



Piramal Enterprises Limited announces Consolidated Results for the Third Quarter & Nine Months ended 31 Dec 2017

Consistently delivering excellent set of results quarter on quarter

Mumbai, India, January 30, 2018: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for the Third Quarter (Q3) and Nine Months (9M) ended 31st December 2017.

Financial Highlights

- **Revenue :**
Up 22% at Rs.2,858 Crores during Q3 FY2018 vs Rs.2,342 Crores in Q3 FY2017
Up 26% at Rs.7,648 Crores during 9M FY2018 vs Rs.6,084 Crores in 9M FY2017
- **Net Profit :**
21% higher at Rs.490 Crores during Q3 FY2018 vs Rs.404 Crores in Q3 FY2017
25% higher at Rs.1,176 Crores during 9M FY2018 vs Rs.941 Crores in 9M FY2017

Operational Highlights

- Total Loan Book grew 68% to Rs.38,036 Crores in Q3 FY2018
- Corporate Finance loan book grew 134% to Rs.6,392 Crores
- Received RBI approval for reverse merger of Piramal Finance & Piramal Capital with Piramal Housing Finance
- Transition and integration of acquired products from Mallinckrodt & Janssen is progressing as per plan
- Revenue of Consumer Products business grew 17% YoY for the quarter; Acquired Digeplex & associated brands in gastro intestinal segment

Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd., *"We continue to deliver strong performance since last many quarters. The Company announced 22% growth in total revenues at Rs.2,858 Crores and 21% increase in net profit at Rs.490 Crores for the third quarter of FY2018. During 9M FY2018, the Company delivered 26% increase in total revenues at Rs.7,648 Crores and 25% increase in net profit at Rs.1,176 Crores. The consistency in our performance is an outcome of the robustness of our business model and sharp focus on quality, compliance, legal and risk mitigation across our businesses.*

Nearly Rs.7,000 Crores of capital, which we are in the process of raising from existing and new top quality global and domestic investors, will play an instrumental role in achieving ambitious growth plans across our businesses operating in Financial Services and Pharmaceutical sectors.

Our loan book continued to grow at an impressive pace at 68% to Rs.38,036 Crores, while maintaining a healthy asset quality with gross NPA of 0.4%. Also, we could clearly see a robust pipeline of high quality deals that will soon get executed, enabling effective utilization of incremental capital and generating superior returns on the combined pool of existing and incremental capital. We remain committed towards creating sustainable long term value for all our stakeholders."

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter III Ended			Nine Months ended		
	31-Dec-17	31-Dec-16	% Change	31-Dec-17	31-Dec-16	% Change
Net Sales	2,858	2,342	22%	7,648	6,084	26%
Non-operating other income	64	52	22%	223	147	51%
Total income	2,922	2,394	22%	7,871	6,232	26%
Other Operating Expenses	1,411	1,257	12%	3,869	3,617	7%
OPBIDTA	1,511	1,137	33%	4,002	2,614	53%
Interest Expenses	750	591	27%	2,148	1,441	49%
Depreciation	110	110	0%	362	260	39%
Profit before tax & exceptional items	651	436	49%	1,492	913	63%
Exceptional items (Expenses)/Income	-	(2)	-	-	(2)	-
Income tax	212	76	180%	504	125	303%
Profit after tax (before MI & Prior Period items)	439	359	22%	988	786	26%
Minority interest	-	-	-	-	-	-
Share of Associates	51	45	12%	188	155	21%
Net Profit after Tax	490	404	21%	1,176	941	25%
Net Profit Margin %	17%	17%	-	15%	15%	-
EPS ¹ (Rs./share)	26.4	23.4	13%	66.5	54.6	22%

Note: 1. As per the accounting guidelines, EPS for Q3 & 9M FY2018 is calculated considering the conversion of CCDs

Consolidated Revenues

Consolidated revenues were 22% higher at Rs.2,858 Crores for Q3 FY2018 and 26% higher at Rs.7,648 Crores for 9M FY2018. 46% of our Q3 & 9M FY 2018 revenues were earned in foreign currency.

Net Profit

Net Profit for Q3 FY2018 was up by 21% to Rs.490 Crores as compared to Rs.404 Crores in Q3 FY2017. Strong growth in profitability was mainly on account of improved operational performance, partly offset by increase in tax expenses. Net Profit for 9M FY2018 was Rs.1,176 Crores, a growth of 25% over the previous period.

Interest Expenses

Interest expense for Q3 and 9M FY2018 were higher primarily on account of increase in debt for making investments under Financial Services segment.

Share of Associates

Income under share of associates for Q3 and 9M FY2018 primarily includes our share in the profits of Shriram Capital and JV with Allergan.

Business-wise Revenue Performance

(Rs. Crores or as stated)

Net Sales break-up	Quarter III ended			% Sales	Nine Month ended		
	31-Dec-17	31-Dec-16	% Change		31-Dec-17	31-Dec-16	% Change
Financial Services	1,316	902	45.8%	46.9%	3,586	2,352	52.5%
Pharma	1,022	954	7.2%	39.1%	2,992	2,679	11.7%
Global Pharma	923	869	6.2%	-	2,732	2,414	13.1%
India Consumer Products	100	85	17.4%	-	261	265	(1.5%)
Healthcare Insight and Analytics	468	464	0.9%	12.8%	976	995	(2.0%)
Others	52	22	-	1.2%	95	57	-
Total	2,858	2,342	22.1%	100%	7,648	6,084	25.7%

Financial Services

Income from Financial Services was 46% higher at Rs.1,316 Crores for Q3 FY2018 and 52% higher at Rs.3,586 Crores for 9M FY2018. The growth in income was primarily driven by increase in size of loan book, which grew by 68% over last year to Rs.38,036 Crores. Construction finance now accounts for 58% of our real estate loan book. Gross NPAs ratio (based on 90 dpd) as on 31 Dec 2017 was at 0.4%. The Corporate Finance Group (CFG) Loan book grew by 134% to Rs.6,392 Crores as on 31 Dec 2017. Emerging Corporate lending loan book nearly doubled to Rs.619 Crores as on 31 Dec 2017. The Company has forayed into Hospitality sector and committed Rs.1,200 Crores of loans across marquee Hotel Assets in Gurugram, Bangalore and Pune.

The Company received housing finance licence in Aug 2017 and disbursed Rs.491 Crores as on 31 Dec 2017. Housing loans approved but not disbursed stands at Rs.680 Crores as on 31 Dec 2017. We partnered with 275+ connectors, 75+ DSAs & 50+ projects.

Alternative assets under management were at Rs. 6,776 Crores as on 31 Dec 2017.

The Company has received RBI approval for merger of Piramal Capital and Piramal Finance into Piramal Housing Finance and target to complete the entire process by March 2018. We have also received an upward revision of rating outlook from ICRA from AA Stable to AA Positive.

Pharma

In Q3 FY2018, Pharma segment revenues grew by 7% to Rs.1,022 Crores, as compared with Rs.954 Crores in Q3 FY2017. Revenues for 9M FY2018 was at Rs 2,992 Crores.

Global Pharma Q3 FY2018 revenues grew 6% to Rs.923 Crores and 13% higher at Rs.2,732 Crores for 9M FY2018. Growth on account of successful integration of the acquired products and continued performance in the inhalation anaesthesia business was partly offset by foreign currency fluctuations and subdued

performance in Global Pharma Services business (due to lumpy nature of the business). The Global Pharma margins for 9M FY2018 have significantly improved to 21% as compared to 15% during 9M FY2017 on back of high margin acquisitions and operational improvements. During the quarter, the Company underwent 4 regulatory audits and 35 customer audits.

Revenue from **India Consumer Products** for the quarter grew by 17% to Rs.100 Crores. Most of our brands observed robust performance. Revenue for 9M FY2018 was at Rs.261 Crores. Residual impact of GST on the wholesale channel can still be felt across the industry as it witnessed a subdued growth of 7.2% for the quarter. Despite the same, our business registered strong growth and continue to improve the productivity by focusing across multiple levers while maintaining our margins. The Company acquired Digeplex and associated brands from Shreya Lifesciences to further consolidate its position in the OTC market in the gastro-intestinal segment.

Healthcare Insight & Analytics (HIA)

Revenue for the quarter was at Rs. 468 Crores and for 9M FY2018 was at Rs.976 Crores. Demand for research products continue to be impacted in the favour of dynamic, user-centric applications. The subdued performance in research products was offset by strong growth in Life Sciences Data & Analytics and Consulting services. The Company entered into a strategic agreement with a top provider of prescription claims and other data, further strengthening DRG's position as a market leader in healthcare data and analytics offerings. DRG continued its expansion in India and now has 300+ positions on-boarded in Bengaluru and Gurugram offices.

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

Our company shall also be uploading a results presentation on our website. For downloading a copy of the presentation and further information on our financials, please visit our website: www.piramal.com

About the Piramal Group

The Piramal Group, led by Ajay Piramal, is one of India's foremost business conglomerates with a global footprint. With operations in 30 countries and brand presence in over 100 countries, the Group's turnover is around \$1.7 billion in FY2017. The Group's diversified portfolio includes presence in industries like healthcare, financial services, healthcare information management, glass packaging and real estate.

Driven by the core values of knowledge, action and care, the Group steadfastly pursues inclusive growth, while adhering to ethical and value driven practices. Piramal Foundation, the philanthropic arm, has initiatives running across healthcare, water, education and women empowerment in 21 states of India.

About Piramal Enterprises Limited

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Financial Services, Pharmaceuticals and Healthcare Insights & Analytics. PEL's consolidated revenues were over US\$1.7 billion in FY2017, with around 51% of revenues generated from outside India.

In Financial Services, PEL provides comprehensive financing solutions to real estate companies. The division's Corporate Finance Group (CFG) also provides senior and mezzanine growth capital to various businesses across varied sectors that are integral part of India's growth story. The Division has also launched Distressed Asset Investing platform that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The total funds under management under all these businesses are over US\$5.5 billion. The Company has recently launched a retail housing finance vertical. The Company also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). PEL also has long term equity investments worth ~US\$1 billion in Shriram Group, a leading financial conglomerate in India.

In Pharma, through an end-to-end manufacturing capabilities across 13 global facilities and a large global distribution network to over 100 countries, PEL sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Product segment in India.

PEL's Healthcare Insights & Analytics business, Decision Resources Group, is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

PEL is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

For Investors:

Hitesh Dhadha / Bhavna Sinyal / Devanshi Dhruva | Investor Relations

Contact: +91 22 3046 6444 / +91 22 3046 6570 / +91 22 3046 6376

investor.relations@piramal.com

For Media Queries:

Dimple Kapur | Corporate Communications

Contact: +91 22 3351 4269

dimple.kapur@piramal.com