

PRESS RELEASE

## Piramal Pharma Limited Announces Consolidated Results for Q4 and FY2023

**Mumbai, India | May 24, 2023:** Piramal Pharma Limited (NSE: PPLPHARMA | BSE: 543635), today announced its consolidated results for the fourth quarter (Q4) and full year FY23 ended 31<sup>st</sup> March 2023.

### Consolidated Financial Highlights

(In INR Crores)

Particulars	Quarterly					Full Year		
	Q4 FY23	Q4 FY22	YoY Growth	Q3 FY23	QoQ Growth	FY23	FY22	YoY Growth
<b>Revenue from Operation</b>	<b>2,164</b>	<b>2,131</b>	<b>2%</b>	<b>1,716</b>	<b>26%</b>	<b>7,082</b>	<b>6,559</b>	<b>8%</b>
CDMO	1,285	1,322	-3%	1,021	26%	4,016	3,752	7%
Complex Hospital Generic	702	550	28%	514	37%	2,286	2,002	14%
India Consumer Healthcare	206	269	-23%	214	-4%	859	806	6%
<b>EBITDA</b>	<b>376</b>	<b>476</b>	<b>-21%</b>	<b>170</b>	<b>121%</b>	<b>853</b>	<b>1,225</b>	<b>-30%</b>
<b>EBITDA Margin (%)</b>	<b>17%</b>	<b>22%</b>		<b>10%</b>		<b>12%</b>	<b>19%</b>	
<b>PAT</b>	<b>50</b>	<b>204</b>	<b>-75%</b>	<b>-90</b>	<b>N/A</b>	<b>-186</b>	<b>376</b>	<b>-150%</b>

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.

EBITDA stands for earnings before interest, taxes, depreciation, and amortisation which has been arrived at by adding finance expense, depreciation expense to the profit before tax for the period

### Key Highlights for Q4 FY23 and FY23

- Revenue from Operation grew by 2% YoY in Q4FY23 and 8% in FY23
- EBITDA margin for Q4 FY23 and FY23 was 17% and 12% respectively impacted by lower sales and higher operating expenses
- Successfully cleared multiple regulatory inspections and customer audits in FY23
- New capabilities / capacity expansion gone live at Ahmedabad PDS, peptide facility (Turbhe, India) and Riverview (US) are witnessing good customer demand
- Rights Issue – DLOF filed with the SEBI, currently under review

**Nandini Piramal, Chairperson, Piramal Pharma Limited** said, “Over the recent years, Q4 has always been the strongest quarter for the Company in terms of revenue contribution and EBITDA margin. This year as well, we have seen a healthy pickup in our Q4 revenues and EBITDA margin compared to previous three quarters of the financial year.

Our CDMO business, which had a challenging year, witnessed significant pickup in order bookings in Q4. Our Inhalation Anesthesia portfolio continues to see a healthy demand and hence we are expanding our capacities. Our India Consumer Healthcare business is delivering good growth driven by our power brands. We continue to maintain our quality track record with successful US FDA inspections – zero observations at Riverview and Digwal facilities, and EIR received for Lexington and Sellersville facilities. We believe in the potential of our businesses and our main focus over the next few months will be on capturing demand and executing them well, driving productivity through operational excellence and executing critical maintenance and growth capex.”

## Key Business Highlights for Q4 and FY23

### Contract Development and Manufacturing Organization (CDMO):

- Witnessed a **significant pickup in order bookings in Q4** compared to the previous three quarters. The orders received during Q4 was a healthy mix of on-patent and generic product development and manufacturing.
- Continue to see good demand for our CDMO services in the niche areas of **high potent API, peptide and anti-body drug conjugate**. New capabilities / capacity expansion gone live at Riverview (US), peptide facility (Turbhe, India) and Ahmedabad PDS, witnessing healthy customer demand
- Expect to go live with **expansion at our Grangemouth facility** in H2FY24 which should help strengthen our position in the anti-body drug conjugate segment
- **Maintained our quality track record** – successfully cleared 4 US FDA inspections in FY23
  - I. Zero observations at Riverview and Digwal and
  - II. EIR\* received from US FDA for Sellersville and Lexington facilities
- **Development pipeline** - Aim to continue discovering and developing new molecules for our customers and have a development pipeline of molecules across various stages of development

### Complex Hospital Generics (CHG):

- **Inhalation Anesthesia** portfolio continues to see a strong demand in the US and non-US markets. We are accordingly expanding our capacities at Digwal and Dahej
- As per IQVIA MIDAS MAT® Sep. 2022 data, we are **the leading player in Sevoflurane in the US** with value market share of 39%
- **Intrathecal portfolio** in the US continued to command leading market share.
- **Injectable Pain Management** - Growth in FY23 impacted by supply constraints at our CMO. We are currently seeing improved traction in production
- **Other Injectable** – Launched 3 new products (10 SKUs) during FY23 in US and Europe
- **Building pipeline of new products / SKUs** which are various stages of development

### India Consumer Healthcare (ICH):

- **26 new products and 37 new SKUs launched** in FY23. New products launched since April 2020 contributed to 18% of total ICH sales in FY23
- 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 37% YoY in FY23 and contribute to 42% of ICH sales
- **E-commerce** grew by more than 40% YoY in FY23 and contributed 16% to ICH revenues
- **Wide distribution reach** across general trade outlets and organised retail stores. Also presence across all leading e-commerce platforms

\* EIR – Establishment Inspection Report

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

Particulars	Quarter					Full Year		
	Q4 FY23	Q4 FY22	YoY Change	Q3 FY23	QoQ Change	FY23	FY22	YoY Change
Revenue from Operations	2,164	2,131	2%	1,716	26%	7,082	6,559	8%
Other Income	25	78	-69%	83	-70%	225	276	-18%
<b>Total Income</b>	<b>2,188</b>	<b>2,210</b>	<b>-1%</b>	<b>1,799</b>	<b>22%</b>	<b>7,307</b>	<b>6,835</b>	<b>7%</b>
Material Cost	840	840	0%	625	34%	2,703	2,451	10%
Employee Expenses	474	403	18%	492	-4%	1,896	1,589	19%
Other Expenses	499	490	2%	511	-2%	1,854	1,569	18%
<b>EBITDA</b>	<b>376</b>	<b>476</b>	<b>-21%</b>	<b>170</b>	<b>121%</b>	<b>853</b>	<b>1,225</b>	<b>-30%</b>
Finance Cost	104	57	83%	95	10%	344	198	74%
Depreciation	184	165	12%	164	12%	677	586	15%
Share of net profit of associates	8	19	-59%	16	-50%	54	59	-8%
<b>Profit Before Tax</b>	<b>95</b>	<b>273</b>	<b>-65%</b>	<b>-74</b>	<b>N/A</b>	<b>-113</b>	<b>500</b>	<b>-123%</b>
Tax	45	69	-35%	17	171%	66	109	-39%
<b>Net Profit after Tax</b>	<b>50</b>	<b>204</b>	<b>-75%</b>	<b>-90</b>	<b>N/A</b>	<b>-179</b>	<b>391</b>	<b>-146%</b>
Exceptional item	0	0	N/A	0	N/A	-7	-15	-54%
<b>Net Profit after Tax after exceptional item</b>	<b>50</b>	<b>204</b>	<b>-75%</b>	<b>-90</b>	<b>N/A</b>	<b>-186</b>	<b>376</b>	<b>-150%</b>

**Note: FY23 financials are strictly not comparable to FY22 respectively**

The Hon'ble NCLT, on 12<sup>th</sup> Aug'22, approved the composite scheme of arrangement for transfer by way 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 1<sup>st</sup> Apr'22.

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

Financial statements of CCPL and HPPL, wholly owned subsidiaries of PPL have been combined as if the amalgamation had occurred on 1<sup>st</sup> 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 1<sup>st</sup> Apr'22. Accordingly, the financial results for FY23 are not comparable with corresponding previous period. Like-to-Like financials are as shown in the table below.

Also, all the closing inventory as on 31<sup>st</sup> 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 1<sup>st</sup> 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					Full Year		
	Q4 FY23	Q4 FY22	YoY Change	Q3 FY23	QoQ Change	FY23	FY22	YoY Change
<b>Revenue from Operations</b>	<b>2,164</b>	<b>2,139</b>	<b>1%</b>	<b>1,716</b>	<b>26%</b>	<b>7,082</b>	<b>6,700</b>	<b>6%</b>
CDMO	1,285	1,394	-8%	1,021	26%	4,016	3,960	1%
CHG	702	548	28%	514	37%	2,286	2,002	14%
ICH	206	196	5%	214	-4%	859	741	16%
<b>EBITDA</b>	<b>376</b>	<b>478</b>	<b>-21%</b>	<b>170</b>	<b>121%</b>	<b>922</b>	<b>1,194</b>	<b>-23%</b>
<b>EBITDA margin</b>	<b>17%</b>	<b>22%</b>		<b>10%</b>		<b>13%</b>	<b>18%</b>	

**Consolidated Balance Sheet**
*(In INR Crores)*

Key Balance Sheet Items	As at	
	31-Mar-23	31-Mar-22
Total Equity	6,773	6,697
Net Debt	4,781	3,656
Deferred Consideration	11	90
<b>Total</b>	<b>11,565</b>	<b>10,443</b>
Net Fixed Assets	<b>8,887</b>	<b>8,051</b>
Tangible Assets	4,441	3,716
Intangible Assets including goodwill	4,446	4,336
Net Working Capital	2,320	2,058
Other Assets <sup>#</sup>	358	335
<b>Total Assets</b>	<b>11,565</b>	<b>10,443</b>

<sup>#</sup> Other Assets include Investments and Deferred Tax Assets (Net)

## Q4 and FY2023 Earnings Conference Call

Piramal Pharma Limited will be hosting a conference call for investors / analysts on **25<sup>th</sup> May 2023 at 5:00 PM (IST) to discuss its Q4 and FY2023 Results.**

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

Event	Location & Time	Telephone Number
Conference call on 25 <sup>th</sup> May, 2023	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 – 12:30 PM (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 – <a href="https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=4595170&amp;linkSecurityString=17ebb5d7ec">https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=4595170&amp;linkSecurityString=17ebb5d7ec</a>	

### About Piramal Pharma Ltd:

Piramal Pharma Limited (PPL, NSE: PPLPHARMA | BSE: 543635), offers a portfolio of differentiated products and services through its 17 global facilities which include end-to-end development and manufacturing capabilities 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, one of PPL's associate companies, Allergan India Private Limited, is a JV with AbbVie Inc. and has emerged as one of the market leaders in the ophthalmology therapy area. Further, PPL has a minority investment in Yapan Bio. 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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