

# Q2 2020 Analyst presentation

July 2020



# Disclaimer / Safe Harbor

*This presentation has been prepared solely as a concise update of Company's quarterly and/or annual results. By reading the presentation slides, you agree to be bound by the following limitations: (a) CRISIL Ltd. ("CRISIL" or "Company") cannot give assurance to the correctness of forward looking statements. These forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use terminology such as "targets", "believes", "expects", "aims", "assumes", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues", "estimate", "milestone" or other words of similar meaning and similar expressions or the negatives thereof; (b) By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this presentation. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from that or those described herein as anticipated, believed, estimated or expected; (c) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of these forward-looking statements; (d) No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investments decision whatsoever. Investor/prospective advisors must be sought on specific situation from well-informed legal, investment, tax, financial, and management professionals; (e) This presentation and its contents are confidential and must not be distributed, published or reproduced. This presentation does not constitute a recommendation regarding the securities of the Company.`*

# Agenda



## 1. CRISIL Overview



## 2. Business Environment



## 3. Financial Performance



## 4. Segment Performance



## 5. Thought Leadership



## 6. Corporate Social Responsibility



# CRISIL, a leading global analytics company

**#Agile**  
to market needs

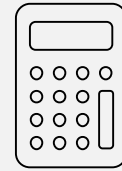
Unleashing  
**#Innovation**

Defining  
**#Global** best  
standards

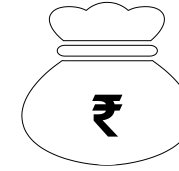
Empowering decision-  
making  
with cutting-edge  
**#Analytics**

**33,000+**

Ratings for large  
and mid-scale  
corporates and  
Financial institutions



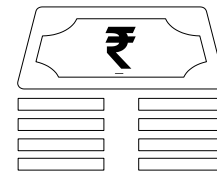
**\$1.88** Trillion  
of Indian debt  
securities valued  
by us



Graded and assessed  
Over **150,000**  
micro, small and  
medium enterprises  
(MSMEs) in India



**90%** of  
India's banking  
industry by  
asset base  
are our clients



Our Risk Models  
widely used to  
assess **100+**  
sectors in India  
and Emerging markets



**300+**  
Global banks and  
asset managers  
are our customers



Coalition Index  
referenced in over  
**100+** investor  
relations  
presentations by  
leading global banks



**3,600+**  
employees



Presence across  
**9** countries and  
**15+** locations



# Agenda



1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance



5. Thought Leadership



6. Corporate Social Responsibility



# Deep impact of Covid-19 on economy, both for India and globally



**India**

Indicator	FY2018	FY2019	FY2020	FY2021 <sup>f</sup>
Real GDP (y-o-y %)	7.0	6.1	4.2	-5.0
Investments (y-o-y %)	7.2	9.8	-2.8	-12.5
10 year G-sec yield (% , March)	7.6	7.5	6.2	6.5
Fiscal deficit (% of GDP)	3.5	3.4	3.8#	3.5 <sup>^</sup>
Exchange rate (Re/\$, March avg.)	65.0	69.5	74.4	74
CPI Inflation (%)	3.6	3.4	4.8	4.0
Gross NPA (%)	11.6	9.4	~8.5	~11.5
Repo Rate (% , March-end)	6.00	6.25	4.40	3.00
Bank Credit Growth (%)	7.4	11.0	6	0-1%



**Global**

Indicator	CY2017	CY2018	CY2019	CY2020 <sup>f</sup>
World GDP (y-o-y %)	3.8	3.6	2.8	-3.8
United States of America (y-o-y %)	2.3	2.9	2.3	-5.0
Eurozone (Euro Area-19) (y-o-y %)	2.5	1.9	1.2	-7.8
China GDP (y-o-y %)	6.9	6.6	6.1	1.2

Note: f=forecast; #Revised estimate; ^Budget estimate facing upside risks  
Source: NSO, RBI, CRISIL, S&P Global Economics and Oxford Economics

# Disruption of business environment due to the pandemic



Global recession



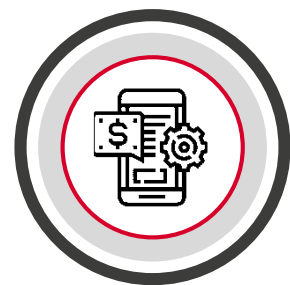
Heightened risk averseness



Increased market volatility



Emergence of new risks



Accelerated digitization



Remote working and distributed model



Supply chain disruptions



Geo-political risks



ESG as an investment criteria



Financial and credit stress

# Agenda



1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance



5. Thought Leadership



6. Corporate Social Responsibility



# Q2 2020 income from operations at ₹471.8 cr.; PAT at ₹66.3 cr.

## Income from Operations<sup>#</sup>



<sup>#</sup> Excluding Greenwich Associates, consolidated income from operations for Q2 2020 was higher by 2.2% y-o-y and for H1 2020, it was higher by 1.4% y-o-y

## Profit After Tax<sup>@</sup>



<sup>@</sup> Excluding Greenwich Associates, PAT for the Q2 2020 was higher 28.5% y-o-y and for H1 2020, it was higher by 28.2% y-o-y

# Proactive response to Covid-19 pandemic

## 'People first' and tech driven approach



### People

- Continued employee support through medical expert sessions and wellness sessions
- Digital learning courses/ webinars on pertinent themes
- Dedicated Covid-19 24/7 medical helpline



### Operations

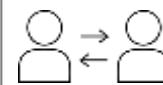
- Full continuity of business as the pandemic unfolded
- Periodic assessment of WFH status for all locations
- Continued high stakeholder connect



### Technology and Information Security

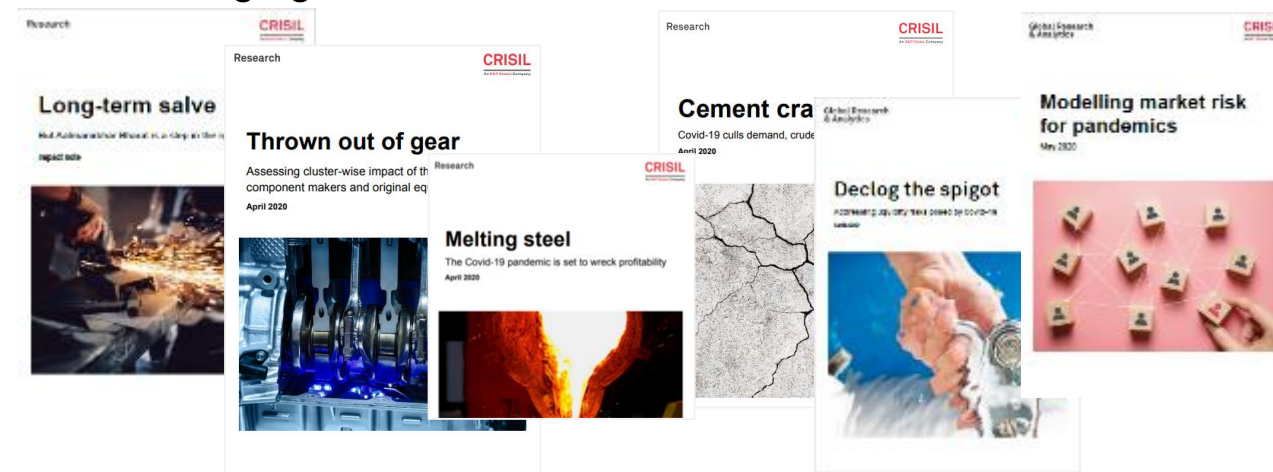
- 99%+ workforce continues to work remotely
- Cloud security framework strengthened
- Proactive info sec measures and mechanisms

## Leading independent voice



### Customer engagement

- High impact research papers, analysis and thought papers on emerging trends



- **Thought leadership**
- High impact webinars on key global and Indian themes witnessed participation of more than 13,000 stakeholders



# Agenda



1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance - Ratings



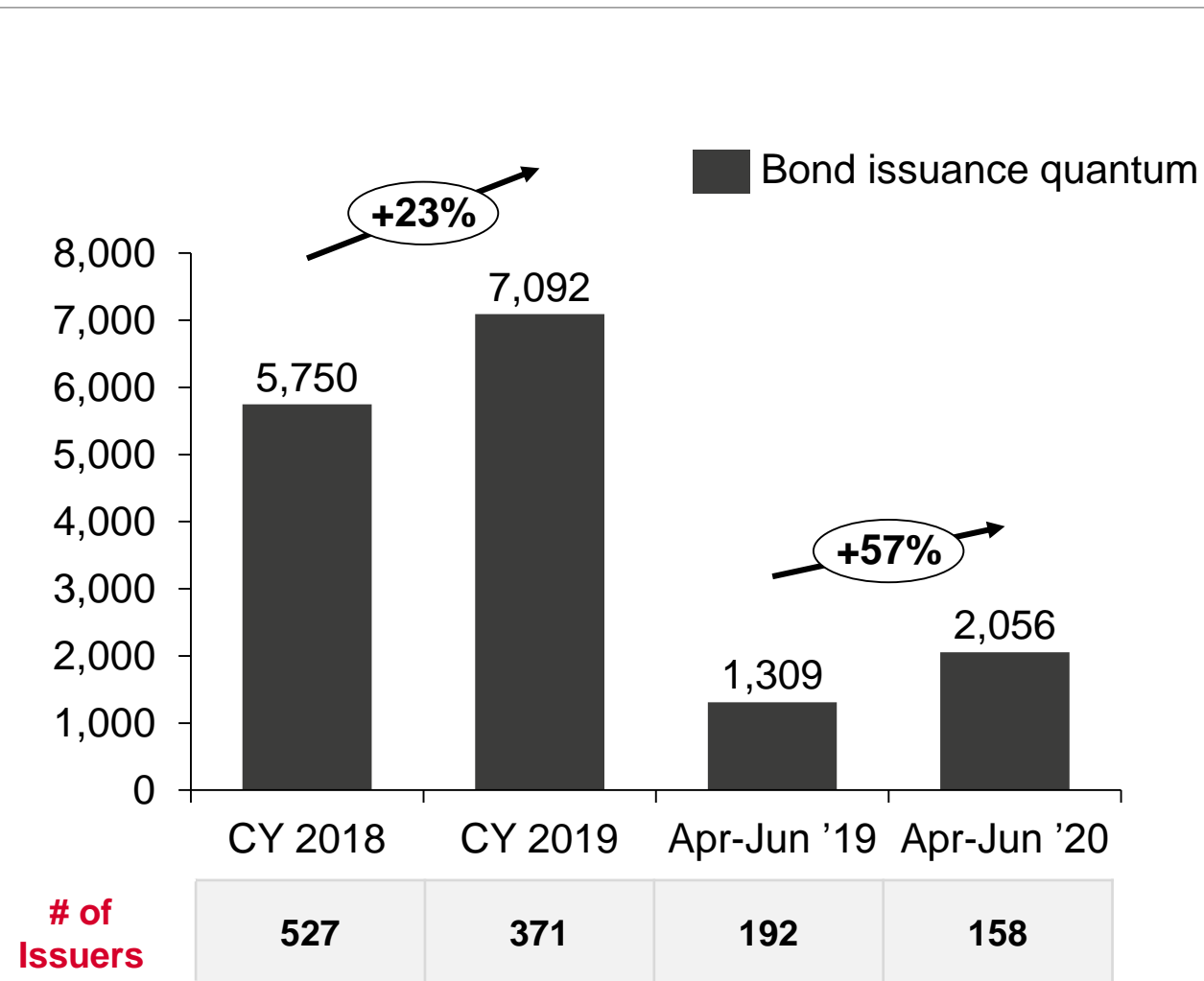
5. Thought Leadership



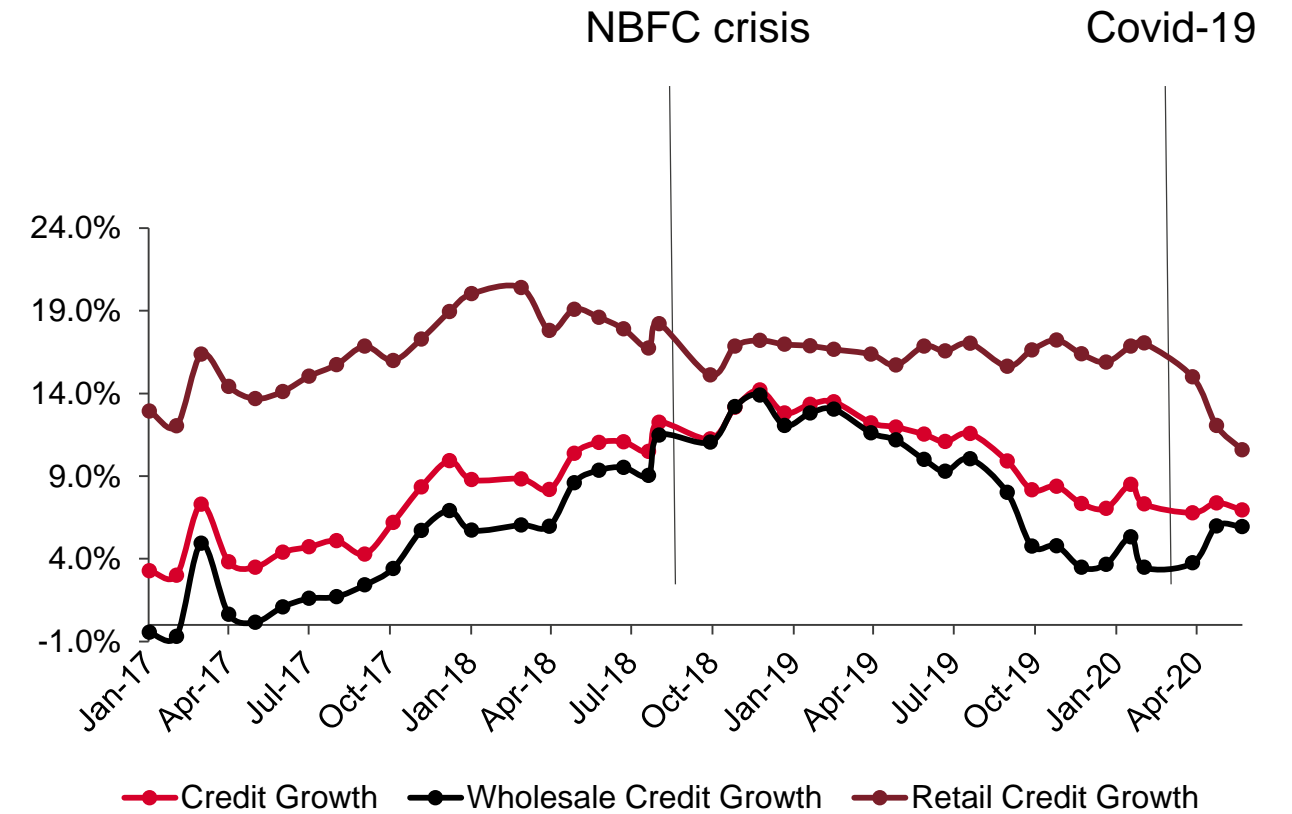
6. Corporate Social Responsibility

# Bond volumes driven by high investment grade frequent issuers; sharp slowdown in credit growth

**Bond Issuance Quantum** (₹ billion)



**Credit Growth (%)**



Source: RBI, SEBI, Ministry of Finance, Prime Database, CRISIL

# Ratings: Q2 2020 highlights



## Financials

Particulars (₹ cr)	Q2 2020	Q2 2019
Income from Operations	144.1	130.9
Segment Profits	59.3	48.2
Margin	41%	37%

Particulars (₹ cr)	H1 2020	H1 2019
Income from Operations	277.3	260.5
Segment Profits	116.8	95.7
Margin	42%	37%

Note: Numbers rounded off



## Business update

- Ratings business revenues continued its strong growth trajectory and grew by 16.8%, driven by new client additions and higher issuances
- Global Analytical Center (GAC) saw increase in support coverage for S&P Global Ratings and increased participation in data transformation initiatives



## Innovation and franchise

- Published over 30 press releases and four credit alerts that witnessed strong readership
- Organized multiple webinars on key sectors such as Media & Entertainment, FMCG, Power, Dairy, Automotive and Automotive Components, Crude oil etc.
- Hosted half yearly media teleconference for Ratings RoundUp and webinar on the impact of Covid-19 on the automotive and automotive component sector

# Agenda



1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance - Research

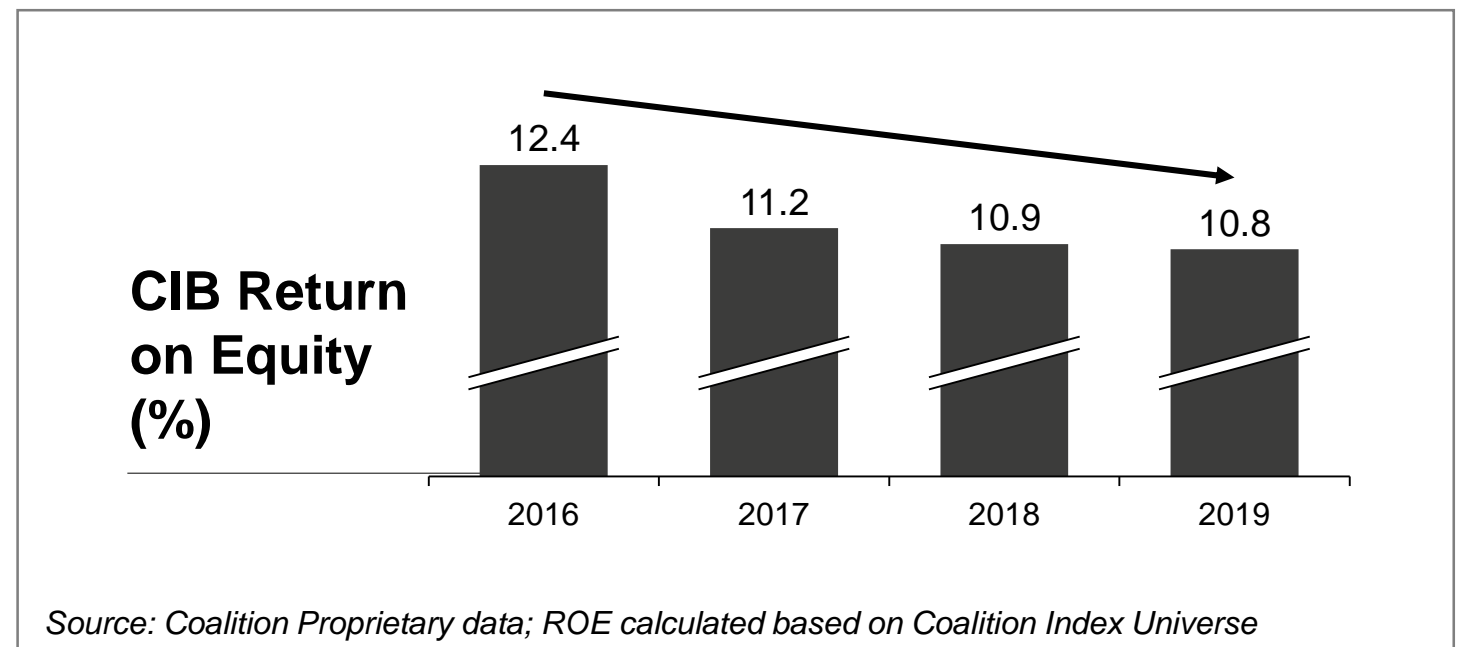
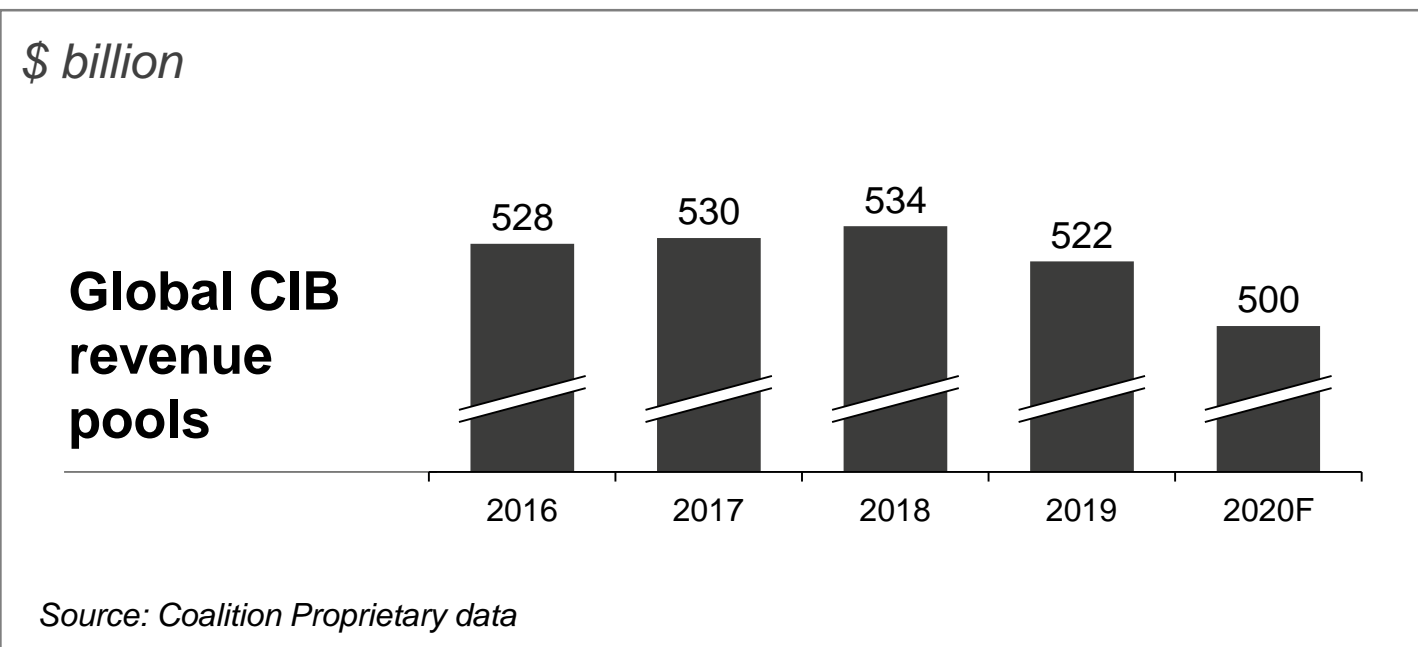
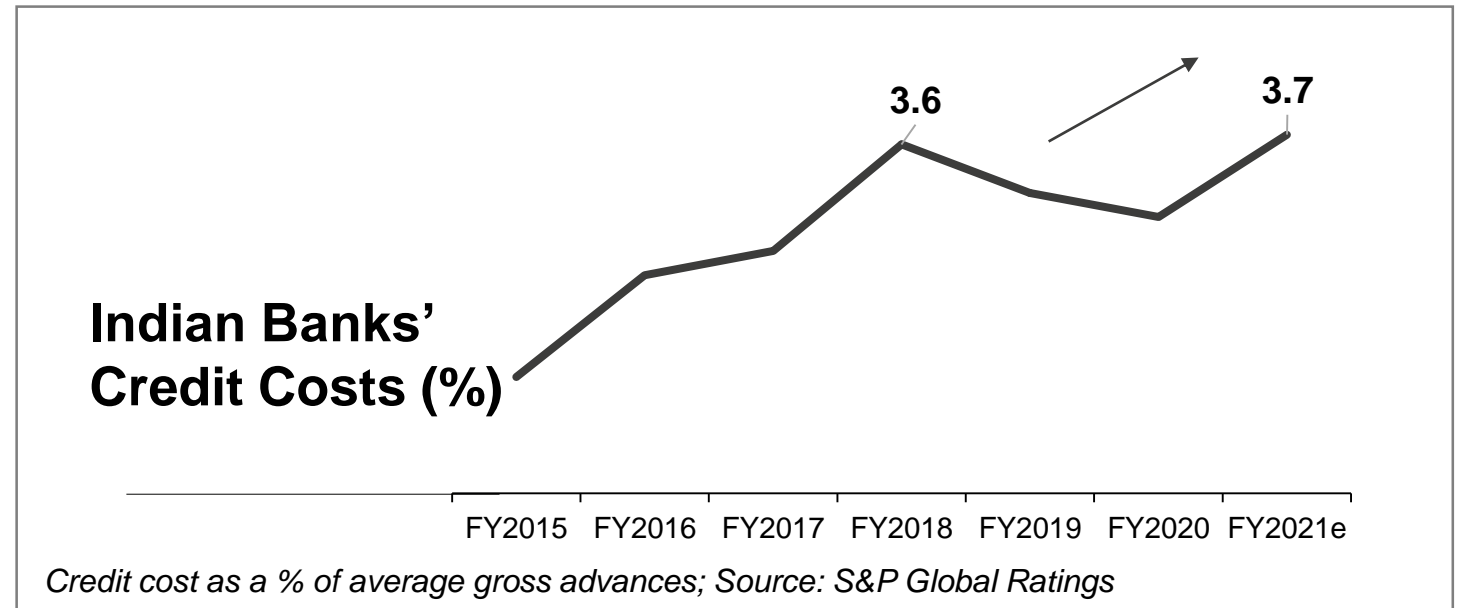
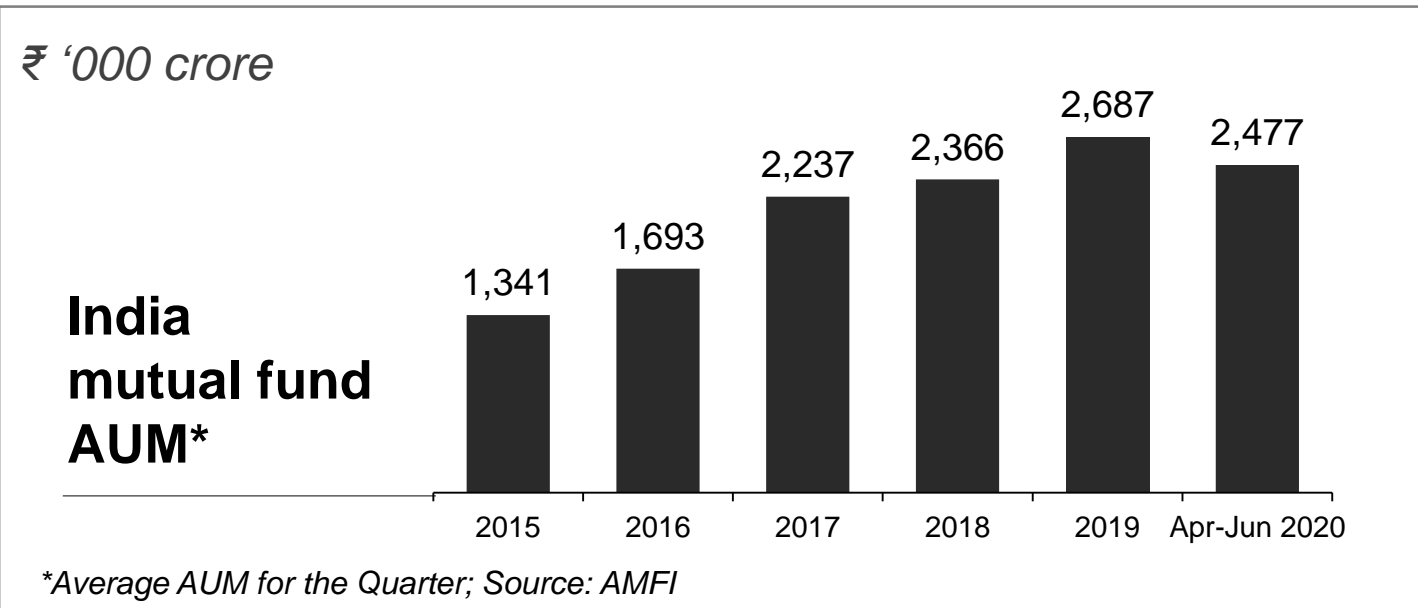


5. Thought Leadership



6. Corporate Social Responsibility

# Indian MF AUM subdued, banking costs increase due to provisions; Globally, CIB RoE under pressure



# Research: Q2 2020 highlights



## Financials

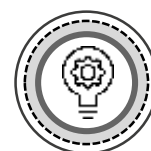
Particulars (₹ cr)	Q2 2020	Q2 2019
Income from Operations	295.7	251.4
Segment Profits	46.7	48.4
Margin	16%	19%

Particulars (₹ cr)	H1 2020	H1 2019
Income from Operations	560.1	496.9
Segment Profits	102.4	111.5
Margin	18%	22%



## Business update

- Performance of the Research segment, was led by robust growth in our Global Research & Analytics business and contribution from Greenwich
- New wins in our model and traded risk offerings were driven by sharper focus on risk management by global financial services industry
- Growth in the segment was however offset by muted performance of Coalition and India Research because of slower decision making and deferment of mandates



## Innovation and franchise

- Released over 30 high-impact reports and press releases on Covid-19 across domestic and global markets
- Published report on impact of COVID-19 titled – ‘Viral fever: Covid-19 impact on economy, corporate revenue and profitability’
- Published white papers and publications on emerging areas such as modelling market risk for pandemics and IBOR transition

Note:

1. Numbers rounded off

2. Excluding Greenwich, the Research segment revenue de-grew 1.1%, while segmental profit was up 29.8% during the quarter ended June 2020



# Agenda



1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance - Advisory



5. Thought Leadership



6. Corporate Social Responsibility

# Advisory: Q2 2020 highlights



## Financials

Particulars (₹ cr)	Q2 2020	Q2 2019
Income from Operations	32.0	33.4
Segment Profits	0.3	1.3
Margin	1%	4%

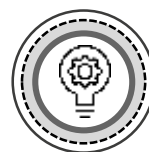
Particulars (₹ cr)	H1 2020	H1 2019
Income from Operations	62.2	74.2
Segment Profits	1.0	5.4
Margin	2%	7%

Note: Numbers rounded off



## Business update

- Covid-19 pandemic led to delay in closure of new business, collections and the segment saw a de-growth of 4.2% during the quarter
- Both Infrastructure Advisory and Business Intelligence and Risk Solutions businesses continued to add new clients



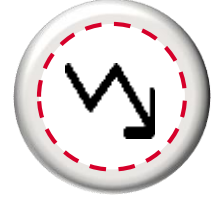
## Innovation and franchise

- Launched new offering of portfolio impact assessment, to guide clients on addressing the impact of COVID-19
- Hosted multiple webinars covering impact of Covid-19. Some of key one are mentioned below -
  - 'A grinding halt and the grind ahead, Impact of the pandemic on the transport sector and mitigants thereof'
  - 'PPP in Healthcare and Covid-19 - Experiences from India, Abu Dhabi and the rest of the world'

# Risks



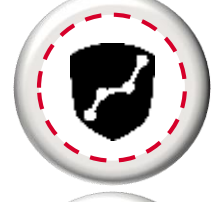
Covid-19 pandemic and threat of second wave



Global recession and sharp slowdown in India



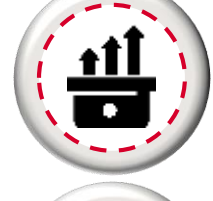
Uncertain regulatory environment



Information security and cyber-related risks



Adverse currency movement



Intense price competition



Reputation risk

# Agenda



1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance



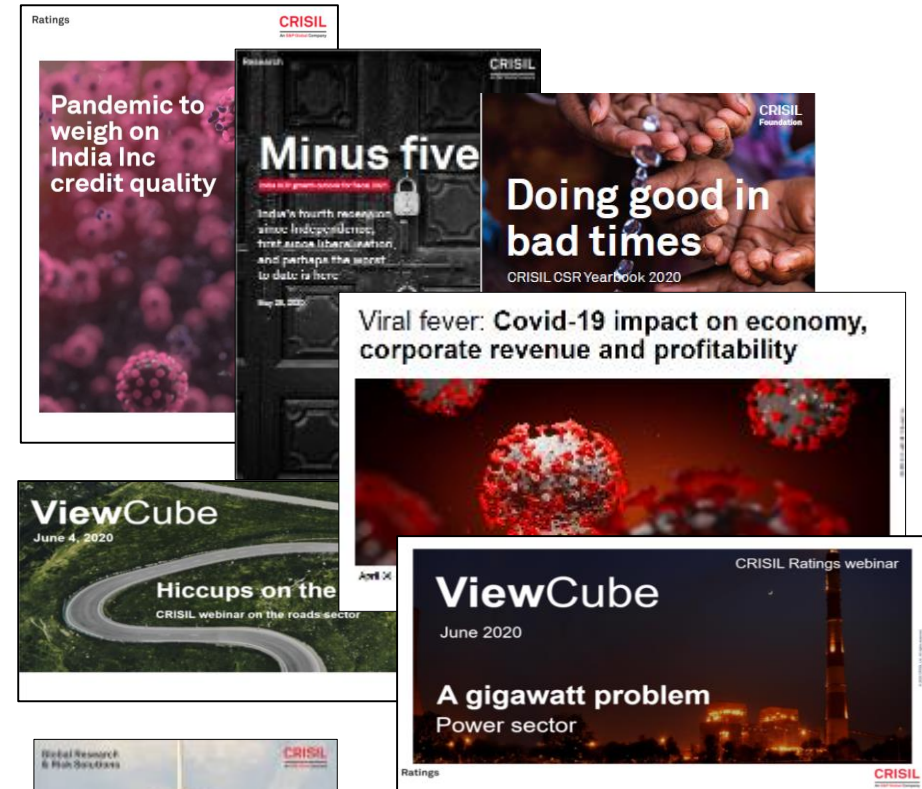
5. Franchise and thought Leadership



6. Corporate Social Responsibility



# Leading provider of independent opinion and research



# Agenda



1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance



5. Thought Leadership



6. Corporate Social Responsibility



# Supporting the community during the Covid-19 crisis

**Building greater resilience** among communities in Assam, Rajasthan, Maharashtra and Haryana

## The 10k Meals Project



**500,000+ freshly cooked meals** served to migrant workers, daily wagers through **CRISIL's kitchen in Mumbai** – serving 10k meals every day for 45 days.

## Gram Sahay Helpline



Over 100,000+ SHG beneficiaries and community supported through **dedicated helpline** on banking, Covid-19 relief package and hygiene protocols.

## Facilitating bank and digital transactions



Over 28,000+ communities provided **handholding support** within rural bank branches and motivated to **adopt digital methods** of banking.

## COVID19 Prevention and Relief



**Distribution of cloth masks, dry ration and personal protective gear** through our community cadre in four states

# About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit [www.crisil.com](http://www.crisil.com)

Connect with us: [LINKEDIN](#) | [TWITTER](#) | [YOUTUBE](#) | [FACEBOOK](#) | [INSTAGRAM](#)

## **CRISIL Privacy Notice**

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of S&P Global Inc. and its subsidiaries (collectively, the "Company") you may find of interest. For further information, or to let us know your preferences with respect to receiving marketing materials, please visit [www.crisil.com/privacy](http://www.crisil.com/privacy). You can view the Company's Customer Privacy at <https://www.spglobal.com/privacy>

Last updated: May 2018

*For further information contact: [investors@crisil.com](mailto:investors@crisil.com)*