

## DLF Limited

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February 8, 2019

To, The General Manager Dept. of Corporate Services <b>BSE Limited</b> P.J. Tower, Dalal Street, Mumbai 400 001	To, The Vice-President <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051
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### Sub: Corporate Presentation to Analysts

Dear Sir,

We are forwarding herewith “DLF Corporate Presentation to Analysts” for your kind information and record please.

Thanking you,

Yours faithfully,  
for **DLF LTD.**

A handwritten signature in black ink, appearing to read 'Subhash Setia', written over a horizontal line.

**Subhash Setia**  
Company Secretary

Encl. : As above

#### For Stock Exchange's clarifications, please contact:-

1. Mr. Subhash Setia – 09873718989/setia-subhash@dlf.in
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**DLF**   
**BUILDING INDIA**

**Corporate Strategy**

February 2019

# Disclaimer

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This presentation contains certain forward looking statements concerning DLF's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc., interest and other fiscal cost generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the company.



# DLF Today

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**7 decades**

Experience in real estate development

**153**

Real estate projects developed

**330 msf**<sup>1</sup>

Area developed

**113 msf**<sup>2</sup>

Deliveries since 2007

**204 msf**

Development potential excluding TOD potential in Gurugram (DLF ex DCCDL)

**19 msf**

Development potential through land reserves (DCCDL Group)

**7 msf**

projects under construction

**14 states**

Geographical presence

**21 cities**

Across the Country

**1,000+**

Number of tenants



<sup>1</sup> DLF Share

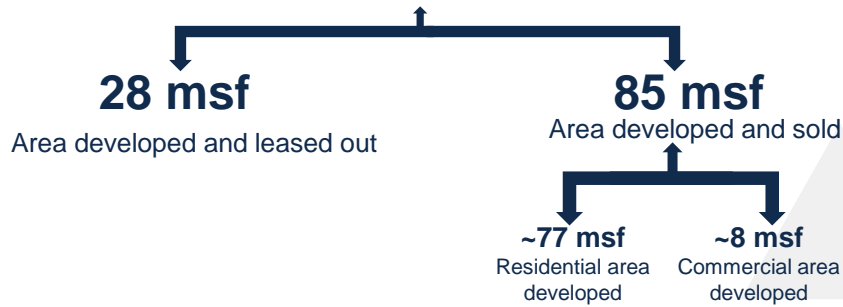
<sup>2</sup> Total includes JV Share

# Journey since IPO

Area developed

## 113 msf

Cumulative area developed and delivered since IPO in 2007

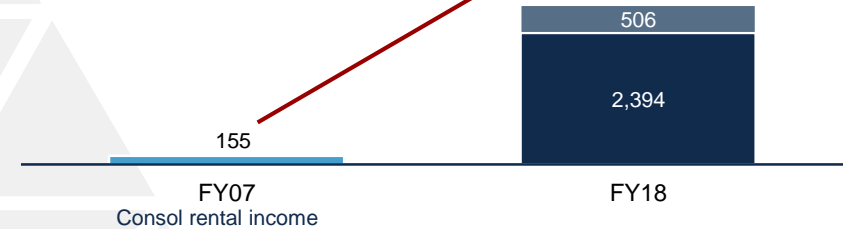


Income

## ~18x

Increase in rental income

■ DCCDL ■ DLF  
Rental income (INR Crs)



Increase in average prices

Healthy increase in residential selling prices across developments

Promoter commitment

Infused INR 9,000 Crs equity in the business with commitment of another 2,250 Crs

Partnerships

Partnering with GIC for DCCDL transaction - 33.3% stake valued at EV of INR 35,617 Crs

Leading real estate company with demonstrated execution capabilities and diversified product offerings

# Recent Developments in the Residential Real Estate Sector

The real estate sector has gone through certain challenges...

## Stalled Projects

- ~160 msf of stalled projects in NCR since 2007<sup>1</sup>

## Credit Dislocation

- Stressed balance sheets for several developers

9.0%

- increase in average realization in NCR from FY14 to FY18<sup>1</sup>

## Structural Reforms

- Stringent provisions due to RERA, GST and other structural reforms resulting in stress on operating cash flows

~80%

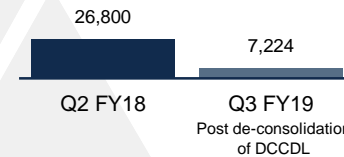
- of inventory under construction<sup>1</sup>

...but DLF has maintained its position, completed execution and delivered its commitment

113 msf

- deliveries by DLF since 2007

Net Debt (INR Crs)



- Reduction in consolidated net debt

>30%

- increase in average selling price across project lifecycle<sup>2</sup>

**DLF**  
Advantage

- Fully compliant

<sup>1</sup> Source: Industry reports;

<sup>2</sup> includes Camellias, Crest, Horizon Centre, Regal Garden, Kings Court, Primus; from project launch till completion

# Strong Vision with Ability to Adjust to Changing Market Environment

1

Generate value for shareholders and maintain leadership position in real-estate sector

2

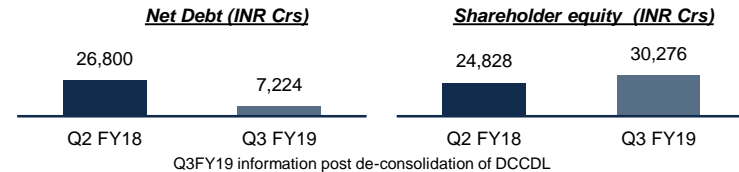
Continue growing and generating positive cash flows across segments

- Stable and recurring income stream from strong portfolio of high quality office and retail properties
- Focus on maintaining cash flow positive earning stream in the residential business with strong focus on monetizing finished inventory

3

Maintain a healthy balance sheet

- Equity cushion added to substitute debt in a volatile interest rate environment



4

Strong promoter commitment and partnership with respected global institutions

- INR 9,000 Crs equity infused by promoters in the business with commitment of another 2,250 Crs
- 33.3% stake valued at EV of INR 35,617 Crs with DLF holding the balance 66.7%

5

Follow best-in-class corporate governance practices

- S.R. Batliboi (member of EY Group) as statutory auditor with KPMG and Grant Thornton as internal auditors

6

Safety and Compliance

- Awarded Sword of Honour by British Safety Council
- LEED Platinum Certification by USGBC
- DuPont appointed as safety partner in 2011



# Overview of the Verticals



**One of the largest rental platform in India**

- ✓ **32.8 msf** of operational assets and **3.2 msf** of under construction assets
- ✓ **~19 msf** of development potential
- ✓ **Embedded income growth** through contractual escalation and rental resets
- ✓ **1,000+ tenants** including many Fortune 500 companies

**Well poised to benefit from improving market conditions**

- ✓ **INR 12,300 Crs** of ready inventory
- ✓ **~204 msf** of strategic land reserves
- ✓ **~65 msf** of additional TOD potential

**Sustainable capital structure with a high degree of visibility on cash flows and profitability**

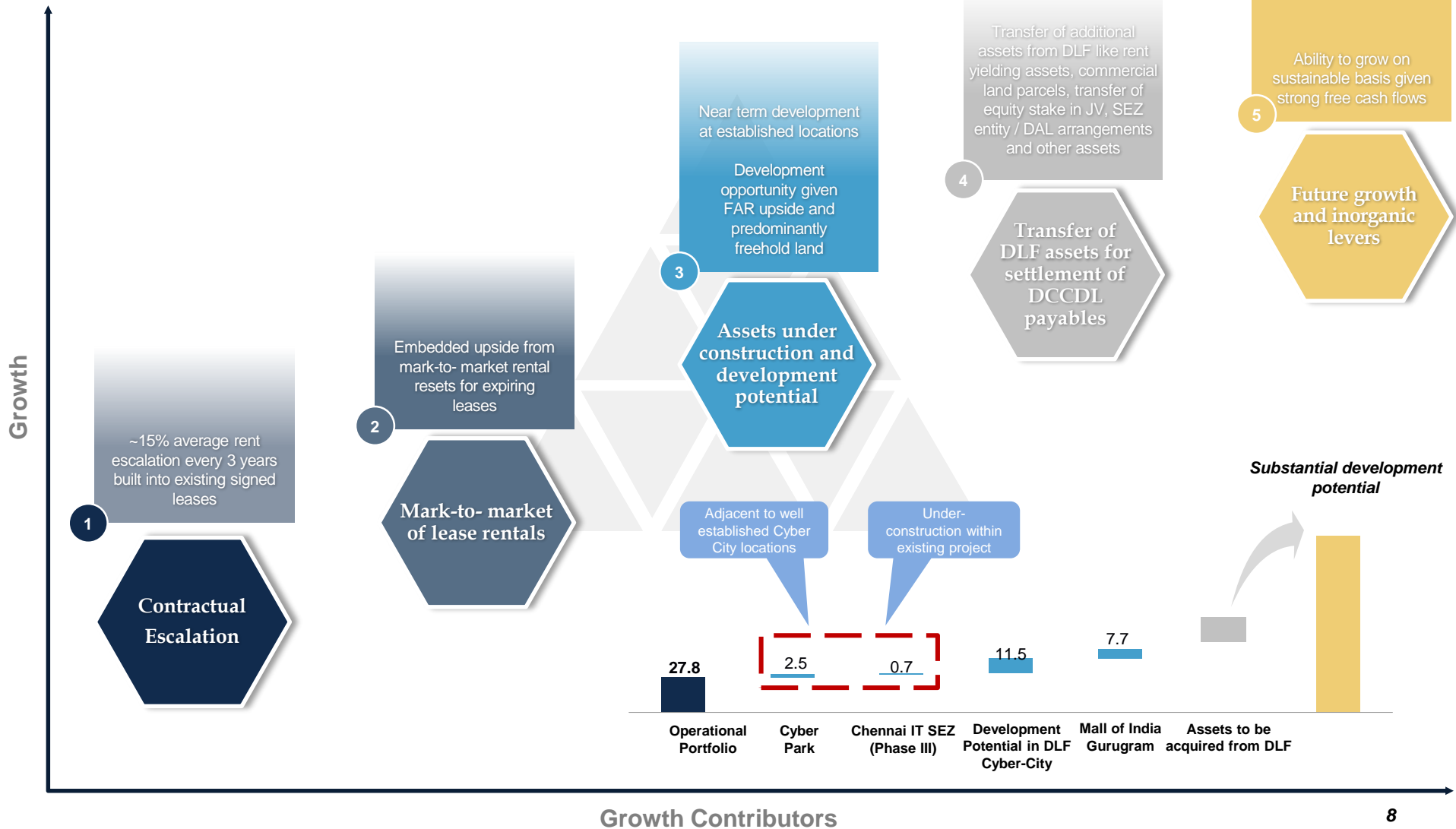
<sup>1</sup> Includes rental assets of DCCDL and DLF group.





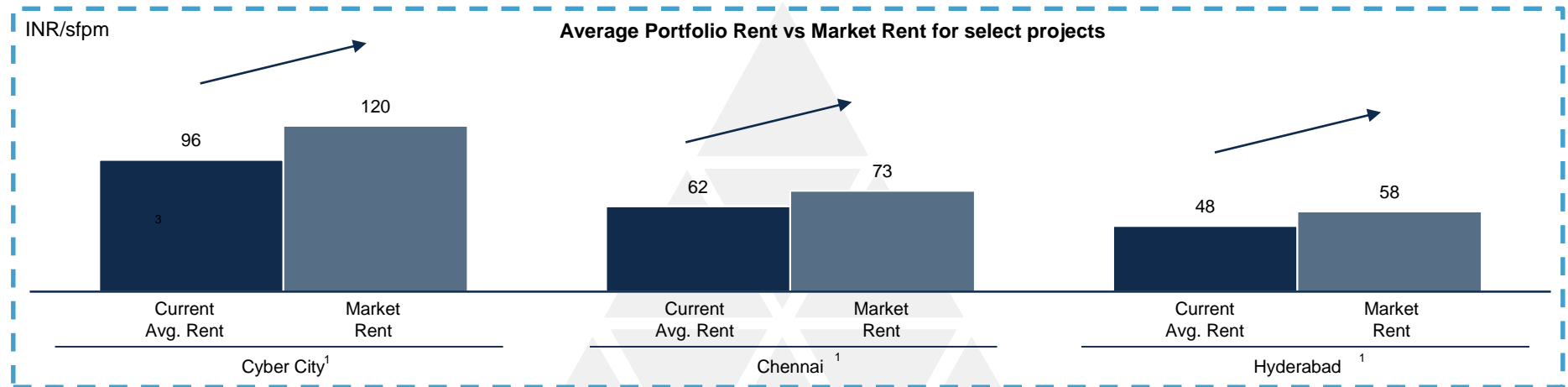
# Multiple Growth Drivers for DCCDL Group

## Platform Growth Drivers



# Significant Mark to Market Potential on Existing Commercial Portfolio

## Mark-to-market Potential: Significant Room for Rent Revisions for Expiring Leases



Re-leasing at market rent to drive significant value creation

<sup>1</sup> Market rent means weighted average rate for new leases entered in Dec '18 for DCCDL Assets.



# Overview of DLF's Rental Assets (excluding DCCDL)

## Retail assets

Project	Leasable area (msf)	Occupancy (%)	In-place Rental <sup>1</sup> (INR psf)
Mall of India Noida	2.0	99.7%	94
Saket	0.5	92.9%	115
Chanakya	0.2	92.7%	158
Capitol Point	0.1	96.4%	365
South Square	0.1	99.4%	116
	<b>2.8</b>		

Mall of India, Noida



## Commercial assets

Project	Leasable area (msf)	Occupancy (%)	In-place Rental <sup>1</sup> (INR psf)
Kolkata II	1.0	71.4%	34
Amex Tower	0.5	100.0%	49
DLF Centre	0.2	91.0%	360
Gateway	0.1	90.8%	113
Horizon One <sup>2</sup>	0.4	96.0%	140
	<b>2.2</b>		

The Chanakya



DLF Saket



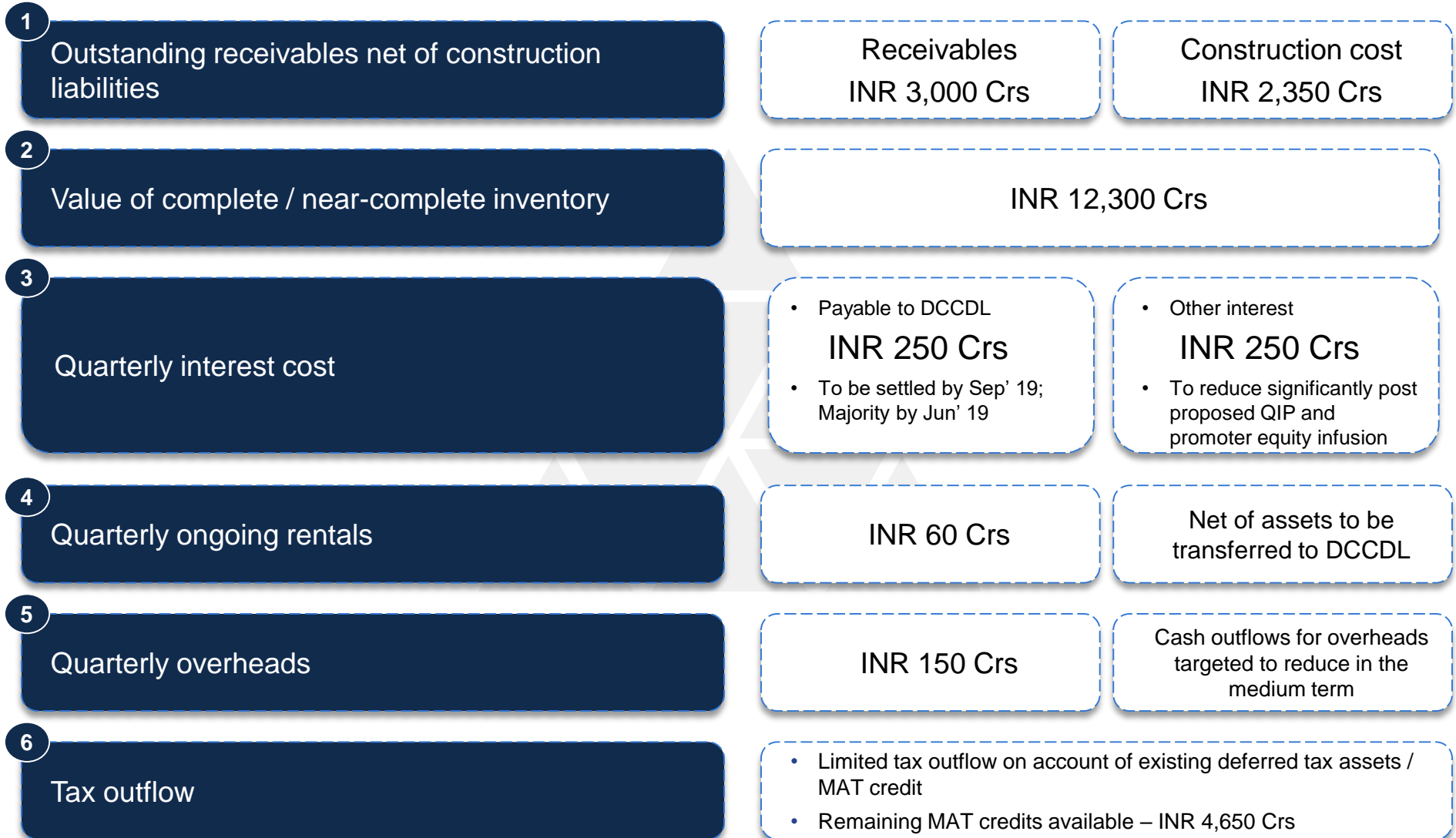
Certain rental properties and land parcels of DLF are intended to be transferred to DCCDL to settle inter-company payables

Note:

<sup>1</sup> as of December 2018

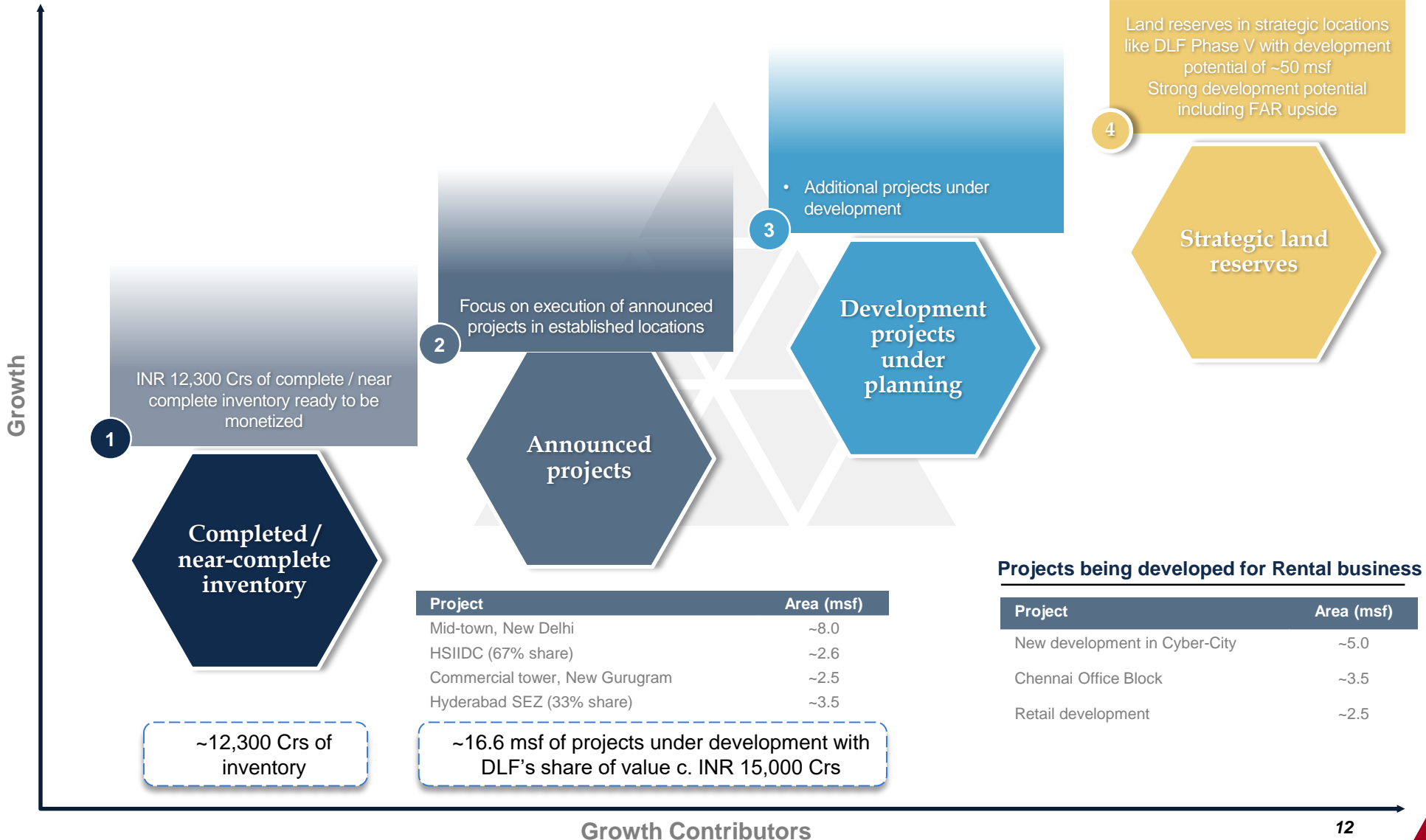
<sup>2</sup> DLF Share

# Strengthening Balance Sheet and Cash Flows



# Multiple Growth Drivers for Development Business

## Platform Growth Drivers



# Significant Land Reserves for Future Growth – DLF (ex DCCDL)

Large land reserves in strategic locations across India

204 msf<sup>1</sup> of development potential

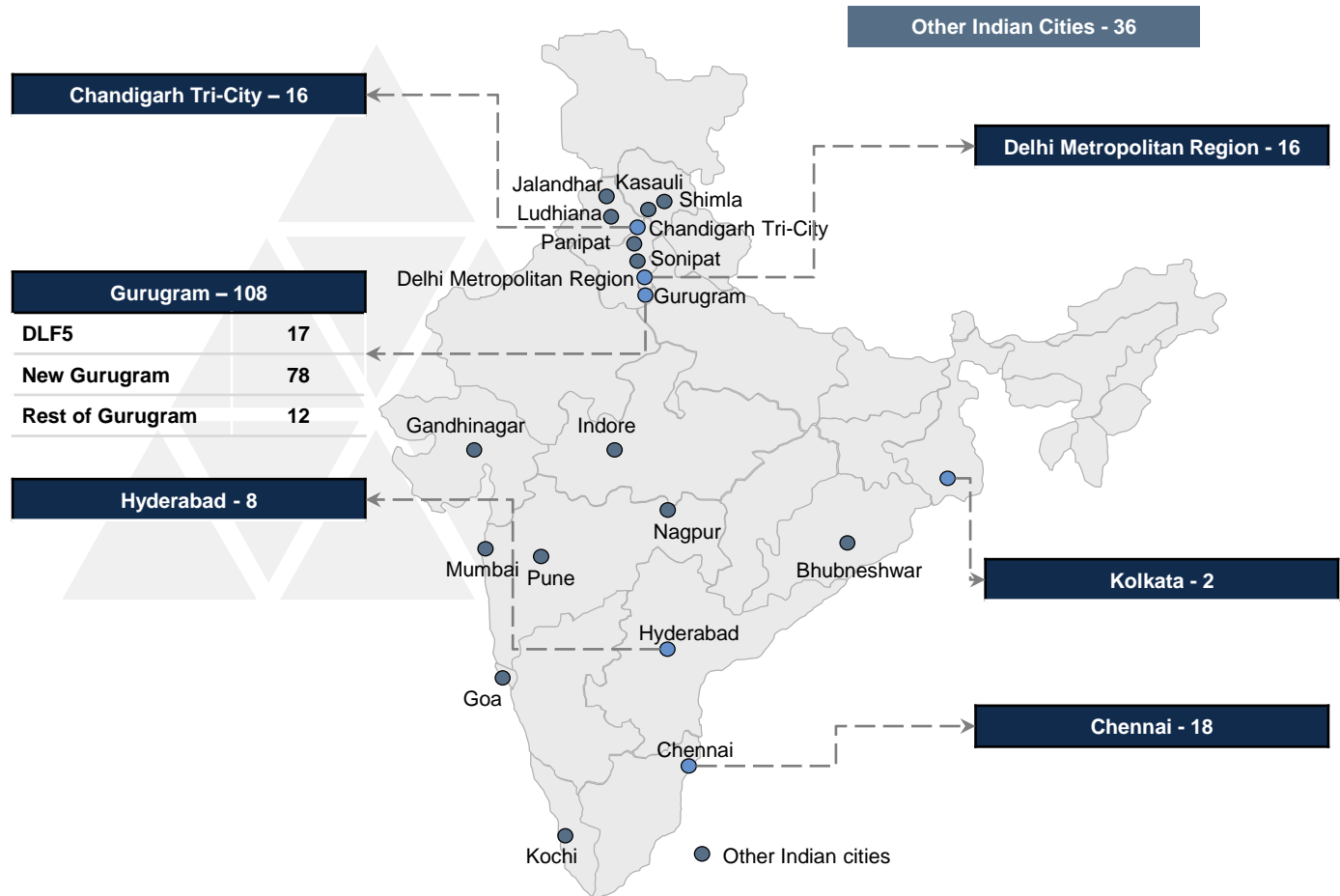
64.7 msf of additional TOD potential in Gurugram

Ability to take advantage of favorable market conditions by launching projects quickly without having to acquire land

Rationalize land reserves in areas with limited potential and selectively replenish reserves in strategic locations

204 msf (approx.) of total development potential<sup>1</sup>

(msf)



**Note:**

<sup>1</sup> As of December 31, 2018

- Does not include TOD potential of Gurugram
- The Development Potential is the best estimate as per the current zoning plans on lands owned by the Company / group Companies, or lands for which the company has entered into arrangements with third parties including joint development / joint venture agreements / other arrangements for economic development of said lands owned by such third parties. Sum of these arrangements include making residual payments of approx. Rs 1,000 crs to the land owners before the development potential can be fully exploited



# Select Land Reserves with Significant Asset Value

	Development potential (msf) (excluding TOD)	Commentary
1 Phase V	~17	Strategic location and connectivity to DLF Golf Course provides attractive development potential
2 New Gurugram	~78	Integrated township which include Group Housing, Commercial, Plotted and IT SEZ
3 Tulsiwadi (Mumbai)	~0.9 <sup>1</sup>	Premium location next to iconic Mahalaxmi Race Course
4 Chanakya Puri	~2 msf / ~20 acres	Diplomatic enclave in New Delhi



# Key Differentiators for DLF



## Strong Track Record of High Quality Execution

- 7 decades of experience in real estate development
- Presence across 14 states/UTs and 21 cities across the country
- 153 real estate projects developed
- 330 msf of area developed

## Management Team

- Highly reputed professionals with strong business acumen
- Strong mix of experience across sectors and professional practice

## Best-in Class Governance Practices

- 17 Board members including 9 independent directors of eminence
- Strong audit committee comprising completely of independent directors
- Prominent independent directors in Boards of key subsidiaries

## Assurance Framework

- Statutory audit by SR Batliboi (member of EY group) and internal audit by KPMG and GT
- Mandatory pre audit for all payment transactions beyond a threshold
- Regular system of budget review and updates
- Revenue recognition strictly after receipt of 100% payment and issuance of possession letter

## World Class Partnership

- Partnerships with marquee investors like GIC, Hines
- Long term partnerships spanning across multiple years and projects
- High quality representation on board of joint ventures

## Restructured Balance Sheet

- Equity cushion added to substitute debt in a volatile interest rate environment

Net Debt (INR Crs) <sup>1</sup>	
26,800	7,224
Q2 FY18	Q3 FY19
Shareholder equity (INR Crs) <sup>1</sup>	
24,828	30,276
Q2 FY18	Q3 FY19

<sup>1</sup> Post deconsolidation of DCCDL pursuant to IND AS policy for Q3FY19

