

ICICI Securities Limited
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Q1FY22 result review, TP
and earnings revision

Financials

Target price: Rs1,886

Earnings revision

(%)	FY22E	FY23E
PAT	↑ 7	↑ 11

Target price revision:

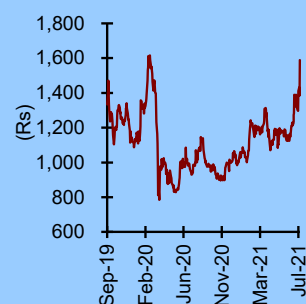
Rs1,886 from Rs1,527

Shareholding pattern

	Dec '20	Mar '21	Jun '21
Promoters	22.9	22.9	22.9
Institutional investors	23.8	26.2	26.3
MFs and others	1.4	1.5	0.8
FIs/Banks	0.0	0.0	0.0
Insurance Cos.	0.3	0.3	0.4
FII	22.1	24.4	25.1
Others	53.3	50.9	50.8

Source: BSE

Price chart



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INDIA

IIFL Wealth Management

BUY

Maintain

Encouraging earnings quality; improving capital efficiency towards 20% RoE target

Rs1,592

IIFL Wealth & Asset Management's (IIFLW) quality of earnings was encouraging, reaffirming our confidence on consistent earnings delivery. PAT growth of 16% QoQ/42% YoY to Rs1.2bn was well ahead of our expectations. Heading towards business model change initiated in 2019, ARR asset mix has improved from 40% to 50%. Strong net flow of Rs91bn (excluding Rs52bn of corporate treasuries) supported 15% QoQ/61% YoY growth in ARR assets. ARR revenue grew 20% QoQ/50% YoY, now constituting 68% of overall revenue. Retention on ARR assets again settled above 70bps. The company announced special dividend of Rs35 per share with focus on improving capital efficiency. IIFLW stayed put on its strategic business priorities focusing on revenue and cost efficiency and capital rationalisation. Revising earnings estimate by 7%/11% for FY22/FY23E, we revise our target price to Rs1,886 (assigning 30x earnings). Maintain BUY.

- **Net inflows in Q1 at 60% of FY21; alternate assets, PMS and IIFL One witnessed further inflows besides corporate treasuries:** Net flows in Q1FY21 were strong at Rs143bn (Rs240bn for full year FY21). This included Rs52bn of corporate treasuries as corporates parked excess liquidity in liquid funds. Adjusting for this, there were net inflows of Rs45bn in wealth management (including Rs14bn in IIFL One) and Rs46bn in asset management (including Rs25bn in alternate assets and Rs20bn in portfolio management). IIFLW expects Rs200bn of net flows in FY22 – led equally by both wealth as well as asset management. Emphasis continues on increasing wallet share from existing clients, attracting flows from new to firm clients (50-60%) and having material presence in large deal consummation.
- **Recurring revenue assets up 15% QoQ constituting 68% of revenue:** Strategic focus on ramping-up recurring revenue assets (RRAs) has yielded encouraging results. Overall RRA AUM is up 61% YoY/ 15% QoQ to Rs1.17trn – now constituting 50% of AUM. Relative to this, RRA revenue grew 20% QoQ to Rs1.92bn as retention rates normalised to >70bps (67bps in Q4FY21). This was primarily due to 10bps rise in retention rates on IIFL One discretionary PMS to 50bps and higher distribution trail fee on managed accounts. Also, relatively stronger flows into high yielding alternate asset management supported this. Retention rates are likely to get a boost as third party transactional assets are mobilised and distributors are churned and rechannelised into revenue-generating assets in different capacities. Due to incremental delta on IPO financing, lending business revenue grew 11% QoQ (despite 2% decline in quarter ending book).

Market Cap	Rs140bn/US\$1.9bn	Year to Mar	FY20	FY21	FY22E	FY23E
Bloomberg	IIFLWAM IN	Revenues (Rs Mn)	8,770	10,527	12,408	14,346
Shares Outstanding (mn)	87.9	Net Profit (Rs Mn)	2,064	3,689	4,561	5,534
52-week Range (Rs)	1640/880	EPS (Rs)	23.7	41.9	51.8	62.9
Free Float (%)	77.1	% Change YoY	-48%	77%	24%	21%
FII (%)	25.1	P/E (x)	67.1	37.9	30.7	25.3
Daily Volume (US\$'000)	997	DPS (Rs)	20	34	74	47
Absolute Return 3m (%)	40.6	Div Yield (%)	1.3%	2.1%	4.6%	3.0%
Absolute Return 12m (%)	64.7	AUM Growth (%)	1%	32%	24%	15%
Sensex Return 3m (%)	13.4	RoAUM(%)	0.15%	0.23%	0.22%	0.23%
Sensex Return 12m (%)	45.9	RoE (%)	7.0%	12.7%	16.7%	20.5%

Please refer to important disclosures at the end of this report

- ▶ **IIFL One continues to gain market acceptance:** IIFL ONE continues to show strong trajectory and gain market acceptance, with 9% QoQ/52% YoY rise in AUM to Rs305bn. The reasons would be: i) RMs' greater focus towards distribution products at hand; ii) time lag on getting licenses, certification, etc; and iii) RM adoption and productivity ratio at 65-70% of optimal capacity. However, the technology on advisory services is now in place and the team too has been strengthened. With this, IIFL One now targets asset growth of around 50-55%.
- ▶ **Staff costs elevated due to higher variable component:** Incentivising employees for strong flows continue and employee cost, even on an elevated base of Q3/Q4FY21, was flat QoQ. Nonetheless, admin expenses were well managed, which were down 8% QoQ. Overall, superior income profile helped contain cost to income at 50.4% vs 53.9% QoQ and 54.3% YoY. For FY22, employee cost is likely to be around the similar levels as seen in Q1FY22, which was Rs0.7bn (including Rs0.45bn towards variable cost). Overall for FY22, we expect staff cost to be in the range of Rs4.6-4.7bn while other admin cost is likely to be in the range of Rs1.6bn (Rs0.4bn quarterly run-rate). We expect 'cost to income' ratio to sustain at 49-51% by FY22/FY23. Large cost rationalisation will come from digitisation of services and making trade execution more seamless.
- ▶ **Special dividend of Rs35 per share; aggressive dividend payout to continue:** With focus on improving capital efficiency, the company announced special dividend of Rs35 per share. Besides this, it will continue with aggressive dividend payout in the range of 70-80%. With efficiency, it will move towards tangible RoE target of 20%.
- ▶ **FY22 guidance articulated post Q4FY21:** Witnessing the business momentum in FY21 and staying put on ramping-up sustainable recurring revenues, management is now more confident about business transitioning and has revised its FY22 guidance upwards. It has now set a target of 18% AUM growth for FY22 to Rs2.45trn and 16% for FY23 to Rs2.85trn. It has guided for some moderation in retention rate from 57bps to 54bps in FY22 and 52bps in FY23. Revenues are guided to grow at 15% CAGR over FY21-FY23E. With 'cost to income' ratio of 49-51%, management expects 20% CAGR in PAT thereby, helping deliver RoE of 16% in FY22 and 19% in FY23.

Table 1: Alternate assets, PMS and IIFL One witnessed strong inflows besides corporate treasuries

(Rs bn)	Net flows						Average AUM					
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22
Wealth Management	95.7	51.7	(6.6)	10.6	151.4	96.8	1,404	1,541	1,629	1,674	1,562	1,785
Asset Management	3.4	11.8	26.9	47.5	89.6	46.1	236	260	301	341	284	407
Totals	99.1	63.5	20.3	58.1	241.0	142.9	1,640	1,800	1,931	2,015	1,847	2,192
Custody : Promoter Holding	26.9	17.4	(71.5)	2.3	(25.0)	16.7	244	314	341	359	315	432
Grand Total	125.9	80.9	(51.2)	60.4	216.0	159.6	1,884	2,115	2,271	2,375	2,161	2,624
ARR Assets	73.2	38.2	47.7	104.9	264.1	96.9	651	743	841	957	798	1,078
Transaction Assets	25.8	25.2	(27.4)	(46.8)	(23.1)	46.1	989	1,058	1,090	1,058	1,049	1,114
Totals	99.1	63.5	20.3	58.1	241.0	142.9	1,640	1,800	1,931	2,015	1,847	2,192
Custody : Promoter Holding	26.9	17.4	(71.5)	2.3	(25.0)	16.7	244	314	341	359	315	332
Grand Total	125.9	80.9	(51.2)	60.4	216.0	159.6	1,884	2,115	2,271	2,375	2,161	2,230

Source: Company data, I-Sec research

Table 2: RRA revenue grew 20% QoQ as retention rates normalised to >70bps

(Rs bn)	Revenue						Retention					
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22
Wealth Management	1.62	1.67	1.82	2.07	7.18	2.14	0.46%	0.43%	0.45%	0.49%	0.46%	0.48%
Asset Management	0.37	0.45	0.57	0.59	1.98	0.70	0.62%	0.70%	0.75%	0.69%	0.70%	0.68%
Totals	1.99	2.12	2.39	2.66	9.15	2.83	0.49%	0.47%	0.50%	0.53%	0.50%	0.52%
Custody : Promoter Holding	-	-	-	-	-	-	0%	0%	0%	0%	0%	0%
Grand Total	1.99	2.12	2.39	2.66	9.15	2.83						
ARR Assets	1.28	1.40	1.54	1.61	5.83	1.92	0.79%	0.75%	0.73%	0.67%	0.73%	0.71%
Transaction Assets	0.71	0.72	0.85	1.05	3.33	0.91	0.29%	0.27%	0.31%	0.40%	0.32%	0.33%
Totals	1.99	2.12	2.39	2.66	9.15	2.83	0.49%	0.47%	0.50%	0.53%	0.50%	0.52%
Custody : Promoter Holding	-	-	-	-	-	-						
Grand Total	1.99	2.12	2.39	2.66	9.15	2.83						

Source: Company data, I-Sec research

Table 3: Wealth management AUM: IIFL One continues to gain market acceptance

(Rs bn)	Net flows						Average AUM					
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22
a) IIFL One	12.5	12.6	20.7	21.9	67.7	14.4	152	177	213	236	194	258
Discretionary PMS							35	44	81	86	62	100
Non Discretionary PMS							65	79	82	97	81	99
Advisory							51	54	50	53	52	59
b) Distribution Assets												
Earning Trail Fees												
Mutual Funds	57.4	13.9	0.1	35.5	106.8	36.3	232	273	295	345	286	378
Managed Accounts							187	219	238	283	232	292
c) Net Interest Margin on Loans	-	-	-	-	-	-	31	33	32	36	33	36
d) Brokerage Income	43.1	36.8	(20.3)	(5.7)	53.9	74.8	736	804	826	825	798	898
Direct Stocks							244	277	302	322	286	378
Debt Instruments & Bonds							262	271	267	268	267	277
Mutual Funds - Direct Code / Feeders							230	256	257	236	245	244
IB/ Syndication Income							-	-	-	-	-	-
e) Distribution Assets Not Earning Trail Fees	(17.3)	(11.6)	(7.1)	(41.0)	(77.0)	(28.7)	253	253	263	232	250	216
Mutual Fund where upfront fees received earlier							84	68	64	27	61	24
Managed Accounts where upfront fees received earlier							169	185	199	205	190	192

Source: Company data, I-Sec research

Table 4: Wealth management Revenues led by better retention rates on IIFL One discretionary PMS and higher distribution trail fee on managed accounts

(Rs bn)	Revenue						Retention					
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22
a) IIFL One	0.10	0.13	0.16	0.17	0.55	0.21	0.26%	0.29%	0.29%	0.28%	0.28%	0.33%
Discretionary PMS	0.04	0.06	0.08	0.09	0.26	0.12	0.49%	0.52%	0.38%	0.39%	0.43%	0.50%
Non Discretionary PMS	0.05	0.07	0.07	0.08	0.26	0.08	0.31%	0.33%	0.33%	0.34%	0.33%	0.33%
Advisory	0.01	0.01	0.01	-	0.02	0.01	0.05%	0.05%	0.08%	0.00%	0.04%	0.06%
b) Distribution Assets												
Earning Trail Fees	0.28	0.31	0.37	0.43	1.39	0.55	0.49%	0.46%	0.50%	0.49%	0.48%	0.58%
Mutual Funds	0.19	0.23	0.25	0.26	0.93	0.28	0.41%	0.41%	0.42%	0.37%	0.40%	0.38%
Managed Accounts	0.09	0.09	0.11	0.16	0.45	0.27	0.79%	0.65%	0.81%	1.06%	0.83%	1.28%
c) Net Interest Margin on Loans	0.53	0.50	0.45	0.43	1.91	0.48	6.92%	6.04%	5.68%	4.71%	5.79%	5.32%
d) Brokerage Income	0.71	0.72	0.85	1.05	3.33	0.90	0.14%	0.20%	0.20%	0.22%	0.19%	0.19%
Direct Stocks	0.15	0.11	0.19	0.14	0.59	0.10	0.25%	0.16%	0.25%	0.18%	0.21%	0.11%
Debt Instruments & Bonds	0.10	0.28	0.22	0.30	0.90	0.32	0.15%	0.41%	0.33%	0.45%	0.34%	0.47%
Mutual Funds - Direct Code / Feeders	-	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
IB/ Syndication Income	0.46	0.33	0.44	0.60	1.83	0.48	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
e) Distribution Assets Not Earning Trail Fees	-	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mutual Fund where upfront fees received earlier	-	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Managed Accounts where upfront fees received earlier	-	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Company data, I-Sec research

Table 5: ASSET MANAGEMENT AUM: Strong flows into alternate assets, PMS as well as MF

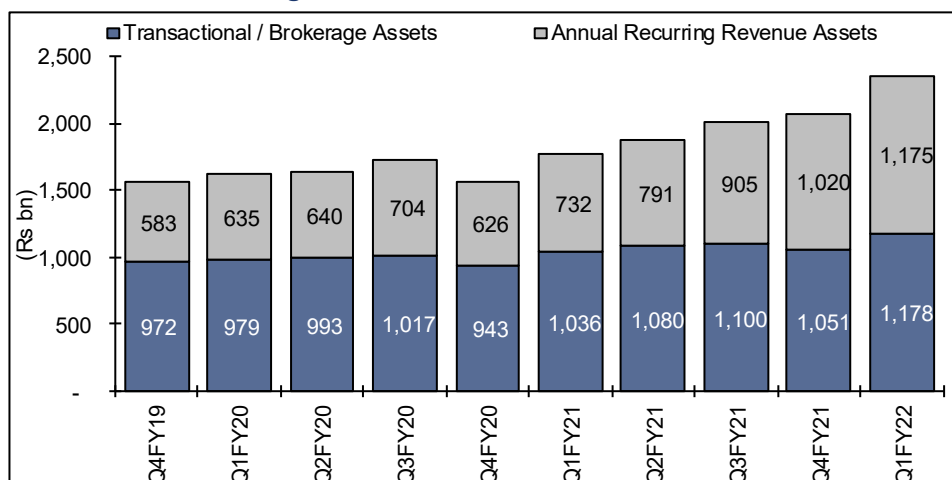
(Rs bn)	Net flows						Average AUM					
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22
(a) Portfolio Manager	0.4	2.0	4.8	39.8	47.0	20.0	49	52	68	94	65	121
Discretionary Standardized Strategies							28	32	36	41	34	44
Discretionary - Institutional Mandates							21	19	32	53	31	77
(b) Alternate Investment Manager	1.2	10.9	18.7	6.0	36.8	25.1	172	191	215	223	200	259
Listed Equity							27	29	42	36	33	35
Private Equity							93	107	117	121	109	160
Credit & Real Estate Strategies							46	48	48	51	48	48
Long Short Strategies							6	7	9	16	9	15
(c) Mutual Fund Manager	1.8	(1.1)	3.4	1.7	5.8	1.0	15	17	19	24	19	26
Listed Equity							8	9	11	15	11	18
Debt							2	4	6	7	5	7
Liquid Funds							5	4	1	1	3	1
(d) Performance Fee	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company data, I-Sec research

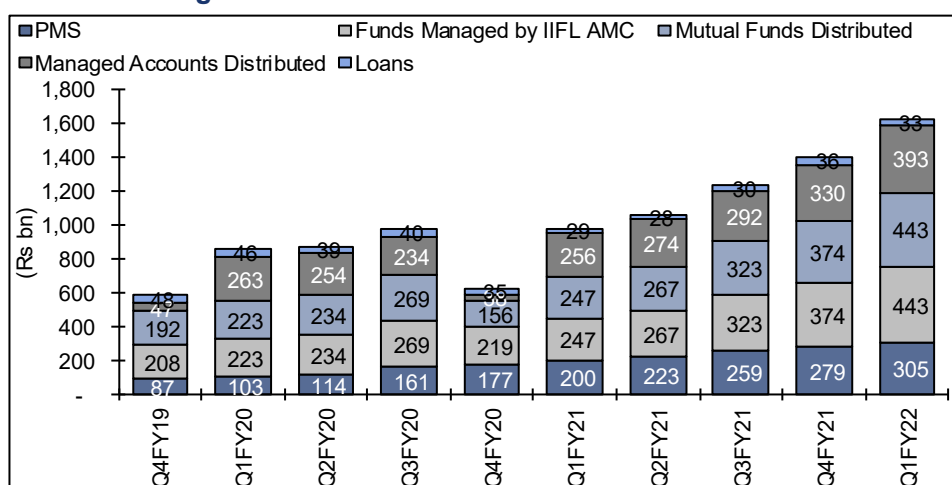
Table 6: ASSET MANAGEMENT revenues: Yields on alternate assets drive revenues

(Rs bn)	Revenue						Retention					
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22
(a) Portfolio Manager	0.06	0.08	0.11	0.15	0.39	0.15	0.51%	0.59%	0.63%	0.63%	0.60%	0.50%
Discretionary Standardized Strategies	0.04	0.05	0.07	0.10	0.25	0.09	0.52%	0.65%	0.74%	0.95%	0.74%	0.85%
Discretionary - Institutional Mandates	0.03	0.02	0.04	0.05	0.14	0.06	0.50%	0.49%	0.51%	0.38%	0.45%	0.31%
(b) Alternate Investment Manager	0.29	0.36	0.44	0.40	1.49	0.50	0.68%	0.75%	0.82%	0.72%	0.74%	0.77%
Listed Equity	0.03	0.05	0.09	0.10	0.27	0.08	0.51%	0.72%	0.86%	1.08%	0.82%	0.92%
Private Equity	0.18	0.23	0.25	0.23	0.88	0.33	0.77%	0.85%	0.85%	0.75%	0.80%	0.83%
Credit & Real Estate Strategies	0.07	0.07	0.07	0.05	0.27	0.06	0.60%	0.62%	0.62%	0.43%	0.56%	0.54%
Long Short Strategies	0.01	0.01	0.03	0.02	0.07	0.02	0.60%	0.36%	1.23%	0.62%	0.70%	0.58%
(c) Mutual Fund Manager	0.01	0.02	0.02	0.04	0.10	0.03	0.39%	0.44%	0.49%	0.66%	0.51%	0.44%
Listed Equity	0.01	0.01	0.02	0.03	0.07	0.03	0.57%	0.58%	0.57%	0.85%	0.67%	0.58%
Debt	0.00	0.00	0.01	0.01	0.02	0.00	0.50%	0.48%	0.40%	0.37%	0.41%	0.16%
Liquid Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.10%	0.09%	0.10%	0.07%	0.09%	0.11%
(d) Performance Fee	-	-	-	-	-	0.01						

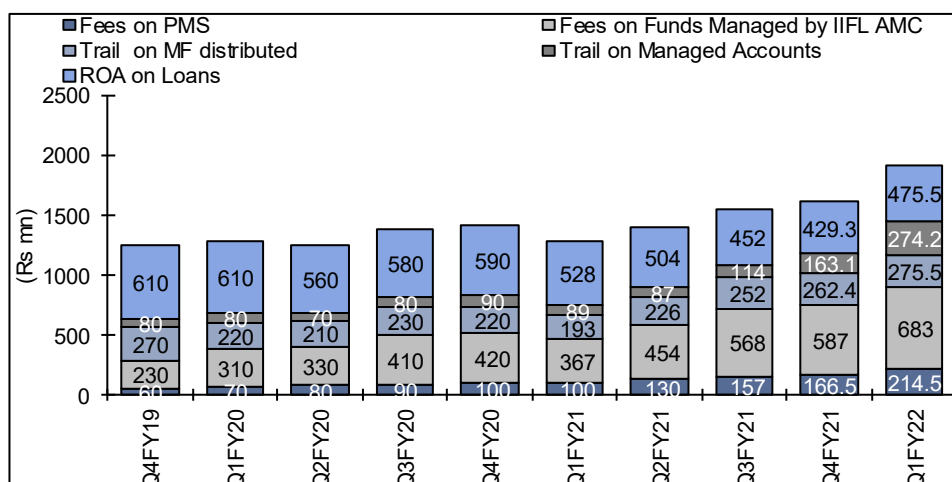
Source: Company data, I-Sec research

Chart 1: ARR assets grow 15% QoQ/61% YoY

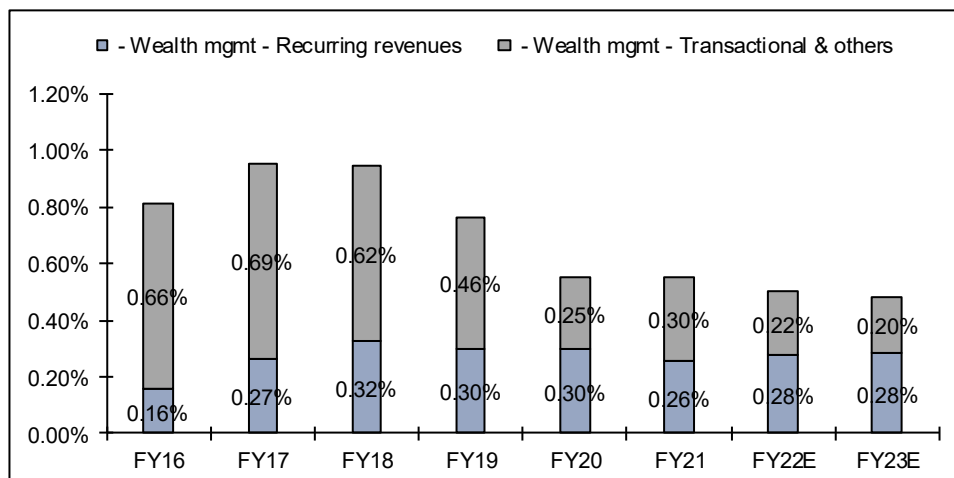
Source: Company data, I-Sec research

Chart 2: Strong inflows across the board

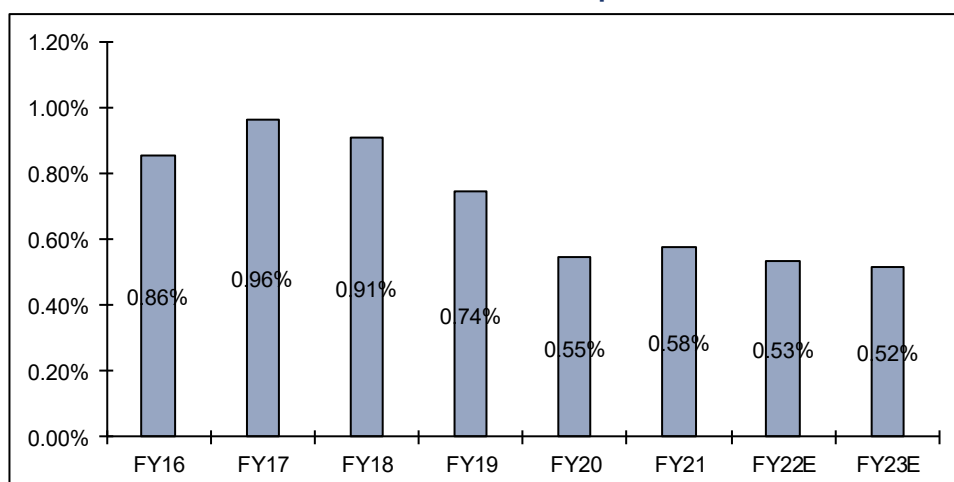
Source: Company data, I-Sec research

Chart 3: AMC to contribute 25% of revenues in FY23E vs 11% in FY20

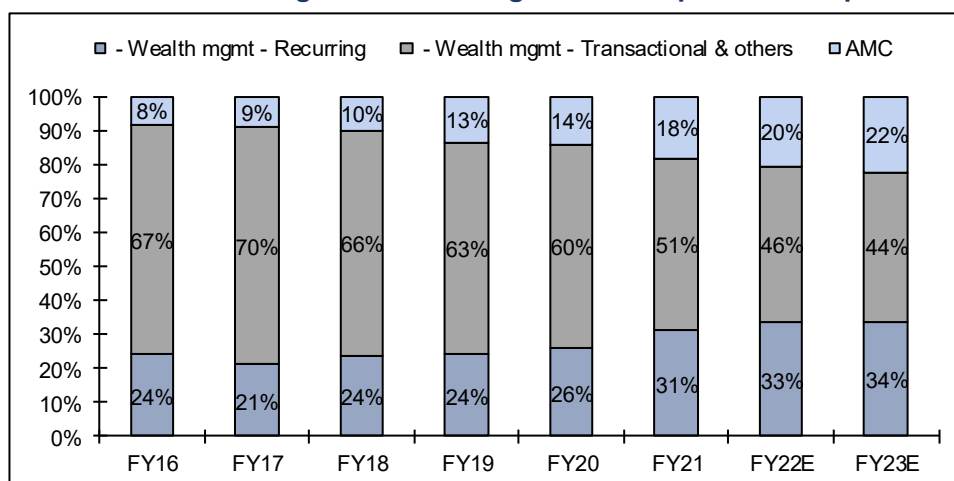
Source: Company data, I-Sec research

Chart 4: Wealth recurring revenues to stable retention rates

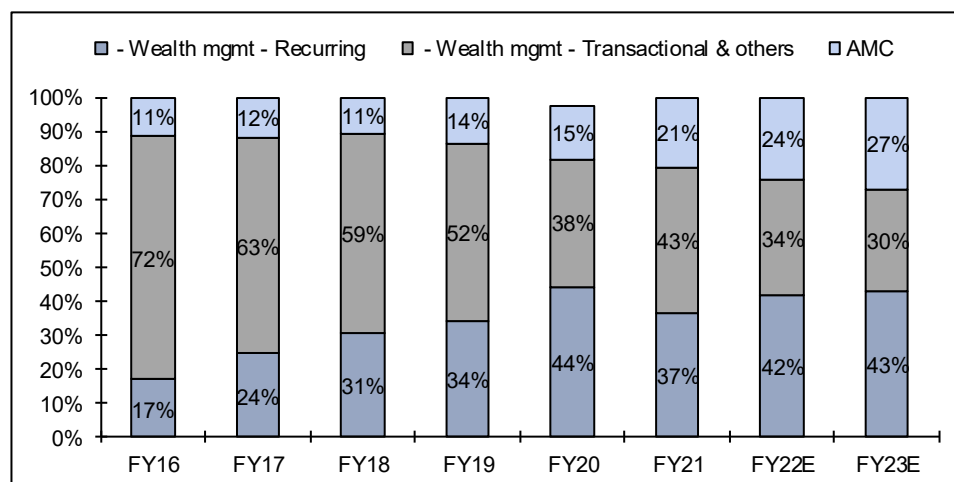
Source: Company data, I-Sec research

Chart 5: Retention ratios to sustain near 50bps

Source: Company data, I-Sec research

Chart 6: Wealth management recurring AUMs component to expand further

Source: Company data, I-Sec research

Chart 7: ARR assets to contribute ~70% to revenues

Source: Company data, I-Sec research

IIFL Wealth Q4FY21 Earnings Conference Call Takeaways

FY22 Guidance

- Guidance for AUM growth was revised upwards for FY22. Retention rates of 54-55bps can be sustained – wealth management retention being around 50bps and asset management at 70bps. From yield perspective, AMC biz could be better if growth is due to some alternate investment funds. If growth is due to institutional mandates or debt products, then yields could be a tad lower.
- **Share of ARR up from 43% to 63% in FY21 and will further move towards 70-75%**
- Expects net flows at Rs 200bn – equally split between wealth & AMC
- Cost to income to move towards 50% in the next 12-24 months
- **Expect absolute 15% ROE in FY22 and then 20% in FY23**
- **Capital allocation is a focus area and expect to maintain aggressive dividend payout in the range of 70-80% Looking to release Rs 30-40/share as a special dividend for FY22 as well. This should bring down stable capital (NW outside of goodwill & intangibles) to Rs 20bn.**

On business highlights

- Strong net flows for the quarter at Rs 58bn and Rs 140bn for the year excluding flows from the L&T acquisition in April 2020. **Rs 140bn was just marginally lower than targeted Rs 150bn despite covid disruption.**
- **Overall AUM grew 3.3% QoQ/32% YoY to Rs2.07tn. Focus continued on building ARR assets – Increase of 13% QoQ/63% YoY crossing Rs1tn mark. IIFL ONE continues to show a strong trajectory and gain market acceptance, with 8% QoQ rise in AUM to Rs280bn.**
- AMC biz has seen good traction with 70% increase in AUM and 15% rise in past qtr
- Strengthened the team - Amar Mirani has joined to lead Real Estate activity
- Total revenue is back at FY19 levels

On IIFL ONE

- During end of FY21, saw some good traction in distribution based products
- IIFL One has been little slow due to :1) diversion of attention towards products at hands; 2) adoption, licenses, certification will take some time, technology on advisory is very much there; 3) RM productivity is 65-70%.
- From the next year perspective, IIFL ONE should grow around 50-55%.

On clients behavior

- Client acquisition has been robust and stickiness is high. Fear factor is not as high as it was during April 2020
- 15-20% asset allocation continues to be on sidelines, while for the rest, clients are looking at investments

- Since returns on fixed income instruments post tax is around 2-2.5%, clients are looking for alternative investments – the proportion of alternates was up from 7% to 10% in overall portfolio allocation.

On Borrowing profile

- **97-98% of borrowings is in the form of MLD** while 2-3% will be in the form of CP
- Cost for MLD is slightly higher than CP, but it ensures that the firm is not exposed to any kind of ALM mismatch
- Rs14-15bn of MLDs maturing in next one quarter and is backed by liquid investments – post the maturity of this, liquidity buffer will get fully corrected.
- Incremental cost of borrowing is down to 6.75-7.25% and on balance sheet funding cost will be down from 8.4% to 8.15% in Q1FY22 and then should be down to 7.85%

On Opex

- For FY21, Rs 450mn was towards ESOP cost. This was a one-off cost and magnitude of ESOP cost would not be so huge going forward.
- Employee cost would 33-37% of the income – ESOP cost one time allocation to corporate team (of Rs450mn – this will come down); variable cost of 10-15% composite was due to incremental performance and incentives on ARR assets.
- ***Rs 3.5bn + Rs 0.2bn ESOP cost should have been normalised cost for FY21.***
- ***Operating leverage is slightly higher on AMC business as compared to wealth management business***

On Employee attrition

- Attrition remains low on AMC & wealth business at the sales & senior level
- From AMC & wealth sales team, 5 RMs left of which 2 started their own venture – not losing out RMs to competition.

On Other income

- AIF contribute almost Rs 0.8 - Rs0.9bn of the total other income of Rs 1.37bn

On capital allocation

- Rs 10bn – NBFC, Rs 4bn – Wealth, Rs 5bn- AMC, Rs 1bn – cash balance in holding company & off-shore subsidiaries.
- Leverage on NBFC on pure networth of rs10-11bn will be 4.5-5.0x

Annual financial estimates

Table 7: Profit & Loss account

(Rs mn)	FY19	FY20	FY21	FY22E	FY23E
Revenues	10,667	8,770	10,527	12,408	14,346
% Growth	2%	-18%	20%	18%	16%
Total Employee Costs	3,367	3,845	4,178	4,671	5,147
Admin and Other Expenses	1,930	1,795	1,505	1,655	1,821
Total Expenses	5,297	5,640	5,683	6,326	6,968
% Growth	-6%	6%	1%	11%	10%
PBT	5,370	3,130	4,844	6,082	7,378
Less: taxes	1,532	1,066	1,155	1,520	1,845
PAT	3,838	2,064	3,689	4,561	5,534
% Growth	4%	-46%	79%	24%	21%

Source: Company data, I-Sec research

Table 8: Balance sheet

(Rs mn)	FY19	FY20	FY21	FY22E	FY23E
Equity share capital	169	174	176	176	176
Reserve & Surplus	28,934	29,741	28,102	26,162	27,546
Net Worth	29,103	29,915	28,278	26,338	27,722
Financial liabilities	67,782	99,381	57,583	63,874	70,677
Non-Financial liabilities	917	911	1,537	1,691	1,860
Total liabilities	97,802	1,30,207	87,399	91,904	1,00,259
Loans	49,665	36,319	37,206	58,159	66,614
Investment	30,526	65,124	25,129	6,307	3,486
Other financial assets	11,464	21,087	14,494	16,213	18,145
Non-financial assets	6,147	7,677	10,570	11,225	12,014
Total Assets	97,802	1,30,207	87,399	91,904	1,00,259
% Growth	2%	33%	-33%	5%	9%

Source: Company data, I-Sec research

Table 9: Key ratios

	FY19	FY20	FY21	FY22E	FY23E
Per share data					
EPS – Diluted (Rs)	45	24	42	52	63
% Growth	-5%	-48%	77%	24%	21%
DPS (Rs)	10	20	34	74	47
Payout ratio (%)	22%	84%	80%	142%	75%
Book Value per share (BVPS) (Rs)	344	343	321	299	315
% Growth	48%	0%	-6%	-7%	5%
Valuations					
Price / Earnings (x)	35.0	67.1	37.9	30.7	25.3
Price / Book (x)	4.6	4.6	4.9	5.3	5.0
Dividend Yield	1%	1%	2%	5%	3%
Business mix					
Wealth management AUM	87%	86%	82%	80%	78%
- Recurring	24%	26%	31%	33%	34%
- Transactional	63%	60%	51%	46%	44%
AMC AUM	13%	14%	18%	20%	22%
- AIF	10%	10%	11%	13%	15%
- PMS	2%	3%	5%	6%	6%
- MF	1%	1%	1%	1%	2%
Retention ratios					
Total	0.74%	0.55%	0.58%	0.53%	0.52%
Wealth management	0.73%	0.53%	0.55%	0.50%	0.48%
- Recurring	1.06%	1.00%	0.75%	0.69%	0.66%
- Transactional	0.70%	0.60%	0.47%	0.40%	0.40%
AMC (incl carry income)	0.87%	0.63%	0.77%	0.68%	0.67%
- AIF	0.43%	0.66%	0.74%	0.73%	0.71%
- PMS	0.74%	0.75%	0.60%	0.57%	0.55%
- MF	0.68%	0.75%	0.51%	0.50%	0.50%

	FY19	FY20	FY21	FY22E	FY23E
AUM growth					
Total	19%	1%	32%	24%	15%
Wealth management	15%	0%	26%	21%	12%
- Recurring	19%	8%	59%	33%	16%
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AMC	55%	6%	70%	40%	24%
- AIF	33%	2%	48%	45%	25%
- PMS	378%	28%	141%	30%	20%
- MF	65%	-13%	90%	40%	30%
Revenue growth					
Total	2%	-18%	20%	18%	16%
Wealth management	-1%	-22%	16%	12%	11%
- Recurring	14%	7%	-1%	34%	19%
- Transactional	-16%	-28%	-14%	-1%	4%
AMC	31%	-9%	64%	38%	29%
- AIF	51%	17%	24%	41%	29%
- PMS	210%	33%	83%	87%	20%
- MF	128%	-38%	90%	56%	34%
DuPont (% of Avg. AUM)					
Revenues	0.74%	0.55%	0.58%	0.53%	0.52%
Costs	0.43%	0.41%	0.35%	0.31%	0.29%
PBT	0.32%	0.14%	0.22%	0.23%	0.23%
PAT	0.31%	0.15%	0.23%	0.22%	0.23%
ROE	16%	7%	13%	17%	20%

Source: Company data, I-Sec research

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