Brigade Enterprises

Operator: Ladies and gentlemen, good day and welcome to Brigade Enterprises Limited's Q2 FY27 earnings conference call. This conference call may contain forward-looking statements about the company that are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Pavitra Shankar, Managing Director. Thank you, and over to you, Ms. Shankar.

Pavitra Shankar – Managing Director: Thank you. Good afternoon, everyone, and thank you for joining us for Brigade Enterprises' Q2 FY27 earnings call. I'm joined by our Joint Managing Director, Ms. Nirupa Shankar; our Executive Directors, Mr. Amar Mysore and Mr. Pradyumna Krishnakumar; and our CFO, Mr. Yogesh Patel. We will jump right in.

In real estate, we launched 2.4 million square feet of residential projects in Q2 at an estimated GDV of approximately 3,000 crores. Brigade Barcelona at Neopolis in Hyderabad received a good customer response, with launch-quarter sales of 475 crores. Brigade Misty Greens in Mysuru was a launch that slipped into Q2, yet we have almost completely sold the available inventory. A small senior-friendly project, Azalea at Brigade Meadows in Bengaluru, rounded out the quarter's launches.

Net sales for the quarter were [inaudible] 1,827 crores on a volume of 1.32 million square feet, 72% and 78% higher than Q1 in value and area, respectively. While presales were 10% lower than Q2 FY26, this is mostly reflective of the launch timing this year and not of the demand on the ground.

Average realization stood at Rs 13,841 per square foot, a strong 29% year-on-year improvement driven by disciplined pricing increases in our existing projects and a sustained shift in the contribution of higher-end homes in our overall product mix. While the RBI raised repo rates by 25 bps after a long period of stable rates, this has not impacted customer sentiment on the ground, as the share [inaudible] home loans continues to hold steady.

Two-thirds of residential volume in the quarter came from sustenance sales in our ongoing projects, with the balance from new launches. We have 9,800 crores of inventory, in addition to another 7 million square feet, or 7,600 crores GDV, of launches planned for the second half of the financial year.

In Q3, we aim to launch two of our large township projects in Bengaluru, both of which have significant contributions to the H2 sales achievement. For now, we reiterate the 9,000 crores presales guidance.

Our commercial office portfolio continued to grow steadily. During Q2, we added 0.27 million square feet from our operational to our operational leasing portfolio, with the completion of Brigade Square in Trivandrum, an eight uh a a 185,000 square feet project that is 100% pre-leased. We also completed Arcadia at Brigade Cornerstone Utopia in Bengaluru, taking our total operational leasing

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area to 9.6 million square feet at a portfolio occupancy of 90%.

This quarter, we transacted close to 6 lakh square feet of commercial space: approximately 1 lakh square feet in sales, 1.5 lakh square feet in new leasing, [inaudible] square feet in churned space, and 1.34 lakh square feet of investor space.

Rental collections remained robust at 99%, and office-only lease revenues stood at 201 crores, 8% higher year-on-year. Our occupier base remains well diversified across GCCs, IT/ITeS, BFSI, engineering, life sciences, and flexible workspace operators.

Occupier demand continues to dif- to reflect a flight to quality, with GCCs accounting for 41% of Q2 office leasing, and green-certified tech parks capturing 61% of absorption. In line with this, three of our assets—WTC Annexe, Brigade Twin Towers, and Brigade Deccan Heights—received IGBC Gold certification during the quarter.

Lease-up of WTC Bengaluru and Brigade Twin Towers [inaudible] over the coming quarters, and both projects have a healthy pipeline. Beyond our operating portfolio, we have 6.8 million square feet of commercial development under construction, including the World Trade Center and Orion Mall in Hyderabad, with a balance capital expenditure of approximately 3,350 crores to complete this pipeline. We will continue to phase new supply in line with occupier demand.

Turning to retail, our Orion Mall portfolio delivered a steady quarter at 94% trading occupancy. Retailer sales across the portfolio grew 16% year-on-year, led by stronger electronics and restaurant sales, while mall footfalls remained steady, supported by new store openings, festive activations, promotional events, and major movie releases. We are also premiumizing the lower ground floor at Orion Gateway with bridge-to-luxury brands.

Aurya FM Services, our in-house facility management company, now manages 16 million square feet, with revenue of 70-71 crores and EBITDA of 30% in this quarter.

In hospitality, BHPL delivered a strong Q2. Portfolio ARR grew 11% year-on-year to INR 7- 8- 7,876 crores and [inaudible] to 7,876 rupees, and RevPAR grew 10% year-on-year to 5,922 at an occupancy of 75%. Bengaluru remained the key growth market, with occupancy at 81% and RevPAR growth of 12%. BHPL's PAT more than doubled to 22 crores from a year ago, aided by lower finance costs following the post-IBO-IPO debt repayment and improved operating performance. Growth has been rate-led, with resilient domestic demand.

Q2 was also a strong quarter for our ESG performance and recognition. We achieved a GRESB rating [inaudible] real estate ESG score of 93.7 with a four-star rating for FY26, reflecting our steady progress towards sustainability goals. Brigade Citrine received the IGBC Net Zero Carbon design certification with 76 credit points, extending our net-zero approach from individual landmark projects to how we design the wider portfolio.

Q2 marked the return of our launch cycle, with sales, launches, and development potential all moving in the right direction. Our priorities for the second half are clear: deliver our planned launches on time, convert sales into collections, and continue to grow our annuity portfolio.

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With that, I will now hand over the call to our CFO, Mr. Yogesh Patel, to take you through the financial performance for the quarter in detail.

Yogesh Patel – CFO: Thank you, Pavitra. Greetings and good afternoon to all. To start with a quick summary of key reported financial numbers for Q2 FY27: consolidated revenue for the quarter stood at 1,250 crores, with EBITDA of 478 crores. The EBITDA margin improved to 38% compared with 26% in Q2 FY26, an improvement of 1,200 basis points. This improvement builds further upon our performance in Q1 FY27 and is primarily contributed by higher margins in the real estate segment.

Detailing the segment-wise performance in the quarter, the real estate segment reported revenue of Rs 760 crores and EBITDA [inaudible] 178 crores, with EBITDA increasing by 62% as compared to Q2 FY26. The EBITDA margin grew 2 times year-on-year to 24% versus 12% in Q2 FY26.

The leasing segment revenue of Rs 329 crores was consistent with the previous quarter of this year, while on a year-on-year basis, it decreased by 3%. It is pertinent to note that Q2 FY26 included one-time income of around Rs 26 crores related to a finance lease transaction. Excluding this, revenue for Q2 FY27 would be higher by 4% year-on-year. EBITDA for the leasing segment, including facility management, stood at Rs 242 crores, with an EBITDA margin of 73%.

The hospitality segment clocked a turnover of Rs 161 crores in Q2 FY27, with EBITDA of Rs 59 crores, a growth of 41%. EBITDA margin for the segment was 37% for the quarter, a growth of 700 basis points over Q2 FY26.

Consolidated PAT for the group stood at Rs 219 crores, with an 18% margin and year-on-year growth of 29%. PAT after minority interest for Q2 FY27 stands at Rs 194 crores.

In the quarter, as Pavitra highlighted earlier, we saw completion of two leasing facilities, adding about 2.7 [inaudible] 2.7 lakh square feet of leasing space. A large part of the delta increase that you notice in the depreciation line item of our P&L for the quarter is contributed by this.

Touching upon cash flow performance, collections for the quarter stood at 1,633 crores. The reduction in the collection number as compared to earlier quarters was primarily due to a milestone that got billed in the third month of the quarter and for which collections were in progress. This is also reflected in the higher trade receivables number in the balance sheet. Net cash flow from operating activities stood at 246 crores. We remain confident of sustaining healthy cash flows in the coming quarters and expect to generate operating cash flow from operations for the entire financial year that is higher than that of FY26, in line with the segment performances.

To give a segment view of the collections in this quarter, the real estate segment contributed Rs 1,115 crores, the leasing segment Rs 343 crores, and the hospitality segment 175 crores.

Coming to debt and liquidity, as of September 30, 2026, the group's consolidated gross debt stood at Rs 5,439 crores, and consolidated net debt outstanding was Rs 2,765 crores, adjusting for cash and cash equivalents of 2,674 crores. As detailed earlier too, about 85% of our debt is backed by rental cash flow income and GOP from the leasing and hospitality segments. The debt-to-equity ratio at the end of the quarter stood at 0.31, and our average cost of debt was 7.61%.

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Our investment for growth towards land acquisitions and capital asset creation would be met through a mix of options, including internal accruals and debt. The consolidated debt-to-equity ratio outlook for the year, post funding for projected capex commitments and business development spends, is comfortable and will be well within 0.5x.

We continue to maintain adequate liquidity, backed by an improved outlook for cash from operations in 2H FY27 and credit options from banks and financial institutions.

I would also like to mention that along with our financial results for this quarter, we have presented certain ratios as required by Regulation 52(4) of SEBI LODR, pursuant to having issued listed commercial papers in the quarter. These ratios take the formula as per accounting requirements and guidelines.

I will now hand it back to the moderator for questions.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on your touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Operator: The first question comes from the line of Sukrit D. Patil with Insight Fintrade Private Limited. Please go ahead.

Sukrit D. Patil – Insight Fintrade Private Limited: Good afternoon to the team. I have two questions. My first question to Ms. Shankar is: following our 29% net profit growth this quarter, what is our residential volume guidance for the next two quarters, or specifically the next quarter? As we launch 2.4 million square feet of new projects, what key execution risk do you foresee, and what is our forward strategy to protect margins from localized input cost spikes? That's the first question. I'll ask my second question after this. Thank you.

Pavitra Shankar: You might have to remind me. I heard about three questions there, but in terms of the guidance for the year, we have reiterated 9,000 crores. For the first half, we've done around 2,800 or 2,900 crores. So the balance of around 7,000 crores is what we are hoping and planning to achieve in the second half of the year, supported by the [inaudible] to come in Q3 and Q4.

Regarding execution risk for the projects to be launched, there is nothing material to really mention. They are as per the usual business plan. It's just a matter of getting the approvals, and we will start construction.

Sorry, what was the other question you had asked?

Sukrit D. Patil – Insight Fintrade Private Limited: My second question is to Mr. Patel. With Q2 EBITDA up about 26-27% to 470, 478 crores, what is our forward capex and debt guidance for FY27 and FY28? And how are you managing working capital and liquidity risk across our expanding commercial leasing and hospitality portfolios to protect cash flow?

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Management: Mr. Patil, what we have committed to in terms of our first quarter's, I mean, first half's cash collection or cash generation from operations has been around 600 crores. This number, in terms of operating free cash flow from operations, is going to be much higher in the second half, as I explained. Certain billing milestones from September onwards are yet to be collected, and the higher uptick in sales and sales-led collections will also add to our milestone collections. All this would generate cash for investments, and a combination of debt and internal cash accruals is what will fund our investments in our capex, which is our investment properties that become our leasing assets, and in addition, the land bank investments for growth.

This debt, which would come in, based on our current outlook and spend estimation, would result in our debt-to-equity ratio, which currently stands at 0.31, being comfortably under 0.5x by the end of March. So that would be the difference in leverage, anywhere between 0.4 and 0.5, but under 0.5 is where it would be, from 0.31.

Sukrit D. Patil – Insight Fintrade Private Limited: Thank you, and best wishes.

Operator: Thank you. The next question comes from the line of Biplab Debbarma with Emkay Global. Please go ahead.

Biplab Debbarma – Emkay Global: Good afternoon, everyone. My first question is on the overall real estate demand in Bengaluru. Recently, we just read another, you know, job--

Operator: Mr. Debbarma, sorry for interrupting. We cannot hear you. Can you speak a little louder?

Biplab Debbarma – Emkay Global: Is it better?

Operator: Yes, please go ahead.

Biplab Debbarma – Emkay Global: My first question is on the IT sector and job losses in the IT sector that we've been hearing about. Given the ongoing job losses and the lack of fresh hiring in the IT sector, how do you see residential demand in the Bengaluru market evolving over the next two or three years?

Pavitra Shankar: Hi, Biplab. There is a lot of talk about what's happening generally in the technology sector with AI and IT/ITeS. I feel it's something that will really take some time to work itself out. I wouldn't have any knee-jerk reactions on this.

We've been maintaining for a long time that despite net hiring in IT and the IT sector and certain companies not being positive, it has not really impacted demand. In fact, demand has actually become more premium while also maintaining growth, whether in our portfolio or in Bengaluru in general. There is a lot of technology work happening among GCCs and other companies where this talent is getting absorbed and potentially shifting from IT companies directly to other firms. That's what we've been seeing in terms of our overall absorption of residential.

Even in upcoming launches, the ones that we are preparing for, there seems to be pretty good demand on the ground. Of course, we will be able to realize that for sure once we have approvals and launch the project, but indications so far are still good. There is still a lot of demand from end-users for residential.

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Biplab Debbarma – Emkay Global: That's really great news. My second question is on the key project launches planned for the third quarter. Can you give us some insight on those key launches and what would be the GDV?

Pavitra Shankar: I had mentioned a number of 7 million square feet and 7,600 crores for the rest of the financial year. Predominantly, there are two large township projects in Bengaluru that we're working towards. One of them should come in Q3, and for the second, we are also hoping to get it in Q3, although it may slip into Q4.

There is one more residential project in Bengaluru that is also slated for early Q4. There is [inaudible] million square feet in Chennai that we are working towards in early Q4, and another million square feet in [inaudible] that will also happen in Q4. In addition, there are other smaller projects that would add up to the overall number that I mentioned, but that's the 7,600 crores GDV for which we have pretty good visibility of coming to the market.

Biplab Debbarma – Emkay Global: What would be the GDV of the townships?

Pavitra Shankar: Just give me a minute.

One of them is around— the two together should be around 3,800 crores.

Biplab Debbarma – Emkay Global: My final question is on the rental expectation. Do we expect rental income to increase in FY28 and FY29 from new projects?

Pavitra Shankar: We definitely expect rental income to grow. We're adding quite a bit of square footage to the portfolio as properties come in. So we are definitely expecting rental income to grow.

Biplab Debbarma – Emkay Global: In terms of million square feet or rupees, what kind of increase in rental income do we see in FY28 and FY29?

Pavitra Shankar: We have {? 9.5 ?} million square feet in the office portfolio, and by FY29 we expect that to grow to 12.4 million square feet. If I add retail as well, then we'll be adding a smaller amount, so I would just say 12.5 million square feet. You can expect it to increase from 9.5 million square feet to 12.5 million square feet.

Biplab Debbarma – Emkay Global: By FY29? FY29?

Pavitra Shankar: Yes, in terms of what will become operational.

Biplab Debbarma – Emkay Global: Thank you, and all the best.

Operator: Thank you. The next question comes from the line of Jimmy Shah with {? [unclear] ?}. Please go ahead.

Jimmy Shah: Hi, ma'am. Thank you for the opportunity, and congratulations on the good set of numbers for Q2. I had two questions. The first was on the leasing business. We've seen some activity in WTC Bengaluru and the Twin Towers. Do you have any indication of the exit rentals that you can provide? These two still account for the largest amount left to be leased in the leasing

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book. Do you have any commentary on these two projects?

Pavitra Shankar: We are pretty happy with the kind of traction we've seen. We did about 100,000 square feet in Twin Towers in terms of sales, and we did about 100,000 square feet of leasing in WTC Bengaluru. The third quarter is looking extremely healthy. The idea and the focus is to see if we can complete these projects in H2, ensure that we lease them out, and complete the sales of Twin Towers as well. That's the focus.

In terms of rentals, we've seen a pretty healthy increase. From what we were getting, we are seeing an annual 5% increase per year, which is pretty much the market standard. For new leases that we're doing, we are re-leasing the same space at around 15% higher than what it was getting us.

Jimmy Shah: Thank you for that, ma'am. My second question is on the launches. You've said 9,000 crores of presales and 12.65, I think that's the total expected over the next four quarters. Are we expecting an uptick in velocity? Given how H1 has gone, the current velocity is slightly on the lower side. If there is no uptick in velocity, we may see some inventory build-up. Are we expecting H2 to pick up in terms of velocity, or could you share your thoughts on that?

Pavitra Shankar: A lot of the velocity is really about the project launch and the absorption that happens at the time of launch. Since we didn't necessarily have launches in Q1, we didn't see much of that.

If you're looking at the entire H1, about 80% of that came from sustenance. That is something that will reduce, not because of lower sales, but because the contribution from launches will be higher. The remaining sales that we need to do for H2 will come in a larger percentage from launches, and we tend to realize a greater percentage of the overall project GDV at the launch cycle itself.

Depending on the segmentation of the product, we can have higher absorption at the time of launch. Some of our upcoming launches are in the 1-2 crore range, which is a sweet spot for many customers, especially in Bengaluru and Chennai. So we expect to have higher absorption for those launches. Based on that, we have retained the guidance for H2.

Jimmy Shah: Sorry, just one last question and then I'm done. The Brigade Barcelona launch was quite a chunky and lumpy component in Q2. Despite that, only 34% of your presales came from new launches. Some of it was obviously not from Brigade Barcelona. Is the larger share coming in Q3? How are you looking at that?

Pavitra Shankar: In Q2, we had three launches, and Barcelona was one of them. I also mentioned Misty Greens in Mysuru. While it is a smaller project, we sold substantially, almost all the available inventory. That is the contribution that you're seeing from there. So not all of the new-launch sales came from Barcelona; some also came from Misty Greens.

Jimmy Shah: Understood. Thank you for your time. I'll jump back into the queue. Thanks.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Harsh Pathak with Motilal Oswal. Please go ahead.

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Harsh Pathak – Motilal Oswal: Hi, Pavitra and Atul and team. Good afternoon. My first question is on collections. It was mentioned earlier on the call that there were some milestones that we could not hit. Can you please explain what could have been the shortfall? Since the debtors have also gone up, as invoicing might have been done, what would have been the shortfall? We also see that construction cost is lower on a sequential and year-on-year basis. Is it that we have already executed and some payments are left to be made? Can you please explain that?

Management: Regarding collections, it was a milestone that got billed out in September itself. That was the billing cycle, and hence the full collection of that milestone did not come in within the quarter. That was the status.

What you see in the trade receivables uptick is about 200 crores. Of that milestone, about 250-260 crores remains to be collected, which should have been collected within September and would have added to our cash collection as well as cash generation in Q2. That is the delta which [trails off]

Management: This also reflects that, of the approximately 260 crores, about 200 crores is reflected in the trade receivables number that you see.

Harsh Pathak – Motilal Oswal: On the construction cost front?

Management: Regarding construction cost payments that have not— construction cost or the trade receivables piece, in fact, there is a little bit of accounting delta coming in with Ind AS 109 getting an amendment, wherein the reconciliation items from BRS, or bank reconciliation, that have not hit the bank would need to be reinstated.

To that extent, almost 90 crores of that payment got reinstated into our creditors. That is the payment that has not gone out, but in a way, that is more of an accounting gross-up and, in the normal course, would have hit the bank the next day or so. So, other than accounting reasons, that is what I am saying.

Harsh Pathak – Motilal Oswal: Understood. So this would have been more like 800-810 crores of construction cost outlay? Is that the right way to look at it?

Management: Yes, absolutely right.

Harsh Pathak – Motilal Oswal: Understood. We have incurred some land payments of around 440 crores. What would have been the key purchases or key payments made against this? Where have we secured the land parcels?

Management: It is almost split equally between Bengaluru and Hyderabad.

Harsh Pathak – Motilal Oswal: Understood. On the sustenance sales, since the rate has gone up, I think we did 1,200 crores of sustenance sales this quarter, which is a significant jump over the last quarter. Which are the key projects that might have contributed to this, and can we expect the same rate to continue for the rest of the year?

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Management: On the sustenance sales, the large contributors were Brigade Eternia in Bengaluru and Brigade Helvetia in Bengaluru. We also had Brigade Insignia in Bengaluru. The other projects are Brigade Gateway Hyderabad and Icon. Each of these is contributing and is expected to continue contributing in the same manner for the rest of the financial year.

Harsh Pathak – Motilal Oswal: Can we expect around 1,100–1,200 crores of sustenance sales to continue quarterly in the second half as well?

Management: I am hoping that the sales we did in the first half are what we will also be able to do in the second half.

Harsh Pathak – Motilal Oswal: Understood. Regarding the projects that you mentioned—Eternia, Helvetia, Insignia, Gateway, and Icon—are there any numbers to put against these? Or could you highlight the region-specific sales?

Management: On residential sales, for Q2 we had mentioned 1,700 crores. Around 900 crores of that came from Bengaluru and Mysuru. I had mentioned that the launch that happened in Mysuru, Misty Greens, contributed to this number. Hyderabad contributed around 580 crores, and Chennai around 225 crores.

Harsh Pathak – Motilal Oswal: Understood. So, of the 580 crores from Hyderabad, I think 450 crores, as you mentioned, was from the Barcelona project. So we can add approximately 100–130 crores from sustenance sales from Gateway and Icon.

Management: Gateway, yes. But we also have two smaller projects close to our previously completed project called Citadel. They are smaller projects, so they have also made some contribution.

Harsh Pathak – Motilal Oswal: Understood. One last question from my side. Since Barcelona in Hyderabad was launched toward the middle, or rather toward the end, of September, how do we expect sales to pan out for the rest of the year? I understand that we have received some very good EOIs, based on what we understood from our channel checks. How do we expect sales to ramp up from this project going forward?

Management: Are you talking about the industrial [trails off] hear that.

Harsh Pathak – Motilal Oswal: Sorry? Yes, in Hyderabad, on the Barcelona project. How are we expecting the sales ramp-up to happen at this project, since we have almost 2,700 crores of inventory in total? How do we expect sales to pan out here, and how is Hyderabad demand in general?

Management: We did about 450 to 475 crores so far in Q2. For the remaining period, I think we should be able to do another 300 or 325 crores of sales for Barcelona. Maybe we can reach 800 crores for the full year.

Each of those units in Barcelona is around 4 crores. I think for the Neopolis submarket, it is still healthy and very much accepted. However, the Hyderabad market is generally absorbing higher ticket sizes compared to, say, an upper-mid segment in Chennai or Hyderabad. So we are still

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pretty confident about it.

From an absorption standpoint, it is not happening as quickly as we saw for Brigade Gateway Hyderabad. So there is definitely a change in the pace of absorption, but we are still confident in the product. It will get absorbed well, and we are able to charge the price that we want and should be able to increase the pricing as well despite any pressures.

Harsh Pathak – Motilal Oswal: Understood. I think those are my questions. Just one last thing on collections: we are reporting the total number. Can we have a breakup of residential and annuity business for this quarter, as well as a comparable number on a year-on-year basis?

Management: We will include that, but I did articulate in the opening remarks the breakup of collections for this quarter from the three segments. Do you want the number once again? Of the 1,633 crores for the quarter, the real estate segment contributed 1,115 crores, the leasing segment contributed 343 crores, and the hospitality segment contributed 175 crores.

Harsh Pathak – Motilal Oswal: And a comparable year-on-year number?

Management: I will circle back with you on that since it is not readily available.

Harsh Pathak – Motilal Oswal: Thank you. Thanks a lot.

Operator: Thank you. A reminder to all participants: please restrict yourself to two questions. The next question comes from the line of Pritesh Sheth with Axis Capital. Please go ahead.

Pritesh Sheth – Axis Capital: Thanks for the opportunity. I need some clarification on the launches. These two large townships are one in Whitefield-Hoskote and one in North Bengaluru, am I right?

Management: Yes, that's right, Pritesh.

Pritesh Sheth – Axis Capital: In terms of Chennai, what is the status of both projects planned for Q4? Do you see any risk of spillover considering there has been a government change there? How has the approval cycle been since then?

Management: We had these two projects that we wanted to launch. We have good visibility on one of them, and hopefully that should come in January of the next calendar year. For the other one, we are still working to try and get it within Q4, but that one might get pushed out into the next financial year.

Pritesh Sheth – Axis Capital: Both are about 1 million square feet?

Management: No, I had included only 1 million in the 7 million square feet number that I mentioned earlier.

Pritesh Sheth – Axis Capital: Can you give me the full breakup of how much should be Bengaluru, how much should be Chennai, and how much should be Hyderabad?

Management: Of the 7 million square feet, we are expecting 1 million from Hyderabad, 1 million from Chennai, and the remainder from Bengaluru.

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Pritesh Sheth – Axis Capital: In terms of cash flows, since Yogesh highlighted that we will be doing higher OCF versus what we did last year, that still gives us a significant catch-up requirement in Q2. Will a large part of this come from a ramp-up in collections with costs remaining the same, or will both go up proportionately? How should we think about collections and overall outflows in the second half?

Management: Collections would see an uptick. The outflows in terms of spending, specifically from construction activity, will continue to be steady.

Regarding differential items that will be added in addition to the milestones that come up, one is the new launches and the initial payments that come with those launches themselves, including those initial milestones. That will be a differential item between the first half and the second quarter. The second piece is certain real estate collections from our commercial real estate business, which contributes directly and does not have any spends against it.

Pritesh Sheth – Axis Capital: I can see almost 10-12 million square feet of land addition this quarter between the last quarter and this quarter, largely coming from Bengaluru and, to an extent, from Chennai and Hyderabad. If you can elaborate on those projects in terms of size, location, or whatever details you can share.

Pradyumna: Hi, Pritesh. Pradyumna here. At this point in time, what we can say is that these projects, as you also mentioned, are in Hyderabad and Chennai, but the primary focus of these acquisitions is Bengaluru. Predominantly, we have added these projects in west and east Bengaluru as well.

Pritesh Sheth – Axis Capital: Fair enough. That's it from my side. Thanks for answering my questions, and all the best.

Pradyumna: Thank you.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Parvez Qazi with Nuvama Group. Please go ahead.

Parvez Qazi – Nuvama Group: Good afternoon, and thanks for taking my questions. I have two questions, one on each of the businesses. First, on the residential side, you gave a lot of details about the launch pipeline across cities and quarters. My question is on the ticket size. While presumably the one in Hyderabad might have a larger ticket size, regarding the 5 million square feet that we plan to launch in Bengaluru, in general, how much will be less than 3 crore, and what proportion would be higher than 3 crore?

Management: [off-mic discussion] Regarding the crores ticket size, including Hyderabad, we are expecting good absorption for that project launch at the time of launch.

For Bengaluru, a lot of it is actually below one and a half lakhs, mainly in North Bengaluru. It is basically 1 to 1.5 lakhs in ticket size. The rest of it is around 2 crores. Then there is perhaps 20% of that which could be around the 3 crore ticket size.

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Parvez Qazi – Nuvama Group: Thanks. My second question is on the office side. We have balance capex of about 3,300-odd crores. Of this 3,300-odd crores, what proportion could be spent by FY29, which is over the next 2.5 years?

Management: The balance capex that we have to spend for the office in the remaining H2 FY27 is about 400 crores. In FY28, we expect to spend about 1,500 crores, and in FY29, we expect to spend another 1,400-1,500 crores.

Parvez Qazi – Nuvama Group: One question, if I may. The projects that will continue beyond FY29—will these largely be the WTC in Hyderabad and Brigade Atrium?

Management: Beyond FY29, in FY29 we have, of course, Cauvery. But if we are talking about FY30, there is Brigade Industrial Park, Block 1, which is about 300,000 square feet. There is Brigade Icon, the commercial tower, which is about 410,000 square feet, and, of course, Brigade World Trade Center Hyderabad and Orion Mall, which will be 1.72 million square feet. We should also have [trails off] Okay, yes, that is about it for now.

Parvez Qazi – Nuvama Group: Thanks, and all the best.

Management: Sure.

Operator: Thank you. A reminder to all participants: anyone may press star and one to ask a question. The next question comes from the line of Biplab Debbarma with Antique Global. Please go ahead.

Biplab Debbarma – Antique Global: On WTC Hyderabad, Brigade Industrial Park, and Brigade Icon, has construction commenced?

Nirupa Shankar: Yes, all of this is already under construction. Those three projects are all slated to become operational by FY30.

Biplab Debbarma – Antique Global: Regarding the rental assets only, what kind of rental run rate do you expect in FY29 following the additions of all the projects that will become operational by FY29?

Nirupa Shankar: We are expecting about 1,700 crores of overall rental income in FY29.

Biplab Debbarma – Antique Global: My final question is on revenue recognition. What kind of revenue recognition from the residential segment do you expect in FY27 overall, and what could be the margins for the residential segment in FY27?

Management: From a revenue perspective, we should achieve year-on-year growth again on a full-year basis. This obviously depends on the OCs coming in and registrations taking place, because that is what reaches the recognition milestone.

From a margin perspective, this year, or actually from last year, we had mentioned that the profile of projects now slated for revenue recognition consists of those that took price increases and are at better margins. This is reflected in the higher EBITDA in real estate that we delivered in both Q1 and Q2.

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The margin profile for the entire FY27 in real estate would be in the early 20s, between 22% and 24%, which was also the case in H1.

Biplab Debbarma – Antique Global: I missed the revenue recognition part. What would be the approximate revenue recognition number for residential in FY27?

Management: [pause] It should be 5,000 crores, upward of 5,000.

Biplab Debbarma – Antique Global: That's all from my side. Thank you, ma'am.

Operator: Thank you. The next question comes from the line of Harsh Pathak with Motilal Oswal. Please go ahead.

Harsh Pathak – Motilal Oswal: Thanks for the follow-up. Could you also highlight the same revenue recognition and margin figures for FY28?

Management: Regarding FY28, I think I will have to come back on that. As I was explaining in the earlier answer, it would depend on OCs, and those outlooks become clearer much closer to when that timing comes through. So that piece is not yet projected from a revenue perspective.

Since I have you on the call right now and you had asked me about the cash numbers for last year, I can take that up and let you know.

For Q2 FY26 cash flow, regarding the cash collections breakup by segment that you had asked for, we had 2,003 crores collected in Q2 FY26. This was broken up as 1,528 crores from real estate, 306 crores from leasing, and 169 crores from hospitality.

Harsh Pathak – Motilal Oswal: Thanks a lot for the breakup. One more thing, coming back to cash flows: in this quarter, we had some 28 crores of payment to PE. What was that? In the balance sheet, we have accounted for approximately 317 crores in the investments account using the equity method. What would this be?

Management: The payment to PE is essentially to our JV partner. Once a project starts collecting cash, if a distribution is made to the JV partner, that is what is reflected there. So the 28 crores is a payment to JV partners.

Harsh Pathak – Motilal Oswal: On the balance sheet, we had made this investment accounting using the equity method. What would that be?

Management: This is an investment that came from Bain Capital's fund in the first quarter in an SPV called Vibrancy Real Estate Private Limited. The investment we had made earlier was in our entity, and the investment came in from Bain's fund. Following their investment, the entity classification changed to a joint venture, whereas it was initially our subsidiary.

Since the entity became a joint venture and no longer goes into line-item consolidation, the investment we had made had to be reclassified accordingly.

Harsh Pathak – Motilal Oswal: Understood. That's all. Thanks a lot for taking the questions.

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Operator: Thank you. A reminder to all participants: anyone may press star and one to ask a question. The next question comes from the line of Vasudev with Nuvama. Please go ahead.

Vasudev – Nuvama: Thanks for the opportunity. Can you give some details on the business development that happened this quarter, such as the area or GDV added? Also, regarding the balance payable of around 2,300 crores for land payments, what timeframe are we expecting for paying this?

Management: We have added about 12.5–13 million square feet in total in this financial year for the first half, of which close to 10 million square feet came in Q2. This would approximately translate to about 13,000 crores of GDV.

In terms of the balance 2,000-odd crores that is yet to be paid, much of it will happen over the course of the next year, and some of it might get pushed out slightly because we have joint development projects. That depends on milestone completion, and when that happens, those payouts will be made to the landowner.

Vasudev – Nuvama: That's it from my side. Thank you.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. I now hand the conference over to Nirupa Shankar for closing comments.

Nirupa Shankar: Thank you, everyone. Before we wrap up, we'd like to highlight a few key highlights beyond the quarter's financial performance.

Through the Brigade Foundation, we're redeveloping the pipeline road in Yeshwanthpur, implemented in association with the BBMP.

We also held our first AI buildathon, Brigade Builds Better, which brought together close to 700 employees over two days to turn everyday business challenges into practical AI solutions.

A few noteworthy awards and recognitions: Brigade was recognized among the top listed and fastest-growing large-category real estate companies in 2026 at the Construction World Architect and Builder Awards. Brigade also won the Digital Transformation of Business award organized by XLRI Jamshedpur. The Freedom Fighters Memorial in Chikkamagaluru was awarded the Outstanding Museum Practice Award at the Karnataka Tourism Awards 2026. Brigade Cornerstone Utopia won the Architectural Project Integrated Townships award at The Economic Times Designscape Awards. Brigade Enterprises also received a silver recognition under the quality improvement category at the CII competition on digitalization and artificial intelligence for quality improvement 2026. Pavitra and I were ranked number 30 on Business Today's Most Powerful Women 2026 list.

Brigade celebrated 40 years, marking our journey from a team of just five individuals to a diversified organization with thousands of employees. In our first decade, we built 1 million square feet. In our second decade, we built 9 million square feet. In our third decade, we built 30 million square feet. In our fourth decade, we've built 70 million square feet. The next decade promises to show even more exponential growth as well. Every stage of that journey has been made possible by

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the people who believed in us, worked alongside us, and placed their trust in us.

We also held the 19th edition of the Brigade Showcase, where many customers trusted us once again with their second homes. As we look ahead, we do so with gratitude to everyone who has brought us this far.

With that, we wrap up our Q2 earnings call. Thank you all for joining, and see you next quarter.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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