

Date: May 26, 2025

To,
BSE Limited,
Listing Department,
P.J. Towers, Dalal Street,
Mumbai - 400001.

NSE Limited,
Listing Department,
Exchange Plaza, Plot No. C/1, G Block,
BKC, Bandra (East), Mumbai - 400051.

Scrip Code: 503101

NSE Code: MARATHON

Sub: Transcript of Q4 & FY '2025 Earnings Conference Call

Pursuant to Regulation 30 and Regulation 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Q4 & FY '2025 Earnings Conference Call held on Thursday, May 22, 2025. The Transcript is also available on the Company's website at <https://www.marathonnextgen.com/>

Kindly take the same on record.

Yours Truly,
Marathon Nextgen Realty Limited

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Chetan Shah
Managing Director
DIN: 00135296



**“Marathon Nextgen Realty Limited Q4 & FY ‘2025
Earnings Conference Call”**

May 22, 2025



**MANAGEMENT: MR. CHETAN SHAH – CHAIRMAN AND MANAGING
DIRECTOR, MARATHON NEXTGEN REALTY LIMITED**

**MR. MAYUR SHAH – VICE CHAIRMAN, MARATHON
NEXTGEN REALTY LIMITED**

**MR. KAIVALYA SHAH – DIRECTOR, MARATHON
NEXTGEN REALTY LIMITED**

**MR. SAMYAG SHAH – DIRECTOR, MARATHON
NEXTGEN REALTY LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY '25 Earnings Conference Call of Marathon Nextgen Realty Limited.

As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes should you need assistance during the conference call. Please signal and operator by pressing "*", then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kanav Khanna from EY. Please go ahead.

Kanav Khanna: Thanks, Pooja. Good afternoon to all the participants on the call. And thanks for joining in the Q4 and FY '25 Earnings Call of Marathon Nextgen Realty Limited.

Please note that we have mailed out the results to everyone and you can also see this on our website, and it's been uploaded on the Stock Exchanges as well. In case if you have not received the same, you can write to us, we will be happy to send it over.

And before we proceed to the call, let me remind you that the discussion may contain some forward-looking statements that may involve known and unknown risks, uncertainties, and factors. It must be viewed in conjunction with our business that could cause future result, performance or achievement to differ significantly from what we have expressed or implied by such forward-looking statements.

To take us through the Results of this quarter and full year, and answer to all our questions, we have the management of Marathon Nextgen represented by Mr. Chetan Shah – Chairman and Managing Director; Mr. Mayur Shah – Vice Chairman; Mr. Kaivalya Shah – Director; and Mr. Samyag Shah – Director.

We will be starting the call with a brief overview of the quarter and year gone past, and then we will follow it up with question-and-answer. And with that being said, I transfer the call to Mr. Chetan Shah. Over to you, sir.

Chetan Shah: Thank you very much. Good afternoon, everyone. And thank you for joining us today. Just for the clarification, public numbers are in Rs. lakhs, but for the ease of this call I will be using Rs. in crores.

Friends, we are proud to report that in FY '25 the company has delivered the highest full-year profit after tax in the history at Rs. 190 crores, registering 13% growth year-on-year. This achievement reflects the resilience of our business model and the strength of our team, achieving four consecutive years of profit after growth at a compounded annual growth rate of an average of 48% is a testament to our long term vision, our disciplined execution, and our unwavering focus on sustainable value creation.

It also reinforces our commitment to deliver growth while navigating a dynamic and challenging real estate environment in Mumbai. Our portfolio of projects are located in some of the Mumbai's

high growth micro markets and they are designed to fit in today's urban lifestyle. We are pleased to share that construction is progressing rapidly across all our sites with a sharp focus on quality and timely delivery.

Friends, this year we have received occupation certificate, OC, in four buildings, namely Atria, Triton at Nexzone, Panvel; Wing B of NeoSquare at Bhandup; and Monte South, our prestigious project A Wing up to 64th floor at Byculla. This has translated into growing customer confidence and satisfaction, which is our top priority.

We have substantially reduced our debt by more than Rs. 200 crores during this year. This is a significant 28% reduction in the net debt figure from FY '24. This has resulted in a healthy and sustainable capital structure as reflected in our low net debt to equity ratio of 0.46. This is in line with our long term strategy of reducing debt. I am also happy to report a reduction in our cost of debt.

Friends, in response to consistent feedback from the investor community, we set in process a move to merge the assets and projects of the promoter entities with our company. On 31st March, 2025, the Board approved a composite scheme of amalgamation. This includes 205 acres of land at Panvel, 83 acres of land in Dombivli, 130 acres of land in Bhandup, and some ongoing projects, as well as ready assets including Marathon Futorex office building in Lower Parel.

The scheme is subject to necessary regulatory and statutory approvals under applicable laws, including the sanction of the jurisdictional NCLT, National Company Law Tribunal, and such other relevant authorities. Details of the scheme are available in the earlier press release and any further queries related to this will be made available on such sanctions being received by the company.

The schemes, friends, apart from the usual benefits of merger and demerger include reduction in number of legal entities, simplification of group structure, reduction of managerial overlap, avoiding duplication of administration work will also lead to advantage of the public shareholders of the company as all the high net worth projects or promoter group entities will now come under the umbrella of the listed entity. Thereby resulting in a win-win situation for all involved in the scheme, including the public shareholders of the company.

I will now take you through consolidated financial statements for Q4 FY '25:

Friends, the total revenue is at Rs. 188 crores for the quarter. EBITDA is at Rs. 80 crores. PAT for the quarter was at Rs. 54 crores.

I will now take you through the operational highlights for FY '25, the whole year:

The total area sold during FY '25 stood at 265,376 square feet. The total booking value achieved was Rs. 605 crores. Collections for the year stood at Rs. 523 crores.

Moving to the consolidated financial performance for Financial Year '25:

Our total revenue stood at Rs. 676 crores. The EBITDA for the year is Rs. 269 crores. And profit after tax, that is PAT, is at Rs. 190 crores.

Friends, now on the balance sheet and liquidity position, as of 31st March 2025, the net debt stood at Rs. 542 crores. Our net debt to equity ratio, as I mentioned earlier, is reduced to 0.46 times.

Friends, with this being said, I now open the floor for questions-and-answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Harmish Desai from PhillipCapital. Please go ahead.

Harmish Desai: Yes. Good afternoon, and thank you for taking my question. Sir my first question is, if you can help us with the pre-sales outlook for FY '26?

Chetan Shah: Yes. The pre-sales for FY '26?

Harmish Desai: Yes.

Chetan Shah: That is actually a future-looking statement, and we would not be able to answer that right now, anything related to the FY '25 we can answer.

Harmish Desai: Sure, sir. Sir, regarding the merger, how will this merger affect the promoter and minority shareholders in terms of dilution?

Chetan Shah: Again, regarding the merger, we will all talk about it after the approval of the merger.

Harmish Desai: Got it. But sir, are there any known legal or regulatory hurdles that could delay the amalgamation?

Kaivalya Shah: So the merger steps are very well listed online. So there are multiple authorities and multiple sanctioning authorities that we have to cross, and post which the merger is sanctioned. So, it does take a while. So, yes, it goes through approvals.

Harmish Desai: Got it, sir. But sir, do you have any expected timeline for receiving these approvals? Anything that you must have thought about?

Kaivalya Shah: Usually it takes 12 to 15 months. I have seen it online somewhere. It is the usual process, it does take that much time. But again, it's based on scheme to scheme, every scheme is different, so it may take longer or shorter.

Harmish Desai: Understood, sir. So that is all from my side. Thank you so much.

Moderator: Thank you. The next question is from the line of Ravi Gupta, an individual investor. Please go ahead.

Ravi Gupta: Thank you, sir, for taking my question. I have a couple of questions. One is, as far as your construction is concerned, how do you monitor quality out there? Is it like any third parties involved? Or some other independent person does it?

Samyag Shah: Yes, Samyag here. So in terms of quality of construction, obviously, we try and ensure the best quality, for that we need the right number of people. So a lot of times we compare the number of people we actually have on site with many other competitors, and we tend to have a lot more than them. And maybe that comes at a cost, but for us that's very paramount. And off late we have actually been using a lot of software, there are quality development softwares where a lot of checklists get updated online, we try and monitor it over dashboard, we try and monitor the work of our contractors through that. So those are some of the new things we are doing.

Kaivalya Shah: And regarding the older things, a lot of our sites have batching plants where we can monitor the production of concrete. So it's just in time the concrete is delivered so the travel time of the concrete RMC trucks usually changes the quality of the concrete, so that is one. As Samyag mentioned, there are apps on which we take regular updates. These are internal apps between the contractors and our engineers who keep monitoring the progress, micromanage the progress of each and every project. In terms of structural design, we all get involved very heavily to make sure that the design is perfect and as per the code as well. So, from all aspects, I think we are all engineers over here, including Chetan bhai, Mayur bhai, Kaivalya. We get involved too much in the construction aspect and we pride ourselves in terms of construction.

Chetan Shah: Just to answer it at macro level, all constructions are done in-house in the sense that all material is brokered, the subcontracting is given for labor contractors and various agencies, and every function of the construction is coordinated by our people.

Ravi Gupta: Okay. Thank you. Next question is, I can see that your revenue has been almost flat in the past one year, but the PAT has grown so just want to understand can you just give color on what has been driving this PAT?

Kaivalya Shah: So PAT is a product of construction as well as sales. So this year we have dramatically increased the pace of construction. Also, if you look at our debt, debt has reduced by around Rs. 200 crores, hence that does impact the PAT as well. So, these are some of the instances how PAT has increased from last year, while the like you mentioned the revenue being constant.

Samyag Shah: So just another aspect to this is the sales realization, in a few of our projects, when we are comparing year-on-year, we have been able to increase the rate up to 10% as well. However, that has a lot of other factors, completion of the projects and the overall supply and that micromarket, so that has also contributed to a better PAT.

Chetan Shah: And one extra reason is in the top line the turnover. We have sold investment assets at Marathon Futurex worth Rs. 103 crores. These assets were already in investment. So right now in the turnover numbers only the profit of that Rs. 103 crores is reflected, and not the total turnover.

So, that way the top line is lesser by about Rs. 55 crores in that sense that we are sold and only the profit was up.

Ravi Gupta: Okay, got it. Sure. Thanks for answering my questions.

Moderator: Thank you. The next question is from the line of Mihir Desai from Desai Investments. Please go ahead.

Mihir Desai: Thank you for giving me the opportunity. Sir, I have few questions regarding the financials. So, the follow-up from the earlier participant, sir definitely if you see the profits have grown strong. But if you see the operating cash flow, it is in a negative position, so can you please throw some light on this?

Chetan Shah: I think the operating cash flow is not negative at all. So where are you getting those numbers? In fact we have reduced the debt, so operating cash flow has resulted in our being able to make the payment of debt to the extent of more than Rs. 200 crores.

Mihir Desai: Okay. And sir secondly, I just wanted to ask on the other income. So if you see the other income compared to quarter-on-quarter and Y-o-Y has seen a significant jump. So, first of all, what is the reason for this? And do you think this kind of number is sustainable going ahead?

Chetan Shah: Yes. So the other income is reflecting substantial amount of profit from our investment, asset that we have sold. Like I mentioned in the answer to previous questions that Rs. 103 crores of investment assets have been sold. Investment assets are assets which were completed earlier and either kept for leasing or converted into a finished inventory as investment, and not just as inventory. So that gets reflected directly as a profit into the other income. An amount of about Rs. 55 crores is reflected as a cost of this and about Rs. 48 crores of profit is reflected in the other income.

Mihir Desai: Sure. So one question on the industry front. So, as we are seeing more supply in the market, but what is the demand scenario on the ground level which you are seeing? And how is the customer's reaction on the new projects on the bookings? So if you can throw some light just to have a --

Mayur Shah: Marathon is really focused in a few very strong micro markets if we see our positioning. And each of those micromarkets, we are in top four to five constantly on booking and sales. And we understand that micro market very well and we are seeing continuous growth in those markets. And we position ourselves in each of those segments, if you look at our portfolio, we are also having affordable, we have a luxury, we have a commercial offering. So we understand that particular market's growth and demand very well and that's how we have been able to sustain our continuous growth in that particular market. Otherwise, in general, if you want me to say, the market particularly we feel that if the interest rate continues to reduce, which mostly is going to happen during this year, that will really again boost the real estate market. We are estimating

maybe a drop of 0.25 bps to 0.5 bps on the repo rate. That will definitely give further fillip to the real estate market.

Mihir Desai: Got it. Sir lastly on the realization front, do you think the current realizations will be sustainable?

Chetan Shah: Yes. If you see over the period of time the realization has been growing year-on-year if you see, compared to the last year this year the growth has been at various projects between 5% to 10%. So it is sustaining. Every time for last three, four years if you see, every quarter people ask the same question whether this market is sustainable. But the kind of population growth that is happening and ability for people to buy the houses, the aspirational values, the houses are attached to in one's life, that segment is growing. And more to it that lot of outside Mumbai people who want to come and stay in Mumbai. So all these migrant population and family growth and ability to buy houses, that is sustaining the momentum.

Mihir Desai: Thank you, sir. Thank you for taking my questions and all the best.

Chetan Shah: Thank you.

Moderator: Thank you. The next question is from the line of Priyam Shah from Value Equity. Please go ahead.

Priyam Shah: Thanks for the opportunity. So I just need further details on your existing projects, and for the one which you have a land parcel in Dombivli. So with regards to existing projects, if you can touch on the points at which stage that the projects are and where is the land parcel located?

Kaivalya Shah: So, I can tell you about the existing projects where they are. The Dombivali is not in the listed entity, so I would not be talking about that. Existing portfolio has project going on in Byculla, the project is called Monte South, it has four residential tower and one commercial tower. Then there is Nexzone, which is a project in Panvel. It's around 25 acres. In totality it has 19 building. And four proposed in future. Bhandup we have around two clusters, one is around 5.8 acres cluster and there is another cluster which is a 14 acres cluster. There are four buildings that are ongoing in either of these in totality in both these clusters. There is a project called Millennium in Mulund it's a commercial project. In totality, it has around 1.7 lakh square feet carpet. There is Futorex, which is in Lower Parel, which is a built project already, OC ready building. And this is the whole portfolio. If you look at the total carpet in the ongoing projects that we have, that we will all mention in the press release that we will be following soon in terms of specifics of every project.

Priyam Shah: Okay. Thanks for the detailed answer. And if you can highlight, this is particularly with regards to the debt, that is short term and long term, do we have any refinancing plans?

Chetan Shah: As a business, we keep on refinancing whenever the cost reduction opportunity is available. So we have done that in the past and we will continue to look for such opportunity. If you see our debt, average cost of debt has reduced during this financial year, and the overall debt also has reduced by more than Rs. 200 crores. So the position of debt to equity is less than 0.5, it is

actually at 0.46. So that is how we are managing, we are very well placed to be able to borrow if we wanted to borrow more.

Chetan Shah: A part of our debt portfolio is also lease rent discounting, so that is also a part of our debt. Also, most of that debt is covered with the asset, so it's construction finance debt.

Priyam Shah: Okay. Thanks. And that was helpful. And I wish you all the best.

Chetan Shah: Thank you. Thank you, Priyam.

Moderator: Thank you. The next question is from the line of Ishita Lodha from Swan Investments. Please go ahead.

Ishita Lodha: Hi, sir. Thank you for the opportunity. Just a clarification, the Rs. 605 crores is booking value or entirely the share of the company or does it also include the JV share?

Chetan Shah: So this is of the company only, this is excluding the JV share.

Ishita Lodha: Okay. And is it possible to share the area, I mean, the region wise break up how much was from Bhandup and how much was from Byculla?

Kaivalya Shah: So we will be putting out a presentation soon, that will cover everything.

Ishita Lodha: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Rajan Mehta from AMS Investments. Please go ahead.

Rajan Mehta: Hi, good afternoon. Thank you. I have a couple of questions. Firstly, can you help me understand there's been a revaluation in per share price to I think Rs. 575. Can you just help me explain how has this been arrived? I mean, what was the reason for evaluation? And this is as per independent valuer or just your own valuation?

Chetan Shah: The valuation is at Rs. 553, the Independent Directors and the Board felt that the exchange should be done at Rs. 575. So although the value was Rs. 553, in the interest of public shareholders, the same was agreed by the Board to be kept at Rs. 575.

Rajan Mehta: Okay, understood. Just one question regarding the merger that we are considering that is about to go through. Will there be any goodwill accounting that will take place over here?

Chetan Shah: See, we have already clarified that merger related queries will be answered post the approval of NCLT. So we do not want to comment anything on that now.

- Rajan Mehta:** Okay, sure. And just one thing, internally when the team looks at how they want to be compared to other peers, do you look at something like current net debt to equity levels or what are the key parameters that you would be looking at?
- Chetan Shah:** So we have always focused on the bottom line that is profit after tax, what is the distributable profit that is available which gives the great value to shareholders everywhere. So, if you will see in terms of the size of the company of the listed companies, maybe we are in the top 25 companies and all. But if you find out the market cap and profit ratios, those will be different, and it is much favorable for the company if you look at the average industry parameters.
- Rajan Mehta:** Okay. Understood. Yes. That's it from my side, sir. Thanks a lot. And all the best. I will get back in queue for any further questions.
- Chetan Shah:** Thank you. Thank you.
- Moderator:** Thank you. The next question is from the line of Girish Gulati, who is an individual investor. Please go ahead.
- Girish Gulati:** Good afternoon, sir. I really congratulate the management on such a treacherous merger. I think it would have taken years to come to this point, and I know it has not been easy. So, no questions at all, just congratulations to Chetan bhai, Mayur bhai, and the entire young team. So thank you so much for this. I think this was long-awaited by all the shareholders, as you mentioned, and should be a win-win for everybody. That's it from my side sir.
- Kaivalya Shah:** Thank you. Thank you. Girish ji, you have been a well-wisher, and I am happy you are in this journey with us together and hoping that the journey goes on for a very long time. Thank you.
- Mayur Shah:** Thank you, Girish.
- Girish Gulati:** Thank you everyone. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Vansh, an individual investor. Please go ahead.
- Vansh:** Hi. Hello. Congratulations for such a fabulous performance in the history of the lifetime of the company. What I want to understand is the incoming land, what I understand that few land parcels in Panvel, Dombivali and Bhandup are incoming in the company, I would want, if you can throw some light on maybe what kind of development the company is looking at there. Because we feel that it can result in a significant value unlocking for the company as well as the investors. If you can brief about the land which is incoming and the developable area for that land.
- Chetan Shah:** Yes. Vansh, like I mentioned in the opening remarks also that these are yet to be approved and sanctioned by various authorities, so we would not like to comment on it till all these approvals are in place. The locations are something and the overall size of the land bank is what we have

already shared for Bhandup, Panvel and Dombivali. These are the three locations and the size of the land also I gave in my speech. But beyond that, we will have to wait for the sanctions, and we will come out with a detailed analysis on that.

Vansh: Okay. But sir, can you throw some light on the uh area under development for the existing projects? Or maybe the area that would come under development for the incoming land, maybe in the proportion of maybe two times, three times? Can we throw some light on that?

Kaivalya Shah: So just to give you what is available in the public domain that around 205 acres of land in Panvel is going to come in post sanction and post everyone's sanction, all the authorities sanction. 130 acres of Bhandup, 83 acres of Dombivli, and a few projects in Lower Parel. So these are some of the things that will be coming in with the approval. Beyond this, it's difficult for me to say anything. Other than that, our existing portfolio is very strong, we have a lot of work carved out for us at Monte South and Futurex in terms of sales. At Bhandup, existing portfolio we have around 14 acres plus 5.8 acres, which is almost 20 acres. So while we are excited about all of this, we also have a lot of work carved out in our hand in the existing portfolio, and that is what we will be sharing in our presentation which will follow in a few days.

Vansh: Sure, hope to see that in the presentation. Thank you.

Kaivalya Shah: Yes.

Moderator: Thank you. The next question is from the line of Dev Ajmera, who is an investor. Please go ahead.

Dev Ajmera: Thanks for the opportunity. Congratulations for the fantastic results, sir.

Chetan Shah: Thank you.

Dev Ajmera: Sir, I just wanted to inquire, why is there a promoter ledge of 91.5%?

Kaivalya Shah: So can you repeat your question?

Dev Ajmera: Why there is a promoter pledge of 91.5%?

Chetan Shah: There is no pledge, that is the misinformation. What is happening is when you take a standard loan for construction purposes, the bankers would want a non-disposal undertaking which is known as NDU. Non-disposal undertaking, meaning you will not sell your shares because the loan is being given with this company as a face of it or this promoters as face of it. So NDU is generally signed in a normal way whenever you are borrowing money. And that recently has been started being informed to the exchanges also. So one of the loan that we have borrowed has an NDU kind of arrangement with the bank that we will not dispose of the ownership of these shares in the company.

- Kaivalya Shah:** So just to clarify, it's not a pledge, it's an NDU. And clarification of this specific thing is already uploaded on the exchange so that there's no doubt in anyone's mind.
- Dev Ajmera:** Okay. Thanks a lot, sir. Thank you so much.
- Chetan Shah:** Absolutely.
- Moderator:** Thank you. The next question is from the line of Jignesh who is from Jiva Capital. Please go ahead.
- Jignesh:** Yes. Thanks for taking my question. Sir wanted to understand, since most of our projects would be in the affordable segment, so in the micro markets you are present, since last six months, compared to last year have you seen slowdown in the number of sales of your apartments?
- Chetan Shah:** No, there is no slowdown of sales. But in all these projects, many times the sales happen towards the end of the project when the delivery is scheduled, or the progress is at the advanced stage. At the foundation level, the sales are slow. So if you have noticed in my opening remarks, I mentioned about occupation received of the four different projects, two in Panvel, one in Byculla of over 64 story building, and one in Bhandup. So, while we are delivering the occupation, most of the money would have received by us and we are finishing of the work. So that way, depending on quarter-to-quarter, that would be differences. That's why I keep on telling everybody that on an average, a real estate company should be evaluated by a three-year moving average turnover, not three months or six months or nine months or even 12 months. It should be last three years average turnover, and you keep on rolling it over and you see how the company is growing.
- Jignesh:** Right. And sir, if we consider in terms of the apartment prices, apart from Byculla, everything would be affordable segment, right, or Byculla can come in luxury segment in some of the towers?
- Chetan Shah:** Yes, Byculla is a luxury segment because it's a 65 story buildings and three towers. We also have commercial building, which is Marathon Futurex, which is at Lower Parel, which is also a high value transaction. And if you see, lower value offices also are available in Millennium. So it's not just affordable residential that we are talking about.
- Jignesh:** Right. Thank you very much and wish you all the best.
- Chetan Shah:** Thank you. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Chetan Shah:** Thank you very much for participating in this conference call. There is lot of learning that we are getting how investor looks at the company and how they are also supporting us with the various comments that some of the participants have made. Just one clarification I wanted to

give was, there is not a single share pledged by the company, it is an NDU, and such clarification has already been given, so I will just repeat that. And thank you very much for all participating.

Moderator:

Thank you. On behalf of Marathon Nextgen Realty Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.