

**August 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
---	--

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 June 30, 2023.

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**

“Shriram House”, No.31, Old No.192, 2nd Main Road, T Chowdaiah Road, Sadashivanagar, Bengaluru – 560080  
T +91-80-40229999 | F +91-80-41236222 | Web: [www.shriramproperties.com](http://www.shriramproperties.com)

Registered Office: Lakshmi Neela Rite Choice Chamber, New No.9, Bazullah Road, T. Nagar Chennai – 600 017

GST No: 29AAFCS5801D1ZI CIN No: L72200TN2000PLC044560

## Strong Q1FY24 Earnings; Progressive Earnings Growth on Track

**Net Profit jumps 59% YoY to Rs.17 crores in Q1FY24**

**Sales volume at 0.78 msf (+17% YoY) and Sales values at Rs. 459 crores (+47% YoY)**

**Revenues grow 10% YoY; EBITDA rises 50% YoY**

BENGALURU, AUGUST 14, 2023: **Shriram Properties (“SPL” or “Company”)** has today announced its financial results for the first quarter ended June 30, 2023/(Q1FY24). The Company has reported yet another strong quarter with quarterly improvement in key operating and financial metrics for Q1FY24. SPL also inducted Mr Ashish Deora as Director on the Board of the Company.

### **Operational Performance Overview**

The Company has achieved Q1 sales volumes of 0.78 msf<sup>1</sup> (+17% YoY) and sales values of Rs.459 crores (+47% YoY), driven by strong sustenance sales in ongoing projects and two successful launches during Q1FY24. Robust rise in sales value reflects the change in product mix and improved pricing. The share of plotted development stood at ~21%, while the DM model accounted for 12% of sales volumes during the quarter. Given the seasonality in our business (Q1 being the weakest and Q4 being the strongest), sequential growth (QoQ) comparisons may not provide a reasonable conclusion.

During the quarter, SPL launched ‘Shriram Esquire’, a premium residential project in Koramangala, Bangalore and ‘Shriram Hebbal 1’ at Bangalore, both of which received excellent market response and achieved sales-at-launch<sup>2</sup> of 38%. The Company has lined up two launches in Chennai and another launch in Bangalore during Q2, and is targeting 3 further launches during Q3FY24.

Blended avg. realisation for constructed units was higher at Rs.5,463/sqft in Q1FY24 vs. Rs.4,694 / sqft in Q1FY23 (+16% YoY). On a comparable basis, mid-market units clocked 1-6% higher realisation across projects and averaged at Rs.6,525/sqft, while affordable units registered 8% YoY growth at Rs.4,711/sqft in Q1FY24. Plotted unit realisation averaged at Rs.3,045/sqft.

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

<sup>2</sup> Sales-at-launch reflects actual sales volume during first 90-days of launch.

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

## MEDIA RELEASE

---

Project execution remained robust during Q2FY24. Construction activities in projects slated for completion during the year are on-track and the planned start of construction in 3 new projects in Bangalore and Chennai would fuel growth in construction spending during the remainder of FY24.

During the quarter the Company achieved '*completion*' in 3 projects viz., Shriram Blue, Shriram Rainforest and Eden144, with an aggregate development area of 1.36 msf) during the quarter.

The Company is on-track to hand over 3,000+ units in FY24, which should boost revenue recognition in FY24 during the year.

### ***Financial Performance Overview***

The Company has reported excellent financial results for the quarter, reflecting the impact of improving scale and operating leverage, robust project execution and consistent fee contribution income from the DM model.

- Revenue from Operations grew 10% YoY to Rs.135.0 crores, reflecting continued handover and registration momentum in recently completed projects. Total Revenues grew by 8% YoY to Rs.157.2 crores and DM Fee income accounted for 12% of Total Revenues.
- Total Operating Expenses declined 5% YoY to Rs.103.8 crores, supported by 15% lower cost of revenues and 2% lower employee costs. Reflecting improved revenue recognition and cost control, EBITDA margins stood strong at 34%, against 24% in Q1FY24.
- Interest expenses were down 14% YoY at Rs.16.0 crores (vs. Rs.18.7 crores in Q1FY23). In addition, the Company has provided for a non-cash finance charge of Rs.5.1 crores (same on YoY basis and relates to 4% NCF on Bengal) and non-recurring interest cost of Rs. 6.9 crores associated with the acquisition of a new project in Chennai during May'23.
- Remarkable reduction in recurring interest expenses reflects success of our ongoing efforts to reduce absolute debt and cost of debt. SPL expects cost of debt to drop to ~11.5% levels in Q2FY24, from 11.9% in FY23 and 13.7% in FY21, amidst rising benchmark rates.
- Profit Before Tax and JV Income stood at Rs.18.3 crores, up 134% YoY, in Q1FY24.
- The Company's share of profits from JVs stood at Rs. 6.1 crores reflecting sustained revenue recognition momentum at Shriram Park63 Chennai, a JV with Mitsubishi Corporation of Japan. The impact was partly offset by SPL's share of marketing and refinancing costs at three other JVs that have not yet reached revenue recognition thresholds.

## MEDIA RELEASE

- Net Profit stood at Rs.16.6 crores in Q1FY24, compared to Rs.10.5 crores in Q1 last year, reflecting a growth of 59% YoY.
- The Company has strong visibility on income recognition from projects scheduled for completion and handover during the remainder of the year and thus remains confident of strong earnings momentum for the full year.

The Company's gross debt stood 12% lower at Rs. 488 crores, while net debt stood at Rs.403 crores as at the end of Jun'23. This was despite the assumption of debt related to the acquisition of a new project at Chennai during May'23, which is being launched as "*Shriram 122 West*" shortly. With the proposed transfer of *Shriram 122 West* to the ASK co-investment platform by end-Aug'23, the Company's gross debt would drop materially during Q2FY24. SPL remains focused on reducing debt and the cost of debt further in the future.

*Shriram 122 West* will be the 2<sup>nd</sup> investment by the SPL-ASK Co-investment Platform, set up with a capital commitment of Rs.500 crores in Nov'22. For *Shriram 122 West* acquisition, the co-investment platform will invest ~Rs.205 crores, and the transaction is expected to be closed by the end of Aug'23. With this, the SPL-ASK platform would have used 60% of its committed capital and is evaluating further opportunities for investment during FY24. The platform's maiden investment was launched as premium plotted development, under the brand *Shriram Pristine Estates*, and is performing well exceeding expectations on volume and pricing since its launch in Feb'23.

### **Financial Performance Summary – Q1 FY24**

(In Rs. Mn)	Q1FY24	Q1FY23	YoY (%)	Q4 FY23	FY23
Total Revenues	1,572	1,451	8%	1,710	8,139
Total Operating Expenses	1,038	1,096	-5%	1,257	6,311
<b>EBITDA</b>	<b>533</b>	<b>355</b>	<b>50%</b>	<b>453</b>	<b>1,828</b>
Finance Costs	329	258	27%	308	1,064
<i>Of which, Interest expense</i>	160	186	-14%	216	740
Depreciation	21	18		20	78
<b>Profit before share of JVs</b>	<b>183</b>	<b>78</b>	<b>134%</b>	<b>124</b>	<b>687</b>
Add: Share of JV profit	61	96		14	29
<b>Profit Before Tax</b>	<b>244</b>	<b>174</b>	<b>40%</b>	<b>138</b>	<b>716</b>
Tax expense	77	69		(20)	33
<b>Net Profit</b>	<b>166</b>	<b>105</b>	<b>59%</b>	<b>158</b>	<b>683</b>
EPS (Rs./Share)	0.98	0.52		0.90	3.88

## MEDIA RELEASE

---

### Outlook

The Company remains confident of its outlook. Supported by positive market trends and robust opening stock in ongoing projects and planned launches for forthcoming quarters, we see strong outlook for volumes and pricing. Project execution activities remain strong and are likely to gain further momentum with the planned commencement of construction in new projects. Continuing revenue recognition momentum and relentless focus on costs should help sustain margins and profitability even in the coming quarters.

The Company's long-term prospects remain strong. Promising demand outlook, especially in the mid-market and affordable segments and favourable market trends augur well. Supported by a strong operating platform and a strong pipeline comprising of 49 projects with an aggregate saleable area of 52msf (including 23 msf in ongoing projects, ~75% 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. Our impressive results achieved by Shriram Properties serve as a resounding testament to the unwavering dedication and strategic approach. These favourable results not only validate our relentless pursuit of excellence but also fortify our resolve to continuously enhance the Company's landscape. Looking ahead, with our launches we remain positive in our commitment to, delivering homes and contributing meaningfully to the growth of the Company."*

# MEDIA RELEASE

---

## **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 39 projects with a saleable area of 21.9 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 51.6 msf, as of June 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 players affiliated with TPG, Tata Opportunities Fund. SPL made its initial public offering and became a publicly traded company in Dec'21.*

## **Contact Details**

<i>Investors/ Analysts:</i>	<i>Shrikanth DS</i>	<i>ir.spl@shriramproperties.com</i>
	<i>Rahul Agarwal</i>	<i>rahul.agarwal@sgapl.net</i>
<i>Media Contacts:</i>	<i>Pearlene Rodrigues</i>	<i>pearlene@shriramproperties.com; +91 90080 77723</i>
	<i>Rebecca Mendonza</i>	<i>rebecca@bosecommunications.in; +91 72598 26331</i>

## **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*