



# Strategic update

*Demerger of Nuvama Wealth Management*

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## 1 Nuvama Demerger: Rationale and Update

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

## 2 Nuvama: Quality business, poised for growth

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## 3 Edelweiss: Creating and unlocking value

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# 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

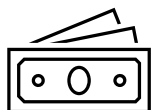
## For Edelweiss

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

# What were the steps?

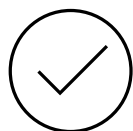


## Phase I



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

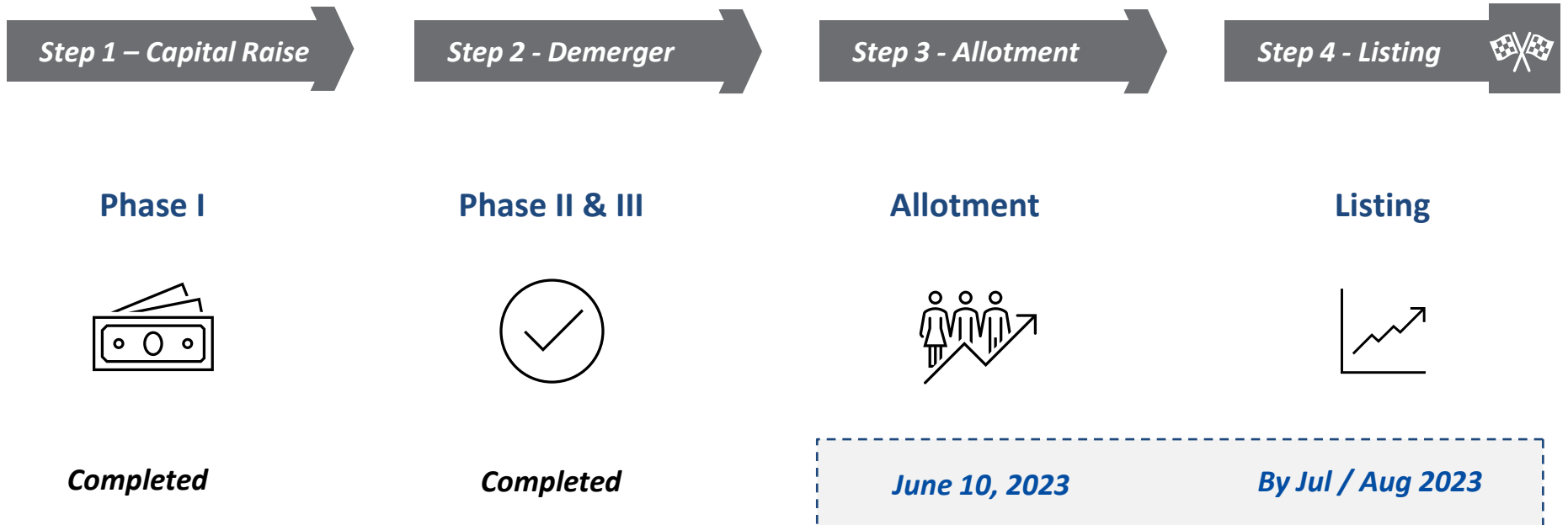
Announced **June 2, 2023**, as the **Record Date** for determining shareholders who will receive equity shares of Nuvama

## Listing

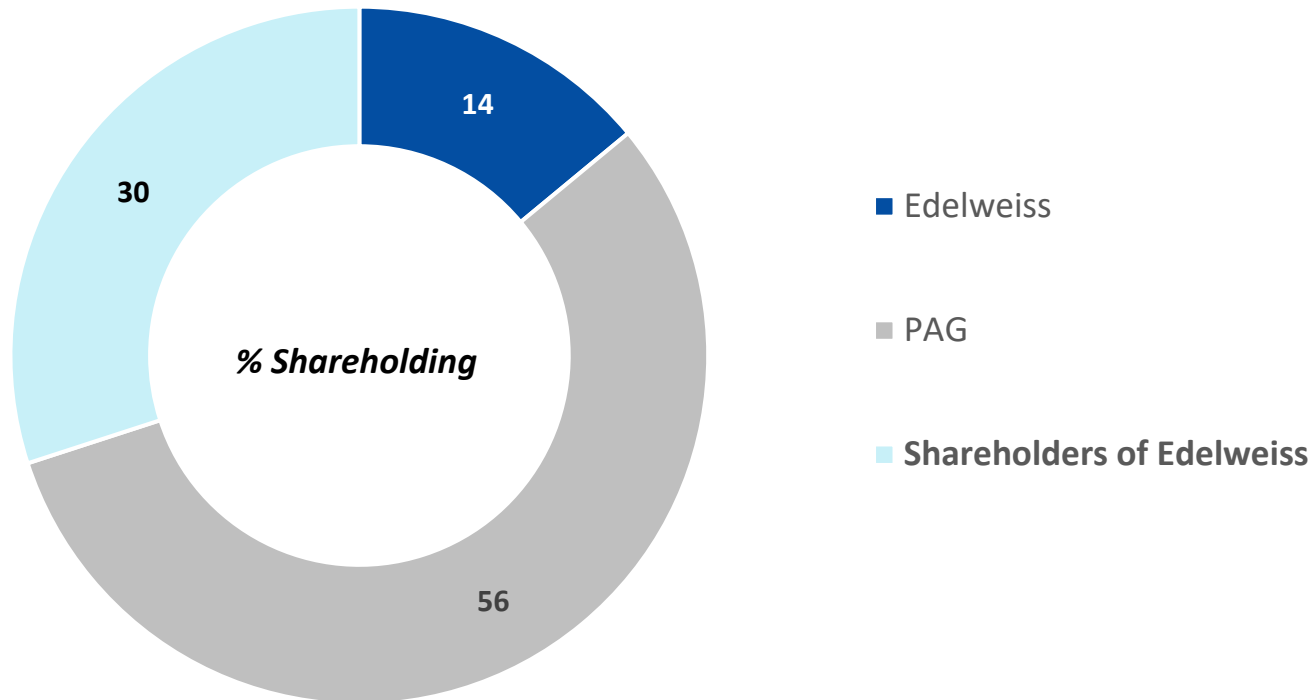


Listing of Nuvama Wealth Management

# What is the current status and next steps?



# Nuvama's shareholding post demerger



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- *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

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# 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

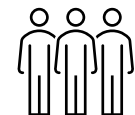


INR 225,200 Cr

**Client Assets**

11 Lakhs

**Client Reach**



# Well scaled with robust performance across key metrics



INR 2,259 Cr

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**Net Worth**

INR 305 Cr

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**Profit after Tax \***

(FV ₹10)

INR 643

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**Book Value  
per Share**

INR 92

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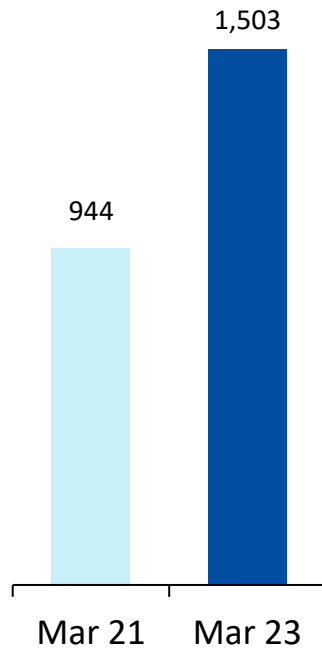
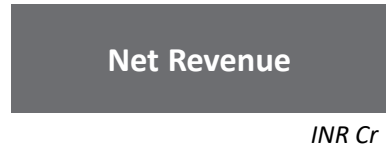
**Diluted Earnings  
per Share**

\* Operating PAT including demerged businesses and excluding non-recurring demerger expenses is INR 370 Cr

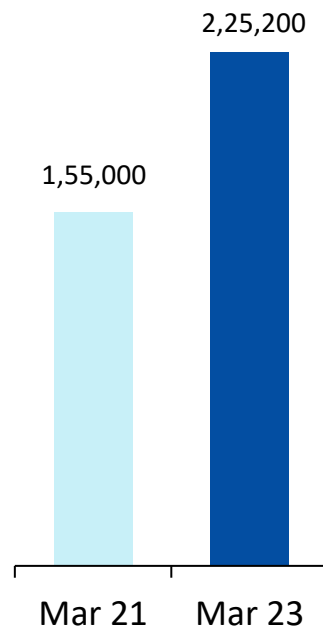
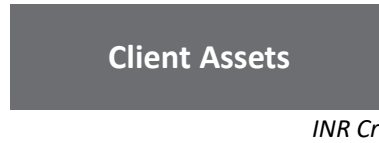
# Healthy growth over the last 2 years



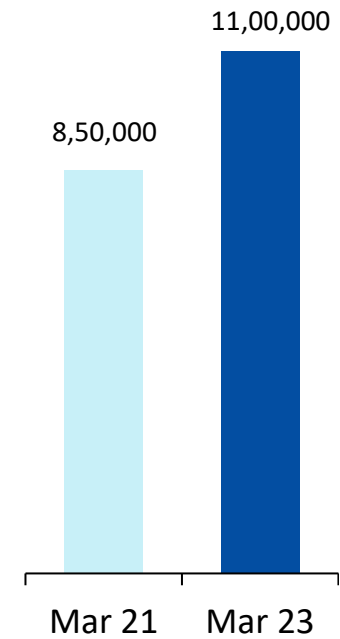
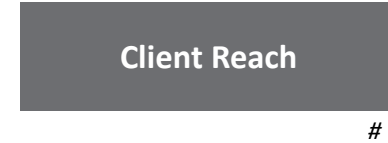
**CAGR of 26%**



**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 **INR 800+ tn** by 2025 (*11% CAGR - 10 years*)
- # HNIs/UHNI estimated to **grow 1.7x** in 5 years (2020-25)
- India to be the **4<sup>th</sup> 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 **INR 1,503 Cr**
- Client Assets of **INR 225,200 Cr**



## Large Opportunity

- India to be the **4<sup>th</sup> largest** private wealth market globally by 2028

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- *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	INR 8,502 Cr	INR 8,502 Cr	INR 6,150 Cr
<b>Book Value per Share</b>	INR 72	<b>INR 72</b>	<b>INR 46</b>
<b>Nuvama's contribution in EFSL PAT</b>	<b>22%</b>	-	-

\* 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%	INR 614 Cr	INR 159 Cr
	Mutual Fund	100%	INR 200 Cr	INR 18 Cr
Asset Reconstruction		60%	INR 2,794 Cr	INR 318 Cr
Credit	NBFC	100%	INR 3,864 Cr	INR 139 Cr
	Housing Finance	100%	INR 794 Cr	INR 16 Cr
Insurance	General Insurance	100%	INR 174 Cr	INR (125) Cr
	Life Insurance	75%	INR 678 Cr	INR (199) Cr

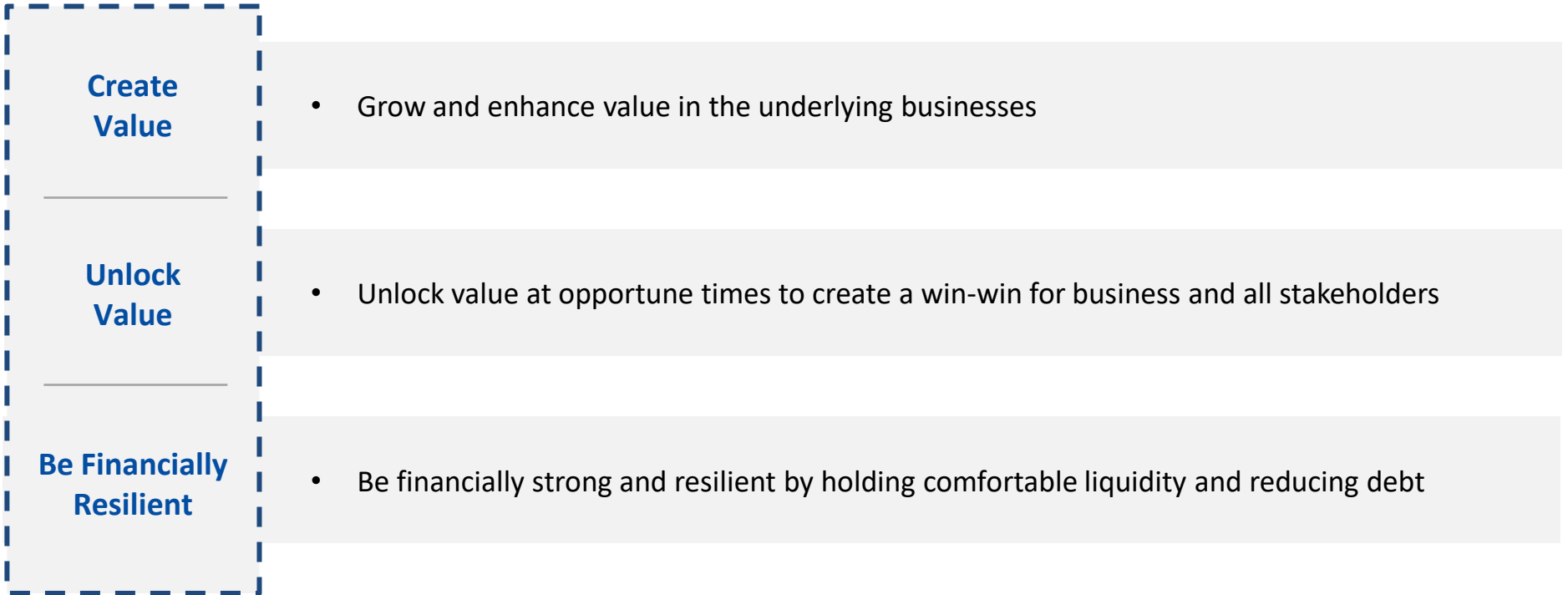


# With significant growth over the years



		FY19	FY23
<b>Alternative Asset Mgt</b>	AUM (INR Cr)	12,000	<b>46,500</b>
<b>Mutual Fund</b>	AUM (INR Cr)	17,500	<b>105,000</b>
<b>Asset Reconstruction</b>	Recoveries (INR Cr)	3,320	<b>7,530</b>
<b>NBFC</b>	Capital Adequacy (%)	20.3	<b>34.3</b>
<b>HFC</b>	Capital Adequacy (%)	21.4	<b>32.1</b>
<b>General Insurance</b>	Gross Written Premium (INR Cr)	104	<b>554</b>
<b>Life Insurance</b>	Total Premium (INR Cr)	885	<b>1676</b>

# 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