



Kolte-Patil Developers Ltd. Q2 FY2019 Financial Results

Sales Volumes up 31% YoY, Collections up 48% YoY

Re-iterates robust sales volume outlook of 2.5-3.0 million square feet for FY19

Pune, 26th October, 2018: Kolte-Patil Developers Ltd. (BSE: 532924, NSE: KOLTEPATIL), a leading Pune-based real estate player announced its results for the second quarter ended 30th September, 2018.

Operational Highlights – Q2 FY19

- The Company recorded new sales bookings of 0.77 msf in Q2 FY19 as compared to 0.59 msf. in Q2 FY18, higher by 31% YoY
- The value of area sold stood at Rs. 400 crore in Q2 FY19 as compared to Rs. 334 crore in Q2 FY18, higher by 20% YoY
- Collections saw a strong uptick in Q2 FY19, higher by 48% YoY to Rs. 294 crore

Operational Highlights – H1 FY19

- The Company recorded new sales bookings of 1.23 msf in H1 FY19 as compared to 0.99 msf. in H1 FY18, higher by 24% YoY
- The value of area sold stood at Rs. 659 crore in H1 FY19 as compared to Rs. 591 crore in H1 FY18, higher by 11% YoY
- Collections saw a strong uptick in H1 FY19, higher by 34% YoY to Rs. 603 crore

Note: The Company has adopted IND AS 115 (Completion Contract Method – CCM) from Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method. Hence, the reported numbers for Q2 & H1 FY19 numbers as per AS-115 cannot be compared with previous year figures. The numbers for Q2 & H1 FY18 are on percentage of completion (POCM) basis.

Financial Highlights – Q2 FY19

- Revenues at Rs. 211.0 crore (CCM basis) as compared to Rs. 388 crore in Q2 FY18 (POCM basis)
- EBITDA at Rs. 42.5 crore (CCM basis) as compared to Rs. 71 crore in Q2 FY18 (POCM basis)
- EBITDA margins at 20.1% (CCM basis) as compared to 18.3% in Q2 FY18 (POCM basis)
- PAT (pre-minority interest) at Rs. 11.2 crore (CCM basis) as compared to Rs. 30.1 crore in Q2 FY18 (POCM basis)

- PAT (post-minority interest) at Rs. 10.2 crore (CCM basis) as compared to Rs. 29.6 crore in Q2 FY18 (POCM basis)
- EPS at Rs. 1.35 (CCM basis) as compared to Rs. 3.91 in Q2 FY18 (POCM basis)

Financial Highlights – H1 FY19

- Revenues at Rs. 601.6 crore (CCM basis) as compared to Rs. 634.1 crore in H1 FY18 (POCM basis)
- EBITDA at Rs. 178.0 crore (CCM basis) as compared to Rs. 129.9 crore in H1 FY18 (POCM basis)
- EBITDA margins at 29.6% (CCM basis) as compared to 20.5% in H1 FY18 (POCM basis)
- PAT (pre-minority interest) at Rs. 87.4 crore (CCM basis) as compared to Rs. 55.5 crore in H1 FY18 (POCM basis)
- PAT (post-minority interest) at Rs. 48.1 crore (CCM basis) as compared to Rs. 52.8 crore in H1 FY18 (POCM basis)
- EPS at Rs. 6.35 (CCM basis) as compared to Rs. 6.97 in H1 FY19 (POCM basis)

Commenting on the performance for Q2 FY2019, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said, *"We are delighted to announce that in line with our stated guidance, we have seen acceleration in our sales trajectory this quarter, reporting a strong uptick of 31% YoY and 65% QoQ in sales volumes to 0.77 million square feet in Q2 FY19. With the shift to the new accounting standard based on completion of contracts, revenue and profit numbers are not directly comparable with previous periods, our focus has remained on key operational metrics that govern our business - sales, cash flows and collections – and we have delivered strong performance on these parameters during Q2 & H1 FY19.*

Customer collections have remained robust at Rs. 294 crore, up 48% YoY and expect further acceleration towards the end of the year with several upcoming handovers. Mumbai and Bengaluru accounted for 18% of overall collections. On a trailing twelve month basis, collections are up 32% YoY to Rs. 1,261 crore. As a result, net debt has remained stable QoQ while seeing a ~Rs. 150 crore reduction since last September. Focus on driving operational efficiencies and refinancing our borrowings has resulted in reduction in our average cost of funds by over 300 bps since FY16 to 10.4% now.

We have seen a revival in demand at our flagship township project 'Life Republic' on the back of the success we have had at ORO Avenue, where we sold 500 units since the launch in Aug '18. ORO Avenue has sold maximum inventory in a short span amongst all competing projects in Pune. We generated interest from customers not only from Pune but also from Mumbai, rest of Maharashtra as well as NRIs. We look forward to building on this momentum in the months ahead as subsequent sectors get launched during the course of the year. We are further enthused by the response to the teaser campaign for the last phase of our Ivy Estate project in Wagholi – 'Ivy Nia' project wherein we have recorded sales of 200 units, providing a value-for-money offering at an all-inclusive price of Rs. 27.75 L (for 1 BHK) and Rs. 37.10 L (for 2 BHK). We are confident of delivering further momentum at this location with the full-fledged launch in Nov'18.

Other projects that contributed to the sales volumes this quarter were Stargaze, Downtown, Western Avenue and Opula. We expect Mumbai projects, Om Shree Gokul and Sagar Vaibhav to pick up in the second half of FY19 where we have secured most of the requisite approvals. Bengaluru also will witness the launch of 24K Grazzio at Kormangala in H2 FY19.

We are confident of sustaining our strong growth momentum on the back of the robust pipeline of new launches to the tune of ~2.5 msf in H2, and reiterate our sales guidance of achieving between 2.5 to 3 msf volumes in FY19. We maintain our focus on customer-centricity and execution with healthy deliveries of 1.02 msf. in H1 FY19 and expect further completion of ~3 msf ready for

deliveries over the next 6-9 months across key micro-markets within Pune, Mumbai and Bengaluru. To conclude, we are driving operational excellence with 360 degree progress across sales, collections, success of new launches, approvals, pipeline and upcoming deliveries. We are well-positioned to deliver another year of record performance across key operational parameters and provide us the momentum to achieve further milestones in the medium to long term."

About Kolte-Patil Developers Limited:

Kolte-Patil Developers Ltd. (BSE: 532924, NSE: KOLTEPATIL), incorporated in 1991, is a leading real estate company with dominant presence in the Pune residential market. Kolte-Patil is a trusted name with a reputation for high quality standards, design uniqueness, transparency and the delivery of projects in a timely manner. The company has developed and constructed over 50 projects including residential complexes, commercial complexes and IT Parks covering a saleable area of ~15 million square feet across Pune, Mumbai and Bengaluru.

Kolte-Patil markets its projects under two brands: 'Kolte-Patil' (addressing the mid-income segment) and '24K' (addressing the premium luxury segment). The Company has executed projects in multiple segments – standalone residential buildings and integrated townships. Several of the company's projects have been certified by the Indian Green Building Council (IGBC).

Consolidating its leadership position in Pune, the company forayed into the Mumbai market in 2013 focusing on low capital intensive society re-development projects. The company has already signed six projects till date at prime locations across the city.

The Company's long-term bank debt and non-convertible debentures have been rated 'A+ / Stable' by CRISIL, the highest rating accorded by CRISIL to any publicly listed residential real estate player in India.

For more details on Kolte-Patil Developers Ltd., visit www.koltepatil.com.

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