

## Piramal to bring pharma biz under subsidiary

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### Evaluating re-entry in domestic formulations



Piramal Enterprises Limited has announced its consolidated results for the Third Quarter (Q3) and Nine Months (9M) FY2020 ended 31<sup>st</sup> December 2019.

#### Revenue:

- Up 9% to INR 3,806 Crores during Q3 FY2020 vs INR 3,489 Crores in Q3 FY2019
- Up 14% to INR 10,915 Crores during 9M FY2020 vs INR 9,536 Crores in 9M FY2019

#### Net Profit:

- Up 20% to INR 724 Crores during Q3 FY2020 vs. INR 602 Crores in Q3 FY2019
- Up 20% to INR 1,749 Crores during 9M FY2020 vs INR 1,462 Crores in 9M FY2019

**Ajay Piramal, Chairman, Piramal Enterprises Ltd. said,** “We are pleased to announce consistent performance demonstrated by 14% YoY revenue growth to INR 10,915 Crores and net profit growth by 20% YoY to INR 1,749 Crores for nine months FY2020, especially given the sectoral volatility in the markets that we operate in.

*By end of FY2020, we will have exceeded our earlier stated commitment of bringing in INR 8,000 – 10,000 Crores of equity in the Company, with inflows of up to ~INR 14,500 Crores, through various initiatives including Preferential Allotment to CDPQ, sale of DRG and our Rights Issue that witnessed active participation from most existing large investors including the promoters. Our repeated partnerships with marquee global and domestic investors are an affirmation of the robustness of our business model and future growth trajectory.*

*With this capital infusion, our Company is well-capitalized to tap both organic and inorganic opportunities arising from industry consolidation and effectively transform our Financial Services business from a largely wholesale business into a well-diversified financial services business. In our Pharma business, that is consistently delivering robust performance quarter*

*after quarter, we plan to further raise additional equity capital for its future growth. Infusion of additional capital in Pharma is the next step towards unlocking value of the Company.”*

#### **Plans for infusing growth capital into the Pharma businesses**

- Plan to bring Pharma businesses under a subsidiary and raise funds by **issuing a minority stake (<20%)** to potential financial investors
- This fund raise will not just **provide capital for growth**, but will also **enable value discovery** for our pharma business
- To target both organic and inorganic growth opportunities across businesses we operate in
- Evaluating re-entry in domestic formulations