

PRESS RELEASE

Piramal Enterprises Limited Announces Consolidated Results for Q2 and H1 FY2022

- Completed the DHFL Acquisition; Total AUM up 42% QoQ to INR 66,986 Cr. post the merger with PCHFL
- Announced Demerger of Pharma and Simplification of Corporate Structure
- Resilient performance in H1 FY22 despite COVID-19; Normalized Net Profit at INR 1,090 Cr.

Mumbai, India | November 11, 2021: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the Second Quarter (Q2) and Half Year (H1) FY2022 ended 30th September 2021.

Consolidated Highlights

Note: P&L Performance for Q2 and H1 FY22 does not include the DHFL acquisition

- **Completed the Acquisition of DHFL and its merger with PCHFL in Sep-2021:**
 - Completed reverse merger of PCHFL with DHFL; merged entity named PCHFL
 - Creates one of the largest HFCs in India, focused on affordable housing
 - Pan-India platform with 301 branches across 24 states / UTs and ~1 million customers
 - Retail AUM up 4.3 times QoQ to INR 22,273 Cr
- **Demerger of Pharma and Corporate Structure Simplification approved by the Board in Oct-2021:**
 - To create two sector-focused listed entities in Financial Services and Pharmaceuticals
 - The pharmaceuticals business will get vertically demerged from Piramal Enterprises Limited and consolidated under Piramal Pharma Limited ('PPL')
 - PHL Fininvest, the NBFC entity, will be amalgamated with PEL to create a large listed NBFC
- **P&L Performance:**
 - Q2 FY22 revenues at INR 3,106 Cr.; H1 FY22 revenues at INR 6,014 Cr.
 - Q2 FY22 Normalised Net Profit at INR 541 Cr.; H1 FY22 Normalized Net Profit at INR 1,090 Cr.

Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, "The second quarter of FY22 was transformational for our company and has significantly strengthened the foundation to support future growth. We successfully completed the acquisition and merger of DHFL and the total AUM has grown 42% QoQ to INR 66,986 Cr. The acquisition has enabled us to diversify our loan book and scale up our retail lending portfolio through multi-product offerings that cater to the needs of the underserved customers of our country. Leveraging our data, analytics and technology capabilities, we aim to be a dominant player in the growing Tier 2-3 cities and be the lender of choice for budget-conscious customers.

Further, during the quarter, the Board of Directors approved the demerger of our pharmaceuticals business and simplification of the corporate structure. It will result in the creation of two separate listed entities in financial services and pharmaceuticals – thereby unlocking value for our shareholders. This is in line with our stated commitment as we continue to expand organically and inorganically across both the business segments. Our balance sheet strength and uniqueness of our business models sets us apart, enabling us to create long-term value for our stakeholders.”

Key Business Highlights	
Financial Services	Pharma
<ul style="list-style-type: none"> ▪ Overall AUM increased 42% QoQ to INR 66,986 Cr. post the DHFL merger <ul style="list-style-type: none"> - Retail loan book increased 4.3x QoQ to INR 22,273 Cr. as of Sep-2021 - Share of retail loans increased from 11% in Jun-2021 to 33% in Sep-2021 ▪ DHFL acquisition further improved ALM <ul style="list-style-type: none"> - Acquisition partly funded by 10-year NCDs worth INR 19,550 Cr. at 6.75% p.a. ▪ Improvement in asset quality metrics post the DHFL acquisition <ul style="list-style-type: none"> - Gross NPA ratio declined 140 bps QoQ at 2.9% - Net NPA ratio also fell 75 bps QoQ to 1.5% 	<ul style="list-style-type: none"> ▪ Revenue grew by 20% YoY to INR 2,983 Cr. for H1 FY2022: <ul style="list-style-type: none"> - India Consumer Healthcare Revenues were up 54% YoY - Complex Hospital Generics Revenues were up 26% YoY - CDMO Revenues were up 11% YoY ▪ Investing organically and inorganically across all our Pharma businesses in H1 FY22: <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

Consolidated P&L:

(In INR Crores, or as stated)

Particulars	Quarter II ended			Half year Ended		
	30-Sept-21	30-Sept-20	% Change	30-Sept-21	30-Sept-20	% Change
Net Sales	3,106	3,302	-6%	6,014	6,239	-4%
Non-operating other income	128	38	n.m.	231	103	124%
Total income	3,234	3,339	-3%	6,245	6,342	-2%
Other Operating Expenses	1,617	1,278	26%	3,025	2,369	28%
Expected Credit loss	(65)	24	n.m.	(114)	75	n.m.
OPBIDTA	1,682	2,038	-17%	3,335	3,898	-14%
Interest Expenses	963	1,156	-17%	1,948	2,260	-14%
Depreciation	153	139	10%	302	274	10%
Profit / (Loss) before tax & exceptional items	566	742	-24%	1,084	1,364	-21%
Exceptional items (Expenses)/Income ¹	(153)	39	n.m.	(168)	39	n.m.
Current Tax and Deferred Tax	103	204	-50%	238	365	-35%
Profit / (Loss) after tax (before MI & Prior Period items)	310	578	-46%	678	1,039	-35%
Minority interest						
Share of Associates ²	117	50	132%	282	85	231%
Net Profit / (Loss) after Tax from continuing operations	426	628	-32%	960	1,124	-15%
Profit / (Loss) from Discontinued operations	-	-	-	-	-	-
Net Profit after Tax	426	628	-32%	960	1,124	-15%
Normalized Net Profit	541	589	-8%	1,090	1,084	1%

Notes: (1) Includes one-time expense of INR 143 Crores related to transaction cost for acquisition of DHFL in Q2 FY22

(2) 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

Normalized net profit excludes exceptional profits/loss for the respective quarter

P&L Performance for Q2 and H1 FY22 does not include the DHFL acquisition

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 a 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.

Piramal Pharma Limited

Piramal Pharma Limited (PPL) offers a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 15 global facilities and a global distribution network over 100 countries. PPL includes: Piramal Pharma Solutions (PPS), an integrated Contract Development and Manufacturing Organization; Piramal Critical Care (PCC), a Complex Hospital Generics business, and the India Consumer Healthcare business, selling over-the counter products. PPS offers end-to-end development and manufacturing solutions through a globally integrated network of facilities across the drug life cycle to innovator and generic companies. PCC's complex hospital product portfolio includes inhalation anaesthetics, intrathecal therapies for spasticity and pain management, injectable pain and anaesthetics, injectable anti-infectives, and other therapies. The Indian Consumer Healthcare business is among the leading players in India in the self-care space, with established brands in the Indian consumer healthcare market. In addition, PPL has a joint venture with Allergan, a leader in ophthalmology in the Indian formulations market. In October 2020, the company received growth equity investment from the Carlyle Group.

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

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