

DLF Limited

DLF Gateway Tower, R Block,
DLF City Phase – III, Gurugram – 122 002,
Haryana (India)
Tel. : (+91-124) 4396000



February 6, 2020

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

Dear Sir,

We are forwarding herewith “DLF Analyst Presentation Q3-FY’2020”, 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:-

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ANALYST PRESENTATION
FEBRUARY 2020

Result Highlights – Q3FY20

Net Sales Booking Rs 731 crore	Gross Leasing 1.33 msf	Net Incremental Leasing 0.44 msf	Possession Letters Issued for 1,162 units 2.38 msf
Gross Operating Cash Flow before Interest & tax Rs 254 crore	Net Debt Rs 4,866 crore	DCCDL Settlement Completed	Development Update: Construction started at DLF Downtown, Gurugram.

☐ Highlights :

- ✓ Sales performance inline with guidance (9M Rs 2,160 crore vs FY guidance of Rs 2,700 crore)
- ✓ Declared Interim dividend of Rs 1.20 per share

Union Budget Highlights 2020

Budget maintains status quo and neutral for industry

- ❑ The Union Budget presented a neutral stance and maintained status quo for the RE sector
- ❑ No major thrusts for the business due to which stress within industry is likely to continue for few more quarters.
- ❑ Given the budget proposals and the current market environment, we believe it will be prudent to follow a cautious outlook.

Key Announcements - Corporate:

- ❑ Dividend Distribution Tax has been removed w.e.f. April 01,2020.
 - ❖ Impact: Improved upstreaming of cash from subsidiaries/JVs with no leakage of taxes at the Group level.
- ❑ Enhancement of FPI limit in Corporate Bonds to 15%
 - ❖ Impact : Deepening of Bond markets; more avenues of capital

Key Announcements - RE Sector:

- ❑ Tax holiday for affordable housing extended till March 31,2021.
 - ❖ Impact: Greater push for affordable housing with benefits being extended.
- ❑ Safe harbor benefit increased on difference in consideration value and circle rate from 5% to 10%. Cost of acquisition capped to stamp duty value as on April 01, 2001.
 - ❖ Shall improve liquidity in the secondary market.

Strategy

Remain committed and confident in delivering our business goals

Development Business

- ❖ **Completed Inventory** : Focus remains on faster monetization of the completed inventory, ~ Rs 9,415 crore.
- ❖ **Planned Development** : Entering into the new cycle of development for replenishment of Completed inventory at select marquee locations. Planned new projects of ~ 21 msf.

Rental Business

- ❖ **Operational Portfolio** : Focus on unlocking the embedded potential through contractual escalations and resetting rentals at market rates.
- ❖ **Planned Development** : Growth in the portfolio through buildout of assets at strategic locations. Downtown development initiated.

Capital Structure

- ❖ Robust capital structure with balance sheet strength post completion of the transformation. Completed DCCDL payables settlement.

Land Bank

- ❖ **Unlocking Value** : Well defined strategy to monetize identified land parcels. Developing key marquee locations at right point of time.

**Steady
Free Cash
Flow
Generation**

**Increasing
ROE**

**Sustainable
and low
risk growth**

DLF Limited – Business Update

Cautious approach for Residential development; Aggressively pursuing rental growth

❑ Sales:

- The company remains committed to its goals and is confident of achieving its Sales target of Rs 2,700 crore for the current fiscal.
- Luxury segment demand subdued and we anticipate that the recovery of this segment to be directly correlated to the buoyancy of the general economy.

❑ Inventory Monetization & New products:

- Based on the market dynamics, the Company expects a slightly longer recovery cycle; hence exploring strategy of repositioning its inventory and bringing differentiated products across segments to mitigate risks.
- Planning to convert its existing plotted inventory into low-rise independent floors, which is expected to show better sales traction in the current market scenario (approx. ~ 7 msf expected to be monetized from next fiscal year onwards)
- Midtown Delhi, 1.9 msf of residential development is on track

❑ Land bank monetization

- ❑ The company continues to pursue monetization of select commercial land parcels by way of its existing JV arrangements and / or new alliances

DLF Limited – Business Update _contd..

❑ Rentco:

- Rental Business remains buoyant ; good traction in the market for rental business
- Company focusing on creating new supply to cater the growing demand. Initiated development of Downtown, Gurugram and Downtown, Chennai.

❑ Capital Structure:

- Net debt increased marginally due to financial settlement of DCCDL. Payables. Net Debt at Rs 4,866 crore
- The Company expects to exit the current year around similar levels of debt.
- We have ~Rs 2,250 crore of cash in hand plus Rs 1,300 crore of receivables (net of construction outflow) to meet any financial obligations and fund future development.

❑ Organization Strengthening:

- The Company is undergoing a planned transformation/rejuvenation in terms of its talent pool.

Key initiatives undertaken:

- ❖ Increasing the sales force at key marquee locations to achieve quick monetization of the completed inventory
- ❖ Roping in experienced development/execution team to aid in the planned development rollout in the near future.
- ❖ Bringing on board high quality talent at senior level to bring in best practices and drive high performance culture.

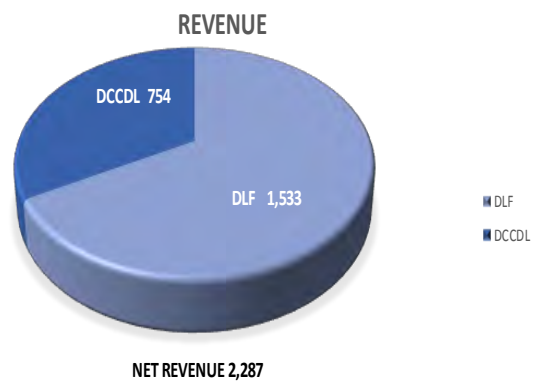
DLF – Summary Consolidated Financial Results^{1&2}

Summary:

- ❑ Sales recognition of Rs 1,005 crore based on issuance of 1,162 PL's (2.38 msf) during the quarter
- ❑ DLF net rental for the Quarter, stood at Rs 62 crore
- ❑ Operating cash deficit in this quarter, mainly due to the last leg of payouts for the DCCDL settlement.

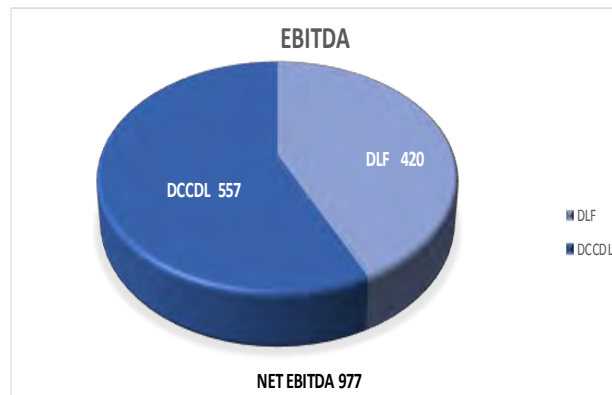
REVENUE

(in Rs crore)



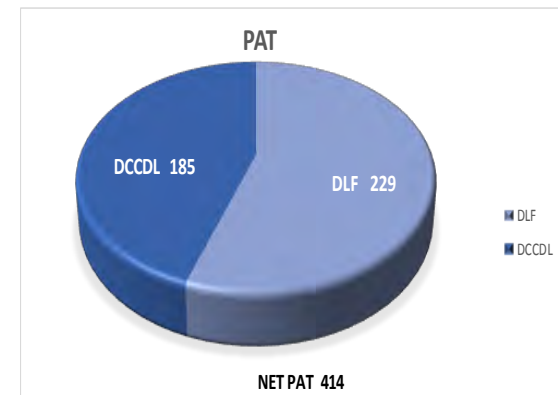
EBITDA

(in Rs crore)



PAT

(in Rs crore)



66.67% share of DCCDL numbers

¹The above numbers do not consider the impact of inter-company eliminations if consolidation were to be effected

²DLF holds 66.67% share in DCCDL

Q3FY20 – Sales Update

Location	Gross Sale Value (Rs in crore)	Net Sale Value (Rs in crore)
DLF 5	66	(154)*
Rest of Gurgaon	816	816
National Devco	124	70
Total	1,005	731

❑ Camellias Update:

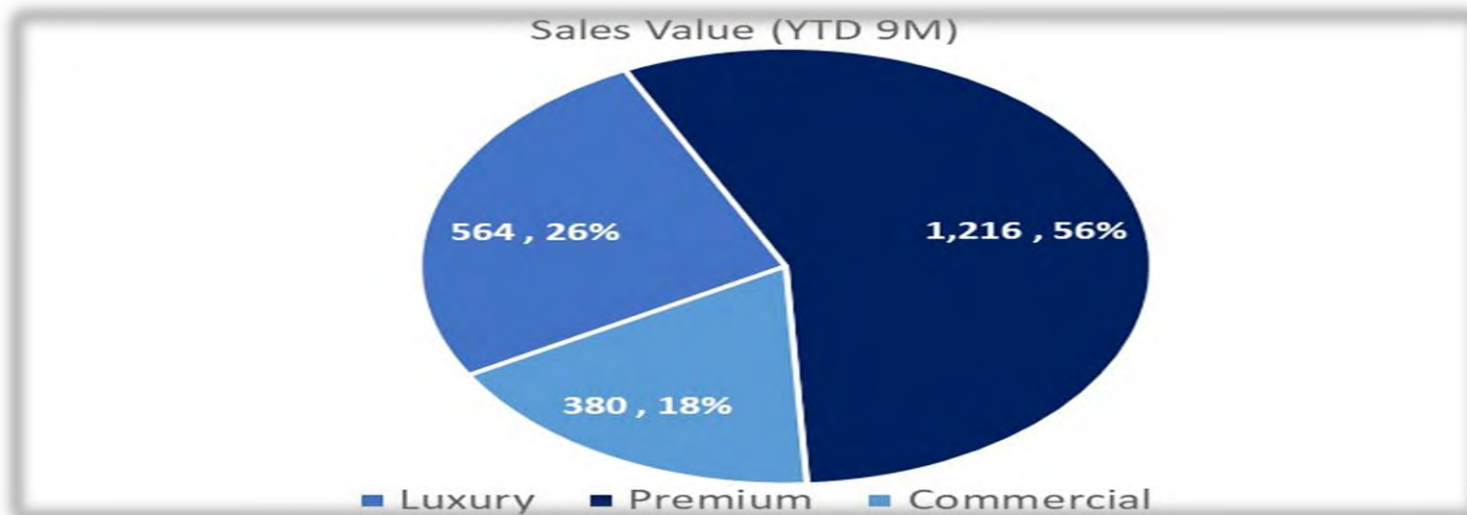
- Fit-outs of ~70% apartments underway; customers expected to move in late calendar year.
- Club at advanced stage of completion; Empirically, a good traction in sales is witnessed in luxury / super-luxury projects, at a late stage, just prior to habitation of the project.
- Company is actively engaging with customers on a pro-active basis. Few customers, who were unable to commence their fit-outs within the timelines, have been offered exit from the project. Company is confident of selling such units at better prices..
- The Company has also commenced offering fitted-out apartments to enable rapid habitation.

❑ Ultima Update:

- Witnessed a good response from the market. New Sales of approx. Rs 800 crore achieved in the current quarter.
- Approx. 90% of inventory sold. Balance expected to be sold in Q4FY20

* Includes cancellation of 8 Units of Camellias

Q3FY20 – Sales Update



□ Sales Mix:

- *Luxury sales contributing only 26% of total sales; expected to remain muted and expected to recover once market picks up.*
- *Significant contribution from premium segment, primarily led by new sales from Ultima, Phase-II launch.*
- *Company is upgrading its existing plotted inventory into finished Independent Floors; monetization of this inventory is expected to be at relatively faster pace. Will help in filling the gap from sales in Premium segment.*

Independent Floor - Sales Plan				
Location	Area (msf)	Expected Sales Value (Rs crs)	Expected Sales Price (psf)	Expected Timeline
DLF City (Phase I – IV)	~ 3	~ 3,000	10,000	FY21-22
New Gurgaon	~ 2	~ 1,100	5,500	FY21-22
Panchkula/Mullanpur	~ 2	~ 850	4,250	FY21-22

Launch Update – The Ultima

- ❑ The project is sprawled across 22 acre with 85% open area and spectacular landscaping.
- ❑ Clocked approx. Rs 800 crore of Sales during Phase-2 launch.
- ❑ Approx. 90% of the project sold.
- ❑ The response signifies customer acceptance of fully completed, well located, premium projects even in softer market conditions.



DLF Limited - Profit & Loss (Consolidated)

		Q3 FY20 (Reviewed)		Q2 FY20 (Reviewed)		Q3 FY19 (Reviewed)		Nine Months year Ended December 31, 2019 (Unaudited)		Nine Months Ended December 31, 2018 (Unaudited)		Year Ended March 31, 2019 (Audited)	
		Ind AS		Ind AS		Ind AS		Ind AS		Ind AS		Ind AS	
Sl.No.	Consolidated Financials	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue
A)													
1	Sales and Other Receipts	1,342		1,716		2,219		4,389		5,866		8,366	
	Other Income	191		225		187		626		503		663	
	Total Income(A1+A2)	1,533	100%	1,940	100%	2,406	100%	5,014	100%	6,368	100%	9,029	100%
B)	Total Expenditure(B1+B2+B3)	1,113	73	1,365	70	1,579	66	3,570	71	4,258	67	6,225	69
1	Construction Cost	768	50	885	46	1,259	52	2,422	48	3,397	53	4,951	55
2	Staff cost	87	6	86	4	90	4	251	5	250	4	352	4
3	Other Expenditure	258	17	394	20	230	10	897	18	611	10	922	10
C)	EBITDA (D/A1)	420	27	575	30	827	34	1,444	29	2,111	33	2,805	31
D)	EBIDTA (Margin)		27%		30%		34%		29%		33%		31%
E)	Financial charges	238	15	418	22	533	22	1,192	24	1,527	24	2,062	23
F)	Depreciation	45	3	45	2	56	2	140	3	168	3	225	2
G)	Profit/loss before exceptional items	138	9	112	6	237	10	112	2	416	7	518	6
H)	Exceptional items - (net)	231	15	144	7	-	0	671	13	-	0	127	1
I)	Profit/loss before taxes and after exceptional ite	369	24	256	13	237	10	783	16	416	7	646	7
J)	Taxes expense	141	9	74	4	126	5	225	4	240	4	277	3
K)	Extraordinary Items	-	0	-	0	-	0	-	0	-	0	-	0
L)	Net Profit after Taxes before Minority Interest	228	15	181	9	111	5	558	11	176	3	368	4
M)	Minority Interest	1	0	2	0	2	0	4	0	3	0	5	0
N)	Profit/(loss) of Associates	186	12	262	13	222	9	713	14	703	11	946	10
O)	Net Profit	415	27	446	23	335	14	1,275	25	883	14	1,319	15
P)	Other Comprehensive income /(loss) (net of tax)	(0)	0	(2)	0	10	0	(3)	0	23	0	(3)	0
Q)	Total Comprehensive income	414	27	444	23	345	14	1,271	25	906	14	1,316	15

DLF Limited – Balance Sheet (Consolidated)

(₹ in crores)

Particulars	As on December 31, 2019 (Unaudited)	As on March 31, 2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,388	1,459
Right to use assets	256	-
Capital work-in-progress	85	103
Investment property	2,599	3,696
Goodwill	944	1,009
Other intangible assets	153	158
Investments in joint ventures and associates	17,802	20,868
Financial assets		
Investments	118	102
Loans	342	295
Other financial assets	269	261
Deferred tax assets (net)	2,154	2,377
Non-current tax assets (net)	1,287	1,298
Other non-current assets	1,356	1,513
Total non-current assets	28,753	33,139
Current assets		
Inventories	21,873	22,009
Financial assets		
Investments	972	34
Trade receivables	736	832
Cash and cash equivalents	578	4,268
Other bank balances	1,296	587
Loans	2,540	1,964
Other financial assets	1,133	687
Other current assets	660	772
Total current assets	29,789	31,154
Assets classified as held for sale	174	2,630
Total assets	58,716	66,922

DLF Limited – Balance Sheet (Consolidated)

Particulars	As on December 31, 2019 (Unaudited)	As on March 31, 2019 (Audited)
EQUITY AND LIABILITIES		
Equity		
Equity share capital	495	441
Warrant	-	750
Other equity	36,095	32,385
Equity attributable to owners of Holding Company	36,590	33,577
Non-controlling interests	21	41
Total equity	36,611	33,617
Non-current liabilities		
Financial liabilities		
Borrowings	3,601	5,614
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	794	794
Other non-current financial liabilities	581	462
Long term provisions	47	45
Deferred tax liabilities (net)	465	440
Other non-current liabilities	68	97
	5,557	7,452
Current liabilities		
Financial liabilities		
Borrowings	2,734	9,164
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	16	19
enterprises	1,173	1,258
Other current financial liabilities	1,711	4,113
Other current liabilities	10,808	11,122
Provisions	76	34
Total liabilities	16,519	25,710
Liabilities directly associated with assets classified as held for sale	29	143
Total equity and liabilities	58,716	66,922

DLF Limited – Cash Flow

(INR Crs.)	Q3FY20
Inflow	
• Collection from sales	612
• Rentals	36
Sub-Total	648
Outflow	
• Construction	185
• Government / Land charges	(5)
• Overheads	214
Sub-Total	394
Operating Cash Flow before Interest & Tax	254
• Finance cost (net)	179
• Tax (net)	36
Operating Cash Flow after Interest & Tax	40
• Capex outflow / Others	245
Net surplus / (shortfall)	(205)

Excludes (in Q3):

- Interest payment to DCCDL of Rs 200 crore in Q3

Strong Capital Structure

Net Bank Debt – excluding DCCDL group

(INR Crs.)	Q3FY20	Q2FY20
Gross opening debt (Net of IndAS adj.)	7,050	6,211
Less : Debt repaid during quarter	-677	-775
Less : Debt transfer to DCCDL	0	-485
Add : New Borrowing during Qtr.	750	2,099
Less : Cash in Hand*	-2,257	-2,589
Land Commitments	Nil	0
Net Debt Position	4,866	4,461

DCCDL Payable settlement:

All monies stand fully repaid and the Company expects better cash flow generation post this to further help in debt reduction.

Sources of Debt

(INR Crs.)	o/s. 30.09.19	Repayment in Q3	Borrowing in Q3	o/s. 31.12.19	<1 Yr	> 1 < 3 Yr	>3 Yr
Banks							
-Private Banks	1,232	-456		777	463	1,309	1,839
-Foreign Banks	861	-3		859			
-Public Sector Banks	200	-5		194			
-HDFC Ltd	1,347	-65	500	1,782			
-ECB	988	-112		876	471	404	-
-NCD	345	0		345	345	-	-
-Commercial Paper	0	0	0	0	-	-	-
Working Capital Limits / STL	2,077	-36	250	2,291	-	-	2,291
Gross Debt	7,050	-677	750	7,123	1,279	1,714	4,130
Cash / Cash Equivalents					2,257		

- Short Term loans of Rs. 2,291 crore are part of the working capital limits, assumed to be rolled over (considered in > 3 yrs repayments)

Overall borrowing cost – 10.12% (including ECB cost of 12%+) vs Q4FY19 – 10.74%

Net Debt Equity Ratio : 0.13

Net Debt – Way Forward

- ❖ Net debt expected to remain at similar levels in Q4FY20

Look ahead:

- ❖ Committed to further deleveraging in the near future.
- ❖ Exploring further monetization of certain identified land parcels for rental development by way of its existing JV arrangements and/or new alliances; potential raise of ~ INR 1,750- 2,000 crore.
- ❖ Certain identified recoveries including from certain land entitlements of ~ INR 700-800 crore, to be transferred to existing JV arrangements, will further help in deleveraging.
- ❖ Operating cash flow surplus to aid in reduction of the remaining debt by ~ 50%
- ❖ Residual debt shall be carried through financing against rental assets at attractive interest rates.

Key Considerations for Development Business

01

Quality of DLF's inventory

Track record and ability to achieve right price for DLF projects

02

03

Development Update

Strategic nature of DLF's land bank

04

Completed Inventory

	Value (Rs cr) 30.09.2019	Sale Booking Q3 FY20	Area (in msf) 31.12.2019	Value (Rs cr) 31.12.2019
1 DLF 5, Gurugram	4,675	(154)	1.56	4,830
2 Rest of Gurugram	3,025	816	2.69	2,210
3 National Devco	2,445	70	5.89	2,375
Total	10,145	731	10.14	9,415

Project Cash Flows as on December 31, 2019

In Rs crore

	Sold Value	Residual Inventory	Pending Receivable
1 Camellias, DLF5,Gurugram	5,400	4,460	645
2 Crest, DLF5,Gurugram	3,983	10	200
3 Horizon Centre, DLF5,Gurugram	1,995	360*	28
4 Ultima, New Gurugram	1510	220	757
5 ROG, Gurugram		1,990	310
6 National Devco		2,375	910
Total		9,415	2,850

* Includes ~ Rs 100 crore of inventory from other projects in DLF 5, Gurugram

Residual EBITDA as on December 31st, 2019

Rs crore

Total EBITDA to be recognized in Sales done till December 2019- (A)

5,130

Total EBITDA in unsold inventory – (B)

4,600

Total EBITDA to be recognized in the next 4 to 5 years – (A+B)

9,730

Note: EBIDTA of DLF rental assets/new projects not included above

DLF (ex-DCCDL) – Development Update

Project / SPV	Development Potential	Development Status
<p>DLF Urban Private Limited (GIC JV)</p>	<p>~1.9 msf DLF Share – 50%</p>	<p>Construction Commenced</p>
<p>DLF Midtown Private Limited (GIC JV)</p>	<p>~ 6 msf DLF Share – 50%</p>	<p>Zoning Approvals and Environmental Clearance received, Project under designing stage. Financial Closure Achieved</p>
<p>Aadarshini Real Estate Developers (Hines JV)</p>	<p>~ 3 msf DLF Share – 67%</p>	<p>Designs by Pelli Clarke Pelli have been selected Pre-construction approvals are being applied</p>
<p>Independent Floors DLF City, Gurugram New Gurgaon/Tri City</p>	<p>~ 7 msf DLF Share – 100%</p>	<p>Plans being finalized</p>
<p>Hyderabad SEZ (to be transferred to DCCDL post construction)</p>	<p>~ 3 msf DLF Share – 100%</p>	<p>Phase I Design being finalized ~ 0.6 msf Expected Rental ~ Rs 58 psf/month</p>

Completed Inventory – DLF 5



The Camellias

% of project sold –60%

*Value of inventory – INR
4,460 crore*

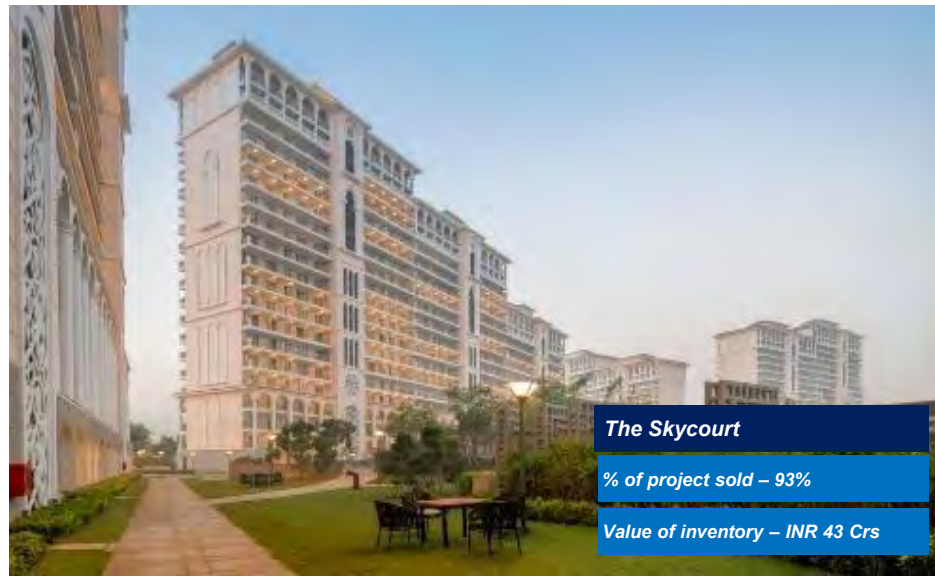
Completed Inventory – Rest of Gurgaon



The Ultima

% of project sold – 86%

Value of inventory – INR 220 Crs



The Skycourt

% of project sold – 93%

Value of inventory – INR 43 Crs



Alameda, Gurugram

% of project sold – 80%

Value of inventory – INR 298 Crs

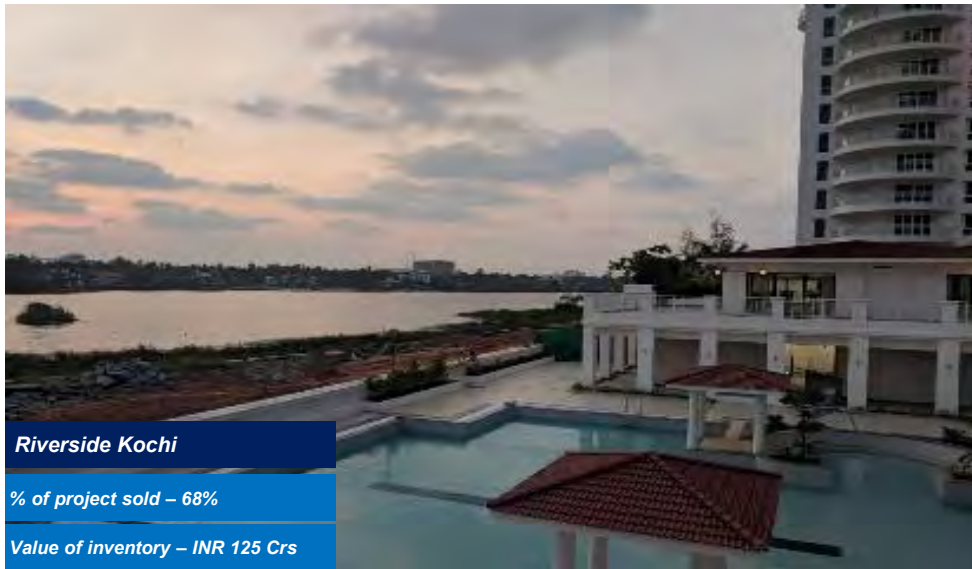


Garden City, Gurugram

% of project sold – 78%

Value of inventory – INR 323 Crs

Completed Inventory – National Devco



Overview of DLF's Rental Assets (ex-DCCDL)

Building Name	Lac sqf			Rent(psf/month)		
	Leasable Area (Lacs sqf)	Leased Area (Lacs sqf)	Leased/leasable area %	In place	Current	WALE*
	OFFICES:					
Kolkata II	9.9	9.6	97%	34	30	76
DLF Centre	1.7	1.4	83%	367	400	75
Amex	5.1	5.1	100%	49	122	20
Gateway Tower	1.1	1.1	100%	118	116	28
Total Offices	17.8	17.2	97%			56
Retail:						
Non DCCDL						
South Square	0.6	0.6	95%	117	99	51
Capital Point	0.9	0.9	100%	408	NA	40
Chanakya	1.9	1.8	95%	202	357	133
Total Offices	3.3	3.2	96%			

* WALE-Weighted average lease expiry in months

Significant Land Reserves for Future Growth

192 msf (~) of total development potential¹

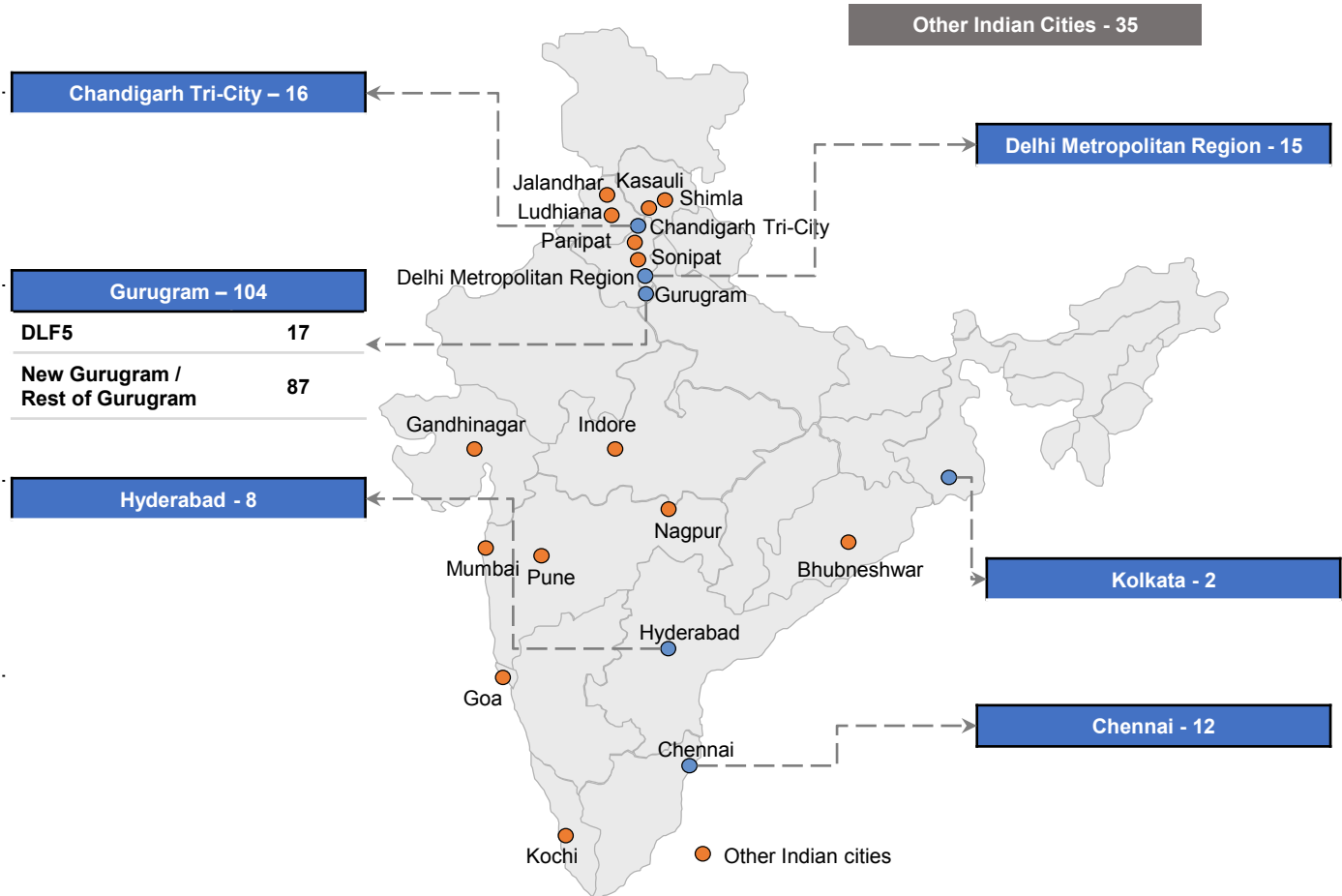
(msf)

Large land reserves in strategic locations across India

192 msf¹ of development potential

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



Note:

¹ As of September 30, 2019

- Includes TOD Potential in Delhi
- 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. Increase TOD potential is under computation based on application filed.
- Excludes DLF5 and New Gurgaon TOD / TDR potential.

High Quality Land Reserves with Significant Asset Value

DLF 5, Gurugram

- ❖ Development Potential : ~17msf*
- ❖ Strategic location for Super Luxury/Luxury Developments
- ❖ Margins - High

Chanakypuri, New Delhi

- ❖ Development Potential : ~2msf
- ❖ Superior location in Diplomatic area; close proximity to CBD- Connaught Place
- ❖ Margins – Very High

New Gurgaon

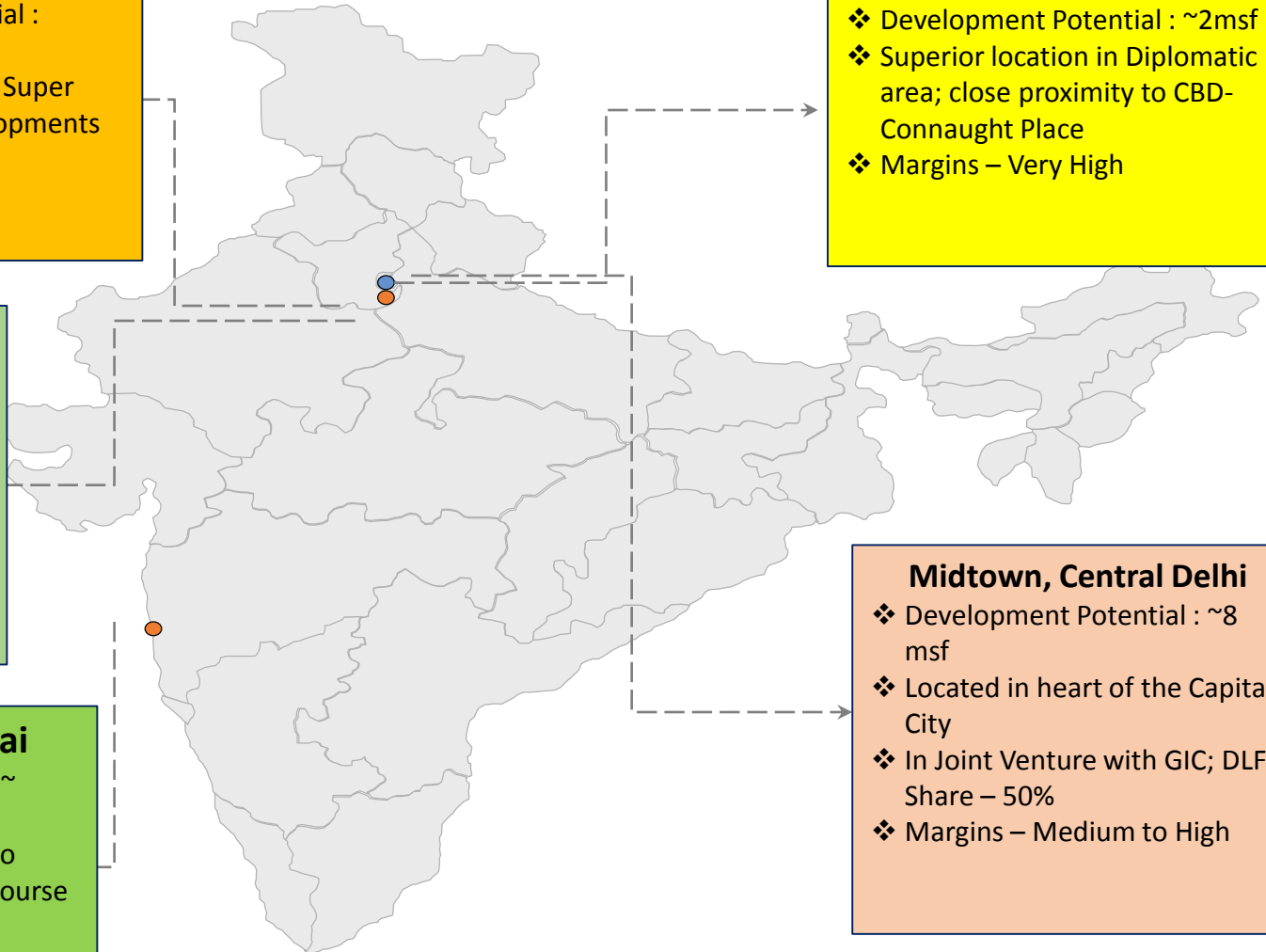
- ❖ Development Potential : ~77msf*
- ❖ Integrated Townships for premium housing and Commercial
- ❖ Margins - Medium

Tulsiwadi, Mumbai

- ❖ Development Potential : ~0.9msf (DLF Share)
- ❖ Premium location; next to iconic Mahalaxmi Race Course
- ❖ Margins - High

Midtown, Central Delhi

- ❖ Development Potential : ~8 msf
- ❖ Located in heart of the Capital City
- ❖ In Joint Venture with GIC; DLF Share – 50%
- ❖ Margins – Medium to High



Environmental, Social & Governance(ESG) - Update

- ❑ DLF continues to focus on building a safe, sustainable and compliant ecosystem. The Company has adopted best practices in various fields.
- ❑ In this quarter, DLF has been assessed on the ESG framework by:
 - 1) MSCI
 - 2) FTSE Russeland has also been included in the following indices:
 - 1) MSCI India
 - 2) FTSE4Good Index
- ❑ Assessment done in previous quarters by:
 - 1) GRESB
 - 2) Bloomberg
 - 3) Dow Jones Sustainability Assessment
- ❑ Inclusion in other indices:
 - 1) Russell RAFI Index Series
 - 2) FTSE India Quality and Yield Select Indexes,
 - 3) Nifty 100 ESG
 - 4) Nifty 100 Enhanced ESG index
 - 5) Nifty 100
- ❑ Key features of DLF's ESG framework are as follows :
 - ✓ Most of the office buildings are LEED Platinum certified by USGBC
 - ✓ Camellias – Residential Development; Amongst the first LEED Platinum certified residential building
 - ✓ Achieved 5 star rating and Sword of Honor from the British Safety council for a substantial part of its rental portfolio for Occupational Health & Safety Management Systems. First Company across the globe to achieve 11 swords in a single cycle.
- ❑ Further details on ESG framework of the company are available in through the following link:
www.dlf.in/investors/sustainability

Recent Awards and Recognition

❑ **Sword of Honor by British Safety Council**

- ✓ *Only Company globally to have won 13 swords of honor*

❑ **Shopping Centre Forum by India Shopping Centre Awards**

- ✓ *The Chanakya - Most Innovative Architecture (Façade & Interior Design) for Shopping*

❑ **Golden Globe Tiger Awards, 2019:**

- ✓ *DLF Limited – Developer of the Year – Luxury*
- ✓ *DLF Limited – Developer of the Year – Residential*
- ✓ *King’s Court – Luxury Project of the Year*
- ✓ *The Crest – Luxury Project of the Year*

❑ **EazyDiner Foodie Awards**

- ✓ *The Electric Room (at The Lodhi) – Best in Nightlife in a Hotel*

❑ **Elite Magazine Awards**

- ✓ *The Lodhi – Best Hotel of the Year*

❑ **World Luxury Spa Awards**

- ✓ *The Lodhi-Luxury Hotel Spa Country Winner: India*

❑ **National Awards for Marketing Excellence (BTVI)**

- ✓ *DLF Mall of India – Most Admired Shopping Centre of the Year*
- ✓ *Trend – Best In-House Magazine*
- ✓ *Cyber Hub – Best Retail & Leisure Development*

❑ **National Real Estate Leadership awards 2019 (Zee Business)**

- ✓ *DLF Crest – Luxury Project of the Year*

❑ **ET Now Real Estate Awards:**

- ✓ *DLF – Developer of the Year*
- ✓ *Two Horizon Center : Luxury Project of the Year – Commercial*
- ✓ *DCCDL – Brand of the Year*
- ✓ *DLF Cyber City : Business/IT Park of the Year*
- ✓ *Cyber Hub – Smart Project of the Year – Retail*

A nighttime photograph of a modern city skyline. The buildings are illuminated with various colors, including warm yellows and oranges, and some have logos like 'DLF' and 'RBS' visible. Light trails from traffic are visible in the foreground. A large white oval with a thin border is centered in the upper half of the image, containing the text 'DLF Cyber City Developers Limited'. Several smaller, semi-transparent blue circles of varying sizes are scattered around the main oval, creating a bubble-like effect.

DLF Cyber City Developers Limited

Highlights – Q3FY20

Strong business performance continues

Rental Revenue Run Rate¹	Operational Portfolio (Developed)	Gross Leasing (Q3)	Net Incremental Leasing (Q3)
Rs 3,015 crore	30.3 msf	1.3 msf	0.43 msf
Strong Operating Cashflow Net² - Rs. 749 crore	Projects under Construction 6.6 msf	Net Debt³ Rs 18,171 crore	Credit Rating AA (-) With Stable outlook
Run rate FY19	2,675 crore	WALE⁵	
Anticipated Run rate FY20⁴	3,750 crore	(in years)	
Growth ~ 40%		5.5	

¹ Rental Revenue Run Rate for Completed Properties as on December 31, 2019

² Net Operating Cash flow after interest & tax

³ Net Debt: Bank Debt as per Ind-AS less Cash & Cash Equivalent

⁴ Anticipated Run rate: includes a) new acquisitions of Mall of India, Noida and DLF Avenue, b) inflow from Cyber Park and new block in Chennai

⁵ WALE : Weighted Average Lease Expiry

⁶ Cyber Park partial OC received – Handing over started for fitouts

Portfolio Snapshot – Q3FY20



Rental Revenue
Rs 759 crore

Occupancy
95%*

Development Potential
~ 30 msf

Mark-to-Market Potential
17%

Operational Portfolio
Leased ~ 28.8 msf
Vacant Stock ~ 1.5 msf



DCCDL – Development Update

Project / SPV	Development Potential	Development Status
Chennai IT SEZ	~0.8 msf	OC – Block 11 received Block 12 by FY21
DLF Down Town, Gurugram	~11 msf	Phase I ~3 msf under construction
DLF Down Town, Chennai	~6.8 msf	Phase I ~2 msf Bhoomi Pujan done
DLF Cyber City, Gurugram	~11.5 msf	

DCCDL - Summary Consolidated Financial Result

- ❑ DCCDL net operating cashflow: INR Rs 749 crore
- ❑ Gross Leasing of 1.3 msf & Net Leasing of 0.43 msf during the Quarter.

Q3FY20	Gross Area Leased (msf)	Net Area Leased (msf)
Offices	1.1	0.37
Retail	0.2	0.06

- ❑ Net rental for the Quarter, stood at INR 759 crore vs Rs 761 crore in Q2FY20.
- ❑ EBITDA(including other income) stood at Rs 836 crore vs Rs 1,024 crore in Q2FY20
- ❑ PAT stood at Rs 278 crore vs Rs 387 crore in Q2FY20
- ❑ DCCDL Consolidated net debt¹ Rs 18,171 crore
- ❑ Annualized Annuity Run Rate² Rs 3,150 crore

¹Net Debt: Debt as per Ind-AS less Cash & Cash Equivalent

²Run rate including rental, parking, maintenance & power EBITDA as on Dec'19

DCCDL Consolidated – Q3FY20

In Rs Crore

Particulars	Q3FY20	Q2FY20	% Change
Rental Revenue	759	761	(0.2%)
Other Revenue ¹	372	618	(40%)
Expenses	294	355	17%
EBITDA (including other income)	836	1024	(18%)
EBITDA (excluding other income)	783	800	(2%)
Finance Cost	426	445	4%
Depreciation	130	128	2%
PBT	280	452	(38%)
TAX	8	65	88%
PAT²	272	387	(30%)
Income from Associate/Joint Venture	6	-	0%
PAT post JV share	278	387	(28%)

¹ Decrease in Other Revenue due to a) lower interest income , b) lower service income due to seasonality

²PAT : Decrease due to interest income.

DCCDL Balance Sheet Abstract (Consolidated)

In Rs Crore

Particulars	31 Dec 2019	FY19
Non-current assets	26,926	19,322
Current assets	1,295	8,366
Total Assets	28,221	27,688
Equity	5,039	7,464
Non-current liabilities	20,200	17,353
Current liabilities	2,982	2,871
Total Liabilities	28,221	27,688

DCCDL Cash Flow Abstract (Consolidated)

(INR Crs.)	Q3 FY20
Operating Cash Flow before Interest & Tax*	778
• Interest received	490
• Interest paid	(427)
• Tax	(92)
Operating Cash Flow after Interest & Tax	749
• Capex ¹	(684)

Optimum cash flow to finance future development and maintain strong liquidity

Portfolio Snapshot- Q3FY20

Building Name	Leasable Area (Lacs sqf)			Leased Area (Lacs sqf)	Leased/Leasable Area %	W.A rate-leased area (₹ /sqf)***	Current rate (₹ /sqf)	MTM %	WALE**
	Completed	Under Construction	Total						
OFFICES									
Cyber City	101.6	-	101.6	100.0	98%	103	120	17%	4.8
Cyber City SEZ	28.9	-	28.9	28.4	98%	77	100	30%	5.6
Silokhera	19.4	-	19.4	11.4	59%	65	73	12%	7.0
Chennai	65.7	-	65.7	64.1	98%	64	75	17%	5.8
Hyderabad	29.1	-	29.1	28.9	99%	49	58	17%	4.8
Kolkata I	12.9	-	12.9	11.9	92%	39	30	-22%	5.0
Chandigarh	6.5	-	6.5	5.7	88%	52	39	-25%	5.1
Total Offices	264.2	-	264.2	250.5	95%	78	91	17%	5.3
Retail									
Mall of India Noida	19.7	-	19.7	19.4	99%	106	-	-	7.8
DLF Avenue ^{##}	5.2	-	5.2	5.0	97%	65	-	-	0.0
Promenade	4.6	-	4.6	4.6	100%	186	-	-	5.8
Cyber Hub	4.6	-	4.6	4.5	99%	127	-	-	5.6
Emporio	3.1	-	3.1	3.0	99%	359	-	-	3.1
City Centre	1.9	-	1.9	1.3	70%	29	-	-	9.0
Total Retail	39.0	-	39.0	37.9	97%	-	-	-	6.9
Total Developed	303.1	-	303.1	288.3	95%	-	-	-	5.5
Under Construction:									
Cyber Park	-	25.3	25.3	23.6	93%	119	129	NA	NA
DLF Downtown-Gurugram	-	33.0	33.0	3.2	10%	132	134	NA	NA
Chennai Block 11 & 12	-	8.2	8.2	5.9	72%	65	72	NA	NA
Total Under Construction	-	66.5	66.5	32.6	49%	-	-	-	-

* Includes Cyber Park area moved to fitout, OC received for substantial part.

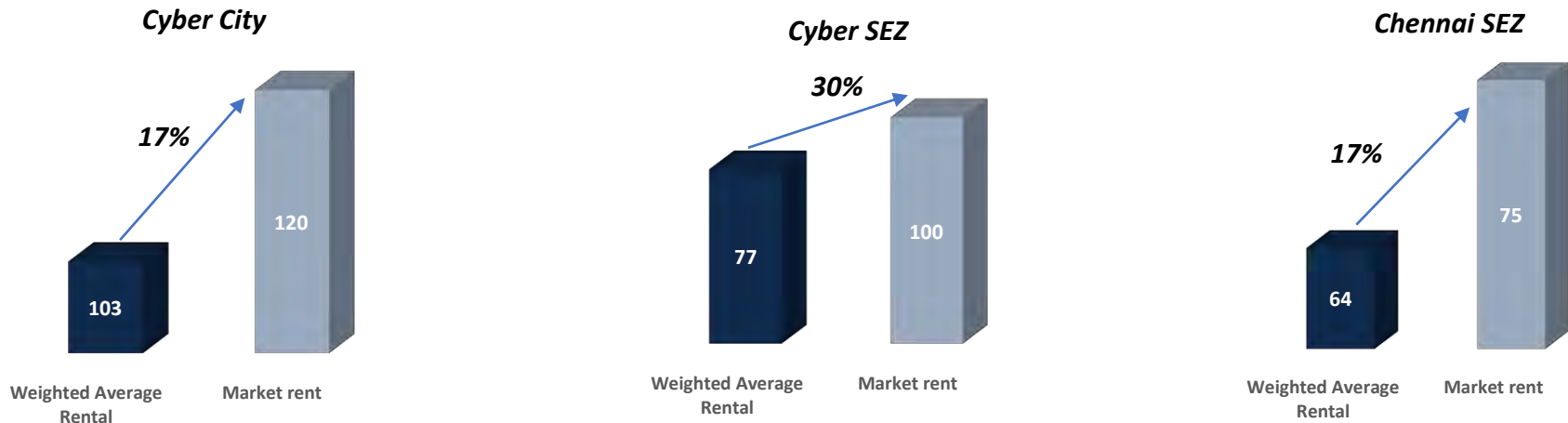
DLF Avenue: LCD is yet to be start

** WALE: Weighed Average Lease Expiry in years

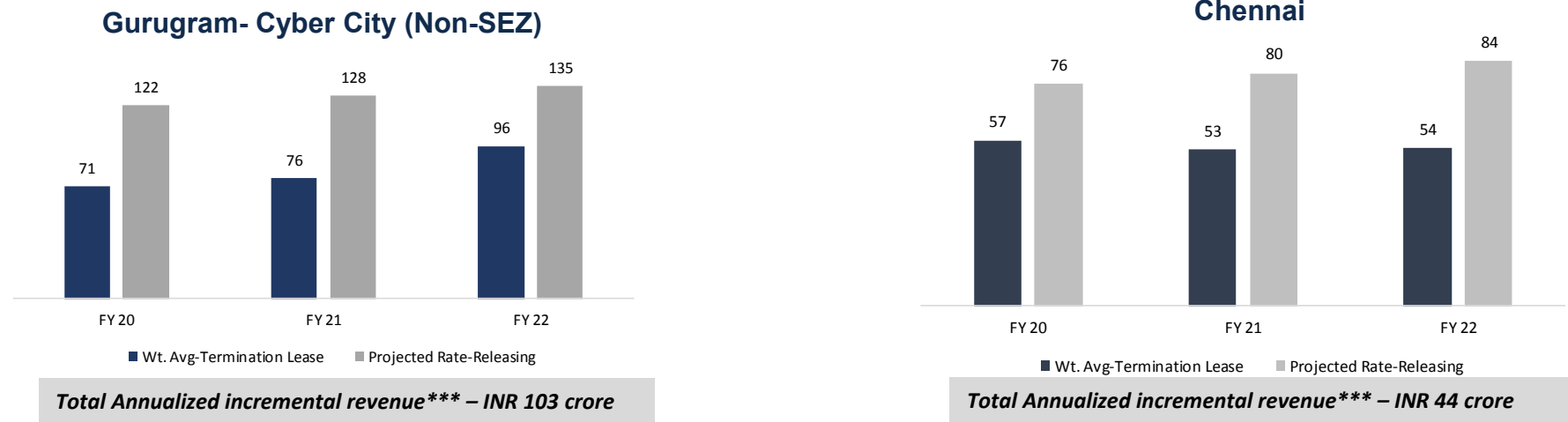
*** WA rate for completed properties

Significant Mark to Market Potential on Existing Commercial Portfolio

Mark-to-market Potential: Significant Room for Rent Revisions



Releasing Upside: From FY 20 to FY 22



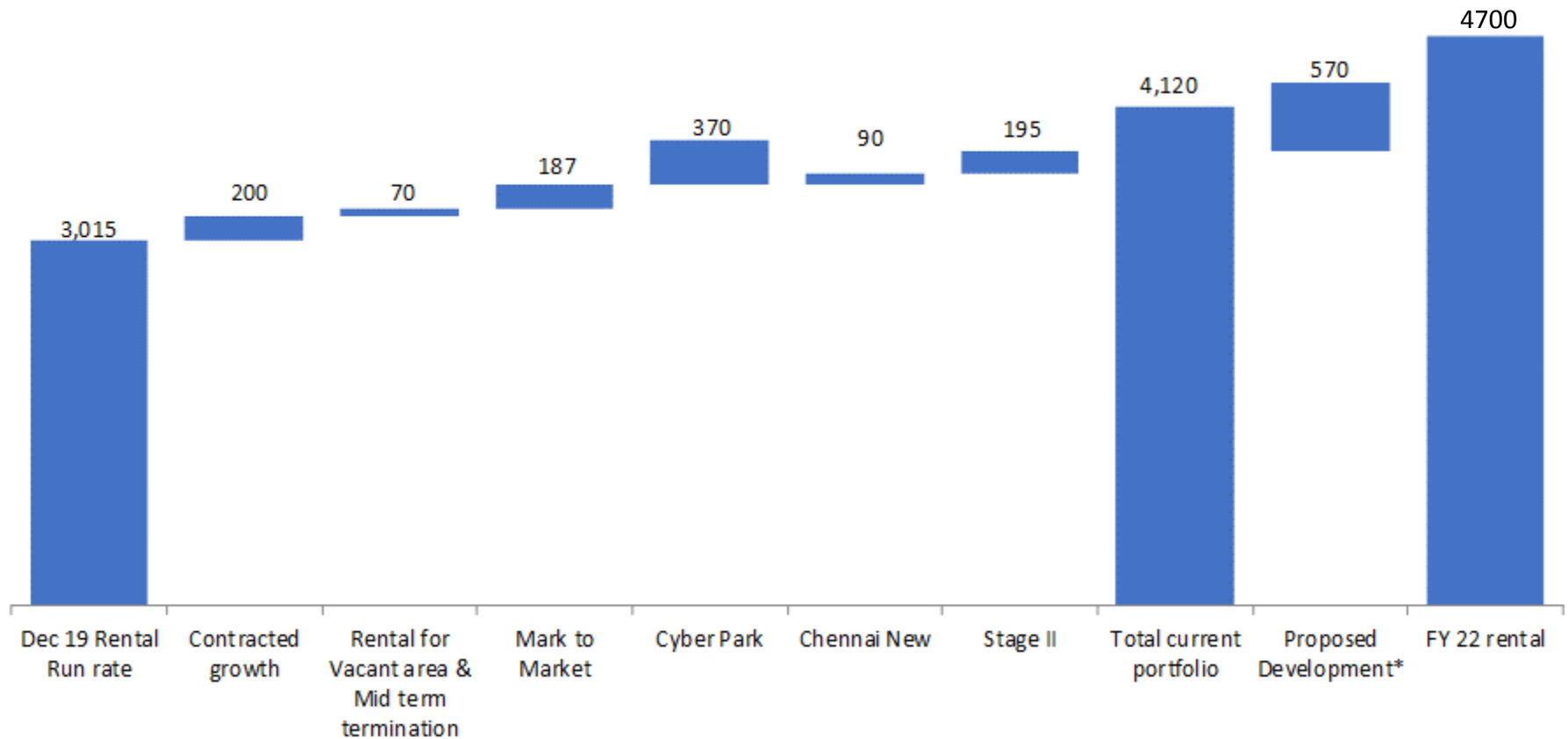
Re-leasing at market rent to drive significant value creation

* Weighted Average Rentals is the weighted base rental for leased area

**Market rent means weighted average rate for new leases entered till Dec '19

***Annualised incremental revenue impact has been calculated on rent rate differential multiplied by gross leasing area coming up for renewal.

Rental Portfolio : CAGR 2019 – 2022 ~ 20%

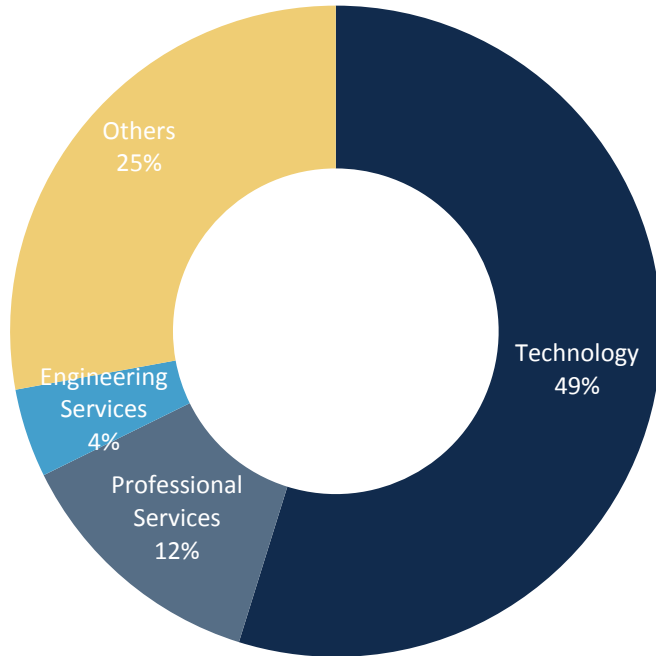


Run Rate FY19 Rs 2,675 crore
Anticipated Run Rate FY22 Rs 4,700 crore

^ Stage II includes DLF Avenue and OHC share
 # These are indicative numbers

Rental Portfolio – Operational assets ~ 30.3 msf

TENANT MIX



Top 10 Tenants contributing 21% of Gross Revenue

Tenant	Sector	% of Rental
Cognizant	Technology	4%
IBM	Technology	4%
Concentrix	Technology	2%
Amex	Business Support	2%
TCS	Technology	2%
BT Global	Technology	2%
RBS Services	BFSI	1%
Fluor Daniel	Engineering & Construction	1%
WeWork	Business Support	1%
Deloitte	Business Support	1%
Total		21%

* Based on leased area as December 31, 2019

Office Portfolio

Cyber City Non-SEZ – 10.17 msf

Cyber City SEZ – 2.89 msf



DLF Hyderabad IT SEZ – 2.91 msf



DLF Silokhera IT SEZ – 1.94 msf



DLF Chennai IT SEZ – 6.57 msf



Chandigarh – 0.65 msf



Kolkata IT Park – 1.29 msf



Operational assets – ~26.4 msf

Retail Portfolio

DLF Emporio

- Location: Vasant Kunj, Delhi
- Commission Date: Aug' 08
- TLA: 0.3 msf

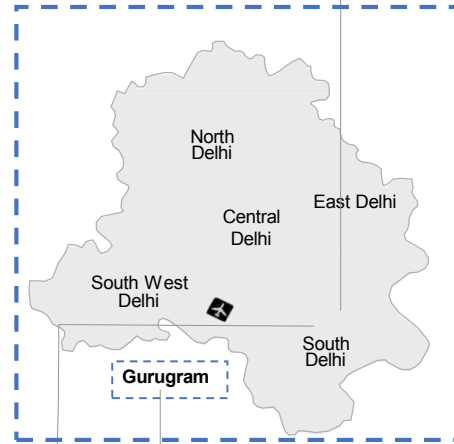


DLF Promenade

- Location: Vasant Kunj, Delhi
- Commission Date: Jan' 09
- TLA: 0.5 msf



Chandigarh



City Centre

- Location: Chandigarh
- Commission Date: May' 08
- TLA: 0.2 msf



Cyberhub

- Location: Gurugram
- Commission Date: 2014
- TLA: 0.4 msf



DCCDL – Development Update



- ❑ Total leasable area of ~ 11msf; initiated development of 1st Phase of office space of ~ 3msf.
- ❑ Steel structure based execution; will lead in quicker delivery and offtake
- ❑ Pre-leasing of ~ 0.3 msf already done.

- ❑ Total leasable area of ~ 7 msf spread across ~ 26 acres; initiated development of 1st Phase of office space of ~ 2 msf.
- ❑ Strategically located in Taramani - Gateway to the IT corridor in the region. Well established social infrastructure with availability of talented workforce.
- ❑ Bhoomi Pujan done in January-20



Disclaimer

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.

Area represented in msf within the presentation above should be read with a conversion factor of ~ 1 msf = 92,903 sq. metres.



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THANK YOU