



EMBASSY OFFICE PARKS

Embassy Office Parks REIT



ISIN: INE041025011

BSE: 542602

NSE: EMBASSY

CMP: Rs.360.00

OVERVIEW

Fri, 30th NOV '21

- Embassy Office Parks REIT is involved in real estate activities including renting, buying, selling, and operating of leased or self-owned real estate properties. The group's portfolio comprises seven best-in-class office parks and four prime city-center office buildings.
- Its segments are Commercial offices and Other segments. Geographically, the activities are carried out through India

STRENGTHS

- Best-in-class office properties that are complemented by high-quality infrastructure.
- Diversified, high-quality, multinational occupier base
- Simple business with embedded growth levers
- Assets strategically located in the top-performing markets with high barriers to entry.

OPPORTUNITIES

- Rising Delivery Percentage compared to previous Day.
- High Momentum scores (Technical Scores greater than 50)
- Stocks near 52 week high with significant volumes

ACQUISITION

- We have successfully completed the acquisition of Vikas Telecom Private Limited (VTPL), Embassy Office Ventures Private Limited (EOVPL) and Sarla Infrastructure Private Limited (SIPL) (together known as the ETV assets) from the Embassy Sponsor, members of the Blackstone Group and other selling shareholders for an enterprise value of ₹97,824 million (defined as ETV acquisition).
- The ETV acquisition comprises ~6.1 msf of completed area, ~3.1 msf of under-construction area, of which 36% is pre-leased to JP Morgan, and two proposed 518-keys Hilton hotels within Embassy TechVillage.

DISTRIBUTION

- The Board of Directors of the Manager to the Trust have declared a cumulative distribution of Rs.21.48 for FY21. The distribution comprises Rs. 7.31 per unit in the form of interest payment, Rs. 3.01 per unit in the form of dividend and the balance Rs. 11.16 per unit in the form of amortisation of SPV debt.
- For the full year FY21, we delivered Distributions totalling Rs.18,364.09 million, which is on target with our full year Distribution guidance.

SUMMARY OF FINANCIALS

- Revenue from Operations Rs. 23,603 M
- Net Operating income Rs. 20,323 M
- EBITDA Rs 19,693 M
- Cash Flow from Operations Rs. 18,705 M
- Net debt to market capitalisation Net Debt Rs.102,102, Equity Rs. 302,492
- Lowered cost of debt by 336 bps on Rs. 32.8 billion refinancing

Growth Rates (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue %	7.9	12.4	10.4	-
Operating Income %	12.4	12.8	11.5	-
Earnings/Share %	-14.1	-	-	-
Dividends %	30.1	-	-	-
Book Value/Share %	-1.2	-	-	-
Stock Total Return	13.3	-	-	-
Market +/-	-14.9	-	-	-

Valuation Analysis	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	51.8	-	53.6	16.0
Forward P/E	33.3	-	-	-
Price/Cash Flow	15.7	-	17.6	10.4
Price/Free Cash Flow	15.7	-	17.6	-
Dividend Yield %	5.8	-	5.6	2.6
Price/Book	1.3	-	1.3	2.2
Price/Sales	12.3	-	12.8	-

Profitability Analysis	Current	5Yr Avg	Ind.	Mkt.
Return on Equity %	2.8	3.8	2.5	15.4
Return on Asset %	1.7	1.5	1.7	5.6
Gross Margin %	81.5	-	83.5	-
Operating Margin %	52.0	-	49.8	-
Net Margin %	24.5	-	23.8	21.6
Inventory Turns	481.0	~*	103.0	-
Fixed Asset Turns	0.7	-	1.0	-

Financial Position (INR)	03-21 ₹Mi	03-21 (Mil.)
Cash	9,069	7,085
Inventories	11	10
Receivables	—	—
Current Assets	14,365	11,553
Fixed Assets	4,067	42,972
Intangibles	79,871	78,989
Total Assets	450,844	449,555
Payables	3,406	2,867
Short-Term Debt	200	45134
Current Liabilities	15,153	59,209
Long-Term Debt	106,023	68,528
Total Liabilities	179,913	185,268
Total Equity	270,931	264,286

Source: Company filings & Analyst research