



## For immediate publication

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### SOBHA enters 2019 with a strong performance

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#### Bengaluru, February 5, 2019:

SOBHA Limited today announced unaudited financial results for the quarter ended December 31, 2018. A brief snap shot of the key financial and operational parameters for the quarter ended December 31, 2018 is given below:

- Total Revenue at Rs. 8.08 billion on a consolidated basis, which is higher by 19% Q-o-Q.
- Real Estate Revenue at Rs. 5.03 billion, which is higher by 30% Q-o-Q.
- Contracts and Manufacturing Revenue at Rs. 2.85 billion, which is higher by 4% Q-o-Q.
- EBITDA of Rs. 1.79 billion, which is higher by 13% Q-o-Q.
- PBT at Rs. 1.10 billion, which is higher by 23% Q-o-Q.
- PAT at Rs. 695 million, which is higher by 15% Q-o-Q.
- Registered new sales volume of 0.91 million square feet.
- Registered new sales value of Rs.6,988 million (SOBHA Share of Rs.6,002 million).
- Achieved average price realisation of Rs. 7,689 per square feet (SOBHA Share of Rs.6,604 per square feet). Total price realisation and SOBHA's share of price realisation QoQ has increased by 7% and 10% respectively.
- As on 31<sup>st</sup> December 2018 , SOBHA has delivered 100.31 million square feet of residential and contractual projects.
  
- During the quarter, we had launched SOBHA Dream Gardens affordable housing project with saleable area of 1.76 million square feet in Bengaluru, SOBHA Raj Villas residential project with saleable area of 0.36 million square feet in Bengaluru and SOBHA Isle residential project in Kochi with saleable area of 0.89 million square feet, totalling to 3 million square feet launches during the quarter.
- Cash inflow for Q3-19 of Rs.8.19 billion , which is higher by 21% YoY.
- Net operational cash flow of Rs.191 million after interest and tax expenses.
- Debt – Equity Ratio as on Dec-18 stands at 1.13 as per IND AS 115 as compared to 1.16 as on Sep-18.
- Cost of borrowings at 9.57%.



- Contracts and Manufacturing order book at Rs. 23.44 Billion.

In a tough macro and real estate industry environment, we are pleased to inform that revenue of Rs. 8.08 billion has been achieved during the third quarter, which is the highest ever quarterly revenue achieved by the company so far. We have also achieved the highest ever nine month's revenue of Rs.20.94 billion. Profit after Tax for nine months ended 31<sup>st</sup> December 2018 is the highest ever profit reported by the company.

**Speaking on the occasion, Mr. J.C. Sharma, Vice Chairman and Managing Director, SOBHA Limited said,** "SOBHA has entered 2019 with a positive performance backed by world-class products, multi-city operations and its distinctive backward integration model. This has enabled us to deliver 7.78 million square feet of developable area during the nine months of FY 18-19. Despite the challenging macro-environment, our sales volume and total sales value have grown by 18% and 16% respectively during the calendar year 2018 vis-à-vis calendar year 2017. The launch of our new project SOBHA Isle in Kochi has improved the sales in the Kerala market, which was impacted earlier due to the floods. Additionally, Bengaluru remains a strong market for us with 68% of the total sales volume in this quarter. With new project launches - SOBHA Dream Gardens and SOBHA Raj Vilas in Bengaluru, this market will continue to strengthen our overall sales numbers."

**Commenting on the Interim Budget, Mr. Sharma said,** "This is a progressive Budget that has the potential to usher the country into a new phase of development and growth. It is expected to boost the real estate sector and keep up the pace of development achieved in 2018. This Interim Budget is clearly focussed on both, the home buyers and the developers, and addresses some of the key pain points of the sector."

**He added,** " For affordable housing projects, the benefit under the provisions of Section 80IB-A (100% deduction on gains from these projects) has been extended for one more year, until 2020. This will provide further impetus to this segment. The tax relief on notional rent from unsold stock has been extended to two years. For buyers, no tax on notional rent on second self-occupied home, no TDS on rental income up to 2.4 lakh per year and capital gain exemption under Section 54 of Income Tax Act to be available on two house properties, (up to Rs 2 cr) once in a lifetime, will encourage home buyers to buy a second home for long-term investment. Also, the strong signal of rationalisation of GST in the



near future also augers well for the sector. With these measures bearing fruit in the medium to long term, we foresee a rise in the housing demand in in the country.”

**Mr. Sharma elaborated,** “Over the years, the Indian realty sector has played a pivotal role in the country’s economy. The Indian mortgage market is significantly under penetrated with mortgage to GDP only at 10%. The same is estimated to reach between 13% to 15% by 2023. Additionally, the urban population is also expected to grow at 40% by 2030. This indicates a massive opportunity for India developers, especially in the housing segment in the times to come. With domain expertise, strong financial capability, quality product and strong customer focus, SOBHA is well placed to cater to this demand and grow consistently in the coming years.”

### **Exceptional Execution**

SOBHA’s superior execution capability is its core strength. The Company currently has ongoing real estate projects aggregating to 39.09 million square feet of developable area and 27.23 million square feet of saleable area, and ongoing contractual projects aggregating to 8.89 million square feet under various stages of construction. The Company has a real estate presence in 9 cities, viz. Bangalore, Gurgaon, Chennai, Pune, Coimbatore, Thrissur, Calicut, Cochin and Mysore. Overall, SOBHA has footprint in 26 cities and 13 states across India.

### **Recognition & Awards**

SOBHA has been recognised as the top developer nationally for investment in Track2Realty India Investment Report 20:20.

### **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](http://www.sobha.com)

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