



Piramal Enterprises Limited Announces Consolidated Results for the Second Quarter & Half Year ended September 30, 2019

- Resilient performance during the quarter -

Mumbai, India, October 21, 2019: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the Second Quarter (Q2) and Half Year (H1) ended 30th September 2019.

Financial Highlights

- **Revenue:**
 - Up 15% at INR 3,604 Crores during Q2 FY2020 vs INR 3,144 Crores in Q2 FY2019
 - Up 18% at INR 7,110 Crores during H1 FY2020 Vs INR 6,047 Crores in H1 FY2019
- **Profit before Tax & Exceptional items**
 - Up 29% to INR 733 Crores in Q2 FY2020 vs. INR 570 Crores in Q2 FY2019
 - Up 25% to INR 1,338 Crores in H1 FY2020 vs. INR 1,073 Crores in H1 FY2019
- **Net Profit¹:**
 - Up 18% to INR 569 Crores in Q2 FY2020 vs. INR 480 Crores in Q2 FY2019
 - Up 19% at INR 1,029 Crores during H1 FY2020 vs INR 863 Crores in H1 FY2019

Note: 1) Net Profit excludes exceptional gain/loss for the period

Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, *"Our diversified business model has enabled us to deliver resilient performance during this quarter, despite continued liquidity tightening in the NBFC sector. The strong fundamentals of the Company are reflected in our H1 and Q2 results:*

- *H1 FY2020 revenues grew by 18% YoY to INR 7,110 Crores and net profit by 19% YoY to INR 1,029 Crores*
- *Q2 FY2020 revenues grew by 15% YoY to INR 3,604 Crores and net profit by 18% to INR 569 Crores*

Our Financial Services business received inflows of ~INR 45,000 Crores over the past year and brought down CP borrowings by 92% to ~INR 1,480 Crores, reflecting the quality of our underwriting, client selection and risk management practices.

Pharma and Healthcare Insights businesses continue to consistently deliver strong performance quarter on quarter, acting as a natural hedge and bringing stability to the company's performance, even in the most volatile market environment. Our Pharma revenues grew 19% YoY to INR 1,316 Crores in Q2:

- *The Global Pharma business delivered strong EBITDA margins of 24%*
- *India Consumer Products business sustained its strong recovery with YoY revenue growth of 39% in Q2*
- *Healthcare Insights & Analytics business also grew by 14% to INR 333 Crores, delivering an EBITDA margin of 24% in Q2*

We remain committed to bring in additional equity in the company in the near future, which will further bolster our plans to tap both organic and inorganic opportunities across our businesses."

Operational Highlights

Financial Services	Pharma and Healthcare Insights & Analytics
<ul style="list-style-type: none"> Loan book at INR 53,055 Cr. as of Sep-2019 Total inflows of ~INR 45,000 Crores in the past one year (including fresh borrowings, repayments & prepayments) – equivalent to ~85% of the loan book <p>Assets-side:</p> <ul style="list-style-type: none"> Housing Finance loan book grew ~3x times YoY to INR 6,393 Crores as of Sep-2019 Share of retail loans at 12% of overall loan book (vs. only 4% a year ago) Share of wholesale residential RE at merely 48% of the overall loan book as of Sep-2019, with ~66% of loans towards mid/late stage or completed projects Repayments of ~INR 19,400 Crores in the past year in the wholesale book, reflecting quality of underwriting Gross NPA ratio remains stable QoQ at 0.9%; provisioning at 194% of GNPA's <p>Liabilities-side:</p> <ul style="list-style-type: none"> Raised ~INR 24,000 Crores of long-term funds since Oct-2018, through bank term-loans, NCDs and ECBs Exposure to CPs has reduced 92% YoY to INR 1,483 Crores from INR 18,017 Crores 	<ul style="list-style-type: none"> Overall Pharma¹ Revenue grew 19% YoY during Q2 FY2020 to INR 1,316 Crore <p>Global Pharma:</p> <ul style="list-style-type: none"> Consistent growth in Global Pharma: Revenue growth of 17% YoY during Q2 FY2020 Robust H1 EBITDA margins of 24% for Global Pharma Quality & Compliance: Successfully cleared 11 regulatory inspections (including 3 USFDA inspections) and 75 customer audits during H1 Successfully made 3 new launches in key markets in Q2 taking the total number of launches in H1 to 7 With addition of 30 new clients to the Global Pharma Services business in H1, the order book sustained the strong advancement seen last year <p>Consumer Products:</p> <ul style="list-style-type: none"> Strong recovery in India Consumer Products – Revenue growth of 53% YoY during H1 FY2020 <p>Healthcare Insights & Analytics</p> <ul style="list-style-type: none"> Healthcare Insights & Analytics revenue grew 14% YoY during Q2 & H1 FY2020 with an improved EBITDA margins of 24% in Q2 through streamlining operating processes and leveraging India presence

Business-wise Revenue Performance

(INR Crores or as stated)

Net Sales break-up	Quarter II ended				Half year ended			
	30-Sept-19	30-Sept-18	% Change	% Sales	30-Sept-19	30-Sept-18	% Change	% Sales
Financial Services	1,954	1,732	13%	54%	3,968	3,290	21%	56%
Pharma ¹	1,316	1,109	19%	37%	2,489	2,153	16%	35%
Global Pharma	1,204	1,029	17%	33%	2,267	2,007	13%	32%
India Consumer Products	112	81	39%	3%	222	145	53%	3%
Healthcare Insights & Analytics	333	292	14%	9%	652	570	14%	9%
Others	-	11	-	-	-	34	-	-
Total	3,604	3,144	15%	100%	7,110	6,047	18%	100%

- Pharma revenue unless specified, includes revenues from Global Pharma Services, Global Pharma Products, and India Consumer Products
- Foreign Currency denominated revenue in Q2 FY2020 was INR 1,398 Crores (39% of total revenue) and in H1 FY2020 was INR 2,671 Crores (38% of the total revenue)

Consolidated Financial Performance

(INR Crores or as stated)

Particulars	Quarter II Ended			Half Year Ended		
	30-Sep-19	30-Sep-18	% Change	30-Sep-19	30-Sep-18	% Change
Net Sales	3,604	3,144	15%	7,110	6,047	18%
Non-operating other income	62	56	11%	130	125	4%
Total income	3,666	3,200	15%	7,239	6,171	17%
Other Operating Expenses	1,349	1,491	-10%	2,750	2,921	-6%
OPBIDTA	2,317	1,709	36%	4,489	3,250	38%
Interest Expenses	1,418	1,016	40%	2,827	1,925	47%
Depreciation	166	123	35%	325	252	29%
Profit before tax & exceptional items	733	570	29%	1,338	1,073	25%
Exceptional items (Expenses)/Income	(14)	-	-	(25)	(452)	-
Income tax						
Current Tax and Deferred Tax	260	163	60%	477	344	39%
Profit after tax (before MI & Prior Period items)	459	407	13%	835	277	201%
Minority interest	-	-	-	-	-	-
Share of Associates ¹	96	73	31%	169	134	26%
Net Profit after Tax	555	480	15%	1,004	411	145%
Net Profit Margin %	15%	15%		14%	7%	
Net Profit (excluding Exceptional item)	569	480	18%	1,029	863	19%
Net Profit Margin % ²	16%	15%		14%	14%	
EPS (Rs./share)	27.90	24.23	15%	50.59	20.76	144%
Normalised EPS (Rs./share) ²	28.61	24.23	18%	51.87	43.52	19%

1. Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the new accounting standards.

2. Net Profit excludes Exceptional gain/loss for the period

Consolidated Revenues:

Consolidated revenues increased by 15% YoY to INR 3,604 Crores for Q2 FY2020 and 18% YoY to 7,110 Crores for H1 FY 2020. 38% of our revenues were earned in foreign currency for H1 FY2020.

Profit before Tax and Exceptional Items:

Profit before tax and exceptional items increased by 29% YoY to INR 733 Crores for Q2 FY2020 and it increased by 25% YoY to INR 1,338 Crores for H1 FY2020.

Net Profit (excluding exceptional item):

Net Profit (excluding item) increased by 18% YoY to INR 569 Crores for Q2 FY2020 and it increased by 19% YoY to INR 1,029 Crores for H1 FY2020.

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

To download the results presentation and for further information on our financials, please visit our website: www.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 ~\$2.2 billion in FY2019. 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, care and impact, the Group steadfastly pursues inclusive growth, while adhering to ethical and value driven practices. Piramal Foundation (a section 8 company effective Mar-2018), the philanthropic arm, has initiatives running across healthcare, water, education and women empowerment in 25 states of India.

About Piramal Enterprises Ltd:

Piramal Enterprises Limited (PEL) is one of India's largest diversified companies, with a presence in Financial Services, Pharmaceuticals and Healthcare Insights & Analytics. PEL's consolidated revenues were ~US\$1.9 billion in FY2019, with around ~40% of revenues generated from outside India.

In Financial Services, Piramal Capital & Housing Finance Limited (PCHFL), wholly owned subsidiary of Piramal Enterprises Limited (the flagship company of Piramal Group), is registered as a housing finance company with National Housing Bank (NHB) and engaged in various financial services businesses. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack such as structured debt, construction finance, flexi lease rental discounting etc. The wholesale business in non-real estate sector includes separate verticals- Corporate Finance (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards, Small and Medium Enterprises (SMEs). PCHFL's group companies provides customized strategies for institutional and retail investors such as Mumbai Redevelopment Fund and Apartment Fund (through Piramal Fund Management) and strategic partnerships with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge. The division has also launched a Distressed Asset Investing platform with Bain Capital Credit - IndiaRF that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. PEL also has equity investments in Shriram Group, a leading financial conglomerate in India.

In Pharma, through end-to-end manufacturing capabilities across 13 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 Products segment in India.

PEL's Healthcare Insights & Analytics business is a premier provider of healthcare analytics, data & insight products and consulting services to the world's leading pharma, biotech and medical technology companies, enabling them to make informed business decisions.

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

Thanks and Regards,

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