KOLTE • PATIL

Creation, not construction.

To,
The Assistant Manager,
National Stock Exchange of India Limited
Listing Department,
'Exchange Plaza',
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051

To,
The General Manager,
BSE Limited,
Corporate Relationship Department,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Date: 06 August 2019

Sub: Q1 FY2020 Financial Results Presentation of Kolte-Patil Developers Limited

Ref: NSE Symbol and Series: KOLTEPATIL and EQ
BSE Code and Scrip Code: 9624 and 532924

Dear Sir/Madam,

Please find enclosed herewith softcopy of **"Q1 FY2020 Financial Results Presentation"** of the Company and the presentation also being posted on the company's website: - www.koltepatil.com.

This is for your information and record.

Thanking you,

For Kolte-Patil Developers Limited

Kolte-Patil Developers Limited

Vinod Patil
Company Secretary and Compliance Officer
Membership No. A13258

Encl: As above

KOLTE-PATIL DEVELOPERS LTD.
CIN : L45200PN1991PLC129428
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Web.: www.koltepatil.com

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KOLTE-PATIL DEVELOPERS LIMITED

Q1 FY20 Results Presentation

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 labour 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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Kolte-Patil Developers: At a Glance

#1

Residential real estate player in Pune

(Awarded as Most Reputed Brand in Pune)

2+

Decades of presence being incorporated in 1991

Pipeline

~30 million square feet of projects under execution and approval

NSE/BSE Listed

IPO in Dec 2007

>18MSF

of units delivered across Pune, Bengaluru and Mumbai

16.3%

ROCE - strong returns profile

A+/Positive

Highest rated residential player By CRISIL

Shareholding

Promoters	DII/Others	FII’s
74.6%	11.2%	14.2%

Diversifying Presence

Mumbai and Bengaluru expected to grow to ~25% of sales by 2020

Key Investors

1. Pabrai Funds - 8.6%
2. Goldman Sachs - 3.9%

"The last quarter witnessed a decisive mandate for a second term to the incumbent government. After implementing path-breaking reforms like GST and RERA, the government presented its Union Budget 2019-20 with a clear intent to further improve the regulatory environment for the housing sector. The focus on 'Housing for All' and 'Affordable Housing' has been reinstated by creating additional incentives. We also believe that the recent advisory on subvention plans will accelerate consolidation in the sector towards organized players with financial discipline and a proven execution track record, like Kolte-Patil.

Our continued focus on execution led to robust collection to the tune of Rs 343 crore in Q1 FY20, higher by 11% YoY & QoQ, despite sluggishness seen in the market. We have used the strong cash flows to further strengthen our balance sheet and accelerated execution across projects, especially those nearing completion with deferred payment schedules, where significant portion of collections are linked to possessions. We expect completion of ~1,400 units (~1.4 msf) ready for deliveries over the next two quarters, which includes completion of another ~1 msf in Bengaluru, driving our collections and setting the stage for the next phase of growth.

Sales trajectory improved 9% in volume terms and 10% in value terms in Q1 FY20 driven by Life Republic, Opula, Ivy Estate, Tuscan, Western Avenue and DMA projects. Furthering our business development initiatives, we are delighted to announce the addition of three projects in Pune under the development management (DM) model, leveraging our strong brand name and execution capabilities. The DM model will help diversify our revenue stream with the inclusion of fee-based income and enable us to increase our customer reach across product categories and geographical micro-markets. This is in line with our ongoing strategy of looking for capital-light growth opportunities, and will continue to evaluate further such opportunities in the future.

Over the last one year, we have created a strong framework for sustainable long term growth on the back of successful project launches, improved collections from customers, focused on timely deliveries and committed investment to the tune of ~Rs 270 crore in buying out our partners' stakes in our key projects, Life Republic and Downtown. In the ensuing quarters, we will continue our focus on collections, execution and approvals and expect acceleration in sales volume based on growing visibility from Pune and increasing contribution from Mumbai and Bengaluru. We are also in the advanced stages of closure of acquisition of a few projects through structured deals with land owners, which will provide further impetus to our sales trajectory. We see our focus on 360 degree operational excellence driving sales, revenue and profitability on a diversified operating base to create long term growth opportunities."

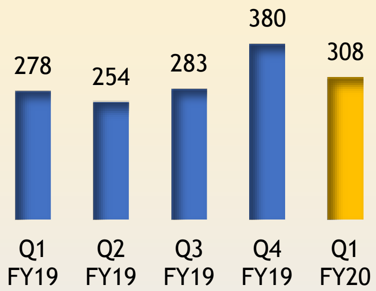
Operational Highlights – Q1 FY20

New area sales	Q1 FY20	Q1 FY19	YoY	FY19
Volume (million sq. ft.)	0.51	0.46	9%	2.67
Value (Rs. million)	2,837	2,590	10%	14,316
Realization (Rs./Sq. ft.)	5,616	5,580	1%	5,372
Collections (Rs. million)	3,431	3,093	11%	11,791

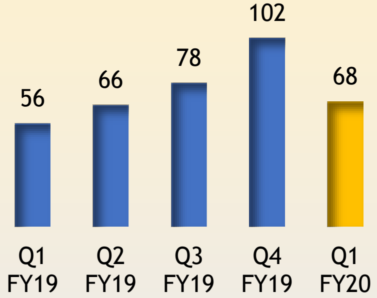
- **Collections robust at Rs 343 crore, higher by 11% YoY & QoQ, despite sluggishness seen in the market, testimony to continuous thrust on execution**
  - Utilized to drive Rs 29 crore QoQ reduction in net debt (net D/E at 0.43x)
  - Accelerated execution across projects, especially projects nearing completion with deferred payment schedules, where significant portion of collections are linked to possessions (Construction spend of Rs 162 crore in Q1 FY20)
  - Expecting completion of ~1.4 msf ready for deliveries over the next two quarters, which includes completion of another 1 msf in Bengaluru
- **Sales volumes up 9% YoY to 0.5 msf in Q1 FY20; booking value up 10% YoY to Rs 284 crore**
  - Driven by Life Republic, 24K Opula, Ivy Estate, Tuscan, Western Avenue and DMA projects
- **Signed three new projects in Pune under the Development Management Model**
  - Saleable potential of ~1.2 million square feet (~1,250 units)
  - Strategically located at Wagholi in East Pune and Kiwale and Ravet in West Pune
  - Expect DM fees of Rs. 60-65 crore from these projects over a period of 30-36 months. All associated project costs would continue to be borne by the respective projects.
- **Acceleration expected in sales volumes in FY20**
  - Current focus will be on execution of inventory of ongoing projects to the tune of ~6.5 msf
  - The Mumbai DCR2034 transition policy will facilitate the launch of Mumbai projects
  - Further evaluating potential acquisition of additional land bank through outright purchases/JDA/DMA with land owners/other developers

Performance Highlights - Q1 FY20

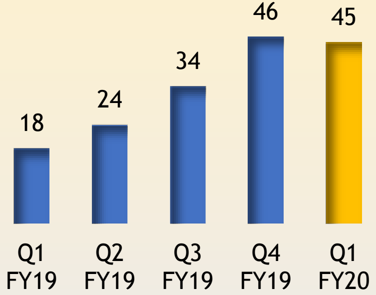
Revenue, Rs. Crore



EBITDA, Rs. Crore

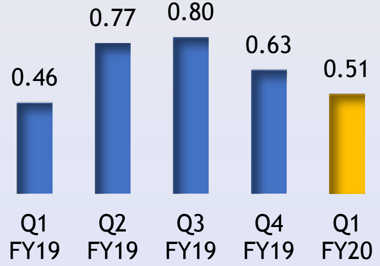


PAT, Rs. Crore

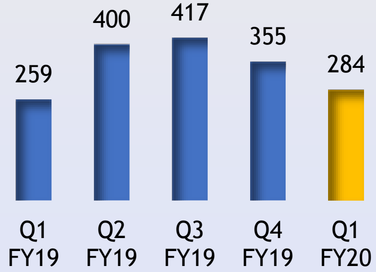


Note: The Company has adopted IND AS 115 during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method. In order to facilitate like-to-like comparison and continuity of information flow, financials based on the erstwhile applicable Percentage of Completion Method (POCM)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

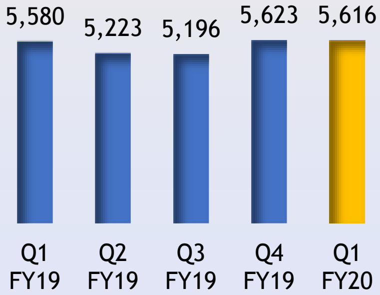
Sales Volume, mn sq. ft



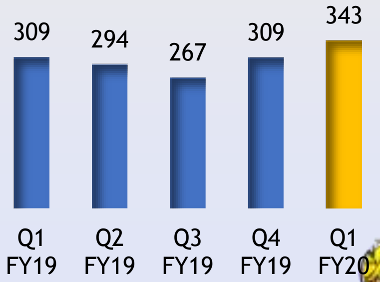
Sales value, Rs. Crore



APR, Rs./sft



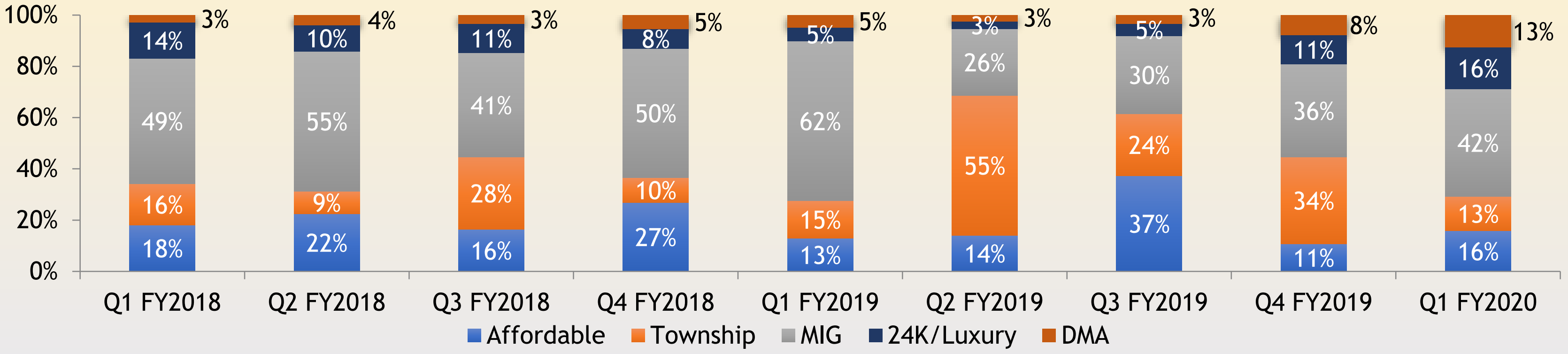
Collections, Rs. Crore

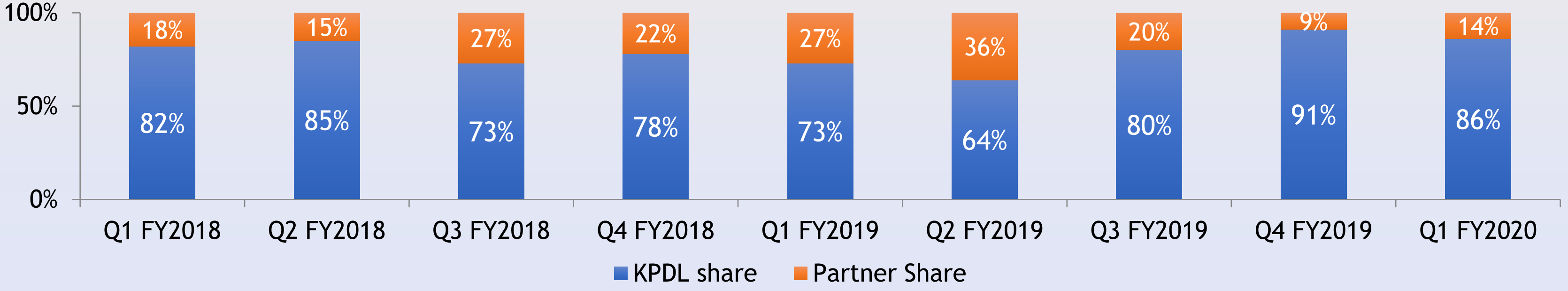


Note: Volume in million square feet is based on saleable area

New Sales Analysis - Q1 FY20

msf.	0.41	0.59	0.59	0.49	0.46	0.77	0.80	0.63	0.51





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

Abridged Cash Flows

Abridged Cashflows - Unaudited (Rs. crore)	Q1 FY20 (Un-Audited)
Opening Balance	67
Operating Cashflow	
Collections	343
Construction Cost	(162)
Other Expenses	(54)
Direct & Indirect Taxes	(19)
Financing & Investing Activities	
Bank Interest	(15)
OD/CC Movement	(15)
OCD/CCD Redemption	(6)
Dividend	(11)
TDR/Premium Costs/JV Partner	(47)
Closing Balance	81

Consolidated Debt Profile

Consolidated Debt Profile (Rs. crore)	30th June, 2019		31st Mar, 2019	
	CCM	POCM^	CCM	POCM^
Networth	**957**	**1,145**	840	1,100
Gross debt	**758**	**758**	807	807
Less: OCD / CCD / OCRPS / Zero Coupon NCD*1	**189**	**189**	224	224
Debt	**569**	**569**	583	583
Less: Cash & cash equivalents & Current Investments	**81**	**81**	67	67
Net debt	**488**	**488**	517	517
Net debt to equity	**0.51**	**0.43**	0.62	0.47

**Issued to KKR in Life Republic Township; ^Company Estimates*

[1]In accordance with the requirements of the applicable accounting standards, the Company has carried out a fair valuation of Optionally Convertible Debentures issued by KPIT linked to FSI towards ICICI buy-out in Life Republic and the resultant net gain of ~Rs. 28 crore has been credited to the Statement of Profit and Loss

Profit and Loss Snapshot - Q1 FY20 vs Q1 FY19

P&L Snapshot (Rs. crore)	Q1 FY20*	Q1 FY19*	Q1 FY20^	Q1 FY19^	YoY
Revenue Recognition Method →	Reported CCM	Reported CCM	POCM	POCM	POCM
Revenue from Operations	585.7	390.6	308.0	278.1	10.8%
Cost of materials consumed	352.6	219.2	202.3	186.4	8.6%
Employee benefits expense	15.0	13.5	15.0	13.5	11.5%
Depreciation	4.7	3.7	4.7	3.7	27.4%
Other expenses	23.0	22.3	23.0	22.3	2.9%
Total Expenses	**395.3**	**258.7**	**245.0**	**225.8**	8.5%
EBITDA	**195.1**	**135.6**	**67.7**	**55.9**	21.1%
EBITDA Margin (%)	**33.3%**	**34.7%**	**22.0%**	**20.1%**	1.9%
Finance cost	23.2	20.3	23.2	20.3	14.5%
Other income	30.2	1.9	30.2	1.9	1523.1%
Profit before tax	**197.4**	**113.5**	**70.0**	**33.8**	107.0%
Total tax expenses	66.6	37.2	24.8	11.8	110.5%
Net profit after tax (pre-MI)	**130.8**	**76.3**	**45.2**	**22.0**	105.1%
PAT margin (pre-MI)	**22.3%**	**19.5%**	**14.7%**	**7.9%**	6.7%
Non-controlling interests	14.88	38.32	0.68	3.55	-80.8%
Net Profit (post-MI)	**115.9**	**37.9**	**44.5**	**18.5**	12.9%
PAT margin (%)	**19.8%**	**9.7%**	**14.5%**	**6.6%**	7.8%
EPS	15.29	5.00	5.83	2.44	

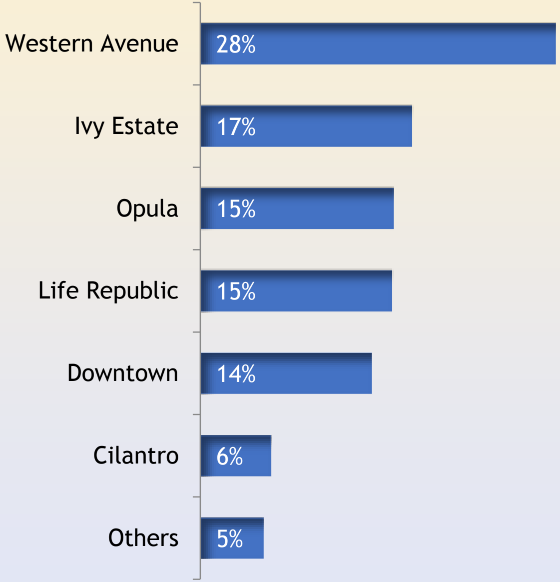
REASONS FOR VARIANCE (POCM)

- Revenue in Q1 FY20 on POCM basis driven by Western Avenue, Opula, Life Republic, Bengaluru projects and Downtown
- EBITDA margin expands 190 bps YoY in Q1 FY20 on POCM basis to 22.0%
- Other income in Q1 FY20 includes ~Rs. 28 crore towards fair valuation of OCD’s linked to FSI towards ICICI Venture buy-out in Life Republic. Adjusted for this, PBT for the quarter would be ~Rs. 41 crore and PAT would be ~Rs. 27 crore

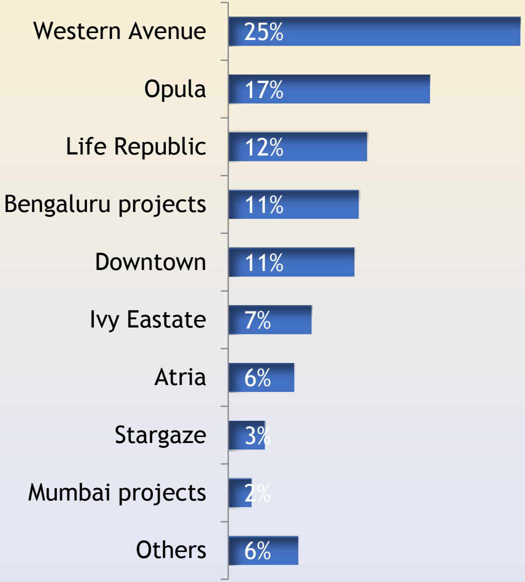
**Note: The Company has adopted IND AS 115 (Completion Contract Method - CCM) during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method; ^In order to facilitate like-to-like comparison and continuity of information flow, financials based on the previously applicable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

Revenue Recognition - Q1 FY20 vs Q1 FY19

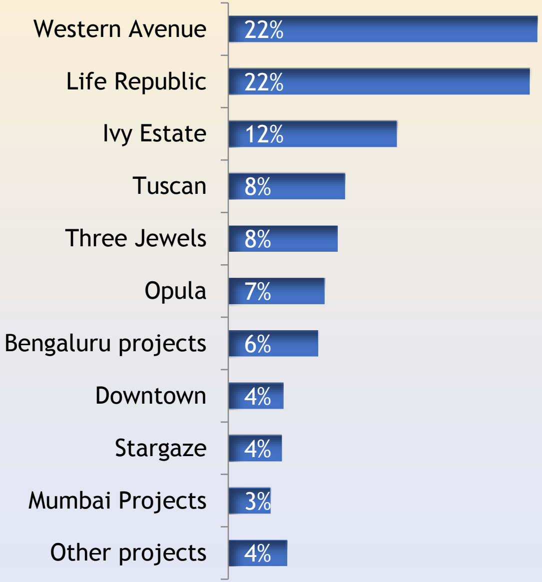
Q1 FY20 - Rs. 586 crore (CCM)



Q1 FY20 - Rs. 308 crore (POCM)



Q1 FY19 - Rs. 278 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.

Sales & Collections - Ongoing Projects - Q1 FY20

Gross Details (including partner's share)

Projects	Location	Area Sold (msf.)	Sales value (Rs. mn.)	Avg. Realization (Rs./sft.)	Collections (Rs. mn.)
Life Republic	Hinjewadi, Pune	0.07	325	4,779	701
Ivy Estate	Wagholi, Pune	0.06	262	4,367	403
Tuscan	Kharadi, Pune	0.06	351	6,319	99
Downtown	Kharadi, Pune	0.00	5	7,501	420
Western Avenue	Wakad, Pune	0.05	352	6,861	524
Jazz II (Opula)	Aundh, Pune	0.06	458	7,243	425
Three Jewels	Kondhwa, Pune	0.02	94	4,816	100
Stargaze	Bavdhan, Pune	0.03	162	5,912	206
Other Projects (including DMA)		0.13	699	5,186	264
Total (Pune Projects)		**0.48**	**2,708**	**5,636**	**3,143**
Raaga	Hennur Road, Bengaluru	0.02	77	5,038	25
Mirabilis	Horamavu, Bengaluru				118
Exente	Hosur Road, Bengaluru	0.01	52	5,528	100
Total (Bengaluru Projects)		**0.02**	**129**	**5,224**	**244**
Link Palace Society	Khar (W), Mumbai				
Jai-Vijay Society	Ville Parle (E), Mumbai				45
Sagar Vaibhav Society	Dahisar (W), Mumbai				
Total (Mumbai Projects)					**45**
Total (Pune + Bengaluru + Mumbai Projects)		**0.51**	**2,837**	**5,616**	**3,431**

Note: *Collections do not include contribution from DMA projects; volume in million square feet is based on saleable area*

KPDL Project Portfolio – 30.06.2019

Gross Details (including partner's share)

Pune Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Jazz II (Opula)	100%	0.14	-	-
Atria	100%	0.05	-	-
Giga Residency	100%	0.32	-	-
Stargaze	62%	0.54	-	-
Western Avenue	100%	0.23	-	-
Ivy Estate	100%	0.84	-	-
Downtown	100%	0.03	0.60	-
Life Republic^	95%	2.21	1.45	12.00
Tuscan	51%	0.10	-	-
Three Jewels	70%	0.63	-	-
Cilantro	50%	0.02	-	-
Green Olive Venture	60%	0.08	-	-
Centria	100%	0.33		-
Pimple Nilakh	100%			0.60
Ghotawade	50%	-	-	3.20
Aundh	100%	-	-	1.00
Kalyani Nagar	100%	-	-	0.60
Boat Club Road	100%	-	-	0.30
Pune Total:		**5.52**	**2.05**	**17.70**

**Upcoming projects in the next 12 months*

Gross Details (including partner's share)

Mumbai Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Jai Vijay	100%	0.05	-	-
Other Mumbai projects	100%	-	-	1.20
Mumbai Total:		**0.05**	**0.00**	**1.20**

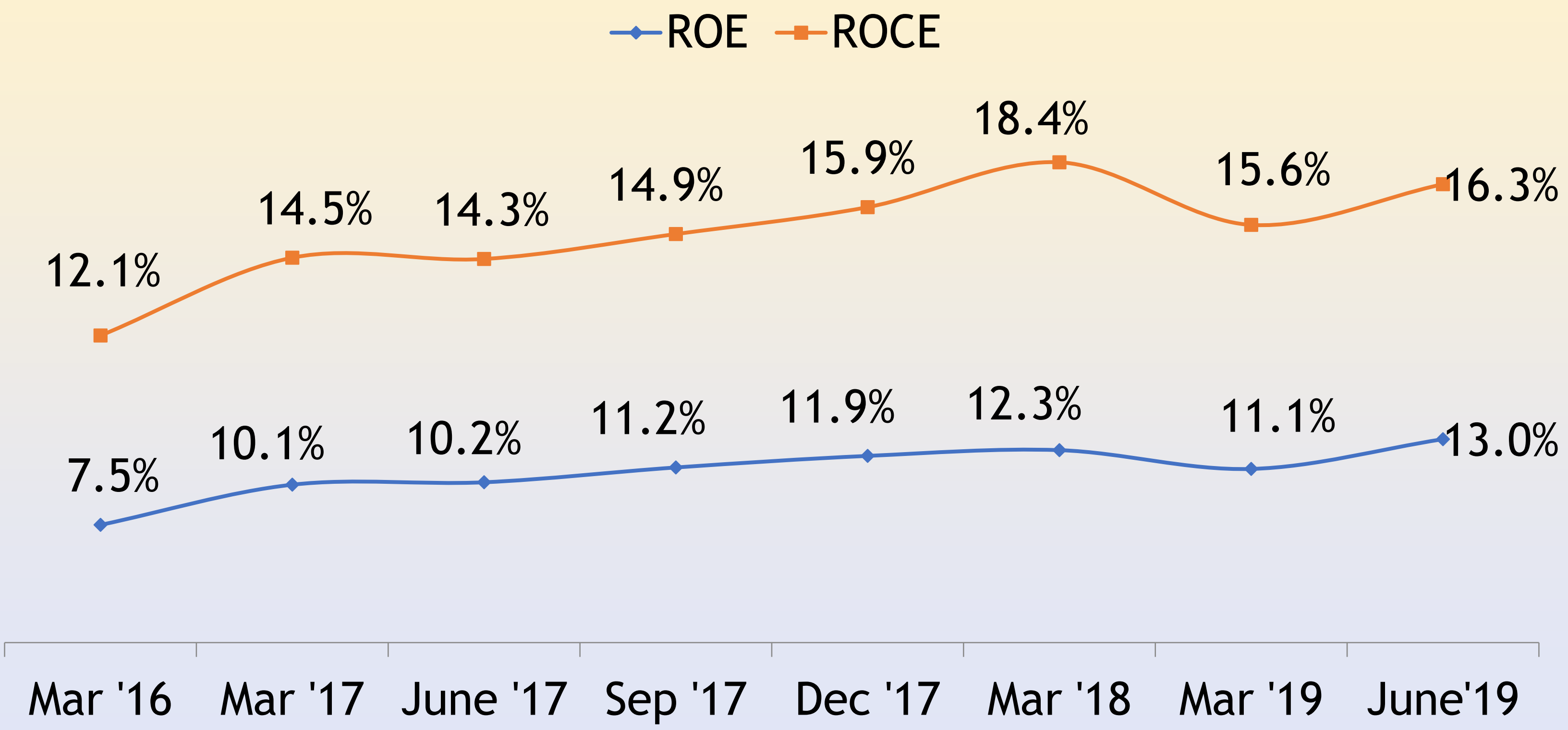
Bengaluru Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Raaga	100%	0.25	-	-
Mirabilis	70%	0.02	-	-
Exente	100%	0.41	-	-
24K Grazzio	100%	0.20	-	-
Bangalore Total:		**0.89**	**0.00**	**0.00**

Overall Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Total: ~27.4 MSF		**6.46**	**2.05**	**18.90**

DMA Projects	Ongoing & Unsold	Under Approval*	Land Bank
DMA	**0.29**	**0.88**	**-**

Note: Saleable area 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

Improving Return Ratios



Note: Numbers on POCM basis

Business Outlook

SECTOR CONSOLIDATION

- Implementation of RERA and GST has consolidated demand to organized, execution-focused developers like KPDL

DIVERSIFYING GEOGRAPHICAL PRESENCE

- 1.4 msf across 14 asset-light society redevelopment projects in Mumbai
- To launch upscale Koramangala project in Bengaluru and a few Mumbai projects in FY20
- Mumbai and Bengaluru expected to grow to ~25% of sales by 2020

EFFICIENT CAPITAL DEPLOYMENT

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

IMPROVING CONSUMER CONFIDENCE

- Based on RERA-compliant business environment and increased transparency, resulting in uptick in sales and collections

AFFORDABLE HOUSING OPPORTUNITIES IN EXISTING PROJECTS

- ~3 msf in subsequent phases of existing projects Life Republic and Ivy Estate likely to get classified under Section 80 IB Affordable Housing Scheme wherein there will be zero tax outgo

ROCE EXPANSION

- Successful implementation of strategy driving strong return profile with ROCE of 15.6% in FY19
- Looking at further scale benefits in Pune and greater Bengaluru/Mumbai contribution

CONSOLIDATING DOMINANT POSITION IN PUNE

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

NEW PROJECT ACQUISITION

- Potential acquisition of 10-12 msf additional land bank through outright purchases/JDA with land owners – ~1.5 msf for luxury projects, ~3.5 -4 msf for affordable housing, remaining for MIG housing

FUND RAISING PLANS

- Board has passed an enabling resolution/s for fund raising up to Rs. 500 crore by various modes

Awards

Times Realty Icons

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 ~18 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 14 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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