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Investor Release

Suraj Estate Developers Limited announces its Q2 FY24 Results with 35.1% QoQ growth in EBITDA and 16.5% QoQ growth in PAT

16th January 2024, Mumbai: Suraj Estate Developers Limited, a leading real estate player focused on South Central Mumbai (SCM) market with specialisation in redevelopment projects announced its un-audited financial results for the quarter ended September 30, 2023.

H1FY24 & Q2FY24 Consolidated Performance Highlights: (Rs. Cr)

Particulars	Q2FY24	Q1FY24	Q-o-Q	H1FY24
Revenue	103.46	102.41	1.0%	205.87
EBITDA	63.14	46.73	35.1%	109.82
EBITDA Margin (%)	61.0%	45.6%		53.3%
PAT	16.92	14.53	16.5%	31.40

Particulars	As on 30 th Sept 2023	As on 30 th June 2023	As on 31 st March 2023
Borrowings (Rs. Cr)	554.35	598.50	593.10

During Q2FY24, the company reduced debt to the tune of Rs. 44.15 crores on the back of healthy collections.

Key Operational updates for Q2FY24:

Particulars	Q2FY24	Q2FY23	Q1FY24
Sales Area (sq.ft)	19,397	27,854	29,489
Sales Value (Rs. Cr)	85.22	117.19	133.33
Collections (Rs. Cr)	67.25	75.02	69.42

During Q2FY24, average realisation increased by 4.4% YoY from Rs 42,075 in Q2FY23 to Rs 43,933 on back of healthy demand and superior product mix.

New launches: The company has received RERA registration number of Project Lumina at Mahim, Mumbai (Location: Near Hinduja Hospital) and will be launching the project for sales in Q4FY24. The project has reached Piling stage of work.

Ongoing projects:

- Palette (Location: Dadar, Mumbai) which is a luxury project, the construction has reached up to 37th Floor out of 50 Floors.
- Bandra Phase 1, a luxury project has received concession approval from Commissioner.
- The company has received concession approval from Commissioner for the upcoming commercial project Location: Tulsi Pipe Road Mahim, Mumbai.
- Ongoing project Ave Maria (Location: Dadar, Mumbai) & Louisandra (Location: Dadar, Mumbai) are on the advance stages of completion and the company is targeting occupation certificate in coming quarters



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Key Operational updates for Q3FY24

Particulars	Q3FY24	Q3FY23	Q2FY24
Sales Area (sq.ft)	35,537	21,335	19,397
Sales Value (Rs. Cr)	142.51	92.47	85.22
Collection (Rs. Cr)	68.49	102.86	67.25

Commenting on the performance, Mr. Rahul Thomas, Executive Director, Suraj Estate Developers, said, *“We are extremely pleased with our recent listing on stock exchanges and are excited as we continue our journey, now as a listed entity. During the IPO, we had had raised Rs. 400 crores of which large sum was to repay debt. I am happy to inform that, we have prepaid / repaid debt to the tune of Rs. 285 crores in month of December 2023 using the IPO proceeds and an additional Rs. 23.50 crores of unsecured debt is repaid from gross collection proceeds, which is likely to result in interest cost savings of Rs. 40-45 crores (approx.) going forward. The interest savings will be used for faster completion of the ongoing projects.*

On the operation front, Q2FY24 is usually a seasonally weak quarter inspite of which we have achieved a pre-sale number of 19,397 sq. ft. of area reflecting sales amounting to ~Rs. 85 crores. We continue to command high premium in the niche micro market that we operate in, resulting in improved realisations that can be seen. As most land parcels in SCM (South Central Mumbai) are in the nature of redevelopment projects, tenant settlement is key to unlock value. The redevelopment market is a big opportunity and we are optimistic of capturing a larger pie of the market share on account of our strong credibility, expertise and track record.

Q3FY24 was a strong quarter despite the inauspicious Shradh period this time being in October 2023, wherein we have had pre-sales of 35,537 sq ft of area translating to a sales value of ~Rs 143 crores. Ground demand continues to remain robust on the back of strong affordability and consumer preference for Suraj.

On consolidated basis, from ongoing projects the company has unsold area with a good sales potential which will allow it to capitalize on the growing demand for high quality residential real estate in one of the lucrative markets in Mumbai. Tenacious consumer desire to own a quality abode with superior set of amenities from a trusted developer continues to drive consolidation and we are optimistic of our growth going ahead.”



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About Suraj Estate Developers:

Suraj Estate Developers has been involved in the real estate business since 1986 and they develop real estate across the residential and commercial sectors in South Central Mumbai region. Company has a residential portfolio located in the markets of Mahim, Dadar, Prabhadevi and Parel, which are sub-markets of the South-Central Mumbai micro market where they have established their presence. Company is focused primarily on value luxury, luxury segments and commercial segment. Company is now venturing into residential real estate development in Bandra sub-market. The focus area of operation is the South-Central region in Mumbai mainly consisting of Mahim, Matunga, Dadar, Prabhadevi and Parel, as their expertise lies in the redevelopment of tenanted properties. Since most of the land parcels in the South Central Mumbai market are in the nature of redevelopment projects, company's core competence lies in tenant settlement which is a key element for unlocking value of such land parcels. Suraj Estate Developers identify properties having cessed/ non-cessed structures with existing tenants, and tie up with the landlords of such tenanted properties by entering into development agreement or on outright purchase basis through conveyance deed.

Since incorporation, Suraj Estate Developers have completed 42 projects with a developed area of more than 1,046,543.20 square feet in the South-Central Mumbai region. In addition to the completed Projects, the company has 13 ongoing projects with a developable area of 2,034,434.40 square feet and saleable RERA carpet area 609,928 square feet and 16 upcoming Projects with an estimated carpet area of 744,149 square feet.

Safe Harbor:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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