



ANAND RATHI

Private Wealth. uncomplicated

Investor Presentation

Quarter Ended 30th June 2022

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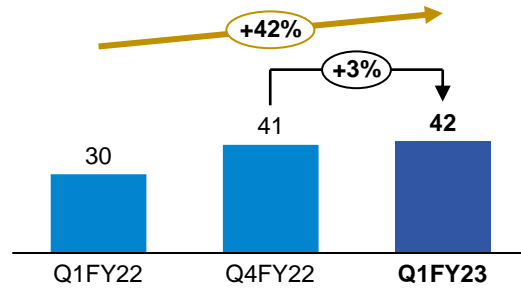
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Private Wealth Business

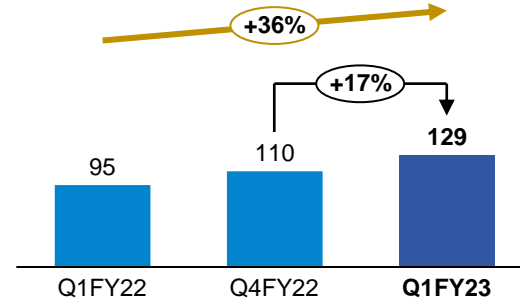


Key Highlights for Q1FY23 – Private Wealth Business

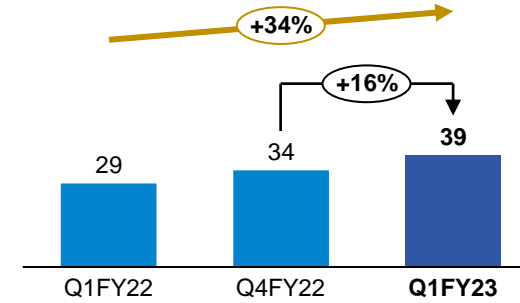
Trail Revenue (Rs. Crs.)



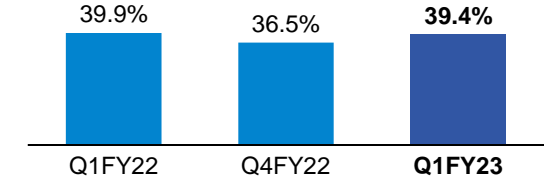
Total Revenue (Rs. Crs.)



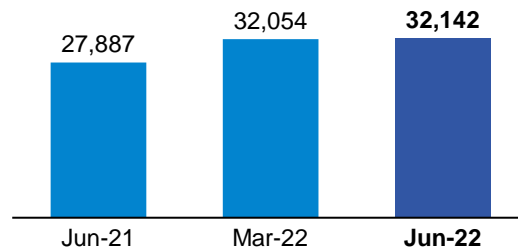
Profit After Tax (Rs. Crs.)



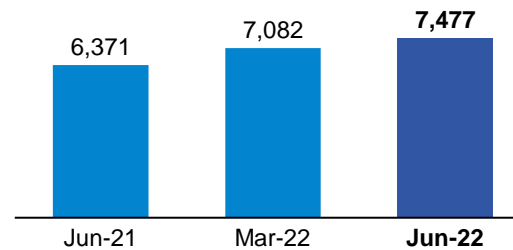
Return on Equity



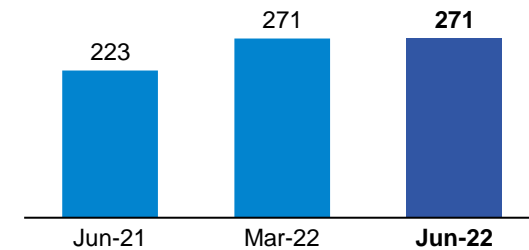
AUM (Rs. Crs.)



Active Client Families (Nos.)



Relationship Managers (Nos.)



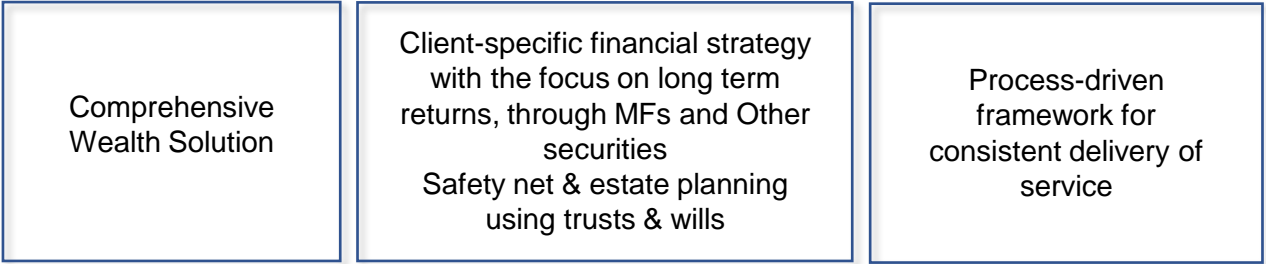
One of the leading non-bank wealth solutions firms in India & have been ranked amongst the top three non-bank mutual fund distributors in India by gross commission

Started in 2002 as an AMFI registered mutual fund distribution (MFD) business – and have evolved into providing, well researched solutions to our Clients by facilitating investments in financial instruments through an objective driven process

Presence across India



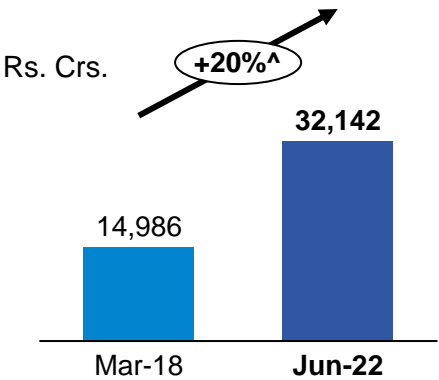
Strengths



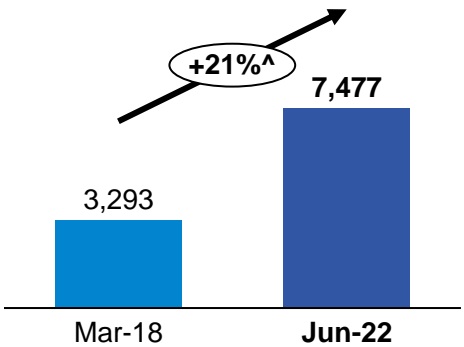
Number of RM's
271

AuM per RM
Rs. 119 crores

AuM Growth



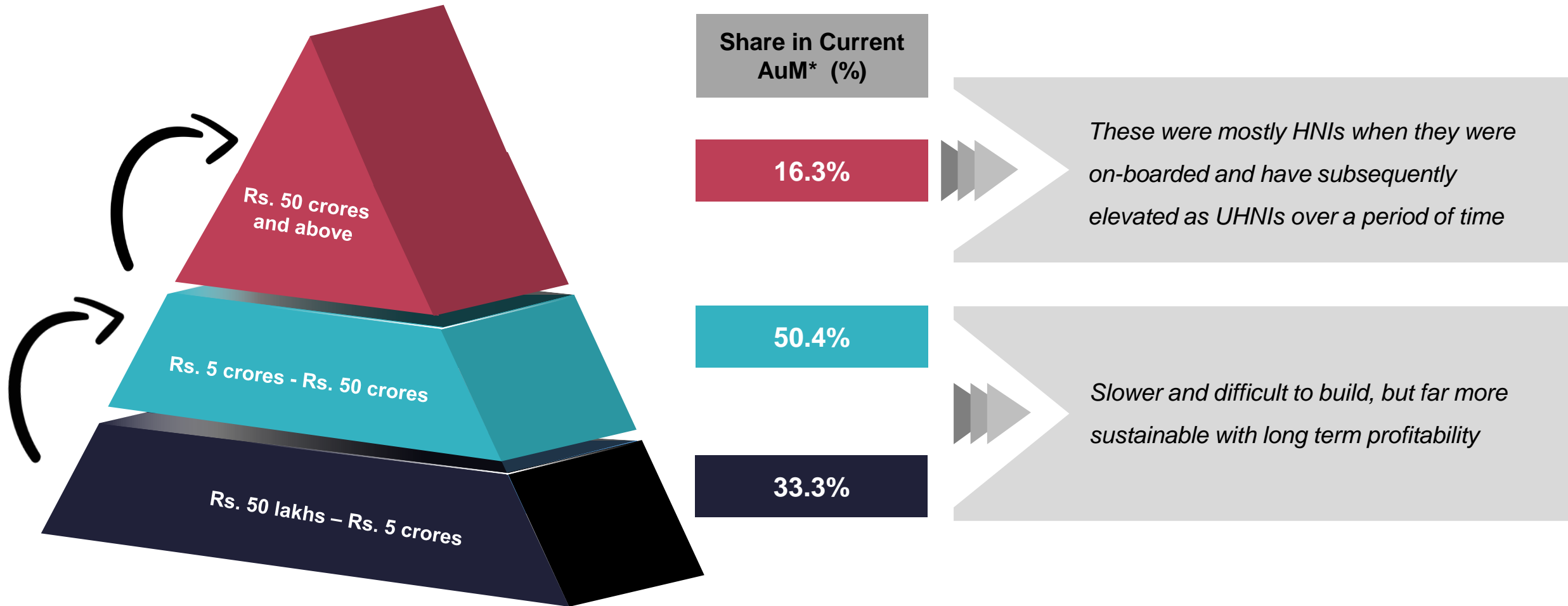
Client Growth

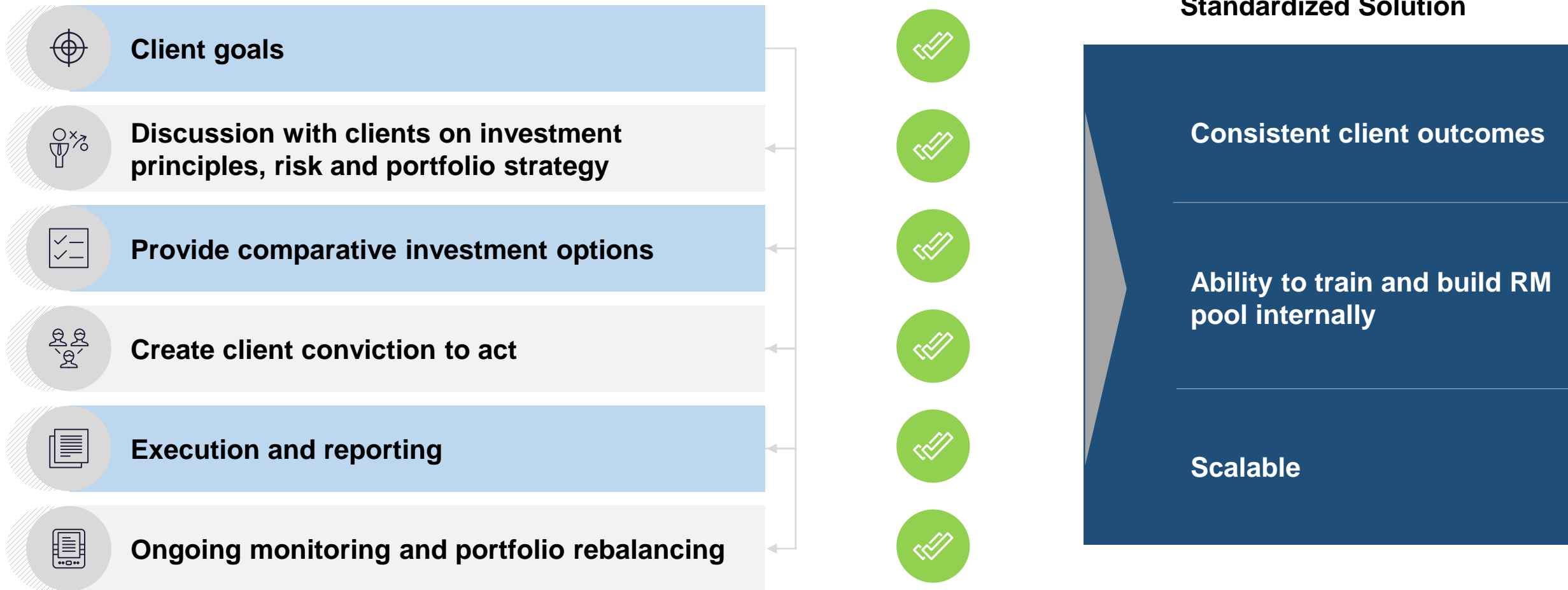


Clients per RM
~28

Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy

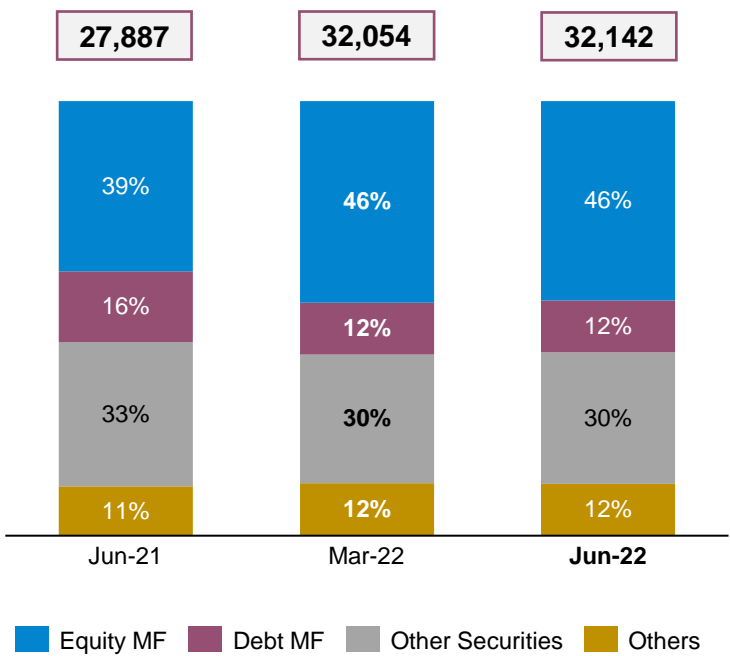
^ Growth is on CAGR basis



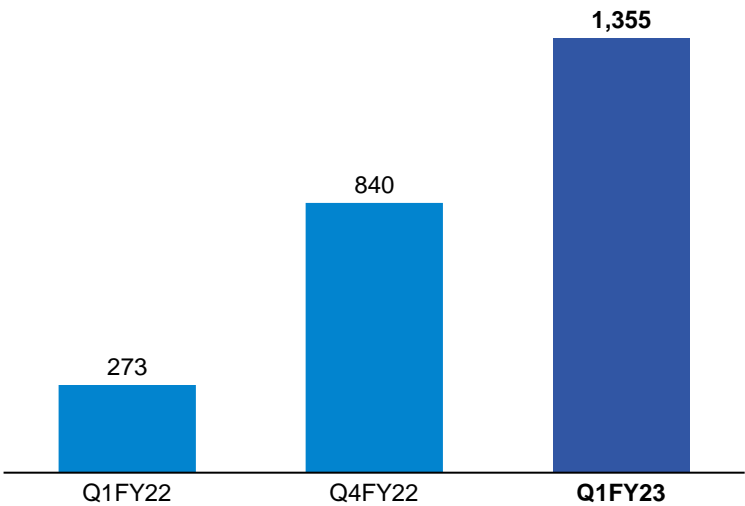


- ***Well researched Mutual Fund selection process***
- ***Diversified Sources of MLDs***

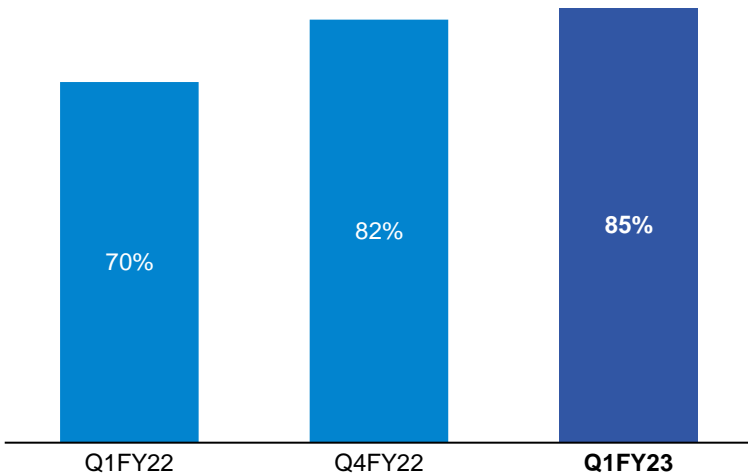
Product Wise AUM Mix (Rs. Crs.)



Net Flows (Rs. Crs.)



Trail Income coverage as % of Fixed Cost*

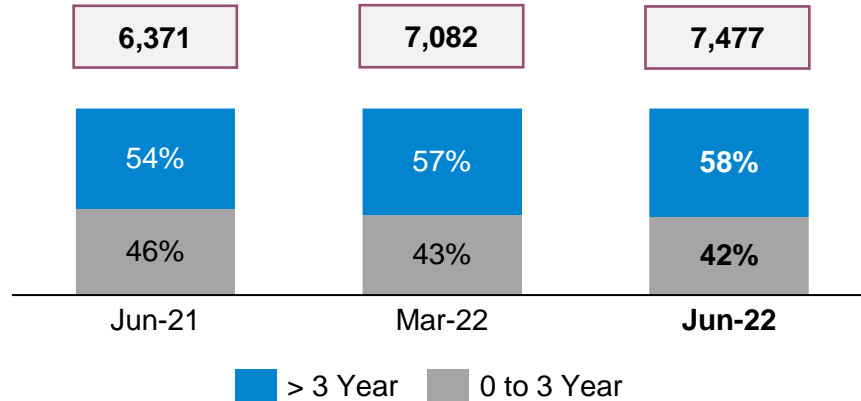


- Steady Increase in share of Equity Mutual fund AUM despite challenging market scenarios, Equity MF contributes **46%** of total AUM as on 30th June 2022
- Highest ever quarterly Inflow of new money signifying strong growth momentum. Net Flows for the quarter stood at a whopping **Rs.1,355 crores a growth of 395% over same period last year**
- Improving Trail Income as a percentage of Fixed Cost which stood at 85% as compared to 70% over same period last year

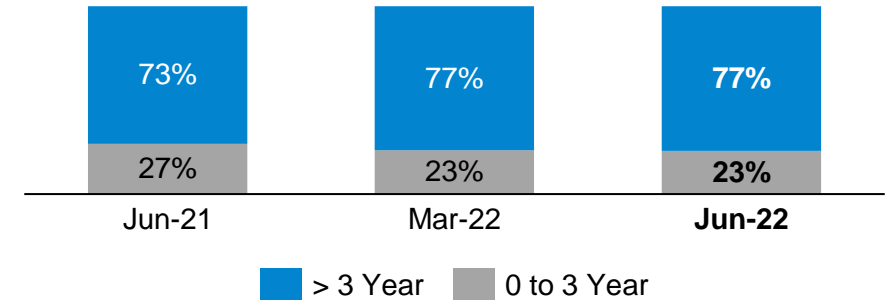
*including all operating costs excluding incentive payout

Advantage of Client Vintage and Stickiness

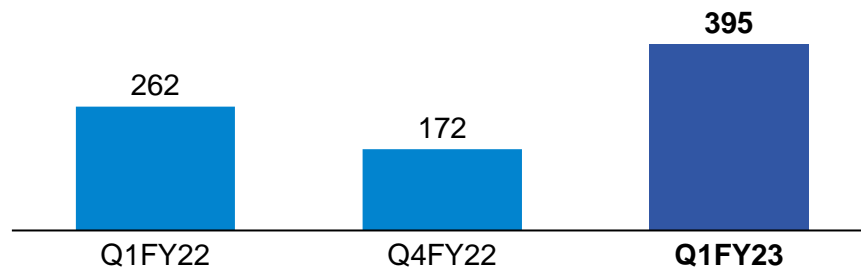
Client Vintage (Nos.)



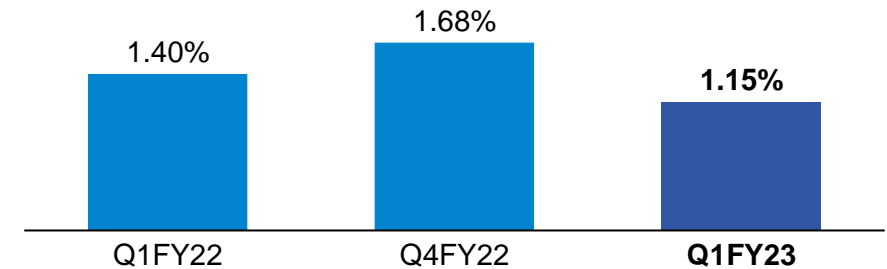
AUM Vintage



Net Client Addition (Nos.)



Client Attrition (% of AUM lost)*

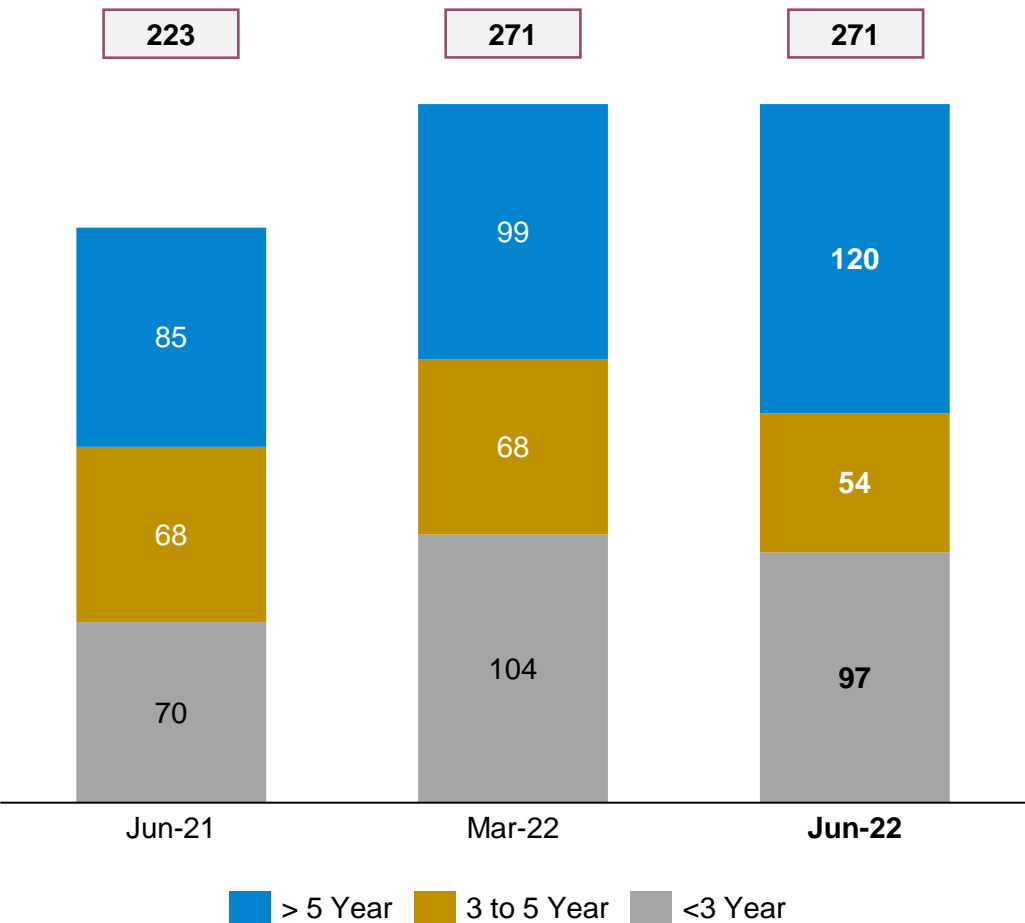


*Annualized

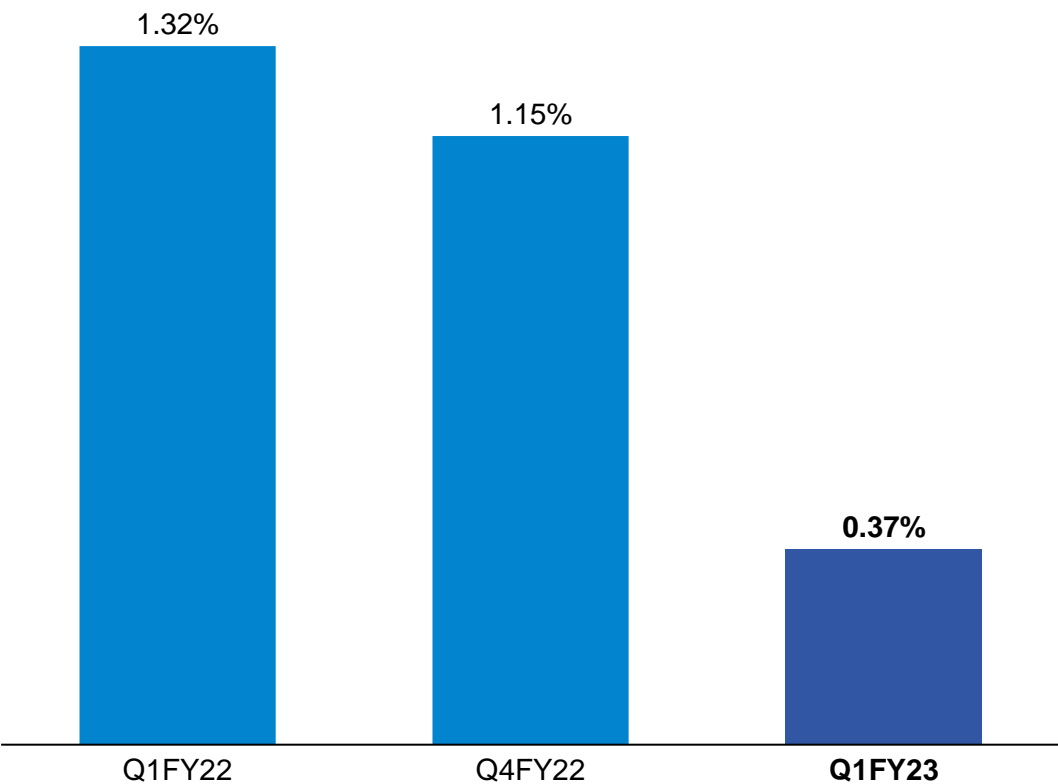
58.2% of our clients have been associated with us for over 3 years, representing 77.0% of our total PW AuM, which shows our strength in vintage of both clients and their AuM in our business as on 30th June 2022

Increasing Share of Higher Vintage Relationship Managers (RMs)

Vintage Wise Relationship Managers (Nos.)



Regret RM Attrition*



*RM with AUM greater than Rs. 40 crores

India's Wealth Story to unlock in coming years

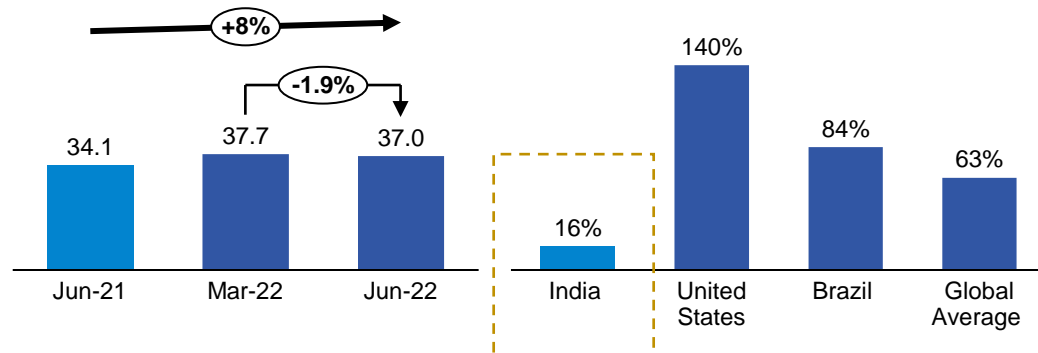
Anand Rathi Wealth : Well, poised to grow exponentially



Increasing Penetration of Mutual Fund Market in India

Assets managed by the Indian mutual fund industry (Rs. Trillion)

Penetration of MF Industry (AUM to GDP Ratio - India V/S Other Economies)

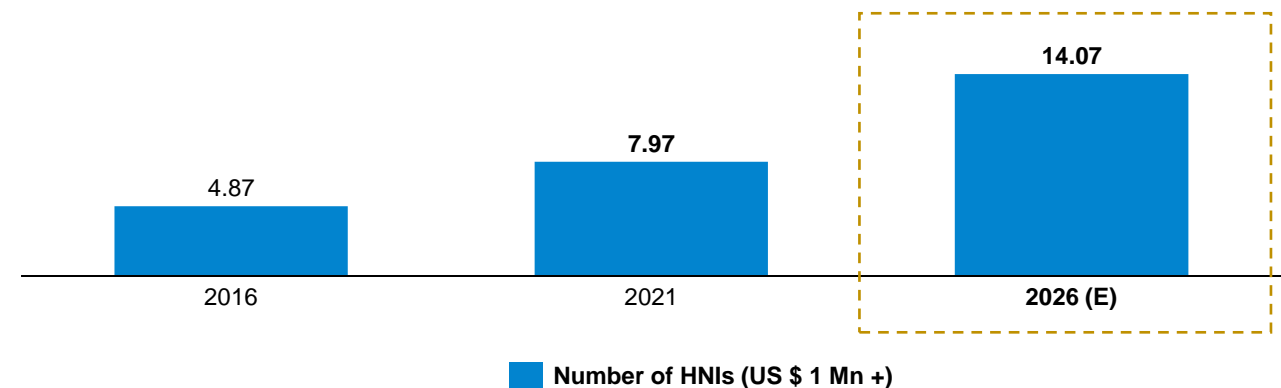


- ✓ Further, India accounts for less than 2% of the global mutual fund industry, representing a significant growth opportunity.
- ✓ The wealth management market (assets under advisory) in India:
 - About ₹ 21.77 trillion in July 2021, which is only approx. 9% of the country's GDP v/s 60% to 75% of GDP in established markets which signifies immense growth opportunities for the sector

Increase in HNI population in India

- ✓ In the past three decades, per capita incomes have multiplied
- ✓ Strong underlying economic expansion along with significant growth per capita income will drive the pace of wealth creation in India where investment towards financial savings is gradually increasing with increase in GDP

Growth of HNIs in India (Nos. in Lakhs)

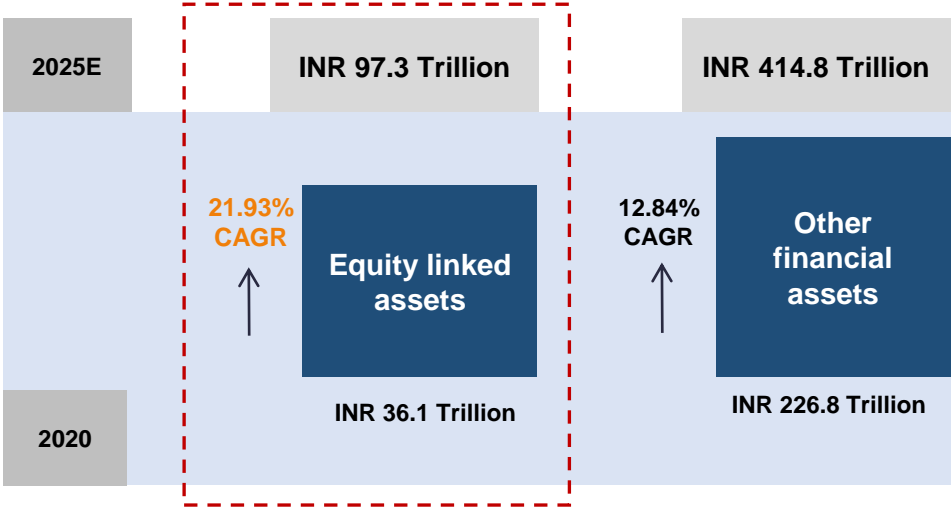
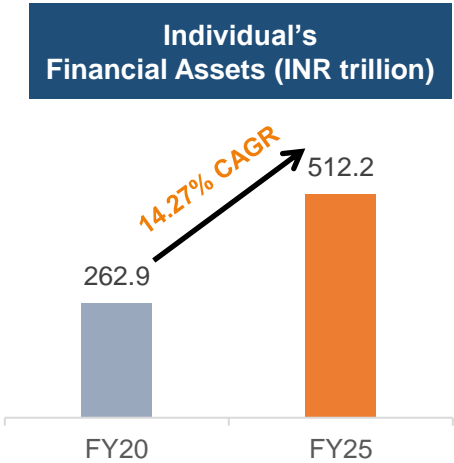


HNIs in India are inclining towards '**objective-driven approach**' to investing to generate higher returns with reduced risk

Source : The Wealth Report – 2022, Knight Frank

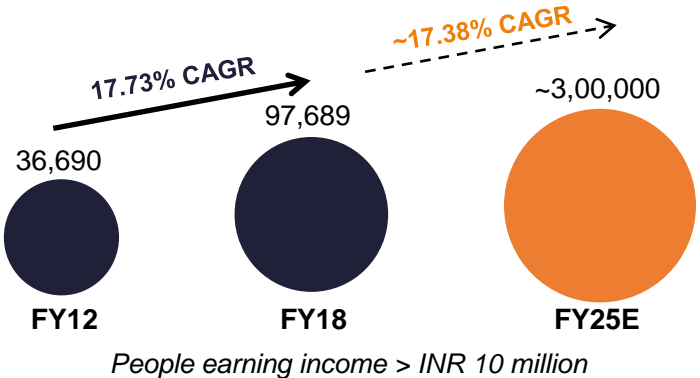
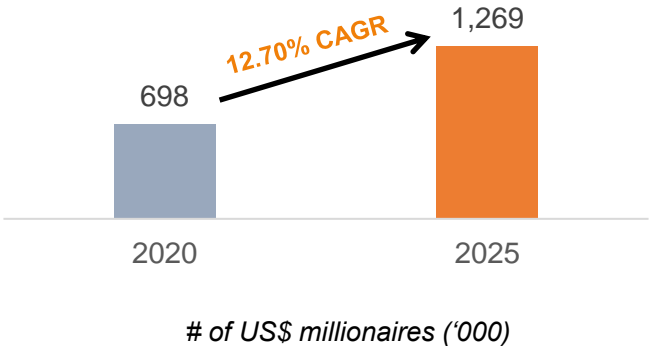
Strong macro-economic trends and a growing HNI families expected to drive growth in the Indian wealth solutions space

Financial assets as % of total assets to grow from **57% in FY20** to **63% in FY25**



Mutual fund assets to grow 2.3x from FY20 to FY25

US\$ millionaires to increase 1.8x by 2025



Taxpayers > INR 10 million Income to grow 3x from FY18 to FY25

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Digital Wealth – New Age Business



Leveraging technology to cater to the mass affluent segment through a Phygital Model

Challenges faced by Customers

- ✓ Poor Quality of advice and service due to inadequately skilled, low inexperienced & high attrition channel
- ✓ High cost of delivery of advice leads to mis-selling specially products having upfront payouts

Anand Rathi Advantage

- ✓ Leverage PWM Model
- ✓ Use of Expertise in Product Selection
- ✓ Established Brand

DW – A Holistic Solution



Comprehensive packaged solution delivered through a fully variable and scalable business model, leveraging technology



Algo driven real-time portfolio restructuring and rebalancing



Access to private wealth quality of product research

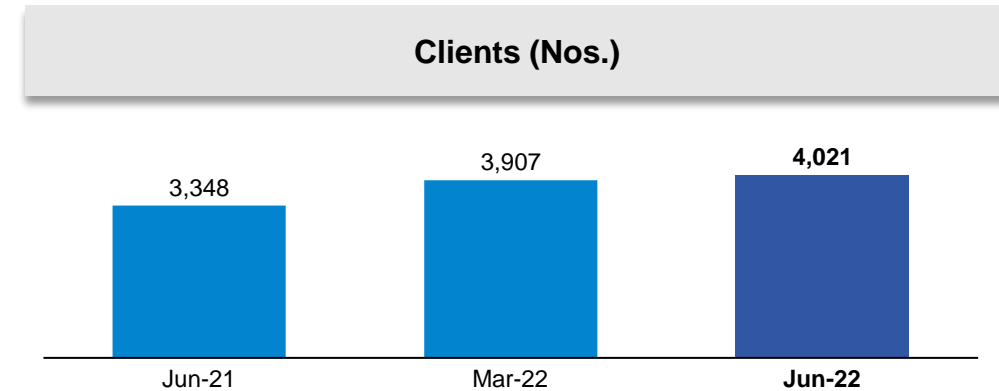
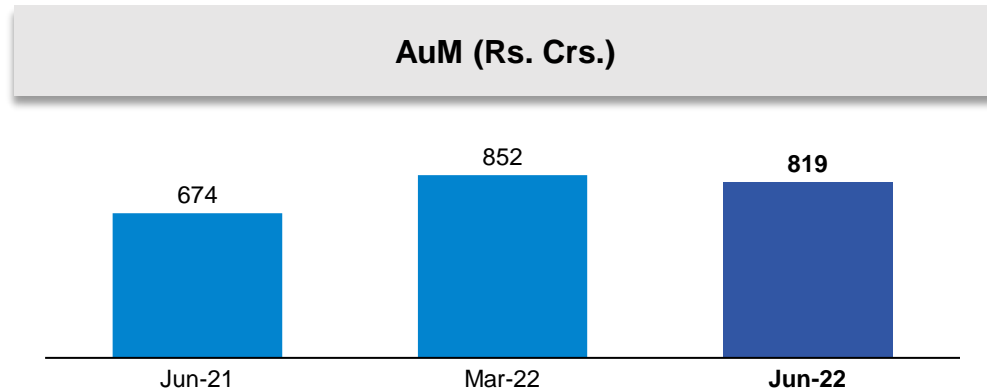


Uncomplicated customer education, strategy & reporting



360° digital delivery model – client app, educational videos & webinars, customer support- delivered by partners

Customer Segment : Mass Affluent having existing financial assets: Rs. 10 lakhs – Rs. 5 crores



Core Revenue Model

- Commission on Mutual Fund (MF) and distribution of Other securities
- Partners on fully variable model, hence no fixed cost for platform

Unique Approach to Wealth Solutions

Delivers service through a 'phygital channel' i.e., a combination of human distributor (physical) empowered with technology (digital)



Seeks to build a scalable and profitable model by using this blend of technology capabilities and human interface



Attempts to build a partner led distribution through whom a packaged investment solution is delivered

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Omni Financial Advisor (OFA) – New Age Business



2. OFA - Provides a technology platform to the MFDs & their clients

Target Segment – ARN Holder (Certified Mutual Fund Distributors) with Rs. 5-50 crores of AUM

Top 3 Pain Points of MFDs

- ✓ Lack of Infrastructure & Tech with small MFDs
- ✓ Poor Client Engagement – Sell & Move-on model
- ✓ Client Acquisition & Client Retention



OFA - Our Solutions

- ✓ Mobile –led Tech Infrastructure
- ✓ Client Reporting, Transaction & Engagement
- ✓ Pre Sales – Sales – Post Sales enablers

The Anand Rathi Advantage

- ✓ Network vs sub-broker
- ✓ Scale
- ✓ Existing Brand & Expertise

Anand Rathi OFA Unique Proposition



Once MFD is onboarded, the account set up is done within a week



Competitive pricing



Additional Product Capability & dedicated post sales service

Help grow the customers' business

**Key Functionalities : Subscription Model, MFD and his Clients get access to our platform.
(MFD – Web + Mobile, MFD's Clients – Mobile)**

OFA provides a co-branded mobile first integrated technology platform to MFDs and their clients thereby, addressing the wide retail segment



AR Wealth domain expertise combined with significant tech capabilities has created a unique ability to scale up the network for retail investors

OFA enables MFDs with unique features such as:



Client reporting



Online mutual fund transactions



Business dashboard

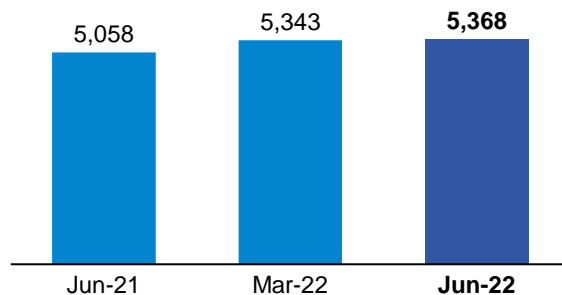


Goal planning

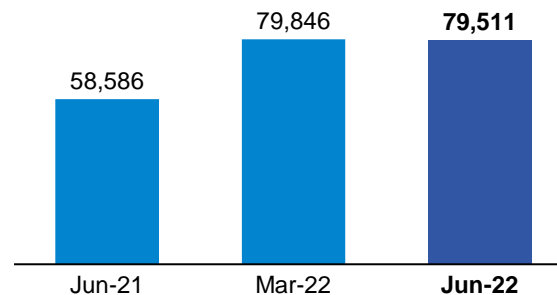


Client engagement

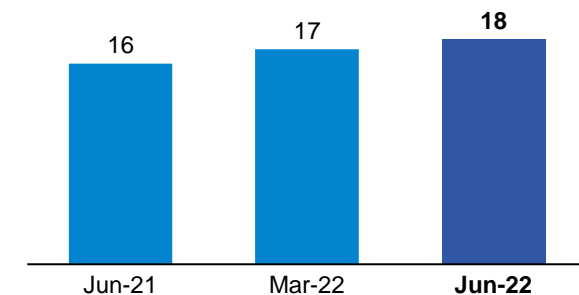
**Mutual Fund Distributors
(Nos.)**



Platform Assets Value (Rs. Crs.)



**Platform Clients
(Nos. lakhs)**



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Leadership Team





Mr. Anand Rathi
Chairman & Non-Executive Director



Mr. Amit Rathi
Non-Executive Director



Mr. Pradeep Kumar Gupta
Non-Executive Director



Mr. Rakesh Rawal
Executive Director & CEO



Mr. Mohan Tanksale
Independent Director



Mr. Ramesh Chandak
Independent Director



Mr. K. G. Somani
Independent Director



Mrs. Sudha Navandar
Independent Director



Mr. Rakesh Rawal
Chief Executive Officer

- Master's Degree in management studies from the Jamnalal Bajaj Institute of Management Studies and Bachelors Degree in Mechanical Engineering from Indian Institute of Technology, Kanpur
- Past Experience - Hindustan Unilever Limited & Deutsche Bank
- Joined Anand Rathi Wealth in 2007



Mr. Feroze Azeez
Deputy Chief Executive Officer

- Post Graduate Diploma in Management – majors in Derivative and Finance from SDM Institute for Management Development and Mechanical Engineer from University of Mysore
- Past Experience : ABN AMRO Bank N.V. and Religare Macquarie Private Wealth
- Joined Anand Rathi Wealth in 2012



Mr. Jugal Mantri
Group Chief Financial Officer

- Rank holder Chartered Accountant and Senior Management Program from IIM Ahmedabad.
- One of the first to join the Anand Rathi Group when it was founded in 1994

Key Personnel – Business & Financial Heads

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Mr. Chethan Shenoy
Director & Head – Product & Research



Mr. Rajesh Bhutra
CFO



Mr. Niranjana Babu Ramayanam
Head – Operations



Mr. Arjun Guha
Executive Director & Unit Head, Mumbai



Mr. Bharath Rathore
*Executive Director & Unit Head,
Bengaluru*



Mr. Manish Srivastava
Director & Unit Head, Delhi & Rajasthan



Mr. Amitabh Lara
Director & Unit Head, Mumbai



Ms. Aarti Desikan
*Executive Director & Unit Head,
Bengaluru*



Mr. Adil Chacko
Director & Unit Head, Delhi



Mr. Swapan Chakraborty
Director & Unit Head, Pune



Mr. Rajan Sarkar
Director & Unit Head, Kolkata



Mr. Mukesh Kumawat
Director & Unit Head, Gurugram



Mr. Subhendu Harichandan
Director & Unit Head, Pune



Mr. Ashish Bhandia
Director & Unit Head, Kolkata



Mr. Farooq Nabi
Associate Director & Unit Head, Noida



Ms. Protima Dhawan
Director & Unit Head, Hyderabad



Mr. Raj Vijeta Sharma
Director & Unit Head, Dubai



Mr. Krishanu Chaudhary
Director & Unit Head, Chennai



Mr. Harpreet Punj
Director & Unit Head, Chandigarh

Strong Growth Momentum... To Continue



Consolidated Business Summary

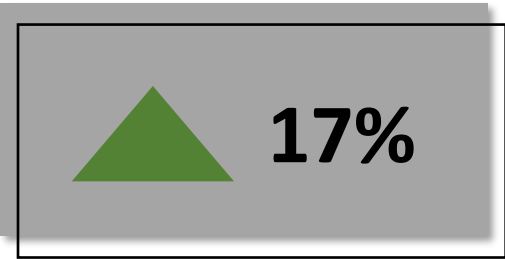
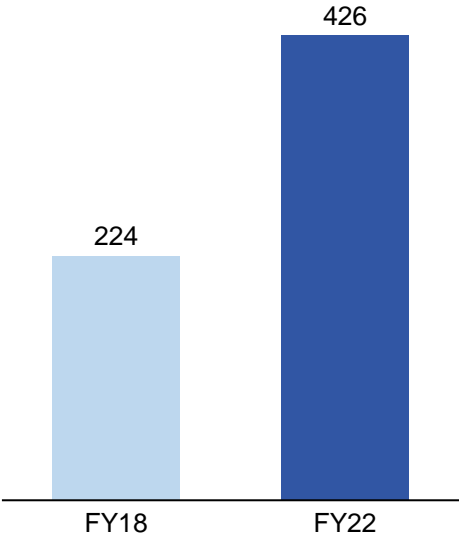
Particulars (Rs. Crs.)	Q1 FY23	Q1 FY22	Y-o-Y
MF – Equity & debt	19,281	16,056	20.1%
Other Securities	9,853	9,341	5.5%
Others	3,827	3,164	21.0%
AUM	32,961	28,561	15.4%

Q4 FY22	Q-o-Q	FY22
19,434	-0.8%	19,434
9,591	2.7%	9,591
3,881	-1.4%	3,881
32,906	0.2%	32,906

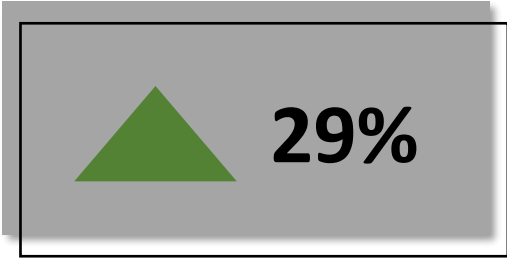
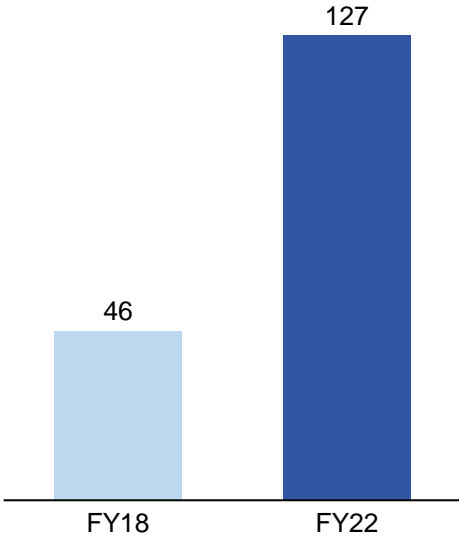
Particulars (Rs. Crs.)	Q1 FY23	Q1 FY22	Y-o-Y
MF – Equity & Debt	44.2	31.2	
Other Securities	86.2	65.2	
IT Enabled Services	1.2	1.2	
Others	1.9	0.9	
Total Revenue	133.5	98.4	35.7%
Employee costs	60.3	42.9	
Other expenses	15.6	11.2	
Total Operating Costs	75.9	54.1	40.3%
PBT	52.9	39.6	33.6%
PBT Margin%	39.6%	40.2%	
PAT	39.7	29.7	33.6%

Q4 FY22	Q-o-Q	FY22
42.8		154.0
68.5		258.8
1.3		4.8
2.2		8.1
114.8	16.4%	425.7
52.2		191.5
14.6		48.8
66.7	13.7%	240.3
44.1	20.1%	167.7
38.4%		39.4%
34.6	14.8%	126.8

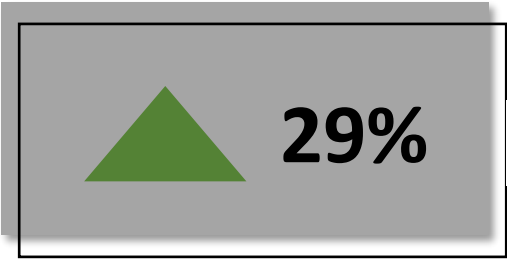
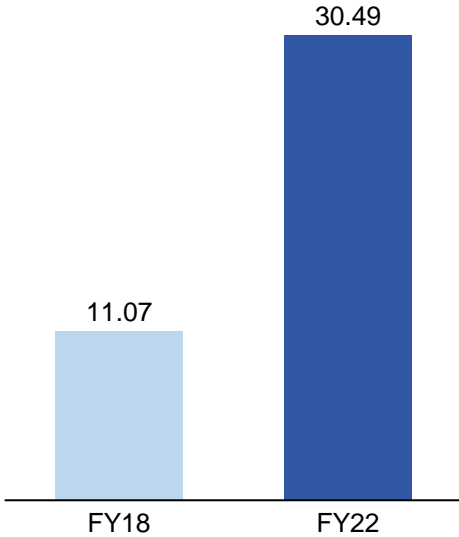
Revenue (Rs. Crs.)



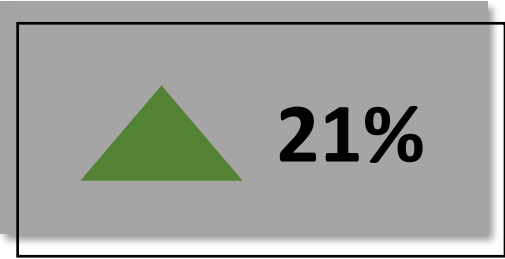
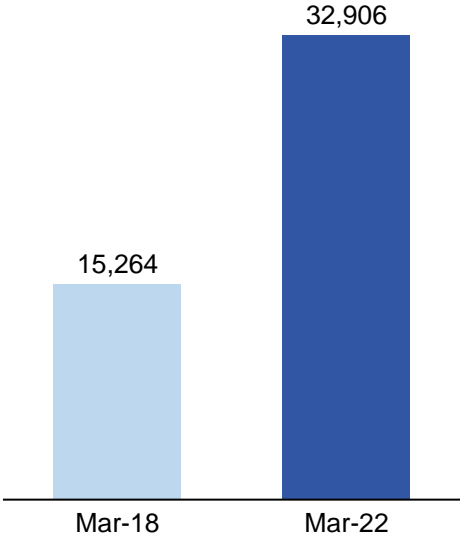
Profit After Tax (Rs. Crs.)



EPS (Rs.)



AUM (Rs. Crs.)



Growth is on CAGR basis

Particulars (Rs. Crs.)	FY18	FY19	FY20	FY21	FY22
MF – Equity & Debt	88.9	104.0	99.6	90.2	154.0
Other securities	130.4	169.0	227.7	170.6	258.8
IT Enabled Services	1.7	3.6	4.6	4.5	4.8
Others	2.7	7.5	4.6	13.9	8.1
Total Revenue	223.7	284.1	336.4	279.2	425.6
Employee costs	104.2	132.8	167.2	150.8	191.5
Other expenses	38.3	56.8	57.7	45.0	48.8
Total Operating Cost	142.5	189.6	224.9	195.7	240.3
PBT	67.3	84.3	86.6	62.9	167.7
PBT Margin%	30.1%	29.7%	25.7%	22.5%	39.4%
PAT	46.1	59.1	61.4	44.6	126.8

Particulars (Rs. Crs.)	FY18	FY19	FY20	FY21	FY22
MF – Equity & debt	11,050	12,862	11,068	14,559	19,434
Other securities	2,640	3,966	5,797	9,408	9,591
Others	1,575	1,565	1,490	2,703	3,881
AUM	15,264	18,393	18,355	26,670	32,906

Historical Balance Sheet

Assets (Rs. Crs)	Mar-19	Mar-20	Mar-21	Mar-22
Non - Current Assets	84.7	259.1	245.6	279.0
Property Plant & Equipments	7.5	8.9	7.2	80.8
CWIP	-	65.4	69.0	-
Goodwill	0.4	2.9	2.9	2.9
Intangible assets	7.9	37.3	32.2	27.1
Right of use asset	-	26.3	12.9	13.2
Intangible assets under development	31.7	-	-	-
Financial Assets				
Investments	-	101.3	101.8	103.5
Other Financial Assets	4.7	5.2	4.3	4.2
Deferred Tax Assets (Net)	3.9	4.6	4.2	3.8
Other Non - Current Assets (Net)	28.6	7.2	11.1	43.5
Current Assets	112.7	150.7	94.2	201.2
Financial Assets				
(i) Investments	75.1	1.8	2.7	-
(ii) Trade receivables	11.0	9.1	10.9	14.9
(iii) Cash and cash equivalents	11.4	28.3	65.3	87.1
(iv) Bank balances other than C & CE	-	-	-	-
(v) Loans	0.2	66.7	1.2	-
Other Financial Assets	10.3	31.5	12.5	92.0
Other Current Assets	4.6	13.3	1.6	7.2
Total Assets	197.3	409.8	339.7	480.2

Equity & Liabilities (Rs. Crs)	Mar-19	Mar-20	Mar-21	Mar-22
Total Equity	135.0	197.9	253.2	355.3
Share Capital	13.5	13.5	13.8	20.8
Other Equity	109.0	172.8	227.8	322.9
Non Controlling Interest	12.5	11.6	11.6	11.7
Non-Current Liabilities	0.5	50.2	32.5	27.2
Financial Liabilities				
(i) Borrowings	0.4	33.4	25.0	16.6
(ii) Lease Liabilities	-	16.5	6.4	8.5
Provisions	0.1	0.3	1.2	2.1
Current Liabilities	61.8	161.7	54.1	97.6
Financial Liabilities				
(i) Borrowings	0.2	8.4	8.4	8.3
(ii) Trade Payables	0.7	2.1	0.2	-
(iii) Lease	-	10.0	7.8	5.8
(iii) Other Financial Liabilities	20.2	90.6	5.7	21.2
Other Current Liabilities	6.6	9.1	12.2	8.7
Provisions	34.1	41.6	19.8	53.6
Total Equity & Liabilities	197.3	409.8	339.7	480.2

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THANK YOU !

Company: Anand Rathi Wealth Limited

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CIN: L67120MH1995PLC086696

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SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

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