

Upward
And Forward

prozone
intu 

*Q3 FY19 RESULTS
UPDATE PRESENTATION
February 2019*



PROZONE INTU PROPERTIES LIMITED



01 Quarterly Business Update

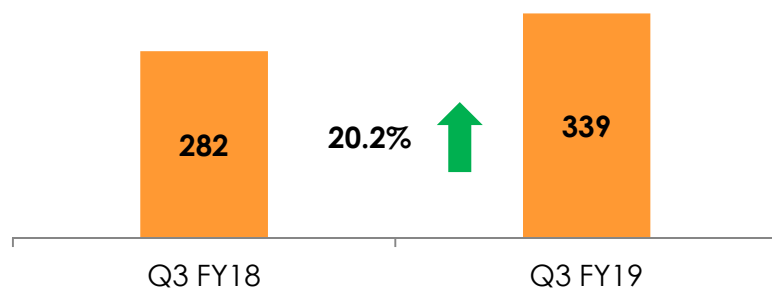
02 Financial Results

03 Asset Snapshot

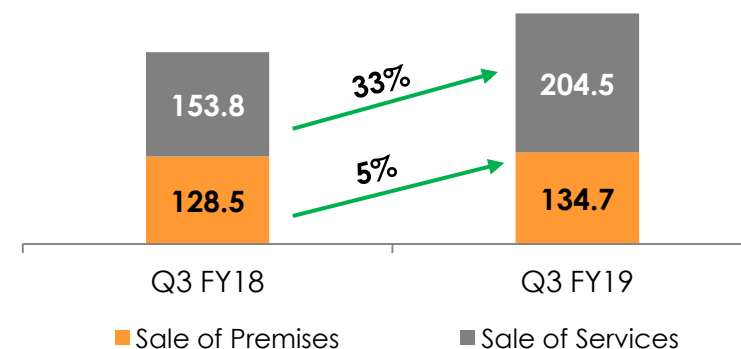
04 Annexure



Revenues (Rs. Mn)

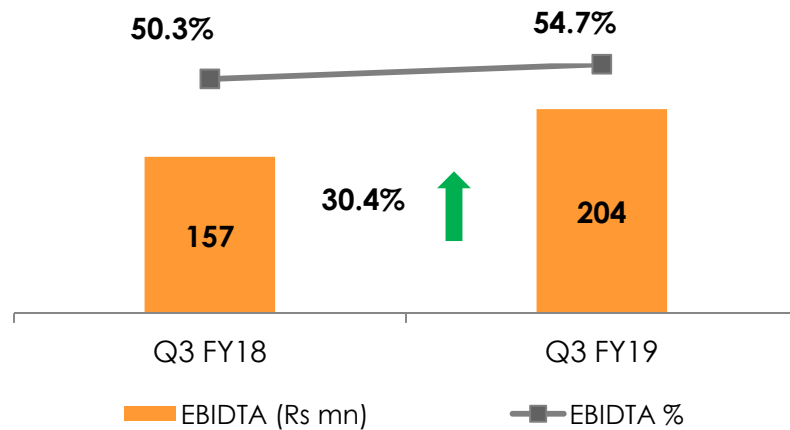


Revenues Mix (Rs. Mn)

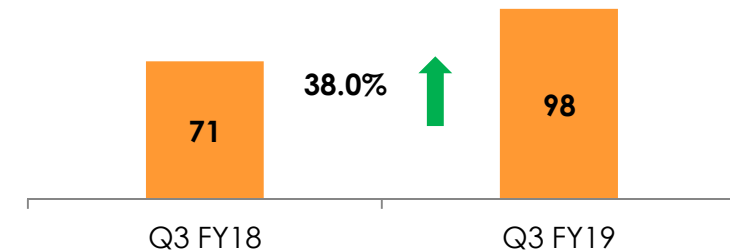


- ❑ **Strong quarterly revenue:** 20.2% YoY growth, from Rs 282 mn to Rs 339 mn
- ❑ **Revenue mix:** Sale of services continues to deliver good growth

EBITDA & EBITDA Margin*



Cash PAT (%)



- **EBITDA** of Rs 204mn with EBITDA margin improves by 440 bps
- **Cash PAT has grown 38%** signifying a steady growth



01 Strong Quarterly Revenue

- Revenue during the quarter recorded 20% increase, with higher revenue from retail assets
- Revenue recognition will remain at elevated level as PTC will continue to flow in P&L and gradual recognition will come from Nagpur residential



02 EBITDA at Rs 204.2 mn, with an improved margin of 54.7%

- EBITDA jumped 30% YoY with contribution from Coimbatore mall increasing during the quarter and stabilisation of Aurangabad Mall
- Once the remaining leased brands become operational, Rental revenue and EBITDA will further move higher.



03 Continuing from last quarter, PAT remains positive

- As Coimbatore Mall see better traction, gradual improvement in PAT continues
- Cash PAT reported during quarter was Rs 98 mn



04 Strong Operating Parameters

- Occupancy achieved of 89% at Coimbatore Mall & 85% at Aurangabad Mall
- Footfall increased by 151% at Coimbatore Mall & 48% at Aurangabad Mall on YoY basis
- Trading density increased by 42% in Coimbatore Mall & 7% in Aurangabad Mall on YoY basis



prozone
intu

**Thanks to you,
we bagged this!**

Prozone Mall
Aurangabad & Coimbatore
win the ET Global Award for
Retail Excellence



Prozone Mall Aurangabad & Coimbatore wins ET Global
Award for Retail Excellence

FINANCIAL RESULTS: CONSOLIDATED INCOME STATEMENT

Rs. Mn.	Q3 FY19	Q3 FY18	YoY	Q2 FY19	QoQ	9M FY19	9M FY19	YoY
Revenue from Real Estate Projects	134.7	128.5	4.9%	202.1	-33.3%	336.8	287.1	17.3%
Lease Rental & Related Income	204.5	153.8	33.0%	192	6.5%	566.6	348.6	62.5%
Total Income from operations	339.2	282.3	20.2%	394.1	-13.9%	903.4	635.7	42.1%
Other Income	33.9	29.0	16.8%	41.0	-17.4%	116.6	70.0	66.7%
Total Income incl. other income	373.1	311.3	19.9%	435	-14.2%	1,020.0	705.7	44.5%
EBITDA w/o Other Income	170.4	127.6	33.5%	183.7	-7.3%	454.5	244.2	86.1%
EBITDA	204.2	156.6	30.4%	224.6	-9.1%	571.2	314.2	81.8%
EBITDA Margin	54.7%	50.3%	440 bps	51.60%	310 bps	56.0%	44.5%	1150 bps
Depreciation	87.2	81.3	7.3%	85.2	2.4%	250.4	179.3	39.7%
Interest	89.5	79.3	12.9%	80.8	10.8%	247.4	184.6	34.0%
Profit before tax	27.5	-3.9	798.9%	58.6	-53.1%	73.3	-49.8	247.3%
Profit after tax	10.8	-10.5	202.9%	32.4	-66.7%	25.9	-57.0	145.4%
PAT after non-controlling interest	2.5	-7.5		2.8	-10%	-1.0	-44.9	98%

Q3 Result Update -

- Revenue and EBITDA during the quarter moved higher due to increased rentals at Aurangabad and Coimbatore Mall
- EBITDA margin during the quarter remained strong at 54.7%
- Attributable PAT has been positive reflecting stability in the underlying business

Note-

- Lease Rental & Related income and CAM Income received from Aurangabad Mall and Coimbatore Mall.; Revenue from Real Estate Projects represent Revenues recognized from the Build & Sell model
- Other Income constitutes Interest & Dividend Income on Investments

01

- Aurangabad and Coimbatore mall leased out space currently stands at 85% and 89% respectively, annuity income to increase significantly with ramp-up of Coimbatore mall

02

- Coimbatore Mall successfully completed one year of operations and achieved close to 90% leasing status in very short span of time
- **Six** new stores started operations adding aprox. 11,000 sq ft to operations in Q3 including Miniso, Daniel Wellington, Taco Bell, Fujian Express, Craftsvilla & Smiley Kiddos

03

- Aurangabad: Anchor Brands **H&M, Home Town and Marks & Spencer** commenced operations during Q2. As a full operational impact, Q3 retailer sales up by 18% & footfall jump by 48%
- Strong Traction in retailers: 8 New store opened in Q3, 6 stores currently under fit-out, 5 stores LOI Signed.

04

- Nagpur retail: approvals & financial closure in advanced stages.
- Expect to commence construction in Q1 FY20.

01 AURANGABAD MALL

- Letting out the balance space and also maintain effective Brand mix by undertaking churn at the mall. Mall leasing should gradually move towards 90% at Aurangabad

02 COIMBATORE MALL

- **Leasing stands at 89%**, working towards further increasing occupancy
- With further brands under discussion, leasing should go **above 90% during FY19**

03 NAGPUR SPV

- Project nearing completion. Phase wise delivery to start from Q1 FY20.
- Planning for Nagpur mall construction completed, approvals in process, see good opportunity for retail in Nagpur

04 COIMBATORE RESI & INDORE LAND

- Statutory approval received for Coimbatore residential phase -1 and construction to start soon.
- In Indore, pre launch sale of Plots with focus on faster monetization has commenced.



Aurangabad Mall



Nagpur Mall



Nagpur Residential



Coimbatore Mall



Aurangabad PTC

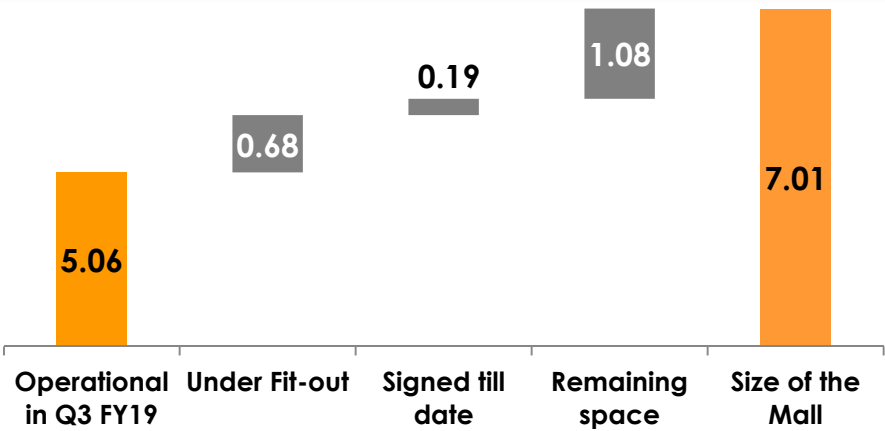


Coimbatore Residential





Occupancy

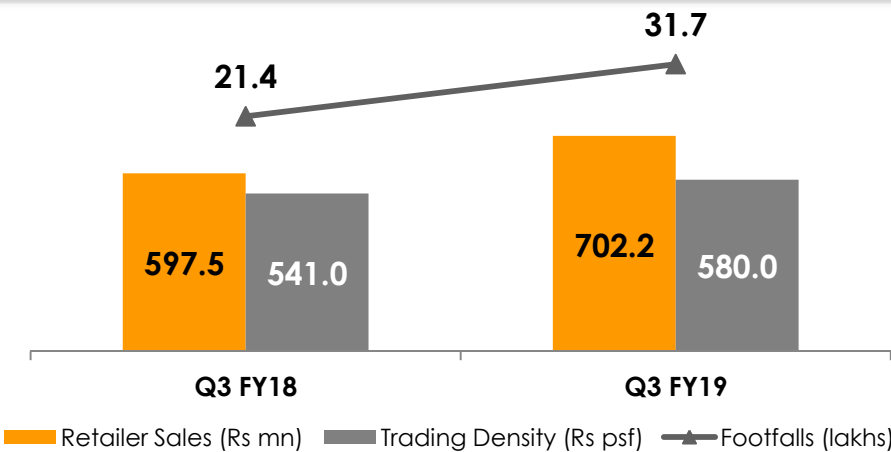


Key Operating Parameters

Q3 FY19

Gross Leased Area (lakh sq.ft.)	5.93
Current Leasing Status	85%
Number of Stores Signed	112
Retailer Sales (Rs. Mn.)	702
Average Monthly Trading Density (Rs/sqft)	580
Footfalls (Mn.)	3.1

Footfall & Trading Density



EMPIRE MALL (AURANGABAD) – FINANCIAL SNAPSHOT

Operational Details (Rs. Mn.)	Q3 FY19	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18
Area Leased (lakh sq. ft.)	5.93	5.73	5.65	5.43	5.67
% Leased	85%	83%	80%	78%	80%
Sale of Premises	134.7	202.1	-	60.3	34.9
Rental Income	56.9	52.5	46.9	56.7	46.9
Recoveries (CAM & Other)	49.6	46.7	42.2	41.9	39.9
Total Income	241.2	301.3	89.1	158.0	121.7
EBIDTA	103.4	141.1	54.9	83.8	73.8
EBIDTA Margin % (as % of Total Income)	42.8%	46.8%	61.6%	53.0%	60.6%

- 8 New brands commenced operations at Aurangabad Mall in Q3 to include Trends Footwear, Craftsvilla, Suumaya, Credo NX, Indifusion, Specs n Shades, Oxemberg, & Limbu.
- Sale of premises recorded revenue of Rs 134.7 mn, working with PTC buyers to arrange for financing to realise cash flows
- EBIDTA stands at Rs.103.4 mn with margin of 42.8%, margin moved marginally lower due to decreased leasing

NEW STORES OPENED at AURANGABAD MALL



NEW STORES OPENED at AURANGABAD MALL



BRAND PARTNERS AT AURANGABAD MALL

H&M
MARKS & SPENCER

BIG BAZAAR
Making India Beautiful
globus

max
SHOPPERS STOP
START SOMETHING NEW

WESTSIDE
Endless Possibilities
pantaloon's

croma
The Electronics Megastore
Reliance trends

INOX
LIVE THE MOVIE
HomeTown
Ab ghar banana kitna aasaan!



ARROW
USA-1951

aurelia

BASICS
YOU'RE THE MAN

Bata

BARBEQUE NATION



Café Coffee Day

U.S. POLO ASSN.
SINCE 1890

crocs
mm!
maroosh

Cotton Culture

CANTABIL
International Clothing



BLACKBERRYS

fabindia
CELEBRATE INDIA

firstcry
com

GINI & JONY

Jeep

just
WATCHES

Kareem's
— kareem's — kareem's —

Lee
LG

Levi's



LOUIS PHILIPPE

me m moms

METRO

Allen Solly

MSL
FOOTWEAR

NUMERO UNO



ORRA

ORGANIC INDIA

PARK AVENUE

Pepe Jeans
LONDON



parx
Live easy

lenskart.com

Reebok

Rangriti
Samsnite

Sabhyata

SKECHERS

SPORTS STATION

spykar

TITAN

ColorPlus

VAN HEUSEN

WILDCRAFT

Wrangler



Span
SINCE 1978

Being Human

Domino's

KOMPANERO

MUFTI
STRAPLESS SHIRTING

SMOKIN' JOE'S
FRESH PIZZAS

MONTE CARLO

BIBA

ethnicity

KFC

MOCHI

PUMA

PETER ENGLAND

Navratri at Prozone



Kids Fashion Show – Creative Group



Fashion Show – Pantaloons



Christmas Carnival



Prozone Trade Center (PTC) Phase 1	Q3 FY 2018-19
Total Area Launched (sqft)	190,318
Total Units Launched (No)	117
Total Area Sold (sqft)	140,046
% Total Area Booked	74%
Avg. Sale Rate per sqft (Rs)	3,388
Total Sale Value (Rs. Mn.)	474.6
Amount Collected (Rs. Mn.)	297.4
Project Completed	Q2FY19

OC RECEIVED

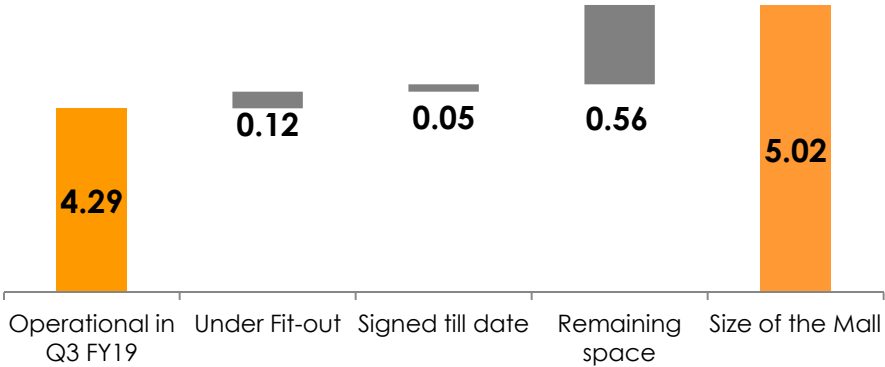


- Expect net cash inflows of ~Rs. 177 Mn. to be generated by FY20
- Hand over to the buyers in process
- As a strategy, units of investor delaying payment have been cancelled to free up premium inventory





Occupancy

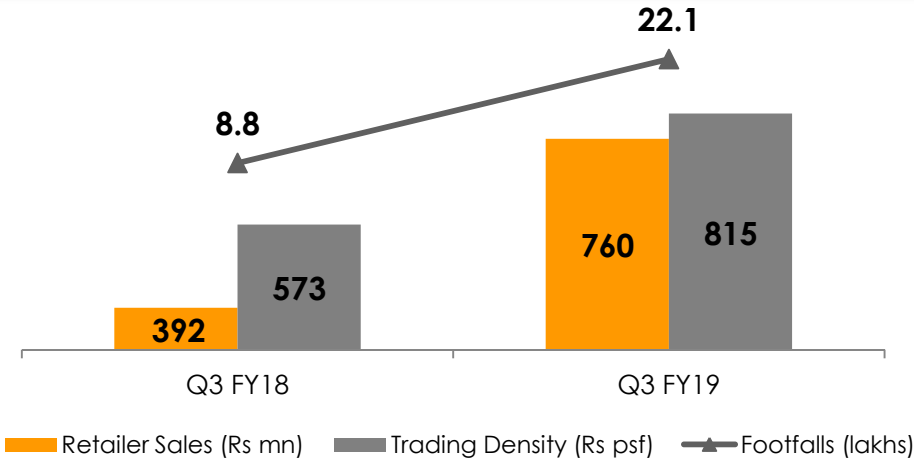


Key Operating Parameters

Q3 FY19

Gross Leased Area (lakh sq.ft.)	4.47
Current Leasing Status	89%
Number of Stores Signed	120
Retailer Sales (Rs. Mn.)	760
Average Monthly Trading Density (Rs/sqft)	816
Footfalls (Mn.)	2.2

Footfall & Trading Density



Operational Details (Rs. Mn.)	Q3 FY19	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18
Area Leased (lakh sq. ft.)	4.47	4.47	4.45	4.42	4.37
% Leased	89%	89%	89%	88%	87%
Rental Income	68.4	62.5	57.7	42.8	48.2
Recoveries (CAM & Other)	38.3	38.2	29.9	28.2	24.1
Total Income	106.7	100.7	87.6	71.0	72.3
EBIDTA	87.1	82.4	66.2	45.0	48.9
EBIDTA Margin % (as % of Total Income)	81.6%	81.8%	75.6%	63%	68%

- Rentals income improved during the quarter due to opening of new stores.
- 6 stores opened during the quarter including Miniso, Daniel Wellington, Taco Bell, Fujian Express, Craftsvilla, & Smiley Kiddos
- **Strong EBITDA margin continues at 81.6%**, with EBITDA of Rs 87.1 mn during the quarter
- Coimbatore mall well on course to stabilize in current financial year

NEW STORE OPENING AT COIMBATORE MALL



RETAIL – STRONG BRANDS AT COIMBATORE MALL



Flash Mob by IIT Palakkad



Dandiya



Pesum Bommaigal organized by Jewel one



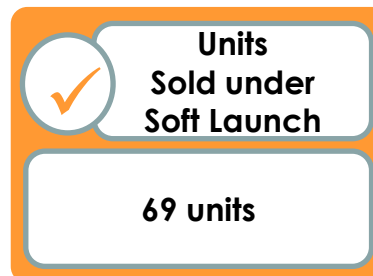
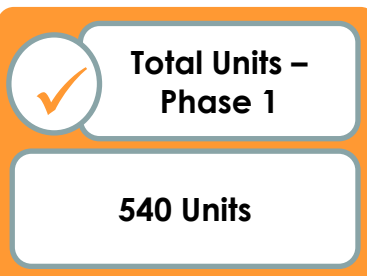
Christmas Carnival



- ~1.9 m sqft of residential
- 7 towers of 18 floors comprising 1,152 apartments
- 3 towers of 18 floors comprising 540 apartments planned in phase 1.
- **Amenities:**
Club house, swimming pool, tennis court, amphitheatre, squash court, gymnasium



RESIDENTIAL UPDATE



- **0.5m** sqft of retail space under advanced stage of approvals
- **0.39m** additional development potential
- **4.5m** catchment population
- **15.7 acres** of residential under development
- **4 towers** of 14 floors comprising 336 apartments under advance stage of completion in Phase 1
- **Amenities:**
Club house, swimming pool tennis court, amphi theatre, cricket court, meditation centre, gymnasium



RESIDENTIAL UPDATE

✓ Units Launched	✓ Units Sold	✓ Sale Value	✓ Cash Collection
336 Units	270 units	Rs. 1,700 mn	Rs. 1,251 Mn



- **1.9m** city population
- Prominent business and industrial centre in Madhya Pradesh
- **43.5acres** comprising residential township with 5 acres for commercial to be developed in phases
- **Phase 1&2** is for plotted development of about 200 units for better monetisation
- **Phase 3&4** will be high rise development of about **800** apartments
- **Amenities:**
Club house, swimming pool, tennis court, amphi theatre, cricket court, meditation centre, gymnasium



Generic Disclaimer

The following is a general overview of Prozone INTU Limited (the “Company”) and is qualified in its entirety by reference to the applicable offering memorandum, memorandum and articles of association or other constitutional documents and subscription agreement (together the “Investment Documents”) relating to the purchase of interests in the Company, all of which will be available upon request from the Company’s administrator and should be reviewed carefully prior to making an investment decision. This overview is being furnished on a confidential basis for discussion purposes only to a limited number of persons who may be interested in this type of investment. Neither the information nor any opinion expressed herein constitutes a solicitation or recommendation by anyone of the purchase or sale of any securities or other financial instruments. Any reproduction or distribution of this overview, in whole or in part, or the disclosure of its contents, without prior written consent is prohibited.

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THANK YOU



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DICKENSON

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BUSINESS OVERVIEW

- Prozone Intu Properties Ltd. (Prozone Intu) is jointly developed by Promoters and Intu Properties Plc set up to create, develop and manage world-class regional shopping centres and associated mixed-use developments Pan-India.
- Prozone Intu strategy is to participate and dominate in the retail space in Tier 2 and 3 cities in which robust urbanization is expected, which will result in growth of consuming middle class from 300 to 500 million in next 5 years
- Key Business Strategy - Develop Large scale Land Parcels for Mixed Use development with 75% of the Land to be developed as Residential & Commercial – Build & Sell model whereas 25% of the Land to be developed as Retail – Build & Lease Model

STRONG PEDIGREE

- The Promoters hold 31.0%, INTU holds 32.4% and balance is held by public¹
- Intu Properties is UK's Largest Retail Real Estate Company.
- Intu Properties plc is a UK FTSE 100 listed Company owning and managing assets worth more than 10 bn pounds. They own more than 20 properties across UK and Spain, 10 of which are among the top 25 shopping centers in the UK, representing ~ 38% UK market share.
- Intu Properties plc has more than 22mn sqft of retail space; 400 million customer visits a year

FULLY PAID UP LAND BANK & ROBUST BALANCE SHEET

- The Company has 17.79 mn sq. ft. of fully paid-up land bank in prime locations with 1.2 mn developed till date and more than 16.5 mn sq. ft. balance to be monetized which is being developed in different phases .
- Robust Balance sheet with Low Leverage.
- At current valuation, the Land bank valuation for the company is expected to be Rs. 20,000 mn

1: As on 31 December 2018

Business Strategy

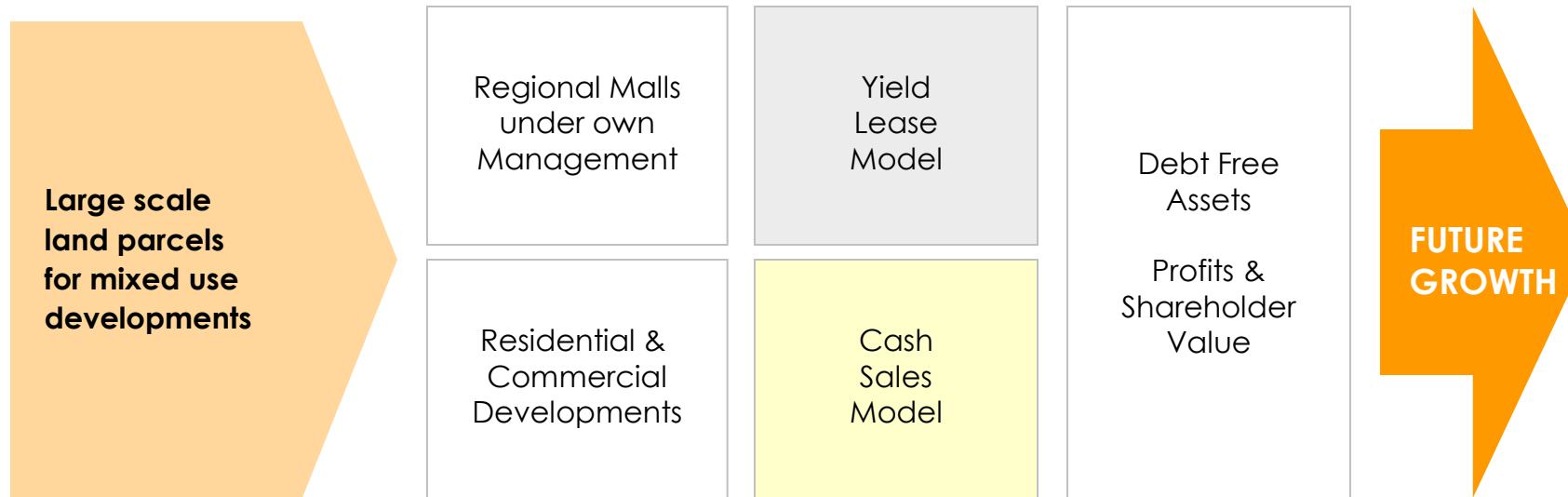
- Develop Large scale Land Parcels for Mixed Use development.
- 75% of the Land to be developed as Residential & Commercial – Build & Sell model
- 25% of the Land to be developed as Retail – Build & Lease Model
- The Company follows this model so that the Cash Flows from Build & Sell portfolio facilitate the Build & lease model, Thus resulting into Debt Free Annuity Assets and free cash flows for future developments.

Residential Projects - Strategy

- The Company invests and develops the entire Clubhouse and Site Infrastructure for the project upfront before the Launch of the Project.
- It provides credibility to the business and accelerates the sale of the project, resulting into better cash flows.
- Due to this, the Company emerges as the strongest and the most credible player in the region. Eg, In Nagpur, Company has received an overwhelming response as compared to the other established players in the region.

Mall Development - Strategy

- Dominant regional shopping and leisure destination
- Design-G + 1 Mall horizontal model with racetrack circulation
- Infrastructure-Large parking spaces planned to cater for future growth
- Tenant Mix- Well planned tenant mix with category focus to aggregate consumption



- Locations selected in high growth corridors within city limits
- Execute high quality retail assets at the right price and the right time
- Develop and sell mixed-use assets to facilitate retail investments



Nikhil Chaturvedi

Founder and Managing Director, Nikhil is a visionary and hands-on leader, who inspires the organisation with a passion for excellence and single-mindedness to build shareholder value which is his driving force



Salil Chaturvedi

Co-Founder, and Deputy Managing Director, Salil's vision has charted the strategic direction of the Company. He leads all business development, land acquisition and new asset class initiatives in the residential and commercial sectors



David Fischel

Mr David Fischel is the Chief Executive of Intu Properties Plc. He converted the business into a Real Estate Investment Trust (REIT) to make Intu one of the top 20 REITs in the world. He is today one of the most respected retail property professionals of his generation



John Abel (Director Emeritus)

Mr John Abel joined the Liberty Intl Group in 1972 and was appointed an Executive Director in 2000. He was appointed a Director of INTU in 1994 and MD in 2005 and he continues as a consultant to Intu Properties plc with a special focus on India



Punit Goenka

Mr. Goenka, Director of Essel Group, is CEO of Zee Entertainment Enterprises Limited, managing one of India's most successful TV and Media businesses. He has an extensive, diversified background in the areas of media, entertainment, and telecommunications in global markets



Deepa Harris (Independent Director)

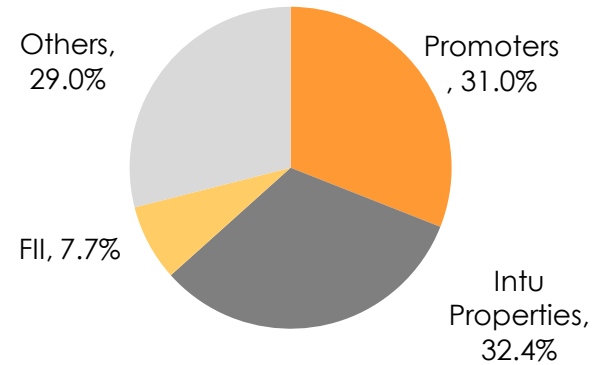
Ms. Deepa Misra Harris is Founder & CEO of BrandsWeLove Marketing and Branding Services. Specialist in Branding, Marketing and Sales, Deepa has over 30 years experience in the luxury and hospitality category.



Dushyant Sangar

Mr. Dushyant Sangar is the Corporate Development Director of Intu Properties plc and is a member of Intu's Executive Committee which is responsible for the day to day operations of the business. He has overall responsibility for Intu's acquisitions, divestments and joint venture transactions. Prior to Intu, Dushyant worked for MGPA & UBS

Shareholding in % – Dec 2018



Market Data	As on 08.02.19 (BSE)
Market Capitalisation (Rs Mn)	4,181
Price (Rs)	27.8
No. of Shares Outstanding (Mn)	152.6
Face Value (Rs)	2.0
52-Week High-Low (Rs)	63.9 – 25.5

Key Investors	Holding (%)
ACACIA Partners	1.5%
Aditya Chandak & Family	1.8%
Rakesh Jhunjhunwala	2.1%
Rajesh Narang	1.5%

Source: BSE