

Q2 2022 Analyst Presentation

July 2022



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Agenda



1. CRISIL Overview



2. Business Environment



3. Performance Update



4. Segment Performance



5. Thought Leadership



6. Corporate Social Responsibility



CRISIL: Over 30-year journey of innovation and excellence



11%

2011-21 Revenue CAGR



8%

2011-21 EPS CAGR



12600+

Clients



Global presence across

11 countries



38%

Female employees



42+

Nationalities and global languages spoken







#Agile
to market needs

Unleashing
#Innovation

Defining
#Global best standards

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

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Growth slows due to inflation and geo-political uncertainty



India

Indicator	FY2021	FY2022	FY2023F
GDP (y-o-y %)	-6.6	9.2	7.3
10-year G-sec yield (% , March)	6.2	6.8	7.5
Fiscal deficit (% of GDP)	9.2	6.9	6.4^
Exchange rate (Re/\$, March avg.)	72.8	75.0	78.0
CPI Inflation (%)	6.2	5.5	6.8
Repo Rate (% , March-end)	4.00	4.00	↑
Credit Growth (%)	~5.0	~9.0-10.0	↑



Global

Indicator	CY2020	CY2021	CY2022F
World GDP (y-o-y %)	-3.3	6	2.9
United States of America (y-o-y %)	-3.4	5.7	2.4
Eurozone (Euro Area-19) (y-o-y %)	-6.5	5.2	2.6
China GDP (y-o-y %)	2.3	8.1	3.3

Note: F: Forecast; ^upside bias

Source: NSO, RBI, Budget documents, Ministry of Finance, CRISIL, World Bank
Numbers rounded off to first decimal

FY represents the financial year (Apr-Mar period)
CY represents the calendar year (Jan-Dec period)

Strengthening headwinds challenging growth

Macro Trends



Downward pressure on global growth



Prolonged geopolitical uncertainty



Expected capex cycle revival



Inflationary pressures



Elevated commodities prices

Business environment trends



Capital market activity losing momentum



Increased emphasis on credit and non-financial risk



Social & sustainable practices gaining momentum









Accelerated digital transformation



Evolving supply chain dynamics

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Performance Snapshot

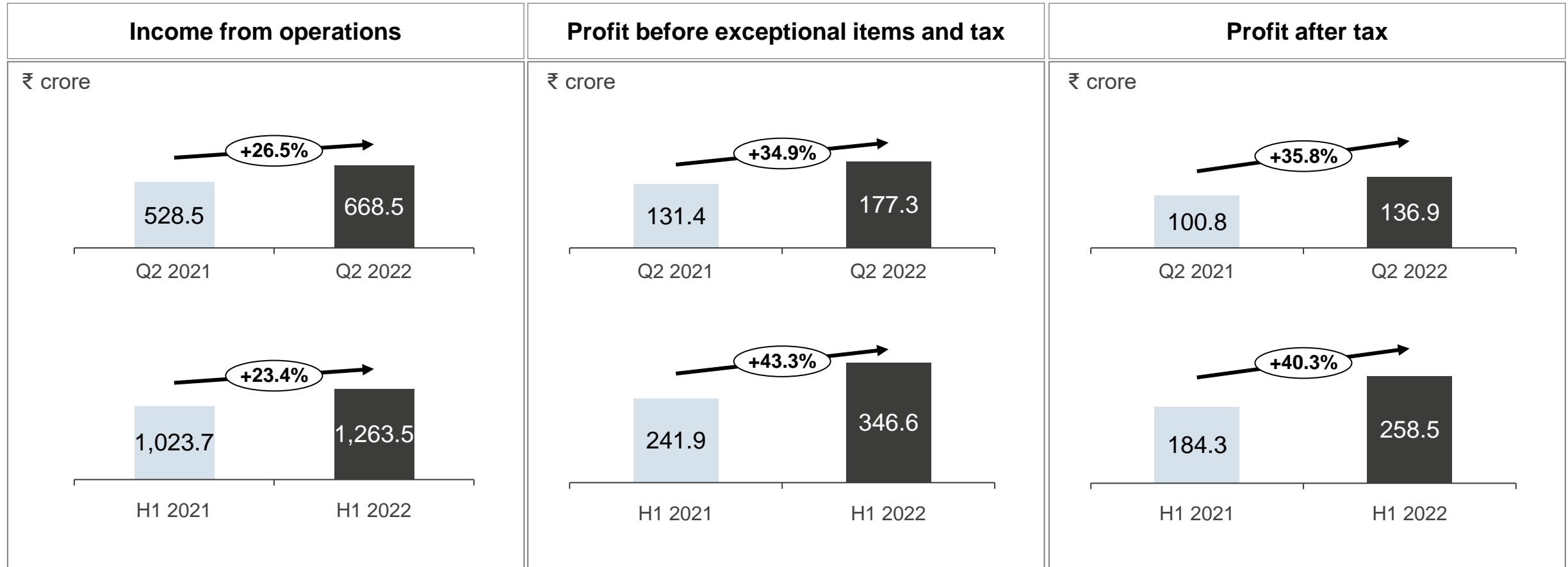
- **Highlights**

- Income from operations for the quarter up 26.5% and for H1 2022 up 23.4%
- PBT before exceptional items and tax for the quarter up 34.9% and for H1 2022 up 43.3%
- Profit after tax up 35.8% for the quarter and 40.3% for H1 2022
- Interim dividend of ₹8 per share declared

- **Robust growth across businesses despite challenging environment**

- Ratings business maintained market leading position in corporate bond ratings
- Global businesses saw robust growth across areas such as risk transformation & benchmarking offerings
- Enhanced engagement with stakeholders through leadership summits, whitepapers, webinars and events
- Increased Investments in talent and technology







Robust growth in Q2 2022 and H1 2022



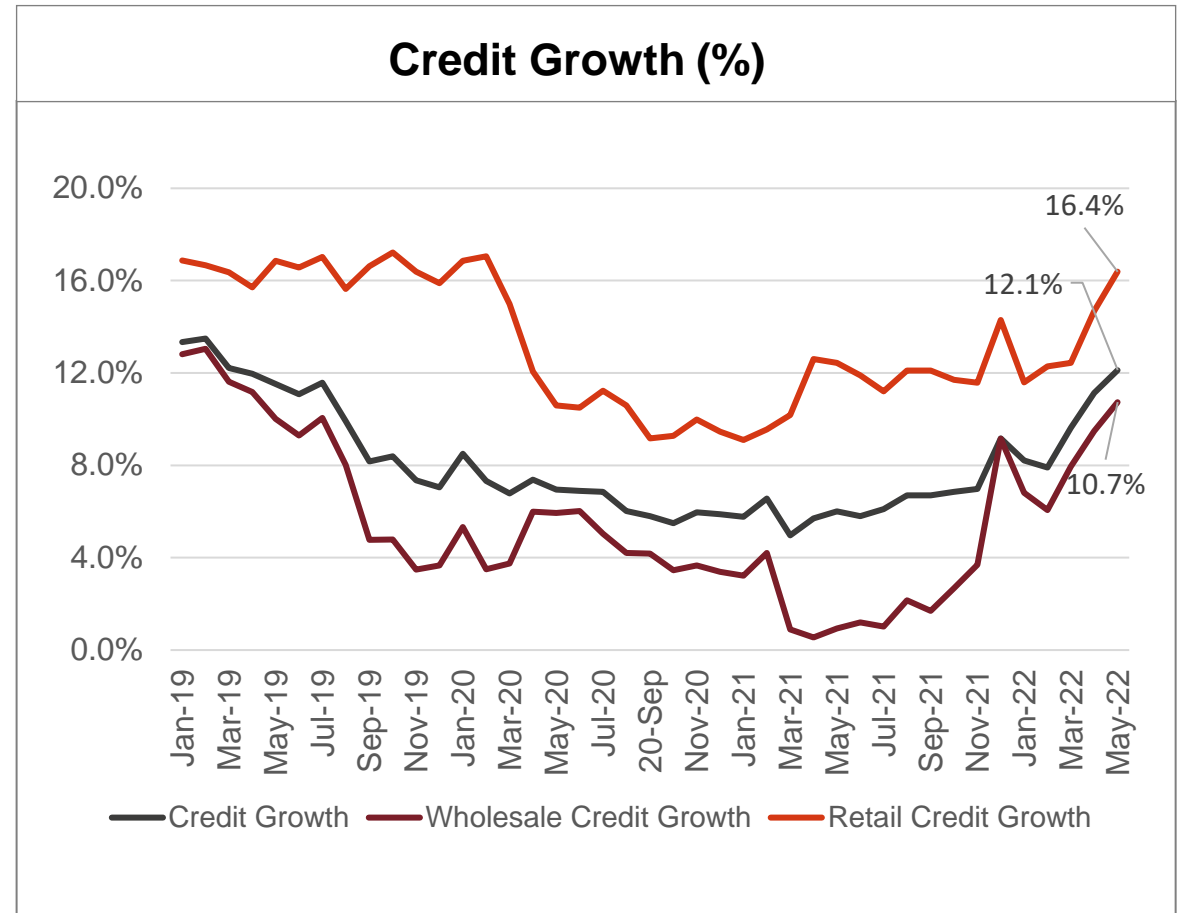
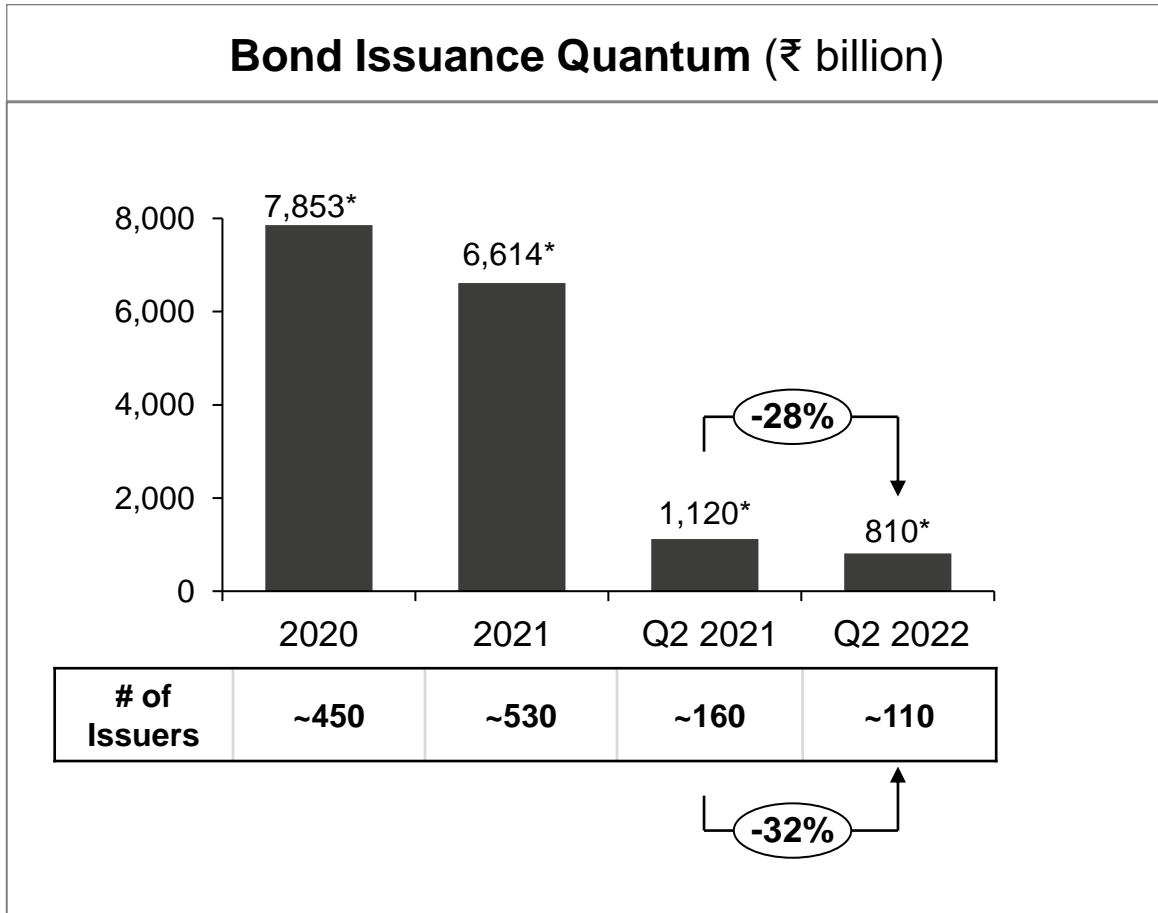
❖ Declared interim dividend of ₹8 per share

Note: Numbers rounded off to first decimal

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Capital markets issuers declined during the quarter; Credit growth was supported by wholesale credit



Source: Prime Database, RBI
 *Data as on date; may get revised by Prime Database

Ratings: Highlights



Financials

Particulars (₹ cr)	Q2 2021	Q2 2022	Growth
Income from Operations	136.6	159.1	16.5%
Segment Profit	52.0	60.3	16.0%
Margin	38.1%	37.9%	

Particulars (₹ cr)	H1 2021	H1 2022	Growth
Income from Operations	285.5	322.4	12.9%
Segment Profit	122.3	138.1	12.9%
Margin	42.8%	42.8%	



Business update

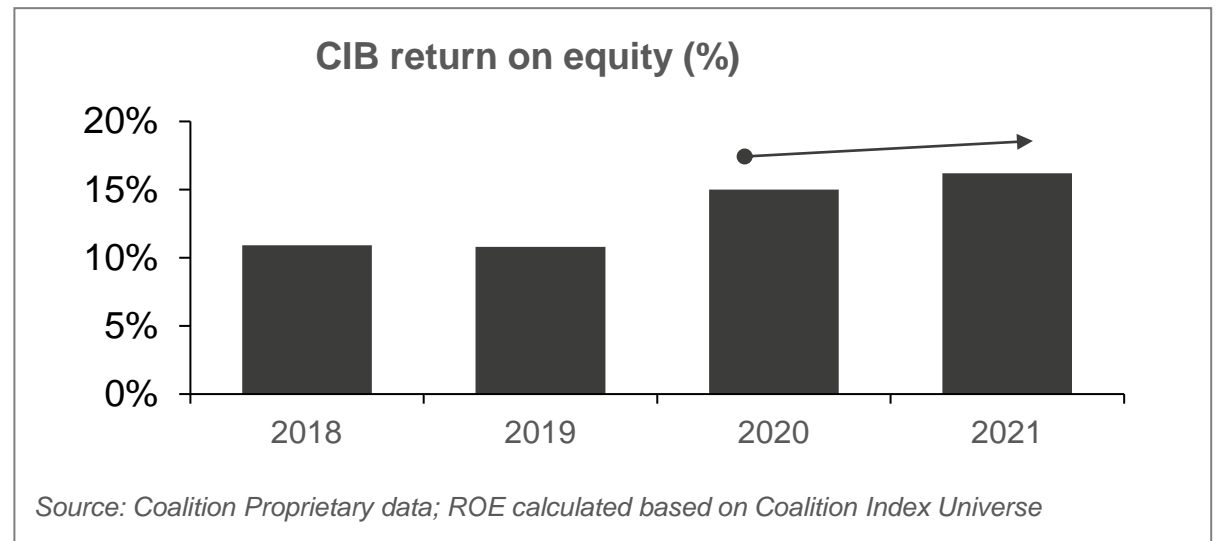
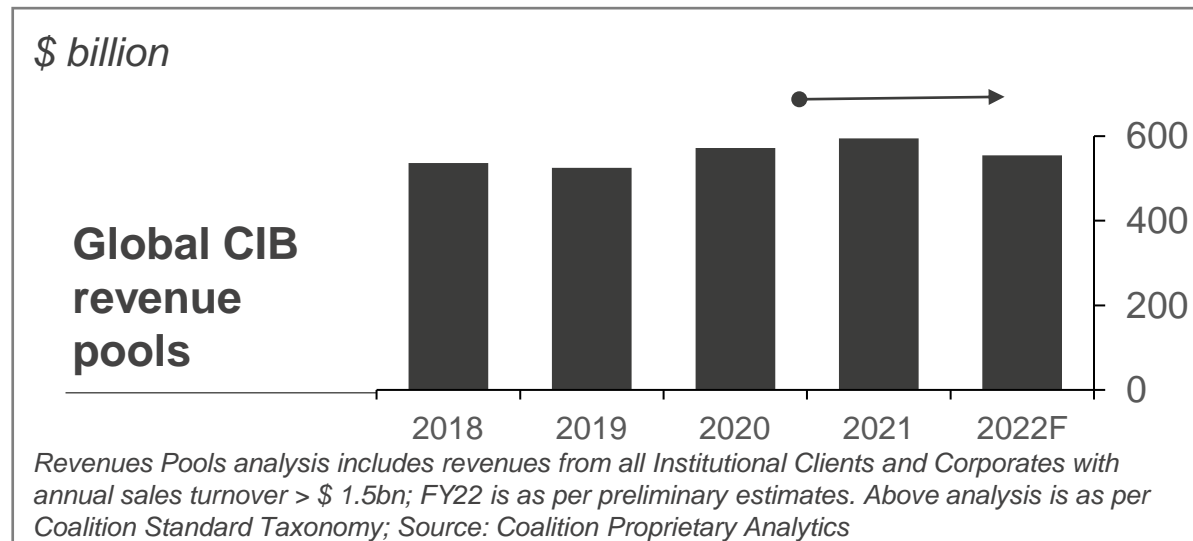
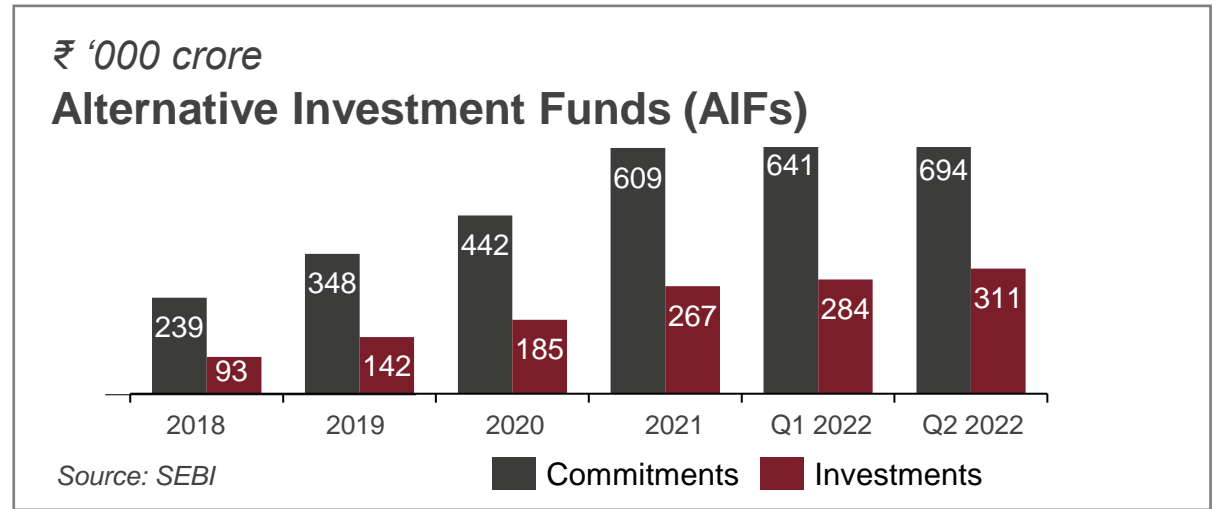
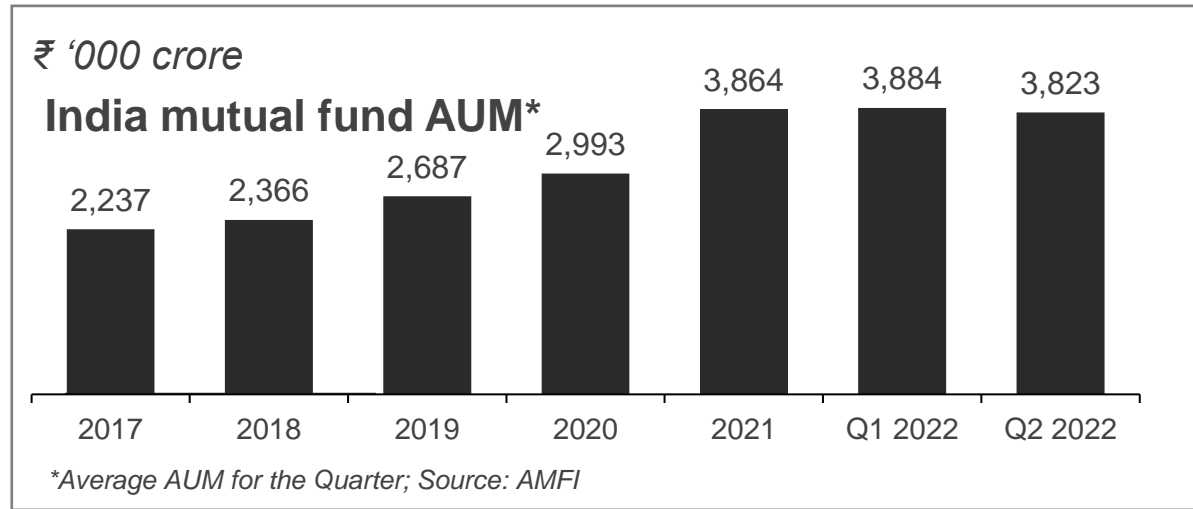
- Amid the challenging credit environment, CRISIL Ratings' revenue rose 20% in Q2 2022, driven by increased traction in bank loan ratings
- With the addition of new clients, the business continues to strengthen its market-leading position in corporate bond ratings, on account of investor preference for best-in-class ratings
- Global Analytical Center (GAC) strengthened analytical support across surveillance & ESG and contributed to transformation initiatives of S&P Global Ratings Services
- The Ratings segment revenue grew 16.5% y-o-y in Q2 2022 and 12.9% in H1 2022

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Growth normalizes amid uncertainties and cost pressures



Evolving regulations present opportunities

Global themes

- ESG & Climate Risk integration and reporting
- FCC/AML
- Governance of AI/ML models
- Stress Testing
- Cyber security
- Third-party risk
- Customer and Conduct risk
- DORA (EU)

USA

- BSA / AMLA
- CECL
- DFAST
- FRTB
- OCC's MRM Handbook
- UMR (Phase V and VI)

Europe, including the UK

- BASEL III finalization
- CCR
- DTS plan deficiencies
- ICAAP
- IRRBB
- SFDR, EU Taxonomy
- SS 3/19
- Regulatory reporting
- UMR (Phase V and VI)

APAC and Australia

- APS 117
- BRSR
- CPS 230
- CVA
- Data Privacy
- E&S Integration

BSA/AML: Banking Secrecy Act, Anti-Money Laundering Act
CECL: Current Expect Credit Loss
DFAST: Dodd-Frank Act Stress Tests
FRTB: Fundamental review of the Trading Book
OCC's MRM: Office of the Comptroller of the Currency; Model Risk Management
UMR: Uncleared Margin Rules

Basel III finalization: FRTB and Output Floors
CCR: Counterparty Credit Risk
DTS: Digital Transformation Strategy
ICAAP: Internal Capital Adequacy Assessment Process
IRRBB: Interest Rate Risk in the Banking Book
SS 3/19: BOE's Supervisory Standard on Climate Risk
SFDR: Sustainable Finance Disclosure Regulation

APS 117: APRA's prudential standard for IRRBB
BRSR: Business Responsibility and Sustainability Report
CPS 230: APRA's new standard for operational risk mgmt.
CVA: APRA's Climate Vulnerability Assessment
DORA: Digital Operational Resilience Act
IRRBB: Interest Rate Risk in the Banking Book

Research: Highlights



Financials

Particulars (₹ cr)	Q2 2021	Q2 2022	Growth
Income from Operations	355.4	469.5	32.1%
Segment Profit	79.9	111.0	38.9%
Margin	22.5%	23.6%	

Particulars (₹ cr)	H1 2021	H1 2022	Growth
Income from Operations	667.7	863.7	29.4%
Segment Profit	133.1	206.6	55.2%
Margin	19.9%	23.9%	








Business update

- In Research, the segment continued its strong performance with growth being driven by both global businesses Global Research & Risk Solutions (GR&RS) and Global Benchmarking Analytics (GBA) across areas such as risk transformation & benchmarking offerings
- GR&RS business saw steady growth on the back of diversification in accounts and conversion of new opportunities
- GBA grew by closing renewal deals and signing up of new clients
- India Research witnessed demand for fixed-income and industry-research reports
- The overall Research segment revenue grew 32.1% y-o-y in Q2 2022 and 29.4% in H1 2022

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Advisory: Highlights



Financials

Particulars (₹ cr)	Q2 2021	Q2 2022	Growth
Income from Operations	36.5	40.0	9.7%
Segment Profit	4.4	4.4	-
Margin	11.9%	11.1%	

Particulars (₹ cr)	H1 2021	H1 2022	Growth
Income from Operations	70.5	77.4	9.8%
Segment Profit	7.0	8.6	22.9%
Margin	9.9%	11.1%	









Business update

- Infrastructure Advisory logged robust revenue growth driven by key project wins in the roads, transport, BFSI and commodities space
- The Business Intelligence and Risk Solutions business benefited from regulatory focus on credit risk, and saw traction for products built on its proprietary platforms
- The Advisory segment revenue grew 9.7% y-o-y in Q2 2022 and 9.8% in H1 2022

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A 'TRUSTED' voice in Media



Media

'Our strategy is to build businesses that will drive the areas they operate in'

THOMAS K THOMAS
SVP, India
Anish Mehta, who took over as the Managing Director and CEO of CRISIL in October 2021, is charting out a new growth strategy for the company. At the center of his strategy is the creation of intellectual property, which will secure CRISIL's future not just in India but also globally. In an interview with BusinessInsights, he speaks about the vision for the company. Excerpt:

What do you mean when you say IP? Intellectual property is the creation of intellectual property, which will secure CRISIL's future not just in India but also globally. In an interview with BusinessInsights, he speaks about the vision for the company. Excerpt:

Thinking through what is likely to happen and coming up with solutions is our default mode

AMISH MEHTA
Managing Director and CEO, CRISIL

BTEVENT 82 | Mindblowing
India Inc.'s finest business leaders converged at the Business Today MindRush to share critical insights on India's growth story

How do you see the ratings business growing?
As a grow, infrastructure investments are necessary. If funds for that will come from the corporate market is on the cards.

COVER MONTAGE BY BANDEEP SINGH

The credit quality of India Inc and that anti-fragile vibe

India's currency could keep falling without failing us

India Inc has weathered the pandemic well but the ongoing war in Europe could cause some blips

CRISIL Sustainability Yearbook, 2022
575+ companies from 53 sectors analysed and scored
Disclosures improving, but there's a long way to go
Climate risk is not being sufficiently factored in



Reports

Coalition Greenwich
A Division of CRISIL

The New Frontier for Investment Funds: Blockchain-Transferred Funds

CRISIL AIF Benchmarks

ViewCube
Revving up past the speed bumps
June 2022
CRISIL webinar on the automobiles and auto-components sector

CRISIL Sustainability Yearbook, 2022



Webinars & Events

Ratings
CRISIL Ratings webinar: Ratings Roundup, FY22 second half

CRISIL Ratings webinar on the microfinance sector: The promise of a new dawn

INDIA ESG LEADERSHIP SUMMIT
The Journey from Emergence TO BUSINESS RELEVANCE

Global Research & Risk Solutions
Let's talk sustainability: Perspectives from mid-size banks

Research
CRISIL Investment Conclave: The AIF opportunity beckons

INDIA OUTLOOK
CRISIL Ratings webinar on Data Centres: The 3D future of data centres



Social Media

IS YOUR ADF UP-TO-DATE WITH REGULATORY REQUIREMENTS? ARE YOU CIMS READY?

Business Responsibility and Sustainability Report (BRSR) has come a long way since its inception.

A city-specific assessment for real estate projects
Graded on an 8-point scale

Decoding the RBI's move to extend deadline for NPA recognition for NBFCs
Shape your perspective. Read here.

CRISIL Blogs

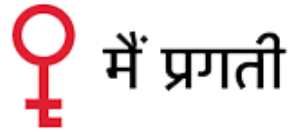
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CRISIL Foundation continues to create social impact



A CRISIL Programme



Financial capability building of rural women and communities

- Mein Pragati continues to drive outreach and impact through 1,600+ trained Sakhis in 2,800+ villages of Assam and Rajasthan.
 - In Rajasthan, project has moved from direct implementation to NGO model with two new implementing partners on-boarded.
- As part of RBI's Scale-up CFL Project, 420+ CFL centres continue to be managed through a 1,790+ on-ground team to facilitate community outreach.



Promoting environment conservation and larger social consciousness among employees

- Afforestation initiatives continued through on-ground partners – first physical volunteering engagement carried out in June
- CRISILites were also engaged through various virtual engagements – like mentoring and virtual volunteering programmes.
- Key campaigns around World Environment Day and Earth Day garnered enhanced engagement with CRISILites



About CRISIL Limited

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.

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

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