

Piramal Enterprises Limited Announces Consolidated Results for Q1 FY2021 ended June 30, 2020

- Resilient Performance Despite a Challenging Global Operating Environment
- Strengthened Balance Sheet and improved liquidity position; Capital Raise in Pharma
- Net Profit Growth by 11% YoY to INR 496 Crores from INR 448 Crores

Mumbai, India, July 30, 2020: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302, 912460) today announced its consolidated results for the First Quarter (Q1) FY2021 ended 30th June, 2020.

Financial Highlights

Capital Raise in Pharma:

- Agreement with marquee global investor, Carlyle, for a fresh equity investment of USD 490m for a 20% stake in Piramal Pharma; valued at an EV of USD 2,775m, with an upside component of up to USD 360m

Key Balance Sheet Highlights:

- Shareholder's Equity increased by 15% to INR 31,018 Cr. vs. INR 26,856 Cr. last year
- Net Debt reduction of INR 13,902 Cr. since last 1-year; net debt-to-equity falls to 1.2x vs. 1.9x a year ago

Inflows / Borrowings:

- Raised long-term borrowings of ~INR 9,600 Cr. during Q1 FY2021
- Total inflows of nearly INR 35,680 Cr. in the last 1-year* through debt (≥ 1 year tenure) / equity /divestment transactions

*Includes proceeds of INR 2,300 Cr. received from stake sale in Shriram Transport Finance (STFC) in June 2019

Key P&L Highlights:

- Revenue declined by 8% YoY to INR 2,937 Cr. from INR 3,187 Cr.
- Net Profit grew by 11% YoY to INR 496 Cr. from INR 448 Cr.

Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, *"We have delivered a resilient performance in Q1 with 11% YoY net profit growth to INR 496 Cr. During the quarter, we substantially enhanced our liquidity position and strengthened our balance sheet. Despite the slowdown caused by the global pandemic, we signed an agreement with global investment firm - Carlyle, to raise strategic growth investment of USD 490m in Piramal Pharma. These re-affirm the inherent robustness of our businesses. In Financial Services, we have made significant progress on our key strategic priorities as we continue to build our multi-product, tech-enabled retail lending platform, as well as to increase granularity in the wholesale portfolio.*

With clearly defined growth roadmaps in place for both our businesses, we are now at an inflection point to deliver sustainable long-term performance. I would like to acknowledge and thank our employees for their exceptional contributions in this difficult global environment."

Key Business Highlights

Financial Services:

- Overall loan book at INR 51,265 Cr.
- Increasing granularity of the loan book; top-10 exposures reduced by ~INR 4,000 Cr. over last year
- Conducted a scenario analysis at the onset of the COVID-19 outbreak to assess its impact on the portfolio and we continue to take proactive corrective actions to mitigate potential risks
- Making significant progress on building a digitally-led, multi-product retail lending platform
 - Laying the foundation of the business and incorporating learnings from the current environment
- GNPA ratio at 2.5% (vs. 2.4% as of Mar-2020), with conservative provisioning at 5.9% of loan book
 - Provisioning for wholesale loans at 6.3% and for non-NPA accounts at 5%, as of Jun-2020
- Capital Adequacy ratio at 33% (vs. 23% as of June-2019)
- Net debt-to-equity at 2.2x times (vs. 4.4x as of Dec-2018)

Pharma:

- Delivered revenues of INR 1,038 Cr. in Q1 FY 2021 i.e. nearly 90% of Q1 FY2020 revenues, despite global COVID-19 pandemic impact
- Acquired a Solid Oral Dosage Drug Product Facility in the USA, in line with our strategy to also focus on inorganic opportunities
- India Consumer Products grew by 28% QoQ to 104 Crores

Business-wise Revenue Performance

(INR Crores or as stated)

Diversified revenue mix	Quarter I ended			% Sales for Q1 FY2021
	30-June-20	30-June-19	% Change	
Financial Services	1,899	2,014	-6%	65%
Pharma	1,038	1,172	-11%	35%
Pharma Solutions	614	649	-5%	21%
Pharma Critical Care	324	414	-22%	11%
India Consumer Products	104	109	-4%	4%
Total	2,937	3,187	-8%	100%

1. Foreign Currency denominated revenue in Q1 FY2021 was Rs.861 Cr. (29% of total revenue)

2. Pharma revenue includes certain Foreign exchange income

Consolidated Financial Performance

<i>Particulars</i>	<i>Quarter 1 ended</i>		
	<i>In Crores or as stated</i>	<i>June 30th, 2020</i>	<i>June 30th, 2019</i>
Net Sales	2,937	3,187	-8%
Non-Operating income	65	64	2%
Total income	3,003	3,251	-8%
Other Expenses	1,091	1,175	-7%
Expected Credit loss	51	(45)	-
OPBIDTA	1,861	2,121	-12%
Interest Expenses	1,105	1,329	-17%
Depreciation	135	121	11%
Profit before tax & exceptional items	622	671	-7%
Exceptional items expenses/(Income)	-	-	
Income tax	161	216	-25%
Profit after tax (before MI & Prior Period items)	461	456	1%
Minority interest	-	-	-
Share of Associates ¹	35	73	-52%
Net Profit after Tax from continuing operations	496	529	-6%
Less: Loss from Discontinuing operations	-	(80)	-
Reported Net Profit	496	448	11%

Note: 1. Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the applicable accounting standards. 2. Previous year figures are restated for accounting effect of Piramal Phytocare merger

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 leading business conglomerates with a global footprint. With operations in 30 countries and brand presence in over 100 countries, the Group's turnover is ~\$2 billion in FY2020. The Group's diversified portfolio includes presence in industries like healthcare, financial services, glass packaging and real estate.

Driven by its core values, the Group steadfastly pursues inclusive growth, while adhering to ethical and value driven practices. Piramal Foundation (a Section 8 Company), the Group's philanthropic arm, has initiatives in primary healthcare and nutrition, water, education leadership and women empowerment across 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 and Pharmaceuticals. PEL's consolidated revenues were ~US\$1.7 billion in FY2020, with around ~34% 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 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 Products segment in India.

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

For more information visit: www.piramal.com [Facebook](#), [Twitter](#), [LinkedIn](#)

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