Piramal

Piramal Enterprises

Debt Investor Presentation

07 May 2025

Table of contents

Executive Summary

The Piramal Finance Story

A growing diversified lending business, being built by an experienced management team and backed by solid promoter group

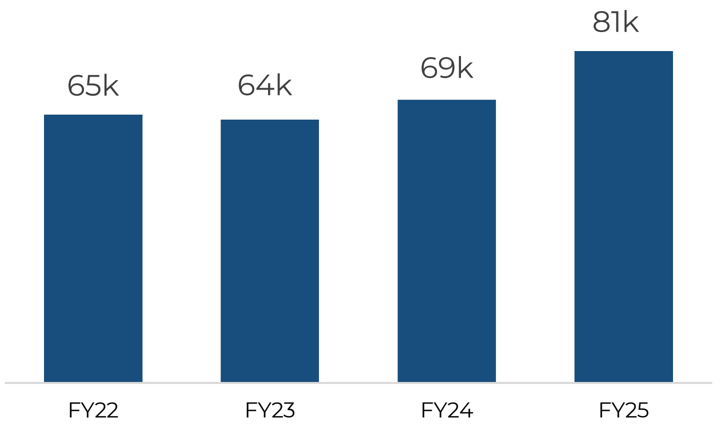
1. **Three years of transformation complete with Growth AUM now at 91% of total AUM**
2. **Legacy AUM below INR 7,000 Crores; down 84% in 3 years, without impacting Net worth**
3. **Strong Retail business built up with stable Credit costs – Retail 80% of Total AUM**
4. **Diversified, Granular Wholesale 2.0 book**
5. **Stabilized Profitability, driven by mix shift from Legacy to Growth**
   Strong Growth book ROA in Q4 FY25; Positive PAT in FY 25; 2.5-3X Profit growth outlook for FY 26
6. **Strong Balance Sheet**
   High Capital Adequacy; Abundant liquidity

Three years of transformation

Total AUM

▲ Up 17% YoY in FY25

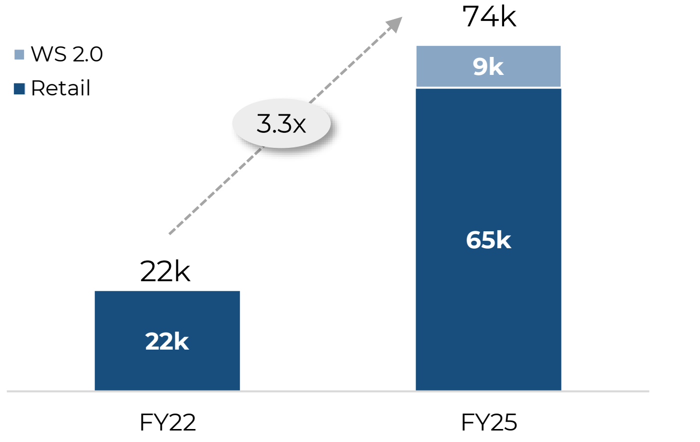
In INR Cr.



Growth AUM

▲ 50% CAGR over 3 years

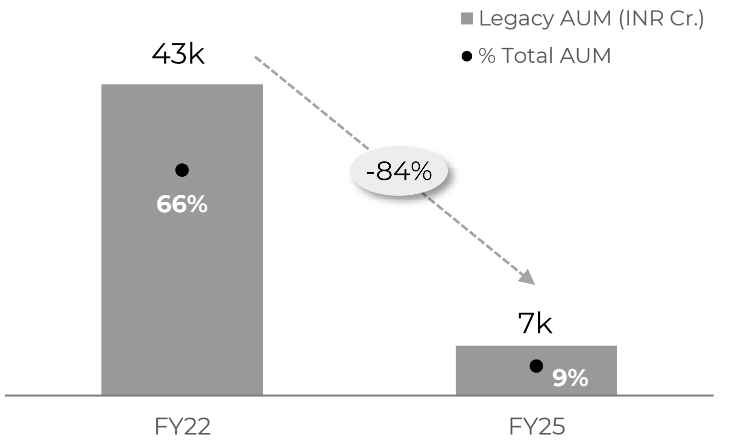
In INR Cr.



Legacy AUM

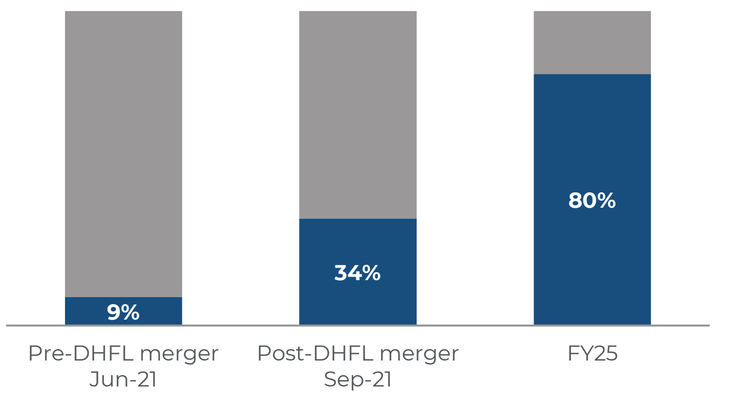
▼ Down at 46% CAGR over 3 years

In INR Cr.



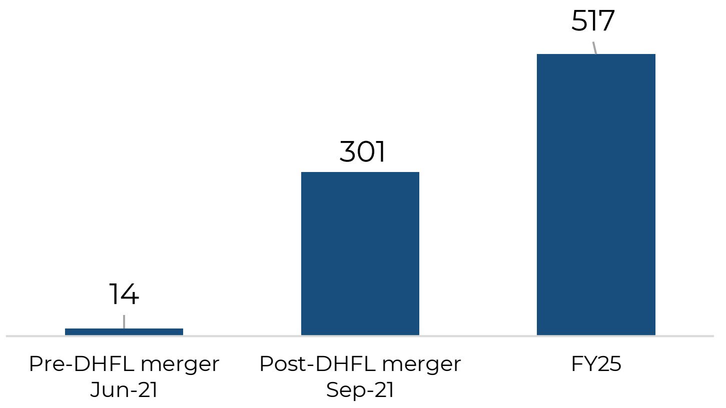
Retail now forms 80% of total AUM

% Retail in Consol. AUM



We now have 517 branches

 # Retail branches



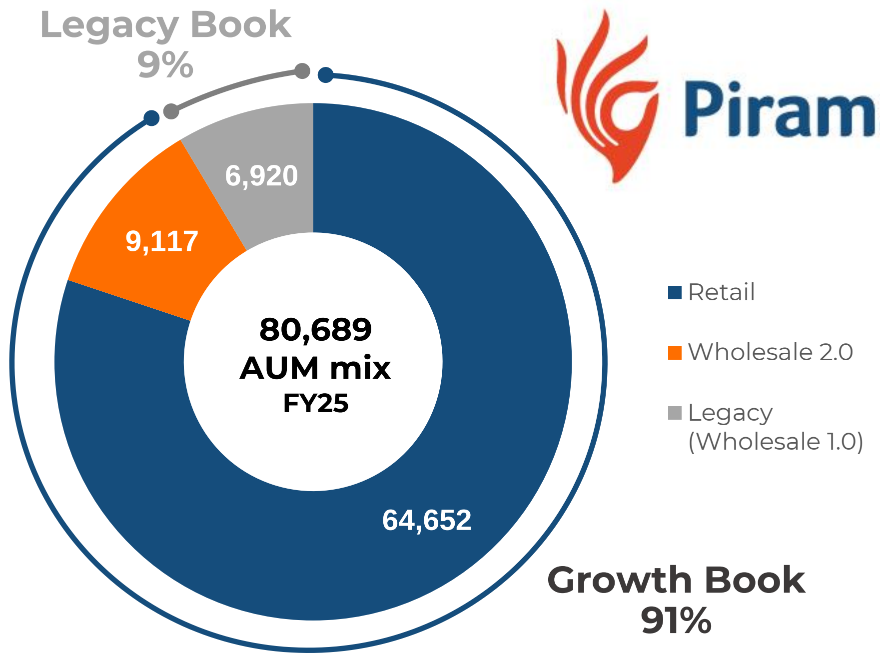
Value unlocking in recent years

Simplified corporate structure
Pharma demerger in 2022; PEL-PFL merger ongoing

Non-core divestments
INR 6.3k Cr monetized; balance in motion

Available tax shield
Assessed carry forward losses of INR 14.5k Cr

FY25 Snapshot



Consol. AUM — **INR 80,689 Cr**
Up 17% YoY

Retail : WS mix — **80 : 20**
70 : 30 in FY24

Consol. PAT — **INR 485 Cr**
FY24: Loss of INR 1,684 Cr

Net worth — **INR 27,096 Cr**
FY24: INR 26,557 Cr

Growth business PBT* — **INR 896 Cr**
FY24: Profit of INR 1,044 Cr

Capital Adequacy — **23.6%**
25.6% in FY24

GNPA & NNPA — **2.8% & 1.9%**
2.4% & 0.8% in FY24

Gross Debt / Equity — **2.4**
2.0 in FY24

Notes: (*) Pro forma business P&L

Met FY25 targets

		FY25 – stated targets	FY25 - actual
Growth and mix	**Total AUM** (INR '000 Cr)	**~80** *(up ~15% YoY)*	**81** *(up 17% YoY)* ✓
	Retail : Wholesale mix	**75 : 25**	**80 : 20** ✓
Legacy book	**Legacy AUM**	**INR 6,000 - 7,000 Cr**	**INR 6,920 Cr** ✓
	AIF gains	**INR 1,700** over 2 years *(FY25 & FY26)*	**INR 926 Cr** in FY25 ✓
Operating efficiency	**Exit quarter opex to AUM - Growth business**	**4.6%**	**4.0%** ✓

Improving FY26 outlook ahead

		FY25	FY26E
Growth and mix	YoY growth – Total AUM	**17% YoY** *(INR 81k Cr)*	**~25% YoY** *(~INR 100k Cr)*
	YoY growth – Growth AUM	**36%** *(INR 74k Cr)*	**~30%** *(~INR 96k Cr)*
	Retail share in total AUM	**80%**	**80-85%**
Legacy	Legacy book (INR Cr)	**6,920** *(9% of total AUM)*	**3,000-3,500**
Profitability	Consol. PAT (INR Cr)	**485** *Growth business PBT of INR 896 Cr*	**1,300-1,500**

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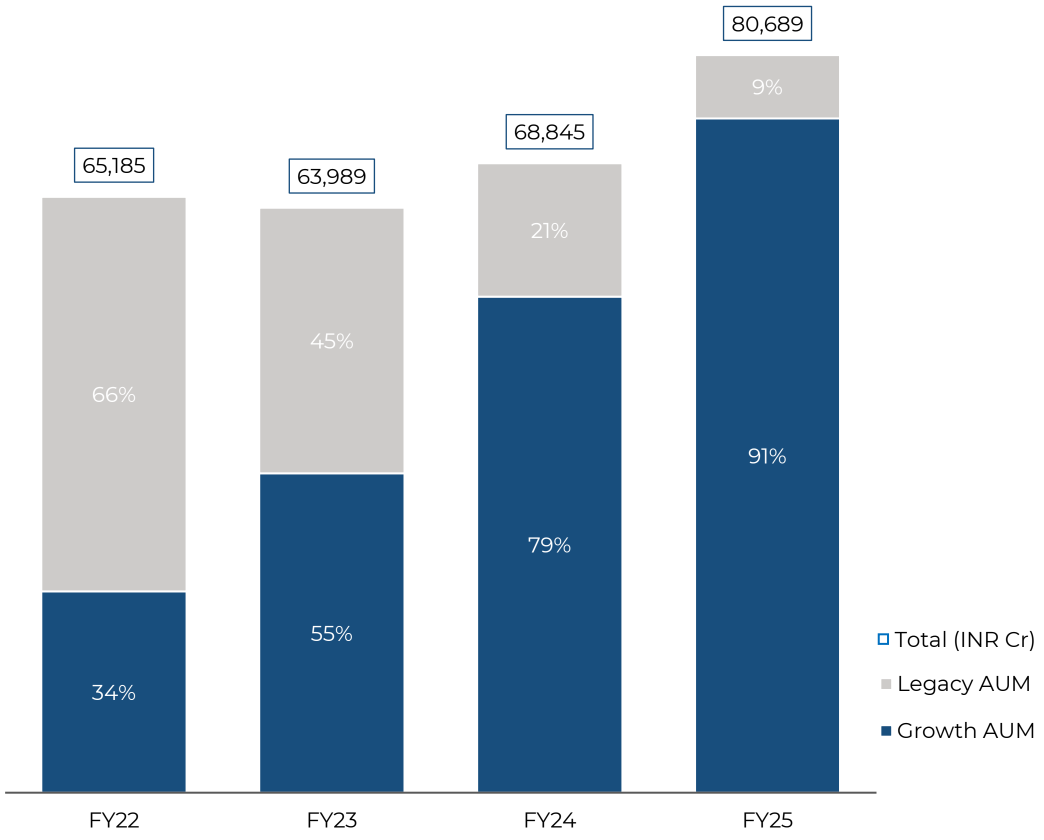
Portfolio composition

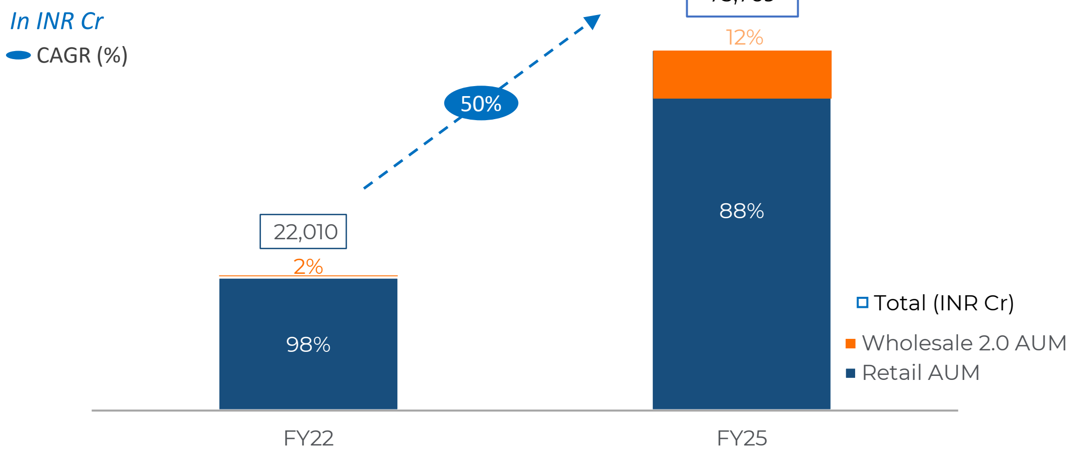
Growth business now 91% of total AUM

Total AUM up 17% YoY- Growth AUM dominate the AUM mix

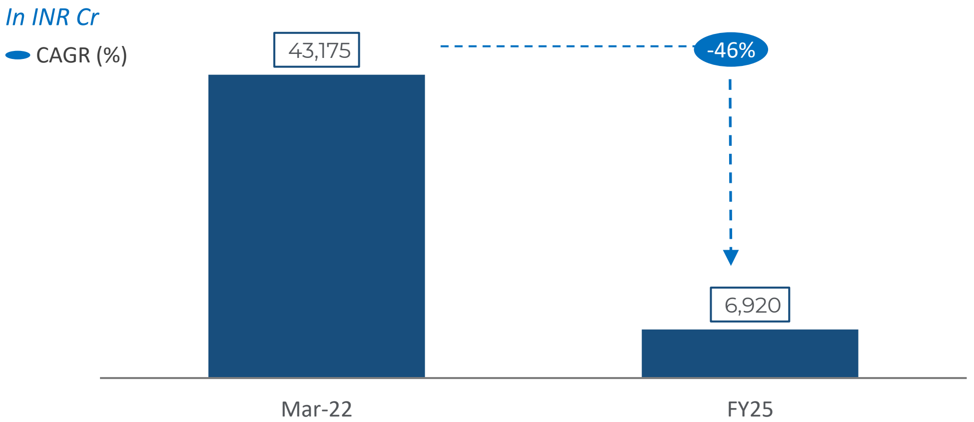


Legacy (discontinued) AUM to be <5% of Total AUM in FY26

Growth AUM



Legacy AUM running down steadily



Legacy (discontinued) business

Legacy AUM down 84% in three years

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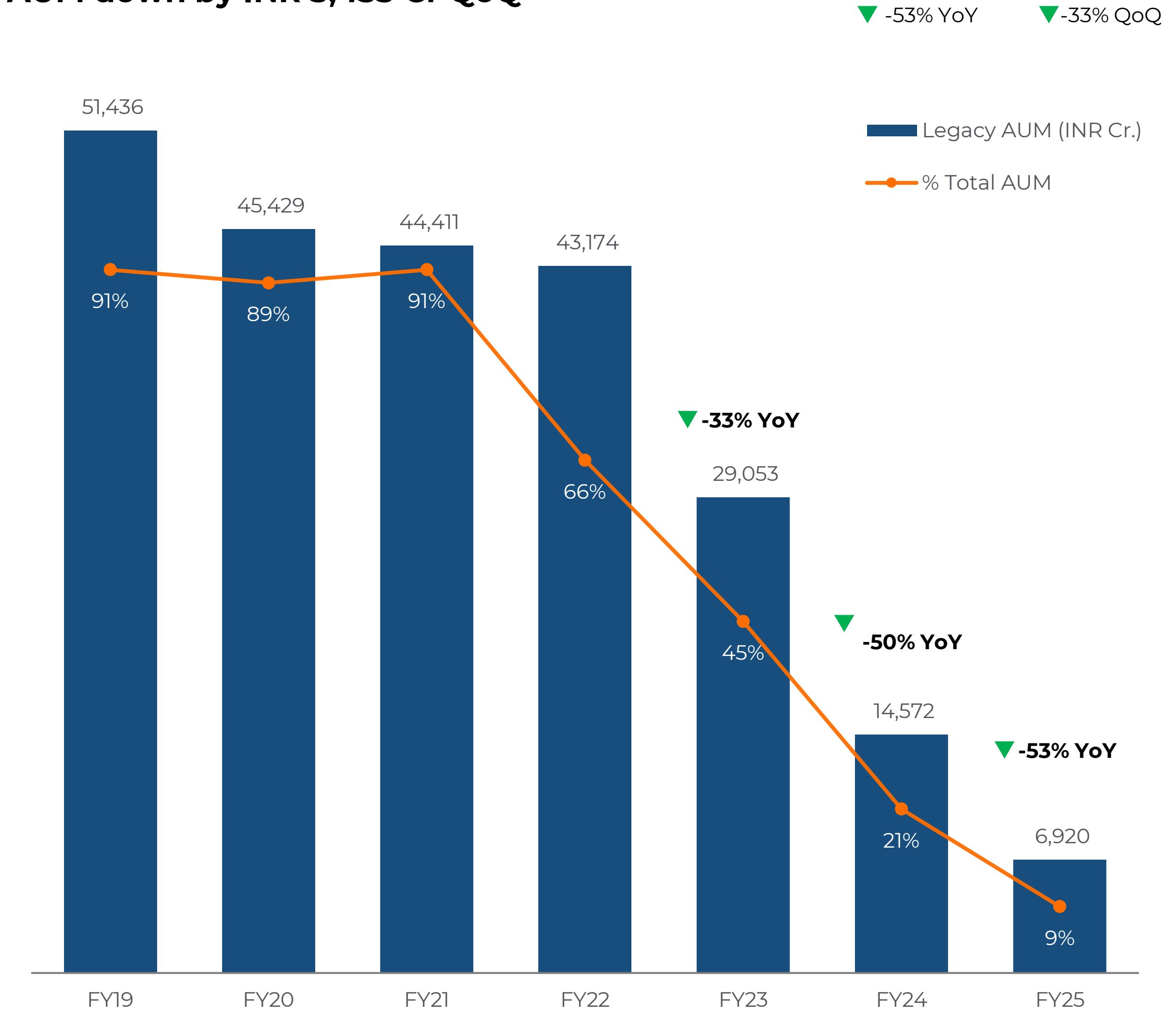
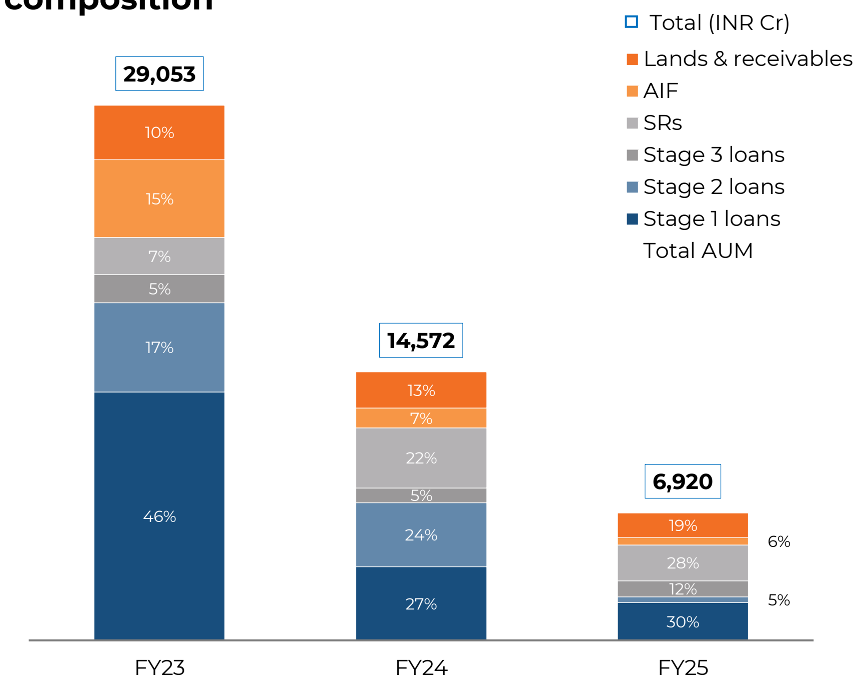
AUM down by INR 3,433 Cr QoQ



AUM composition



Potential P&L items to consider from the legacy business

Provision Carried	678 crs
Gains from AIF	~ 800 crs
Shriram Stake - Insurance	~ 1,000 crs
Piramal Imaging SA	~ 1,100 crs
Carry forward losses	~ 14,500 crs

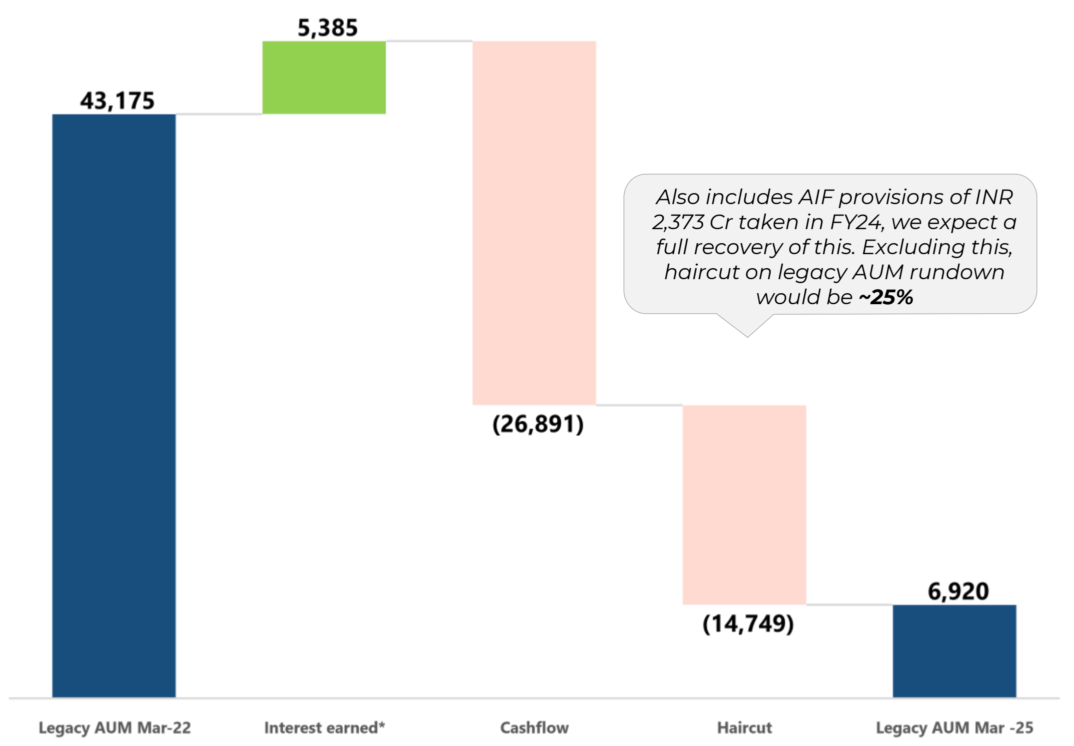
Note: (*) Average yield % includes fee income

Some details on the legacy AUM rundown

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

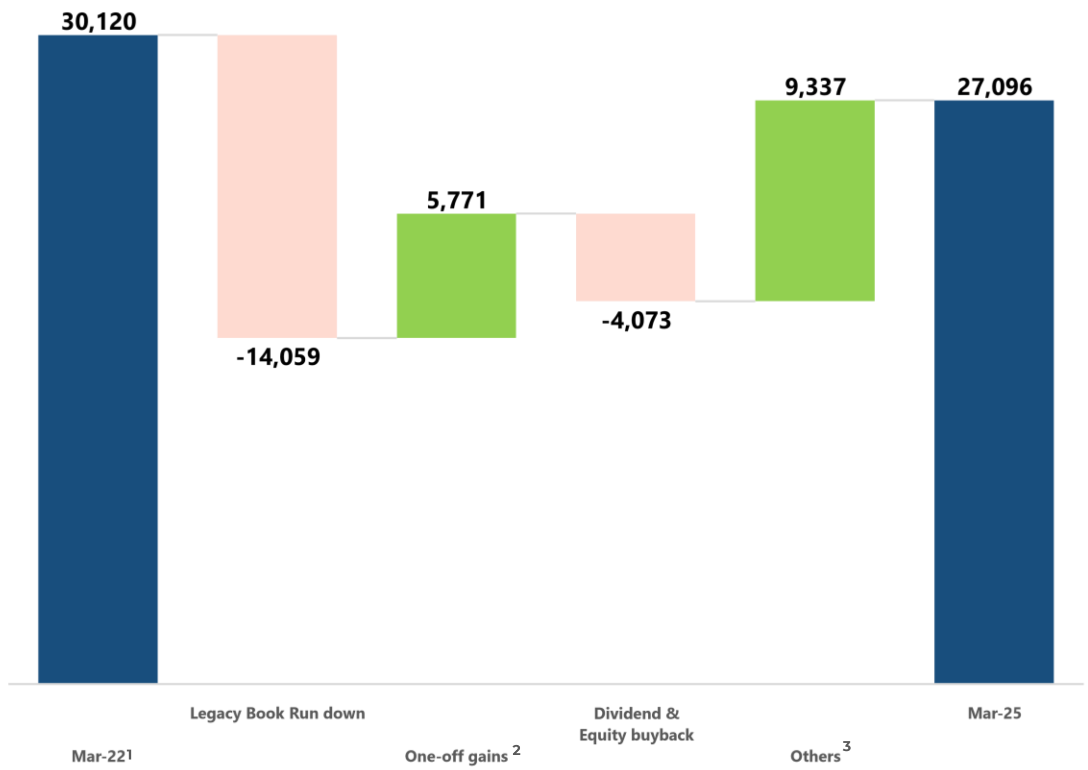
Overall haircut of ~30% during the rundown since FY22

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) 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)
(3) Others include operating profit, other provisions, taxes and other miscellaneous movements
* Includes other Miscellaneous Adjustment

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Growth business

A. Retail

B. Wholesale 2.0

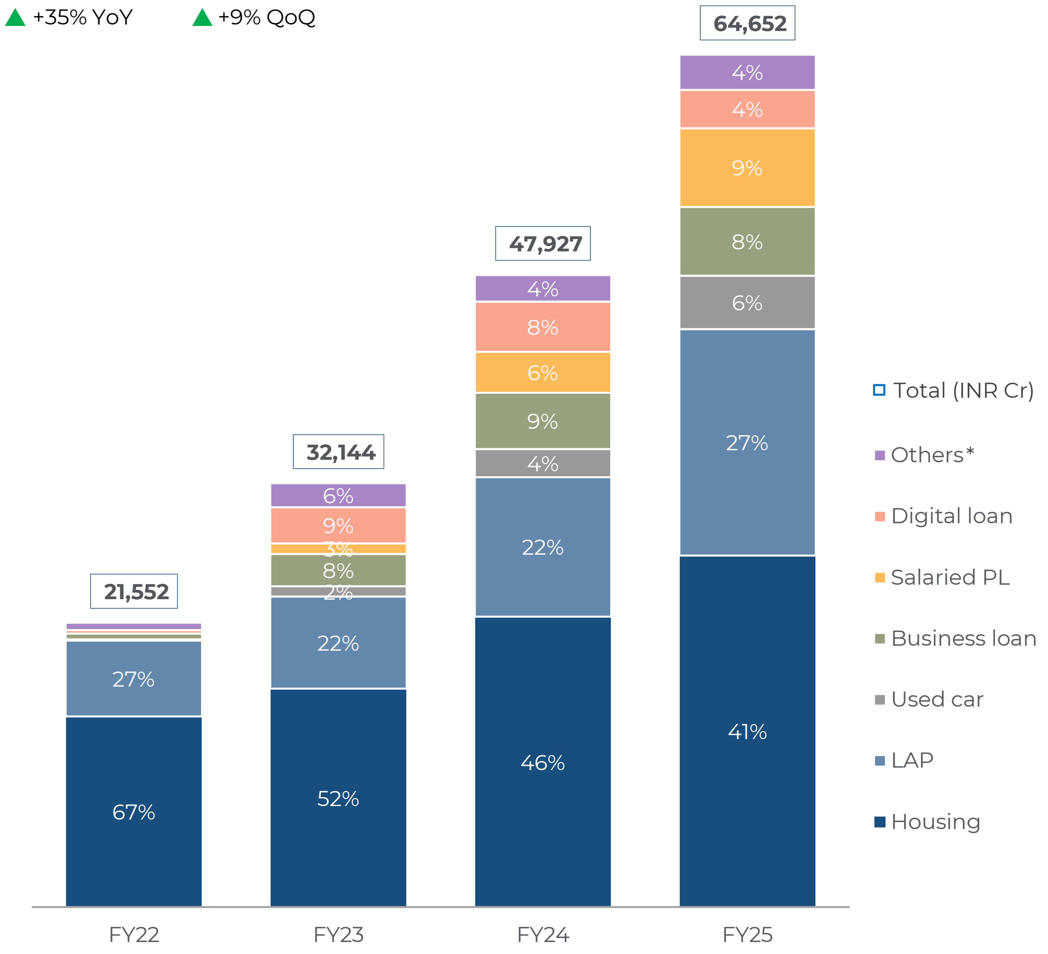
Snapshot – Retail Lending

AUM	**INR 64,652 Cr** ▲ 35% YoY
Presence	**517** Branches | **428** Cities | **26** States
Mortgages AUM (HL+LAP)	**INR 43,841 Cr** ▲ 34% YoY | 68% of retail AUM
Opex to AUM	**4.3%** ▼ 220bps in eight quarters
AUM yield	**~13.6%** Steady QoQ
90+ DPD	**0.8%** Stable portfolio over three years

Growth momentum across product verticals

Retail AUM up 35% YoY

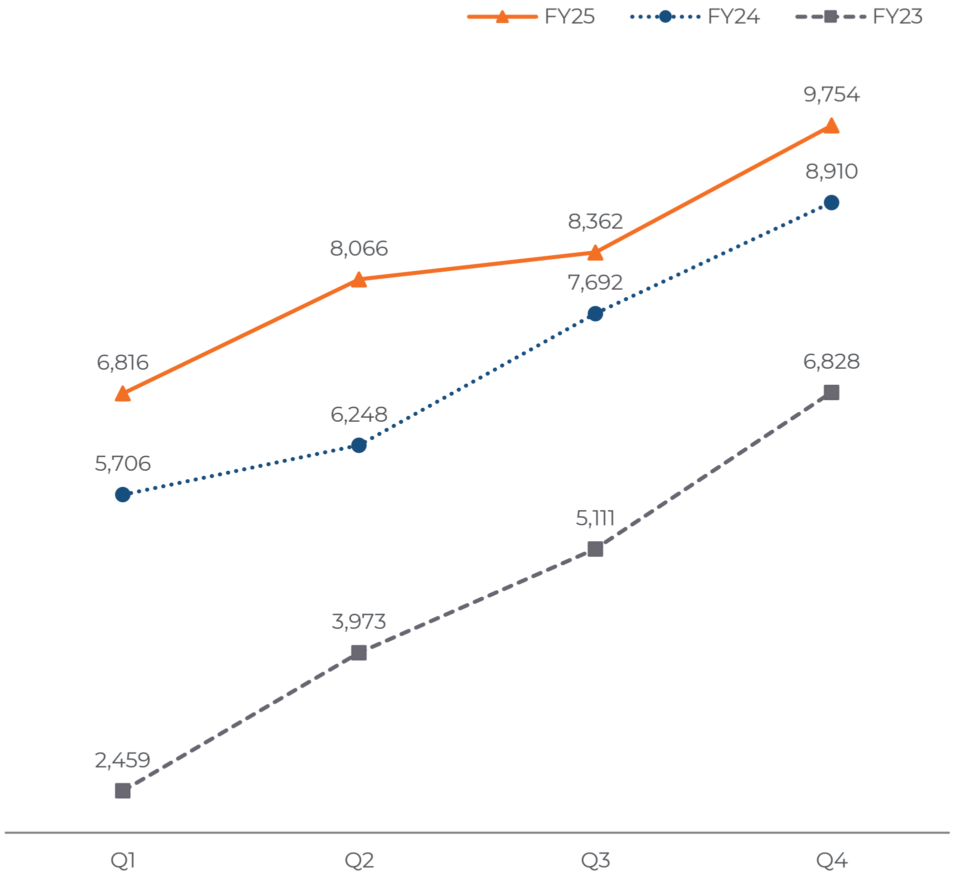
▲ +35% YoY ▲ +9% QoQ



Disbursements up 9% YoY

▲ +9% YoY ▲ +17% QoQ

In INR Cr.



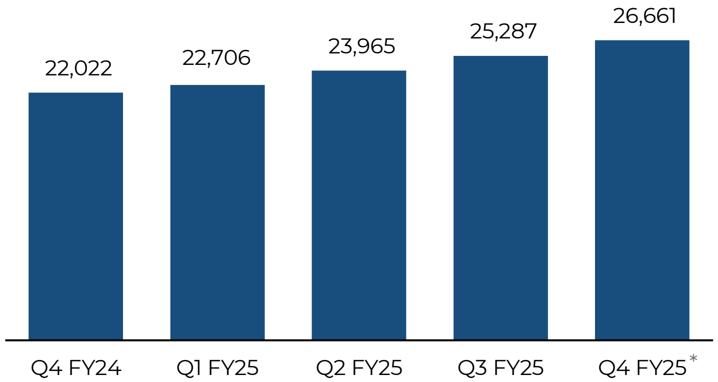
Note: (*) Others includes loan against mutual fund (LAMF) (INR 936 Cr as of Q4 FY25), SRs (INR 1,626 Cr as of Q4 FY25) & pass-through certificates (PTC) (INR 118 Cr as of Q4 FY25)

Strong AUM growth momentum across secured products

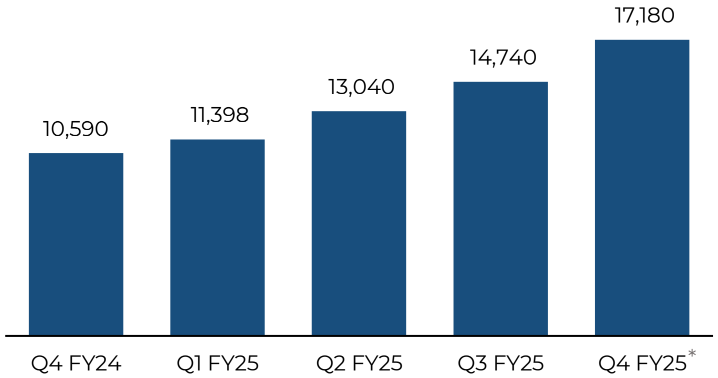
(In INR Cr)

AUM

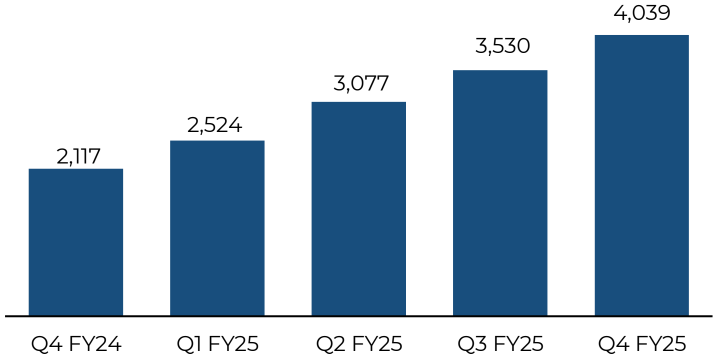
Housing loans
▲ +21% YoY



LAP
▲ +62% YoY



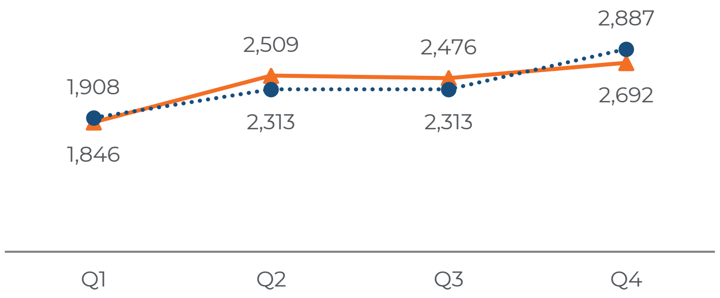
Used car loans
▲ +91% YoY



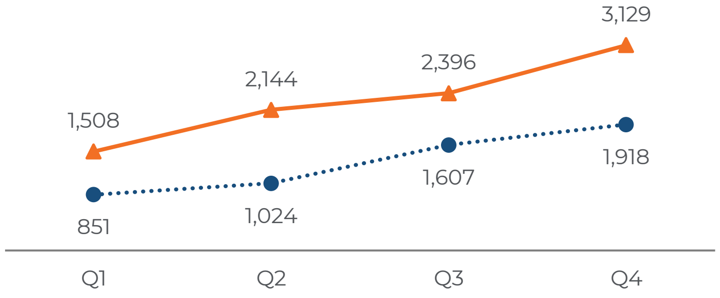
FY25 FY24 (In INR Cr)

Disbursement

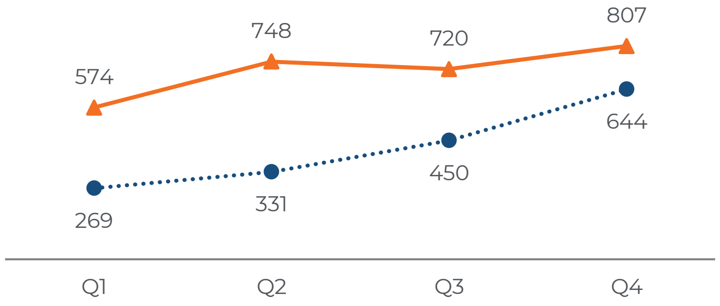
▼ -7% YoY



▲ +63% YoY



▲ +25% YoY



24 Lac	65%	754	11.6%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

24 Lac	48%	749	12.9%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

7 Lac	72%	748	15.3%
Average ticket size	*Average LTV*	*Average CIBIL score*	*Disbursement yield*

Actively managing disbursements to navigate risk

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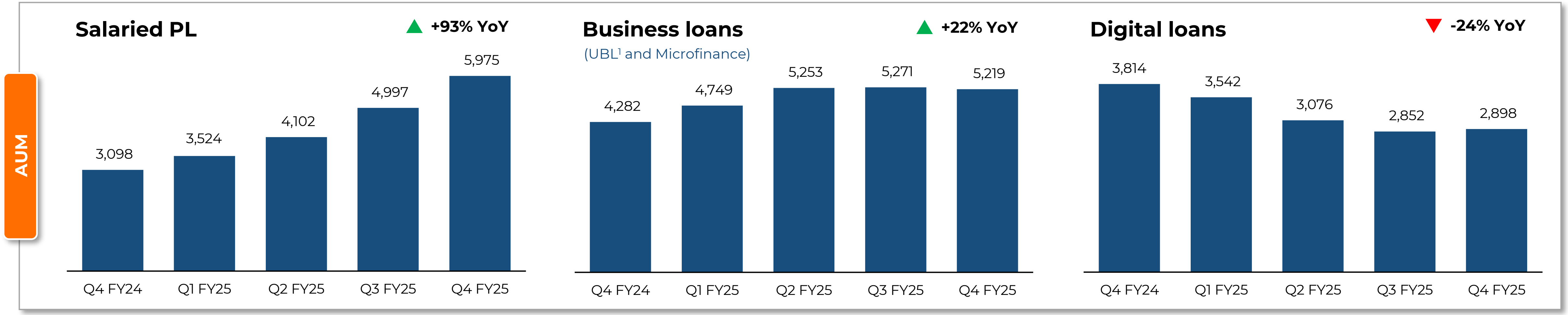
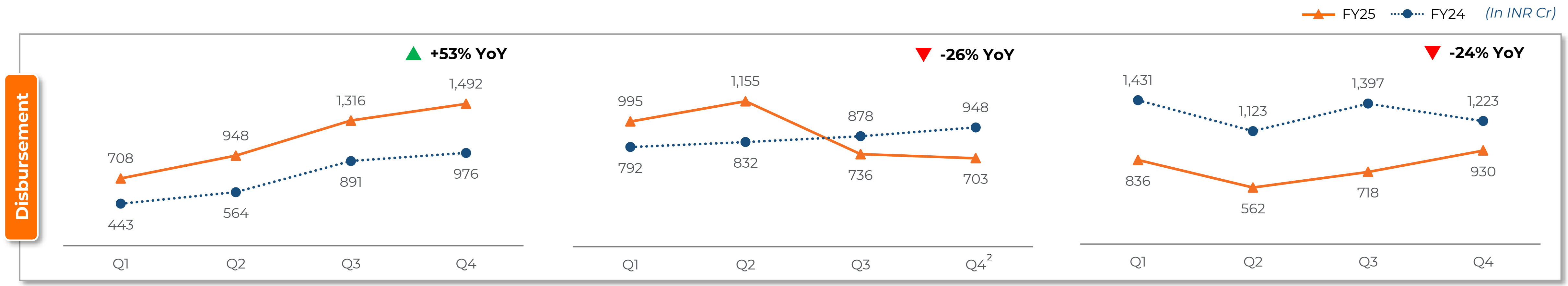
(In INR Cr)

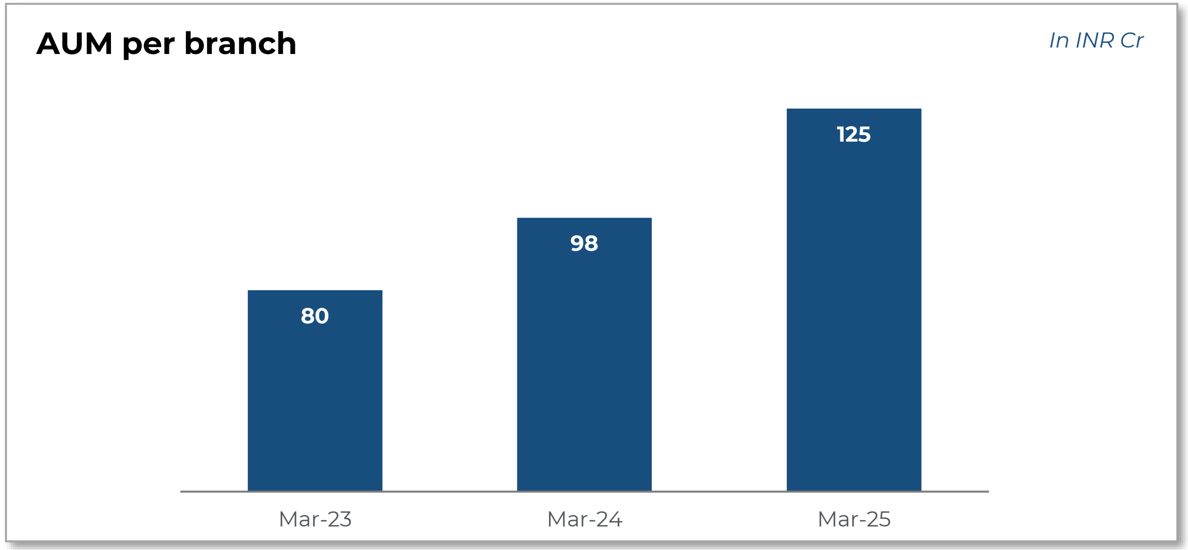


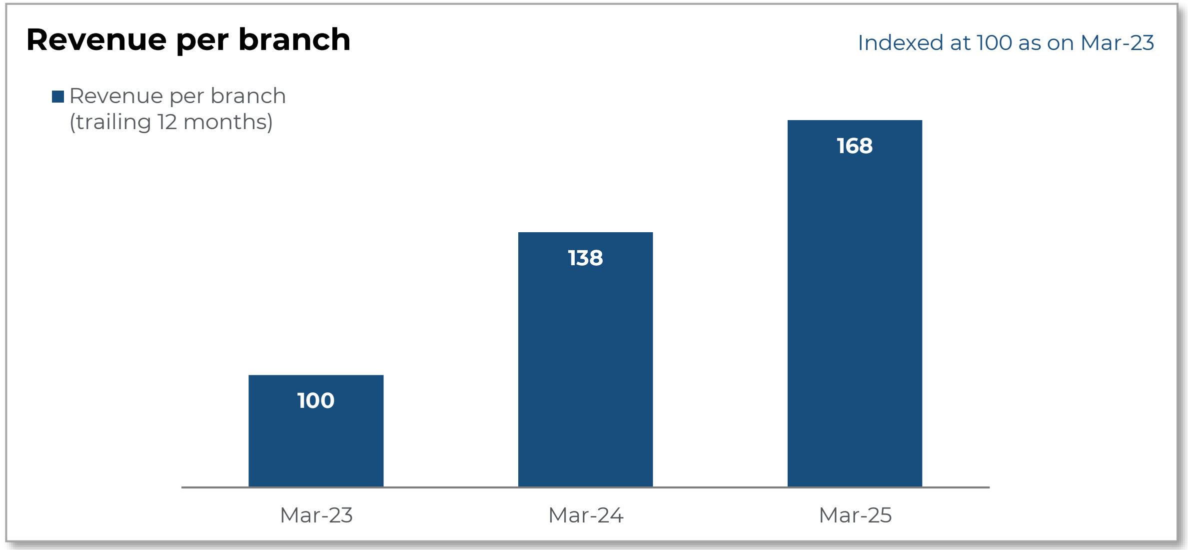


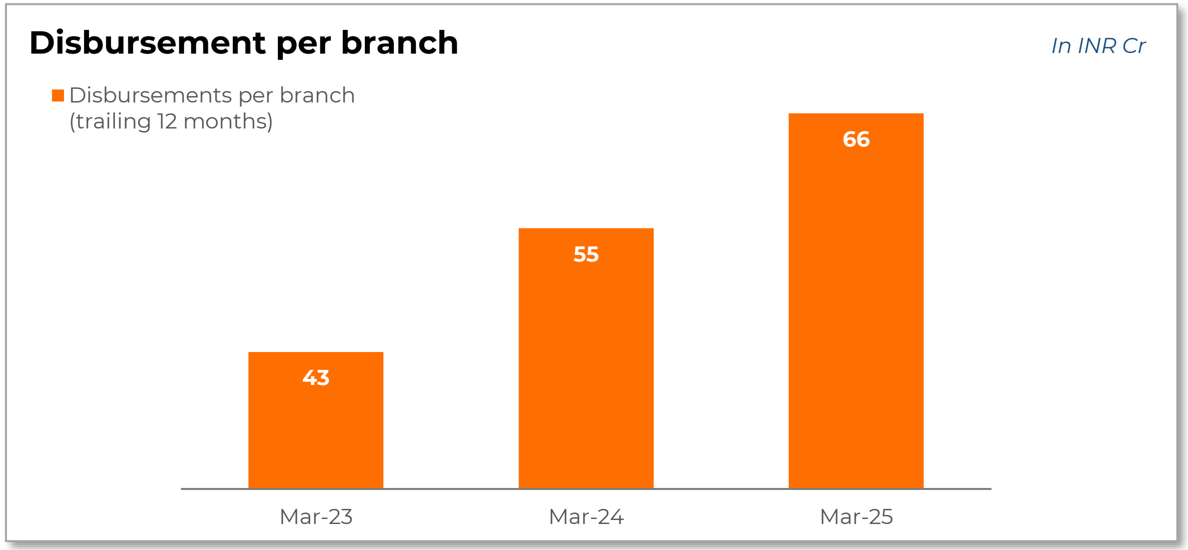
Salaried PL			Business loans			Digital loans		
4.1 Lac	756	17.7%	9.2 Lac	749	19.2%	1.1 Lac	759	16.0%
Average ticket size	*Average CIBIL score*	*Disbursement yield*	*Average ticket size*	*Average CIBIL score*	*Disbursement yield*	*Average ticket size*	*Average CIBIL score*	*Disbursement yield*

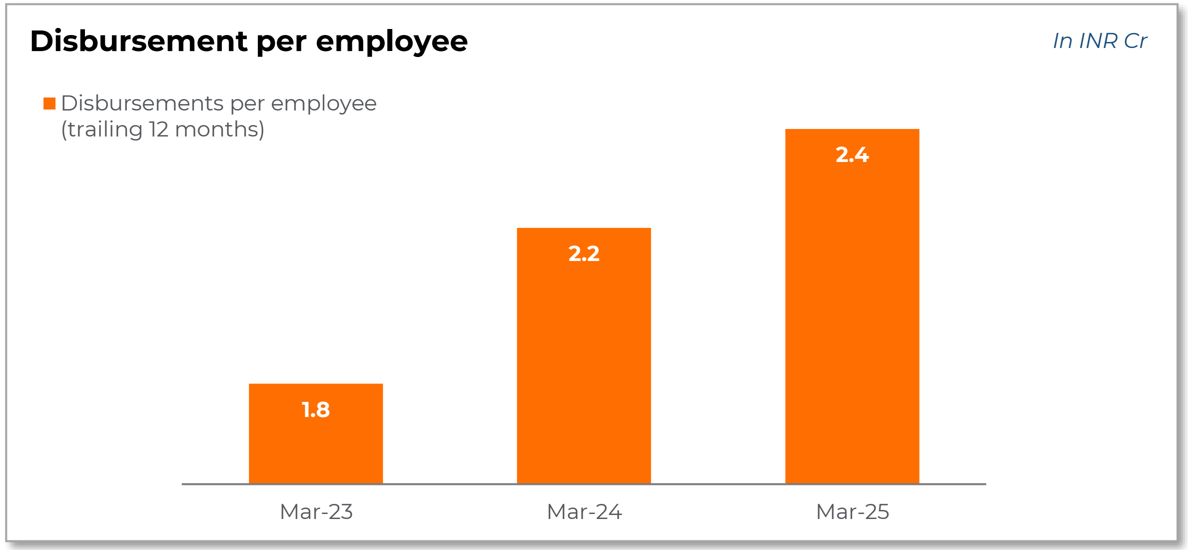
Notes: (1) Unsecured business loans
(2) Split of Q4FY25 disbursements of INR 703 Cr (Q3FY25: 736 Cr): UBL at 637 Cr (Q3FY25: 639 Cr) & Microfinance at 66 Cr (Q3FY25: 97 Cr)

Branch and employee productivity are steadily improving



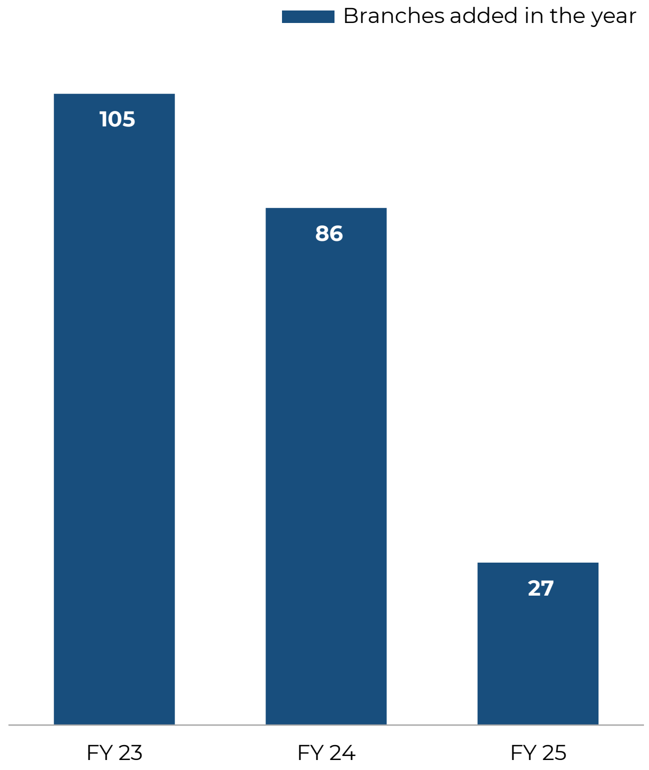






Increasing product penetration at existing branches, and...

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



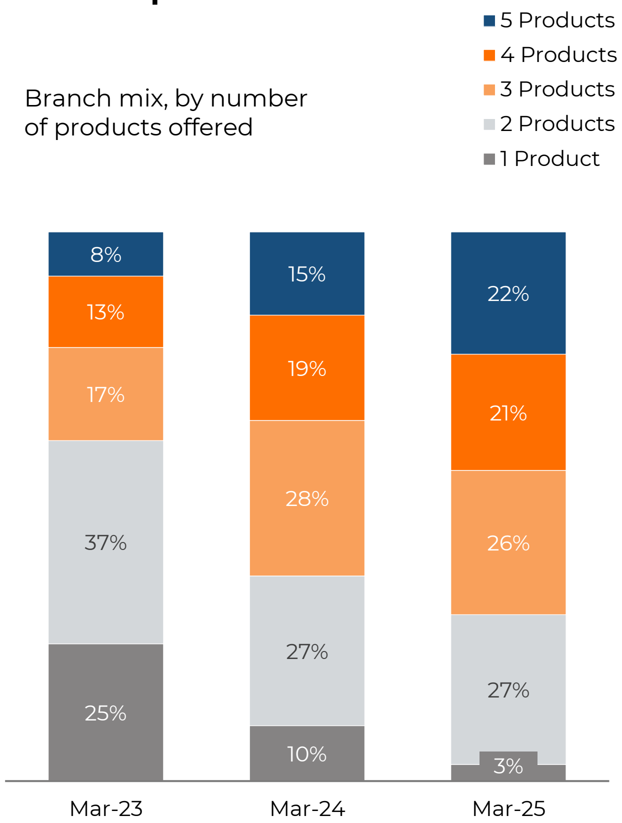
2 ...and focusing more on increasing product penetration into existing branches ...

No. of branches

Products offered	Mar-23	Mar-24	Mar-25
Housing loans	398	470	512
LAP	343	461	512
Used car loans	169	307	363
Salaried PL	127	225	319
Business loans	93	168	293
Total branches	***404***	***490***	***517***

3 ...leading to more products being offered per branch

Branch mix, by number of products offered



...a maturing network to drive productivity expansion

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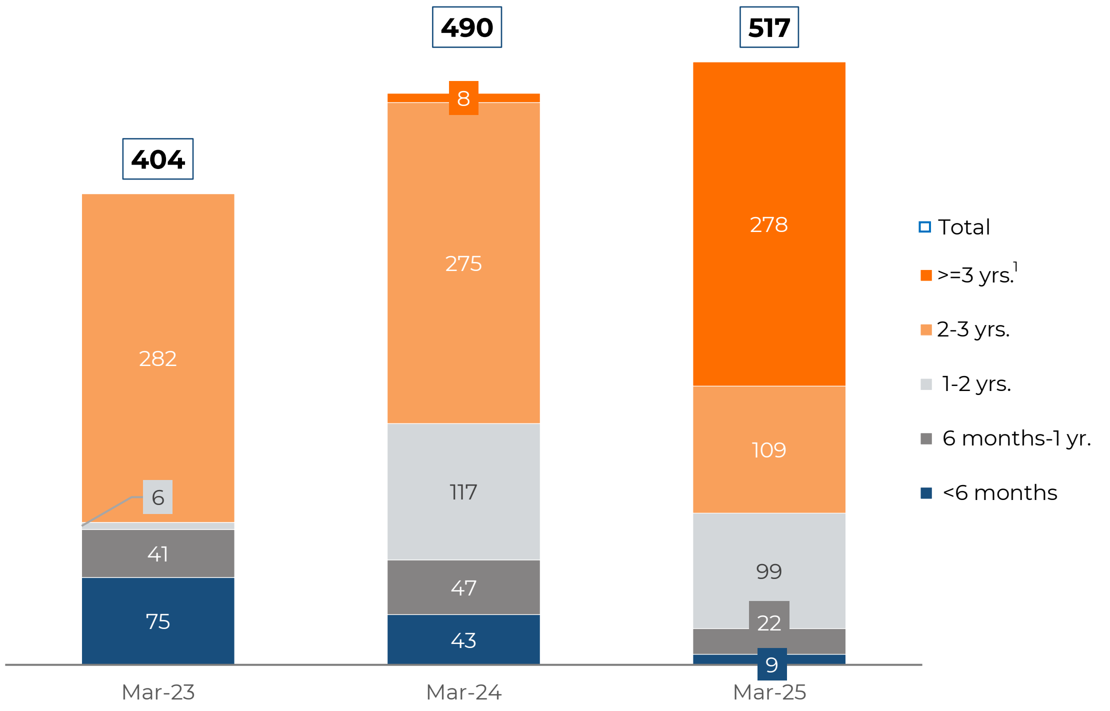
1 Our branches are becoming more mature...

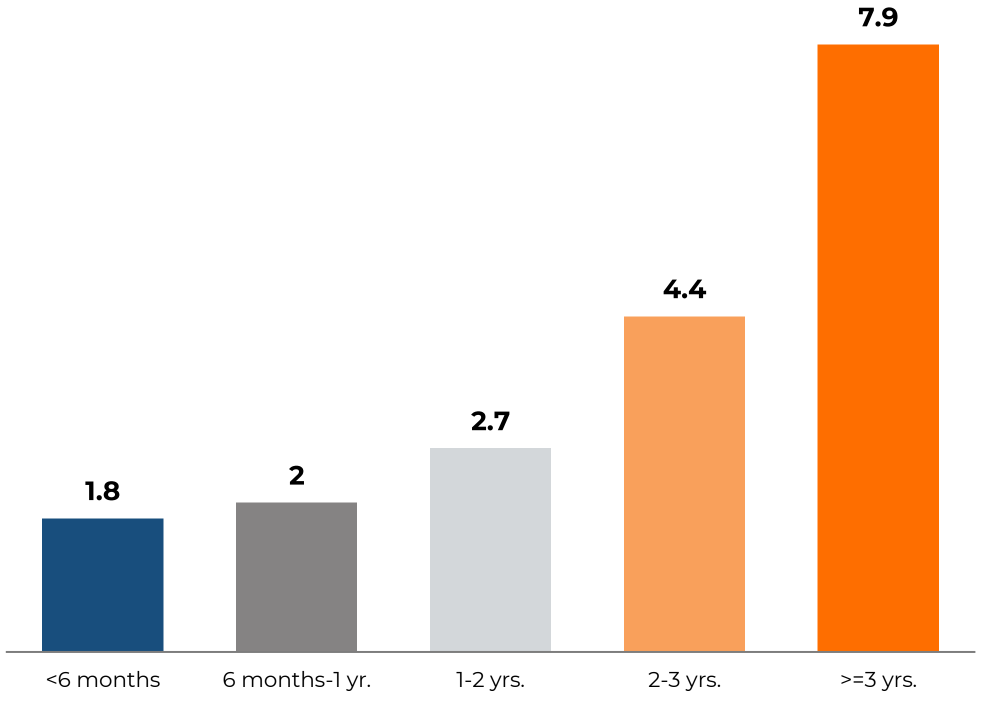
Number of branches, by vintage



2 ...and productivity will further increase

In INR Cr

Benchmark monthly disbursement[2]
per branch by vintage

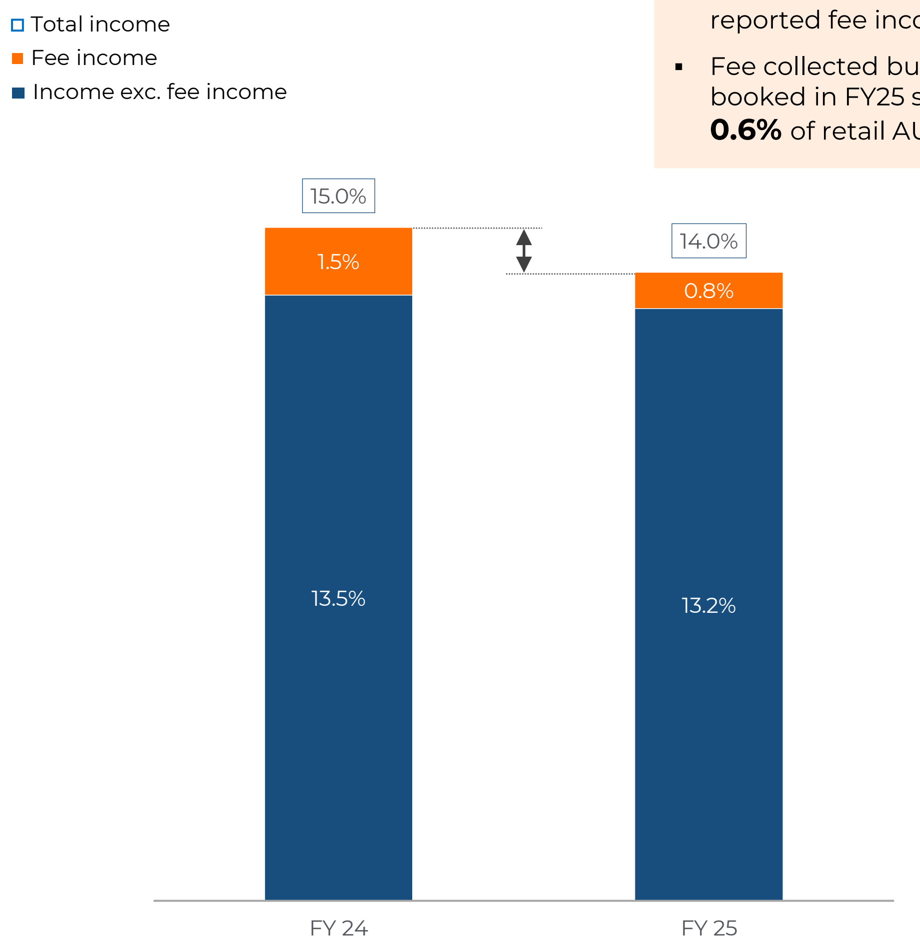


Note: (1) >=3 years bracket in Q4 FY25 mostly represent DHFL branches acquired in Sep'21
(2) Only for branch led products

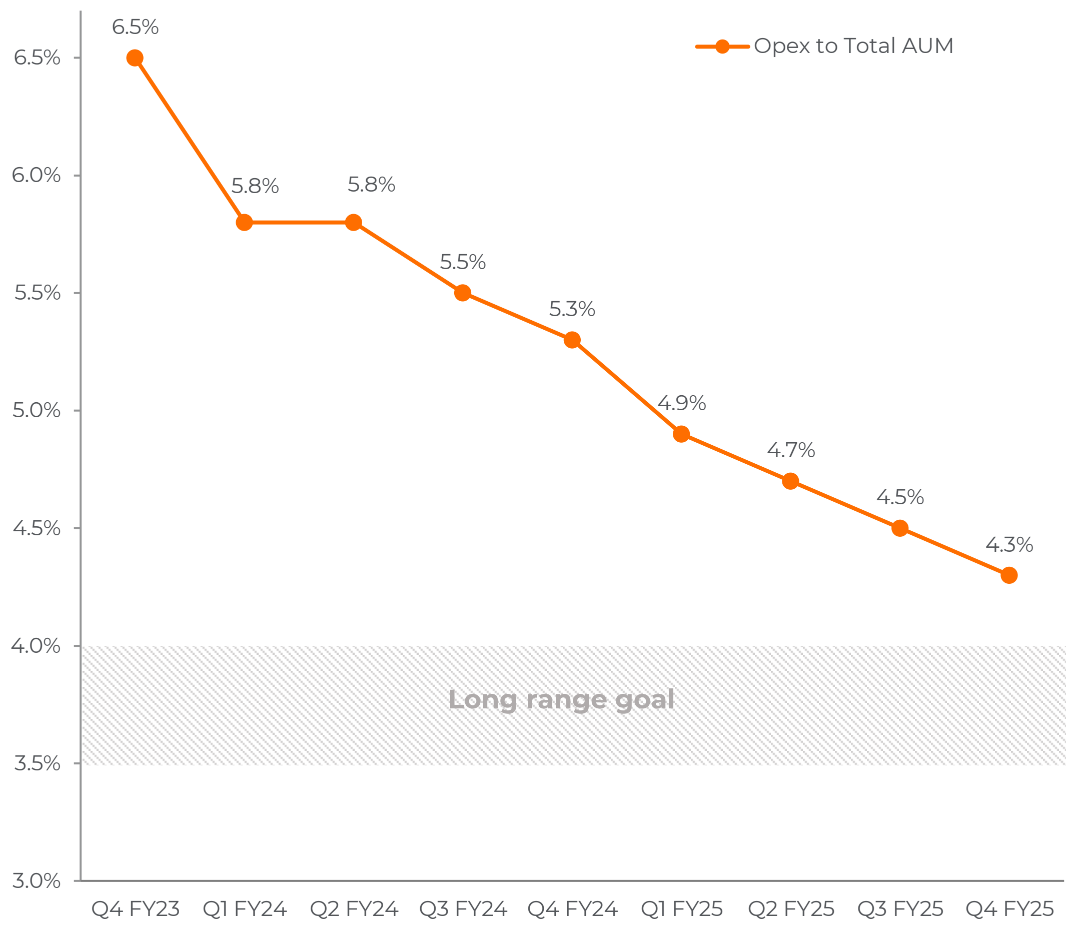
Stable income profile – operating leverage kicking in

Stable income levels in a range

- Amortization of processing fee led to the FY25 drop in reported fee income
- Fee collected but not booked in FY25 stands at **0.6%** of retail AUM



Opex ratio reduced ~220 bps over last 8 quarters

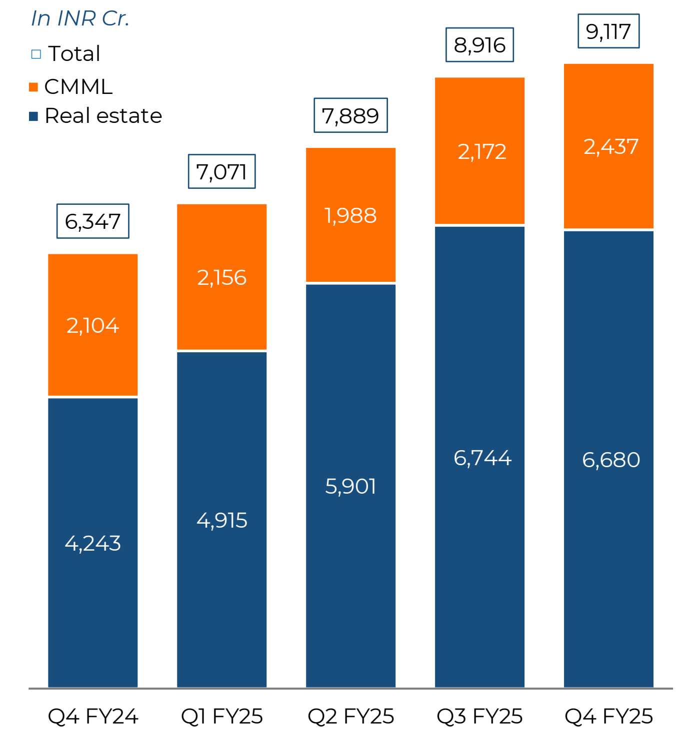


Snapshot – Wholesale 2.0

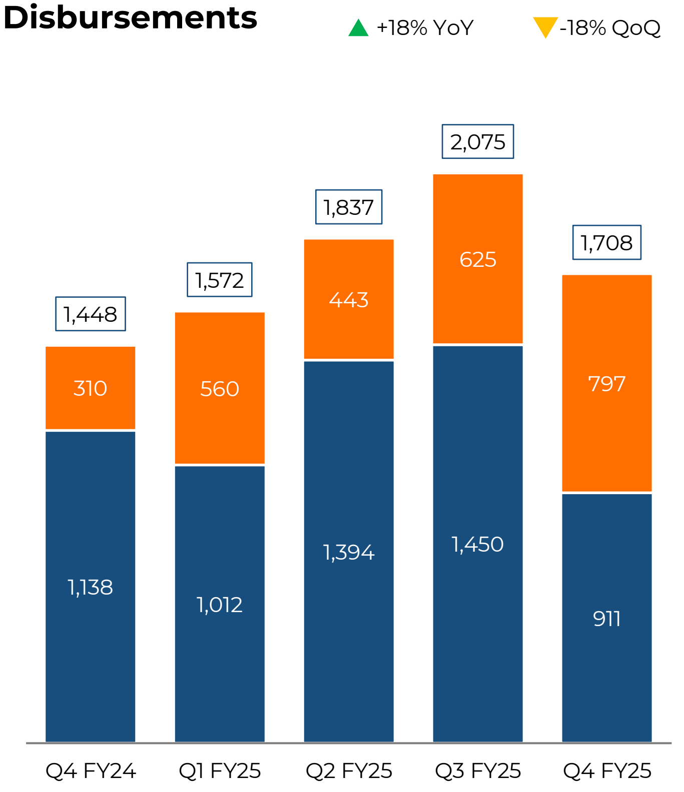
AUM	**INR 9,117 Cr** ▲ 44% YoY
Mix	**73 : 27** Real estate : CMML
Disbursements	**INR 7,192 Cr** ▲ 22% YoY in FY25
Average ticket size	**~INR 70 Cr**
Portfolio EIR (Effective interest rate)	**~14.4%** Steady QoQ
Pre-payments as % of disbursements	**45%** In FY25 Strong underwriting reflects in high prepayments as well

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

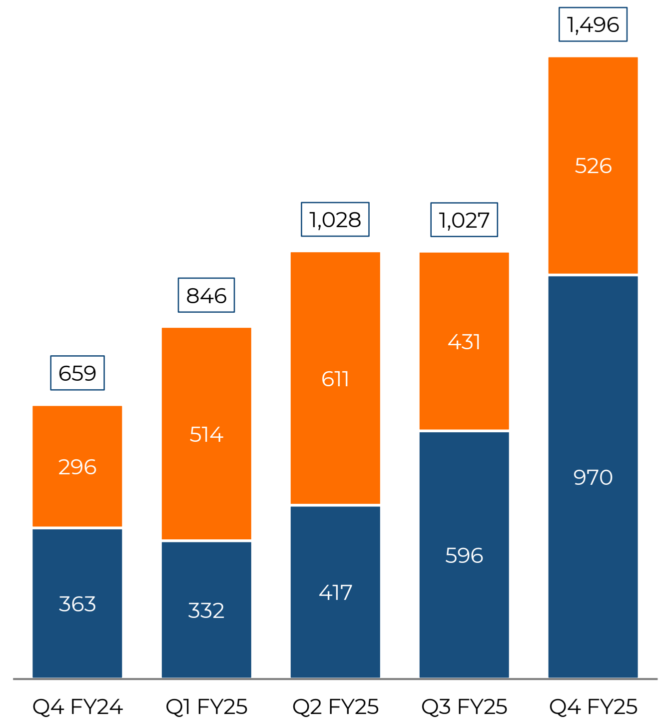
AUM



Disbursements



Total repayments (including pre-payments)



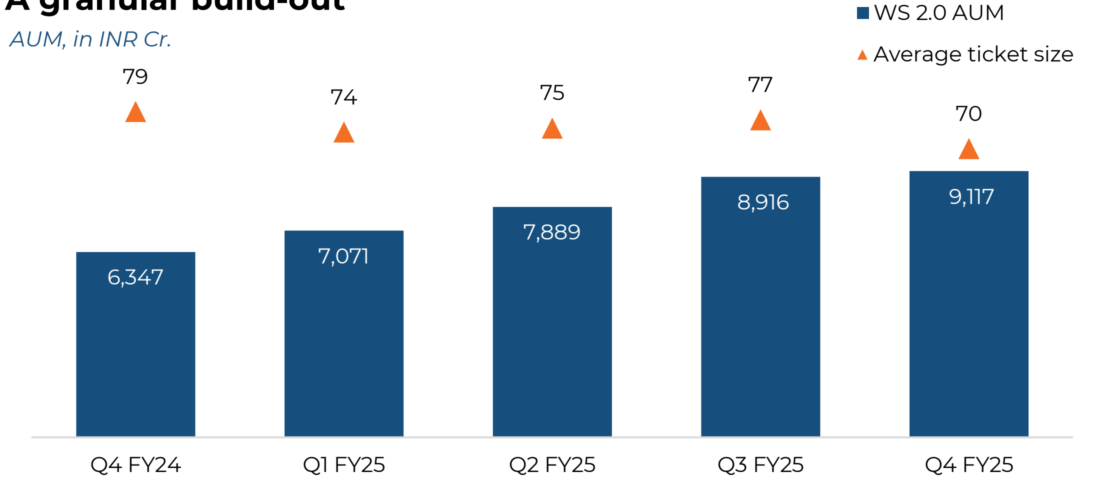
- **Performing well**, in line with or ahead of underwriting, as reflected in prepayments
- **Pre-payments** worth INR 1,162 Cr received in Q4 FY25
- FY25 **pre-payments** (INR 3,237 Cr) were 45% of the disbursements during the year

Wholesale 2.0: Granular and diversified build-out

(Charts represents data for outstanding AUM)

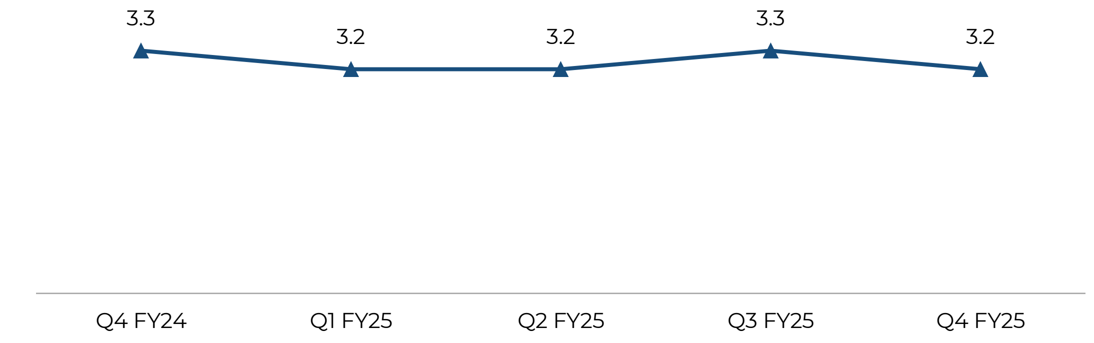
A granular build-out

AUM, in INR Cr.



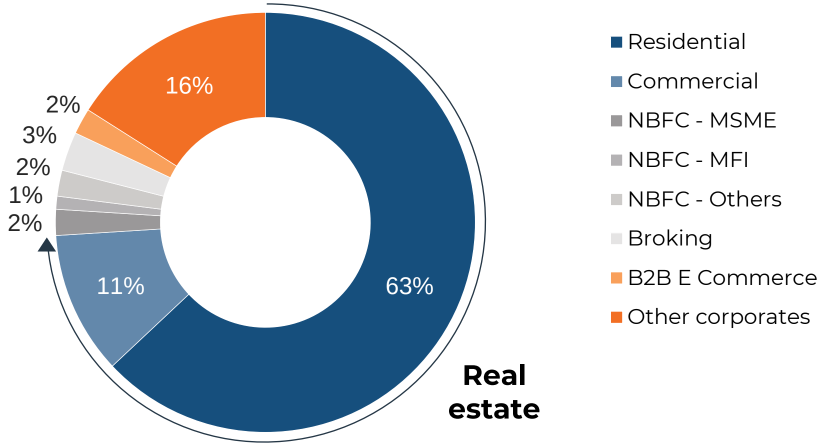
Average loan tenure

In years, represents average residual tenor



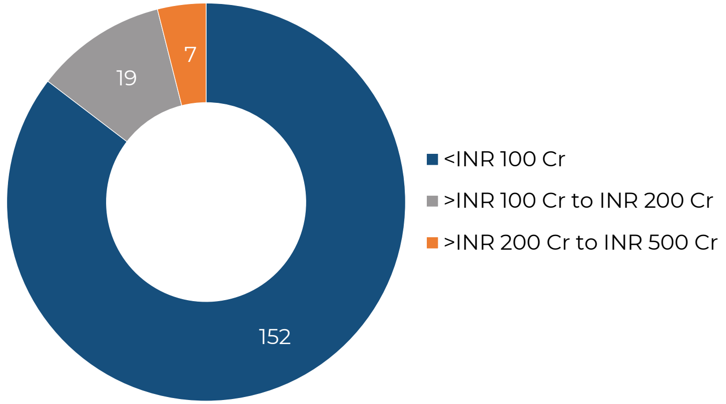
Overall asset diversity (AUM mix)

As of Mar 2025



Mix by ticket size range

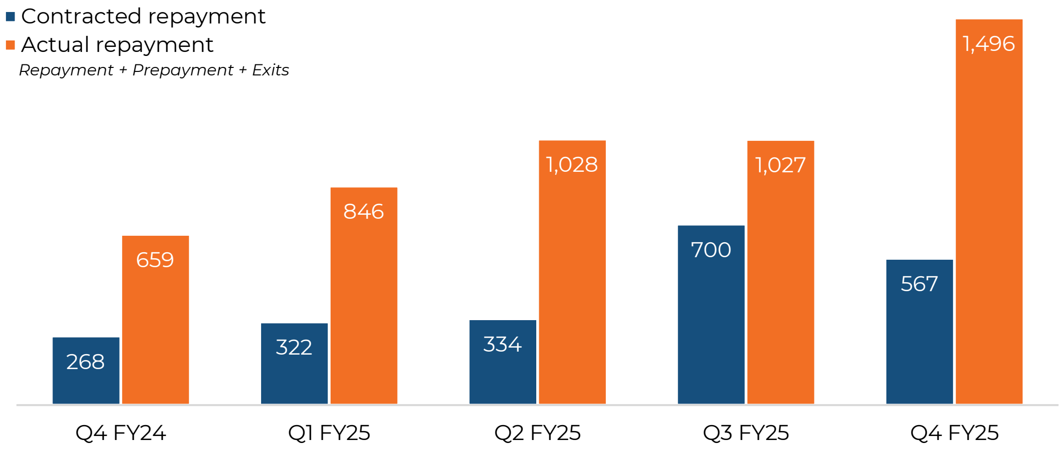
 # Number of deals; Mar 2025



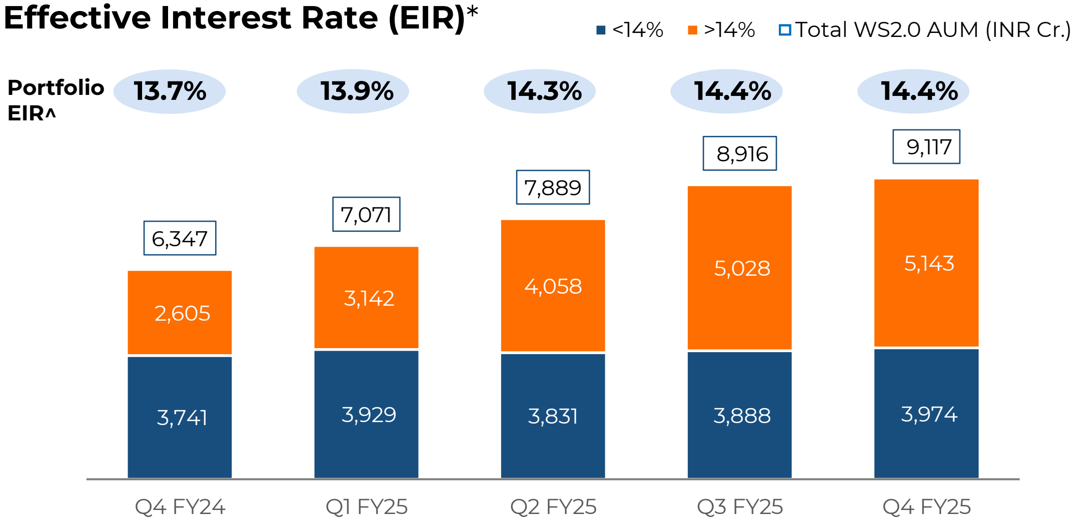
Wholesale 2.0: Portfolio analysis

Repayment analysis

In INR Cr.

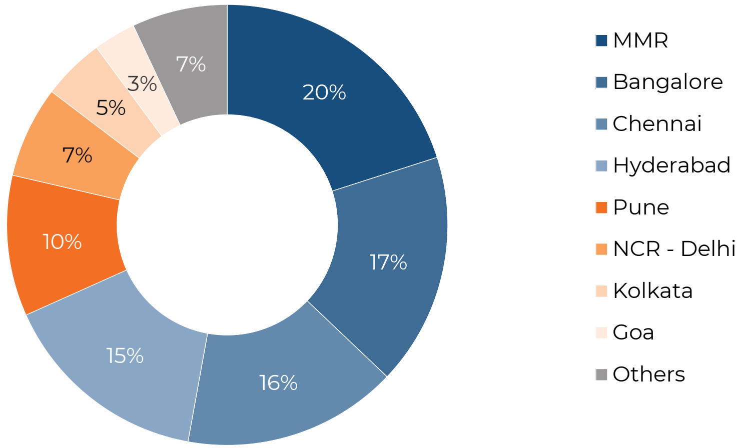


Effective Interest Rate (EIR)*



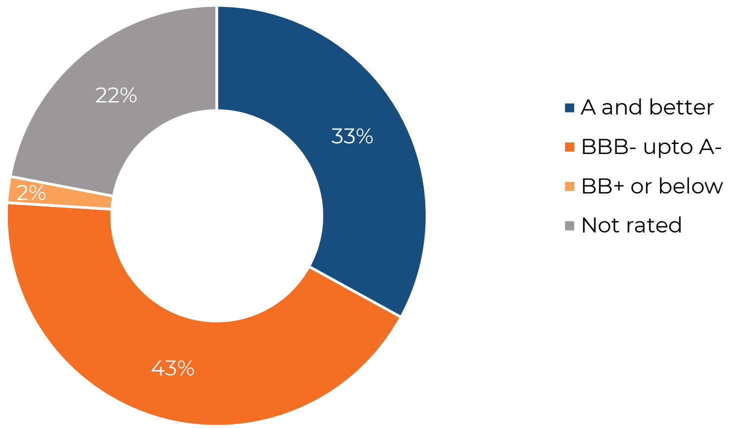
Real estate AUM by geographic exposure*

As of Mar 2025



CMML AUM by ratings*

As of Mar 2025

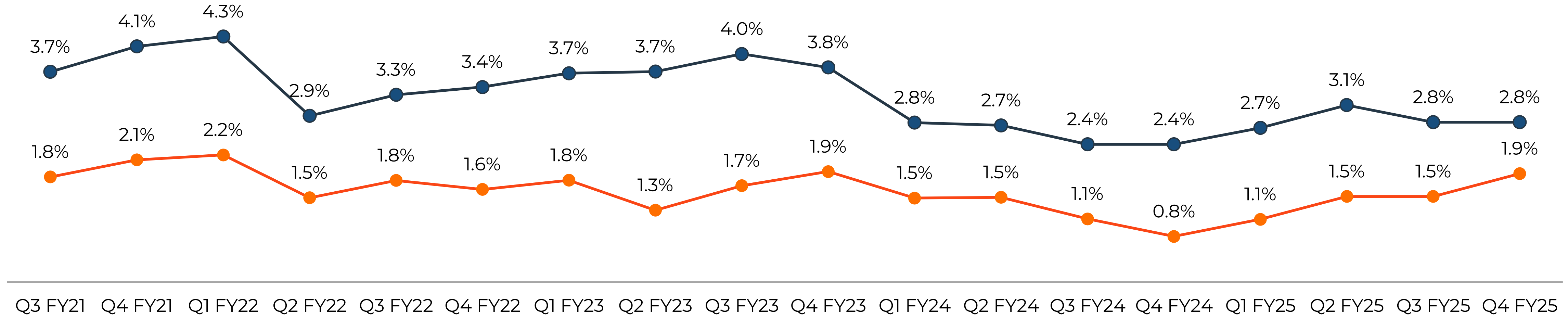


Notes: (*) Represents data for outstanding AUM
(^) Portfolio EIR % includes fee income

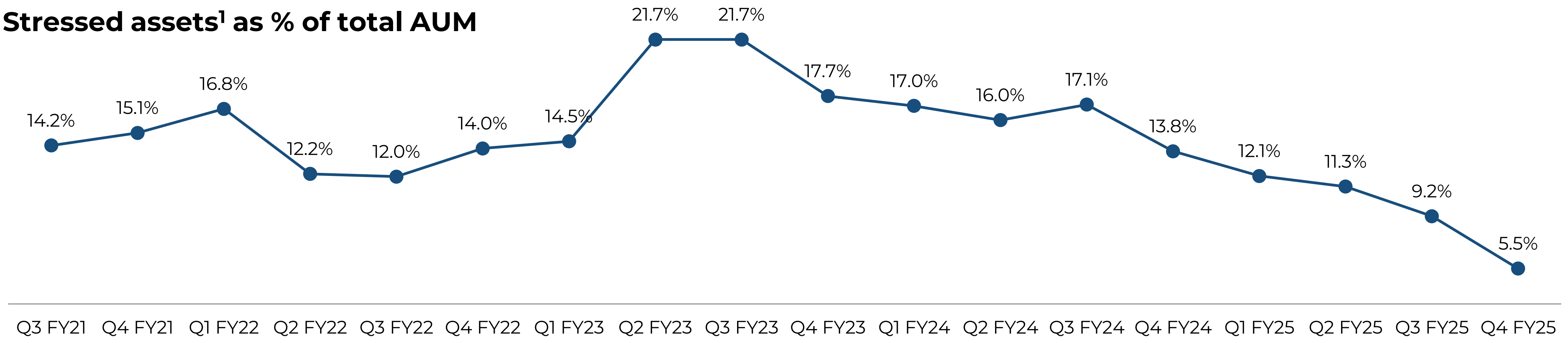
Asset Quality

Asset quality metrics: Post peak in FY23 have returned to pre-stress periods

GNPA & NNPA ratio



Stressed assets[1] as % of total AUM

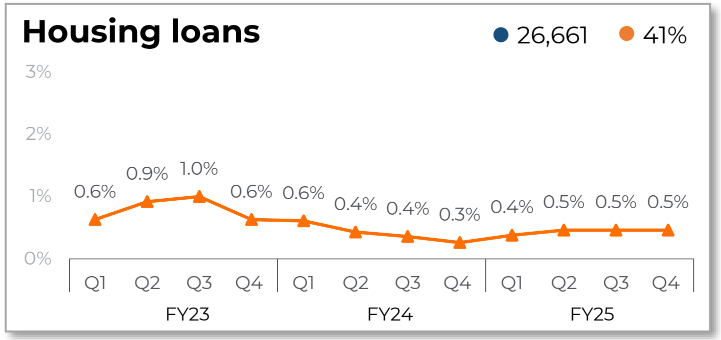


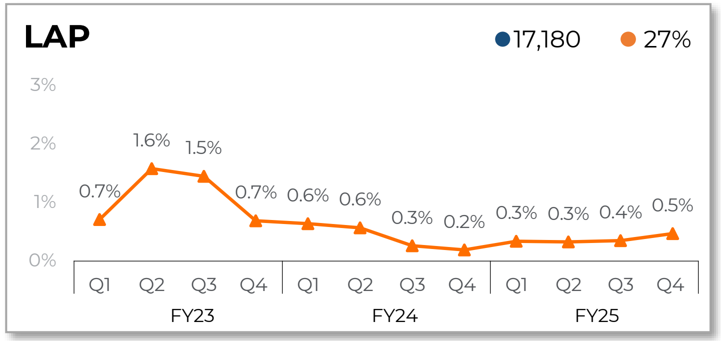
Note: (1) Stressed assets include legacy stage 2+3 assets, land & receivables & legacy SRs

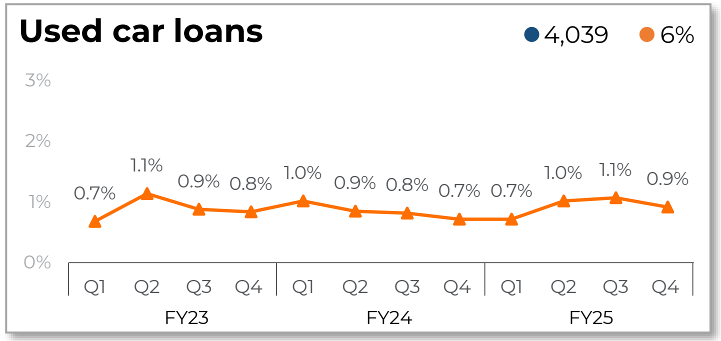
Retail risk (1/2) – Overall stable 90+ DPD reflects diversified AUM mix

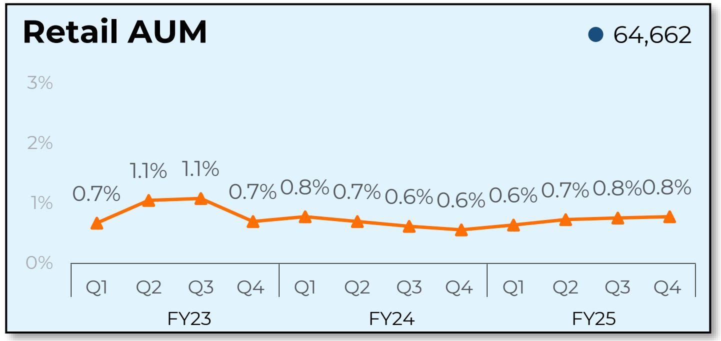
● AUM as of Q4 FY25 (INR Cr)
● % of retail AUM as of Q4 FY25

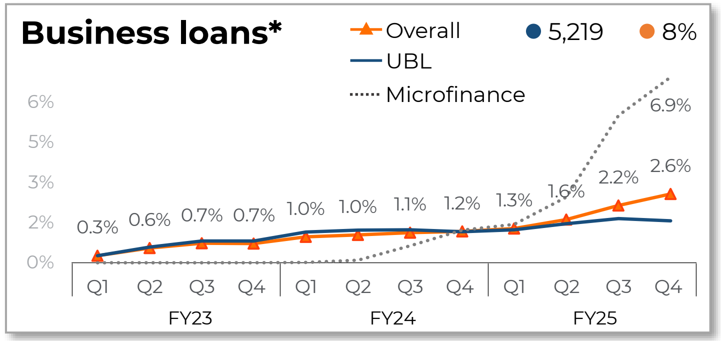
90+ DPD

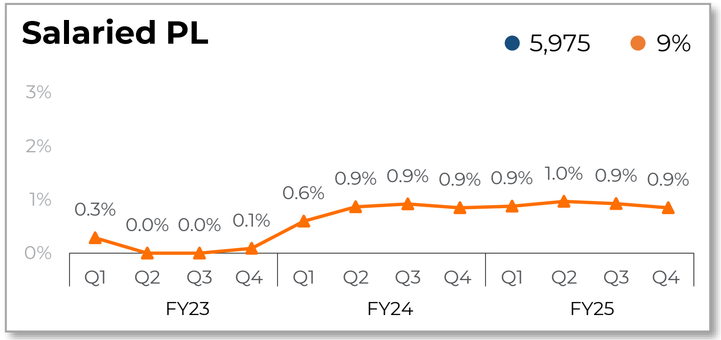


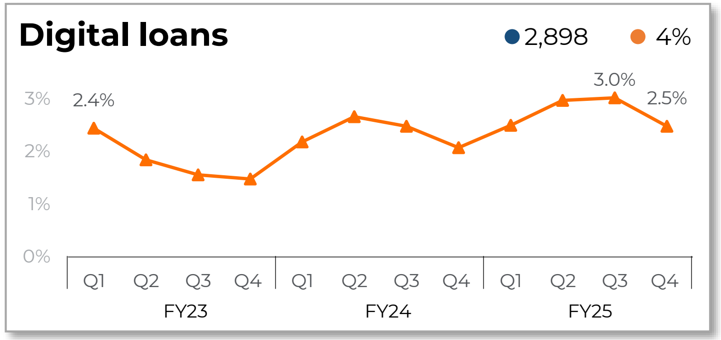










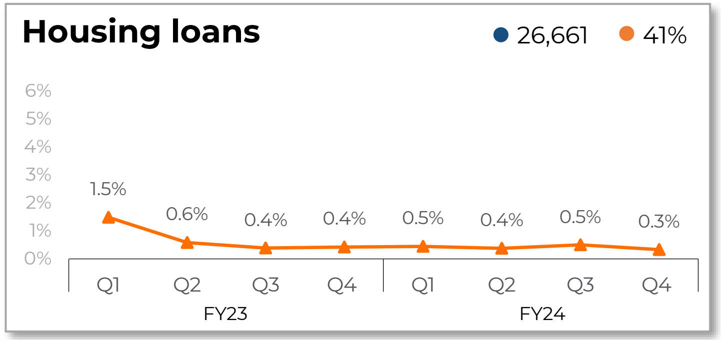


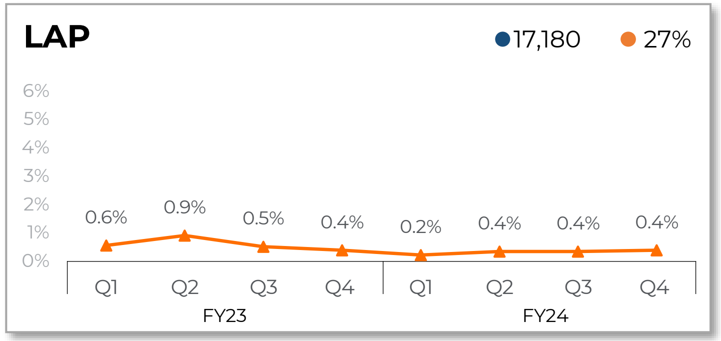
Note: (*) AUM as of Q4FY25 for Unsecured business loans (UBL) is INR 4,247 Cr and Microfinance is INR 975 Cr

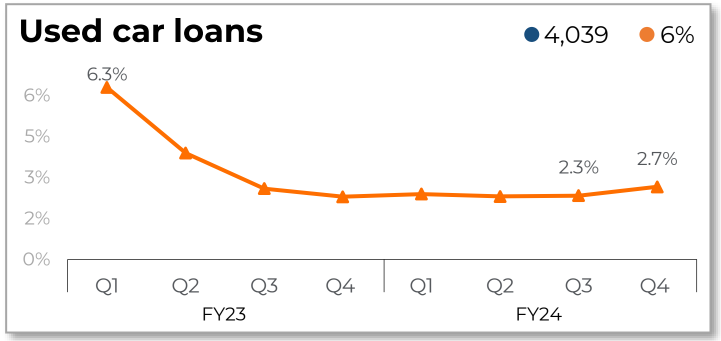
Retail risk (2/2) – vintage risk* : steady improvement in quality of new originations

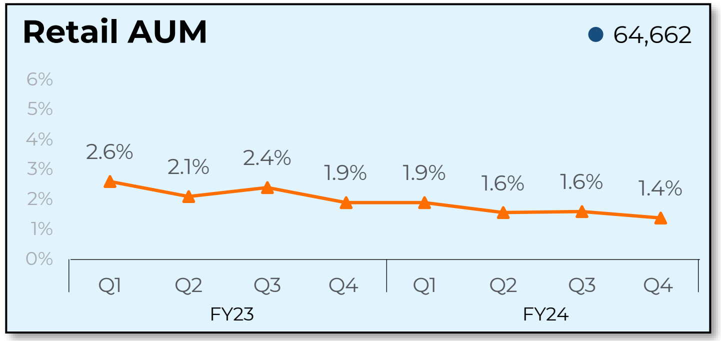
● AUM as of Q4 FY25 (INR Cr)
● % of retail AUM as of Q4 FY25

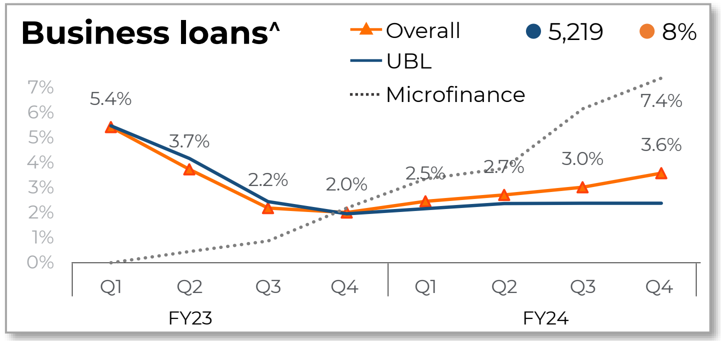
*90+ DPD at 12 months on book



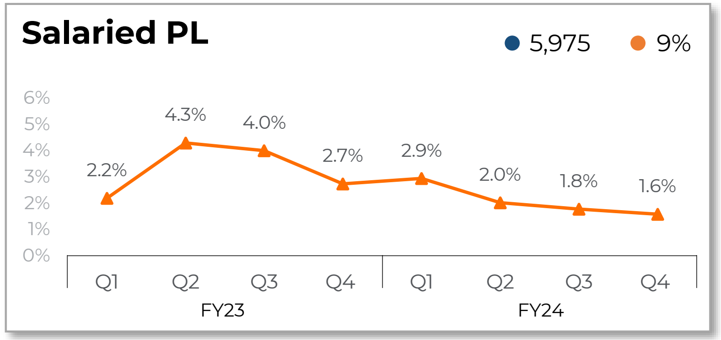


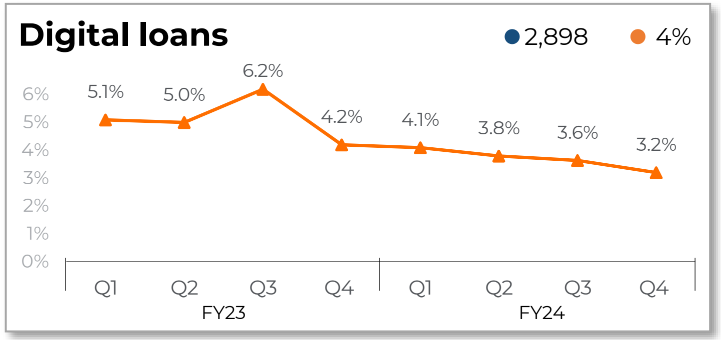






X-axis represents quarter of origination





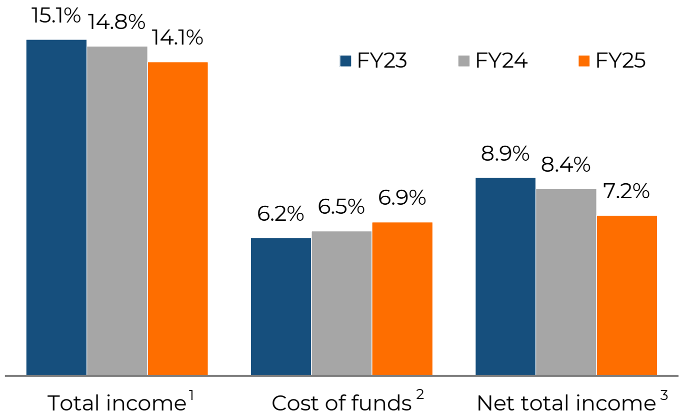
Note: (^) AUM as of Q4FY25 for Unsecured business loans (UBL) is INR 4,247 Cr and Microfinance is INR 975 Cr

Profitability

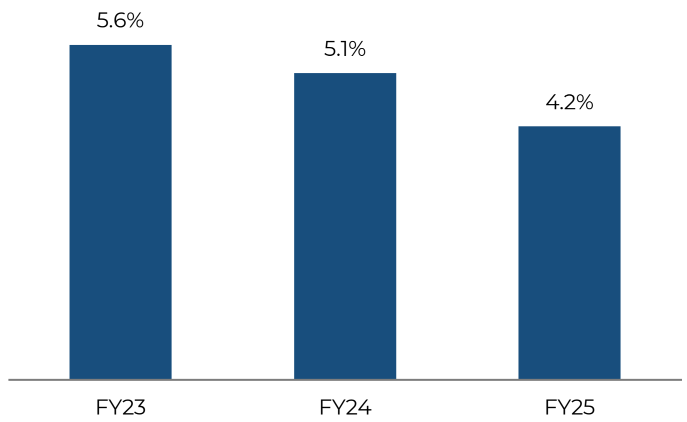
Growth business profitability*

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

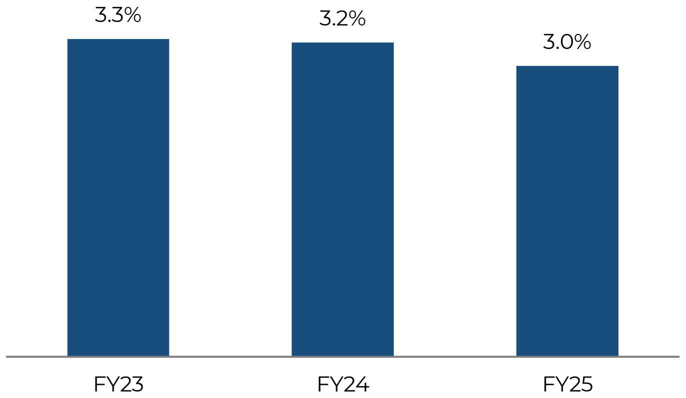
Net total income - *Amortization of fee impacted FY25 reported income*



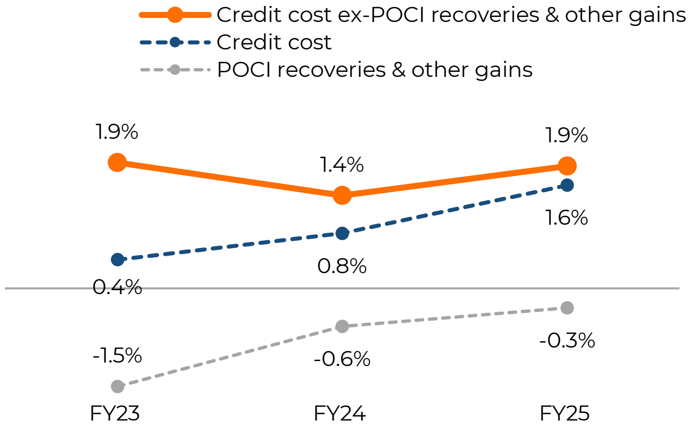
Opex



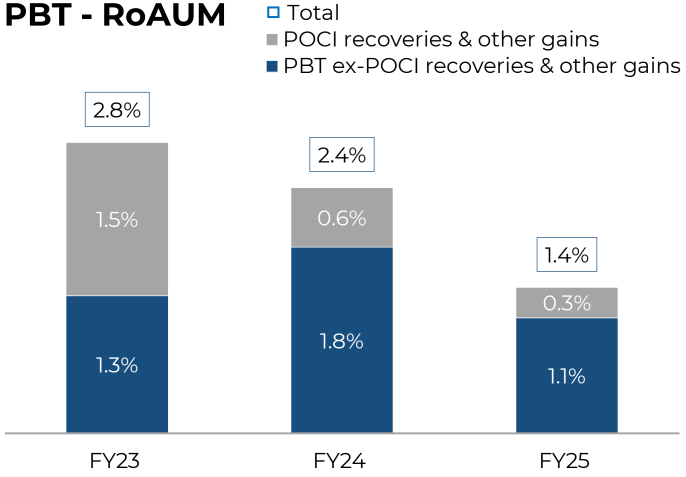
PPOP



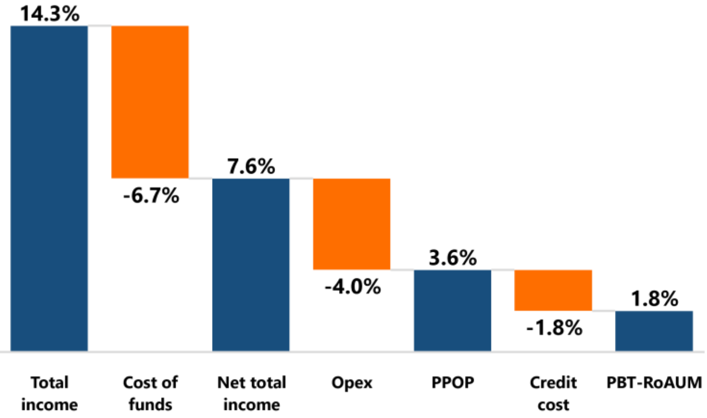
Credit cost



PBT - RoAUM



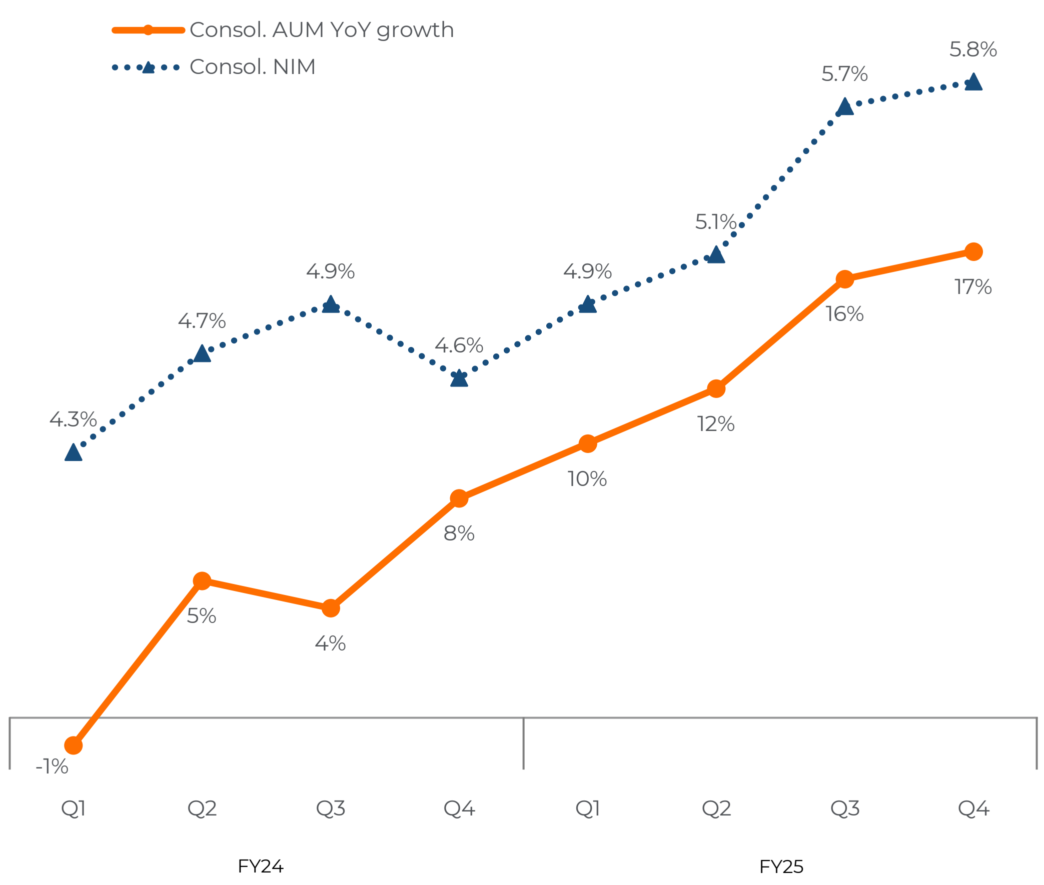
Q4 FY25 RoAUM tree



Notes: (*) Pro forma business P&L
(1) Total income = Yield + fees + other income
(2) Cost of funds (incl. equity)
(3) Net total income = Total income – Cost of funds

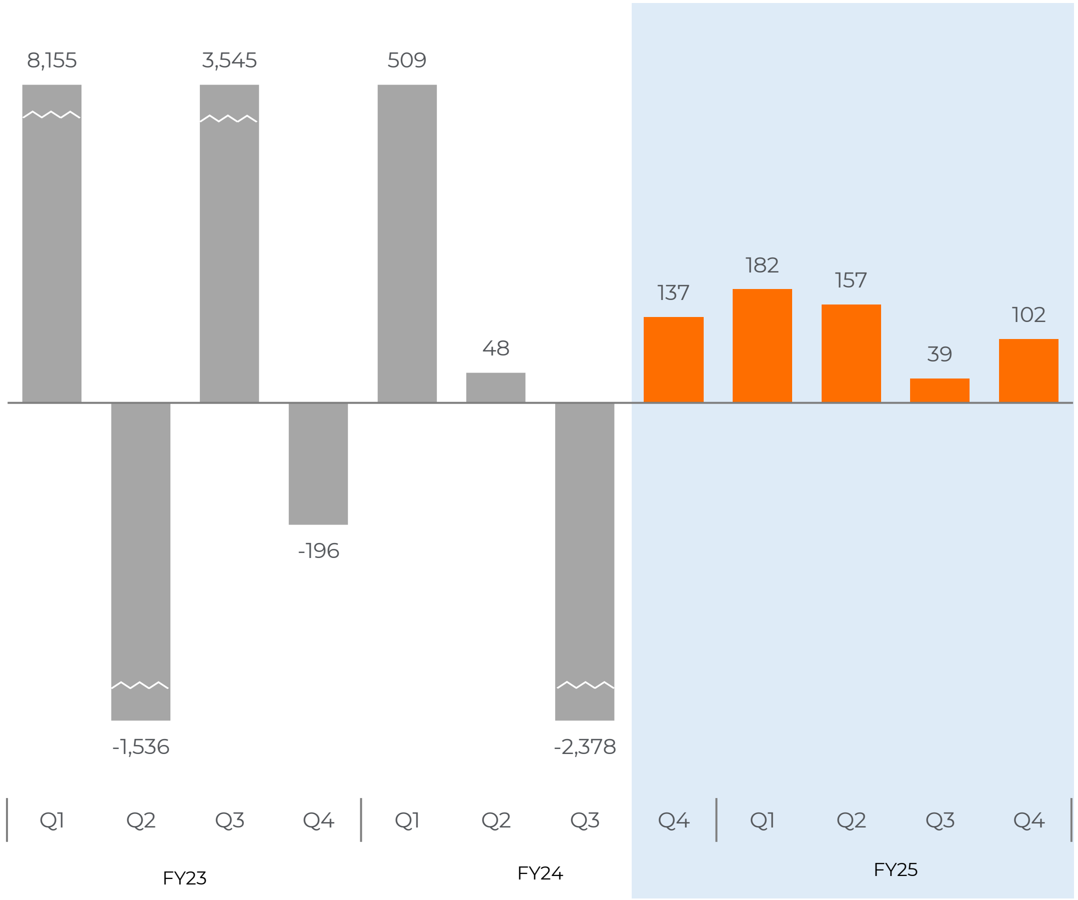
With mix shift from Legacy to Growth…

1 Consol. AUM growth and NIM are increasing…



2 …and volatility in net profit is reducing

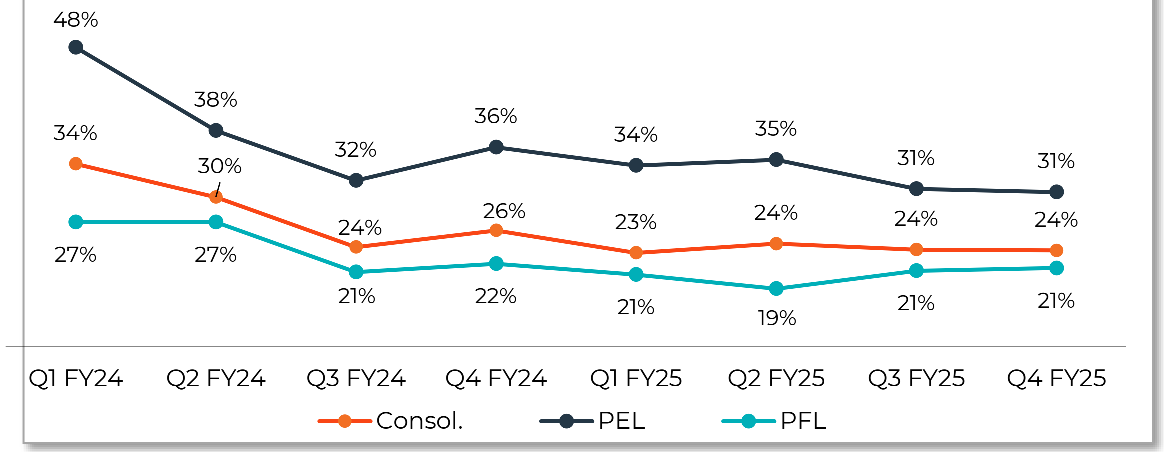
Consol. PAT, in INR Cr.



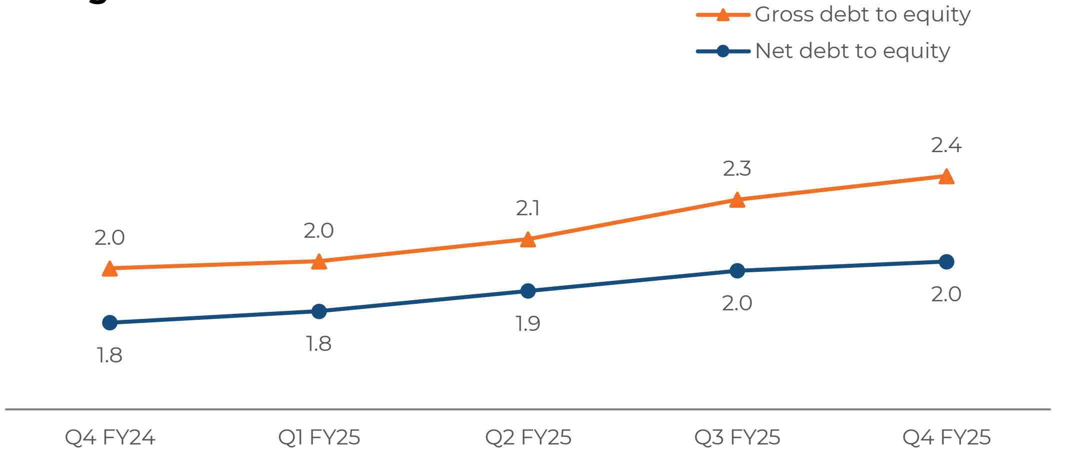
Liabilities Management

Liabilities management

Capital Adequacy

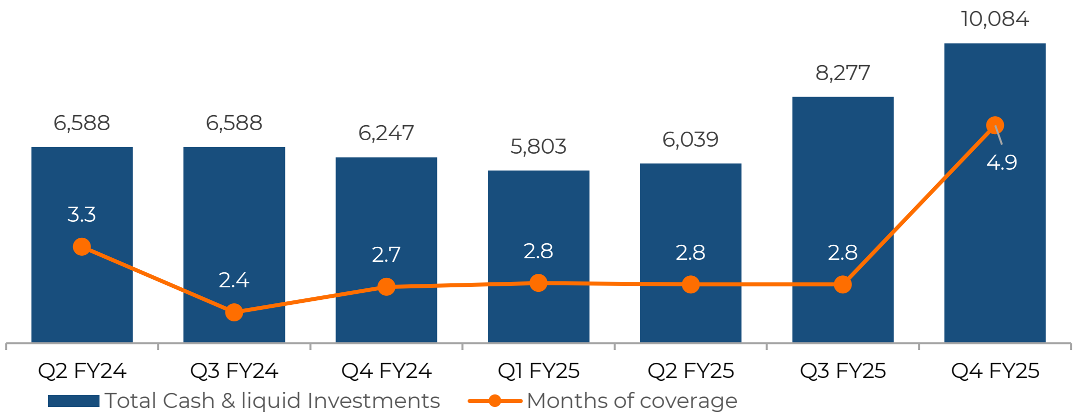


Leverage ratios

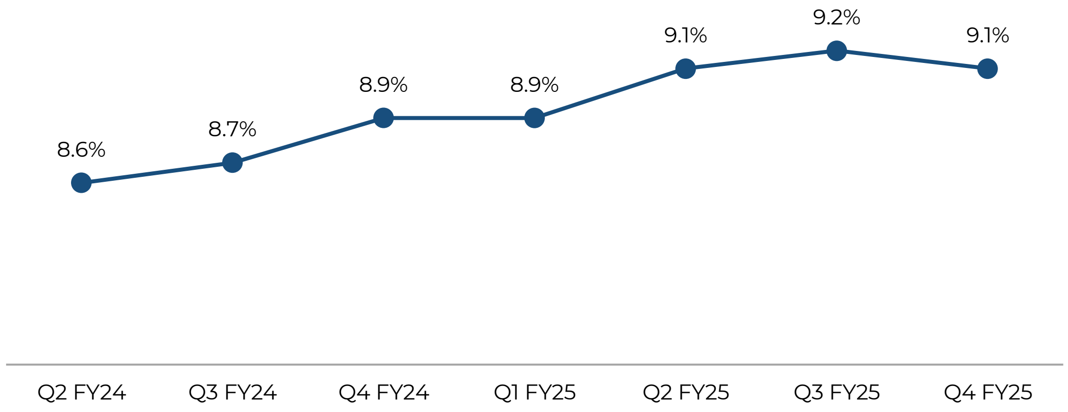


Cash and Liquid Investments

In INR Cr, period-end



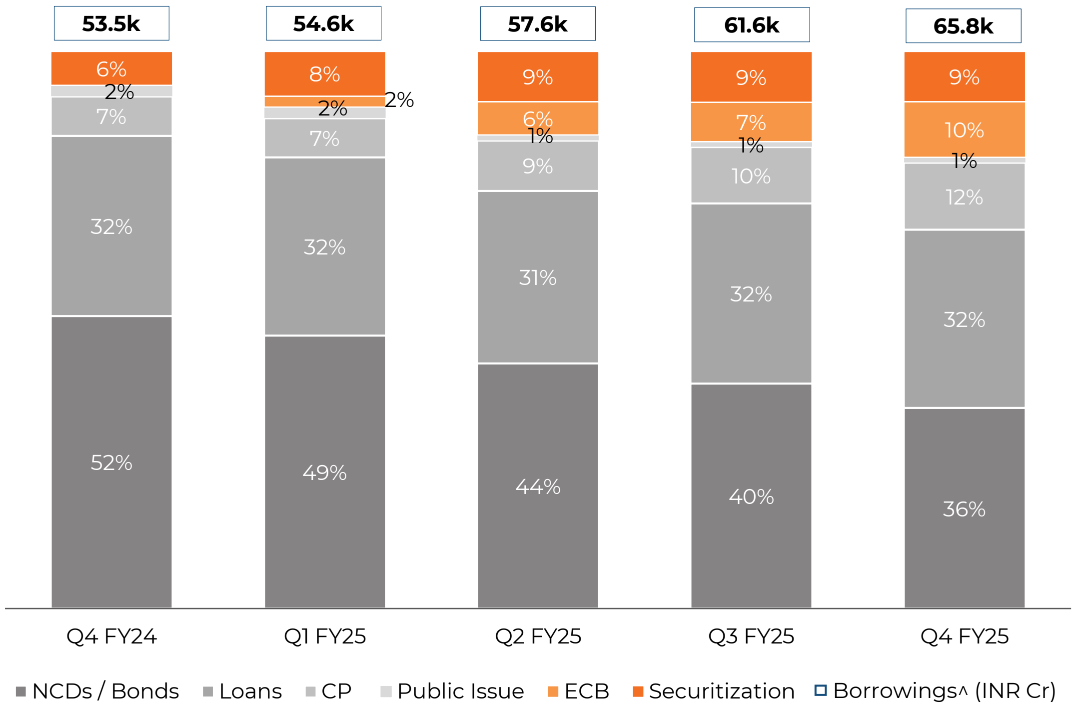
Average borrowing cost



Note: (*) Liabilities includes fixed rate borrowings of INR 15,248 Cr for Q4 FY25 as DHFL NCDs

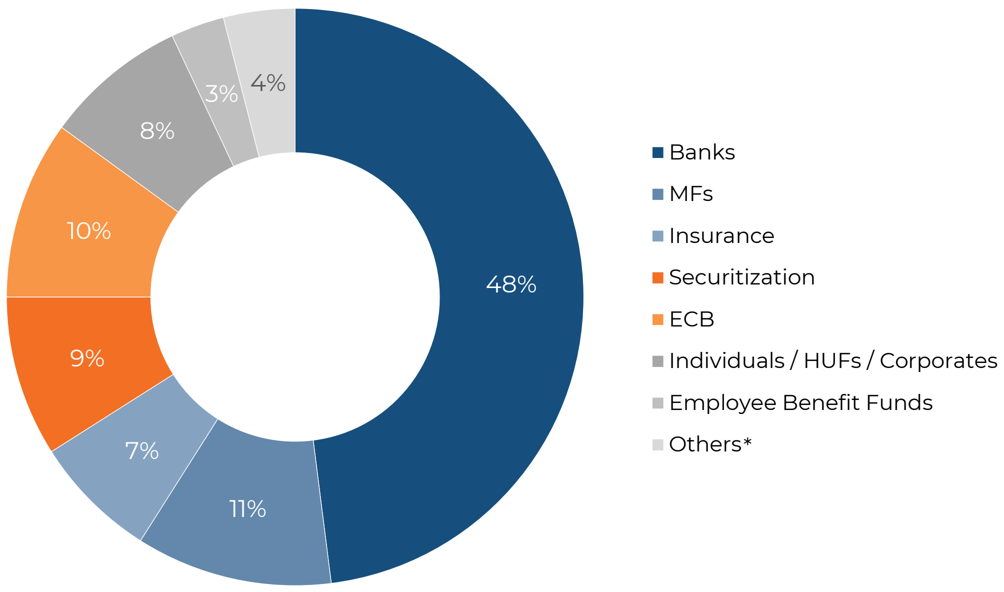
Securitization and international borrowings now form ~20% of total borrowings

Rising share of securitization and international borrowings



Borrowing mix by type of lender

As of Mar '25

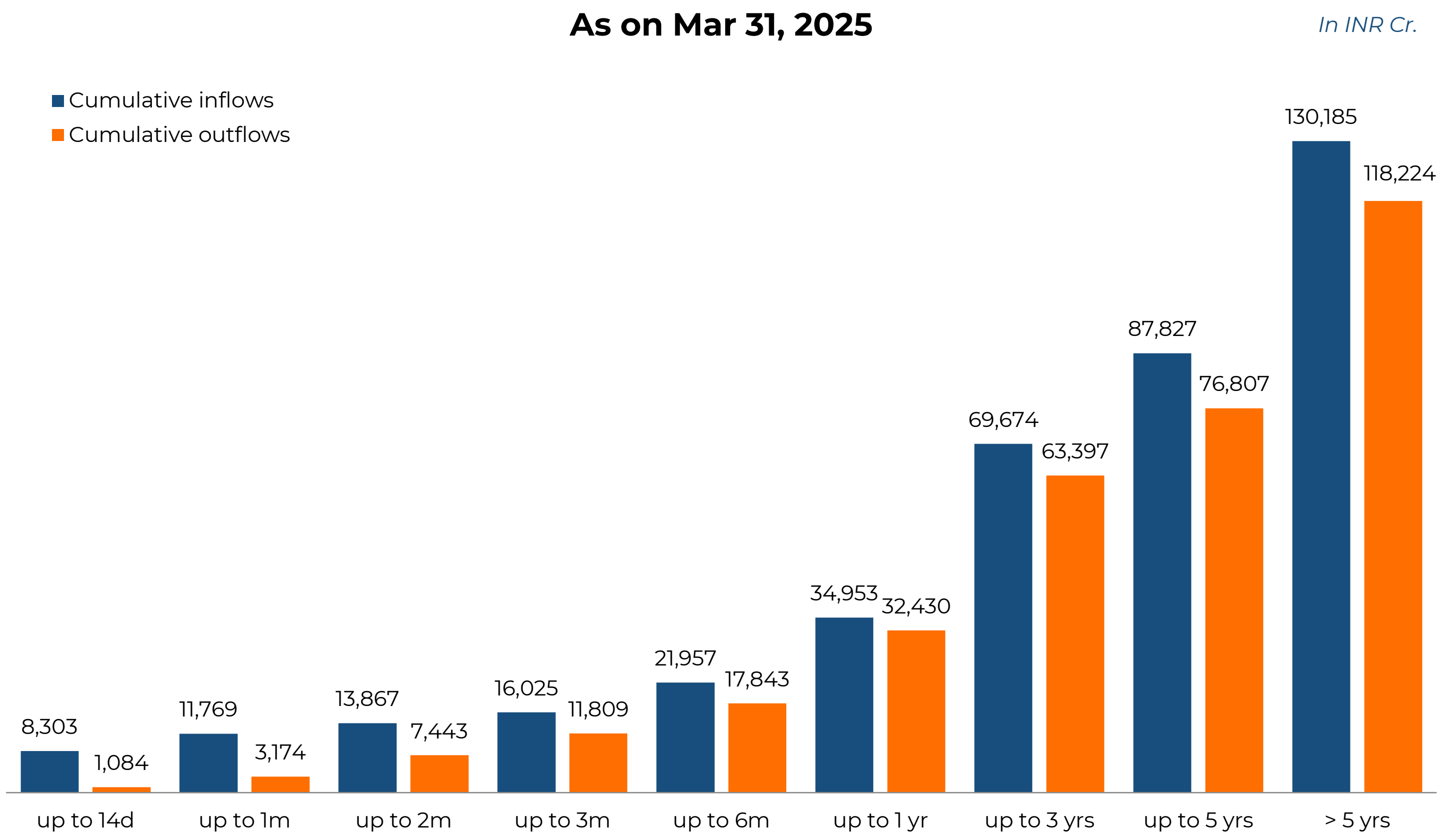


Domestic ratings	**Long term ratings** ICRA & CARE: AA Outlook Stable	**Short term ratings** CRISIL, ICRA, CARE: A1+

International ratings	**S&P: BB-** **Moody's: Ba3**

Note: (*) Includes NHB, & other financial institutions which contribute 2% and 2% respectively to overall borrowings
(^) Small variance between total borrowings and Gross Debt mentioned in Balance Sheet is primarily due to Ind AS adjustments and fair value of ECB

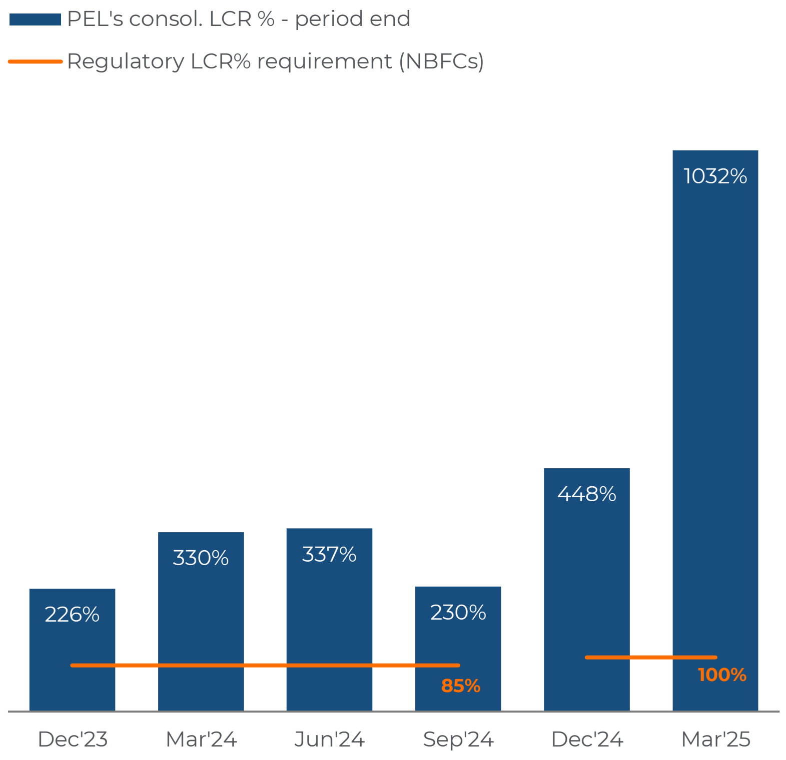
Asset-liability profile



Cumulative GAP (%)

+666%	+271%	+86%	+36%	+23%	+8%	+10%	+14%	+10%

Very strong position on liquidity



Q4 FY25 consol. LCR of 205% on period average basis

Piramal

Update on Merger

Proposed merger of PEL with PFL to complete by Q2FY26

Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26

✓ Board Approval
(May 8th, 2024)

✓ Filing of scheme with Stock Exchanges

Approval receipt from
✓ SEBI
✓ RBI

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

MERGING PEL and PFL will **simplify the group structure** and
provide shareholders with direct access to the entire lending business

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

Piramal

To Conclude...

The Piramal Finance Story

A growing diversified lending business, being built by an experienced management team and backed by solid promoter group

1. **Three years of transformation complete with Growth AUM now at 91% of total AUM**
2. **Legacy AUM below INR 7,000 Crores; down 84% in 3 years, without impacting Net worth**
3. **Strong Retail business built up with stable Credit costs – Retail 80% of Total AUM**
4. **Diversified, Granular Wholesale 2.0 book**
5. **Stabilized Profitability, driven by mix shift from Legacy to Growth**
   Strong Growth book ROA in Q4 FY25; Positive PAT in FY 25; 2.5-3X Profit growth outlook for FY 26
6. **Strong Balance Sheet**
   High Capital Adequacy; Abundant liquidity

Piramal

Thank You

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