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Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001

Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex
Bandra East
Mumbai – 400 051

BSE Scrip Code: 539289

NSE Symbol: AURUM

Dear Sir/Madam,

Sub: Transcript of Earnings Call held on April 30, 2024.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript of Earnings Call held on April 30, 2024 to discuss the performance for the quarter and year ended March 31, 2024 and the same is available on the Company's website at <https://www.aurumproptech.in/investor/financial-information/quarterly-earnings>.

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For **Aurum PropTech Limited**

Sonia Jain
Company Secretary &
Compliance Officer

Encl: As above



“Aurum PropTech Limited
Q4 FY ‘24 Earnings Conference Call”

April 30, 2024



**MANAGEMENT: MR. ASHISH DEORA: FOUNDER AND CHIEF
EXECUTIVE OFFICER, AURUM VENTURES
MR. ONKAR SHETYE: EXECUTIVE DIRECTOR,
AURUM PROPTECH LIMITED
MR. HIREN LADVA: EXECUTIVE VICE PRESIDENT,
AURUM PROPTECH LIMITED
MS. SONIA JAIN, INVESTOR RELATIONS, AURUM
PROPTECH LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Aurum PropTech Limited Q4 FY '24 Earnings Conference Call. As a reminder, all participant lines will be in 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 star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sonia Jain. Thank you, and over to you, ma'am.

Sonia Jain: Good evening, everyone, and welcome to the earnings call for Aurum PropTech Limited Quarter four and Financial Year ended 2024. It's truly a pleasure to have you all on the line with us today. We appreciate your continued interest and support. Joining us today is Mr. Ashish Deora, the Founder and CEO of Aurum Ventures. We also have Mr. Onkar Shetye, Executive Director, who will share insights on our object ecosystem; and Kunal Karan, our Chief Financial Officer, who will talk on the financial highlights of the company.

Before we dive into the details, I would like to remind everyone that the forward-looking statements we may discuss are subject to risks and uncertainties that are detailed in our prospectus shared and subsequent annual reports. We encourage you to review these documents, which are available on our website, to fully understand the risks associated with any future projections or statement. We shall start with our call with Mr. Ashish Deora, our performance over the last year. Over to you, sir.

Ashish Deora: Thank you, Sonia. Good evening, everyone. It's my pleasure to welcome you to this 12th Earnings Call of Aurum PropTech, and I wish all our participants a very successful financial year of 2024-2025.

Entering our fourth year of commitment to building an integrated PropTech ecosystem, I am delighted to share with each of you the progress we have made on this journey so far and the positive outlook we have for the next 3 years.

The ecosystem we conceived has evolved, now featuring the right product fit, a balanced blend of professional expertise and entrepreneurial energy, a suitable capital structure and Aurum's DNA of profitable growth with unit economics in mind.

We strive to continue a similar growth trajectory over the next 12 quarters.

During today's call, as we review our progress for the entire year, I would like to draw your attention to how the year has unfolded for Aurum PropTech. I will take this opportunity to highlight 5 of our achievements from the previous year.

First point, on the rental vertical, I would like to once again share that we have become the largest rental management platform in India. Our aim now is to double our capacities in terms of beds to cross 50,000 rental units.

Second, in the capital vertical, we acquired and fractionalized a single asset worth INR70 crores in Pune, paving the way to apply for becoming one of the first MSME REITs in India. We are excited and encouraged by this path breaking regulation by SEBI. SEBI Chairperson recently

stated and I quote, "investors should have a positive view of assets such as REITs, infrastructure investment trusts and municipal bonds, realizing their role for the nation's development" unquote. As Aurum, we aim to become one of the largest MSME REITs in India, along with our AIF, Integrow Asset Management, we are confident that our capital vertical within the PropTech ecosystem is positioned for exponential growth.

Thirdly, in our distribution vertical, we have successfully on-boarded top developers last year across India, including Embassy, Tata, Tribeca, JB Infra and M3M. Our prestigious clientele now includes Birla Estate, Adani Realty, Chandak, Shriram Properties, Raymond, Sunteck, Rustomji, Puraniks and many more.

Fourth point, what also brings us satisfaction is that we worked with each businesses and our teams across companies and define specific metrics such as leads sold, live beds, developer relationship, revenue per team member, value of apartments invoice, et cetera. This approach has enabled us to maintain a laser sharp focus on the right indicators for our diverse products across the real estate value chain.

Last but not the least, as we have consistently believed and articulated, our focus remains on profitable growth and unit economics. As a result, we have been able to significantly increase our revenue and most importantly, improve our EBITDA margin considerably.

Moving forward from the previous year to the current one, we will further sharpen our focus on harnessing data to enhance the value that Aurum PropTech brings to the various stakeholders, such as home buyers, developers, tenants, investors and channel partners. Our focus remains on deepening our integrated ecosystem, maintaining sustained improvement on unit economics and driving profitable growth across our three clusters.

I will now like to hand over to Onkar to take this call further. Thank you very much.

Onkar Shetye:

Thank you, Mr. Deora. We continue to display robust growth across our distribution, rental and capital domains. In India, it has estimated that more than 500 million individuals that is approximately 35% of the population stays in urban areas. Also, it is estimated that 28% of households live in rental housing with this number being higher in megacities. Our technology in their Cluster offers a complete stack of solutions for renters, property owners and property managers. This year, our co-living business registered an 87% year-on-year growth. Additionally, we successfully acquired and turned around India's largest rental marketplace, NestAway.

NestAway is now a leaner, efficient organization with better customer experience on its new platform. As we progress, our rental solutions will offer excellent choice, enhanced security and convenience for users, value for many cases, or having experience of discovery, renting, moving in an elevated community leading experience for those seeking rental accommodation. As the real estate sector continues to march to USD 1 trillion size, structural demand for capital will increase and continue to increase.

Since their introduction around 7- 8 years, back REITs and InvITs have gained traction in the Indian market, with twenty threeregistered InvITs and five REITs collectively managing assets

worth over INR 30,000 crores. In 2023, REITs and InvITs witnessed a significant surge in fundraising, collectively raising INR 11,450 crores.

This year, SEBI's introduction of micro and small finance REIT is being built as a game-changing move that will transform India's real estate financing landscape. MSM REIT can be set up as a trust with an asset size of INR 50 crores, as against INR 50 crores in REIT. Investors can invest in units of SMB with minimum subscription of 10 lakhs. Regulatory guidelines that require listings of units on the regulated stock exchanges and requirements to make investments only in revenue generating assets will ensure guardrails for investor protection and transparency.

Our capital solutions are best placed to tap this unlocked sector and use their tech platforms to create scalable solutions for property owners and investors alike. Aurum WiseX has launched a INR 70 crores revenue generating Grade A commercial real estate property on its platform last quarter.

As we move forward, Aurum will pave the way to make real estate investments more accessible to a wider set of investors and foster value creation within the regulatory framework. In the past 5 years, India registered more than 13 lakh home sales in primary markets at a CAGR of 20%. With an intensely competitive market, tech-enabled institutionalization of discovering, sales and servicing of real estate has taken prominence like never before.

This financial year, our distribution solutions which include analytics, CRM and broker aggregation were able to demonstrate a robust growth. Our analytics business displayed a 247-year revenue growth and in the broker aggregation business, we witnessed a 90% year-on-year growth in the units booked. Our CRM product, sell.do, was ranked number one as the easiest to use CRM across the globe by G2.

I will now hand over to Mr. Kunal Karan to take us to the financial performance.

Kunal Karan:

Thank you, Onkar. Thank you, everyone for taking out time to join us on this call today. Yesterday, the Board of Directors approved the audited results for the year ended March 31, 2024. I will take you through the summary of the Company. To start with the quarter numbers. Revenue from the operations for the quarter was INR 59.81 crores as compared to INR 51.31 crores in the previous quarter up by 4.36%. The total income for the quarter was INR 55.73 crores as compared to INR 62.09 crores in the previous quarter up by 5.86%.

Revenue from operations for the year ended March 31, 2024 was INR 214.05 crores as compared to INR 126 crores in the previous year up by 69%. The income for the year was INR 233 crores as compared to INR 139 crores in the previous year up by 68%. Total loss for the year was INR 65 crores as compared to INR 40 crores in the previous year. EBITDA for the year was INR 22 crores as compared to a loss of INR 3 crores in the previous year.

Now the balance sheet. Total assets of the company as on March 31, 2024, INR 644 crores as compared to INR 392 crores at the end of March '23. Liabilities were INR 456.47 crores as compared to INR 157 crores as at the end of March 23. Increasing attributable to the equity shareholders INR 180.38 crores at the end of March 31, 2024. The cash flow that was generated from operating and financing activities was INR 20 crores and INR 122 crores, respectively.

Cash used from the investing activity was INR 166 crores. A net decrease of cash and cash equivalents for the year was INR 23 crores.

Now with this, I will pass on the call to Riya to open the floor to the question-and-answers session. Over to you.

Moderator: Thank you very much. We will now begin the question-answer session. The first question is from the line of Faisal Hawa from HG Hawa and Company. Please go ahead.

Faisal Hawa: **Sir, Congratulations on having the legend numbers for the quarter.** Sir, two questions how far are we actually now taking mandates for entire real estate projects where we are almost the sole sellers or we kind of guarantee to sell most new properties. That's one. And secondly, can you give some color on how our student living and co-living projects are going and are we booking a lot of properties beforehand and then renting out and that's where our major margins come from?

And third is sir what is the kind of changes we are making at NestAway further to now get into good profitability. And are we holding 100% stake in NestAway or there's a provision to make it 100% going forward and if you can give sir, can you give some guidance for '24, '25 revenue figures for the entire Aurum PropTech universe?

Onkar Shetye: Thank you, Mr. Hawa for your question. I will split this into two parts. The first part which is on the distribution side with respect to sole selling and the revenue guidance I will take and the balance on the renting cluster will be taken by Mr. Hiren Ladva my colleague.

In the distribution piece, we have three key offerings lead generation by the way of data analytics, customer engagement with AI based CRM and third being the broker aggregation fees. We have done a GTM of the broker aggregation piece where the objective is to get velocity for real estate developers by the way of them launching their projects on the platform. We commenced with the mandate model where we took a mandate to sell the inventory with our aggregated piece of brokers on the platform.

However, we are slowly evolving that model to a more tech-enabled AOP model wherein we get contracts across multiple cities with real estate developers. And on an annual operating model we sell inventory for these developers through our broker aggregation platform. This is primarily done to ensure that we are able to scale our offering across multiple geographies and location, something that is a little challenging in the mandate or the exclusive mandate model where there is also demand for strategy and more people enablement on sites and projects.

On the analytics piece, we are now being seen as more of technology partners when it comes to real estate project launches where our analytics platform provides insights on what kind of configuration project mix, supply mix is to be offered to consumers before project launches. Post that, consumer profiling and GTM strategies are then enabled with analytics reports that are sent in by the analytics platform. The third piece which is CRM continues to operate in the same scalable model of enterprise SaaS across multiple geographies in the country.

On the second question with respect to revenue growth, this is the third year of our operation. This year we have established a 68% revenue growth year-on-year. We will continue to demonstrate a robust revenue growth in the next coming few years. We are looking at a range of 45% to 50% of revenue growth in this year and subsequent years going forward.

I will now hand over to Mr. Hiren Ladva to take the rental cluster.

Hiren Ladva:

Thank you, Onkar, and thank you, Mr. Hawa, for your continued interest in the company and your wishes as always. There are two questions from your set of questions which I will address. One is you asked about how are we adding supply for student and coliving. So here our supply acquisition strategy more or less remains the same in the sense that we go for the entire building which are generally built to suit. Last year when in the first half of the financial year we were on a supply acquisition spree, we were able to get ready to move in properties as well.

And this year - in this financial year we will have a mix of both where slightly higher tilt is towards build-to-suit. I'll take this opportunity to share with you that we have close to 5,000 beds of student and shared living whose supply has already been signed up and which will be delivered to us over the next few quarters. So that sets us for a good financial year 25 already before we even start.

To add more color to it in terms of cities focus, we will continue to go deeper into cities like Bangalore, Kota, Hyderabad, Pune which are typically the catchment areas for not just students, but also white collar staff with less than 3 or 4 years work experience. So that's going to be our key focus.

Moving on to NestAway. I think you had asked about our stake. So we are nearly 100% there. And we intend to not pursue any opportunities at the moment, but we are open to discussions at the corporate level at every point of time. Specifically for NestAway, our business focus right now, right from last year when we had on-boarded NestAway was in, first, turning around the business, which we have successfully demonstrated doing that for Q3 as well as Q4. In this financial year, we are -- since we have tested the breakeven and we have tested the unit economics, we will now go for expansion with a focus on the top six cities. So that's what our plan is.

As far as FY '25 guidance is concerned, we definitely cannot give specific numbers. But having said that, three years -- on a three year road map, we intend to deliver more than 50% year-on-year growth on an annual basis or on a CAGR basis at the minimum that we intend. However, as I said, every year, we'll review the plans more -- minutely more in detail, and we'll be demonstrating the numbers as we perform for the year.

Faisal Hawa:

Sir, if we really execute very on a three-year CAGR of 50%. What will be your EBITDA level at that time? Would it be around 20%?

Hiren Ladva:

So broadly, if you look at this financial year, we have roughly 1150 basis points improvement in our profitability margins. Across the next two years, we intend to have anywhere between 400 to 500 basis points improvement in margin that we will attempt to achieve on every year basis.

- Faisal Hawa:** Okay. And sir, after the quarter of the rights issue called balances put up, what will be then our equity?
- Hiren Ladva:** Our equity remains the same at 51%. If that was your question?
- Faisal Hawa:** It was part of the equity not yet paid up now the rights issue?
- Faisal Hawa:** On profit.
- Onkar Shetye:** When announced and concluded, they are basically in two tranches, right? One is for the rights and the second is the call money. If you can elaborate the question a little bit more, we will be able to answer better.
- Faisal Hawa:** What I meant is, once the balance of the rights issue is put in, what will be our final equity of Auram PropTech?
- Ashish Deora:** So, the call money, we have already received 90% of the call money. So, total was 128, out of which we have received 122. There are some shareholders who are following up, if they can put it, so we are working on that.
- Moderator:** Next question is from the line of Bhavik Mehta, an individual investor.
- Bhavik Mehta:** So since the presentation does not have much details about the quarter four in particular, I wanted to understand that versus our initial growth targets for Q4 or in terms of our ARR growth. So have we let go up that growth to get into a profitable mode given the EBITDA of INR 20 crores in this quarter? And as a follow-up to that, is this a normalized rate of EBITDA going forward?
- Onkar Shetye:** So we'll answer your question again in two parts. One is post-acquisition of NestAway that goes in Q2 FY '24. We took a conscious call on making sure that unit economics are in control. However, having said that, if you look at the rental cluster, we have continued to grow at a total pace of 88% YOY.
- In Q3 to Q4, we have also established a robust group in the distribution business and that comes by the way of our analytics and local aggregation piece. In both, we have been able to demonstrate a 30% growth. I mean, combined at distribution cluster, we have been able to establish a 30% Q-on-Q growth. Going forward, we will have to also accelerate growth. However, we will not go completely off-hand with our EBITDA margins. Like Hiren has stated earlier on the call, this year, Y-o-Y, we have increased or we have bettered our EBITDA by 1,150 basis points. In the next three years, we will continue to increase our EBITDA margin in the range of 400 to 500 basis points.
- Bhavik Mehta:** So, given this INR 20 crores number, it actually is 30% for this quarter. So, is this primarily due to some employee benefit reduction or into less ESOPs or how exactly do we read this? So, even if you are aiming for a 50% CAGR, does that mean that we can see EBITDA levels of INR 100 crores plus in the coming year?
- Onkar Shetye:** So, it's not as straightforward with respect to attributing that to one single criteria of increasing efficiency against employees on payroll. Yes, we have demonstrated a better performance when

it comes to revenue per employee year-on-year. This year, our revenue per employee stands at 29 lakhs per employee. Whereas, the earlier year, we were at 25 lakhs per year. But there are other factors such as supply acquisition, product development that require capital infusion and investment that also come into play when it comes to our EBITDA.

Bhavik Mehta: Sure. And the second question that I had was that most product or SaaS companies have, say, gross margins to the extent of 80%-90%. But given we showcase zero cost of goods sold, does that mean our gross margins are around close to 100%?

Hiren Ladva: Yes. For the SaaS, it's 90-95%.

Bhavik Mehta: Sure. And on the balance sheet, I had two questions. The first one was that given the current cash infusion, what would be your net debt level post this 100% receipt of the call money?

Kunal Karan: Definitely, by the end of the next financial year, we'll try to bring it down to zero so that by that time, again, maybe it's based on decision from the board, we can go for the balance call. But definitely, the debt will get totally reduced.

Bhavik Mehta: Sure. And the profit that you...

Ashish Deora: Just to add to what Kunal said, sorry, this is Ashish, we can bring the debt down to zero very quickly. But having said that, this is the lease rental discounting that is against the hard assets. As you know, typically, a tech company would not have these assets. But these assets were there right from the Majesco time. And what we have done is, with our capabilities, we have been able to lease all these assets now. And the debt is practically the lease rental discounting, which is not only at a very attractive rate, but it's also self-liquidated.

So in a way, we deferred the rights call by taking this LRD. And we can always preponethe rights and make this a zero or continue this. As it's a self-liquidating debt, we are not too concerned about these patterns.

Bhavik Mehta: So going forward, I think it was mentioned in the previous call that you might look at divesting these properties for growth as and when the need arises. So that still holds true, right?

Ashish Deora: That holds true. We considered that earlier in the year as well. Since we were able to lease out the properties and it gives a good annuity income to the company, we thought that we can carry that on for some more time. And now some of these leases will come before an escalation in next year or two. And then the value of the asset keeps going up substantially because of these escalations.

Since we already have the reserve from the second call that we can do over time, we don't feel the rush to sell these assets at the earliest. Having said that, the idea is to sell at some point of time because this is not our core business.

Bhavik Mehta: Sure. And my last question related to balance sheet is through property, plant and equipment, we are INR 100 crores plus. So is this attributable to any specific business and would this grow

in line with the revenue growth or this is more or less what we would have in the near future in terms of property, plant equipment?

Kunal Karan: So this property, the growth in this PPE for this year is mainly due to that asset that Ashish mentioned at the beginning of the call that we have taken it in Pune for the fractional ownership. Otherwise, the balance sheet will remain light in that sense. And when this fractional ownership happens in the next financial year, this will go down.

Bhavik Mehta: So isn't it more of a current asset? I'm just trying to understand the nature of this fractional transaction.

Ashish Deora: We cannot classify it as a current asset as on day or as on 31st March because that time we are totally holding that and we couldn't demonstrate on that day that it is a property that is up for sale or like that. Because unfortunately that time the regulations were not in place as it is today. So in that sense, we have to keep it -- unless we keep it actually outside the balance sheet, but unfortunately we couldn't do it. But that is what will happen maybe in the next quarter or when you will see the numbers again in the balance sheet on 31st or September end, that time basis will go up.

Bhavik Mehta: So eventually, this entire cash will come back to the company and we would earn revenue over annual maintenance and other related charges, right?

Ashish Deora: Yes, absolutely.

Moderator: Next question is from the line of Utkarsh Somaiya, an individual investor. Please go ahead.

Utkarsh Somaiya: I wanted to ask, was there any one-offs in this quarter?

Onkar Shetye: Will you please come back on your question?

Utkarsh Somaiya: Am I audible?

Onkar Shetye: Yes, you are now.

Utkarsh Somaiya: Yes. Were there any one-offs in the current quarter? Any one-off line item in the P&L in the fourth quarter, was there any?

Onkar Shetye: So there was no one-offs as a practice in the present quarter. But we have continued our product development efforts like we have done last year. So essentially product development for us is across multiple stages. It starts typically with research activities which goes into a POC. And once we have demonstrated a quick POC for that feature, we take that into development, staging, and then production. Typically, because research comes in upfront, we do not attribute that in the product capitalization. Whenever it comes on to feature development and staging, we take it up.

Ashish Deora: So Utkarsh, I think there is a little bit more of capitalization in this quarter if you move to connect that to a runoff.

- Utkarsh Somaiya:** Okay. So as compared to the previous quarter...?
- Ashish Deora:** I think that is why we are trying to kind of, in our own mind, connect it with last financial year to this financial year because then it is comparable. And the 1,150 basis points of the improvement of EBITDA margin is -- in that there are no one-offs. And that is what we are trying to focus on.
- Utkarsh Somaiya:** So what I am trying to understand is earlier these expenses were expensed in the P&L and now they are capitalized on the balance sheet. Is that what you mean?
- Kunal Karan:** No, not exactly like that. So what has happened in the current quarter is that a part of the product development team that has gone into development has been capitalized. And for the rest of the year, mostly it has gone to the P&L when it was at the research stage. So what has happened mostly for the past six months, it was totally R&D. Only maybe from the third quarter we could demonstrate that we are into development stage. So that is why it has started from the third quarter that capitalisation.
- Utkarsh Somaiya:** Can we expect this to continue going forward?
- Kunal Karan:** Look, as we have proposed to the Board yesterday, around INR 30 crores of expenditure we want to do for the development of the products that we are having on hand. And so that is what has been happening.
- Ashish Deora:** But the idea will be to kind of constantly be with the same practice rather than changing it. As we get matured with our own products and offerings, our idea is to kind of standardize this.
- Utkarsh Somaiya:** Okay, understood. And just one more last question. I am actually new to your company, so if you don't mind, can you please spend a few minutes explaining your business model? Just to simplify it for us. It would be very helpful.
- Hiren Ladva:** So our journey starts around two, two and a half years back where looking at the lack of tech penetration in the real estate sector, we began on a journey where we dreamt of digitalization of the entire property landscape in India. And to do that, we believe firmly in an ecosystem model of developing a prop tech enterprise. So since we wanted to focus on tech, we wanted to focus on disruptive ideas that could transform the property sector, we started with on one hand, building a certain set of products which were in-house and a certain set of businesses that we invested in.
- So, our first investment was into a real estate CRM, which is Sell.do. And it was owned by a company called K2V2. We have 51% stake there. That was the first acquisition in May '21. And post that acquisition, they have developed another product, which is called BeyondWalls, which enables distribution of residential real estate. It focuses on Pune as a geography and has expanded over to Mumbai and Bangalore as well. So these two products focus on the distribution side of the real estate.
- We added one more product in the distribution side, or one more business in the distribution side, which is a completely data science-enabled business called Aurum Analytica, which uses

AI, ML algorithms to deliver a highly curated set of prospective buyers in the form of leads to developers across the country, some of the names which Mr. Deora has already called out during his initial address. So if you look at the distribution side of the property sector, we have these three core businesses.

Utkarsh Somaiya: Sorry to interrupt you. So, when you say distribution, you kind of tie up, you bring together the builder and the buyer, and that's what you mean by distribution?

Management: In the property sector, we refer to distribution as the process wherein the developer is trying to offload their inventory into the market. This could happen through direct sales. It could happen through channel partners. It could happen through digital channels and the digital transaction models. So it could happen in not just any of these three, but it could be other ways also. So this is the area that we are talking about.

Utkarsh Somaiya: And you would charge a certain commission in between?

Management: Depending on the business model and what we deliver to the developer. As I said, there are three services that we have. One is the CRM, which is a completely SaaS product. It is charged on pre-paid basis, on license basis, license/subscription basis. The second model, which is BeyondWalls, is a digital platform wherein we have both limited license fees, but predominantly we have a subscription or a commission model. The third model, which is the lead generation services, which is the AI/ML and base services, there it is on a –package - It is a package of leads that we sell. So, it's based on those packages. Again, in a way, it's a license-based sale that we do. This is the distribution side.

The other larger business that we started focusing on after we started this journey was the rental space, where we believe there is a tremendous growth opportunity available in the Indian market which is the formalization and standardization of shared accommodation as well as family living. right? So, we started with the shared accommodation in the form of Hello World. We are, from a capacity point of view, we are probably the third or fourth largest, but from a revenue point of view, we are the second largest shared accommodation player. Together with NestAway, which adds the family living business into it, we are the largest residential rental company in the country right now. Together, we have close to 27,000 units of rental units available in the country right now. Again, there are two models here. One is purely rental in the shared living as I said, and second is the family rental side. So, these are the two main businesses that we have in Rental.

The third set of businesses is in the FinTech/PropTech or the capital space, as we call it. There we have, one, the fractional ownership as a business, which is in the name of Aurum WiseX. And the second business is Integrow Asset Management Company, which has the AIF license of both residential and commercial space separately. So, they already have three projects in the first AIF, which is in the residential space. And the second AIF in the commercial space was launched last year in the previous quarter and will get actioned out in this financial year. So, that's the third set of business that we have.

So, broadly, what we have done is, we have looked at the PropTech landscape in India, cut it into several segments, made our choices to start with in these three spaces, which is rental,

distribution, and capital. And then we aim to build our leadership into these three segments to start with and then we'll -- and our aim, to your question, our business model, our eyesight is completely focused on 2030 from a long-term vision point of view, where we believe that PropTech in itself will be a \$100 billion opportunity. And we aim to establish our leadership across a select set of verticals within the PropTech sector.

Utkarsh Somaiya: Right. And just one last question on which other players are kind of present in this sector and how is the competitive intensity?

Ashish Deora: So, if you look at an ecosystem model point of view, there is hardly anybody you'll find with an ecosystem model in the PropTech. From an individual PropTech company's point of view, and when you start to look at the sub-segments, for example, if you look at distribution, then you can segment it further also. There are internet-based listing companies like 99acres, Makaan.com, etc. There are very few with the data science type of capabilities that Aurum Analytica has. So practically, there's hardly any competition to Aurum Analytica per se.

CRM point of view, there are many industry agnostic CRMs available in the market which also compete with our Sell.Do CRM. But there are very few real estate focused CRMs. By the way, Sell.Do is the market leader in the real estate CRM space in the country as of today with more than 500 developers as our clientele at this point of time.

And similarly, if you look at rental, so it's a fairly well, the co-living space is a fairly well-tracked sector in the media. So you would have heard of our competition there in the form of Stanza, Zolo, etc. NextAway, per se, doesn't have a very direct competition to it in the family rental space as of now. So it is practically uncontested player there.

In terms of fractional, again there are roughly 10 odd startups which are there in the space as of now. From an asset under management point of view, I can confidently say we are in the top five. And the real estate specific AIF or asset management companies with a PropTech focus or with a tech focus are again very limited. So, I would say Integrow stands more or less alone in this space. There are traditional asset management companies which are asset heavy. So that's a different class. We wouldn't compete with them. But from a PropTech kind of an AMC point of view, Integrow is also fairly alone.

Moderator: Thank you. Next question is from the line of Tushar Vasuja from Yogya Capital. Please go ahead.

Tushar Vasuja: I would like to ask regarding the structure of our company. Right now it's heavily subsidiarised. So do we have any plan to change it or will it stay like this?

Onkar Shrtye: We missed some segment of your question. Could you please repeat the question please?

Tushar Vasuja: Yes, no problem. Right now our company is heavily subsidiarized. So do we have any plans to change it or will it stay like this?

Ashish Deora: So the idea is to keep it the same for now because it helps us to bring focus in each business, in each subsidiary. Also every business has its own AOP. Every business has its own ESOPs that

are issued to team members in that company. So they are directly impacted and directly aligned with the benefits of the growth of that particular business. We can always merge some of these companies amongst themselves or within Aurum because we own substantial equity including 100% in the company. But I think from a focus point of view it just makes sense to keep this structure for some more time.

Tushar Vasuja: Okay, understood. My next question is regarding your profitability. I know it's a repeat question but what are your thoughts on it? When do you think you would be able to turn profitable?

Ashish Deora: As of today we are feeling confident considering that we have been able to improve the EBITDA margin considerably over last year. But still we believe that it's a long way to go. And in the -- as you kind of get closer to profitability every single percentage every 100 bps is more and more difficult, but we have put our own internal target to improve the EBITDA margin ever year as Hiren and Onkar said earlier by 4% up by 400 bps. And I think that if we don't have to compromise on growth because we also want to remain on a hyper growth. If you go on to customize on growth, we stay on a high growth stage and constantly improve our EBITDA margin I think we would need a great justice to our businesses.

Tushar Vasuja: Okay sir. Thank you.

Ashish Deora: Thank you.

Moderator: Thank you. Next question is from the line of Yatee Agarwal from SuperProcure. Please go ahead.

Yatee Agarwal: Hi, good afternoon. So my first question is how large do you think is the opportunity for institutionalization of rental real estate in India? So what do you think, how great is the opportunity for that?

Hiren Ladva: Thanks, Yatee for that question. We are a little short in time, but I'll try to elaborate and I would encourage you to refer to the transcript of the previous call where we have elaborated on these opportunities. Having said that, there is roughly around INR 2 crores of rental units demand in the country as of now. And this is across all different types of rentals which is highly unorganized. There have been attempts to, at least from a listing point of view, list these available units and match them with the demand etc.

What we are trying to do is to formalize a lot of early-stage rental needs which has been a laggard in terms of its quality of residences, the kind of living needs that the younger generation has, which is not just the students, but also right-out-of-campus people and people moving out of their small towns into larger cities.

And then they need good standardized community-based living. In the current scheme of things, the kind of lifestyle they have, how close knit they are, both digitally with their peers which is not just a colleague, but also their fellow batch mates - that kind of community living is something which is transforming the rental space.

So to give them that comfortable, standardized and a very tech enabled living is one large opportunity that we are seeing in the rental space. That's an opportunity we're head on targeting, but at the same time there are two, three other opportunities also which we are keeping a close eye on, which is on the other end of the age profile which is the senior living. And before we actually go to the senior living, through our Nextaway offering, we are also addressing the family living. So there, if you look at how the entire rental or a tenant-landlord transaction happens, both the parties go through a lot of pain in kind of one, right from discovering each other to second, transacting with each other, and then getting the agreements in place, etc.. And bulk of the pain which a lot of other startups have addressed is only on this part.

There is further pain which is there during the or rather after the transaction has happened. So when the tenant is living inside their property, the landlord wants to not just receive the rent on time, but also wants to ensure that the property is well cared. Tenants also needs various support, services, etc, during the life cycle. And that's where platforms like NestAway which standardize this accommodation, minimize these interactions, minimize this pain - that's what we are addressing right now.

So just to go back to the overall opportunity. If the demand today is roughly INR 2 crores houses in terms of rentals, the formalized or the organized capacity is somewhere around 2 lakh units only. And if we are able to do even 10% of the Pan-India demand, I think that itself is a multi-fold opportunity which could deliver exponential growth rates for us.

Yatee Agarwal:

Got it. And my other question is, so do you see further adoption in analytics and CRM business in India real estate?

Hiren Ladva:

So let me take it up in two parts. One is the analytics and the second I will come to the CRM. Analytics is definitely getting new avatars with AI and ML technology coming in. So the capabilities of what data can do for you is just exponentially growing. Now for the last decade or so, more so with PropTech, a tech infusion or tech penetration had lagged compared to various different industries.

Data has just started coming into play. There's much more actionable data available, much better insights available. And we have the talent which is building various businesses, various tools, various products which are with AI/ML, which will help address some of the pain points prevalent in what I called as the distribution model.

And what are those pain points? The biggest point you would ask anybody in the property sector is the trust factor. This is where data-based matchmaking, data enabled transaction platforms, etc are various products and businesses which will help address this particular aspect or this particular pain point of the property sector.

Then the other pain point in the sector is the long transaction times that the developer and the buyer have to go through. With data-based, analytics based models in play, one is able to do a much better matchmaking between the buyer and the seller which is what our business Aurum Analytica is actually doing and is actually commanding a 30%- 40% premium compared to non AI-based service that is prevalent in the same space.

I mean, the scope of analytics in this space is just left to anybody's imagination. So in fact, we are ourselves - not just with Analytica, but we are also internally working on data as a strategy for our not just one business, but across the entire ecosystem. How we are able to deploy this? To improve not just the growth, but also customer experience across the all different businesses.

Second part on CRM: It is a highly, yes, I would say, it's a highly competitive market. There are many industry-agnostic CRMs in place. But real estate sector in itself is a very peculiar use case. As I said, in a transaction - typical length of a transition is around six months after the buyer has visited the project, which is in this case, the site. And there is a lead time after that. Now to manage that entire process, you need specialized CRMs which the developers as well as channel partners, are able to utilize to kind of improve the customer experience, improve their own lead closure and win rates, to better understand what are the clients' needs, etc. So real estate specific CRMs will stand a good chance to grow in this market given that yes, the data penetration, tech penetration in the property sector is increasing, right?

Having said that, yes, the generic CRMs are also entering into this space. But yes, there is an entry barrier for them because they need to develop this property sector-specific features.

Moderator: Next question is from the line of Sanika from Sapphire Capital. Please go ahead.

Sanika: Yes. So we have guided for 45% to 50% kind of a growth, right, on a control basis?

Ashish Deora: Yes.

Sanika: So what are the drivers for that? How are we going to get this growth?

Onkar Shetye: So I think the guidance of 45% to 50% of revenue growth is essentially going to come from one large sector that we have seen attraction in, which is the rental marketplace. A combination of family rentals and cool living continues to drive substantial amount of growth at all the properties.

Sanika: Okay. And one more question on the EBITDA side. So you have said that every year, we are looking for a 400 basis point increase in EBITDA on a control basis. So how are we looking at that?

Hiren Ladva: So very conventional answer, yes, there is a fixed cost, which is in the form of and very little of that in the form of leadership team costs. And the product and engineering team, which helped develop some of the products, we've talked about their capitalization. But beyond the capitalization part, as these products are getting ready, they are getting deployed. We are now going to be able to address or rather grow these businesses in a wider net, which will reduce the fixed cost, right? So that's one part.

Unit economics at various businesses have improved, specifically at NestAway, which is a very visible improvement. But beyond NestAway, across all of the products, which is all services, including the past products, we have undertaken over the last couple of quarters a lot of optimization initiatives, which are about rationalization of not just the team structure, but also on what kind of tech platforms we are working on and what kind of tech products we have deployed.

To give you an example, NestAway itself, through its tech reorganization, has been able to deliver a savings of INR 14 lakhs per month, right? This is just by looking at what are the alternate product tools available. Then there are certain products, since we have an in-house product team, we keep on building more features, which are part of the same product, right? So for example, we have a mini CRM of our own developed by HelloWorld itself. That kind of negates the entire cost of an outsourced CRM in itself. And it is a very rental specific CRM that we need, which is typically not available in the market, right?

So these are some of the levers with which both on tech and on people side, we have been able to and we would continue to improve on the profitability margins.

Sanika: Okay. And just one last question. What kind of risks are we looking at which can hamper our growth?

Ashish Deora: I think macro risks are continuing to remain in the sector. We are also, I would say, cautious about certain policy changes that come in, in the rental space within the distribution space. The way we have tried to mitigate it, is that we have been able to quickly about to these policy changes and get them institutionalizing our business processes. At the business level, risk that are typically, I would say, taking strong your dependency on people, dependencies on relationships that we see primarily in the distribution side of the business. And that is where we are fundamentally making from changes in the business model, where, for example, we are moving the mandate model to a more the AOV driven model, so that we are more of a tech play and lesser of relationship management play when it comes to contracts business.

Moderator: As there are no further questions, I would now like to hand the conference over to Ms. Sonia Jain for closing comments.

Sonia Jain: Thank you, Riya. We thank all the participants who have joined us today, and you have kept continuously trusting us. We thank you for your continued interest, and we look forward to seeing you again on the next call. Thank you very much.

Moderator: From Aurum PropTech Limited that concludes this conference. Thank you for joining us, and you may now disconnect your lines.