

NIFTY 15,844.55

 -11.50 (-0.07%)

26-Jul-2021 | 09:34

SENSEX 52,949.72

 -26.08 (-0.05%)

26-Jul-2021 | 09:39

MOFSL 1,063.45

 6.80 (0.64%)

26-Jul-2021 | 09:34

Menu

Home > Media Room > Press Release > Details

Motilal Oswal Financial Services reports Highest ever Q4FY21 PAT of Rs 448 cr, +34% QoQ and Rs 1,245 cr, +579% YoY in FY21. Company declares final dividend of Rs 5 per share.

Mumbai 29-Apr-2021

Mumbai, April 29, 2021: Motilal Oswal Financial Services Ltd. announced its results for the quarter and full year ended March 31, 2021 post approval by the Board of Directors at a meeting held in Mumbai on April 29, 2021.

Performance for the quarter and full year ended March 31, 2021:

In Q4FY21, consolidated revenues grew by 316% YoY at Rs 1,200 cr, Consolidated PAT grew by 34% QoQ at Rs 448 cr including gains on investments (Rs 264 cr, +25% QoQ).

Consolidated revenues in FY21 grew by 69% YoY at Rs 3,923 cr, consolidated profit grew by 579% YoY at Rs 1,245 cr including gains on investments (Rs 779 cr).

Key highlights for the Q4FY21 and FY21

Highest-ever Consolidated Quarterly and yearly Revenues & Profits. Strong Sequential growth revenues and profitability across businesses.

We added ~2000 employees (+34% YoY) and ~6+ lacs net customers addition (+28% YoY) in FY21. Our assets under advice (AUA) grew by 94% YoY to cross Rs 2 trillion mark in FY21.

Broking - Highest ever Revenues & profitability, market share gains 30 bps YoY to 2.7%, highest ever quarterly clients addition, significant investments made in last 12 months in expanding talent pool & distribution network.

Asset Management - Highest ever AUM, MF gross sales gaining traction, increase in SIP addition, strong traction in AIF gross sales. IREF V launched with target size of Rs 800 cr.

Home Finance - Sharp reduction in cost of funds driving margin expansion, improvement in collection efficiency, strong pick-up in disbursements, traction in login/sanction pipeline, geared up for FY22 with expansion in sales force.

Consolidated net worth is at all-time high at Rs 4,430 cr, net debt is Rs 4,062 cr. Excluding Home finance, net debt is Rs 1,546 cr. Total D/E declined to 1.3x. Ex-MOHF D/E stood at 0.6x. Net of investments, we have a net cash balance sheet. RoE for FY21 stands at 38% (ex-OCI).

During FY21, company has completed Buyback of its equity shares amounting to Rs 150 cr (including tax) resulting in increase in promoter equity in the company by 1.3% to 70.67%.

The board has declared final dividend of Rs 5 per share (FV Re 1/share).

Besides financial performance, recent time

Explore

eventful in terms of our successes in brand

broker's poll 2020. MOFSL once again recognized as a **"Great Place to Work"** - India certified organization, Motilal Oswal Wins **"Best PMS in 10 years performance"** across all categories at India's Smart Money Manager Awards - 2021. Motilal Oswal Private Equity has been awarded as **"Growth Capital Investor of the Decade"** at the Venture Intelligence APEX PE-VC Awards. Our latest Ad on **"Skin in the Game"** has received appreciation in various media. These and several other recognitions of **Motilal Oswal** as a preferred consumer and employee brand in financial services space.

Speaking on the performance of the company, Mr. Motilal Oswal, MD & CEO said *"This financial year has been a landmark year for us. We have achieved highest ever revenues and profits. Most of our fee based businesses are touching new high in terms of scale. Our retail broking business which is our cash cow business has achieved new highs on various parameters and benefitting from industry consolidation with its knowledge driven phygital offerings. Our Institutional Broking business has been ranked #1 as local brokerage house in Asia money poll2020. Our strategy to invest business profits in our own equity investment products has registered highest ever profits and as result our Net worth has touched new high. Moreover, our strategy to diversify our business model towards linear sources of earnings continues to deliver results. Our Asset Management business is likely to gain from process driven investing and its niche offerings. Our Housing finance business is geared up for profitable growth. Each of our 7 businesses offers headroom for growth."*

Performance of Business Segments for the quarter and full year ended March 31, 2021

• Capital markets Businesses (Broking& Investment banking)

- o Capital markets comprises of Retail Broking, Institutional Equities and Investment Banking business. Revenues for this segment were Rs 514 cr, +51% YoY in Q4FY21 and Rs 1,712 cr in FY21, +38% YoY. Capital market businesses have contributed ~44% of consolidated revenues. Profits were Rs 291 cr (ex-exception item), +63% YoY and contributed ~22% of consolidated PAT during FY21.
- o Broking and distribution business profit grew by 84% YoY at Rs 83 cr in Q4FY21 and 61%YoY at Rs 303 cr in FY21 led by healthy volume growth of 87% YoY and gain in market share.
- o In **Retail Broking & Distribution**, our Market share has improved by 30 bps on YoY basis to 2.7%. We have witnessed strong traction in new client addition driven by Franchisee and retail channel, total ~2.25 lakh clients acquired in Q4FY21, +81% YoY and ~6.2 lakh clients acquired in FY21, +150% YoY. NSE active clients have also registered 50% YoY growth at 5.64 lacs as of March2021.
- o Our strategy to bring in linearity through the trail-based distribution business is showing results. Distribution AUM grew by 42% YoY at Rs 12,785 cr as of Q4FY21. With only 13% of the ~20 lakh client base tapped, we expect a continued increase in AUM and fee income as number of clients to whom we have cross sold and number of products per client cross sold rises.
- o In **Institutional Broking**, team wins big in Asia money poll 2020. Ranked #1 Best local brokerage House, Best research team, Best sales and sales trading and Best Corporate access. Strong improvement in domestic client rankings with top 3 rank retained in most clients. This has been the result of focus driven differentiated research products with 250+ companies covering 21 sectors.
- o **Investment Banking** business continues to engage on a wide cross-section of mandated transactions across capital markets and advisory. We have built pipeline of signed mandates which will start fructifying in H1FY22.

• Asset Management businesses (AMC,PE and PWM)

- o **Asset Management** business AUM across MF, PMS & AIF stood at Rs 45,686 cr, +54% YoY. Our AMC ranks 11 by total equity assets; in PMS we maintain a leading position. Strong growth of 94% YoY in PAT for the quarter at Rs 69 cr led by accrual of performance fees of Rs 22 cr. Explore In FY21, lower average AUM post

resulted in lower accruals of revenues. However, MF yields have improved during H2FY21 resulting in overall yield improvement.

- o Our Equity MF AUM of Rs 28,130 cr is just 1.8% of the Industry MF Equity AUM of Rs 15tn. We have seen improvement in performance of several products. Our gross sales started improving and redemption market share declined on sequential basis. However, we too witnessed net outflow in-line with Industry.
- o We have added 3.1 lakh SIPs in FY21 resulted in an increase in new SIP count market share by 90 to 2.2%.
- o Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~38%.
- o **Private Equity** has committed investment AUM of Rs 6,600 cr across 3 growth capital PE funds and 4 real estate funds. In FY21, revenues stood at Rs 100 cr and PAT stood at Rs 24 cr. The 1st growth fund (IBEF 1) has delivered an XIRR of ~26%. Average IRR on exited investments in Real estate funds is 21%+. We have launched IREF V with target size of Rs 800 cr.
- o **Wealth Management** business AUM grew by 62% YoY at Rs 25,286 cr in FY21. Wealth business revenue grew by 45% & 26% YoY in Q4FY21 & FY21 respectively led by strong net sales at Rs 2,711 cr in FY21. Net sales were multi-quarter high. Yield stood at ~62 bps. RM count of this business stood at 123. Our trail revenues predominantly cover our fixed costs. Ashish Shanker has been promoted as MD & CEO. He joined MOPWM as Head Investment Advisory in 2012 and was instrumental in building the investment, research & advisory platform in our Wealth business.
- o Overall **Asset and Wealth Management** revenues were Rs 245 cr & Rs 759 cr in Q4FY21 & FY21 respectively. Asset & Wealth contributes 19% of consolidated revenues. Profits were Rs 86 cr & Rs 212 cr in Q4FY21 & FY21 respectively and contributed 16% of consolidated profits.

• **Housing finance business**

- o Motilal Oswal Home Finance (MOHFL) reported profit of Rs 18 cr in Q4FY21 and Rs 40 cr in FY21. Profit includes higher tax on account of reinstatement of deferred tax asset post migration to new tax regime. Excluding this, PAT for the quarter would have been Rs 26 cr and Rs 68 cr, +73% YoY for the year.
- o NII grew by 19% YoY and NIM expanded 73 bps YoY to 6.1% in Q4FY21.
- o Yield on Advances remained flat at 14.2% in Q4FY21 while Cost of Funds is down by 18bps QoQ / 130 bps YoY to 8.77%, resulting in expansion in Spread by 123bps YoY to 5.4%.
- o We have raised Rs 1400 cr in FY21 at average cost of 7.5%. We expect average CoF to trend lower in coming quarters.
- o Loan book stood at Rs 3,512 cr as of FY21. Disbursements in FY21 grew by 42% YoY to Rs 270 cr. Business is geared up for growth in disbursements. Sales force expansion is currently underway.
- o GNPA's declined by 75 bps QoQ to 2.2% for Q4FY21 and NNPA stood at 1.5%. We have witnessed sharp traction in collection efficiency in the month of March which has reached to pre-Covid level at 97%.
- o Opex was brought down by 10% YoY, as a result Cost to Income ratio is down to 33% from 41% in FY20.
- o Strong support from parent continues with total capital infusion to Rs 850 cr. Net Gearing stands at 2.8x and Tier 1 CAR remains robust at 48%.
- o Limited borrowing repayment for next 1 year, strong undrawn borrowing lines, Cash on Balance sheet of Rs 347 cr places us in comfortable liquidity situation.

• **Fund based investments** includes sponsor commitments to our AMC & PE funds and strategic equity investments.

- o Fund based investments have registered Highest ever gains in a quarter of Rs 264 cr and Rs 779 cr in FY21
- o Total quoted equity investment including unrealised gains was Rs 2,180 cr as of Q4FY21. Cumulative XIRR of these investments is ~18% (since inception).
- o Total equity investment including alternate funds was at Rs 3,096 cr as of March-21. XIRR of 29% on PE/RE investments.

About Motilal Oswal Financial Services Limited

MOFSL is a financial services company. Its offerings include capital markets businesses (Retail broking, Institutional broking & Investment banking), Asset & Wealth Management (Asset Management, Private Equity & Wealth Management), Housing Finance & Equity based treasury investments. MOFSL won the 'Brand of the Year' award at the IBLA CNBC TV 18. MOFSL employs ~8000 employees serving to 29 lacs clients via distribution reach in 700+ cities. MOFS

Explore [million](#).

| | | |
|--|--|--|
| <p>Mrs. Rohini Kute (Head of Corporate Communication) Motilal Oswal Financial Services Mob- +91-9820196838</p> | <p>Mr. Shalibhadra Shah (Chief Financial Officer) Motilal Oswal Financial Services Mob- +91-9819060032</p> | <p>Mr. Rakesh Shinde (Head of Investor Relations) Motilal Oswal Financial Services Mob- +91-9920309311</p> |
|--|--|--|

Explore