

ELDECO HOUSING & INDUSTRIES LTD. (EHIL)

Investor Presentation
December 2019



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ELDECO GROUP OVERVIEW

Expertise in Housing and Commercial Space in Tier I, Tier II and Tier III towns.



Brand with high recall in North India



Key Player in U.P. since 1985
Entered Delhi NCR in year 2000



Over 40 Years Experience



200 Projects Delivered
30 Under Execution



25000+ Satisfied Customers

Eldeco Group has two main Companies

Eldeco Housing & Industries Limited (EHIL) -
Company listed on BSE.

Eldeco Infrastructure & Properties Limited (EIPL)-
Unlisted Company

Prominent Market Player in Lucknow Area

Operates in Delhi NCR, Punjab, Haryana,
Uttarakhand, Rajasthan & UP (except Lucknow)

Key Business Areas

Residential

- Group Housing –
20 Projects Completed
2 to 23 Acres each
- Integrated Township - 1000
Acres Under Active
Development

Commercial

- 1.5 million Sq.ft.+ Space
Developed

Industrial Park

- Developed Eldeco Sidcul
Industrial Park (ESIP) - 1200
Acres in Sitarganj

VISION AND VALUE SYSTEM

Mission to drive high grade real estate development in North India simultaneously providing enhanced returns to the shareholders.



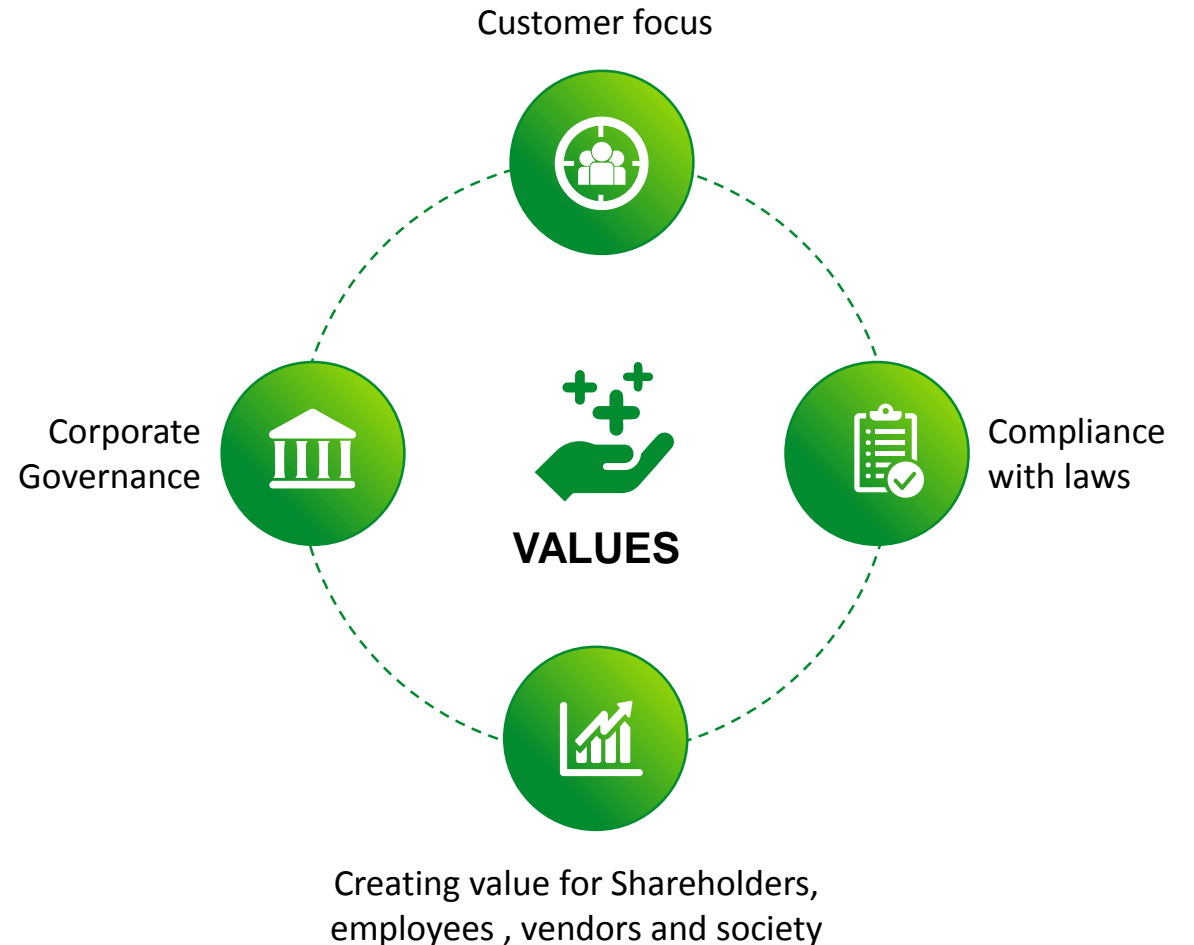
VISION



To be the foremost player of North India across all our business verticals



Achieving success by adhering to our commitment of 'creating value and cementing trust'



COMPANY OVERVIEW

Leading Real Estate Developer in Lucknow



Eldeco City, Township Project, Lucknow

EHIL – OVERVIEW

Brand leader in the most popular state.



30+ Years of Experience
& Brand Status



Leadership in **Lucknow** (UP)



**Real Estate - Residential
& Commercial**



FY19:

Revenue : Rs. 168 Cr

EBITDA : Rs 51 Cr

PAT : Rs. 37 Cr



**Focus on 'Middle
income' segment**



5 Year CAGR:

Revenue : 33%

EBITDA : 63%

PAT : 54%



**40 Projects Completed
7 Projects On-going**



5 Year Average:

ROE : 29%

ROCE : 18%



**BSE Listed : 523329
Track Record of
Dividend Payment**



Zero Debt Company *

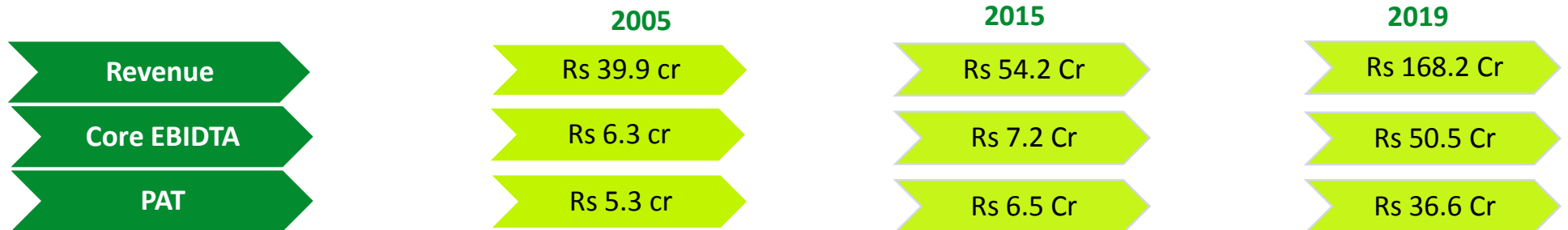
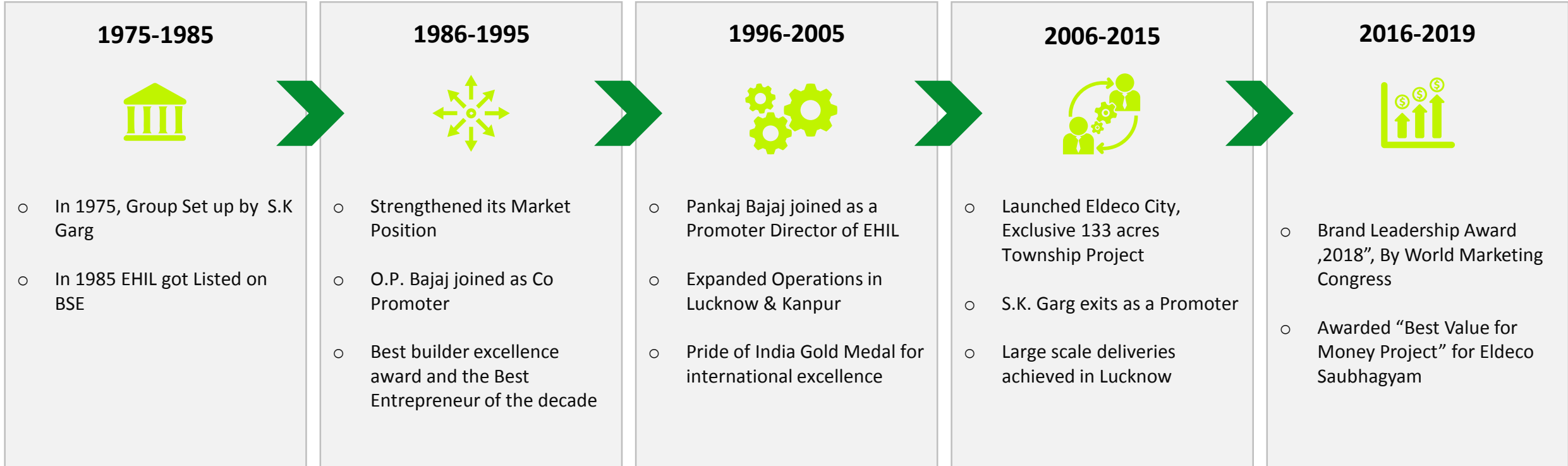


Eldeco City Breeze, Group Housing, Lucknow

* Excluding Customer advances & Creditors

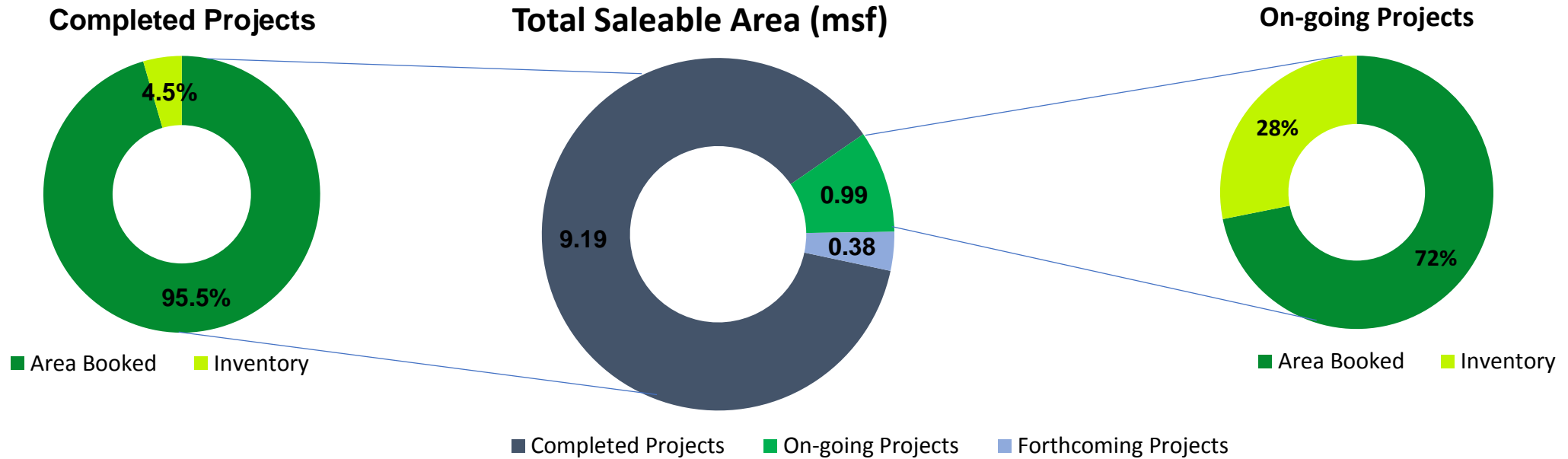
KEY MILESTONES

Established Real Estate Developer in Lucknow over past several decades



BUSINESS PORTFOLIO

Strong sales track leading to steady cash flows



Completed Projects

% of Sold Area to be recognized in Revenue as per IND AS	~5%
Avg. Realisations	~Rs 1,870 /Sq. Ft.
Sale Value of Area Booked (till Aug'19)	Rs 1,640 Cr

On-going Projects

% of Sold Area to be recognized in Revenue as per IND AS	100%
Avg. Realisations	~Rs 2,880 /Sq. Ft.
Sale Value of Area Booked (till Aug'19)	Rs 205 Cr

BUSINESS SEGMENTS – GROUP HOUSING (COMPLETED)

Focus on VALUE Housing Segment



Group Housing – Major Projects Completed



Project	Eldeco Saubhagyam (EHIL Ownership 83%)	Eldeco Eternia	Eldeco City Breeze
Scheme Type	Hi-Rise Complex	Hi-Rise Complex	Hi-Rise Complex
Saleable Area (msf)	1.20	0.36	0.22
Area Booked (msf)	1.13	0.35	0.20
Inventory (msf)	0.07	0.01	0.02
Average Realisation (Rs / Sq. Ft.)	2,733	2,274	3,100

Note: EHIL Ownership in all projects is 100% unless specified

BUSINESS SEGMENTS – TOWNSHIPS (COMPLETED)

Eldeco City, an integrated township spread across 133 acres is the current flagship project



Townships - – Major Projects Completed

Project	Eldeco City	Eldeco Samridhi	Eldeco Shaurya (Phase-I)
Scheme Type	Plots & Villas	Plots & Villas	Plots and Villas
Saleable Area (msf)	2.35	0.22	0.66
Area Booked (msf)	2.20	0.20	0.55
Inventory (msf)	0.15	0.02	0.11
Average Realisation (Rs / Sq. Ft.)	2,120	3,460	1,610

Note: EHIL Ownership in all projects is 100% unless specified

BUSINESS SEGMENTS – COMMERCIAL (COMPLETED)

Local shopping centers provides significant opportunities ahead



Commercial – Major Projects Completed



Project	Eldeco Elegante	Eldeco Corporate Tower	Eldeco City Arcade 1
Scheme Type	Retail Cum Office Spaces	Office Space	Shops
Saleable Area (msf)	0.05	0.08	0.01
Area Booked (msf)	0.04	0.08	0.01
Inventory (msf)	0.01	NIL	NIL
Average Realisation (Rs / Sq. Ft.)	6,180	4,180	6,150

Note: EHIL Ownership in all projects is 100% unless specified

ON-GOING PROJECTS

Robust Project Pipeline would significantly add up Topline in the coming period

Sl. No.	Project Name	Project Type	Saleable Area (msf)	Area Booked (msf)	Inventory (msf)	Expected Completion Date
1	Eldeco City Dreams	Group Housing	0.07	0.04	0.03	Q1FY22
2	Eldeco Luxa	Group Housing	0.13	0.06	0.07	Q2FY22
3	Eldeco Regalia	Township	0.69	0.53	0.17	Q4FY20
4	Eldeco North Block	Township	0.05	0.05	NIL	Q1FY22
5	Eldeco South Block	Township	0.02	0.02	NIL	Q1FY22
6	Eldeco City Arcade 2	Commercial	0.02	0.02	NIL	Applied and Awaiting for Completion Certificate
7	Eldeco Saubhagyam Arcade (EHIL-83%)	Commercial	0.01	0.01	NIL	Applied and Awaiting for Completion Certificate
	Total		0.99	0.71	0.28	

FORTHCOMING PROJECTS

Eldeco Imperia, an integrated township to become a second flagship project – Site work to commence soon

Sl. No.	Project Name	Project Type	Economic Interest	Saleable Area (msf)	Current Status
1	Eldeco Imperia (phase I)	Residential	100%	0.23	Under planning
2	Eldeco Uday & Joy (EWS/LIG) at Regalia	Residential	100%	0.03	Construction going on. RERA registration in process. Will market the project after RERA registration say in another 2-3 months
3	Eldeco Inner Circle at Shaurya	Residential	100%	0.04	RERA registration in process. Will market the project post RERA registration say in 15 days or month's time
4	Eldeco Select (T-5 SBM) at Saubhagyam	Residential	83%	0.07	Construction going on. RERA registration in process. Will market the project after RERA registration say in Q1FY20.
5	Eldeco City Plaza at City	Commercial	100%	0.01	Construction is going on. RERA registration will be done before we plan to sell the project say in 4-6 months
	Total			0.38	

UNSOLD PLOTS IN COMPLETED & ON-GOING PROJECTS

Fungible land with option to sell as developed projects

Eldeco Shaurya			
Plot Details	Type	FAR	Area (msf)
Shopping Mall	Commercial	1.75	0.02
School	Utility	1.00	0.02
LIG	Residential	1.00	0.01
EWS	Residential	1.00	0.01
Total			0.07

Eldeco Samridhi			
Plot Details	Type	FAR	Area (msf)
Commercial	Commercial	1.00	0.01
LIG & EWS	Residential	1.00	0.03
Total			0.04

Eldeco City			
Plot Details	Type	FAR	Area (msf)
Shopping Mall	Commercial	1.75	0.13
GH - 1	Residential	2.50	0.07
GH - 3	Residential	2.50	0.38
GH - 4	Residential	2.50	0.11
Nursing	Utility	1.00	0.01
Commercial	Commercial	1.50	0.01
School	Utility	1.00	0.04
Total			0.75

Total Unsold Plots inventory		0.98 msf
Expected Avg. Realisations	~Rs 1,365 / Sq. Ft.	

Eldeco Regalia			
Plot Details	Type	FAR	Area (msf)
Commercial	Commercial	1.75	0.02
Shops	Commercial	1.50	0.003
School	Utility	1.00	0.02
Total			0.04

Eldeco Imperia			
Plot Details	Type	FAR	Area (msf)
School	Utility	1.00	0.04
Commercial	4.18	1.50	0.03
Total			0.07

FSI – Floor Space Index
FAR – Floor Area Ratio

FUTURE PROJECTS

Focused on execution linked growth plans

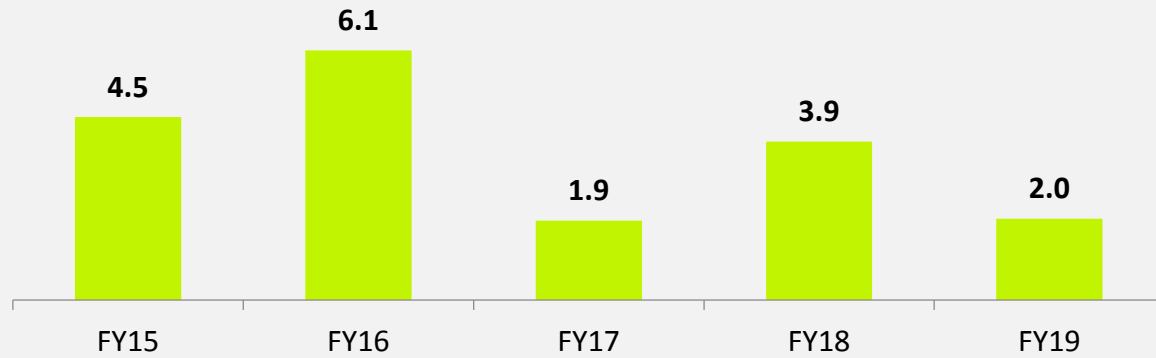
Land Available for Future Development		
Sl. No.	Place	Area (msf)
1	Jiamau, Lucknow	0.34
Total		0.34

Note: 40% (0.36 msf) economic interest in 40 acres of Eldeco City Bareilly.

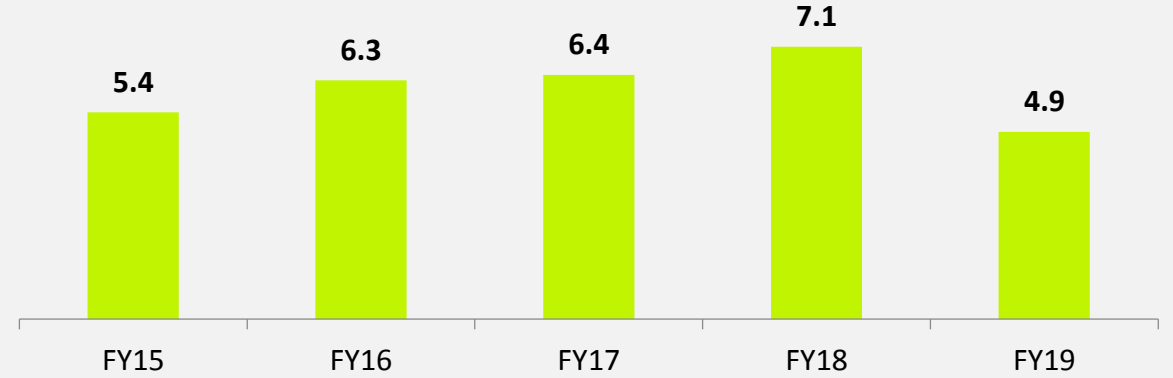
HISTORICAL TRACK RECORD

Trusted Delivery, Enduring Values

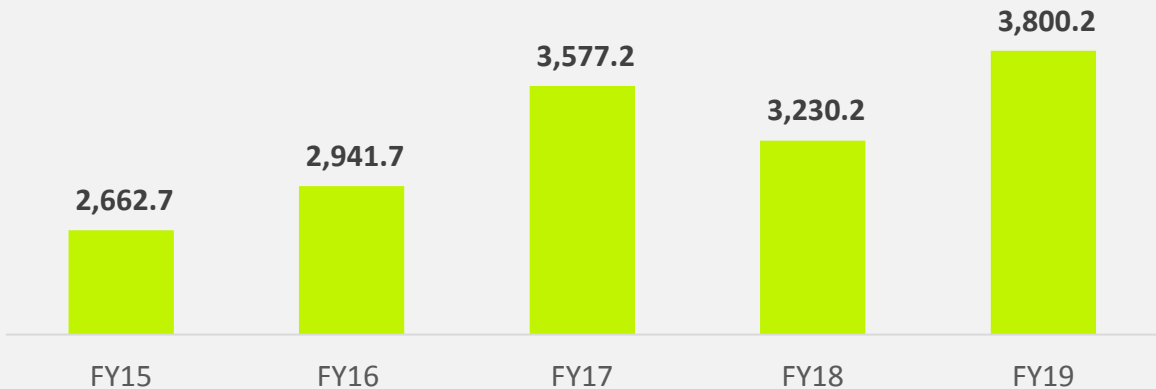
Area Booked (Lakh Sq. Ft.)



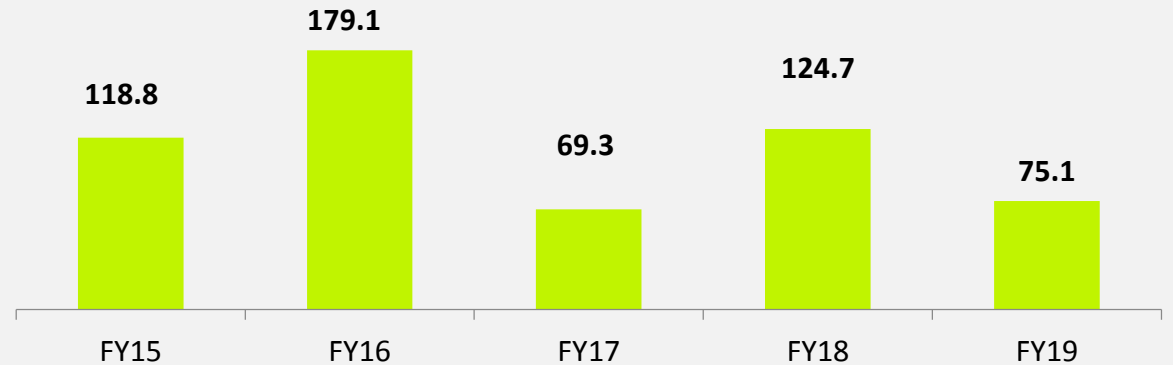
Area Constructed (Lakh Sq. Ft.)



Average Realisation (Rs / Sq. Ft.)



Value of Area Booked (Rs Crore)



INDUSTRY OVERVIEW

Lucknow : Among the Top Tier 2 Cities of India



LUCKNOW REAL ESTATE MARKET

The fastest growing city in India offering a mix of Affordability and Luxury Housing



Capital City of Uttar Pradesh (U.P)



Hub of business and financial activities



High rate of growth



Robust Market Opportunities

The market is primarily driven by public sector employees, local businesses and influx of population and investment from East U.P.



Real Estate Market in Lucknow

Rapid Urbanisation resulting in Higher Sales and Declining Inventory Levels



Population growth and Urbanisation



Major infrastructure upgrade by successive Governments in past 15 years

-triggered the boom in Lucknow real estate.



Mid and Affordable housing segment driven market demand

~47,100 new houses launched in Rs 80 lakh budget in last 6 years.



Housing sale in Lucknow increased by 19% in 2018 and it outpaced supply for the first time in the last six years leading to decline in inventory by 6%



Lucknow-Agra Expressway



National Highway – NH-56

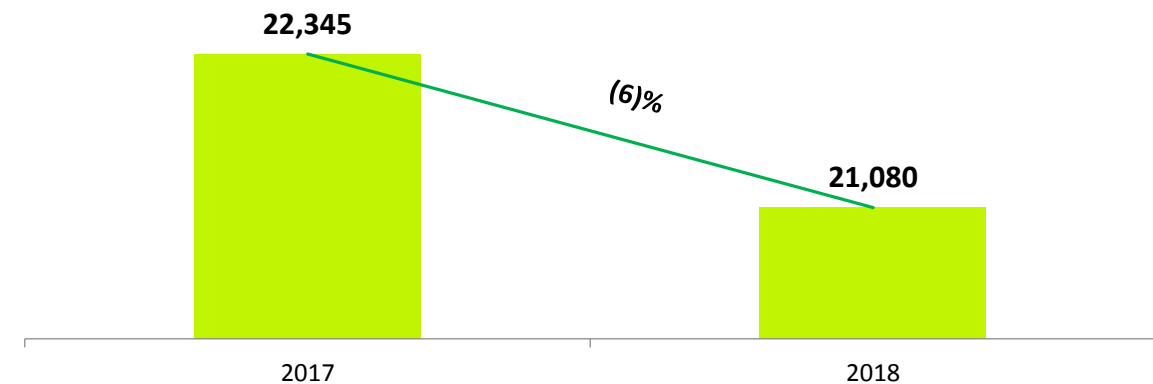


Metro Rail



Educational Institutions
Indian Institute of Management, Lucknow

Lucknow Unsold Inventory



Source: Anarock data

FINANCIAL OVERVIEW

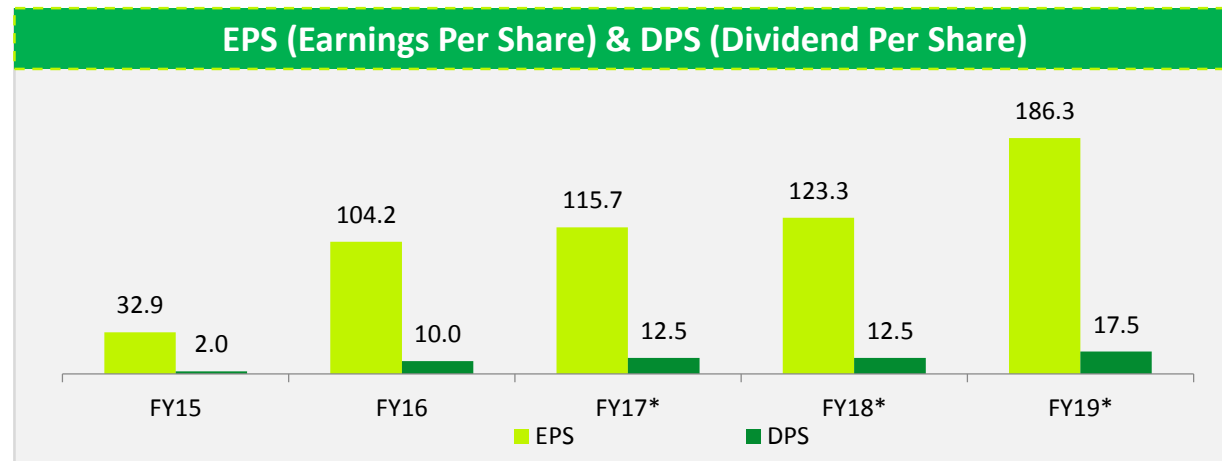
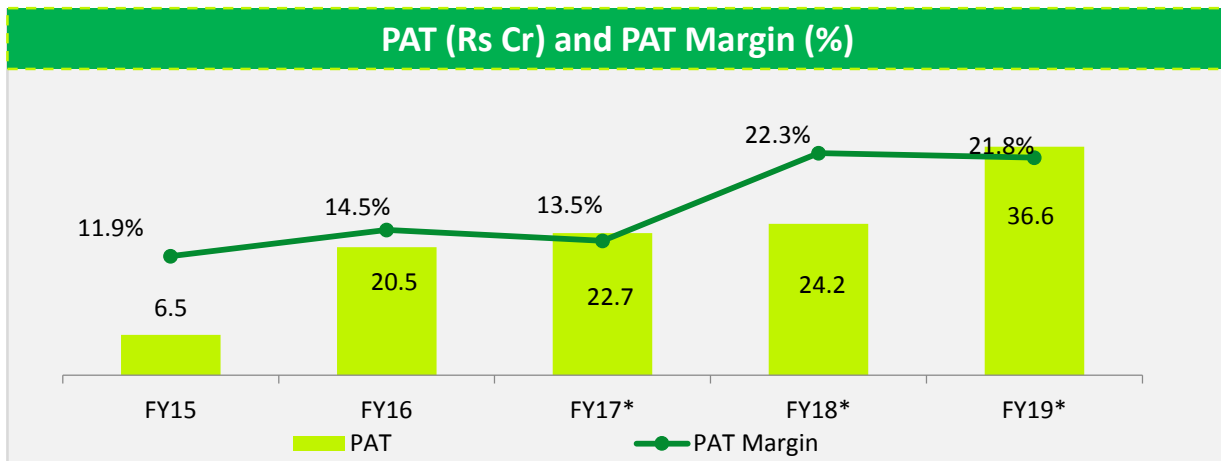
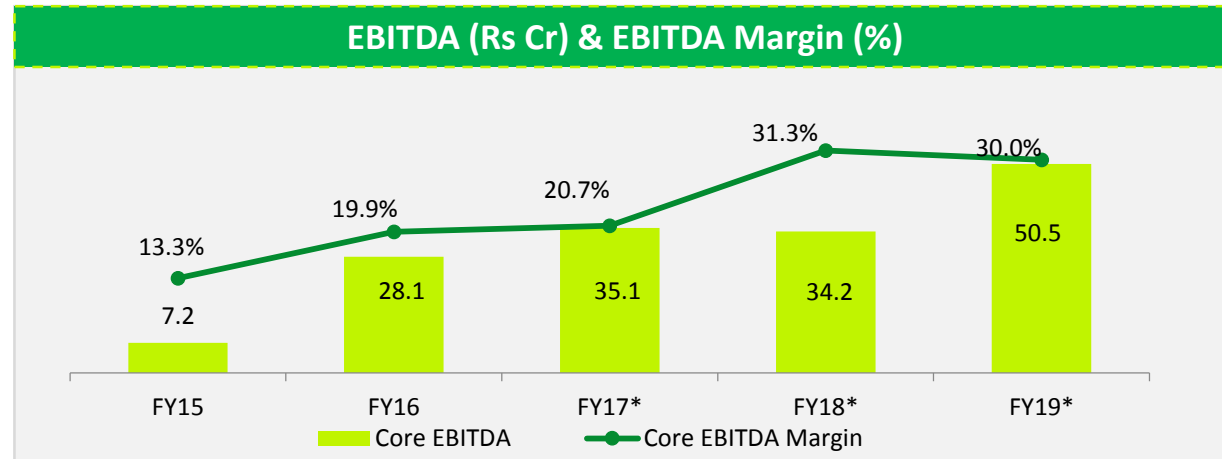
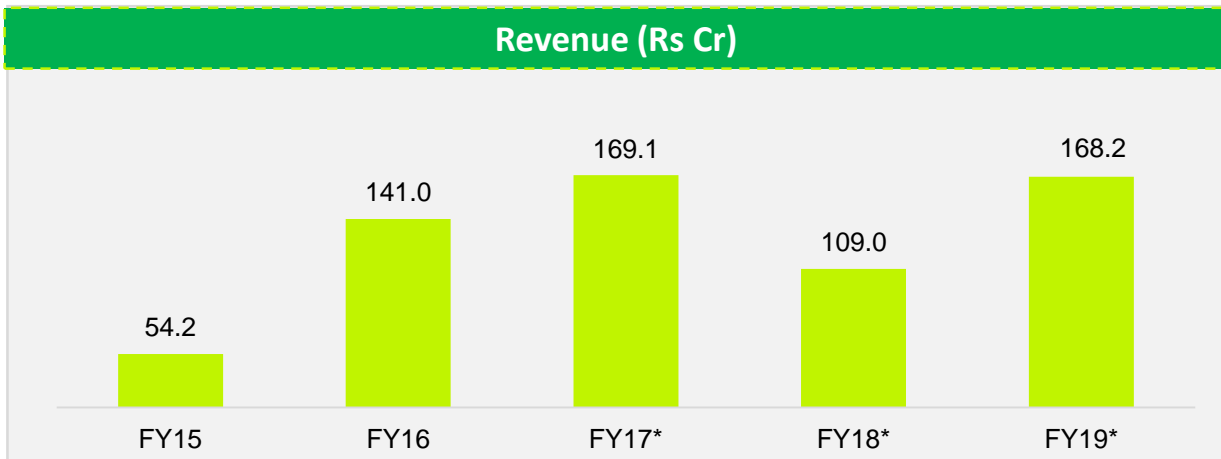
Strongly Committed, Consistent Performer



Eldeco City Dreams, Group Housing, Lucknow

CONSOLIDATED FINANCIAL OVERVIEW

High Performance Delivered, significant upside in revenue and profit



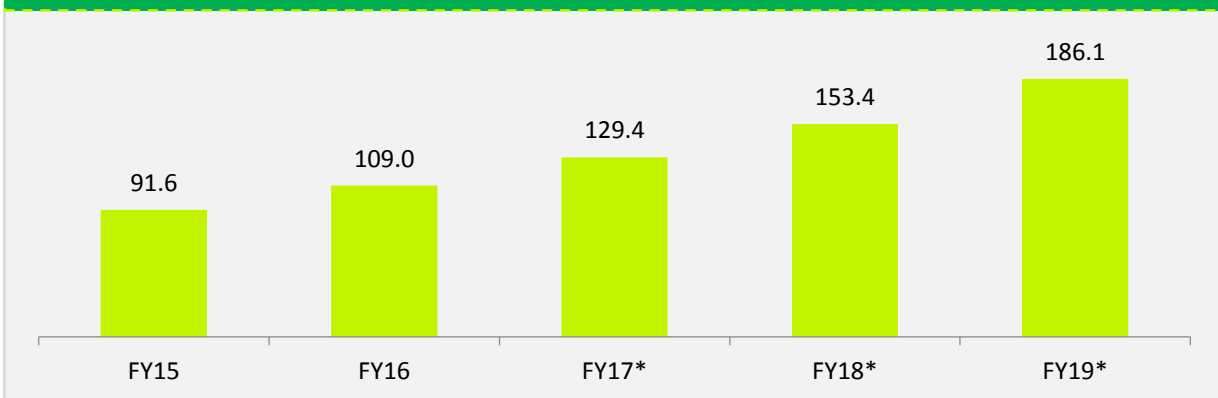
Note: PAT and EPS are after adjusting Minority Interest

*The financial statements for the year ended 31st March, 2018 (FY18) are the first financial statements, the Company has prepared in accordance with Ind AS. For the purpose of comparatives, financial statements for FY17 are also prepared under Ind AS by the Company. FY19 numbers are also as per IND AS.

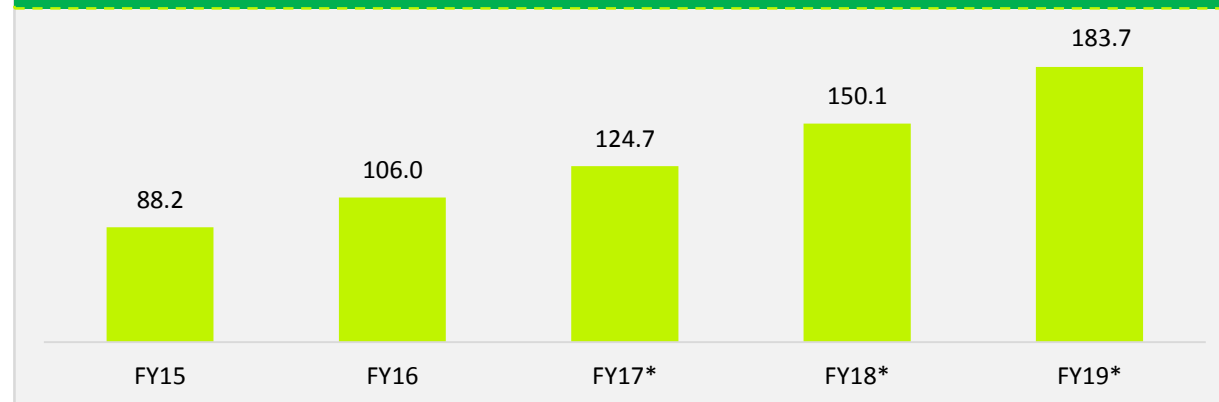
CONSOLIDATED FINANCIAL OVERVIEW

Achieving growth by internal cash accruals

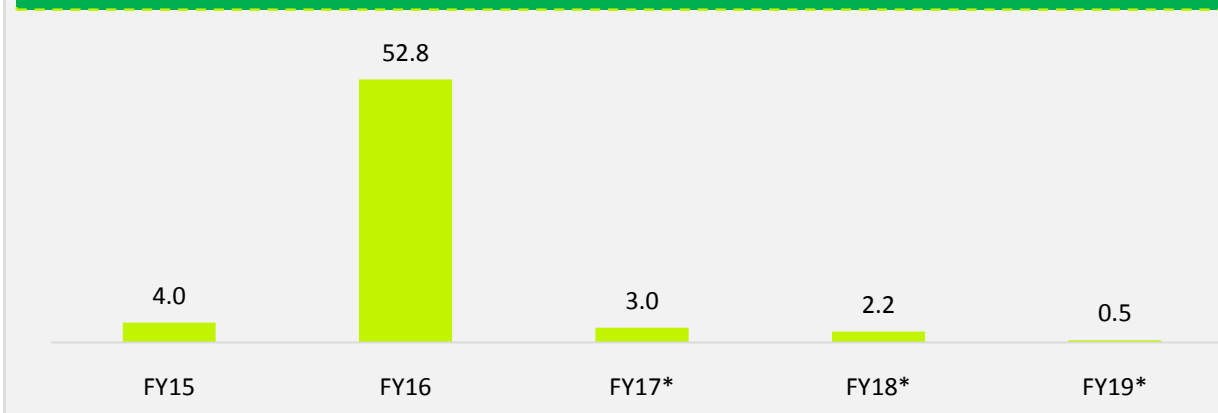
Capital Employed (Rs Cr)



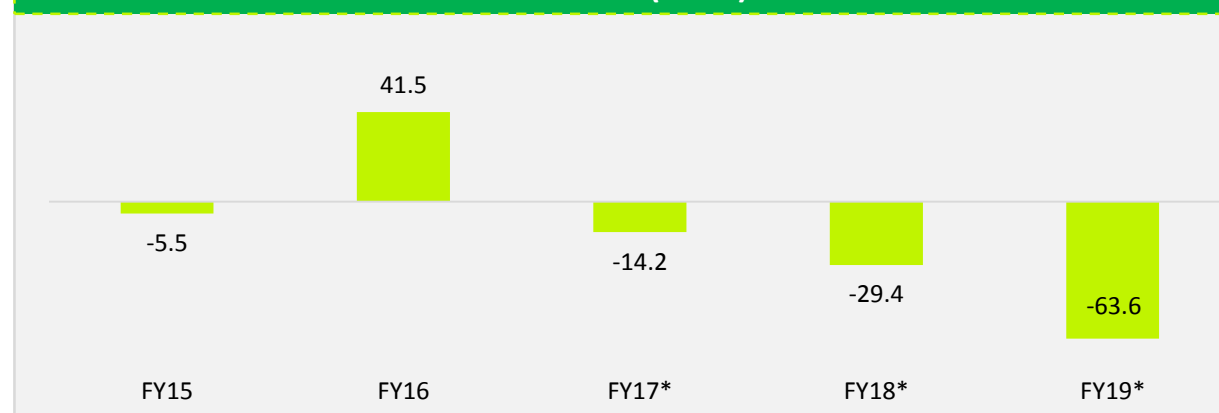
Networth (Rs Cr)



Gross Debt (Rs Cr)



Net Debt (Rs Cr)



Note: Gross Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings; Net Debt = Gross Debt – Cash & Cash Equivalents

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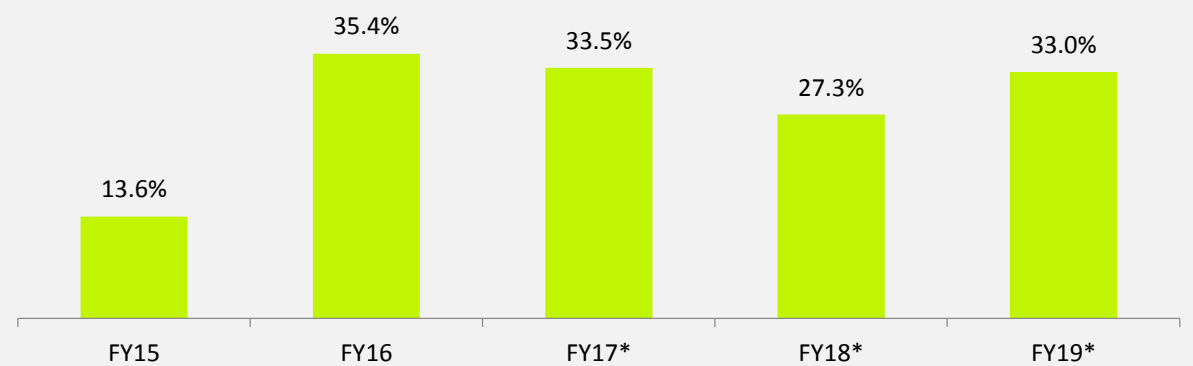
CONSOLIDATED FINANCIAL OVERVIEW

Increased returns with minimal leverage

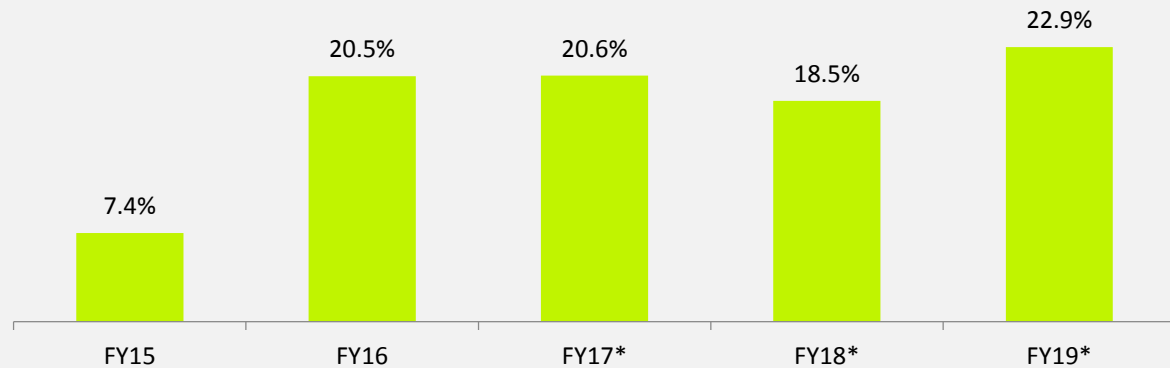
Current Ratio (x)



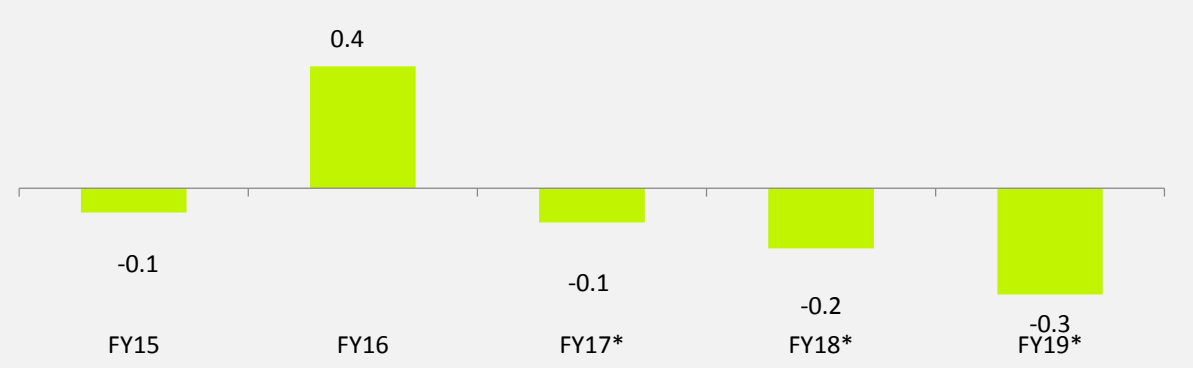
Return on Capital Employed (%)



Return on Equity (%)



Net Debt/Equity (x)

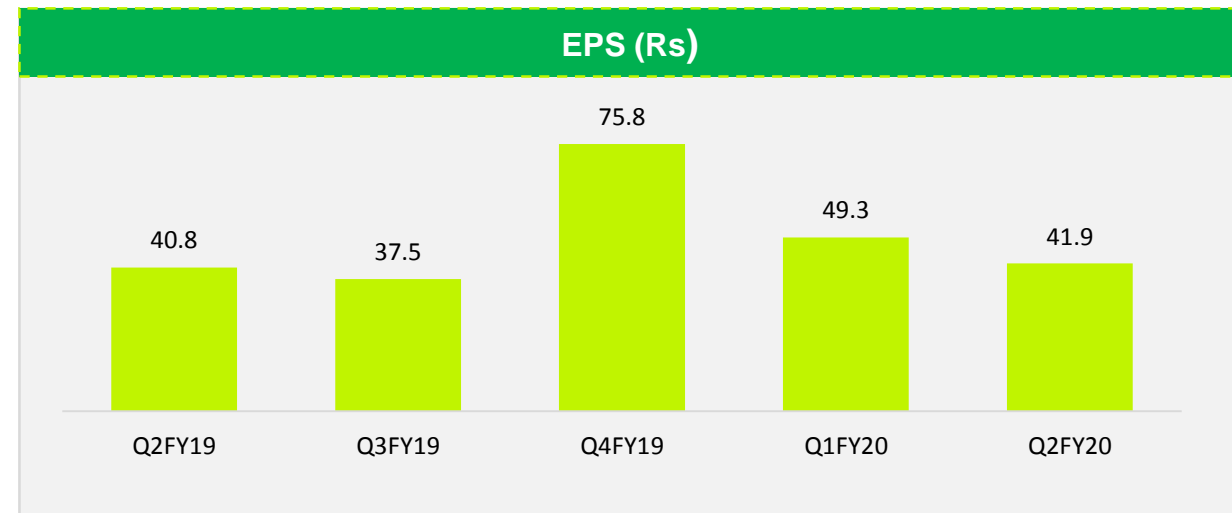
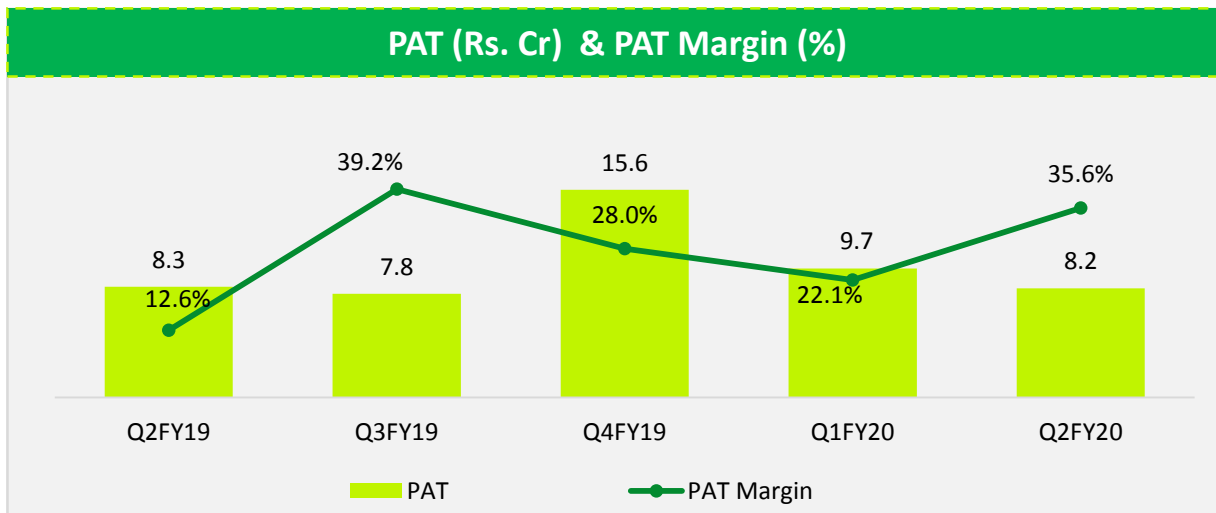
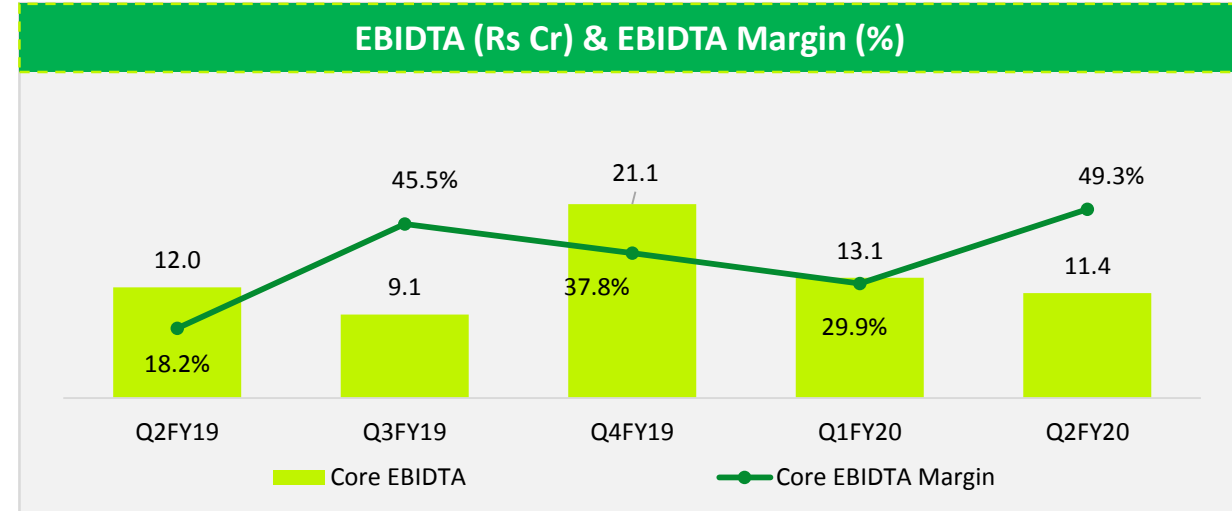
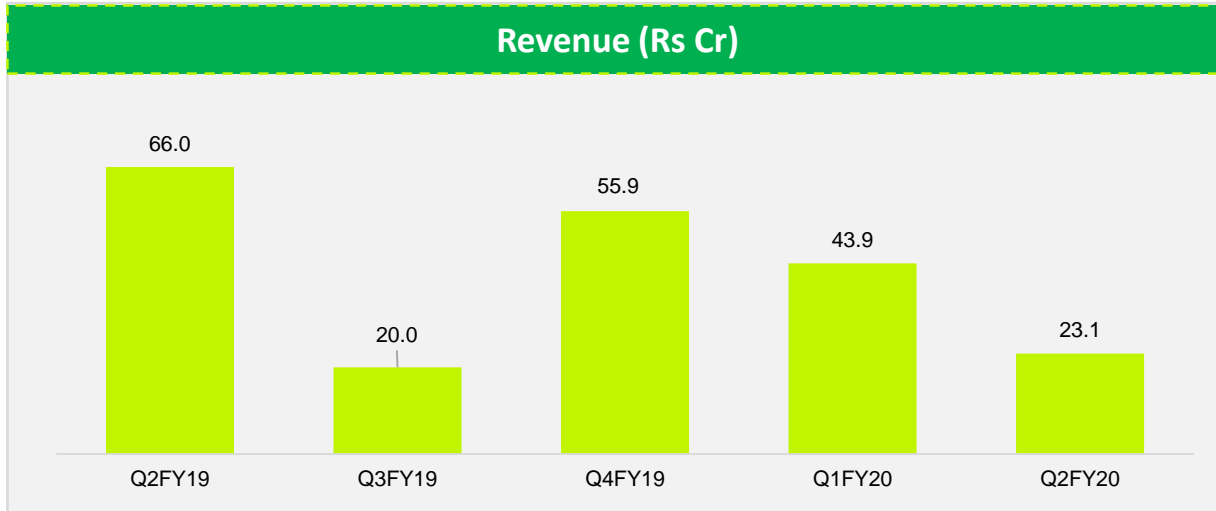


Note: Current Ratio = Current Assets / Current Liabilities; ROCE = EBIT / Average Capital Employed (Total Assets – Current Liabilities); ROE = PAT / Average Shareholders Fund; Net Debt / Equity = (Gross Debt – Cash & Cash Equivalent) / Shareholders Fund

*The financial statements for the year ended 31st March, 2018 (FY18) are the first financial statements, the Company has prepared in accordance with Ind AS. For the purpose of comparatives, financial statements for FY17 are also prepared under Ind AS by the Company. FY19 numbers are also as per IND AS.

CONSOLIDATED QUARTERLY FINANCIALS

Quarterly fluctuations due to lumpy project completion



Q2FY20 RESULTS (CONSOLIDATED)

Significant Improvement in Profitability Margins

Q1FY20	Q1FY19	% Chg (YoY)	Particulars (Figures in Rs Cr)	H1FY20	H1FY19	% Chg (YoY)
23.10	66.04	-65.01%	Revenues	66.99	92.34	-27.46%
11.40	13.42	-15.02%	Core EBIDTA (Excluding Other Income)	25.15	22.60	11.30%
0.25	0.58	-57.46%	Finance Cost	0.38	0.89	-56.85%
11.10	12.77	-13.08%	PBT	24.66	21.58	14.25%
8.23	8.33	-1.15%	PAT	17.93	14.85	20.78%
41.87	42.36	-1.15%	EPS (Rs)	91.18	75.49	20.78%
49.34%	20.32%	2903 bps	Core EBIDTA Margin	37.55%	24.47%	1308 bps
48.04%	19.34%	2870 bps	PBT Margin	36.81%	23.37%	1344 bps
35.64%	12.62%	2303 bps	PAT Margin	26.77%	16.08%	1069 bps

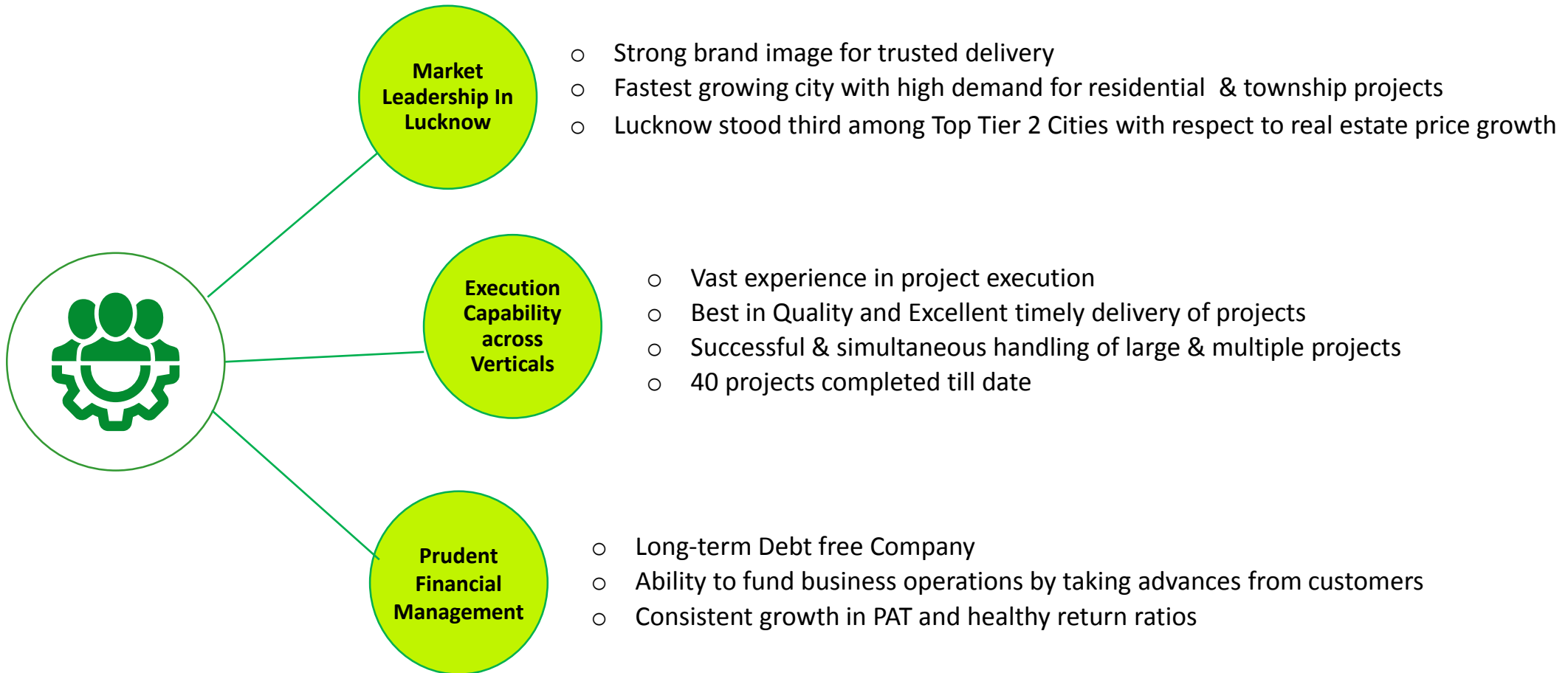
KEY INVESTMENT THESIS

Experience Driven and Delivery Focused

Eldeco Luxa, Group Housing, Lucknow

KEY INVESTMENT THESIS

Firm and Focused on Project Delivery with Judicious Capital Management will drive future growth



Key Investment Thesis

Strongly Dedicated on project execution, mid-income value segment and enhancing shareholder's wealth

Robust Growth Underway

- Experienced Land Procurement Team
- Several Ongoing Projects in different segments with total saleable area of ~1 msf

Future Strategies

- Focus on Execution and Customer Satisfaction
- Fungible land usage due to Township Concept
- Operations focussed in Mid - Income Value category

Road Ahead

- Focussed on Providing steady returns
- Financial Conservatism, ensuring higher shareholders' wealth
- Several sizeable projects being negotiated



Eldeco City Arcade, Commercial, Lucknow

SWOT ANALYSIS

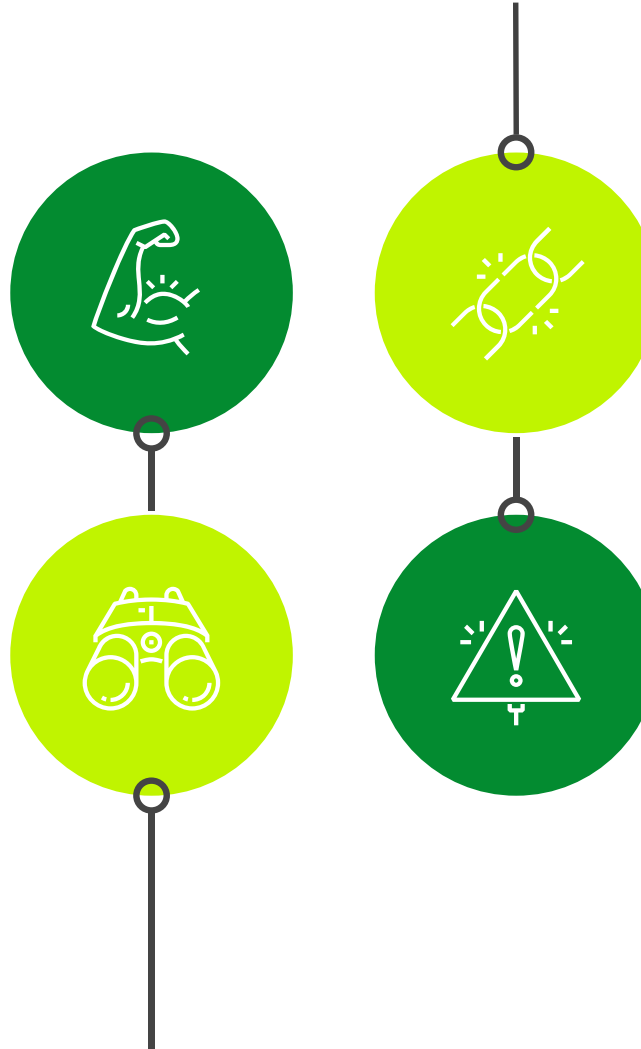
Inherent Strengths and Market Opportunities aids in steering clear of Threats and Weaknesses

Strength

- Foremost Real Estate Player in Lucknow
- Zero Long-term debt
- Sales & Execution Capability
- Trusted Brand
- Ability to play the entire value chain-from land assembly to asset maintenance

Threats

- Muted demand resulting in oversupply
- Lack of suitable land for development
- Lack of deep pool of institutional capital for real estate development in Lucknow



Weakness

- Geographical Concentration in Lucknow
- Low volume growth in last 2-3 years

Opportunities

- Booming Infrastructure in Lucknow
- RERA , GST, NBFC Cash crunch resulting in market consolidation
- Population growth, urbanisation and increase in buying power

MANAGEMENT

Experienced and Professional Management Team



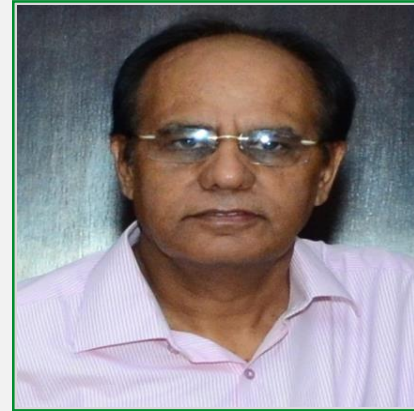
Mr. Pankaj Bajaj
Chairman cum Managing Director

- B.Com (Honors) from SRCC
- PGDM (MBA) from IIM, Ahmedabad
- Over 20 years of experience in construction and real estate development.
- President of CREDAI-NCR (Confederation of Real Estate Developers Association of India)



Mr. S.K. Jaggi
EHIL COO

- Over 28 years experience in real estate
- Post graduate from Kanpur University



Mr. A.K. Dhanda
Group CFO

- Total experience of around 35 years; previously with NIIT and Uptron
- Fellow member of the ICAI

STOCK INFORMATION

Outperforming the Benchmarks



Eldeco Saubhagyam Arcade, Group Housing, Lucknow

STOCK INFORMATION & KEY NUMBERS





EHIL stock outperformed across Indices and Sector

Shareholding Pattern (%) as on 30 Sept 2019



*Others include Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.

Stock Data – BSE as on 27 November 2019

	Stock Price	Rs 1450
	52 Week High/Low	Rs 2300 / 1332
	Market Capitalization	Rs 285 Cr
	Shares Outstanding	1.97 Mn
	Free Float	Rs 131 Cr / 46%

Valuation metrics

Enterprise value – EV (Rs Cr)	221.6
P/E (x)	7.5
P/BV (x)	1.6
EV / Sales (x)	1.3
EV / Core EBITDA (x)	4.4

Note: 1. Market Data as on 27 November 2019; Other data are based on FY19 Consolidated Financials.

2. EV = Market Cap + Borrowings – Cash; P/E = Price / EPS; P/BV = Price / Book Value per Share; EV/Sales = EV / Revenue

Stock Returns (in %)

Company / Indices	1 Year	3 Year	5 Year
EHIL	-15%	266%	647%
BSE Realty	20%	70%	28%
Sensex	16%	56%	44%



THANK YOU

Eldeco Housing & Industries Ltd.

Registered Office and Corporate Office:

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