

SHRIRAM PROPERTIES REPORTS EXCELLENT RESULTS FOR H1FY23

Revenues nearly tripled YoY and EBITDA up 2.6x YoY in H1 FY23

Net Profits at Rs.30.1 crores in H1FY23 – nearly 1.7x of full year FY22

Strong Q2 performance, on QoQ and YoY basis

BENGALURU, November 14, 2022: Shriram Properties Limited (“SPL”), a leading residential developer in South India, announced its financial results for the second quarter and the half-year ended September 30, 2022.

The Company has reported sales volumes¹ of 1.01 msf in Q2, up 52% QoQ², supported by two new launches and strong sustenance sales. Aggregate sales value stood at Rs.435 crore, up 39% QoQ, in Q2FY23. Aggregate collections and construction spend remained robust at Rs. 315 crores and Rs.135 crores respectively.

The Company has reported best-ever first half sales of 1.67 msf with 27% YoY growth in sales value at Rs.747 crores in H1FY23. The Company has clocked 5% higher realisation during H1, on top of an ~8% growth seen in H2FY22. The Company expects to see stronger second half, consistent with historical trends, and expects further improvement in prices on the back of strong demand, cost considerations and the impact of industry consolidation. On the execution front, the Company has handed over 700+ completed units and is on-track to hand-over nearly 2,000 units in FY23.

The Company has reported excellent financial results for the fourth consecutive quarter since listing.

For the quarter, total revenues stood at Rs.275.8 crores, up 90% QoQ and 193% YoY. Revenue from operations nearly tripled on YoY basis and more than doubled on QoQ basis. This was supported by increased handover momentum in completed projects and receipt of OC in certain key projects.

EBITDA for the quarter at Rs.51.3 crores reflected a growth of 44% QoQ and 138% YoY. Sharp rise in revenue recognition on completion and handover of projects and slower growth in operating expenses helped. The Company has reported net profit of Rs.19.6 crores in Q2FY23.

For the first half of current fiscal, the Company has reported near tripling of revenue from operations to Rs.380.7 crores, compared Rs.118.2 crores in H1FY22. Total revenues were nearly 2.7x higher at

¹ Gross new sales, net of cancellations.

² YoY – year-on-year; QoQ – Quarter-on-Quarter

Note: All data presented in this release reflect aggregate numbers for SPL, covering all projects under all formats of development viz., Own, JV/JDA and the Development Management (DM)

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Rs.420.9 crores, with increased momentum in customer handover on receipt of completion certificate in two key projects during this period. EBITDA for the period stood higher at Rs.86.8 crores in H1FY23, reflecting a growth of 162% YoY.

Overall finance costs were lower by 17% YoY, while actual interest costs were down 28% YoY in H1, reflecting the impact of lower debt and ongoing refinancing efforts to lower costs. The Company has refinanced over Rs.103 crores of debt in its balance sheet and also refinanced an additional Rs. 380 crores at JV level during H1FY23.

Share of profits from JVs is higher on YoY basis at Rs.5.3 crores in H1FY23, reflecting the start of revenue recognition at Shriram Park63, a JV project at Chennai. The impact would have been greater but for the Company's share of marketing costs and debt refinancing costs at two other JVs that have not yet reached revenue recognition thresholds.

Net profit for the period stood strong at Rs.30.1 crores in H1FY23, against Rs.18 crores for the full year in FY22. This reinforces confidence on earnings potential for the full year.

The Company's gross debt is at Rs.478.8 crores, while net debt stood at Rs. 374.4 crores in Sep'22. Debt-Equity ratio at 0.32x is among the lowest in the sector. The Company remains focused on reducing debt and interest costs further in the coming quarters.

In a strategically important partnership initiative, the Company has signed a MoU with ASK Property Fund ("ASK") for setting up an investment platform for acquisition of residential real estate projects. The partnership has already committed on its first investment under the platform for a plotted development project in North Bangalore.

The Company has near-zero inventory in completed projects and nearly 80% of its ongoing project inventories are sold. The Company expects to handover nearly 2000 units in FY23 and over 10 msf during FY23-25. These should provide strong income recognition potential. Accordingly, ~75% of revenue recognition over the next 3 years would come from cumulative volumes sold till Sep'22 and ~60% DM fee would come from projects launched already.

Commenting on the Company's performance, **Mr Murali M, Chairman and Managing Director**, said: *"We are encouraged by the strong operational and financial growth as well as sustained earnings growth momentum seen since listing. This is reassuring and demonstrates the strength of our team and the operating platform. We will remain focused on profitable growth by leveraging the strong project pipeline and market opportunities. Improving operating leverage and stabilised DM business model should add further strength. We believe, we are on the right path to delivering superior shareholder value in the coming years".*

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Corporate Identity Number (CIN) : L72200TN2000PLC044560

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A) Statement of Unaudited Consolidated Financial Results for the quarter and six months ended 30 September 2022

Particulars	Quarter ended			Half Year ended		Year ended
	30 September 2022 [Unaudited]	30 June 2022 [Unaudited]	30 September 2021 [Unaudited] (Refer Note 5)	30 September 2022 [Unaudited]	30 September 2021 [Audited]	31 March 2022 [Audited]
Revenue						
Revenue from operations	2,585.50	1,221.72	760.50	3,807.22	1,181.75	4,328.81
Other income	172.81	229.40	181.82	402.21	329.80	849.20
Total income	2,758.31	1,451.12	942.32	4,209.43	1,511.55	5,178.01
Expenses						
Land cost	198.75	292.95	-	491.70	5.50	5.50
Material and construction cost	602.94	503.62	636.67	1,106.56	984.19	2,302.14
Changes in inventories	1,056.73	(79.97)	(206.10)	976.76	(366.56)	(484.77)
Employee benefits expense	208.11	191.57	179.60	399.68	345.11	730.38
Finance cost	269.84	258.30	343.50	528.14	639.17	1,199.07
Depreciation and amortization expense	19.21	18.49	14.35	37.70	34.18	66.47
Impairment losses	1.03	15.48	-	16.51	-	150.39
Other expenses	177.84	172.47	116.43	350.31	232.53	656.27
Total expenses	2,534.45	1,372.91	1,084.45	3,907.36	1,854.12	4,625.45
Profit/ (loss) before share of loss of joint ventures	223.86	78.21	(142.13)	302.07	(342.57)	552.56
Share of loss of joint ventures (net)	(42.32)	95.72	(99.42)	53.40	(184.48)	(225.91)
Profit/ (loss) before tax	181.54	173.93	(241.55)	355.47	(527.05)	326.65
Tax expense						
Current tax	11.68	23.87	1.47	35.55	2.65	56.88
Deferred tax charge	(26.09)	45.35	(10.25)	19.26	70.46	89.46
Total tax expense	(14.41)	69.22	(8.78)	54.81	73.11	146.34
Profit/ (loss) for the period/ year	195.95	104.71	(232.77)	300.66	(600.16)	180.31
Other comprehensive income/ (loss)						
(a) Items that will not be reclassified to profit or loss						
Re-measurement of income/(losses) on defined benefit plans	-	0.18	(1.92)	0.18	(3.86)	(1.83)
Other comprehensive income/ (loss) for the period/ year	-	0.18	(1.92)	0.18	(3.86)	(1.83)
Total comprehensive income/ (loss) for the period/ year	195.95	104.89	(234.69)	300.84	(604.02)	178.48
Net profit/ (loss) attributable to:						
Owners of the Holding Company	195.81	87.98	(232.77)	283.79	(682.67)	97.81
Non-controlling interest	0.14	16.73	-	16.87	82.51	82.50
	195.95	104.71	(232.77)	300.66	(600.16)	180.31
Other comprehensive income/ (loss) attributable to:						
Owners of the Holding Company	-	0.18	(1.92)	0.18	(3.86)	(1.83)
Non-controlling interest	-	-	-	-	-	-
	-	0.18	(1.92)	0.18	(3.86)	(1.83)
Total comprehensive income/ (loss) attributable to:						
Owners of the Holding Company	195.81	88.16	(234.69)	283.97	(686.53)	95.98
Non-controlling interest	0.14	16.73	-	16.87	82.51	82.50
	195.95	104.89	(234.69)	300.84	(604.02)	178.48
Earnings/ (Loss) per share (*)						
Basic (₹)	1.15	0.52	(1.57)	1.67	(4.60)	0.63
Diluted (₹)	1.15	0.52	(1.57)	1.67	(4.60)	0.63
Paid up share capital (par value ₹10/- each, fully paid)						1,696.24
Other equity (excluding non-controlling interest)						9,633.25

(*) EPS is not annualized.

See accompanying notes to results

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About Shriram Properties Limited

Shriram Properties Ltd (SPL) is one of South India's leading residential real estate development companies, primarily focused on the mid-market and affordable housing categories. SPL's key markets include Bangalore, Chennai and Kolkata which together accounts for over 88% of its development activities. SPL has demonstrated track record having delivered 33 projects with saleable area of 19.5 msf, mostly in the cities of Bengaluru and Chennai. SPL has a strong development pipeline comprising of 54 projects with aggregate development potential of 54 msf, as of September 30, 2022.

SPL is part of the Shriram Group, a prominent business group with four decades of operating history in India, and is backed by globally renowned private equity players affiliated with TPG, Tata Opportunities Fund, Walton Street Capital and Starwood Capital. SPL made its initial public offering and became a publicly traded company in Dec'21.

Disclaimer

Certain statements in this document may be "forward looking statements", within the meaning of applicable laws and regulations. Such forward-looking statements are subject to certain risks and uncertainties and important developments that could affect the Company's operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labor relations, among other things. These could cause actual results to differ substantially or materially from those contemplated, expressed or implied by the relevant forward-looking statements. Shriram Properties Limited will not be in any way responsible for action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent event or circumstances.