

## AMC, Wealth Management & Broking

HDFC AMC	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	541	516	560	5%	-3%	2,167	2,429	-11%
Gross Profit								
Gross Margin(%)								
EBITDA	508	458	516	11%	-2%	1,934	1,917	1%
EBITDA Margin (%)	94%	89%	92%			89%	79%	
PBT	492	443	501	11%	-2%	1,871	1,855	1%
PBT Margin (%)	91%	86%	89%			86%	76%	
PAT	376	344	369	9%	2%	1,424	1,393	2%
PAT Margin(%)	70%	67%	66%			66%	57%	

QAAUM stood at 4.48 lakh Cr, yield to AUM at 48 bps lower due to product mix change and lower trading days. Equity AUM share stands at 54% compared to 49% for the industry

Industry QAAUM stood at 40.5 lakh Cr with 6% YoY growth, SIP Contribution remained robust at 14,300 Cr vs 12,300 Cr YoY. SIP AUM at 6.80 lakh Cr with no of SIP accounts at 6.36 Cr. Industry continues to see strong growth in SIP inspite of muted market performance since October 2021. Industry net flows into equity and debt saw a sequential uptick in Q4 over Q3 in FY23. FY23 equity net inflow was 1.8 lakh Cr, 1.61 lakh Cr in actively managed funds and rest in passive index funds. 21% of net inflow was into NFO's from 34% in FY24

Yield across categories - Equity 70 bps, Debt 28-30 bps and liquid 12-13 bps. Yield is same across direct & distribution plans

Lost market share in debt category from 13.8% to 13.3% on closing AUM basis YoY

Company active equity average AUM stands at 2.31 lakh Cr at a market share of 12%. SIP AUM ~85,900 Cr

Distribution Mix - Banks:MFDs: national Distributors: Direct is 11%:29%:20%:40%

HDFC AMC equity schemes continue to stay top of the pack over 2-3 year horizon

Live customer accounts at 1.14 Cr at a market share of 18% in the industry, share of wallet has trended down over the past 5 years due to below average equity performance till 2021 and weak product launches till 2022. Product launches in FY22 and FY23 have filled white spaces, will slow down from here. Management indicates that traction with distributor & advisor empanelment has picked up through FY23

Market share may improve once branch count of HDFC Bank goes up post merger with HDFC Ltd

PMS & AIF AUM at 1800 Cr, new AIF launch garnered 400 Cr commitment in Q4

Industry profit pool is ~8,000 Cr with 6,500 Cr of operating profits post tax

SEBI thought paper on AMC TER intends to make changes and lower the TER that AMC's can charge at the overall AMC level based on AUM as opposed to scheme level. TER and commission to distributors are expected to trend lower again as was seen in 2018-19

Nippon AMC	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	348	338	354	3%	-2%	1,350	1,533	-12%
Gross Profit								
Gross Margin(%)								
EBITDA	249	242	275	3%	-9%	962	1,019	-6%
EBITDA Margin (%)	72%	72%	78%			71%	66%	
PBT	239	234	266	2%	-10%	928	989	-6%
PBT Margin (%)	69%	69%	75%			69%	65%	
PAT	198	175	205	13%	-3%	723	744	-3%
PAT Margin(%)	57%	52%	58%			54%	49%	

MF QAAUM at 2.93 lakh Cr at yield of 42 bps vs 44 bps YOY, this was due to replacement of old AUM and increase in the cost of new AUM. Total AUM at 3.63 lakh Cr with 67,000 Cr in managed accounts and 8,900 Cr international AUM

AUM spilt across asset classes - Equity 44%, Debt 18%, Liquid 13%, ETF 24%

AUM by customer segment - HNI 33%, Retail 25%, Corporate 42%

Company B-30 spilt is 19% of AUM vs industry benchmark of 16.9%, B-30 market share on AUM basis is 8.1%

SIP accounts for > 5 years on an AUM basis at 60%, while the industry stands at 24%

Gold ETF is one of the largest for Nippon and the majority of the investors have a short-term view of less than 3 years so there is no major impact of new norms of taxation as it impacts majorly above 3 years.

Yield across asset classes - Equity 70-80 bps, Debt 23-30 bps, Liquid 15-20 bps

1.96 Cr folios with 1.35 Cr unique investors, individual AUM of 1.63 lakh Cr. Market share at 7.24% down 14 bps YoY

Monthly SIP book higher from 650 Cr to 1,100 Cr during FY23 due to focus on retail segment

Yield on PMS & AIF is closer to 100 bps, between 35-60 bps on the offshore piece

Debt flows were impacted through FY23 due to rate hikes, picked up in Q4 prior to the tax changes in the budget. The impact of the tax changes will get digested over a period of time, incremental inflow trend should become clear in another 2-3 quarters

UTI AMC	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	301	301	295		2%	1,267	1,319	-4%
Gross Profit								
Gross Margin(%)								
EBITDA	130	109	115	19%	13%	635	706	-10%
EBITDA Margin (%)	43%	36%	39%			50%	54%	
PBT	117	97	103	21%	14%	586	660	-11%
PBT Margin (%)	39%	32%	35%			46%	50%	
PAT	86	54	60	59%	43%	440	534	-18%
PAT Margin(%)	29%	18%	20%			35%	40%	

MF QAAUM at 2.39 lakh Cr, overall AUM at 15.55 lakh Cr at 1.22 Cr folios within MF  
ETF and Index fund AUM at 82,300 Cr due to Govt inflows through the NPS and EPFO route  
Blended yield (ex-pension assets) declined ~5% sequentially to ~37 bps due to lower share in active equity and growth in ETF share  
SIP market share remains steady at 3.2%, performance in the equity segment is well below par and affecting fresh inflows  
Equity AUM market share falls to 4.63% from 5.17% YoY due to poor performance, within hybrid AUM at 4.47% from 5.05% YoY  
SIP book for >5 years and 10 years remains at 93.26% and 86.68%, SIP inflow at 573 Cr for month of March 2023  
Employee cost continues to be high relative to other AMC's due to unionized and ageing workforce  
SIP inflows have grown for the industry while bulk inflows have reduced significantly, hit in debt AUM has been substantial across AMC's due to muted performance of medium duration and long duration schemes  
Yield to AUM for UTI AMC may continue to decline as the share of passive AUM increases, active AUM growth is likely to underperform till performance improves from current levels  
Application for a balanced advantage fund has been made, to be launched in FY24

ABSL AMC	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	297	324	314	-8%	-5%	1,227	1,405	-13%
Gross Profit								
Gross Margin(%)								
EBITDA	190	220	232	-14%	-18%	832	935	-11%
EBITDA Margin (%)	64%	68%	74%			68%	67%	
PBT	181	209	223	-13%	-19%	794	895	-11%
PBT Margin (%)	61%	65%	71%			65%	64%	
PAT	136	159	166	-14%	-18%	596	673	-11%
PAT Margin(%)	46%	49%	53%			49%	48%	

MF QAAUM at 2.75 lakh Cr lower 7% YoY, 7.7% market share in the industry  
Equity mix of MFQAAUM has seen a reduction of 50bps to 42.1%, while the SIP book remains strong for the company. SIP book stands at 1,003 Cr from 895 Cr YoY. Over 5 years and 10 years, the SIP count is 91% and 82%  
Sourcing Mix- Direct:MFDs: National distributor: the bank is 41%:32%:18%:9% vs 44%:31%:15%:10% for Q4FY22  
Since FY22 passive AUM has grown ~2.8x with AUM at 28,200 Cr. Spilt ia ETF:Index: FOF is 4,900:21,900:1,400 Cr  
Alternative assets- AUM for PMS: Real estate: offshore is 1,742:576:8,658 Cr, higher yield possible here  
Yield at 42 bps, increasing traction in passive funds may keep yield at current level  
1,572 Cr collected in the multi asset fund NFO in Q4, most of the market share loss is performance related rather than marketing & distribution related. Management indicates low participation in FY23 that shows up in lower ADTO for brokers and lower new folios & SIPs for the MF industry  
Yield across asset classes - 70 to 75 bps for equity, 25 bps for debt and 12 bps for liquid  
Virtual relationship model for IFA activation appears to be working well, generally 65% of the TER gets passed on to distributors. Within equity category, 15% of the AUM is coming in direct plan while rest is coming from distribution channel

ICICI Securities	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	885	892	879	-1%	1%	3,416	3,435	-1%
Gross Profit								
Gross Margin(%)								
EBITDA	548	563	550	-3%	0%	2,113	2,189	-3%
EBITDA Margin (%)	62%	63%	63%			62%	64%	
PBT	353	455	377	-22%	-6%	1,501	1,853	-19%
PBT Margin (%)	40%	51%	43%			44%	54%	
PAT	263	340	281	-23%	-6%	1,118	1,383	-19%
PAT Margin(%)	30%	38%	32%			33%	40%	

Revenue Spilt: Cash broking: derivatives: Allied: distribution: Issuer services: investment trading: Other revenue is 20%:15%:26%:22%:1%:5%:11% vs 31%:11%:24%:19%:7%:2%:6% YOY.

Retail cash market share for Q4 at 11% from 10% YoY, derivative market share at 3.6% vs 3.3%, leadership in MTF remains at 22%

Wealth management AUM at 3.20 lakh Cr, total clients stood at 78,000 for this segment

Wealth Management recurring and transactional revenue spilt at 66%:34% from 60%:40% YoY, Yield to AUA at 0.33% for FY23

F&O lots and F&O orders have spurred growth of 2.1x and 1.6x on a YoY basis

Loan distributed for FY23 remains 3,750 crs, Q4 saw disbursement of 1,250 Cr. Partnership with Tata Capital went live for loans against shares and personal loans, yield of 65 bps on the total loan book and will increase once personal loans start seeing traction

Life insurance revenue for Q4FY23 at 48 Cr, crossed the life insurance revenue of 100 Cr in FY23. Premium at 432 Cr for Q4

Net cost/income stands at 48% vs 40% YoY due to an increase in the interest expense and increasing customer acquisition cost

Company is trying to decrease the cyclical component in the revenue stream by building different products, cash broking has reduced to 30% vs 46% in the total broking revenue generated by the company. On track to becoming a diversified financial digital mart

MTF book stands at 6,440 Cr with spread of 3%, total assets at 5.9 lakh Cr higher 4% YoY. PMS AUM at 1,400 Cr from 720 Cr YoY

Prime plan subscribers at 11.5 lakh, accounts for 65% of the retail broking revenues for FY23

Angel One	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	826	681	749	21%	10%	3,002	2,292	31%
Gross Profit								
Gross Margin(%)								
EBITDA	390	299	335	30%	16%	1,311	931	41%
EBITDA Margin (%)	47%	44%	45%			44%	41%	
PBT	362	274	302	32%	20%	1,192	836	43%
PBT Margin (%)	44%	40%	40%			40%	36%	
PAT	267	205	228	30%	17%	890	625	42%
PAT Margin(%)	32%	30%	30%			30%	27%	

Cash segment ADTO saw a 25% dip on a QoQ basis while F&O and commodity saw a 28% and 5% spike resp

Share in India's demat account at 12% and share in NSE active clients at 13.1%. Share in retail equity turnover 22.8%, up 124 bps QoQ

Average revenue per client is INR 427 from 414 QoQ. Started mutual funds on super app, current monthly unique SIP count at 41k

Revenue Spilt - Gross Broking: Interest: Depository: Distribution: Ancillary Transaction charges: Other Income at 70%:16%:2%:1%:9%:1%.

Business continues to be heavily reliant on broking revenue, more specifically F&O segment

Broking revenue mix - F&O:cash:Commodity: Currency at 87%:8%:4%:1%

Client funding book size for Q4 at 1,153 Cr from 1,652 Cr YoY

Cost to net income for FY23 at 48% from 54% YoY, improvement due to 68% of the cost being variable cost

Retail ADTO market share has improved in F&O and commodity on a YoY basis but saw impact on cash market share

Client acquisition slows down, lower 12% YoY; client base at 1.38 Cr higher by 50% YoY. Number of orders higher 25% in Q4, share in incremental demat accounts opened in Q4 across industry at ~21%

93% of new customers from Tier 2 and beyond cities, average age of client at 29 years

Operating leverage can be massive over the years as ongoing costs are much lower than CAC

Total demat account count at 11.4 Cr, NSE active customers at 3.3 Cr as of March 2023. Top 5 broker share at 60% from 47% in FY21

Upstreaming of client funds as per SEBI circular would stretch working capital by 700 Cr, incremental cost of 50 Cr for FY24

Angel One continues to impress on customer acquisition and technology leadership, customer LTV to CAC over 3 years at 7x+. Super app capex so far has been 30 Cr

The next product launch will be distribution of unsecured retail loans through the platform, no balance sheet risk. AMC launch will take atleast 6-7 Q's from here. Insurance distribution will be institutionalized over time

IIFL Sec	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	402	347	342	16%	18%	1,352	1,295	4%
Gross Profit								
Gross Margin(%)								
EBITDA	152	140	121	9%	26%	483	568	-15%
EBITDA Margin (%)	38%	40%	35%			36%	44%	
PBT	119	105	85	13%	40%	341	402	-15%
PBT Margin (%)	30%	30%	25%			25%	31%	
PAT	86	79	65	9%	32%	250	306	-18%
PAT Margin(%)	21%	23%	19%			18%	24%	

Custody assets and Financial Product Distribution (FPD) at 1.05 lakh Cr and 19,600 Cr

FPD AUM split - Mutual Fund:PMS:Loan:AF:Bonds:FD: others are 35%:8%:2%:16%:19%:16%:4%

Revenue split for FY23- Brokerage;FPD revenue is 470 Cr and 244 Cr

ADTO in cash and F&O turnover at 1,500 Cr and 1.94 lakh Cr, cash turnover consolidating in a range due to weak market sentiments

Company saw ~1.8x growth in life insurance premiums to 280 Cr for FY23, healthy growth in non-life insurance products as well  
MTF book at 595 Cr, active client base at 4.8 lakh, 49k customers acquired in Q4. Client addition has slowed in FY23 due to management focus on acquiring affluent client base compared to retail client base

MF AUM at 6,850 Cr, SIP AUM up 20% YoY to 1,810 Cr at 1.5 lakh SIP a month

Investment banking revenue at 128 Cr from 150 Cr YoY due to muted capital raising sentiments

Within broking retail and institutional split is 60:40, MTF facility is used by ~25k customers out of 4.8 lakh clients

Management believes that impact of TER cut could be in the range of 25-35 bps for large AMC, AMCs are very likely to pass on the bulk of the hit to distributors. Broking subsumed within TER is likely to hit the institutional broking revenue for IIFL Sec

Float income going out of brokers bucket may see a hike in broking charges for the first time in many years, small outfits may find it very difficult to absorb this hit. IIFL Sec is transferring its retail broking for small customers to 5paisa, ~1.5 lakh accounts

Management also plans to see 30% of the current real estate space owned, ~2 lakh Sq ft to be sold across cities

Motilal Oswal	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	1,027	1,051	1,074	-2%	-4%	4,177	4,298	-3%
Gross Profit								
Gross Margin(%)								
EBITDA	450	494	493	-9%	-9%	1,896	2,142	-11%
EBITDA Margin (%)	44%	47%	46%			45%	50%	
PBT	247	370	307	-33%	-20%	1,242	1,616	-23%
PBT Margin (%)	24%	35%	29%			30%	38%	
PAT	166	303	227	-45%	-27%	935	1,310	-29%
PAT Margin(%)	16%	29%	21%			22%	30%	

NSE active clients at 8.05 lakh, total broking client base at 35 lakh. 6.5 lakh acquired in FY23, CAC of INR 2,500, activation rate of 26%  
AUM for AMC, wealth management and PE at 45,600 Cr, 52,000 Cr and 10,300 Cr with a net yield of 0.77%,0.51% and 1.72% for FY23  
Average yield for FY23 at 0.75% due to an all equity book

Distribution assets at 21,300 Cr at yield of 1.04% for Q4 FY23, yield of 0.63% for FY23. Added 1100+ franchises in FY23, total at 8033  
HFC loan and MTF book stand at 3,800 crs and 3,910 crs with NIM of 8.2% and 5.4% for Q4FY23; FY23 NIM at 8.2% and 6% resp

F&O market share up 120bps to 3.9% for FY23. ADTO for cash and F&O at 1,900 crs and 3.2 lakh Cr

AMC scheme performance has been good, gross sales has been high in FY23 though AUM has been stagnant for almost 2 years now. MF  
AUM at 29,560 Cr and alternate AUM at 15,800 Cr. PMS performance has been sub par over most time horizons

HFC - yield at 13.9% with CoF of 8%, expects CoF to increase with an increase in yield, NIM likely to stabilize around 7.5%

Business has been struggling to grow on all capital market related fronts with the exception of wealth book which is up 2x over 4 years  
HFC loan book has had multiple issues on credit quality in the past. Disbursement in FY23 at 1,000 Cr from 640 Cr YoY. GNPA at 1.1% and NNPA at 0.5% for FY23, steep improvement since FY21

Proprietary book (4,630 Cr) makes the yearly P&L look volatile due to MTM impact. Depository AUM at 1.94 lakh Cr flat YoY

Insurance premium for FY23 at 120 Cr, up 120% YoY. Strong traction on digital front, app downloads 9.3 Mn in FY23 from 5.8 Mn YoY  
MTF book is spread across 8,000 customers with average being 0.5-1 Cr per active customers; largely a HNI clientele

Business trades at 9,300 Cr with core operating business valued at ~4,700 Cr

360 ONE WAM Ltd	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	480	447	518	7%	-7%	1,975	2,072	-5%
Gross Profit								
Gross Margin(%)								
EBITDA	321	319	342	1%	-6%	1,297	1,163	12%
EBITDA Margin (%)	67%	71%	66%			66%	56%	
PBT	200	214	223	-7%	-10%	850	751	13%
PBT Margin (%)	42%	48%	43%			43%	36%	
PAT	155	165	172	-6%	-10%	658	578	14%
PAT Margin(%)	32%	37%	33%			33%	28%	

Annual Recurring revenue (ARR) AUM at 1.67 lakh Cr, Transaction based Revenue Assets at 1.07 lakh Cr and custody AUM of 66,000 Cr  
 AMC AUM at 58,000 Cr cross MF, PMS & AIF. Pure wealth ARR AUM at 1.09 lakh Cr

Total AUM stands at 3.41 lakh Cr with net flows of 28,000 Cr. Clear slowdown in Q4 inflows QoQ. Lending book at ~5,300 Cr  
 FY23 Cost-income ratio at 45.8% from 51.1% for FY22, expected to be in the range of 42-44% in the coming years

Yield to AUA on ARR AUM at 70 bps, AMC yield at 0.69 bps; overall yield at 69 bps

Guided net flows of 40,000 Cr in FY24 at yield of 78 bps on ARR business, overall PAT estimate of ~800 Cr

Presence across 25 cities as of date, to go up to 40 cities over the next couple of years including Dubai & Singapore

50 Cr+ AUA families more demanding to acquire & service, yield to be in the range of 45-50 bps in this segment, 10 - 50 Cr segment unit economics might be more favorable. Management to run a pilot for this segment and test things out in FY24

Business mix might balance out the expected reduction in MF TER, AIF & PMS work at higher retention yield across the industry

Looking to expand the span of control for each RM from 25 clients to 50, technology spend to be 200 Cr over 3 years to automate and lighten the RM workload as much as possible

TAM for wealth management - 8 lakh Cr on mutual funds, 4.5 lakh Cr on AIF, 2.3 lakh Cr on listed equity PMS