

# Kolte Patil Developers

## New launches to drive further rerating

KPDL reported the highest-ever annual presales of 3.3msf (+21% YoY), valued at INR 22.3bn (+28% YoY), with an average realisation of INR 6,817 per sq. ft. (+6.4% YoY). 49% of the sales came from sustenance inventory. Its flagship project Life Republic (LR) contributed c.50% towards presales. Pune market contributed 80% towards the sale which KPDL is expecting to bring down to 70% by FY25. For FY24, KPDL expects presales of INR 28bn on the back of INR 53bn worth of project launches with an area of 7.3msf (3msf to be launched in H1FY24). Around 30-40% of FY24 presales are expected to come from sustenance inventory. For FY23, KPDL added INR 39bn worth of projects and, for FY24, it expects to add INR 105bn worth of projects, of which INR 25bn worth was added in May'23. This includes two society redevelopment projects in MMR which are expected to be launched by FY24-end. Projects worth INR 35-40bn in the BD pipeline are in the advanced stages of discussion. KPDL expects to fund its GDV addition via internal accrual and from the INR 2.1bn received from Marubeni Corp towards its investment in the Pimple Nilakh project. Also, its comfortable liquidity position with net D/E at 0.11x (board approval of 0.50x) paves the way for accelerated BD activities. We maintain BUY, with an unchanged SOTP-based TP of INR 380.

- **Q4FY23 financial performance:** KPDL reported revenue of INR 7.9bn (+112%/+117% YoY/QoQ, a 32% beat). EBITDA came in at INR 1.7bn (INR 405mn/INR (255)mn Q4FY22/Q3FY23, a 44% beat). EBITDA margin: 21.8% (10.8%/(6.9)% Q4FY22/Q3FY23, est. 20.1%). RPAT/APAT was at INR 1.2bn (INR 251mn/INR (269)mn Q4FY22/Q3FY23, a 47% beat). For FY24, KPDL expects delivery of INR 15-17bn worth of projects.
- **Robust launch pipeline:** The company reported quarterly presales of 0.97msf (+24%/-14% YoY/QoQ), valued at INR 7bn (+41%/-2% YoY/QoQ), with an average realisation of INR 7,225 per sq. ft. (+12.6%/+14% YoY/QoQ). For FY23, presale volume and value were the highest ever at 3.3msf (+21% YoY) and INR 22.3bn (+28% YoY) on the back of 3msf of new launches. 51% of FY23 presales were backed by new launches. For FY24, KPDL expects presales of INR 28bn on the back of INR 53bn worth of project launches. By FY25, KPDL envisions the non-Pune market (Mumbai and Bengaluru) to contribute 30% towards presales (currently it is contributing 20%).
- **Strong BD pipeline:** Q4FY23 collections were at INR 5.9bn (+18%/+35% YoY/QoQ). In FY23, KPDL did BD of 5.1msf with GDV of INR 39bn. In May 2023, KPDL acquired two projects each in Pune and Mumbai with a GDV of INR 25bn. For the rest of FY24, it expects to add projects worth GDV of INR 80bn, of which INR 50/20/10bn will be added in Pune/Mumbai/Bengaluru. In Apr 2023, KPDL received INR 2.1bn from Marubeni Corp towards investment in the Pimple Nilakh project. Consolidated net debt decreased by INR 820mn from Q3FY23 to INR 1.1bn, with net D/E at 0.11x (vs. 0.21x as on Dec-22).

### Consolidated financial summary (INR mn)

Particulars	Q4FY23	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	FY22	FY23	FY24E	FY25E
Net Sales	7,969	3,761	111.9	3,681	116.5	11,175	14,884	15,764	20,110
EBITDA	1,734	405	328.5	(255)	(781.1)	1,862	1,893	3,681	4,654
APAT	1,169	251	364.9	(269)	(534.7)	846	1,025	2,263	3,151
EPS (INR)	15.4	3.3	364.9	(3.5)	(534.7)	10.5	21.0	29.9	41.6
P/E (x)						29.1	14.5	10.2	7.3
EV/EBITDA (x)						13.8	13.9	7.1	5.5
RoE (%)						8.0	9.0	17.7	20.4

Source: Company, HSIE Research

**BUY**

CMP (as on 26 May 23)	INR 305
Target Price	INR 380
NIFTY	18,499

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 380	INR 380
EPS Change %	FY24E	FY25E
	-	-

### KEY STOCK DATA

Bloomberg code	KPDL IN
No. of Shares (mn)	76
MCap (INR bn) / (\$ mn)	23/284
6m avg traded value (INR mn)	91
52 Week high / low	INR 384/214

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.2	(2.3)	25.1
Relative (%)	7.1	(2.6)	9.9

### SHAREHOLDING PATTERN (%)

	Dec-22	Mar-23
Promoters	74.35	74.45
FIs & Local MFs	4.83	4.84
FPIs	1.39	1.27
Public & Others	19.43	19.44
Pledged Shares	0.0	0.0

Source: BSE

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