

Brigade Enterprises Limited

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4th June, 2024

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051

Department of Corporate Services - Listing
BSE Limited
P. J. Towers
Dalal Street,
Mumbai - 400 001

Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir/Madam,

Sub: Transcript of Conference Call on the Company's Financial & Operational Performance for Q4 FY 24 held on 30th May, 2024:

We are enclosing herewith the transcript of the Conference Call on the financial and operational performance of the Company for Q4 FY 24 held on Thursday, 30th May, 2024.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For **Brigade Enterprises Limited**

P. Om Prakash
Company Secretary & Compliance Officer

Encl.: a/a





“Brigade Enterprises Limited
Q4 FY '24 Earnings Conference Call”
May 30, 2024



**MANAGEMENT: MR. M R JAISHANKAR – EXECUTIVE CHAIRMAN –
BRIGADE ENTERPRISES LIMITED
MS. PAVITRA SHANKAR – MANAGING DIRECTOR –
BRIGADE ENTERPRISES LIMITED
MS. NIRUPA SHANKAR – JOINT MANAGING DIRECTOR
– BRIGADE ENTERPRISES LIMITED
MR. ROSHIN MATHEW – EXECUTIVE DIRECTOR –
BRIGADE ENTERPRISES LIMITED
MR. AMAR MYSORE – EXECUTIVE DIRECTOR –
BRIGADE ENTERPRISES LIMITED
MR. PRADYUMNA KRISHNA KUMAR – EXECUTIVE
DIRECTOR – BRIGADE ENTERPRISES LIMITED
MR. JAYANT MANMADKAR – CHIEF FINANCIAL
OFFICER – BRIGADE ENTERPRISES LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to the Q4 FY '24 Earnings Conference Call of Brigade Enterprises Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. M. R. Jaishankar, Executive Chairman. Thank you, and over to you, sir.

M R Jaishankar:

So thank you. Good afternoon, ladies and gentlemen. Welcome you all to the Brigade Enterprises Q4 Financial Year '24 Earnings Call. I'm joined by our Managing Director Ms. Pavitra Shankar; Joint Managing Director; Ms. Nirupa Shankar; our Executive Director, Mr. Roshin Mathew; Mr. Amar Mysore; Mr. Pradyumna Krishna Kumar; also by our CFO, Jayant Manmadkar and who is quite new and also other members of the senior management team.

I'm very happy to say that all verticals of the company contributed significantly to our growth in financial year '24, on the back of robust demand, with a strong pipeline of 22 million square feet of ongoing projects, and at around 16 million square feet of upcoming projects. We are confident of sustained performance in the coming quarters as well.

We continue to focus on Bangalore, Chennai, and Hyderabad for suitable land parcels that are at par with our quality standards and our customer-first focus. Coming to the real estate segment, the favourable momentum in the Indian residential market continues and the last quarter of financial year '23, '24 witnessed sales at an all-time high across all metro cities put together. In this context, our overall real estate business has also outperformed previous years with 7.55 million square feet area sold, at a value of over INR6,000 crores, including land owners area share.

Collections from the segment were healthy INR4,243 crores in financial year '24. The average realization of units sold during the year has gone up to INR7,970 per square foot, which is a 23% increase over the previous year, or 31% increase for the same quarter previous year. Customer demand is strong and there is willingness to pay for larger units, higher specifications and access to a more premium lifestyle.

We have a pipeline of 12.61 million square feet of new residential launches lined up across the cities of Bangalore, Chennai, Hyderabad and Mysore, which will further consolidate our position in FY '25.

As regards leasing segment, first, I'll talk about Office. Our office segment witnessed a strong performance in financial year '24 with net office space absorption of more than 1 million square feet in FY '24, of which 0.2 million square feet was achieved in Q4, with 97.5% occupancy across its leading portfolio, Brigade ranked among the top developers in Bangalore with 7% market share for '24. Brigade Tech Gardens has been in the spotlight achieving 100% occupancy with market tenant, despite the shrinking SEZ market post-sunset of the regime.

The office demand scenario is expected to be robust for financial year '25, and Brigade is poised to take advantage of this momentum. Demand is being driven by medium and large sales office

base requirements, dominated players from automobile, technology, engineering and manufacturing sectors.

As regards to retail, during financial -- during the quarter 4 financial year '24, footfalls across our three malls grew by 10%, despite multiplexes across the malls, clocking only 4% growth year-on-year due to limited movie content. Retail space is strong, especially by F&B players, family entertainment center and fashion lifestyle brands. Across our entire leasing portfolio, we clocked a revenue of INR937 crores for the financial year '24, which is a 25% year-on-year growth. Collections remained stable at 99%, during the financial year.

Now I'll talk about hospitality. In quarter 4 financial year '24 or Hospitality SBU demonstrated consistent growth, witnessing improvements across both ARR and occupancy percentages. Revenue surged by 13%, primarily fueled by an increase of 11% in occupancy and AGOP of about 10% compared to Q4 '23. There was a revenue -- there was revenue year-on-year growth of 15% fueled by ARR growth of 8% and occupancy growth of 5%. There is promising growth in core revenue streams, particularly in F&B revenues.

This brings me to the end of our operational highlights. CFO, Jayant Manmadkar, will now take you through the financial highlights. Thank you very much.

Jayant Manmadkar:

Thank you and good afternoon. On behalf of the company, we welcome you to the earnings call for Q4 FY 2024. Chairman have already shared operational highlights, I will be sharing key financial highlights for the quarter and financial year 2024. We are happy to share that Brigade Group has reported its highest ever listed sales of 7.55 million square feet for the financial year ended March '24. It also -- it is also the highest ever sales for the quarter with 2.72 million square feet.

To start with the company's update for quarter 4 FY '24, the Real Estate segment clocked a turnover of INR1,390 crores, an increase of 143% over Q4 FY '23, with an EBITDA of 20%. The leasing segment clocked a turnover of INR247 crores, an increase of 32% over Q4 FY '23 with an EBITDA of 71%. The hospitality segment clocked a turnover of INR126 crores, an increase of 13% over Q4 FY '23, with an EBITDA of 36%.

The consolidated revenue for quarter 4 FY '24 stood at INR1,763 crores, an increase of 102% over Q4 FY '23. Consolidated EBITDA for Q4 FY '24 stood at INR493 crores, an increase of 113% over Q4 FY '23. EBITDA margin stood at 28%. Consolidated PAT after minority interest for Q4 FY '24 is INR206 crores. We achieved highest ever collections in Q4 FY '24, amounting to INR1,838 crores, an increase of 26% over Q4 FY '23.

Net cash flow from operating activities stood at INR589 crores, an increase of 35% over Q4 FY '23. Coming to the group's performance for FY 2024, the Real Estate segment clocked at a turnover INR3,662 crores, an increase of 51% over FY '23 with an EBITDA of INR510 crores. The leasing segment clocked a turnover of INR938 crores, an increase of 25% over FY '23, with an EBITDA of INR684 crores. The hospitality segment clocked a turnover of INR464 crores, an increase of 18% over FY '23 with an EBITDA of INR168 crores.

The consolidated revenue for FY '24 stood at INR5,064 crores, an increase of 42% over FY '23. Consolidated EBITDA at INR1,362 crores, an increase of 39% over FY '23. EBITDA margin stood at 27%. Consolidated PAT after minority interest for FY '24 is INR452 crores, an increase of 55% over FY '23. We achieved highest ever collections for the year amounting to INR5,915 crores, an increase of 9% over FY '23. Net cash flow from operating activities stood at INR1,575 crores.

Coming to the debt and liquidity position. We continue to have adequate liquidity and undrawn credit lines for financial institutions to support growth plan. Our average cost of debt has been contained at 8.82% per annum. Gross debt of entity stood at INR4,663 crores. The cash and cash equivalents were INR2,073 crores, as on 31st of March '24. Consequently, company's net debt outstanding as of 31st March '24 was INR2,590 crores, out of which BL share is INR1,908 crores.

We continue to have zero residential debt driven by higher sales and collections. Almost 82% of the debt pertains to the commercial portion, which is backed by rental income. Debt equity ratio stood at 0.62 as of March '24. I will hand it back to the moderator for questions.

Moderator: Thank you very much. The first question is from the line of Karan Khanna from AMBIT Capital. Please go ahead.

Karan Khanna: Congratulations to the team on ending the year on a strong note. My first question, if I look at Slide number 9 of your investor presentation, I see that the presales CAGR over the last 4 years, this has been largely driven by volumes at 15%, while pricing growth has only picked up in FY '24 and stood at around 9% CAGR over the period. Now as we look at next 3 to 4 years of evaluation for your real estate portfolio, and given the robust launch pipeline that you have in FY '25 and FY '26, how should one think about the growth? Will it largely be driven by volumes or because of value which is having a potential for pricing growth as well?

Pavitra Shankar: Hi good afternoon Karan. Yes, sorry. Yes. So regarding our portfolio, we are primarily looking at it more as the growth in area, is how we look at it in Brigade. So when we plan a CAGR or look for any sort of future growth, we are typically looking at area sold.

But however, given the pricing appreciation that we've seen as well, we do expect to see the APR and also the revenues grow substantially more than what the area projections are. So while we continue to peg our growth based on area, we expect to see an additional amount come in, in terms of the revenue growth. So I'm not sure that was clear. But given the markets that we're in, we still intend to have to launch larger and many more projects in order to keep seeing the area growth.

Karan Khanna: Sure. Just a follow-up to that, Pavitra. Of the total 7.5 million square feet area sold in FY '24, is it possible to know the breakup from the new launches in FY '24 and sales from the existing inventory?

Pavitra Shankar: Yes. So in FY '24, including Q4, since predominantly most of our launches came in, in Q4. In Q4, the amount of sales, by contribution from area was around 45% and value 50%. And

similarly, for the financial year as well, it's about that much. Area is around 46% to 47%. And by value, it's around 51%, the new launch.

Karan Khanna:

Yes, the number I was trying to get to Pavitra is, let's say you sold 7.5 million square feet of area in FY '24. So what could be the breakup of this? How much of this was contributed from new launches that you did in FY '24? And how much of this was from your existing inventory that stood on the balance sheet as of March '23?

Pavitra Shankar:

That's what I mentioned. And maybe the other it's the same -- so around 50% of the area sold in the financial year were from new launches. And maybe another way to put that forward is also. We launched around 6 million square feet in the course of the financial year. Of the 6 million square feet that we launched, we've already sold 68% of whatever was launched in the financial year.

Karan Khanna:

Sure. That is helpful. And that clarifies. Second question, if I look at the Brigade Insignia, that's a project that's expected to be launched in the next few months. Can you talk about the interest that you're seeing in terms of the EOIs so far? And if the project sees a good success, would it pave the way for acceleration in launches in the same vicinity? And do you have enough land to sort of accommodate potential future projects triggered by this one success?

Pavitra Shankar:

Yes. So InSignia so far, I mean we just got the RERA about a week or so ago. The EOIs are looking quite good. It's quite a hefty ticket size for Bangalore. It's coming in at around INR3 crores to INR4 crores ticket size. So from that perspective, the market itself is a little smaller for that kind of transaction, but we're still pretty positive. We just had a channel partner meet yesterday and all indications are pretty good on that front.

Also, this project is heavily anticipated since there really isn't any kind of high-quality stock from Hebbal to the airport. So we're quite positive. But we're also just looking at what is the best strategy for this project. I don't think it will be fully driven by velocity. We want to make sure we are getting the right pricing for this project as well.

In terms of the overall market, yes, we are positive about this part of North Bangalore. It's been a long time coming. But now with all the infrastructure in place, I think this is where predominantly we are seeing a growth in our portfolio and also across the competitors as well.

Karan Khanna:

Sure. And if we talk about your annuity and the hotel portfolio for the hospitality portfolio, in particular, what kind of partnerships are you looking at, given you've spoken about this in the past as well? And in the most immediate quarter, we've seen relatively sluggish or rather, I would say, muted rate growth in the fourth quarter versus industry expectations overall. So what kind of ARR one should pencil in for the industry for FY'25?

Nirupa Shankar:

Yes. So for the hospitality portfolio, we -- as mentioned in the presentation, we are doing a few new launches or we are launching a few projects this year. Two of the projects will be with Marriott, with Fairfield by Marriott and one is with Holiday Inn or IHG Group. Last year, we had mentioned that we are setting up a resort in Chennai, and that is partnered with Grand Hyatt. And we will be doing another hotel in Brigade Neopolis in Hyderabad, and that will be an intercontinental hotel brand. So we signed up with all these companies for those hotels.

And in terms of the growth in the industry, we saw a 10% growth in the average realization and I expect this to continue for the year ahead because there will be -- occupancy has also improved. So if you look at the RevPAR -- from a RevPAR perspective, the growth has been 15% or so, but we are expecting at least 10% growth in the ARR, and maybe a slight increase in the occupancy because they're already trading at around 75%.

Karan Khanna: Sure. This is helpful. And lastly, on business development, you spent close to INR2,000 crores in FY'23 and '24 towards land acquisitions. So how should one think about this number in FY'25 and '26?

Pradyumna Krishna Kumar: Hi, Karan. Pradyumna here. So we have about INR900 crores of cost to be incurred as far as our land bank, which is already committed. Naturally, we're looking at adding quite a bit in Bangalore, Chennai and Hyderabad. So across these three cities and maybe a couple of more Tier 2 cities, we should be spending more than what we did last year.

Moderator: The next question is from the line of Pritesh Sheth from Motilal Oswal. Please go ahead.

Pritesh Sheth: Congrats on strong numbers. Firstly, if you can provide a split of these launches, 12.6 million square feet between the three markets? And just in case of Bangalore, most of the sales this year came from that 7.5 million square feet. Do you think additional -- there would be a decent growth coming in, in Bangalore or it's Chennai and Hyderabad which would be contributing to this volume over the next couple of years while you ramp up launches in these two markets?

Pavitra Shankar: So yes, of the 12.5 million or 12.61 million that we planned for FY'25, 7.5 million square feet is in Bangalore, 3 million in Chennai and 2 million in Hyderabad. So that's what we have planned for the upcoming year. Even in our land bank and over the course of the coming few years, about 57% of that is in Bangalore and 33% in Chennai. So we have been steadily adding to our land bank in Chennai.

Hyderabad is also where we're looking aggressively. But in the current land bank, this is sort of where we are seeing the geographical distribution. So given the market dynamics in Hyderabad, whatever supply also we are putting into Hyderabad, we generally expect to see that move pretty quickly as well. Same goes for Bangalore.

For Chennai, we are yet to sort of see maybe how quickly we can move the inventory. Again, different projects have different strategies. Maybe we will look for realization versus velocity depending on each project. So yes, this is sort of the picture going forward. We do have a couple of new projects coming up in Mysore and so on, but these are very small and don't necessarily add to the scale.

Pritesh Sheth: On the question on market contribution. So Bangalore, you do expect equal amount of volume growth that you're expecting in Chennai, Hyderabad or growth should be lower there and Chennai, Hyderabad would obviously add to the growth?

Pavitra Shankar: So overall, we still expect Bangalore, if you only took Bangalore by itself, you would still see substantial growth. But since the overall pie is increasing, we would probably see Bangalore as a percentage of the total sales next year, maybe come down. In the past year, it was 90% or more

from Bangalore, because it's a kind of inventory that we had. But considering we'll be launching at least 5 million square feet in these other two markets, then I expect the share of Bangalore in terms of total sales to reduce then from a 90% in FY'25.

Pritesh Sheth: Sure. And with this launch of ramping up, right, your volume growth guidance earlier have been around 15%, 20%. Would you still stick to that guidance? Or with this 12.5 million square feet, we could do much higher in terms of growth over the next couple of years?

Pavitra Shankar: Yes. I mean that's always the intent. It's always dependent on approvals, I would say. Today, we have the projects in the land bank to launch. It is about approvals coming in and maybe getting them substantially early on in the year so that we can make those kind of growth numbers. Yes, that said, the base is only getting larger. So then naturally to keep growing at that rate is also -- does become more and more challenging. But we do have the right projects in the right locations. So I'm quite positive that we'll be able to meet those good numbers. If the question of, does it come in the same financial year per se or does it go a quarter here or there?

Pritesh Sheth: And any slipover do we expect in this 12.6 million square feet like we had last year with Chennai, Mount Road or you're confident enough to see through all these launches in this year itself?

Pradyumna Krishna Kumar: So yes, so we are confident of it. I don't think we expect any slippage So we don't expect any slippage in terms of launches when compared to what you were referring to last year. So we will launch, say, the Mount Road project in this quarter itself. And the other projects also which we have lined up in Q3, Q4, etcetera, we are confident of having it launched in the same period.

Pritesh Sheth: Sure. And just one last on your commercial launch pipeline. We saw higher number last quarter, but that's come down to 3 million square feet versus 5.5 million square feet last quarter. Just -- those project launch have got pushed out? Or any change of plans in those, just your comment on that?

Pavitra Shankar: Yes. So in terms of how we looked at our launch pipeline, I think we just got a little more clear in terms of how we're going to document commercial launches in our numbers. For residential, it's very clear. Like as soon as we expect RERA to happen and it hits the market for sales, that's what we deem as launches. For commercial, we now looking at it as wherever construction will begin.

So it's -- I think previously the numbers were just sort of including what was there in our land bank, and what had recently been acquired in that land bank. So now we are a lot more clear in terms of when design approvals, etc., will happen and when the construction can begin. So whether that project eventually goes for lease or sale, it doesn't matter.

For commercial, we'll be showing launches as when the construction begins. So that's why those numbers are finished a little bit this quarter, but they are still in the land bank and this will be following the same timeline per se.

Pritesh Sheth: That's helpful. I have couple more but I'll join back the queue for further question. Thank you. All the best.

- Pavitra Shankar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Prem Khurana from Anand Rathi Shares & Stock Broker. Please go ahead.
- Prem Khurana:** Hi. Thank you for taking my questions. And congratulations on good set of numbers. So when I look at our presentation, what I observe is that we've converted a part of our twin towers from rental asset to kind of a single and we want to sell Tower B now. Why would this change be there? Because we've been leasing seriously. When I look at it over the last two years the year, we are able to do more than 100 square feet of area. And the outlook again seems to be pretty good for leasing environment, in fact but it seems that the part of...
- Pradyumna Krishna Kumar:** Prem sorry. You're not too clear. So if you can just to be a little slower, a little louder. Closer to the mic.
- Prem Khurana:** Yes. So I was asking, I mean, when I look at our twin tower project, there was supposed to be three towers, right? We still see A and C as a part of the capex pipeline, but then tower B seems to have been converted as meant for outright sell. So why would this be the case? I mean, given the fact that we've been leasing seriously could have over the last two years, on an average, we are able to lease out almost 1-odd million square of area.
- And the outlook, again, seems to be pretty good for leasing, right? So why would you convert - I mean, does it mean you want to kind of somehow reduce capital intensity to get the money back to a certain extent and then use that money going to have some more growth in some of these other verticals?
- M R Jaishankar:** See, as developers all along commercial projects, we have seen both for leasing and sales as real estate thing. Historically, if you see also, we have done maybe 60% of the commercial buildings on sale and only about 40% is retail. So in this case also, all our projects we will see over the demand where the demand lies. And there is a healthy demand for end users who want to buy.
- So one tower, we have kept it as for sale. And these things we need to decide before the occupancy certificate is received. There are various other issues connected with GST, etc. Based on that, we reclassified this one tower for sale and another tower for leasing.
- Prem Khurana:** Sure. And sir, where are we in terms of, I mean, leasing inquiries for twin tower. Have you started engaging with the clients because I mean it's nearing completion now. So what sort of interest do you have in place?
- M R Jaishankar:** It is happening. It is slightly less than the desired pace.
- Nirupa Shankar:** There's also a lot of end users that are looking at in that market. While there are RFPs in the market, that particular Northwest Bangalore area, there are a lot of end user driven requests, and that's also another reason why we decided to keep one tower for sale because of end users.
- Prem Khurana:** Sure. Okay. And the second question was on growth plans in Resi. I mean, we've already become fairly large, I mean, as far as Bangalore is concerned, we will be one of the largest player now.

And I'm not sure, I mean if we have any more micro markets within Bangalore, be able to explore in terms of wherein I mean we've been. -- we would not have been there, right? It seems a growth, I mean, I think in your initial remarks when you said, I mean, the growth -- large part of the growth that you envisage now would be because of Chennai and Hyderabad.

So I mean, given this situation, I mean, is it fair, it wasn't even a year down the line, I mean, would have started looking at beyond Chennai and Hyderabad, because to be able to develop any new market, generally should take you some time to be able to understand, acquire, experience with the first pilot project, and then start building more for future growth. So any I mean, possible to share any geographies that would be on your radar, even in terms of where you would want to go and try and build more in terms of portfolio, which would drive growth beyond Hyderabad and Chennai.

We are still focusing, as mentioned earlier, a large part to Bangalore, Chennai, Hyderabad, and we also have exposure to tier two cities like Kochi and Mysore and to smaller extent in Trivandrum and Ahmedabad. But if your question is saying, are we expanding to Mumbai and other NCR for the time being? Not yet and we need to see -- as we have always felt we have not fully tapped the markets in Hyderabad and Chennai, which have got good potential.

And within Bangalore, we are tied up a number of new projects on a large office space thing near airport, like that and the industrial park. Some of these things will be announced at the appropriate time. That's how it is. But I think these three cities have great potential. Not that others don't have, they may have bigger potential also, but we would like to focus on these three cities for the time being.

Prem Khurana: So this is really helpful. And one last on my side on the hospitality side, I think we were planning to open a partner. So where are we in our efforts to be able to kind of get a partner?

M R Jaishankar: It is, I would say, work in progress. It is under various discussions. In fact, office I mean, hospitality portfolio also, we have big plans to increase, and for like even doubling of the overall key count. So naturally, it requires a lot of additional funding. So we are looking at partners. It is bound to happen at the right time.

Prem Khurana: Is it possible to confirm whether we're looking for a strategic partner or a pure play financial partner? I mean, do you want to...

M R Jaishankar: Those are all various options that we have before us. But as I said, the appropriate decisions will be taken by the Board, based on various proposals we receive.

Moderator: Thank you. We have the next question from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: Congratulations for a great set of numbers. So a couple of questions from my side. First, of our ready projects that we plan to launch in FY '25, 12.6 million square feet, what would be, let's say, the approximate GDV of these projects?

Pavitra Shankar: So we are thinking around INR13,000 crores would be the approximate GDV at the top-line.

- Parvez Qazi:** Sure. And by when do we expect our Neopolis project in Hyderabad to get launched? Will it be in the first half or second half?
- Pavitra Shankar:** We are pushing to make it happen in first half, so we're working towards that.
- Parvez Qazi:** Sure. And lastly, for the 3 million square feet commercial projects which are there in the pipeline, so are these all stand-alone projects? Or do these also include some portion that we might want to do in -- as part of a larger development in Neopolis or Mount Road Chennai?
- Pavitra Shankar:** Yes. So 3 million that we've listed out there, Bangalore will be about 54%. We also launched a project in Chennai, 88% of the 3 million. One project in Kochi, part of our World Trade Center, Annex. So it's another tower to that. And also, we are launching GIFT City. Hyderabad was not included in the launch for this quarter. So we've just mentioned 3 million in there. So I would say Bangalore, 54%; Chennai, 28%; 13% GIFT City and 5% Kochi.
- Moderator:** The next question is from the line of Pritesh Sheth from Motilal Oswal. Please go ahead.
- Pritesh Sheth:** First is on commercial now that it's 97% leased out including hard option. How do we see our run rate in terms of rental at our share, rental or EBITDA, whatever you can provide.
- Nirupa Shankar:** Yes. So the rental office rentals, FY '24 was about INR600-odd crores. In FY '25, we're expecting it to increase by about 16% also based on the kind of leases that will start paying rent. So it should hit about INR700 crores by end of FY '25.
- Pritesh Sheth:** And that would be the full potential of this portfolio, right?
- Nirupa Shankar:** Full potential instead of INR750 crores.
- Pritesh Sheth:** Okay. Got it. And one last on collection breakup between all the segments, if you can provide that.
- Jayant Manmadkar:** So total collection for the quarter is INR1,836 crores in that residential is INR1,327 crores; commercial sale is INR33 crores; commercial lease is INR179 crores; retail INR59 crores; hospitality INR170 crores; and FMS is INR68 crores.
- Pritesh Sheth:** Got it. Just one, sorry, clarification, this full potential INR750 crores is our share or total share?
- Nirupa Shankar:** It includes GIC share. Our share would be about INR500-odd crores of that.
- Pritesh Sheth:** Okay. And then retail rental is over and above this?
- Nirupa Shankar:** Talking about office portfolio, correct?
- Pritesh Sheth:** Yes, I was talking about office portfolio and then there would be retail portfolio rental income over and above this income.
- Nirupa Shankar:** That's right.

- Moderator:** The next question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.
- Biplab Debbarma:** So my first question is on the realization. We saw a significant jump, almost 23% year-on-year growth in realization. Just wondering what led to such jump in realization. Is it like a product like mix is reading towards more premium products, or sale projects seeing a significant jump in selling rate?
- Pavitra Shankar:** Yes. So actually, it is more of the latter. It is the same kind of product, where we've seen the market ready to absorb a higher rate. So from the projects that we've been launching over the last couple of years also, we've been able to take up the initial launch rate that we would have maybe underwritten a couple of years ago. So our same mid-segment or upper mid-segment product has allowed us to increase the price in a Brigade portfolio by around 23%.
- Market may be a little less, maybe 15% to 18%. But going forward, also, we are not only envisioning that we can continue to still take up the price for the mid-segment product but Brigade, itself is also launching a few upper mid-segment product, where the average realization will anyway be higher because the product itself is a little different.
- Biplab Debbarma:** Okay. That's great. And ma'am, so what I saw is last this year in residential, you launched around 5.36 million square feet of projects. And last was also similar kind of launches, new launches in residential and then the disruption in terms of volume.
- Pavitra Shankar:** You are not clear. Please come closer to the mic and speak clearly.
- Biplab Debbarma:** Okay. I'll come back.
- Moderator:** Thank you. The next question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.
- Biplab Debbarma:** Is it better now?
- Moderator:** Much better.
- Biplab Debbarma:** So, what I was saying that last year and this year, the new launches in residential is almost similar, 5.26 and 5.46 or something. Whereas the total absorption or the total sales in terms of volume this year has been significant 7.55. Last year it was around 6.63. That means around 70%-80%.
- Moderator:** Sorry to interrupt, but your line keeps breaking up in between towards the end, sir.
- Pavitra Shankar:** Yes, I think I understood what you're saying, you're saying Biplab, even though the launches are about the same the sales numbers are much higher...
- Biplab Debbarma:** Yes, ma'am.
- Pavitra Shankar:** A factor of yes, it's just that the launches are getting a absorbed much faster. It's a sign of the kind of consumer demand that there is for a branded player like us for our product for our kind

of pricing and design and all of that, which is why I had mentioned earlier, that whatever we did launch in FY '24, we've already sold 68% of that inventory. So in other words even if we've launched certain projects, we're able to sell whatever we've launched much faster. So therefore, you're seeing a higher absorption even though in the last couple of years the launches may have been similar numbers.

Biplab Debbarma:

So, ma'am, that means you launched that 12 million or something million square feet and see similar kind of growth in realization, the total sales booking growth to be much higher than 20% or 30%. That's what I'm trying to understand, whether we should see similar kind of absorption or not. That is what I'm trying to understand. So if the launches this year would be much higher, 12 million and you already alluded the realization would see similar kind of growth. That means we would see more than 30% or so -- expect sales booking growth of more than 30% or so. Is that the kind of number we should be looking at?

Pavitra Shankar:

We expect 30% growth this year. That's also because the kind of launches we are going to do now, as I mentioned is also a much higher segment. We don't expect to sell out extremely premium product within a year of launching. So in those situations, we are more -- the supplier that is anyway slightly lower. So the value tends to be higher. So for that, we intend to achieve the highest possible price realization that we can get for that product since it is a super-premium product.

And in the coming year, whatever is the mix that we have, we don't expect a 30% growth over what you've seen this year depending on when the launches hit the market. If they are large projects then we can see a much higher volume coming into the financial year. If they come towards the end of the financial year, then the numbers will be a little different. So it's really very timing dependent, which is why I can't really give more clarity on maybe what to expect for the financial year.

Moderator:

Ladies and gentlemen, we do not have any further questions. Sorry, we have one questioner who has joined the queue. The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi:

One question for Pavitra. As you rightly said, -- we are looking at launching some premium, super premium projects this year which -- for which obviously the sales realization might be higher but the sales velocity, especially at the time of launch might not be as high as what was the case for us in FY'24. So over medium-term perspective, like over the next 3 years to 4 years.

How do we decide our strategy in terms of business development? Do we look for more premium projects with higher sales realization? Or do we want more safety in terms of better sales at the time of launch itself, which then translates into better working capital for you. So at a company level, how do we make those decisions?

Pavitra Shankar

Yes, Parvez, I think the best answer is we wanted to do both. I think it is -- we have to look at both what can give us the volume from the portfolio standpoint but also what can drive the realization. As we've always said, we are focused on Bangalore Chennai and Hyderabad. If

someone is to compare the realization here with the Mumbai NCR, it's very different. Naturally, we want to grow our revenues as well.

So we will still be looking for projects where we can increase the realization in the markets in which we play in. We also think that overall, there is a trend towards customers wanting more premium product, and the ability to purchase and the desire and the ability to go for premium product is definitely there in line with GDP growth expected in line with capital income.

So we want to capitalize on those trends as well. And in these 3 markets, which is our area of focus, we intend to capture both the mid-segment as well as the upper mid segment but not focus only on premium product, because then we won't be able to scale. So I don't know if that has helped, but we definitely need to capture these two parts of the residential market, because that's where we see the growth in both volume and revenue.

Parvez Qazi: My second question is, on a rough cut basis, what would have been the geographical split of presales for us in FY'24, I mean across the three major cities that we operate?

Pavitra Shankar: Yes. Residential, it was about 92% was, and because our launches from Chennai and Hyderabad are coming into FY '25. So in this past year, it was heavily from Bangalore. Most of the all of the inventory launched was in Bangalore and most of the sales also came from Bangalore.

Parvez Qazi: Lastly, a question for Jayant sir, what would have been the contribution from BTG and WTC on the rental front in Q4?

Jayant Manmadkar: During the quarter, rental is about INR55 crores, and about INR47 crores.

Parvez Qazi: Sorry, INR55 crores is from?

Jayant Manmadkar: Brigade Tech Gardens.

Parvez Qazi: And INR47 crore from WTC?

Jayant Manmadkar: WTC, correct.

Parvez Qazi: Thanks and all the best.

Moderator: Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to Ms. Nirupa Shankar, Joint Managing Director, for closing comments. Over to you, ma'am.

Nirupa Shankar: Thank you. Before we close, we'd like to just share a few other highlights, on the 54th Annual World Trade Center Association Global Business Forum successfully hosted at the World Trade Center, Bangalore. It was the first time the forum took place in Karnataka and only the second time in India. The World Trade Center Bangalore, bagged two awards, Regional Member of the Year Asia Pacific and Global Member of the Year at this event and it was widely participated by 200-plus World Trade Center representatives from across the globe.

Memorial Hospital inaugurated a brand new medical facility called the Ramaiah Hospital at Brigade Orchards, a 135-acre township in Devanahalli. The hospital will serve not only the members of Brigade Orchard, but also the people in the neighborhood. The hospital will comprise 30 individual rooms and also provide primary acute urgent care services that are world-class quality.

Brigade group was recognized in the top 30 list of Future Ready Workplaces in India 2024 by Fortune India and CIEL HR. This recognition is based on 6 key assessments, culture and performance, innovation, resilience, nurturing and sustainable drives. We attribute the success to our diverse talented team.

It has been elected to CII Karnataka State Council '24, '25. As an office bearer, Pavitra will lead the CII Karnataka Environment and Sustainability Panel's Bangalore-centric initiative. Her role will entail driving membership engagement, advocacy and strengthening ecosystems for collaboration and growth.

Accolades and recognition we received in the last quarter are Pavitra Shankar won Realty Personality of the Year at the Economic Times Real Estate Awards 2024. Brigade Komarla Heights won bronze at the CII SR Excellence Awards 2023 for our commitment to environmental health and safety practices.

World Trade Center Chennai won an award for ESG at the iNFHRA Awards 2024. World Trade Center Chennai was also declared a winner in the safety and security category as well. Additionally, the World Trade Center Kochi won an award for a turn to office. It also secured silver in safety and security at the iNFHRA Awards 2024. So that's a wrap for our earnings of this quarter. Thank you so much for joining and see you next time.

Moderator:

Thank you. On behalf of Brigade Enterprises Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.