

May 29, 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 Audited Financial Results of the Company for the financial year and quarter ended March 31, 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

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SHRIRAM PROPERTIES REPORTS STELLAR RESULTS FOR FY23

Sales Volume at a new high of 4.02 msf¹

Net Profit grow 3.8x; Revenues up 57% YoY in FY23

Q4 Sales at 1.3 msf reflects 26% QoQ and 12% YoY growth

SPL assigned “A-/Stable” by CRISIL Ratings

BENGALURU, May 29, 2023: Shriram Properties Limited (“SPL”) announced its financial results for the quarter (Q4FY23) and full year (FY23) ended March 31, 2023. The Company has reported strong operational and financial performance for the quarter and the full year.

SPL has reported sales volumes of 4.02 msf in FY23, which is a new record for the Company. Sales value reached a new high of Rs.1,846 crores, up 25% YoY, supported by higher volumes, better realisation, change in product mix and the impact of 7 successful launches, that achieved sales-at-launch² of 44% in FY23.

The Company has been able to sustain sales momentum over the quarters, despite deferment of two launches to FY24 and 2 delayed launches from Q3 to end-Q4 due to external factors.

Gross collections stood strong at ~Rs.1,200 crores, despite delayed launch impact. SPL achieved completion in 7 projects with aggregate development area of 3.8 msf during the year. Also, the Company handed over nearly 2,000 units/plots to customers, which is again a new record for SPL.

On a quarterly basis, Q4FY23 performance was impressive as well. Quarterly sales stood at 1.31 msf, up 26% QoQ and 12% YoY. Gross collections grew by 24% QoQ to Rs. 307 crores in Q4FY23.

Average realisation for mid-market units were higher by 14% YoY at ~Rs.6,000/sqft, while that of affordable housing units grew by 10% YoY to ~Rs.4,500/sqft in FY23. Average realisation for plots too were higher at Rs.2,900/sqft in FY23, compared to Rs.2,582/sqft in FY22, reflecting changed geographical mix of plots sold during the year.

¹ Msf – Million Square feet

² Sales-at-launch reflect the actual sales during first 90-days of launch

The Company has reported excellent financial results for the full year FY23.

- Total Revenues have grown 57% YoY to Rs.814 crores in FY23 with two key projects viz., Shriram Southern Crest (Bangalore) and a part of Shriram Grand-1 (Kolkata) reaching revenue recognition threshold, following receipt of completion certificate (OC). Revenue recognition with handover of units in certain other projects continued well.
- Reflecting the impact of improved revenue recognition, resultant operating leverage and controlled costs, EBITDA stood at Rs.183 crores in FY23. EBITDA margins stood at 22%.
- Finance costs are lower by 11% YoY, while actual interest expenses are down 21% YoY in FY23. Concerted efforts towards lowering debt and successful refinancing impacted positively. Average cost of debt dropped to 11.9%³ despite RBI rate hike impact. The cost of incremental debt has come down to 9.0-10.5% range, which is encouraging.
- The Company's share of profits from JVs turned positive, reflecting revenue recognition at Shriram Park63 (Chennai), a JV with Mitsubishi Corporation. This was partly offset by SPL's share of marketing and refinancing costs at two other JVs that have not yet reached revenue recognition thresholds.
- Net profit soared to Rs.68.3 crores, reflecting 3.8x growth compared to Rs.18 crores in FY22.

The Company's gross debt stood at Rs.553 crores and net debt at Rs.432 crores in Mar'23. 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.

Credit Rating Upgrade: In another encouraging development, CRISIL Ratings has assigned the **CRISIL A (-) / Stable** during Mar'23, against its erstwhile BBB+ Positive ratings.

The Company's co-investment platform with ASK Property Fund ("ASK") has taken-off well. The Company has launched its first project under the platform named 'Shriram Pristine Estates', a plotted development project in North Bangalore, in Feb'23 and has received encouraging market response. Another project is being finalised for the Platform and is targeted for launch during H1FY24.

³ Includes cost of debt in SPL and SPL share of debt in JVs

Outlook

The Company is standing firm on its growth path and remains focused on leveraging its robust operating platform for profitable growth going forward.

FY24 is expected to be equally promising given the strong launch pipeline, sustenance sales potential from ongoing projects and above all, positive market environment with favourable demand dynamics. Continuing revenue recognition momentum and relentless focus on costs should help sustain margins and profitability in coming quarters.

The Company has zero inventory in completed projects and over 75% of ongoing project inventory are sold already. SPL intends to complete and deliver another ~6 msf over the next 2 years (FY24-FY25), apart from 3.8 msf completed during FY23. While supporting income recognition and free cashflows, this should help sustain growth momentum and deliver significant value for stakeholders.

The Company's long-term prospects remain strong. Promising demand outlook, especially in the mid-market and affordable segments, and favourable market trends augurs well. Supported by a strong project pipeline, SPL is well positioned to benefit from ongoing consolidation in the industry.

Commenting on the performance, **Mr M Murali, CMD, Shriram Properties** said: *"We are encouraged by the strong improvement in operating and financial performance, consistent with our promises. Our operating platform remains robust and resilient and is fully geared to leverage our strength in the consolidating industry environment. FY23 Earnings turnaround is encouraging and are confident of sustained improvement in earnings and profitability. SPL is emerging as one of the fastest growing and profitable residential real estate company"*.

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 21 msf, mostly in the cities of Bengaluru and Chennai. SPL currently has 26 ongoing projects/phases aggregating to 24 msf of saleable area and has another 25 projects in its project pipeline for the future.

SPL is part of the Shriram Group, a prominent business group with four decades of operating history in India. It is backed by globally renowned private equity players such as TPG and Tata Opportunities Fund. SPL became a publicly traded company in Dec'21.

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Disclaimer / Forward Looking Statements

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