

SRL/SE/53/21-22

Date: 12th November, 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 Q2FY22 results

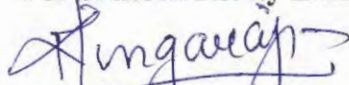
Dear Sir / Madam,

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 and half year ended 30th September, 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 Q2 & H1 FY2022

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

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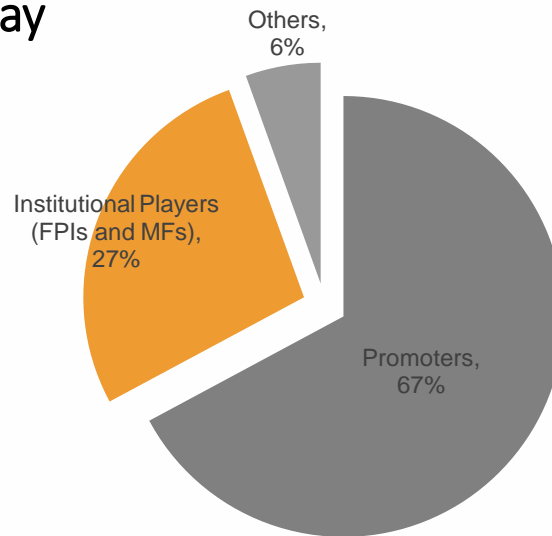
Note The project elevations are for representation purposes only and are the sole property of the Company and may not be reproduced, copied, projected, edited in any way without written permission from the Company. All data and project related numbers are basis revenue recognition and operational performance excl. overheads for completed, ongoing and future projects respectively

COMPANY OVERVIEW

MMR focused residential play



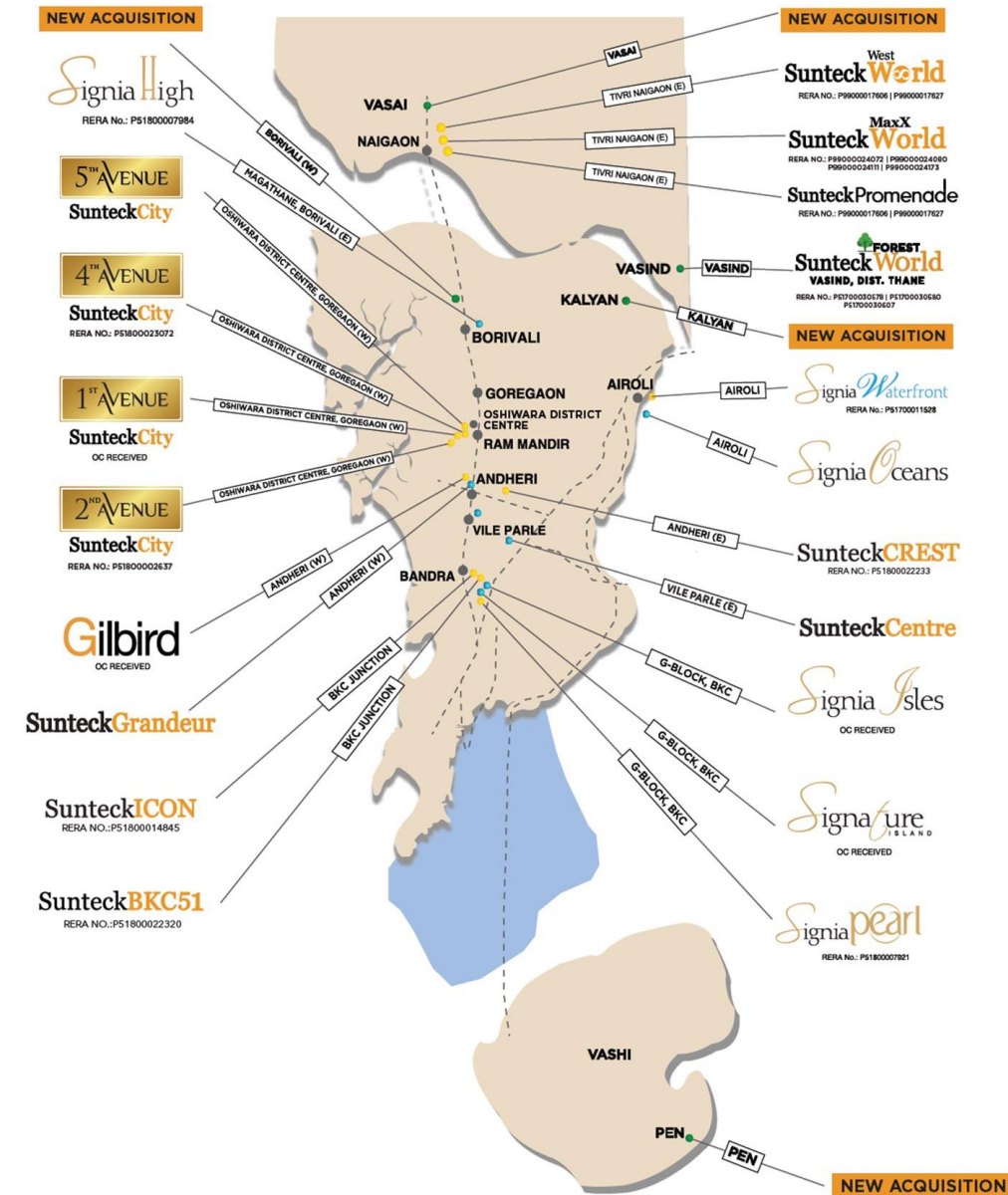
- Headquartered at Mumbai
- Market Cap : ~ Rs 70 Bn (~Rs 7,000 cr)
- ~ 50* msf development portfolio across 21 projects
- Delivered Projects > Rs 70 bn (Rs 7,000 cr)



Shareholding pattern as on Sep'21

- Focused growth based on targeted growth engines (BKC, ODC, Naigaon, Vasai, Vasind, Borivali, Kalyan) instead of ad-hoc project selection done by other developers
- Asset light strategy (JV/JDA model) in capital intensive real estate market for MMR is a key differentiator against its peers

*Includes ongoing and future projects, excludes 9 completed projects



SUNTECK 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](#)**

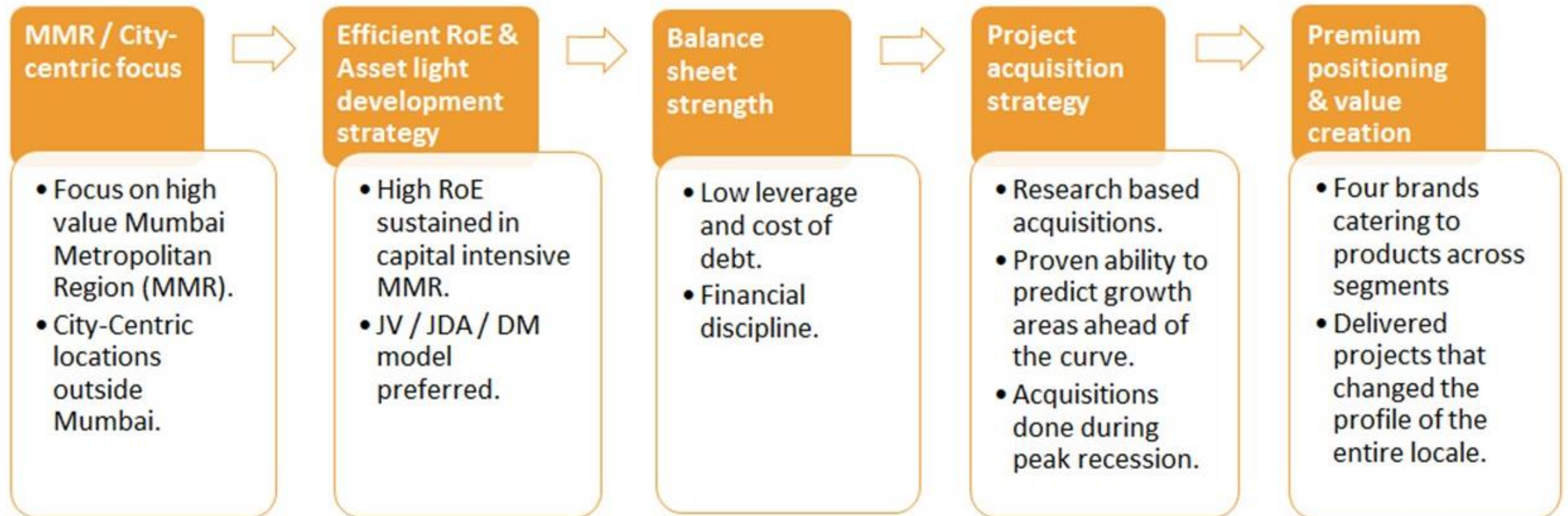
SUNTECK 3.0

- 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 1,800 crores of finished inventory in the next 3-4 years
 - Focus on JDAs like Naigaon, Vasai, Vasind, Borivali and Kalyan 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**

KEY STRENGTHS

Company Profile: Sunteck is a Mumbai focussed premium developer with experienced promoter, focussed project acquisition strategy, premium brand, strong execution and healthy balance sheet

Strong Project Portfolio: Sunteck has about 50 mn sqft spread across 21* projects (additionally projects completed worth > USD 1bn) majorly in MMR region having leadership position in CBDs of Mumbai at BKC (5 projects) and ODC, Goregaon (W) (6 projects).

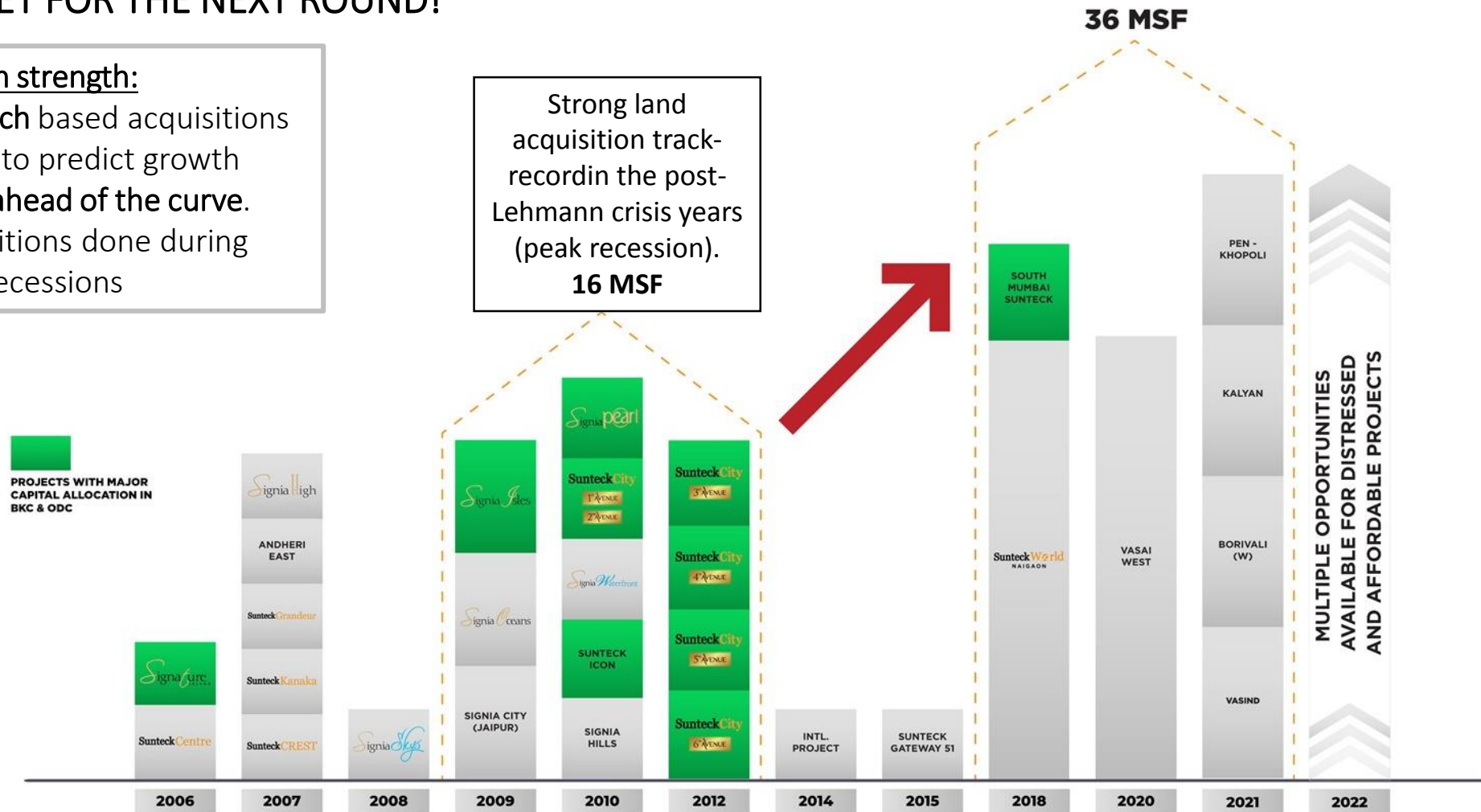


WELL-TIMED CAPITAL ALLOCATION

STAGE SET FOR THE NEXT ROUND!

Acquisition strength:

- Research based acquisitions
- Ability to predict growth areas **ahead of the curve**.
- Acquisitions done during peak recessions



Sunteck set to benefit from the opening up of attractive acquisition opportunities post demonetization, GST, RERA, NBFC crisis (IL&FS crisis) & Covid-19 wave 1 & wave 2

SUNTECK BRAND PORTFOLIO

RESIDENTIAL

Signature

Uber Luxury Residences

Signia

Ultra Luxury Residences

SunteckCity

Premium Luxury Residences

SunteckWorld

Aspirational Luxury Residences

COMMERCIAL

Sunteck

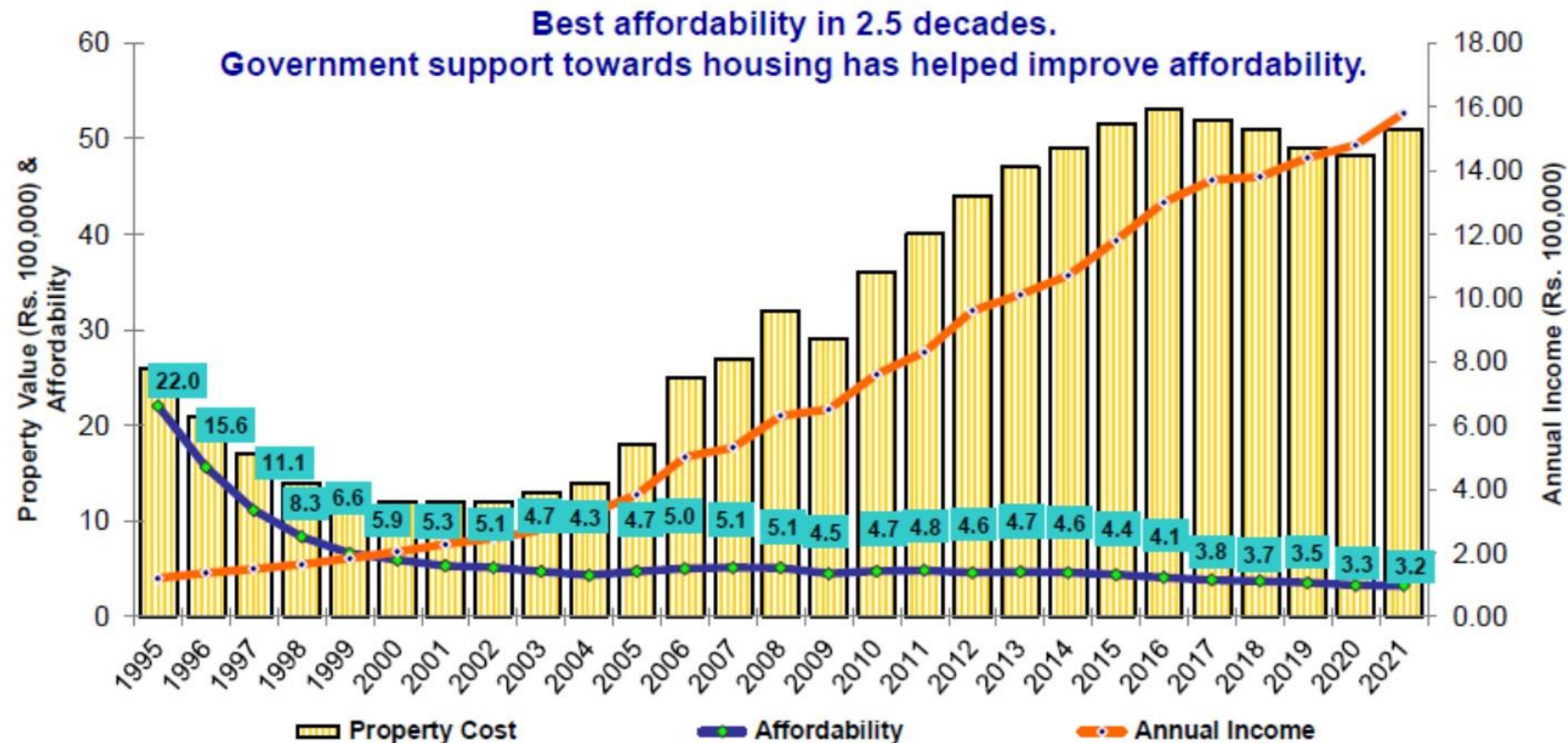
Commercial & Retail

MACRO TRENDS

MACRO TRENDS

- Rise in income-levels and favourable demographics (66% of Indian population is less than 35 years of age) has led to best affordability in the last 25 years.

IMPROVED AFFORDABILITY

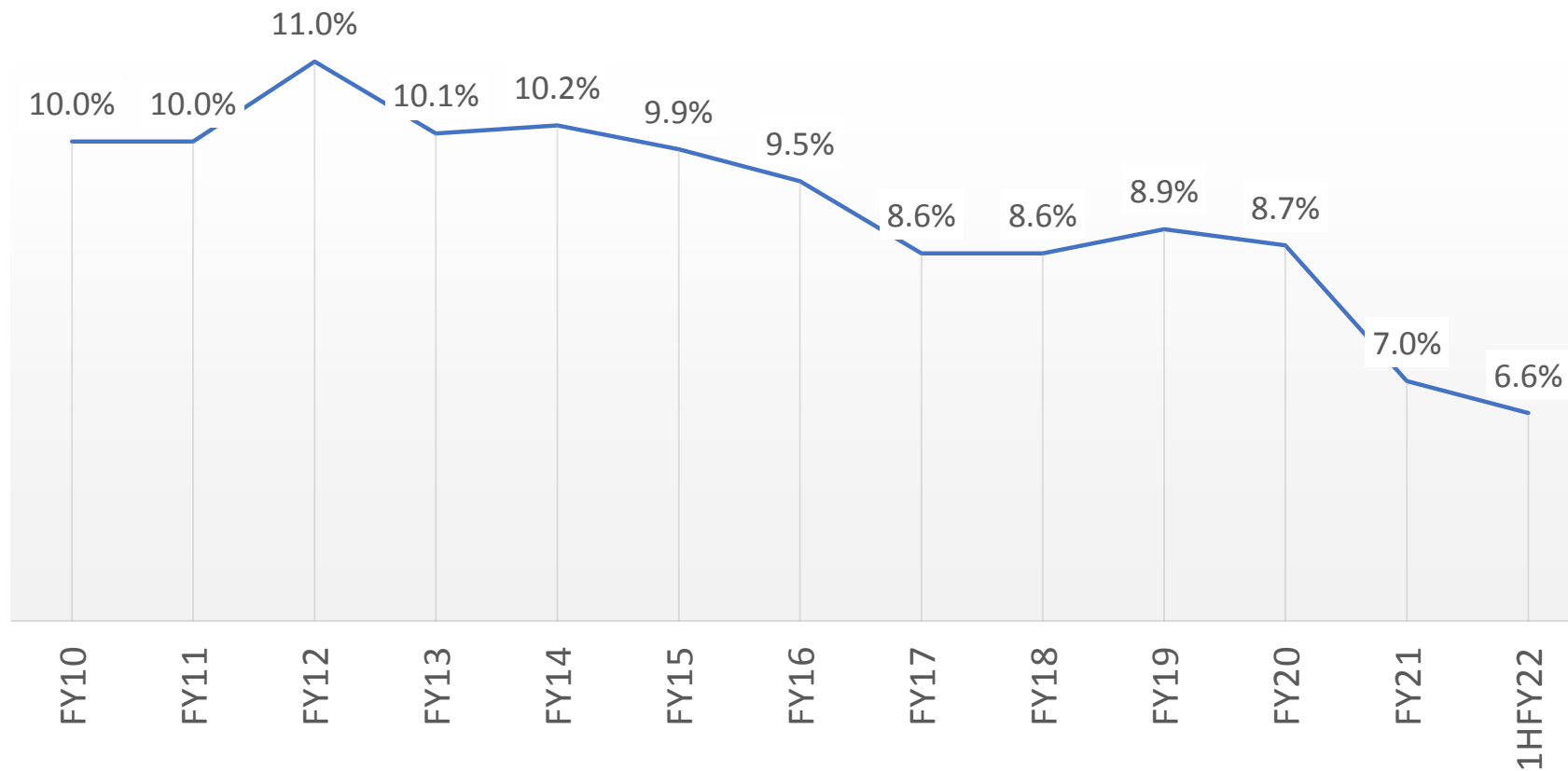


Source: HDFC

MACRO TRENDS

- Housing loan rates are at decadal lows, thereby improving affordability and savings on EMI.

Home Loan ROI



Source: Bank Data

MACRO TRENDS

- **Millennial have kick started real estate demand recovery –**
 - In India, almost **62% of residential demand comes from buyer cohort age between 21-40 years**. The next real estate upcycle will be driven by individual born between **1981-1995 (38.8 cr)** who will be turning 25-40 years of age.
 - The overall residential real estate demand largely fueled by **IT, services and manufacturing boom**.

COMPANY SECTION

ROBUST OPERATIONAL PERFORMANCE

Operational Data	Q2 FY22	Q1 FY22	QoQ %	Q2 FY21	YoY %
Pre-sales (new bookings)	2,716	1,760	54%	2,003	36%
Collections	2,073	1,722	20%	1,411	47%

All figures are in Rs. Million

Operational Data	H1 FY22	H1 FY21	YoY %
Pre-sales (new bookings)	4,476	3,015	48%
Collections	3,795	2,062	84%

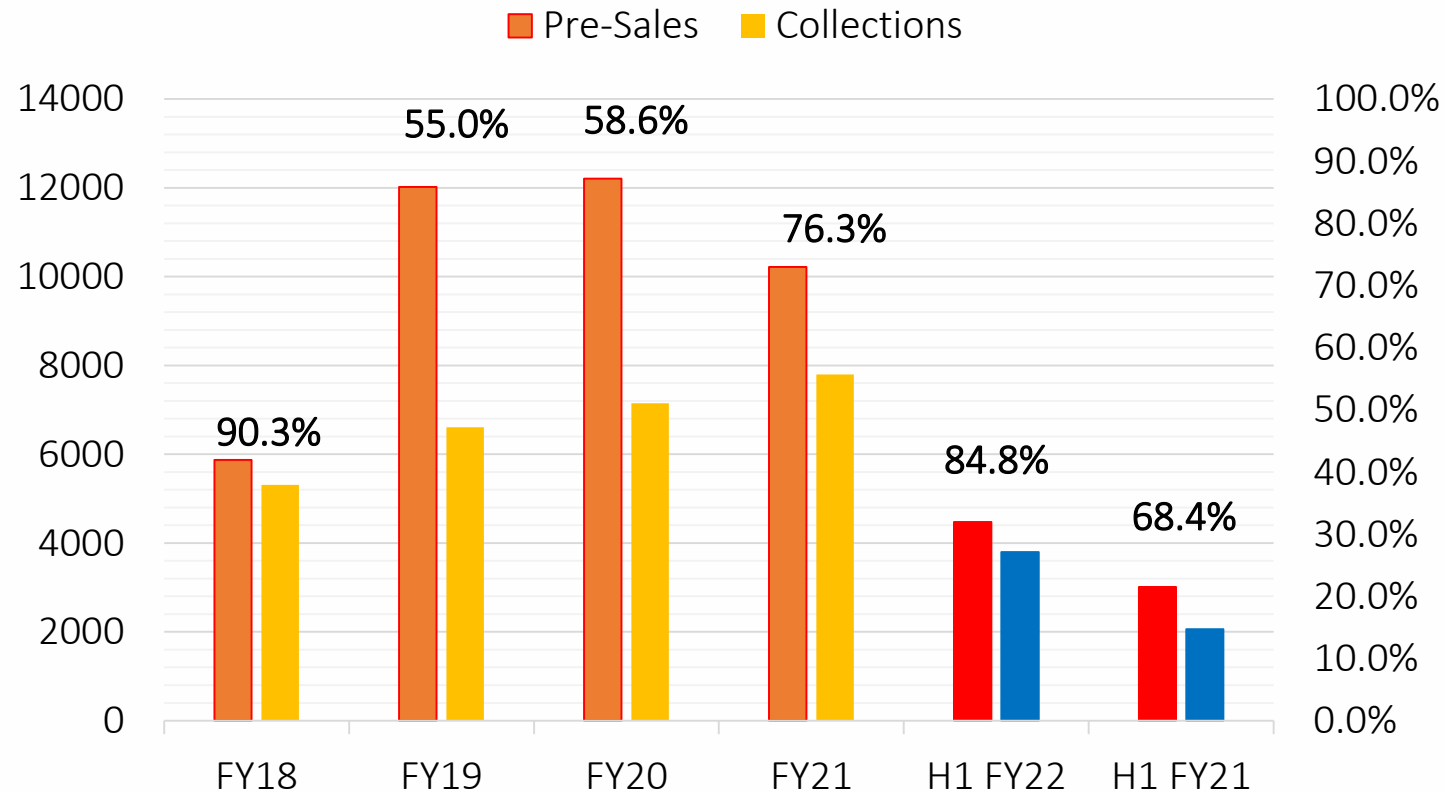
All figures are in Rs. Million

OPERATIONAL PERFORMANCE – Q2 FY2022

S.No.	Project Name	Q2 FY22 Performance			
		Sales	Collections	Area Sold	Units Sold
		Rs Mn	Rs Mn	Lac Sq.Ft.	Nos.
1	High-income (Uber & Ultra Luxury)	146	466	0.1	4
2	Mid-income (Premium Luxury)	1,000	991	0.7	47
3	Affordable (Aspirational Luxury)	1,190	562	2.1	320
4	Commercial	380	54	0.2	29
Total		2,716	2,073	3.2	400

KEY PERFORMANCE HIGHLIGHTS: COLLECTIONS EFFICIENCY

- In H1 FY22, collections efficiency was strong at ~85%.
- Sunteck always endeavors to achieve >50% collections to pre-sales ratio as it leads to efficient cash flow management



P&L (CONSOLIDATED)

- In Q2 FY22, Revenue from operations grew by 47% Q-o-Q to Rs 1,363 mn (Rs 136 cr) from Rs 927 mn (Rs 93 cr) in Q1 FY22
- EBITDA for the quarter grew by 77% Q-o-Q to Rs 365 mn (Rs 37 cr) from Rs 206 mn (Rs 21 cr) in Q1 FY22 and EBITDA Margin for Q2 FY22 stood at 27% against 22% in Q1 FY22
- PAT for the quarter grew by 404% Q-o-Q to Rs 153 mn (Rs 15 cr) from Rs 30 mn (Rs 3 cr) in Q1 FY22

Particulars	Q2 FY22	Q1 FY22	QoQ %	Q2 FY21	YoY %	H1 FY22	H1 FY21	YoY %
Revenue from Operations	1,363	927	47%	1,470	-7%	2,291	2,020	13%
EBITDA	365	206	77%	296	24%	571	451	27%
Operating Margin	27%	22%		20%		25%	22%	
Net Profit	153	30	404%	113	35%	183	82	122%

All figures are in Rs. Million

BALANCE SHEET (CONSOLIDATED)

Liabilities	H1 FY22	FY 21	Assets	H1 FY22	FY21
Shareholders Funds	27,780	27,724	Trade Receivables	2,738	3,352
Minority Interest	-	-	Inventories	37,996	26,145
Borrowings	6,727	6,879	Loans & Advances	1,089	1,161
Others	17,272	5,934	Cash & Bank balances	790	991
Provisions	44	35	Others	9,211	8,925
Total	51,823	40,573	Total	51,823	40,573

All figures are in Rs. Million

AMONGST THE STRONGEST BALANCE SHEET

In H1 FY22, the consolidated net debt to equity is strong at 0.16x.

Consolidated debt trend	FY 2020	FY 2021	H1 FY22
Secured Debt	7,903	5,969	5,832
Less: Cash & Bank Balance	1,662	991	799
Less: Interest-bearing Loans to JV/JDA Partners	475	341	700
Net Secured Debt	5,766	4,637	4,334
Unsecured Debt	392	0	0
Net Debt	6,158	4,637	4,334
Networth	27,487	27,724	27,780
Net Debt / Equity	0.22	0.17	0.16
Add: Quasi-Equity*	912	910	895
Adjusted Net Debt	7,070	5,547	5,228
Adj. Net Debt / Equity	0.26	0.20	0.19

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 Private Limited (Retired Partner). The Retired Partner's balance of current capital and fixed capital in the SSILLP, aggregating to ~910 mn have been converted into a loan. The said loan will be in the form of 1% secured Non-Convertible Debentures (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.*

STRONG OPERATING CASH FLOW


- Net cash flow generated from operating activities at Rs 534 mn (Rs 53 cr)

Particulars	H1 FY22	H1 FY21
Net Cash Flow - Operating Activities	534	-23
- <i>Operating Profits before Working Capital Changes</i>	595	424
- <i>Working Capital Changes & Others</i>	-61	-448
Net Cash Flow - Investing Activities	-177	190
- <i>Business Acquisition, Interest, Dividends, Investments & Others</i>	-177	190
Net Cash Flow - Financing Activities	-484	-699
- <i>Repayment of Loans</i>	-152	-254
- <i>Finance Cost</i>	-332	-445

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

Value-accretive acquisitions

In the last 3 years – SRL has acquired ~36 msf across the pricing spectrum both on the western and eastern side of MMR. These projects would allow the company to generate its share of Rs ~100 bn+ operating surplus in the coming years.

Location	Segment	Land Area	Developable Area	Est. Total Revenue
		Acres	mn sq ft	Rs bn
Naigaon*	Aspirational	150	12.0	~60
Vasai (W)	Mid-income	50	4.5	~50
Vasind	Aspirational	50	2.6	~11
Borivali (W)	Luxury	7	1.0	~18
Kalyan (Shahad)	Aspirational & Mid-income	50	10.0	~90
Pen-Khopoli	Holiday Homes	110	6.0	~20
Total		417	36.1	~250

*3.6 mn sq ft already and launched. Phase 1 nearing completion, Phase 2 under construction.

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

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 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

ESG

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.

AWARDS AND RECOGNITIONS - 2021

Project Awards

- **Integrated Township Project of the year – Sunteck Maxx World, Naigaon**
Realty+ Excellence Awards 2021
- **Mixed-use project of the year – Non-metro – Sunteck Forest World, Vasind**
Realty+ Excellence Awards 2021

Thank You!

Corporate Office

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