



NIRLON LIMITED

EARNINGS PRESENTATION

H1 / Q2-FY22

Snapshot



Present in the commercial / IT-ITES real estate sector for 15 years



Experienced management team



Prime location in Mumbai's western suburb



LEED Platinum / Gold Certified Buildings (Core & Shell) – Environmentally Friendly Campus



Marquee licensees including leading companies from IT / Financial Services sectors



Occupier friendly design with ~80% efficiency



Historically high average occupancy



World Class infrastructure



GIC Singapore (through its affiliate) is the major shareholder



Consistent and Sustainable License Fee Income



3 Year CAGR (2018-2021) : Revenue: 2.85%, PAT: 31.76% *

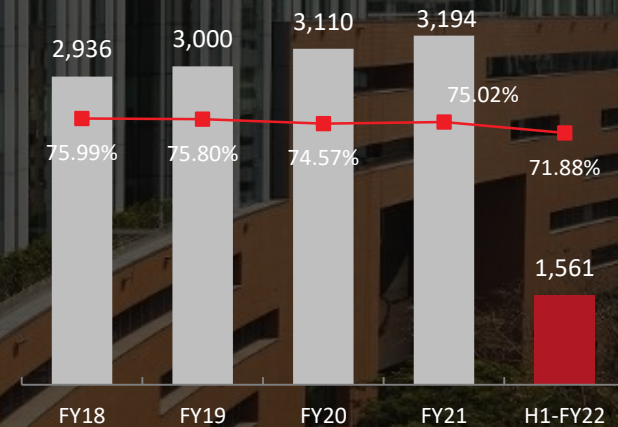


FY21 CFO: INR 2,094 Mn
FY21 ROE: 22.18% *

Company Overview

- Nirlon Limited was incorporated in 1958 and was a pioneer in the manufacturing of synthetic yarns and industrial rubber products in India.
- Since 2006, Nirlon has primarily been in the business of development and management of commercial / IT-ITES Real Estate.
- The company currently owns two primary assets: Nirlon Knowledge Park (NKP), which is an approx. 23 acre Information Technology Park located in Goregaon (East), Mumbai and also 75% of undivided interest in approx. 0.05 Mn sq. ft. in Nirlon House, which is a building in the prime location of Worli, Mumbai.
- The development of the company's landmark project of Nirlon Knowledge Park began in phases from 2006, with 4 out of 5 phases of development completed, and the final Phase V expected to be completed in FY22.
- Phases I to IV have a chargeable area of approximately 1.9 Mn sq. ft. which are licensed to marquee multinational and Indian corporates. The soon to be completed Phase V will have a chargeable area ~1.16 Mn sq. ft.
- GIC Singapore became the majority shareholder and a co-promoter in 2015 vide an open offer through its affiliate, Reco Berry Private Limited (Reco) of Singapore, and currently has a 63.92% holding in the company.

Total Income (INR Mn) & EBITDA Margin (%)



NIRLON LIMITED

FY18 onward figures as per Ind AS



Nirlon Knowledge Park – The Master Plan

Proposed Mumbai Metro Railway Station Work is underway on the Western Express Highway, Just outside the campus

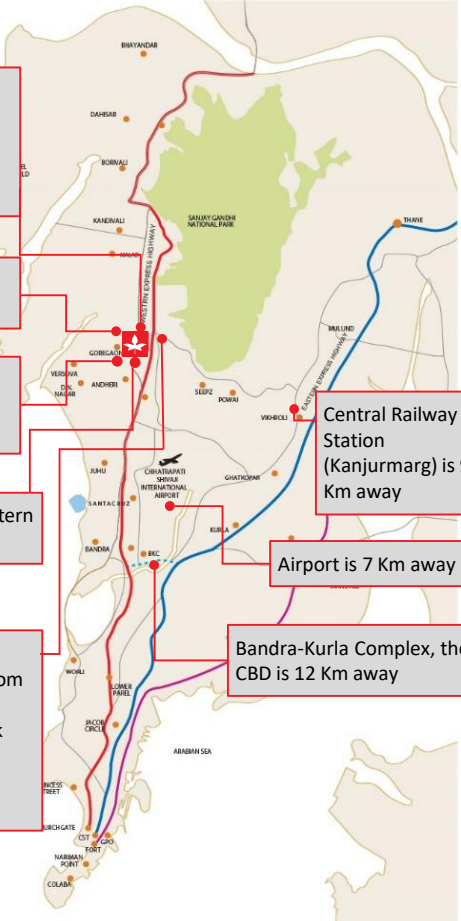
Western Railway Station (Goregaon) is 1 Km away

Western Railway Station (Ram Mandir) is less than 1 Km away

Located on the arterial Western Express Highway

Two suburban East-West corridors are within 1 Km from campus

- Jogeshwari-Vikhroli Link Road (Completed)
- Goregaon-Mulund Link Road (Proposed)



Central Railway Station (Kanjurmarg) is 9 Km away

Airport is 7 Km away

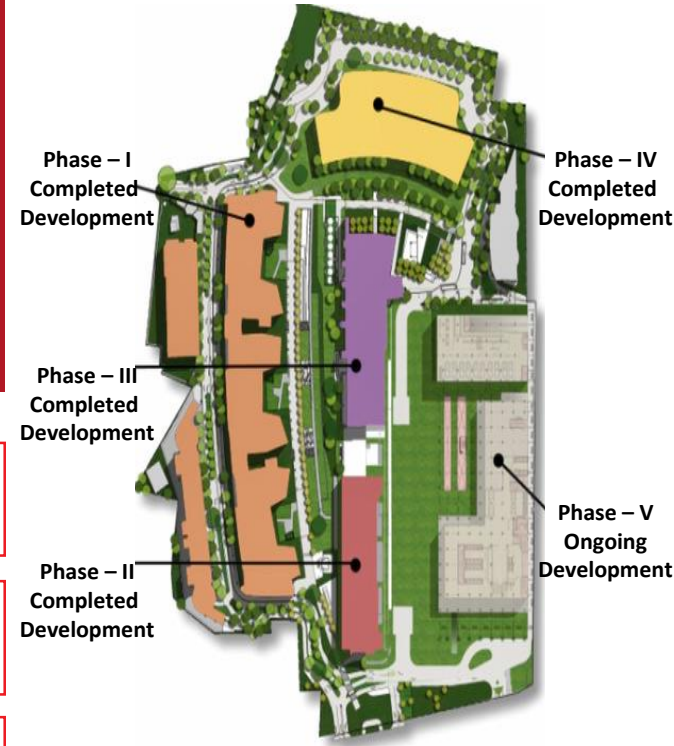
Bandra-Kurla Complex, the CBD is 12 Km away

Conveniently located on Mumbai's Western Express Highway, one of Mumbai's main arterial roads, NKP is an easy commute from the western and eastern suburbs of Mumbai. A majority of the city's professional workforce live in the western suburbs, which have a ready availability of residential accommodation. NKP is also located close to educational institutions, hospitals, and recreational facilities.

≈ 1.90 Mn Sq. ft. Operational office space

≈ 1.16 Mn Sq. ft. Ongoing, to be completed in FY 2021-22

≈ 3.06 Mn Sq. ft. Total Planned office space



Phase – I Completed Development

Phase – IV Completed Development

Phase – III Completed Development

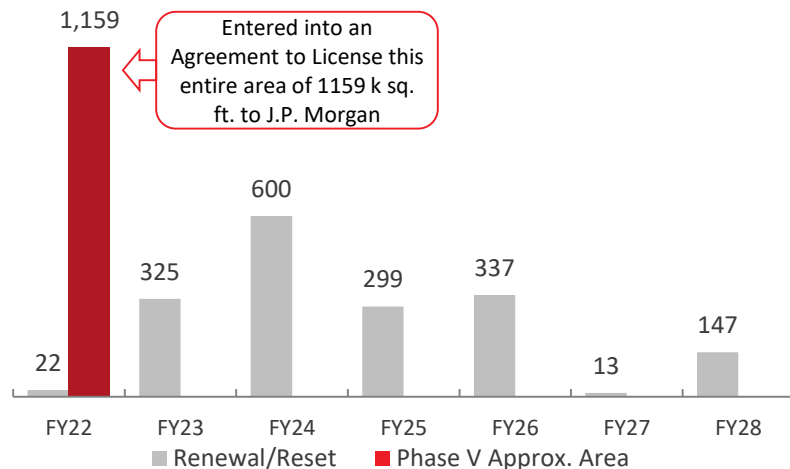
Phase – II Completed Development

Phase – V Ongoing Development

Phase Wise Details & License Renewals

Phases	I	II	III	IV	V	Total
Constructed Area (Mn Sq. Ft.)	1.29	0.38	0.55	0.76	~1.78	~4.77
Chargeable Area (Mn Sq. Ft.)	0.77	0.31	0.4	0.4	~1.16	~3.06
Date of Completion	Oct-09	Jun-10	Sep-13	Mar-15	FY22	NA

**License Due for Renewals/Resets (Thousands Sq. ft.)
as on 30 September 2021**



As on 30 September 2021, approx. 148,000 sq. ft. area was vacant.

Assumes all licenses continue for the anticipated tenure of their License / notice period and only NL's share considered for co-owned space at Nirlon House.

Phase V

Building Configuration
B9 - 3 Basements + Ground Floor + 23 Floors
B10 - 3 Basements + Ground Floor + 9 Floors
B11 - 3 Basements + Ground Floor + 7 Parking + Terrace Cafe
(Multi Level Car Parking)

Number of Car Parks Approx. 1,150+

Construction Area ~1.78 Mn sq. ft.

Chargeable Area ~1.16 Mn sq. ft.

Scheduled Completion / OC
FY 2021-22

Typical Floor Plate (Estimated)
B9 - 42,000 sq. ft., B10 - 30,000 sq. ft.

- Elevators**
- Building B9**
 - 16 Passenger lifts, 2 Service lifts
 - 2 Parking lifts from Basement to Ground
 - Building B10**
 - 5 Passenger & 1 Service lift
 - Building B11**
 - 2 Passenger & 1 Service lift



Phase V Update

- OC has been received on 18 June 2021.
- Phase V is estimated to be completed largely as per the budgeted cost.
- Phase V license fees are estimated to be begin in Q1 FY 2022-23.
- At full occupancy, Phase V has the potential to contribute additional revenue of approx. INR 2,000 Mn p.a., without a proportionate increase in total operational costs, which would lead to improved margins.



Status on 1 Nov 2021



H1 / Q2-FY22 Financial Overview

H1 / Q2-FY22 Financial Highlights

Q2-FY22 Financial Highlights:

INR 801 Mn Total Income	INR 603 Mn EBITDA	75.28% EBITDA Margin
-----------------------------------	-----------------------------	--------------------------------

INR 459 Mn PBT	INR 338 Mn PAT	42.20% PAT Margin
--------------------------	--------------------------	-----------------------------

H1-FY22 Financial Highlights:

INR 1,561 Mn Total Income	INR 1,122 Mn EBITDA	71.88% EBITDA Margin
-------------------------------------	-------------------------------	--------------------------------

INR 826 Mn PBT	INR 603 Mn PAT	38.63% PAT Margin
--------------------------	--------------------------	-----------------------------



Operational Highlights

Debt Summary (as of 30 September 2021)

- The entire Term Loan is from HDFC Ltd. and is secured by a mortgage on NKP. The undrawn limit is available for drawdown, notwithstanding the Covid-19 crisis.
- Interest is being serviced for the entire loan on a monthly basis.
- The company enjoys a principal repayment moratorium on the entire debt till FY 2022-23 or Phase V completion, post which the debt is proposed to be converted into an EMI repayment.
- Historically, HDFC loans to the company have had a repayment tenure of 108 to 120 months.
- Cost of debt was reduced to 7.25% p.a. w.e.f. 1 September 2021.
- The outstanding debt as on 30 September 2021 was INR 1030 Cr.
- The Company's total debt post completion of Phase V is expected to be approx. 1200 cr.

Marketing Updates

- GrowthSource has licensed & occupied approx. 10,000 sq. ft. in September 2021.
- As on 30 September 2021, approx. 148,000 sq. ft. area was vacant, primarily on account of one large licensee moving out post expiry of their license.
- Of this 148,000 sq. ft. vacant area, Morgan Stanley has licensed & occupied approx. 38,000 sq. ft. in October 2021.
- The Company is in advanced discussions to license an additional approx. 51,000 sq. ft. in Q3-FY22.
- IBM has given notice to vacate approx. 37,000 sq. ft. in April 2022.

Other Updates

- Shareholders have approved final dividend at Rs. 8 per share (80%) for FY 2020-21 in AGM.

Operational Highlights (contd.)

COVID-19 Preparedness

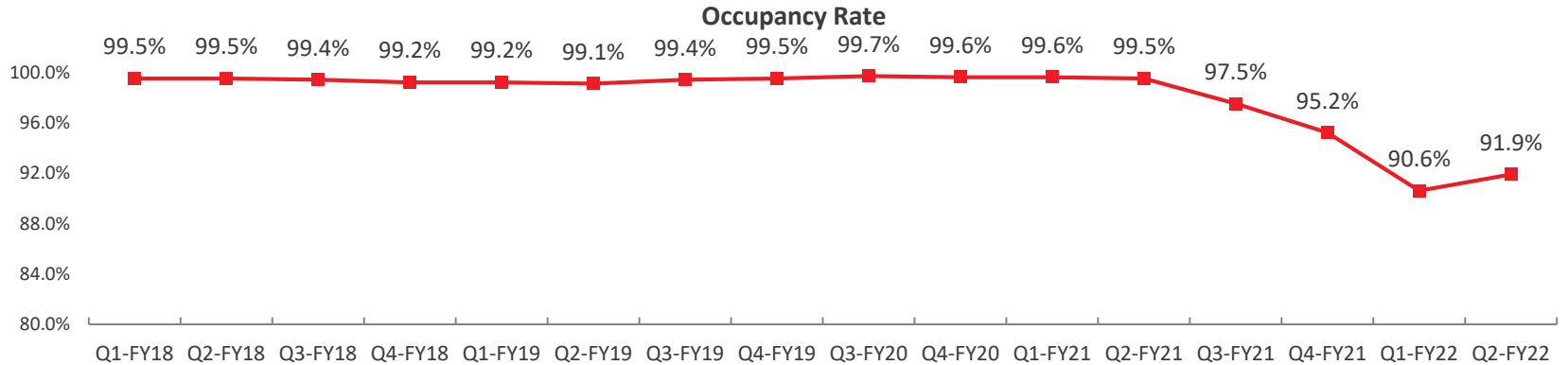
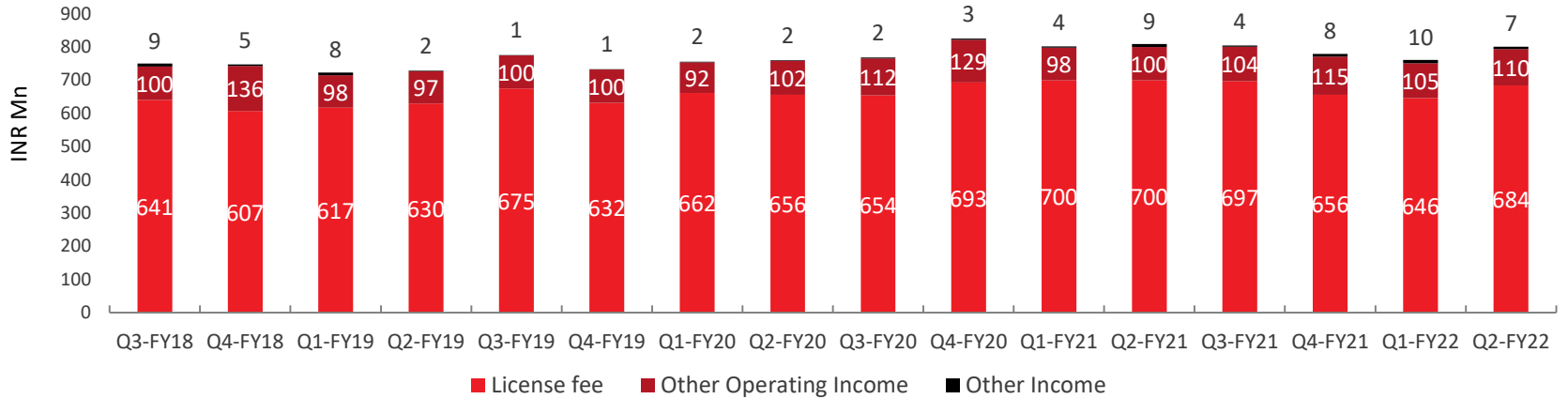
- NKP was awarded the WELL Health-Safety Rating for Facility Operations and Management in January 2021 by the International WELL Building Institute, USA. NKP achieved all 16 features across 6 categories.
- Nirlon has undertaken several measures and necessary precautions to prevent the spread of Covid-19 at both NKP and Nirlon House.
- The Company continues to regularly evaluate the implications of Covid-19 on its operations at NKP (Phase I to IV) and Nirlon House.
- The Company continues to regularly evaluate the implications of Covid-19 on the timelines and costs for Phase V.
- The Company has provided abatements to some support services like F&B, crèche, gym, etc. totalling to approx. INR 1 Mn per month (less than 0.5% of total contracted license fees) w.e.f. 21 March 2020.
- The Company has collected approx. 99% of its total contracted license fees for the quarter.
- The Company had completed its vaccination drive for all its eligible employees, vendors, contractors and their dependants. **All of these personnel have taken both doses of the vaccine.**



Vaccination Drive at NKP



License Fees & Occupancy Rates



Q2-FY22 Income Statement (Ind AS)

Particulars (INR Mn)	Q2-FY22	Q1-FY22	Q-o-Q	Q2-FY21	Y-o-Y
License Fees	684	646	5.9%	700	(2.3)%
Other Operating Income (CAM, etc.)	110	105	4.8%	100	10.0%
Other Income	7	10	(30.0)%	9	(22.2)%
Total Income	801	761	5.3%	809	(1.0)%
Total Expenses	198	243	(18.5)%	190	4.2%
EBITDA	603	518	16.4%	619	(2.6)%
EBITDA Margin	75.28%	68.07%	721 Bps	76.51%	(123) Bps
Depreciation	115	115	NA	121	(5)%
Finance Cost*	29	37	(21.6)%	35	(17.1)%
PBT	459	366	25.4%	463	(0.9)%
Tax	121	101	19.8%	129	(6.2)%
Profit After Tax / Total Comprehensive Income	338	265	27.6%	334	1.2%
PAT Margin	42.20%	34.82%	737 Bps	41.29%	91 Bps
Diluted EPS (INR per share)	3.75	2.94	27.6%	3.71	1.1%

* - Pursuant to the amendment in Ind AS-23 "Borrowing Costs," the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost related to such borrowings has been capitalized as a part of Capital Work in Progress.

H1-FY22 Income Statement (Ind AS)

Particulars (INR Mn)	H1-FY22	H1-FY21	Y-o-Y
License Fees	1,329	1,400	(5.1)%
Other Operating Income (CAM, etc.)	215	198	8.6%
Other Income	17	13	30.8%
Total Income	1,561	1,611	(3.1)%
Total Expenses	439	385	14.0%
EBITDA	1,122	1,226	(8.5)%
EBITDA Margin	71.88%	76.10%	(422) Bps
Depreciation	230	239	(3.8)%
Finance Cost*	66	71	(7.0)%
PBT	826	916	(9.8)%
Tax	223	257	(13.2)%
Profit After Tax / Total Comprehensive Income	603	659	(8.5)%
PAT Margin	38.63%	40.91%	(228) Bps
Diluted EPS (INR per share)	6.69	7.31	(8.5)%

* - Pursuant to the amendment in Ind AS-23 "Borrowing Costs," the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost related to such borrowings has been capitalized as a part of Capital Work in Progress.



Historical Financial Overview

Historical Income Statement (Ind AS)

Particulars (INR Mn)	FY18	FY19	FY20	FY21	H1-FY22
License Fees	2,486	2,556	2,665	2,753	1,329
Other Operating Income (CAM, etc.)	422	431	435	416	215
Other Income	28	13	10	25	17
Total Income	2,936	3,000	3,110	3,194	1,561
Total Expenses	705	726	791	798	439
EBITDA	2,231	2,274	2,319	2,396	1,122
EBITDA Margin	75.99%	75.80%	74.57%	75.02%	71.88%
Depreciation	722	589	533	487	230
Finance Cost	656	697	321*	140*	66
PBT	853	988	1,465	1,769	826
Tax	296	351	370	495	223
Profit After Tax / Total Comprehensive Income	557	637	1,095	1,274	603
PAT Margin	18.97%	21.23%	35.21%	39.89%	38.63%
Diluted EPS (INR per share)	6.18	7.07	12.15	14.14	6.69

FY18 onward figures as per Ind AS

* - Pursuant to the amendment in Ind AS-23 "Borrowing Costs," the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost related to such borrowings has been capitalized as a part of Capital Work in Progress.



Balance Sheet (Ind AS)

Particulars (INR Mn)	FY20	FY21	H1-FY22
EQUITY	4,538	5,744	5,626
a) Equity Share Capital	901	901	901
b) Other Equity	3,637	4,843	4,725
LIABILITIES			
Non-Current Liabilities	12,210	12,019	12,408
a) Financial Liabilities			
i) Borrowings	9,634	9,784	9,946
ii) Other Financial Liabilities	1,463	1,004	1,112
b) Provisions	4	5	5
c) Deferred Tax Liabilities (Net)	587	751	806
d) Other Non-Current Liabilities	522	475	539
Current Liabilities	1,132	1,298	2,757
a) Financial Liabilities			
i) Borrowings	256	-	338
ii) Trade Payables	86	70	178
iii) Other Financial Liabilities	614	1,082	1,925
b) Other Current Liabilities	174	145	288
c) Provisions	1	1	2
d) Current Tax Liabilities (Net)	1	-	26
GRAND TOTAL - EQUITIES & LIABILITIES	17,880	19,061	20,791

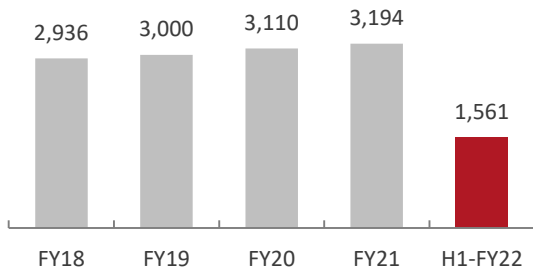
Particulars (INR Mn)	FY20	FY21	H1-FY22
Non-Current Assets	17,534	18,845	19,689
a) Property, Plant and Equipment	5	4	5
b) Capital Work In Progress	9,482	11,402	12,604
c) Investment Properties	7,407	7,050	6,764
d) Intangible Assets	-	-	-
e) Financial Assets			
i) Loans	22	22	-
ii) Other Financial Assets	12	12	28
f) Non-Current Tax Assets (Net)	44	30	32
g) Other Non-Current Assets	562	325	256
Current Assets	346	216	1,102
a) Financial Assets			
i) Trade Receivables	39	19	18
ii) Cash and Cash Equivalents	116	16	889
iii) Bank Balances other than ii) above	10	12	12
iv) Other Financial Assets	19	23	59
b) Other Current Assets	162	146	124
GRAND TOTAL – ASSETS	17,880	19,061	20,791

FY18 onward figures as per Ind AS

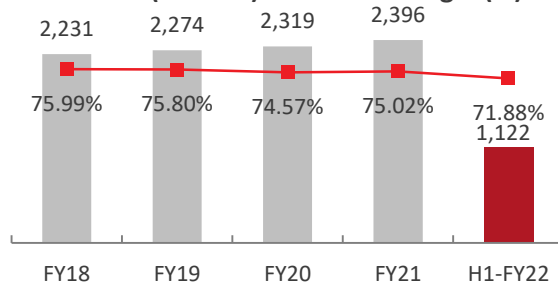


Key Financial Highlights

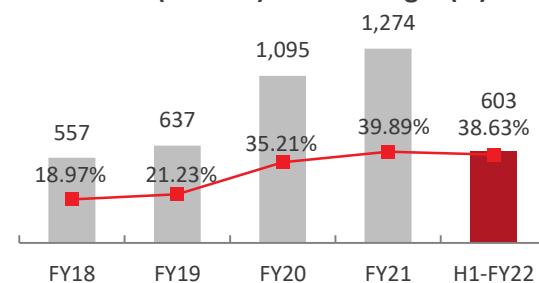
Total Income (INR Mn)



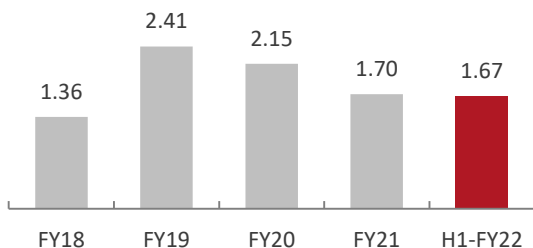
EBITDA (INR Mn) & EBITDA Margin (%)



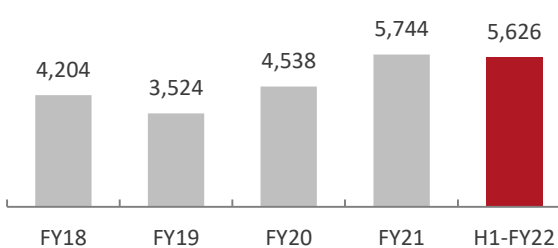
PAT* (INR Mn) & PAT Margin (%)



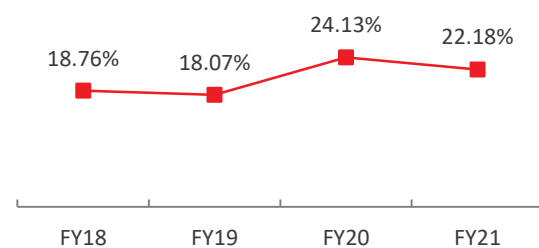
Net Debt to Equity (x)



Net Worth (INR Mn)



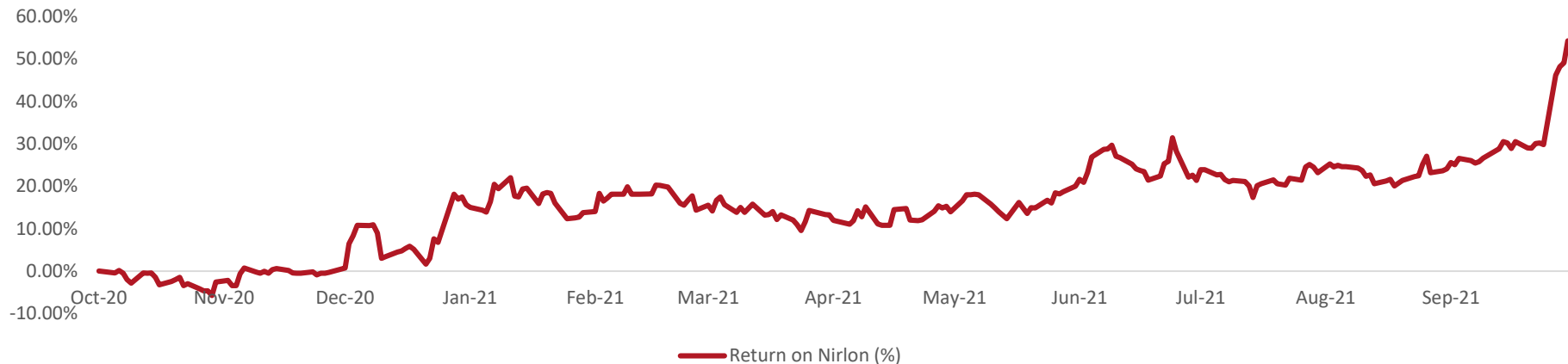
ROE* (%)



FY18 onward figures as per Ind AS

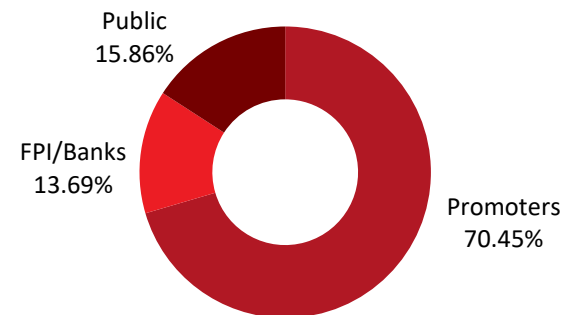
* - Pursuant to the amendment in Ind AS-23 "Borrowing Costs" FY20 onwards the Company has considered the specific borrowings obtained for completed phases as a part of general borrowings. Accordingly, the finance cost related to such borrowings has been capitalized as a part of Capital Work in Progress.

Capital Markets



Price Data (30 th September, 2021)	INR
Face Value	10
Market Price	372.15
52 Week H/L	375.75/225.25
Market Cap (Mn)	33,537.43
Equity Shares Outstanding (Mn)	90.12
1 Year Avg Trading Volume ('000)	9.00

Shareholding Pattern as on 30th September, 2021



Disclaimer

Nirlon Limited

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Nirlon Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. This Presentation may contain forward-looking statements based on reasonable beliefs and assumptions of the management of the Company, which are expressed in good faith. Such statements involve uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such statements. By their nature, forward looking statements inherently involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such statements are not guarantees of future performance and actual results may differ from those specified in such statements as a result of various such factors and assumptions. No assurance is being provided that the assumptions underlying such forward-looking statements are free from errors.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

For further details, please feel free to contact our Investor Relations Representatives:



Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-4903 9500 | Email: nirlon@valoremadvisors.com