



ICRA

ICRA Limited

August 4, 2022

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001, India
Scrip Code: 532835

National Stock Exchange of India Limited

Exchange Plaza,
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051, India
Symbol: ICRA

Dear Sir/Madam,

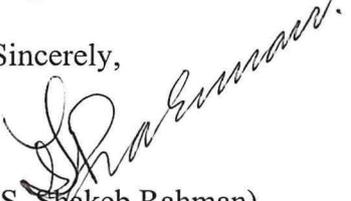
Sub: - Investor Presentation, Q1 FY23

Pursuant to the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Investor Presentation Q1 FY23.

Kindly take the above on record.

Regards,

Sincerely,


(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As Above

TO BE THE PREFERRED PARTNER IN
PROVIDING **BEST IN CLASS** AND
INDEPENDENT RISK & INVESTMENT
ANALYTICS SOLUTIONS

- GROUP ICRA VISION STATEMENT



Group ICRA Investor Presentation

Q1 FY23

04 August 2022

GROUP ICRA VALUES



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**Group ICRA
Overview**

02

**Financial
Performance
Review – ICRA
Limited
(Standalone)**

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**Financial
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- **Research**
- **Webinars**

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ICRA Nepal-ICRA Lanka (subsidiaries of ICRA Limited)



ICRA Nepal



First credit rating agency in Nepal



Provides independent credit rating opinions and grading services

ICRA Lanka



Provides independent credit rating opinions and research

ICRA Limited (parent entity – standalone)



ICRA
A MOODY'S INVESTORS
SERVICE COMPANY



Provides independent credit ratings opinions and research



31+ years of experience and ~400 workforce



13 offices across India

ICRA Analytics (subsidiary of ICRA Limited)



ICRA
ANALYTICS
A Group ICRA Company



Provides solutions, analytics and digital platforms for risk management, market data, consulting and knowledge services



22+ years of experience and ~800 workforce



Serving clients across the globe



Certified as a “Great Place to Work”

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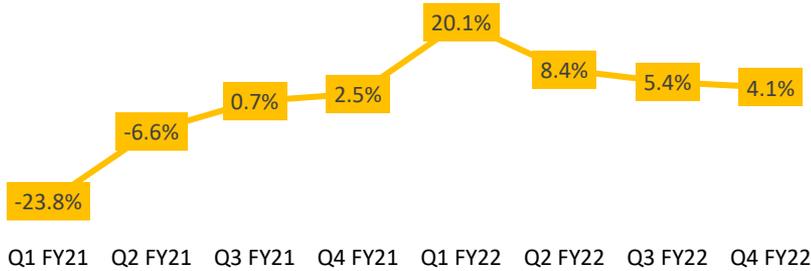
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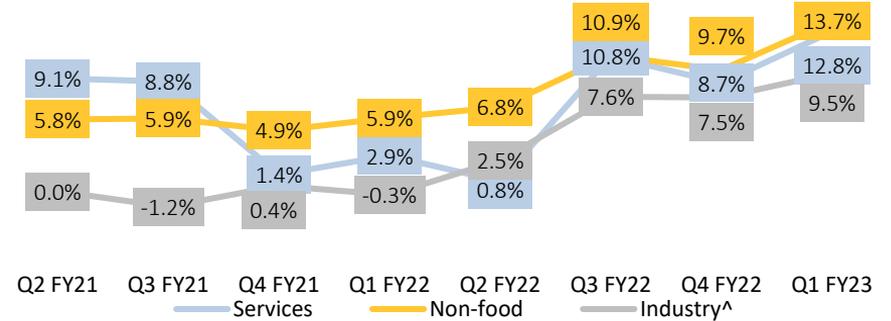
GDP Growth

(source: CSO)



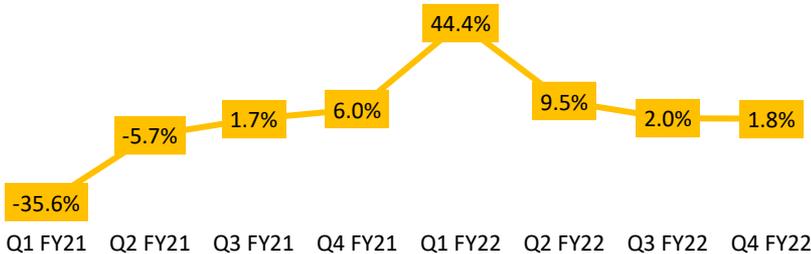
Bank Credit – YoY Growth*

(source: RBI)



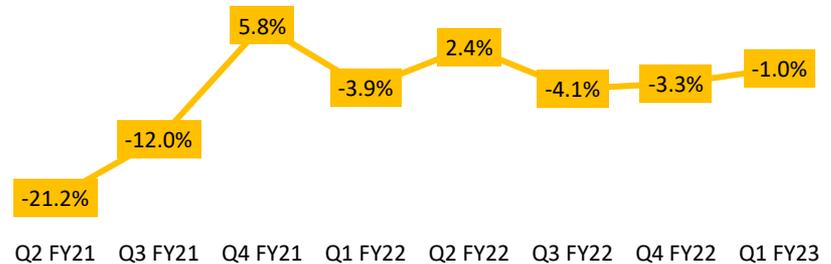
Index of Industrial Production Growth

(source: MOSIP)



Outstanding CPs – YoY Growth*

(source: RBI)



* YoY rise in total outstanding at the end of each quarter ^ Includes all types of enterprises, i.e. micro, small, medium and large

Challenges and Risk Factors

01

Economic and social challenges due to covid-19 pandemic and geopolitical tensions

02

Despite several policy measures, investment activity yet to show a meaningful revival

03

Reputation-related risks

04

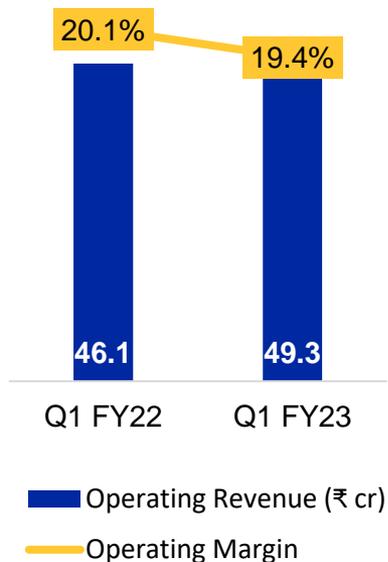
Competition from other rating agencies

05

Ability to retain / attract quality manpower, rising compensation and related costs

06

Funding substitutes including overseas borrowing or adverse domestic interest rate movements



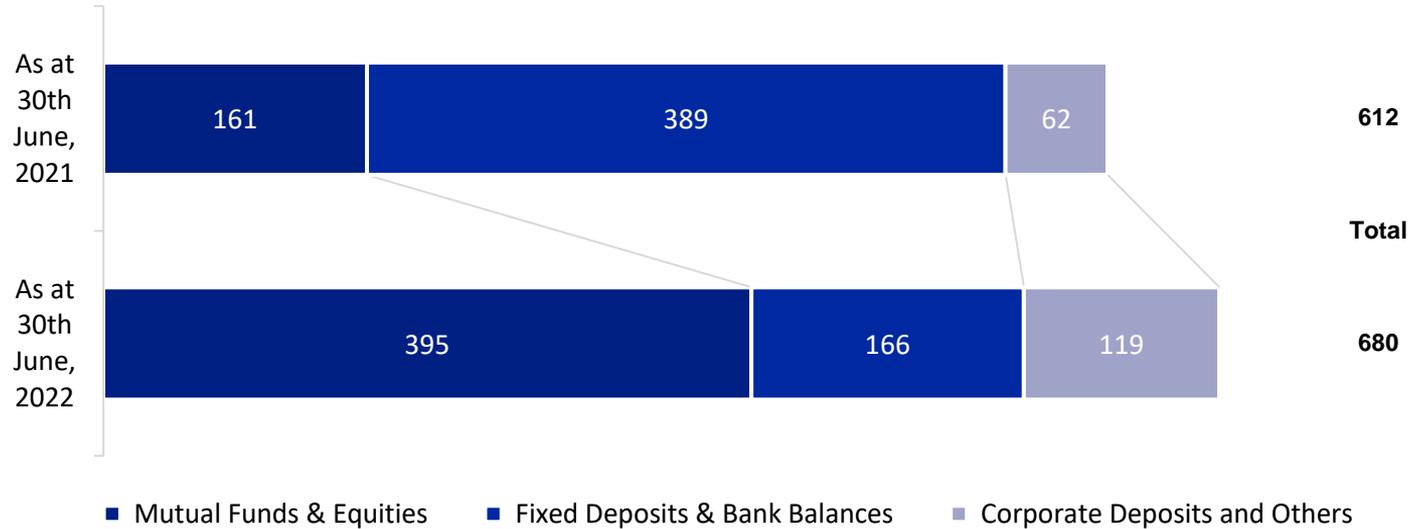
On a standalone basis, the Company clocked a growth of 7.0% in its operating revenue to Rs. 49.3 crore in Q1 FY2023 compared to Rs. 46.1 crore in Q1 FY2022 – driven mainly by continued traction in new business. The Company’s net profit for the quarter increased by 22.7% to Rs. 31.9 crore. The Company’s EPS increased by 22.7% to Rs. 33.2 in Q1 FY2023 against Rs. 27.0 in Q1 FY2022.

The quarter saw an increase in global inflation; this coupled with the upward revision of the repo rate during the quarter, has translated into increasing bond yields. These factors contributed to a sharp decline in capital market debt issuances, which touched a 4-year low in the period. However, increase in bank credit, and a near-doubling of securitisation volumes supported ICRA’s ratings growth in the quarter. The employee benefit expenses registered a decline of 2.1% to Rs. 28.4 crore in Q1 FY2023 – accounting for 35.4% of the Company’s total income.

ICRA Standalone – P&L (₹ cr)

| P&L | | Q1 FY22 | Q1 FY23 | Q1 FY23 vs Q1 FY22 |
|--|--------------|----------------|----------------|-----------------------|
| Operating Revenue | a | 46.1 | 49.3 | 7.0% |
| Compensation Expenses | b1 | 29.0 | 28.4 | -2.1% |
| Other Expenses | b2 | 6.2 | 9.5 | 53.3% |
| Depreciation | | 1.2 | 1.4 | 23.8% |
| Finance Costs | | 0.4 | 0.3 | -14.6% |
| Total Expenses | b | 36.8 | 39.7 | 7.9% |
| Operating Profit | c=a-b | 9.3 | 9.6 | 3.2% |
| Other Income | d | 21.5 | 31.0 | 44.3% |
| Profit Before Tax | e=c+d | 30.8 | 40.6 | 31.9% |
| Tax | f | 4.8 | 8.7 | 82.0% |
| PAT | g=e-f | 26.0 | 31.9 | 22.7% |
| Other Comprehensive Income (Net of Tax) | h | 0.3 | (0.2) | |
| Total Comprehensive Income (Net of Tax) | i=g+h | 26.3 | 31.7 | 20.4% |
| Other Metrics | | Q1 FY22 | Q1 FY23 | |
| Comp Expense % | b1 / a | 63.1% | 57.7% | |
| Other Expense % | b2 / a | 13.4% | 19.3% | |
| Operating Margin % | c / a | 20.1% | 19.4% | |
| Profit Before Tax Margin % | e / (a+d) | 45.5% | 50.5% | |
| PAT Margin % | g / (a+d) | 38.5% | 39.7% | |

ICRA Standalone – Investments (₹ cr)



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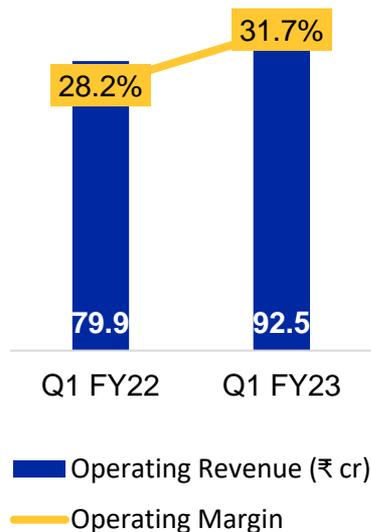
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On a consolidated basis, the company's operating revenue increased by 15.8% to Rs. 92.5 crore in Q1 FY2023 against Rs. 79.9 crore in Q1 FY2022. Consolidated PBT stood at Rs. 36.5 crore, up by 10.1%, while PAT clocked 11.1% decrease to Rs. 21.6 crore for Q1 FY2023. ICRA Analytics Ltd, ICRA's wholly owned subsidiary, also achieved robust revenue growth, backed by its solid delivery model on the Knowledge Services side, and new product upgrades in other segments.

Q1 FY2023 also marks ICRA's continuation on the growth path, following the momentum set in FY 2022, where standalone operating revenue and net profit grew by 7.4% and 38.5%, despite the post-pandemic slowdown in the domestic markets. In FY 2022, ICRA's consolidated operating revenue increased by a healthy 13.9% to Rs. 342.8 crore, and consolidated PAT increased by 37.3% (yoy) to Rs. 113.5 crore.

ICRA Consolidated – P&L (₹ cr)

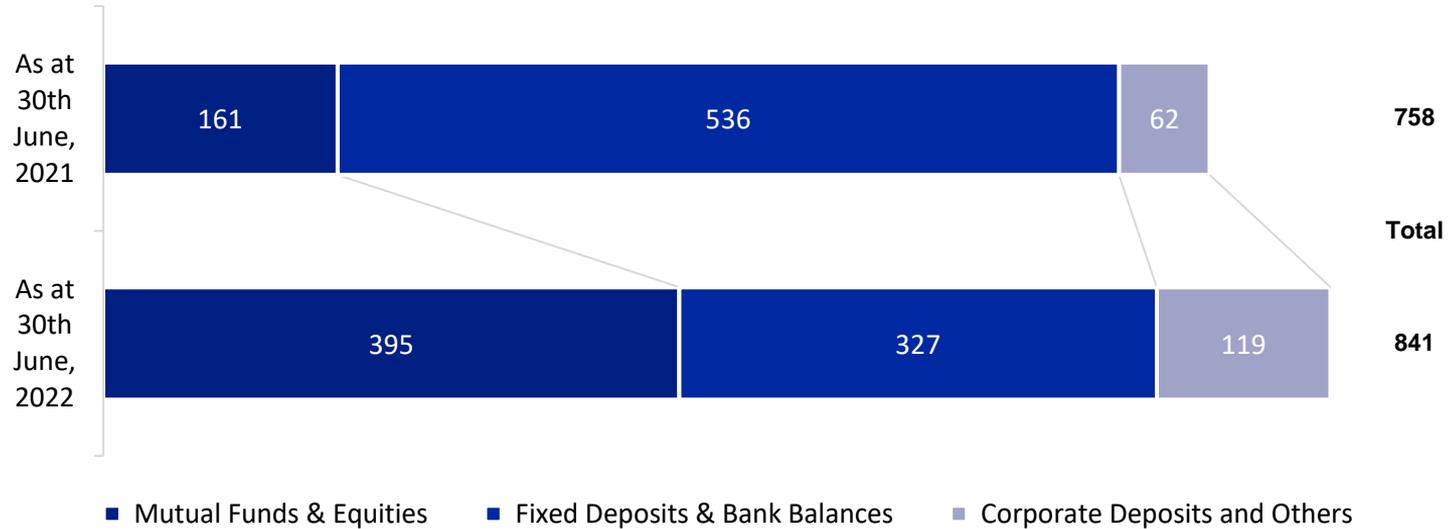


| P&L | | Q1 FY22 | Q1 FY23 | Q1 FY23 vs Q1 FY22 |
|--|--------------|----------------|----------------|-----------------------|
| Operating Revenue | a | 79.9 | 92.5 | 15.8% |
| Compensation Expenses | b1 | 45.1 | 47.9 | 6.2% |
| Other Expenses | b2 | 10.1 | 13.0 | 28.0% |
| Depreciation | | 1.8 | 2.0 | 12.4% |
| Finance Costs | | 0.4 | 0.3 | -15.1% |
| Total Expenses | b | 57.4 | 63.2 | 10.1% |
| Operating Profit | c=a-b | 22.5 | 29.4 | 30.6% |
| Other Income | d | 10.7 | 7.1 | -33.3% |
| Profit Before Tax | e=c+d | 33.1 | 36.5 | 10.1% |
| Tax | f | 8.8 | 14.8 | 68.4% |
| PAT | g=e-f | 24.3 | 21.6 | -11.1% |
| Other Comprehensive Income (Net of Tax) | h | (0.2) | (1.2) | |
| Total Comprehensive Income (Net of Tax) | i=g+h | 24.2 | 20.4 | -15.6% |
| Other Metrics | | Q1 FY22 | Q1 FY23 | |
| Comp Expense % | b1 / a | 56.4% | 51.7% | |
| Other Expense % | b2 / a | 12.7% | 14.0% | |
| Operating Margin % | c / a | 28.2% | 31.7% | |
| Profit Before Tax Margin % | e / (a+d) | 36.6% | 36.6% | |
| PAT Margin % | g / (a+d) | 26.9% | 21.7% | |

ICRA Consolidated – Segments (₹ cr)

| Segment Revenue | Q1 FY22 | Q1 FY23 | Q1 FY23 vs Q1 FY22 |
|-------------------------------------|-------------|-------------|--------------------|
| Rating, research and other services | 48.0 | 51.4 | 7.1% |
| Knowledge Services | 27.1 | 35.8 | 31.9% |
| Market services | 3.9 | 4.5 | 14.6% |
| Consulting services | 0.9 | 1.1 | 14.0% |
| Total segment revenue | 80.0 | 92.8 | 15.9% |
| Less: Inter-segment revenue | -0.2 | -0.2 | -52.0% |
| Total Revenue | 79.9 | 92.5 | 15.8% |

| Segment results: (Profit before tax and other income from each segment) | Q1 FY22 | Q1 FY23 | Q1 FY23 vs Q1 FY22 |
|--|-------------|-------------|--------------------|
| Rating, research and other services | 10.4 | 10.8 | 3.4% |
| Knowledge Services | 13.6 | 19.0 | 39.4% |
| Market services | 0.3 | 0.8 | 181.0% |
| Consulting services | -1.5 | -0.9 | 37.2% |
| Total segment results | 22.9 | 29.7 | 29.8% |
| Less: Finance costs | -0.4 | -0.3 | 15.1% |
| Add: Unallocable income net of unallocable expenses | 10.7 | 7.1 | -33.3% |
| Profit before tax | 33.1 | 36.5 | 10.1% |



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AFFORDABLE HOUSING FINANCE COMPANIES

Growth momentum picks up; asset quality to remain key monitorable

April 2022



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INDIAN COMMERCIAL VEHICLE INDUSTRY

Industry continues on recovery path; increased input costs and supply chain disruptions remain monitorable

APRIL 2022



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INDIAN BULK TEA INDUSTRY

High price premium for top quality teas sustains; traction in ODX demand and prices expected going forward

MAY 2022



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Cross sectoral strategy

Review of PLI – encouraging response across sectors

MAY 2022



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INDIAN CHEMICALS SECTOR: BASIC CHEMICALS

Elevated price trend continues for the energy-intensive chemicals and chemical segments using crude derivatives as inputs

June 2022



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Indian Cotton Spinning Industry: Trends & Outlook

Sector faces headwinds as high cotton prices, slowdown in demand affect performance

JUNE 2022

**India's Steel Sector:
Is the Cycle Turning for Steelmakers?**

Global Pharmaceutical Industry

Indian Banking Sector

The Indian Hospitality Industry

Indian Commercial Vehicle Industry: Trends & Outlook

Indian Tyre Industry: Trends and Outlook

Big Picture and Insights

India outlook in the post-pandemic world amidst geopolitical uncertainty: sectoral outlook and rating performance

Trends & Outlook: Iron & Steel Industry

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Thank You!