



For immediate publication

GROWTH CONTINUES IN Q2-20

Bengaluru, November 08, 2019:

SOBHA Limited today announced unaudited financial results for the quarter and half-year ended September 30, 2019.

A brief snap shot of the key financial and operational parameters for the quarter and half-year ended September 30, 2019 is given below:

Q2-20-FINANCIAL HIGHLIGHTS

- Total income at Rs.8.04 billion. The same up by 19% as compared to Q2-19.
- Real estate revenue at Rs. 4.28 billion, which is up by 11% as compared to Q2-19.
- Contracts and manufacturing revenue at Rs. 3.56 billion. The same is up by 30% as compared to Q2-19.
- EBITDA at Rs. 1.87 billion. The same is up by 18% as compared to Q2-19. Margin at 23%
- PBT at Rs. 0.93 billion. The same is up by 4% as compared to Q2-19. Margin at 12%.
- PAT at Rs. 0.67 Billion. The same is up by 11% as compared to Q2-19. Margin at 8%.
- CRISIL and ICRA reaffirmed our long-term credit rating at A+(Stable)
- Debt-equity ratio as on September-19 stands at 1.29.
- Cost of borrowings stands at 9.81%.

H1-20-FINANCIAL HIGHLIGHTS

- All time high total income at Rs. 19.97 billion. The same up by 55% as compared to H1-19.
- All time high real estate Revenue at Rs. 12.73 billion. The same is up by 71% as compared to H1-19.
- All time high contracts and manufacturing revenue at Rs. 6.88 billion. The same is up by 35% as compared to H1-19.
- All time high EBITDA at Rs. 4.31 billion. The same is up by 43% as compared to H1-19. Margin at 22%.
- All time high PBT at Rs. 2.35 billion. The same is up by 44% as compared to H1-19. Margin at 12%.
- All time high PAT at Rs. 1.58 Billion. The same is up by 39% as compared to H1-19. Margin at 8%.

Q2-20 OPERATIONAL HIGHLIGHTS

- Achieved pre sales volume of 1.04 million square feet during the quarter.
- Total sales value stands at Rs 6.82 billion.
- SOBHA's share of sales value at Rs 5.61 billion.
- Total average price realisation stands at Rs. 6,584 per square feet.
- Bengaluru continues to have a strong buyer base and has achieved new sales booking of 0.78 million square feet.
- During the quarter, the company has launched SOBHA Blossom, a plotted development project in Chennai with total saleable area of 0.18 million square feet.
- New residential projects to the tune of 10.46 million square feet saleable area will be launched in various locations in the coming quarters.
- Total cash inflow at Rs 8.40 billion. The same is up by 11% as compared to Q2-19.
- Real estate cash inflow stands at Rs 5.11 billion.
- Contractual and manufacturing cash inflow is at Rs. 3.29 billion. The same is up by 51% as compared to Q2-19.
- Contracts and manufacturing order book stands at Rs. 21.70 Billion.

H1-20 OPERATIONAL HIGHLIGHTS

- Achieved pre-sales volume of 2.10 million square feet during the period.
- Total sales value stands at Rs 14.60 billion.
- SOBHA's share of sales value at Rs 12.22 billion.
- Total average price realisation stands at Rs. 6,952 per square feet.
- Bengaluru continues to perform well and has achieved the new sales booking of 1.53 million square feet.
- During the half year, the company has launched SOBHA Nesara, a super luxury apartment project in Pune, with saleable area of 0.51 million square feet; SOBHA Verdure, a row house project in Coimbatore, with saleable area of 0.10 million square feet and SOBHA Blossom, plotted development project in Chennai with Saleable area of 0.18 million square feet. In total, we have launched 0.79 million square feet of projects.
- All time high total cash inflow at Rs 16.41 billion. The same is up by 10% as compared to H1-19.
- Real Estate cash inflow stands at Rs 10.32 billion.
- All time high Contractual and manufacturing cash inflow is at Rs. 6.10 billion. The same is up by 35% as compared to H1-19.



Speaking on the occasion, Mr. J.C. Sharma, Vice Chairman and Managing Director, SOBHA Limited said, "Despite the Government's efforts for revival of the real estate sector, overall customer sentiments have not improved as expected. Liquidity situation remains tight in the sector, resulting in cash flow issues for developers. The benefit of 5 consecutive rate cuts by RBI is yet to be passed on to the borrowers by banks/financial institutions, as the banks are still struggling with their Non-Performing Assets (NPAs) and other issues. Hence, they are reluctant to pass on the rate cut benefit to the borrowers."

The Finance Minister's recent announcement on setting up of a Rs 25,000 crore alternative investment fund (AIF), aimed at providing relief to developers with unfinished projects to ensure delivery of homes to buyers is a welcome step. Operational synergies coming out of recent mega PSU bank merger will further help developers with ease of processing and reduced timeline for various stages of documentation and approval. SOBHA believes that all these factors will fuel healthy sales growth for organised realty players. Further to this, bringing down of effective corporate tax rate will help the economy to recover faster.

More importantly, the housing demand is expected for a gradual uptick, as the affordability to own a home improves due to factors such as rising income levels and falling interest rates. The company firmly believes that **right products with the right pricing can create demand**. With good visibility on future launches, focus on execution and delivery, and the hope that Government will take further steps to boost demand in the real estate sector, SOBHA expects to perform better in the second half of the financial year.

In this background, SOBHA is happy to inform that it has achieved a topline of Rs. 8.04 billion for Q2-20 and PAT of Rs. 0.67 billion, up by 19% and 11% as compared to Q2-19 respectively. The company has also achieved the highest ever half-yearly income, EBITDA, PBT and PAT. SOBHA has achieved pre-sales volume of 1.04 million square feet valued at Rs 6.82 billion during the quarter. Total cash inflow for the quarter stands at Rs. 8.40 billion, which is up by 11% as compared to Q2-19. The company continues to enjoy good long-term credit rating of A+(stable) from CRISIL and ICRA. This further strengthens SOBHA's financial position in the market.

Taking all the positive measures and current operational environment into consideration, SOBHA, with its unique backward integrated model, proven track record, strong brand and good order book visibility



in contractual business, should be in a position to gain market share in the coming quarters. Moving forward, SOBHA's expansions plans pan-India should further support its operations in the days to come.

He added, "The Q2-20 has also witnessed a good performance by our contracts and manufacturing verticals. The revenues grew by 30% as compared to Q2-19. Cash flows and order book remains healthy, offering good visibility for the future."

Exceptional Execution

SOBHA's superior execution capability is its core strength. The company currently has ongoing real estate projects aggregating to 41.64 million square feet of developable area and 28.79 million square feet of saleable area, and ongoing contractual projects aggregating to 8.61 million square feet under various stages of construction. As on 30th September 2019, the company has delivered overall 105.91 million square feet of developable area. The company has a real estate presence in 10 cities, viz. Bengaluru, Gurugram, Chennai, Pune, Coimbatore, Thrissur, Kozhikode, Kochi, Gujarat (Gift City) and Mysore. Overall, SOBHA has footprint in 27 cities and 14 states across India.

Recognition & Awards

During Q2-20, SOBHA has been bestowed with:

- 'Developer of the Year' award by Franchise India
- Kerala Management Association (KMA) CSR award in Health & Hygiene category for the 2nd consecutive year
- 'Residential Project of the Year' award for non-metro zone at the 11th Ralty+ Excellence Awards 2019
- Runner-up award in the 'Residential Project of the Year' category for International City, Gurugram at the Construction Week India Awards 2019
- 'One of India's Top Builders 2019' and 'India's Top Challengers' awards by Construction World Architect and Builder (CWAB) awards
- Two prestigious awards - 'Best Quality Construction of the Year – Chennai' and 'Best Architecture Plan of the Year' at the Real Estate Summit & Awards (RESA) 2019 organized by FICCI and The New Indian Express.



About SOBHA Limited:

Founded in 1995, SOBHA Limited is one of the fastest growing and foremost backward integrated real estate players in the country. It means that the company has all the key competencies and in-house resources to deliver a project from its conceptualization to completion. SOBHA is primarily focused on residential and contractual projects. The Company's residential projects include presidential apartments, villas, row houses, super luxury & luxury apartments, plotted developments and aspirational homes. In all its residential projects, the company lays strong emphasis on environmental management, water harvesting and highest safety standards. On the contractual projects side, the Company has constructed a variety of structures for corporates including offices, convention centres, software development blocks, multiplex theatres, hostel facilities, guest houses, food courts, restaurants, research centres, and club houses. For more information on SOBHA Limited, please visit: www.sobha.com

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