

Q3 2021 Analyst Presentation

November 2021

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Agenda



1. CRISIL Overview



2. Business Environment



3. Financial Performance



4. Segment Performance



5. Thought Leadership



6. Corporate Social Responsibility



CRISIL is a leading global analytics company driven by its mission of making markets function better

 Ratings

 Benchmarking Insights

 Research Services

 Risk Solutions

 Market Insights & Analytics

Empowering decision-making with cutting-edge
#Analytics

#Global footprint

#Innovation
to drive growth

#Agile
to market needs

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Recovery underway amid few uncertainties



India

| Indicator | FY2019 | FY2020 | FY2021 | FY2022F |
|-----------------------------------|---------------|---------------|------------------|------------------|
| GDP (y-o-y %) | 6.5 | 4.0 | -7.3 | 9.5 |
| 10 year G-sec yield (% , March) | 7.5 | 6.2 | 6.2 | 6.5 |
| Fiscal deficit (% of GDP) | 3.4 | 4.6 | 9.5 [@] | 6.8 [#] |
| Exchange rate (Re/\$, March avg.) | 69.5 | 74.4 | 72.8 | 75.0 |
| CPI Inflation (%) | 3.4 | 4.8 | 6.2 | 5.5 |
| Gross NPA (%) | 9.1 | 8.2 | ~7.5 | ~8.0-9.0 |
| Repo Rate (% , March-end) | 6.25 | 4.40 | 4.00 | 4.25 |
| Credit Growth (%) | 11.0 | 6.0 | ~5.0 | ~9.0-10.0 |



Global

| Indicator | CY2018 | CY2019 | CY2020 | CY2021F |
|------------------------------------|---------------|---------------|---------------|----------------|
| World GDP (y-o-y %) | 3.6 | 2.9 | -3.4 | 5.8 |
| United States of America (y-o-y %) | 2.9 | 2.3 | -3.5 | 5.7 |
| Eurozone (Euro Area-19) (y-o-y %) | 1.9 | 1.2 | -6.5 | 5.1 |
| China GDP (y-o-y %) | 6.6 | 6.1 | 2.3 | 8.0 |

Note: F=forecast; # Budget estimate; @ Revised Estimate
Source: NSO, RBI, CRISIL, S&P Global Economics and Oxford Economics

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

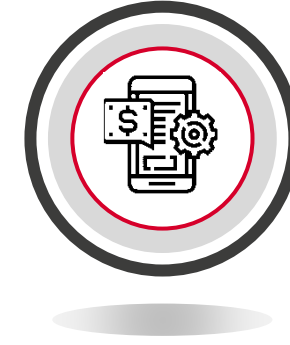
Key business trends



**Economic revival amidst
inflation risk**



**Buoyancy in capital
markets activity**



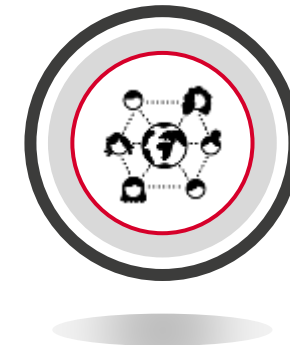
**Increased levels of digital
and transformation spend**



**Emphasis on
sustainability**



**Heightened focus on risk
management and information
security**



Hybrid working model

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5. Thought Leadership

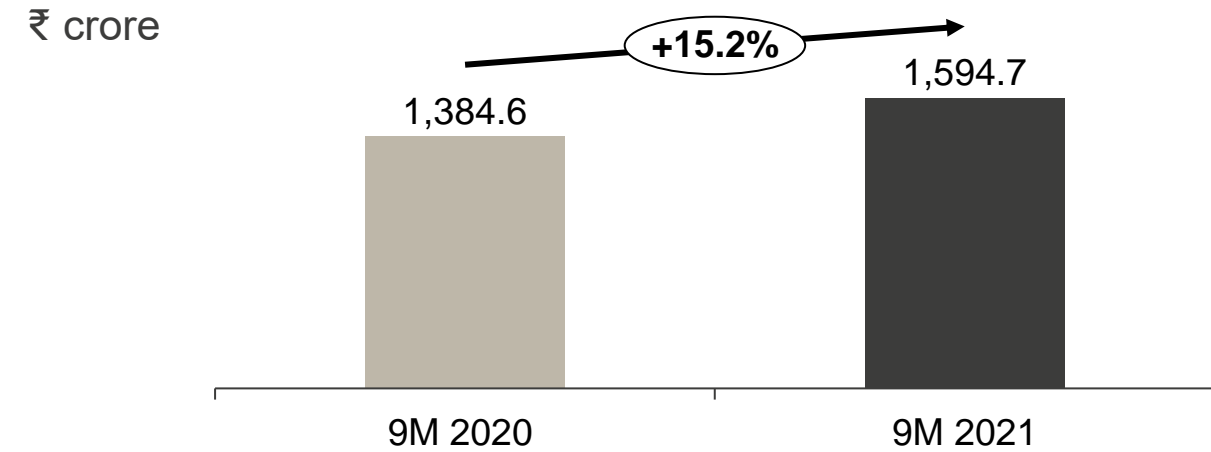
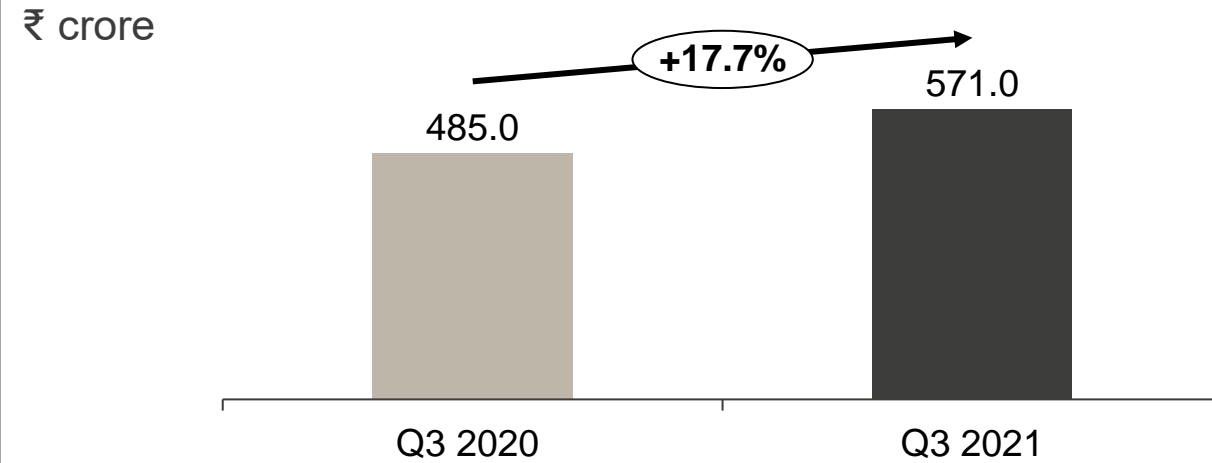


6. Corporate Social Responsibility

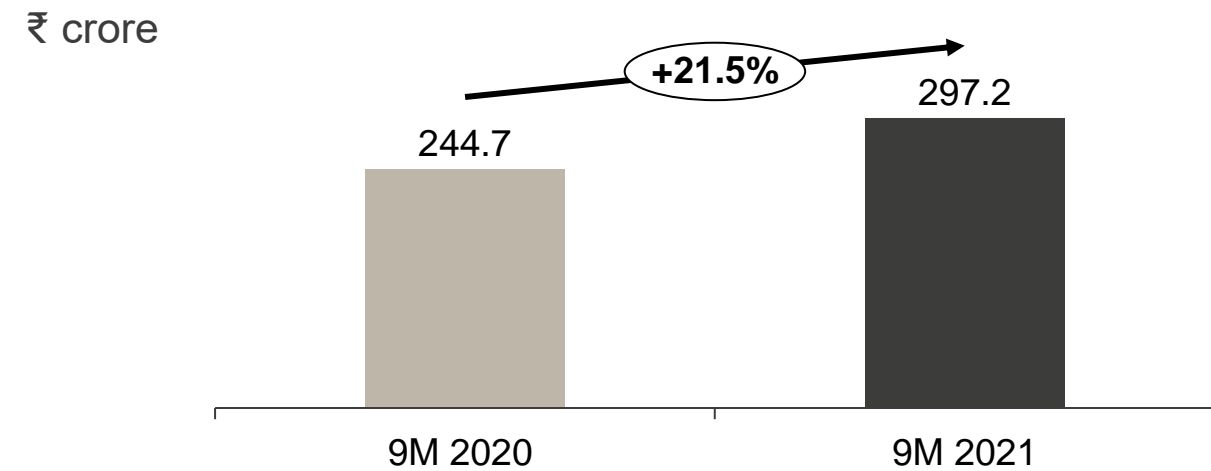
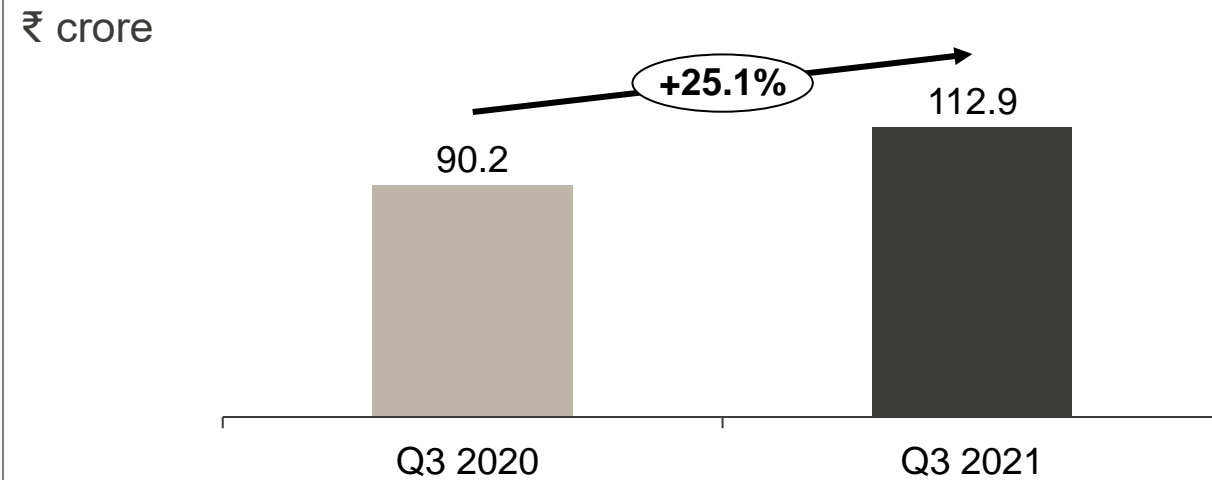


Q3 2021 income from operations at ₹571.0 cr.; PAT at ₹112.9 cr.

Income from Operations



Profit After Tax



Note:

1. Numbers rounded off

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3. Financial Performance



4. Segment Performance - Ratings

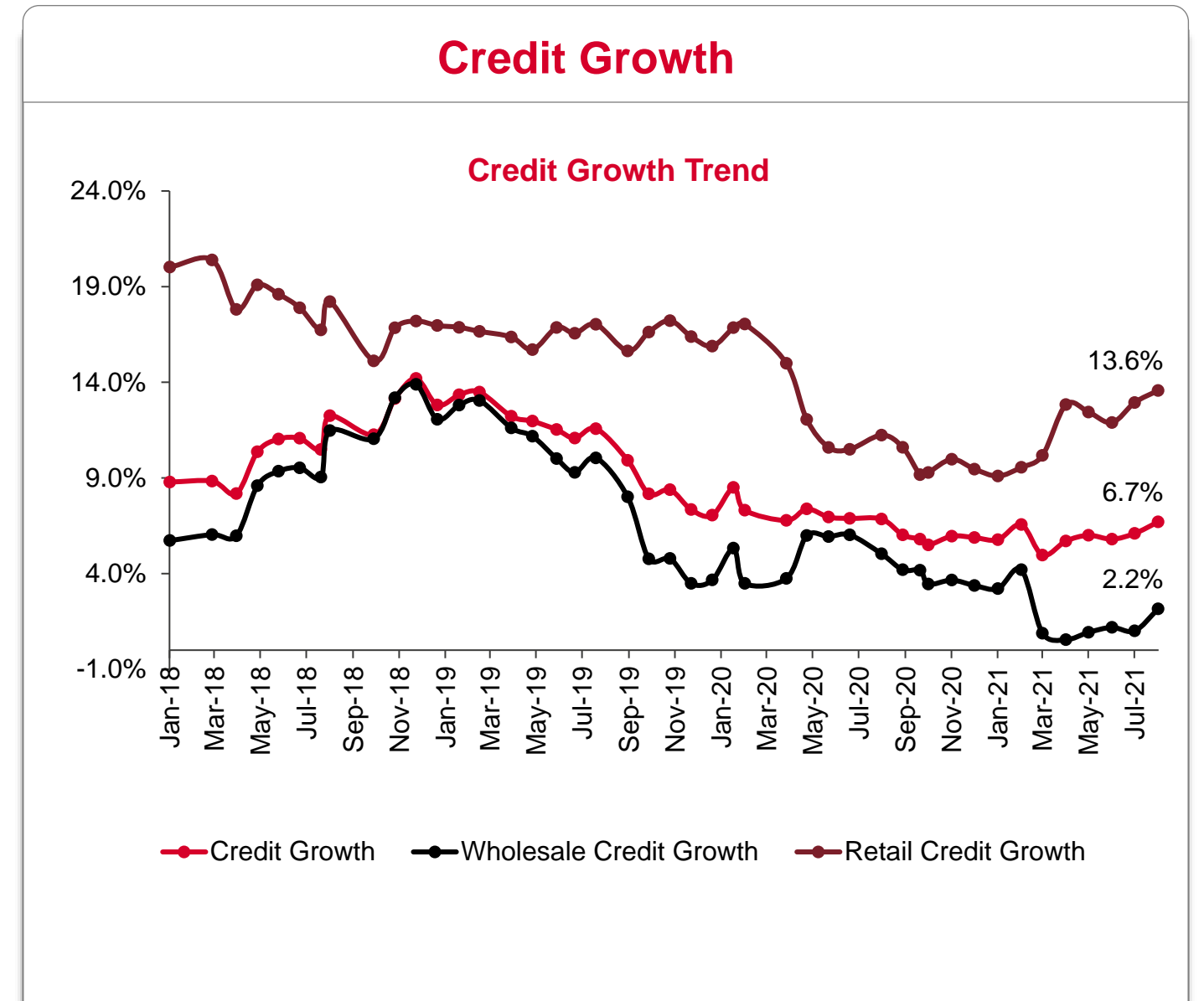
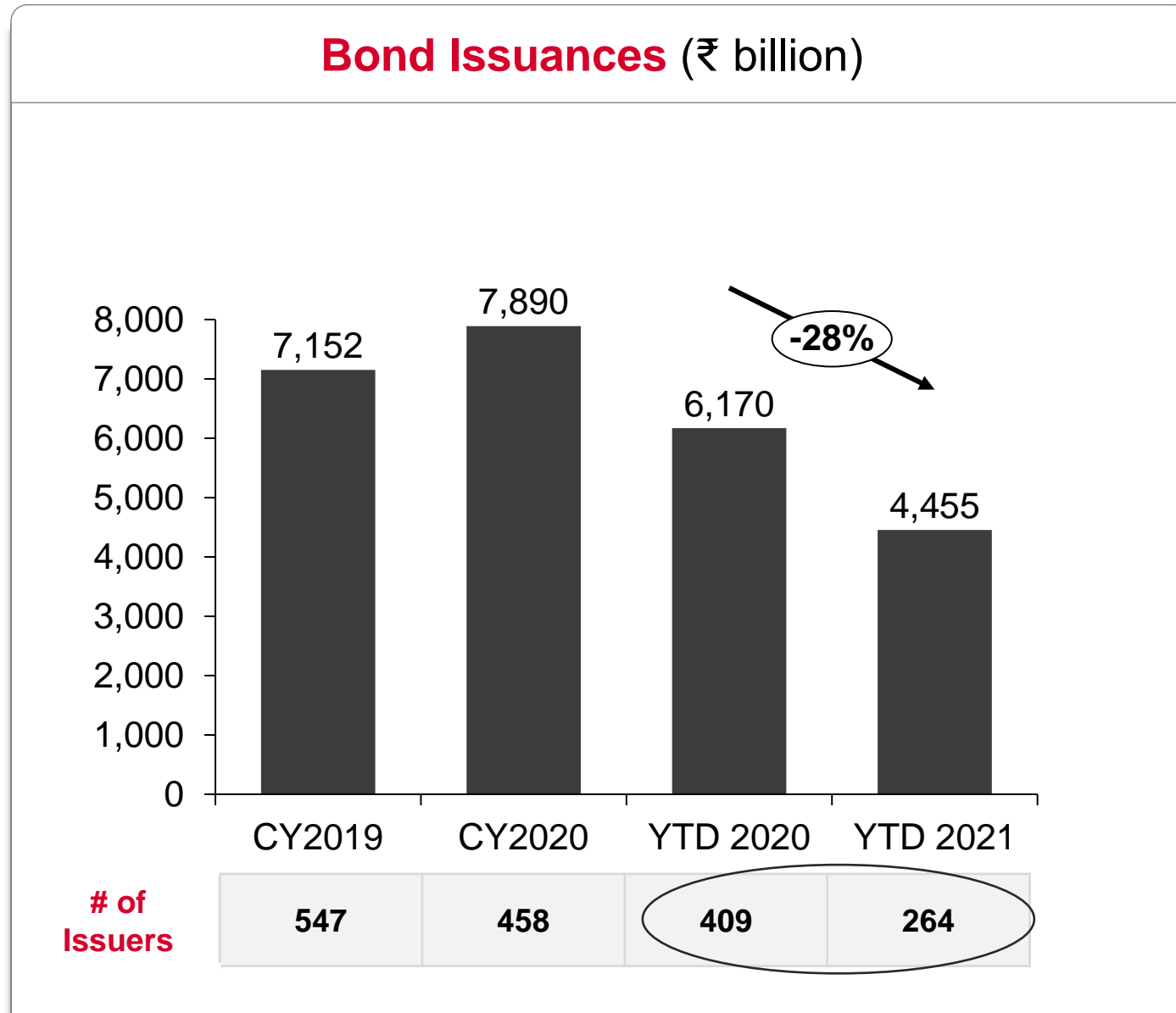


5. Thought Leadership



6. Corporate Social Responsibility

Credit growth sees uptick but wholesale credit growth remains subdued; Bond issuers lower vis-à-vis last year



Source: RBI, SEBI, Ministry of Finance, Prime Database, CRISIL
 CY represents the calendar year (Jan-Dec period);

Ratings: Q3 2021 highlights



Financials

| Particulars (₹ cr) | Q3 2020 | Q3 2021 | Growth |
|------------------------|---------|---------|--------|
| Income from Operations | 137.1 | 153.6 | 12.0% |
| Segment Profit | 51.9 | 64.4 | 24.1% |
| Margin | 37.9% | 41.9% | |

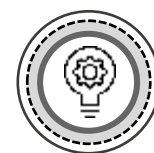
| Particulars (₹ cr) | 9M 2020 | 9M 2021 | Growth |
|------------------------|---------|---------|--------|
| Income from Operations | 414.4 | 439.1 | 6.0% |
| Segment Profit | 168.7 | 186.7 | 10.7% |
| Margin | 40.7% | 42.5% | |

Note: Numbers rounded off



Business update

- CRISIL Ratings revenue grew 21.5% during the quarter on back of improved business environment; Ratings business added new clients and saw growth in the stressed assets ratings space
- With demand picking up across the economy, activity in the lending markets is improving and there are increasing signs of companies enhancing their bank lines and seeking refinancing
- CRISIL Ratings continues to maintain leadership in the corporate bond market
- The Global Analytical Center (GAC) also increased support to S&P Global Ratings across surveillance, new issuances and transformation projects



Innovation and franchise

- Continued focus on franchise activities with over 30 press releases published and hosted several webinars covering telecom, construction, commercial real estate, FMCG, oil, airports, etc.
- Some of the high impact opinion pieces are, '*Economic recovery to drive road traffic up 12-14% this fiscal*', '*ARCs may hunt MSME, retail assets as ground shifts*', '*City gas sales volume to rise 25-27% this fiscal on dearer petrol, diesel*', '*Revenue of gold jewellery retailers seen up 12-14% this fiscal*', '*With curbs easing, securitisation pool collections spring back*', '*India Inc credit outlook turns positive, upgrades rise*'

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2. Business Environment



3. Financial Performance



4. Segment Performance - Research

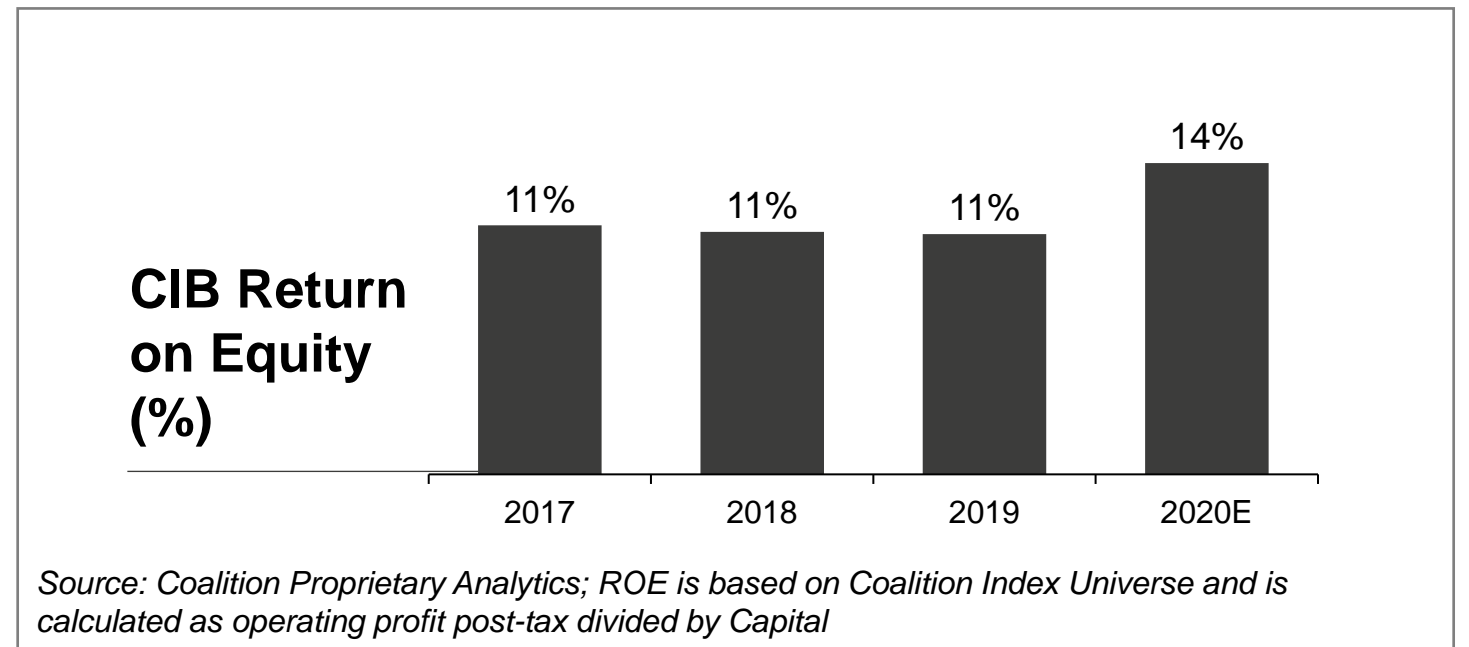
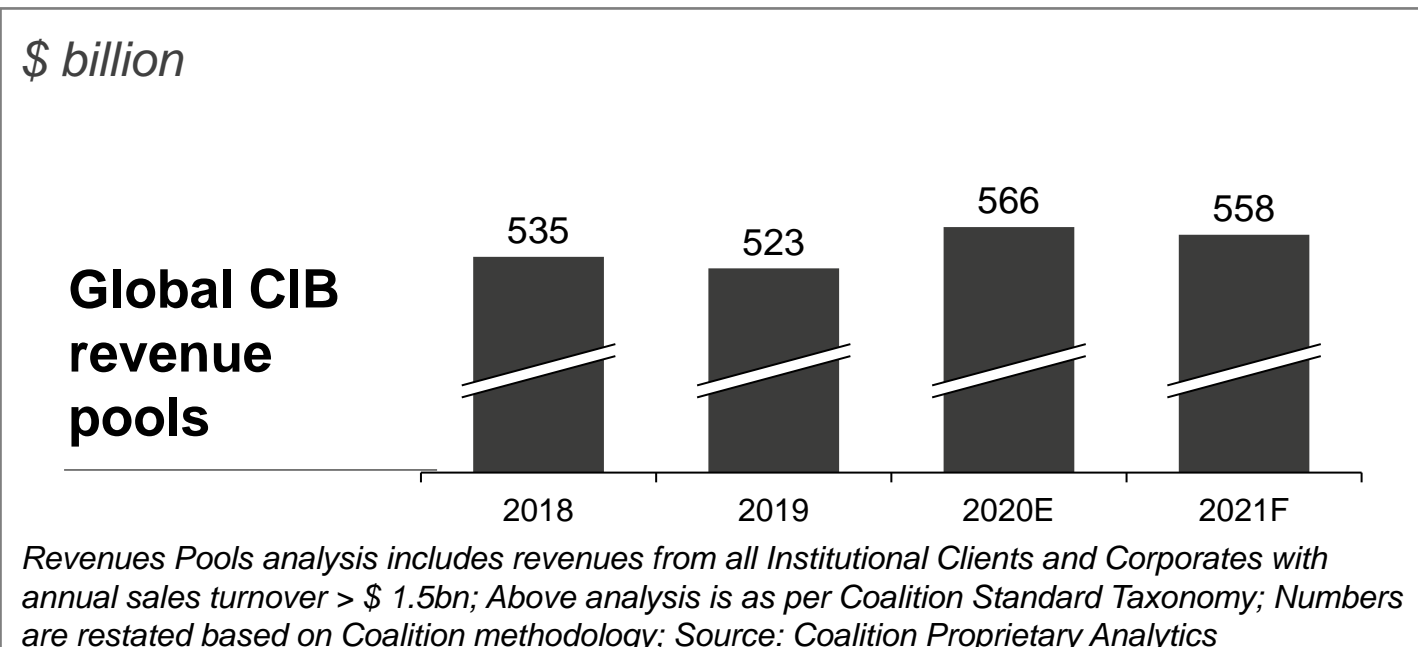
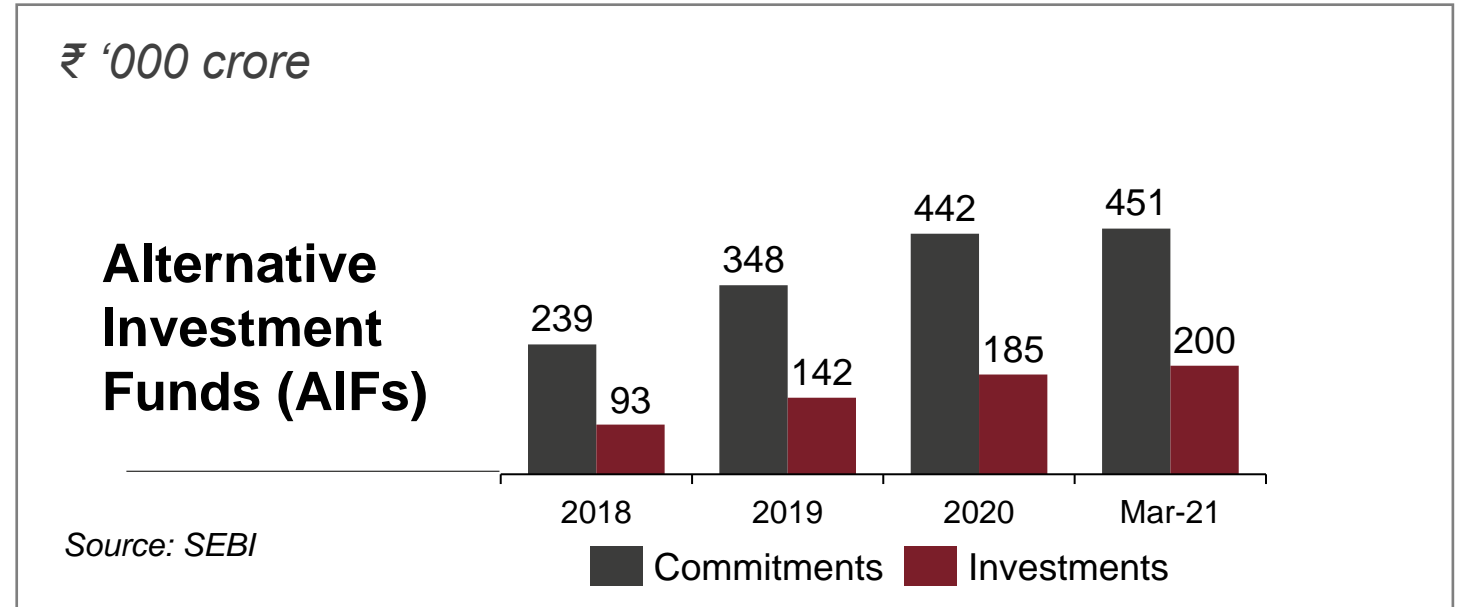
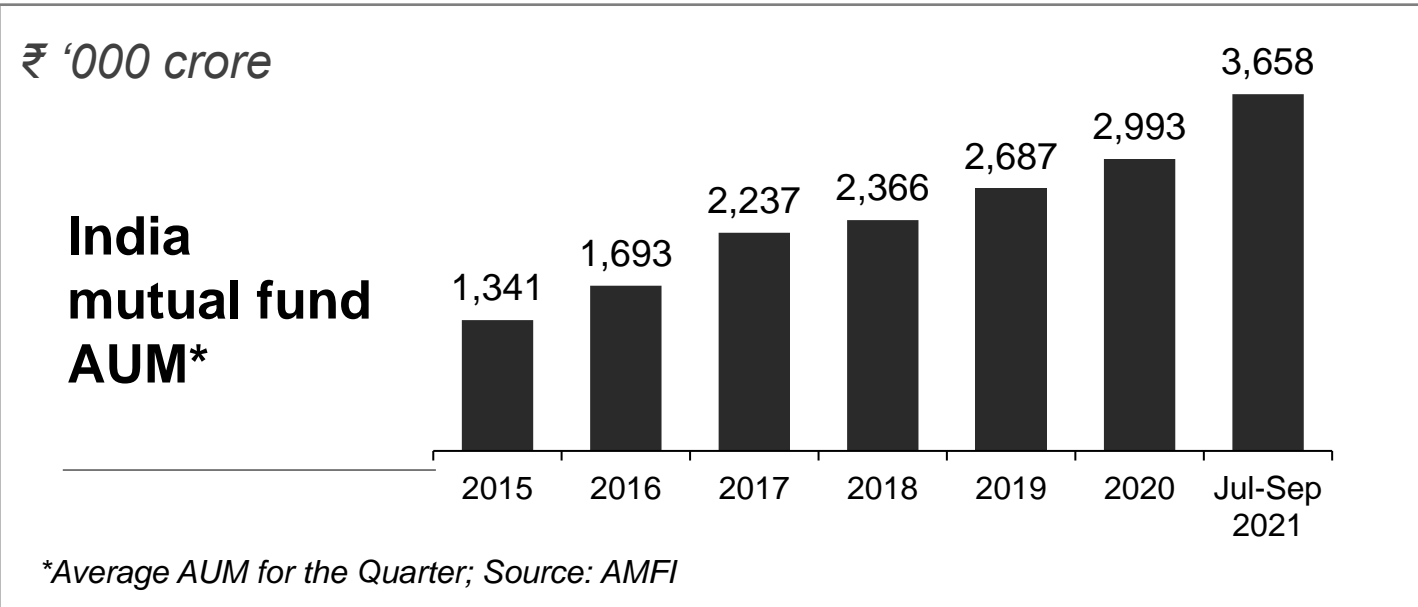


5. Thought Leadership



6. Corporate Social Responsibility

Indian capital market activity remains elevated; Globally, CIB industry expected to normalize



Evolving regulations present opportunities

USA: Maturing

- CCAR
- DFAST
- FRTB
- IBOR
- CECL
- UMR (Phase V and VI)

Europe: Tightening

- EBA/PRA Stress Testing
- BASEL III
- FRTB
- TRIM
- IBOR
- UMR (Phase V and VI)

Asia: Nascent

- IFRS9
- IBOR
- Stress Testing

CCAR: Comprehensive Capital Analysis and Review
DFAST: Dodd-Frank Act Stress Tests
CECL: Current Expect Credit Loss
EBA: European Banking Authority
MiFID: Markets in Financial Instruments Directive
UMR: Uncleared Margin Rules

PRA: Prudential Regulation Authority
TRIM: Targeted Review of Internal Models
IFRS: International Financial Reporting Standards
IBOR: Interbank Lending Rate
FRTB: Fundamental Review of Trade Book

Research: Q3 2021 highlights



Financials

| Particulars (₹ cr) | Q3 2020 | Q3 2021 | Growth |
|------------------------|---------|---------|--------|
| Income from Operations | 315.8 | 381.7 | 20.9% |
| Segment Profit | 35.5 | 83.5 | 135.2% |
| Margin | 11.2% | 21.9% | |

| Particulars (₹ cr) | 9M 2020 | 9M 2021 | Growth |
|------------------------|---------|---------|--------|
| Income from Operations | 875.9 | 1,049.4 | 19.8% |
| Segment Profit | 137.9 | 216.6 | 57.1% |
| Margin | 15.7% | 20.6% | |

Note:

1. Numbers rounded off



Business update

- The segment revenues grew by 20.9% accompanied by a robust margin expansion during the quarter with all businesses delivering growth
- In Research, buoyancy in the domestic capital market and pick-up in economic activity continue to steer the need for research and analytics
- Global Research & Risk Solutions (GR&RS) grew on the back of new mandate wins, and increased traction for risk, credit research and sustainability offerings
- Market changes and regulations driving transformation agenda at financial institutions are also spawning opportunities
- Coalition Greenwich grew on continuing demand for benchmarking analytics from its core client segments. Opportunities increased in commercial banking as clients focus moves on revenue expansion



Innovation and franchise

- Coalition Greenwich conducted the annual Competitive Challenges Conference, most sought after event in the global asset management industry; Coalition Greenwich received good attribution of its analyses across global publications
- Domestic research participated in 1st edition of ESG Knowledge Series titled, "Evolving ESG Policies and the Reporting Journey" organised by S&P Global Sustainable1 in September
- Published multiple articles, whitepapers on topical matters and hosted several webinars on telecom, oil sector, macro environment, model risk management, European regulations for investment management firms, market structure trends and transaction banking

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3. Financial Performance



4. Segment Performance - Advisory



5. Thought Leadership



6. Corporate Social Responsibility

Advisory: Q3 2021 highlights



Financials

| Particulars (₹ cr) | Q3 2020 | Q3 2021 | Growth |
|------------------------|---------|---------|--------|
| Income from Operations | 32.1 | 35.6 | 10.9% |
| Segment Profit | 2.6 | 0.8 | -69.2% |
| Margin | 8.1% | 2.2% | |

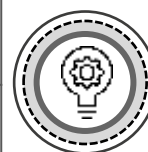
| Particulars (₹ cr) | 9M 2020 | 9M 2021 | Growth |
|------------------------|---------|---------|--------|
| Income from Operations | 94.3 | 106.1 | 12.5% |
| Segment Profit | 3.6 | 7.8 | 116.7% |
| Margin | 3.8% | 7.4% | |

Note: Numbers rounded off



Business update

- The segment revenue grew 10.9% during the quarter
- The Infrastructure Advisory business bagged large wins from multilaterals and the Business Intelligence and Risk Solutions business increased its overseas client footprint



Innovation and franchise

- Participated in multiple conferences / seminars –
 - 37th Asia Pacific Petroleum Conference organized by S&P Global Platts with focus on the topic 'Meeting COP26 targets.'
 - Virtual conference on 'Sewage & Wastewater Treatment' in India
- Conducted three capacity building workshops in Ethiopia on PPP concept & its applicability with practical sessions including class exercises and illustrations

Risks



Prolonged pandemic impacting economic revival



Evolving regulatory environment



Information security and cyber-related risks



Adverse currency movement



Intense competition



Reputation risk

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4. Segment Performance



5. Franchise and thought Leadership



6. Corporate Social Responsibility



A 'TRUSTED' voice in Media



Media

CRISIL Ratings raises India Inc credit quality outlook to 'positive'

CRISIL Ratings has raised the credit quality outlook of India Inc from 'stable' to 'positive' on the back of a robust demand, export-led growth, growing in-house consumption, and benign input cost environment. The outlook is based on the firm's strong financial performance and its ability to generate cash flows. The outlook is based on the firm's strong financial performance and its ability to generate cash flows.

Good fiscal in the works for sector

The government is expected to announce a budget that will be good for the infrastructure sector. The budget is expected to include measures to support the sector, such as increasing capital expenditure and providing tax incentives. The budget is expected to include measures to support the sector, such as increasing capital expenditure and providing tax incentives.

Taxes To Control Inflation: DK Joshi

The India government should adopt a strategy of reducing import and domestic tariffs while lowering taxes to bring down the inflation rate, according to economist DK Joshi. He believes that this approach will help to control inflation and support economic growth.

InvTs: A long-term investment avenue

InvTs (Infrastructure Investment Trusts) are a long-term investment avenue. They provide a steady stream of income and are backed by government-guaranteed assets. InvTs are a long-term investment avenue. They provide a steady stream of income and are backed by government-guaranteed assets.

CRISIL Ratings' packaging industry outlook

CRISIL Ratings has raised the credit quality outlook of the packaging industry from 'stable' to 'positive'. This is due to the industry's strong performance and its ability to generate cash flows. The outlook is based on the industry's strong performance and its ability to generate cash flows.



Reports

CRISIL Quip

O1 fiscal 2022: Sectoral research

Monetisation road

NIIA's asset pool can generate 10% of the potential funding it needs over the next 5 fiscal years.

Ringling in local sourcing

While PLI is a signal boost for telecom, industry structure, value-additions and 5G auctions are monitorables.

Structural stitch

Global Research & Risk Solutions

Model risk management for the buy-side

Evolution towards an active approach



Webinars & Events

Advisor Connect - Delhi & Kolkata Chapters

Preparing investors for known and unknown investment risks

September 17, 2021 | 2:00 pm - 4:00 pm

CRISIL Ratings webinar on the corporate sector: Execution, Execution, Execution!

September 17, 2021 | 2:00 pm - 4:00 pm

CRISIL Ratings webinar on core Build, lease, operate

September 23, 2021 | 3:00 pm - 4:00 pm

CRISIL webinar on the oil sector: Altering fuel dynamics - Can oil companies adapt?

August 24, 2021 | 3:00 pm - 4:00 pm



Social Media

CRISIL Limited

What does our credit quality outlook for India Inc mean for you?

CRISIL Limited has raised the credit quality outlook of India Inc from 'stable' to 'positive'.

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Operational Risk Management: Back to the future

Operational risk management is a key component of a company's risk management strategy.

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PODCAST: Ramifications of the Fed

The Fed's actions have significant implications for the global economy.

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5. Thought Leadership

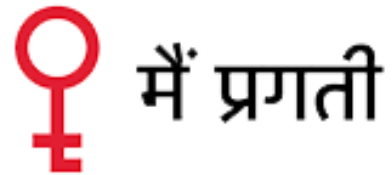


6. Corporate Social Responsibility



Creating social impact through CSR initiatives

Amplifying CRISIL's ESG agenda by driving inclusive growth and conserving the environment



A CRISIL Programme



Financial capability building of rural women in Assam, Rajasthan, Haryana and Maharashtra

- Mein Pragati continues to strengthen its outreach and impact through 1,100+ trained Sakhis in 1,700+ villages of Assam and Rajasthan.
 - Over 69,000 linkages facilitated to formal banking & social welfare schemes.
- Through RBI-CFL pilot, over 27,000 beneficiaries directly reached and 6,700+ linkage applications facilitated to formal banking services.
- Steps currently afoot towards scaling up CFL centres across 18 States and UTs with support from RBI and 10 PSU Sponsor Banks.



Promoting environment conservation, disaster relief and larger social consciousness among employees

- Afforestation initiatives continued through on-ground partners – total plantation count at 92,000 trees as against 1 lakh commitment by 2021
- Over 300 CRISILites engaged through virtual volunteering initiatives which covered mentoring the field teams, home-based rainwater harvesting, and teaching children from rural communities.



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.

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Last updated: May 2018

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