



Kolte-Patil Developers Ltd. Q2 FY20 Financial Results

Sales volume steady at 0.50 million sq. ft. with a value of Rs 2,678 million

Collection momentum maintained at Rs 2,932 million

OC obtained for 1.2 msf

Pune, 11th November, 2019: Kolte-Patil Developers Ltd. (BSE: 532924, NSE: KOLTEPATIL), a leading Pune-based real estate player announced its results for the second quarter and first half ended 30th September, 2019.

Operational Highlights – H1 FY20

New area sales	H1 FY20	H1 FY19	YoY
Volume (million sq. ft.)	1.00	1.23	-18.60%
Value (Rs. million)	5,515	6,588	-16.30%
Realization* (Rs./Sq. ft.)	5,509	5,356	2.80%
Collections (Rs. million)	6,364	6,033	5.50%

Operational Highlights – Q2 FY20

New area sales	Q2 FY20	Q1 FY20	Q2 FY19	YoY	QoQ
Volume (million sq. ft.)	0.5	0.51	0.77	-35.20%	-1.80%
Value (Rs. million)	2,678	2,837	3,998	-33.00%	-5.60%
Realization* (Rs./Sq. ft.)	5,401	5,616	5,223	3.40%	-3.80%
Collections (Rs. million)	2,932	3,431	2,940	-0.20%	-14.50%

Commenting on the performance for Q2 & H1 FY20, Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said, "Fully recognizing the importance of a vibrant real estate ecosystem in fulfilling our potential as an emerging economic superpower, the Government has followed up its previously implemented structural policy initiatives with the recently announced measures that will go a long way to impart liquidity into the system, drive progress in stalled projects, capitalize stressed developers and provide new employment opportunities to millions – consequently boosting housing demand as homebuyers' confidence returns. We believe that the

long-term outlook is one of consolidation in the sector and benefits will accrue to only those developers with a brand equity built on corporate governance, innovation and execution. This further strengthens the structural investment theme around Kolte-Patil with consistently low debt, predictable cash generation and clear roadmap for sustainable and profitable growth.

We continued to build on the customer-centric framework of sales, collections, cash flows, construction and deliveries, which further strengthened our operations. Execution remains strong, we completed 1,053 units during Q2 aggregating to 1.2 msf. Sales momentum was maintained sequentially at 0.5 msf in Q2, which we believe is a stable outcome in a traditionally weak demand period of the year and in light of the subdued consumer sentiment. Q2 sales were driven by Life Republic, Western Avenue, Opula, Ivy Estate and Exente. We expect an upward sales trajectory in H2 from planned sales promotion activities, availability of finished inventory due for receipt of occupation certificates at Jai Vijay (Mumbai) and Raaga 2 (Bengaluru). These projects will further augment the free cash flows during the second half of the year.

Our robust operational performance will allow us to use internal accruals for the buyout of ICICI Venture's next tranche in Life Republic. Recently, we delivered strong returns with an IRR of 23.1% over 45 months to Motilal Oswal Real Estate from our City Avenue project located in Wakad in Pune. This highlights the company's brand equity, execution track record and ability to monetise its assets faster, enabling attractive returns on investment for Kolte-Patil as well as its partners.

During H1, collections have come in at Rs. 636 crore, up from Rs. 603 crore on a year-on-year basis. Following last year's trend, H2 is expected to be better than H1. We have set up the foundation for delivering strong collections for the year, likely to be the highest ever in the company history.

Going forward, we see value-accretive opportunities in the market for well-capitalized players to pursue new acquisitions and will look at expanding the portfolio through outright/structured land purchases as well as capital-light growth opportunities, taking a holistic, 360-degree approach to longer term growth prospects."

Financial Highlights – H1 FY20

P&L Snapshot (Rs. crore)	H1 FY20*	H1 FY19*	H1 FY20^	H1 FY19^	YoY
Revenue Recognition Method →	Reported CCM	Reported CCM	POCM	POCM	POCM
Revenue from Operations	777.6	601.6	609.7	532.2	14.60%
EBITDA	227	178	124.1	121.7	2.00%
EBITDA Margin (%)	29.20%	29.60%	20.30%	22.90%	
Net Profit (post-MI)	102	48.1	68.5	42.8	60.00%
PAT margin (%)	13.10%	8.00%	11.20%	8.00%	
EPS	13.44	6.35	2.22	5.64	

Note: Tax expense in H1/Q2 FY20 calculated as per CCM accounting methodology includes one-time deferred tax asset reversal arising due to the company's decision to opt for lower tax regime

Financial Highlights – Q2 FY20

P&L Snapshot (Rs. crore)	Q2 FY20*	Q2 FY19*	Q2 FY20^	Q2 FY19^	YoY
Revenue Recognition Method →	Reported CCM	Reported CCM	POCM	POCM	POCM
Revenue from Operations	191.9	211.04	301.7	254.2	18.70%
EBITDA	31.9	42.5	56.4	65.8	-14.30%
EBITDA Margin (%)	16.60%	20.10%	18.70%	25.90%	
Net Profit (post-MI)	-14	10.2	24	24.3	-1.20%
PAT margin (%)	-7.30%	4.80%	8.00%	9.60%	
EPS	-1.84	1.35	3.17	3.2	

***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.

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+ / Positive' 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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