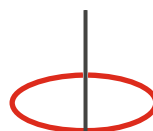


# Initiating Coverage

22<sup>nd</sup> March 2024



**DALAL & BROACHA**  
STOCK BROKING PVT. LTD.



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### At the cusp of high phase growth !!!

**360 ONE is the largest non-bank wealth management player in UHNI segment with ARR AUMs of INR 2.3 trillion (total AUM INR 4.5 trillion, FY24e). It has a superior model with strong management in place, backed by 15 years of operating history. The company has matured and evolved, having experienced various cycles, products, and team developments. We expect record new flows over the next 2 years time resulting in ARR AUMs to touch INR 3.8 trillion by FY26e end (29% CAGR during FY24-26e). PAT is projected to grow at a 25.5% CAGR during the FY24-26e period, driven by healthy AUM growth, improvement in retention yields, and operating leverage benefits to kick in**

**AUM growth will be one of the best seen in the recent past** - UHNI's wealth will grow by 13.7% CAGR during FY22-27e i.e. from INR 62 trillion to INR 133 trillion. We expect robust net flows of INR 588 bn/INR 680 bn in FY25/FY26 period resp. much higher than INR 366 bn received in FY24e. In our view, strong traction in ARR AUMs (49% share in total AUMs) to continue which is likely to grow by 29.3% CAGR over FY24-26e period led by increasing wallet share of existing clients, rise in HNI & UHNI & their wealth, entering into mid-market HNI segment, launch of new products and strong AIF flows. Total AUMs to grow by 17.6% CAGR for FY24-26e period to reach INR 6.46 trillion in FY26e. Also, share of ARR AUMs to increase from current 49% in FY24e to 59.4% in FY26e.

### Financial Summary

Consol (Rs Cr)	FY22	FY23	FY24E	FY25E	FY26E
Revenues	1,398	1,565	1,781	2,183	2,673
Operating Profit	614	847	879	1,108	1,419
Net Profit	578	658	750	934	1,181
<b>Growth (%)</b>	<b>56.5</b>	<b>13.9</b>	<b>14.0</b>	<b>24.5</b>	<b>26.5</b>
Cost/ Income Ratio	51.1	45.8	48.1	47.0	45.0
EPS (Rs)	16.4	18.5	21.1	26.3	33.2
P/E (x)	41.3	36.5	32.0	25.7	20.3
RoE (%)	19.3	21.1	23.7	27.9	32.9
RoCE (%)	7.2	8.7	7.5	8.9	10.7

Source: Company, Dalal & Broacha Research

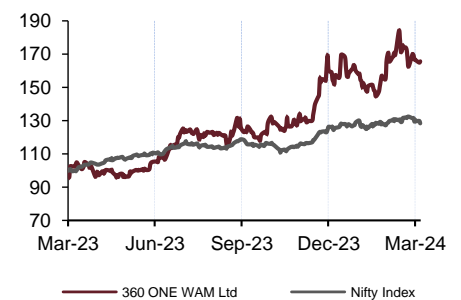
Rating	TP (Rs)	Up/Dn (%)
<b>BUY</b>	<b>864</b>	<b>28</b>

#### Market data

Current price	Rs	675
Market Cap (Rs.Bn)	(Rs Bn)	248
Market Cap (US\$ Mn)	(US\$ Mn)	2,885
Face Value	Rs	1
52 Weeks High/Low	Rs	789 / 395
Average Daily Volume	('000)	138
BSE Code		542772
Bloomberg		360ONE.IN

Source: Bloomberg

#### One Year Performance



Source: Bloomberg

% Shareholding	Dec-23	Sep-23
Promoters	18	21
Public	82	79
<b>Total</b>	<b>100</b>	<b>100</b>

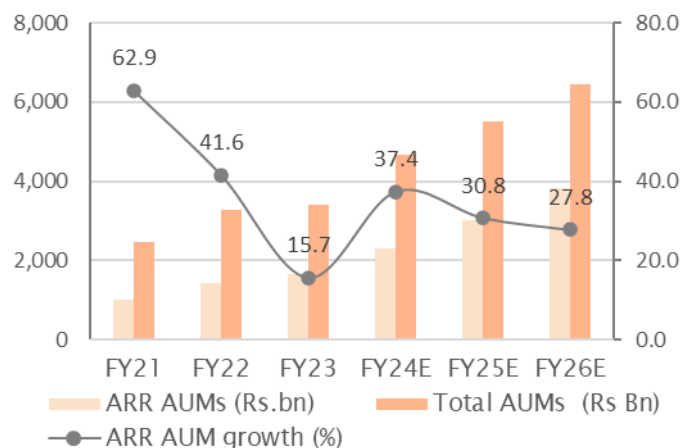
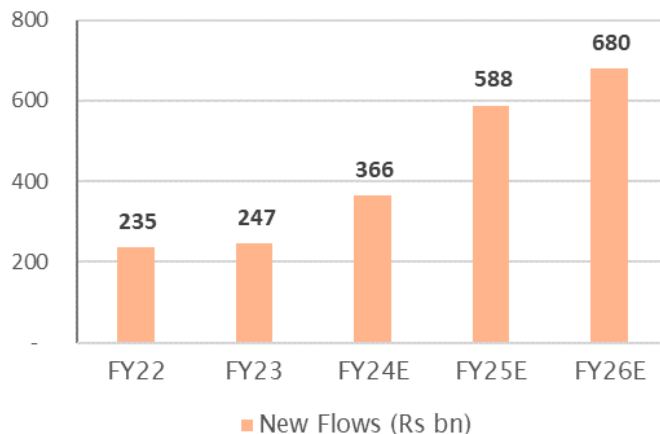
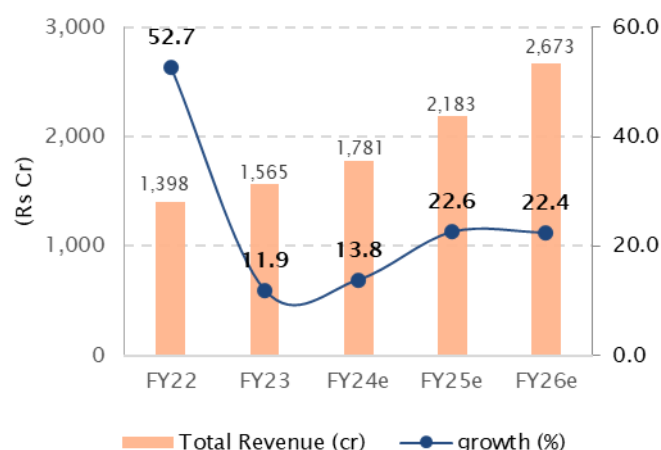
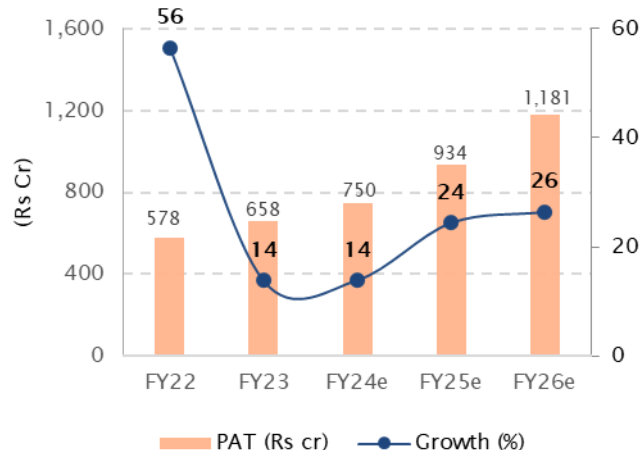
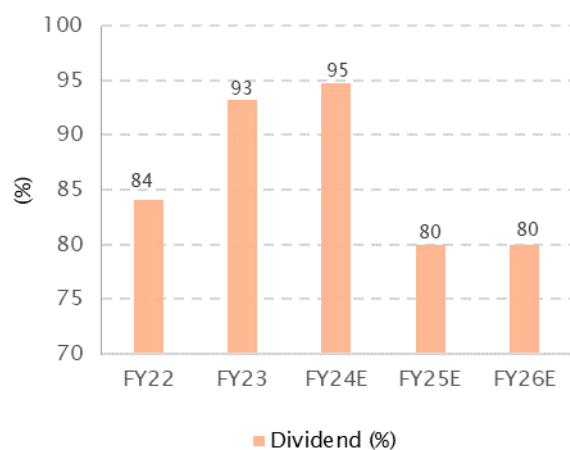
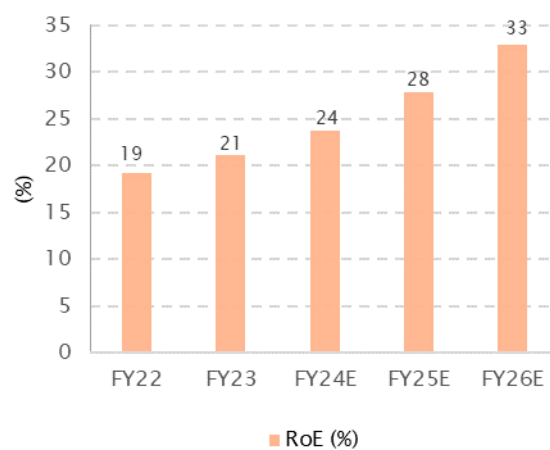
Source: Bloomberg

**Venturing into the HNI (mid-market) segment at India & global level** – Infrastructure build-up and technology spends have been done to expand its foot print in HNI segment (INR 5-25 cr), both domestically & internationally. This mid-market segment draws higher retention yields of 70-75 bps. Venturing into this segment will give company necessary stability and diversification to its business model.

**Retention yields to improve in FY25** - During the period FY24, retention yields on ARR assets dropped to 51 bps from 61 bps in FY23 to 51 bps in FY24e due to non-deployment of new flows. However, going forward, we expect total ARR assets (ex-lending) yields is likely to improve to 55 bps in FY26e which will be largely led by deployment of new flows, new HNI business having better yields, better growth in AIFs which have higher yield of ~1%.

**Valuations** - Currently, it is trading at P/E of 26x/20x FY25/FY26e EPS with ROE of 27.9%/32.9% for the same period. We have positive outlook on the long term growth prospects of the wealth management industry and 360 ONE is one of the most profitable player. **We initiate a coverage on the stock with target price of INR 864, valuing the company at 26x on FY26E EPS, giving us upside of 28% from the current levels.**

## Focus Charts

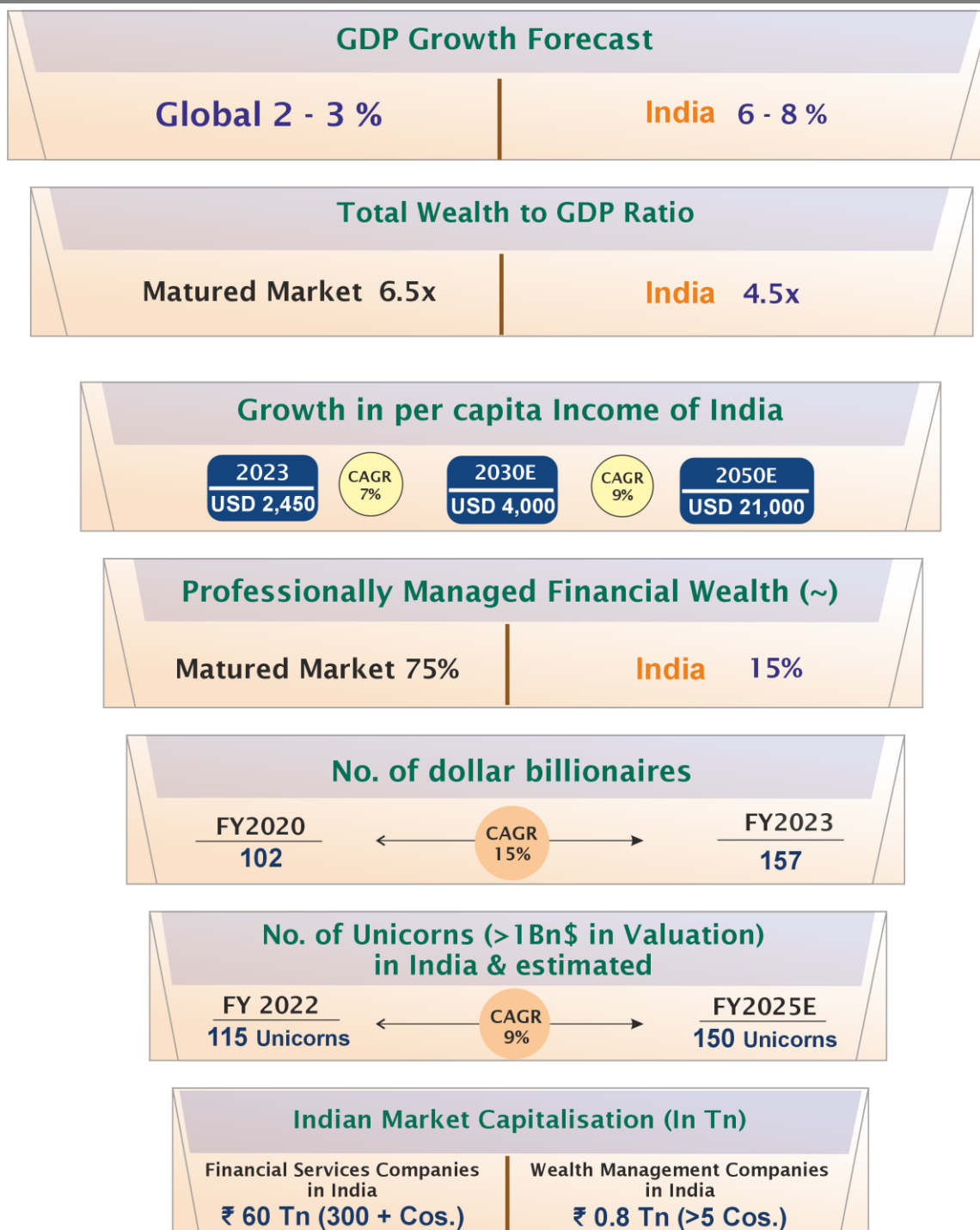
**Exhibit 1: ARR AUMs to witness healthy growth of 29% CAGR over FY24-26e .....****Exhibit 2: ....led by strong new flows****Exhibit 3: Revenues to witness robust growth too****Exhibit 4: PAT to grow by 25.5% CAGR over FY24-26E****Exhibit 5: Dividend payout ratio (%)****Exhibit 6: 360 ONE has top-quartile ROEs (%)**

Source: Dalal &amp; Broacha Research

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## Strong macroeconomic tailwinds for long-term structural growth for wealth management industry

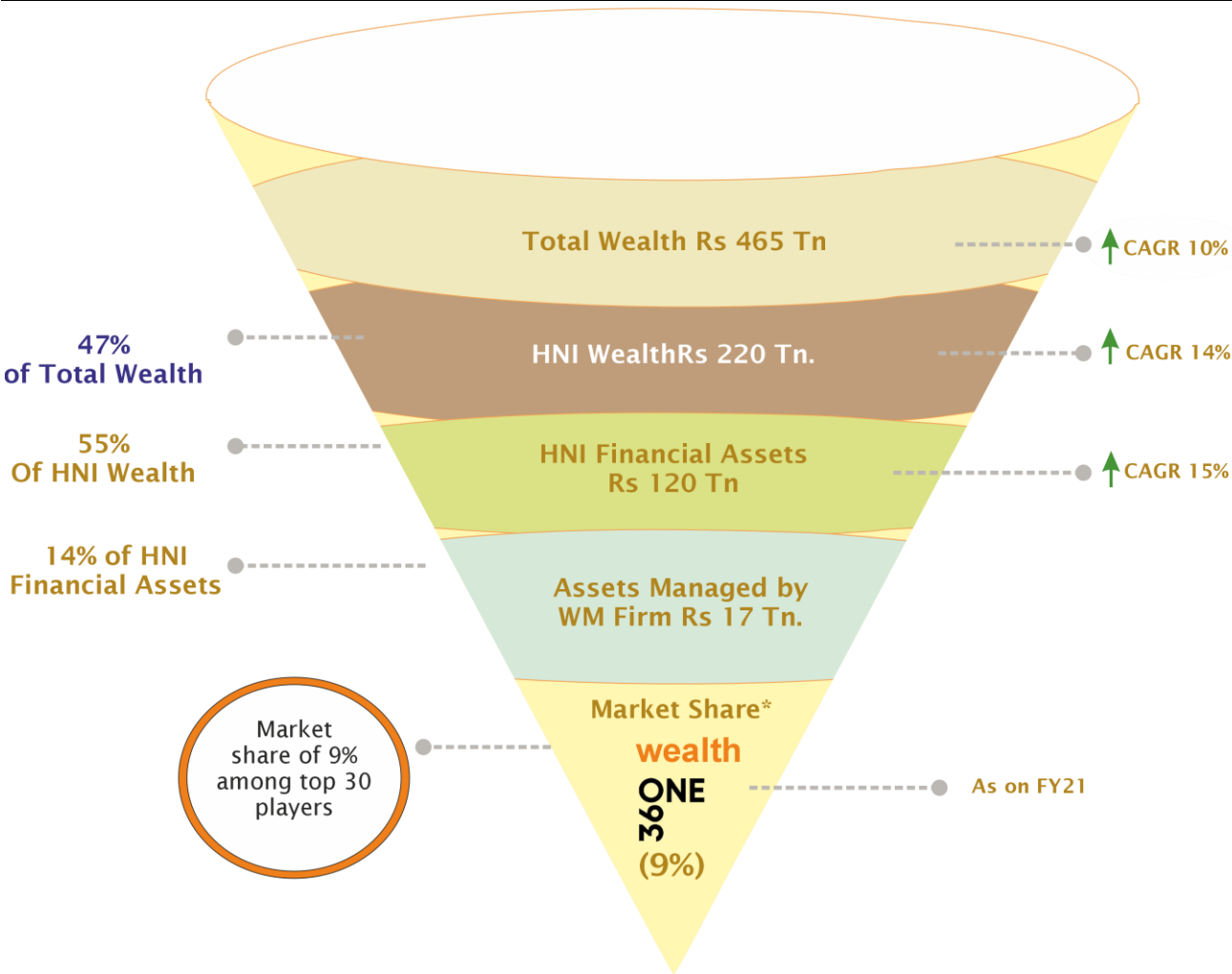


Source: BBC News, LiveMint news, PWMnet, Nuvama Wealth PPT

- The global GDP growth forecast hovers between 2-3%, yet India is poised to outpace the same with an anticipated growth rate of 6-8% in the coming years.
- Mature economies exhibit a wealth to GDP ratio of 6.5x, contrasting with India's 4.5x ratio, signaling room for substantial economic development.
- Financial wealth predominates in mature markets, comprising 70% of total wealth, while in India, it constitutes only about 25%. Per capita income is projected to ascend from approximately \$2450 in 2023 to \$4000 by 2030 and further to \$21000 by 2050, reflecting a steady CAGR of around 9%. Interestingly, only 15% of wealth in India is professionally managed, suggesting an untapped sizeable market.

HNI contribute major 47% share in the total private wealth of Indian households; which is growing at 13% CAGR ...

Exhibit 7: Only 14% of HNI wealth is managed by wealth management firms (FY21) reflecting sizeable untapped market benefitting 360 ONE



- HNIs contribute 47% (INR 220 trillion) of the total private wealth of Indian households, which amounts to INR 465 trillion.
- Among HNIs, 45% of their wealth is in physical assets, and the remaining 55% is in financial assets, totaling INR 120 trillion.
- Only 14% of HNI wealth is managed by wealth management firms, indicating a significant growth opportunity in the long term.
- 360 ONE holds approximately 9% market share in the total wealth management industry.

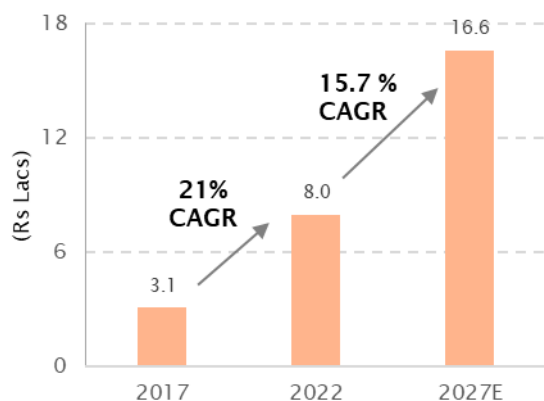
Source: Company, 360 ONE Annual Report- FY21, Karvy Wealth Report 19-20

With substantial portion of wealth being owned by HNIs and a relatively small share managed by wealth management firms, there indeed appears to be a considerable opportunity for growth in the wealth management sector, including for firms like 360 ONE.

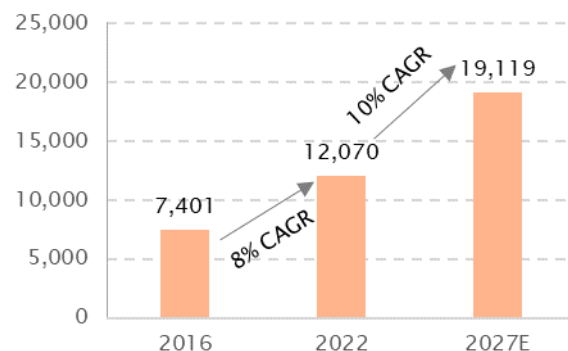


## Reflected in rising number of HNIs and UHNIs ....

**Exhibit 8: Number of HNI's (High-Net-Worth Individuals) almost going to double during FY22-27e**



**Exhibit 9: Number of UHNI's ((High-Net-Worth Individuals) to rise by ~50% by 2027**



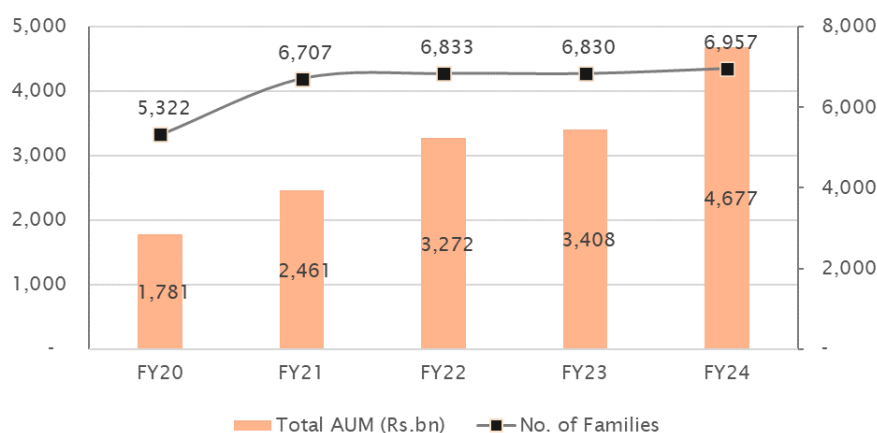
Source: BSE, AMFI, The Wealth Report 2022 – Knight Frank as per Knight Frank HNIs have investible surplus assets > \$1 Mn i.e. > INR 8 Cr and UHNI have investible surplus assets > \$30 Mn i.e. > INR 240 Crore

## Growing number of HNIs and their wealth

- From 2017 to 2022, the number of HNIs in India surged from 3.1 lakh to 8 lakh, reflecting strong economic growth and wealth accumulation.
- Projections suggest that this growth momentum will continue, with an estimated 16.6 lakh HNIs by 2027, growing at CAGR of 15.7% during FY22-27e
- Similarly, the number of Ultra HNIs has also experienced significant growth, rising from 7,401 in FY16 to 12,070 in FY22, indicating an 8% CAGR for FY16-22e. By 2027e, this figure is projected to reach 19,119, reflecting a 10% CAGR for period FY22-27e

## 360 ONE – It caters to large set of HNI/UHNI families

**Exhibit 10: Total AUM of the company has grown by 27% CAGR during FY20-24e to touch INR 4.7 trillion (FY24e) catering to 6957 families**



Source: Company, Dalal & Broacha



Trend of financialisation of savings

In India, there's been a notable surge in financial assets, reflecting a shift away from physical assets like real estate and gold. Factors like urbanization, technology, and financial awareness are driving this trend. More people are investing in stocks, bonds, and mutual funds due to their liquidity and potential for higher returns. This shift signifies a significant evolution in India's investment landscape, with implications for wealth creation and economic growth & massive upcoming opportunities in wealth management.

Exhibit 11: Shift in incremental households savings flows from physical to financial assets

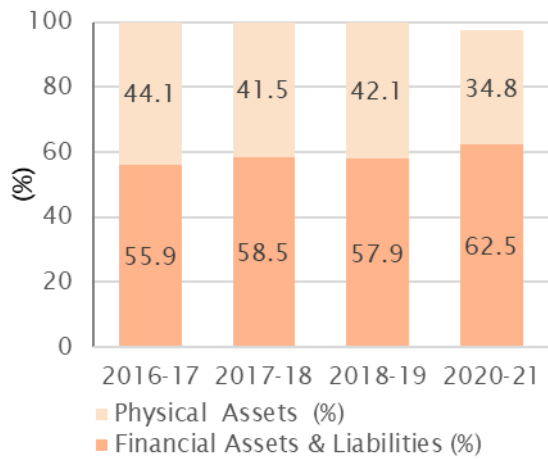
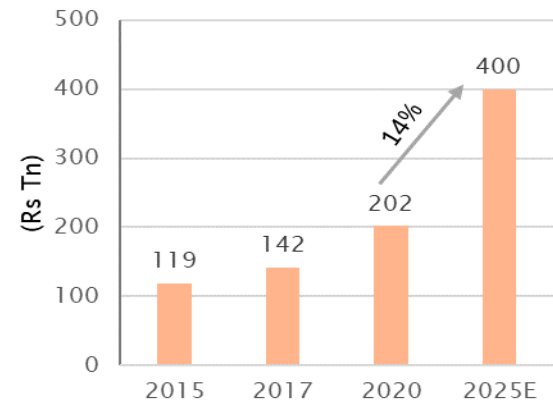
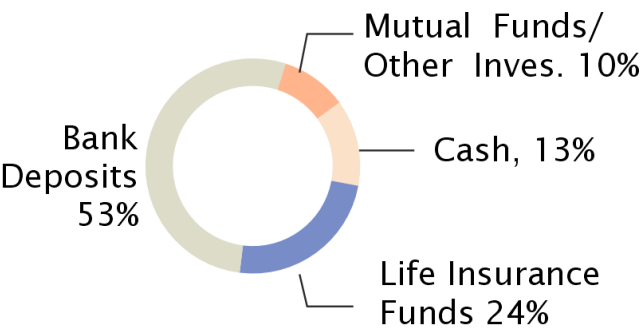


Exhibit 12: Financial assets in India growing at 14% CAGR



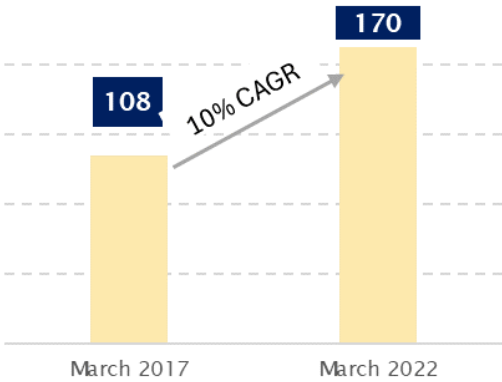
Source: Company, RBI Annual Report, 360 ONE FY21 Annual report & 360 ONE Presentations, Dalal & Baroacha Research

Exhibit 13: Breakup of total household's financial wealth



Source: RBI Annual Report Sep-22. , Dalal & Broacha Research ,

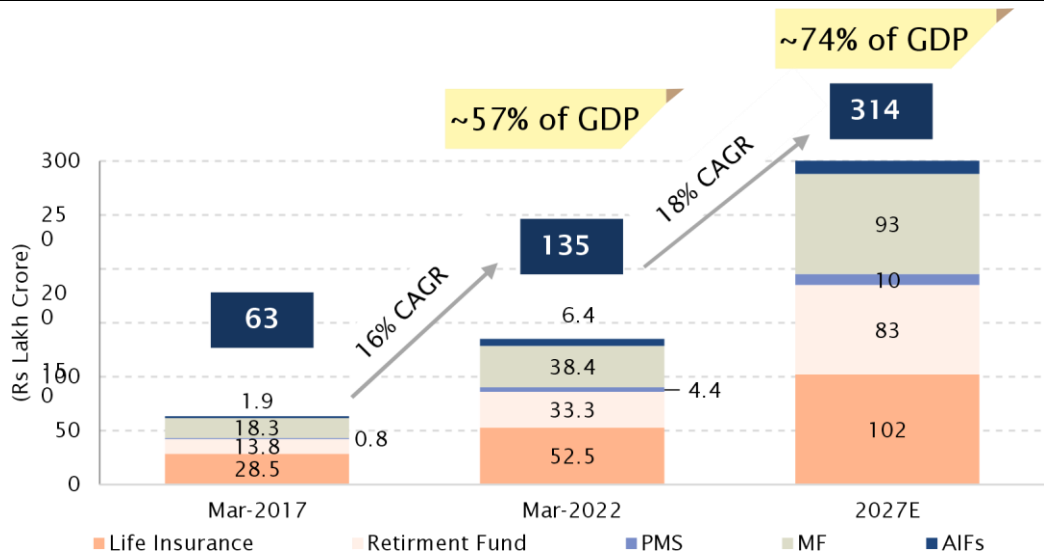
Exhibit 14: Deposits in India are growing at slower rate of 10% CAGR over the last 5-6 years



Source: Crisil Report Dec-22 : The Big Shift in Financialisation, Dalal & Broacha Research,

Share of actively managed assets to increase going forward

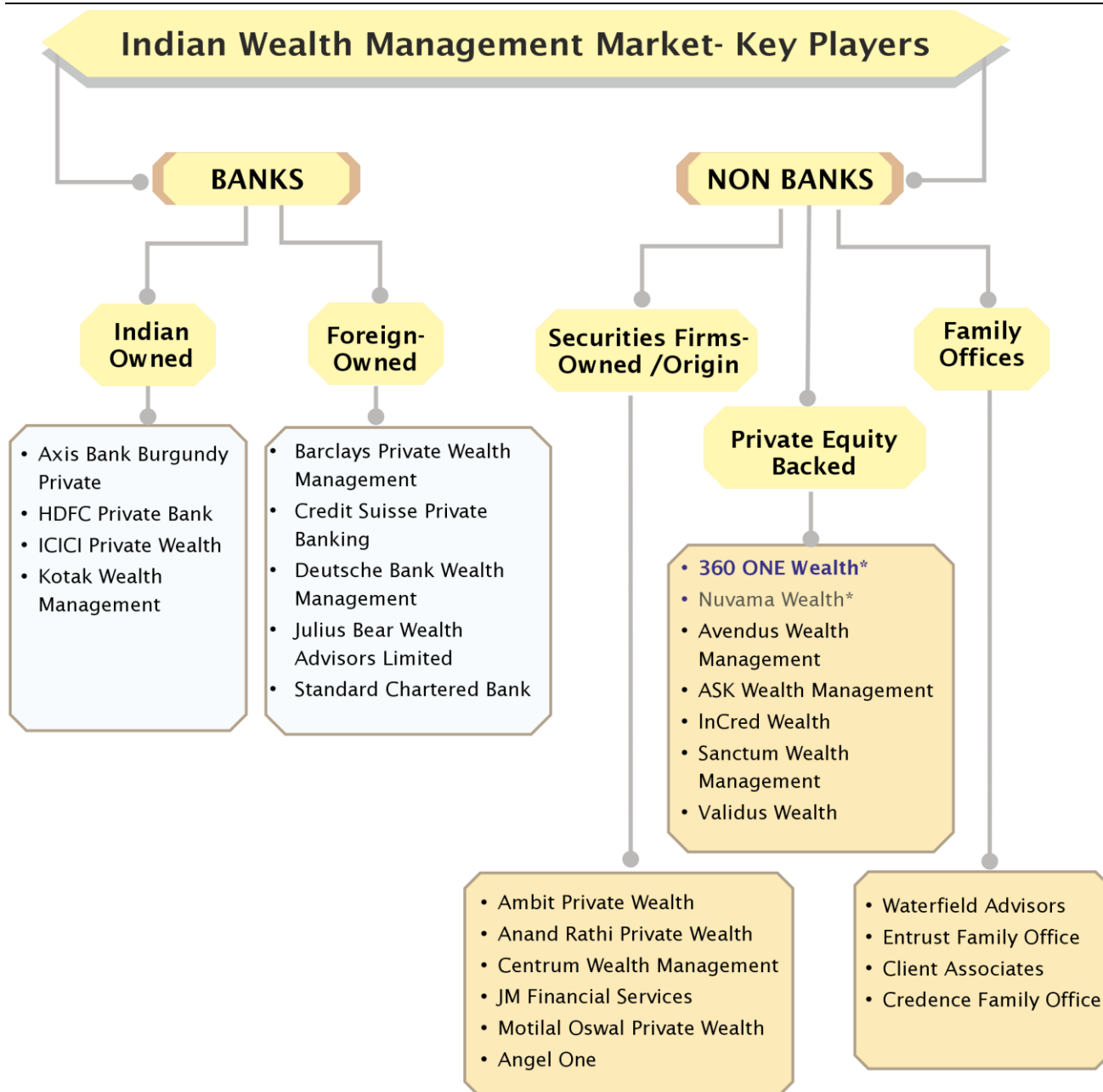
Exhibit 15: Managed Investment solutions (AIF, PMS, MF, Life Insurance) have outpaced FD's in the recent past & will almost reach size of 74% of GDP by 2027P



In last few years, investment dynamics have evolved noticeably reflecting an increasing appetite for managed investments, indicative of a growing desire for diversified and potentially higher-yielding investment avenues among investors.

**360 ONE is the largest non-bank wealth manager player having market share of ~9% in total wealth management industry.**

**Exhibit 16: Dissecting the Indian Wealth Management Landscape**



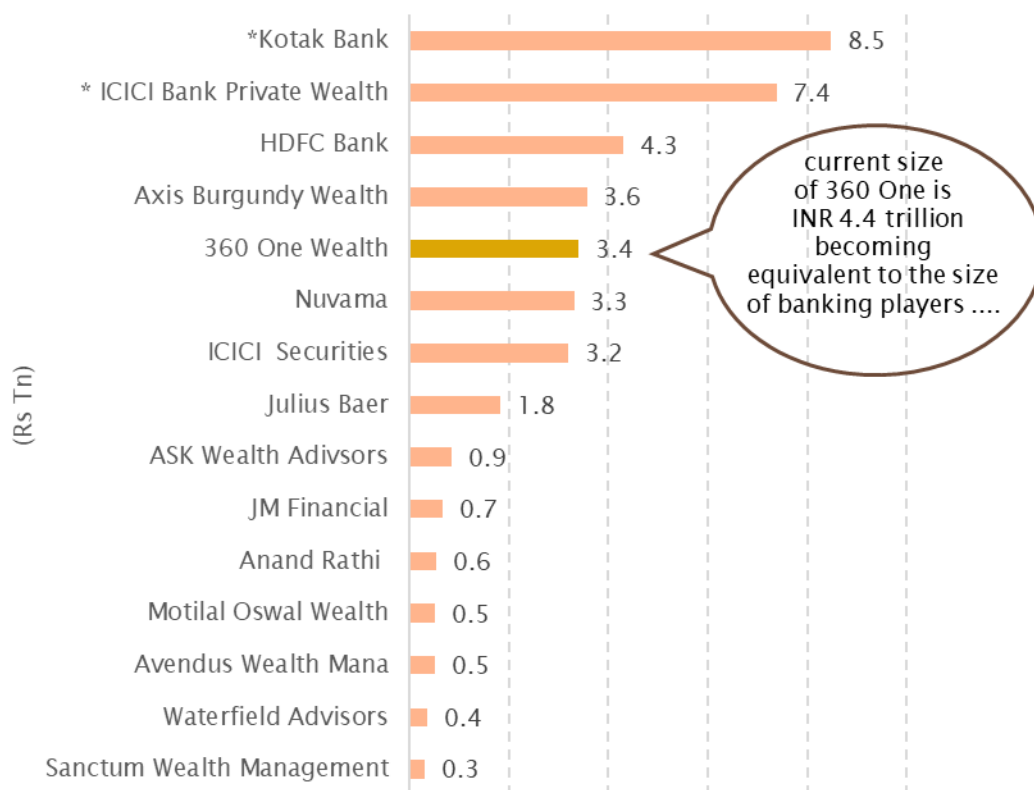
Source: Dalal & Broacha Research

Money Management India website, Private Wealth Series,

\* Both 360 ONE Wealth and Nuvama Wealth have been hived off from their erstwhile NBFC arms & later PE firms invested in them

## It is nearing the size of the banking players in terms of total AUM....

**Exhibit 17: AUM Comparision of major wealth management players as on 2023**



Source: Various Company Annual Reports Presentations, News & Articles, Dalal & Broacha Research & Triangulations

\* AUMs for Kotak & ICICI are available only as on FY21, hence they have been given a nominal GDP growth rate adjustment of 10% p.a. to arrive at FY23 figures.

### Edge that an independent wealth management firm has over a private banker catering Wealth management services

<b>Range of Services</b>	Private Banking offers banking, asset management, brokerage, and basic tax consulting. Wealth Managers provide comprehensive services including asset allocation, tax planning, estate planning, pensions, philanthropy, and more.
<b>Approach</b>	Private Banking offers predefined packages, while Wealth Managers create tailored financial plans based on individual needs and goals.
<b>Independence</b>	Private Banking offers products from their own bank, while Wealth Managers can choose from products of multiple institutions, providing clients with more options hence "independence" & "client well-being"
<b>Investment Strategy</b>	Wealth Managers have flexibility and reactivity to act in the client's best interest, whereas Private Banking may have slower processes and potential conflicts of interest.
<b>Contacts</b>	Wealth Management focuses on building long-term, trusting relationships by understanding and addressing client concerns deeply. Private Banking services require less client involvement and are often adapted to risk appetite and asset volume.
<b>Costs</b>	Wealth Management allows cost optimization through access to a wide range of services and providers, leveraging the negotiating power of the asset manager

360 ONE which has pre-established dominance in the UHNI segment is also venturing into HNI segment..

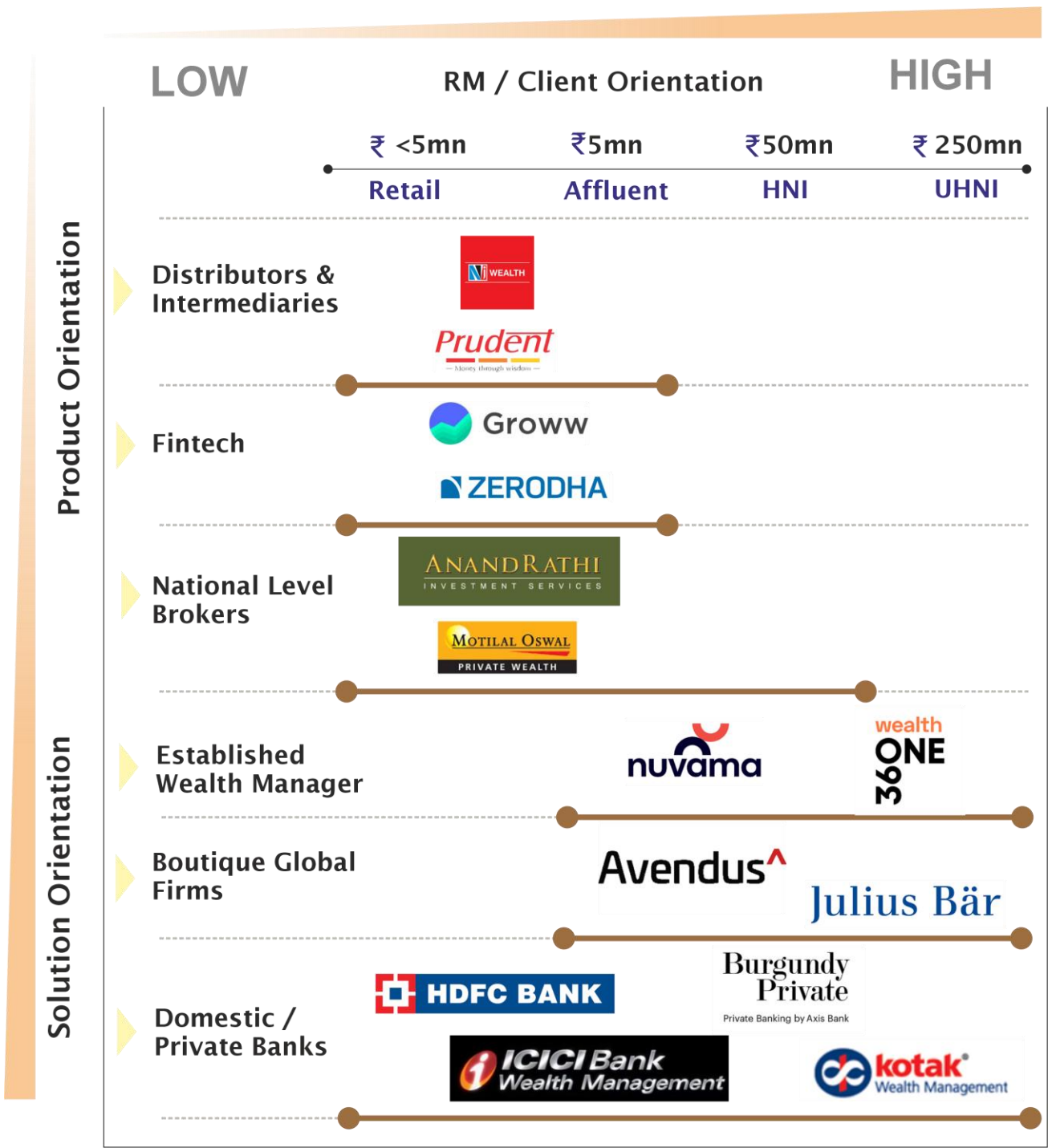
### Indian Wealth Market - Customer Segmentwise

	Financial Wealth Threshold (INR Cr.)	No. of households 2022	Total Household		Expected CAGR %	
			2022 Rs Tn	2027E Rs Tn		
70 - 75% of Country Total Financial Wealth	>25 Cr UHNI	UHNI	35,000	62	133	13.73%
	5 - 25 Cr HNI	HNI	1,70,000	16	33	13.18%
	1 - 5 Cr Affluent	Affluent	26,00,000	30	61	12.47%
	0.5 - 1Cr Emerging Affluent	Emerging Affluent	3,30,00,000	24	54	14.51%
	<50 Lacs Mass Mkt & Retail	Mass Mkt & Retail	2,1,00,00,000	68	119	9.00%

Source: 360 One Quarterly presentations; 2022 Figures have been converted to INR at 75 INR & 2027 figures have been converted at 85 INR/USD; Dalal & Broacha Research Triangulation & Calculation

The Indian HNI & UHNI market is growing, with households set to increase from ~2 to ~3 lakh by FY27, and wealth expected to rise from INR 16 trillion to INR 33 trillion by then. 360 ONE, a major non-bank wealth management player, stands to benefit. Currently, this segment is served by brokerage firms, PMS firms, banks, and family offices, each offering different product and service qualities. While brokerage and banking services typically offer wealth advisory as an extension, firms like 360 ONE focus solely on advisory services for UHNI & HNIs. Expanding its capabilities, infrastructure, and international presence, 360 ONE targets HNIs with investible surpluses ranging from INR 50-250 million.

Exhibit 18: Customer Segment Wise focus of Key Players in India WM Market



Source: Dalal & Broacha Research

Exhibit 19: MF, AIF, PMS &amp; Insurance the key products dominating the Indian Wealth Market

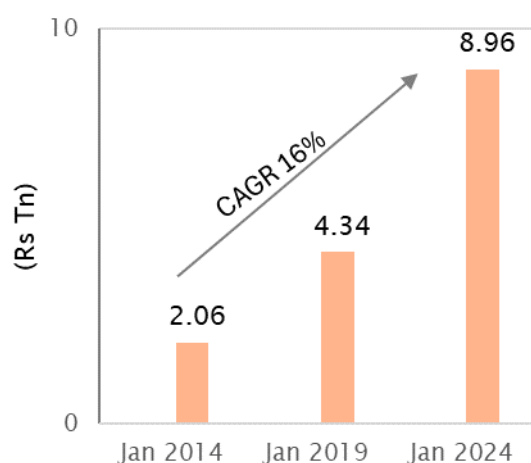
Investments assets key products details				
Asset Class	AUM CAGR Last 10Y	AUM as % to GDP		Key Player to Watch out
		India	US / Global	
Mutual Fund	20%	16%	116%	Anand Rathi
AIF	70%	1%	13%	360 One Wealth
PMS/Managed Accounts	16%	10%	38%	360 One Wealth
Insurance	13%	4%	11%	Prudent

Source: Nuvama Wealth Presentation, Dalal &amp; Broacha Research

**Alternates have been the fastest growing product; PMS too is growing rapidly...**

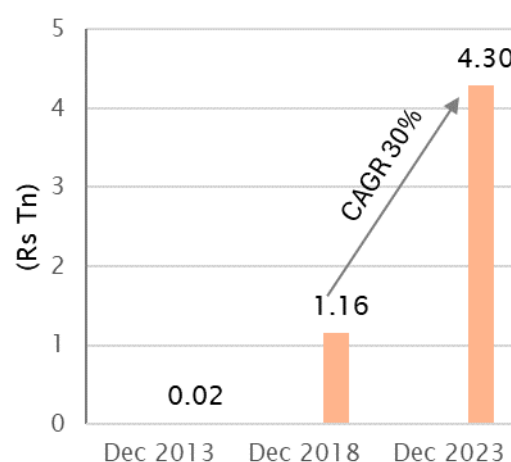
Among the different investment asset class, mutual funds have seen 20% CAGR over the last 10 years, AIF 70% PMS/Managed accounts 16%. Despite such high growth rates, there is ample opportunity for further growth given under-penetrated markets, rising wealth and strong macro tailwinds. If we compare AUM as a % of GDP, we are grossly under-penetrated across products as compared to US and global economies.

Exhibit 20: PMS Assets (Ex-EPFO) have consistently grown at 16% CAGR



Source: SEBI Data, Dalal &amp; Broacha Research

Exhibit 21: AIF Assets (funds raised) have grown at 30% CAGR in the last five years



Source: SEBI Data, Dalal &amp; Broacha Research



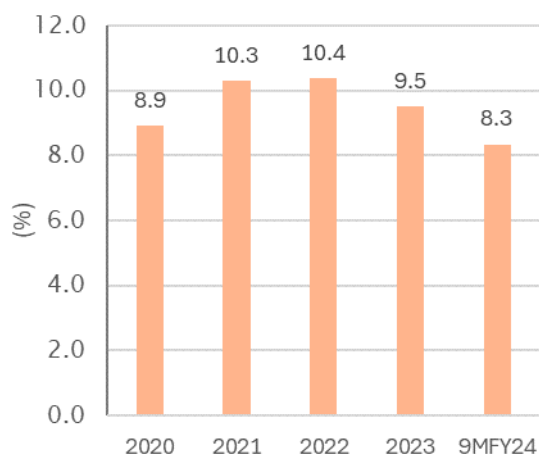
**Total AIF commitments raised have reached a large size of ~INR 10.8 trillion and fund raised INR 4.3 trillion. In the last 8 years, growth has been humongous in both the cases, 54% in former and 46% in latter.**

AIF- Funds Raised	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	9MFY23	9MFY24	CAGR Growth (FY16-9MFY24)	CAGR Growth (FY20-9MFY24)
CAT 1	4,041	7,787	10,794	13,789	18,472	24,370	29,000	28,283	32,257	39,407	34%	22%
CAT 2	14,546	24,685	50,451	83,554	1,24,524	1,61,973	2,23,457	2,66,296	2,52,077	3,08,472	48%	27%
CAT 3	4,104	8,483	24,031	36,866	43,257	43,672	61,406	71,030	65,309	81,676	47%	18%
<b>Total</b>	<b>22691</b>	<b>40955</b>	<b>85276</b>	<b>134209</b>	<b>1,86,253</b>	<b>2,30,015</b>	<b>3,13,863</b>	<b>3,65,609</b>	<b>3,49,644</b>	<b>4,29,555</b>	<b>46%</b>	<b>25%</b>

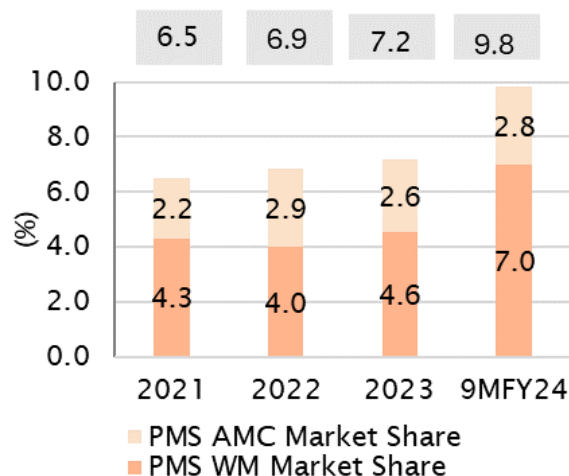
AIF- Commitments Raised	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	9MFY23	9MFY24	CAGR Growth (FY16-9MFY24)	CAGR Growth (FY20-9MFY24)
CAT 1	10,568	20,601	28,036	33,534	38,745	44,560	53,374	58,929	63,102	73,601	28%	19%
<b>CAT 2</b>	<b>24,061</b>	<b>51,734</b>	<b>1,05,799</b>	<b>2,05,360</b>	<b>2,82,013</b>	<b>3,56,627</b>	<b>5,19,189</b>	<b>6,93,945</b>	<b>6,15,867</b>	<b>8,83,216</b>	<b>59%</b>	<b>36%</b>
CAT 3	4,249	11,968	31,261	43,255	49,230	50,030	68,796	80,900	72,736	1,28,058	55%	29%
<b>Total</b>	<b>38878</b>	<b>84303</b>	<b>165095</b>	<b>282148</b>	<b>3,69,988</b>	<b>4,51,216</b>	<b>6,41,359</b>	<b>8,33,774</b>	<b>7,51,704</b>	<b>10,84,875</b>	<b>54%</b>	<b>33%</b>

## 360 ONE has the leading market share in Alternates & PMS

**Exhibit 22: 360 ONE has leading market share of 8-10% in total AIF market in India**

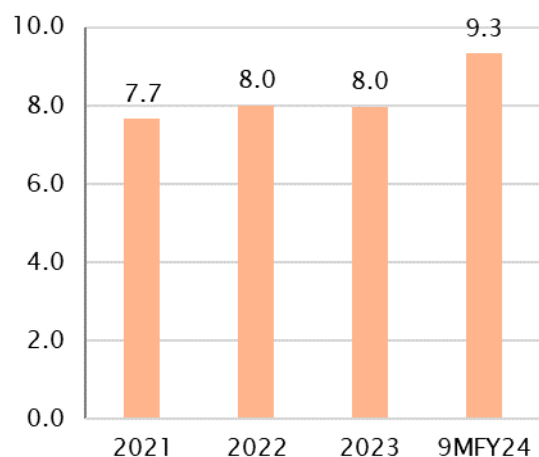


**Exhibit 23: 360 ONE has 9.8% market share in total PMS market (incl. both Wealth Management (WM) & Asset Management (AMC) PMS assets**

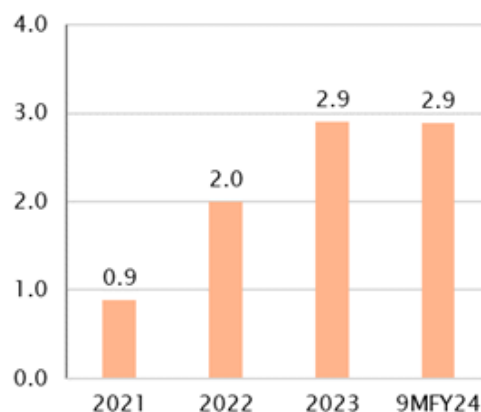


Source: SEBI Data, Dalal & Broacha Research Triangulation and Calculation

**Exhibit 24: 360 ONE -Combined AIF + PMS Mkt Share**



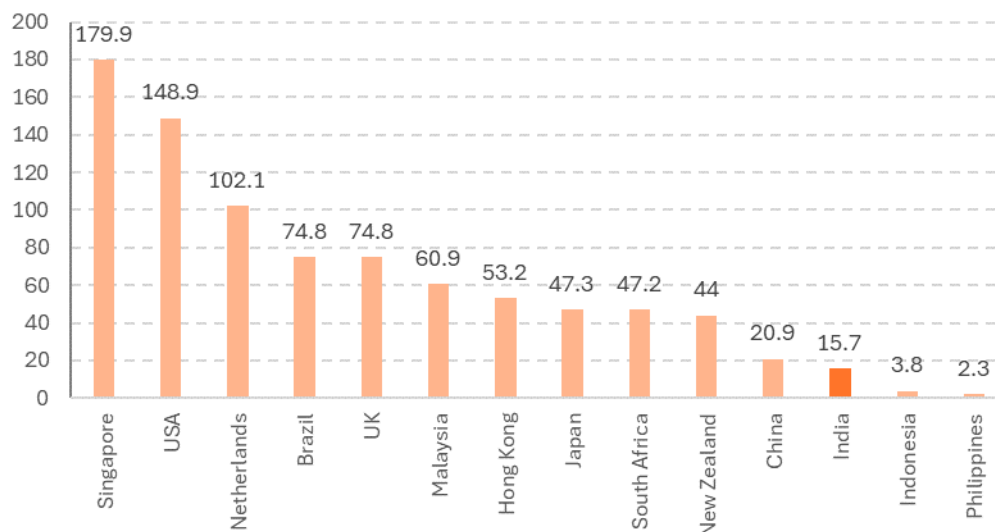
**Exhibit 25: 360 ONE - AIF/PMS Distributed Market Share**



Source: SEBI Data, Dalal & Broacha Research Triangulation and Calculation

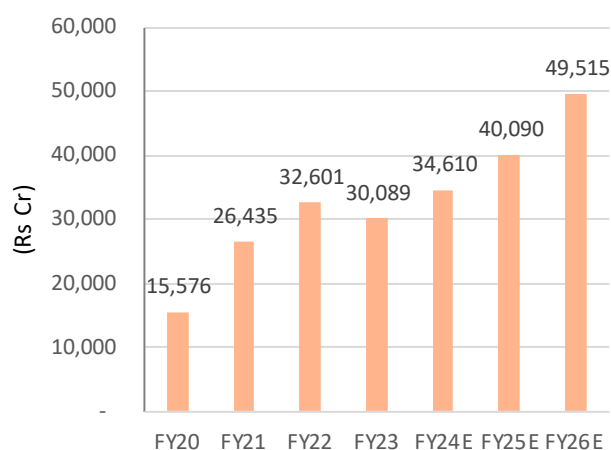
## Mutual funds a growing story for both India & 360 One

**Exhibit 26: Comparison of Economies - Mutual Fund AUM as a proportion of GDP**

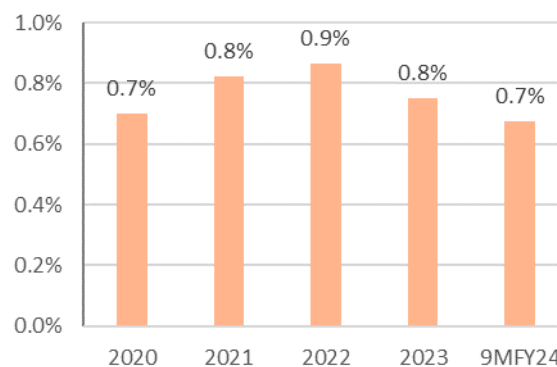


Source: KFinTech DRHP

**Exhibit 27: 360 ONE's MF Distribution AUMs**



**Exhibit 28: 360 ONE- MF Distribution Market Share**



Source: SEBI Data, Dalal & Broacha Research Triangulation and Calculation

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## About the company

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Incorporated in 2008, 360 ONE is one of the largest wealth and alternate focused asset management firms in India catering largely to Ultra High Networth Individuals (UHNI) having investible surplus of more than INR 25 cr and serving to 7000+ relevant families. Broad objective is to provide India's wealthy clients to structure, preserve, optimize and transfer their legacy which includes services like wealth and asset management, lending solutions and succession planning services. Total Annual Recurring Revenue (ARRs) AUMs stands at INR 2.2 trillion and total AUMs INR 4.5 trillion (Q3FY24). It has experienced Relationship Managers (RMs) of ~230 (Team Leaders – 75, RMs – 155) wherein AUMs managed by per RM is ~INR 1000 cr.

### Important corporate timeline

In 2008, 360 ONE initially focused on building momentum in client and asset acquisition. In its early years, it issued the largest structured note of its time in 2008. By 2009, it expanded its global footprint by establishing offices in key financial centers such as Dubai, Singapore, Mauritius, and the US. Within just four years of establishment, it achieved an impressive AUM size of INR 25,000 crore.

In 2013, 360 ONE achieved a major milestone by kick-starting its alternate asset management and lending businesses (received NBFC license). The following year, in 2015, General Atlantic acquired a significant 21.6% stake in 360 ONE for INR 1,122 crore. In 2017, the company's asset management company (AMC) launched a unique pre-IPO fund, attracting INR 7,500 crore in investments. During this period, total AUMs surged to a high of INR 1 trillion

In 2018, IIFL Holdings underwent a demerger, resulting in the formation of three separate entities: a finance company (IIFL Finance), a wealth management arm (360 ONE), and a securities division (IIFL Securities). Over the FY18-22 period, 360 ONE focused on gaining size and scale, developing platforms and products, and expanding its client base. The company revamped its business model in response to SEBI regulations, shifting from upfront commissions to a trail-based model, and emphasized building recurring revenues from AUMs while embarking on a digital transformation journey.

In 2022, IIFL Wealth was rebranded as 360 ONE, coinciding with Bain Capital's agreement to acquire a 24.98% stake in the company. By the end of FY22, 360 ONE's AUM had grown to INR 3.3 trillion. Of this, Annual Recurring Revenue (ARR) AUMs accounted for INR 1.4 trillion (44% share), while transactional AUMs stood at INR 1.8 trillion (56% share).

## Details of the Key management personnel

Name	Designation	Experience
Nilesh Vikamsey	Chairman	30 Years, Khmji & Kunverji & Co.
Karan Bhagat	Founder, MD & CEO	20+ Years, IIFL Wealth and Asset Management
Yatin Shah	Non-Executive Director, Co-Founder, 360 One & Joint-CEO, Wealth	20+ Years, IIFL Wealth and Asset Management
Nirmal Jain	Non-Executive Director	30 Years, HUL
Venkataraman Rajamani	Non-Executive Director	20 Years, ICICI Bank & GE Capital
Pavninder Singh	Non-Executive Nominee Director	25 Years, Bain Capital & Mercer
Rishi Mandawat	Non-Executive Nominee Director	20 Years, Bain Capital & Mackinsey & Company
Geeta Mathur	Independent Director	25 Years, ICICI Bank & Helping India
Dr.Subbaraman Narayan	Independent Director	Former Fin. Secy, Former Economic Advisor to PM
Pankaj Vaish	Independent Director	37 years, Accenture
Anirudha Taparia	Co-Founder & Joint-CEO, Wealth	20 Years, 360 One experience in financial service
Anup Maheshwari	Co-Founder & CIO, Asset Management	25 years, experience in financial service
Anshuman Maheshwary	Chief Operating Officer	20 Years, strategy and business planning
Sanjay Wadhwa	Chief Financial Officer	24 Years, L&T Financial Services, MCX, Reliance Money, Reliance Mutual Fund, HSBC, Coca-Cola and Ernst & Young.

Wealth Team		
Name	Designation	Experience
Shaji Kumar Devakar	Executive Director, Wealth	17+ Years, Barclays and Deutsche bank
Vinay Ahuja	Executive Director, Wealth	19+ Years, Merrill Lynch, Morgan Stanley, Deutsche bank
Anupama Sharma	Executive Director, Wealth	22 Years, Kotak Mahindra Bank, Citibank
Himanshu Jain	Executive Director, Lending Solutions	17+ Years, Merrill Lynch, Morgan Stanley Citi bank
A. Pramod Kumar	CIO, 360 ONE Plus	15+ Years, Wealthadvisors
Girish Venkataraman	Head - Estate Planning	20+ years, Deutsche bank and DSP Mutual Fund
Himadri Chatterjee	Head - Advisory	17+ years, Kotak Bank and ICICI Bank
Nikunj Kedia	Head - Products	20 Years, Karvy, Park Financial Advisors,
Ashish Ahuja	Director - Practice Head, Wealth	15 Years, Edelweiss
Hemant Lakhotiya	Director - Practice Head, Wealth	22 Years, Anand Rathi shares and stock broking
Sidhartha Shaw	Director - Practice Head, Wealth	
Vijeeta Sharma	Director - Practice Head, Wealth	20 Years,
Anu Jain	Equity Advisory	14 Years, IIFL Wealth
Viral Shah	Equity Brokerage	

Asset Management		
Name	Designation	Experience
Sameer Nath	CIO and Head - Private Equity & Venture Capital, Asset	25 years, Iron Pillar, Axio Biosolutions, BlueStone, Sedemac
Aakash Desai	CIO and Head - Private Credit, Asset	20 Years, Clix Capital (formerly GE Capital), Standard Chartered Bank, ICICI Bank (India and UK)
Amar Merani	CIO and Head - Real Assets, Asset	20 Years, fundraising, exits and executing high-yield structured credit transactions.
Navin Amarnani	CIO and Head - Hedge Fund, Asset	18+ Years, Pilgrim and Edelweiss
Anunaya Kumar	Head - Domestic Sales, Asset	22 years, Invesco MF
Bhavin Jatania	Head - Products, Asset	

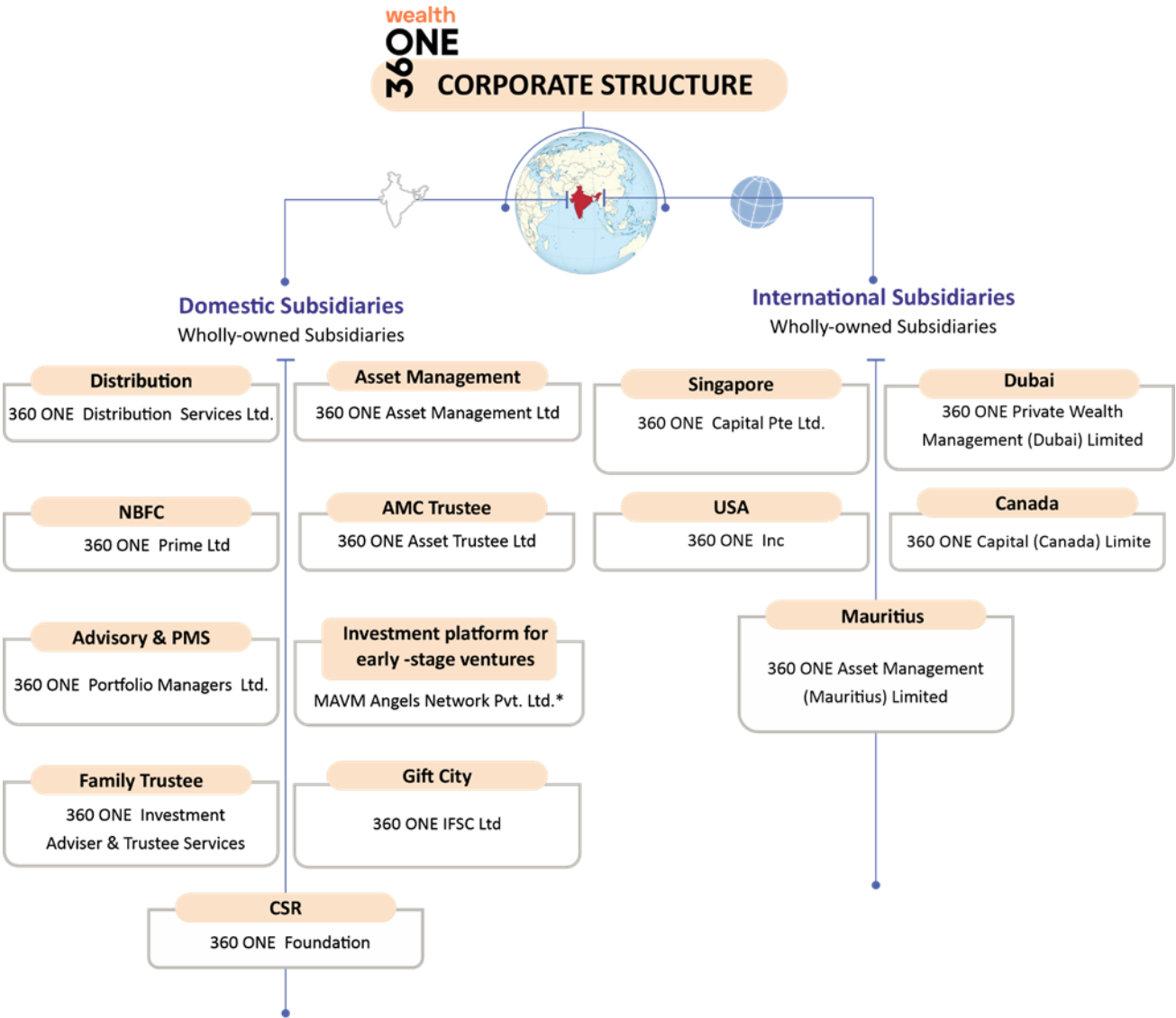
Source: Company

### Details Of Shareholding Pattern (%) ( As on Dec-23)

Promoter	17.8	FII's	62.5	DII's	8.9
Nirmal Jain	6.9	BC Asia Investments	24.7	ICICI Prudential Value Discovery	3
Karan Bhagat	4.8	Smallcap World Fund	8	HSBC Small Cap Fund	1
Yatin Shah	3.8	Capital Income Builder	5.3		
Venkataraman Rajamani	0.5	Government Pension Fund Global	2.5	Public	11
Aditi Athavankar	0.03	Wf Asian Reconnaissance Fund Ltd	2.5		
Amit Nitin Shah	1.3	Rimco (Mauritius) Ltd	2.2	Total Shareholding	100
		Bank Muscat India Fund	2		
		Fidelity Emerging Markets Fund	1.8		

Source: Company

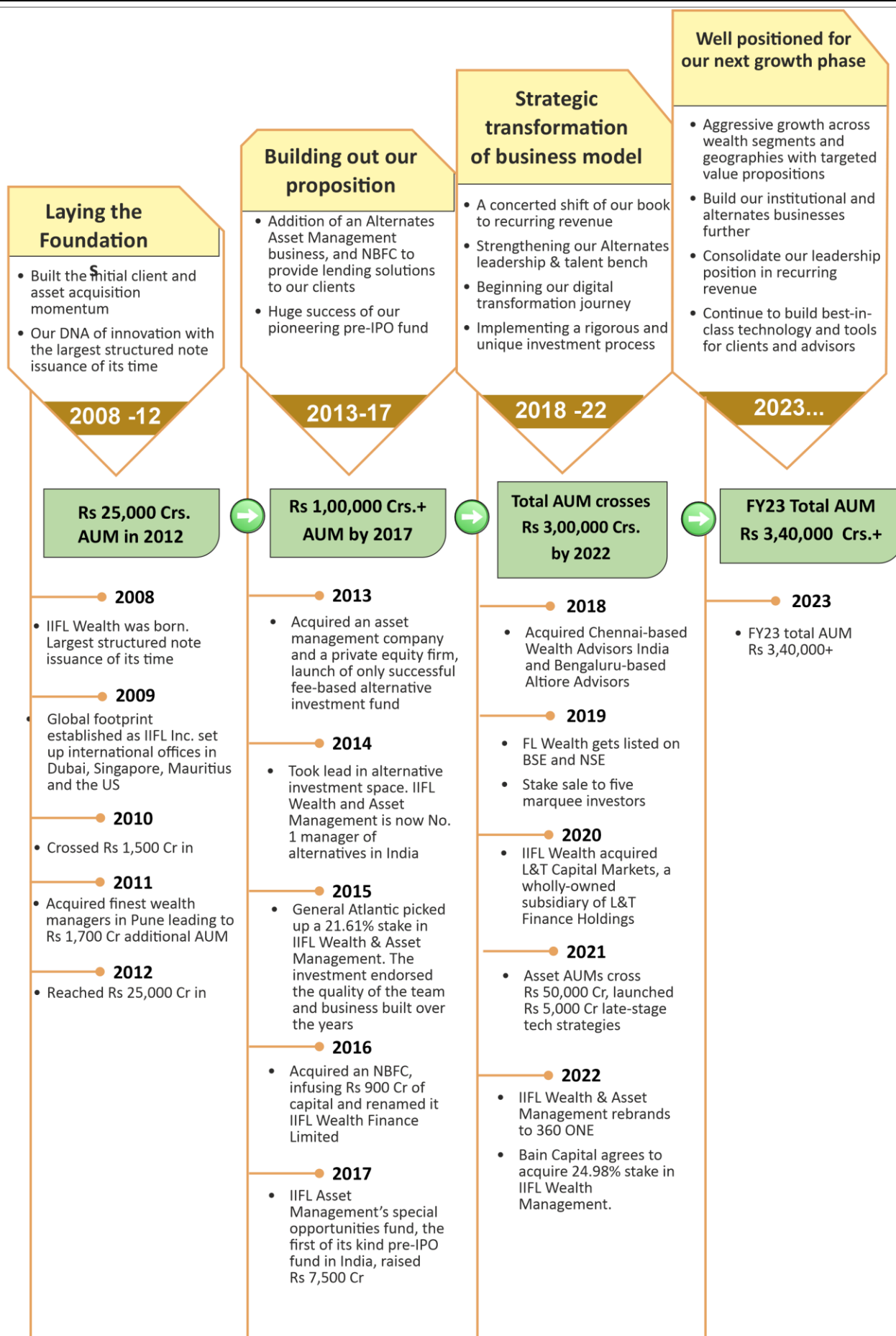
Exhibit 29: Corporate Structure



Source: Dalal & Broacha Research



## Exhibit 30: Corporate Timeline



Source: Dalal &amp; Broacha Research

## KEY INVESTMENT RATIONALE

### Building focus on sustainable Annual Recurring Revenue based model

In response to SEBI's regulatory changes in 2018, which prohibited Asset Management Companies (AMCs) from distributing upfront commissions, 360 ONE pivoted its strategy towards cultivating a recurring revenue model. During the period from FY20 to FY23, the ARR AUMs experienced a remarkable growth rate, achieving a CAGR growth of 39%. The traction in ARR AUMs has not only demonstrated the successful execution of 360 ONE's strategic initiatives but also indicates the company's ability to adapt to evolving market dynamics

As on Q3FY24, total AUM of the company stood at INR 4.5 trillion and of this, wealth management assets i.e. annual recurring revenues (ARRs) is at INR 2.2 trillion (48.6% of total AUMs, Q3FY24) and balance 51.4% i.e. INR 2.3 trillion are transactional brokerage revenues (TBR)

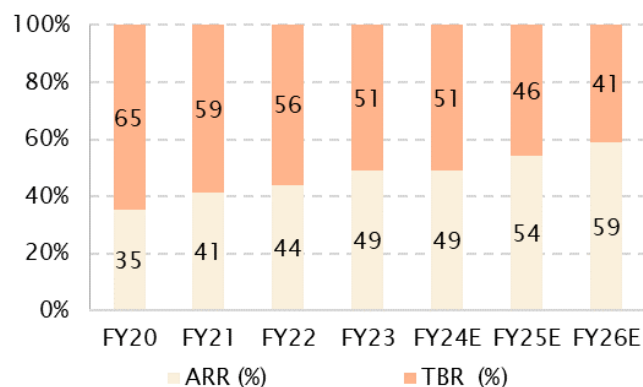
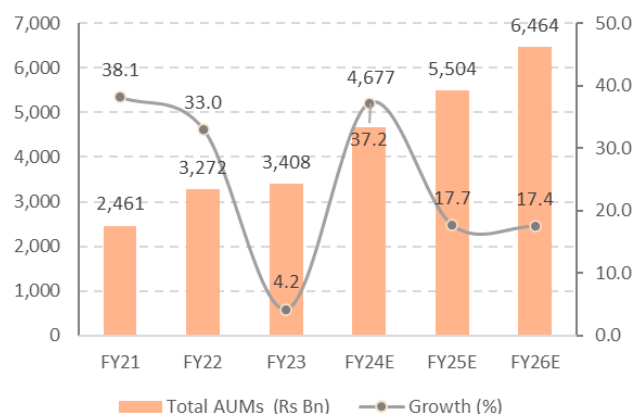
ARRs assets include wealth assets (69% share) and asset management assets (31% share) generating recurring annuity based fee income for the company. Under wealth management assets, key services offered are advisory, distribution, lending and estate planning. And on asset management side, clients have advantage of investing in listed equity, private equity, private credit, fixed income and real estates. And client base includes professionals, industrialists, corporate treasuries, senior executives, large traders, funds, endowments, family offices and entrepreneurs.

While TBR assets (INR 2.37 trillion, 51% share in total AUMs) are nothing but custody assets or brokerage assets including direct stocks, bonds etc. of the clients wherein income accretion from these assets is one-time in nature i.e. as and when transaction happens.

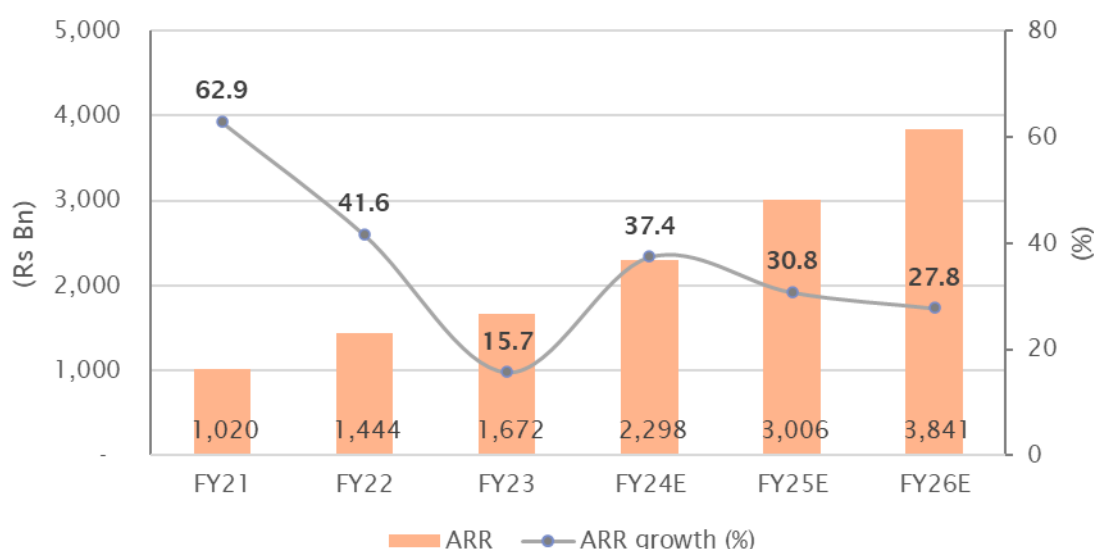
#### Exhibit 31: ARRs assets share is likely to increase from current 49% in FY24e to ~59% in FY26e

(Rs.cr)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Annual Recurring Revenue Earning Assets (ARRs)	62,595	1,01,969	1,44,432	1,67,174	2,29,767	3,00,574	3,84,091
Transactional / Brokerage Assets (TBR)	1,15,545	1,44,113	1,82,806	1,73,660	2,37,914	2,49,810	2,62,300
<b>Total AUMs</b>	<b>1,78,140</b>	<b>2,46,083</b>	<b>3,27,237</b>	<b>3,40,834</b>	<b>4,67,681</b>	<b>5,50,383</b>	<b>6,46,392</b>
Growth (yoy %)	FY20	FY 21	FY 22	FY 23	FY24e	FY25e	FY26e
Annual Recurring Revenue Earning Assets (ARRs)	-	62.9	41.6	15.7	37.4	30.8	27.8
Transactional / Brokerage Assets (TBR)	-	24.7	26.8	-5.0	37.0	5.0	5.0
<b>Total AUMs</b>	-	38.1	33.0	4.2	37.2	17.7	17.4
Share (%)	FY20	FY 21	FY 22	FY 23	FY24e	FY25e	FY26e
Annual Recurring Revenue Earning Assets (ARRs)	35.1	41.4	44.1	49.0	49.1	54.6	59.4
Transactional / Brokerage Assets (TBR)	64.9	58.6	55.9	51.0	50.9	45.4	40.6
<b>Total AUMs</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Company, D&B Research

**Exhibit 32: Share of ARR assets to increase to 59% from current 49%****Exhibit 33: Total AUM to grow by 17.6% CAGR over FY24-26e period**

Source: Company, Dalal &amp; Broacha Research

**Exhibit 34: AUM growth will be largely driven by ARR assets (29.3% CAGR over FY24-26e)**

Source: Company, Dalal &amp; Broacha Research

## 360 ONE Plus – client focused wealth advisory platform

360 ONE Plus, a flagship product of the company, is the holistic client centric comprehensive advisory platform wherein tailor-made wealth management solutions are provided to the clients. And the offerings include wealth and asset management, lending services and real estate planning services all under one umbrella. Here, the fees are charged directly to the clients and it does not earn any distribution fee from the manufacturer avoiding conflict of interest from the client. And client segment includes professionals, industrialists, corporate treasuries, senior executives, large traders, funds, endowments, family offices and entrepreneurs.

## I. Discretionary PMS

In this, portfolio manager has the sole discretion in selecting the investment ideas with adherence to permissible investment strategy. Average fee earned in this segment is 45-50 bps. Currently, discretionary AUMs which are at INR 92 bn (11.4% of the 360 ONE plus assets 4% of the ARR assets) have seen ~14% decline over the last 2 years as larger growth is seen in the non-discretionary AUMs and partly due to redemptions as well.

However, going forward, discretionary AUMs are likely to grow by 19% CAGR over next 2 years – despite this, relative growth in non-discretionary space will be much higher than seen in discretionary space.

## II. Non-discretionary PMS

In this, client approval is required before making any investment decision on their behalf. It earns average fee of ~30 bps in this segment. In last 2 years, non-discretionary AUMs have seen more than ~4x growth from ~INR 151 bn in FY22 to ~INR 594 bn in Q3FY24 largely because of higher new flows and partly because of MTM gains.

Going forward as well, we expect strong traction in AUMs to continue. We expect strong new flows into 360 ONE Plus assets (which will largely flow into non-discretionary space) to the tune of ~INR 347 bn / INR 378 bn in FY25e/FY26e vs. INR 318 bn in FY24e which will be led by a) addition of the new clientele b) flows expected from the existing clients c) venturing into HNI segment i.e. INR 5-25 cr d) rising demand for the wealth management player. 360 ONE is only largest non-bank wealth management company – it will stand to gain immensely from this positive ride. e) lastly favourable macros – rise in the HNIs and their wealth.

## III. Corporate treasury assets (16% of 360 ONE Plus and 5.4% of ARR assets)

This includes advisory services provided to the corporate clients. Respective yields in this segment are less at 3-4 bps

**(B) Distribution Assets Earning Trail Fees (48% of wealth AUMs & 32.7% of ARR assets) – Clients money invested in third party mutual funds, PMS, AIF etc.**  
**This segment largely consists of 2 parts –**

- a) **Mutual Funds** - This includes clients money invested in the third party mutual funds. Average yields earned are ~40 bps. Growth in this segment has been largely flat over the last 2 years as the recent net inflows received by the company has not been deployed. However, going forward, we expect mutual fund AUM to grow by 19.6% CAGR over FY24-26e led by higher deployment of previous flows and tapping of new HNI segment (discussed later in this report).
- b) **Managed Accounts** – Nearly 80-85% of the AUMs of managed accounts is invested in third party AIF, PMS etc. and balance 15% is into REITs/InvITs/gold PTC etc. Average yields earned are at higher end at ~85-95 bps because of the nature of the underline products. Over the last 2 years, AUMs in managed accounts has nearly doubled from INR 192 bn in FY22 to INR 381 in FY24e. Despite decent growth, effective yields have come down from ~1.4% in Q1FY23 to ~0.75% in Q3FY24 due to redemptions of high-yielding assets. Over the longer run, sustainable yields expected are ~85 bps.

**(C ) Lending business** – 360 ONE has NBFC as a subsidiary that provides short term funding to its existing wealth management clients for their immediate requirements. Currently, size of the lending book is INR 62.6 bn as on Q3FY24 and average margins earned in this segment are ~5.8-5.9% levels.

**Exhibit 35: Detail description of wealth management assets**

Wealth Management Assets		Wealth management assets of the company wherein it earns annuity based regular fee income
[A]	360 ONE Plus	Flagship product of 360 One - pure wealth management services provided to the clients (avg. ticket size of INR 35-40 cr). It has 6-7 model portfolios. This will include equity investments, AIF, PE and other assets. Here the commission is paid to the company by client
	(I) Discretionary PMS	Decision-making lies with the company. Avg. yields earned is ~45-50 bps
	(II) Non-discretionary PMS	Client approval is required before making any investment decision for the client. Avg. yield earned is ~30 bps
	(III) Corporate Treasury	Providing advisory services to the corporates. Avg. yields is low at 3-4 bps
[B]	Distribution Assets Earning Trail Fees	Clients money invested in the third party mutual funds where the company earns distribution trail fees. Commission is paid to company by the product manufacturer
[C]	Lending Book	Lending services provided to the clients

Source: Company, Dalal & Broacha Research

**Exhibit 36: Wealth ARR Assets Details**

Rs.cr (Q3FY24)	AUM (Rs. Cr)	% Share in WM/AMC Assets	% Share in ARR Assets	Retention yields (%) Q3FY24	Avg. Retention Yields (for last 7 qtrs)	Share in Revenues (%) (9MFY24)
Wealth Management Assets	1,51,614	-	-	0.60%	0.71%	63.5
Asset Management	69,154	-	-	0.72%	0.78%	36.5
<b>ARR Assets</b>	<b>2,20,768</b>	<b>-</b>	<b>-</b>	<b>0.64%</b>	<b>0.73%</b>	<b>100</b>
<b>Wealth Management Assets Break-up</b>	<b>1,51,614</b>	<b>100.0</b>	<b>68.7</b>	<b>0.60%</b>	<b>0.71%</b>	<b>63.5</b>
<b>a) 360 ONE Plus</b>	<b>73,625</b>	<b>48.6</b>	<b>33.3</b>	<b>0.19%</b>	<b>0.25%</b>	<b>8.6</b>
i) Discretionary PMS	9,216	6.1	4.2	0.44%	0.43%	3.2
ii) Non-discretionary PMS	52,397	34.6	23.7	0.17%	0.24%	5.2
iii) - Corporate Treasury	12,012	7.9	5.4	0.03%	0.04%	0.2
<b>b) Distribution Assets Earning Trail Fees</b>	<b>72,225</b>	<b>47.6</b>	<b>32.7</b>	<b>0.58%</b>	<b>0.62%</b>	<b>31.2</b>
i) Mutual Funds	34,410	22.7	15.6	0.41%	0.40%	10.2
ii) Managed Accounts	37,814	24.9	17.1	0.75%	0.90%	21.0
<b>c) Lending Book</b>	<b>5,764</b>	<b>3.8</b>	<b>2.6</b>	<b>5.75%</b>	<b>5.87%</b>	<b>23.7</b>

Source: Company, Dalal & Broacha Research

## Asset management business – focused on alternates

360 ONE is the largest alternate focused asset manager with sizeable share of 8.3% share in the total AIF industry (Q3FY24). Total asset management AUMs of the company are at INR 692 bn (31.3% of the ARR assets) and alternates AUMs being at INR 358.5 bn i.e. ~52% of the total AMC AUMs. While majority of the funds are in CAT II funds i.e. private equity forming nearly 57% of total alternates AUMs.

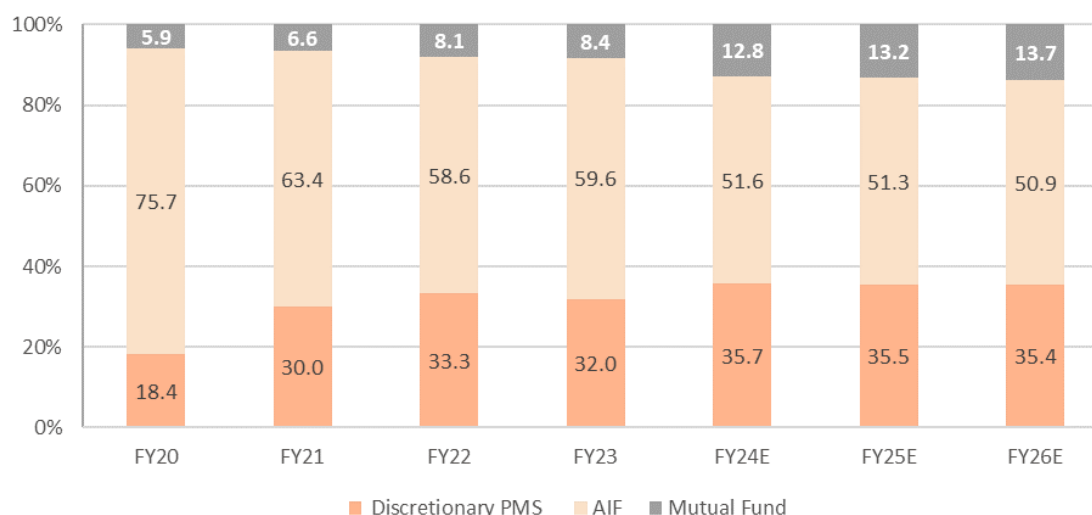
AMC AUM largely consists of 3 broad categories – i) discretionary PMS ii) Alternate Investment Fund iii) Mutual Fund.

- i) **Discretionary PMS** – These are standardized PMS services provided to the clients where the average ticket size of investments per clients could be ~INR50 lacs. This largely includes pure equity investments. The company receives the commission from the client
- ii) **Alternate Investment Fund** – This includes in-house AIF manufactured product of 360 ONE which includes investments done by its own wealth management clients and also by others clients which is distributed by third parties
- iii) **Mutual Fund** – This includes in-house mutual fund manufactured product by 360 ONE

**AIF industry to grow by 18-25% CAGR by FY2030 to reach INR \$500 bn** - Entire alternates industry has grown at very stupendous pace over the last 8-10 years – from a base of as low as INR 389 bn in FY16 to INR 10849 bn i.e. whopping growth of 53.7% CAGR in 8 years (commitment raised). While the funds raised has grown by 46.1% CAGR over last 8 years to INR 4295 bn currently (Q3FY24). According to CapHive (a technology platform for private capital markets), India-focused AIFs' assets under management is expected to grow 18-25% every year till 2030 to reach a size of \$500 bn, led by favourable regulatory regime and growing investor interest. Given this backdrop, 360 ONE will stand to benefit immensely from this positive macros given it is largest player.

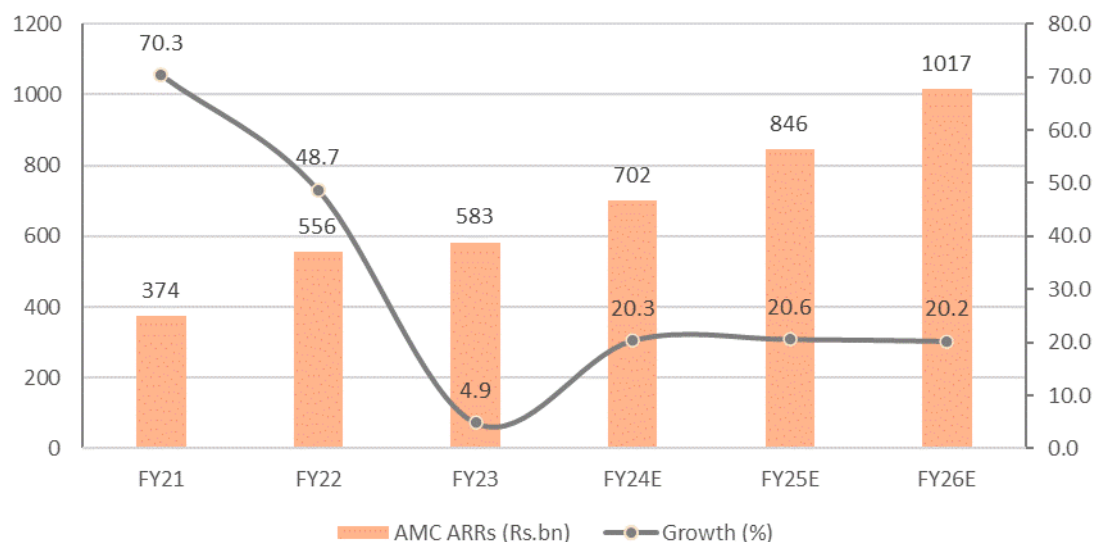
360 ONE AMC AUMs to grow at healthy pace of 17% CAGR over FY24-26e – Given favourable macros, higher demand from investors, we expect 360 ONE AMC AUMs to grow by 17% CAGR over FY24-26e period.

Exhibit 37: 360 ONE's break-up of AMC ARR assets - >50% are AIF assets



Source: Company, Dalal & Broacha Research

Exhibit 38: AMC ARR assets to grow by 20.4% CAGR overFY24-26e



Source: Company, Dalal &amp; Broacha Research

Exhibit 39: Details of AMC ARR Assets

Rs.cr (Q3FY24)	AUM (Rs. Cr)	% Share in WM/AMC Assets	% Share in ARR Assets	Retention yields (%) Q3FY24	Avg. Retention Yields (for last 7 qtrs)	Share in Revenues (%) (9MFY24)
Wealth Management Assets	1,51,614	-	-	0.60%	0.71%	63.5
Asset Management	69,154	-	-	0.72%	0.78%	36.5
<b>ARR Assets</b>	<b>2,20,768</b>	<b>-</b>	<b>-</b>	<b>0.64%</b>	<b>0.73%</b>	<b>100</b>
<b>ASSET MANAGEMENT (ARR)</b>	<b>69,154</b>	<b>100</b>	<b>31.3</b>	<b>0.72%</b>	<b>0.78%</b>	<b>36.5</b>
<i>(a) Discretionary Portfolio Management Schemes</i>	<b>24,679</b>	<b>35.7</b>	<b>11.2</b>	<b>0.47%</b>	<b>0.50%</b>	<b>8.3</b>
Discretionary Standardized Strategies	6,253	9.0	2.8	0.94%	0.94%	4.4
Institutional Mandates	18,426	26.6	8.3	0.31%	0.33%	3.9
<i>(b) Alternate Investment Fund</i>	<b>35,845</b>	<b>51.8</b>	<b>16.2</b>	<b>0.93%</b>	<b>0.98%</b>	<b>25.9</b>
Listed Equity	3,538	5.1	1.6	1.49%	1.14%	3.4
Private Equity*	20,526	29.7	9.3	1.05%	1.12%	17.2
Credit & Real Assets	10,201	14.8	4.6	0.58%	0.62%	4.5
Customized Multi-Asset class	1,580	2.3	0.7	0.39%	0.33%	0.4
Long Short Strategies	0	0.0	0.0	0.00%	0.80%	0.4
<i>(c) Mutual Fund</i>	<b>8,629</b>	<b>12.5</b>	<b>3.9</b>	<b>0.49%</b>	<b>0.46%</b>	<b>2.3</b>
Listed Equity	6,630	9.6	3.0	0.59%	0.58%	2.1
Debt	1,234	1.8	0.6	0.23%	0.17%	0.1
Liquid Funds	765	1.1	0.3	0.11%	0.12%	0.1

Source: Company, Dalal &amp; Broacha Research



## AUM growth will be one of the best seen in the recent past

Over the last four years, ARR assets have experienced remarkable growth, achieving a 38.4% CAGR during FY20-FY24e, driven primarily by new inflows (68% share in total growth) and partially by MTM gains (32% share in total growth). The growth drivers include market buoyancy, rise in the HNIs & UHNI and their wealth.

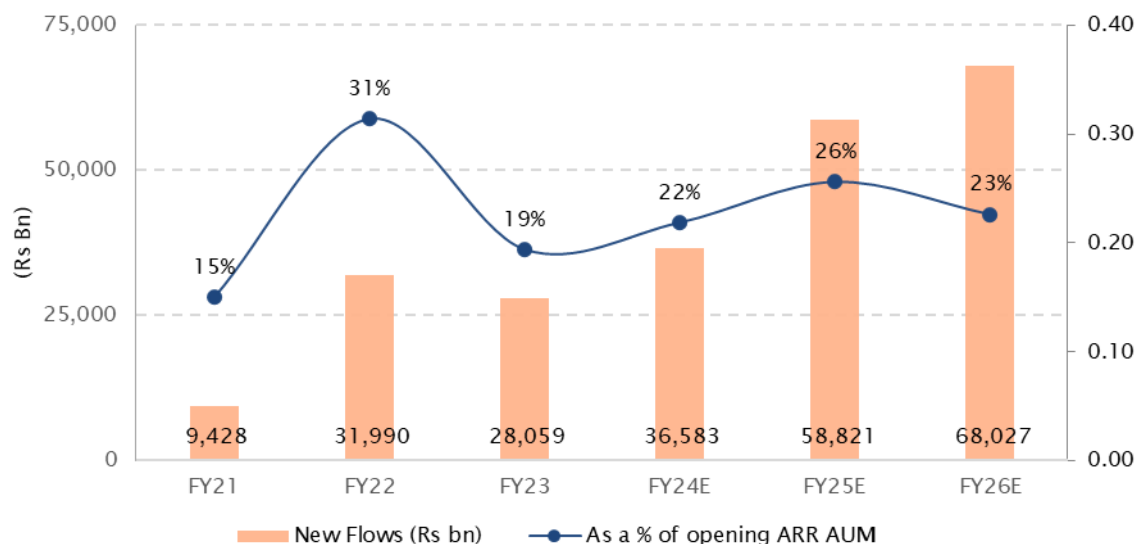
**Favourable macros** - Addressable total number of HNI & UHNI in India is ~2 lacs households that will grow to ~3 lacs households by FY27 i.e. growing at 8.4% CAGR over FY22-27e period. Similarly, UHNI's wealth will grow by 13.7% CAGR during FY22-27e i.e. from INR 62 trillion to INR 133 trillion. Additionally, HNI's wealth will grow by 13.2% CAGR over FY22-27e i.e. from INR 16 trillion to INR 33 trillion in FY27e. 360 ONE being largest non-bank wealth management player will set to gain immensely from this positive macros.

**New flows expected for 360 ONE will be one of highest seen in its history** - The company received one of the strongest net new flows of INR 320 bn, INR 280 bn and INR 366 bn in FY22/FY23/FY24e period respectively, which was significantly higher than average flows of INR 85 bn received during each period of FY20 & FY21. Over the last 6 years, it has added 2934 relevant families taking total count to 6957 (Q3FY24) which is quite commendable in our view. During 9MFY24, it has added ~400 new clients with >INR 5 cr ARR AUMs while the number of clients having ARR AUMs >INR 50 cr added were >100 for the same period. More importantly, 80% of these flows are coming for their flagship advisory product "360 ONE Plus". **Going forward, we expect robust net flows of INR 588 billion in FY25e and an estimated INR 680 billion in FY26e.** Management expects 60% of the flows are expected to come from the existing clients and 40% from the newer ones.

**ARR AUMs to grow by 29.3% CAGR over the next 2 years** - Increasing wallet share of existing clients, rise in HNI & UHNI & their wealth, entering into mid-market HNI segment, launch of new products, strong AIF flows & institutional flows – all these are key drivers for the growth in its AUM growth and new flows going forward. We expect strong traction to continue – ARR AUMs are likely to grow by 29.3% CAGR over FY24-26e period, led by robust new flows going forward. And share of ARR AUMs will increase from current 49% in FY24e to 59% in FY26e

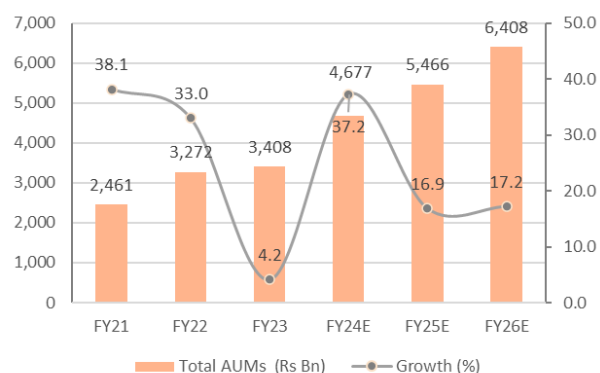
On the transaction AUM side, we have assumed conservative growth of 5% each over the next 2 years taking its AUM to INR 2.6 trillion from current INR 2.4 trillion in FY24e. Hence, total AUMs are projected to touch INR 6.46 trillion by FY26e from INR 4.67 trillion in FY24e (CAGR growth of 17.6% during FY24-26e).

**Exhibit 40: We expect record flows over the next 2 years – INR 588 bn in FY25e and INR 680 bn in FY26e vs. INR 366 in FY24e**

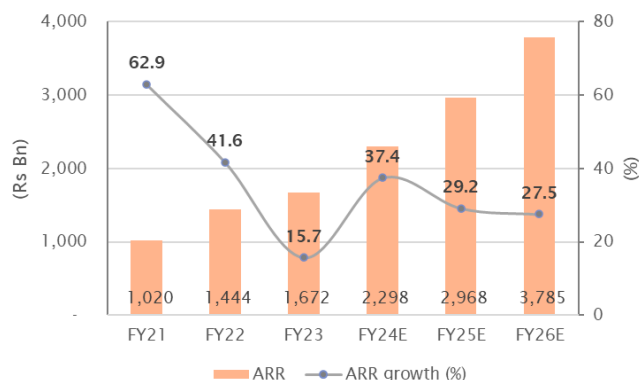


Source: Company, Dalal & Broacha Research

**Exhibit 41: Total AUM to grow by 17.6% CAGR over FY24-26e ....**



**Exhibit 42: ...ARR assets to see higher CAGR growth of 29.3% over FY24-26e**



Source: Company, Dalal & Broacha Research

## Venturing into the HNI (mid-market) segment at India & global level

**Growing market size-** Addressable total number of HNI & UHNI in India is ~2 lacs households that will grow to ~3 lacs households by FY27 i.e. growing at 8.4% CAGR over FY22-27e period. Additionally, HNI's wealth will grow by 13.2% CAGR over FY22-27e i.e. from INR 16 trillion to INR 33 trillion in FY27e. 360 ONE being largest non-bank wealth management player will set to gain immensely from this positive macros.

Over the past year, the company has been enhancing its capabilities and infrastructure to expand its footprint in the HNI segment, both domestically and internationally. The company is strategically expanding into the High Net Worth Individual (HNI) segment in India and globally, targeting clients with investible surpluses ranging from INR 50-250 million. Internationally, it maintains offices in Canada, Dubai, Mauritius, Singapore, and the USA; however, it hadn't actively pursued overseas clients earlier.

## Indian Wealth Market - Customer Segmentwise

Financial Wealth Threshold (INR Cr.)		No. of households 2022		Total Household		Expected CAGR %	
				2022 Rs Tn	2027E Rs Tn		
70 - 75% of Country Total Financial Wealth	>25 Cr	UHNI	UHNI	35,000	62	133	13.73%
	5 - 25 Cr	HNI	HNI	1,70,000	16	33	13.18%
	1 - 5 Cr	Affluent	Affluent	26,00,000	30	61	12.47%
	0.5 - 1Cr	Emerging Affluent	Emerging Affluent	3,30,00,000	24	54	14.51%
	<50 Lacs	Mass Mkt & Retail	Mass Mkt & Retail	2 1,00,00,000	68	119	9.00%

- **Top level hiring already in place**

Mr. Satheesh Krishnamurthy, formerly with Axis Bank (Burgundy), has been appointed as the CEO of the HNI segment in Q3FY24. With experience in serving affluent and private banking clients, his responsibilities at 360 ONE include identifying new business opportunities, expanding distribution networks, optimizing the product portfolio, and crafting financial strategies. Additionally, for international operations, Vikram Malhotra, previously with Bank of Singapore, has joined the team.

- **AUM from HNI & global business expected to be INR 100 bn in first year itself**

Anticipated assets under management (AUMs) from this segment are approximately INR 100 billion in the first year (FY25), a substantial figure. Of this, nearly, 60% of flows are expected in for HNI segment and 40% in global HNI segment. Drawing from its 15-year experience in wealth management serving UHNIs, 360 ONE's entry into the HNI market is poised to be revolutionary, potentially establishing it as a significant player capable of disrupting the industry landscape.

- **Technology investment done & app to go live early next financial year**

A substantial investment of INR 700 mn has been dedicated to developing advanced platforms tailored for this segment, showcasing the company's commitment to cutting-edge technology in wealth management. Currently in the pilot phase, the company's app is undergoing thorough testing and refinement, with plans to go live early next year. HNI platform will go live in April 2024 and global platform by July 2024. The target clientele comprises Chief Risk Officers (CROs), Chief Financial Officers (CFOs), and Chief Operating Officers (COOs) of companies with average salaries ranging from INR 10 to 50 mn. Average retention yields expected in this segment is 70-75 bps higher than the current UHNI segment.

- **Key rationale for venturing into HNI segment**

Building HNI segment will give company necessary stability and diversification to its business model. By building a strong presence in the HNI segment, the company can tap into the potential for today's HNI clients to become UHNIs in the future, capturing them at the early stages of their investment journey. Additionally, the HNI segment offers better retention yields, averaging around 70-75 basis points,

- **In our view, 360 ONE will have edge over the other players in HNI segment due to strong technology platform and its already hand-on experience in catering to UHNI.**

### **Retention yields will see improvement in FY25**

The company makes retention yields of 45-50 bps in the wealth management business and ~75-80 bps in the assets management business. And total blended yields on ARR assets works out to be ~67 bps (including lending business) and ~51 bps (excluding lending business) for FY24 period. Transactional assets earn retention yields of ~20-25 bps. Total retention yields earned on the total AUMs (i.e. including ARR and transactional assets) works out to 45-50 bps.

During the period FY24, retention yields on ARR assets (excl. lending) saw a drop from 61 bps in FY23 to 51 bps in FY24 due to non-deployment of new flows of money received by the company. Total new flows in FY24 was one of the strongest seen in its history at ~INR 366 bn in FY24e vs. INR 280 bn in FY23 (INR 94 bn in FY21 and INR 75 bn in FY20). Out of the total ARR AUMs of INR 2.2 trillion, active ARRs are at INR 1.85 trillion excluding ~INR 34000 cr AUM comprising of non-fee bearing assets, treasury and other assets with fee of <5 bps and liquid funds. 65-75% of the non / low fee bearing assets reflects the lag between flows coming from new clients and its own conversion to regular yielding ARR AUM or flows under select old mandates that are continuing at low legacy retentions.

Going forward, we expect total ARR assets (ex-lending) will improve from 51 bps in FY24e to 55 bps in FY26e which will be largely led by

- I. deployment of new flows raised in FY24 will move the non-discretionary yields to 25-30 bps over the next 2 years time from current 18 bps in FY24
- II. discretionary clients that draw lower yields – the company is bargaining to revise rates at higher rates
- III. HNI platform is likely to gain traction in the coming years which draws higher yields of 70-75 bps
- IV. Alternates Investment Fund is likely to see stronger growth of 23% CAGR over the next 2 years time which has higher yields of ~1%

## Cost / Income ratio to come down over the next 2 years

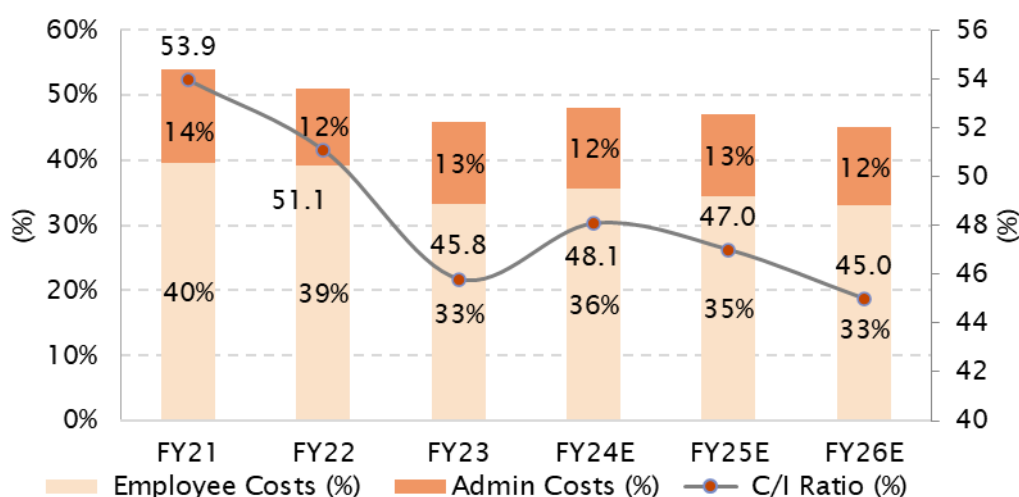
### Employee costs constitute major portion of the expenses for 360 ONE

Investing & retaining top-tier talent (Employee expenses) constitutes major share of expenses for 360 ONE:

Wealth management for HNIs/UHNIs requires RMs to blend technical expertise with exceptional interpersonal skills to deliver personalized and holistic financial solutions. Thus serving high-net-worth clients inherently involves higher servicing costs due to the personalized nature of the services provided. Also due to the growing wealth of HNIs/UHNIs globally has increased the demand for wealth management services, creating a need for more RMs. However, the supply of qualified professionals has not kept pace with this demand. This shortage can indeed lead to high attrition rates within the industry, as firms compete to attract and retain skilled professionals. Hence WM firms have to shelve higher variable payouts and ESOPs to retain top-tier RM's. For 360 ONE, employee costs constitute ~33% of their revenues in FY23. It is noteworthy to understand that gaining operating leverage in WM will be marginal since the firm will be required to spend more on RM's & servicing cost for their clients in order to garner more AUM.

Admin & other expenses account for the balance 11%-13% of operating costs which include expenses in the nature of advertisement, legal & professional expenses, IT Costs, depreciation & other miscellaneous expenses.

**Exhibit 43: Operating leverage to kick in ...cost/income ratio to improve from 48% in FY24e to 45% in FY26e**

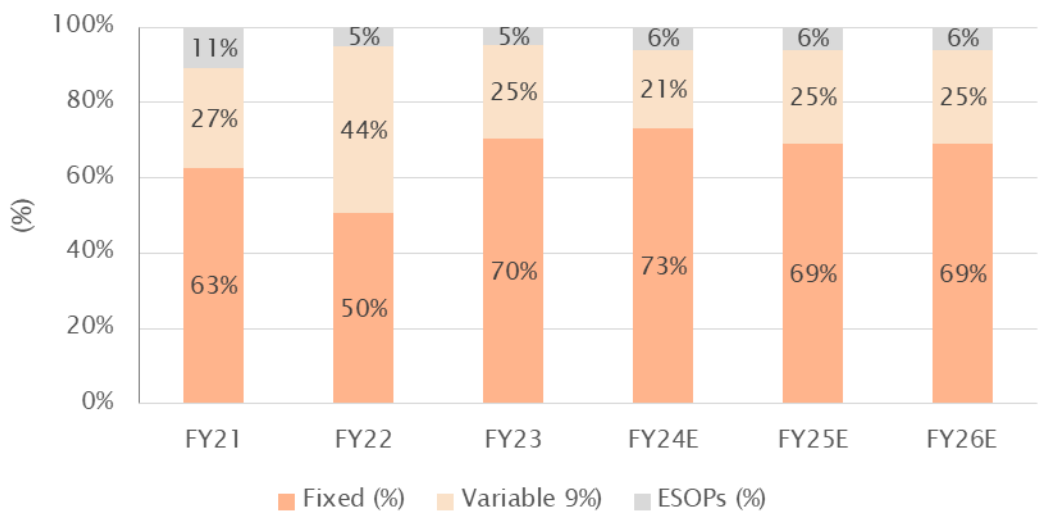


Source: Company.

Fixed & Variable Costs:

Fixed salaries for employees has grown from ~63% to 70% of total employee costs - while in the same time employee count has grown from 861 to 1074. Variable costs are generally tied to performance metrics & tend to move in tandem with the results of the firm. We have estimated ~18% CAGR in variable costs from FY23 to FY26E.

Exhibit 44: Employee cost break-up – fixed cost consist of larger share of ~70%



Source: Company, Dalal & Broacha Research

## Key risks

- i) Fall in the stock markets can impact AUM growth and new flows as well
- ii) Heightened competition intensity may result in fall in the revenue yields
- iii) **Changes in the top management is also the one of the key risks to the business model of the company**

## Peer Comparison

( in Rs Cr)	360 One Wealth	Nuvama Wealth	Anand Rathi Wealth	Motilal Oswal Pvt Wealth	J M Financial
	9MFY24	9MFY24	9MFY24	9MFY24	9MFY24
Total AUM	4,54,000	3,31,375	55,057	163,900*	66,680*
UHNI AUM ( including custody assets)	4,54,000	1,67,982	40,907	52,900	66,680
ARR AUM	2,21,000	35,725	33,585	NA*	12,534
ARR AUM as a % of Total AUM	49%	11%	61%	NA*	19%
Total Revenue for Wealth Division	1,342	1,467	555	572	NA*
ARR Revenue	973	253	186	129	NA*
ARR Revenue as a % of total revenue	73%	17%	34%	22% *	NA*
PAT	561	253	169	213	NA*
Clients (UHNI)	6,957	3,500	9,641	6,302	NA*
RM's	204	115	322	233	36
AUM per RM (ex- custody assets)	1,083	311	104	227	NA
AUM per client ( in Rs Cr)	31.8	10.2	3.5	8.4*	NA
ARR Retentions	0.70%	1.03%	0.83%	NA*	NA

Source: Above data is computed basis information given in various company quarterly presentations,

\*NA- Data not available;

Details on number of clients is as per FY23 records of respective companies

## Valuations

360 ONE has a superior model with strong management in place, backed by 15 years of operating history. It is the largest non-bank wealth management player in UHNI segment with ARR AUMs of INR 2.3 trillion (total AUM INR 4.5 trillion, FY24e). The company has matured and evolved, having experienced various cycles, products, and team developments. We expect record new flows over the next 2 years time resulting in ARR AUMs to touch INR 3.8 trillion by FY26e end (29% CAGR during FY24-26e). PAT is projected to grow at a 25.5% CAGR during the FY24-26e period, driven by healthy AUM growth, improvement in retention yields, and operating leverage benefits to kick in.

Currently, it is trading at P/E of 26x/20x FY25/FY26e EPS with ROE of 27.9%/32.9% for the same period. We have positive outlook on the long term growth prospects of the wealth management industry and 360 ONE is one of the most profitable player. **We initiate a coverage on the stock with target price of INR 864, valuing the company at 26x on FY26E EPS, giving us upside of 28% from the current levels.**

### Exhibit 45: Peer Comparison

				EPS			PBT Margins %			RoE%			P/E			P/AUM
	CMP	M.Cap	AUM	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	
360 One	675	24,233	4,30,768	21.10	26.27	33.22	55%	56%	57%	24%	28%	33%	32	26	20	6%
Anand Rath	3,631	15,178	55,057	54.67	68.57	80.74	39%	39%	39%	39%	35%	33%	66	53	45	28%
Nuvama	4,260	14,910	3,31,000	169.04	199.52	235.52	39%	40%	42%	25%	26%	28%	25	21	18	5%
Prudent	1,256	5,200	77,774	32.96	41.51	51.26	23%	24%	25%	33%	30%	28%	38	30	25	7%
HDFC AMC	3,671	78,559	5,75,000	83.29	92.55	104.94	93%	89%	91%	29%	30%	31%	44	40	35	14%
Nippon AMC	446	28,053	4,81,000	16.02	17.62	19.90	68%	67%	68%	27%	30%	32%	28	25	22	6%
UTI AMC	825	10,478	2,85,256	56.95	50.65	55.68	55%	52%	53%	18%	15%	16%	14	16	15	4%
ABSL AMC	455	13,104	3,12,300	25.23	26.43	29.12	66%	66%	66%	28%	26%	25%	18	17	16	4%

Source: Company, Dalal & Broacha Research

### Scenario Analysis

(Rs INR)	Bull case	Base	Bear case
EPS	33	33	33
P/E (x)	30	26	20
Target Price	997	864	664
CMP	675	675	675
Upside %	48%	28%	-2%



## Financials

### Profit & Loss

P&L (Rs Cr)	FY21	FY22	FY23	FY24E	FY25E	FY26E
ARR Revenue	583	923	1,171	1,328	1,733	2,223
TBR Revenue	333	475	394	453	450	450
<b>Total Revenue</b>	<b>915</b>	<b>1,398</b>	<b>1,565</b>	<b>1,781</b>	<b>2,183</b>	<b>2,673</b>
Employee Costs	417	602	520	670	789	920
Admin & Other costs	150	183	198	232	286	335
<b>Total Operating Expenses</b>	<b>568</b>	<b>784</b>	<b>718</b>	<b>902</b>	<b>1,075</b>	<b>1,255</b>
<b>Operating Profit</b>	<b>348</b>	<b>614</b>	<b>847</b>	<b>879</b>	<b>1,108</b>	<b>1,419</b>
Other income	137	137	4	95	105	115
PBT	485	751	850	974	1,213	1,534
Provision for tax	116	174	192	224	279	353
PAT (From continuing operations)	369	578	658	750	934	1,181

Source: Company, Dalal & Broacha Research

### Balance Sheet

Balance Sheet (Rs Cr)	FY21	FY22	FY23	FY24e	FY25e	FY26e
Equity capital	18	18	36	36	36	36
Reserves & Surplus	2,810	2,980	3,086	3,126	3,312	3,548
<b>Net worth</b>	<b>2,828</b>	<b>2,998</b>	<b>3,122</b>	<b>3,161</b>	<b>3,348</b>	<b>3,584</b>
Minority Interest	-	-	-	4	4	4
Borrowings	4,512	5,555	6,625	8,502	9,087	9,713
<b>Other Liabilities</b>	<b>1,400</b>	<b>2,187</b>	<b>1,445</b>	<b>1,589</b>	<b>1,706</b>	<b>1,835</b>
<b>TOTAL LIABILITIES</b>	<b>8,740</b>	<b>10,740</b>	<b>11,192</b>	<b>13,257</b>	<b>14,146</b>	<b>15,136</b>
Fixed Assets	442	4,294	4,715	5,546	5,618	5,824
Current Assets	7,538	5,721	5,550	6,674	7,519	8,286
Goodwill	373	373	418	418	418	418
Cash & Cash Equivalents	387	351	509	620	591	609
<b>TOTAL ASSETS</b>	<b>8,740</b>	<b>10,740</b>	<b>11,192</b>	<b>13,257</b>	<b>14,146</b>	<b>15,136</b>

Source: Company, Dalal & Broacha Research

## Ratios

Ratios	FY22	FY23	FY24E	FY25E	FY26E
<b>AUM Details</b>					
ARR AUMs (INR Cr)	1,44,432	1,67,174	2,29,767	3,00,574	3,84,091
TBR AUMs (INR Cr)	1,82,806	1,73,660	2,37,914	2,49,810	2,62,300
<b>Total AUMs (INR Cr)</b>	<b>3,27,237</b>	<b>3,40,834</b>	<b>4,67,681</b>	<b>5,50,383</b>	<b>6,46,392</b>
ARR AUM growth (%)	41.6	15.7	37.4	30.8	27.8
Total AUMs growth (%)	33.0	4.2	37.2	17.7	17.4
ARR AUM / Total AUM (% share)	44.1	49.0	49.1	54.6	59.4
TBR AUM / Total AUM (% share)	55.9	51.0	50.9	45.4	40.6
<b>Retention yields (%)</b>					
Wealth ARR (including lending)	0.73	0.72	0.64	0.61	0.61
Wealth ARR (ex-lending)	0.47	0.49	0.41	0.44	0.47
AMC AUM	0.77	0.80	0.73	0.75	0.77
Total ARR Assets	0.75	0.75	0.67	0.65	0.65
Total ARR Assets (ex-lending)	0.59	0.61	0.51	0.53	0.55
Total AUMs	0.49	0.47	0.44	0.46	0.48
Total AUMs (Ex-lending)	0.42	0.40	0.36	0.39	0.42
<b>Growth Ratios (%)</b>					
Net Sales	52.7	11.9	13.8	22.6	22.4
Operating Profit	76.7	37.9	3.8	26.0	28.0
PBT	54.9	13.2	14.6	24.5	26.5
PAT	56.5	13.9	14.0	24.5	26.5
<b>Per Share Data (Rs)</b>					
EPS (prior to split & bonus)	65.4	74.0	84.4	105.1	132.9
Restated EPS (post bonus & split)	16.4	18.5	21.1	26.3	33.2
Payout ratio (%)	84.1	93.2	94.8	80.0	80.0
Dividend Per Share	55.0	17.3	20.0	21.0	26.6
BV	353	88	89	94	101
<b>Other Ratios (%)</b>					
Cost/Income	51.1	45.8	48.1	47.0	45.0
<b>Valuation Ratios (x)</b>					
P/E(x)	41.3	36.5	32.0	25.7	20.3
P/B(x)	1.9	7.7	7.6	7.2	6.7
EV/EBIDTA(x)	34.3	35.6	36.5	29.5	23.5
Div. Yield(%)	2.0	2.6	3.0	3.1	3.9
<b>Return Ratios (%)</b>					
ROE	19.3	21.1	23.7	27.9	32.9
ROCE	7.2	8.7	7.5	8.9	10.7
<b>Others Ratios</b>					
Equity	17.7	35.6	35.8	35.8	35.8
Face Value	2	1	1	1	1

Source: Company, Dalal &amp; Broacha Research

## Anand Rathi Wealth Limited (ARWL)

Anand Rathi Wealth Ltd (ARWL) targets HNI clients with a net worth ranging from Rs INR 50 mn – INR 500 mn. Total AUM of the company is at INR 550 bn currently (9MFY24) (grown at 31% CAGR over FY21-24e) with active client families of 9641 and total RMs of 322. Out of its total AUMs, 74.3% of AUM comes from clients with average ticket size > INR 50 mn and balance ~25.7% comes from clients with less than <INR 50 mn average ticket size segment, where ARWL is leveraging its expertise to gain a larger share over time.

The two key revenue sources for ARWL are:

### Trail Commission Income on Mutual Funds (MFs):

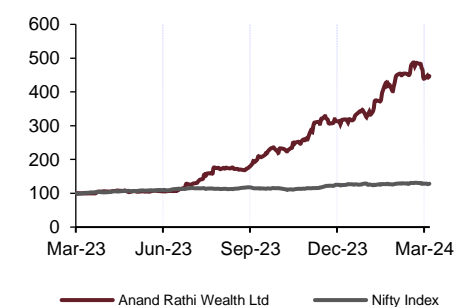
This revenue is earned based on the assets under management (AUM) of mutual funds distributed by ARWL. Trail commission income is typically a recurring revenue stream earned by wealth management firms for providing ongoing advisory services and support to clients invested in mutual funds. ARWL earns approximately 89 basis points (bps) of gross blended commission on MF distribution in FY21. MF distribution contributes nearly 59% in the total AUMs

### Upfront Trading Income on Sale of Market-Linked Debentures (MLDs):

MLDs AUM contribute nearly 41% in the total AUMs. It generates upfront trading income from the sale of MLDs, which are typically linked to equity indexes. These MLDs are distributed by the company to its clients and are usually structured as 3-5 year products. The revenue earned from the sale of MLDs is booked upfront for the entire tenure of the product distributed. The annualized yield earned by company on MLDs ranges from 1% to 1.5%. It's important to note that while ARWL earns revenue from the sale of MLDs, these products are not manufactured by ARWL itself.

Rating	TP (Rs)	Up/Dn (%)
<b>NOT RATED</b>		
<b>Market data</b>		
Current price	Rs	3,631
Market Cap (Rs.Bn)	(Rs Bn)	152
Market Cap (US\$ Mn)	(US\$ Mn)	1,826
Face Value	Rs	5
52 Weeks High/Low	Rs	4199.8 / 780.75
Average Daily Volume	('000)	26
BSE Code		543415
Bloomberg		ANANDRAT.IN
Source: Bloomberg		

### One Year Performance



Source: Bloomberg

% Shareholding	Dec-23	Sep-23
Promoters	48	48
Public	52	52
Total	100	100

Source: Bloomberg

**Future Outlook:**

Anand Rathi wealth is a strong play if one bets on the growth of MF under-penetration in India, since major portion of their AUM (~59%) comes from MF & the trail revenue from distribution of MF is their only source of recurring revenue. The only concern for Anand Rathi could be decrease in distribution yields as a cascading effect of the reduction in TERs by SEBI for AMC's in 2018-19. However, the management remains affirmative on its distribution-led model achieving a consistent 20-25% growth in PAT in the medium-to long term future.

**Going forward**, the consensus estimates for the period FY23-26E ; ~25% growth in Revenues, ~24% growth in PBT, ~26% growth in EPS. MF AUM to cross 50K Crore mark by FY2026 & Recurring revenues to constitute ~40% of total revenues by FY26E.

Largely, re-rating on the stock has happened over the last 1.5-2 years, stock price has risen by ~350% in the last 1 year time and valuation multiple have surged from 10x to 45x on FY26e EPS. Stock will largely track EPS growth and not valuation re-rating can happen from current levels.

360 ONE and ARWL business model is different in various terms – i) ARWL is more into HNI segment while 360 is largely into UHNI segment (venturing into HNI segment now) ii) size – 360 ONE is almost 4x bigger than ARWL in terms of ARR AUMs iii) ARWL is more in the distribution while 360 ONE is more advisory led model. 360 ONE has 15 years of operating history which has more mature business model & products variety & while teams have also evolved. While ARWL is largely into the distribution of 2 products MFs and MLDs. In nutshell, 360 ONE is pure wealth management play which is likely to gain immensely due to positive macros.

## Anand Rathi Wealth Limited (ARWL)

## Exhibit 46: Profit &amp; Loss Statement

	(Rs Cr)					
Particulars	2021	2022	2023	2024E	2025E	2026E
<b>Revenue From Operations</b>	<b>265</b>	<b>417</b>	<b>549</b>	<b>743</b>	<b>904</b>	<b>1,065</b>
Recurring Revenue (MF Revenue)	86	148	182	243	350	421
Other Revenue	179	269	367	500	553	644
<b>Other Income</b>	<b>14</b>	<b>8</b>	<b>10</b>	<b>19</b>	<b>30</b>	<b>35</b>
Employee Benefit Expenses	151	192	242	334	407	480
Other Expenses	45	48	68	99	118	142
<b>EBITDA</b>	<b>70</b>	<b>177</b>	<b>239</b>	<b>311</b>	<b>378</b>	<b>442</b>
Depreciation and Amortization	18	16	17	18	20	22
<b>EBIT</b>	<b>52</b>	<b>162</b>	<b>222</b>	<b>292</b>	<b>358</b>	<b>420</b>
Finance Cost	3	2	4	6	5	5
<b>Share in Profit of associates</b>						
<b>EBT (Incl. Other Income)</b>	<b>49</b>	<b>160</b>	<b>218</b>	<b>286</b>	<b>353</b>	<b>415</b>
<b>Exceptional Income/Expenses</b>						
<b>EBT (Incl. Other Income)</b>	<b>63</b>	<b>167</b>	<b>228</b>	<b>305</b>	<b>382</b>	<b>450</b>
Tax Expenses	18	41	60	77	96	113
<b>Net Income</b>	<b>45</b>	<b>127</b>	<b>168</b>	<b>228</b>	<b>286</b>	<b>337</b>
EPS	10.87	30.50	40.46	54.67	68.57	80.74
<b>No. of Shares</b>	<b>4.11</b>	<b>4.15</b>	<b>4.16</b>	<b>4.17</b>	<b>4.17</b>	<b>4.17</b>
P/E	348.85	124.33	93.72	69.36	55.30	46.97

## Exhibit 47: Ratios

Key Financial Matrix	(Rs Cr)					
	2021	2022	2023	2024E	2025E	2026E
C/I Ratio (%)	82	62	61	62	62	62
Total AUM	26,058	32,906	38,993	60,000	72,000	86,400
MF/ Recurring Aum	13,811	19,085	23,006	35,400	42,480	50,976
Non-MF AUM	12,247	13,821	15,987	24,600	29,520	35,424
AUM % Split						
MF (%)	53.00	58.00	59.00	59.00	59.00	59.00
Non-MF AUM (%)	47.00	42.00	41.00	41.00	41.00	41.00
ARR Revenue as a % of Total (%)	32.41	35.45	33.17	32.66	38.79	39.50
ARR Retentions (%)		0.90	0.86	0.83	0.90	0.90
Retentions for other than MF products (%)		2.07	2.46	2.47	2.04	1.98

Source: Bloomberg/Consensus Estimates, Dalal &amp; Broacha Calculations &amp; Triangulations

## Nuvama Wealth Management

Nuvama is a diversified wealth management firm catering to high-net-worth individuals (HNIs) and affluent clients. Their services include investment advisory, product distribution across asset classes, estate and succession planning, loan provisions such as LAS, MTF, and ESOP funding, as well as alternate asset management. Additionally, they offer capital market services like investment banking solutions, institutional equities, and asset servicing.

Nuvama Wealth earns through three key services- Wealth Management, Asset Management & Investment Banking/ Institutional Equity Services. Within Wealth Management, Nuvama operates through two verticals: Nuvama Private, serving UHNIs with investible assets exceeding Rs250 million, and Nuvama Wealth, catering to HNIs and affluent clients with investible assets up to Rs250 million.

### Nuvama Private

Nuvama Private provides a range of financial services to its primary clients, including business owners, entrepreneurs, family offices, CXOs, professional investors, corporate treasuries, and institutions. These services encompass investment solutions with an open architecture approach, offering products like Alternative Investment Funds (AIF), Portfolio Management Services (PMS), Mutual Funds (MF), insurance, and fixed income products. They also manage a loan book primarily consisting of Loan Against Securities (LAS) and Margin Trading Facility (MTF). Income from distribution of these products is recurring in nature. Additionally, Nuvama offers real estate planning services such as will creation and setting up trusts for domestic and offshore entities, along with family office solutions like assisting in the establishment of single-family offices.

### Nuvama Wealth

Nuvama Wealth Management targets clients with investible assets of less than Rs250 million, focusing primarily on those with an average ticket size of Rs10-15 million. They are expanding aggressively, employing a multi-customer, multi-geography, multi-distribution approach. Their

Rating	TP (Rs)	Up/Dn (%)
<b>Not Rated</b>		
<b>Market data</b>		
Current price	Rs	4,260
Market Cap (Rs.Bn)	(Rs Bn)	150
Market Cap (US\$ Mn)	(US \$ Mn)	1,808
Face Value	Rs	10
52 Weeks High/Low	Rs	4587.95 / 2100
Average Daily Volume	('000)	56
BSE Code		543988
Bloomberg		NUVAMA.IN
Source: Bloomberg		

### One Year Performance



Source: Bloomberg

% Shareholding	Dec-23	Sep-23
Promoters	56	56
Public	44	42
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Bloomberg

clientele consists mainly of salaried individuals and SME enterprise owners. Nuvama offers a broad range of products through both in-house relationship managers and external asset managers/channel partners. They blend physical relationships with technology to enhance productivity and offer a unique customer experience. With a nationwide presence, Nuvama is more geographically diversified compared to smaller, non-bank-backed wealth management firms. While they offer various financial products, AIFs are a key focus in their recurring business. Their loan portfolio, primarily includes funding for ESOPs, alongside Margin Trading Facility (MTF) and Loan Against Securities (LAS) options.

**Nuvama Asset Management:**

Nuvama's asset management business started in CY2021, and by 2QFY24, their revenue-generating Assets Under Management (AUM) reached Rs46 billion, with overall AUM at Rs62 billion. They have developed a diversified portfolio of Alternative Investment Funds (AIFs) and Portfolio Management Services (PMS) schemes, with a focus on expanding their team and introducing new products. Currently, they employ around 20 investment professionals.

Their asset management strategy predominantly concentrates on alternative investments, with private markets AUM totaling Rs49 billion (including non-fee generating AUM) and listed equities AUM at Rs13 billion. They hold a market leadership position in pre-IPO/crossover funds and have launched a venture debt fund. Additionally, they've introduced several PMS schemes and plan to expand their offerings with the launch of funds in GIFT City.

**Institutional Equities/Investment Banking Division:**

In the institutional equities division, Nuvama is empaneled by 700 domestic and global investors, including hedge funds, mutual funds, and insurance companies, providing them with research, tailor-made trading solutions, and exclusive corporate access. They also boast a sales team of over 10 members.

In investment banking (IB), Nuvama has a strong presence across mid-market Equity Capital Markets (ECM), Debt Capital Markets (DCM), Mergers and Acquisitions (M&A), and Private Equity (PE) segments. The synergy between IB and institutional equities, along with asset servicing, acts as a pipeline for acquiring wealth management clients. Moreover,

the capital markets division can cater to additional needs of these clients.

### Future Outlook

Nuvama offers a robust and diversified approach to wealth management, serving various customer segments in India, including Affluents, High Net Worth Individuals (HNIs), and Ultra High Net Worth Individuals (UHNIs). The company's growth is expected to be driven primarily by its Nuvama Wealth arm, which operates in a highly competitive space with an average ticket size of 10-15 million rupees. Consensus estimates a significant increase in Assets Under Management (AUM), with a projected 32% CAGR for FY23-26E, largely fueled by new inflows in this segment, expected to grow at a 38% CAGR over the same period. Consequently, this growth in AUM is expected to lead to a 21% CAGR in revenues for **Nuvama Wealth** from FY23-26E.

**Nuvama Private** (the UHNI wealth management Arm) will also grow rapidly between FY23-26E due to high conversion rate of their Investment banking (IB)/ IE Clients [conversion rate of~ 33% in H1FY24] , AUM growth in Nuvama Private expected to grow at 23% CAGR , 16% CAGR growth in net new flows & 15% growth in revenues within that period. Growth in Nuvama private coupled with growth in AMC revenue to also increase share of recurring revenue share in total revenues.

**Nuvama's asset management business**, although smaller in scale compared to other segments, is poised for increased profitability with the deployment of funds and introduction of new products. Their recent launch of a commercial real estate fund in a 50:50 joint venture underscores their commitment to product expansion. Consensus estimates for the Asset Management Company (AMC) anticipate a 38% CAGR in Assets Under Management (AUM) for FY23-26E, with revenues expected to grow at a 5% CAGR. However, the growth in revenue may be tempered by rising costs, particularly due to the anticipated expansion of the team size.

**Capital markets:** The presence of Nuvama's capital markets division not only adds an advantage but also contributes to earnings volatility. This division encompasses investment banking, institutional equities, and asset servicing, including clearing and custody services.



Specifically, the capital markets division enables Nuvama to acquire clients uniquely, such as converting promoter-led monetization events into wealth clients. Additionally, it enhances client servicing capabilities by offering services like Equity Capital Markets (ECM) or Debt Capital Markets (DCM) services, as well as assisting with family office planning. Capital markets revenues expected to show a healthy growth rate of 21% CAGR, however it shall be highly sensitive to market cycles & volatility.

Overall, Nuvama is a diversified play on wealth, however their earnings are still quite sensitive to market volatility since recurring revenues currently as on 9MFY24 only account for 17% of their revenue.

## Exhibit 48: Profit &amp; Loss Statement

	FY21	FY22	FY23	FY24E	FY25E	FY26E	(Rs Cr.) CAGR% FY23-FY26E
Revenue	998	1,322	1,575	2,024	2,320	2,635	19%
Emp/ Cost	472	640	759	886	999	1,105	
Opex	258	289	328	354	394	435	
PBT	267	392	489	785	927	1,095	31%
ETR%	25	26	25	24	24	24	
PAT	201	291	367	597	704	831	31%
No. of Shares	4	4	4	4	4	4	
EPS	57	82	104	169	200	236	31%
P/E	70	48	38	23	20	17	
C/I Ratio	73	70	69	61	60	58	
<b>Revenue Split- By Segment</b>							
Wealth Management	484	750	1,016	1,178	1,399	1,677	18%
Asset Management	0	20	68	59	61	79	5%
Cap. Mkts	503	559	489	779	853	871	21%
Intra company eliminations	10	-8	2	8	8	8	
<b>Total</b>	<b>998</b>	<b>1,322</b>	<b>1,575</b>	<b>2,025</b>	<b>2,320</b>	<b>2,635</b>	

## Exhibit 49: Key financial metrics

	FY21	FY22	FY23	FY24E	FY25E	FY26E	(Rs Cr.) CAGR% FY23-FY26E
<b>Wealth Management Revenue Breakup</b>							
Nuvama Private (UHNI Clients >250 Mn)	210	341	442	497	558	670	-
Recurring	84	158.3	242.2	287.8	338.7	433.3	21%
NII	19.1	39.5	48.8	41	37	40.4	-6%
Others	64.9	118.9	193.4	246.7	301.7	393	27%
Transactional Revenue	125.7	183.2	199.3	209.3	219.8	236.2	6%
Nuvama Wealth (Clients : 10-15 Mn)	274.6	408.9	574.4	681.1	840.2	1007.3	21%
NII	53.5	100.2	128.7	177.7	219.5	247.3	24%
Brokerage	95.1	116.4	100.4	109.4	98.5	103.4	1%
Others*	126	192.3	345.3	394	522.2	656.6	24%

Source: Bloomberg/Consensus Estimates, Dalal &amp; Broacha Calculations &amp; Triangulations

## Exhibit 50: Key financial metrics (Rs.cr)

							(Rs Cr.)
	FY21	FY22	FY23	FY24E	FY25E	FY26E	CAGR% FY23-FY26E
<b>Total AUM</b>	1,58,600	2,13,000	2,31,100	3,49,900	4,08,000	4,83,100	28%
<b>AUM Breakup</b>							
<b>Nuvama Private</b>							
Recurring	24,900	23,600	25,500	32,600	44,900	58,400	32%
Transactional	51,900	73,000	79,900	1,21,900	1,36,100	1,54,700	25%
Heldaway assets (non-revenue earning)	21,800	22,900	24,000	22,900	25,900	30,500	8%
<b>Nuvama Wealth</b>	33,000	50,900	52,600	78,100	96,800	1,20,000	32%
<b>AMC</b>	-	3,000	3,900	5,400	7,700	10,200	38%
<b>Non-fee paying assets of AMC</b>		800	1,700	2,000	2,900	3,900	
<b>Custody Assets (related to capital markets)</b>	27,000	38,700	43,500	87,100	93,600	1,05,300	
<b>Total Recurring Assets</b>	24,900	26,600	29,400	38,000	52,600	68,600	33%
<b>Total Recurring Assets as a % of total AUM</b>	16%	12%	13%	11%	13%	14%	
<b>Average AUM's</b>							
Nuvama Private - ARR Pool	24,768	20,057	23,161	29,050	38,750	51,650	31%
Nuvama Wealth	24,465	43,524	52,817	65,350	87,450	1,08,400	27%
AMC Fee Paying AUM's	-	2,033	3,554	4,650	6,550	8,950	36%

Source: Bloomberg/Consensus Estimates, Dalal &amp; Broacha Calculations &amp; Triangulations

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