

08 August 2024

India | Equity Research | Q1FY25 results review

Motilal Oswal Financial Services

Financial Services

Execution is backing macro tailwinds; still favourably placed in terms of valuations

Motilal Oswal Financial Services (MOSL) has been benefitting from the tailwinds in the capital markets space, evident from EBITDA ex-treasury income rising from INR 2.6bn in Q1FY23 to INR 3.4bn in Q1FY24 and INR 4.8bn in Q1FY25. This is well backed by better execution, demonstrated by the 320bps/250bps YoY improvement in cash/option market share, 36% YoY increase in broking lending book, 37.2% YoY increase in wealth management RM count, 21bps/20bps increase in equity/SIP market share in AMC and 9.3% increase in HFC Loan book with 20bps improvement in RoA over the last two years (FY22-FY24). We arrive at a TP of INR 703 using the SoTP-based valuation methodology. Inclusion of holding company discount in the SoTP provides additional comfort in terms of valuation. Risks include deceleration in the capital market momentum. At current price, MOSL is trading at ~14x of our estimated sum of FY26E segmental PATs ex of Treasury segment.

Maintain BUY

We maintain **BUY** for MOSL with a revised TP of INR 703 (earlier INR 395 [adjusted for 1:4 bonus]) based on FY26E SoTP-based valuations basis multiples of 15x/28x/28x/15x P/E on a two-year-forward PAT for capital markets (IB+IE)/(AMC+PE)/PWM/wealth management and a 1.2x two-year-forward P/B for the HFC segment. We value treasury AUM on a 1x-basis as on date (same as in past). Our change in target price from INR 395 to INR 703 includes the impact of capital charge now included in segmental revenue which was earlier part of treasury segment income.

Transition from broking to wealth management

MOSL has started transitioning from broking and distribution business towards wealth management with strategic objectives of enhancing client relationships, building deeper and more meaningful connections that position MOSL as trusted advisors and offering comprehensive financial solutions that extend beyond broking and align with clients' aspirations for wealth creation and reservation. As per management, investors today are more informed and seek more than just transactional services. Investors now demand personalised investment advice that considers their long-term financial goals. This shift in investor and consumer behaviour signifies MOSL's move towards deeper engagement in financial planning, which includes diverse asset classes and effective risk management. The transition to wealth management is not just a change in nomenclature, but a strategic evolution for the company.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Total Revenue	41,971	71,305	89,159	1,00,303
Core EBITDA (post int. exp.)	13,434	31,684	41,221	45,931
EPS (INR)	15.8	41.0	50.0	55.8
% change YoY	-	159.8	22.0	11.6
P/E (x)	38.7	14.9	12.2	10.9
P/BV (x)	5.8	4.2	3.0	2.3
PWM AAR yield (bps)	75.23	73.08	53.42	52.87
AMC PE yields (bps)	85.99	88.60	74.96	75.00
WM ARR yields (%)	3.50	3.86	4.17	4.40
HFC RoE	11.6	10.6	10.7	10.6

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Market Data

Market Cap (INR)	364bn
Market Cap (USD)	4,338mn
Bloomberg Code	MOFS IN
Reuters Code	MOFS.BO
52-week Range (INR)	722 /209
Free Float (%)	24.0
ADTV-3M (mn) (USD)	8.2

Price Performance (%)	3m	6m	12m
Absolute	2.5	36.5	182.8
Relative to Sensex	(5.7)	25.2	162.1

Previous Reports

08-01-2024: [Company update](#)

12-10-2023: [Company update](#)

Capital markets segment – key highlights

The capital markets segment for MOSL is now broken into two segments – investment banking and institutional equities (capital markets). Separately, MOSL operate its retail broking and distribution businesses under wealth management.

Retail broking and distribution (wealth management)

- MOSL's wealth management segment has a strong blend of 2,000+ internal relationship managers and 8,800-plus external wealth managers.
- Retail cash market share increased 60bps on a QoQ-basis to 8% while F&O premium market share increased 150bps QoQ to 9.5% in Q1FY25.
- Cash ADTV for Q1FY25 stood at INR 59bn vs. INR 36bn in Q4FY24 while F&O premium ADTO stood at INR 76bn in Q1FY25 vs. INR 48bn in Q4FY24.
- NSE active clients increased from 0.88mn in Q4FY24 to 0.92mn in Q1FY25.
- Brokerage ARPU increased 11.8% on a QoQ-basis from INR 24k in Q4FY24 to INR 26k in Q1FY25.
- Wealth management segment reported a total net revenue of INR 5.3bn in Q1FY25 vs. INR 5.6bn in Q4FY24. PAT for the segment declined 16% QoQ to INR 1.8bn vs. INR 2.1bn in Q4FY24.
- We estimate cash volumes to grow at a faster pace than F&O volumes due to a regulatory overhang in the F&O segment. We estimate cash ADTO to be INR 60.2bn/INR 69.3bn in FY25/FY26E while F&O premium ADTO to be INR 74.5bn/INR 84.3bn in FY25/FY26E. We estimate net revenues to be INR 21.9bn/23.6bn in FY25/FY26E vs. INR 17.8bn in FY24 and INR 5.3bn in Q1FY25. We estimate segmental PAT at INR 7.3bn/INR 7.9bn in FY25/FY26E vs. INR 6.1bn in FY24 and INR 1.4bn in Q1FY25.

Investment banking and institutional equities (capital markets)

- MOSL's capital markets segment has a strong team of 50-plus employees catering to 850-plus institutional clients. This segment has a new leadership team in place, which aims to improve MOSL's share in the IB league table.
- MOSL completed seven IB deals with a total issue size of INR 53.7bn during Q1FY25. MOSL ranked first in the QIP League Table in Q1FY25.
- Capital markets segment reported a total net revenue of INR 1.4bn in Q1FY25 vs. INR 0.9bn in Q4FY24. PAT for the segment increased 22% QoQ to INR 574mn vs. INR 472mn in Q4FY24.
- We estimate net revenues to be INR 5.3bn/6.1bn in FY25/FY26E vs. INR 4.4bn in FY24 and INR 1.3bn in Q1FY25. We estimate segmental PAT to be INR 2.3bn/INR 2.6bn in FY25/26E vs. INR 1.9bn in FY24 and INR 0.6bn in Q1FY25.

Private wealth management – key highlights

- The private wealth management (PWM) segment of MOSL focuses on catering to the UHNI clients with a net worth of more than INR 250mn. PWM has an integrated platform with solutions offerings from across asset management, lending, investment banking and institutional equities.
- MOSL has a team of 576 RMs with 26% of these RMs having three-plus years of vintage.
- ARR assets of the PWM segment increased 17% on a QoQ-basis to INR 273bn vs. INR 233bn in Q4FY24.
- Total number of families in PWM increased to 13.3k in Q1FY25 vs. 11.9k in Q4FY24.

- PWM reported total net revenue of INR 1,859mn in Q1FY25 vs. INR 2,840mn in Q4FY24. PAT for the segment decreased 26% QoQ to INR 598mn vs. INR 804mn in Q4FY24.
- We estimate total PWM ARR assets to increase by 20.6% in 9MFY25E to INR 329bn and 19% in FY26E to INR 392trn. We estimate net revenues to be INR 9.3bn/11.7bn vs. INR 7.1bn in FY24 and INR 1.9bn in Q1FY25. We estimate segmental PAT to be INR 3.3bn/INR 4.2bn in FY25/FY26E vs. INR 2.5bn in FY24 and 0.6bn in Q1FY25. We expect the benefit of strong RM addition to be visible in FY25E and FY26E; hence, we factor in higher growth in PAT (31% YoY in FY25E and 25% in FY26E).

Asset management and private equity – key highlights

- Total MF AUM for MOSL increased 26% QoQ to INR 613bn in Q1FY25 while PMS + AIF AUM for MOSL increased 14% QoQ to INR 262trn.
- PE/RE AUM increased 6% QoQ to INR 106bn. 6th MOSL's Real Estate Fund raised INR 15bn and a final close is expected in Q2FY25.
- Out of the 11 strategies in MF + PMS + AIF, ten strategies outperformed their benchmarks on a one-year return basis, as on 30 Jun'24. This constitutes 97% of total AUM.
- SIP market share increased from 1.7% in Q4FY24 to 1.9% in Q1FY25. MF net sales market share increased from 2.3% in Q4FY24 to 2.8% in Q1FY25.
- MOSL's mid-cap fund, Motilal Oswal Midcap Fund (AUM of INR 117bn) gave a one-year return of 64.8% on a one-year basis in Jun'24. Its performance rank for the mentioned period among 29 large-cap funds stood at fourth (vs. third in Dec'23). MOSL's flexi-cap fund, Motilal Oswal Flexi Cap Fund (AUM of INR 107bn) reported a one-year return of 56.4% on a one-year-basis in Jun'24. Its performance rank for the mentioned period, amongst 34 flexi-cap funds, stood at fourth (vs. fourth in Mar'24). MOSL's ELSS fund, Motilal Oswal ELSS Tax Saver Fund (AUM of INR 36bn) gave a one-year return of 59.2% on a one-year-basis in Jun'24. Its performance rank for the mentioned period amongst 40 ELSS funds stood first (vs. fourth in Mar'24). MOSL's Large & Mid cap fund, Motilal Oswal Focused Fund-Reg (AUM of INR 47bn) gave a one-year return of 28.7% on a one-year basis in Jun'24. Its performance rank for the mentioned period amongst 28 large & mid cap funds was 24 (vs. 24th in Mar'24)
- This segment reported a total net revenue of INR 2,005mn in Q1FY25 vs. INR 2,534mn in Q4FY24. PAT for the segment decreased 25% QoQ to INR 975mn vs. INR 1,302mn in Q4FY24.
- We estimate total AMC + PE/RE ARR assets to increase by 21.2% in 9MFY25E to INR 1.2trn and 18.5% in FY26E to INR 1.4trn. We expect ARR yields to be 0.75%/0.75% in FY25/FY26E vs. 0.76% in Q1FY25. We estimate net revenues to be INR 8.9bn/11.1bn in FY25/FY26E vs. INR 7.4bn in FY24 and INR 2bn in Q1FY25. We estimate segmental PAT to be INR 4.2bn/INR 5.2bn in FY25/FY26E vs. INR 3.6bn in FY24 and INR 0.98bn in Q1FY25.

Housing finance – key highlights

- Disbursements of home loans in Q1FY25 declined 47% QoQ to INR 2.5bn. AUM remained flat in Q1FY25 at INR 41bn. Collection efficiency ratio also declined from 132.7% in Q4FY24 to 122.2% in Q1FY25.
- Net interest income increased 5.2% QoQ to INR 823mn in Q1FY25 vs. INR 783mn in Q4FY24. Reported NIMs increased in Q1FY25, from 7.09% in Q4FY24 to 7.3% in Q1FY25.
- Segment's PAT slipped 12.4% QoQ to INR 275mn vs. INR 314mn in Q4FY24.

- We estimate total loan book to increase by 13.8% in 9MFY25E to INR 46.6bn and 18% in FY26E to INR 54.9bn. We estimate net interest income to be INR 2.8bn / 3.1bn in FY25/26E vs INR 3.2bn in FY24 and INR 0.82bn in Q1FY25. We estimate segmental PAT to be INR 1.5bn / INR 1.6bn in FY25/26E vs INR 1.3bn in FY24 and INR 0.27bn in Q1FY25.

Treasury – key highlights

- Treasury segment has given a healthy return at 19.6% XIRR since inception.
- The main objective of this segment is to help absorb shocks in an uncertain environment, and grab new opportunities while fostering existing business.
- This segment reported total net revenue of INR 6,160mn in Q1FY25 vs. INR 4,064mn in Q4FY24. PAT for the segment stood at INR 5,897mn in Q1FY25 vs. INR 1,301mn in Q4FY24.

Consolidated summary

- On a consolidated level, MOSL reported total revenue of INR 23.2bn in Q1FY25 vs. INR 21.5bn in Q4FY24. Consolidated PAT for MOSL stood at INR 8.8bn in Q1FY25 vs. INR 7.3bn in Q4FY24. Core PAT (adjusted for treasury income) for MOSL stood at INR 3.7bn in Q1FY25 vs. INR 4.1bn in Q4FY24.
- We estimate total revenue on a consolidated level (adjusted for inter-company adjustments) to be INR 89bn/INR 105bn in FY25E/FY26E vs INR 71.3bn in FY24 and INR 23.1bn in Q1FY25. We estimate consolidated PAT for MOSL to be INR 29.8bn/INR 33.3bn in FY25E/FY26E vs. INR 24.5bn in FY24 and INR 8.8bn in Q1FY25 while core PAT (adjusted for treasury income) to be INR 14.3bn/INR 16.7bn in FY25E/FY26E vs. INR 12.7bn in FY24 and INR 3.7bn in Q1FY25.

Valuation

Methodology: Implied holding discount = Market cap – Implied total valuation. Implied valuation is based on SOTP methodology. We assign a multiple of 15/28/28/15 times P/E on two-year-forward PAT for capital markets (IB IE)/AMC + PE/PWM/wealth management. In the AMC + PE segment, we add an additional INR 10bn of PV of carry income to total value as well. We assign a 1.2 times two-year-forward P/B for the affordable housing lending HFC segment. We value the treasury AUM on 1 times-basis as on date (this has been done historically as well).

Basis this methodology we arrive at a TP of INR 703 per share.

Exhibit 1: SoTP-based valuation

Business	Base	FY26E	Multiple	Holding discount	FY26E	Value/share (FY26)	% Share
Capital Market (IE IB)	FY26 PAT	2,594	15	20%	31,126	52	7.4%
AMC + PE	FY26 PAT	5,214	28	20%	1,26,798	212	30.2%
PWM	FY26 PAT	4,112	28	20%	92,115	154	21.9%
Wealth 4gmt.. (Brok)	FY26 PAT	7,948	15	20%	95,374	160	22.7%
HFC	FY26 Book value	15,965	1.2	20%	15,326	26	3.7%
Treasury	Q1FY25 AUM		1	20%	59,068	99	14.1%
Total					4,19,809	703	
NOSH					597		
CMP						610	
Upside						15.3%	

Source: I-Sec research, Company data

Note: In the AMC + PE segment additional INR 10bn of PV of carry income is added to total value.

Exhibit 2: Segment wise Annual Summary

INR (Mn)	FY23	FY24	FY25E	FY26E
Wealth Management				
Total Net Revenue	13,805	17,857	21,744	23,612
ARR Revenue	5,298	7,253	10,011	12,380
TBR Revenue	8,475	10,619	11,733	11,232
PBT	6,108	8,120	9,785	10,625
PBT Margin	44.25%	45.47%	45.00%	45.00%
PAT	4,642	6,131	7,319	7,948
ARR AUM	1,55,870	2,19,853	2,60,313	3,02,602
TBR AUM	10,95,525	17,97,578	20,18,661	22,24,558
ARR Revenue Yields	3.50%	3.86%	4.17%	4.40%
TBR Revenue Yields	0.72%	0.73%	0.61%	0.53%
Cash ADTV	22,504	35,455	60,273	69,314
F&O premium ADTV	-	48,183	74,509	84,796
Capital Markets (IE + IB)				
Total Net Revenue	2,313	4,350	5,300	6,084
PBT	1,100	2,632	3,074	3,468
PBT Margin	47.58%	60.50%	58.00%	57.00%
PAT	824	1,965	2,299	2,594
Private Wealth Management				
Total Net Revenue	5,067	7,060	9,328	11,697
PBT	2,510	3,370	4,384	5,498
PBT Margin	49.53%	47.73%	47.00%	47.00%
PAT	1,864	2,505	3,279	4,112
ARR AUM	1,67,103	2,33,467	3,29,230	3,92,401
TBR AUM	5,54,231	10,06,222	12,48,805	14,73,590
ARR Revenue Yields	1.61%	1.69%	1.55%	1.59%
TBR Revenue Yields	0.38%	0.33%	0.33%	0.33%
AMC + PE				
Total Net Revenue	5,931	7,416	8,976	11,065
PBT	3,609	4,707	5,655	6,971
PBT Margin	60.85%	63.48%	63.00%	63.00%
PAT	2,654	3,567	4,230	5,214
ARR AUM	5,58,984	8,18,581	11,90,913	14,11,565
ARR Revenue Yields	0.86%	0.89%	0.75%	0.75%
HFC				
Net Interest Income (NII)	2,961	3,122	2,812	3,062
PBT	1,756	1,713	1,933	2,131
PBT Margin	56.02%	50.58%	48.47%	48.36%
PAT	1,333	1,292	1,458	1,607
Loan Book/AUM (INR mn)	38,080	40,484	46,635	54,938
Disbursement INR (mn)	10,067	10,170	16,272	22,293
Interest Income Yields (Reported)	13.85%	14.22%	14.00%	14.00%
NIM Reported	7.60%	7.60%	6.46%	6.03%
Cost of Funds Reported	7.96%	8.33%	9.00%	8.90%
Opex to AUM	3.12%	3.84%	3.61%	3.50%
Treasury				
Revenue	1,386	14,510	20,685	22,128
PAT	-1,824	9,059	16,469	16,952
AUM	47,890	66,780	80,967	96,060
Consolidated				
Total Revenue	41,971	71,305	89,159	1,00,303
EBITDA	13,434	31,684	41,221	45,931
Margin	29.76%	42.08%	43.01%	42.49%
PAT	9,328	24,456	29,837	33,307
Core PAT	8,288	12,752	14,323	16,710

Source: I-Sec research, Company data

Exhibit 3: Segment wise Quarterly summary for MOFSL

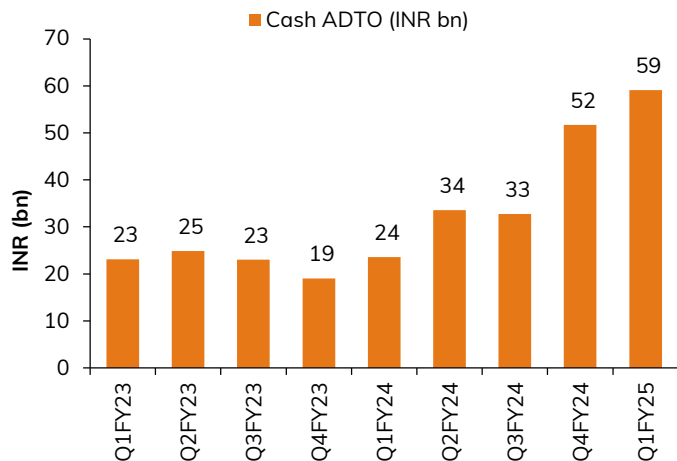
INR (Mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Wealth Management					
Total Net Revenue	3,745	4,170	4,371	5,572	5,304
ARR Revenue	1,477	1,740	1,838	2,199	2,175
TBR Revenue	2,268	2,430	2,533	3,373	3,129
PBT	1,392	1,758	2,197	2,773	2,342
PBT Margin	37.18%	42.16%	50.26%	49.77%	44.16%
PAT	1,051	1,326	1,644	2,110	1,773
ARR AUM	1,57,364	1,78,438	1,96,693	2,19,853	2,50,698
TBR AUM	11,33,411	13,91,050	16,45,467	17,97,578	24,00,435
ARR Revenue Yields	3.77%	4.15%	3.92%	4.22%	3.70%
TBR Revenue Yields	0.81%	0.77%	0.67%	0.78%	0.60%
Cash ADTV	23,556	33,539	32,746	51,667	59,076
F&O premium ADTV	35,145	43,759	47,444	66,049	76,457
Capital Markets (IE + IB)					
Total Net Revenue	1,364	1,128	886	973	1,344
PBT	803	652	540	636	772
PBT Margin	58.90%	57.83%	60.95%	65.44%	57.48%
PAT	600	489	405	471	574
Private Wealth Management					
Total Net Revenue	1,454	1,600	1,726	2,281	1,859
PBT	737	719	822	1,092	813
PBT Margin	50.71%	44.95%	47.59%	47.88%	43.74%
PAT	550	538	613	804	598
ARR AUM	1,80,352	1,97,749	2,11,714	2,33,467	2,73,054
TBR AUM	6,58,887	7,34,907	9,03,918	10,06,222	11,15,004
ARR Revenue Yields	0.00%	0.00%	0.00%	0.00%	0.00%
TBR Revenue Yields	0.34%	0.39%	0.31%	0.31%	0.25%
AMC + PE					
Total Net Revenue	1,483	1,627	1,772	2,534	2,005
PBT	897	1,025	1,110	1,675	1,305
PBT Margin	60.52%	63.00%	62.65%	66.09%	65.08%
PAT	664	771	831	1,302	975
ARR AUM	6,12,618	6,49,182	7,42,415	8,18,581	9,82,197
ARR Revenue Yields	0.84%	0.83%	0.83%	1.09%	0.76%
HFC					
Net Interest Income (NII)	755	780	801	783	823
PBT	380	435	477	419	375
PBT Margin	46.85%	52.20%	54.98%	47.99%	41.32%
PAT	286	328	363	314	275
Loan Book/AUM (INR mn)	37,486	37,299	37,540	40,484	40,980
Disbursement INR (mn)	930	1,971	2,470	4,799	2,525
Interest Income Yields (Reported)	14.48%	14.24%	14.20%	13.99%	14.00%
NIM Reported	7.60%	7.71%	7.74%	7.09%	7.30%
Cost of Funds Reported	8.34%	8.28%	8.30%	8.40%	8.37%
Opex to AUM	3.54%	3.95%	4.04%	4.40%	4.78%
Treasury					
Revenue	3,356	2,952	4,138	4,064	6,160
PAT	2,202	1,782	2,798	2,276	4,509
AUM	52,160	55,590	64,968	66,780	73,835
Consolidated					
Total Revenue	15,304	16,507	17,913	21,582	23,177
EBITDA	6,766	6,855	8,353	9,710	10,954
Margin	41.84%	39.73%	44.05%	42.38%	45.25%
PAT	5,261	5,334	6,615	7,246	8,836
Core PAT	2,485	2,940	3,229	4,079	3,694

Source: I-Sec research, Company data

Capital markets segment

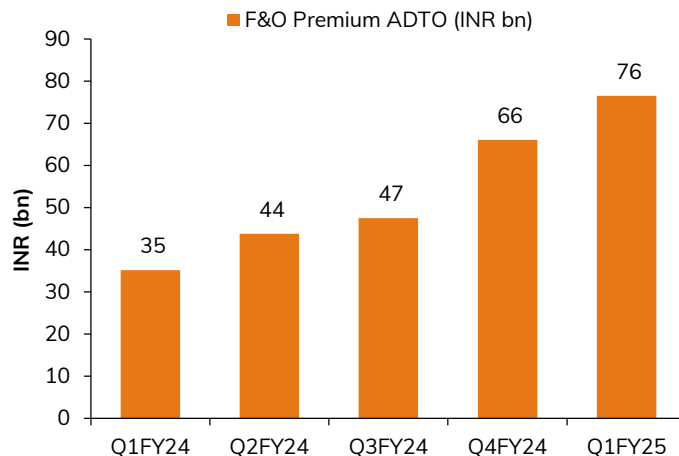
Retail broking and distribution (wealth management)

Exhibit 4: Cash ADTO has witnessed a sharp increase in past 2 quarters



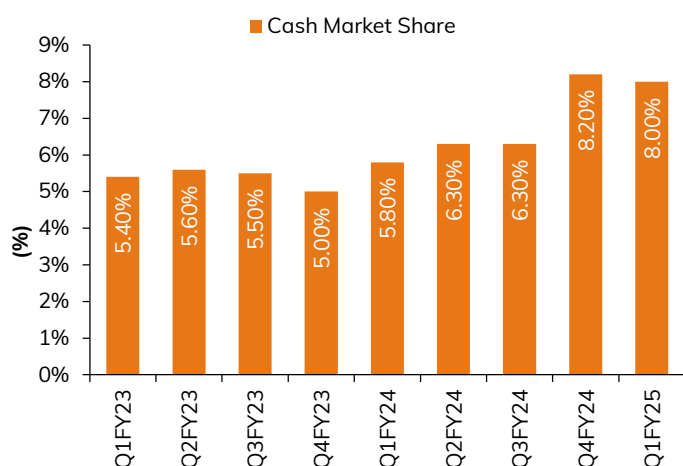
Source: I-Sec research, Company data

Exhibit 5: F&O Premium ADTO has witnessed a sharp increase in past 2 quarters



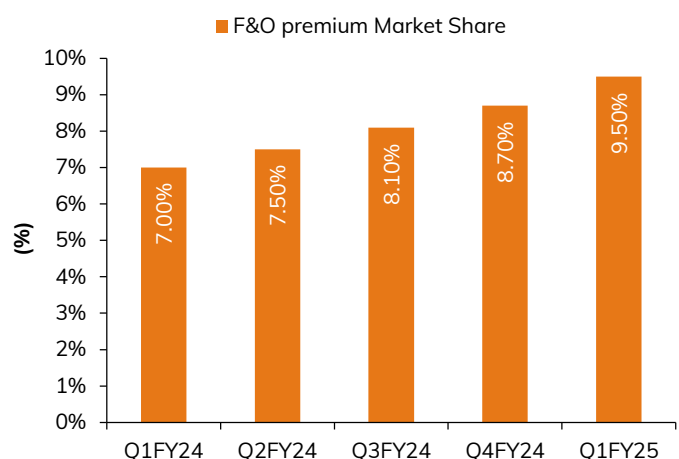
Source: I-Sec research, Company data

Exhibit 6: Cash Market share has been rising for MOFSL



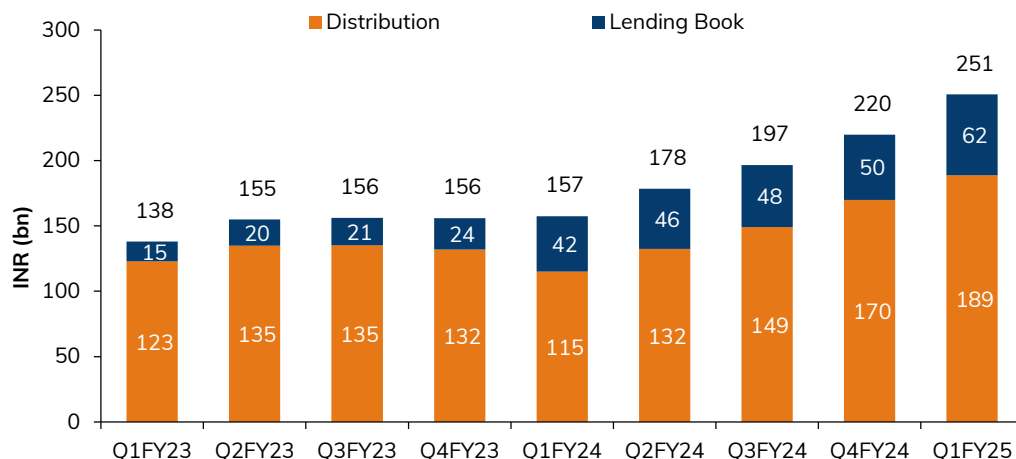
Source: I-Sec research, Company data

Exhibit 7: F&O Premium Market share has been rising for MOFSL

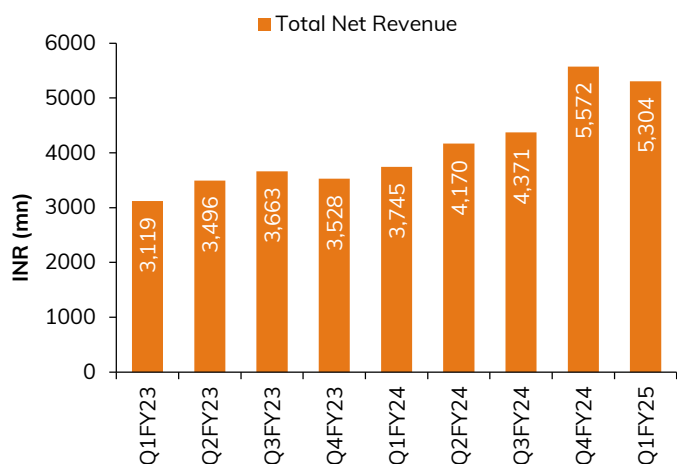


Source: I-Sec research, Company data

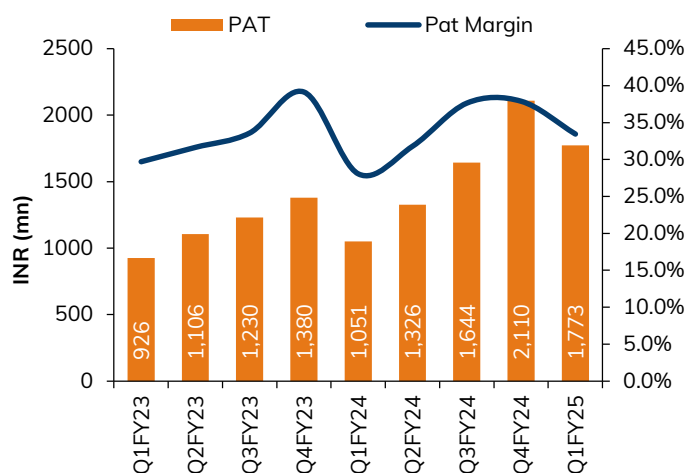
Exhibit 8: Ending ARR AUM trend for Wealth Management Segment



Source: I-Sec research, Company data

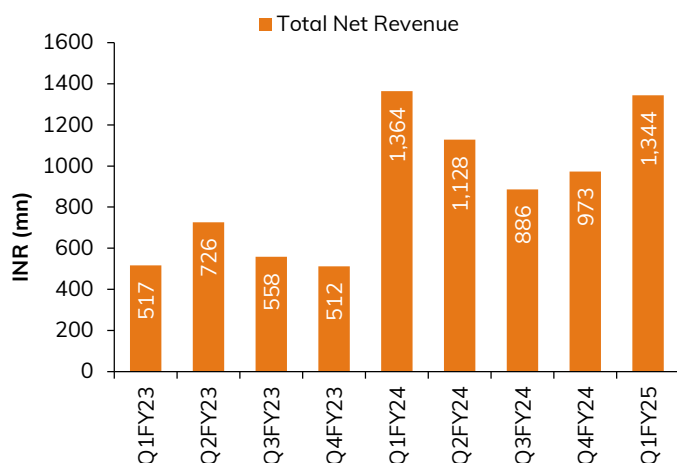
Exhibit 9: Total Net revenue trend for Wealth Management Segment


Source: I-Sec research, Company data

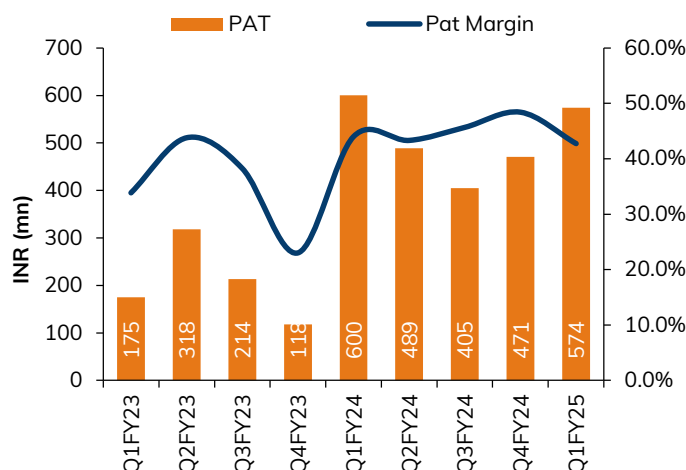
Exhibit 10: PAT trend for Wealth Management Segment


Source: I-Sec research, Company data

Investment banking and institutional equities (capital markets)

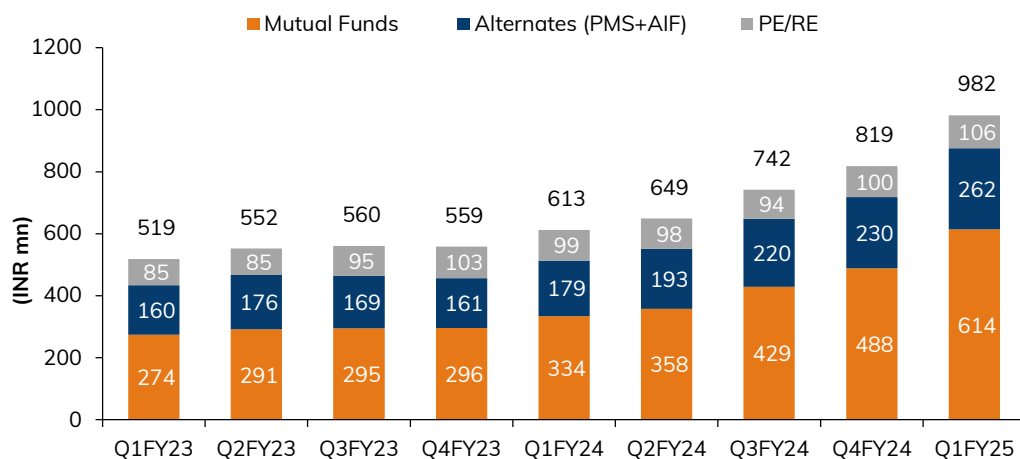
Exhibit 11: Total Net revenue trend for Capital Markets Segment


Source: I-Sec research, Company data

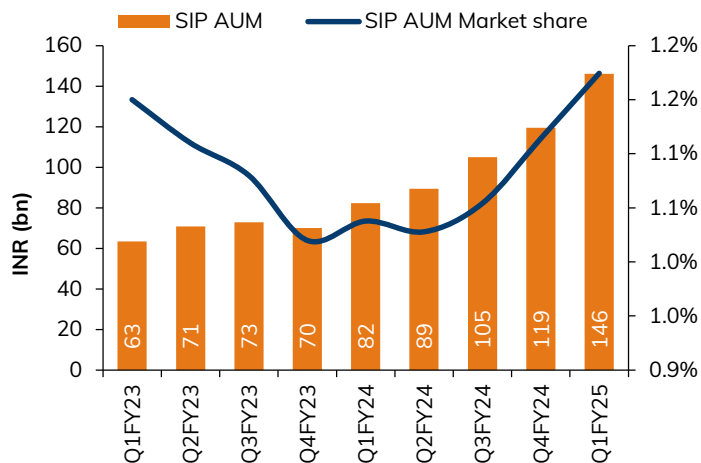
Exhibit 12: Total PAT trend for Capital Markets Segment


Source: I-Sec research, Company data

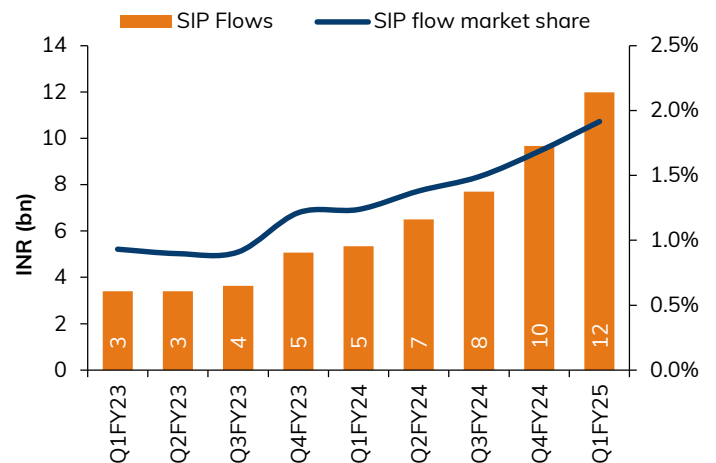
Asset Management + Private Equity

Exhibit 13: Ending ARR AUM trend for AMC + PE segment


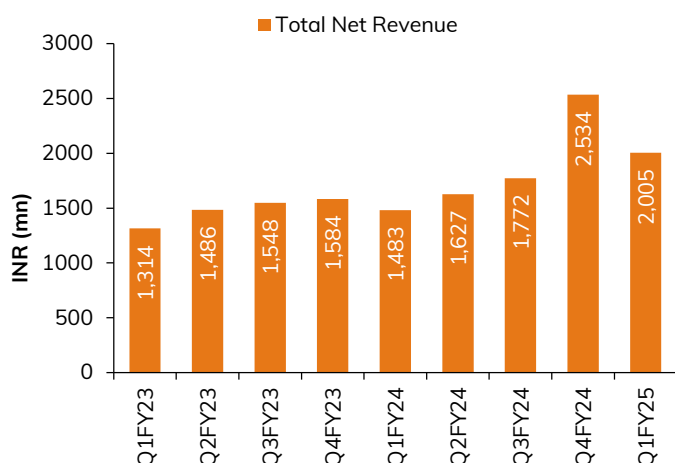
Source: I-Sec research, Company data

Exhibit 14: Total SIP AUM and Market share both are rising for MOFSL


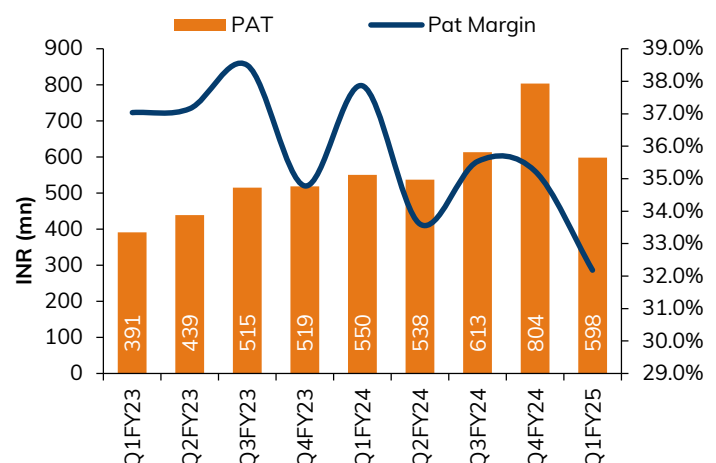
Source: I-Sec research, Company data

Exhibit 15: Total SIP flows AUM and Market share both are rising for MOFSL


Source: I-Sec research, Company data

Exhibit 16: Total Net revenue trend for AMC + PE Segment


Source: I-Sec research, Company data

Exhibit 17: Total PAT trend for AMC + PE Segment


Source: I-Sec research, Company data

Exhibit 18: MOSL's AMC schemes' performance

Type	Fund	AUM (INR bn)	Return (1Yr)	Number of Funds (as on Jun'24)	Rank - Jun-24	Rank - May-24	Rank - Apr-24	Rank - Mar-24	Rank - Dec-23	Rank - Jun23
Equity Linked Savings Scheme	Motilal Oswal ELSS Tax Saver Fund-Reg(G)	36	59.2	42	1	4	2	4	2	1
Flexi Cap Fund	Motilal Oswal Flexi Cap Fund-Reg(G)	107	56.4	38	4	5	4	4	9	19
Focused Fund	Motilal Oswal Focused Fund-Reg(G)	19	28.7	28	24	23	23	24	23	13
Large & Mid Cap	Motilal Oswal Large & Midcap Fund-Reg(G)	47	54.8	29	3	3	3	3	1	1
Mid Cap Fund	Motilal Oswal Midcap Fund-Reg(G)	117	64.8	29	4	13	5	3	5	2

Source: I-Sec research, Company data

Performance Improvement in PMS –

1 year back MOFSL's PMS schemes were under performing benchmark but now are comfortably outperforming

Exhibit 19: Motilal Oswal Ethical Strategy – PMS Scheme performance trend

AUM INR bn	AUM Rs bn	1 YR return	Benchmark	Top Holdings Jun'24	% of holding
Jul-24	0.67	53.69%	38.28%	Bharat Electronics	12.81%
Jun-24	NA	49.14%	34.70%	Siemens	7.02%
Aug-23	0.44	20.51%	11.34%	KEI Industries	6.87%
Jun-23	0.3	13.81%	12.85%	Global Health	6.83%
				CG Power	6.14%

Source: I-Sec research, Company data

Exhibit 20: Motilal Oswal Founders – PMS Scheme performance trend

AUM INR bn	AUM Rs bn	1 YR return	Benchmark	Top Holdings Jul'24	% of holding
Jul-24	14.43	61.68%	38.28%	Kalyan Jewellers	6.44%
Jun-24	Undisclosed	48.63%	34.70%	Zomato	5.97%
Nov-23	Undisclosed	NA	NA	Prestige Estates	5.69%
Aug-23	Undisclosed	NA	NA	Suzlon Energy	4.94%
Jun-23	Undisclosed	NA	NA	Apar	4.86%

Source: I-Sec research, Company data

Exhibit 21: Motilal Oswal Value Migration – PMS Scheme performance trend

AUM INR bn	AUM Rs bn	1 YR return	Benchmark	Top Holdings Jul'24	% of holding
Jul-24	23.88	59.68%	38.28%	Kalyan Jewellers	7.07%
Jun-24	21.92	53.60%	34.70%	Zomato	6.61%
Nov-23	19.51	31.90%	13.44%	Prestige Estates	5.70%
Aug-23	17.74	16.37%	11.34%	Suzlon Energy	5.49%
Jun-23	16.52	11.22%	12.85%	Bharat Electronics	5.16%

Source: I-Sec research, Company data

Exhibit 22: Motilal Oswal BOP – PMS Scheme performance trend

AUM INR bn	AUM Rs bn	1 YR return	Benchmark	Top Holdings Jul'24	% of holding
Jul-24	14.69	40.34%	38.28%	Zomato	6.58%
Jun-24	13.55	34.39%	34.70%	Prestige Estates	5.71%
Nov-23	14.19	28.07%	13.44%	Bharat Electronics	5.25%
Aug-23	13.03	19.84%	11.34%	Kalyan Jewellers	5.04%
Jun-23	11.98	17.47%	12.85%	Apar	4.69%

Source: I-Sec research, Company data

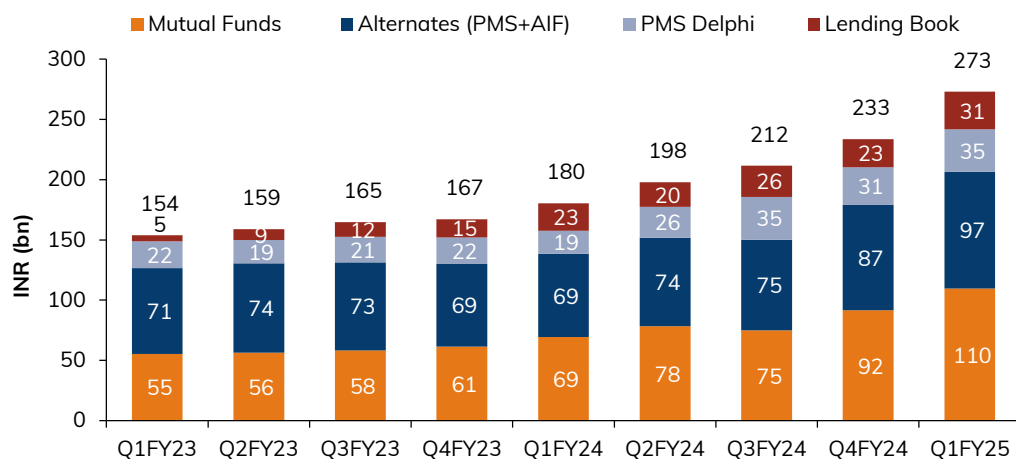
Exhibit 23: Motilal Oswal NTDOP – PMS Scheme performance trend

AUM INR bn	AUM Rs bn	1 YR return	Benchmark	Top Holdings Jul'24	% of holding
Jul-24	62.56	44.67%	38.28%	Piramal	4.98%
Jun-24	58.57	34.62%	34.70%	JSW Energy	4.54%
Nov-23	58.1	17.94%	13.44%	Zomato	4.32%
Aug-23	56.29	4.87%	11.34%	Mahindra & Mahindra	4.07%
Jun-23	61.72	3.18%	12.94%	Bharat Heavy Electronics	3.98%

Source: I-Sec research, Company data

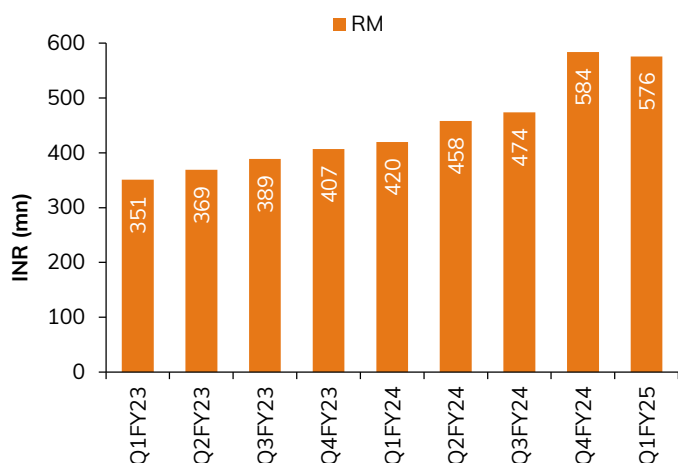
Private Wealth Management

Exhibit 24: Ending ARR AUM trend for Private wealth management Segment



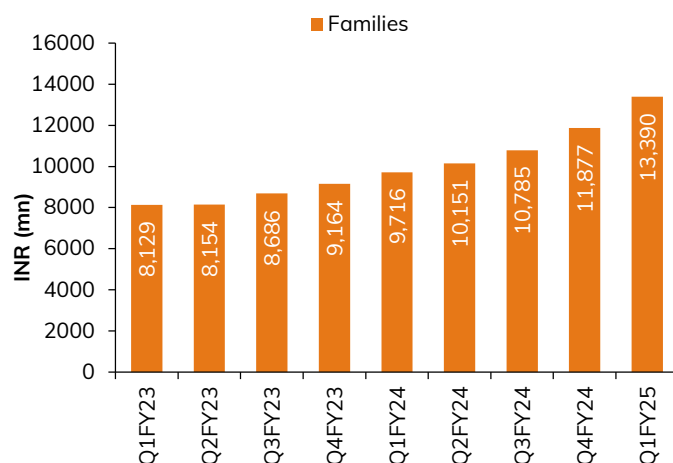
Source: I-Sec research, Company data

Exhibit 25: Total RMs have been increasing for MOFSL



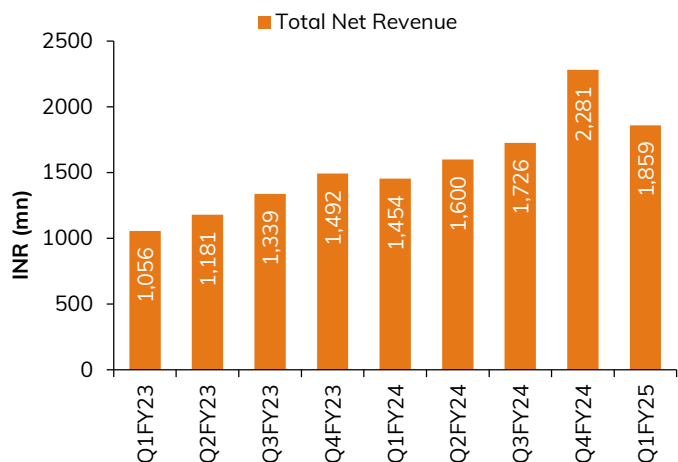
Source: I-Sec research, Company data

Exhibit 26: Total number of families in Private wealth management business



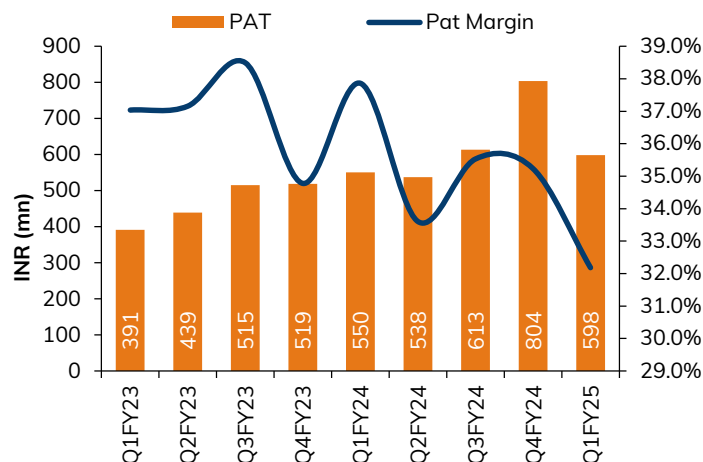
Source: I-Sec research, Company data

Exhibit 27: Total Net revenue trend for Private wealth management Segment



Source: I-Sec research, Company data

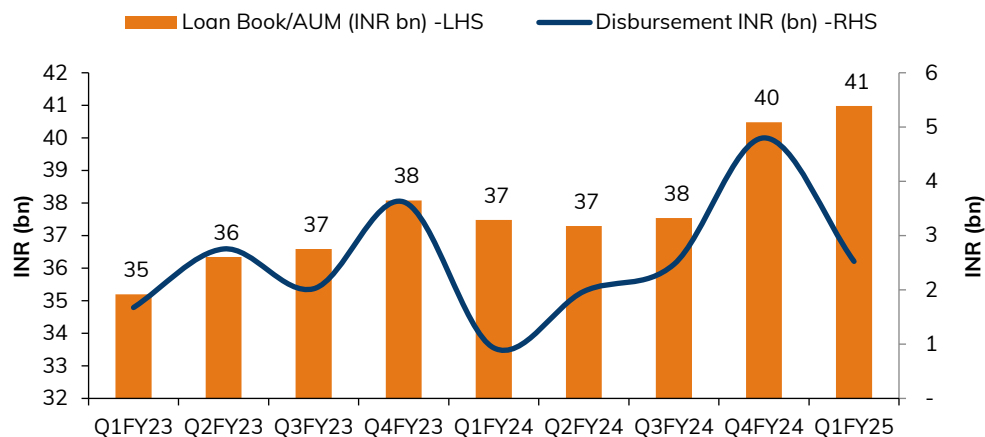
Exhibit 28: PAT trend for Private wealth management Segment



Source: I-Sec research, Company data

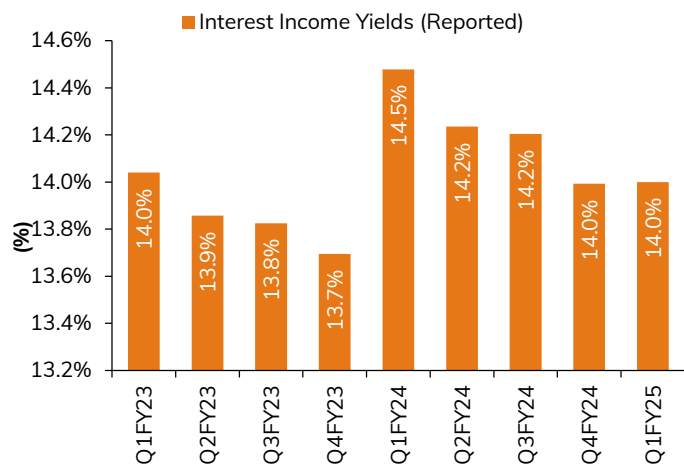
Housing Finance

Exhibit 29: HFC Loan book and Disbursement trend



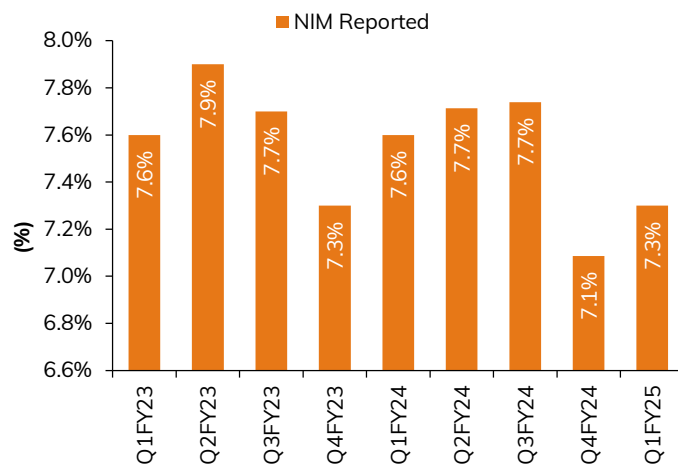
Source: I-Sec research, Company data

Exhibit 30: Reported Interest income yield trends



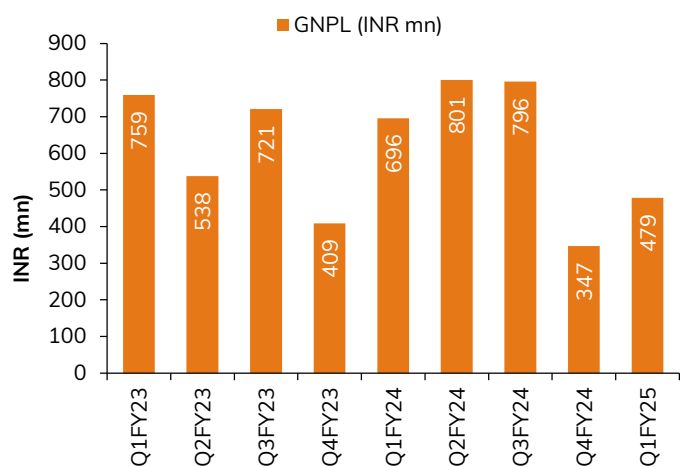
Source: I-Sec research, Company data

Exhibit 31: Reported NIMs yield trends



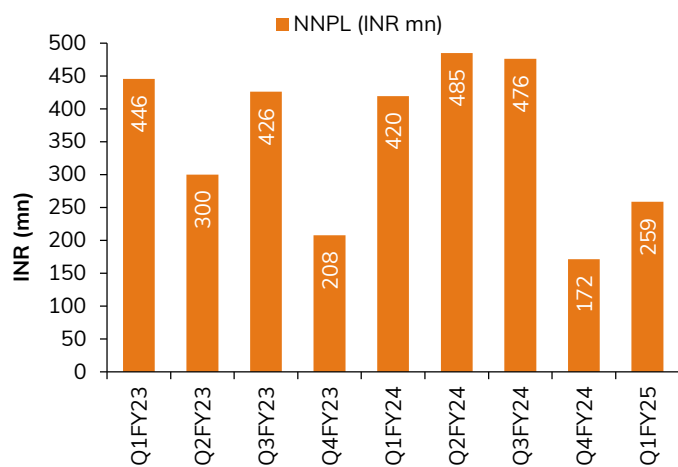
Source: I-Sec research, Company data

Exhibit 32: Reported GNPL trends

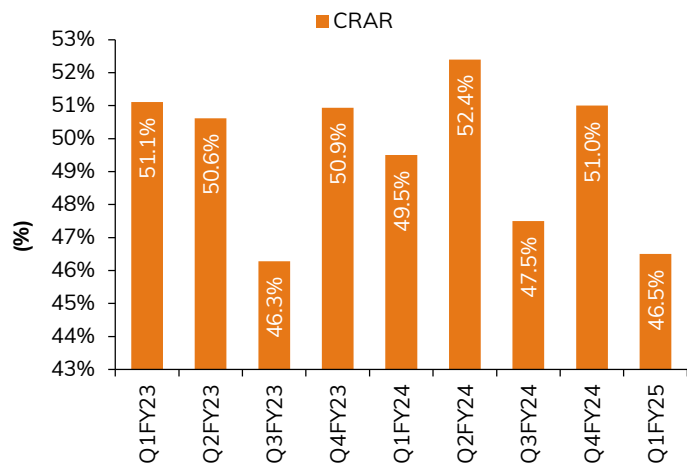


Source: I-Sec research, Company data

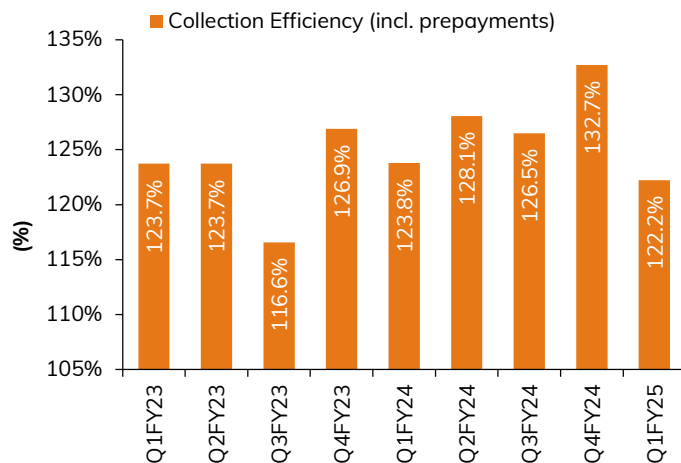
Exhibit 33: Reported NNPL trends



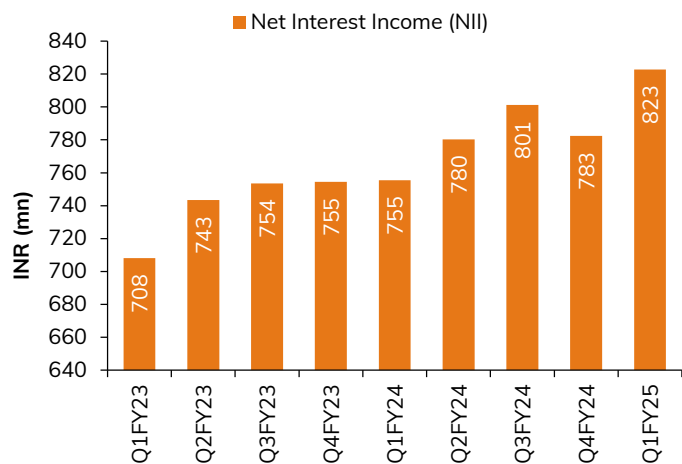
Source: I-Sec research, Company data

Exhibit 34: Reported CRAR trends


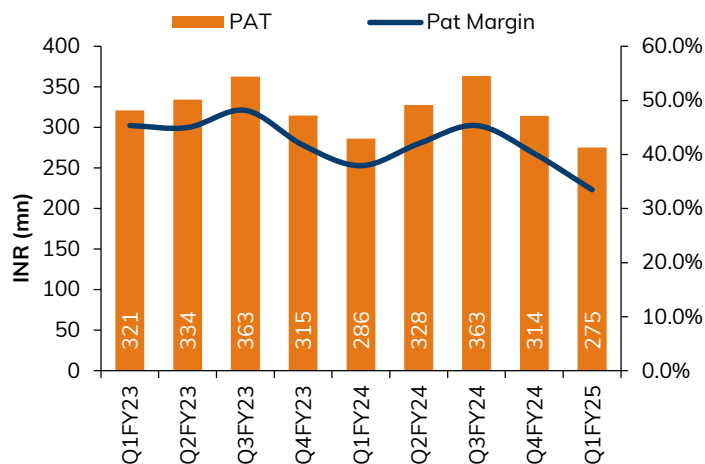
Source: I-Sec research, Company data

Exhibit 35: Reported collection efficiency trends


Source: I-Sec research, Company data

Exhibit 36: Total Net interest income trend for HFC Segment


Source: I-Sec research, Company data

Exhibit 37: PAT trend for HFC Segment


Source: I-Sec research, Company data

Exhibit 38: Shareholding pattern

%	Dec'23	Mar'24	Jun'24
Promoters	69.4	69.2	69.0
Institutional investors	13.2	13.7	12.6
MFs and others	6.4	6.5	5.6
FIs/Banks	0.4	0.4	0.4
Insurance	0.1	0.1	0.2
FIIIs	6.5	6.7	6.5
Others	17.4	17.2	18.4

Source: Bloomberg

Exhibit 39: Price chart


Source: Bloomberg

Financial Summary

Exhibit 40: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Revenue	26,418	48,266	62,258	70,405
Operating Expenses	12,983	16,582	21,037	24,473
EBITDA	13,434	31,684	41,221	45,931
EBITDA Margin (%)	29.8	42.1	43.0	42.5
Depreciation & Amortization	1,012	1,366	1,439	1,523
EBIT	12,423	30,319	39,782	44,409
Interest expenditure	-	-	-	-
Other Non-operating Income	-	-	-	-
Recurring PBT	12,423	30,319	39,782	44,409
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	3,094	5,863	9,946	11,102
PAT	9,328	24,456	29,837	33,307
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	9,328	24,456	29,837	33,307
Net Income Adjusted for Fund based Income	8,288	12,752	14,323	16,710

Source Company data, I-Sec research

Exhibit 41: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Total Current Assets	1,73,754	2,43,989	2,57,984	2,72,562
of which cash & cash eqv.	88,369	1,20,713	1,24,663	1,28,190
Total Current Liabilities & Provisions	59,049	87,098	91,453	96,026
Net Current Assets	1,14,705	1,56,891	1,66,531	1,76,536
Investments	47,870	65,007	94,843	1,28,150
Net Fixed Assets	4,265	5,694	6,263	6,889
ROU Assets	-	-	-	-
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	393	339	373	410
Other assets	2,863	2,405	2,645	2,910
Deferred Tax assests	955	859	945	1,040
Total Assets	1,71,050	2,31,194	2,71,601	3,15,935
Liabilities				
Borrowings	1,02,759	1,37,456	1,44,329	1,51,545
Deferred Tax Liability	2,471	3,971	4,170	4,378
provisions	2,364	860	903	948
other Liabilities	624	1,220	1,280	1,344
Equity Share Capital	592	597	597	597
Reserves & Surplus	61,931	86,721	1,19,952	1,56,752
Total Net Worth	62,522	87,318	1,20,549	1,57,349
Minority Interest	309	370	370	370
Total Liabilities	1,71,050	2,31,194	2,71,601	3,15,935

Source Company data, I-Sec research

Exhibit 42: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Capital markets- IB (%)				
PBT Margin	47.6	60.5	58.0	57.0
Opex % of Net Revenue	52.4	39.5	42.0	43.0
PWM				
Yields (%)				
Mutual Funds	0.5	0.5	0.5	0.5
Alternates (PMS+AIF)	1.3	1.3	0.9	0.9
PMS Delphi	0.1	0.3	0.2	0.2
Brokerage Income	0.4	0.3	0.3	0.3
NIM on Loans (%)	12.59	9.69	9.20	9.15
PBT Margin (%)	49.5	47.7	47.0	47.0
AMC PE				
AMC + PE Yield (%)	0.9	0.9	0.7	0.8
Commisison as %age of AAUM	0.4	0.4	0.3	0.3
Opex as %age of AAUM	0.4	0.4	0.3	0.3
PBT Margin (%)	60.8	63.5	63.0	63.0
Wealth Management				
ARR Yield (%)	3.5	3.9	4.2	4.4
TBR Yield (%)	0.7	0.7	0.6	0.5
F&O & cash Yield (%)	0.0	0.0	0.0	0.0
PBT Margin(%)	44.2	45.5	45.0	45.0
HFC				
NIMs to AUM (%)	7.8	7.9	6.5	6.0
Other income to AUM (%)	0.5	2.7	2.7	2.6
Opex to AUM (%)	3.1	3.8	3.6	3.5
Cost to income (%)	37.9	45.9	42.2	43.6
Credit cost to AUM (%)	0.5	0.3	0.9	0.7
RoA (%)	3.3	3.1	2.9	2.6
RoE (%)	11.6	10.6	10.7	10.6

Source Company data, I-Sec research

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