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Shriram Properties New Record of Sales Volumes of 4.02 Mn Sft in FY23

Shriram Properties Limited 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 mn sq ft 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 realization, 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 an 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.

The Company has reported excellent financial results for the full year FY23. The 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 crs, reflecting 3.8x growth compared to Rs.18crs 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.

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 cash flows, this should help sustain growth momentum and deliver significant value for stakeholders.

Commenting on the performance, 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".

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Shriram Properties reports highest-ever sales volumes of 4.02 in FY23

Shriram Properties has reported the highest-ever sales volumes of 4.02 msf in FY23 with sales value reaching a new high of Rs 1,846 crore, up 25% YoY, supported by higher volumes, better realization, change in product mix and the impact of seven launches.

M Murali, CMD of 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 we are confident of sustained improvement in earnings and profitability. SPL is emerging as one of the fastest growing and profitable residential real estate company".

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

Gross collections stood firm at Rs 1,200 crore, despite the delayed launch impact. SPL completed seven projects with an aggregate development area of 3.8 msf during the year.

The company's net profit soared to Rs 68.3 crore, reflecting 3.8x growth compared to Rs 18 crore in FY22. The total revenue has grown 57% yearly to Rs 814 crore in FY23, with two key projects reaching the revenue recognition threshold following receipt of the completion certificate.

The average realisation for mid-market units was higher by 14% YoY at Rs 6,000 per sq ft, while affordable housing units grew by 10% YoY to Rs 4,500 per sqft in FY23. The average realisation for plots, too, was higher at Rs 2,900 per sqft in FY23, compared to Rs 2,582 per sqft in FY22, reflecting a changed geographical mix of plots sold during the year.

The finance costs for the company were lower by 11% YoY, while actual interest expenses were down 21% YoY in FY23. "Concerted efforts towards lowering debt and successful refinancing impacted positively. The average cost of debt dropped to 11.9%3 despite RBI rate hike impact," the company said.

The company's gross debt stood at Rs.553 crores and net debt at Rs 432 crore in Mar 2023 with a debt-equity ratio of 0.36x.

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SHRIRAM PROPERTIES REPORTS STELLAR RESULTS FOR FY23

BENGALURU: 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 realization, 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 an 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 realization 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 realization 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.

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 finalized for the Platform and is targeted for launch during H1FY24.

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 favorable 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 cash flows, 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 favorable market trends augurs well. Supported by a strong project pipeline, SPL is well positioned to benefit from ongoing consolidation in the industry.

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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".

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Shriram Properties sees 20 per cent revenue growth in FY24

Shriram Properties expects to post 20 per cent revenue growth in FY24 on the back of higher revenue recognition, as projects launched two-four years back are completed and delivered.

The company also expects to launch 11-13 projects in the current fiscal year, about 5 million square feet in pre-sales.

“The current financial year is looking very good. With projects launched 3-4 years ago coming up for completion, revenue recognition will be good for the year,” Chairman and Managing Director MM Murali told business line.

The Bengaluru-based real estate developer ended FY23 with a near four-time growth in net profit at Rs 68.3 crore, while revenue went up 57 per cent to Rs 814 crore. It recorded pre-sales of 4 msf in the year, up 7 per cent, with sales value rising a fourth to Rs 1,846 crore. Its collections for the year were at Rs 1,194 crore, lower than the Rs 1,263 crore collected a year ago.

Also read: Shriram Properties sees no impact of job losses, high mortgage rates, on housing demand despite a strong pipeline, the company launched only seven projects during the year under review, with two launches deferred to the current fiscal year. It has a pipeline of 51 projects, with 53 msf of development potential.

The company reported a steep fall in net profit and revenue for the fourth quarter of FY23 on lower revenue recognition. Murali said it was difficult to recognize revenue on a quarterly basis in the real estate sector, and the right way to look at it would be the performance for the entire year.

He said housing sector demand was still buoyant, with conversion rates of 18-20 per cent compared to 12-14 per cent in the past.

The company took price increases ranging from 3 to 22 per cent across projects and the average price realization was 8 per cent higher on year. The company expects to take another 10 per cent price increase in the current year.

On being asked whether a rise in property tax rates by the new Congress government in the state would have an impact on demand, Murali said Bengaluru is a city ‘which is beyond political influences’. He affirmed that it would not have any significant impact on housing demand.

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Shriram Properties Announced Financial Results For Q4FY23

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 realization, 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 an 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 realization 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 realization 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.

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

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- 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% 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.

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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 favorable demand dynamics. Continuing revenue recognition momentum and relentless focus on costs should help sustain margins and profitability in coming quarters.

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The Company's long-term prospects remain strong. Promising demand outlook, especially in the mid-market and affordable segments, and favorable 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"

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[Shriram Prop Marks Higher FY 2023 Results](#)

South-based real estate company, Shriram Properties (SPL) on Monday reported a strong operational and financial performance for the Q4 FY 2023 and the complete financial year 2023 that ended on 31 March.

SPL underlined its new record for the company with 4.02 MSF (Marginal Standing Facility) in FY 2023.

The company's sales value increased to Rs.1,846 crores, up by 25 per cent YoY in FY 2023. Subsequently, its gross collections stood strong at Rs.1,200 crore approximately, despite the launch impact delay.

On a quarterly basis, SPL's Q4 FY23 performance was impressive as well. Quarterly sales stood at 1.31 MSF, up 26 per cent QoQ and 12 per cent YoY. Gross collections grew by 24 per cent QoQ to Rs. 307 crores in Q4 FY 2023.

The real estate organisation further marked its average realisation for mid-market units which stood higher by 14 per cent YoY at Rs.6,000 per sq ft approximately, while that of affordable housing units grew by 10 per cent YoY to Rs.4,500 per sq ft approximately in FY 2023. The average realisation for plots too was higher at Rs.2,900 per sq ft in FY 2023, compared to Rs.2,582 per sq ft in FY 2022, reflecting the changed geographical mix of plots sold during the year.

On the whole, the company reported a good financial result for the full year FY 2023.

Commenting on the SPL performance, M Murali, CMD of Shriram Properties said, "We are encouraged by the strong consistent improvement in operating and financial performance. Our operating platform remains robust and resilient leveraging a strength in the consolidating industry environment".

"Also, the financial year 2023 earnings turnaround is encouraging, and we are confident of sustained improvement in earnings and profitability as SPL is emerging as one of the fastest growing and profitable residential real estate companies", Murali added.

Shriram Properties is one of the growing residential real estate development companies in South India primarily focused on the mid-market and affordable housing markets in Bangalore, Chennai and Kolkata.