

August 12, 2022

National Stock Exchange of India Limited The Listing Department Exchange Plaza, 5 th Floor Plot C 1 – G Block Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 Scrip Code: SHRIRAMPPS	BSE Limited Dept of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001 Scrip Code : 543419
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Dear Sir/Madam,

Sub: Press Release

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached herewith the press release on the Unaudited Financial Results of the Company for the quarter ended June 30, 2022.

We request you to take the above information on record.

Thanking you.

Regards

For Shriram Properties Limited




D. Srinivasan
Company Secretary
FCS 5550

Shriram Properties Limited

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Registered Office: Lakshmi Neela Rite Choice Chamber, New No.9, Bazullah Road, T. Nagar Chennai - 600 017

GST No: 29AAFCS5801D1ZI CIN No: L72200TN2000PLC044560

MEDIA RELEASE

SHRIRAM PROPERTIES REPORTS EXCELLENT RESULTS FOR Q1FY23

Revenue and EBITDA more than doubled; Earnings turnaround momentum continue

BENGALURU, August 12, 2022: Shriram Properties Ltd (“SPL”), a leading residential developer in South India, announced its financial results for the first quarter ended June 30, 2022 (“Q1FY23”).

The Company has reported 20% YoY¹ growth in sales volumes² at 0.66 million, supported by strong sustenance sales across projects and the launch of a new phase in an ongoing project. For the quarter, aggregate sales value stood at Rs.313 crore, against Rs.248 crore in Q1FY22, up 26% YoY. Aggregate collections were higher by 34% YoY at Rs. 324 crores in Q1FY23. Construction spend were higher by 52% YoY at Rs.137 crores, demonstrating continued focus on project execution.

The Company has clocked 4% higher realisation, with actual growth ranging between 1% to 9% across projects, compared to levels seen in Mar’22. The Company witnessed ~8% higher average realisation in H2FY22 as well. Price improvement was seen across all product segments. The Company expects the price curve to improve further on the back of strong demand, cost considerations and impact of industry consolidation.

The Company has reported excellent financial performance for the quarter as well. Revenue from operations nearly tripled on YoY basis to Rs. 122 crores on the back of income recognition in two key projects and 62% YoY growth in DM fee during Q1FY23. Total revenues also more than doubled to Rs.145.1 crores in Q1FY23, despite delayed revenue recognition in one key projects in Bengaluru.

EBITDA has more than tripled to Rs.35.5 crores in Q1FY23 vis-à-vis Q1FY22, reflecting higher revenue recognition, increased share of DM fee and lower growth in total expenses. EBITDA margins were higher at 24.5% against 18.9% in Q1FY22.

¹ YoY – year-on-year; QoQ – Quarter-on-Quarter

² Gross new sales, net of cancellations. Note: All data presented in this release reflect aggregate numbers for SPL, covering all projects under all formats of development viz., Own, JV/JDA and the Development Management (DM)

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Overall finance costs were lower by 13% YoY, reflecting reduced debt levels and ongoing refinancing efforts. Share of profits from JVs was remarkably higher, reflecting the start of revenue recognition on completion and handover at one of the JV projects in Chennai.

The Company was able to sustain the turnaround momentum seen in H2FY22. Net profit for the quarter stood at Rs.10.5 crores against full year profit of Rs.18 crores in FY22. This reinforces confidence on earnings potential for the full year.

The Company's gross debt dropped 6% QoQ to Rs.451.2 crores in Jun'22, while net debt stood at Rs. 364.1 crores in Jun'22. Debt-Equity ratio at 0.32x is among the lowest in the sector. The Company remains focused on reducing debt and interest costs further in the coming quarters. Post IPO, the Company has prepaid debt of ~Rs.200 crores and refinanced ~Rs.265 crores, apart from JV debt refinancing activities.

The Company has near-zero inventory in completed projects and nearly 85% of its ongoing project inventories are already sold. With all its ongoing projects nearly on track, the Company expects to handover ~10 msf during FY23-25. Accordingly, ~70% of revenues recognition over the next 3 years would come from cumulative volumes sold till Mar'22 and ~60% DM fee to come from projects launched already. These should provide strong income recognition potential. Improving operating leverage and rising DM income should continue to help sustain earnings momentum.

Commenting on the Company's performance, **Mr Murali M, Chairman and Managing Director**, said: *"The continued strong earnings and turnaround momentum is reassuring and demonstrates the strength of our team and the operating platform. Strong current performance reinforces confidence on our strategy and the execution plan. We will remain focused on profitable growth by leveraging the strong project pipeline and market opportunities. We believe, we are on the right path to delivering superior shareholder value in the coming years".*

Key Highlights:

- **Operational KPIs:**

- Net sales at 0.66 msf in Q1FY23, up 20% YoY.
- Sales value at Rs. 313 crores during Q1FY23, up 26% YoY.
- Average realisation at Rs.4,694/sqft, up 8% YoY. Plotted realisation higher by 6% YoY.
- One launch during Q1FY23; Targeting 11 launches in next 3 quarters of FY23.
- Collections up 34% YoY at Rs.324 crores; Construction spend up 52% YoY to Rs.137 crores.

- **New Projects**

- Added 8 projects to pipeline aggregating to ~7 msf development potential since Mar'22.
- DM model accounts for ~33% of pipeline, JV/JDA accounts for ~40% of project pipeline.

- **Financials (Consolidated)**

- Revenue from Operations (incl. DM income) at Rs. 122.2 crores, up 190% YoY.
- Total Income up 138% YoY to Rs. 145.1 crores.
- EBITDA up 209% YoY to Rs. 35.5 crores.
- PBT (incl. share of JVs) at Rs. 17.4 crores.
- Net profit at Rs. 10.5 crores against loss in Q1FY22.

- **Other Highlights**

- As of Q1FY23, the Company had near-zero inventory in completed projects and nearly 85% of inventories in its ongoing projects have been sold already.
- Construction sites operating at full swing; Labour count at ~4000+ as at end of Q41FY23.
- SPL consolidated net debt at Rs.364.1 crores as on June 30, 2022; Debt-to-Equity at 0.32x.

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About Shriram Properties Limited

Shriram Properties Ltd (SPL) is one of South India's leading residential real estate development companies, primarily focused on the mid-market and affordable housing categories. SPL's key markets include Bangalore, Chennai and Kolkata which together accounts for over 85% of its development activities. SPL has demonstrated track record having delivered 32 projects with saleable area of 19 msf, mostly in the cities of Bengaluru and Chennai. SPL has a strong development pipeline comprising of 53 projects with aggregate development potential of 53 msf, as of June 30, 2022.

SPL is part of the Shriram Group, a prominent business group with four decades of operating history in India, and is backed by globally renowned private equity players affiliated with TPG, Tata Opportunities Fund, Walton Street Capital and Starwood Capital. SPL made its initial public offering and became a publicly traded company in Dec'21.

Disclaimer

Certain statements in this document may be "forward looking statements", within the meaning of applicable laws and regulations. Such forward-looking statements are subject to certain risks and uncertainties and important developments that could affect the Company's operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labor relations, among other things. These could cause actual results to differ substantially or materially from those contemplated, expressed or implied by the relevant forward-looking statements. Shriram Properties Limited will not be in any way responsible for action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent event or circumstances.