

Piramal Enterprises Limited

Investor Presentation

November 2019



Disclaimer

Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as 'will', 'aim', 'will likely result', 'would', 'believe', 'may', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'likely', 'project', 'on-course', 'should', 'potential', 'pipeline', 'guidance', 'will pursue' 'trend line' and similar expressions or variations of such expressions may constitute 'forward-looking statements'.

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.

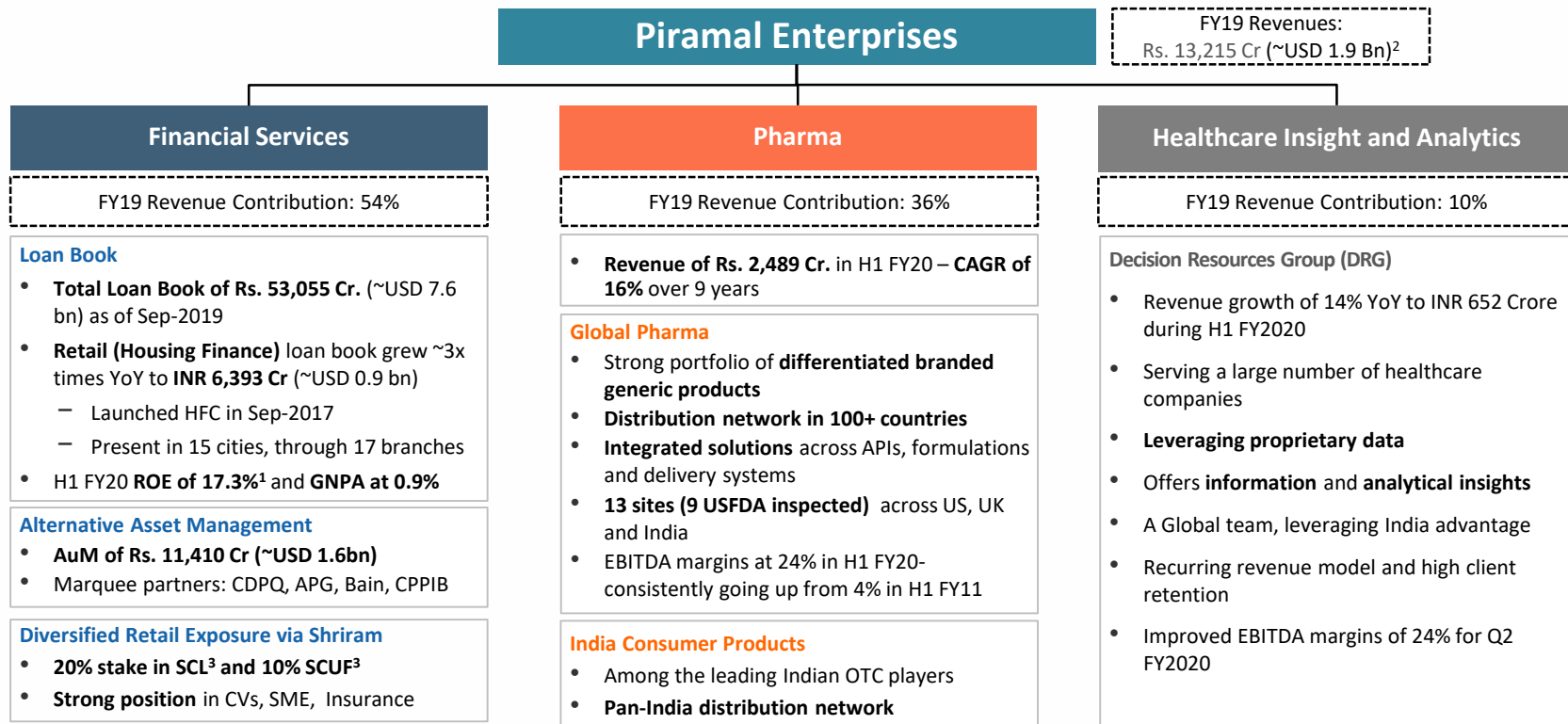
These risks and uncertainties include, but are not limited to Piramal Enterprise Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Enterprises Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

These materials are not a prospectus, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Indian Companies Act, 2013 together with the rules and regulations made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States or in any other jurisdiction.

Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.

Piramal Enterprises Limited: Business Overview

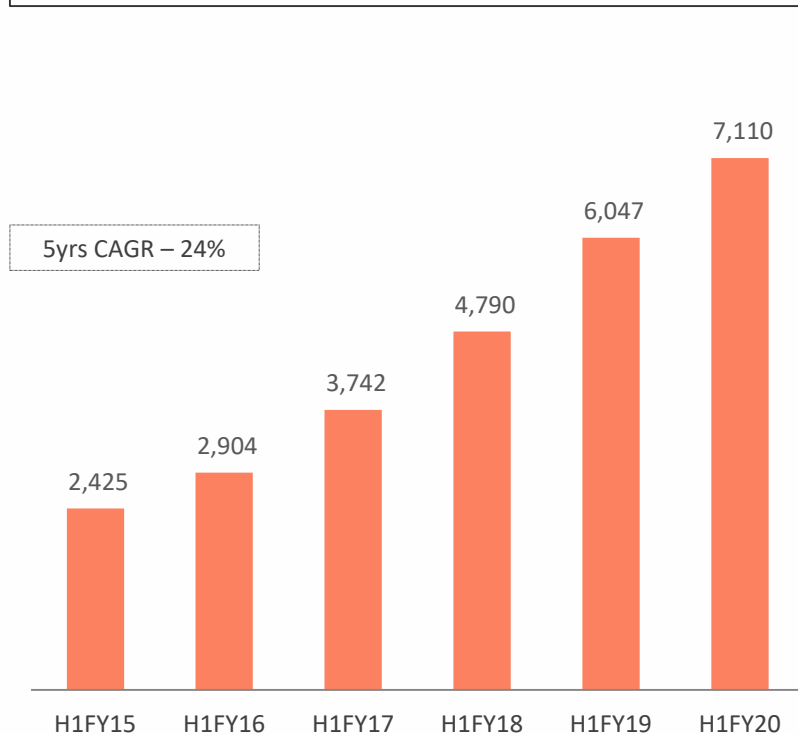




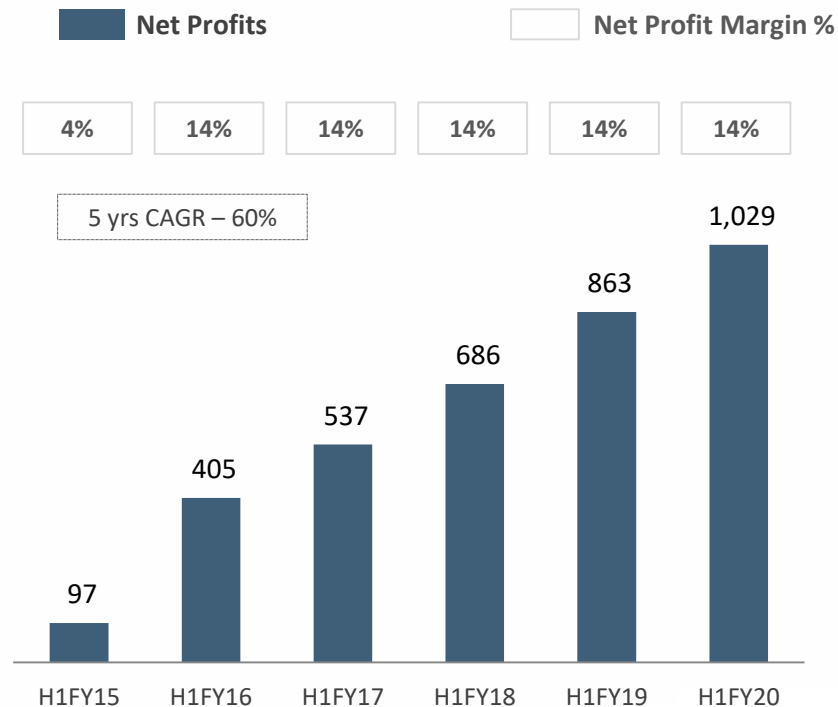
Delivering growth – track record

(In INR Crores)

Total Revenues¹



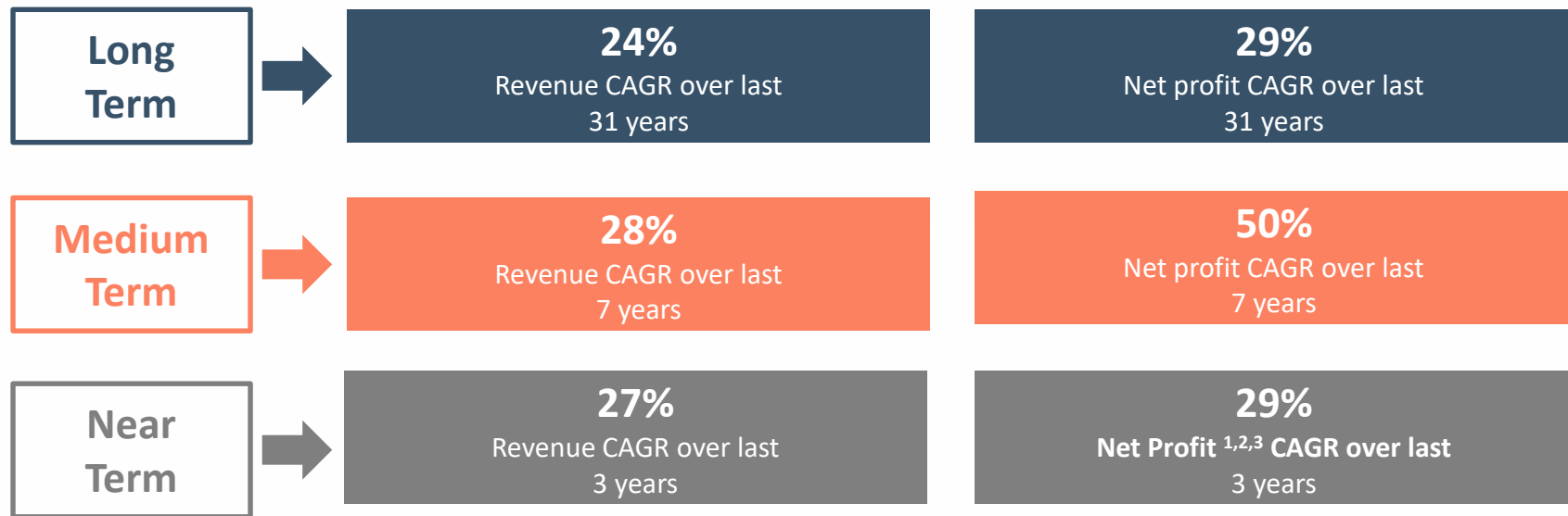
Net Profit^{1,2}



Note:

- 1) FY2015 results have been prepared based on IND GAAP and FY2016 onwards on IndAS basis
- 2) Net Profit excludes exceptional gain/loss for the specified period

Performance across various periods



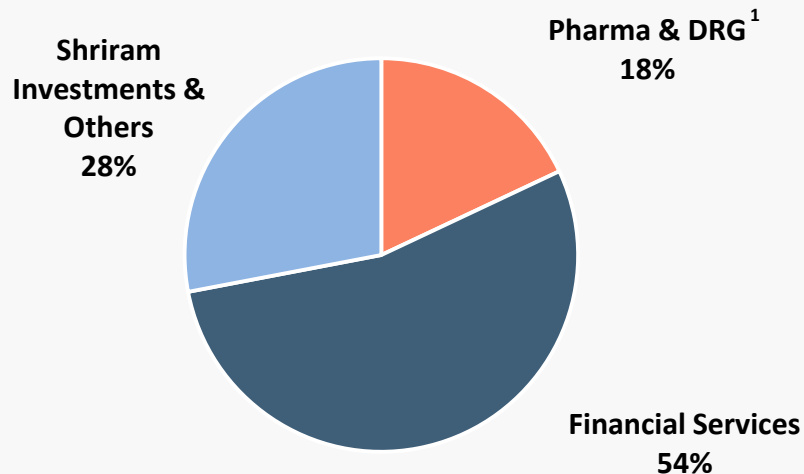
Note :

1) FY2016 - FY2019 results have been prepared based on IND AS, prior periods are IGAAP; 2) Q4FY2018 normalised net profit excludes synergies from reverse merger of subsidiaries in Financial services segment; 3)) FY2019 normalised net profit excludes non-recurring and non-cash accounting charge towards imaging assets in Q1 FY2019 and non-recurring exceptional item in Q4 FY2019



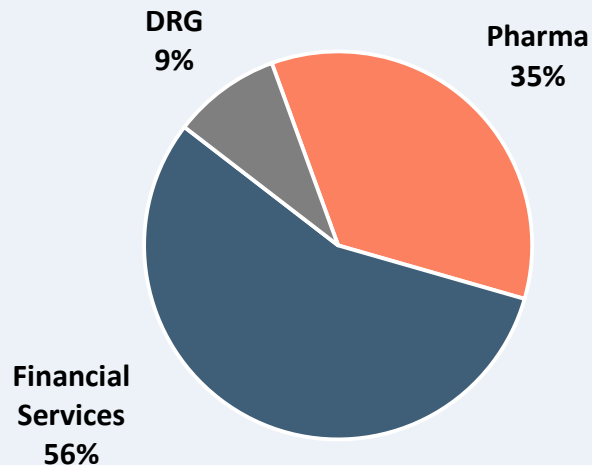
Net worth & Revenue Split

Equity breakdown as of Sep-2019



Total Equity as of Sept'19 – INR 26,655 Crores

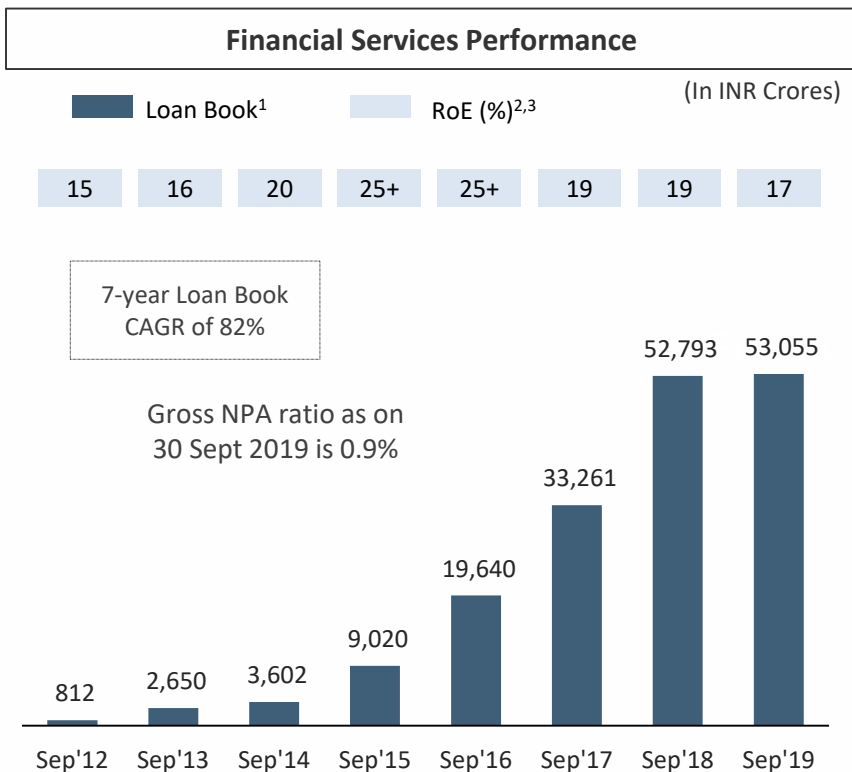
Revenue breakdown for H1 FY20



Total Revenue for H1 FY2020 – INR 7,110 Crores

Well-capitalized businesses with a diversified revenue mix

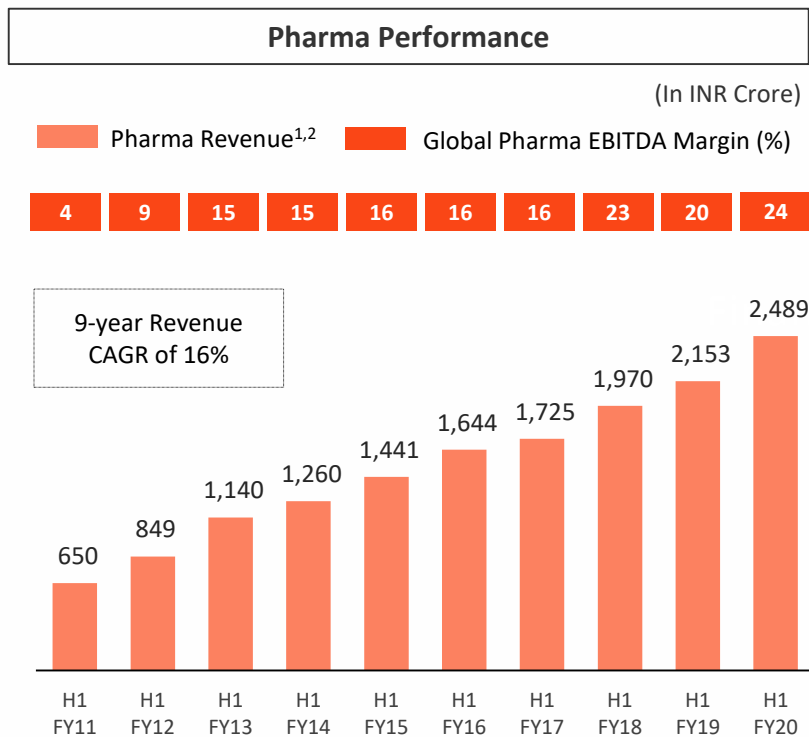
Performance trend in Financial Services



Performance Highlights

- **Asset Quality:** Consistently maintaining a healthy asset quality
 - GNPA ratio below 1% since last 14 quarters
- **Loan book diversification:** Housing finance loan book grew ~3x times YoY to INR 6,393 Crores
 - Housing Finance constitutes 12% of overall loan book as of Sep-2019 vs. 4% as of Sep-2018
- **Improving borrowing mix:** Shifting borrowing mix towards long-term sources of funds
 - Raised ~INR 24,000 Crores of long-term funds in the last one year
 - CP exposure reduced to ~INR 1,480 Crores from ~INR 18,000 Crores as of Sep-2018
- **Returns:** Delivered ROE of 17.3%³ in H1 FY2020

Performance trend in Pharma



- **Growth:** PEL's H1 Pharma revenue has grown at a CAGR of 16% over last 9 years
- Pharma business contributed 35% to overall revenue mix in H1 FY20
- **Profitability:** Global Pharma (accounts for 91% of Pharma revenues) has delivered a strong growth in EBITDA margins from 4% in H1 FY2011 to 24% in H1 FY2020
- **Differentiated Model:** Our differentiated business model with focus on providing integrated pharma services and specialty pharma products has enabled us to perform better than most of the other Indian Pharma companies
- **Quality & Compliance:** Since FY2011, PEL has successfully cleared 36 USFDA inspections, 151 other regulatory audits and 1,064 customer audits

Note: (1) Pharma Revenue includes Global Pharma Services, Global Pharma Products, and India Consumer Products Revenue

(2) FY2016 - FY2020 results have been prepared based on IND AS, prior periods are IGAAP



Board of Directors



AJAY PIRAMAL

CHAIRMAN

AWARDED “ASIA BUSINESS LEADER OF THE YEAR” BY CNBC ASIA

NON - EXECUTIVE DIRECTOR, TATA SONS

CO – CHAIR, UK-INDIA CEO FORUM

DIRECTORS



DR. SWATI PIRAMAL

VICE-CHAIRPERSON
EMINENT SCIENTIST
AWARDED PADMA SHRI



NANDINI PIRAMAL

EXECUTIVE DIRECTOR,
OTC, HR, QUALITY & RISK
MBA, STANFORD



ANAND PIRAMAL

NON-EXECUTIVE DIRECTOR,
HEADS PIRAMAL REALTY
MBA, HARVARD



VIJAY SHAH

EXECUTIVE DIRECTOR,
25+ YEARS WITH GROUP
TURNAROUND BUSINESSES

INDEPENDENT DIRECTORS



N VAGHUL

FORMER CHAIRMAN,
ICICI BANK



GAUTAM BANERJEE

SENIOR MD & Co-CHAIRMAN,
ASIA OPERATING COMMITTEE,
BLACKSTONE, SINGAPORE



ARUNDHATI BHATTACHARYA

FORMER CHAIRPERSON,
STATE BANK OF INDIA



DEEPAK M SATWALEKAR

FORMER MD & CEO,
HDFC STANDARD LIFE



SIDDHARTH (BOBBY) MEHTA

FORMER PRESIDENT & CEO
TRANSUNION



S RAMADORAI

FORMER VICE-CHAIRMAN,
TCS



PROF. GOVERDHAN MEHTA

EMINENT SCIENTIST
FORMER DIRECTOR - IISc
AWARDED PADMA SHRI



KEKI DADISETH

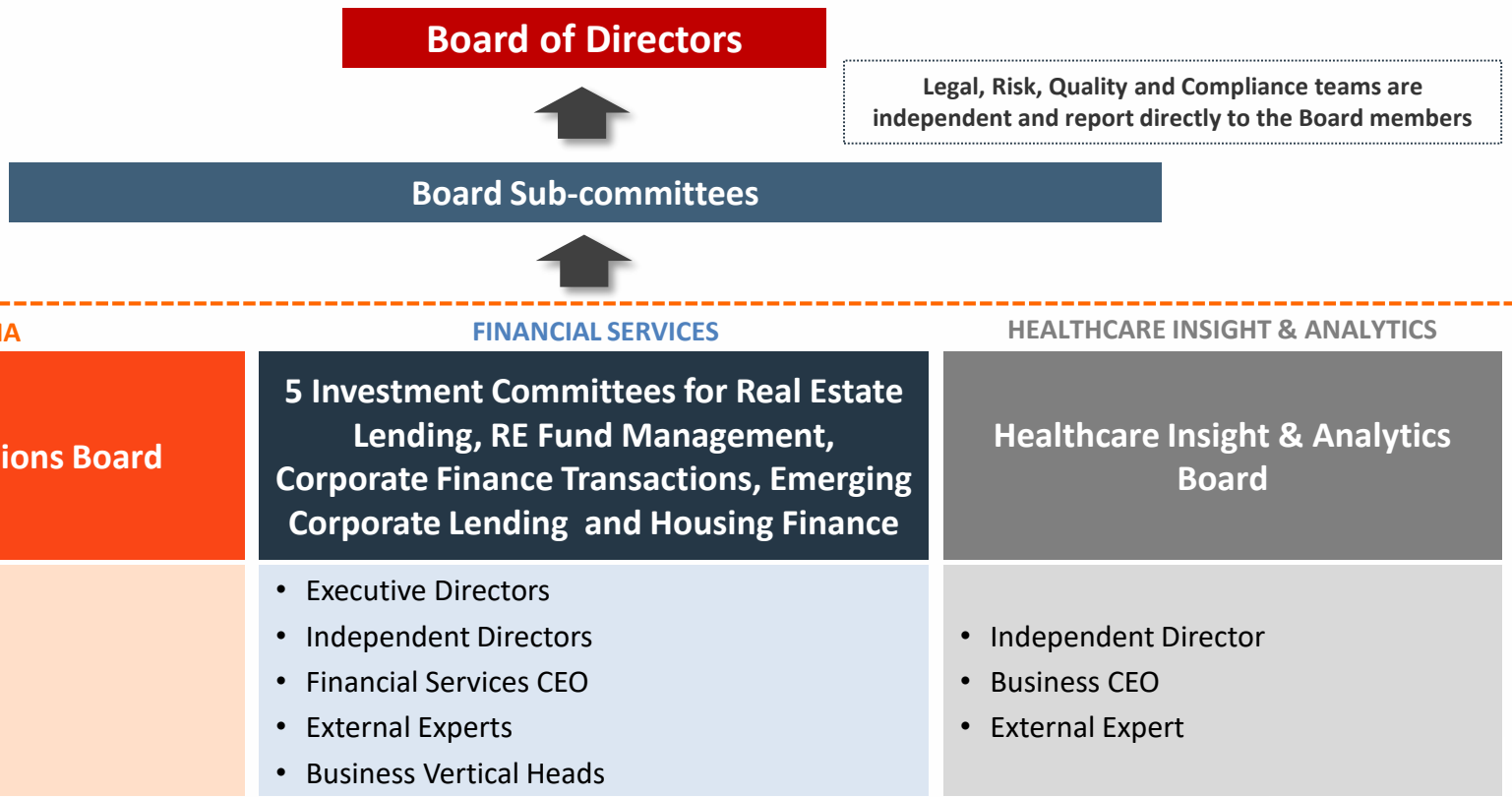
FORMER CHAIRMAN,
HINDUSTAN UNILEVER LTD



DR. R MASHELKAR

EMINENT SCIENTIST
FORMER DG, CSIR
AWARDED PADMA VIBHUSHAN

Robust Governance Mechanism

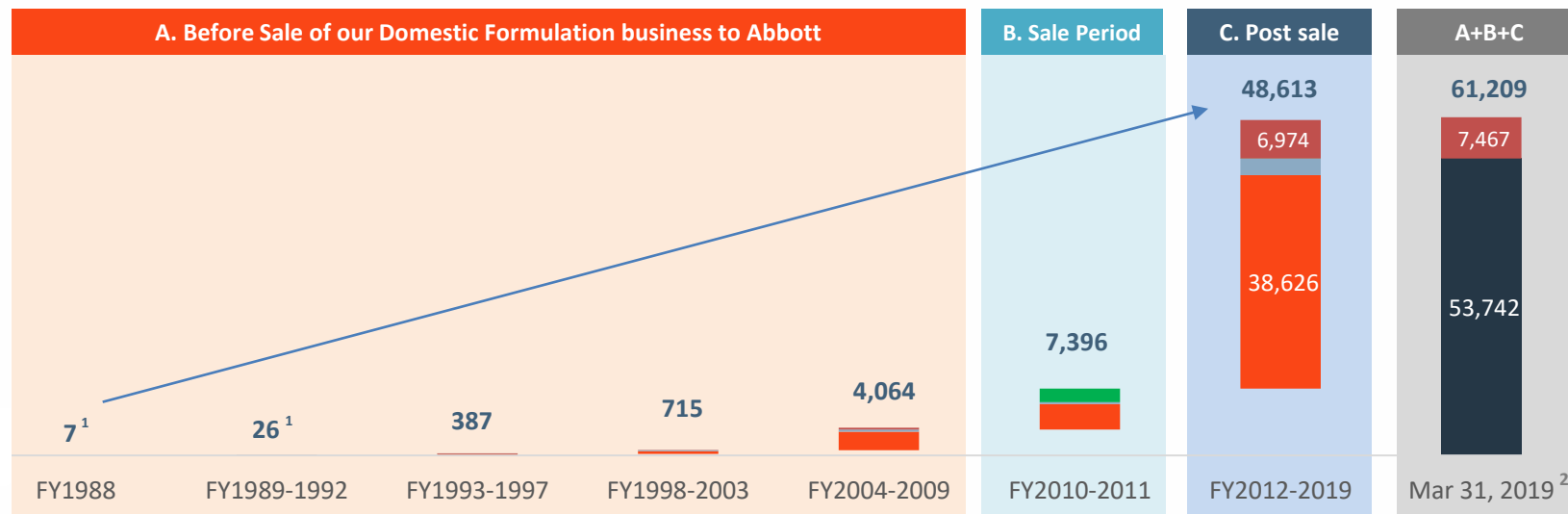




Creating value for shareholders

(In INR Crores)

■ Incremental Market cap
 ■ Dividend Paid ³
 ■ Capital Returned through Buyback
 ■ Capital Raised
 ■ Value Created



- Note:
1. All numbers till 1992 represents book value
 2. Analysis carried out based on market information till 31 March 2019
 3. Dividend for FY 2019 is not included in Total Dividend paid

24%

Revenue CAGR for last 31 years

29%

Net Profit CAGR for last 31 years

28%*

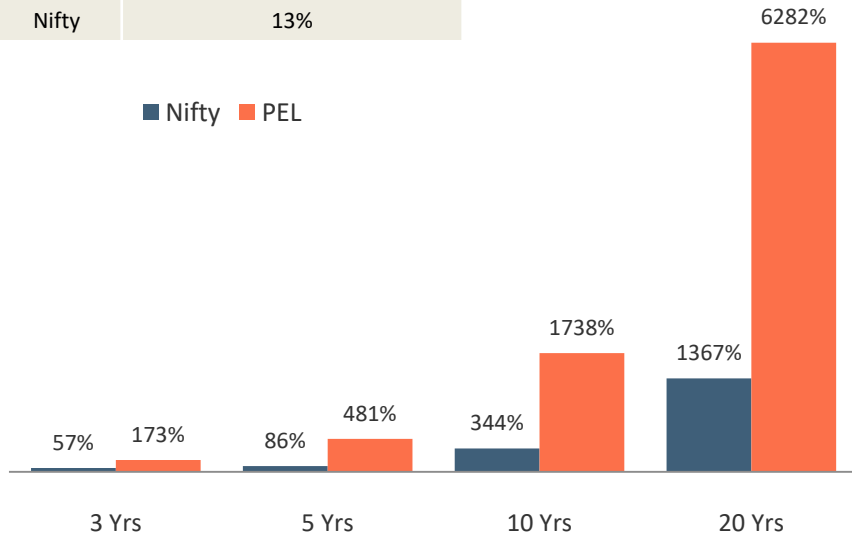
Annualized return to shareholders over last 31 years

* Assumed dividend reinvested in the stock

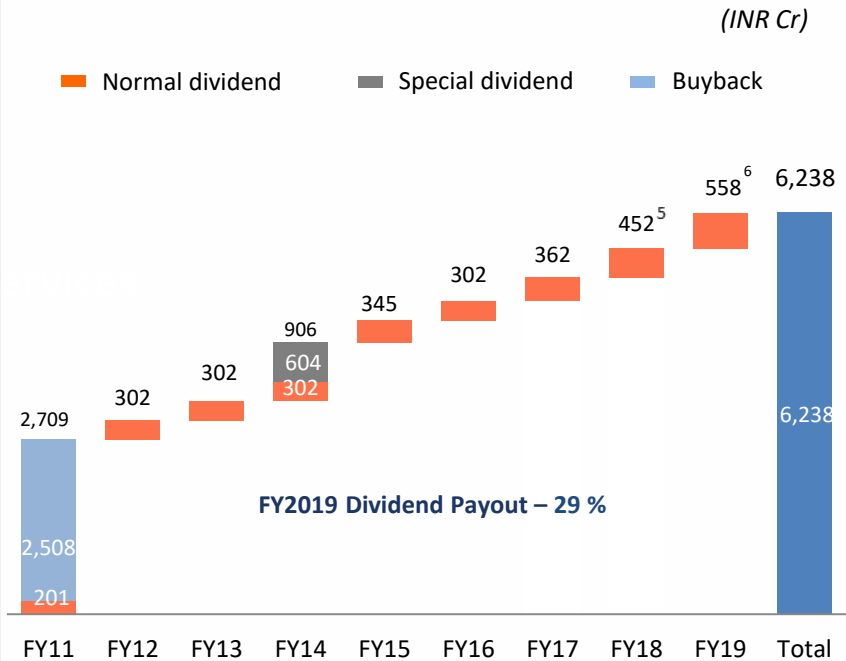
Long-term returns to shareholders versus benchmarks

Consistently delivered strong shareholder returns – significantly higher than benchmarked indices¹

	5 year Annualized Return ²
PEL	42%
Nifty	13%



INR 6,238 Cr^{3,4,5,6} returned to shareholders since sale of Domestic Formulations business in 2010

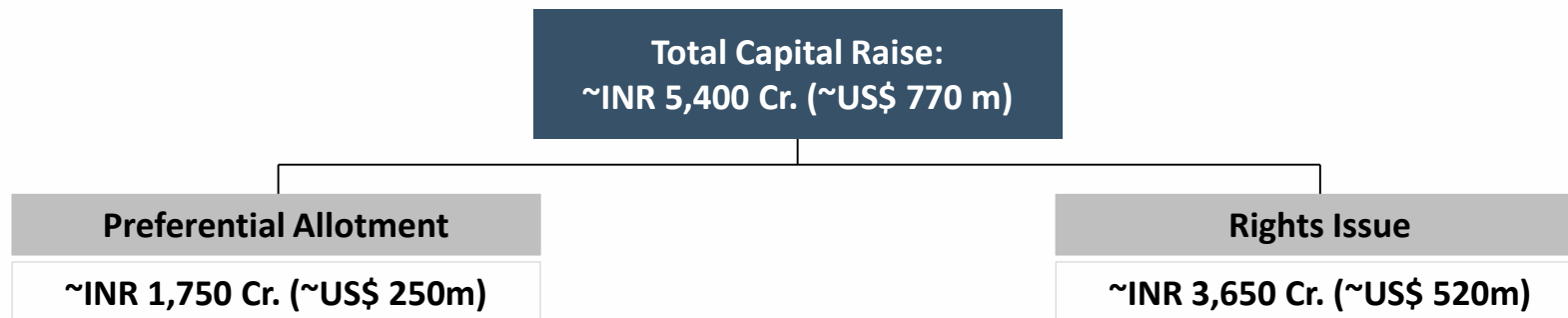


Notes:

1) Total shareholder returns are as on 31 Mar 2019. Assumes re-investment of dividend in the stock (Source : Bloomberg); 2) Annualized returns are as on 31 March 2019; 3) Of the buy back of 41.8 mn shares shown in FY11, buyback of 0.7 mn shares happened in FY12; 4) Capital returned to shareholder through dividends doesn't include amount paid under Dividend Distribution Tax; 5) FY18 Excludes any dividend payout upon conversions of CCDs & related Rights till book closure date 6) FY 19 includes any dividend payout upon conversion of CCDs & Rights till book closure date for FY 19



Capital Raise announced in Oct-2019



Raising ~INR 5,400 Cr. (~US\$ 770m) of fresh capital through Rights Issue and Preferential Allotment

Of the total capital raise, ~INR 1,750 Cr. will be through Preferential Allotment of Compulsory Convertible Debentures (CCDs) to Canadian institutional investor, Caisse de dépôt et placement du Québec (CDPQ)

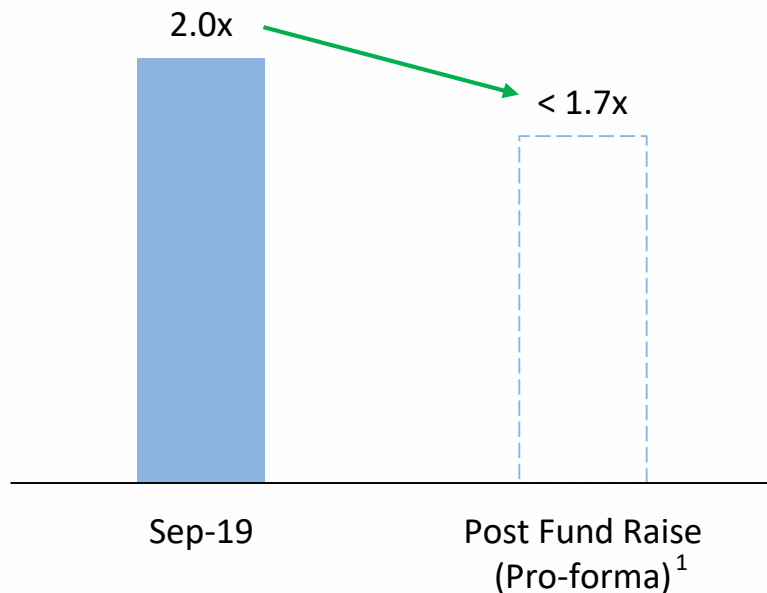
~INR 3,650 Cr. will be raised through Rights Issue

Promoters are committed to the success of the Rights Issue

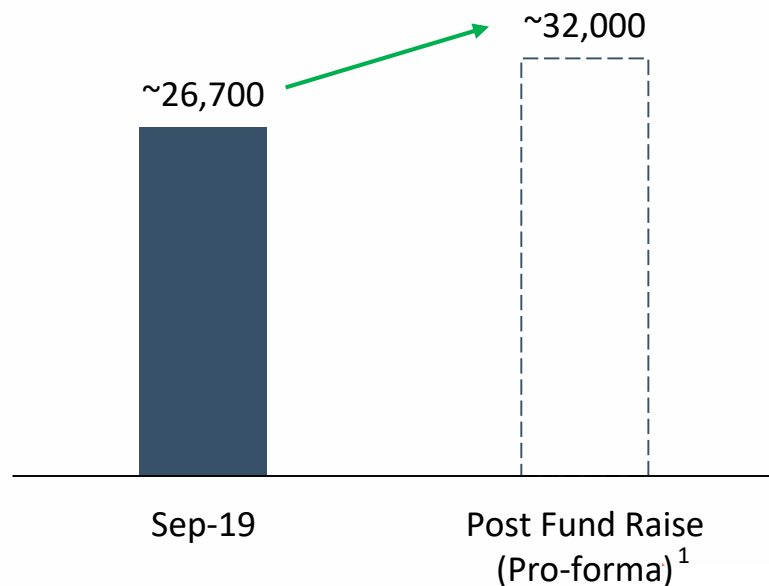
***Timelines¹* : CCD issuance by Nov-2019; Rights Issue to be completed by Feb-2020**

Further strengthening our balance sheet

PEL's Debt-to-Equity



Equity Capital
(in INR Cr.)



Note: (1) Pro-forma based on Sep 30, 2019 reported numbers

Trusted Partnerships

Our Strategic Partners



Our Top Investors

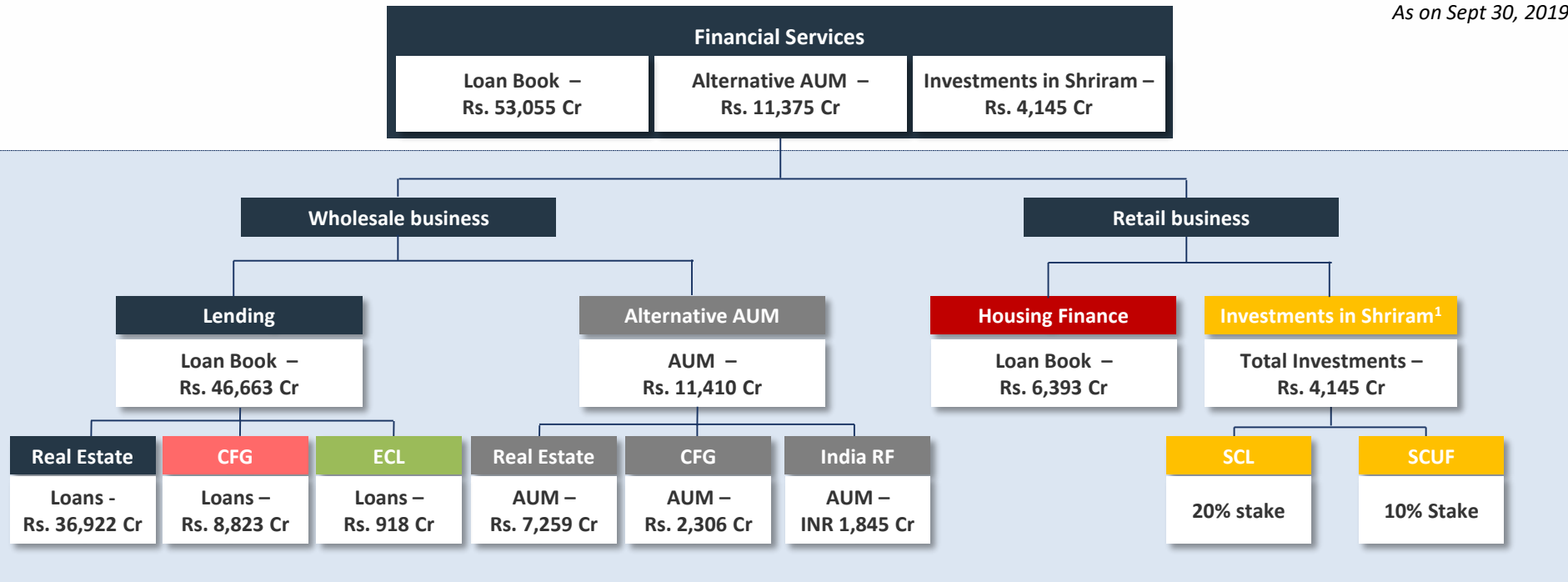




Financial Services

Diversified exposure across both wholesale and retail financing

As on Sept 30, 2019



CFG – Corporate Finance Group;
SCUF – Shriram City Union Finance

ECL – Emerging Corporate Lending;
India RF – India Resurgence Fund (our JV with Bain Capital Credit to invest in distressed assets in India)

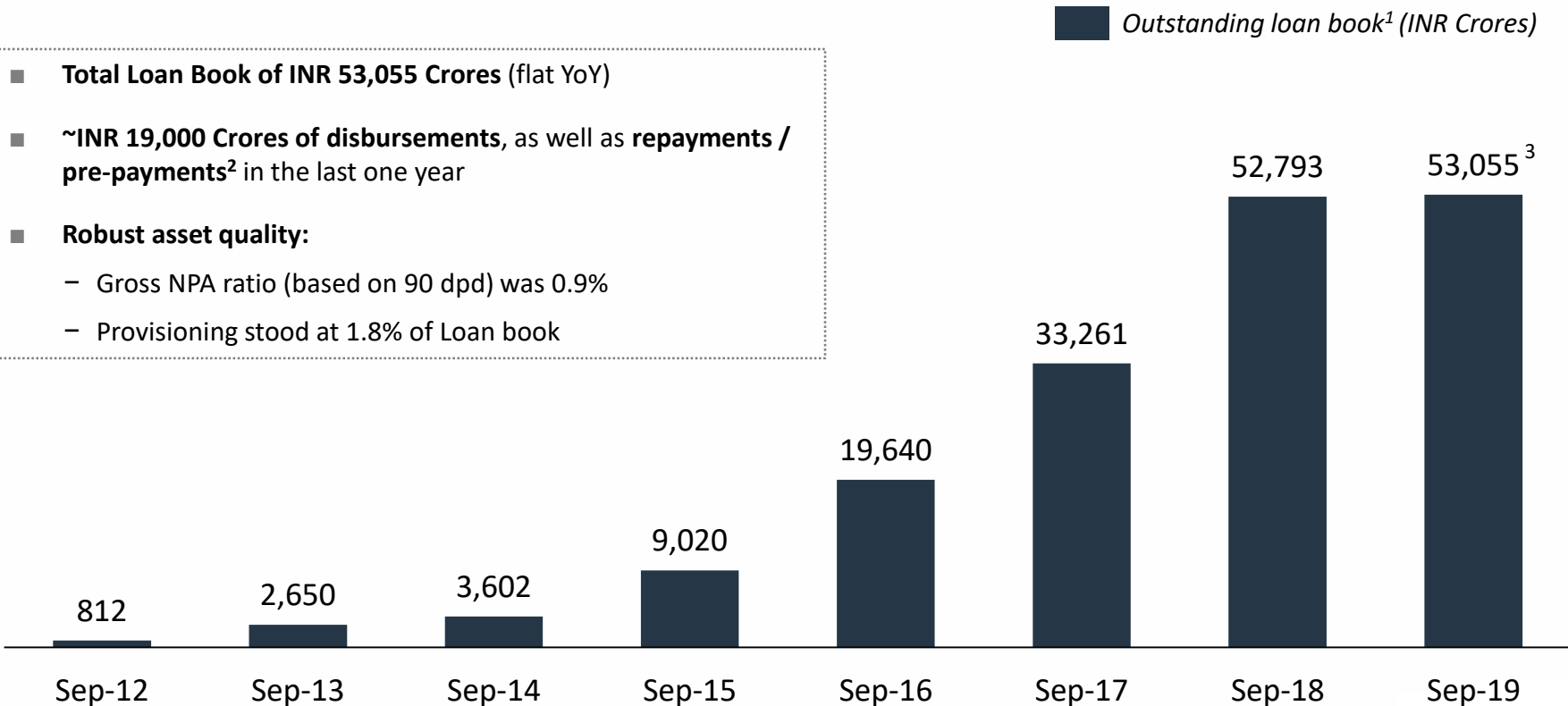
HFC – Housing Finance Company;

SCL – Shriram Capital Limited;

Strong portfolio with total investments, loans and assets under management of ~INR 68,500 Crores

(1) Investments in Shriram: SCUF based on market value; SCL based on book value, including accumulated profits

Loan Book



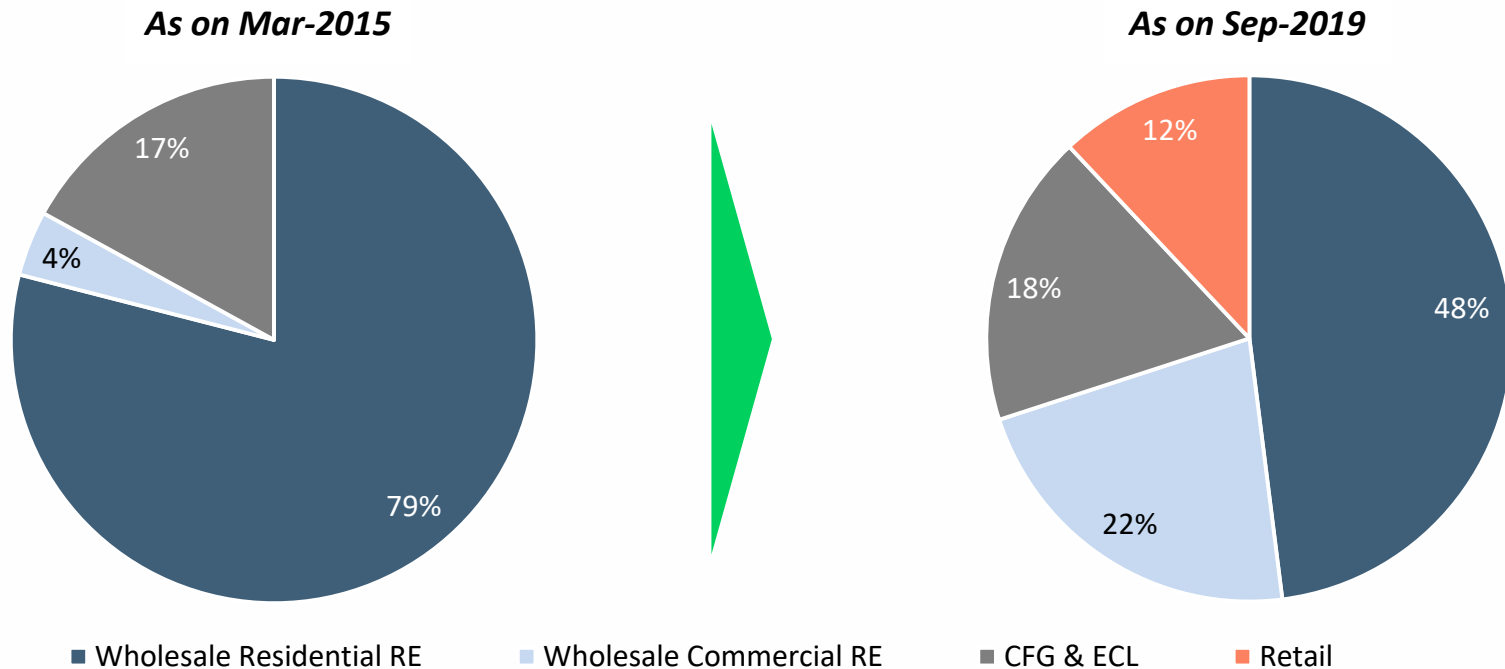
Notes: (1) Carrying value till Dec'15 and amortised cost thereafter

(2) Includes refinancing of ~INR 7,700 Cr.

(3) Includes securitized assets through pass-through certificates (PTCs)

Loan book diversification

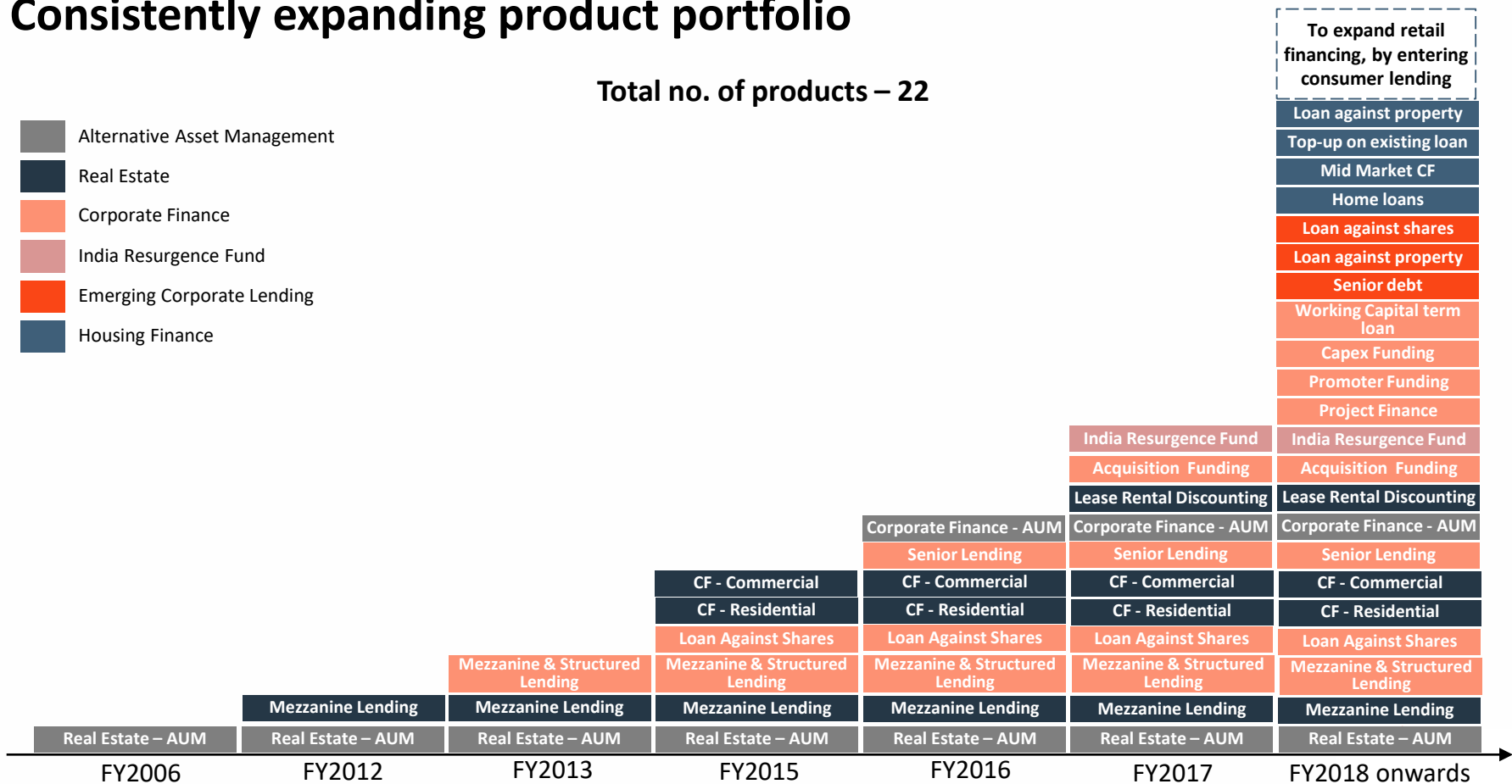
Breakdown of overall loan book



**Merely 48% of the loan book is towards wholesale residential RE,
with ~66% of the lending exposure towards mid/late stage or completed projects**

Consistently expanding product portfolio

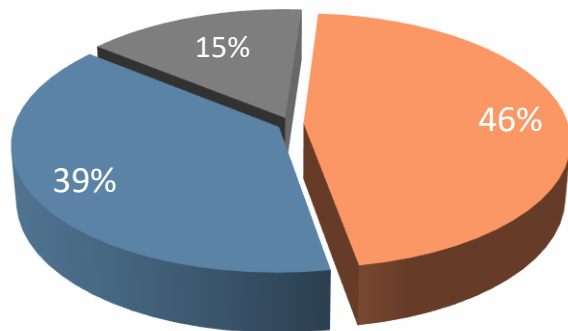
Total no. of products – 22



Note : CF – Construction Finance

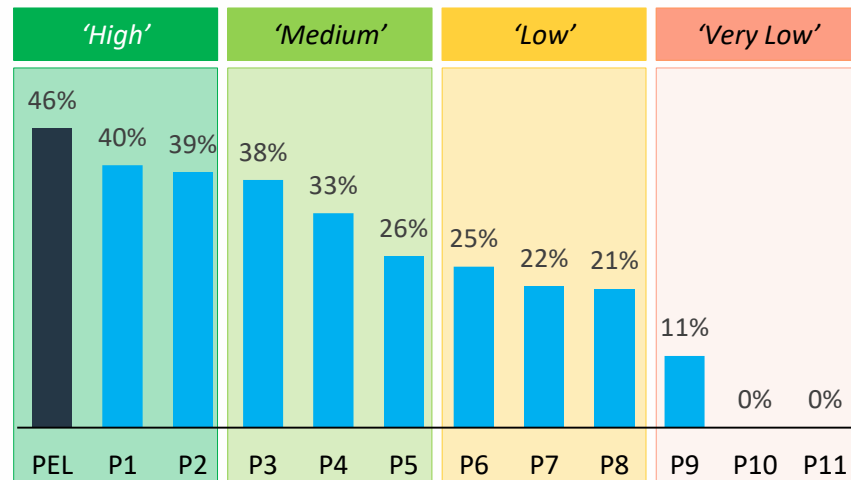
Strong commitment from the Promoter Group

PEL Shareholding Mix ¹
(As of Sept 2019)



■ Promoter Group
 ■ Institutional Investors
 ■ Public & Others

Comparison of Effective Promoter holding ²
with large NBFCs / HFCs ³



Largest effective promoter shareholding among major non-banking financial institutions of India

Notes:

(1) Shareholding mix does not take into account capital raise announced in Oct-2019

(2) Estimated based on available disclosures. Effective promoter shareholding is defined as the stake of the promoter group in the company, adjusted for any cross-holdings or indirect holdings through a holding company-subsidary structure. In case of no single promoter/founder or promoter group it has been considered as zero.

(3) P1 – P11 represents the peer set, which includes (not necessarily in the same order): HDFC Ltd., LIC Housing Finance, Bajaj Finance, Indiabulls Housing Finance, Dewan Housing Finance, Aditya Birla Capital, PNB Housing Finance, L&T Finance, Mahindra & Mahindra Financial Services, Edelweiss and Cholamandalam Finance. Data for peers as on March 31, 2019. Data for Aditya Birla Capital as on June 30, 2018

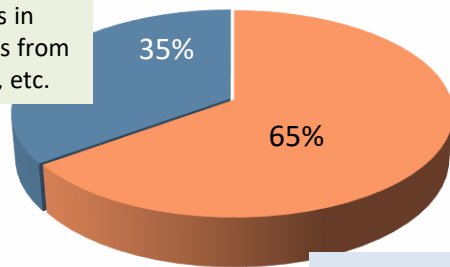
Amongst the least levered large non-banking financial institutions in India

As of Sept 30, 2019

**Total equity in the Financial Services (FS) Business of
~INR 22,000 Cr vs. loan book of ~INR 53,000 Cr**

Equity (Book Value) - % split

Includes ~INR 8,000 Cr
of investments in
Shriram, synergies from
reverse merger, etc.

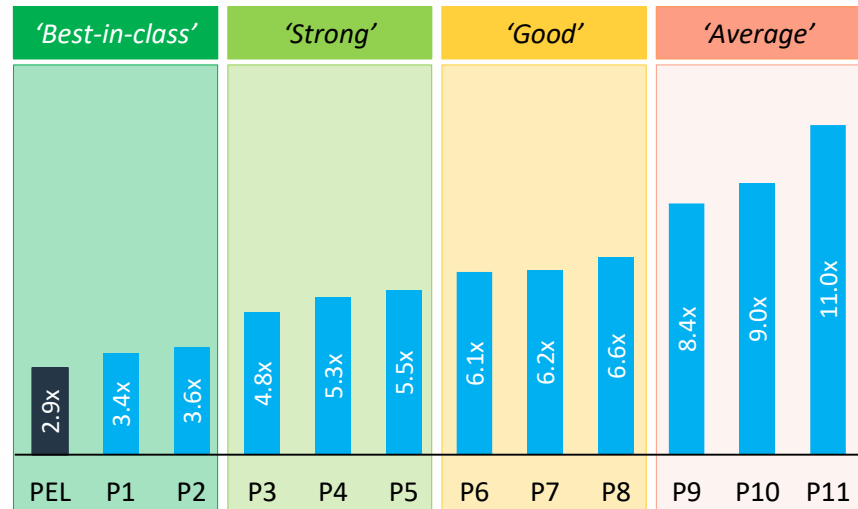


~INR 14,000 Cr invested in
the Lending business

■ Lending ■ Others (Shriram Investments, etc.)

Comparison of D/E multiple with large NBFCs / HFCs¹

■ Debt-to-Equity (x)



Note: (1) P1 – P11 represents the peer set, which includes (not necessarily in the same order): HDFC Ltd., LIC Housing Finance, Bajaj Finance, Indiabulls Housing Finance, Aditya Birla Capital, PNB Housing Finance, L&T Finance, Mahindra & Mahindra Financial Services, Edelweiss, Repco Home Finance and Cholamandalam Finance.

Real Estate end-to-end financing model

Particulars	Private Equity	Mezzanine Lending	Construction Finance	Lease Rent Discounting	Housing Finance
Stages of lending for a project	Primarily for land purchase	Post land purchase till commencement of construction (Phase of obtaining approvals)	For construction of projects	Lease rental discounting for commercial projects	Providing housing loans to home buyers
Current Size	Off Balance Sheet (3 rd Party Funds with PEL sponsor commitment upto 7.5%)	On Balance Sheet	On Balance Sheet	On Balance Sheet	On Balance Sheet
Year of commencement	Started in 2006; acquired by PEL in 2011	2011	2015	2016	2017
Current Size	INR 7,259 Crores*	INR 6,908 Crores	INR 26,381 Crores	INR 2,845 Crores	INR 6,393 Crores
Yield / IRR	20-24%	15-17%	14-15%	9-12%	9-10%
Tenor	4-6 years	3-5 years	4-6 years	7-15 years	20-30 years

* Includes Ivanhoe commitment

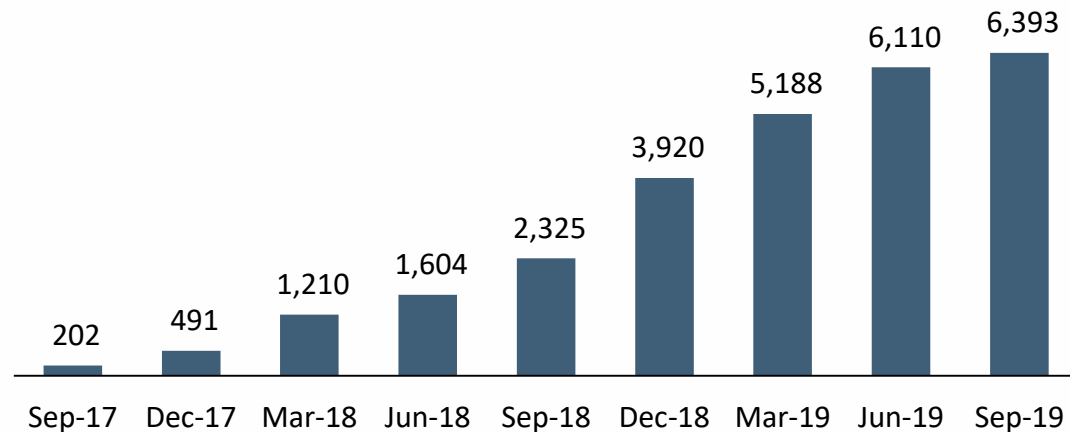
Integrated platform creating value for customers



Increasing share of retail loans

Retail housing loans outstanding

(INR Crores)



- **Loan book** of INR 6,393 Crores, ~3x times as compared to Sep-2018
- **Presence:** 15 cities, 17 branches
- **Average ticket size:** ~INR 70 lakhs
- **Customer mix:** Salaried (62%) vs. self-employed customers (38%)

Share of retail housing loans in overall loan book




















Share of retail loans to increased to 12% as of Sep-2019 compared to 4% a year ago

Corporate Finance Group: Performance trends

FY14 - FY16		As of Sep-2019
10	TEAM SIZE	35 ¹
Infra	SECTOR FOCUS	Infra, Cement, Transmission, Auto Comp, Logistics, Chemicals
INR 1,857 Cr.	LOAN BOOK	INR 8,823 Cr.
INR 2,015 Cr.	LOAN BOOK (Including APG)	INR 11,129 Cr.

Increased number of sectors with growth in lending platform

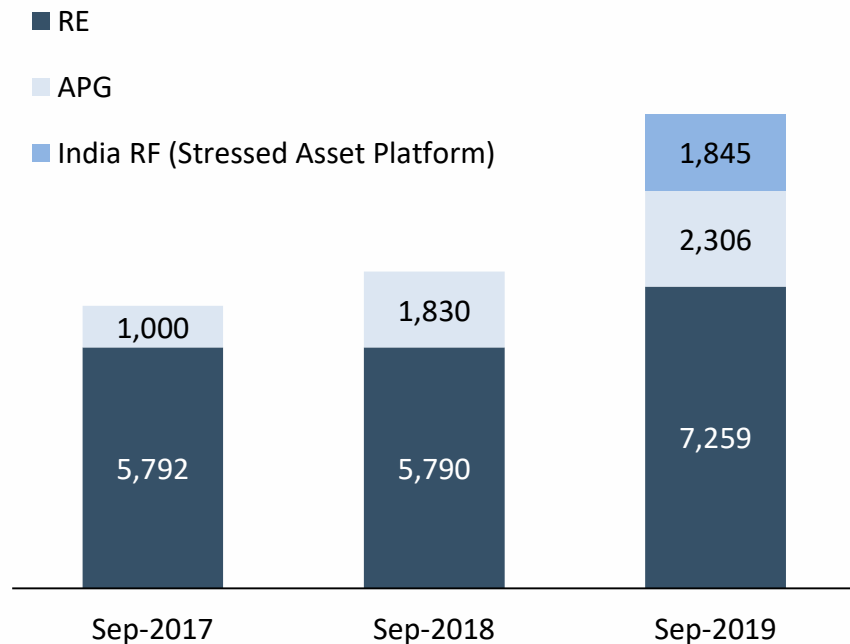
FY2014 Book: INR 925 Cr	FY2016 Book: INR 1,857 Cr	FY2017 Book: INR 3,599 Cr	H1 FY2020 Book: INR 8,823 Cr.
 Roads  Renewable	 Roads  Renewable  Cement	 Roads  Renewable  Cement  Auto Ancillaries	 Roads  Renewable  Cement  Auto Ancillaries  Transmission  Logistics and Warehousing  Packaging  Cash Management

Yield range widened to 13-16%

(1) Excludes 'Partner Functions', such as Risk Management, Asset Monitoring, Legal etc.

Alternative Assets Under Management

Alternative Assets Under Management (in INR Crores)



India RF Platform (JV with Bain Capital Credit):

- Concluded three investments so far:
 - USD 156m¹ invested in marine chemicals business in Nov-2018
 - USD 144m¹ invested in pharmaceutical & vaccines player in Apr-2019
 - USD 51m in debt purchase of downstream steel player

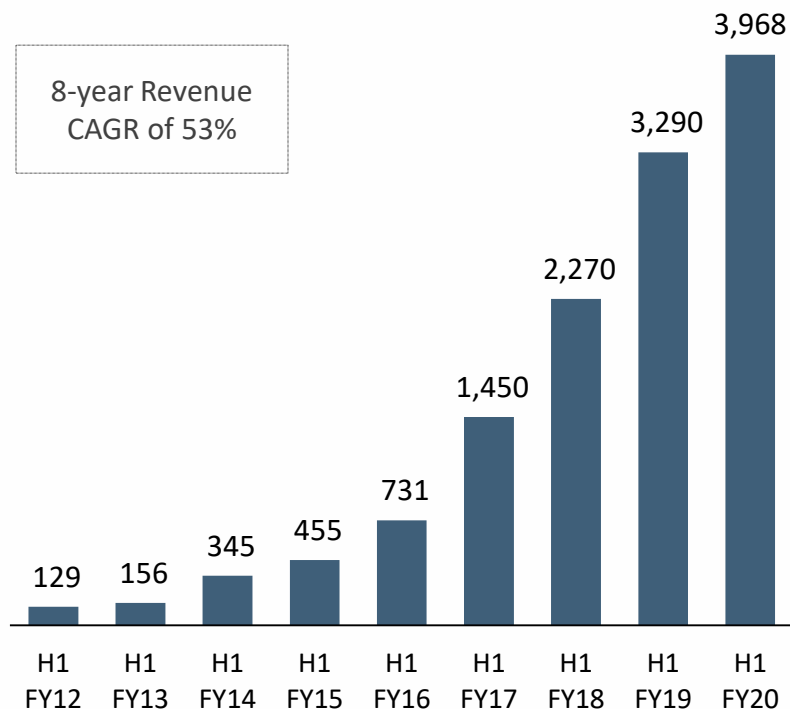
Real Estate:

- The change in AUM for RE includes investments under the co-investment platform with Ivanhoé Cambridge, a real estate subsidiary of CDPQ

Performance metrics

Income from Financial Services

(in INR Crores)



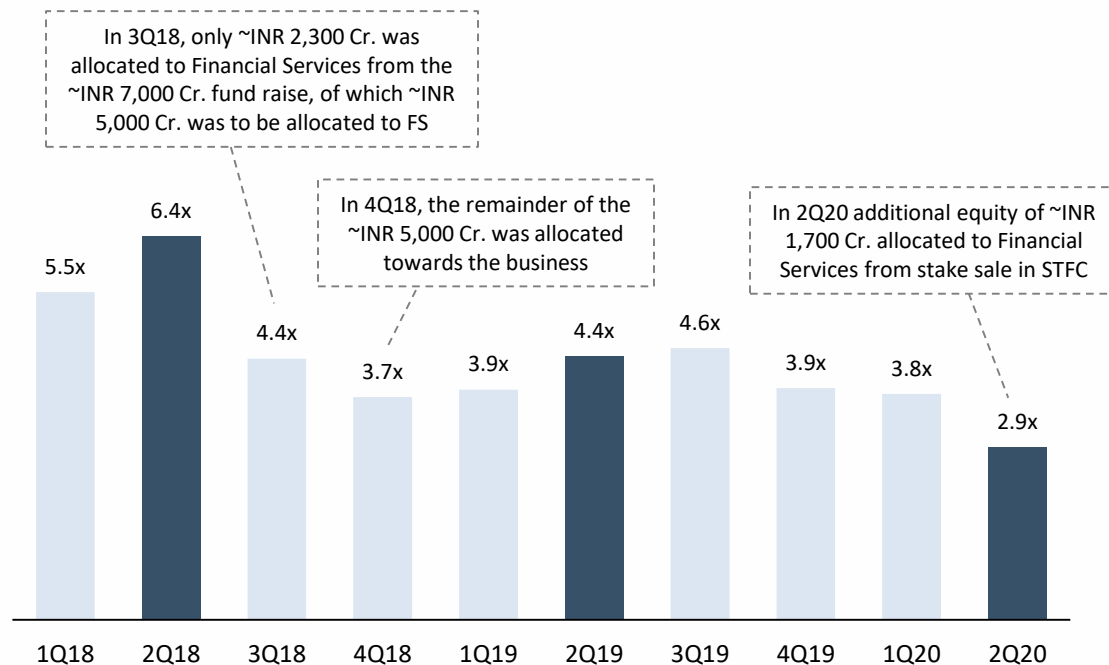
Key Performance Indicators: PEL Financial Services (excl. Shriram)

Particulars	H1 FY2020
Total Loan Book size	INR 53,055 Cr.
Total Equity on Lending (utilized synergies from reverse merger)	INR 14,274 Cr.
Debt-to-Equity (for Lending business)	2.9x
Average Yield on Loans	14%
Average Cost of Borrowings	11%
Net Interest Margin	5.4%
Cost to Income Ratio	19.7%
Total Provisioning as on Sept 30, 2019	1.8%
Gross NPA ratio (based on 90 dpd)	0.9%
ROA	3.4%
ROA (considering Cash Tax and other synergies from merger)	4.0%
ROE	14.9%
ROE (considering Cash Tax and other synergies from merger)	17.3%

Note: FY2016 - FY2020 figures have been prepared based on IND AS, prior periods are IGAAP

Leverage and Capital Adequacy

Debt-to-Equity

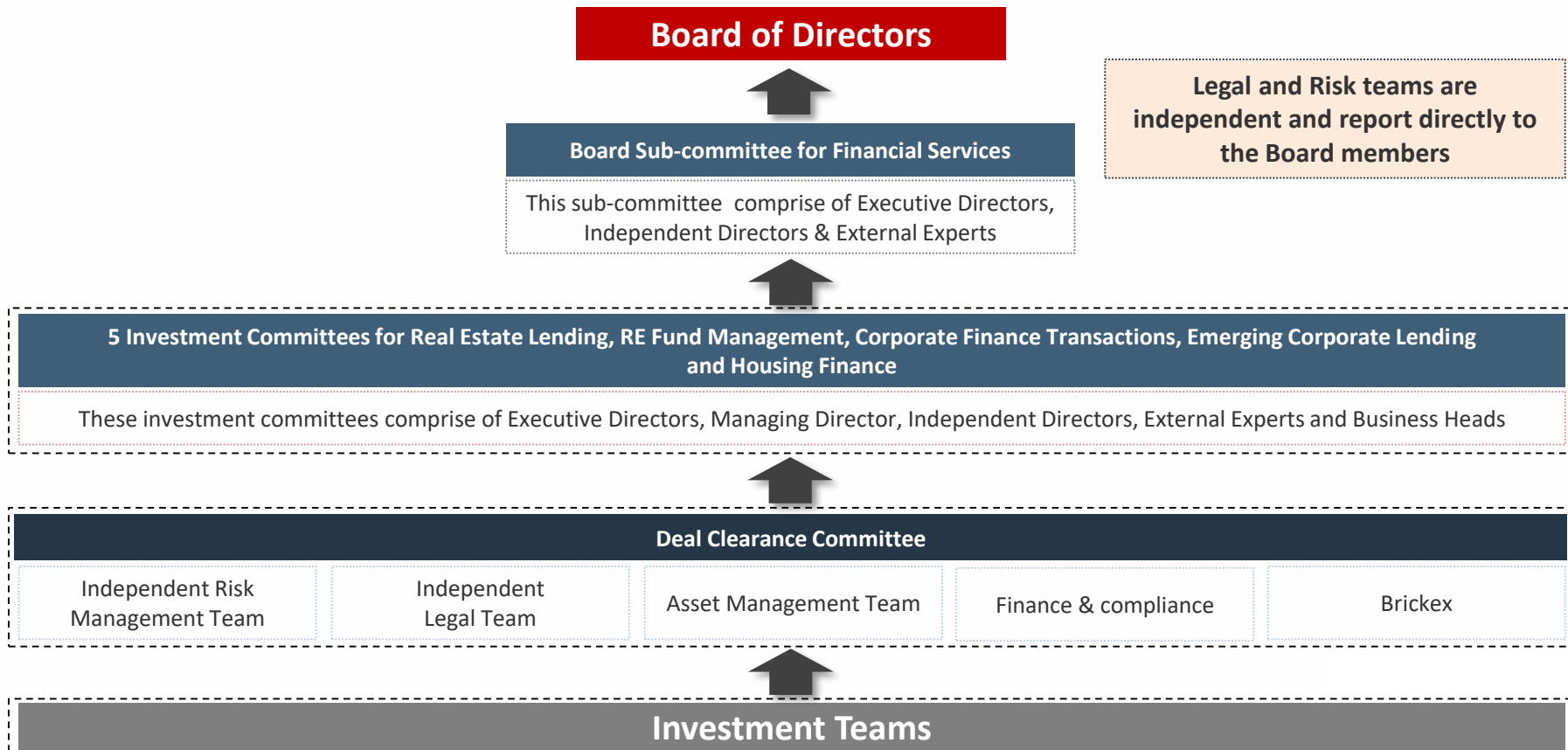


- **Capital adequacy ratio¹ of 30% as of Sep-2019**
- **Debt-to-equity (incl. investments in Shriram) at 2.3x as of Sep-2019**



Measures to ensure healthy asset quality

Review and governance mechanism



Asset quality – GNPA ratio

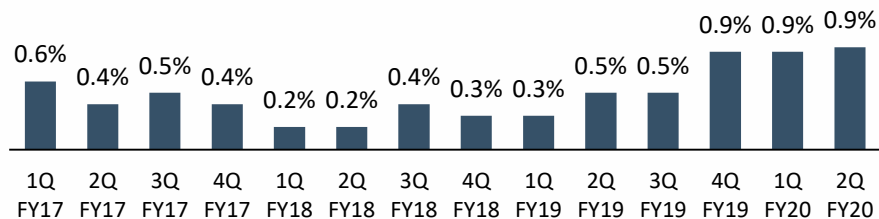
As on Sept-2019

PEL's Financial Services GNPA Performance

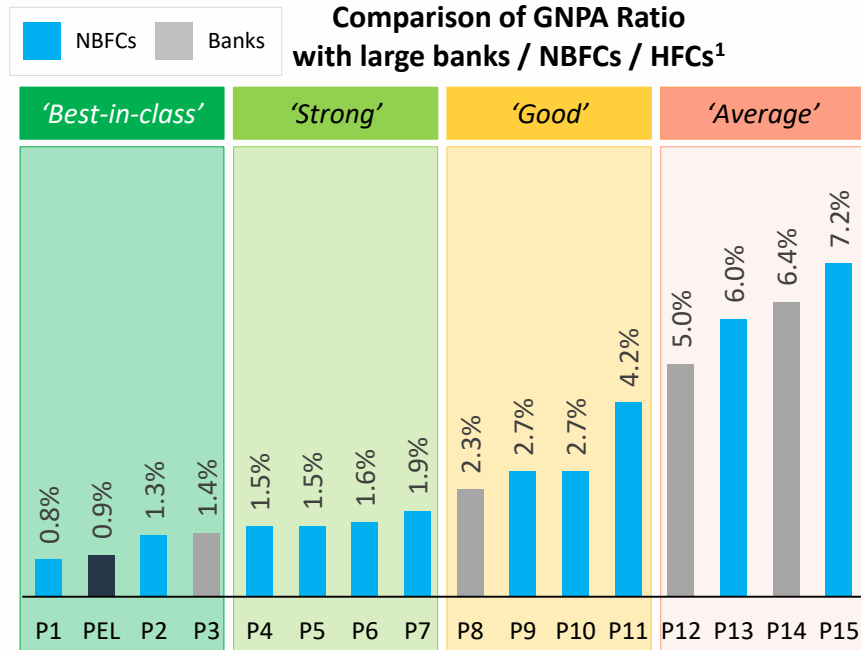
GNPA ratio below 1% for the last 14 quarters

Conservative provisioning at 1.8% of loan book

Provision coverage of 194% as of Sep-2019



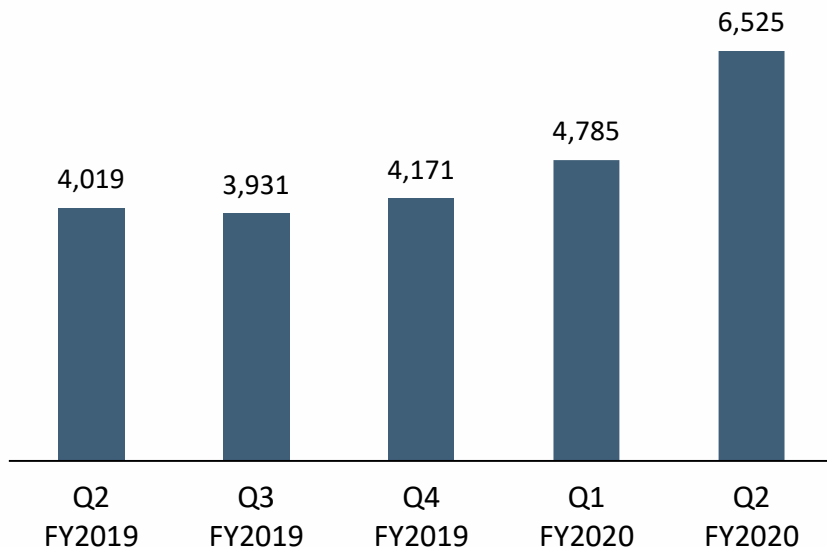
Comparison of GNPA Ratio with large banks / NBFCs / HFCs¹



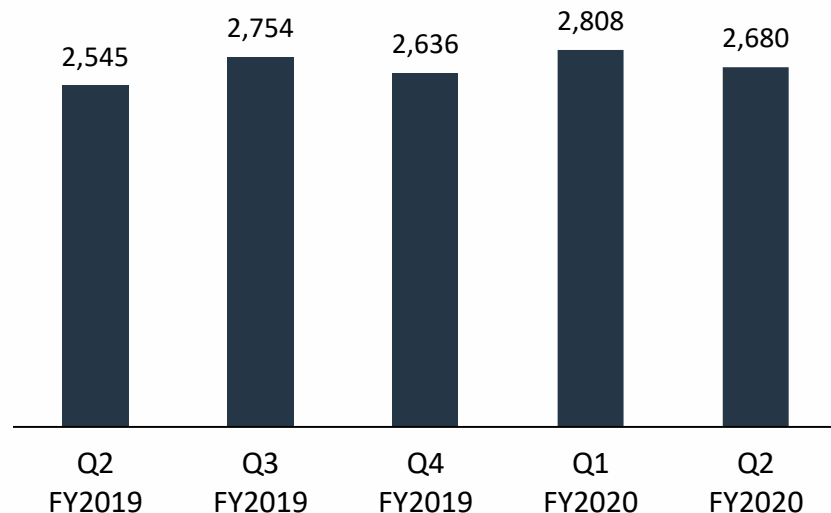
Note: (1) P1 – P15 represents the peer set, which includes (not necessarily in the same order): HDFC Ltd., LIC Housing Finance, Bajaj Finance, Indiabulls Housing Finance, Edelweiss, Aditya Birla Capital, PNB Housing Finance, L&T Finance, Mahindra & Mahindra Financial Services, Repco Home Finance, Cholamandalam Finance, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, and Axis Bank.

Repayments and developer sales

Wholesale loan portfolio: Repayments / pre-payments¹
(INR Crores)



Developer Sales²
(No. of units sold)

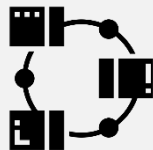


Repayments of ~INR 19,400 Crores in the past year, reflecting the quality of underwriting

Factors enabling healthy asset quality



100% of wholesale real estate lending is secured, with a **security cover of 1.5x-2x**



100% deals with **escrow accounts**, enabling complete visibility on developer's cash flows



97% of developer loans are in **Tier-1** cities



100% of developer sales **MIS monitored every month**



Independent risk and legal teams, directly reporting to Board Members



100% of transactions are covered as part of '**Early Warning Signal**' meetings

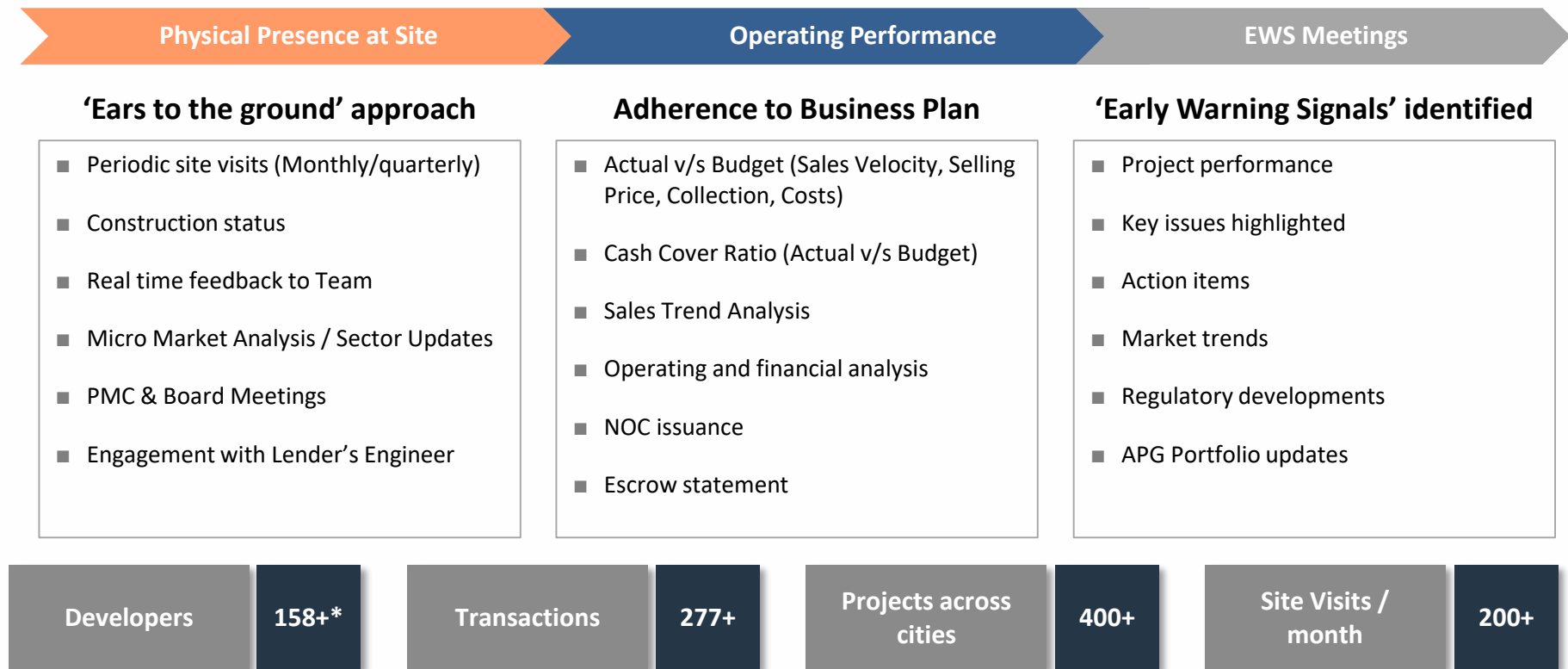


100% deals based on **conservative underwriting** assumptions



~66% of wholesale RE exposure towards **mid / late-stage or completed projects**

Role of the Asset Monitoring Team



Asset Monitoring: Sample site visit photos

Aug'17 – Mid stage



Sep'18 – Late Stage



May'19 – Completed



Progress on projects monitored regularly through site visits

Sample of Site Visit Report

Tower Name	Expected completion date	Dec 07, 2016	Nov 23, 2016	Oct 20, 2016	Sep 20, 2016	Aug 16, 2016	Jul 18, 2016
No. of Labours on site		400 - 425	400 - 425	400-425	430-450	360-380	310-330
Tower 1 : 4B + G + 22 Flr.							
RCC	Mar, 2017	Work in progress on 18 th and 19 th floors	Work in progress on 18 th floor.	Work in progress on 14 th & 15 th floor.	Work in progress on 12 th & 13 th floors.	Work in progress on 9 th & 10 th floors.	Work in progress on 6 th & 7 th floors.
Block Work	Jun, 2017	12 th floor in progress.	9 th floor in progress.	6 th floor in progress.	4 th floor in progress.	3 rd floor in progress.	2 nd floor in progress.
Plastering / Gypsum	Sep, 2017	Gypsum started on 1 st and 2 nd floor.	-	-	-	-	-
Flooring	Dec, 2017	Awaiting for material to start with flooring in next week.	-	-	-	-	-
Finishes	Jun, 2018	-	-	-	-	-	-

Dashboard of site visits and stalled projects separately highlighted to the MD on a monthly basis

Sample of overall Portfolio Performance Review Sheet

AUM Summary (INR Cr)

Category	No. of Deals	Total
Green – No major concerns		
Yellow – Closely monitor for next 6 months		
Amber – Envisage stress over next 6 months		
Red – Overdue		
Total		



Teams spend significant time post disbursement to **detect and react to early warning signals (EWS)**

Key parameters for colour coding

1. Site visit findings
2. Approval timelines
3. Construction cost
4. Sales Velocity in terms of units, area and value
5. Pricing – per sq ft and ticket size
6. Collections
7. Cover computation
8. Ability to meet principal and interest obligations
9. Discussions with developers / promoters



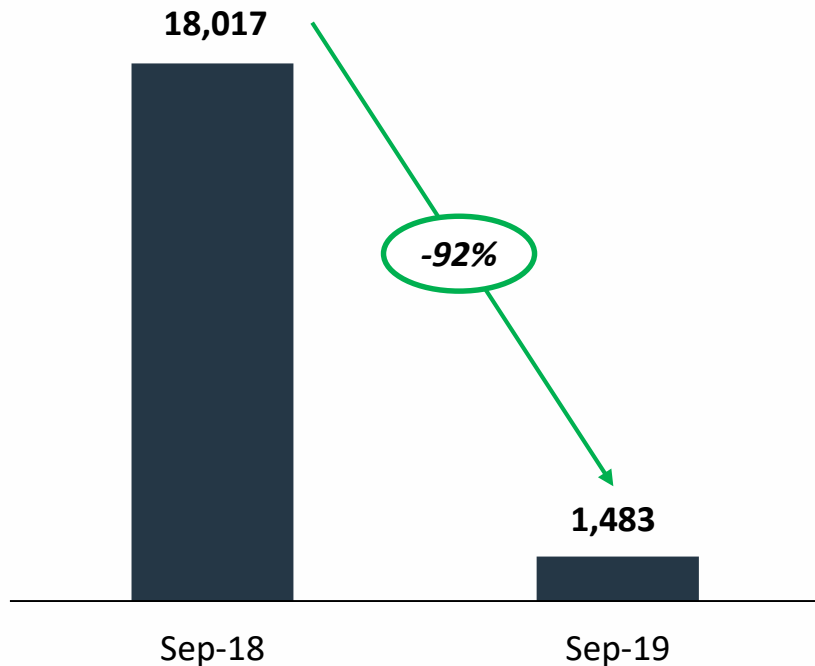
Liquidity Position and Borrowing Profile

Continue to further diversify funding mix

- **Total inflows of ~INR 45,000 Cr. in the last one year – equivalent to ~85% of the loan book**
 - **Raised ~INR 24,000 Crores of long-term funds** (1-year & above) during the last one year from several banks and financial institutions, which includes:
 - **~INR 8,400 Crores** raised via bank term-loans
 - **~INR 14,700 Crores** raised through NCD issuances from diversified investors, including banks, FIIs, insurance companies, mutual funds, etc.
 - **Received ~INR 19,000 Cr. of repayments / pre-payments** from borrowers in the last one year
- **PTCs amounting to ~INR 2,400 Crores** were the first rated securitization instrument of a wholesale loan book in the Indian market – received the 2nd highest rating from CRISIL

Reduction in exposure to CPs

Commercial Paper (CP) borrowings¹ (INR Crores)



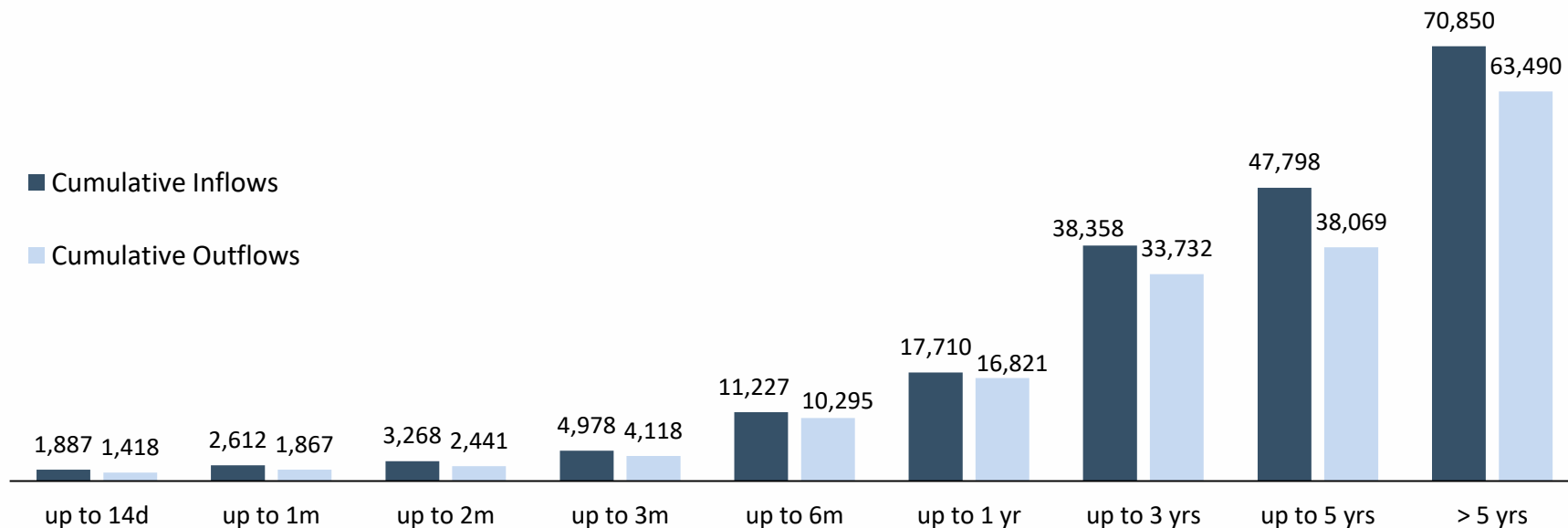
- **Reduced exposure to CPs by 92% YoY**
 - **CPs outstanding with Mutual Funds**
amount to merely INR 615 Crores currently as compared to ~INR 15,600 Crores as of Sep-2018
- **Reduction of ~INR 7,900 Crores in CPs during Q2 FY2020**



Asset-liability Profile

As on Sep 30, 2019

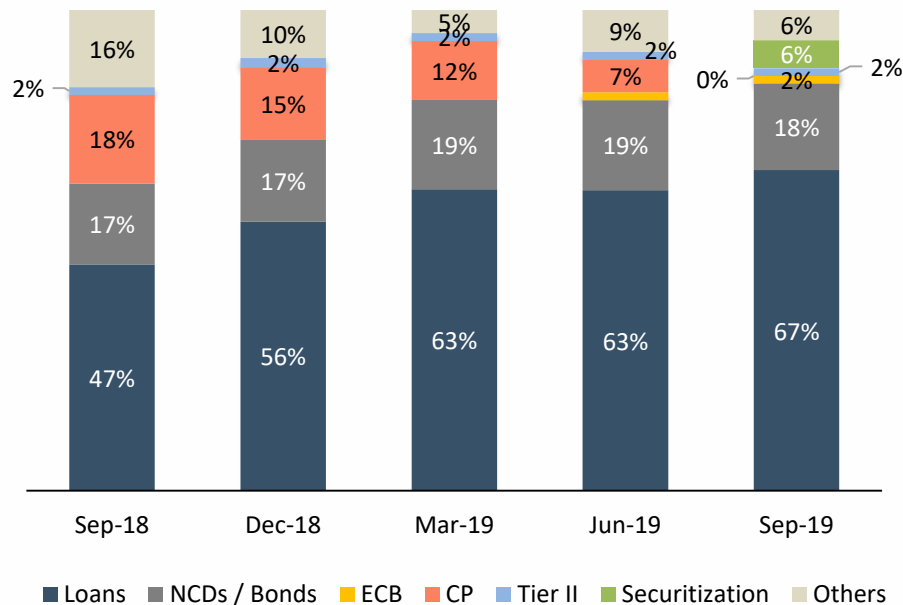
(in INR crores)



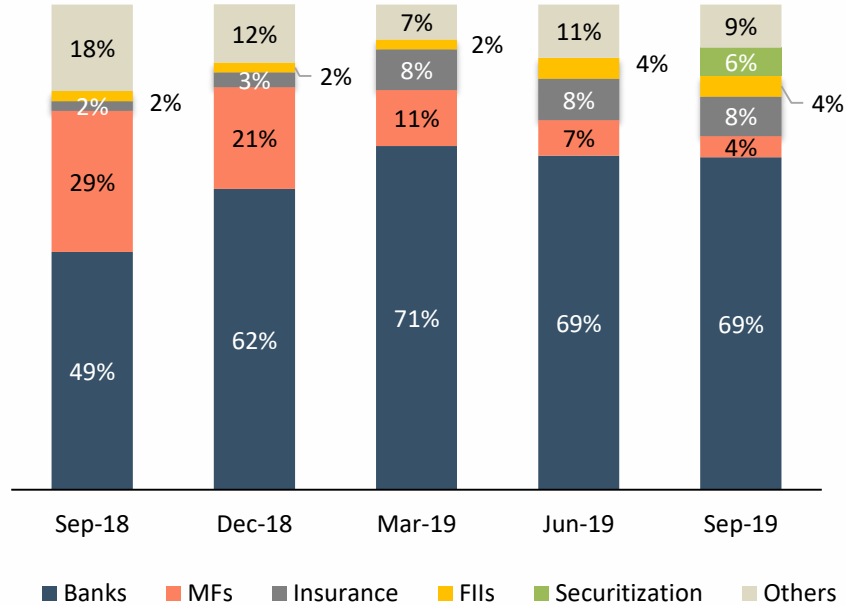
Positive gap across all maturity buckets

Borrowing mix

Borrowing mix by type of instrument



Borrowing mix by investor



- Share of bank borrowings increased from 49% as of Sep-2018 to 69% as of Sep-2019
- Share of MFs in overall borrowings declined from 29% in Sep-2018 to 4% in Sep-2019



Financial Services: Current Market Environment and Key Growth & Profitability Drivers

Current market environment – Financial Services

- **The NBFC and Real Estate sectors are undergoing consolidation**, amidst system-wide liquidity tightening and a prolonged economic slowdown
- Real estate **developers with well-established execution capabilities and a strong brand continue to grow**. We have been **partnering with such Tier-1 developers**
- Reduced competition is offering **several organic and inorganic growth opportunities for well-capitalized NBFCs**, particularly in the retail financing space across both housing finance and consumer lending
- **India's long-term growth trajectory remains intact** and **consumer demand is expected to grow significantly** in the coming years driven by demographic dividend, increasing urbanization and rising digital connectivity
- **Next wave of growth** in consumer finance will be led by **leveraging digital technologies and fintech revolution**

PEL is well-positioned to take advantage of the potential organic as well as inorganic growth opportunities

Financial Services – Key Growth Drivers

A Expand retail financing – enter consumer lending and scale-up housing finance

- **Enter consumer lending**, driven by technology at its core
- **Further increase share of Housing Finance** in overall loan book and achieve scale through:
 - **Targeting self-employed customers** for higher yields
 - **Tap newer markets** (Tier 2/3 cities)

B Selectively tap superior ‘risk-reward’ opportunities in wholesale lending

- **Co-origination with banks** to reduce single-borrower exposure and participate in selective deals with superior risk-reward profile
 - Leverage our expertise in loan origination, underwriting, monitoring & servicing
- **Last-mile funding to developers**: Potentially higher yields and low-risk lending to late stage projects which have the necessary clearances, but require last-mile funding

C Inorganic growth through opportunistic bets

- **Explore inorganic growth in retail financing**, as current environment is offering significant consolidation opportunities
- **Managing wholesale loan portfolios** of distressed entities and earn fee income



Pharma

Niche portfolio and Consistent topline performance

Pharma

H1FY20 Revenue: INR 2,489 Crores

Global Pharma

- Differentiated business model for sustained growth
- Global presence in niche areas of complex generics and Contract manufacturing operations
- Strong culture of quality and compliance
- Distribution to >100 countries

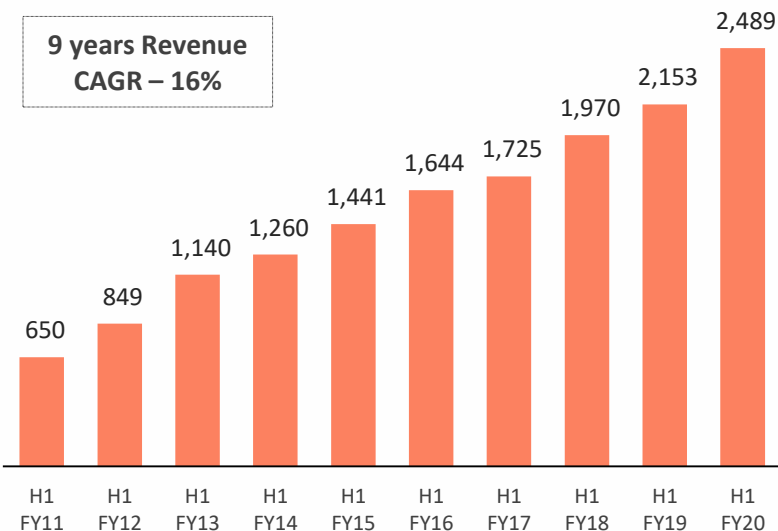
India Consumer Products

- Strong portfolio of OTC brands
- Large India-wide distribution network
- Partnerships with leading ecommerce players
- Use of cutting edge technology and analytics across operations

Consistent Revenue Growth since FY11

Pharma Revenue^{1,2,3,4}

(in INR crores)



Note :

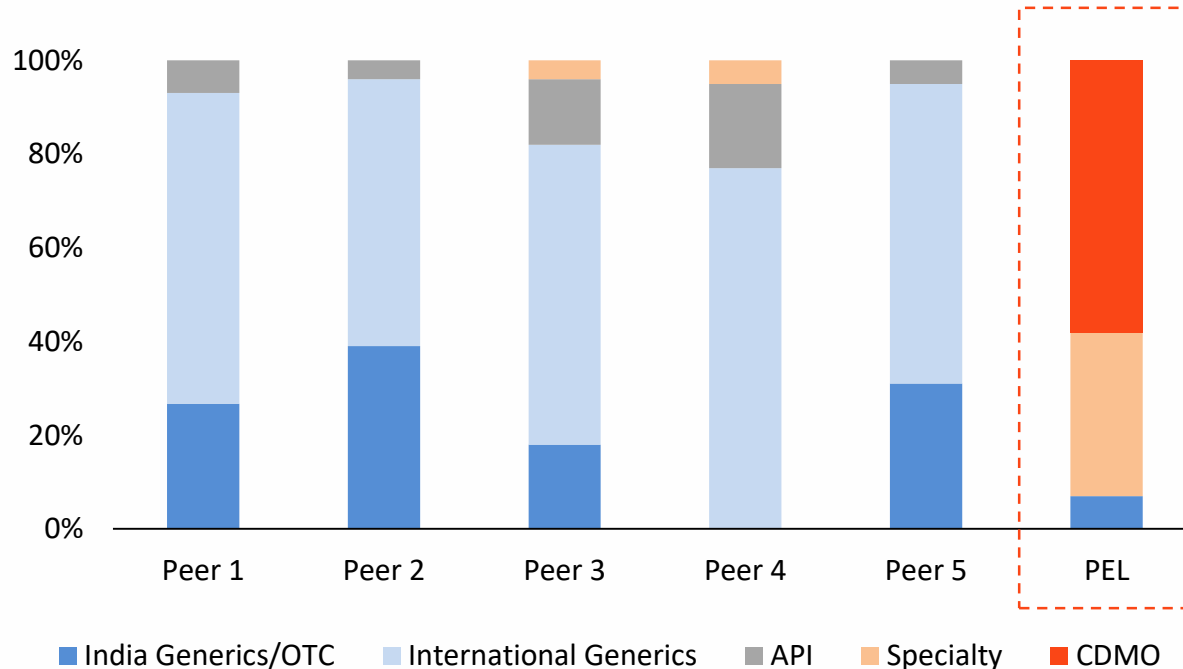
1. Excludes revenue from JV with Allergan
2. FY2016 - FY2019 results have been prepared based on IND AS, prior periods are IGAAP

3. Global Pharma revenue accounted for 93% of the overall Pharma revenue

4. Pharma revenue includes Global Pharma Services, Global Pharma Products, and India Consumer Products revenues

Differentiated business model

PEL's Strong presence in Specialty and CDMO



- **Our differentiated business model** has enabled us to perform better than most other Indian Pharma companies
- **Over 90% of revenues derived from niche businesses** of complex generics and CDMO, as compared with less than 5% for most large Indian Pharma companies
- **Positioned ourselves as partner of choice** for large Global Pharma and virtual Biotech companies
- **Built strong Capabilities** in Highly Potent APIs and Antibody Drug Conjugates (ADCs)






Note: 1) Pharma peer set includes (not necessarily in the same order): Aurobindo Pharma, Cipla, Dr. Reddy's Lab, Lupin and Sun Pharma

2) Data set for the period ending March 31, 2019 Source : Companies reported numbers, Stock Exchange Filings, Bloomberg

Pharma: Our differentiated business model enabling better performance vs. peers

PEL's relative position vs. median for peers

 Above
  In-line
  Below

Particulars		PEL - Overall Pharma	PEL's relative position	Median - Peers	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5
Revenue growth – YoY (%)	FY16	16%		12%	12%	4%	5%	22%	15%
	FY17	12%		8%	23%	11%	(9%)	6%	8%
	FY18	11%		1%	(9%)	(14%)	1%	3%	9%
	FY 19	11%		8%	5%	10%	8%	8%	19%
EBITDA margin ¹ – FY19 (%)		23%		20%	20%	21%	22%	19%	20%

Note: Pharma peer set includes (not necessarily in the same order): Aurobindo Pharma, Cipla, Dr. Reddy's Lab, Lupin and Sun Pharma

(1) EBITDA margin for PEL is for the Global Pharma business (93% of overall Pharma business)

Source : Companies reported numbers, Stock Exchange Filings, Reuters



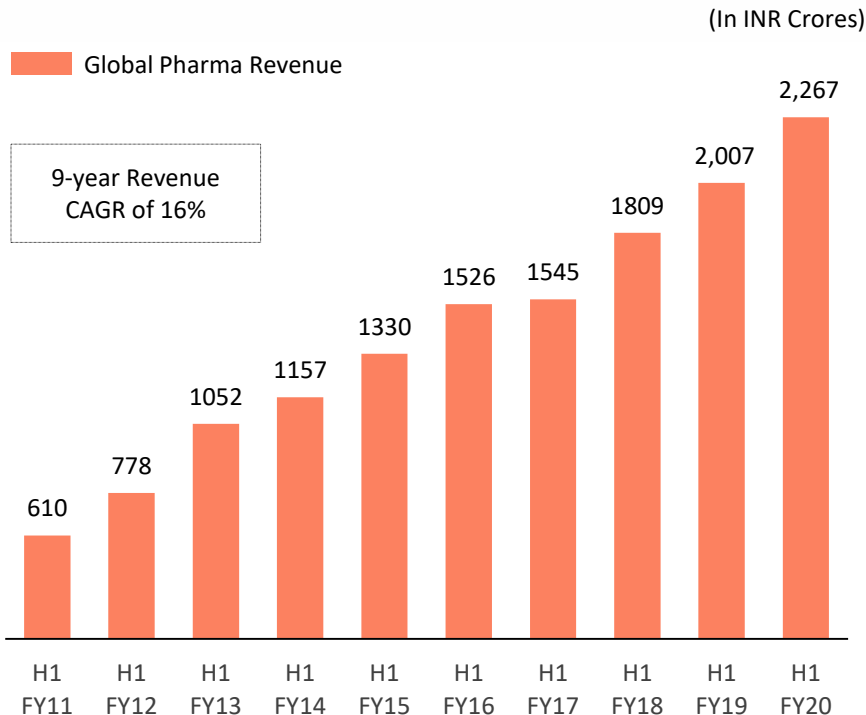
Global Pharma

Consistent performance in Global Pharma

Global Pharma Performance

(In INR Crores)

Global Pharma Revenue

9-year Revenue
CAGR of 16%


Performance Highlights

- **Global Pharma Revenues grew 17% YoY** to INR 1,204 Crore in Q2 FY20
 - Global Pharma contributes 91% of total Pharma revenues
- **Regulated Markets** comprise 77% of Global Pharma revenues
- **H1 Global Pharma EBITDA Margins** at 24% - growing consistently from 4% in H1 FY11
- **Key factors fuelling growth:**
 - Global Pharma Services: Strong order book and Integrated offerings with niche capabilities
 - Global Pharma Products: New key launches and realizing synergies from acquisitions

Note: FY2016 - FY2020 results have been prepared based on IND AS, prior periods are IGAAP

Moving up the Value Chain

1 Acquired global businesses to enter into niche capabilities

Injectable



HPAPI



2 Expanding manufacturing capacities in niche areas

ADC



Injectable



Inhalation Anaesthesia



HPAPI



Moving up the Value Chain (cont'd)

3 Adding differentiated hospital branded generic products organically and inorganically

Controlled substances



Injectable Anaesthesia



Desflurane



Intrathecal



- **Leverage global distribution network** by adding differentiated products
- **Differentiated offerings** – Niche branded generics and controlled substances

4 Strong product portfolio to leverage global distribution network



- **Entry barrier** – Complex to manufacture, sell or distribute resulting in limited competition
- **Expanded addressable market size** from US\$ 1bn Inhalation Anaesthesia market to US\$ 58bn generic hospital product market

Our strategy of moving up the value chain is enabling us to boost growth and enhance margins

Differentiated product portfolio of complex products

Acquired from Janssen Pharmaceutical in 2016			Acquired from Mallinckrodt LLC in 2017		Acquired in Jan 2018	Acquired in Jun 2018	
Inhalation Anaesthesia	Injectable Anaesthesia / Pain Management	Plasma Volume Expander	Intrathecal Spasticity Pain Mgmt	Injectable for Myxedema Coma	Capsule for type I Gaucher & Niemann-Pick disease	Selected Anti-infectives	Other Products
Sojourn® Sevoflurane USP	Sublimaze® Fentanyl citrate	Haemacel® Polygeline	Gablofen® Baclofen	Levothyroxine Sodium	Yargesa Miglustat	Ampicillin-Sulbactam	Generic APIs, Vitamins and Premixes, Established Products
Terrell® Isoflurane USP	Sufenta® Sufentanil citrate		Mitigo™ Morphine Sulfate			Cefepime	
Fluothane® Halothane USP	Rapifen® Alfentanil hydrochloride					Ceftriaxone	
Torrane™ Desflurane USP#	Dipidolor® Piritramide					Oxacillin	
	Hypnomidate® Etomidate						
	Glycopyrrolate**						

In select markets

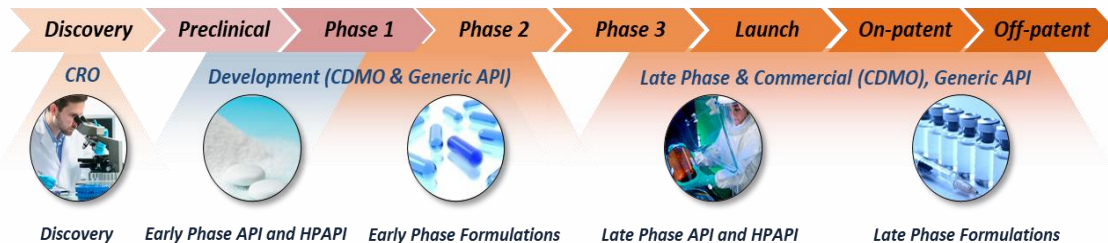
● Controlled substances

** Developed in-house

- Growth in all major product families and geographies in Global Pharma Products business
- Total 7 key launches in H1 FY20
 - 3 launches in Q2 FY20
- **Built niche capabilities** in injectable anesthesia, inhalation anesthesia, intrathecal spasticity and pain management
- **Synergies from integration of key acquired products** from Janssen and Mallinckrodt getting reflected in the segment's performance

Integrated business model in services business

Capabilities across entire drug life-cycle



Leveraging multiple sites across the globe to offer integrated solutions

Type of Project	Route Scouting – Intermediate dev. ~API supply	Formulation Dev and Supply	Formulation: Dev, Mfg and Supply	API and FDF: Dev and Supply	API dev, Clinical Supply and Commercial Supply	API and FDF: Dev to Mfg to NDA filing	ADC Fill Finish
Ahmedabad (PDS)	✓						
Ahmedabad		✓	✓	✓			
Ennore	✓			✓	✓	✓	
Digwal						✓	
Pithampur		✓				✓	
Riverview	✓						
Lexington				✓			✓
Aurora				✓	✓		
Morpeth			✓	✓			
Grangemouth							✓

Note: Representative Integrated Projects

- **Integrated model of services** spanning across the entire drug life-cycle
- **Leveraging development capabilities** to form a niche portfolio to be marketed by partners
- **Riverview HPAPI expansion** was successfully completed
 - Further expansion plans are being evaluated at Riverview and Grangemouth

13 manufacturing & Development facilities globally – All key sites USFDA inspected







Strong focus on Quality and Compliance

Multi-year track record of successful inspections

Year	USFDA	Total Regulatory Inspections (incl. USFDA)	Customers
FY 2012	5	13	60
FY 2013	2	10	71
FY 2014	4	14	116
FY 2015	7	17	115
FY 2016	5	26	140
FY 2017	5	25	157
FY 2018	3	27	167
FY 2019	2	44	163
H1 FY20	3	11	75
Total	36	187	1,064

- **Successfully cleared 3 USFDA inspections** for key facilities at Bethlehem, Lexington and Pithampur, 8 other regulatory inspections, and 75 customer audits during H1 FY 2020
- **Successfully cleared 36 USFDA inspections**, 151 other regulatory inspections, and 1,064 customer audits since FY2011
- **A strong quality governance model**, with the Quality function reporting to a Board Member
- **Effective continuous improvement strategy** to ensure world class standards

~75% of FY 2019 revenues from regulated markets

				
	Strong presence in North America	Expanding presence in Europe	Expanding Presence in Japan	Strong presence in India
Manufacturing Facilities	<ul style="list-style-type: none"> • Aurora : API Dev & Mfg • Lexington : Sterile Dev & Mfg • Riverview : HPAPI Dev & Mfg • Bethlehem : Anaesthesia Mfg 	<ul style="list-style-type: none"> • Grangemouth : Antibody Drug Conjugates , Mfg • Morpeth : API & Form. Dev & Mfg 	<ul style="list-style-type: none"> • One of the three approved generics in the market for Sevoflurane • Leading market share for Fentanyl with the only currently approved branded generic in the market 	<ul style="list-style-type: none"> • Mumbai : API & Form. Dev • Digwal : API Dev & Mfg and Anaesthesia Manufacturing • Pithampur : Form. Mfg • Ahmedabad : Drug Discovery and Form. Dev • Ennore : API Dev & Mfg • Mahad : Vitamins & Minerals Premixes
Distribution Presence	30% market share in US in Inhalation Anaesthesia	Expanding presence in key countries including UK, Italy, Germany, etc.		
Distribution Model	Through direct sales force	Through direct sales force and distributors		
% Global Business Revenues (For H1 FY 2020)	49%	21%	7%	

Note: Form – Formulations; Dev – Development; Mfg - Manufacturing

Established relationships with Big Pharma as well as leading Biotechs

Well-diversified base of Pharma partners

- Global Pharma Services business serves a diversified customer base (served >500 customers in FY19)
- We supply globally with ~80% of revenue generated from customers in US & Europe
- Order Book for Development services sustained the strong advancement seen in FY 2019
 - 30 new customers have been added in Global Pharma Services during H1 FY20; Over 50 new customers were added in FY19
- We aim to expand our share of outsourcing from large Pharma customers by offering integrated services and building deeper relationships

Our Biotech partnerships

- Biotechs & virtual pharma, that are looking for integrated solutions across drug substance and product development and manufacturing, are key drivers for growth
- Million dollar biotech customers: 15+
- Partnering with 5 biotechs featured in-

“Fierce 15 -

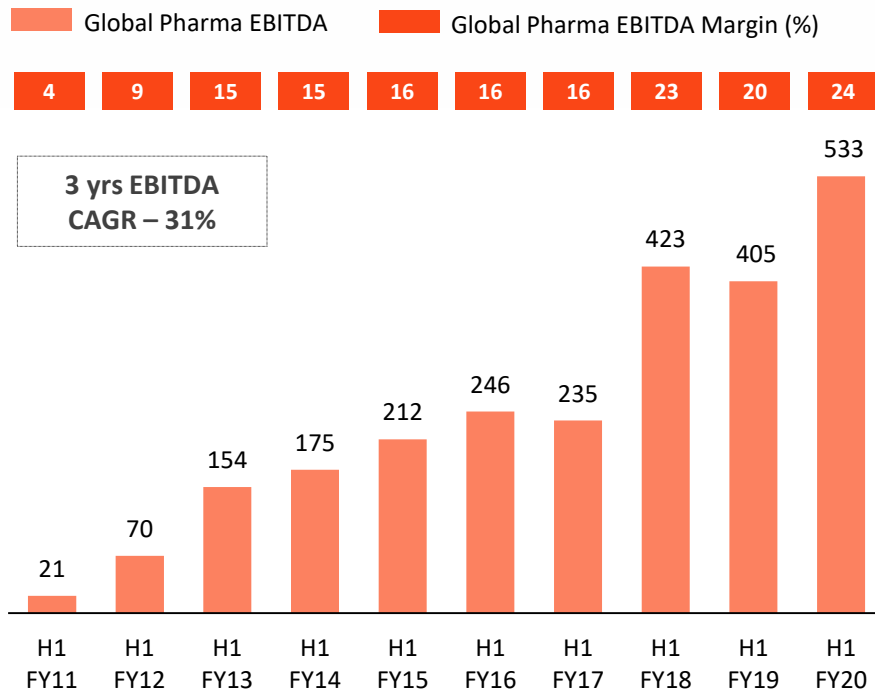
Scientific Disruptors, Highest Levels of Funding

(\$50M+ Series A)”

Continued improvement in the profitability and return profile

Significant improvement in EBITDA over the last few years

(In INR Crore)



Performance Highlights

- **EBITDA margins at 24% in H1 FY20** as compared to 4% in H1 FY11
 - Consistent improvement in margin over last few years
- **Margin expansion driven by:**
 - Synergies from acquisitions
 - Growth of high margin products
 - Integrated offerings with niche capabilities
 - Higher capacity utilization
 - Backward integration of Raw Material
 - Leveraging Global Distribution
 - Process optimizations
 - Cost improvement initiatives



India Consumer Products

Strong Product Portfolio

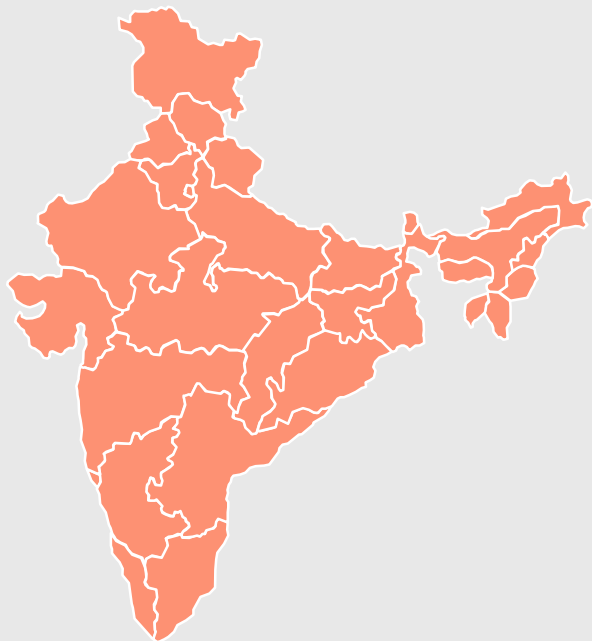
* indicates acquired



















































Most brands are among the 'Top-2' in their respective representative market

Large India-wide Distribution Network

Wide Distribution Network



Our chemist coverage is now comparable with the top OTC players

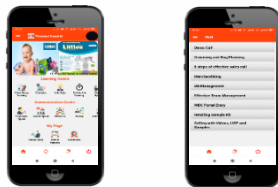
	FY2008	FY2012	Now
No. of towns present	 16	  481	   1500+
Total Outlet presence	  24,000	     200,000	      280,000 +
Chemist Outlet presence	  16,000	     100,000	       160,000+
Field Force	   80	     800	       2000

Using e-commerce, technology and media to grow the business

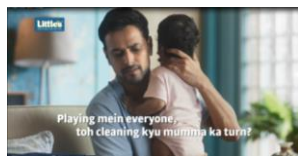
Partnerships with leading E-commerce players



Leveraging technology across operations



Re-initiation of TV commercials for Saridon, Polycrol and Little's



■ Focus on e-commerce channel for growing trade brands:

- Significant upswing in Little's toys and wipes, i-can, i-know and LactoCalamine volumes
- Entire OTC product range has now been listed on e-pharmacies

■ Using analytics and technology tools to improve productivity:

- Insights gained by analytics are being used to drive business decisions on distributor credit limits, product distribution, scale, etc.
- Use of technology continues to monitor real-time sales movement

■ Branding activities for leading consumer brands:

- Q2FY20 saw business re-focussing on TV commercials in selective target markets for key brands such as Saridon, Polycrol and Little's
 - Initial results of these launches are quite positive

Strong recovery in the India Consumer Products business

Revenue performance

(In INR Crore)

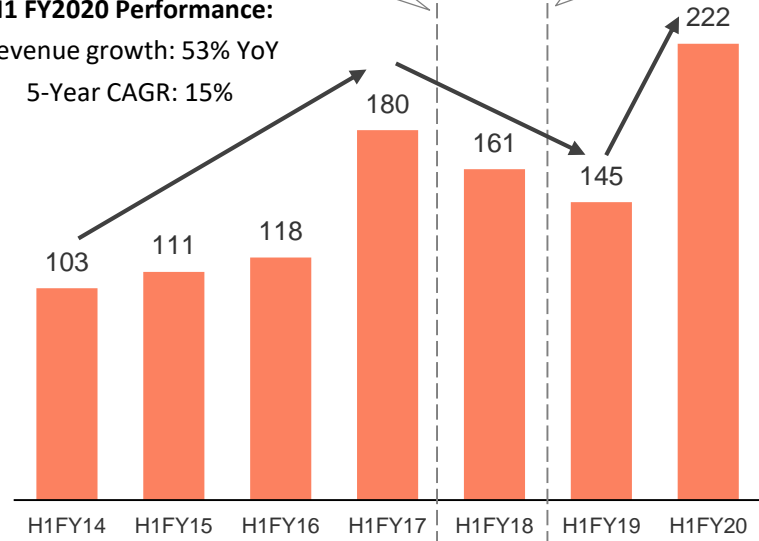
Nov 2016
Demonetization

Jul 2017
GST
Implemented

H1 FY2020 Performance:

Revenue growth: 53% YoY

5-Year CAGR: 15%



External disruptions such as GST and demonetization had impacted Indian OTC and pharma industry through down-stocking by distributors and retailers

PEL's took following measures:

- Use of customized growth strategies for consumer and trade brands
- Investments in digital assets to increase awareness amongst consumers
- Use of technology and analytics to bring in operational efficiencies
- Established e-commerce channel

Record sales achieved during the first half of this FY:

- Revenue grew 53% YoY to INR 222 Crore as compared with INR 145 Crore in H1 FY2019
- The trend continues from improved performance seen in H2 FY2019, when revenues were up 30% as against H1 FY2019



Pharma: Current Market Environment and Key Growth Drivers

Current market environment – Pharma

	Global Pharma Services	Global Pharma Products	Consumer Products Division
Market Scenario	<ul style="list-style-type: none"> Market size \$100bn expected to grow @ 8% CAGR¹ Fragmented market with opportunities for consolidation 	<ul style="list-style-type: none"> Niche branded generics for hospitals Addressable market of ~\$58bn² 	<ul style="list-style-type: none"> Estimated OTC market size of ~\$5bn³ in India Price and volume driven growth with select categories (e.g. chronic) growing in double digits
PEL remains well-positioned to capitalize on market opportunities	<ul style="list-style-type: none"> Niche capabilities across entire drug life-cycle Multiple sites across globe offering integrated solutions Focusing on US Emerging BioPharma 	<ul style="list-style-type: none"> Strong portfolio of complex products Entry barrier – Complex to manufacture, sell, distribute and administer, resulting in limited competition Targeting to add, organically or inorganically, hospital generic products 	<ul style="list-style-type: none"> Strong product portfolio with most brands among the ‘Top-2’ in their respective representative market Large India-wide distribution network - chemist coverage comparable with top OTC players Tapping ecommerce, exports and institutional sales for growth

1. Vision Gain Report- June 2018 & Report by Evaluate, 2018; CDMO market size is different in different reports, so have assumed it to fall in a range of \$70-100b

2. IQVIA – CY 2018

3. Statista, August 2019

Pharma – Key Growth Drivers

A Grow organically and inorganically in Global Pharma

- Add new products (through in-licensing and acquisitions) for **leveraging the strong global sales & distribution platform** across 118 countries
- Investing in **development as well as manufacturing services** across the drug life-cycle
- Organically develop a **niche portfolio of specialised generics** to be marketed by partners

B Grow organically and through acquisitions in India Consumer Products

- Adding products organically & inorganically to **leverage our India-wide distribution platform** of 2,80,000+ outlets across 2,000+ towns
- Building **power brands** as well as **launching new products** through in-licensing
- Operational improvements through **increasing efficiency of sales force and building alternative distribution channels (e-commerce, etc.)**

Target to grow revenues of existing Pharma business by 15% in FY2021; Targeting EBITDA Margin of ~25%

C Exploring re-entry into Domestic Formulations

- **Generate synergies** between Consumer Product Division and India branded generics business
 - Leveraging **common distribution** (pharmacies, doctors) & existing **supply chain**
 - Increased sales force **productivity**



Healthcare Insights & Analytics

Healthcare Insights & Analytics: At-a-glance

Assisting clients in Pharma, MedTech, Payer, and Provider sectors, addressing some of the most pressing commercial questions facing the healthcare industry:

- Where to invest?
- How to get approved, contracted and paid?
- How to prove value?
- How to drive commercial success?

Leveraging large team of therapeutic area experts, Real World Health Data, sophisticated analytics tools and data science to deliver:

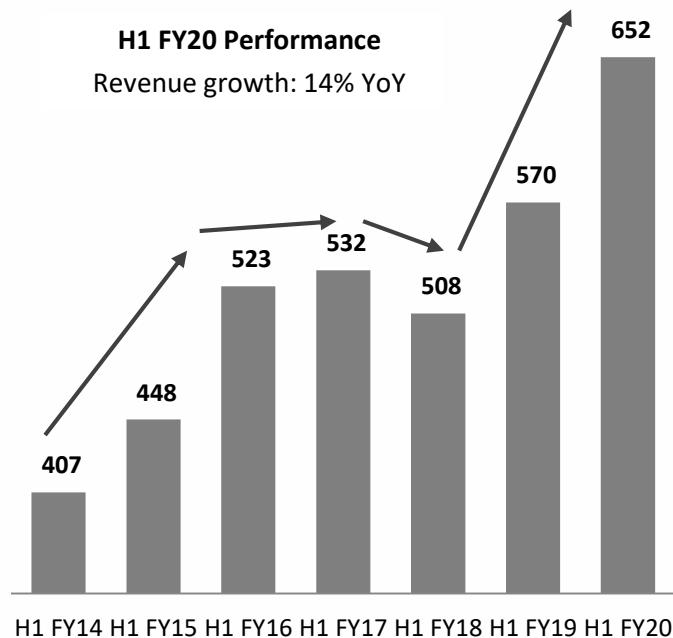
- Market Research
- Services
- Data
- Analytics

We are increasingly:

- Embedded in our clients' workflows
- Delivering critical client solutions, which have a bespoke front-ends, but which are based upon a series of common back-end algorithms

Revenue performance (in INR Crores)

H1 FY20 Performance
Revenue growth: 14% YoY



Note: FY2016 - FY2020 results have been prepared based on IND AS, prior periods are IGAAP

Data-driven, technology-enabled insights for critical commercial challenges in the Health Care Industry

Key Business Highlights

Serves major Developed and Emerging Markets

Global team of industry experts and data scientists

Capabilities across customers' product life cycles

Comprehensive Product Suite for increasingly embedding our products in workflows of our clients

Focus on adding new clients by becoming a partner for healthcare commercial optimization

■ Revenue Visibility

- Serves nearly all leading life sciences companies
- Over 65% of revenue is recurring in nature
- 96% client retention by value
 - 100% among top 50 customers

>10yr Relationships With Our Top Ten Customers

Customer	# of Years
Amgen	>10 yrs
AstraZeneca	>10 yrs
Boehringer Ingelheim	>10 yrs
Gilead Sciences	>10 yrs
Johnson & Johnson	>10 yrs
Merck & Co	>10 yrs
Novartis	>10 yrs
Novo Nordisk	>10 yrs
Roche	>10 yrs
Takeda	>10 yrs

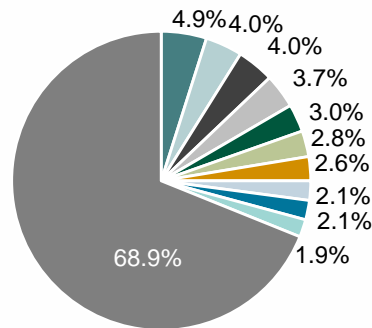


50 of the top 50
life sciences
companies



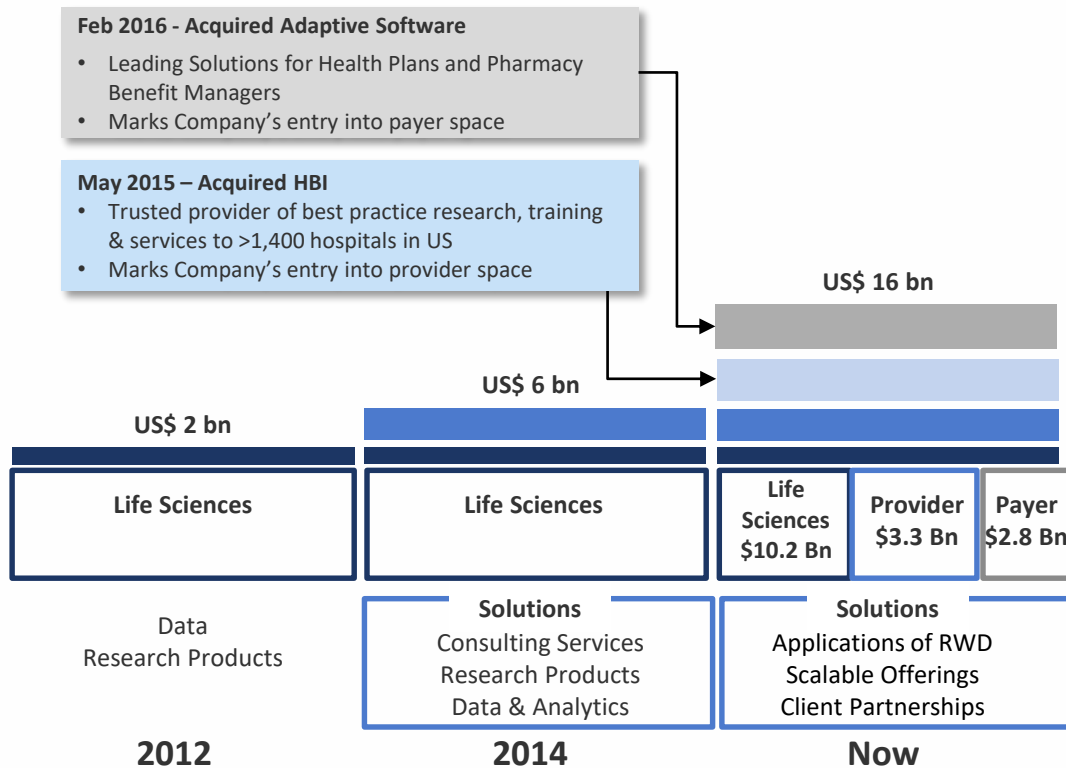
19 of the top 20
medical device
companies

Top 10 Relationships Comprise 31.1% of Revenue



8 of the top 10 US
payers and top US
health systems

Creating value through technology and service partnerships



- Healthcare commercial optimization partner
- Serving our clients in improving patient health outcomes
- Accelerating delivery of value by leveraging technology

A global business, leveraging India advantage

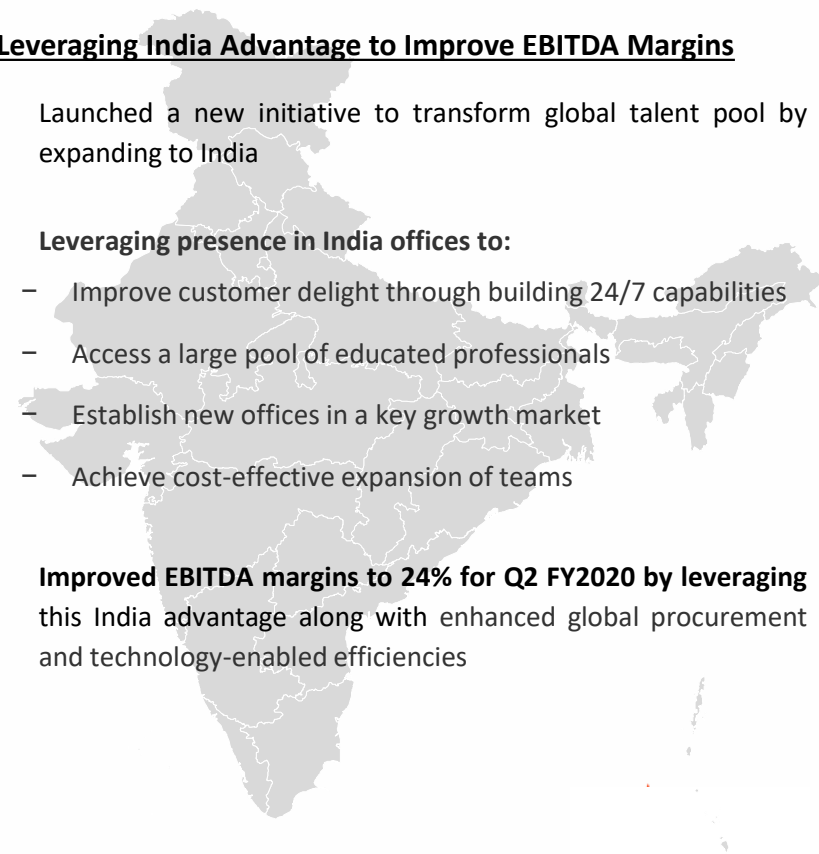
A global business with presence close to our customers

- Our **diverse workforce** includes:
 - World-class epidemiologists, data scientists and engineers
 - Industry-leading healthcare market forecasters and predictive modelers
 - Internationally-renowned consultants
 - Pharmacists, health economists and health system & policy analysts
- Focusing on enhancing customer delivery, improving response time, and enabling cost efficiencies
- Localized solutions for customers across Europe and APAC

Region	Marketing and Delivery Offices
North America	Boston, Burlington, Kansas City, Milwaukee, Nashville, New York, Parsippany, Toronto, Yardley
Europe/ Middle East	Bicester, London, Manchester, Royston
Asia	Bangalore, Gurugram, Mumbai, Singapore, Tokyo

Leveraging India Advantage to Improve EBITDA Margins

- Launched a new initiative to transform global talent pool by expanding to India
- **Leveraging presence in India offices to:**
 - Improve customer delight through building 24/7 capabilities
 - Access a large pool of educated professionals
 - Establish new offices in a key growth market
 - Achieve cost-effective expansion of teams
- **Improved EBITDA margins to 24% for Q2 FY2020 by leveraging this India advantage along with enhanced global procurement and technology-enabled efficiencies**



Comparable Company & Transaction Analysis

Public Company Peer Valuation Trading Multiples

DRG Peers	2019 Multiples		
	EV / Revenue	EV / EBITDA	EV (USD Mn)
Gartner	3.4x	20.9x	\$15,936
GlobalData	5.9x	23.2x	\$1,357
Health Catalyst	9.4x	-	\$1,739
IHS Markit	6.9x	16.9x	\$32,443
Informa	4.9x	13.6x	\$17,890
Inovalon	5.0x	15.1x	\$3,451
IQVIA	3.5x	15.6x	\$41,054
Median	5.0x	16x	\$12,232

Source: FactSet, CapIQ, Wall Street equity research, SEC Filings

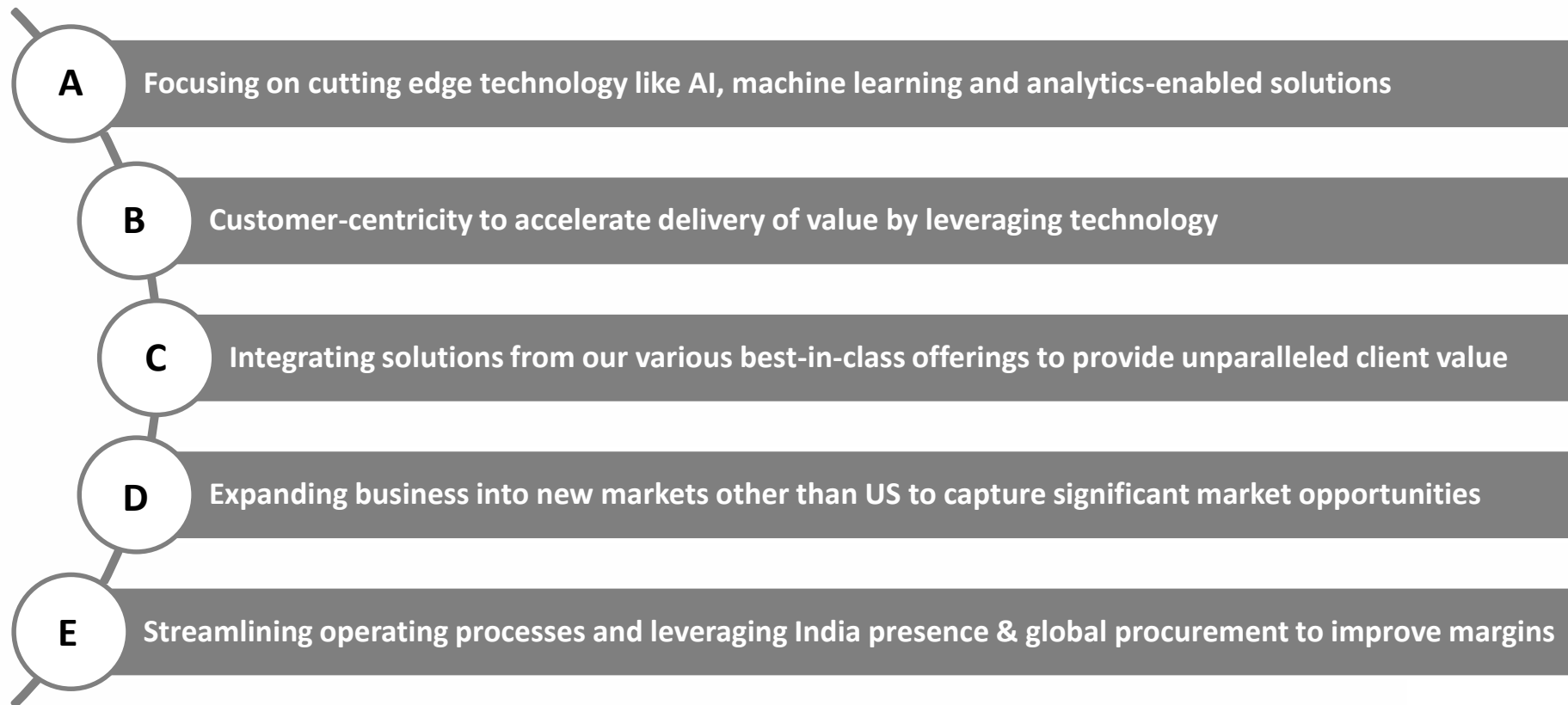
Note: Financial information per the latest financial filings as of Sep 30, 2019. Trading information as of Sep 30, 2019.

Sector M&A Valuation Multiples

Target	Buyer / Investors	Transaction Value (USMM)	Transaction Value / LTM Revenue	Transaction Value / LTM EBITDA
iHealth	Connolly	1,200	7.5x	14x
Heartbeat Experts	Truven Health	136	5.2x	22x
Vitruvian	CRF	374	4.5x	18x
IMS Health	Quintiles	13,346	4.4x	15x
Altegra	Emdeon	910	4.3x	16x
Truven Health	IBM Watson Health	2,600	4.2x	17x
Merge Healthcare	IBM Watson Health	1,000	4.2x	24x
WebMD	KKR	2,800	4.0x	15x
Median			4.3x	16x

Source: CapIQ, Wall Street equity research, SEC Filings;

Key Strategic Priorities for Future Growth





Financials

Diversified Revenue Mix

(In INR Crores or as stated)

Net Sales break-up	Quarter II ended			% Sales	Half year ended			% Sales
	30-Sept-19	30-Sept-18	% Change		30-Sept-19	30-Sept-18	% Change	
Financial Services	1,954	1,732	13%	54%	3,968	3,290	21%	56%
Pharma ¹	1,316	1,109	19%	37%	2,489	2,153	16%	35%
Global Pharma	1,204	1,029	17%	33%	2,267	2,007	13%	32%
India Consumer Products	112	81	39%	3%	222	145	53%	3%
Healthcare Insight and Analytics	333	292	14%	9%	652	570	14%	9%
Others	-	11	-	-	-	34	-	-
Total	3,604	3,144	15%	100%	7,110	6,047	18%	100%

Notes:

1. Pharma revenue unless specified includes revenue from Global Pharma Services, Global Pharma Products, and India Consumer Product
2. Foreign Currency denominated revenue in Q2 FY2020 was INR 1,398 Crores (39% of total revenue) and in H1 FY2020 was INR 2,671 Crores (38% of the total revenue)

Consolidated Profit & Loss

(In INR Crores or as stated)

Particulars	Quarter II Ended			Half Year Ended		
	30-Sep-19	30-Sep-18	% Change	30-Sep-19	30-Sep-18	% Change
Net Sales	3,604	3,144	15%	7,110	6,047	18%
Non-operating other income	62	56	11%	130	125	4%
Total income	3,666	3,200	15%	7,239	6,171	17%
Other Operating Expenses	1,349	1,491	-10%	2,750	2,921	-6%
OPBIDTA	2,317	1,709	36%	4,489	3,250	38%
Interest Expenses	1,418	1,016	40%	2,827	1,925	47%
Depreciation	166	123	35%	325	252	29%
Profit before tax & exceptional items	733	570	29%	1,338	1,073	25%
Exceptional items (Expenses)/Income	(14)	-	-	(25)	(452)	-
Income tax						
Current Tax and Deferred Tax	260	163	60%	477	344	39%
Profit after tax (before MI & Prior Period items)	459	407	13%	835	277	201%
Minority interest	-	-		-	-	
Share of Associates ¹	96	73	31%	169	134	26%
Net Profit after Tax	555	480	15%	1,004	411	145%
Net Profit Margin %	15%	15%		14%	7%	
Net Profit (excluding Exceptional item)	569	480	18%	1,029	863	19%
Net Profit Margin % ²	16%	15%		14%	14%	
EPS (Rs./share)	27.90	24.23	15%	50.59	20.76	144%
Normalised EPS (Rs./share) ²	28.61	24.23	18%	51.87	43.52	19%

Notes:

- Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the new accounting standards.
- Net Profit excludes Exceptional gain/loss for the period

Consolidated Balance Sheet

(In INR Crores)

Particulars	30 Sept 2019
Equity Share Capital	40
Other Equity	26,615
Non Controlling Interests	8
Borrowings (Current & Non Current)	52,514
Deferred Tax Liabilities (Net)	26
Other Liabilities	2,477
Provisions	176
Total	81,856
PPE, Intangibles (Under Development), CWIP	6,121
Goodwill on Consolidation	6,070
Financial Assets	
Investment	18,625
Others	32,055
Other Non Current Assets	682
Deferred Tax Asset (Net)	3,990
Current Assets	
Inventories	996
Trade receivable	1,141
Cash & Cash Equivalents & Other Bank balances	3,551
Other Financial & Non Financial Assets	8,625
Total	81,856

Note : 1) The above numbers have been regrouped from IND AS Financial Statements for Presentation purposes only



Appendix



Preferential Allotment

- ~INR 1,750 Cr. (US\$ 250 million) of Compulsory Convertible Debentures (CCDs) to be allotted to CDPQ on a preferential basis
- Piramal Group's long-standing partnership with CDPQ:
 - Participated as the anchor investor during PEL's previous CCD issuance, investing US\$ 175 million (out of US\$750 million of CCD issuance)
 - Additionally, CDPQ's real estate subsidiary, Ivanhoé Cambridge, has committed US\$ 250 million towards a co-investment platform with PEL to provide long-term equity to blue-chip residential developers
- Conversion at INR 1,510 per share

Transaction details	
Instrument	Compulsory Convertible Debenture (CCD)
Investor	Caisse de dépôt et placement du Québec (CDPQ)
Issue Size	~INR 1,750 Cr. (US\$ 250 million)
Month of issuance	Nov-2019
Coupon	9.28% p.a.
Maturity Period	18 months (from date of allotment)

Rights Issue

- **Rights Issue of ~INR 3,650 Cr. (~US\$ 520 million)**
- **Opportunity for existing shareholders to participate in the Rights Issue at an attractive price of INR 1,300 per share**
- **Promoter strongly believes in the fundamentals of the business model and long-term growth trajectory of the Company**
 - Since 1988, Promoters have increased their holding in the Company
 - Current Promoter holding at 46%
 - Largest effective promoter holding amongst major Financial Institutions in India
 - Promoter will participate in the Rights Issue
- **Promoters are committed to the success of the Rights Issue**

Transaction details	
Instrument / Issuance type	Rights Issue
Investor	Existing shareholders
Issue Size	~INR 3,650 Cr. (~US\$ 520 million)
Timeline of completion ¹	By Feb-2020

Stage-wise: Loan book and provisioning details

Loan Book as on Sep 30, 2019		
Category	Loan Book (INR Crores)	% of Loan Book
Stage 1	52,107	98.2%
Stage 2	465	0.9%
Stage 3	484	0.9%
Total Loan Book	53,055	100%

Gross NPA: 0.9%

Provision: 939 Cr.

Provision %: 1.8%

Note: Stage 1 - Loans which are less than or equal to 30 days past due (dpd); Stage 2 – Loans which are 31-90 dpd; and Stage 3 – Loans which are 90+ dpd

Financial Services – Performance Summary

Inflows

- **Total inflows of ~INR 45,000 Cr. in the last one year – equivalent to ~85% of the loan book**
 - Raised ~INR 24,000 Cr. of long-term funds since Oct-2018
 - Received ~INR 19,000 Cr. of repayments / pre-payments from borrowers in the last one year

Reduced CP exposure and improved borrowing mix

- **Reduced exposure to CPs to ~INR 1,480 Cr. as of Sep-2019 from ~INR 18,000 Cr. in Sep-2018**
 - CPs from Mutual Funds have now reduced to merely INR 615 Cr.
- Bank borrowings now constitute 69% of overall borrowings (vs. 49% in Sep-2018)

Diversified loan book; increasing share of retail

- **Share of Wholesale Residential Real Estate loans** reduced from 79% in Mar-15 to 48% currently
- **Housing Finance loans** grew ~3x times to ~INR 6,400 Cr. during the year; now 12% of book vs. 4% a year ago

Maintained healthy asset quality

- **GNPA ratio below 1%** for the last 14 quarters; **conservative provisioning** nearly twice of GNPA

Low leverage

- **Amongst the least leveraged NBFCs/HFCs in India** – debt-to-equity (D/E) multiple for the lending business has already reduced to 2.9x times from 4.4x times a year ago

Pharma & Healthcare Insights – Performance Summary

Long-term consistent track record

- Revenue **CAGR of 16% over last 9 years** for the Pharma business
- H1 Global Pharma **EBITDA Margins at 24%** - growing consistently from 4% in H1 FY2011

Current Revenue growth

- Pharma **revenues grew by 19%** to Rs. 1,316 Cr. during Q2 FY2020
 - **Strong recovery** in India Consumer Products – Q2 revenues grew by 39% YoY to INR 112 Cr.
- Healthcare Insights & Analytics revenues in Q2 **grew 14% YoY** to INR 333 Cr.

EBITDA margins

- H1 Global Pharma EBITDA margins grew at 3 year CAGR of 31%
- Healthcare Insights & Analytics EBITDA margins improved to **24% during Q2**

Strong focus on Quality & Compliance

- Successfully **cleared 3 USFDA inspections**, 8 other regulatory inspections, and 75 customer audits during H1
- Successfully **cleared 36 USFDA inspections**, 151 other regulatory inspections, and 1,064 customer audits since FY2011

Differentiated Business Model

- With over 90% of revenues derived from **niche businesses of specialty products and CDMO**, our pharma business is **not subject to major pricing pressures**
- Regulated Markets (U.S., Europe and Japan) comprise 77% of Global Pharma revenues



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