

Date: 02/12/2019

To,  
BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Scrip Code-523329

Sub: Investor Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith the latest Investor presentation. The same shall be uploaded on the website of the Company at [www.eldecogroup.com](http://www.eldecogroup.com)

We request you to take the above information on record.

Thanking you,  
For Eldeco Housing and Industries Limited

For Eldeco Housing & Industries Ltd.

  
Company Secretary

Chandni Vij  
Company Secretary  
Mem. No. : A46897

**Eldeco Housing & Industries Ltd.**

# ELDECO HOUSING & INDUSTRIES LTD. (EHIL)

Investor Presentation  
December 2019



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# Presentation Outline



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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.



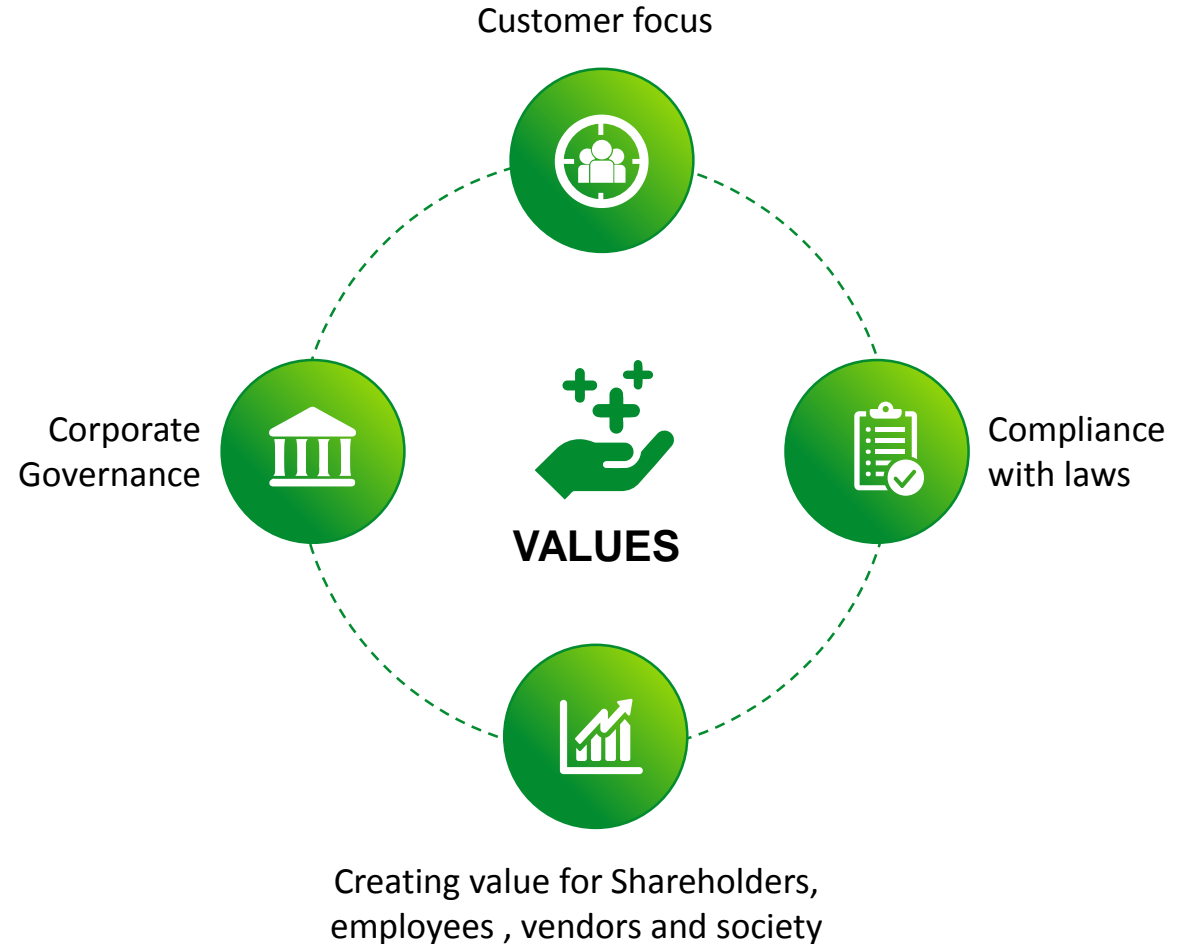
## VISION



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 \***



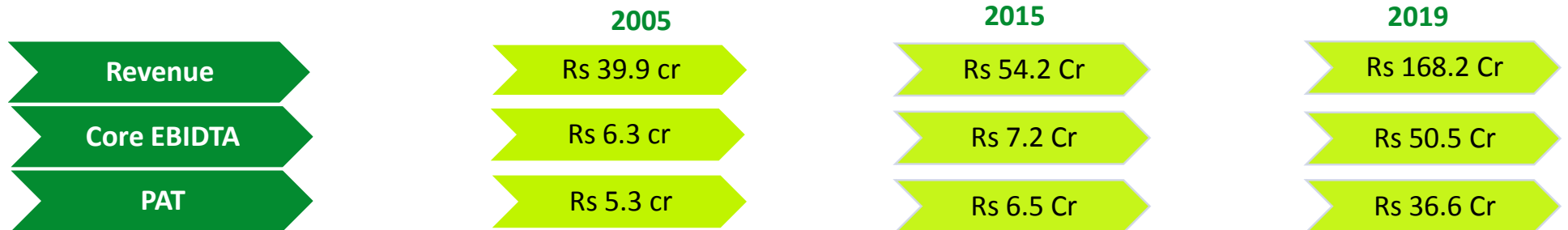
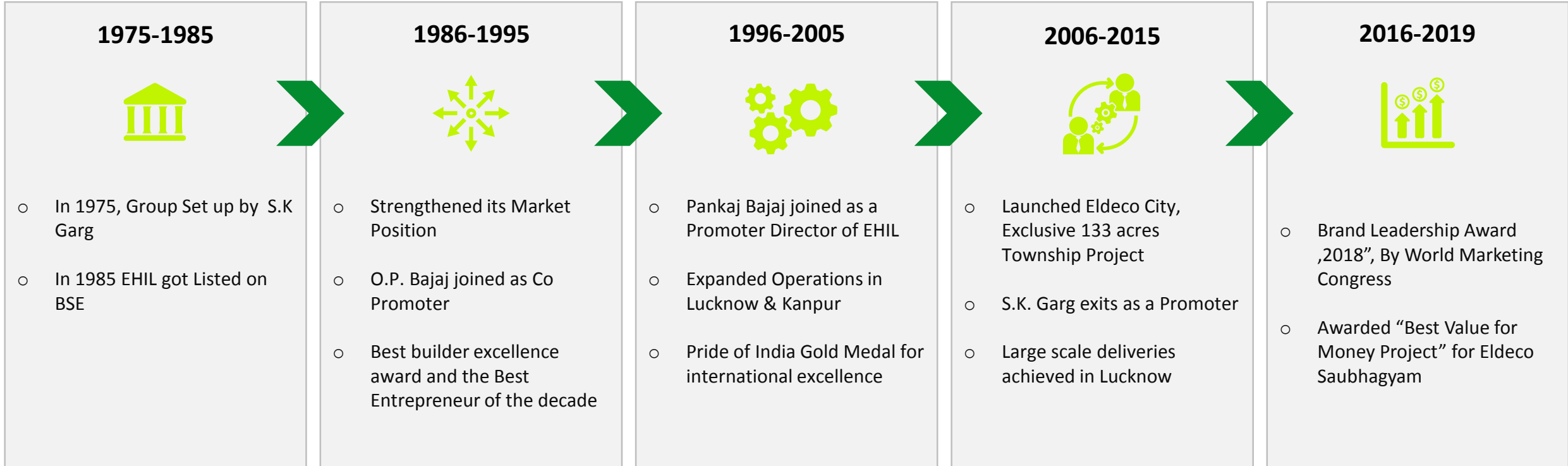
*Eldeco City Breeze, Group Housing, Lucknow*

\* Excluding Customer advances & Creditors



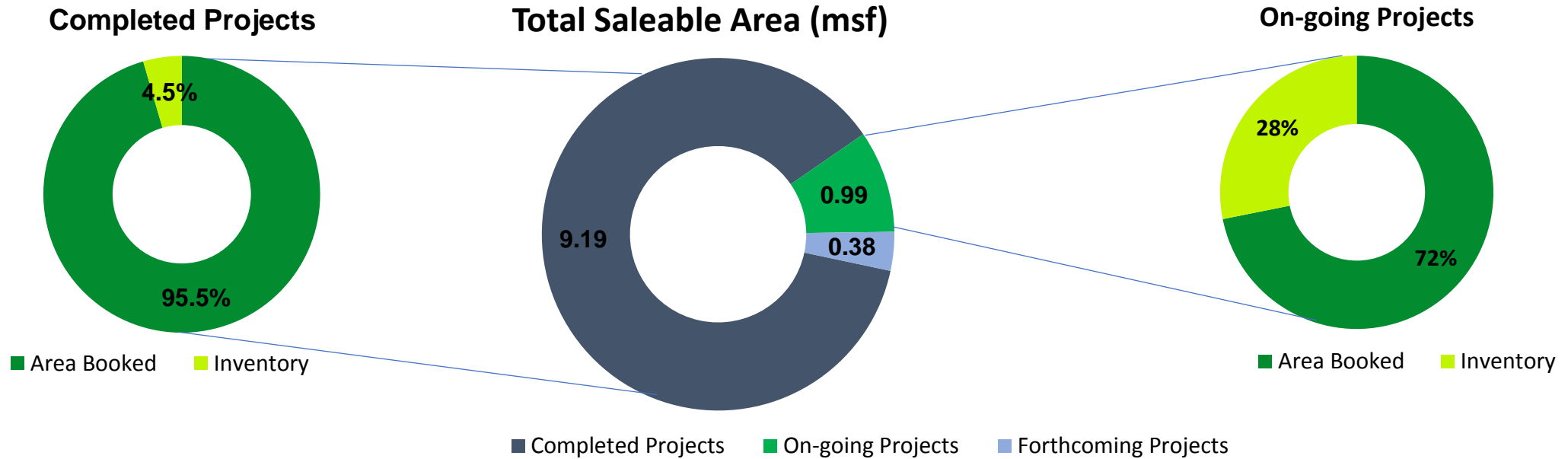
# KEY MILESTONES

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
	<b>Total</b>		<b>0.99</b>	<b>0.71</b>	<b>0.28</b>	

# 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
	<b>Total</b>			<b>0.38</b>	

# 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
<b>Total</b>			<b>0.07</b>

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

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
<b>Total</b>			<b>0.75</b>

<b>Total Unsold Plots inventory</b>		<b>0.98 msf</b>
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
<b>Total</b>			<b>0.04</b>

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

FSI – Floor Space Index  
FAR – Floor Area Ratio



# FUTURE PROJECTS

Focused on execution linked growth plans

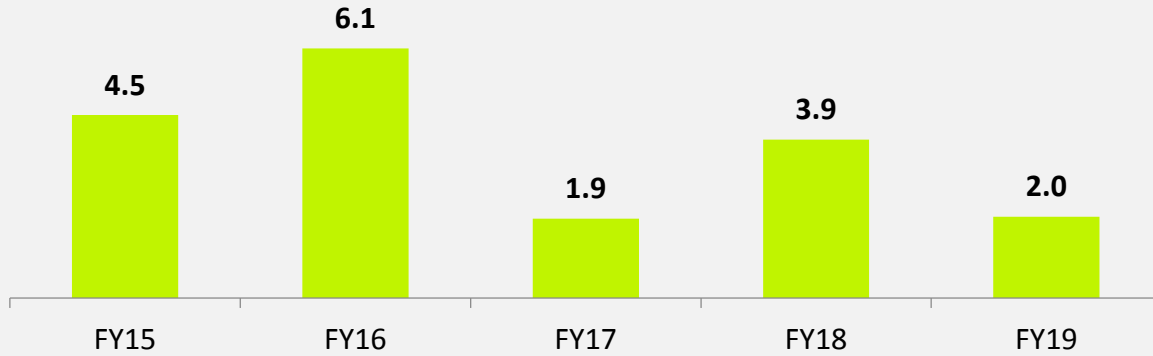
Land Available for Future Development		
Sl. No.	Place	Area (msf)
1	Jiamau, Lucknow	0.34
Total		0.34

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

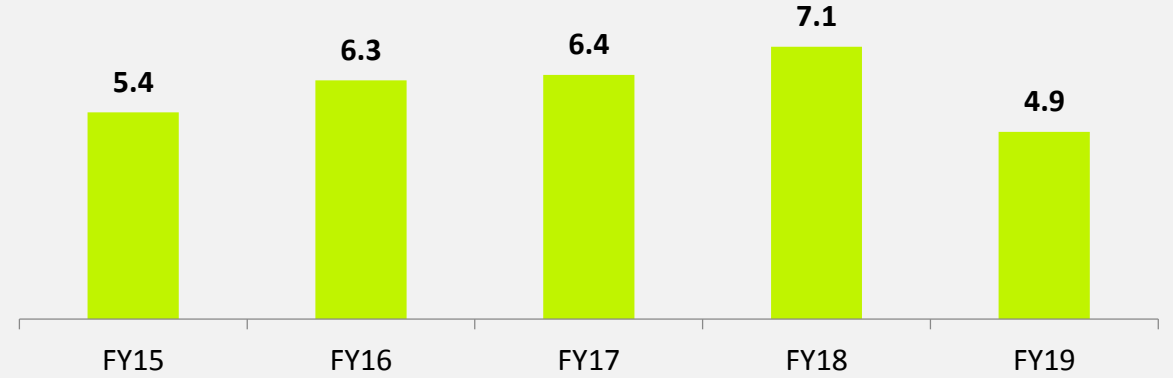
# HISTORICAL TRACK RECORD

Trusted Delivery, Enduring Values

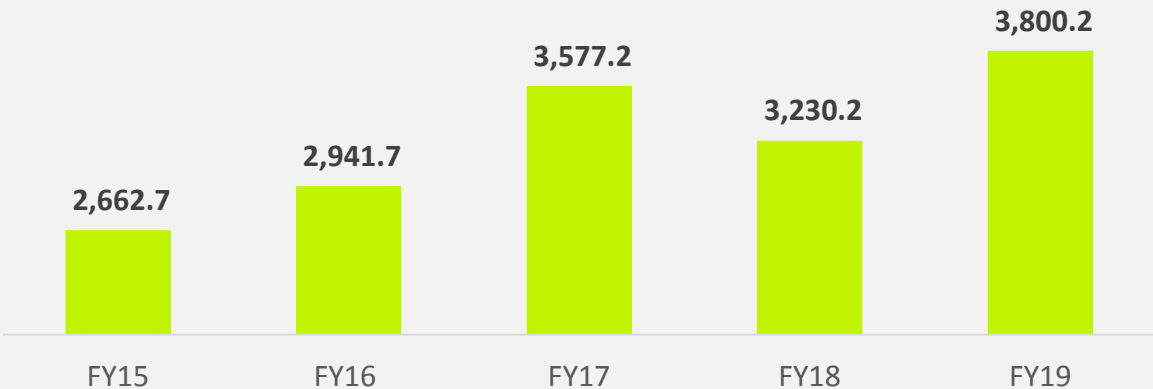
### Area Booked (Lakh Sq. Ft.)



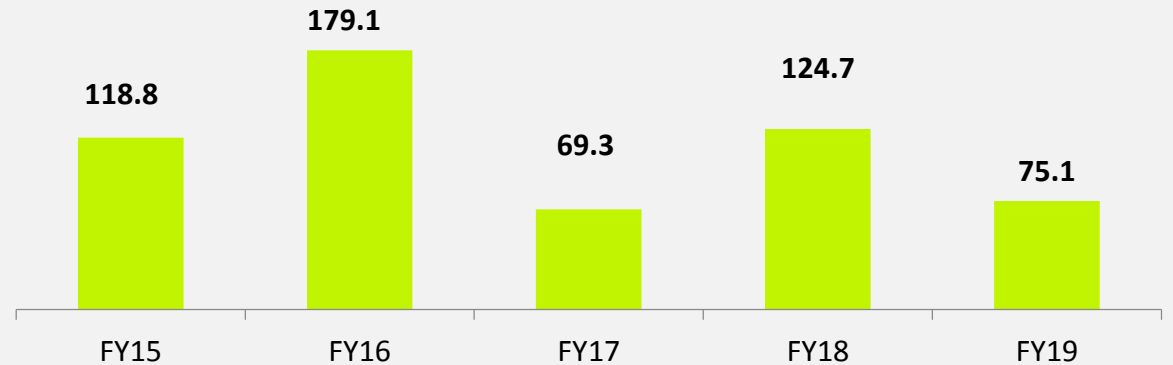
### Area Constructed (Lakh Sq. Ft.)



### 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

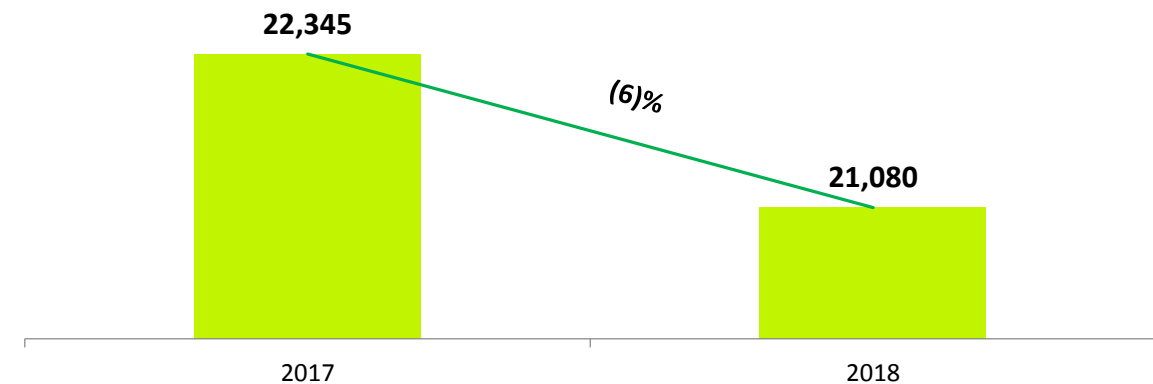


Metro Rail



Educational Institutions  
Indian Institute of Management, Lucknow

### Lucknow Unsold Inventory



Source: Anarock data

# FINANCIAL OVERVIEW

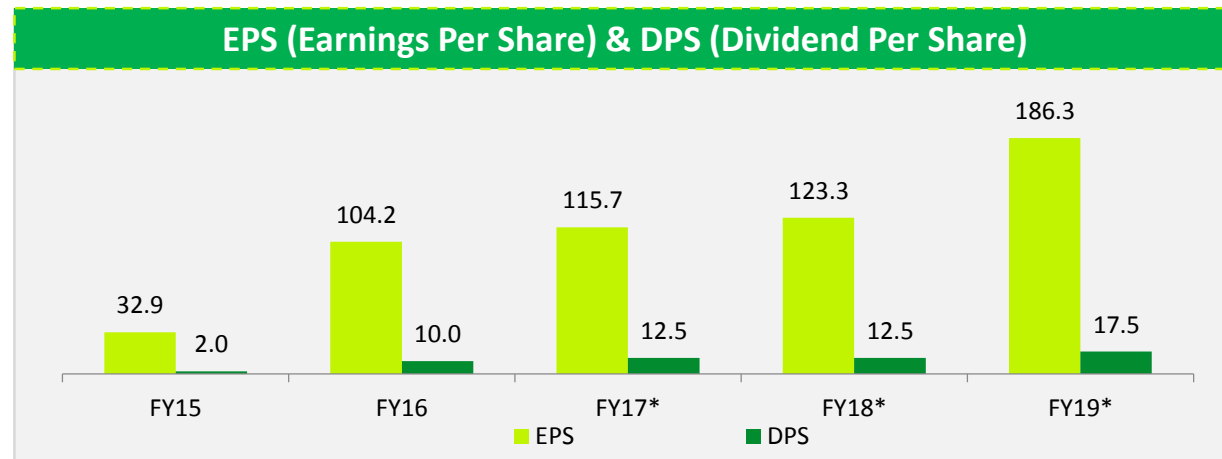
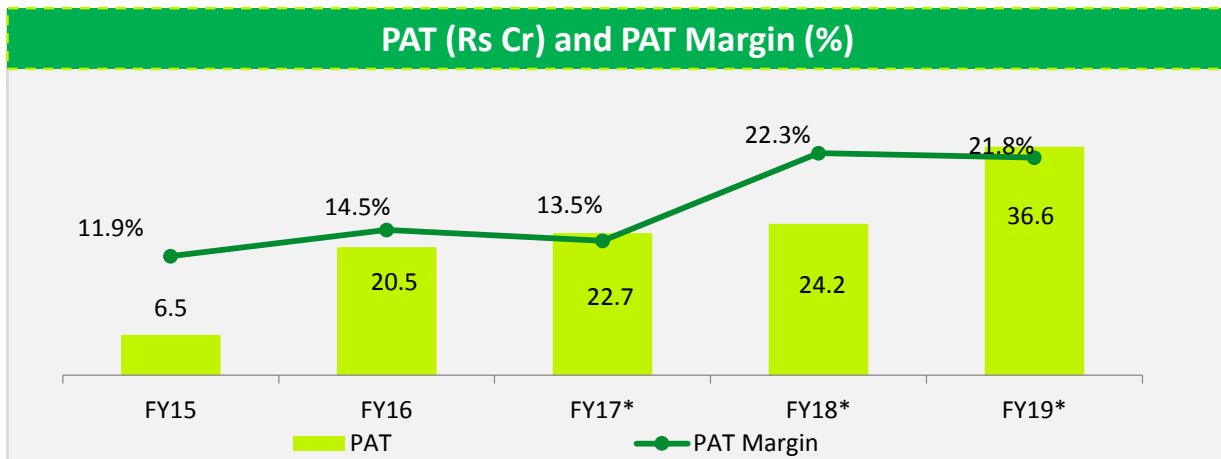
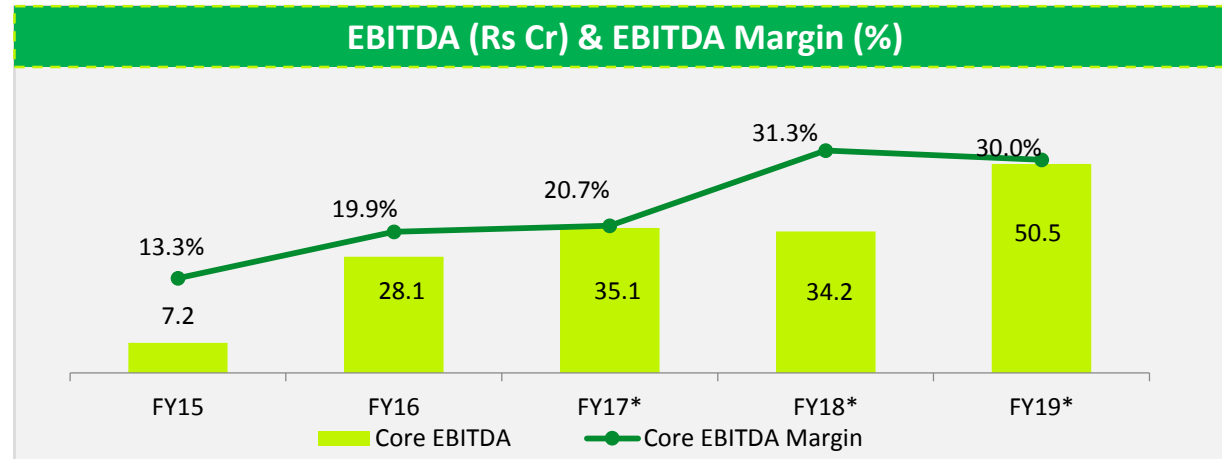
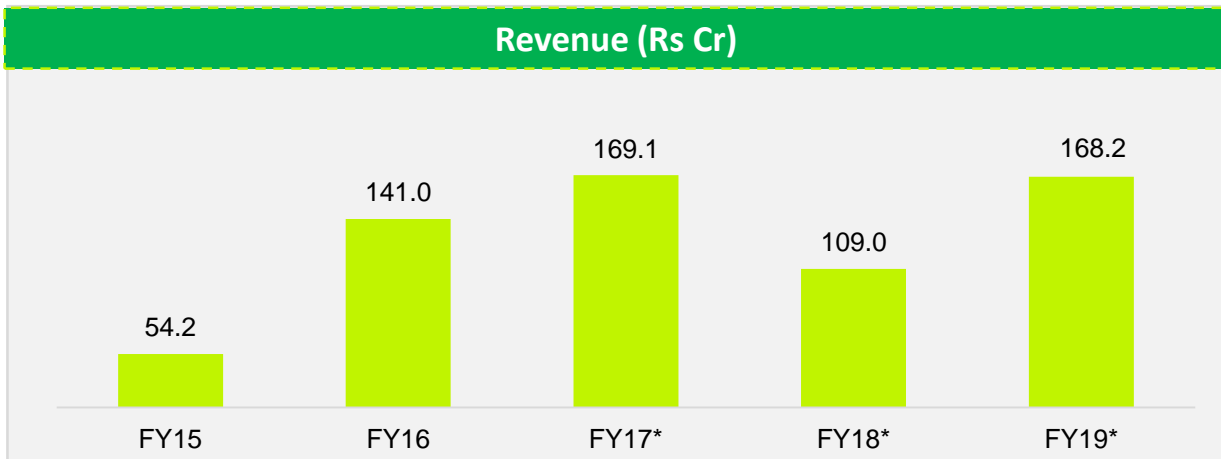
*Strongly Committed, Consistent Performer*



*Eldeco City Dreams, Group Housing, Lucknow*

# CONSOLIDATED FINANCIAL OVERVIEW

High Performance Delivered, significant upside in revenue and profit



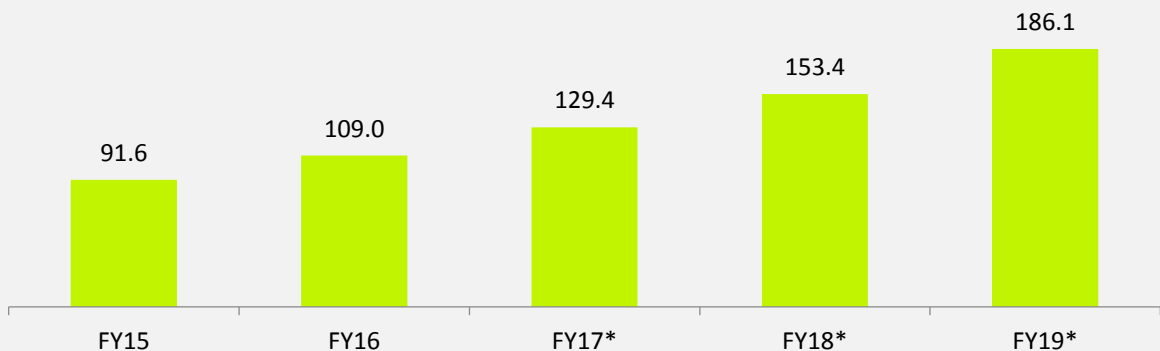
Note: PAT and EPS are after adjusting Minority Interest

\*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.

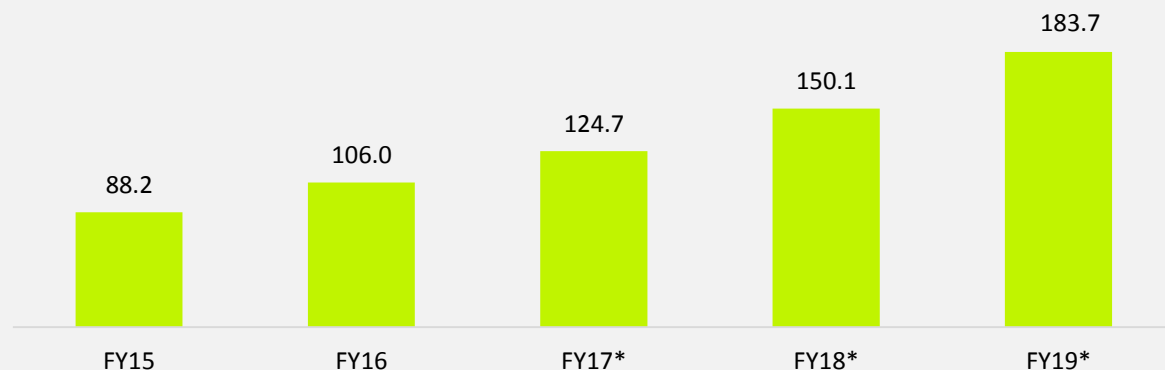
# CONSOLIDATED FINANCIAL OVERVIEW

## Achieving growth by internal cash accruals

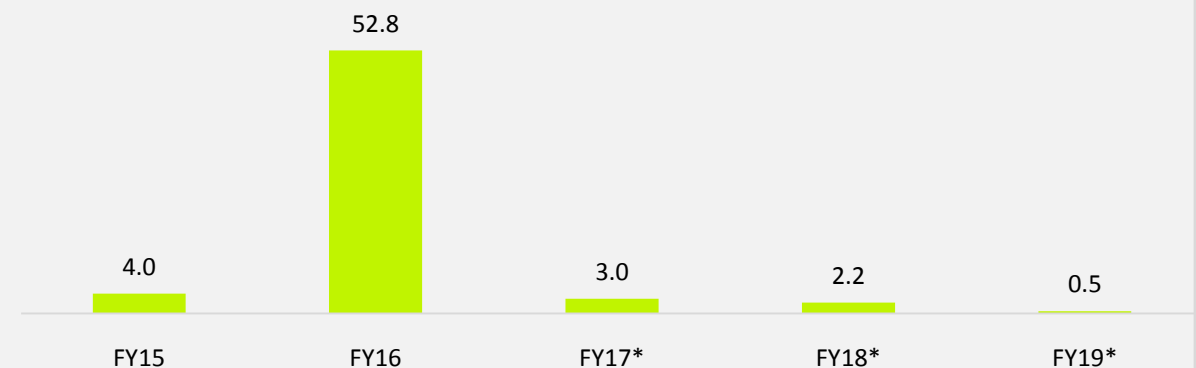
### Capital Employed (Rs Cr)



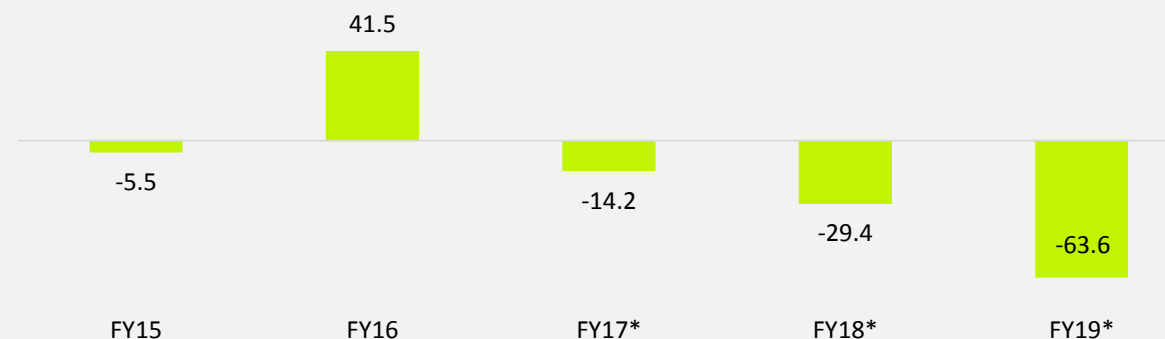
### Networth (Rs Cr)



### 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

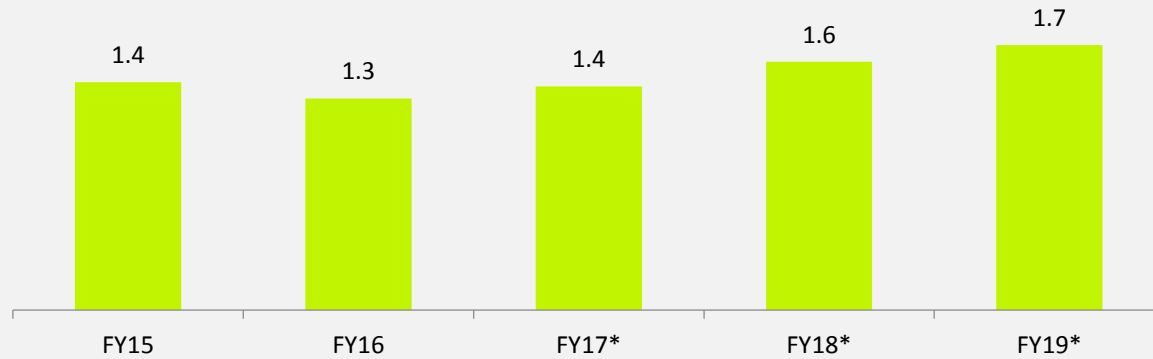
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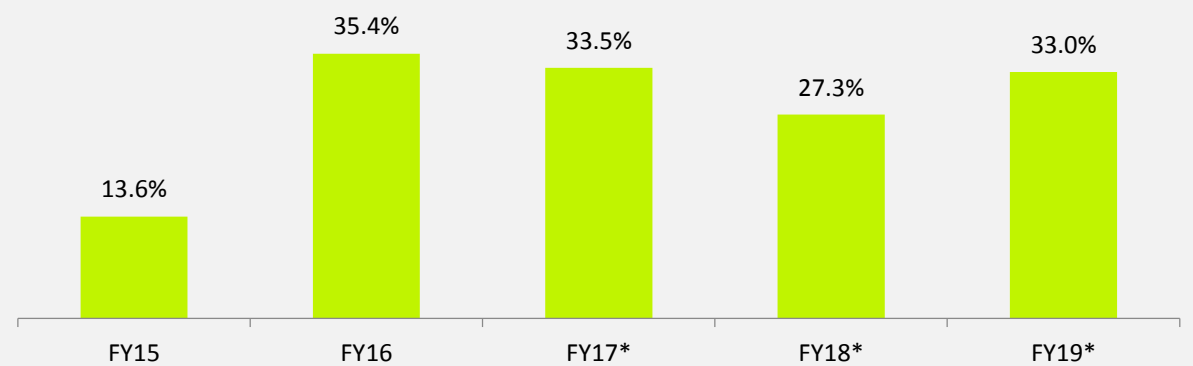
# CONSOLIDATED FINANCIAL OVERVIEW

## Increased returns with minimal leverage

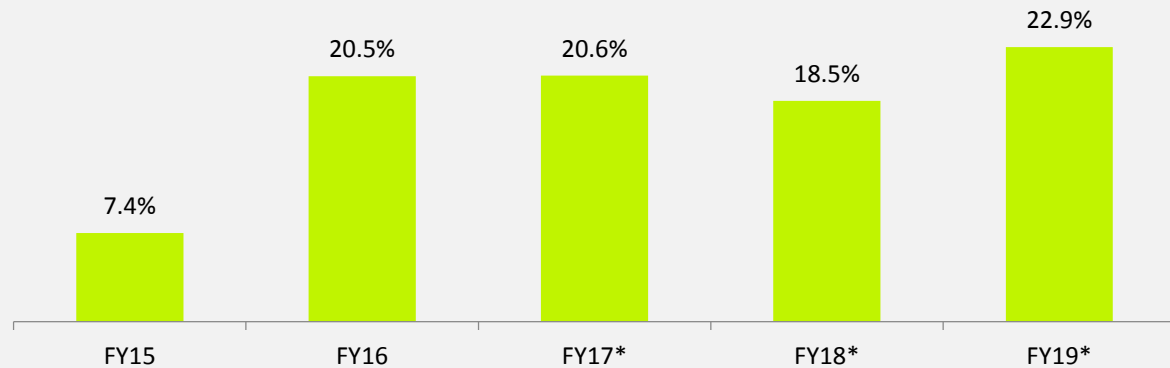
### Current Ratio (x)



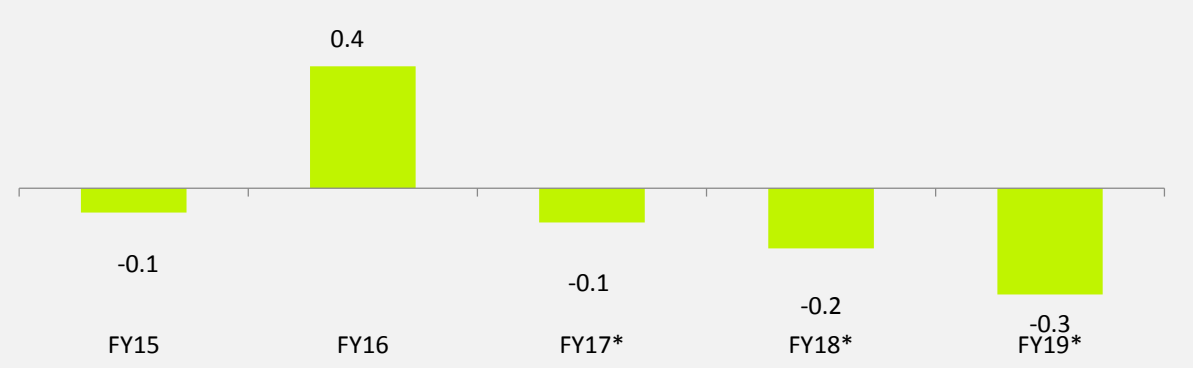
### Return on Capital Employed (%)



### Return on Equity (%)



### Net Debt/Equity (x)

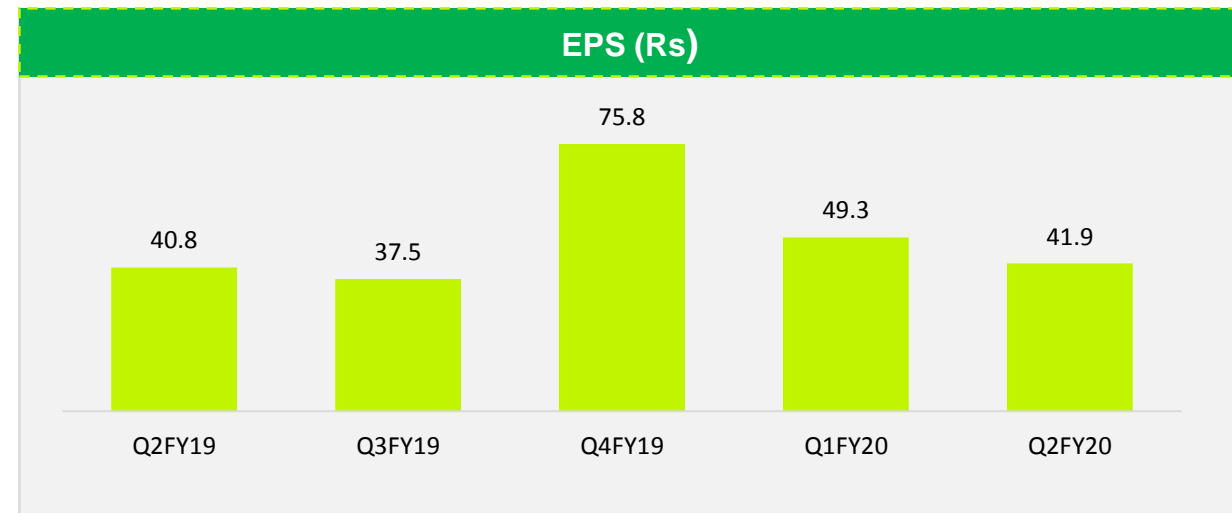
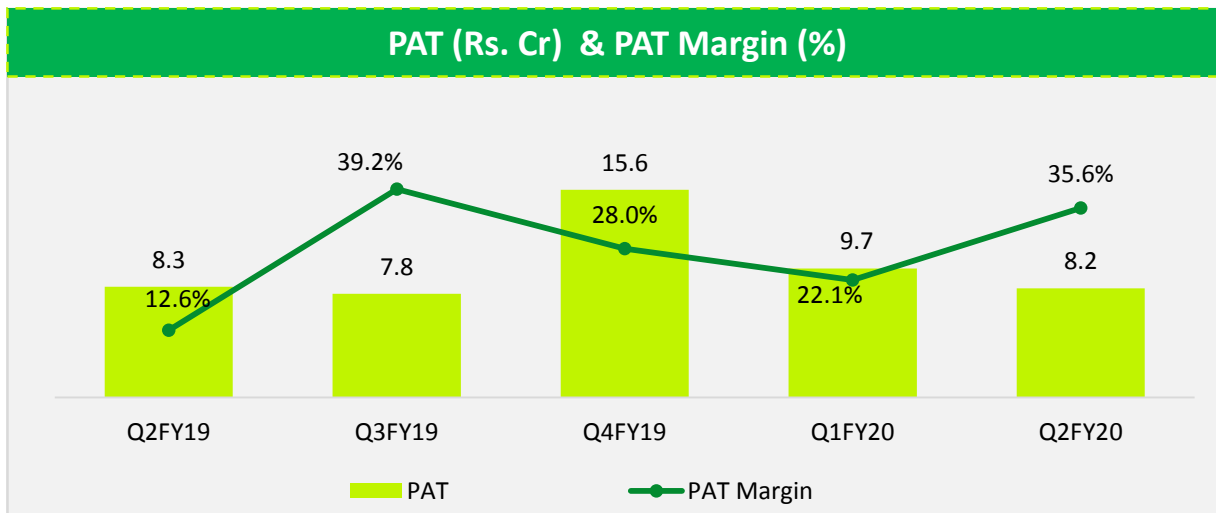
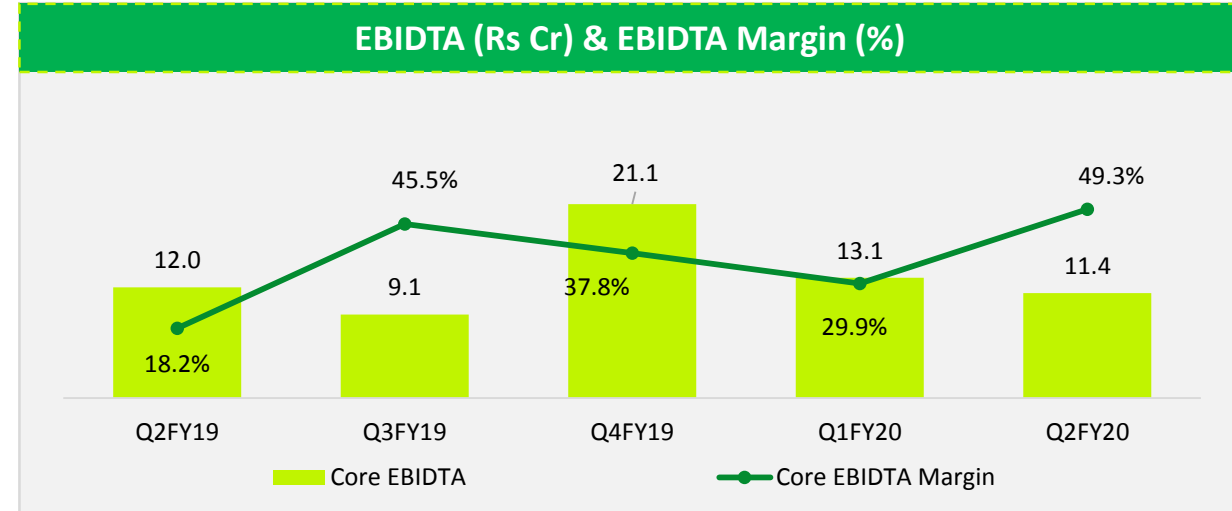
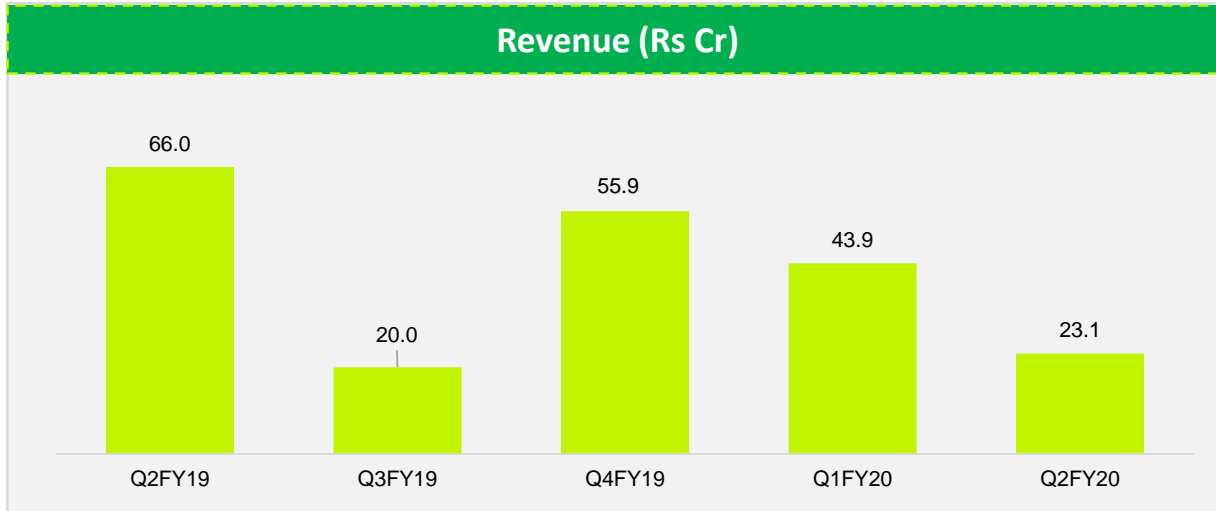


Note: Current Ratio = Current Assets / Current Liabilities; ROCE = EBIT / Average Capital Employed (Total Assets – Current Liabilities); ROE = PAT / Average Shareholders Fund; Net Debt / Equity = (Gross Debt – Cash & Cash Equivalent) / Shareholders Fund

\*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

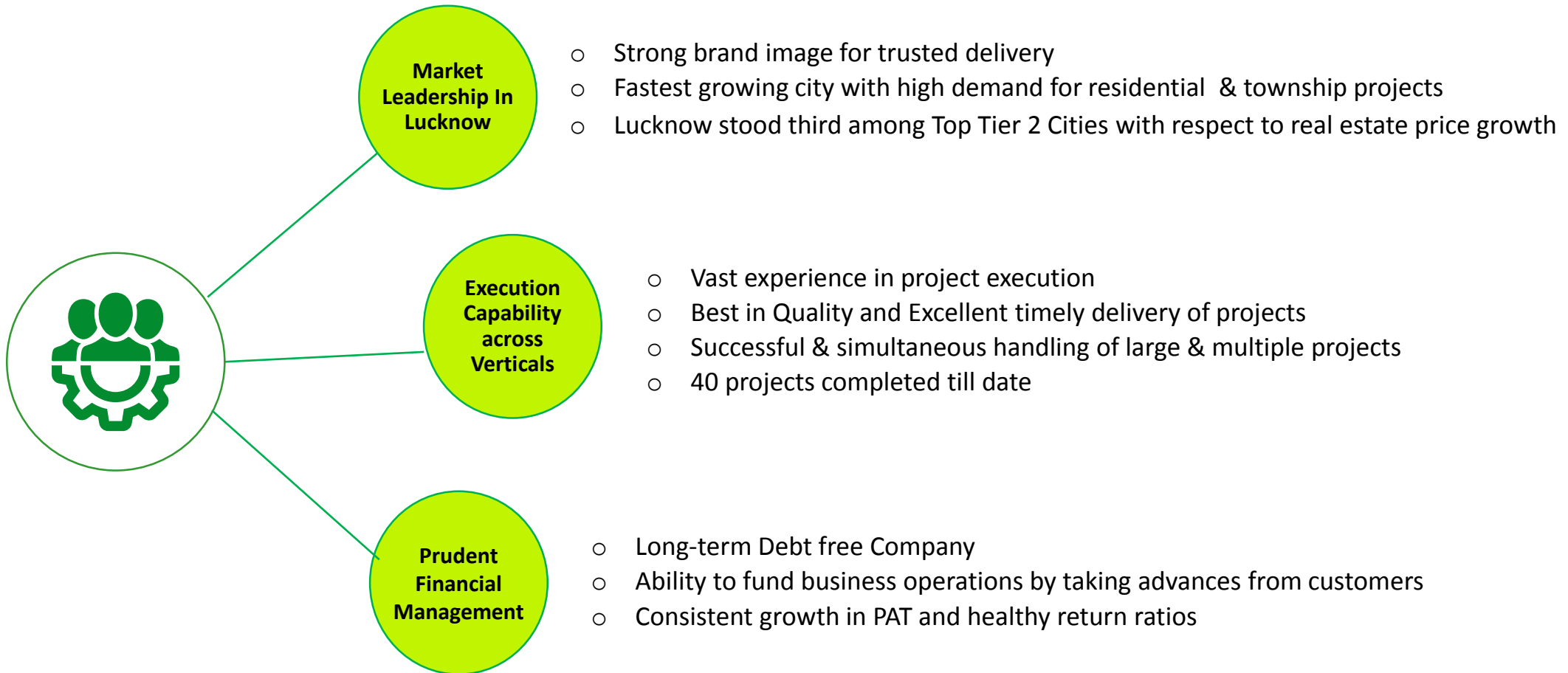
# KEY INVESTMENT THESIS

*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

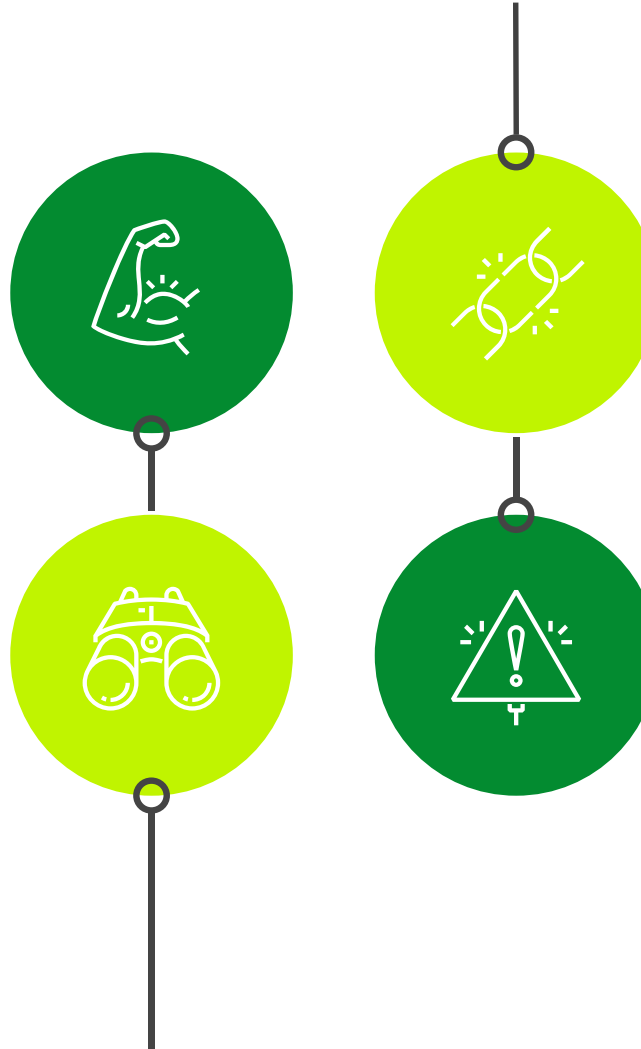
Inherent Strengths and Market Opportunities aids in steering clear of Threats and Weaknesses

## 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



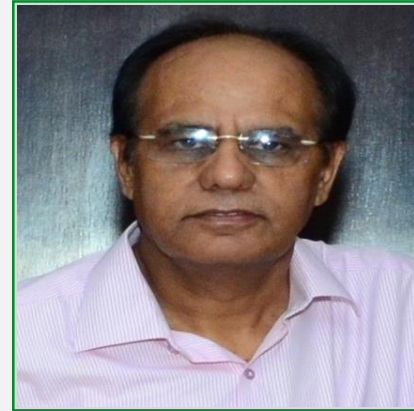
**Mr. Pankaj Bajaj**  
*Chairman cum Managing Director*

- 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.**

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