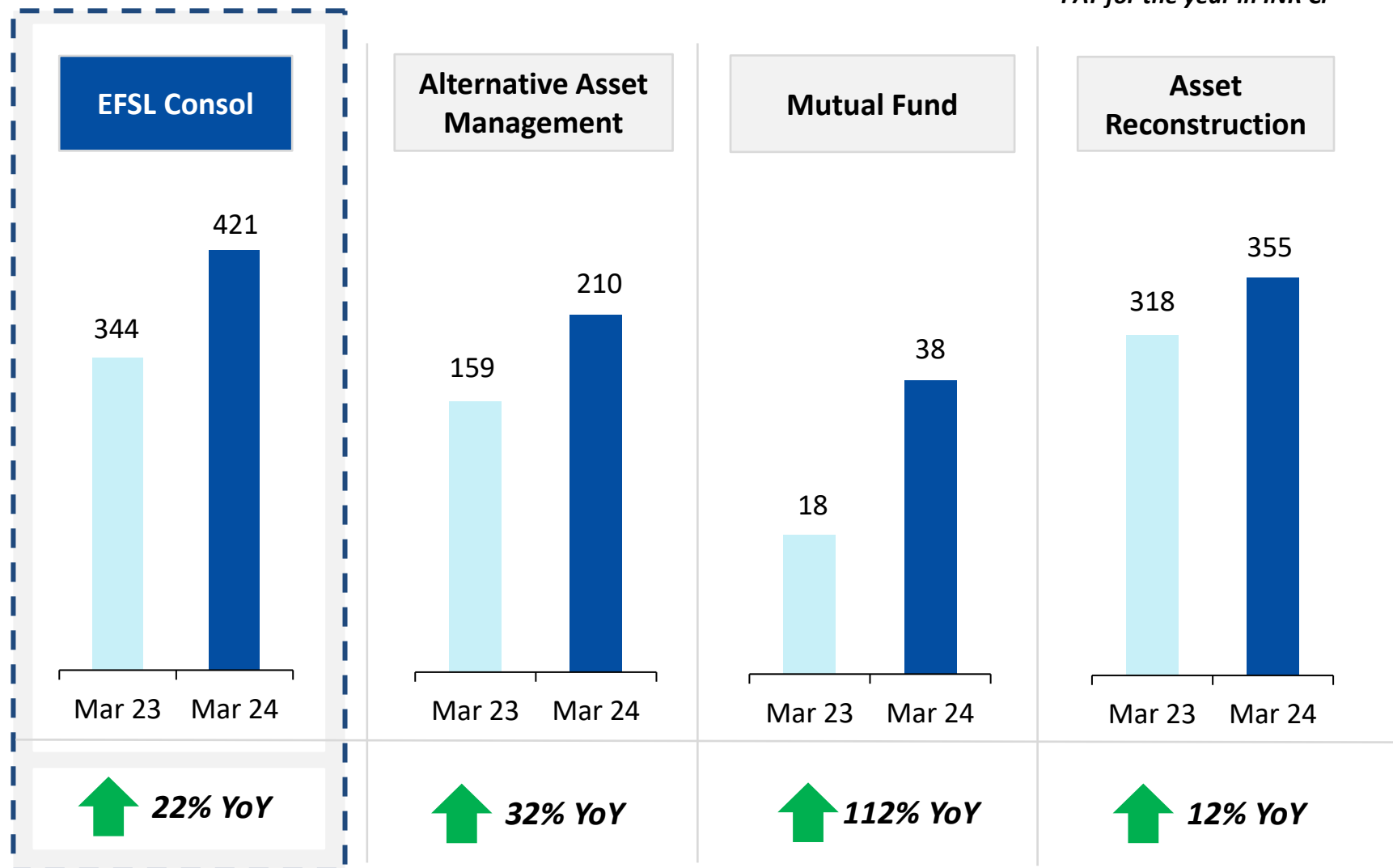
Diversified with seven high-quality businesses



Healthy profitability: Ex-Insurance PAT at INR 661 Cr



PAT for the year in INR Cr



Earnings distribution across businesses



INR Cr

Business	Year Ended	
	Mar 24	Mar 23
Alternative Asset Management	210	159
Mutual Fund	38	18
Asset Reconstruction	355	318
NBFC	150	139
Housing Finance	19	16
General Insurance	(123)	(125)
Life Insurance	(157)	(199)
Corporate	36	80
EFSL Consolidated PAT (Pre MI)	528	406
<i>(Less) Minority shareholders' PAT</i>	<i>107</i>	<i>61</i>
EFSL Consolidated PAT (Post MI)	421	344
EFSL Ex-Insurance PAT (Post MI)	661	610

Robust balance sheet with well capitalised businesses



Business	Metric	Value
Asset Reconstruction	Capital Adequacy	60.3%
NBFC	Capital Adequacy	42.4%
Housing Finance	Capital Adequacy	39.1%
General Insurance	Solvency Ratio	172%
Life Insurance	Solvency Ratio	179%

Our Key Priorities - Journey from 2020 to 2024

Our key priorities - Journey from 2020 to 2024



1

Reduce wholesale book and improve asset quality in NBFC

2

Reduce debt

3

Continue to focus on robust growth in businesses

4

Unlock value in businesses

Our key priorities - Journey from 2020 to 2024



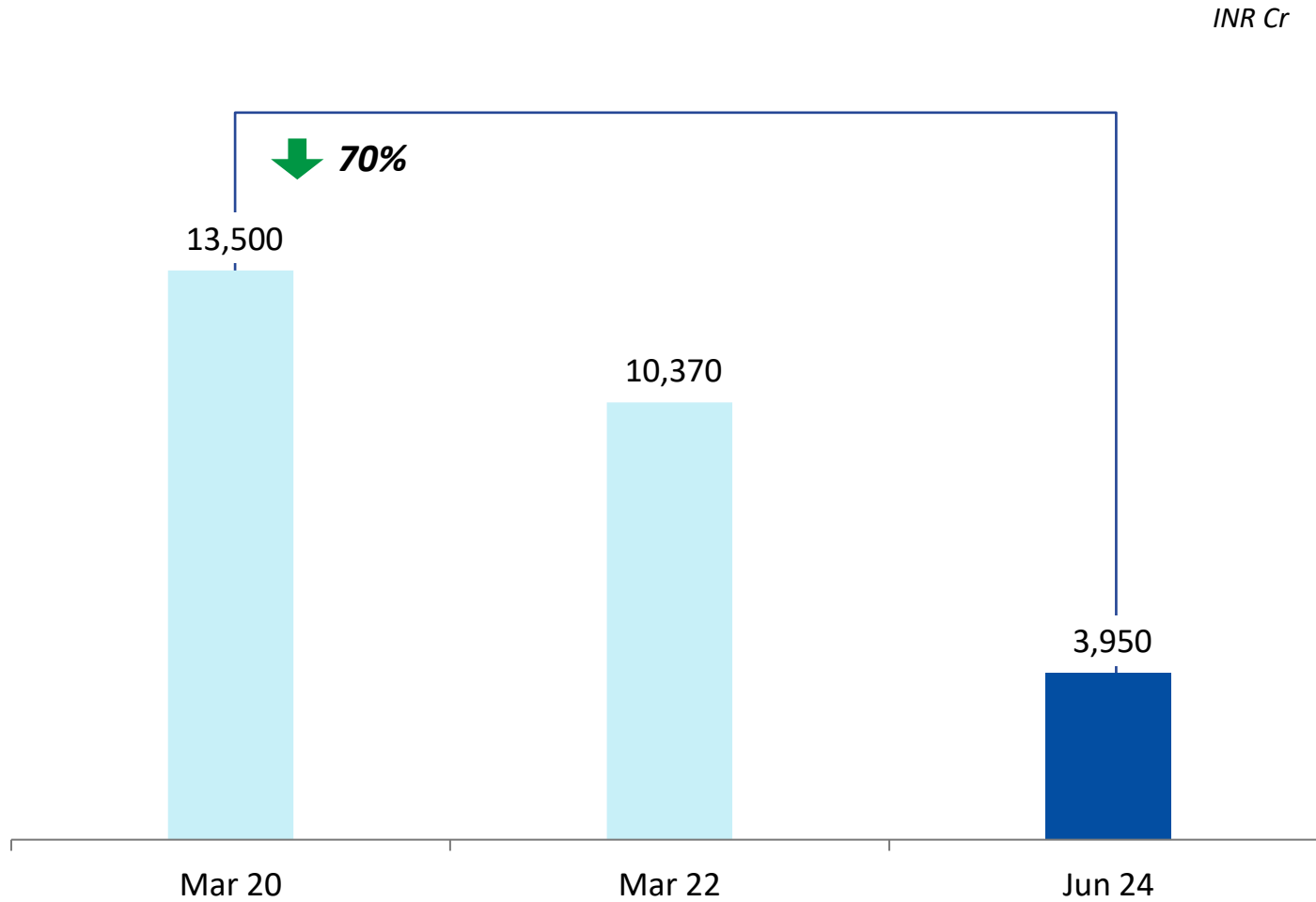
1 Reduce wholesale book and improve asset quality in NBFC

2 Reduce debt

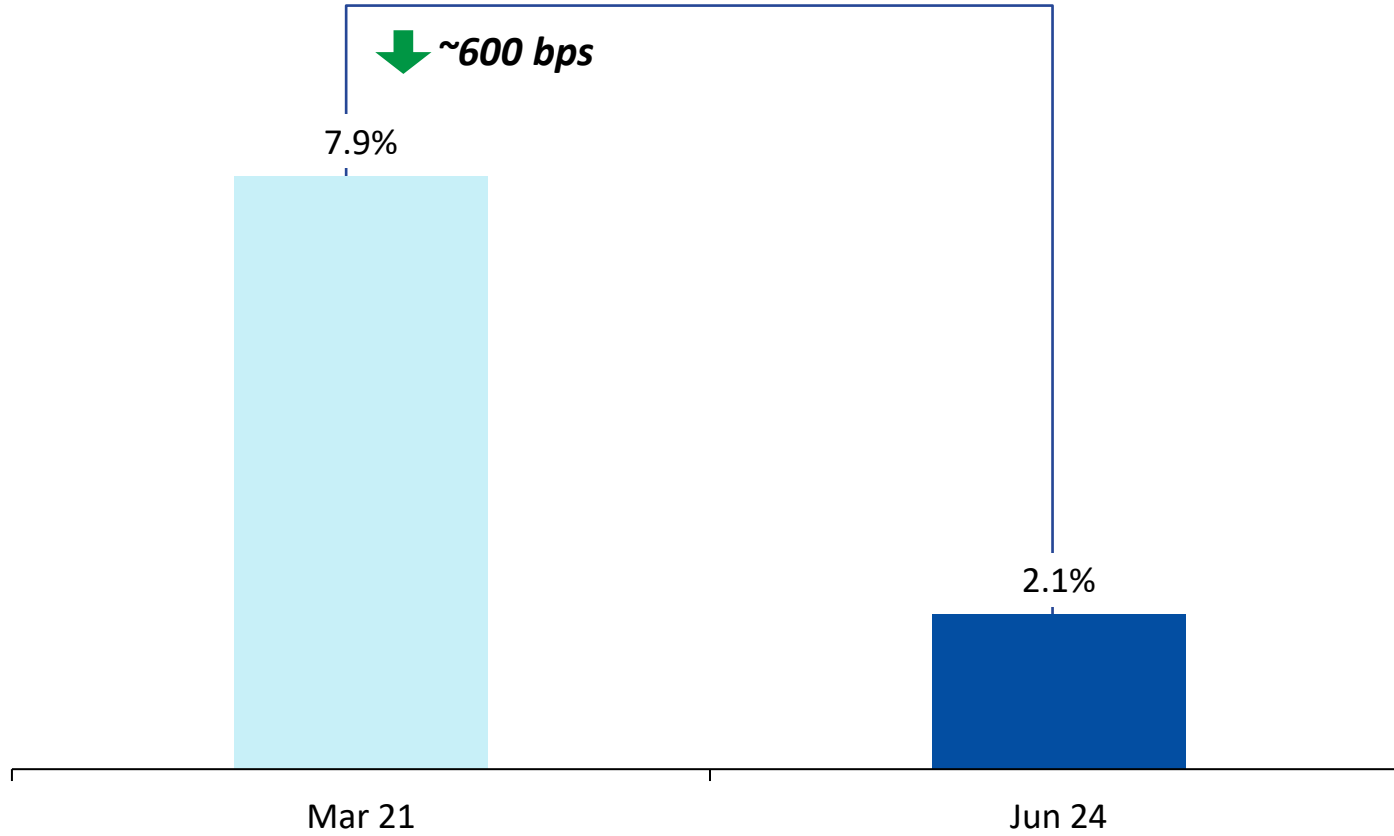
3 Continue to focus on robust growth in businesses

4 Unlock value in businesses

1 Wholesale assets in NBFC reduced by 70% over last 4 years



1 Significant improvement in NBFC's GNPA



Our key priorities - Journey from 2020 to 2024



1 Reduce wholesale book and improve asset quality in NBFC

2 Reduce debt

3 Continue to focus on robust growth in businesses

4 Unlock value in businesses



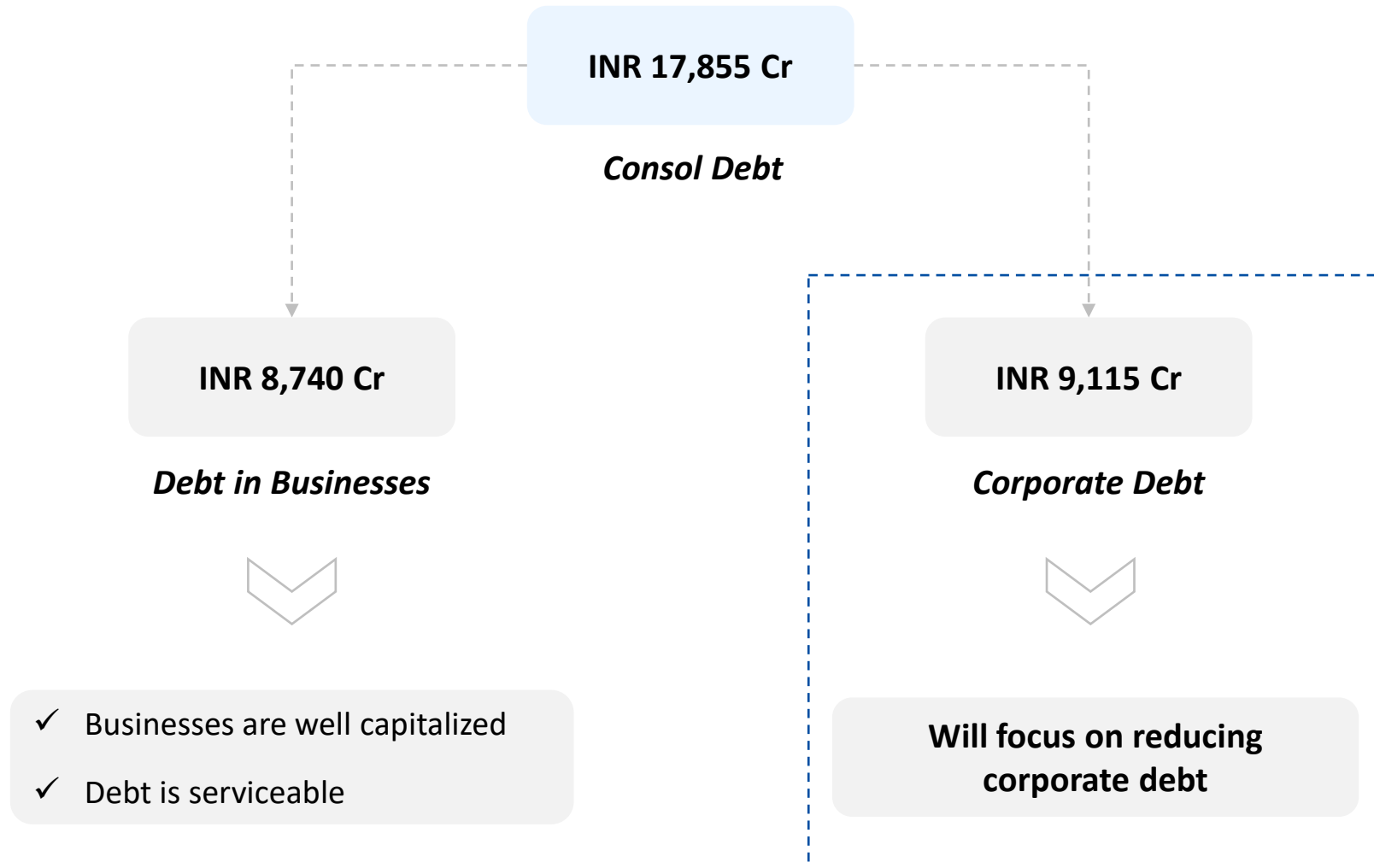
2 Net debt reduced by ~INR 27,000 Cr over last 5 years

INR Cr

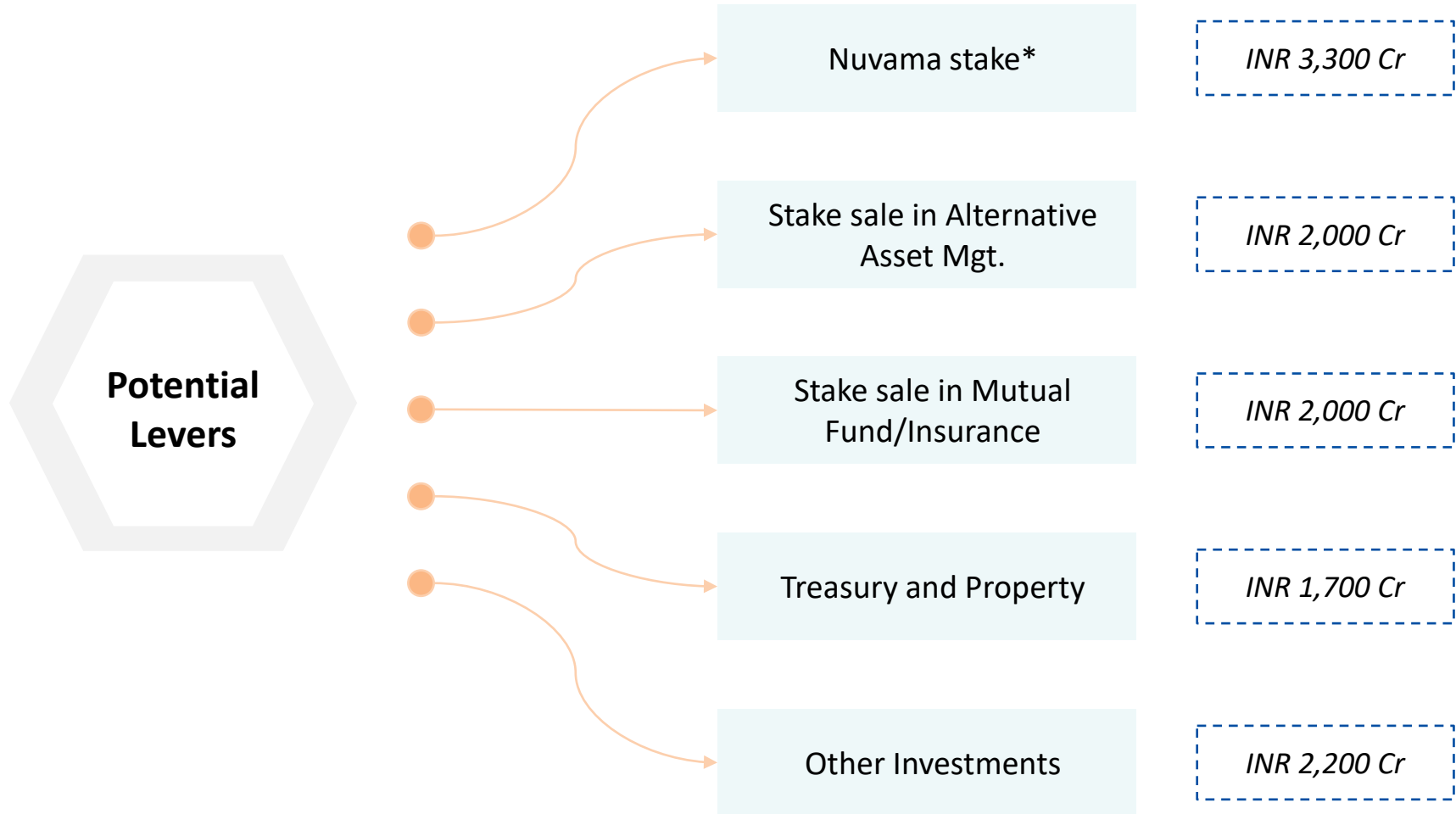
Business	Mar 19	Jun 24
NBFC	24,800	4,715
Housing Finance	4,470	1,750
Alternative Asset Mgt.	135	420
Asset Reconstruction	4,830	1,855
Corporate	11,000	9,115
Total Debt	45,235	17,855
<i>(less) Liquidity and Liquid investment*</i>	<i>5,300</i>	<i>5,145</i>
Net Debt	39,935	12,710

*Liquidity Investment pertains to ~14% stake in Nuvama

2 Next steps on debt reduction



2 Potential levers for corporate debt reduction



* Sold ~6% Nuvama stake amounting to ~INR 1,500 Cr today (27th Sep 2024)

Our key priorities - Journey from 2020 to 2024



1 Reduce wholesale book and improve asset quality in NBFC

2 Reduce debt

3 Continue to focus on robust growth in businesses

4 Unlock value in businesses

3 Robust growth in underlying businesses



INR Cr

Business	Metrics	Mar 20	Jun 24	Growth
Alternative Asset Management	FP AUM	11,000	32,350	3.0x
Mutual Fund	Equity AUM	6,500	52,500	8.0x
General Insurance	GWP*	160	936	6.0x
Life Insurance	Gross Premium*	1,050	1,953	2.0x
Asset Reconstruction	Cum. Recoveries	22,600	53,230	-
NBFC	Disbursement*	610	1,090	1.8x
Housing Finance	Disbursement*	770	1,465	2.0x

* Trailing twelve months



This growth has led to consistent value creation for EFSL

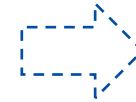
3 Value in Asset Management Businesses



Figures in INR Cr

Alternative Asset Management

Metrics	Jun 24	CAGR*
AUM	56,350	25%
FP AUM	32,350	29%
PAT	230 [^]	73%

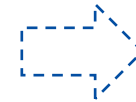


Business Value

8,000 – 10,000

Mutual Fund

Metrics	Jun 24	CAGR*
AUM	1,36,000	45%
Equity AUM	52,500	63%
PAT	53 [^]	144%



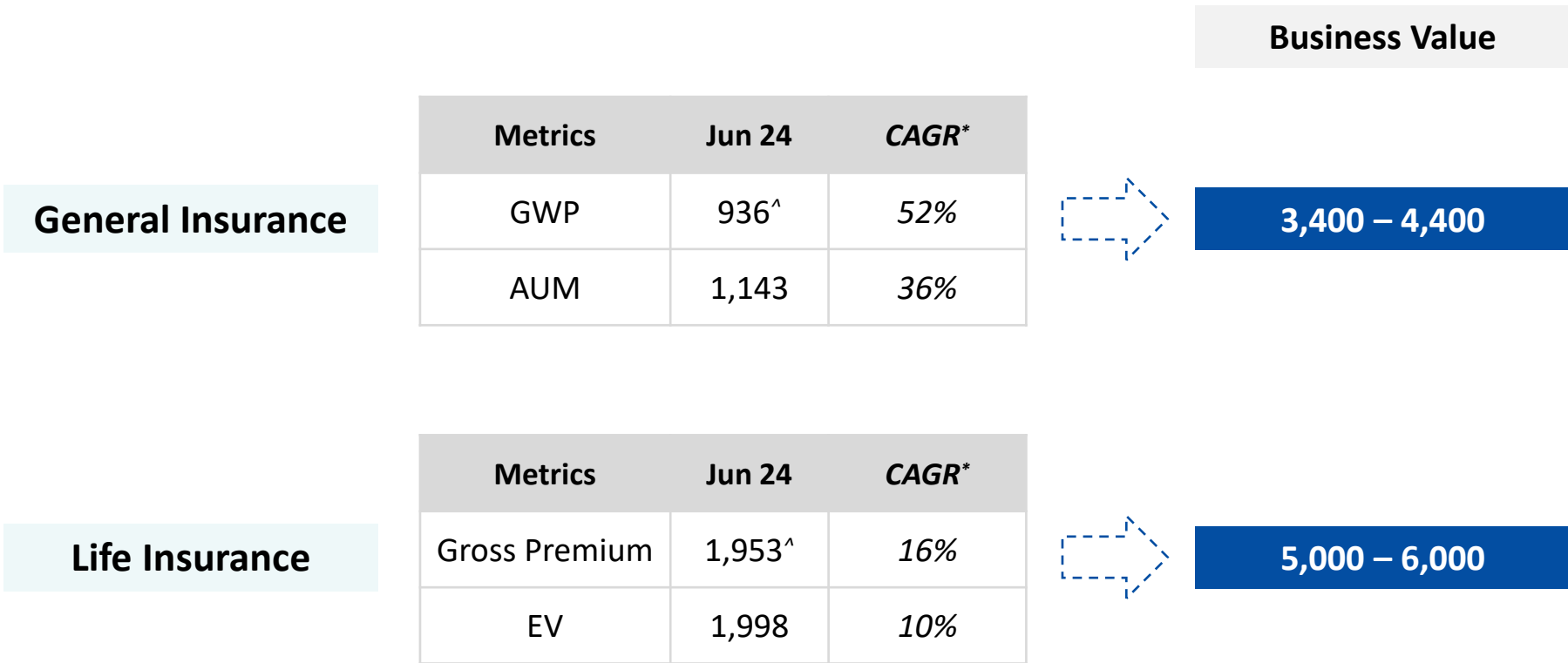
4,600 – 5,600

*CAGR from FY20; [^]Trailing twelve months

3 Value in Insurance Businesses



Figures in INR Cr



~INR 3,600 Cr - capital infused since inception in both businesses



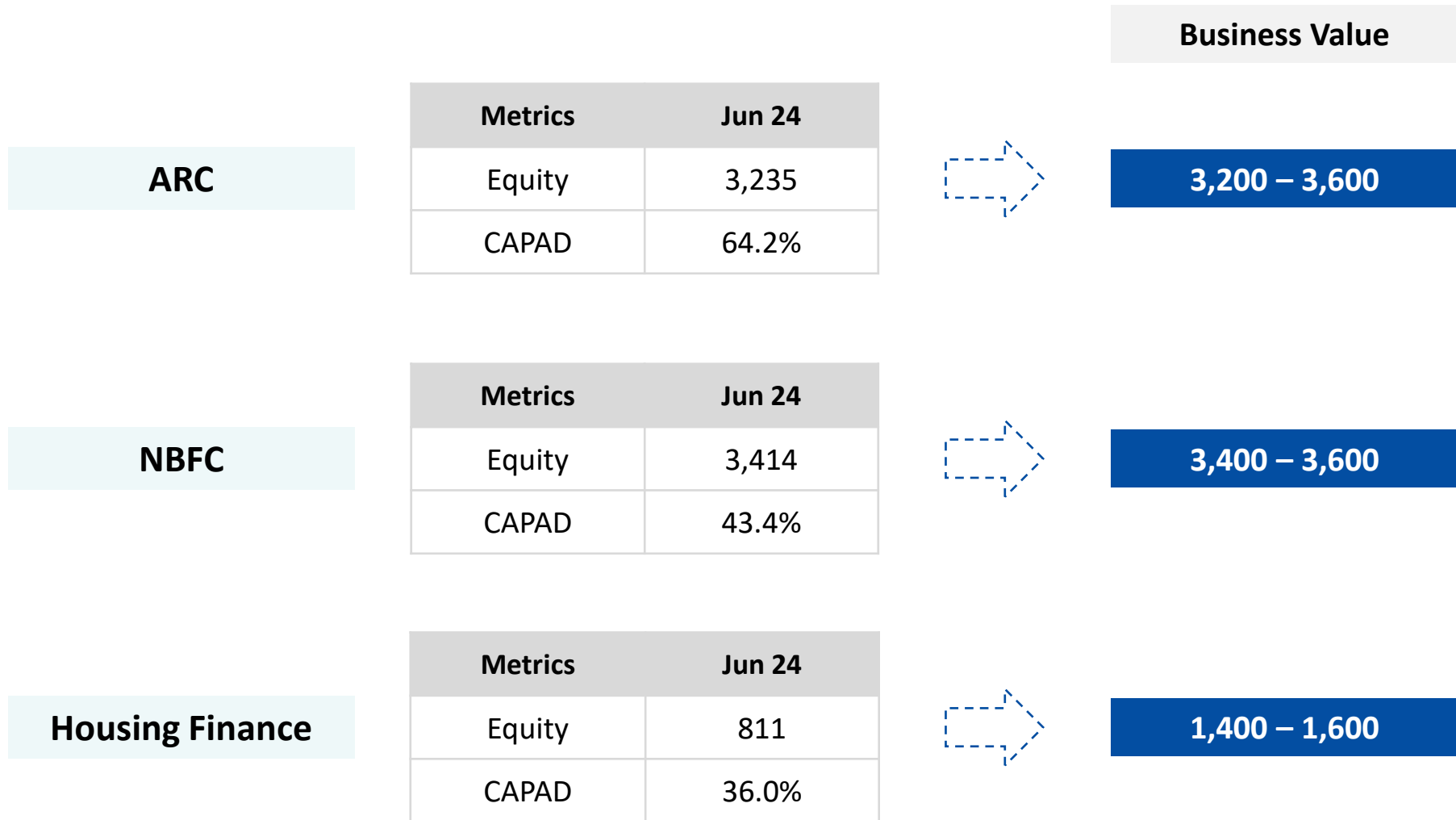
Poised for breakeven in FY27

*CAGR from FY20; [^]Trailing twelve months

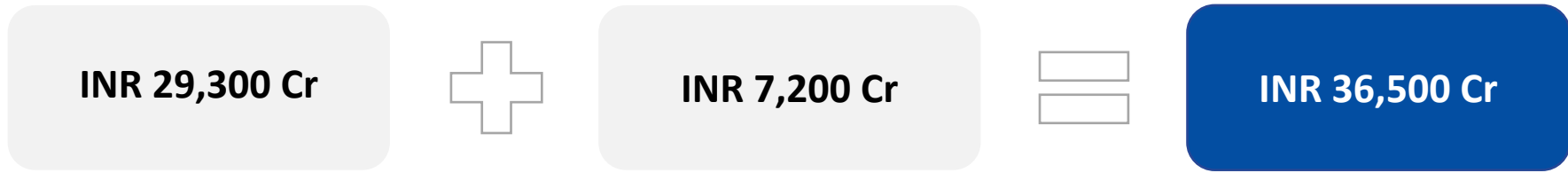
3 Value in Credit Businesses



Figures in INR Cr



3 EFSL Value – Businesses and Investments



EFSL Share in Businesses

Investments



INR 14,100 Cr
Asset Mgt.

INR 3,300 Cr
Stake in Nuvama

INR 8,100 Cr
Insurance

INR 1,700 Cr
Treasury & Property

INR 7,100 Cr
Credit

INR 2,200 Cr
Other Investments

Our key priorities - Journey from 2020 to 2024



1 Reduce wholesale book and improve asset quality in NBFC

2 Reduce debt

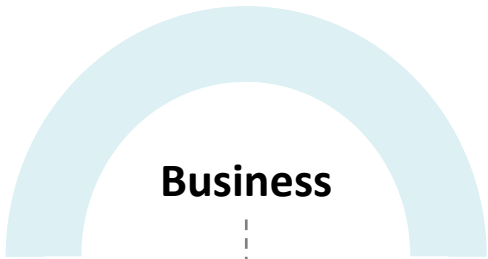
3 Continue to focus on robust growth in businesses

4 Unlock value in businesses

4 Value unlock – our ideology

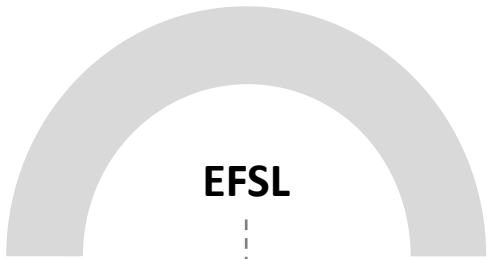


Unlocking at opportune times creating a win-win-win situation for all stakeholders



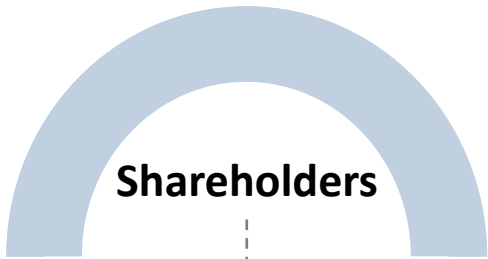
Business

- ✓ Higher focus on business specific imperatives
- ✓ Flexibility to attract industry specific partners and investors



EFSL

- ✓ Strengthens the balance sheet
- ✓ Accelerates debt reduction



Shareholders

- ✓ Opportunity to directly participate in the businesses' growth journey

4 Nuvama value unlock – a success story



Unlocked value for shareholders in Nuvama last year – a win-win-win for all stakeholders

Nuvama

- Primary Capital Infusion of INR 700 Cr
- Improved governance standards with a diversified Board and independent regulatory oversight
- Flexibility to attract industry-specific partners and investors

EFSL

- Liquidity of ~INR 2,200 Cr facilitated debt reduction and investments in Insurance
- Strengthened EFSL profitability by ~INR 2,000 Cr
- Option to further monetize ~14% stake

EFSL Shareholders

- Allotted 30% EFSL holdings to Shareholders of Edelweiss
- Opportunity to shareholders to directly participate in Nuvama's growth journey



Update on EAAA

Plan a stake sale of 10-20%; expect to raise INR 1,500 - 2,000 Cr

This stake sale will aid in –



Debt reduction
for EFSL



Establishing market value of
the business

**Given market buoyancy and positive feedback received,
we are building preparedness for listing; will share a detailed plan shortly**

Intrinsic Value – Our Compass

Why Intrinsic Value?



- 1 Reflects the estimated holistic worth of the business considering both quantitative and qualitative parameters
- 2 Markets in the mid-term may over or undervalue businesses, but eventually align in the long-term
- 3 Investments for business scale-up can temporarily impact profitability and market value, but enhances Intrinsic Value over the long-term
- 4 Intrinsic Value of businesses informs our capital allocation decisions
- 5 We are committed to growing our Intrinsic Value by 15-20% every year

Our methodology to calculate Intrinsic Value



1

Holistic assessment of businesses considering both current quantitative (such as operating and financial metrics) and qualitative (such as differentiating factors, technology, management team, underlying risk and governance) parameters and future outlook

2

Analyze how public and private markets assign value to the business

3

Multiples derived from our insights and engagement with market participants (investors, analysts etc.)

4

Yearly reassessment based on the current business stance and projections, industry dynamics and overall market conditions

Performance across key business metrics



INR Cr

Business	Metric	FY24	FY23	Growth
Alternative Asset Mgt	• Fee Paying AUM	32,200	23,200	39%
	• Assets Under Management (AUM)	54,700	46,500	18%
Mutual Fund	• Equity AUM	43,700	27,100	61%
	• Assets Under Management (AUM)	1,27,000	1,05,000	21%
General Insurance	• Gross Written Premium (GWP)	851	552	54%
	• Assets Under Management (AUM)	1,122	687	63%
Life Insurance	• Gross Premium	1,926	1,676	15%
	• Embedded Value (EV)	1,951	1,844	6%
Asset Reconstruction	• Recoveries	9,416	7,530	25%
	• Equity	3,150	2,794	13%

Edelweiss' share in Intrinsic Value and YoY movement



INR Cr

Business	Intrinsic Value	Edelweiss' Share	YoY Change
Alternative Asset Mgt	9,000	9,000	61%
Mutual Fund	5,100	5,100	21%
General Insurance	3,900	3,900	22%
Life Insurance	5,500	4,200	8%
Asset Reconstruction	3,400	2,100	2%
NBFC	3,500	3,500	-
Housing Finance	1,500	1,500	-
Total	31,900	29,300	23%
Corporate Assets		4,400	
<i>(Less) Net Corporate Debt</i>		5,300	
Total		28,400	21%

To summarize, we will continue to ...



- 1** Create value by growing and scaling up businesses
- 2** Unlock value at opportune times creating a win-win-win for all stakeholders
- 3** Be financially strong and resilient by further reducing debt

Safe Harbour



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Slide 4,5,6:	EFSL ex-insurance PAT is post-MI. PATs for businesses are pre-MI
Slide 4:	Net worth includes MI, investment in CCD by CDPQ of INR 166 Cr
Slide 4,15:	Available Liquidity includes high quality liquid assets
Slide 4,15,33:	Debt includes accrued interest, liabilities on market linked debentures and excludes CBLO, CDPQ CCD and securitisation liabilities
Slide 5,8:	Figures as on Mar 24
Slide 5:	NBFC equity includes investment in CCD by CDPQ of INR 166 Cr, All stakes have been rounded off to the nearest integer
Slide 8,23:	NBFC capital adequacy is calculated by combining Tier I & II capital and RWA of ECLF and ERFL entities
Slide 12:	Pursuant to the new RBI circular on “Investments in AIF”, Mar 20 and Mar 22 Wholesale Loan Assets figure in NBFC has been revised to include AIF Investments in addition to gross loan book and SR
Slide 15:	Liquid Investment in Jun 24 pertains to ~14% stake in Nuvama as on 31 st Jul 2024
Slide 16:	Debt numbers as on Jun 24
Slide 19:	ARC Cumulative recoveries since FY16
Slide 19,21,32:	AUM, FPAUM, Equity AUM are rounded off to nearest 100; Prior period MF AUM numbers (before Jun 24) included strategies under Alternative categories. MF Equity AUM includes strategies under Hybrid categories.
Slide 17,21,22,23,24,33:	Numbers are indicative and based on management estimates
Slide 24,33:	EFSL has increased its stake in the Life Insurance business to ~76% in the quarter ended Jun 24. Edelweiss’ current share in the NBFC is considered 100%.
Slide 17,24,33:	Value of ~14% stake in Nuvama as on 26 th Sep 2024.