

## Edelweiss reports ex-Insurance PAT of INR 610 Cr, 51% growth YoY

Declared Final Dividend of Rs 1.25 per share. Total Dividend for FY23 stands at Rs. 1.50 per share

### Year ended Mar 23 Highlights:

- EFSL post MI Consolidated PAT of INR 344 Cr, 82% growth YoY
- EFSL post MI Ex-Insurance PAT of INR 610 Cr, 51% growth YoY
- Revenue (consolidated) - INR 8,633 Cr
- Board of Directors have recommended a **Final Dividend of Rs. 1.25 per equity share**. Total Dividend for the year stands at **Rs. 1.50 per equity share**.

### Quarter ended Mar 23 Highlights:

- EFSL post MI Consolidated PAT of INR 149 Cr
- EFSL post MI Ex-Insurance PAT of INR 208 Cr
- Revenue (consolidated) - INR 3,027 Cr

### Healthy profitability with robust operating metrics across businesses

- Asset Management **AUM growth of 31% YoY** and profitability at **INR 177 Cr** for the year
- Alternatives AUM at INR 46,500 Cr, **52% growth YoY**; over 3x growth in YoY PAT
- Asset Reconstruction profitability at **INR 318 Cr** for the year, **26% growth YoY**
- **Credit business profitability at INR 153 Cr** for the year, **38% growth YoY**
- Gross written premium for General Insurance business at **INR 552 Cr, growth of 53% YoY**
- Life Insurance business achieved **embedded value break-even**

### Strong Growth in Customer Franchise

- **Customer reach** continues to expand to **~6.7 million, growing 36% YoY**. This has also aided a **16% YoY growth in customer assets to ~INR 4.1 trillion** – demonstrating the continued trust reposed in us by our customers

### Robust Balance Sheet with Well-Capitalized businesses

- **Net Worth** at **INR 8,502 Cr**
- **Net debt** at **INR 16,360 Cr**
- **Comfortable Liquidity** at **~15% of Debt**
- **Strong capitalization across businesses**, with capital adequacy of over 30% across credit entities

### On track on our Key Priorities

- **Demerger and Listing of Nuvama Wealth Management**
  - Record Date announced as June 2 for determining shareholders for equity share allotment
  - Value unlock designed to be win-win-win for all stakeholders
    - Deal led to primary infusion of capital for Nuvama and paved way to be a listed independent business with a focused strategy and the flexibility to attract business-specific partners and investors
    - Provided Shareholders of Edelweiss an opportunity for direct participation in Nuvama's growth journey in addition to EFSL's journey

- Enabled strategic alignment towards creating and unlocking value for Edelweiss and provided capital for future investments
- **Scaling Asset Management and Insurance businesses**
  - Alternatives raised AUM of ~INR 14,000 Cr in the year
  - Mutual Fund saw strong net inflows of INR 22,100 Cr for the year
  - General Insurance recorded growth in focus segments - Motor & Health grew by 52% & 56% in FY23; against industry average of 15% & 20%
  - Life Insurance business AUM at INR 6,637 Cr, 21% YoY; Gross Premium at INR 1,676 Cr, 15% YoY
- **Reducing Wholesale loan assets**
  - ~40% wholesale loans reduced in the year; planned reduction of ~50% in the next financial year

***Speaking on the occasion, Mr. Rashesh Shah, Chairman, Edelweiss Financial Services Limited said:***

“The India growth story remains strong. Despite global macroeconomic slowdown and uncertainty, India’s economy remains resilient with a quadruple balance sheet advantage that reflects across government, banks, RBI, and corporates.

At Edelweiss, we have been committed to delivering on our stated priorities. Our ex-Insurance **PAT for the year grew 51% YoY to INR 610 Cr** and nearly doubled YoY for the quarter. The demerger of Nuvama is well underway and the Record date for allotment of Nuvama shares to our shareholders has been announced as June 2, 2023.

The year also saw significant growth in our asset management and insurance businesses. In the **Mutual Fund business, AUM grew 24% YoY to INR 1,05,000 Cr and Equity AUM grew 16% YoY to INR 22,700 Cr. The Alternatives platform continues to be a strong performer with profitability of INR 159 Cr, AUM growth of 52% YoY and fee-paying AUM growth of 32% YoY.** The General Insurance business recorded **53% growth in GDPI, securing the highest growth in the industry.** The Life Insurance business achieved a **significant milestone of Embedded Value (EV) break even** and recorded the **highest ever Claim Settlement Ratio of 99.2%**, a testament to the high-quality franchise we are building. Our wholesale loan reduction is on track with ~40% reduction achieved in the year and we expect this momentum to continue with a planned reduction of ~50% in the coming year.

Over the next financial year, we will continue to create value by building and scaling asset light and retail-focussed businesses, unlock value when opportune for our business & all our stakeholders and further strengthen our balance sheet.”

**Steady Performance across Businesses – Healthy Profitability & Upward trend in Key metrics**

- **Credit**
  - Credit businesses reported a **PAT of INR 155 Cr**
  - Focus continues to remain on **asset-light retail credit** model through partnerships with Banks, new co-lending partnership with UCO Bank in HFC.

- GNPA improved both in our NBFC and Housing Finance Business to 2.07% and 1.91%
- **Total disburseals** recorded **INR ~1000 Cr** for the year, in Housing Finance
- Housing Finance rebranded as Nido Home Finance Limited
- **Asset Management**
  - Mutual Fund:**
    - **AUM grew 24% YoY** to INR 105,000 Cr; AUM market share improved by 45 bps YoY to 2.61%
    - Net inflows of INR 22,100 Cr for the year
    - **Equity AUM grew 16% YoY** to INR 22,700 Cr with net equity inflows of INR 3,400 Cr in the year
    - **Retail folios grew** by 20% YoY to **11.7 lakhs** as on Mar 23
    - Edelweiss MF ranked #12 as on Mar 23; improved from #13 YoY
  - Alternatives:**
    - Maintained **dominant position** in India Alternatives market, **AUM growing 52% YoY to INR 46,500 Cr**
    - Raised AUM of ~INR 14,000 Cr in the year; INR 2,100 Cr in the quarter
    - **Fee paying AUM grew 32% YoY** to INR 23,200 Cr; **Profitability grew over 3 times YoY** to INR 159 Cr
    - Launched Perpetual AUM product - AnZen InvIT - to invest in diversified energy assets for providing growth with predictable yields
    - Robust response from investors towards 2nd series of Infrastructure Yield fund and 3rd series of special situations
  - **Asset Reconstruction**
    - **Recoveries continue to remain strong.** Focus maintained on **building retail capabilities**
    - **Capital employed in retail assets increased by 14% YoY;** it's share increasing to 16% of total capital employed
    - **Total recoveries of INR 7,530 for the year;** of which 13% was from retail portfolio
    - Deployed INR 382 Cr in the quarter and INR 1,467 Cr for the year
  - **Insurance**
    - General Insurance:**
      - Achieved **GDPI growth of 53% YoY**, highest amongst GI players
      - Consistent growth in focus segments – Motor & Health grew by 52% & 56% in FY23, against industry average of 15% & 20%
      - Issued 388,000 policies in the year; 31% growth YoY
      - Acquired 10 new NBFC partnerships and 2 leading Auto OEM Partners
    - Life Insurance:**
      - Achieved Embedded Value break-even with focus on margin and capital management; Embedded Value of INR 1,844 Cr as on Mar 23
      - **Gross premium grew at 15% YoY to INR 1,676 Cr** for the year; Traditional Par and Non-Par products constitute ~88% of product mix
      - **Individual APE for the year crosses INR 500 Cr for the year; YoY growth of 20%**
      - Recorded **highest ever Claim Settlement Ratio of 99.20%** and full year Customer NPS score of 54

- **Wealth Management (Transitioned to Nuvama Wealth Management Limited)**
  - **AUA grew 12% YoY** with net new money of INR 4,921 Cr for the quarter
  - Strong 62% YoY **growth in distribution income**
  - **LAS book grew 25% YoY** to INR 3,770 Cr as on Mar 23
  - **Customer count increased by 27% YoY** to over ~1.1 million customers


#### About Edelweiss Financial Services

The Edelweiss Group is one of India's leading diversified financial services companies, providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss's products and services span multiple asset classes and consumer segments across domestic and global geographies. The group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all client segments. Its businesses include NBFC, Housing Finance, Asset Management, Asset Reconstruction, Life Insurance, General Insurance. Wealth Management (now known as Nuvama Wealth Management) is an associate business in partnership with PAG, where PAG is the majority owner of the business. Edelweiss group has presence across all major cities in India.

Edelweiss Financial Services trades under the symbols NSE: EDELWEISS, BSE: 532922, Reuters: EDEL.NS and EDEL.BO and Bloomberg: EDEL IS and EDEL IB. To learn more about the Edelweiss Group, please visit [www.edelweissfin.com](http://www.edelweissfin.com). Edelweiss Financial Services Limited **Corporate Identity Number**: L99999MH1995PLC094641

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