

SRL/SE/25/21-22

Date: 2nd August, 2021

The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (East), Mumbai- 400 051
Scrip Code: SUNTECK

The Secretary, Listing Department,
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001
Scrip Code: 512179

Sub: Investor Presentation on Q1FY22 results

Dear Sir / Madam,

Pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed the Investor Presentation with regard to Unaudited Financial Results for quarter ended 30th June, 2021.

The Investor Presentation shall also be placed on the Company's website.

Kindly take the same on record and disseminate to all the concerned.

Thanking You,
For Sunteck Realty Limited


Rachana Hingarajia
Company Secretary
Encl: a/a



Sunteck Realty Ltd.

Investor Presentation Q1 FY2022

NSE: SUNTECK | BSE: 512179 | Bloomberg: SRIN: IN |
Reuters: SUNT.NS / SUNT.BO

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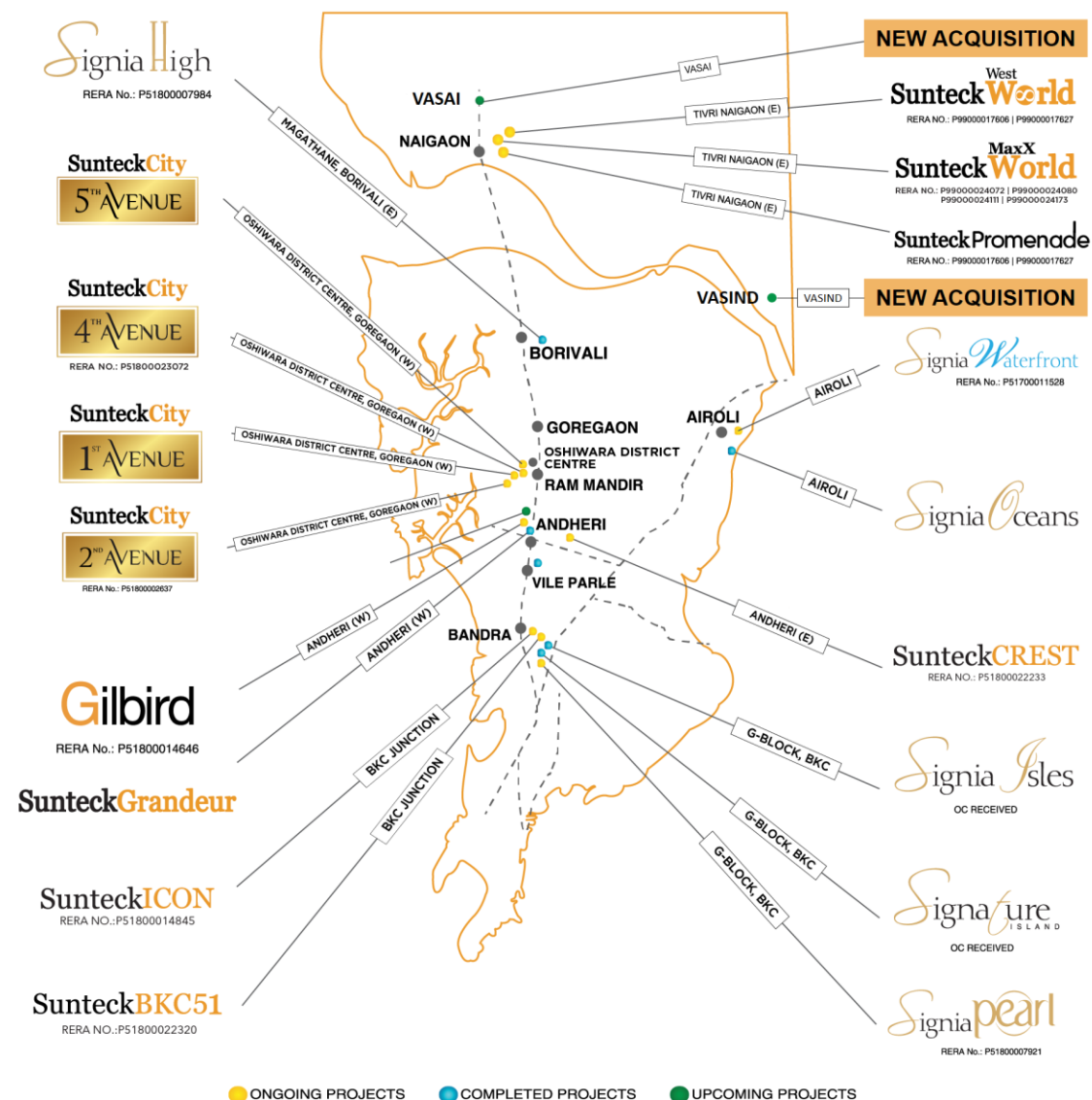
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Note The project elevations are for representation purposes only and are the sole property of the Company and may not be reproduced, copied, projected, edited in any way without written permission from the Company.

- **Asset-light**, Mumbai-based real estate developer with deep expertise and proven execution in delivering projects across the full spectrum of segments, from uber luxury to affordable.
- 38* million square foot portfolio across 19 projects, with projects worth Rs. 70 billion (Rs. 7,000 crores) delivered to date.
- Future growth engines to come from a **proven flywheel** of JVs and Joint Development Agreements (JDAs) that require limited capital and generate high returns on invested capital.



*Includes ongoing and future projects, excludes 9 completed projects

This map is for representational purpose only.

Our Journey so far...

- **Sunteck 1.0**

- Our journey began in 2000 as a Business Center Operator at the then upcoming CBD of Bandra-Kurla Complex (BKC) in Mumbai

- **Sunteck 2.0**

- In the next phase from 2006 onwards, with our differentiated and well-researched view that families would love to live and work in a central business districts such as BKC and premium residential complexes at CBD command 3x-4x premium over the commercial capital values - we created enormous shareholder value through our projects **Signature Island, Signia Isles, Signia Pearl**
- We followed the success of BKC with the next BKC of Mumbai – ODC, Goregaon (W) with our differentiated view and acquired ~23 acres of prime land parcel that our peers were not interested in. The result was the creation of **Sunteck City** integrated mixed-use development, thereby, leading to enormous shareholder value creation
- Further details on our project can be found in our [Intrinsic Value Presentation](#)

Introducing Sunteck 3.0

- These are early days at Sunteck. We have recently embarked on **Sunteck 3.0**
- The salient aspects of Sunteck 3.0 are:
 1. **Maintain an asset light balance sheet**
 - Sell off most of our ~Rs 18 bn (Rs 1,800 cr) of finished inventory in the next 3-4 years
 - Focus on JDAs like Naigaon, Vasai, Vasind and Borivali with low capex requirements
 - Acquire land only if opportunity is extremely compelling
 - Maintain mostly non-recourse, muted debt levels
 2. **Leverage our brand and leading market position to grow the business**
 3. **Invest in and incentivize our team**

Asset Light Balance Sheet: Releasing Locked Up Capital

- We continue to actively monetize our finished inventory in our Completed Projects, releasing locked up capital.
- **Rs 2,995 mn (Rs 300 cr) of inventory monetized through Q1 FY22 since end-FY20.**

S.No	Project Name	%age of units sold	No. of units unsold	%age of units unsold	Unsold area (msf)	Estimated unsold revenue potential*
Completed Projects						
1	Signature Island, Isles, Pearl, BKC	82%	39	18%	~ 0.30	~ 17,000
2	Signia Waterfront^, Navi Mumbai	73%	46	27%	~ 0.04	~ 550
3	Others#	97%	4	3%	~ 0.02	~ 160
Total		83%	89	17%	~ 0.36	~ 17,710

All figures are in Rs. Million

* Est. based on current pricing, subject to variances due to changes in business, economic and other variables

^SRL share #Signia High, Borivali and Gilbird Hill, Andheri

Asset Light Balance Sheet: Stack Them High, Let ‘em Fly!

- Our focus is to maintain high sales velocity on Ongoing Projects.

S.No	Project Name	%age of units sold	No. of units unsold	%age of units unsold	Unsold area (msf)	Estimated unsold revenue potential*
Ongoing Projects						
1	Sunteck City, ODC (1 st , 2 nd and 4 th Avenue)#	64%	606	26%	~ 0.81	~ 11,300
2	Sunteck World, Naigaon (West World and Maxx World)	88%	559	12%	~ 0.26	~ 1,300
3	Commercial Projects (Crest, Icon and BKC 51)**	-	-	-	~ 0.46	~ 650
Total		82%	1,165	18%	~ 1.53	~ 13,250

#Sunteck City 1st Avenue has received OC. In 1st Avenue and 2nd Avenue-Nearly 80% inventory is sold. **Sunteck Share (Excl. JDA partner share)

All figures are in Rs. Million

* Est. based on current pricing, subject to variances due to changes in business, economic and other variables

A Proven Flywheel: Near Term Growth Engines

- Our near term growth engine is driven by several asset-light JDA models with limited upfront capital.

S.No	Project Name	Unsold area (msf)	Estimated unsold revenue potential*
Upcoming Projects			
1	Sunteck City, ODC	~ 3.0	~ 45.0
2	Sunteck World, Naigaon	~ 7.3	~ 27.0
3	Sunteck Vasai	~ 4.5	~ 34.9
4	Sunteck Vasind	~ 2.6	~ 9.3
5	Sunteck Borivali	~ 1.0	~ 13.0
Total		~ 18.4	~ 130

All figures are in Rs. Billion - Sunteck Share (Excl. JDA partner share)

*Subject to variances due to changes in business, economic and other variables

Sunteck Business Summary

- In both the completed as well as ongoing projects category, the company has been able to sell more than 80% of the total inventory available.
- The balance inventory will provide estimated revenue potential of ~ Rs 31 bn (~ Rs 3,100 cr) in the 3-4 years.
- The upcoming and future projects in the middle-income and affordable segment will provide additional revenue potential of ~ Rs 130 bn over various phases to be launched.
- The receivables from the sold inventory of ~ Rs 14 bn (~Rs 1,400 cr) shall be recovered as the projects gets completed.

2021: A Unique Opportunity for Sunteck

- In January 2021, the Maharashtra cabinet approved a 50% reduction in the premium fees paid by developers for ongoing and new projects between August 1 and December 31, 2021
- The savings that Sunteck can realize in 2021 by fast-tracking projects and paying premium fees within the year are significant
 - **It is a no brainer for Sunteck to take full advantage of the massive savings afforded to it by this unique opportunity.**
- As a result, Sunteck will be pre-paying premiums to the tune of ~Rs 2,500 mn (~Rs 250 cr) between October and December 2021. **The ROE on these payments is well over 35%.** Thus, in 2021 we will be directing our cash towards these payments.

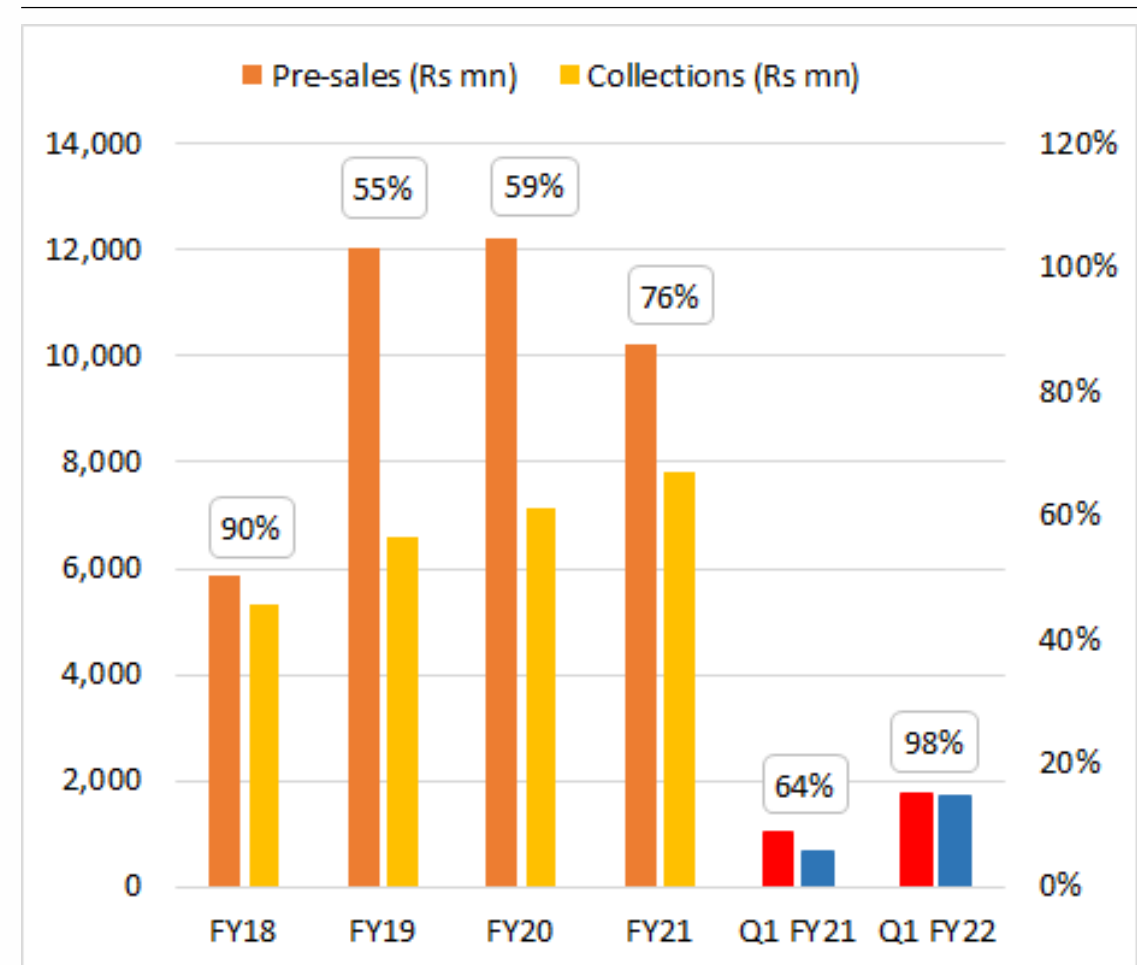
Efficient Use of Capital

- We will use shareholder capital in the most prudent manner possible
- If we have opportunities to deploy capital in high-return projects, **we will do so without any reservation.**
 - The Maharashtra premium reduction in 2021 is a good example of front-loading capital spending to 2021 to maximize savings
 - We may also use debt prudently to take full advantage of the 2021 opportunity

Cash Flow Highlights – Q1 FY2022

- Through a combination of inventory monetization and new project pre-sales, Sunteck recorded **Rs 1,760 mn (Rs 176 cr)** of pre-sales in the quarter, up 74% yoy
- Collections and cash flow are front and center at Sunteck**, and our collections to pre-sales efficiency is among industry leading.
 - In Q1 FY22, we achieved **Rs 1,722 mn (Rs 172 cr)** of collections, up 165% yoy and gross cash flows stood at **Rs 320 mn (Rs 32 cr)**
- Net Debt/Equity is **0.17x**, among industry low.

Collections Efficiency at Sunteck



Cash Flow Statement

- Robust collections drives strong operating cash flow in Q1 FY2022.
- Gross cash flow generated from operating activities at Rs 320 mn (Rs 32 cr)

Particulars	Q1 FY22	Q1 FY21
Gross Customer Advances	1,722	651
Less : Cost Incurred	1,017	293
Less : Overheads	224	127
Gross Operating Cash Flow – Surplus / (Deficit)	481	232
Less : Interest Payments	161	208
Gross Cash Flow - Surplus / (Deficit)	320	23

*All figures are in Rs. Million *Provisional*

P&L (CONSOLIDATED)

- In Q1 FY2022, Revenue from operations grew by 69% yoy to Rs 927 mn (Rs 93 cr) from Rs 550 mn (Rs 55 cr) in Q1 FY2021
- EBITDA and EBITDA Margin for Q1 FY2022 stood at Rs 206 mn (Rs 21 cr), up 32% yoy and 22% respectively
- PAT for Q1 FY2022 stood at Rs 30 mn (Rs 3 cr)
- **There is a change in accounting methodology for revenue recognition from Percentage of Completion Method (PoCM) to Project Completion Method (PCM). Pre-sales convert to revenue recognition at project completion.**

Particulars	Q1 FY22	Q1 FY21	YoY %	Q4 FY21	FY2021
Revenue from Operations	927	550	69%	1,911	6,139
EBITDA	206	156	32%	353	1,369
Operating Margin	22%	28%		18%	22%
Net Profit	30	-31	NM	104	419

All figures are in Rs. Million

Consolidated Debt Trend

In Q1 FY2022, the consolidated net debt to equity has been reduced significantly to 0.17x.

Consolidated debt trend	FY 2020	FY 2021	Q1 FY22
Secured Debt	7,903	5,969	5,871
Less : Cash & Bank Balance	1,662	991	880
Less : Interest-bearing refundable deposit / loan to JDA partners	475	341	313
Net Secured Debt	5,766	4,637	4,678
Unsecured Debt	392	-	-
Adjusted Net Debt	6,158	4,637	4,678
Networth	27,487	27,724	27,776
Adj. Net Debt / Equity	0.24	0.18	0.17
Add: Quasi-Equity*	912	910	884
Total Adjusted Net Debt	7,070	5,547	5,562
Total Adj. Net Debt / Equity	0.26	0.20	0.20

All figures are in Rs. Million

**With effect from 9th March, 2020, Starlight Systems (I) LLP became a wholly owned subsidiary of SRL pursuant to the retirement of PDL Realty Pvt Ltd (Retired Partner). The Retired Partner's balance of current capital and fixed capital in SSILLP, aggregating to ~910 mn have been converted into a loan. The said loan will be in the form of 1% secured NCDs, which will be redeemed at premium out of the future free cash flow from the specified projects only with a tenure of 20 years.*

Appendix

OPERATIONAL PERFORMANCE TREND

Strong growth continues

↑ Pre-sales **grows by 74% yoy** to Rs 176 cr

↑ Collections **grows by 165% yoy** to Rs 172 cr

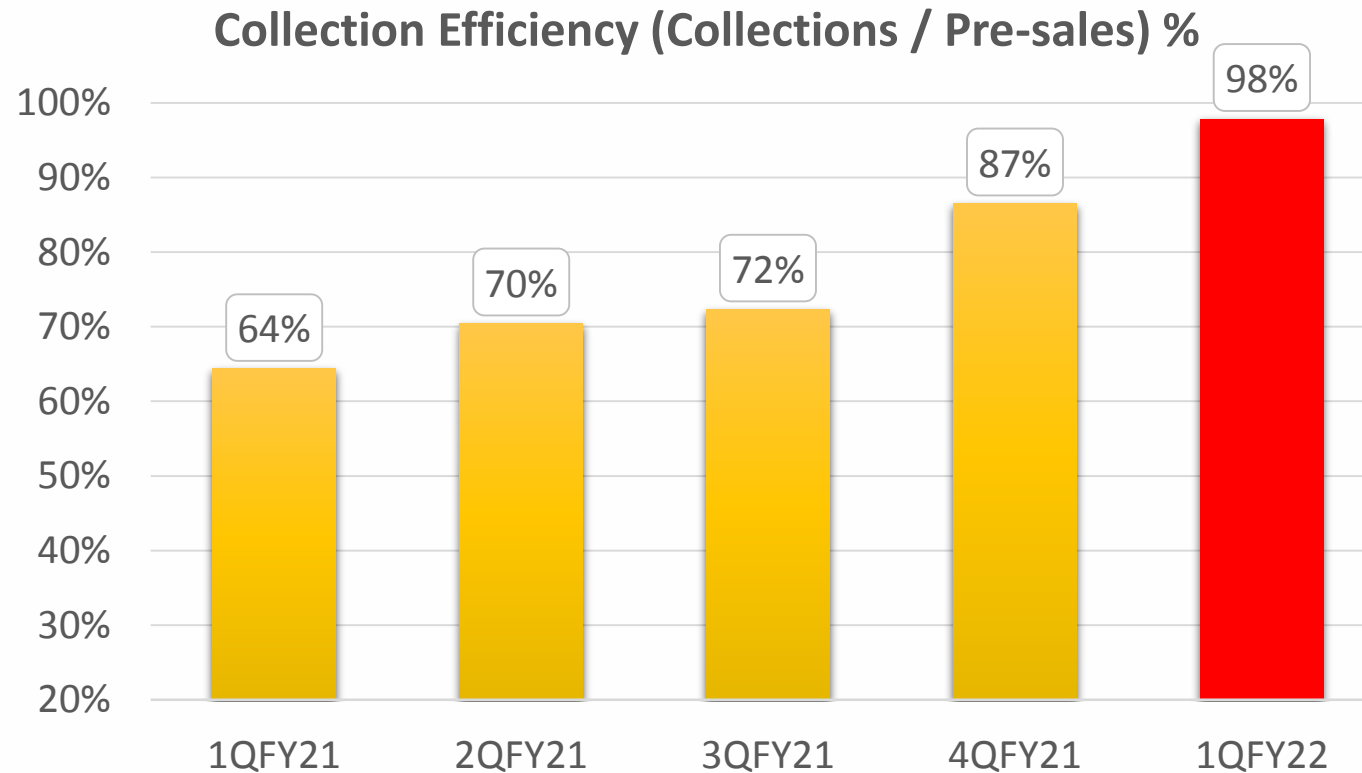
Rs million

Operational Data	1QFY21	2QFY21	3QFY21	4QFY21	FY2021 (Full Year)
Pre-Sales	1,012	2,003	3,492	3,710	10,217
Collections	651	1,411	2,525	3,210	7,796

Operational Data	1QFY22
Pre-Sales	1,760
Collections	1,722

COLLECTIONS EFFICIENCY IMPROVING

- Collections / Pre-sales has been strong at >50% over the previous years.
- In Q1 FY22, the ratio was strong at ~98%.
- Sunteck always endeavors to achieve >50% collections to pre-sales ratio as it leads to efficient cash flow management



Balance Sheet (Consolidated)

Liabilities	FY21	FY 20	Assets	FY21	FY20
Shareholders Funds	27,724	27,487	Trade Receivables	3,352	3,731
Minority Interest	-	-	Inventories	26,145	27,438
Borrowings	6,879	9,207	Loans & Advances	1,161	1,289
Others	5,934	5,004	Cash & Bank balances	991	1,662
Provisions	35	30	Others	8,925	7,608
Total	40,573	41,728	Total	40,573	41,728

All figures are in Rs. Million

CREDIT RATING UPDATE

The Long-term issuer rating of Sunteck is “AA-” and Short-term issuer rating is “A1+”.

 A Fitch Group Company	AA- / Positive
 ICRA A MOODY'S INVESTORS SERVICE COMPANY	AA- / Stable

Key Rating Drivers –

- Healthy track record in real estate development in MMR
- Adequate committed cash flow visibility
- Prudent Financial Policies; Strong Credit Metrics
- Prudent cash flow management with adoption of asset light JDA model for new projects
- Price-Point diversity; Locational Advantage
- Low Execution Risk

Sunteck Brand Portfolio

RESIDENTIAL

The logo for Signature, featuring the word "Signature" in a gold-colored script font.

Uber Luxury Residences

The logo for Signia, featuring the word "Signia" in a gold-colored script font.

Ultra Luxury Residences

The logo for SunteckCity, with "Sunteck" in black and "City" in orange.

Premium Luxury Residences

The logo for SunteckWorld, with "Sunteck" in black and "World" in orange.

Aspirational Luxury Residences

COMMERCIAL

The logo for Sunteck, featuring the word "Sunteck" in a bold, black, sans-serif font.

Commercial & Retail

The site pictures of our various ongoing projects are available on the [company website](#).

SUNTECK - ESG PERFORMANCE HIGHLIGHTS

Environmental



- 'Go Green' CSR campaign
- Digital transformation to reduce resource consumption
- Rainwater harvesting and use of STP water
- Dual fitting tanks and LED lights to reduce energy use
- Fly ash and GGBS, which are waste generated from thermal power plant and steel plant, are used in concrete to reduce waste and make concrete durable

Social



- Support for migrant labourers and frontline workers following the COVID-19 outbreak
- Donation of warm clothes, medicines and food at the Little Sister of the Poor home
- Support for nutrition and health of communities through Project Roshan
- Support for Wadia Hospital's stem cell transplant centre
- Promotion of hand-made, indigenous Diwali products
- Promotion of higher education at Plaksha in Mohali

Governance



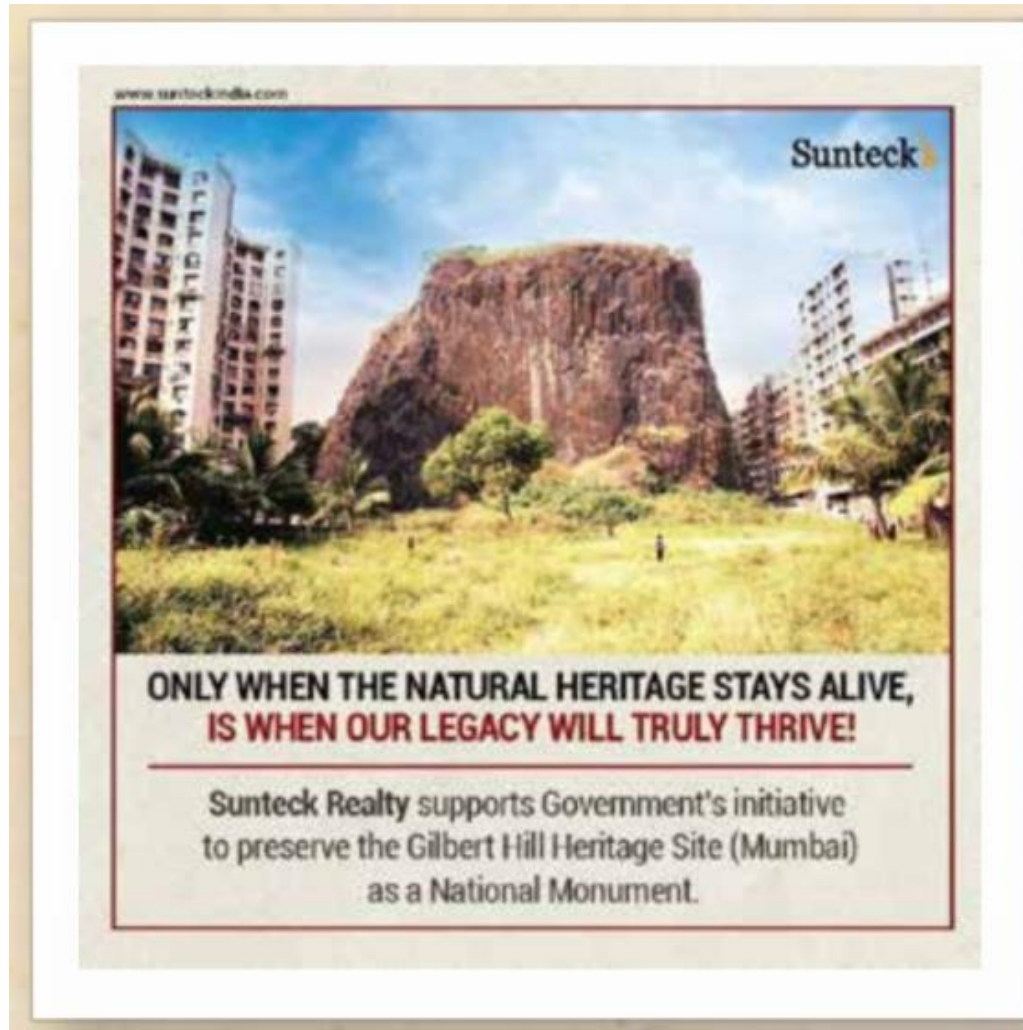
- Philosophy on code of governance
- Policy framework consisting of Code of Conduct, Whistleblower Policy and CSR Policy
- Disclosures on corporate governance, including committee composition, skills and competencies of directors, directors' remuneration, CSR governance, etc.

CORPORATE SOCIAL RESPONSIBILITY

A Vaccination Drive arranged for Sunteck Employees



CORPORATE SOCIAL RESPONSIBILITY



SPREADING WARMTH AMONGST OUR FRONTLINE HEROES

Blanket Distribution Amongst
All Ground Duty Staff



Thank You!

Corporate Office

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