Company Name: Aditya Birla Real Estates Ltd.

Key Management Participants :

Mr. Keyur Shah- Chief Financial Officer
Mr. Drupad Upadhyay- Corporate Finance

11th Annual Valorem Conference Highlights :

- Actively pursuing ~INR 20,000 crore of business development opportunities across core micro-markets.
- Project launches are broadly on schedule; only Birla Niyara has been deferred to FY27.
- Sales for a key Bengaluru project have increased ~25%, driven by the Middle East office.
- Recent launches in Thane and Pune are witnessing strong demand traction.
- Strategic partners such as Mitsubishi have shown interest in expanding collaborations beyond existing projects.
- Commercial portfolio expected to generate ~INR 1,000 crore in rental income over the next 4–5 years.
- Net debt is expected to turn zero post receipt of ITC deal proceeds, positioning the company well for incremental business development funding.
- Reaffirmed presales target of INR 15,000 crore by FY27.

Key Questions & Answers discussed:

- **What are the key project deliveries, launch pipeline, and pre-sales outlook**? Recent deliveries include projects in Gurgaon, Bengaluru, and Kalyan. The upcoming launch pipeline includes projects across Taranya (next phase), Trimaya (next phase), Navya (next phase), Mrida, and Pune. We are targeting ~INR 15,000 crore of pre-sales by FY28, supported by the existing and upcoming business development pipeline. As of now, more than 70% of launches are already sold.

- **How is demand shaping up across markets and price segments?** We are focused on premium and luxury housing rather than the mid-income segment. The highest demand is in the INR 1.5-3 crore bracket, which remains the sweet spot, although higher ticket sizes such as ~INR 11 crore and ~INR 6–7 crore have also seen strong traction. Demand remains robust across key markets like Thane and Bengaluru, with consistent pan-India absorption trends.

- **What is the company's business development (BD) pipeline and growth strategy?** We are targeting INR 15,000–20,000 crore of business development annually, with ~INR 20,000 crore gross development value pipeline currently under evaluation across Noida, Gurgaon, Pune, Mumbai Metropolitan Region (including redevelopment), and Bengaluru. Our strategy is to capitalize on market consolidation and expand across high-potential micro-markets.

- **How have recent launches performed operationally?** Recent launches such as Arika (~INR 1,600 crore) and Taranya (~INR 1,500–1,600 crore) have seen strong demand. Trimaya Phase 4 witnessed ~25% bookings from international markets (Dubai office).

- **What is the capital allocation strategy and balance sheet outlook?** We follow a disciplined capital allocation framework, with land cost capped at ~25% (historically ~17–18%). With inflows of ~INR 3,500 crore from the ITC deal, we aim to achieve a net debt zero position, with net worth increasing to ~INR 4,500 crore. Our current debt structure includes lease rental discounting (~INR 900 crore), construction finance (~INR 520 crore), IFC-led joint venture equity (~INR 420 crore), and residual debt (~INR 1,500 crore). For future business development activity, we are comfortable operating at around 1.5x debt-to-equity ratio.

- **How does the company approach partnerships and what impact do JVs have on returns?** We acquire land and subsequently bring in partners, ensuring capital efficiency and scalability. While EBITDA margins remain similar, joint ventures deliver ~20–21% IRR due to efficient capital recycling. Risk is shared proportionately, while returns remain favorable. Strong partner interest across NCR, Pune, and Mumbai Metropolitan Region ensures capital availability is not a constraint.

- **What are the project-level economics and pricing trends?** We operate at project-level margins in the range of 25–30%, with IRRs of ~16–18%. Pricing trends remain firm, with examples such as Trimaya Phase 4 launched at ~INR 10,000/sq. ft. (4–5% premium to earlier phases) and Thane at ~INR 14,000/sq. ft. (vs ~INR 11–12k underwriting). We assume ~4–5% cost inflation and ~4–5% price appreciation.

- **What is the strategy for the commercial portfolio and rental income?** We are targeting a 60:40 residential-to-commercial mix. The Worli commercial project is in the planning stage, with a partner to be onboarded. Rental income is expected to commence in 3–4 years post construction. Worli alone has ~1.3 million sq. ft. potential with INR 650 crore rental upside, while Century Bhavan (Prabhadevi) offers additional potential (~2030–31 timeline).

- **What is the geographic focus and expansion strategy?** We remain focused on MMR, NCR, Pune, and Bengaluru. In MMR, expansion is targeted in Western Suburbs and Navi Mumbai, while South Mumbai opportunities are largely redevelopment-driven. Pune continues to be a strong market with projects across luxury (Sangamwadi) and premium (Manjri) segments.

- **What are the key demand drivers and customer trends?** Residential demand is supported by strong end-user sentiment including ~15–20% contribution from external business communities and NRI demand. The emotional aspect of home buying supports premium pricing and absorption.

- **What is the company's execution philosophy and industry outlook?** We are positioning our real estate business akin to a manufacturing model - focused on quick turnaround, capital efficiency, and taking only market risk. The broader industry is consolidating, with stronger balance sheets gaining share, positioning us favorably.

- **What are the key updates on ongoing transactions and special situations?:** The Thane transaction is expected to close within a month. The Noida project (~10-acre, ~INR 5,000 crore potential) is under resolution, with lender and landowner settlements expected in 1–2 months. Strategic sequencing is planned for upcoming launches.

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