

Piramal Enterprises Limited

Financial Services Day

30th August 2018



Piramal Enterprises Limited

Strategic Overview



Piramal Enterprises Limited : Business Overview

Piramal Enterprises

FY18 Revenues: INR 10,639 Cr (\$1.6 bn)

Financial Services

FY18 Revenue Contribution: **47%**

Lending*

- Loan Book of **INR 46,995 Cr** (\$7 bn)
- ROE of 19%²; GNPA ratio of **0.3%**

Alternative Asset Management

- Marquee partners: CDPQ, APG, Bain, CPPIB

Housing Finance

- Launched HFC in Sep 2017

Diversified Retail Exposure via Shriram

- **Strong position** in CVs, SME, Insurance

FY18 Capital Employed¹: **58%**

Pharma

FY18 Revenue Contribution: **42%**

Global Pharma

- Strong portfolio of **differentiated branded generic products**
- Integrated solutions across APIs, formulations and delivery systems

India Consumer Products

- Among the **leading Indian OTC players**

FY18 Capital Employed¹: **25%**

Healthcare Insight and Analytics

FY18 Revenue Contribution: **11%**

Decision Resources Group (DRG)

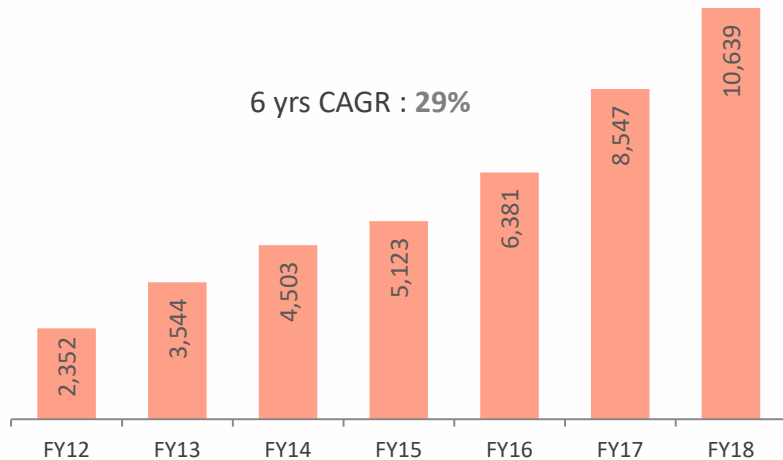
- Serving a large number of healthcare companies
- Global team of over 1,200 eminent industry experts (380+ in India)

FY18 Capital Employed¹: **17%**

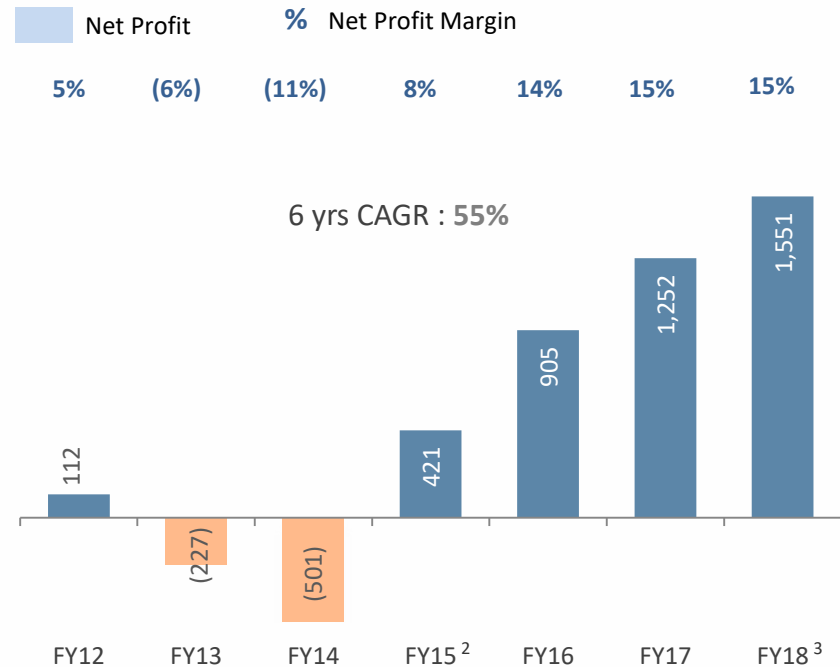
Delivering robust growth : Track record

(in INR Cr)

Total Revenues¹



Adjusted Net Profit^{1,2,3}



Note:

1) FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP; 2) FY2015 net profit excludes exceptional gain on sale of 11% stake in Vodafone India partly offset by the amount written down on account of scaling back of our investments in NCE research.; 3) FY2018 adjusted net profit excludes synergies on account of merger of subsidiaries in Financial services segment

Consistently delivering strong performance

(in INR Cr)

Period		Revenues			Net Profits		
		Reported Period	Previous Period	% YoY Change	Reported Period	Previous Period	% YoY Change
FY15	Q1	1,182	965	+22%	55	(147)	NM
	Q2	1,243	1,131	+10%	41	(32)	NM
	Q3	1,400	1,286	+9%	224	(11)	NM
	Q4	1,298	1,121	+16%	100	(311)	NM
FY16	Q1	1,401	1,182	+19%	169	55	+206%
	Q2	1,504	1,243	+21%	235	41	+473%
	Q3	1,786	1,400	+28%	307	224	+37%
	Q4	1,691	1,298	+30%	193	100	+93%
FY17	Q1	1,776	1,401	+27%	231	169	+36%
	Q2	1,966	1,504	+31%	306	235	+30%
	Q3	2,342	1,786	+31%	404	307	+32%
	Q4	2,463	1,691	+46%	311	193	+61%
FY18	Q1	2,254	1,776	+27%	302	231	+31%
	Q2	2,536	1,966	+29%	384	306	+25%
	Q3	2,858	2,342	+22%	490	404	+21%
	Q4	2,991	2,463	+21%	375 ⁴	311	+21%
FY19	Q1	2,902	2,254	+29%	382 ⁵	302	+27%

12

consecutive quarters of delivering Revenue growth higher than

20%

12

consecutive quarters of delivering Adjusted Net Profit growth over

20%

Note:

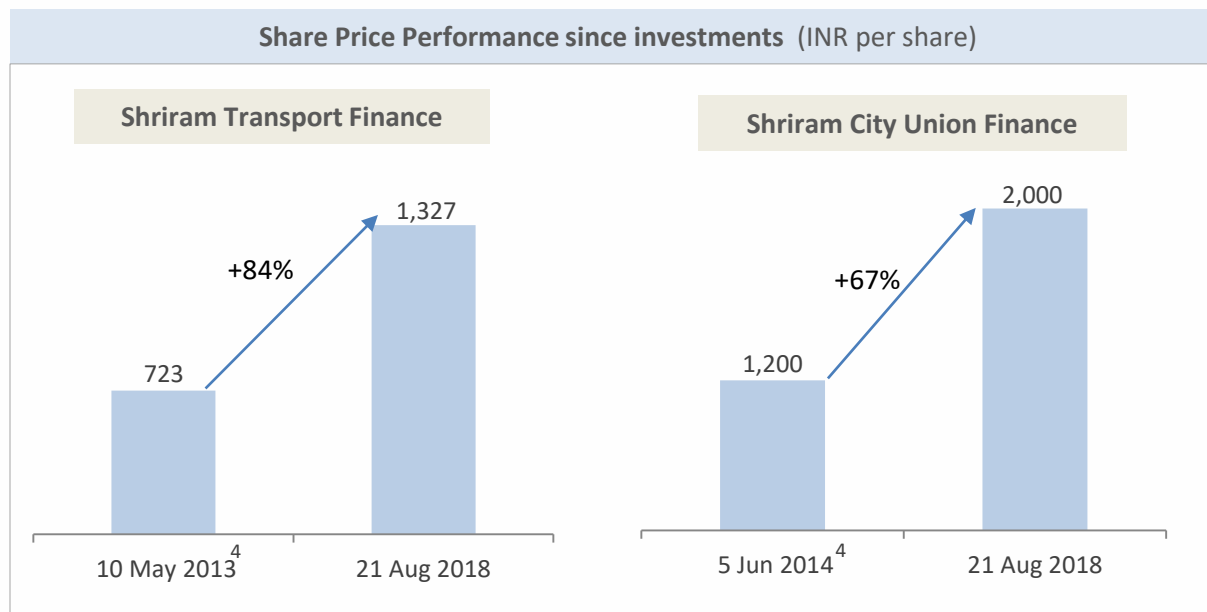
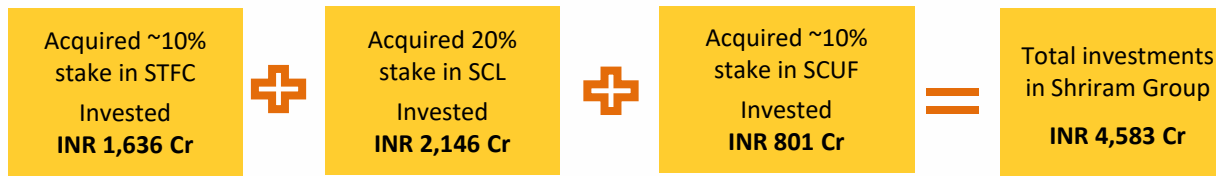
1. FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP;
2. FY2015 quarterly net profit numbers exclude exceptional gain from Vodafone transaction and exceptional loss from NCE shutdown;
3. NM – Not measurable;
4. Q4FY2018 is adjusted net profit excludes synergies on account of merger of subsidiaries in Financial services segment;
5. Q1FY2019 adjusted net profit excludes Exceptional Item of write off of Imaging assets

Our Values

Values create value



Partnership with Shriram : Strategic in nature



Note: FX rate: 1 USD= INR 69

(1) Listed entities include Shriram Transport Finance and Shriram City Union Finance (2) As of 21st Aug, 2018 (3) As of 31st March, 2018 (4) PEL's purchase price on the respective date of investment - Doesn't include related costs of acquisitions

Board of Directors



AJAY PIRAMAL
 CHAIRMAN
 AWARDED “ASIA BUSINESS LEADER OF THE YEAR” BY CNBC ASIA
 NON - EXECUTIVE DIRECTOR, TATA SONS LIMITED
 CHAIRMAN, SHRIRAM CAPITAL LIMITED
 CO – CHAIR, UK–INDIA CEO FORUM

DIRECTORS



DR. SWATI PIRAMAL
 VICE-CHAIRPERSON
 EMINENT SCIENTIST
 AWARDED PADMA SHRI



NANDINI PIRAMAL
 EXECUTIVE DIRECTOR
 OTC, HR, QUALITY & RISK
 MBA, STANFORD



ANAND PIRAMAL
 NON-EXECUTIVE DIRECTOR
 HEADS PIRAMAL REALTY
 MBA, HARVARD



VIJAY SHAH
 EXECUTIVE DIRECTOR
 25+ YEARS WITH GROUP
 TURNAROUND BUSINESSES

INDEPENDENT DIRECTORS



N VAGHUL
 FORMER CHAIRMAN,
 ICICI BANK



KEKI DADISETH
 FORMER CHAIRMAN,
 HINDUSTAN UNILEVER LTD



PROF. GOVERDHAN MEHTA
 EMINENT SCIENTIST
 FORMER DIRECTOR - IISc
 AWARDED PADMA SHRI



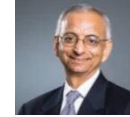
DEEPAK M SATWALEKAR
 FORMER MD & CEO,
 HDFC STANDARD LIFE



DR. R MASHEKAR
 EMINENT SCIENTIST
 FORMER DG, CSIR
 AWARDED PADMA VIBHUSHAN



S RAMADORAI
 FORMER VICE-CHAIRMAN,
 TCS



SIDDHARTH (BOBBY) MEHTA
 FORMER PRESIDENT & CEO
 TRANSUNION



GAUTAM BANERJEE
 SENIOR MD & Co-CHAIRMAN,
 ASIA OPERATING COMMITTEE,
 BLACKSTONE, SINGAPORE

Robust Governance Mechanism

Board of Directors



Legal, Risk, Quality and Compliance teams are independent and report directly to the Board members

Board Sub-committees



PHARMA

FINANCIAL SERVICES

HEALTHCARE INSIGHT & ANALYTICS

Pharma Operations Board

5 Investment Committees for Real Estate Lending, RE Fund Management, Corporate Finance Transactions, Emerging Corporate Lending and Housing Finance

Healthcare Insight & Analytics Board

- Executive Directors
- Key Business CEOs
- External Experts

- Executive Directors
- Independent Directors
- Financial Services CEO
- External Experts
- Business Vertical Heads

- Independent Director
- Business CEO
- External Expert

Vodafone and Navayuga Deals

	Vodafone Deal	Navayuga Deal
Year of Investment	August 2011	March 2013
Year of Exit	April 2014	June 2017
Amount Invested	INR 5,864 Cr	INR 425 Cr
Exit Amount	INR 8,900 Cr	INR 887 Cr
IRR	19%	20.75%

Piramal Enterprises Limited

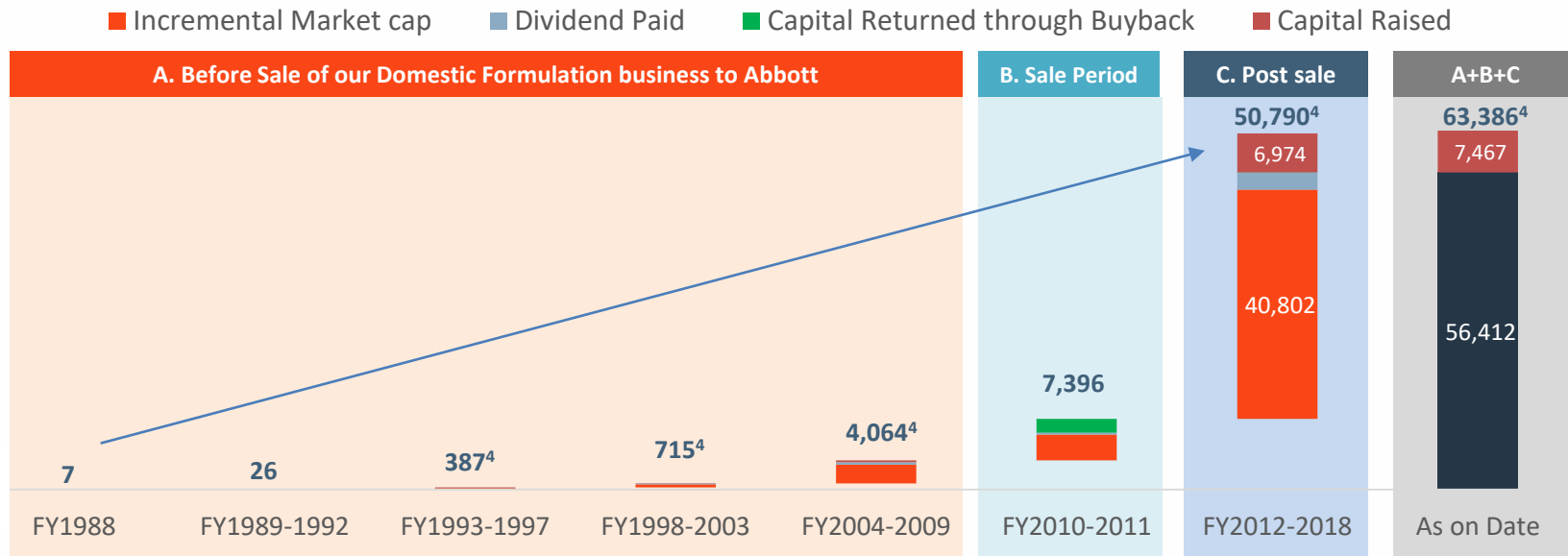
Trusteeship



Creating significant value for shareholders

(In INR Cr)

Shareholder value creation in less than 3 decades



- Note: 1. Company raised less than INR 500 Cr during the entire period (includes initial capital invested in the company in 1988)
 2. All numbers till 1992 represents book value

3. Analysis carried out based on market information till 15 Jan 2018
 4. Value Creation total numbers includes Capital Raised amount

23%
Revenue CAGR for last 30 years

29%
Net Profit CAGR for last 30 years

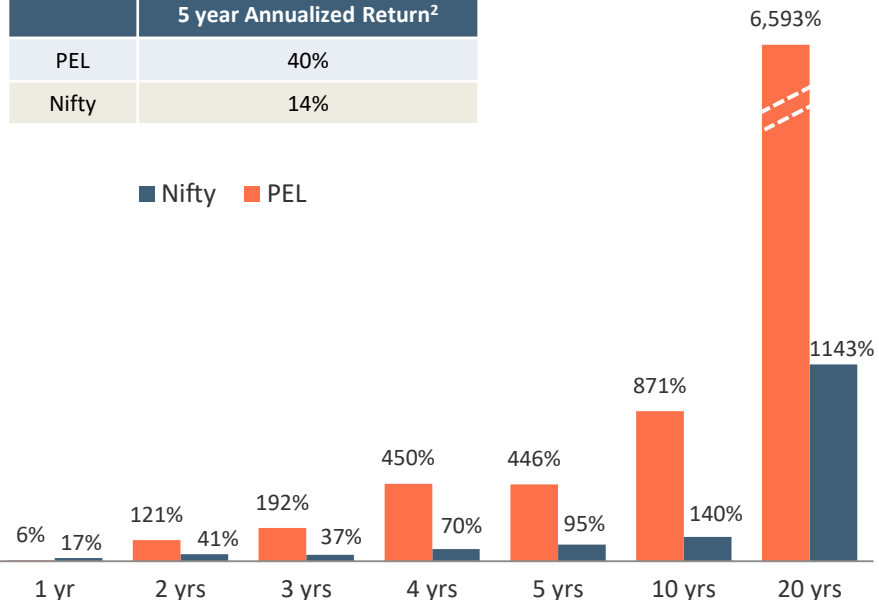
29%*
Annualized return to shareholders over last 30 years

INR 1 Lac invested in the company in 1988 has generated total value of around **INR 20 Cr***

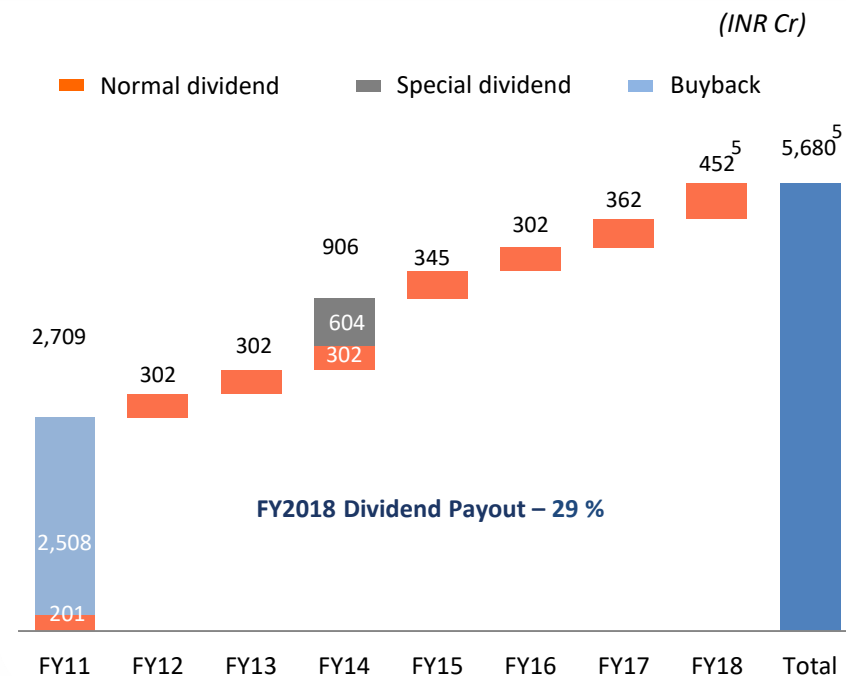
Returns to shareholders consistently outperforming all benchmarks

Consistently delivered strong shareholder returns – significantly higher than benchmarked indices¹

	5 year Annualized Return ²
PEL	40%
Nifty	14%



INR 5,680 Cr^{3,4,5} returned to shareholders since sale of Domestic Formulations business in 2010



Notes:

1) Total shareholder returns are as on 30 Apr 2018. Assumes re-investment of dividend in the stock (Source : Bloomberg); 2) Annualized returns are as on 30 Apr 2018; 3) Of the buy back of 41.8 mn shares shown in FY11, buyback of 0.7 mn shares happened in FY12; 4) Capital returned to shareholder through dividends doesn't include amount paid under Dividend Distribution Tax; 5) Excludes any dividend payout upon conversions of CCDs & related Rights till book closure date

A Billion Dollar Fund Raise

First major fund raise in the history of PEL - Raised ~ INR 7,000 Cr

Raised ~INR 4,996 Cr through QIP of CCDs

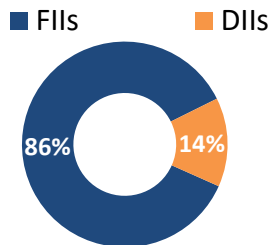
- Largest QIP deal by any company (excluding banks) in India
- First QIP of INR denominated CCDs in India
- Widespread participation



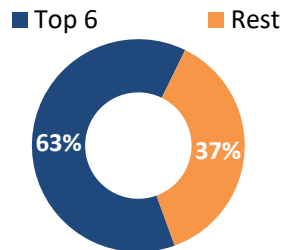
Raising INR 1,978 Cr through Rights Issue

- Existing shareholders got an equal opportunity to participate
- Issue was oversubscribed by 1.26x times
- Promoter Group underwritten to an extent of 90%

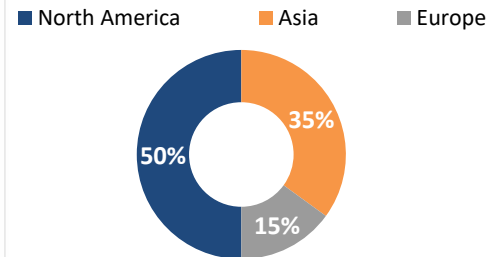
86% of CCDs were allotted to FIIs



Top 6 investors contributed 63% of allotted CCDs



Investors were spread across geographies

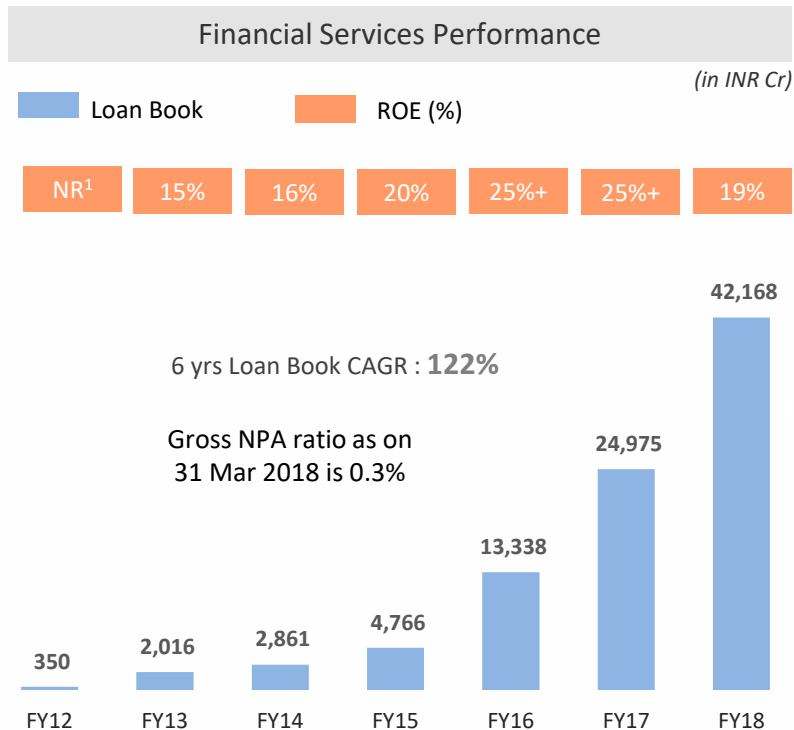


Piramal Enterprises Limited

Financial Services Performance



Strong performance trend : Financial Services



Note:

1. NR – Not Reported

Performance Highlights

Growth

- PEL’s loan book grew at a CAGR of 122% over last 6 years
- Consistently delivering 60%+ YoY growth in loan book in each of the last 12 quarters
- During Q1FY19 loan Book grew 64% YoY to INR 46,995 Crores

ROE

- Company has recorded an ROE of 25%+ over last 10 consecutive quarters prior to the fund raise

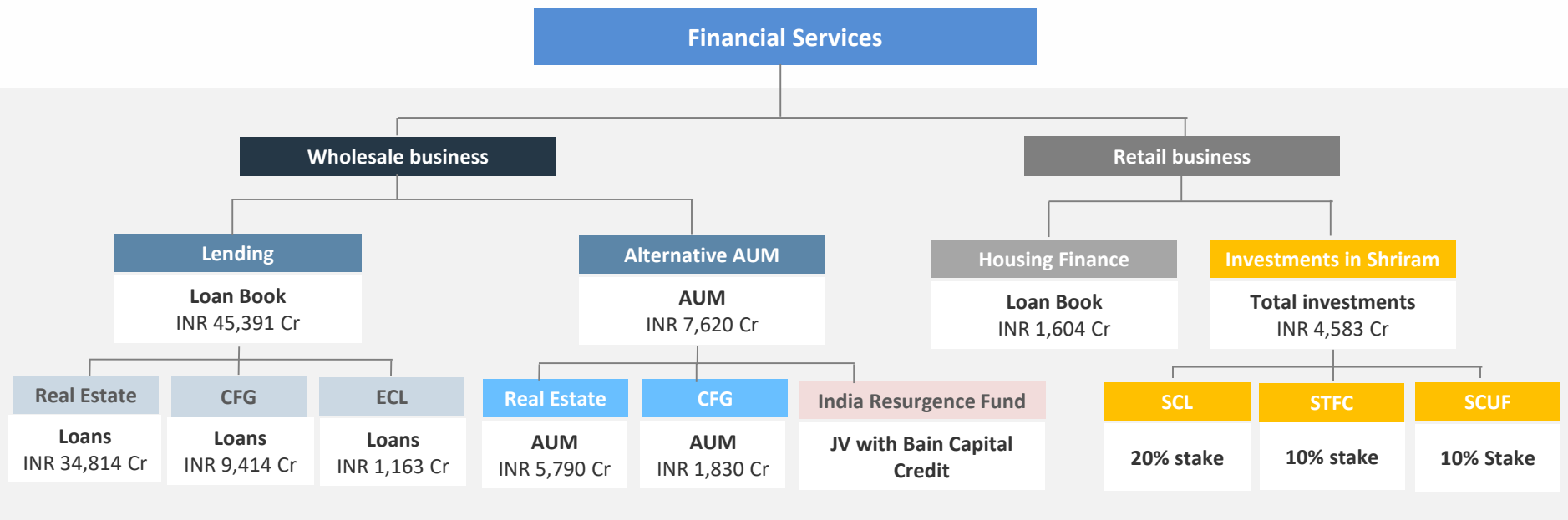
Asset Quality

- GNPA below 1% since last 10 quarters

Portfolio Diversification

- Consistent growth is an outcome of our strong diversification - launched 22 key products across business verticals in last few years

Diversified exposure across both wholesale and retail financing



CFG – Corporate Finance Group;
STFC – Shriram Transport Finance;

ECL – Emerging Corporate Lending;
SCUF – Shriram City Union Finance

HFC – Housing Finance Company;

SCL – Shriram Capital Limited;

Strong portfolio with a total investments, loans and assets under management of over INR 59,000 Cr

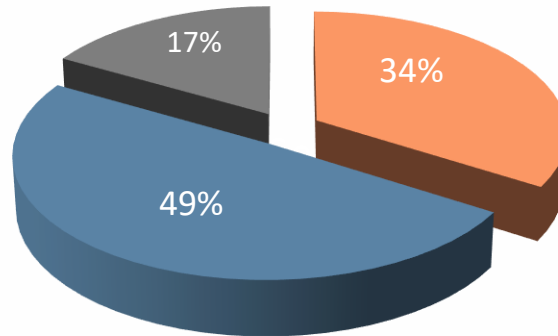
Healthy mix of equity in wholesale and retail businesses

Equity (Book Value) - % split

~INR 3,500 Cr Synergies from reverse merger

~INR 10,000 Cr invested in Wholesale Lending business

- Lending
- Alternative AUM



~INR 7,300¹ Cr equity in Retail lending business

- Housing Finance
- Shriram

■ Retail ■ Wholesale ■ Synergies from reverse merger

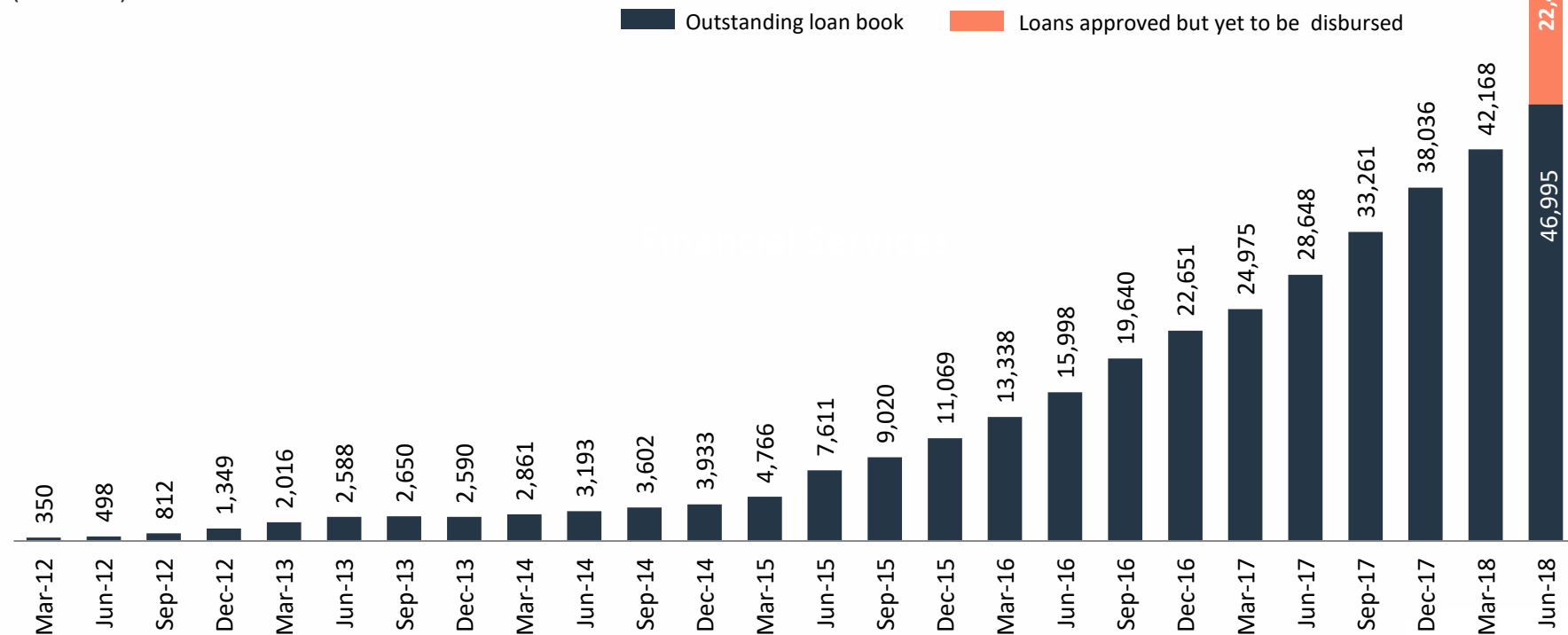
Total equity in Financial Services Business is over INR 20,000 Cr

Note: 1) Includes Book Value of Shriram slides

Building a robust and scalable financial services platform....

Continued scaling up of loan book

(in INR Cr)



Alternative Assets Under Management was INR 7,620 Cr as on June 30, 2018

Consistently delivering exceptional performance quarter after quarter

Trend of key ratios

	FY2016	FY2017	FY2018	Q1 FY2019
Loan Book Growth (%) ¹	180%	87%	69%	64%
GNPA Ratio (%)	0.9%	0.4%	0.3%	0.3%
ROE (%)	25%+	25%+	19% ²	19%³

**6 year Loan Book
CAGR - 122%**

Note :

1. As on end of reported period
2. ROE calculation also takes into account the capital allocation from recent fund raise. During Q3 FY2018, INR 2,300 Cr was allocated to financial services. In Q4 FY2018, the entire INR 5,000 Cr of estimated allocation got allocated towards financial services business
3. ROE considers cash tax and includes other synergies on account of merger of subsidiaries in Financial services segment

Piramal Enterprises Limited

Delivering to Society



Delivering to Society

- **Touched over 97 million lives**
- **Reputed organisations** that support us –
 - Harvard Graduate School of Education and Harvard School of Public Health,
 - New York University
 - Michael & Susan Dell Foundation
 - World Diabetes Foundation
 - USAID
 - Water.org.
- **Signed Statement of Intent with NITI Aayog** for 25 Aspirational Districts
- **Piramal Swasthya** continues to focus on healthcare delivery in rural areas through technology (across 13 states)
- **Piramal Sarvajal** has been offering sustainable water solutions (over 5 Lakh beneficiaries across 16 states).
- **Piramal Foundation of Education Leadership** continue to shape the student-learning outcomes (Around 6 Lakh students across 4,600 government schools).
 - Taken up projects in partnership with Ministry of HRD and Niti Aayog, across 10 states in the country

Piramal Enterprises Limited

Thank you

