

US \$ version



Strategic update

Demerger of Nuvama Wealth Management

Contents



- 1** Nuvama Demerger: Rationale and Update Slide 3 - 7
- 2** Nuvama: Quality business, poised for growth Slide 8 - 13
- 3** Edelweiss: Creating and unlocking value Slide 14- 18

Contents



1 Nuvama Demerger: Rationale and Update

Slide 3 - 7

- *Why the Demerger?*
- *What were the steps of the demerger?*
- *Where are we now and next steps?*

2 Nuvama: Quality business, poised for growth

Slide 8 - 13

3 Edelweiss: Creating and unlocking value

Slide 14- 18

Why the Demerger? A win-win-win for all stakeholders



For Nuvama

- Deal led to primary infusion of capital into the business
- Nuvama is now an independent business with a focused strategy and the flexibility to attract business-specific partners and investors
- Paved the way for listing of Nuvama

For Shareholders of Edelweiss

- Opportunity for direct participation in Nuvama's growth journey in addition to EFSL's journey

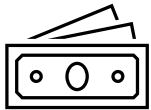
For Edelweiss

- Enables strategic alignment towards creating and unlocking value
- Provides capital to EFSL for future investments

What were the steps?

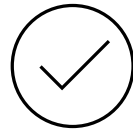


Phase I



Capital raise in Nuvama

Phase II & III



NCLT order received and made effective for Phase II demerger scheme

NCLT order received, and scheme made effective from **May 18, 2023**

Allotment



Allot 30% EFSL holdings to Shareholders of Edelweiss

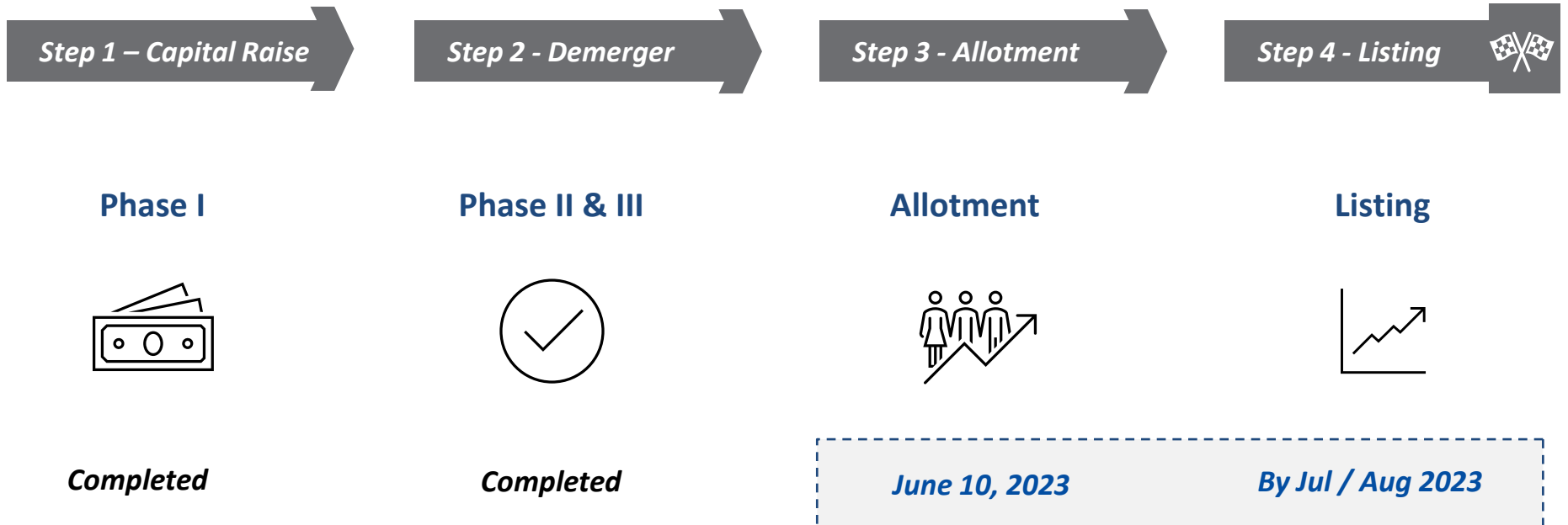
Announced **June 2, 2023**, as the **Record Date** for determining shareholders who will receive equity shares of Nuvama

Listing

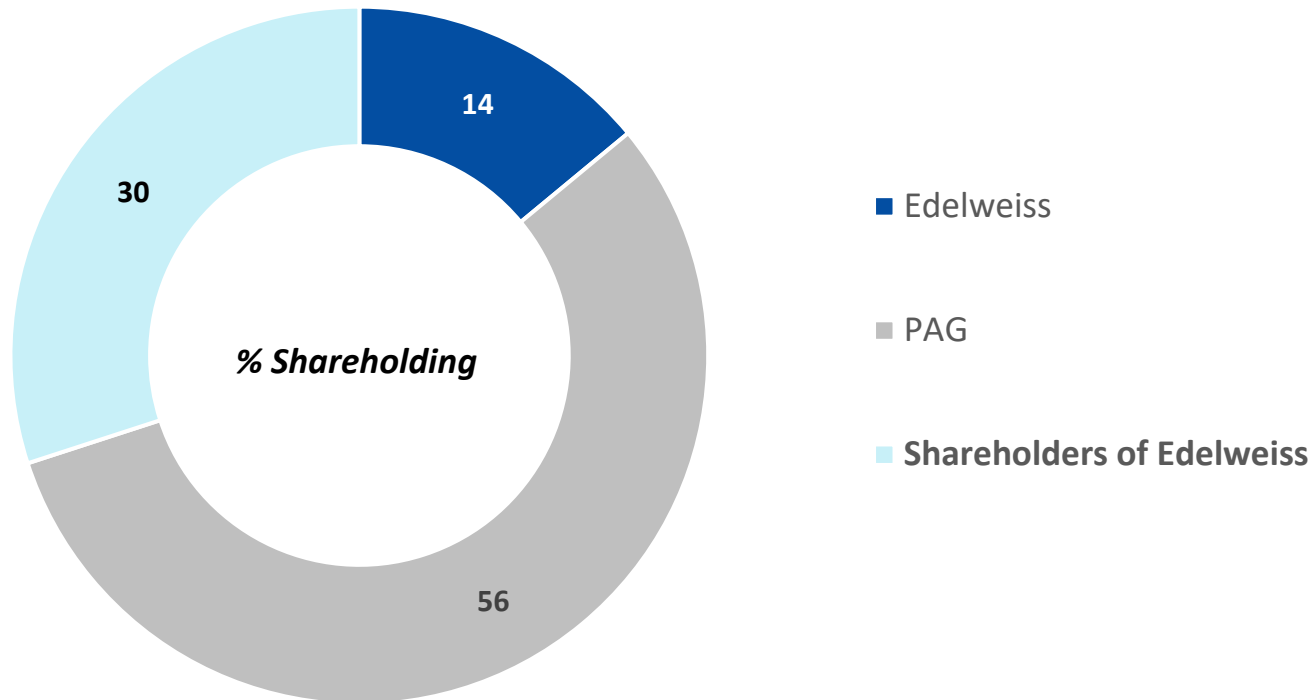


Listing of Nuvama Wealth Management

What is the current status and next steps?



Nuvama's shareholding post demerger



Contents



1 Nuvama Demerger: Rationale and Update

Slide 3 - 7

2 Nuvama: Quality Business poised for growth

Slide 8 - 13

- *Nuvama: an integrated and differentiated Wealth Management Platform*
- *Well scaled with a history of strong performance*
- *Operating in a high opportunity segment with headway for growth*

3 Edelweiss: Creating and unlocking value

Slide 14- 18

Nuvama Wealth Management *(Formerly Edelweiss Wealth Management)*



An integrated and differentiated Wealth Management Platform

Only established player straddling across Affluent to UHNI client segments, constituting 80% of market wealth

A high growth company with diversified and superior quality of earnings

Solution oriented approach with the exhaustive suite of offerings

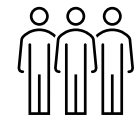


\$27,391 Mn

Client Assets

11 Lakhs

Client Reach



Well scaled with robust performance across key metrics



\$275 Mn

Net Worth

(FV \$0.12)

\$8

**Book Value
per Share**

\$37 Mn

Profit after Tax *

\$1

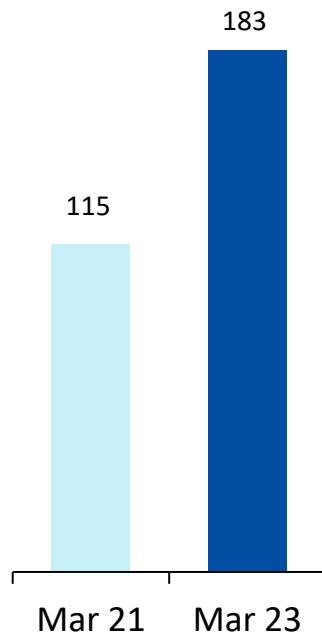
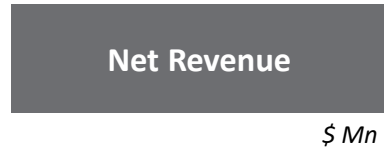
**Diluted Earnings
per Share**

* Operating PAT including demerged businesses and excluding non-recurring demerger expenses is \$45 Mn

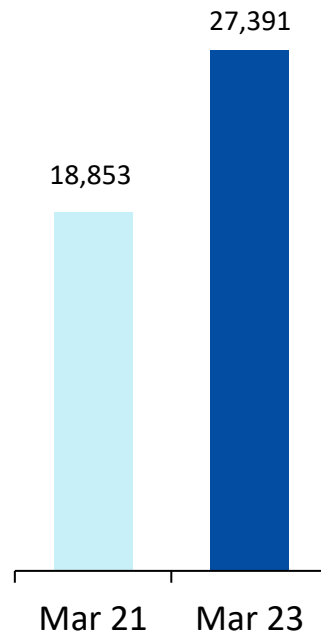
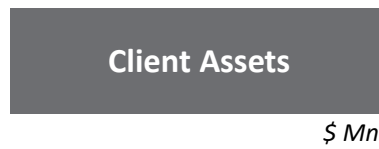
Healthy growth over the last 2 years



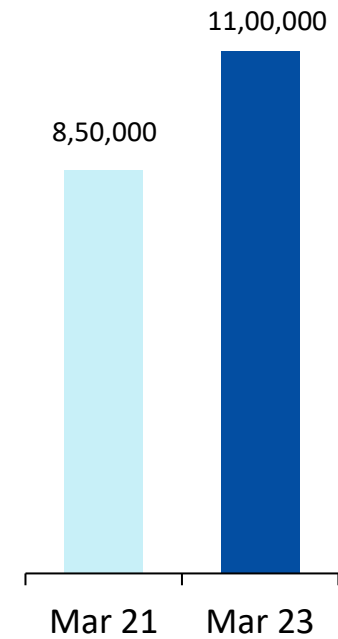
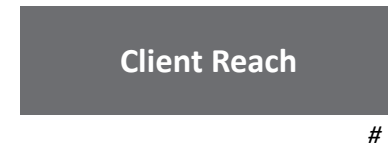
CAGR of 26%



CAGR of 21%



CAGR of 14%



Operating in a high growth opportunity segment



India's Wealth Management opportunity

- **Financial wealth would continue to grow rapidly**
 - *Bank deposits have doubled every ~4.5 years over last 2 decades*
- **Investment asset class will grow even faster driven by value migration**
 - *Estimated 10-year CAGR (FY15 - FY25) for Bank Deposits is 10% vs Investment asset class (Equity, MF, AIF, etc.) is 15%*
- **Rising formal penetration will multiply the opportunity (Present: India-14%, US-75%)**
 - *AUM of Top 3 players as % of GDP: USA-40% vs India-5%*

- Wealth will grow to reach **\$9.7 tn** by 2025 (11% CAGR - 10 years)
- # HNIs/UHNI estimated to **grow 1.7x** in 5 years (2020-25)
- India to be the **4th largest** private wealth market globally by 2028

Making India's wealth industry a structural and scalable opportunity

Poised for the growth ahead



Demonstrated Performance

- Net Revenue grew **1.6x** over the past 2 years
- Client Assets grew **1.5x** over the past 2 years



Well Scaled

- Net Revenue of **\$183 Mn**
- Client Assets of **\$27,391 Mn**



Large Opportunity

- India to be the **4th largest** private wealth market globally by 2028

Contents



1 Nuvama Demerger: Rationale and Update

Slide 3 - 7

2 Nuvama: Quality business, poised for growth

Slide 8 - 13

3 Edelweiss: Creating and unlocking value

Slide 14- 18

- *Edelweiss post the demerger*
 - *Key financial metrics*
 - *Structure with portfolio of businesses*
- *Growth over the last 4 years*
- *Edelweiss: way forward*

Edelweiss Post Demerger: Changes in key metrics



Metric	Previously	Now	Next quarter
	Pre Demerger	Post Demerger	Post Allotment
Net Worth	\$1,034 Mn	\$1,034 Mn	\$748 Mn
Book Value per Share	\$0.88	\$0.88	\$0.56
Nuvama's contribution in EFSL PAT	22%	-	-

* PAT refers to post MI ex-Insurance PAT

Continues to hold a portfolio of 7 high-quality businesses



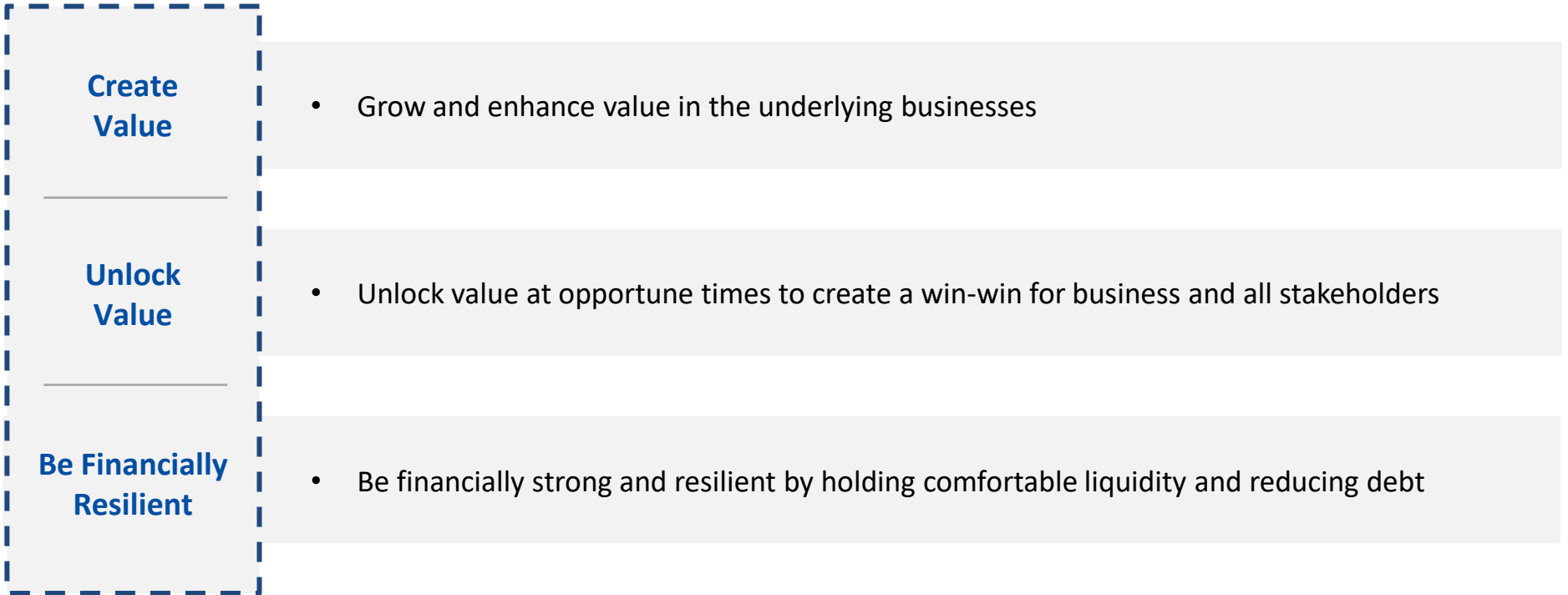
Edelweiss Financial Services Ltd		For year ended Mar 23		
		EFSL Stake	Equity	PAT
Asset Management	Alternative Asset Mgt	100%	\$75 Mn	\$19 Mn
	Mutual Fund	100%	\$24 Mn	\$2 Mn
Asset Reconstruction		60%	\$340 Mn	\$39 Mn
Credit	NBFC	100%	\$470 Mn	\$17 Mn
	Housing Finance	100%	\$97 Mn	\$2 Mn
Insurance	General Insurance	100%	\$21 Mn	\$(15) Mn
	Life Insurance	75%	\$82 Mn	\$(24) Mn

With significant growth over the years



		FY19	FY23
Alternative Asset Mgt	AUM (\$ Mn)	1,460	5,656
Mutual Fund	AUM (\$ Mn)	2,129	12,771
Asset Reconstruction	Recoveries (\$ Mn)	404	916
NBFC	Capital Adequacy (%)	20.3	34.3
HFC	Capital Adequacy (%)	21.4	32.1
General Insurance	Gross Written Premium (\$ Mn)	13	67
Life Insurance	Total Premium (\$ Mn)	108	204

Going ahead, Edelweiss will continue to



Safe Harbour



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- Slide 1: Nuvama formerly know as Edelweiss Wealth Management
- Slide 9,11: Client Assets and Clients are rounded off to nearest 100
- Slide 9: Kotak Wealth Report, Karvy Wealth Report, Mckinsey Wealth Reports | 2017-2019 and company estimates
- Slide 11: Net Revenue is calculated by reducing finance cost and variable business expenses from gross revenue
- Slide 12: Source: Karvy Wealth Reports, Knight Frank Wealth Report 2021, India Brand Equity Foundation September 2021
- Slide 12: Source: RBI and SEBI and Karvy Wealth Reports, Investment assets includes Insurance, Direct Equity, Mutual Fund, Unlisted Equity, Alternative Investments and International Asset
- Slide 12,13: Source: World bank, Asian Private banker, Kotak Wealth Report, Karvy Wealth Report, McKinsey Wealth Reports, Investor Presentation of WM players and Internal estimates
- Slide 15: Post Allotment numbers are illustrative for representation only and is based on reported numbers as on Mar 23
- Slide 17: FY19 ARC Recoveries exclude one-off recoveries for effective comparability
- Slide 17: NBFC capital adequacy is calculated by combining Tier I & II capital and RWA of ECLF and ERFL entities