

Piramal Enterprises Limited

Investor Presentation

August 2021



Disclaimer

Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as 'will', 'aim', 'will likely result', 'would', 'believe', 'may', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'likely', 'project', 'on-course', 'should', 'potential', 'pipeline', 'guidance', 'will pursue' 'trend line' and similar expressions or variations of such expressions may constitute 'forward-looking statements'.

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

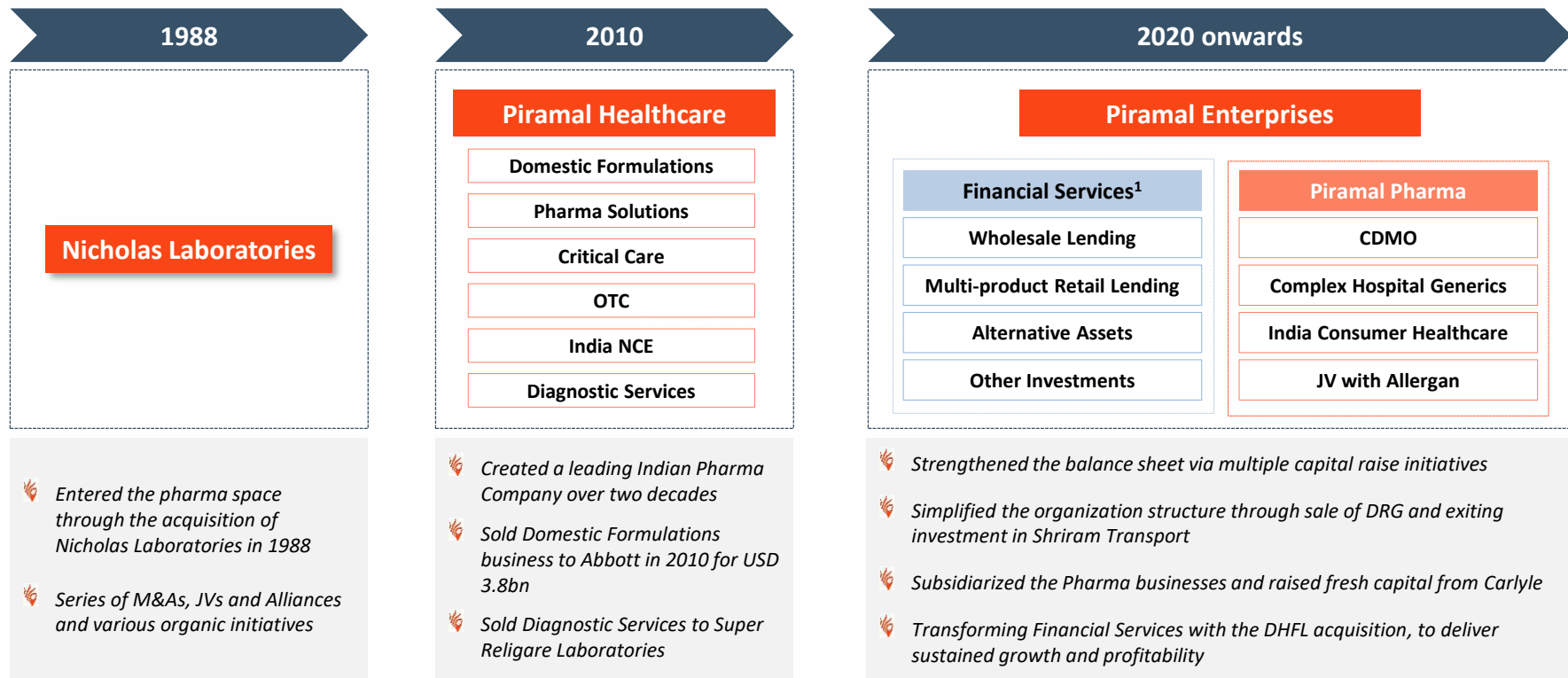
These risks and uncertainties include, but are not limited to Piramal Enterprise Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Enterprises Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

These materials are not a prospectus, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Indian Companies Act, 2013 together with the rules and regulations made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States or in any other jurisdiction.

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

PEL: A history of multiple successful transformations

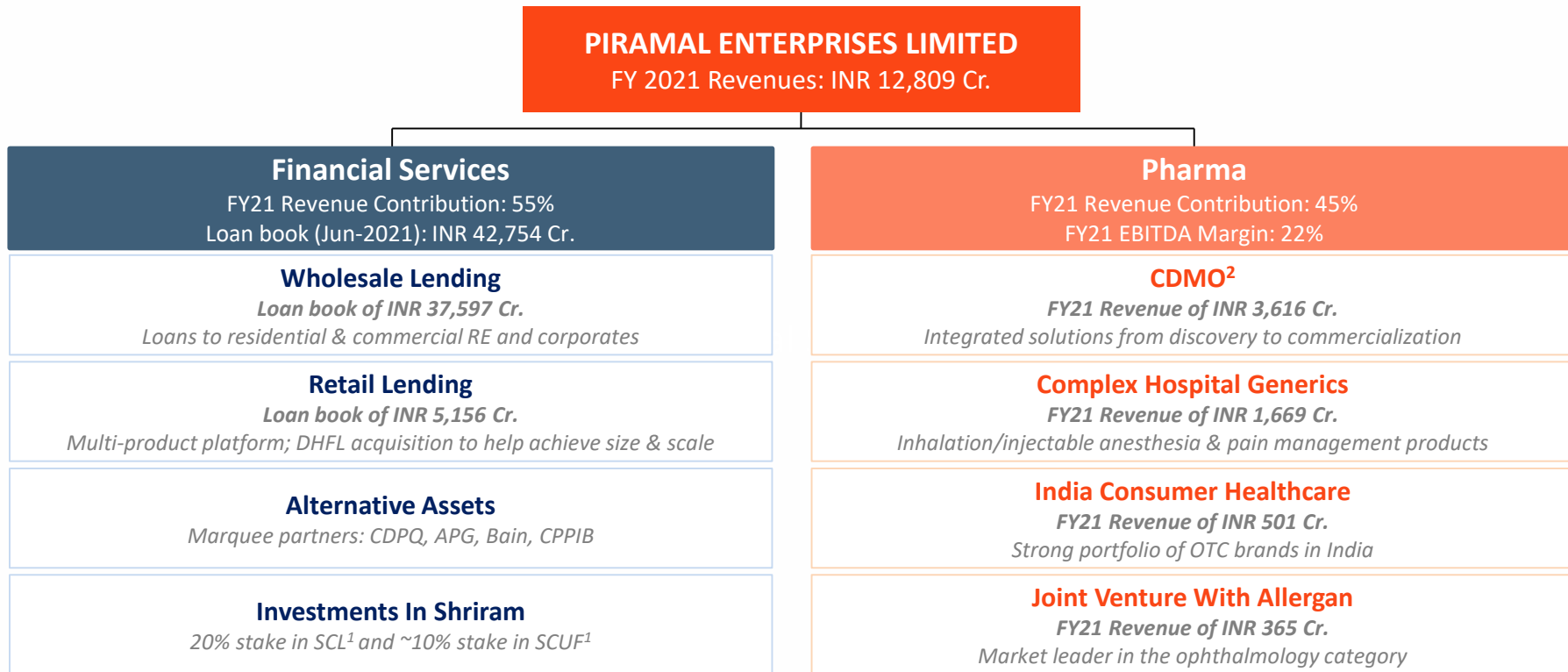


Moving from a multi-sector conglomerate structure into focused listed entities within Financial Services and Pharma

Note: (1) Sold 10% stake in Shriram Transport in Jun-2019; PEL currently holds 20% stake in Shriram Capital Ltd. and ~10% stake in Shriram City Union Finance



Company Overview

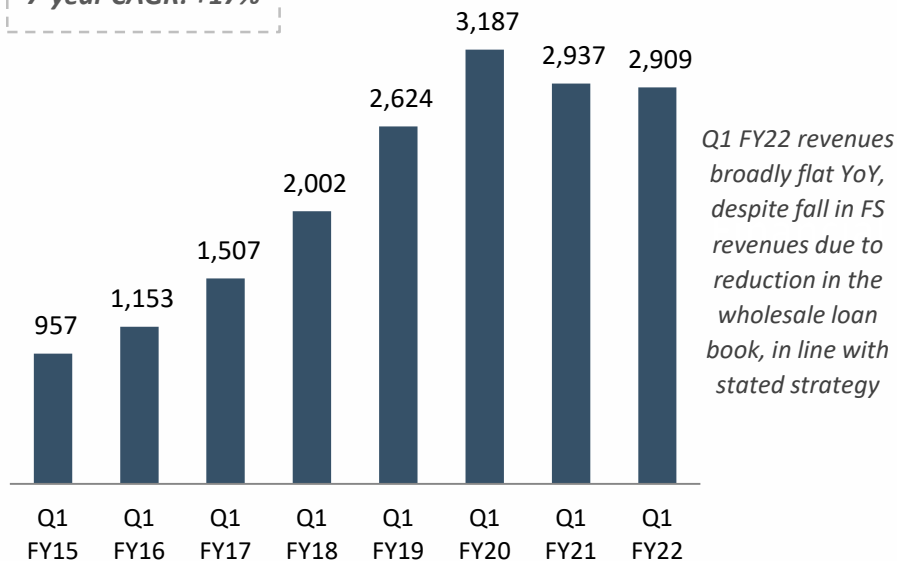


Focus on two core businesses – Financial Services and Pharma

Revenues and Net Profit

Total Revenues¹

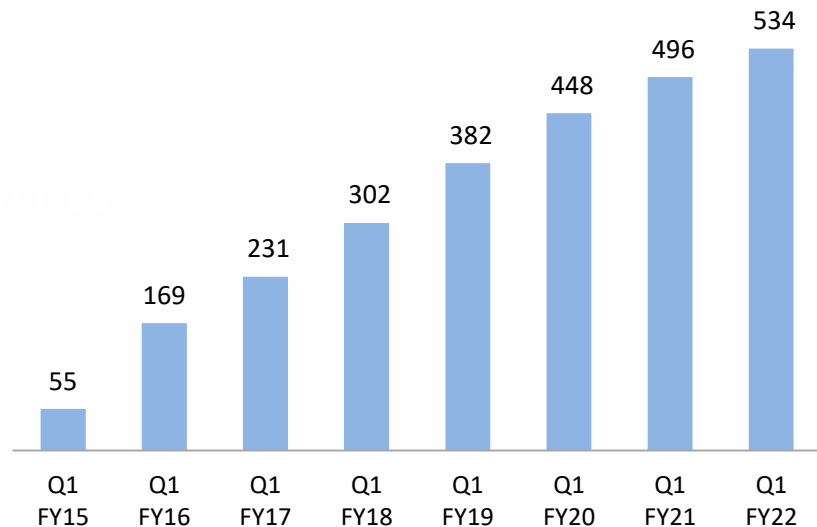
7-year CAGR: +17%



Net Profit²

(In INR Crores)

7-year CAGR: +38%



Despite headwinds due to COVID 2nd wave, the Company delivered a resilient performance in Q1 FY22

Notes:

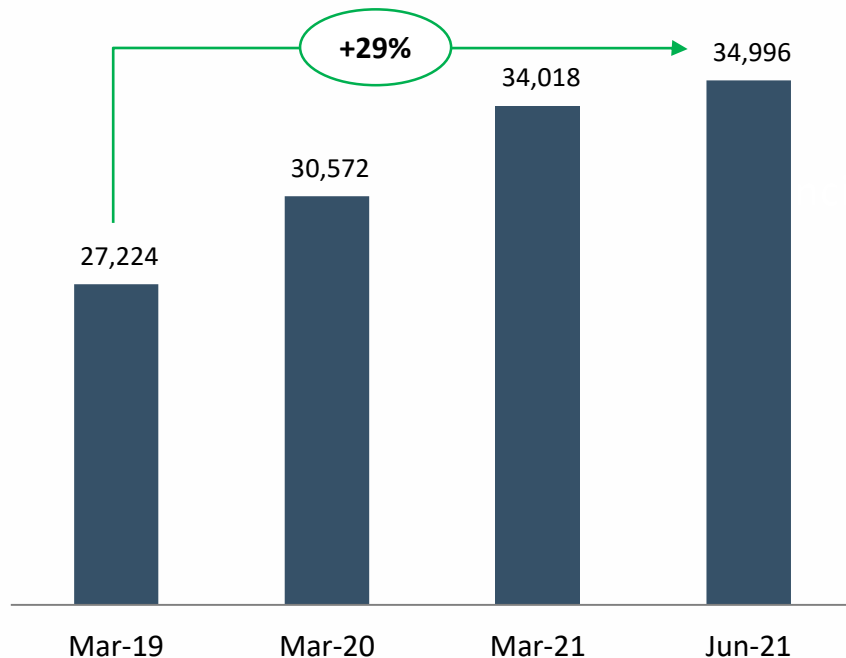
- (1) Revenue for prior period excludes revenue from Healthcare Insights & Analytics (HIA)
- (2) Net profit excludes exceptional profits/loss for the respective quarter, but includes profits/loss from HIA Business (discontinued operations)



Balance Sheet Strengthening

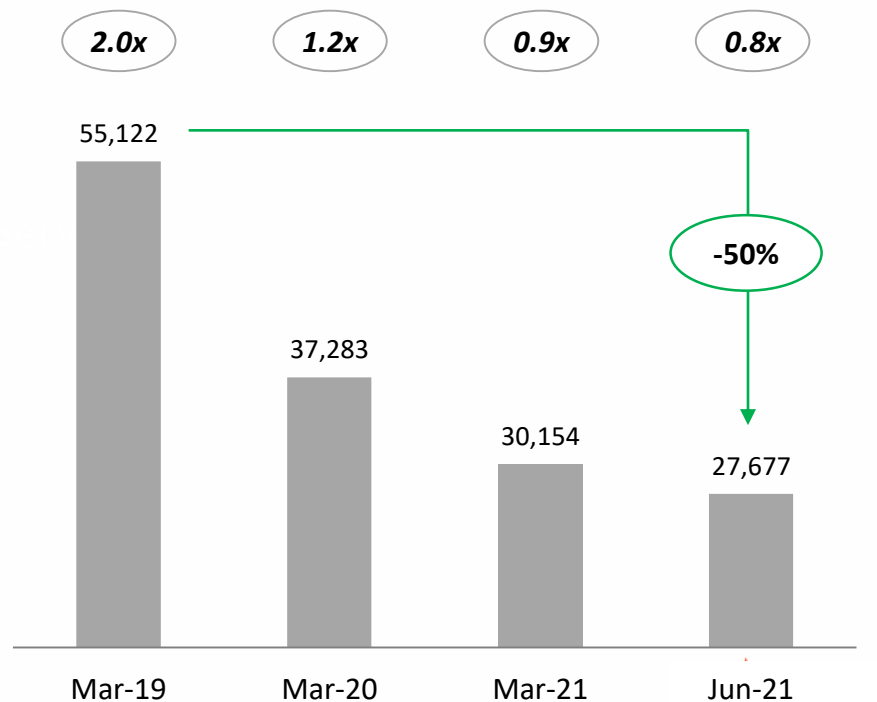
Equity¹

In INR Crores



Net Debt

In INR Crores



Notes: (1) Excludes Non Controlling Interest (NCI)



Equity allocation

(In INR Crores)

Overall Equity

As of June 30, 2021

Financial Services (Lending): 53%

Capital Adequacy Ratio of 39%

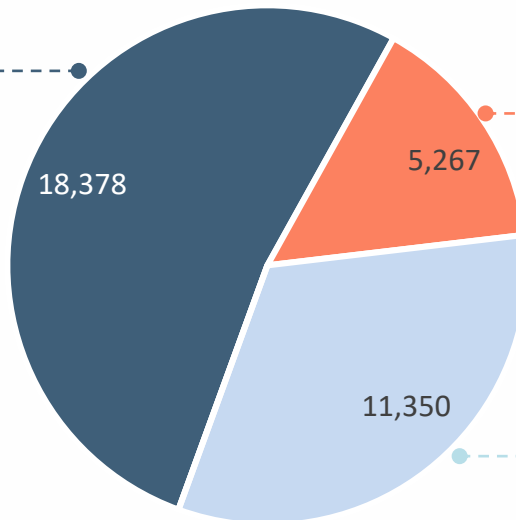
Pharma¹: 15%

Built a differentiated business, valued at an EV of USD 2,775 million in Jun-2020

Unallocated equity: 32%

Includes investments in Shriram, cash & cash equivalents, etc.

**Overall Equity¹:
INR 34,996 Cr.**



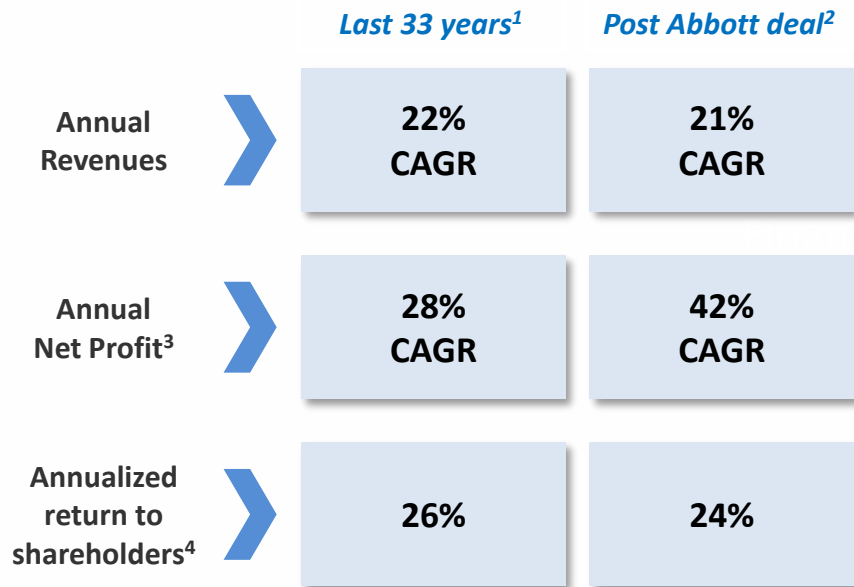
Strong balance sheet with adequate growth capital in both Financial Services and Pharma businesses

Note: (1) Excludes Non Controlling Interest (NCI) of INR 1,128 Cr.

Capital Returned to Shareholders

(In INR Crores)

Strong medium and long-term performance



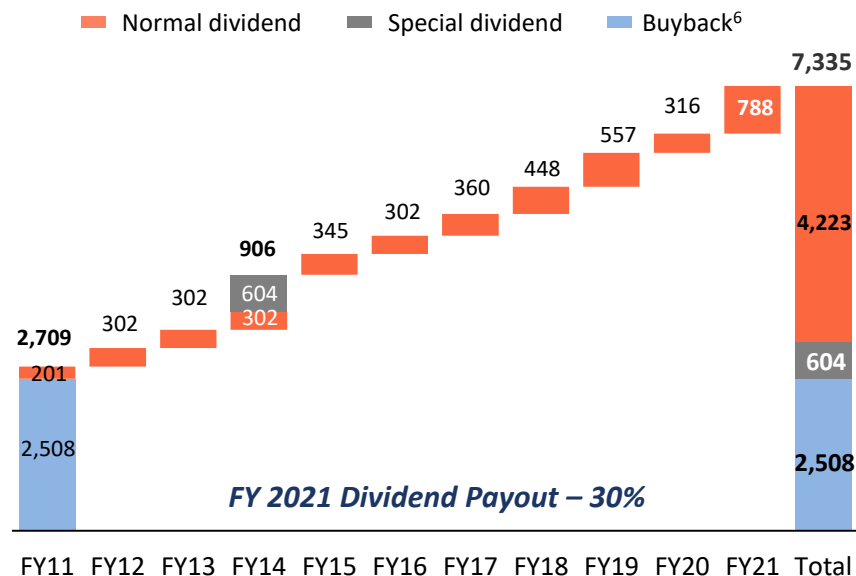
Notes:

(1) FY1988 Revenue and PAT numbers were for the year ending June 30, 1988

(2) For the period of FY 2012 – FY 2021

(3) Normalized Net Profit

INR 7,335 Crores⁵ returned to shareholders since sale of Domestic Formulations business in 2010


(4) Based on closing share price as of 9th Aug, 2021; assumes re-investment of dividend in the stock

(5) Doesn't include amount paid under Dividend Distribution Tax

(6) Of the buy back of 41.8 mn shares shown in FY11, buyback of 0.7 mn shares happened in FY12



Board of Directors



AJAY PIRAMAL

Chairman

Non Executive Director, Tata Sons

Awarded “Asia Business Leader Of The Year” By
CNBC Asia in 2017



DR. SWATI PIRAMAL

Vice Chairperson

Eminent Scientist

Awarded Padma Shri



NANDINI PIRAMAL

Executive Director, PEL

Chairperson, Piramal Pharma Ltd.

Leads HR, Quality and Risk Management



ANAND PIRAMAL

Director, Piramal Group

Founded Piramal Realty

Leads Retail Finance and Alternatives



N VAGHUL*

Former Chairman,
ICICI Bank



S RAMADORA*

Former Vice Chairman,
TCS



GAUTAM BANERJEE*

Senior MD & Co-Chairman,
Blackstone, Singapore



SUHAIL NATHANI*

Managing Partner,
Economic Law Practice
(ELP)



KUNAL BAHL*

CEO & Co-founder, Snapdeal
Chairman, CII National
e-commerce Committee



ANJALI BANSAL*

Founder & Chairperson, Avaana Group;
Fmr. Non-executive Chairperson, Dena Bank;
Partner & MD, TPG; India CEO, Spencer Stuart



VIJAY SHAH

Non Executive Director, PEL
Director, PGP Glass Pvt. Ltd.
25+ Years with Group



RAJESH LADDHA

Executive Director, PEL & Group CFO,
Treasury & Strategic Initiatives
Former MD & CEO, Shriram Capital Ltd.



KHUSHRU JIJINA

Executive Director, Financial Services at PEL
Managing Director, Piramal Capital &
Housing Finance Ltd.

Partnerships / Investors

Our Partnerships



THE CARLYLE GROUP



Our Top Investors



Eastbridge Capital



BLACKROCK®



WELLINGTON MANAGEMENT®

STATE STREET GLOBAL ADVISORS®



NOMURA

Aberdeen



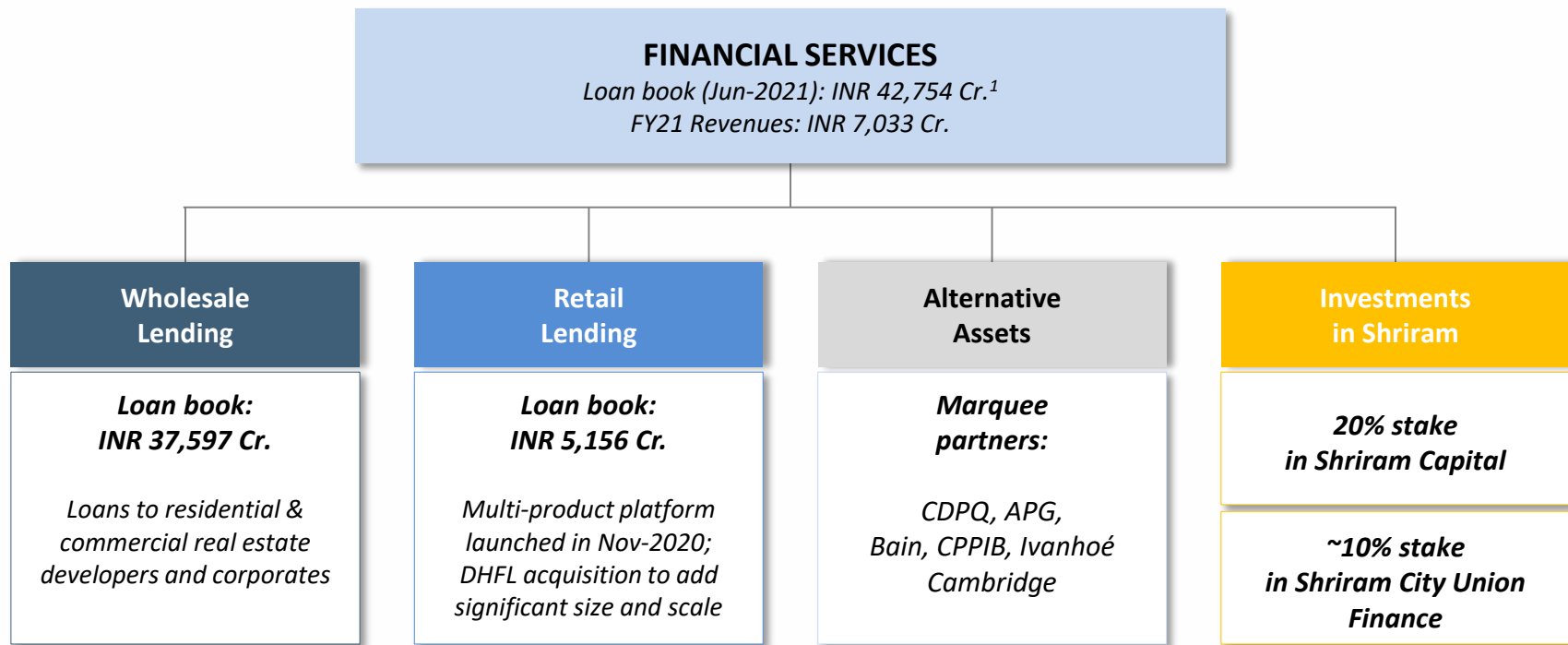
ADIA





Financial Services

Financial Services: Business overview



Presence across wholesale and retail lending, as well as fund-based platforms and investments

Financial Services – Executing on transformation agenda

Phase I: Consolidation

From Mar-2019 to Jun-2021



of accounts >15% of net worth

3



NIL



Capital adequacy ratio

22%



39%



Provisioning as a % of total AUM

1.9%



5.8%



Equity – Financial Services

INR 11,442 Cr



INR 18,378 Cr



Exposures to CPs

~INR 18,000 Cr¹

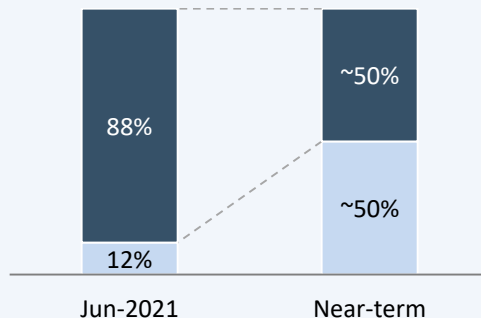


INR 2,635 Cr

Phase II: Transition + Quantum Growth

From a wholesale-led to a well-diversified business in the near term post DHFL acquisition

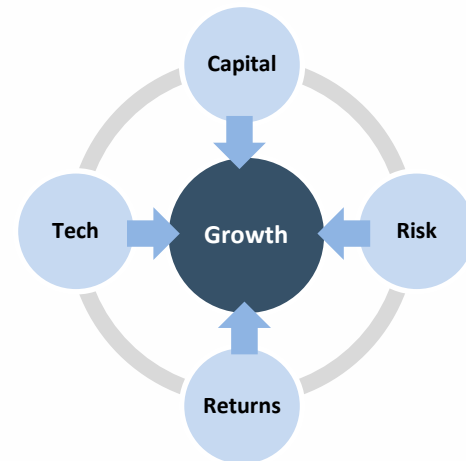
■ Retail Loans ■ Wholesale Loans



- Retail AUM expected to grow ~5x through the DHFL acquisition
- Expect to become one of the top-5 HFCs in India
- The transaction has received various key regulatory approvals, with the NCLT approval obtained in Jun-2021

Current Position

Phase III: Sustainable Growth and Profitability













- Gradually scaling-up the loan book after the DHFL acquisition
- Leverage DHFL's platform to cross-sell to its existing customer pool
- Plan to increase share of retail loans to two-third in the medium-to-long term



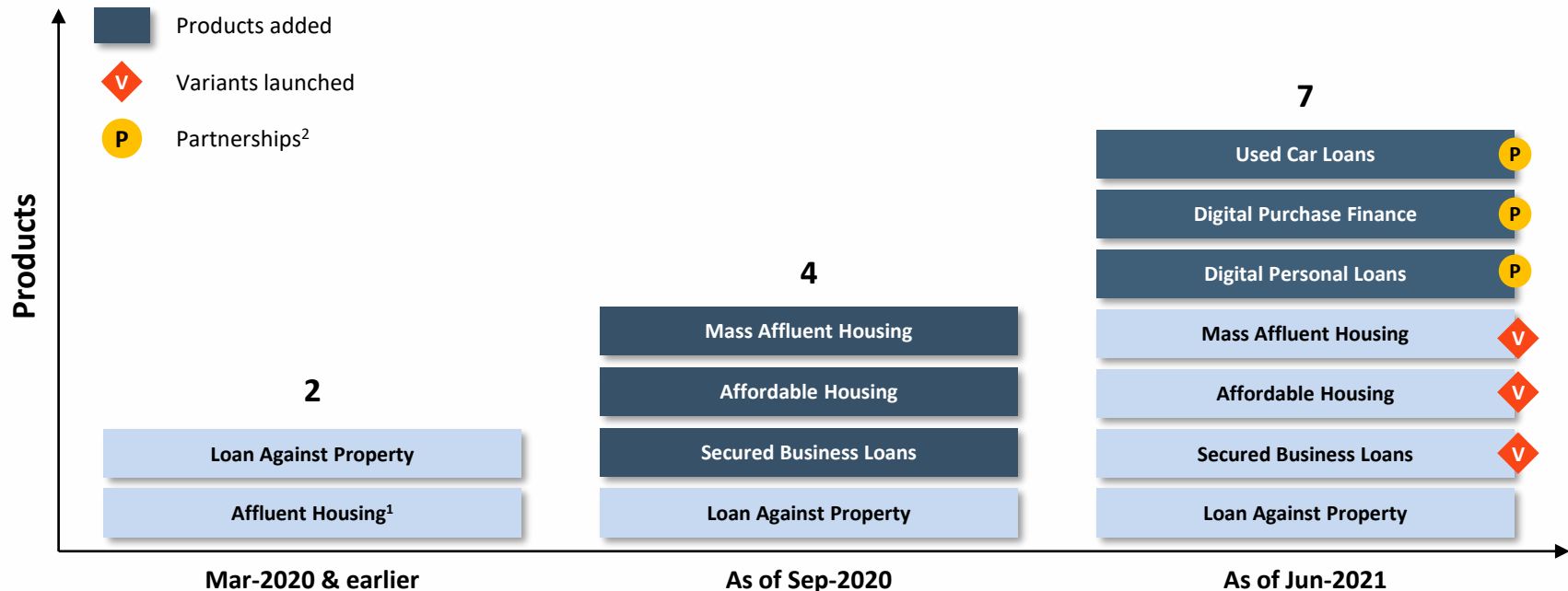
Retail Lending – Building a multi-product platform

Pivoting to a multi-product retail lending strategy

	Key Areas	Strategic Focus		Progress so far
	Products	<i>Differentiated products where banks are less interested, or less significant</i>		Increased product suite from 2 to 7 products
	Geographies & Customers	<i>'Budget customers' of 'Bharat' (Tier 2/3 cities), with focus on consumer and MSME lending</i>		Expanded from 14 to 40 locations
	Partnerships	<i>Tech-led partnerships for customer access at scale and seamless digital lending</i>		Partnered with FinTech and Consumer Tech firms
	Technology	<i>'Digital-at-the core' augmented with physical channels, leveraging modular, next-generation tech capabilities</i>		Built a secure, scalable cloud infrastructure
	Talent	<i>On-boarding top-quality talent</i>		Increased headcount from ~500 to ~1,000 employees

Expanding the product portfolio

Retail Lending - Product Portfolio



Creating product differentiation by continuously launching new products and their variants

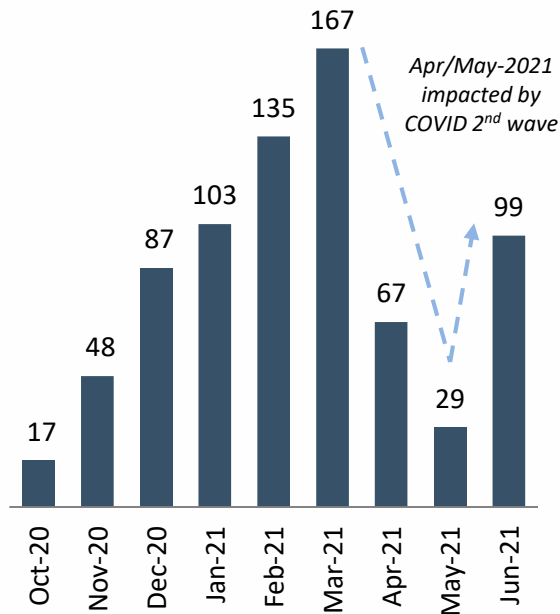
Notes: (1) Exited 'Affluent Housing' (in terms of new business) as the business pivots towards 'Affordable' and 'Mass Affluent' Housing under the new strategy

(2) Launched in partnership with leading FinTech and Consumer Tech firms

Retail Lending – Operating performance

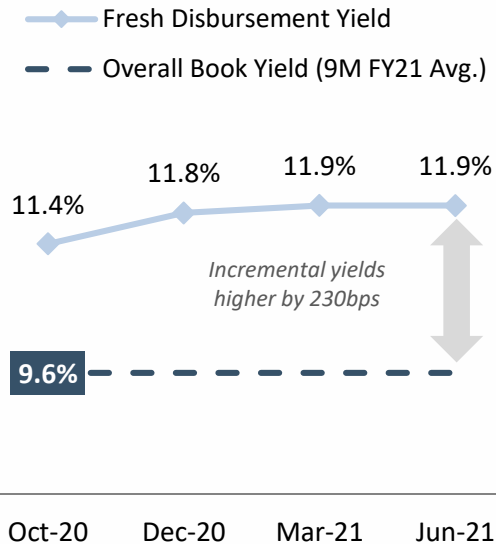
Retail loans – Monthly disbursements

Under the new retail lending strategy, in INR Cr.



New business vs. overall book yields

Retail Loan book; % p.a.



Average ticket size by products

Jun-2021

Digital Purchase Finance	~INR 14k
Digital Personal Loans	~INR 29k
Secured Business Loans	INR 15 lacs
Affordable Housing	INR 9 lacs
LAP	~INR 40 lacs
Mass Affluent Housing	INR 21 lacs
Used Car Loans	INR 2.75 lacs

Collection efficiency in retail portfolio improved to 96% in Jun-2021 after witnessing some decline in Apr/May-2021



Growth and Scale in Retail Lending

Acquisition of DHFL

DHFL acquisition – Process and Total Consideration

Progress so far – Significant progress made in Q1 FY22

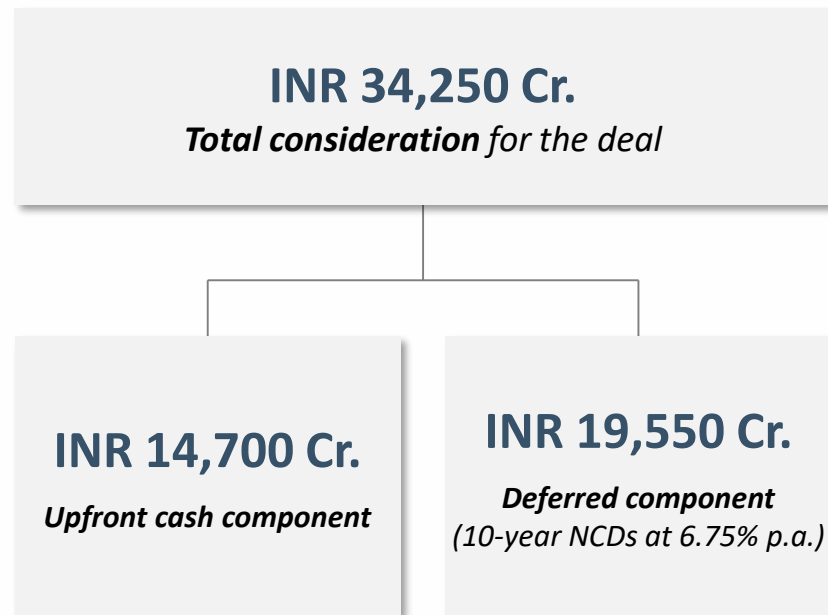
Key Milestones	Status	Month / Timeline
Approval from Committee of Creditors (COC)	✓	Jan-2021
Issuance of Letter of Intent (LoI)	✓	Jan-2021
Approval from RBI	✓	Feb-2021
Approval from Competition Commission of India (CCI)	✓	Apr-2021
Approval of Resolution Plan by NCLT	✓	Jun-2021
Appointment of Monitoring Committee by NCLT	✓	Jun-2021
Resolution plan implementation	In progress	Within 90 days of NCLT approval ¹



Progress made in Q1 FY22
(post Q4 FY21 results)

Note: (1) As per regulatory requirements

DHFL acquisition – Breakdown of total consideration





Significant growth and scale in Retail Lending through the DHFL acquisition

PEL Retail + DHFL platform¹

Branches



300+

(branches/micro-branches)

Customers



>1 million

(life-to-date customers)

Employees



~4,900

(on-roll and off-roll employees)

1

Significant increase in loan book and presence:

- Creates **one of the top-5 HFCs** in India
- **Pan-India distribution network**, largely spread across tier 2/3 cities

2

Creates future growth engine:

- Leverage DHFL's platform to **cross-sell to existing customer pool** of ~1 million customers
- Address the **growing financing needs of the 'Bharat' market**

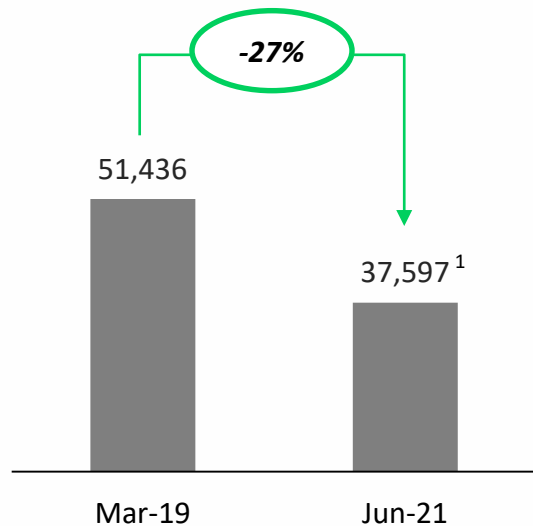


Wholesale Lending

Progressing in line with our strategy to make the loan book more granular

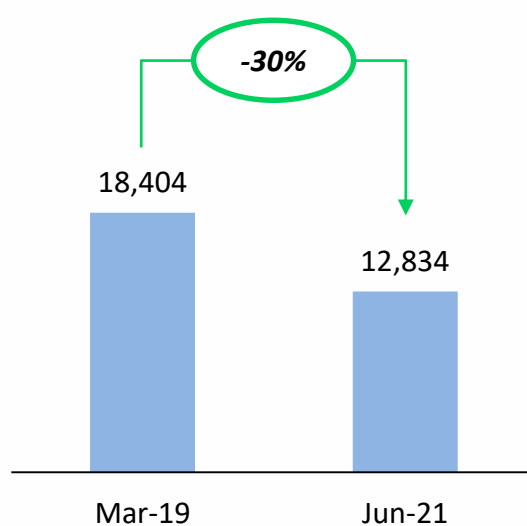
(in INR Crores, unless otherwise stated)

Wholesale Loan Book



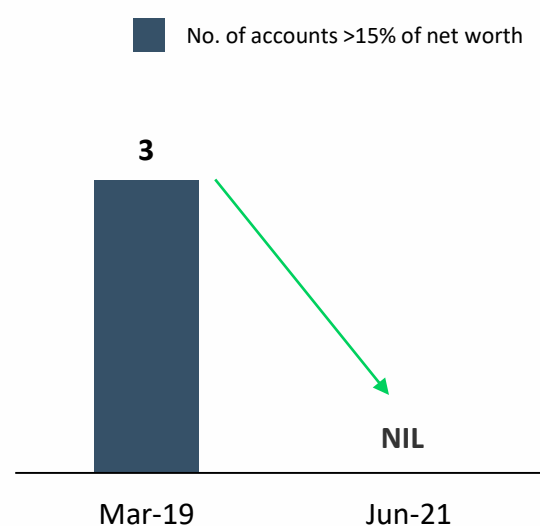
- 27% reduction since Mar-2019, which includes real estate and corporate loans

Top-10 exposures



- Exposure to top-10 accounts reduced 30% since Mar-2019 (INR 5,570 Crores)










Single-borrower exposures






- No account exceeds the threshold of 15% net worth of Financial Services

Asset quality remained stable QoQ despite headwinds

Performance of PEL's developer clients in Q1 FY22

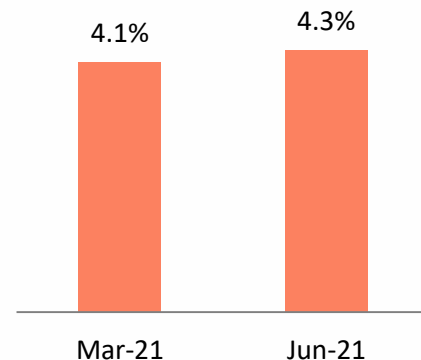
Parameter	YoY Change	QoQ Change
 Developers sales	Significant increase , due to complete lockdown in Q1 FY21 vs. partial lockdown in Q1 FY22 	Decline in line with industry trends ; bounced back in Jun-2021 
 Developer collections	Significant increase in developer collections from homebuyers 	No major impact , due to strong sales witnessed in H2 FY2021 
 Construction Activity	Commencement of construction much faster than COVID 1 st wave 	At ~ 90% of levels witnessed prior to COVID 2 nd wave 

 Increased
 No major change
 Declined

GNPA ratio¹: Overall FS

Q1 FY22 Gross slippage ratio² **0.3%**

Q1 FY22 Net slippage ratio³ **0.1%**



GNPAs were broadly stable QoQ at INR 2,028 Crores as of Jun-2021

Despite a challenging business environment, there were no major fresh slippages to Stage-3 or write-offs during the quarter

Note: (1) GNPA ratio based on total AUM

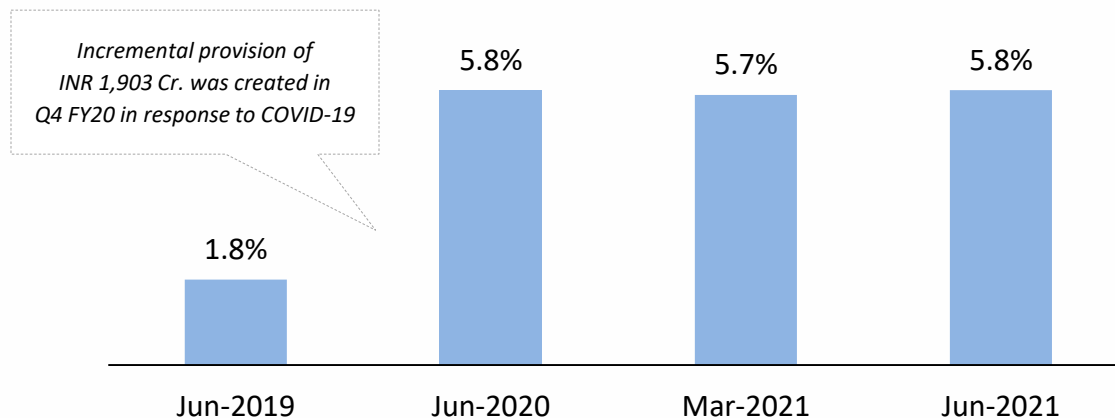
(2) Fresh slippages into Stage-3 as a % of AUM (at beginning of the period)

(3) Change in GNPAs as a % of as a % of AUM (at beginning of the period)



Maintaining adequate provisions to manage any contingences

Provisioning as a % of total AUM



- At the onset of the COVID crisis, **adopted a conservative & prudent approach to provisioning**
- Maintain **provisions at 5.8%** of total AUM, with **provisions against wholesale assets** even higher at 6.3%

Total provisions (INR Cr.)



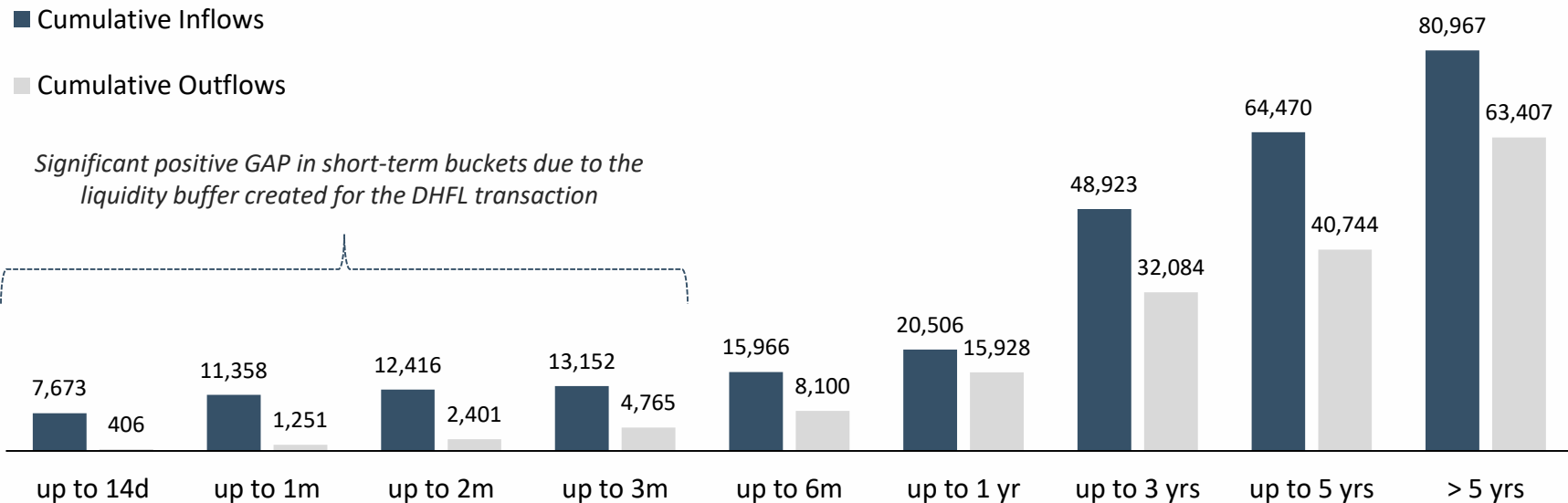
We continue to monitor the situation closely and maintain conservative provisions to take care of any contingencies



Liabilities Side

Asset-liability profile

(in INR crores)

As on Jun 30 2021 ⁽¹⁾


Cumulative GAP² (%)

+1,792%

+808%

+417%

+176%

+97%

+29%

+52%

+58%

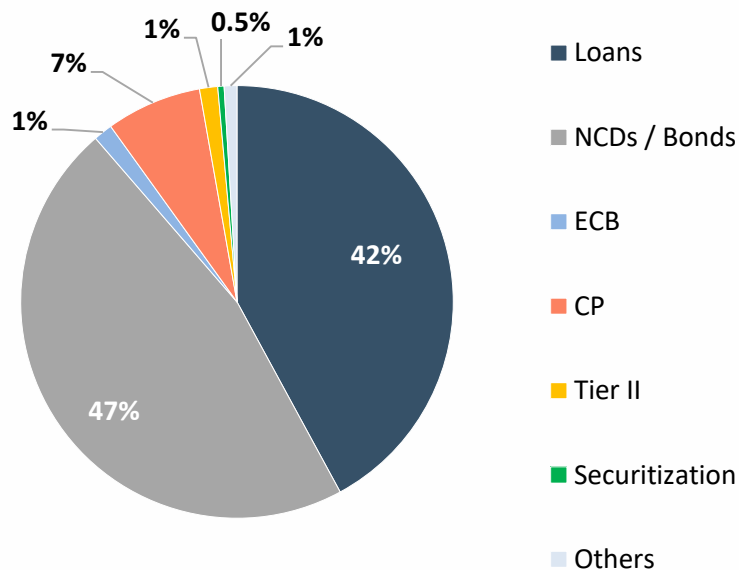
+28%



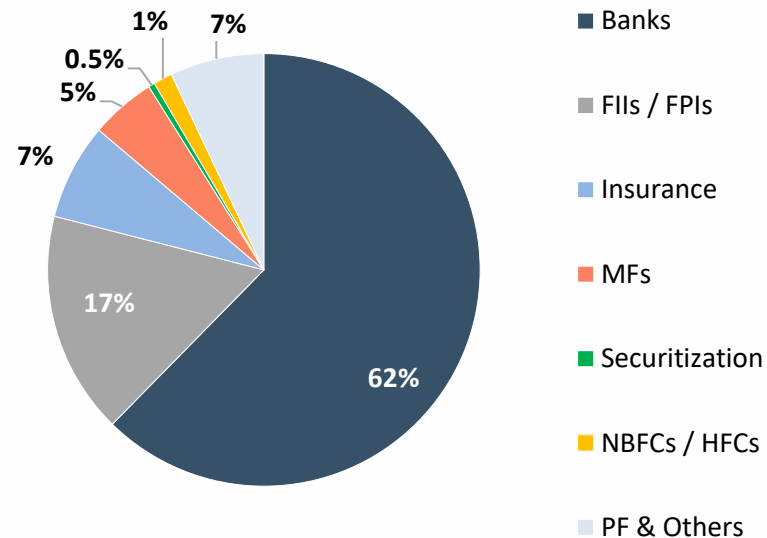
Borrowing mix

As on Jun 30, 2021

Breakdown of borrowing mix by type of instruments



Breakdown of borrowing mix by type of investors



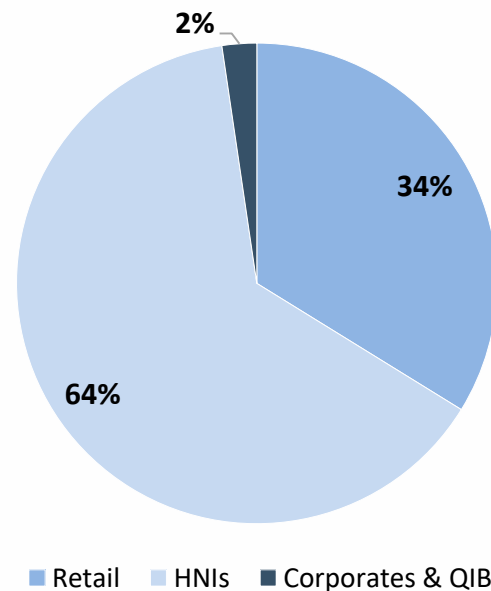
Progressing towards further diversifying the borrowing mix across instruments and investor categories

Maiden retail bond issuance

Public issue of NCDs by PCHFL (closed in Jul-2021)

Amount raised	INR 804 Cr.
Weighted average tenure	4.15 years
Weighted average coupon	8.69%

Investor participation by category

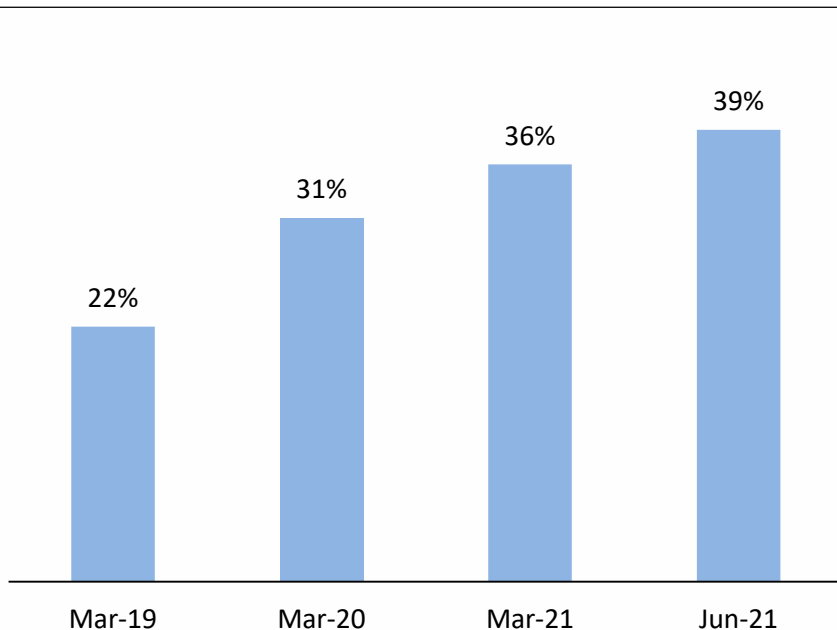


The issuance further diversifies the borrowing mix and makes it more granular

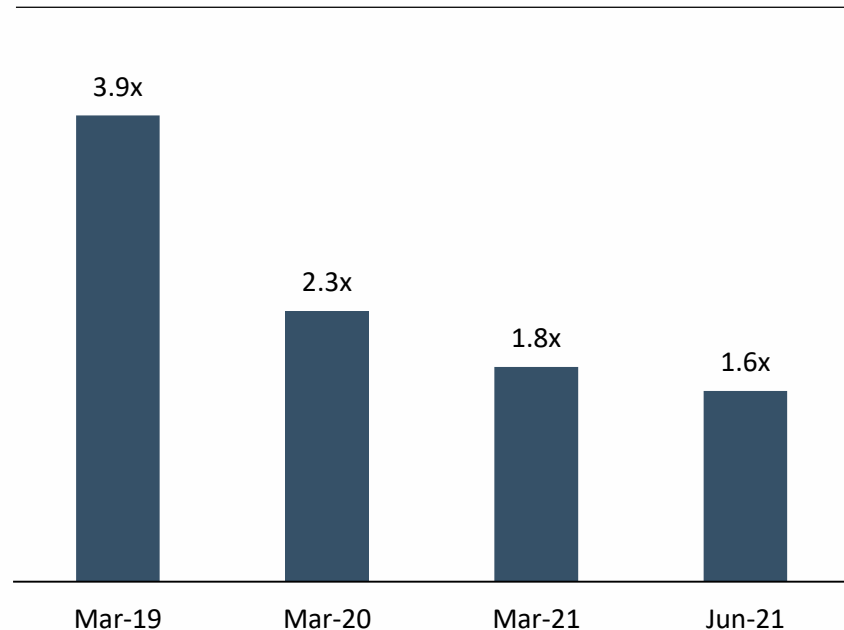


Capital Adequacy and Leverage

Capital Adequacy Ratio (%)¹



Net Debt-to-Equity



Financial Services has sufficient growth capital for the next 3-5 years (including DHFL acquisition)

Expected improvement in ROE in near term

Immediate decline in
cost of borrowings



Average cost of borrowings to decline to ~9.5% post the DHFL transaction
(vs. 10.8% in FY21) – the deal is partly funded by 10-year NCDs worth
INR 19,550 Cr. at 6.75% p.a.

Potentially lower
incremental cost
of funds



Going forward, **increased loan book diversification (~50% retail in the near term)**
and growth will potentially lower incremental cost of funds

Improved
capital utilization



Net debt-to-equity (FS) to increase from 1.6x as of Jun-2021 to 2.5x post the DHFL transaction and to 3.5x in the near term

Change in
product mix within
retail lending



Expansion of the product portfolio with **differentiated, higher-yielding products** to
help improve retail lending profitability

ROE





Pharma

Pharma business with global operations and footprint



INR 5,776 Cr. revenue^{1,2,3}
22% EBITDA margin^{1,2,3}



14% revenue 10 year CAGR^{2,3,4}
28% EBITDA 10 year CAGR^{2,3,4}



100+
countries with commercial presence



~6,500⁵
employees



15
Development & manufacturing sites
(North America, Europe and India)



76%
revenues from North America,
Europe and Japan



~16
acquisitions successfully executed
and integrated⁵



Nil⁶
Official Action Indicated
(OAIs) issued

Notes: (1) FY21 revenue and EBITDA; (2) Excludes financials corresponding to JV with Allergan (Piramal has 49% stake in this JV); (3) CCPL JV (Piramal has 51% stake in this JV; 100% stake post Feb 25, 2021) financials have been consolidated on a stake adjusted basis in Complex Hospital Generics segment; (4) CAGR from FY11 to FY21; (5) As on June 30, 2021; (6) Since FY2011

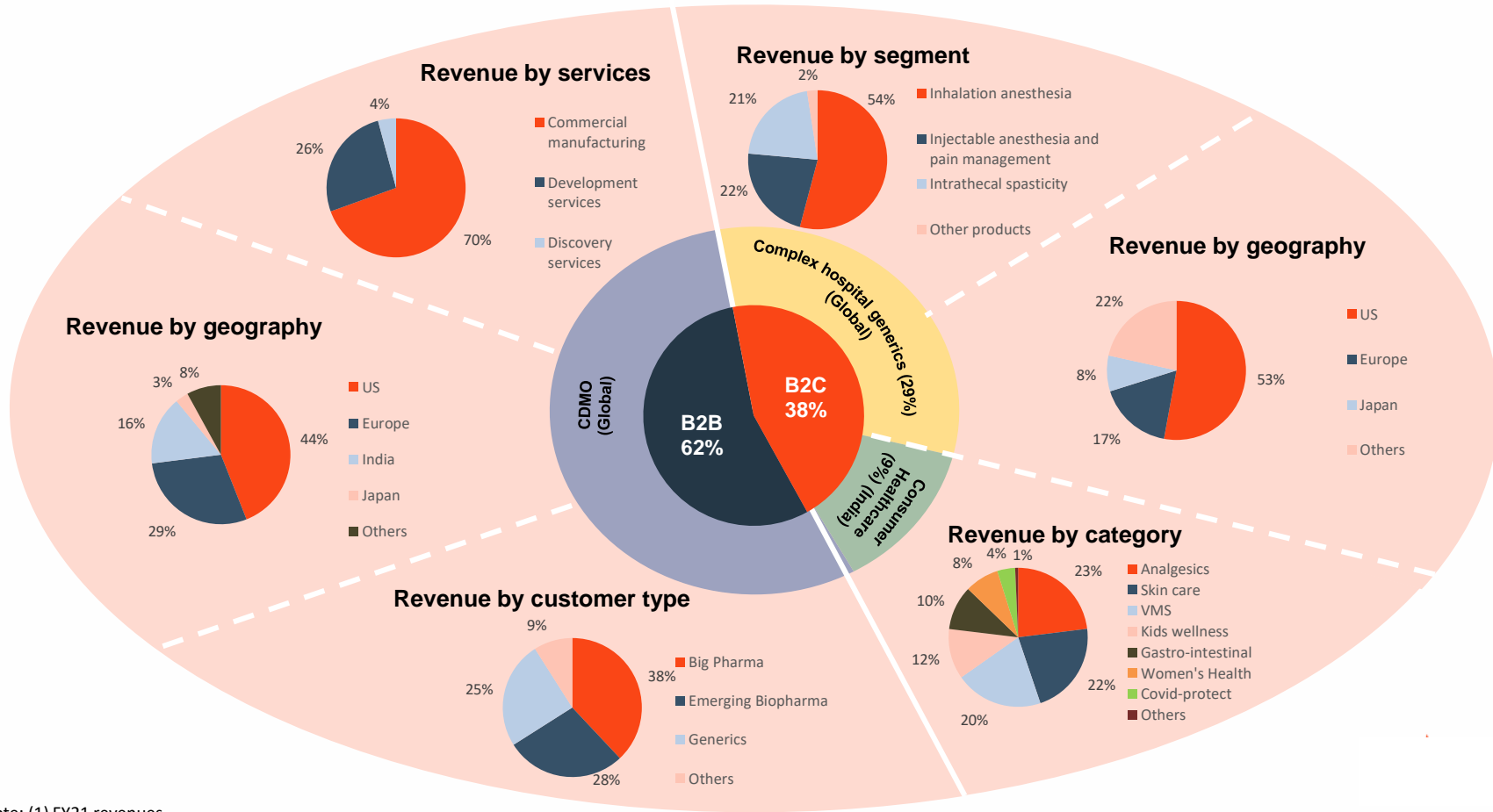
Businesses with strong position in respective market segments

Business segment overview		FY21 revenue	Market position ¹	Target market ¹
CDMO <i>Presence across the drug lifecycle including discovery, development, clinical and commercial manufacturing of APIs and formulations</i>		INR 3,616 Crs	13 th largest CDMO globally	US\$55-70bn ² (Global)
Complex Hospital Generics <i>Presence in inhalation anesthesia, injectable anesthesia and pain management, injectable intrathecal therapy and other injectable</i>		INR 1,669 Crs	4 th largest inhaled anesthesia player globally	Over US\$50bn (Global)
India Consumer Healthcare <i>Nationwide sales and marketing infrastructure and a portfolio of 21 brands in attractive segments</i>		INR 501 Crs	#11 rank in OTC segment in India	US\$6-10bn (India)
Ophthalmology Branded Products <i>Market leader in the fast growing ophthalmology category in India</i>		INR 365 Crs	#1 in ophthalmology segment in India	US\$350m (India)

Total³
INR 5,776 Crs

Notes: (1) Management estimates, industry articles; (2) Estimated market size for small molecules within the CDMO segment; (3) Revenue of India Ophthalmology Branded Products is not part of INR 5,776 Cr.

Diversified revenue¹ across regions, capabilities & customer categories



Note: (1) FY21 revenues

Diversified model with global capabilities and focus on regulated markets

15 manufacturing & Development facilities globally – Key sites USFDA inspected

North America

4 manufacturing facilities providing CDMO services

1 manufacturing facility for inhalation anesthesia

Substantial Direct Nationwide Sales and Marketing Capability

Serves major group purchasing organizations (GPO), Integrated delivery networks (IDN) and government customers

Europe

2 manufacturing facilities in UK providing CDMO services

Direct sales presence in Netherlands, UK, Italy and Germany

Japan

Long history of serving this CDMO customer segment's needs globally and for the Japanese market

Strong positions through local marketing partners

Rest of World

Distribution partners in ROW markets

Key markets are Indonesia, South Africa and Brazil

India

7 development and manufacturing facilities providing CDMO services

1 manufacturing facility for inhalation anesthesia

1,200+ field force delivering direct reach to 2,50,000+ outlets selling consumer healthcare products

CDMO delivery capabilities

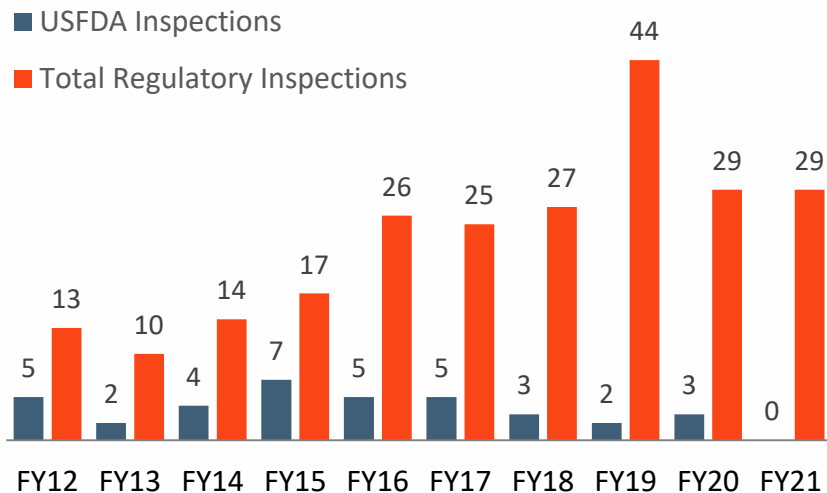
Complex Hospital Generics commercial capabilities

Consumer Healthcare capabilities

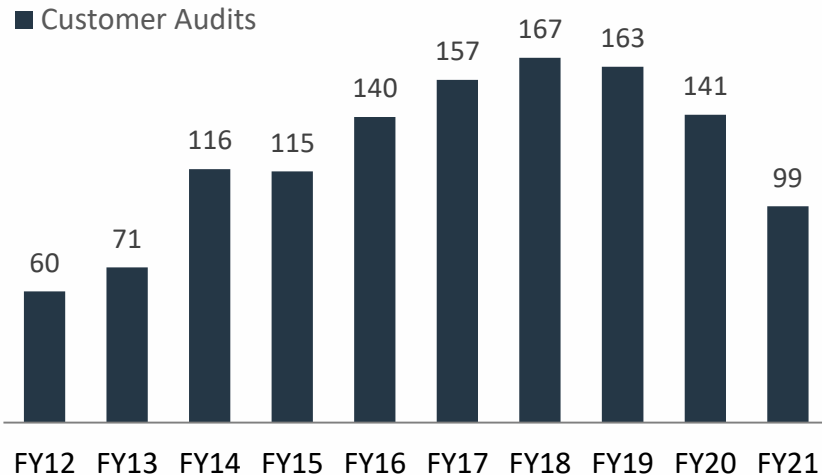
Manufacturing presence (map)

Best-in-class quality track record

240+ Regulatory Inspections with no OAI



~150 audits annually by customers

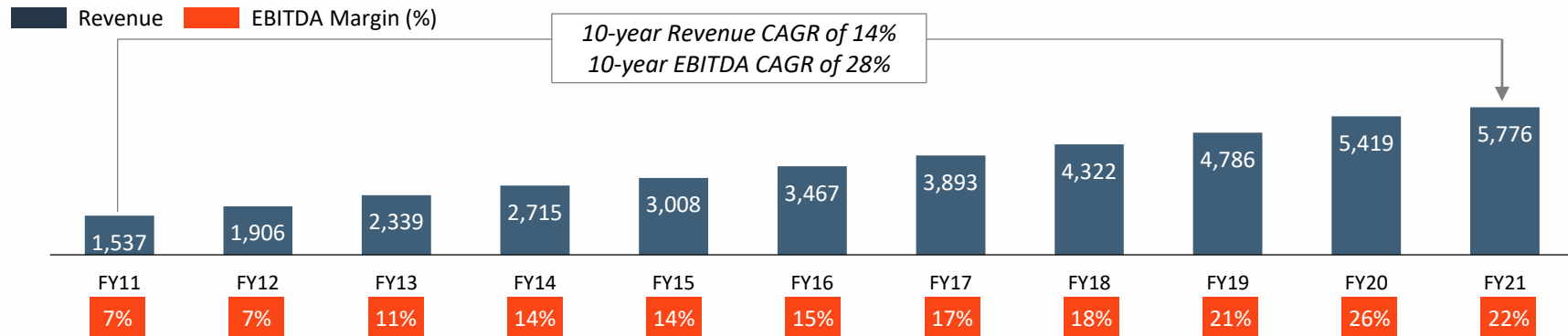


- ✓ Successfully cleared 36 USFDA inspections, 243 other regulatory inspections, and 1,261 customer audits since the beginning of FY12
- ✓ 9 regulatory inspections and 32 customer audits during Q1 FY22
- ✓ No 'Official Action Indicated (OAI)' for any of our USFDA audits
- ✓ Advancement journey from 'Quality for Compliance' to 'Quality as a Culture', with a focus on systems, processes, technology and people
- ✓ Quality function reports directly to a Board Member

Consistent long-term track-record of revenue growth and profitability

Consolidated Revenue and EBITDA Margin

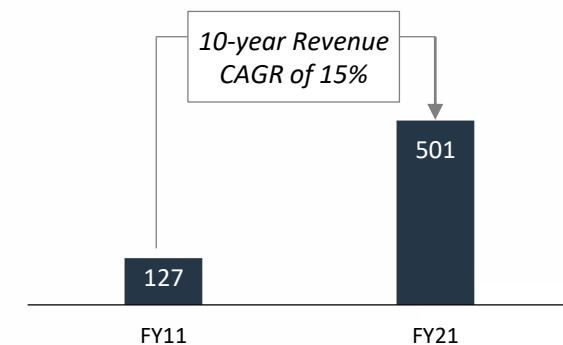
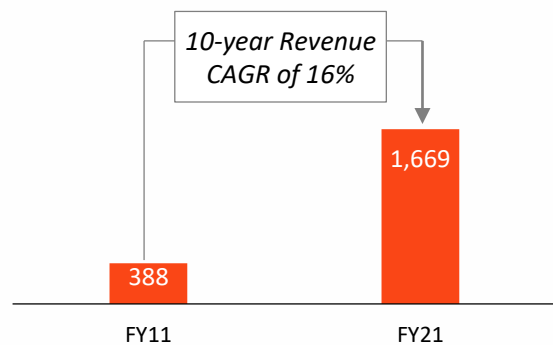
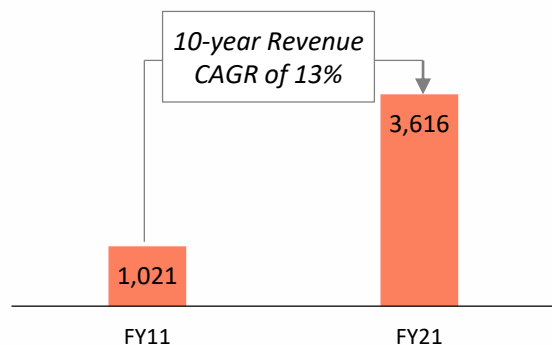
(In INR Crs)



CDMO

Complex Hospital Generics

India Consumer Healthcare



Notes: (1) Consolidated Revenue includes CDMO, Complex Hospital Generics and India Consumer Healthcare and certain Foreign exchange income/loss

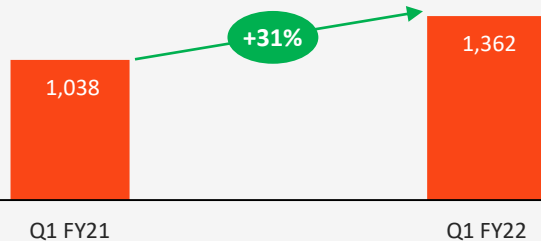
(2) FY2016-21 results prepared based on IND AS, prior periods are IGAAP



Robust revenue growth during Q1 FY22

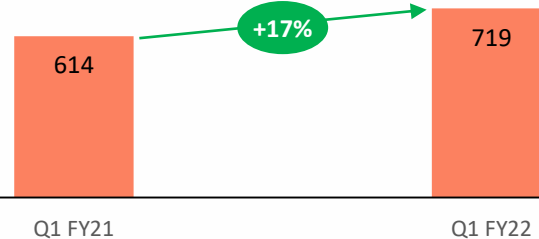
(In INR Crs)

Overall Pharma Business



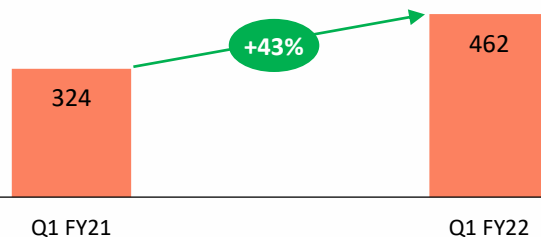
Strong revenue growth across businesses

CDMO



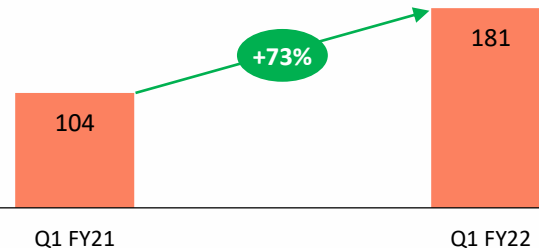
Strong growth in development order book; robust demand of sterile fill finish in North America; strong demand for API services across all geographies

Complex Hospital Generics



Strong sales of Sevoflurane as demand recovered in US; continued gain in market share

India Consumer Healthcare



Strong performance driven by key brands; leveraging e-commerce channel to drive growth; continue launch of new products

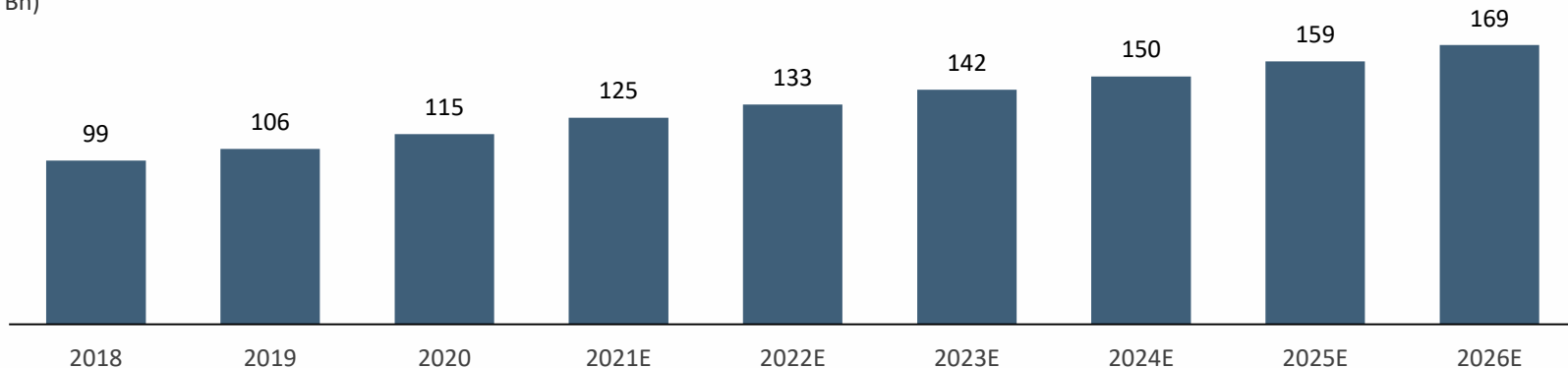


Pharma: CDMO

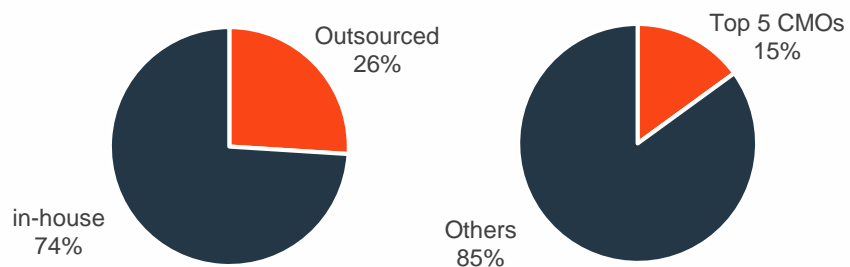
Large market with an attractive growth profile

Global CDMO Market Size expected to grow 1.7x over 8 years

(In USD Bn)



Underpenetrated and fragmented CDMO Market



Pharma players increasingly preferring to outsource, focusing on core competencies and adopting a more asset-light model

- CDMO market size expected to increase to US\$169 Bn in 2026E
 - US and Asia Pacific witnessing higher growth of 7.7–8.5% p.a. over 2021–26
- Key growth drivers:
 - New drug development aids US; India and China lead Asia Pacific
 - Pharma companies increasing outsourcing to “integrated service providers”
 - Small molecules, which contribute 70% of the market, growing faster
 - Investments in technology improving efficiency and quality

Large CDMO providing services across all phases of drug lifecycle...

A portfolio of services across all phases of drug lifecycle

	Discovery	Development (Pre-clinical, Phase I, Phase II, and Phase III)	Commercial manufacturing (On-patent and Off-patent)
Facilities	<ul style="list-style-type: none"> India – Ahmedabad 	<ul style="list-style-type: none"> India – Ahmedabad, Ennore, Digwal, Turbhe North America – Aurora, Lexington, Riverview, Sellersville 	<ul style="list-style-type: none"> India – Digwal, Pithampur, Ennore, Mahad, Turbhe North America – Aurora, Lexington, Riverview, Sellersville
Highlights	<ul style="list-style-type: none"> >90% repeat business North America and Europe account for 95%+ of revenue 	<ul style="list-style-type: none"> Pipeline of ~120 molecules across phases 1, 2 and 3 Robust increase in win rate over the years 	<ul style="list-style-type: none"> 50+ APIs and 65+ FDFs across therapeutic areas Ability to manufacture across a wide range of scale in API as well as formulations

Integrated solutions

- The **platform leverages the extensive network** of discovery, development and commercial manufacturing capabilities located across sites
- Customers benefit from
 - reduced time-to-market**
 - reduced operational complexity, and**
 - lower supply chain costs** to meet their requirements
- Track record** of executing over 125 integrated projects

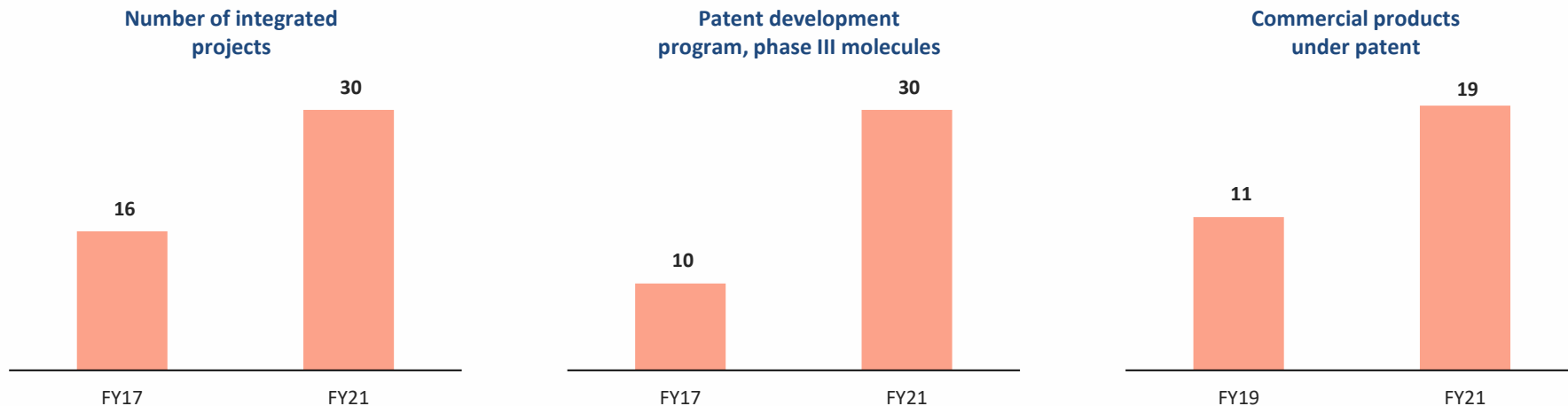
Capabilities across sites enabling to provide integrated offerings

Site	Drug Substance	Drug Product	Both Drug Product and Drug Substance
PDS	✓		
PPDS		✓	
Ennore	✓		
Digwal	✓		
Pithampur		✓	
Riverview	✓		
Lexington		✓	
Aurora	✓		
Morpeth			✓
Grangemouth	✓		
Sellersville		✓	
Turbhe	✓		



...through a global platform leveraging integrated solutions

Our unique business proposition enabling healthy traction in order book



- ✓ Integrated projects order book increased 8x from FY17 to FY21
- ✓ 40% of the order book is from integrated projects in FY21
- ✓ Revenue from commercial products under patent increased from \$7 Mn in FY17 to \$51 Mn in FY21

Offering complex technologies to diversified blue-chip global customer base

Differentiated offerings with large, growing markets and high barriers

Highly Potent APIs:

- Ability to manufacture across lifecycle
- State-of-the-art manufacturing suite
- 50% of market outsourced to CDMOs

Potent sterile injectables:

- Ability to handle highly potent drugs
- Isolator technology for aseptic environment

Antibody Drug Conjugates:

- 10 years experience in handling ADCs
- Portfolio of end-to-end services
- High margin due to complexities

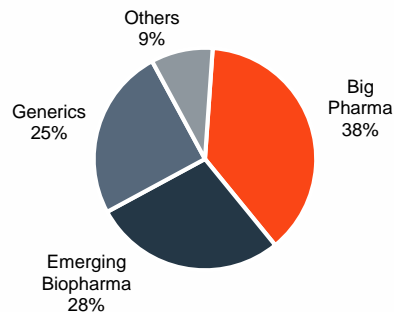
Hormonal OSD:

- Specialized containment suite
- Stringent regulatory requirements

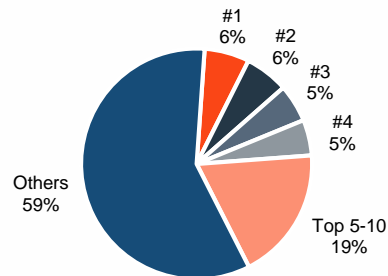
- **Complex Oral Solid Dosage formulations**
- **Integrated suite of services for the oncology segment with 65 active programs**

Diversified blue-chip global customer base

Diversified customer base



Low revenue concentration



✓ **Over 500 customers** including Big Pharma, emerging biopharma and generics companies

✓ **Top 10 customers account for 41%** of FY21 revenue with largest customer contributing 6+% of revenues

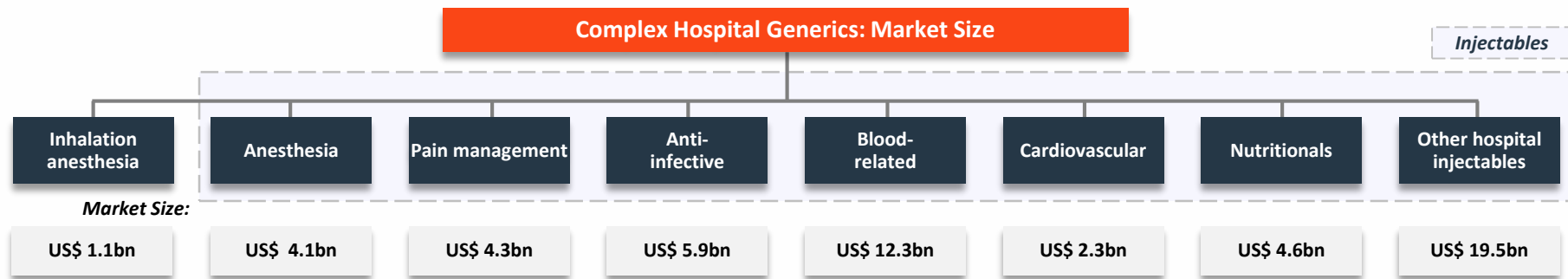
✓ **Over 76% of revenue from regulated markets** of North America, Europe and Japan

✓ **Integrated business development** organizational structure focused on patient centricity

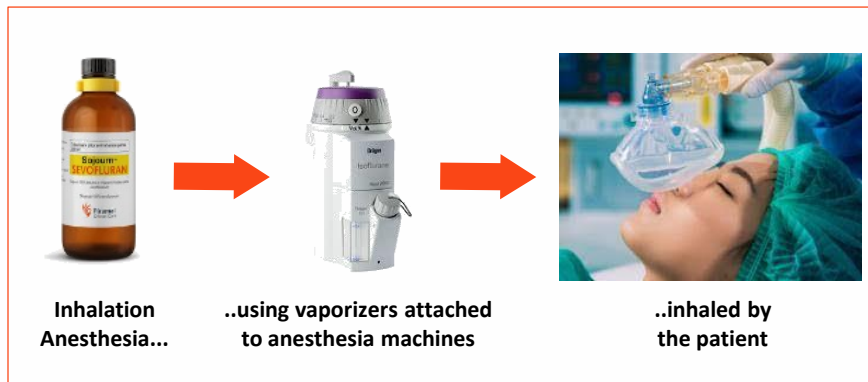


Pharma: Complex Hospital Generics

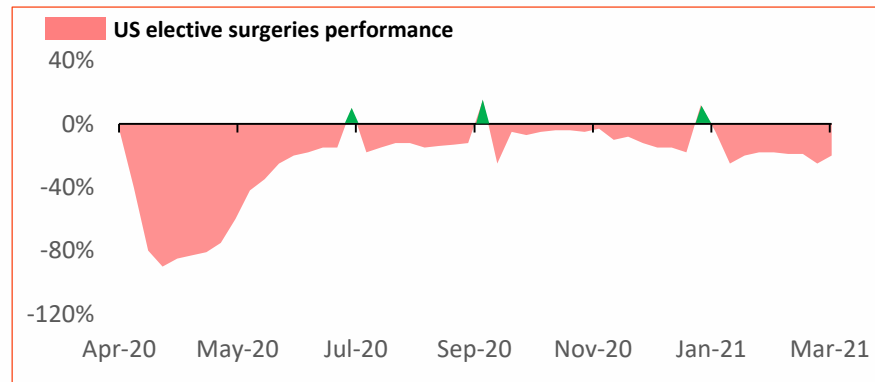
Large markets with high entry barriers; witnessing recovery post vaccinations



High entry barriers in the product segments we operate



Elective surgeries in the US recovering post vaccinations, yet volatility continues



As of July'21, nearly 76% of inpatient beds in the US are occupied, of which ~5% are used for Covid patients

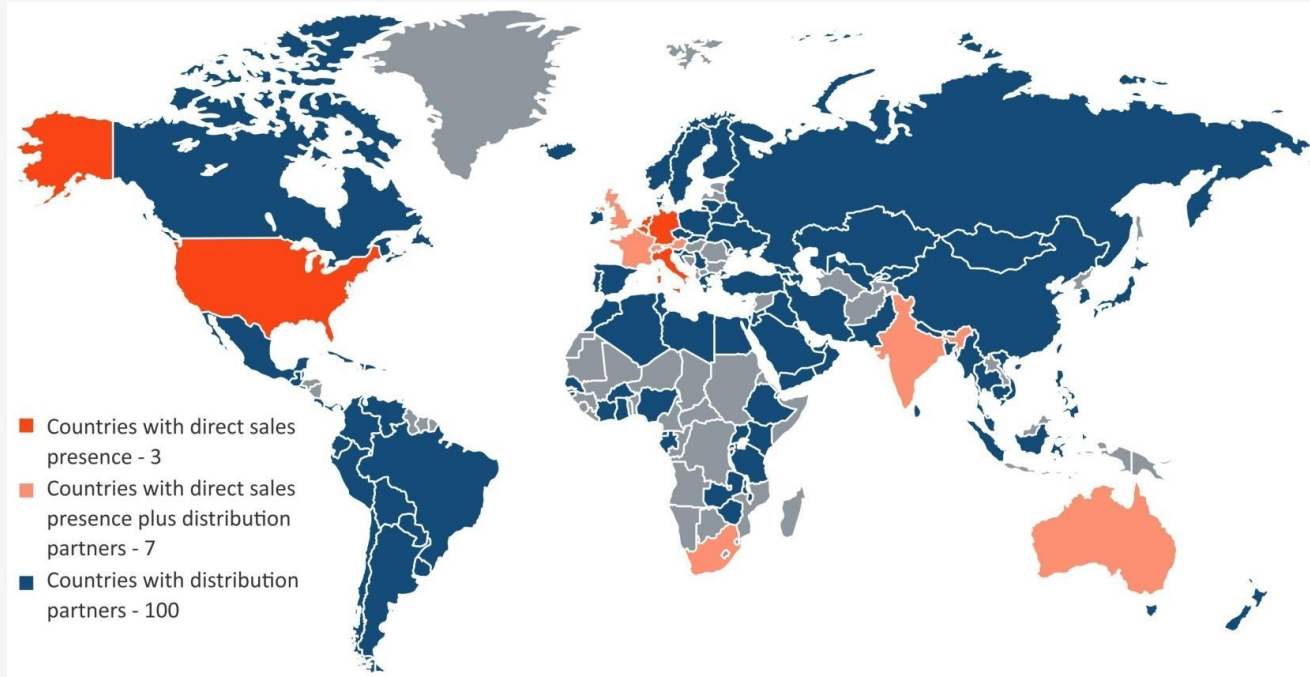
Differentiated portfolio spanning inhalation anesthesia and injectable



Note: (1) Market size of categories with PPL's presence based on Management estimates

Flexible blend of direct commercialization capabilities and local partners






Marketing worldwide through a global sales and distribution network



- ✓ Established **channel relationships** and robust **commercial infrastructure**
- ✓ **Direct sales force** in the US with strong GPO relationships
- ✓ Direct to market access in key European countries
- ✓ Distribution reach to over **100 countries** across the globe
- ✓ **Over 5,500 hospital customers** in the US



Balanced mix of product sourcing approach; market reach

		Commentary	Product examples	Presence in all major dosage forms for the hospital channel	
Products with owned IP	Internal R&D	<ul style="list-style-type: none"> Develop products leveraging internal product development capabilities across PPL Superior profitability relative to products obtained through in-licensing arrangements 	<ul style="list-style-type: none"> Glycopyrrolate 		Inhalation anesthesia
	External R&D	<ul style="list-style-type: none"> Develop products leveraging external R&D with PPL bearing investments and product development risk Product ownership vests with PPL 	<ul style="list-style-type: none"> Confidential 		IV bags
	Acquisitions	<ul style="list-style-type: none"> Target products and/or companies with capabilities that are at/near commercial stages Capital intensive model 	<ul style="list-style-type: none"> Gablofen® 		Liquid in vials / Powder in vials
Licensed products	Licensing partnerships	<ul style="list-style-type: none"> Target products with near term revenue potential Lower development time and risk Lower up-front investments - capital efficient model Lower profitability than owned IP model 	<ul style="list-style-type: none"> Linezolid 		Ampoules
					Pre-filled syringes

Expansion over time in terms of product portfolio and market reach



Increase in direct sales through new products and expansion of commercial infrastructure



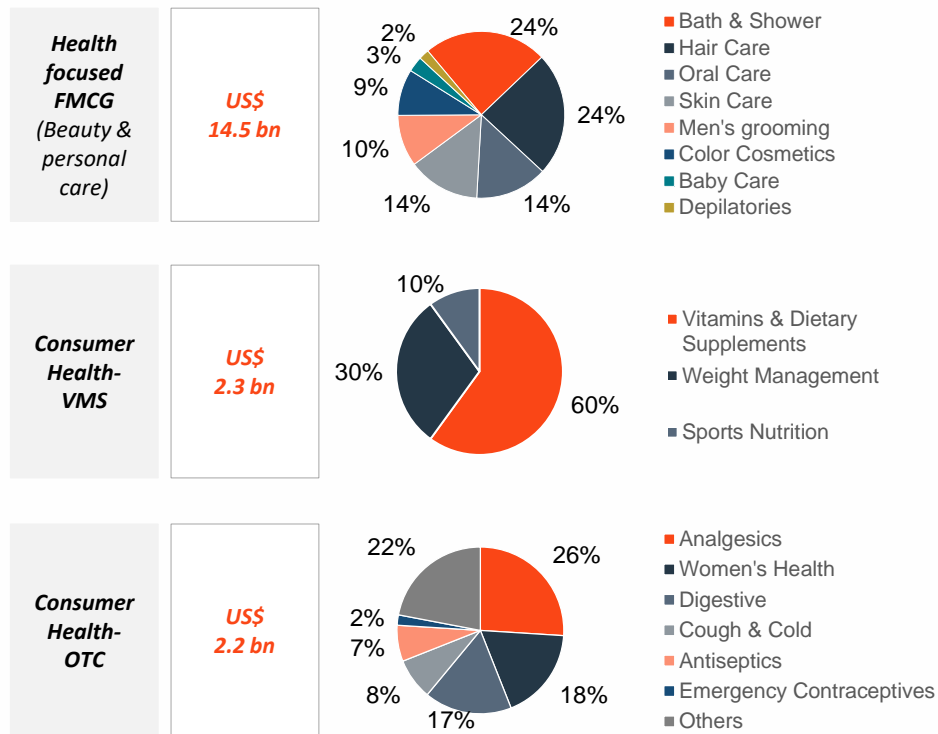
Strengthening of supply chain capabilities through vertical integration, cost effective and scalable infrastructure and strong CMO relationships



Pharma: India Consumer Healthcare

Large and growing Indian Consumer Health market with structural tailwinds

Indian 'Health focused' branded consumer market



Key categories in the consumer healthcare sector

Category	Market size (US\$m)	Category growth	Gross margins
Analgesics	820	9%	>80%
Skin care	2,000	8%	60-80%
VMS ⁴	1,400	8%	60-80%
Women's health	450	9%	60-80%
Digestives	430	6%	60-80%
Kids wellness	450	12.5%	60-80%
Total	5,550		

- ✓ Young, urban consumers with increasing disposable incomes
- ✓ Highly underpenetrated consumer healthcare market
- ✓ Retail landscape shifting towards faster growing e-commerce



Diversified portfolio of 21 brands, including category leaders

Core brands

(potential to be amongst top 5 in segment)

Emerging, Established, and Other brands

(Recognized brands, demonstrating strong traction and consumer pull, and other smaller brands)

Analgesics



Saridon

Headache relief tablet

Skin care



Lacto Calamine

Oil control lotion

VMS



Supradyn

Boosts stamina and vitality

Women's health



i-pill, i-know

Contraceptive pill, Ovulation kit

Digestives



Little's

Wipes, toys, diapers, feeding accessories



Sloan's^E

Quick relief from severe body pain



QuikKool gel

Pain relieving mouth ulcer gel



Tetmosol^E

Medicated soap



NEKO

Daily use soap, wipes



Caladryl^E

Anti-allergy and anti-itch topical application



Ourdaily

Vitamin C & Zinc and Vitamin E



Ferradol

Food supplement



Becozyme-C Forte^E

Vitamin-B tablet

Benadon

Vitamin B6 tablet



i-Can

Pregnancy detection kit



i-Active

Menstrual cups



Polycrol^E

Antacid



Digeplex^E

Used for digestive disorders



Naturolax^E

Provides natural relief from constipation



Jungle Magic





Includes perfume, sanitizer, toys and colouring books

Note: ^E Denotes Emerging and Established Brands

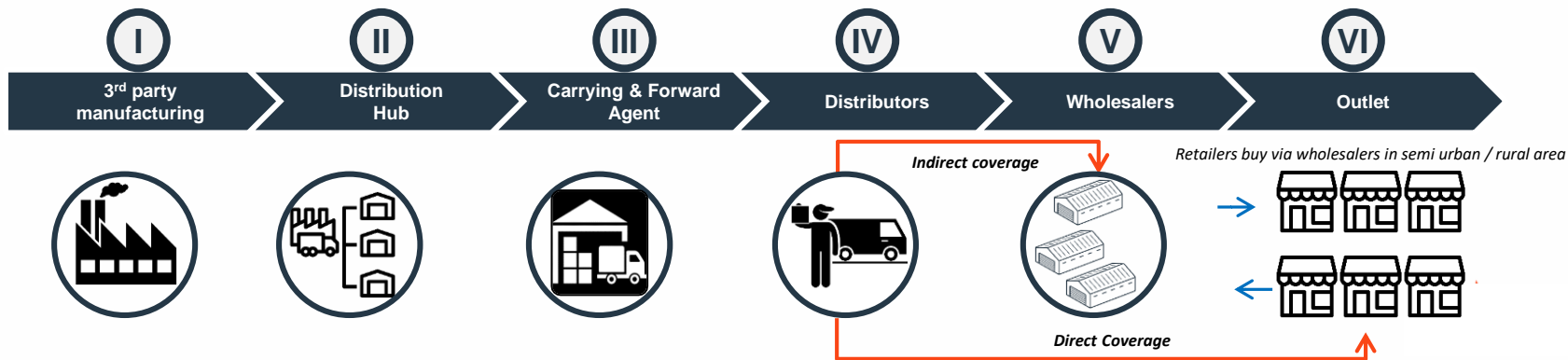
Asset-light model with a wide distribution network

Multi-channel distribution strategy

Distribution network covers direct reach to 250,000+ outlets with 1,200+ strong sales force

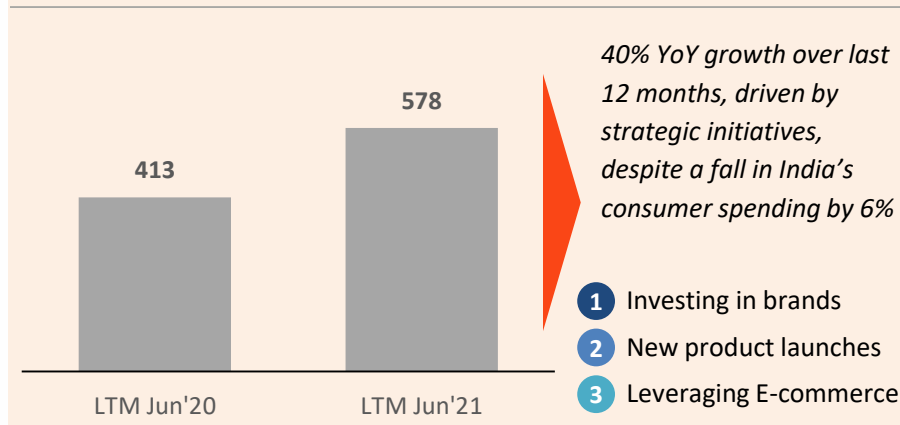
Channel	 Chemist and cosmetics	 Chemists	 Modern trade & e-Commerce	 Kids' stores
Description and strategy	<ul style="list-style-type: none"> Separate dedicated teams - for 'chemist only' and 'cosmetics and chemist channel', each with a specific set of brands 100% Tech enabled sales coverage to enhance productivity of field force Visibility at Point of Sales (POS) to drive consumer demand 		<ul style="list-style-type: none"> Analytics-backed demand models Visibility and merchandising Presence across all leading Ecommerce portals 	<ul style="list-style-type: none"> Broaden range of toys via successful pilots in e-commerce Direct coverage of toy stores to enhance depth and visibility
Outlets	<ul style="list-style-type: none"> ~200,000 chemists + cosmetic stores 		<ul style="list-style-type: none"> Pharmacy chains E-commerce 	<ul style="list-style-type: none"> 10,000+ kids, toys and gift shops

Supply chain from manufacturing to outlets



Strategic initiatives help strong performance in a challenging period

Revenue growth last four quarters



- 1 Investing in brands
- 2 New product launches
- 3 Leveraging E-commerce

1 Investing in brands promotion and marketing

<p>Kajal Aggarwal for "Lacto Calamine", the Skin-Care brand</p> <ul style="list-style-type: none"> ■ Skin care range ■ Continue to enhance product offering 	<p>Manoj Bajpayee for "Tetmosol", the Skin-Care Soap</p> <ul style="list-style-type: none"> ■ Medicated soap, cream and powder ■ Presence across 3 lakh chemist outlets 	<p>Sourav Ganguly for "Polycrol", the Antacid brand</p> <ul style="list-style-type: none"> ■ Legacy brand over 4 decades ■ Leading antacid brands, amongst top 2 in Eastern India 	<p>Yami Gautam for "i-feel", the intimate care wash</p> <ul style="list-style-type: none"> ■ Entry into feminine intimate care ■ Launched in West Bengal and E-commerce platforms
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Note: LTM is Last Twelve Months;

6% fall in India's consumer spending is for full year FY21

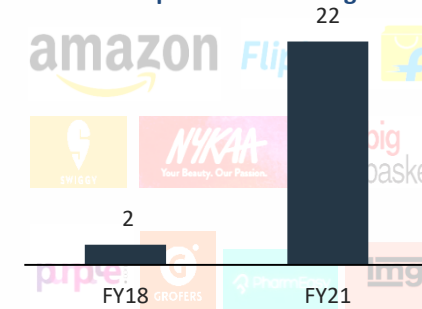
2 Launched new products

Despite global pandemic, ~20 new products and ~40 SKUs launched since Mar'20



3 Leveraging E-commerce to drive growth

E-commerce platforms coverage



- Using E-commerce to pilot launches and analytics to improve sales
- 7 products ranked #1 in the respective category on Amazon:
 - Little's (Junior Rings/ Baby Balls/ Wet Wipes)
 - i-know/ i-can (Pregnancy Kits)
 - Lacto Calamine (Facial Wipes)
 - Tetmosol (Talcum Powder)



Capital Raise and Investments across Businesses

Proven track record of organic & inorganic expansion

Healthy ROI on Organic Investments		~16 acquisitions successfully executed and integrated since 2011	
Segment	Key organic investments over last 5 years	Segment	Key acquisitions over last 5 years
CDMO	<ul style="list-style-type: none"> Recent examples of good returns on capex <ul style="list-style-type: none"> Discovery Services – addition of labs Development Services site expansion Riverview – additional labs Grangemouth – GMP/WFI 	CDMO	<ul style="list-style-type: none"> 5+ acquisitions <ul style="list-style-type: none"> ADC facility in Grangemouth Sterile injectables facility in Lexington High potency API facility in Riverview Oral Solid Formulations in Sellersville Peptide API manufacturer, Hemmo Pharmaceuticals
Complex Hospital Generics	<ul style="list-style-type: none"> Recent examples of good returns on capex <ul style="list-style-type: none"> Sevoflurane capacity increase Isoflurane API capacity increase Bottling output increase 	Complex Hospital Generics	<ul style="list-style-type: none"> Multiple successful acquisitions <ul style="list-style-type: none"> Intrathecal therapy portfolio from Mallinckrodt Injectable anesthesia and pain management portfolio from Janssen
India Consumer Healthcare	<ul style="list-style-type: none"> Sales promotion on several brands, key ones include: <ul style="list-style-type: none"> Little's Saridon Tetmosol Lacto Calamine Polycrol 	India Consumer Healthcare	<ul style="list-style-type: none"> Acquired several brands following a “string of pearls” strategy <ul style="list-style-type: none"> Including i-pill, Naturolox, Digeplex, Caladryl and Little's

Consistent track record of organic and inorganic growth

Capital Raise and Investments across Businesses

One of the largest PE deals in the Indian pharma sector with The Carlyle Group

USD 490m

Raised as fresh equity for a 20% stake in the Pharma business

USD 2.7 bn Enterprise Value (EV) of the Pharma business based on the deal

Completed in Oct-2020



Affirmation of the strength of our ability to build new, attractive, scalable and sustainable businesses



The deal further strengthens the Company's balance sheet



To accelerate organic and inorganic growth plans

Balance Sheet Strengthening post fund raise

(in INR Crs)

Net Debt (Pharma)



Pre-fund raise (Mar'20)

Post-fund raise (Mar'21)

Net Debt-to-EBITDA (Pharma)



Pre-fund raise (Mar'20)

Post-fund raise (Mar'21)

Net Debt-to-Equity → 0.9x

0.4x

Investing organically and inorganically across all our Pharma businesses



CDMO: Completed acquisition of Hemmo Pharma, a peptide API manufacturer



CDMO: Acquired solid oral dosage facility in Sellersville, Pennsylvania



CDMO: Announced investment of \$35 Mn in Riverview facility



Complex Hospital Generics: Acquired 49% remaining stake in Convergence Chemicals



India Consumer Healthcare: Using media for brand building of key products



Key strategic priorities: Pharma



Key strategic priorities: Pharma

Track record of building scalable differentiated pharma businesses with world class talent in attractive markets through profitable organic and inorganic growth

1

Delivering consistent revenue growth and improving profitability

2

Pursuing organic and inorganic growth opportunities leveraging fresh capital

- ✓ Capacity expansion across multiple sites
- ✓ Acquisitions of niche manufacturing capabilities for CDMO
- ✓ Add new complex hospital generics through in-licensing, acquisitions and capital investments
- ✓ Organically and inorganically add Consumer Healthcare products to further leverage India-wide distribution platform
- ✓ Exploring re-entry into Domestic Formulations

3

Maintaining robust quality culture across manufacturing/development facilities globally

4

Continued focus on patient needs, customer experience, and EHS initiatives



Financials

Diversified Revenue Mix

(In INR Crores or as stated)

Net Sales break-up	Quarter I ended			% Sales for Q1 FY2022
	30-Jun-21	30-Jun-20	% Change	
Financial Services	1,547	1,899	-19%	53%
Pharma	1,362	1,038	31%	47%
<i>Pharma CDMO</i>	719	614	17%	25%
<i>Complex Hospital Generics</i>	462	324	43%	16%
<i>India Consumer Healthcare</i>	181	104	73%	6%
Total	2,909	2,937	-1%	100%

Note: Pharma revenue includes foreign exchange gains/losses

Consolidated Profit & Loss

(In INR Crores or as stated)

Particulars	Quarter I ended		
	30-Jun-21	30-Jun-20	% Change
Net Sales	2,909	2,937	-1%
Non-operating other income	103	65	57%
Total income	3,012	3,003	0%
Other Operating Expenses	1,408	1,091	29%
Impairment on financial assets	-49	51	-
OPBIDTA	1,653	1,861	-11%
Interest Expenses	985	1,105	-11%
Depreciation	149	135	11%
Profit before tax & exceptional items	519	622	-17%
Exceptional items (Expenses)/Income	-15	-	-
Income tax – Current tax	135	161	-16%
DTA reversal / other one-time tax adjustments	-	-	-
Profit / (Loss) after tax (before Prior Period items)	368	461	-20%
Share of Associates ¹	165	35	373%
Net Profit / (Loss) after Tax from continuing operations	534	496	8%
Profit / (Loss) from Discontinued operations	-	-	-
Net Profit after Tax (after exceptional items)	534	496	8%

1. 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.

PEL Financial Services – Resilient QoQ performance in Q1 FY22

Key Performance Indicators: PEL Financial Services

Particulars ¹	Q1 FY22	Q4 FY21
Total AUM ²	47,181	48,891
Total Loan Book	42,754	44,668
Average Yield on Loans	13.4%	13.2% ³
Average Cost of Borrowings	10.1%	10.9%
Net Interest Margin	4.5%	3.7%
Cost to Income Ratio (CIR)	33%	45%
Provisioning as a % of total AUM	5.8%	5.7%
Gross NPA ratio (based on 90 dpd)	4.3%	4.1%
Net NPA ratio	2.2%	2.1%
ROA	2.6%	2.0%
ROE	6.7%	5.6%

Commentary on key movements

- **Total Loan Book:** Wholesale book reduction in line with the stated strategy to make the loan book more diversified and granular.
- **Cost of borrowings:** QoQ decline, driven by lower incremental borrowing costs.
- **GNPA ratio:** No significant fresh slippages or write-offs in Q1 FY22; marginal QoQ increase in the ratio primarily due to lower base amidst loan book reduction.
- **Provisioning:** Continued to maintain conservative provisions at 5.8% of total AUM.

Note: (1) Yields, Cost of funds, NIM are calculated based on loan book whereas Provisioning, GNPA, NNPA & ROA are based on total AUM

(3) Q4 FY21 yields adjusted for interest-on-interest reversal / one-off items

(2) Total AUM includes share in AIFs and investments

PEL Financial Services – Stage-wise provisioning

Particulars (<i>in INR Cr., unless otherwise stated</i>)	As on Jun-2020	As on Mar-2021	As on Jun-2021
Gross Stage 1 & 2 Assets	50,413	46,873	45,152
Provision - Stage 1 & 2 Assets	2,518	1,766	1,710
Provision Coverage Ratio - Stage 1 & 2	5.0%	3.8%	3.8%
Gross Stage 3 Assets (GNPAs)	1,278	2,018	2,028
GNPA Ratio (% of total AUM in Stage 3)	2.5%	4.1%	4.3%
Provision - Stage 3 Assets	495	1,031	1,039
Provision Coverage Ratio - Stage 3	39%	51%	51%
Net NPA Ratio	1.6%	2.1%	2.2%
Total Provisions	3,013	2,797	2,748
Total AUM	51,691	48,891	47,181
Total Provision / Total AUM	5.8%	5.7%	5.8%
Total Provision / GNPAs	236%	139%	135%

Note: Stage 1: Loans which are less than or equal to 30 days past due (dpd); Stage 2: Loans which are 31-90 dpd & cases considered under one-time restructuring; and Stage 3: Loans which are 90+ dpd



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