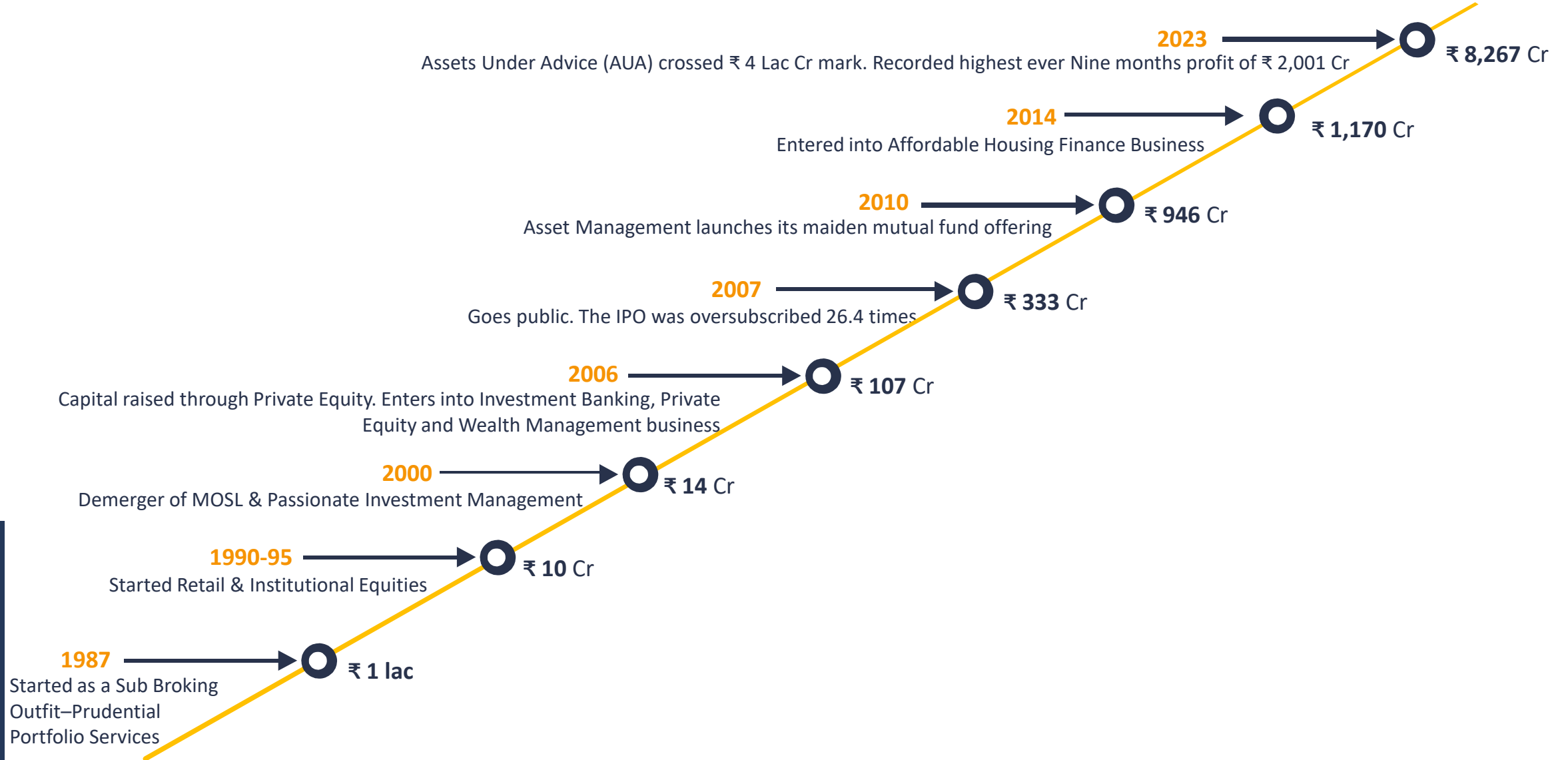




# A Compounding Machine

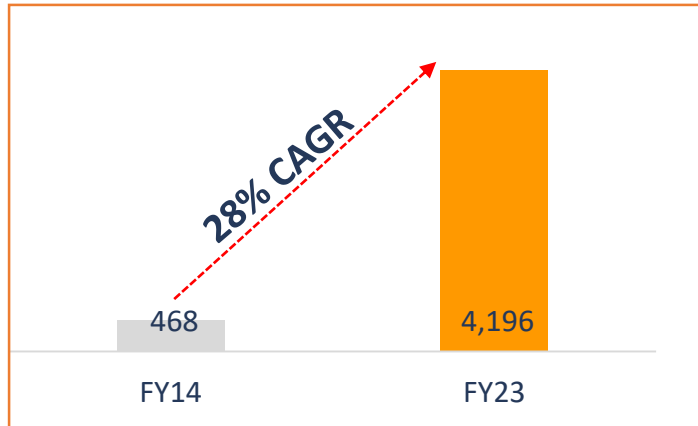
Investor Meet  
February-2024

# Evolution of MOFSL with robust net worth growth

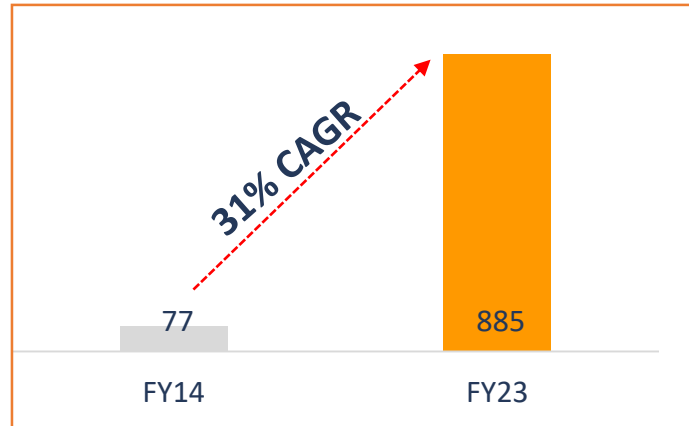


# MOFSL – A Compounding Machine

Revenue in ₹ Cr



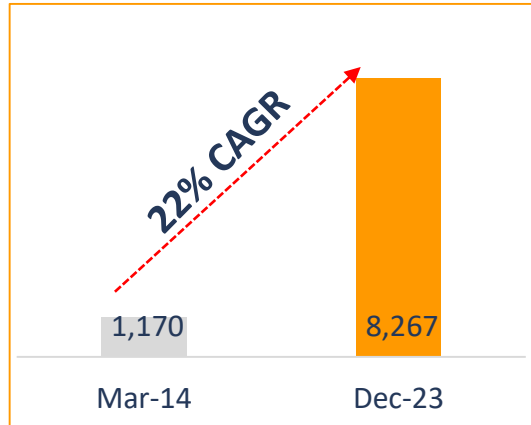
PAT in ₹ Cr



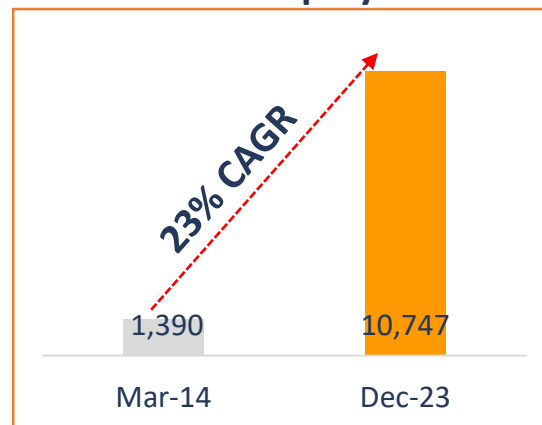
Assets Under Advice (AUA) in ₹ Cr



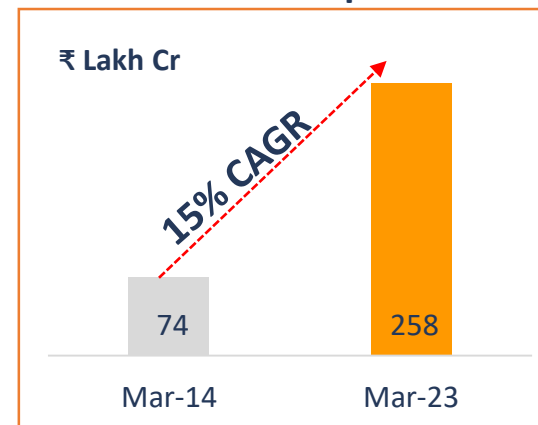
Net Worth in ₹ Cr



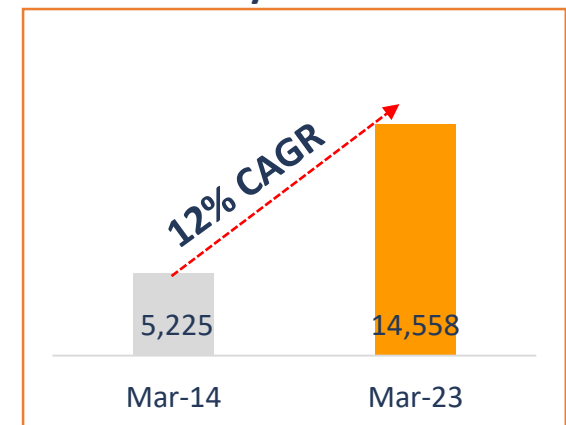
Nos. of employees



India Market Capitalisation



Nifty 500 Index



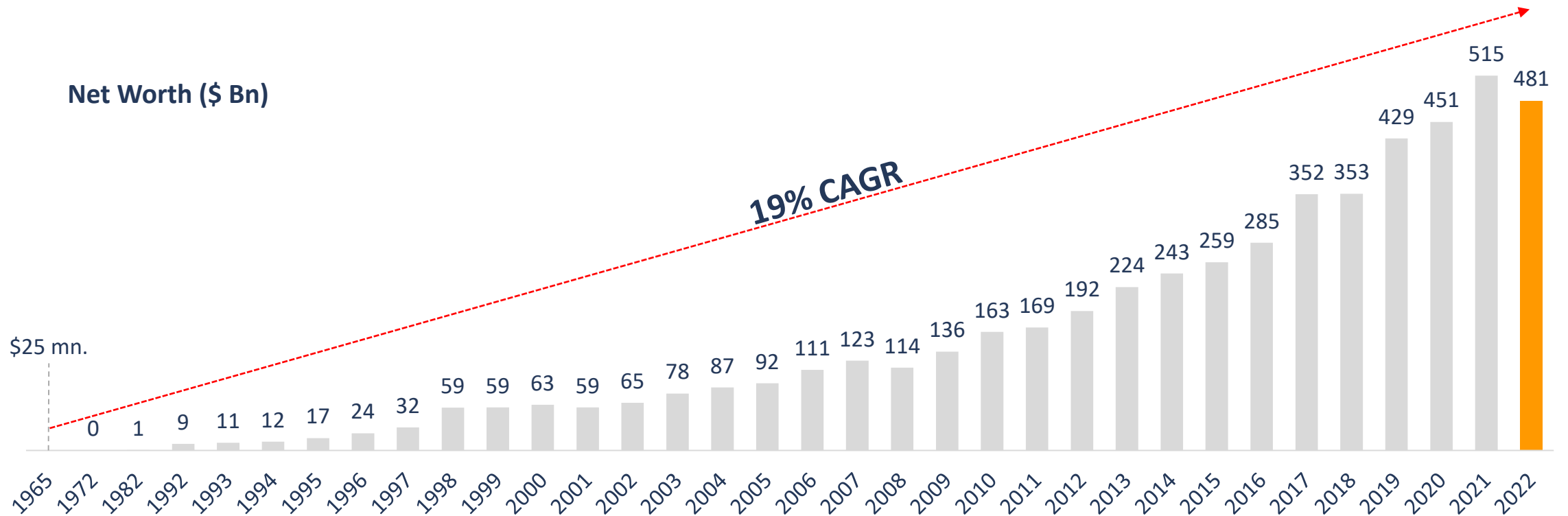
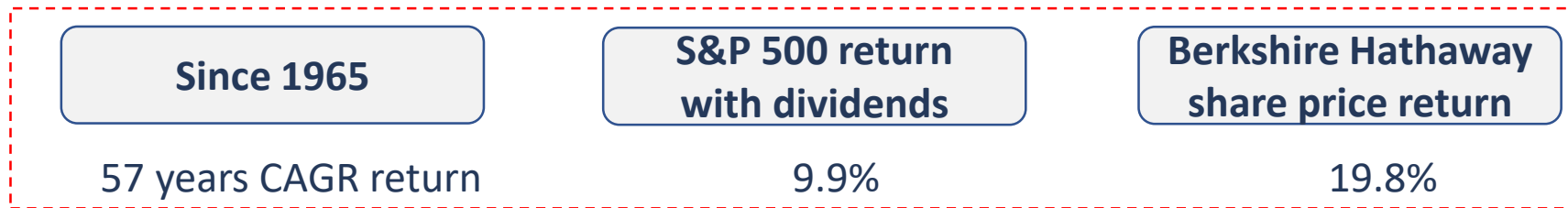
Understanding both the power of compound interest and the difficulty of getting it, is the heart and soul of understanding a lot of things – **Charlie Munger**

# Our inspiration – Warren Buffet

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# Berkshire Hathaway's performance speaks for itself



Source – Company financials, Capitaline

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## MOFSL – A TEM Analysis



# TEM Framework

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T

**Sectoral trends**

E

**Endowments – Group's strength**

M

**Moves – Strategic initiatives taken by the Group**

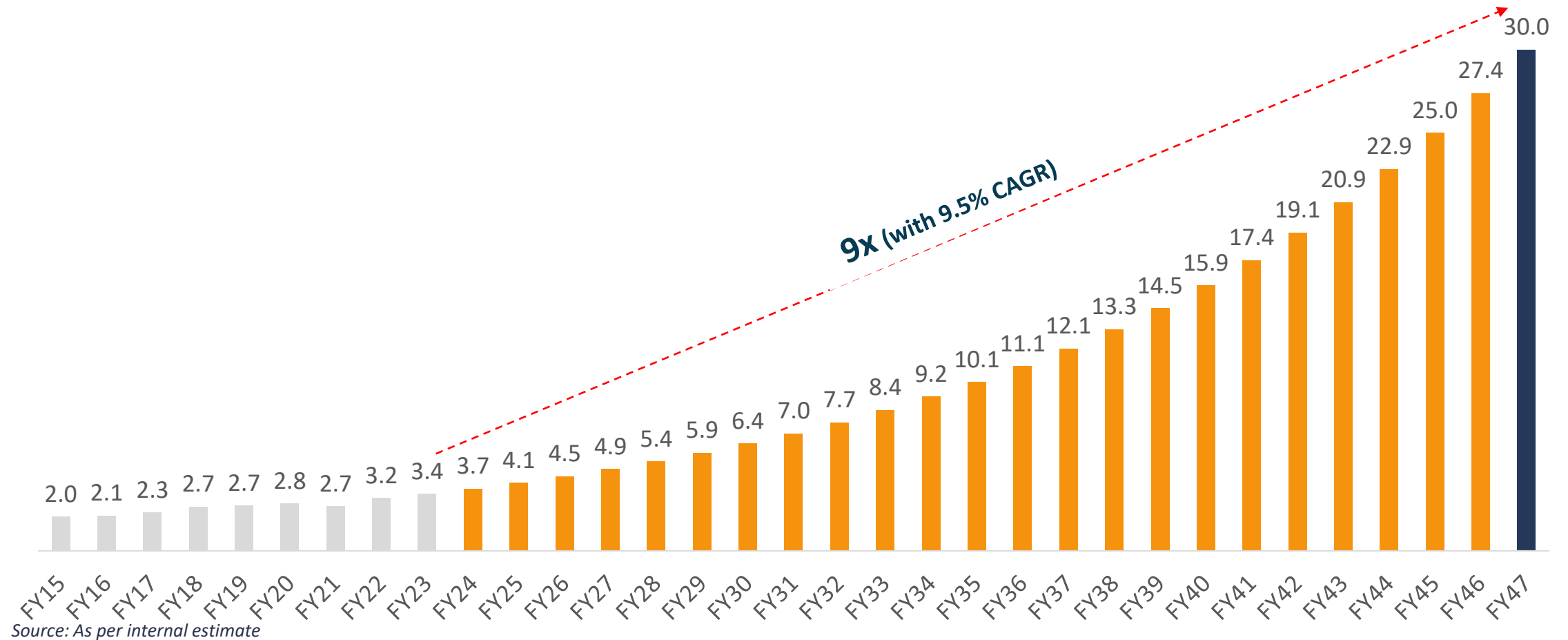
# Trends





# Trend #1 - GDP during Amrit Kaal to reach \$30tn mark

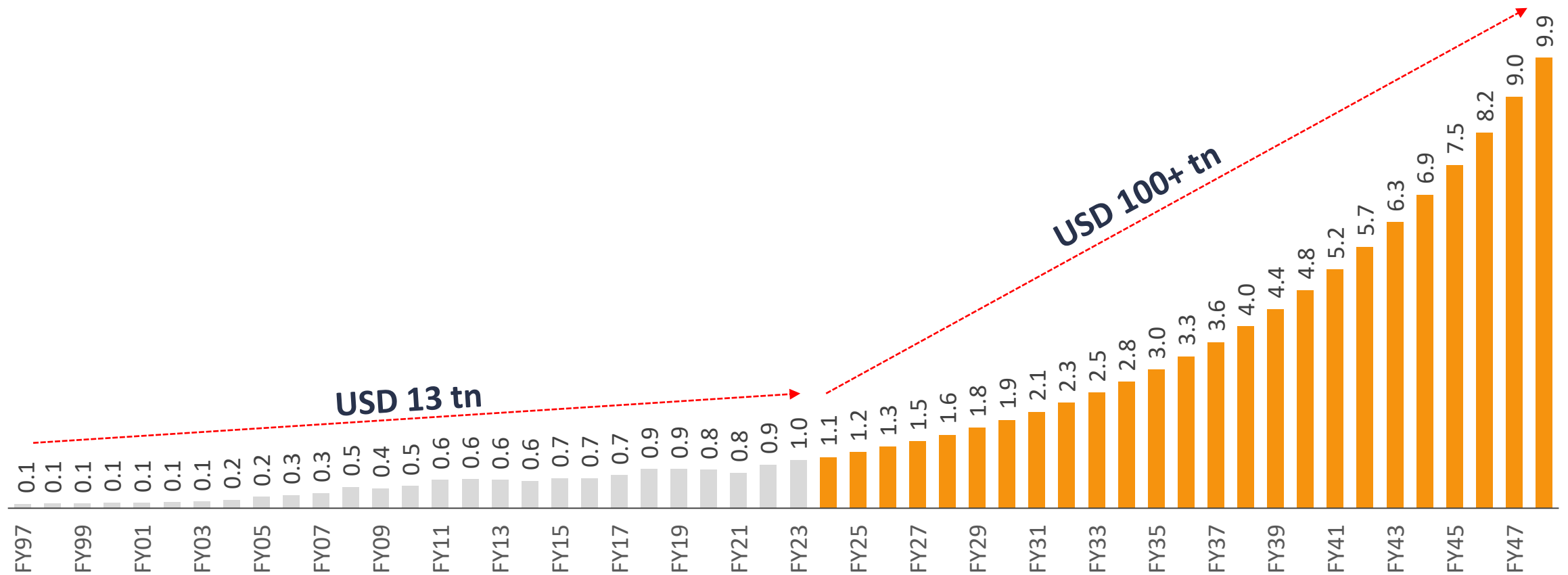
## Gross Domestic Product (\$ Tn)



Source: As per internal estimate

# Trend #2 - USD 100+ tn savings opportunity

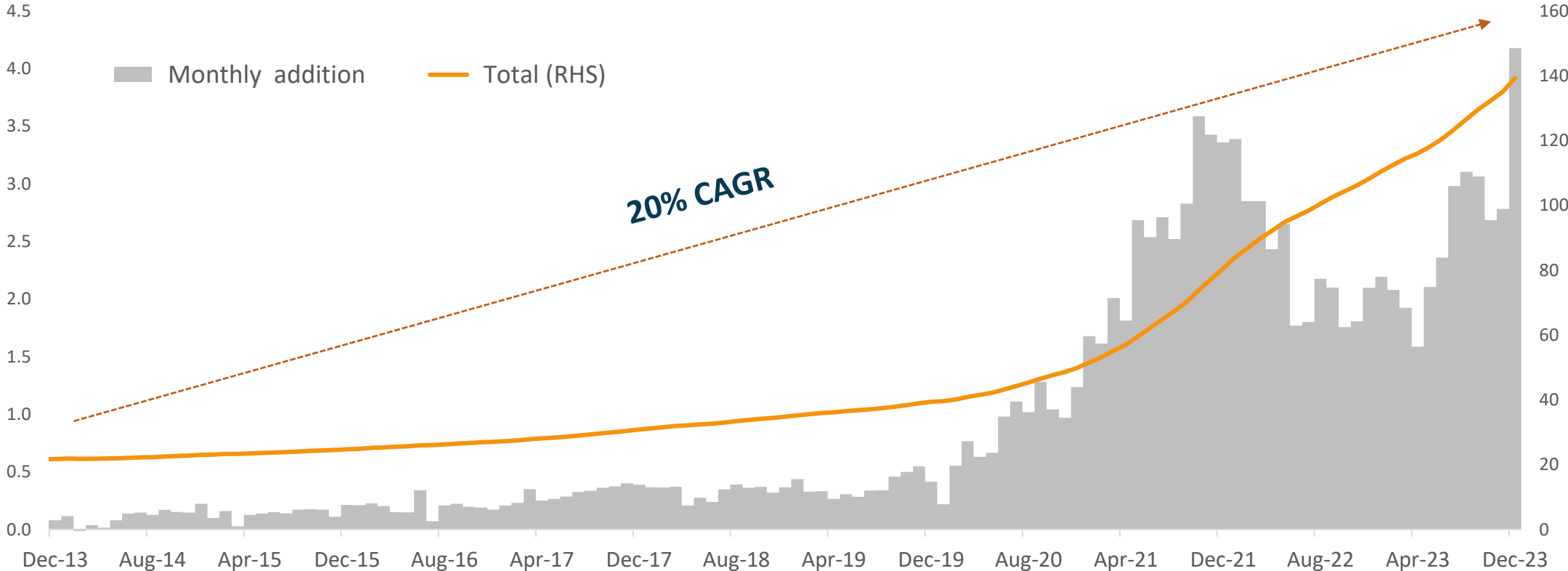
## Gross Domestic Savings (\$ Tn)



Source: Motilal Oswal Wealth Creation Study

# Trend #3 - Digitization driving exponential retail participation

Demat Accounts (in Mn) – Average monthly addition : Pre-covid 5 Lakhs vs Post-covid 25 Lakhs



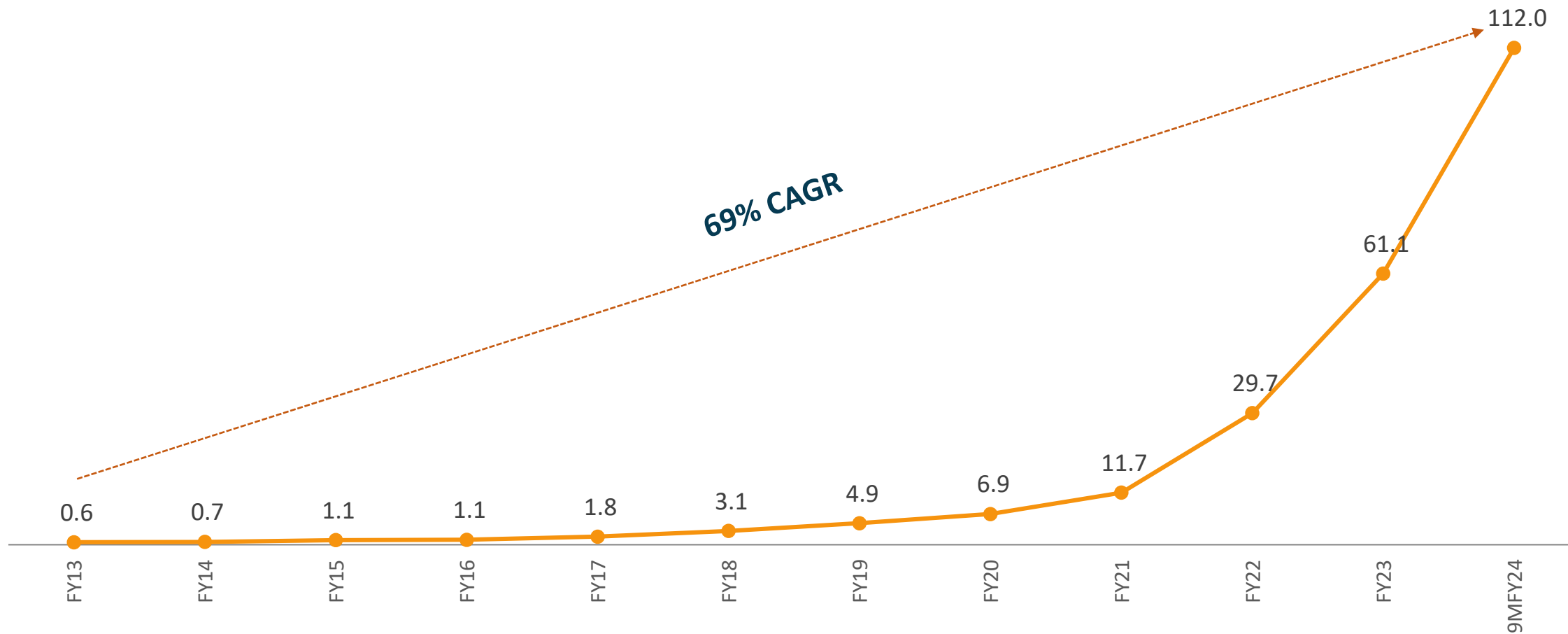
**4.6 million monthly demat accounts addition on a base of 144 million, leading to 20%+ growth visibility for at least 3-5 years**

Source: CDSL and NSDL

Source: BSE and NSE

# Trend #4 - Digitization driving exponential retail participation

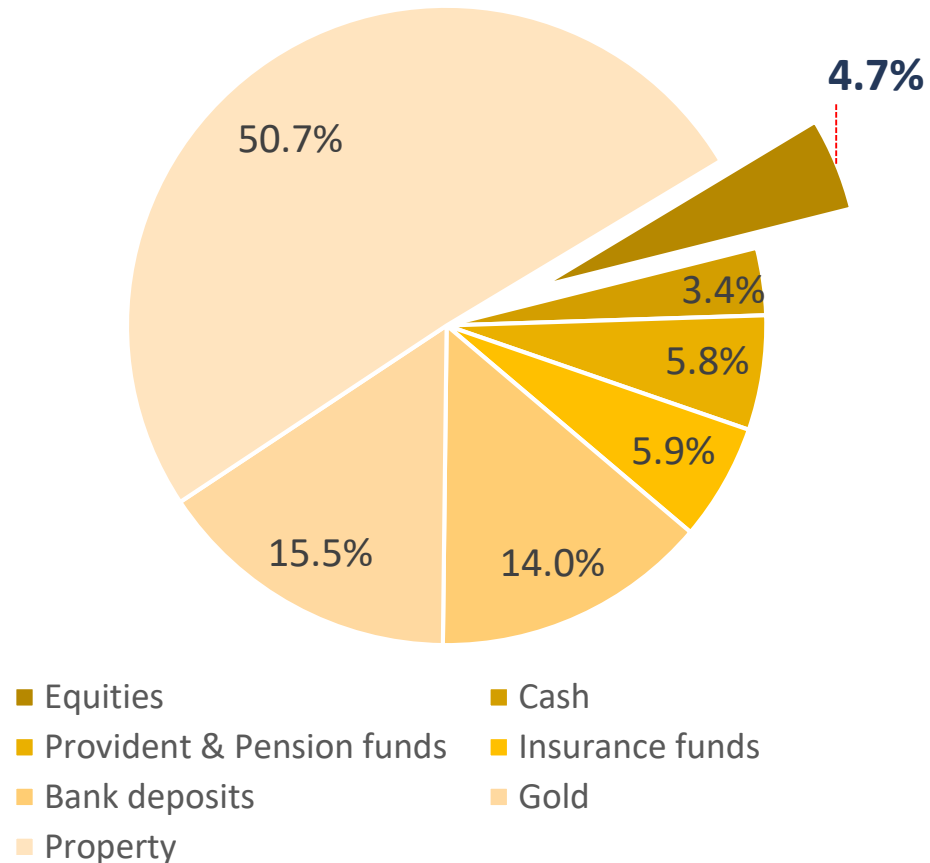
Retail ADTO (₹ Tn )



Source: BSE and NSE

# Trend #5 - Financialization of Savings propelling equities

Total Indian Household assets \$ 11.1 Tn (FY23)



% of Household Assets in Equities

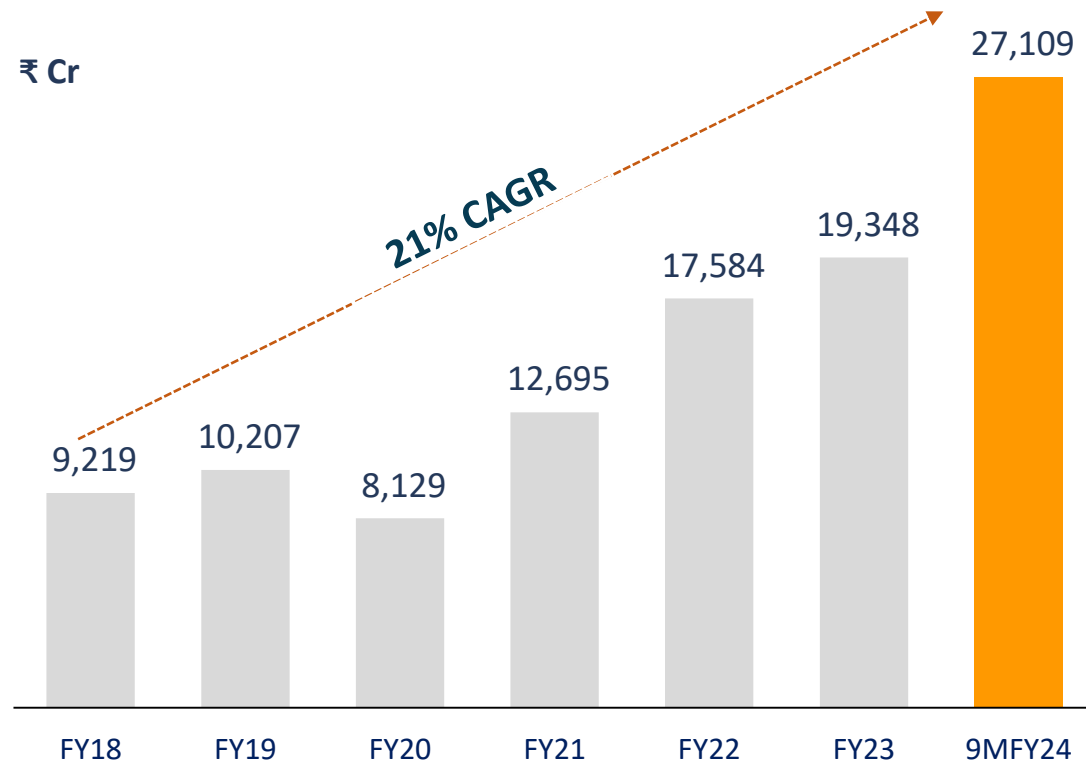


**In USA, share of equity in household assets is at ~45% vs India it is just 4.7%**

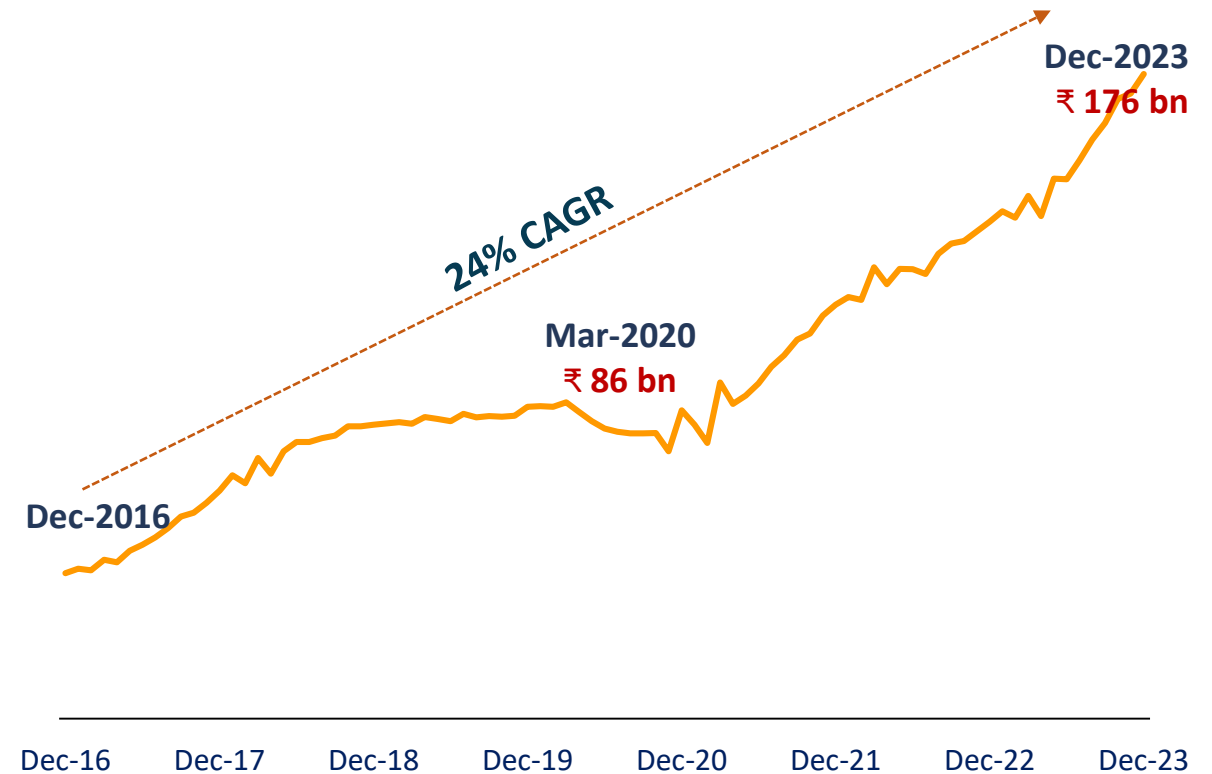
Source – Jefferies Report 2023

# Trend #6 – Mutual Funds Sahi hai – Explosion in retail participation

Equity AUM (ex-arbitrage) has grown rapidly



SIP flows on a relentless rise, making the markets resilient



SIP run rate of ₹ 18,838 Cr on an equity base of Rs. 28 Lakh Cr with some MTM implies 20%+ growth visibility for atleast 3 years and even longer

Source: AMFI

# Endowments



# Seasoned and leading player in Indian capital market

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- ➔ **36-year brand**
- ➔ **Double engine business model**
- ➔ **Highly professionalised structure**
- ➔ **Robust business infrastructure & network**
- ➔ **Research & Advisory powerhouse**
- ➔ **Solid balance sheet**



# 36-year brand



MOFSL awarded '**Brand of the Year**' at the CNBC TV18 - India Business Leadership Awards 2018

MOFSL was featured in '**Fortune 500 (India)**' in 2017, 2019, 2020, 2021, and 2022



MOFSL gets featured in '**Forbes Super 50 Companies**' 2017 & 2018

MOFSL gets listed in '**Fortune 500 India's Largest Corporations**' in 2018

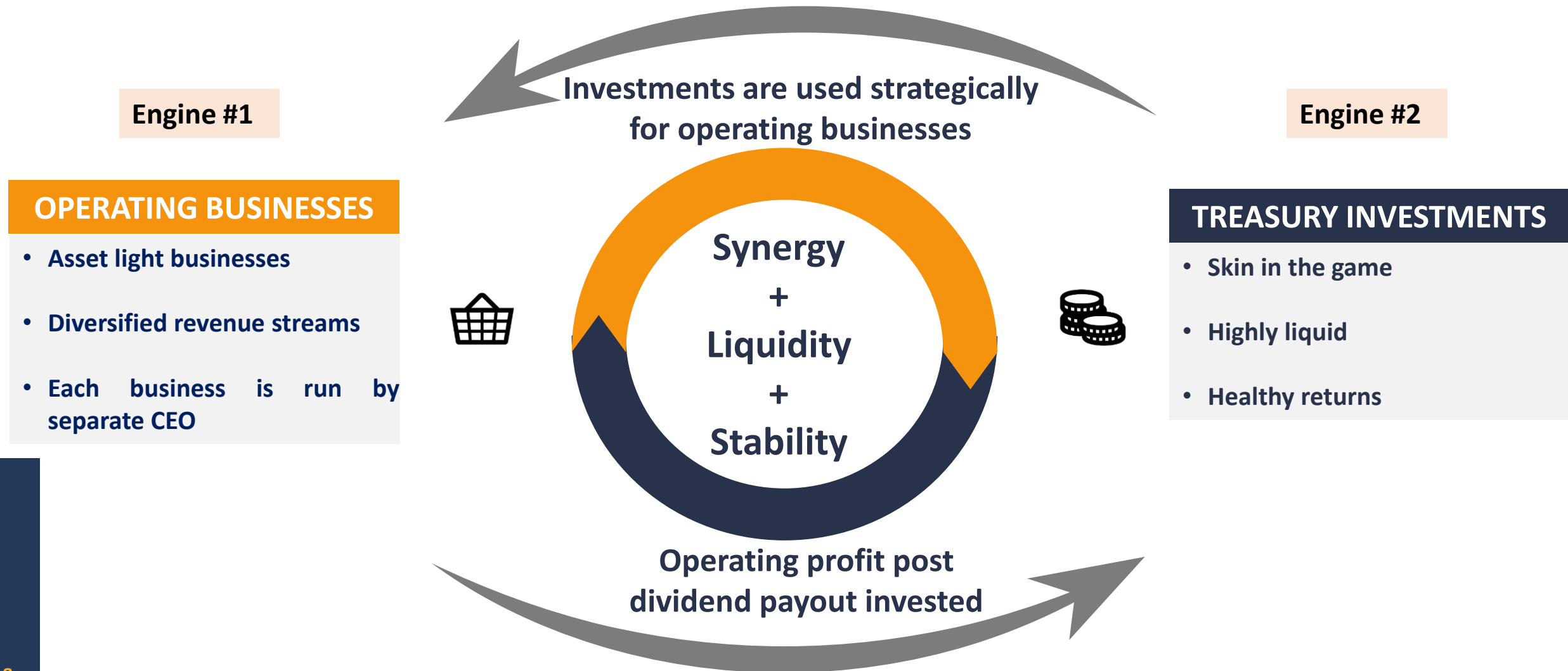


MOFSL gets inducted in the '**HALL OF FAME**' at the CNBC 10th Financial Advisor Awards 2019

MOFSL certified as '**Great Place to Work**' by GPTW® - INDIA for 7<sup>th</sup> time



# Double Engine Model – Operating Business + Treasury Investments Book



# Engine #1 – Operating Business PAT

₹ Cr



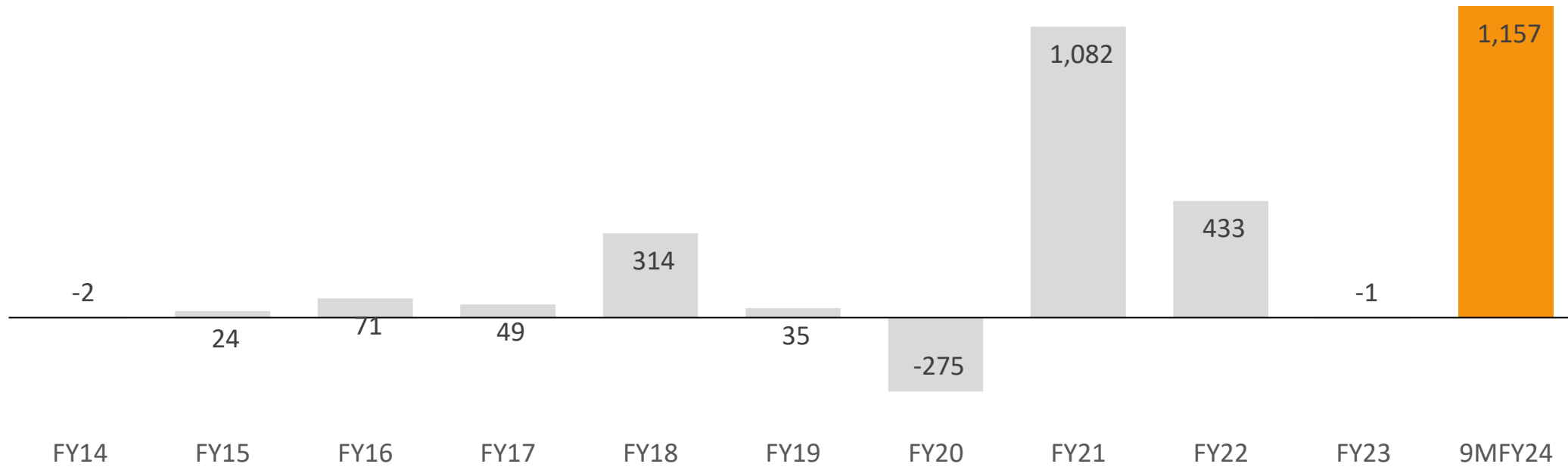
All nos. are excluding carry income

#FY19 PAT is lower mainly on account loss in housing finance (HFC) business of ₹ 132 cr due to one time higher provisions. Excluding HFC loss PAT is ₹ 381 cr

FY24E operating PAT is 9MFY24 annualised

# Engine #2- Treasury Investments PAT (incl. OCI)

₹ Cr

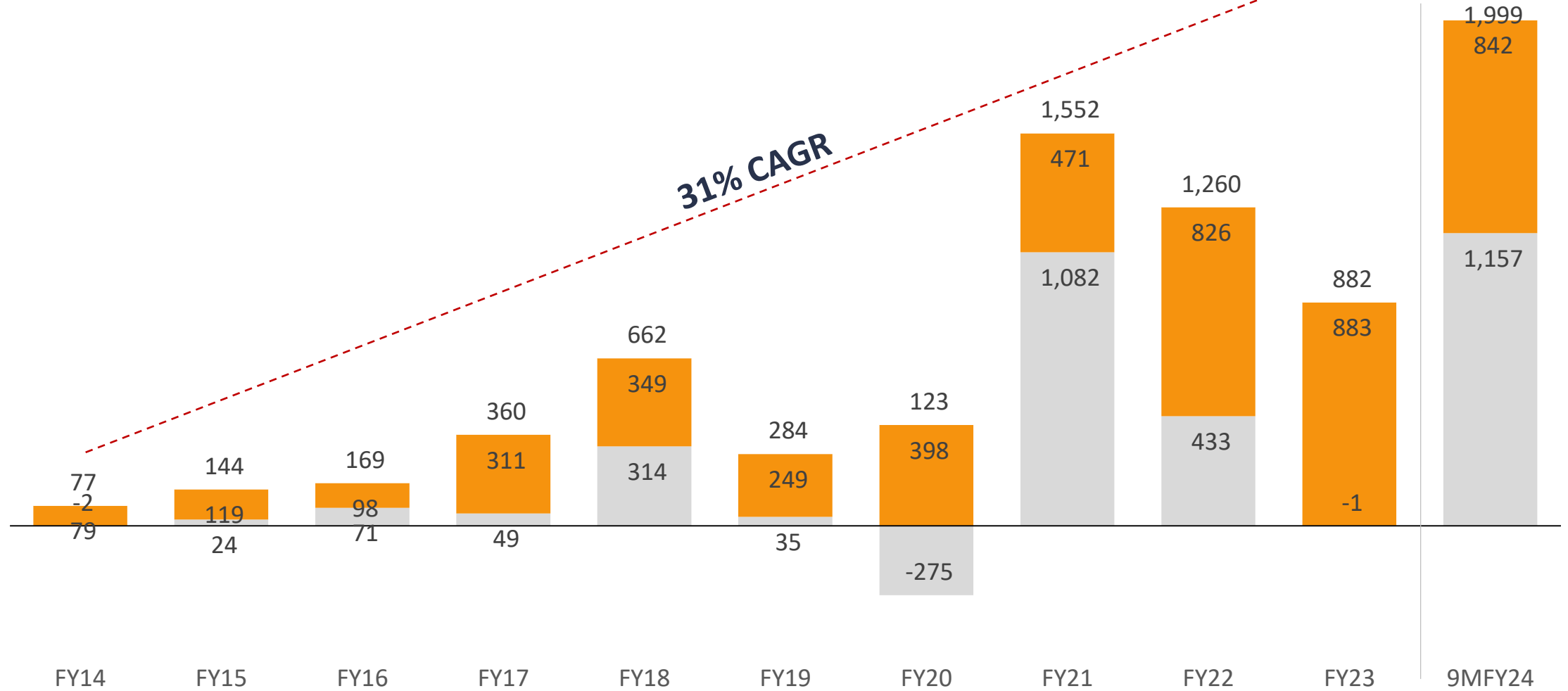


# Total PAT (incl. OCI)

₹ Cr

Operating PAT

Treasury Investments PAT (incl. OCI)



# Highly professionalised structure



**RAAMDEO AGRAWAL**  
CHAIRMAN

A CA by qualification, Mr. Agrawal started MOFSL along with Mr. Motilal Oswal in 1987. He is Chairman of MOFSL. A keen believer and practitioner of the QGLP philosophy, his wealth creation insights and decades-rich experience have played a pivotal role in the growth of MOFSL.



**MOTILAL OSWAL**  
MD & CEO

A CA by qualification, Mr. Oswal started MOFSL along with Co-promoter, Mr. Raamdeo Agrawal in 1987. He has served on the Boards of the BSE, Indian Merchant's Chamber (IMC), and on various committees of the BSE, NSE, SEBI and CDSL.



**NAVIN AGARWAL**  
MD & CEO – ASSET  
MANAGEMENT

Mr. Agarwal is a CA, ICWA, CS and CFA by qualification. He was responsible for the Institutional Broking & Investment Banking business and has been instrumental in building a market-leading position for the Group in Institutional Broking. He has been with MOFSL since 2000.



**AJAY MENON**  
CEO – RETAIL BROKING  
AND DISTRIBUTION

Mr. Menon is a CA by qualification. He possesses over 24 years of experience in Capital Markets. He joined the Group in 1998. He is also a Whole time Director of MOFSL.



**RAJAT RAJGARHIA**  
CEO – INSTITUTIONAL  
EQUITIES

Mr. Rajgarhia is a CA and MBA by qualification. He joined MOFSL in 2001 as a Research Analyst, went on to Head the Research team, and currently heads the Institutional Equities business.



**AMIT RAMCHANDANI**  
CEO – INVESTMENT  
BANKING

Mr. Ramchandani brings with him over two decades of rich experience in financial sectors across Investment Banking role. He joined MOFSL Group in 2024 and was previously associated with JM Financial.



**VISHAL TULSYAN**  
CEO – PRIVATE EQUITY

Mr. Tulsyan is a CA (all-India rank holder). He has more than 16 years of experience in Financial Services. He has worked with Rabobank as a Director. He joined MOFSL in 2006 and is the founder MD& CEO, of Motilal Oswal Alternates.



**SUKESH BHOWAL**  
CEO- HOUSING FINANCE

Mr. Sukesh has 27 years of experience in Sales & Distribution, Retail & Mortgage Lending, Real Estate Lending etc. He has worked with DCB Bank, HDB Financial Services, Citibank and HSBC. He is Bachelor of Technology from IIT Bombay and PGDM in Finance & Marketing from IIM Lucknow



**ASHISH SHANKER**  
CEO- WEALTH MANAGEMENT

Mr. Shanker is an alumni of Harvard Business School and has 25 years of experience. He joined MOPWM as Head- Investment Advisory in 2012 and was instrumental in building the research and advisory platform. Prior to joining MOPWM, he was associated with HSBC and SCB.



**SHALIBHADRA SHAH**  
CHIEF FINANCIAL OFFICER

Mr. Shah is a CA by qualification. He is a Finance professional with 18 years of experience spanning the entire gamut of Finance, Accounts, Taxation & Compliance He joined MOFSL Group in 2006.



**PANKAJ PUROHIT**  
HEAD- INFORMATION  
TECHNOLOGY

Mr. Purohit has done Bachelor in Engineering and has more than 26 years of experience. He is a seasoned IT leader who has led large IT teams in various vertical in the financial space. He joined MOFSL Group in 2004.



**NIREN SRIVASTAVA**  
CHIEF HUMAN RESOURCE  
OFFICER

Mr. Srivastava is a Postgraduate in HR and has completed his graduation in Political Science and Sociology. He has more than 17 years of experience. He joined MOFSL Group in 2023 and was previously associated with Aditya Birla Group.

# Robust business infrastructure & network



## Distribution Network

9,300+ Franchisee  
20,000+ IFAs



## Geographical Reach

2,500+ Business Location  
98% of PIN codes covered



## Clients

~60,00,000



## Employees

10,000+



## Advisors & Research Team

2,500+ Advisors  
100+ Research Team

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Motilal Oswal Tower - Mumbai



Motilal Oswal Tower - Ahmedabad



Motilal Oswal Tower - Bangalore

# Research & advisory powerhouse

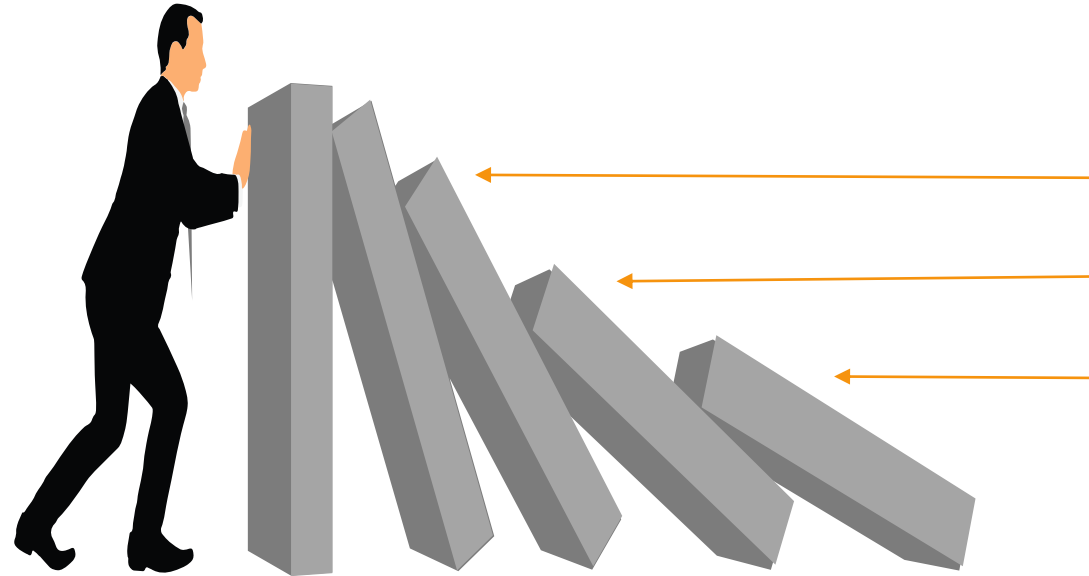
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# Strong balance sheet is important not only to survive but also to thrive

Being resilient over last 36 years and weathered multiple crisis



Covid -19 pandemic

NBFC crisis in India

Global Financial Crisis (Lehman Brothers)

## Importance of net worth in Financial Services sector

Ability to absorb the shocks in a uncertain environment

- NSEL
- Housing Finance stress

Grab the new opportunity and to foster existing business

- Supporting working capital needs of Broking business
- Sponsor investments in AMC, PE & RE funds

To reward the shareholders

- Total pay out till date
- Dividend - ₹ 1,037 Cr
- Buyback - ₹ 336 Cr

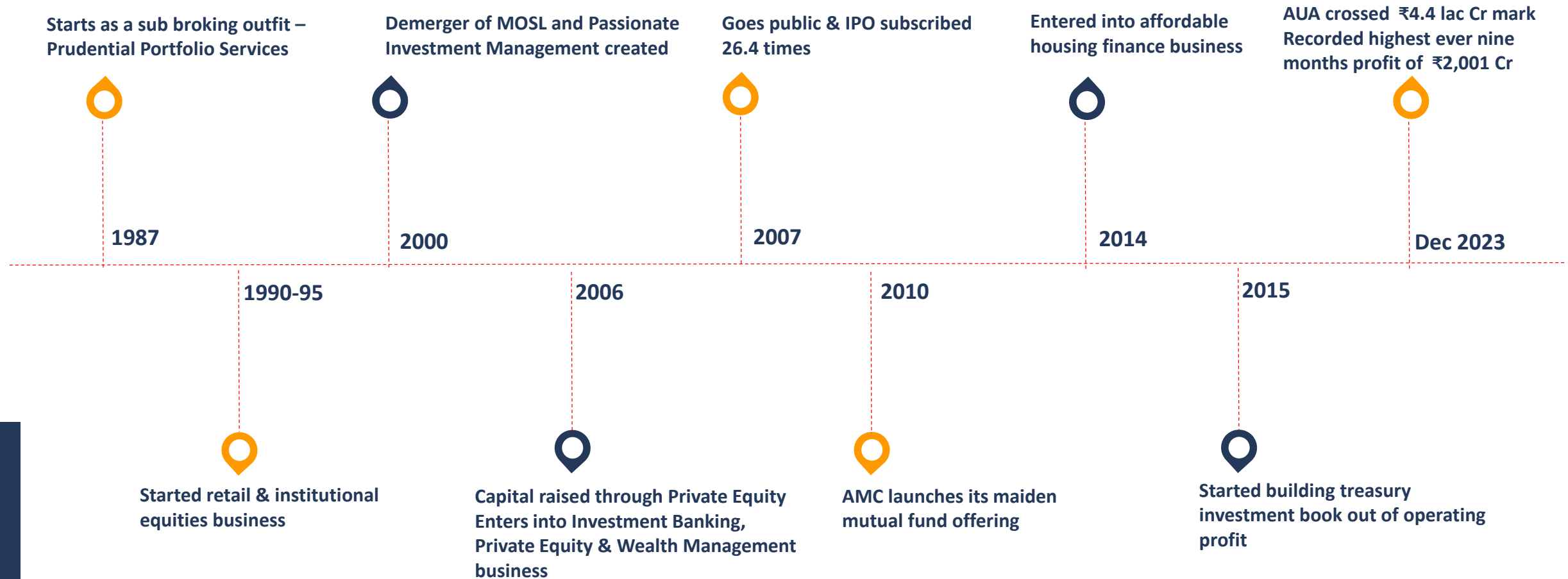
Indicator of efficient fund utilization

18.5% XIRR on treasury investment

# Moves



# Expansion, Diversification & De-risking

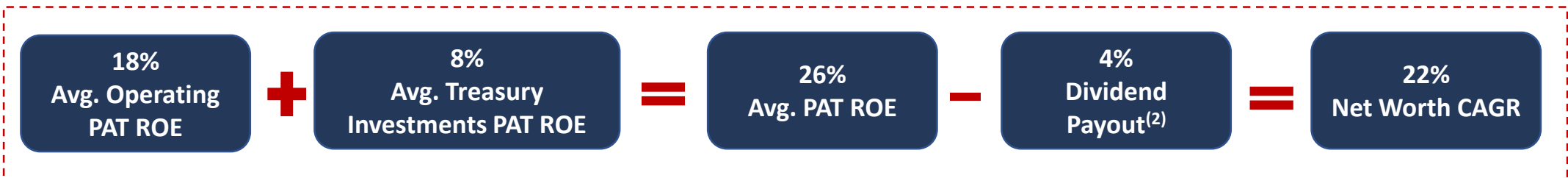
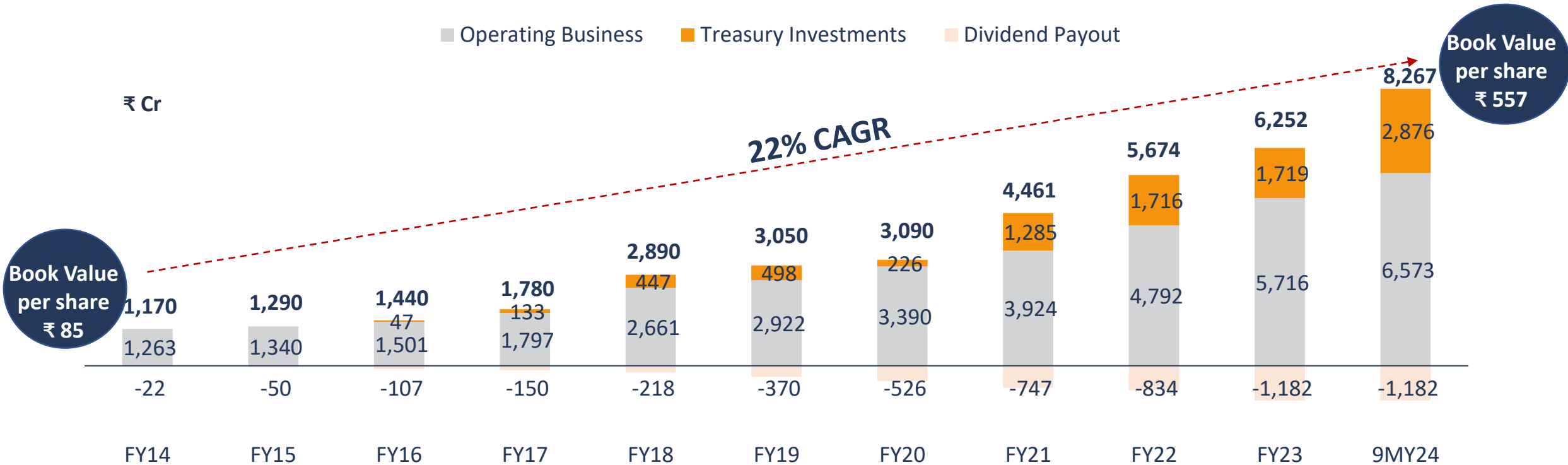


# Current business structure

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# TEM Impact – 10-Year net worth CAGR of 22%



1. XIRR of 18.5% since inception  
 2. Dividend Payout includes buyback and is paid out on Operating PAT  
 FY18 figures are adjusted for INDAS transition

# MOFSL Business & Strategy



# Broking and Distribution - No.1 Full Service Broker

**RISE**  
BY MOTILAL OSWAL

**MOTILAL OSWAL**  
FINANCIAL SERVICES

**MARKET  
KA  
Asli  
SUPER APP**

Investor or Trader,  
Find everything right here!

*#JustRise*

# No. 1 Full service broker

## Full service brokers



No. 1 full service broker by gross brokerage

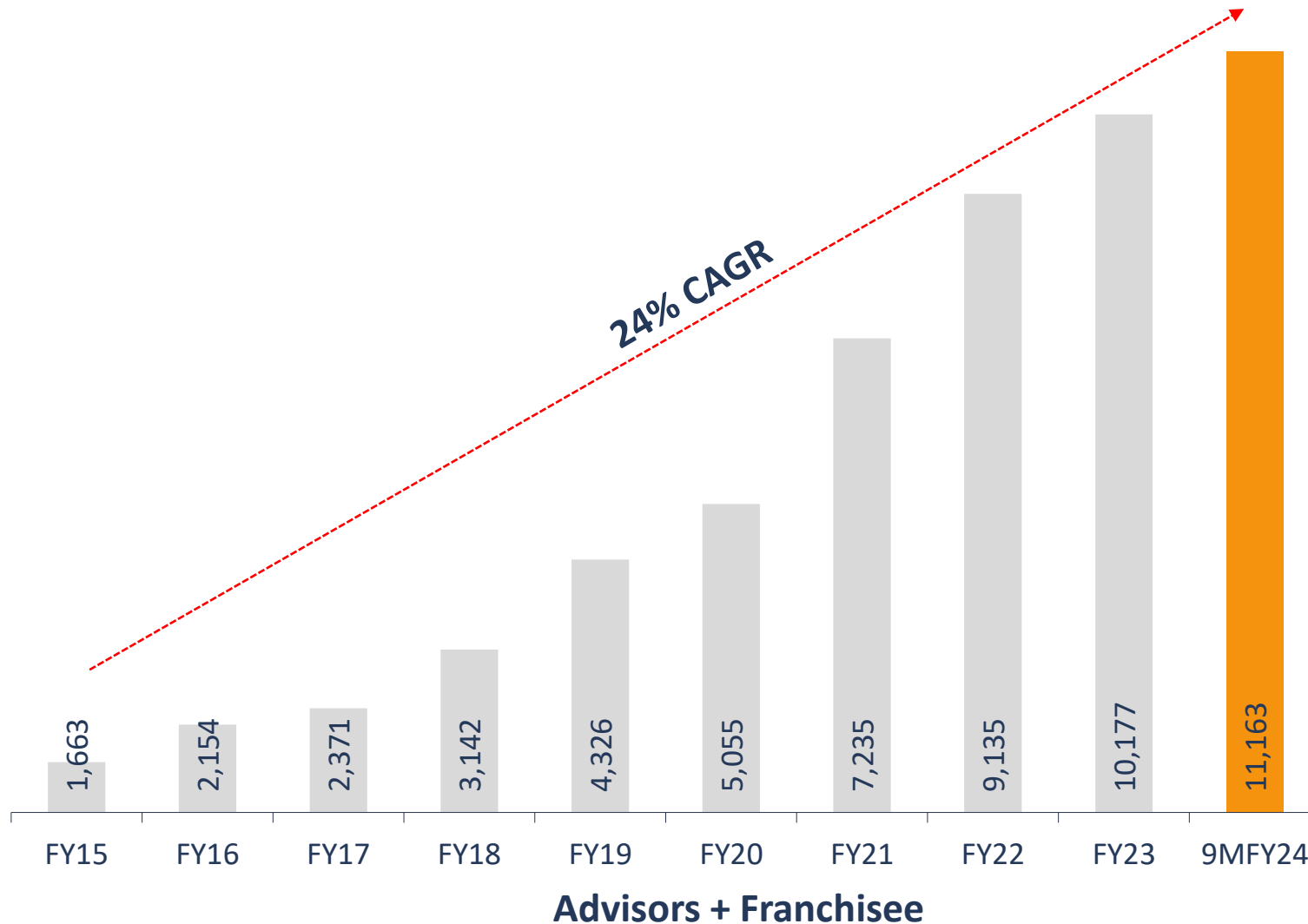


## Discount Brokers





# Well placed with robust advisory network in rising individual wealth

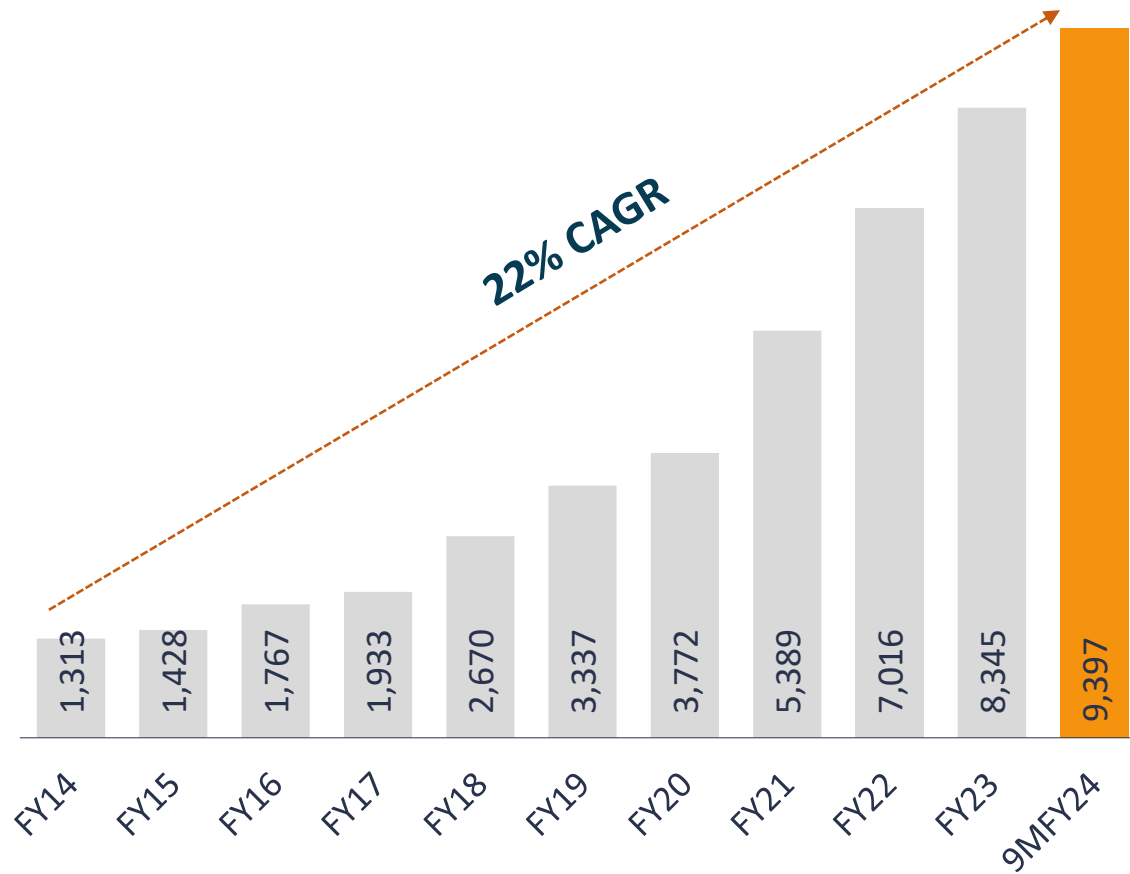


**PHYGITAL strategy has been the business mainstay**

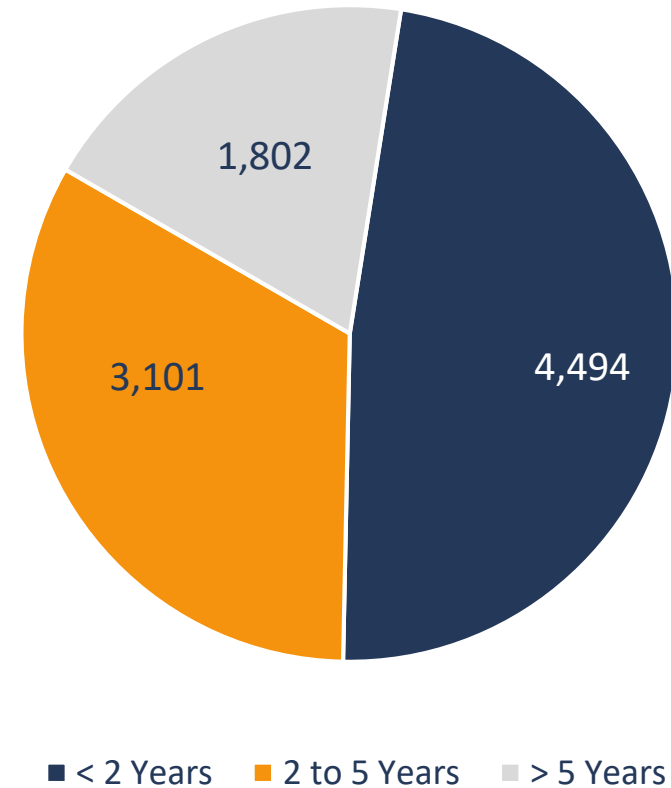
- Strengthening Franchisee network through
  - Acquisition of smaller regional brokers
  - UNNATI programme in collaboration with NSE Academy for development and infusion of entrepreneurial spirit in new and existing franchise
- Continue to invest in advisors & physical presence

# India's largest franchisee house

## Continuous strengthening of Franchisee

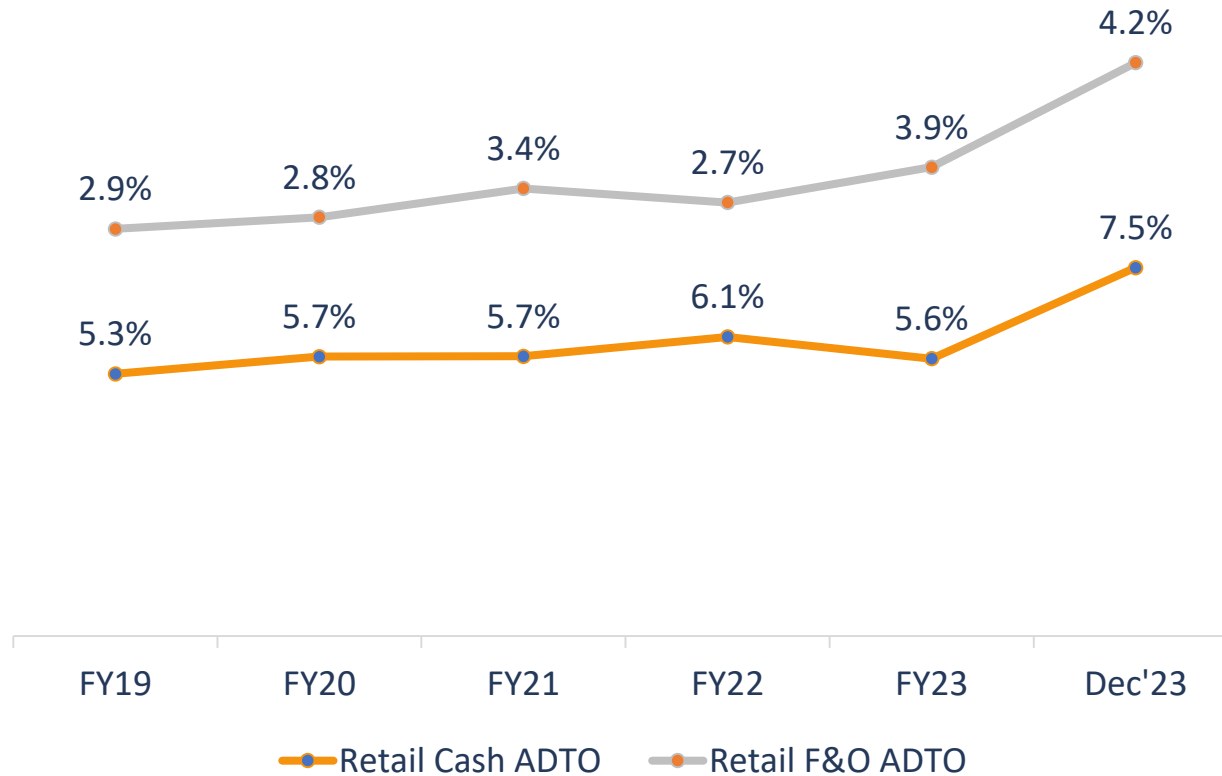


## Vintage of Franchisee

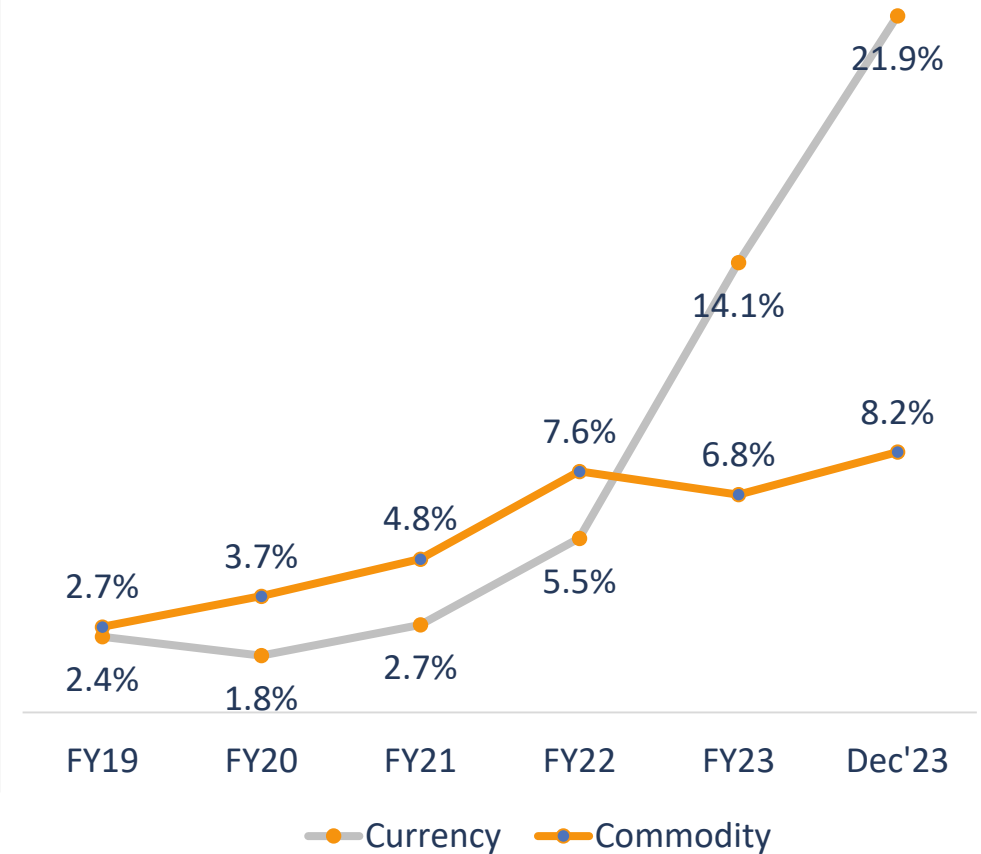


# Improvements in market share across segments

## Equity Segment



## Commodity & Currency Segment

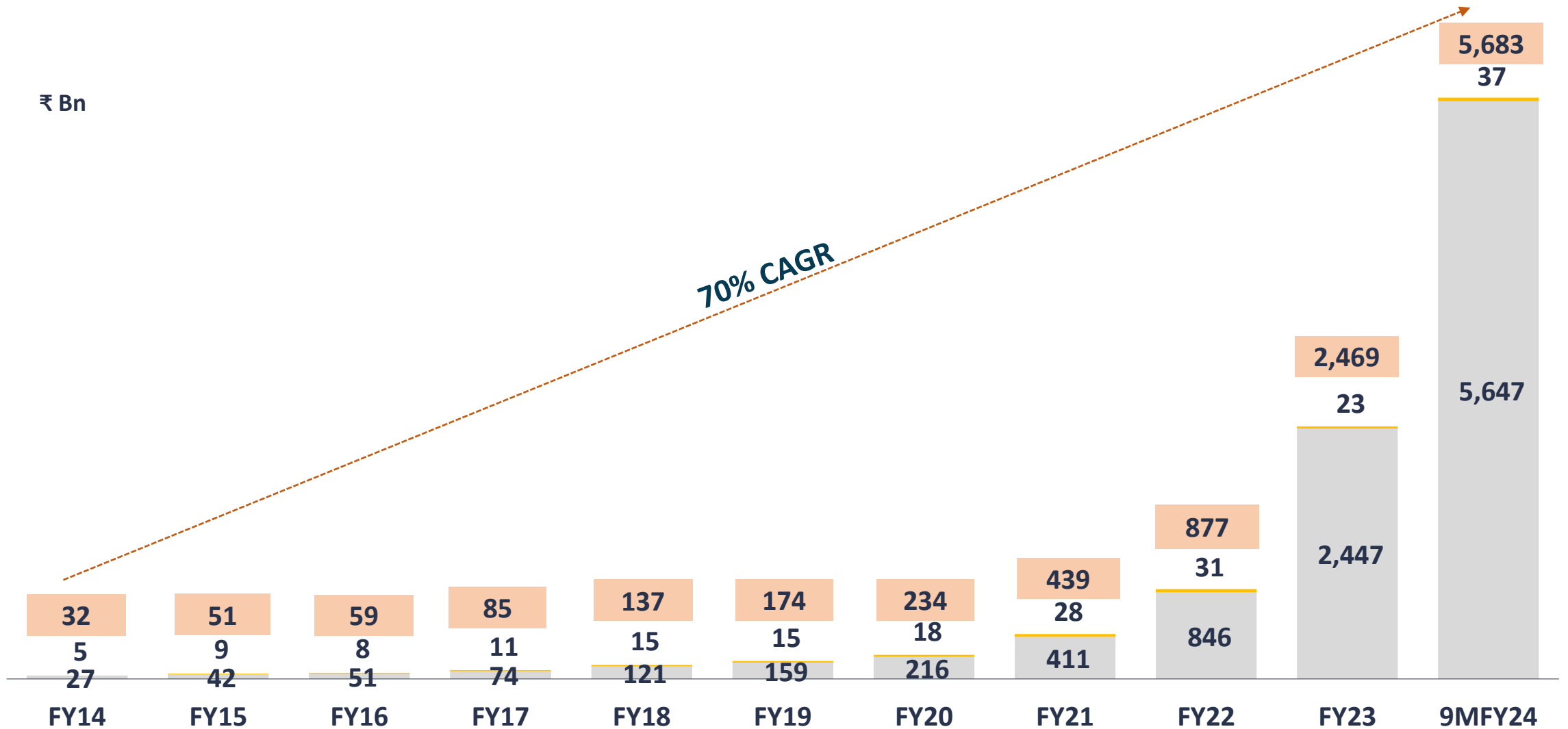


Retail F&O Premium as on Dec'23

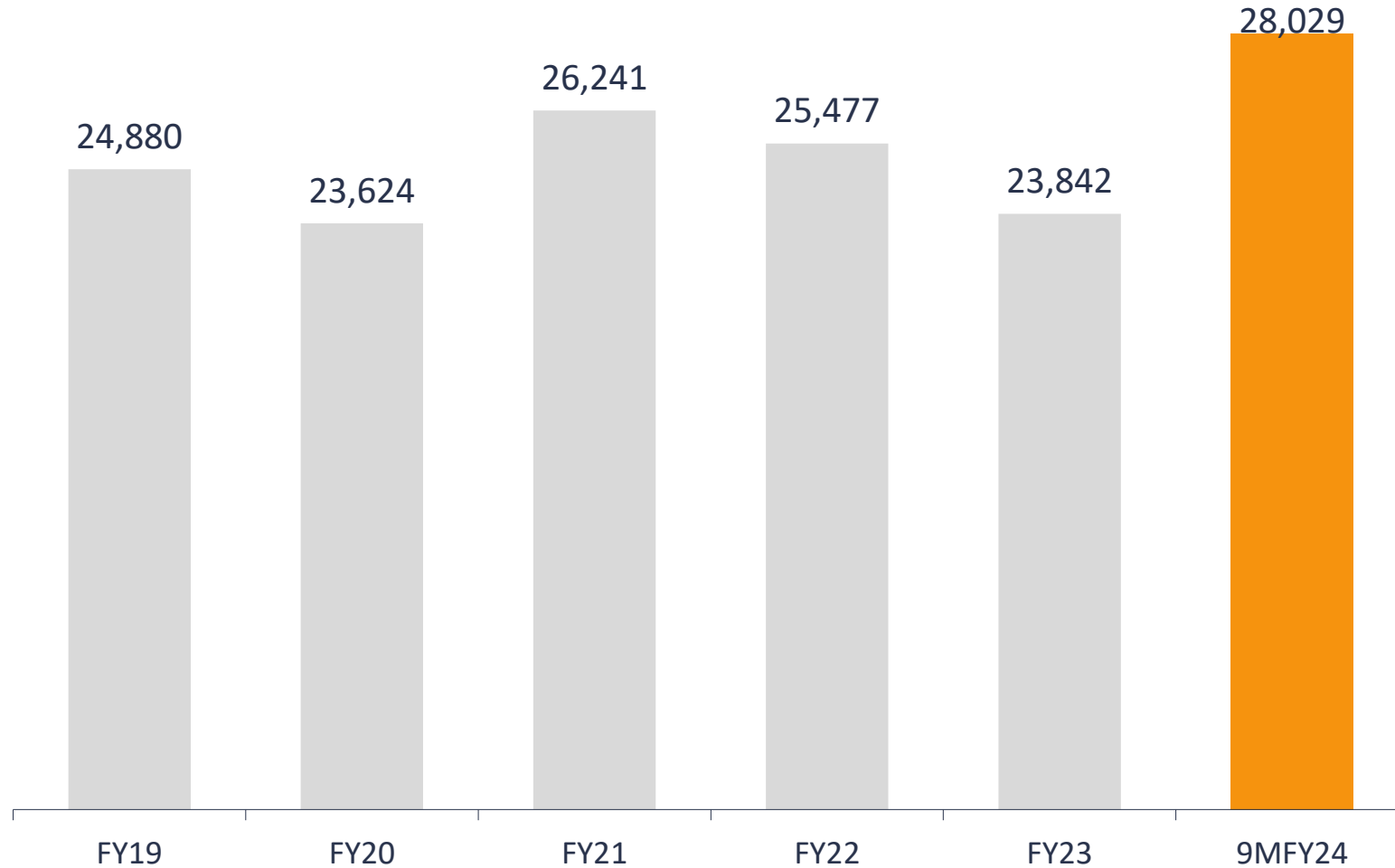


8.7%

# MOFSL ADTO on a rising trend....



# Highest and stable ARPU



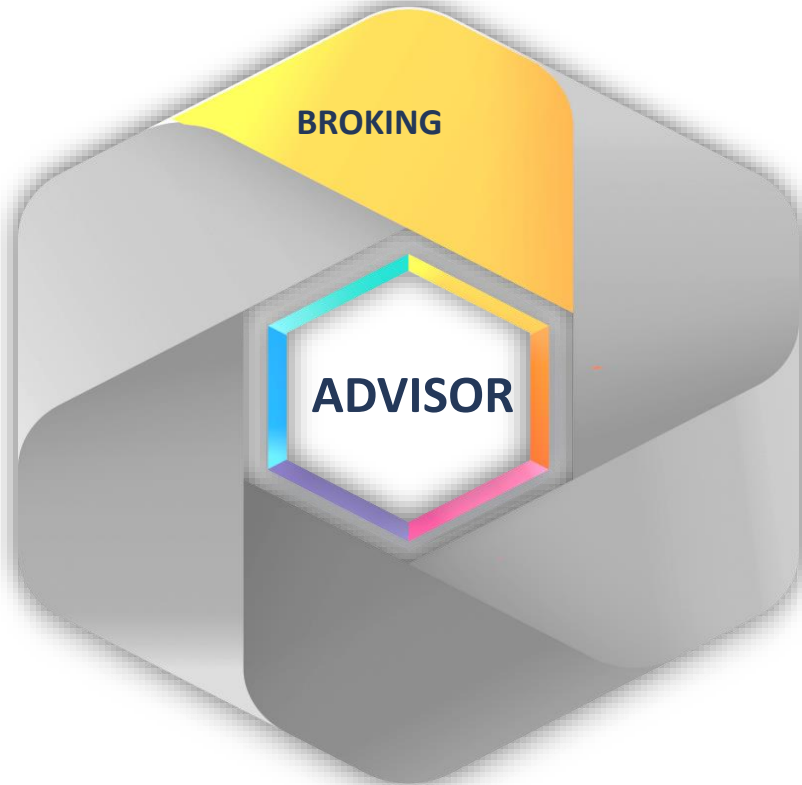
- Focus on quality clients
- Our client base has grown 3x since 2019, still our ARPU has been stable throughout
- Supported by host of third party distribution products like MF, insurance, bonds etc

ARPU – Average Revenue Per User

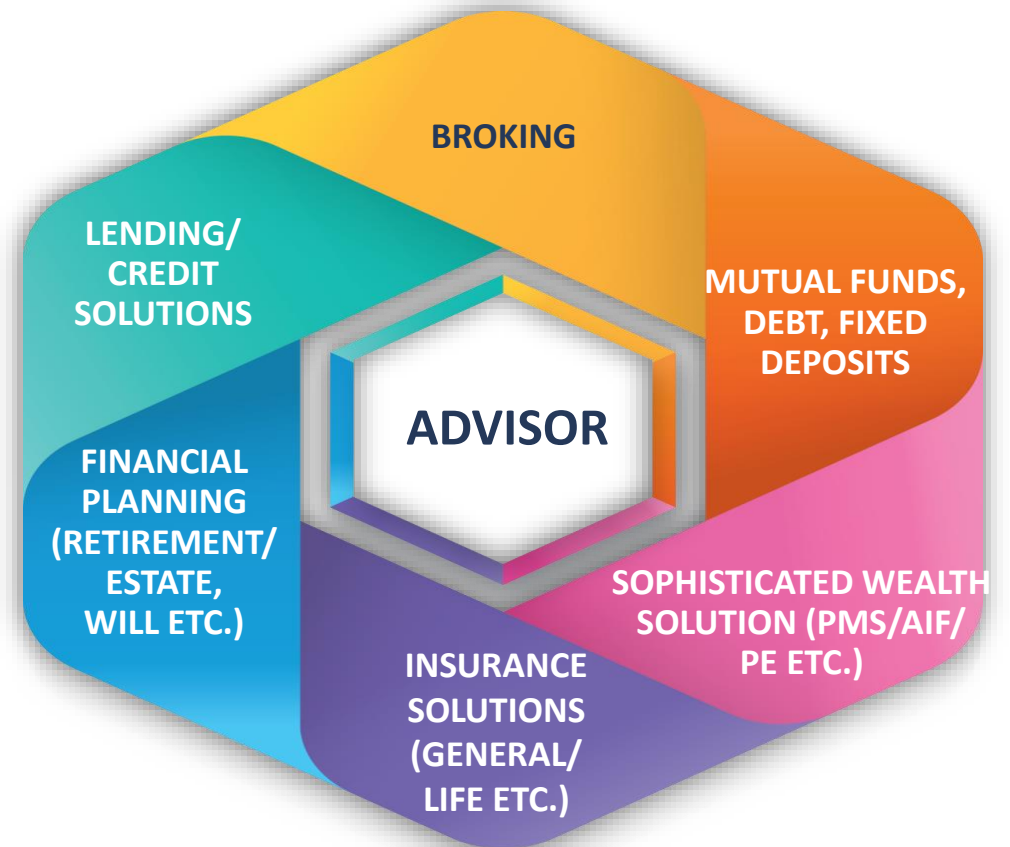
\*Revenue includes Gross Brokerage, Distribution and Net Interest Income for TTM

# Transition to Financial Services Advisory business model

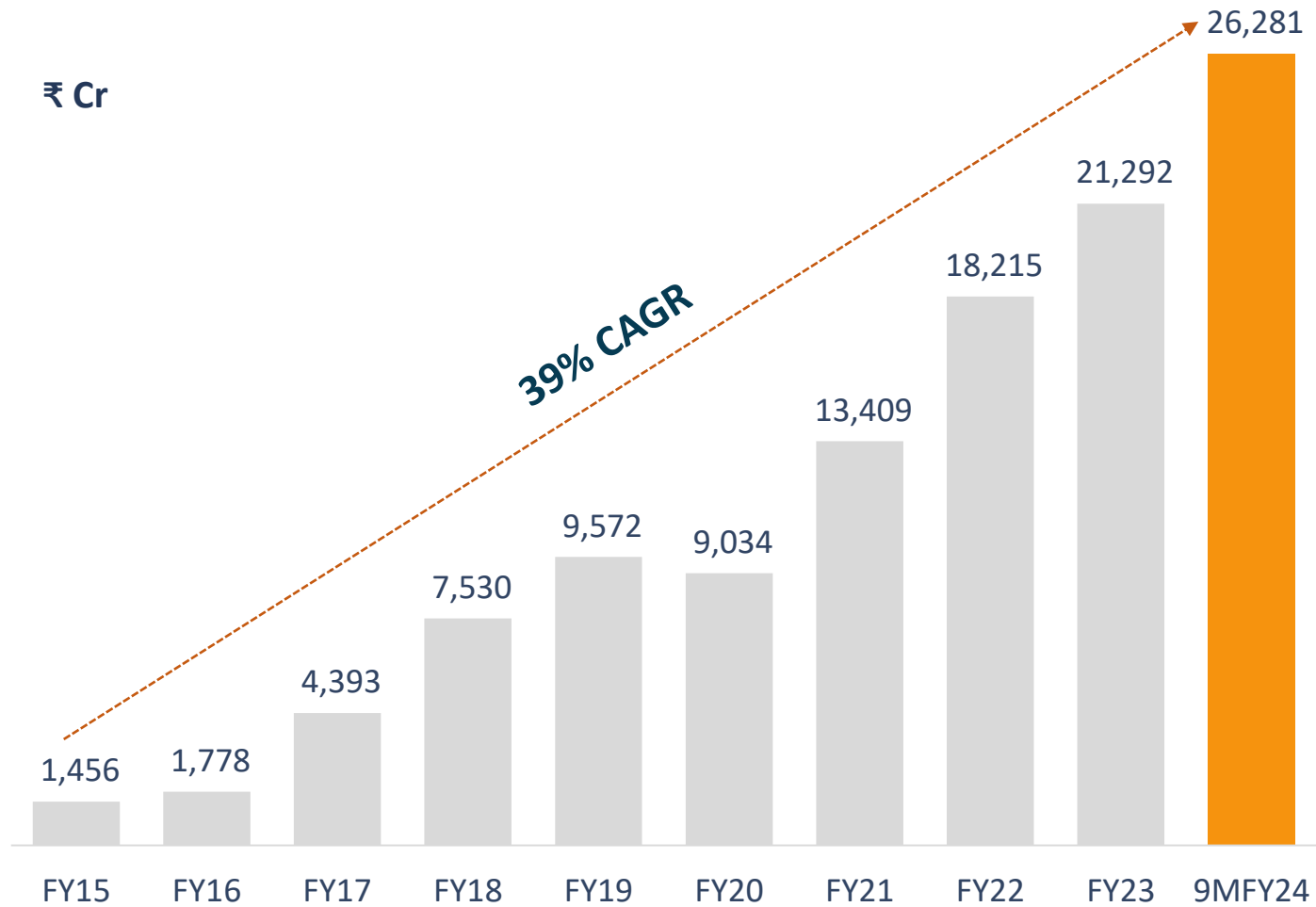
Earlier – Broking



Now – Broking + Distribution

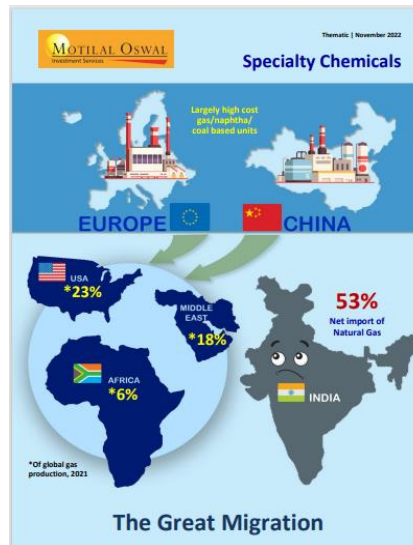
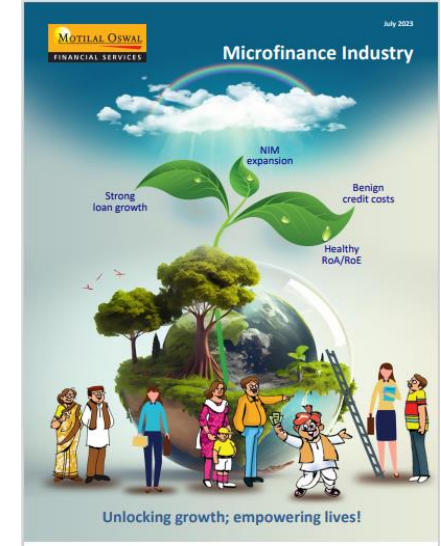
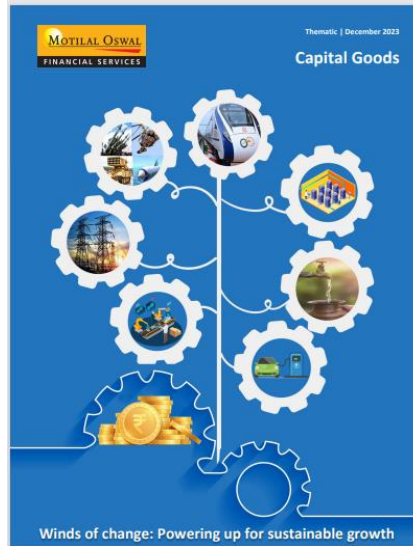


# Strong growth in distribution AUM with huge cross sell opportunity



- Third party distribution penetration less than 6% in large client base of 4 mn
- Increase the distribution team to around 1,000 employees by Mar 2025
- Focus on quality incremental advisor hiring
- Launch of RISE – Super App, with all third party financial products in one place
- Launching new distribution products like bonds, loans, real estate etc

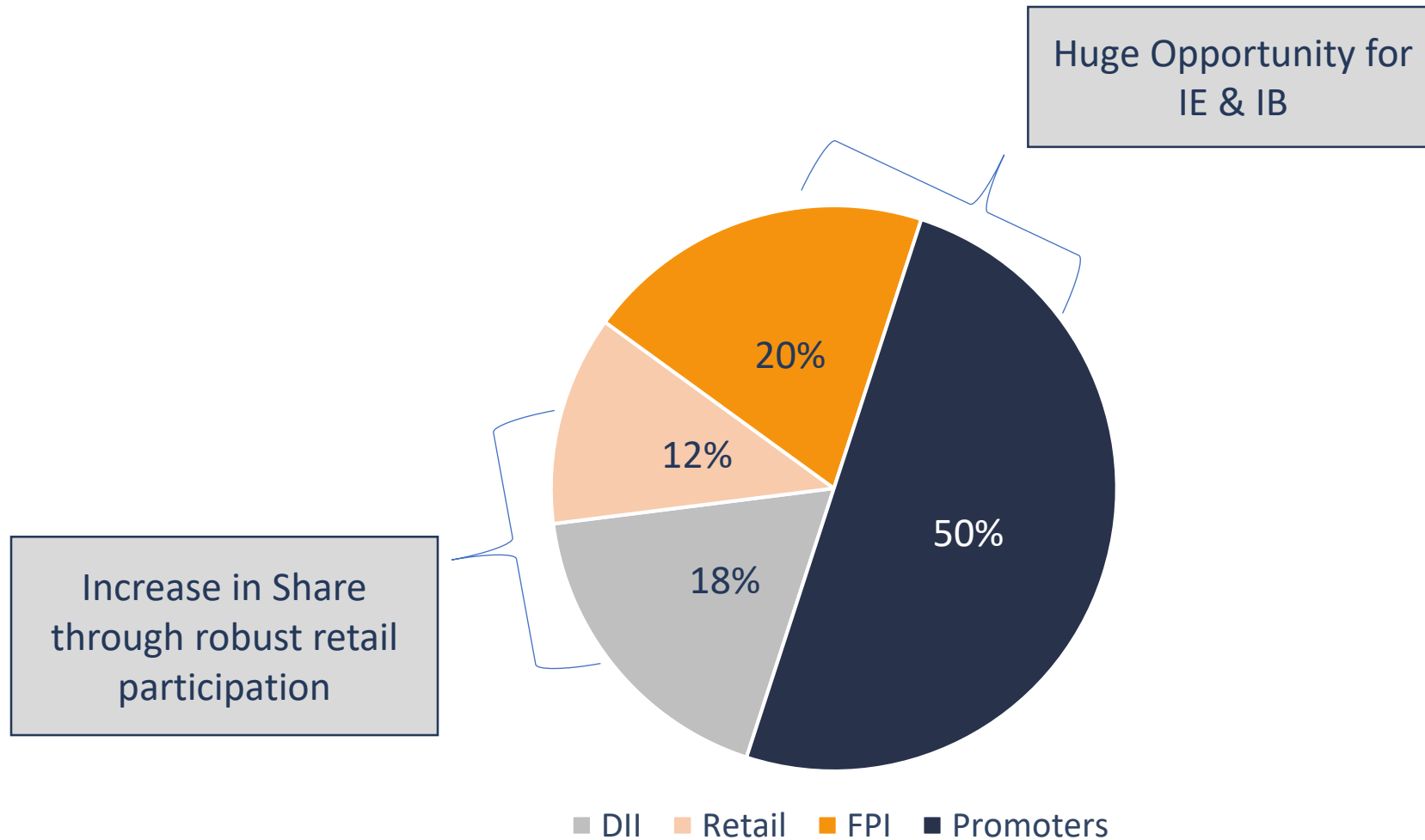
# Institutional Equities - Research Powerhouse





# Industry - Capital market structure to provide exponential opportunities

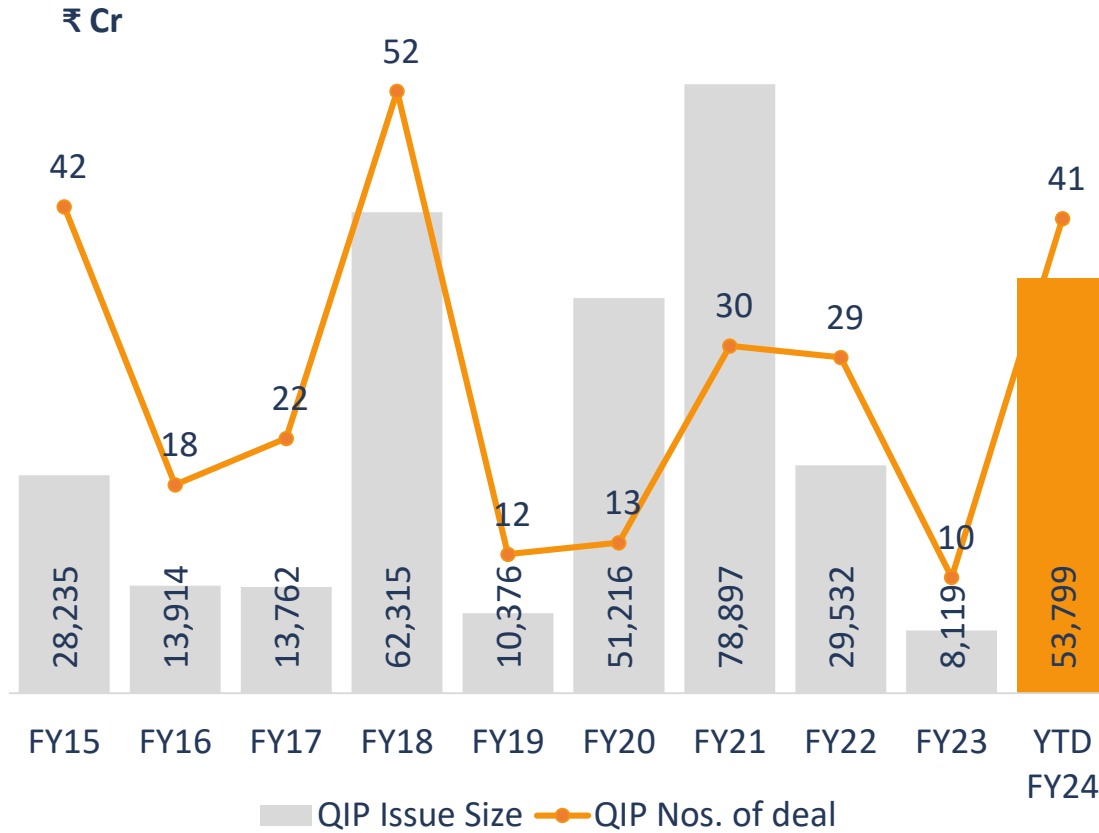
Nifty500 ownership as on 31st Dec'23



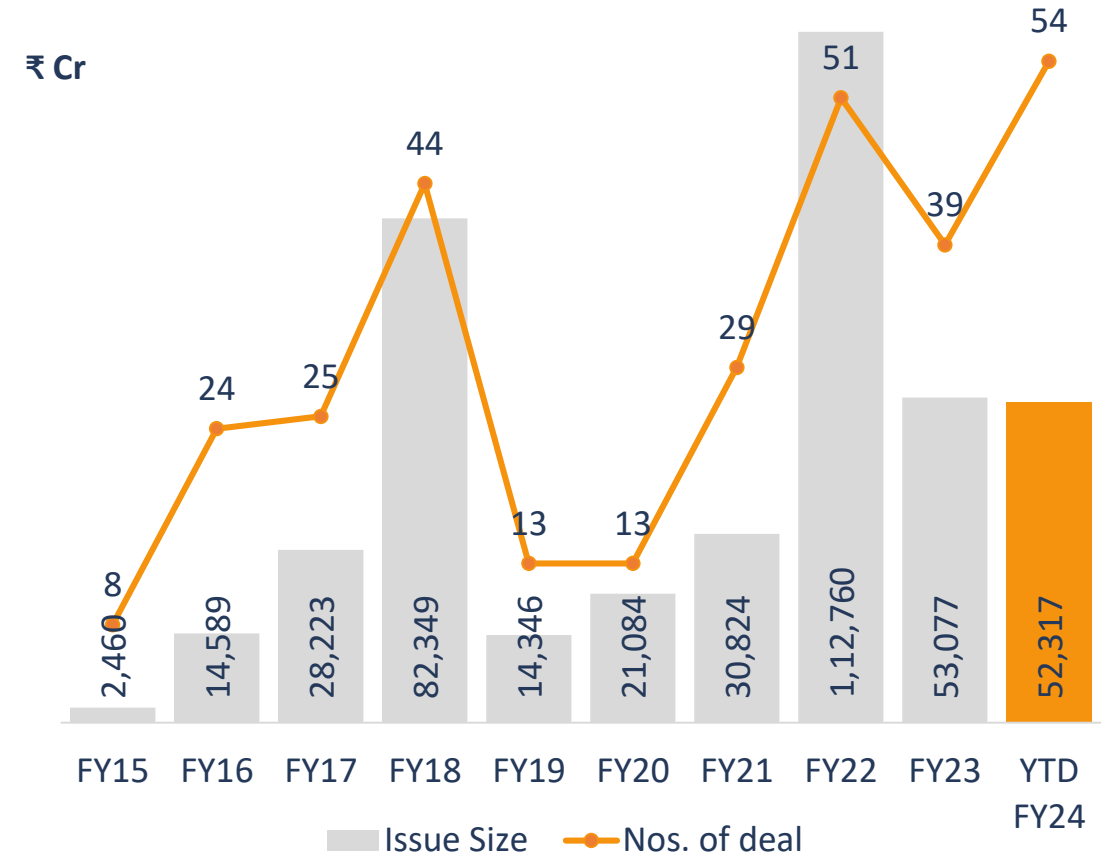
Source – Capitaline

# Industry - Strong traction in Equity Capital Market (ECM) transactions

## QIP



## IPO



As on 31<sup>st</sup> December, 2023

# Solid track record of Research & Corporate Access awards

- Focus driven differentiated research products covering:
  - ❖ **250+** companies
  - ❖ **21** sectors
  - ❖ catering to **840+** institutional clients
- **50+** research & corporate access team
- Institutional team wins big in Asiamoney poll 2023.



## Overall

- ❖ Best Execution
- ❖ Best Corporate Access

## Team Ranking

- ❖ Thematic Strategy
- ❖ Banks
- ❖ Small/Mid Caps
- ❖ Transportation & Logistics



## Overall

- ❖ Best Domestic Brokerage for Sales
- ❖ Best Brokerage Transformation

**Asset Management**  
- Powered by QGLP

**HI-QUALITY  
HI-GROWTH  
BENEFIT FROM BOTH**

Motilal Oswal's investing process builds Hi-Quality & Hi-Growth portfolios.

**Our process. Your success.**

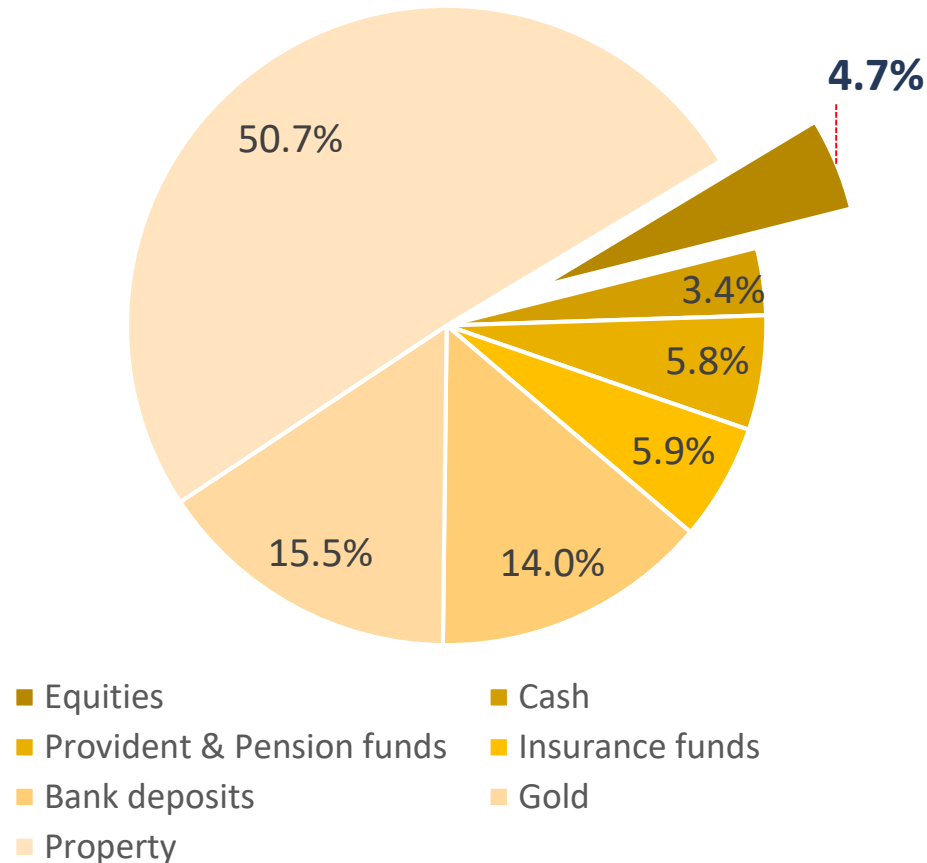
THINK EQUITY  
THINK MOTILAL OSWAL



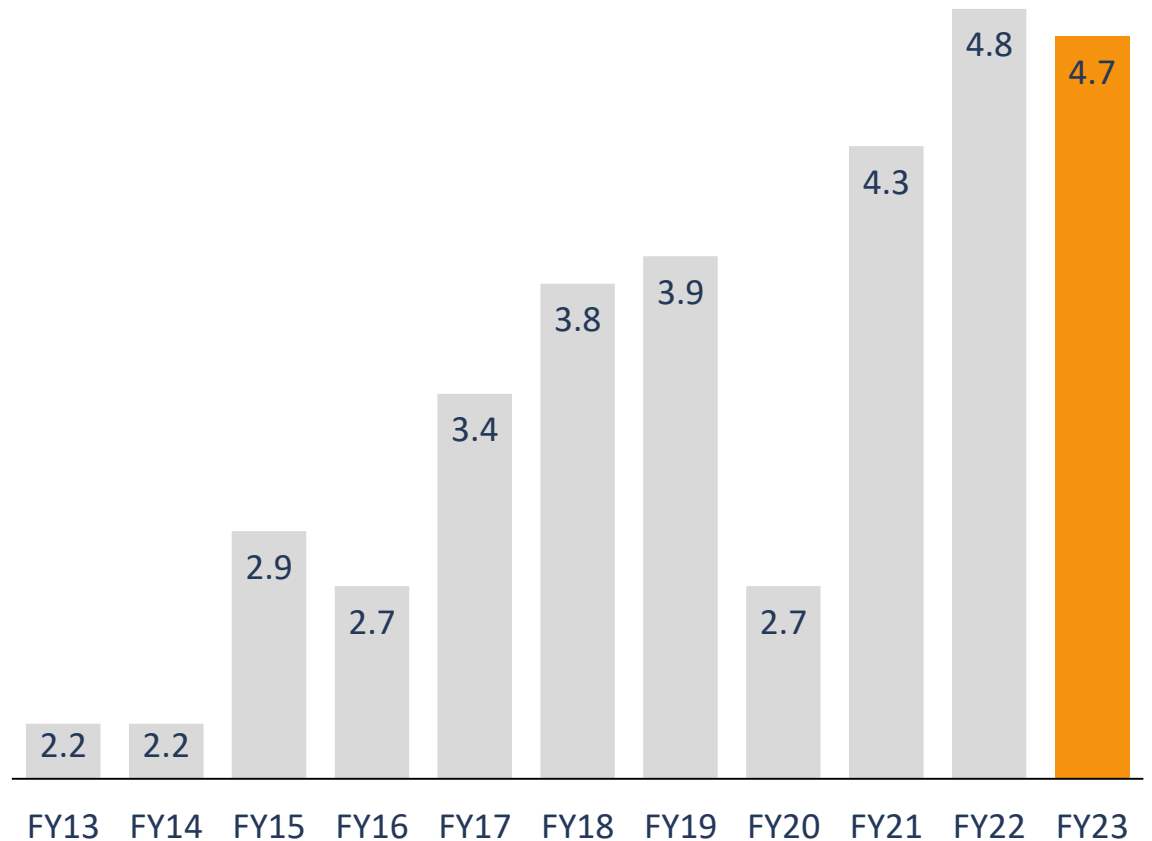
The term 'Hi-Quality and Hi-Growth Portfolios' refer to Motilal Oswal AMC's defined fund management processes based on internal qualitative and quantitative research parameters & not be construed as investment advice to any party.

# Industry - Financialization of Savings propelling equities

Total Indian Household assets \$ 11.1 Tn (FY23)



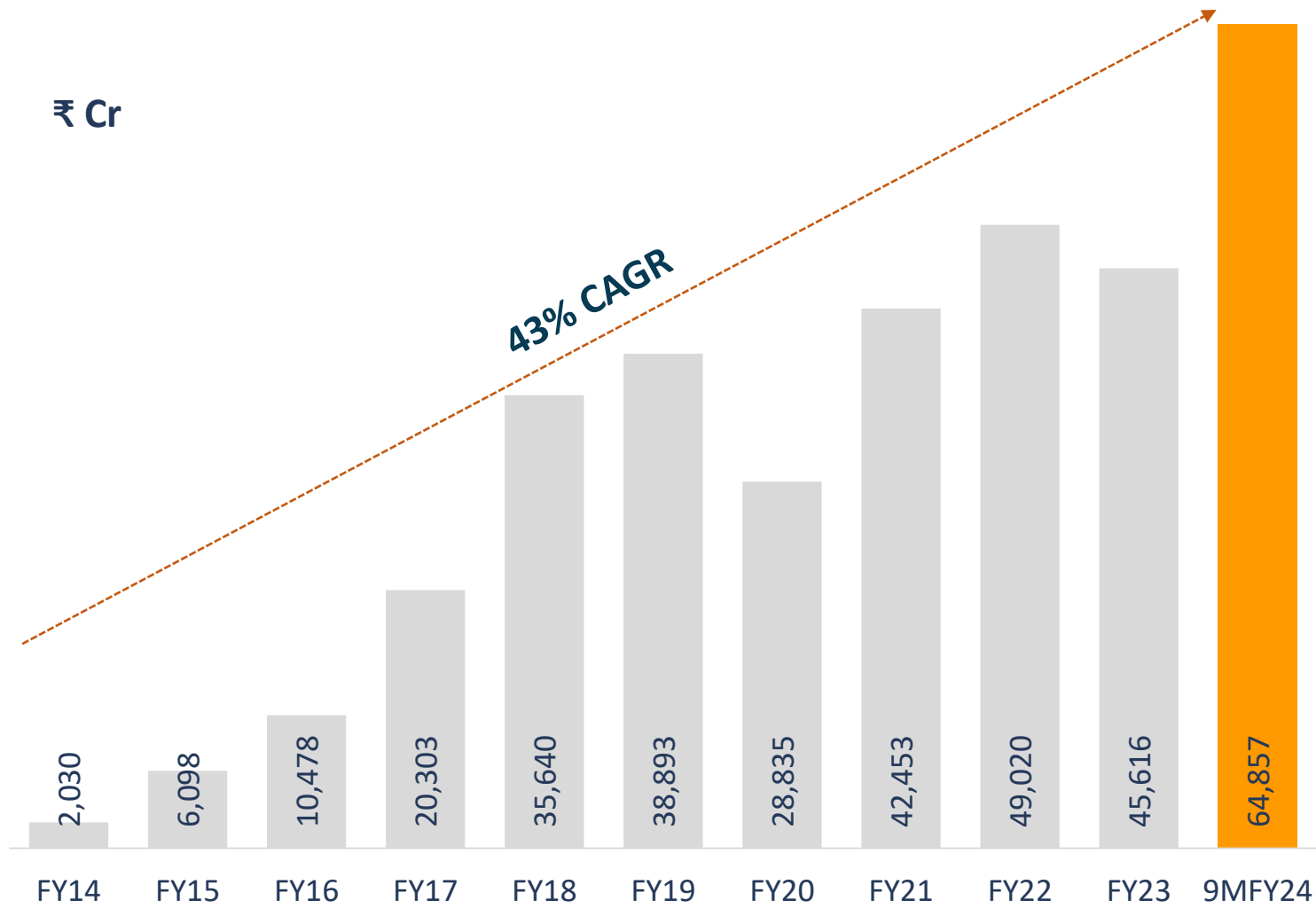
% of Household Assets in Equities



**In USA, share of equity in household assets is at ~45% vs India it is just 4.7%**

Source – Jefferies Report 2023

# Strong AUM growth of MOAMC



- Equity only mutual fund house
- ~34% share of Alternates (AIF + PMS) in total AUM
- Net yield on overall AUM at ~73 bps
- Small Cap NFO garnered highest flows of Rs. 1,250+ Cr in the Small Cap MF category

# Turnaround in fund performance yielding the result now

Performance for past one year	
Total No. of Funds (MF + PMS + AIF)	27
<b>No. of funds outperformed benchmark</b>	<b>24</b>
Mutual Fund	5
Alternates (PMS + AIF)	19
<b>Outperforming Funds (%)</b>	<b>89%</b>

Performance as on Dec 31, 2023

	Q3FY23		Q3FY24
SIP Market Share	0.9%		1.5%
MF Gross Sales Market Share	0.7%		1.9%
MF Net Sales Market Share	(0.8)%		3.1%
MF Redemption Market Share	1.4%		1.3%

# Private Equity & Real Estate

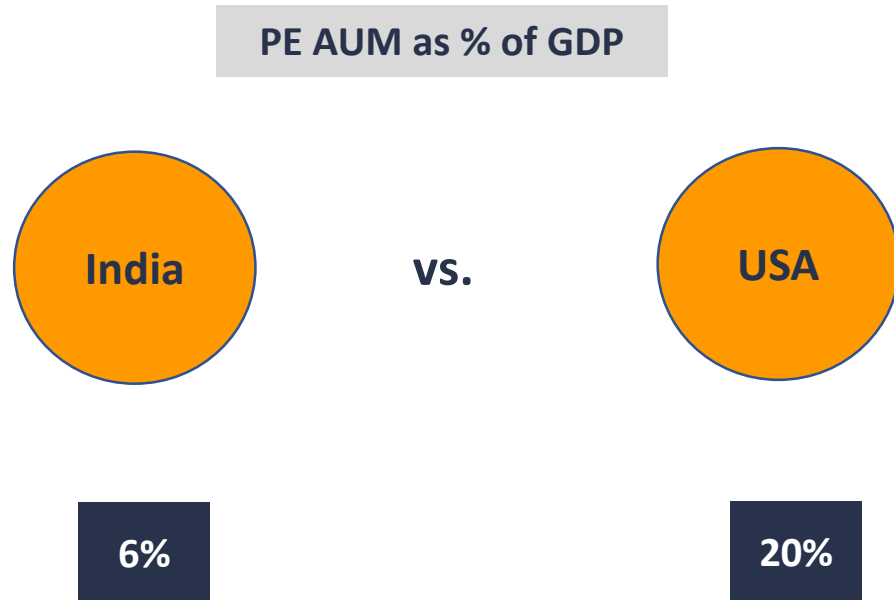
– Glowing track record



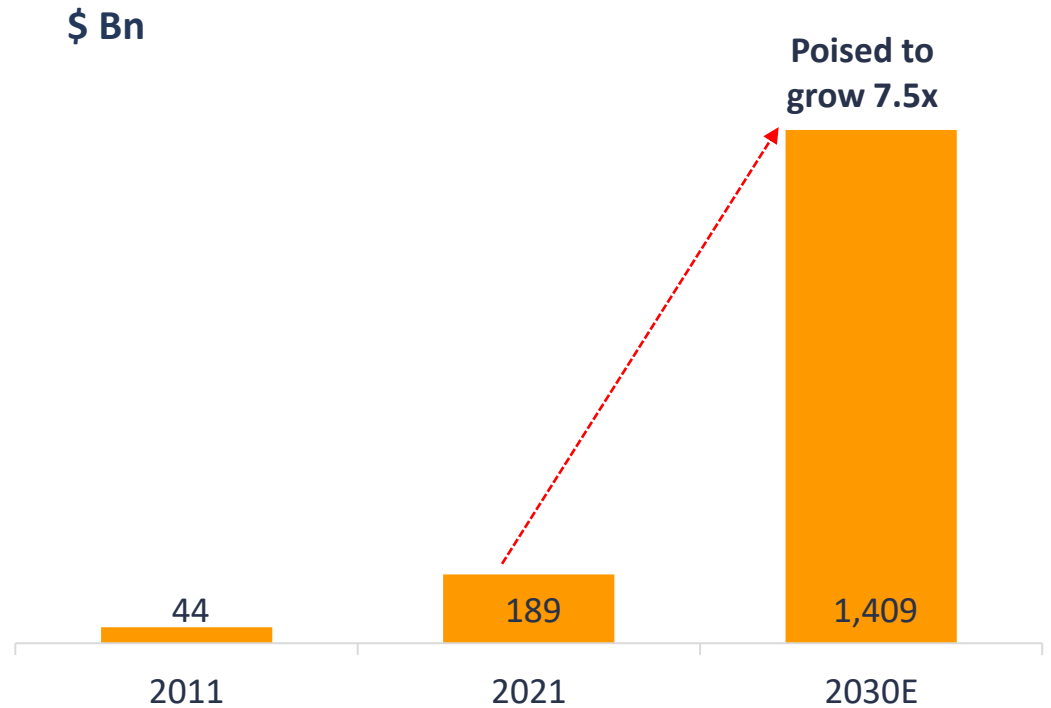


# Industry – Huge runway for Private Equity Investments

## Underpenetrated PE AUM



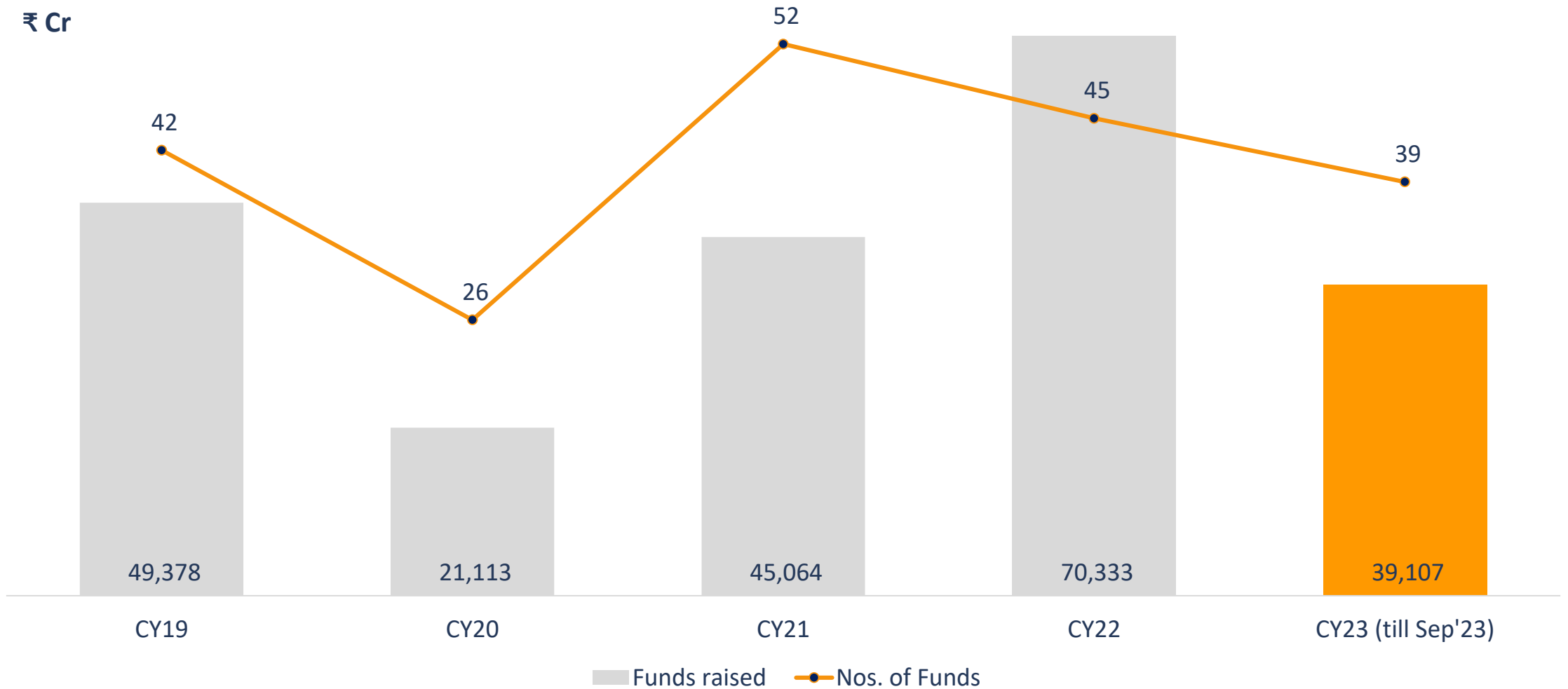
## Private Equity market size



Source – MO Alts. estimates

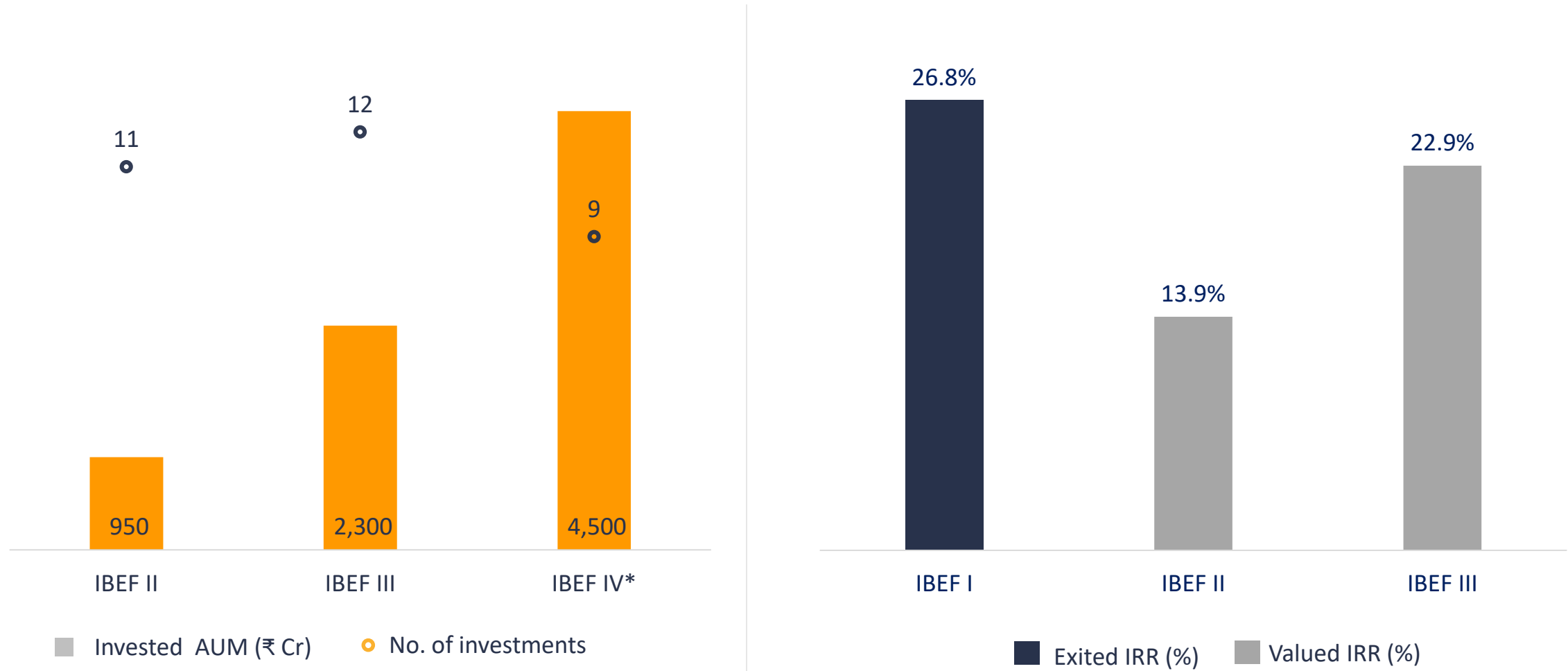
Indian PE's AUM as a % of GDP is a fraction of its global peers. As the economy grows, the PE industry is expected to mature and grow to over USD 1.4 Tn

# Industry – Momentum in Private Equity fund raising continues



Source – VCC Edge Insights Q3FY23

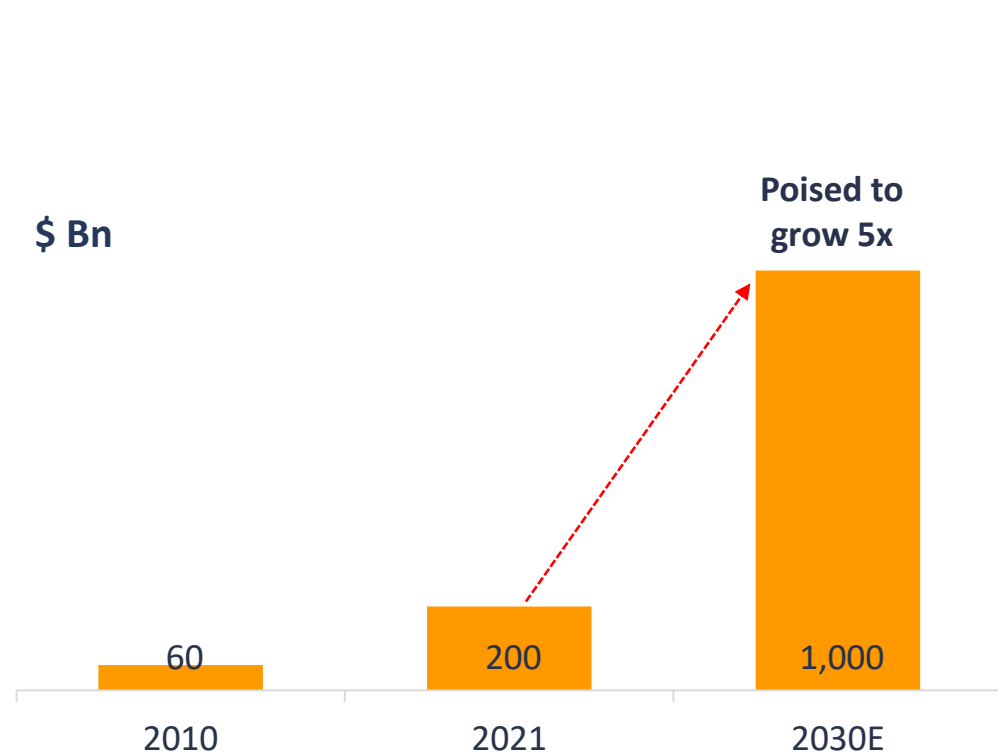
# Private Equity Fund – Growing domestic private equity house



\*Deployed ₹2,660 Cr till 15<sup>th</sup> Jan 2024

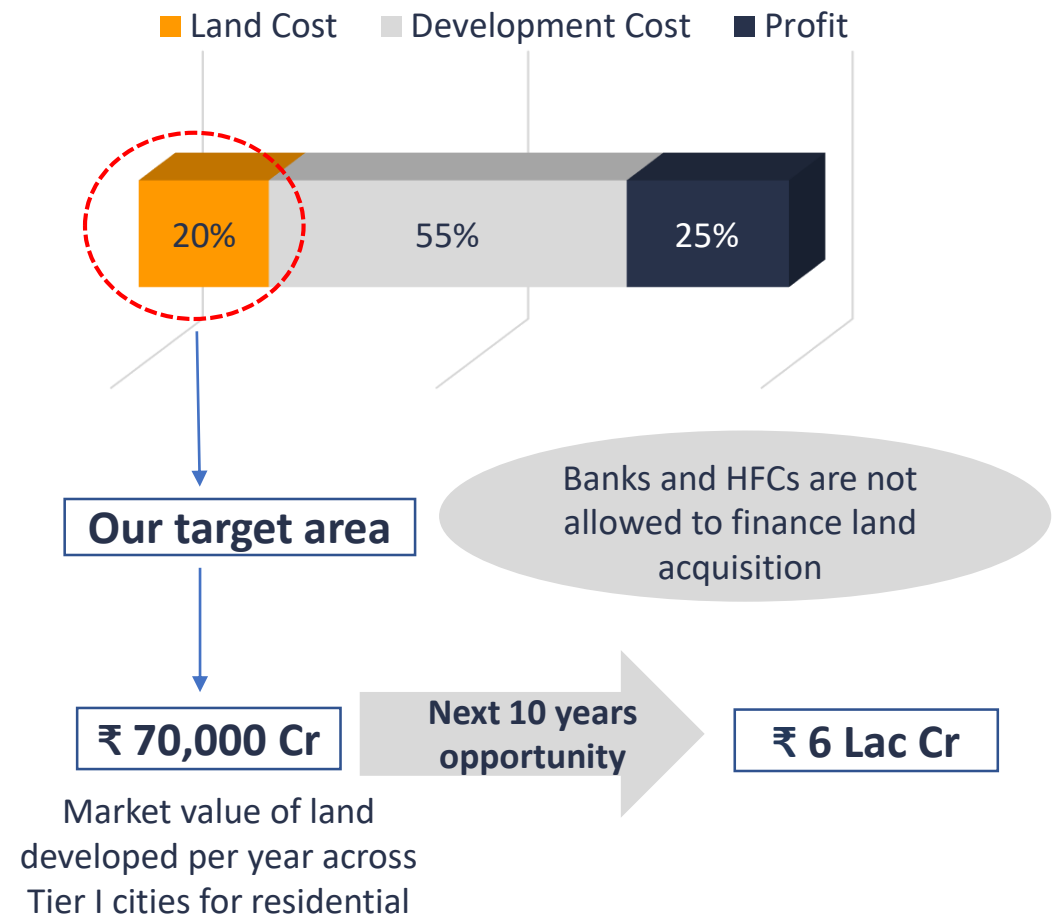
# Industry – Real Estate, a key contributor to the India Growth Story

## Real estate market size



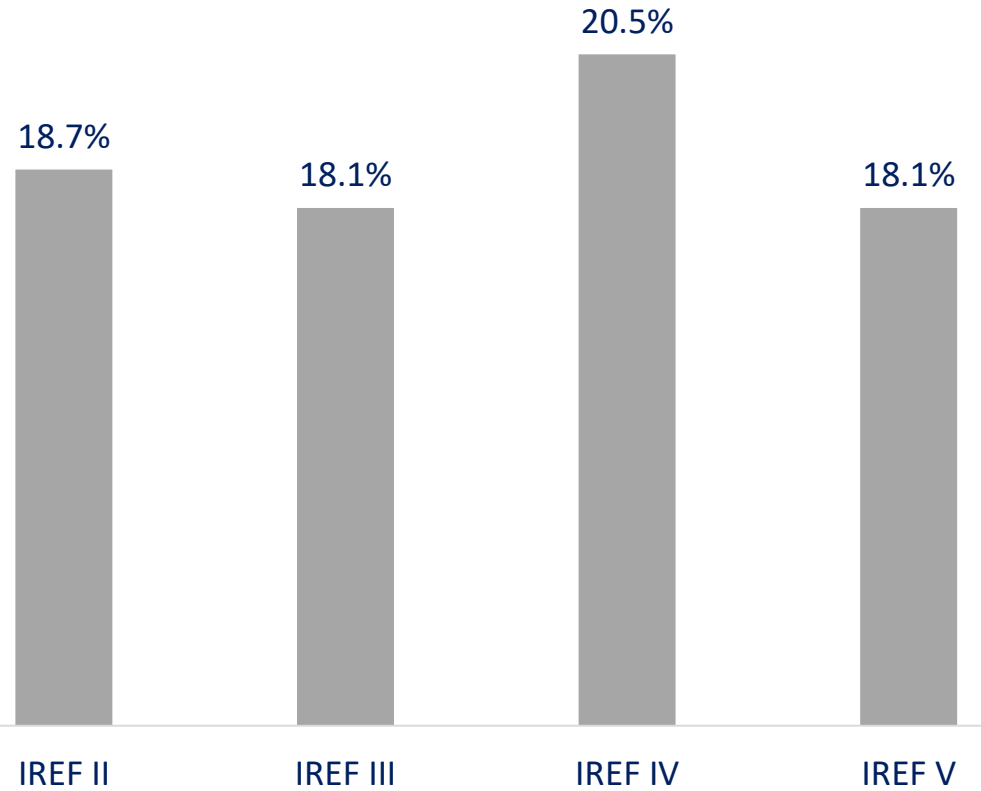
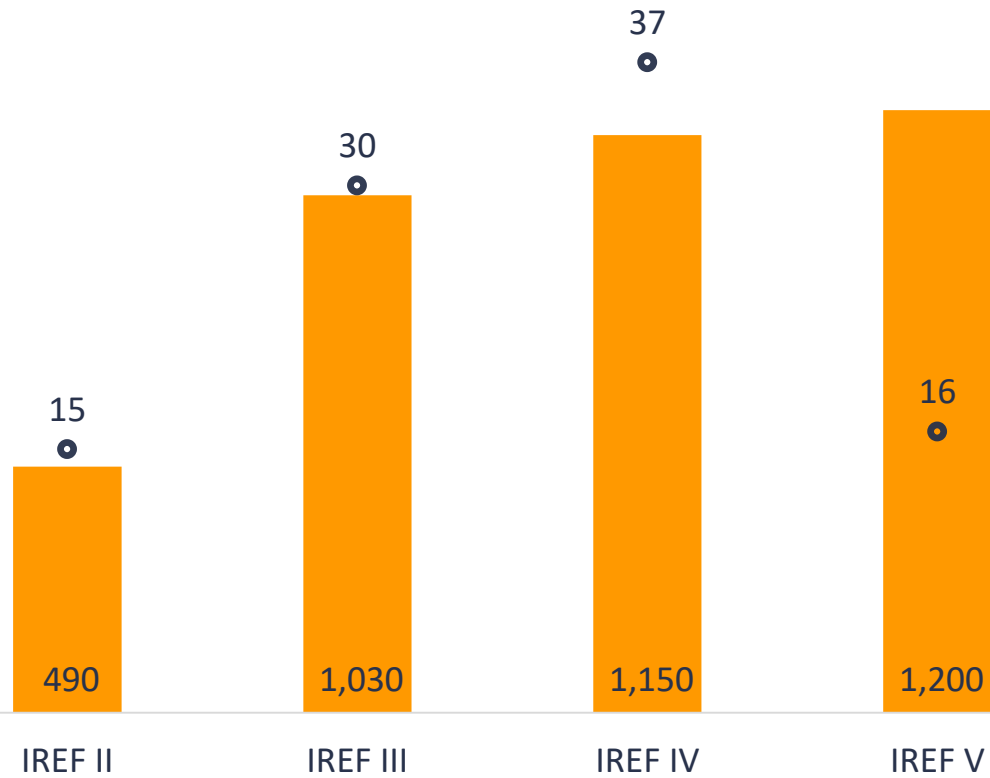
Source – KPMG Report

## Our focus



Source – MO Alts. estimates

# Real Estate Fund – Delivering consistent returns



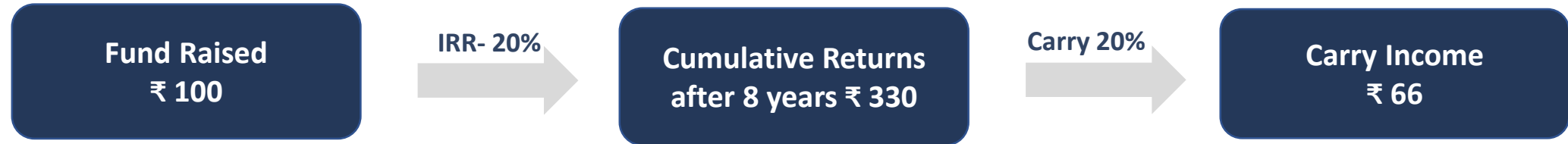
■ Invested AUM (₹ Cr)    ● No. of investments

■ Valued IRR (%)

Launched IREF VI with fund size of ₹ 2,000 Cr

# Carry income from seven funds to be realized in coming years

## Illustration of Expected Carry Income for Private Equity



## Illustration of Expected Carry Income for Real Estate



*\*Valuations are done on half yearly basis*

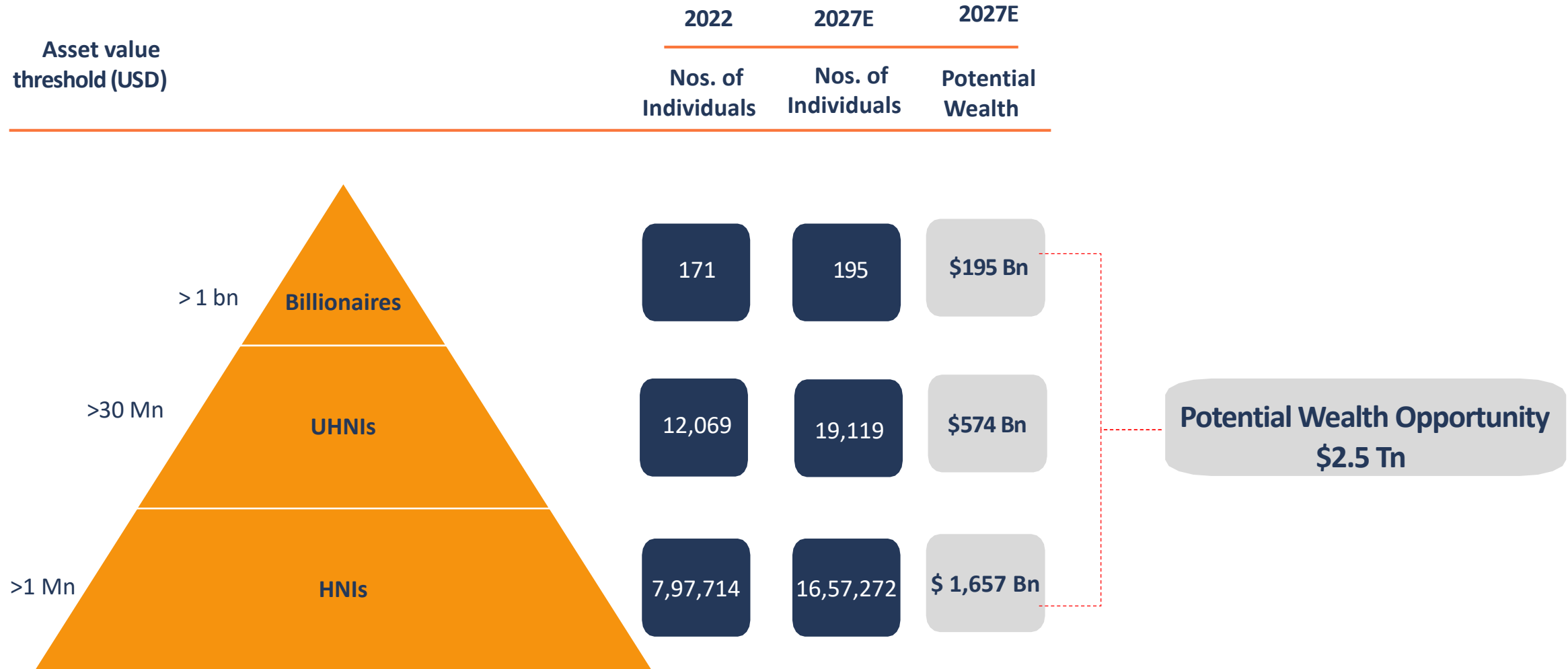
# Wealth Management

## -Alpha Strategist



WINNING PORTFOLIOS  
POWERED BY KNOWLEDGE

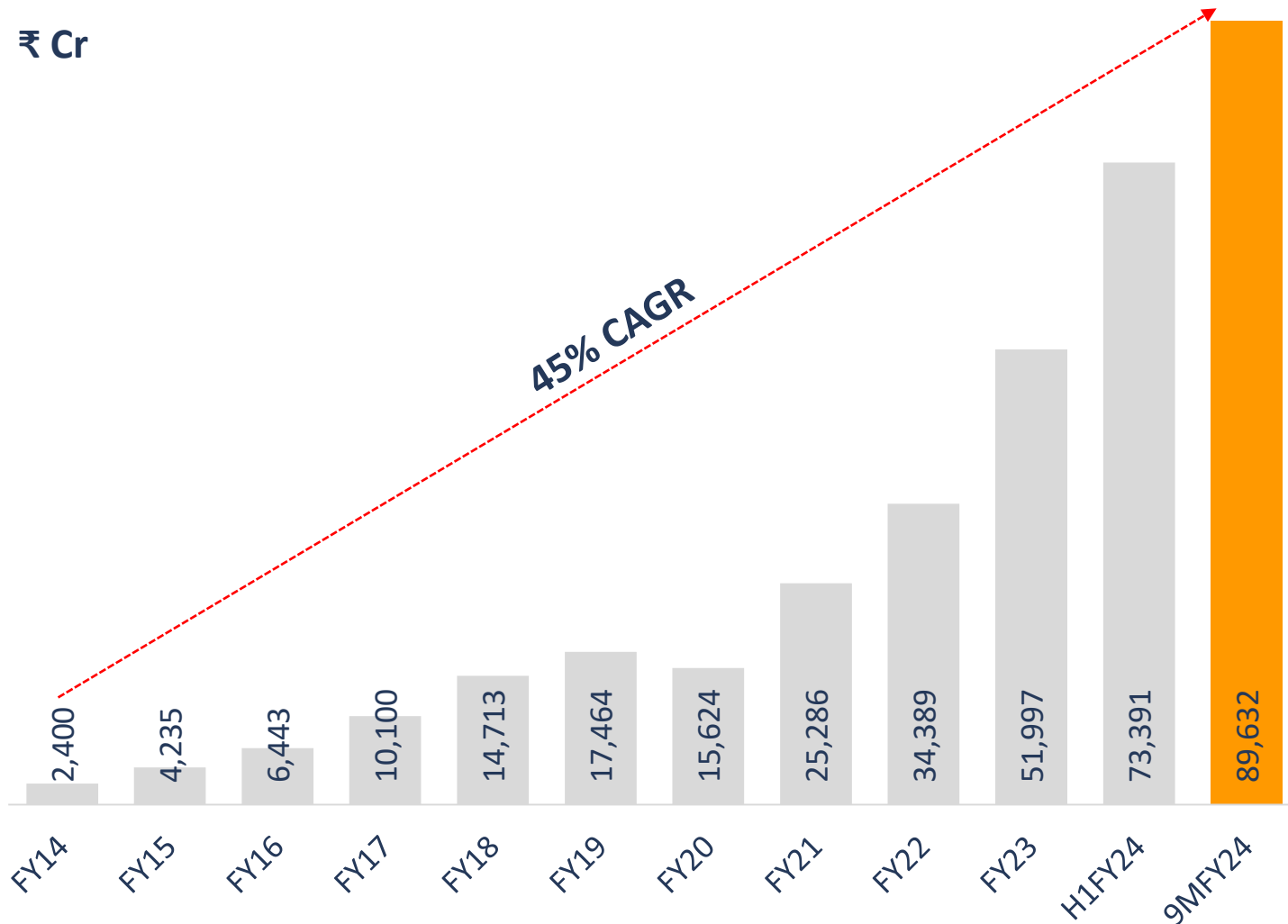
# Industry – Huge opportunity of growing wealth...



Source: Knight Frank Wealth Report 2023

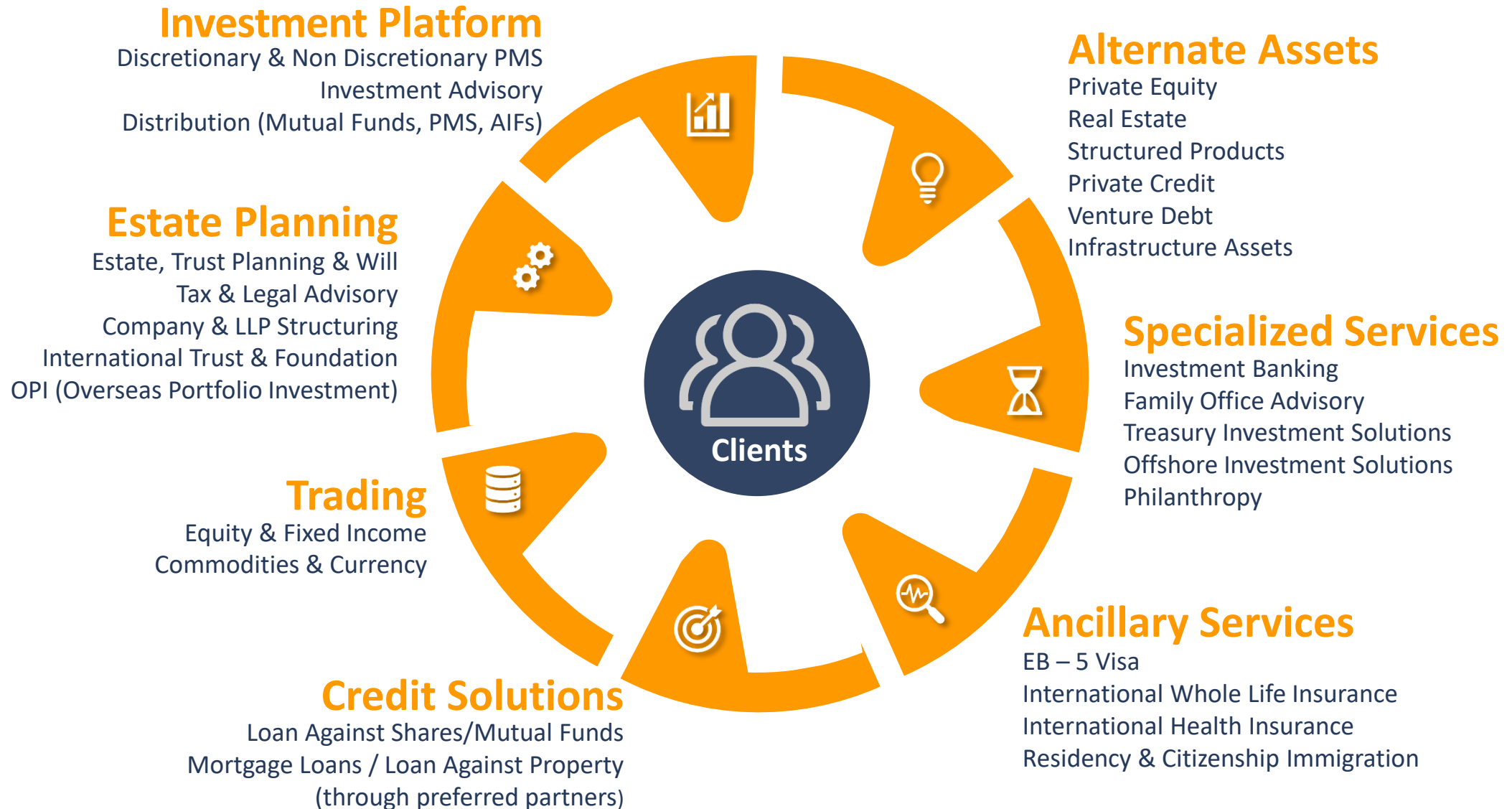


# Robust AUM growth in MO Private Wealth



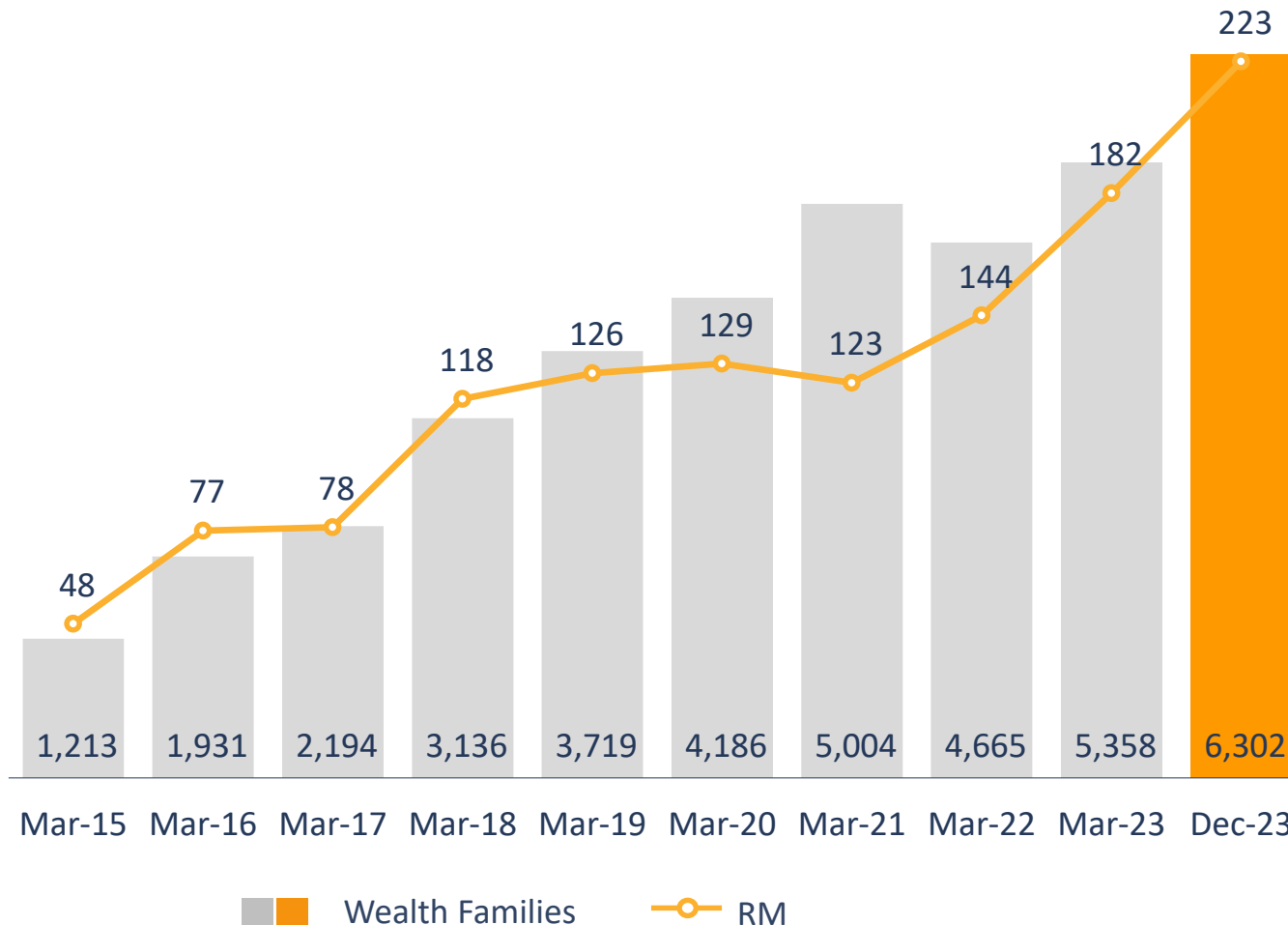
- Open architecture asset distribution model
- Largest distributor for Motilal Oswal PE & RE funds
- Group Wealth AUM including Private Client Group (PCG) part of Broking (serving HNI/UHNI) stood at ~₹ 1.38 Lakh Crore as on December 2023
- Including PCG, total profit after tax for Group Wealth business stood at ₹143 Crore for 9MFY24

# Customer centric approach with bouquet of investment solutions



# Investments in RMs to drive the future growth

## Continued traction in RM addition



- RMs vintage >5 years is 30% Expect to improve the same as RM hiring stabilises
- Investments in RM has temporarily impacted the margin. Expect to recoup margins to 35%-40% in coming years
- In FY25, our focus will be on improving productivity of RMs, launching products targeting Ultra HNI & Family Offices and expand geographic reach in tier 2 cities

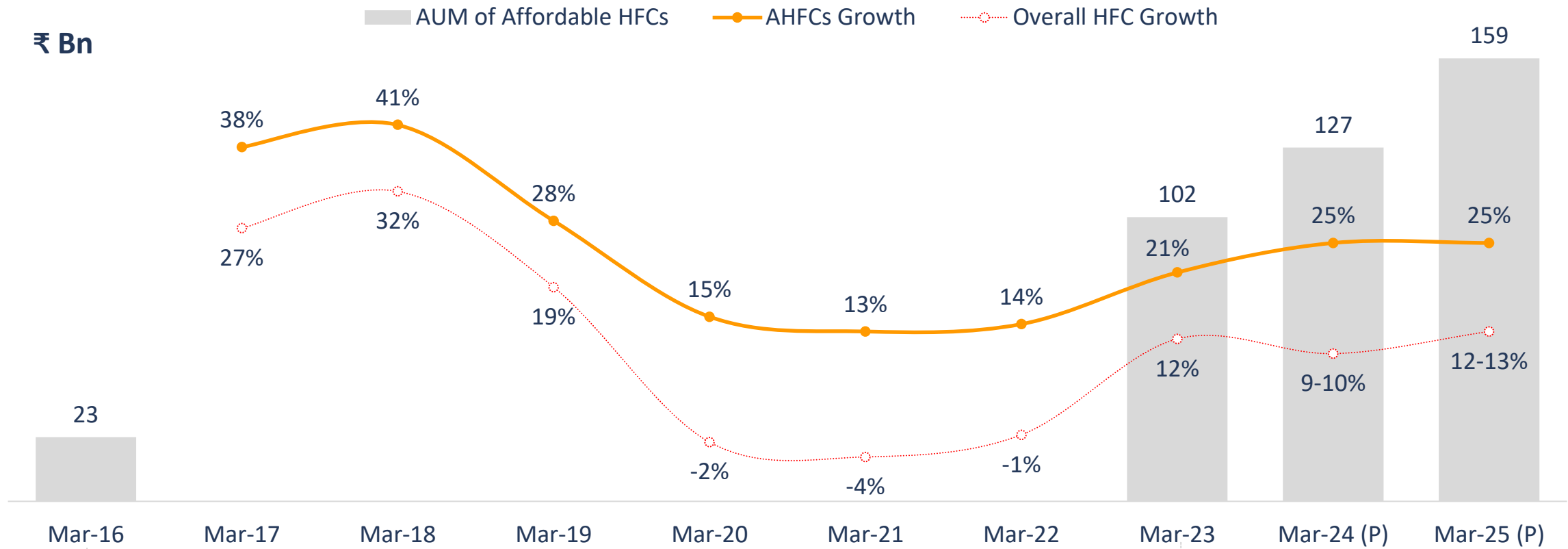
## Housing Finance

- Turning around



**THINK  
HOME LOANS.  
THINK  
MOTILAL OSWAL.**

# Industry – Affordable Housing Finance – Secular growth story



Share of affordable HFCs in overall home loan has increased >2x

6% → 13%

Source – CRISIL Rating estimates

# Building blocks in place

## AUM / Loan Book

AUM – ₹ 3,781 Cr  
Loan Book – ₹ 3,754 Cr  
Housing as % of loan book ~77%

## Profitability Ratio\*

PAT – ₹ 133 Cr      NIM – 7.7%  
RoA – 3.5%      RoE – 12.6%

## Asset Quality

GNPA – 2.1%  
NNPA – 1.3%

## Geographical Presence

111 locations in 12 States / UTs

## Credit Rating

AA  
(CRISIL, ICRA, India Rating)

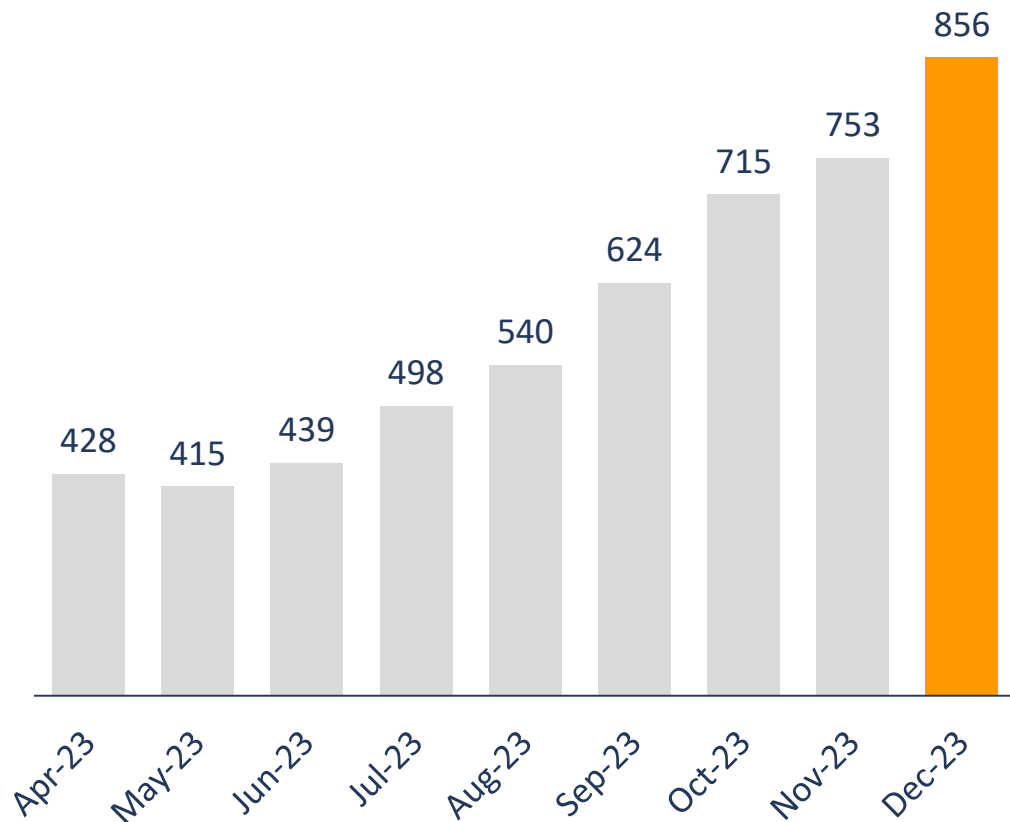
## Financial Strength

Net Worth – ₹ 1,253 Cr  
Net D/E – 2.0x  
CRAR – 47.5%

\*for FY23

# Focusing on strengthening RM and improving productivity

## Strengthening Sales RM force



## Improving sales productivity

- Sales and lead management is now through digital mode with geo-tagging and geo-fencing capabilities
- 100% end to end paperless approval process, with 85% e-sign of loan documents
- Focus on hiring senior sales leadership team
- Login to sanction ratio improved to 46% in Q3FY24 vs 42% in Q2FY24
- Revamped sales distribution framework through dedicated team for small distributors, large distributors and direct sales
- Reoriented entire training framework with dedicated senior team.

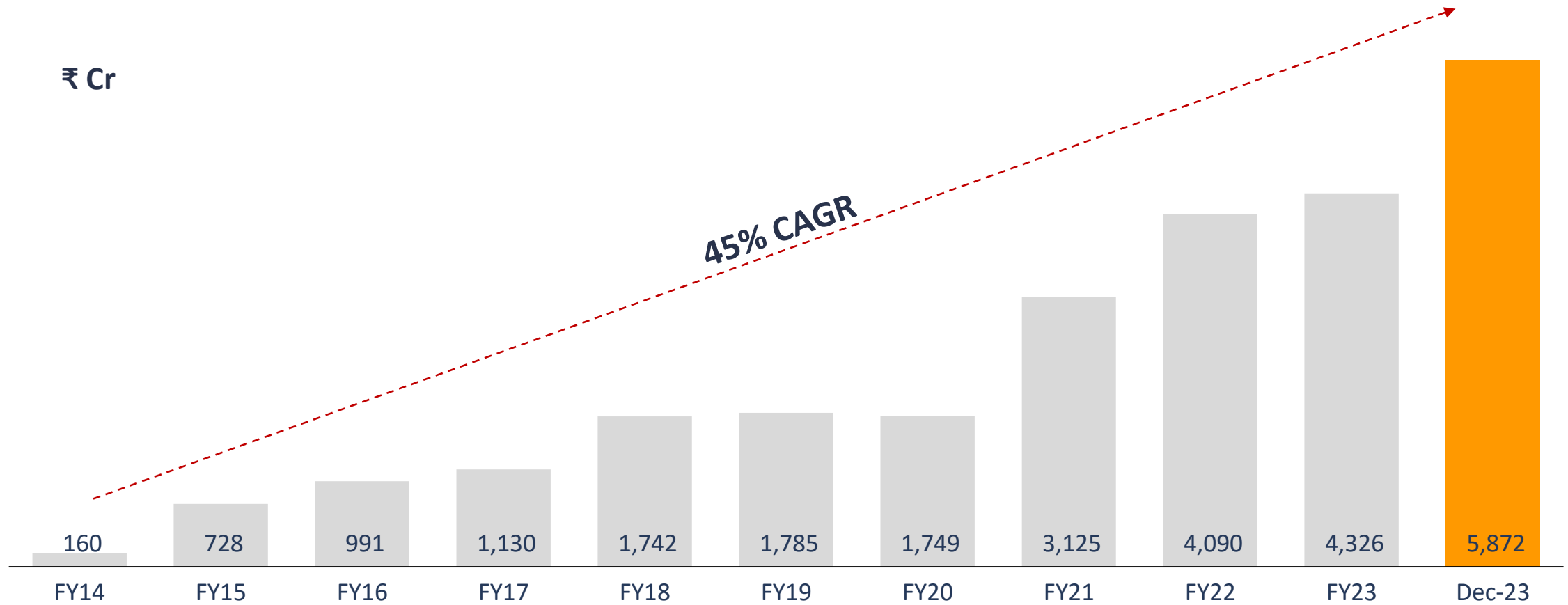
# Treasury Investments

- Skin in the game



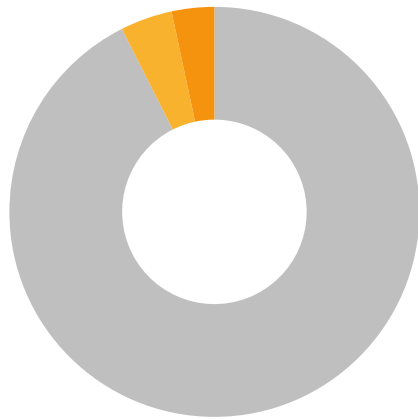


# Strong Growth in treasury investments book over the years



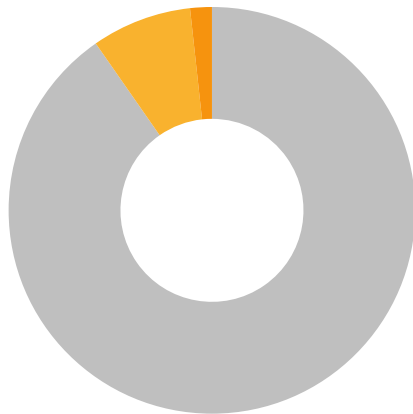
# Skin in The Game

## Skin in the Game in AMC (₹ Cr)



64,848	AMC AUM
2,657	Sponsor AUM
2,176	Promoter AUM

## Skin in the game in PE & RE (₹ Cr)



13,619	Total Capital Raised till date
1,342	Sponsor Commitment
260	Promoter AUM

# Financials

- Capturing compounding



## Key financial metrics – Strong financial track record

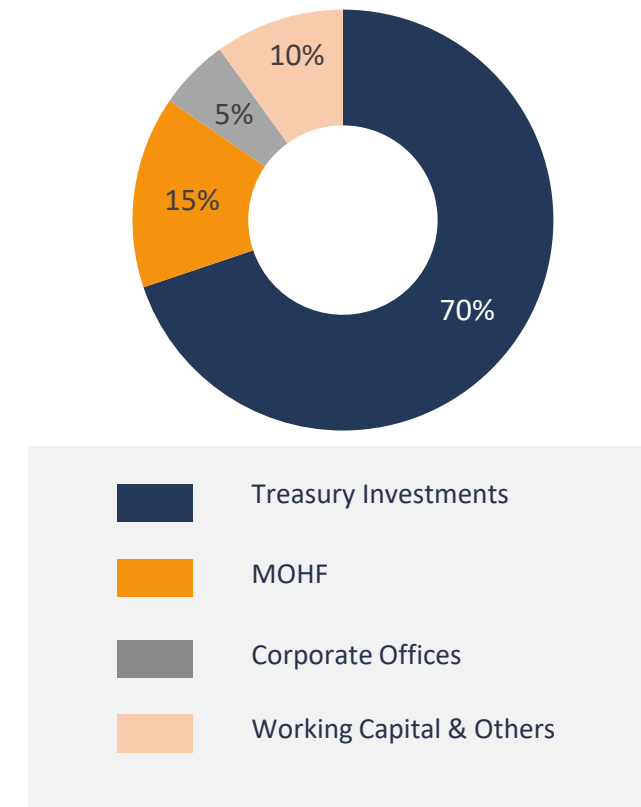
PARTICULARS (₹ Cr)	FY19	FY20	FY21	FY22	FY23	4 Year CAGR	9MFY24
Total Revenues	2,456	2,411	2,827	3,839	4,055	13%	3,928
Operating Expense	1,543	1,327	1,610	2,155	2,263	10%	2,064
<b>EBITDA</b>	<b>913</b>	<b>1,084</b>	<b>1,217</b>	<b>1,684</b>	<b>1,792</b>	<b>18%</b>	<b>1,864</b>
Depreciation and Amortization	24	40	48	47	57	24%	57
Interest Expense	517	495	430	453	557	2%	682
<b>PBT</b>	<b>372</b>	<b>549</b>	<b>651</b>	<b>1,184</b>	<b>1,178</b>	<b>33%</b>	<b>1,124</b>
<b>Operating PAT</b>	<b>256</b>	<b>398</b>	<b>471</b>	<b>918</b>	<b>881</b>	<b>36%</b>	<b>844</b>
Treasury Investments PAT (including OCI)^	35	-275	1,082	433	4	-	1,157
<b>PAT</b>	<b>291</b>	<b>124</b>	<b>1,552</b>	<b>1,351</b>	<b>885</b>	<b>32%</b>	<b>2,001</b>
<i>PBT Margin on Net Revenue</i>	<i>25%</i>	<i>37%</i>	<i>36%</i>	<i>47%</i>	<i>43%</i>		<i>45%</i>

# Robust Balance Sheet

Particulars (₹ Cr)	Dec 31, 2023	Mar 31, 2023
<b>SOURCES OF FUNDS</b>		
Net Worth	8,267	6,252
Borrowings	12,603	10,310
Minority Interest	35	31
<b>Total Liabilities</b>	<b>20,905</b>	<b>16,593</b>
<b>APPLICATION OF FUNDS</b>		
Fixed assets (net block)	575	466
Investments	6,392	4,787
Loans and Advances	10,142	7,218
Net Current Assets <sup>(1)</sup>	3,796	4,123
<b>Total Assets</b>	<b>20,905</b>	<b>16,593</b>

1. Net Current Asset includes cash and cash equivalents and bank balance of ~₹ 3,020 Cr in Dec-23. Out of which unencumbered cash & cash equivalents is ~₹ 1,824 Cr

## Net Worth Deployment



# CSR Activities

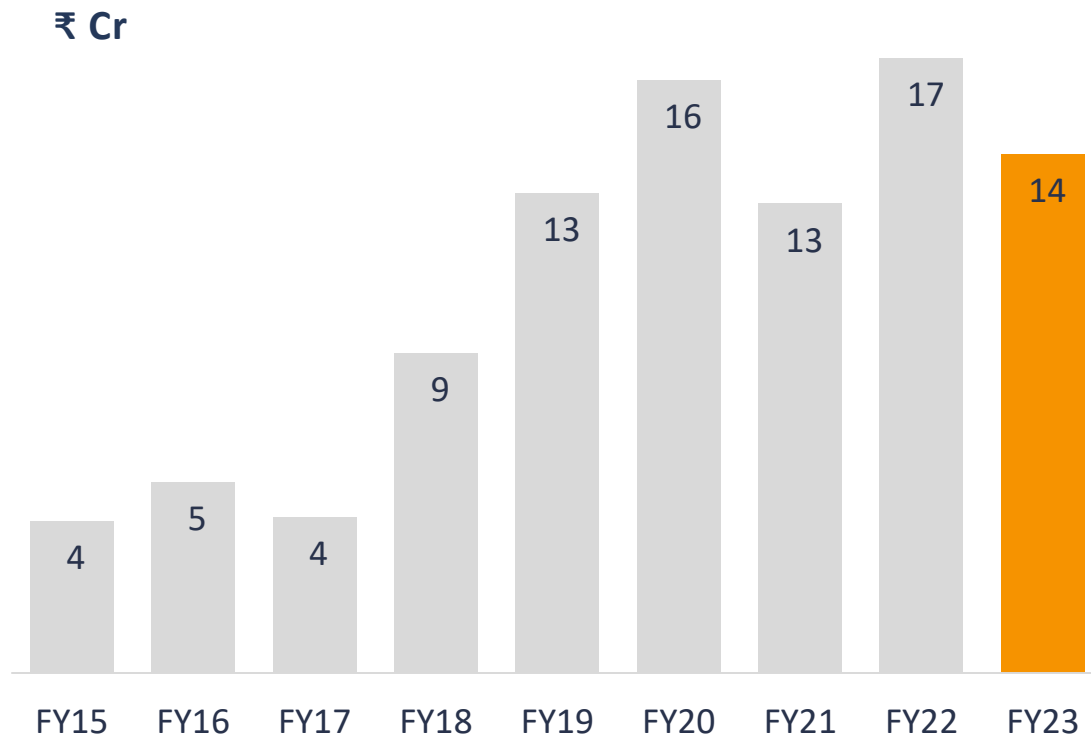
- Responsible corporate citizen



# Promote inclusive growth and equitable development

Spent ~₹ 100 Cr since FY15 on CSR activities at group level

Committed to continue the same in future too



Promoters of the company to donate 10% of the Company's shareholding towards charitable purposes within a period of 10 years.

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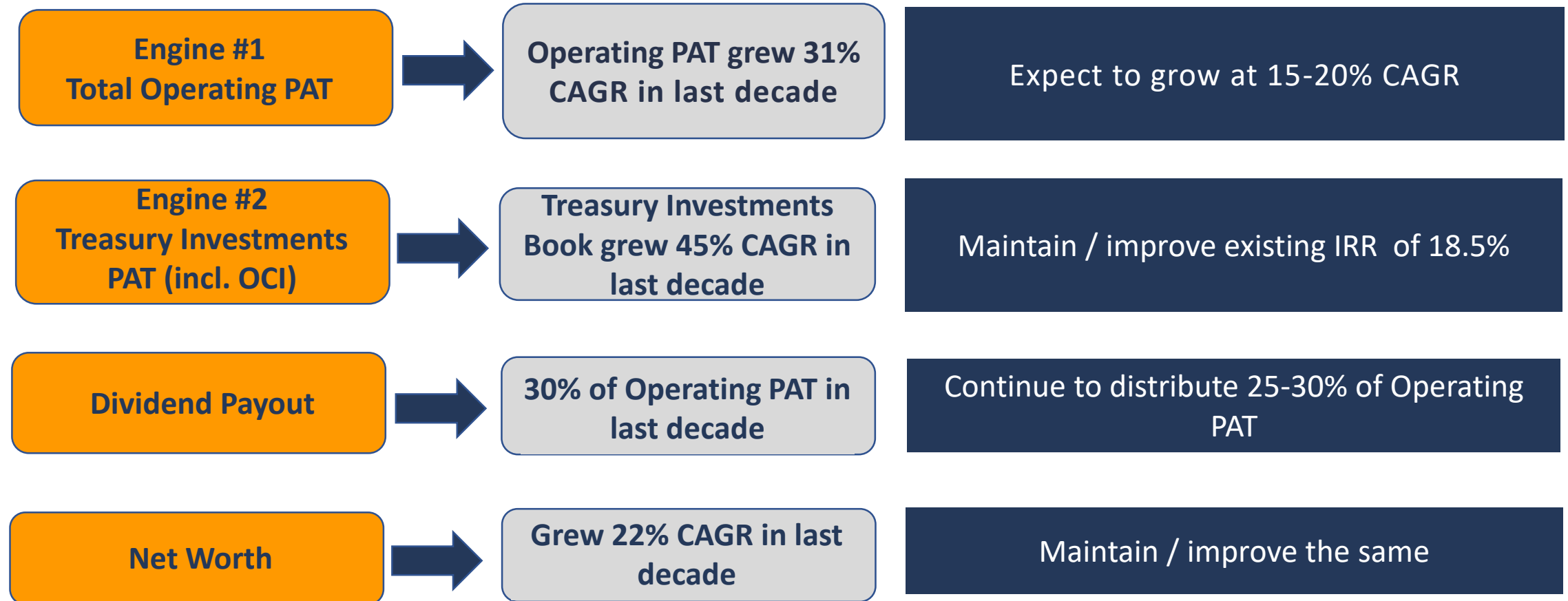
## How to think about MOFSL future

- Sustaining the compounding machine





# Future is as exciting as past



Operating PAT CAGR is for FY14 – FY23

# To summarise

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**India headed for massive savings boom**



**Retail participation in Capital market on rampage**



**MOFSL has endowments and moves to exploit multiple business opportunities**



**MOFSL continues to be a compounding machine**



**MOTILAL OSWAL**

**COMPOUNDING  
MACHINE**

# Thank You

For any query, please contact :

**SHALIBHADRA SHAH**

CHIEF FINANCIAL OFFICER

91-22-7193 4917 / 98190 60032

shalibhadrashah@motilaloswal.com

**CHETAN PARMAR**

HEAD INVESTOR RELATIONS

91-22-7190 6600 / 74003 12700

chetan.parmar@motilaloswal.com

