



VALOR ESTATE LIMITED

(Formerly, DB Realty Limited)

PRESS RELEASE

FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

VALOR ESTATE RECENTLY EXECUTED BINDING AGREEMENTS SUBJECT TO CONDITIONS PRECEDENTS WITH L&T REALTY AND LODHA GROUP TO DEVELOP ~ 5.7 MILLION SQUARE FOOT (MSF) CARPET AREA WITH RS 6,000 CRORES POTENTIAL REVENUE SHARE TO VALOR ESTATE

15.5 MSF OF SALEABLE RESIDENTIAL AND 2.3 MSF COMMERCIAL PROPERTIES UNDER VARIOUS STAGES OF DEVELOPMENT, POTENTIAL REVENUE OR AREA SHARE TO VALOR ESTATE AT RS 13,650 CRORES

~13 MSF OF SALEABLE RESIDENTIAL PROJECTS IN PIPELINE

118 ACRES OF LAND UNDER VARIOUS STAGES OF ACQUISITION OF WHICH DEVELOPMENT AGREEMENTS/MOUS SIGNED FOR 23.5 ACRES – IN ADDITION TO THE EXISTING 600 ACRES OF LAND BANK

779 KEYS, 0.61 MSF AEROCITY HOTEL-CUM-COMMERCIAL COMPLEX, DELHI, A 50:50 JV WITH PRESTIGE ESTATE TO BE COMPLETED WITHIN NEXT 12-15 MONTHS

PROJECT PARTNERSHIPS WITH 'A GRADE' DEVELOPERS INCLUDING WITH PRESTIGE ESTATE, ADANI REALTY, MAN INFRACON, GODREJ REALTY, LODHA, L&T REALTY

RS 650 CRORES OF CORPORATE GUARANTEE (CG) WAS RELEASED UPON REPAYMENT OF BANK DEBT BY RELATED PARTY BORROWERS

HOSPITALITY DEMERGER UNDERWAY, DRAFT SCHEME SUBMITTED TO BSE AND NSE FOR COMMENTS





Mumbai, August 13, 2024. Valor Estate Limited (“VEL”, “the Company”) (BSE: 533160 NSE: DBREALTY), one of Mumbai's leading real estate developers, has announced its results for the quarter ended June 30, 2024.

Consolidated financial summary

Particulars <i>Rs in crores (except EPS)</i>	Quarter Ended		
	Q1FY25	Q4FY24	Q1FY24
Revenue	79.45	144.22	2.43
- Real estate	6.79	39.07	2.43
- Hospitality	72.66	105.15	NA
EBITDA	27.34	41.03	(2.46)
- Real estate	6.08	16.53	(2.46)
- Hospitality	21.26	24.50	NA
PBT	(16.89)	(6.97)	(24.79)
- Real estate	(10.19)	(0.95)	(24.79)
- Hospitality	(6.70)	(6.02)	NA
EPS (Basic)	(0.27)	(0.13)	(0.64)

Management guidance

Commenting on the occasion, **Vinod Goenka, Chairman and Managing Director** said, *“Our profound strength and resilience emanate from our unwavering dedication to fulfilling our commitments and obligations. Despite encountering significant disruptions, our steadfast commitment to our customers, communities, and partners has consistently served as our guiding principle. This unwavering devotion will perpetually underpin our pursuit of continued advancement and success.”*

Shahid Balwa, Vice Chairman and Managing Director said, *“In the past three months, we've inked agreements with Lodha and L&T, set to bring in ~Rs 6,000 crore revenues for the Company. In the months ahead, we aim to establish more such partnerships to unlock the potential of our expansive 600+ acres of land. At the same time, we plan to acquire interests in one or two additional urban renewal projects, which we hope will come to fruition within the next few financial quarters. Our pivot towards a robust balance sheet continues, with notable strides in key projects such as Aerocity Delhi and Empire Worli. We believe the actualization of these efforts will become self-evident in the upcoming financial quarters.”*

Real Estate

VEL operates primarily in the Mumbai Metropolitan Region (MMR). Its core competencies include land aggregation, securing clear land titles, and property development in partnership with strong developers. Currently, there are approximately four ongoing joint venture residential projects and four owned residential projects with a cumulative saleable area of 15 million square feet. These projects have been executed on a revenue share or area share basis. In addition, there are several projects in the pipeline totaling approximately 13 million square feet at various stages of





development. Our real estate business accrues revenue and other profit and loss elements only upon completion of the project and issuance of an occupation certificate by the authorities. Thus, the revenue recognition will not be linear, but asymmetrical, even as the efforts of the project was spread over multiple financial years. For example, the two million square foot 'X BKC' residential project which has been under redevelopment for the last few financial years, the revenue booking event of nearly Rs 3,500 crores will be recognized only in FY25-26. During Q1FY25 the revenue from the real estate business is Rs 6.79 crores, as against Rs 2.43 crores in Q1FY24. Certain JV projects have seen accretive advancement, such as the launching of 'Godrej 11 Avenue,' a 69-storey residential complex in Mahalaxmi, Mumbai, (with pre-sales of approx. Rs 800 crores) in which the Company has a profit-sharing stake. During Q1FY25 the Company commenced land acquisition activities (viz. site vacation and constructing transit camps) at the Empire Worli (17.05 acres) and Bandra West (6.5 acres) projects.

Commercial Spaces

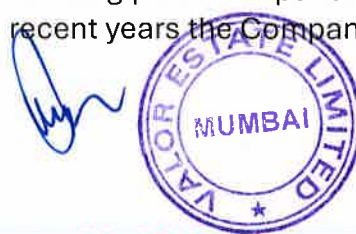
To mitigate the cyclicity inherent in the residential segment, VEL is developing a portfolio of income-generating assets with the potential of 2 million square feet of commercial office assets under development in Mumbai and Delhi. In the coming financial year, a commercial project in Aerocity Delhi (50:50 JV with Prestige Group) with approximately 0.6 million square feet of leasable space will be operational.

Hospitality

VEL's portfolio of hospitality assets includes The Hilton, Mumbai (171 keys) and Grand Hyatt, Goa (313 keys). VEL also holds a 50% share in an upcoming hotel in Aerocity Delhi, currently under construction in partnership with Prestige Group. This hotel will feature 779 keys and is anticipated to launch in Q3FY26. To unlock value for existing shareholders, VEL is demerging its hospitality business into a wholly owned subsidiary (WOS) of VEL, Advent Hotels International Pvt. Ltd., which will be listed on BSE and NSE post-demerger. Over the next five years, Advent aims to operationalize four large upper-upscale branded assets with about ~3,000 keys, in the hospitality micro-segments of Mumbai and Delhi with the first such opening expected in FY26. In Q1FY25, revenue from the hospitality business amounted to Rs 72.66 crores, with an EBITDA of Rs 21.26 crores, representing 29.25 percent. During Q1FY25, 171 keys Hilton Mumbai had an occupancy factor of 87 percent, and 313 key Grand Hyatt Goa had an occupancy factor of 70 percent. Gross Operating Profit (GOP) for our operating hotels during the period was 47 percent and 49 percent respectively. Our 779 key Aerocity Delhi (50:50 JV with Prestige Estate) has achieved 85% hotel structural completion, 90 percent low side basement ventilation completion milestone, and is 45 percent complete. We have initiated the expansion of Grant Hyatt Goa by 79 keys, entailing an outlay of Rs 200 crores, and is expected to be completed by FY27.

Finances

Our strategy would be to continue with debt-light real estate development, leveraging the Company's strength in land acquisition and seeking partnerships for construction, branding, and working capital. In this context, in recent years the Company has focused





on reducing its secured debt from Rs 6,139 crores to Rs 1,880 crores (a reduction of 70 percent) by raising funds through equity placements, joint ventures, and debt settlements. Our hospitality business will require a mix of debt and equity. The Company's consolidated secured debt presently amounts to Rs 1,880 crores. Of this, Rs 1,331 Crores are secured against real estate project cashflows, and these real estate project loans are expected to be fully repaid within the next couple of financial years. The remaining Rs 549 Crores pertains to the borrowing facility for hotel operations, backed by its assets and cashflows.

About Valor Estate

VEL (BSE: 533160 NSE: DBREALTY), is one of Mumbai's leading real estate developers with an existing portfolio of 100 million sq. ft. of real estate and focusing on residential and commercial developments. VEL is a public limited company incorporated in India on January 8, 2007, under the provisions of the Companies Act, 1956. The equity shares of VEL are listed on the National Stock Exchange of India Limited and BSE Limited. The registered office of VEL is located on the 7th Floor, Resham Bhavan, Veer Nariman Road, Churchgate, Mumbai - 400 020.

Forward-Looking Statements

This press release contains forward-looking statements. We hereby caution investors that such forward-looking statements are predicated upon the beliefs of management and assumptions made by, and information presently accessible to, management. The utilization of terms such as anticipate, believe, estimate, expect, intend, may, might, plan, project, result, should, will, seek, target, see, likely, position, opportunity, outlook, and analogous expressions, which do not pertain exclusively to historical matters, is intended to denote forward-looking statements. These statements are inherently subject to risks, uncertainties, and assumptions and do not constitute guarantees of future performance. We explicitly disclaim any obligation to update our forward-looking statements considering new information or future events except as mandated by law. Consequently, investors are advised to exercise caution when relying on past forward-looking statements based on results and trends at the time they were made to forecast future outcomes or trends.

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