

Piramal Enterprises Limited Announces Consolidated Results for the Q3 of FY2019 & Nine Months ended December 31, 2018

- Strong Performance for the Quarter -

Mumbai, India, January 28, 2019: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for Third Quarter (Q3) of FY2019 and Nine Months (9M) ended 31 December, 2018.

Financial Highlights

- **Revenue:**
Up 22% at INR 3,489 Crores during Q3 FY2019 vs INR 2,858 Crores in Q3 FY2018
Up 25% at INR 9,536 Crores during 9M FY2019 Vs INR 7,648 Crores in 9M FY2018
- **Net Profit:**
Net profit up 23% to INR 603 Crores in Q3 FY2019 vs. INR 490 Crores in Q3 FY2018
Normalised Net profit¹ up 25% at INR 1,466 Crores during 9M FY2019 vs INR 1,176 Crores in 9M FY2018
- **Cash Profit:**
Up 32% to INR 843 Crores in Q3 FY2019 vs. INR 638 Crores in Q3 FY2018
Up 30% to INR 1,939 Crores in 9M FY2019 vs. INR 1,486 Crores in 9M FY2018
- For the nine months period, the Company has delivered a 4 year Revenue CAGR of 26% and 4 year normalised net profits CAGR of 46%.
- The Company has been delivering 20%+ growth in Revenues and Net Profit, consistently over past 14 quarters.

Note: 1) Excluding non-recurring and non-cash accounting charge towards Imaging assets for Q1 FY2019

Operational Highlights

- Total Loan Book grew by 45% to INR 55,255 Crores, as on 31 December 2018 vs INR 38,036 Crores, as on 31 December, 2017
- The Financial Services segment recorded an ROE of 19.4% (considering Cash Tax and other synergies from the reverse merger)
- Gross NPA ratio (based on 90 dpd) was at 0.5%, total provisioning at 1.8%
- Housing Finance Loan book grew 69% Vs. Q2 FY2019 to Rs. 3,920 Crores, despite a volatile industry environment
- Raised ~INR 10,000 Crores via NCDs and bank loans during the quarter
- Commercial Paper borrowings reduced by 40% during the quarter
- Robust liquidity position, with nearly INR 5,400 Crores in the form of cash and several unutilized bank lines
- Global Pharma revenue grew 14.4% during the quarter.
- Successfully cleared 30 regulatory inspections (including 1 USFDA) and 138 customer audits during 9M FY2019
- Consumer Products revenue for the quarter grew by 23% over Q2 FY 2019 and 56% over Q1 FY 2019
- Healthcare Insights & Analytics revenue grew by 9% to Rs. 1,062 Crores for 9M FY2019

Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd. (PEL) said, “We continue to consistently deliver strong performance during the quarter, despite volatile business environment. For Q3 FY2019, PEL’s revenues grew by 22% to INR 3,489 Crores and net profit grew by 23% to INR 603 Crores, led by growth across Financial Services and Pharma businesses.

Our group’s credibility, robust track record and balance sheet strength enabled us to get enough liquidity from Banks and Mutual Funds, despite tightened liquidity for the sector over the last few months. We grew our overall loan book by 45% for the quarter to INR 55,255 Crores. Leveraging the opportunity, our Housing Finance business reported a strong loan book growth of 69% QoQ to Rs. 3,920 Crore. The Financial Services business reported Gross NPA of 0.5%.”

Consolidated Financial Performance

(in INR Crores or as stated)

Particulars	Quarter III Ended			Nine Months ended		
	31-Dec-18	31-Dec-17	% Change	31-Dec-18	31-Dec-17	% Change
Net Sales	3,489	2,858	22%	9,536	7,648	25%
Non-operating other income	103	64	61%	228	223	2%
Total income	3,592	2,922	23%	9,764	7,871	24%
Other Operating Expenses	1,462	1,411	4%	4,383	3,869	13%
OPBIDTA	2,130	1,511	41%	5,381	4,002	34%
Interest Expenses	1,169	750	56%	3,094	2,148	44%
Depreciation	133	110	21%	385	362	6%
Profit before tax & exceptional items	828	651	27%	1,902	1,492	27%
Exceptional items (Expenses)/Income	-	-	-	452	-	-
Income tax	293	212	38%	637	504	26%
Profit after tax (before MI & Prior Period items)	535	439	22%	813	988	(18%)
Minority interest	-	-	-	-	-	-
Share of Associates ¹	68	51	33%	201	188	7%
Net Profit after Tax	603	490	23%	1,014	1,176	(14%)
Net Profit Margin %	17%	17%	-	11%	15%	-
Normalised Net Profit ²	603	490	23%	1,466	1,176	25%
Normalised Net Profit Margin %	17%	17%	-	15%	15%	-
Diluted EPS (Rs./share)	30.3	26.2	16%	51	66.2	(23%)
Normalised EPS (Rs./share) ²	30.3	26.2	16%	73.6	66.2	11%

Notes: 1) Income under share of associates primarily includes our share of profits at Shriram Capital and our share of profit under JV with Allergan, as per the new accounting standards; 2) Normalised Net Profit after Tax for 9M FY2019 excludes non-recurring and non-cash accounting charge towards Imaging assets in Q1 FY2019.

Consolidated Revenues

Consolidated revenues grew by 22% to INR 3,489 Crores for Q3 FY2019 and 25% to INR 9,536 Crores for 9M FY2019. The Company has delivered a strong revenue performance with growth across Financial services and Pharma businesses. 39% of our 9M FY2019 consolidated revenues were earned in foreign currency.

Net Profit

The Net Profit was up 23% to INR 603 Crores in Q3 FY2019 as compared with INR 490 Crores in Q3 FY2018. Normalized net profit (excluding non-recurring and non-cash accounting charge towards Imaging assets in Q1 FY2019) was up 25% to INR 1,466 Crores in 9M FY2019 as compared with INR 1,176 Crores in 9M FY2018. The strong growth in profitability was on account of revenue growth especially in the Financial Services Business.

Interest Expenses

Interest expenses for Q3 FY2019 were higher primarily on account of the increase in borrowings for growing the lending business and marginal increase in interest rates post Sep-2018.

Share of Associates

Income under share of associates for Q3 FY2019 primarily includes our share in the profits at Shriram Capital and under JV with Allergan.

Business-wise Revenue Performance

(in INR Crores or as stated)

Net Sales break-up	Quarter III ended			% Sales For Q3	Nine Months ended		
	31-Dec-18	31-Dec-17	% Change		31-Dec-18	31-Dec-17	% Change
Financial Services	1,841	1,316	40%	52.8%	5,131	3,586	43%
Pharma ¹	1,156	1,022	13%	33.1%	3,308	2,992	11%
Global Pharma	1,056	923	14%		3,063	2,732	12%
India Consumer Products	100	100	-		245	261	(6%)
Healthcare Insight and Analytics	492	468	5%	14.1%	1,062	976	9%
Others	1	52		0%	35	95	
Total	3,489	2,858	22%	100%	9,536	7,648	25%

Note: 1) Includes Global Pharma and Consumer product division

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

To download the Q3 FY2019 result presentation and for 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. Valued at USD 10 billion with offices in 30 countries, the Piramal Group is one of India's leading global business conglomerates with interests in pharma, financial services, healthcare information management, glass packaging and real estate. Driven by its core values, the Group steadfastly pursues inclusive growth, while adhering to ethical and value driven practices.

Piramal Foundation (a Section 8 Company effective March 2018), the philanthropic arm, develops innovative solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. Its sustainable development programmes in healthcare, education and clean drinking water across 21 Indian states, largely in partnership with the central and state governments has impacted over 90 Million lives, till date.

About Piramal Enterprises Ltd:

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\$1.6 billion in FY2018, with around 46% of revenues generated from outside India.

In Financial Services, Piramal Capital & Housing Finance Ltd is registered as a housing finance company with National Housing Bank (NHB) and engaged in various financial services businesses. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). PCHFL through its group companies provides customized strategies for institutional and retail investors such as Mumbai Redevelopment Fund and Apartment Fund focused (through Piramal Fund Management) and strategic partnerships with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge. The division has also launched a Distressed Asset Investing platform with Bain Capital Credit - IndiaRF that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. 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 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.

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