Piramal Enterprises

Debt Investor presentation

28 January 2025

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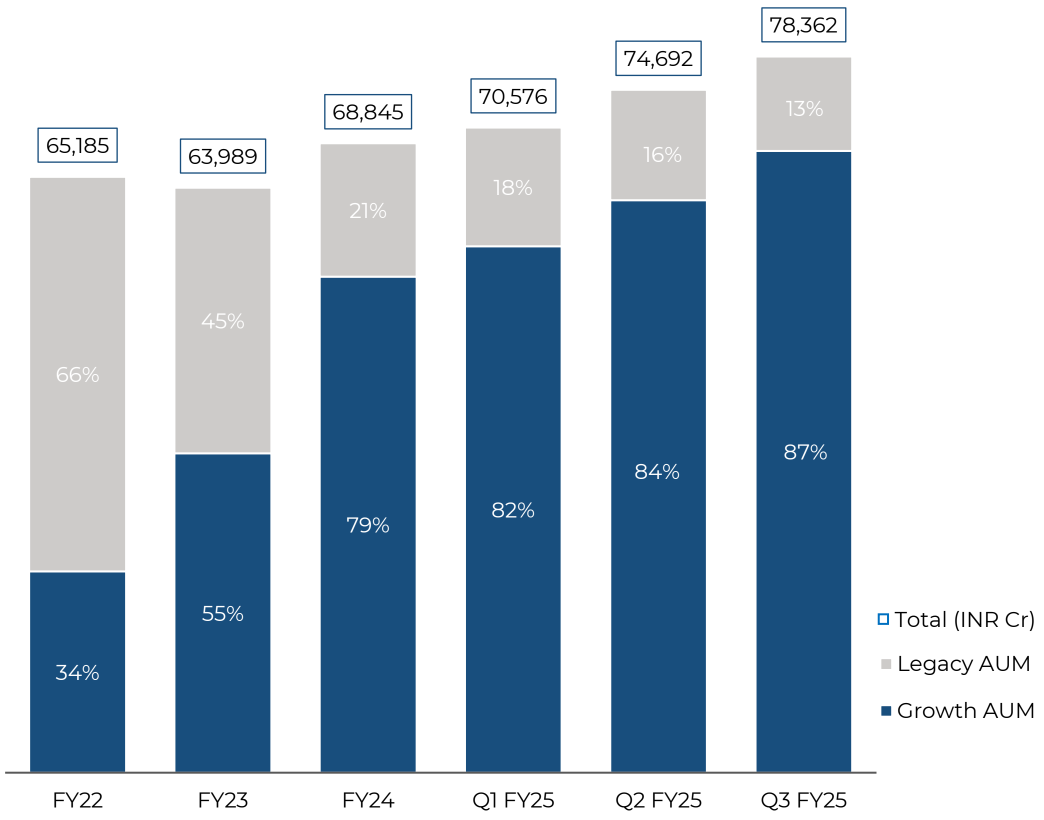
Piramal

Portfolio composition

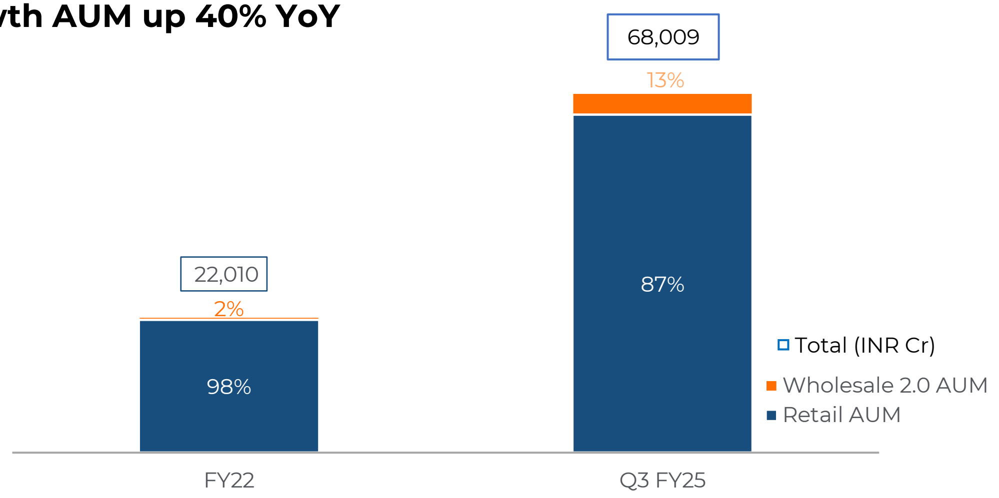
Growth business now 87% of total AUM

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



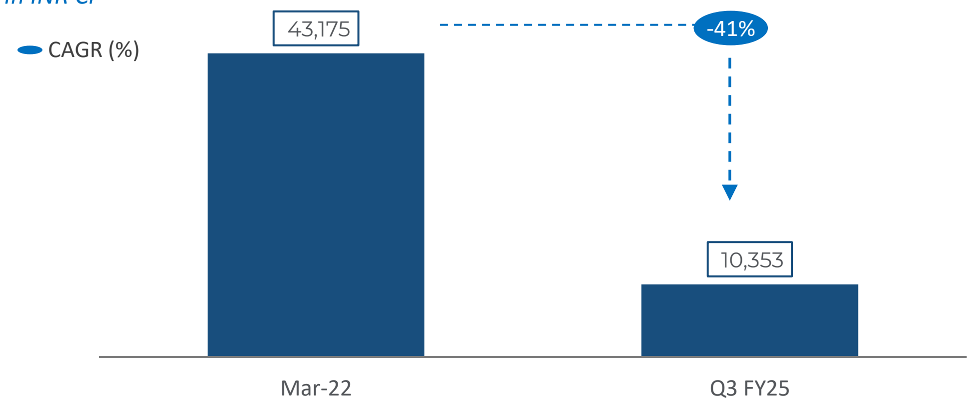
Legacy (discontinued) AUM to be <10% of total AUM in FY25; and <5% in FY26

Growth AUM up 40% YoY



Legacy AUM running down steadily

In INR Cr

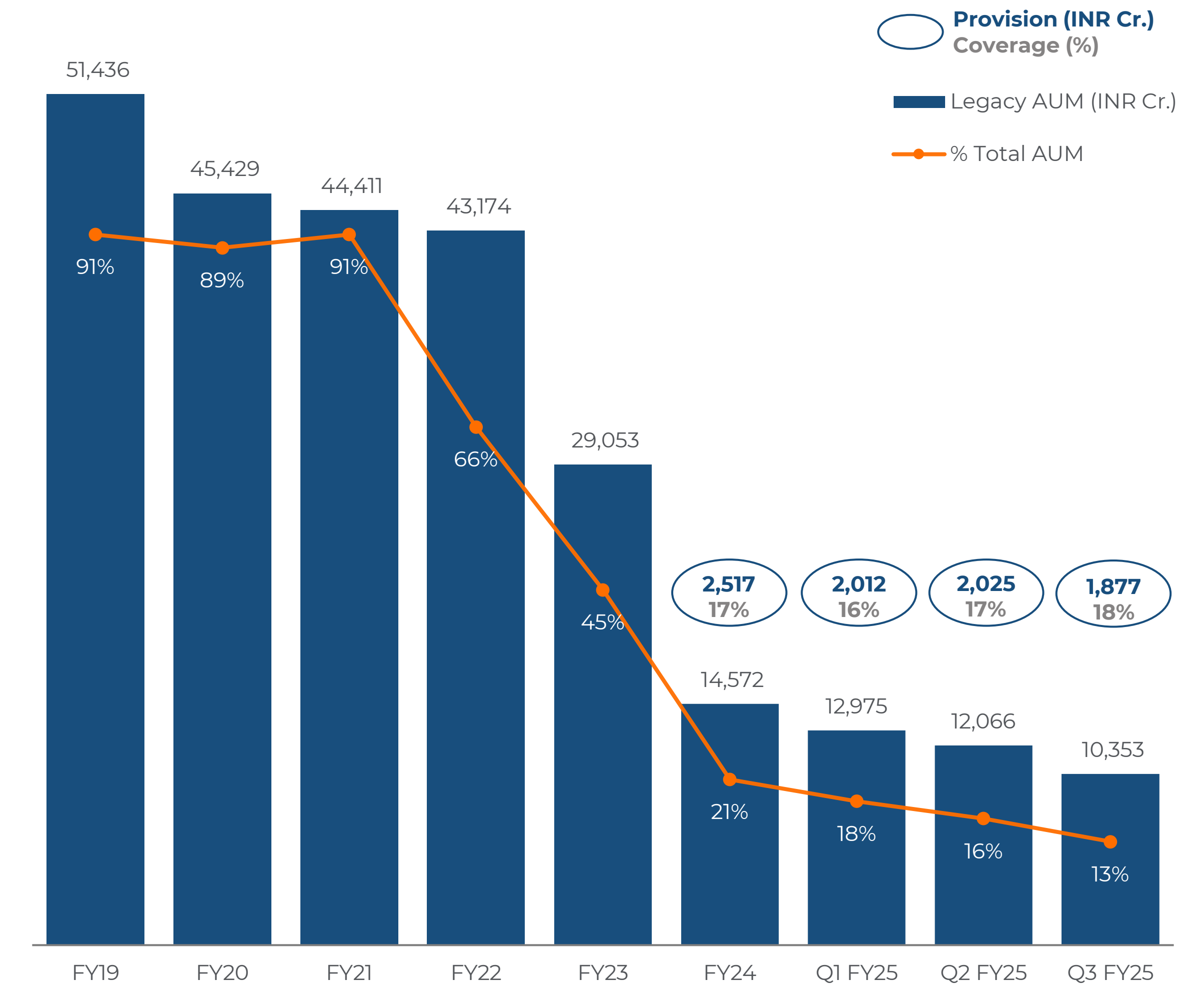


Legacy (discontinued) business

Rapidly reducing legacy AUM

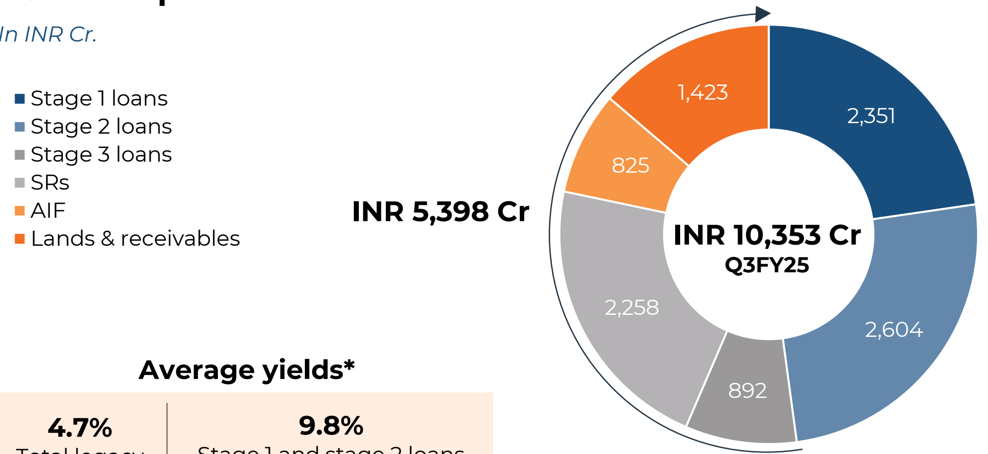
AUM down by INR 1,713 Cr QoQ

▼ -45% YoY ▼ -14% QoQ



AUM composition

In INR Cr.

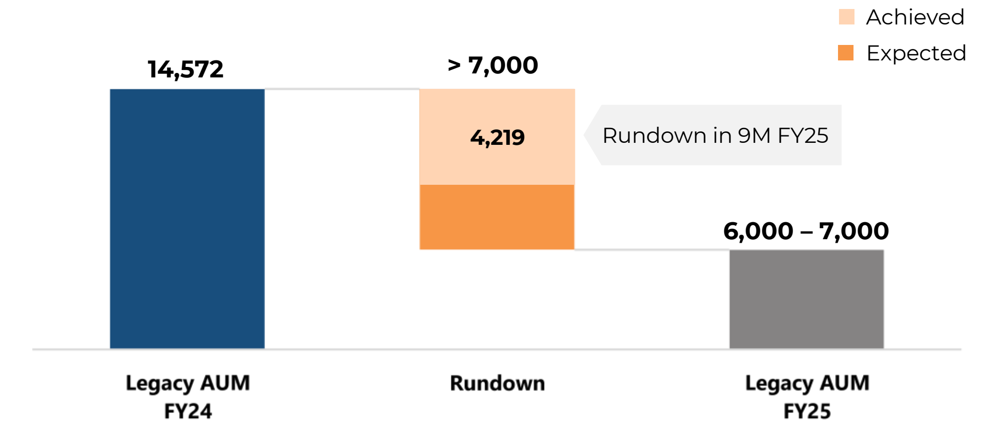


Average yields*

4.7% Total legacy	**9.8%** Stage 1 and stage 2 loans

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

In INR Cr.

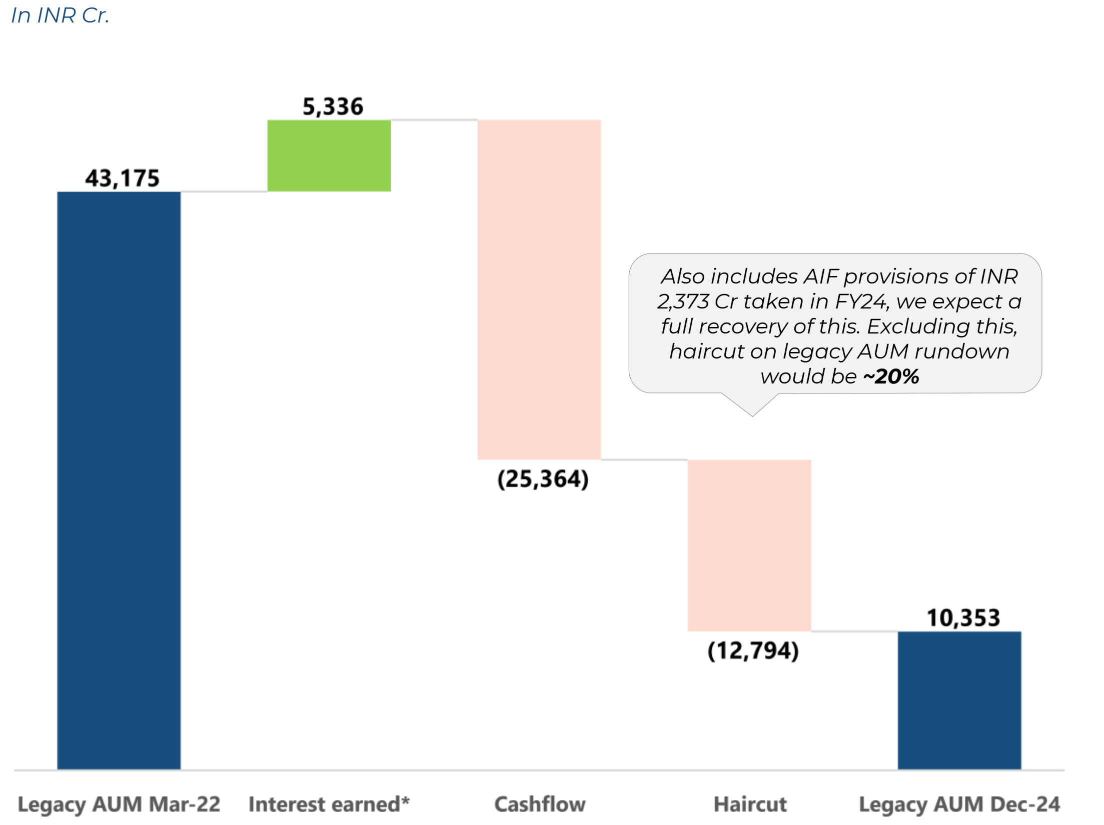


Note: (*) Average yield % includes fee income

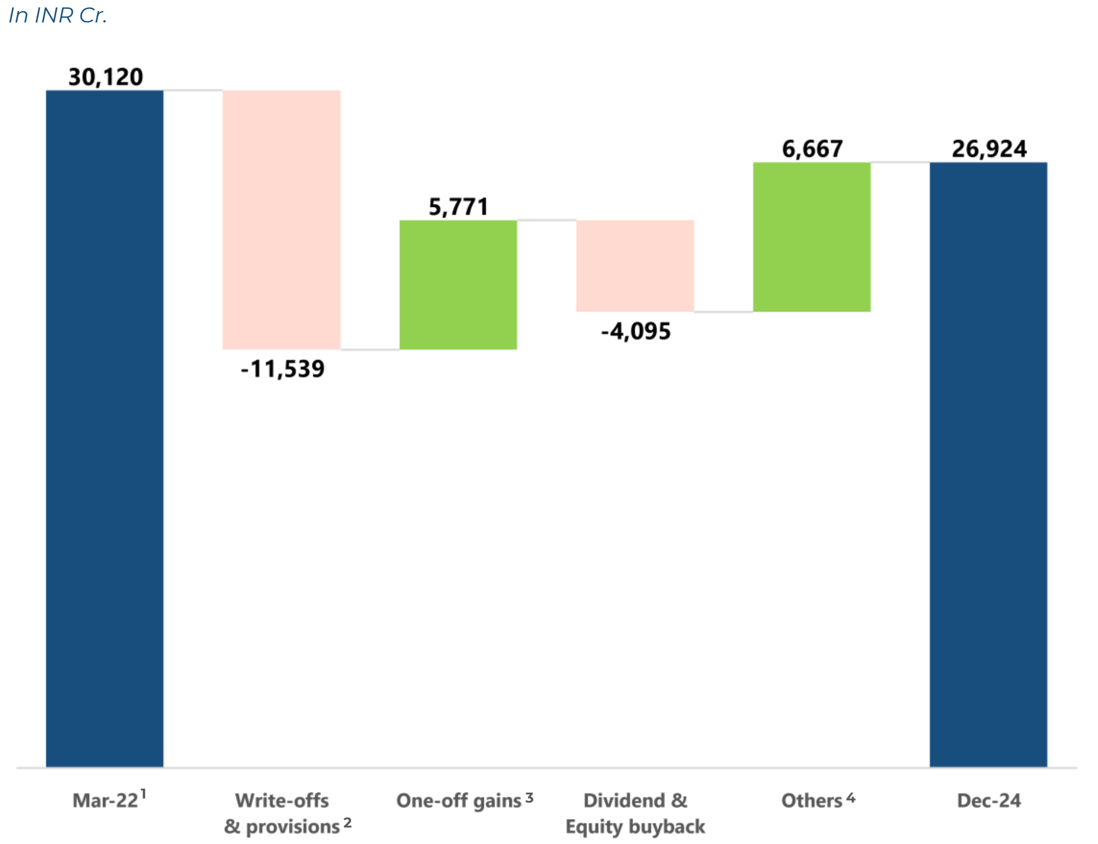
Some details on the legacy AUM rundown

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

Overall haircut of ~25% during the rundown since FY22



Net-worth movement since end-FY22



The haircut taken for 9M FY25 rundown is 24% | same as the haircut taken over FY23 & FY24

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

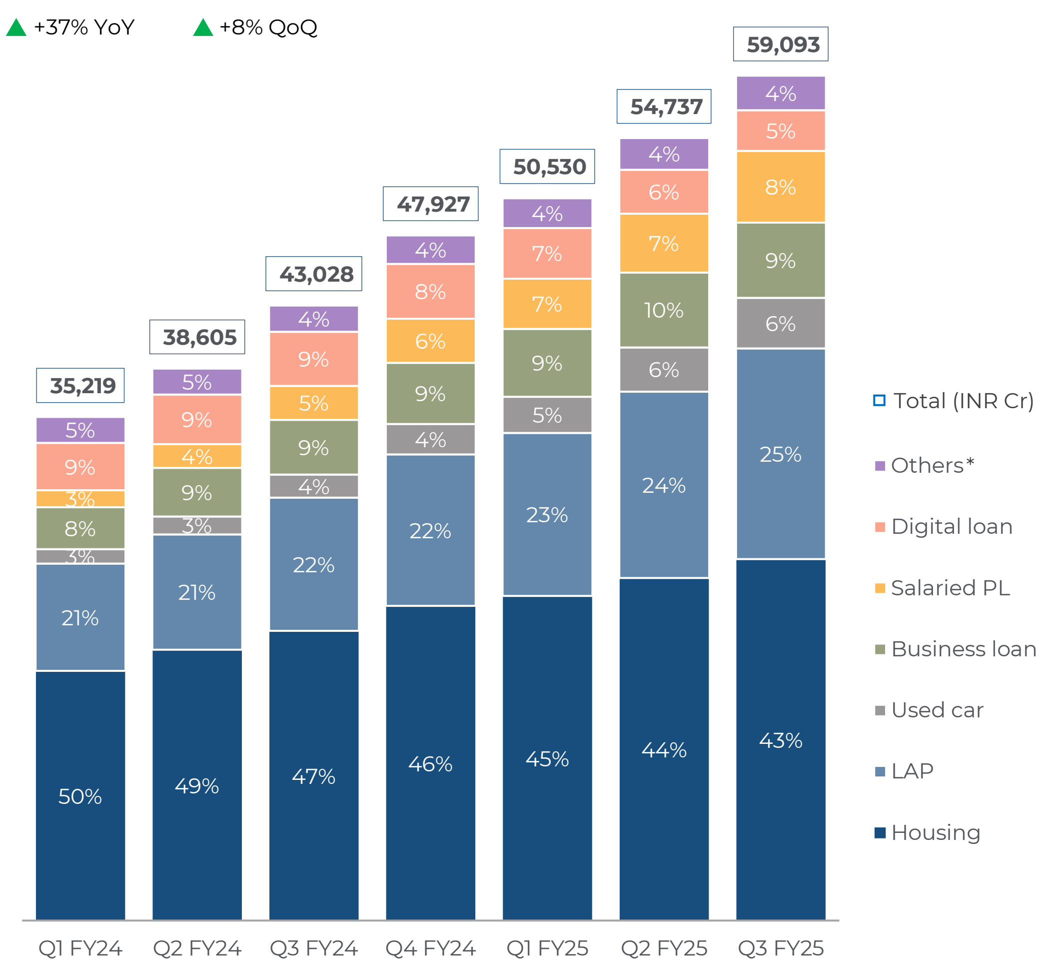
Growth business

Retail

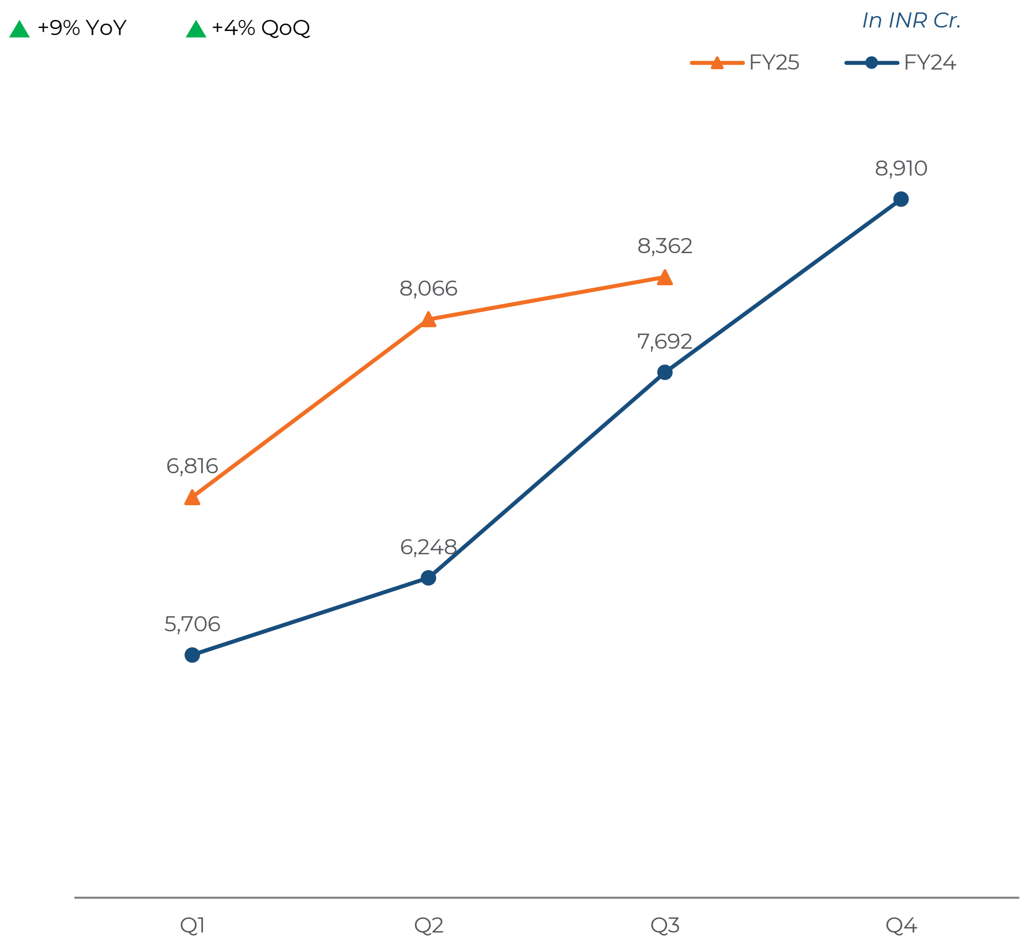
Wholesale 2.0

Retail – growth across product verticals

Retail AUM up 37% YoY



Disbursements up 9% YoY – unsecured disb. slowed down



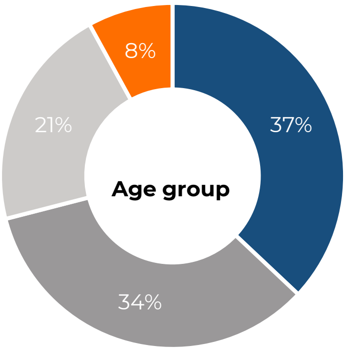
Note: (*) Others includes loan against mutual fund (LAMF) (INR 656 Cr as of Q3 FY25), SRs (INR 1,634 Cr as of Q3 FY25) & pass-through certificates (PTC) (INR 126 Cr as of Q3 FY25)

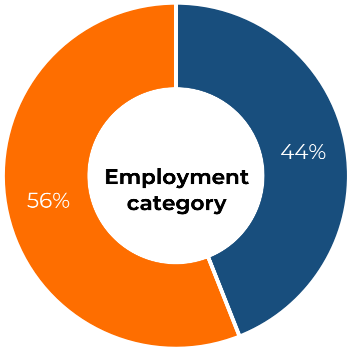
Customer profile for branch-based acquisition | Investment in Brand building bearing fruits

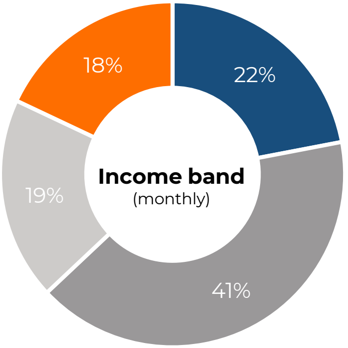
We serve self-employed, modest-income type of customer base

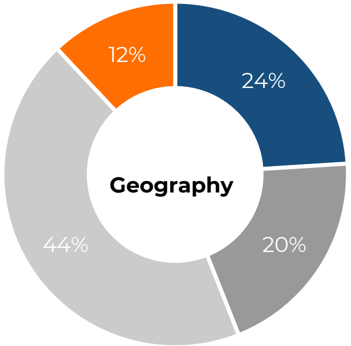



Customers acquired through branches represents 91% of total retail AUM







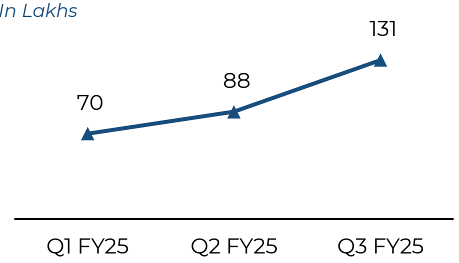


Note : All donut charts are for number of customers acquired in FY24 & 9M FY25

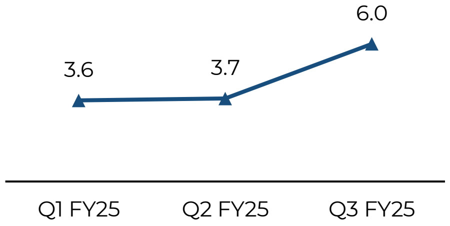
Our recent brand campaigns (click on the images to view)

Website traffic & brand search quarterly trends

Website traffic[1]
In Lakhs

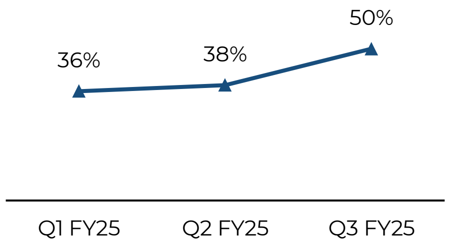


Brand search trends[2]
In Lakhs

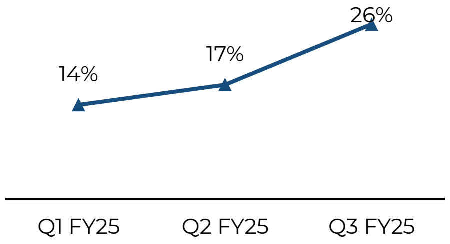


Scores received during Brand Health Tracking (BHT) survey

Total awareness[3]



Consideration[4]

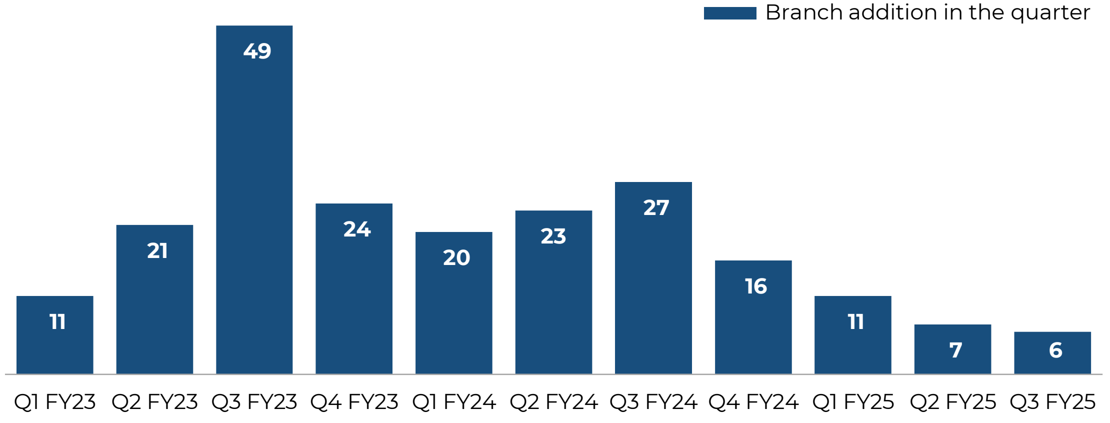


Notes: (1) # of people visiting 'Piramal Finance' website
(2) # of people searching the brand 'Piramal Finance' on Google platform
(3) % of people who recalled the brand either unaided or in an aided capacity during BHT survey
(4) % of people who agreed to consider Piramal Finance for taking any type of loan during BHT survey

Productivity expansion is expected to continue

Piramal

1 We are moderating the pace of branch expansion...



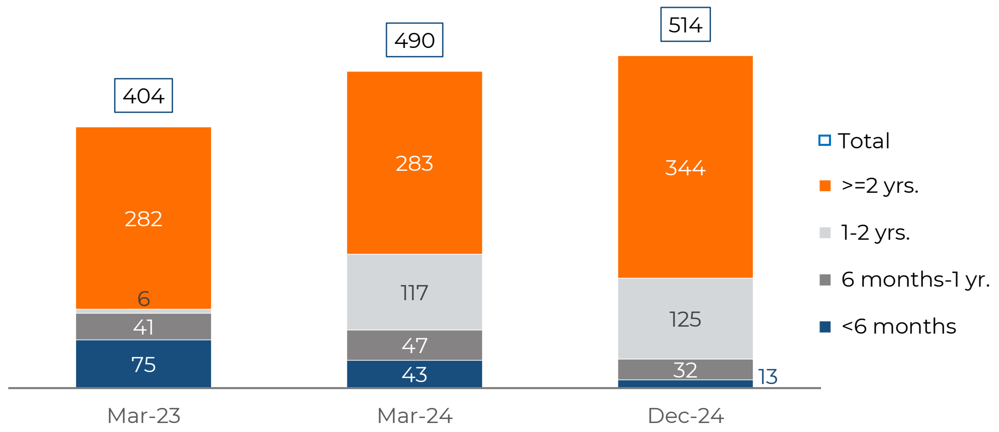
2 ...and focusing now on increasing product penetration into existing branches

No. of branches

Products offered	Mar-23	Mar-24	Dec-24
Housing loans	398	470	503
LAP	343	461	501
Used car loans	169	307	358
Business loans	93	168	198
Salaried PL	127	225	256
Branch network	***404***	***490***	***514***

3 Our branches are becoming more mature...

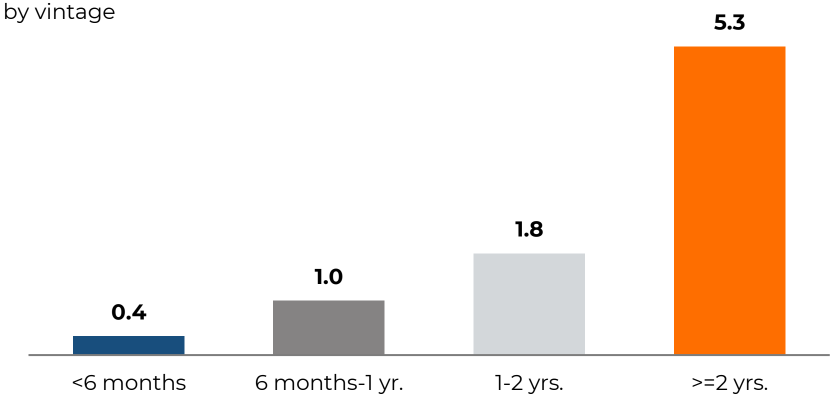
No. of branches



4 ...and productivity will hence further increase

In INR Cr

Benchmark monthly disbursement*
per branch by vintage



Note: (*) Only for branch led products

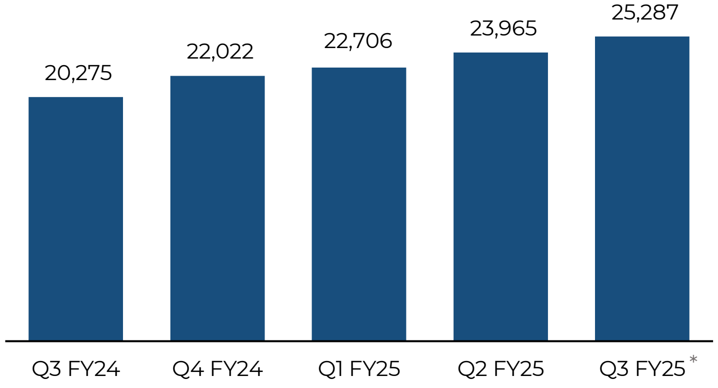
Growth momentum in secured products – LAP leading the charge

■ AUM (INR Cr) ▲ YoY AUM growth ▲ YoY disbursement growth

AUM

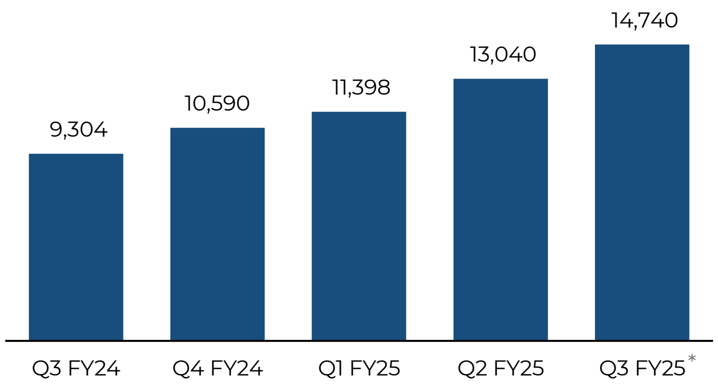
Housing loans

▲25% ▲7%



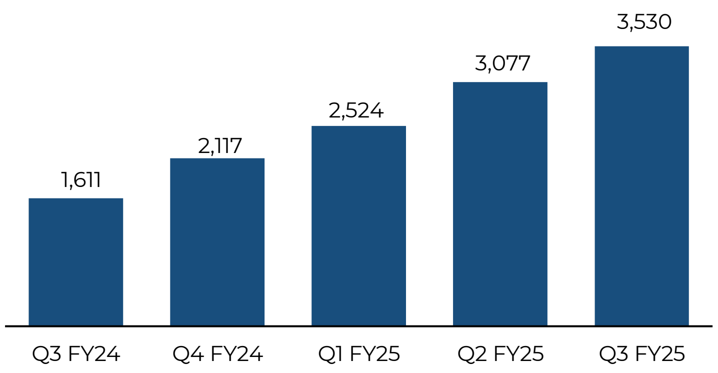
LAP

▲58% ▲49%



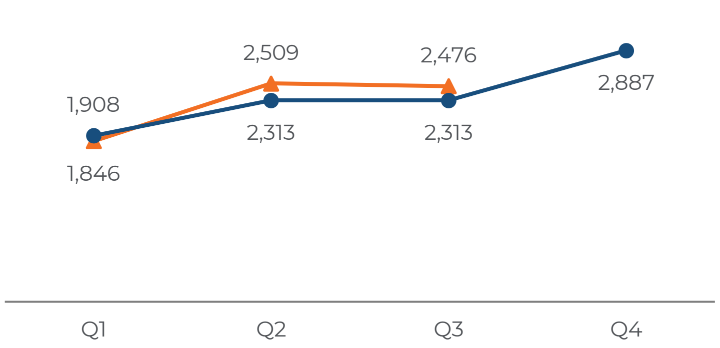
Used car loans

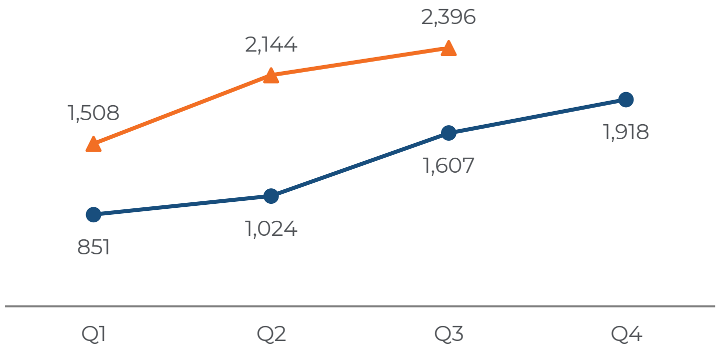
▲119% ▲60%

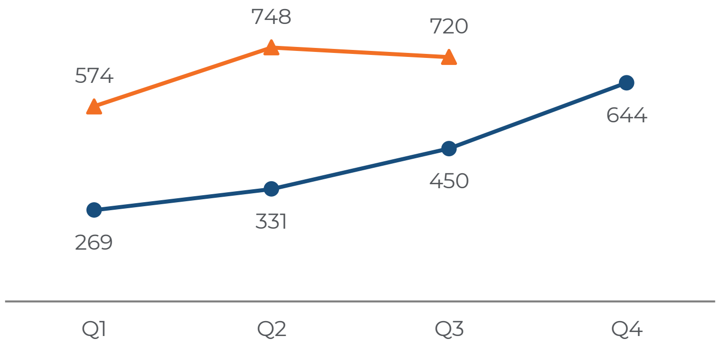


FY25 FY24 *(In INR Cr)*

Disbursement







23 Lac	66%	752	11.5%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

21 Lac	49%	747	12.9%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

6 Lac	72%	749	15.1%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

Note: (*) In Q3FY25, concluded DA sale transactions of INR 866 Cr in Housing, INR 842 Cr in LAP and co-lending transaction of INR 125 Cr in Housing loans, INR 161 Cr in LAP

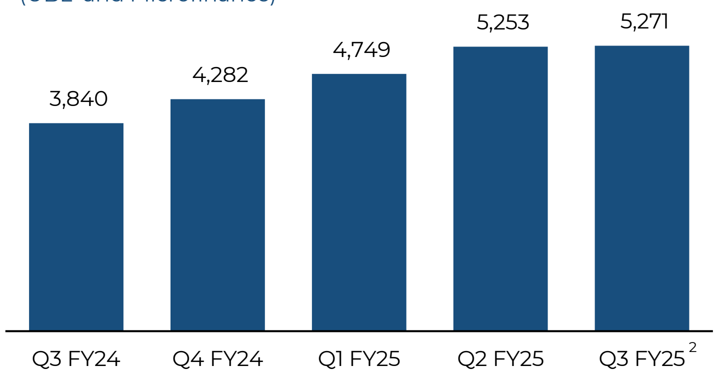
Branch originated business outpacing digital loans

■ AUM (INR Cr) ▲ YoY AUM growth ▲ YoY disbursement growth

AUM

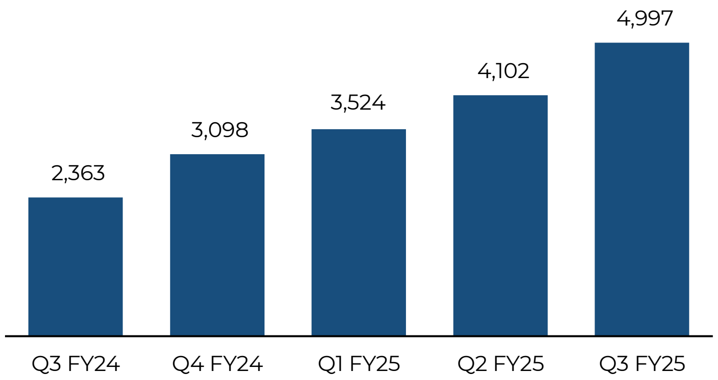
Business loans
(UBL[1] and Microfinance)

▲37% ▲-16%



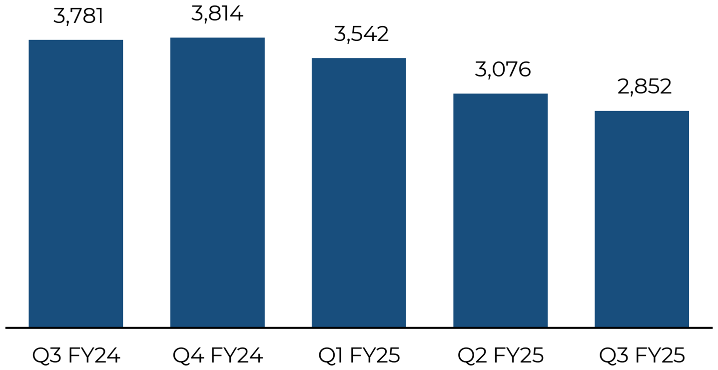
Salaried PL

▲111% ▲48%



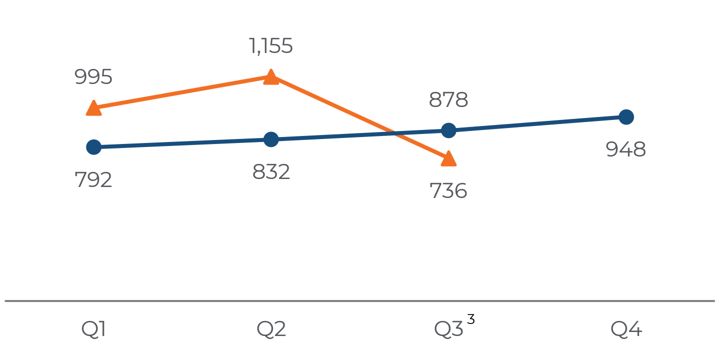
Digital loans

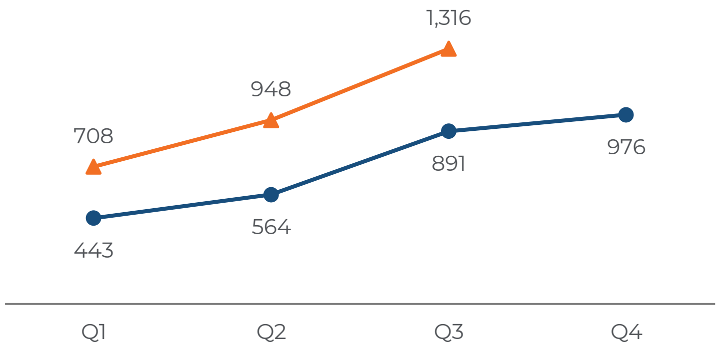
▲-25% ▲-49%

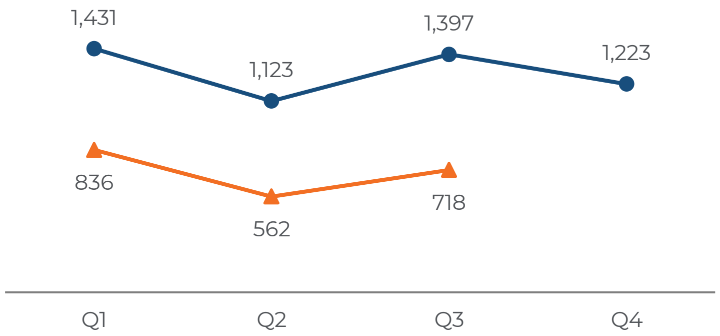


FY25 FY24 *(In INR Cr)*

Disbursement







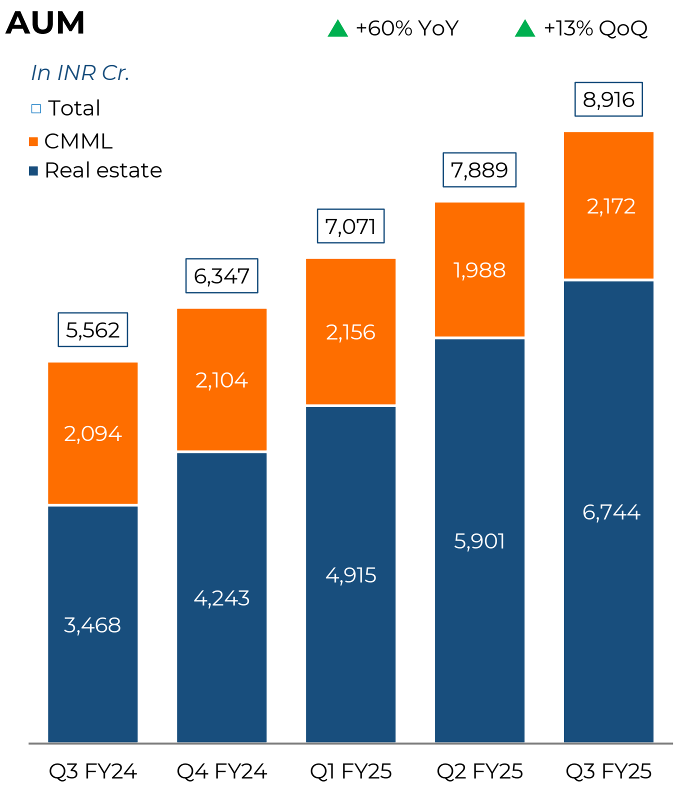
Business loans		
8.2 Lac	749	19.7%
Average ticket size	*Average CIBIL score*	*Disbursement yield*

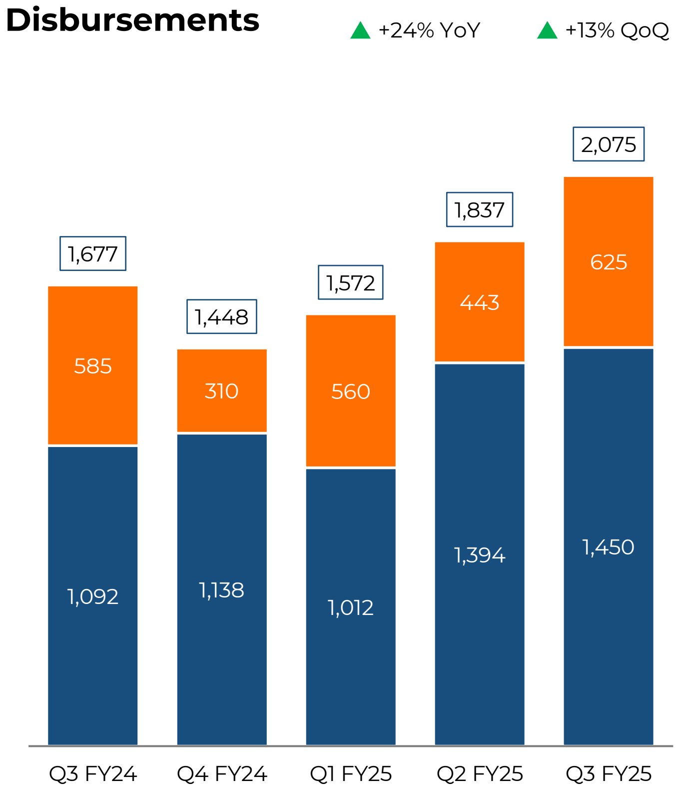
Salaried PL		
4.2 Lac	755	17.7%
Average ticket size	*Average CIBIL score*	*Disbursement yield*

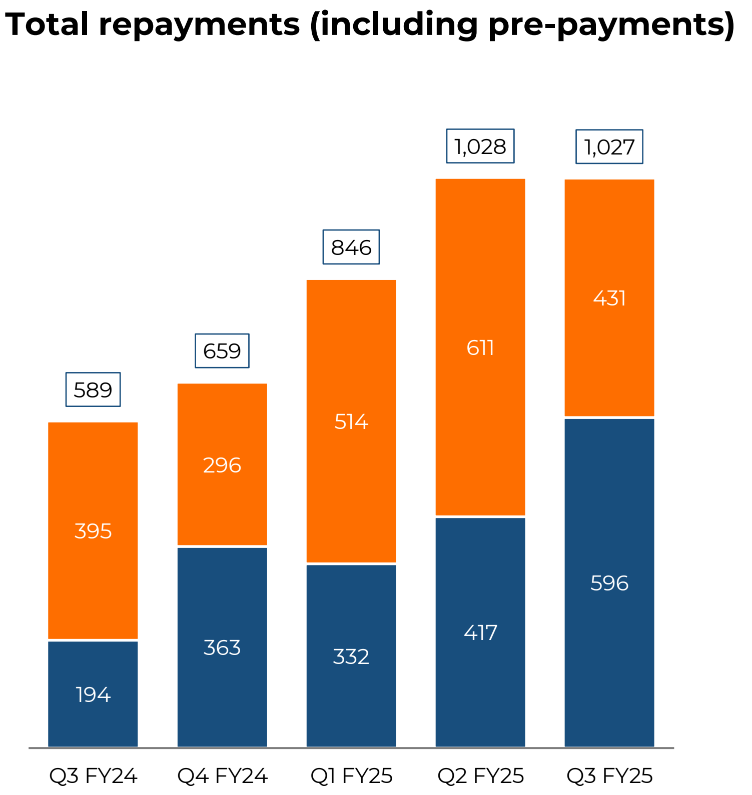
Digital loans		
0.8 Lac	758	15.9%
Average ticket size	*Average CIBIL score*	*Disbursement yield*

Note: (1) Unsecured business loans
(2) In Q3FY25, concluded a co-lending transaction of INR 113 Cr in Business loans
(3) Split of Q3FY25 disbursements of INR 736 Cr (Q2FY25: 1,155 Cr): UBL at 639 Cr (Q2FY25: 688 Cr) & Microfinance at 97 Cr (Q2FY25: 466 Cr)

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







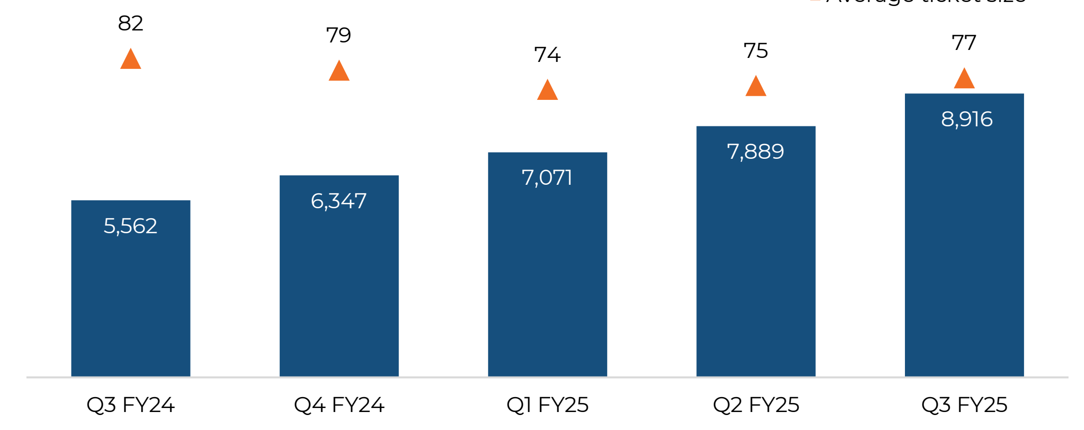
- **Performing well**, in line with or ahead of underwriting, as reflected in prepayments
- **Pre-payments** worth INR 732 Cr received in Q3 FY25
- **Exited deals** worth INR 3,265 Cr in total so far

Wholesale 2.0: Granular and diversified build-out

(Charts represents data for outstanding AUM)

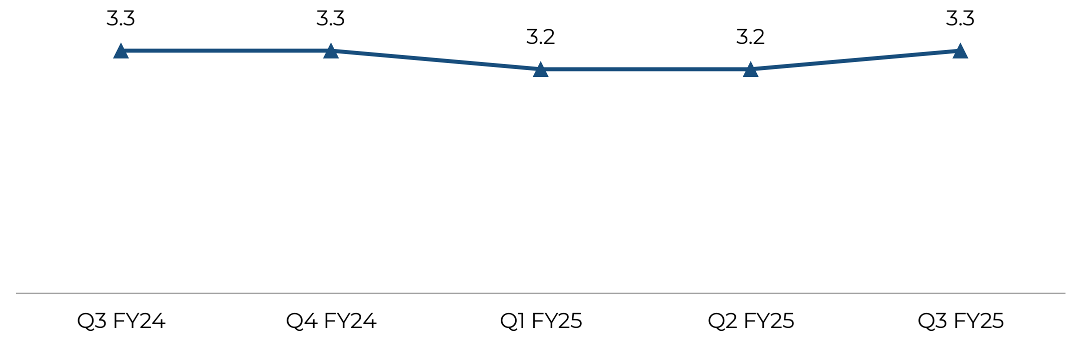
Total AUM: A granular build-out

In INR Cr.



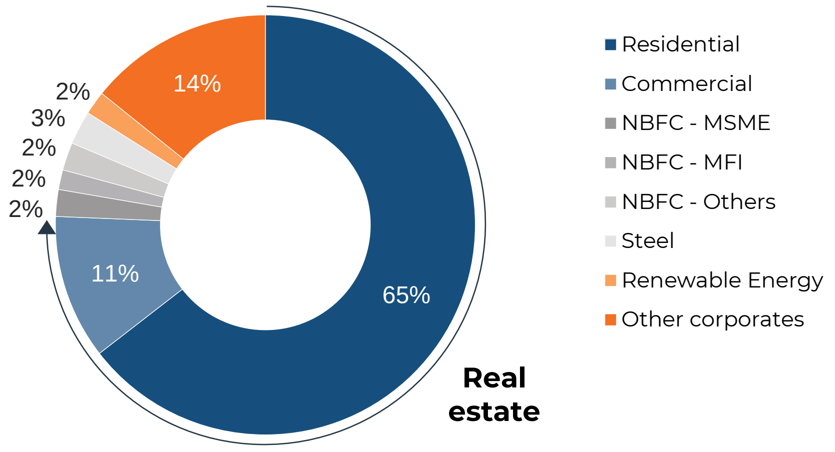
Average loan tenure

In years, represents average residual tenor



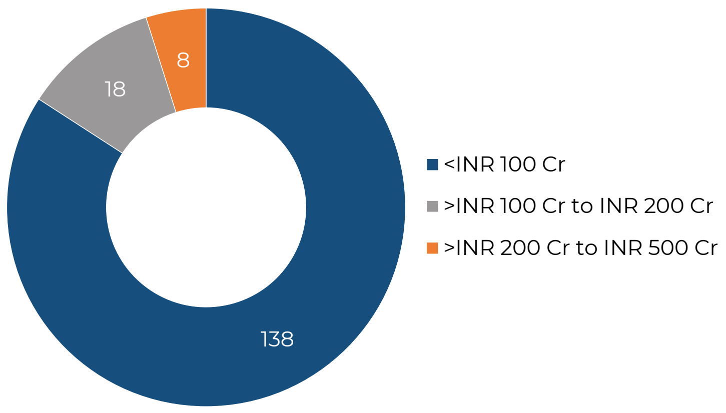
Overall asset diversity (AUM mix)

As of Dec 2024

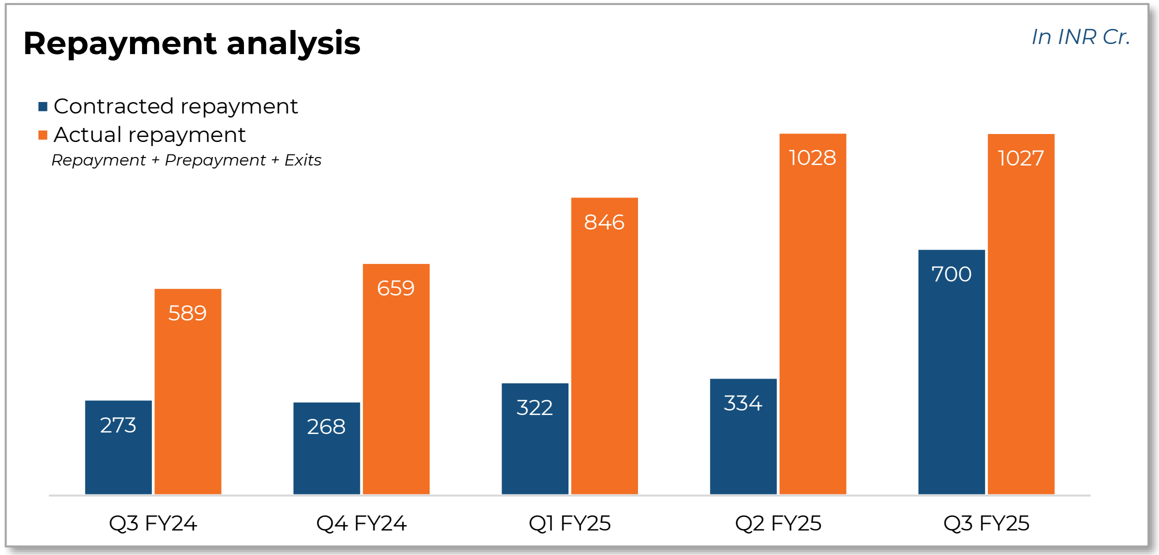


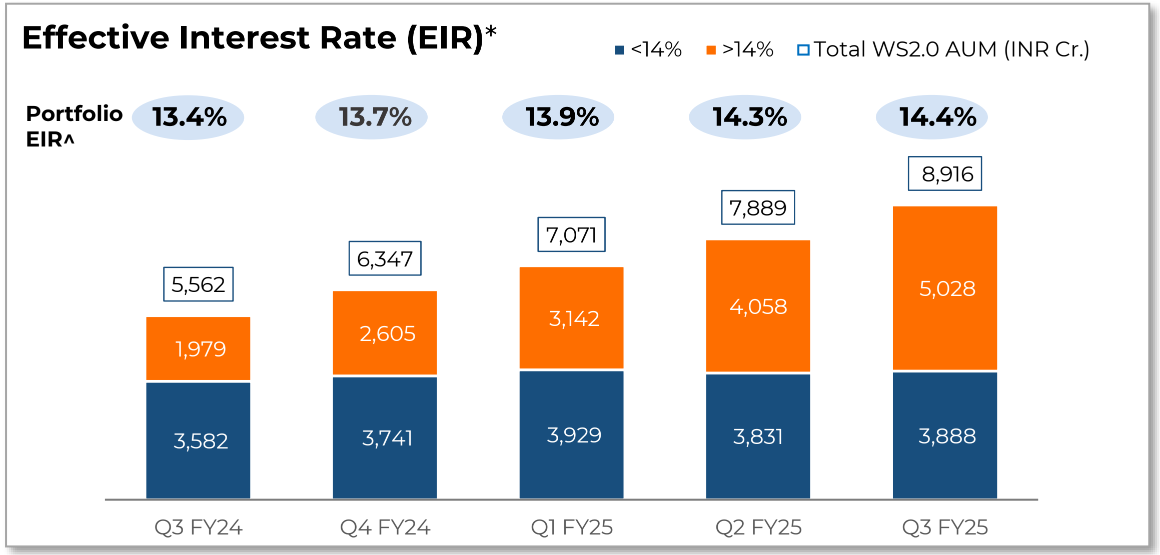
Mix by ticket size range

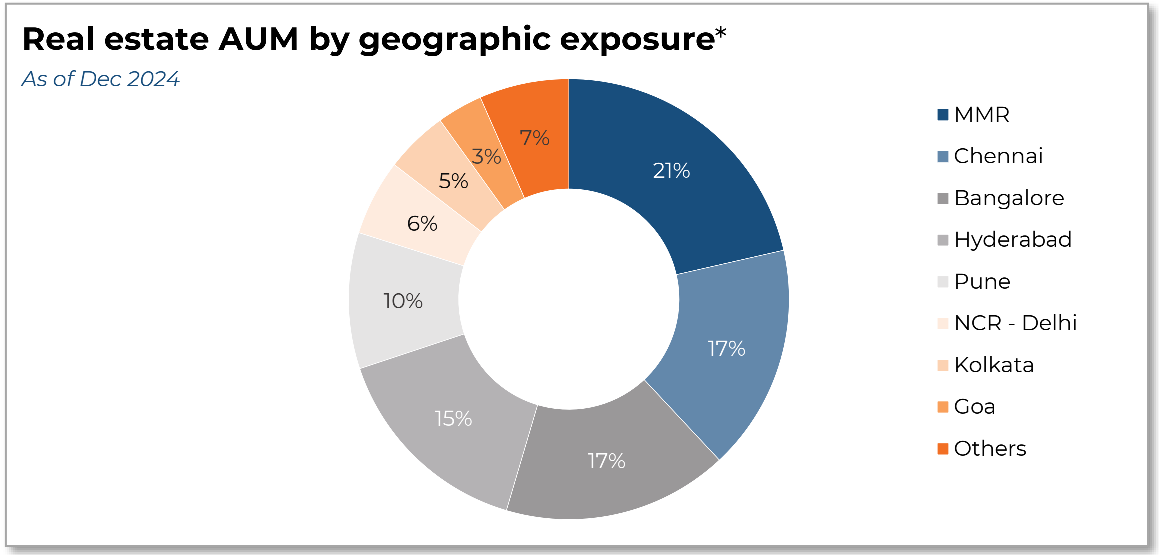
 # Number of deals; Dec 2024

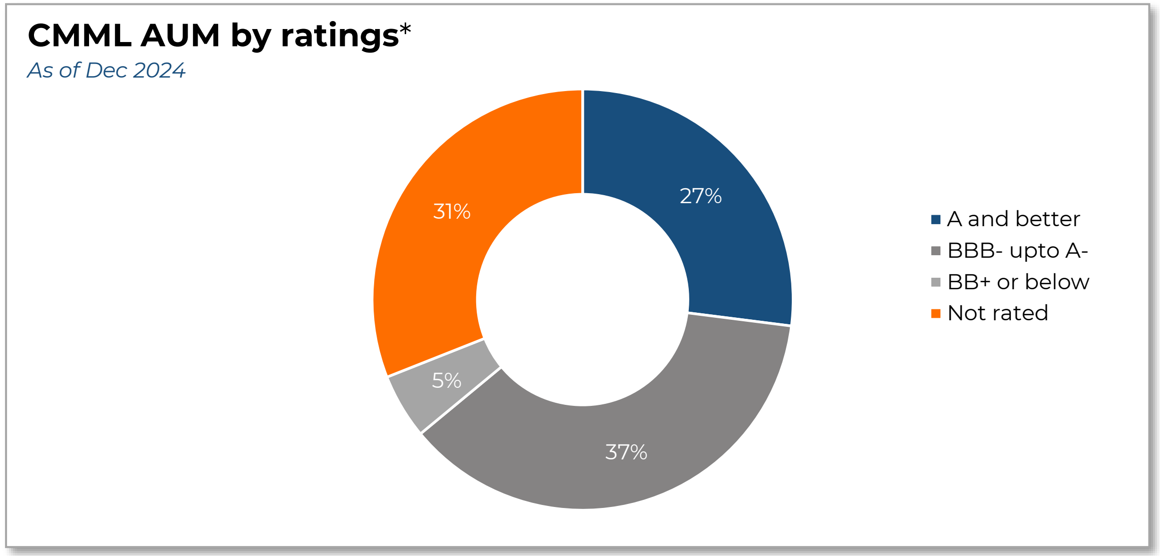


Wholesale 2.0: Portfolio analysis









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

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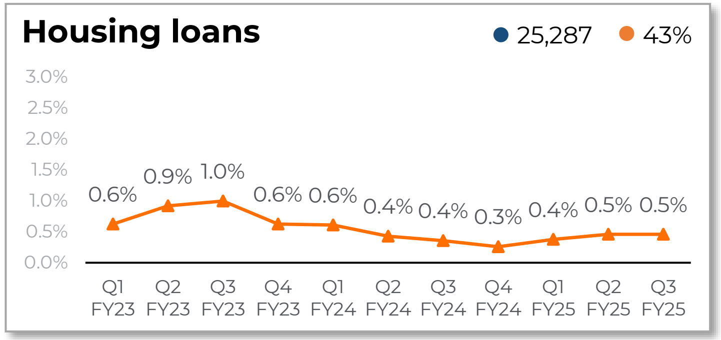
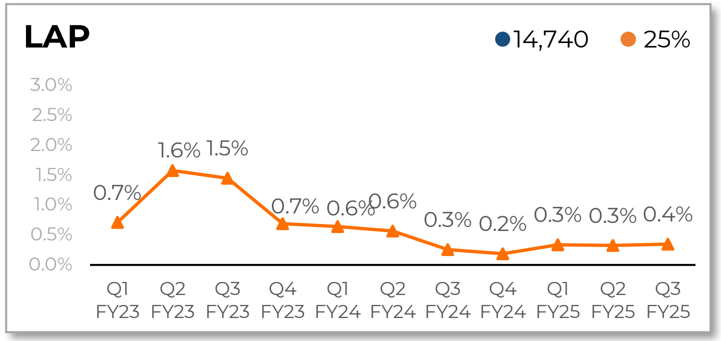
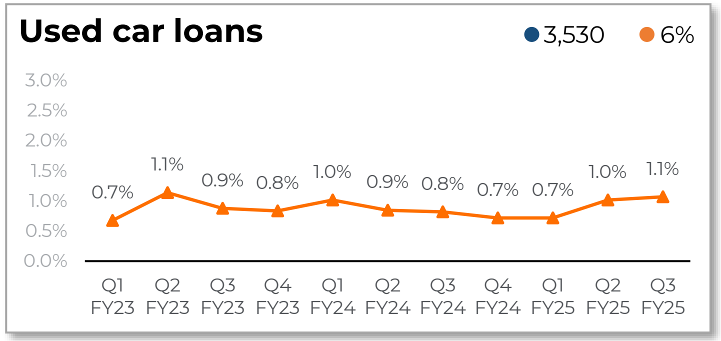
Asset Quality

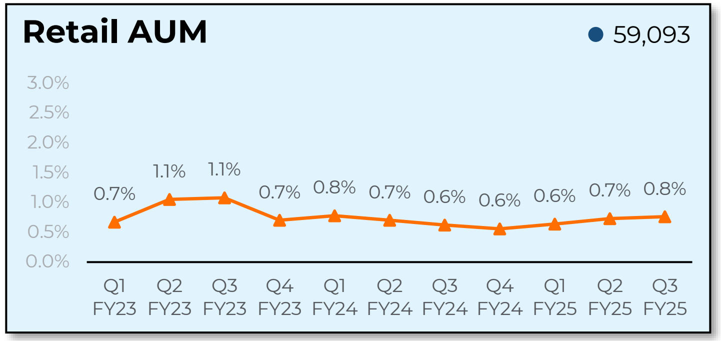
Retail risk (1/2) – Overall stable 90+ DPD reflecting diversified AUM mix

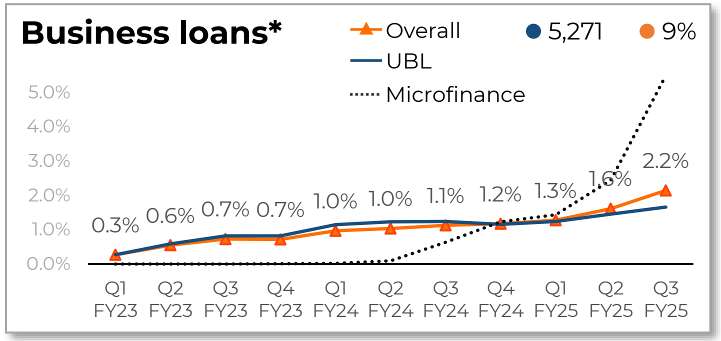
● AUM as of Q3 FY25 (INR Cr)
● % of retail AUM as of Q3 FY25
90+ DPD

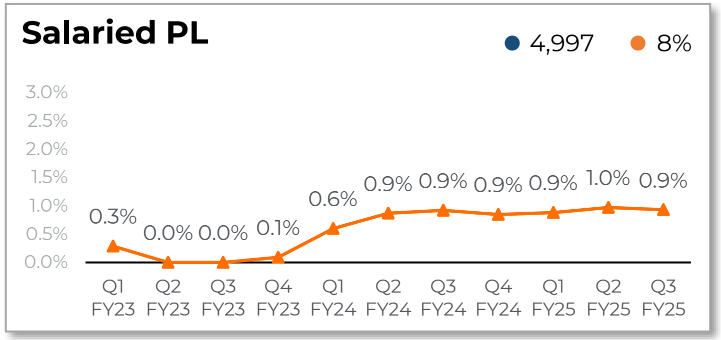


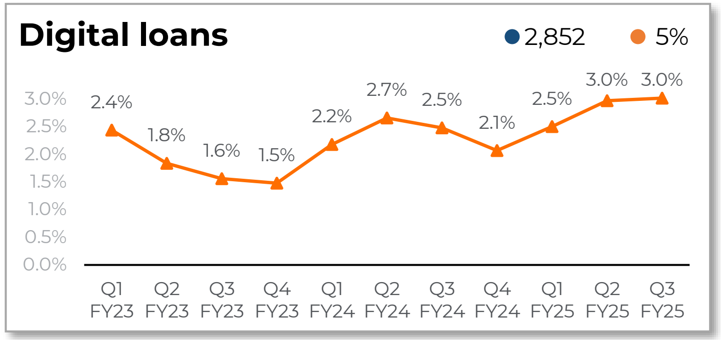








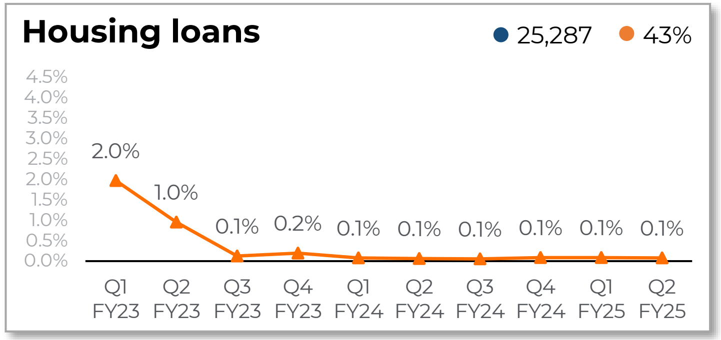


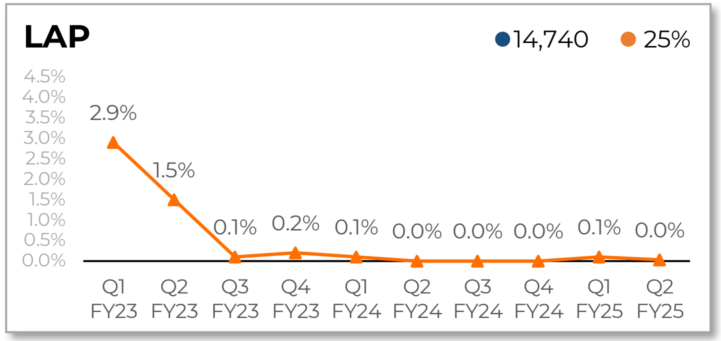


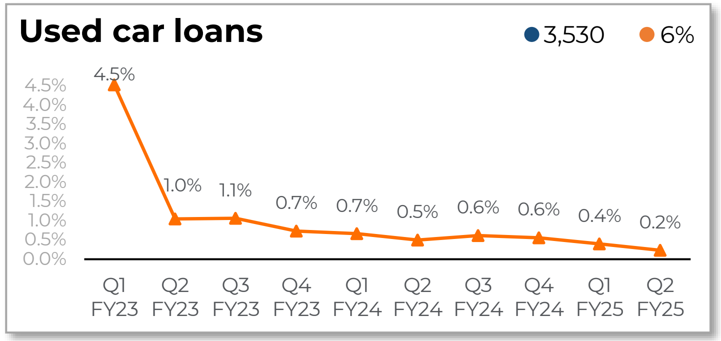
Note: (*) AUM as of Q3FY25 for Unsecured business loans (UBL) is INR 4,031 Cr and Microfinance is INR 1,240 Cr

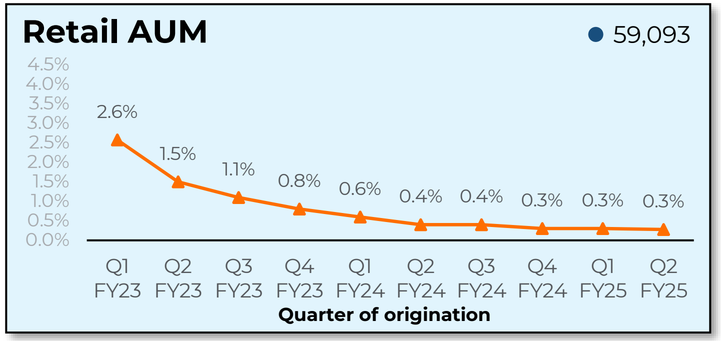
Retail risk (2/2) – vintage risk* : steady improvement in quality of new originations

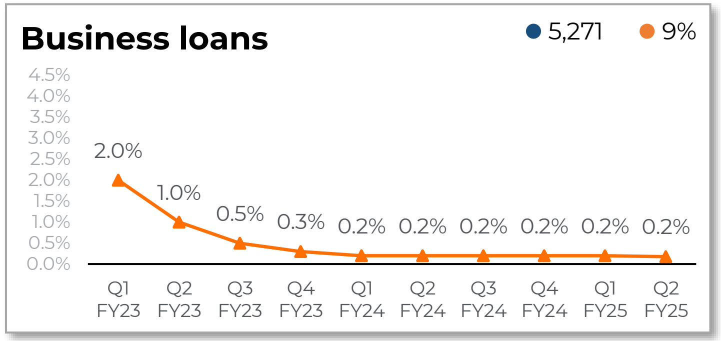
● AUM as of Q3 FY25 (INR Cr)
● % of retail AUM as of Q3 FY25
*30+ DPD at 3 months on book

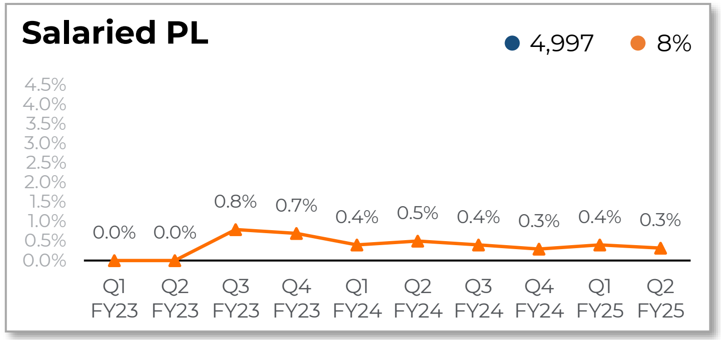


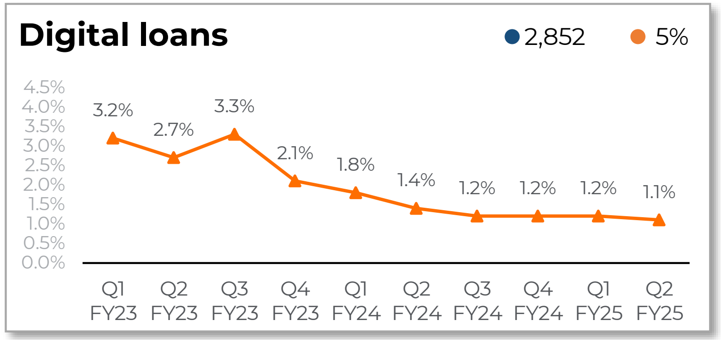












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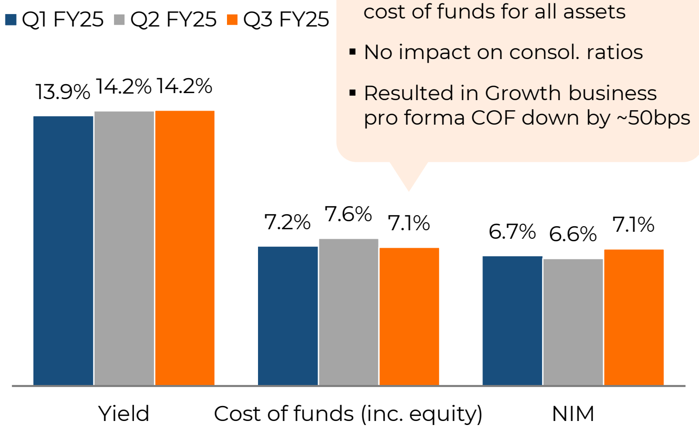
Profitability

Growth business pro-forma profitability*

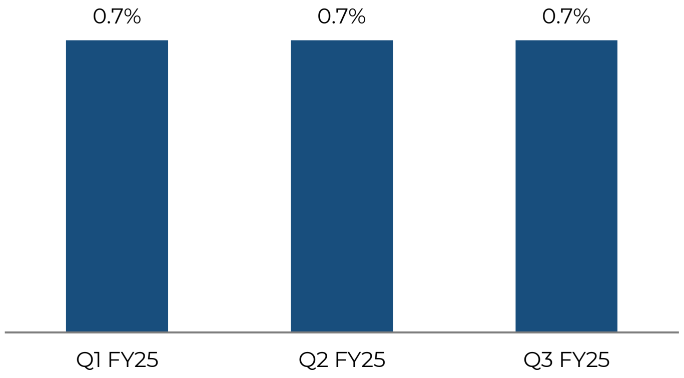
(All ratios as % of average AUM of Growth business)

Yield and NIM

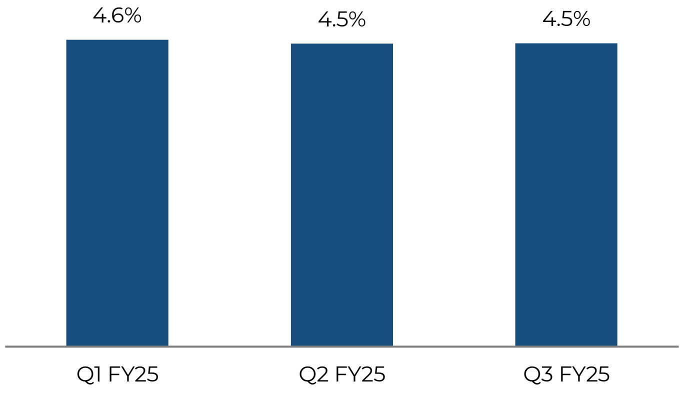
- Moved to a uniform pro forma cost of funds for all assets
- No impact on consol. ratios
- Resulted in Growth business pro forma COF down by ~50bps



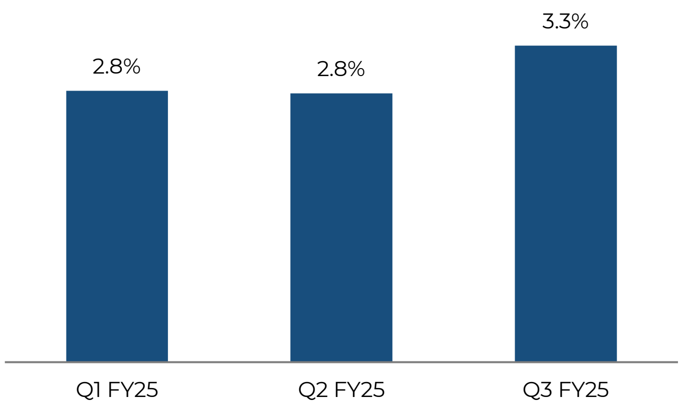
Fee income



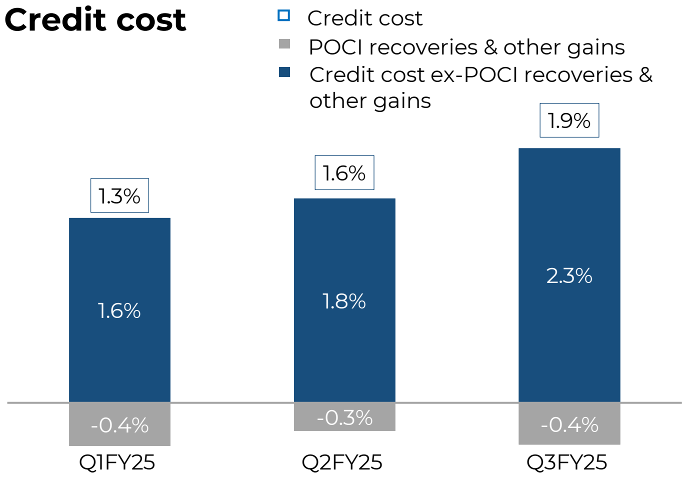
Opex



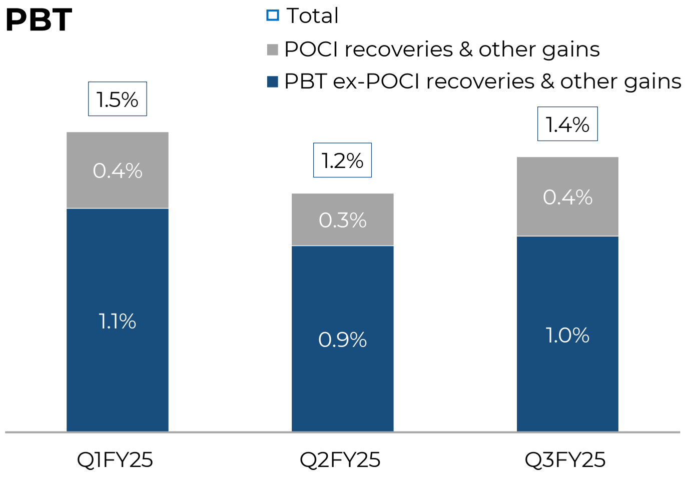
PPOP



Credit cost



PBT



Notes: (*) Based upon pro forma business wise P&L

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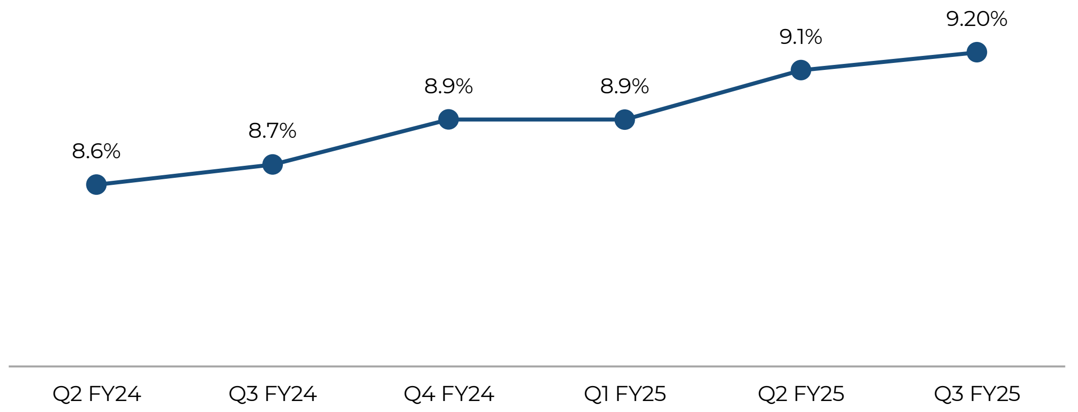
Liabilities Management

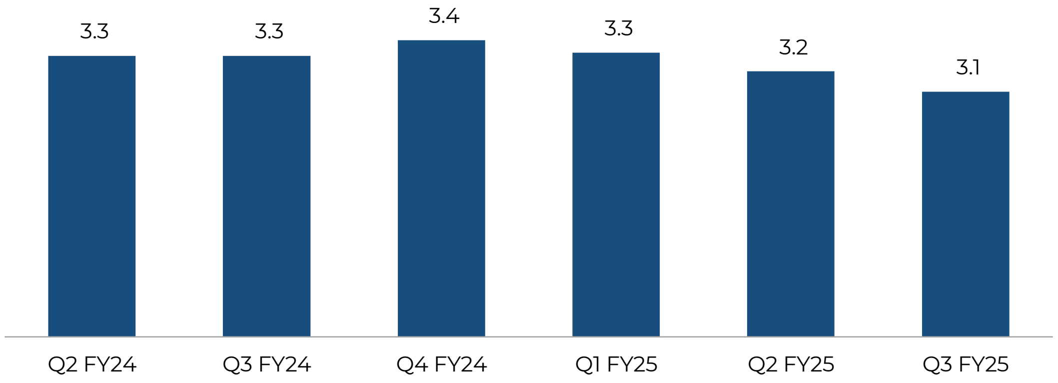
Liabilities management

Average borrowing cost



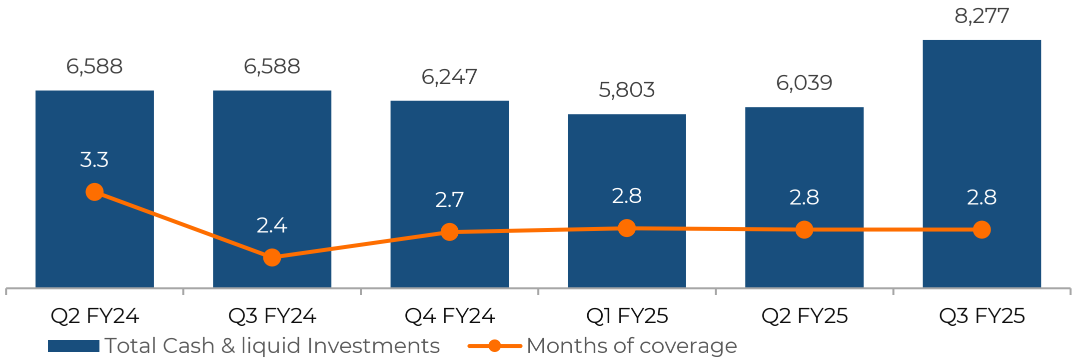
Maturity of borrowings

In years, weighted average on a residual basis



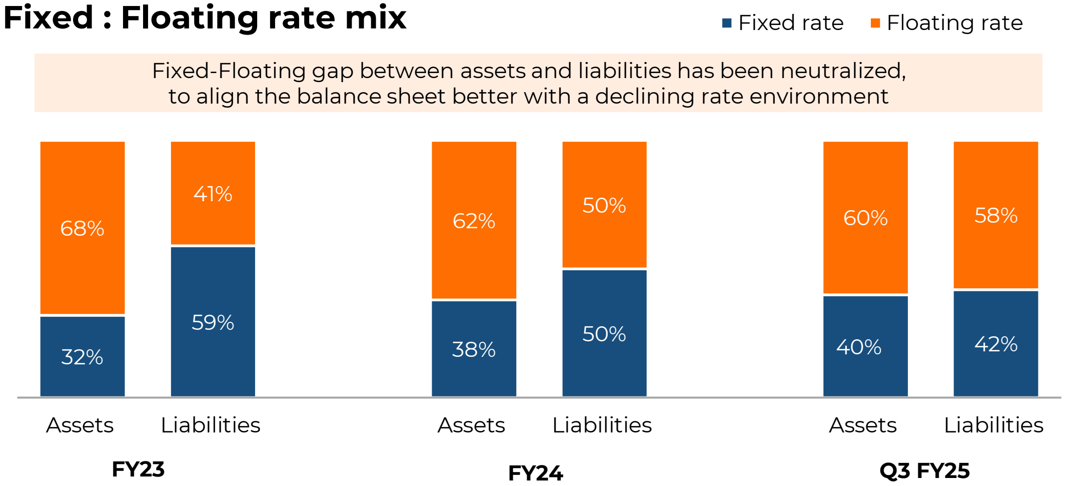
Cash and Liquid Investments

In INR Cr, period-end



Fixed : Floating rate mix

Fixed-Floating gap between assets and liabilities has been neutralized, to align the balance sheet better with a declining rate environment

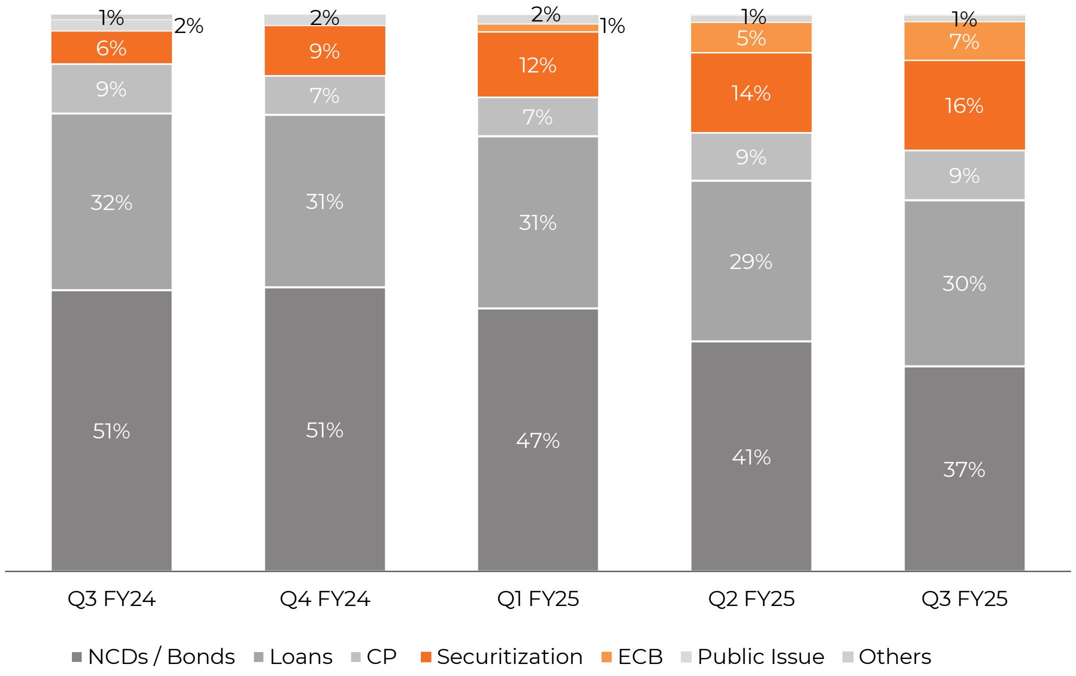


Commensurate with higher debt servicing requirement in Q4FY25, the company has increased the cash balance as on Dec-24

Note: (*) Liabilities includes fixed rate borrowings of INR 15,710 Cr for Q3 FY25

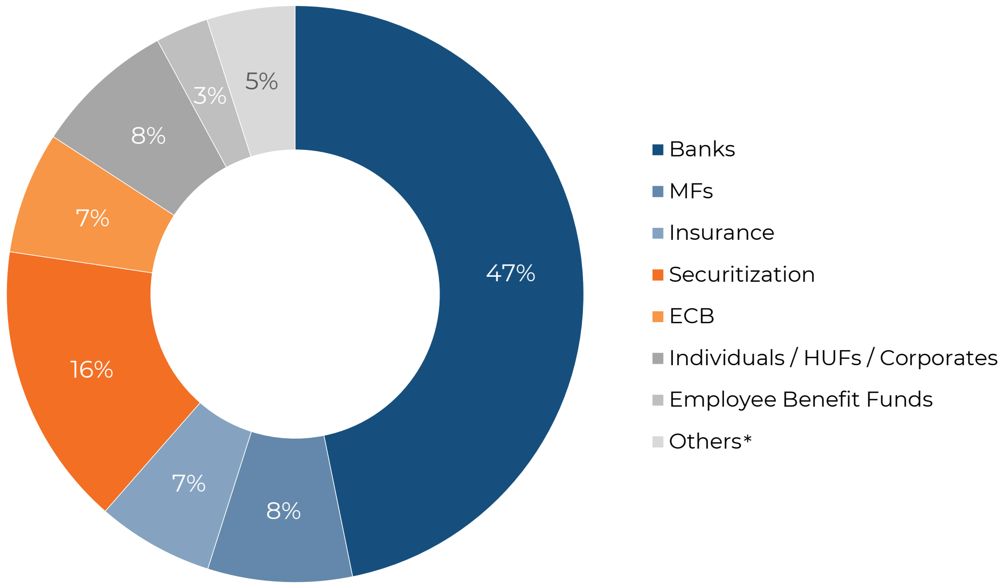
Diversifying the borrowing mix

Rising role of Securitization and International Borrowings



Borrowing mix by type of lender

As of Dec '24



Domestic ratings

Long term ratings
ICRA & CARE: AA
Outlook Stable

Short term ratings
CRISIL, ICRA, CARE: A1+

International ratings

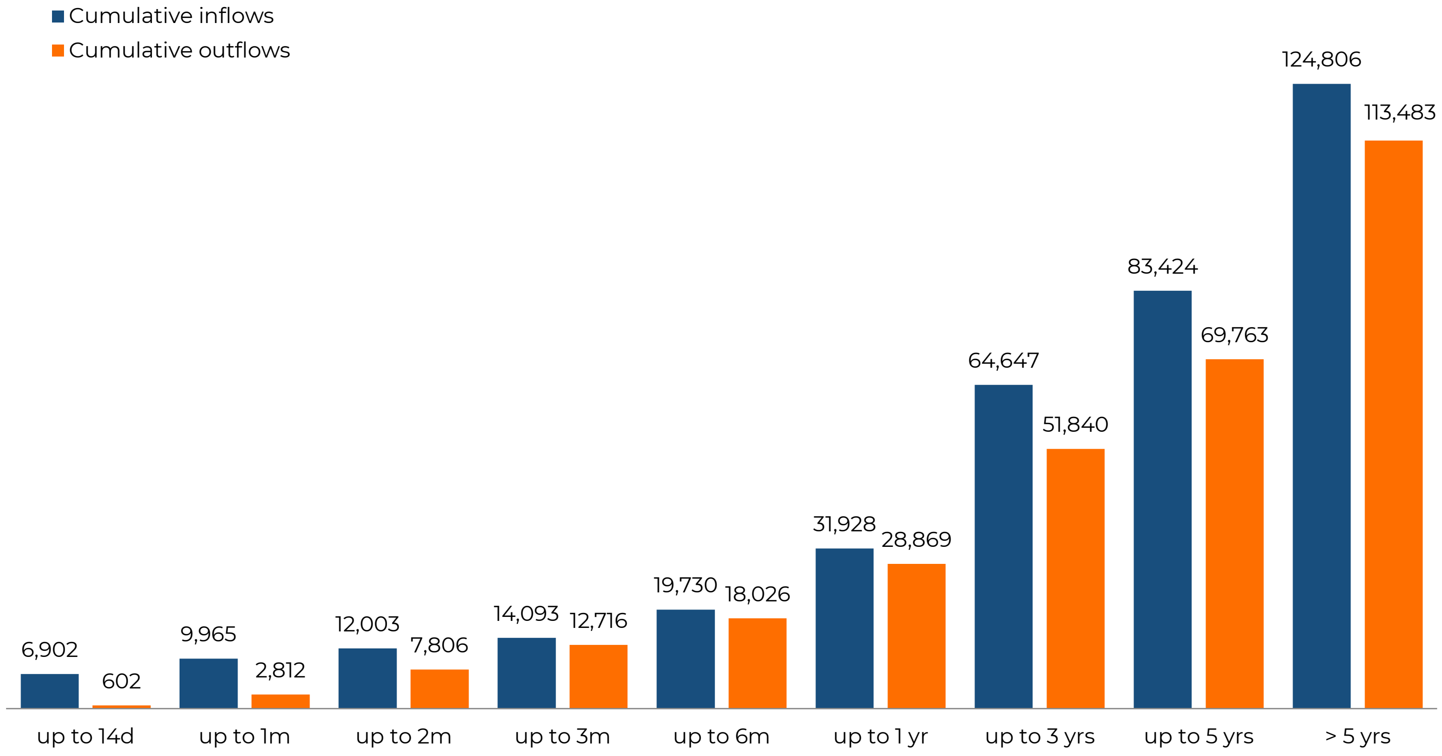
S&P: BB-
Moody's: Ba3

Notes: Borrowings Include direct assignment (DA) of INR 4,959 Cr as of Q3 FY25, INR 3,686 Cr as of Q2 FY25 , INR 2,408 Cr as of Q1 FY25, INR 1,598 Cr as of Q4 FY24 and INR 875 Cr as of Q3 FY24
(*) Includes NHB, & other financial institutions which contribute 3% and 2% respectively to overall borrowings

Asset-liability profile

As on Dec 31, 2024

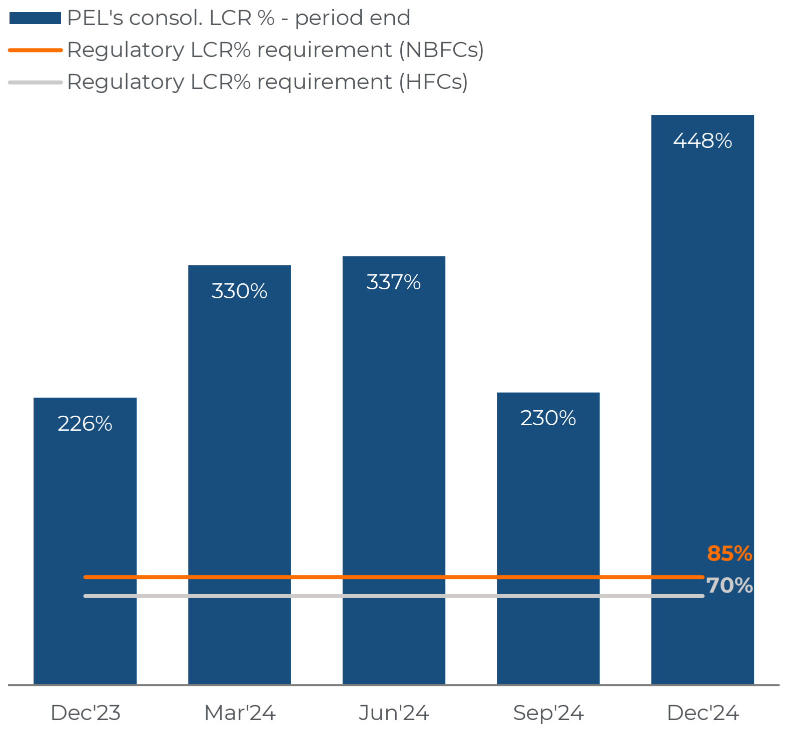
In INR Cr.



Cumulative GAP (%)

+1047%	+254%	+54%	+11%	+9%	+11%	+25%	+20%	+10%

Very strong position on liquidity



Q3 FY25 consol. LCR of 152% on period average basis

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Update on Merger

Update: Proposed **merger** of PEL with PCHFL

Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26

- ✔ Board Approval *(May 8th, 2024)*
- ✔ Filing of scheme with Stock Exchanges
- Receipt of Stock Exchanges, SEBI & RBI approval
- NCLT process
- NCLT Approval *(includes necessary approvals from shareholders and creditors)*
- Record Date
- Listing of new securities of Piramal Finance Ltd.

Blackout Period

~40-45 Days

We expect completion of the merger by the quarter ending September 2025

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

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Thank You