

**February 14, 2023**

National Stock Exchange of India Limited The Listing Department Exchange Plaza, 5th Floor Plot C 1 – G Block Bandra-Kurla Complex, Bandra ( E) Mumbai 400 051 Scrip Code: SHRIRAMPPS	BSE Limited Dept of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001 Scrip Code : 543419
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Dear Sir/Madam,

**Sub: Press Release**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached herewith the press release on the Unaudited Financial Results of the Company for the quarter ended December 31, 2022.

We request you to take the above information on record.

Thanking you.

Regards

For Shriram Properties Limited

D. Srinivasan

Company Secretary

FCS 5550

**Shriram Properties Limited**

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GST No: 29AAFCS5801D1ZI CIN No: L72200TN2000PLC044560

## SHRIRAM PROPERTIES REPORTS ANOTHER STRONG QUARTER OF PROGRESS, GROWTH & PROFITABILITY

***Q3FY23 Net Profit at Rs.22.4 crores, up 69% YoY and 14% QoQ***

***Quarterly Sales Volume above 1msf mark; Sales Value jumps 46% YoY and 39% QoQ***

***9MFY23 Revenues grow 2x; Net Profit grow 2.9x full year FY22 levels to Rs. 52.4 crores***

**BENGALURU, February 14, 2023:** Shriram Properties (“SPL”) announced its financial results for the third quarter (Q3FY23) and nine months (9MFY23) ended December 31, 2022. The Company has reported another strong quarter with sequential quarterly improvement in earnings for Q3FY23.

The Company has achieved sales volumes of 1.04 msf<sup>1</sup> and sales value of Rs. 605 crores in Q3FY23, driven by strong sustenance sales in ongoing projects. This is despite certain deferred launches from Q3 and the Company has since commenced pre-launch/launch efforts in these projects. ‘Shriram Pristine Estates’ - a plotted development project in North Bangalore is launched and pre-launch efforts begun in 3 Bangalore projects viz., Shriram Chirping Ridge (plotted development in Sarjapur), The Poem by Shriram and Shriram Solitaire (both apartment projects). Initial response is encouraging and are expected to generate strong sales during Q4FY23. Subject to approvals, the Company is targeting additional 2-3 launches across Bangalore, Chennai and Kolkata as well during Q4FY23.

On a YTD basis, sales volumes stood at 2.71 msf, up 5% YoY, while sales value is higher by 35% YoY at Rs.1,352 crores, reflecting the changed product mix. The share of plotted development stood only at ~10% in 9MFY23, as against ~25% in 9MFY22. Average realisation for constructed units (combination of mid-market and affordable products) was higher at Rs.4,957/sqft in 9MFY23 as against Rs.4,542/sqft in 9MFY22. Plotted development realisation stood at Rs.3,065/sqft and Rs.2,250/sqft respectively during this period, reflecting changed geographical mix of plotted units.

Aggregate collections were nearly flat at Rs.887 crores in 9MFY23, reflecting deferred new sales impact, while construction activity remain robust. The Company has handed over 1,200+ units and ~400 plots to customers during 9MFY23 and is on-track to handover 2,000+ units in FY23.

<sup>1</sup> Gross new sales, net of cancellations. MSF = Million Square Feet

Note: Data presented herein reflects aggregate for the Company, covering all projects under all development formats viz., Own, JV/JDA and the DM

***The Company has reported excellent financial results for the quarter as well***, reflecting the impact of improving operating leverage, project execution and rising share of DM income.

- Total revenues stood at Rs.222.0 crores, up 71% YoY in Q3FY23. while revenue from operations grew 60% YoY to Rs.175.8 crores with increased handovers following receipt of OC in certain key projects.
- Reflecting improved revenue recognition and cost control, EBITDA margins improved to 22.9%, compared to 18.6% in Q2FY23.
- Finance costs were lower on YoY and QoQ basis, supported by reduced interest expense at Rs.14.5 crores (down 42% YoY and 25% QoQ) reflecting the impact of ongoing debt/cost reduction efforts.
- The Company has reported net profits of Rs.22.4 crores in Q3FY23 – up 69% YoY and 14% higher sequentially.

***For the nine months period***, the Company has more than doubled its revenues and net earnings have grown 2.9x from full year FY22 levels.

- Revenue from operations have gone up 2.44x, on YoY basis, to Rs.556.6 crores in 9MFY23. Total revenues have also gone up 2.29x to Rs.643.0 crores with increased momentum in handovers following receipt of receipt of completion certificate (OC) in certain key projects.
- Reflecting the impact of improved operating leverage and controlled costs, EBITDA is higher by 59% YoY to Rs.137.6 crores in 9MFY22.
- Overall finance costs is lower by 20% YoY, while interest expenses were down 32% YoY in 9MFY23, reflecting the impact of lower debt and ongoing refinancing efforts to lower costs. Overall cost of debt is down to 12.5%<sup>2</sup> despite RBI rate hikes (to the extent of approx. 1.9%) and has raised incremental debt (refinancing) in the 9.0-10.5% range, which is encouraging.
- The Company's share of profits from JVs reflects the revenue recognition at Shriram Park63, a JV with Mitsubishi Corporation at Chennai, offset by SPL's share of marketing costs and refinancing costs at two other JVs that have not yet reached revenue recognition thresholds.
- Net profit for the period stood strong at Rs.52.4 crores in 9MFY23, against Rs.18 crores for the full year in FY22. This reinforces confidence on earnings potential for the full year.

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<sup>2</sup> Includes cost of debt in SPL and SPL share of debt in JVs

The Company's gross debt stood at Rs.504.5 crores and net debt at Rs.427.6 crores in Dec'22. Debt-Equity ratio at 0.36x is among the lowest in the sector. The Company remains focused on reducing debt and interest costs further in the coming quarters.

The Company's co-investment platform with ASK Property Fund ("ASK") has taken-off well. The Company has launched the first project under the platform named 'Shriram Pristine Estates', a plotted development project in North Bangalore in Feb'23 and has seen very encouraging response.

The Company remains confident of its full year outlook. The ongoing launches in Bangalore and proposed additional launches in Chennai and Kolkata should support robust Q4, which is also stronger quarter for the Company traditionally. Continuing revenue recognition momentum and relentless focus on costs should help sustain margins and profitability even in coming quarters.

The Company's long-term prospects remain strong. Promising demand outlook, especially in the mid-market and affordable segments and continuing favourable market trends augurs well. Supported by strong operating platform and a strong pipeline comprising of 51 projects with aggregate saleable area of 53msf (including 23 msf in ongoing projects, majority of which is sold already), SPL is well positioned to benefit from ongoing consolidation in the industry. SPL intends to complete and deliver over 10 msf over the next 3 years. While supporting income recognition and free cashflows, this should help sustain growth momentum and deliver significant value for its stakeholders.

Commenting on the performance, **Mr M Murali, CMD, Shriram Properties said:** *"We are encouraged by the continuing strong operating and financial performance notwithstanding deferred launches in certain key projects that too have taken-off well in recent weeks. The operating platform remains robust and resilient and is fully geared to optimise volumes in the seasonally peak quarter for us. We expect to see significant momentum in Q4FY23 and on track to deliver full year targets."*

### **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 nearly 85% of its development activities. SPL has demonstrated track record having delivered 36 projects with saleable area of 20.6 msf, mostly in the cities of Bengaluru and Chennai. SPL has a strong development pipeline comprising of 51 projects with aggregate development potential of 53 msf, as of December 31, 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.*

### **Contact Details**

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