

# Shriram Properties Limited



## Corporate Presentation September 2024



STRICTLY PRIVATE AND CONFIDENTIAL





*The Poem by Shriram Properties*

## Shriram Properties Overview

# Shriram Properties ('SPL'): Snapshot of 25-year Journey

Completed Portfolio: 44 Projects, 24.4 msf development; 18,000+ handed over units

Spotless credit profile enabling easy credit access from Lenders

Successful partnerships with Global Marquee Investors

Remarkable transformation in scale, size and profitability in recent years

Professionally Managed; Driven by Excellence

Built on values, reliability & relentless drive to grow ahead

*One Shriram Family; with 28,000+ members\**

**New Growth Trajectory Ahead**



\* No of customers in both Completed projects and Ongoing projects

# 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 housing player (67% of completed projects; 78% of Project Pipeline)
  - Established leader in the Southern regional markets (93% of completed projects; 61% 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 continued thereon.
  - Built a strong development pipeline, while remaining focused on being “Asset Light”.
- Pioneered the Development Management (DM) model in the South
  - 11 DM projects accounting for 20% of the project pipeline today
  - 9 DM projects ongoing; 7 projects completed under Residential DM;
  - Account for ~30% of annual volumes in FY21-FY24
- Significant thrust and success on monetization of landbank in Kolkata

**Impressive ramp, in consolidating industry environment post RERA**

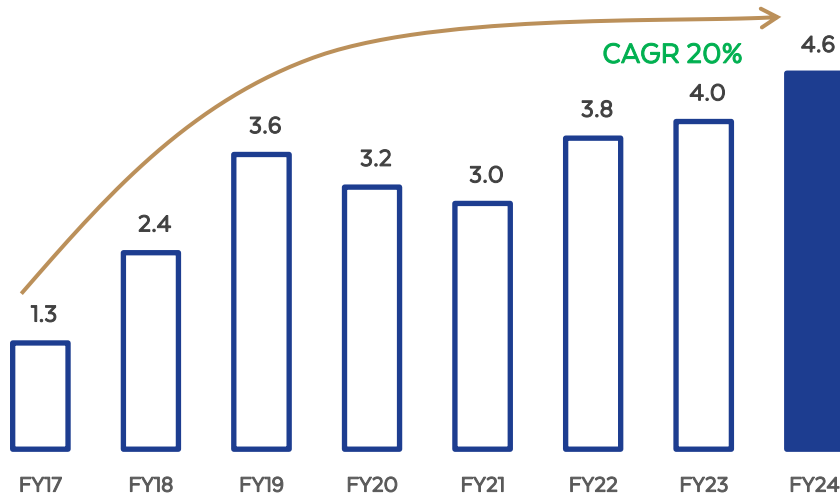
# SPL : Significant Competitive Strengths



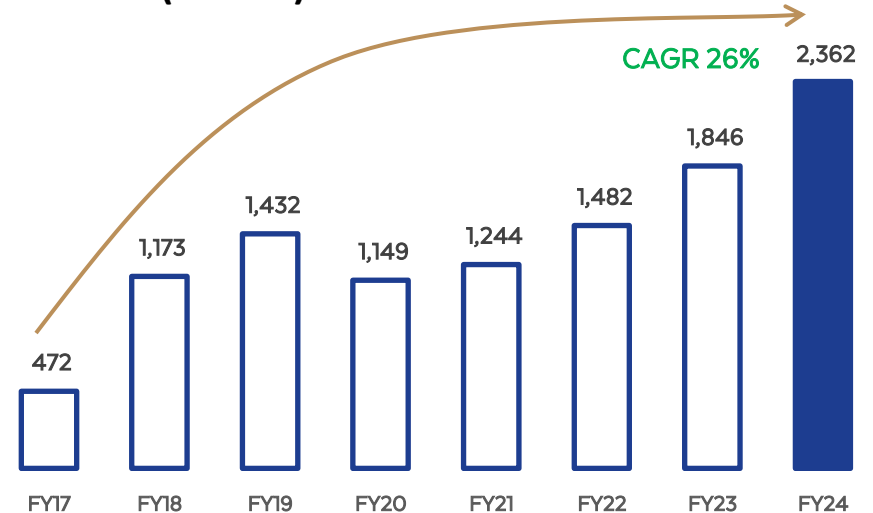
**Ideally positioned to benefit from improving industry landscape**

# Multifold Growth since introduction of RERA

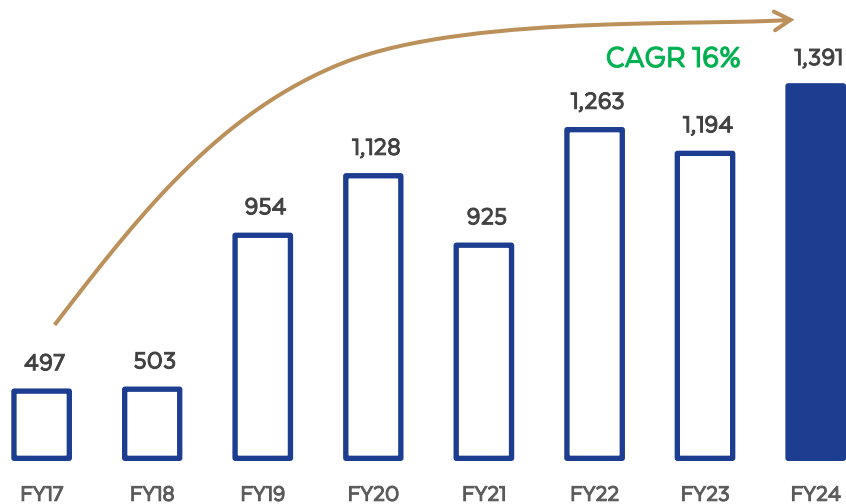
### Sales Volume (msf) – ~3.5x Growth



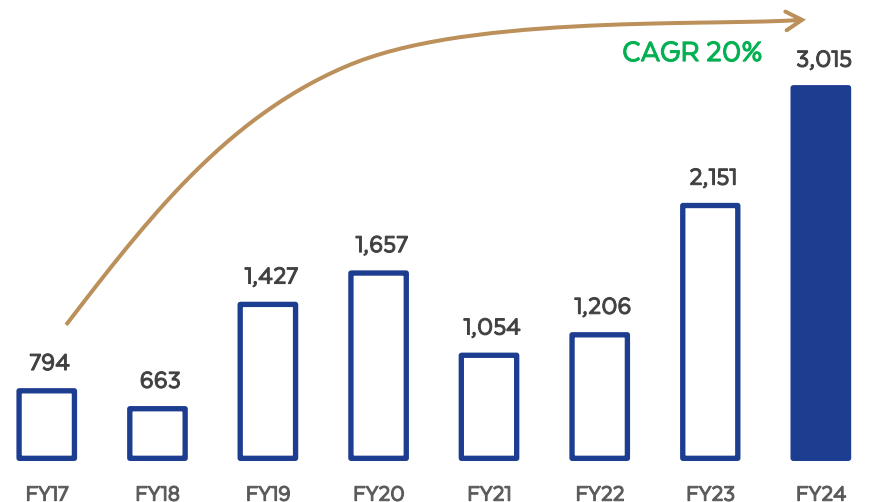
### Sales Value (Rs. Crs) – ~5x Growth



### Collections (Rs. Crs) – ~3x Growth



### Handovers/Registrations (No. of units) – ~4x Growth

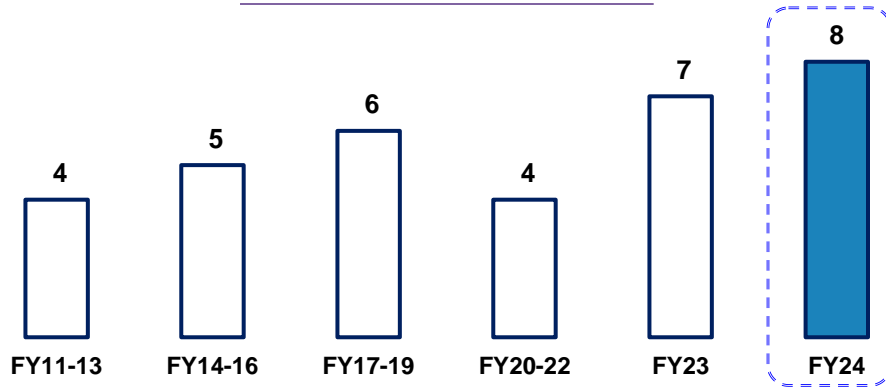


# Demonstrated Capabilities in Project Execution

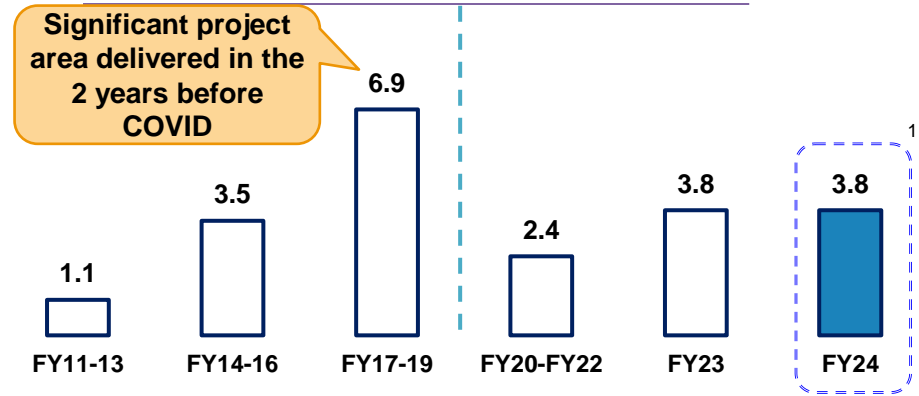
Shriram Properties has delivered

**44** completed projects | **c.24.4msf** of Saleable Area

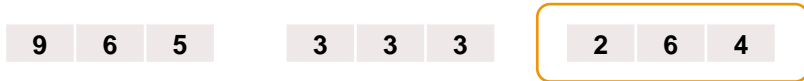
Completed no. of projects



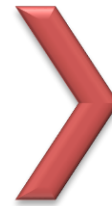
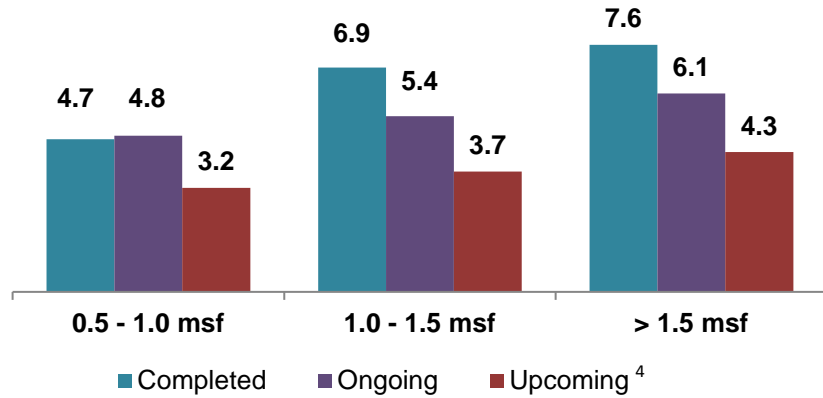
Total saleable area for completed projects<sup>2</sup>



No. of projects



Number of years to complete project<sup>3</sup>

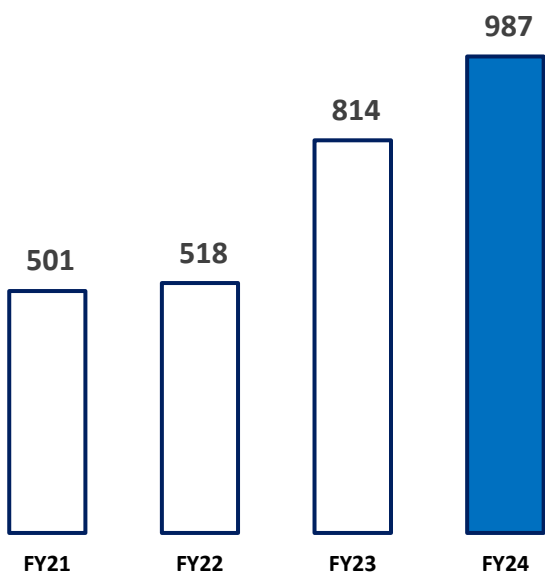


- Overall execution timeline is improving
- Ongoing project timelines are committed under RERA<sup>3</sup>
- Large projects in execution: 12 projects of > 1.5 msf

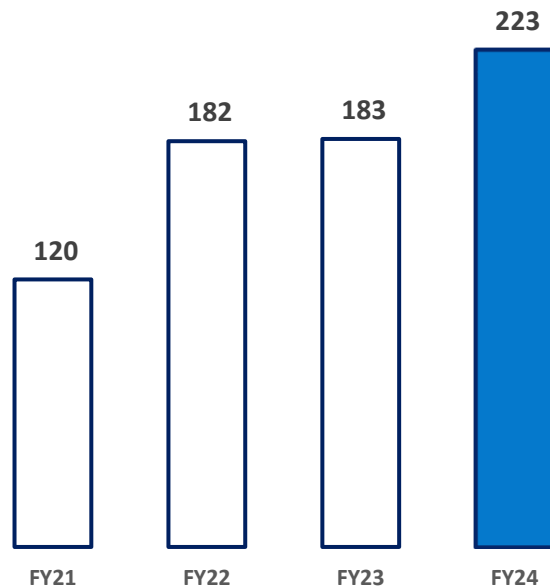
•Note: 1. The Total Saleable Area includes Saleable Area for which the Company does not hold any economic interest. 2. Based on completed projects and completion date. 3. Projects considered above exclude Bengal (6 mn), commercial developments, and those less than 0.5 msf. For Completed projects, calculated 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.

# Financial Turnaround witnessed in last 3 years

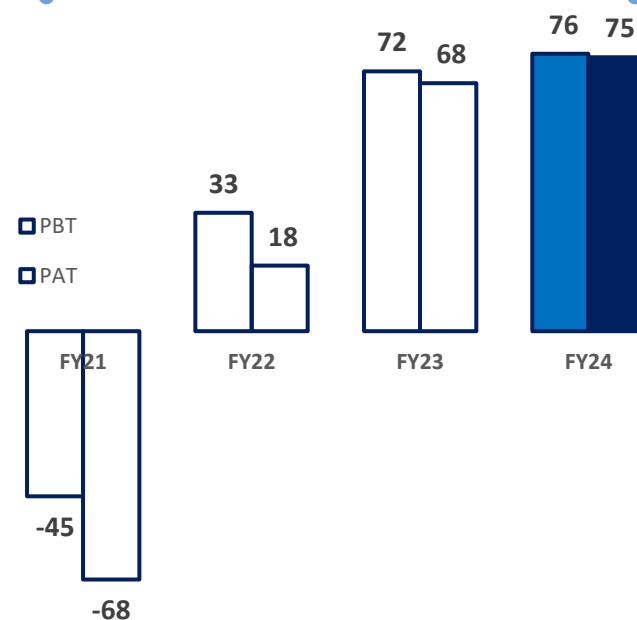
### Revenue Trends (Rs. Crs)



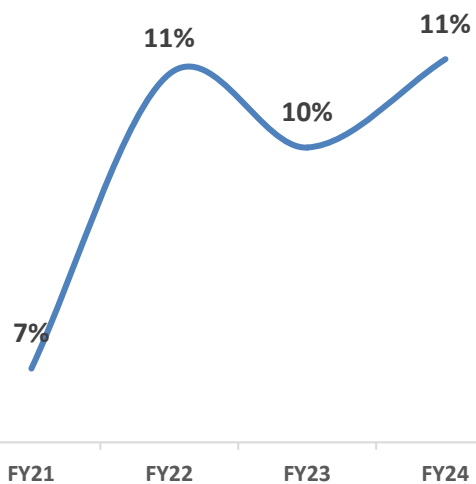
### EBIDTA Trends (Rs. Crs.)



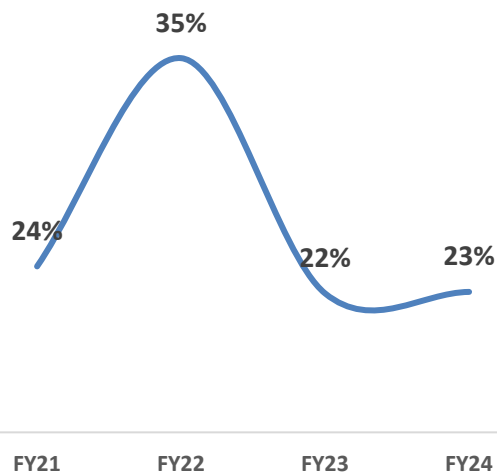
### PBT & PAT Trends (Rs. Crs.)



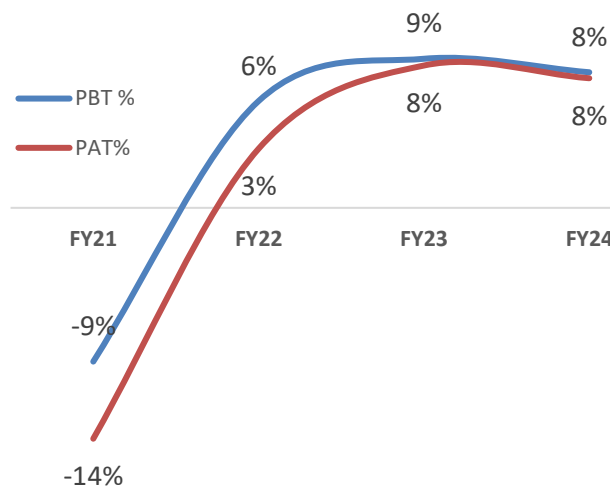
### ROCE Trends



### EBIDTA margin Trends



### PBT & PAT Margin Trends







## Strategy & Outlook

# Our 3-Year Mission - #SPLNxT



## ~2x Sales



**Doubling Annual Sales - To Rs. ~5,000 Crs by 2027**

Approx 8-9msf annual sales, from 4.5msf in FY24

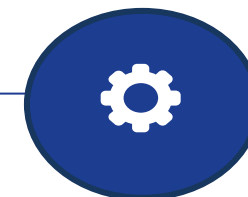
## ~3x Revenue



**Tripling Income recognition – to Rs. ~3,000 Crores by 2027**

Approx handover of 12000+ units during this period

## ~4x Profits



**Quadrupling Profits in 2027**

Approx 10%-11% PBT Margins on revenue recognition will drive



**Operational Performance:** CAGR Growth Post RERA in our Sales is 26% & desired CAGR Growth to Achieve the mission is 28%.



**Financial Performance:** From FY21 to FY24 We have doubled our Incomes from ~500 to ~1000 Crs. This gives us the confidence in tripling our Income recognition in next 3 years.

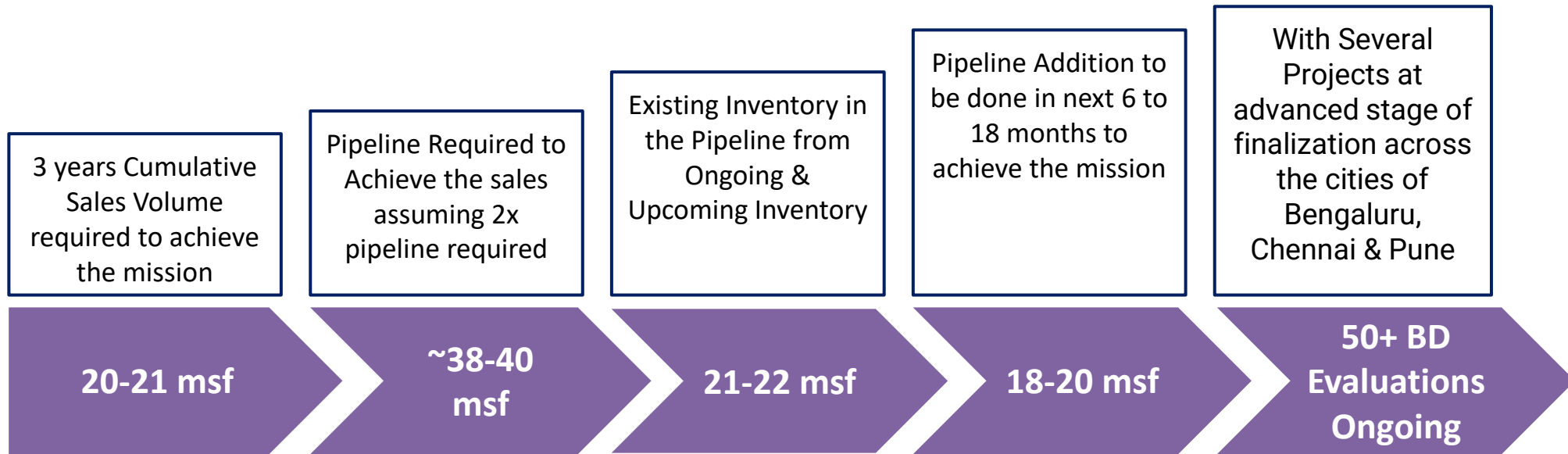


**Profitability:** We have turnaround from negative profits before IPO to positive earnings over the last three years. Signifying the stability in Profits and margins.

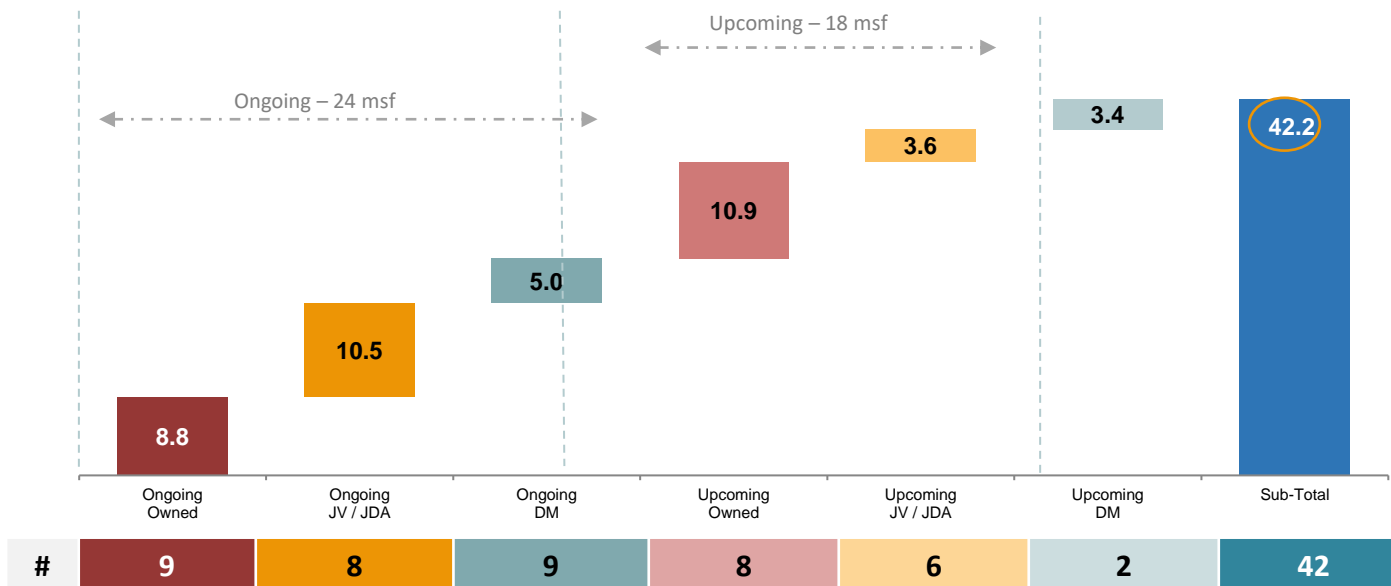


**Robust Operating Platform:** In last 5-6 years we have grown multifold in several of our KPI's, Our well-oiled Sales machine has proven its capabilities, Our strong Execution track record gives us the confidence in Delivery.

# Project Pipeline update



## Project Pipeline (msf)\*

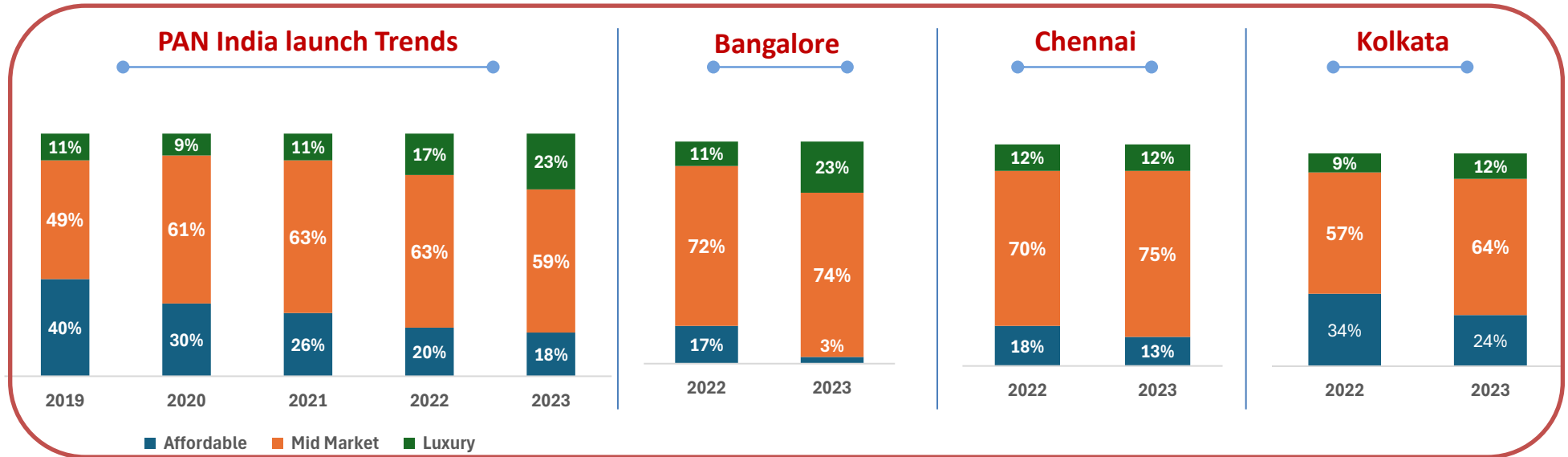


- ✓ Overall pipeline remains impressive;
- ✓ 42 projects with 42.2 msf potential
- ✓ 24 msf ongoing and 18 msf upcoming projects.
- ✓ Several new opportunities at an advanced stage of evaluation. Strong accretion likely in FY25

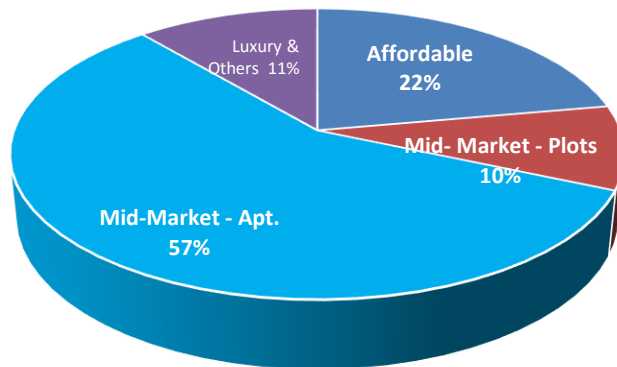
**SPL pipeline addition to be superior in FY25 with deal closure in multiple projects reaching closure**

*Excludes 7 Projects deferred with 8.6 msf taking longer than expected time to covert into live pipeline*

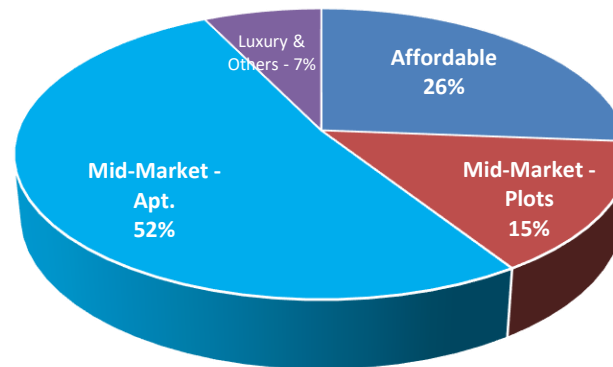
# Renewed Thrust on Mid Market / Mid-Premium Housing: Stable & Long-term growth prospects



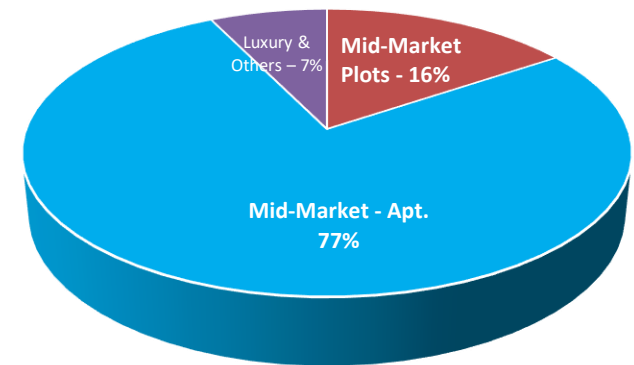
## Completed Portfolio (67%\*)



## Ongoing Portfolio (67%\*)



## Upcoming Portfolio (93%\*)



**SPL's portfolio aligns well with current industry trends, ensuring stable performance**

# FY25 Outlook: Strategy & Guidance

## Strategic Objectives

### Growth Momentum

Target 20%+ CAGR in sales over next 3 years

### Sustaining Profitability

Strong earnings growth momentum with improving profitability and returns

### Net Debt Zero

Progress towards 'Zero Net debt' objective



## FY25 Context

### Favorable Market conditions

Residential Real Estate (esp. Mid-market) on upcycle; Markets conducive large players

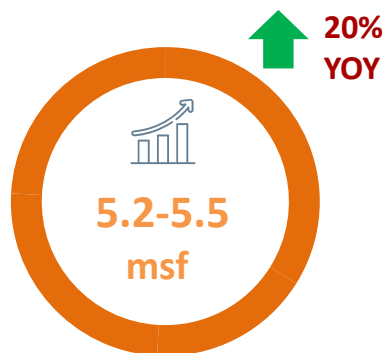
### Strong Operating Platform

Reinforced S&M team; Strong launch pipeline  
Demonstrated execution & handover capabilities

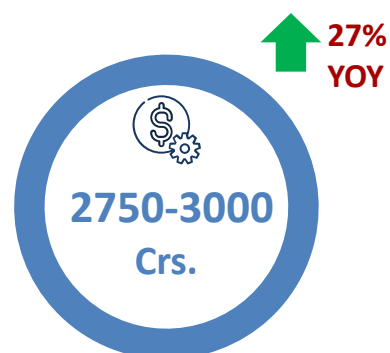
### Successful Pune Entry

Aim to set strong footprints to grow in Pune

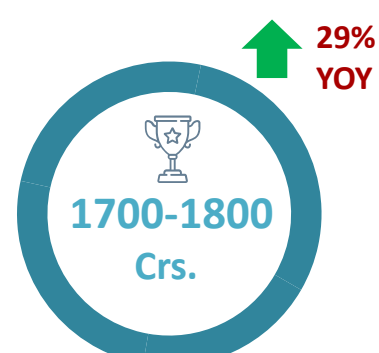
## FY25 KPI Targets



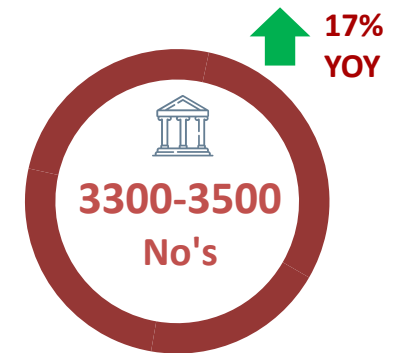
**Sales Volume**



**Sales Value**



**Collection**

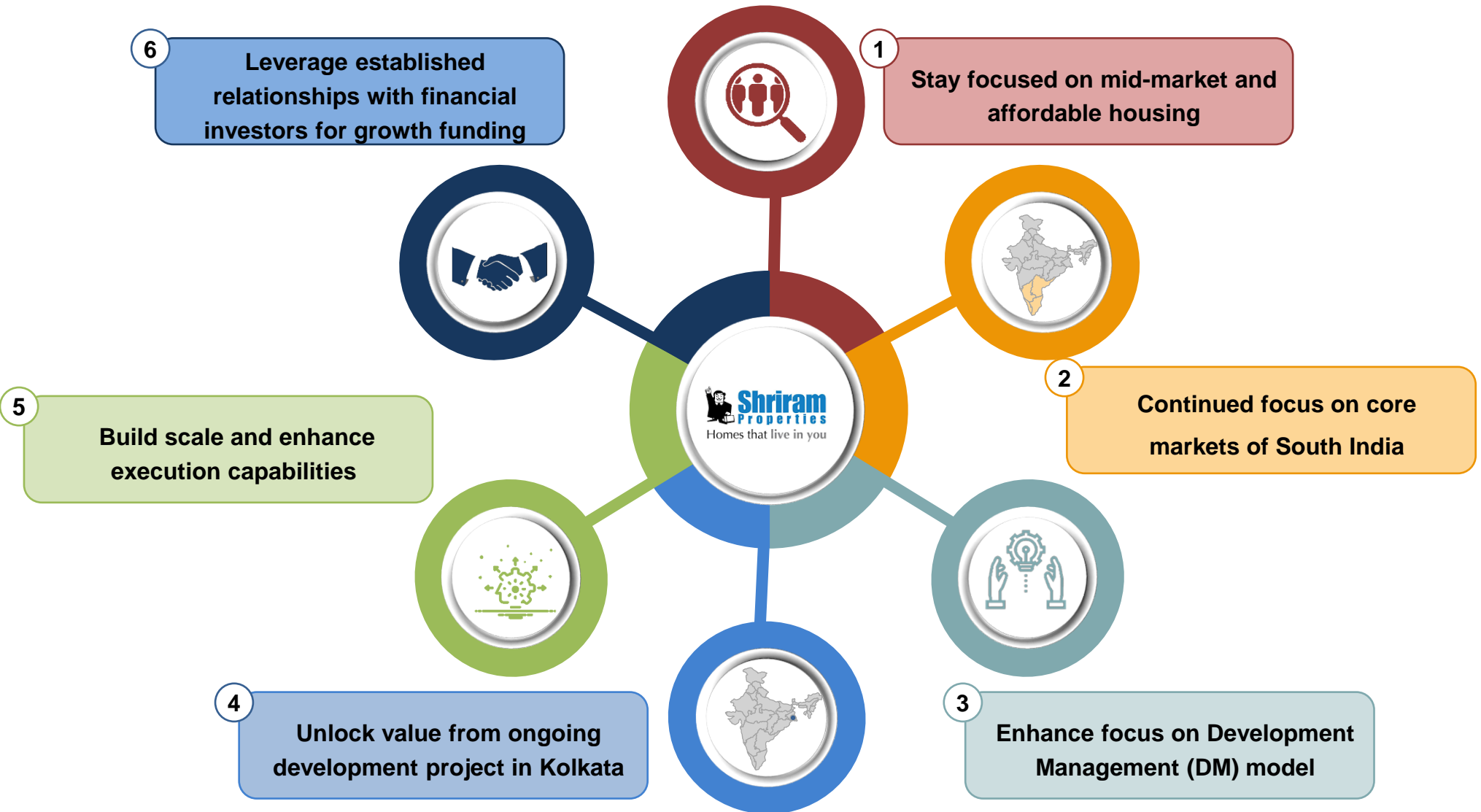


**Handovers**

• YoY Growth % comparison on the higher end of the estimated numbers

**Growth momentum to continue, supported by strong pipeline and robust operating platform**

# Key Strategies



## 8. Access to Capital

- Strategic relationships with domestic and international financial investors
- Early recipient of FDI in the sector

## 7. Low Leverage

- Well capitalized, with leverage levels of 0.37x<sup>1</sup>

## 6. RERA Beneficiary

- Well-positioned to reap benefits of RERA led industry consolidation
- Built deep project pipeline
- Proven ability to manage partnerships

## 5. Scalability

- Asset light, highly scalable business model
- DM being core part of strategy
- Strong organizational build up in recent years

## 1. Corporate Governance

- Shriram Group DNA and marquee investor presence for a decade contribute to strong governance and transparency practices

## 2. Trust and Brand

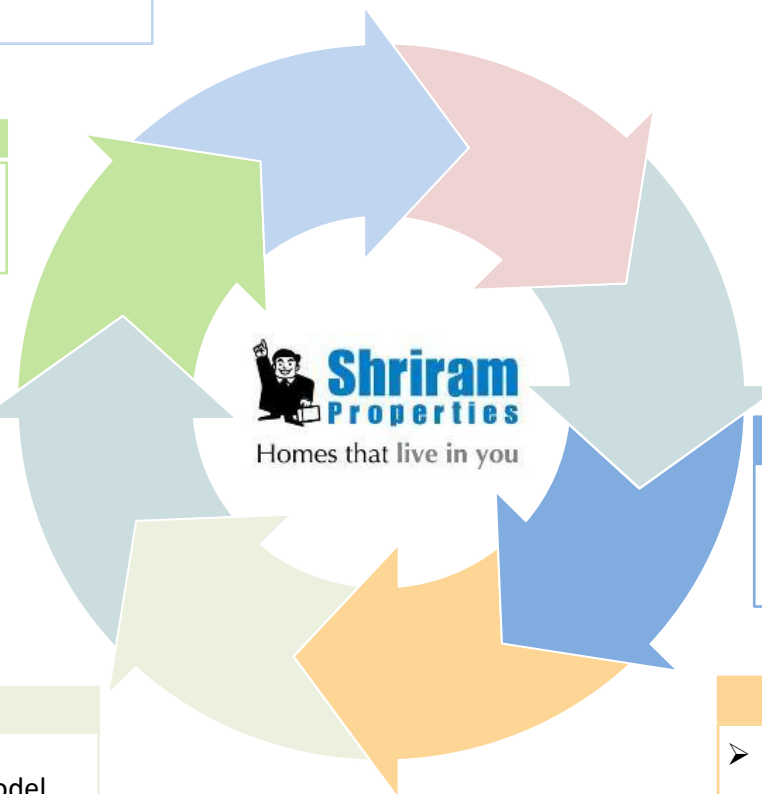
- 'Shriram' brand benefits from strong trust and recall among target customers

## 3. Track Record

- Robust execution track record
- Delivered 44 projects

## 4. Strong Growth Outlook

- Visible growth pipeline with continued focus on mid-market & affordable segment
- Demonstrated ability to ramp-up
- Core strategy unchanged – Focus on mid-market and affordable housing in South India



Note: 1. As of June 30, 2024. Net debt calculated as (Gross debt – Cash & cash equivalents). Gross debt excluding unsecured inter-company loans (from JVs)

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



# THANK YOU







## Q1 FY25 Performance Highlights

# KPI Summary : Q1FY25

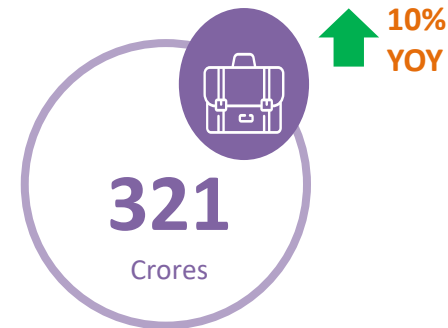
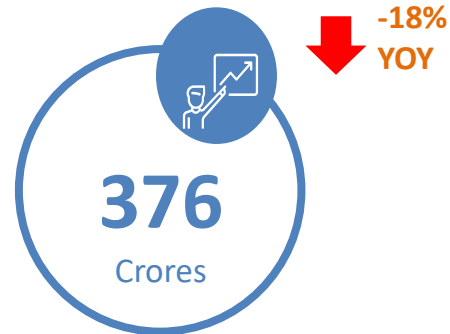
## Sales Volume

## Sales Value

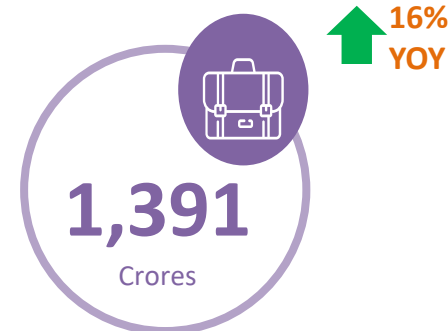
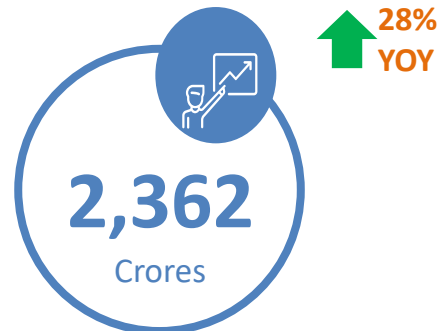
## Collection

## Handovers

Q1 FY25

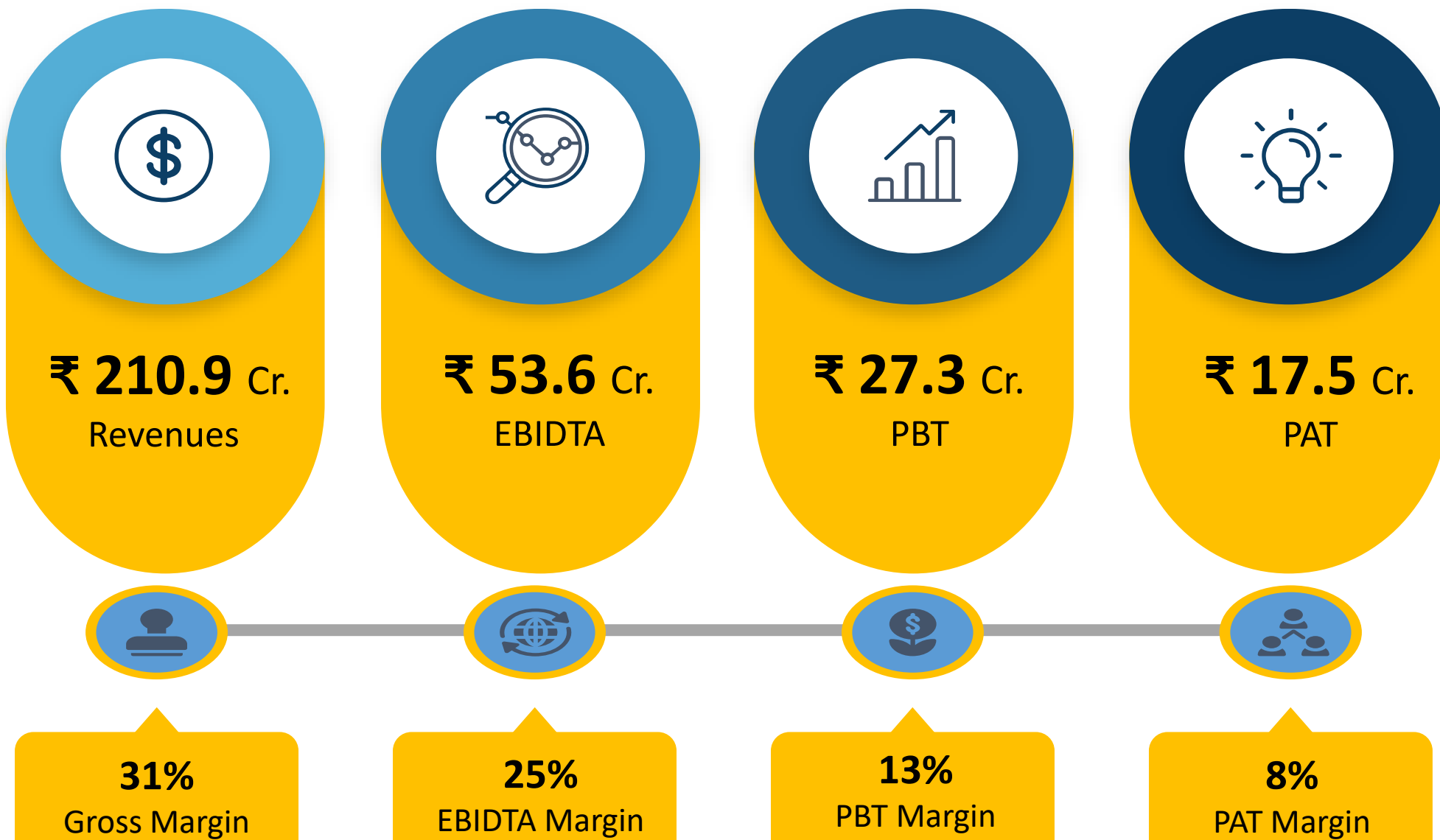


FY24



- Muted Q1 Sales but fundamentals remains intact. Confident of delivering FY25 targets
- Q1 traditionally weak quarter, but markets moderated further amidst election impact, water scarcity at Bangalore and unseasonal rains in Chennai and deferred launches due to macro issues
- Market conditions remain positive and customer decision making regaining momentum in coming quarters

# Financials Snapshot: Q1FY25



*Satisfactory Q1 performance, but set to gain momentum in coming quarters with multiple projects reaching completion & handover during the remainder of the year*

## Operational Performance

- Muted sales; driven by sustenance activity.
  - *No new launches; sustenance sales from ongoing projects.*
  - *Deferred approvals, wait-n-watch strategy of customers ahead of poll results impacted overall momentum.*
  - *Water scarcity at Bangalore and unseasonal heavy rains in Chennai impacted sales momentum, across the sector.*
  - *Pune launch deferred to Q2/Q3 – MoEF/PMC approval delays*
- Sales volume down 9% YoY; Sales Value down 18% YoY.
- Collections at Rs. 321 Crs., up 10% YoY.

## Financial Performance

- Total Revenues up 34% YoY.
- Revenue from Operations grew 14% YoY.
- Other operating revenues reflect positive impact of ASK Early Exit from Shriram Pristine Estates.
- Marginal growth in EBITDA, PBT and PAT.
- Positive cash from operations – Rs. 30 Crs. In Q1.
- Overall finance costs down 19% YoY.
- Cost of debt stable at 11.7%.
- Debt-equity ratio remains amongst lowest in the sector.

## Project Execution

- Handover of 530+ units in projects that received OC in FY24; To gain momentum with scheduled completion of projects in coming quarters.
- Election led labour migration impacted construction activities for a part of Q1, but normalcy restored.
- Construction gained momentum with commencement of work at new projects.
- FY25 Target completion on track, to handover 3300+ units.

## Business Development & Project Pipeline

- 2 new projects concluded – One JDA & One Own
  - *North Bangalore and Near Electronic City*
  - *Aggregate saleable area of 0.78msf*
  - *Gross Development Value (GDV) of Rs. 500-600 crs*
- “Pune” market entry deferred to Q2/Q3, due to pending local clearances. MoEF clearances progressed.
- Strong project pipeline to support growth momentum.
- Several Projects at advanced stage of deal closure, to enrich portfolio in upcoming quarters.

# Financial Highlights : Profit & Loss | Q1 FY25

Particulars (INR Crores)	Q1FY25	Q1FY24	YoY	FY24
Revenue from operations	154.0	135.0	14%	864.6
Other Operating Revenues	53.1	17.6		103.0
<b>Total Operating Revenues</b>	<b>207.1</b>	<b>152.6</b>		<b>967.6</b>
Other Income	3.8	4.6		19.8
<b>Total Revenues</b>	<b>210.9</b>	<b>157.2</b>	34%	<b>987.4</b>
Cost of revenue	106.0	60.7	75%	573.5
Employee benefit expense	23.0	18.8		86.1
Other expenses	28.3	24.3		105.0
<b>Total Expenses</b>	<b>157.3</b>	<b>103.8</b>		<b>764.6</b>
<b>EBITDA</b>	<b>53.6</b>	<b>53.3</b>	1%	<b>222.8</b>
<b>Finance Costs</b>	<b>26.7</b>	<b>32.9</b>	-19%	<b>117.8</b>
- Interest expense & other finance cost	22.8	27.8		84.5
- Unwinding Impact (non-cash charge)	3.9	5.1		21.4
- Interest expense (one time)	-	-		11.9
Depreciation	2.7	2.1		9.1
<b>Profit before share of JV Income/(Loss)</b>	<b>24.2</b>	<b>18.3</b>	32%	<b>95.9</b>
Add: Share of profit/(loss) of JVs	3.1	6.1		(19.6)
<b>Profit Before Tax</b>	<b>27.3</b>	<b>24.4</b>	12%	<b>76.3</b>
Tax expense	9.8	7.7		0.9
<b>Net Profit</b>	<b>17.5</b>	<b>16.6</b>	5%	<b>75.4</b>

**Satisfactory financial performance, viewed in the context of sustenance handovers during Q1FY25  
Set to gain significant momentum with scheduled projects completion for handovers in H2**

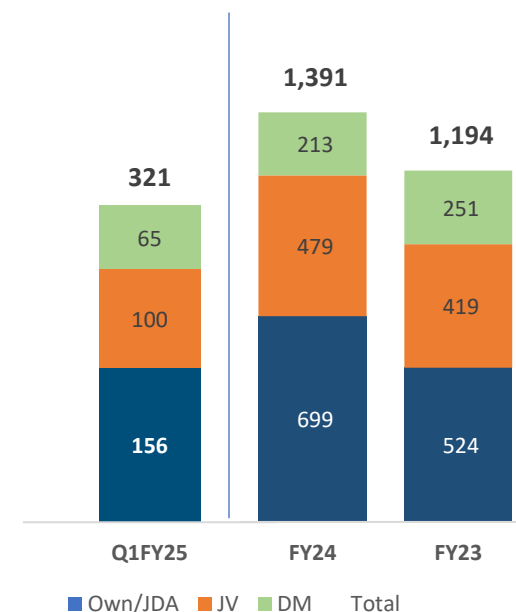
# Financial Highlights: Consolidated Cash Flows | Q1FY25

(Excl. DM & JV cashflows)

Amount in Rs. Crores	Q1FY25	FY24	FY23
Collections	156	699	524
DM Income	7	123	57
Other Inflows	0	1	1
<b>Operating Inflow</b>	<b>163</b>	<b>823</b>	<b>582</b>
Construction	(76)	(361)	(296)
Marketing & Admin Overheads	(42)	(180)	(149)
Other Operating outflows	(15)	(55)	(22)
<b>Operating Outflow</b>	<b>(133)</b>	<b>(596)</b>	<b>(467)</b>
<b>Cash Flow from Operations</b>	<b>30</b>	<b>227</b>	<b>115</b>
Loan Draws	28	283	441
Loan Repayment	(55)	(252)	(367)
<b>Net flow from Borrowings</b>	<b>(27)</b>	<b>31</b>	<b>74</b>
Interest expense, net	(15)	(67)	(64)
Other financing cashflows	(6)	(35)	(9)
<b>Cash Flow from Financing</b>	<b>(48)</b>	<b>(71)</b>	<b>1</b>
<b>FCF Before New Project Inv.</b>	<b>(18)</b>	<b>156</b>	<b>116</b>
Less: New Project Inv.*	(44)	(86)	(136)
<b>Net Free Cash flow</b>	<b>(62)</b>	<b>70</b>	<b>(20)</b>
Opening Cash & Cash Equiv.	190	120	141
Closing Cash & Cash Equiv.	128	190	120

## Collection Trends (Rs. In Crs)

SPL Own & JDA / JVs / DM



- ✓ Healthy cashflow from operations continue during Q1FY25.
- ✓ Net financing outflows on account of scheduled repayment of loans
- ✓ New Project Investment of Rs.44 Crs in Q1FY25 and over Rs.220 Crs in last 2 years to strengthen development pipeline.

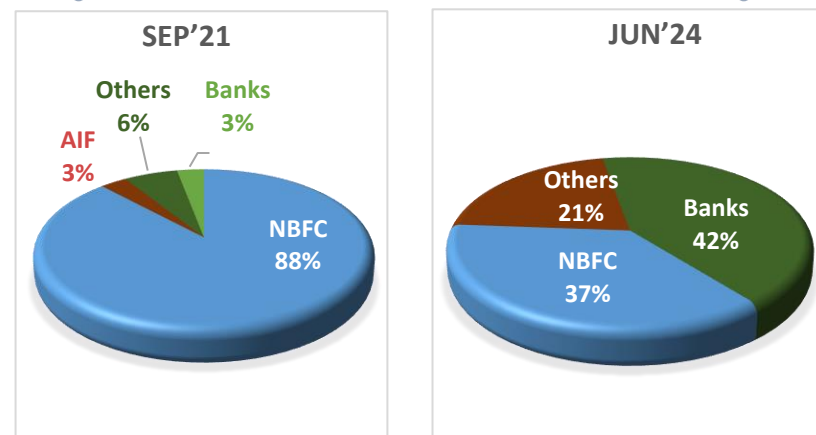
\* Includes cash outflows for acquisition of Shriram Serenity & Land near Yelahanka during FY25, Shriram 122 West ("JV") under ASK platform and Park 63 during FY24 & Suvilas Realities, SPL's share of investment in Shriram Pristine Estates ("JV") during FY23.

# Debt Profile: Well Managed Leverage Ratios & Cost of Debt

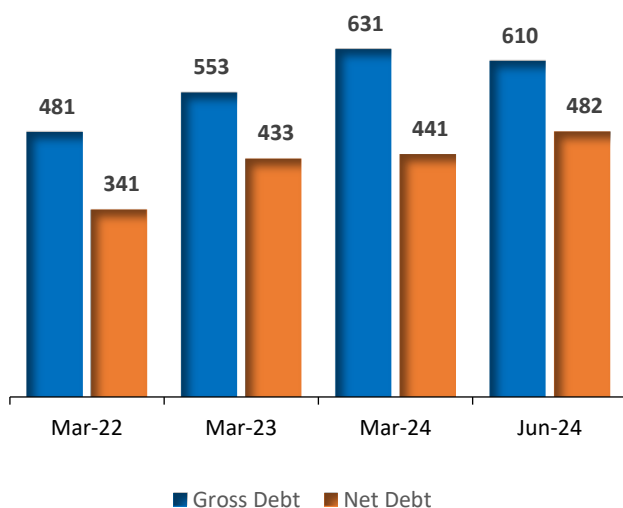
## Debt Profile & Cost of Debt Trends - Consolidated

Particulars (Rs. in Crs.)	Mar'22	Mar'23	Mar'24	June'24
Gross External Debt <sup>1</sup>	481	553	631	610
C & CE	140	120	190	128
<b>Net Debt</b>	<b>341</b>	<b>433</b>	<b>441</b>	<b>482</b>
Total Equity	1,131	1,200	1,277	1,294
<b>Net debt/Equity</b>	<b>0.30</b>	<b>0.36</b>	<b>0.35</b>	<b>0.37</b>

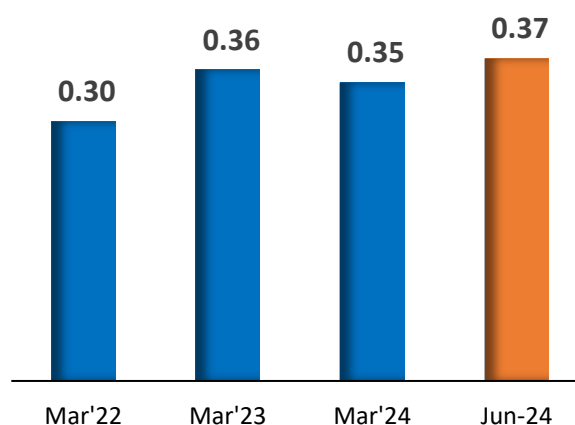
## Change in Debt Composition – Sep'21 (Pre-IPO) vs Jun'24



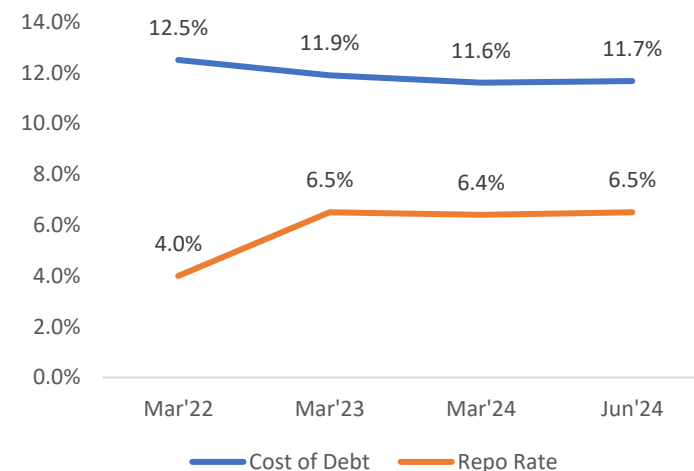
## Gross and Net Debt (Rs. In Crs.)



## Net Debt - Equity



## Cost of Debt %



**Project completion led cashflows to drive Gross Debt lower in FY25**



# THANK YOU

