

Q1 FY2018 Results Presentation

# Kolte-Patil Developers Limited



LEAPING  
FORWARD



# Disclaimer

---

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. 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. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Kolte-Patil Developers Limited (KPDL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

# Table of Contents

---

1 CEO's Message

2 Operational & Performance Highlights

3 P&L / Balance Sheet Snapshot

4 Project-wise Details

5 Outlook

6 About Kolte-Patil Developers Ltd.

# CEO's Message

---

## Commenting on the performance for Q1 FY2018, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said:

*"We have made a good start to the year with our top line growing 37% YoY and net profit after tax growing 27% YoY. The growth was led by the Ivy Estate (Corolla), Western Avenue, Three Jewels projects in Pune and first time recognition at Jay-Vijay society in Mumbai. We expect to see increased contribution from Mumbai and Bengaluru this year, adding two further dimensions to our growth and part of our strategy to diversify the revenue base.*

*From a sales perspective, this quarter was a bit subdued on account of the uncertainty leading upto GST and the implementation of RERA, as customers adopted a wait and watch approach. We recorded sales volume of 0.41 million square feet in Q1 with a total sales value of Rs. 257 crore. What is encouraging is that we have seen an uptick in the sales contribution from Bengaluru this quarter, buoyed by the launch of our new project on Hosur Road. Despite the uncertainty, our collections have been healthy at over Rs. 253 crore, up 10% YoY. Even as the industry goes through this phase of transformation, we have seen consistency in our quarter-on-quarter collections of ~Rs. 250 crore over the last ten quarters.*

*In July, we have already seen an uptick in our sales velocity and expect normalcy to return in the second half of the year. We welcome GST as well as RERA with all its rules and regulations and believe it will bring in transparency, accountability, boost customer confidence and create a level-playing field. We have always been a customer-centric organization providing a credible solution to customers who needed to trust real estate companies with their hard-earned money, through transparency, quality product and timely delivery of our projects. So the reality is that it has mostly been business as usual for us.*

*Even during these turbulent times for the industry, we have remained focused on our goals, to provide high quality products within the committed timelines. This once gain bears testimony to Kolte-Patil's strong brand and focus on execution and quality.*

*We continue to monitor the situation and expect the sentiment to improve over the next few quarters. With several government initiatives and the recent fall in home loan interest rates coupled with RERA introduction will lead to improved consumer confidence and demand. We will continue to maintain our thrust on execution and organizational efficiencies and utilize the positive operating cash flows to further strengthen our balance sheet."*

# Operational Highlights

New area sales	Q1 FY18	Q4 FY17	Q1 FY17	YoY	QoQ
Volume (million sq. ft.)	0.41	0.55	0.66	-38%	-25%
Value (Rs. million)	2,574	3,267	3,699	-30%	-21%
Realization (Rs./Sq. ft.)	6,288	5,956	5,612	12%	6%
Collections (Rs. million)	2,531	2,542	2,294	10%	0%

## Sales

- ✚ 18% sales contribution from Bengaluru during the quarter on the back of new launch of Exente project on Hosur Road – helping business diversification
- ✚ Uncertainty on account of GST and the implementation of RERA led customers to adopt a wait and watch approach
- ✚ Uptick in sales volumes already seen in July and expect normalcy to return in H2 FY18
- ✚ Decline in home loan rates and implementation of RERA is expected to boost consumer confidence going forward

## Collections

- ✚ Collections continue to be strong, higher by 10% YoY, despite the fluid environment

## Price Realization

- ✚ Price realization was higher by 12% YoY in Q1 FY18 led by a few commercial sales in Pune

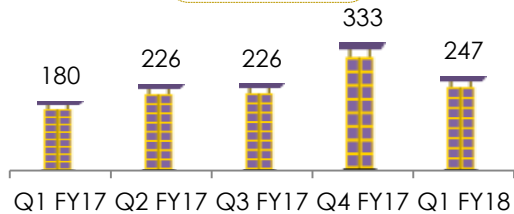
# Awards & Recognition



# Performance Highlights – Q1 FY18

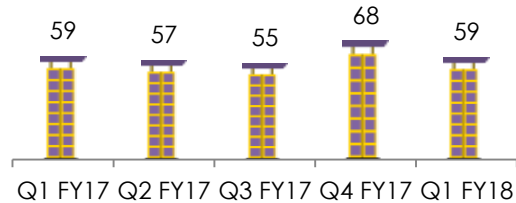
## Revenue, Rs. Crore

+37% YoY



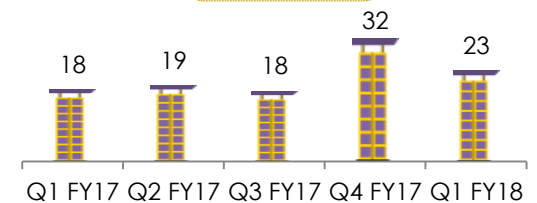
## EBITDA, Rs. Crore

Flat YoY

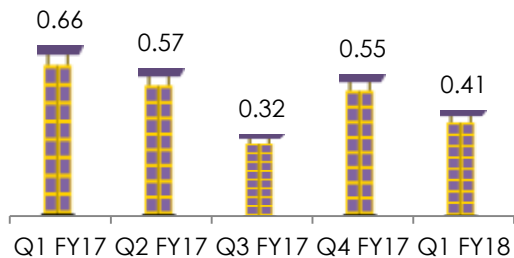


## PAT, Rs. Crore

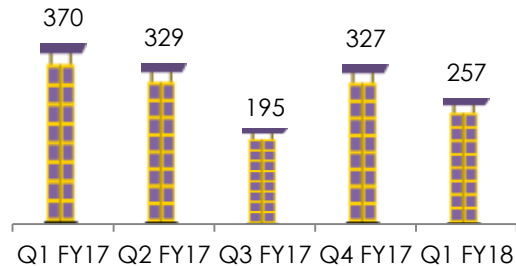
+27% YoY



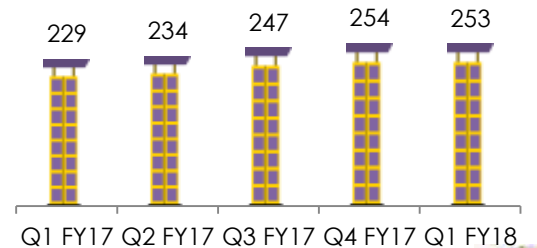
## Sales Volume, million sq. ft



## Sales value, Rs. Crore

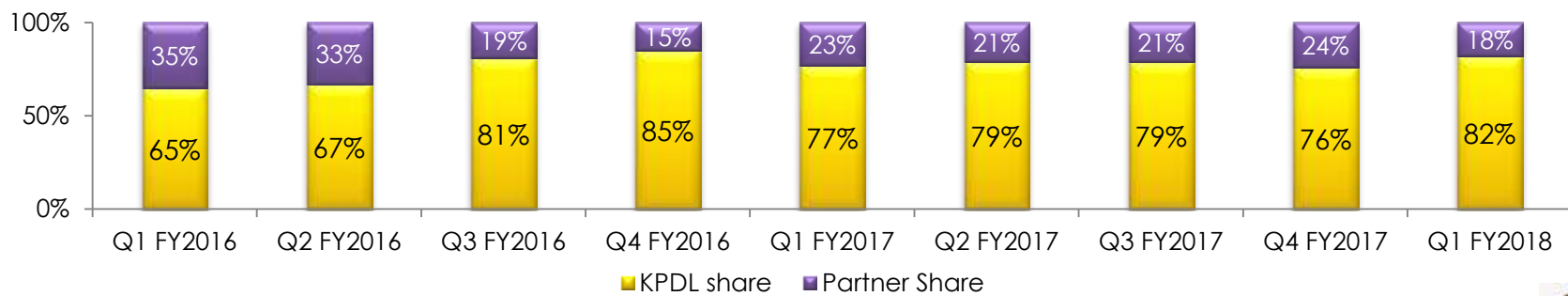
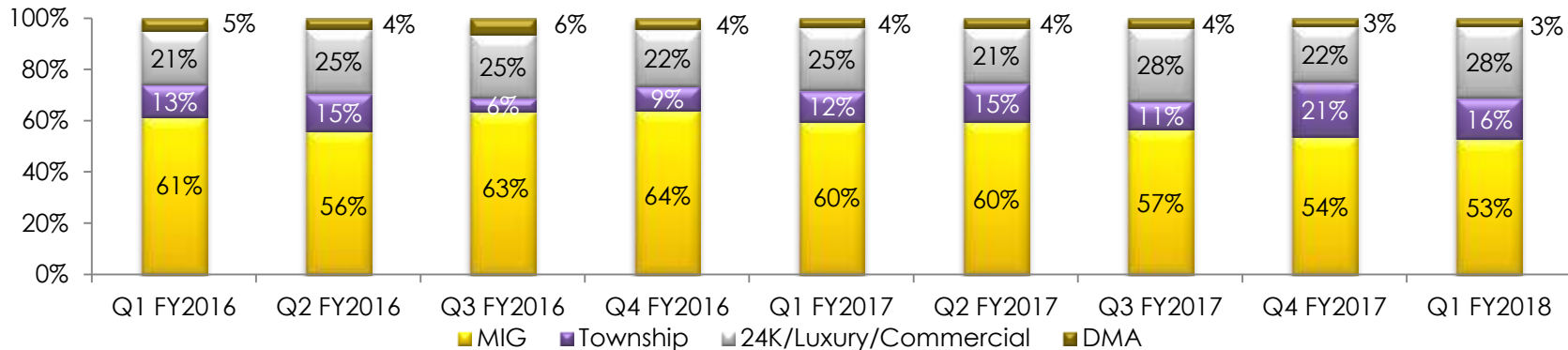


## Total Collections, Rs. Crore



# New Sales Analysis – Q1 FY18

**msf.** 0.50 0.46 0.52 0.57 0.66 0.57 0.32 0.55 0.41





# Profit and Loss Snapshot – Q1 FY18 vs Q1 FY17

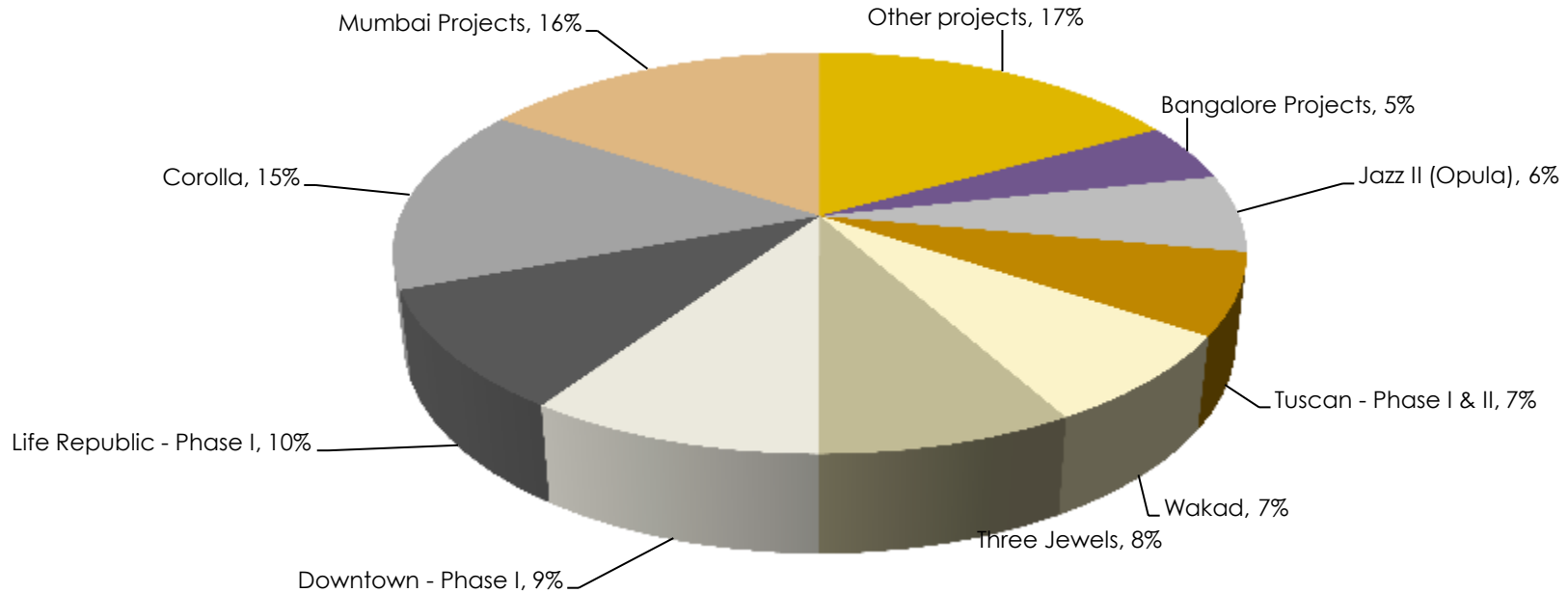
P&L Snapshot (Rs. crore)	Ind-AS		
	Q1 FY18	Q1 FY17	YoY (%)
<b>Revenue from Operations</b>	<b>246.6</b>	<b>179.8</b>	<b>37.1%</b>
Other income	2.0	3.5	-42.7%
<b>Total Income</b>	<b>248.6</b>	<b>183.4</b>	<b>35.6%</b>
Cost of materials consumed	157.1	93.7	67.6%
Employee benefits expense	8.9	10.7	-16.6%
Finance cost	23.2	23.6	-1.9%
Depreciation and amortization expense	3.6	3.6	-1.9%
Other expenses	21.6	16.3	32.3%
<b>Total Expenses</b>	<b>214.2</b>	<b>147.9</b>	<b>44.8%</b>
<b>EBITDA</b>	<b>59.1</b>	<b>59.1</b>	<b>-0.1%</b>
<b>EBITDA Margin (%)</b>	<b>24.0%</b>	<b>32.9%</b>	<b>-8.9%</b>
<b>Profit before tax</b>	<b>34.4</b>	<b>35.5</b>	<b>-3.0%</b>
Total tax expenses	9.0	16.5	-45.4%
Non-controlling interests	2.19	0.69	217.4%
<b>Net Profit</b>	<b>23.2</b>	<b>18.3</b>	<b>26.8%</b>
<b>PAT margin (%)</b>	<b>9.4%</b>	<b>10.2%</b>	<b>-0.8%</b>
EPS	3.06	2.41	

## Reasons for Variance

- Strong top line growth led by first time recognition of Jai-Vijay Society in Mumbai; Ivy Estate (Corolla), Western Avenue, Three Jewels in Pune
- EBITDA margins impacted on account of contribution from lower margin projects like Western Avenue and JDA projects - Mirabilis & Stargaze

# Revenue Recognized in Key Projects – Q1 FY18

## Revenue Breakup – Rs. 246 cr



# Consolidated Debt Profile

Balance Sheet Snapshot (Rs. crore)	30 <sup>th</sup> Jun, 2017	31 <sup>st</sup> Mar, 2017
	Ind-AS (Unaudited)	Ind-AS (Audited)
<b>Networth</b>	899	863
<b>Gross debt</b>	775	758
Less: OCD / CCD / OCRPS	229	233
<b>Debt</b>	547	525
Less: Cash & cash equivalents & Current Investments	95	73
<b>Net debt</b>	452	455
<b>Net debt to equity</b>	0.50	0.53

# Business Outlook

---

- ✦ Initiatives like demonetisation and implementation of RERA and GST will lead to a level playing field and bring about consolidation in the sector and will benefit organized developers like KPDL, though some short term uncertainty may persist and consumer behavior will have to be watched
- ✦ The company is looking to consolidate its dominant presence in Pune, leveraging its strong brand name, through the execution of ongoing projects and launch of subsequent phases of existing projects
- ✦ In addition to Pune, the company has a strong pipeline of projects in Mumbai over 1.2 msf, which will facilitate PAT and ROCE expansion, and reduce working capital cycle for the Company going forward, while providing synergies to the existing Pune operations
- ✦ Bengaluru is expected to be an additional growth engine going forward with the launch of the Koramangala project in H2 FY18, in addition to the launch of Exente, Hosur Road in Q1 FY18
- ✦ To play on the Government's affordable stimulus theme, the company is also evaluating potential expansion into Affordable Housing in subsequent phases of existing projects which could help drive pre-sales growth
- ✦ The company will continue to focus on execution, collections and given the company's asset light approach is expected to generate strong free cash flows over the next few years which will be utilized to strengthen its balance sheet further

# Details of Ongoing Projects – Q1 FY2018

Gross Details (including partner's share)

Projects	Saleable Area (msf.)			Location	Area Sold (msf.)	Sales value (Rs. mn.)	Average Realization (Rs./sft.)	Collections (Rs. mn.)
	Gross	KPDL	KPDL					
Life Republic - Phase I & II	4.0	45%	1.8	Hinjewadi, Pune	0.07	334	5,048	364
Corolla - Phase I & II (Ivy Estate)	3.6	100%	3.6	Wagholi, Pune	0.05	221	4,312	240
Tuscan - Phase I & II	0.8	51%	0.4	Kharadi, Pune	0.03	183	6,657	149
Allura - Phase I & II (24K Glamore)	0.6	75%	0.4	Undri - NIBM, Pune	0.00	0		0
Margosa Heights I, II & III	1.0	50%	0.5	Mohamad Wadi, Pune	0.00	0		40
Downtown - Phase I & II	1.32	51%	0.7	Kharadi, Pune	0.01	69	7,338	184
Giga Residency	0.4	100%	0.4	Viman Nagar, Pune	0.00	0		51
Western Avenue	1.3	100%	1.3	Wakad, Pune	0.05	306	6,340	400
Jazz I (Glitterati II) & Jazz II (Opula)	0.9	100%	0.9	Aundh, Pune	0.02	138	6,871	226
Three Jewels	1.0	100%	1.0	Kondhwa, Pune	0.02	102	4,508	122
Rutu Bavdhan (Stargaze)	0.5	62%	0.3	Bavdhan, Pune	0.03	195	6,535	167
Other Projects (including DMA)	2.1	95%	2.0		0.06	515	8,990	184
<b>Total (Pune Projects)</b>	<b>17.6</b>		<b>13.4</b>		<b>0.33</b>	<b>2,062</b>	<b>6,207</b>	<b>2,126</b>
Ragga	0.65	100%	0.7	Hennur Road, Bengaluru	0.012	59	4,936	43
Mirabilis	0.80	70%	0.6	Horamavu, Bengaluru	0.024	125	5,238	162
Exente	0.59	100%	0.6	Hosur Road, Bengaluru	0.036	195	5,460	5
<b>Total (Bengaluru Projects)</b>	<b>2.0</b>		<b>1.8</b>		<b>0.07</b>	<b>379</b>	<b>5,299</b>	<b>210</b>
Link Palace Society	0.0	100%	0.0	Khar (W), Mumbai				43
Jai-Vijay Society	0.2	100%	0.2	Ville Parle (E), Mumbai	0.01	133	23,875	152
Sagar Vaibhav Society	0.1		0.1	Dahisar (W), Mumbai				
<b>Total Mumbai Projects)</b>	<b>0.3</b>		<b>0.3</b>		<b>0.006</b>	<b>133</b>	<b>23,875</b>	<b>195</b>
<b>Total (Pune + Bengaluru + Mumbai Projects)</b>	<b>19.9</b>	<b>78%</b>	<b>15.5</b>		<b>0.41</b>	<b>2,574</b>	<b>6,288</b>	<b>2,531</b>



# Forthcoming Projects / Future Development Potential

Forthcoming Projects	Saleable Area (msf.)		
	Gross	KPDL Share	KPDL Share
Life Republic Phase II	1.3	45%	0.6
24K Province	0.4	100%	0.4
Western Avenue, Wakad	1.3	100%	1.3
Kondhwa Phase III	0.4	100%	0.4
Stargaze Phase II	0.6	62%	0.4
Downtown Phase III	0.5	51%	0.2
Corolla Phase III	1.3	100%	1.3
<b>Total</b>	<b>5.7</b>	<b>79%</b>	<b>4.5</b>

Future Development	Saleable Area (msf.)		
	Gross	KPDL Share	KPDL Share
Sanjivani Township, Urse, Pune	15.0	50.5%	7.6
Life Republic - Phase III, Pune	2.9	45%	1.3
Ghotawade, Pune	3.2	50%	1.6
Aundh, Pune	1.0	100%	1.0
Kalyani Nagar, Pune	0.6	100%	0.6
Boat Club Road, Pune	0.3	100%	0.3
Mumbai Projects	1.2	100%	1.2
<b>Total</b>	<b>24.3</b>		<b>13.7</b>

*Note: Saleable area based on current FSI norms and subject to change*

# About Kolte-Patil Developers Ltd.

---

*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 over 13 million square feet across Pune 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](http://www.koltepatil.com).*

# Thank you

LEAPING  
FORWARD

