

# PROZONE INTU PROPERTIES LIMITED

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Website : www.prozoneintu.com | CIN: L45200MH2007PLC174147

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**Dated: 09<sup>th</sup> July 2020**

To,

**National Stock Exchange of India Limited**

Exchange Plaza,

Bandra Kurla Complex, Bandra (E),

Mumbai 400 051

**Scrip: PROZONINTU**

**BSE Limited**

Listing Department,

P.J. Towers, Dalal Street, Fort,

Mumbai 400 001

**Scrip: 534675**

**Subject: Presentation to be shared with Investor/Analysts Conference Call - Q4 FY 2019-20**

Dear Sir/Madam,

Further to our intimation today i.e. on 09<sup>th</sup> July 2020 with respect to Investors/ Analysts conference call scheduled to be held on 10<sup>th</sup> July 2020, we enclose herewith a copy of Investor Presentation to be shared with Analyst/ Institutional Investor for discussion in the conference call.

Further, in compliance with Reg. 46(2)(o) of SEBI (LODR) Regulations 2015, the aforesaid information shall also be disclosed on the website of the company at [www.prozoneintu.com](http://www.prozoneintu.com).

Please take the same on your record.

Thanking you,

Yours truly,

**For Prozone Intu Properties Limited**

**Sd/-**

**Ajayendra Pratap Jain**

**CS and Chief Compliance Officer**

Contact no: 9022065510

Upward  
And Forward

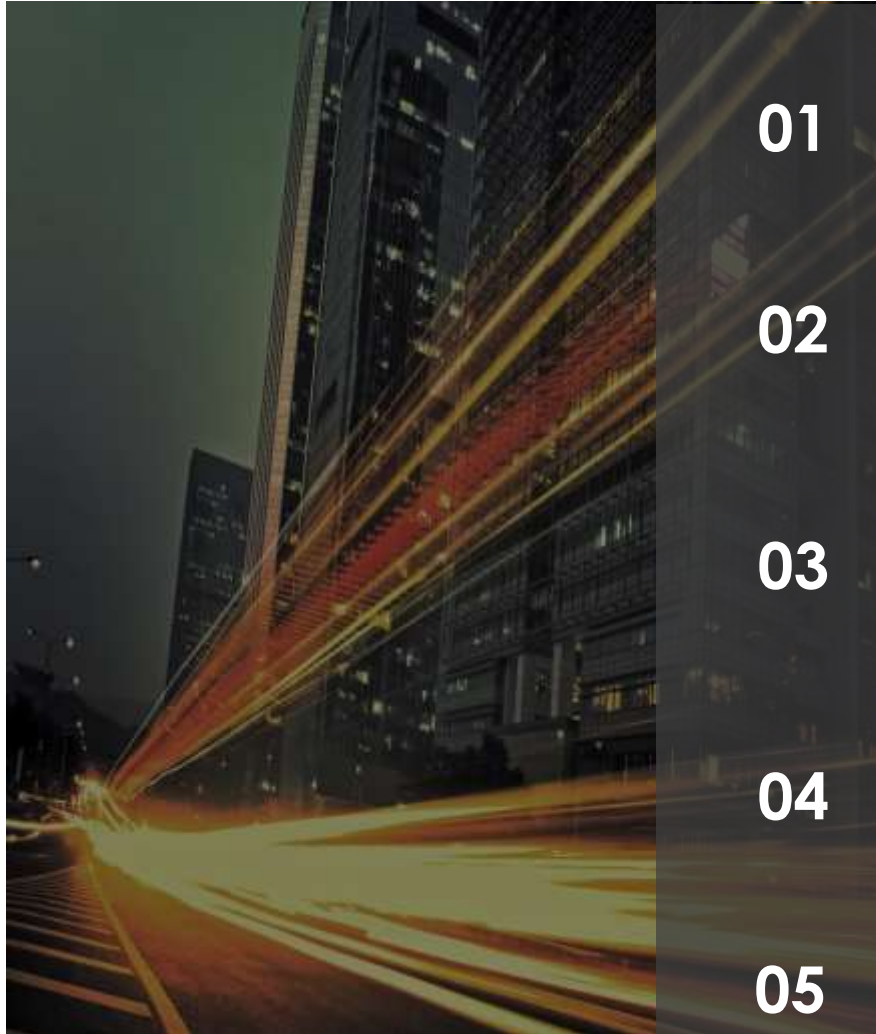
prozone  
intu 

**Q4 FY20 RESULTS  
UPDATE PRESENTATION**

*June 2020*



**PROZONE INTU PROPERTIES LIMITED**



01

**Impact of COVID-19 & Lockdown**

02

**Quarterly Business Update**

03

**Financial Results**

04

**Asset Snapshot**

05

**Annexure**





## **MALL OPERATIONS**

- Mall operations in Aurangabad & Coimbatore were ceased from 16<sup>th</sup> March 2020 following the country wide lockdown to control spread of COVID19
- Multiplexes were closed at both malls from 6<sup>th</sup> March. Footfalls were reducing from the last week of February
- Operations of essentials supplying Hyper Market continued in Aurangabad Mall during the lockdown, however the same remained closed in Coimbatore Mall
- Reduced rents for retail outlets in malls for the month of March were seen due to closure of mall for 2 weeks of March in lockdown. We are in continuous discussions with retailers to negotiate rentals

## **REAL ESTATE OPERATIONS**

- New schemes launched for marketing Coimbatore Residential Project via Digital & online channels to great response
- Work has resumed at our residential project sites in Coimbatore
- We have taken steps to ensure safety & hygiene of staff at our sites, conduct regular medical check up and provided them with essential supplies & PPE kits
- In April, Nagpur Municipal Corporation (NMC) had approached to convert 4 buildings into a quarantine centre, however, we expressed inability to do so as most of the units are sold.
- NMC had taken over possession of 2 towers in May, however, the same were vacated post filing of Writ petition against the same. As at Jun, the premises are vacated by NMC and handover is in process.

# SAFETY MEASURES POST LOCKDOWN

## Mall Re-Opening planned with extra caution



**Wearing Masks & Thermal temperature scanning mandatory before entering the mall**



# SAFETY MEASURES POST LOCKDOWN

## Sanitisation & Deep Cleaning across the mall



### Regular & Frequent Touch- Free Sanitization of common touch points across the mall



Thorough  
Sanitization



Regular  
Fumigation



Use of  
Face Masks



Crowd  
Control



Staff  
Screening



Enhanced  
Air Quality

# SAFETY MEASURES POST LOCKDOWN

## Social Distancing across the mall interiors & exteriors







INTRODUCING  
**10:90**  
SCHEME

**PAY 10% NOW & NOTHING TILL POSSESSION**

Artistic Impression

Book an apartment by paying Rs.21,000/-\*  
only (100% refundable)

3,2,1 BHK Apartments at  
Rs.32 lacs\* onwards (all inclusive)

The project has been registered via TNRera registration number, TN/Building/0081/2019 and TN/Building/0082/2019

\*T&C

Call: 1800 1020 193

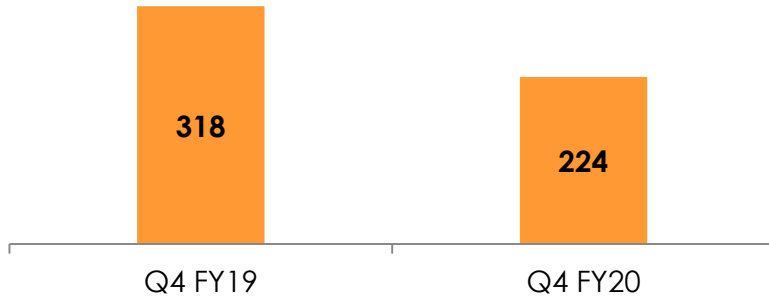
- Scheme launched on 10<sup>th</sup> Jun on [www.prozoneintu.com](http://www.prozoneintu.com) with special features: **3D tour** and **Online payment** option
- Promotion through online web portals:



- Promotion of new scheme on social / digital media:

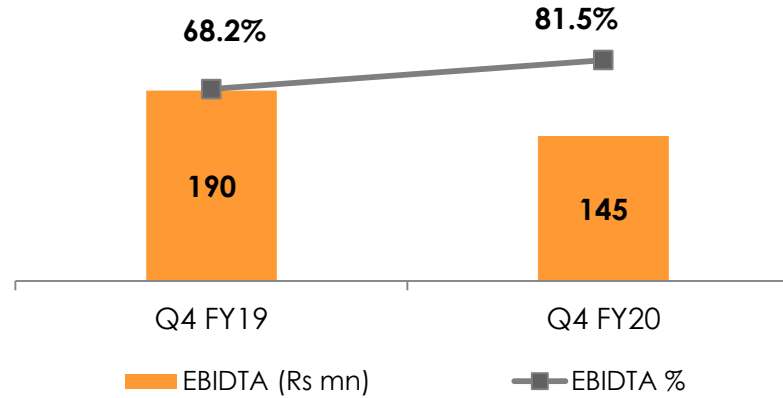


## Revenue (Rs. Mn)

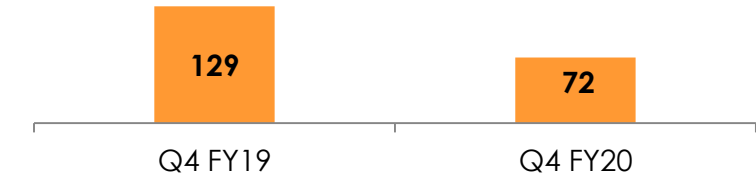


## Q4 FY20 YoY Analysis

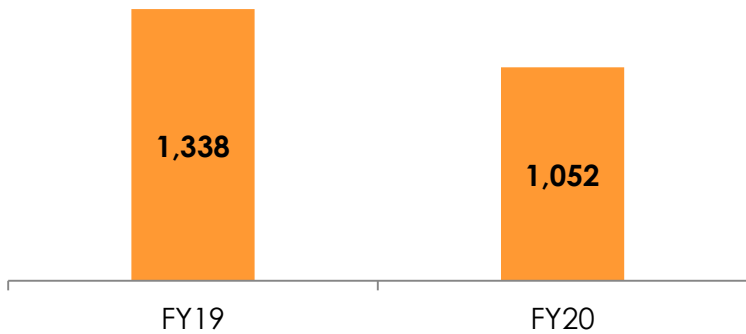
### EBIDTA & EBIDTA Margin



## Cash PAT

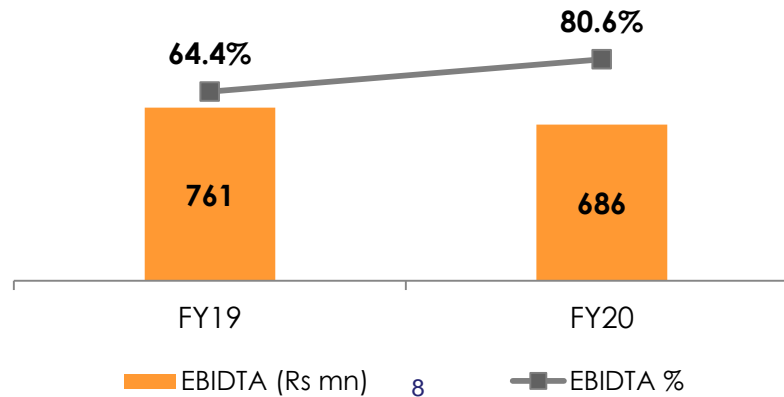


## Revenue (Rs. Mn)

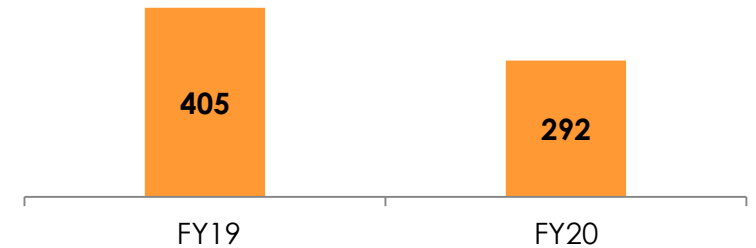


## FY20 YoY Analysis

### EBIDTA & EBIDTA Margin



## Cash PAT





## 01 Revenue

- Total Revenue during the quarter at Rs 177.7 mn & Rs 850.4 mn for FY20
- Revenue from retail segment has grown 6.4% yoy in FY20



## 02 Q4 EBITDA at Rs 144.8 mn, with a 81.5% margin

- Change in revenue mix led to increased margin.  
FY20 EBITDA : Rs 685.8 mn & margin at 80.6%



## 03 Q4 CASH PAT at Rs 72.3 mn, with a 40.7% margin

- Cash PAT (PAT+ Depreciation) for FY20 is Rs 292.4 mn, with 34.4% margin



## 04 Strong Operating Parameters (upto Feb20)

- Retailer sales pre lockdown saw YoY growth of 7% in Aurangabad Mall and 13% in Coimbatore Mall



# FINANCIAL RESULTS: CONSOLIDATED INCOME STATEMENT

Rs. Mn.	Q4 FY20	Q4 FY19	YoY	Q3 FY20	QoQ	FY20	FY19	YoY
Revenue from Real Estate Projects	0.5	50.8	-	0.3		5.0	387.6	-98.7%
Lease Rental & Related Income	177.2	228.1	-22.3%	227.0	-22.0%	845.4	794.7	6.4%
<b>Total Income from operations</b>	<b>177.7</b>	<b>278.8</b>	<b>-36.3%</b>	<b>227.4</b>	<b>-21.9%</b>	<b>850.4</b>	<b>1,182.2</b>	<b>-28.1%</b>
Other Income	45.9	39.3	16.8%	68.7	-33.1%	201.4	156.0	29.1%
<b>Total Income including other income</b>	<b>223.6</b>	<b>318.2</b>	<b>-29.7%</b>	<b>296.0</b>	<b>-24.5%</b>	<b>1,051.8</b>	<b>1,338.2</b>	<b>-21.4%</b>
<b>EBITDA w/o Other Income</b>	<b>98.8</b>	<b>150.8</b>	<b>-34.5%</b>	<b>116.9</b>	<b>-15.4%</b>	<b>484.4</b>	<b>605.3</b>	<b>-20.0%</b>
<b>EBITDA</b>	<b>144.8</b>	<b>190.2</b>	<b>-23.9%</b>	<b>185.5</b>	<b>-22.0%</b>	<b>685.8</b>	<b>761.3</b>	<b>-9.9%</b>
<b>EBITDA Margin</b>	81.5%	68.2%	1330 bps	81.6%	-10 bps	80.6%	64.4%	1620 bps
Depreciation	86.2	89.3	-3.5%	82.8	4.1%	334.0	339.7	-1.7%
Interest	89.6	95.8	-6.5%	119.3	-24.9%	415.2	343.2	21.0%
Profit before tax	-30.3	6.8	-	-15.4	-	-60.4	80.1	-
<b>Profit after tax</b>	<b>-13.9</b>	<b>39.4</b>	<b>-</b>	<b>6.1</b>	<b>-</b>	<b>-41.7</b>	<b>65.2</b>	<b>-</b>
<b>PAT after minority interest</b>	<b>6.1</b>	<b>25.5</b>	<b>-</b>	<b>3.1</b>	<b>-</b>	<b>-15.2</b>	<b>24.5</b>	<b>-</b>

## Q3 Result Update -

- Revenue and EBITDA during the quarter were lower due to lower rental collection & one time rebates to tenants at Aurangabad and Coimbatore Mall because of COVID lockdown
- EBITDA margin during the quarter remained strong at 81.5%

Note-

- Lease Rental & Related income and CAM Income received from Aurangabad Mall and Coimbatore Mall.; Revenue from Real Estate Projects represent Revenues recognized from the Build & Sell model
- Other Income represents Interest & Dividend Income on Investments etc

01

- Aurangabad and Coimbatore mall leased out space currently stands at 76% and 93% respectively.

02

- **Coimbatore Mall: 1 new store** started operations, adding approx. 1,350 sq ft to operations in Q4.
- Leasing Traction: 1 store under fitout & 1 LOI signed would add up to 1,963 sq ft in operations in coming quarter.

03

- **Aurangabad Mall: 3 new stores** of brands viz. HP World, OnePlus and Lenovo commenced operations during Q4.  
Leasing Traction : 3 store under fit-out would add up to 9,731 sq ft. in operations in coming quarters.

04

- Nagpur retail: approvals in place however we could reconsider timelines post COVID scenario.
- Construction to commence on achieving of financial closure.

## 01 COIMBATORE RESI

- **Construction recommenced** post COVID lockdown for Coimbatore residential
- Increased marketing online during the lockdown & **launched new schemes**
- Schemes have seen good response. **23 new booking** in Q4 FY20.

## 02 COIMBATORE MALL

- Focus on **retaining tenants** & getting **consumer confidence** post COVID scenario
- Working towards building optimum mix of tenants with increase exposure to **essentials category**

## 03 NAGPUR SPV

- **Application for Part OC** has been submitted for four towers (264 flats) of Phase 1 upto the height mentioned in AAI Appellate Committee Minutes.
- Planning for Nagpur mall construction completed, Timelines being reviewed considering COVID scenario.

## 04 AURANGABAD MALL

- Focus is to **retain maximum retailers** and **getting the consumer confidence back** so that we can bounce back faster considering the COVID scenario





**Aurangabad Mall**



**Nagpur Mall**



**Nagpur Residential**



**Coimbatore Mall**



**Aurangabad PTC**



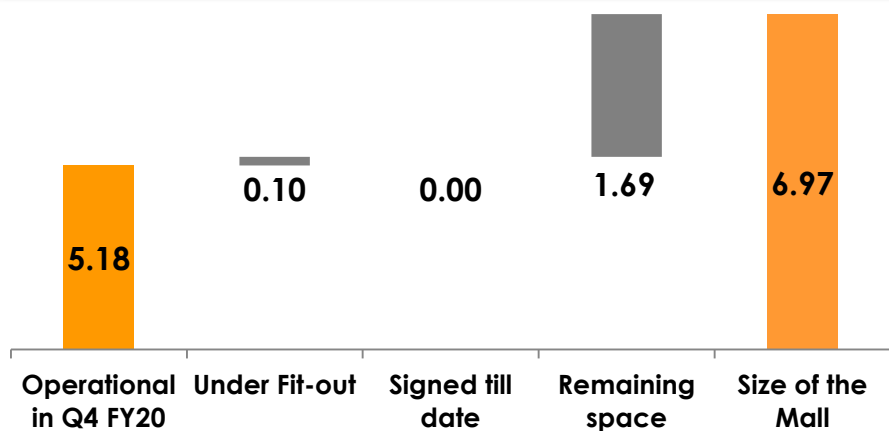
**Coimbatore Residential**







## Occupancy

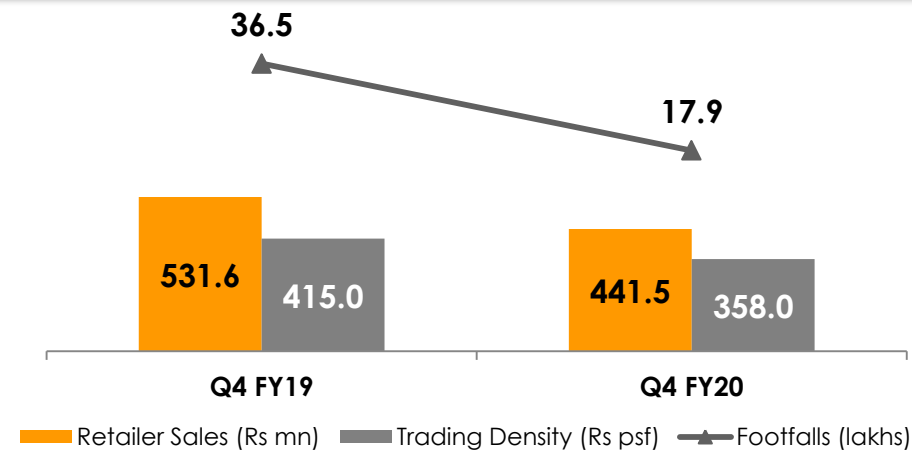


## Key Operating Parameters

Q4 FY20

Gross Leased Area (lakh sq.ft.)	5.2
Current Leasing Status	76%
Number of Stores Signed	111
Retailer Sales (Rs. Mn.)	4,415
Average Monthly Trading Density (Rs/sqft)	358
Footfalls (Mn.)	17.9

## Footfall & Trading Density





Operational Details (Rs. Mn.)	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19
Area Leased (lakh sq. ft.)	5.3	5.3	5.3	5.3	5.6
% Leased	76%	76%	76%	76%	81%
Sale of Premises	0.5	0.3	3.3	0.9	50.8
Rental Income	37.9	61.5	54.8	56.9	62.5
Recoveries (CAM & Other)	63.2	61.0	60.9	48.6	48.9
<b>Total Income</b>	<b>101.7</b>	<b>122.8</b>	<b>119.0</b>	<b>106.4</b>	<b>162.3</b>
<b>EBIDTA</b>	68.0	82.5	72.0	66.4	81.6
<b>EBIDTA Margin % (as % of Total Income)</b>	<b>66.8%</b>	<b>67.2%</b>	<b>60.5%</b>	<b>62.4%</b>	<b>50.3%</b>

- 3 New brands commenced operations at Aurangabad Mall in Q4 – HP World, OnePlus and Lenovo
- EBIDTA stands at Rs. 68 mn with margin of 66.8%
- Rental Income decreased due to reduced footfalls in response to build-up on COVID outbreak & subsequent lockdown leading to reduced rental collections.

Note 1 – Recoveries Include CAM as well as Other Charges such as HVAC, Electricity & Water Charges

# NEW STORES OPENED AT AURANGABAD MALL



# BRAND PARTNERS AT AURANGABAD MALL





## Get Going Pre Run Marathon



## EOSS 2020 & Open Mike



## Republic Day



## 7th Aurangabad International Film Festival







## Occupancy

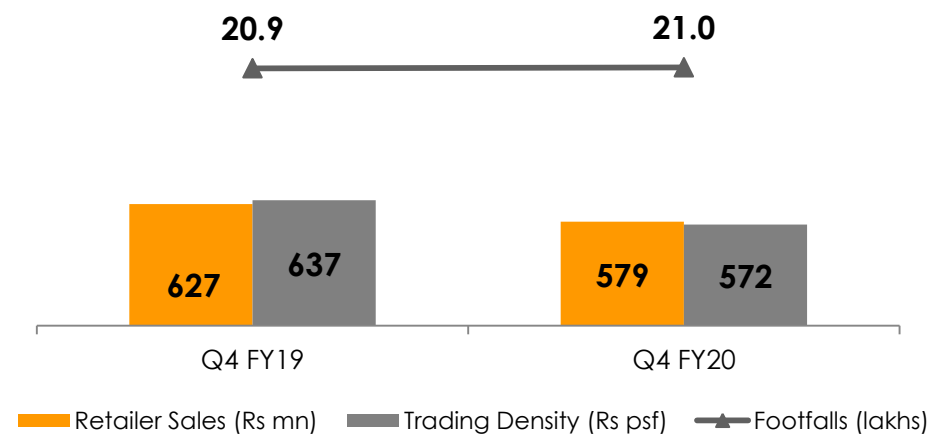


## Key Operating Parameters

Q4 FY20

Gross Leased Area (lakh sq.ft.)	4.6
Current Leasing Status	93%
Number of Stores Signed	119
Retailer Sales (Rs. Mn.)	5.8
Average Monthly Trading Density (Rs/sqft)	572
Footfalls (Mn.)	2.1

## Footfall & Trading Density



Operational Details (Rs. Mn.)	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19
Area Leased (lakh sq. ft.)	4.6	4.6	4.7	4.6	4.5
% Leased	93%	93%	95%	92%	90%
Rental Income	55.4	79.5	78.5	79.7	80.1
Recoveries (CAM & Other)*	48.0	72.0 #	47.2	47.7	43.1
<b>Total Income</b>	<b>103.4</b>	<b>151.5</b>	<b>125.7</b>	<b>127.4</b>	<b>123.2</b>
<b>EBIDTA</b>	<b>68.5</b>	<b>97.0</b>	<b>93.5</b>	<b>98.8</b>	<b>94.7</b>
<b>EBIDTA Margin % (as % of Total Income)</b>	<b>66.2%</b>	<b>64.0%</b>	<b>74.3%</b>	<b>77.6%</b>	<b>76.9%</b>

- 1 store opened during the quarter, Police retail outlet. 3 more brands under discussion & fit-out
- **Strong performance continues with EBIDTA of Rs 68.5 mn** during the quarter with a 66.2% margin
- Rental Income & EBIDTA decreased due to reduced footfalls in response to build-up on COVID outbreak & subsequent lockdown leading to reduced rental collections

\* - Recoveries Include CAM as well as Other Charges such as HVAC, Electricity & Water Charges

# – Recoveries of Q3 FY20 includes Rs 23.3 mn sundry balance write back.



## Vintage Car & Bike Expo



## Prozone Kidzrun



## Valentine's Day Celebration



## Taxpayer's Zone





# BRAND PARTNERS AT COIMBATORE MALL



- ~1.9 m sqft of residential
- 7 towers of 18 floors comprising 1,152 apartments
- 3 towers of 18 floors comprising 540 apartments planned in phase 1.
- Construction in full swing for Phase 1.
- 23 new bookings in Q4FY20
- **Amenities:**  
Club house, swimming pool, tennis court, amphitheatre, squash court, gymnasium



**RESIDENTIAL UPDATE**

✓ Total Units – Phase 1  
**540 Units**

✓ Units Sold  
**83 units**

✓ Sale Value  
**Rs 444.5 mn**

✓ Cash Collection  
**Rs 67.5 mn**



- **0.5m** sqft of retail space under advanced stage of approvals
  - **0.39m** additional development potential
- 
- **4.5m** catchment population
- 
- **15.7 acres** of residential under development
- 
- **4 towers** of 14 floors comprising 336 apartments under advance stage of completion in Phase 1. Application for Part OC has been submitted for 264 apartments
- 
- **Amenities:** Club house, swimming pool tennis court, amphi theatre, cricket court, meditation centre, gymnasium



Nagpur mall design (CGI)

**RESIDENTIAL UPDATE**

<p><b>Units Launched</b></p> <p>336 Units</p>	<p><b>Units Sold</b></p> <p>272 units</p>	<p><b>Sale Value</b></p> <p>Rs. 1,713 mn</p>	<p><b>Cash Collection</b></p> <p>Rs. 1,265 mn</p>
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- 
- **1.9m** city population
  - Prominent business and industrial centre in Madhya Pradesh
- 
- **43.5acres** comprising residential township with 5 acres for commercial to be developed in phases
- 
- **Phase 1&2** is for plotted development of about 200 units for better monetisation
  - **Phase 3&4** will be high rise development of about **800** apartments
- 
- **Amenities:**  
Club house, swimming pool, tennis court, amphi theatre, cricket court, meditation centre, gymnasium
- 



## Generic Disclaimer

The following is a general overview of Prozone INTU Limited (the “Company”) and is qualified in its entirety by reference to the applicable offering memorandum, memorandum and articles of association or other constitutional documents and subscription agreement (together the “Investment Documents”) relating to the purchase of interests in the Company, all of which will be available upon request from the Company’s administrator and should be reviewed carefully prior to making an investment decision. This overview is being furnished on a confidential basis for discussion purposes only to a limited number of persons who may be interested in this type of investment. Neither the information nor any opinion expressed herein constitutes a solicitation or recommendation by anyone of the purchase or sale of any securities or other financial instruments. Any reproduction or distribution of this overview, in whole or in part, or the disclosure of its contents, without prior written consent is prohibited.

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THANK YOU



Email: [investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com)

Website: [www.prozoneintu.com](http://www.prozoneintu.com)

**DICKENSON**

Mehul Mehta/ Nachiket Kale

Dickenson IR

Contact: 9820280325/9920940808

Email: [nachiket.kale@dickensonIR.com](mailto:nachiket.kale@dickensonIR.com)







## BUSINESS OVERVIEW

- Prozone Intu Properties Ltd. (Prozone Intu) is jointly developed by Promoters and Intu Properties Plc set up to create, develop and manage world-class regional shopping centres and associated mixed-use developments Pan-India.
- Prozone Intu strategy is to participate and dominate in the retail space in Tier 2 and 3 cities in which robust urbanization is expected, which will result in growth of consuming middle class from 300 to 500 million in next 5 years
- Key Business Strategy - Develop Large scale Land Parcels for Mixed Use development with 75% of the Land to be developed as Residential & Commercial – Build & Sell model whereas 25% of the Land to be developed as Retail – Build & Lease Model

## STRONG PEDIGREE

- The Promoters hold 30.4%, INTU holds 32.4% and balance is held by public<sup>1</sup>
- Intu Properties is one of UK's Largest Retail Real Estate Company.
- Intu Properties plc is a UK Company owning and managing assets worth more than 6 bn pounds. They own more than 20 properties across UK and Spain, 9 of which are among the top 20 shopping centers in the UK, representing ~ 40% UK market share.<sup>2</sup>
- Intu Properties plc has more than 22mn sqft of retail space; 360 million customer visits a year<sup>2</sup>

## FULLY PAID UP LAND BANK & ROBUST BALANCE SHEET

- The Company has 17.79 mn sq. ft. of fully paid-up land bank in prime locations with 1.2 mn developed till date and more than 16.5 mn sq. ft. balance to be monetized which is being developed in different phases .
- Robust Balance sheet with Low Leverage.

1: As on 31 March 2020

2: As on 31 December 2019

## **Business Strategy**

- Develop Large scale Land Parcels for Mixed Use development.
- 75% of the Land to be developed as Residential & Commercial – Build & Sell model
- 25% of the Land to be developed as Retail – Build & Lease Model
- The Company follows this model so that the Cash Flows from Build & Sell portfolio facilitate the Build & lease model, Thus resulting into Debt Free Annuity Assets and free cash flows for future developments.

## **Residential Projects - Strategy**

- The Company invests and develops the entire Clubhouse and Site Infrastructure for the project upfront before the Launch of the Project.
- It provides credibility to the business and accelerates the sale of the project, resulting into better cash flows.
- Due to this, the Company emerges as the strongest and the most credible player in the region. Eg, In Nagpur, Company has received an overwhelming response as compared to the other established players in the region.

## **Mall Development - Strategy**

- Dominant regional shopping and leisure destination
- Design-G + 1 Mall horizontal model with racetrack circulation
- Infrastructure-Large parking spaces planned to cater for future growth
- Tenant Mix- Well planned tenant mix with category focus to aggregate consumption



- Locations selected in high growth corridors within city limits
- Execute high quality retail assets at the right price and the right time
- Develop and sell mixed-use assets to facilitate retail investments





## **Nikhil Chaturvedi**

Founder and Managing Director, Nikhil is a visionary and hands-on leader, who inspires the organisation with a passion for excellence and single-mindedness to build shareholder value, which is his driving force



## **Dushyant Sangar**

Mr. Dushyant Sangar is the Corporate Development Director of Intu Properties plc and is a member of Intu's Executive Committee which is responsible for the day to day operations of the business. He has overall responsibility for Intu's acquisitions, divestments and joint venture transactions. Prior to Intu, Dushyant worked for MGPA & UBS



## **Umesh Kumar**

**(Independent Director)**

Mr. Umesh, has over 35 years of diverse experience at senior positions in the IAS, mostly in economic sectors, infrastructure, investment and finance, both at Government of India and Government of Rajasthan as well as managing the largest Public Sector Undertakings in Rajasthan.



## **Salil Chaturvedi**

Co-Founder, and Deputy Managing Director, Salil's vision has charted the strategic direction of the Company. He leads business development, land acquisition and new asset class initiatives in the residential and commercial sectors



## **Punit Goenka**

Mr. Goenka, Director of Essel Group, is CEO of Zee Entertainment Enterprises Limited, managing one of India's most successful TV and Media businesses. He has an extensive, diversified background in the areas of media, entertainment, and telecommunications in global markets

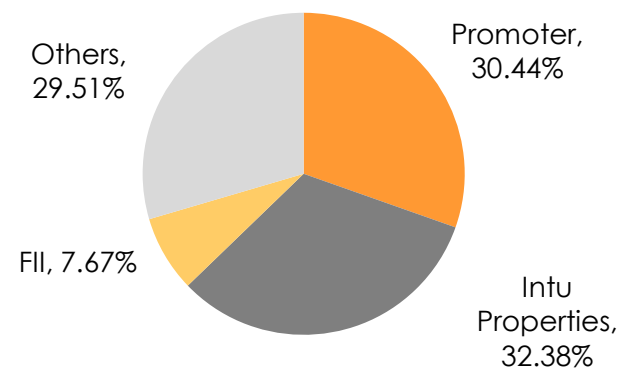


## **Deepa Harris**

**(Independent Director)**

Ms. Deepa Misra Harris is Founder & CEO of BrandsWeLove Marketing and Branding Services. Specialist in Branding, Marketing and Sales, Deepa has over 30 years experience in the luxury and hospitality category.

## Shareholding in % – Mar 2020



Key Investors	Holding (%)
ACACIA Partners	1.5%
Radhakishan Damani	1.3%
Rakesh Jhunjhunwala	2.1%
Rajesh Narang	1.5%
Aditya Chandak	1.1%

Source: BSE