



# Corporate PRESENTATION

September 2023

# Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Macrotech Developers Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

# Lodha: Largest Indian housing platform with robust growth opportunities

## The Platform

### Residential

- India's **largest\*** residential real estate player with consistent track record of sales, collection & profits
- Industry seeing **robust demand growth & significant consolidation**
- **Strong** presence in **MMR & Pune**; Entered **Bengaluru**;
- Targeting medium term pre-sales CAGR of 20%

## Growth Opportunities – Low investment annuity income streams

### Digital Infra. Platform

- Developing Warehousing, Logistics, Data Centers, Light industrials catering to **digitization of economy**
- Pan-India Platform in JV with two marquee investors, to **create asset base of USD 1.0bn+**
- Sizeable land parcels available at our township for this segment

### Property Mgmt. & Digital Services

- Growing facilities management business with digital services layer
- Have a **captive base of 60,000 households** with high spending power; **to grow to 250,000+ by 2030**
- **Developed digital app BelleVie**, to serve entire value-chain of home ownership & Wider gambit of owners need through 'near commerce'

### Rental Portfolio

- Select **high quality office and retail portfolio** at our developments
- Have commercial assets with rental potential of INR **~2.6bn p.a.**,
- To grow over time with our mixed-use strategy

# Continued strong performance

## Sales Momentum

- Q1FY24 pre-sales at INR 33.5bn<sup>1</sup>, building on robust FY23 Pre-sales of INR 120.6bn<sup>1</sup>
- Significant scale-up in new markets of MMR – Eastern Suburbs & Pune
- FY24 guidance at INR 145bn (+20%), backed by our supermarket strategy

## Micro-market focused capital efficient growth

- Added 5 projects with GDV of INR ~120bn in Q1FY24 across MMR & Bangalore
- Expect new project addition of INR 175+bn in FY24

## Focus on creating annuity streams with low investment

- Pan India JV for Digital Infra with Bain Capital & Ivanhoe Cambridge progressing well
- Adding layer of Digital Services to existing property management business; to help maximize lifetime customer value; Launched pilot with brand name 'BelleVie'
- Portfolio of select high quality office and retail annuity assets

## Strengthening balance sheet

- Net Debt at INR 72.6bn as of Jun-23 (0.56x Net D/E)
- Continued reduction, targeting debt below ceiling of 1x Net Debt/OCF and 0.5x Net D/E in FY24

## Enhanced ESG focus

- Advanced our net zero carbon emission for Scope-1 & 2 to CY24 from CY27
- Became part of FTSE4Good Index Series
- Lodha Genius Program: First cohort of 96 students from diverse backgrounds underwent a month long campus program & mentoring by finest of the world including Nobel Laureates

## UK Investments

- Repatriation of surplus started in 2QFY23 (INR ~5.5bn till Mar-23)
- Remaining INR ~5.5bn to be repatriated in FY24

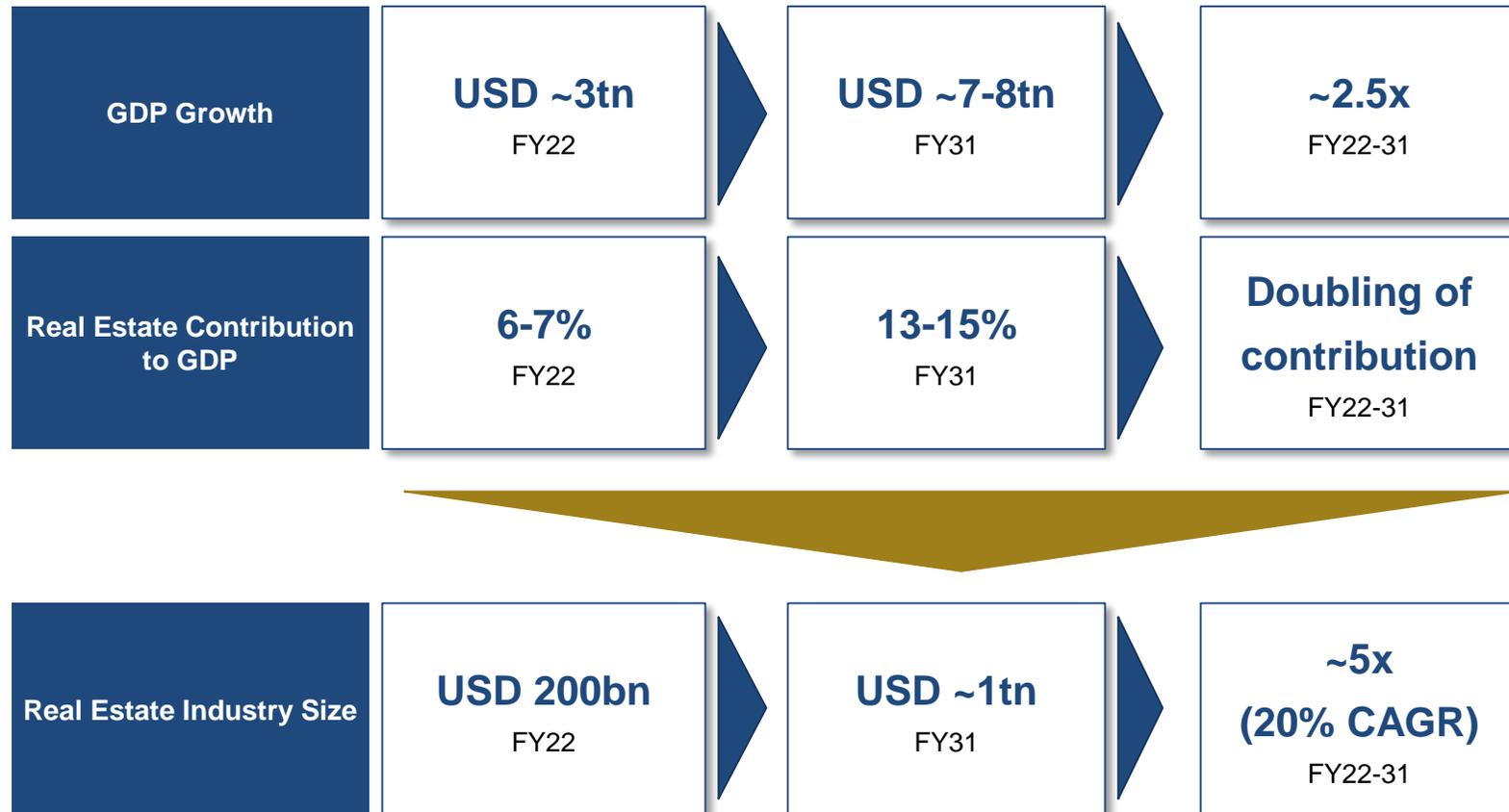
<sup>1</sup> Includes DM Sales: Q1FY24 INR 0.05bn and FY23 INR 6.0bn

<sup>2</sup> Embedded EBITDA Margin: Estimated EBITDA margin on Pre-sales (ex. DM sales) of the period with estimated lifecycle costs, excluding finance costs; this can be equated with 'Adjusted EBITDA Margin' in the P/L



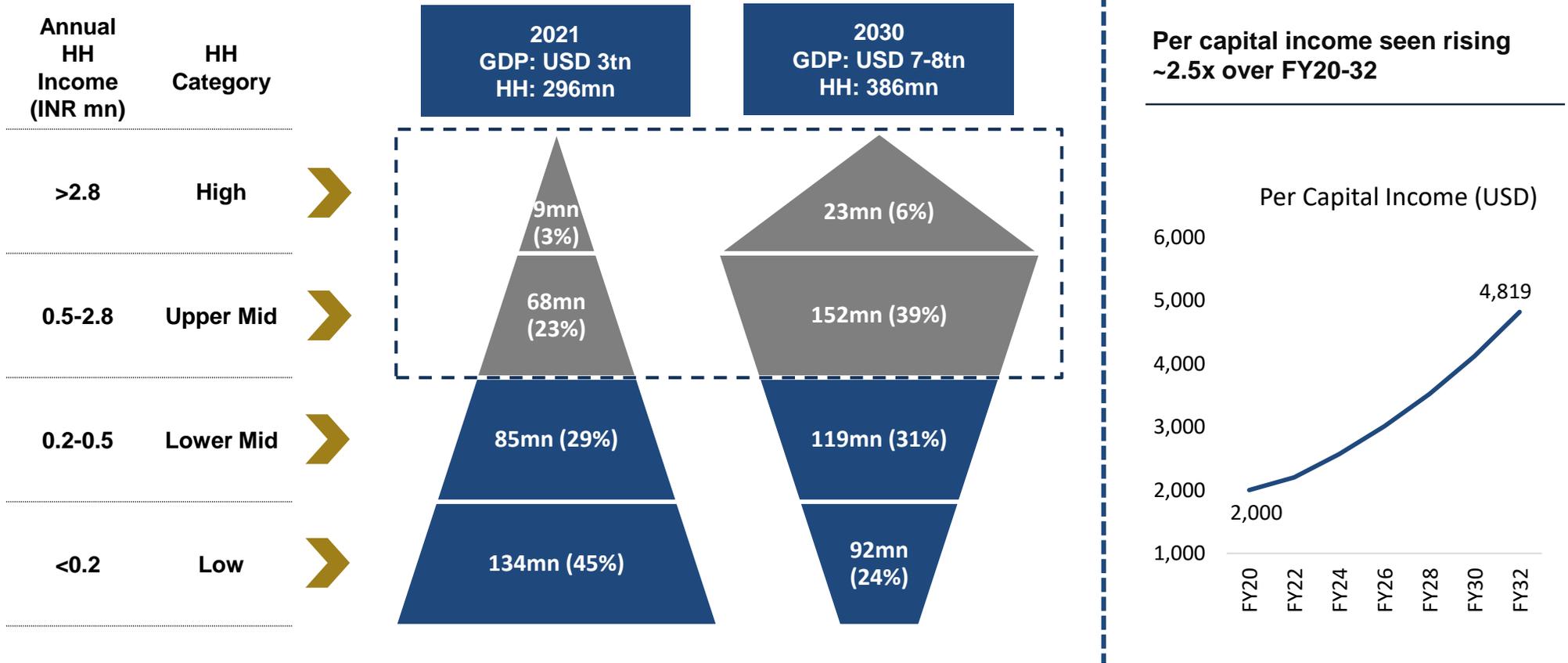
# *01* Industry tailwinds

# Transition to middle income: Real Estate to grow ~2x faster than the Indian economy



Housing to be key driver of and key beneficiary from GDP growth

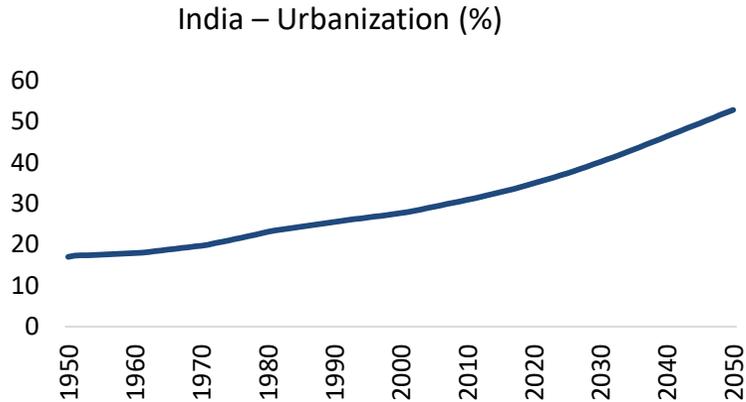
# 100 mn new households to become 'home ownership capable' this decade



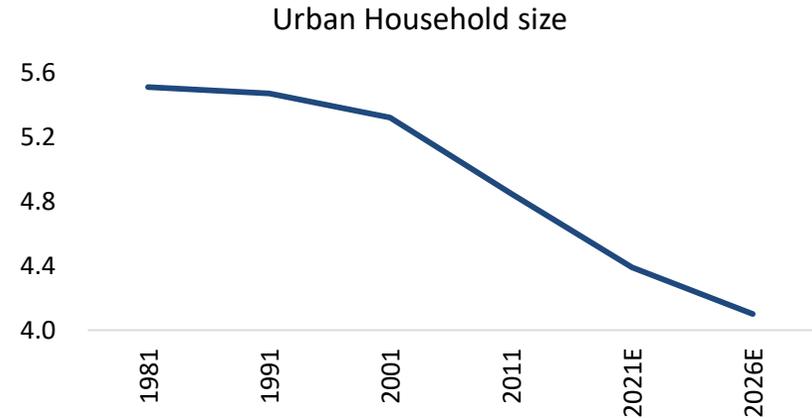
Once in a country's lifetime opportunity!

# Strong affordability drives conversion of housing need to demand

## Rapid urbanization to create need for quality urban housing

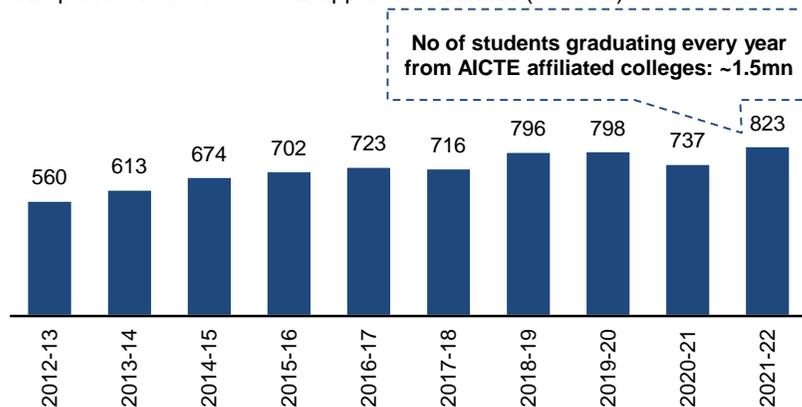


## Family nuclearization

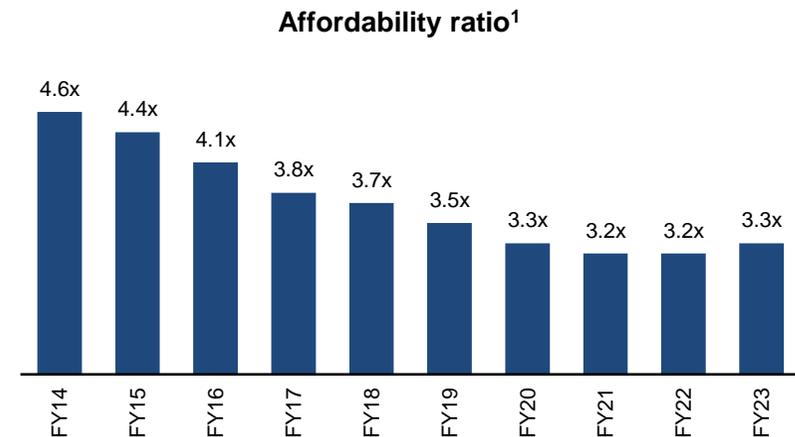


## Large no of educated workforce added every year

Total placements from AICTE approved institutes (in '000s)



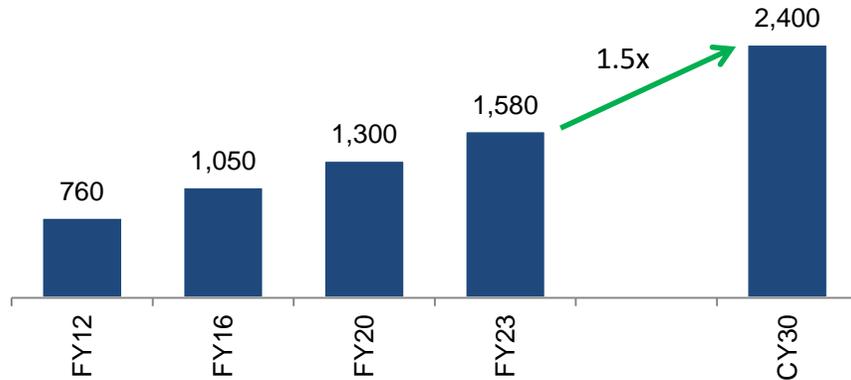
## Improved affordability to support demand



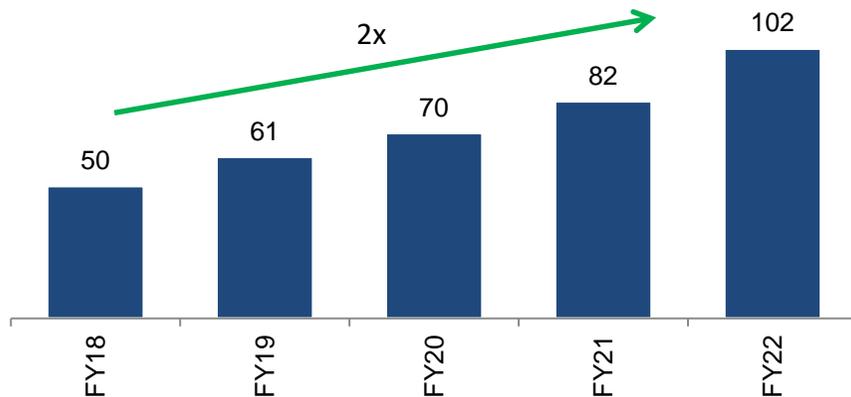
As long as housing price growth is slightly below white collar wage growth, housing demand will grow sustainably

# Robust job creation to sustain housing demand

## Increasing presence of GCC\* in India....

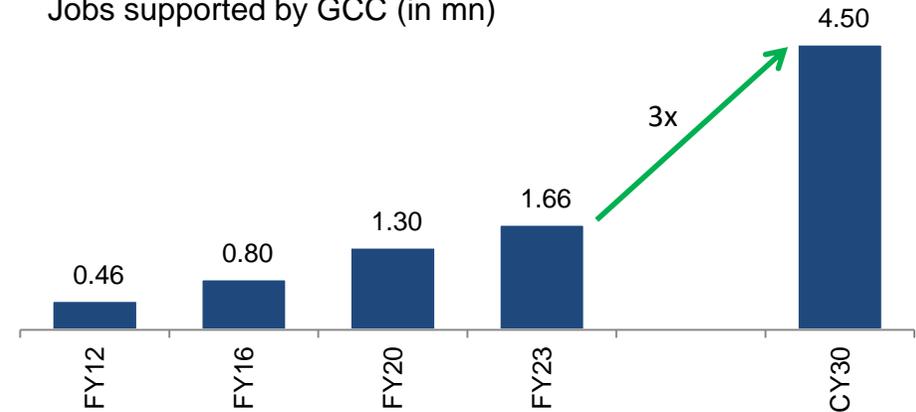


## Large BFSI GCCs also increasing their presence: JPM has nearly doubled its presence in India



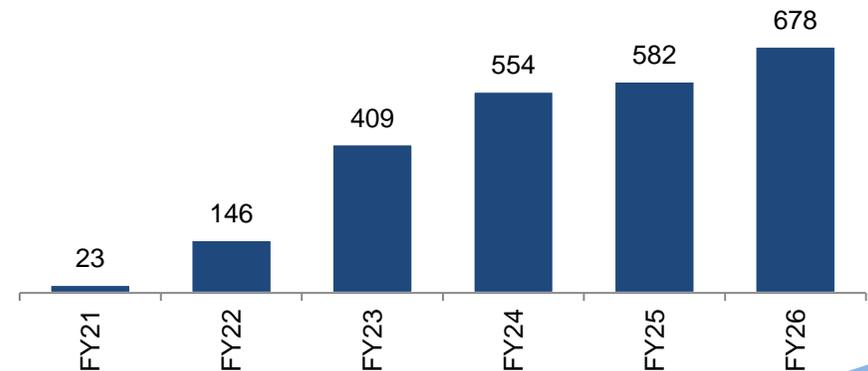
## ...has led to robust job creation, more than offsetting slowdown in hiring by IT services companies

### Jobs supported by GCC (in mn)



## Manufacturing job creation led by PLI# capex

### Capex outlay under PLI scheme (INR bn)



# Supply side consolidating - unlikely to keep pace with accelerating demand

## Consolidation wave due to policy reforms and liquidity crisis...



### Remaining Tier - 2 & 3 players develop:

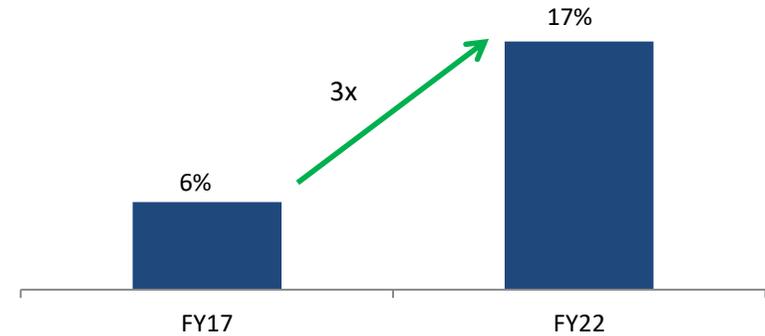
- ✓ Small-sized projects (< INR 5bn)
- ✓ One at a time
- ✓ Take longer (5-7 years) to complete

## Multiple forces leading to consolidation

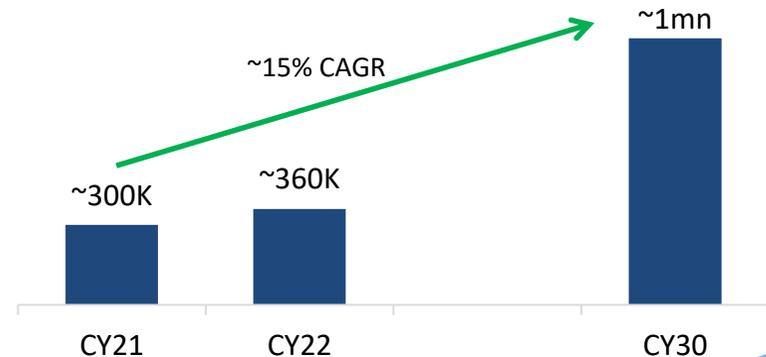
- ✓ Regulatory push: **RERA, Demonetization, GST, Amendment to Benami Act.**
- ✓ Funding squeeze for Tier – 2 & 3 developers:
  - NBFC's exiting market after large losses – wholesale lending bubble popped after IL&FS implosion
  - Inability to **sell during construction**
- ✓ Consumer loss of confidence with Tier – 2 & 3 developers:
  - Having **burnt their lifetime savings**
  - **Failure to deliver or untimely delivery** with poor quality

Source: Anarock

## ...has led to market share gains for listed developers

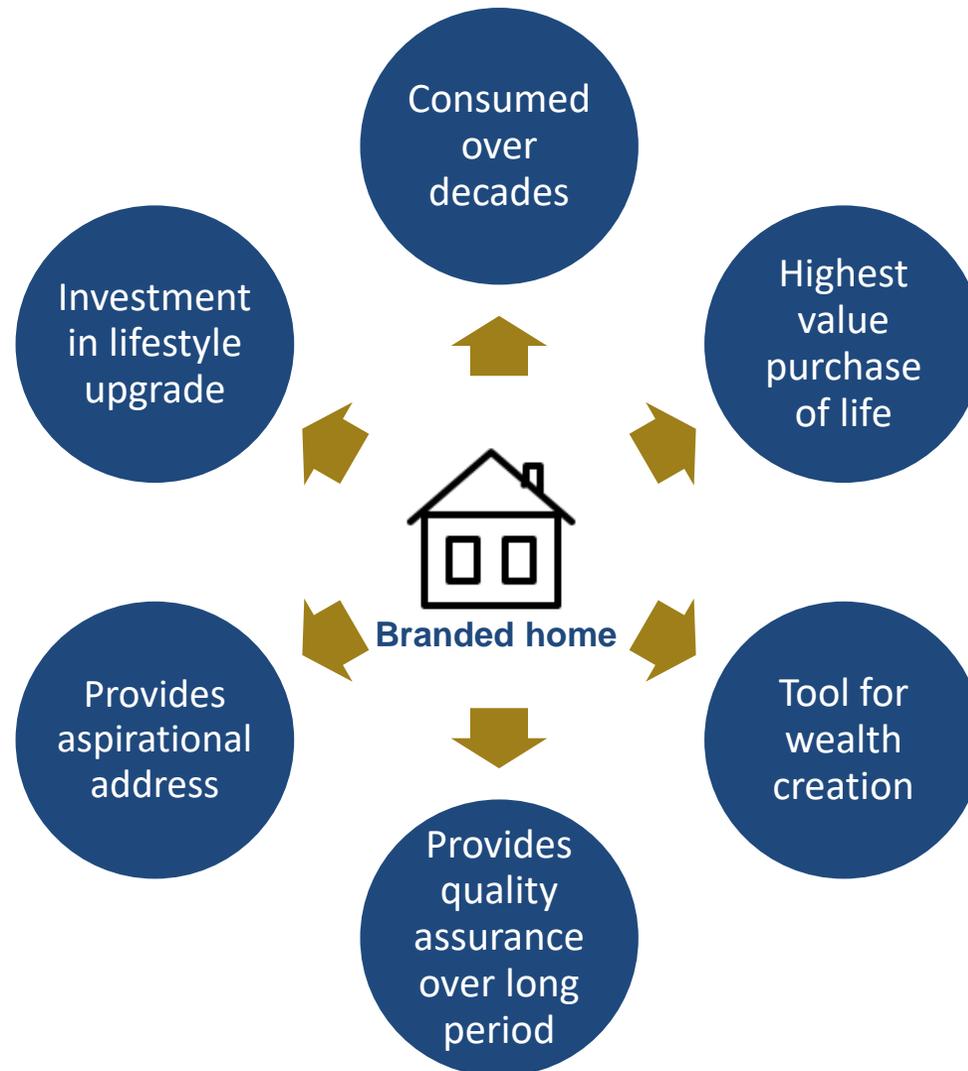


## Housing sales in top cities to reach 1mn by 2030



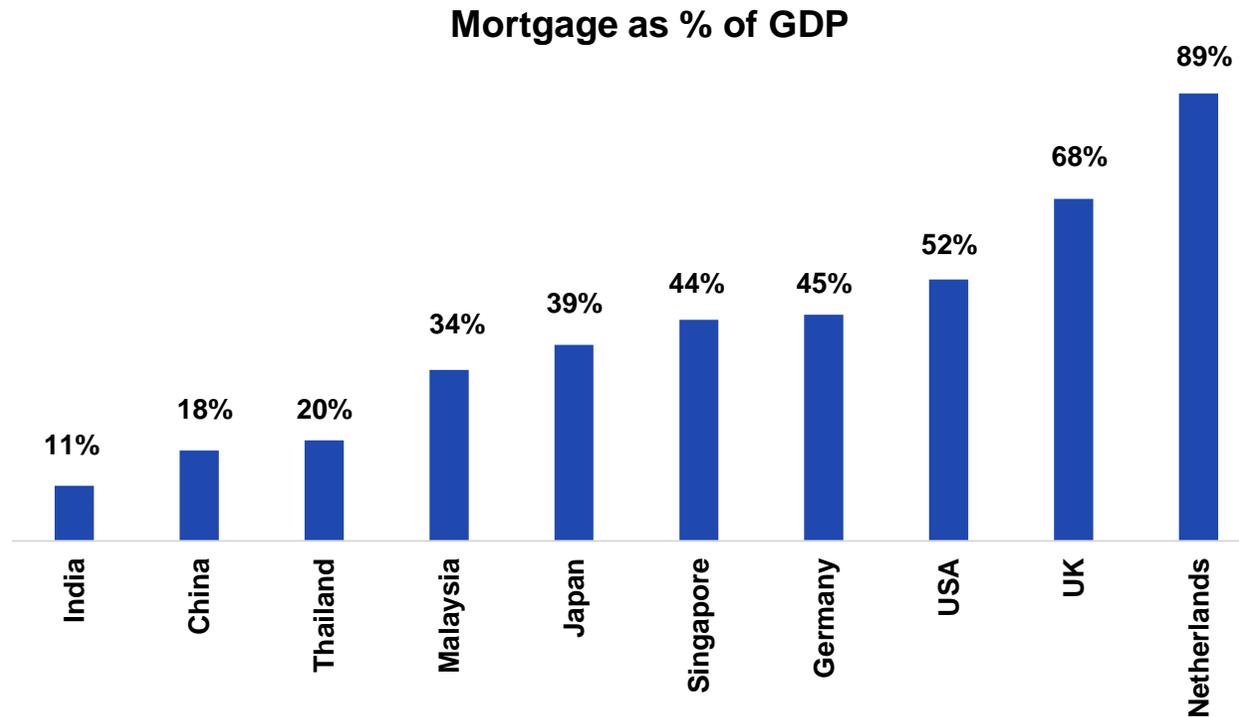
# 'Housing' increasingly becoming a branded 'Consumer Product'

Brand matters the most



# Steady as it goes: Mortgage an enabler, not inducer of demand

- ✓ Conservative Central Bank, low risk mortgage market: LTV < 75%, no teaser rates
- ✓ Rate cycle seem to have peaked pivot likely in 2HFY24
- ✓ Strong performance of mortgages through all parts of the cycle - Intense competition for safe haven mortgage assets leading to plentiful availability
- ✓ A floating rate product; rate cycle well understood by homebuyers. Interest rate change modifies tenure, not EMI
- ✓ Salary growth of 8-10% enables mortgage repayment in 7-8 years



*Low penetration of mortgage provides significant room for growth*

*Housing sales driven by fundamental need and nominal price growth, not by mortgage inducement*

## Low risk to margins from construction cost inflation

- ✓ Construction costs typically forms 25% to 45% of the sales price
  - Of which, one-third is related to low skilled and semi-skilled labor: plentiful supply though migration from rural areas (250+ mn people estimated to be 'underemployed' in agriculture). Hence, labour inflation is low and keep inflation from being 'sticky'
- ✓ Commodity inflation, though often sharp, generally of short cycles as demand and supply adjust to new normal, bringing price moderation in the short term
  - Spurt in commodity price due to Russia-Ukraine war is reversing
- ✓ ~3 year period of construction provides flexibility to manage costs across the project lifecycle
- ✓ Ready and advance under-construction inventory provides hedge against the commodity price inflation

## Construction cost – inflation moderation since Mar-22

Commodity/Component	% Share in total cost	Mar'21 to Mar'22		Mar'21 to Jun'23	
		% Change	Weighted Impact	% Change	Weighed Impact
Steel	12.9%	35.1%	4.5%	5.4%	0.7%
Flooring Tiles	5.0%	23.9%	1.2%	10.4%	0.5%
Electrical/Plumbing	11.8%	10.1%	1.2%	4.5%	0.5%
Labour	34.4%	3.0%	1.0%	4.3%	1.5%
External Windows	3.9%	21.9%	0.8%	8.4%	0.3%
RMC + Cement	11.0%	6.7%	0.7%	13.6%	1.5%
Lifts & Elevators	3.3%	16.6%	0.5%	37.7%	1.2%
Carpentry Materials	3.5%	15.5%	0.5%	5.6%	0.2%
Painting	3.8%	13.1%	0.5%	29.5%	1.1%
<b>Overall</b>			<b>~13.7%</b>		<b>~10.1%</b>

*Construction cost increase since 1st April 21 at ~4% annualized rate (expected to continue moderating)*

*This, in turn, implies impact on COGS of <2% p.a. for our portfolio*

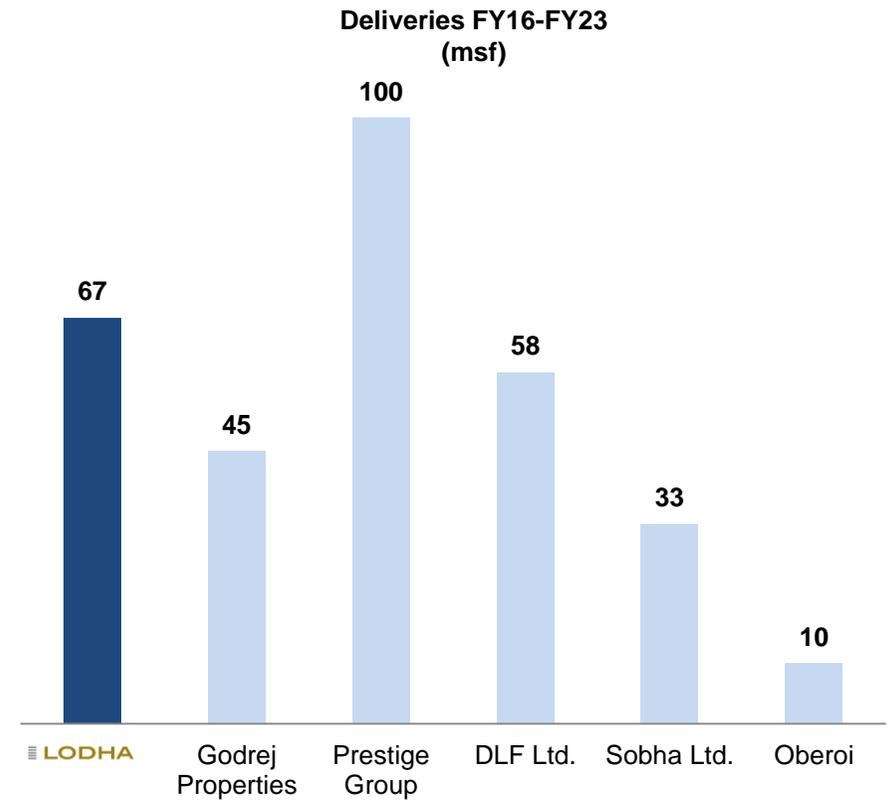
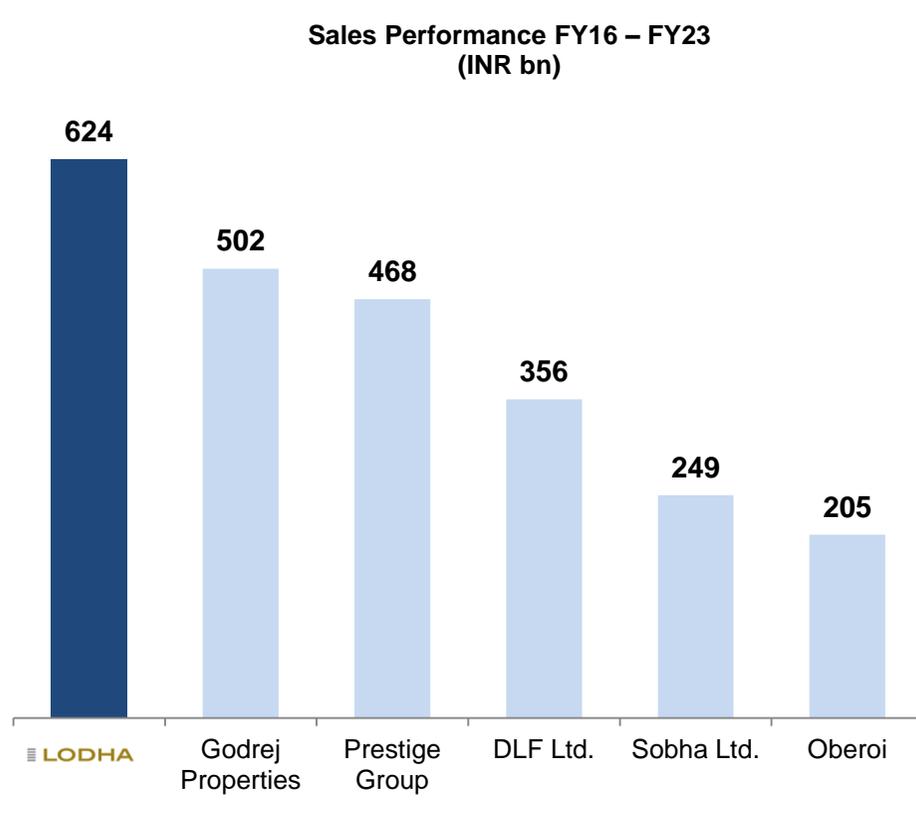


## 02 Lodha's Right-to-win

# Lodha is India's largest residential real estate developer

## Industry dominance through consistent performance

### Sales – Consistently outperformed peers



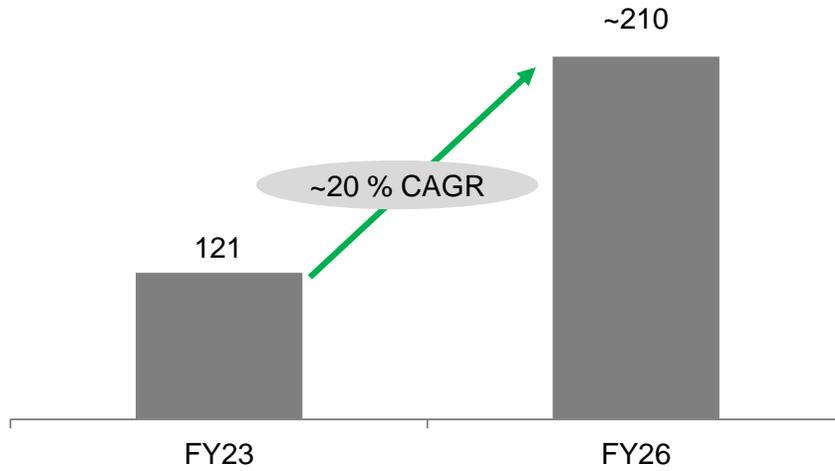
## Strong brand enables faster churn & IRR

- ✓ High customer mind-share as customers look for brand Lodha in their micro-market
- ✓ Available across price points starting from INR 2.5mn to INR 1bn+
- ✓ First to introduce amenities at scale in affordable & mid-income developments; Creates perception of luxury even for affordable & mid-income housing
- ✓ Focus on superior customer experience and product delivery
  - Nearly 20% of pre-sales from existing customers or residents staying in our developments
- ✓ Ability to quickly launch projects after tying up land
- ✓ Sell at scale at launch as well as during 'sustenance'
  - Aim to sell 40% of launched inventory in yr 1, 20% each in yr.2 & yr.3 (sustenance) & rest 20% after completions
- ✓ Enables to generate high IRRs

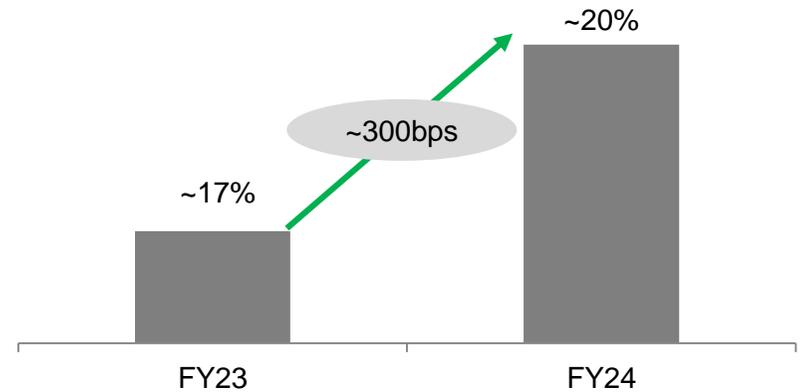
# '20:20' Action Plan

INR bn

Focus to deliver ~20% Pre-sales CAGR & 20% RoE with net debt ceiling of 0.5x D/E and 1x D/OCF



Pre-Sales



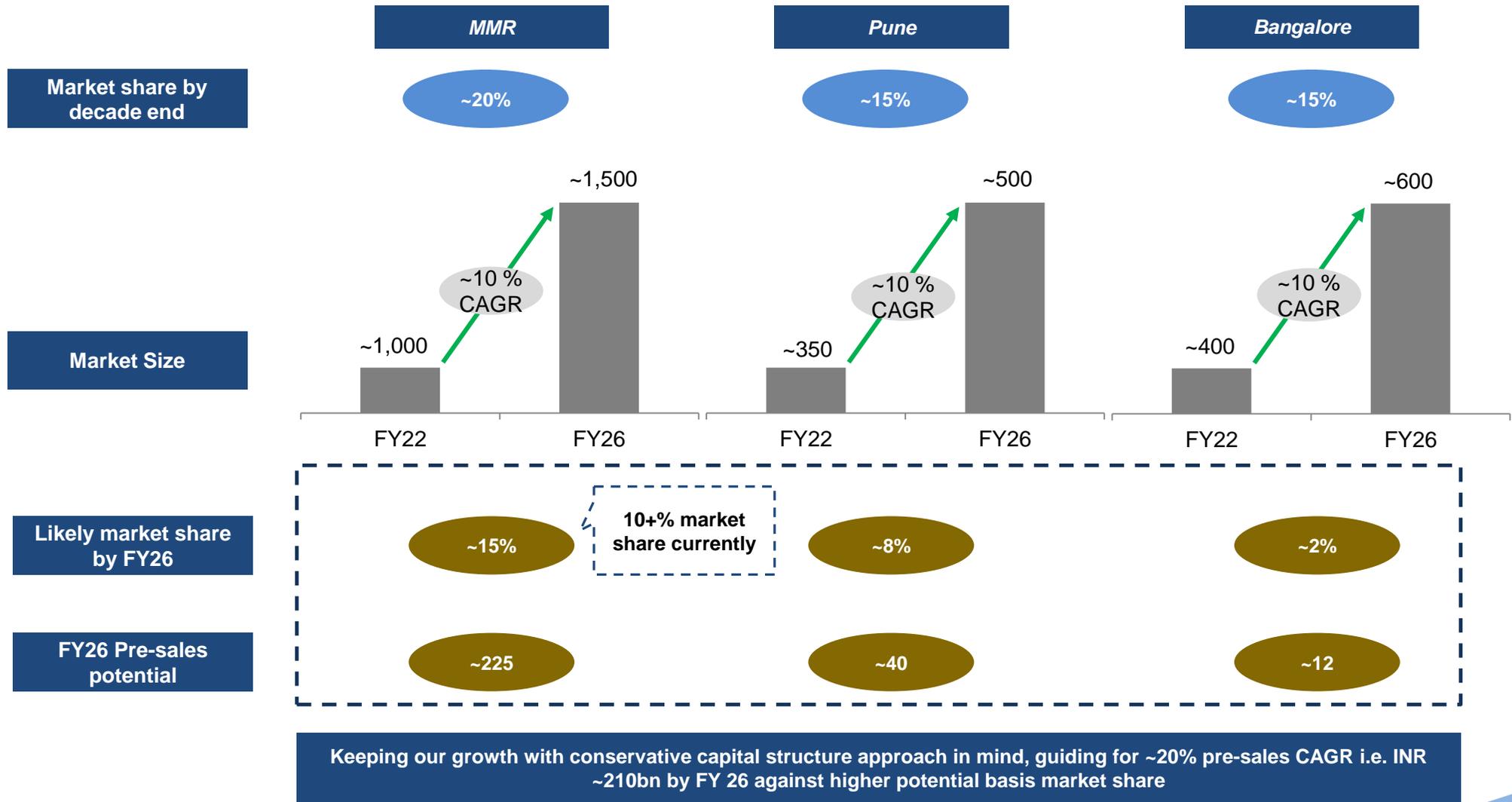
RoE

## ~20% ROE through mix of 'owned' & 'JDA' projects

	Share of pre-sales in steady state	PBT Margin Profile	ROE Profile
Owned land projects	~60%	27-30%	15% to 20%
JDA	~40%	17-19%	30%+
Overall			~20%

# Significant headroom for growth in core markets of MMR & Pune

INR bn



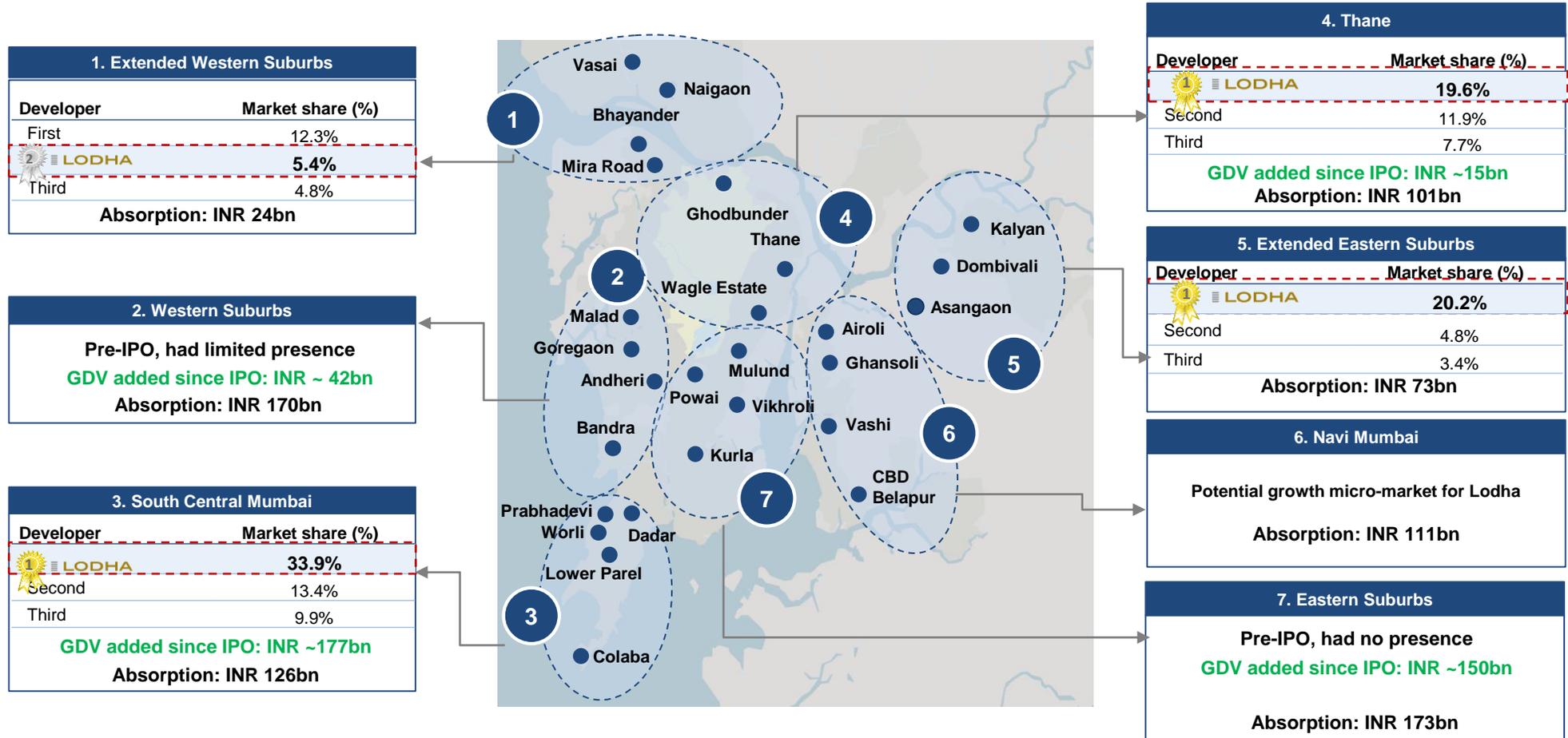
# Business Strategy

- ✓ Micro-market focused growth strategy in MMR, Pune & Bangalore through capital light JDA model
- ✓ MMR: Largest developer with dominant presence in just three of the seven micro-markets; Holding market share in the three micro-markets;
  - Growing significantly in micro-markets with limited presence: Signed 13 projects with INR ~190bn GDV
- ✓ Pune: Accelerating growth; Signed four projects with development potential of 7.6 msf and GDV of INR ~60bn since IPO; advanced stage of signing definitive documents for multiple projects
  - Successful launches reflects strong recognition of brand Lodha
    - NIBM Road (South-East) in Aug'21, sold INR 6.8bn in ~22 months (~62% of launched inventory)
    - Kharadi (North-East) in Nov-22, sold INR 6.1bn in ~8 months (~61% of launched inventory)
    - Hinjewadi (North-West) in Mar-23, sold INR 3.8bn in ~4 months (~50% of launched inventory)
- ✓ Bangalore: Ahead of time entry to build brand through delivery, deepen local knowledge & build local team
  - Measured low-risk growth in first phase; scale up after brand build up
  - Targeting two launches in FY24

# Significant opportunity to scale up in other micro-markets of MMR

## Market leading position in most micro-markets, with potential for growth in other regions

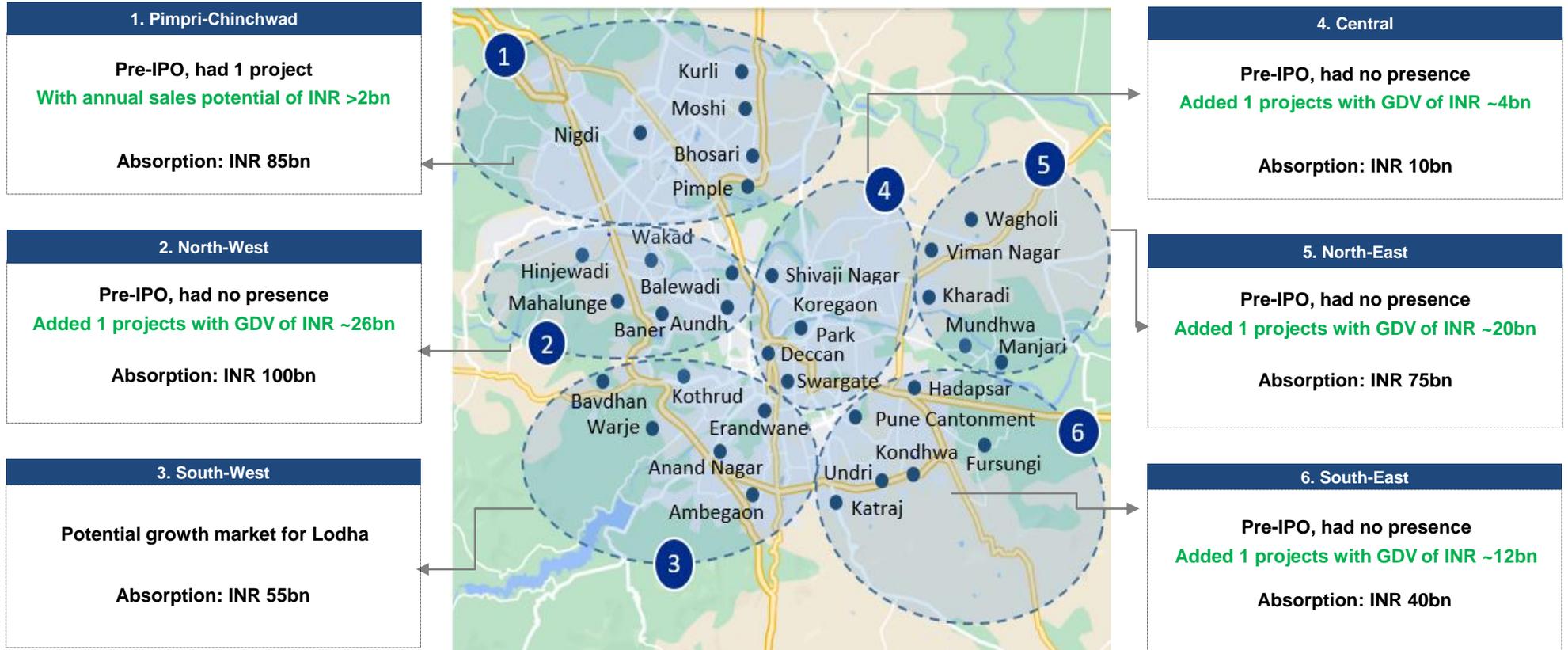
Market share by absorption in INR bn



Tied up INR ~380bn of GDV and development potential of ~20 msf across 22 projects in various micro-markets of MMR

# Accelerating growth in Pune

Establishing presence across multiple locations in INR 365bn market

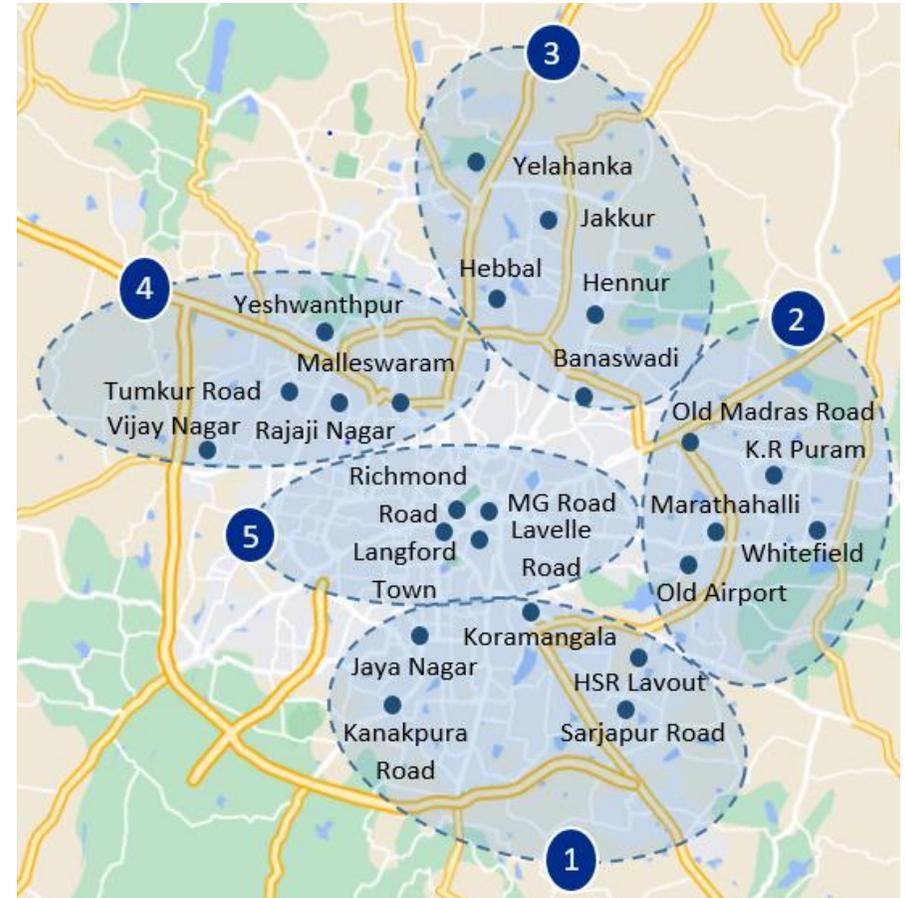


Tied up INR ~60bn of GDV with development potential of ~7.6 msf across four projects in various micro-markets of Pune

# Entered Bangalore housing market

**Market size: INR ~400bn**

	Micro-market	Market Size (INR bn)
1	South	185
2	East	80
3	North	112
4	West	20
5	Central	3
	<b>Total</b>	<b>400</b>

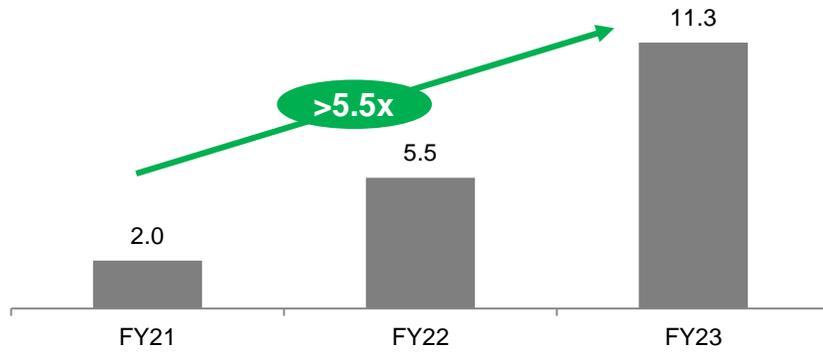


**Signed two project with GDV of INR ~20bn and development potential of ~2.3 msf**

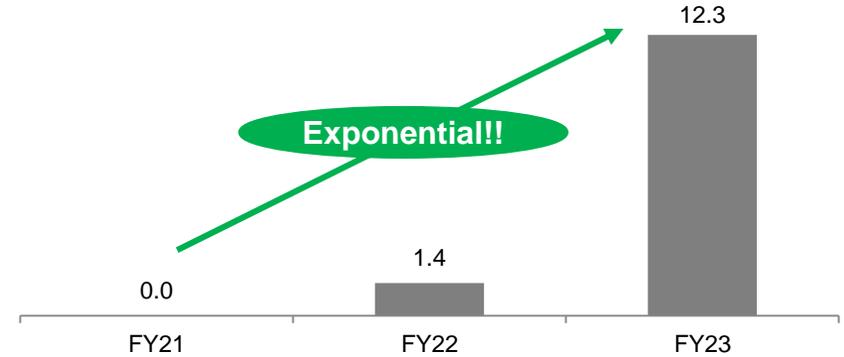
# Exponential growth – Supermarket strategy paying good dividend in targeted micro-markets

INR bn

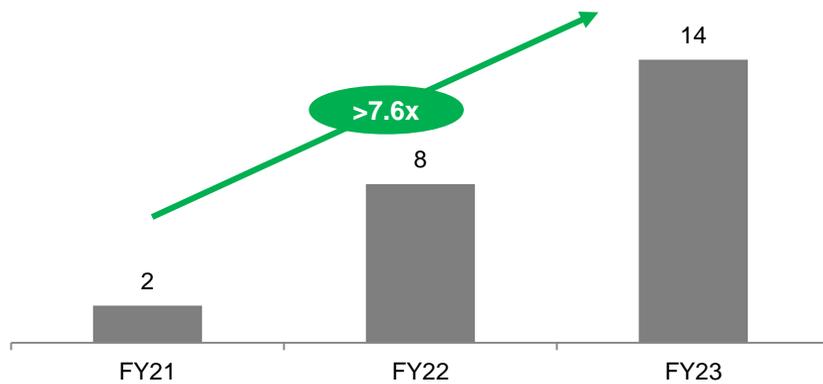
## Pune



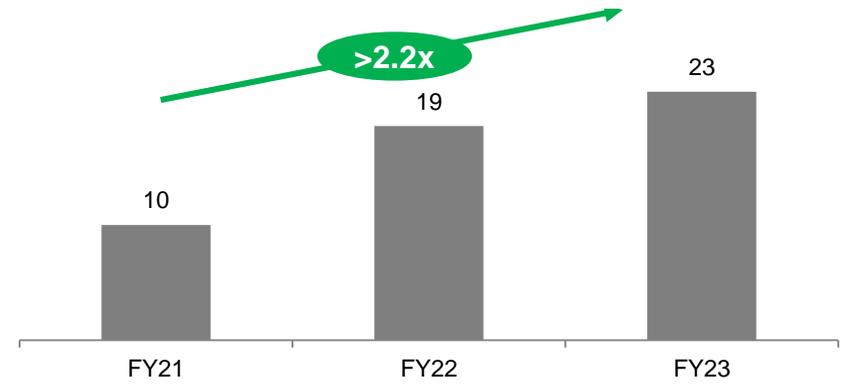
## MMR – Eastern Suburbs



## MMR – Western Suburbs



## Townships

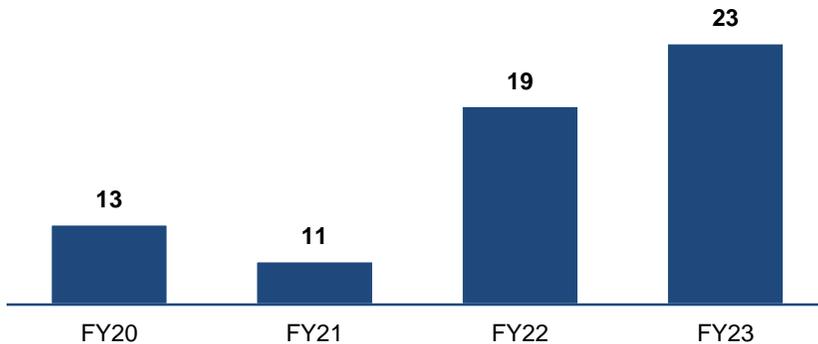


# Township growth set for a significant leap...(1/2)

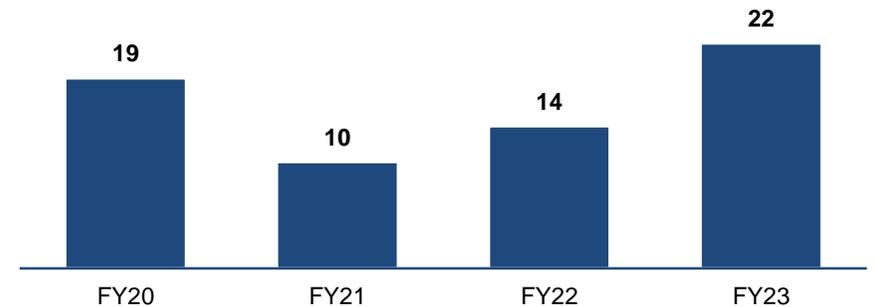
INR bn

- ✓ Developing two large township projects at Palava & Upper Thane with land already paid for
  - Generating annuity like cashflow with >50% cash margin on sales
  - Multiple product innovations such as Plotted Development, Crown (affordable housing), Signet (boutique offices) catering to diversified customer base
  - Digital Infrastructure park at townships to create jobs and virtuous cycle for residential business
  - 4300+ acres of land in these locations – key driver of long-term value creation

**Pre-sales: On track to deliver highest pre-sales ever**



**Collections to ramp-up with the rising pre-sales trajectory**



# ...with completion of major infrastructure projects (2/2)

## Palava

Palava - Airoli travel time to reduce from 40 to 20 mins with the tunnel



Tunnel entry and exit points under completion



Elevated Corridor work in full-swing

Airoli Tunnel Phase I to be operational in 1HCY24

## Upper Thane (UT)

UT approachability to improve sharply on de-congestion by Mahamarg



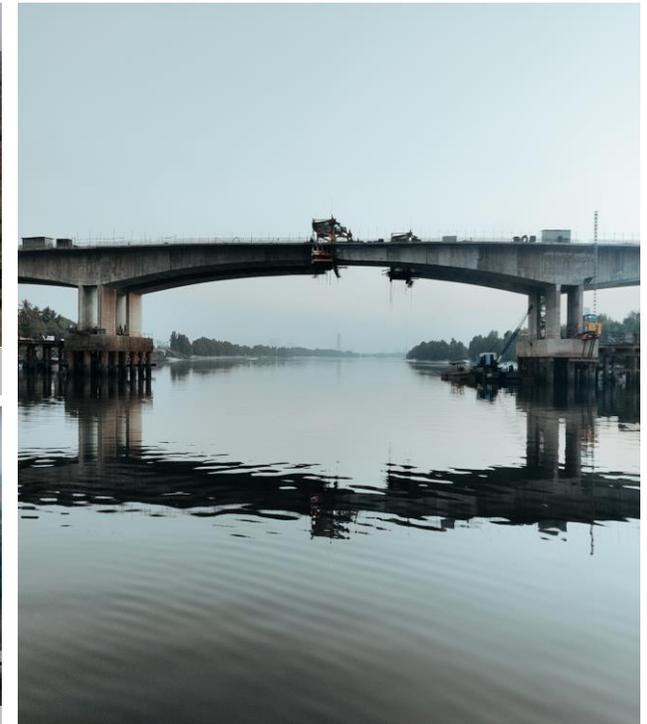
Ph1: Nagpur-Shirdi is live



Ph2: Mumbai-Shirdi Est. Go-live: Dec'2023

Nagpur-Mumbai Samruddhi Mahamarg: Ph1 Live | Ph2 by Dec'23

UT to get closer to Dombivli station with TDLR; travel time 8-10 mins



Construction completed

Thane-Dombivili Link Road (TDLR) To be operational in CY23

# Guidance for FY24

INR bn

	FY23 Actuals	FY24 Guidance	Q1FY24
<b>Pre-Sales</b>	120.6	145	33.5
<b>Operating Cashflow</b>	56.6	~ 60	8.4
<b>New Project Additions</b>	198.0	175+	120.0
<b>Net Debt</b>	70.7	Continued reduction, below ceiling of 1x Net Debt:Operating Cash flow and 0.5x Net Debt:Equity	72.6

Seasonality impact on collections and accelerated growth investments led to marginal increase in debt

## Pro-forma P&L (basis operating performance)

Particulars	FY23		FY24E		Q1FY24	
	INR Bn	%	INR Bn	%	INR Bn	%
<b>Pre-sales</b>	<b>120.6</b>		<b>145.0</b>		<b>33.5</b>	
<b>Embedded EBITDA</b>	<b>38.6</b>	<b>32%</b>	<b>43.5</b>	<b>30%</b>	<b>10.1</b>	<b>30%</b>
D&A	0.9		1.0		0.3	
Finance Cost	10.0		7.5		2.0	
<b>PBT</b>	<b>27.7</b>	<b>23%</b>	<b>35.0</b>	<b>24%</b>	<b>7.8</b>	<b>23%</b>
Taxes (assumed rate: 25.2%)	7.0		8.8		2.0	
<b>PAT</b>	<b>20.7</b>	<b>17%</b>	<b>26.2</b>	<b>18%</b>	<b>5.8</b>	<b>17%</b>
<b>RoE</b>	<b>~16.7%</b>		<b>~19.6%</b>			

# High quality management team



**Shaishav Dharia**  
**CEO – Townships, Director – GDI Platform**  
 ■ Formerly worked with McKinsey & Company and Logic Tools



**Prateek Bhattacharya**  
**CEO – Western Suburbs & Thane**  
 ■ Formerly served as Expert Associate Principal at McKinsey and Co.



**Rajib Das**  
**President - Eastern Suburbs & Navi Mumbai**  
 ■ Formerly worked with Godrej Group, Indiabulls Properties



**Tikam Jain**  
**CEO – Pune**  
 ■ Grown at Lodha with 25 years of association, last position held as Head CPT



**Rajendra Joshi**  
**CEO – Bangalore**  
 ■ Formerly associated with Brigade Enterprises, Mahindra Lifespaces



**Sushil Kumar Modi**  
**Chief Financial Officer**  
 ■ Formerly worked at GMR, Aditya Birla Group & JSW Steel



**Prashant Bindal**  
**Chief Sales Officer**  
 ■ Formerly part of Spice Mobilitiy, Walmart India and Hindustan Coca Cola Beverages



**Rajesh Sahana**  
**President – Customer Experience**  
 ■ Formerly worked with Globacom, Reliance Jio, Bharti Airtel, ABN Amro & Bank of America



**Janhavi Sukhtankar**  
**President – Human Resources**  
 ■ Formerly held senior positions at Greenpeace International & Sanofi India



**Rajesh Agrawal**  
**President - Procurement**  
 ■ Formerly served as Group CPO at Adani Ent. & held senior positions at RIL, JSW



**Deepak Chitnis**  
**Chief Designer**  
 ■ Previously served as senior architect at Oberoi Constructions Pvt Ltd



**Rajat Kumar Singh**  
**President- Finance**  
 ■ Formerly worked with Adani Group, Reliance Group & GMR



**Shyam Kaikini**  
**President – Hospitality & Property Management**  
 ■ Formerly associated with Taj Hotels, Jumeirah International



**Mark Griffiths**  
**Head – Pre-Constructions, QA & EHS**  
 ■ Formerly worked with Leighton Contractors, Boulderstone & Hornibrook

**COOs**

- Satish S: Ex-Arabtec.
- Shrikanth K: Ex- Phoenix
- Yogendra B: Ex- L&T
- Brijmohan C: Ex-Arabtec

**Const. Mgmt. Team**  
 25+

Significant experience across industries & functions

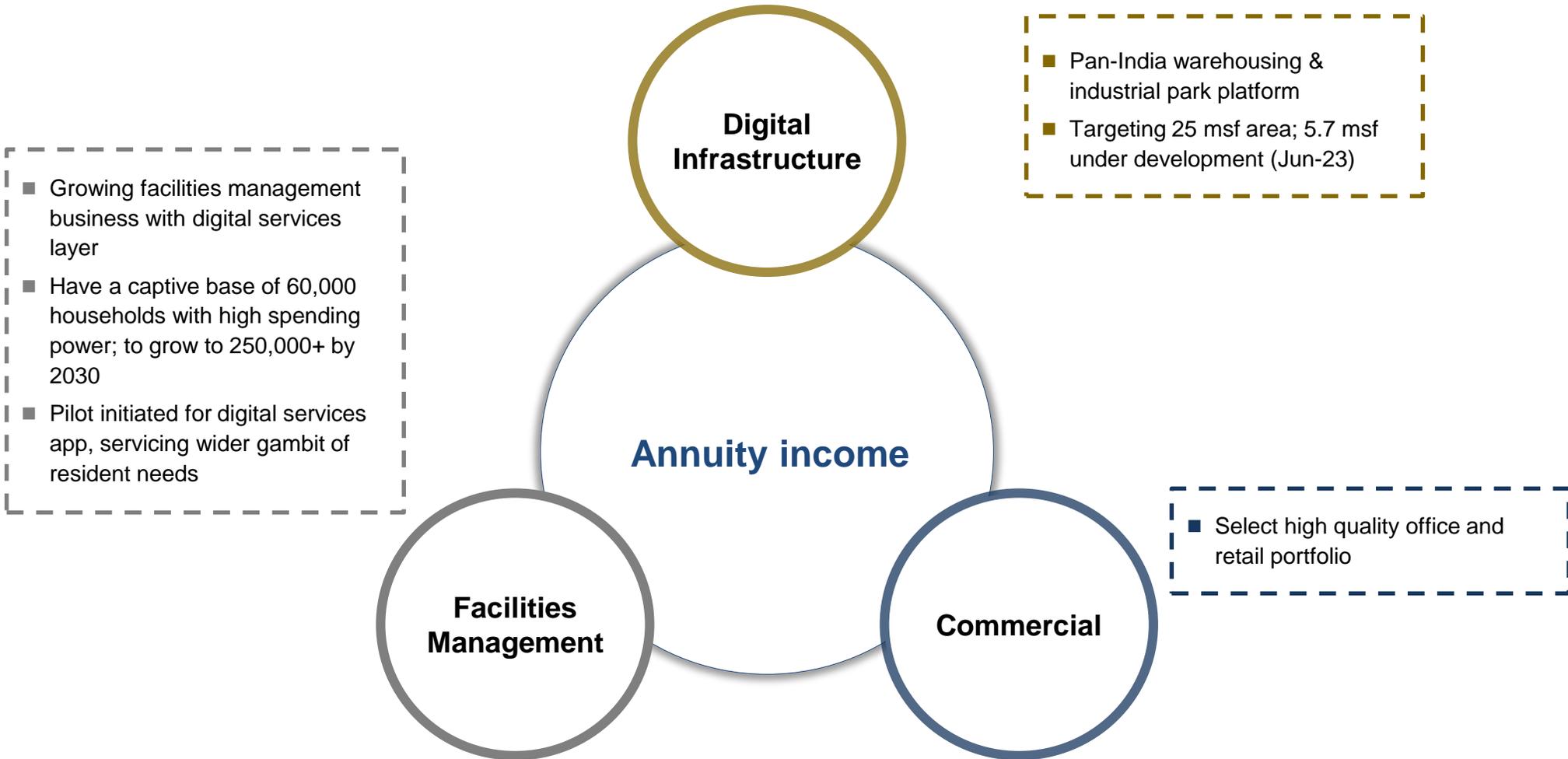
Depth of Experience in Key Competencies

Excellent Domain Knowledge



# **03** Building annuity streams with low investments

# Building annuity income portfolio



Targeting INR ~5bn of net annual income by FY26 and INR ~15bn by FY31

# Rapid digitization of Indian economy to provide immense opportunities

- ✓ Developing Warehousing, Logistics, Data Centers, Light industrials catering to digitization of economy
- ✓ Opportunity to be amongst top 3 Digital Infrastructure (DI) players in India: **Dedicated ~3,400 acres land for this segment near our townships at Palava & Upper Thane**
- ✓ **Strong demand:**
  - Led by e-commerce, logistics, global manufacturing diversifying beyond China and India capitalizing on the same through incentives like PLI<sup>1</sup>
    - Strong outlook<sup>2</sup> for Ecommerce (~25% CAGR till 2027), Warehousing (~20% CAGR till 2025), Data Center (2x in 3 years)
- ✓ **Need for strong India based player:**
  - DI industry largely served by international investors; No large India developer present significantly
  - Land acquisition and execution capabilities key differentiators
- ✓ **Long term sustainable growth opportunity**

<sup>1</sup>Production-linked Incentive Scheme

<sup>2</sup>Source: Report from Anarock

# Recurring cashflow generation through land monetization

- ✓ ~340 acres land monetized since Jan-21 including:
  - ~110 acre in Green Digital Infra. Platform with Bain Ivanhoe Cambridge and Bain Capital
  - ESR Park on ~90 acres (started as a JV with MDL, monetized our stake in 2QFY23)
  - JV with Morgan Stanley Real Estate Fund on ~72 acres
  - Outright sale to FM Logistics (French 3PL), Flyjac Logistics (Japanese 3PL), Aptar Pharma (USA) etc.

## Targeting annual inflow of ~INR 5-7bn from monetization of assets for digital infrastructure

	Jan-21 to Jun-23	Q1FY24
For Digital Infra use	9.2	0.4
JVs/Platform	4.6	-
Outright	4.6	0.4
For other uses	6.3	0.5
<b>Total</b>	<b>15.5</b>	<b>0.9</b>

Creates virtuous cycle for our nearby developments due to job creation and infra building

# Pan-India Digital Infra Platform in capital light manner

- ✓ **Pan-India Platform in JV** with Ivanhoe Cambridge and Bain Capital with planned investment of ~USD 1 billion
  - Lodha's equity contribution largely in the form of land assets and in-city warehouses (part of large residential developments)
  - Lodha to be operating partner for the platform
  - Annuity income in the form of share of rentals and fees

## ✓ KPIs

Period	Area (msf)	Notable Clients
Area Under Development	5.7	
Area Under Construction	1.4	Skechers, Schlumberger

- ✓ Traction from end users of diverse industries e.g. E-commerce, EV Ecosystem, FMCG, Fashion & Sportswear retailers, Consumer Goods, Engineering Goods, Life Sciences, 3-PL, Logistics, Building Materials etc
- ✓ Handover of Skechers & Schlumberger facilities, to start generating rent from H2
  - In addition, Aptar Pharma & Flyjack (outright sold) to be operational in 2023 boosting economic activity of the township



**Shaishav Dharia**  
**Director – GDI Platform**  
 ■ Formerly worked with McKinsey & Company and Logic Tools



**Devender Singh Rawat**  
**CEO – GDI Platform**  
 ■ Formerly CEO of Bharti Infratel, also worked with Ericsson, Huawei

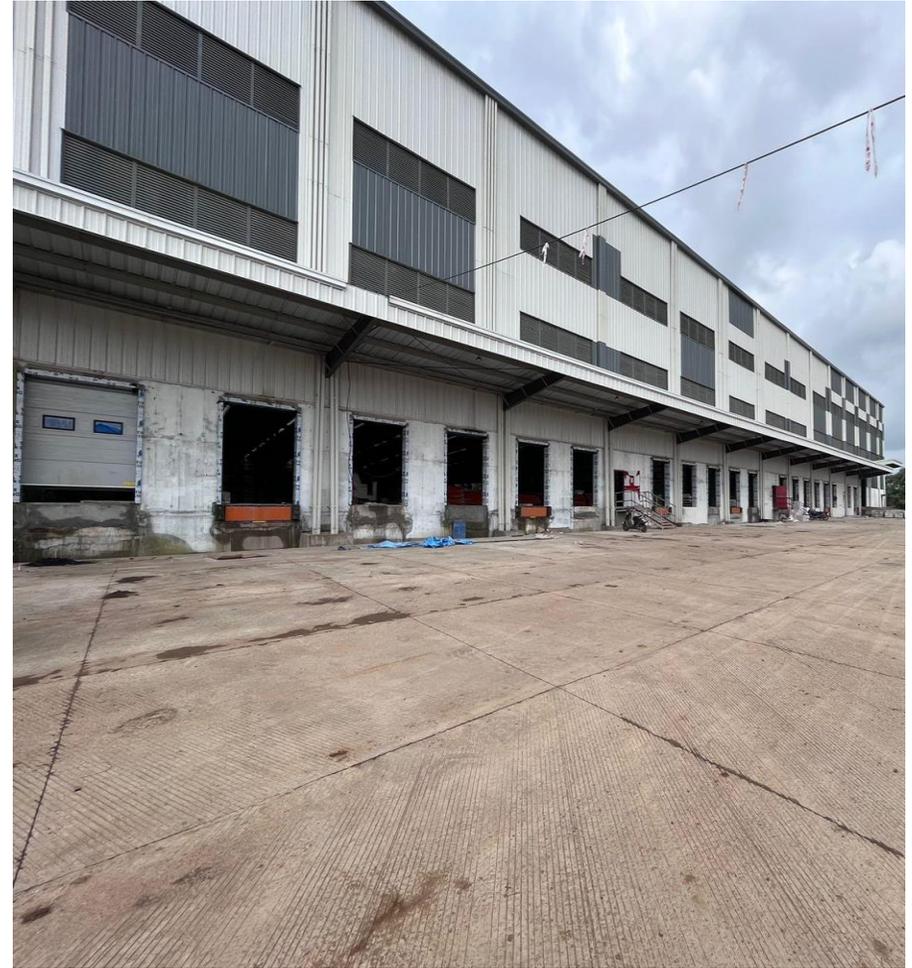


**Ramit Chopra**  
**Head – BD & Leasing, GDI Platform**  
 ■ Formerly worked with Embassy Industrial Parks, Indospace



**Bhaskar Kamat**  
**Chief Land Officer, GDI Platform**  
 ■ Formerly worked with DLF, Godrej Properties

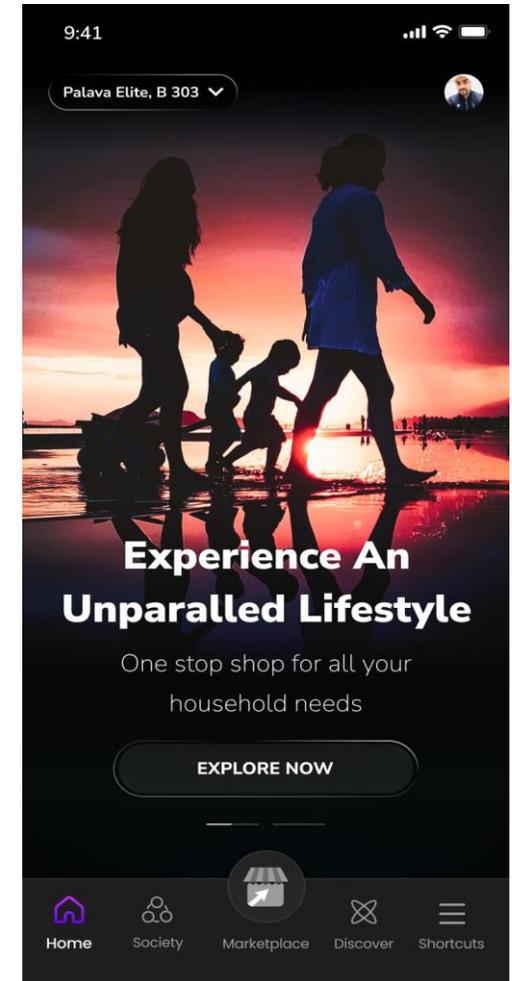
# India's largest warehousing box ready, handed to Skechers for fit outs



To start generating rent from H2FY24

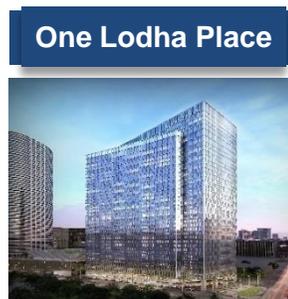
# Growing facilities management business with a digital services layer

- ✓ Growing facilities management business on the back of rising number households staying in Lodha developments
  - Captive base of 60,000 households; likely to rise to ~250,000 by 2030
  - Strong understanding of consumers and their spending patterns
- ✓ Adding digital layer to already established facility management business to provide seamless customer experience through integrated platform and offer:
  - Home improvement products and services
  - Near Commerce (not serviced by legacy e-commerce)
  - Real estate services eg. resale/ rental
- ✓ Potential to onboard other developments (other than those by direct competitors) and add a critical mass of consumers
- ✓ Core team for technology & business in place; **Signed up with 40+ brands; Pilot launched under the brand 'BelleVie' in April-23**



Strategic business opportunity to generate significant recurring service / fee income

# Commercial assets with rental potential of INR ~2.6bn p.a.



Area in msf

Location	Worli (World Towers)	Palava (Office)	Xperia Mall
Leasable area^	0.73	0.58	0.42
Area Leased^	0.2	0.15	0.39
Status	Ready	0.43: Under development (Est. completion in 2023)	Operating
Annualized Rental Income	INR ~2,000+ mn p.a	INR ~270mn*	INR ~300mn *

\* Basis Jun-23 monthly rentals ^excluding area sold to 3<sup>rd</sup> parties



# 04 Growing in sustainable manner

# We are *best in class* when it comes to measured ESG performance



## S&P Global Corporate Sustainability Assessment 2022

Among the **top ~1%** of the 867 global real estate companies; Featured in the **S&P Global Sustainability Yearbook**



## GRESB Development Benchmark 2022

**5-star rating** with a score of 95/100 in the category “Residential: Multi-family: High-rise”



## GRESB Standing Investments Benchmark 2022

**4-star rating** with a score of 83/100 in the category “Diversified – Office/Retail”



## Sustainalytics

Received **ESG Risk Rating of 13.8**, was assessed to be at “**Low-Risk**” category of ESG risk severity



## WBA Buildings Benchmark

Ranked **4th** among the 50 keystone buildings sector companies globally



## FTSE4Good Index Series

Included in the **FTSE4Good Index Series** in the June 2023 index review

# Strong focus on ESG driven by our empowered Board of Directors



**Abhishek Lodha**  
*Managing Director*

- Holds a master's degree in science (industrial and systems engineering (supply chain & logistics) from Georgia Institute of Technology
- Worked with McKinsey & Company, USA



**Mukund Chitale, Independent Director and Chairman**

- Director on the Board of L&T
- Former President of ICAI and Chairman of Ethics Committee of BSE



**Rajinder Pal Singh, Non-Executive Director**

- Director on the Board of Maruti Suzuki
- Former Chairman and Managing Director of Punjab & Sind Bank and Chairman of NHAI



**Ashwani Kumar, Independent Director**

- Former Chairman and Managing Director (CMD) of Dena Bank and board member of the LIC
- President of the Indian Institute of Banking and Finance



**Lee Polisano, Independent Director**

- Founding partner and President of PLP Architecture, UK; Fellow member of the American Institute of Architects
- Globally recognized for architectural and urban design work, emphasizing underlying concern for environment



**Rajeev Bakshi, Independent Director**

- Former MD & CEO of Metro Cash & Carry and formerly associated with Pepsico, Cadbury Schweppes
- Currently on the board of Cummins India, Dalmia Bharat Sugar



**Harita Gupta, Independent Director**

- Formerly associated with Microsoft and NIIT Technologies
- Currently leading APAC and Global Enterprise Business at Sutherland Global Services



**Rajendra Lodha, Whole-Time Director**

- 31 years of experience in all facets of real estate development
- Bachelor's degree in civil engineering from M.B.M. Engineering College, University of Jodhpur



**Raunika Malhotra, Whole-time Director, President - Marketing and Corporate Communications**

- 15+ years of experience in leadership, corporate strategic planning, consumer insights and brand management
- Formerly worked with ECS Limited and Adayana Learning Solutions in strategic consulting

# Our ESG Philosophy: Do Good, Do Well



Environmental

Ensure sustainability in our core operations by **positively impacting** the natural environment. **Not to contribute to global warming**, and operate through a **resilient** value chain

- Climate Resilience: Be resilient to climate change while not contributing to global warming
- Achieve net carbon zero in Scope -1,2 in operations by the year 2024
- Align Scope 3 emissions reduction roadmap with 1.5°C ambition for 2050



Social

Positively impact our people and community through utmost **respect to human rights, diversity and inclusion, and philanthropy**

- Create a more diverse & inclusive workforce, with a workplace gender diversity ratio of 44% by 2027<sup>^</sup>. Focus to make work environment more and more engaging & learning oriented
- Safety first: Ensuring a safe working environment at our sites to achieve zero fatality, zero hospitalization and lowest lost time injury in the industry.
- Support brightest and deserving minds in the country to get access to quality education to achieve their full potential and promote healthcare and vocational training in the community



Governance

Bring about an industry transformation by **leading ethically and bolstering trust** through high degree of transparency and accountability

- Strong board with diverse experiences to guide management through the business cycles
- Meet expectation of diverse set of stakeholders through deeper engagement, transparent communication & ethical business conduct
- Strong risk management framework

We see ESG issues as long term business risks, and not simply as a compliance risk



We mitigate or adapt to the risks through action backed by organizational policies and processes; while engaging with our stakeholders all along



We endeavour to report this de-risking journey transparently to all stakeholders, to build trust and gain momentum



Establish credentials by taking leadership positions on all applicable benchmarks

<sup>^</sup> excluding construction workforce

# Strategy to achieve the overarching ESG Goals

Our strategy helps us identify initiatives that enhance our impact and brings together our larger set of stakeholders to partner in the journey with us

## Our ESG Goals

**E**

Ensure sustainability in our product and operations by positively impacting the natural environment

**S**

Positively impact our people and community through utmost respect for human rights, diversity and inclusion

**G**

Drive industry transformation by leading ethically and bolstering trust through high degree of transparency & accountability



# Progress made in Environmental Sustainability

Overarching Goals

Achieve Carbon Neutrality in operations (Scope1, 2) by the year 2035 or earlier

Align Scope 3 emissions reduction roadmap with 1.5 °C ambition

Be resilient to climate change while not contributing to global warming

Through “**Lodha Net Zero Urban Accelerator**” in partnership with RMI – undertaking Initiatives covering entire spectrum of emission in built-environment & using Palava as a city-scale living laboratory to offer a development template that can demonstrate growth decoupled from emissions is possible - For more [here](#)

Part of ‘Build Ahead’ coalition by Xynteo to accelerate use of low-carbon building materials

~72% reduction in absolute GHG emissions – Scope 1, 2 – since FY 18

Advanced our net zero carbon emission for Scope-1 & 2 to CY24 from CY27

Renewable Energy: Transitioning to 100% of energy used on construction sites and assets to renewable sources through on-site generation & off-site purchases, achieved 90% as of Mar-23

Enabling switch to Electric Vehicles for residents at our developments - 97 active EV chargers installed across sites by Tata Power as of Mar-23

Partnered with mobility players at our projects - ~14 mn passenger-km/annum of private transportation switched to shared mode (FY23), potential emissions reduction of ~1,600 tCO<sub>2</sub>e.

Over 42 MLD capacity of STPs installed across our projects

>25 tonnes capacity of organic waste management plants installed across projects

Sustainable and recycled material contribute to ~25% of the construction spends on material (FY23)

72% of direct material purchase (in value) from local suppliers, within 400km radius (FY23)

One Lodha Place – Our flagship office building

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Received LEED v4 BD+C:CS Platinum Pre-certification, the highest rating for green buildings

Received IGBC Net Zero Energy (design) certification

Lodha Digital Infrastructure Park – LEED Platinum pre-certified by IGBC

Aligned our report with TCFD recommendations

Submitted science-based targets for verification to SBTi

Achieved 5 star rating in 2022 GRESB Development Benchmark for Residential with a score of 95/100, amongst Top 3 in Asia

# Progress made in Social and Governance dimensions

Governance	Social	
Board	Our People	Communities
<p>Expanded Board and inducted as Independent Directors:</p> <ul style="list-style-type: none"> <li>• <b>Mr. Rajeev Bakshi</b>, formerly associated with Pepsico, Cadbury Schweppes</li> <li>• <b>Ms Harita Gupta</b>, formerly associated with Microsoft, NIIT Technologies</li> <li>• <b>Mr. Lee Poliso</b>, a world renowned sustainability expert</li> </ul> <p>Constituted ESG Committee at the board headed by an Independent Director</p>	<p><b>Diversity &amp; Inclusion (44% Women by FY27)</b></p> <p>Women represent 27%* of employee strength as of Mar-23</p> <p><b>Learning &amp; Development (8 man days by FY27)</b></p> <p>Achieved ~23 learning man-hrs per associate in FY23</p> <p>Annual Sustainability goals for all senior leaders</p> <p><b>Experience and Engagement (&gt;95 by 2027)</b></p> <p>Achieved NPS score of 59 – up by 44%</p>	<p><b>Enabling Livelihood for Women</b></p> <p><b>Project Unnati - Develop women-only job hubs within 20 min walk</b> from our affordable housing developments that provide skilling and job opportunities</p> <p>Under the project, offering workspaces <b>“Lakshmi Bhawan” at 75% discount</b> to companies absorbing at least 500 women from the vicinity in their workforce and provide right enabling environment to work consistently, productively and safely</p>
Disclosures	<p><b>Empowering our talent</b></p> <p>Instituted various rewards under our flagship initiative LACE &amp; programs like Lodha KAG and EXCEL at Lodha to nurture future leaders</p>	<p><b>Education</b></p> <p><b>Lodha Genius</b> –in partnership with Ashoka University, India’s leading Liberal Arts &amp; Sciences University, to help the brightest students across our country to achieve their full potential</p> <p>Program to identify such students and support them <b>by providing academic exposure, opportunities for growth, financial support and mentorship</b></p> <p>First <b>cohort of 96 students</b> from diverse backgrounds underwent <b>a month long campus program</b> &amp; mentoring by some of the finest minds in the world <b>including Nobel Laureates</b></p>
<p>Published our <b>2<sup>nd</sup> Integrated Annual Report for FY23</b></p> <p>Created best in class disclosure standards in Real Estate Industry -appreciated by stakeholders</p>	<p><b>Human Rights</b></p> <p>Human Rights Due Diligence Assessment completed for our operations including associates and contractual workforce</p>	
<p><b>Achieved SEBI’s MPS requirement of 25% public float well before outer timeline of April-24</b></p>	<p><b>Health and Safety</b></p> <p>Achieved Lost Time Injury Frequency Rate of 0.054 with &gt; 46mn safe man-hours</p>	

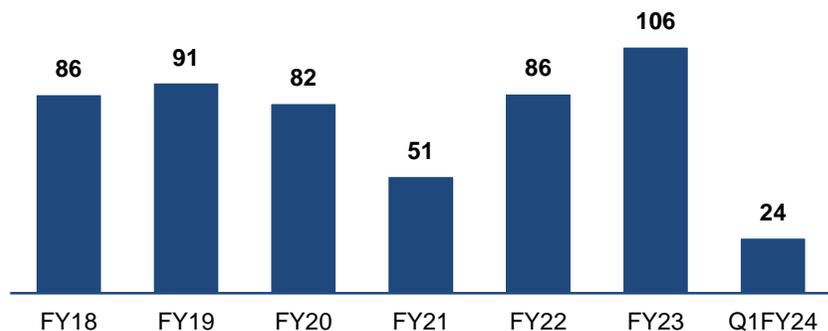
\*in non-construction work force; ^LACE: Lodha Associate Celebrates Excellence, KAG: Key Associate Group



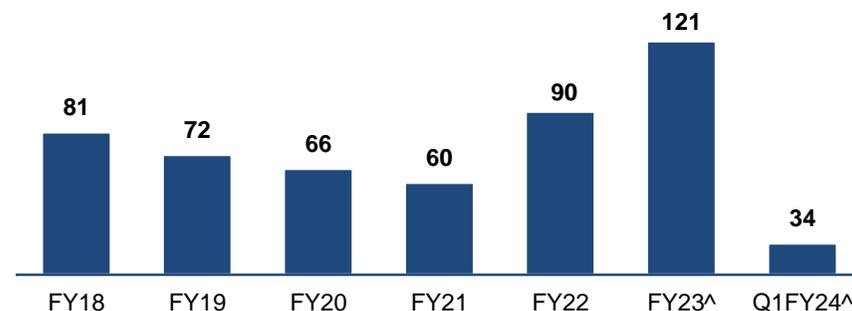
# 05 Financial Highlights

# Strong execution track record

## Collections (INR bn)



## Sales (INR bn)



## Summary financials (INR bn)

	FY19	FY20	FY21	FY22	FY23	Q1FY24
Revenue from operations	119.1	95.8	54.5	92.3	94.7	16.2
Adjusted EBITDA <sup>1</sup>	37.2	28.3	15.4	32.4	29.7	4.6
Adjusted EBITDA <sup>1</sup> %	31.3%	29.6%	28.3%	35.1%	31.4%	28.7%
Adj. Profit/ (Loss) <sup>2</sup>	17.1	11.5	3.4	12.6	17.7	1.7
Adj. Profit/ (Loss) <sup>2</sup> %	14.4%	11.8%	5.9%	13.2%	18.2%	10.2%

Lower OCs during Q1 impacted revenue recognition, leading to negative operating leverage; Adj. EBITDA margin to sustain at ~30%

Q1 profitability impacted due to lower revenue recognition; to normalize at high teens for the full year

## Consistent track record of margin and profitability

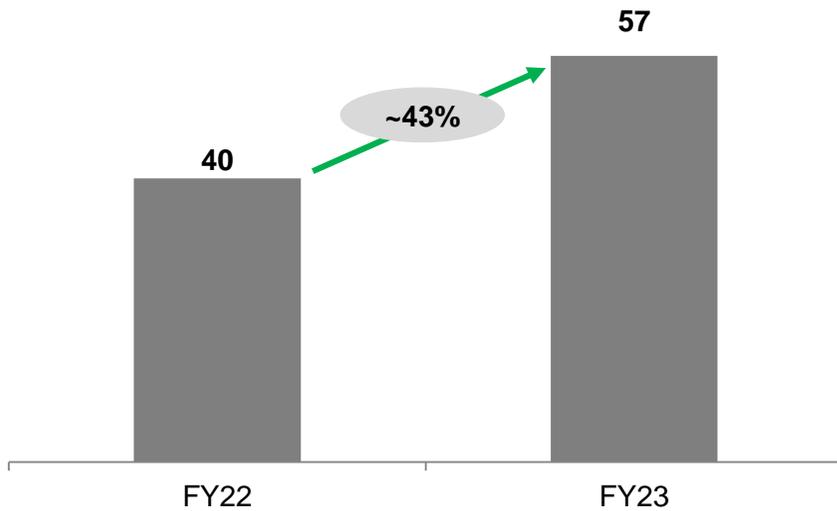
Note: <sup>1</sup>Includes DM Sales of INR 6.0bn and 0.05bn in FY23 and Q1FY24 respectively

<sup>1</sup>Adjusted EBITDA = After Grossing up of Finance cost included in cost of project; <sup>2</sup>Adjusted Profit/(Loss) = ex. Forex & Exceptional Item (Provision against UK investment in FY23, will benefit from tax break on it),

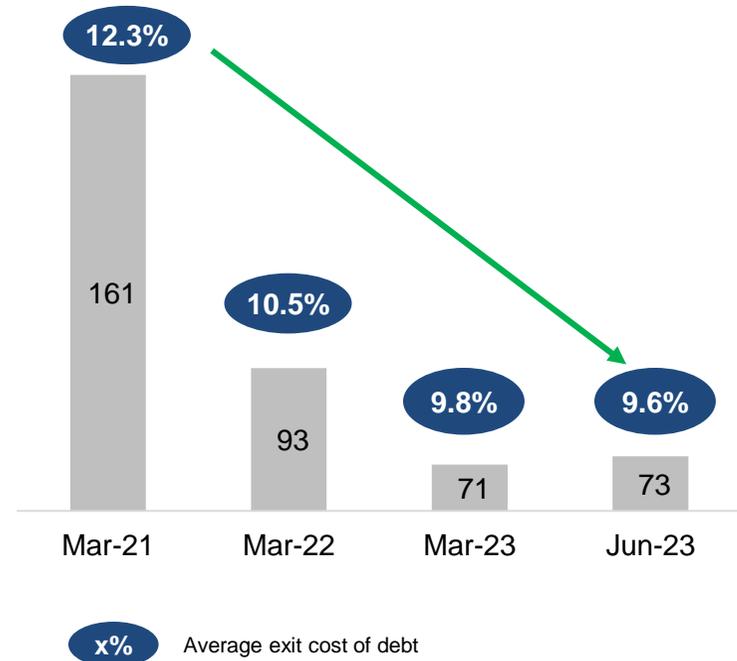
# Generating significant operational cashflow for growth

INR bn

## Operating cashflow at INR 57bn



## Net debt and cost of debt on declining trajectory



## Business Development: Five new projects added in Q1FY24

INR bn

Micro-market	Saleable Area (msf)	Est. GDV
MMR – South Central	4.3	74
MMR – South Central	1.1	16
MMR – South Central	0.4	12
MMR – Western Suburbs	0.3	10
Bengaluru - South	1.0	8
	<b>7.1</b>	<b>120</b>

## Good mix of inventory for sustainable growth

Micro-markets	Pre-sales (FY23)	Residual Collections from Sold units	Ready unsold	Ongoing unsold	Planned Inventory Launches				Land Bank <sup>#</sup>
					In next 12 months		Beyond 12 months		
					Own Land	JDA Projects	Own Land	JDA Projects	
					Mn. Sq. ft.				
South & Central	39.1	30.9	28.8	74.4	0.3	1.0	0.9	6.1	-
Thane	12.6	10.2	2.4	24.5	1.5	-	3.3	0.2	-
Extended Eastern Suburbs	22.6	21.4	22.0	33.9	3.5	-	46.1	-	4,000+
Western Suburbs	13.7	7.8	2.0	11.3	-	0.6	-	0.7	-
Pune	11.3	12.0	1.1	18.1	0.6	1.7	0.1	1.6	-
Eastern Suburbs	12.3	14.4	-	23.7	0.3	1.6	1.2	2.3	-
Extended Western Suburbs	0.8	1.3	-	0.6	-	-	-	-	-
Bangalore	-	-	-	-	-	1.2	-	1.1	-
Offices & Retail (for rent)	1.5	0.3	29.9	2.5	-	-	7.2	-	-
Digital Infrastructure	4.5	-	-	300 acres*	-	-	-	-	-
Land Sales & Tenancy	2.3	0.2	-	-	-	-	-	-	-
<b>Total</b>	<b>120.6</b>	<b>98.5</b>	<b>86.2</b>	<b>188.9+ 300 acres</b>	<b>6.2</b>	<b>6.1</b>	<b>58.8</b>	<b>12.0</b>	<b>4,000+</b>

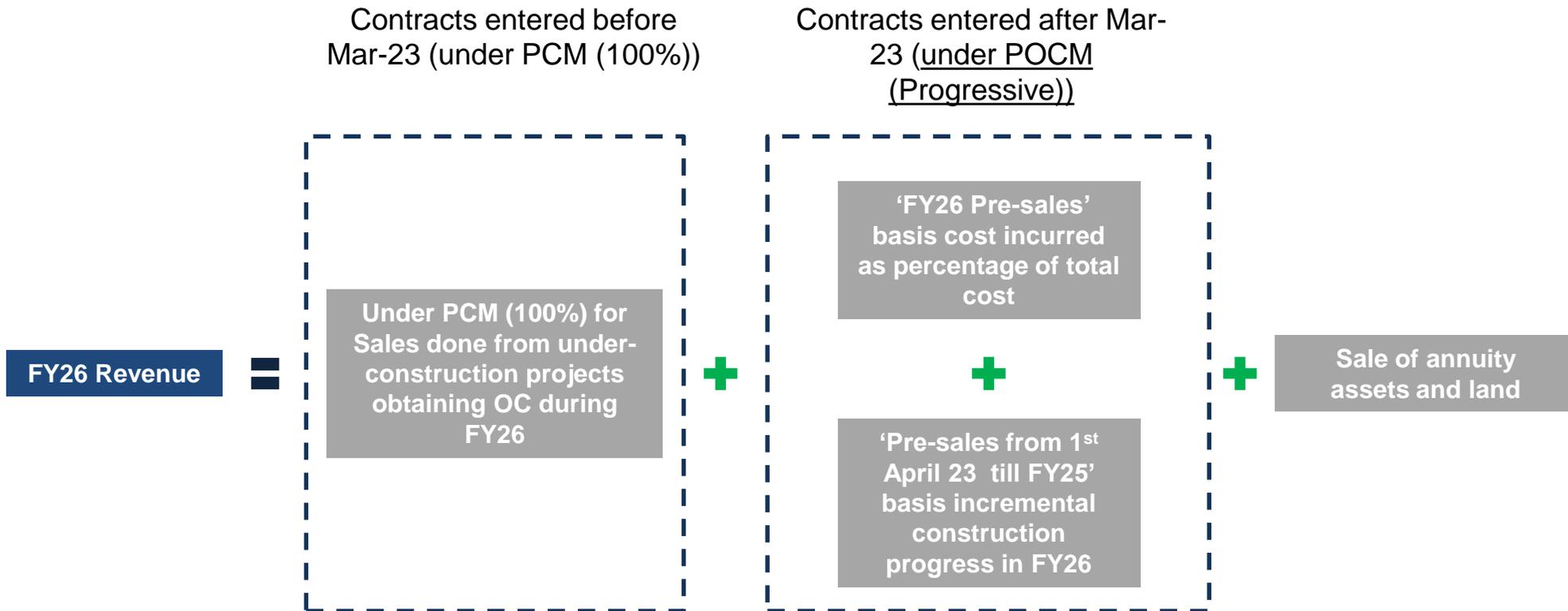
Data as on Jun-23

<sup>#</sup>Land bank is surplus land beyond the ongoing & planned projects, To be utilized for Township & Digital Infrastructure Park business

<sup>\*</sup>Includes ~70 acres land under JV with Morgan Stanley (MDL interest 25%) and 110 acres in JV for Digital Platform (MDL interest 33%)

# Revenue recognition for a financial year

## Illustration for revenue recognition in FY26



## Market wise completion plan for ongoing 'for sale' projects (1/2)

Market	Total area	Sold/ Unsold*	FY24		FY25		FY26		>= FY27	
			Own	JDA	Own	JDA	Own	JDA	Own	JDA
South & Central Mumbai	3.24	Sold-PCM	0.19	-	0.15	-	0.02	-	0.11	0.07
		Sold-POCM	0.00	-	0.05	-	-	0.02	0.02	0.02
		Unsold	0.17	-	0.75	-	0.46	0.45	0.08	0.63
Thane	5.44	Sold-PCM	1.35	-	0.66	-	0.59	-	0.01	0.03
		Sold-POCM	0.03	-	0.06	-	0.15	-	0.03	0.02
		Unsold	0.10	-	0.45	-	0.55	-	0.89	0.32
Extended Eastern Suburbs	10.95	Sold-PCM	2.38	-	1.86	-	0.59	-	0.10	-
		Sold-POCM	0.12	-	0.22	-	0.28	-	0.03	-
		Unsold	0.50	-	1.07	-	0.53	-	3.26	-
Western Suburbs	1.63	Sold-PCM	0.04	-	0.09	0.50	0.04	0.14	-	-
		Sold-POCM	0.00	-	-	0.07	-	0.08	-	-
		Unsold	-	-	0.07	0.13	0.06	0.41	-	-

## Market wise completion plan for ongoing 'for sale' projects (2/2)

Market	Total area	Sold/ Unsold*	FY24		FY25		FY26		>= FY27	
			Own	JDA	Own	JDA	Own	JDA	Own	JDA
Eastern Suburbs	2.2	Sold-PCM	-	-	-	0.18	-	0.36	-	0.18
		Sold-POCM	-	-	-	0.03	-	0.06	-	0.13
		Unsold	-	-	-	0.14	-	0.39	-	0.73
Pune	4.82	Sold-PCM	0.02	0.53	0.23	0.86	0.05	0.10	-	-
		Sold-POCM	0.01	0.01	0.02	0.09	0.29	0.27	-	-
		Unsold	0.09	0.03	0.29	0.44	0.38	1.10	-	-
Extended Western Suburbs	0.40	Sold-PCM	-	-	0.32	-	-	-	-	-
		Sold-POCM	-	-	0.01	-	-	-	-	-
		Unsold	-	-	0.07	-	-	-	-	-
<b>Total</b>	<b>28.47</b>	<b>Sold-PCM</b>	<b>3.98</b>	<b>0.53</b>	<b>3.31</b>	<b>1.55</b>	<b>1.30</b>	<b>0.60</b>	<b>0.23</b>	<b>0.28</b>
		<b>Sold-POCM</b>	<b>0.17</b>	<b>0.01</b>	<b>0.36</b>	<b>0.18</b>	<b>0.72</b>	<b>0.44</b>	<b>0.07</b>	<b>0.17</b>
		<b>Unsold</b>	<b>0.85</b>	<b>0.03</b>	<b>2.71</b>	<b>0.71</b>	<b>1.99</b>	<b>2.35</b>	<b>4.23</b>	<b>1.78</b>

# Lodha - India's leading real estate developer

## Leading Residential Platform

### India's Largest Real Estate Developer

- **INR ~770bn** of pre-sales and **INR ~761bn** of collections (99% of pre-sales) **since FY14**

### Diversified portfolio providing resilient growth

- 30+ operating projects contributing to sales
- **Presence across luxury, premium, mid-income & affordable**: 60%+ sales from affordable & mid-income

### Focus on 3 cities contributing 2/3<sup>rd</sup> primary homes sales (INR 1.75tn) amongst Top 7 Indian cities

- ~10% market share in MMR
- Accelerating growth in Pune
- In seed phase in Bangalore

### Operational Excellence & Strong Brand

- **Premium** brand positioning and high recall
- **High quality** leadership team
- **Best value from construction spends**:
  - Amongst only engineering led and engineering focused RE companies
  - No margin leakage to GC
- **Industry leading ESG practices & ratings**

## Strong Financial Profile

**Strong operating cash flow generation giving ability to grow & de-lever in tandem.**

### FY 23 performance:

- Operating cash flow: INR ~57bn
- Cash available for investment & capital providers: INR ~47bn
- Net debt reduction: INR ~22bn
- Rewarding shareholders: 1:1 bonus shares; 15-20% dividend payout – 1<sup>st</sup> dividend declared for FY23

**Strong profitability track record; further expand due to scale up, price growth & debt reduction**

- Sustained adj. EBITDA margin of ~30%
- RoE moving towards 20%, pro-forma RoE for FY23 at ~17%

**Conservative leverage**: net debt ceiling of 0.5x D/E and 1x D/OCF

- Net debt of INR ~72.6bn (Jun-23); continued reduction planned to go well below ceiling
- A+ (Positive Outlook) - 5 upgrades already in two years, set to get in AA family

### Annuity like cashflow from townships

- FY 23 sales INR ~23bn and collections of INR ~22bn (Residential)
- Infra project completion (FY 24-26) expected to further accelerate growth
- 4,300+ acres strategic land reserves providing long-term visibility

## Multiple Growth Drivers

**Planned consistent growth of ~20% p.a. in housing**

- Dual consolidation, both on demand & supply side – a huge tailwind for Tier -1 brands
- Significant headroom to grow in MMR & Pune through 'supermarket' strategy of presence every 2-4 kms

**Building recurring / annuity income - targeting INR ~5bn of net income by FY26 and INR ~15bn by FY31**

- Pan-India Digital Infrastructure (warehousing and industrial) platform with Bain Capital and Ivanhoe Cambridge
- Growing Property Management business aligned to residential growth
- Select high quality office and retail portfolio

**Partner of choice for landowners, lenders & investors**

- Added 28 projects with GDV of INR ~460bn since IPO
- Balanced mix of outright & JDA sales

*Thank You!*

*For any further information, please write to [investor.relations@lodhagroup.com](mailto:investor.relations@lodhagroup.com)*