

PRESS RELEASE

Piramal Enterprises Limited Announces Consolidated Results for Q3 & 9M FY2021

Mumbai, India | February 11, 2021: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302, 912460) today announced its consolidated results for the Third Quarter (Q3) and Nine Months (9M) ended December 31, 2020.

Consolidated Financial Highlights

Consistently making progress towards strategic priorities for both the Financial Services & Pharma businesses.

▪ **Balance Sheet:**

- Shareholders' Equity increased by 30% to INR 35,467 Cr.* since March 2019
- 44% reduction in Net Debt by ~INR 24,000 Cr. since March 2019
- Net Debt-to-Equity of 0.9x times (overall Company-level)

▪ **P&L:**

- Revenue for Q3 FY21 at INR 3,169 Cr. and 9M FY21 at INR 9,408 Cr.
- Net Profit for Q3FY21 increased by 27% QoQ and 10% YoY to INR 799 Cr.
- Net Profit for 9M FY21 increased by 12% YoY to INR 1,923 Cr.

▪ **DHFL Acquisition:**

- In line with PEL's strategy to diversify its loan book and increase granularity
- Committee of Creditors (CoC) declared the plan submitted by Piramal, as the successful resolution plan for DHFL
- Total consideration of INR 34,250 Cr. – Upfront cash component of INR 14,700 Cr. (incl. cash on DHFL's B/S) and a deferred component (NCDs) of INR 19,550 Cr.

▪ **Fund raising deal with The Carlyle Group**

- Received INR 3,523.40 Cr. as proceeds from Pharma Fund raise in October 2020

* Includes Non-controlling Interest

Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, "The Company delivered a resilient performance despite the global COVID-19 impact. Pursuant to significantly strengthening our balance sheet, we are now progressing on the next round of major transformations across both Pharma and Financial Services businesses.

Firstly, we are changing our Financial Services business model from one that is wholesale led to a well-diversified one; this also being one of the key objectives behind our bidding for DHFL. We are in parallel, making strides towards creating a large differentiated listed Pharma company, post the growth capital raise from The Carlyle Group, through both organic as well as inorganic investments. These are focused steps towards a shift from a multi-sector conglomerate structure into one with focused listed entities within the Pharma and Financial Services sectors.

As these two businesses march forward on their clearly defined strategic roadmaps, I believe that both have the potential to emerge as two strong companies that will have significant runway for value creation for all stakeholders."

Key Business Highlights	
Financial Services	Pharma
<ul style="list-style-type: none"> ▪ Capital adequacy ratio of 37% (vs. 22% in December 2018) and net debt-to equity of 1.9x (vs. 4.4x as of December 2018) ▪ Maintaining conservative provisions at 6.3% of loan book (or INR 2,935 Cr.) to manage any future contingencies ▪ Commenced disbursements under the multi-product Retail Lending platform, launched in November 2020: <ul style="list-style-type: none"> - Expanded the Retail Lending product portfolio to 6 products as of December 2020 ▪ Continued improvement in the performance of Real Estate developer clients: <ul style="list-style-type: none"> - Significant YoY increase in developer sales and collections from home-buyers during Q3 FY21, amidst government initiatives providing a boost to the RE sector ▪ Continue to increase granularity of our wholesale loan book: <ul style="list-style-type: none"> - Top-10 exposures declined 27% since March 2019 - Exposure to only one account at >15% of the net worth of Financial Services 	<ul style="list-style-type: none"> ▪ Closed fund raising deal with The Carlyle Group: <ul style="list-style-type: none"> - Received INR 3,523.40 Cr. as proceeds from Pharma Fund raise ▪ Revenue of INR 1,374 Cr. with EBITDA margins of 22% for Q3 FY2021: <ul style="list-style-type: none"> - CDMO Revenues were up 16% YoY - India Consumer Products Revenues were up 14% YoY ▪ Invested recently raised capital in organic and inorganic growth initiatives: <ul style="list-style-type: none"> - Announced USD 32 Mn expansion of Riverview, Michigan facility - Announced acquisition of 49% remaining stake in Convergence Chemicals - India Consumer Products business launched 15+ products and 35+ SKUs during the year ▪ Other Highlights: <ul style="list-style-type: none"> - CDMO order book witnessing healthy growth - Enhanced focus on e-commerce and digital marketing - Cleared 17 regulatory inspections during the year

Business-wise Revenue Performance				(INR Crores or as stated)				
Net Sales break-up	Quarter III ended			% Sales for Q3 FY2021	9M ended			% Sales for 9M FY2021
	31-Dec-20	31-Dec-19	% Change		31-Dec-20	31-Dec-19	% Change	
Financial Services	1,795	1,963	-9%	57%	5,555	5,931	-6%	59%
Pharma	1,374	1,307	5%	43%	3,853	3,796	1%	41%
Pharma CDMO	846	733	16%	27%	2,326	2,106	10%	25%
Complex Hospital Generics	399	461	-13%	13%	1,162	1,353	-14%	12%
India Consumer Products	130	114	14%	4%	375	336	12%	4%
Total	3,169	3,270	-3%	100%	9,408	9,727	-3%	100%

Note: Pharma revenue includes foreign exchange gains/losses

Consolidated Financial Performance				(INR Crores or as stated)		
Particulars	Quarter III ended			9M ended		
	31-Dec-20	31-Dec-19	% Change	31-Dec-20	31-Dec-19	% Change
Net Sales	3,169	3,270	-3%	9,408	9,727	-3%
Non-operating other income	96	141	-32%	199	252	-21%
Total income	3,265	3,411	-4%	9,607	9,979	-4%
Other Operating Expenses	1,266	1,144	11%	3,635	3,507	4%
Impairment on financial assets	12	8	61%	87	(144)	n.m.
OPBIDTA	1,987	2,260	-12%	5,886	6,617	-11%
Interest Expenses	1,012	1,360	-26%	3,272	4,025	-19%
Depreciation	142	128	11%	416	377	10%
Profit / (Loss) before tax & exceptional items	834	772	8%	2,198	2,214	-1%
Exceptional items (Expenses)/Income	19	-	-	59	-	-
Income tax						
Current Tax and Deferred Tax	201	227	-12%	566	701	-19%
Profit / (Loss) after tax (before Prior Period items)	652	545	20%	1,691	1,513	12%
Share of Associates ¹	147	126	17%	233	295	-21%
Net Profit / (Loss) after Tax from continuing operations	799	671	19%	1,923	1,808	6%
Profit / (Loss) from Discontinued operations ²	-	53		-	(84)	-
Net Profit after Tax	799	724	10%	1,923	1,724	12%

- Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the accounting standards.
- Profit / (Loss) from Healthcare Insights & Analytics business, sold in Jan'20.

To download the results presentation and for further information on our financials, please visit our website: www.piramal.com

About Piramal Enterprises Ltd:

Piramal Enterprises Limited (PEL), a publicly listed company in India, has diversified business interests in Financial Services and Pharmaceuticals. PEL's consolidated revenues were ~US\$1.7 billion in FY2020, with ~34% of revenues generated from outside India.

In Financial Services, the Company offers a wide range of financial products and solutions, with exposure across both wholesale and retail financing. The wholesale lending business provides financing to real estate developers, as well as corporate clients in non-real estate sectors. Within retail lending, the Company offers housing loans to individual customers and is building a multi-product retail lending platform. India Resurgence Fund (IndiaRF), the distressed asset investing platform in partnership with Bain Capital Credit, invests in equity and/or debt across non-real estate sectors. The Company has long-standing partnerships with leading institutional investors that include - CPPIB, APG, Bain Capital Credit, CDPQ, and Ivanhoé Cambridge. PEL also has equity investments in the Shriram Group, a leading financial conglomerate in India.

Piramal Pharma Limited (PPL), a subsidiary of PEL, offers a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 14 global facilities and a global distribution network in over 100 countries. PPL includes an integrated contract development and manufacturing (CDMO) business, Complex hospital generics business, and India Consumer Products business, selling over-the-counter products in India. In addition, it has a joint venture with Allergan, a leader in ophthalmology in the Indian formulations market. In October 2020, PPL received 20% strategic growth investment from the Carlyle Group.

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

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