



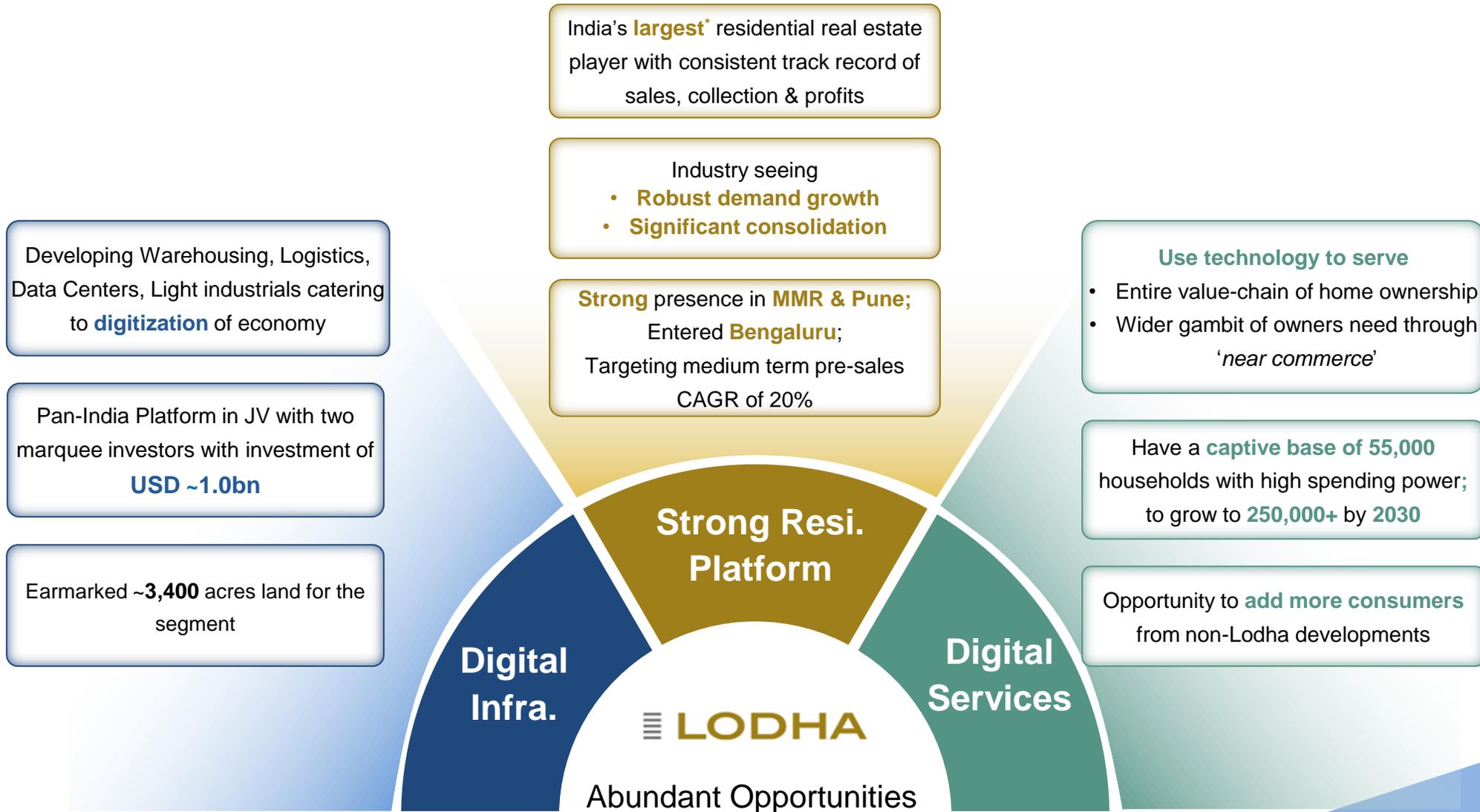
# Corporate PRESENTATION

November 2022

# 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.

# Lodha: Largest Indian housing platform with robust growth opportunities



\*by Sales over FY16-22

# Building up on strong performance

## Sales Momentum

- Strong 2QFY23 pre-sales at INR 31bn (+57% yoy), best ever 2Q performance
- 1HFY23 Pre-sales at INR 60bn, ~52% of annual guidance of INR 115bn

## Strengthening balance sheet

- Net Debt down to INR 88bn for India business
- Multiple rounds of credit rating upgrade, latest by ICRA (A+/Stable)
- Expect FY23 operating cashflow at INR ~60bn, to reduce net debt to INR ~60bn

## Focus on creating new Digital businesses

- Continued success at Palava Digital Infrastructure Park; monetized our first investment
- Pan India JV for Digital Infra with Bain Capital & Ivanhoe Cambridge
- Digital services business being setup to maximize lifetime customer value

## UK Investments

- Expect complete sell out in next few quarters
- Repatriation of surplus started in 2QFY23 (INR 1bn)
- Remaining surplus of INR 10bn to be repatriated in CY23

## Enhanced ESG focus

- To bring more transparency, started reporting Embedded EBITDA margin<sup>1</sup> (~33% for 2QFY23)
- Rated amongst top 1% global real estate companies in CSA 2022 by S&P Global
- 5 star rating in 2022 GRESB Benchmark (Residential) -score of 95/100; Top 3 in Asia
- Inducted Mr Rajeev Bakshi (ex-Pepsico) & Ms Harita Gupta (ex- Microsoft) as Independent Director

## Capital efficient expansion into new markets

- Added 18 projects with GDV<sup>2</sup> of INR ~240bn since IPO across MMR, Pune & Bangalore
- Expect new project addition of INR 150bn GDV in FY23
- Entry in Bengaluru will enable us to serve 2/3 of India's resi. market

Note: All metrics as of 30<sup>th</sup> Sep, 2022;

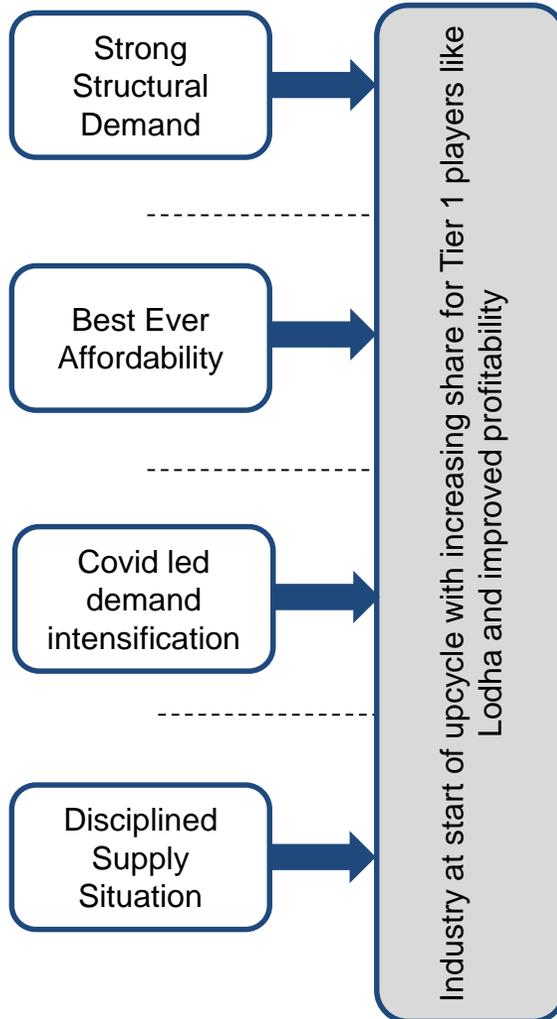
<sup>1</sup> Embedded EBITDA Margin: Estimated EBITDA margin on Pre-sales (ex. DM sales) of the period with lifecycle costs, excluding finance cost

<sup>2</sup> GDV (Gross Development Value)



# *01* Residential Business Highlights

# Urban housing in India's Tier 1 cities: set for a sustained up-cycle



## Real Estate sector on course to become a USD 1 trillion market\*

- Entry of **large educated workforce** every year
- **Rapid urbanization** and **family nuclearization**
- **Rising** per capita income
- Low levels of mortgage penetration & urban home ownership

## Best time to own a home

- **All time best** affordability ratio
- Financial institution **competing intensely** to entice homebuyers to garner home loan portfolio (safe heaven) leading to **competitive mortgage rates**
- **Low gap** between rental yields & mortgage rates

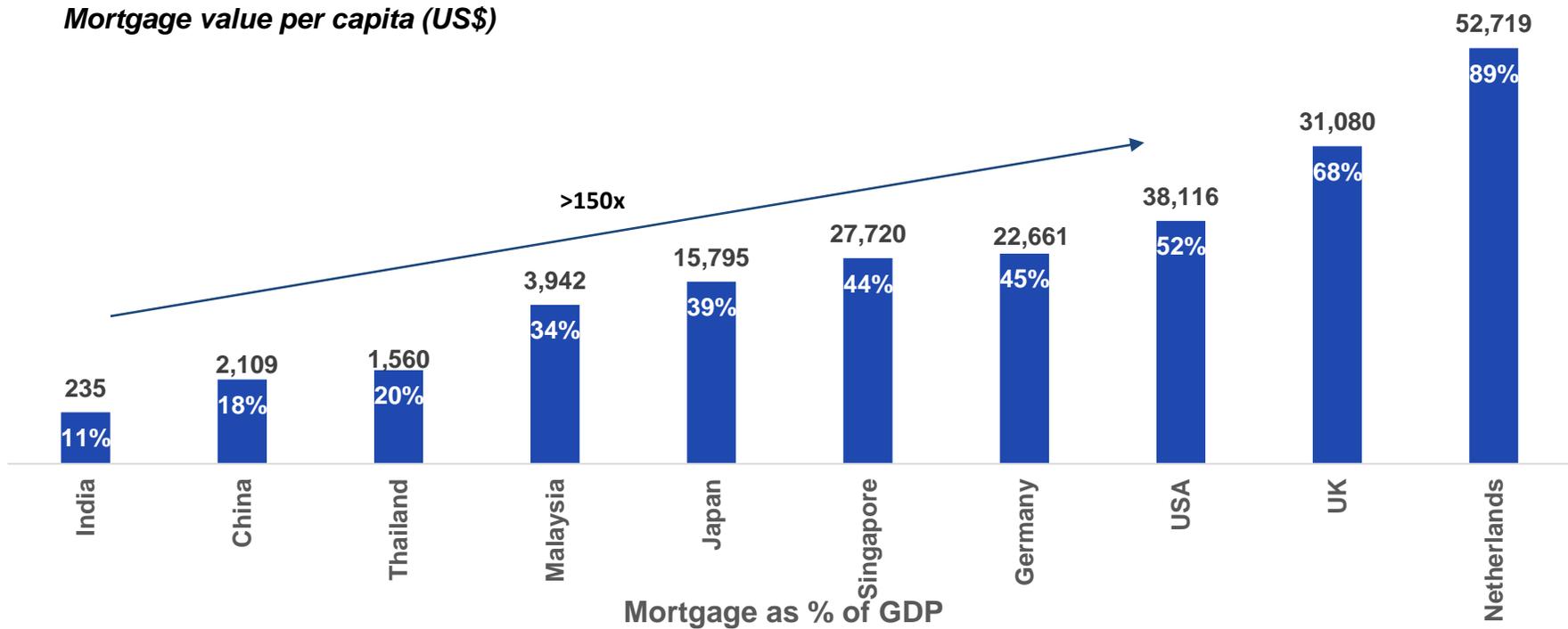
## Need for quality home felt the most during Covid related lockdown

- **Work from home, Study from home** made consumers realize importance of home
- **Need for extra space & need to bring change in homes** enhanced desire to own
- **Need for open spaces & quality amenities** tilted demand towards high quality developments

## Consolidating supply

- **Tier II developers unable to sell** during construction
  - Loss of consumer confidence
  - Lack of wholesale credit from lenders
- **Market consolidating** towards 4-5 major players in a market
- Demand shifting to established players as stalled projects with ~175,000 housing units across top seven cities continue to haunt buyers
- **Disciplined supply** to give further impetus to already visible growth in pricing as well as demand

# Significant room for growth in housing volumes

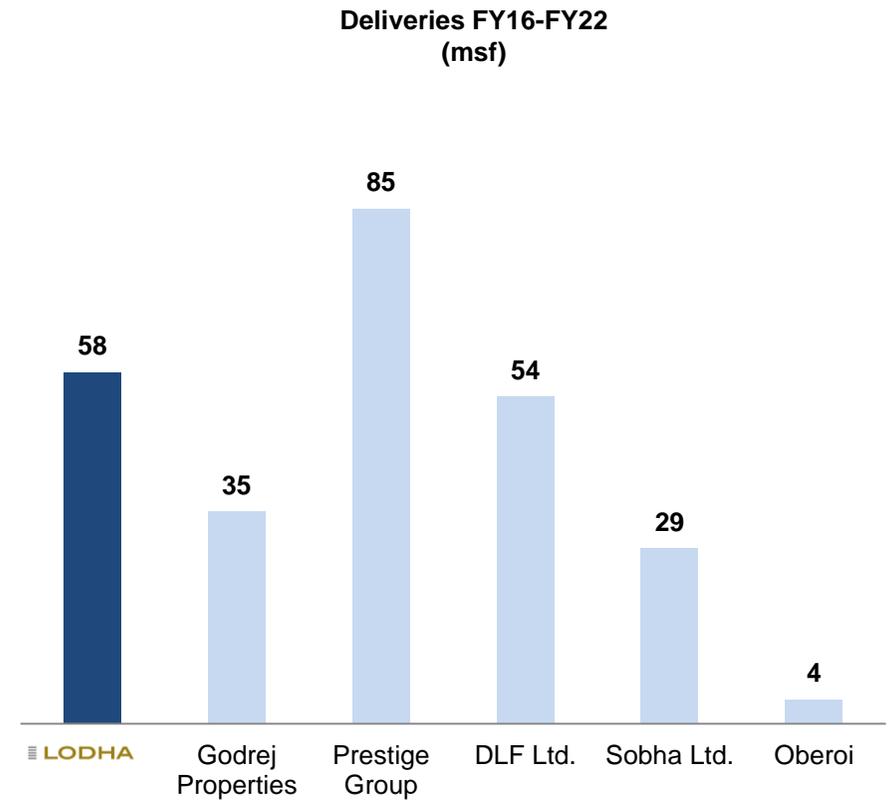
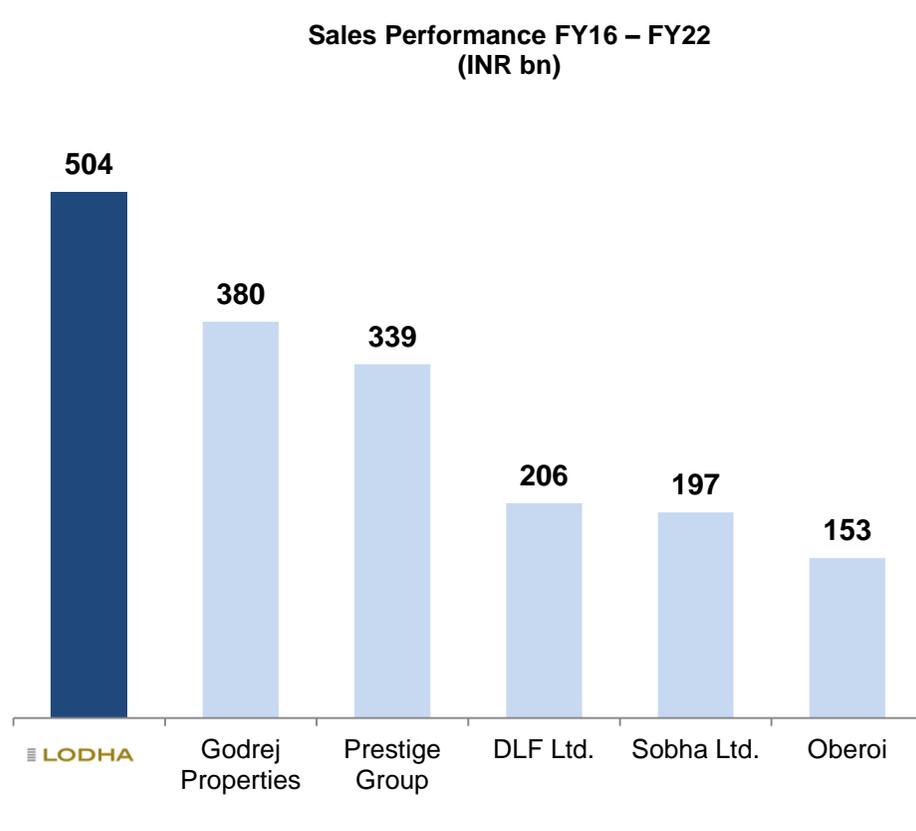


*As India moves from low-income to mid-income, there seems to be significant room for growth in housing volumes.*

# Lodha is India's largest residential real estate developer

## Industry dominance through consistent performance

### Sales – Consistently outperformed peers



Source: Report prepared by Anarock Property Consultant Private Limited

	FY22	FY23 Guidance	% growth	1H FY23
<b>Pre-Sales</b>	<b>90</b>	<b>115</b>	<b>27%</b>	<b>60</b>
<i>For Sale</i>	<i>84</i>	<i>105</i>	<i>24%</i>	<i>54</i>
<i>Others*</i>	<i>6</i>	<i>10</i>	<i>72%</i>	<i>6</i>
<b>Operating Cashflow</b>	<b>~40</b>	<b>~ 60</b>	<b>~ 50%</b>	<b>~24</b>
<b>New Project Additions</b>	<b>146</b>	<b>~150</b>		<b>~93</b>
<b>Net Debt</b>	<b>93</b>	<b>~ 60</b>		<b>~88</b>

\*Others include Digital Infra, land and rental asset sales

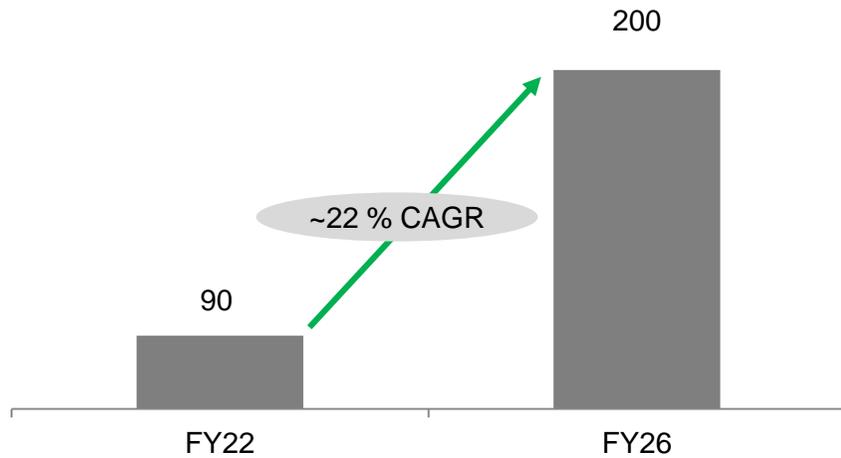
# Business Strategy

- ✓ Micro-market focused growth strategy in MMR, Pune & Bangalore through capital light JDA model
- ✓ MMR: Largest developer with dominant presence in just three of the seven micro-markets; significant opportunity to grow in micro-markets with limited presence
- ✓ Pune: Growing presence; sold ~70% of launched inventory at our first in-city project in one year of launch
  - Added project in Hinjewadi & Bund Garden; advanced stage of signing definitive documents for multiple JDA projects
- ✓ Bangalore entry strategic choice to ensure brand presence in market with good long-term prospects
  - Signed first project through JDA with development potential of ~1.3 msf and GDV of INR 12bn, targeting launch in next 2-3 quarters
  - Creating dedicated team with local capability based in Bengaluru; Mr. Rajendra Joshi appointed as CEO (ex-Brigade, Residential Head) for the market

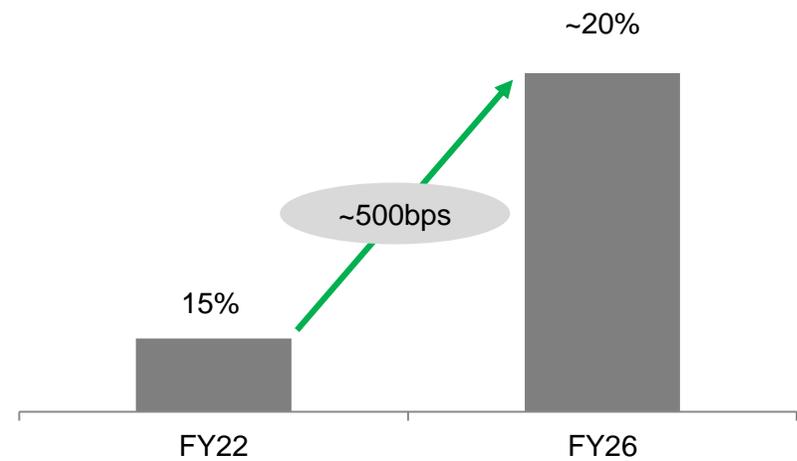
# '20:20' Action Plan

INR bn

Focus to deliver ~20% Pre-sales CAGR & RoE with net debt  $\leq$  1x of Operating Cash flow



Pre-Sales

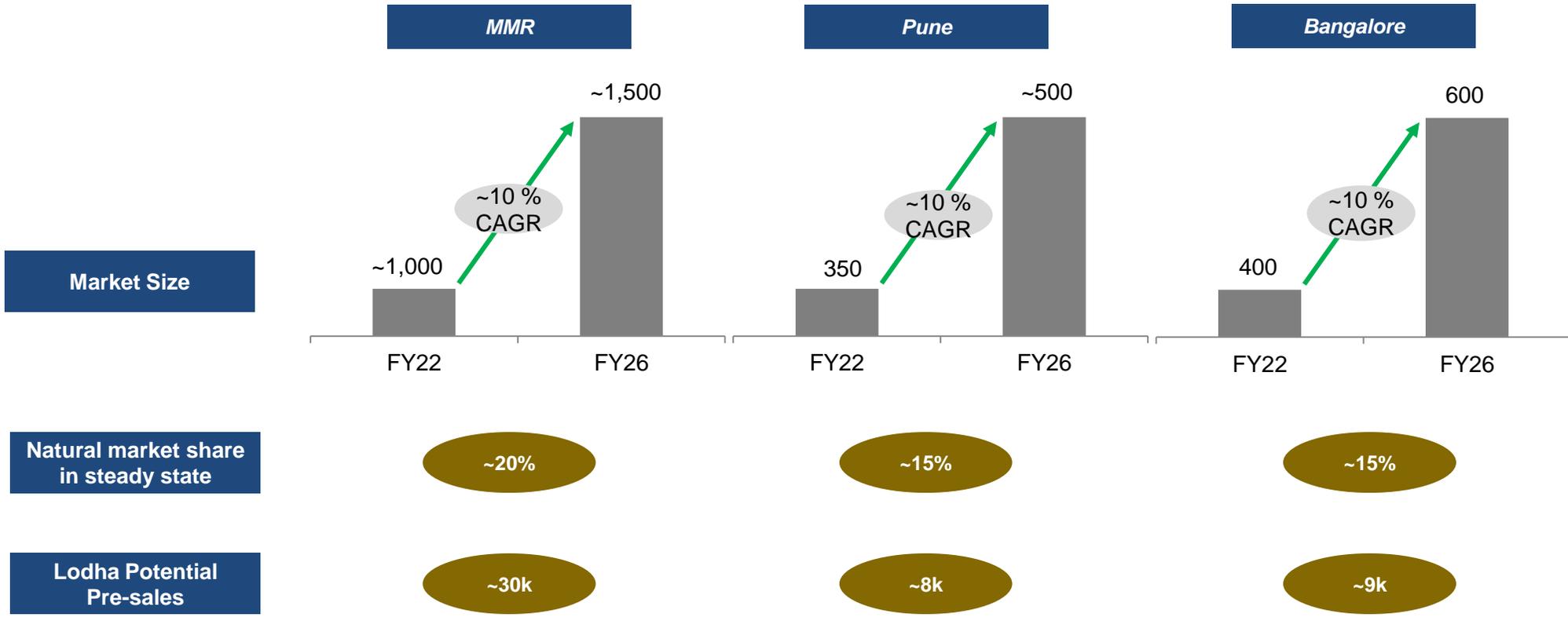


RoE

Note: Charts are not to the scale

# ~20% pre-sales CAGR

INR bn



FY26 Pre-sales Guidance of INR ~200bn compares favorably to sales potential of INR ~470bn at its natural market share; natural market share leaves room for significant further growth thereafter

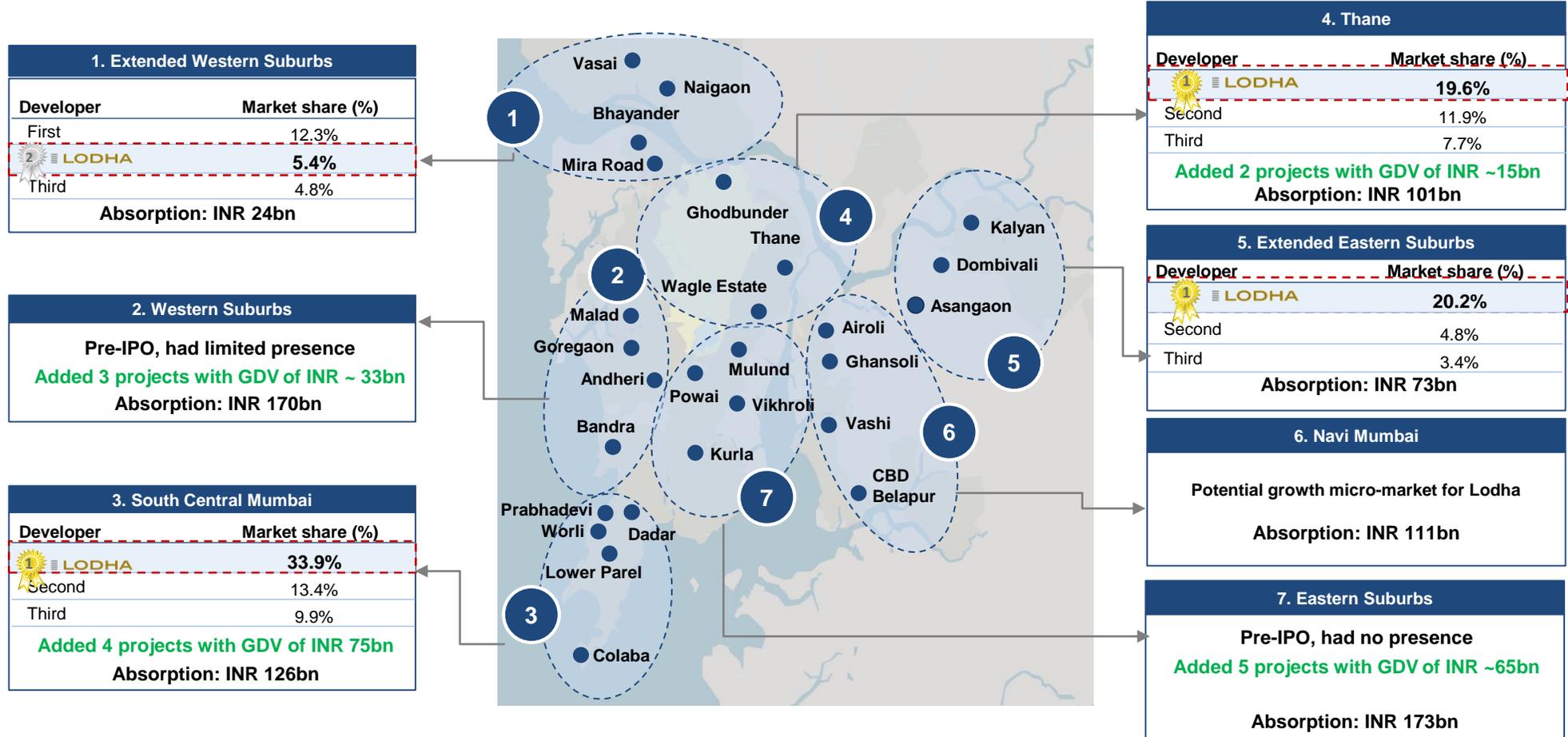
# ~20% ROE through mix of 'owned' & 'JDA' projects

	Share of pre-sales in steady state	ROE Profile
Owned land projects	~60%	15% to 20%
JDA	~40%	30%+
Overall		~20%

# Significant opportunity to scale up in other micro-markets of MMR

## Market leading position in most micro-markets, with potential for growth in other regions

Market share by absorption in INR bn

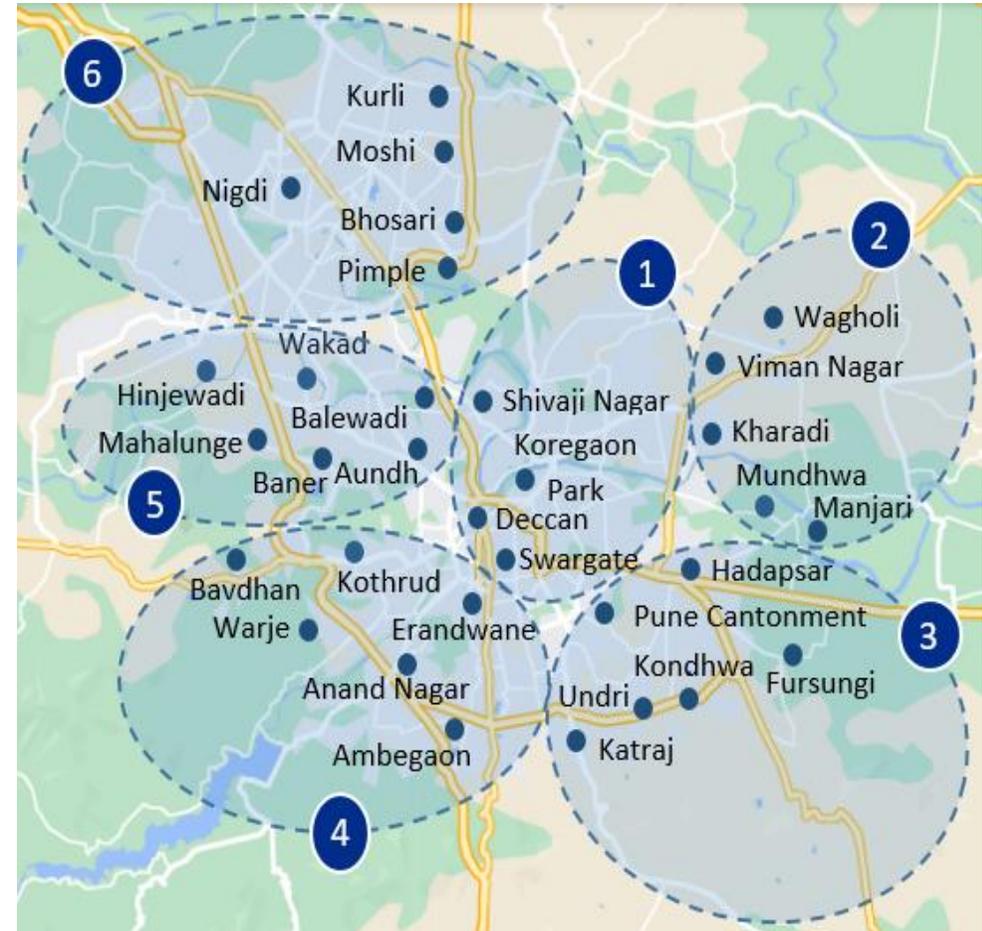


Land tied up under JDA route in various micro-markets of MMR

# Growing in Pune, two new projects tied-up

**Market size: INR ~365bn**

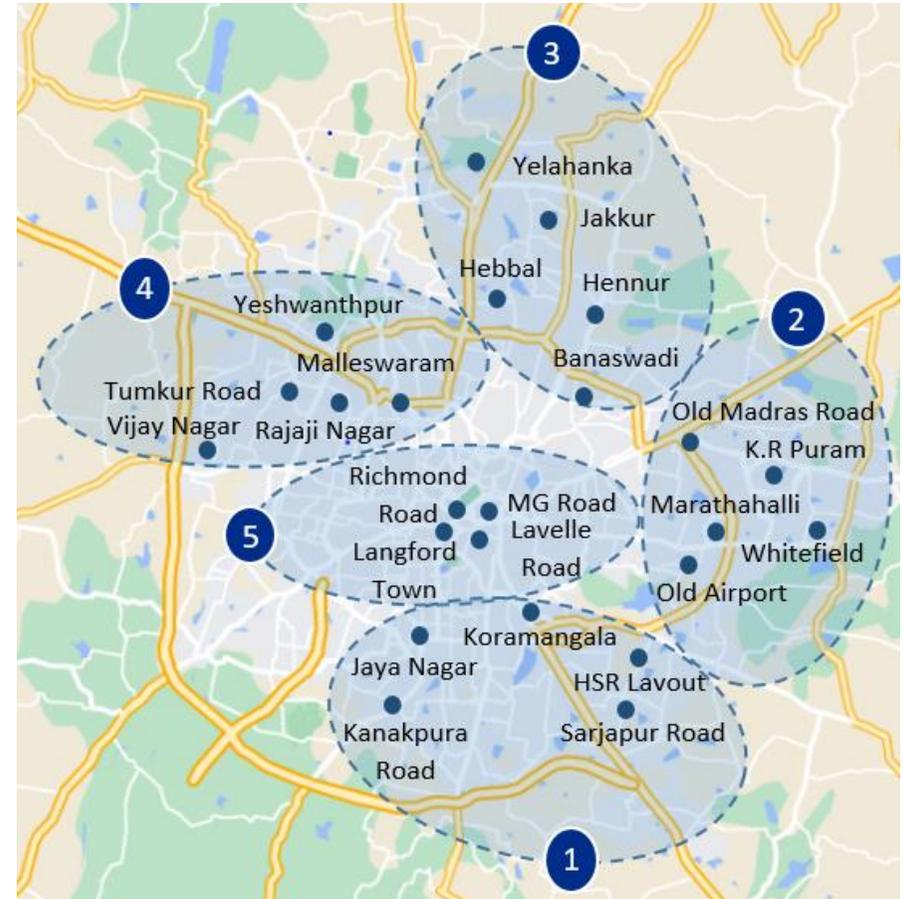
	Micro-market	Market Size (INR bn)
1	Central	10
2	North-East	75
3	South-East	40
4	South-West	55
5	North-West	100
6	Pimpri-Chinchwad	85
	<b>Total</b>	<b>365</b>



# Entered Bangalore housing market

**Market size: INR ~400bn**

	Micro-market	Market Size (INR bn)
1	South	185
2	East	80
3	North	112
4	West	20
5	Central	3
	<b>Total</b>	<b>400</b>



## New Projects: 18 projects added since IPO

INR bn

Micro-market	Saleable Area (msf)	Est. GDV	Lodha's Commercial interest	Launched/ Est. Launch
Signed in FY22	8.8	146.0		
<b><i>New Additions in 1HFY23</i></b>				
MMR - South Central	0.5	24.0	50% of Revenue	FY23
<b>MMR – Western Suburbs*</b>	<b>0.8</b>	<b>12.5</b>	<b>Attributable PBT at 25% of GDV</b>	<b>Starting FY23</b>
<b>MMR – Thane*</b>	<b>0.7</b>	<b>8.0</b>	<b>16% PBT Margin</b>	<b>Starting FY23</b>
<b>MMR – Thane*</b>	<b>0.5</b>	<b>6.5</b>	<b>70% of Revenue</b>	<b>FY23</b>
Pune – South West	3.3	26.0	75% of Revenue	Starting FY23
<b>Pune – Central*</b>	<b>0.2</b>	<b>4.0</b>	<b>30% PBT Margin</b>	<b>FY23</b>
Bangalore - North	1.3	12.0	70% of Revenue	Starting FY24
<b>1H FY23</b>	<b>7.3</b>	<b>93.0</b>		
<b>Total</b>	<b>16.1</b>	<b>239.0</b>		

**Good visibility of new project pipeline to achieve guidance of ~INR 150bn GDV in FY23**

\*Added in 2Q FY23

## Good mix of inventory in select micro-markets for sustainable growth

Micro-markets	Residual Collections from Sold units	Ready unsold	Ongoing unsold	Planned Inventory Launches				Land Bank <sup>2</sup>
				In next 12 months <sup>1</sup>		Beyond 12 months		
	INR bn			Own Land	JDA Projects	Own Land	JDA Projects	Acres
				Mn. Sq. ft.				
South & Central	24.7	38.5	78.4	0.5	0.9	0.9	0.8	-
Thane	11.4	2.7	27.7	1.1	0.5	3.6	-	-
Extended Eastern Suburbs	23.2	20.2	39.2	3.5	-	42.2	-	~900
Western Suburbs	5.7	2.7	6.1	-	0.8	-	1.0	-
Pune	4.5	1.7	6.1	0.3	1.4	-	2.5	-
Eastern Suburbs	4.6	-	10.1	-	2.0	-	0.9	-
Extended Western Suburbs	2.1	-	0.7	-	-	-	-	-
Bangalore	-	-	-	-	0.7	-	0.6	-
Offices & Retail (for rent)	0.3	32.1	2.5	-	-	7.4	-	-
Digital Infrastructure	-	-	300 acres <sup>3</sup>	-	-	500 acres	-	~2,600
Others <sup>4</sup>	0.3	-	-	-	-	-	-	-
<b>Total</b>	<b>76.7</b>	<b>98.0</b>	<b>170.9 + 300 acres</b>	<b>5.4</b>	<b>6.3</b>	<b>54.1 + 500 acres</b>	<b>5.9</b>	<b>3,500</b>

<sup>1</sup>as on Sep-22

<sup>2</sup>Land bank is surplus land beyond the ongoing & planned projects

<sup>3</sup>Includes ~70 acres land under JV with Morgan Stanley (MDL interest 25%) and 110 acres in JV for Digital Platform (MDL interest 33%)

<sup>4</sup>Others are land sales (other than industrial park)

# Market wise completion plan for ongoing 'for sale' projects

Mn.sq ft.



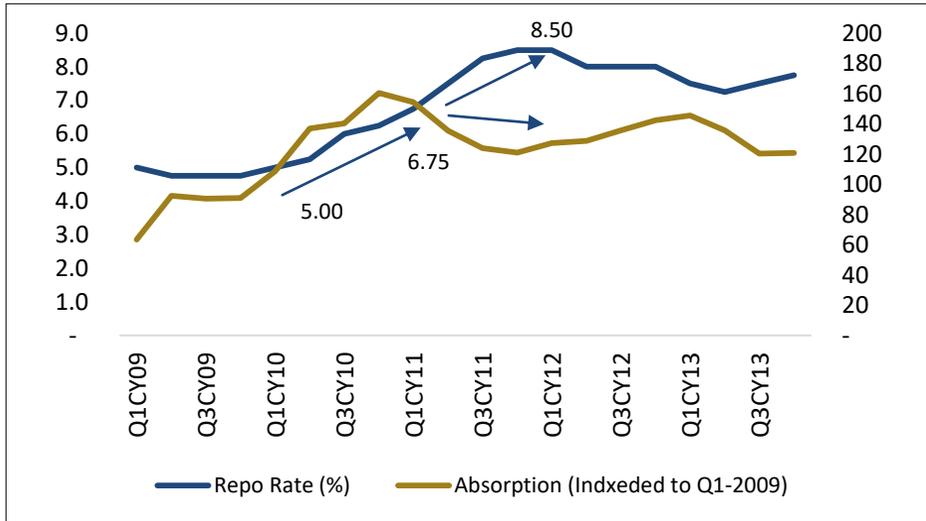
Business	Total area under construction	Sold/ Unsold *	FY23	FY24		FY25		≥ FY26	
				Own	JDA	Own	JDA	Own	JDA Projects
South & Central Mumbai	3.00	Sold	0.16	0.28	-	0.15	-	-	0.04
		Unsold	0.07	0.31	-	1.32	-	-	0.68
Thane	6.56	Sold	1.27	1.97	-	0.18	-	0.42	-
		Unsold	0.14	0.27	-	0.54	-	1.76	-
Extended Eastern Suburbs	12.89	Sold	2.14	2.29	-	1.57	-	0.38	-
		Unsold	0.80	0.56	-	1.21	-	3.93	-
Western Suburbs	1.15	Sold	0.29	0.07	0.20	-	0.17	0.05	-
		Unsold	0.03	0.02	0.13	-	0.07	0.12	-
Eastern Suburbs	0.95	Sold	-	-	-	-	-	-	0.33
		Unsold	-	-	-	-	-	-	0.61
Pune	1.75	Sold	-	0.02	0.51	0.12	0.22	0.00	-
		Unsold	-	0.11	0.07	0.42	0.17	0.12	-
Extended Western Suburbs	0.48	Sold	-	-	-	0.31	-	-	-
		Unsold	-	-	-	0.08	-	-	-
Total	26.78	Sold	3.94	4.64	0.70	2.33	0.39	0.85	0.48
		Unsold	1.04	1.27	0.20	3.58	0.24	5.94	1.35

**FY26 will see completion of significant portion of projects getting launched in rest of FY23 (7.3 msf)**

\*Sold/ Unsold data is as of Sep' 2022

# Interest rate hike – Mitigation plan in place

Previous interest rate hike cycle: Absorption growth remains robust until ~175 bps of rate hike



- ✓ Housing demand not sensitive to modest increase in interest rate
- ✓ After first 12-24 months from home purchase, EMI becomes a 'non-issue' due to salary growth
- ✓ **Rolled out 'interest rate increase' absorption plan –increase in EMI due to increase in ROI beyond 6.99% to be borne by Lodha up till June 24. Max. increase borne by Lodha capped at 150 bps.**

Cost of the protecting against the interest rate increase is ~1.5% of capital value (annualized impact of <1% p.a.)

EMI for INR 1 lakh

Rate/Tenor	20 Years	25 Years
7.00%	775	707
7.50%	806	739
8.00%	836	772
8.50%	868	805

Capital value impact of absorbing increase in EMI for average 20 months

Rate	Absorption by Lodha	70% LTV		80% LTV	
		20 Years	25 Years	20 Years	25 Years
7.00%	0 bps	0.00%	0.00%	0.00%	0.00%
7.50%	50 bps	0.42%	0.45%	0.48%	0.52%
8.00%	100 bps	0.86%	0.91%	0.98%	1.04%
8.50%	150 bps	1.30%	1.38%	1.48%	1.58%

## Construction cost – inflation moderation since Mar-22

Commodity/Component	% Share in total cost	Mar'21 to Mar'22		Mar'21 to Sep'22	
		% Change	Weighted Impact	% Change	Weighed Impact
Steel	12.9%	35.1%	4.5%	9.4%	1.2%
Flooring Tiles	5.0%	23.9%	1.2%	18.7%	0.9%
Electrical/Plumbing	11.8%	10.1%	1.2%	5.7%	0.7%
Labour	34.4%	3.0%	1.0%	4.3%	1.5%
External Windows	3.9%	21.9%	0.8%	4.2%	0.2%
RMC	10.5%	6.3%	0.7%	8.6%	0.9%
Lifts & Elevators	3.3%	16.6%	0.5%	39.7%	1.3%
Carpentry Materials	3.5%	15.5%	0.5%	12.5%	0.4%
Painting	3.8%	13.1%	0.5%	26.8%	1.0%
Cement	0.4%	14.8%	0.1%	0.0%	0.0%
<b>Overall</b>			<b>~13.7%</b>		<b>~10.8%</b>

*Construction cost increase since 1<sup>st</sup> April 21 at ~7% annualized rate (expected to continue moderating)*

*This, in turn, implies impact on COGS of <2% p.a. for our portfolio*

# Commercial Rental Asset Portfolio

**One Lodha Place**



**iThink Thane**



**iThink Palava**



**Palava Mall**



Area in Mn. Sqft.

Location	Worli (World Towers)	Thane (Clariant Plot)	Palava (Office)	Xperia Mall
<b>Total<sup>1</sup> Leasable area</b>	<b>0.75</b>	<b>0.11</b>	<b>0.58</b>	<b>0.42</b>
<b>Ready Area</b>	<b>OC received for the building</b>	<b>0.11: Ready Area</b>	<b>0.15: Ready Area 0.43: Under development (Est. completion in FY23)</b>	<b>0.42: Ready Area</b>
<b>Leased Area</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.39</b>
<b>Annualized Rental Income (INR mn)</b>	<b>Leasing commenced; Expect rental inflows to start in 2023 – annualized rental income expected INR 2+ bn p.a.</b>	<b>Expect to be sold in FY23</b>	<b>~ INR 70mn annual rental income<sup>2</sup></b>	<b>Expect to be sold in FY23</b>

<sup>1</sup>Completed & Ongoing projects only

<sup>2</sup>Basis Sep-22 monthly rentals



# 02 Digital Infrastructure

# Rapid digitization of Indian economy to provide immense opportunities

- ✓ Developing Warehousing, Logistics, Data Centers, Light industrials catering to digitization of economy
- ✓ Opportunity to be amongst top 3 Digital Infrastructure (DI) players in India
- ✓ **Strong demand:**
  - Led by e-commerce, logistics, global manufacturing diversifying beyond China and India capitalizing on the same through incentives like PLI<sup>1</sup>
    - Strong outlook\* for Ecommerce (~25% CAGR till 2027), Warehousing (~20% CAGR till 2025), Data Center (2x in 3 years)
- ✓ **Need for strong India based player:**
  - DI industry largely served by international investors; No large India developer present significantly
  - Land acquisition and execution capabilities key differentiators
- ✓ **Long term sustainable growth opportunity**

<sup>1</sup>Production-linked Incentive Scheme

<sup>2</sup>Source: Report from Anarock

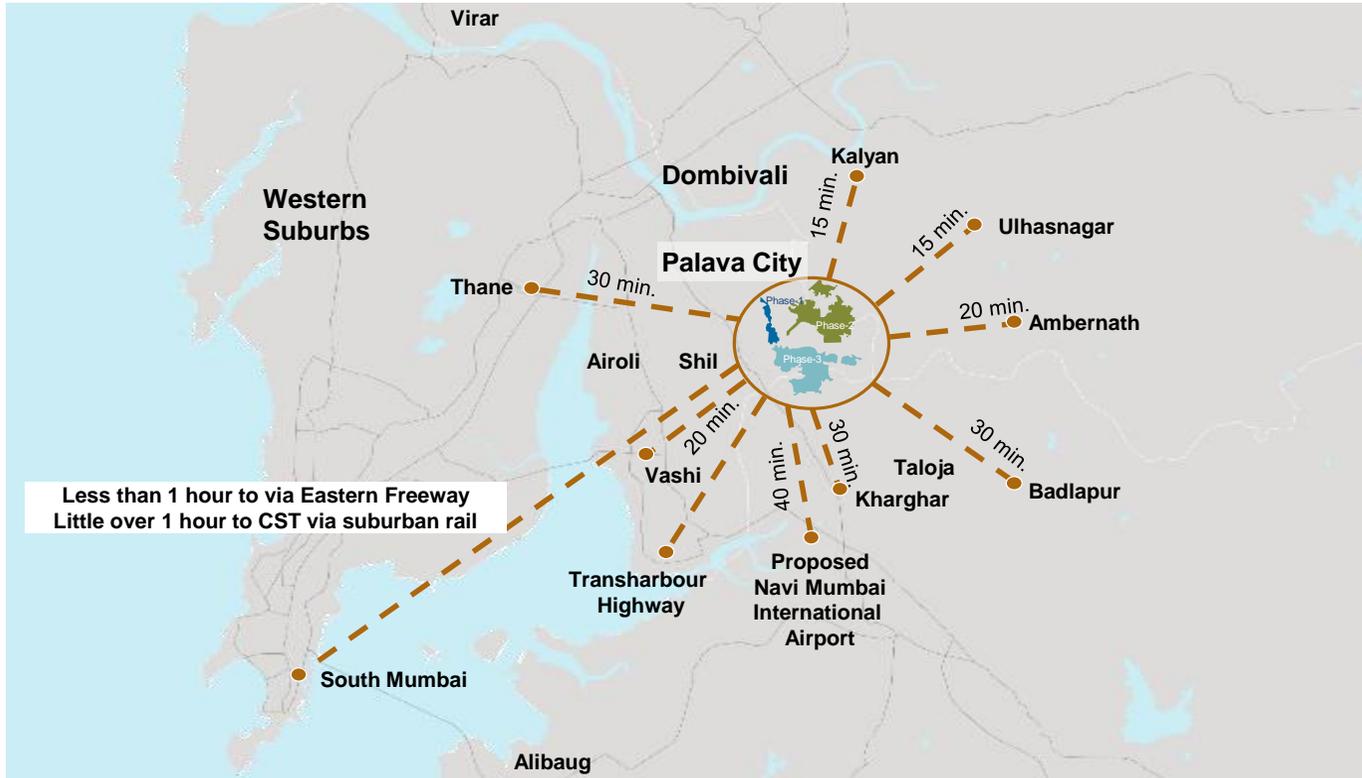
## Recurring cashflow generation through land monetization

- ✓ ~3,400 acres land dedicated for this segment near our townships at Palava & Upper Thane
- ✓ Total monetization tied-up till date: ~330 acres
  - ESR Park on ~90 acres (Started as a JV with MDL, monetized our stake in 2QFY23)
  - JV with Morgan Stanley Real Estate Fund on ~72 acres
  - Outright sale to FM Logistics (French 3PL), Flyjac Logistics (Japanese 3PL), Aptar Pharma (USA) etc.
  - **Digital Infrastructure platform** in partnership with Ivanhoe Cambridge and Bain Capital; ~110 acres seed asset put in by MDL
- ✓ In advance negotiation with end users from diverse industries e.g. E-commerce, EV Ecosystem, FMCG, Consumer Goods, Engineering Goods, Life Sciences, 3-PL etc
- ✓ Construction started for Skechers 1 msf facility, Asia's second largest fulfillment center spread over 1 msf area

Targeting annual inflow of ~INR 5-7bn from monetization of assets for digital infrastructure

# Palava Digital Infrastructure Park

## Leverage land acquisition and execution capabilities



✓ Clean land titles

✓ Proximity to MMR

✓ Execution capabilities

✓ High quality infrastructure

✓ Visible traction

### New Infrastructure underway around Palava

- ✓ Taloja bypass road widening
- ✓ Virar- Alibaug multi-modal corridor
- ✓ Elevated corridor to Airoli
- ✓ Ongoing widening of Kalyan Shil road
- ✓ Taloja Kalyan metro route

# Pan-India Digital Infra Platform in capital light manner

- ✓ **Pan-India Platform in JV** with Ivanhoe Cambridge and Bain Capital with planned investment of ~USD 1 billion
  - Lodha's equity contribution largely in the form of land assets and in-city warehouses (part of large residential developments)
  - Lodha to be operating partner for the platform
- ✓ **Creation of annuity income stream** in capital light manner
- ✓ **Revenue streams:**
  - Development management fees
  - Asset management fee
  - Property management fee
  - Lease Rental
  - Monetization of assets through REIT/ outright sale
- ✓ **Platform equity IRRs expected to be in high teens**



# 03 Digital Services

# Digital Services Business – Leveraging customer connect

- ✓ Strong understanding of consumers staying in Lodha managed developments and their spending patterns
- ✓ Use Technology to facilitate seamless customer experience through integrated platform
  - Facilities management
  - Home improvement products and services services
  - Near Commerce (not serviced by legacy e-commerce)
  - Real estate services eg. resale/ rental
- ✓ Have a captive base of 55,000 households in Lodha managed developments with high spending power;
  - Likely to grow to ~250,000 by 2030;
  - Potential to onboard other developments (other than those by direct competitors) and add a critical mass of consumers
- ✓ Core team for technology & product in place



Strategic business opportunity to generate significant recurring service / fee income



# 04

## Building Capabilities for Sustainable Growth

# Investing for the next phase of growth

Strengthening capabilities across value chain



Embarking on technology transformation to achieve operational improvement and superior customer experience

Implementing our vision of sustainable future

# High quality management team



**Shaishav Dharia**  
**CEO – Townships & Rental Assets,**  
**Director – Digital Infra**  
 ■ Formerly worked with McKinsey & Company and Logic Tools



**Sushil Kumar Modi**  
**Chief Financial Officer**  
 ■ Formerly worked at GMR, Aditya Birla Group & JSW Steel



**Deepak Chitnis**  
**Chief Designer**  
 ■ Previously served as senior architect at Oberoi Constructions Pvt Ltd



**Prateek Bhattacharya**  
**CEO – Western Suburbs & Thane**  
 ■ Formerly served as Expert Associate Principal at McKinsey and Co.



**Prashant Bindal**  
**Chief Sales Officer**  
 ■ Formerly part of Spice Mobilitiy, Walmart India and Hindustan Coca Cola Beverages



**Rajat Kumar Singh**  
**President- Finance**  
 ■ Formerly worked with Adani Group, Reliance Group & GMR



**Rajib Das**  
**President - Eastern Suburbs & Navi Mumbai**  
 ■ Formerly worked with Godrej Group, Indiabulls Properties



**Rajesh Sahana**  
**President – Customer Experience**  
 ■ Formerly worked with Globacom, Reliance Jio, Bharti Airtel, ABN Amro & Bank of America



**Shyam Kaikini**  
**President – Hospitality & Property Management**  
 ■ Formerly associated with Taj Hotels, Jumeirah International



**Tikam Jain**  
**CEO – Pune**  
 ■ Grown at Lodha with 25 years of association, last position held as Head CPT



**Janhavi Sukhtankar**  
**President – Human Resources**  
 ■ Formerly held senior positions at Greenpeace International & Sanofi India



**Ramit Chopra**  
**Head – BD, Leasing & Asset Mgmt, Digital Infra. Platform**  
 ■ Formerly worked with Embassy Industrial Parks, Indospace



**Rajendra Joshi**  
**CEO – Bangalore**  
 ■ Formerly associated with Brigade Enterprises, Mahindra Lifespaces



**Rajesh Agrawal**  
**President - Procurement**  
 ■ Formerly served as Group CPO at Adani Ent. & held senior positions at RIL, JSW



**Const. Mgmt. Team**  
**COOs**  
 ■ Satish S: Ex-Arabtec.  
 ■ Shrikanth K: Ex- Phoenix  
 ■ Yogendra B: Ex- L&T  
 ■ Brijmohan C: Ex-Arabtec

Significant experience across industries & functions

Depth of Experience in Key Competencies

Excellent Domain Knowledge

# Strong focus on ESG driven by our empowered Board of Directors



**Abhishek Lodha**  
*Managing Director*

- Holds a master's degree in science (industrial and systems engineering (supply chain & logistics) from Georgia Institute of Technology
- Worked with McKinsey & Company, USA



**Mukund Chitale, *Independent Director and Chairman***

- Director on the Board of L&T
- Former President of ICAI and Chairman of Ethics Committee of BSE



**Rajinder Pal Singh, *Non-Executive Director***

- Director on the Board of Maruti Suzuki
- Former Chairman and Managing Director of Punjab & Sind Bank and Chairman of NHAI



**Ashwani Kumar, *Independent Director***

- Former Chairman and Managing Director (CMD) of Dena Bank and board member of the LIC
- President of the Indian Institute of Banking and Finance



**Lee Polisano, *Independent Director***

- Founding partner and President of PLP Architecture, UK; Fellow member of the American Institute of Architects
- Globally recognized for architectural and urban design work, emphasizing underlying concern for environment



**Rajeev Bakshi, *Independent Director***

- Former MD & CEO of Metro Cash & Carry and formerly associated with Pepsico, Cadbury Schweppes
- Currently on the board of Cummins India, Dalmia Bharat Sugar



**Harita Gupta, *Independent Director***

- Formerly associated with Microsoft and NIIT Technologies
- Currently leading APAC and Global Enterprise Business at Sutherland Global Services



**Rajendra Lodha, *Whole-Time Director***

- 31 years of experience in all facets of real estate development
- Bachelor's degree in civil engineering from M.B.M. Engineering College, University of Jodhpur



**Raunika Malhotra, *Whole-time Director, President - Marketing and Corporate Communications***

- 15+ years of experience in leadership, corporate strategic planning, consumer insights and brand management
- Formerly worked with ECS Limited and Adayana Learning Solutions in strategic consulting

# Our ESG Philosophy: Do Good, Do Well



Environmental

Ensure sustainability in our core operations by **positively impacting** the natural environment. **Not to contribute to global warming**, and operate through a **resilient** value chain

Climate Resilience: Be resilient to climate change while not contributing to global warming

Achieve Carbon Neutrality in operations by the year 2035 or earlier

Align Scope 3 emissions reduction roadmap with 1.5°C ambition for 2050



Social

Positively impact our people and community through utmost **respect to human rights, diversity and inclusion, and philanthropy**

Create a more diverse & inclusive workforce, with a workplace gender diversity ratio of 44% by 2027<sup>^</sup>. Focus to make work environment more and more engaging & learning oriented

Safety first: Ensuring a safe working environment at our sites to achieve zero fatality, zero hospitalization and lowest lost time injury in the industry.

Support brightest and deserving minds in the country to get access to quality education to achieve their full potential and promote healthcare and vocational training in the community



Governance

Bring about an industry transformation by **leading ethically and bolstering trust** through high degree of transparency and accountability

Strong board with diverse experiences to guide management through the business cycles

Meet expectation of diverse set of stakeholders through deeper engagement, transparent communication & ethical business conduct

Strong risk management framework

We see ESG issues as long term business risks, and not simply as a compliance risk



We mitigate or adapt to the risks through action backed by organizational policies and processes; while engaging with our stakeholders all along



We endeavour to report this de-risking journey transparently to all stakeholders, to build trust and gain momentum



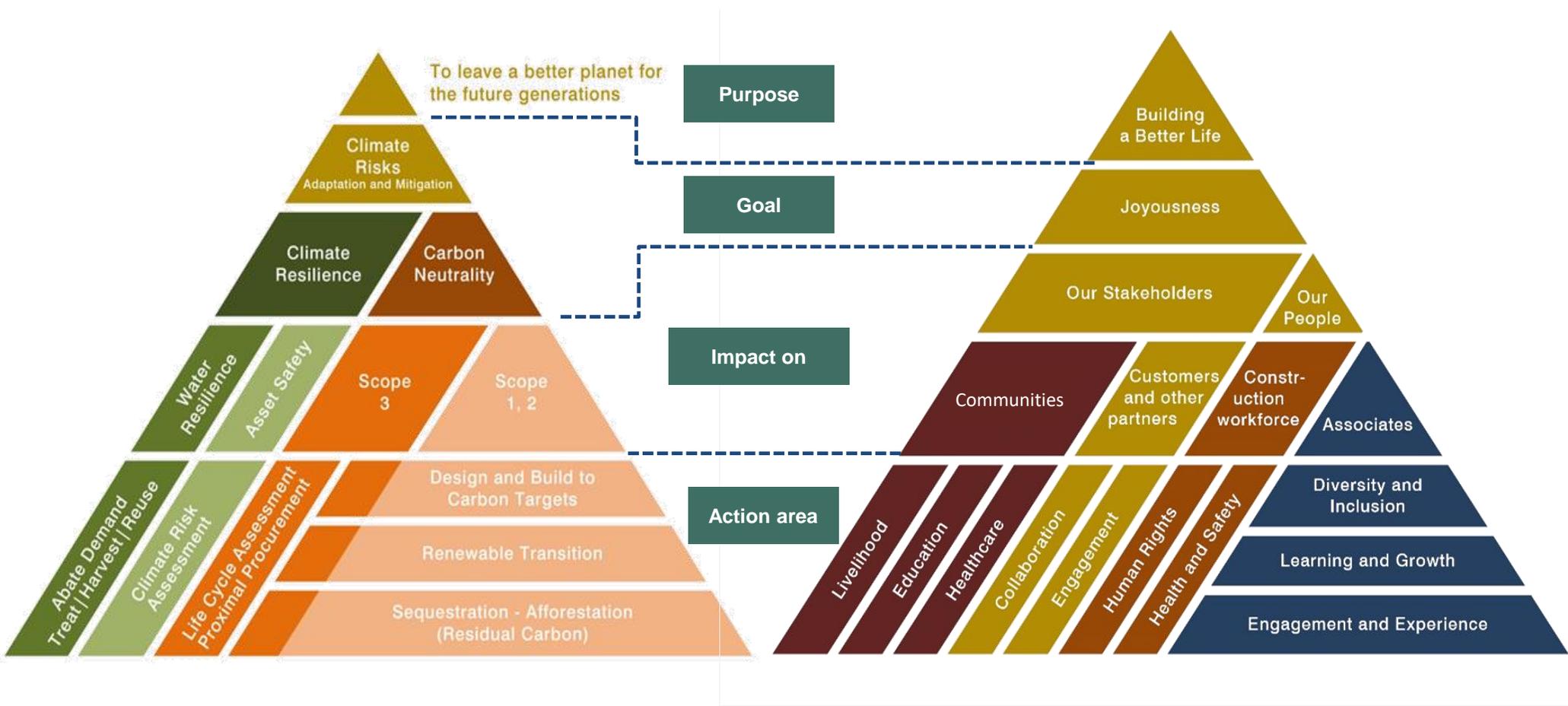
Establish credentials by taking leadership positions on all applicable benchmarks

<sup>^</sup> excluding construction workforce

# Strategy to achieve the overarching ESG Goals

Environmental Strategy

Social Strategy



# Progress made in Environmental Sustainability during FY22

## Overarching Goals

Achieve Carbon Neutrality in operations (Scope 1, 2) by the year 2035 or earlier

Align Scope 3 emissions reduction roadmap with 1.5 °C ambition

Be resilient to climate change while not contributing to global warming

Launched “Lodha Net Zero Urban Accelerator” in partnership with RMI - aims to craft & deliver innovative initiatives towards Lodha’s net zero commitment, using Palava as a city-scale living laboratory To know more [here](#)

Joined ‘Build Ahead’ coalition by Xynteo to accelerate use of low-carbon building materials To know more [here](#)

> 50% reduction in absolute GHG emissions – Scope 1, 2 – since FY 18

Disclosed Scope 3 emissions for the first time, in Annual Integrated Report FY22

Increasing use of renewable energy on our construction sites - 80% as of Sep-22 vs 35% as of Mar-22.

Over 2/3<sup>rd</sup> direct material purchase (in value) from local suppliers, within 400km radius (FY22)

Enabling switch to Electric Vehicles for residents - 72 active EV chargers installed across sites by Tata Power as of Sep-22

~140,000 bicycle rides (average duration 30 min), avoiding motorized travel and associated emissions

Partnered with mobility players at our projects - ~10 mn passenger-km/annum of private transportation switched to shared mode (FY22), potential emissions reduction of >900 tCO<sub>2</sub>e.

Over 40 MLD capacity of STPs installed across our projects

>25 tonnes capacity of organic waste management plants installed across projects

Spent INR >3.5bn on sustainable materials and systems (FY22)

One Lodha Place – Our flagship office building

Received LEED v4 BD+C:CS Platinum Pre-certification, the highest rating for green buildings

Received IGBC Net Zero Energy (design) certification

Lodha Digital Infrastructure Park – LEED Platinum pre-certified by IGBC

Aligned our report with TCFD recommendations

Developing decarbonization targets as per commitment made with Science Based Targets initiative (SBTi)

Achieved 5 star rating in 2022 GRESB Development Benchmark for Residential with a score of 95/100, amongst Top 3 in Asia

# Progress made in Social and Governance dimensions during FY22

Governance	Social	
Board	Our People	Communities
<p>Expanded Board and inducted as Independent Directors:</p> <ul style="list-style-type: none"> <li>• <b>Mr. Rajeev Bakshi</b>, formerly associated with Pepsico, Cadbury Schweppes</li> <li>• <b>Ms Harita Gupta</b>, formerly associated with Microsoft, NIIT Technologies</li> <li>• <b>Mr. Lee Poliso</b>, a world renowned sustainability expert</li> </ul> <p>Constituted ESG Committee at the board headed by an Independent Director</p>	<p><b>Diversity &amp; Inclusion (44% Women by FY27)</b></p> <p>Women represent 26%* of employee strength as of Jun-22</p> <p><b>Learning &amp; Development (8 man days by FY27)</b></p> <p>Achieved 4.5 learning man-hrs per associate (1QFY23)</p> <p>Annual Sustainability goals for all senior leaders</p> <p><b>Experience and Engagement (&gt;95 by 2027)</b></p> <p>Achieved NPS score of 59 – up by 44%</p> <p><b>Talent Attraction</b></p> <p>17% of vacancies closed by internal hires</p> <p><b>Human Rights</b></p> <p>Human Rights Due Diligence Assessment completed for our operations including associates and contractual workforce</p> <p><b>Health and Safety</b></p> <p>Achieved Lost Time Injury Frequency Rate of 0.13; &gt;19,000hr of safety training till Aug in FY23</p> <p>100% associates vaccinated against COVID More than 2100 associates and dependent covered for booster does</p>	<p><b>Livelihood</b></p> <p><b>Computer &amp; vocational courses</b> conducted for women and young adults</p> <p><b>Skilling courses</b> like jewelry making, beautician, cooking, conducted to empower <b>women</b> to generate livelihoods</p> <p><b>Healthcare</b></p> <p><b>Mobile health clinic</b> offering basic healthcare, catering across MMR</p> <p>Promoting sanitation and hygiene in the community through cleaning initiatives across <b>MMR</b></p> <p><b>Education</b></p> <p><b>Lodha Brain Gain Scholars Program</b> – a country-wide initiative through scholarships, mentoring &amp; development programs to support the best and brightest minds to help them achieve their full potential.</p> <p><b>4 Mobile libraries</b> operated across Mumbai, Thane to encourage continuous learning</p> <p><b>Stakeholder Engagement</b></p> <p><b>'Lodha Building A Sustainable Future Campaign'</b> – campaign to build awareness in the community around waste segregation.</p>
Disclosures		
<p>Published our <b>first Integrated Annual Report for FY22</b></p> <p>Created best in class disclosure standards in Real Estate Industry -appreciated by stakeholders</p>		
<p>Ranked amongst the top 1% global and highest in India real estate companies in Corporate Sustainability Assessment (CSA) 2022 by S&amp;P Global</p>		

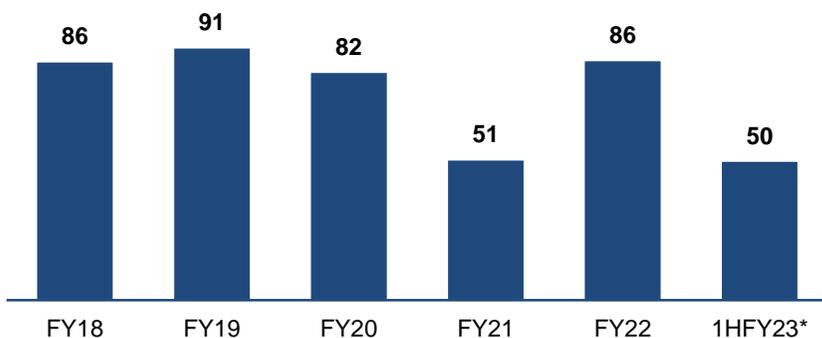
\*in non-construction work force



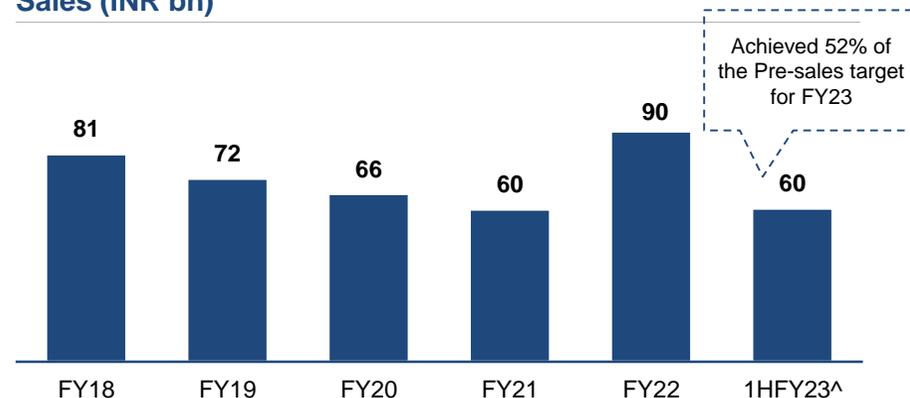
# 05 Financial Highlights

# Strong execution track record

Collections (INR bn)



Sales (INR bn)



## Summary financials – India business (INR bn)

	FY19	FY20	FY21	FY22	1HFY23
Revenue from operations	119.1	95.8	54.5	92.3	44.4
Adjusted EBITDA <sup>1</sup>	37.2	28.3	15.4	32.4	14.3
Adjusted EBITDA <sup>1</sup> %	31.3%	29.6%	28.3%	35.1%	32.1%
Adj. Profit/ (Loss) <sup>2</sup>	17.1	11.5	3.4	12.6	7.2
Adj. Profit/ (Loss) <sup>2</sup> %	14.4%	11.8%	5.9%	13.2%	15.5%

Consistent EBITDA margin; to sustain going forward

Profitability to expand further due to further reduction in debt, scale up and price growth

## Consistent track record of margin and profitability

Source: Company information; FYE 03/31

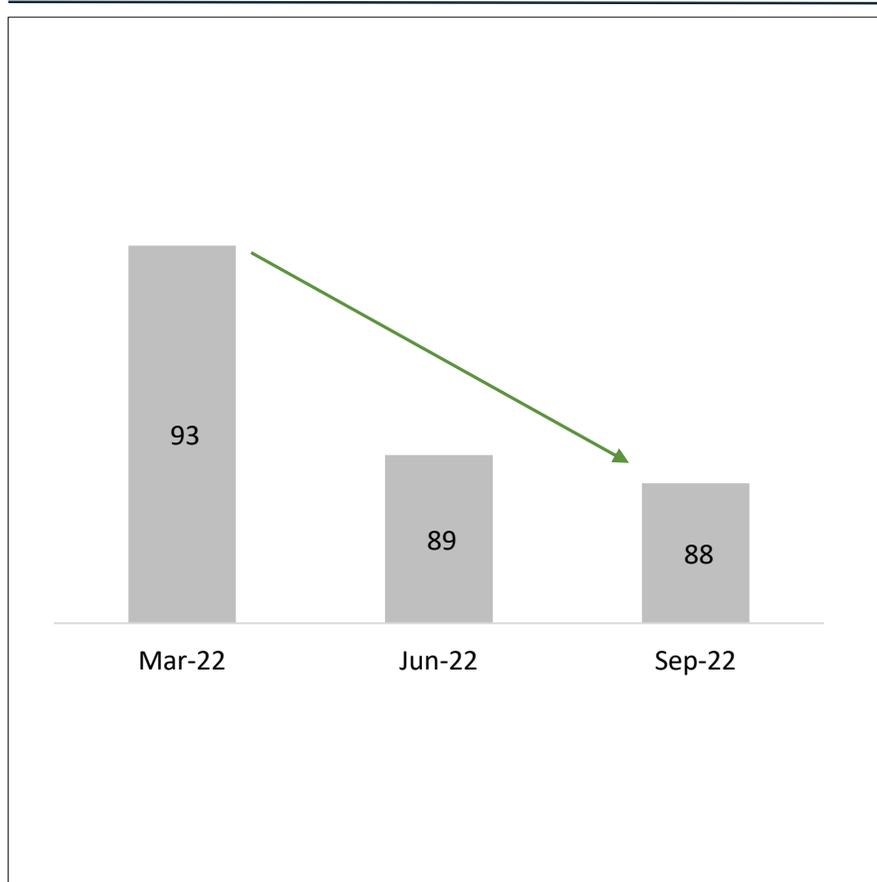
Note: Metrics shown are financial and operating metrics for the India operations of the company; \*Excludes collections from DM sales, ^Includes DM Sales of INR 5.8bn

<sup>1</sup>Adjusted EBITDA = After Grossing up of Finance cost included in cost of project and Forex impact; <sup>2</sup> Adjusted Profit/(Loss) = ex. Forex & Exceptional Item (Provision against UK investment INR 11.8bn in 1HFY23, will benefit from tax break on it),

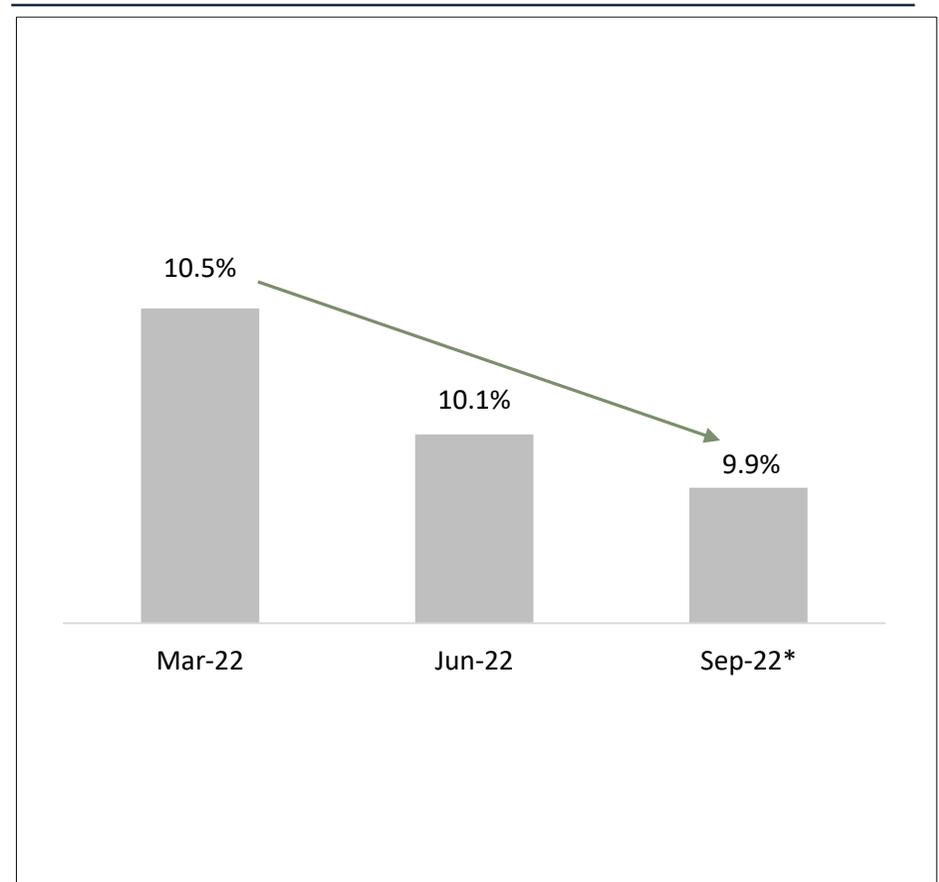
# Significant near-term cash flows to achieve goal of net debt < 1x Operating Cash flow

INR bn

### Trend for Net Debt for India business



### Cost of borrowing continues to reduce



\*As of 30<sup>th</sup> Sep, 2022

# Lodha - India's leading real estate developer



## Leading Residential Platform

### India's Largest Real Estate Developer<sup>1</sup>

- **INR ~500bn** of cumulative sales in the last seven fiscal years
- Cumulative collections of **INR ~535bn (107% of sales)** during the same period
- **>60%** sales from affordable and mid-income

### Focus on 2/3<sup>rd</sup> of the Indian residential market (by value; top-7 cities)

- **~10%** market share in MMR
- Growing presence in Pune
- Entered Bangalore

### Operational Excellence & Strong Brand

- **High quality** management
- One of the **lowest construction costs**:
  - Largest scale of construction spend
  - Amongst only engineering led and engineering focused RE companies
  - No margin leakage to GC
- Strong focus on **sustainable development**
- **~89 msf** developable area – completed
- **~99 msf** developable area – ongoing & planned

## Strong Financial Profile

### Strong profitability track record; to further expand due to scale up, price growth & reducing debt

- Adj. EBITDA margin of **~35%**
- PAT margin of **~13%**, targeting high teens
- RoE - Targeting **~20%** by FY 26

### Dividend Policy: 15%-20% of PAT; starting for the year FY23

### Asset light growth strategy

- Leveraging our leadership position to become a partner of choice for landowners through JV / JDA Projects
- New project addition since IPO: 18 projects with GDV of INR ~240bn; pipeline continues to remain strong

### Annuity like cashflow from townships

- **~900 acres** strategic land reserves with developable area of **~75msf** (+ **~3400 acres** land for digital infrastructure parks)
- Average collections<sup>2</sup> of INR **~20bn**

### Targeting sustainable net debt < 1x annual Operating Cash flow & 0.5x Net Debt/Equity in next 2-3 quarters

- Net debt of INR **~88bn** (Sep-22)

## Multiple Growth Drivers

### Working towards predictable growth of 20%+ p.a. in pre-sales

- Significant beneficiary of flight to quality – home buyers & land owners
- Room to grow to 15%+ share in MMR, Pune & BLR - markets with overall sales of **~INR 1,750bn** (FY22)

### Annuity cashflow stream through capital light Digital Infrastructure (DI) platform

- Pan-India platform with Bain Capital and Ivanhoe Cambridge
- Continued monetization of land at townships (also creating virtuous cycle for residential demand)

### Developing Digital Services Business to generate recurring income by serving

- Serving wider gambit of owners' need through 'near commerce' and real estate lifecycle services
- To generate high RoE recurring fee income

<sup>1</sup>by residential sales over last 7 years

<sup>2</sup>Average FY18-20 (non-Covid impacted years)

*Thank You!*

*For any further information, please write to [investor.relations@lodhagroup.com](mailto:investor.relations@lodhagroup.com)*