

Date: 9<sup>th</sup> August, 2023

**SRL/SE/ 26 /23-24**

**National Stock Exchange of India Ltd**  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai- 400 051  
**Symbol: SUNTECK**

**BSE Limited**  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 512179**

**Sub: Investor Presentation on Q1 FY24 results**

Dear Sir / Madam,

Pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed the Investor Presentation with regard to unaudited Financial Results for quarter ended 30<sup>th</sup> June, 2023.

The Investor Presentation shall also be placed on the Company's website.

Kindly take the same on record and disseminate to all the concerned.

Thanking You.

**For Sunteck Realty Limited**

**Rachana Hingarajia**  
**Company Secretary**  
**Encl: a/a**



# Sunteck Realty Limited

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Investor Presentation

Q1 FY24

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The audited consolidated financial statements for Fiscals 2016 onwards have been prepared in accordance with Ind AS and the same for prior years have been prepared in accordance with Indian GAAP. This Presentation contains statements which may pertain to future events and expectations and therefore may constitute forward-looking statements. Any statement in this Presentation that is not a statement of historical fact shall be deemed to be a forward-looking statement, and the Recipient agrees that such statements may entail known and unknown risks, uncertainties and other factors which may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. There can be no assurance that the results and events contemplated by the forward-looking statements contained herein will in fact occur. None of the future projections, expectations, estimates or prospects in this Presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the Presentation. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

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# Quarterly Results

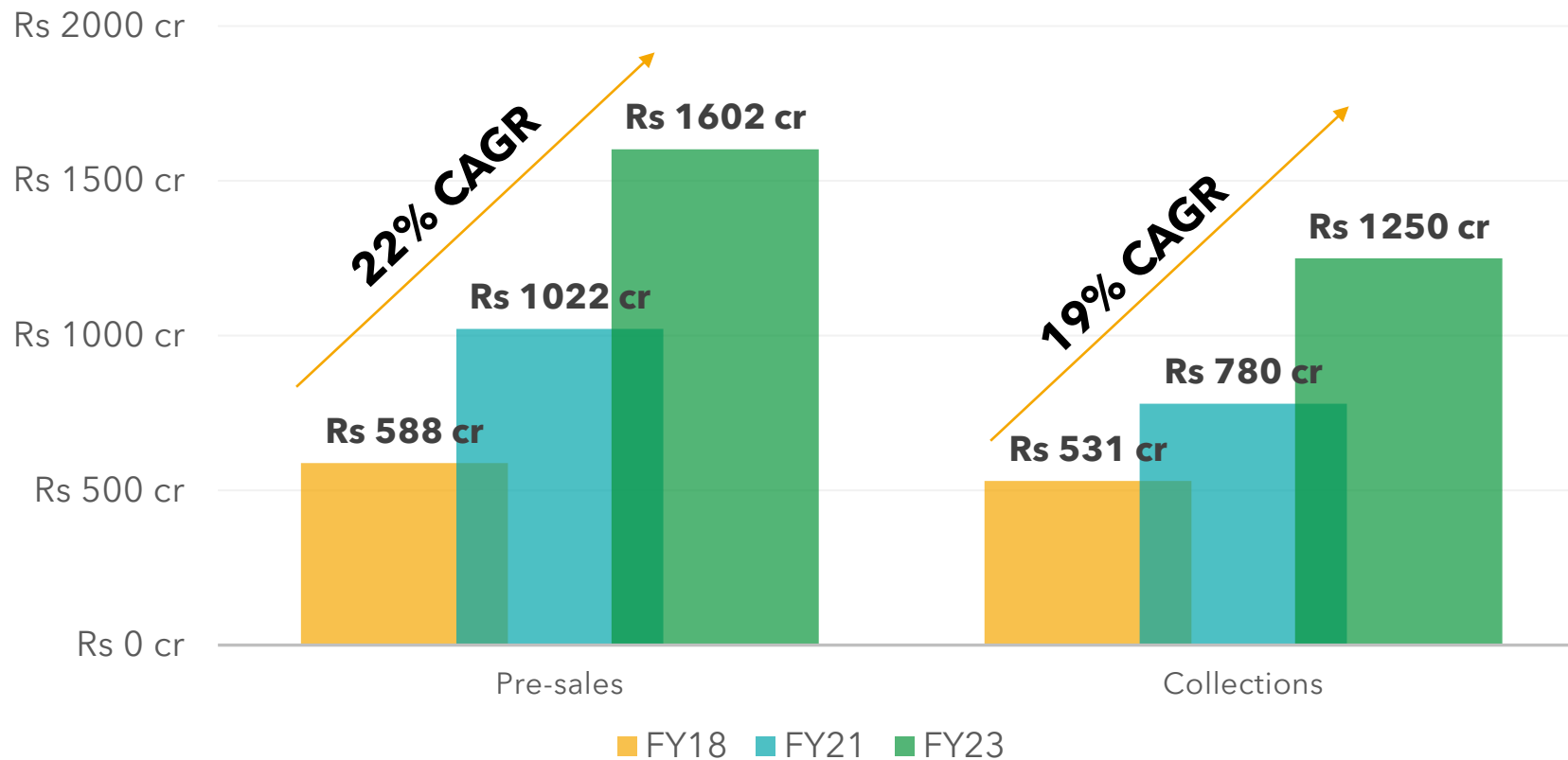
**Pre-sales, collections, margins & D/E on strong track**

- > **Pre-sales** grew by 16% YoY to **~Rs 387 cr**
- > **Collections** remained strong at **~Rs 288 cr**
- > **Operating Cash Flow Surplus** yielding **~22%** on Networth
- > **Core EBITDA margin** in P&L stands at **~43%**
- > **Net Debt** stands at **strong level** at **~Rs 264 cr**
- > **Net Debt / Equity** has remained **negligible as ever** at **~0.09x**
- > **The already-launched 5 growth engines** are firing all cylinders – Sunteck Sky Park, *Mira Road launch has been one of the fastest monetization - **just ~6 months!***
- > **Gearing up to launch** project at **Kalyan in the coming months**
- > **Uber-luxury project** coming up at **Nepean sea road**

# Key Highlights (FY18 - FY23)

**Pre-sales growth targeted @ 20%-30% year-on-year**

Compounded growth in Pre-sales and Collections



Rs 1 cr = Rs 10 mn

# Operational Performance Trend

## Q1 FY24 numbers **on solid footing**

- > Pre-sales in Q1 FY24 were focused on the new launch at Sunteck Sky Park, Mira Road as well as activations from other upper mid-income projects
- > Collections were robust and broad-based in Q1 FY24 with all segments performing well in the quarter

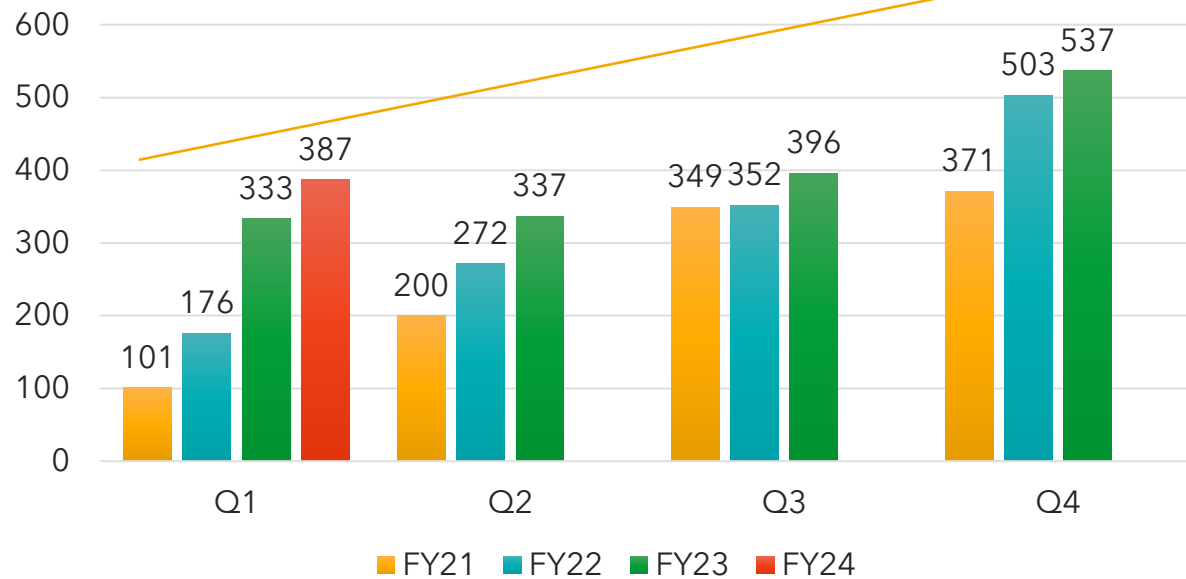
Segment	Projects	Pre-sales (~Rs cr)	Collections (~Rs cr)
Uber Luxury	Signature, Signia	-	47
Upper Mid-income	Sunteck City, SBR, Sky Park	301	112
Lower Mid-Income	Sunteck World	51	54
Others	Sunteck	34	75
<b>Total</b>		<b>387</b>	<b>288</b>

Rs 1 cr = Rs 10 mn

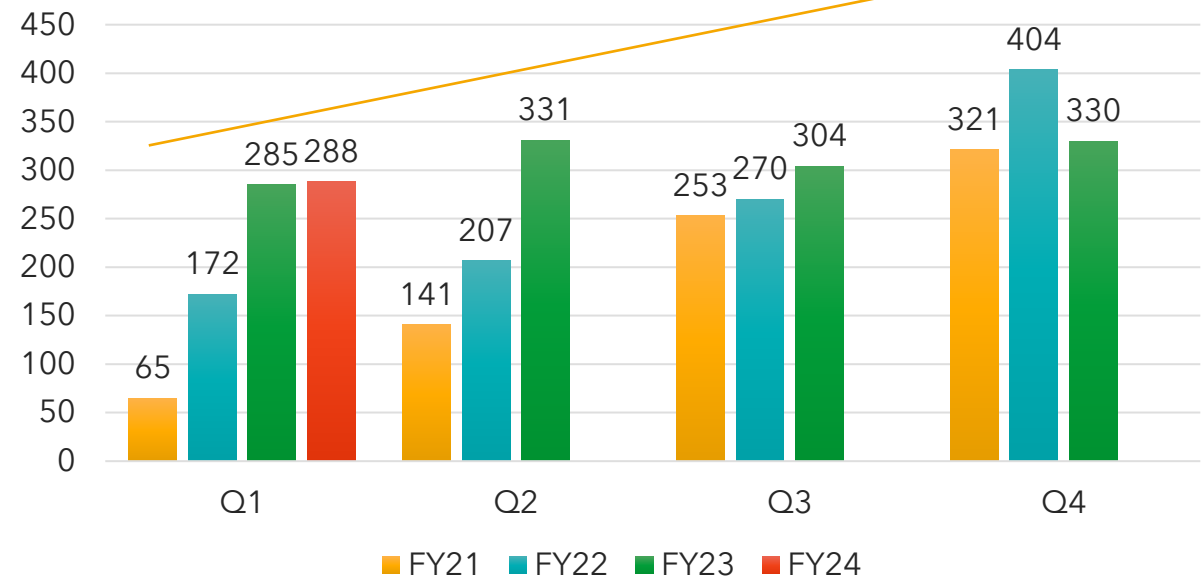
# Operational Performance Trend

## Quarter-wise growth on strong footing

Pre-sales (~Rs cr)



Collections (~Rs cr)

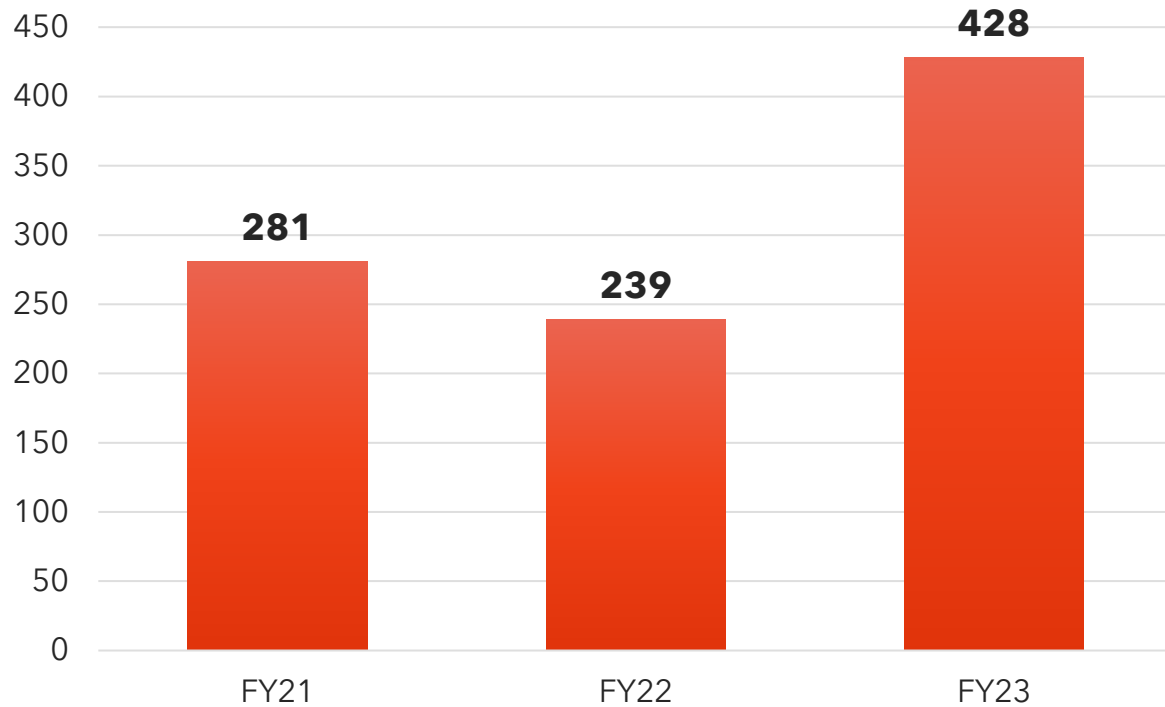


Rs 1 cr = Rs 10 mn

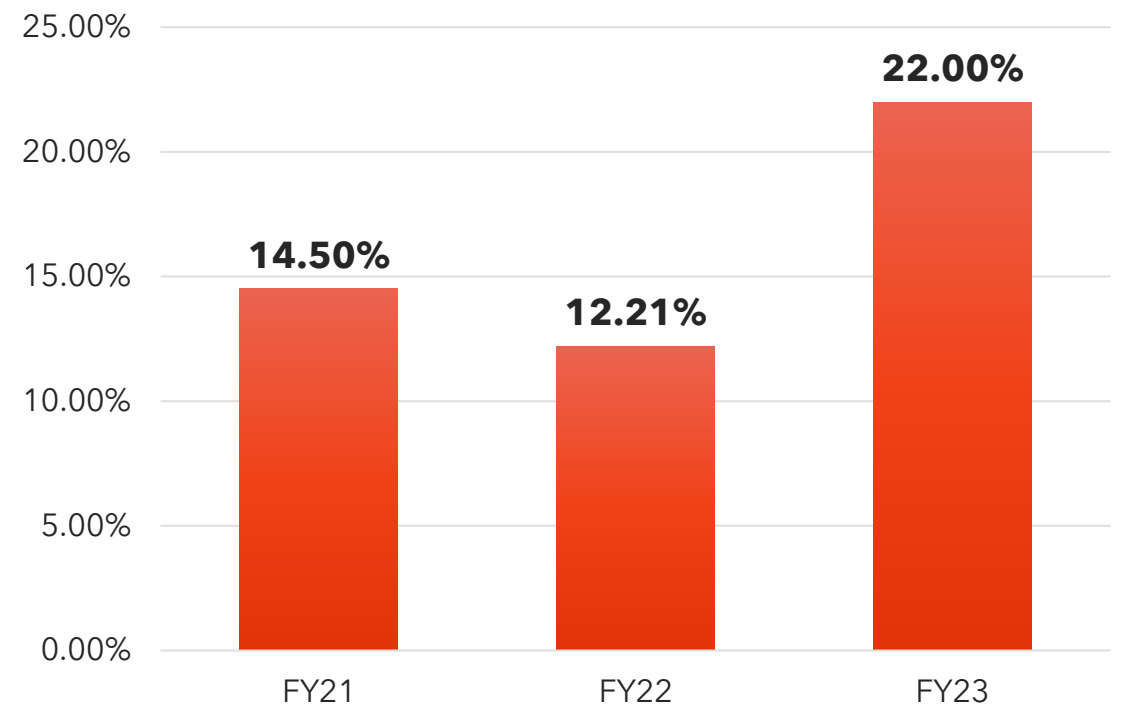
# Strong OCF surplus coming through

**OCF Surplus Yield @~22%**

**OCF Surplus (~Rs cr)**



**OCF Surplus Yield**



#As the company follows Project Completion Method of Accounting, **OCF Surplus Yield** (OCF Surplus / Adjusted Networth) is considered

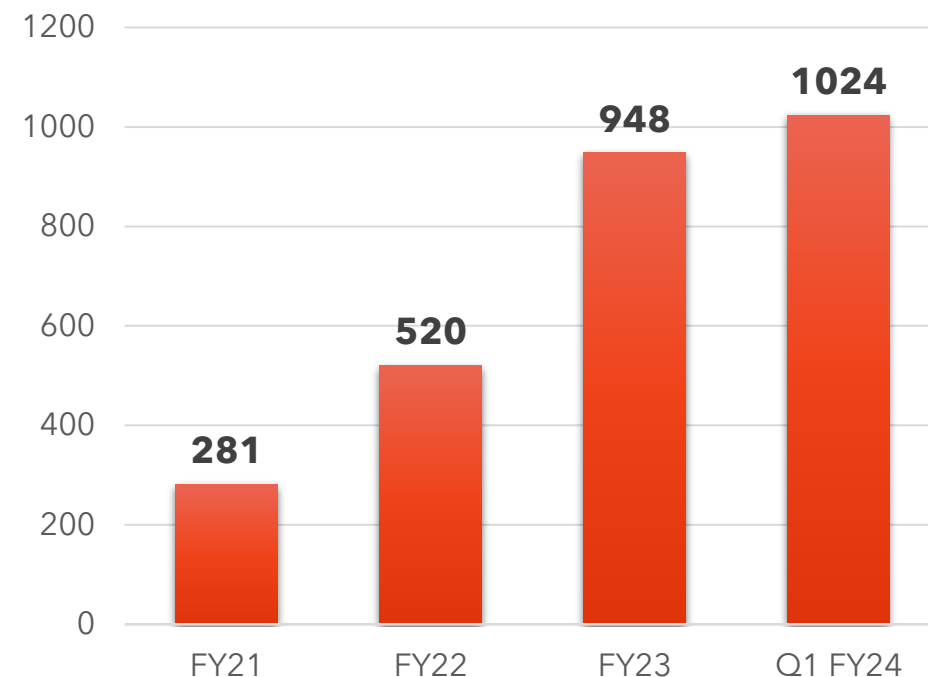


# Strong OCF crosses Rs 1,000 cr in 3.25 years

**Q1 FY24 OCF Surplus stands @ ~Rs 76 cr**

Particulars	Q1 FY24	Q1 FY23	FY 2023
	~Rs cr	~Rs cr	~Rs cr
<b>Gross Customer Collections</b>	<b>288</b>	<b>285</b>	<b>1,250</b>
Less: Project Expenses	145	150	590
Less: JDA Revenue Share	23	13	101
Less: Other Expenses	43	48	132
<b>Net Operating Cash Flow Surplus</b>	<b>76</b>	<b>74</b>	<b>428</b>
Amount spent on LO/JDA Cost	20	9	166
NOCF Surplus post capex	56	65	262

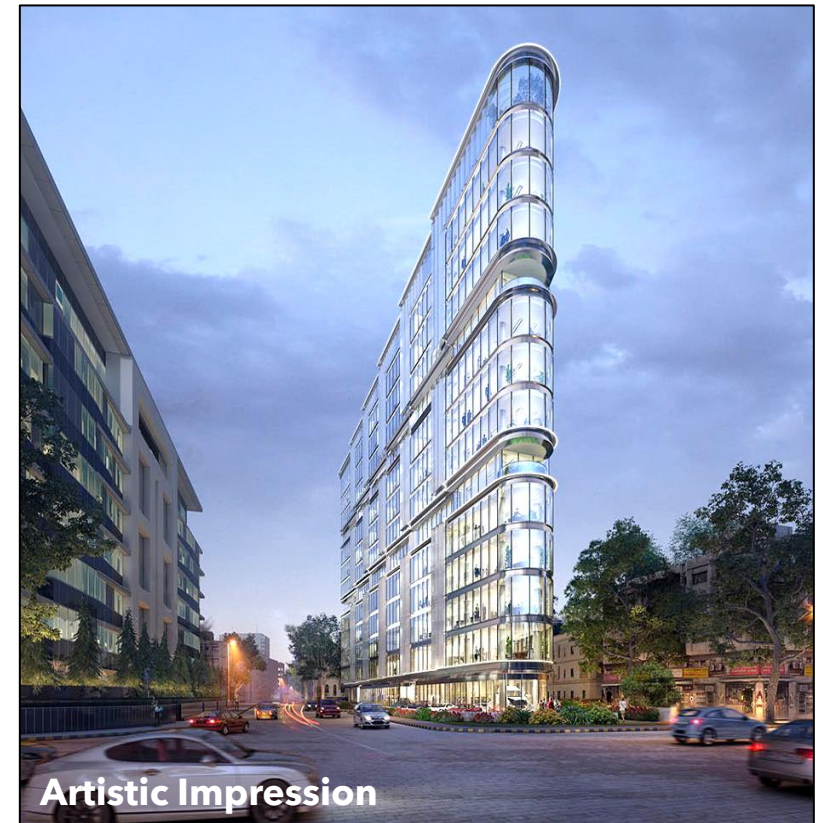
**Cumulative OCF Surplus (~Rs cr)**



# Disciplined Return on Invested Capital on leased assets

## Case Study - Sunteck BKC 51 RoIC stands @ ~30%

- > In FY23, SRL expanded its rental portfolio by signing a 29-year lease at its commercial project **Sunteck BKC 51 at BKC Junction** for an **average rental of ~Rs 66 cr per year** during the lease tenure.
- > Sunteck share in the average rental at **~Rs 36 cr per year**.
- > **This has yielded the company average RoIC of ~30% on an investment of ~Rs 125 cr.**
- > This has led to the creation of **~Rs 525 cr of capital value** in addition to the residential pre-sales.
- > Similar strategy to be adopted for **Sunteck Icon at BKC Junction**.



Artistic Impression

# Strong acquisition over the last 5 years - ~38.5 mn sq ft acquired since 2018

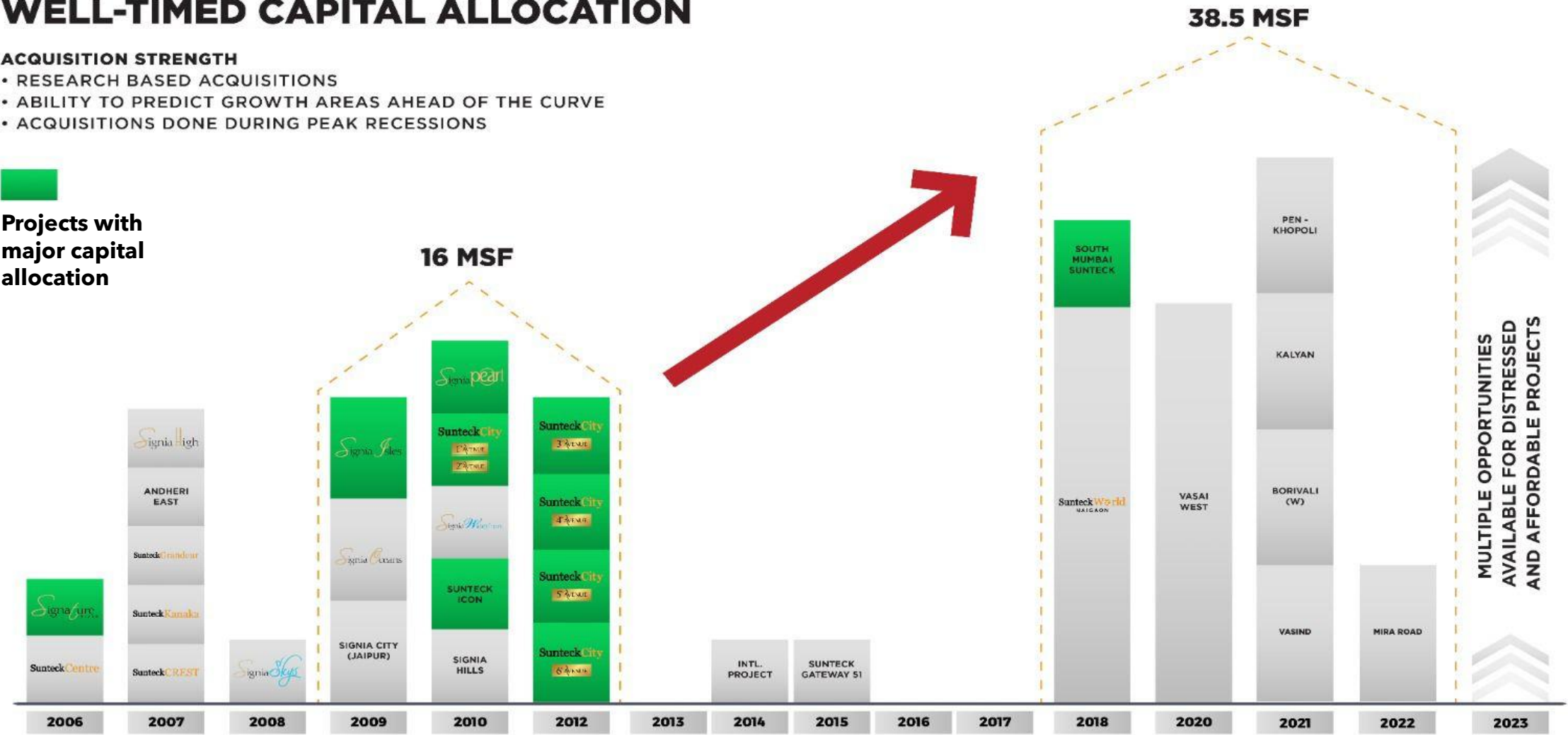
## WELL-TIMED CAPITAL ALLOCATION

### ACQUISITION STRENGTH

- RESEARCH BASED ACQUISITIONS
- ABILITY TO PREDICT GROWTH AREAS AHEAD OF THE CURVE
- ACQUISITIONS DONE DURING PEAK RECESSIONS



Projects with major capital allocation



MULTIPLE OPPORTUNITIES AVAILABLE FOR DISTRESSED AND AFFORDABLE PROJECTS

# Strong Balance Sheet

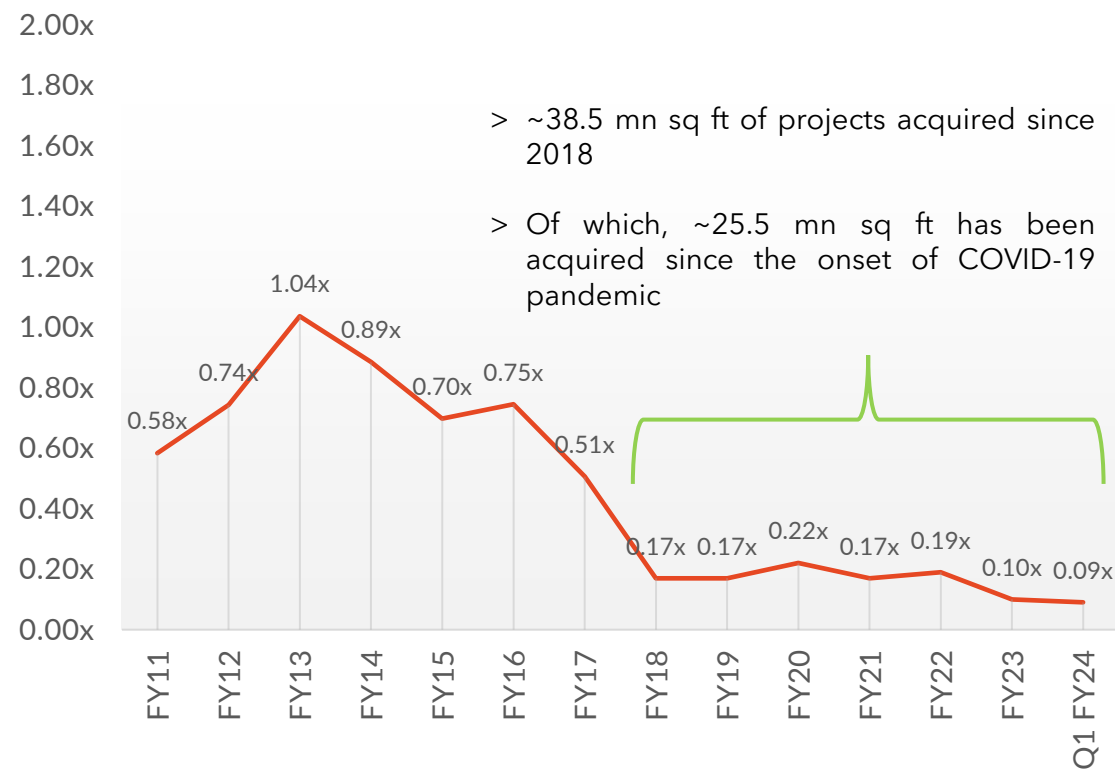
## Net Debt to Equity @ **0.09x**

### Sunteck's Long-Term Credit Rating is **AA-** with **Positive Outlook** from **FITCH & CARE**

Particulars (~Rs cr)	As on 30 <sup>th</sup> June, 23 <sup>#</sup>	As on 31 <sup>st</sup> Mar, 23
<b>Total Debt</b>	<b>505</b>	<b>593</b>
Less: Cash & Bank Balance	86	158
Less: Loans to JDA partners	155	155
<b>Net Debt</b>	<b>264</b>	<b>280</b>
Net Worth	2,781	2,788
<b>Net Debt / Equity</b>	<b>0.09x</b>	<b>0.10x</b>
Quasi-Equity and Others*	88	93
Adjusted Net Debt	352	373
Adj. Net Debt / Equity	0.13x	0.13x

Rs 1 cr = Rs 10 mn

\*With effect from 9th March, 2020, Starlight Systems (I) LLP became a wholly owned subsidiary of SRL pursuant to the retirement of PDL Realty Private Limited (Retired Partner). The Retired Partner's balance of current capital and fixed capital in the SSILLP, aggregating to ~910 mn have been converted into a loan. The said loan will be in the form of 1% secured Non-Convertible Debentures (NCDs), which will be redeemed at premium out of the future free cash flow from the specified projects only with a tenure of 20 years. #30<sup>th</sup> June, 23 is Provisional.

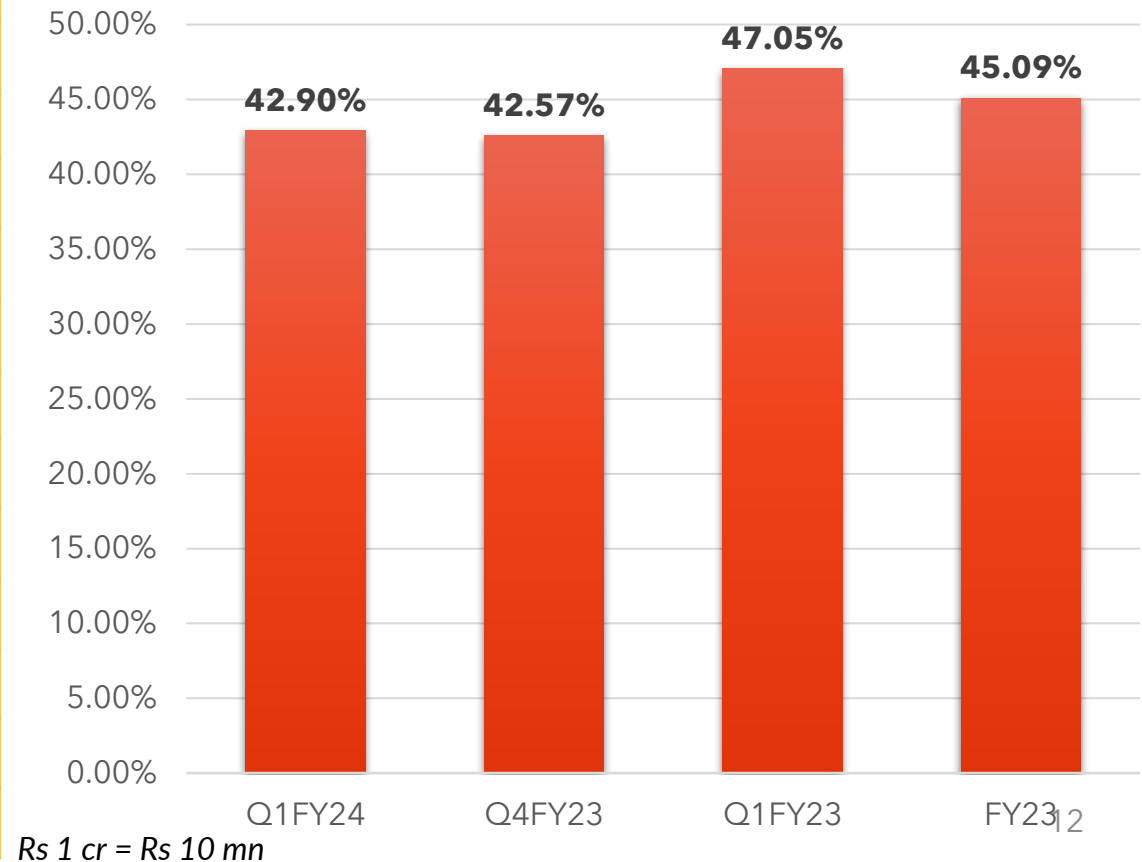


## Core EBITDA Margin in P&L strong @ 43%

- > SRL follows **Project Completion Method of Accounting** - **Direct (Attributable) Costs** pertains to projects from which revenue has been recognized in respective quarter
- > **Indirect (Non-attributable) Costs** pertains to expenses from which revenue recognition has not started, but booked in P&L as per accounting standards

Particulars (~Rs cr)	Q1 FY24	Q4 FY23	Q1 FY23	FY 2023
<b>Revenue</b>	<b>71</b>	<b>49</b>	<b>144</b>	<b>362</b>
Less: Direct Costs				
- Operating Expenses	30	16	53	153
- Overheads	10	12	23	46
<b>Core EBITDA</b>	<b>30</b>	<b>21</b>	<b>68</b>	<b>163</b>
<b>- Core EBITDA Margin</b>	<b>42.9%</b>	<b>42.6%</b>	<b>47.0%</b>	<b>45.1%</b>
Add: Other Income	18	8	5	28
Less: Indirect Costs	40	34	22	101
Less: Finance Costs	17	29	20	86
<b>PBT</b>	<b>-9</b>	<b>-34</b>	<b>31</b>	<b>4</b>
Less: Taxes	-3	-6	6	3
<b>Reported PAT</b>	<b>-7</b>	<b>-28</b>	<b>25</b>	<b>1.4</b>

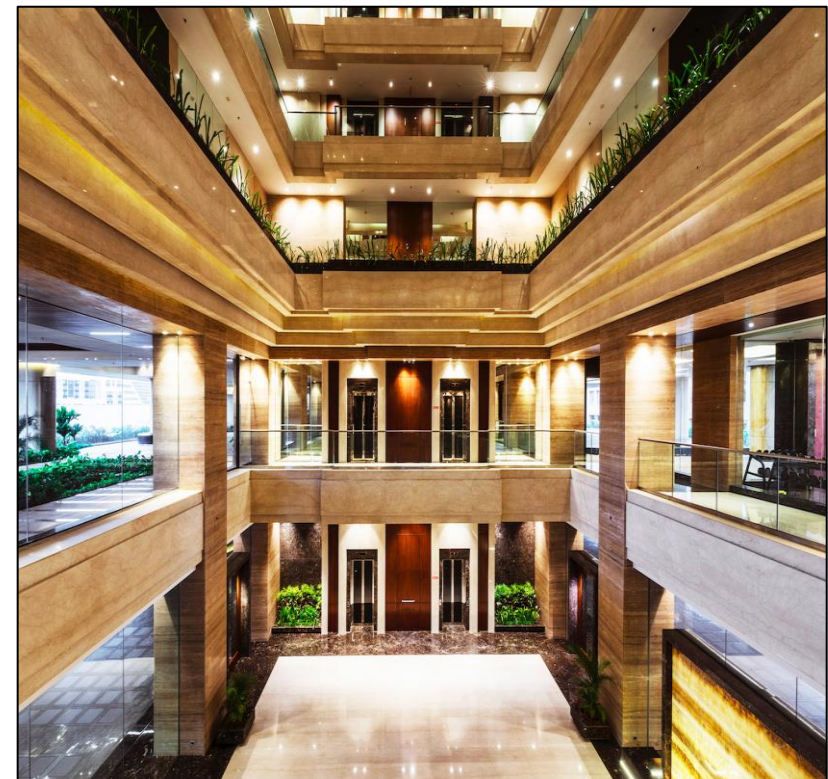
### Core EBITDA Margin





# Sunteck's Intrinsic Value

- > Sunteck's intrinsic value is not a precise number. Different people analyzing Sunteck would come up with various valuations. We are providing you broad GDV dataset - we would like if our roles were reversed.
- > We believe the intrinsic value of Sunteck is a function of expected cashflows and value from existing deals and execution so far (**1st component**), plus all the deals and execution to be done in the future (**2nd component**) - discounted to present value at a reasonable interest rate.
- > We are presenting here the salient data to help you figure out the **1st component** of intrinsic value. This same data can help you understand about Sunteck's DNA to help you figure out the **2nd component** of intrinsic value.



# 7 Growth Engines to fire up pre-sales growth by FY25E

Sunteck has achieved a pre-sales growth of ~25% between FY21 and FY23

GDV - Gross Development Value excluding cash flows from completed & ongoing launched projects/phases

**GDV - ~Rs 303 bn**

Rs 1 bn = Rs 100 cr

- Launched
- Upcoming
- Future

**GDV - ~Rs 278 bn**

**GDV - ~Rs 188 bn**

*\*\*Launched Towards The End of Q4 FY23  
(End of March 2023)*

**GDV - ~Rs 125 bn**

**Nepean Sea Road**

**Sunteck Kalyan**

**Sunteck Kalyan**

**Sunteck Sky Park, Mira Road**

**Sunteck Sky Park, Mira Road**

**\*\*Sunteck Sky Park, Mira Road**

**Sunteck Beach Residences, Vasai West**

**Sunteck Beach Residences, Vasai West**

**Sunteck Beach Residences, Vasai West**

**Sunteck World, Naigaon**

**Sunteck World, Naigaon**

**Sunteck World, Naigaon**

**Sunteck City, ODC, Goregaon West**

**Sunteck City, ODC, Goregaon West**

**Sunteck City, ODC, Goregaon West**

**Signature & Signia, BKC**

**Signature & Signia, BKC**

**Signature & Signia, BKC**

**Sunteck World, Naigaon**

**Sunteck City, ODC, Goregaon West**

**Signature & Signia, BKC**

**FY2022**

Pre-sales: ~Rs 1,303 cr

**FY2023**

Pre-sales: ~Rs 1,602 cr

**FY2024E**

~6 Growth Engines

**FY2025E**

~7 Growth Engines<sup>14</sup>

# Sunteck's Intrinsic Value - 7 Growth Engines + Annuity Income

## 1<sup>st</sup> Component:

Rs 1 cr = Rs 10 mn

S. No.	Projects	Location	Gross Development Value* (~ Rs crores)
1.	Nepean Sea Road	South Mumbai	<b>2,500</b>
2.	Sunteck Kalyan	Kalyan	<b>9,000</b>
3.	Sunteck Sky Park	Mira Road	<b>2,300</b>
4.	Sunteck Beach Residences	Vasai West	<b>4,000</b>
5.	Sunteck World	Naigaon	<b>5,000</b>
6.	Sunteck City	ODC, Goregaon West	<b>6,000</b>
7.	Signature, Signia	BKC	<b>1,500</b>
			<b>30,300</b>

\*GDV - Gross Development Value excluding cash flows from completed & ongoing launched projects/phases

Commercial Projects	Rental Income	Capital Value
Sunteck BKC 51, BKC Jn.#	~Rs 36 cr**	~Rs 525 cr
Sunteck Icon, BKC Jn.	similar rental (to be rented)	~Rs 525 cr
<b>Total</b>	<b>~ Rs 49 cr</b>	<b>~ Rs 1,050 cr</b>

\*\*average annual rental during the tenure of lease #pre-leased



## Sunteck's Intrinsic Value - Future Opportunities

### 2<sup>nd</sup> Component:

- > Selling prices are likely to rise over the next few years, leading to higher margins than illustrated in the 1st component estimates.
- > The estimation **excludes** upside from other large possible projects already acquired but not considered in the calculations such as, Borivali West, Sion, Jaipur and so on.
- > It also **excludes** upside from all future JDAs that may be executed.

# Key Takeaways

- > **Luxury Developments** across various micro-markets of MMR.
- > **Strong visibility of cash flows** from 7 growth engines and other acquired projects over the next 7-8 years.
- > JDA approach of acquisition ensures **capital at risk is always negligible & limited** and are funded largely via internal accruals and negligible debt.
- > **Outright purchases on opportunistic basis** based on significant margin cushion.
- > **Leverage pre-sales to fund construction** and rely on very little borrowings.
- > Ability to execute continues to be rooted in its exceptional people as well as the unique **in-house construction model** that is not beholden to working capital constraints at outsourced contracting firms.
- > **All the above has made our business model generate asymmetric risk-reward.**

## ESG Highlights for FY 2022-23

**>90%**

Of our properties are green building pre-certified (**EDGE IFC**)

Sunteck Head office is **LEED** Existing building Gold certified

**31%** Women Representation in organization

**4.3 times**

Increase in employee trainings hours

**Zero Waste to landfill**

& Plastic neutrality at Signature Island, Signia Isles, BKC

**32%**

Recycled materials used for construction

**ISO**

9001:2015, 14001:2015 & 45001:2018 Certified

# Sustainability Awards

## Best ESG Initiative in Biodiversity Impact Reduction award.



Our Company was proudly recognized at the 2022 ESG Summit and Awards, securing the Best ESG Initiative in Biodiversity Impact Reduction award. This highlights our efforts in promoting sustainable practices to preserve biodiversity.

## Best ESG Initiative of the Year in Real Estate



Our Company triumphed at the ESG Summit and Awards 2022 by securing the "Best ESG Initiative of the Year in Real Estate" award, acknowledging our outstanding efforts in embracing environmental, social, and governance practices within the industry.

## Governance Professional of the Year



Our Chairman and Managing Director, Shri Kamal Khetan, received the prestigious title of "Governance Professional of the Year" at the ESG Summit and Awards in 2022.



## Environment-Friendly Residential Space.

Our project, 4th Avenue in Goregaon has been honored with The Realty Plus Excellence Awards for being the epitome of Environment-Friendly Residential Space.



## Sustainability Summit & Awards 2023,

Our Company was honored with a prestigious sustainability award at Sustainability Summit & Awards 2023, recognizing our exceptional adherence to environmental responsibility and sustainable practices.

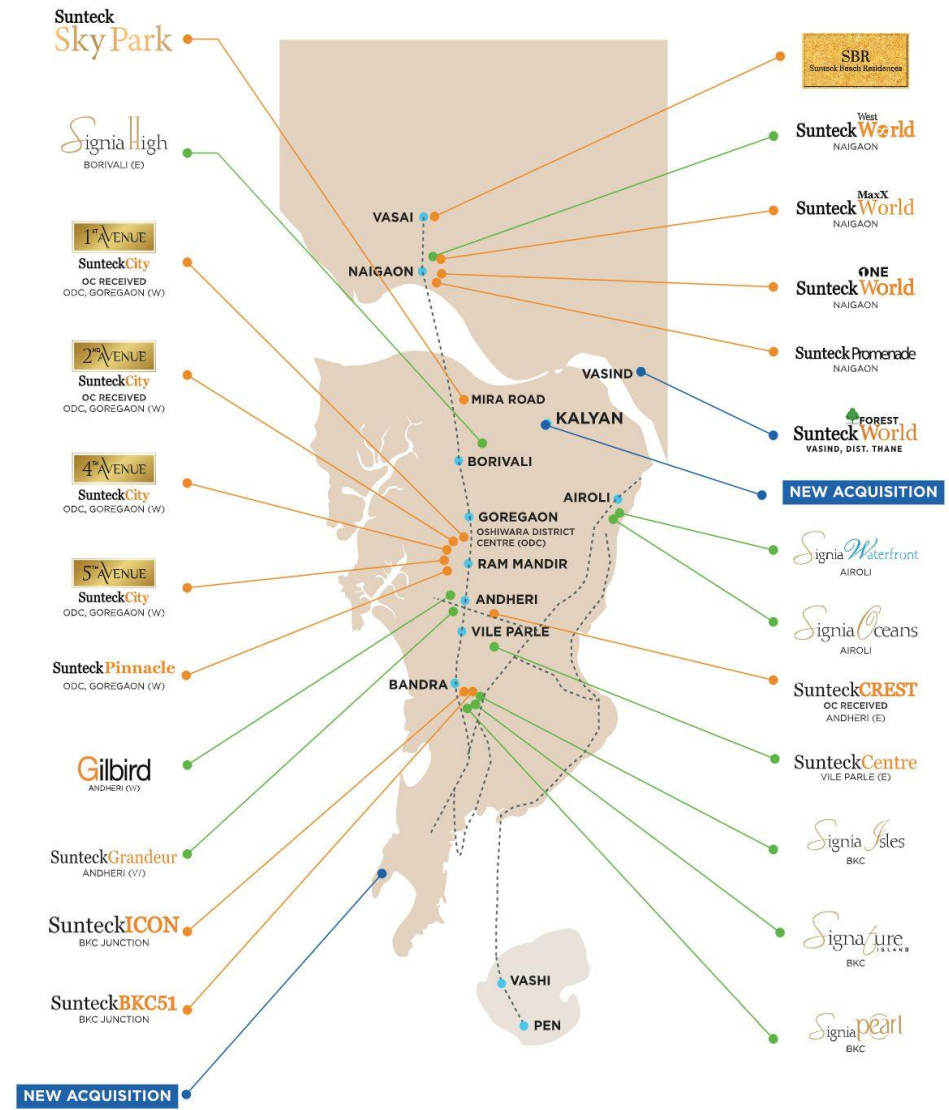


## EDGE Champion

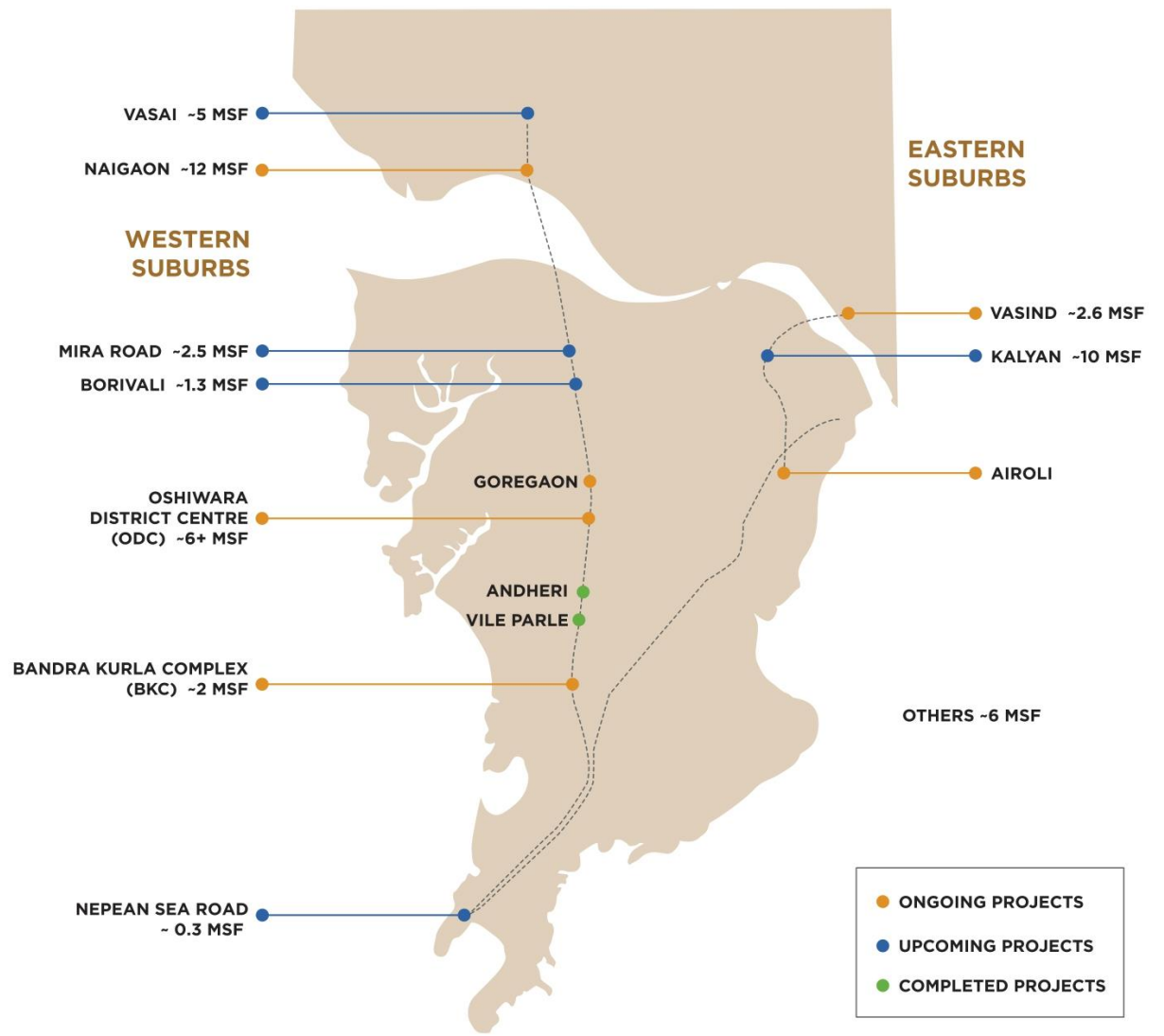
Our Company was awarded as EDGE Champion as a recognition of our ongoing collaboration with IFC in pursuit of our shared aspirations to move the construction industry on to a lower carbon, more resource-efficient path through certified green buildings

# MMR Focused Luxury Developer

## By Project Brands



## By Location Volume



# Our Brands

**Premium positioning** by creating **different luxury brands** across all the segments

## Uber Luxury

(UHNI & HNI)

Signature

Signia

## Premium Luxury

(Upper Mid-Income)

SunteckCity

Sunteck  
Sky Park

## Aspirational Luxury

(Lower Mid-Income)

SunteckWorld

## Marquee Luxury

(Beach Residences)

SBR

Sunteck Beach Residences

# Thank you

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