PRESS RELEASE

Piramal Enterprises Limited Announces Consolidated Results for Q4 and FY2022

- FY22 revenues at INR 13,993 Cr.; FY22 Net Profit at INR 1,999 Cr.
- Q4 FY22 Net Profit of INR 151 Cr. vs Loss of Rs. 510 Cr. in Q4 FY21
- The Board has recommended a dividend of INR 33 per share, subject to shareholders' approval
- FS business Pre-provision Operating Profit (PPOP) of INR 379 Cr. in Q4 FY22 vs. INR 243 Cr. in Q4 FY21
- Overall AUM grew +33% YoY to ~INR 65,185 Cr; retail loan book grew 306% YoY to INR 21,552 Cr.
- DHFL acquisition completed with most branches integrated and re-activated
- Pharma business revenues grew 16% YoY to INR 6,701 Cr for FY22
- India Consumer Healthcare grew 48% YoY and Complex Hospital Generics business grew 20% YoY during FY22
- EBITDA margin for the Pharma business stood at 18% during FY22
- Expect to complete the demerger in Q3 FY23, subject to various required approvals

Mumbai, India | May 26, 2022: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the Fourth Quarter (Q4) and Full Year (12M) FY2022 ended 31st March 2022.

Consolidated Highlights

- **Overall Performance:**
  - Q4 FY22 revenues growth of 22% YoY to INR 4,163 Cr.; FY22 revenues at INR 13,993 Cr.
  - Q4 FY22 Net Profit of INR 151 Cr.; FY22 Net Profit at INR 1,999 Cr.
    - Reported net profit factors in additional provisioning of INR 822 Cr. and interest reversal of INR 215 Cr. (totalling INR 1,037 Cr.) in Q4 FY22

- **Dividend:**
  - The Board has recommended a dividend of INR 33 per share, subject to shareholders' approval at the AGM; the total dividend pay-out would be INR 788 Crores (Dividend Pay-out Ratio of 39%)

- **Financial Services (FS):**
  - DHFL acquisition completed in FY 2022; branches integrated and re-activated
  - Retail loan disbursements up 100% QoQ in Q4 FY22 to INR 1,480 Cr.
  - YoY decline in GNPA by 70 bps to 3.4% and NNPA by 50 bps 1.6%
  - Created additional provisions for wholesale non-RE assets in Stage-2; overall provisions equivalent to 5.7% of AUM
  - Over the next 5 years, i.e. by end-FY2027, aspire to achieve:
    - Retail-Wholesale mix of 2/3rd Retail and 1/3rd wholesale
    - Double the AUM of the FS lending business
    - Retail disbursement growth at 40-50% (5-year CAGR)

- **Pharma Business:**
  - Acquired additional stake in Yapan Bio in April 2022, taking the overall stake to 33% and broadening our services in the biologics space
  - Aurora plant commenced operations post $23 Mn API expansion
  - Launched new production block for Oral Solid Dosage forms at Pithampur in May 2022
  - Announced $74 Mn expansion for Antibody Drug Conjugates and API in Grangemouth and Morpeth
  - Witnessed healthy growth in Development order book
  - Executed multiple contract extensions with major GPOs in the US
  - Launched 40 new products in the India Consumer Healthcare business in FY22
  - Littles crossed Rs. 100 Cr. and Tetmosol crossed Rs. 50 Cr. in FY22 revenues

Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, "We have delivered a resilient performance in Q4 and FY22 across financial services and pharmaceuticals, against the backdrop of the pandemic and macro-economic headwinds. In financial services, we completed the integration with DHFL and achieved 100% Q-on-Q growth in retail loan disbursements in Q4 of FY22. We have re-activated almost all the branches and not only retained over 3,000 employees of the DHFL, but also created over 3,000 new jobs in the merged entity across India. We will continue to make requisite investments in talent and technology, to strengthen our ability to tap the latent business opportunities in the Bharat market. Post the DHFL acquisition, we will now leverage our sizable retail lending platform to double our AUM over the next 5 years, thereby significantly improving our mix towards retail.

During the quarter, we further strengthened our balance sheet by making additional provisions towards Stage 2 assets. We also continue to retain the extraordinary provisions made in March 2020 towards the pandemic related risks.

In pharmaceuticals, we have been investing organically and inorganically across all our businesses. All our key businesses have a compelling plan for their growth and have continued to deliver against their respective strategic priorities despite challenging macro-environment. We remain firmly on track to complete the demerger of the pharmaceuticals business by Q3 of FY23 and unlock significant value for our stakeholders."

Key Business Highlights

Financial Services

- **Significant AUM growth and diversification**
  - AUM increased 33% YoY to INR 65,185 Cr. as of Mar-2022
  - Share of retail in the overall loan book increased from 12% in Mar-2021 to 36% in Mar-2022
  - Retail loan book increased 306% YoY to INR 21,552 Cr.

- **Retail loan disbursements increased 100% QoQ to INR 1,480 Cr.** in Q4 FY22
  - ~132,000 customers acquired in Q4 FY22
  - Launched mobile app, with >125k downloads
  - Disbursement yields continued to improve to 12.5% in Q4 vs. 11.3% in Q1 FY22, driven by shift in product mix of disbursements
  - On-track to achieve guidance of INR 2,500-3,500 Cr. of disbursements in Q3 FY23 (i.e. 5-7x of pre-merger levels)

- **Increasing granularity of the wholesale portfolio:**
  - No exposure is >10% of net worth and 90% of Real Estate book is <7% net worth
  - **'Wholesale Lending 2.0':** Calibrated approach, with focus on smaller loans and cash flow-backed lending

- **Re-evaluated the wholesale portfolio, to detect any lasting impact of the pandemic or recent stress in the macro economy on our clients**
  - Based on this assessment, we moved some of our non-Real Estate exposures to Stage 2 and thus, we have made additional provisioning and interest reversal totalling INR 1,037 Cr. (incl. additional provisioning of INR 822 Cr. and interest reversal of INR 215 Cr.)
  - These were high-yield, structured mezzanine loans done under the 'Holdco' structure. We have discontinued doing such kind of deals.

- **GNPA and NNPA ratios stable QoQ**
  - GNPA ratio at 3.4% and NNPA at 1.6%
  - Total provisions at INR 3,735 Cr, equivalent to 5.7% of our AUM

- **Robust Liability Management**
  - **Average cost of borrowings fell 180 bps YoY** to 9.1% in Q4 FY22; **79% of borrowings at fixed rate**

- **Adequate capital available for value accretive acquisitions, as well as for organic growth,** given capital adequacy ratio of ~21% and net debt-to-equity of 2.7x

Pharma

- **Revenue grew by 16% YoY to INR 6,701 Cr. For FY2022:**
  - India Consumer Healthcare Revenues were up 48% YoY
  - Complex Hospital Generics Revenues were up 20% YoY
  - CDMO revenues were up 10% YoY

- **Delivered EBITDA of INR 1,206 Cr. for FY22, EBITDA margin at 18%**

- **Investments / capacity expansion in niche capabilities, etc:**

  CDMO:
  - Acquired additional stake in **Yapan Bio** to broaden services in biologics space, now 33% ownership
  - Operations commenced post $23 Mn APIs expansion at the **Aurora** facility
  - Launched new production block for Oral Solid Dosage forms at **Pithampur** in May 2022
  - Announced $74 Mn expansion for Antibody Drug Conjugates and API at **Grangemouth** and **Morpeth** facilities
  - Announced expansion for drug substances, including HPAPIs, at **Riverview**
  - Witnessing healthy growth in Development Order Book and strong demand for API services

  Complex Hospital Generics:
  - Executed multiple contract extensions with major GPOs in the US in the Complex Hospital Generics business
  - Witnessing strong Inhaled Anaesthesia sales in the US
  - Intrathecal portfolio continued its leadership position in the US

  India Consumer Healthcare:
  - Strong performance in power brands in the India Consumer Products business
  - Launched 40 **new products** in FY22; New products launched since Apr'20 contribute to 15% of sales
  - Littles crossed Rs. 100 Cr. and Tetmosol crossed Rs. 50 Cr. In FY22 revenues

Consolidated P&L

(In INR Crores, or as stated)

Particulars	Quarter IV ended			12M Ended		
	31-Mar-22	31-Mar-21	% Change	31-Mar-22	31-Mar-21	% Change
Net Sales	4,163	3,402	22%	13,993	12,809	9%
Non-operating other income	238	164	45%	720	364	98%
Total income	4,401	3,566	23%	14,713	13,173	12%
Other Operating Expenses	2,169	1,701	28%	6,847	5,335	28%
Expected Credit loss	817	-77	-	696	10	-
OPBIDTA	1,414	1,942	-27%	7,170	7,828	-8%
Interest Expenses	1,237	936	32%	4,480	4,209	6%
Depreciation	190	145	31%	666	561	19%
Profit / (Loss) before tax & exceptional items	-14	861	-	2,025	3,058	-34%
Exceptional items (Expenses)/Income	-	-	-	-168	59	-
Current Tax and Deferred Tax	24	218	-89%	511	785	-35%
DTA reversal / other one-time tax adjustments	-	1,258	-100%	-	1,258	-100%
Profit / (Loss) after tax (before MI & Prior Period items)	-37	-616	-	1,346	1,074	25%
Share of Associates[1]	188	106	78%	653	338	93%
Net Profit / (Loss) after Tax	151	-510	-	1,999	1,413	41%

Notes: (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.

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About Piramal Enterprises Ltd:
Piramal Enterprises Limited (PEL) is one of the large companies in India, with a presence in Financial Services and Pharmaceuticals. PEL's consolidated revenues were US$ 1.9 Billion in FY 2022, with ~39 % of revenues generated from outside India.

In Financial Services, the company offers a wide range of financial products and solutions, with a presence across both retail and wholesale financing. Within retail lending, through its multi-product platform, the company offers home loans, loans for small businesses and loans for working capital to customers in affordable housing and mass affluent segments across Tier I, II and III cities. Within wholesale lending, the business provides financing to real estate developers, as well as corporate clients. The company has also formed strategic partnerships with leading financial institutions such as CPPIB, APG and Ivanhoe Cambridge, etc., across various investment platforms. Piramal Alternatives, the fund management business, provides customised financing solutions to high-quality corporates through – 'Piramal Credit Fund', a performing, sector-agnostic credit fund with capital commitment from CDPQ; and 'IndiaRF', a distressed asset investing platform with Bain Capital Credit, which invests in equity and/or debt across non-real estate sectors. PEL also has equity investments in the Shriram Group, a leading financial conglomerate in India.

Piramal Pharma Limited (PPL) offers a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 15 global facilities and a global distribution network 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 innovator and generic companies. PCC's complex hospital product portfolio includes inhalation anaesthetics, intrathecal therapies for spasticity and pain management, injectable pain and anaesthetics, injectable anti-infectives, and other therapies. The India 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 growth equity investment from the Carlyle Group.

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