



Piramal Enterprises Limited Announces Consolidated Results for Q4 FY2017 and FY2017

Delivering robust performance year after year

- *Best performance in terms of top-line growth in the last 16 quarters**
- *Board of Directors approves raising of funds of up to Rs.5,000 crores***

Mumbai, India, May 12, 2017: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for Q4 FY2017 and FY2017.

*Highlights

- Strong revenue growth during the quarter and the full year period
 - Up 46% at Rs.2,463 Crores during Q4 FY2017 vs. Rs.1,691 Crores during Q4 FY2016
 - Up 34% at Rs.8,547 Crores during FY2017 vs. Rs.6,381 Crores during FY2016
- Operating profit was :
 - 135% higher at Rs.1,119 Crores during Q4 FY2017 vs. Rs.476 Crores during Q4 FY2016
 - 94% higher at Rs.3,733 Crores during FY2017 vs. Rs.1,929 Crores during FY2016
- OPBITDA Margin was :
 - Up at 44% in Q4 FY2017 vs. 27% in Q4 FY2016
 - Up at 43% in FY2017 vs. 29% in FY2016
- Net Profit :
 - Increased by 61% to Rs.311 Crores for Q4 FY2017 vs. Rs.193 Crores for Q4 FY2016
 - Increased by 38% to Rs. 1,252 Crores for FY2017 vs. Rs.905 Crores for FY2016
- Loan Book grew by 87% to Rs.24,400 Crores as on 31 Mar 2017 vs. Rs.13,048 Crores as on 31 Mar 2016
- The Board has recommended a final dividend of Rs.21 per share.

Mr. Ajay Piramal, Chairman of Piramal Enterprises, said: "We are pleased to announce that Piramal Enterprises has achieved robust revenue and profitability for the year. The Company has delivered Rs.8,547 Crores of revenues for the year, recording a 34% growth; and net profits of Rs 1,252 Crores for FY2017, up 38% over last year. Strong growth across all businesses during the quarter enabled us to deliver the best quarterly performance over the last few years. We remain steadfast in our commitment to generate year-on-year improved performance and to drive innovative strategic business initiatives that bolster growth, strengthen our market leadership and consistently create long-term value for our shareholders."

Our performance

- **Long term** - Over a period of 29 years, Piramal Enterprises has delivered revenue CAGR of 24% and net profit CAGR of 29%.
- **Medium term** - With consistent growth across all three business segments, the Company's revenues grew at a CAGR of 29%, while its net profit grew by 62%, in the last five years.
- **Near-term**¹ - It has consistently improved its revenue and net profit performance over the last 10 quarters, with top-line growth higher than 25% during each of the four quarters. In the last two years, our net profit has grown over 30% in each quarter.

Value creation

- The Company has delivered an annualised return² of 30% to its shareholders, one of the very few companies to create such value for its shareholders for around a period of 29 years. Over last 5 years period, the Company has delivered an annualised shareholder return^{2,3} of 47% as compared with 14% return delivered by NIFTY Index.
- The Company has returned over Rs.5,200 Crores (i.e. 1/3rd of our current book value) to its shareholders in form of dividends, special dividends and buyback since the Abbott deal.
- Merely less than Rs. 500 Crores of external capital raised till date.

Fund Raising

In order to support future growth, the Board of Directors of the Company today approved raising of funds by issue of equity shares, global depository receipts, American depository receipts, foreign currency convertible bonds, fully convertible debentures, partly convertible debentures, non-convertible debentures along with warrants (with a right exercisable by the warrant holder to exchange the said warrants with equity shares) and/or any other financial instruments convertible into equity shares (including warrants, or otherwise) and/or any security convertible into equity shares and/or securities linked to equity shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to equity shares (collectively, "Securities") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in one or more foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, through public, rights, private offerings (including qualified institutions placement) or any combination thereof, as may be permitted under applicable law to eligible investors up to an amount not exceeding Rs.5,000 Crores (Rupees Five Thousand Crores) or an equivalent amount thereof (the "Offering").

The Offer shall be undertaken in accordance with the applicable laws, including the Companies Act, 2013 and rules framed thereunder and other applicable rules, regulations and guidelines prescribed by Securities and Exchange Board of India, Government of India, Reserve Bank of India, the Registrar of Companies, Maharashtra at Mumbai, BSE Limited and National Stock Exchange of India Limited and any other competent authorities, and in such manner and on such price, terms and conditions in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other provisions of the applicable laws.

The Board has constituted the Administrative Committee of Directors to take decision on type of Offering and for taking all necessary actions in connection with the Offering. Further, the Board has approved the postal ballot notice for obtaining the approval of the shareholders of the Company for the Offering.

Note: 1. FY2015 quarterly net profit numbers exclude exceptional gain from Vodafone transaction and exceptional loss from NCE shutdown
2. Analysis carried out based on market information till April 2017. Assumed dividend reinvested in the stock.
3. Source: Bloomberg

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter IV ended			Full year ended		
	31-Mar-17	31-Mar-16	% Change	31-Mar-17	31-Mar-16	% Change
Net Sales	2,463	1,691	46%	8,547	6,381	34%
Non-operating other income	86	52	67%	234	252	(7%)
Total Income	2,549	1,743	46%	8,781	6,633	32%
R&D Expenses	29	42	(30%)	101	145	(30%)
Other Operating Expenses	1,401	1,225	14%	4,947	4,560	8%
OPBITDA	1,119	476	135%	3,733	1,929	94%
OPM %	44%	27%	-	43%	29%	-
Interest Expenses	590	311	90%	2,031	959	112%
Depreciation	122	76	60%	382	255	49%
Profit before tax & exceptional items	407	89	359%	1,320	714	85%
Exceptional items (Expenses)/ Income	(8)	72	-	(10)	46	-
Income tax	103	17	515%	228	50	361%
Profit after tax (before MI & Prior Period items)	296	144	105%	1,082	711	52%
Minority interest	(0)	-	-	(0)	-	-
Share of Associates	15	49	(70%)	170	194	(13%)
Net Profit after Tax	311	193	61%	1,252	905	38%
EPS (Rs./share)	18.0	11.2	61%	72.5	52.4	38%

The Company is among the pioneers in adoption of IndAS for NBFC business. We have already implemented it for the year 2015-16 and 2016-17.

Consolidated Revenues

Consolidated revenues were 46% higher at Rs.2,463 Crores for Q4 FY2017 and 34% higher at Rs.8,547 Crores for FY2017. The Company has delivered a strong revenue performance with growth across all three business segments. 48% of our Q4 FY2017 revenues and 51% of our FY2017 revenues were earned in foreign currency.

Operating Profit

Operating profit for Q4 FY2017 was 135% higher at Rs.1,119 Crores, primarily driven by strong revenue performance across all businesses during the quarter, increase in non-operating other income and fall in R&D expenses. OPBITDA margin was higher at 44% in Q4 FY2017 as compared with 27% in Q4 FY2016.

Operating profit for FY2017 was 94% higher at Rs.3,733 Crores, mainly on account of higher revenue growth. OPBITDA margin was higher at 43% in FY2017 as compared with 29% in FY2016.

Net Profit

Net Profit for Q4 FY2017 was up by 61% at Rs.311 Crores as compared to Rs.193 Crores in Q4 FY2016. Strong profitability was mainly on account of improved performance across business segments and lower R&D expenses. Net Profit for FY2017 was Rs.1,252 Crores.

Interest Expenses

Interest expense for the Q4 FY2017 and FY2017 were higher primarily on account of increase in debt for making investments under Financial Services segment.

Share of Associates

Income under share of associates for the Q4 FY2017 and FY2017 primarily includes our share in the profits of Shriram Capital for the period. Our share of profit under JV with Allergan has also now been included under share of profit / loss of Associate, as per the new accounting standards.

Business-wise Revenue Performance

(Rs. Crore or as stated)

Net Sales break-up	Quarter IV ended			% Sales	Full year ended		
	Q4 FY2017	Q4 FY2016	% Change		FY2017	FY2016	% Change
Pharma	1,214	929	30.7%	45.5%	3,893	3,467	12.3%
Global Pharma	1,103	853	29.4%	-	3,517	3,206	9.7%
Consumer Products*	111	76	45.1%	-	375	261	44.0%
Financial Services	999	552	81.1%	39.2%	3,352	1,744	92.2%
Information Management	227	209	8.8%	14.3%	1,222	1,156	5.7%
Others	23	2	-	0.9%	80	15	-
Total	2,463	1,691	45.6%	100%	8,547	6,382	33.9%

* Excludes Ophthalmology

Pharma

Revenue from Pharma business was 31% higher at Rs.1,214 Crores in Q4 FY2017 and 12% higher at Rs.3,893 Crores in FY2017.

Revenue from Global Pharma business was 29% higher at Rs.1,103 Crores in Q4 FY2017, mainly on account of addition of new products, strong order book and deliveries across all key segments of the business. Revenue for FY2017 was 10% higher at Rs. 3,517 Crores primarily due to addition of differentiated hospital branded generic products portfolio. The Company is executing on its strategy of moving up the value chain with the acquisition of two high margin niche branded generic product portfolios from Janssen and Mallinckrodt and acquisition of Ash Stevens, a US based facility focused on high potency APIs.

Despite of demonetization, revenue from India Consumer Products business grew 45% at Rs.111 Crores for Q4 FY2017 and by 44% higher at Rs.375 Crores for FY2017. During the year, we acquired four brands from Pfizer Ltd. and have successfully integrated all three Consumer Product acquisitions. All these three acquisitions – Little's, MSD brands and Pfizer brands have already surpassed their erstwhile annual sales within a short span of time post acquisition. We also launched various brands (including brands extensions) like Throatsil, StopAllerG, Polycrol Paan, i-pill daily, Quikkool-D, Tetmosol Total cream and StopAllerG All Day among others.

Financial Services

Income from Financial Services was 81% higher at Rs.999 Crores for Q4 FY2017 and 92% higher at Rs.3,352 Crores for FY2017. The growth in income was primarily driven by increase in size of Loan Book. Loan Book grew by 87% to Rs.24,400 Crores as on 31 Mar 2017 vs Rs.13,048 Crores as on 31 Mar 2016. Construction Finance constitutes 57% of the Real Estate loan book. Asset quality continued to remain robust with a GNPA ratio of just 0.4%.

Gross Assets under Management was at Rs.7,160 Crores during the quarter. During the quarter, we applied for the license for our entry into housing finance. We commenced financing to commercial real estate with the launch of Construction Finance and Lease Rental Discounting (LRD) for commercial assets. In Feb 2017, we announced a strategic partnership with Ivanhoé Cambridge to provide long term equity capital to blue chip residential developers across the five major metro cities in India. During the year, PEL also signed an MOU with Bain Capital Credit to create a strategic partnership to invest in restructuring situations in India.

Information Management

Revenues from Information Management business grew by 8.8% YoY, to Rs.227 Crores in Q4 FY2017 primarily driven by the provider and payer business units. In FY2017, revenues grew by 6% YoY to Rs.1,222 Crores. During the year, we launched multiple, dynamic, user-friendly, tech-enabled web-based platforms for delivering products and services via superior interface. We also acquired Walnut Medical, a UK based data company, that will provide access to key European hospital-level data. DRG continued in expansion in India with 250+ positions on boarded resulting in reduced company costs, skills augmentation and margin enhancement opportunities.

Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.

The Q4 and FY2017 results presentation will be available for download on our website: piramal.com

About the Piramal Group

The Piramal Group, led by Ajay Piramal, is one of India's foremost business conglomerates with a global footprint. With operations in 30 countries and brand presence in over 100 countries, the Group's turnover is around \$1.3 billion in FY2016. The Group's diversified portfolio includes presence in industries like healthcare, financial services, healthcare information management, glass packaging and real estate.

Driven by the core values of knowledge, action and care, the Group steadfastly pursues inclusive growth, while adhering to ethical and value driven practices. Piramal Foundation, the philanthropic arm, has initiatives running across healthcare, water, education and women empowerment in 21 states of India.

About Piramal Enterprises Limited

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Pharmaceuticals, Healthcare Information Management and Financial Services. PEL's consolidated revenues were over US\$1.3 billion in FY2017, with 51% of revenues generated from outside India.

In Pharma, through an end-to-end manufacturing capabilities across 14 global facilities and a large global distribution network to over 100 countries, PEL sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Product segment in India.

PEL's Healthcare Information Management business, Decision Resources Group is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enable them to take informed business decisions.

In Financial Services, PEL, through its Piramal Fund Management Division, provides comprehensive financing solutions to real estate companies. The Division's Structured Finance Group (SFG) also provides senior and mezzanine growth capital to various businesses across varied sectors that are integral part of India's growth story. The total funds under management under these businesses are US\$4.9 billion. The Company has recently applied for HFC license. The Company also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge. PEL also has long term equity investments worth over US\$700 million in Shriram Group, a leading financial conglomerate in India.

PEL is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

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