

Q1FY2015 Results Presentation

Aug 6, 2014



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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.

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Financial highlights Q1FY2015

Q1FY2015: Key Highlights



- Operating Revenue for Q1FY2015 grew to ₹ 1,182.6 Cr; a growth of 22.6% over Q1FY2014.
- For Q1FY2014, OPBITDA was ₹ 156.1 Cr compared to ₹ 140.7 Cr in Q1FY2014.
- Net profit was ₹ 2,896.3 Cr in the quarter ending June 30, 2014 compared to a net loss of ₹ 146.7 Cr in the quarter ending June 30, 2013.
 - Gain of ₹ 3,036 Cr on account of sale of 11% stake in Vodafone India for ₹ 8,900 Cr in April 2014
- Revenue from **Pharmaceutical Businesses** for Q1FY2015 grew to ₹ 739.0 Cr; a growth of 20.4 % over Q1FY2014.
- Revenue from Information Management business DRG for Q1FY2015 grew to ₹ 225.1 Cr; a growth of 21.1% over Q1FY2014.
- Revenue from Financial Services for Q1FY2015 grew to ₹ 218.4 Cr; a growth of 32.1 % over Q1FY2014.
 - Total Loan book to Real Estate & Education sectors stands at ₹ 2,268 Cr as on June 30, 2014.
 - Net funds under management of ₹ 6,614 Cr as on June 30, 2014.
 - Total Loan book to Infrastructure sector stands at ₹ 925 Cr as on June 30, 2014.

Business Mix



(In ₹ Crores)

No.	Net Sales break-up	% Sales	Quarter ended		
			30-Jun-14	30-Jun-13	% Growth
1	Pharma Solutions	37.8%	446.9	369.8	20.9%
2	Critical Care	16.4%	193.5	150.3	28.7%
3	Financial Services	18.5%	218.4	165.3	32.1%
4	OTC & Ophthalmology	7.7%	91.1	85.6	6.5%
5	DRG	19.0%	225.1	185.9	21.1%
6	Others	0.6%	7.6	8.0	-5.5%
	Total	100.0%	1182.6	964.8	22.6%

Note:

- 1. Income from Financial Services includes income from the lending operations and the fund management business.
- 2. Foreign Currency denominated revenue in Q1FY2015 was ₹810 Cr (69% of total revenue).

Consolidated Profit & Loss



(In ₹ Crores)

Period ended - Consolidated	Quarter ended			
Period effded - Coffsolidated	30-Jun-14	30-Jun-13	% Growth	
Total operating income	1,182.6	964.8	22.6%	
R&D Exps	(103.0)	(71.0)	45.0%	
Other Operating Expenses	(923.5)	(753.1)	22.6%	
OPBIDTA	156.1	140.7	10.9%	
OPM %	13.2%	14.6%	-	
Non-operating other (expense) / income	100.4	119.4	-	
Interest (Net)	(147.9)	(332.5)	-55.5%	
Depreciation	(66.4)	(57.1)	16.3%	
Profit before tax (before exceptional items)	42.1	(129.5)	-132.5%	
Exceptional items (Expenses)/Income	3,031.3	(6.3)	-	
Income tax	(211.0)	(10.4)	-	
Profit after tax (before M.Int & Prior Period items)	2,862.4	(146.2)	-	
Minority interest	-	(0.5)	-	
Share of Associates	33.9	(1.0)	-	
Net Profit after Tax	2,896.3	(146.7)	-	
EPS (Rs.)	167.8	(8.5)	-	

Note:

- 1. Non operating other income mainly consists of (loss) /gain on foreign exchange and investment income.
- 2. Exceptional Income includes gain on sale of 11% stake in Vodafone India for ₹ 8,900 Cr. Investment of ₹ 5,864 Cr made in FY2012.
- 3. Interest income for the quarter is lower as overall debt has been reduced to ₹ 4,808 Cr using cash proceeds from sale of stake in Vodafone India.

Consolidated Balance Sheet



(In ₹ Crores)

Period ended - Consolidated	30-Jun-14	31-Mar-14
Shareholders' Funds		
(A) Share Capital	35	35
(B) Reserves & Surplus	12,192	9,287
Minority Interest	-	-
Loan Funds	4,808	9,552
Deferred Tax Liability	10	9
TOTAL	17,044	18,882
Fixed Assets	7,233	6,682
Investments	7,752	9,446
Deferred Tax Asset	51	50
Current Assets, Loans And Advances		
Inventories	679	652
Sundry Debtors	656	725
Cash And Bank Balances	646	334
Other Current Assets	1,148	1,045
Loans And Advances	1,967	2,558
Less: Current Liabilities And Provisions		
Current Liabilities	1,412	1,431
Provisions	1,676	1,179
TOTAL	17,044	18,882

Note: During FY2014, investments were made in equity of Shriram Transport Finance & for expansion of our lending operations amongst others.

Break Up Loan Funds	In ₹ Terms In \$ Terms		Total	
As on 30-Jun-14	1,397	3,411	4,808	
As on 31-Mar-14	6,105	3,447	9,552	

Note: Foreign currency loans have been used mainly to acquire assets outside India & will be repaid from revenues from non-India assets.



Key Business Highlights of Q1FY2015

<u>Pharmaceuticals</u>



Pharma Solutions

- ullet After a robust growth in FY2014, the business continues to grow at ~21% in Q1FY2015; mainly driven by its Formulation business.
- API business continues to have a strong portfolio of clinical stage projects.
- US FDA audit successfully completed at the Canada site without any 483's.
- PEL's Clinical Research Organisation successfully completed the audits from regulatory agencies in US, Netherlands and France.

Critical Care

- Revenue growth of ~29% in Q1FY2015 mainly driven by increased sales in Latin American, the US and Japanese markets.
- Sevoflurane continues to gain share in EU markets.
- New contracts won in the US.

Pharmaceuticals



OTC

- Saridon's market share peaked in Q1FY2015.
- QuikKool, a recently launched oral care product, recorded positive response from customers.
- 2 Launches in Kid's Wellness Segment Lunch box, Bottle & Sanitizer.
- 'i-can help' wins two bronze in 'INK Newspaper Awards' for contextual advertising

<u>Information Management - DRG</u>

- Continues to have high customer retention rates (94% in Q1FY2015), while continuing to add new customers.
- Abacus, a 2012 acquisition, delivered a strong year on year revenue growth in Q1FY2015.
- Backlog for CY2014 up 6.6% over June 30 results last year.

Financial Services



The real estate focused fund management and lending businesses were combined into 'Piramal Fund Management' to realize synergies across fund raising, deployment, monitoring and exit of real estate loans and investments.

Piramal Fund Management

- Loan book to Real Estate and Education sectors was ₹ 2,268 Cr as of June 30, 2014.
- Net funds under management/advisory of ₹ 6,614 Cr as on June 30, 2014.
- Launched 'Indiareit Apartment Fund' under AIF with fund size of ₹ 350 Cr and a green shoe option of ₹ 350 Cr. Already mobilised ₹ 100 Cr.

Structured Investments Group

- Loan book to Infrastructure sector of ₹ 925 Cr as of June 30, 2014.
- MOU with SBI Capital Markets for business opportunities in acquiring controlling stakes in road PPP assets.

Strategic Investments



Further Investments made in the Shriram Group

- In April 2014, acquired a stake of effective 20% in Shriram Capital Limited, the holding company for the Financial Services & Insurance entities of the Shriram Group. Total investment of ₹ 2,014 Cr.
- In June 2014, acquired a stake of 9.99% in Shriram City Union Finance, a retail finance focused NBFC of the Shriram Group. Total investment of ₹ 790 Cr.
- With this, total investment in Shriram Group is ₹ 4,440 Cr. In 2013, PEL had acquired ~9.96% stake in Shriram Transport Finance Company Limited for ₹ 1,636 Cr.
- Investments in line with PEL's long term strategy of building presence in the financial services sector.

Divestiture of 11% stake in Vodafone India

In April 2014, sold 11% in Vodafone India Limited to Prime Metals Ltd., an indirect subsidiary of Vodafone Group Plc, for a total consideration of ₹8,900 Cr.

The stake was acquired in two tranches during FY2012 for ₹ 5,864 Cr.



Thank you

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