



## Piramal Enterprises Limited Consolidated Results for the Q3 and 9M FY2017

***Another quarter delivering superior growth and profitability performance***

**Mumbai, India, February 13, 2017:** Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announces its consolidated results for the Q3 and 9M FY2017.

### **Q3 & 9M FY2017 Financial Highlights**

- Strong revenue growth during the quarter and the nine months
  - Up 31% at Rs.2,342 Crores during Q3 FY2017 vs. Rs.1,786 Crores in Q3 FY2016
  - Up 30% at Rs.6,084 Crores during 9M FY2017 vs. Rs.4,690 Crores in 9M FY2016
- Operating profit was :
  - 89% higher at Rs.1,085 Crores during Q3 FY2017 vs. Rs.575 Crores in Q3 FY2016
  - 97% higher at Rs.2,467 Crores during 9M FY2017 vs. Rs.1,253 Crores in 9M FY2016
- OPBITDA Margin was :
  - Up at 46% in Q3 FY2017 vs. 32% in Q3 FY2016
  - Up at 41% in 9M FY2017 vs. 27% in 9M FY2016
- Net Profit was :
  - Up 32% at Rs.404 Crores during Q3 FY2017 vs. Rs.307 Crores in Q3 FY2016
  - Up 32% at Rs.941 Crores during 9M FY2017 vs. Rs.712 Crores in 9M FY2016

### **Q3 FY2017 Operational Highlights**

- Global Pharma business acquired a portfolio of intrathecal spasticity and pain management drugs from Mallinckrodt LLC in Jan 2017
- Global Pharma business acquired a portfolio of five injectable anaesthesia & pain management products from Janssen in Oct 2016
- Financial Services business announced its plan to enter the retail housing finance
- Consumer Products revenue grew 28% in Q3, despite demonetization
- Financial Services business launched Flexi Lease Rental Discounting (LRD) for completed commercial assets
- Revenue from Information Management business grew by 9% in Q3, driven by growth across all products and services

**Ajay Piramal, Chairman, Piramal Enterprises said,** *"We are pleased to announce that Piramal Enterprises has delivered superior growth and profitability performance for Q3 and 9M FY2017. In line with our strategic roadmap, this quarter witnessed new acquisitions, foray into new business segments and robust performance across existing businesses. We remain committed to our overall business strategy of efficiently allocating capital towards growing both organically and inorganically, to consistently create long-term value for our shareholders."*

## Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter III ended			Nine Month ended		
	31-Dec-16	31-Dec-15	% Change	31-Dec-16	31-Dec-15	% Change
<b>Total Revenues</b>	<b>2,342</b>	<b>1,786</b>	<b>31%</b>	<b>6,084</b>	<b>4,690</b>	<b>30%</b>
R&D expenses	21	37	(43%)	71	103	(31%)
Other operating expenses	1,236	1,174	5%	3,546	3,334	6%
<b>OPBITDA</b>	<b>1,085</b>	<b>575</b>	<b>89%</b>	<b>2,467</b>	<b>1,253</b>	<b>97%</b>
<b>OPBITDA Margin %</b>	<b>46%</b>	<b>32%</b>	<b>-</b>	<b>41%</b>	<b>27%</b>	<b>-</b>
Non-operating other income	52	35	49%	147	200	(26%)
Interest expenses	591	257	130%	1,441	648	122%
Depreciation	110	68	63%	260	180	45%
<b>Profit before tax &amp; exceptional items</b>	<b>436</b>	<b>286</b>	<b>53%</b>	<b>913</b>	<b>625</b>	<b>46%</b>
Exceptional items – (Expenses)/ Income	(2)	(15)	-	(2)	(27)	-
Income tax	76	10	648%	125	33	282%
Profit after tax (before MI & Prior Period Items)	359	260	38%	786	566	39%
Minority interest	-	-	-	-	-	-
Share of profit/(loss) of Associates	45	46	(2%)	155	145	7%
<b>Net Profit after Tax</b>	<b>404</b>	<b>307</b>	<b>32%</b>	<b>941</b>	<b>712</b>	<b>32%</b>
<b>EPS (Rs./share)</b>	<b>23.4</b>	<b>17.8</b>	<b>32%</b>	<b>54.6</b>	<b>41.2</b>	<b>32%</b>

**Note: The above financials for Q3 FY2017 and 9M FY2017 are as per new Accounting Standards (Ind AS). Also, the financials for previous period Q3 FY2016 and 9M FY2016 have been re-instated as per new accounting standards to make them comparable with current period.**

### Consolidated Revenues

Consolidated revenues were 31% higher at Rs.2,342 Crores for Q3 FY2017 and 30% higher at Rs.6,084 Crores for 9M FY2017. 54% of our Q3 FY2017 revenues and 52% of 9M FY2017 revenues were generated in foreign currency.

### Operating Profit

Operating profit was 89% higher at Rs.1,085 Crores for Q3 FY2017 and 97% higher at Rs.2,467 Crores for 9M FY2017, primarily driven by strong revenue growth. OPBITDA margin was higher at 46% in Q3 FY2017 and 41% in 9M FY2017.

### Net Profit

Net Profit was 32% higher at Rs.404 Crores for Q3 FY2017 and 32% higher at Rs.941 Crores for 9M FY2017. Strong profitability was mainly on account of improved top-line performance, partly offset by increase in interest expense, depreciation and higher tax rate.

## Interest Expenses

Interest expense for the Q3 FY2017 and 9M FY2017 was higher primarily on account of increase in debt for making investments under Financial Services business and partly for the acquisitions carried out in Pharma business.

## Share of Associates

Income under share of associates 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 III ended			% Sales	Nine Month ended		
	Q3 FY2017	Q3 FY2016	% Change		9M FY2017	9M FY2016	% Change
<b>Pharma</b>	<b>954</b>	<b>894</b>	<b>6.7%</b>	<b>44.0%</b>	<b>2,679</b>	<b>2,538</b>	<b>5.6%</b>
Global Pharma	869	828	5.0%	-	2,414	2,354	2.6%
India Consumer Products	85	66	27.7%	-	265	184	43.6%
<b>Financial Services</b>	<b>902</b>	<b>461</b>	<b>95.9%</b>	<b>38.7%</b>	<b>2,352</b>	<b>1,192</b>	<b>97.4%</b>
<b>Information Management</b>	<b>464</b>	<b>425</b>	<b>9.2%</b>	<b>16.4%</b>	<b>995</b>	<b>947</b>	<b>5.1%</b>
Others	22	7	-	0.9%	56	13	-
<b>Total</b>	<b>2,342</b>	<b>1,786</b>	<b>31.1%</b>	<b>100%</b>	<b>6,084</b>	<b>4,690</b>	<b>29.7%</b>

### Pharma

Revenue from Pharma business was 7% higher at Rs.954 in Q3 FY2017 and 6% higher at Rs.2,679 Crores in 9M FY2017.

Revenue from Global Pharma business was 5% higher at Rs.869 Crores in Q3 FY2017, driven by addition of new products, growth in regulated markets and strong performance in North America due to higher volumes of Sevoflurane and Isoflurane. In 9M FY2017, revenue was 3% higher at Rs.2,414 Crores. We acquired two product portfolios 1) Five injectable anaesthesia & pain management products from Janssen Pharmaceutica and 2) Drugs for Spasticity and Pain Management from Mallinckrodt LLC.

Revenue from India Consumer Products business was 28% higher at Rs.85 Crores for Q3 FY2017 and 44% higher at Rs.265 Crores for 9M FY2017. Despite demonetisation, most brands performed better than expectations. Brands acquired over last few quarters are performing well. During the quarter, we test launched "StopAllerG All Day", an extension of StopAllerG, in territories of Maharashtra, Delhi and UP. The product is getting good response.

## **Financial Services**

Income from Financial Services was 96% higher at Rs.902 Crores for Q3 FY2017 and 97% higher at Rs.2,352 Crores for 9M FY2017. The growth in income was primarily driven by increase in size of Loan Book. Loan Book grew by 105% to Rs.22,740 Crores as on 31 Dec 2016 vs Rs.11,070 Crores as on 31 Dec 2015. Construction finance accounts for 56% of the total real estate loan book. Gross NPA was at 0.5% as on 31 Dec 2016.

During the quarter, we announced our plan to enter into retail housing finance. We also launched a new product, Flexi Lease Rental Discounting, in our wholesale lending portfolio for completed commercial assets.

SFG loan book grew by 142% to Rs.2,540 Crores as on 31 Dec 2016 vs. Rs.1,050 Crores as on 31 Dec 2015, driven by investment in new sectors like cement, entertainment, services, etc. and introduction of new products like loan against shares, acquisition financing, senior lending and promoter funding.

Gross Assets under Management were at Rs.7,040 Crores. JV with Bain Capital has been operationalized with teams getting on-boarded and deal evaluation already commenced.

## **Information Management**

Revenue from Information Management business was 9% higher at Rs.464 Crores in Q3 FY2017 driven by growth across all products and services. In 9M FY2017, revenue was higher by 5% at Rs.995 Crores. During the quarter, we also launched Consulting Services in Asia. We continue to develop new technology and launch several new platforms to retain top clients and win new business.

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

Our company shall also be uploading a results presentation on our website. For downloading a copy of the presentation and further information on our financials, please visit our website: [www.piramal.com](http://www.piramal.com)

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## **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 19 states of India.

## **About Piramal Enterprises Limited**

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Healthcare, Healthcare Information Management and Financial Services. PEL's consolidated revenues were around US\$1 billion in FY2016, with 61% of revenues from outside India.

In Healthcare, PEL is one of the leading players globally in CRAMS (custom research and manufacturing services) as well as in the critical care segment of inhalation and injectable anesthetics. It also has a strong presence in the OTC segment in India.

PEL's Healthcare Information Management business, Decision Resources Group, is amongst the top 20 US market research organizations which provide information services to the healthcare industry.

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\$4.4 billion. The Company also has strategic alliances with top global funds such as CPPIB Credit Investment Inc., APG Asset Management and Bain Capital Credit. PEL also has long term equity investments worth over US\$700 million in Shriram Group, a leading financial conglomerate in India.

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