

Piramal Enterprises Limited

Q1 FY2023 Results

29th July 2022



Q1 FY2023 Key Highlights

On-track to complete the Pharma demerger and simplification of corporate structure by Q3 FY23

Q1 FY2023 Performance:
Revenues of INR 3,548 Cr.
Net Profit of INR 486 Cr.

Financial Services

Total AUM of INR 64,590 Cr. / Retail Loan book of INR 22,267 Cr.	37% YoY / 4.3x YoY
Retail : Wholesale Loan Book Mix	37 : 63
Retail loan disbursements of INR 2,459 Cr. in Q1 FY23	66% QoQ / ~13x YoY
GNPA ratio / NNPA ratio	3.7% / 1.8%
Overall Provisions as a % of AUM	6.2% (vs. 5.7% in Mar-22)
Reduction in average cost of borrowings	-130 bps YoY / -40 bps QoQ

Pharma

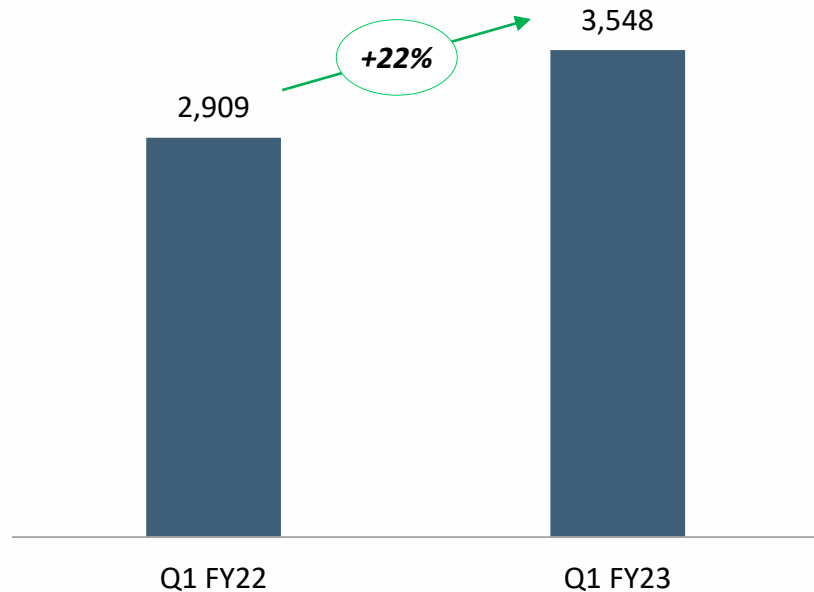
Pharma Q1 FY23 Revenue growth	9%
India Consumer Healthcare Q1 FY23 Revenue growth	17%
Complex Hospital Generics Q1 FY23 Revenue growth	10%
CDMO Q1 FY23 Revenue growth	8%
Pharma Q1 FY23 EBITDA Margin	11%
Strengthened the PPL Board	3 more Directors on-boarded



PEL Q1 FY2023 Consolidated Revenues and Net Profit

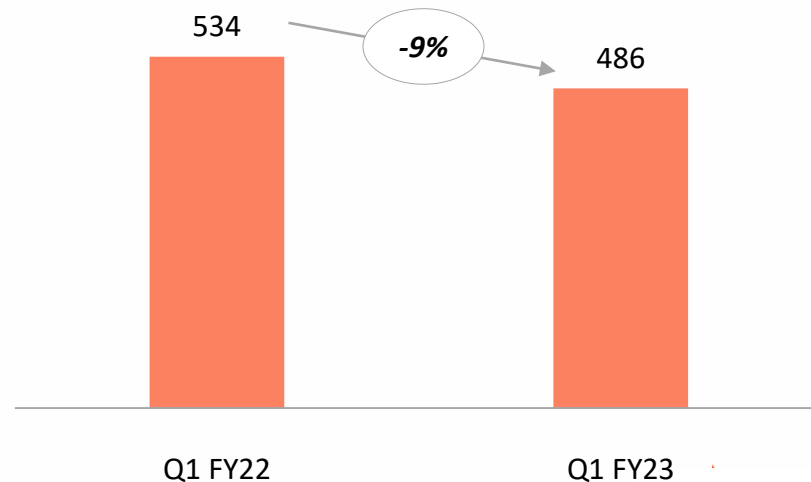
Total Revenues

In INR Cr.



Net Profit

In INR Cr.



Key Milestones: Demerger and Simplification of Corporate Structure

Key Milestones	Status / Expected Timeline
Board Approval	✓
Filing of Application with Stock Exchanges	✓
RBI Consent (on Scheme of Arrangement)	✓
Consent from the Financial creditors ¹	✓
Consent from SEBI / Stock Exchanges	✓
Approval from shareholders ¹	✓
RBI Approval (for NBFC license to PEL)	✓
NCLT Approval	-
Listing of PPL on Stock Exchanges	Q3 FY2023 (expected)

Demerger and subsequent listing of PPL on the Stock Exchanges is expected to be completed by Q3 FY2023²

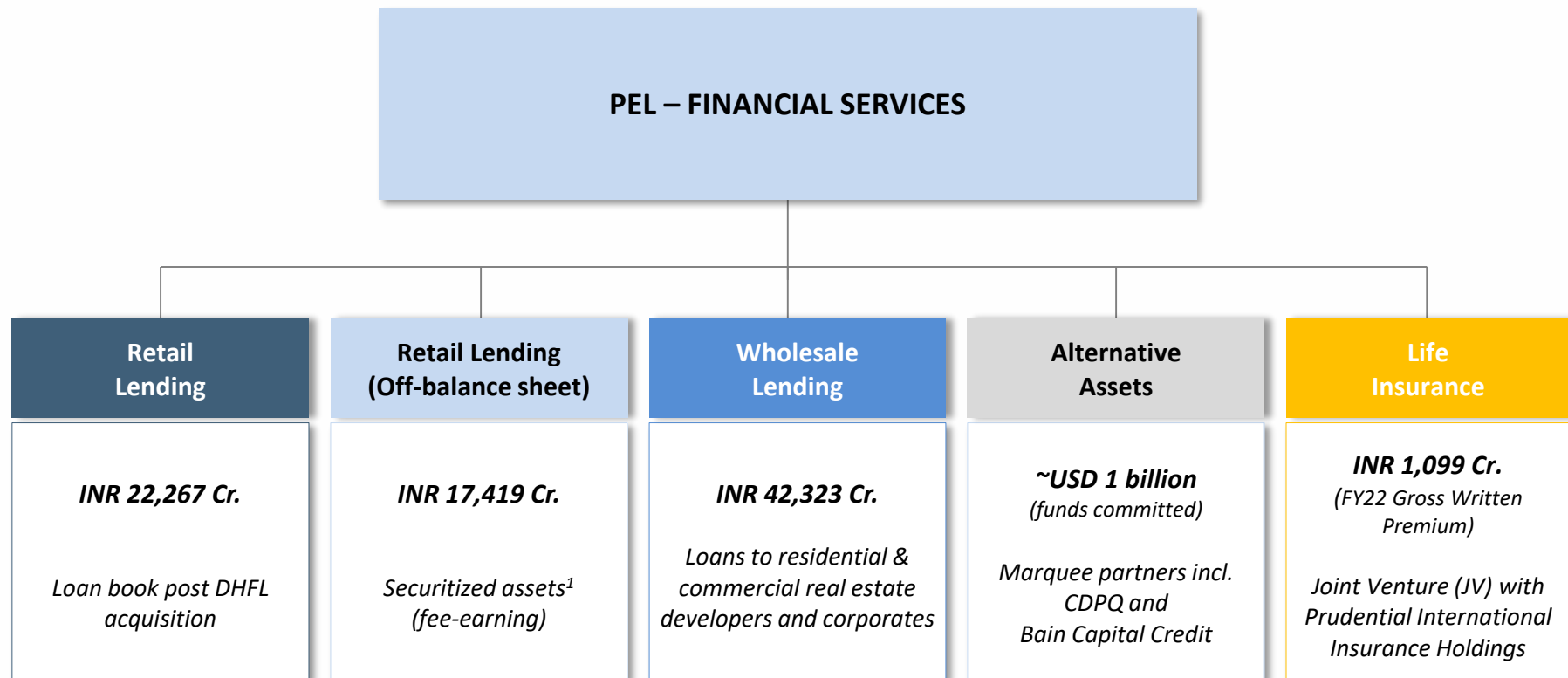
Note: (1) Convened meetings of Equity shareholders, Secured Creditors and Unsecured Creditors on 5th July 2022 for approving the Scheme of Arrangement, as ordered by the Hon'ble NCLT
(2) Subject to regulatory approvals



Financial Services

Financial Services: Business overview

As of Jun-2022

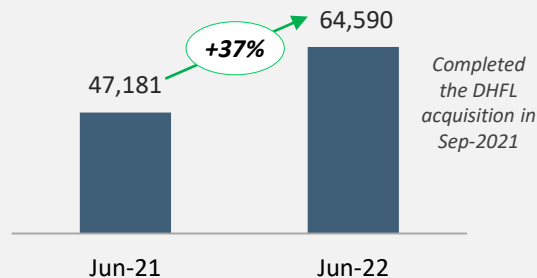


Note: (1) Acquired with DHFL and now managed by PEL

Balance Sheet and P&L Performance: FS Lending

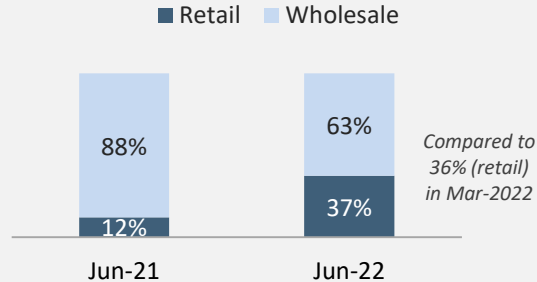
AUM

In INR Cr.



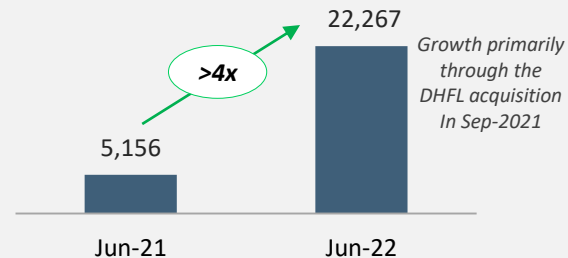
Loan Book Mix

In %



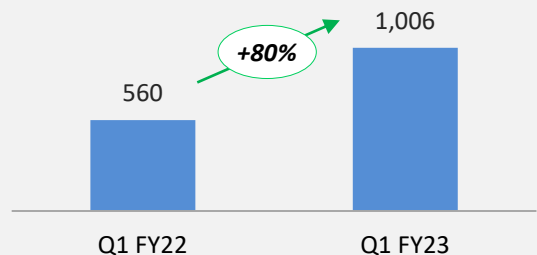
Retail Loans

INR Cr.



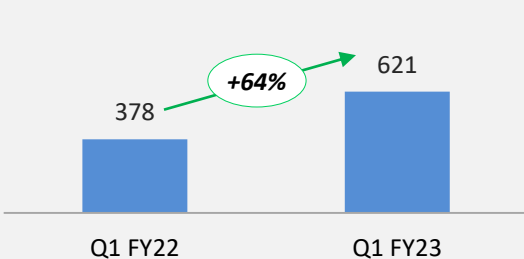
Total Income, net of interest expenses

In INR Cr.



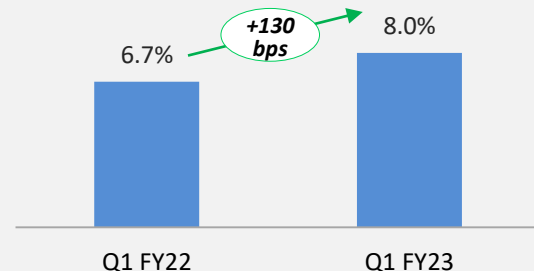
Pre-provision Operating Profit (PPOP)

In INR Cr.



Return on Equity (profit after tax)

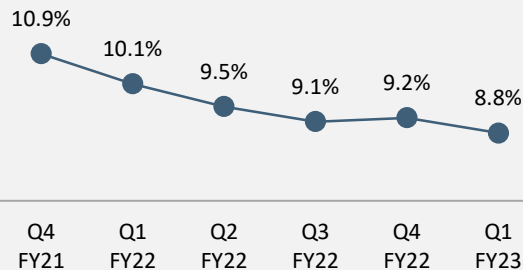
In %



Robust Liability Management

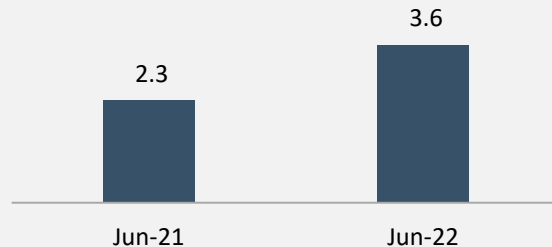
Average cost of borrowings

In %, for PEL Financial Services



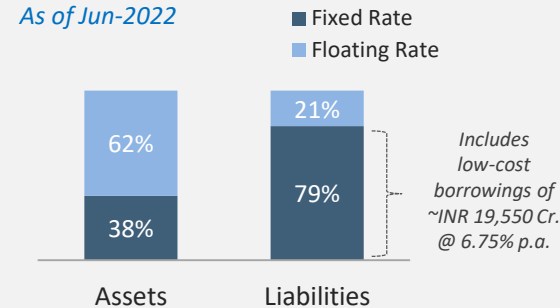
Average maturity of borrowings

In years, weighted average on a residual basis



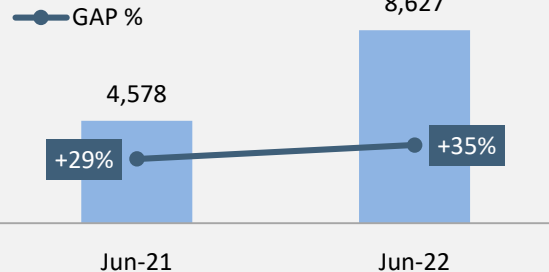
Fixed : Floating rate mix

As of Jun-2022

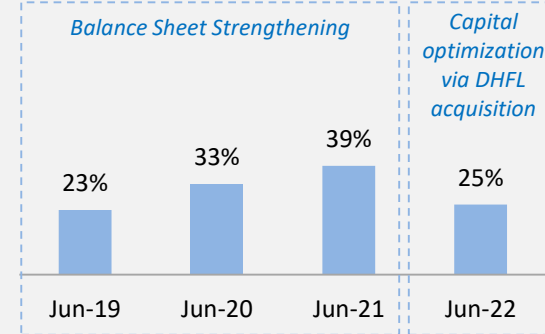


Cumulative ALM GAP¹ (up to 1-year)

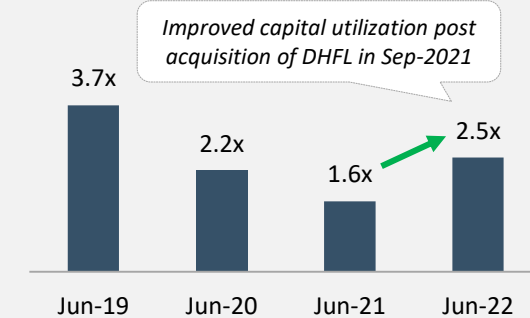
In INR Cr., period-end



Capital Adequacy Ratio



Net debt-to-equity

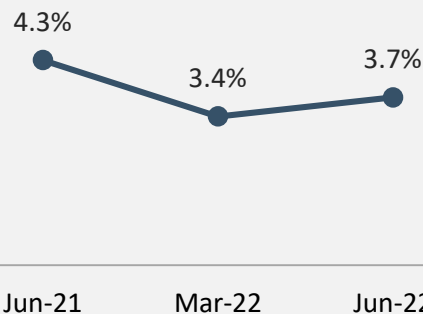


Notes: (1) Cumulative GAP = Cumulative inflows up to 1-year – Cumulative outflows up to 1-year (2) GAP (%) = Net flows (i.e. cumulative inflows – cumulative outflows) as a % of cumulative outflows

Asset Quality and Provisioning Trends

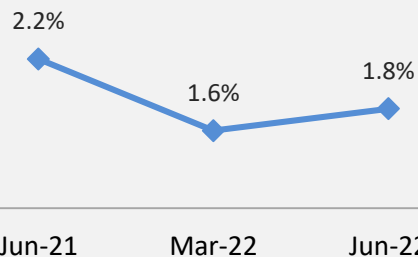
GNPA ratio

In %



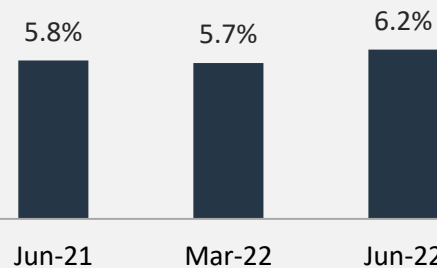
NNPA ratio

In %



Provisioning as a % of AUM

In %



- Marginal QoQ increase in GNPA and NNPA ratios vs. Mar-2022, primarily due to movement of one wholesale account from Stage-2 to Stage-3
- Total provisions increased to 6.2% of overall AUM from 5.7% as of Mar-2022, on account of:
 - Progressing towards monetization of few wholesale exposures, in line with our strategy to make our book more retail-oriented
 - Increase in regular ECL provisioning in line with retail loan book growth

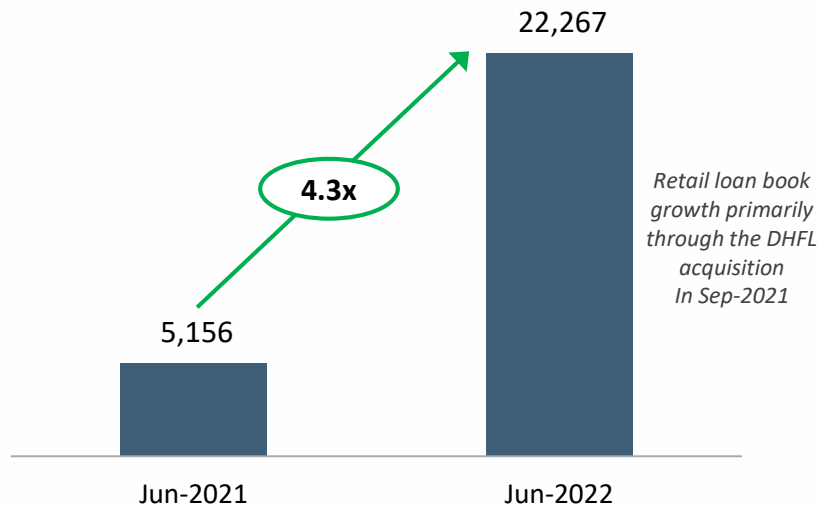


Retail Lending

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

Retail loan book growth

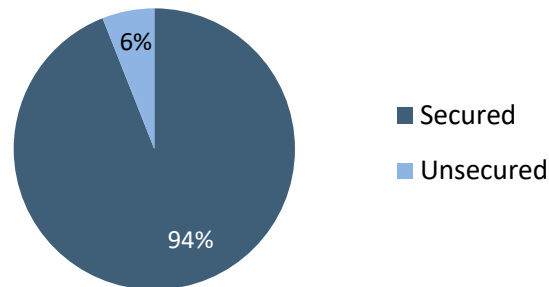
INR Cr.



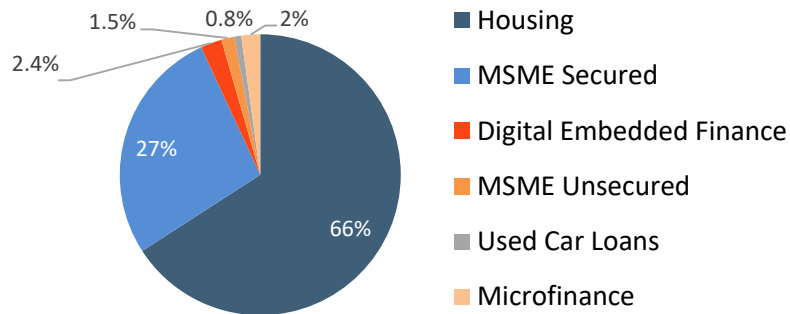
Note: In addition to the loan book, the business manages INR 17,419 Crores of securitized, fee-earning assets¹

Note: (1) Includes Direct Assignment deals and Pass-Through Certificates / Security Receipts

Breakdown of loan book by category



Breakdown of loan book by product segment



Launched the Microfinance business in Q1 FY23



Disbursements: Strong disbursement growth of 66% QoQ and 12x YoY in Q1 FY23

Retail loans – Quarterly disbursements

In INR Cr.

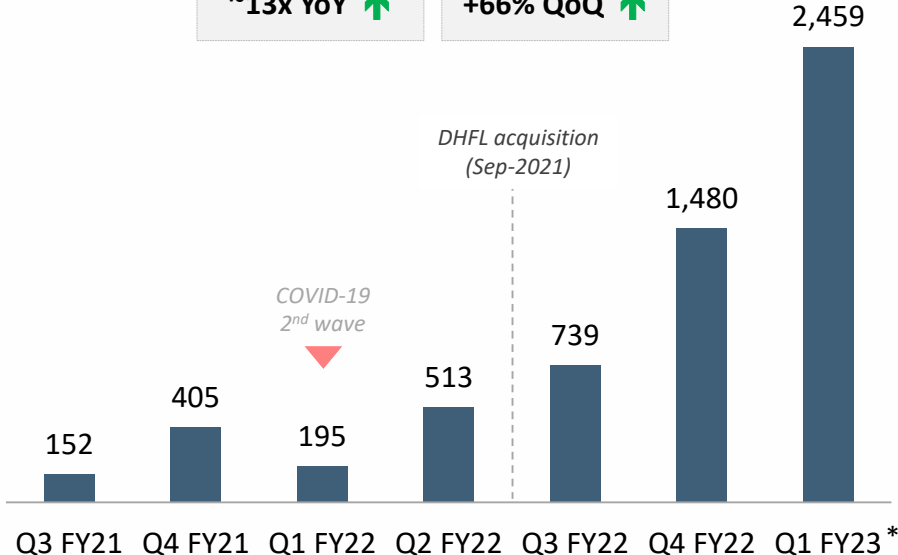
Q1 FY23 Performance:

~13x YoY

+66% QoQ

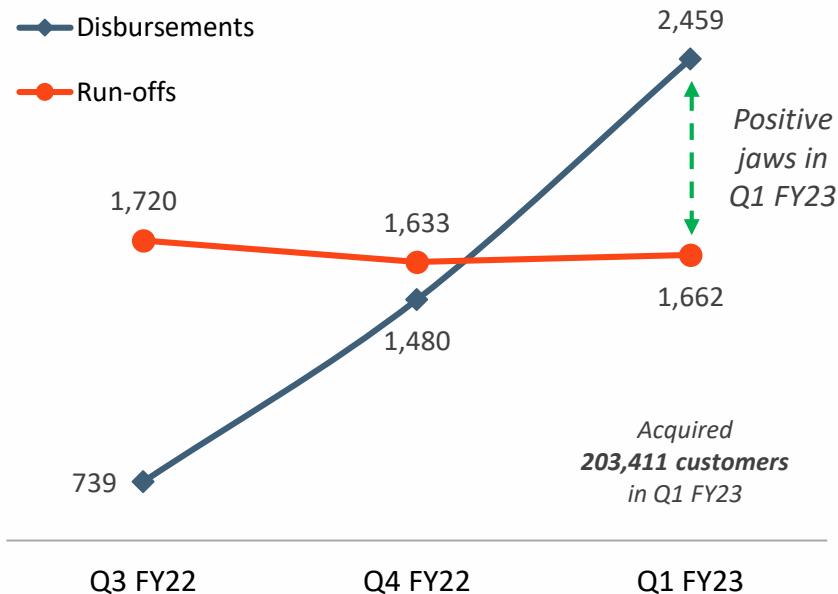
DHFL acquisition
(Sep-2021)

COVID-19
2nd wave



Retail disbursements vs. run-offs**

In INR Cr.



Marginally ahead of our guidance to achieve disbursements of INR 2,500-3,500 Cr. in Q3 FY23 (i.e. 5-7x of pre-merger levels)

* Includes pool purchases

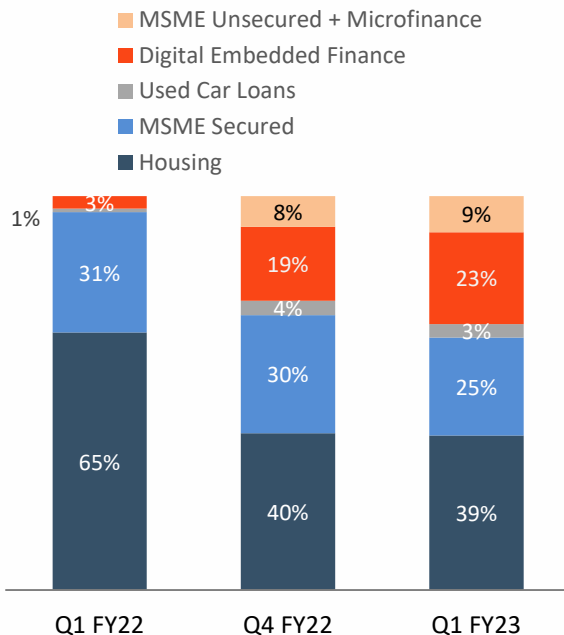
** Including scheduled payments



Yields: Disbursement yields continue to improve QoQ

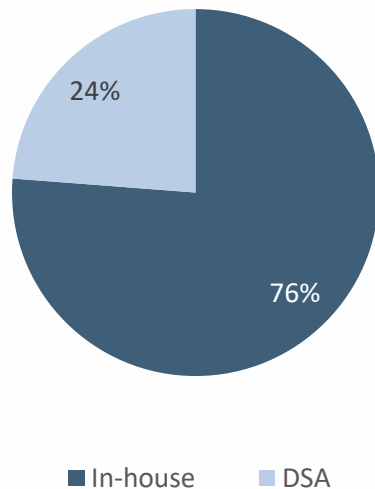
Disbursements across product segments

%, based on value for retail loans



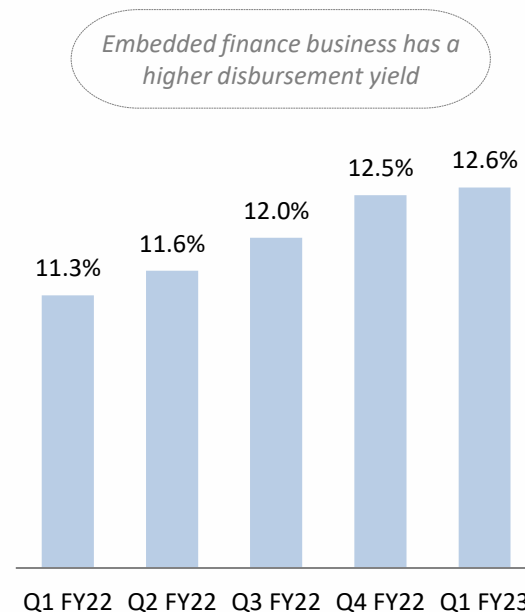
Disbursement origination

%, based on value for retail loans



Rising disbursement yields

%, for retail loans (excl. embedded finance)










Healthy disbursement mix across product segments resulting in improved yields

Note: Data pertaining to organic disbursements / growth



Products: A multi-product retail lending platform across the risk-reward spectrum

	Product Segments (Retail Lending)	Products	Avg. disbursement ticket size (INR lacs)	Disbursement yield (%)	Share in disbursements (%)
 'Phygital' lending	 Housing	Affordable Housing Mass Affluent Housing	17	11.3%	39%
	 MSME Secured	Secured Business Loans Loan Against Property	21	12.0%	25%
	 Microfinance NEW	Microfinance Loans	0.3	25%	0.1%
	 Used Car Loans	Pre-owned Car Loans	4	14.3%	3%
	 MSME Unsecured	Unsecured Business Loans Merchant BNPL	6	19.6%	9%
	 Digital Embedded Finance	Digital Purchase Finance Digital Personal Loans	1.4	14.3%	23%
Weighted Avg. / Total			12.5	13.1%	100%

Expanded our product offering in Q1 FY23 with the addition of microfinance loans

Note: Data pertaining to organic disbursements / growth

Microfinance: Launched in Q1 FY2023 through the Business Correspondent (BC) model

Launched Microfinance lending during the quarter



Started in May-2022 from Jhunjhunu, Rajasthan



'Phygital' model with video + AI-driven underwriting through BC partner



Part of our strategy to **address the financing needs** of the under-served **'Bharat' market**

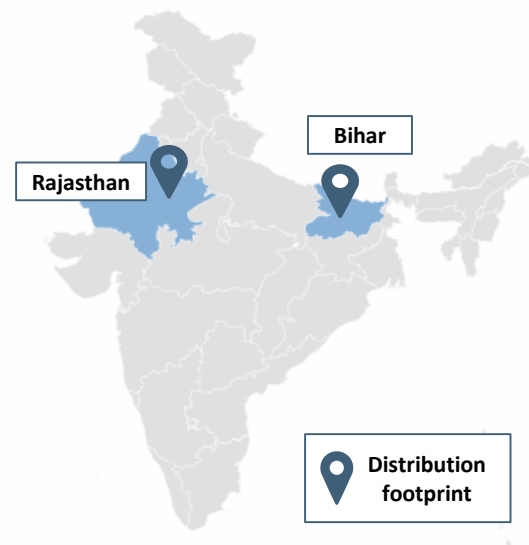


Compliant with the latest RBI regulations

Note: Data pertaining to organic disbursements / growth

Microfinance-BC: Key Highlights

As of Jun-2022



21

Active Microfinance
branches

INR 2 Crores

Q1 FY23 disbursements
(since launch in May-22)

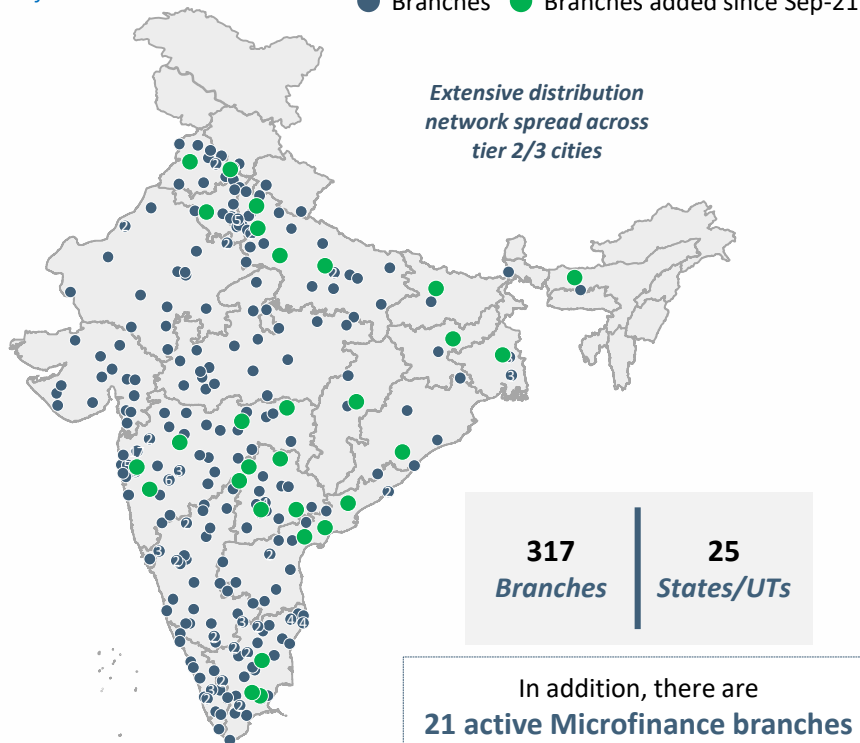


Distribution: Further expanded our branch network and presence in Q1 FY2023

India-wide distribution network (excl. Microfinance-BC branches)

As of Jun-2022

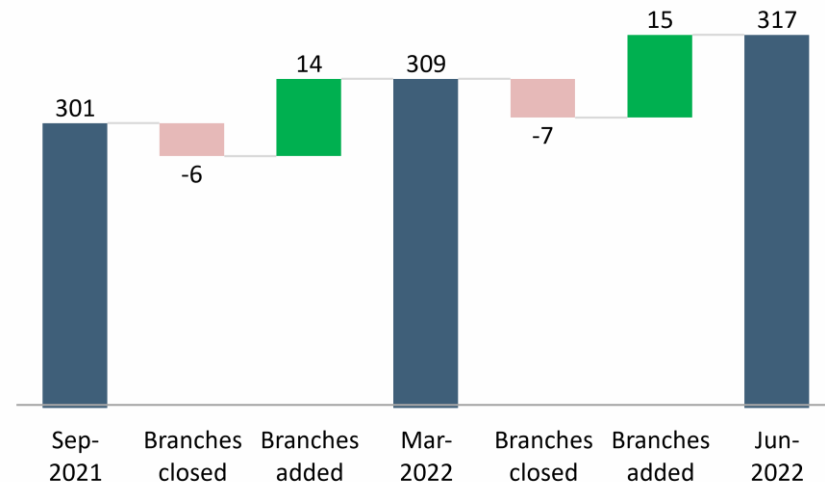
● Branches ● Branches added since Sep-21



Note: Map not to scale

Branch additions since the DHFL acquisition in Sep-2021

No. of branches, excl. Microfinance-BC branches

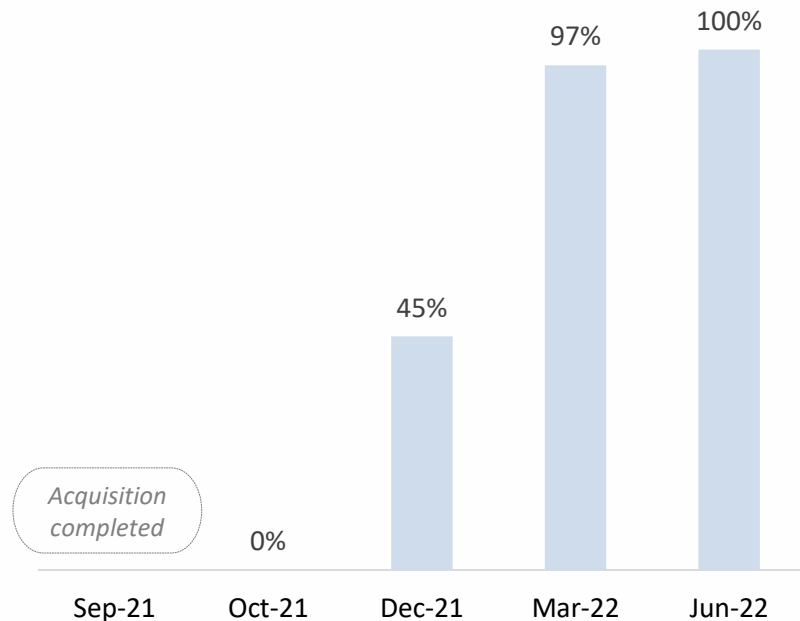


- **Branches:** Add 100 branches in FY2023; expand to 500-600 branches with presence in ~1,000 locations in 5 years
- **Microfinance-BC branches:** Activate nearly 100 Microfinance branches across 4-5 states in the near-to-medium term

Branch activation: All DHFL branches activated; focusing on optimization and productivity

Branch activation at DHFL

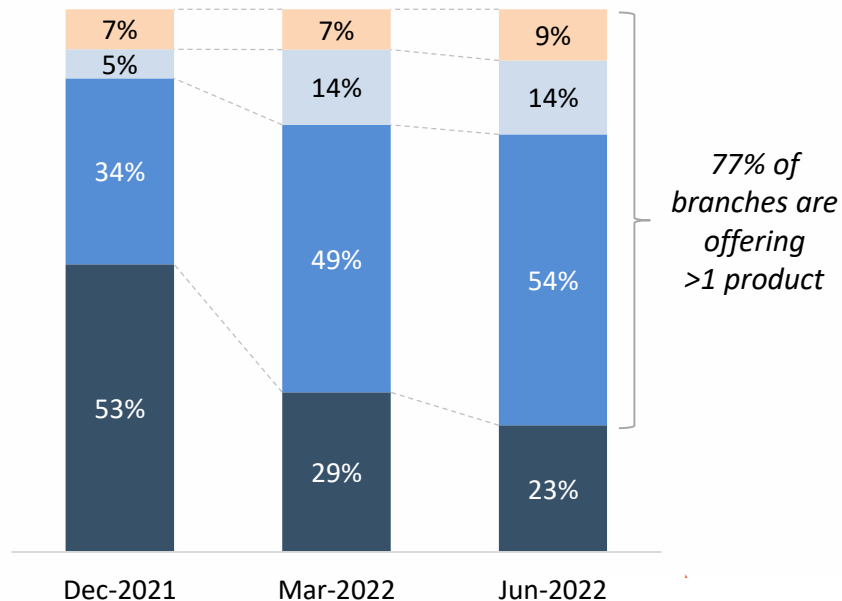
% of 'disbursement-active' branches



Breakdown of branches by no. of products sold

% of branches

Product count by branches: 1 2 3 4

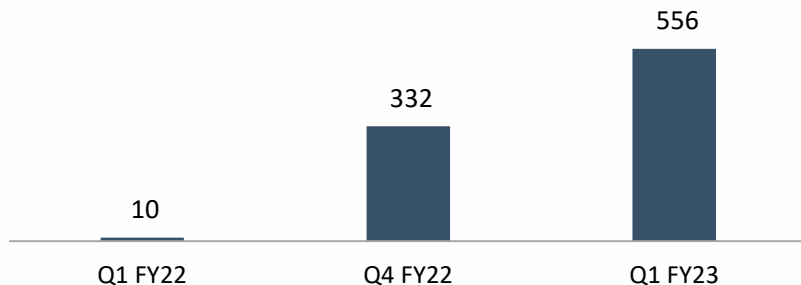




Digital Embedded Finance: Scaling-up partnerships with Fintech and Consumer Tech firms

Quarterly disbursements

In INR Cr.



Key highlights:

16

Programs launched

10,353

Pin-codes Served

93%

share of customers acquired (Q1 FY23)

23%

contribution to disbursements (Q1 FY23)

36 seconds

least time taken for disbursed loan

98%

loans with zero-manual intervention

Categories in focus for Embedded Finance solutions



Consumer
Fintech



Pre-owned
Cars



Education



Healthcare



Merchant
Commerce



Digital Personal
Loans



Gold
Loans



OEMs

Key Capabilities



Highly modular, in-house developed loan origination & rule engine



Generic API stack for easy integration



Agile squads for rapid go-to-market and scale up



Proprietary fraud and underwriting models



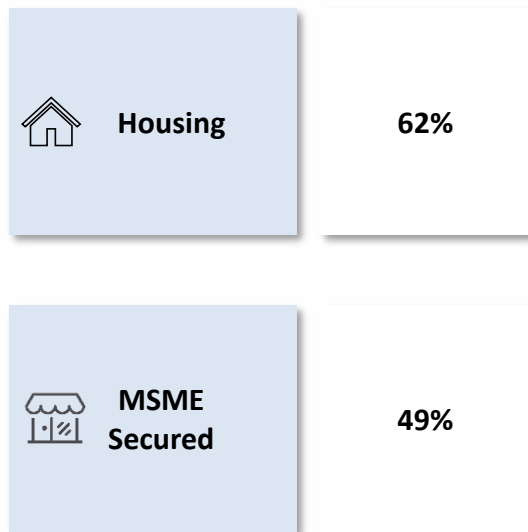
Deep in-house collections capabilities

Asset Quality: Retail Portfolio

As of Jun-2022

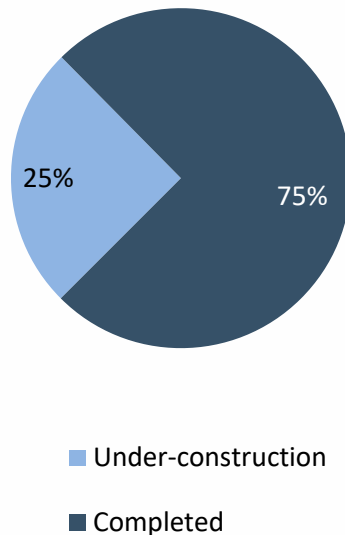
Average loan-to-value

For Secured Lending Segments, %



By stage of construction

For Housing segment only



Other highlights:

- Asset quality of the acquired DHFL book is in line with expectations
- Continue to make recoveries from the POCI¹ book
- Median CIBIL score of customers stood at 748 as of Jun-2022

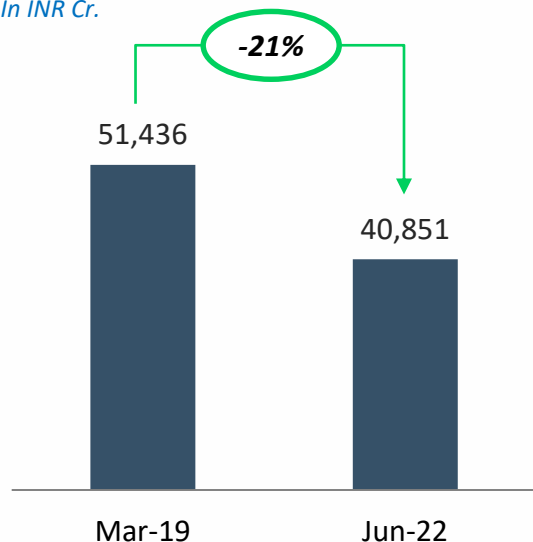


Wholesale Lending

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

Wholesale AUM (excl. DHFL)¹

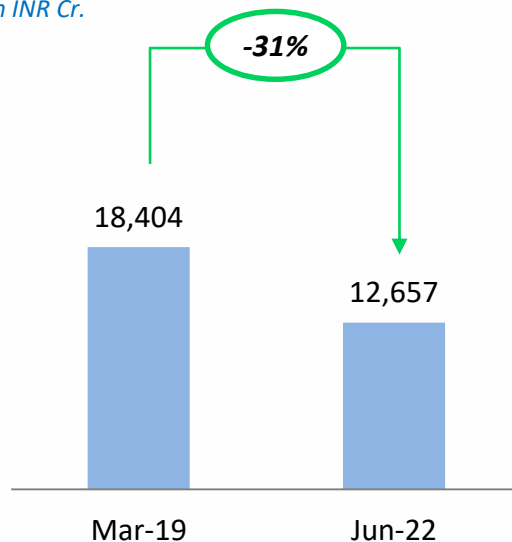
In INR Cr.



- 21% reduction since Mar-2019, which includes real estate and corporate loans

Top-10 exposures

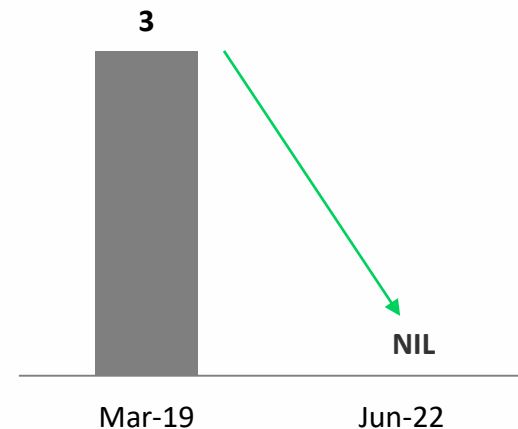
In INR Cr.



- Exposure to top-10 accounts reduced 31% since Mar-2019 (by INR 5,747 Cr.)

Single-borrower exposures

■ No. of accounts >15% of net worth



- No account² exceeds 10% of Financial Services net worth, as of Jun-2022

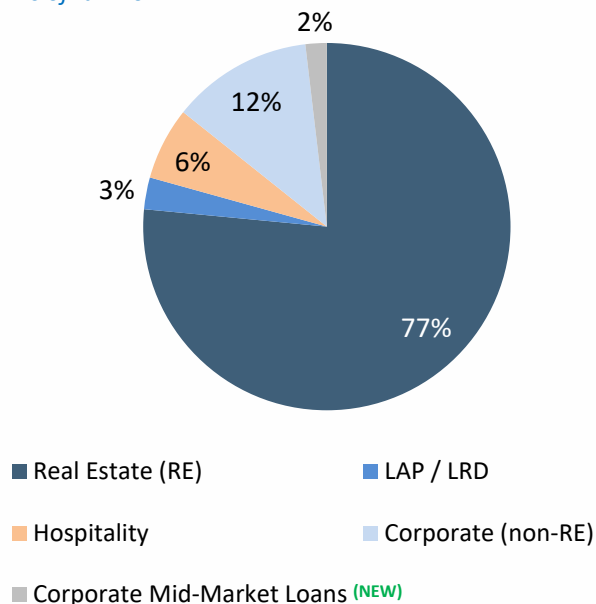
Note: (1) Excludes wholesale loans acquired from DHFL acquisition (INR 1,472 Cr. as of Jun-2022); includes PEL's share in AIFs & investments (INR 5,141 Cr. as of Jun-2022)

(2) Net of provisioning

Breakdown of the Wholesale portfolio

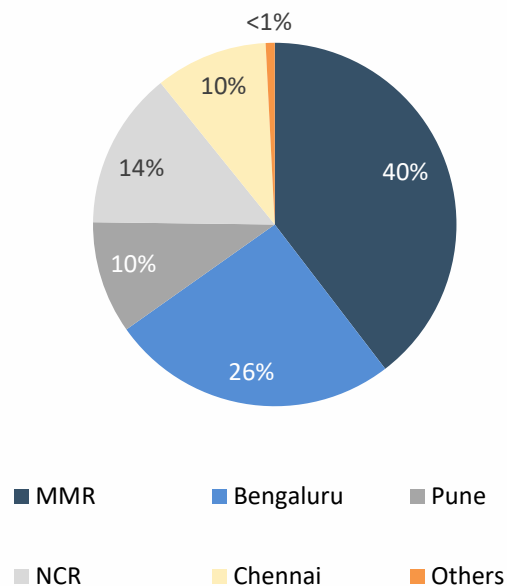
Wholesale loans by product segment ^{1,2,3}

As of Jun-2022



Wholesale RE exposure by cities ^{1,2,3}

As of Jun-2022



Breakdown of exposures by share in AUM

As of Jun-2022

Borrower's share in AUM	No. of borrowers
>5% of AUM	Nil
>4% to 5% of AUM	1
>3% to 4% of AUM	3
>2% to 3% of AUM	6
<2% of AUM	110
Total no. of borrowers⁴	120

Notes: (1) Based on value of loans

(2) Excludes DHFL's wholesale loan book worth INR 1,472 Cr. (valued at INR 1,943 Cr. at the time of acquisition)

(3) Excludes PEL's share in AIFs & investments worth INR 5,141 Cr. as of Jun-2022

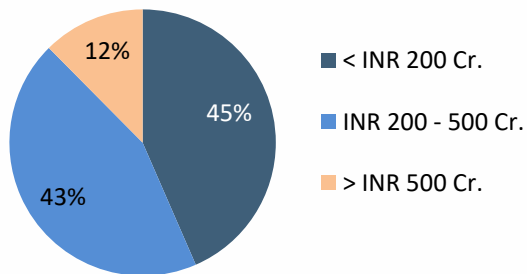
(4) Represents total number of individual borrowers; multiple loan facilities extended to a single borrower are combined to determine the share of an individual borrower in the overall AUM



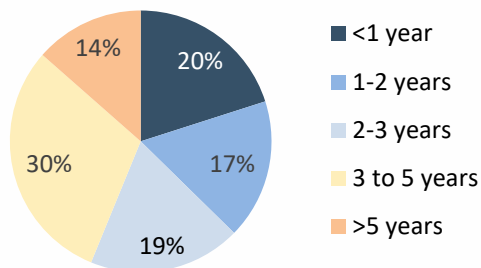
Breakdown of the Wholesale portfolio¹ (Cont'd)

As of Jun-2022

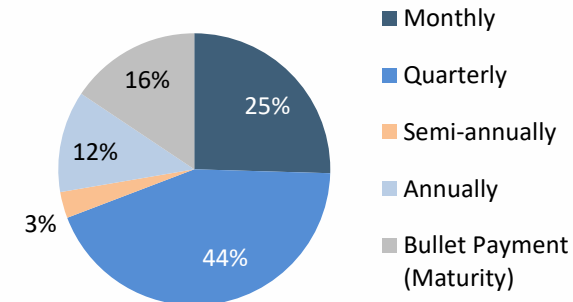
By ticket size (based on outstanding)



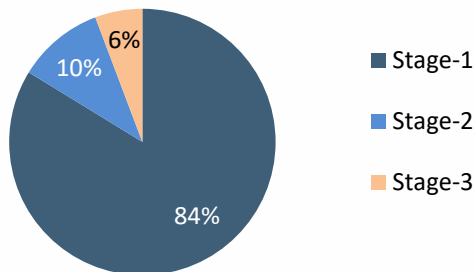
By tenure²



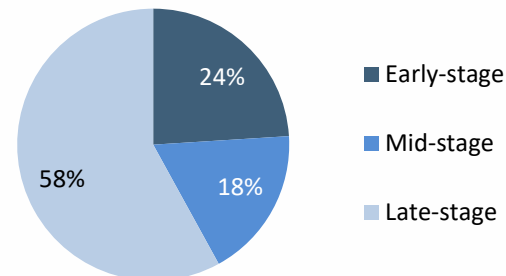
By coupon payment frequency



By staging



By stage of construction (for RE exposures)



Note: (1) Based on value of loans; excludes wholesale loans acquired from DHFL and PEL's share in AIFs & investments

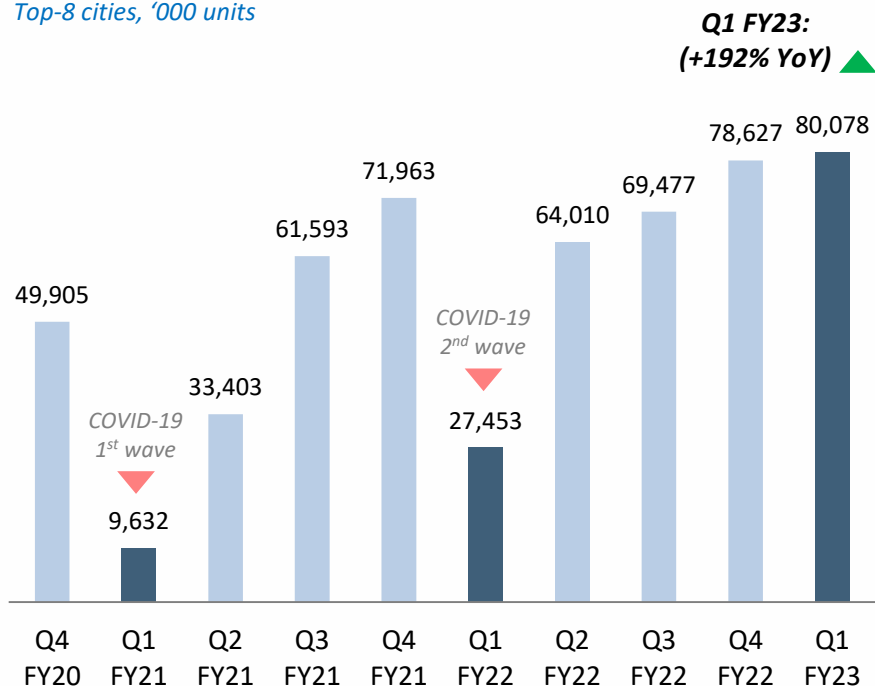
(2) Excluding NPA accounts



Performance of Developer Clients: In line with overall residential real estate sector

Residential RE Industry – Housing Units Sold

Top-8 cities, '000 units



Sources: Knight Frank Research

Performance of our developer clients in FY 2022



Developer Sales
(by value)

~2x YoY



Developer collections
from homebuyers

~1.6x YoY

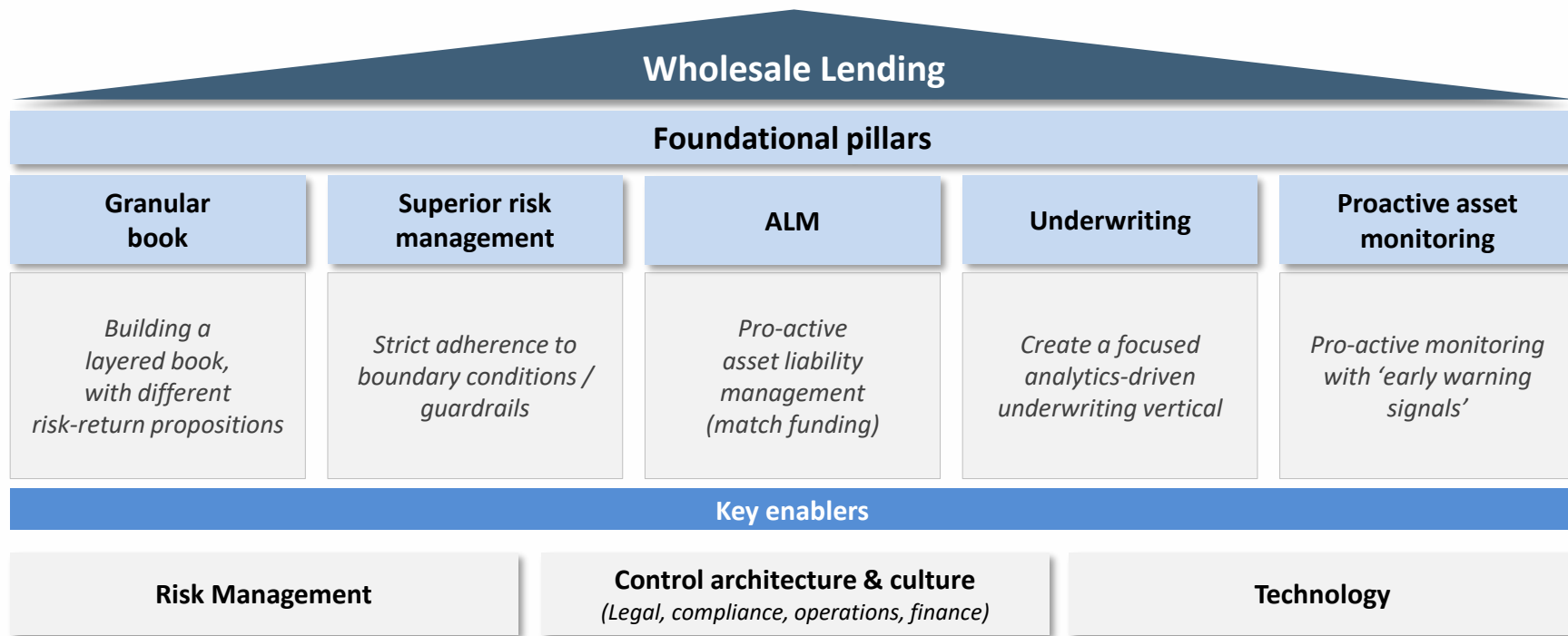
Developer Sales:

- ✓ Developer sales have been steady for the last 4 quarters, reflecting industry-wide trends
- ✓ Affordable & Mid-market segment contributed to ~80% of sales of our developer clients

Developer collections from homebuyers:

- ✓ Advancement in project stage, resulted in improved collections
- ✓ Collections from sales in the prior year, driven by healthy demand

Wholesale Lending: Established the foundational pillars for Wholesale 2.0



Catering to a large addressable market (having few credit providers),
by adopting a calibrated approach, with focus on cash flow-backed lending



Wholesale Lending 2.0: Recent developments and areas of focus to scale-up the business

Real Estate Lending



Primarily focus on **mid-market residential projects in tier-1 cities**



Focus on top 15-20 tier 2/3 markets, backed by strong local developers of our choice; **exposure of INR 20-50 Cr. per developer**



2-3 deals under execution worth INR 575 Cr.

Corporate Mid-Market Lending (CMML)



Smaller ticket corporate non-real estate loans at the OpCo-level



Built a book of INR 669 Cr. as of Jun-2022, with ticket sizes of up to INR 100 Cr.

Team

- Appointed CEO and hired Head of Credit
- Strengthening Mumbai, Delhi, Bangalore, Pune coverage and credit teams

Technology/ Analytics

- Transitioned to a fully-integrated proprietary developed digital platform
- Leveraging analytics to analyze past deals to further strengthen underwriting

Risk / Governance

- Strengthen asset monitoring and management
- Dedicated / separate Investment Committees for Real Estate and CMML deals
- Determined boundary conditions for growing the book

Healthy deal pipeline

Build an eco-system to provide comprehensive capital solutions to customer needs through a one-firm approach



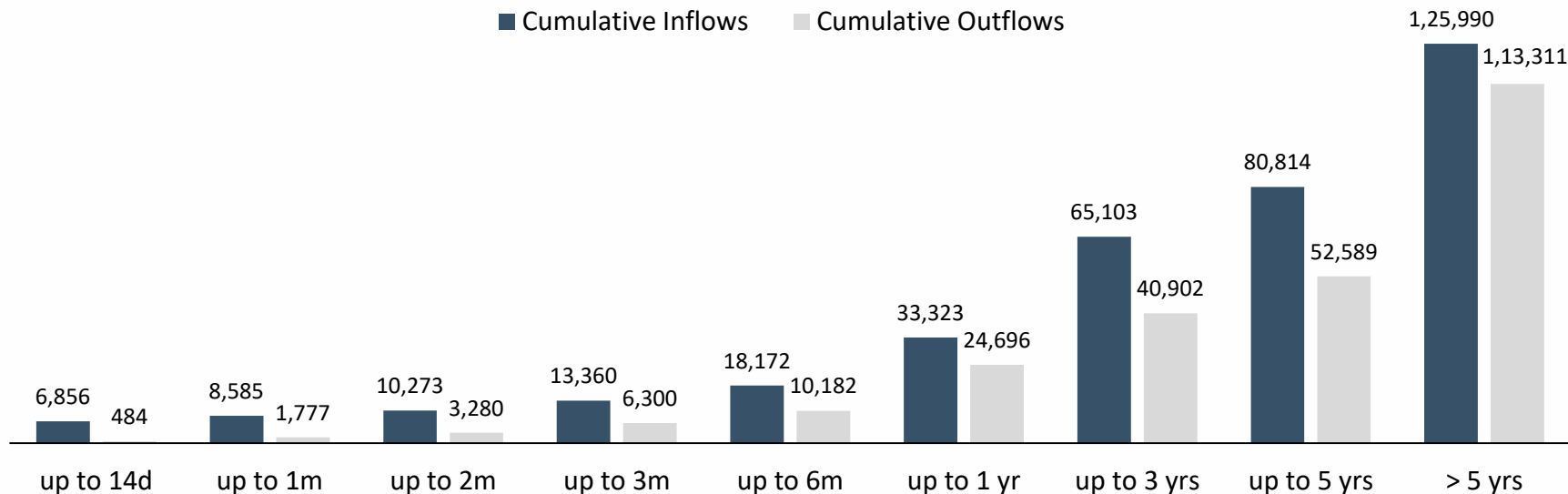
Liabilities

Asset-liability profile

(in INR crores)

As on June 30th, 2022 ⁽¹⁾

■ Cumulative Inflows ■ Cumulative Outflows


Cumulative GAP² (%)

+1,318%

+383%

+213%

+112%

+78%

+35%

+59%

+54%

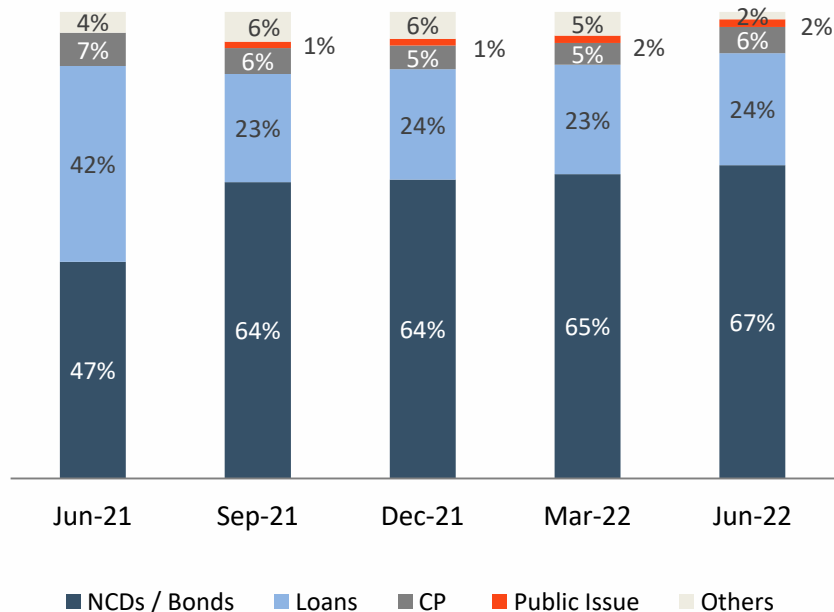
+11%

Notes: (1) ALM excluding Pharma Business and Shriram Investments. Based on static ALM for wholesale and behavioral ALM for the retail portfolio.
(2) Cumulative GAP (%) = Net flows (i.e. cumulative inflows – cumulative outflows) as a % of cumulative outflows

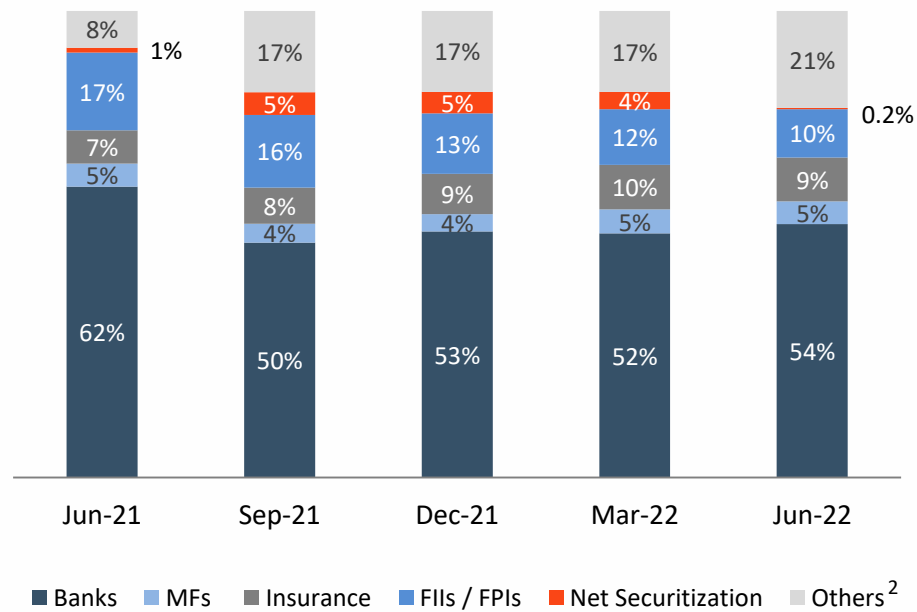


Diversifying the borrowing mix

Breakdown of borrowing mix by type of instruments¹



Breakdown of borrowing mix by type of lender^{1,2}



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

Notes:

(1) Data for PEL (excl. Pharma Business)

(2) 'Others' include employee benefit funds, financial institutions (incl. NHB) and Individuals/HUFs/Corporates, etc., which contribute ~5%, ~5% and ~11%, respectively, to overall borrowings as of Jun-2022



Financial Statements and ROA Tree – Financial Services

P&L Summary – Financial Services (Lending Business)

(in INR crores)

P&L Metrics	Q1 FY23	Q4 FY22	Q1 FY22
Interest Income	2,042	1,982	1,485
Less: Interest Expense	1,149	1,283	998
Net Interest Income	893	699	487
Fee & Other Income	113	105	73
Total Income, net of interest expenses	1,006	804	560
Less: Operating Expenses	360	410	174
Less: Depreciation	25	15	9
Pre-provision Operating Profit (PPOP)	621	379	378
Less: Provisions, net of recoveries	161	817	-49
<i>Provisions during the period</i>	333	1,078	-49
<i>Recoveries from the POCI¹ book</i>	-172	-261	-
Profit Before Tax	460	-438	427
Less: Tax Expenses	117	-117	121
Profit After Tax	343	-321	306

Notes: (1) POCI: Purchased or Originated Credit Impaired

ROA Tree – Financial Services (Lending Business)

KPIs (as a % of assets)	Q1 FY23	Q4 FY22	Q1 FY22
Interest Income	11.7%	11.2%	12.5%
Interest Expenses	7.1%	8.0%	8.4%
Net Interest Income	4.6%	3.2%	4.1%
Fees & Other Income	0.7%	0.6%	0.6%
Total Income	5.3%	3.8%	4.7%
Operating Costs	2.4%	2.6%	1.5%
Pre-Provision Operating Profit	2.9%	1.2%	3.2%
Credit cost, net of recoveries (annualized)	1.0%	5.1%	-0.4%
<i>Credit cost (annualized)</i>	<i>2.1%</i>	<i>6.7%</i>	<i>-0.4%</i>
<i>Recoveries from the POCI¹ book (annualized)</i>	<i>-1.1%</i>	<i>-1.6%</i>	<i>-</i>
Profit Before Tax	1.9%	-3.9%	3.6%
ROA (Profit After Tax)	2.1%	-2.0%	2.6%
Assets-to-equity	3.8x	3.7x	2.6x
ROE (Profit After Tax)	8.0%	-7.4%	6.7%

Notes: (1) POCI: Purchased or Originated Credit Impaired

Stage-wise breakdown of assets and provisioning

	Total Assets (INR Cr.)		
Stage-wise breakdown	Jun-2022	Mar-2022	Dec-2021
Stage-1	54,438	55,420	56,575
Stage-2	4,446	4,072	3,439
Stage-3	2,362	2,227	2,159
Sub-total	61,247	61,720	62,173
POCI ¹	3,344	3,465	3,619
Total	64,590	65,185	65,792

	Total Provisions (INR Cr.)		
Stage-wise breakdown	Jun-2022	Mar-2022	Dec-2021
Stage-1	1,059	1,126	1,074
Stage-2	1,667	1,380	545
Stage-3	1,282	1,229	1,036
Sub-total	4,008	3,735	2,655
POCI ¹	0	0	0
Total	4,008	3,735	2,655

	Asset Quality Ratios (%)		
Key parameters	Jun-2022	Mar-2022	Dec-2021
GNPA Ratio (% of total AUM in Stage-3)	3.7%	3.4%	3.3%
<i>Provision Coverage Ratio – Stage 1</i>	<i>1.9%</i>	<i>2.0%</i>	<i>1.9%</i>
<i>Provision Coverage Ratio – Stage 2</i>	<i>37%</i>	<i>34%</i>	<i>16%</i>
<i>Provision Coverage Ratio - Stage 3</i>	<i>54%</i>	<i>55%</i>	<i>48%</i>
NNPA Ratio	1.8%	1.6%	1.8%
Total Provisions as a % of Total AUM	6.2%	5.7%	4.0%
Total Provision as a % of GNPA's	170%	168%	123%

Note: (1) 100% of DHFL's Stage-3 book and of Stage-2 book as on merger date (together amounting to face value of INR 9,488 Cr.) has been classified as Purchased or Originated Credit Impaired (POCI). This book had been fair valued at INR 3,465 Cr. (fair value adjustment of 63%) as of Mar-2022, and this fair value is represented in PEL's FY22 Financial Statements.

As of Jun-2022, this book is valued at INR 3,344 Cr. Under IndAS 103, accounts classified as POCI will remain in POCI until closure. These accounts will not get reclassified as Stage-1 / 2 / 3 assets in their lifecycle.

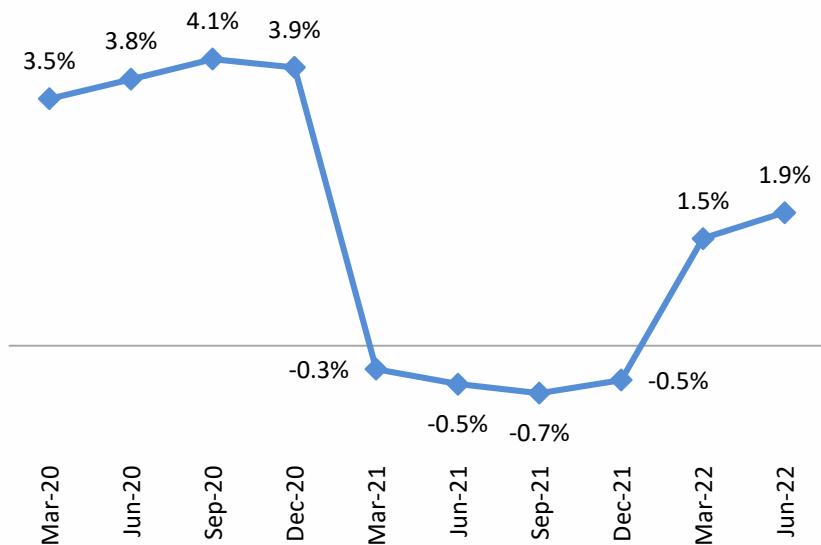
Any differences in cashflow in the POCI book (i.e. higher or lower than fair value adjustment) would be accounted through P&L.

The overall POCI book will shrink as cashflows are recovered from the book.

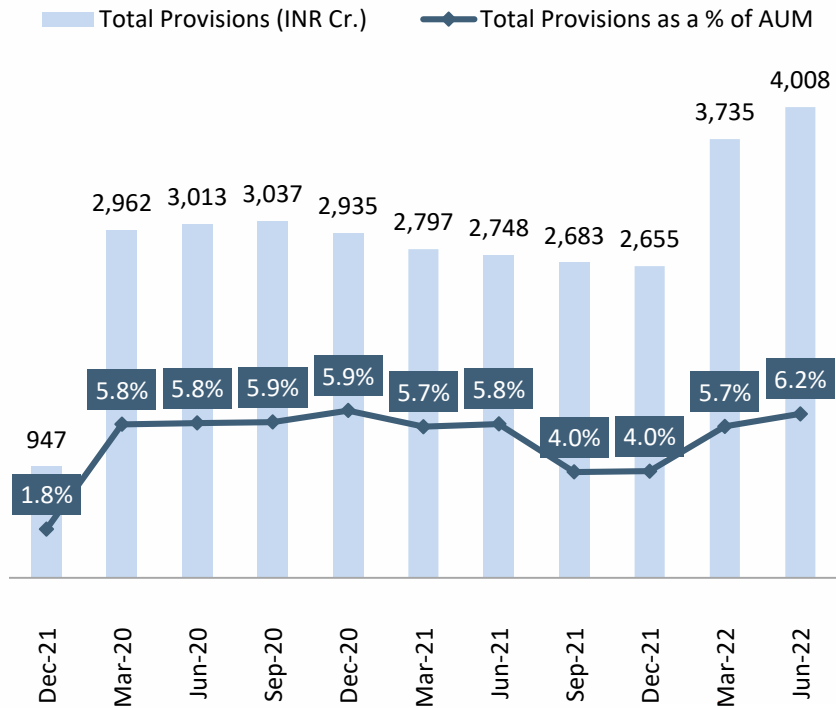
Credit costs and Provisioning

TTM credit costs¹ (Overall FS – Lending)

In % p.a.



Total Provisions (on Balance Sheet)



Note: (1) Trailing 12-month (TTM) credit cost = Cumulative incremental provisions for trailing 12 months / Average AUM for trailing 12 months

Financial Services: FY2027 Aspirations

Key Parameters



Retail : Wholesale Mix



60-70% Retail and 30-40% Wholesale



AUM



~2x
(vs. Mar-2022)



Retail Disbursement Growth



40-50%
(5-year CAGR)



Leverage (Net Debt-to-Equity)



3.5-4.5x



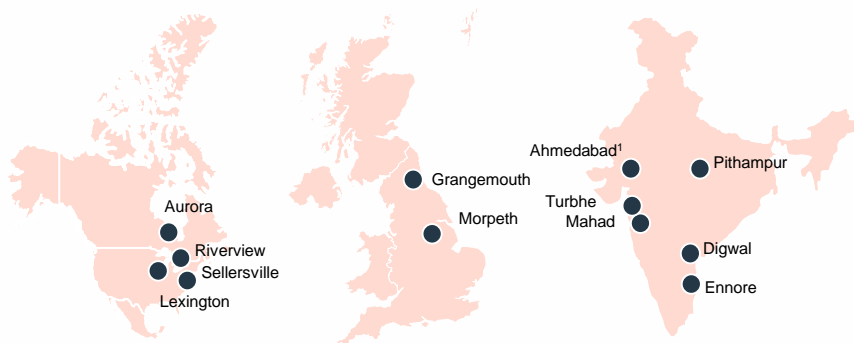
Pharma



Three-Pronged Business Model with Market Leading Positions

Contract Development and Manufacturing Organization (CDMO)

13 CDMO sites across North America, Europe and India



Capabilities across **drug substance and drug product**

Top 3 in India²

13th Largest Globally²

Complex Hospital Generics (CHG)



Inhalation Anesthesia



Anesthesia and pain management



Intrathecal Therapy



Other Injectables

4th Largest Inhaled Anesthesia Player Globally²

India Consumer Healthcare (ICH)

LACTO CALAMINE
Daily Face Care Lotion

Little's
EXPERT BABY CARE

TETMOSOL

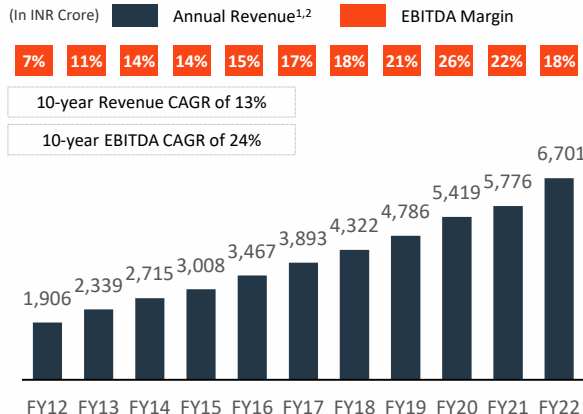
i-range

Ranked 10th in OTC segment in India²

Strong combination of well-diversified healthcare businesses provides greater stability from a long-term investment perspective

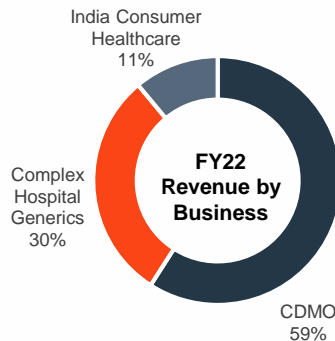
Strong Performance over a Sustained Period of Time

Long-term revenue performance

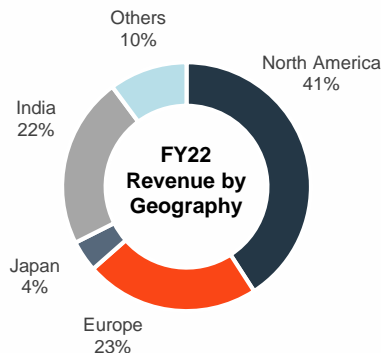


- ✓ Strong financial performance across business segments over a sustained period of time
- ✓ Global footprints with a diversified revenue base – 15 manufacturing sites and 100+ countries with commercial presence
- ✓ Focus on differentiated offerings
- ✓ Track record of organic and inorganic expansion
- ✓ Institutional focus on ESG

Revenue contribution across business segments



Diversified revenue across key markets



Best-in-Class Quality Track Record since FY12

285
Regulatory Inspections

36
USFDA Inspections

NIL
Official Actions Indicated

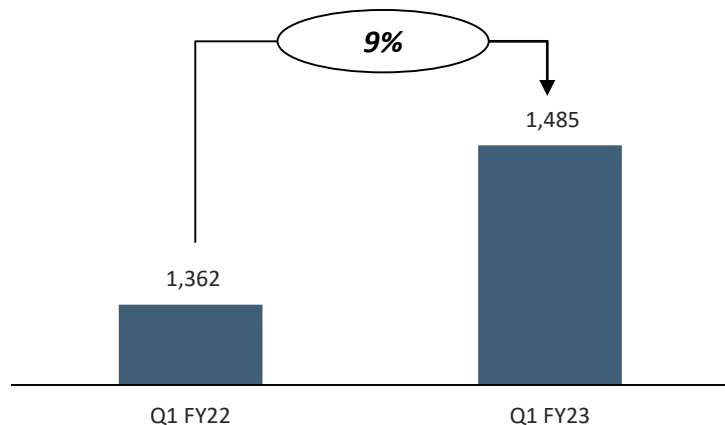
1,432
Total Customer Audits

- ✓ Strong quality function with 1,000 people across sites and the Quality Head reporting directly to a Board Member
- ✓ Advancement journey from 'Quality for Compliance' to 'Quality as a Culture', with a focus on systems, processes, technology and people

Q1 FY23 – Revenue and EBITDA performance

Q1 FY23 Revenue performance

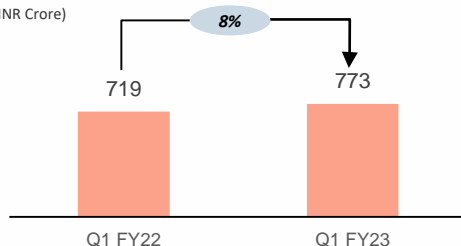
(In INR Crore)



- Revenue at INR 1,485 Cr, up 9% YoY; contributing 42% to PEL's overall revenue
 - **CDMO**: INR 773 Cr. (8% YoY growth)
 - **Complex Hospital Generics**: INR 508 Cr. (10% YoY growth)
 - **India Consumer Healthcare**: INR 211 Cr. (17% YoY growth)
- EBITDA margin in Q1 FY23 at 11% compared to 12% in Q1 FY22, impacted by:
 - Lower growth in CDMO business
 - Reinvestment of profits in the ICH business to grow focus brands
 - Increase in packaging / raw material prices and operating costs
- 16 regulatory inspections and 55 customer audits carried out during Q1 FY23. There were no critical observations in any of the regulatory inspections

CDMO Revenue performance

(In INR Crore)



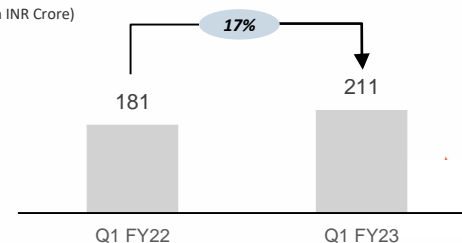
CHG Revenue performance

(In INR Crore)



ICH Revenue performance

(In INR Crore)





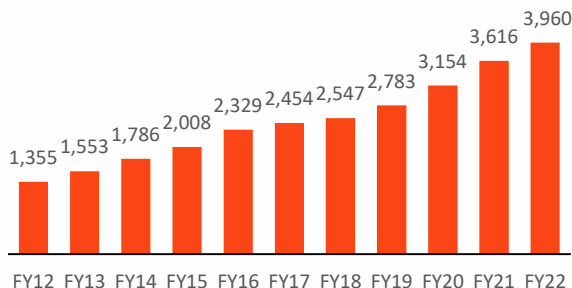
CDMO business – Moderate growth during the quarter; investing for the future

Long-term revenue performance

(In INR Crore)

10-year Revenue CAGR of 11%

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

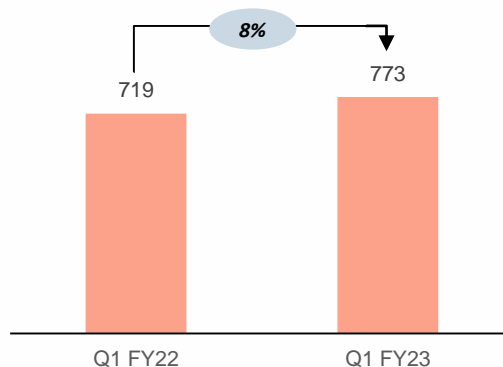


Created a global integrated CDMO platform

- ✓ 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

Q1 FY23 performance

(In INR Crore)



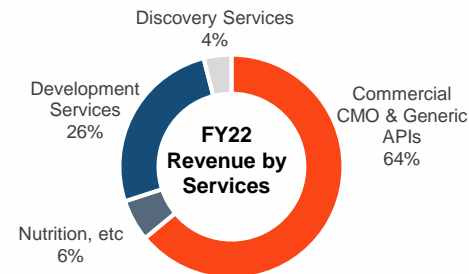
Q1 FY23 Revenue grew 8% YoY

- Q1 FY23 sales impacted by execution challenges and changes in customer requirements/phasing of deliveries
- ✓ Despite the global challenges in biotech funding, witnessing high RFP activity from existing and new clients

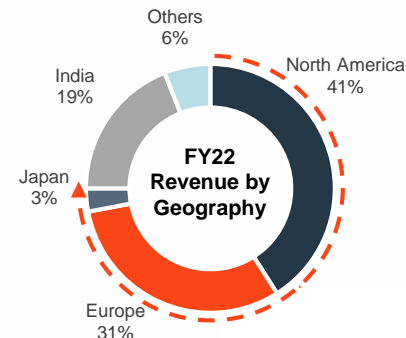
Capacity expansion in niche capabilities (US\$157mn growth capex underway):

- ✓ Inaugurated new API plant in Aurora, Canada; initial production runs successfully completed
- ✓ Upgraded Oral Solid Dose capabilities with new production block at Pithampur site
- ✓ Digwal - Unlocked API manufacturing capacities through various operational excellence tools

Revenue mix in CDMO



75% Revenue from Regulated Markets

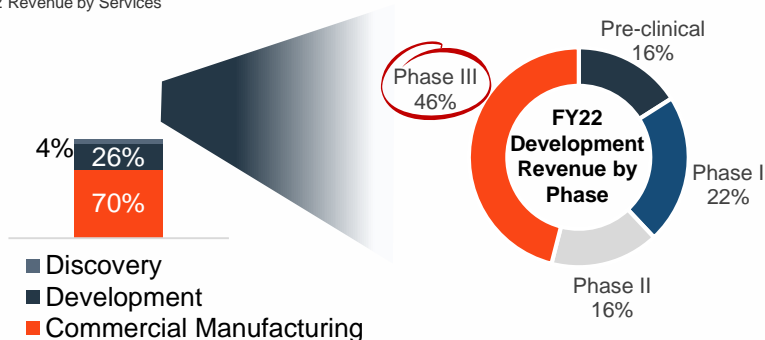




CDMO: High Proportion of Commercial Revenues and Deep Pipeline of Development Projects

High Proportion of Commercial and Phase 3 Development Revenue

FY22 Revenue by Services



Strong Growth in Commercial Products Under Patent

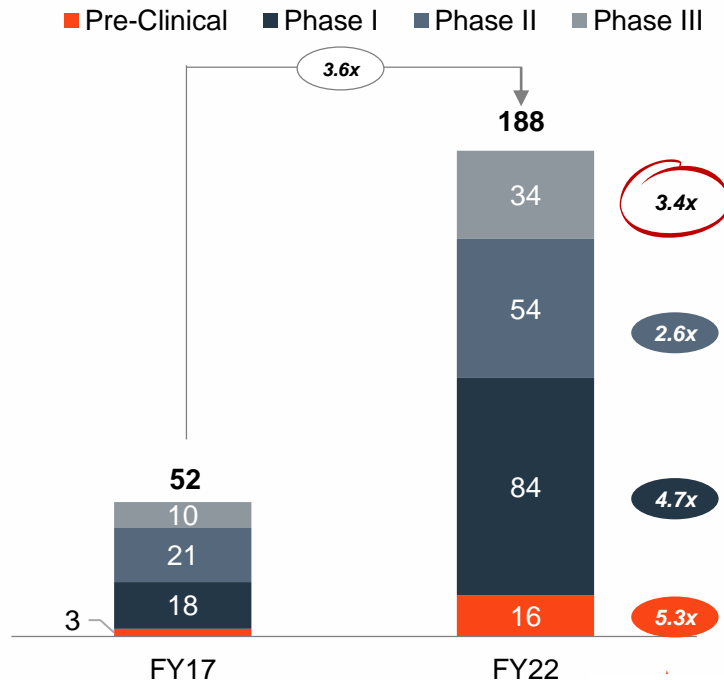
1.8x

growth in number of commercial products under patent (from 10 to 18) in 2 years

\$56mn

revenue from commercial products under patent in FY22, up from \$19mn in FY19

Strengthened Molecule Pipeline across Clinical Phases with 3.4x Growth in Phase-III Molecules since FY17

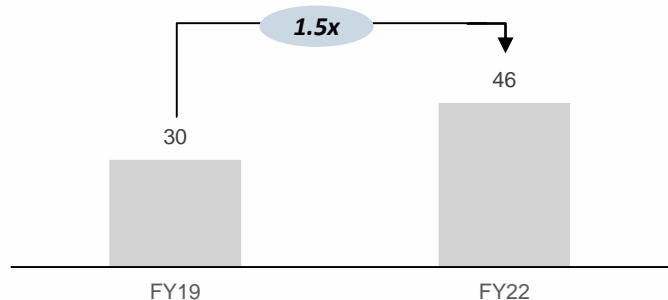


CDMO: Attracting customers with differentiated offering and leveraging end-to-end model

Leveraging our end-to-end model to offer integrated services

Track record of executing over 170 projects

Customer



Order book showing increasing traction for Integrated Projects (involving 2 or more sites)

1.5x

increase in number of order book of integrated projects (FY19-22)

36%

of the development order book is from integrated projects in FY22

Increasing revenue share and attract customers with our differentiated offerings

We now have presence in following capabilities...

Capability

Potent Sterile Injectable

Peptide APIs

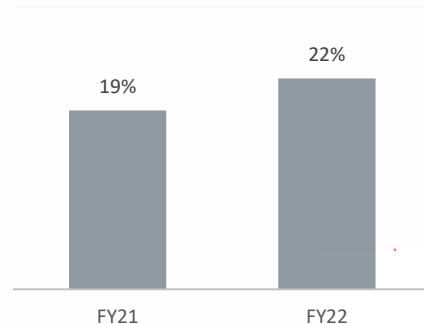
High Potent API

Hormonal OSD

Antibody Drug Conjugates

Vaccines and Biologics

... with increasing revenue contribution from these differentiated offerings...



Appointment of Mr. Herve Berdou as Chief Operating Officer, CDMO



Herve Berdou

Chief Operating Officer, CDMO

Former Global Head of Operations, Cell and Gene Technologies, Lonza

Mr. Herve Berdou joins us from Lonza, where he was the Global Head of Operations, Cell and Gene Technologies. He has more than two decades of experience across global supply chain, procurement, and operations, including manufacturing and site head positions at both small and large facilities. At Lonza, Mr. Berdou led a network of contract services sites across the globe. Prior to that, he worked with a number of well-respected pharmaceutical companies, including AstraZeneca & MedImmune and Novartis. His passion lies in building customer-centric strategies, creating lean organizations, engaging with employees through a robust and inclusive culture, and forming a strong quality mindset across the organization.



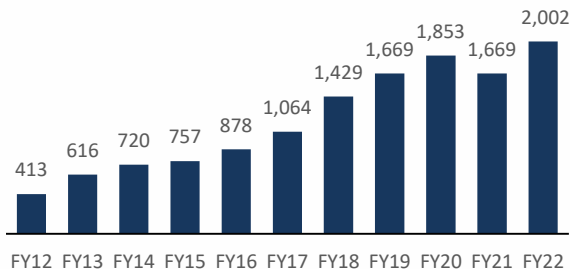
Steady growth during Q1 FY23 in Complex Hospital Generics

Long-term revenue performance

(In INR Crore)

10-year Revenue CAGR of 17%

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

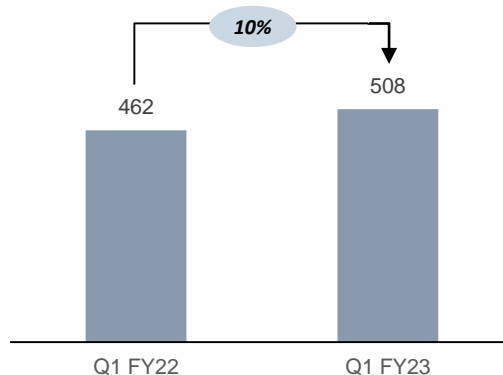


Differentiated product portfolio with high entry barriers

- ✓ 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

Q1 FY23 performance

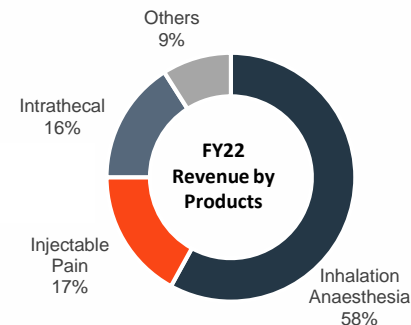
(In INR Crore)



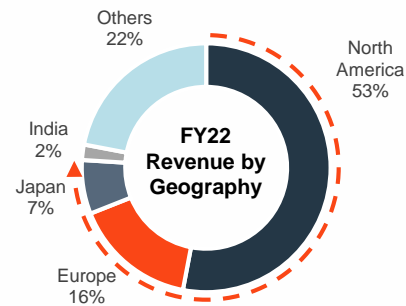
Q1 FY23 Revenue grew 10% YoY, driven by

- ✓ Strong Inhaled Anesthesia sales in the US
- ✓ Executed Sevoflurane contract extensions with major IDNs and won multiple tenders in EU and across other geographies
- ✓ We are facing some supply constraints from our third party CMOs which we are in the process of remediating
- ✓ Intrathecal Portfolio in the US continued to command leading market share despite increased competition from generics
- ✓ Launched 2 SKUs of first to market generic opportunity in the US
- ✓ Launched Prefilled Syringe (PFS) in Italy

Revenue mix in CHG



76% Revenue from Regulated Markets



Distribution reach to over 100 countries across the globe



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, Pirritamide, Etomidate)



Intrathecal Therapy

(Gablofen[®], Mitigo[™])



Others Products

(Ampicillin, Levothyroxine Sodium, Polygelene, Glycopyrolate, Miglustat, Rocuronium, Linezolid, Dexmedetomidine, Succinylcholine and Zinc Sulfate)



Differentiated portfolio of **over 40 existing products**

Strong market share in Key Regions

- ✓ #1 in Intrathecal portfolio in the US
- ✓ #4 in Inhalation Anesthesia globally
- ✓ #1 in Sevoflurane in the US, UK, Mexico, South Africa and Brazil
- ✓ #1 in Fentanyl Injection in Japan

Pipeline in Niche Areas with Unique Characteristics

Approved, yet to be launched	13
Filed, yet to be approved	11
Development, yet to be filed	16
Total SKUs in pipeline	40



Strong pipeline of new products, including **40 SKUs** with addressable market size of **~US\$7.0bn¹**

CHG: Vertically Integrated Manufacturing and Well Built Out Commercial Infrastructure

Key Starting Material



Finished Products



Distribution



Direct Sales



Vertically Integrated Manufacturing Capabilities¹ with Global Regulatory Accreditations



Inhalation anesthesia facility (Bethlehem, USA)

- ✓ In-house manufacturing of **Sevoflurane**
- ✓ Supplies API and finished product to **over 90 countries**



Inhalation anesthesia facility (Digwal, India)

- ✓ In-house manufacturing of **Isoflurane and Halothane**
- ✓ Supplies API and finished product to **over 90 countries**



Specialty Fluorochemicals facility (Dahej, India)

- ✓ **Vertically integrated** in-house manufacturing to make KSM
- ✓ **2 alternative sources** provide **strong cost position & stable supply**

Commercial Presence through a Combination of Own Sales Force and Local Partners



Direct sales force in the US with strong GPO relationships



Strong **GPO track record**



6,000+ CHG customers (Hospitals)



Direct to market access in **key European countries**



Strong **local marketing partnership** in **Japan** and **South Africa**



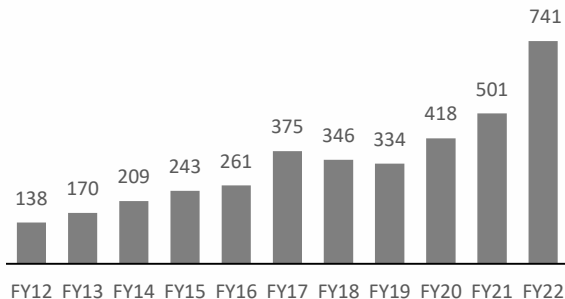
Distribution reach to over **100 countries** across the globe

Continued robust performance in the India Consumer Healthcare Business

Long-term revenue performance

(In INR Crore)

10-year Revenue CAGR of 18%

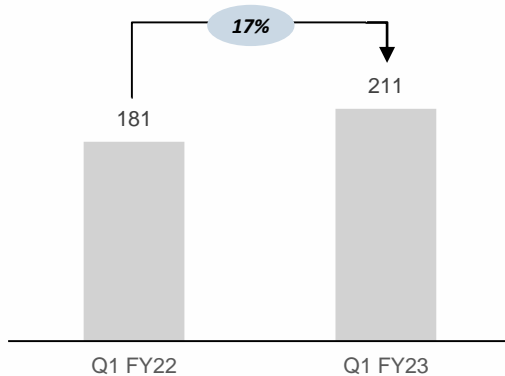
Market position: **Among top-10 companies in OTC segment in India**


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*

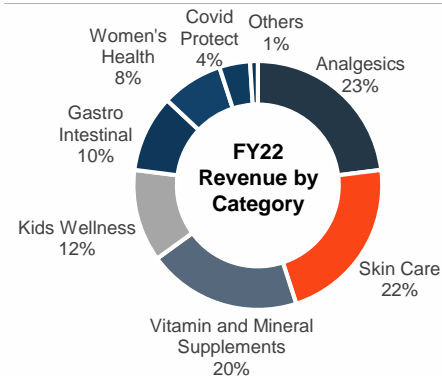
Q1 FY23 performance

(In INR Crore)

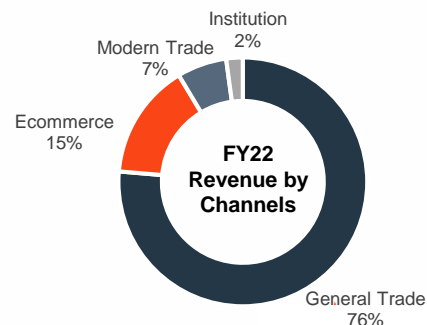


- ✓ ICH business continued its growth momentum with **Q1FY23 revenue growth of 17% YoY**
- ✓ Strong performance in **power brands**, contributing 57% to the FY22 revenues
- ✓ **Launched 7 new products** in Q1 FY23; new products launched since Apr'20 contribute to 15% of sales in FY22
- ✓ Strong focus on **E-commerce**; contributed 15% revenues in FY22

Revenue by Category



Revenue by Channels





ICH: Focus on Power Brands with Continuous Investments in Brand Promotion and Marketing

Investments in Brand Promotion and Marketing...



Kareena Kapoor
Little's



Priyanka Mohan
Lacto - South India



Sourav Ganguly
Polycrol



Amyra Dastur
Lacto - HSM



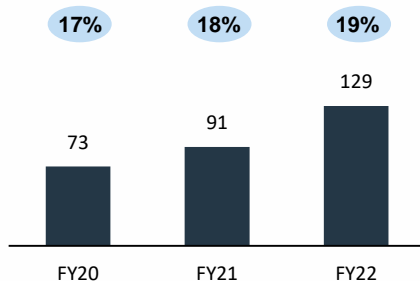
Ajay Devgan
Tetmosol



Subodh Bhawe
Naturolax

...Reflected in Increasing Media and Trade Spends...

(In INR Crore)

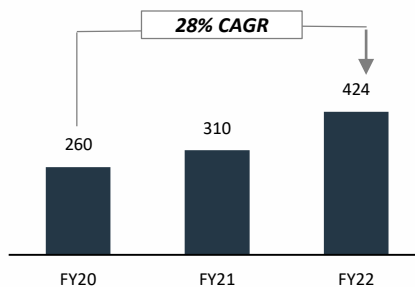


x%

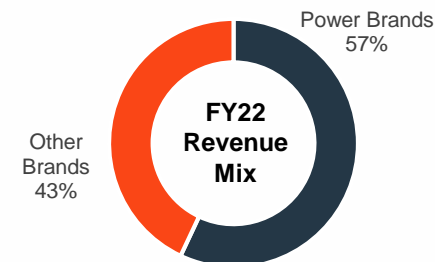
% of sales

...has led to revenue growth for Power Brands...

(In INR Crore)



...which now constitute 57% of revenues



Note: HSM: Hindi Speaking Market

ICH: Launching New Products and Strengthening presence in Alternate Distribution Channels

Launching multiple new products and brand extensions

New Products

40

New Products during FY22

18

New SKUs during FY22

15%

Share of revenue from new products launched since Apr'20



#4

Diaper



#1

Activity Ball



#2

Peel-Off



#2

Hygiene Wash



#3

Menstrual Cup



#2

Liquid Detergent



#2

Stacking Cube



#4

Ginseng



#5

Biotin



#1

Adult Wipes

(Best ever Ranks as per Amazon)

Strengthening our presence at alternate channels of distribution

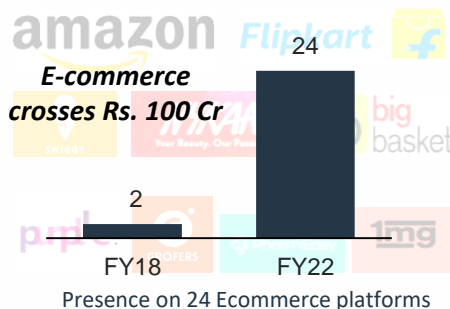
Alternate Channels



Launch of our website



Increased presence in more than 8,700+ Modern Trade stores



Success rate of New Product Developments (NPDs) is ~70%



PPL¹ Key Strategic Priorities



PPL Key Strategic Priorities

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 **differentiated 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 ESG initiatives



Augmented the PPL Board with Non- Executive / Independent Directors

Well Diversified and Globally Experienced PPL Board of Directors



Nandini Piramal

Executive Director, Piramal Enterprises Limited & Chairperson, Piramal Pharma Ltd



Peter DeYoung

Chief Executive Officer, Piramal Global Pharma



S. Ramadorai

Non-Executive, Independent Director
Chairman, Tata Technologies Limited



Vivek Valsaraj

Chief Financial Officer, Piramal Enterprises Limited



Neeraj Bharadwaj

Non-Executive, Non-Independent Director
Managing Director, Carlyle India Advisors Private Limited



Jairaj Purandare

Non-Executive, Independent Director
Founder Chairman, JMP Advisors Pvt Ltd



Peter Stevenson

Non-Executive, Independent Director
Board Vice-Chair, Uniting to Combat Neglected Tropical Diseases



Nathalie Leitch

Non-Executive, Non-Independent Director
Senior leadership positions at Fresenius Kabi, Teva, Allergan, and Actavis



Sridhar Gorthi

Non-Executive, Independent Director
Founding Partner and Management Committee Member, Trilegal

Strengthened PPL Board by inducting three new board members

To view the profiles of PPL Board of Directors, please visit the following link: <https://www.piramal.com/about-us/board-of-directors/piramal-pharma-ltd/>

Augmented the PPL Board with Non-Executive / Independent Directors

Strengthened PPL Board by inducting three new board members



Peter Stevenson

Non-Executive, Independent Director

Mr. Peter Stevenson was a member of Pfizer's Global Manufacturing Leadership Team with responsibilities for global procurement, global external supply and a portfolio of Pfizer internal manufacturing sites in North America, Europe and Asia. Later, he served as General Manager of Pfizer's contract manufacturing business and as Value Stream Leader for the Injectables and Hospital Products Value Stream. He recently retired from Pfizer and currently serves as the Board Vice-Chair for Uniting to Combat Neglected Tropical Diseases and Chair of the Governance Committee.



Nathalie Leitch

Non-Executive, Non-Independent Director

Ms. Nathalie Leitch has over 20 years of experience in the pharmaceuticals industry across multiple segments. She has led commercial management of a branded product line and oversaw the largest pipeline of generic products in the industry. A subject-matter expert in the US generics industry, she has domain experience in creative product strategies and 505(b)(2) formulations; patent challenges, Hatch-Waxman and settlement options; business development and external-partnering activities. She held senior leadership positions at Fresenius Kabi, Teva Pharmaceuticals, Allergan plc, and Actavis (formerly Watson).



Sridhar Gorthi

Non-Executive, Independent Director

Mr. Sridhar Gorthi is the founding partner and member of the Management Committee at Trilegal. He is an authority in corporate law, M&A, and private equity, across sectors including manufacturing, pharmaceuticals, insurance, banking & financial services, technology, telecom and media. His domain knowledge has earned him the recognition of a 'Leading Individual – Corporate/M&A' by the Asia-Pacific Legal 500 and a 'Distinguished practitioner' for M&A and PE by the Asia law Profiles. His name also lists as a 'Highly Regarded' lawyer by the IFLR1000 Asia Pacific 2021. He is one of India's top 100 lawyers and part of the 'A-list' of the India Business Law Journal 2020.



Financials

Diversified Revenue Mix

(In INR Crores or as stated)

Net Sales break-up	Quarter ended					% Sales for Q1 FY2023
	30-Jun-22	31-Mar-2022	QoQ % Change	30-Jun-21	YoY % Change	
Financial Services	2,063	2,024	2%	1,547	33%	58%
Pharma	1,485	2,139	-31%	1,362	9%	42%
<i>Pharma CDMO</i>	773	1,394	-45%	719	8%	22%
<i>Complex Hospital Generics</i>	508	548	-7%	462	10%	14%
<i>India Consumer Healthcare</i>	211	196	8%	181	17%	6%
Total	3,548	4,163	-15%	2,909	22%	100%

Note: Pharma revenue includes foreign exchange gains/losses

Consolidated Profit & Loss

(In INR Crores or as stated)

Particulars	Quarter ended				
	30-Jun-22	31-Mar-22	QoQ % Change	30-Jun-21	YoY % Change
Net Sales	3,548	4,163	-15%	2,909	22%
Non-operating other income	178	238	-25%	103	73%
Total income	3,726	4,401	-15%	3,012	24%
Other Operating Expenses	1,792	2,169	-17%	1,408	27%
Impairment on financial assets	161	817	-80%	-49	<i>n.m.</i>
OPBIDTA	1,774	1,414	25%	1,653	7%
Interest Expenses	1,114	1,237	-10%	985	13%
Depreciation	185	190	-3%	149	24%
Profit before tax & exceptional items	474	-14	<i>n.m.</i>	519	-9%
Exceptional items (Expenses)/Income	-	-	-	-15	<i>n.m.</i>
Income tax – Current tax	158	24	<i>n.m.</i>	135	17%
DTA reversal / other one-time tax adjustments	-	-	-	-	-
Profit / (Loss) after tax (before Prior Period items)	317	-37	<i>n.m.</i>	368	-14%
Share of Associates ¹	169	188	-10%	165	2%
Net Profit / (Loss) after Tax from continuing operations	486	151	223%	534	-9%
Profit / (Loss) from Discontinued operations	-	-	-	-	-
Net Profit after Tax	486	151	223%	534	-9%

Note: (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.



Appendix

Equity allocation

(In INR Crores)

Overall Equity As of March 31, 2022

Financial Services (Lending): 48%

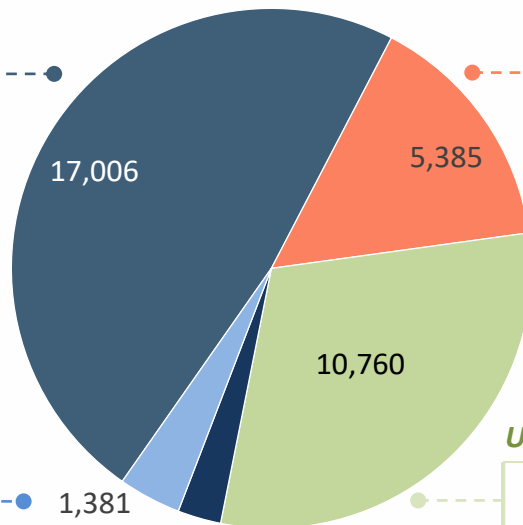
Capital Adequacy Ratio of 21%

Alternatives: 4%

Commitment of ~1 billion;
partnerships with marquee institutions

Life Insurance: 3%

Joint Venture (JV) with Prudential
International Insurance Holdings



Pharma¹: 15%

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

**Overall Equity¹:
INR 35,489 Cr.**

Unallocated equity: 30%

Includes investments in Shriram, cash & cash equivalents and others

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

Note: (1) Excludes Non Controlling Interest (NCI) of INR 1,348 Cr.

Dial-in details for Q1 FY2023 Earnings Conference Call

Event	Location & Time	Telephone Number
Conference Call on 29 th July 2022	India – 5:30 PM IST	+91 22 6280 1264 / +91 22 7115 8165 (Primary Number)
		1800 120 1221 (Toll free number)
	USA – 8:00 AM (Eastern Time – New York)	Toll free number 18667462133
	UK – 13:00 PM (London Time)	Toll free number 08081011573
	Singapore – 8:00 PM (Singapore Time)	Toll free number 8001012045
	Hong Kong – 8:00 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=5031002&linkSecurityString=166f6e517a	

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.

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



For Investors :

Hitesh Dhaddha

Chief Investor Relations Officer

Email : hitesh.dhaddha@piramal.com

Phone : +91 22 3046 6306

Aditya Sharma

Chief Manager – IR (Financial Services)

Email : aditya.sharma@piramal.com

Phone : +91 22 3046 6305

Gagan Borana

General Manager – IR (Pharma)

Email : gagan.borana@piramal.com

Phone : +91 22 3802 3090