



Piramal Enterprises Limited Announces Consolidated Results for the First Quarter ended June 30, 2018

- **Robust performance across all businesses**
- **Strong profitability performance excluding an exceptional non-cash accounting charge**

Mumbai, India, July 30, 2018: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302) today announced its consolidated results for First Quarter (Q1) ended 30th June 2018.

Explanation of an exceptional non-cash accounting charge towards Imaging business:

- During the quarter, PEL sold the Imaging business to Alliance Medical Group
- Upon the sale of this business, there was a non-recurring and non-cash accounting charge of Rs. 452 Crores towards Imaging assets
- Excluding this accounting charge, the adjusted Net profit for the quarter increased by 27% to Rs. 382 Crores as compared with Rs. 302 Crores in Q1 FY2018

Expected impact on the future profitability:

- The sale of Piramal Imaging business is expected to improve future profitability of the Company's Pharma segment
 - Imaging business had resulted in an expense of Rs. 64 Crores at PBT level in FY2018

Financial Highlights

- **Revenue:**
Up 29% at Rs. 2,902 Crores during Q1 FY2019 vs Rs. 2,254 Crores in Q1 FY2018
- **Profit before Tax and Exceptional Items:**
Up 44% at Rs. 503 Crores during Q1 FY2019 vs Rs. 350 Crores in Q1 FY2018
- **Adjusted Net Profit¹:**
Up 27% to Rs. 382 Crores in Q1 FY2019 vs. Rs.302 Crores in Q1 FY2018
- **Cash Profit:**
Up 54% to Rs. 540 Crores in Q1 FY2019 vs. Rs.351 Crores in Q1 FY2018

Note: 1) Adjusted Net Profit after Tax excludes exceptional items of write off of Imaging assets.

Operational Highlights

- Total Loan Book grew by 64% to Rs.46,995 Crores as on 30 June 2018 vs Rs. 28,648 Crores as on 30 June 2017
- The Financial Services segment recorded a 19% ROE for Q1 FY2019
- Gross NPA ratio (based on 90 dpd) remained stable at 0.3%
- The long-term debt instruments of Piramal Capital & Housing Finance Limited were rated 'CARE AA+; Stable. These were earlier rated 'CARE AA; Stable' by CARE Ratings for the erstwhile company
- The Housing Finance Loan grew to Rs. 1,604 Crores as on 30 Jun 2018
- The Company successfully cleared 5 regulatory inspections (including 1 USFDA inspections) and 51 customer audits
- Global Pharma revenues grew by 16% to Rs. 979 Crores in Q1 FY2019, as compared with Rs. 845 Crores in Q1 FY2018
- Global Pharma services business recorded an order book of USD 46 mn
- India Consumer Products revenues witnessed a strong recovery for Q1 FY2019 at Rs. 64 Crores, a growth of 55% as compared to Rs. 42 Crores in Q1 FY2018
- Healthcare Insight & Analytics revenue grew by 10.5% to Rs. 278 Crores in Q1 FY2019, primarily driven by continuing growth in data & analytics business

Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd. said, *"We have commenced the new fiscal year with strong financial performance on the back of robust growth across all our businesses. Our revenues grew by 29% to Rs. 2,902 Crores over the last year. During the quarter, we sold our Imaging business, which we believe will lead to improved profitability of the Pharma segment in the coming quarters. Our net profit excluding the exceptional non-cash accounting charge towards Imaging business grew by 27% to Rs. 382 Crores. Our cash profits grew higher by 54% to Rs. 540 Crores.*

In our Financial Services segment, the loan book grew 64% to Rs. 46,995 Crores. Post completion of the merger of Piramal Finance and Piramal Capital with Piramal Housing Finance, we received a rating of AA+ Stable from CARE, a testimony to the strong performance of our loan book over several quarters, robust risk management metrics and our stringent in-house asset monitoring process.

We remain committed towards delivering improved performances through focused business strategies and superior execution to create long-term value for all our stakeholders."

Consolidated Financial Performance

(Rs. Crores or as stated)

Particulars	Quarter I Ended		
	30-Jun-18	30-Jun-17	% Change
Net Sales	2,902	2,254	29%
Non-operating other income	14	84	(83%)
Total income	2,917	2,338	25%
Other Operating Expenses	1,376	1,192	15%
OPBIDTA	1,541	1,146	35%
Interest Expenses	909	673	35%
Depreciation	129	123	5%
Profit before tax & exceptional items	503	350	44%
Exceptional items (Expenses)/Income	(452)	-	-
Income tax			
Current Tax and Deferred Tax	181	102	77%
Deferred Tax on account of merger of subsidiaries	-	-	-
Profit after tax (before MI & Prior Period items)	(130)	247	(153%)
Minority interest	-	-	-
Share of Associates ¹	60	55	10%
Net Profit after Tax	(70)	302	(123%)
Net Profit Margin %	(2%)	13%	-
Adjusted Net Profit ²	382	302	27%
Adjusted Net Profit Margin%	13%	13%	-
EPS (Rs./share)	(3.5)	17.5	(120%)
Adjusted EPS (Rs./Share) ²	19.3	17.5	11%

Notes: 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 standard; 2) Adjusted Net Profit after Tax excludes exceptional items towards non-cash charge of Imaging assets.

Consolidated Revenues

Consolidated revenues increased by 29% to Rs. 2,902 Crores for Q1 FY2019. The Company has delivered a strong revenue performance with growth in all the business segments. 41% of our Q1 FY2019 Total Revenues were earned in foreign currency.

Profit before Tax and Exceptional Items:

The profit before tax and exceptional items increased by 44% at Rs. 503 Crores during Q1 FY2019 as compared with Rs. 350 Crores in Q1 FY2018

Adjusted Net Profit:

The adjusted net profit for the quarter (excludes exceptional items towards non-cash charge of Imaging Assets) was up 27% to Rs. 382 Crores in Q1 FY2019 as compared with Rs.302 Crores in Q1 FY2018.

Cash Profit:

The Cash profit was up 54% to Rs. 540 Crores in Q1 FY2019 as compared with Rs. 351 Crores in Q1 FY2018. The strong growth in profitability was on account of good revenue growth across all businesses and improved operational performance and synergies from the merger of Piramal Finance and Piramal Capital with Piramal Housing Finance.

Interest Expenses

Interest expense for Q1 FY2019 were higher primarily on account of the increase in borrowings for growing the lending business.

Share of Associates

Income under share of associates for Q1 FY2019 primarily includes our share in the profits at Shriram Capital and under JV with Allergan.

Business-wise Revenue Performance

(Rs. Crores or as stated)

Net Sales break-up	Quarter I ended			% Sales
	30-Jun-18	30-Jun-17	% Change	
Financial Services	1,559	1,084	43.7%	53.7%
Pharma	1,043	887	17.6%	35.9%
Global Pharma	979	845	15.8%	33.7%
India Consumer Products	64	42	54.6%	2.2%
Healthcare Insight and Analytics	278	252	10.5%	9.6%
Others	23	31		0.8%
Total	2,902	2,254	28.8%	100%

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

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 ~\$2 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, care and impact, 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, has initiatives running across healthcare, water, education and women empowerment in 21 states of India.

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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