Date: **July 25, 2023**

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

BSE Script Code: 539289

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

NSE Symbol: AURUM

Dear Sir/Madam,

Sub: <u>Transcript of Earnings Call held on July 19, 2023.</u>

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript of Earnings Call held on July 19, 2023 to discuss the performance for the quarter ended June 30, 2023 and business transformation strategy of NestAway Technologies and the same is available on the Company's website at Earnings Call Transcript Q1 FY24.

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For **Aurum PropTech Limited**
SONIA HITESH JAIN
Digitally signed by SONIA HITESH JAIN
Date: 2023.07.25 19:29:50 +05'30'
Sonia Jain
Company Secretary &
Compliance Officer

Encl: As above

Aurum PropTech Limited

Q1 FY 2024 Earnings Call

July 19, 2023

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
MR. KUNAL KARAN: CHIEF FINANCIAL OFFICER, AURUM PROPTECH LIMITED
MR. JITENDRA JAGADEV: FOUNDER AND CHIEF EXECUTIVE OFFICER, AURUM PROPTECH LIMITED
MS. VANESSA FERNANDES: INVESTOR RELATIONS, AURUM PROPTECH LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Aurum PropTech Ltd Q1 FY 2024 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal the operator by pressing star and then zero, on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Vanessa Fernandes, Investor Relations, Aurum PropTech. Thank you and over to you, ma'am.

Vanessa Fernandes: Thank you, Dorwin. Good evening, everyone, and a warm welcome to the Q1 FY2024 Earnings Conference Call of Aurum PropTech Limited. Joining us on the call today, we have Mr. Ashish Deora, the Founder and CEO of Aurum Ventures, Mr. Onkar Shetye, Executive Director, Aurum PropTech, Mr. Kunal Karan, CFO, Aurum PropTech, Mr. Hiren Ladva, EVP Investments, Aurum PropTech and Mr. Jitendra Jagadev, Founder and CEO of NestAway.

Today, we shall go through our performance for the quarter gone by, our future outlook and a special segment on NestAway Technologies, the latest acquisition in our portfolio. 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 and the annual report. We encourage you to review these documents which are available on our website to fully understand the risks associated with any future projections or statements. We shall now start the call with Mr. Ashish Deora, our Founder and CEO.

Ashish Deora: Thank you, Vanessa. Good evening, everyone. The first quarterly earnings call under Aurum Management was hosted in July, 2021. It is two years today as I participate in this ninth quarterly call of Aurum PropTech. Over the past two years, we have been committed to bringing technology to the real estate sector, giving rise to what is now widely recognized as the PropTech ecosystem. Our team's unwavering belief and focused execution has led us to exponential and consistent growth.

At Aurum, we have always emphasized EBITDA as a key metric, ensuring that our growth is accompanied by profitability. We maintain a constant focus on unit economics and as a result, we are EBITDA positive for the third straight quarter. With a sharp focus on execution and unit economics, our teams are driving each product and each business towards hyper revenue growth. We are proud to announce that HelloWorld, our co-living business, has touched an ARR of INR 100 crores, as compared to INR 38 crores one year ago.

Further, we are also seeing great traction with Aurum Analytica. I would now like to speak about a special and significant milestone during this quarter. We have acquired NestAway, one of the largest PropTech brands in India. Our growth journey began in July 2021, and since then, we have acquired seven businesses in the past 24 months.

Each acquisition has been strategically aligned with our goal of addressing the unmet needs of technology, capital and services within the real estate value chain. We believe that, we now have all the essential products in our ecosystem to benefit consumers, developers, and intermediaries. I would now like to share, how we have already commenced NestAway's restructuring journey.

In the past two weeks, our team led by Jitendra and Ismail have initiated the process of cultural transformation with an emphasis on unit economics and customer obsession. We have optimized operations by downsizing our presence from 14 cities to 6 cities. Consequently, we have streamlined the team, reducing its size from 350 to 195, and reducing the monthly salary expenses from INR 2.7 crores to INR 1.3 crores. We aim to transition NestAway to become a lean and flat organization, similar to our other Aurum businesses. These steps have been taken with the objective of being profitable at NestAway by the year end.

As soon as we are profitable, we will take NestAway to hyper growth in 2024 and 2025. Later on this call, Jitendra will provide further insights into the rental management business and NestAways' role. I would like to state that, integration of tech, capital, services, and data enhanced by our entrepreneurial and strategic mindset is strengthening the Aurum PropTech ecosystem with each passing month.

To conclude, I would like to share some of our internal targets for the fourth quarter, that is January, February, and March 2024. First, we will achieve INR 100 crores of quarterly revenue, which will make Aurum PropTech an INR 400 crores run rate company. I repeat, a INR 400 crores run rate company. Second, we will restructure and make NestAway profitable. Third, needless to mention that, we will be EBITDA positive. Thank you everybody, over to you, Onkar.

Onkar Shetye: Thank you, Mr. Deora. Good afternoon, all. The Aurum PropTech ecosystem is structured under technology, primarily encompassing enterprise tech, services, encompassing consumer tech, and capital focusing on fintech applications for real estate matrixed across the real estate value chain of development, monetization, and consumption.

I would like to inform you that Aurum PropTech's integrated ecosystem now collectively boasts of 13 plus products and services, 80,000 home buyers, 2,000 crores plus GTV, 520 SaaS customers, 4,400 RaaS customers, 7,500 channel partners, 600 plus real estate developer relationships, and a presence in 17 cities.

During Q1 FY '24, Aurum's business focused on improving unit economics through cost optimization and efficiency drives. Some of the key highlights include HelloWorld grew to an ARR of INR 83.3 crores with 11,195 live beds and 29 new properties it on-boarded in Q1 2023. There was a 19% growth in quarter-on-quarter revenue numbers, while occupancy stood at 74%. BeyondWalls stood at an INR 49.93 crores revenue. Sell.do became the 4th top ranked real estate CRM globally and 7th ranked in the easiest to use category.

Aurum Analytica serviced 116 projects and achieved an RRR of INR 24 crores per annum. Through its analytics platform, it identified 33,756 prospective residential buyers across the country. Integrow Asset Management successfully exited an opportunity with 30% IRR. We also went on to add three new products to our portfolio: Aurum WiseX, YieldWiseX, and TheOfficeMonk.

Aurum WiseX is a digital distribution vertical for real estate investments, which leverages technology to offer risk-adjusted, institutional-grade investment products. YieldWiseX is a new realty investment platform that aims to democratize ownership of commercial real estate structured debt opportunities. It is a transparent, reliable, and technology-driven approach, offering its investors end-to-end hassle-free investment management platform that provides expertise and convenience.

Aurum WiseX generated an INR 70 lakh revenue this quarter with a GTV of INR13 crores and engaged 75 investors on its platform. The investor reach has now widened to 50,000 identified investor data set. The platform clocks 7,000 plus website sessions per month. TheOfficeMonk is a B2B SaaS product to digitize commercial real estate portfolio and enhance the experience of tenants, offering three core modules:

Core: a solution for landlords and operators to track their lease, vacancies, manage their property accounting, and streamline tenant communication.

Ops: a mobile solution for operations teams to streamline visitor management and digitize maintenance activities.

And Circle: an app for employees working in office buildings to better manage their relationship with the office and people they share it with. Our target market is co-working spaces, offices, and tech parks.

For our new products, Aurum InstaHome and Aurum KuberX, we focused on getting the model right on low ops and high on scale, getting the tech right, features for all stakeholders, and getting the experience right, improving turnaround times. Before I hand it over to Mr. Jitendra Jagadev, Founder of NestAway, I will briefly take you through the financial results of Q1 FY 2024.

Our revenue from operations for the quarter has increased year-on-year by 202% to INR 44.16 crores as compared to INR 14.64 crores in the corresponding quarter of the previous year. The Total Income of the quarter was INR 47.71 crores as compared to INR 15.72 crores in the previous quarter, up by 203%. EBITDA for the quarter was INR 1.8 crores, 3.8% of the total income as compared to a negative EBITDA of INR 5.69 crores in the previous year.

Loss for the quarter was INR 16.12 crores as compared to INR 8.73 crores in the previous year. Our SaaS and RaaS revenue for the quarter were INR 5.72 crores and INR 38.44 crores respectively as compared to INR 5.11 crores and INR 9.53 crores respectively, in the corresponding quarters of the previous year. We will continue to work on increasing efficiency and enhancing consumer experience in our PropTech businesses. With this, I will request Mr. Jitendra to take us through the NestAway plan.

Jitendra Jagadev: Thank you, Onkar. Good evening, everyone. The rental market in India is a significant and lucrative sector, with approximately 2.2 crore renters in the top 20 cities. Rent expenses typically account for around 30% of a renter's wallet share, making it a substantial portion of their expenditure. At NestAway, we recognize the immense potential of this consumer market.

In the next two quarters, our focus is on implementing initiatives to reduce costs and drive profitability. We are well positioned to capitalize on the tailwind effect as rental rates have experienced a substantial 25% jump across major cities due to factors such as increased interest rates and the surge in demand post the work-from-home era.

Additionally, buying a home has become more challenging for the younger generation due to lifestyle preferences, saving habits, diminishing emotional attachment to property, and rising housing inflation. This trend indicates that our target market share will increase along with the size of the market itself. Our immediate priority is to stabilize the business and achieve profitability, within the next two quarters. To achieve this, we are focused on improving operational efficiency across all aspects of our operations.

We aim to simplify our customer offerings, ensure scalability and sustainability. Our team is committed to high performance output while adhering to our company values. One of our key initiatives involves optimizing salary structures, and there is a significant gap between revenue and employee headcounts and their associated salaries across different geographies and verticals within central cost centers.

Another area of focus is reducing direct costs, particularly the operational expenses related to property management and maintenance services. We believe that by transforming these services from cost centers to profit centers through simplified offerings, we can enhance overall profitability.

Additionally, we aim to improve efficiency in performance marketing by leveraging low customer acquisition cost (CAC) channels and discontinuing high CAC channels. Optimizing our technology stack is also crucial to eliminate inflated technology infrastructure costs resulting from stale data or traffic.

To achieve profitability, we must implement measures such as reducing unnecessary expenses, streamlining processes, automating tasks, and renegotiating contracts more effectively with our vendors. As part of our cost optimization strategy, we have decided to seize operations in Visakhapatnam, Kolkata, Ahmedabad, Kota, Jaipur, Mysore, Coimbatore, and Indore.

By aligning our focus and implementing these initiatives, we are confident in our ability to make the rental market in India more profitable for NestAway soon. With this, I will now pass on the call to Dorwin to open the floor for the Q&A session. Thank you.

Moderator: Thank you very much. The first question is from the line of Faisal Hawa from HG Hawa and Company. Please go ahead.

Faisal Hawa: Sir, congratulations on a good set of numbers. Can you just refer to page 18 of your slide where it says that HelloWorld is now at a revenue of around INR 21 crores, but then, there is a note saying that these businesses were not consolidated under Aurum PropTech. So, does this mean that, this has not been included in the revenue of Aurum PropTech?

Hiren Ladva: This is Hiren here. Let me just take that question. And thank you Faisal for your query and interest in our company. Regarding your question, if I refer to that chart, the Y-o-Y percentage is where we are referring to the consolidation part, right? Just to clarify, HelloWorld, we started consolidating from 15th of June of 2022. So, if I were to compare Q1 of last year versus Q1 of this year, this is where, we are trying to clarify that, the Y-o-Y comparison is only at the consolidated level.

Faisal Hawa: So, this year, it has been consolidated?

Hiren Ladva: Yes, this quarter, in fact, 15 June last year itself onwards, we have been consolidating it over.

Faisal Hawa: And then again you say in the second distinct, that it's not applicable because the composition of the portfolio varies across the two quarters. So, what is the variation? So, this is as regards of Aurum Analytica.

Hiren Ladva: Yes, so last year as you recall, almost every quarter, we had one or the other acquisition getting consolidated into our books. And hence, when we do Y-o-Y comparisons, at the consolidated level, we are comparing the Aurum PropTech reported numbers, which may not include, let's say, Aurum Analytica in Q1 last year, because it was not consolidated, right? But when I do like-to-like business comparison of Aurum Analytica in this particular slide, which says INR 6 crores, which has gone to 5.22x and 422%.

That means, compared to INR6 crores of revenue in this quarter versus last year's quarter, irrespective of whether it was part of Aurum or not, the growth has been 422% on the like-to-like business, right, without consolidation. Idea is to give you, a sense of how the intrinsic business itself has grown on a quarter-to-quarter basis.

Faisal Hawa: Got it. And sir, what is our fixed cost across all the companies? And can you give a percentage of what would be our B2C business, where there are actually consumers who come to the net and use our services?

Kunal Karan: The fixed cost for a quarter will be around INR 5.5 crores.

Faisal Hawa: Across all the companies?

Kunal Karan: Yes.

Faisal Hawa: But this would definitely not include NestAway?

Kunal Karan: No, NestAway has not come into the results right now. So, if you see our results, the segment results we have given that corporate cost, so that number is INR 5.5 crores.

Faisal Hawa: So that is our fixed cost every month or every quarter?

Kunal Karan: Okay. Yes,

Faisal Hawa: Did you say, every month or every quarter?

Kunal Karan: Every quarter.

Faisal Hawa: Okay, and sir, what would be the improvement that NestAway could give our revenues in Q2?

Kunal Karan: Sir, you have given the number.

Hiren Ladva: So as of now, this is Hiren here again. For Q2, again we will come back with a forecast and the overall number, not just for Q2, but the entire year as such. NestAway specifically, if I can, without giving you the exact numbers, before acquisition itself was doing an average run rate of around INR 2.5 crores to INR 3 crores on a monthly basis. And based on that, we can do a projection.

However, at the moment, as Jitendra has already called out, so has Mr. Deora called out, our focus for the next six months at least would be to focus on the unit economics of the business. And then, we'll take up the growth focus from 2024 onwards.

Faisal Hawa: And sir, we are on record saying that we will now be developing some proprietary products also of our own. So, what is the progress on that and any initial revenues coming from that? That's one. And secondly, you are also going to do something with the fractional ownership. And is there some kind of clarity there from SEBI or any other authority, which looks into this?

Onkar Shetye: Hello Mr. Hawa, this is Onkar here. I'll take these two questions and also add to the earlier question. As you rightly pointed out, what is the composition of our business with respect to B2C and B2B? We have 40% of our business coming in from B2C, as of now. With the addition of NestAway, we expect this to go to 60% to 70% in terms of revenue coming in from B2C businesses. We see large opportunities in the B2C space and that is where, we also are looking to pivot the business at.

With respect to proprietary products, there are two products that we are engaged with presently, Aurum InstaHome and Aurum KuberX. Aurum InstaHome is focused on the largest opportunity area in the real estate space, which is secondary real estate. It works on a platform strategy of generating supply for the secondary real estate market, onboarding enough partners to facilitate the fulfillment of this secondary supply, and then finding enough buyers to make sure that, we have a matchmaking happening between supply, demand, and fulfillment.

We have the automated valuation model launched for Aurum InstaHome. The automated valuation model triangulates data from three sources, registry data, market listings, and local intelligence, and it goes on to predict an estimate for an apartment that the seller is wanting to sell. If he is aligned to the value of the apartment, he will further go on to give a mandate. That mandate will further be sent out to the channel partners, who are subscribed to our partner app and who will go on to sort of help us sell these apartments.

The AVM is live in 225 locations and the partner app has been launched in June 2023. We have received 150 plus downloads and 66 active channel partners, who are working on this presently. In addition to this, we also have Aurum KuberX, which is a loan origination software that is targeted on loan recommendation for home finance seekers and also further going on to fulfill these home loans for the loan finance seekers.

Between both the products, we have a revenue of INR 30 lakhs recorded in the first quarter of this year. These products were rolled out very recently in the market and we will further go on to optimize its unit economics and then work on scale, in a very ops-light model.

Coming on to your other question on the fractional ownership space. The fractional ownership space has gotten some clarity from SEBI. They have come in with a few papers and recommendations. Our strategy on the fractional ownership space was looking at how do we approach this. Do we approach this from a real estate point of view? Do we fractionalize real estate? Or do we look at it from a fractionalization of financial instruments that are backed by underlying real estate? We have chosen the financial instruments way.

And here are two cornerstones of the fractional ownership strategy are between the Integrow AMC, Integrow Asset Management Company, and Aurum WiseX, where we will have fractional instruments created at Integrow AMC, backed by real estate in the corporate real estate space and also in the residential real estate space. And Aurum WiseX will pivot to a tech-driven distribution network of high-value retail investors looking on to invest into this space. Hiren, would you like to add anything to the fractional space?

Hiren Ladva: Thanks, Onkar. Just to elaborate on the regulation on fractional, yes, SEBI has at the moment only released a consultation paper, which has enabled a very healthy debate in terms of what should be the approach towards fractional ownership in India. We are awaiting the final regulation to come in. Aryaman, who heads the business from our end, along with Mr. Ram

Yadav from Integrow, both have contributed to inputs from our side in terms of how we see our work, what requests from our side in terms of what should be considered in the regulation.

So we'll await, till SEBI comes back with final regulation with respect to this matter. As Onkar mentioned, there are other opportunities in the capital play, as we call it, within PropTech, which Integrow and WiseX are pursuing at the moment. The opportunity is quite wide. And under WiseX, as Onkar mentioned, we are actually leveraging the tech platform that we had built for investors, outreach, and distribution of such products. So, they are actively distributing those products.

On the other side, Integrow, along with its AIF, and a few other developments that they are working in terms of building more products in this domain, they should be launched in the quarter two, of this financial year.

Faisal Hawa: Thank you so much for answering my question so well.

Hiren Ladva: Thank you, Mr. Faisal. Thank you always for your interest.

Moderator: Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Good evening, sir. And thank you so much for taking my question. So sir, we've had an ambitious target of getting to nearly INR 100 crores revenue by quarter 4. So I had two questions regarding that, like what part will drive it the most and what kind of profitability do we expect, if not this year, maybe next year, we'll be breaking even, not on EBITDA level, but on PAT level? So those are my two of my questions. Thank you.

Ashish Deora: Hello. This is Ashish here. So INR100 crores is a bold, ambitious target that we have set up for ourselves in the next three quarters. I go back to quarter one of last year, when our revenue was INR 14 crores odd, and we had set up a target of INR 50 crores for ourselves. And now with a revenue of around INR 50 crores, we have set up a target of INR 100 crores with the same confidence that we have delivered the earlier numbers.

We believe that most of the businesses are in the process of delivering exceptional numbers. Most of the businesses, most of the products are looking at delivering 2x of their current numbers. As you know, in business, there can be some that go a little bit up and down, but we are expecting growth all-round, when we project a hundred crores number. We have some details around that, which we will share with you in the coming quarters.

As far as the profitability question of yours, our focus initially was to kind of have unit economics positive at all companies, at all products. We are slowly but surely achieving that and obviously, the next target after that is becoming profitable at the gross profit level as well.

So, at this stage with this INR100 crores of the projection, it will be difficult for us to share anything more. Two of the seven businesses, I have been told now is even now PBT positive. So while most of the businesses are positive at the EBITDA level, but two of our seven businesses is PBT positive even now. So for last eight quarters or nine quarters, we have been saying this, that we want to be very sure about unit economics and be positive and profitable in all businesses. And we have demonstrated that and we will continue to demonstrate that.

Darshil Jhaveri: Okay, sir. that helps a lot. Sir, out of our 7 businesses, you said 2 are PBT positive. So, other businesses, I again don't want any range or something maybe because it's a very new phase. What kind of a rough range do you think, will they take? Like maybe based on your experience, like they might take a year or maybe more, like how we are seeing growth in different avenues, just like a rough number that could help us, like not in terms of any specific revenue or profit target, just like how much time would they take to maybe get to profitability? Nothing specific.

Ashish Deora: Well, our internal target is that all businesses in the next six quarters should be profitable. But again, sometimes you start putting a little bit of growth lever, and the moment you put growth, then you might have the EBITDA positive and you might still defer the profitability by another quarter. We are very closely with every month, we very closely look at all the 10, 11 products and companies that we look at.

And at times, we make a decision that, okay, this is something that is ready to grow for the next three months because all the financial parameters are under complete control and some should be, the growth should be slowed down. So that to my mind is a regular exercise, a monthly exercise that we do. But to give you a very ballpark, six quarters should be, is our internal target and should be our fair target.

Darshil Jhaveri: Okay, thank you sir. And one more last question. I just wanted to understand a bit more about, how would our depreciation maybe flow over the coming years right now because it has been steadily increasing quarter on quarter. So, maybe it's going to keep on increasing because we've been acquiring businesses or how would that just grow? That's my last question. Thank you so much, sir.

Kunal Karan: This is Kunal. I will take that question. Look the depreciation mostly comes from one, 90% of the depreciation comes from one entity, that is HelloWorld Technologies. So that company as a business model, they have onboarded premises on a long-term basis. That is where, the depreciation cost comes in.

And as and when we grow, and onboard more properties to build up our revenue, increase the number of beds, the depreciation will definitely go up. But for the existing assets that we hold right now, so they are mostly new and into the next 2.5 years. So, if we take a five year period for each of these properties on an average, so maybe 2.5 years, where the depreciation will go up and then come down.

Darshil Jhaveri: Okay, perfect. Thank you so much for answering all the questions, sir. All the best for your future quarter. Thank you.

Moderator: Thank you. We have the next question from the line of Rahul Jain from Dolat Capital. Please go ahead.

Rahul Jain: Yes, thanks a lot for the opportunity, sir. Firstly, congratulations on this transaction on NestAway.

Moderator: Sir, sorry to interrupt, but the line for you is not very clear. We request you to please use the handset while you're speaking.

Rahul Jain: Hello, is it any better?

Moderator: Yes, this is much better, sir. Please go ahead.

Rahul Jain: My question was regarding the NestAway business. We have shared some plan in terms of, how we plan to bring down cost and all, but just to understand, since we have aspiration to grow this business in FY '25, how you see this shaping up and do you see this as a much larger piece of the business, which can be scaled versus some of the other transaction that we have done in the past. So how you align this reduction in cost and eventual growth given the opportunity size is much larger in this space?

Ashish Deora: Rahul, this is Ashish here. NestAway definitely has one of the largest potential of all the businesses that we own and all the products that we run. We believe that, it is set up at a very interesting juncture, where first we are reducing the operations, streamlining the operations, changing the culture of the organization. And then once, we are confident that we have the unit economics in place, we are going to grow, put it back in a hyper growth mode, which the company has the capacity to get back to.

For some specific details, Jitendra, would you want to add a few things to the question of the Rahul?

Jitendra Jagadev: Yes, hi Mr. Rahul, Jitendra here. So actually, at NextAway, as I mentioned earlier in my call, like I was telling you, it's one of the largest part of the business actually in terms of the wallet share of every person that deploys his money, most of the money, 30% of his wallet share goes into rent. And we have almost 2.2 crores people, who actually pay rent every month in this Indian market.

So the potential wise, it's a huge opportunity for us. How we are trying to shape it in the next term is like first two quarters, we are trying to build a minimalistic body, where we are telling that it's profitable, we are making it and becoming profitable. And then focusing on optimal growth channels to make the business grow at a very significant pace, the loss will be less, but it will be going at a very significant pace because the opportunity is very high. So that is the plan for us, like now the immediate two quarters is typically focusing only on profitability, but later on it's a big scale game. So we are focusing on the scale post that.

Rahul Jain: Yes, thanks for that color. Just one question. What is the current revenue and profit run rate that we expect in this business and where it should reach by the time all this business corrections are done with?

Onkar Shetye: Jitendra, would you like to answer that?

Jitendra Jagadev: Yes, so at this point, so during our acquisition process, what we have found, like at this point, it is around INR 30 crores is the ARR, like INR 2.5 crores is the monthly revenue that we are seeing in the business because this is like the pure revenue that comes to them, like it is post-taxes. So, INR 2.5 crores is per month and INR 30 crores is annual revenue.

So the losses, we are trying to make it like zero, but at this point, it is around INR 2.5 crores, they're at minus 100% EBITDA loss but by the end of these two quarters it should be zero. So that is the plan at this point. In the future, we have made some good plans, over the next few quarters, we'll share the next three years how we are planning to grow NestAway after that.

Rahul Jain: Right.

Onkar Shetye: In addition to, what Mr. Jitendra said, your earlier question, we at Aurum believe that, there is a larger opportunity at Aurum PropTech that lies in with NestAway, where NestAway goes on to address the rental real estate problem or the opportunity in India. It provides us a good opportunity to address the secondary real estate of the resale market.

NestAway will be able to give us intelligence on apartments or units, which are monetizable in form of rental yields in various locations across the country. And that sort of gives us good intelligence on supply available for resale and then match an appropriate demand for those apartments.

Rahul Jain: Right, just one clarification on what Jitendra said. What I heard is INR 2.5 crores is the revenue monthly run rate and I missed the loss number. Somewhere you said INR 100 crores EBITDA loss run rate at this point. Was that the right number?

Jitendra Jagadev: No, so it is just like before acquisition just INR2.5 crores EBITDA loss per month. So, it's 100% EBITDA loss, what we are talking about the revenue size.

Rahul Jain: Okay, understood. And this, you said, should become zero by end of next quarter of the current quarter, where we are?

Jitendra Jagadev: Next two quarters. We are looking after. Yes.

Rahul Jain: Right. And Okay, and next question was related to this SaaS business. Given that, we have a very large growing opportunity, somehow this part of the business is not been scaling up for us. So what precisely you think, how one should see about this business in terms of both potential as well as profitability?

Hiren Ladva: Rahul Hiren here, let me take that up. So in SaaS business, we predominantly have two products and both of them have grown quite well within the India market. Our next plan is to take this product outside India, which the action for which has already happened. Where in GCC has been our first port of call in terms of the next growth frontier for both these companies and we are taking these companies jointly in a combined and efficient manner.

So that's the immediate growth trajectory. So both of these products have a strong potential in the entire GCC market. We've spent a couple of quarters to assess the market, the potential, the need, and where, or what should be the sweet spots that we should focus on there. So that's the immediate growth potential that we are seeing.

Rahul Jain: And last bit on the outlook that we shared is achieving INR 100 crores, kind of a quarterly run rate versus INR 44 crores, we have right now. So are these baking in some more fresh transaction that could happen in the next six months, or this is based on whatever we have in our fold right now?

Hiren Ladva: So, as Mr. Deora mentioned, one, we have some internal workings around this, but yes, we'll come back to you in a quarter or so on that. But at the moment, no specific number is allotted to any additional or a new venture coming into the ecosystem. We believe with our existing portfolio, we are set to achieve the INR100 crores mark on a quarterly basis by Q4.

Rahul Jain: Understood. That's it from my side. I'll come back in the queue, if I have.

Hiren Ladva: Thank you, Mr. Rahul.

Moderator: Thank you. The next question is from the line of Gaurav Somani from Korman Capital. Please go ahead.

Gaurav Somani: Thank you, sir, for the opportunity. I'm new to the company, so please pardon me if my questions are a little basic. I wanted to know from a two year horizon or something, because we have a list of businesses, the top two, three businesses, which probably will contribute 60%, 70% of our revenue. If you can walk us through, what is the revenue model or the revenue recognition model and return metrics for each of these businesses would be quite helpful to understand the business?

Hiren Ladva: This is Hiren here again, Gaurav. Thank you so much for the interest in our businesses. If I go on explaining the entire business model, it will take a lot of time, but in brief, I'll try to do the justice as much as possible. At the moment, HelloWorld has been the highest contributor of our business, very simply put. It's a shared living, co-living business.

Incidentally, Jitendra has been a co-founder of that business. He's running the business along with Ismail, and very successfully so. As Mr. Deora mentioned, from a INR 38 crores ARR that we had last year, we are now at INR 100 crores. The unit metric, or you could say, the unit of measurement here is either the number of beds or the rooms that we let out.

As of today, we have around 10,000, 11,000 to stand corrected. 11,000+ beds available in the business from a co-living point of view across around 15 cities. So we focus on a specific age bracket of consumers, which is students, mostly even including undergraduate students, who are away from their homes for the preparations of entrance exams, to fresh professionals, who come into metros to work in their first employment or first job, right? So we provide hygienic and standardized accommodation for all of them.

Gaurav Somani: Sir, I'm just looking for the, how do you recognize revenue and what is the return, say, ROE, which you can expect in this business, if they talk to free business in the next two years?

Hiren Ladva: Okay, so for this business, it's a prepaid revenue that we have, right? So it's the rental revenue that we recognize, it's a prepaid revenue. Is that the question that you are asking for?

Gaurav Somani: Yes, so the rent paid by the students is directly shown as revenue, right?

Hiren Ladva: Yes.

Gaurav Somani: Okay, and what percentage of that revenue comes as, is a service charge for us, students pays?

Hiren Ladva: So there is a range, obviously there's not a one answer, but typically it can vary from 20% to 30%.

Gaurav Somani: 20% to 30%, okay. Sir, then when do you expect, so essentially my question was the top two, three businesses, what is the ROE profile of these businesses next two years, if you can help me with that?

Hiren Ladva: You mean to say ROE, right?

Gaurav Somani: Yes, whichever metric, ROE, ROC, whichever you internally use, basically I am looking to understand, what would be the ROE profile of the company. So basically, if you can help me with the top two, three businesses, we'll get a rough sense of it?

Hiren Ladva: Yea, I would take that number close to 25%.

Gaurav Somani: Okay. Sir, and what is the current cash on our books?

Kunal Karan: INR 40 crores.

Hiren Ladva: INR 40 crores.

Gaurav Somani: Monthly burn rate is roughly INR15 crores, right, cash burn rate, monthly cash burn rate, sir?

Kunal Karan: It will be around INR 3 crores.

Gaurav Somani: Okay. Do we have any acquisitions, do we intend to do any acquisition in the next one year, two years, or do you think that portfolio is complete at the moment?

Hiren Ladva: From a strategy point of view, we keep on meeting exciting ventures and startups that strategically fit into our ecosystem plans. At the moment, it's difficult to say yes or no to that, but yes, we keep on actively meeting exciting founders, who can help us build the ecosystem but as soon as we have an exciting prospect to add on to our portfolio definitely, we'll come back to the market with relevant information on that.

Gaurav Somani: Sir, one last question. When we go to the INR100 crores quarterly run rate in Q4, will our fixed costs broadly remain the same as in Q1 or how much do we expect to go up?

Hiren Ladva: Just to understand your question correctly, you are asking whether the fixed cost in our revenues will remain the same, when we reach INR100 crores mark. Is that the question?

Gaurav Somani: Yes, sir.

Kunal Karan: Fixed cost will remain more or less the same. Like I said, this 4.5 maybe can go maximum to 5, so it's not beyond that.

Gaurav Somani: Great. Thank you, sir. Thank you and wish you all the best.

Moderator: Thank you. The next question is from the line of Utkarsh from Infinity Alternatives. Please go ahead.

Utkarsh: Hi, good evening and congratulations on the results. Just expanding on the last question as well, I basically wanted to understand, what the unit economics look like today and what they would look like at a profitable scale, especially in your services verticals, so SaaS, RaaS?

Hiren Ladva: Okay, so on SaaS point of view, we have, as I said, two products. One of them is already profitable, has got a double-digit profitability, not just at EBITDA level, but at PBT level. The other product is a fairly younger product in terms of its age in the market. There, we are focusing on growth and expansion at the moment. So, that is still where the tech costs are pretty high. We expect this business to turn EBITDA positive over the next four quarters to five quarters. So that's the two SaaS products.

In terms of RaaS, as we mentioned, one of the businesses already profitable at PBT level, consistently has delivered profitability for three quarters, which is Aurum Analytica. HelloWorld, which is a co-living business, we stay very close to EBITDA profitability quarter on quarter with a conscious strategy of investing growth capital, keeping the profitability and the unit economics in mind. Having said that, at a unit level where a unit could be a property, each of our properties are actually profitable after nine months to 10 months of their launch.

So that's typically the rate that we have. And so, which kind of goes on to say very simply that, if we today pause or reduce or slow down on growth, we will immediately turn profitable in that business. So that's the major part of a RaaS business from a top line and profitability point of view.

Utkarsh: Understood. And, just a small follow up as well, on a bed level, just to understand, for each bed, what is sort of the average revenue and average cost that you're incurring?

Jitendra Jagadev: I think, Utkarsh, I can take that question. So, typically for HelloWorld in a new economy. If you consider it as a bed, then 60% of the bed. The cost goes to the owner. The rest 40% will remain, where the 10% will go as the variable costs like typically, which includes performance marketing and the field cost like typical people, who are engaged for the field operations. So it's a hefty 30% contribution margin at a unit economics, which could result, if you remove the fixed cost, if you add the fixed cost, we come to around 14% PBT kind of a thing.

Utkarsh: Perfect, thank you so much.

Ashish Deora: Yes, thank you, Utkarsh.

Moderator: Thank you, The next question is from the line of Gunit Singh from CCIPL. Please go ahead.

Gunit Singh: Hi, sir. Thank you for this opportunity. I'm sorry, I might be repeating this question because I joined a bit late. So, we have seen rapid growth over the last one year in terms of our top line. So, what is your outlook for FY ’24, in terms of top line and bottom line? And how do you see us, in the next two years, three years? And when do you expect us to turn PAT positive? That's all, I would like to understand.

Hiren Ladva: Yes Gunit, Hiren here. The question has already been asked and answered, so since we are short on time, I'll quickly revise that. So, we have announced that, we are aiming for a INR100 crores quarterly revenue by Q4 of FY 24. EBITDA level, we are already positive on profitability. We don't have a specific number that we can give, but internally, we are targeting over next quarters, we should be PBT positive, six quarters.

Gunit Singh: All right, thanks a lot.

Moderator: Thank you. The next question is from the line of Devang Chokhany from Devang Management Private Limited. Please go ahead.

Devang Chokhany: Good evening. My question was, with growth in the sector, do we see any growth in competition? As currently, we do not see any competition near the PropTech ecosystem, we are building because no other brand or company is building a proper ecosystem. There are individual companies. But do we see any major competition in what we are doing, so that the market share isn't divided?

Hiren Ladva: Yes, Devang, Hiren here again. As you rightly pointed out, there is no like-to-like ecosystem in the PropTech sector being developed by anybody of the scale or the vision that we are having. We are happy if somebody will also take up the mandate because then the network effect will help us, our growth as well.

But at the moment, yes, no specific like-to-like comparison. Yes, there are individual companies that we can relate to as competition, where we see not just kind of exciting interest from a market creation and market growth point of view and that's where the rental business excites us a lot and that's what Jitendra also, kind of elaborated, when he was speaking, is the, the entire rental market is a big opportunity to be grabbed.

So, we are seeing, and I would encourage you to look at how, the kind of interest that has been generated in this segment with likes of Stanza Living and Zolo and the kind of valuations they have been able to garner. So we expect the same level of interest, not just because of the growth prospects, but also given our performance with much lesser capacity, we are doing higher revenues and better occupancies compared to some of the top players in this segment.

So, and I took co-living as just one example. Similarly, we are highly competitive against specific businesses within the PropTech sector, but at the ecosystem level, we are not seeing a like-to-like competition yet.

Devang Chokhany: Okay, thank you. That answers my question.

Moderator: Thank you. The next question is from the line of Faisal Hawa from HG Hawa and Company. Please go ahead.

Faisal Hawa: Sir, is there any thought within the organization to make a unified app, which would incorporate all the services that we are giving within so many subsidiaries, something like how Tata Neu has done?

Hiren Ladva: So Mr. Faisal, that's a very active topic also in terms of a unified app or a master app. Various things you would kind of encounter for such a solution. Yes, they have been predominantly in India, except China, in most of the geographies, the super apps have not done so well. But to make them really do well, one, the entire ecosystem benefits to a relatively homogeneous set of users need to be created.

So, when we see that happening, we will definitely aim to build such kind of an app. But when yes, if we focus on, let's say B2C as a customer, there yes, we are actually working on creating one, single interface for all our partner or businesses that could be offered to a B2C customer. But it would not be fair to put all the products in one single app, where you don't have a similar target audience using the same app. So, we are approaching it from a very targeted go-to-market strategy point of view.

Onkar Shetye: In addition to it, Mr. Hawa, what we also intend to do is that, an app is an outside-in strategy, where we are, it's a pull strategy, where you want to have an interactive platform for, like, we can take B2C customers. We understand that real estate is a very location specific and an asset specific business.

And the solutions that we have are spread across various locations and also spread across various stakeholders. We presently are applying another inside out strategy, where data, which is two sets of data, one is asset data and the other is consumer data, is aggregated in the backend, and then we see how to churn that data for a better revenue unit across the entire ecosystem.

Faisal Hawa: But in no part of the ecosystem are we feeling the need to go offline? Like Integrow is almost like an offline business. So we don't see any kind of a push towards going offline for any part of the business?

Onkar Shetye: You've rightly pointed out that, real estate in India is, has a large component of offline operations, which requires human interaction and human touch. So there are various parts of business, where we have pure tech, and then there's other parts of businesses, where we have tech enablement.

So the offline modes, where there's human interaction required is tech enabled. For example, Integrow asset management is tech enabled, where we are understanding consumer behavior in a particular micro market, understanding the competition from a development standpoint, and then building BI's basis of that, as to where is the best investment opportunity available in that particular micro market. So we have a path to take it to a completely tech driven ecosystem. However, considering the limitations of the business, we are in, it will not be purely tech business.

Faisal Hawa: So just like Demonetization was a big trigger for payment apps and UPI. Any kind of trigger that, you feel that, could be a good one for people to adopt top tech in a big way? Would it be like a very big boom in real estate, which could lead to that or something which can really get it to an inflection point?

Onkar Shetye: There's absolutely moments where we have seen more adoption of tech, but that is not happening in a watershed moment like demonetization. There have been stages and there have been phases of various tech adoptions.

So, demonetization was definitely impacting tech adoption. COVID was another wave, where tech adoption increased across all assets. Policies like RERA are also increasing tech adoption. And then, we also have various initiatives like ONDC, which are going to move a lot of operations on to tech adoption. So to answer your question, no watershed movement that we envisage, but there will be a stage-wise increase in tech adoption across the sector.

Faisal Hawa: Okay, thank you so much.

Moderator: Thank you. That was our last question, ladies and gentlemen. I would now like to hand the conference over to Ms. Vanessa Fernandes, for closing comments. Over to you, ma'am.

Vanessa Fernandes: Thanks, Dorwin. Thank you, everyone, who participated today, we witnessed the highest participation today over the past quarters. We truly appreciate your continued interest in Aurum PropTech and we look forward to having you all in the next call again. Have a good evening ahead.

Moderator: Thank you. On behalf of Aurum PropTech Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.