

**Q4 & 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.

# KPDL – At a Glance

#1

Residential real estate player in Pune  
(Awarded as Most Reputed Brand in Pune)

2+

Decades of presence

15-25%

Dividend Payout Policy of Annual PAT

>15<sub>MSF.</sub>

of construction across Pune, Bengaluru and Mumbai

CRISIL A+/STABLE

Highest rated residential player

DIVERSIFYING PRESENCE

Mumbai and Bengaluru expected to grow to ~25% of sales by 2020

18.4%

ROCE – one of the highest in the industry

# CEO's Message

## Commenting on the performance for Q4 & FY2018, Mr. Gopal Sarada, Group CEO, Kolte-Patil Developers Limited said:

*"We have ended the year on a strong note recording our highest ever quarterly revenue and collections. Top line grew 43% YoY to Rs. 478 crore, margins expanded 130 bps to 21.8% while profit after tax (pre-minority interest) was up 106% YoY to Rs. 61 crore in Q4 FY18. Our annual performance has also been robust recording highest ever revenue and net profit in the history of the Company. Revenue grew 46% YoY to Rs. 1,403 crore with PAT (pre-minority interest) growing 81% YoY to Rs. 154 crore and PAT (post minority interest) up 39% YoY to Rs. 122 crore in FY18.*

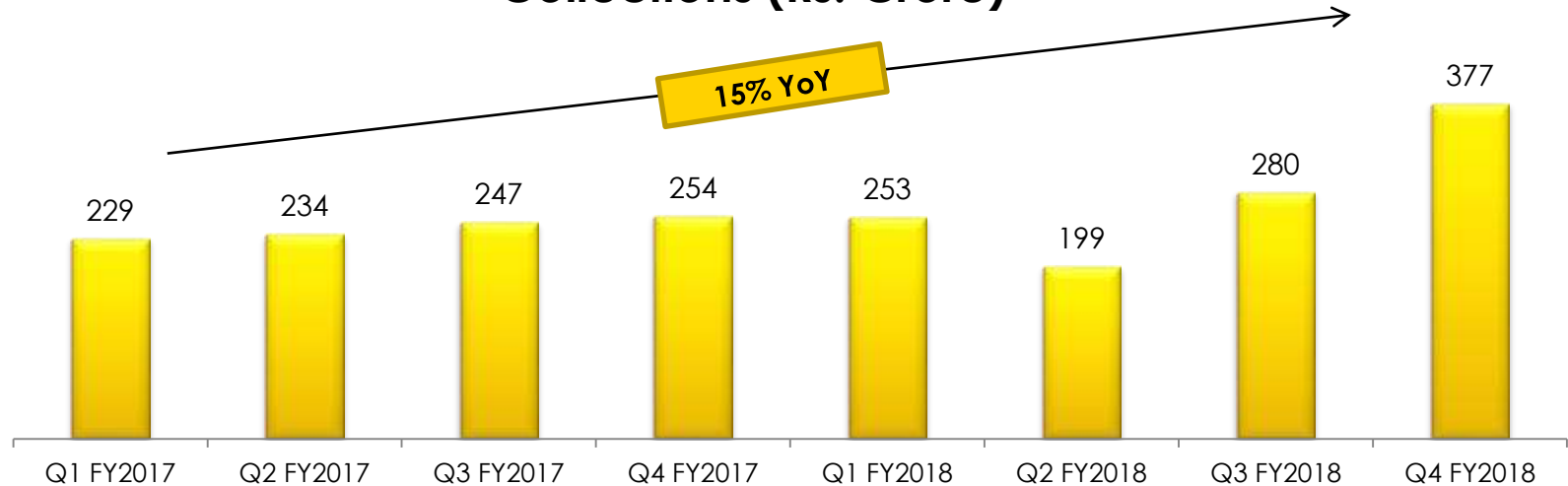
*Collections saw an uptick of 48% YoY and 35% QoQ in Q4 FY18 on the back of strong thrust on registrations across all projects. Despite the sluggish environment, we have delivered a 15% YoY improvement in collections at Rs. 1,109 crore for FY18 which has been utilized to drive reduction of Rs. 167 crore in net debt whilst maintaining our focus on efficient execution.*

*Sales run-rate has been maintained in FY18 despite no substantial launches, held back by approval delays. Further, the sales performance has to be viewed against the backdrop of a challenging market environment where volume growth was impacted on account of the residual effect of demonetisation and the implementation of RERA and GST, key structural drivers which will benefit us in the long run. However, going into FY19, we have a significant launch pipeline of existing projects, which will drive sales momentum in H2FY19. A key positive of our performance during the year was the strong momentum in Bengaluru which contributed 12.9% of sales volumes in FY18 vs 3.6% in FY17. We also expect Mumbai projects to pick up in FY19 with the improving visibility of new launches on the back of government initiatives towards resolution of dumping ground issues, DP2034, etc. We have already seen a significant uptick of 61% YoY in our collections to Rs. 156 crore in these markets, contributing 14% to overall collections in FY18, and are on track to achieve our vision of diversifying our revenue base with ~25% sales contribution from Mumbai and Bengaluru by 2020.*

*We are at an inflection point and should see acceleration in our momentum on the back of our 360 degree business model that comprehensively covers the entire spectrum of demand focused on residential real estate across price points in key micro-markets within Pune, Mumbai and Bengaluru. We are on track to achieve our strategic goals and expect to deliver another year of record performance across all operational parameters in FY19."*

# Highest Ever Quarterly Collections in Q4 FY18

## Collections (Rs. Crore)



- Strong uptick of 48% YoY and 35% QoQ in collections seen in Q4 FY18 on the back of strong thrust on registrations across all projects – highest ever quarterly collections of Rs. 377.2 crore
- For FY18, collections increased 15% YoY to Rs. 1,109 crore as compared to Rs. 965 crore in FY17
- Focus on collections to be sustained going into FY19

# Operational Highlights

| New area sales             | Q4 FY18 | Q3 FY18 | Q4 FY17 | YoY  | QoQ  | FY18   | FY17   | YoY |
|----------------------------|---------|---------|---------|------|------|--------|--------|-----|
| Volume (million sq. ft.)   | 0.49    | 0.59    | 0.55    | -11% | -17% | 2.08   | 2.09   | -1% |
| Value (Rs. million)        | 2,785   | 3,283   | 3,267   | -15% | -15% | 11,980 | 12,202 | -2% |
| Realization* (Rs./Sq. ft.) | 5,673   | 5,542   | 5,956   | -5%  | 2%   | 5,765  | 5,836  | -1% |
| Collections (Rs. million)  | 3,772   | 2,800   | 2,542   | 48%  | 35%  | 11,090 | 9,647  | 15% |

\*Note: In Q2 FY18, we have started passing on the GST benefits to our customers for under-construction properties as per anti-profiteering guidelines

## Sales

- 📌 Sales run-rate maintained in FY18 despite challenging macro environment with the residual impact of demonetisation and the implementation of RERA and GST, key structural drivers which will benefit in the long run
- 📌 Sales momentum also impacted as there were no substantial launches during the year, held back by approval delays
- 📌 Going into FY19, significant launch pipeline

to result in significant uptick in sales volumes in H2 FY19

- 📌 Strong momentum in Bengaluru continues; contribution during FY18 at 12.9% of sales volumes vs 3.6% in FY17
- 📌 Q4 sales driven by Ivy Estate, Life Republic, strong sales in Bengaluru projects, Stargaze and Three Jewels projects

## Realization

- 📌 Average price realization has remained stable YoY across all projects

- 📌 72% sales volume contribution from MIG/Township projects, 24% from 24K/Luxury portfolio and 4% from DMA projects during FY18

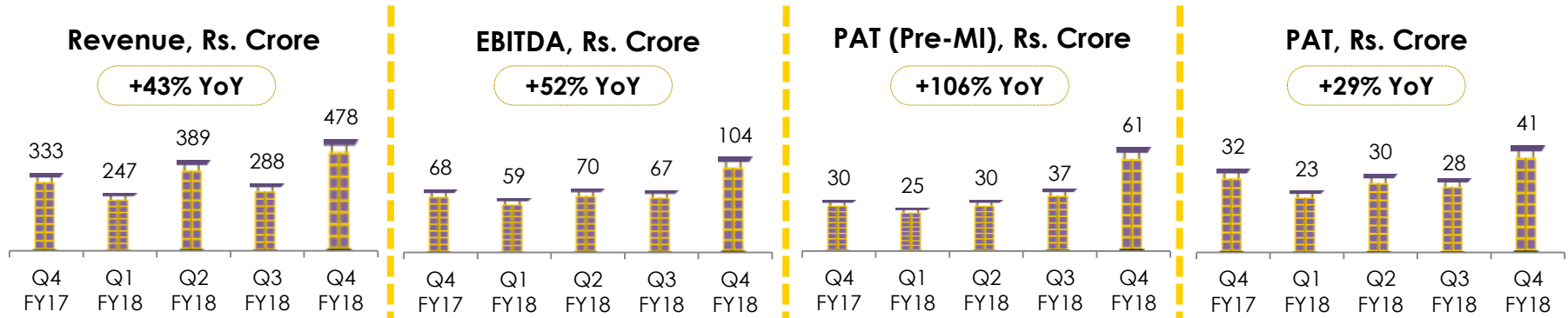
## Possessions

- 📌 Handed over 2.3 msf in FY18 across various projects (2,167 units)

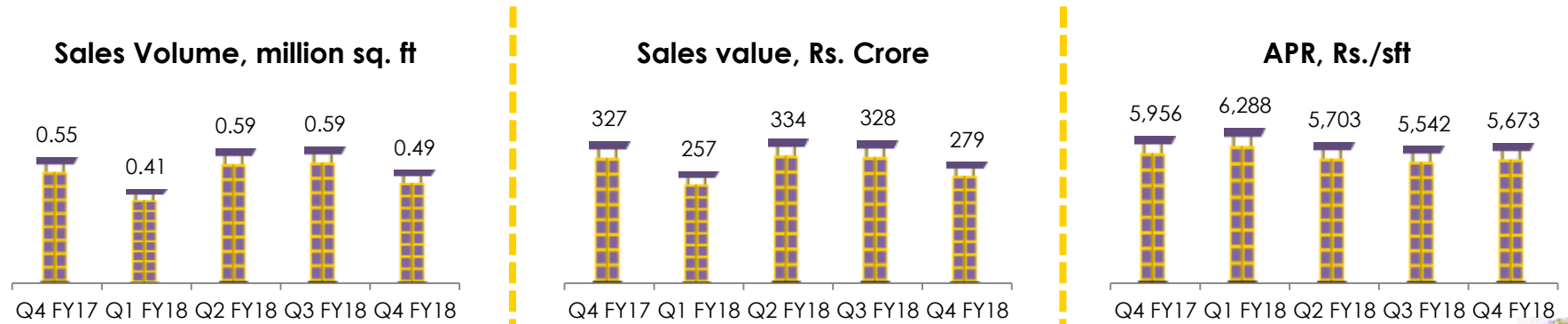
## Dividend

- 📌 Board has recommended a dividend of Rs. 2/share for FY18

# Performance Highlights – Q4 FY18



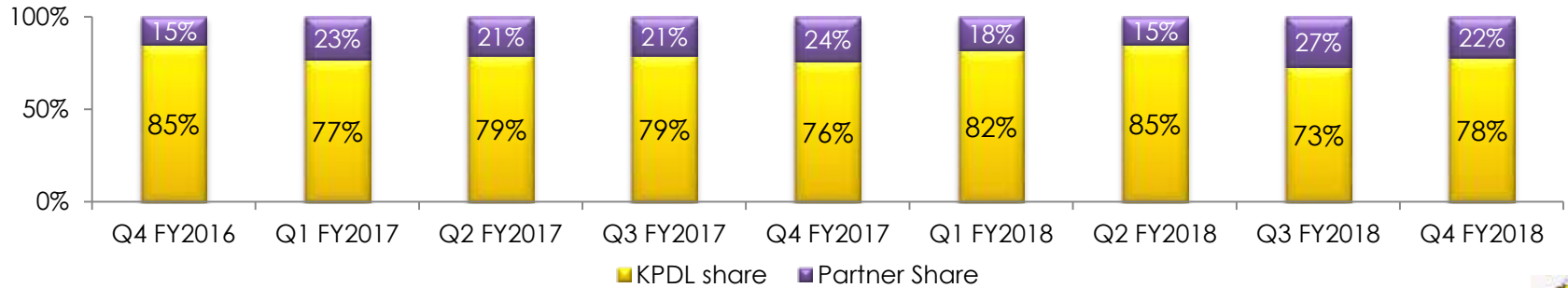
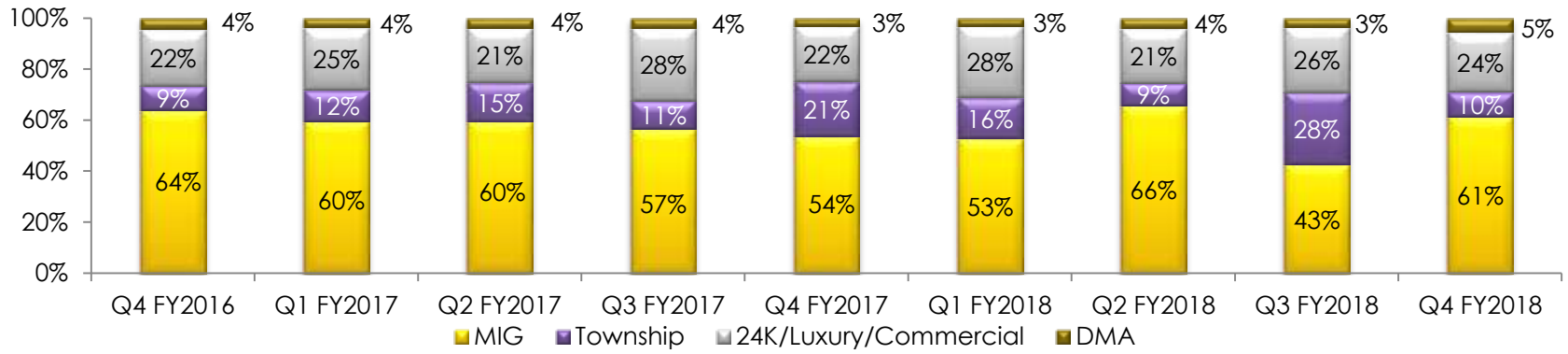
Note: Q2 FY18 and Q3 FY18 numbers include the strategic divestment of land parcel in Wakad for a consideration of Rs. 161.0 crore and Rs. 21.3 crore respectively.





# New Sales Analysis – Q4 FY18

**msf.** 0.57 0.66 0.57 0.32 0.55 0.41 0.59 0.59 0.49



# Profit and Loss Snapshot – Q4 FY18 vs Q4 FY17

| P&L Snapshot (Rs. crore)                   | Ind-AS       |              |               |
|--|--------------|--------------|---------------|
|  | Q4 FY18      | Q4 FY17      | YoY (%)       |
| <b>Revenue from Operations</b>             | 477.7        | 333.3        | <b>43.3%</b>  |
| Other income                               | 7.1          | 3.5          | 104.9%        |
| <b>Total Income</b>                        | <b>484.8</b> | <b>336.8</b> | <b>43.9%</b>  |
| Cost of materials consumed                 | 331.2        | 229.0        | 44.6%         |
| Employee benefits expense                  | 9.3          | 10.8         | -14.1%        |
| Finance cost                               | 26.8         | 22.4         | 20.0%         |
| Depreciation and amortization expense      | 4.8          | 4.2          | 14.3%         |
| Other expenses                             | 33.3         | 25.2         | 32.0%         |
| <b>Total Expenses</b>                      | <b>405.4</b> | <b>291.6</b> | <b>39.0%</b>  |
| <b>EBITDA</b>                              | <b>103.9</b> | <b>68.3</b>  | <b>52.2%</b>  |
| <b>EBITDA Margin (%)</b>                   | <b>21.8%</b> | <b>20.5%</b> | <b>1.3%</b>   |
| <b>Profit before tax</b>                   | <b>79.4</b>  | <b>45.2</b>  | <b>75.7%</b>  |
| Total tax expenses                         | 18.1         | 15.4         | 17.6%         |
| <b>Net Profit after tax</b>                | <b>61.3</b>  | <b>29.8</b>  | <b>105.7%</b> |
| <b>PAT margin (pre-MI)</b>                 | <b>12.8%</b> | <b>8.9%</b>  | <b>3.9%</b>   |
| Non-controlling interests                  | 20.71        | -1.74        |               |
| <b>Net Profit (post minority interest)</b> | <b>40.6</b>  | <b>31.5</b>  | <b>28.7%</b>  |
| <b>PAT margin (%)</b>                      | <b>8.5%</b>  | <b>9.5%</b>  | <b>-1.0%</b>  |
| EPS  | 5.36         | 4.16         |               |

## Reasons for Variance

- Reported highest ever quarterly revenue driven by first time recognition in R1 sector of Life Republic; Western Avenue, Ivy Estate and Mumbai projects were other significant contributors
- EBITDA margin expansion driven by better fixed cost absorption on strong revenue growth and through operational efficiencies
- Strong PAT (pre-minority interest) growth of 106% YoY; PAT (post-minority interest) up 29% YoY
- Higher contribution from JV projects (mainly Life Republic) resulted in increased minority interest in Q4 FY18

# Profit and Loss Snapshot – FY18 vs FY17

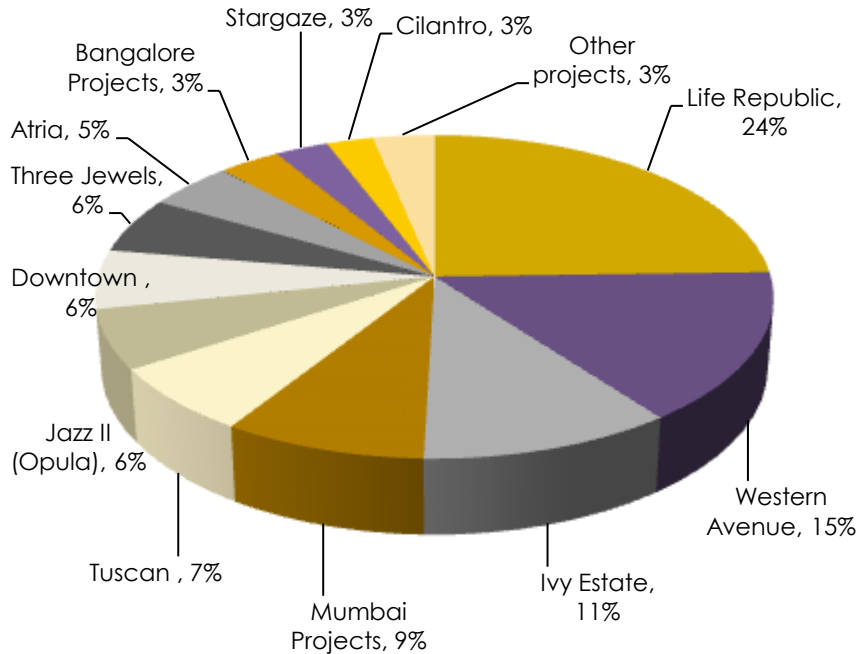
| P&L Snapshot (Rs. crore)                   | Ind-AS         |              |              |
|--|----------------|--------------|--------------|
|  | FY18           | FY17         | YoY (%)      |
| <b>Revenue from Operations</b>             | 1,402.7        | 963.8        | 45.5%        |
| Other income                               | 14.3           | 10.1         | 41.4%        |
| <b>Total Income</b>                        | <b>1,417.1</b> | <b>974.0</b> | <b>45.5%</b> |
| Cost of materials consumed                 | 966.2          | 610.8        | 58.2%        |
| Employee benefits expense                  | 38.0           | 38.2         | -0.6%        |
| Finance cost                               | 98.7           | 86.0         | 14.7%        |
| Depreciation and amortization expense      | 15.4           | 14.9         | 3.4%         |
| Other expenses                             | 96.0           | 76.7         | 25.1%        |
| <b>Total Expenses</b>                      | <b>1,214.2</b> | <b>826.6</b> | <b>46.9%</b> |
| <b>EBITDA</b>                              | <b>302.5</b>   | <b>238.1</b> | <b>27.1%</b> |
| <b>EBITDA Margin (%)</b>                   | <b>21.6%</b>   | <b>24.7%</b> | <b>-3.1%</b> |
| <b>Profit before tax</b>                   | <b>202.8</b>   | <b>147.3</b> | <b>37.7%</b> |
| Total tax expenses                         | 49.2           | 62.4         | -21.1%       |
| <b>Net Profit after tax</b>                | <b>153.6</b>   | <b>84.9</b>  | <b>80.9%</b> |
| <b>PAT margin (pre-MI)</b>                 | <b>10.9%</b>   | <b>8.8%</b>  | <b>2.1%</b>  |
| Non-controlling interests                  | 32.1           | -2.3         | -1495.7%     |
| <b>Net Profit (post minority interest)</b> | <b>121.5</b>   | <b>87.2</b>  | <b>39.3%</b> |
| <b>PAT margin (%)</b>                      | <b>8.7%</b>    | <b>9.0%</b>  | <b>-0.4%</b> |
| EPS  | 16.03          | 11.50        |              |

## Reasons for Variance

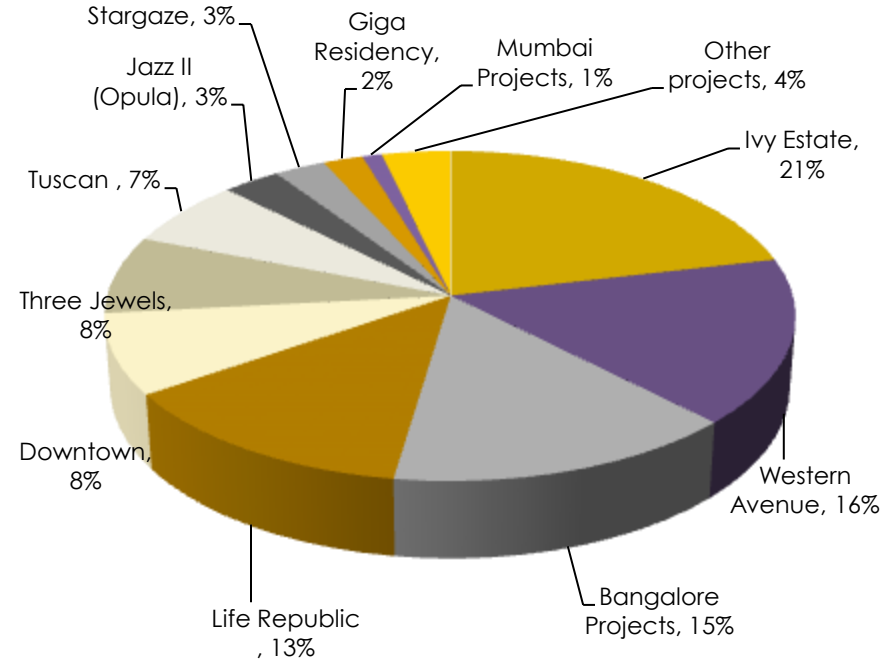
- Adjusted for the strategic divestment in Wakad of Rs. 182 crore:
  - Revenue grew 26% YoY to Rs. 1,221 crore
  - EBITDA grew 27% to Rs. 305 crore, EBITDA margins were stable at 25%
  - PAT (pre-minority interest) increased 83% YoY to Rs. 155 crore
  - PAT margin (post-minority interest) up 110 bps YoY to 10.1%
- Revenue growth driven by Ivy Estate, Life Republic, Western Avenue and Downtown projects

# Revenue Recognition – Q4 FY18 vs Q4 FY17

Q4 FY18 – Rs. 478 crore

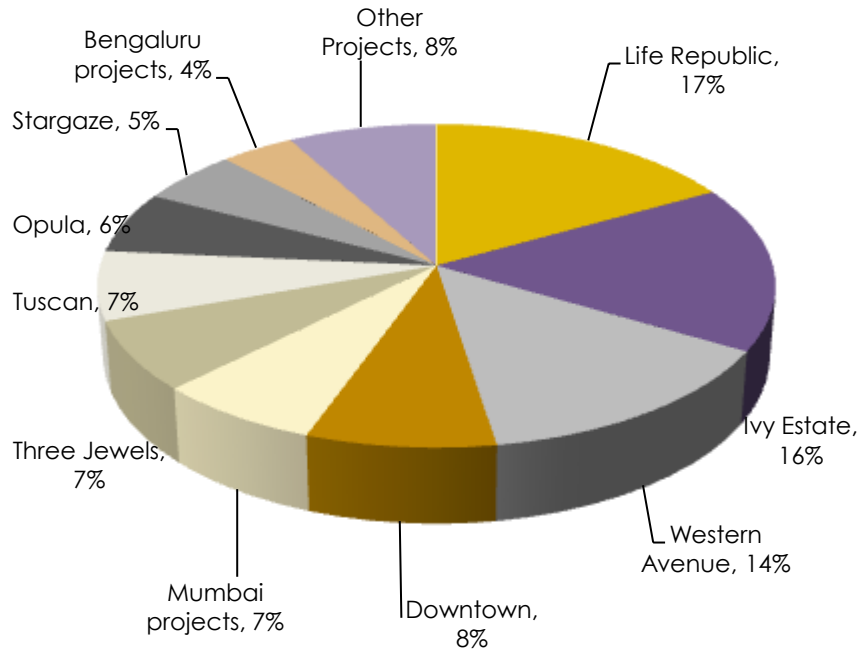


Q4 FY17 – Rs. 333 crore

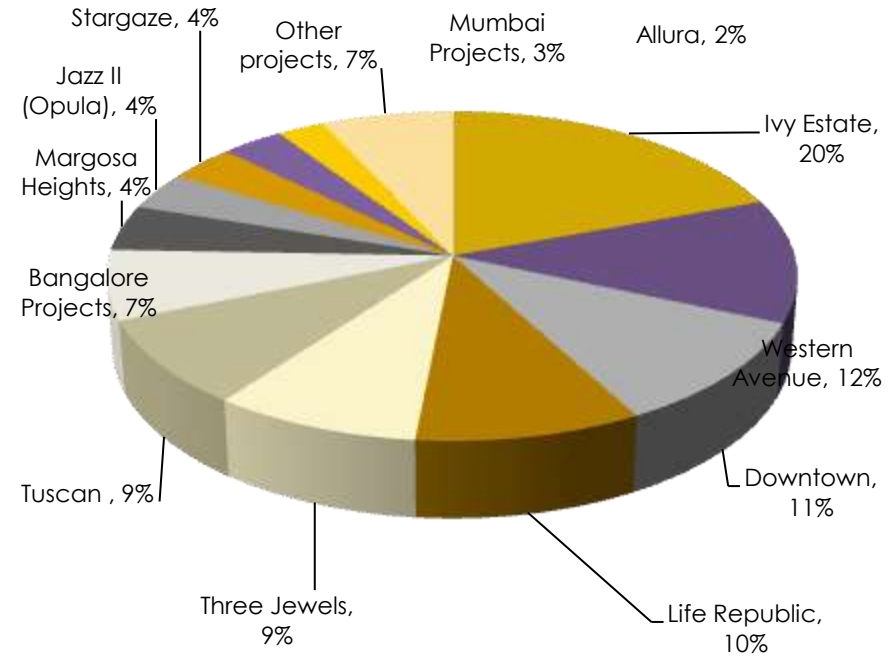


# Revenue Recognition – FY18 vs FY17

FY18 – Rs. 1,221 crore



FY17 – Rs. 964 crore

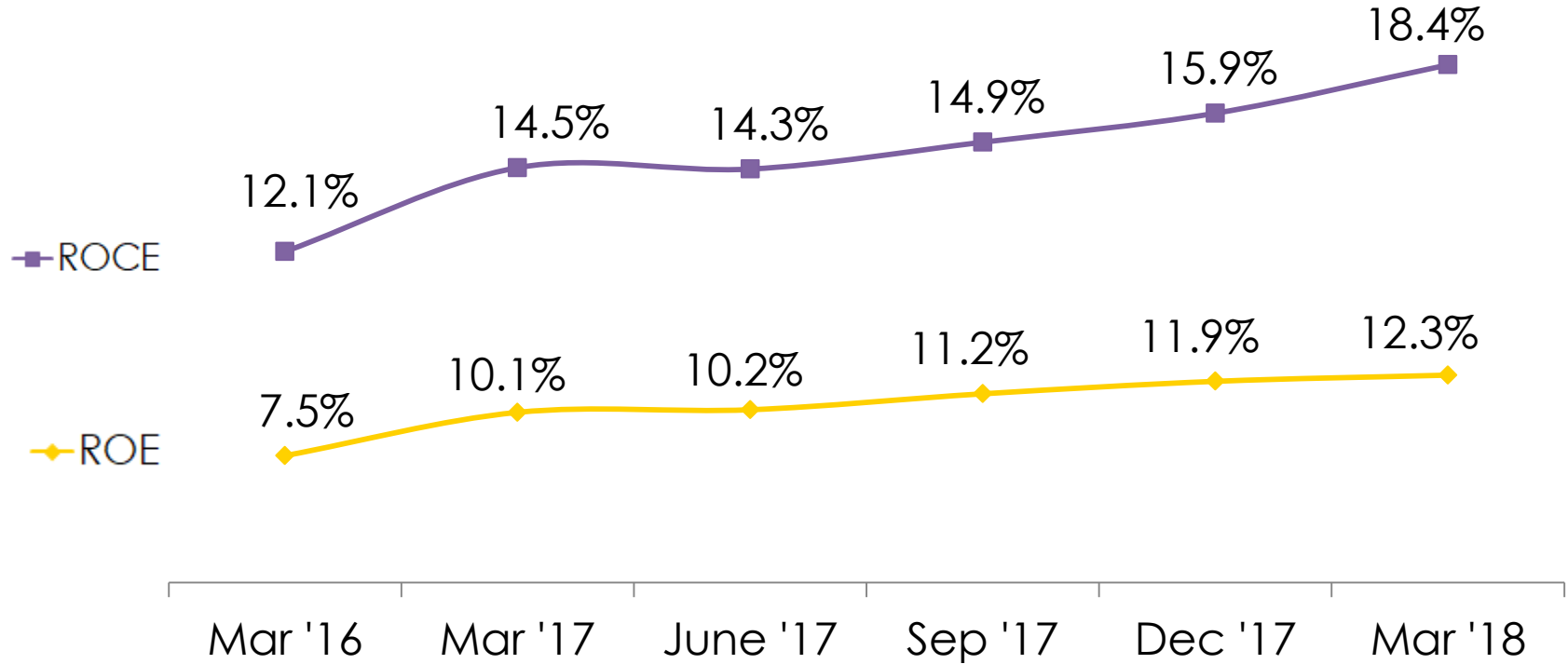


# Consolidated Debt Profile

| Consolidated Debt Profile (Rs. crore)               | 31 <sup>st</sup> Mar, 2018 | 31 <sup>st</sup> Mar, 2017 |
|---|----------------------------|----------------------------|
|   | Ind-AS<br>(Audited)        | Ind-AS<br>(Audited)        |
| <b>Networth</b>                                     | 984                        | 864                        |
| <b>Gross debt</b>                                   | 689                        | 761                        |
| Less: OCD / CCD / OCRPS / Zero Coupon NCD*          | 289                        | 233                        |
| <b>Debt</b>   | 400                        | 528                        |
| Less: Cash & cash equivalents & Current Investments | 117                        | 73                         |
| <b>Net debt</b>                                     | 288                        | 455                        |
| <b>Net debt to equity</b>                           | 0.29                       | 0.53                       |

\*Issued to KKR in Life Republic Township

# Improving Return Ratios



# Business Outlook

## SECTOR CONSOLIDATION

- Implementation of RERA and GST has consolidated demand to organized, execution-focused developers like KPDL

## DIVERSIFYING GEOGRAPHICAL PRESENCE

- 1.4 msf across 14 asset-light society redevelopment projects in Mumbai
- To launch upscale Koramangala project in Bengaluru in FY19
- Mumbai and Bengaluru expected to grow to ~25% of sales by 2020

## EFFICIENT CAPITAL DEPLOYMENT

- Continue to evaluate strategic and financial partnerships that enable us to scale our operations while limiting capital commitment

## IMPROVING CONSUMER CONFIDENCE

- Based on RERA-compliant business environment and increased transparency, resulting in uptick in sales and collections

## AFFORDABLE HOUSING OPPORTUNITIES IN EXISTING PROJECTS

- ~3 msf in subsequent phases of existing projects Life Republic and Ivy Estate likely to get classified under Section 80 IB Affordable Housing Scheme wherein there will be zero tax outgo

## ROCE EXPANSION

- Successful implementation of strategy driving industry leading ROCE of 18.4% in FY18
- Looking at further scale benefits in Pune and greater Bengaluru/Mumbai contribution

## CONSOLIDATING DOMINANT POSITION IN PUNE

- KPDL is leveraging its strong brand name/market position to accelerate development and launch subsequent phases of ongoing projects

## NEW PROJECT ACQUISITION

- Potential acquisition of 10-12 msf additional land bank through outright purchases/JDA with land owners – ~1.5 msf for luxury projects, ~3.5 -4 msf for affordable housing, remaining for MIG housing

## FUND RAISING PLANS

- Board has passed an enabling resolution/s for fund raising up to Rs. 500 crore by various modes



# Sales & Collections – Ongoing Projects – Q4 FY2018

Gross Details (including partner's share)

| Projects  | Location                | Area Sold (msf.) | Sales value (Rs. mn.) | Average Realization (Rs./sft.) | Collections (Rs. mn.) |
|---|-------------------------|------------------|-----------------------|--------------------------------|-----------------------|
| Life Republic                                     | Hinjewadi, Pune         | 0.05             | 221                   | 4,630                          | 417                   |
| Ivy Estate  | Wagholi, Pune           | 0.08             | 311                   | 4,045                          | 586                   |
| Tuscan  | Kharadi, Pune           | 0.02             | 118                   | 6,574                          | 323                   |
| Downtown  | Kharadi, Pune           | 0.02             | 165                   | 7,286                          | 264                   |
| Western Avenue                                    | Wakad, Pune             | 0.03             | 228                   | 6,704                          | 554                   |
| Jazz II (Opula)                                   | Aundh, Pune             | 0.02             | 156                   | 6,846                          | 234                   |
| Three Jewels                                      | Kondhwa, Pune           | 0.05             | 314                   | 5,750                          | 300                   |
| Rutu Bavdhan (Stargaze)                           | Bavdhan, Pune           | 0.06             | 360                   | 6,071                          | 206                   |
| Other Projects (including DMA)                    |                         | 0.08             | 475                   | 5,739                          | 373                   |
| <b>Total (Pune Projects)</b>                      |                         | <b>0.42</b>      | <b>2,348</b>          | <b>5,607</b>                   | <b>3,259</b>          |
| Ragga   | Hennur Road, Bengaluru  | 0.018            | 87                    | 4,707                          | 23                    |
| Mirabilis   | Horamavu, Bengaluru     | 0.033            | 164                   | 4,931                          | 175                   |
| Exente  | Hosur Road, Bengaluru   | 0.017            | 87                    | 5,106                          | 18                    |
| <b>Total (Bengaluru Projects)</b>                 |                         | <b>0.07</b>      | <b>338</b>            | <b>4,914</b>                   | <b>216</b>            |
| Link Palace Society                               | Khar (W), Mumbai        | 0.002            | 71                    | 32,136                         | 136                   |
| Jai-Vijay Society                                 | Ville Parle (E), Mumbai | 0.001            | 28                    | 24,504                         | 160                   |
| <b>Total Mumbai Projects)</b>                     | Dahisar (W), Mumbai     | <b>0.003</b>     | <b>99</b>             | <b>29,516</b>                  | <b>296</b>            |
| <b>Total (Pune + Bengaluru + Mumbai Projects)</b> |                         | <b>0.49</b>      | <b>2,785</b>          | <b>5,673</b>                   | <b>3,772</b>          |



# KPDL Project Portfolio – 31.03.2018

| Projects                              | KPDL Share | Total Inventory (million square feet) |                 |              |
|---------------------------------------|------------|---------------------------------------|-----------------|--------------|
|                                       |            | Ongoing & Unsold                      | Under Approval* | Land Bank    |
| Jazz II (Opula)                       | 100%       | 0.33                                  | -               | -            |
| Atria                                 | 100%       | 0.09                                  | -               | -            |
| Giga Residency                        | 100%       | 0.32                                  | -               | -            |
| Stargaze                              | 62%        | 0.26                                  | 0.60            | -            |
| Western Avenue                        | 100%       | 0.18                                  | 0.35            | -            |
| Ivy Estate                            | 100%       | 0.54                                  | 0.82            | -            |
| Downtown                              | 51%        | 0.12                                  | 0.60            | -            |
| Life Republic^                        | 45%        | 0.35                                  | 4.22            | 12.00        |
| Tuscan                                | 51%        | 0.02                                  | 0.20            | -            |
| Three Jewels                          | 70%        | 0.73                                  | -               | -            |
| Cilantro                              | 50%        | 0.06                                  | -               | -            |
| Green Olive Venture                   | 60%        | 0.14                                  | -               | -            |
| Allura (24K Glamore)                  | 100%       | -                                     | 0.40            | -            |
| Ghotawade                             | 50%        | -                                     | -               | 3.20         |
| Aundh                                 | 100%       | -                                     | -               | 1.00         |
| Kalyani Nagar                         | 100%       | -                                     | -               | 0.60         |
| Boat Club Road                        | 100%       | -                                     | -               | 0.30         |
| <b>Pune Total:</b>                    |            | <b>3.14</b>                           | <b>7.19</b>     | <b>17.10</b> |
| Jai Vijay                             | 100%       | 0.05                                  | -               | -            |
| Other Mumbai projects                 | 100%       | -                                     | -               | 1.20         |
| <b>Mumbai Total:</b>                  |            | <b>0.05</b>                           | <b>-</b>        | <b>1.20</b>  |
| Raaga                                 | 100%       | 0.31                                  | -               | -            |
| Mirabilis                             | 70%        | 0.13                                  | -               | -            |
| Exente                                | 100%       | 0.52                                  | -               | -            |
| 24K Grazzio                           | 100%       | 0.20                                  | -               | -            |
| <b>Bangalore Total:</b>               |            | <b>1.16</b>                           | <b>-</b>        | <b>-</b>     |
| <b>Total: ~30 million square feet</b> |            | <b>4.35</b>                           | <b>7.19</b>     | <b>18.30</b> |

\*Upcoming projects in the next 12 months

# Awards & Recognition

## Economic Times



KPDL - One of the Promising Brands of 2018



Rajesh Patil – The Game Changers of Maharashtra

# Awards & Recognition

## Asia One



Gopal Sarda – Asia's Greatest Leaders 2017



Asia's Greatest Brands

# Awards & Recognition

---

## Realty Plus



Gopal Sarda - Young  
Achiever of the Year



24K Opula – Design  
Project of the Year

# 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 ~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 14 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)

*For further information, please contact:*

## **Girish Zingade**

Kolte-Patil Developers Ltd.,

201, City Point, Pune

Tel: +91 77700 17399

Email: [girish.zingade@koltepatil.com](mailto:girish.zingade@koltepatil.com)

## **Varun Divadkar / Shiv Muttoo**

CDR, India

Tel: +91 97637 02204 / +91 22 6645 1207

Email: [varun@cdr-india.com](mailto:varun@cdr-india.com) / [shiv@cdr-india.com](mailto:shiv@cdr-india.com)

Thank you

LEAPING  
FORWARD

