



Kolte-Patil Developers Press Note

Pune, February 22, 2018: Kolte-Patil Developers Limited (BSE: 532924, NSE: KOLTEPATIL), a leading real estate company, today had a Press Meet to discuss its business strategies and some key developments in the recent past.

Business Updates

We see improved consumer confidence following recent changes in the business environment for India's real estate sector. Implementation of RERA and GST is consolidating demand to organized, execution-focused developers like Kolte-Patil. Despite the sluggish macro environment, our collections from customers have been strong at Rs. 732 crore in 9M FY18, with Rs. 280 crore collected in Q3 FY18, highest recorded in the last 18 quarters, and expect the trend to further accelerate going into the next financial year. We continue to execute well with high level of customer focus, satisfaction and engagement. We have handed over 1,791 units for possession during 9M FY18 – and are set to surpass 2,000 units for full year FY2018.

"A key part of our success is due to our customer-centric approach, focused on delighting our customer by delivering on schedule to promised specifications. We treat real estate as a consumption business, selling large volumes of a product which is a basic human necessity through a strong sales and marketing network and leveraging strong brand presence."

Financial Partnerships

Kolte-Patil has fostered several key financial partnerships in our growth journey with large PE funds like ICICI Ventures, JP Morgan, IL&FS, ASK Investment Managers and Portman Holdings, USA. Recently, global investment firm KKR has committed Rs. 193 crore in the Life Republic township project. These funds will be used to attain financial closure at R1 sector of Life Republic, meeting working capital requirements and reduce debt.

"These partnerships have enabled us to gain scale, develop greater internal discipline and improve processes. We mitigate macro risks by operating with one of the lowest debt in the industry and focusing on sales velocity and cash flows."

Expanding Sales Network

Kolte-Patil has developed a robust sales and marketing framework that is being leveraged to drive strong volumes on the back of renewed confidence in the outlook for Indian real estate sector. In addition to the region-specific sales teams in Pune, Maharashtra and India, the company has incubated an international sales channel, taking the brand from regional to national to international and laying a strong foundation among NRI buyers.

In its first year post inception, the NRI vertical is set to record ~Rs. 100 crore worth of sales bookings in FY18 with strong demand for our Pune projects from NRI investors in GCC, Singapore and USA. With Kolte-Patil expanding presence in Mumbai and Bengaluru

as well, the company is also looking to tap demand in other new markets like Australia, Africa, Indonesia and Canada. Kolte-Patil also remains focused on delivering projects to standards that are at par with the expectations of our global customers.

Affordable Housing Initiative

Kolte-Patil has developed and constructed over 50 projects including residential complexes, commercial complexes and IT Parks covering a saleable area of ~15 million square feet. We are now focused on expanding our affordable housing footprint. ~3 msf in new phases of existing projects like Life Republic and Ivy Estate in Pune are likely to be classified under Section 80 IB Affordable Housing Scheme where there will be zero tax outgo for us as developers apart from significant benefits to the buyer.

"Implementation of Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana (PMAY) has made home loans easily accessible and affordable for buyers. The sector is at an inflection point and this is an opportune time for us to reach out to our customers with attractive offers."

Technological Initiatives

Kolte-Patil is committed to delivering operational excellence. Continuous investments have been made in technology, which helps us take analytically-driven decisions. We have partnered with Knack Systems to become the first real estate company in Maharashtra to integrate SAP Hybris Cloud and SAP Business Continuity Management (BCM) systems that deliver a true omni-channel experience to customers, reduce time to handle customer inquiries through automation and accurately measure agent productivity. Further driving our customer centric approach, we are developing a customer app and portal.

Financial Highlights – Q3 FY18

- Revenues were up 27% YoY to Rs. 288.3 crore
- EBITDA grew 23% YoY to Rs. 68.5 crore
- Profit After Tax was higher by 55.1% YoY to Rs. 28.1 crore
- EPS for Q3 FY18 stood at Rs. 3.70 as compared to Rs. 2.39 in Q3 FY17

Operational Highlights – Q3 FY18

Q3 revenues had significant revenue contributions from Ivy Estate, Western Avenue, Life Republic, Downtown, Tuscan and Stargaze projects. In addition, new sales bookings of 0.59 million square feet were recorded in Q3 FY18, which was higher by 87% YoY. During the quarter, we organized 'The Great Year End Sale' at Life Republic project in Pune that saw record sales of ~200 units in just three days.

Business Outlook

Our sustained focus on efficient execution is translating into improved demand from customers. We expect to end FY18 on a strong note with acceleration in sales and collections. In the coming few quarters, we see ~4 msf of new launches across our focused markets of Pune, Bengaluru and Mumbai that will further accelerate sales momentum.

Kolte-Patil is consolidating its leadership position in Pune, leveraging its strong brand name/market position. In addition, we are focused on diversifying our revenue base. We have a strong pipeline of 1.4 msf in Mumbai spread across 14 redevelopment projects that is a business model requiring low capital deployment. Bengaluru will be an additional growth engine. We have already launched one project, Exente on Hosur Road and will soon launch another project in Koramangala. Across locations and projects, our focus will be on execution, collections and cashflows.

"Mumbai and Bengaluru are expected to be additional growth engines going forward as we expect our proportion of revenues from these markets to grow to ~25% by 2020 from ~10% in FY17."

Currently, we are evaluating new acquisitions and partnerships across MIG, affordable housing and luxury projects to further our growth momentum. Affordable Housing initiatives will also drive growth for us. The visibility of growth capital from strategic financial partners is supporting project momentum coupled with strong collections and a robust balance sheet. We are well-positioned for sustained profitable growth and further expansion in return ratios.

"We are on track to achieve our strategic goals and expect to deliver record sales, revenue and profits, better operational efficiency and further improve our high standards of customer service."

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 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'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.

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