Emkay Global Financial Services Ltd — Jan 2022 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Inline / Performance Stable **One-line:** Emkay is successfully transitioning from a pure-play institutional broker into a diversified asset and wealth manager, with the Wealth segment delivering a massive 93% YoY revenue surge.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Inline	Revenue grew 5% QoQ and 9% YoY; 9M growth remains strong at 42%.	□
Earnings Quality	High (Core driven)	Growth driven by AUM expansion (PMS +34% YoY) and Wealth Management fee income.	□
Guidance Confidence	Neutral	NFO for Emerging Stars Fund-IV extended to April 2022; identifies 80% of portfolio.	□
Management Credibility	Strong	Consistent execution in Institutional Equities (Asiamoney awards) and Wealth expansion.	□
Business Quality Signal	Improving	Shift toward recurring fee-based income (AUM-linked) reduces cyclical brokerage risk.	□
Key Q&A Exchange	N/A	Section not applicable — PPT ONLY.	□
The Street's Primary Anxiety	Cyclicality	Response: Diversification into Wealth (93% Rev growth) and PMS/AIF.	□
Capital Cycle Stage	Harvesting / Growth	Leveraging established research brand to scale Wealth/AUM across 9 locations.	□
Margin Trajectory	Improving	High-yield Wealth and PMS segments are outperforming traditional broking growth.	□
Pricing Power	Stable	Differentiated by proprietary "E-Qual" governance model in investment products.	□
FCF Conversion & Quality	Not in document	Cash flow data not provided in Investor Presentation.	□
Competitive Moat Signals	Widening	Institutional dominance (500+ meetings/conf) fuels retail/wealth brand equity.	□
Balance Sheet Strength	Strong	High promoter holding (74.49%) and debt-free appearance (NBFC subsidiary noted).	□
Working Capital Efficiency	Stable	Standard for capital market intermediaries; high technology investment.	□
Mgmt Guidance Track Record	Reliable	Successful rollout of Series I, II, III, and now IV of flagship AIF.	□
Key Vulnerability	Market Volatility	Highly sensitive to small/mid-cap performance (AIF/PMS focus area).	□
Management Tone	Confident	Tone focused on "heart-warming response" to NFO and top-tier rankings.	□

Key Takeaways (Positives & Negatives): * **Positives:** The Wealth Management division is the clear growth engine, with revenue increasing 93% YoY despite AUM only growing 11%, suggesting a shift toward higher-yield products or advisory fees. Institutional Equities maintains high engagement (over 1,110 meetings across three major conferences), which acts as a top-of-funnel for the broader business. * **Negatives:** The 5% QoQ overall revenue growth suggests a cooling off in the broader brokerage market compared to the hyper-growth seen earlier in the fiscal year (9M growth is 42%). * **Forward-looking Watchpoint:** The closure and final commitment size of the Emkay Emerging Stars Fund - IV in April 2022 will be the litmus test for brand strength in a tightening liquidity environment.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — commentary absent.

Metric	Current Qtr	YoY Change	QoQ Change	Trend	Mgmt Commentary
Wealth AUM (□Cr)	□2,033.70	↑ 11%	Not in doc	↑	Growth from start-up to 9 locations in <3 years.
Wealth Revenue Growth (%)	93.0%	↑ 93%	Not in doc	↑	Driven by advisory and distribution mechanisms.
PMS + AIF AUM (□Cr)	□883.18	↑ 34%	Not in doc	↑	Award-winning performance in Category III AIF.
Total Revenue Growth (%)	9.0%	↑ 9%	↑ 5%	→	9M FY22 growth remains high at 42%.
Promoter Holding (%)	74.49%	→ Stable	→ Stable	→	High skin in the game; near regulatory ceiling.
NFO Deployment (%)	80.0%	First entry	First entry	→	80% of Fund IV portfolio identified/ invested.
Institutional Outreach	1,110+ Mtgs	First entry	First entry	↑	High volume of fund manager interactions.

2B. SEGMENT BREAKDOWN

Segment	AUM (□ Cr)	YoY Growth	Rev Growth	Trend	vs Co. Avg	Key Development
Wealth Mgmt	□2,033.70	11%	93%	↑	Outperforming	Expansion to US Equity markets via Stockal.
PMS & AIF	□883.18	34%	Not in doc	↑	Inline	NFO IV launch; E-Qual risk model integration.
Inst. Equities	N/A	N/A	N/A	→	Stable	Bagged top honours in Asiamoney Poll 2021.

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3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Volume / Capacity	Close Emkay Emerging Stars Fund - IV by 30th April 2022.	Needs final subscription push in Q4 FY22/Q1 FY23.	Successfully closed Series I, II, III.	Moderate - Market sentiment in Small-caps.
Guidance	Revenue	Sustain 9M growth trajectory (42% YoY).	Requires ~□25-30 Cr incremental rev in Q4 (est).	Delivered 9% YoY this quarter.	Low - Wealth tailwinds.
Strategy	Competitive Positioning	Transition to "One Emkay" asset allocation model.	Ongoing integration of advisory across segments.	Wealth emerged from start-up to 9 cities.	Low.
Strategy	Geographic Expansion	Reach scale in 9 operating locations for Wealth.	Focus on deepening client wallet share in these hubs.	Established presence in <3 years.	Low.

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

First entry — no prior quarter to compare.

What Changed	Prior Quarter	This Quarter	Direction
AIF Portfolio Status	First entry	80% of Fund IV invested	→
Wealth Rev Momentum	First entry	93% YoY Growth	↑
Product Breadth	First entry	Added US Equity (Stockal)	↑
Institutional Rank	First entry	Asiamoney 2021 honours	↑

STOP HERE.