

PRESS RELEASE

Piramal Pharma Limited Announces Consolidated Results for Q3 and 9M FY2023

Mumbai, India | February 8, 2023: Piramal Pharma Limited (NSE: PPLPHARMA | BSE: 543635), today announced its consolidated results for the third quarter (Q3) and nine month (9M) ended 31th December 2022.

Consolidated Financial Highlights

(In INR Crores)

Particulars	Quarterly					YTD		
	Q3 FY23	Q3 FY22	YoY Growth	Q2 FY23	QoQ Growth	9M FY23	9M FY22	YoY Growth
Revenue from Operation	1,716	1,539	11%	1,720	0%	4,918	4,428	11%
CDMO	1,021	897	14%	940	9%	2,731	2,428	12%
Complex Hospital Generic	514	486	6%	562	-8%	1,584	1,454	9%
India Consumer Healthcare	214	157	37%	227	-6%	652	547	19%
EBITDA	170	386	-56%	219	-22%	478	749	-36%
EBITDA Margin (%)	10%	25%		13%		10%	17%	
PAT	-90	163	-155%	-37	N/A	-237	172	-238%

Note: The previous year (FY22) financials do not include non-common control transactions and hence YoY financials are not strictly comparable. Please refer to pages 3 and 4 for detailed explanation and like-to-like financials.

Key Highlights for Q3 FY23 and 9M FY23

- Revenue from Operation grew by 11% YoY in Q3 FY23 and 9M FY23
- EBITDA margin for Q3 FY23 and 9M FY23 was 10% - impacted by higher operating expenses including raw material cost, energy prices, wage inflation and marketing cost
- Successfully cleared 29 regulatory inspections (including US FDA) and 155 customer audits in 9M FY23
- New capabilities / capacity expansion gone live at Ahmedabad PDS, peptide facility (Turbhe, India) and Riverview (US)

Nandini Piramal, Chairperson, Piramal Pharma Limited said, “Basis our recent increase in customer engagements and continued inflows of RFPs (Request for Proposals), we believe that the demand for CDMO services, especially for our differentiated offerings remain strong. We continue to maintain our quality track record with successful US FDA inspection at our Riverview facility.

In our Complex Hospital Generic business, the Inhalation Anesthesia portfolio is seeing a healthy demand. Further, our India Consumer Healthcare business is delivering growth driven by power brands. Investment in e-commerce channel is also yielding good results.

We believe in the potential of our business and in-line with our aim to grow, the Board has approved the recommendation to allot equity shares for an amount not exceeding INR 1,050 Cr., subject to receipt of requisite regulatory approvals, market conditions and other considerations.”

Key Business Highlights for Q3 and 9M FY2023

Contract Development and Manufacturing Organization (CDMO):

- Maintaining our **quality track record** – successfully cleared 29 regulatory inspections (including US FDA) and 155 customer audits in 9M FY23
- **US FDA inspection** at Riverview, Sellersville and Lexington facilities in the US:
 - o Zero observations at Riverview
 - o Form 483 with VAI* classification at Sellersville and Lexington
- Continued **slower decision making by customers** due to macro-economic environment and **increased focus on pipeline prioritization**
- Undertaking judicious price increases, cost optimization and operational excellence measures to **offset inflationary pressures**
- Planned **growth CAPEX** is on track
- **New capability / capacity expansion going live** - Ahmedabad PDS site (new In-Vitro Lab), significant capacity enhancement at peptide facility at Turbhe (India) and capacity expansion at Riverview facility (US)

Complex Hospital Generics (CHG):

- Continued **momentum in Inhalation Anesthesia (IA)** sales in the US with 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
- **Injectable Pain Management** - Growth in Q3FY23 and 9MFY23 impacted by supply constraints. Production has ramped up over last few months
- **Other Injectable** - Launched 2 new products during Q3FY23
- **Building pipeline of new products** which are various stages of development

India Consumer Healthcare (ICH):

- **21 new products & 25 new SKUs launched** during 9MFY23. New products launched in last 2 years now contribute to 17% of total ICH sales
- Continue to **invest in media and trade spends** to drive growth in power brands
- **Power Brands** – Littles, Lacto Calamine, Polycrol, Tetmosol and I-range, grew by 39% YoY in 9MFY23 and contribute to 41% of ICH sales
- **E-commerce** grew by more than 50% YoY in 9MFY23
- **Wide distribution reach** across 200,000 outlets and 12,000+ organised retail stores. Also presence across all leading e-commerce platforms

* VAI – Voluntary Action Indicated

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

Particulars	Quarterly					Year To Date (YTD)		
	Q3 FY23	Q3 FY22	YoY Change	Q2 FY23	QoQ Change	9M FY23	9M FY22	YoY Change
Revenue from Operations	1,716	1,539	11%	1,720	0%	4,918	4,428	11%
Other Income	83	161	-49%	46	79%	201	198	1%
Total Income	1,799	1,700	6%	1,766	2%	5,119	4,625	11%
Material Cost	625	547	14%	664	-6%	1,864	1,611	16%
Employee Expenses	492	396	24%	470	5%	1,423	1,186	20%
Other Expenses	511	370	38%	413	24%	1,355	1,079	26%
EBITDA	170	386	-56%	219	-22%	478	749	-36%
Finance Cost	95	50	89%	83	14%	240	141	70%
Depreciation	164	147	12%	166	-1%	492	421	17%
Share of net profit of associates	16	9	70%	11	40%	47	40	16%
Profit Before Tax	-73	198	-137%	-19	N/A	-207	227	-191%
Tax	17	35	-52%	11	49%	22	40	-46%
Net Profit after Tax	-90	163	-155%	-30	N/A	-230	187	-223%
Exceptional item	0	0	N/A	-7	N/A	-7	-15	N/A
Net Profit after Tax after exceptional item	-90	163	-155%	-37	N/A	-237	172	-238%

Note: Q3FY23 and 9MFY23 financials are strictly not comparable to Q3FY22 and 9MFY22 respectively

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 of PPL 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 (Carrying and

Forwarding Agent) 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 nine months ended Dec'22 are not comparable with corresponding previous periods. Like-to-Like financials are as shown in the table below.

Also, 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.

Like-to-Like Financials

(In INR Crores)

Particulars	Quarterly					Year To Date (YTD)		
	Q3FY23	Q3FY22	YoY Change	Q2FY23	QoQ Change	9MFY23	9MFY22	YoY Change
Revenue from Operations	1,716	1,578	9%	1,720	0%	4,918	4,561	8%
CDMO	1,021	922	11%	940	9%	2,731	2,566	6%
CHG	514	491	5%	562	-8%	1,584	1,454	9%
ICH	214	167	28%	227	-6%	652	535	22%
EBITDA	170	348	-51%	219	-22%	546	714	-24%
EBITDA margin	10%	22%		13%		11%	16%	

Q3 and 9M FY2023 Earnings Conference Call

Piramal Pharma Limited will be hosting a conference call for investors / analysts on **9th February 2023 at 5:00 PM (IST) to discuss its Q3 and 9M FY2023 Results.**

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

Event	Location & Time	Telephone Number
Conference call on 9 th February, 2023	India – 5:00 PM IST	+91 22 6280 1461 / +91 22 7115 8320 (Primary Number)
		1 800 120 1221 (Toll free number)
	USA – 6:30 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™	use this link for prior registration to reduce wait time at the time of joining the call – https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=3875819&linkSecurityString=132719d2f8	

About Piramal Pharma Ltd:

Piramal Pharma Limited (PPL, NSE: PPLPHARMA | BSE: 543635), offers a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 17 global facilities and a global 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. In addition, PPL has a joint venture with Allergan, a leader in ophthalmology in the Indian formulations market. In October 2020, PPL received 20% strategic growth investment from the Carlyle Group.

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

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