

PRESS RELEASE

Piramal Enterprises Limited Announces Consolidated Results for Q1 FY2022

- Resilient performance in Q1 FY22 despite headwinds due to the COVID 2nd wave; significant progress made on the DHFL acquisition -

Mumbai, India | August 6, 2021: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the First Quarter (Q1) FY2022 ended 30th June 2021.

Consolidated Financial Highlights

- **P&L Performance:**
 - Q1 FY22 revenues of INR 2,909 Cr., broadly stable year over year
 - Q1 FY22 Net Profit at INR 534 Cr., increased 8% year over year
- **Balance Sheet:**
 - Equity increased by 29% to INR 34,996 Cr. since March 2019
 - 50% reduction in Net Debt by INR 27,677 Cr. since March 2019
 - PEL Net Debt-to-Equity at 0.8x
- **DHFL Acquisition – Significant progress made in Q1 FY22:**
 - Resolution Plan received approval from NCLT and Monitoring Committee appointed in June 2021
 - Implementation of the Resolution Plan is in progress - To be completed within 90 days of NCLT approval, as per regulatory requirement

Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, *“Despite the impact of the second wave of Covid-19, we have delivered resilient performance during the quarter with Revenues at INR 2,909 Crores, Net Profit YoY growth by 8% to INR 534 Crores. We continue to maintain a strong balance sheet, with net debt-to-equity ratio at 0.8x.*

In Financial Services, our resolution plan for DHFL’s acquisition received NCLT-approval in June-2021. We are on track with the Monitoring Committee mandate for completion of this transaction within 90 days from NCLT approval. After successfully going through the recent consolidation phase, we are now transitioning from a wholesale-led to a well-diversified Financial Services business. The transition augmented by the DHFL acquisition will not only bring quantum growth in our loan book but also create a large India-wide platform that will enable us to deliver sustained growth and profitability in the years to come.

Our Pharma business continues to deliver robust performance during the quarter, with 31% YoY revenue growth, indicating the strength of our business model. In addition, post the capital raise from the Carlyle Group, we have accelerated on our two-pronged strategic growth trajectory through investments in both organic and inorganic initiatives.

While we remain cautiously optimistic for FY22, we see a strong runway for growth across both our businesses. Our immediate focus will be to effectively integrate DHFL with our Financial Services organization. Pursuant to which, we will be better positioned to announce our plan to create two separate listed entities in Financial Services and Pharma.”

Key Business Highlights	
Financial Services (FS)	Pharma
<ul style="list-style-type: none"> ▪ Growth and Diversification of Financial Services business through DHFL transaction: <ul style="list-style-type: none"> - Retail AUM expected to grow ~5x through the DHFL acquisition - Expect to become one of the top-5 HFCs in India - Share of retail loans to increase to ~50% in the near term and to two-thirds in the medium-to-long term ▪ Asset quality remained stable QoQ: <ul style="list-style-type: none"> - GNPA's (in absolute terms) remained broadly unchanged QoQ, with no major fresh slippages during the quarter ▪ Maintaining adequate provisions to manage any contingencies: <ul style="list-style-type: none"> - Maintaining conservative provisions of INR 2,748 Crores, equivalent to 5.8% of total AUM as of Jun-2021 ▪ QoQ decline in borrowing cost: <ul style="list-style-type: none"> - Average cost of borrowings declined from 10.9% in Q4 FY21 to 10.1% in Q1 FY22, which is expected to further decline to ~9.5% post the DHFL transaction ▪ Maiden retail bond issue – a step towards further diversifying the borrowing mix: <ul style="list-style-type: none"> - PCHFL raised INR 805 Crores through public issuance of NCDs in July 2021, which saw healthy participation from Retail and HNI investors ▪ Capital adequacy at 39% and net debt-to-equity at 1.6x as of Jun-2021: <ul style="list-style-type: none"> - Financial Services net debt-to-equity to increase to 2.5x post the DHFL transaction and to 3.5x in the near term 	<ul style="list-style-type: none"> ▪ Revenue grew by 31% YoY to INR 1,362 Cr. for Q1 FY2022: <ul style="list-style-type: none"> - CDMO Revenues were up 17% YoY - Complex Hospital Generics Revenues were up 43% YoY - India Consumer Healthcare Revenues were up 73% YoY ▪ Delivered EBITDA of INR 170 Cr. For Q1 FY22, up by 56% YoY <ul style="list-style-type: none"> - Better capacity utilization as the business is normalizing - Backward integration of raw materials ▪ Invested recently raised capital in both organic and inorganic growth initiatives: <ul style="list-style-type: none"> - Completed acquisition of Hemmo Pharmaceuticals for INR 775 Cr. - Riverview facility expansion of US\$ 35 Mn commenced - Aurora facility expansion of \$22 Mn near completion ▪ Other Highlights: <ul style="list-style-type: none"> - Large orders won in CDMO, including 2 orders worth >\$10 Mn each - Strong demand for Sevoflurane and injectable pain products in key markets - Using e-commerce to pilot launches and analytics to improve sales at India Consumer Healthcare business. 4 new products launched in Q1

Business-wise Revenue Performance:

Business-wise Revenue Performance				(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%
Pharma CDMO	719	614	17%	25%
Complex Hospital Generics	462	324	43%	16%
India Consumer Healthcare	181	104	73%	6%
Total	2,909	2,937	-1%	100%

Note: Pharma revenue includes foreign exchange gains/losses

Consolidated P&L:

Consolidated Financial Performance				(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%	

*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.

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 Piramal Enterprises Ltd:**

Piramal Enterprises Limited (PEL) is one of the large companies in India, with a presence in Financial Services and Pharmaceuticals. PEL's consolidated revenues were US\$1.7 Billion in FY 2021, with ~37% of revenues generated from outside India.

In Financial Services, the Company offers a wide range of financial products and solutions, with presence across both retail and wholesale financing. Within retail lending, through its multi-product platform, the Company offers home loans, loans for small businesses and loans for working capital to customers in affordable housing and mass affluent segments across Tier I, II and III cities. Within wholesale lending, the business provides financing to real estate developers, as well as corporate clients. The Company has also formed strategic partnerships with leading financial institutions such as CPPIB, APG and Ivanhoe Cambridge, etc. across various investment platforms. Piramal Alternatives, the fund management business, provides customised financing solutions to high quality corporates through – 'Piramal Credit Fund', a performing, sector-agnostic credit fund with capital commitment from CDPQ; and 'IndiaRF', a distressed asset investing platform with Bain Capital Credit, which invests in equity and/or debt across non-real estate sectors. PEL also has equity investments in the Shriram Group, a leading financial conglomerate in India.

In Pharma, the Company has a differentiated business model that is diversified across three segments: Contract Development and Manufacturing Organization (CDMO), Complex Hospital Generics (CHG) and India Consumer Healthcare. Through end-to-end manufacturing capabilities across 15 global facilities and a large global distribution network spanning over 100 countries, PEL sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services. CDMO business offers integrated solutions across the drug lifecycle - ranging from discovery clinical development to commercial manufacturing of Active Pharmaceutical Ingredients (APIs) and Formulations. The Complex Hospital Generics business markets niche inhalation anaesthesia, injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics. PEL's Consumer Healthcare business is among the leading players in India in the self-care space, with established brands in the Indian consumer healthcare market. The Pharma Business has a joint venture with Allergan, a leader in ophthalmology in the Indian formulations market. In October 2020, the company raised fresh equity from The Carlyle Group for a 20% stake in Piramal Pharma.

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

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