Piramal

Piramal Enterprises

Debt Investor presentation

24 October 2024

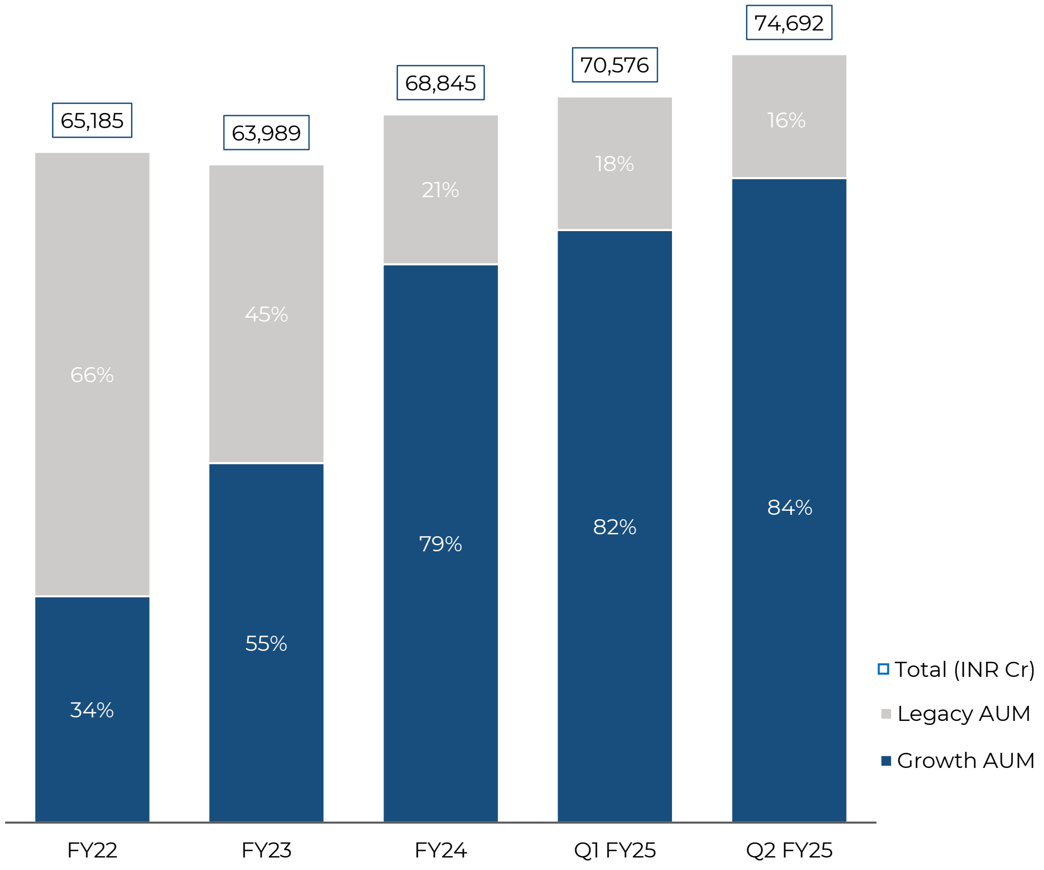
Table of contents

Piramal

Portfolio composition

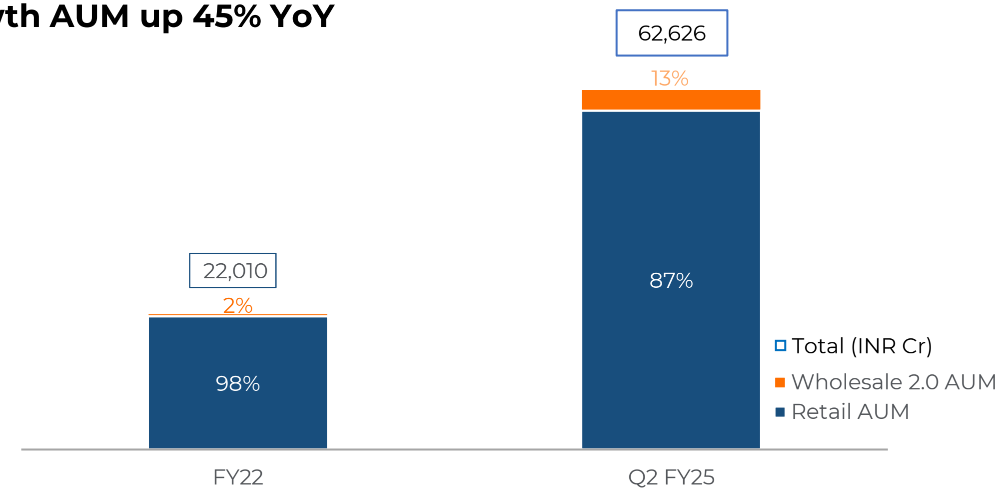
Growth business now 84% of total AUM

Total AUM up 12% YoY- Growth AUM dominate the AUM mix



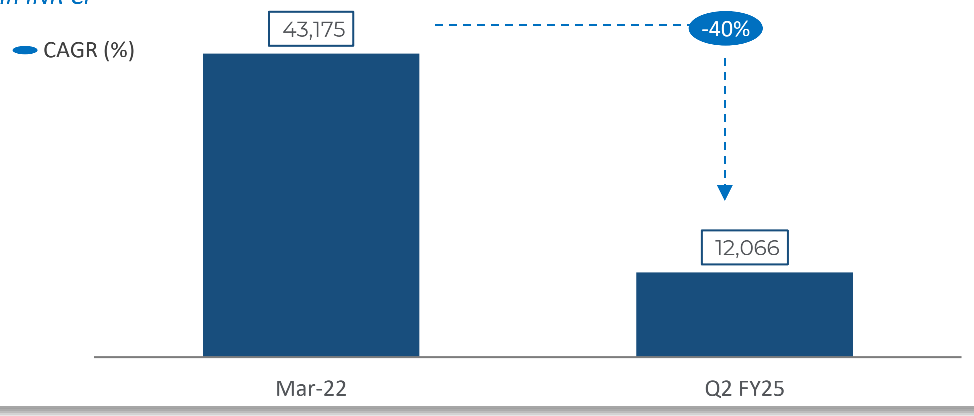
Legacy (discontinued) AUM to be <10% of total AUM in FY25; and <5% in FY26

Growth AUM up 45% YoY



Legacy AUM running down steadily

In INR Cr

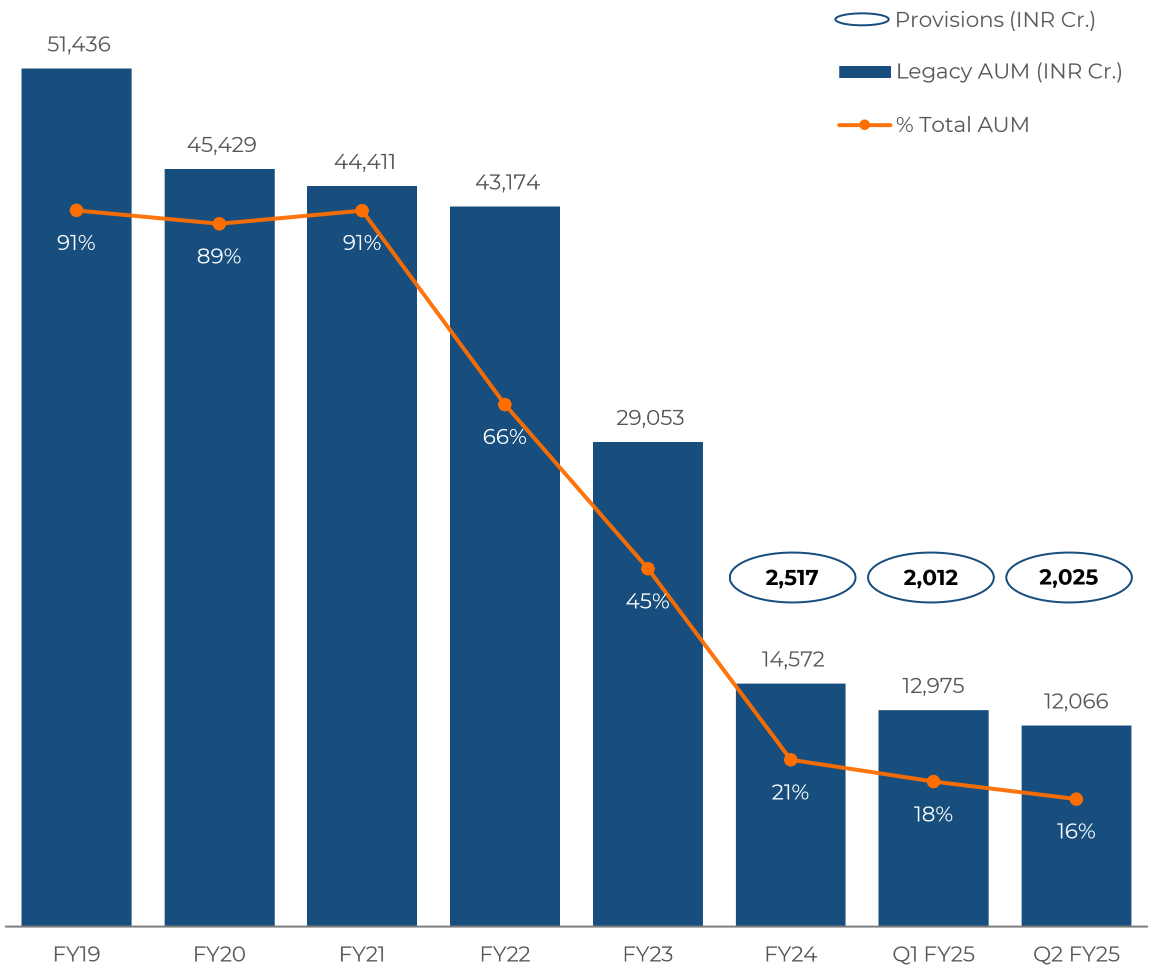


Piramal

Legacy (discontinued) business

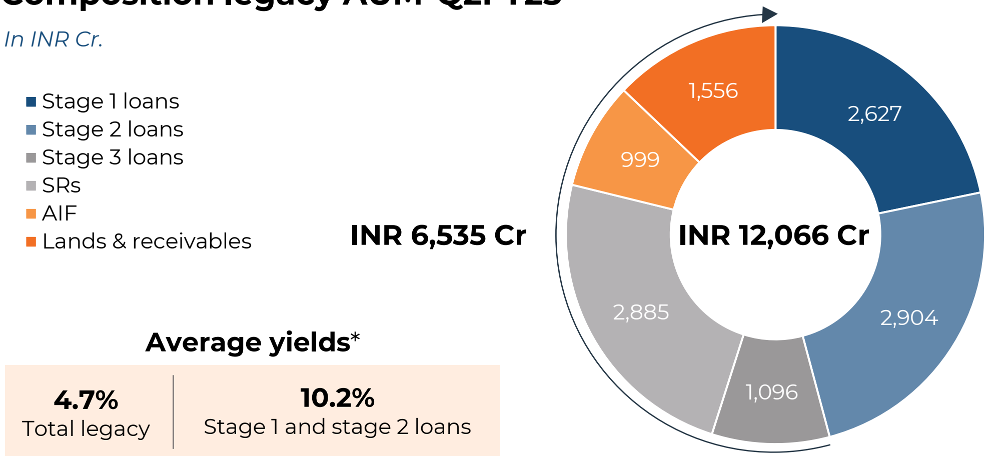
Rapidly reducing legacy AUM

Legacy AUM down 7% QoQ & 49% YoY to INR 12,066 Cr



Composition legacy AUM-Q2FY25

In INR Cr.

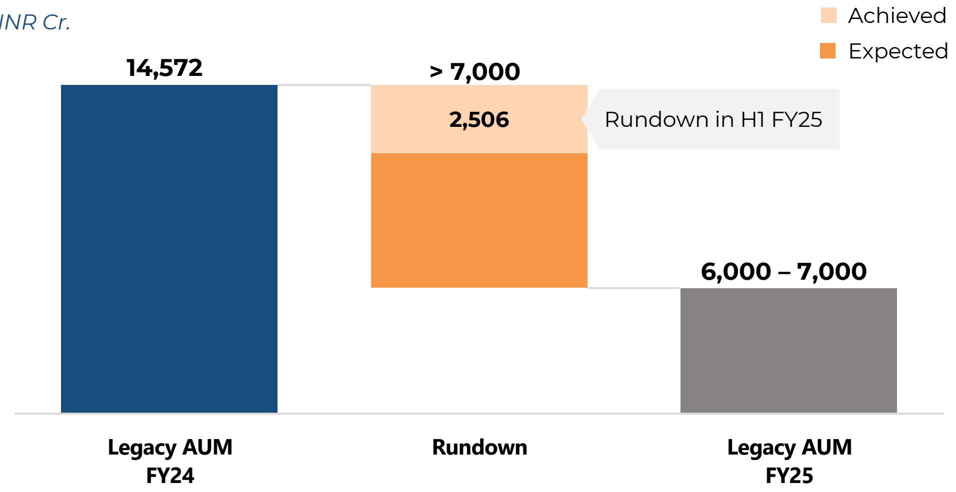


Average yields*

4.7% Total legacy	**10.2%** Stage 1 and stage 2 loans

Reiterate bringing legacy to <10% of AUM in FY25 & <5% in FY26

In INR Cr.



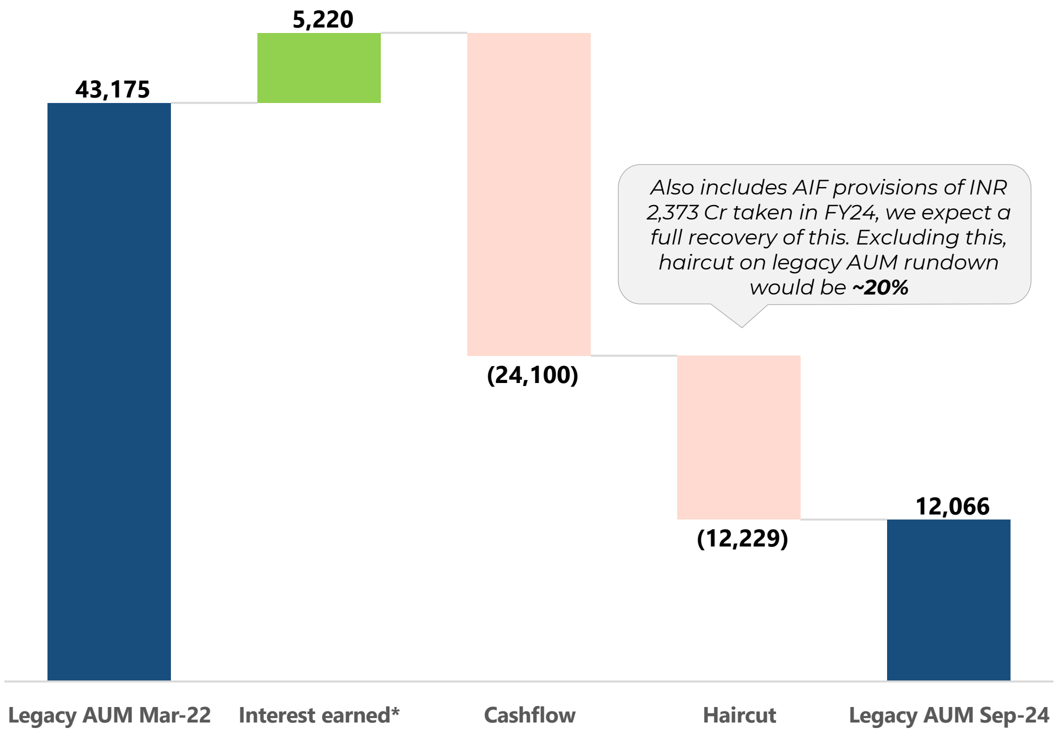
Note: (*) Average yield % includes fee income

Some details on the legacy AUM rundown

(All ratios as % of average AUM of growth business)

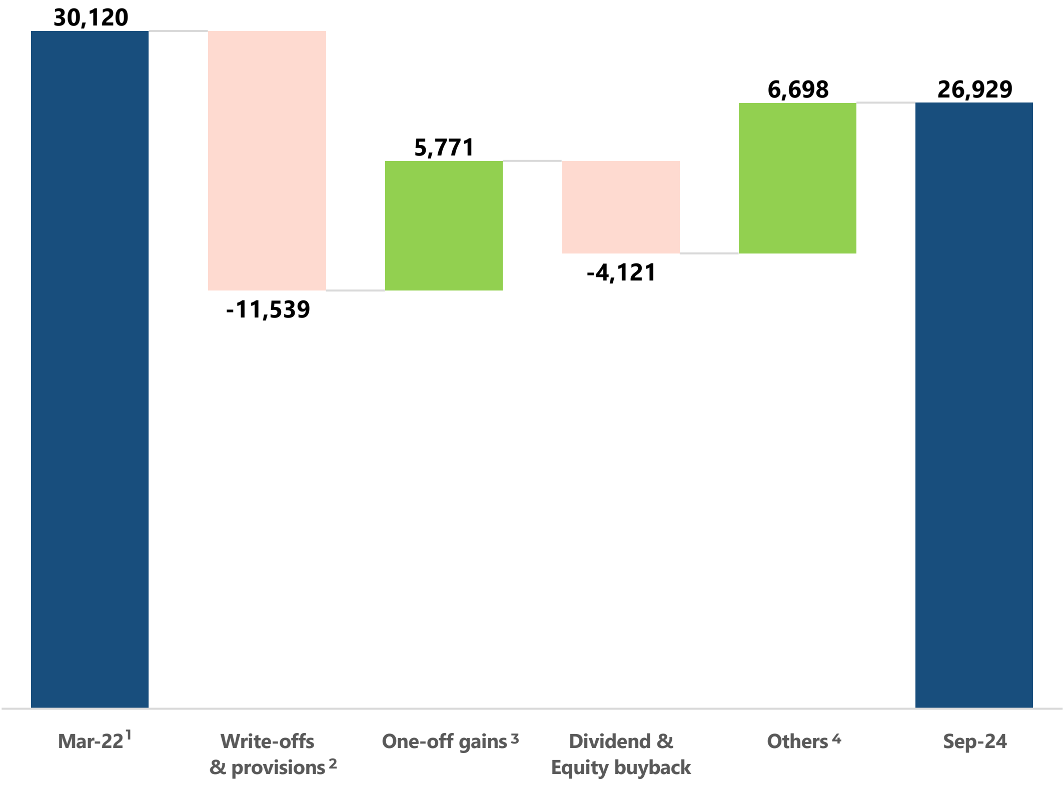
Overall haircut of ~25% during the rundown since FY22

In INR Cr.



Net-worth movement since end-FY22

In INR Cr.



Notes: (1) Opening net worth (INR 30,120 Cr) in FY23 excludes pharma business
(2) Write-offs & provisions include P&L credit costs (INR 9,620 Cr) and total net exceptional AIF provisions (INR 1,919 Cr)
(3) One-off gains include reversal of income tax provisions from DHFL merger (INR 3,327 Cr), gain of on Shriram restructuring (INR 717 Cr), Shriram Finance Limited (SFL) gain (INR 855 Cr) and income from Shriram investments stake sale (INR 871 Cr)
(4) Others include operating profit, other provisions, taxes and other miscellaneous movements
* Includes other Miscellaneous Adjustment

Piramal

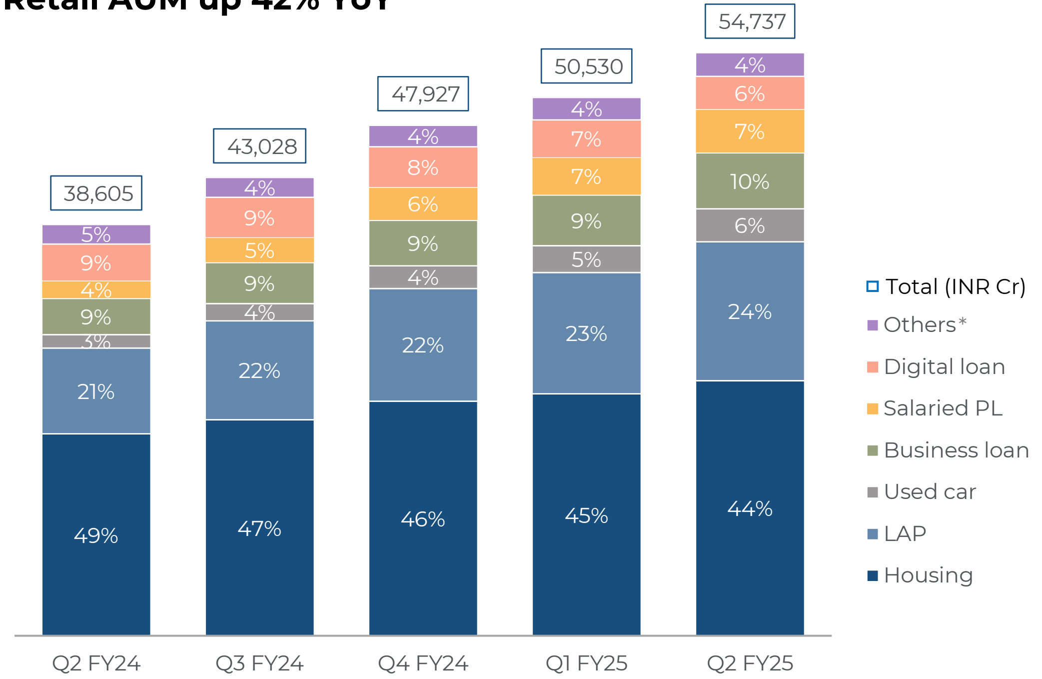
Growth business

Retail

Wholesale 2.0

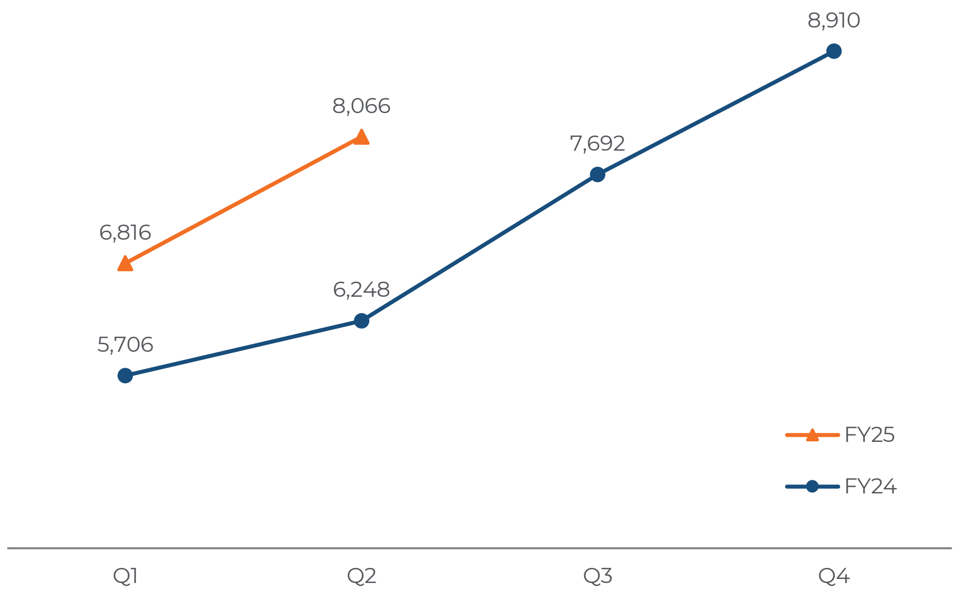
Retail – growth across product verticals

Retail AUM up 42% YoY



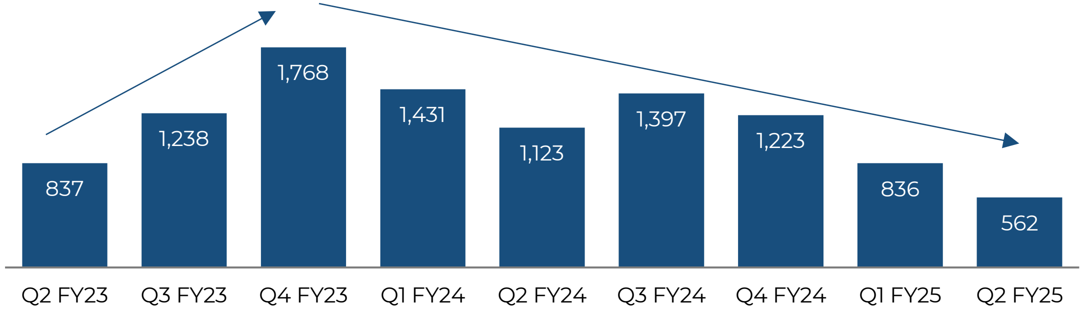
Disbursements up 29% YoY

In INR Cr.



Digital loans disbursements: slowed down since FY23 highs

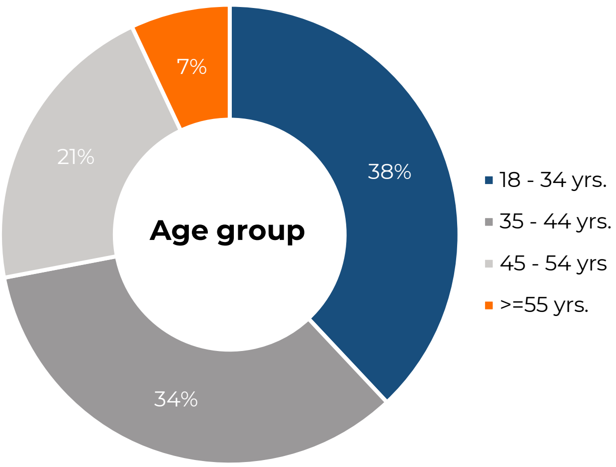
In INR Cr.

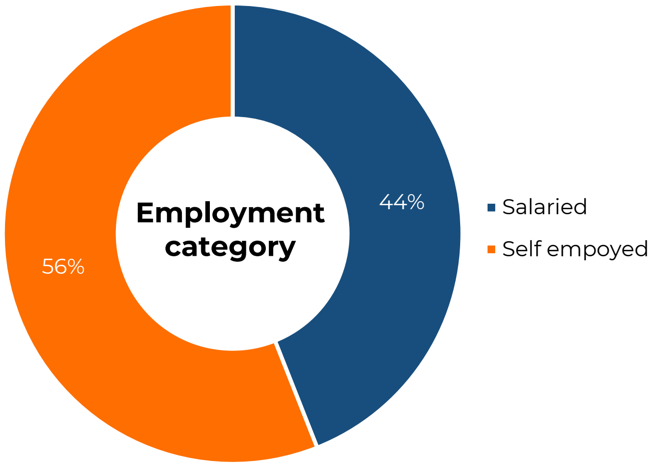


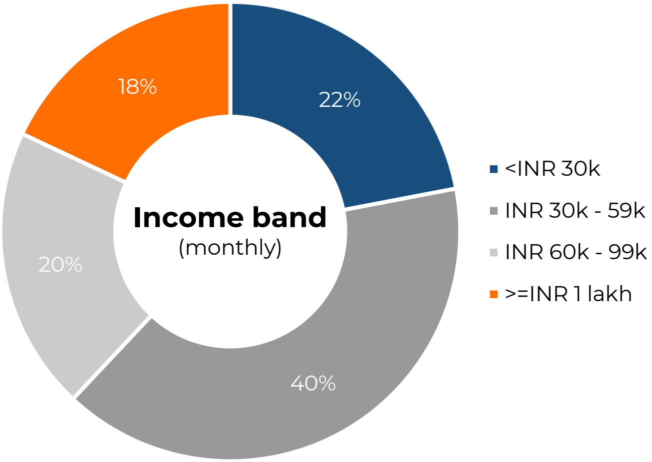
- **Digital Loans** disbursements reduced by ~70% from peak 6 quarters ago
- 85% of digital loan disbursement is **credit protected** primarily through FLDG
- **Securitization** picking up, with total 27 DA and 2 co-lending live programs

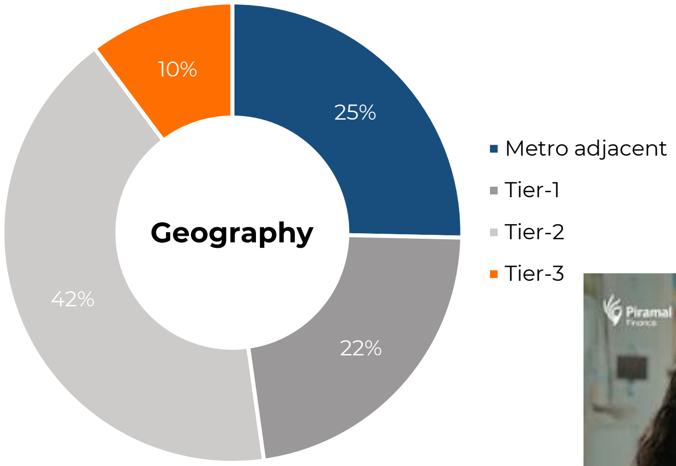
Note: (*) Others includes loan against mutual fund (LAMF) (INR 501 Cr as of Q2 FY25), SRs (INR 1,590 Cr as of Q2 FY25) & pass-through certificates (PTC) (INR 133 Cr as of Q2 FY25)

Retail - customer profile for branch-based acquisition









Click on the thumbnails below to view our recent advertisements

Customers acquired through branch network represents 92% of total retail AUM

We serve self-employed, modest-income type of customer base

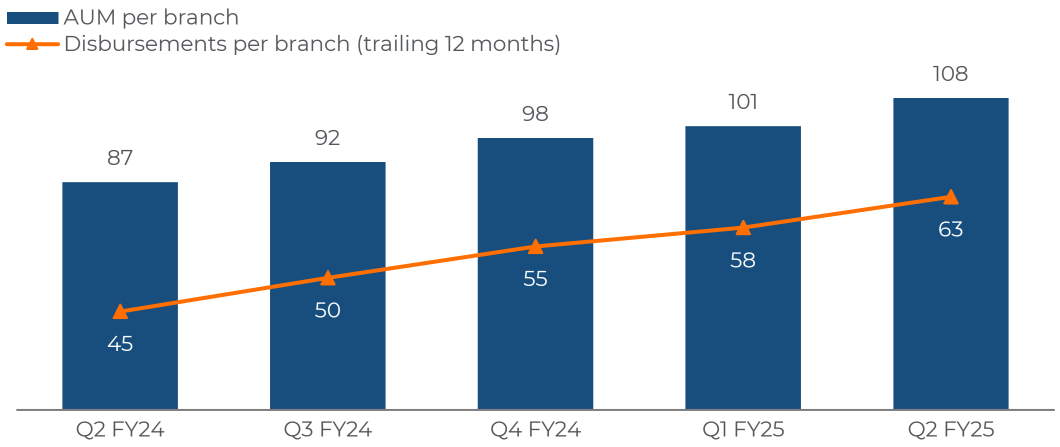
Note : All charts are for number of customers acquired in FY24 & H1 FY25

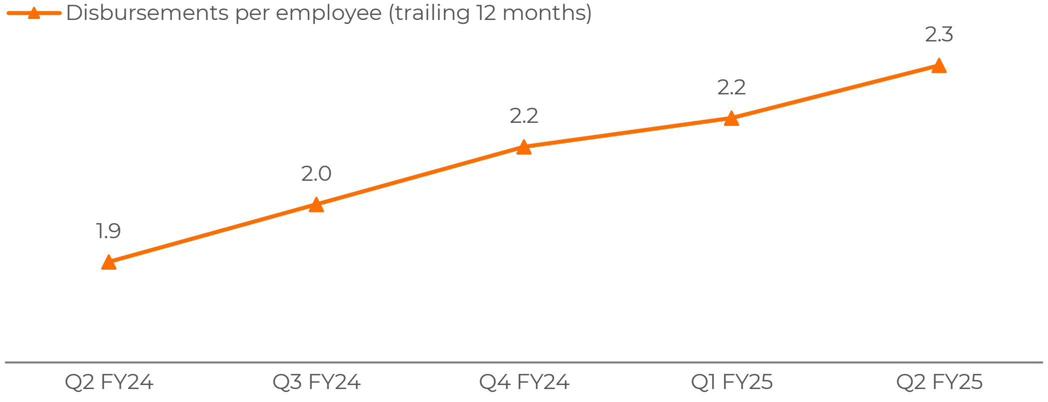
Productivity improvement to continue, driven by increasing Branch maturity

Piramal

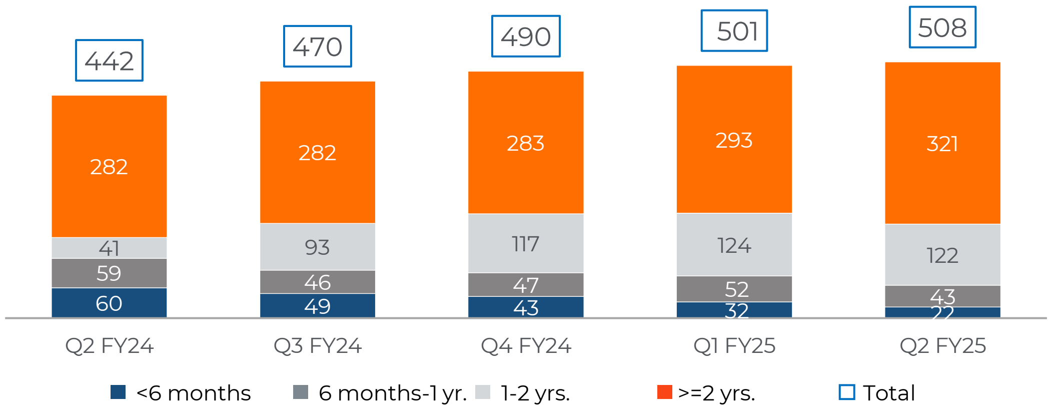
Productivity has steadily been increasing for our branch network and employee base…

In INR Cr



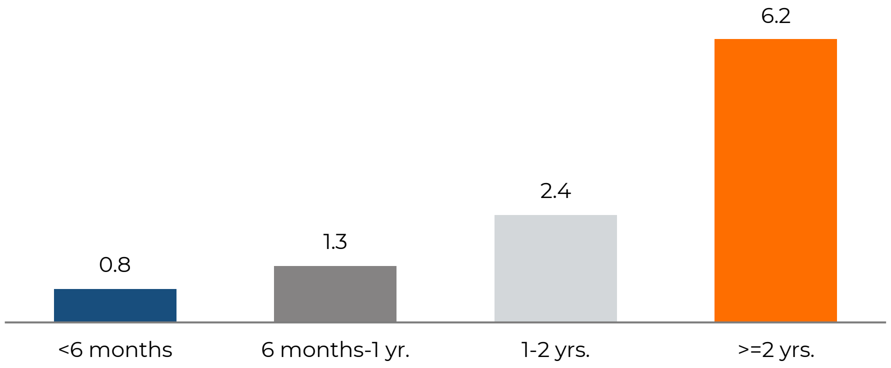


…This coincides with the maturing vintage mix of our branches



Benchmark monthly disbursement* per branch by vintage

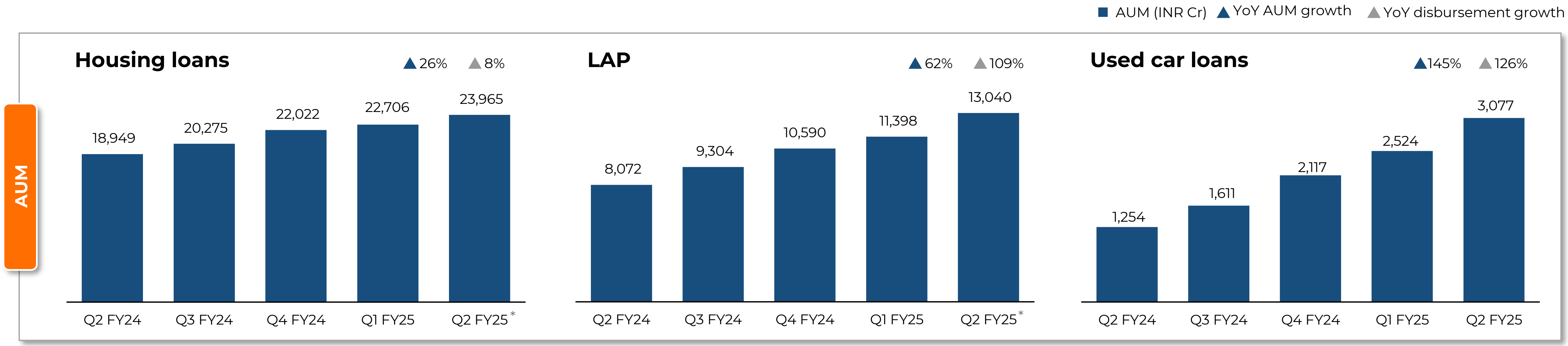
In INR Cr

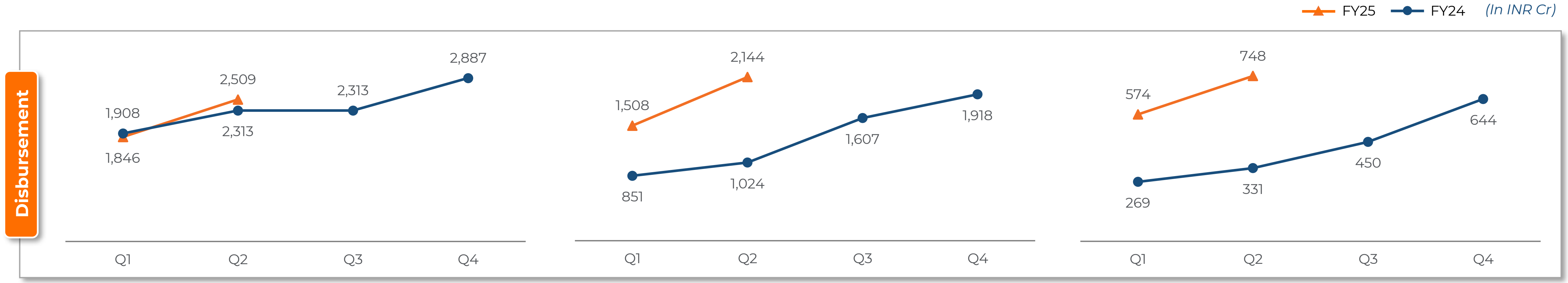


Note: (*) Only for branch led products

Growth momentum sustaining in mortgages and used car loans

Piramal





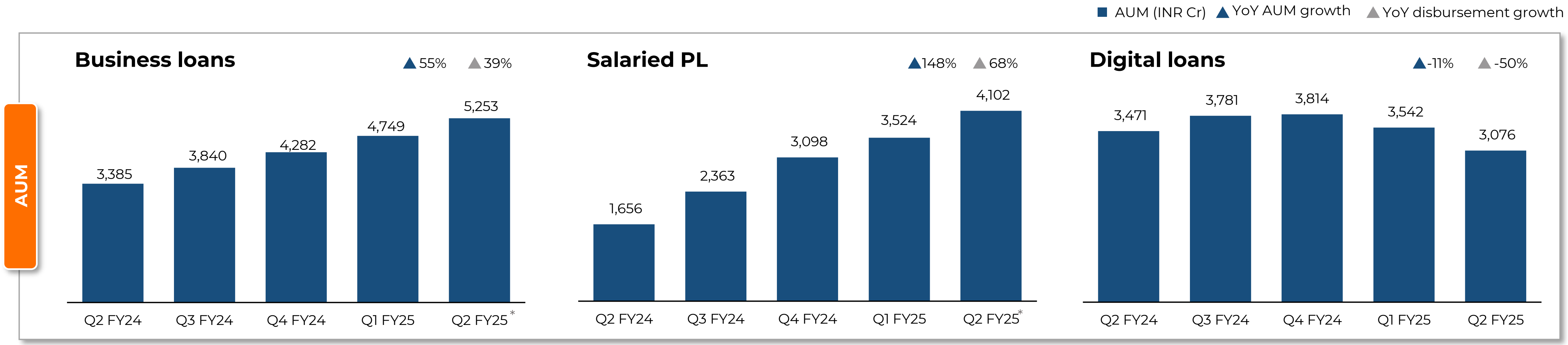
22 Lac	66%	751	11.6%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

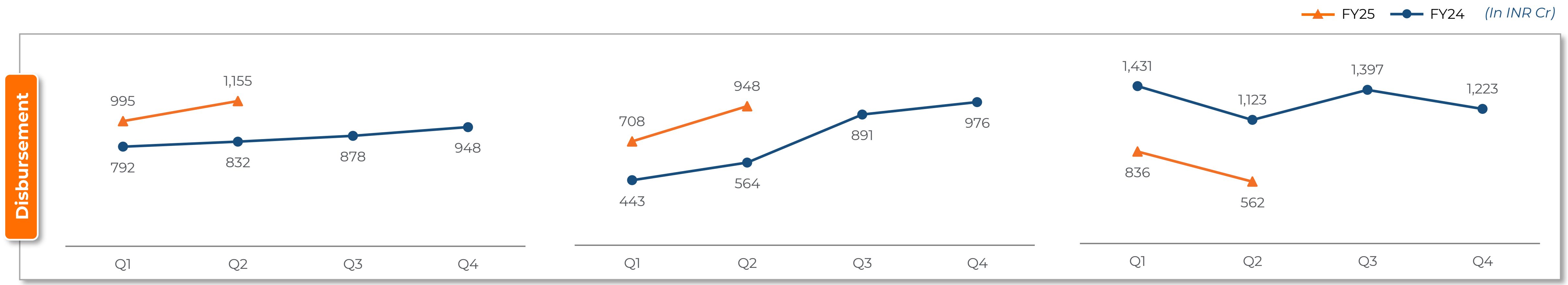
23 Lac	49%	748	12.9%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

6.8 Lac	73%	748	15.1%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

Note: (*) In Q2FY25, concluded DA sale transactions of INR 612 Cr in Housing, INR 695 Cr in LAP and co-lending transaction of INR 47 Cr in Housing loans, INR 65 Cr in LAP

Branch originated business outpacing digital loans



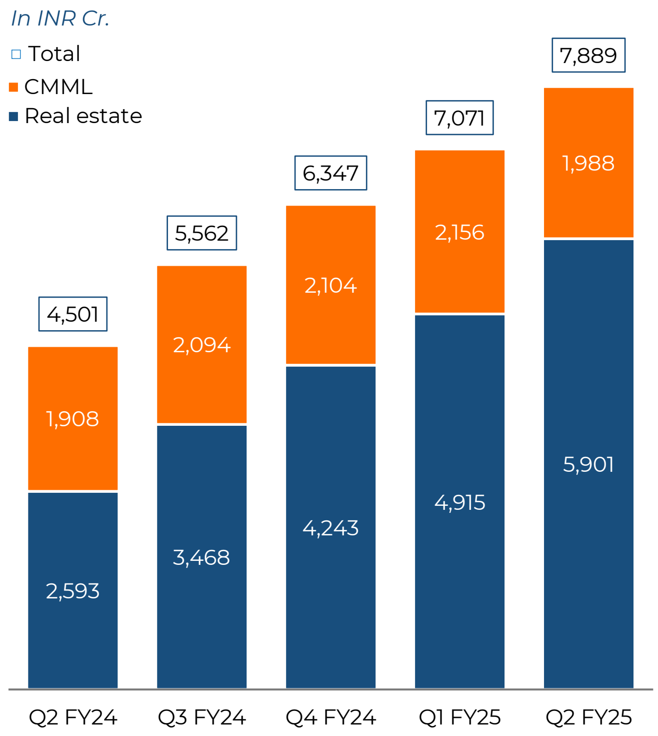


	Business loans			Salaried PL			Digital loans	
5.5 Lac *Average ticket size*	**750** *Average CIBIL score*	**19.8%** *Disbursement yield*	**4.4 Lac** *Average ticket size*	**754** *Average CIBIL score*	**17.5%** *Disbursement yield*	**0.5 Lac** *Average ticket size*	**756** *Average CIBIL score*	**16.4%** *Disbursement yield*

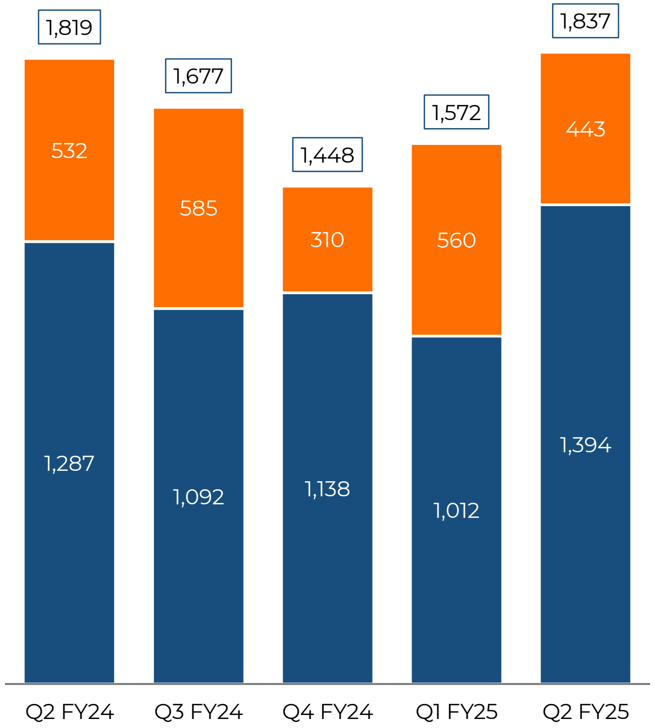
Note: (*) In Q2FY25, concluded DA sale transactions of INR 81 Cr in Business loans, INR 223 Cr in Salaried PL and co-lending transaction of INR 109 Cr in Business loans

Wholesale 2.0: Building a diversified and granular book backed by cash flows and assets

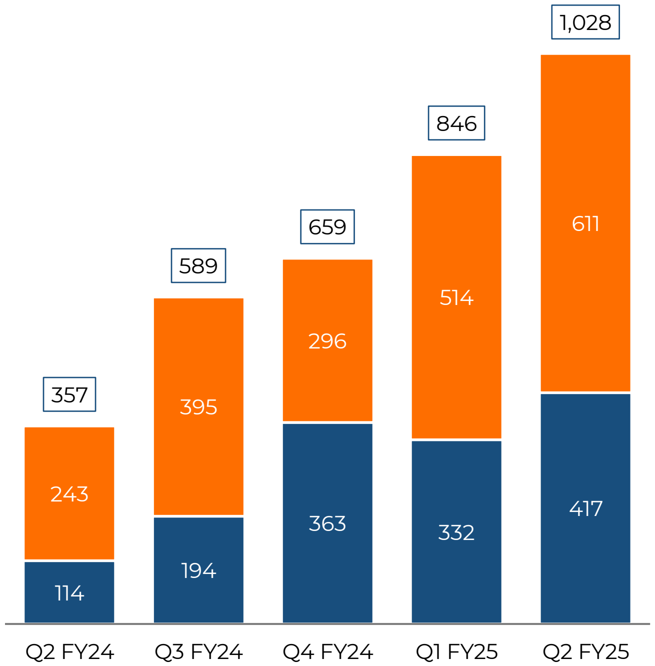
Wholesale 2.0 AUM up 12% QoQ



Disbursements up 17% QoQ



Total repayments (including pre-payments)



- **Disbursements** of INR 1,837 Cr in Q2 FY25
- **Performing well**, in line with or ahead of underwriting, as reflected in prepayments
- **Pre-payments** worth INR 769 Cr received in Q2 FY25
- **Exited deals** worth INR 2,649 Cr in total so far

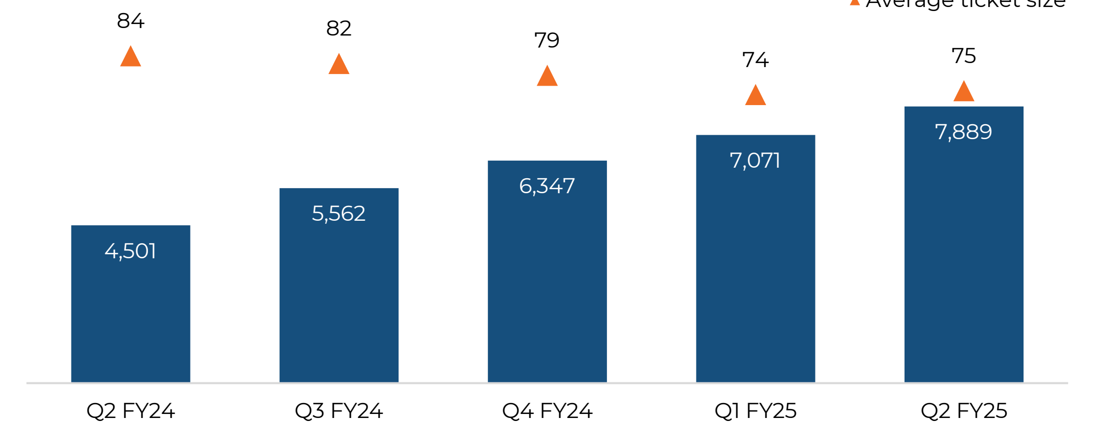
- **Repayments** particularly high in CMML book
- Corporate India continues to de-lever, with debt repaid much faster than contracted

Wholesale 2.0: Granular and diversified build-out

(Charts represents data for outstanding AUM)

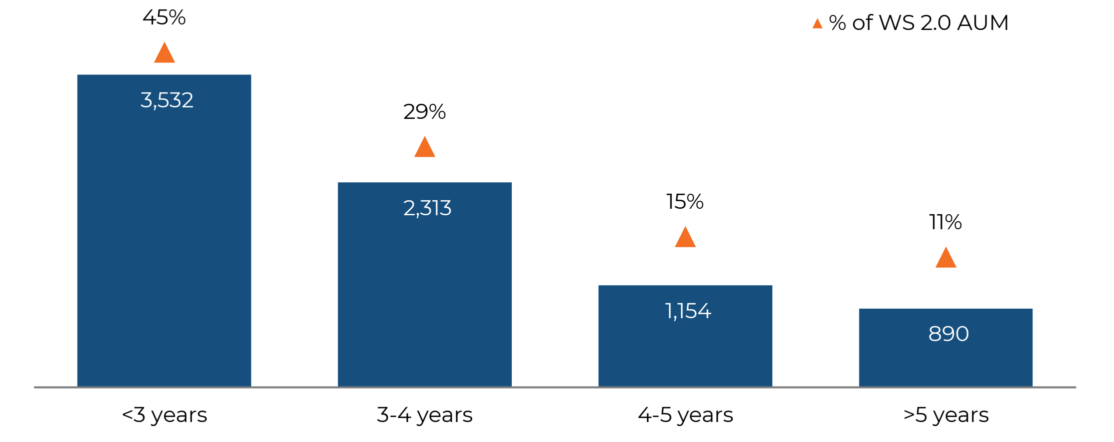
Total AUM: A granular build-out

In INR Cr.



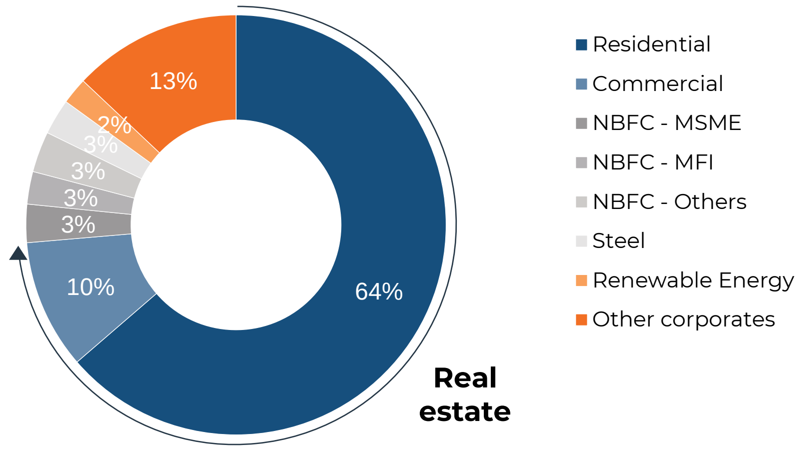
Well balanced asset duration

As of Sep 2024



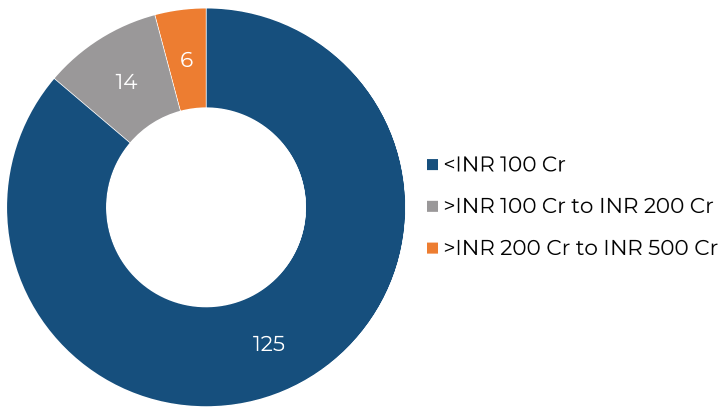
Overall asset diversity (AUM mix)

As of Sep 2024



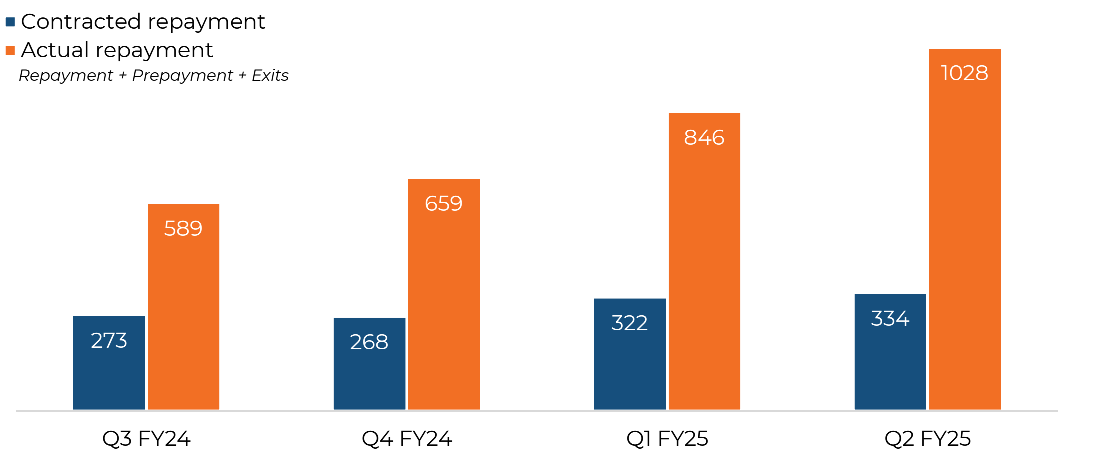
Mix by ticket size range

 # Number of deals; Sep 2024

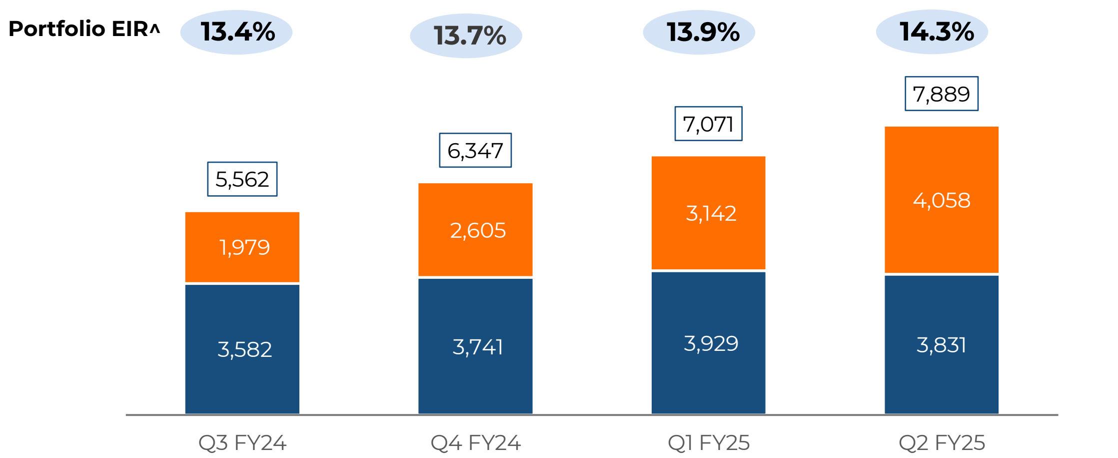


Wholesale 2.0: Portfolio analysis

Repayment analysis

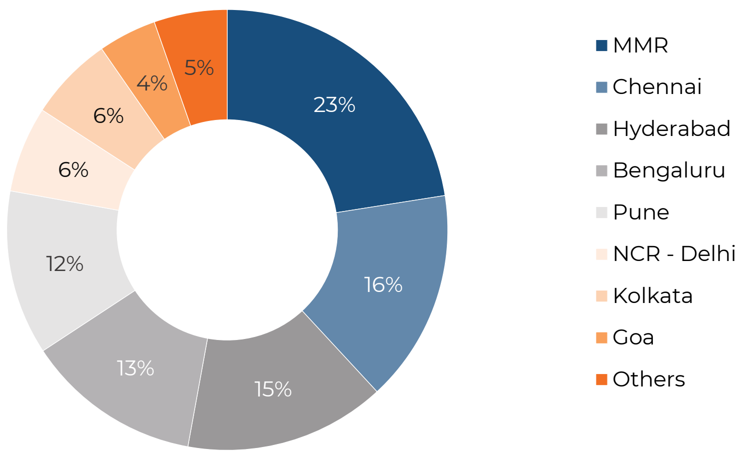


Effective Interest Rate (EIR)*



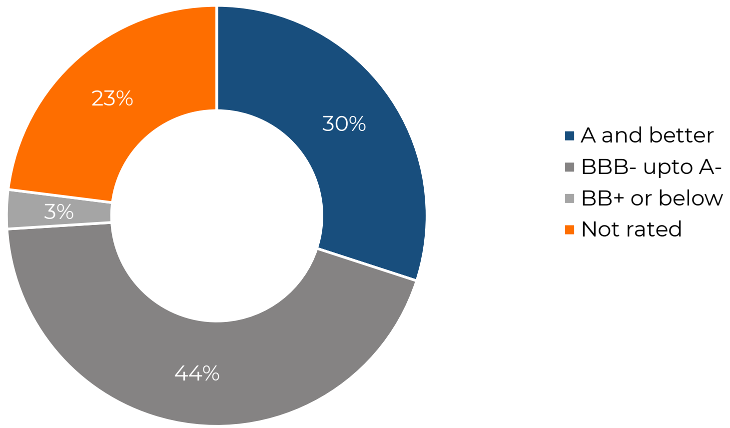
Real estate AUM by geographic exposure*

As of Sep 2024



CMML AUM by ratings*

As of Sep 2024



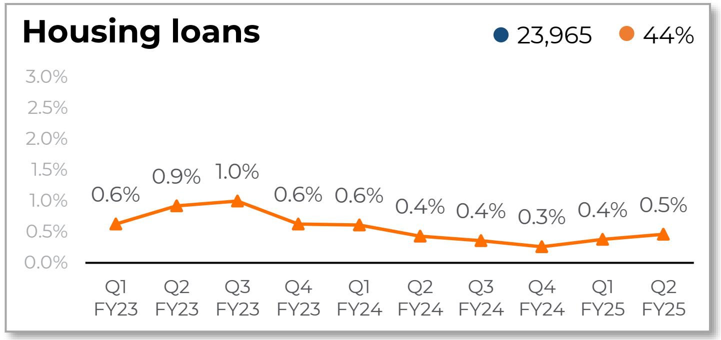
Notes: (*) Represents data for outstanding AUM
(^) Portfolio EIR % includes fee income

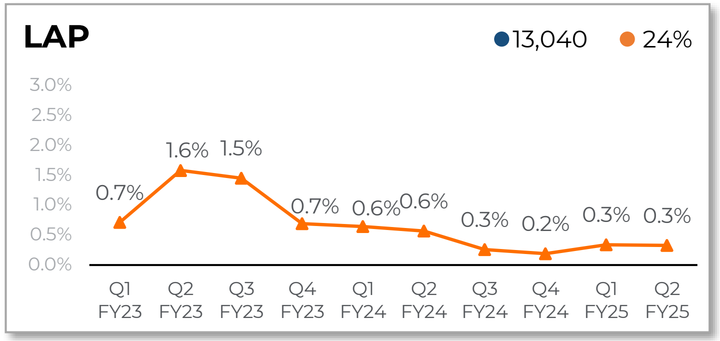
Piramal

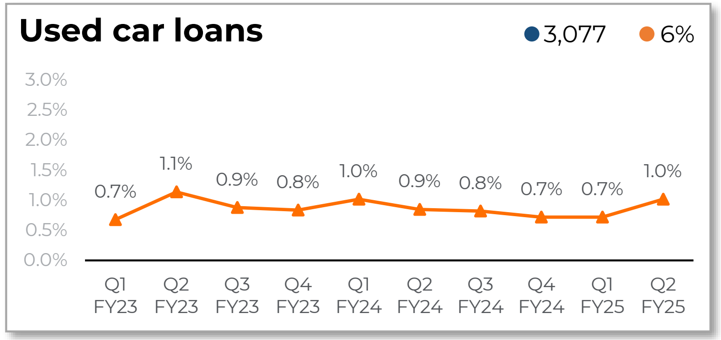
Asset Quality

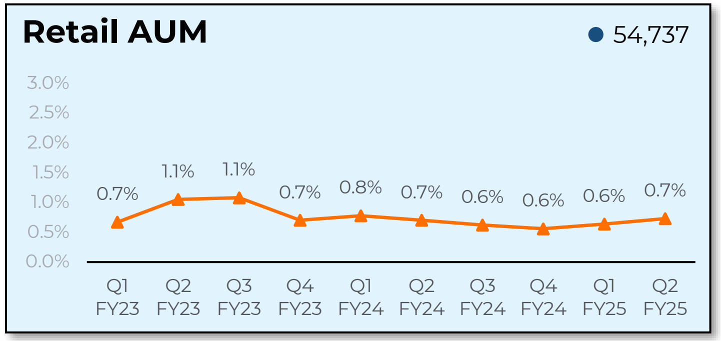
Retail risk (1/2) – Overall stable 90+ DPD reflecting diversified AUM mix

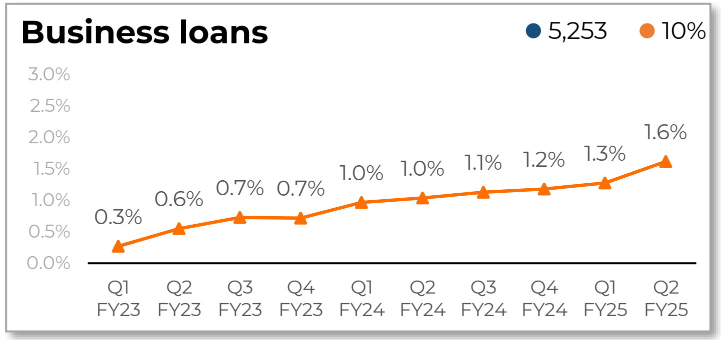
AUM as of Q2 FY25 (INR Cr)
% of retail AUM as of Q2 FY25
90+ DPD

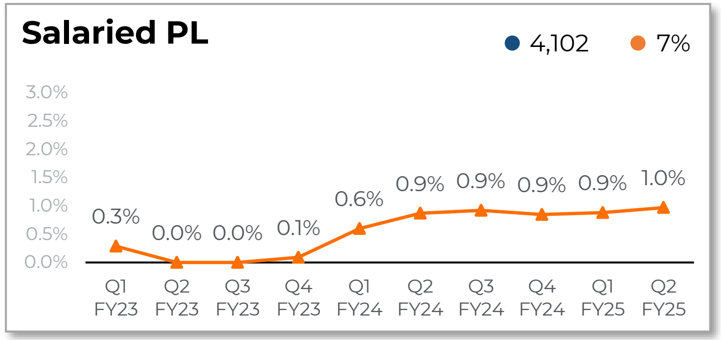


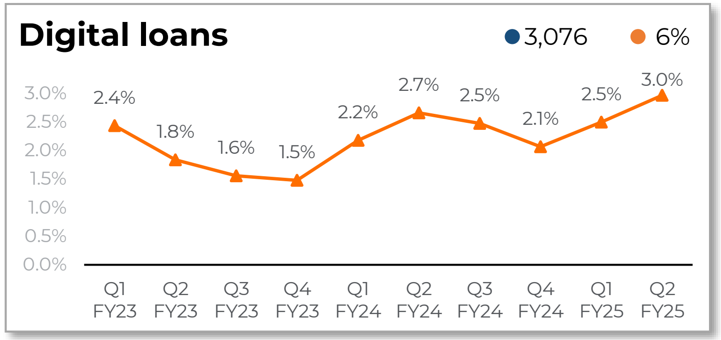












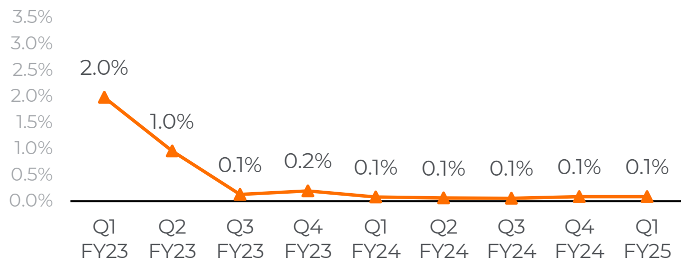
Retail risk (2/2) – vintage risk : steady improvement in quality of new originations

Piramal

● AUM as of Q2 FY25 (INR Cr)
● % of retail AUM as of Q2 FY25
30+ DPD at 3 months on book

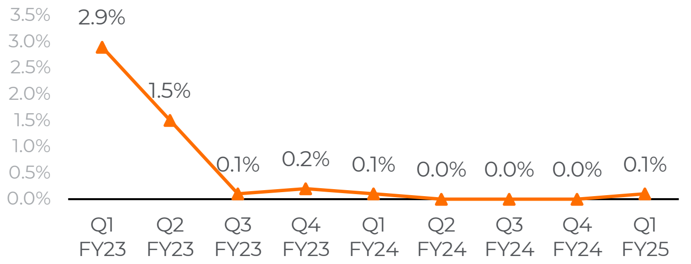
Housing loans

● 23,965 ● 44%



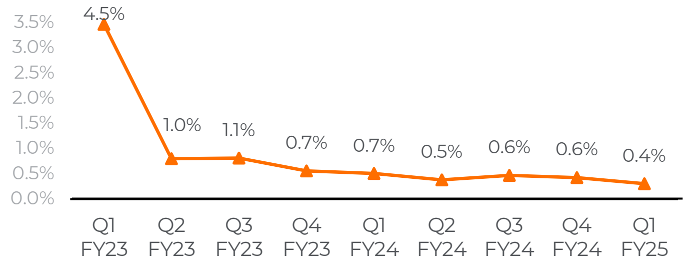
LAP

● 13,040 ● 24%



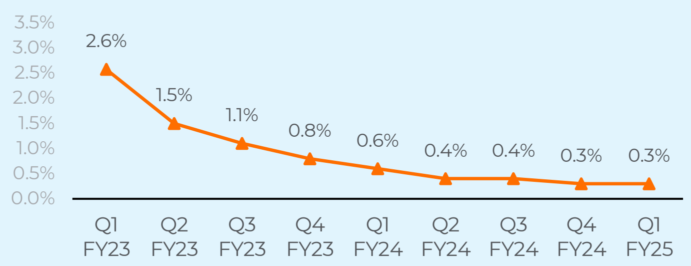
Used car loans

● 3,077 ● 6%



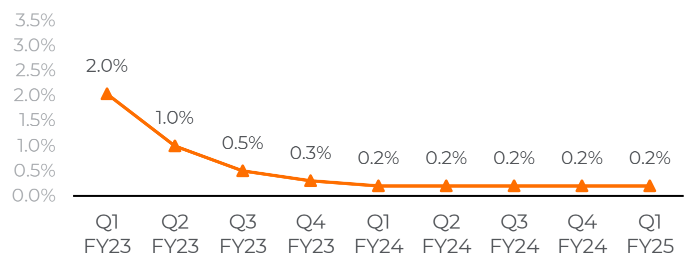
Retail AUM

● 54,737



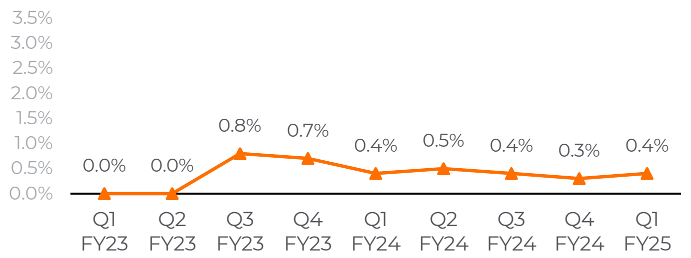
Business loans

● 5,253 ● 10%



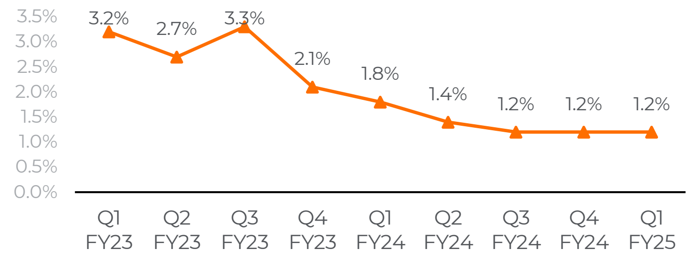
Salaried PL

● 4,102 ● 7%



Digital loans

● 3,076 ● 6%



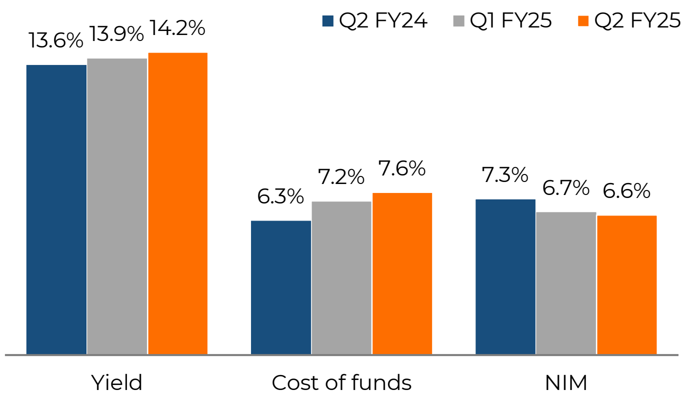
Piramal

Profitability

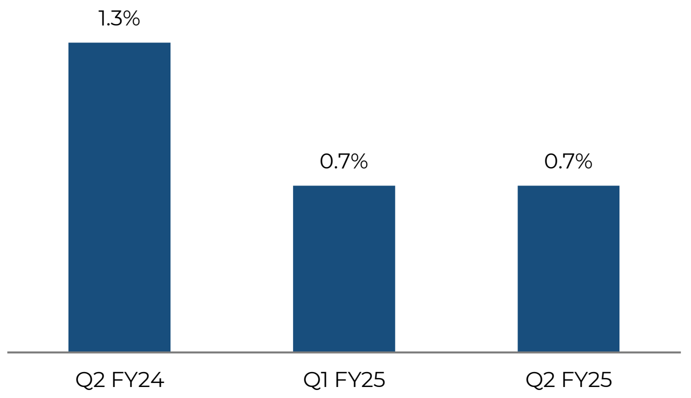
Summary (3/3): Growth business profitability* – opex ratio is the key driver

(All ratios as % of average AUM of Growth business)

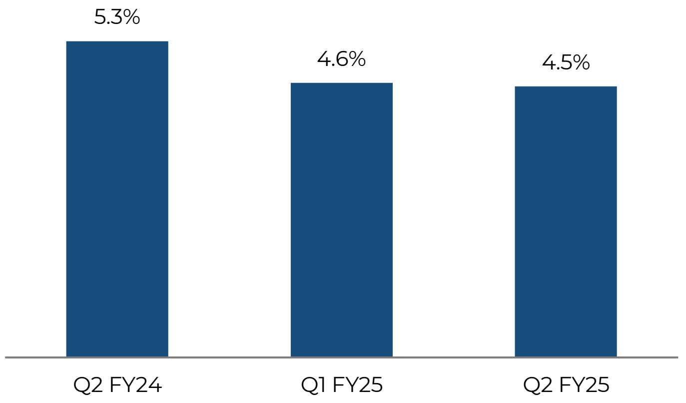
Yield and NIM –NIM has compressed 10 bps QoQ



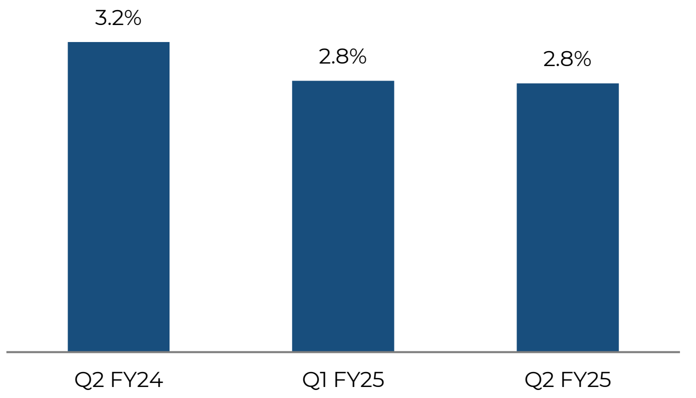
Fee income – amortization of processing fee starting from Q1FY25



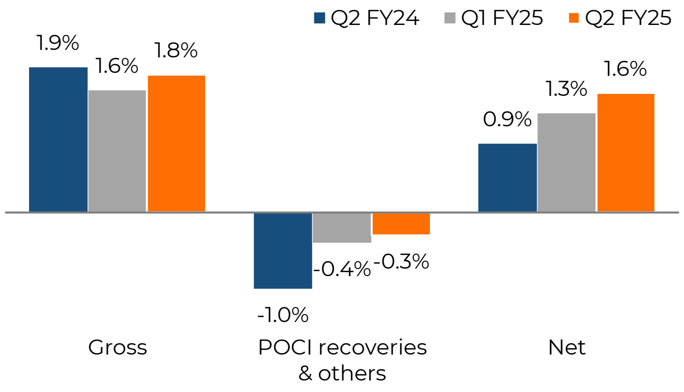
Opex – operating leverage expansion to continue



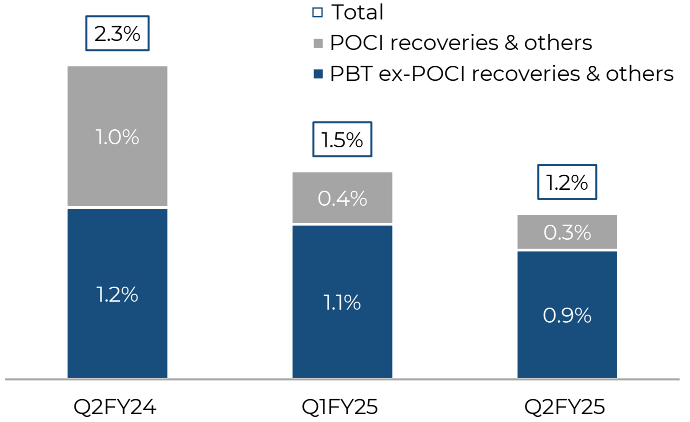
PPOP – stable QoQ



Credit cost is stable, gross of recoveries from acquired DHFL book



PBT

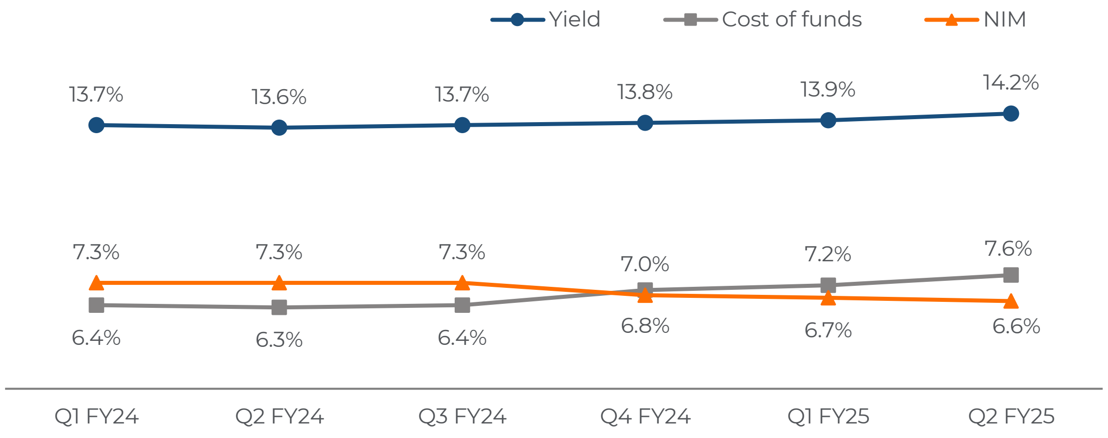


Notes: (*) Based upon pro forma P&L of the Growth business

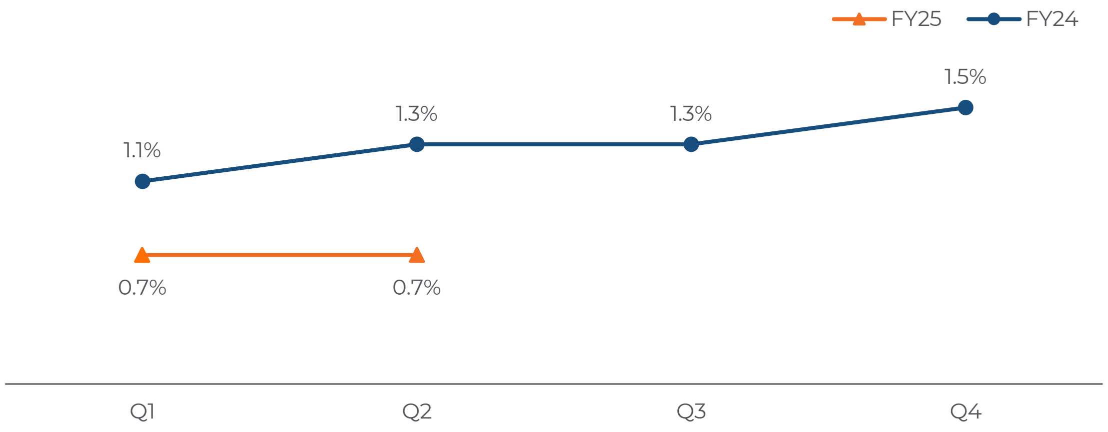
Growth business P&L ratios

(All ratios as % of average AUM of Growth business)

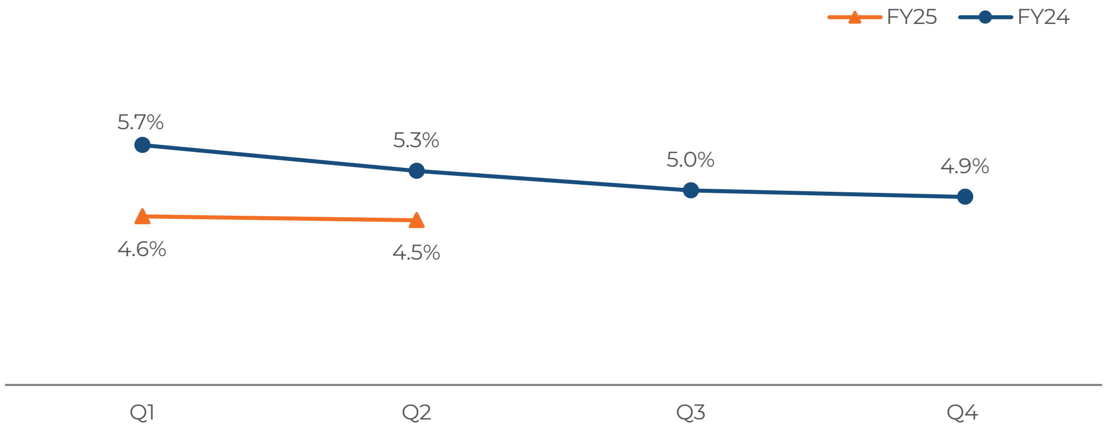
Yields and NIM



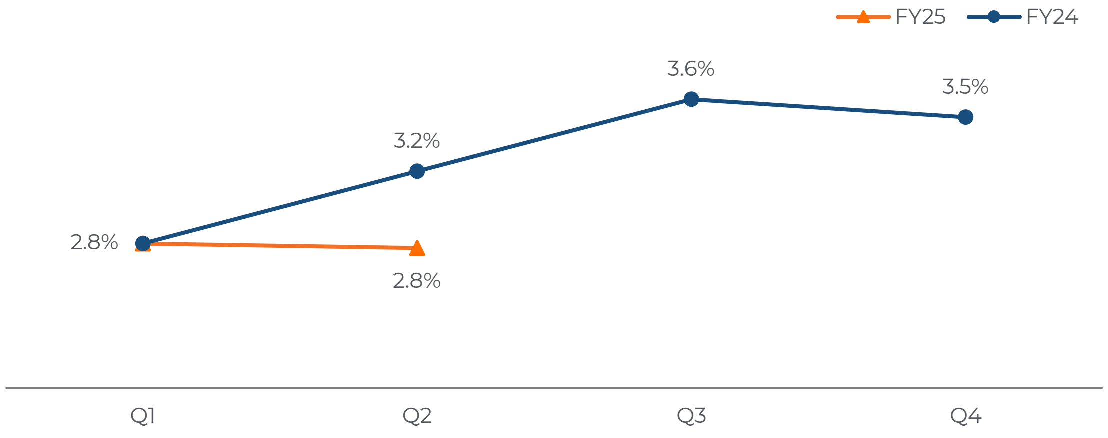
Fee income



Opex



PPOP

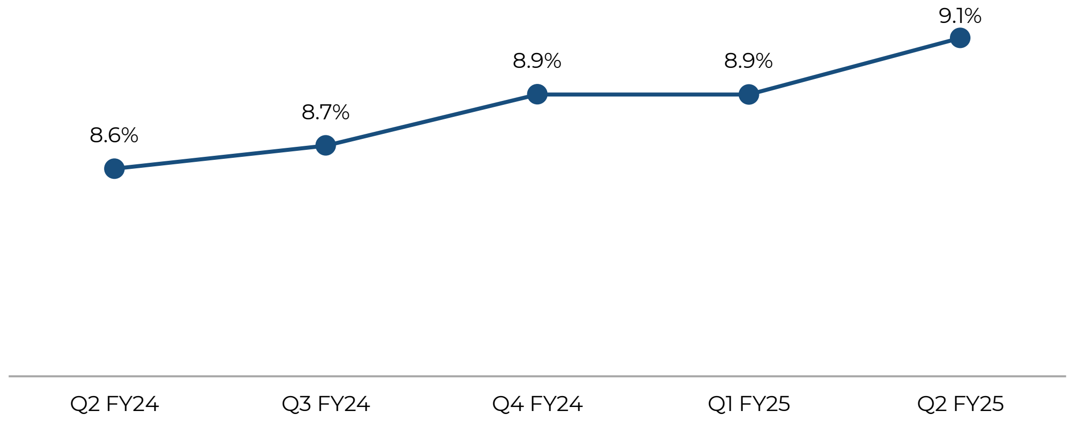


Piramal

Liabilities Management

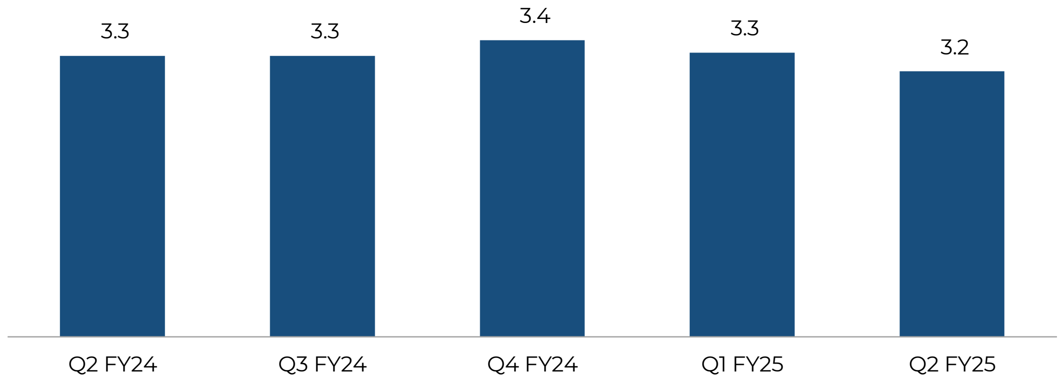
Liabilities management

Average borrowing cost



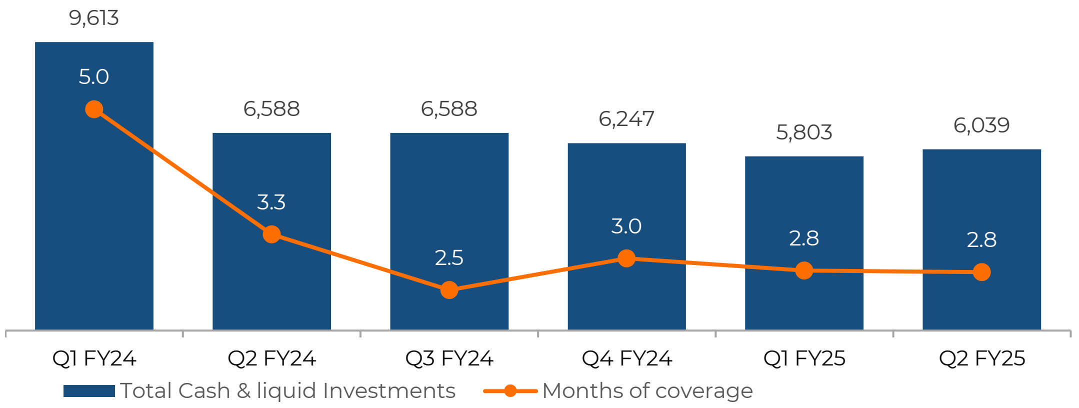
Maturity of borrowings

In years, weighted average on a residual basis

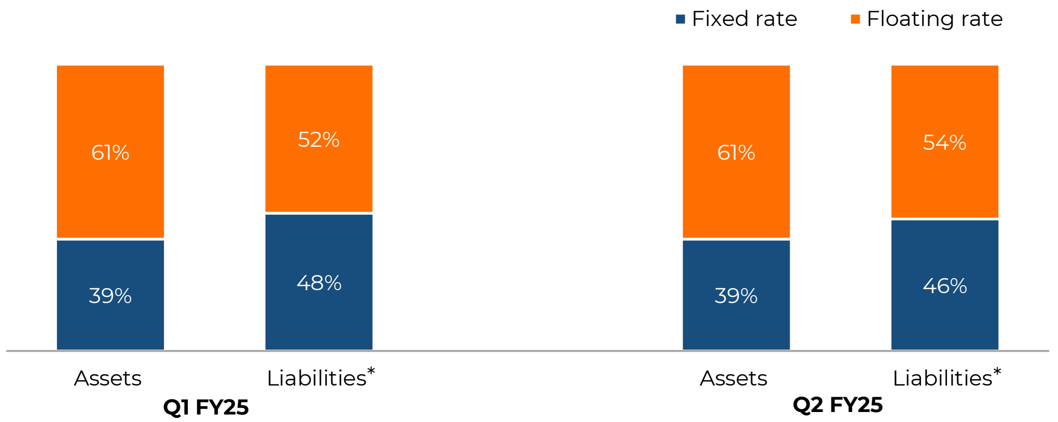


Cash and Liquid Investments

In INR Cr, period-end



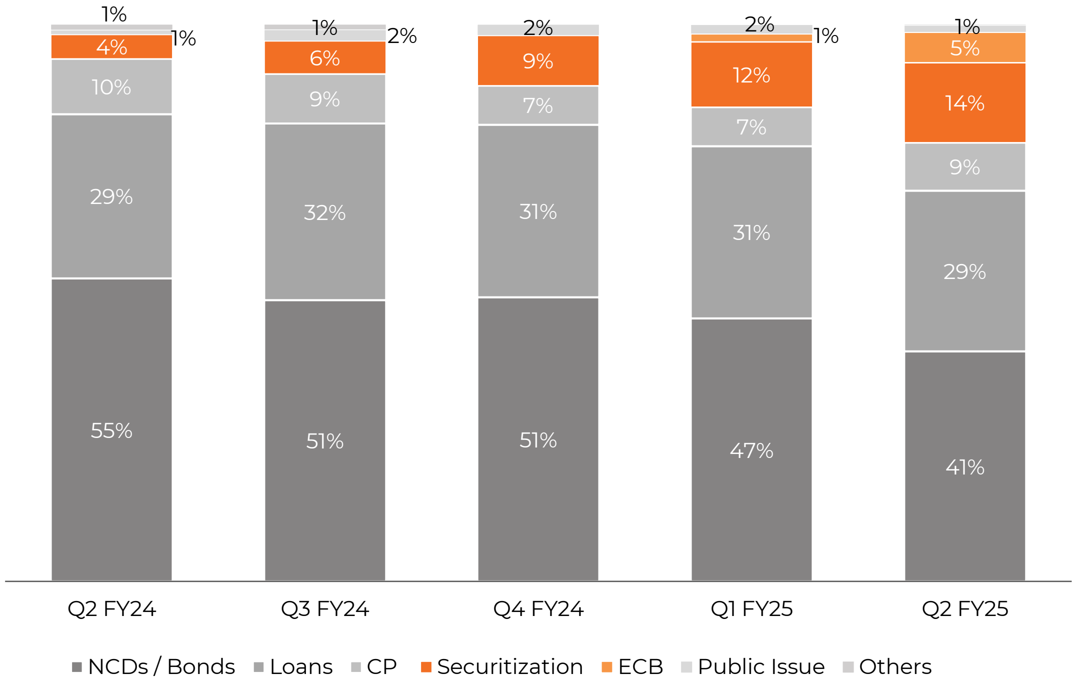
Fixed : Floating rate mix



Note: (*) Liabilities includes fixed rate borrowings of INR 16,172 Cr for Q1 FY25 & INR 15,710 Cr for Q2 FY25

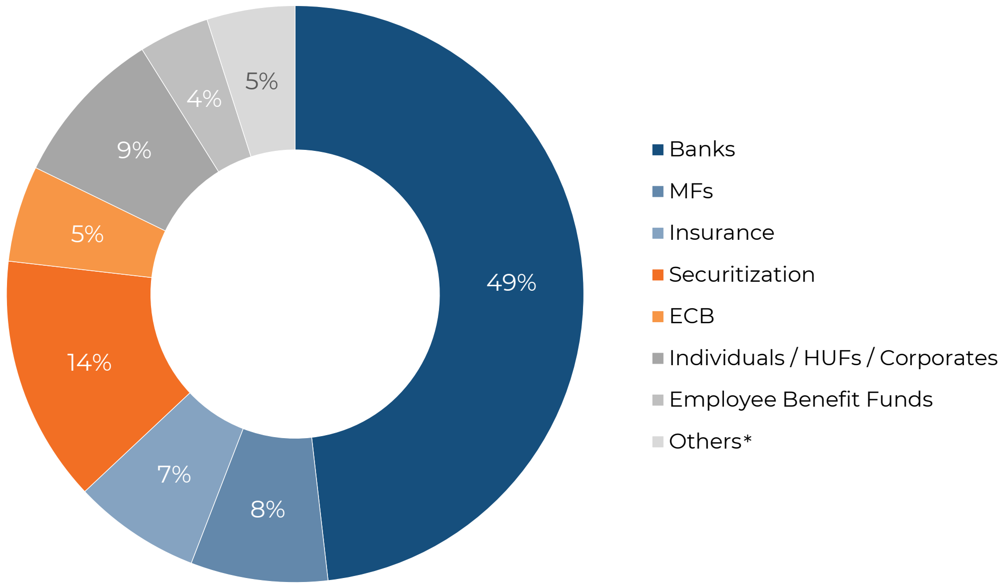
Diversifying the borrowing mix

Rising role of Securitization and International Borrowings



Borrowing mix by type of lender

As of Sep '24



Domestic ratings

Long term ratings
ICRA & CARE: AA Outlook Stable

Short term ratings
CRISIL, ICRA, CARE: A1+

International ratings

S&P: BB-
Moody's: Ba3

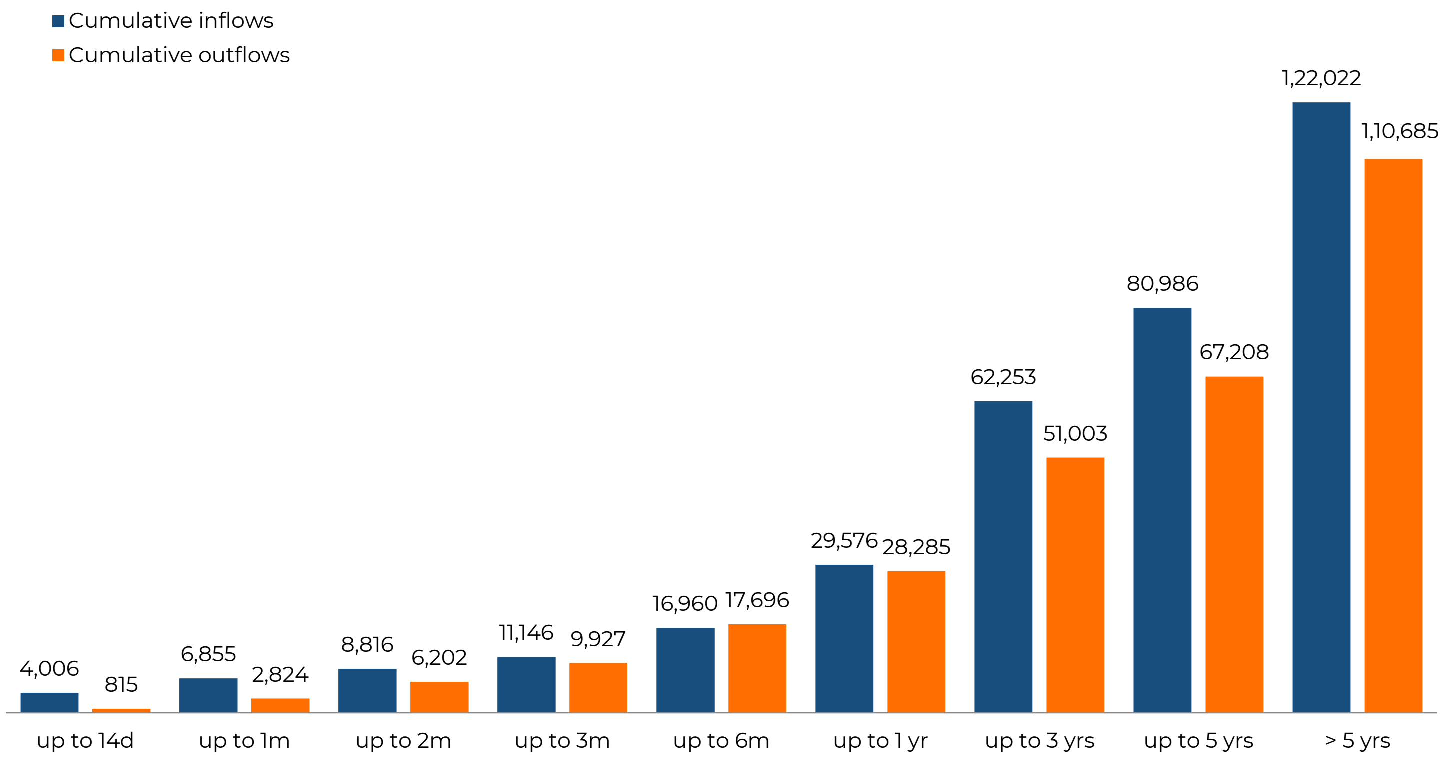
$100mn social impact loan | Raised USD sustainability bond of $300mn in Jul '24 and $150mn in Oct '24

Notes: Borrowings Include direct assignment (DA) of INR 3,686 Cr as of Q2 FY25 , INR 2,408 Cr as of Q1 FY25, INR 1,598 Cr as of Q4 FY24, INR 875 Cr as of Q3 FY24 and INR 612 Cr as of Q2 FY24
(*) Includes NHB, & other financial institutions which contribute 3% and 2% respectively to overall borrowings;

Asset-liability profile

As on Sep 30, 2024

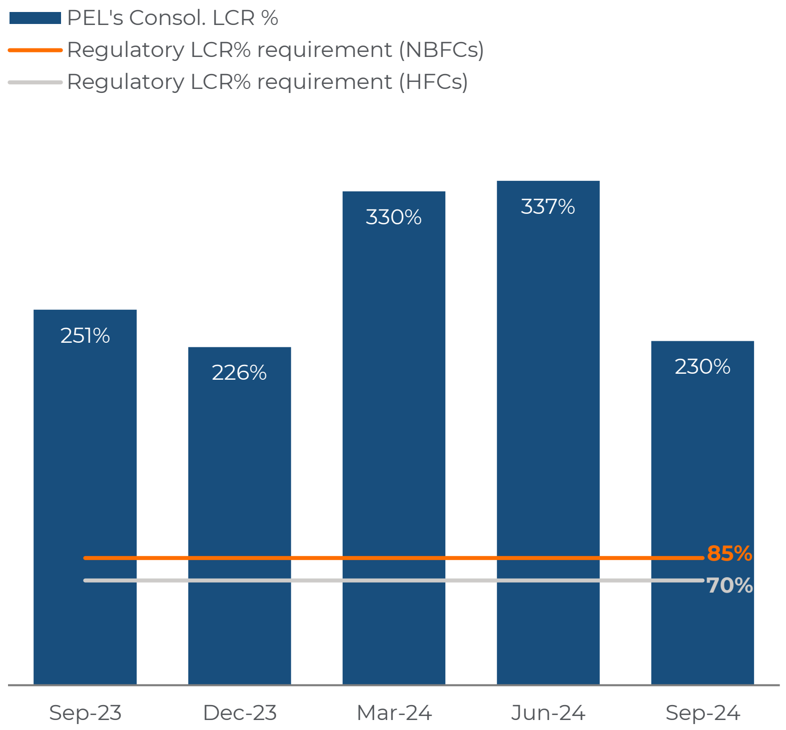
In INR Cr.



Cumulative GAP (%)

+392%	+143%	+42%	+12%	-4%	+5%	+22%	+21%	+10%

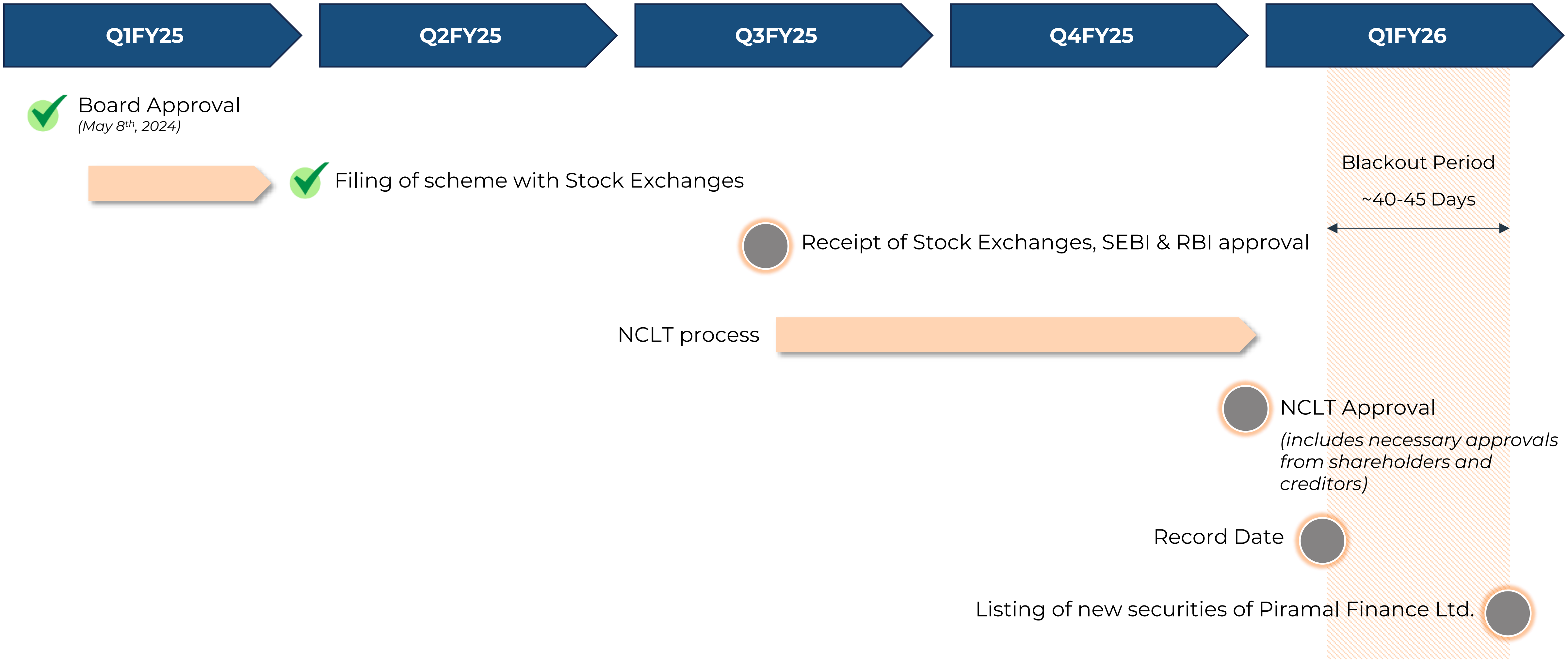
Very strong position on liquidity



Piramal

Update on Merger

Update: Proposed merger of PEL with PCHFL



The implementation process is on track – proposed merger shall be completed within expected timelines

Note: Above timelines are indicative and subject to regulatory and relevant statutory approvals

Glossary

Term	Description
90+ DPD delinquency	90 to 179 days DPD (% of average AUM)
Average AUM	Average of periodic average on-book AUM
Blackout period	Blackout period pertains to all listed securities of PEL
Borrowing cost	Borrowing cost = interest expense / average interest - bearing liabilities
CMML	Corporate mid market loans
Cumulative GAP	Cumulative GAP = Cumulative inflows up to 1-year – cumulative outflows up to 1-year
Cumulative GAP (%)	Cumulative GAP (%) = net flows (i.e., cumulative inflows – cumulative outflows) as a % of cumulative outflows
Geography	Population considered Tier 1: 40+ lacs, Tier2: 10-40 lacs, Tier3: <10 lacs; metro adjacent locations carved out from tier 1/2/3 for centers in peripheries of metros.
Growth AUM	It includes Retail AUM and Wholesale 2.0 AUM
Net interest margin (NIM)	NIM = net interest income / on book average AUM
Retail AUM	It includes POCI, SRs, PTC, DA, co-lending & excludes acquired off-book assets (INR 8,002 Cr as of Q2 FY25) in the nature of DA & PTC as part of the DHFL acquisition
Vintage risk	30+ DPD at 3 months on book (MoB) mark
Wholesale 2.0	It refers to loans sanctioned under new real estate (RE) and corporate mid market loans (CMML) from FY22 onwards

Piramal

Thank You