



KOLTE-PATIL DEVELOPERS LIMITED

Q1 FY21
Results Presentation

**BIGGER.
BETTER.
FASTER.**

THE STORY OF HOW WE ARE BUILDING
ONE OF INDIA'S MOST SUSTAINABLE
REAL ESTATE DEVELOPING COMPANIES

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 labor 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

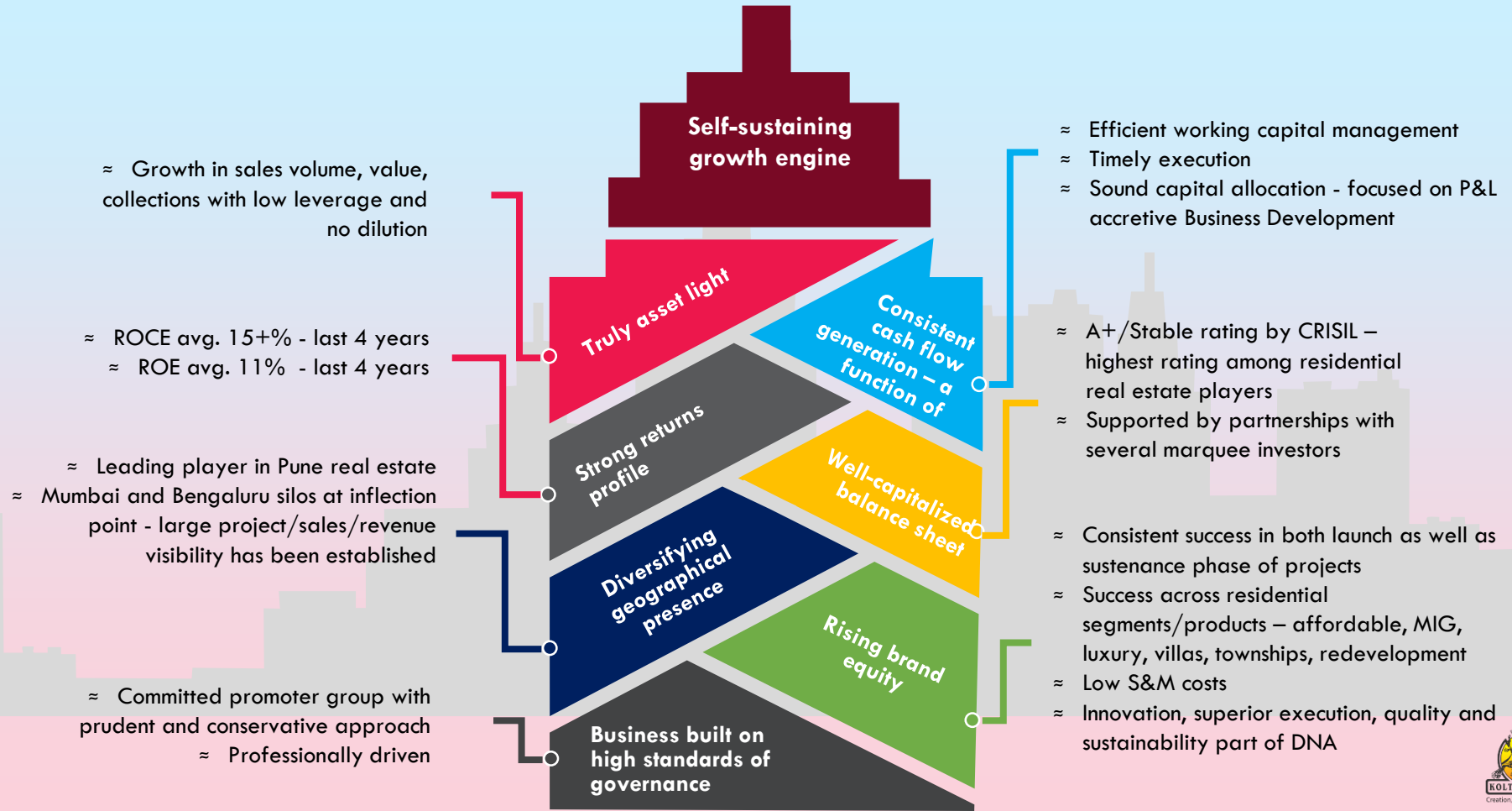


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KPDL – A Different Way of Doing Business

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Kolte-Patil Developers: At a Glance

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Leading

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

3 Decades

of presence being incorporated in 1991

26 MSF

Project portfolio - under execution, approval and land bank

>20 MSF

of units delivered across Pune, Bengaluru and Mumbai

15+%

Four year RoCE avg – strong returns profile

A+ / Stable

Highest rated residential player By CRISIL

Diversifying Presence

Mumbai and Bengaluru expected to grow to ~25% of sales by 2022

Key Investors

Pabrai Funds – 10.0%
Goldman Sachs – 3.7%

NSE/BSE Listed

IPO in Dec 2007

Shareholding

FII's
14.66%

DII/Others
10.71%

Promoters
74.63%

"In the first quarter, various phases of lockdown led to the curtailment of human as well as business activity weighing down on almost every sector of the Indian economy, particularly real estate. Our entire organization has continued to work efficiently within our business continuity and risk management framework ensuring minimum impact on all stakeholders. While prioritizing the health and safety of all whose lives we touch, we have progressed on our customer commitments, conserved financial resources and maintained resource readiness to resume full operations at the earliest upon the return to normalized conditions.

As could be expected, sales momentum in Q1 has been weaker with volume at 0.31 msf and sales value at Rs. 164 crore during the quarter. However, we are highly encouraged by the number of deal closures achieved across projects and products in the backdrop of widespread and protracted weakness in all discretionary spending activity. Our customer visibility was supported by digitized interactions while physical visits and site experiences remained constrained. We promptly revamped our overall ecosystem scaling up digital sales platform to ensure secure, dedicated virtual collaboration & communication with customers. Advanced digital tools and user friendly virtual assistance heightened the customer confidence.

Given the lockdown for major portion of the quarter, construction, banking and registration activity suffered severely, thereby adversely impacting collections. However, the labor force strength is gradually increasing and reached at ~55-60% in mid August from ~40% at the end of June. We are already recording month-on-month improvement in sales, collections and construction activities, which are expected to deliver an improvement in the second quarter.

Efficient working capital management and sustained cash flow generation has resulted in stable liquidity position for the Company. We have sufficient undrawn bank limits, good pipeline of new launches, sufficient sold receivables, meaningful RTMI inventory with OC and unreleased inventory which will further improve our free cash flows.

We see the current situation as one of demand deferment. Our value offerings in the affordable, MIG and even 24K segments continue to find strong interest that should translate into sales velocity in future. While current sales activity is driven by sustenance sales in existing projects across cities, we have a strong pipeline of new launches in Pune, Mumbai and Bengaluru with aggregate sales area of ~4.5 msf and topline potential of ~Rs. 4,150 crore. Contributions from these projects should expand our growth visibility and once again accelerate the virtuous cycle of sales, execution and cash flows. Our overall performance during the remaining nine months of FY21 is expected to be better.

The sudden change in our operating environment has also instilled increased usage of technology across the Company. We look forward to taking this learning to build a differentiated position in our target markets as customers find greater comfort in brand, quality, governance and execution led developers."



Commenting on the performance for Q1 FY21, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said:

Operational Highlights – Q1 FY21

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New area sales	Q1 FY21	Q4 FY20	Q1 FY20	YoY	QoQ	FY20
Volume (million sq. ft.)	0.31	0.67	0.51	-38.4%	-53.2%	2.50
Value (Rs. million)	1,642	3,549	2,837	-42.1%	-53.7%	13,148
Realization (Rs./Sq. ft.)	5,228	5,292	5,563	-6.0%	-1.2%	5,280
Collections (Rs. million)	1,046	3,781	3,604	-71.0%	-72.3%	13,680

≈ **Sales volumes at 0.31 msf in Q1 FY21; booking value at Rs 164 crore**

- Driven by Life Republic, Ivy and Bengaluru projects
- Demand across affordable, MIG and 24K segments

≈ **Q1 FY21 collections were at Rs 105 crore – adversely impacted due to lockdown for major portion of the quarter**

- Substantial reduction in construction and labor force capacity
- Registrations suffered on account of closure of government offices
- Slower pace of processing by banks for disbursements due to firmer criteria for home loans

≈ Going forward, we expect 30-50% improvement in collections on a QoQ basis for the remainder of the year – as labor force, construction and sales continue to recover

≈ Expecting net free cash flow of ~Rs. 260 crore from RTMI inventory in Jai Vijay, Raaga and Western Avenue projects which have already received OC

≈ In April 2020, undertook strategic land monetization of ~5.42 acres of Sector R10 of Life Republic for INR 91 crore. This land parcel in Sector R10 has a residential development potential of 7.6 lakh sq. ft. in terms of saleable area and will be jointly developed by KPIT & Planet Smart City in the profit sharing model

Note: Collections include contribution from DMA projects of Rs. 42 mn in Q1FY21, Rs. 173 mn – Q1 FY20, Rs. 91 mn – Q4 FY20 and Rs. 555 mn - FY20

Launch Calendar – Next Twelve Months

Pune Projects	Location	Use	Saleable Area (msf.)
Life Republic R10	Hinjewadi, Pune	Residential / Retail	1.4
Giga	Viman Nagar	Commercial	0.60
Boat Club	Boat Club Road	Commercial	0.40
Down Town	Kharadi	Residential / Retail	0.50
Pimple Nilakh	Pimple Nilakh	Residential	0.60
Wagholi	Wagholi	Residential	0.25

Mumbai Projects	Location	Use	Saleable Area (msf.)
Sagar Vaibhav	Dahisar	Residential	0.17
Hari Ratan	Goregaon	Residential / Retail	0.27
Om Shree Gokul	Borivali	Residential / Retail	0.09

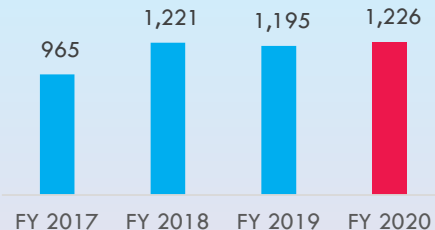
Bengaluru Projects	Location	Use	Saleable Area (msf.)
Raaga 3	Hennur Road	Residential	0.25

- Launches planned across all 3 cities of presence – Pune, Mumbai & Bengaluru
- Saleable area of ~4.5 msf
- Aggregate topline potential of over ~Rs. 4,150 crore (KPD L economic share)

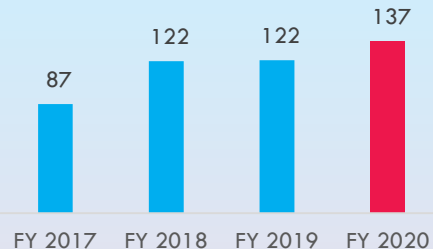
Performance Highlights – Last Four Years

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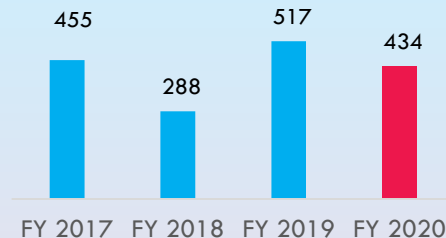
Revenue, Rs. Crore



PAT, Rs. Crore

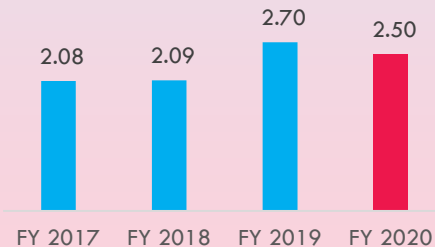


Net Debt, Rs. Crore

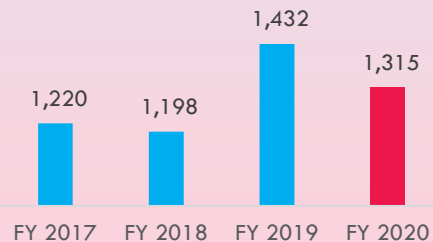


Note: The Company has adopted IND AS 115 during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method. In order to facilitate like-to-like comparison and continuity of information flow, financials based on the erstwhile applicable Percentage of Completion Method (POCM)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

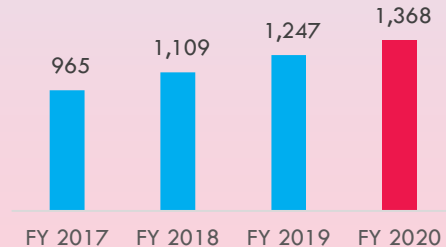
Sales Volume, mn sq. ft.



Sales Value, Rs. Crore



Collections, Rs. Crore

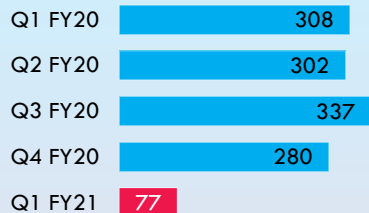


Note: Volume in million square feet is based on saleable area; Collections include contribution from DMA projects

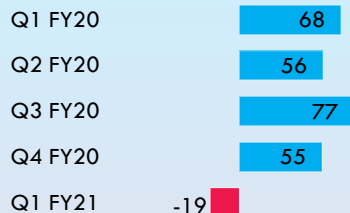
Performance Highlights – Q1 FY21

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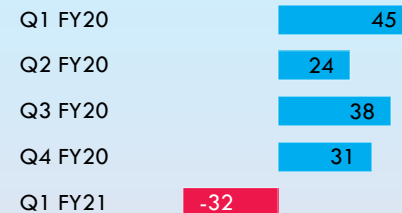
Revenue, Rs. Crore



EBITDA, Rs. Crore

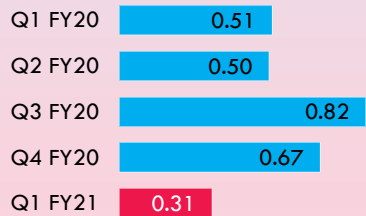


PAT, Rs. Crore

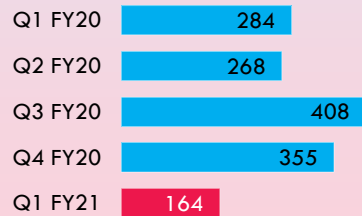


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Sales Volume, mn sq. ft.



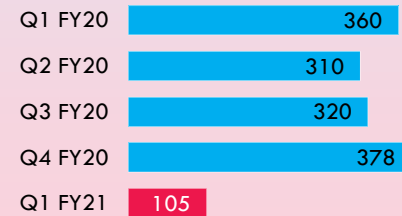
Sales value, Rs. Crore



APR, Rs./sft.



Collections, Rs. Crore

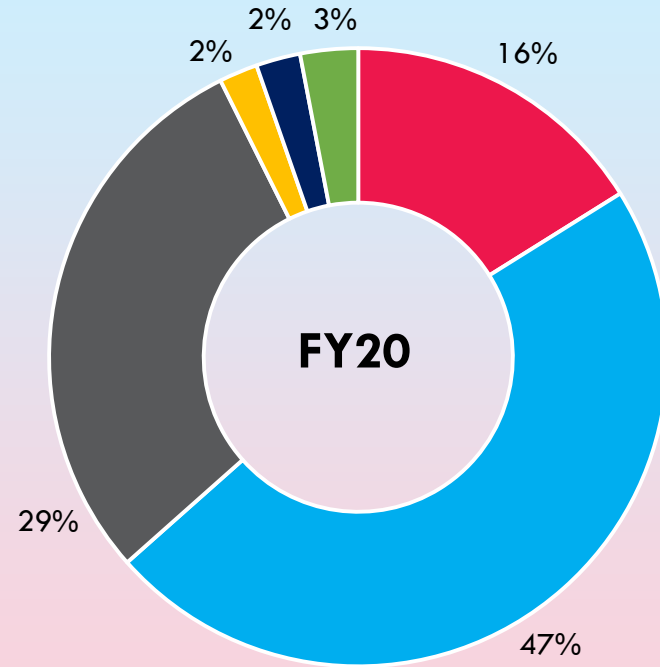
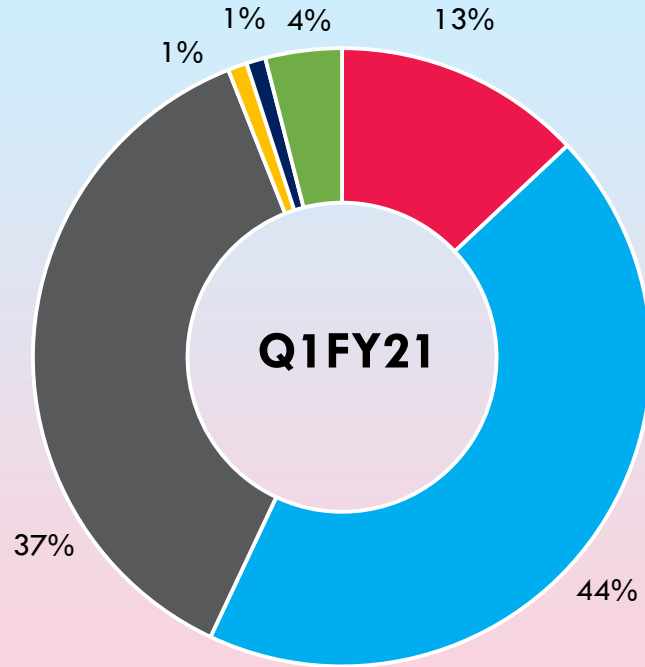


Note: Volume in million square feet is based on saleable area;

Collections include contribution from DMA projects (Q1 FY20 – Rs. 17 cr, Q2 FY20 – Rs. 16 cr, Q3 FY20 Rs. 13 cr, Q4 FY20 – Rs. 9 cr, Q1 FY21 – Rs. 4 cr)

Product-wise Sales

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■ 1BHK ■ 2BHK ■ 3BHK ■ 4BHK ■ Others ■ Commercial

Note: The category of 'Others' includes Duplex, Row House and Plots.

New Sales Analysis – Q1 FY21

12

msf.

0.46

0.77

0.80

0.63

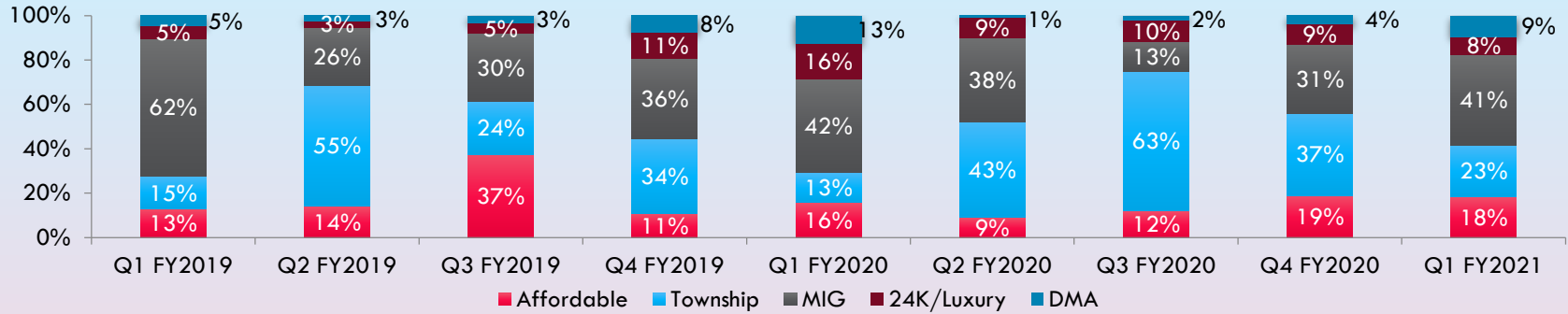
0.51

0.50

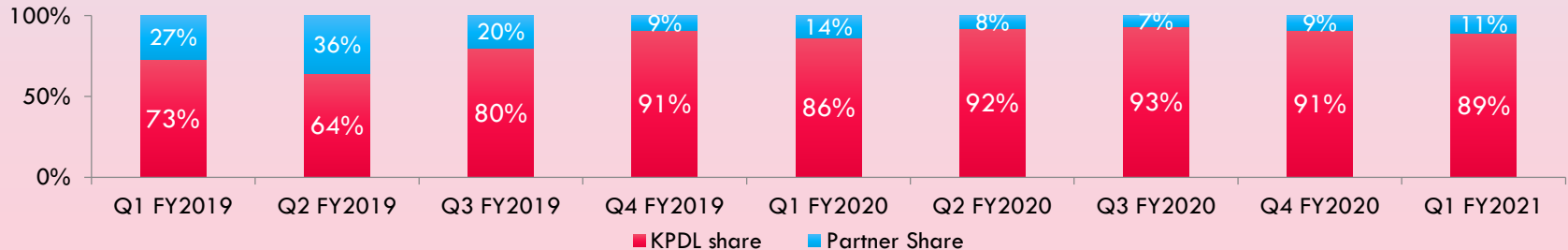
0.82

0.67

0.31



Affordable – Ivy estate, Three Jewels | **Township** – Life Republic | **MIG** – Western Avenue, Centria, Tuscan, Bengaluru Projects | **Luxury** – Opula, Atria, Jai-Vijay, Grazio, Stargaze



Note: Volume in million square feet is based on saleable area

Abridged Cash Flows

Abridged Cash flows - Unaudited (Rs. crore)	Q1 FY21 (Un-Audited)
Opening Balance	97
<u>Operating Cashflow</u>	
Collections	100
Construction Cost	-53
Other Expenses	-30
Direct & Indirect Taxes	-3
<u>Financing & Investing Activities</u>	
Interest	-14
OD/CC Movement	-16
OCD/CCD (Redemption)/Subscription	0
Strategic Land Monetization	45
TDR/Premium Costs/Approval Cost	-9
JV Partner/Land Cost	-40
Closing Balance	77

Consolidated Debt Profile

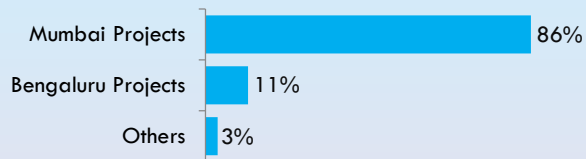
Consolidated Debt Profile (Rs. crore)	30 th June, 2020		31 st March, 2020	
	CCM	POCM [^]	CCM	POCM [^]
Net Worth	878	1,196	905	1,229
Gross Debt	712	712	728	728
Less: OCD / CCD / OCRPS / Zero Coupon NCD*	196	196	196	196
Debt	516	516	532	532
Less: Cash & Cash Equivalents & Current Investments	78	78	98	98
Net Debt	438	438	434	434
Net Debt to Equity	0.50	0.37	0.48	0.35

*Issued to KKR in Life Republic Township; [^]Company Calculations

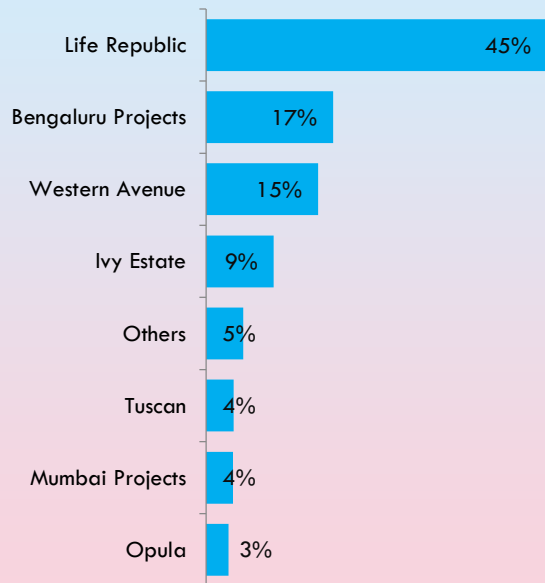
Revenue Recognition – Q1 FY21 vs Q1 FY20

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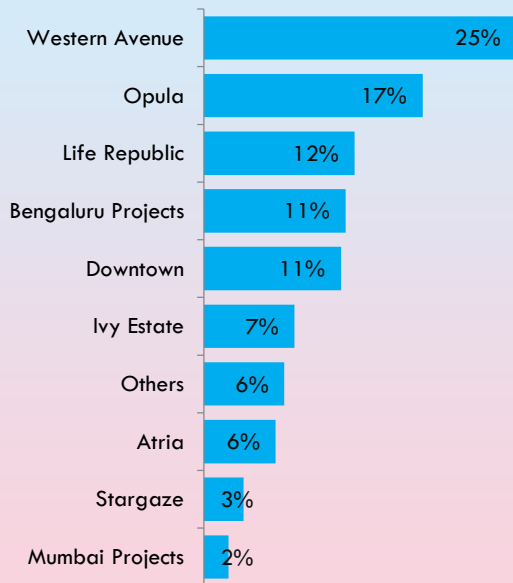
**Q1 FY21 – Rs. 141 crore
(CCM)**



**^Q1 FY21 – Rs. 77 crore
(POCM)**



**^Q1 FY20 – Rs. 308 crore
(POCM)**



[^] Note: The Company has adopted IND AS 115 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 erstwhile applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.

Profit and Loss Snapshot – Q1 FY21 vs Q1 FY20

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P&L Snapshot (Rs. crore)	Q1 FY21*	Q1 FY20	Q1 FY21	Q1 FY20^	YoY
Revenue Recognition Method	Reported CCM	Reported CCM	POCM	POCM	POCM
Revenue from Operations	140.8	585.7	77.4	308.0	-74.9%
Cost of materials consumed	126.3	352.6	69.3	202.3	-65.7%
Employee benefits expense	16.9	15.0	16.9	15.0	12.2%
Depreciation	3.4	4.7	3.4	4.7	-27.1%
Other expenses	10.2	23.0	10.2	23.0	-55.5%
Total Expenses	156.8	395.3	99.8	245.0	-59.3%
EBITDA	-12.5	195.1	-19.0	67.7	-128.1%
EBITDA Margin (%)	-8.9%	33.3%	-24.6%	22.0%	-46.6%
Finance cost	18.8	23.2	18.8	23.2	-19.2%
Other income	3.2	30.2	3.2	30.2	-89.5%
Profit before tax	-31.5	197.4	-38.0	70.0	-154.3%
Total tax expenses	-3.8	66.6	-6.4	24.8	-126.0%
Net profit after tax (pre-MI)	-27.7	130.8	-31.6	45.2	-169.9%
PAT margin (pre-MI)	-19.7%	22.3%	-40.8%	14.7%	-55.5%
Non-controlling interests	-0.71	14.88	0.12	0.68	-
Net Profit (post-MI)	-26.98	115.9	-31.7	44.5	-171.2%
PAT margin (%)	-19.2%	19.8%	-41.0%	14.5%	-55.4%
EPS	-3.54	15.21	-4.16	5.84	-

REASONS FOR VARIANCE (POCM)

- ≈ With the lockdown in place for most of the quarter, construction activities during the period were at a standstill for almost two months impacting revenue severely
- ≈ Profitability mainly impacted by lower revenues

*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.

Sales & Collections – Ongoing Projects – Q1 FY21

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Projects	Location	Area Sold (msf.)	Sales Value (Rs. mn.)	APR (Rs./sft.)	Collections (Rs. mn.)
Life Republic	Hinjewadi, Pune	0.07	361	4,894	316
Ivy Estate	Wagholi, Pune	0.04	187	4,506	73
Tuscan	Kharadi, Pune	0.01	73	6,321	69
Downtown	Kharadi, Pune	0.00	-	-	12
Western Avenue	Wakad, Pune	0.01	92	6,951	179
24K Opula	Aundh, Pune	0.00	-	-	105
Three Jewels	Kondhwa, Pune	0.02	70	4,411	39
Stargaze	Bavdhan, Pune	0.02	122	5,922	11
Centria	NIBM, Pune	0.01	39	4,873	38
DMA	Wagholi, Pune	0.03	171	5,744	42
Other Projects		0.02	112	4,829	30
Total (Pune Projects)		0.24	1,227	5,166	913
Raaga	Hennur Road, Bengaluru	0.02	78	4,646	8
Mirabilis	Horamavu, Bengaluru	0.00	9	4,986	60
Exente	Hosur Road, Bengaluru	0.06	301	5,286	60
Total (Bengaluru Projects)		0.08	388	5,137	127
Jai-Vijay Society	Ville Parle (E), Mumbai	0.00	27	24,707	5
Total Mumbai Projects)		0.00	27	24,707	5
Total (Pune + Bengaluru + Mumbai Projects)		0.31	1,642	5,228	1,046

Note: APR shown is net of Anti Profiteering Benefit passed on to customers per transitional requirement under GST Act ; volume in million square feet is based on saleable area

KPDL Project Portfolio – 30.06.20

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Gross Details
(including partner's share)

Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Jazz II (Opula)	100%	0.03	-	-
Atria	100%	0.04	-	-
Giga Residency	100%	-	0.60	-
Stargaze	62%	0.50	-	-
Western Avenue	100%	0.10	-	-
Ivy Estate	100%	0.53	-	-
Downtown	100%	0.01	0.60	-
Life Republic^	95%	1.46	2.80	10.35
Tuscan	51%	0.03	-	-
Three Jewels	30%	0.56	-	-
Cilantro	50%	0.01	-	-
Green Olive Venture	60%	0.04	-	-
Centria	100%	0.24	-	-
Pimple Nilakh	100%	-	0.60	-
Ghotawade	50%	-	-	3.20
Aundh	100%	-	-	1.00
Kalyani Nagar	100%	-	-	1.00
Boat Club Road	100%	-	0.36	-
Wagholi	36%	-	0.25	-
Pune Total:		3.54	5.21	15.55

Gross Details
(including partner's share)

Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Jai Vijay	100%	0.05	-	-
Other Mumbai projects	100%	-	0.53	0.67
Mumbai Total:		0.05	0.53	0.67

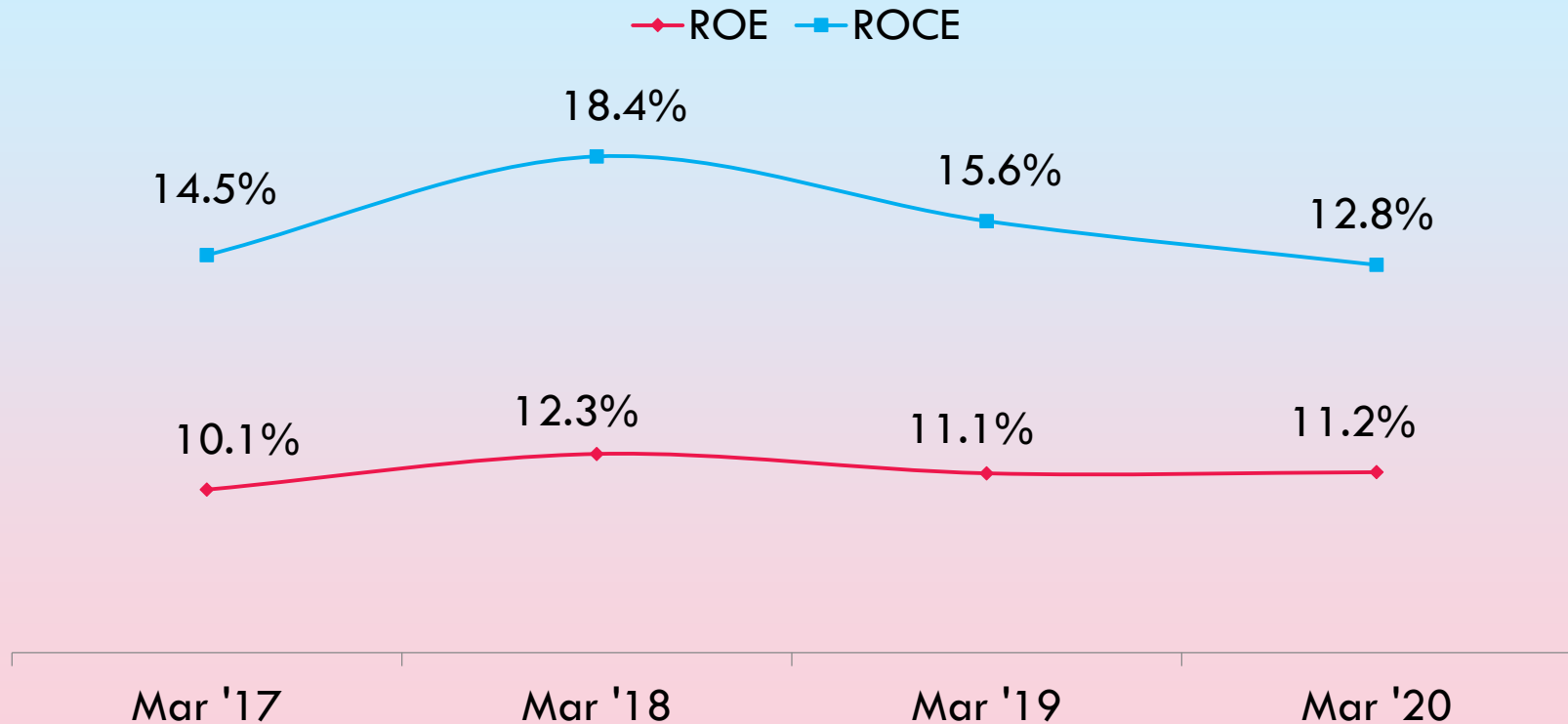
Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Raaga	100%	0.19	-	-
Mirabilis	70%	0.01	-	-
Exente	100%	0.24	-	-
24K Grazio	100%	0.18	-	-
Bengaluru Total:		0.62	0.00	0.00

Overall Projects	Ongoing & Unsold	Under Approval*	Land Bank
Total:	26.17	4.21	5.74
			16.22

DMA Projects	Ongoing & Unsold	Under Approval*	Land Bank
DMA	0.22	0.93	-

Note: Saleable area in million square feet based on current FSI norms and subject to change; ^Total FSI potential is 1.7 in Life Republic; Current potential has been considered based on a FSI of 1.0

Healthy Return Ratios



Note: Numbers on POCM basis

Business Outlook

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Sector consolidation

- First round of consolidation resulted from implementation of RERA and GST benefiting organized, execution-focused developers.
- Covid-19 to result in second round of consolidation and benefit strong balance sheet developers like KPDL

Demand

- India is expected to be the one of the first economies to recover. Expect housing demand green shoots around Diwali and healthy recovery around December 2020 onwards.
- Investor led demand is also expected to see revival

Consolidating leading position in Pune

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

Diversifying geographical presence

- 1.1 msf across society redevelopment projects in Mumbai
- Mumbai and Bengaluru expected to grow to ~25% of sales by 2022

Operational Excellence

- Focus to be faster sales, approvals, construction and collection
- Strong digital connect to act as an incremental sales channel
- Prudent investments in technology to reduce construction time

New project acquisition

- Targeting acquisitions of 10-12 msf additional land bank through outright/structured deals and JVs/DMA's with land owners and other developers

Efficient capital deployment

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

Healthy RoCE

- Successful implementation of strategy driving strong return profile with avg. ROCE of 15+% for last four years
- Looking at further scale benefits in Pune and greater Bengaluru/Mumbai contribution

Launch Calendar – Next 12 months

- 3 cities – Pune, Mumbai & Bengaluru
- ~4.5 msf of saleable area
- ~Rs. 4,150 crore of topline potential

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 ~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 12 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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Thank You

**BIGGER.
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FASTER.**

THE STORY OF HOW WE ARE BUILDING
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