



Kolte-Patil Developers Ltd. Q4 & FY20 Financial Results

FY20 Sales volume at 2.50 million sq. ft. amounting to Rs. 1,315 crore

FY20 Customer collections rise to highest ever level of Rs. 1,368 crore, up 10%

Net Debt decreased by Rs. 83 crore in FY20 to Rs. 434 crore

Pune, 23rd June, 2020: Kolte-Patil Developers Ltd. (BSE: 532924, NSE: KOLTEPATIL), a leading Pune-based real estate player, today announced its financial results for the fourth quarter and year ended 31st March, 2020.

Operational Highlights – FY20

New area sales	FY20	FY19	YoY
Volume (million sq. ft.)	2.50	2.70	-7.4%
Value (Rs. million)	13,148	14,316	-8.2%
Realization (Rs./Sq. ft.)	5,280	5,302	0.4%
Collections (Rs. million)	13,680	12,473	9.7%

Operational Highlights – Q4 FY20

New area sales	Q4 FY20	Q3 FY20	Q4 FY19	YoY	QoQ
Volume (million sq. ft.)	0.67	0.82	0.63	6.1%	-18.5%
Value (Rs. million)	3,549	4,084	3,553	-0.1%	-13.1%
Realization (Rs./Sq. ft.)	5,292	4,966	5,623	-5.9%	6.6%
Collections (Rs. million)	3,781	3,200	3,366	12.3%	18.2%

Commenting on the performance for Q4 & FY20, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said, "FY20 was the best ever year for KPDL in terms of collections - highest ever in the company's three-decade history. Further, we closed the financial year with positive sales momentum that has allowed us to achieve our stated guidance. It is noteworthy, that in absence of any launches, the sales performance was driven entirely by sustenance sales in existing projects across Pune, Mumbai and Bengaluru. This evidences our robust sales machinery as well as brand recognition.

While liquidity has been a challenge for the sector, during FY20, there has been a reduction of Rs. 83 crore in KPDL's net debt. Our liquidity remains stable given our strong saleability, collections, internal accruals and low debt. Further, we have a good pipeline of new launches, sufficient sold and unreleased inventory in ongoing projects and minimal completed unsold inventory which will further improve our free cash flows.

During the year, we continued to drive execution across all our projects and delivered 1.86 msf (OC for 1,601 units). Our Mumbai story continues to shape well with OC for Jai Vijay and IOD approvals for Goregaon and Dahisar redevelopment projects. We are happy to share we have resumed construction activities at Pune and Bengaluru with 40% of the workforce. We are focused on gradually scaling up in line with ecosystem developments and expect to reach optimum levels in 3-6 months. This will benefit collections and our overall operations meaningfully. Further, we are exploring increased use of technology to fasten the pace of construction going forward.

While Covid-19 pandemic and the resultant lockdown of human and economic activity across the country has subdued consumer sentiment, demand trends have been incrementally positive each passing month. We believe in the structural demand theme of real estate and are optimistic that traction will first return to Affordable and MIG segments, which is the majority of our project portfolio. Efficient management of capital, human resources, supply chain and customers is the recipe for thriving in the current scenario.

The Company has built a very strong digital platform to ensure virtual collaboration, communication & secure data transmission with its customers while working from home. KPDL stepped up, so that its customers don't have to step out. The rapid digitisation of sales channel, novel offerings along with brand Kolte-Patil allowed the Company to witness decent bookings traction despite the lockdown and ramp up sales to ~60-65% of the normal quarterly run rate.

In the midst of uncertain markets, we effected a unique deal with a global real estate developer like Planet Smart City for Sector R10 in our township project Life Republic in Pune. This deal earns us land monetization benefits as well as profit sharing cash flows from the incremental planned development, resulting in strong returns. Further, it highlights the brand equity of Kolte-Patil as well as the value creation prospects of Life Republic as a project.

Our growing brand equity, execution capabilities and balance sheet strength will be the differentiators in the Indian real estate sector allowing us to capture growth opportunities and create value over the longer term."

Financial Highlights – FY20

P&L Snapshot (Rs. crore)	FY20*	FY19*	FY20^	FY19^	YoY
Revenue Recognition Method →	Reported CCM	Reported CCM	POCM	POCM	POCM
Revenue from Operations	1,129.5	865.9	1,226.2	1,194.7	2.6%
EBITDA	233.6	247.1	256.1	301.6	-15.1%
EBITDA Margin (%)	20.7%	28.5%	20.9%	25.2%	-4.4%
Net Profit (post-MI)	72.4	75.6	137.5	122.5	12.2%
PAT margin (%)	6.4%	8.7%	11.2%	10.3%	1.0%
EPS	9.50	9.92	2.20	16.09	

Financial Highlights – Q4 FY20

P&L Snapshot (Rs. crore)	Q4 FY20*	Q4 FY19*	Q4 FY20^	Q4 FY19^	YoY
Revenue Recognition Method →	Reported CCM	Reported CCM	POCM	POCM	POCM
Revenue from Operations	221.7	195.4	279.8	379.7	-26.3%
EBITDA	3.8	76.8	55.3	102.2	-45.9%
EBITDA Margin (%)	1.7%	39.3%	19.8%	26.9%	-7.2%
Net Profit (post-MI)	-16.4	40.4	31.2	46.1	-32.1%
PAT margin (%)	-7.4%	20.7%	12.6%	12.1%	0.5%
EPS	-2.16	5.25	4.20	5.25	

***Note:** The Company has adopted IND AS 115 (Completion Contract Method – CCM) during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method; ^In order to facilitate like-to-like comparison and continuity of information flow, financials based on the previously applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.

Dividend

The Company has an established track record of rewarding its shareholders through dividend payout. However, given the uncertainty in business environment arising due to Covid-19, the Company views it prudent to conserve cash in current times. The Company is also evaluating some new project opportunities and the management believes that availability of cash liquidity would be beneficial to create future growth visibility. During its meeting today, the board has unanimously decided to defer dividend recommendation for a later date and will revisit this decision in H2FY21.

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 for 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 ~20 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 twelve 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.

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