

EW/Sec/2023-24/205

November 10, 2023

BSE Limited P J Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: 532922	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Symbol: EDELWEISS
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Dear Sir/Madam,

Sub: Earnings Update

Please find enclosed herewith the Earnings Update (in US Dollars) of the Company for the quarter ended September 30, 2023.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl.: as above

US \$ version



Edelweiss Financial Services Limited

Earnings update – Quarter ended Sep 23



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Overview

Quarter ended Sep 23

Edelweiss at a glance – Quarter ended Sep 23



Net Worth

\$724 Mn

Ex-Insurance PAT

\$18 Mn

BVPS

\$0.5

(FV \$0.1)

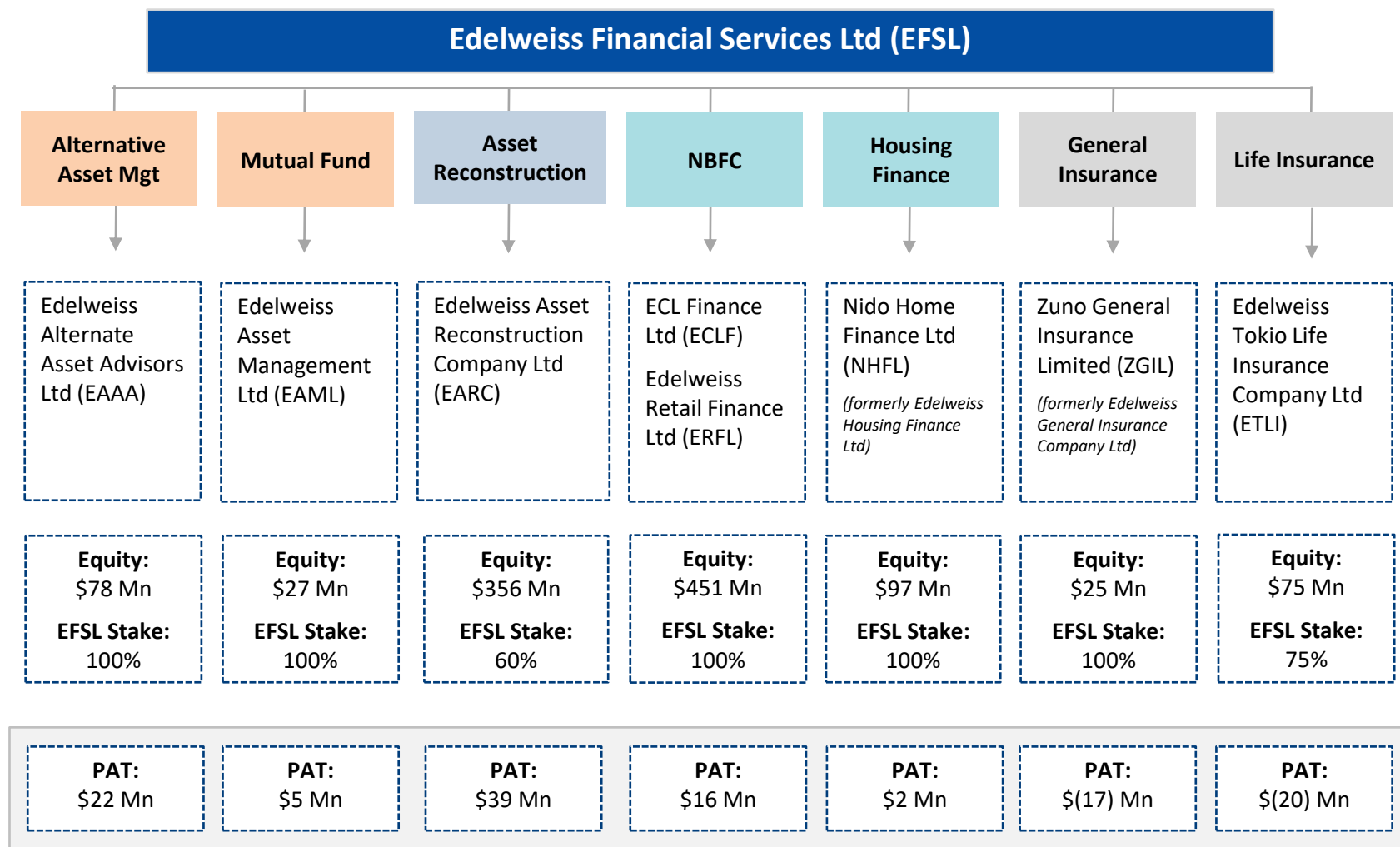
Net Debt

\$1,832 Mn

Liquidity as a % of Debt

18%

Diversified with seven high-quality businesses



Annualised PAT basis half year ended Sep 23





Performance Highlights



Edelweiss
Ideas create, values protect

Performance highlights – quarter ended Sep 23



1 Healthy profitability across businesses: MF PAT  55% YoY and Alts PAT  42% YoY

2 Listing of Nuvama Wealth Management on Sep 26, 2023

3 Robust growth in asset management and insurance businesses

Alternatives AUM at \$6 Bn milestone; MF equity AUM grew 30% YoY

Gross premium for life insurance business increased by 18% YoY

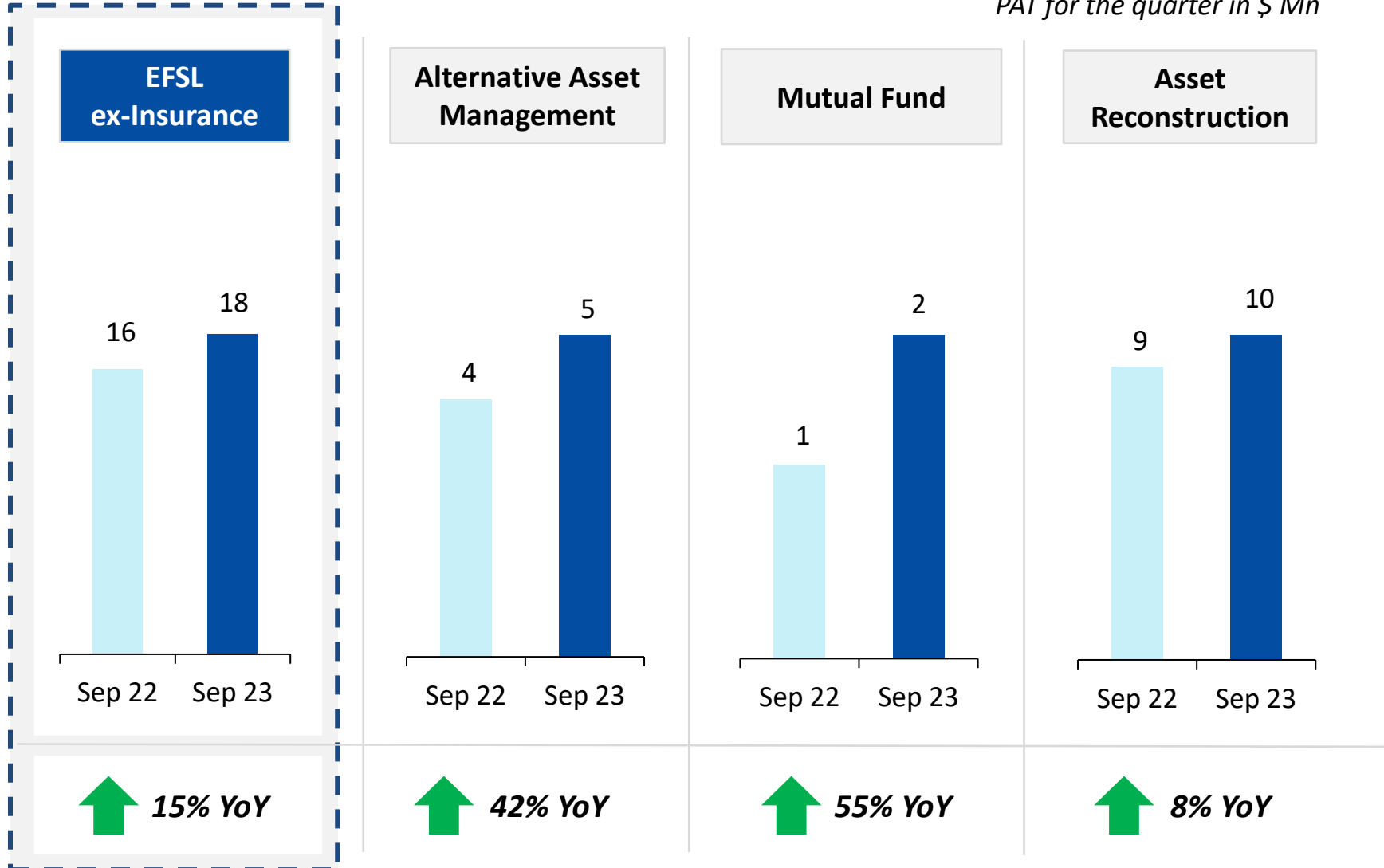
4 Customer reach increased by 27% YoY to 6.3 Mn; assets crossed \$24 Bn mark

5 Strong balance sheet with well capitalised businesses and comfortable liquidity

1 Healthy profitability across businesses



PAT for the quarter in \$ Mn



1 Earnings distribution across businesses

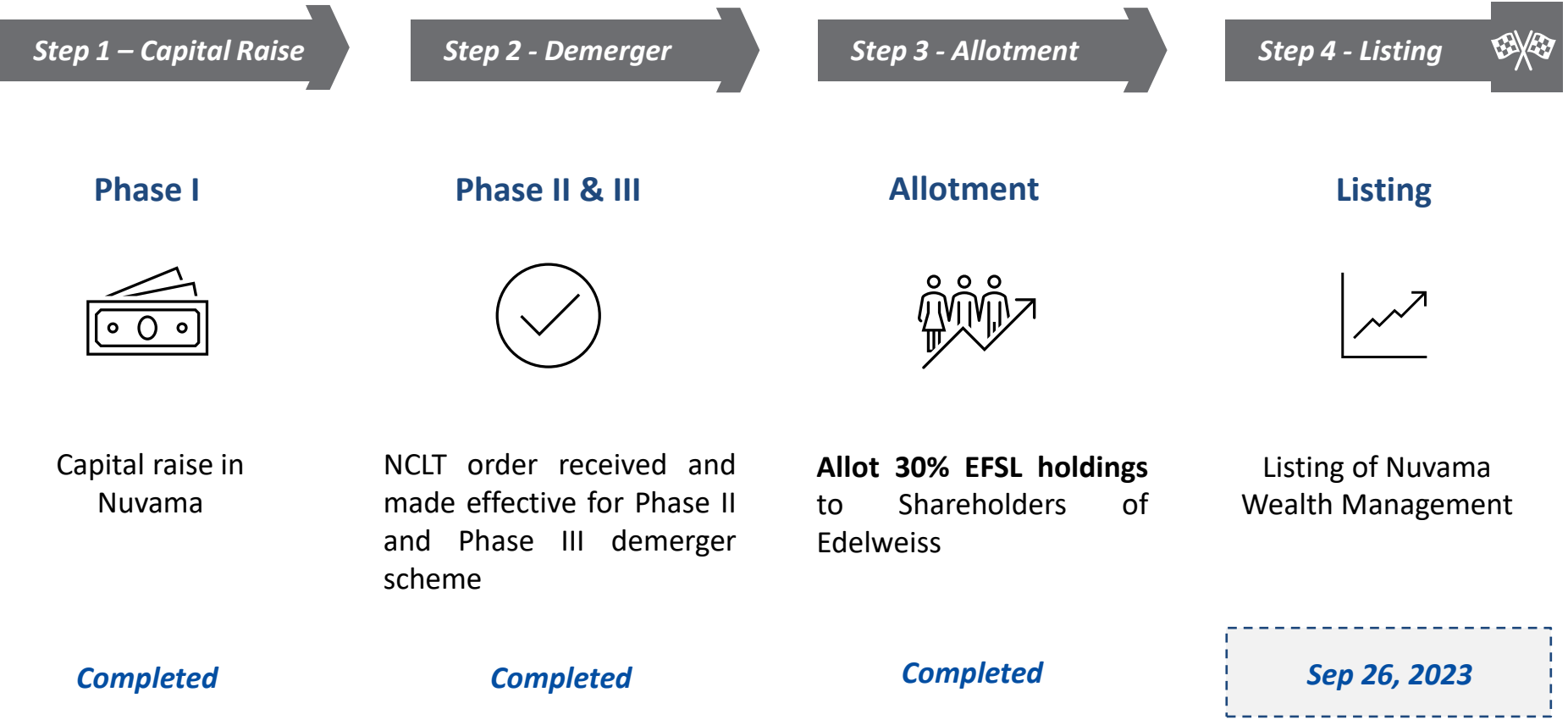


\$ Mn

Business	Quarter Ended	
	Sep 23	Sep 22
Alternative Asset Management	5	4
Mutual Fund	2	1
Asset Reconstruction	10	9
NBFC	4	4
Housing Finance	0	1
General Insurance	(4)	(4)
Life Insurance	(7)	(6)
Corporate	1	0
EFSL Consolidated PAT (Pre MI)	11	9
<i>(Less) Minority shareholders' PAT</i>	<i>2</i>	<i>1</i>
EFSL Consolidated PAT (Post MI)	9	8
EFSL Ex-Insurance PAT (Post MI)	18	16



2 Listing of Nuvama Wealth Management



Completed value unlock for shareholders through demerger and listing



2 A win-win-win for all stakeholders

For Nuvama

- Deal led to primary infusion of capital into the business
- Equity increased to ~\$ 300 Mn; poised the business for further growth
- Paved the way for listing




For Shareholders of Edelweiss

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

For Edelweiss

- Provided capital to EFSL for further investment and scale up of its businesses
- Additional capital complemented EFSL’s debt reduction strategy
- Aided in maintaining a comfortable liquidity position, with an option for further monetisation

Robust performance by Nuvama in the half year ended Sep 23, continuing the value creation journey for shareholders

Operating PAT	Return on Equity	Cost to Income
\$29 Mn  63% YoY	20.3%  547 bps YoY	65%  707 bps YoY

3 Robust growth across businesses



Alternative Asset Management



AUM increased 25% YoY to \$6,020 Mn



Fee paying AUM grew 32% YoY to \$3,251 Mn

Mutual Fund



AUM grew 25% YoY to \$13,725 Mn



Equity AUM up 30% YoY to \$4,118 Mn

Asset Reconstruction



Acquired debt assets of \$157 Mn, of which ~40% were retail



Share of retail assets in capital employed increased to 16%

3 Robust growth across businesses



General Insurance



Awarded Insurtech of the Year by The Crown Awards



Gross written premium grew by 18% YoY to \$23 Mn

Life Insurance



Gross premium increased by 18% YoY to \$54 Mn



Awarded Golden Peacock award for risk management

NBFC



Disbursal on-going under CLM with Central Bank, IDFC First and Standard Chartered Bank



Wholesale book reduced ~50% YoY, on track with planned reduction

Housing Finance



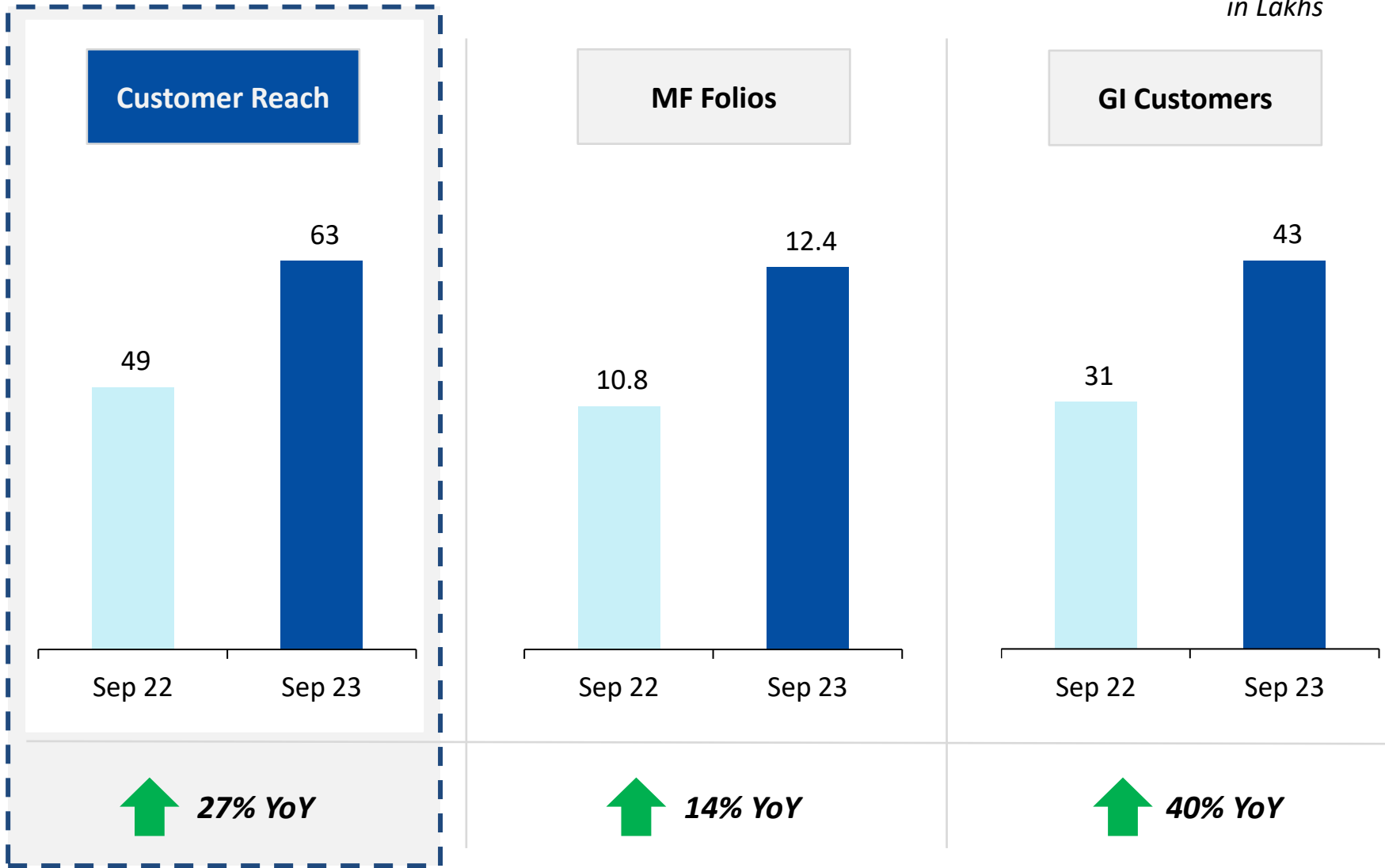
Nearly 30% of disbursement in the quarter under CLM



Partnership with Standard Chartered Bank and State Bank of India continues to deepen

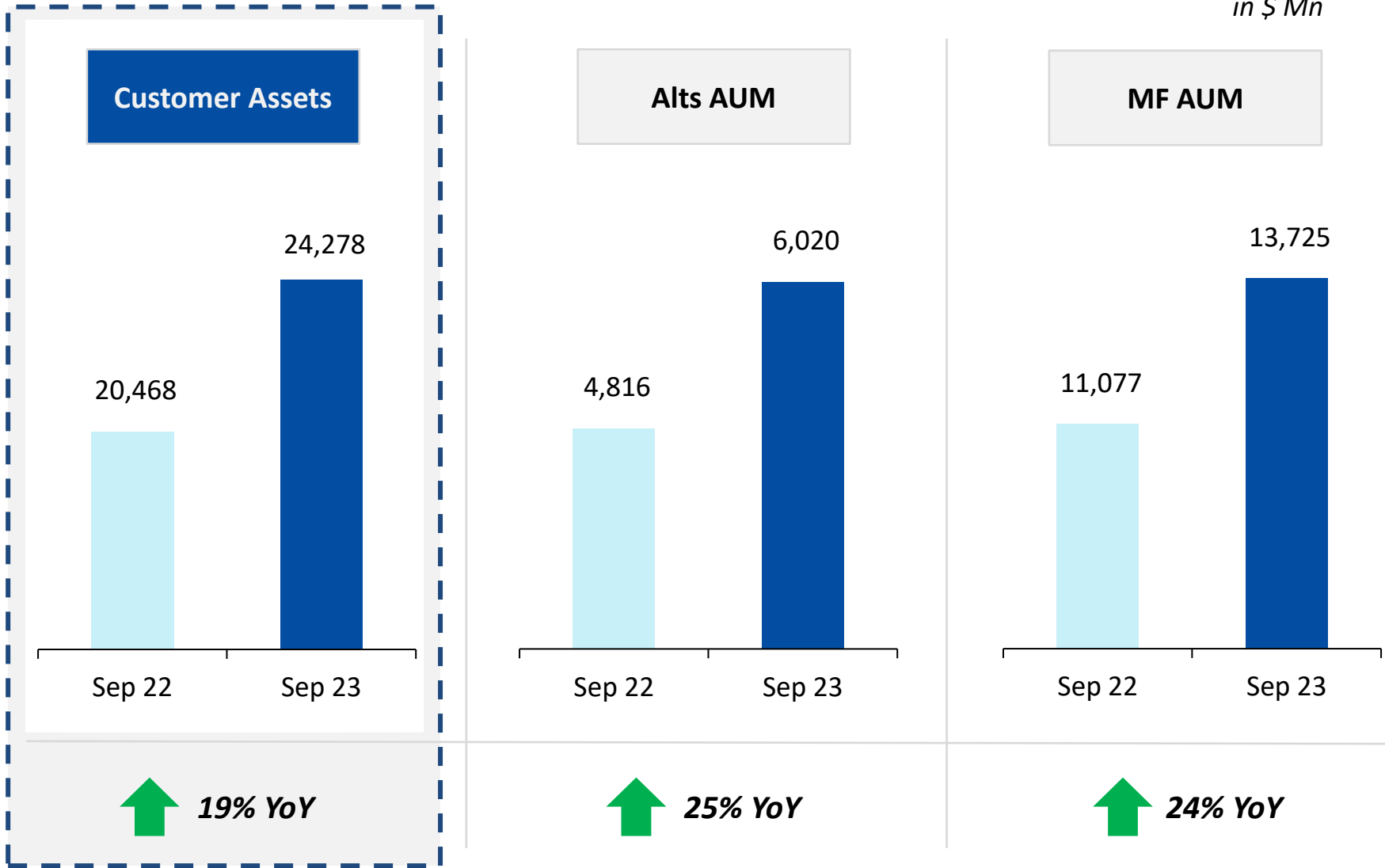
4

Customer reach grows on the back of retail scale up



4

Expansion in customer assets led by asset mgt businesses



5 Strong balance sheet with well capitalised businesses

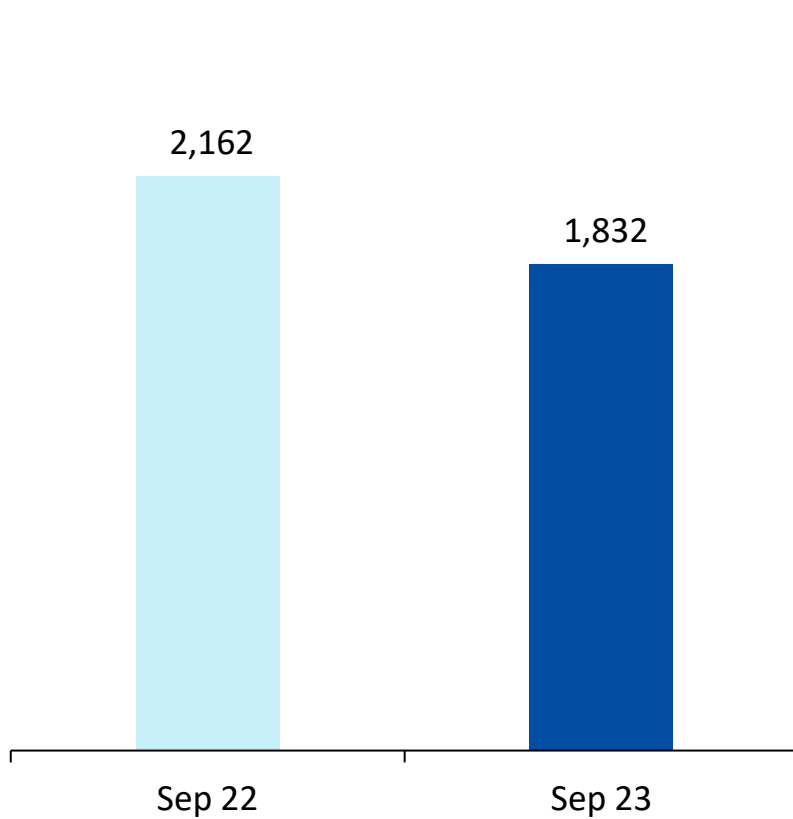


Businesses	Metric	Value
NBFC	Capital Adequacy	39.9%
Housing Finance	Capital Adequacy	36.6%
Asset Reconstruction	Capital Adequacy	55.2%
Life Insurance	Solvency Ratio	195%
General Insurance	Solvency Ratio	192%

5 Reduced ~\$330 Mn of Debt YoY



Net Debt (\$ Mn)



\$ Mn

Business	Sep 23
NBFC	731
Housing Finance	195
Alternatives	34
Asset Reconstruction	343
Corporate *	926
Gross Debt	2,230
<i>(Less) Liquidity</i>	397
Net Debt	1,832

* Corporate holds ~14% stake in Nuvama which is in addition to the liquidity as disclosed above

5 Cash flow plan



	<i>\$ Mn</i>
	Oct 23 to Sep 24
Opening Available Liquidity (A)	397
Inflows	
Expected Inflows	710
Fresh borrowings	290
Total Inflows (B)	1,000
Outflows	
Repayments	746
Disbursements	338
Total Outflows (C)	1,084
Closing Available Liquidity (A+B-C)	313

5 Assets in each tenor range adequately cover liabilities



\$ Mn

	Assets	Liabilities	Excess / (Gap)
Up to 1 year	1,469	1,192	277
1-3 years	1,336	1,228	108
3 years+	1,144	867	277



Key priorities for the next 18 months

Key priorities for the next 18 months



- 1 Scale profitability in Alternatives and Mutual Fund businesses
- 2 Grow retail credit book through co-lending model
- 3 Build path to profitability in Insurance businesses; breakeven expected by FY27
- 4 Continue focused reduction in net debt








Business Performance

Alternative Asset Mgt: Business performance snapshot



Key Metrics for the quarter

	Equity (\$ Mn)	78
	AUM (\$ Mn)	6,020
	Fee Paying AUM (\$ Mn)	3,251
	Deployments (\$ Mn)	108
	Realisation (\$ Mn)	193

Business Update

- AUM grew 25% YoY to \$6,020 Mn
- Fee Paying AUM grew 32% YoY to \$3,251 Mn
- Launched during the quarter –
 - Climate Fund - offers investors a long-term investment vehicle and opportunity to participate in India's sustainable energy transition
 - Core Credit Fund - focuses on generating returns through investments in performing credit opportunities across sectors
- \$482 Mn of investment opportunities in advance stages of deployment

Alternative Asset Mgt: Financial performance snapshot



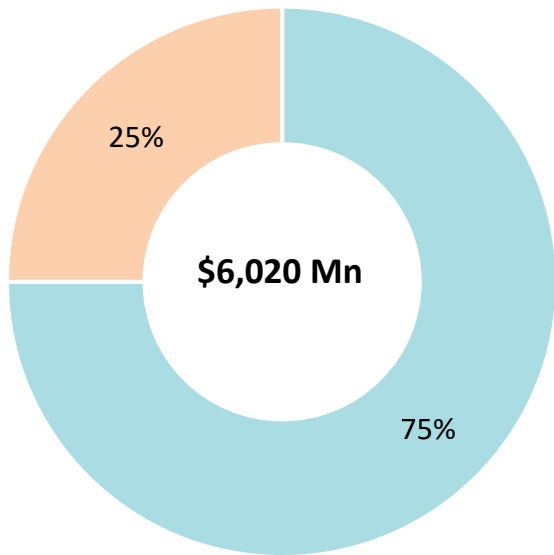
\$ Mn

	Sep 23	Sep 22
AUM	6,020	4,816
Fee Paying AUM	3,251	2,456
Equity	78	33
Net Revenue	16	11
Opex	9	7
Profit After Tax	5	4

Alternative assets overview

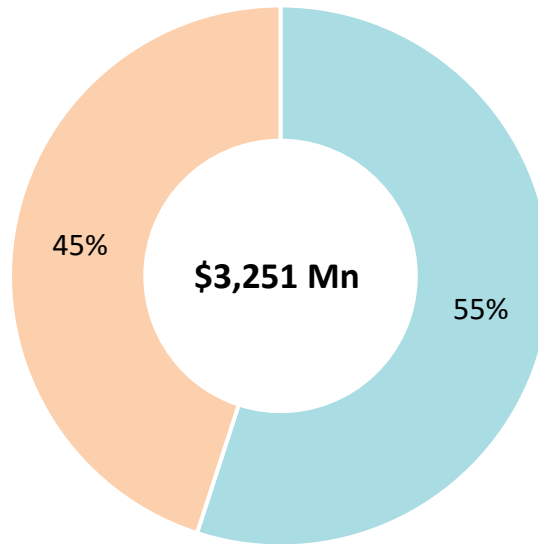


AUM – Strategy wise



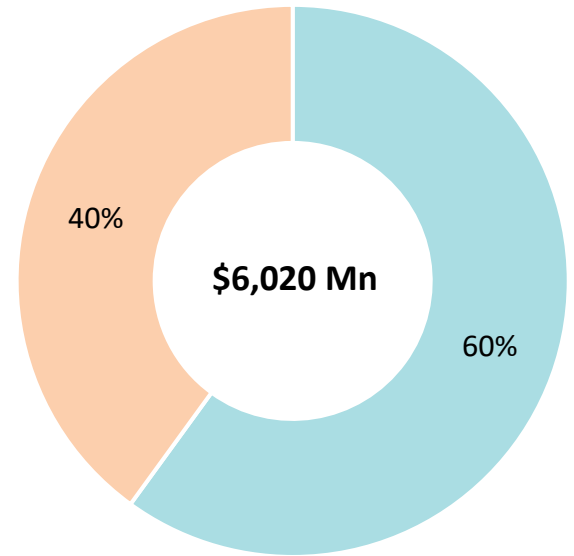
■ Credit ■ Real Assets

Fee Paying AUM – Strategy wise



■ Credit ■ Real Assets

AUM – Investor type



■ Institutional ■ Non Institutional

Mutual Fund: Business performance snapshot



Key Metrics for the quarter



Equity (\$ Mn)

27



AUM (\$ Mn)

13,725



Net New Money (\$ Mn)

265



Retail Folios

12.4 lakhs

Business Update

- AUM grew by 25% YoY to \$13,725 Mn
 - Market share of 2.41% as on Sep 23
- Equity AUM grew by 30% YoY to \$4,118 Mn
- Net inflows of \$265 Mn during the quarter with a market share of 7.4%
 - Net inflows for trailing 12 months at \$1,760 Mn
- Retail folios grew by 14% YoY to 12.4 lakhs

Mutual Fund: Financial performance snapshot



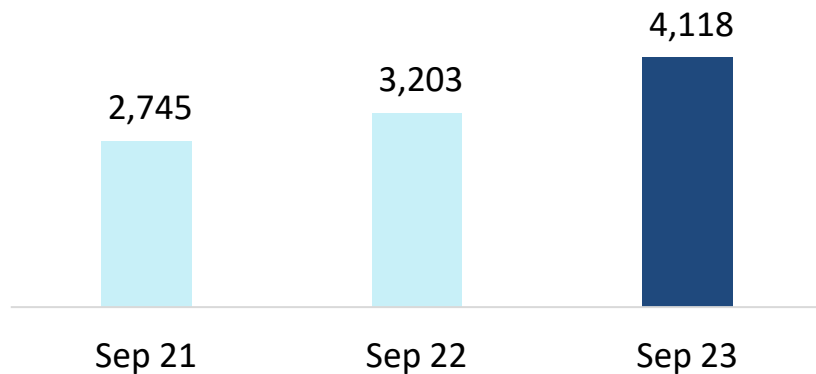
\$ Mn

	Sep 23	Sep 22
AUM	13,725	11,077
Net New Money	265	364
Equity	27	23
Net Revenue	8	6
Opex	7	5
Profit After Tax	2	1

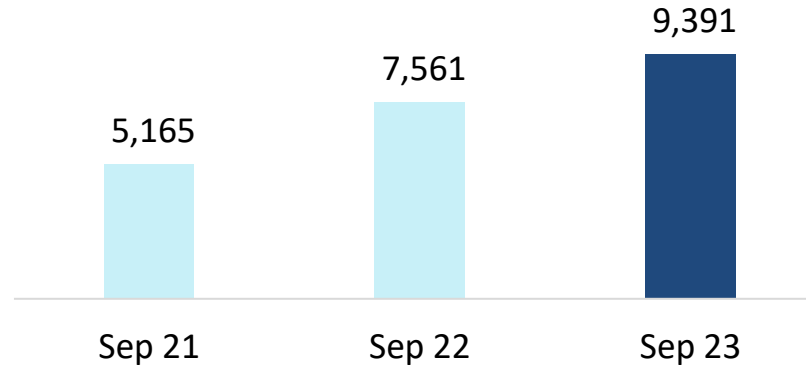
Consistent growth in AUM and customer base



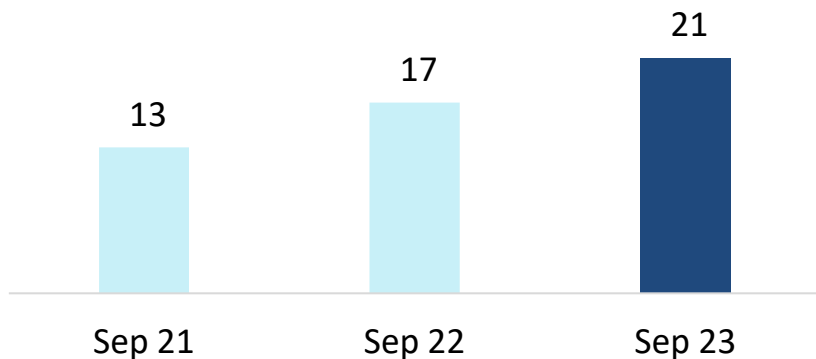
MF Equity AUM (\$ Mn)



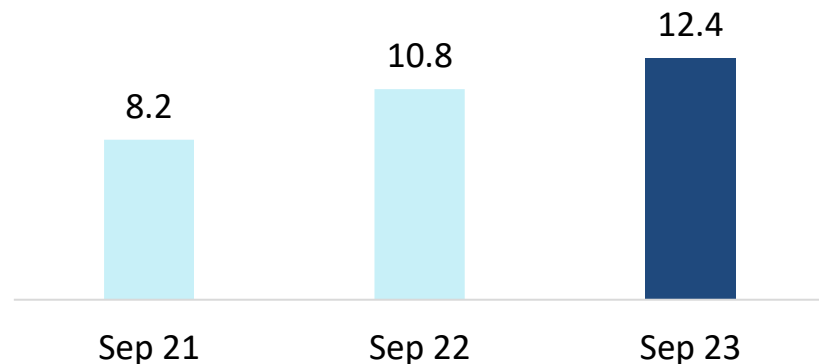
MF Debt AUM (\$ Mn)



SIP Book (\$ Mn)








Active Folios (# in Lakhs)



Growing SIP book adds to the predictability of flows & annuity nature of the business

Asset Reconstruction: Business performance snapshot

Key Metrics for the quarter

 Equity (\$ Mn)	356
 AUM (\$ Mn)	4,533
 Capital employed (\$ Mn)	552
 Recoveries (\$ Mn)	366
 Net D/E	0.5x
 Capital Adequacy	55.2%

Business Update

- Recoveries of \$366 Mn for the quarter, of which 13.5% was from retail portfolio
- Acquired debt assets of \$157 Mn during the quarter, of which ~40% were retail assets
- Retail assets in capital employed increased by 7% YoY; its share increasing to 16%
- Well matched ALM across all durations

Asset Reconstruction: Financial performance snapshot








\$ Mn

	Sep 23	Sep 22
AUM	4,533	4,575
Capital Employed	552	625
<i>Wholesale assets</i>	<i>467</i>	<i>545</i>
<i>Retail assets</i>	<i>86</i>	<i>79</i>
Equity	356	315
Gross Revenue	27	30
Opex	4	4
Profit After Tax	10	9
Edelweiss' share in PAT	6	5

NBFC: Business performance snapshot



Key Metrics for the quarter

 Equity (\$ Mn)	451
 AUM (\$ Mn)	808
 Capital Adequacy	39.9%
 Net D/E	1.4x
 Liquidity (\$ Mn)	158

Business Update

- Improved traction in co-lending disbursal with Central Bank of India, IDFC First Bank and Standard Chartered Bank
 - Nearly 80% of disbursal during the quarter under co-lending model
- Asset quality continues to be healthy
 - GNPA at 2.39%, improved 33 bps YoY
- Wholesale book reduced by ~50% YoY to \$524 Mn; expect momentum to continue

NBFC: Financial performance snapshot



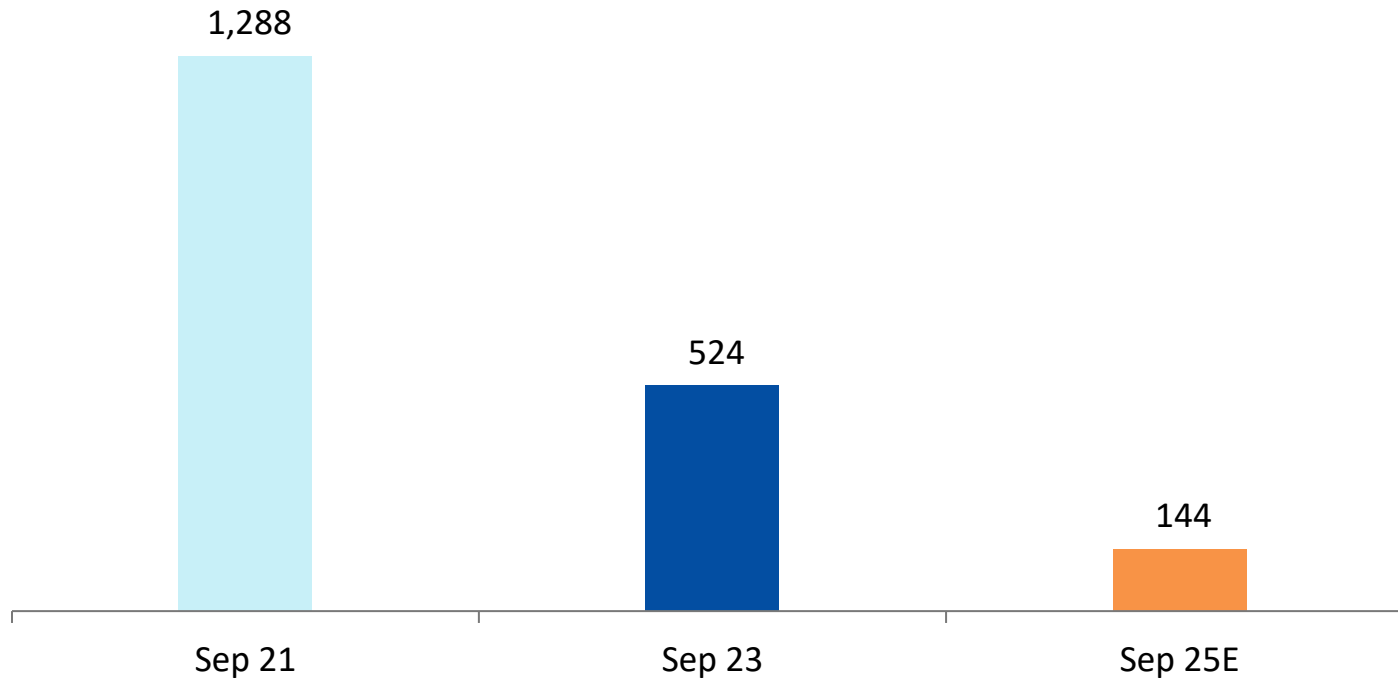
\$ Mn

	Sep 23	Sep 22
AUM	808	1,346
Credit Assets	744	1,290
Gross Loan Book	367	703
Gross Revenue	41	48
Net Revenue	15	15
Opex	7	8
Credit Cost	2	1
Profit After Tax	4	4
GNPA	2.39%	2.72%
NNPA	1.39%	1.90%

Wholesale reduction on track



ECLF wholesale loan assets (\$ Mn)








Expect momentum to continue with planned reduction

Housing Finance: Business performance snapshot



Key Metrics for the quarter

 Equity (\$ Mn)	97
 AUM (\$ Mn)	462
 Capital Adequacy	36.6%
 Net D/E	1.6x
 Liquidity (\$ Mn)	45

Business Update

- Disbursed \$36 Mn in the quarter, of which nearly 30% under co-lending model
- Partnership with Standard Chartered Bank and State Bank of India continues to deepen with ongoing disbursements
- Focus for the half year was to develop our co-lending platform; expect improved disbursement momentum in second half of the financial year
- Portfolio continues to strengthen
 - GNPA at 2.21%; improved from 2.52% YoY
 - Collection efficiency for the quarter at 99.2%

Housing Finance: Financial performance snapshot







\$ Mn

	Sep 23	Sep 22
AUM	462	500
Credit Assets	371	391
Gross Loan Book	350	366
Gross Revenue	14	13
Net Revenue	5	5
Opex	4	4
Credit Cost	(0)	0
Profit After Tax	0	1
GNPA	2.21%	2.52%
NNPA	1.62%	1.99%

General Insurance: Business performance snapshot



Key Metrics for the quarter

 Equity (\$ Mn)	25
 GWP (\$ Mn)	23
 #Policies Issued	99,883
 Solvency Ratio	192%

Business Update

- Gross direct premium income (GDPI) growth of 18% YoY for the quarter
- Enabling business digitally - 99.6% of issuance and 93% of payments through digital mode
- Launched Zuno Driving Quotient
 - Unique driving score tailored for today's mobile-savvy customer
 - Drive better, score higher and save more on insurance premium
- Awarded Insurtech of the Year and Most Innovative Company (Health Insurance) by The Crown Awards 2023

General Insurance: Financial performance snapshot









\$ Mn

	Sep 23	Sep 22
Net Premium Income	11	9
Investment Income & Other Income	5	3
Total Income	16	12
Policy benefits & insurance policy liability	9	7
Other expenses	11	8
Profit After Tax	(4)	(4)

Life Insurance: Business performance snapshot

Key Metrics for the quarter

	Equity (\$ Mn)	75
	Individual APE (\$ Mn)	14
	#Policies Issued	13,300
	AUM (\$ Mn)	869
	Solvency Ratio	195%
	13m Persistency	77%

Business Update

- Gross premium increased by 18% YoY to \$54 Mn
- AUM recorded a growth of 19% YoY
- Traditional Par and Non-Par products constitute ~80% of product mix
- Improvement in 13m persistency YoY from 73% to 77%
- Launched “Bharat Savings STAR”
 - Flexible benefit product with option to choose between immediate and deferred income
- Awarded prestigious Golden Peacock award for risk management

Life Insurance: Financial performance snapshot



\$ Mn

	Sep 23	Sep 22
Net Premium Income	53	45
Investment Income & Other Income	24	30
Total Income	77	75
Policy benefits & insurance policy liability	61	61
Other expenses	23	20
Profit After Tax	(7)	(6)
Edelweiss' share in PAT	(5)	(4)



Governance & Corporate Responsibility



Edelweiss
Ideas create, values protect

6 Member Board with 3 Independent Directors



Mr. Ashok Kini

Independent Director

- Former Managing Director (National Banking Group) State Bank of India
- Served as an advisor to the Thorat Committee on Financial Inclusion at RBI
- 35 years of banking experience



Dr. Ashima Goyal

Independent Director

- Professor at Indira Gandhi Institute of Development Research
- Specialist in open economy macroeconomics, international finance, institutional and development economics
- Served as a Part-time member of Economic Advisory Council to the Prime Minister
- Serves as Member of Monetary Policy Committee, RBI



Mr. Shiva Kumar

Independent Director

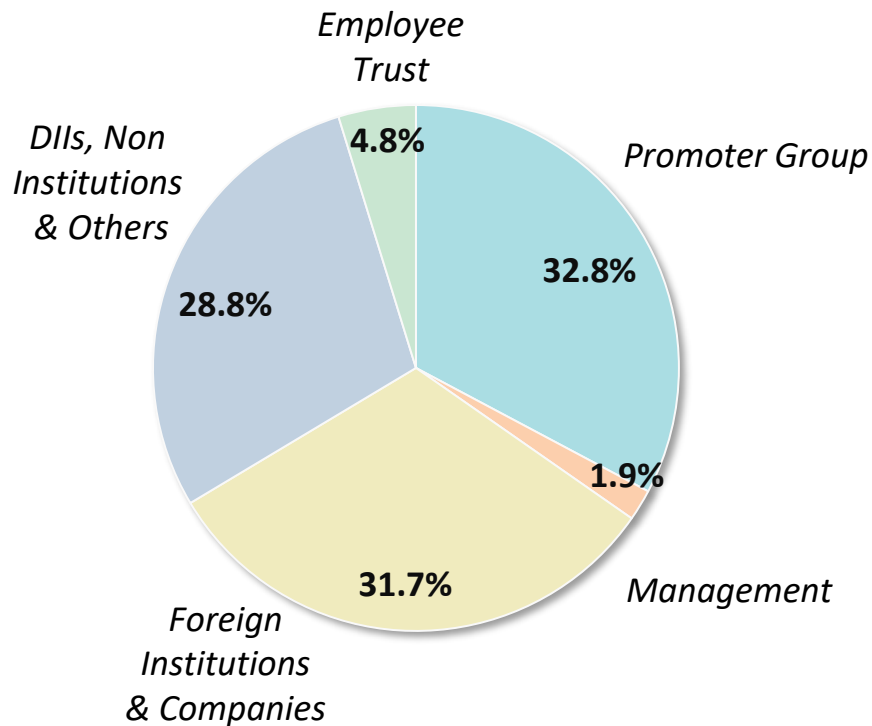
- Served as Deputy Managing Director at State Bank of India
- Former Managing Director of State Bank of Bikaner & Jaipur (now merged with the State Bank of India)
- Served as representative of Associate Banks on the Managing Committee of Indian Banks' Association.
- Received the 'Business Leadership Award' from the Institute of Public Enterprises

Significant institutional ownership



Above 1%

Shareholding Pattern as on Sep 30, 2023



Key Shareholders		Percent
1	Pabrai Investment Funds	9.3%
2	TIAA CREF funds	4.2%
3	BIH SA	3.9%
4	LIC	2.6%
5	Baron Asset Management	2.5%
6	Vanguard Group	2.4%
7	Flowering Tree Investment Management	1.7%
8	Blackrock	1.1%
9	1729 Capital & Advisors	1.1%
10	Barclays	1.0%

~40% owned by Edelweiss management and employees

Our contribution to building a more sustainable tomorrow



Under the leadership of EdelGive Foundation, we have...



Over **~\$105 Mn** mobilized through commitments



Partnered with over **169** high caliber NGOs



Assisted over **60%** of EdelGive's NGO partners to grow at a CAGR ranging **17% to 177%**



Ensured long term association with average tenure of **5-years**



Catalysed over a **6-fold increase** in beneficiaries count for EdelGive supported NGOs



Enabled an **increase of over 65%** in the annual budgets of EdelGive NGO partners



Provided early-stage funding to NGOs; catalysing **~10 to 30 times** growth in annual budgets



Spearheaded over 150 Capacity building projects

Our investment in communities



EdelGive Foundation's commitment to investing in communities



90 Districts
across 12 States



\$1.3 Mn

Committed

(inclusive of ~\$1 Mn

Edelweiss CSR contribution)



29

NGO Partners



9

Co-funded Grants



32

Active Grants

Quality Education

20 lakh children impacted

31,000 schools reached

72,200 teachers trained

\$0.6 Mn committed up to Q2

8 NGOs supported

Sustainable Livelihoods

2.46 lakh Individuals trained

1,825 watershed structures repaired/built

\$0.3 Mn committed up to Q2

10 NGOs supported

Women Empowerment

2.40 lakh women supported

18,400 grassroots leaders

7,465 Survivors Rehabilitated

\$0.3 Mn committed up to Q2

11 NGOs supported

- **GROW Fund:** \$12 Mn fund for sustainability and financial resilience of grassroots NGOs.
 - Conducted 1:1 CB check-ins with 89 NGOs to understand their initiatives towards capacity building
 - Completed Search Engine Optimization enhancement for 23 NGOs with a technical partner- SEO Discovery
- **The HUB** – online learning platform which hosts courses for NGOs
 - Hosts a total of 23 courses on organisational development and self-development with an average course completion of 64 in the last quarter
 - Launched The HUB Android application to 116 NGOs to promote learning on-the-go
 - Launched the first session of the **NGO Series** by The Entrepreneurs Associates on communications as a significant engine for organisational growth

Trusted partner: EdelGive funding partners & networks



Foundations, Corporates and HNIs partner with Edelgive Platform for their philanthropic allocation

Safe Harbour



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Currency conversion: Conversion rate of 1 USD equal to 83.058 INR has been used. Values in the INR version of the Investor Presentation have been converted to dollar for convenience. Due to rounding off, numbers presented in this presentation may not add up to the totals provided and/or correlate with the growth and contribution percentages provided. Data provided in the INR version of the Investor Presentation shall prevail in case of disparity



Slide 4:	Net worth includes MI, investment in CCD by CDPQ of \$56 Mn, Ex-Insurance PAT is post MI
Slide 4,17,18:	Available Liquidity is calculated as on balance sheet date and includes high quality liquid assets
Slide 4,17:	Debt includes accrued interest, liabilities on market linked debentures and excludes CBLO, CDPQ CCD and securitisation liabilities
Slide 5,31,32:	NBFC equity includes investment in CCD by CDPQ of \$56 Mn
Slide 5,7,8,9,12,15,17,23,24,25:	EAAA numbers represent business performance numbers of Edelweiss Alternative Asset Advisors Ltd, Edelweiss Alternative Asset Advisors Pte. Ltd, Sekura India Management Ltd and Edelweiss Real Assets Managers Ltd
Slide 5,7,8:	Ex-Insurance PAT is post-MI; Business PATs are pre-MI
Slide 7,14	Customer reach includes individuals covered under Group Insurance policies for LI and customer serviced since inception for GI
Slide 7,14,15:	Customer Assets and Customer Reach are rounded off
Slide 12,14,15,26,27,28	AUM, net new money, clients, retail folios, MF Equity AUM are rounded off to nearest 100; MF AUM includes strategies under Alternatives categories. MF Equity AUM includes strategies under Hybrid categories.
Slide 13,33:	ECLF Wholesale Loan Assets includes gross loan book and SR Investments
Slide 16, 31:	NBFC capital adequacy is calculated by combining Tier I & II capital and RWA of ECLF and ERFL entities
Slide 19:	Numbers are based on management estimates and 3 years+ liabilities exclude Equity; Assets and Liabilities do not include insurance business. Numbers rounded to nearest 100
Slide 25:	Credit category includes Special Situations, Structured Credit, Real Estate Credit, Core Credit. Real Assets category includes Infrastructure Yield, Rental Yield and InvIT
Slide 27:	Sep 22 net revenue and opex figures excludes one-offs
Slide 29,31,34:	Net D/E is calculated as Net Debt (excluding Available Bank Lines) / Equity. Numbers rounded off to nearest 10
Slide 31,32,34,35:	AUM includes gross loan book, SR investments and assigned book.
Slide 32,35:	Credit Assets includes gross loan book and SR investments
Slide 38:	AUM includes Shareholders and all Policyholders fund. AUM is calculated in accordance with IGAAP
Slide 38:	13th Month Persistency is on premium basis for Individual (Regular Premium+ Limited Payment Premium). Persistency figures corresponds to policies issued in Sep 2021 to Aug 2022.
Slide 42:	Key institutional shareholders: Holding of known affiliates have been clubbed together for the purpose of this information