Company Name: Ashiana Housing Ltd

Quarter under review: Q1-FY27

Ashiana Housing Ltd. – Q1-FY27 Concall Highlights:

Ashiana Housing Ltd					
INR In Mn	**Q1-FY27**	**Q1-FY26**	**Y-o-Y**	**Q4-FY26**	**Q-o-Q**
Operational Income	1,074	2,928	-63.3%	3,229	-66.7%
EBITDA	75	118	-36.5%	203	-63.0%
EBITDA M (%)	7.02%	4.03%	299 bps	6.28%	74 bps
PAT	131	127	3.0%	209	-37.3%
PAT M (%)	10.94%	4.20%	674 bps	6.26%	468 bps
Diluted EPS	1.36	1.31	3.8%	2.20	-38.2%

Operational Highlights:

- We recorded a booking value of Rs. 358 crore during Q1 FY27, with 3.6 lakh square feet of area sold across 234 units.
- Average realisation improved significantly to Rs. 9,923 per square foot, a 37% year-on-year increase, driven by a favourable product mix and continued pricing resilience across the portfolio.
- Bookings moderated compared to the exceptionally strong preceding quarter, reflecting a broader softening in residential demand amid global economic uncertainty and a cautious, wait-and-watch approach among homebuyers.
- We acquired 28.55 acres of land at Vadgaon Mawal in Pune during the quarter. The company's largest ever land acquisition for a senior living project with an estimated salable area of approximately 20 lakh square feet.
- We commenced handover for Phase 1 of Ashiana Nitara in Jaipur during the quarter, marking an important execution milestone.
- We expect to exit H1 FY27 with pre-sales between Rs.1,050 crore and Rs.1,100 crore, and remain confident of holding the FY27 pre-sales guidance of approximately Rs.2,200 crore.
- The next major launch lined up is Phase 3 of Ashiana Aaroham in Gurgaon, expected in Q3 or Q4 FY27, which will be critical to achieving the full-year guidance.
- We have committed capital across five senior living projects aggregating approximately 51 lakh square feet, with the upcoming Bangalore project adding to the pipeline.
- New business development is under active discussion in Jamshedpur, Chennai, Mumbai, Pune and Bangalore, with a small transaction expected in Jamshedpur soon.
- Our medium-term (FY29-30) target is to scale senior living pre-sales to approximately Rs. 1,500 crore, with overall group pre-sales expected to reach Rs. 3,000-4,000 crore to sustain targeted return ratios.
- Strategic focus remains on maintaining 15% ROE as a long-term floor rather than a ceiling, supported by premiumisation, pricing power in senior living, and operating leverage as that segment scales toward critical mass.
- We expect near term pre-sales growth to moderate with a possible dip this year or next as capital is increasingly directed towards the senior living business, which we view as a longer, deeper opportunity with lower inventory pressure to sell in Gurgaon, Jaipur and Bhiwadi.

Key Questions & Answers discussed during the Concall:

- **What gives us confidence in achieving the FY27 guidance given the soft Q1 start, and what will drive bookings for the rest of the year?** We have launches lined up through the year. In July we launched Ashiana Oma, and by 31st July our cumulative full-year sales had already reached approximately Rs. 859 crore ahead of our entire first-quarter bookings. We expect to exit H1 FY27 with sales between Rs. 1,050 crore and Rs. 1,100 crore, with the run rate sustaining from there. The big launch lined up for the second half is Phase 3 of Ashiana Aaroham in Gurgaon, expected in Q3 or Q4, which will be critical to achieving our full-year guidance.

- **What is the sustainable pre-sales growth trajectory for the next three to five years?** We are not looking for sustained pre-sales growth in the near term; we may see a slight dip this year or next as we shift more capital toward senior living, where we see a much longer, deeper opportunity. We are targeting around 25% CAGR in senior living pre-sales over the long term, growing from about Rs. 570 crore last year (up from Rs. 100 crore five years ago). For a couple of years, top-line growth may moderate, but we remain focused on sustaining 15% ROE as a floor and building toward Rs. 1,500 crore of senior-living pre-sales by FY29-30.

- **Given the realisation and margin trends, is it fair to expect ROE to cross 20% this year, and how do we balance the 15% ROE aspiration with growth over the next three to four years?** Yes, that is fair we expect to cross 20% ROE this year. However, 15% remains our long-term floor rather than our target ceiling. For ROE to sustain, we need long-term earnings growth, so in the medium term we are working toward Rs. 3,000-4,000 crore of pre-sales, with senior living reaching a critical mass of about Rs. 10,000 crore GDV to drive that growth.

- **Units sold fell year-on-year even as ticket sizes rose, is this a deliberate mix shift or a genuine volume slowdown?** This is not deliberate. We have somewhat lower inventory available for sale in certain markets, which impacted volumes. With the July launch of Ashiana Oma, our cumulative pre-sales reached Rs. 859 crore by 31st July, and we remain on track to meet our Rs. 2,200 crore guidance for the year.

- **Kid-centric homes are concentrated almost entirely in Gurugram — how are we thinking about this geographic concentration risk?** We have also done kid-centric homes in Jaipur and Bhiwadi, in addition to Gurgaon. We are still fine-tuning and differentiating this concept, the way we earlier did with senior living. Our first truly differentiated kid-centric projects Amara (Phase 1 just delivered) and Aaroham (just launched) are both in Gurgaon. We expect it will take another two to three years to fully refine the model before scaling it to more cities.

- **Can we walk through the payback assumptions and absorption/margin underwriting for the Rs. 1,800 crore Vadgaon land project?** This is a 20 lakh square foot project, and we are underwriting revenue of approximately Rs. 9,000-10,000 per square foot of saleable area, translating to about Rs. 1,800-2,000 crore in potential sales value. We expect to sell around 2 lakh square feet a year, implying roughly a 10-year development timeline, though we could scale up to 3 lakh square feet a year and complete the project in 7-8 years if conditions are favourable.

- **Given our healthy net cash position at FY26 end, why was NCD funding used specifically for this land purchase?** The NCD financing was structured by the landlords themselves, who wanted to retain a partial revenue-share stake rather than sell the land outright. Rather than a part joint-development arrangement, we opted for a full acquisition, with the landlords contributing 25% of the purchase value back as debentures in exchange for a 6% revenue share. We expect to launch this project in about 18 months.

- **What is our total planned capital deployment for new project acquisitions this year, and is IFC still a co-investment partner in senior living?** We have budgeted approximately Rs. 800 crore for deployment this financial year, including about Rs. 180 crore already deployed last quarter, covering all deals currently in active and serious discussion. IFC has been a partner in our senior living business, including Ashiana Vatsalya and a partial investment in Aaroham, but our earlier platform agreement has lapsed as several projects outside Gurgaon didn't meet their ticket-size investment criteria. There is no active agreement with them at present, though we continue to discuss future collaboration.

- **As we try to make the business less cyclical, what could the low and high of pre-sales look like through a cycle, and how does operating leverage work across our multiple geographies?** It's difficult to pin down an exact cyclical range at this stage — our earlier benchmark of around 10 lakh square feet as a minimum is being reassessed as our portfolio mix shifts further toward senior living. Our focus is on making 15% ROE a floor rather than defining hard pre-sales bounds. Operating leverage plays out at two levels: at the company level through fixed costs, and at the location level, where marketing costs fall as we build scale in a market — for instance, in Chennai our marketing cost has come down from about 8% to 4-5% of sales. Larger projects also help, since approval and design costs are largely one-time, and phased pricing captures the value created as a project matures.

Key Participants:
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