

PRESS RELEASE

Piramal Pharma Limited Announces Consolidated Results for Q2 and H1 FY2023

Mumbai, India | November 8, 2022: Piramal Pharma Limited (NSE: PPLPHARMA | BSE: 543635), a leading global pharmaceuticals company, today announced its consolidated results for the Second Quarter (Q2) and Half Year (H1) ended 30th September 2022.

Consolidated Financial Highlights

(In INR Crores)

Particulars	Quarterly				
	Q2FY23	Q2FY22	YoY Growth	Q1FY23	QoQ Growth
Revenue from Operation	1,720	1,578	9%	1,482	16%
CDMO	940	886	6%	770	22%
Complex Hospital Generic	562	500	12%	508	11%
India Consumer Healthcare	227	192	18%	211	7%
EBITDA	219	214	2%	89	146%
EBITDA Margin (%)	13%	14%		6%	
PAT	-37	37		-109	

Note: The previous year (FY22) financials do not include non-common control transactions and hence YoY financials are not strictly comparable. Also, Q1FY23 includes one-time, non-recurring impact of inventory margin, hence QoQ financials are also not strictly comparable. Please refer to pages 3 and 4 for detailed explanation and comparable financials.

Key Highlights for H1FY23

- Revenue from Operation grew by 11% to INR 3,202 Cr. versus INR 2,889 Cr. in H1FY22
 - CDMO business grew by 12% YoY
 - Complex Hospital Generic business grew by 11% YoY
 - India Consumer Healthcare business grew by 12% YoY
- Normalized EBITDA in H1FY23 was INR 376 Cr. with EBITDA margin of 12%
- Capital Expenditure for H1FY23 was INR 427 Cr.
- Successfully cleared 22 regulatory inspections and 111 customer audits in H1FY23
- Released Piramal Pharma Sustainability Report FY 2021-22

Nandini Piramal, Chairperson, Piramal Pharma Limited said, *“We announce our first results post demerger as an independent and focused pharma company. Over the last 10 years, we have made several strategic choices that have helped nurture and scale our business and establish Piramal Pharma (PPL) as a leading global pharmaceuticals player.*

For the quarter and half year ended September 2022, our business has delivered a resilient performance despite multiple internal and external challenges. We expect to deliver a much improved performance in second half of the current financial year. Historically we have had a greater skew of sales and profits in the second half of the year and this year is no different.

We have a vision to grow all our businesses to significant scale over the medium term and have strong growth levers in place for each of them. We continue to make investments to drive growth in these businesses.”

Key Business Highlights for Q2 and H1 FY2023

Contract Development and Manufacturing Organization (CDMO):

- Witnessing continued strong inflows of Request for Proposal (RFP) and increase in customer audits, however experiencing slower decision making by the customers due to macro-economic pressures
- Undertaking judicious price increases, cost optimization and operational excellence measures to offset inflationary pressures
- Maintaining our best-in-class quality track record – successfully cleared over 20 regulatory inspections and over 100 customer audits in H1FY23
- Executing growth CAPEX as per plan – have already announced growth CAPEX of \$157mn to be completed over the next 18-24 months
- Developing alternate vendors and building resilient supply chain to counter supply chain disruptions
- Integration of recent acquisitions on track

Complex Hospital Generics (CHG):

- Strong Inhalation Anesthesia (IA) sales in the US market with continued volume growth driving market share gains
- Adding IA capacities in India to serve the growing demand from non-US markets
- Intrathecal portfolio in the US continued to command leading market share
- Extensive pipeline of new products consisting of 37 SKUs at various stages of development
- Launched 3 products during H1FY23 including a Pre-Filled Syringe (PFS) in Germany. 8 SKUs expected to be launched in various targeted markets in Q3FY23 based on tender calendar

India Consumer Healthcare (ICH):

- 10 new products and 11 new SKUs launched in H1FY23
- Continue to invest in media and trade spends to drive growth in power brands
- Power Brands – Lacto Calamine, Littles, Polycrol, Tetmosol and I-range, grew by 40% YoY in H1FY23
- Power Brands constitute 42% of total ICH sales in H1FY23
- E-commerce contributes 15% of total business and grew by more than 40% YoY in H1FY23
- Key brands, Littles and Lacto Calamine delivered robust growth of 67% and 45% respectively in H1FY23 YoY driven by new launches and excellent traction in e-commerce
- Wide distribution reach across 200,000 outlets and 12,000+ organised retail stores. Also presence across all leading e-platforms
- Launched an exclusive D2C platform, Wellify.in for all the health and wellness brand offerings

Consolidated Profit and Loss Statement
(In INR Crores)
Reported Financials

Particulars	Quarterly					Half Yearly		
	Q2FY23	Q2FY22	YoY Change	Q1FY23	QoQ Change	H1FY23	H1FY22	YoY Change
Revenue from Operations	1,720	1,578	9%	1,482	16%	3,202	2,889	11%
Other Income	46	18	158%	72	-36%	118	37	218%
Total Income	1,766	1,595	11%	1,554	14%	3,320	2,926	13%
Material Cost	664	606	10%	574	16%	1,238	1,064	16%
Employee Expenses	470	400	18%	461	2%	931	790	18%
Other Expenses	413	375	10%	430	-4%	844	709	19%
EBITDA	219	214	2%	89	146%	308	363	-15%
Interest Expenses	83	49	69%	62	33%	145	91	60%
Depreciation	166	138	20%	162	3%	328	274	20%
Share of net profit of associates	11	16	-32%	20	-44%	31	31	1%
Profit Before Tax	-19	44		-115		-134	29	
Tax	11	7	58%	-6		5	5	-9%
Net Profit after Tax	-30	37		-109		-139	24	
Exceptional item	7	0		0		7	15	-54%
Net Profit after Tax after exceptional item	-37	37		-109		-146	9	

Note: Q2FY23 financials are strictly not comparable to Q2FY22 and Q1FY23. Similarly, H1FY23 financials are also not strictly comparable to H1FY22

The Hon'ble NCLT, on 12th Aug'22, approved the composite scheme of demerger of the Pharma business from Piramal Enterprises Ltd (PEL) into Piramal Pharma Ltd. and amalgamation of PPL's wholly owned subsidiaries Hemmo Pharmaceuticals Pvt Ltd (HPPL) and Convergence Chemical Pvt Ltd (CCPL) into itself with an appointed date of 1st Apr'22.

Accordingly, the financial statements of PPL have been prepared giving effect to the scheme from 1st Apr'2022.

Financial statements of CCPL and HPPL, wholly owned subsidiaries have been combined as if the amalgamation had occurred on 1st April, 2021 or from the date on which the Company acquired control over these subsidiaries, whichever is later.

Prior to the demerger, PPL had entered into an arrangement with PEL for continued onward sale by PEL, of products under Government tenders that were obtained in the name of PEL, till obligations under these tenders were fully

met. The agreement also included sale of PPL's Consumer products (OTC) through PEL's CFA network till all requisite licenses, registrations, permits were fully transferred in the name of PPL.

In accordance with the scheme the demerger of pharma undertaking has been considered as non-common control transaction and accounted as Business combination as per Ind-AS 103 in the financial statements of PPL w.e.f 1st Apr'22. Accordingly, the financial results for the Quarter and six months ended Sep'22 are not comparable with corresponding previous periods. Comparable financials are available on slide no 32 of the Investor presentation for the period.

All the closing inventory as on 31st Mar'22 at PEL, in respect of such transactions included the margin element charged by PPL to PEL on arm's length basis. Since the demerger is effective 1st Apr'22, the opening inventory transferred to PPL at fair value (provisional) as per IND-AS included the margin element and the same has been charged to the P&L in Q1FY23 of PPL financial statements, on sale of such products in PPL.

The one-time, non-recurring impact on EBITDA of this inventory margin in Q1FY23 financial statements is INR 68Cr.

Comparable Financials

(In INR Crores)

Particulars	Quarterly					Half Yearly		
	Q2FY23	Q2FY22	YoY Change	Q1FY23	QoQ Change	H1FY23	H1FY22	YoY Change
Revenue from Operations	1,720	1,621	6%	1,482	16%	3,202	2,983	7%
CDMO	940	925	2%	770	22%	1,710	1,643	4%
CHG	562	500	12%	508	11%	1,069	963	11%
ICH	227	188	21%	211	7%	438	368	19%
EBITDA	219	210	4%	157	39%	376	367	3%
PAT	-37	30		-60		-97	10	

Consolidated Balance Sheet
(In INR Crores)

Key Balance Sheet Items	As at	
	30-Sep-22	31-Mar-22
Total Equity	6,672	6,697
Net Debt	4,385	3,694
Deferred Consideration	90	90
Total	11,148	10,481
Net Fixed Assets	8,577	8,051
Tangible Assets	4,089	3,716
Intangible Assets including goodwill	4,488	4,336
Net Working Capital	2,121	2,058
Other Assets [#]	450	372
Total Assets	11,148	10,481

[#] Other Assets include Investments and Deferred Tax Assets (Net)

Q2 and H1 FY2023 Earnings Conference Call

Piramal Pharma Limited will be hosting a conference call for investors / analysts on **9th November 2022 at 5:00 PM (IST) to discuss its Q2 and H1 FY2023 Results.**

The dial-in details for the call are as under:

Event	Location & Time	Telephone Number
Conference call on 9 th November, 2022	India – 5:00 PM IST	+91 22 6280 1461 / +91 22 7115 8320 (Primary Number)
		1 800 120 1221 (Toll free number)
	USA – 7:30 AM (Eastern Time – New York)	Toll free number 18667462133
	UK – 11:30 AM (London Time)	Toll free number 08081011573
	Singapore – 7:30 PM (Singapore Time)	Toll free number 8001012045
	Hong Kong – 7:30 PM (Hong Kong Time)	Toll free number 800964448
Express Join with Diamond Pass™	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=4892261&linkSecurityString=1729220401	

About Piramal Pharma Ltd:

Piramal Pharma Limited (PPL, NSE: PPLPHARMA | BSE: 543635), a leading global pharmaceuticals company, offers a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 15 global facilities and a distribution network in 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 innovators and generic companies. PCC's complex hospital product portfolio includes inhalation anesthetics, intrathecal therapies for spasticity and pain management, injectable pain and anesthetics, 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 a growth equity investment from the Carlyle Group.

For more information visit: <https://www.piramal.com/pharma/>, [Facebook](#), [Twitter](#), [LinkedIn](#)

For Media Queries:

Rajiv Banerjee
Group Head - Corporate Communications
rajiv.banerjee@piramal.com

For Investors:

Gagan Borana
General Manager - Investor Relations & Sustainability
gagan.borana@piramal.com