ANANDRATHI
Private Wealth. uncomplicated

Ref No: 09/2021-22

Dated: January 07, 2022

BSE Limited **Department of Corporate Services** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Scrip Code: **543415** Scrip ID: **ANANDRATHI**	**National Stock Exchange of India Limited** **Listing Department** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Trading Symbol: **ANANDRATHI**

Sub: Investor Presentation

Dear Sir/Madam,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are enclosing herewith the Investor Presentation.

We request you to kindly take the above on record.

Thanking You,

Yours faithfully,
For **Anand Rathi Wealth Limited**

A Chauhan

ANAND RATHI WEALTH LIMITED

(Ashish Chauhan)
Company Secretary and Compliance Officer

Anand Rathi Wealth Limited

Investor Presentation
Q3 FY22

Highlights

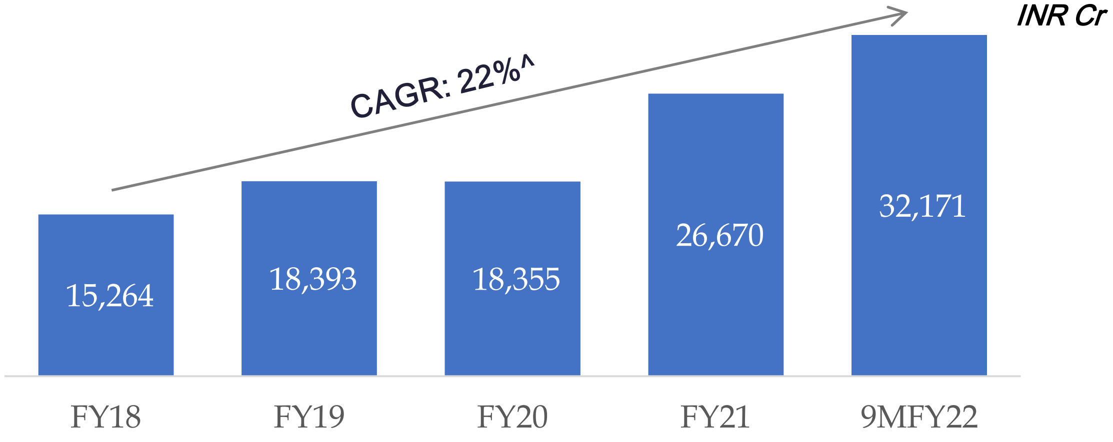
- Consolidated total Revenue for Q3 FY22 was Rs. 108.66 Cr, recording a healthy growth of 55% YoY. Revenue for 9M FY22 was at Rs. 310.88 Cr, recorded growth of 54% YoY
- Consolidated PAT for Q3 FY22 was Rs.32.04 Cr, up by 144% YoY and for 9MFY22 was at Rs. 92.20 Cr, higher by 168% YoY.
- Net cash flow from operations of INR 86 Cr in 9MFY22
- Our flagship Private Wealth business saw a strong growth of 28% YoY in AUM to INR 31,348 Cr as on Dec-21, led by a 64% YoY growth in trail based Equity MF AUM
- We're on track to achieve highest ever revenue and profitability, with record breaking margins and strong return metrics
- We added 800+ clients (net basis) by Dec-21 taking the total client count to >6,900. Our client base has grown at a fast pace, clocking a 22% CAGR from FY18 to 9M FY22 (annualized basis), in line with our goal to add ~1,000 clients each year
- RM growth has picked up in the current year with nearly 20 addition during 9M FY22.
- Further, within the overall objective of meeting client goals in an uncomplicated manner, the team has been able to identify and add new manufacturers / product categories. In case of other securities, our intention is to introduce unrelated issuers for at-least 50% of fresh requirement and we have made significant progress so far.
- Our new age business Digital Wealth ("DW") recorded a 38% YoY AUM growth as on Dec-21. Further, we've been improving penetration, onboarding more CEPs (currently at 319 from 294 as on Mar-21).
- In our OFA vertical, the number of IFAs subscribing to our platform grew to 5,164, while the mutual fund AUA on the platform assets grew by 32% YoY to over INR 84,500 Cr

Comparative Consolidated Business Summary

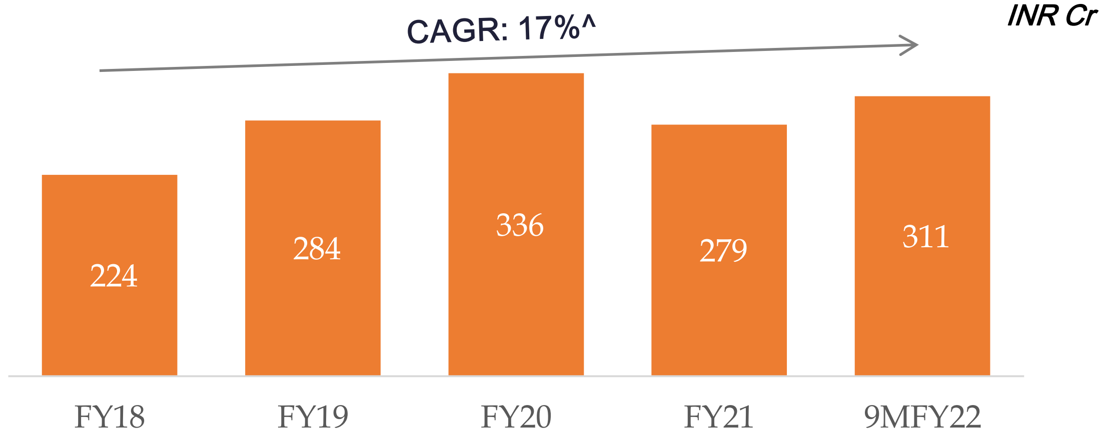
Particulars (INR Cr)	Q2FY22	Q3FY22	QoQ	Q3FY21	YoY	9MFY21	9MFY22	YoY
AUM (INR Cr)	***30,989***	***32,171***	3.8%	***25,119***	28.1%	***25,119***	***32,171***	28.1%
MF – Equity & debt	18,069	18,899	4.6%	13,643	38.5%	13,643	18,899	38.5%
Other securities	9,469	9,488	0.2%	8,919	6.4%	8,919	9,488	6.4%
Others	3,451	3,783	9.6%	2,557	35.0%	2,557	3,783	48.0%
Revenue from Operations	***102***	***106***	3.9%	***68***	55.2%	***195***	***305***	56.3%
MF – Equity & Debt	38	42	13.2%	24	76.9%	62	111	79.2%
Other securities	62	61	-2.6%	41	48.4%	125	187	50.0%
IT Enabled Services	1	1	-8.2%	1	-3.3%	3	3	2.8%
Others	1	2	100.9%	2	-28.6%	5	3	-37.4%
Costs	***58***	***61***	5.1%	***47***	30.1%	***140***	***174***	23.9%
Employee costs	47	50	7.0%	35	43.6%	109	139	28.1%
Other expenses	12	11	-2.3%	12	-7.9%	31	34	9.5%
EBITDA	**43**	**44**	**2.3%**	**21**	**111.6%**	**55**	**131**	**138.5%**
Margin%	42.7%	42.1%		30.9%		28.2%	43.1%	
PAT	**30**	**32**	**5.2%**	**13**	**144.2%**	**34**	**92**	**167.9%**

Consolidated Performance Overview

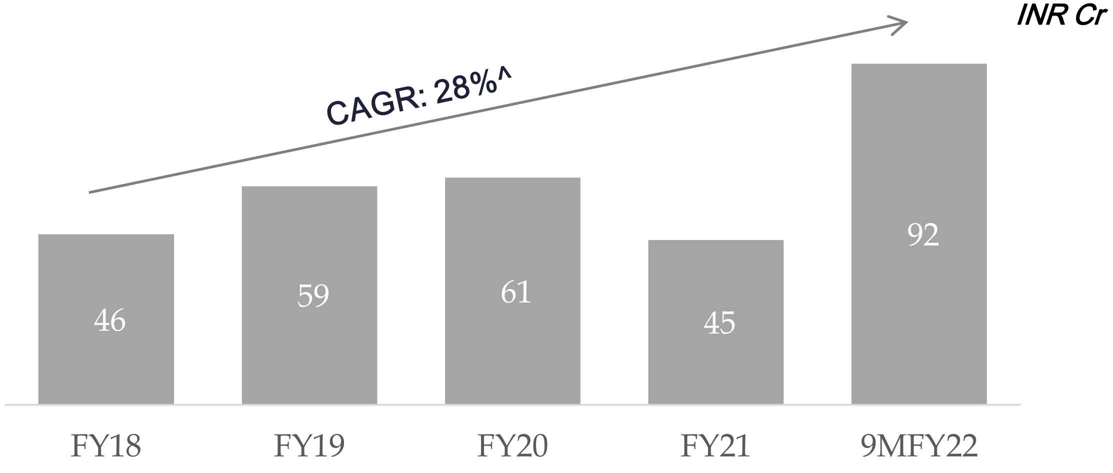
Strong growth in AUM



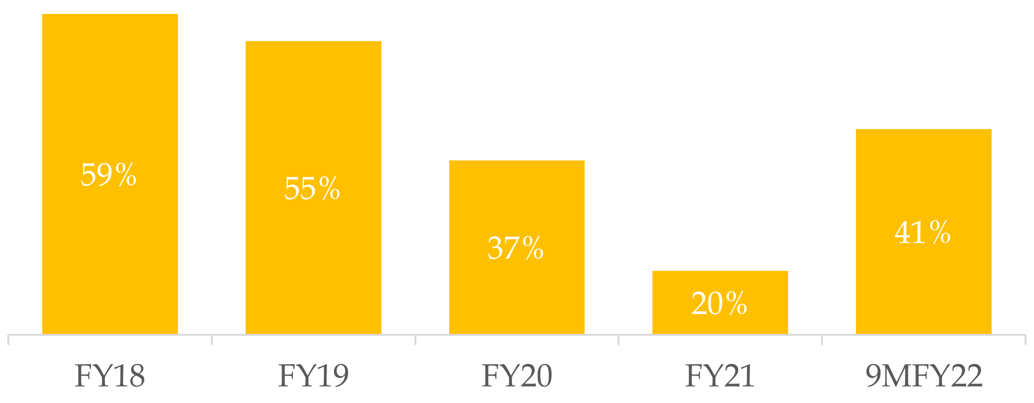
Revenue Trends



PAT Trends



Best-in-class ROE



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^based on annualized 9MFY22 figures

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Private Wealth Vertical – Key Highlights

One of the leading private wealth practices in India

Overview

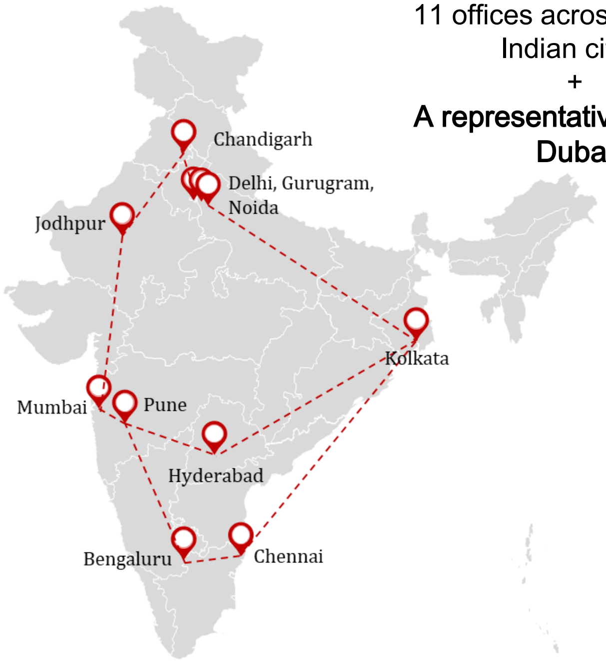
- *We are one of the leading non-bank wealth solutions firms in India and have been **ranked amongst the top three non-bank mutual fund distributors in India** by gross commission earned in Fiscal 2020*
- *Started in 2002 as a AMFI registered mutual fund distribution (MFD) business – and have evolved into providing, well researched solutions to our Clients by facilitating investments in financial instruments through an objective driven process*

Our strengths

- *Comprehensive wealth solution*
- *Client specific financial strategy with a focus on:*
  - *Long term returns, through MFs and Other securities*
  - *Safety net & estate planning using trusts & wills*
- *Process driven framework for consistent delivery of service*

Presence across India

11 offices across all major Indian cities
+
A representative office in Dubai



AuM Growth

INR 14,986 Cr
FY18

CAGR 22%

INR 31,348 Cr
9M-FY22

Clients Growth

3,293
FY18

CAGR 22%

6,910
9M-FY22

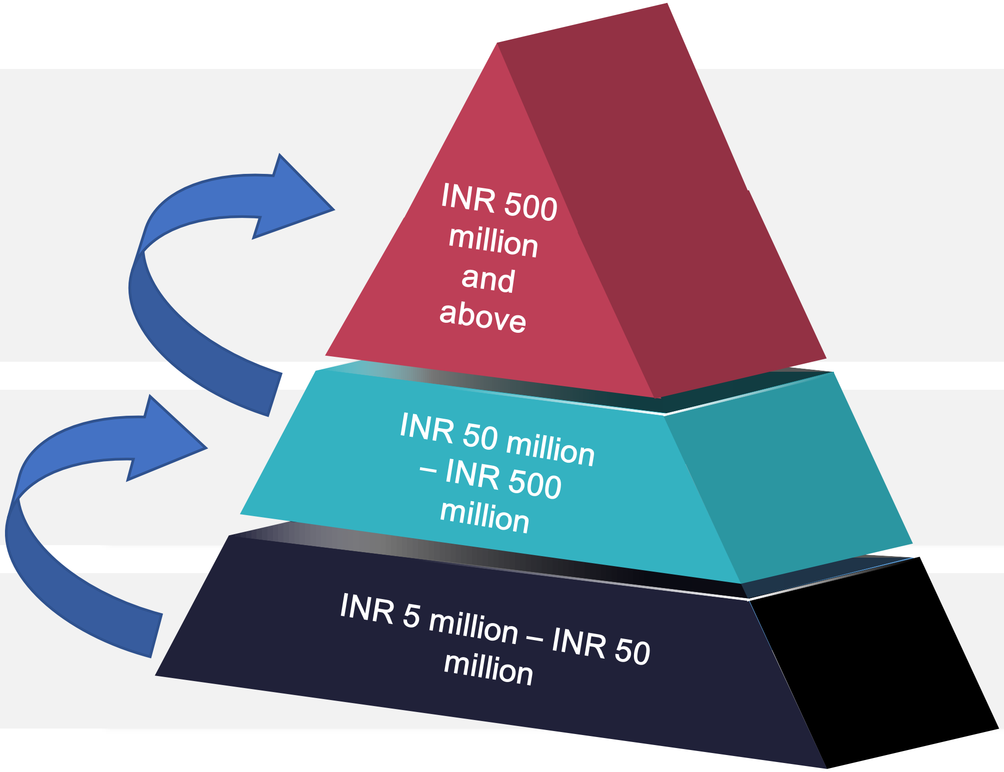
INR 129 Cr
AuM per average RM
(as on Dec-2021)

253
# of RMs
(as on Dec-2021)

~27
Clients per RM
(Dec-2021)

229
# of AMs
(Dec-2021)

Provides wealth solutions to the more sustainable HNI segment



Share in Current AuM* (%)	
16.4%	*These were mostly HNIs when they were on-boarded and have subsequently elevated as UHNIs over a period of time*
50.8%	*Slower and difficult to build, but far more sustainable with long term profitability*
32.8%	

As on Dec 31, 2021, 55.4% of our clients have been associated with us for over 3 years, representing 75.2% of our total PW AuM, which shows our strength in vintage of both clients and their AuM in our business

**As on Dec-21*

Offers end-to-end, process driven, standardized and well researched solution...

Standardized Solution

- Client goals
- Discussion with clients on investment principles, risk and portfolio strategy
- Provide comparative investment options
- Create client conviction to act
- Execution and reporting
- Ongoing monitoring and portfolio rebalancing

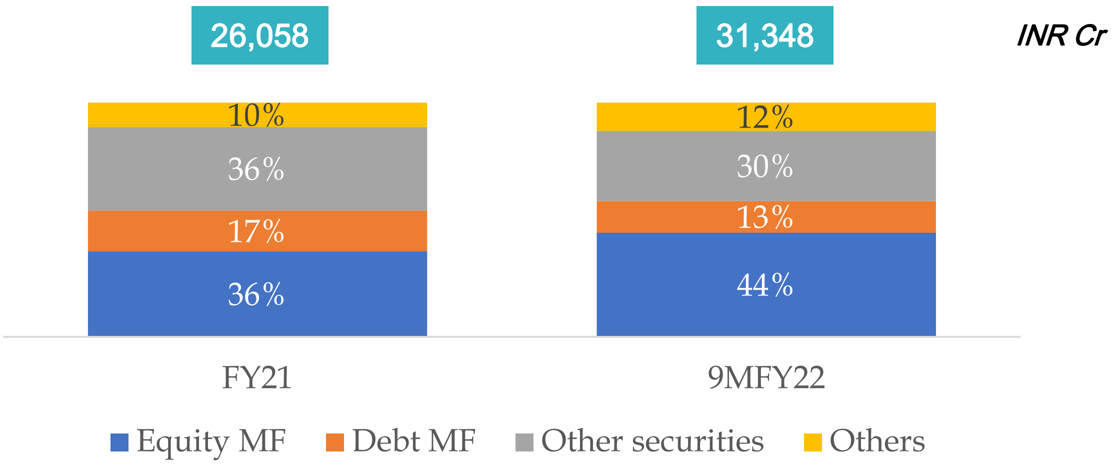
Consistent client outcomes

Ability to build and train RM pool internally

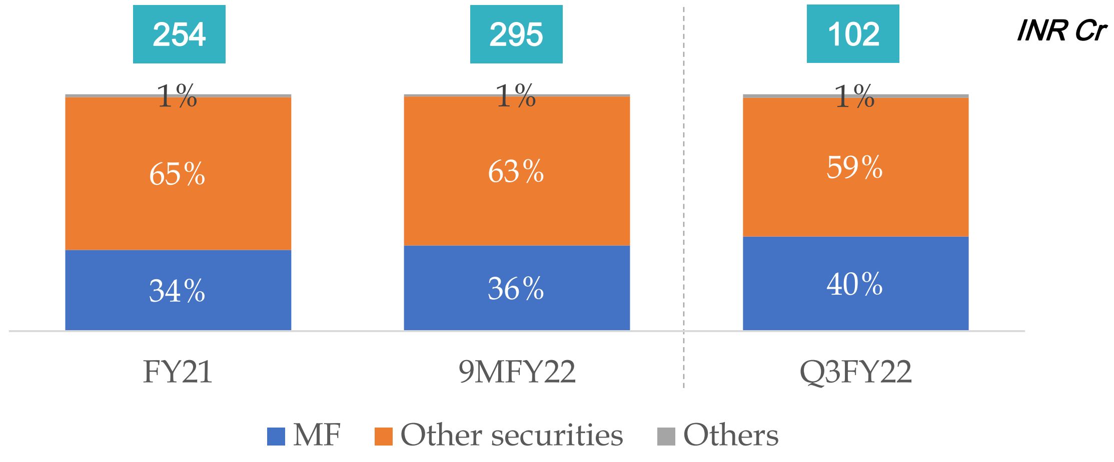
Scalable

Private Wealth Performance Metrics

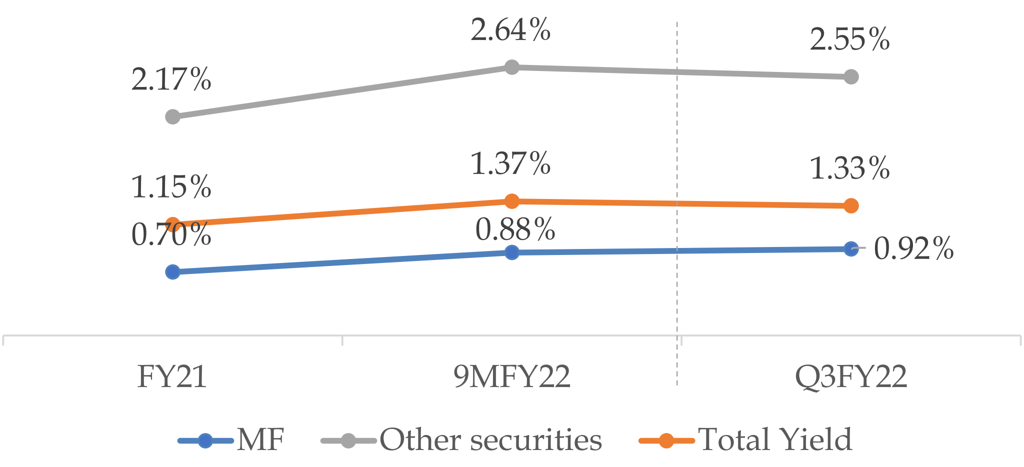
AUM Split



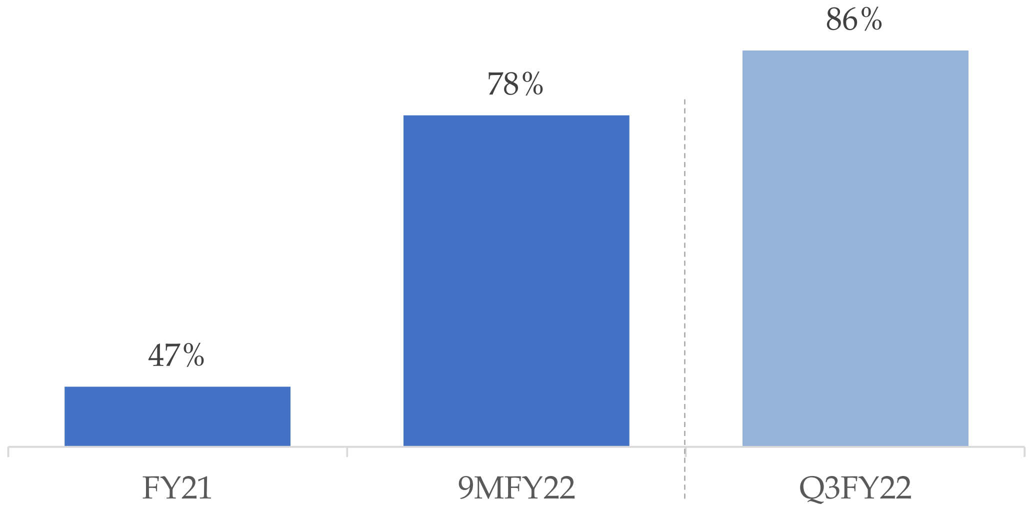
Revenue Split



Yield Analysis



Trail Income coverage as % of Fixed Cost*



*including all costs excluding incentive payout

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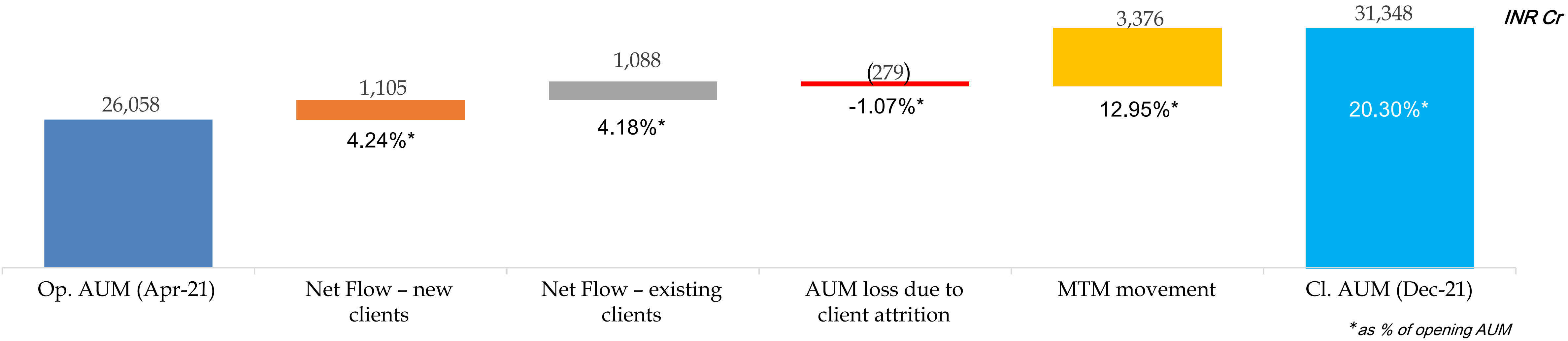
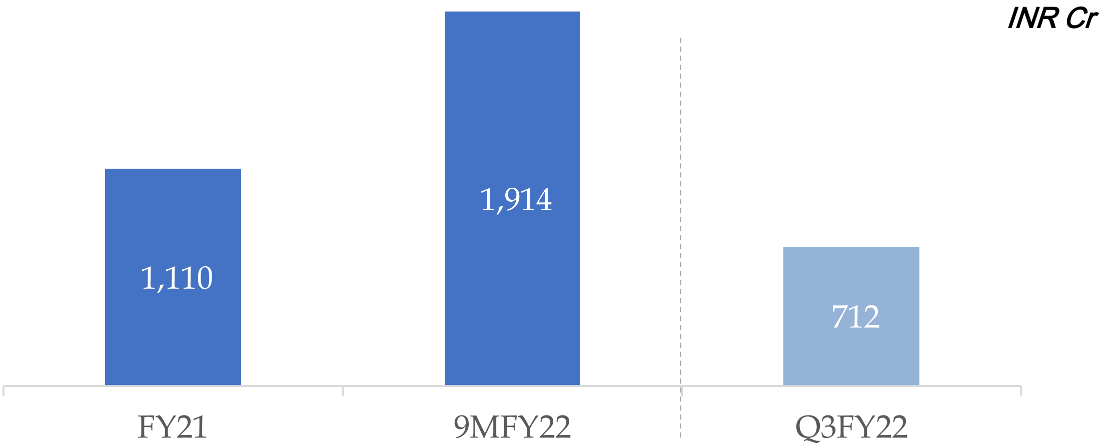
AUM Movement and Net Flows Analysis

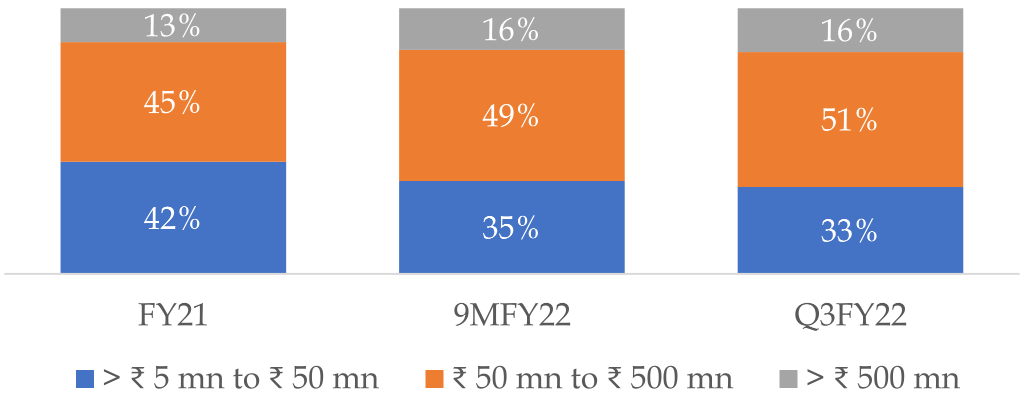
AUM Bridge (9M FY22)



Net Flows



AUM Composition



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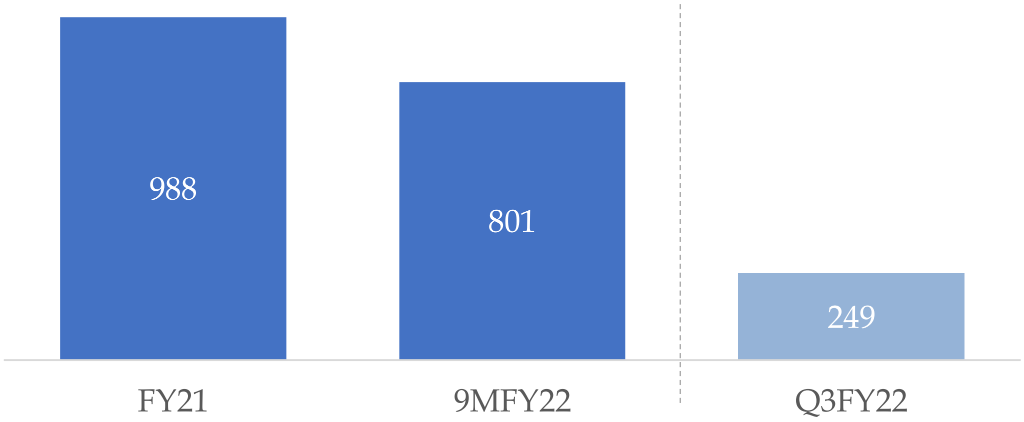
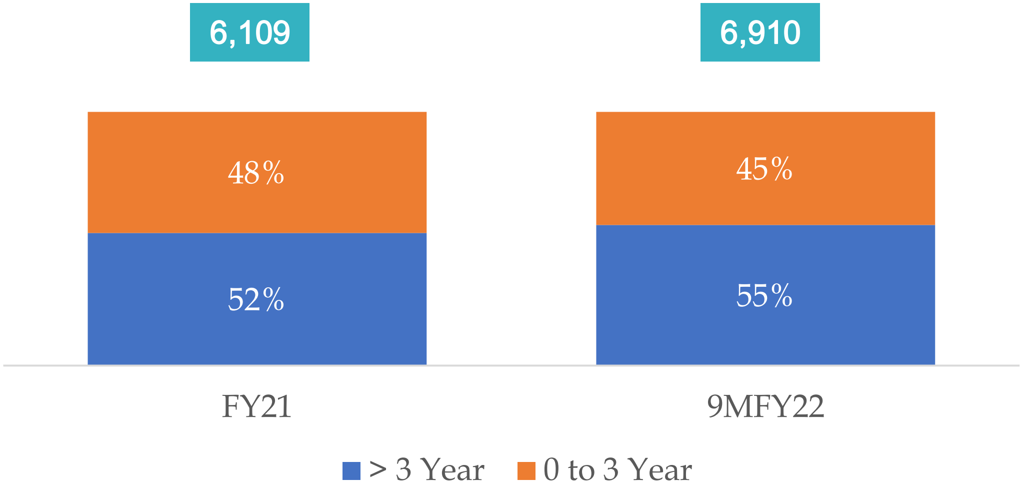
Client Metrics

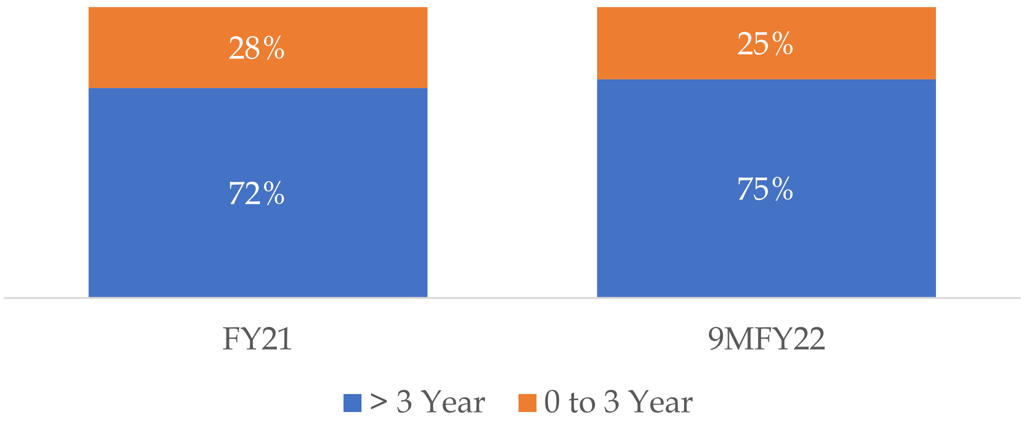
Net Client Addition



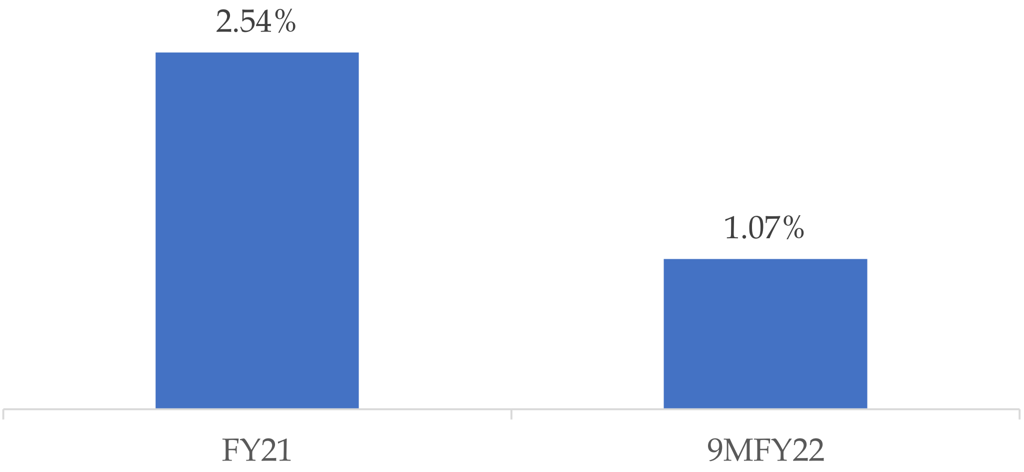
Client Vintage (#)



Client Vintage (AUM)

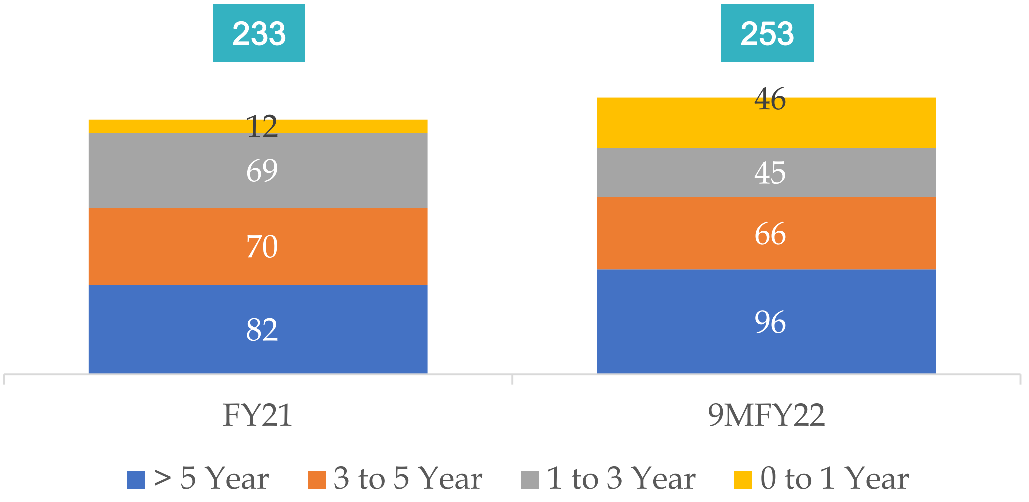


Client Attrition (% of AUM lost)



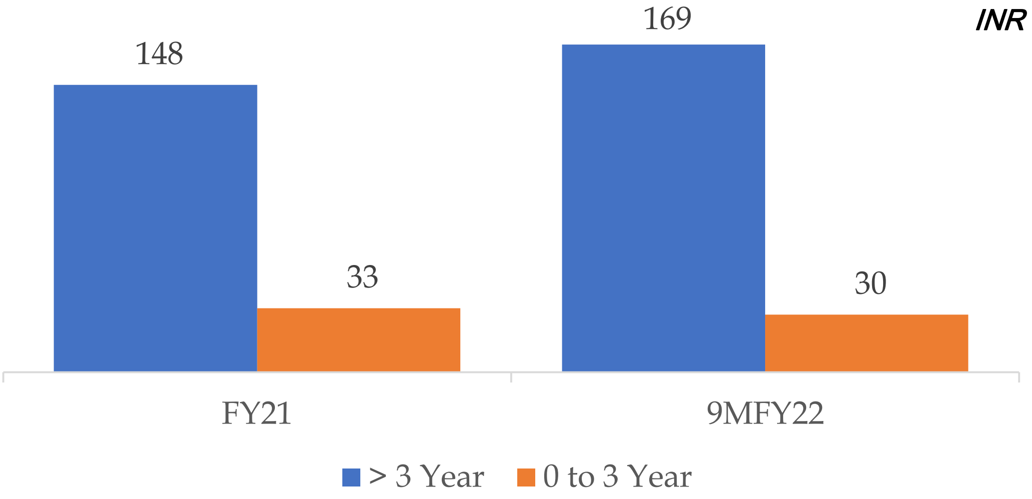
Relationship Manager (RM) Metrics

Increasing share of higher vintage RMs

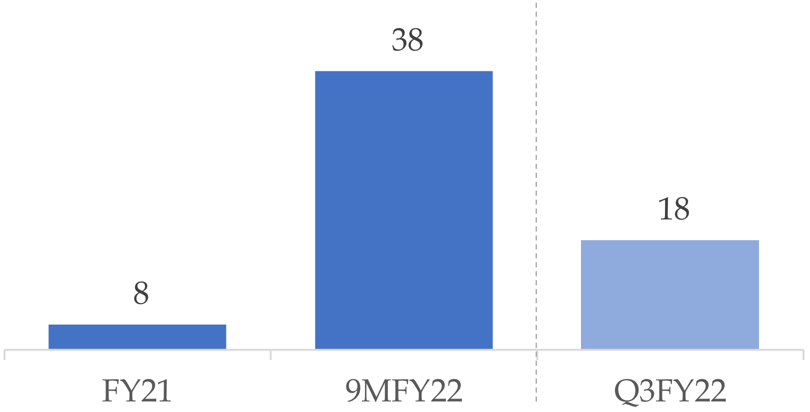


Vintage wise AUM per RM

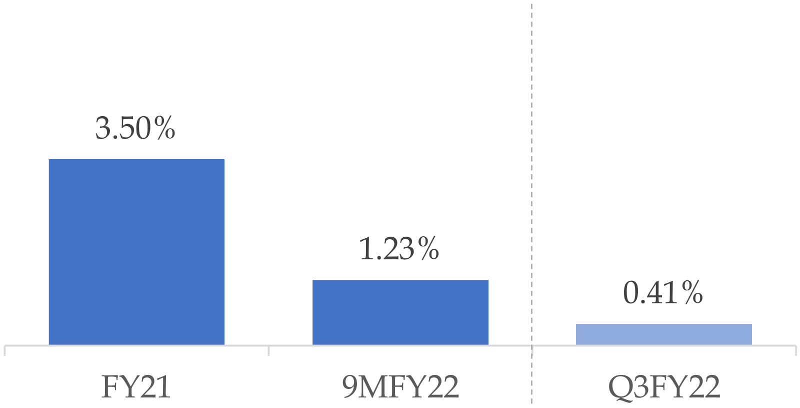
INR Cr



AMs promoted to RMs



Regret RM Attrition



RM with 5 Year+ Vintage

Accolades

Growth Guidance – Private Wealth Business

INR Cr

Particulars	FY21	9M FY22	Target FY22	Target FY23
Net Flows	1,110	1,914	2,600	3,500
Revenue	262	295	400	490
Profit After tax	44	91	122	152

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DW and OFA Vertical – Key Highlights

Anand Rathi Digital Wealth - Leveraging technology to cater to the mass affluent segment through a phygital model

Innovative Product

Started in Sep-2016, DW is a fin-tech extension of our proposition, born from the extensive learnings from experience in the private wealth solutions, catering to large mass affluent segment of the market

Unique approach to wealth solutions:

- *Delivers service through a 'phygital channel' i.e a combination of human distributor empowered with technology*
- *Seeks to build a scalable and profitable model by using this blend of technology capabilities and human interface*
- *Attempts to build a partner led distribution through whom a packaged investment solution is delivered*

Performance as of December 31, 2021

AuM of **INR 805 Cr**

310 Client Engagement Partners

~ 3,500 clients

Key Highlights

Core Revenue Model:
Commission on Mutual Fund (MF) and distribution of Other securities

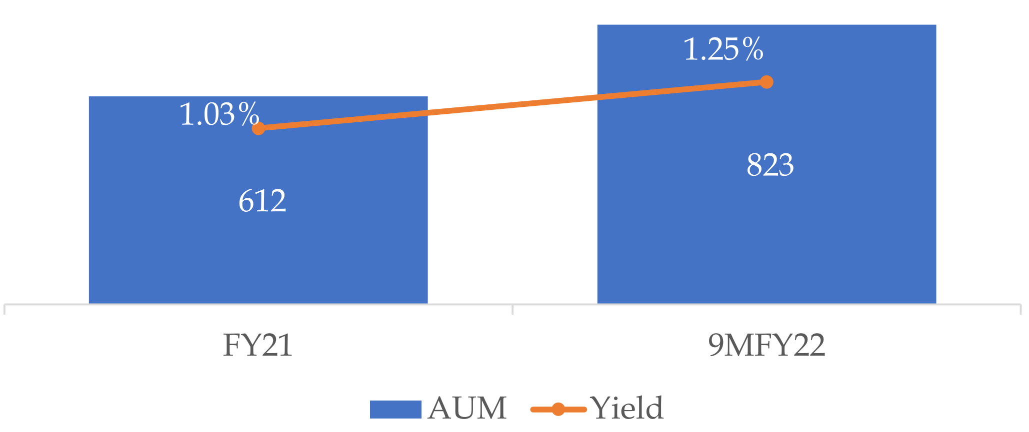
Partners on fully variable model, hence no fixed cost for platform

Customer segment: Mass Affluent having existing financial assets: INR 1 million – 50 million

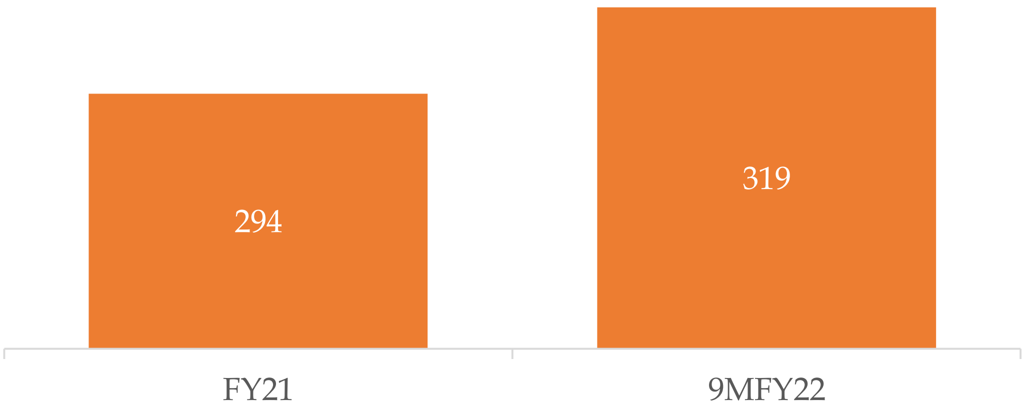
DW Vertical – Key Highlights

AUM and Yield Trends

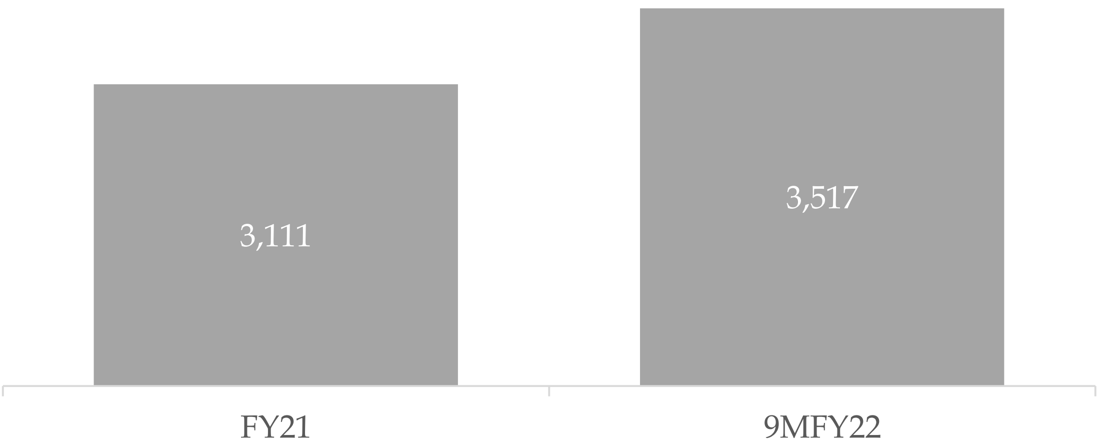
INR Cr



No. of Client Engagement Partners (CEPs)



No. of Clients



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Harnessing the market opportunity

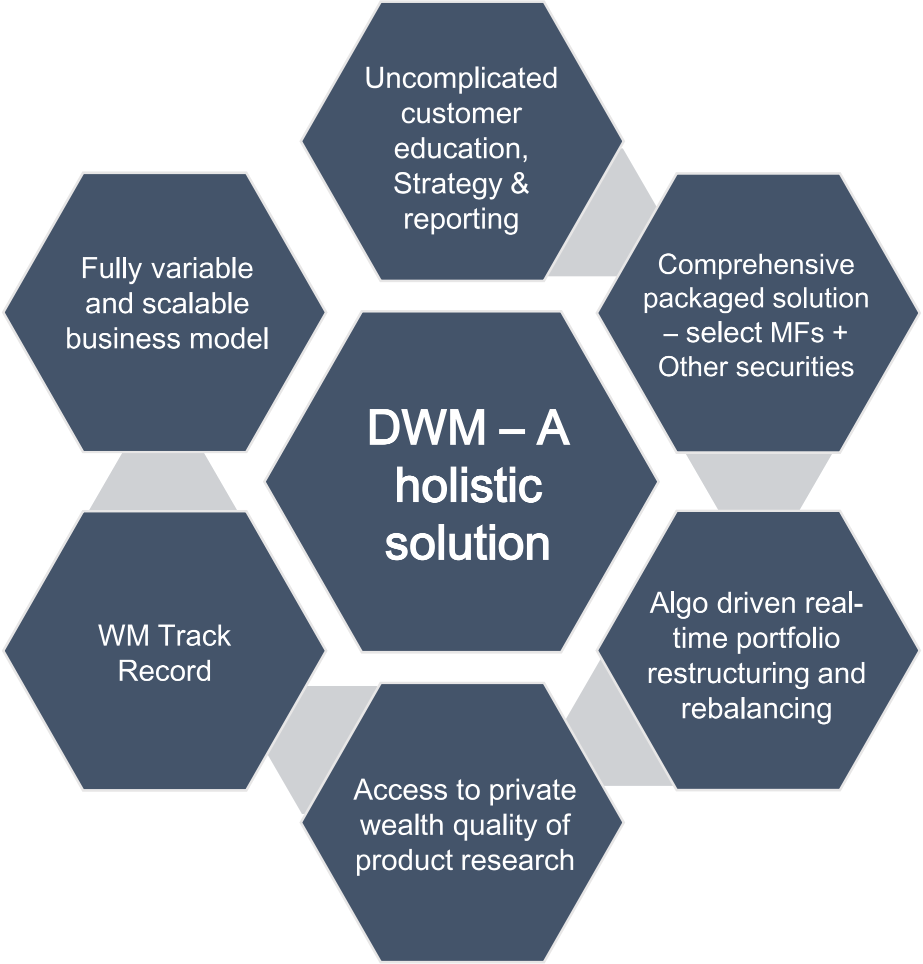
Customer Segment	Challenges faced by Customers	Our Solutions	AR advantage
Mass Affluent Existing financial assets: 1 mn – 10 mn Age : Young generation Tech savvy	• Poor Quality of advice and service due to inadequately skilled, low inexperienced & high attrition channel • High cost of Delivery of Advice leads to misselling, lack of profitability & scale • Poor awareness of Financial Assets	• Closed architecture packaged solution – eliminating potential miss sell • 360º led delivery model – apps, videos, customer support and Partners • Uber – like RM Channel with Partner App	Leverage PWM model and experience Structured Product expertise Established Brand

Channels

App / customer support	Partner

Packaged solution delivered through a scalable business model, leveraging technology

Investment Highlights



Digital Wealth (DW) – Application Snapshots

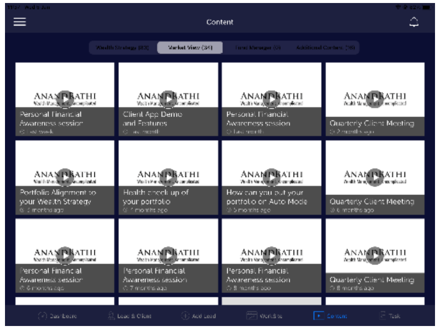
DWM App

Partner app on iPads	Mobile client app

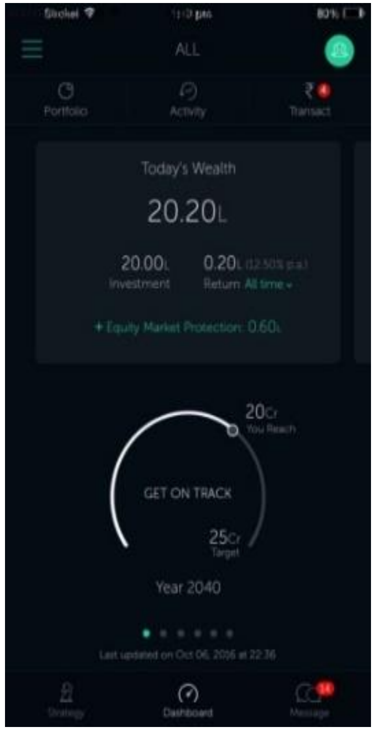
Partner CRM

CEP Income Graph

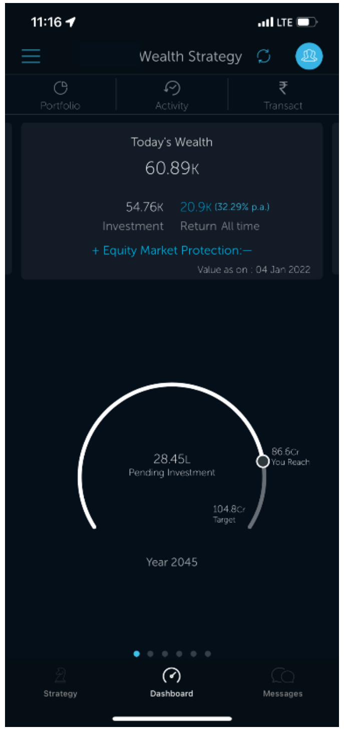
Content



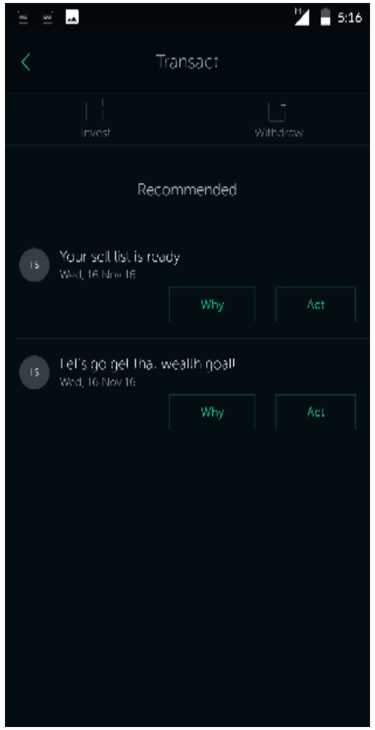
Dashboard



Wealth Strategy



Transact



Anand Rathi OFA - Leveraging technology to cater to the retail segment through a B2B2C model

Key Information

Acquired a company providing financial planning tools for IFAs and pivoted to providing reporting and transaction services

Launched in Sep-2016 only, OFA has become India's #1 tech platform for IFAs

OFA provides a co-branded mobile first integrated technology platform to IFAs and their clients thereby, addressing the wide retail segment

AR Wealth domain expertise combined with significant tech capabilities has created a unique ability to scale up the network

Key metrics as of December 31, 2021

5,164 IFAs

16.95 million Platform clients

INR 84,596 crore Platform assets

Key Functionalities

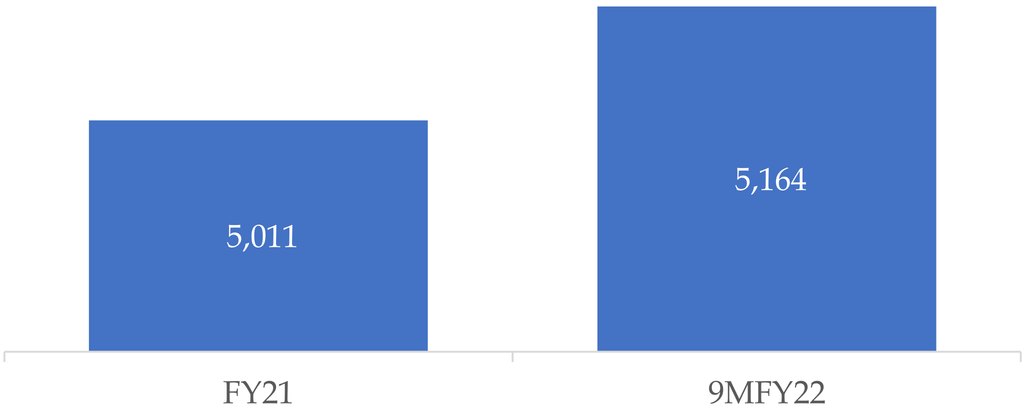
Subscription Revenue from IFAs – On subscription, the IFAs receive access to our web portal and mobile application

OFA enables IFAs with unique features such as:

- *Client reporting;*
- *Business dashboard;*
- *Client engagement;*
- *Online mutual fund transactions; and*
- *Goal planning*

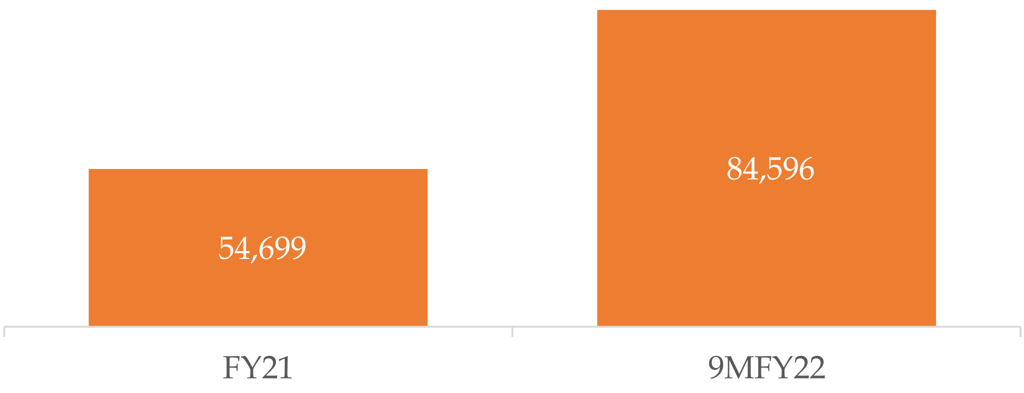
OFA Vertical – Business KPIs

No. of Independent Financial Advisors (IFAs)

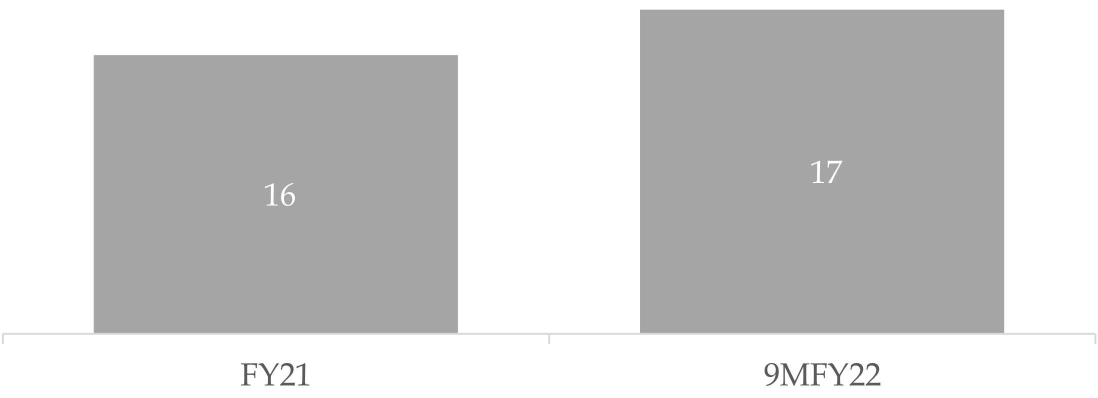


Platform Assets (Value)

INR Cr



Platform Clients (# mn)



Provides a technology platform to the IFAs & their clients for reporting & transaction services

Customer Segment	Top 3 Problems	OFA - Our Solutions	AR advantage
Certified MF & Insurance Agents / distributors	• Lack of Infrastructure & Tech with small IFAs	• Mobile –led Tech Infrastructure	Network vs sub-broker
INR 10-500 mn of AuA	• Poor Client Engagement – Sell & Move-on model	• Client Reporting, Transaction & Engagement	Scale
	• Ability to retain margins in changing regulatory environment		Existing Brand & Expertise

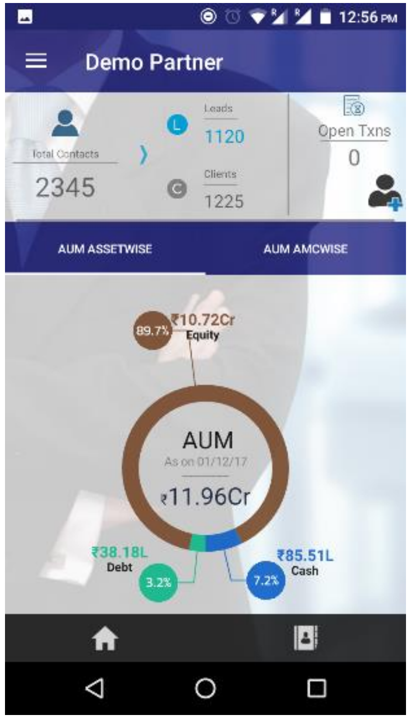
Anand Rathi OFA Unique Proposition

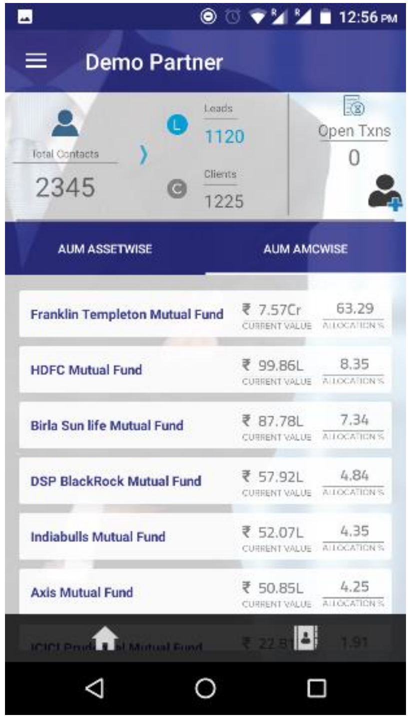
- Once IFA is onboarded, requires up to a week to make the account active vs 60 days
- Significantly cheaper than competition
- Additional product capability
- Significant monetization opportunity

Omni Financial Advisor (OFA) – Application Snapshots

OFA App

Partner app	Client app





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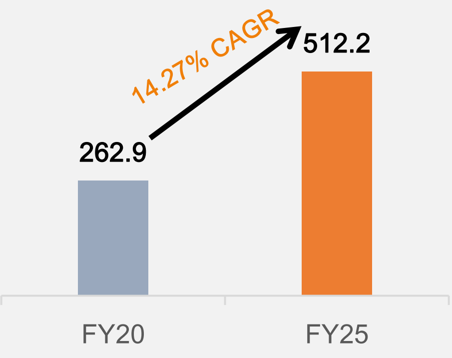
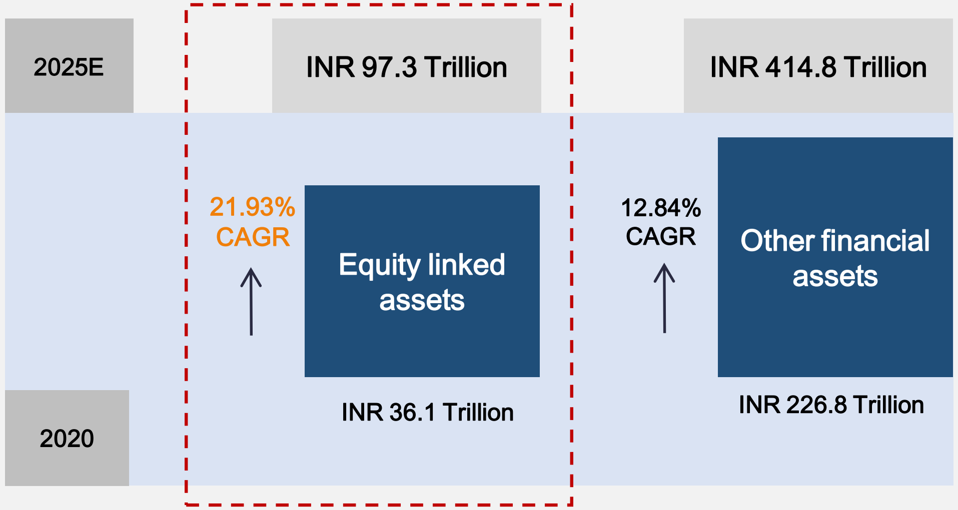
Annexure

Market Potential

Financial assets as % of total assets to grow from **57% in FY20 to 63% in FY25**

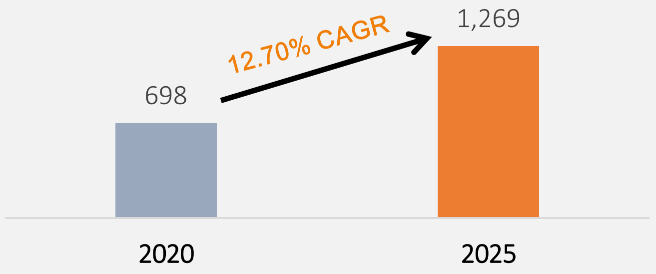
Individual's Financial Assets (INR trillion)



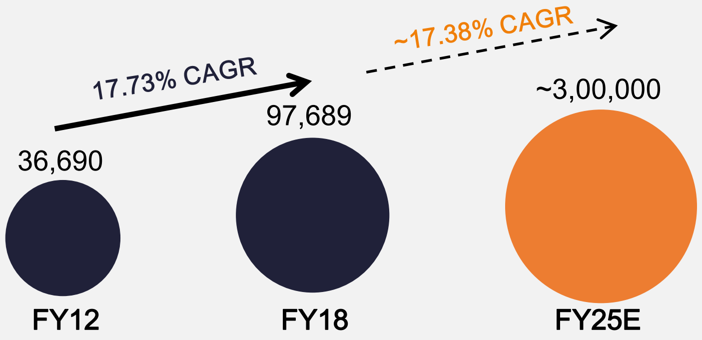


Mutual fund assets to grow 2.3x from FY20 to FY25

US$ millionaires to increase 1.8x by 2025



# of US$ millionaires ('000)



People earning income > INR 10 million

Taxpayers > INR 10 million Income to grow 3x from FY18 to FY25

Source: CART Industry Report

Leadership & Key Resources


Mr. Rakesh Rawal
CEO


Mr. Feroze Azeez
Dy. CEO


Mr. Chethan Shenoy
Director & Head – Product & Research


Mr. Rajesh Bhutra
CFO


Mr. Niranjan Babu Ramayanam
Head – Operations


Mr. Arjun Guha
Executive Director & Unit Head, Mumbai


Mr. Amitabh Lara
Director & Unit Head, Mumbai


Mr. Bharath Rathore
Executive Director & Unit Head, Bengaluru


Ms. Aarti Desikan
Executive Director & Unit Head, Bengaluru


Mr. Swapan Chakraborty
Director & Unit Head, Pune


Mr. Subhendu Harichandan
Director & Unit Head, Pune


Mr. Rajan Sarkar
Director & Unit Head, Kolkata


Mr. Ashish Bhandia
Director & Unit Head, Kolkata


Mr. Adil Chacko
Director & Unit Head, Delhi


Mr. Manish Srivastava
Director & Unit Head, Delhi


Ms. Protima Dhavan
Director & Unit Head, Hyderabad


Mr. Manish Srivastava
Director & Unit Head, Rajasthan


Mr. Krishanu Chaudhary
Director & Unit Head, Chennai


Mr. Harpreet Punj
Director & Unit Head, Chandigarh


Mr. Farooq Nabi
Director & Unit Head, Noida


Mr. Mukesh Kumawat
Director & Unit Head, Gurugram


Mr. Raj Vijeta Sharma
Director & Unit Head, Dubai

Board of Directors

Anand Rathi
Chairman & Non-Executive Director

Pradeep Gupta
Non-Executive Director

Amit Rathi
Non-Executive Director

Rakesh Rawal
Executive Director & CEO

Mohan Tanksale
Independent Director
(Ex CMD – Central Bank of India)

Ramesh Chandak
Independent Director
(Ex MD - KEC International Ltd.)

Kishan Gopal Somani
Independent Director
(Ex-President of ICAI)

Sudha Navandar
Independent Director
(Senior Practicing Chartered Accountant)

Awards and Accolades

Great Place to Work (Small and Mid-Sized Organizations category) **2021 & 2020**	Great Place to Work Institute, India
Customer Service Excellence Award 2020	World BFSI Congress
Fastest Growing Wealth Management Organization 2020	World BFSI Congress
Amity Corporate Excellence Award 2019	Amity
Best Wealth Manager India Award 2018	Capital Finance International, London
Great Place to Work (Small and Mid-Sized Organizations category) **2018**	Great Place to Work Institute, India
Best Wealth Manager India Award 2017	Capital Finance International, London
#34 India’s Great Mid-Size Workplaces	HT Media & Great Place to Work Institute, India

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