

Brigade Enterprises Limited

Corporate Identity Number (CIN) : L85110KA1995PLC019126
Registered Office : 29th & 30th Floor, World Trade Center
Brigade Gateway Campus, 26/1, Dr. Rajkumar Road
Molleswaram - Rajajinagar, Bengaluru - 560 055, India
T : +91 80 4137 9200
E : enquiry@brigadegroup.com W : www.brigadegroup.com



BRIGADE

Building Positive Experiences

Ref: BEL/NSE/BSE/18052022

18th May, 2022

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,

Sub: Transcript of Conference Call on the Company's Q4 FY-2022 Earnings - 13th May, 2022:

We are enclosing herewith the transcript of the Conference Call on the Company's Q4 financial results for the financial year 2021-22 held on Friday, 13th May, 2022.

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 FY22 Earnings Conference Call”

May 13, 2022



MANAGEMENT: **MR. M. R. JAISHANKAR – CHAIRMAN & MANAGING
DIRECTOR, BRIGADE ENTERPRISES LIMITED**
MR. ATUL GOYAL - CFO, BRIGADE ENTERPRISES LIMITED
**MR. RAJENDRA JOSHI - CEO, RESIDENTIAL, BRIGADE
ENTERPRISES LIMITED**
**MR. SUBRATA SHARMA - COO, BRIGADE ENTERPRISES
LIMITED**
**MR. ROSHIN MATHEW - EXECUTIVE DIRECTOR, BRIGADE
ENTERPRISES LIMITED**
**MS. PAVITRA SHANKAR - EXECUTIVE DIRECTOR, BRIGADE
ENTERPRISES LIMITED**
**MS. NIRUPA SHANKAR - EXECUTIVE DIRECTOR, BRIGADE
ENTERPRISES LIMITED**
**MR. AMAR MYSORE - EXECUTIVE DIRECTOR, BRIGADE
ENTERPRISES LIMITED**
**MR. OM PRAKASH - COMPANY SECRETARY, BRIGADE
ENTERPRISES LIMITED**
**MR. PRADYUMNA KRISHNAKUMAR - SENIOR VP, BRIGADE
ENTERPRISES LIMITED**



*Brigade Enterprises Limited
May 13, 2022*

Moderator: Ladies and gentlemen, good day and welcome Brigade Group's Q4 FY22 Financial Results Conference Call.

We have with us on the call today the management of Brigade Enterprises Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. M. R. Jaishankar - Chairman & Managing Director, Brigade Enterprises Limited. Thank you and over to you, sir.

M. R. Jaishankar: Thank you. Good afternoon ladies and gentlemen, welcome to the Brigade Enterprises' Q4 Financial Year 22 Earnings Call. I am joined by our Executive Directors; Mr. Roshin Mathew, Ms. Pavitra Shankar, Ms. Nirupa Shankar, Mr. Amar Mysore. Our senior management team is also present, Mr. Atul Goyal - CFO; Mr. Rajendra Joshi; Mr. Subrata Sharma; Mr. Karthi Baskar; Mr. Om Prakash - Company Secretary and Pradyumna Krishnakumar - Senior VP.

It gives me great pleasure to report that financial year 22 has surpassed all our yearly performances till date with the highest ever sales value as well as collections. This is notwithstanding the deadly second wave of COVID-19 in 2021 as well as huge jump in construction cost over the last 3 to 4 months. All raw material cost like steel, aluminum, copper, finishing material and fuel and among others have seen huge increases due to the global supply chain issues, made worse by the geopolitical situation in Europe. As a result, the total construction cost has increased almost up to 15% and are expected to raise or at least remain at elevated level for the next 12 to 18 months. Nevertheless, the price increase affected buyers in quarter 4 on the back of higher input cost has been accepted by our customers reflecting positive buyer sentiment and the strength of our brand. We will continue to take prices in line with the market absorption in order to maintain profitability.

Our real estate business recorded our highest ever new bookings by value in the quarter 4 at Rs. 1,028 crores translating to 1.6 million square feet area. For the financial year, we recorded 4.7 million square feet of net new bookings after cancellations with a value of Rs. 3,022 crores. The residential business also registered our best performance in collection that is quarter 4 collections is upwards of Rs. 1,000 and for the year in whole, the collections were Rs. 3,152 crores. Our best performing projects in Bangalore were Brigade Cornerstone Utopia and Brigade Eldorado while our projects in Hyderabad and Chennai continued to be significant value and volume driver for us. Overall, we are positive about the outlook for the residential business. This is supported by our continuing focus on land acquisition in our key markets of Bangalore, Chennai, and Hyderabad.



*Brigade Enterprises Limited
May 13, 2022*

In financial year 22, we were able to launch only 3.79 million square feet of new projects due to various delays in civic authorities of which in quarter 4, we launched Brigade Komarla Heights, Brigade Laguna, Goldspire and Ivory in Brigade Orchards, all in Bangalore and the final phase in our Hyderabad project Brigade Citadel. In financial year 23, we expect to launch about 8 million square feet of residential business of which 2 million square feet will be in plotted development across 3 projects in Bangalore and Mysore. This is apart from the launches we are going to do in the commercial.

Our Office business has remained stable with close to 99% collection. We transacted close to 0.5 million square feet in quarter 4 and about 1 million square feet in the financial year 22. We have an existing pipeline of over 1 million square feet across all properties. Brigade Tech Gardens and World Trade Center, Chennai, our market developments were the most sought-after business addresses. Financial year 22 also witnessed robust transactions in Brigade International Financial Center, Gift City, Gujarat with our building receiving 80% occupancy. In the Office segment, we expect to launch about 2 million square feet in commercial lease and for sale project.

Our hospitality portfolio had a slow start in quarter 4 due to the Omicron virus due to which the first half of the quarter saw low occupancy, but the bounce back has been impressive with occupancies and ARR's growing strongly reaching 94% and 72% of the pre-COVID levels respectively. This is mainly due to the increase in corporate booking and MICE which means, meetings, incentives, conferences and exhibitions, MICE business. The retail vertical achieved higher retailer sales consumption over pre-COVID levels by more than 100% for like to like trading units. Rental collections have also increased and crossed pre-COVID levels. There was a recovery for multiplexes due to big box office releases. We are also seeing consistent traction on the leasing front with new rental greater than 20% of the pre-COVID levels on an average. I am also happy to inform you that we are expanding our business portfolio by initiating a warehousing and logistics and data center vertical. We are currently in the preliminary stages and will be in a position to share more information in the coming months. Mr. Karthi Baskar has joined us as COO for this vertical. This brings me to the end of our business highlights. I now request Atul Goyal, our CFO to take you through the financial highlights. Take care and stay safe and thank you.

Atul Goyal:

Thank you, sir. Good afternoon ladies and gentlemen. On behalf of the company, we welcome you to the earnings call of Q4 FY22. To start with company's update, most of them has been given by CMD, but we have achieved the highest ever presales in real estate of 4.7 million square feet with sales value of Rs. 3,023 crores in FY22, an increase of 9% from FY21. This quarter has been better than last quarter in terms of business performance. We recorded real estate sales of 1.5 million square feet during this quarter vis-a-vis 1.1 billion during last year, an increase of 42% from previous quarter. Sales value stayed at Rs. 1,028 crores during Q4 FY20, an increase of 50% from previous quarter. As on 31st March, Brigade had 18 million square feet of ongoing

projects and 10 million of upcoming projects including both residential and commercial project which is going to be launched. We have achieved highest collection of Rs. 4,083 crores in FY22, an increase of 51% from FY21. Overall collections in residential was up by 52%, office up by 30%, retail up by 73%, hospitality up by 79%. On consolidated level, the cash flow from operating income was Rs. 1,125 crores in FY22, an increase of 25% compared to FY21. We saw a demand revival in leasing vertical, as leasing of more than 1 million square feet during FY22, we have active pipeline of 1 million achieved office renewals of 0.5 million square feet during FY22. Hospitality showed strong signs of recovery post third wave with the occupancy reaching pre-COVID levels about 64% in March, ARR touched 78% of pre-COVID levels during March 22.

Coming to consolidated financial performance of our FY22, the consolidated revenue of FY22 stood at Rs. 3,066 crores versus Rs. 2,010 crores in the previous year, an increase of 53% whereas the same for Q4 stood at Rs. 964 crores versus Rs. 933 crores in previous quarter. The real estate segment clocked a turnover of Rs. 2,289 crores, an increase of 50% from the previous year with an EBITDA of 18% in FY22. The leasing segment clocked a turnover of Rs. 596 crores, an increase of 60% from previous year with EBITDA of 401 crores in FY22. The hospitality segment clocked the turnover of Rs. 179 crores, an increase of 57% from previous year and EBITDA of 13% in FY22. The consolidated EBITDA for FY22 stood at Rs. 833 crores, an increase of 56% from previous year. EBITDA margin stood at 27%. Consolidated PAT after minority interest for FY22 was Rs. 83 crores.

Coming to the debt and equity position, we continued to have adequate liquidity and undrawn credit lines from the financial institutions. Our average cost of debt has been coming down consistently over last few quarters and was at 7.65% as on March 22 versus 9% as on December 20, a 135 bps reduction. The cash and cash equivalent stood at 1,579 crores as on 31st March 22. Consequently, the company's net debt outstanding as on 31 March 22 is Rs. 2,540 crores out of which BEL's share is Rs. 1,619 crores. Our real estate debt reduced by 45% during FY22 from previous year and stood at Rs. 272 crores as on March 22 driven by higher sales and collections. Almost 78% of debt pertains to commercial portion of which 74% is debt by rental income. We have a credit rating of A+ with stable outlook which has been assigned by both CRISIL and ICRA. I now hand it back to the moderator for questions. Thank you.

Moderator: Thank you very much, sir. We will now begin the question and answer session. The first question is from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay: Sir, first question what you alluded to in the beginning of the call of this 15% rise in cost, so is it at an overall portfolio level you are referring to across ongoing completed inventory or it is only for the new projects which you are going to start? And follow-up on that you said that we have increased prices to maintain the margins, so could you quantify what is sort of price increase who had to take and for the new projects which you are going to launch in the coming

year, how have you worked around the pricing for those projects and you see the demand sustaining with these price increases?

M. R. Jaishankar: The price increase of about 15% is for new projects to be launched and subject to various issues it is an approximate figure, nobody can say it is exactly 15%, it can be 13, it can be 16, but for some of the ongoing projects where the structure of the building is incomplete, there is a certain amount of price increase that depends on case to case basis and I repeat, this price increase is on the construction cost, not on the selling value or anything. So, the impact on selling value can be anywhere between 5% to 8% on a project to project basis and in some cases it may go 10%, it all depends what your selling rate is, what your land value is, whether it is the purchased property, whether it is historical, whether it is present, joint development, not joint development, it depends on whole lot of issues. So, that way, we will definitely try to pass on. any businessmen, even in the morning, CNBC also have said any businessmen or industrialist would like to pass on the cost increases as long as it is acceptable or ready to be observed by the customer. So, the entire pricing policy in any business is what the market can afford. So, ultimately, we will go on that concept and somewhere we may be able to increase the price by 10% even if the cost increase is only 5%. Somewhere, we may be able to increase 8% even if the cost increase is 7%. So, these are all pricing policies, but the intention is to pass on the cost increase.

Adhidev Chattopadhyay: Sir, just as the house keeping question, sir what is the range of price hikes you have taken in this last quarter, range if you could?

M. R. Jaishankar: 5% to 8% is the increase in the prices in the last quarter.

Adhidev Chattopadhyay: Sir, second question is on the leasing, so I think last call we had said by the end of may be FY23, right, under 12 months from now, you are targeting to lease out the entire vacant area which we have around 2 million square feet, so any fresh update on that?

M. R. Jaishankar: No, even now that is the target, that is certainly the target, our team is working hard to do that and I think based on the number of enquiries that we are receiving or what we have finalized in Q4, it is encouraging and at this point of time while we are saying we will do a million square feet, the target is certainly to come out of the existing stock.

Adhidev Chattopadhyay: Sir, but when do we see good visibility or some of these deals getting closed it will be, you expect it to be back ended in the second half of this year or?

M. R. Jaishankar: Our Subrata will talk.

Subrata Sharma: Adhidev, this is Subrata. What you are saying currently like see the momentum is there since the last two quarters and particularly in this quarter, we are seeing like some active pipeline and very active like, in the next 2 to 3 months we are having an outlook of like 3 to 4 lakh square feet, but having said that the number of enquiries have significantly increased, the populous

across the parks have increased significantly, it is now currently 25 to 30%. As people are coming back to offices, the requirements are maturing. So, that is why we have a very positive outlook and we still maintain the same outlook of exhausting the inventory in this financial year.

Adhidev Chattopadhyay: And last question is, sir, we had said that we launched 8 million square feet this year, so if I understood correctly, out of this 2 million will be the commercial, 6 million will be resi, of which 2 million square feet will be plots, is that correct?

M. R. Jaishankar: No, actually it is the other way, it is 8 million square feet of residential of which 2 million is the plotted development plus 2 million of commercial, totally 10 million square feet.

Adhidev Chattopadhyay: And sir, this 2 million in office includes this Twin Towers, Deccan Heights which you are marketing has Deccan Heights now?

M. R. Jaishankar: No, it doesn't include Twin Towers, we are launching another project called Brigade Padmini Tech Valley and also we are launching a commercial block in Brigade Cornerstone Utopia called Elysium and one or two smaller projects.

Adhidev Chattopadhyay: Sir, any guidance you would like to share for resi for the coming year since we have such a strong launch pipeline now?

M. R. Jaishankar: Morning in the TV, I said in interview, I said we should aim at 20% plus as the growth.

Adhidev Chattopadhyay: Rs. 3,500 crores plus at an aggregate.

M. R. Jaishankar: No, I meant in terms of volume, not in terms of revenue, primarily because revenue can be even higher considering the inflationary aspect. I also said in the morning our current average realization is about Rs. 6,400 and it may go up to Rs. 6,900 to Rs. 7,000 as average realization depending on the kind of mix it will have. So, if that happens, god willing it will reach Rs. 4,000 crores.

Moderator: Thank you. The next question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna: Sir, firstly, sir on the real estate business, you mentioned you have 8.3 million square feet of launch pipeline for FY23, can you help us understand for how much area the approvals were already be in place and your target quarterly launches?

M. R. Jaishankar: I would say, other than about 2 million, I would say 2.5 million is yet to be approved. Rest are all are approved.



*Brigade Enterprises Limited
May 13, 2022*

- Karan Khanna:** And just extending the previous question what we also noticed that the launch pipeline is spread across Bangalore and Hyderabad, you have recently added the Chennai land parcel, 4 million square feet, any thoughts with respect to the outlook on this micromarket and your plans in terms of the project mix?
- M. R. Jaishankar:** Yes, I think it is the combination of commercial and residential, if you are talking specifically about the TVS deal, other than that rest are all residential.
- Karan Khanna:** And in the last call you have mentioned you are actively evaluating 1.5 million square feet line parcel in Hyderabad, so any developments on that since we last interacted in the last earnings call?
- M. R. Jaishankar:** It is still work in progress.
- Karan Khanna:** And lastly, on your retail portfolio with consumption surpassing the pre-COVID levels, will it be fair to assume that rentals would have been normalized April onwards or there would be a few tenant classes which are still impacted and hence would have rental waivers?
- M. R. Jaishankar:** Nirupa Shankar will answer.
- Nirupa Shankar:** Good afternoon, think with the sales volume coming back into the retail business, almost, I don't think there are any more COVID rental reliefs given for the larger mall, one or two of the small malls might have some revenue share deals, but by and large the collections will be as per the lease date.
- Moderator:** Thank you. The next question is from the line of Girish Choudhary from Spark Capital Advisors. Please go ahead.
- Girish Choudhary:** On the Chennai market given your portfolio has now doubled to around 8 million square feet, so if you could give any sense on when can we see from a launch perspective because this is not figuring in your upcoming project pipeline of 8 million square feet?
- M. R. Jaishankar:** Primarily because they are in different stages of seeking various approvals and in one or two cases, the final due diligence aspect, though we have incurred substantial amounts. Since we still have 10 months' time, if we are lucky, we can launch in this financial year. So, we didn't want to be over optimistic about the Chennai launches. So, there is just a possibility it can get pushed into the next financial year, so may be around quarter 3 when we talk about Q3 results of FY23, we will be in a better position to make a commitment.
- Girish Choudhary:** Also, there has been recent FSI changes for the land parcel which we bought in Chennai, the Mount Road Property, so can we see any increase in the development potential because of that or is that already adjusted in this before going to 8 million square feet?

- M. R. Jaishankar:** Right now, it is all media reports. Nothing has been translated into a government policy. If the government policy happens, definitely we will be benefited and it will be beneficial to us in terms of higher FSI. Currently, we are looking at 1 million square feet the way we have taken, if that happens, if the higher FSI which you do not know where it is, 6, 7, 8 as the media is speculating, if that happens, it can go to 1.3 to 1.5 million square feet and our overall FSI cost is bound to come down significantly.
- Girish Choudhary:** My last question on the land balance payable of Rs. 940 crores, if you can share any timeline, by when this has to be paid?
- M. R. Jaishankar:** Out of this, bulk of it is for the TVS land in Chennai, that should happen in Q3 FY23 and the other remaining thing is government of Karnataka, the industrial development board has allotted us 75 acres land near the Bangalore Airport. We have paid about 30% so far, the remaining 70% which need to be paid, it is definitely going to take 9 months or so. It all depends on, they also need to comply with certain formalities, but it is likely to happen in this financial year, but not in the next 2-3 quarters, it can happen in Q4 or Q1 of next financial year.
- Moderator:** Thank you. The next question is from the line of Pritesh Sheth from Motilal Oswal. Please go ahead.
- Pritesh Sheth:** Sir, first question is again on the land pipeline, we had this 66 acres plotted development signed up in Bangalore in Devanahalli and I see there is 89 acres in total, so can you highlight where the rest of the land and total development stays, is it Mysore or?
- M. R. Jaishankar:** One is about 16 acres in Mysore, about 66 acres in Devanahalli and another 7 acres or odd as part of Brigade Orchards.
- Pritesh Sheth:** And can you just share the details about the TVS land, the size that we are looking at and what was the consideration that we have to pay?
- M. R. Jaishankar:** See, it was there in the media also, it is totally about Rs. 500 crores is the transaction for value and currently about more than 10% is paid and the balance will happen beginning this quarter and it should get completed in Q3.
- Pritesh Sheth:** Potential is 1 million square feet, is it right?
- M. R. Jaishankar:** Potential is 1 million which in the previous question, I said it has a possibility or probability of going to 1.3 to 1.5 million if the authorities in Chennai relax the FSI rules like in Hyderabad.
- Pritesh Sheth:** And lastly, the breakup of collections that you normally give, the Rs. 1,300 crores split between residential, retail, commercial?



*Brigade Enterprises Limited
May 13, 2022*

- M. R. Jaishankar:** Our CFO will give you.
- Atul Goyal:** For Q4, the collections for residential is Rs. 1,008 crores, commercial sale is Rs. 49 crores, commercial lease is Rs. 108 crores, retail is Rs. 47 crores, hospitality is Rs. 73 crores and our maintenance PMS is around Rs. 49 crores which total through Rs. 1,334 crores.
- Pritesh Sheth:** And one last question if I may, your residential collections has been very robust reaching Rs. 1,000 crores now, should we see this run rate sustaining from here on at least for next couple of years and obviously from thereon it will grow because for this to have our residential sales has to sustain at around Rs. 1,000 crores which we clocked this quarter, but previously we haven't had that consistency in terms of sales, so how do you see this trajectory going forward?
- M. R. Jaishankar:** Only time will tell, but yes, you are right, residential sales in Q1 is not generally the same as Q4 in any financial year, but the team is working hard for collection, but it will not always be related to sales. It can also be related to the already existing sales that have happened and collections that has to come in.
- Moderator:** Thank you. The next question is from the line of Mohit Agrawal from IIFL. Please go ahead.
- Mohit Agrawal:** Sir, my question is on business development, now if I see the change in the land reserves, it is about 9 million square feet net in this quarter and we have launched about 2 million square feet, so probably gross land bank addition of 11 million square feet, so could you explain how much would you have spent for this land addition and what would be the GDV addition expected on this and also what should we look for the next one year, what is your target in terms of business development, is that it like you had earlier said 15 million square feet I remember till September, so any targets for FY23 on business development?
- M. R. Jaishankar:** The amount that has to be incurred, it is sort of indicated in Rs. 942 crores and of which I did give the breakup for the previous question, the big ticket items I mentioned concerning the TVS and the government allotted lands and as far as adding more lands are concerned, definitely it is a continuous work in progress, we would have signed something, but it may still be in due diligence, so it is too premature for us to share all the details in this call unless we have definitive agreements are memorandum of agreement, it is difficult to share, but the team is working towards signing this 10 to 15 million square feet.
- Mohit Agrawal:** Sir, 940 is the total payable, I actually wanted to ask for this quarter, how much would you have paid for the land including the TVS transaction?
- M. R. Jaishankar:** It will be under Rs. 100 crores.
- Mohit Agrawal:** And sir, just one clarification, this before COVID you used to give exit rental guidance which for about 8.7 million square feet portfolio used to be about Rs. 730-Rs. 740 crores gross rental,

so assuming, now you are already there, you have completed 8.7 million square feet, when should we expect that Rs. 730-Rs. 740 crores to start coming in?

Atul Goyal: As we have been saying that we have already achieved Rs. 600 crores and we think by next year as Subrata said that we are targeting our total leasing this year. So, if it happens, may be this year, we will achieve the full leasing and of course the total impact may come in mid of the next year.

M. R. Jaishankar: Just to add a point, it all depends, again I mentioned it in the morning interview CNBC, so it is a bit difficult to predict when the rent commencement dates will be, even if you conclude a transaction, so it all depends on rent commencement dates, so based on that it will happen as indicated by our CFO.

Mohit Agrawal: And sir, just last one, you have mentioned that in the resi portfolio you have taken a price hike of 5% to 8% for fourth quarter, could you give this number for the full year, FY22?

Pavitra Shankar: Price hike for the whole year is around the same, 5% to 8%, basically we have taken it wherever possible, so in some projects we have been able to push it earlier in the year and some we have taken it later and definitely the new launches that we mentioned in Q4 have also been able to launch at much higher rates that we previously thought possible and all of that has been absorbed by the market, so based on that we feel confident to take our prices up even in the next coming Q1 which we have already communicated to the market.

Mohit Agrawal: So, Q1 you are expecting another hike, what would that be approximately?

Pavitra Shankar: Another 5% or so and again we are looking at it on a project by project basis. It is very hard to, also very aggressively increase prices because that has to be absorbed by the market, so we are taking it up slowly. The goal is to take it up slowly over the course of the year, so that we also can keep an eye on the increasing cost side as well and do it that way.

Moderator: Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: Sir, my first question is on the overall TVS land bank addition, so how much has been added in this year and what is the total consideration which needs to be paid?

M. R. Jaishankar: The total consideration was already indicated in the previous two questions about Rs. 900 odd crores that are there. What is going to be added, we did say, it could be about 10 million, our team is working towards 10 million, but how much consideration will go towards that, it is too premature for us to commit. It depends on where the land is, whether it is the purchase, ownership, lease, joint development, it all depends on all that, so it is premature, but whatever

we do we will do keeping in mind our financial capability and whatever lease rate we have in the debt equity.

Parikshit Kandpal: Sir, my question is because if you see out of this Rs. 900, Rs. 500 is submitted for the 1 million square feet development and balance 400 is for roughly about 9 million square feet development and then we are looking to also add warehousing and data centers, so we have Rs. 900 crores of payable on our plate, data and some allocation will go towards data centers and warehousing plus some CAPEX on Twin Towers of about Rs. 400 crores, so I just wanted to understand first of all on the TVS land, what is the insight what are you going to develop there, is there any CAPEX that will come up there, how much is the CAPEX on that and how are you going to fund this entire line of land bank plus Rs. 400 of Twin Tower CAPEX, Rs. 1,300 plus if there is anything commercial coming on TVS, so client wise a pathway of how you are going to fund this?

M. R. Jaishankar: So, as always it is a combination of internal resources, financial institution borrowings in some cases or in this particular case there is lot of interest shown by private equity players, so discussions are at different stages, so naturally we may, I won't be able to share anything more on that, but naturally there will be some amount of private equity.

Parikshit Kandpal: I am saying what is the strategic intent of going into warehousing and data centers, we already have a very robust residential business, we are also doing CAPEX on our office asset, so what was the rationale going behind warehousing and data centers would be the first claim on that?

M. R. Jaishankar: The rationale is it is a new growth area as the country progresses there is huge amount of demand for logistics and warehousing. Some time back, I had mentioned there are developers in China who have got warehousing and logistics of 450 million square feet, just one developer whereas in India we are not able to scratch the surface. Everybody together we are under 100 million square feet, so if you consider in China it has exceeded 1000 million square feet of warehousing and all that, much more. So, that way as the country progresses, the economy from 2.5 trillion if it goes to 5 trillion, the demand for warehousing will not just double, it will go by 5 times, so we just want to examine, we will proceed with caution, not indiscriminately.

Moderator: Thank you. The next question is from the line of Akshat Mehta from Pioneer Investment. Please go ahead.

Akshat Mehta: My first question is, what would be the demand scenario if interest rate hikes happen aggressively?

Atul Goyal: As Pavitra and CMD has said, there is a good demand in the market, yes, of course rate hikes will happen and you see it from 6.75% it has gone to 7.15%, but if you see EMI increases only be 3% and affordability has been very great for the people who have been working and since the South cities are majorly IT/ITeS hub and the salary increase they are looking I think interest rate

may not affect that much, but it all depends how much RBI increases the rate and see because retail market is a very competitive margin are today going to the wholesale retail market because retail market has become very competitive and for them to increase price is very difficult. So, I think it may not affect that much, but let us see because it is an uncertain scenario like the way repo rate was increased by RBI, so let us see, it is very difficult to say right now, but we are hopeful that the demand will sustain.

Akshat Mehta: And sir, another question, in Q3, we added 0.4 million square feet and in Q4 we added 0.2 million square feet, so on the leasing side, the momentum of fresh leasing has slowed down as compared to last quarter, so what are the reasons behind slow growth?

Subrata Sharma: Office, in fact, we have seen robust growth over the last two quarters and the total financial year we ended approximately 1 million square feet and this quarter also we are seeing quite a good momentum in terms of the enquiries, in terms of closure possibilities and in fact the real requirements are coming by because office re-occupancy has increased significantly, so the outlook is quite robust.

Akshat Mehta: And sir, one last question, what is the guidance on incremental leasing from here on?

Subrata Sharma: Incremental leasing, we have an outlook currently based upon the pipeline. We have a pipeline of almost 1 million square feet. Out of that we feel that around 3 to 4 lakh will be closed over the next 2 to 3 months and going forward, most of the transactions that have happened, Pan India in the first quarter is majorly due to the big size requirement and going forward we also feel that big size requirements will come, so I personally feel that going forward the pipeline size will also increase, the transaction size also will increase, so the outlook is quite positive.

Moderator: Thank you. The next question is from the line of Samar Sarda from Axis Capital. Please go ahead.

Samar Sarda: I had a couple of questions, one, we have taken roughly 3 years to go from Rs. 2,000 to Rs. 3,000 crores of sales, if you could guide us like over what timeframe, 18, 24 months or 36 months we could target like Rs. 4,000 crores of yearly sales?

Rajendra Joshi: Just to correct, we have taken 3 years to go from Rs. 1,500 to Rs. 3,000 crores. In 2018-19, in residential we have clocked our sales of about Rs. 1,454 adding everything together we have about Rs. 1,500 crores. So, in 3 years, we have kind of doubled. We see that given the land bank that we have, our execution capability and sales capability, we should continue to deliver similar levels of growth in the next 2 to 3 years. As our Chairman said, we are looking at about 20% area growth in the year to come, FY23.

Samar Sarda: Since realizations are going up, probably value growth will be faster, right?

- M R Jaishankar:** I did mention in the earlier thing like if we are aiming for a 20% growth, it is not from Rs. 3,000 crores to Rs. 3,600 crores, but if you want to consider with the inflationary aspects and price increases, sometimes for the same volume, we knew it can go up, but it is premature to comment which all depends on the mix that happens and I did mention the current average selling price is Rs. 6,400, it is the likelihood including the inflationary costs etc., it can reach Rs. 6,900 to Rs. 7,000 at the end of the year.
- Samar Sarda:** My second question with respect to some of these notices on property tax and the assessment of time duty which was completed, the brookefield property also like the assessment on stamp duty ended up a little higher plus we have got Rs. 90 plus crores property tax notice on hotel this year, if you could; a, give little more clarity on these notices and b, whether it is like across the market or it is like more particular to do with our property?
- M. R. Jaishankar:** No, it is across the market depending on where the properties or hotels are located, so there was a move, while for residential and commercial offices, the property tax applicability depends on location. There are 6 zones in Bangalore, A, B, C, D, E, F, so the rates change from zone A to zone F. Zone A is always the central business district and zone F is the peripheral area. So, that is the variation the authorities had kept for residential and office building whereas when it comes to hospitality, erroneously they have kept one rate for all hotels, so that has been challenged. So, that is work in progress. We won't be able to share anything more, the matter is also in the High Court, so that way I don't think that kind of liability will be there, but it is the job of the statutory auditors to make a note, we can't help that.
- Samar Sarda:** Sir, since it is for a period of 8 years, what would be the property tax demand and the penalty and interest, can you share that breakup at least?
- M. R. Jaishankar:** No, we won't be able to share the breakup, but it is including all that.
- Moderator:** Thank you. The next question is from the line of Venkat Samala from Tata AMC. Please go ahead.
- Venkat Samala:** Sir, with respect to the 10, 11 million square feet that you guided, if you could give a breakup of how would be outright and how much would be through JDA and also?
- M. R. Jaishankar:** Readily, I cannot give, but it can always be informed in the next week by our CFO, don't want to of hand give a wrong figure.
- Venkat Samala:** I think you mentioned that as on this date, you are planning a mix of residential plus commercial there, right on the Mount Road?
- M. R. Jaishankar:** There are 10 million, 8 million is residential, 2 million is commercial.

- Venkat Samala:** So, what I am trying to understand is what kind of realizations can we expect on residential and if we are building a commercial, what are the rentals there?
- M. R. Jaishankar:** We have not even calculated so far, it is everything depends on the mix. So, it is all work in progress, we will be doing the exact, how much is residential, how much is commercial, how much is retail, it is all work in progress, but whatever gives us the best feasibility, we are going for that. It is on the drawing board.
- Venkat Samala:** The only reason that I was asking particularly of this project is because Rs. 500 Cr. seems to be slightly on the higher side, so therefore I just wanted to understand?
- M. R. Jaishankar:** Actually, it is not on the higher side, if I want to sell the property today, I can sell it at 20% more, so it is not high.
- Venkat Samala:** May be I will take it offline as to what the expectations are and lastly sir, the 8 odd million square feet launches that you have planned, will it be well distributed throughout the year or it will be more lag ended?
- M. R. Jaishankar:** It is I think, normally it is distributed, but bulk of them will come during Q1-Q2, half of Q1 is done Q2-Q3.
- Venkat Samala:** So, sir, then Rs. 900 to Rs. 1,000 odd crores per quarter should then be doable, right, I mean this could be like the base moving forward assuming the launches come through, would that be a fair assumption?
- M. R. Jaishankar:** We will keep our fingers crossed and work towards that and also overall sentiments in the market macroenvironment to be seen, as long as our buyers don't look at the stock indices, it is okay.
- Moderator:** Thank you. The next question is from the line of Rohit Shimpi from SBI Funds Management. Please go ahead.
- Rohit Shimpi:** Sir, my question was on the plotted market and how you look at that as a business opportunity, do you see it as more one-off kind of opportunity led by the pandemic or do you think this is a more structural long-term opportunity for the market and for the company?
- M. R. Jaishankar:** Bangalore and many Southern cities, there has always been a market for plotted development. It is only that the recognized developers and the developers who build apartments had not got into it in the recent past. So, now, I think COVID is one of the reasons for many developers getting into it as an avenue of business and also as far as buyers are concerned, they are also looking for an avenue for investment, so currently plotted development is a flavor of the season.

- Rohit Shimpi:** So, I just get from a thought process would you want to continue to invest in more projects on the plotted side or you think you would like to look at the current ones and then take a view looking at how the market is?
- M. R. Jaishankar:** No, as long as they are geographically distributed and we don't mind looking at them and as long as, it is a continuous process of feasibility, calculations, if there is a market where we don't mind entering subject to usual due diligence process and all that.
- Rohit Shimpi:** And just last one for me was that during the pandemic and the work from home scenario, we understood that many buyers are preferring nicely larger apartments, are you seeing that trend continue or is work from office and return to schools causing any change in that buyer thought process?
- M. R. Jaishankar:** We expect it to continue at least in FY22 it has happened. FY23, we expect it to continue primarily for a few quarters right now at least in the IT sector it is going to be more hybrid situation that in other financial sectors and other businesses corporates. There it is almost back to 100% back to office. So, in the IT scenario, I think this hybrid situation will be there. That should continue to make people go for a larger size of the apartments or the houses.
- Moderator:** Thank you. The next question is from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.
- Parvez Akhtar Qazi:** Couple of questions from my side, first a bit of data, specific thing, what would have been the contribution from launches to our presales in Q4?
- M. R. Jaishankar:** Sorry, we will come back to you with the correct figures next week. My team tells me it is 20%.
- Parvez Akhtar Qazi:** And how much of the sale, I just need ballpark number, would have come from outside Bangalore?
- Rajendra Joshi:** In terms of total sales, for the year, about 40% came from outside of Bangalore and 60% came from Bangalore by value.
- Parvez Akhtar Qazi:** And in terms of, what was the rental income from the BTG and WTC Chennai this year?
- Atul Goyal:** It was around Rs. 90 crores from Tech Gardens and PREPL or the Chennai was Rs. 105 crores.
- Moderator:** Thank you. The next question is from the line of Alpesh Thakkar from Antique Stock Broking. Please go ahead.
- Alpesh Thakkar:** Sir, this is more on the new business initiatives that we have, so as you mentioned that Bangalore being the tech heavy industry and you see that the trend would be more into work from home

kind of situation or the hybrid situation for the office side, so is that one of the reasons that you are looking for growth avenue in terms of data centers and warehousing in terms of annuity business for yourself over longer period of time?

M. R. Jaishankar: No, there is no relation between work from home and data center business. I would say the data center and logistics business is a reflection of the government policies connected with the data security and as far as logistics is concerned, it is the way the e-commerce is growing across the country and also the GST policy or the GST introduction has made things much more, I would say, easy for people to do business across the country. That is the reason and Bangalore is going to be one of the hubs. Of course, data center or something like Chennai or Mumbai, they have greater potential, but it does not mean Bangalore has no potential, it has potential. Similarly, the land is near the airport, so that way there is, it is in the Hi-Tech zone and the Aeropark zone with so many aerospace companies like Boeing, Collins and several others having already established in the Aeropark. There is also and always be demand for Hi-Tech components, storage and logistic issues.

Alpesh Thakkar: And second, can you like on a broader scale how does the business economics stack up for warehousing and data center compared to like office leasing or the retail side, so is it like much more lucrative, given the fact like there would be some players who would be doing already right now, so how does the business economics take up in terms of IRR or the kind of business economics for us as a business?

M. R. Jaishankar: Each one has to be seen in its own individual basis, sectors. If everything is compared to residential, then it may be difficult for other businesses to happen. So, I think the data center has to be viewed in its own merit and sometimes, it may be more beneficial, IRR, sometimes it may be slightly less, but as long as we meet IRR requirement of the developer and the investor, I think there is nothing wrong, give or take 1% or 2%, it is another avenue of business.

Moderator: Thank you. We take the last question for today from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay: Just a quick one, so now that the hotels have again seen pick up in momentum, so are the talks for again divesting stake to the PE investors, is that back on the table?

M. R. Jaishankar: It is always on the table question is right partner at right valuation and certainly in the last COVID period, we had kept within COVID storage because there is no point trying to get the PE investors looking for distress asset so we did not look at it. Now, as we talk, I got a mail from a PE investor expressing interest in hospitality, so I am just saying which is in the last one hour that way whenever the right proposal comes, we are open to look at it, but post COVID, things have started looking up so I don't think we are in a great hurry to finalize the PE investor who would like to ride on the wave, so we would like to ride on the wave first and then invite the PE investor.

Adhidev Chattopadhyay: But any ballpark you would like to share with all the newer hotels obviously because of COVID they could not contribute, right at the scale up you did not see, but the entire hotel portfolio does well enough, what is the sort of revenue or EBITDA potential which your existing portfolio have any ballpark number?

Nirupa Shankar: Adhidev, all the hotels at least in Q4 are all profitable. For FY22, the AGOP was around close to Rs. 36-Rs. 37 crores look at and how April and May have been the hotel industry doing extremely well, the ARR's have crossed pre-COVID levels, the occupancies in most cases have also crossed pre-COVID level, so very bullish because of the revenge travel. We are hoping to definitely cross pre-COVID years FY20 and get EBITDA multiples at least 15% to 20% higher than what it was pre-COVID in FY20.

Moderator: Thank you. I now hand the conference over to Ms. Pavitra Shankar, Executive Director for closing comments. Over to you, ma'am.

Pavitra Shankar: Good afternoon everyone. Apart from financials, we have a few highlights to share with you today in closing. It is a great pride I share with you that our Chairman and MD Mr. M. R. Jaishankar has been conferred with an honorary doctorate for his contributions in infrastructure development and philanthropic approach to social cause by the Bengaluru City University. Over the last 35 years, Mr. Jaishankar has through Brigade led by example as a visionary in the industry and upstanding citizen who has given back to the community. It is indeed a proud moment for all of us at Brigade. I am also very proud to share that our Executive Director Ms. Nirupa Shankar was recognized in the Elite 40 Under 40 list 2022 across India by Economic Times. The Brigade Foundation, a Not For Profit Trust was established with an objective to promote education, healthcare and community development FY21 and FY22, the foundation spend crores on CSR and other welfare activities. In line with its focus on community development, Brigade foundation in association with BCIC that is Bangalore Chamber of Industry and Commerce will be establishing the Brigade BCIC Skill Development Academy, a Center of Excellence and Not For Profit academy in the fields of construction, hospitality and tourism, manufacturing and retail. Brigade Foundation will also fund the GoSports Foundation for conceptualize and implement a cricket excellent program for women cricketers in India under the name Equal Hue Cricket Excellence Program. This program will aim to create pathways for aspiring female cricketers from across the country. GoSports Foundation is a non-profit venture working towards the development of India's top talents in Olympic and Para-Olympic discipline, through athlete scholarships and knowledge building programs. The Indian Music Experience Museum, founded and supported by Brigade group curates interesting events and exhibition, one such being Birdsong which is getting great reviews music lovers and naturalists alike. It is running through June this year. The museum is also running an amazing huge mentorship program in partnership with the Manchester Museum for its international festival in October in Bangalore and next February in the UK and with that it is a wrap for the financial year 22. We look forward to the coming year and hope you will all stay healthy and stay safe.



*Brigade Enterprises Limited
May 13, 2022*

Moderator: Thank you. Ladies and gentlemen, on behalf of Brigade Enterprises Limited, that concludes this conference. We thank you all for joining us and you may now disconnect your lines.
