

## RESULT UPDATION

### PRESTIGE ESTATES PROJECTS LTD.

In our "Market Twitter" (December) we recommended Prestige Estates as a buy stock when price was INR 163, currently stock is trading at INR 187 surged 14.73%.

We believe operating performance of realty sector is bottoming out. We have seen project volume growth of all majors realty companies; debt reduction plan and sustained realization. The company's net cash position, strong cash collection and quality management are significant positives.

#### Result Highlights 3QFY13: (Quarterly Analysis)

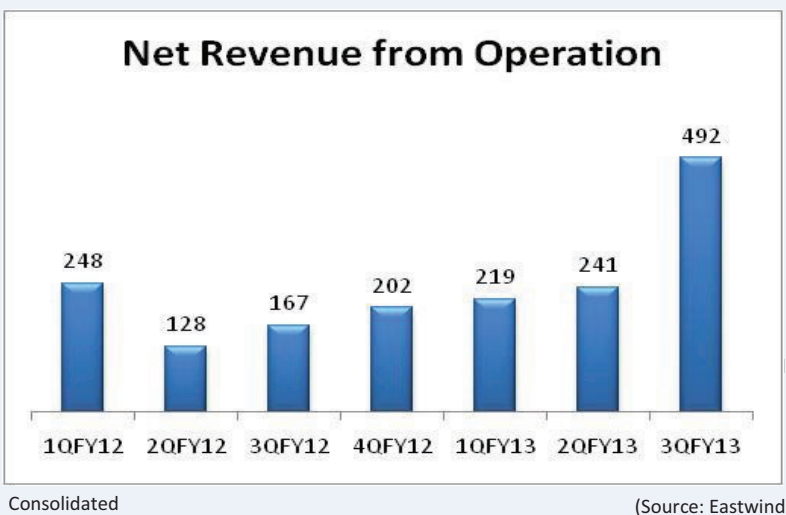
Standalone	Q3FY13	Q2FY13	Q-o-Q	Q3FY12	Y-o-Y
Net Revenue	492.1	241.4	103.8%	166.9	195%
Operating Exp	330.2	149.4	121.0%	104.3	216%
EBITDA	161.9	92.0	76.0%	62.5	159%
EBITDA (%)	32.9%	38.1%	(520) bps	37.5%	(457) bps
Depreciation	8.3	8.3	0.0%	8.2	0.2%
EBIT	153.6	83.7	83.5%	54.3	182.9%
EBIT (%)	31.2%	34.7%	(346) bps	32.5%	(132) bps
Interest	20.9	19.1	9.5%	15.9	31.4%
Other Income	19.5	19.5	0.1%	12.9	51.2%
Excep.I Items	0.0	0.0	NA	0.0	NA
PBT	152.3	84.2	80.9%	51.3	196.7%
Tax Provision	40.7	19.0	114.6%	10.8	276.2%
Tax Rate (%)	27%	23%	419 bps	21%	565 bps
Reported PAT	111.6	65.2	71.1%	40.5	175.5%
PAT (%)	21.8%	25.0%	(318) bps	22.5%	(71) bps
EPS	2.8	1.4	101.5%	0.8	233.6%

#### Result Highlights 3QFY13: (Year To Date Analysis)

Standalone	9MFY13	9MFY12	Gr %
Net Revenue	952.7	543.4	75.3%
Operating Exp.	601.2	337.5	78.2%
EBITDA	351.4	205.9	70.7%
EBITDA (%)	36.9%	37.9%	(100) bps
Depreciation	24.2	24.2	0.2%
EBIT	327.2	181.7	80.1%
EBIT (%)	34.3%	33.4%	90 bps
Interest	63.9	58.5	9.3%
Other Income	66.2	38.2	73.2%
Excep.I Items	0.0	0.0	NA
PBT	329.5	161.5	104.0%
Tax Provision	76.3	33.1	130.7%
Tax Rate (%)	23%	20%	267 bps
Reported PAT	253.2	128.4	97.2%
PAT (%)	24.9%	22.1%	277 bps
EPS	5.7	2.7	107.3%

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#### Net Revenue From Operation:



#### EBITDA (INR) & EBITDA (%):



#### PAT (INR) & PAT (%):



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#### Outlook:

As the company is in line with all of its guidance & continuously improving its performance & in evidence of stronger launch, stronger revenue visibility We believe these events are likely to be the key volumes / cash flow drivers for the company in FY13E/FY14E as existing projects are witnessing slowing volumes due to projects attaining mid-stage in its life cycle. **At the current market price of Rs 187 the stock is trading at a PE of 23.8x FY13E.** The company can post EPS of Rs 7.9 in FY13. We advised our readers to hold this stock and to make fresh buy on every dip. One can hold this stock as a medium term to long term investment with a target price of INR 195.

#### Price To Book Value (1 Year Forward):



(Source: Eastwind)

#### Key Financials:

PARTICULAR	2010A	2011A	2012A	2013E
Revenue (Consolidated)	1024	1543	1052	1600
Other Income	62	68	34	79
Total Income	1086	1611	1086	1679
EBITDA	285	442	331	512
EBIT	236	381	270	451
Depreciation	49	61	61	61
Intrest Cost	78	123	119	153
Tax	28	91	63	119
PAT	191	235	122	258
Dividend	39	39	39	39
EBITDA %	28%	29%	31%	32%
NPM %	18%	15%	11%	15%
ROE %	25.1%	11.1%	5.7%	10.9%
ROCE%	8.1%	6.5%	3.0%	5.7%
Book Value	29.1	64.4	65.6	72.1
CMP	198.3	125.0	99.9	187.0
P/B		1.9	1.5	2.6
P/E	27.2	17.5	26.8	23.8
EPS	7.3	7.2	3.7	7.9
Dividend/Share	1.5	1.2	1.2	1.2
Total Debt	1601	1505	1864	2136
Capital Employed	2365	3619	4015	4502
Net Worth	764	2114	2151	2366
No of Share	26.3	32.8	32.8	32.8