

PRESS RELEASE

Piramal Enterprises Limited Announces Consolidated Results for Q3 and 9M FY2022

- Resilient performance in 9M FY22 despite COVID-19; Normalized Net Profit* at INR 1,978 Cr.
- Overall loan book grew +31% YoY to ~INR 60,600 Cr; retail AUM grew 4x YoY to INR 21,544 Cr.
- Pharma business delivered 15% revenue growth YoY and 22% EBITDA margins for Q3 FY22.
- Expect to complete the demerger in Q3 FY23, subject to various requisite approvals.

Mumbai, India | February 10, 2022: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the Third Quarter (Q3) and Nine Months (9M) FY2022 ended 31st December 2021.

Consolidated Highlights

▪ P&L Performance:

- Q3 FY22 revenues growth of 20% YoY to INR 3,816 Cr.; 9M FY22 revenues at INR 9,830 Cr.
- Q3 FY22 Normalised Net Profit growth of 14% YoY to INR 888 Cr.; 9M FY22 Normalized Net Profit at INR 1,978 Cr.

▪ Financial Services:

- Retail loan disbursements up 386% YoY in Q3 FY22 to INR 739 Cr.
- Reduction in cost of borrowings**, -180 bps YoY
- Significant progress on integration of DHFL:
 - Retained 3,000+ employees from DHFL
 - New loan origination restarted at most DHFL branches as of December, 2021
- Hiring trend to continue in FY23 as company expands retail operations pan-India, 2,000 offers rolled-out in the past 3 months

▪ Pharma Business:

- India Consumer Healthcare business at INR 545 Cr for 9M FY22, up 45% YoY and Complex Hospital Generics business at INR 1,454 Cr for 9M FY22, up 25% YoY
- Acquired minority stake of nearly 28% in Yapan Bio for Rs. 102 cr., broadening our services in biologics space
- Carrying out capacity expansion worth ~USD 130 mn across multiple sites

*Normalized profit is excluding Exceptional items (net of taxes)

**Q3 average

Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, "Q3 performance reflects the growth across both financial services and pharmaceuticals businesses. The acquisition of DHFL has been value accretive and has enabled us to achieve significant growth. It has materially given a further impetus to our business ambitions and targets. The capacity building in talent and technology, together with a robust business

expansion plan gives us the confidence to create a sustainable and profitable retail franchise in coming years.

In pharma, we have grown well, despite the logistical and supply chain constraints induced by the pandemic. We made further investments for expanding capacity in niche capabilities. Each of our pharma businesses have a compelling plan for their growth and profitability improvement in coming years.

Further, our initiative to create two distinct sector focused entities is progressing well and we expect to complete the demerger in Q3 FY23, subject to various requisite approvals.”

Key Business Highlights	
Financial Services	Pharma
<ul style="list-style-type: none"> ▪ Significant loan book growth and diversification <ul style="list-style-type: none"> - Loan book increased 31% YoY to INR 60,640 Cr. as of Dec-2021 - Share of retail in the overall loan book increased from 11% in Dec-2020 to 36% in Dec-2021 - Retail loan book increased ~4 times YoY to INR 21,544 Cr. ▪ In addition to the loan book, PEL is managing off-balance sheet securitized retail assets of INR 20,134 Cr. acquired with DHFL for a fee of ~1.6% p.a. ▪ Retail loan disbursements increased 386% YoY to INR 739 Cr. in Q3 FY22 <ul style="list-style-type: none"> - Improvement in retail disbursement yields to 12% in Q3 vs. 11.3% in Q1, driven by disbursements across products - Added ~55,000 new customers in Q3 FY22, as a result of branch re-activation and digital initiatives ▪ Asset quality of the acquired book is in line with expectations; impact of recent RBI norms has been limited <ul style="list-style-type: none"> - GNPA ratio at 3.3% as of Dec-2021 - Provisioning at 4.0% of AUM (flat QoQ) remains adequate to manage any contingencies ▪ Adequate capital available for value accretive acquisitions, as well as for organic growth with capital adequacy ratio of 26% and net debt-to-equity of 2.5x as of Dec-2021 	<ul style="list-style-type: none"> ▪ Revenue grew by 18% YoY to INR 4,561 Cr. for 9M FY2022: <ul style="list-style-type: none"> - CDMO revenues were up 10% YoY - Complex Hospital Generics Revenues were up 25% YoY - India Consumer Healthcare Revenues were up 45% YoY ▪ Revenue grew by 15% YoY to INR 1,578 Cr. for Q3 FY2022 ▪ Delivered EBITDA of INR 348 Cr. for Q3 FY22, up by 18% YoY, EBITDA margin at 22% ▪ Investments / capacity expansion in niche capabilities, etc: <ul style="list-style-type: none"> - Acquired minority stake in Yapan Bio to broaden services in biologics space - \$35 Mn HPAPIs expansion commenced at the Riverview facility in US - Investment of \$74 Mn in expansion and upgrade of ADCs/APIs capabilities at Grangemouth and Morpeth facilities in UK - Operations to commence of \$22 Mn APIs expansion at the Aurora facility in Canada in Q4 FY22 - Launched 20 new products in 9M FY22 in India Consumer Healthcare business; New products launched since Apr’20 contribute to 10% of sales

Consolidated P&L
(In INR Crores, or as stated)

Particulars	Quarter III ended			Nine Months Ended		
	31-Dec-21	31-Dec-20	% Change	31-Dec-21	31-Dec-20	% Change
Net Sales	3,816	3,169	20%	9,830	9,408	4%
Non-operating other income	251	96	161%	482	199	142%
Total income	4,067	3,265	25%	10,312	9,607	7%
Other Operating Expenses	1,653	1,266	31%	4,678	3,635	29%
Expected Credit loss	(7)	12	n.m.	(121)	87	n.m.
OPBIDTA	2,421	1,987	22%	5,756	5,886	-2%
Interest Expenses	1,294	1,012	28%	3,242	3,272	-1%
Depreciation	173	142	22%	475	416	14%
Profit before tax & exceptional items	954	834	14%	2,038	2,198	-7%
Exceptional items (Expenses)/Income ¹	0	19	-100%	(168)	59	n.m.
Current Tax and Deferred Tax	249	201	24%	487	566	-14%
Profit after tax (before MI & Prior Period items)	705	652	8%	1,383	1,691	-18%
Share of Associates	183	147	24%	465	233	100%
Net Profit after Tax	888	799	11%	1,848	1,923	-4%
Normalized Net Profit ²	888	780	14%	1,978	1,864	6%

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

2) Normalized profit is excluding Exceptional items (net of taxes)

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 (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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