



Piramal Enterprises Limited announces Consolidated Results for the Full Year & Fourth Quarter ended 31 Mar 2018

Consistently delivering excellent set of results quarter on quarter

Mumbai, India, May 28, 2018: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for Full Year and Fourth Quarter (Q4) ended 31st March 2018.

Financial Highlights

- **Revenue :**
Up 24% at Rs.10,639 Crores during FY2018 vs Rs.8,547 Crores in FY2017
Up 21% at Rs.2,991 Crores during Q4 FY2018 vs Rs.2,463 Crores in Q4 FY2017
- **Normalised Net Profit*:**
Increased by 24% to Rs. 1,551 Crores for FY2018 vs Rs.1,252 Crores in FY2017
Increased by 21% to Rs. 375 Crores for Q4 FY2018 vs Rs. 311 Crores in Q4 FY2017

Operational Highlights

- Successfully raised upto Rs. 6,974 Crores through QIP of CCDs and Rights issue
- Reverse merger scheme of Piramal Finance and Piramal Capital with Piramal Housing Finance got effective from 31st March 2018
- The Board has recommended a dividend of Rs. 25 per share
- Total Loan Book grew by 69% to Rs.42,168 Crores as on 31 March 2018
- Successfully cleared 3 US FDA inspections, 24 other regulatory audits and 167 customer audits in FY18

Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, "We are pleased to announce that Piramal Enterprises has recorded another year of robust revenue and profitability performance.

The Company has delivered Rs.10,639 Crores of revenues for the year, recording a 24% growth; and normalised net profits of Rs 1,551 Crores for FY2018, up 24% over last year. During the year, our loan book grew 69% to Rs.42,168 Crores. In addition, loans worth Rs.23,300 Crores have been sanctioned but yet to get disbursed.

We recently completed the process of merging Piramal Finance and Piramal Capital into Piramal Housing Finance with the intent of streamlining the Financial Services business, yet another step in the direction of potentially unlocking value in future. We are confident that the synergies from the merger will help us augment our returns in the coming years.

We remain steadfast in our commitment to generate year-on-year improved performance and to drive innovative business initiatives that bolster growth, strengthen our market leadership and consistently create long-term value for our shareholders."

Note: * The normalised net profit excludes synergies on account of merger of subsidiaries in Financial services segment.

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter IV Ended			Full Year Ended		
	31-Mar-18	31-Mar-17	% Change	31-Mar-18	31-Mar -17	% Change
Net Sales	2,991	2,463	21%	10,639	8,547	24%
Non-operating other income	36	86	(58%)	259	234	11%
Total income	3,028	2,549	19%	10,899	8,781	24%
Other Operating Expenses	1,610	1,430	13%	5,479	5,048	9%
OPBIDTA	1,417	1,119	27%	5,419	3,733	45%
Interest Expenses	831	590	41%	2,978	2,031	47%
Depreciation	115	122	(5%)	477	382	25%
Profit before tax & exceptional items	471	407	16%	1,964	1,320	49%
Exceptional items (Expenses)/Income	-	8	-	-	10	-
Income tax						
Current tax and Deferred tax	189	103	83%	693	228	204%
Deferred tax on account of merger of subsidiaries	(3,569)	-	-	(3,569)	-	-
Profit after tax (before MI & Prior Period items)	3,851	296	1,201%	4,840	1,082	347%
Minority interest	-	-	-	-	-	-
Share of Associates ¹	92	15	534%	280	170	65%
Net Profit after Tax	3,944	311	1,169%	5,120	1,252	309%
Net Profit Margin %	132%	13%	-	48%	15%	-
Normalised Net Profit ²	375	311	21%	1,551	1,252	24%
Normalised Net Profit Margin %	13%	13%	-	15%	15%	-
EPS (Rs./share) ³	203.6	17.9	1,035%	281.7	72.3	290%
Normalised EPS (Rs. / share) ³	19.3	17.9	8%	85.4	72.3	18%

Note: 1. 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; 2) The normalised net profit excludes synergies on account of merger of subsidiaries in Financial services segment; 3) Basic and diluted EPS for 3M ended Dec 31, 2017, Mar 31, 2018 & year ended Mar 31, 2018 have been restated for effect of Rights Issue.

Consolidated Revenues

Consolidated revenues increased by 24% to Rs.10,639 Crores for FY2018 and by 21% to Rs.2,991 Crores for Q4 FY2018. The Company has delivered a strong revenue performance with growth in Financial Services and Global Pharma business segments. 46% of our Full Year and Q4 FY2018 were earned in foreign currency.

Normalised Net Profit:

The normalised net profit excludes synergies on account of merger of subsidiaries in Financial services segment. The normalised net profit for FY2018 was Rs. 1,551 Crores, a growth of 24% over Rs.1,252 Crores in FY2017. The normalised net profit for Q4FY2018 was Rs. 375 Crores as compared to Rs. 311 Crores in Q4 FY2017, an increase of 21%. Strong growth in profitability was mainly on account of good growth in revenues and improved operational performance

Interest Expenses

Interest expense for FY2018 and Q4 FY2018 were higher primarily on account of the increase in borrowings for growing the lending business.

Share of Associates

Income under share of associates for FY2018 and Q4 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 iv ended			% Sales	Full Year ended		
	31-Mar-18	31-Mar-17	% Change		31-Mar-18	31-Mar-17	% Change
Financial Services	1,395	999	39.6%	46.8%	4,982	3,352	48.6%
Pharma	1,330	1,214	9.6%	40.6%	4,322	3,893	11.0%
Global Pharma	1,245	1,103	12.9%	-	3,976	3,517	13.1%
India Consumer Products	85	111	(23.3%)	-	346	375	(7.9%)
Healthcare Insight and Analytics	234	227	2.9%	11.4%	1,209	1,222	(1.1%)
Others	32	23	-	1.2%	127	80	-
Total	2,991	2,463	21.5%	100%	10,639	8,547	24.5%

Financial Services

Income from Financial Services was 49% higher at Rs.4,982 Crores for FY2018 and 40% higher at Rs.1,395 Crores for Q4 FY2018. The growth in income was primarily driven by increase in size of loan book, which grew by 69% to Rs.42,168 Crores vs Rs.24,975 Crores in FY2017. Construction Finance now accounts for 60% of our real estate loan book. Gross NPA ratio (based on 90 dpd) as on 31 March 2018 was at 0.3%.

The Corporate Finance Group (CFG) Loan book grew by 118% to Rs.8,209 Crores as on 31 March 2018. Emerging Corporate Lending loan book increased by 48% over last quarter to Rs.916 Crores as on 31 March 2018.

The Company received housing finance licence and launched its operations in September 2017. For the year, the Housing finance loan book stood at Rs. 1,210 Crores. During the quarter, loans worth Rs. 763 Crores were disbursed. We partnered with 445 connectors, 123 DSAs & 100 projects during the year. The Company launched housing finance offerings in Delhi-NCR, Bengaluru and Pune and plan to open branches in Nashik, Ahmedabad, Hyderabad and Chennai during H1FY2019

Alternative assets under management were at Rs.7,620 Crores as on 31 March 2018.

Pharma

Revenues for FY2018 grew 11% YoY to Rs.4,322 Crores. In Q4 FY2018, Pharma segment revenues grew by 9.6% to Rs.1,330 Crores, as compared with Rs. 1,214 Crores in Q4 FY2017.

Global Pharma FY2018 revenues were higher by 13.1% to Rs.3,976 Crores and Q4 FY2018 revenues grew 12.9% to Rs.1,245 Crores and. Growth was driven mainly on account of addition of new products, strong order book and delivery across all key segments of the business. The Global Pharma margins for FY2018 have improved to 22% as compared to 20% during FY2017 on back of high margin acquisitions and operational improvements. During the quarter, the Company underwent 11 regulatory audits (including 2 USFDA inspections) and 35 customer audits. The products acquired from Janssen & Mallinckrodt continue to perform in line with expectations. The transition and integration are progressing well.

Revenue from **India Consumer Products** for FY2018 was at Rs. 346 crores, impacted by the introduction of GST and its implementation. Residual impact of GST on the wholesale channel can still be felt across the industry. Revenue for the quarter was lower at Rs.85 Crores due to the base effect (as the business had delivered a growth of 45% YoY in Q4FY2017) reduction of trade spends and normalization of credit policy from Q4 onwards. During the year, the company acquired Digeplex and associated brands from Shreya Lifesciences to consolidate its position in the gastro-intestinal (GI) segment.

Healthcare Insight & Analytics (HIA)

Revenue for FY2018 was Rs.1,209 Crores and for the quarter was at Rs.234 Crores, a growth of 3%. Growth during the quarter was driven by strong growth in Life Sciences Data & Analytics, which was partly offset by lower demand for research products, which are being replaced with dynamic, user-centric applications. Currency fluctuations also impacted the topline. The Company continues to evolve its delivery model from large, static research reports to (a) digitally delivered, user-centric applications, and (b) analytics services.

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 FY2018. 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 FY2018, 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 introduced 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.

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