



Kolte-Patil Developers Ltd. Q4 & FY2019 Financial Results

Recorded sales volumes of 2.7 msf in FY19 aggregating to Rs. 1,432 crore

Sales Volumes up 29% YoY in Q4 FY19 & 28% YoY in FY19

Collections up 6% YoY in FY19

Pune, 28th May, 2019: Kolte-Patil Developers Ltd. (BSE: 532924, NSE: KOLTEPATIL), a leading Pune-based real estate player announced its results for the fourth quarter and year ended 31st March, 2019.

Operational Highlights – Q4 & FY19

New area sales	Q4 FY19	Q4 FY18	YoY	FY19	FY18	YoY
Volume (million sq. ft.)	0.63	0.49	28.7%	2.7	2.1	28.3%
Value (Rs. million)	3,553	2,785	27.6%	14,316	11,980	19.5%
Realization (Rs./Sq. ft.)	5,623	5,673	-0.9%	5,372	5,765	-6.8%
Collections (Rs. million)	3,085	3,772	-18.2%	11,791	11,090	6.3%

Commenting on the performance for Q4 & FY19, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said, "FY19 marked significant milestones in our corporate journey, during the year we recorded 28% higher sales at 2.7 million square feet on the back of successful project launches, we also improved collections from customers, focused on timely deliveries and invested in buying out our partners' stakes in some of our key projects, thereby creating a strong framework for sustainable long term growth.

Our sales trajectory expanded with significant contributions from MIG and Affordable Housing projects. Life Republic has been a significant driver of our performance where volumes have more than doubled over the previous year. Ivy Estate and Stargaze were other key contributors. Sales acceleration has been backed by continued focus on project execution, while collections in some projects are based on deferred payment plans resulting in back-ended cash inflows. However, on an overall basis, collections during the year remained strong at Rs. 1,179 crore, the highest in our history. We now expect strong cash flows in the current year as payments linked to construction-based milestones are received from customers. Also, we delivered 2,108 apartment units aggregating to 2.2 million square feet in FY19 after obtaining occupation certificates.

As we look to scale the business to the next level of growth, we have entered into a share purchase agreement to buy-out the 50% stake held by ICICI Ventures in KPDL's flagship township project, Life Republic. Following the buy-out of our partners' shares in Life Republic and Downtown, payout for minority interest is slated to reduce and our economic interest across all our projects now increases from ~60% to ~90%, which will result in significant value creation for all stakeholders. We are focusing on customer collections and bank loans to support our financing requirements. In this respect, CRISIL's revision of outlook from Stable to Positive on its A+ rating of our long term debt supports our objective of reducing finance cost significantly.

In FY20, we expect to deliver further acceleration in our sales volume based on growing visibility from Pune and increasing contribution from Mumbai and Bengaluru. Faster execution of running projects will be supported by new project acquisitions – we are evaluating potential acquisition of land parcels through outright purchases and structured deals with land owners. We also have several development management agreements in the pipeline that will allow us to leverage the strong customer proposition of the Kolte Patil brand to create capital-light business opportunities. We see our focus on 360 degree operational excellence driving sales, revenue and profitability on a diversified operating base to create long term growth opportunities.

We are also enthused about the formation of a strong government with a majority mandate at the centre, which we believe will create a robust growth and governance framework that expands longer-term macro growth opportunities for the country. Acceleration of reforms and decision-making processes should result in rising consumer confidence, including in key sectors like real estate, where buyers are already getting more comfort from the strong regulatory and execution structures implemented over the last five years."

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 Q4 & FY19 numbers as per AS-115 cannot be compared with previous year figures. In order to facilitate like-to-like comparison, financials based on the previously applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.

Financial Highlights – FY19

P&L Snapshot (Rs. crore)	FY19	FY19	FY18	YoY
Revenue Recognition Method →	Reported CCM	POCM	POCM	POCM
Revenue from Operations	869.3	1,194.7	1,402.7	-14.8%
EBITDA	247.1	301.6	302.5	-0.3%
EBITDA Margin (%)	28.4%	25.2%	21.6%	3.7%
Net Profit (post minority interest)	75.4	122.3	121.5	0.7%
PAT margin (%)	8.7%	10.2%	8.7%	1.6%
EPS	9.92	16.11	16.03	

*Note: Adjusted for the strategic divestment in Wakad of Rs. 182 crore in FY18, Revenue for FY19 (POCM) stood at Rs. 1,221 crore, EBITDA stood at Rs. 305 crore, EBITDA margins stood at 25.0%

Financial Highlights – Q4 FY19

P&L Snapshot (Rs. crore)	Q4 FY19	Q4 FY19	Q4 FY18	YoY
Revenue Recognition Method →	Reported CCM	POCM	POCM	POCM
Revenue from Operations	195.4	379.7	477.7	-20.5%
EBITDA	76.8	102.2	103.9	-1.7%
EBITDA Margin (%)	39.3%	26.9%	21.8%	5.2%
Net Profit (post minority interest)	40.1	45.9	40.6	12.9%
PAT margin (%)	20.5%	12.1%	8.5%	3.6%
EPS	5.25	6.04	5.36	

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 for 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+ / Positive' 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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