

Shriram Properties Limited








Corporate Presentation

April 2023

STRICTLY PRIVATE AND CONFIDENTIAL



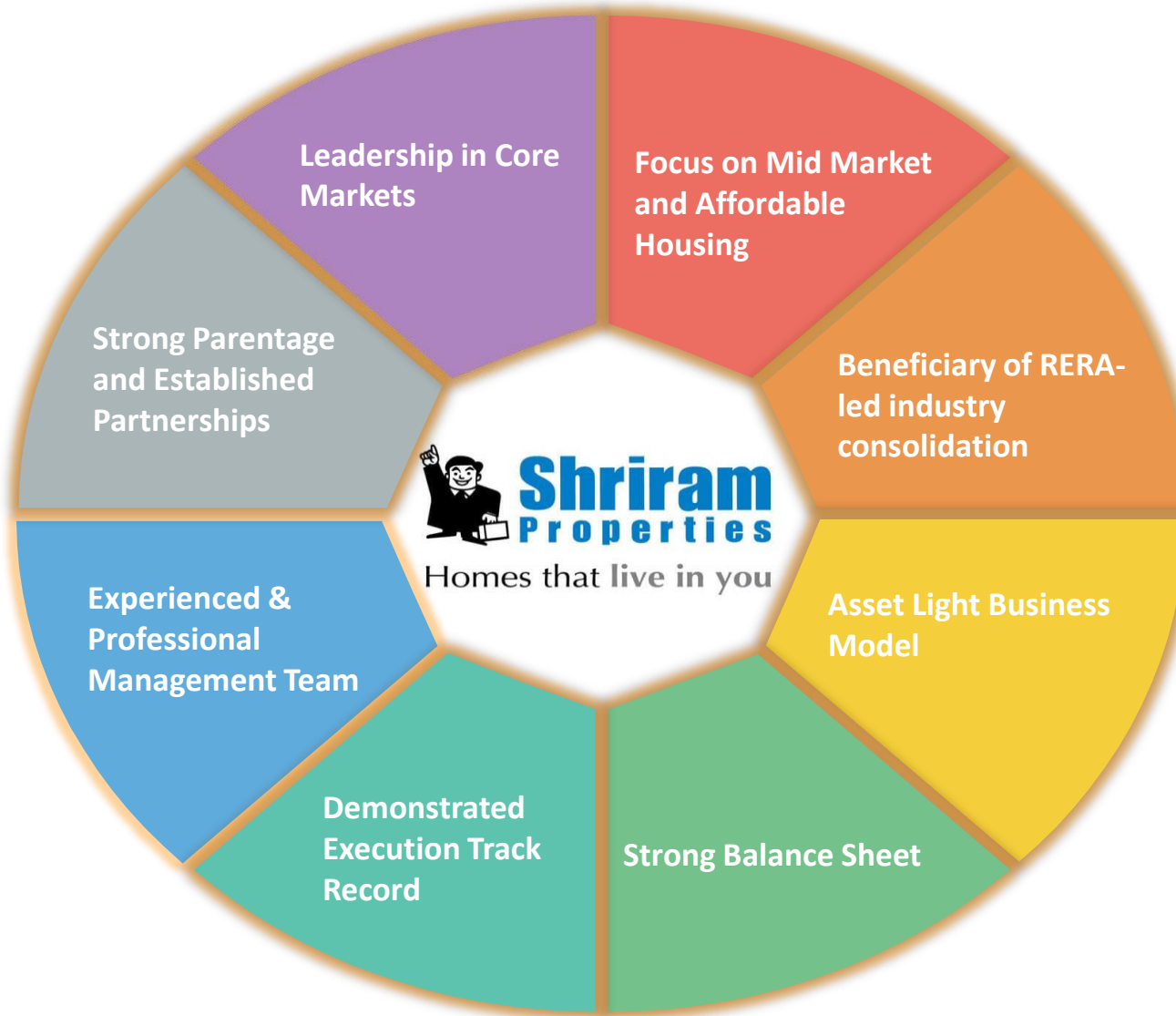
SPL : An Introduction

 <p>About Us</p>	 <p>Part of the well known Shriram Group</p>	 <p>c.20% of Equity held by globally renowned PEs</p>	<p>Top 5 players in core markets</p> <p>Among the Top 5 in South India¹</p>	<p>c.90% of portfolio² in</p> <p>Affordable housing and Mid Market housing segment</p>
 <p>Project Overview</p>	<p>c.20.6 msf over 36 projects</p> <p>Completed projects, including of c.13% of commercial office space and luxury housing categories</p>	<p>c.53 msf³ over 51 projects</p> <p>Project Pipeline⁴</p>	<p>c.21 msf</p> <p>Land reserves of 197 acres with a development potential of 21 msf⁵ <i>Apart from Project Pipeline</i></p>	
 <p>Business Model and Financial Resources</p>	<p>Focus on asset light model</p> <p>Asset light since inception 77% of completed projects² in JV / JDA / DM business models</p>	<p>Established DM Model</p> <p>c.30% of pipeline projects³ in DM</p>	<p>0.36x (31 Dec'22)</p> <p>Low Net Debt / Equity</p>	

Note: 1. As per JLL Report, in terms of number of aggregate units launched in the calendar years 2015 to 2020. 2. Of the total saleable area, as of Dec 31, 2022. 3. Of estimated saleable area. 4. Ongoing, under development and forthcoming projects. 5. In addition, the Company also entered into an agreement for an additional 73 acres in Kolkata, West Bengal.

Scaled up operating platform, poised to deliver strong results

SPL : Significant Competitive Strengths



Ideally positioned to benefit from improving industry landscape

Shriram Properties ('SPL'): The Journey so far...

- Creation of credible residential real estate growth platform, over the last 2 decades
 - Among the Top-5 players in core markets of Bangalore, Chennai and Kolkata
 - Focused Mid-Market & Affordable housing player (84% of completed projects; 91% of Project Pipeline)
 - Established leader in the Southern regional markets (92% of completed projects; 83% of Project Pipeline)
- Introduction of RERA, GST and Demonetization was a game changer – SPL positioned to be a Consolidator
- Creation of a strong sales and execution platform – key success driver in the consolidating industry environment
 - Demonstrated ramp-up capability
 - Improving scale and efficiency; Margins poised to grow.
 - Witnessed a turnaround year in FY22; Sequential quarterly improvement in 9MFY23
 - Built a strong development pipeline, while remaining focused on being “Asset Light”.
- Pioneered the Development Management (DM) model in the South
 - 16 DM projects accounting for 30% of the project pipeline today
 - 10 DM projects ongoing; 3 projects completed under Residential DM;
 - Account for ~30% of annual volumes in FY20-9MFY23
- Significant thrust and success on monetization of landbank in Kolkata

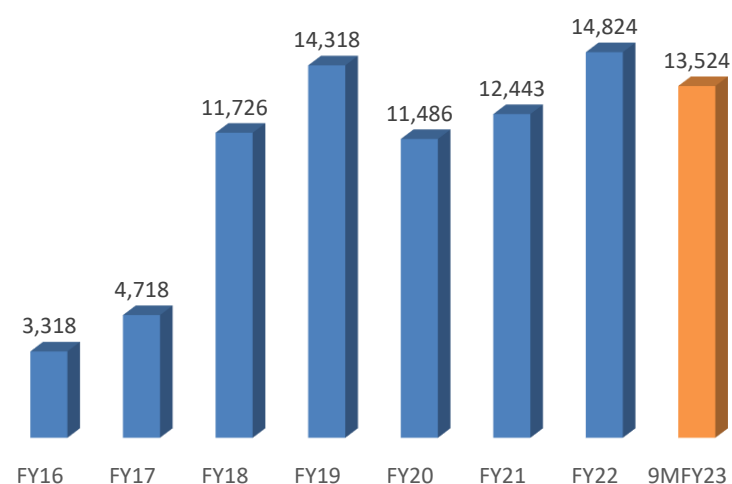
Impressive ramp, in consolidating industry environment post RERA

SPL – Building Scale in the Post-RERA Environment

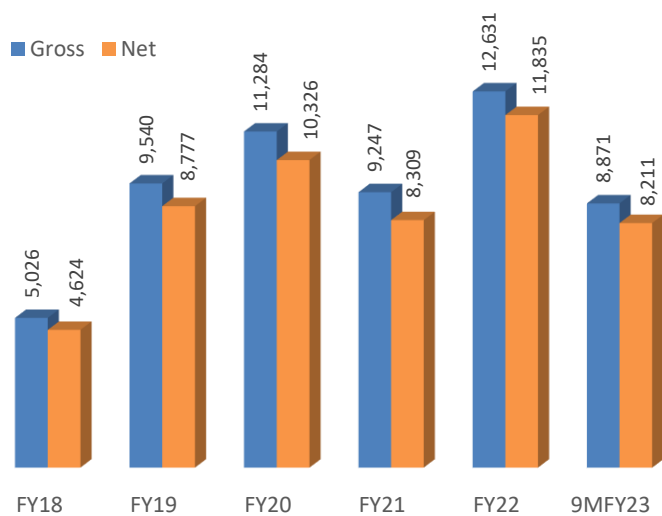
Sales Volume (msf)



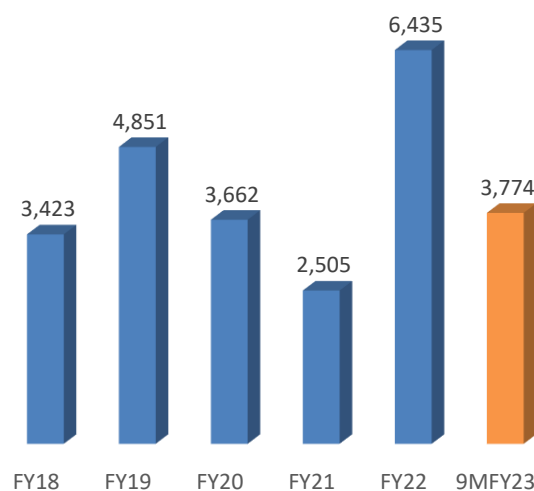
Sales Value (Rs. Mn)



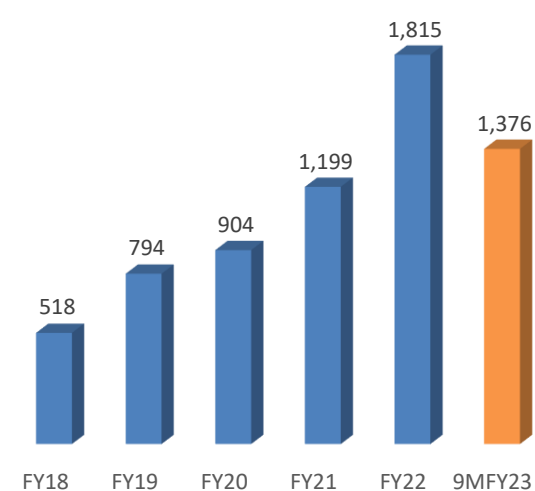
Collections (Rs. Mn)



Construction (Rs. Mn)



EBITDA (Rs. Mn)

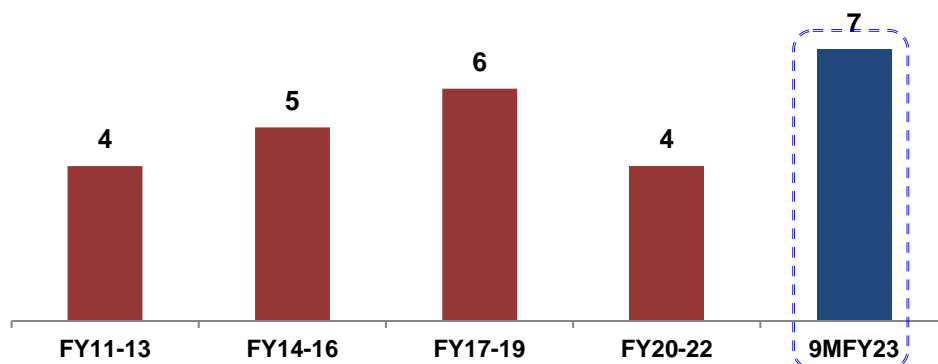


Demonstrated Capabilities in Project Execution

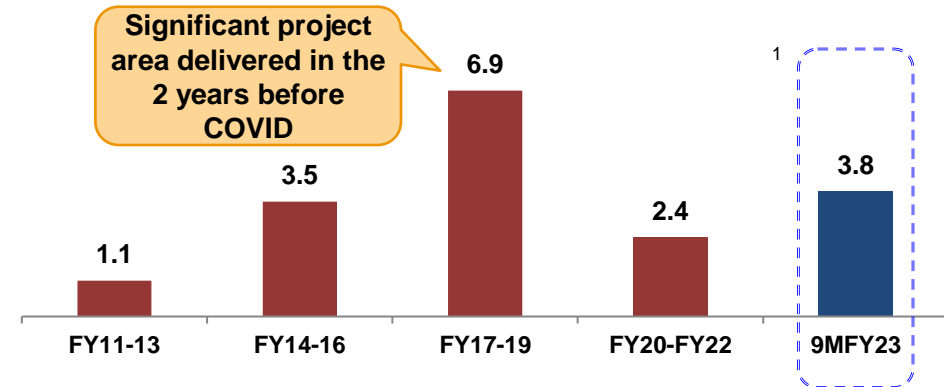
Shriram Properties has delivered

36 completed projects | **c.20.6msf** of Saleable Area

Completed no. of projects



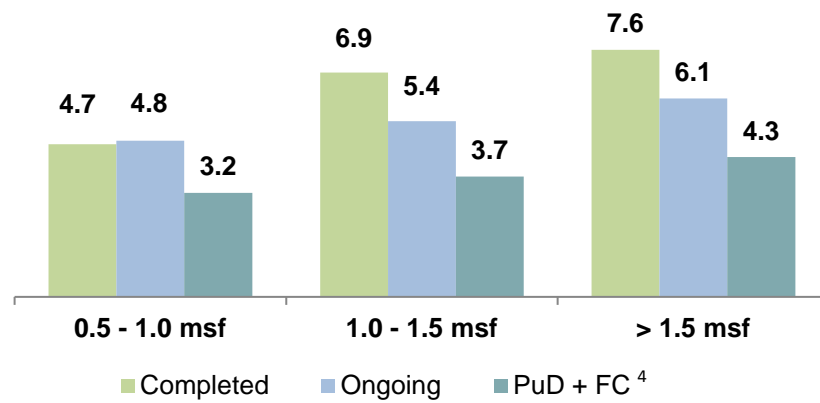
Total saleable area for completed projects²



No. of projects



Number of years to complete project³



- Overall execution timeline is improving
- Ongoing project timelines are committed under RERA³
- Large projects in execution: 12 projects of > 1.5 msf

•Note: The Total Saleable Area includes Saleable Area for which the Company does not hold any economic interest. . 2. Based on completed projects and completion date. 3. Projects considered above exclude Bengal (6 mn), commercial developments, and those less than 0.5 msf. For Completed projects, calculated as (Date of OC – Plan Sanction date/Start date as per architect certificate); For Ongoing projects, calculated as (RERA completion date – Plan Sanction date); and for Project Under Development (PuD) & Forthcoming Projects (FC) : (Est. End Date – Est. Start Date). 4. PuD + FC represents Projects Under Development and Forthcoming Projects.

Recent Highlights & Developments: 9MFY23

Operational Performance

- Highest-ever 9M sales, both Volume and Value
- 1.0+ msf quarterly sales run rate
- Q4 stronger, backed by multiple launches underway
- DM Project share strong at 22% of 9M Sales
- Strong collections from existing sales; New sales collections consistent with launch trends

Project Execution

- Handed-over 1200+ units, apart from ~400 plots
- On-track to hand-over ~2,000 units in FY23; to drive strong income recognition
- Completed 7 projects (3 residential and 4 plotted, with total saleable area of 3.8 msf) in 9MFY23
- Strong registrations momentum in recently completed projects - Southern Crest & Grand One

Financial Performance

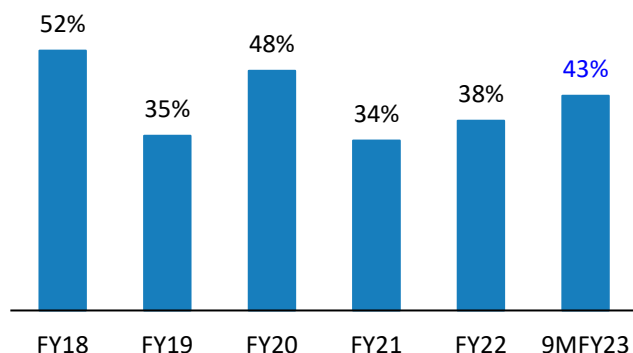
- Strong earnings growth; Sequential quarterly improvement in 9MFY23
 - Q3 Net Profit at Rs.22.4 crores, up 69% YoY and 14% QoQ
 - 9M Revenues grow 2.4x YoY and EBITDA up 59% YoY
- Enhanced scale and operating leverage, rising DM and cost control supporting profitability
- Net profit at Rs.52.4 crores for 9M; 2.9x FY22 levels
- Remarkable reduction in interest costs, YoY & QoQ

Business Development & Project Pipeline

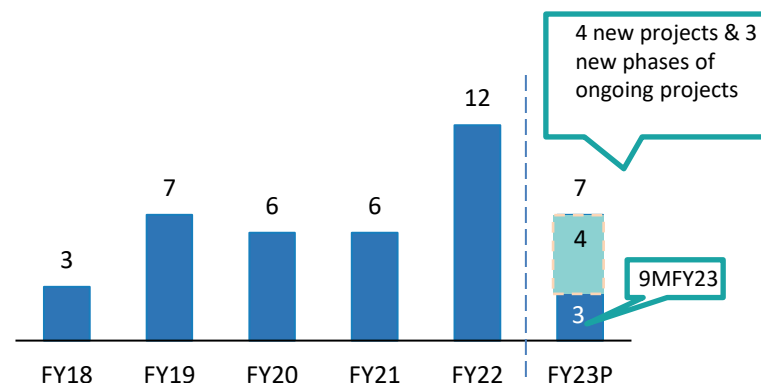
- Added 10 projects with 8.1msf area during 9M
- Pipeline has 51 projects w/ ~53 msf dev. Potential
 - Includes 23 msf across 23 projects in ongoing projects
- ASK co-Investment platform taken-off well
 - First project launched in Feb'23 ('Shriram Pristine Estates')
 - 2 new projects under evaluation
- LOGOS deal nearing completion; Likely closure during Q4FY23/Q1FY24
- Xander Gateway Office DM completed – to deliver Rs.1.3 billion of cashflows in tranches

Impressive 'Sales-at-Launch'*

Impressive Sales-at-Launch



of project launches



9MFY23 Launches and Sales-at-launch

FY23 Launches	Type	Segment	Launch	Launch Area	Sold at launch	% sold
Park63 (2B)	JV	Mid-market	Jun'22	376,207	80,764	21%
Shriram Golden Acres ¹	Own	Plots	Aug'22	241,646	72,313	30%
Eden 144 – Phase 2 ¹	DM	Plots	Sep'22	240,169	187,140	78%
Average Sales-at-launch* (% of project launched)						43%

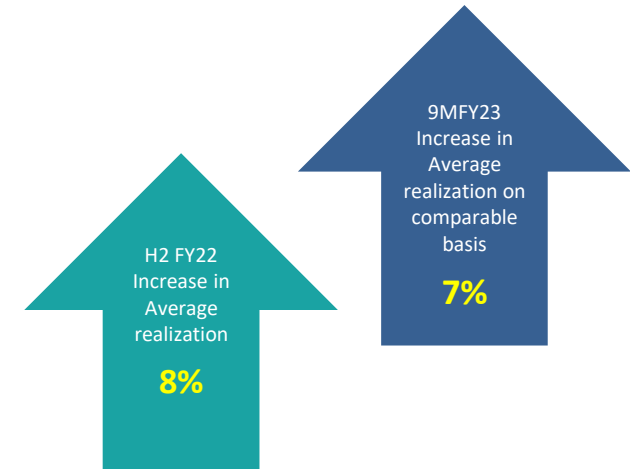
* Sales-at-launch = Actual sales during first 90-days of launch;

3 launches during 9MFY23, 4 projects launched subsequently in Q4FY23 supported by strong project pipeline

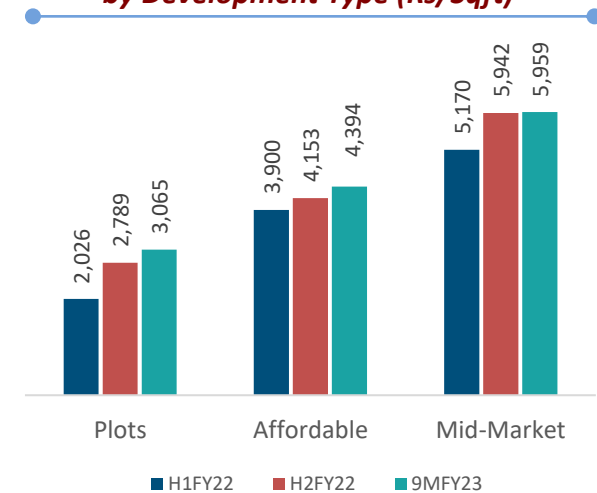
Encouraging Pricing Trends: Realization up 7% from Mar'22 levels

Price Increase by Project – Top Projects only

Project	Development Type	Realisation Mar'22	% Change from Sep'21	Realisation Dec'22	% change from Mar'22
SouthEast Phase 2	Apartments	4,294	10%	5,268	23%
Southern Crest	Apartments	6,762	-2%	7,439	10%
WYTfield – Phase 1	Apartments	5,309	5%	5,742	8%
WYTfield – Phase 2	Apartments	5,329	NA	5,670	6%
Chirping Grove	Villas	6,438	13%	6,462	0%
One City – 1	Villas	3,521	9%	3,700	5%
One City – 2	Plots	1,474	10%	1,518	3%
Temple Bells (IV)	Apartments	3,966	NA	4,122	4%
Sanjeevini	Apartments	3,980	NA	4,270	7%
Park 63(1A)	Apartments	6,600	19%	7,514	14%
Park 63(2A)	Apartments	6,318	18%	6,114	-3%
Grand One	Apartments	3,863	8%	4,095	6%
Sunshine One	Apartments	3,875	10%	4,125	6%
Sunshine Two	Apartments	3,752	NA	4,126	10%



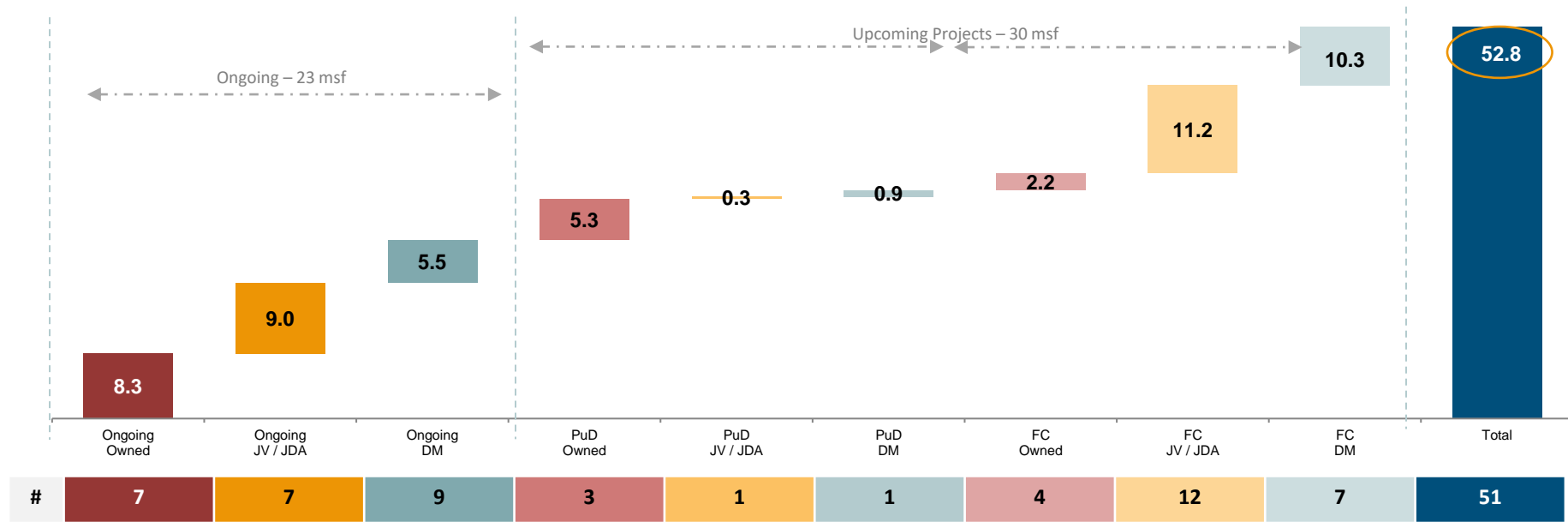
Realizations Trends by Development Type (Rs/Sqft)



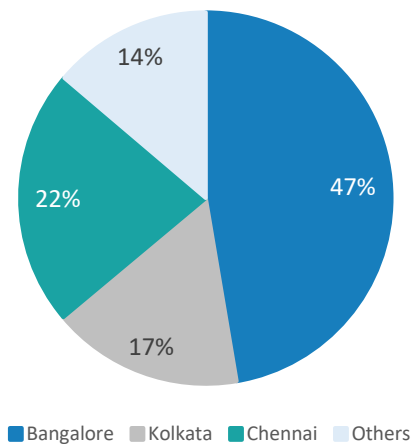
- ✓ **SPL avg realisation up ~7% in 9MFY23, beyond the ~8% hike seen in H2FY22**
- ✓ More than offset temporary cost inflation seen in Q1FY23
- ✓ Strong demand trends supportive of price hikes; Industry consolidation adding strength
- ✓ Industry-wide price improvement seen since Sep-Oct'21 and trend continued during 2022
- ✓ Uptrend in pricing seen across all our core market segments during the 9MFY23

Strong Project Pipeline; Growing Further

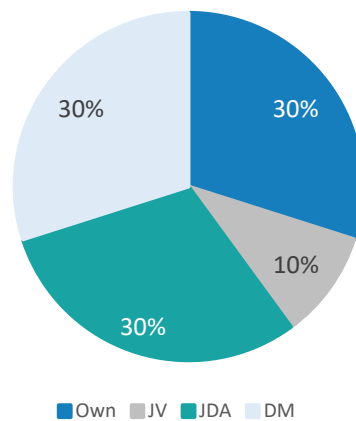
Project Pipeline (msf)



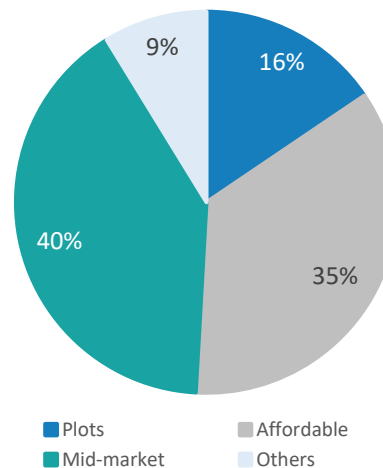
Pipeline – By Region



Pipeline – By Development



Pipeline – By Segment



	# projects	msf
Pipeline – DRHP (Apr'21)	35	46.7
Less: Projects Completed	(7)	(3.8)
Less: Projects Deferred/Removed	(4)	(5.8)
Add: Project Additions	27	15.7
Pipeline – Dec'22	51	52.8

Financial Highlights : P&L Trends

Particulars (Rs. Mn) ¹	FY20	FY21	FY22	9M FY23
Revenue from operations*	5,667	4,315	4,329	5,566
Other income	651	699	849	864
Total Revenues	6,318	5,014	5,178	6,430
Cost of revenue	3,524	2,387	1,823	3,899
Employee benefit expense	848	634	730	595
Other expenses	1,043	781	810	560
Total Operating Expenses	5,414	3,803	3,360	5,054
EBITDA	904	1,211	1,818	1,376
Finance Costs	1,232	1,253	1,199	755
- Interest expense	1,050	1,052	940	523
- Unwinding Impact (non-cash charge)	182	202	205	164
- Other finance costs (net of finance income)			54	68
Depreciation	65	66	66	58
Profit before share of JV Income/(Loss)	(392)	(108)	553	562
Add: Share of profit/(loss) of JVs	(409)	(330)	(226)	15
Profit Before Tax	(802)	(438)	326	578
Tax expense	47	230	146	54
Net Profit	(849)	(668)	180	524

9MFY23 Total Revenues

Rs. **6,430** Mn



9MFY23 Net Profit

Rs. **524** Mn



* Includes DM fee of INR 871 Mn, INR 1,142 Mn, INR 1,043 Mn and INR 441 Mn in FY20, FY21, FY22 and 9MFY23 respectively

1. Rounded off to nearest whole number

Growth momentum continues; Business on track to meet FY expectations

Financial Highlights : Balance Sheet

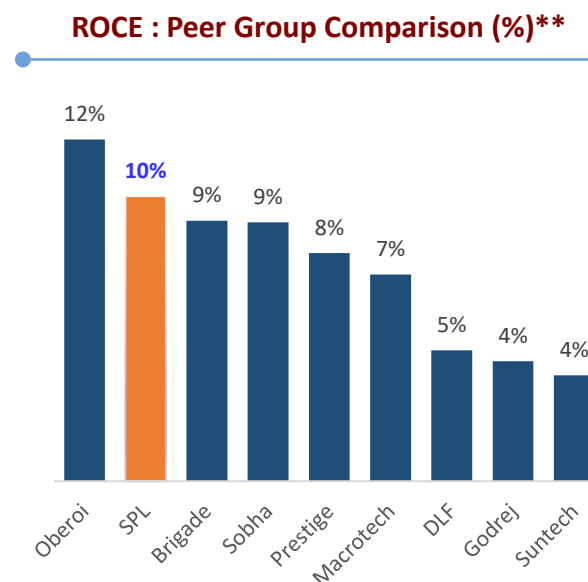
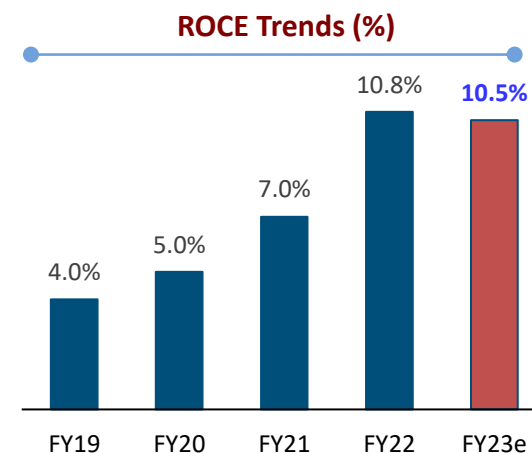
Particulars (Rs Mn) ¹	31-Mar-21	31-Mar-22	31-Dec-22
Fixed Assets	758	823	801
Investments and loans	1,885	1,810	1,162
Inventories	20,261	21,882	21,572
Cash and Bank Balances	828	1,405	769
Other Assets	9,262	10,418	10,584
Total Assets	32,995	36,338	34,888
Less: Liabilities**	17,450	19,598	17,362
Net Assets	15,545	16,740	17,526
Equity	8,273	11,309	11,848
Borrowings	7,272	5,431	5,678
- External Borrowings	6,543	4,811	5,045
- Inter-company borrowings (from JVs)	728	620	633
Total Equity + Borrowings	15,545	16,740	17,526

* Unaudited

** Includes customer advances, trade payables, provisions excl. borrowings

*** Data from respective Company financials/presentation; H1FY23 Data annualized for all except Sobha (uses FY22 data)

1. Rounded off to nearest whole number



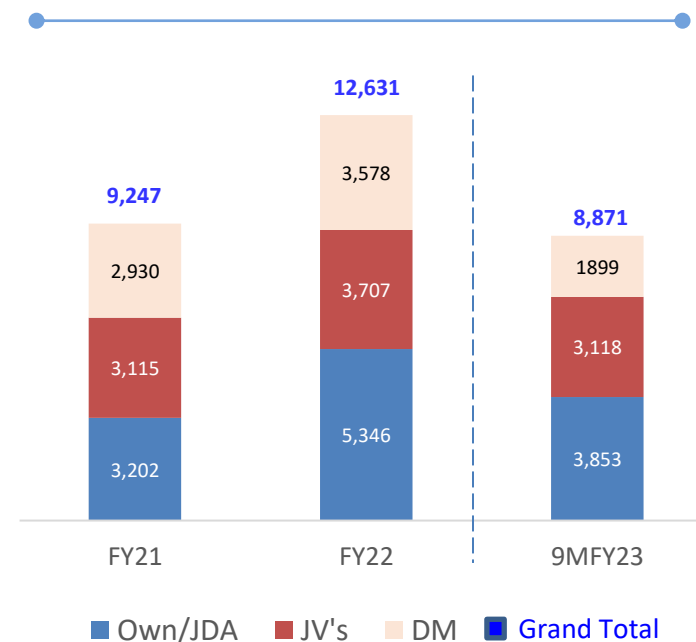
Strong Balance Sheet with headroom for growth; Improving Debt Equity and ROCE

Financial Highlights : SPL CFS Cashflow Trends

(Excl. DM & JV cashflows)

(In Rs Mn)	FY21	FY22	9M FY23
Collections	3,202	5,346	3,853
DM Income	61	721	455
Other Inflows	202	6	5
Operating Inflow	3,465	6,073	4,313
Construction Spending	(1,519)	(3,645)	(2,266)
Marketing & Admin Costs	(1,054)	(1,329)	(1,090)
Other Operating flows	(77)	(36)	(189)
Operating Outflow	(2,649)	(5,010)	(3,545)
Cashflow from operations	816	1,063	768
IPO Proceeds	-	2,775	-
Loan Draws	2,016	1,059	3,213
Loan Repayment	(2,307)	(3,349)	(2,804)
Net flows from borrowing	(291)	(2,290)	409
Interest expense, net	(591)	(807)	(495)
Other financing cashflows	240	-	(88)
Cash flow from Financing	(642)	(323)	(174)
FCF before New Project Inv.	174	740	594
Less: New Project Investments*	(191)	(207)	(1,230)
Net Free Cash Flow	(17)	533	(636)
Opening Cash & Cash Equiv.	889	872	1,405
Closing Cash & Cash Equiv.	872	1,405	769

Collection (Gross) Trends
SPL Own & JDA / JVs / DM

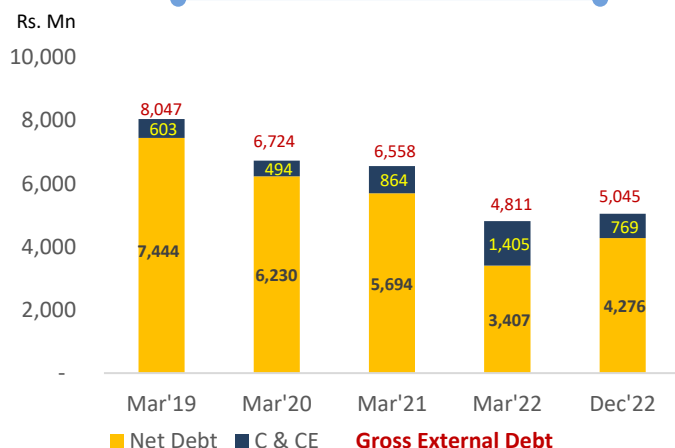


- **Operating cashflows remain strong**
- **Significant new project investments in 9MFY23**
- **Construction outflow in line with execution progress and fuelling collections.**
- **Significant repayment, including pre-payments in the context of ongoing refinancing activities**
- **Overall enterprise cashflows remain strong**

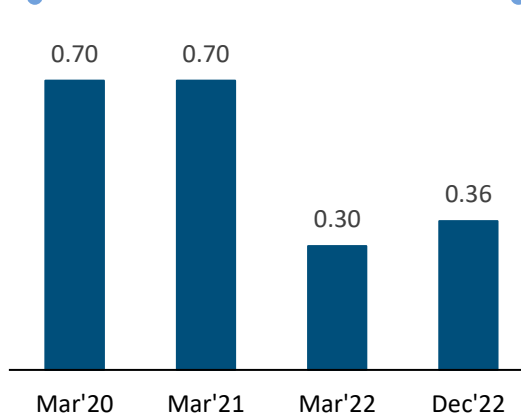
* Includes cash outflows for acquisition of Suvilas Realities and SPL's share of investment in Shriram Pristine Estates ("JV") under ASK platform

Ongoing efforts to reduce debt and cost of debt

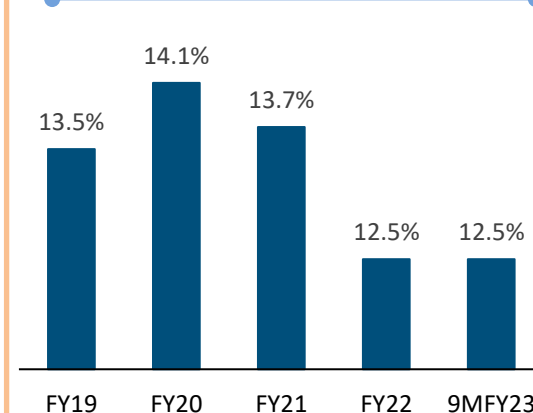
Gross & Net Debt Trends*



Debt Equity Ratio*

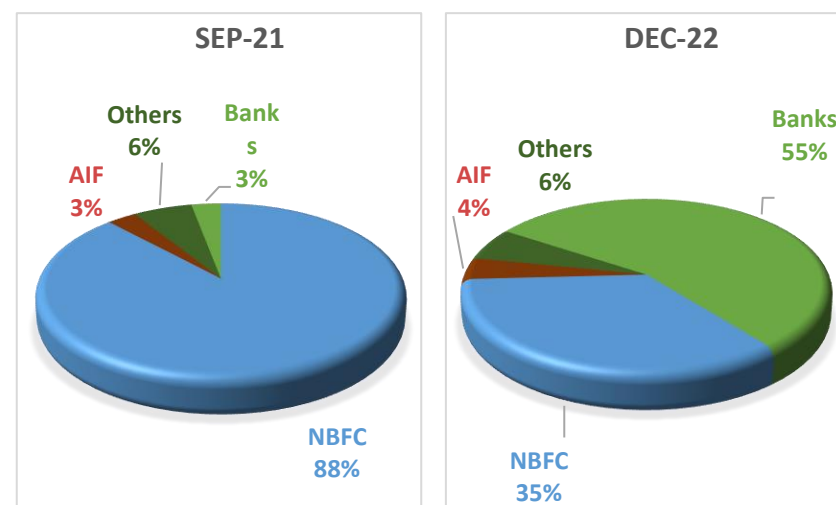


Cost of Debt (%)**



- ✓ Gross Debt mostly on construction funding at project level
- ✓ Marginal increase in net debt from Mar'22 due to utilization of cash for acquisition/investments in new projects
- ✓ Committed efforts to bring down debt/ CoD yielding results
 - Repaid Rs.2.0 billion; Refinanced Rs.1.83 Bn SPL debt & Rs.4.8 Bn JV debt in 9MFY23
 - Remarkable shift in focus towards Banks, from NBFC
- ✓ Increment debt (refinancing) raised in the 9.0-10.5% range
- ✓ Cost of debt down to 12.5%; despite RBI rate hikes (~ 1.9%)
- ✓ Focus remains on bringing down overall cost of debt to ~12% levels, subject to further rate hikes at macro level

Change in Debt Composition – Sep'21 (RHP) vs Dec'22



* SPL CFS Data; ** - Including cost of JV debt



Budget Housing Project of the year – Shriram South East



Budget Housing Project of the year – Shriram South East



Property Awards of the Year Plotted Development Shriram Earth



Best Gated Community of the year – Shriram Shankari



Visionary Leader of the year (1)



Integrated Township Project of the year – Shriram Grand City



Best Efficient & Sustainable Smart Real Estate Project Shriram Greenfield



MD of the Year Real Estate Sector⁹



Lifetime Achievement Award For Outstanding Contribution To Real Estate Sector¹⁰



Most Admired Upcoming Project of the Year Shriram Suvilas¹¹



Developer of the Year

GROWTH OUTLOOK GOING FORWARD



Brand Leadership Award¹



Affordable Housing – Brand of the Year²



Developer of the Year³



Best Builder Residential Projects in Karnataka⁴



Innovative Real Estate Campaign of the Year⁵



Most Admired Upcoming Project of the Year⁶



Outstanding Project of the Year for Shriram Greenfield



Innovative Real Estate Marketing Campaign of the Year for Shriram Greenfield



Innovative Real Estate Marketing Campaign Of The Year⁸



MD of the Year¹³

Robust Sector Dynamics; Housing Demand Strong

- Strong sequential growth in demand across top markets (+28% YoY in CY2022)
- Supply growth robust as well (+15% YoY in CY2022)
- Pan India inventory on downward spiral - @ 12 months in Dec'22
- Demand outlook remains strong, esp. in mid-market & affordable segments
- Prices across Tier-1 cities grew between 2%-33% YoY
- Impact of rising interest rates modest, housing loan demand strong

KEY EMERGING TRENDS – Largely remain intact

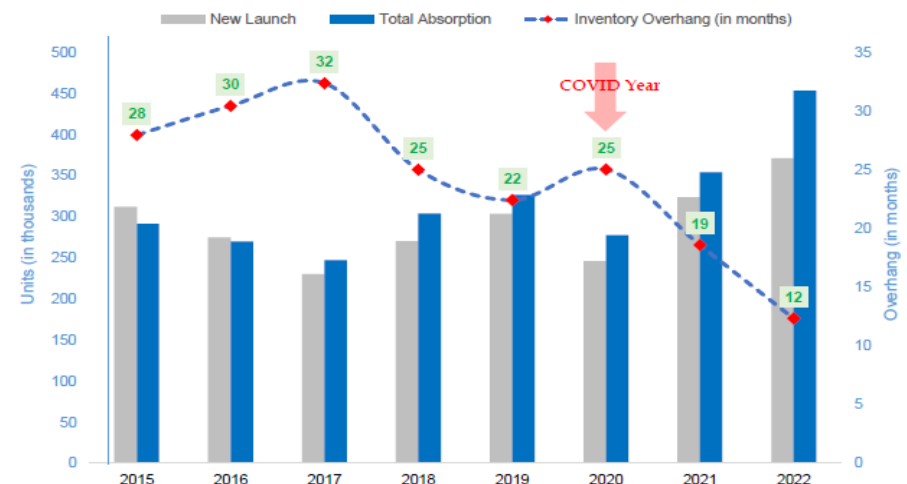
- Housing affordability remains favorable, despite rate hikes
- Large branded players continue to dominate
- Plotted developments in high demand
- Positive outlook for pricing, supported by strong demand, cost considerations and consolidation impact
- Affordable segment witnessed highest drop in inventory
- Mid-market segment seeing highest share of launches

Market Indicators in Tier-01 Cities

Indicators (in units)	2019 (Pre-COVID)	2020 (COVID)	2021 (Post-COVID)	2022 (Post-COVID)	Y-o-Y (in %)
New Launches	3,03,619	2,46,310	3,23,683	3,71,282	15%
Total Absorption	3,26,791	2,77,663	3,54,121	4,53,414	28%
Unsold Stock	6,10,630	5,79,279	5,48,839	4,66,125	-15%

Source: Propequity India's Real Estate Outlook – 2022

Tier – 1 Cities Absorption, Supply & Inventory Trends

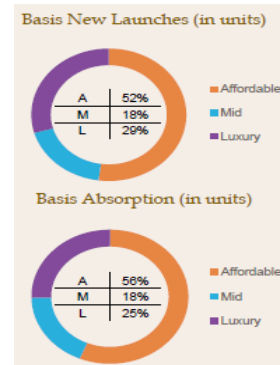


SPL's Core Markets' Trends

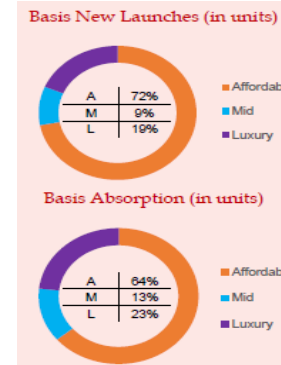
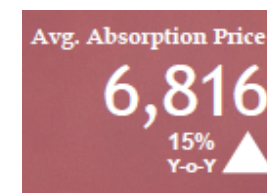
- Strong growth in launches and absorption seen across SPL's core markets – Bengaluru, Chennai and Kolkata
- Inventory levels in Bengaluru is among lowest across Tier-1 cities
- Chennai and Kolkata inventory levels have reduced
- Average Price increase for CY2022 at
 - 6% in Bengaluru (+9% YoY in Q3 2022)
 - 15% in Chennai (+16% YoY in Q3 2022)
 - 13% in Kolkata (+21% YoY in Q3 2022)
- Affordable and mid-market segments account for 70-83% of supply and 74%-86% of absorption in Bengaluru, Chennai & Kolkata

Pricing & Segment wise Trends 2022– Core Markets

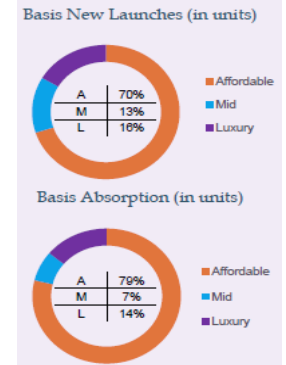
Bengaluru



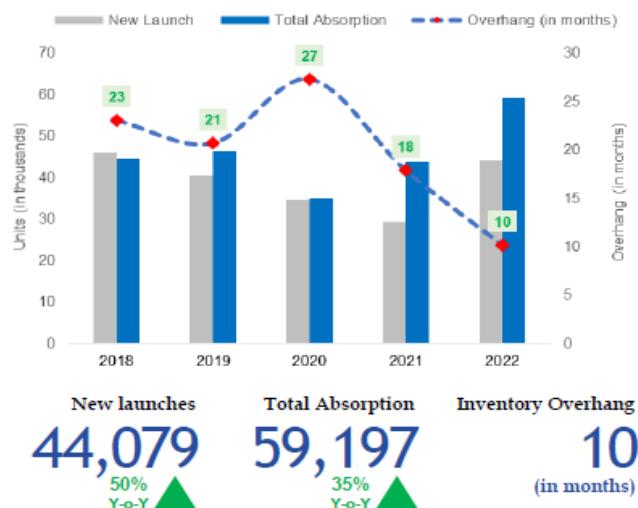
Chennai



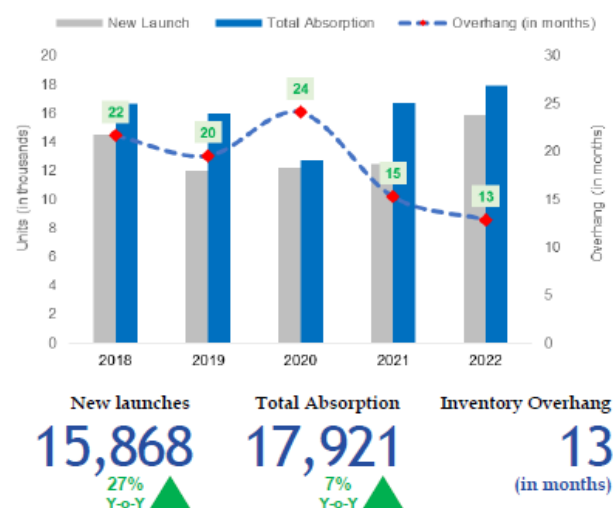
Kolkata



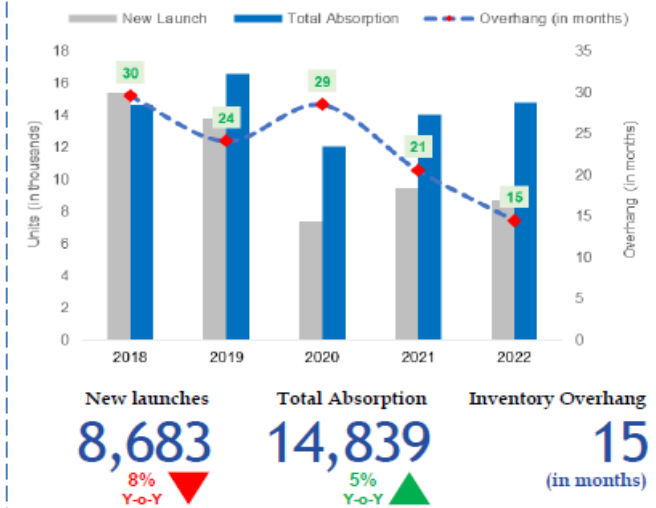
Bengaluru : Absorption & Supply Trends



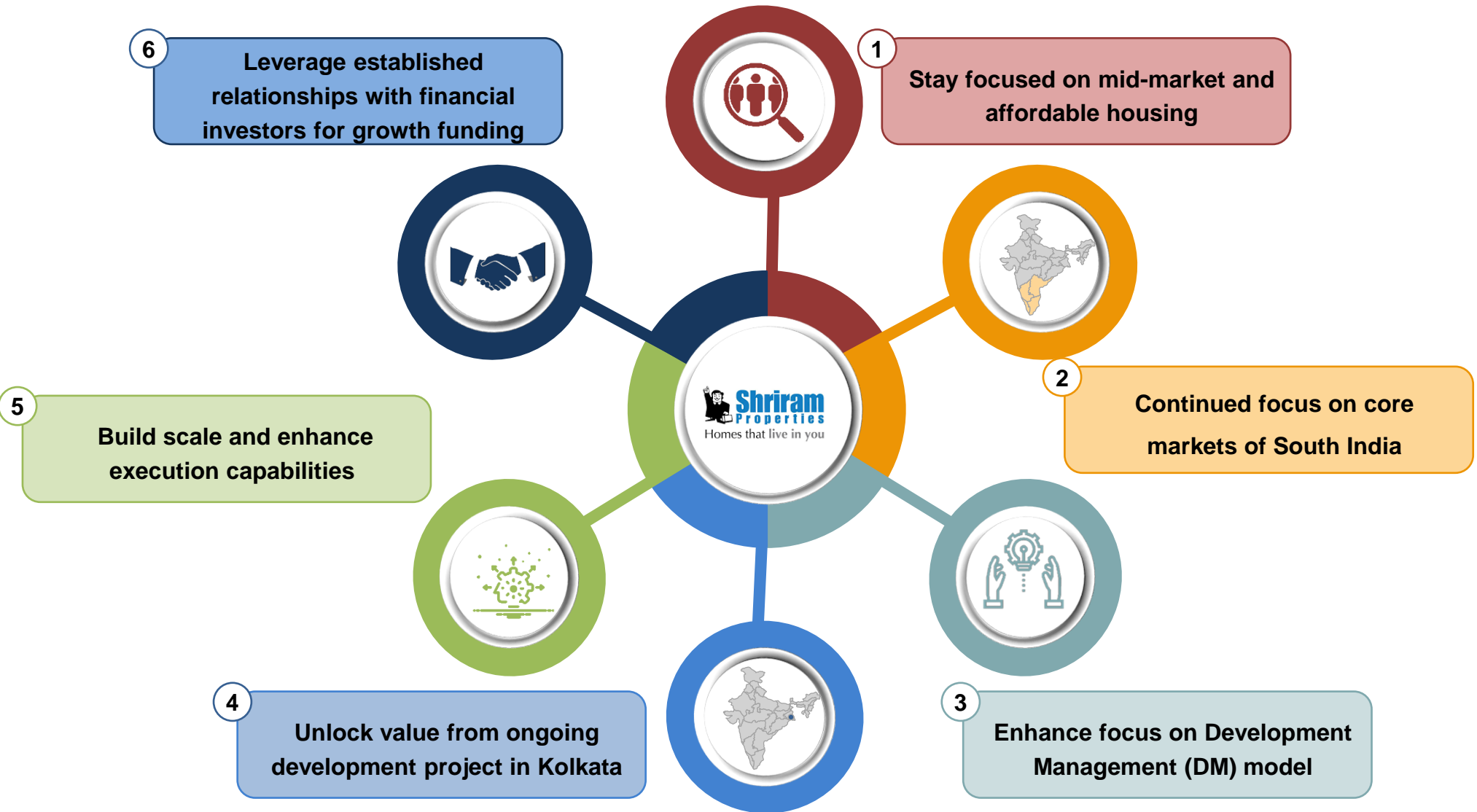
Chennai : Absorption & Supply Trends



Kolkata: Absorption & Supply Trends



Key Strategies



Strategy and Outlook | FY24 and Beyond

- SPL continues to demonstrate its growth momentum delivering strong performance
- Operating leverage kicking-in, on the back of scale and improving efficiency
- FY24 on track to be a promising year with strengthened long-term fundamentals, for the sector and SPL
 - Markets conducive for new launches with improving outlook;
 - Zero inventory in completed projects; ~80% of ongoing project inventory sold already
 - Strong project pipeline to support growth momentum

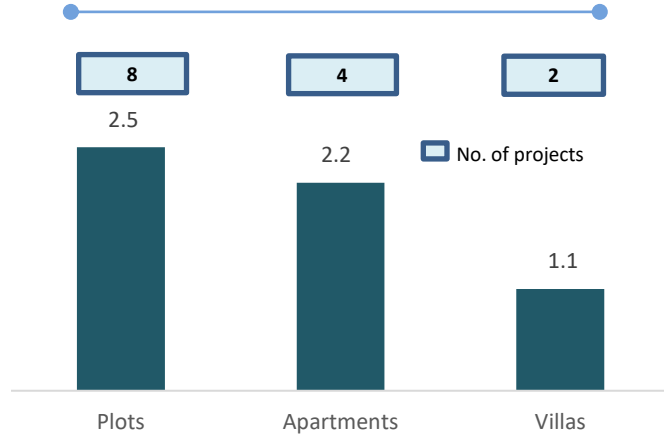
Strategic Objectives

- Sustain growth momentum: Target 20+ % CAGR in Sales over the next 2-3 years
- Unlock potential from Kolkata
- Emphasis on DM; JDA/JV to continue
- Sustain profitability at ~22-25% ; Positive net earnings
- Improve and sustain RoCE at ~10-15% range in next 2 years
- Cautious entry into new markets : Hyderabad and Pune

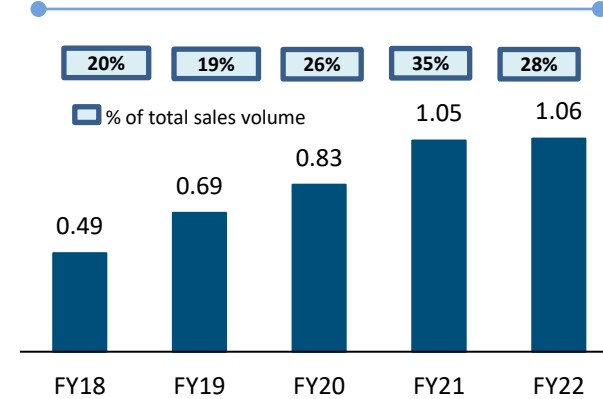
**Targeting 20+ % CAGR in Sales Volume over next 2-3 years,
supported by strong project pipeline and stabilized operating platform**

Development Management (DM) Model: Stabilised Growth Engine for SPL

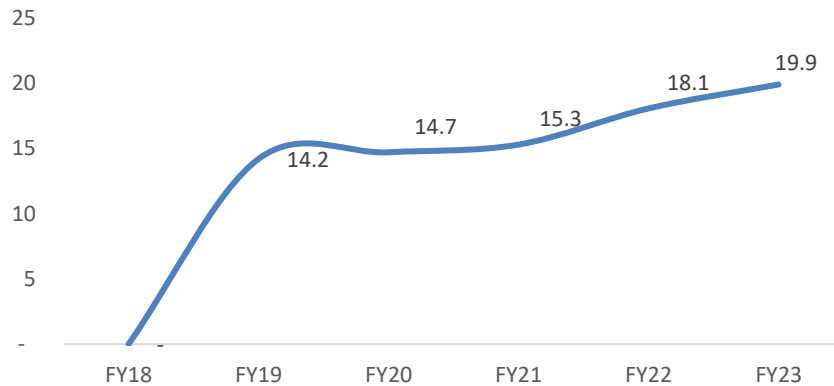
DM Launches (msf) | FY18-9MFY23



DM Volumes (msf)



DM Pipeline Growth



DM Project Pipeline Build-up

	# projects	msf
Pipeline – April 2019	9	14.2
Less: Projects Completed	(3)	(1.1)
Less: Projects Deferred	(1)	(3.0)
Add: Project Additions	11	5.7
Pipeline – December 2023	16	15.8

DM – A Scalable, sustainable and a profitable opportunity

Strategies for Unlocking Potential from Kolkata Progressing Well

Development Strategy

Own development of c.10msf over next 3-5 years

Development Status Update

- ❑ **Shriram Grand-1:** (2.1msf, almost entirely sold)
 - Handover progressing in some clusters; To deliver 600 units in FY23
 - Construction in full swing in other clusters
- ❑ **Shriram Sunshine:** (2.3msf, launched in 3 phases)
 - Already sold ~98% of Phase-1 and 43% of Phase-2 (aggregate 1.05msf)
- ❑ **Upcoming** : ~5.5msf to be launched over next 3 years
 - Villa development to be launched in FY24

Monetising remaining land bank c.22msf

Monetisation Update

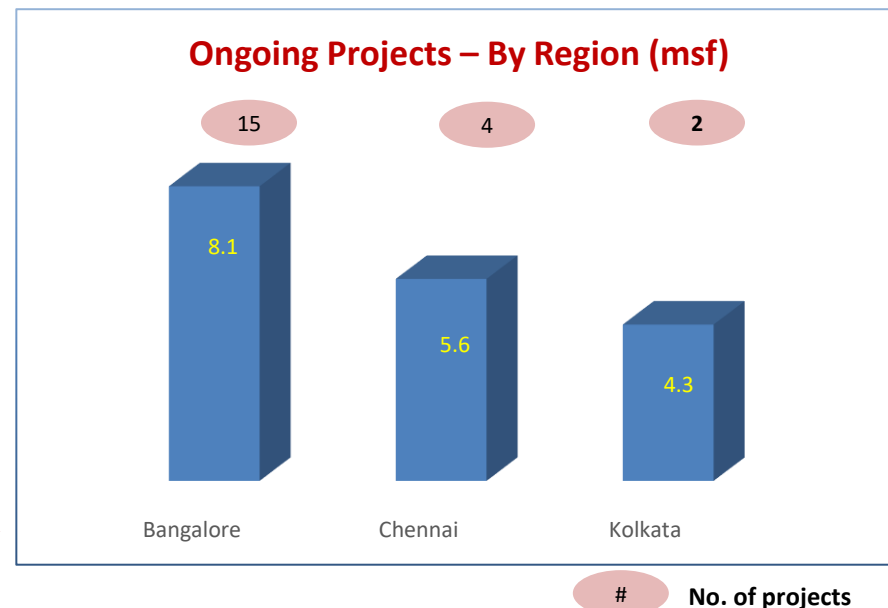
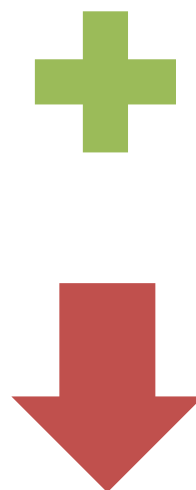
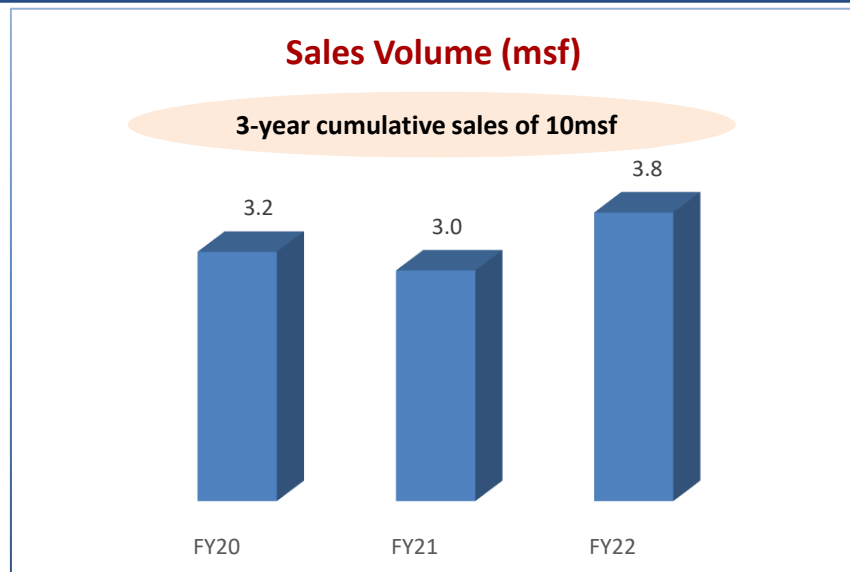
FSI sale progressing well; **MoU with LOGOS, integral part of the strategy**

LOGOS Deal – DD & documentation efforts nearing closure

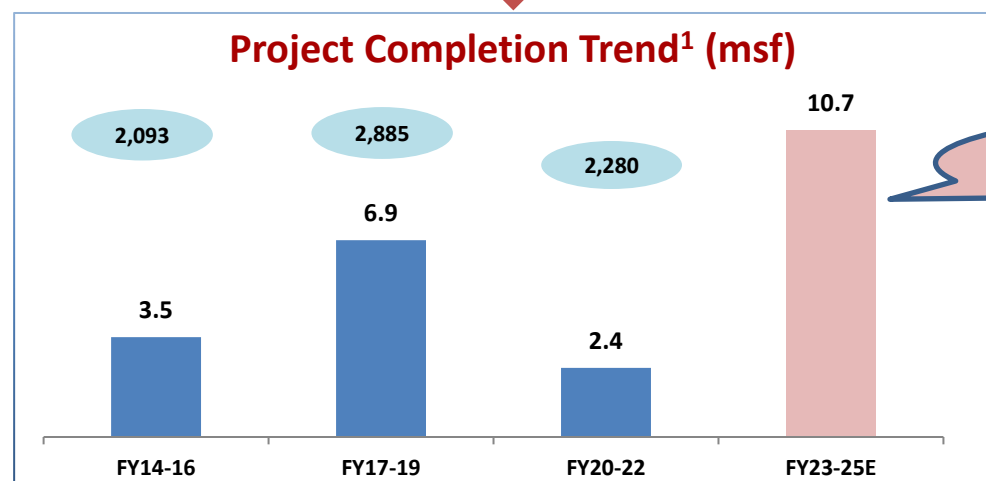
Likely interest from another large global player



Strong Income Recognition Outlook (FY23-25e)



No. of units handed over

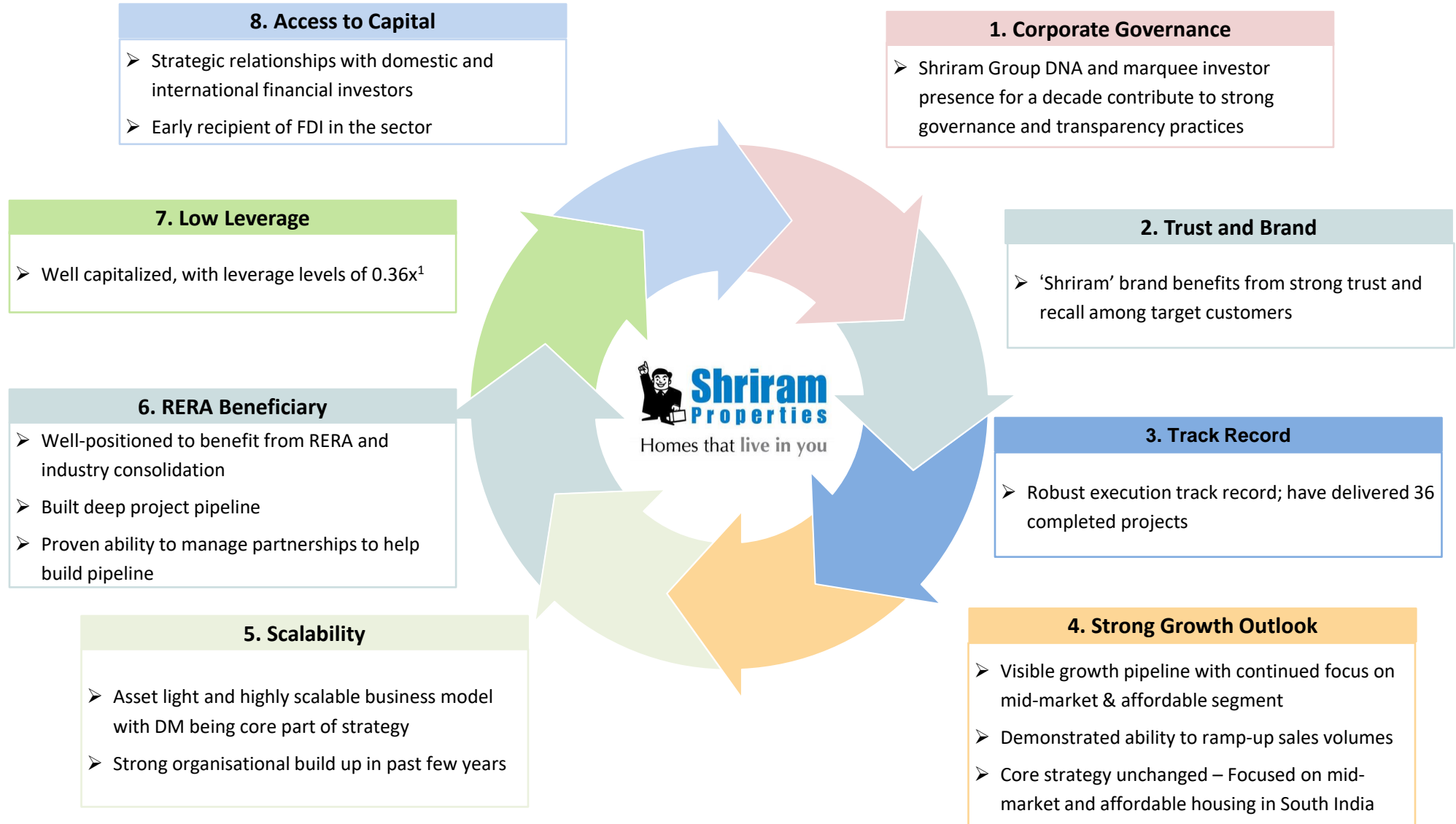


More than 2,000 units handover in FY23

- ✓ SPL to complete & deliver 10+ msf in next 3 years; Largely reflecting sales ramp-up in last 3 years
- ✓ Construction progress encouraging and projects mostly on track
- ✓ Sharp rise in handovers to improve revenue recognition potential over next 3 years; Over 2,000 units handed over in FY23

¹ Completed projects based on timing of receipt of Occupancy Certificate while there would be a lag in handing over of individual units

Investment Summary



Well-positioned to navigate key challenges of the real estate industry

Note: 1. As of Dec 31, 2022. Net debt calculated as (Gross debt – Cash & cash equivalents). Gross debt excluding unsecured inter-company loans (from JVs)

THANK YOU