

November 1, 2022

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**

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 today's letter on submission of Consolidated and Standalone Unaudited Financial Results for the quarter and half year ended September 30, 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 yet another strong pre-sales

- Best-ever Q2 Pre-sales at INR 3,148 crores (+57% YoY)
- Adds 4 new projects across MMR & Pune
- PAT (excluding exceptional item & forex) at INR 367 crores (+28% YoY)

November 01, 2022, Mumbai: Lodha, India's No. 1* real estate developer, announced its financial results for the quarter ended September 30, 2022. In the seasonally weakest quarter, company reported its best ever Q2 pre-sales performance showing 57% YoY growth and 24% YoY growth in collections compared to Q2FY22.

Q2FY23 Operational & Financial Overview

- Pre-sales: INR 3,148** crores (up 57% YoY)
- Collection: INR 2,375^ crores (up 24% YoY)
- Revenues from ops.: INR 1,765 crores (-17% YoY)
- Adjusted EBITDA: INR 525 crores (-33% YoY)
- PAT (excluding exceptional item & forex): INR 367 crores (up 28% YoY)

Commenting on the performance, **Mr. Abhishek Lodha, MD & CEO, Macrotech Developers Ltd.** said, "We achieved our best ever Q2 Pre-sales performance at INR ~3,148 crores showing 57% YoY growth. With this strong performance, we have achieved Pre-sales of INR 6,004 crores in H1FY23, our best ever 1st half in terms of Pre-sales. It is even more heartening to note that we achieved our second INR 3,000 crore performance within the 2022 calendar year despite this being seasonally weakest quarter due to monsoons and an inauspicious period (Shradh/ Pitru Paksha). What is truly remarkable is that our strong performance in H1FY23 has been achieved in spite of rising home loan rates. This evidences the strength of housing demand from Tier-1 developers in India and indicates the start of a long-term upcycle for quality housing in India. The festive season has begun strongly and the early trends suggest a robust 2nd half of the year.

We are taking one more step forward starting this quarter, by providing estimated EBITDA margin on the pre-sales done during the quarter. The same for this quarter stands at ~33%^. We believe this will bring much needed transparency for stakeholders and provide high level of understanding around not just pre-sales but also the underlying earnings from these pre-sales.

During the quarter we have added four projects for 2.2 million square feet area with a GDV of INR 3,100 crores. With this, we have added ~INR 9,300 crore of GDV which is ~62% of our full year guidance of ~INR 15,000 of GDV addition. The consolidation in the market continues at an accelerated pace providing us with significant JDA opportunities across all our markets of interest. On the back of strong attractiveness of our brand to land owners and our ability of faster turnaround of land assets into cash, our robust business development pipeline continues to strengthen with each passing quarter.

Lodha continues to focus on reducing leverage along with strong business development and is on track to achieve its goal of net debt:equity <0.5x and net debt <1x operating cash flow. During the quarter, the company reduced its net debt to INR 8,795 crores. Company has also been able to reduce its interest cost to 9.9% - a ~60 bps reduction in H1FY23 in spite of significant 190bps increase in benchmark policy rates. Recognizing the improving business fundamentals as well as the strength of its balance sheet, ICRA has assigned the credit rating of the company to 'A+/Stable' in the month of October which is one notch above our current rating. This should further enable us to better manage our cost of funding in challenging times of rising interest rate regime.

Further, we have fully repaid the US\$225 million bonds, 6 months ahead of its scheduled maturity and have no further obligation on Indian balance sheet in relation to UK investment. In addition, this quarter saw repatriation of ~INR 100 crores from UK to India. Despite challenging economic environment in the UK, we expect to further repatriate ~INR 1000 crores from the UK to India in CY2023 which will strengthen the cash flows of the Indian business. With this repatriation, we will have no further investment outside India and will solely focus on capitalizing on the immense growth opportunities that we see in India for the next 10-15 years."

In the real estate business, pre-sales usually converts into revenue with a lag as IND-AS necessitates revenue recognition only on completion. This does create some volatility across quarters. Adjusted EBITDA for the quarter also got impacted due to the same time-lag issue on account of adverse operating leverage due to lower revenue (in spite of best ever Q2 Pre-sales) under IND-AS framework. One time provisioning of INR 1,177 crores (no cash impact) against UK investments resulted in lower reported PAT for this quarter. Company would benefit from the tax break on the same over time.

The company continues to take big strides in the area of ESG. We achieved 5 star rating in the very first review in '2022 Development Benchmark' with a score of 95/100 in the residential category (among the top 3 in Asia) from GRESB - a globally renowned real estate focused provider for sustainability benchmark. We also launched "Lodha Net Zero Urban Accelerator" in partnership with RMI. The accelerator will offer a development template that can demonstrate — to India and to the world — that growth decoupled from emissions is possible, thus, advancing livability, and staying true to Lodha's promise of building a better life. Palava will serve as a city-scale living laboratory to solve challenges and pioneer innovations on the path to net-zero. Learnings from the Accelerator will be made freely available to the real estate industry at large to help expedite India's transition to a low carbon economy.

Further, the company has strengthened its Board by inducting Ms. Harita Gupta as an independent director. Ms Harita Gupta has over three decades of global experience in digital and IT Services. She has held leadership positions at globally renowned companies like Microsoft Technologies and NIIT Technologies among others. She is presently leading APAC and Global Head Enterprise Business at Sutherland Global Services. Being a digital innovation focused organization, we will benefit immensely from her guidance and experience as we step into our next phase of growth journey.

* By Cumulative Residential Sales for FY 2016-2022

**Pre-sales for the quarter included INR 536 crores from projects where Lodha was Developer Manager (DM)

^ excluding DM sales

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 ~100 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.