

EW/Sec/2023-24/272

February 12, 2024

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

**Sub: Update on Edelweiss Alternatives Business**

Please find enclosed an update (in INR) on Edelweiss Alternatives Business.

Kindly take the same on record.

Thanking you,

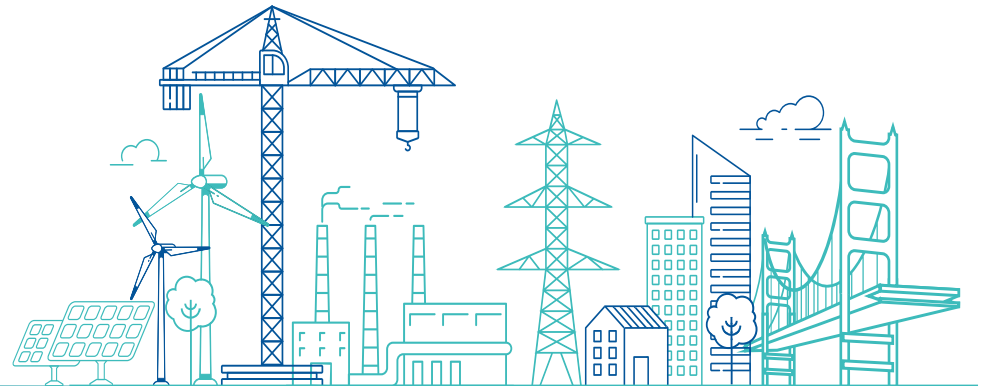
Yours faithfully,  
**For Edelweiss Financial Services Limited**

**Tarun Khurana**  
**Company Secretary**

Encl.: as above

# Edelweiss Alternatives

Business Update (Q3 FY24)



- Asset Management Business

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- Edelweiss Alternatives - A Strong Presence in Indian Private Market Alternatives

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- A Differentiated Platform Poised to Seize the India Opportunity

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- Financial Performance

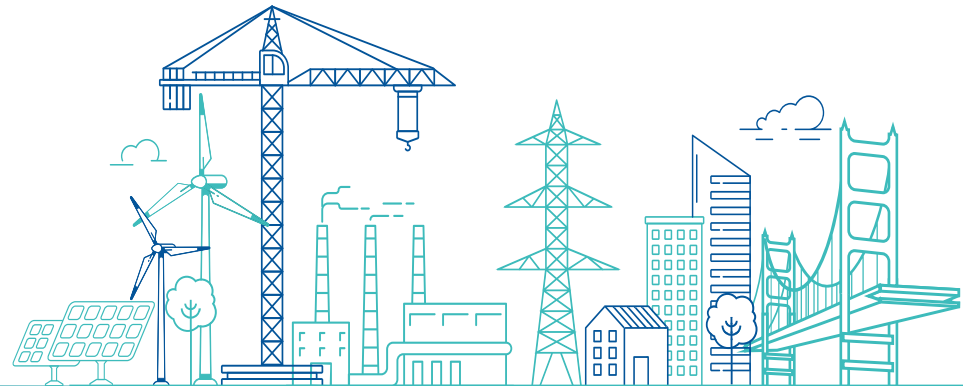
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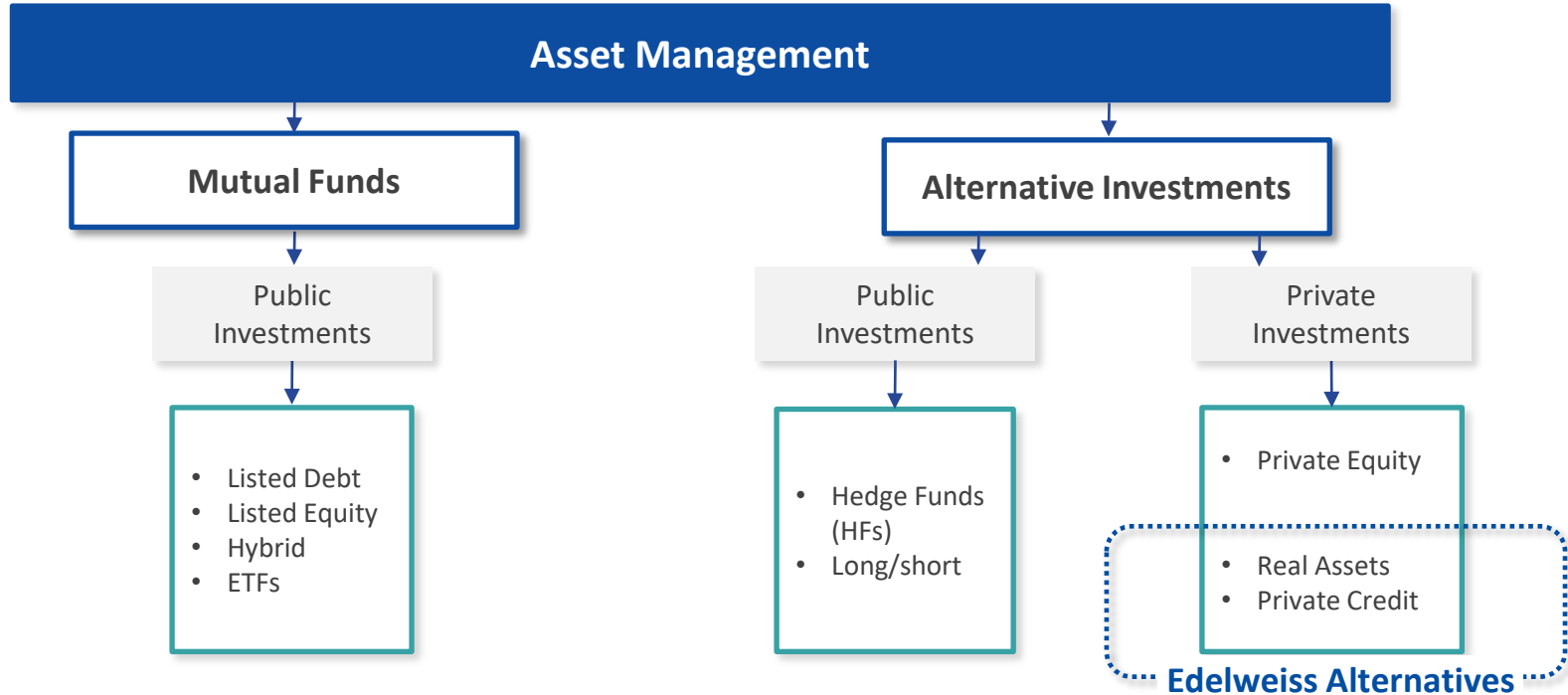
- Vision & Way Forward

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# Asset Management Business

- *Asset Management Industry*
- *Alternatives: Mainstream in India Aided by Strong Appetite for Yielding Products*
- *Private Credit and Real Assets in India: Offering a Large Scalable Opportunity, USD 225bn by 2035*

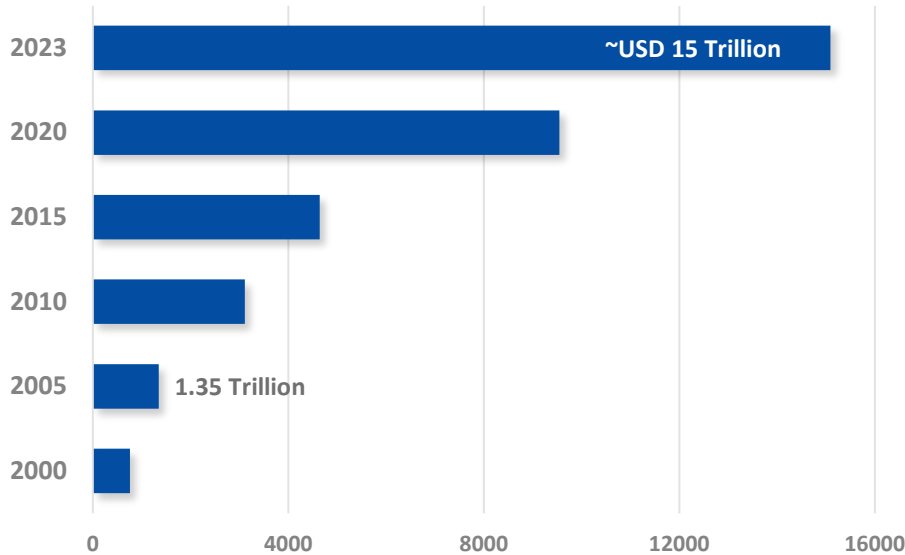




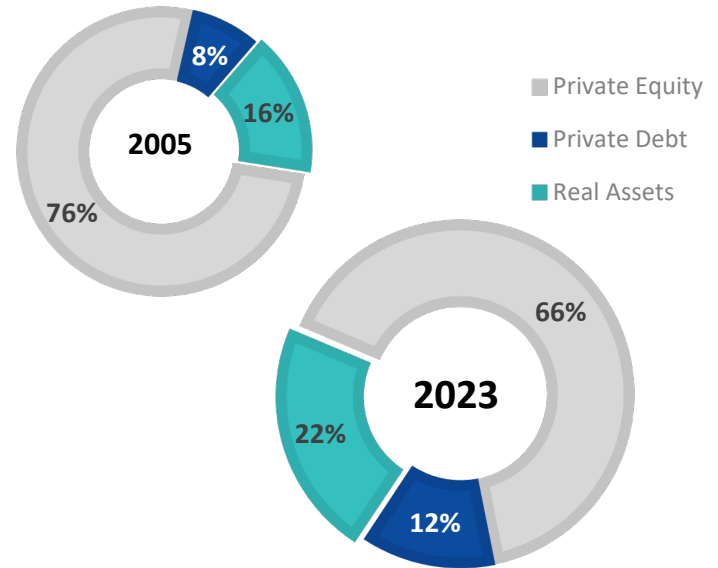
Edelweiss Alternatives provides solutions within the realm of Private Markets

# Global Alternative Asset Management Industry: Growth Trends

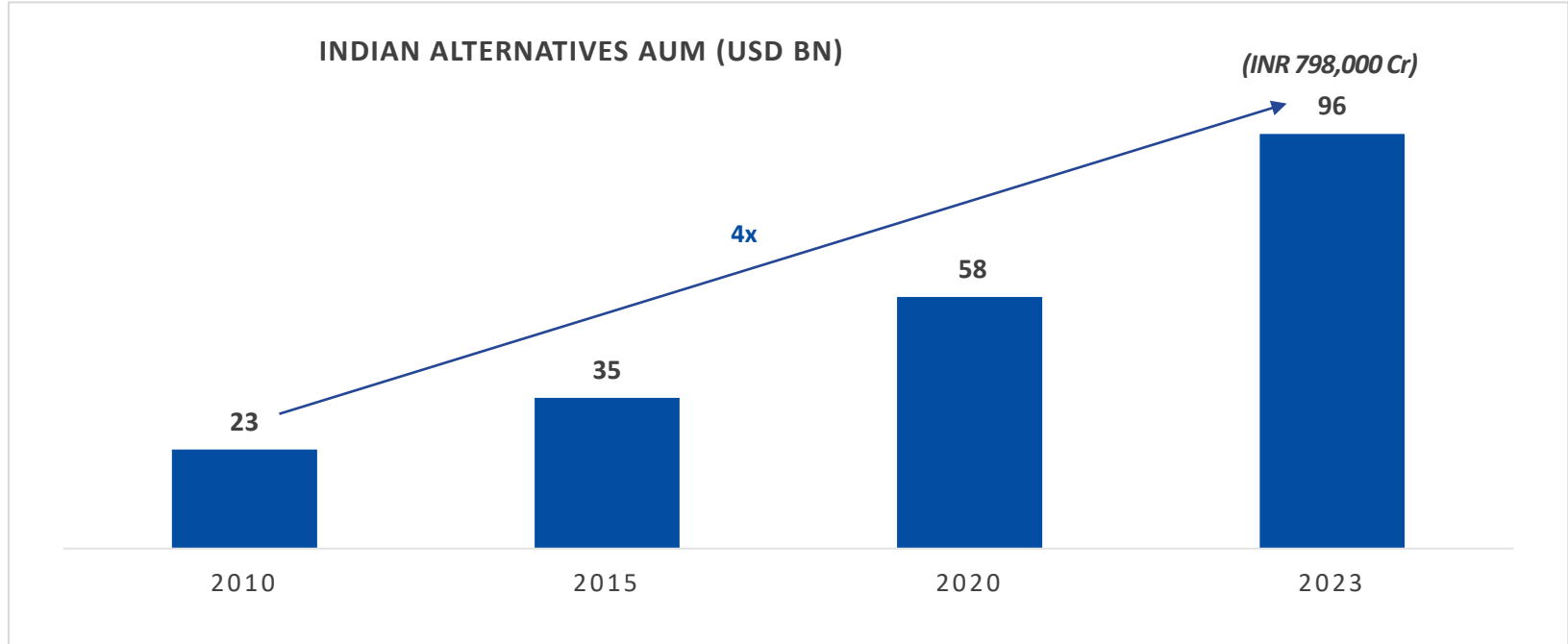
Global Alternatives AUM (USD bn)

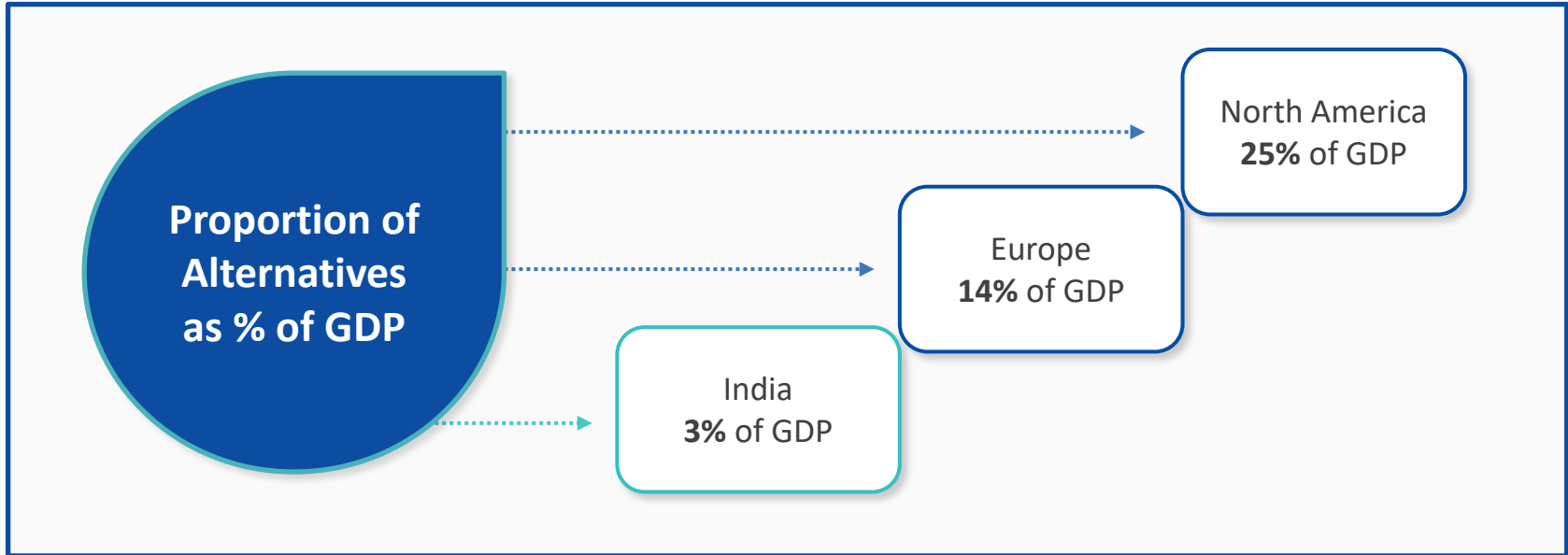


Breakup of Global Alternatives AUM



Private Credit & Real Assets AUM have grown 16x to ~USD 5 tn since 2005 against 9x growth of Private Equity



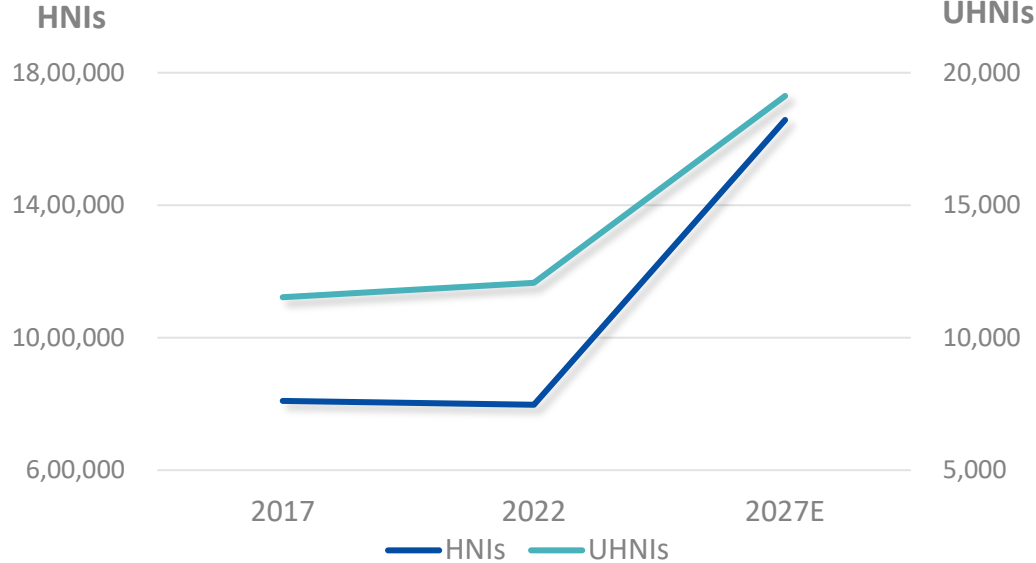


As India's GDP scales up to \$10tn over next 10-11 years, Alternative Asset Management AUMs estimated to grow exponentially to USD 600 bn



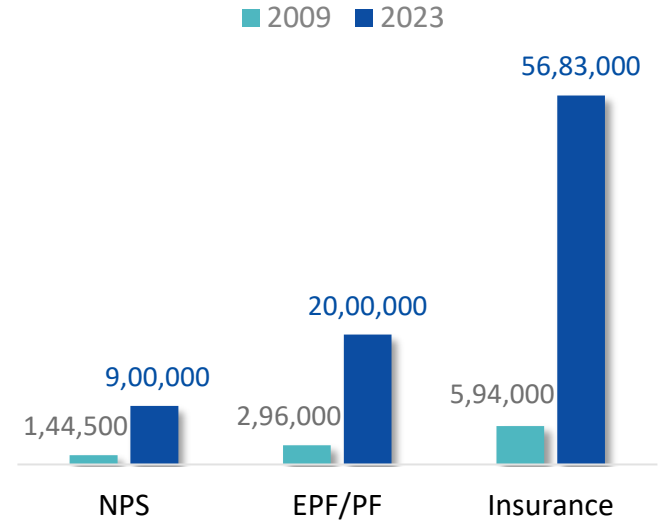
# ...And a Rising Appetite for Alternative Assets

### HNI & UHNI Population of India

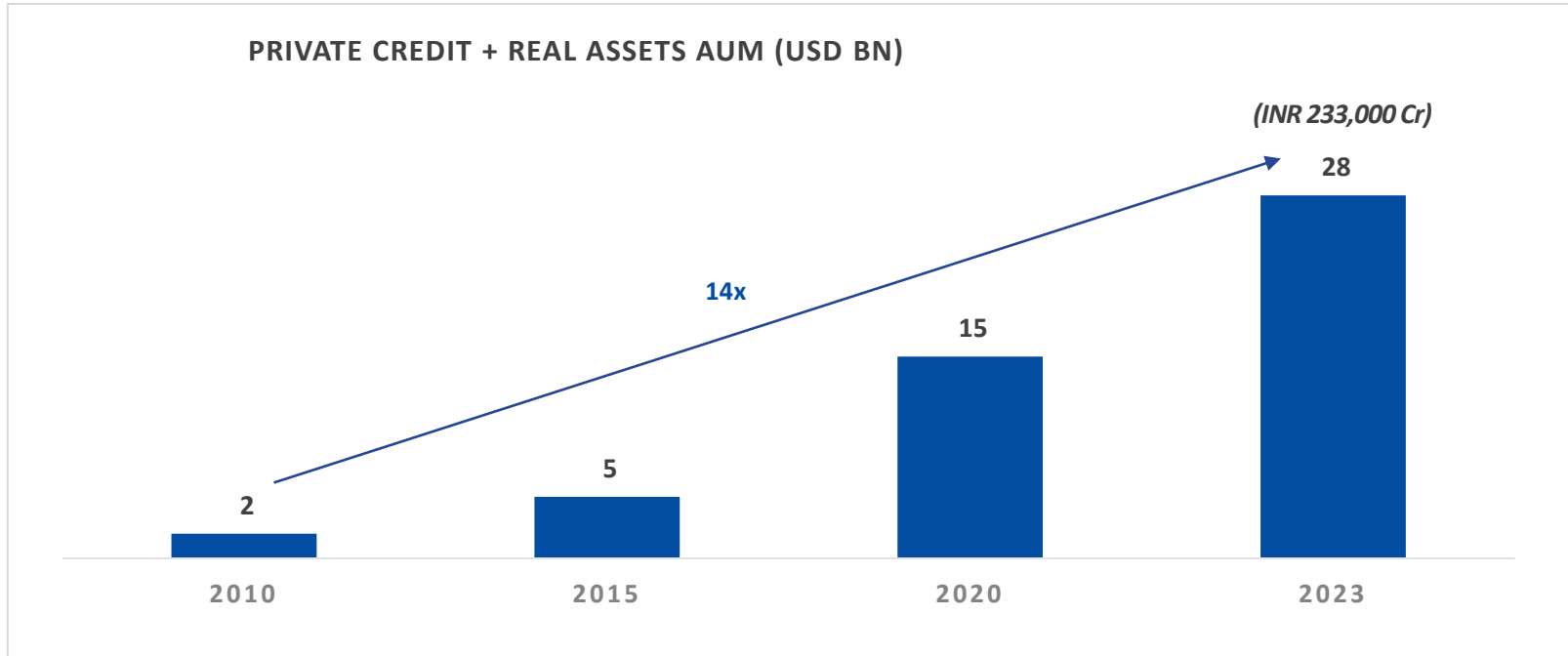


By 2027, number of HNIs & UHNIs set to double, leading to higher disposable income

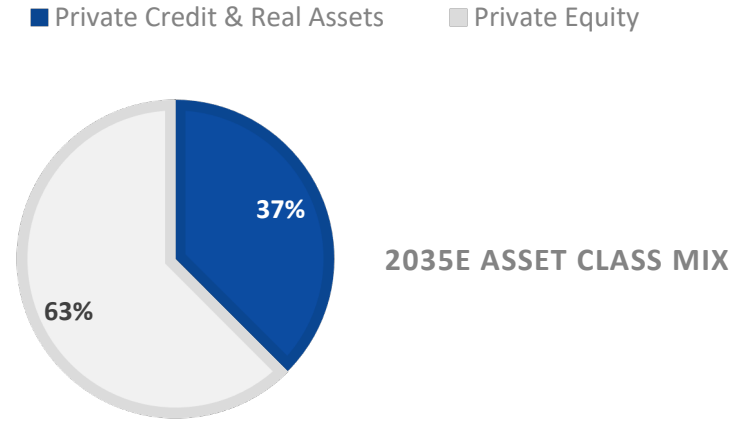
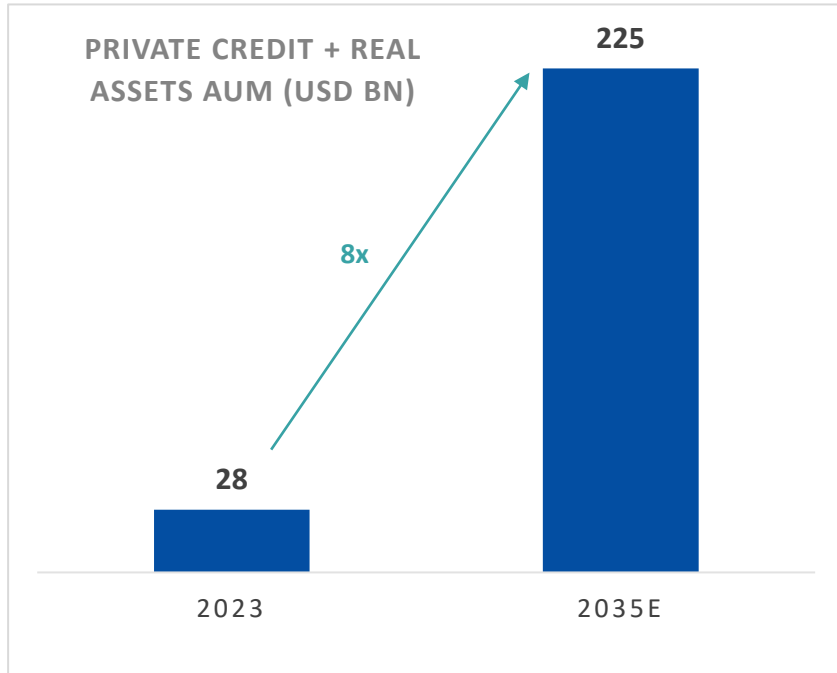
### Domestic Institutional Capital (INR Cr)



Increasing corpus of Pension funds and Insurance companies to provide a large pool of capital



# ...With AUMs Expected to Grow to \$225bn by 2035...



Private Credit & Real Assets' share expected to reach 37% of Indian Alternatives by 2035E

## Private Credit



Banks



NBFCs



Mutual Funds

Flexible financing solutions not available



Asset-liability mismatches



Open-ended structure not suitable

Market Gap in Supply of Credit

## Real Assets

Unlocking Solutions for All Stakeholders

### Real Assets Developers

- Unlock capital for future growth
- Deleverage Balance Sheet
- Access to low cost and long-term capital

### National Monetization Plan

- Monetization of assets by government including INR 1.6 lk Cr of road assets & INR 87,000 Cr of power assets

### Fragmented Nature of Assets

- Opportunity to aggregate assets from smaller developers

Financialization of Real Assets

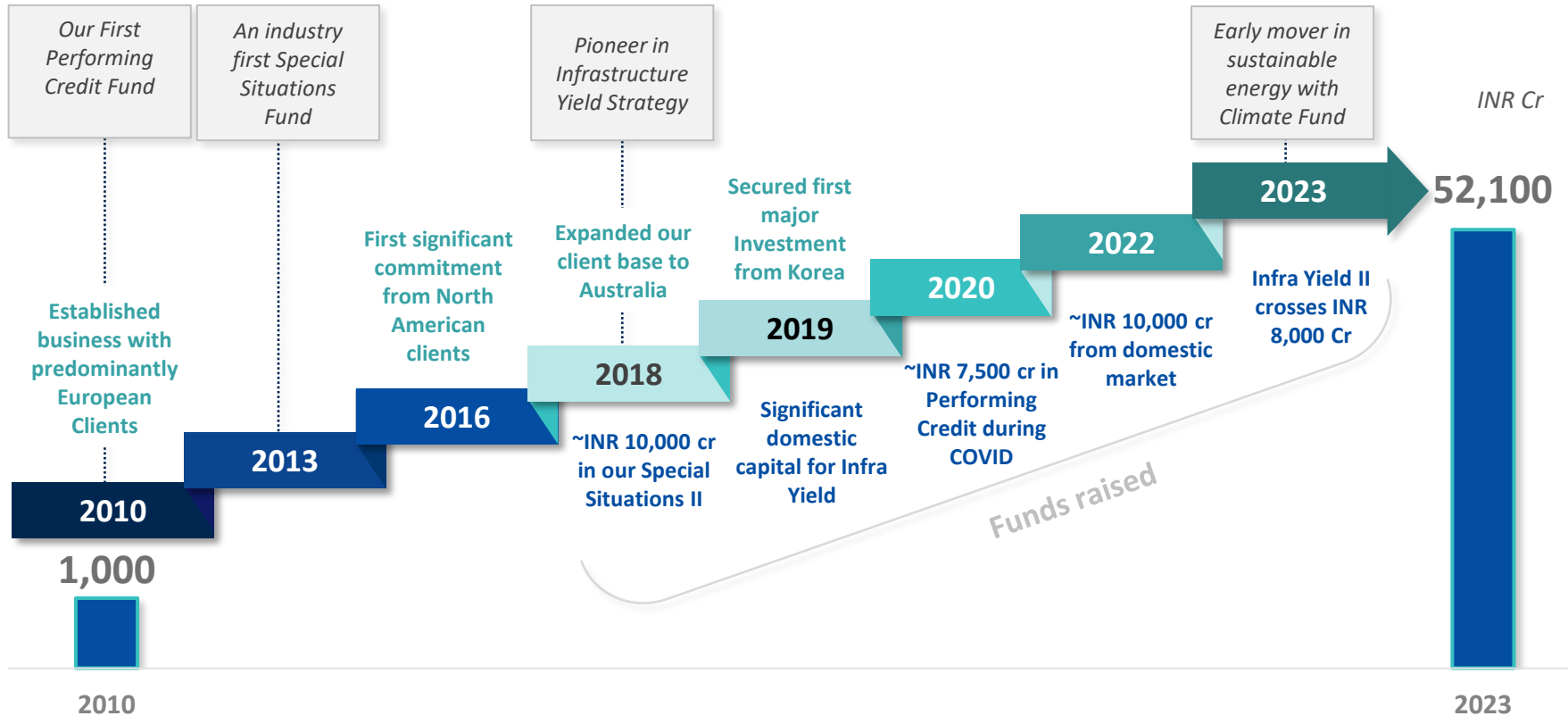
Structural Investment Opportunity

# Edelweiss Alternatives – A Strong Presence in Indian Private Market Alternatives

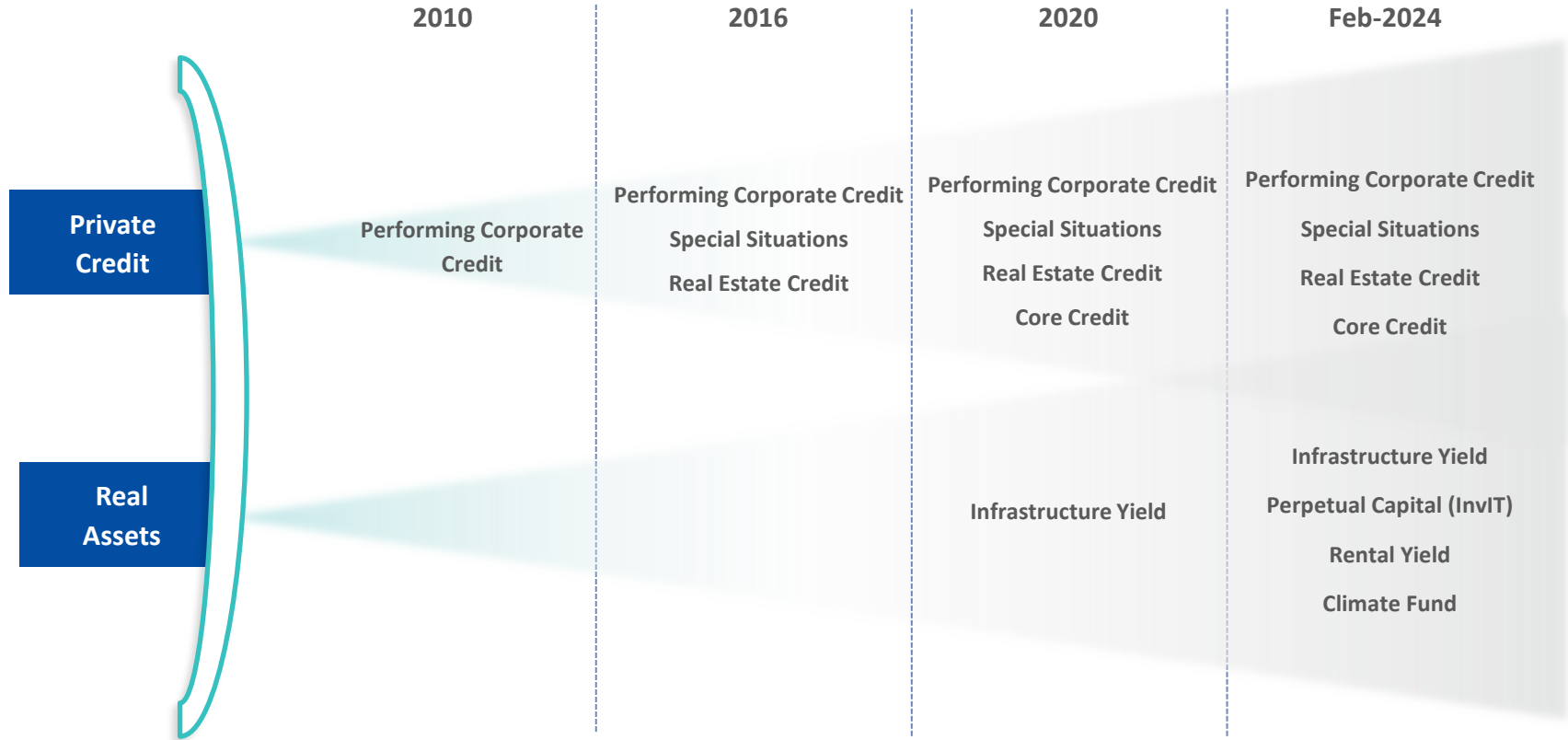
- *A Pioneer Across Private Credit & Real Assets with a Diversified Array of Investment Solutions for Clients*
- *Diversified Client Base in India and Overseas*
- *Proven Track Record: Most Strategies in their 2<sup>nd</sup> or 3<sup>rd</sup> Series*



# Our Pioneering Journey Spanning Over A Decade...



# ...With a Growing Array of Investment Solutions...

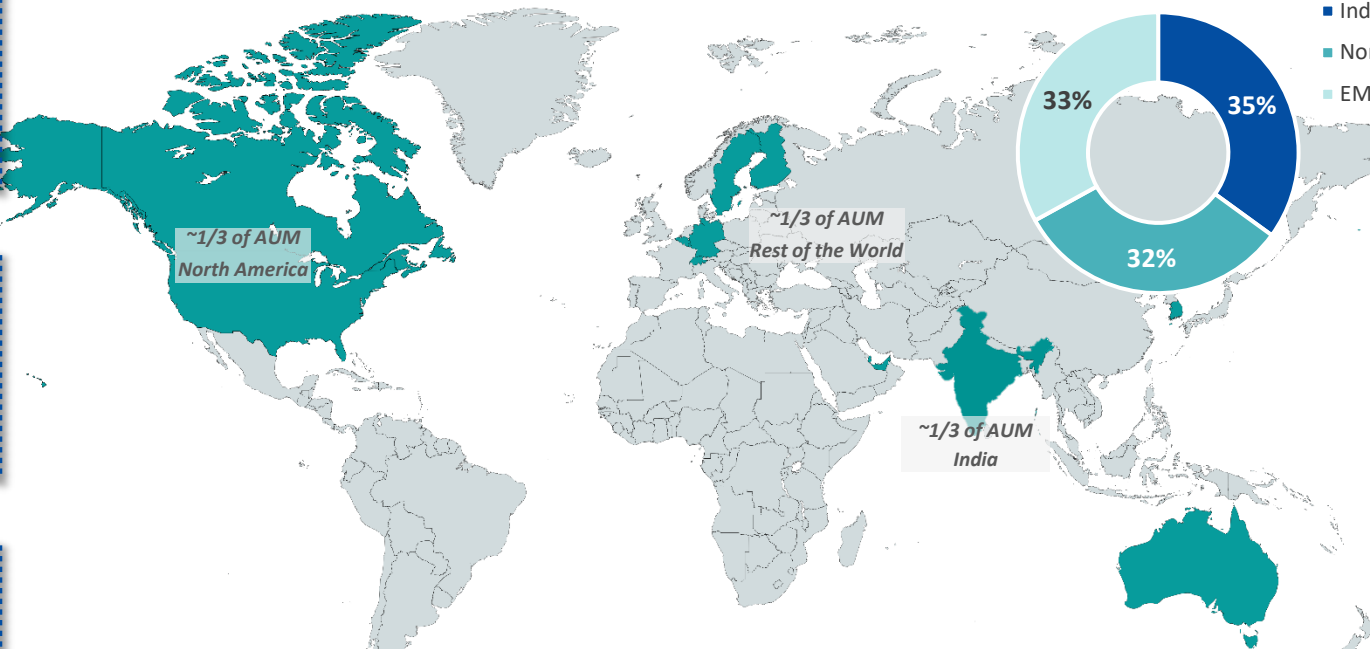


## ...Diversified Client Base...

**2,800+**  
Unique client relationships across the world

**10**  
Clients with AUM of over ~INR 800 Cr (USD 100 mn)

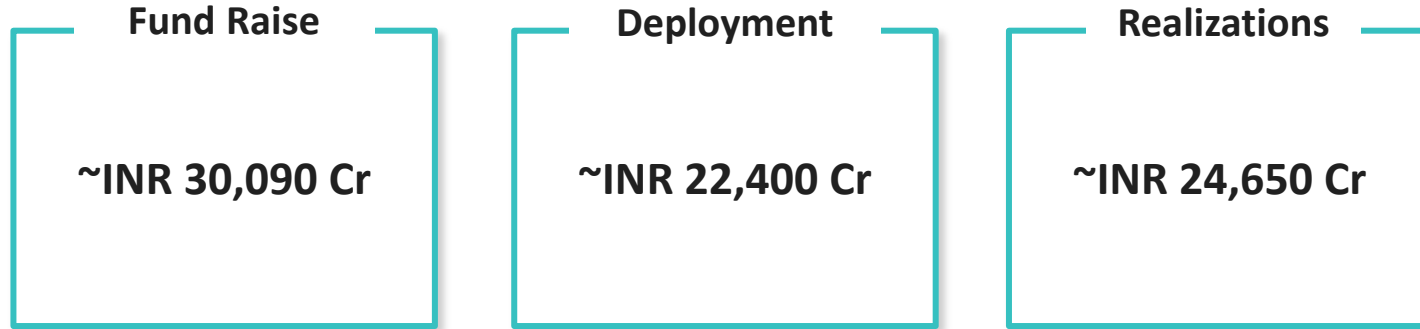
**~60%**  
Of AUMs from Pension fund and Insurance Companies



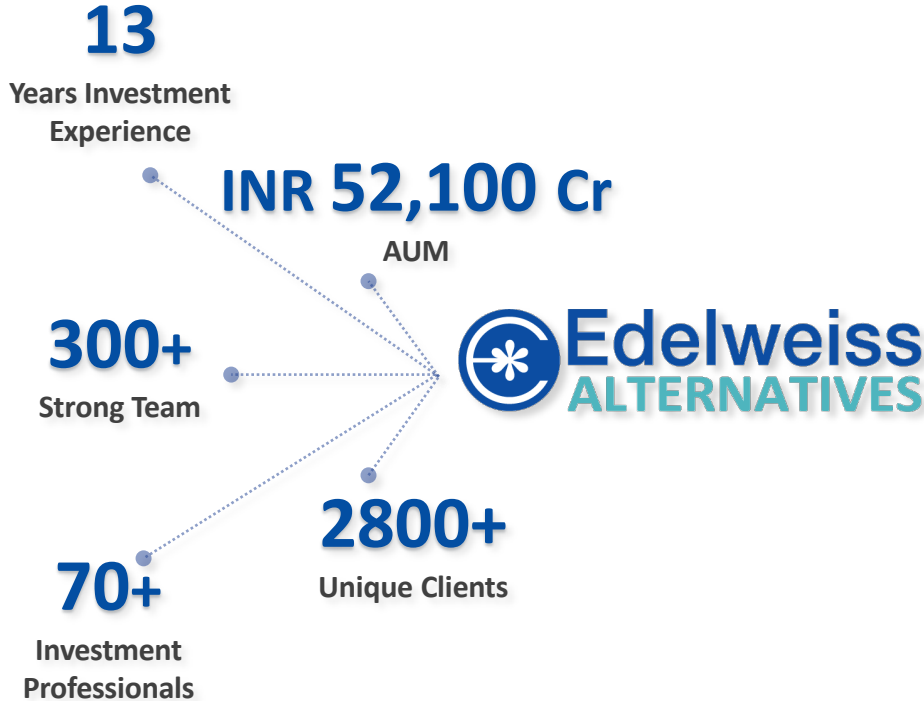
**Diverse client pool in both domestic & offshore markets with meaningful headroom for future growth**



*Delivering superior risk-adjusted returns while focusing on capital preservation across market cycles*



*Most strategies are now in 2<sup>nd</sup> and 3<sup>rd</sup> series*



Only Indian Alternatives player to consistently feature in **top PDI fund raisers of the year** for 3 consecutive years

A signatory to the **United Nations-supported Principles For Responsible Investment (UNPRI)**

**Insurance Companies and Pension Funds** contributing **~60% of AUM**

## Top Fund Raisers

*Private Debt Investor (PDI) – 2023, 2022, 2021*

## Indian Alternatives Investment Thought Leaders Awards

*Equalifi – 2024*

### Safety

#### **British Safety Council, 2023/ 2022**

*International Safety Awards – Merit (DMTCL)*

*International Safety Awards – Distinction (Dhola Infra, DMTCL & SSEPL)*

*International Safety Awards – Merit (Dibang Infra)*

*International Safety Awards – Best in Region - East (DMTCL)*

*International Safety Awards – Sector award (Dibang Infra)*

#### **OHSSAI Annual HSE Excellence & ESG Global Awards 2023**

*Safety Award – Gold (DMTCL)*

*Road Safety Award – Gold (Dhola Infra)*

#### **National Highways Excellence Awards, 2022**

*Excellence in Highway Safety – Plain – Gold Award (Dhola Infra)*

*Green Highways – Silver Award (Dhola Infra)*

#### **NSCI Safety Awards 2022**

*"Prashansa Patra" in Service Sector Category*

### Excellence

#### **Uttar Pradesh Annual Solar Awards – EQ Suryacon 2023**

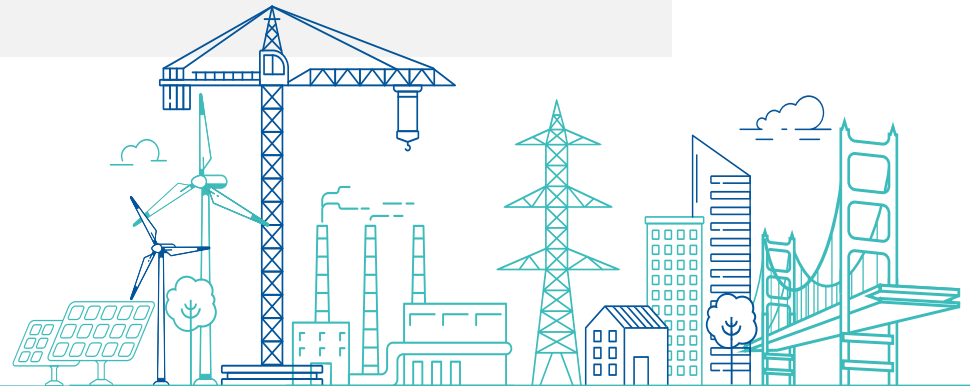
*Solar Project Monitoring Technology Company of the  
Year (ESPL)*

#### **National Highways Excellence Awards, 2022**

*Excellence in Operations and Maintenance – Gold  
Award (Dhola Infra)*

# Edelweiss Alternatives - A Differentiated Platform Poised to Seize the India Opportunity

- *Technology Driven Asset Management Platform*
- *Robust Governance and Risk Management Frameworks*
- *Well-rounded Client Centric Platform*
- *Tenured and Experienced Team*



## Strong Asset Management Capabilities

1



*Technology driven asset management platform to enhance and preserve value of investments*

## Robust Governance and Risk Standards

2



*Robust governance framework and monitoring of investments by independent risk team*

## Well Rounded Client Centric Platform

3



*End to end capabilities to provide bespoke investment solutions for our clients*

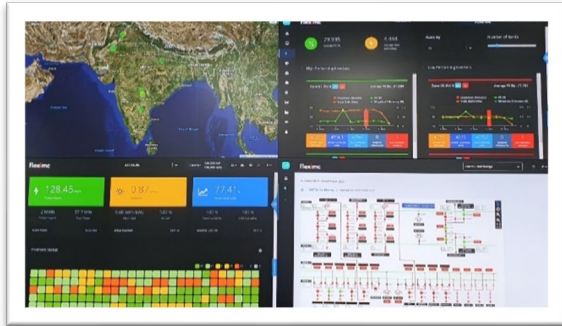
## Tenured and Experienced Team

4



*Experienced investment, asset management and operational teams to manage portfolio*

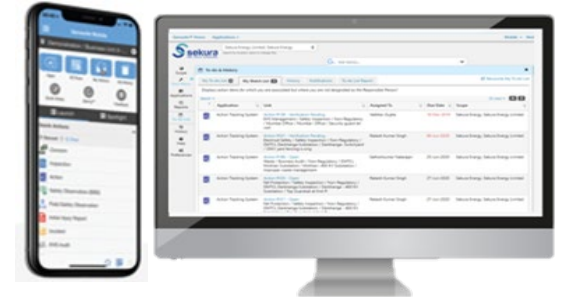
## Technology



Centralized control room for proactive asset management



Application-based inspection tool for proactive approach to maintenance



Technology-enabled Safety Health Environment initiatives

## Processes & Certification

Certificate for Occupational Health and Safety and Environmental management (ISO 45001 & 14001)



Certificate for Asset Management Systems (ISO 55001-2013)



Certificate for Information Security Management (ISO 27001-2013)



## Effective Risk Management Framework

**3C framework (Counterparty, Collateral & Cashflows)** for credit evaluation

1

**Regular monitoring & risk-based classification** of portfolio assets for early identification

2

**Operational risk management & controls** to ensure alignment with fund documents & processes

3

## Institutional Governance Framework

**Advisory Boards** for funds comprising key clients

Annual asset level valuations performed by agencies  
**independent valuation**

**Independent review** of key processes by internal auditors



## Coverage Team

10+ member global coverage team  
Broad Domestic Reach



## Holistic Solutions

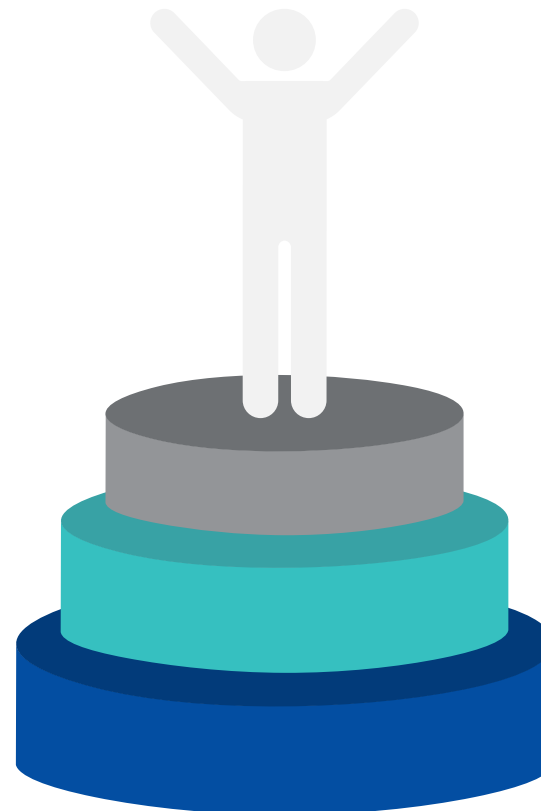
Platform with presence in Mumbai, Singapore and GIFT City that can cater to -

- Onshore and Offshore clients
- Institutional and UNHI / Family Offices



## End to End Platform Capabilities

Experienced legal, compliance and product team for structuring unique investment solutions for our clients





# A Tenured and Experienced Team

## Breadth and Depth of a Highly Experienced Team

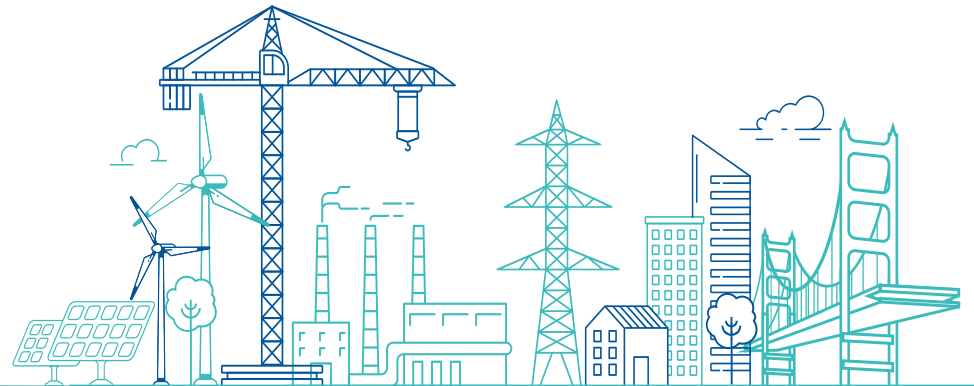


**15+ years**  
Average tenure of  
Investment  
leadership team  
with Edelweiss

**36**  
Average Age,  
an Overall Young  
Team

# Financial Performance

- *Robust Financial Profile*
- *Demonstrated History of Performance with Operating Leverage*



# A Robust Financial Profile...



**Annuity Business  
driven by  
Management Fee**



**Long Duration  
Capital**



**Healthy Financial  
Standing Highlighted  
by A 0.6 D/E Ratio.**

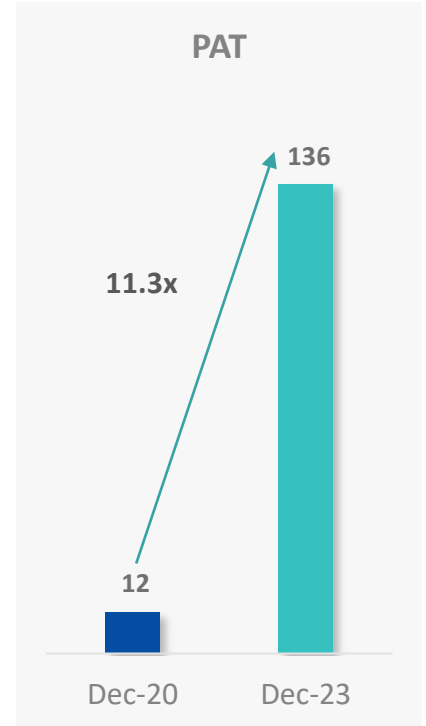
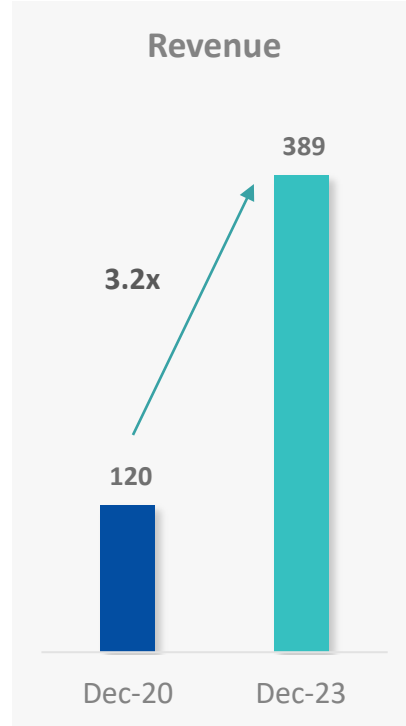
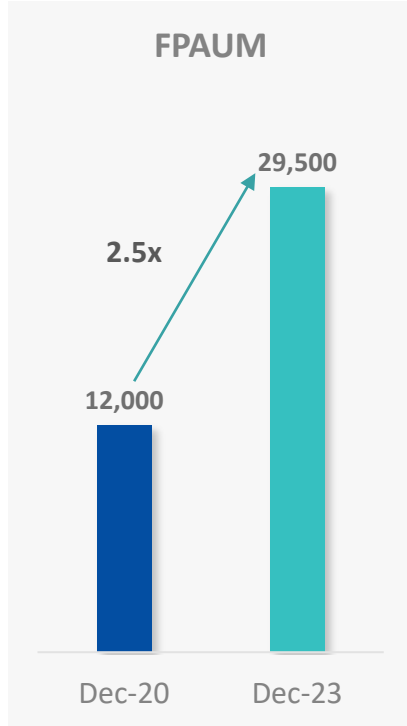
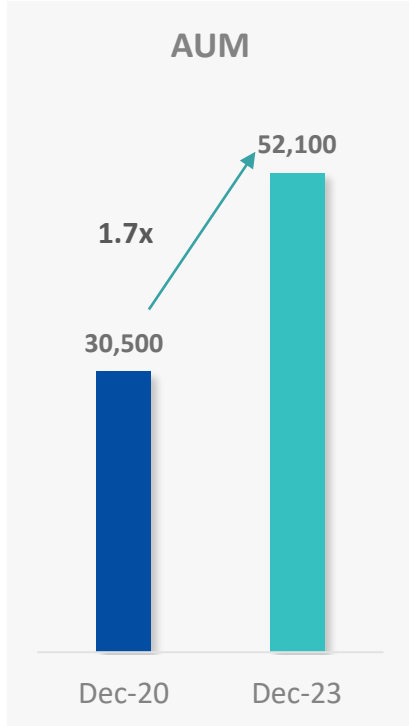


**Operating  
Leverage**



**Upside  
through Carry**

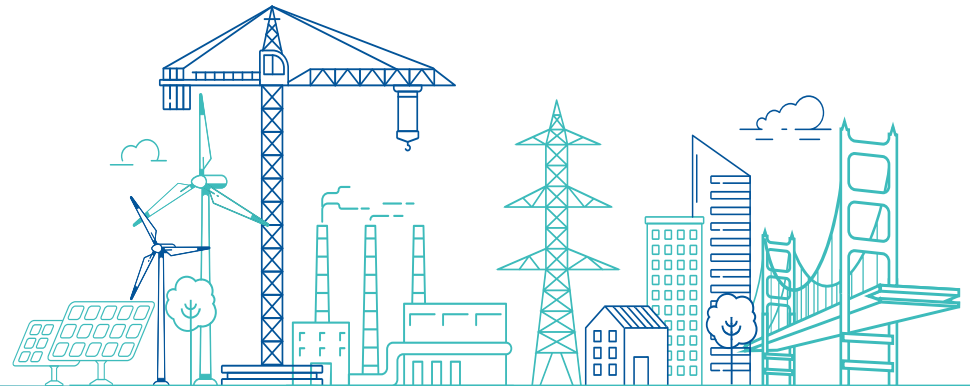
# ...And a Demonstrated History of Performance with Operating Leverage



**Management Fees constitutes 70% of the Revenue**

## Vision & Way Forward

- *Guided by a Clear Vision*
- *Proven Business Model with a Well-defined Growth Plan*
- *Target to Continue Healthy Growth of AUM*



“

Be the **trusted** and **respected**  
India alternative asset advisor,  
**Creating value for all stakeholders**

”



# ...Leading to A Well-defined Growth Path...



Increase client commitments through strong investment performance



Regular introduction of new products



Expansion into newer client segments and geographies



Maintain a robust Risk & Governance framework



**Healthy AUM  
Growth to Continue**



**...towards becoming  
India's premier Multi Strategy Alternatives Platform**

### **We Are...**

- *A long standing and differentiated platform with 13 years of investing experience*
- *Leading Private Credit and Real Assets manager in India with 6x AUM growth in past 7 years*
- *Highly diversified Client base with 2,800+ clients*
- *Strong institutional platform with robust risk management and governance frameworks*
- *Having tenured teams for investments and asset management*
- *Poised to take on the India opportunity*

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Slide 5: Preqin , AUMs for 2023 are up to June 2023

Slide 6: Preqin , AUMs for 2023 are up to June 2023

Slide 7: India’s Economic Surge: Paving the Path to a \$10 Trillion Economy (investindia.gov.in), McKinsey Global Private Market Review, 2023 report; Edelweiss Alternatives Estimates

Slide 8: Knight Frank, Morgan Stanley Research Estimates | Regulatory Circulars and Industry Reports

Slide 9: Preqin , AUMs for 2023 are up to June 2023

Slide 10: Preqin , AUMs for 2023 are up to June 2023, Edelweiss Alternatives Estimates

Slide 11: Niti Aayog National Monetisation Pipeline Report, 2021

Slide 16: 5 -year data pertains to period: April 19’ to Dec 23’ | Realizations includes capital exits and returns on investment

Slide 27: AUM and FPAUM are as on Dec-20 and Dec-23; Revenue and PAT are for 9 months ending Dec-20 and Dec-23