

November 1, 2022

The Listing Dept.,
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Scrip Code: **543287** Scrip ID:-**LODHA**
Debt Segment – **974163, 974199**

The Listing Dept.
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
Trading Symbol : **LODHA**

Dear Sir/Madam,

Sub: Investor Presentation

We enclose herewith investor's presentation on the Unaudited Financial Results for the quarter and half year ended September 30, 2022.

This is also being uploaded on the Company's website at www.lodhagroup.in

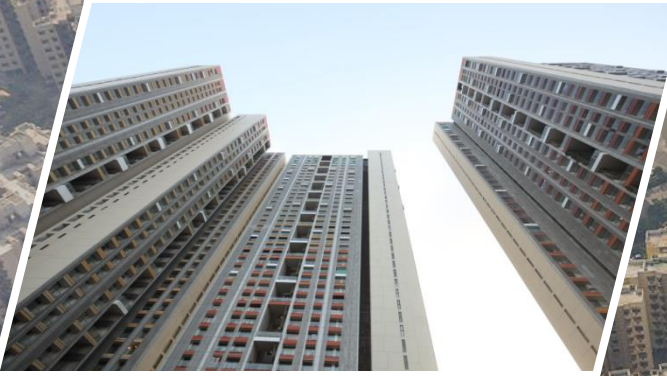
You are requested to inform your members accordingly.

Thanking you,

Yours truly,
For Macrotech Developers Limited

Sanjyot Rangnekar
Company Secretary & Compliance Officer
Membership No. F4154

Encl:- A/a



Investor Presentation

Second Quarter FY2023

01st November 2022

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Lodha – India's leading real estate developer



Leading Residential Platform

India's Largest Real Estate Developer[^]

- **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 2/3rd 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** 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 ~8,795 crores (Q2 FY23)

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



01 Highlights

Our KPIs

Pre-sales*

- ✓ INR 3,148 crores,  57% YoY, best ever 2Q performance
- ✓ 1HFY23 Pre-sales at INR 6,004 crore, ~52% of annual guidance of INR 11,500 crores

Embedded EBITDA Margin[#]

- ✓ ~33% for Q2 and ~34% in 1H
- ✓ One more step towards enhancing disclosure quality, enabling stakeholders to estimate business profitability easily

New Projects Added

- ✓ Added 4 projects – 2.2 msf saleable area with INR ~3,100 crores GDV across MMR & Pune
- ✓ 1HFY23 addition at INR 9,300 crores, ~62% of annual guidance of INR 15,000 crores

ESG Progress

- ✓ Achieved 5 star rating in 2022 GRESB Development Benchmark for Residential with a score of 95/100, amongst Top 3 in Asia
- ✓ Inducted Ms Harita Gupta (ex- Microsoft, NIIT Technologies; currently at Sutherland Technologies) in the Board as an Independent Director

Operating performance at a glance

Pre-sales

INR 3,148 crores

↑ 57% yoy

Collections

INR 2,375 crores[^]

↑ 24% yoy

Sales-mix

62%

Of sales from affordable and mid-income projects

Price Growth

↑ ~2%

*Average YTD price growth across portfolio**

Launches

1.7 msf

Launches across MMR and Pune

Net Debt

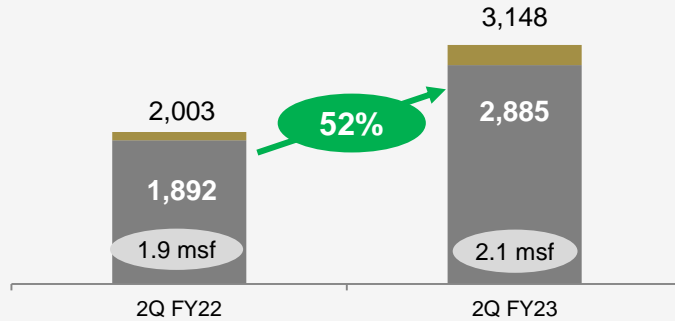
INR 8,795 crores

- *Reduced INR ~61 crores*
- ***A+ Rating assigned by ICRA***
- ***Average borrowing cost reduced to 9.9%***

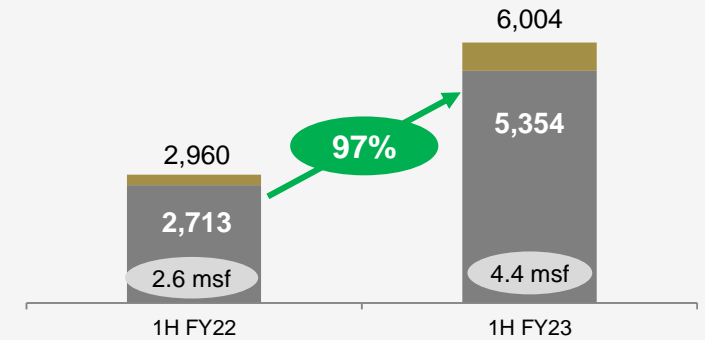
Operational Performance

INR Cr

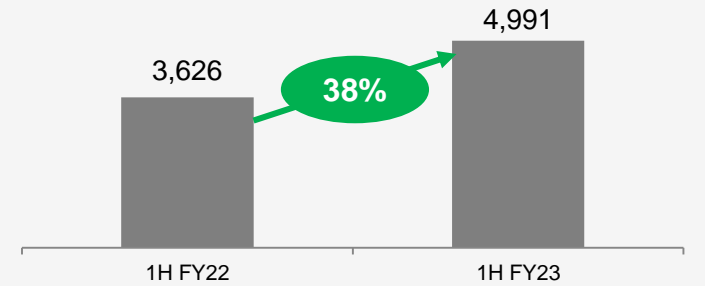
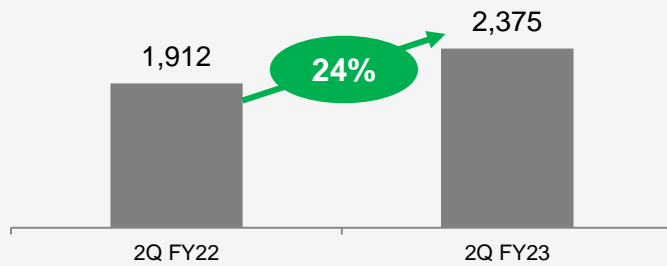
■ For Sale ■ Others*



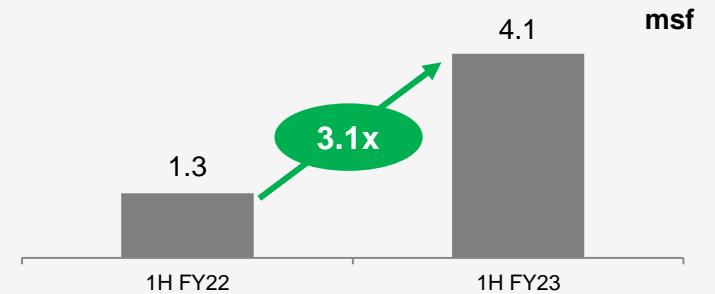
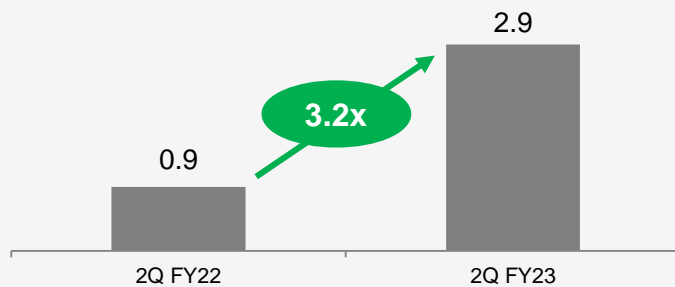
Pre-Sales



Collections

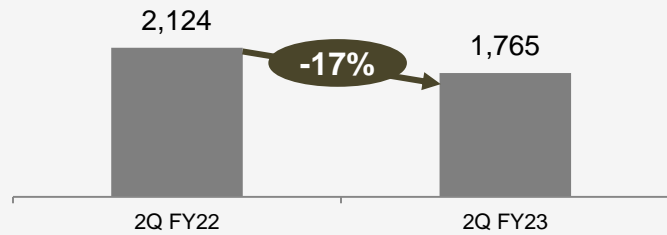


Completions

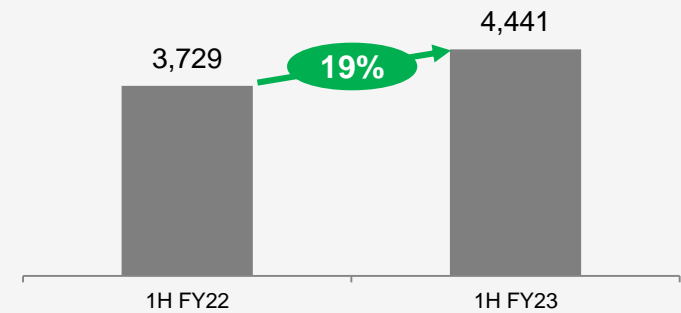


Financial Performance (1/2)

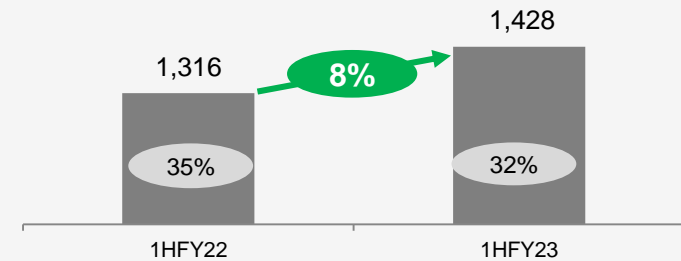
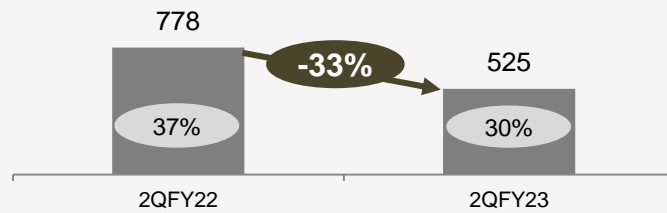
INR Cr



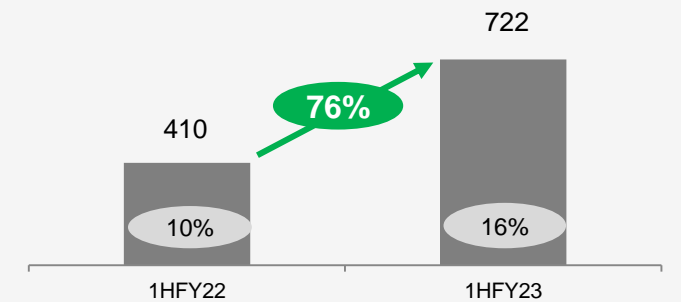
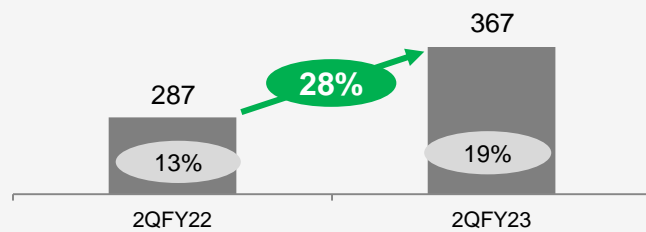
Revenue



Adj. EBITDA



Adj. PAT



Adj. EBITDA = After Grossing up of Finance cost included in cost of project

Adj. PAT = before impact of Forex and Exceptional Items

Exceptional Items: Provision against UK investment INR 1,177 crores, will benefit from tax break on it

Financial Performance (2/2)

- ✓ **Revenue recognition** affected by higher contribution of completion volume from affordable segment; Pre-sales better indicator of current business performance
- ✓ Lower **Adj. EBITDA Margin** on account of period's overhead costs being in-line with strong Pre-sales performance whereas revenue recognition is low due to the reason stated above
- ✓ USD 225mn bond fully repaid; no further obligation on MDL's balance sheet from the UK investments
- ✓ **UK repatriation commenced this quarter;** on track to further repatriate INR ~1,000 crores in CY23.
- ✓ One time provisioning of INR 1,177 crores (non-cash) against UK investments, in-line with expected realization from the UK, resulted in lower reported PAT. Will lead to cash benefit in terms of tax break
- ✓ **Adjusted PAT** grew 28% to INR 367 crores
- ✓ **Adj. PAT Margin** improved on account of lower interest in cost of project due to higher contribution of affordable segment in the revenue mix and deferred tax on exceptional item

Guidance for FY23

INR cr

	FY22	FY23 Guidance	% growth	1H FY23
Pre-Sales	9,024	11,500	27%	6,004
<i>For Sale</i>	8,443	10,500	24%	5,354
<i>Others*</i>	581	1,000	72%	650
Operating Cashflow	3,950	~ 6,000	~ 50%	2,369
New Project Additions	14,600	~ 15,000		9,300
Net Debt	9,309	~ 6,000		8,795

New launches in 1HFY23

Micro-market	Own/ JDA Project	Launch Period	Area (Mn .Sq.ft)	Est. GDV (INR cr)	Est. OC	Remarks
Extended Eastern Suburbs	Own	1QFY23	1.2	770	FY25	Palava / Upper Thane
Thane	Own	1QFY23	0.4	400	FY25	Crown Kolshet
Eastern Suburbs	JDA	1QFY23	0.2	390	FY26	Bellagio – Powai
South Central	Own	1QFY23	0.2	3,000	FY25	Lodha Malabar
South Central	Own	1QFY23	0.5	990	FY26	NCP – Aura
Pune	JDA	1QFY23	0.2	110	FY26	Bella Vita – NIBM Pune
South Central	JDA	2QFY23	0.7	2,000	FY28	Bellevue - Mahalaxmi
Extended Eastern Suburbs	Own	2QFY23	0.7	400	FY26	Palava / Upper Thane
Eastern Suburbs	JDA	2QFY23	0.2	320	FY27	Codename Evergreen – Vikhroli
Pune	Own	2QFY23	0.1	100	FY25	Belmondo - Pune
			4.4	8,480		

Planned launches for the rest of FY23

Micro-market	Own/ JDA Project	Area (Mn .Sq.ft)	Est. GDV (INR cr)	No of Projects
Extended Eastern Suburbs	Own	1.8	1,050	1
Eastern Suburbs	JDA	0.6	1,020	2
Western Suburbs	JDA	0.6	930	2
Pune	JDA	1.2	870	2
Pune	Own	0.3	420	2
South Central	Own	0.3	950	1
South Central	JDA	0.9	3,300	2
Thane	Own	1.1	1,170	3
Thane	JDA	0.5	590	1
		7.3	10,300	16

New Projects: Added four projects in 2QFY23

INR Cr

Micro-market	Saleable Area (msf)	Est. GDV	Lodha's Commercial interest	Launched/ Est. Launch
Signed in FY22	8.8	14,600		
<i>Already Launched</i>	3.2	5,100		
New Additions				
MMR - South Central	0.5	2,400	50% of Revenue	FY23
MMR – Western Suburbs#	0.8	1,250	Attributable PBT at 25% of GDV	Starting FY23
MMR – Thane#	0.7	800	16% PBT Margin	Starting FY23
MMR – Thane#	0.5	650	70% of Revenue	FY23
Pune – South West	3.3	2,600	75% of Revenue	Starting FY23
Pune – Central#	0.2	400	30% PBT Margin	FY23
Bangalore – North	1.3	1,200	70% of Revenue	FY24
1H FY23	7.3	9,300		
Total	16.1	23,900		

Continue to have robust pipeline of business development opportunities to achieve guidance of ~INR 15,000 crores GDV in FY23

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%
Overall			~13.7%		~10.8%

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

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

Digital Infrastructure: potential to generate significant recurring/annuity income

- ✓ **Palava Ecosystem:** Economic activity ramping up, set to create virtuous cycle for resi. and Digital Infra.
 - Concluded transaction with Schlumberger, to set up a facility for its filtration business
 - Skechers: Construction started for 1 msf facility, its second largest fulfillment center in Asia
 - Activity ramping up on already sold land parcels

- ✓ Exited ESR JV: Sold MDL's 49% stake for total value of INR 158 crores to ESR, monetizing our first investment in the Digital Infra

- ✓ 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

Commercial Rental Assets

One Lodha Place



iThink Thane



iThink Palava



Palava Mall



Area in msf

Location	Worli (World Towers)	Thane (Clariant Plot)	Palava (Office)	Xperia Mall*
Leasable Area^	0.75	0.11	0.58	0.42
Ready Area	OC received for the building	0.11: Ready Area	0.15: Ready Area 0.43: Under development (Est. completion in FY23)	0.42: Ready Area
Leased Area	-	-	0.15	0.39
Annualized Rental Income	Leasing commenced; Expect rental inflows to start in 2023 – annualized rental income expected INR 200+ crores p.a.	Expect to be sold in FY23	~ INR 7 crores annual rental income*	Expect to be sold in FY23



02 Performance Update

Micro-market performance for 2QFY23

INR Cr

Micro-markets	Pre-Sales#	Average Sales Price (INR psf)	Collections**	Construction spends	Area delivered (Mn. sq. ft.)
South & Central	1,110	33,923	836	234	0.03
Thane	209	10,969	389	141	-
Extended Eastern Suburbs	449	5,839	442	299	2.5
Western Suburbs	657	14,755	157	62	0.03
Pune	160	7,130	175	50	-
Eastern Suburbs	301	15,833	59	24	-
Extended Western Suburbs	-	-	3	13	-
Offices & Retail (for rent)	20		47	4	0.3
Digital Infrastructure	133		158	-	-
Others*	110		108	-	-
Total	3,148		2,375	827	2.9

Micro-market performance for 1HFY23

INR Cr

Micro-markets	Pre-Sales#	Average Sales Price (INR psf)	Collections**	Construction spends	Area delivered (Mn. sq. ft.)
South & Central	1,965	34,049	1,747	465	0.03
Thane	637	10,504	879	279	-
Extended Eastern Suburbs	1,129	6,069	826	657	2.6
Western Suburbs	812	14,906	342	127	0.2
Pune	307	7,198	306	72	-
Eastern Suburbs	427	16,429	98	38	-
Extended Western Suburbs	77	8,762	60	30	0.5
Offices & Retail (for rent)	62		122	12	0.7
Digital Infrastructure	430		430	3	-
Others*	159		180		-
Total	6,004		4,991	1,683	4.1

Micro-market supply overview

Micro-markets	Residual Collections from Sold units	Ready unsold	Ongoing unsold	Planned Inventory Launches				Land Bank [#]
				In next 12 months [^]		Beyond 12 months		
			Own Land	JDA Projects	Own Land	JDA Projects		
	INR Cr			Mn. Sq. ft.				Acres
South & Central	2,473	3,850	7,840	0.5	0.9	0.9	0.8	-
Thane	1,137	271	2,769	1.1	0.5	3.6	-	-
Extended Eastern Suburbs	2,316	2,022	3,923	3.5	-	42.2	-	~900
Western Suburbs	568	274	610	-	0.8	-	1.0	-
Pune	454	172	614	0.3	1.4	-	2.5	-
Eastern Suburbs	460	-	1,012	-	2.0	-	0.9	-
Extended Western Suburbs	209	-	73	-	-	-	-	-
Bangalore	-	-	-	-	0.7	-	0.6	-
Offices & Retail (for rent)	30	3,209	250	-	-	7.4	-	-
Digital Infrastructure	-	-	300 acres**	-	-	500 acres	-	~2,600
Others*	27	-	-	-	-	-	-	-
Total	7,674	9,799	17,091 + 300 acres	5.4	6.3	54.1 + 500 acres	5.9	3,500



03 Financials

Financial highlights for 2Q FY23

INR Cr

INR Cr	2QFY23	2QFY22	Growth %	1HFY23	1HFY22	Growth (%)
Revenue	1,765	2,124	-16.9%	4,441	3,729	19.1%
Adj. EBITDA [^]	525	778	-32.5%	1,428	1,316	8.5%
Adj. EBITDA (%)	29.7%	36.6%	-690bps	32.1%	35.3%	-320bps
Adj. PAT [*]	367	287	28.0%	722	410	76.0%
Adj. PAT (%)	19.5%	13.0%	650bps	15.5%	10.5%	500bps
Networth	11,526					
Net D/E (x)	0.76					

Consolidated Summary Balance Sheet

INR Cr

ASSETS	As at 30-Sep-22	As at 31-Mar-22
Tangible Assets	1,289	1,384
Intangible Assets	535	539
Investments	314	574
Loans	1,623	3,174
Inventories	28,017	27,358
Trade Rec. (Incl. accrued rev.)	1,331	1,702
Cash and Bank Balances	1,500	1,432
Other Financial Assets	920	673
Non-Current Tax Assets	332	326
Deferred Tax Assets	50	74
Other Assets	1,413	1,243
Total Asses	37,323	38,478

EQUITY AND LIABILITIES	As at 30-Sep-22	As at 31-Mar-22
Equity Share Capital	482	482
Other Equity	10,987	11,624
Non-Controlling Interests	57	57
Total Equity	11,526	12,162
Borrowings	10,448	11,537
Trade Payables	1,631	1,509
Other Financial Liabilities	3,280	2,379
Provisions	27	22
Current Tax Liabilities (Net)	2	2
Deferred Tax Liabilities (Net)	165	191
Other Liabilities	10,245	10,676
Total Liabilities	25,797	26,317
Total Equity and Liabilities	37,323	38,478

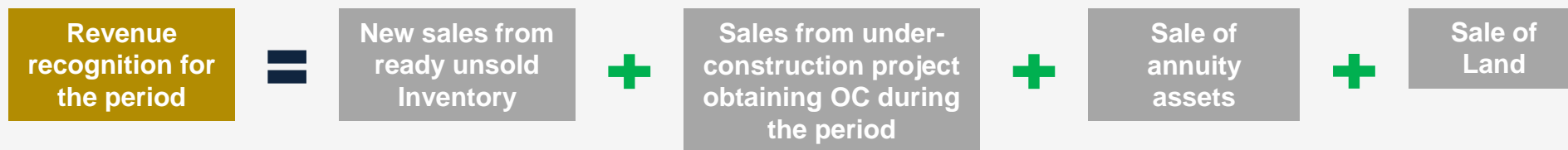
Cash Flow – 2Q FY23

INR Cr

	Residential	Office & Retail (for rent)	Industrial	Other Land	Total
Pre-Sales	2,885	20	133	110	3,148
Collections	2,062	47	158	108	2,375
Net* Collections	1,848	47	158	108	2,161
Op. Expenses	1,139	4	-	-	1,143
-Const. Exp	823	4	-	-	827
-SG&A	272	-	-	-	272
-Taxes					45
Cash flow from Operational activities	709	43	158	108	1,018
Land & Approvals					701
Interest Payment					256
Net surplus from operations for debt reduction					61

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	-	0.32	-	-	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)^



THE PARK
TOTAL 230
VICINATA 5
OFFICE 20
TARGET 230

The Park

04 Company Overview

Investing for the next phase of growth

Three focus areas- Technology, People and ESG

Technology



- Undergoing a Tech. Transformation to achieve operational improvement, revenue growth, superior customer & employee experience
- Roadmap to ensure high value solutions be implemented at the earliest; Initiatives identified - Data Lake, Virtual Home Viewings, Integrated HR Solution, Robotic process automation etc.
- Timely adoption of futuristic solutions which can disrupt the real estate market

People



- Enhancing General Management capabilities to grow into more micro-markets
- Strengthening sales capabilities and improve distribution reach
- Capability development modules including on-job training, MDP, mentoring and learning sessions (internal/external)
- ESOPs issued to top talent to improve alignment and provide wealth creation opportunities

ESG



- Adopting ESG framework to identify risks & deriving value e.g. resolving process & efficiency flaws
- Committed to a net zero carbon target by 2035 - gain global sustainability leadership
- Comparing with Global ESG benchmarks (S&P, DJSI, GRESB) & through a gap analysis identifying areas to improve
- Complete renewable transition in our Project Development activities

Eminent 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


Strong management team

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

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


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


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

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

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

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


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

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


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

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

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

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

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

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

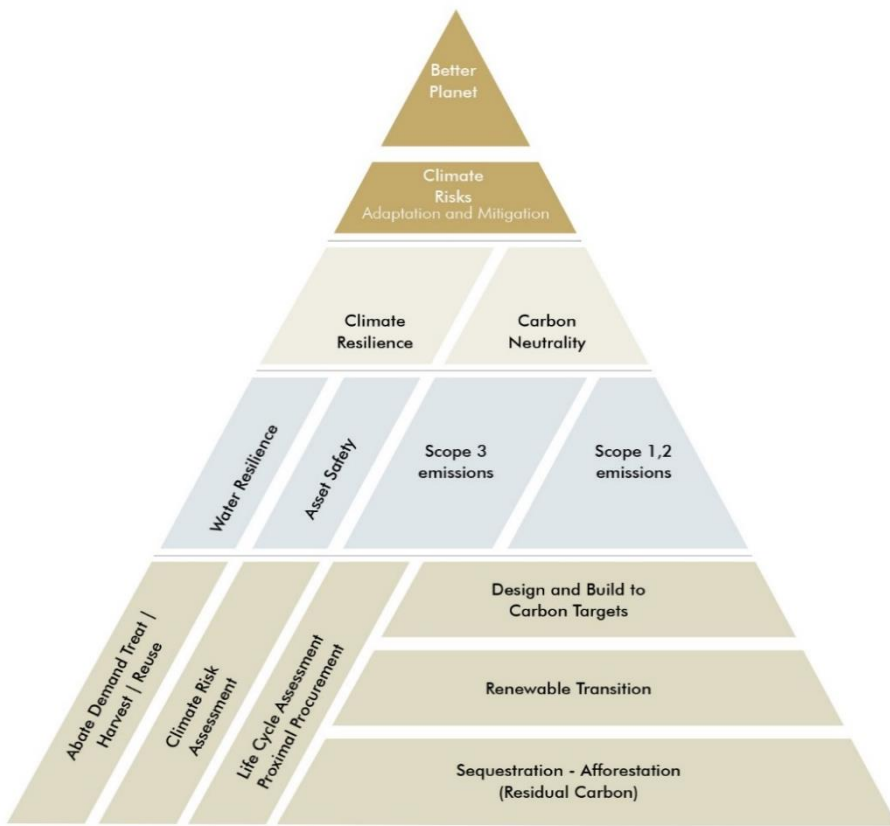
Significant experience across industries & functions

Depth of Experience in Key Competencies

Excellent Domain Knowledge

Strategy to achieve the overarching ESG Goals

Overarching Goals	Environmental Strategy
	Be resilient to climate change while not contributing to global warming
	Achieve Carbon Neutrality in operations (Scope 1, 2) by 2035 or before; Align Scope 3 emissions reduction roadmap with 1.5 °C ambition



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; **Joined 'Build Ahead' coalition launched by Xynteo** to accelerate use of low-carbon building materials



Renewable Energy: Transitioning 100% of energy used on our construction sites from renewable sources (**80% as of Sep-22**) through on-site generation and off-site energy purchase



Water & Waste Management: **100% waste water** at all our projects is getting treated through STPs; **100% wet garbage** at all our projects is getting composted through organic waste composters or biomethanation plants



Certified Green Buildings: Founding member of **IGBC** and member of **USGBC**; Our certifications include – **IGBC [Green Homes, Green Affordable Housing, Green Residential Societies, Green Logistics Park & Warehouses, Net Zero Energy (design)], LEED BD+C:Core & Shell**



Green Mobility: Partnered with **TATA Power** to provide EV charging infrastructure and with **TILT** to promote use of shared bicycles

Achieved 5 star rating in 2022 GRESB Development Benchmark for Residential with a score of 95/100, amongst Top 3 in Asia
Ranked amongst the top 13% global real estate companies participating in S&P Global Corporate Sustainability Assessment (CSA) 2021

Strategy to achieve the overarching ESG Goals

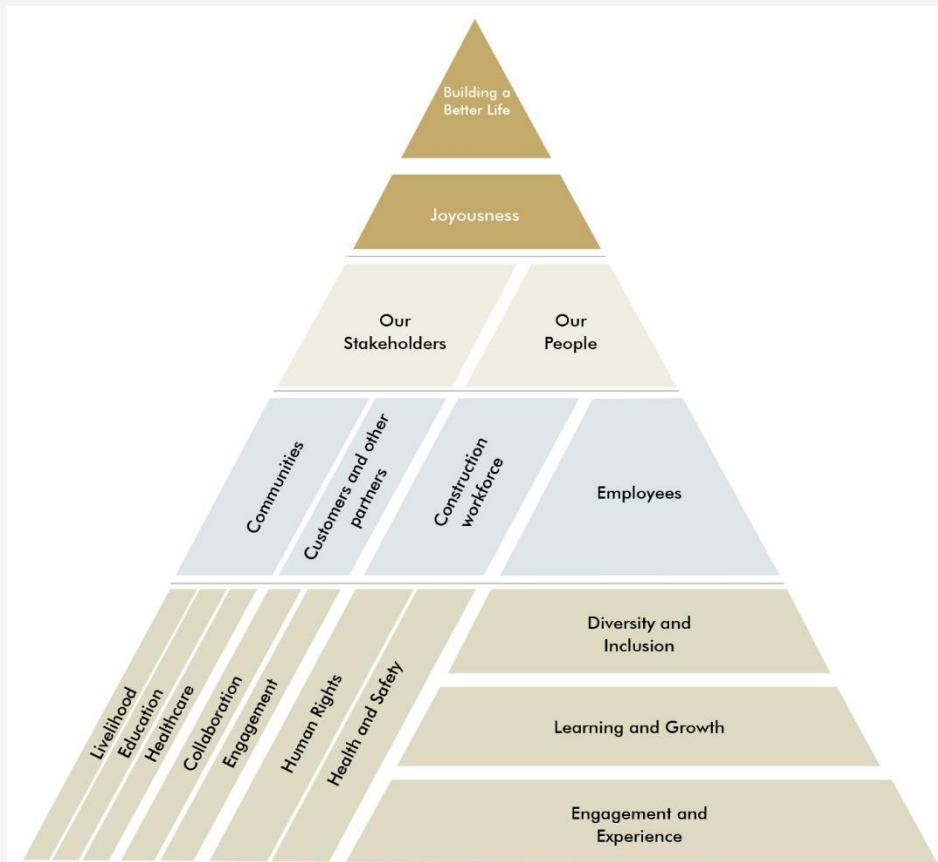
Social Strategy

Overarching Goals

Create a more diverse & inclusive workforce, with a workplace gender diversity ratio of 44% by 2027[^]

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

Support bright and deserving minds in the country to get access to quality education to achieve their full potential



Lodha Brain Gain Scholars Program – a country-wide initiative to support the best and brightest minds through **scholarships, mentoring & development** programs; providing **Quality Education** to students at 7 Lodha schools



Enabling Livelihood: Computer & vocational courses conducted for women and young adults; conducted **skilling courses** like jewelry making, beautician, cooking to empower women



Empowering our Talent: Instituted various rewards under our flagship initiative '**Lodha Associates Celebrate Excellence**' (LACE); programs like **Lodha KAG** and **EXCEL at Lodha** to nurture future leaders



Quality Healthcare: Deployed mobile medical clinics that deliver quality **medical services to community members** at their doorstep, set up **COVID care centres**, organised **awareness campaigns** to promote sanitation & hygiene

Strategy to achieve the overarching ESG Goals

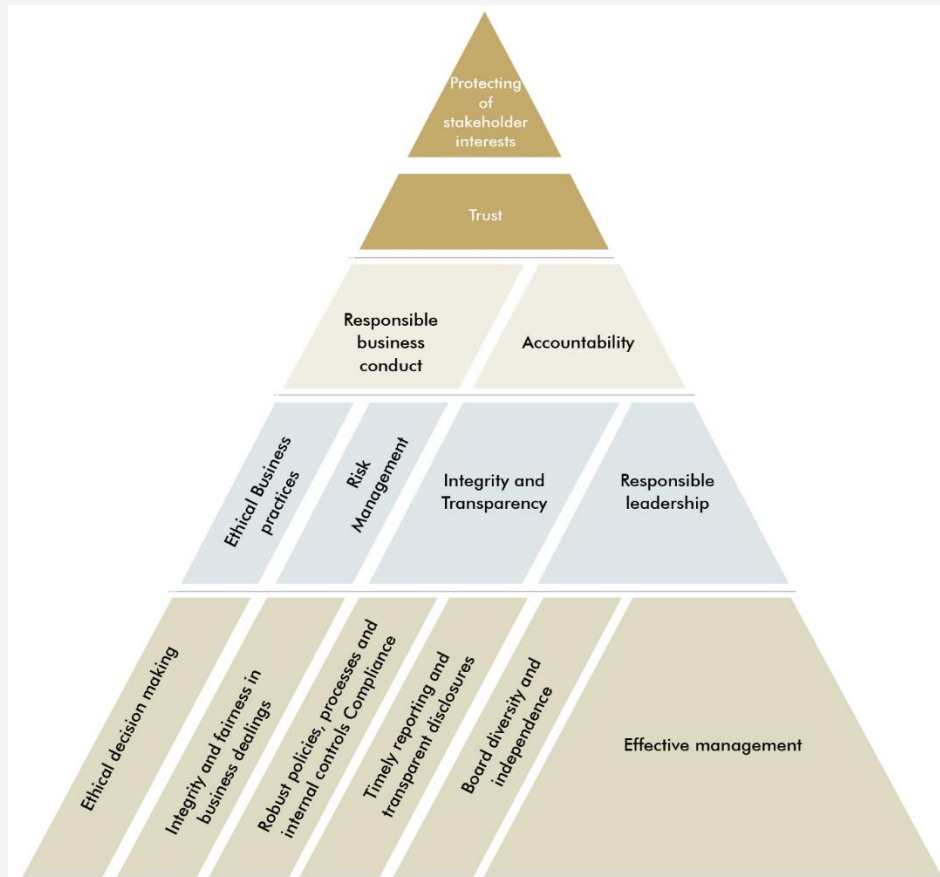
Governance Strategy

Overarching Goals

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



Strong Board with diverse experience: Expanded Board and inducted Ms Harita Gupta as an Independent Director; **Constituted ESG Committee** at the board headed by an Independent Director



Reporting & Disclosures: Published our first **Annual Integrated Report for FY22**; Created best in class disclosure standards in Real Estate Industry – appreciated by stakeholders; Committing to provide expected EBITDA margin for the pre-sales achieved. One more step taken towards enhancing disclosure quality



Risk Management Framework: Strong risk management framework, based on three pillars – **business risk assessment, operational control assessment and policy compliance**

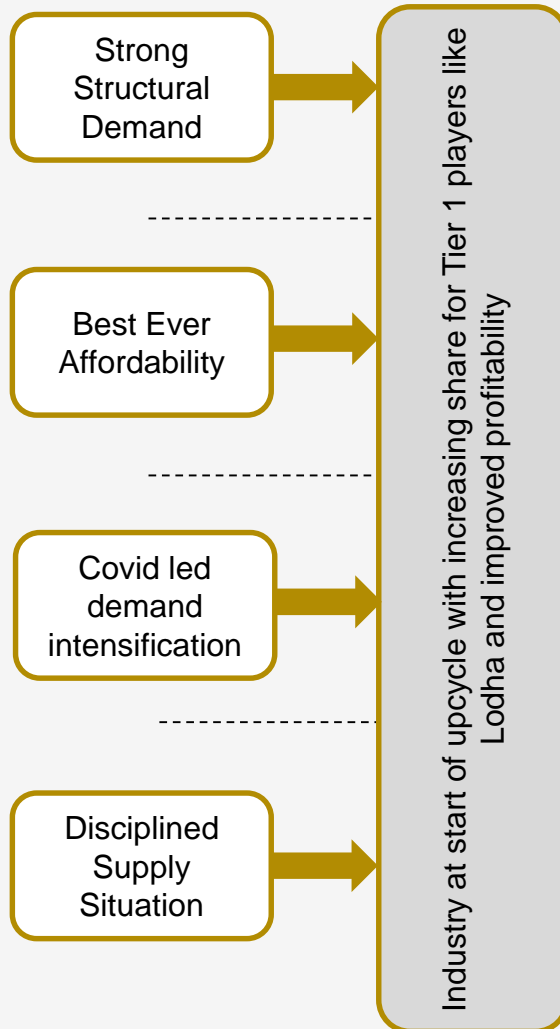


Robust Policies, processes and internal controls: We seek to promote and follow the highest level of ethical standards in our business transactions. The policies are reviewed and updated from time to time to incorporate changes in law and to keep abreast of the best global governance practices



05 Annexure

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)
- **Low gap** between rental yields & mortgage rates

Need for quality home felt the most during Covid related lockdown

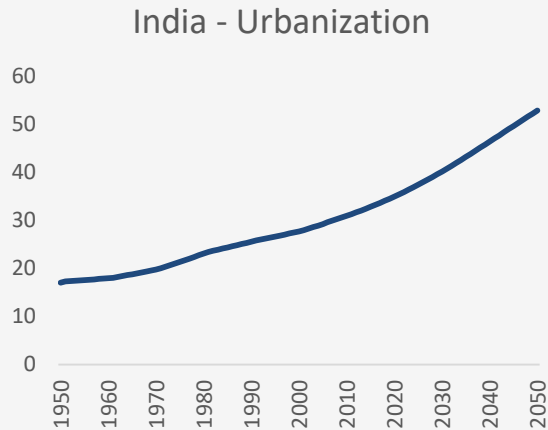
- **Work from home, Study from home** made consumers realize importance of home
- **Need for extra space & need to bring change in homes** enhanced desire to own
- **Need for open spaces & quality amenities** tilted demand towards high quality developments

Consolidating supply

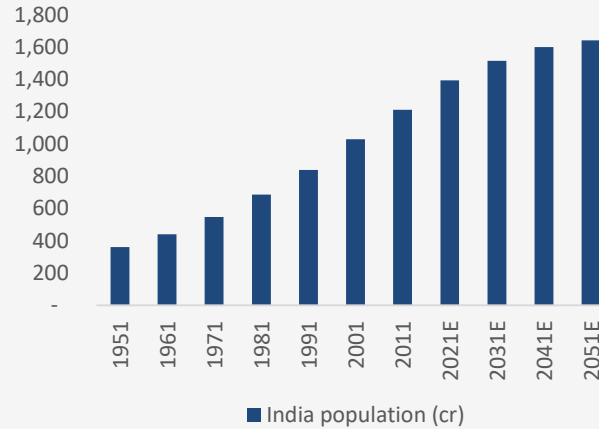
- **Tier II developers unable to sell** during construction
 - Loss of consumer confidence
 - Lack of wholesale credit from lenders
- **Market consolidating** towards 4-5 major players in a market
- Demand shifting to established players as stalled projects with ~175,000 housing units across top seven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

Structural strength, affordability to sustain up-cycle

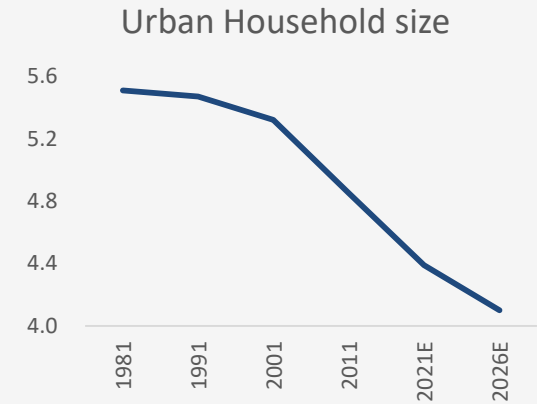
Rapid urbanization to create need for quality urban housing



India's population will continue to grow till 2050

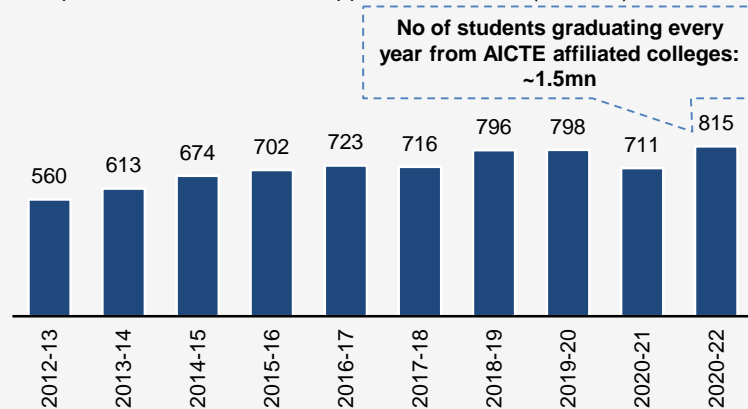


Family size getting smaller

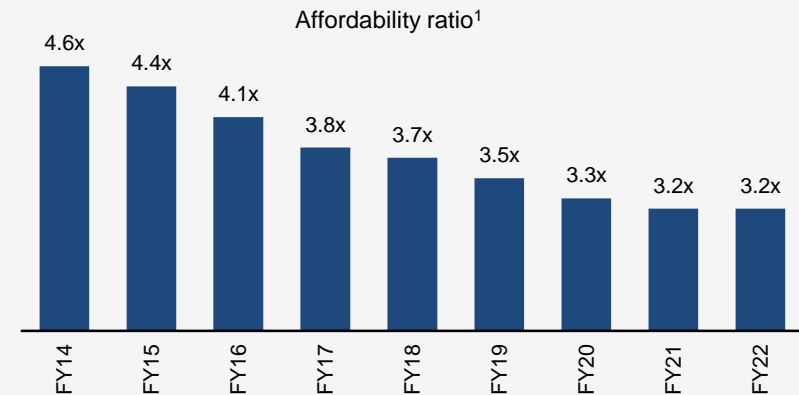


Large no of educated workforce added every year

Total placements from AICTE approved institutes (in '000s)

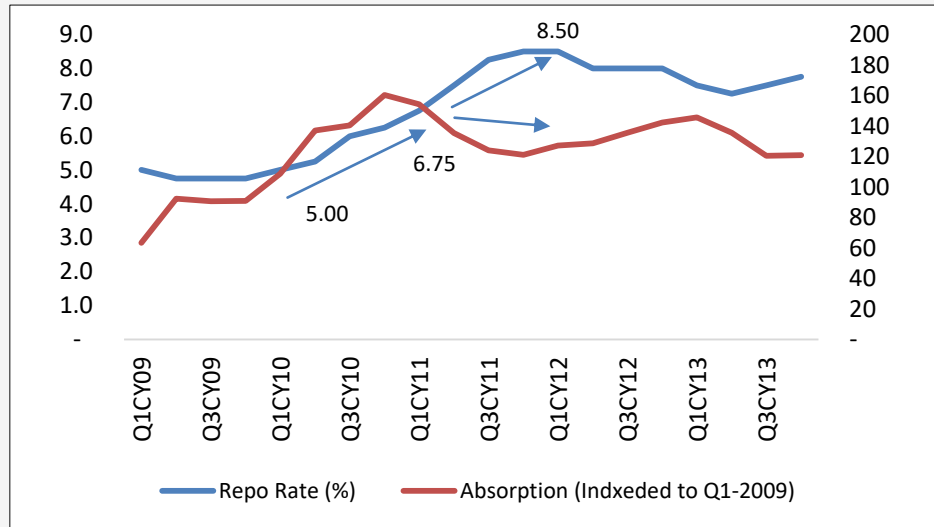


Improved affordability to support demand



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

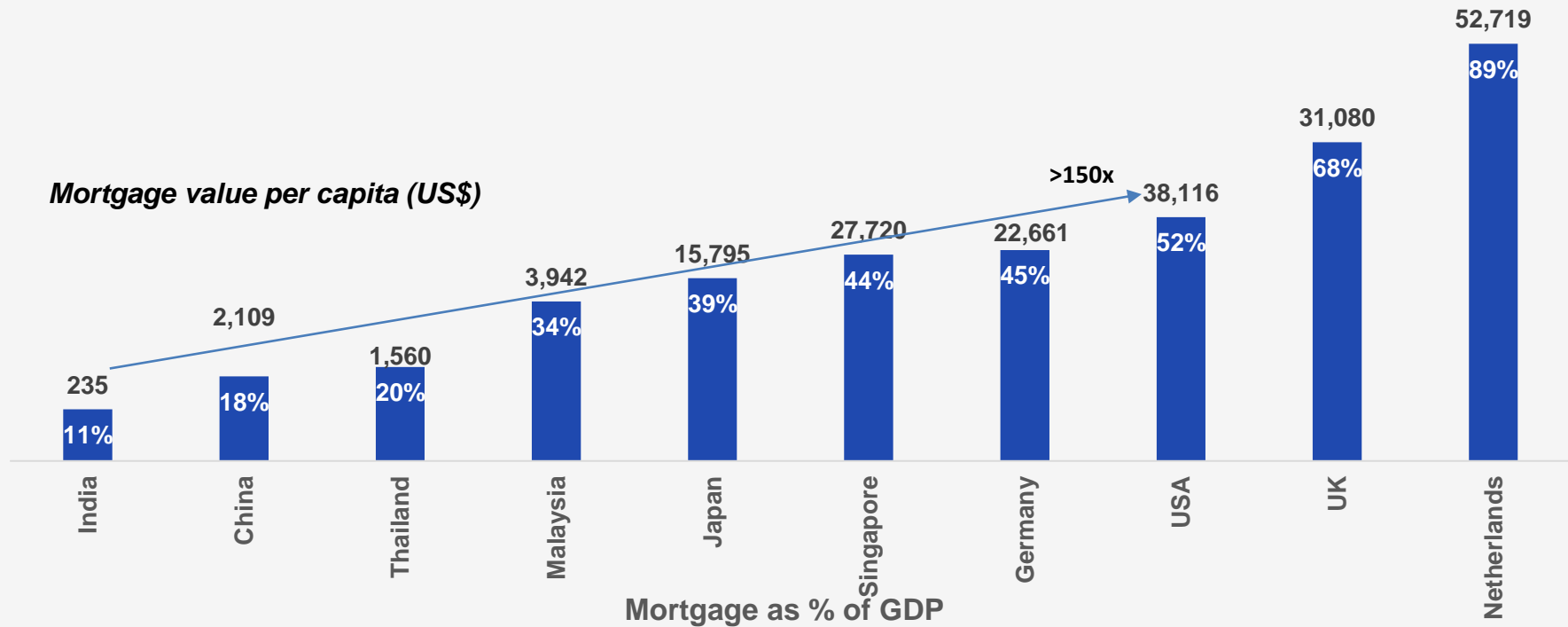
Capital value impact of absorbing increase in EMI for average 20 months

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%

Multiple benefits of consistent housing price increase below wage growth

- ✓ Improves affordability leading to increased volumes
- ✓ Leads to significant wealth creation for home owning middle class (*'Wealth Effect'*)
 - Boosts consumption as consumer confidence increases
 - Housing is a vehicle for generating *retirement surplus*; rising home prices enable older population to maintain spending power
 - Creates an *inflation hedge* especially for young home owners
- ✓ Rising home prices have a positive impact on the housing and allied industries which in turn has a big multiplier effect on the economy
 - Has the highest labor to output ratio
 - Housing is among the largest employment generators
 - Has among the biggest multiplier effects on SME segment through supply chain
 - Highest ability to pull the unskilled masses from the farm & convert them into skilled workforce over time

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.

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

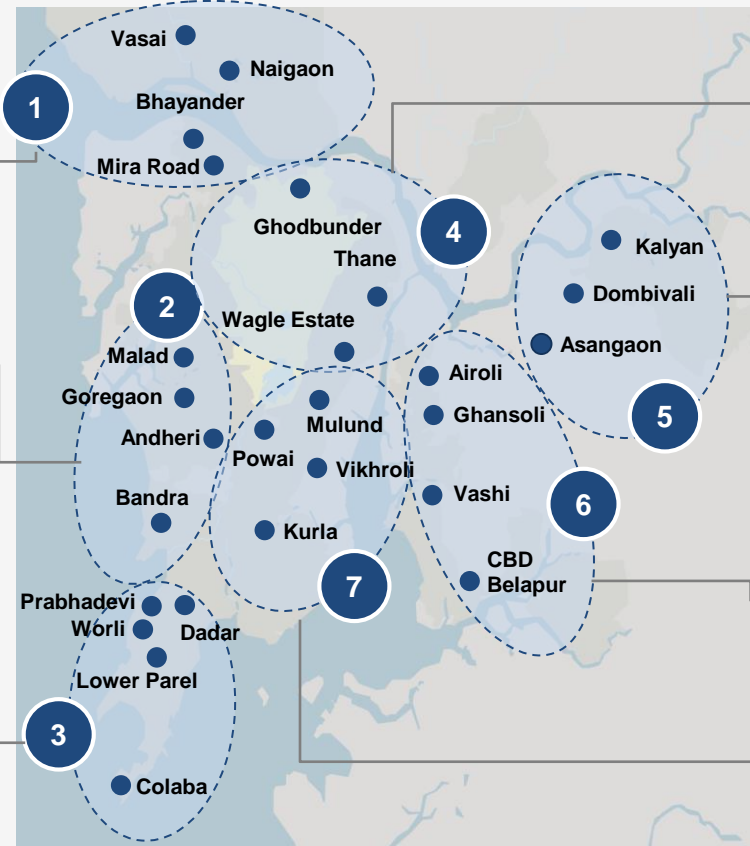
Market leading position in most micro-markets, with potential for growth in other regions

Market share by absorption in INR bn

1. Extended Western Suburbs	
Developer	Market share (%)
First	12.3%
LODHA	5.4%
Third	4.8%
Absorption: INR 24bn	

2. Western Suburbs	
<ul style="list-style-type: none"> • Pre-IPO, had limited presence • Added 3 projects with GDV of INR ~ 33bn 	
Absorption: INR 170bn	

3. South Central Mumbai	
Developer	Market share (%)
LODHA	33.9%
Second	13.4%
Third	9.9%
<ul style="list-style-type: none"> • Added 4 projects with GDV of INR 75bn 	
Absorption: INR 126bn	



4. Thane	
Developer	Market share (%)
LODHA	19.6%
Second	11.9%
Third	7.7%
Absorption: INR 101bn	

5. Extended Eastern Suburbs	
Developer	Market share (%)
LODHA	20.2%
Second	4.8%
Third	3.4%
<ul style="list-style-type: none"> • Added 2 projects with GDV of INR 15bn 	
Absorption: INR 126bn	

6. Navi Mumbai	
Potential growth micro-market for Lodha	
Absorption: INR 111bn	

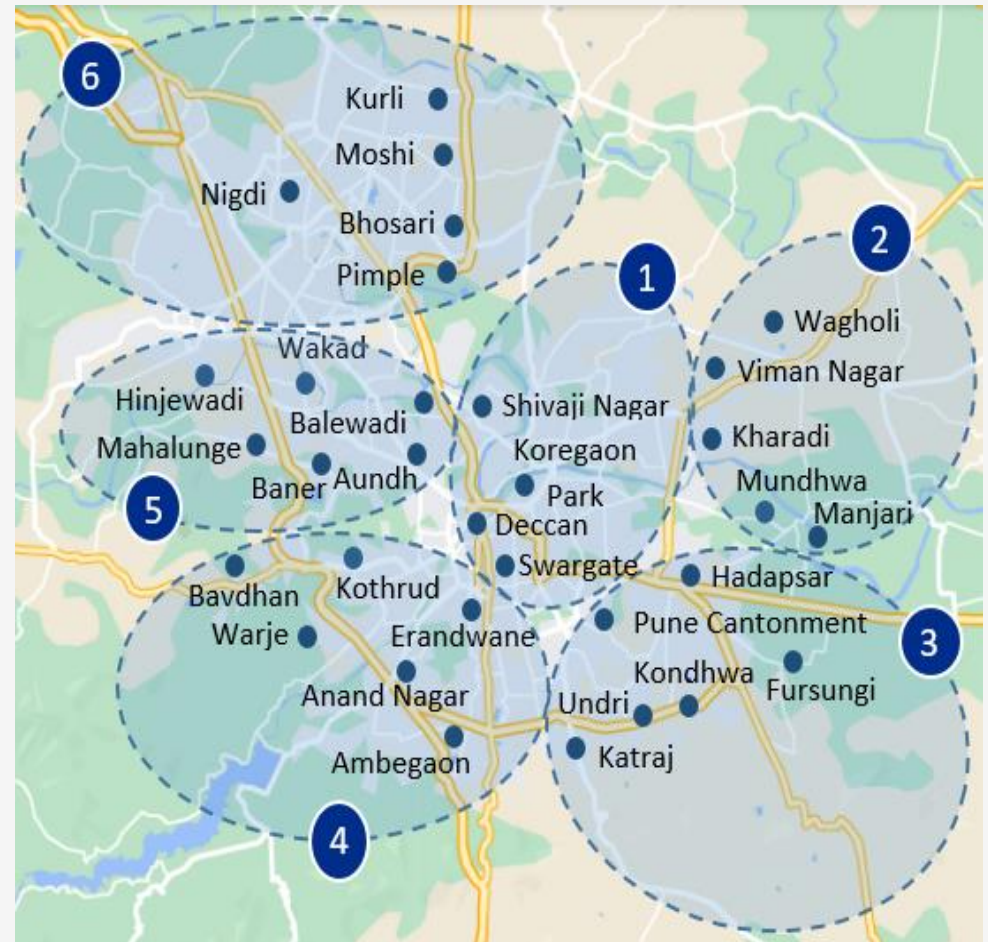
7. Eastern Suburbs	
<ul style="list-style-type: none"> • Pre-IPO, had no presence • Added 5 projects with GDV of INR ~65bn 	
Absorption: INR 173bn	

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

Pune - fourth largest housing market of India

Market size: INR ~36,500cr

	Micro-market	Market Size (INR cr)
1	Central	1,000
2	North-East	7,500
3	South-East	4,000
4	South-West	5,500
5	North-West	10,000
6	Pimpri-Chinchwad	8,500
	Total	36,500



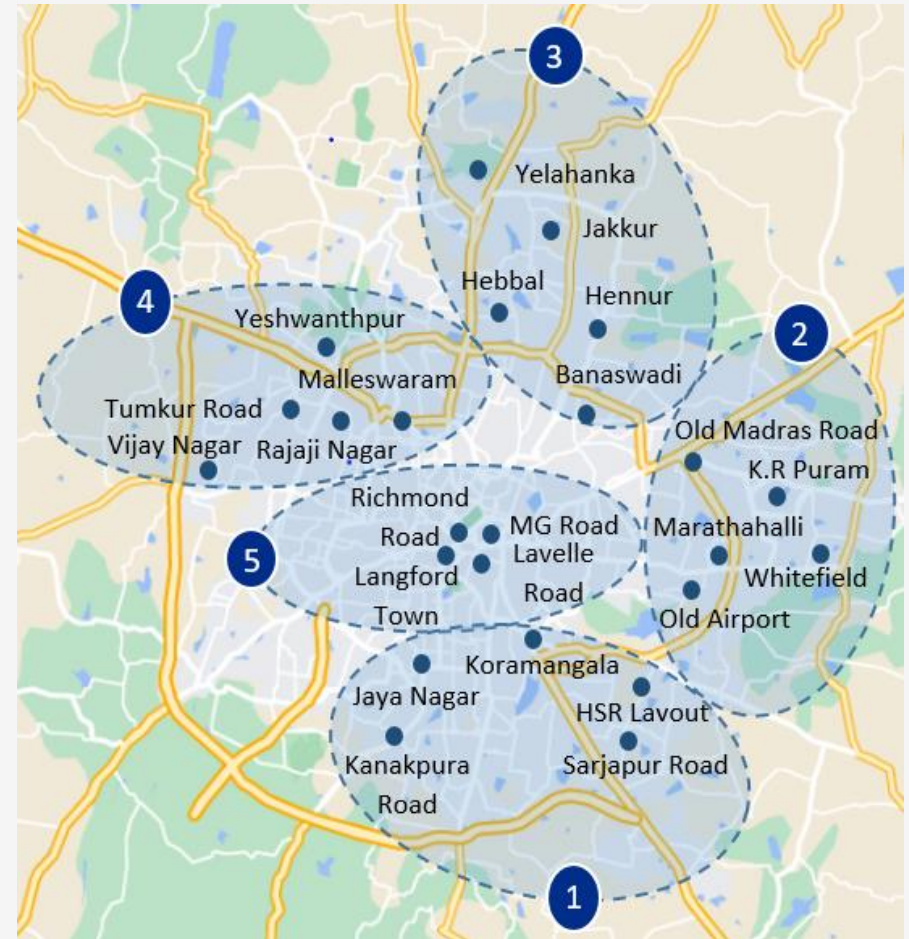
...will contribute to growth in a sustainable manner

- ✓ Large & resilient market with a play on IT and manufacturing sector upswing
- ✓ Historically, we have only present through Lodha Belmondo in Pune (Pimpri-Chinchwad)
- ✓ Launched first project within the city, off NIBM Road (South-East) in Aug'21, sold INR ~520 crores in ~13 months (~71% of launched inventory)
- ✓ Signed two more projects in Hinjewadi & Bund Garden; advanced stage of signing definitive documents for multiple projects
- ✓ Targeting multiple new launches in FY23
- ✓ Team in place with a CEO for Pune with its own regional office
- ✓ Medium term aim to capture ~15% market share

Entered Bangalore housing market...

Market size: INR ~40,000 crores

	Micro-market	Market Size (INR cr)
1	South	18,500
2	East	8,000
3	North	11,200
4	West	2,000
5	Central	300
	Total	40,000



...strategic choice to ensure brand presence in market with good long-term prospects

- ✓ Key reasons for entering the market
 - Fragmented market with Top 5 players accounting for ~30% market share
 - Market with steady sales
 - Core hub for Technology in India
- ✓ Signed first project through JDA with development potential of ~1.3 msf and GDV of INR 1,200 crores, targeting launch in next 2-3 quarters
- ✓ Creating dedicated team with local capability based in Bengaluru
 - Appointed Mr. Rajendra Joshi as CEO (ex-Brigade, Residential Head) for the market
- ✓ Focus on gradual growth focused on capital light JDA model

Key affordable & mid-income projects delivered

Unique ability to create destinations



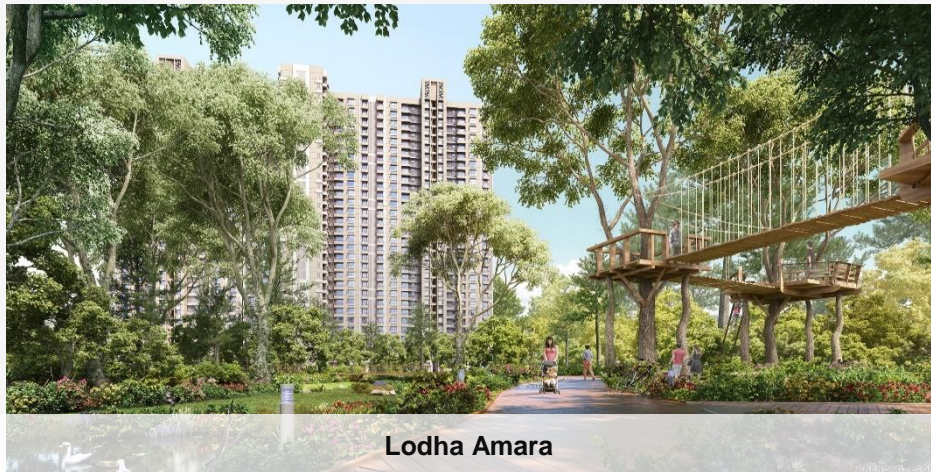
Lodha Upper Thane



Lodha Belmondo



Lodha Splendor



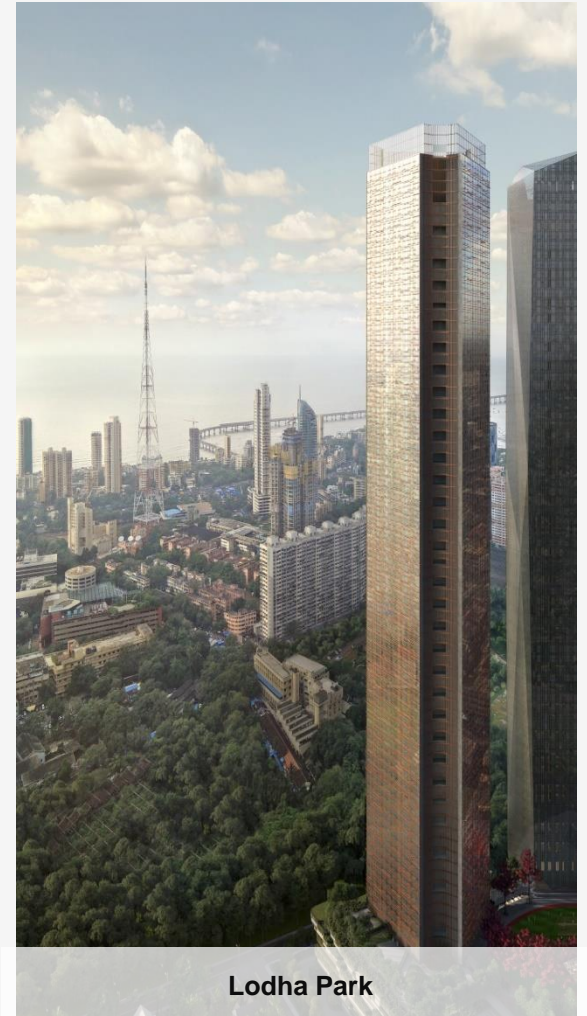
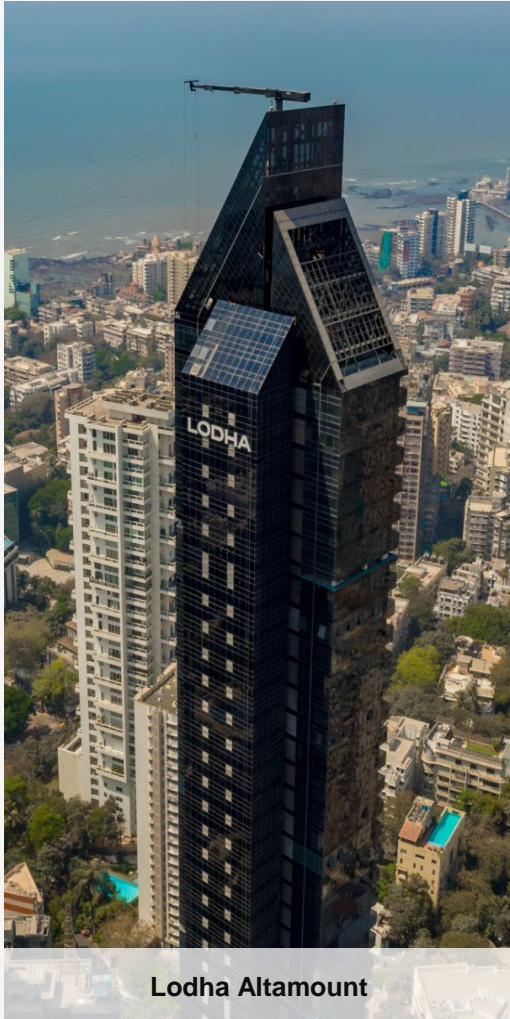
Lodha Amara



Lodha Palava

Key premium & luxury projects delivered

Unique ability to create destinations





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.



Thank You!

For any further information, please write to investor.relations@lodhagroup.com