Upward
And Forward

Q2 FY19 RESULTS
UPDATE PRESENTATION
November 2018

PROZONE INTU PROPERTIES LIMITED

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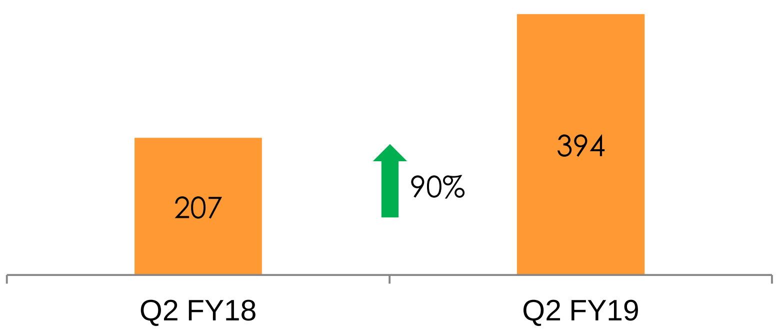
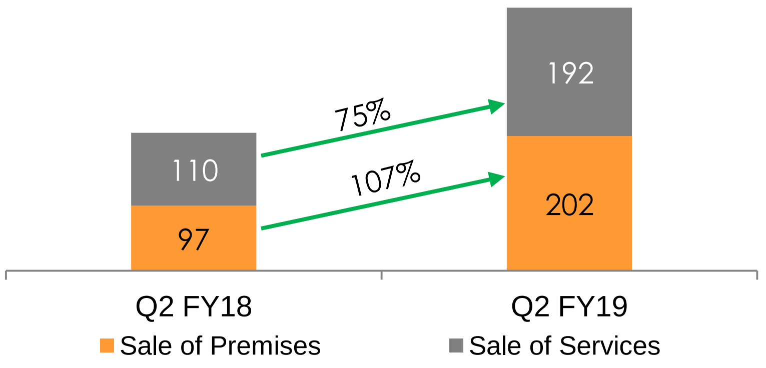
QUARTERLY BUSINESS UPDATE

Q2 FY 19 – KEY HIGHLIGHTS : PROZONE AT REVENUE ACCELERATION MODE

Revenues (Rs. Mn)



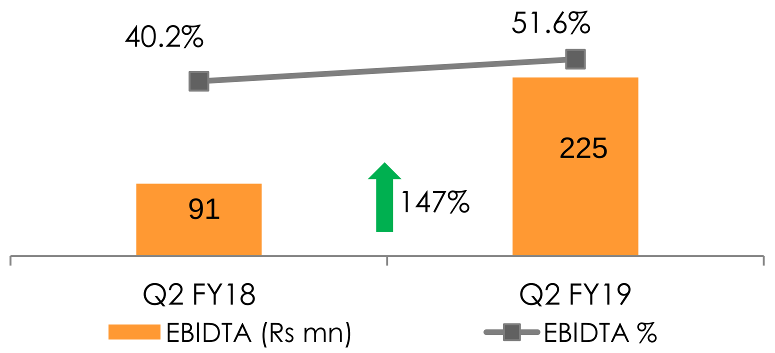
Revenues Mix (Rs. Mn)



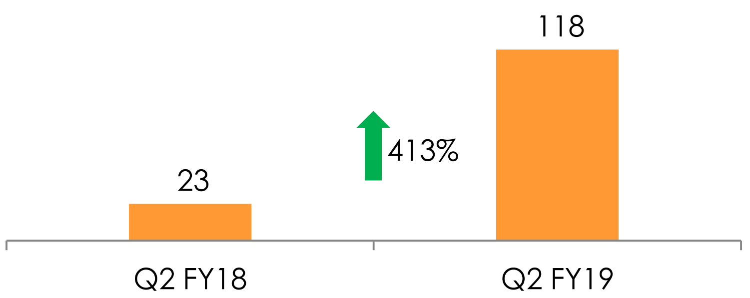
- **Strong quarterly revenue** up 90% YoY to Rs 394 mn
- **Optimum balance for Revenue mix** as both segment contributing equally to higher revenue

Q2 FY 19 – KEY HIGHLIGHTS
STRONG REVENUE WITH IMPROVED MARGIN LEADING TO HIGHER PROFIT

EBIDTA & EBIDTA Margin*



Cash PAT (%)



- **Highest ever EBIDTA** of Rs 225 mn with EBITDA margin of 51.6%
- **Cash PAT grown 4x** as business turned PAT positive due to higher revenue and EBITDA

EBITDA and EBITDA margin reflects number including other income

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01 Strong Quarterly Revenue

- Revenue during the quarter recorded 90% increase, with higher revenue from PTC and 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 Highest ever EBITDA at Rs 225 mn, with margin of 51.6%

- EBITDA jumped 133% 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 PAT turned positive after many quarters

- As Coimbatore Mall was under stabilization, reported PAT remained subdued for few quarters. However, going forward we should see gradual improvement in PAT as well
- Cash PAT reported during quarter was Rs 118 mn

04 Strong Balance Sheet with very low debt

- Strong balance sheet of Rs 14142 million with Debt at Rs 3377.5 mn, leverage of 0.4x

05 Strong Operating Parameters

- Occupancy achieved of 89% at Coimbatore Mall & 83% at Aurangabad Mall
- Footfall increased by 118% at Coimbatore Mall & 36% at Aurangabad Mall on YoY basis
- Trading density increased by 86% in Coimbatore Mall & 39% in Aurangabad Mall on YoY basis

FINANCIAL RESULTS: CONSOLIDATED INCOME STATEMENT

Rs. Mn.	2Q19	2Q18	YoY	1Q19	QoQ	1H19	1H18	YoY
Revenue from Real Estate Projects	202.1	97.5	107%	-	NA	202.1	158.6	27%
Lease Rental & Related Income	192.0	109.5	75%	170.1	13%	362.1	194.8	86%
Total Income from operations	**394.1**	**207.0**	**90%**	**170.1**	**132%**	**564.2**	**353.4**	**60%**
Other Income	41.0	19.3	112%	41.8	-2%	82.8	41.0	102%
Total Income including other income	**435.0**	**226.3**	**92%**	**211.9**	**105%**	**646.9**	**394.4**	**64%**
EBITDA w/o Other Income	**183.7**	**71.7**	**156%**	**100.5**	**83%**	**284.2**	**116.5**	**144%**
EBITDA	**224.6**	**91.0**	**147%**	**142.3**	**58%**	**366.9**	**157.5**	**133%**
EBITDA Margin	**51.6%**	**40.2%**		**67.2%**		**56.7%**	**39.9%**	
Depreciation	85.2	71.5	19%	78.0	9%	163.2	98.0	67%
Interest	80.8	66.7	21%	77.1	5%	157.9	105.4	50%
Profit before tax	58.6	-47.2	224%	-12.8	559%	45.8	-45.9	200%
Profit after tax	32.4	-48.8	166%	-17.4	286%	15.0	-46.5	132%
PAT after minority interest	**2.8**	**-34.6**	**108%**	**-6.4**	**144%**	**-3.6**	**-37.4**	**90%**

Result Update -

- Revenue and EBITDA during the quarter moved higher due to revenue recognition from PTC, higher leasing at Aurangabad and Coimbatore Mall
- EBITDA margin during the quarter remained strong at 51.6%
- Attributable PAT has been positive after many quarter reflecting strong growth from 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

PROZONE INTU ON A STRONG FOOTING

01

- Aurangabad and Coimbatore mall leased out space currently stands at 83% 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
- **Inox opened 9-screen theatre** leading to significant increase in footfall

03

- Aurangabad: Anchor Brands **H&M, Home Town and Marks & Spencer** commenced operations during Q2, full operational impact will come in Q3
- Aurangabad Mall had footfall of 2.5lakhs on 15th August, highest footfall since inception
- 6 stores currently under fit-out, will be operational in Q3

04

- Company has set up Alternate Investment Fund and received necessary approval from SEBI for AIF formation. Company is evaluating acquisition opportunities and shall invite subscription once deal is finalised.

FINANCIAL RESULTS: CONSOLIDATED BALANCE SHEET

Particulars (Rs Million)	1H FY19	FY18
Equity and Share Capital	5,021.6	5,231.9
Minority	3,251.1	3,428.1
Total Shareholder's Funds	**8,272.7**	**8,660.0**
Financial Liabilities		
Borrowings	3,285.8	3,319.4
Other Financial Liabilities	345.3	272.0
Other Non Current liabilities	40.1	47.7
Total Non-Current Liabilities	**3,671.2**	**3,639.0**
Trade Payables	235.3	230.5
Other Financial Liabilities	349.5	358.0
Other Current Liabilities	1,600.6	273.8
Provisions	5.6	5.0
Current Tax Liabilities (Net)	7.8	6.1
Total current liabilities	**2,198.8**	**873.4**
Total Equity & Liabilities	**14,142.7**	**13,172.4**

Particulars (Rs Million)	1H FY19	FY18
Non-Current Assets		
Property, plant & equ.	85.2	95.1
Investment Property Under development	661.3	1,099.8
Investment Property	6,513.3	6,173.9
Goodwill	914.5	914.5
Financial Assets	1,561.6	1,444.0
Deferred Tax Assets & Income tax assets (Net)	977.2	827.4
Other Non-Current Tax Assets	161.3	180.0
Total non-current assets	**10,874.4**	**10,734.7**
Inventories	2,727.6	1,464.9
Receivables	347.1	651.0
Investments	36.8	164.8
Cash & Bank balances	42.0	54.8
Loans & Financial Assets	99.1	87.9
Other Current Assets	15.7	14.4
Total current assets	**3,268.3**	**2,437.8**
Total Assets	**14,142.7**	**13,172.4**

Strong Balance Sheet with one of the lowest leverage among peers, current leverage stands at 0.4x

OUR CURRENT FOCUS AREAS

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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 Q4 FY19.
- 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.

ASSET SNAPSHOT

Aurangabad Mall

Nagpur Mall

Nagpur Residential

Coimbatore Mall

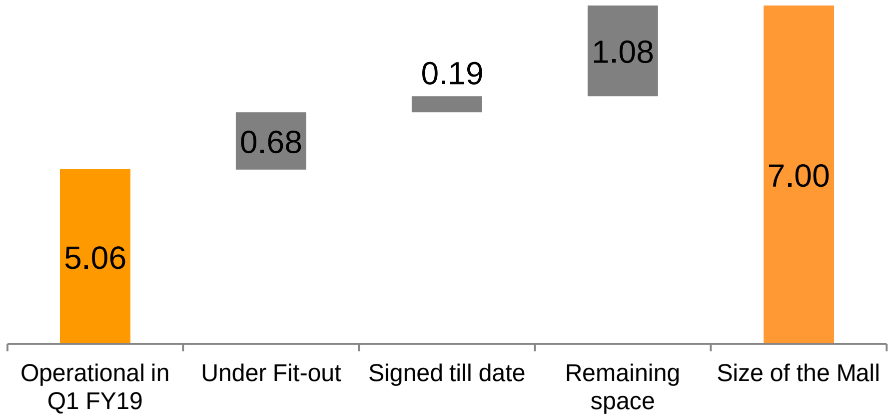
Aurangabad PTC

Coimbatore Residential

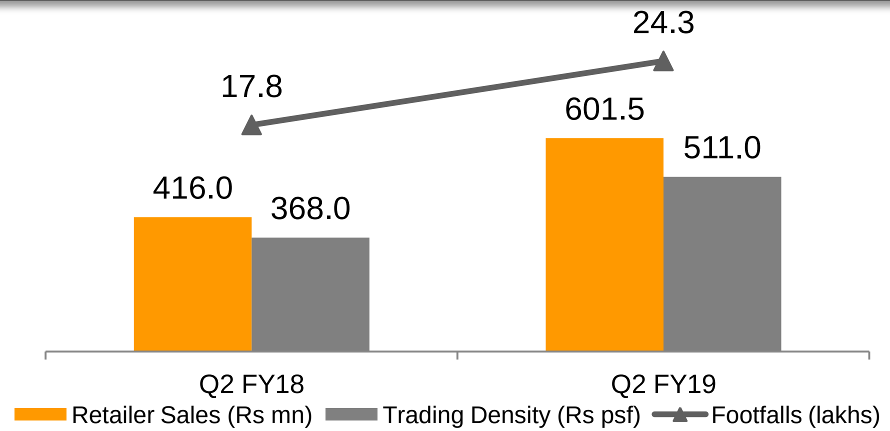
RETAIL – AURANGABAD MALL UPDATE

Key Operating Parameters	Q2 FY2018-19
Gross Leased Area (lakh sq.ft.)	5.74
Current Leasing Status	83%
Number of Stores Signed	107
Retailer Sales (Rs. Mn.)	602
Average Monthly Trading Density (Rs/sqft)	511
Footfalls (Mn.)	2.43

Occupancy



Footfall & Trading Density



AURANGABAD MALL – FINANCIAL SNAPSHOT

Operational Details (Rs. Mn.)	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18	Q2 FY18	Q1 FY18
Area Leased (lakh sq. ft.)	5.73	5.65	5.43	5.67	5.57	5.41
% Leased	83%	80%	78%	80%	79%	77%
Sale of Premises	202.1	-	60.3	34.9	30.7	28.9
Rental Income	52.5	46.9	56.7	46.9	43.9	49.0
Recoveries (CAM & Other)	46.7	42.2	41.9	39.9	37.4	38.4
Total Income	**301.3**	**89.1**	**158.0**	**121.7**	**112.0**	**116.3**
EBIDTA	141.1	54.9	83.8	73.8	63.8	57.7
EBIDTA Margin % (as % of Total Income)	**46.8%**	**61.6%**	**53.0%**	**60.6%**	**57.0%**	**49.6%**

- Anchor brands H&M, HomeTown and M&S started operation during the quarter, leading to higher occupancy and rentals. As most of new brands opened during the quarter, full impact of higher occupancy will flow in next quarter as well
- Sale of premises recorded revenue of Rs 202 mn, working with PTC buyers to arrange for financing to realise cash flows
- EBIDTA stand at Rs 141mn with margin of 46.8%, margin moved marginally lower higher contribution from sale of premises segment

Note 1 – Recoveries Include CAM as well as Other Charges such as HVAC, Electricity & Water Charges

NEW STORES OPENED at AURANGABAD MALL

BRAND PARTNERS AT AURANGABAD MALL

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EVENTS AT AURANGABAD MALL

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M & S Opening – 26th July 2018

Flat 50% EOSS – 8th July 2018

H & M Opening – 27th July 2018

Flash Mob :Dance Association of Aurangabad

COMMERCIAL UPDATE AURANGABAD – PTC PHASE 1

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Prozone Trade Center (PTC) Phase 1	Q2 FY 2018-19
Total Area Launched (sqft)	190,318
Total Units Launched (No)	117
Total Area Sold (sqft)	184,796
% Total Area Booked	96%
Avg. Sale Rate per sqft (Rs)	3,258
Total Sale Value (Rs. Mn.)	595.4
Amount Collected (Rs. Mn.)	271.2
Project Completion Date	Q2 FY19

OC RECEIVED

Prozone Trade Centre (PTC) Phase 1

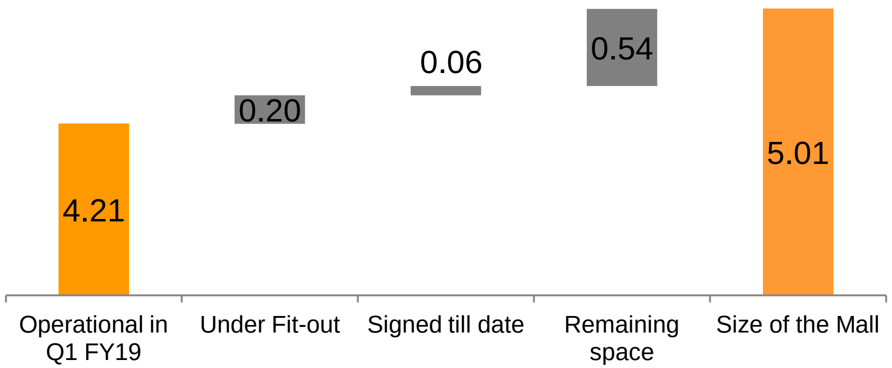
- **Expect net cash inflows of ~Rs. 323 Mn. to be generated by FY19**
- **Handing over to the buyers in process**

COMMERCIAL UPDATE AURANGABAD – PTC PHASE 1

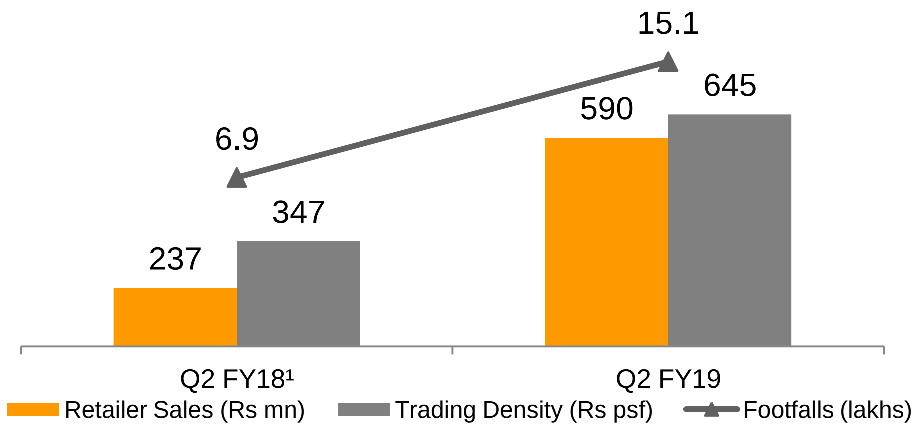
FINANCIAL SNAPSHOT - COIMBATORE MALL

Key Operating Parameters	Q2 FY2018-19
Gross Leased Area (lakh sq.ft.)	4.47
Current Leasing Status	89%
Number of Stores Signed	119
Retailer Sales (Rs. Mn.)	590
Average Monthly Trading Density (Rs/sqft)	645
Footfalls (Mn.)	1.51

Occupancy



Footfall & Trading Density



Note 1 - Recoveries Include CAM as well as Other Charges such as HVAC, Electricity & Water Charges

1. Q2 FY18 Mall was not operational for the entire quarter

FINANCIAL SNAPSHOT - COIMBATORE MALL

Operational Details (Rs. Mn.)	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18	Q2 FY18
Area Leased (lakh sq. ft.)	4.47	4.45	4.42	4.37	4.23
% Leased	89%	89%	88%	87%	85%
Rental Income	62.5	57.7	42.8	48.2	21.0
Recoveries (CAM & Other)	38.2	29.9	28.2	24.1	12.8
Total Income	**100.7**	**87.6**	**71.0**	**72.3**	**33.8**
EBIDTA	82.4	66.2	45.0	48.9	8.4
EBIDTA Margin % (as % of Total Income)	**81.8%**	**75.6%**	**63%**	**68%**	**25%**

- Inox opened a 9-screen theatre after long wait, footfall is expected to increase substantially post opening of the theatre
- Rentals income improved during the quarter due to opening of new stores, 3 Inline stores opened during the quarter
- **Strong EBITDA margin at 81.8%,** with EBITDA of Rs 82.4 mn during the quarter
- Coimbatore mall well on course to stabilize in current financial year

Note 1 - Recoveries Include CAM as well as Other Charges such as HVAC, Electricity & Water Charges

NEW STORE OPENING AT COIMBATORE MALL

RETAIL – STRONG BRANDS AT COIMBATORE MALL

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EVENTS AT COIMBATORE MALL

1ST ANNIVERSARY RETAILERS AWARD CELEBRATION

INDEPENDENCE & PRO FRIENDSHIP DAY

PROJECT UPDATE - COIMBATORE - RESIDENTIAL

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

Coimbatore Residential (CGI)

RESIDENTIAL UPDATE

Total Units – Phase 1	Units Sold under Soft Launch	Formal Launch of Project	Expected Construction Start
540 Units	72 units	Q4 FY 2019	Q4 FY 2019

PROJECT UPDATE – NAGPUR

- **0.5m** sqft of retail space under planning
- **0.39m** additional development potential

- **4.5m** catchment population

- **15.7 acres** of residential under development

- **12** towers of 14 floors comprising ~**1,000** apartments

- **Amenities:**
  Club house, swimming pool tennis court, amphi theatre, cricket court, meditation centre, gymnasium

Nagpur mall design (CGI)

RESIDENTIAL UPDATE

Units Launched	Units Sold	Sale Value	Cash Collection
336 Units	278 units	Rs. 1,748 mn	Rs. 1,299 Mn

NAGPUR RESIDENTIAL TOWER NEARING COMPLETION

PROJECT UPDATE - INDORE RESIDENTIAL

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- **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


Indore township design (CGI)


Indore clubhouse entrance (CGI)

DISCLAIMER

Generic Disclaimer

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ANNEXURE

ABOUT US

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 public[1]
- 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 30th September 2018

UNDERSTANDING OUR BUSINESS MODEL - BUSINESS STRATEGY

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 as 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 over whelming response as compared to the best 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

UNDERSTANDING OUR BUSINESS MODEL - BUSINESS STRATEGY

Large scale land parcels for mixed use developments

Regional Malls under own Management	Yield Lease Model	Debt Free Assets Profits & Shareholder Value
Residential & Commercial Developments	Cash Sales Model	

FUTURE GROWTH

- 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

OUR BOARD OF DIRECTORS

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

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

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

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

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 tele-communications in global markets

David Fischel

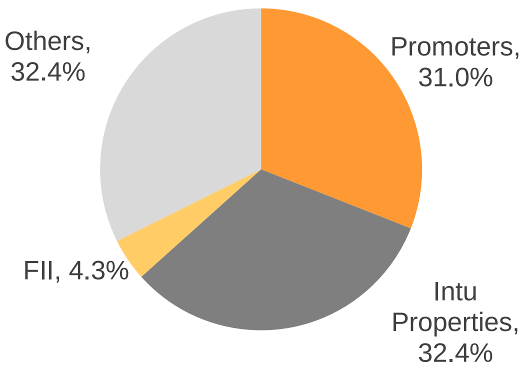
Mr David Fischel is the Chief Executive of Intu Properties Plc He converted the business into a Real Estate Investment Trust (REIT) to make Intu one of the top 20 REITs in the world. He is today one of the most respected retail property professionals of his generation

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.

TRADING UPDATE

Shareholding in % – Jun 2018



Source: BSE

Key Investors	Holding (%)
ACACIA Partners	3.25%
Aditya Chandak & Family	3.22%
Rakesh Jhunjhunwala	2.46%
Ramesh Damani & Family	1.19%
Cavendish AM	0.86%
Life Insurance Corporation (LIC)	0.11%

Share Price Performance

Market Data	As on 09.11.18 (BSE)
Market Capitalisation (Rs Mn)	4,593
Price (Rs)	30.1
No. of Shares Outstanding (Mn)	152.6
Face Value (Rs)	2.0
52-Week High-Low (Rs)	78.4 – 29.0