

Piramal Enterprises Limited

Q3 & 9M FY2022 Results

10th February 2022



Key Highlights

**Q3 FY22 revenue growth
of 20% YoY to INR 3,816 Cr.**

**Q3 FY22 normalized net profit
growth of 14% INR 888 Cr.**

**Progressing well on
integration of DHFL and
demerger of Pharma business**

Financial Services

Loan Book growth of +31% YoY to

INR 60,640 Cr.

**Retail loan book's share at 36%, with
growth of 4x YoY to**

INR 21,544 Cr.

**Securitized off-B/S assets acquired with DHFL
(fee-earning @ ~1.6% p.a.)**

INR 20,134 Cr.

**Retail loan disbursements up 386% YoY
in Q3 FY22 to**

INR 739 Cr.

GNPA / NNPA ratio

3.3% / 1.8%

**Reduction in cost of borrowing
(Q3 average)**

-180 bps YoY

Pharma

**Pharma
9M Revenue growth**

+18%

**Pharma
Q3 EBITDA Margin**

+22%

**India Consumer Healthcare
9M Revenue growth**

+45%

**Complex Hospital Generics
9M Revenue growth**

+25%

**CDMO
9M Revenue growth**

+10%

Acquired Minority Stake in Yapan Bio

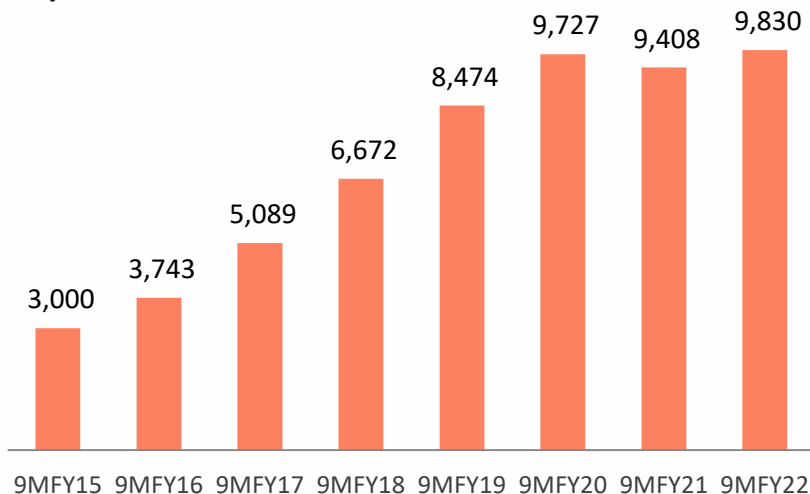
**Adding capabilities in
biologics**



Nine Months Revenue and Net Profit Trend

Total Revenues^{1,2}

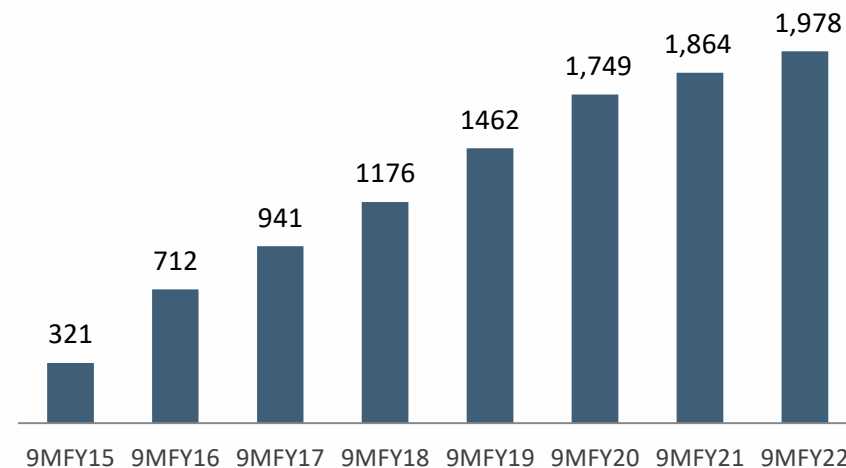
7-year CAGR: 18%



Net Profit³

(In INR Crores)

7-year CAGR: 30%



Company delivered a resilient performance in 9M FY2022, despite COVID-19 impact

Notes: (1) FY2015 results have been prepared based on IND GAAP and FY2016 onwards on Ind AS basis

(2) Revenue for prior period excludes revenue from Healthcare Insights & Analytics

(3) Net profit excludes exceptional profits/loss for the respective periods, to make them comparable to current period

(4) Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period



Demerger & Simplification of the Corporate Structure

Demerger and Simplification of Corporate Structure

Strategic Rationale



Simplifies the corporate structure: Creates two separate pure-play entities in Financial Services and Pharmaceuticals



Strengthens governance architecture: Dedicated Boards and Management teams for the two businesses



Optimal capital structure for each business



Facilitates businesses to independently pursue growth plans, organically and inorganically



Enables better understanding of each sector-focused listed entity by the analyst and investor community

Progress so far

Key Milestones	Status / Expected Timeline
<i>Board Approval</i>	
<i>Filing of Application with Stock Exchanges</i>	
<i>RBI Consent</i>	
<i>Consent from the Financial creditors</i>	<i>In progress</i>
<i>Consent from SEBI / Stock Exchanges</i>	-
<i>NCLT Approval</i>	-
<i>Listing of PPL on Stock Exchanges</i>	Q3 FY2023 (expected)

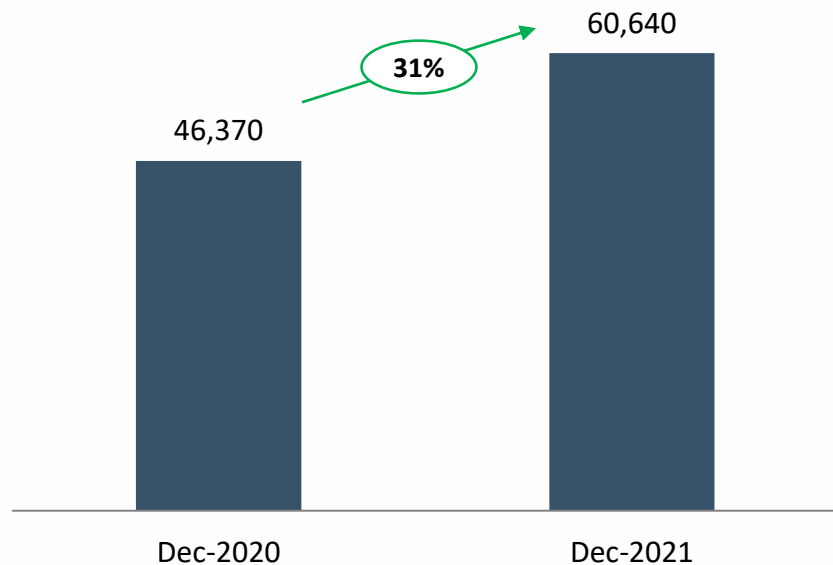


Financial Services

Growth and Diversification: Transforming into a well-diversified lender, focused on becoming retail-oriented

Significant loan book growth

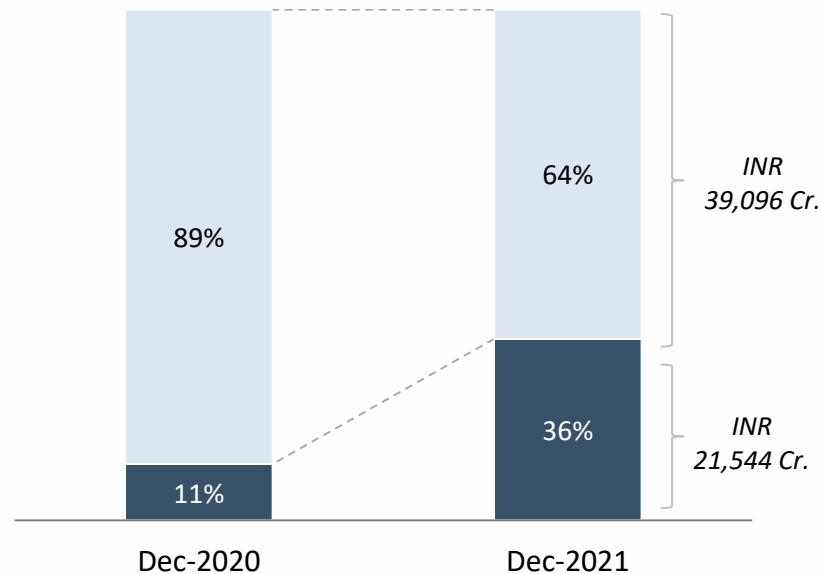
INR Cr.



Increasing loan book diversification

Loan book mix (on book), %

Wholesale Retail



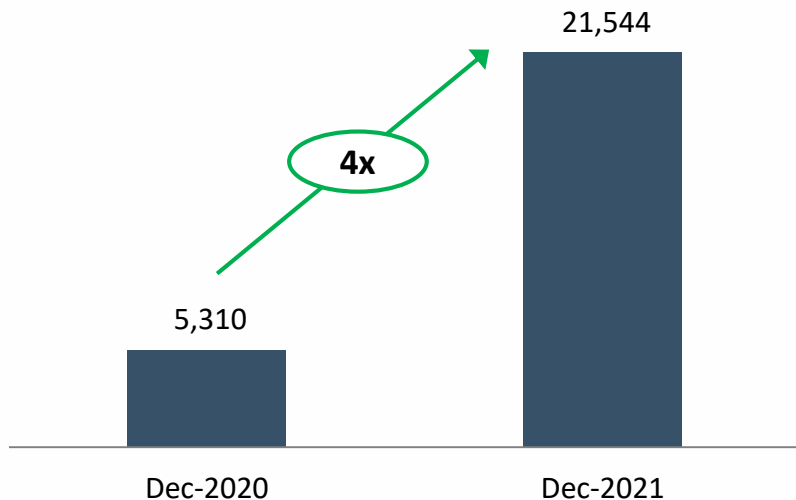


DHFL Acquisition

Total Retail AUM: An at-scale lender in the affordable segment

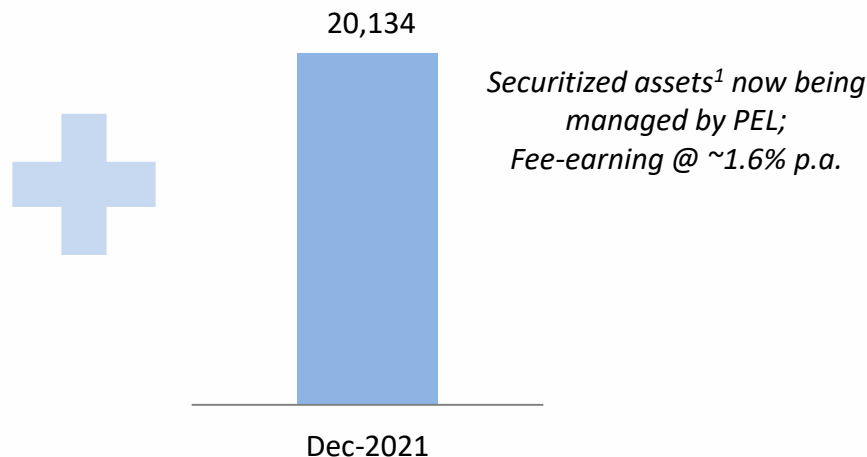
Loan book growth

Retail Loans (on-book), INR Cr.



Off-Balance Sheet Retail assets acquired with DHFL

INR Cr.

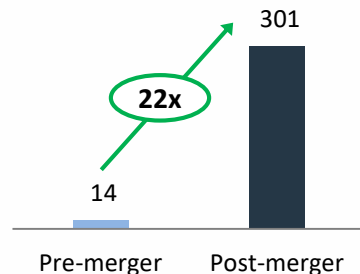


Historically, it has taken NBFCs 7-10 years to scale their retail books to INR 20,000-25,000 Cr. via the organic route

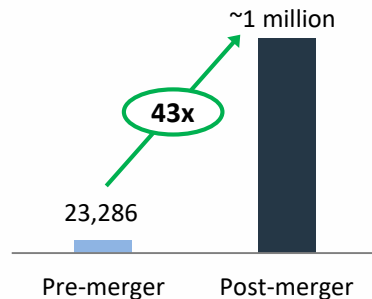
Scale: Significantly scaled-up our retail lending business

Significant increase in scale and presence

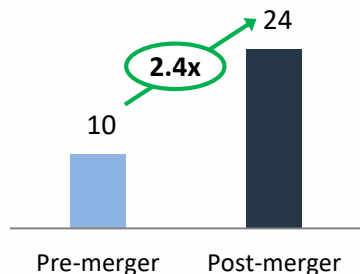
No. of branches



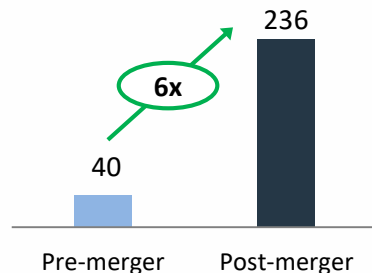
No. of customers¹



Presence in no. of states / UTs²



Presence in no. of cities / towns

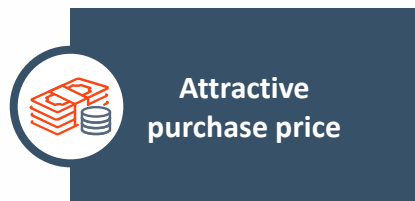


Created one of the leading HFCs in India, focused on affordable housing (with average ticket size of ~INR 16 lacs)

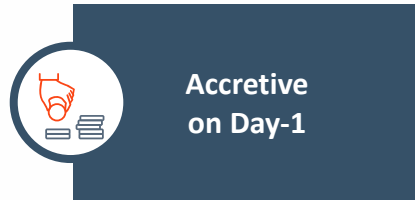
Creates an India-wide platform, to address the diverse financing needs of the under-served 'Bharat' market

Improves utilization of equity in the Financial Services business

A highly transformative and value accretive business addition



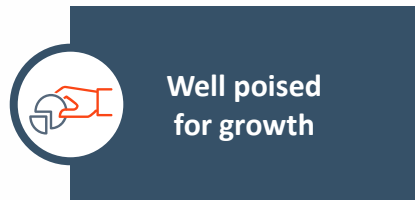
- Acquisition at **<0.4x of gross value of assets**
- Acquisition-led growth achieved **without infusing or raising additional equity**



- **Healthy spreads**, as yields on the acquired retail book are >11%, while the cost of borrowing is ~7%
- Additionally, an **off-balance sheet securitized pool of INR 20,134 Cr. generating fee of 1.6% p.a.**
- **All operating costs already incurred to build the book**



- **Consideration paid** based on fair valuation, **adequately factors in any unforeseen asset quality risks**
- **Potential upside from recoveries**



- Creates a **platform of 301 branches across 24 states / union territories, ~1 million life-to-date customers**
- Initial investments **will yield significant benefit in the mid-to-long term**

DHFL Integration: Significant progress since completion of the acquisition in Sep-2021

Integration of DHFL – Key milestones achieved

Branch reactivation



- New loan origination restarted at most DHFL branches as of Dec-2021

People



- Retained 3,000+ employees
- Management hierarchies have been rolled-out
- Harmonized grades and policies

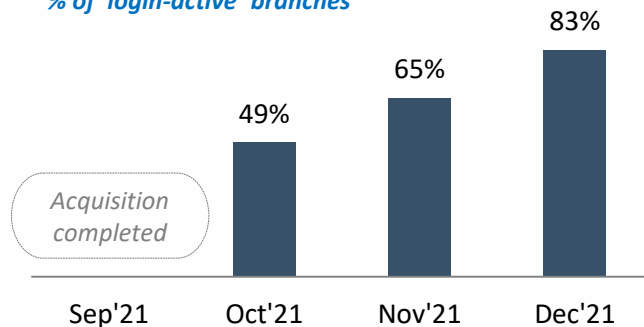
Technology



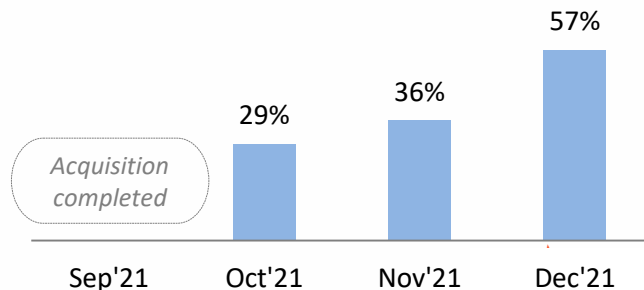
- Customer-facing digital assets are fully integrated
- Large-scale IT asset upgrade program underway for employees

Branch reactivation at DHFL

% of 'login-active' branches



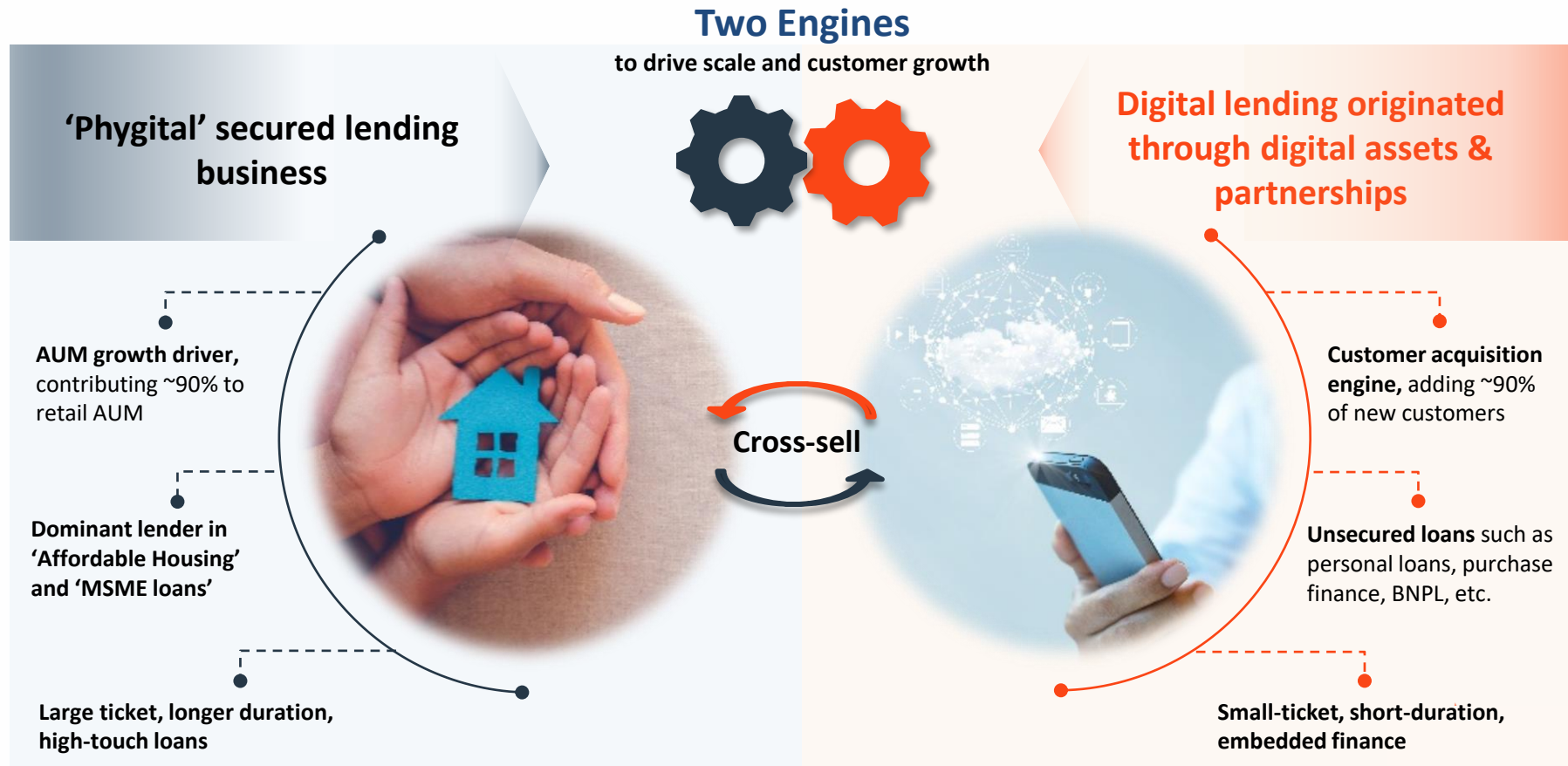
% of branches with >INR 1 Cr. in logins





Retail Lending

Strategy: Adopting a ‘twin engine’ strategy to build the retail lending business

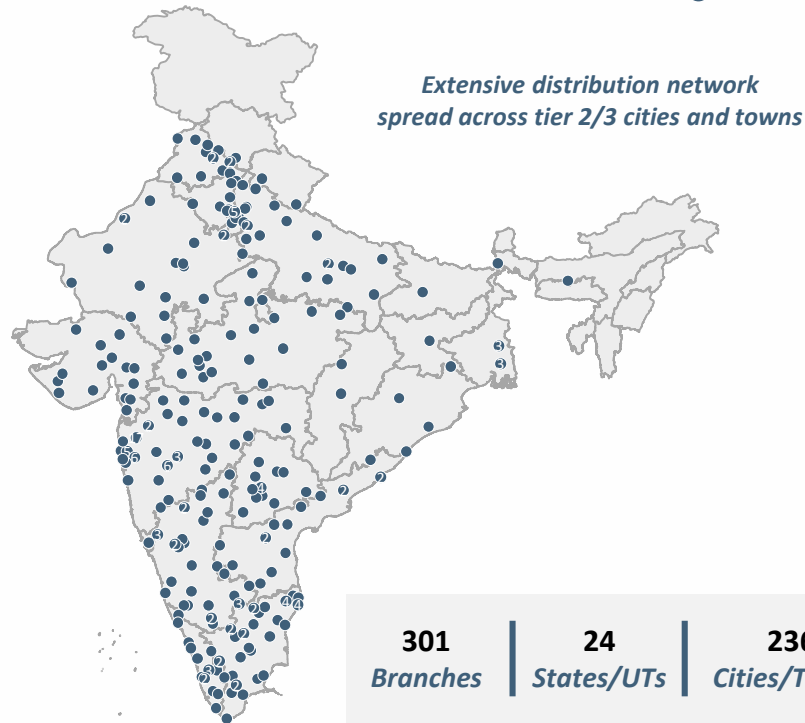


‘Phygital’ Secured Lending: Financing the needs of the under-served ‘Bharat’ market

Extensive distribution network

As of Dec-2021

● Branches



Notes: (1) Map not to scale

(2) Customer data for ‘Housing + MSME’ segments

Bridging the lending gap in the ‘Bharat’ market

Self-employed



Salaried



Small business owner



Cash salaried



58% : 42%

Self-employed : Salaried
customers

>90%

Contribution to retail AUM

Embedded Finance: Scaling-up partnerships with Fintech and Consumer Tech firms

Overview of our Digital Embedded Finance business

As of Dec-2021

10

Live partnerships

9,812

Pin-codes Serviced

26%

contribution to
disbursements in Q3 FY22

96%

contribution to customers
acquired in Q3 FY22

36 seconds

least time taken for
disbursed loan

98%

of loans provided with zero-
manual intervention

Categories in Focus



Healthcare



Education



Payments



Consumption



Merchant
commerce




Pre-owned Cars

Key Capabilities

- ✓ Highly modular, in-house developed loan origination & rule engine
- ✓ Generic API stack for easy integration
- ✓ Agile squads for rapid go-to-market
- ✓ Proprietary fraud and underwriting models
- ✓ Deep in-house collections capabilities

Continue to leverage partnerships to acquire customers at scale at low acquisition cost and enable seamless digital lending

Q3 FY22 Business Highlights: Our strategy execution is in progress

 **Rolled-out several products since the launch of our platform in Nov-2020**






 **Acquiring customers at a rapid pace – added ~55,000 new customers in Q3**

 **Strongly scaling-up disbursements – up 386% YoY to INR 739 Cr. in Q3**

 **Improvement in disbursement mix is resulting in better yields**

 **Asset quality of the acquired book is in line with expectations; limited impact of recent RBI norms**

Products: We have rolled-out several products since the launch our multi-product retail lending platform in Nov-2020

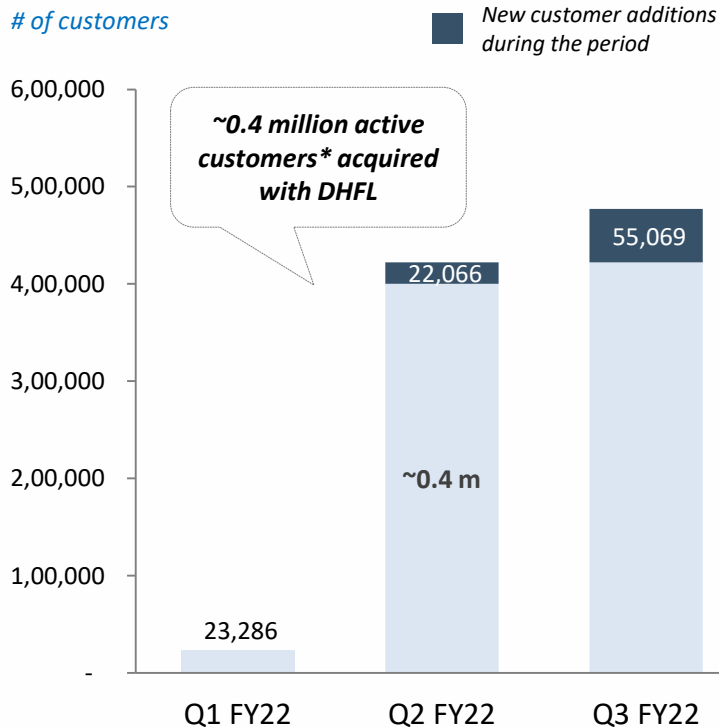
	Product Segments (Retail Lending)	Key Products (added since Nov-2020)	Average ticket size (INR lacs)	Disbursement yield (%)
‘Phygital’ secured lending	 Housing	Affordable Housing	18	11.3%
		Mass Affluent Housing		
	 MSME Secured	Secured Business Loans	20	12.4%
		Loan Against Property		
	 Used Car Loans	Pre-owned Car Loans	3.7	15.4%
Digital lending	 MSME Unsecured	Unsecured Business Loans	4.2	19.5%
		Merchant BNPL		
	 Digital Unsecured	Digital Purchase Finance	0.4	14.9%
		Digital Personal Loans		

P In partnerships with Fintech / Consumer Tech firms

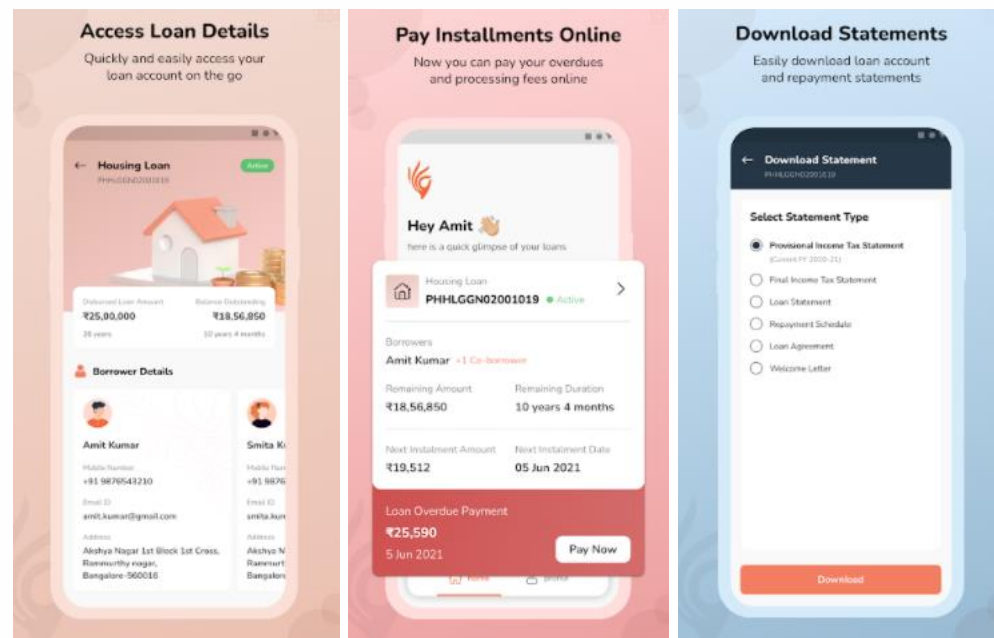
D Direct Sales

Customers: We are acquiring customers at a rapid pace through branch re-activation and digital initiatives

Active Customer Base



Launched Mobile App



One-stop shop for customers for accessing their loan account

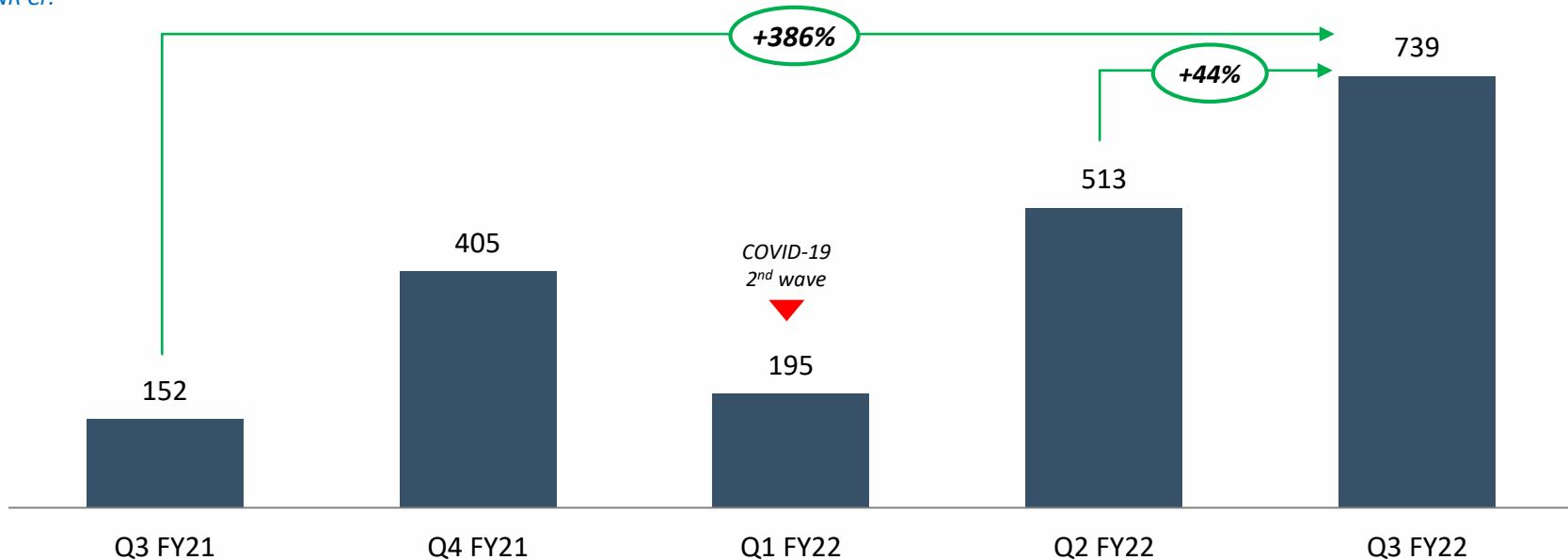
Downloaded by **50,000+** customers as of Dec-2021

* Acquired ~1mn life-to-date customers through the DHFL acquisition, of which ~0.4 mn were active customers

Disbursements: Our retail loan disbursements significantly grew by +386% YoY under the ‘twin engine’ strategy

Retail loans – Quarterly disbursements

In INR Cr.

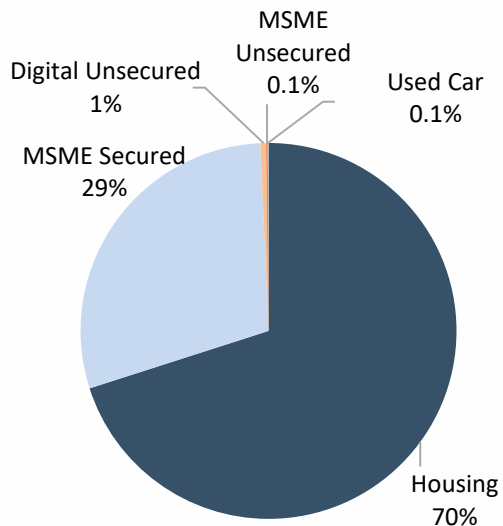


Aim to grow disbursements with significant improvement in branch productivity

Yields: Continuous improvement in yields QoQ, driven by disbursement growth across all product segments

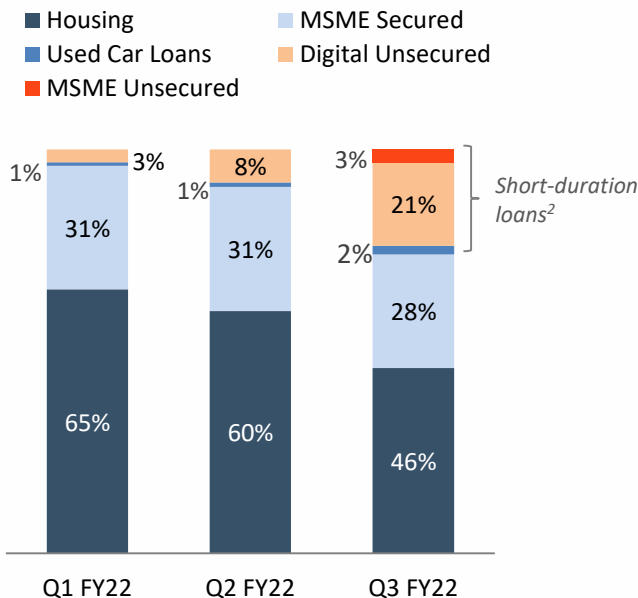
99% of Loan Book Exposure is Secured

%, based on value for retail loans (As of Dec-2021)



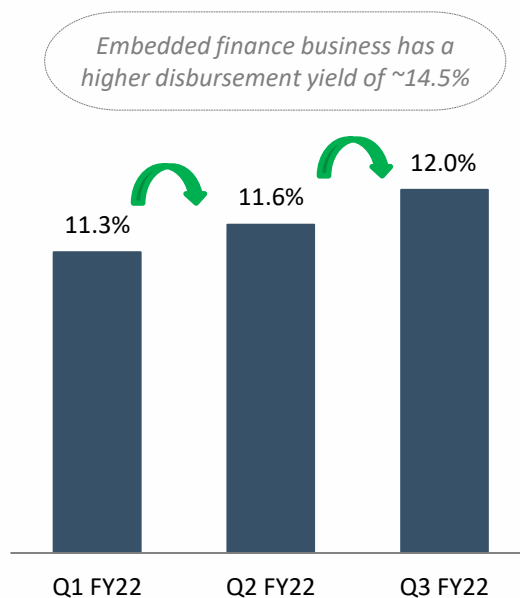
Disbursements across Product Segments

%, based on value for retail loans



Improvement in Disbursement Yield

%, for retail loans¹



Healthy mix of salaried and self-employed customers

Notes: (1) Excluding Embedded Finance

(2) Contribution of short-duration loans to overall loan book to remain modest at up to 10% in the long-term

Investing for future: We are working on several capability-building initiatives to deliver sustainable growth in the long term

People



Establishing the right team

- Assembled a **best-in-class team** over the past few quarters across various businesses
- **2,000+ job offers rolled-out post the DHFL acquisition**

Technology & Analytics



Investing in tech infrastructure

- **Significant investment in technology/analytics hires**
 - Set-up a Digital Center of Excellence (CoE) in Bangalore
 - ~200 new hires in the technology & analytics team

Scale



Branch & Network expansion

- **Plan to add 100 branches** in the next 12 months; **expand to 1,000 locations** in the mid-to-long term
- **Strong pipeline of partnerships** at various stages of business build, as we scale-up the Embedded Finance

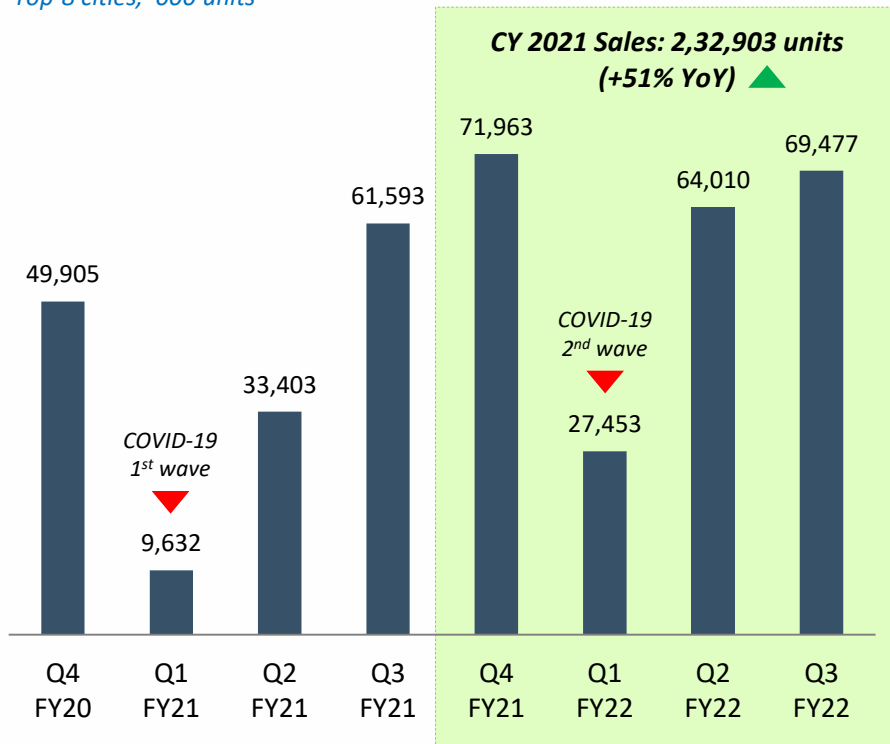


Wholesale Lending

Wholesale Credit: Aided by pick up in residential real estate and recovery of capex cycle

Residential RE Industry – Housing Units Sold

Top-8 cities, '000 units



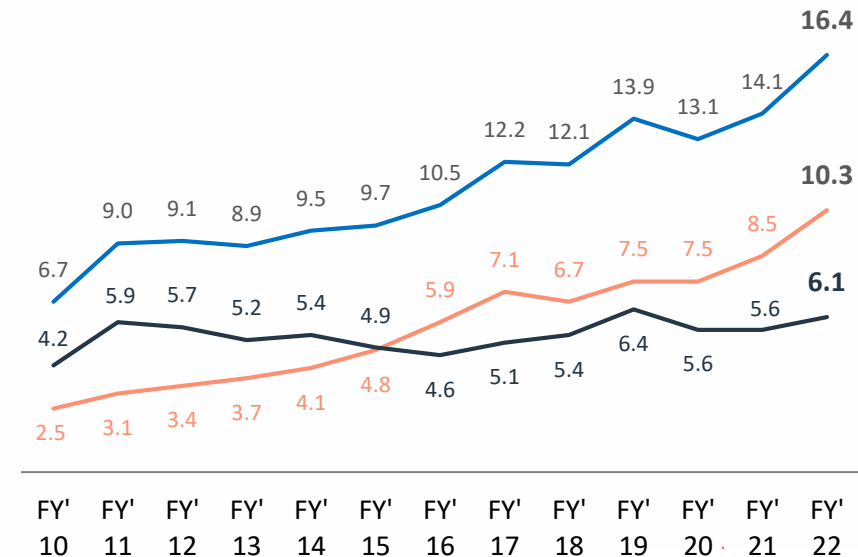
Note: (1) YTD data for FY2022, as of Nov-2021

Sources: Knight Frank, CEIC, Capitaline, I-Sec research

Revival of the capex cycle

Capex¹, INR Lakh Cr. — Centre + State Govt. — Listed Corporates — Total

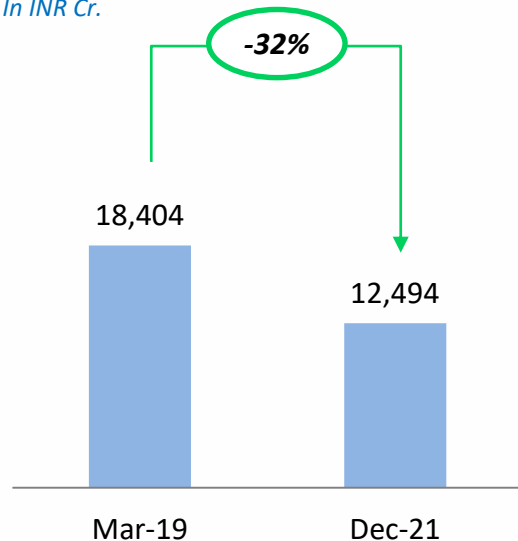
- ✓ Capex cycle and Real Estate sector are picking up well
- ✓ Government spending: FY23 budgetary capex INR 7.5 trn (+35% YoY)



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

Top-10 exposures

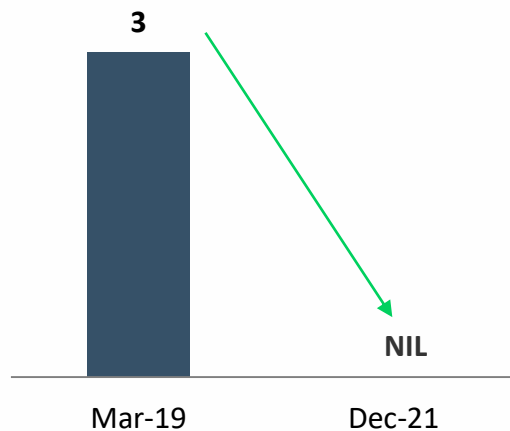
In INR Cr.



- Exposure to top-10 accounts reduced 32% since Mar-2019 (by INR 5,910 Cr.)

Single-borrower exposures

■ No. of accounts >15% of net worth



- No account exceeds 10% net worth of Financial Services

Wholesale Lending Strategy



Aim to **cater to a large addressable market**



Significant gap in the market with very **few players**



Calibrated approach, with focus on smaller loans to increase granularity



Cash flow-backed lending



High yield loans will be done under fund structure

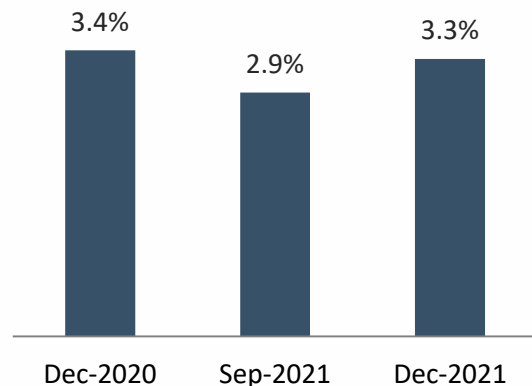


Asset Quality and Provisioning

Maintaining adequate provisions to manage any contingencies

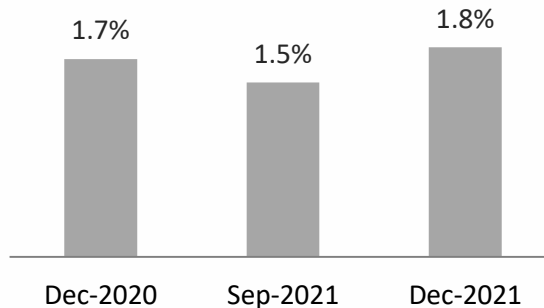
Gross NPA Ratio (as a % of AUM)

In %



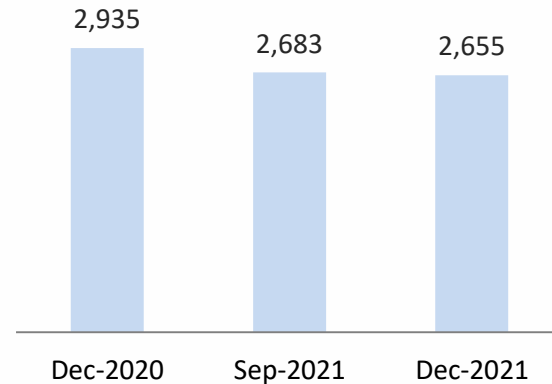
Net NPA Ratio (as a % of AUM)

In %



Total provisions

INR Cr.



■ **GNPA ratio at 3.3% as of Dec-2021**, marginally higher QoQ due to:

- Slippage of one account in the wholesale book from Stage-2 to Stage-3
- Impact of RBI's circular on NPA classification

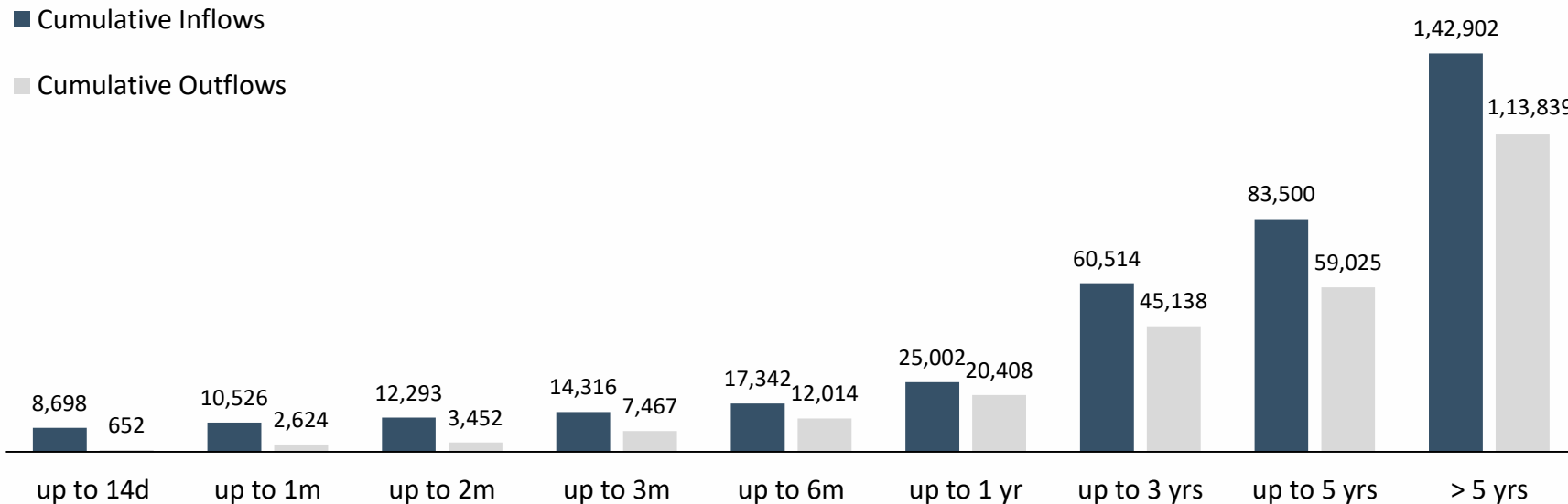
■ **Provisioning at 4.0% of AUM (flat QoQ)** remains adequate to manage any contingencies

Liabilities

Asset-liability profile

(in INR crores)

As on December 31, 2021 ⁽¹⁾



Cumulative GAP² (%)

+1,234%

+301%

+256%

+92%

+44%

+23%

+34%

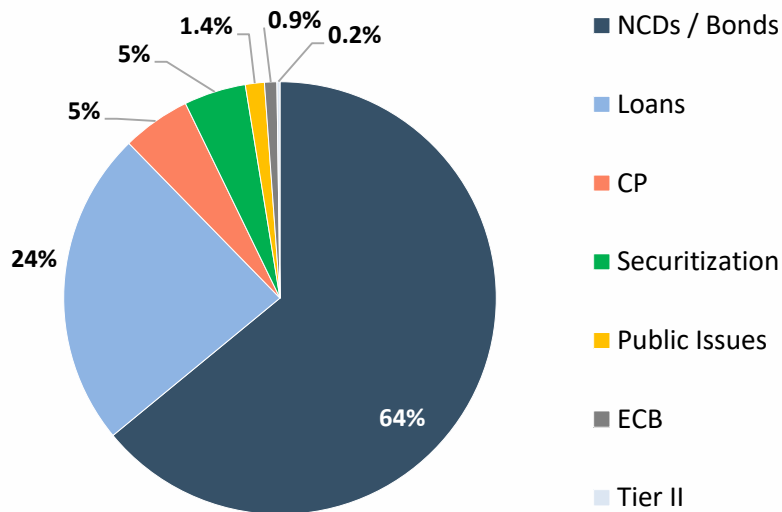
+41%

+26%

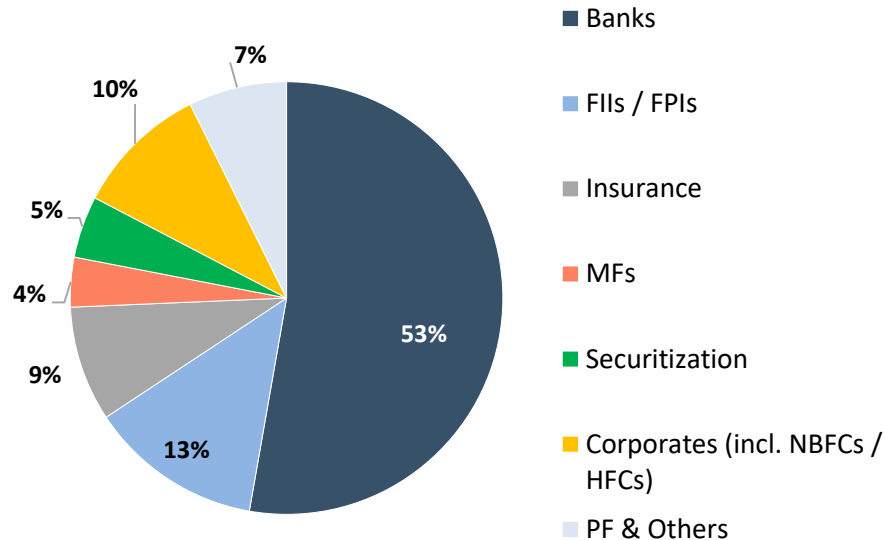
Borrowing mix – Financial Services

As on Dec 31, 2021

Breakdown of borrowing mix by type of instruments



Breakdown of borrowing mix by type of investors



Borrowing mix is further diversified through 10-year NCDs worth INR 19,550 Cr. at 6.75% p.a. for DHFL acquisition



FS Performance metrics

Financial Services: Balance Sheet Metrics

Particulars	As of Dec-2020	As of Sep-2021	As of Dec-2021
AUM ¹ (on-balance sheet)	49,860	66,986	65,792
Total Loan Book	46,370	62,215	60,640
Total Equity	17,384	17,857	18,292
Net Debt	33,145	47,717	46,113
Net Debt-to-Equity	1.9x	2.7x	2.5x
Capital Adequacy Ratio	37%	26%	26%
Provisioning as a % of total AUM	5.9%	4.0%	4.0%
Gross NPA ratio ² (based on 90 dpd)	3.4%	2.9%	3.3%
Net NPA ratio ²	1.7%	1.5%	1.8%

Adequate capital available for value accretive acquisitions, as well as organic growth

Notes: (1) On-balance sheet AUM includes share in AIFs and investments

(2) NPA ratios based on AUM (on-balance sheet)

Financial Services: P&L Performance Ratios

Particulars	Q3 FY21	Q2 FY22 ¹	Q3 FY22
Yields ^{2,3}	13.8%	12.0%	11.4%
Average Cost of Borrowings	10.9%	9.9% ⁴	9.1%
Net Interest Margin ²	5.9%	3.8%	3.5%
Cost to Income Ratio (CIR)	19%	35%	32%
ROA	3.6%	2.7%	2.6%
ROE	10.9%	7.1%	9.5%

Notes:

- (1) Q2 FY22 figures do not include the impact of the DHFL acquisition
- (2) Yields and NIMs based on AUM (on-balance sheet). Earlier, ratios were reported on loan book – yields of 13.6% for Q2 FY22 and 14.1% for Q3 FY21; and NIMs of 4.3% for Q2 FY22 and 6.0% for Q3 FY21
- (3) Q3 FY22 yield excludes fee-income from securitized assets and recoveries from DHFL's legacy retail NPA pool
- (4) 9.5% on a pro-forma basis, incl. impact of the DHFL acquisition

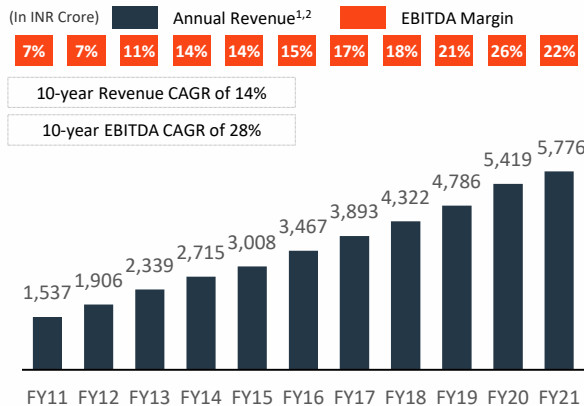


Pharma



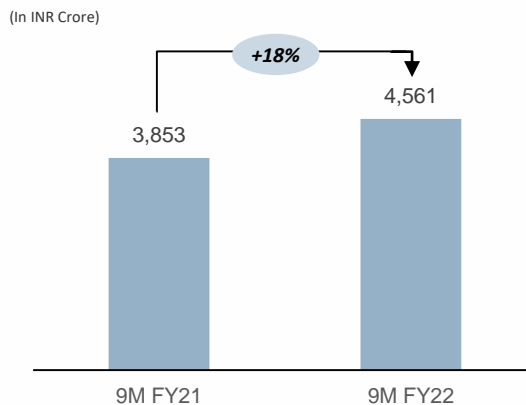
Strong Revenue Growth during 9M FY22

Long term revenue performance



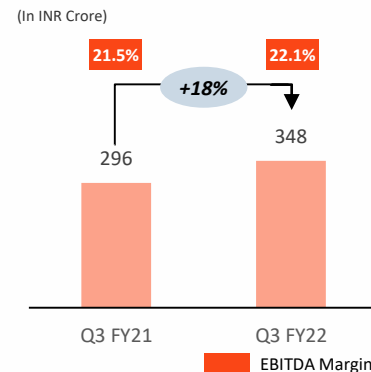
- ✓ Delivered consistent growth and EBITDA track record over the last 10 years
- ✓ Successfully cleared 36 USFDA inspections, 254 other regulatory inspections, and 1,345 customer audits since FY12
- ✓ Allergan India: Revenue of INR 365 Cr. and PAT margin at 33% for FY21

9M and Q3 FY22 performance

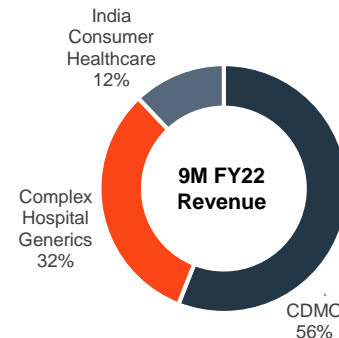


- ✓ Revenue at INR 4,561 Cr for 9M FY22, up 18% YoY; contributed 46% of PEL's overall revenue
 - **India Consumer Healthcare:** INR 545 Cr. (+45% growth)
 - **Complex Hospital Generics:** INR 1,454 Cr. (+25% growth)
 - **CDMO:** INR 2,566 Cr. (+10% growth)
- ✓ Revenue at INR 1,578 Cr in Q3 FY22, up 15% YoY
- ✓ EBITDA margin at 22% for Q3 FY22; 16% for 9M FY22 at INR 728 Cr.
 - Q4 performance likely to partly offset lower margins in H1

EBITDA



Revenue Contribution to PPL



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

(2) FY2016 - FY2022 results have been prepared based on IND AS, prior periods are IGAAAP



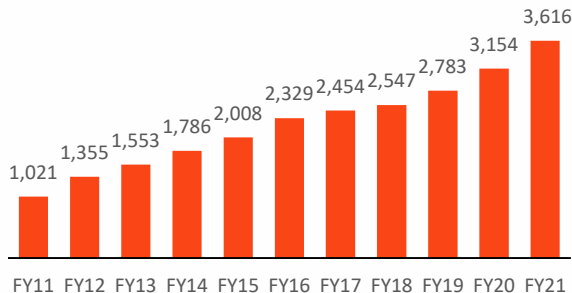
CDMO: Strategically shifting towards high value clients across niche capabilities in regulated markets

Long term revenue performance

(In INR Crore)

10-year Revenue CAGR of 13%

Market position: Among **top 3 in India** and **13th largest CDMO globally**

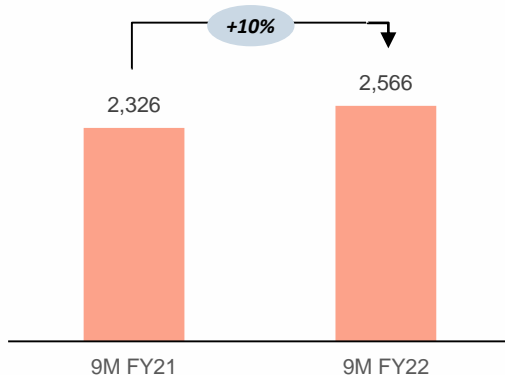


Creation of a global integrated CDMO platform

- ✓ Large end-to-end global CDMO service provider with integrated capabilities
- ✓ Blue-chip customer base served from global manufacturing platform
- ✓ Expertise in differentiated and complex technologies
- ✓ Investing in brownfield expansions at existing sites
- ✓ Targeting value accretive M&A

9M and Q3 FY22 performance

(In INR Crore)

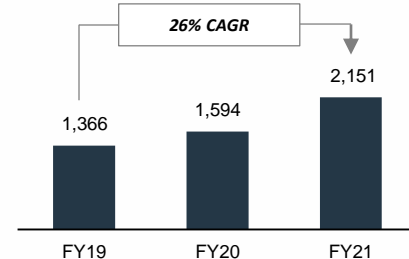


- ✓ **9M and Q3 FY22 Revenue grew 10% and 9% YoY**, respectively. Growth rate marginally impacted by:
 - Deferral of few orders by customers to Q4 FY22
 - Execution and supply chain related challenges due to COVID
- ✓ Witnessed strong demand for API and Sterile fill-finish services
- ✓ **Investments / capacity expansion in niche capabilities, etc:**
 - **Yapan Bio:** Acquired minority stake, broadening services in biologics space
 - **Riverview:** \$35 Mn HPAPIs expansion commenced
 - **Grangemouth and Morpeth:** \$74 Mn ADCs/APIs expansion announced
 - **Aurora:** Commence post \$22 Mn APIs expansion in Q4 FY22

Increasing Revenue Share from Large Clients

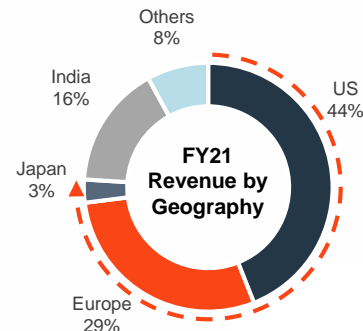
Revenue of Top 20 clients as of FY21

(In INR Crore⁽¹⁾)



Long-standing relationship of 7-10 years with ~88% customers

76% Revenue from Regulated Market

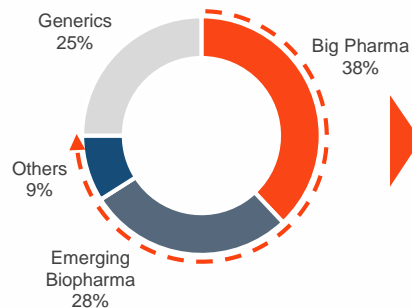


Attractive customer metrics and comprehensive range of services

Diversified blue-chip global customer base

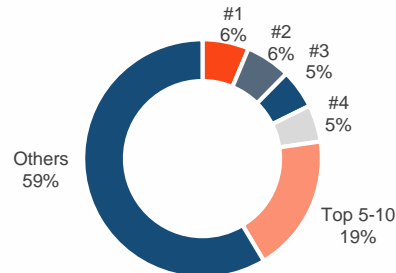
Attractive Customer Mix

FY21 Revenue



75% of Revenue from Big Pharma, Emerging Biopharma, etc.

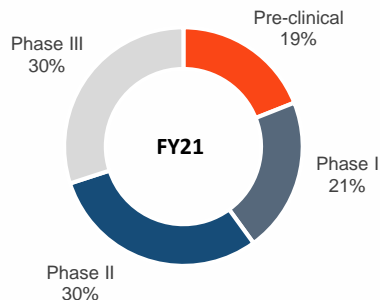
Low Revenue Concentration



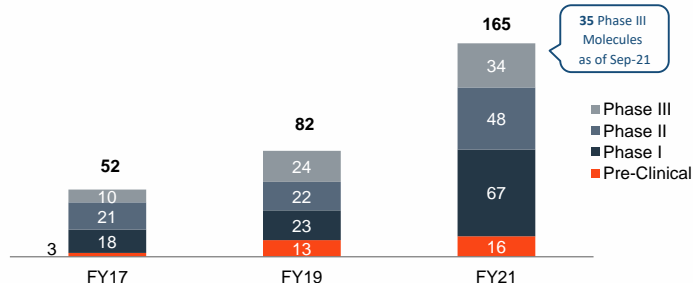
Over 500 customers including Big Pharma, Emerging Biopharma and generics companies

Projects diversified across stages of development

Balanced Development Revenue Mix Across Phases



Robust Growth in Phase-wise Projects

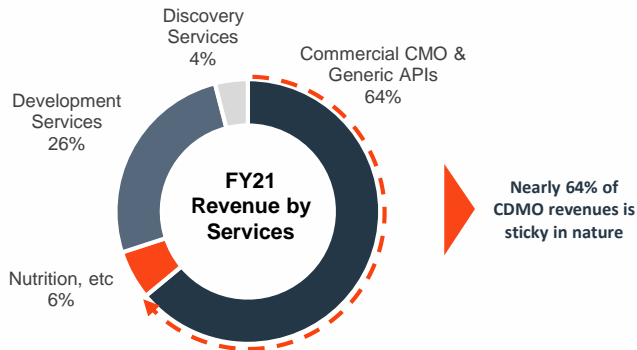


Resulted in strong growth in commercial patented products

Expected to lead to further growth in commercial products going forward

Continuing to expand presence across niche capabilities and integrated offerings

Large part of the revenue sticky in nature

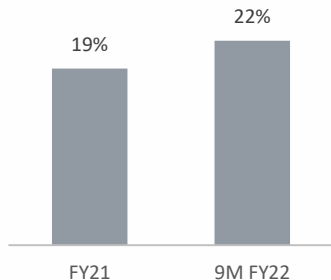


Increasing revenue contribution from niche capabilities

% Revenue from Niche Capabilities

Niche Capabilities

- Potent sterile injectables
- Highly Potent API
- Antibody Drug Conjugates
- Peptide APIs
- Hormonal OSD



Commercial products

Witnessing significant growth in products under patent and phase III molecules

1.8x

growth in number of commercial products under patent (from 9 to 16) in 2 years

3.4x

increase in number of phase III molecules (from 10 to 34) in patent development (FY17-21)

\$62mn

revenue from commercial products under patent in FY21, up from \$19mn in FY19

Integrated projects⁽¹⁾

Track record of executing over 125 projects

8x

increase in order book of integrated projects (FY17-21)

40%

of the order book is from integrated projects in FY21

1.9x

increase in number of integrated projects (from 16 in FY17 to 30 in FY21)

Oncology platform

Implementation of integrated services in oncology

65

active cancer programs, over 25 different cancers

7

integrated oncology programs

>\$5bn

three products with expected peak sales

Adding capabilities in large molecules with investment in Yapan Bio

Expanding into large molecules

Acquired minority stake in Yapan Bio, CDMO providing expertise in biologics and vaccines

- ✓ Added new technologies and capabilities in large molecules, including vaccines and gene therapy, to our global offering
- ✓ Investment of INR 102 Cr in biologics reflects our commitment to this fast-growing segment



Biologics and their accompanying development services are the **fastest growing segments**



PPL holds 27.78% equity stake in Yapan Bio



Capabilities in the development and manufacturing of **large molecules for human clinical trials**



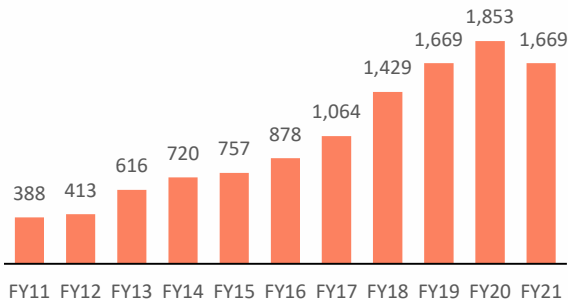
Recombinant vaccines, RNA/DNA vaccines, gene therapies, monoclonal antibodies, therapeutic proteins, and other complex biologics

Complex Hospital Generics: Significant recovery during 9M FY22

Long term revenue performance

(In INR Crore)

10-year Revenue CAGR of 16%

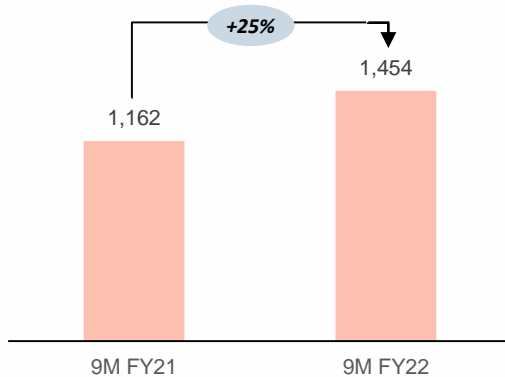
Market position: **4th largest inhaled anesthesia player globally**


Differentiated product portfolio with high entry barriers

- ✓ Large market with limited competition
- ✓ Differentiated product portfolio
- ✓ Flexible blend of direct commercialization capabilities and local partners
- ✓ Vertically integrated manufacturing capabilities and network of CMO partners
- ✓ Strategic acquisitions to enhance product basket

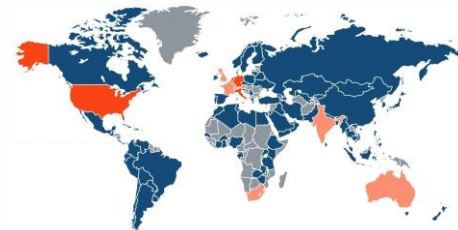
9M and Q3 FY22 performance

(In INR Crore)



- ✓ 9M and Q3 FY22 Revenue grew 25% and 23% YoY, respectively
- ✓ Witnessed strong sales of Sevoflurane and Isoflurane in US
- ✓ Maintained market share in the US for intrathecal portfolio
- ✓ Executed multiple contract extensions with major GPOs in the US
- ✓ Witnessing supply chain related constraints due to longer lead times, rising input prices and higher costs of logistics

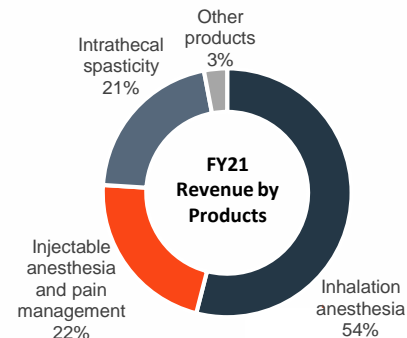
Robust commercial infrastructure



Countries with direct sales presence - 3
 Countries with direct sales presence plus distribution partners - 7
 Countries with distribution partners - 100

Distribution reach to over 100 countries across the globe

Revenue mix in CHG



Differentiated portfolio and strong pipeline of products

Differentiated portfolio spanning inhalation anesthesia and injectable

Inhalation Anesthesia

(Sevoflurane, Isoflurane, Desflurane, Halothane)



Injectable Anesthesia and pain management

(Fentanyl, Sufentanil, Alfentanil, Piritramide, Etomidate)



Intrathecal Therapy

(Gablofen[®], Mitigo[™])



Others Products

(Ampicillin, Levothyroxine Sodium, Polygeline, Glycopyrolate, Miglustat, Rocuronium, Linezolid, Dexmedetomidine and Succinylcholine)



Differentiated portfolio of **over 40 existing products**

No of products in pipeline

Approved, yet to be launched

11

Filed, yet to be approved

9

Development, yet to be filed

10+

Total products in pipeline

30+



Strong pipeline of new products, including **30+ SKU's at various stages of development & approval**

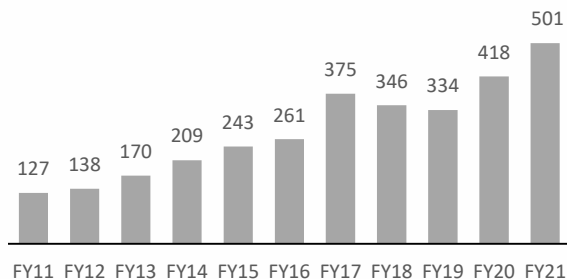
Continued robust performance in the India Consumer Healthcare Business

Long term revenue performance

(In INR Crore)

10-year Revenue CAGR of 15%

Market position: #11 rank in OTC segment in India

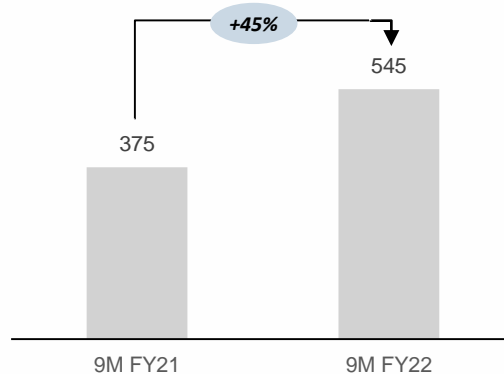


Evolution of the business to a diversified portfolio of attractive brands

- ✓ Expansive portfolio of well recognized brands
- ✓ Asset-light model with a wide distribution network
- ✓ Multi-channel distribution strategy, leveraging e-commerce
- ✓ Use of Technology and Analytics to drive growth
- ✓ Expanding product portfolio through acquisitions & new launches

9M and Q3 FY22 performance

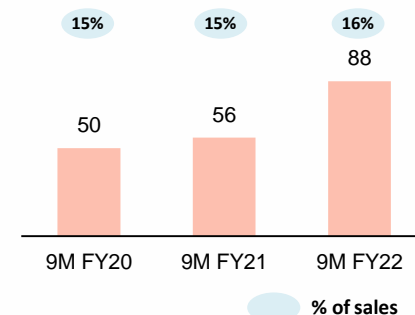
(In INR Crore)



- ✓ 9M and Q3 FY22 Revenue grew 45% and 28% YoY, respectively
- ✓ Strong performance in key brands; Tetmosol powder featured in top 10 talcum powders on Amazon
- ✓ Launched 20 new products in 9M FY22; New products launched since Apr'20 contribute to 10% of sales
- ✓ Strong focus on E-commerce, contributed 14% revenues in 9M FY22
- ✓ Launch of direct to customer website, Wellify.in
- ✓ Continued investment on brands promotion and marketing

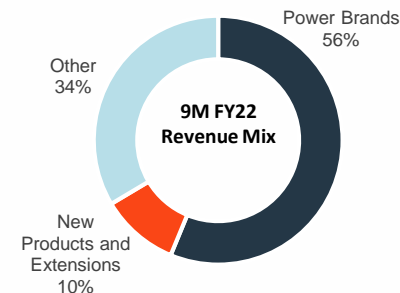
Further investing to enhance Brand Strength

Consolidated Media and Trade Spends (In INR Crore)



Revenue mix in ICH

Significant portion of revenue comes from Power Brands



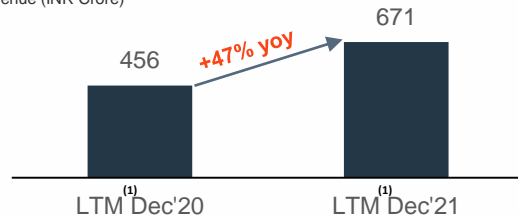
Power Brands include Lacto Calamine, Little's, Tetmosol, Saridon and Supradyn



Robust Growth during Covid-19 Led by Strategic Initiatives

Strong Growth Demonstrated Against Headwinds

Revenue (INR Crore)



1 Investing in Brand Promotion and Marketing



Kareena Kapoor
Little's



Kajal Aggarwal
Lacto Calamine



Manoj Bajpayee
Tetmosol



Sourav Ganguly
Polycrol



Yami Gautam
i-feel

2 Launched New Products

41
New Products Launched ⁽²⁾

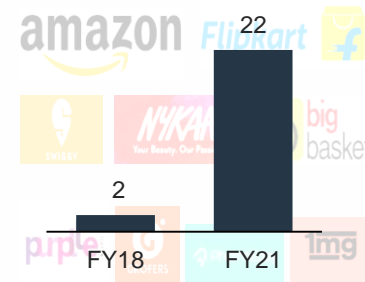


66
New SKUs Launched ⁽²⁾



3 Leveraging E-commerce to Drive Growth

No of E-commerce platform



7 Products #1 in their Product Category on Amazon





Prompt Strategic Response During Covid-19 Drove Robust Top-Line Growth

Launched direct to customer e-commerce website

Piramal's own e-commerce website, Wellify.in

Introducing
wellify.in
Piramal's own e-commerce platform is LIVE!

SHOP NOW


Little's
EXPERT BABY CARE SINCE 1990

BABY CARE & TOYS

SHOP NOW +



i-feel
Gentle Intimate Wash

INTIMATE RANGE

SHOP NOW +



ourdaily
VITAMIN E

HEALTH SUPPLEMENTS

SHOP NOW +

TRI-ACTIV



Kills 99.9% Germs, Virus & Bacteria

BUY NOW

Complete range of protection

Your little's loove **Little's**



BUY NOW



Key strategic priorities: Piramal Pharma



Key strategic priorities: Piramal 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

3

Maintaining robust quality culture across manufacturing/development facilities globally

4

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



Financials – PEL Consolidated

Diversified Revenue Mix

(In INR Crores, or as stated)

Net Sales break-up	Quarter III ended			% Sales for Q3 FY2022	Nine Months ended			% Sales for 9M FY2022
	31-Dec-21	31-Dec-20	% Change		31-Dec-21	31-Dec-20	% Change	
Financial Services	2,238	1,795	25%	59%	5,269	5,555	-5%	54%
Pharma	1,578	1,374	15%	41%	4,561	3,853	18%	46%
<i>Pharma CDMO</i>	922	846	9%	24%	2,566	2,326	10%	26%
<i>Complex Hospital Generics</i>	492	399	23%	13%	1,454	1,162	25%	15%
<i>India Consumer Products</i>	167	130	28%	4%	545	375	45%	6%
Total	3,816	3,169	20%		9,830	9,408	4%	

Note: Pharma revenue includes foreign exchange gains/losses

Consolidated Profit & Loss

(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.
Income tax						
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



Appendix

Financial Services: Stage-wise provisioning

Particulars (<i>in INR Cr., unless otherwise stated</i>)	As on Dec-2020	As on Sep-2021	As on Dec-2021
Gross Stage 1 & 2 Assets	48,153	65,035	63,633
Provision - Stage 1 & 2 Assets	2,028	1,682	1,620
Provision Coverage Ratio - Stage 1 & 2 Assets	4.2%	2.6%	2.5%
Gross Stage 3 Assets (GNPAs)	1,707	1,950	2,158
GNPA Ratio (% of total AUM in Stage-3)	3.4%	2.9%	3.3%
Provision - Stage 3 Assets	907	1,001	1,035
Provision Coverage Ratio - Stage 3	53%	51%	48%
Net NPA Ratio	1.7%	1.5%	1.8%
Total Provisions	2,935	2,683	2,655
Total AUM	49,860	66,986	65,792
Total Provision / Total AUM	5.9%	4.0%	4.0%
Total Provision / GNPAs	172%	138%	123%

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

Stage 3: Loans which are 90+ dpd

DHFL Transaction Overview

Breakdown of DHFL's Assets

Particulars <i>As of 30th Sep-2021 In INR Cr.</i>	Gross Value of DHFL's Assets ¹	Value at which assets were acquired
Loan Book	41,900	18,940
Other Loan Assets	2,774	1,337
Total AUM	44,673	20,277

Breakdown of Consideration Paid

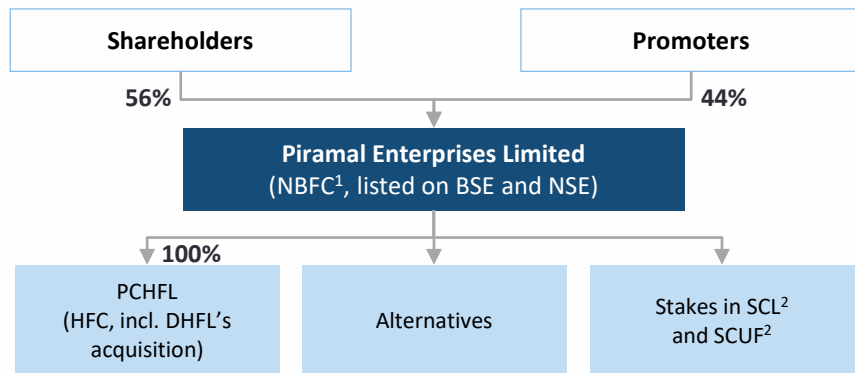
Particulars <i>As of 30th Sep-2021</i>	Amount <i>(INR Cr.)</i>
Total Consideration Paid	34,250
Less: Cash / SLR Bonds on DHFL's B/S	15,510
Add: PTCs and Other Liabilities (net of other assets)	1,537
Net Consideration Paid for FS assets	20,277
<i>Value at which DHFL assets were acquired:</i>	
Loan Book	18,940
Other Loan Assets	1,337
Total AUM	20,277

Note: Purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities

(1) Represents gross value worth INR 88,047 Crore of DHFL's assets reduced by accounts identified as fraudulent worth INR 43,374 Crore

Corporate Structure: Post demerger and simplification of the corporate structure

PEL Structure – Post-Demerger

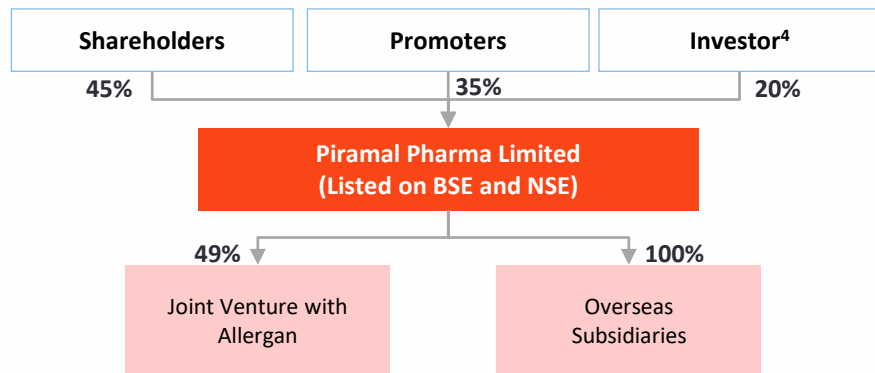


Businesses

Retail Lending	Wholesale Lending	Alternatives	Investments
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- ✓ PHL Fininvest to get merged with PEL
- ✓ PEL to become listed NBFC¹ post transfer of Pharma business
- ✓ Merged HFC, post DHFL acquisition, will remain a 100% subsidiary of PEL

PPL Structure – Post-Demerger



Businesses

CDMO ³	Complex Hospital Generics	India Consumer Healthcare	Ophthalmology
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- ✓ Pharma business will get vertically demerged from PEL and consolidated under PPL
- ✓ CCPL and HPPL to merge with Piramal Pharma to further simplify Pharma structure
- ✓ Shareholders⁵ of PEL will get 4 (four) shares of PPL for every 1 (one) share in PEL

Notes: (1) Subject to RBI approval

(2) SCL: Shriram Capital Limited and SCUF: Shriram City Union Finance

(3) Contract Development and Manufacturing Organization

(4) The Carlyle Group

(5) Record date to be determined for PEL shareholders

(6) Shareholding as of June 30th 2021

Dial-in details for Q3 & 9M FY2022 Earnings Conference Call

Event	Location & Time	Telephone Number
Conference call on 10 th February 2022	India – 6:00 PM IST	+91 22 6280 1264 / +91 22 7115 8165 (Primary Number)
		1800 120 1221 (Toll free number)
	USA – 7:30 AM (Eastern Time – New York)	Toll free number 18667462133
	UK – 12:30 PM (London Time)	Toll free number 08081011573
	Singapore – 8:30 PM (Singapore Time)	Toll free number 8001012045
	Hong Kong – 8:30 PM (Hong Kong Time)	Toll free number 800964448
For online registration	Please use this link for prior registration to reduce wait time at the time of joining the call – https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=1705444&linkSecurityString=6ea12ad74	



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