



## Piramal Enterprises Limited announces Consolidated Results for the Second Quarter & Half Year ended 30 Sep 2017

*Consistently delivering excellent set of results quarter after quarter*

**Mumbai, India, November 6, 2017:** Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announces its consolidated results for the Second Quarter (Q2) and Half Year (H1) ended 30 September 2017.

### Financial Highlights

- **Revenue**  
Up 29% at Rs.2,536 Crores during Q2 FY2018 vs Rs.1,966 Crores in Q2 FY2017  
Up 28% at Rs.4,790 Crores during H1 FY2018 vs Rs.3,742 Crores in H1 FY2017
- **Net Profit**  
25% higher at Rs.384 Crores during Q2 FY2018 vs Rs.306 Crores in Q2 FY2017  
28% higher at Rs.686 Crores during H1 FY2018 vs Rs.537 Crores in H1 FY2017

### Operational Highlights

- Successfully raised ~Rs.5,000 Crores through Qualified Institutional Placement (QIP) of Compulsorily Convertible Debentures (CCD)
- Total Loan Book grew 69% to Rs.33,261 Crores; CFG loan book grew 100% to Rs.5,863 Crores
- Received Housing Finance Licence from NHB; disbursed Rs.202 crores in first month of operation
- Proposed Merger of Piramal Finance and Piramal Capital with Piramal Housing Finance
- Global Pharma services business announced USD 55 mn expansion of API manufacturing capabilities & capacities in North America and Asia
- Global Pharma business cleared 3 regulatory audits (including 1 USFDA audit) and 36 customer audits
- Despite subdued performance in the industry due to GST, India Consumer Product business grew by 20% during the quarter
- DRG acquired Context Matters, a US-based data and analytics company to expand Global Market Access Intelligence offerings

**Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd.,** *"We continue to consistently deliver excellent set of results quarter after quarter. The Company announced 29% growth in revenues to Rs.2,536 Crores and 25% increase in net profit to Rs.384 Crores for the second quarter of FY2018. Our loan book continued to grow at an impressive pace at 69% to Rs.33,261 Crores, simultaneously maintaining a healthy asset quality.*

*The company also successfully raised around Rs.5,000 Crores through Qualified Institutional Placement of Compulsorily Convertible Debentures. In addition, it plans to raise upto Rs.2,000 Crores through Rights Issue. This capital raise through CCDs along with Rights Issue will provide a strong impetus to achieve the Company's ambitious growth plans in coming years.*

*We continue to maintain strong focus on quality, compliance and risk mitigation across our businesses. We remain committed to deliver improved business performance and create sustainable long term value for all our stakeholders in future.”*

## Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter II ended			Half year ended		
	30-Sep-17	30-Sep-16	% Change	30-Sep-17	30-Sep-16	% Change
<b>Net Sales</b>	2,536	1,966	29%	4,790	3,742	28%
Non-operating other income	75	42	78%	159	95	67%
<b>Total income</b>	2,611	2,008	30%	4,949	3,838	29%
Other Operating Expenses	1,266	1,223	4%	2,458	2,361	4%
<b>OPBIDTA</b>	1,345	786	71%	2,491	1,477	69%
Interest Expenses	725	455	59%	1,398	851	64%
Depreciation	129	73	76%	252	150	68%
<b>Profit before tax &amp; exceptional items</b>	491	257	91%	841	476	76%
Exceptional items (Expenses)/Income	-	-	-	-	-	-
Income tax	190	3	-	292	49	-
<b>Profit after tax (before MI &amp; Prior Period items)</b>	301	254	19%	549	427	28%
Minority interest	-	-	-	-	-	-
Share of Associates	82	52	58%	137	110	24%
<b>Net Profit after Tax</b>	384	306	25%	686	537	28%
<b>Net Profit Margin %</b>	15%	16%	-	14%	14%	-
EPS (Rs./share)	22.3	17.8	25%	39.8	31.1	28%

### Consolidated Revenues

Consolidated revenues were 29% higher at Rs.2,536 Crores for Q2 FY2018 and 28% higher at Rs.4,790 Crores for H1 FY2018. The Company has delivered a strong revenue growth in Financial Services and Pharma business. 46% of our Q2 & H1 FY 2018 revenues were earned in foreign currency.

### Net Profit

Net Profit for Q2 FY2018 was up by 25% at Rs.384 Crores as compared to Rs.306 Crores in Q2 FY2017. Strong growth in profitability was mainly on account of improved operational performance, partly offset by increase in depreciation and tax expenses. Net Profit for H1 FY2018 was Rs.686 Crores, a growth of 28% over the previous period.

### Interest Expenses

Interest expense for Q2 and H1 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 Q2 and H1 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 II ended			% Sales	Half year ended		
	30-Sep-17	30-Sep-16	% Change		30-Sep-17	30-Sep-16	% Change
Financial Services	1,186	815	45.4%	47.4%	2,270	1,450	56.6%
Pharma	1,083	874	23.9%	41.1%	1,970	1,725	14.2%
- Global Pharma	963	774	24.4%	-	1,809	1,545	17.1%
- India Consumer Products	119	99	20.1%	-	161	180	(10.5%)
Healthcare Insight & Analytics	256	262	(2.4%)	10.6%	508	532	(4.5%)
Others	12	15	-	0.9%	43	36	-
<b>Total</b>	<b>2,536</b>	<b>1,966</b>	<b>29.0%</b>	<b>100%</b>	<b>4,790</b>	<b>3,742</b>	<b>28.0%</b>

### Financial Services

Income from Financial Services was 45% higher at Rs.1,186 Crores for Q2 FY2018 and 57% higher at Rs.2,270 Crores for H1 FY2018. The growth in income was primarily driven by increase in size of Loan Book, which grew by 69% over last year to Rs.33,261 Crores. Construction finance now accounts for 59% of our real estate loan book. Gross NPAs ratio (based on 90 dpd) remained stable at 0.2% in Q2 FY2018. The Corporate Finance Group (CFG) Loan book grew by 100% to Rs.5,863 Crores as on 30 Sept 2017. CFG introduced new products such as Flexi Line of Credit and Project Finance during the quarter. Emerging Corporate lending loan book grew to Rs.322 Crores as on 30 Sept 2017; an increase of Rs.182 Crores in last one quarter.

The Company received housing finance licence in Aug 2017 and disbursed Rs.202 Crores in Sept 2017. We opened a hub along with two branches in Mumbai region and hired 150+ employees. Strong underwriting and asset monitoring processes for the housing finance business are also in place.

Gross assets under management were at Rs. 6,792 Crores during the quarter.

### Pharma

In Q2 FY2018, Pharma segment delivered 24% growth in revenues to Rs.1,083 Crores, as compared with Rs.874 Crores in Q2 FY2017. Revenues for H1 FY2018 were at Rs 1,970 Crores.

Revenue from **Global Pharma** business was 24% higher at Rs.963 Crores in Q2 FY2018 and 17% higher at Rs 1,809 Crores for H1 FY2018 on account of organic initiatives and successful integration of products acquired

from Janssen and Mallinckrodt and also successful integration of the Ash Stevens facility. Global Pharma services business announced USD 55 mn expansion of API manufacturing capabilities & capacities in North America and Asia. New capex of USD 4mn was sanctioned for Ahmedabad's formulation development facility to facilitate expansion for a Big Pharma customer. Phase I of the USD 25 mn expansion at Lexington is progressing well and new high speed filling line for liquid injectables is due to go live in November 2017. During the quarter, the Company underwent 3 regulatory audits (including 1 USFDA audit) and 36 customer audits.

Revenue from **India Consumer Products** for the quarter grew by 20% to Rs.119 Crores as the business recovered strongly from the impact of channel destocking led by the newly introduced GST tax regime in Q1 FY2018. Revenue for H1 FY2018 was at Rs.161 Crores. Despite subdued performance in the industry (~1% growth for the quarter) due to GST, our business registered a strong growth. New launches / re-launches during the quarter included Sloan's pain relieving spray, Waterbury's compound, Jungle Magic Garden Sciencz and Littles breast pump.

### **Healthcare Insight & Analytics (HIA)**

Revenue for the quarter was at Rs. 256 Crores and for H1 FY2018 was at Rs.508 Crores. Demand is shifting from research products toward dynamic, user-centric applications, getting partly offset by gains in Data & Analytics products and services. HIA continued its focus on innovation and new products by introducing innovative new, technology-enabled products. The business acquired Context Matters, a US-based data and analytics company to expand Global Market Access Intelligence offerings.

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](http://www.piramal.com)

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## **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 \$1.3 billion in FY2016. 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\$1.3 billion in FY2017, with 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 Dhaddha / Bhavna Sinyal | Investor Relations

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

[investor.relations@piramal.com](mailto:investor.relations@piramal.com)

### **For Media Queries:**

Dimple Kapur | Corporate Communications

Contact: +91 22 3351 4269

[dimple.kapur@piramal.com](mailto:dimple.kapur@piramal.com)