

November 10, 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 and half year ended September 30, 2023.

We request you to take the above information on record.

Thanking you.

Regards

For Shriram Properties Limited

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Shriram Properties Reports Impressive Overall Performance for Q2FY24

Reports 1.15 msf sales and 32% sequential growth in sales value at Rs. 608 crores

Highest ever quarterly collections at Rs. 430 crores in Q2FY24

BENGALURU, November 10, 2023: **Shriram Properties Limited** (“SPL” or “Company”) has today announced its financial results for the second quarter and half year ended September 30, 2023 (Q2FY24 & H1FY24). The Company has reported yet another quarter with strong growth in key operating and financial metrics, both on sequential (QoQ) and year-on-year (YoY) basis.

Operational Highlights

The Company has achieved Q2 sales volumes of 1.15 msf¹ (+48% QoQ; +14% YoY) and Q2 sales values of Rs.608 crores (+32% QoQ; +40% YoY) on the back of strong sustenance sales and contribution from new phases launched during the quarter. Remarkably higher sales values reflect the change in product mix and improved pricing. For H1FY24, SPL has achieved sales volumes of 1.9 msf (+14% YoY) and sales values of Rs.1,066 crores (+43% YoY).

The Company’s average realisation has grown by 14% so far in H1FY24, on top of an 8% growth in FY23. On a comparable basis, realisation in affordable category averaged at Rs.4,868/sqft while mid-market unit realisation averaged at Rs.6,378/sqft in H1FY24. Current average realisation in mid-market category has grown remarkably from sub-Rs.5,000/sqft levels in FY21, reflecting the success of SPL’s conscious efforts to move up the price curve over the years.

Gross collections stood strong at Rs.430 crores in Q2FY24 (+48% QoQ; +37% YoY), creating a new record in quarterly collections. Strong construction momentum and resultant milestone-led collections as well as normalisation of registration activities in Karnataka (after a technical glitch that slowed registration and collection growth in Q1) contributed towards growth in Q2FY24. Consequently, aggregate gross collections rose to highest ever half-yearly collection levels of Rs. 721 crores (+13% YoY) in H1FY24.

The Company handed over 470+ units during Q2, pushing aggregate customer handover to 830+ units during H1FY24. The Company is on-track to handover nearly 3,000 units in FY24, supported by targeted completion of 5 key projects/phases during H2FY24.

¹ Gross new sales, net of cancellations. MSF = Million Square Feet

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Overall construction momentum remained strong with focus on 5 projects / phases scheduled for completion during H2 and commencement of construction at 4 new projects viz., Shriram Esquire, The Poem by Shriram, Shriram Solitaire and Shriram Hebbal1 during the year. Accordingly, construction activities are expected to gain significant further momentum during H2FY24.

Launch Activity

During the quarter, SPL launched 2 new phases in ongoing projects viz., 'Shriram Imperial Heights', premium towers in Shriram 107 South East and 'Sovereign Plots' in Shriram Pristine Estate. Both launches have received encouraging initial response and achieved intended price appreciation and desired product differentiation.

The Company successfully pre-launched "*Shriram Paradiso*" (1 msf residential project in Chennai) towards end of Sep'23. Ongoing efforts have received encouraging initial response and should positively impact sales volumes in H2FY24.

The Company is on-track to pursue 3 new launches during Q3FY24.

Financial Performance Highlights

SPL reported excellent financial results for Q2FY24, with strong sequential growth in key metrics.

- Total Revenues up 47% QoQ to Rs. 231.2 crores. DM Fee accounted for 11% of revenues, reflecting the DM business model maturity.
- Total Operating Expenses increased by 60% QoQ to Rs. 166.1 crores, reflecting changed product mix and increase in employee cost associated with normal increments.
- EBITDA has grown 22% QoQ and EBITDA margins stood strong at 28%.
- Interest expenses down 7% QoQ and overall finance cost is lower by 20% QoQ. Remarkable reduction in finance costs reflects success of ongoing efforts to reduce debt and cost of debt.
- Net Profit at Rs.20.2 crores reflected a growth of 21% QoQ in Q2FY24.

On a half yearly basis, Total Revenues are marginally lower, reflecting higher base of last year when SPL recognised revenue at one of its key project (Shriram Southern Crest, Bangalore). Operating expenses are lower by 19% YoY in H1. Accordingly, EBTIDA has grown 37% YoY to Rs. 118.6 crores in H1. Recurring interest costs are down 18% YoY. Profit before tax is higher by 41% YoY and accordingly, despite higher tax provisions, net profit has grown 23% YoY in H1FY24.

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Summary financial highlights are as below:

Particulars (Rs. Crores)	Q2 FY24	Q1 FY24	Growth QoQ (%)	Q2 FY23	Growth YoY (%)	H1 FY24	H1 FY23	YoY (%)
Total Revenues	231.3	157.2	47%	275.9	-16%	388.5	420.9	-8%
EBITDA	65.2	53.4	20%	51.4	27%	118.6	86.7	37%
Profit before share of JV Income	36.6	18.3	100%	22.5	63%	54.9	30.2	82%
Profit Before Tax	25.8	24.4	6%	18.3	41%	50.2	35.5	41%
Net Profit	20.2	16.7	21%	19.7	3%	36.9	30.0	23%

Strategic Developments

During the quarter, SPL re-acquired economic interest in “*Shriram Park63*” Chennai from Mitsubishi Corporation (MC), its project level equity partner since 2018. SPL has decided on early exit to MC since the project is significantly de-risked now with receipt of partial completion for Phase-1 and the Phase-2 has sold well and is progressing ahead of schedule. The exit involves 3 tranche payment, starting Sep’23. The exit will be value accretive to SPL, due to savings in return on MC’s investment.

The Company has also completed the transfer of Shriram 122 West, acquired in May’23. This is the second investment by the SPL-ASK Co-investment Platform, and was completed during Aug’23. With this, SPL-ASK platform has used 60% of its committed capital and is evaluating further opportunities for investment during FY24. The platform’s maiden investment (*Shriram Pristine Estates*) is performing well exceeding expectations on volume and pricing since its launch in Feb’23.

Shriram 122 West is launch ready. Market seeing activities have already begun and is targeted for launch during Q3FY24.

Outlook

The Company’s growth outlook remains positive, supported by favourable market conditions and encouraging long term prospects for the sector. SPL’s strong outlook is backed by inventory in ongoing projects and new supplies from targeted launches in the forthcoming quarters.

With key projects nearing completion, construction activities are likely to gain further momentum in the coming quarters. With key projects reaching revenue recognition threshold, SPL expects strong handover & revenue recognition momentum during H2FY24.

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The Company's remains bullish on its long-term prospects. Promising demand outlook, especially in the mid-market and affordable segments and favourable market trends augur well. Supported by strong operating platform and strong project pipeline, SPL is well positioned to benefit from ongoing consolidation in the industry.

SPL intends to complete and deliver ~7 msf over the next 2 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 performance that exhibit consistent and remarkable growth trajectory. The strength of our operating platform and its resilience is evident and raised confidence on our ability to sustain growth momentum. The strong positive under-current in the markets and our demonstrated ability to grow rapidly in a consolidating environment will add further strength. We remain focused on ensuring profitable growth with increased efficiency and superior returns for our stakeholders".*

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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 account for nearly 85% of its development activities. SPL has demonstrated track record having delivered 40 projects with a saleable area of 22.4 msf, mostly in the cities of Bengaluru and Chennai. SPL has a strong development pipeline comprising of 49 projects with an aggregate development potential of 51.1 msf, as of September 30, 2023.

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 player affiliated with TPG. SPL made its initial public offering and became a publicly traded company in Dec'21.

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Disclaimer / Forward Looking Statements

Certain matters discussed in this Media Release may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the real estate industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from those expressed or implied by this Media Release. The Company assumes no obligation to update any forward-looking information contained in this Media Release. Any forward-looking statements and projections by third parties included in Media Release are not adopted by the Company and the Company is not responsible for such third-party statements and projections