

January 24, 2023

The Listing Dept.,
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Scrip Code: **543287** Scrip ID:-**LODHA**
Debt Segment – **974163, 974199, 974473,**
974511

The Listing Dept.
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
Trading Symbol : **LODHA**

Sub: Press Release

In continuation of our letter of even date, regarding the submission of Consolidated and Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2022, we enclose herewith a copy of Press Release issued by the Company in this regard.

The press release is also being uploaded on the Company's website at www.lodhagroup.in

You are requested to inform your members accordingly.

Thanking you,

Yours truly,

For Macrotech Developers Limited

Sanjyot Rangnekar
Company Secretary & Compliance Officer
Membership No. F4154

Encl.: A/a

Lodha delivers best ever Q3 pre-sales; continues debt reduction

- Strong Pre-sales at INR 3,035 crores (+16% YoY)
- Reduces net debt by INR 753 crores to INR 8,042 crores
- Adds 4 new projects across MMR & Pune having combined GDV of INR ~8,500 crores
- Ranked amongst top ~1% of real estate companies in the world by S&P for ESG
- Cost of borrowing continues to drop – now 9.7% from 10.5% at end of FY22

January 24, 2023, Mumbai: Lodha, India's No. 1* real estate developer, announced its financial results for the quarter ended December 31, 2022. Company reported its best ever Q3 pre-sales performance achieving 16% YoY growth.

Q3FY23 Operational & Financial Overview

- Pre-sales: INR 3,035 crores (up 16% YoY)
- Embedded EBITDA margin on Pre-sales: 31%
- Revenues from ops.: INR 1,775 crores (-14% YoY)
- Adjusted EBITDA: INR 565 crores (-19% YoY)
- PAT adjusted for forex: INR 296 crores (up 6% YoY)

Commenting on the performance, **Mr. Abhishek Lodha, MD & CEO, Macrotech Developers Ltd.** said, *“Demand for quality housing from trusted brands continues to remain strong despite the increase seen in mortgage rates. This reinforces our view that the housing upcycle is long term in nature on the back of strong affordability, job creation and income growth. There is an increasing likelihood of mortgage rates peaking in the first half of 2023 and thereafter likely reduction in the rates from the second half of the year. This will only strengthen the consumer sentiments going ahead. Combined with the consolidation on the supply side and our strategy of capital light expansion through JDAs, we believe that we can deliver 20% CAGR in pre-sales and ~20% ROEs over medium term.*

We are elated to announce our strong performance on all parameters. First, Lodha achieved its best ever Q3 Pre-sales performance at INR 3,035 crores showing 16% YoY growth. This strong pre-sales performance has helped us achieve 9MFY23 Pre-sales of 9,039 crores - surpassing the pre-sales recorded in the entire full year of FY22. This makes us confident of surpassing our guidance for FY23 of INR 11,500 crores pre-sales. Secondly, the company also added four new projects during the quarter in MMR & Pune aggregating to 5 mn square feet of saleable area and a combined GDV of INR ~8,500 crores. With this we have already added INR 17,800 crores of GDV in the 9MFY23 exceeding our full year guidance of INR 15,000 crores. Finally, in spite of the heightened business development, we reduced our net debt by another INR 753 crores during the quarter to INR 8,042 crores. We are confident of achieving our leverage goals of net debt being lower than 0.5x of equity and 1x of operating cash flow, over the course of next six months.

Our KPIs of pre-sales, embedded EBITDA margin, business development and ESG performance all performed ahead or in line with our expectations. Due to accounting standards, our revenue recognition and profitability is limited to projects which complete in each quarter and hence, the variability of these metrics is high.

Strength of our performance enabled us to successfully consummate another QIP and thus achieving the required minimum public shareholding of 25%. The QIP saw the participation of both existing and new marquee investors such as UBS, NinetyOne (Investec), William Blair, MSIM, Capital Group, Nomura, Amundi, USS, ADIA, Nippon MF, Quant MF etc. The enhanced free float will enable the company to be part of important free float weighted indices in future and thus creating significant shareholder value.”

During the quarter, the company reduced its net debt by INR 753 cores to INR 8,042 crores. In spite of the rising policy rates, Company has also been able to reduce its interest cost consistently. During the 9MFY23 Lodha has reduced its average exit borrowing cost by ~80 bps to 9.7% (from ~10.5% at end of FY22) despite a significant 225bps increase in benchmark policy rates during the same period.

It is heartening to note that the work done by the company in the field of ESG is getting global recognition. During the quarter Lodha received an exceptional score of 75 (out of 100) in S&P Global Corporate Sustainability Assessment (CSA) 2022, the highest amongst the real estate companies in India. Globally, this ranks Lodha amongst the top ~1% most sustainable companies out of over 867 companies in real estate sector. Being devoted to the 'do good, do well' philosophy, Company's overarching goal is to be a 'net-positive' organization that creates a positive impact on both – our planet and our people.

* By Cumulative Residential Sales for FY 2016-2022

About Lodha

Lodha, India's No. 1* real estate developer is driven with the passion of building world's finest developments across its residential, commercial and digital infrastructure portfolio. The company has delivered ~90 million square feet of real estate and is currently developing ~107 million square feet under its on-going and planned portfolio. The company's vision of 'Building a Better Life' extends across geographies, markets, price points and consumer segments and creates developments with self-contained eco-systems, great outdoor spaces, and robust infrastructure, bringing every facility and convenience to the doorstep. The company is committed to being a net zero carbon emission company by 2035 and by acting in the larger interest of the environment and society; the company is committed to 'building a better life' in more ways than one.

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.