

1st April, 2021

BSE Limited
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Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001
BSE scrip code: 500302, 912460

National Stock Exchange of India Limited
Exchange Plaza, 5th floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
NSE symbol: PEL

Sub: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir/ Madam,

In furtherance to our letter dated 31st March, 2021 regarding the acquisition of Hemmo Pharmaceuticals Private Limited by Piramal Pharma Limited, subsidiary of the Company, please find enclosed presentation in this regard.

This is for your information and records.

Thanking you,

Yours faithfully,
For Piramal Enterprises Limited

Bipin Singh
Company Secretary

Encl.: a/a

Piramal Enterprises Limited

CIN : L24110MH1947PLC005719

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Piramal Pharma Limited

Acquisition of Hemmo Pharmaceuticals

April 2021



Disclaimer

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These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to Piramal Enterprise Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Enterprises Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

These materials are not a prospectus, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Indian Companies Act, 2013 together with the rules and regulations made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States or in any other jurisdiction.

Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.

Piramal Pharma Ltd. to acquire 100% stake in Hemmo Pharmaceuticals

Piramal Pharma Limited's (PPL) Contract Development and Manufacturing Organization (CDMO), Piramal Pharma Solutions (PPS), announced that **PPL has entered into an agreement to acquire a 100% stake in Hemmo Pharmaceuticals Pvt Ltd. (Hemmo) for an upfront consideration of INR 775 Crores** and earn-outs linked to achievement of milestones.

- *The acquisition will add peptide API development and manufacturing capabilities to PPL's CDMO business*
- *Peptide drugs are growing significantly in oncology and metabolic therapies*
- *Global Peptide API market of USD 2 Billion growing at 6-8% YoY*
- *Piramal's integrated drug substance and drug product offering will now include peptides*
- *Expected to add over 250 employees, including several PhD scientists and a Quality team of over 60*

Key Highlights

One of the few pure play peptide API manufacturer globally



Long relationship with leading global peptide Customers



Revenue and cost synergies identified



2/3rd of sales to regulated market (directly / indirectly)
75% of sales is exported



Manufacturing facility approved by US FDA, EU, and Asian regulatory agencies



**The acquisition agreement is subject to customary regulatory closing conditions.*

Hemmo Pharmaceuticals: Business Overview

- One of the **few pure play peptide API manufacturer globally** and one of India's large manufacturers of synthetic peptides
- **Legacy of more than thirty-eight years** in business supplying peptide products and custom peptide synthesis
- Demonstrated excellence and a great quality track-record with a **differentiated and hard to replicate capability**
- **Strong expertise** in both solution phase and solid phase synthesis of peptides
- **Pipeline** of commercialized products, products developed but not yet commercialized as well as product under development
- During the past decade, peptide drugs have seen **increased use in oncology, treatment of diabetes and obesity**
- **Long relationship with leading global peptide customers** with 2/3rd of sales to regulated market (directly / indirectly)



Manufacturing facility at Turbhe, Maharashtra

R&D facility at Thane

- **R&D capabilities and a world-class GMP manufacturing facility** that has been inspected and deemed compliant by US FDA, EU, and Asian regulatory agencies

Expected synergies and likely impact on financial performance

Expected synergies with PPS

Hemmo presents significant sources of synergy for PPS:

- Platform to offer CDMO services to **innovator customers including biotech's** for development, manufacturing of peptide drugs
- We see synergy potential for integrated projects. For example, there are already products developed and manufactured by Hemmo which are being used by our existing customers elsewhere in our PPS network. With the formal inclusion of this capability in our network, we **expect to be able to use Hemmo to drive additional integrated projects across our network**
- **Savings on Capex, Opex and G&A through costs savings** by integrating business functions

Hemmo's financial performance

- In the current fiscal year, despite the pandemic, the **company has generated 20%+ higher revenue during the first 11 months of FY21** versus the **full** prior fiscal year
- In addition, the business is profitable with higher gross contribution and higher EBITDA margin than our overall pharma business - a trend which we expect to continue and enhance especially as we experience operating leverage with the expected growth

Likely impact of synergies on its future performances

- While we are not providing valuation multiples, the company is growing rapidly and is expected to continue rapid growth over the next few years. We expect **the revenue to grow to 3x or more in the next few years**
- This will help us in meaningfully changing the profitability margin for this business, thereby **improving the overall profitability for Piramal Pharma**

Management comments on the deal

Nandini Piramal, Chairperson, Piramal Pharma Limited said,

“Hemmo has demonstrated excellence and a great quality track record with a differentiated and hard to replicate capability. Once welcomed into the PPL family, it will be another example of a distinctive offering to attract and delight customers. This is the third Pharma acquisition this fiscal year, and yet another example of the implementation of our profitable growth strategy.”

Peter DeYoung, CEO, Pharma Solutions, Piramal Pharma Limited said,

“During the past decade, peptide drugs have seen increased use in oncology, treatment of diabetes and obesity. The growth in therapies for rare diseases and orphan drugs has also increased the need for peptides. This acquisition enhances our ability to provide integrated solutions that our customers need and further expands ways in which we can help reduce the burden of disease on patients.”

Third Pharma acquisition this fiscal year, and yet another example of the implementation of our profitable growth strategy



For Investors :

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