

**LODHA**

**Corporate  
PRESENTATION**

Sep 2024



**LODHA**

**Amar**

**Corporate  
PRESENTATION**

Sep 2024



# 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: Leading Indian housing platform with robust growth opportunities

## The Platform

### Residential

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

## Growth Opportunities – Low investment annuity income streams

### Digital Infra.

- Developing Warehousing, Logistics, Data Centers, Light industrials catering to **digitization of economy**
- Sizeable land parcels available at our township for this segment and expanding to other major cities
- 6.5 msf under development

### Property Mgmt. & Digital Services

- Growing facilities management business with digital services layer
- Have a **captive base of 65,000 households** with high spending power
- **Successful pilot of digital services app 'BelleVie'**, to serve entire value-chain of home ownership & wider gambit of owners need
- **Scale up underway**

### Rental Portfolio

- Developing **premium high street retail** as adjunct to residential developments
- Select high quality offices as part of our mixed used development
- Have commercial assets with rental potential of **INR ~5.6bn p.a.** by FY31

# Continued strong performance

## Sales Momentum

- Q2FY25 pre-sales at INR 42.9bn (21% YoY), best ever quarter
- 1HFY25 pre-sales at INR 83.0bn (21% YoY), on track to achieve full year guidance

## Micro-market focused capital efficient growth

- Added 7 projects with GDV of INR ~166bn, having development potential of 8.5 msf saleable area in 1HFY25, >75% of our annual guidance
- Entering growth phase in Bengaluru with local empowered team in place; added two more projects with INR 38bn GDV in Q2FY25

## Focus on creating annuity streams with low investment

- Doubled MDL's stake in our Digital Infrastructure platform to 66.7%
- Acquired ~45 acres of land in Chennai for warehousing

## Strengthening balance sheet

- Net Debt at INR 49.2bn as of Sep-24 (0.27x Net D/E)
- Continue to be well below 0.5x of Net D/E

## Enhanced ESG focus

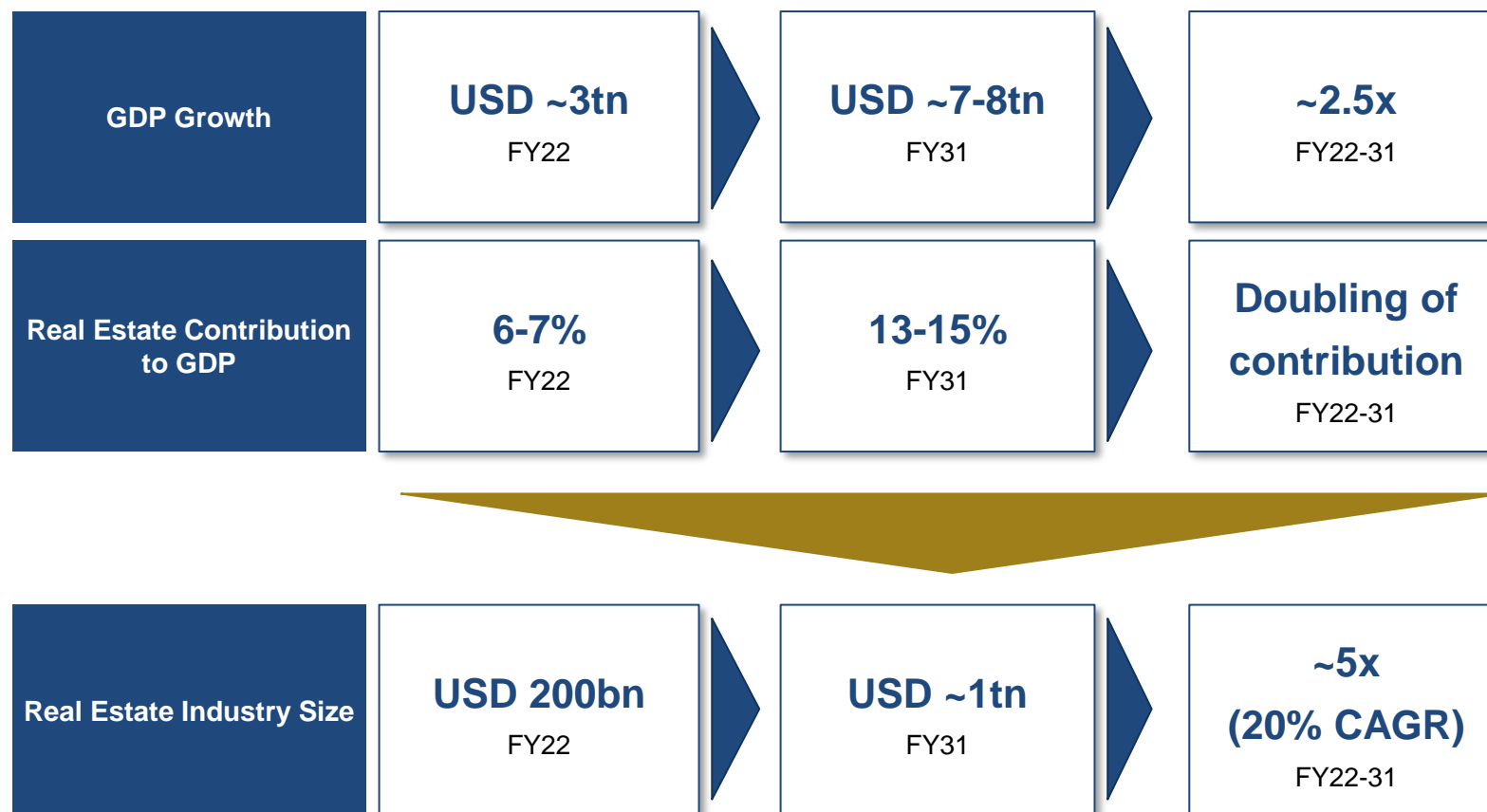
- S&P Global 2024 Corporate Sustainability Assessment (CSA<sup>1</sup>): 5th Highest score out of ~500 global Real Estate Development companies; No. 1 in India
- GRESB 2024: Ranked 1st in Asia with a 5-star rating and score of 100/100 in the category Residential Development Benchmark

<sup>1</sup>CSA: Corporate Sustainability Assessment



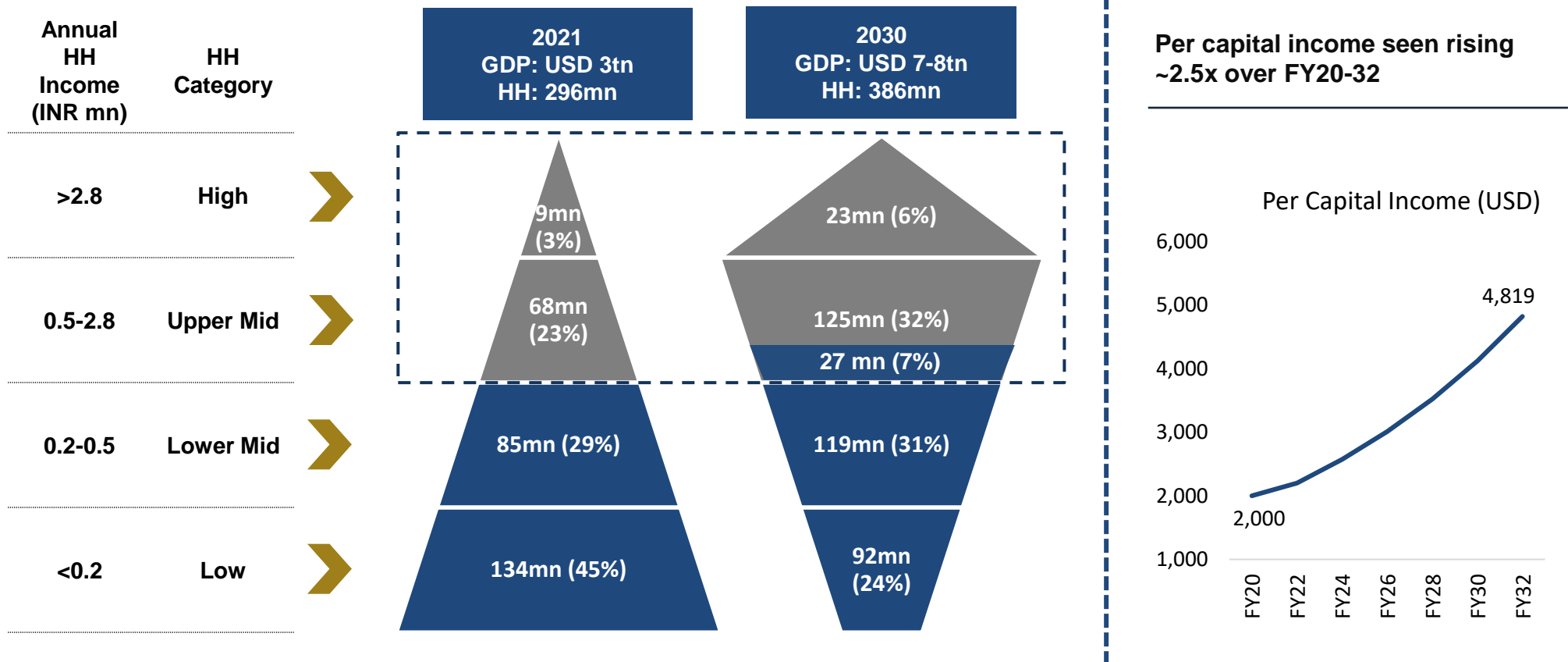
# 01 Industry tailwinds

# 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**

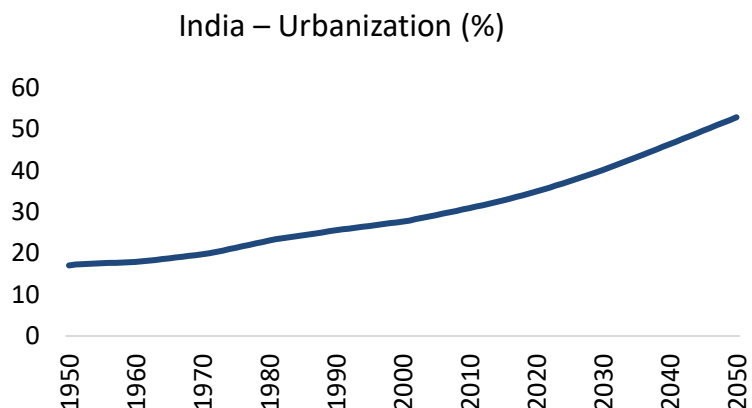
# 75-100 mn new households to become 'home ownership capable' this decade



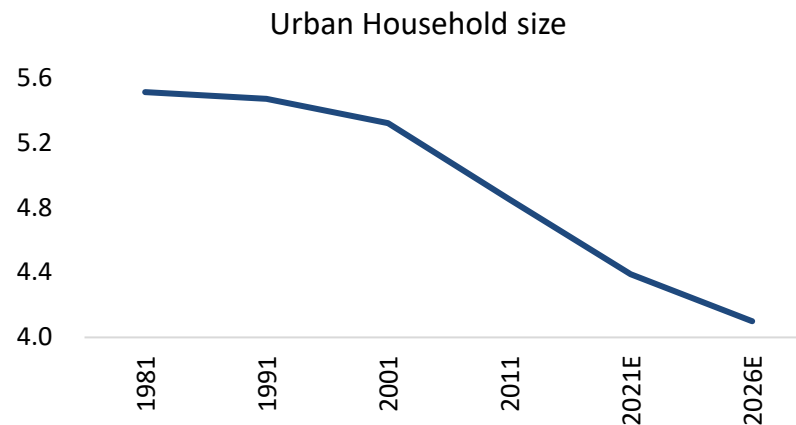
Even assuming significant industry supply growth<sup>1</sup>, supply is likely to be <10 mn units. Once in a country's lifetime opportunity!

# Strong affordability drives conversion of housing need to demand

## Rapid urbanization to create need for quality urban housing

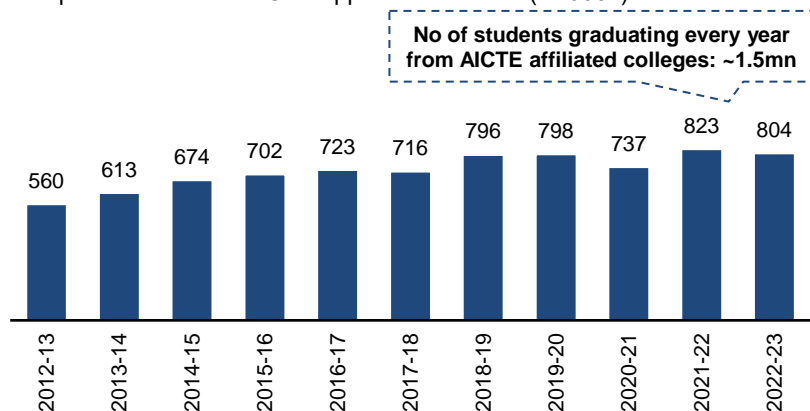


## Family nuclearization

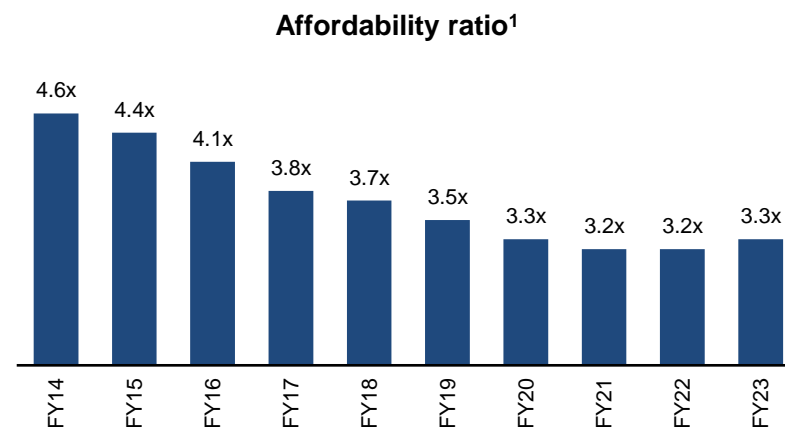


## Large no of educated workforce added every year

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



## Improved affordability to support demand

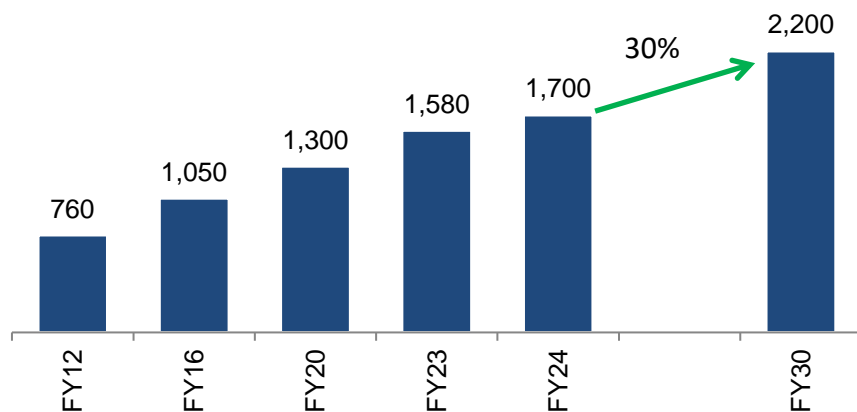


As long as housing price growth is slightly below white collar wage growth, housing demand will grow sustainably



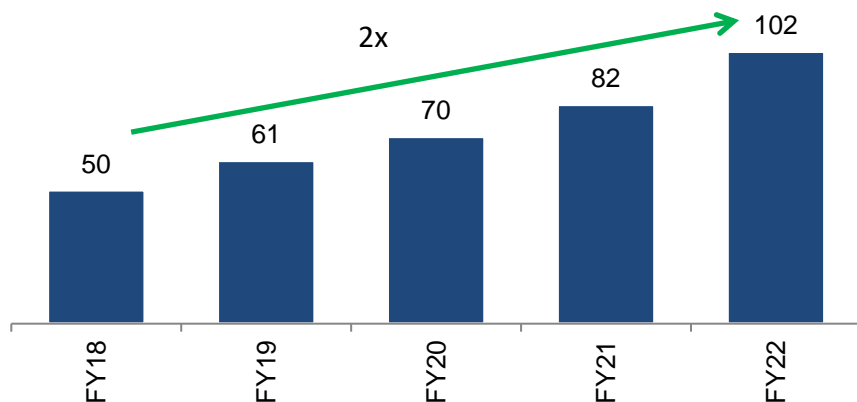
# Robust job creation to sustain housing demand

## Increasing presence of GCC<sup>1</sup> in India....



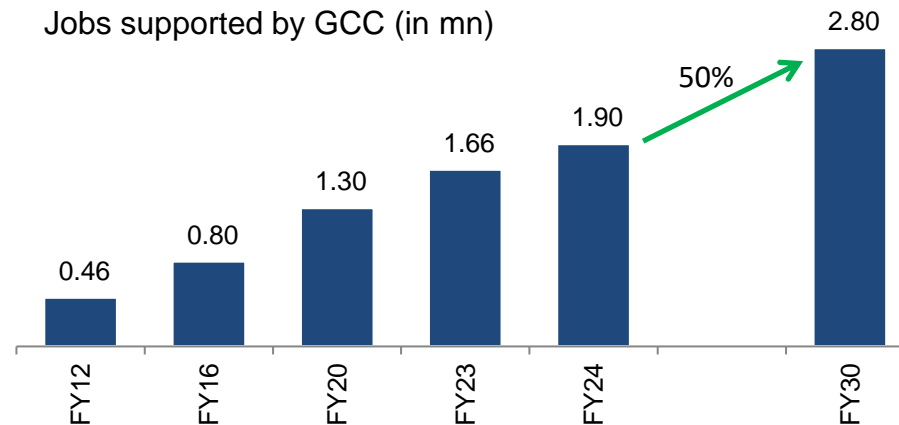
**Large BFSI GCCs also increasing their presence: One of the largest US bank has nearly doubled its presence in India**

'000 headcount



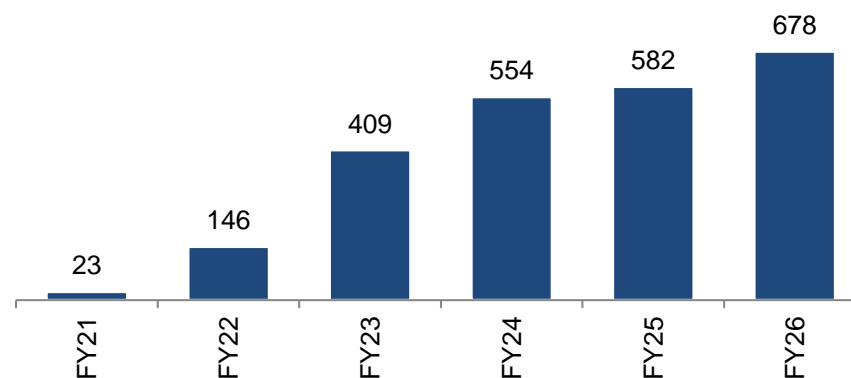
**...has led to robust job creation, more than offsetting slowdown in hiring by IT services companies**

Jobs supported by GCC (in mn)



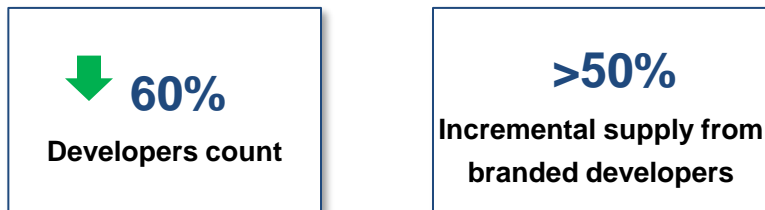
## Manufacturing job creation led by PLI<sup>2</sup> capex

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...



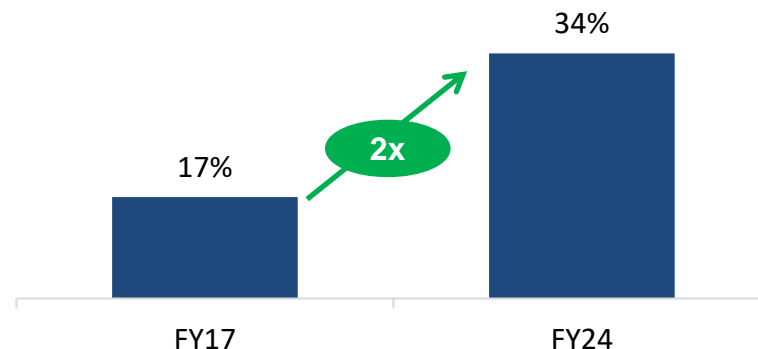
### Remaining Tier - 2 & 3 players develop:

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

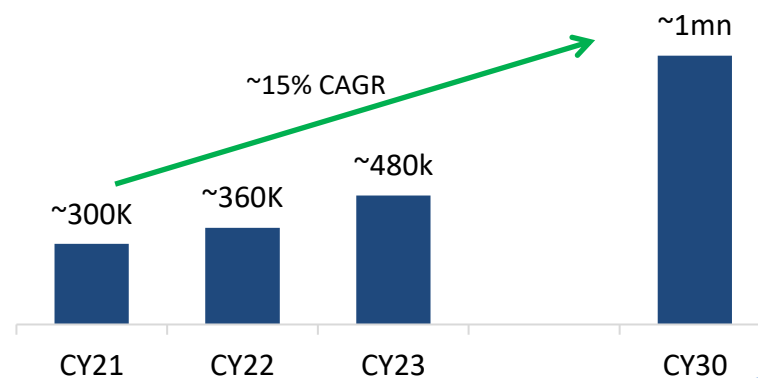
## Multiple forces leading to consolidation

- ✓ 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

## ...has led to market share gains for listed and leading non-listed developers

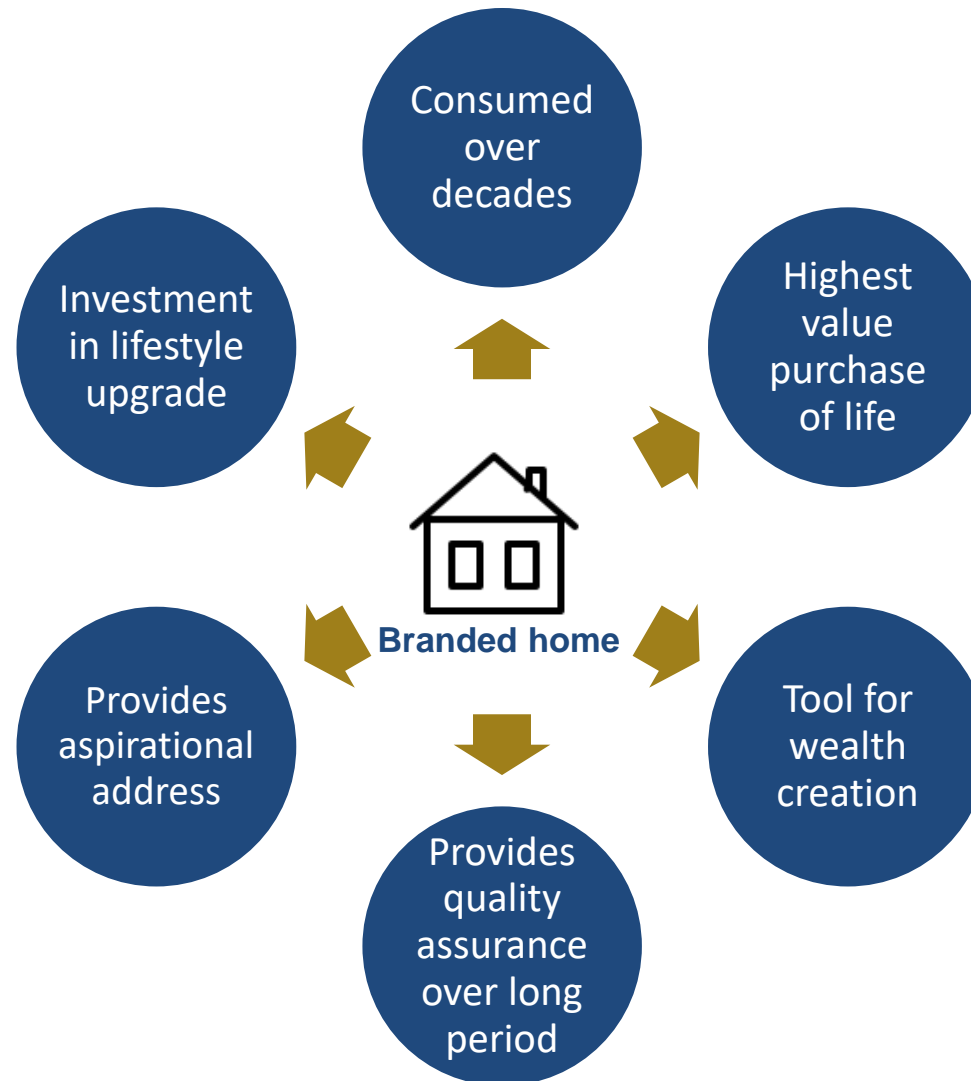


## Housing sales in top cities to reach 1mn by 2030



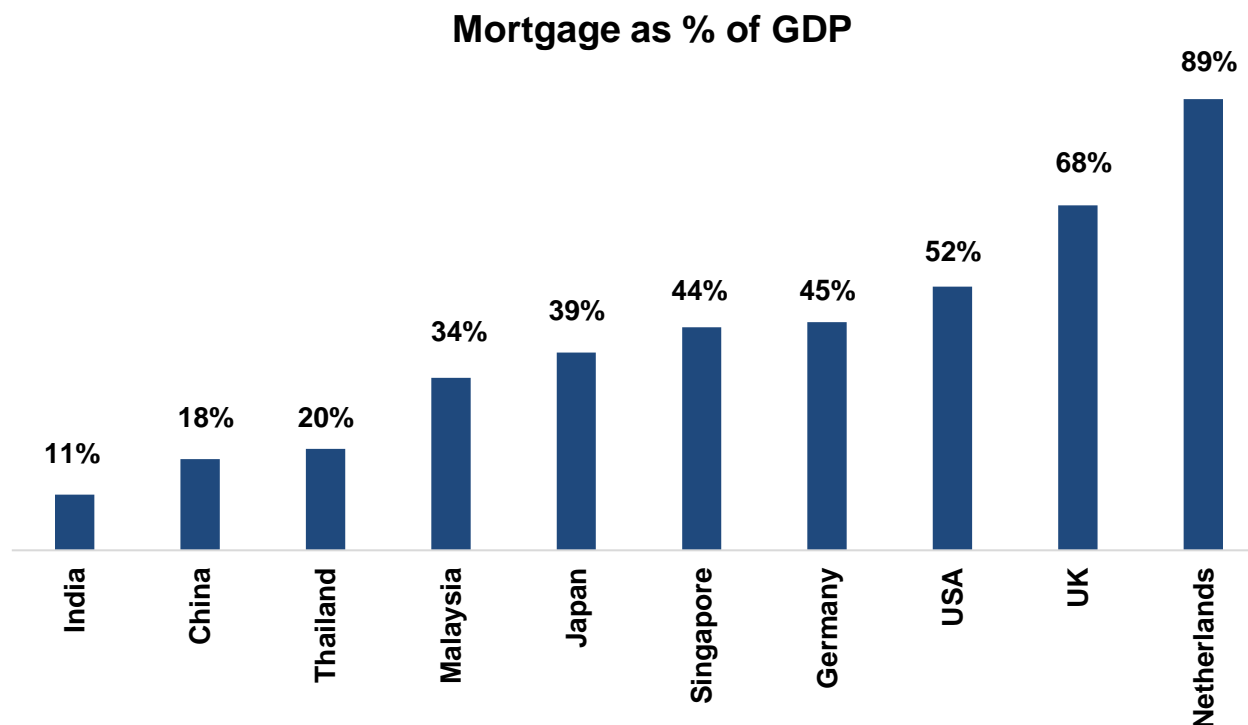
# 'Housing' increasingly becoming a branded 'Consumer Product'

Brand matters the most



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

- ✓ Conservative Central Bank, low risk mortgage market: LTV < 85%, no teaser rates
- ✓ Rate cycle seem to have peaked, pivot likely in 2HFY25
- ✓ 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*  
*Homebuyers prepaying mortgages, showing mortgage not a significant contributor to demand*



## 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 through 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

## Moderate construction cost inflation

Commodity/Component	% Share in total cost	Mar'21 to Sep'24	
		% Change	Weighed Impact
Steel	11.7%	-10.5%	-1.2%
Flooring materials	5.2%	16.5%	0.9%
Electrical	3.9%	11.8%	0.5%
Plumbing	2.2%	-8.8%	-0.2%
Labour	34.0%	14.2%	4.8%
External Windows	3.3%	10.1%	0.3%
RMC	12.3%	12.8%	1.6%
Lifts & Elevators	3.7%	10.6%	0.4%
Carpentry Materials	2.3%	8.2%	0.2%
Painting	0.8%	5.1%	0.0%
CP Fittings	2.4%	17.0%	0.4%
Firefighting	1.8%	13.5%	0.2%
Gypsum	1.4%	47.1%	0.6%
<b>Overall</b>			<b>9.7%</b>

*Construction cost increase since 1st April 21 at ~3% annualized rate  
This, in turn, implies impact on COGS of <2% p.a. for our portfolio*



## 02 Lodha's Right-to-win

# Differentiated business model to deliver superior returns (1/2)

## Predictable and consistent Pre-sales growth from diversified presence

### Pre-sales

- **Not dependent on any single segment, location or project**
  - **Presence across all segments** - luxury, premium, mid-income & affordable
  - **~40 operating project** across MMR, Pune & Bengaluru

## Better margins due to strong brand and leadership in all cost elements

### Pricing Power

- **Premium pricing due to superior product and strong brand**
- **Disciplined execution of moderate price growth (just below wage growth) supporting margin expansion**

### Land

- **Strong underwriting:** Acquiring land under **various modes and across cycles** - **allows to choose projects with targeted margin & return** from large opportunity set  
*Aggregated Land || Outright purchase on bilateral basis || Auction*  
*Redevelopment || JDA with Landowners*
- **600+ msf of development potential beyond planned** – natural hedge against land price inflation

### Construction Cost

- **Only player with own GC capability** – avoids margin leakage & enables faster churn

### Overheads

- **Going deep & operating at scale in the cities we are present in, keeping overheads in check**



# Differentiated business model to deliver superior returns (2/2)

## Superior Returns & Robust Cashflows

### Fastest land to cash cycle

- **Bring to market expeditiously**- launch **within 9-12 months** of land acquisition
- **Accelerated monetization of land** through **product innovations** – Apartments, plots & villas, boutique offices, high street retail

### Large townships with annuity like cashflow

- **~50% cash margin** with land entirely paid for - **step up significantly** with infra project completions (**Airport, Metro, Bullet Train, etc.**)

### Strategically chosen annuity streams

- **Low capex intensity delivering RoEs inline with core resi business**
  - Facilities Mgmt. with near commerce through Bellevie app. – **adjunct to resi. business**
  - Warehousing & industrial parks
  - Select Retail & Office assets – **part of our mixed use development**

## Growing while deleveraging & in a sustainable manner

### Capital Structure

- **Net debt down to INR ~49.2bn vs INR ~161bn** at the time of IPO, simultaneously **with business addition of INR ~710bn** and **Pre-sales growth by 35% CAGR** over FY21-24
- Net debt at **0.27x Net D/E, capped at 0.5x Net D/E**

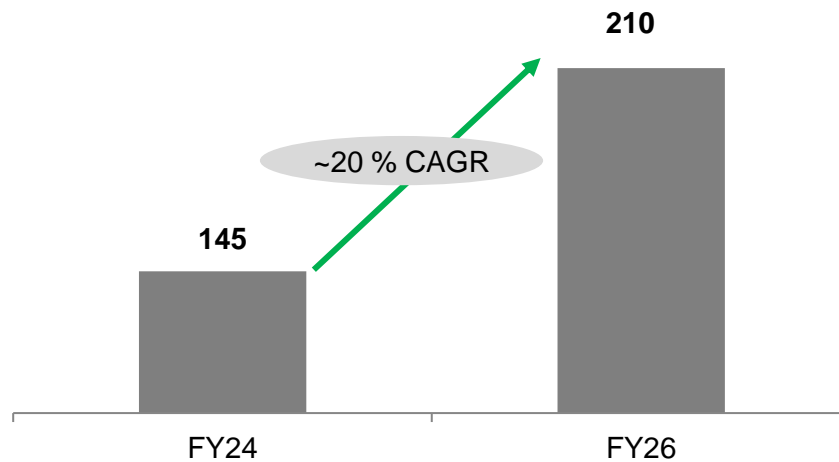
### Strong ESG focus

- **First real estate company from India to have SBTi validated Net Zero target**
- **S&P Global 2024 CSA: 5<sup>th</sup> Highest score** out of ~500 global Real Estate Development companies; **No. 1 in India**
- **High governance standards with versatile board** (Consumer, Tech, BFSI, Sustainability etc.) guiding management

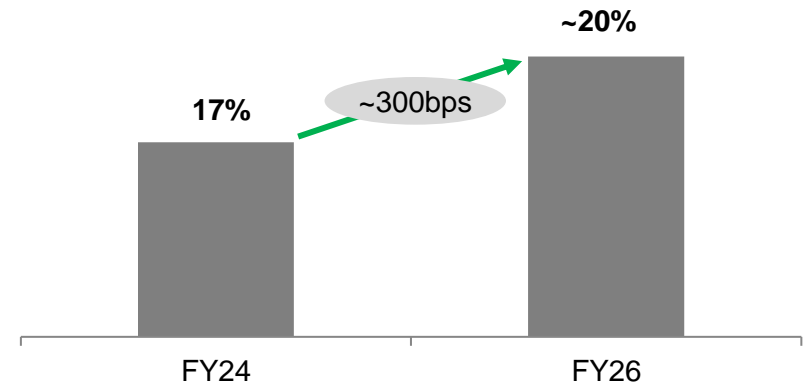
# '20:20' Action Plan

INR bn

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



*Pre-Sales*



*RoE (Proforma)*

## ~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 our existing markets

INR bn



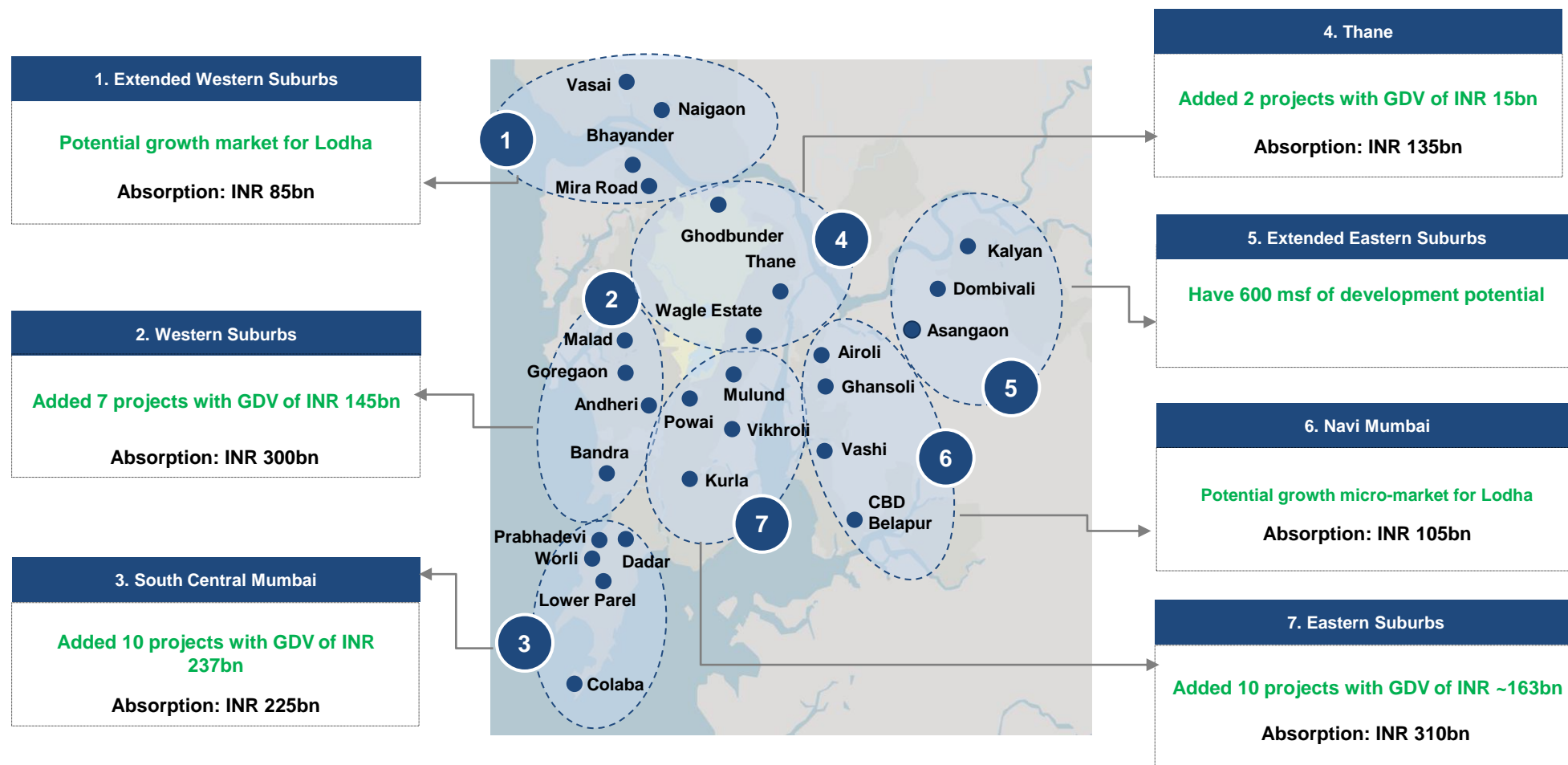
Guiding Pre-sales of INR ~500bn (20% CAGR) by FY31 against INR 720bn of potential in just 3 cities - 30+% cushion



# 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 – Eastern Suburbs contribution increased to INR ~3bn from no presence in FY21
- ✓ Pune: Accelerating growth; On track to be amongst top 3 by the end of the year
  - Presence at seven locations, spread out across the city
  - Pre-sales increased to INR ~12.5bn in 1HFY25 from INR ~2bn in entire FY21
- ✓ Bangalore: Entering growth phase, with local empowered team in place
  - Launched two project in FY24 to phenomenal customer response, INR 12bn contribution to FY24 pre-sales
  - Entering growth phase, added two more projects with INR 38bn GDV in Q2FY25

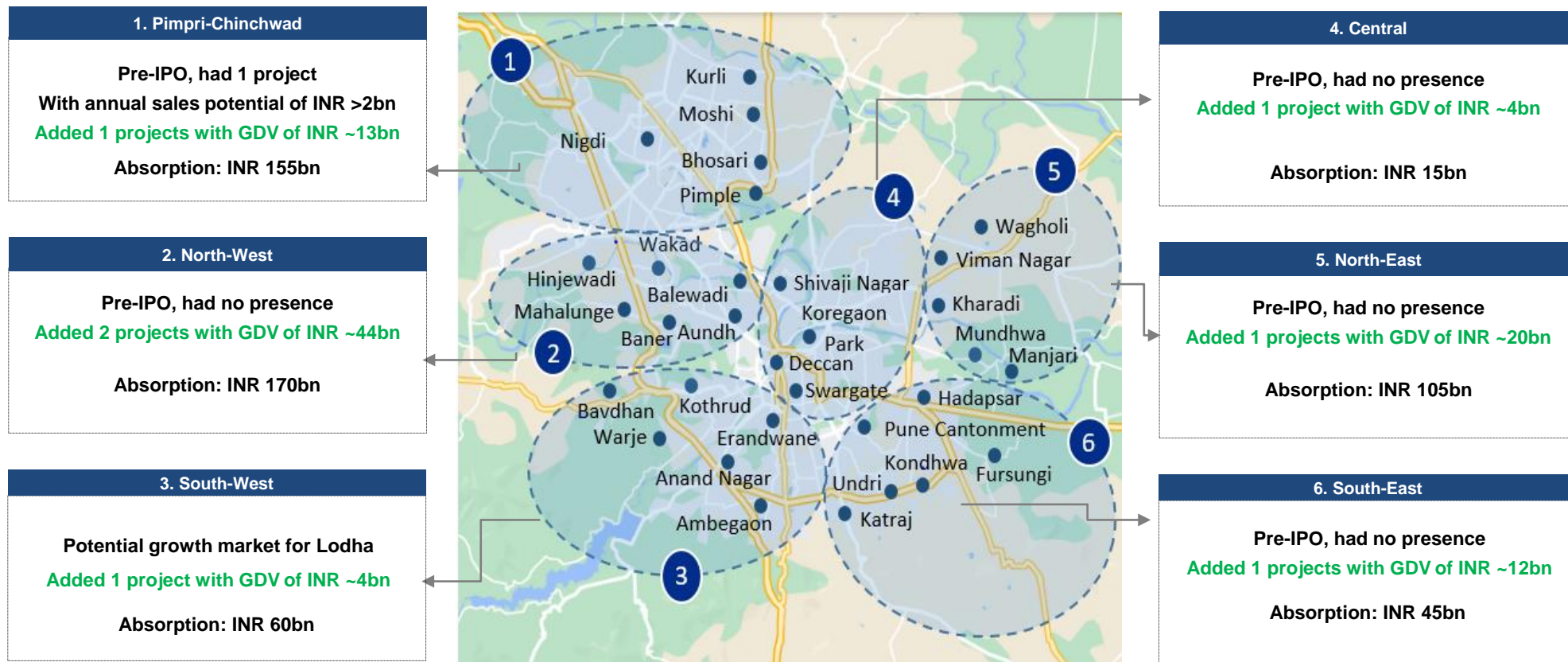
# Establishing presence across MMR through 'Supermarket' strategy



**Tied up INR ~560bn of GDV and development potential of ~25 msf across 29 projects in various micro-markets of MMR**

# Pune – Will contribute to growth in a sustainable manner

Accelerating growth in INR 550bn market by establishing presence across multiple locations



Tied up INR ~95bn of GDV with development potential of ~11.0 msf across seven projects in various micro-markets of Pune

## Bengaluru – Entering growth phase, aiming ~15% market share in medium term

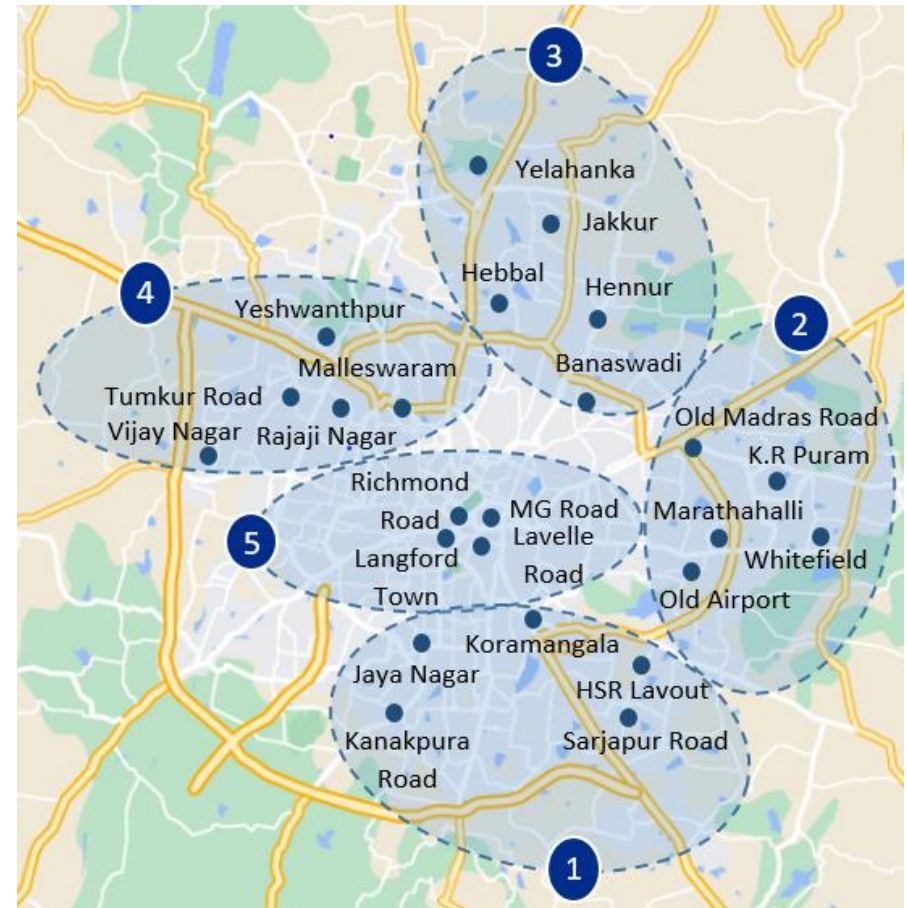
- ✓ Launched two projects in last 12 months to strong consumers response - achieved INR 14bn of sales
- ✓ Lodha – received as premium brand, reflected in price premium
- ✓ Construction in full swing
- ✓ Local empowered team in place
  - P&L responsibility with the CEO supported by heads of Sales, Marketing, Construction and Business Development
  - Team of ~125 employees, ramp up continuing
- ✓ Signed up two more projects in this quarter with INR 38bn GDV in North and East Bengaluru; available inventory stands at INR 60bn
- ✓ Strong BD pipeline provides visibility of significant scale up over next 2-3 years



# Bengaluru – Good start to two pilot projects

**Market size: INR ~550bn**

	Micro-market	Market Size (INR bn)
1	South	210
2	East	170
3	North	125
4	West	40
5	Central	5
	<b>Total</b>	<b>550</b>

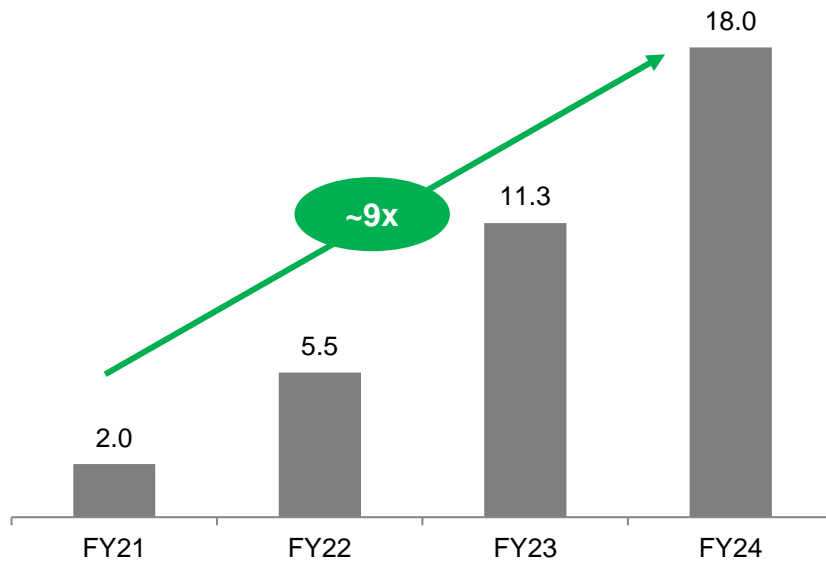


**Tied up INR ~58bn of GDV with development potential of ~6.1 msf across four projects**

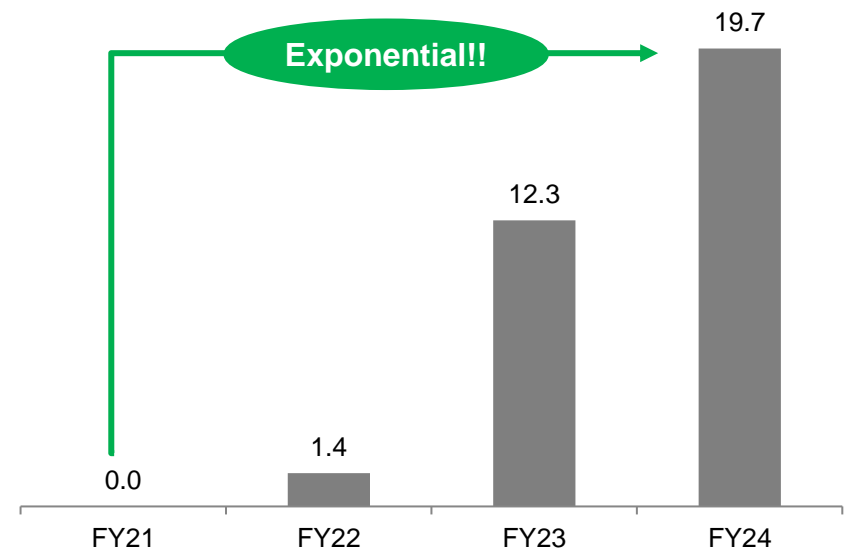
# Exponential growth in presales – Supermarket strategy paying good dividend in targeted micro-markets

INR bn

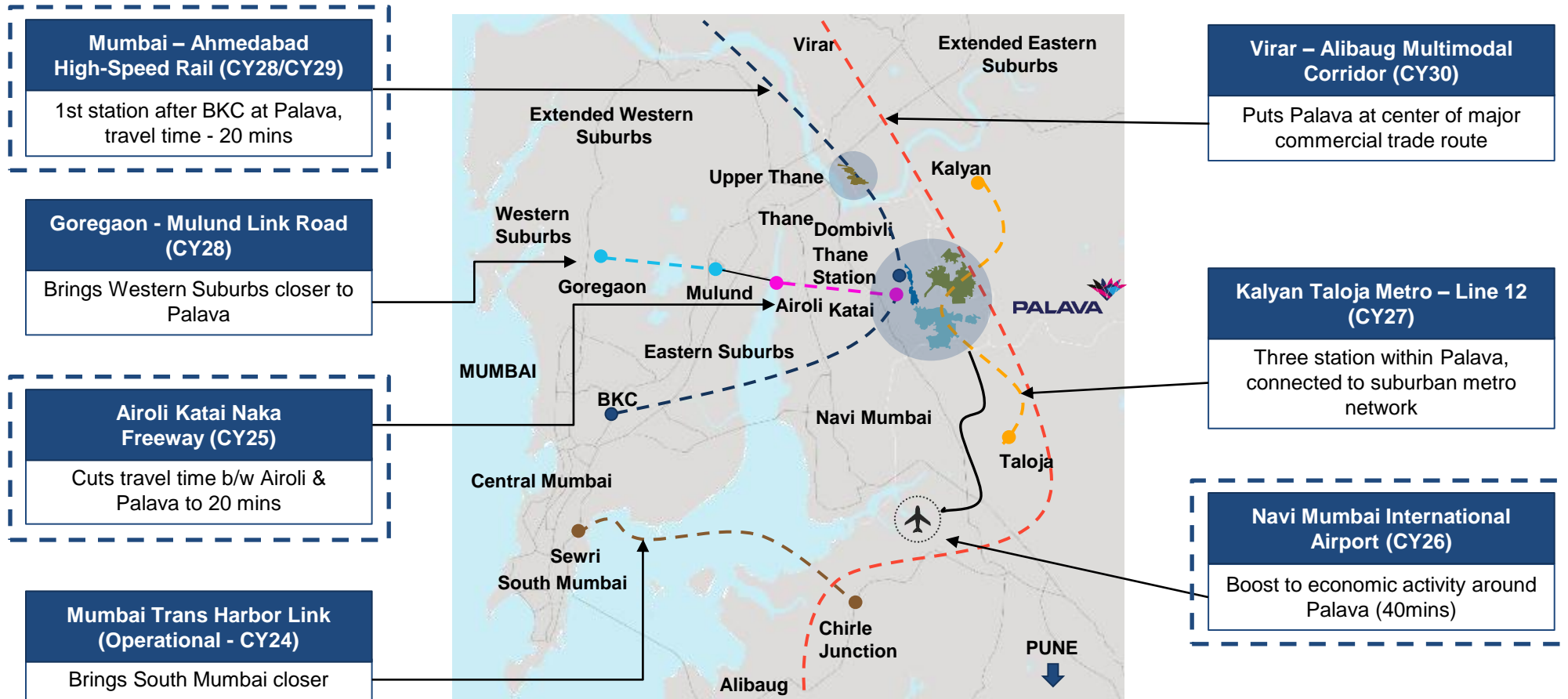
## Pune



## MMR – Eastern Suburbs



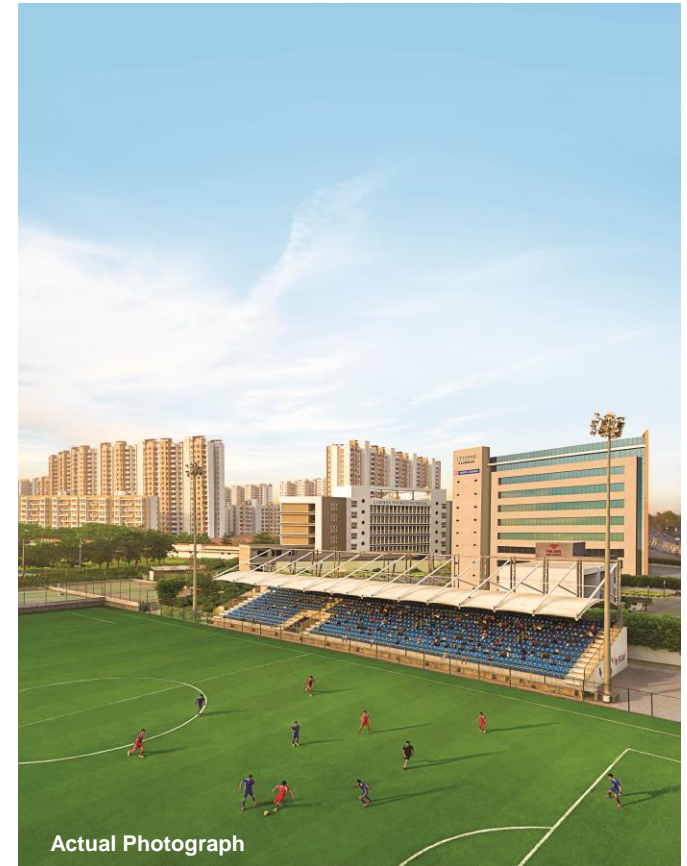
# Ongoing infra projects (Airport, Metro, Bullet Train, Multi-modal Corridor etc.) to supercharge Palava's growth



# Palava & Upper Thane set to deliver US\$175-200 bn of sales over next 3 decades with ~50% EBITDA margins

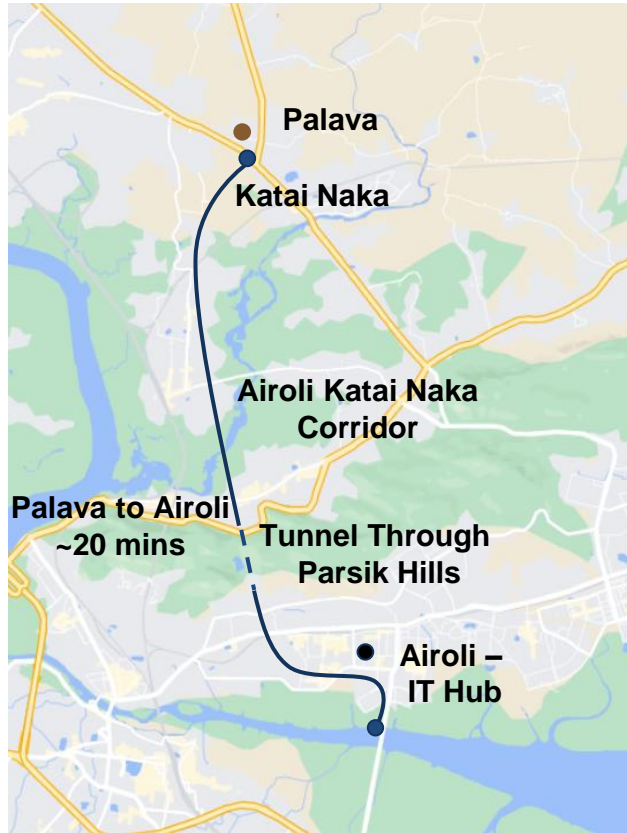
## 3 mega trends shaping Palava & Upper Thane to become sought after suburbs

1. Mumbai – **World's densest metropolis**, sea restricts expansion in West and South
2. India going through **once in a country's lifetime transition from low to mid-income**, leading to significant demand for aspirational and premium housing
3. **Palava City** at the epicentre of Mumbai Region (MMR)'s **infrastructure upgrades**:
  - a. Airoli-Katai freeway to make **Airoli, Mumbai's IT Hub**, **predictable 20 min drive** from Palava (Est. CY25)
  - b. **Navi Mumbai airport** at **just 40 min drive** from Palava (Est. CY26)
  - c. First stop of Mumbai-Ahmedabad Bullet train after BKC at Palava, **predictable 20 min journey to BKC** (Est. CY28/29)

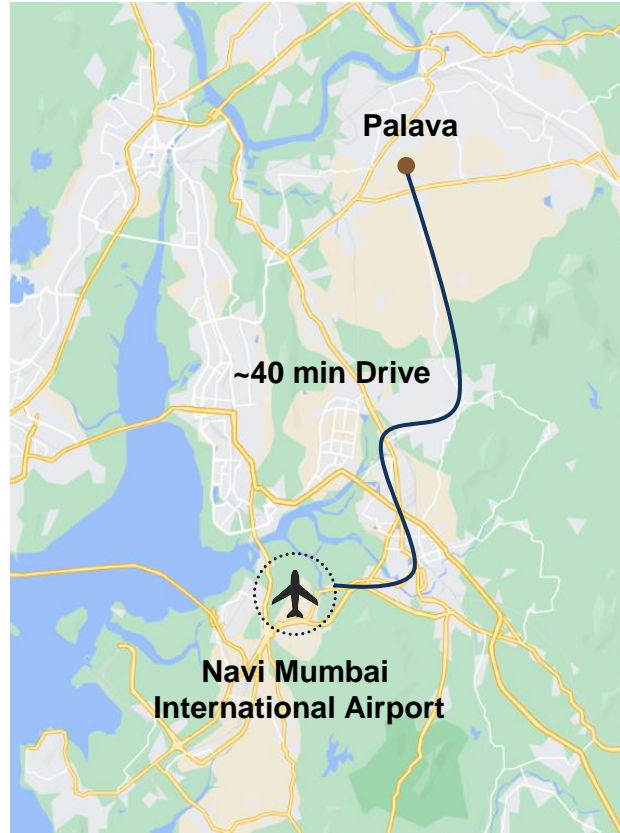




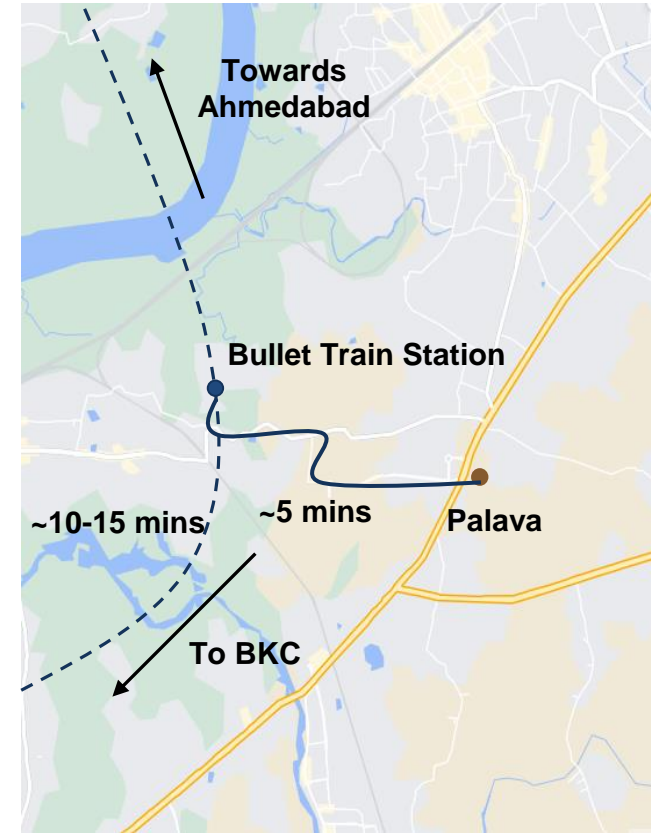
# Palava is at the epicenter of Mumbai Metropolitan Region (MMR)'s infrastructure upgrades



Airoli to Palava in ~20 mins by Airoli-Katai Naka Corridor (Opening: 2025)



Proximity to new airport enhancing attractiveness of Palava (Opening: 2026)



First Bullet Train station after BKC at Palava (Opening: 2028/29)

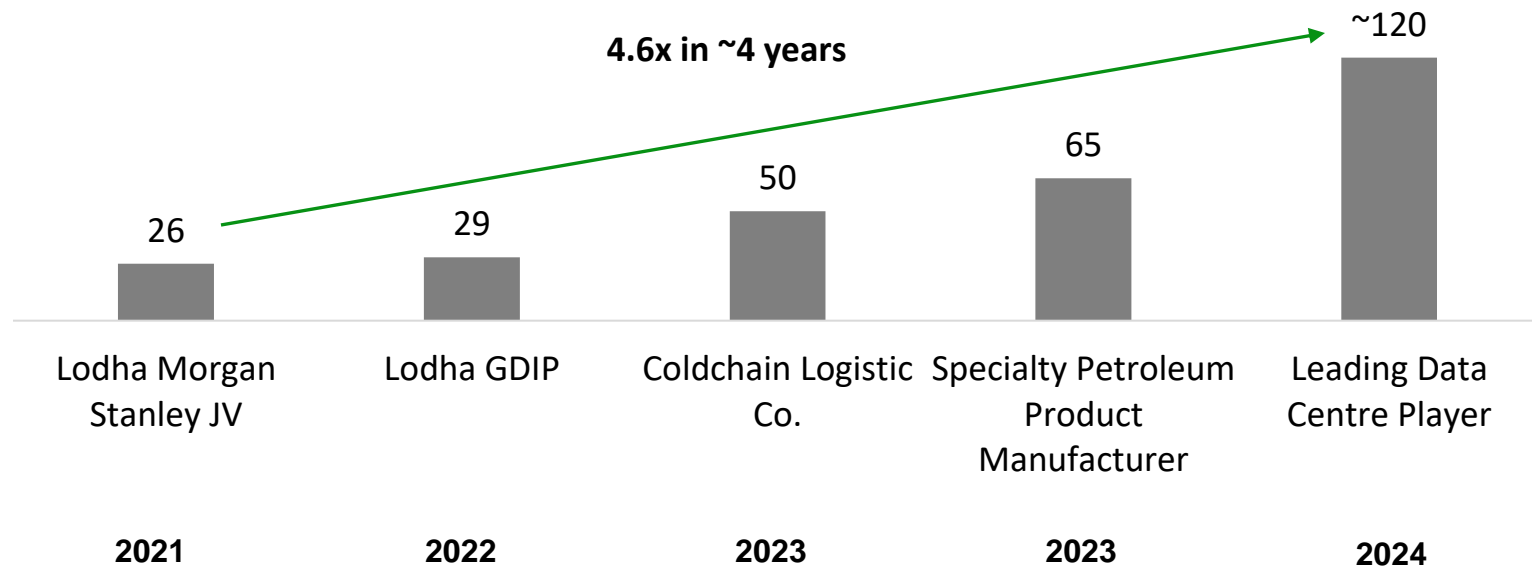
Atal Setu (MTHL), Kalyan-Taloja Metro, Virar-Alibaug Multimodal corridor and other road upgrade projects will also support Palava's evolution



# Value unlock at Palava

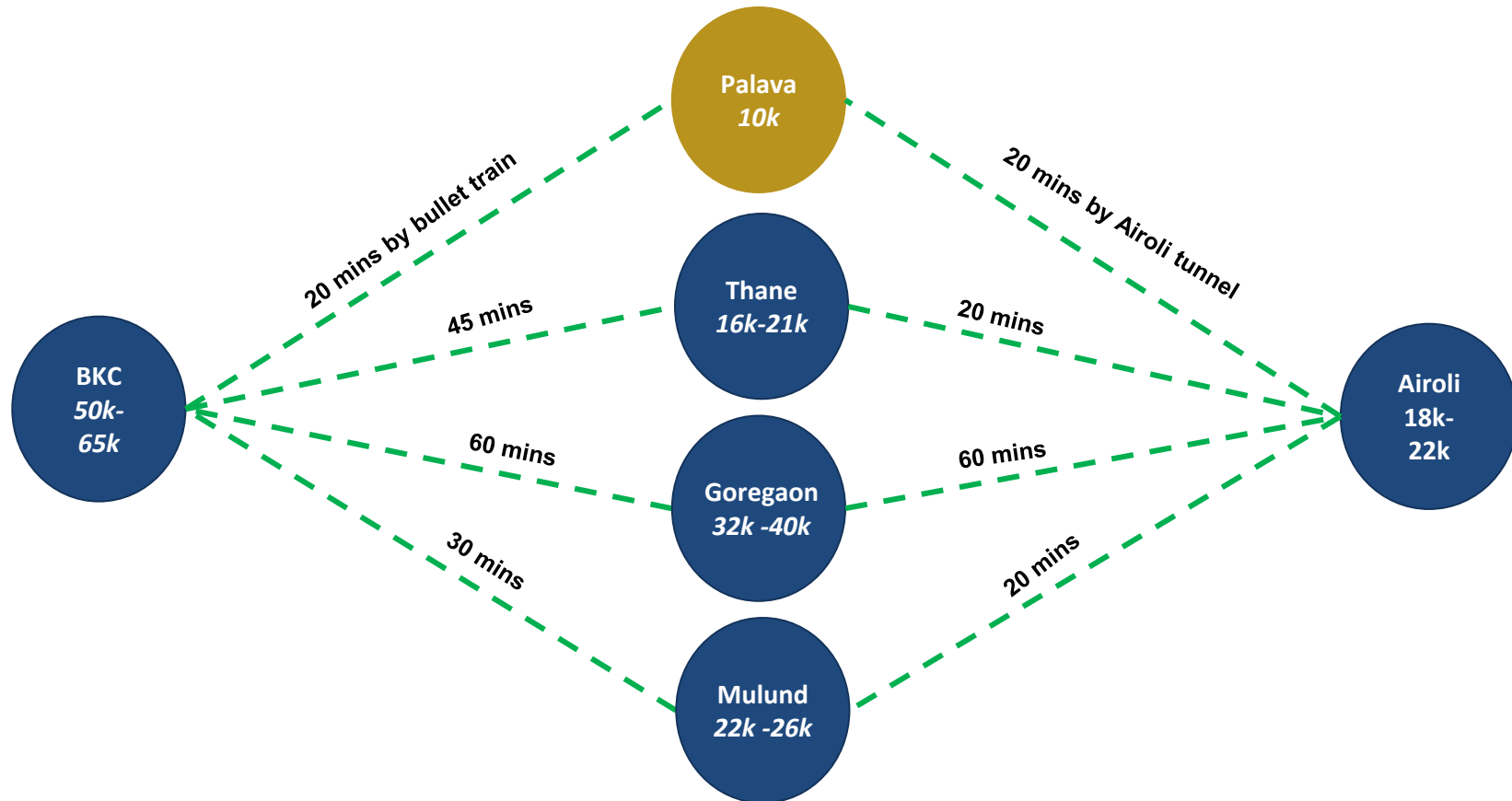
INR mn/acre

- ✓ Palava to undergo paradigm shift in value unlocking with:
  - Introduction of planned premium housing development – “Waterfront” and “Golf View”
  - Ongoing significant traction from high-value add economic activities
- ✓ Signed up a leading global hyperscale data center player on ~38 acres @ INR ~120mn/acres
  - **Ongoing discussions at INR ~200 mn/acre; similar transactions happening at much higher rate in the region, providing further room for land prices to grow**



Premium housing and high value add economic activity to unlock significant value in Palava

# Palava: Large pricing arbitrage compared to competing markets: Opportunity to increase price + volume



Palava & Upper Thane set to deliver US\$175-200 bn of sales over next 3 decades with ~50% EBITDA margins

Nos in circle indicate FY 24 average selling price in INR/sf carpet area in those suburbs

# Data centres a huge opportunity for value creation in Palava

- ✓ Large userbase, affordable data packs, 3rd largest startup ecosystem makes India capable of becoming a major Data Centre market
- ✓ MMR, with nine cable landings, is preferred location for establishing large scale data centres; accounts for >50% of 853 MW operational capacity at 2023 end
- ✓ Industry doubling to 1,645 MW by 2026, growing ~25% CAGR
  - 45% of the incremental supply coming to MMR, maintaining the lead
- ✓ Scalability, availability of power & water and proximity to Optical Fiber Cable (OFC) key criterion for a location to be approved for establishing data centre
  - Palava with its advantageous location, established ecosystem and large contiguous land parcels is well suited for data centre
- ✓ **Palava now an approved location by a leading global hyperscale data center player with conclusion of first transaction**
  - **Attracting similar large hyperscale players looking for long term visibility of growth**

**Palava emerging as a data center hub – To create sizeable recurring revenue stream**



Actual Photograph

Club Lakeshore @ Palava – Opened 2017





Actual Photograph

**Lodha Villa Royale @ Upper Thane – Opened 2022**

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

Particulars	FY24		FY25E		1HFY25	
	INR Bn	%	INR Bn	%	INR Bn	%
<b>Pre-sales</b>	<b>145.2</b>		<b>175.0</b>		<b>83.2</b>	
<b>Embedded EBITDA</b>	<b>44.0</b>	<b>30%</b>	<b>54.3</b>	<b>31%</b>	<b>27.9</b>	<b>34%</b>
D&A	2.0		2.0		1.3	
Finance Cost	7.7		5.0		2.5	
<b>PBT</b>	<b>34.3</b>	<b>24%</b>	<b>47.3</b>	<b>27%</b>	<b>24.1</b>	<b>29%</b>
Taxes (assumed rate: 25.2%)	8.6		11.7		6.1	
<b>PAT</b>	<b>25.7</b>	<b>18%</b>	<b>35.4</b>	<b>20%</b>	<b>18.0</b>	<b>21.7%</b>
<b>RoE</b>	<b>~17%</b>		<b>~19%</b>			



	FY24 Actuals	FY25 Guidance	1HFY25
Pre-Sales	145	175	83
Operating Cashflow	57	65	18
New Project Additions	203	210	166
Net Debt/Equity	Pre-QIP: 0.34x Post-QIP: 0.17x	<= 0.5x	0.27x

Q2 OCF ~75% higher than Q1; Significant growth planned in H2 as construction picks up post monsoon, and aids collections

*On track to deliver guidance on all the above KPIs*

# Strong management team



25+

**Shaishav Dharia**

**CEO – Extended Eastern Suburbs, Thane, Annuity Assets**

■ Formerly worked with McKinsey & Company and Logic Tools



20+

**Rajib Das**

**President - Eastern Suburbs & Navi Mumbai**

■ Formerly worked with Godrej Group, Indiabulls Properties



32+

**Tikam Jain**

**CEO – Pune**

■ Grown at Lodha with 25 years of association, last position held as Head CPT



33+

**Rajendra Joshi**

**CEO – Bangalore .**

■ Formerly associated with Brigade Enterprises, Mahindra Lifespaces



34+

**Devender Singh Rawat**

**CEO – Green Digital Infrastructure**

■ Formerly CEO of Bharti Infratel, also worked with Ericsson, Huawei



25+

**Prateek Bhattacharya**

**President – Business Development**

■ Formerly served as Expert Associate Principal at McKinsey and Co.



28+

**Sushil Kumar Modi**

**Chief Financial Officer**

■ Formerly worked at GMR, Aditya Birla Group & JSW Steel



26+

**Prashant Bindal**

**Chief Sales Officer**

■ Formerly part of Spice Mobility, Walmart India and Hindustan Coca Cola Beverages



30+

**Rajesh Sahana**

**President – Customer Experience**

■ Formerly worked with Globacom, Reliance Jio, Bharti Airtel, ABN Amro & Bank of America



21+

**Raunika Malhotra**

**President - Marketing and Corporate Communications**

■ Formerly worked with ECS Limited and Adayana Learning Solutions



26+

**Janhavi Sukhtankar**

**President – Human Resources**

■ Formerly held senior positions at Greenpeace International and Sanofi India



29+

**Rajat Kumar Singh**

**Deputy CFO**

■ Formerly worked with Adani Group, Reliance Group & GMR



27+

**Deepak Chitnis**

**Chief Designer**

■ Previously served as senior architect at Oberoi Constructions Pvt Ltd



42+

**Piyush Vora**

**Head – Business Development**

■ Formerly Partner at BDO India



29+

**Shyam Kaikini**

**President – Hospitality & Property Management**

■ Formerly associated with Taj Hotels, Jumeirah International



30+

**Dhruvi Dholkia**

**President – Legal**

■ Formerly worked with Essel Group and Indospace capital advisors.



37+

**Rajesh Agrawal**

**President - Procurement**

■ Formerly served as Group CPO at Adani Ent. & held senior positions at RIL, JSW



30+

**COOs**

■ **Satish Shenoy:** Ex-Arabtec.  
■ **Shrikanth Kampli:** Ex- Phoenix  
■ **Yogendra Bohra:** Ex- L&T

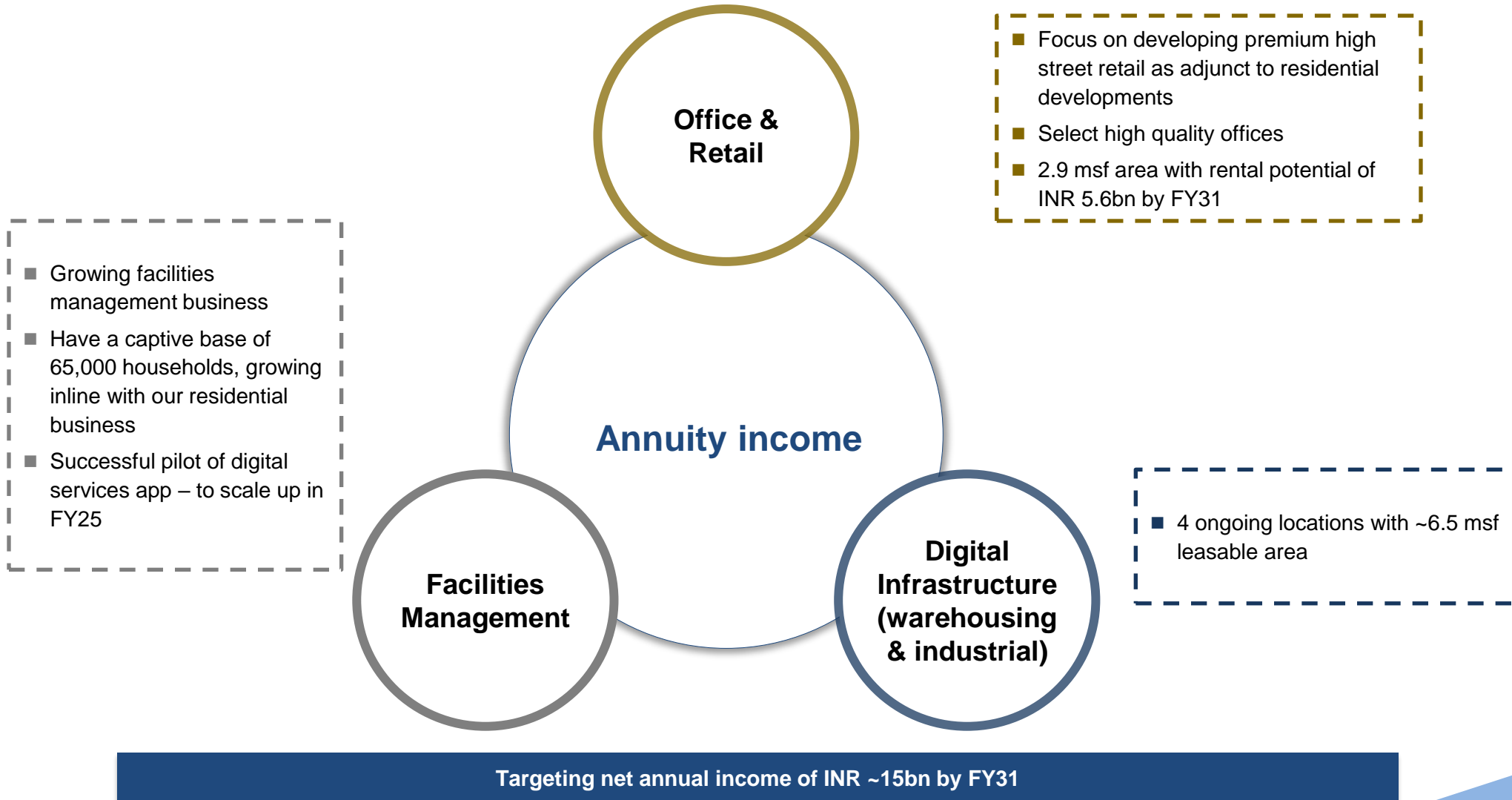


Experience in the industry



# 03 Building annuity streams with low investments

# Gradually building annuity income pool



## Strong visibility of rental income from already acquired assets

Annuity Asset Type	Total Area (msf)	Area leased (msf)	Potential Annual Rental income (FY31) (INR bn)	Already invested (INR bn)	Balance investment (INR bn)
Highstreet Retail	1.64	0.11	3.31	3.15	9.88
<i>RTMI</i>	0.20	0.11	0.45	1.24	0.00
<i>UC</i>	1.05	0.00	2.27	1.91	7.12
<i>Planned</i>	0.39	0.00	0.59	0.00	2.75
Mall	0.41	0.33	0.53	2.02	0.00
Office	0.84	0.42	1.75	6.18	0.00
<b>Total Office &amp; Retail</b>	<b>2.89</b>	<b>0.86</b>	<b>5.58</b>	<b>11.35</b>	<b>9.88</b>
<b>Digital Infrastructure</b>	6.52	1.70	3.33	3.78	24.17
<b>Facilities Management (incl. Digital App)</b>			3.00		
<b>Grand Total</b>	<b>9.41</b>	<b>2.56</b>	<b>11.91</b>	<b>15.13</b>	<b>34.04</b>

Further scale up over next few years will help achieve INR 15bn rental income target for FY31



## Retail – Annuity stream adjunct to our core resi. business

- ✓ Creating portfolio of High Street retail across our developments
  - Significant contributor to our annuity stream
  - Enhance quality of our developments
- ✓ Additionally, have a mall at Palava with 0.4 msf gross leasable area
- ✓ Potential to generate INR ~4bn of rental income by FY31, to increase with addition of new projects

Particulars	Area (msf)
<b>Area under development</b>	<b>2.05</b>
<i>Completed</i>	<i>0.61</i>
<i>Under construction</i>	<i>1.05</i>
<i>Planned</i>	<i>0.30</i>
<b>Area leased</b>	<b>0.44</b>





## Digital Infra.: Steady growth potential

- ✓ Acquired ~45 acres of land in Chennai, first outside MMR
- ✓ In advance discussion for acquiring land in other cities
- ✓ Increased our stake in the rental income (PropCo) from our Digital Infrastructure platform to 66.7% (from earlier ~33%).
- ✓ Strong demand from end users of diverse industries E-Commerce, Fashion & Sportswear retailers, Consumer Goods, 3-PL, Logistics, Data Center, Engineering Goods, Life Sciences, etc.

Particulars	Area (msf)
<b>Area under development</b>	<b>6.52</b>
<i>Completed</i>	<i>1.35</i>
<i>Under construction</i>	<i>1.48</i>
<i>Planned</i>	<i>3.69</i>
<b>Area leased*</b>	<b>1.70</b>

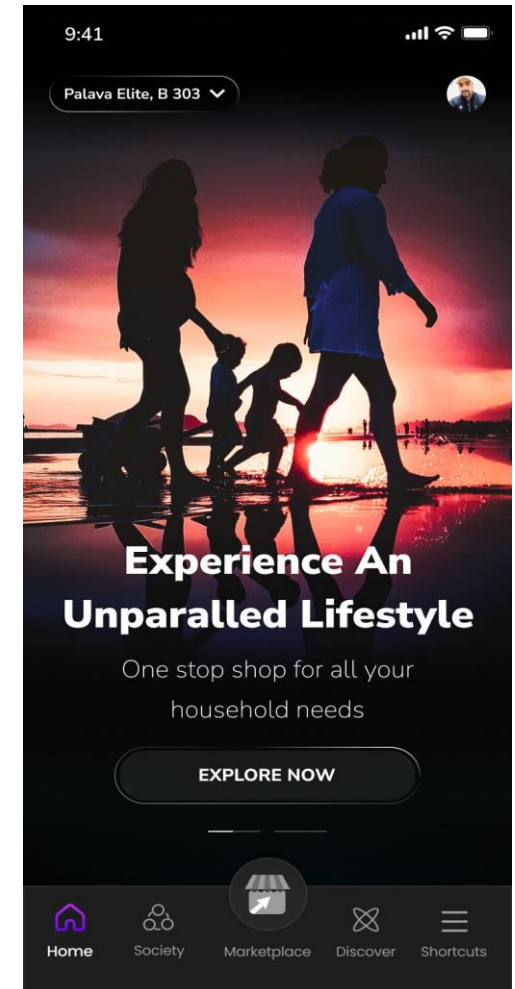
\*Includes pre-leased area under construction



India's largest warehousing box operationalized by Skechers

# 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 65,000 households
  - Strong understanding of consumers and their spending patterns
- ✓ Added 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
- ✓ Successful pilot of digital services app '**Bellevie**' – scale up underway



Strategic business opportunity to generate significant recurring service / fee income



# 04 Growing in sustainable manner

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

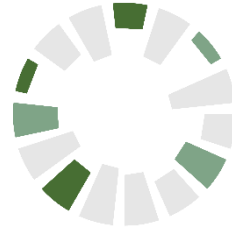
Member of

## Dow Jones Sustainability Indices

Powered by the S&P Global CSA

### S&P Global Corporate Sustainability Assessment 2024

**Third highest CSA score** out of ~500 companies globally in Real Estate



G R E S B  
★ ★ ★ ★ ★ 2023

### GRESB Development Benchmark 2024

**Ranked 1st in Asia** with a **5-star rating** and score of **100/100** in the category **Residential: Multi-Family | Listed**

MSCI  
ESG RATINGS



### MSCI ESG Rating

Received relative of rating 'A' (from AAA-CCC scale) in our first assessment.  
Scored 6/10



### WBA Urban Benchmark

Ranked **3<sup>rd</sup>** among the **300** most influential companies shaping urban environments worldwide, **1<sup>st</sup>** amongst **84** real estate companies globally



FTSE4Good

### FTSE4Good Index Series

Retained position in the **FTSE4Good Index Series** in Dec 2023 index review



### IGBC Green Champion Award

Winner of the 10th IGBC Green Champion Award under the category of **'Developer leading the Green Homes Movement in India'**



# Eminent 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**

- Formerly 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
- Former 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 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**

- 30+ 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



**Shaishav Dharia, Whole-time Director, CEO - Extended Eastern Suburbs, Thane & Annuity Assets**

- 25+ years of experience, holds MBA from Booth School of Business, University of Chicago
- Formerly worked with McKinsey & Company and Logic Tools

# Our Sustainability Strategy: Do Good, Do Well

We recognize **ESG issues** as **long-term risks** that also present **opportunities for value creation** when strategically addressed.  
Our strategy enables us to identify initiatives that amplify our impact and foster collaboration with our diverse stakeholders on this journey

Environment	<b>Decarbonisation</b> Embodied Carbon Reduction Energy Efficiency Clean Energy Transition Clean Mobility		<b>Resilience</b> Climate Resilience Water Resilience	
	<b>Waste Management</b> Pollution Control Biodiversity			
Social	<b>Women's Empowerment</b> Unnati Diversity & Inclusion at Lodha	<b>Education</b> Lodha Genius Programme Lodha Schools	<b>Health &amp; Safety</b> Everyone Home Safe Human Rights	<b>Learning &amp; Growth</b> We Care Employee Engagement L&D Initiatives
			<b>Collaboration and Engagement</b> Stakeholder engagement programs	
Governance	<b>Transparency</b> Best-in-class reporting Benchmarking	<b>Enterprise Risk Management</b> Identify and mitigate the key material risks	<b>Board Effectiveness</b> Board diversity and independence	<b>Ethical Business Practices</b> Code of Conduct Integrity Fairness



# Strategy to achieve the overarching ESG Goals

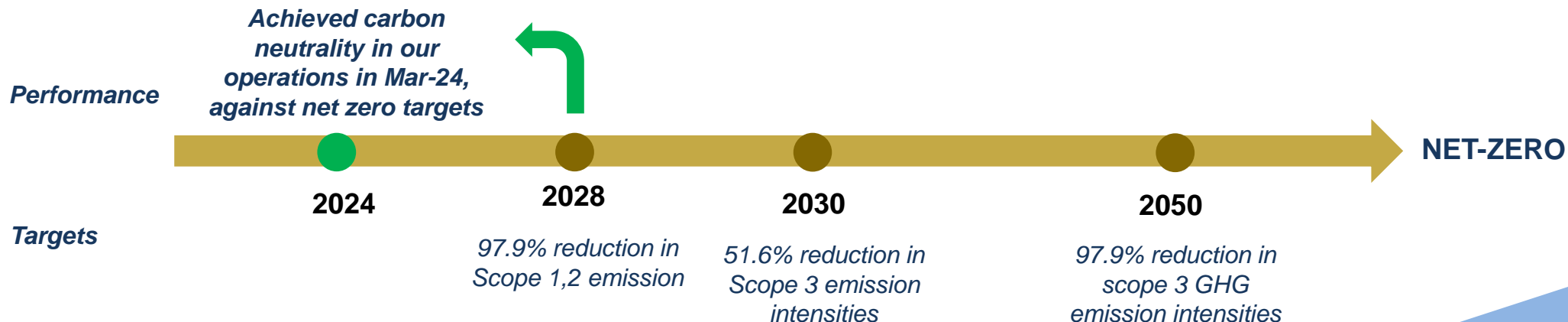


## SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Near-term targets:
  - Reduce absolute **scope 1 and 2 GHG emissions 97.9% by FY2028** from a FY2022 base year
  - Reduce **scope 3 GHG emissions 51.6% per square meter of area developed by FY2030** from a FY2022 base year
- Long-term target:
  - Maintain at least **97.9% absolute scope 1 and 2 GHG emissions** reductions from FY2028 through FY2050 from a FY2022 base year
  - Reduce absolute **scope 3 GHG emissions 97.9% per square meter of area developed by FY2050** from a FY2022 base year

## OUR NET-ZERO ROADMAP



# Progress made in Environmental Sustainability

## Overarching Goals

Achieve 97.9% reduction in Scope1, 2 emission in operations by the year 2028

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

1<sup>st</sup> Real Estate company in India to have Net Zero Targets Validated by SBTi

Achieved Carbon Neutrality in Scope1,2 emissions against our net zero targets

Renewable Energy: Transitioning to 100% of electricity used on construction sites and assets to renewable sources through on-site generation & off-site purchases, achieved 98% as of Mar-24

Enabling switch to Electric Vehicles for residents at our developments - 136 EV chargers installed across sites by Tata Power as of Mar-24

Targeting 100% portfolio under the ambit of green certifications; secured for ~54 mn sq ft

Over 42 MLD capacity of STPs installed across our projects

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

Completed G+23 building with triple blend concrete mix using fly ash, OPC, and cement; by replacing ~50% cement with GGBS (Ground Granulated Blast Furnace Slag) in the concrete mix, 14% reduction in the overall embodied carbon of the building

One Lodha Place – Our flagship office building

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

IGBC Net Zero Energy (design) certification

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

Signed an MoU with Third Derivative, the startup incubator arm of the Rocky Mountain Institute (RMI), to foster innovation in the built environment

Partnered with IIT-Delhi for piloting use of an innovative blend, LC3 (limestone calcinated clay cement) to find commercial use case; Can help achieve up to 40% reduction in emissions compared to a Ordinary Portland Cement (OPC)

# Progress made in Social and Governance dimensions

Governance	Social	
Board	Our People	Communities
<p>Board led by an Independent Director</p> <p>ESG Committee at the board headed by an Independent Director</p>	Diversity & Inclusion	Enabling Livelihood for Women
	Women represent 26%* of employee strength as of Mar-24	<p><b>Project Unnati</b> - Aimed at empowering and enabling women to participate in the formal labour force and achieve their aspirations, advance social &amp; economic development of India</p> <p>Till Sep-24, ~900 women have benefitted from Unnati on job readiness through various programmes, &gt;50 women have secured jobs</p> <p>Partnership agreements with aligned companies through Unnati to provide support to unlock 2000+ jobs</p>
	All women construction team	
	Inaugural all-women construction management team broke the ground at Lodha Upper Thane, marking a significant stride not only for Lodha but for the entire real estate sector in India for Women empowerment	
<p><b>Disclosures</b></p> <p>Created best in class disclosure standards in Real Estate Industry -appreciated by stakeholders</p> <p><b>S&amp;P Global 2024 Corporate Sustainability Assessment (CSA): 5th Highest score out of ~500 global Real Estate Development companies; No. 1 in India</b></p>	Best Place to Work	Education
	<p>Recognized as the Top #1 Real Estate Company by Great Place to Work.</p> <p>Ranked 64 amongst 2,000 companies across all sectors in the country, and the only real estate company amongst the top-100.</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>Second cohort of ~200 bright young minds from across India being mentored by group of diverse faculty members &amp; experts including from CERN, Stanford, IIT, etc.</p>
	Learning & Development (8 man days by FY27)	
	~27 learning man-hrs per associate in FY24	
	Health and Safety	
	Lost Time Injury Frequency Rate - 0.033 in FY24	

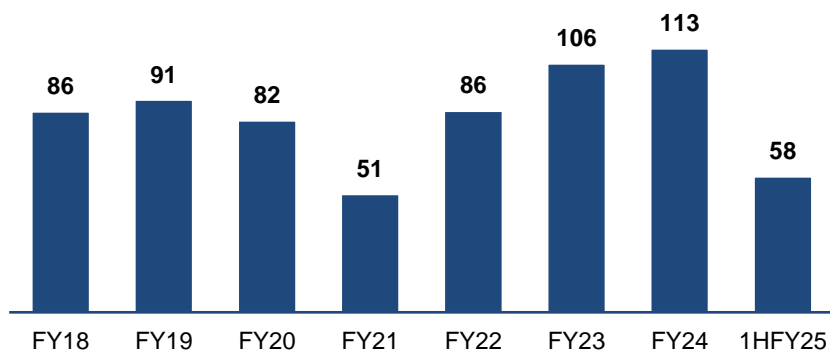
\*in non-construction work force



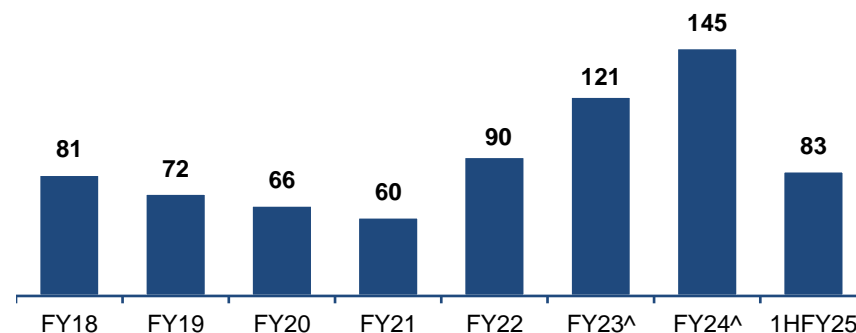
# *05* Financial Highlights

# Strong execution track record

Collections (INR bn)



Sales (INR bn)



Summary financials (INR bn)

	FY21	FY22	FY23	FY24	1HFY25
Revenue from operations	54.5	92.3	94.7	103.2	54.7
Adjusted EBITDA <sup>1</sup>	15.4	32.4	29.7	34.3	19.2
Adjusted EBITDA <sup>1</sup> %	28.3%	35.1%	31.4%	33.3%	35.0%
Adj. Profit/ (Loss) <sup>2</sup>	2.4	12.4	13.2	16.2	9.0
Adj. Profit/ (Loss) <sup>2</sup> %	4.1%	13.0%	13.7%	15.4%	16.1%
Net Debt	160.8	93.0	72.7	30.1	49.2

Sustaining 30+% Adj. EBITDA margin

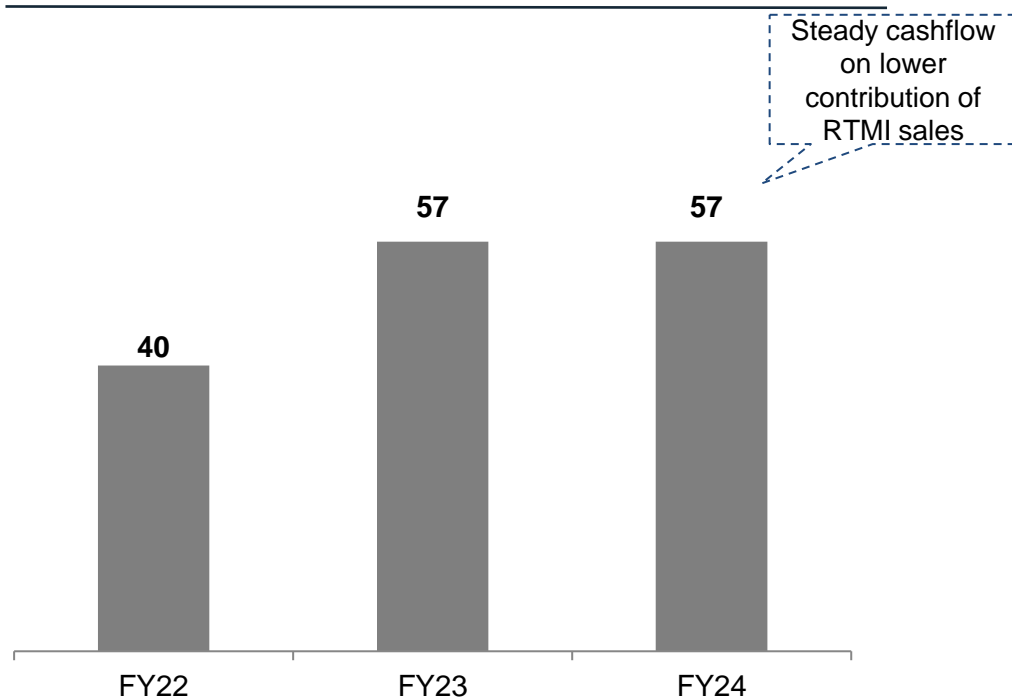
## Consistent track record of margin and profitability

<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 net of taxes

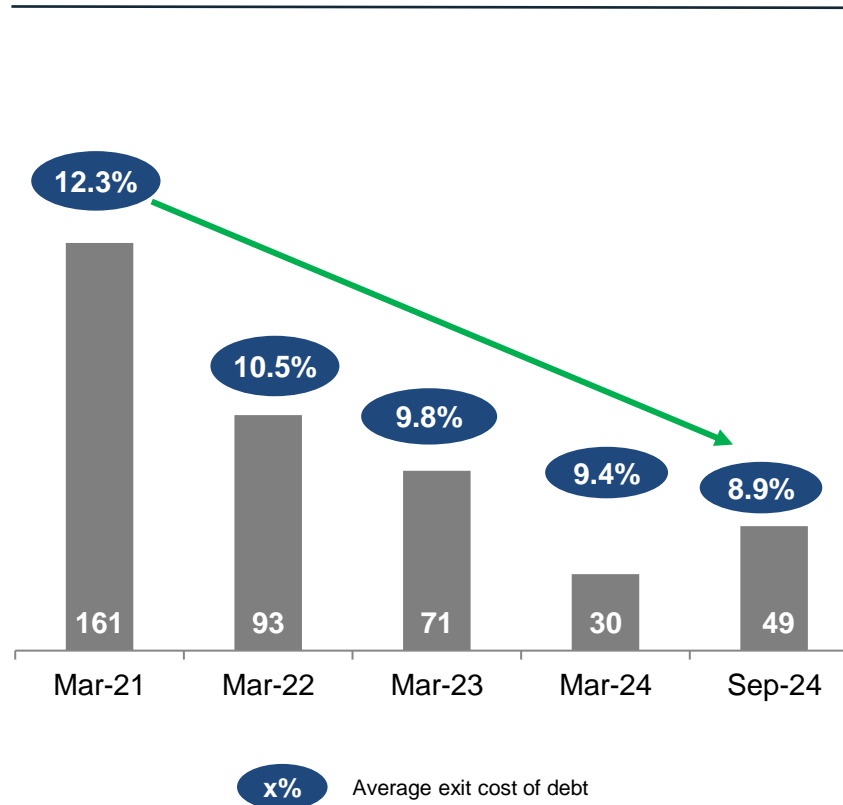
# Generating significant operational cashflow for growth

INR bn

## Operating cashflow at INR 57bn



## Net debt well below guidance of 0.5x of net D/E; cost of debt on declining trajectory






## Business Development 1HFY25

Micro-market	Period Added	Saleable Area (msf)	Est. GDV
MMR – Western Suburbs	Q1-25	1.1	77
MMR – Western Suburbs	Q1-25	0.2	16
Pune - West	Q1-25	1.4	18
Bangalore – North	Q2-25	2.1	24
Bangalore – South	Q2-25	1.7	14
Pune – South West	Q2-25	0.3	0.4
Pune – Pimpri Chinchwad	Q2-25	1.7	13
<b>Total</b>		<b>8.5</b>	<b>166</b>

Achieved more than 75% of full year guidance of INR 210bn

## Micro-market wise supply

Micro-markets	Residual Collections from Sold units	Ready unsold	Ongoing unsold	Planned Inventory Launches				Land Bank
				In next 12 months <sup>1</sup>		12 to 60 months		
				Own Land	JDA Projects	Own Land	JDA Projects	
	INR bn	Mn. Sq. ft.						
South & Central	46.8	1.0	1.6	0.3	1.0	0.6	7.5	-
Thane	10.5	0.2	2.3	-	-	4.0	-	-
Extended Eastern Suburbs	23.2	3.5	3.8	4.4	-	48.4	-	600+ 
Western Suburbs	20.3	0.0	1.4	0.4	-	0.9	0.4	-
Pune	21.1	0.1	2.2	1.0	1.1	1.7	1.4	-
Eastern Suburbs	21.2	-	2.3	-	1.4	1.0	1.6	-
Extended Western Suburbs	0.3	0.0	0.1	-	-	-	-	-
Bangalore	9.3	-	0.4	1.9	0.8	2.6	0.8	-
Offices & Retail (for rent)	-	1.1	1.4	-	-	0.2	0.2	-
Industrial Park <sup>2</sup>	-	1.3	1.5	-	3.7	-	-	-
Total	152.8	7.2	16.9	8.1	4.3	59.4	11.9	600+

Largest land bank amongst any Real Estate company in India'

Value of Ready Unsold and Ongoing Unsold is INR ~85bn and INR ~267bn respectively

<sup>1</sup>as on Sep-24

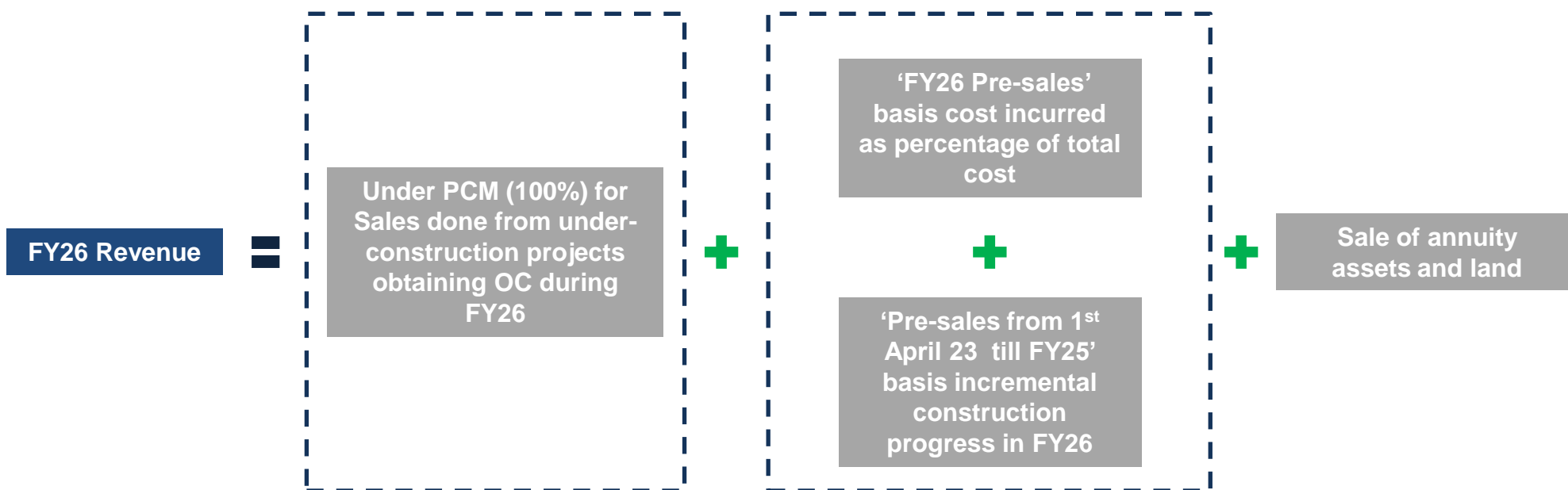
<sup>2</sup>Includes JV with Morgan Stanley and Digital Infrastructure Platform

# Revenue recognition for a financial year

## Illustration for revenue recognition in FY26

Contracts entered before  
Mar-23 (under PCM (100%))

Contracts entered after Mar-  
23 (under POCM  
(Progressive))



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

Mn. Sq. ft.

Micro-market	Total area	Sold/ Unsold <sup>1</sup>	2HFY25		FY26		FY27		>= FY28	
			Own	JDA	Own	JDA	Own	JDA	Own	JDA
South & Central Mumbai	2.85	Sold-PCM	0.08	-	0.02	-	0.11	0.06	-	-
		Sold-POCM	0.11	-	0.31	-	0.05	0.42	0.12	-
		Unsold	0.19	-	0.14	-	0.05	0.71	0.47	-
Thane	4.84	Sold-PCM	0.32	-	0.62	-	-	0.03	-	-
		Sold-POCM	0.19	-	0.72	-	0.44	0.16	0.06	-
		Unsold	0.06	-	0.31	-	1.03	0.39	0.49	-
Extended Eastern Suburbs	9.55	Sold-PCM	1.19	-	0.88	-	-	-	0.02	-
		Sold-POCM	0.79	-	1.40	-	0.45	-	0.00	-
		Unsold	0.25	-	1.12	-	0.98	-	1.47	-
Western Suburbs	3.07	Sold-PCM	0.01	0.40	-	0.09	0.08	-	0.08	-
		Sold-POCM	0.01	0.06	0.05	0.15	0.04	0.40	0.15	0.17
		Unsold	0.06	0.02	0.13	0.09	0.15	0.43	0.18	0.32

\*Sold/ Unsold data is as of Sep-24

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

Mn. Sq. ft.

Micro-market	Total area	Sold/ Unsold <sup>1</sup>	2HFY25		FY26		FY27		>= FY28	
			Own	JDA	Own	JDA	Own	JDA	Own	JDA
Eastern Suburbs	4.49	Sold-PCM	-	0.17	-	0.31	-	0.20	-	-
		Sold-POCM	-	0.08	-	0.11	-	1.16	0.07	0.09
		Unsold	-	0.10	-	0.17	-	1.27	0.64	0.12
Pune	7.35	Sold-PCM	0.15	0.53	0.13	0.93	-	0.03	-	-
		Sold-POCM	0.09	0.20	0.03	1.06	0.11	1.14	-	0.77
		Unsold	0.01	0.07	0.13	0.27	0.27	0.73	-	0.71
Extended Western Suburbs	0.40	Sold-PCM	-	-	0.32	-	-	-	-	-
		Sold-POCM	-	-	0.02	-	-	-	-	-
		Unsold	-	-	0.06	-	-	-	-	-
Bangalore	1.64	Sold-PCM	-	-	-	-	-	-	-	-
		Sold-POCM	-	-	-	-	0.65	-	0.56	-
		Unsold	-	-	-	-	0.06	-	0.37	-
Total	33.18	Sold-PCM	1.75	1.10	1.96	1.33	0.19	0.32	0.10	0.00
		Sold-POCM	1.19	0.34	2.53	1.33	1.76	3.29	0.97	1.03
		Unsold	0.58	0.18	1.90	0.53	2.54	3.52	3.61	1.15

\*Sold/ Unsold data is as of Sep-24



# Lodha – India's leading real estate developer

## Leading Residential Platform

### Amongst India's Largest Real Estate Developers

- **INR ~915bn** of Pre-sales and **INR ~875bn** of collections (95% of Pre-sales) **since FY14**

### Diversified portfolio providing resilient growth

- ~40 operating projects contributing to sales
- **Presence across luxury, premium, mid-income & affordable:**

### Focus on 3 cities contributing 2/3<sup>rd</sup> primary homes sales (INR 2.2tn) amongst Top 7 Indian cities

- ~10% market share in MMR
- Accelerating growth in Pune
- Shifting gear, entering growth phase in BLR

### 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 with low leverage

#### FY 24 performance:

- Operating cash flow: INR ~57bn
- Cash available for investment & capital providers: ~50bn
- Net debt reduction: INR ~41bn: INR ~11bn from operations + INR ~30bn from capital raise
- Rewarding shareholders: Steadily growing dividend: INR 2.25/sh for FY24 (+125% of FY23)


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

- Sustained adj. EBITDA margin of ~30%
- FY24 Pro-forma RoE at ~17%, **target 20% by FY26**

### Conservative leverage: Net debt capped at 0.5x D/E

- Net debt at INR 49.2bn, 0.27x Equity, well below ceiling
- AA- (Positive) - 6 upgrades already since 2021

### Annuity like cashflow from townships

- FY 24 sales INR ~22bn; Collections INR ~22bn
- Infra project completion (FY 25-29) to lead to step change  in volume and margins
- 600+ mn sft dev potential. Estimated sales of US\$ 175+ bn in next 3 decades with EBITDA margin expanding to 50%

## 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 and Bengaluru through 'supermarket' strategy of presence every 2-4 km radius

### Building recurring / annuity income – progressing towards INR ~15bn by FY31

- Rental income from high street retail, warehousing/industrial, and select office
- Growing Property Management business, with digital layer, aligned to residential growth

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

- Added 40 projects with GDV of INR ~710bn since IPO (7 projects with GDV of INR ~165bn added in 1H FY25)



*Thank You!*

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