

Arkade Developers

12 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Arkade Developers Ltd. Q1 FY27 earnings conference call hosted by Valorem Advisors. 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 the operator by pressing star and zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Pragangi Jain from Valorem Advisors. Thank you, and over to you, ma'am.

Pragangi Jain – Valorem Advisors: Thank you. Good evening, everyone, and a very warm welcome to you all. My name is Pragangi Jain from Valorem Advisors. We represent the investor relations function of Arkade Developers Ltd. On behalf of the company, I would like to thank you all for participating in the company's earnings call for Q1 FY27.

Before we begin, a quick cautionary statement. Some of the statements made in today's earnings conference call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs and assumptions made using the information currently available to management. The audience is cautioned not to place any undue reliance on these forward-looking statements when making any investment decision.

The purpose of today's conference call is purely to educate and create awareness about the company's fundamental business and financial performance for the period under review. Now, I would like to introduce you to the management participating with us in today's earnings call and hand the call over to them for their opening remarks. We have with us Mr. Amit Jain, Chairman and Managing Director; Mr. Shamsheer Shetty, Chief Financial Officer; and Ms. Dipti Nayar, Head of Marketing. Without any further delay, I request Mr. Amit Jain to give his opening remarks. Thank you, and over to you, sir.

Amit Jain – Chairman & Managing Director: Good evening, everyone, and thank you for joining us for Arkade Developers' Q1 FY27 earnings conference call. I hope all of you have had the opportunity to review our financial results and investor presentation, which have been shared with the stock exchanges.

Let me begin by sharing an overview of our performance during the quarter and how we see the business evolving going forward. The Mumbai residential market continues to present attractive long-term opportunities, and we remain focused on converting these opportunities into sustainable value creation for all our stakeholders.

Against this backdrop, we delivered a steady operational performance during the quarter, supported by healthy customer demand and continued progress across our strategic priorities. Our pre-sales for the quarter grew by 9% year-on-year to INR 155 crores, reflecting the strength of our project portfolio and continued customer confidence. In addition, we made significant progress in business development and project execution, further strengthening our platform for expansion.

One of the biggest strengths of Arkade today is the visibility of our future growth. Our development pipeline has now reached an estimated gross development value of approximately INR 12,800

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crore, spread across nearly 42 lakh square feet of saleable carpet area. Of this, projects with an estimated gross development value of nearly INR 3,000 crore are planned to be launched during FY27, providing strong visibility for near-term business momentum while creating a solid foundation for sustained growth in the years ahead.

Alongside our residential portfolio, the company's planned commercial development vertical is expected to provide an additional avenue for business diversification while creating a steady stream of annuity income over the long term.

Our disciplined approach to business development continues to differentiate Arkade. During the quarter, we strengthened our presence across key micro-markets within the MMR through strategic land acquisition. As always, our focus remains on identifying opportunities that offer attractive project economics, efficient capital deployment, and long-term value creation.

Beyond project development, we continue to strengthen our home ownership ecosystem through customer-centric initiatives such as Arkade Finroute, our banking assistance platform, and Assist 360, our comprehensive facilities management offering. These initiatives enhance the overall home ownership experience while enabling us to build deeper and longer-lasting relationships with our customers.

Execution has always been one of Arkade's core strengths. We continue to maintain our track record of timely project delivery while investing in our people, systems, and organizational capabilities to support our expanding project portfolio. Combined with prudent financial management and a continued focus on operational excellence, these investments position us well to sustain our growth trajectory.

With a healthy balance sheet, a robust development pipeline, and a disciplined, execution-led approach, we remain confident in our ability to deliver sustainable long-term growth and create lasting value for our shareholders. With that, I would now like to invite Ms. Dipti Nayar to share her perspective on the industry and market environment.

Dipti Nayar – Head of Marketing: Thank you, Mr. Jain. Good evening, everyone. Let me begin by sharing a brief perspective on the industry backdrop against which Arkade delivered its performance during this quarter.

India's real estate sector, particularly the residential segment, continues to demonstrate remarkable resilience despite a dynamic macro-market environment. During the April-to-June quarter, housing sales across the country's top seven cities remained healthy at over 90,000 units. While sales volumes moderated as geopolitical tensions in the Middle East prompted some buyers to defer their purchase decisions, the underlying demand fundamentals remained intact.

What is particularly encouraging is that developer confidence continues to remain strong. New launches increased by 7% year-on-year, reflecting developers' confidence in the long-term demand outlook. Residential prices also continued to witness healthy appreciation across most key markets.

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At the same time, the premium and luxury housing segments continue to gain market share, highlighting a structural shift in buyer preferences towards larger, better-quality homes with superior amenities.

Mumbai continues to remain India's largest and one of the most resilient residential markets. The city witnessed healthy demand during the quarter, supported by steady price appreciation, sustained new launches, and a gradual reduction in unsold inventory. These trends reaffirm the strength of genuine end-user demand and the long-term attractiveness of the MMR region.

One of the most compelling opportunities within the Mumbai market continues to be redevelopment. With the availability of greenfield land becoming increasingly limited, redevelopment has emerged as a key driver of future residential supply. The segment continues to benefit from supportive government policies, improving redevelopment frameworks, and increasing acceptance among housing societies. As redevelopment gradually shifts towards larger, cluster-based projects, it presents a significant long-term opportunity for experienced and execution-focused developers.

At Arkade, redevelopment has been a core part of our business for many years. Our deep understanding of this segment, long-standing relationships with housing societies, disciplined project selection, and consistent execution capabilities position us to capitalize on this structural opportunity while continuing to deliver sustainable growth over the long term.

With that, I would now like to hand over the call to our Chief Financial Officer, Mr. Shamsheer Shetty, who will take us through the business and financial performance.

Shamsheer Shetty – Chief Financial Officer: Thank you, Dipti. Good evening, everyone. Let me take you through our operational and financial performance for Q1 FY27.

During the quarter, the company reported revenue from operations of INR 147 crore. Gross profit margin remained resilient at 29.1%, demonstrating the strength of our project economics. Operating EBITDA stood at INR 28 crore, resulting in an EBITDA margin of 18.9%. Net profit for the quarter stood at INR 19 crore, with a PAT margin of 13%.

The year-on-year moderation in profitability was primarily driven by two factors. Firstly, other income declined due to lower investment income, as the company had earned higher returns from the investment of unutilized IPO proceeds during the corresponding quarter of the previous year. Secondly, employee cost increased as we continue to strengthen our capabilities, with our employee base expanding from 213 employees as of June 25 to 277 employees as of June 26, to support our growing business and expanding project pipeline.

From a business perspective, collections remained healthy at INR 164 crore. Pre-sales increased by 9% year-on-year to INR 155 crore, reflecting continued customer confidence and the strength of our project portfolio.

Our balance sheet continues to be one of the key strengths of our company. As of June 30, 2026, net debt stood at only INR 5 crore, with a net debt-to-equity ratio of just 0.01 times. This conservative capital structure provides us with significant flexibility to pursue attractive business

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development opportunities while maintaining prudent leverage levels.

Looking ahead, we remain confident about our growth trajectory. Our robust project pipeline, expanding presence across strategic Mumbai micro-markets, commercial development opportunities, and healthy financial position provide multiple avenues for sustained growth. We will continue to focus on disciplined capital allocation, operational efficiency, timely project execution, and strengthening our organizational capabilities to create long-term value for all stakeholders.

With that, we conclude our opening remarks and would now be happy to take your questions. Thank you.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Dhananjay Mishra with Sunidhi Securities. Please go ahead.

Dhananjay Mishra – Sunidhi Securities: Hello, thanks for the opportunity. Am I audible?

Shamsher Shetty – Chief Financial Officer: Yes, Dhananjay.

Dhananjay Mishra – Sunidhi Securities: Since we are targeting close to {? 3,000 crore ?} of launch pipeline, and also we have {? some inventory left ?} in monthly, what kind of pre-sales numbers are you looking at for the {? overall launch pipeline ?} and also for the {? existing projects ?} for this financial year?

Shamsher Shetty – Chief Financial Officer: Dhananjay, of the new launches which we spoke about, approximately INR 3,000 crore during this financial year, we expect about INR 500 crore of pre-sales from these projects. From the ongoing projects, we expect about INR 500 crore of pre-sales in the balance of the financial year, which is the unsold value as of today. So, basically, about INR 1,000 crore.

Dhananjay Mishra – Sunidhi Securities: Last year, we did about INR 900 crore. Despite not having any launches, we did about INR 900 crore last year, and this year we are targeting close to INR 1,000 crore. So, I was assuming that the launch pipeline itself would contribute close to 25% of the launch value. So {? [inaudible] ?} was expecting a much better pre-sales number.

Shamsher Shetty – Chief Financial Officer: Dhananjay, the projects have been slightly delayed for launch, but we expect to reach INR 1,000 crore of pre-sales revenue this financial year.

Dhananjay Mishra – Sunidhi Securities: But next year's number will be much better in terms of pre-sales?

Shamsher Shetty – Chief Financial Officer: Yes, obviously. Next year, we plan to launch Silvassa as well as two more projects. So next year, obviously, it will be better.

Dhananjay Mishra – Sunidhi Securities: Okay.

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Dilip: The EBITDA margin has obviously reduced, given that you have recruited employees, and that is the reason it has come down. Going ahead, because we will be launching this outright project, what kind of EBITDA margin should we look at? Historically, you used to do 25% plus, but now it has come down below 20%. What is the realistic EBITDA margin that we should model?

Management: Dilip, if you see our gross margin, it has remained stable at 29%. The EBITDA margin dip is basically because of the lower other income and somewhat higher employee cost. That is why it is at a lower level. But we expect to maintain an EBITDA margin of about 25%–26% over the years.

Dilip: Okay. Lastly, in terms of overall cash inflow over the next 4–5 years, we have already declared upcoming projects of almost {? 2,600, 2,700 ?} crores and unsold inventory of INR 1,000 crores. Going forward, what could be the overall outflow in terms of land and approval costs and all marketing costs? What kind of cash flow are you envisioning from the overall projects?

Management: We expect to generate, as we have been telling you, about 18%–19% of PAT. That will translate into the cash flows.

Dilip: Operating cash flow will be about 18%–19% of the overall top line?

Management: At the EBITDA level, we are looking at 25%–26%.

Dilip: Okay. In terms of business development, are we looking for more acquisitions this year, or will we focus only on launching this year?

Management: No. The business development team is always active. The launch team is different, and the business development team is different. The business development team keeps looking for future opportunities, and the launch team is different. It happens cyclically, as we continue to look for opportunities. Redevelopment is not capital-intensive, so that is one area which is always ongoing.

Dilip: Okay. Thank you. That's all from my side. All the best.

Operator: Thank you. The next question comes from the line of Kedar with NEN Partners. Please go ahead.

Kedar – NEN Partners: Hello. Am I audible?

Management: Yes, Kedar. Go ahead.

Kedar – NEN Partners: Thank you for the opportunity. I had one question on your Anand Nagar project. I can see that you have mentioned FY29 as the expected launch timeline. My question is that it is one of the top three projects in terms of GDV in the portfolio. Why are we not planning to launch it earlier? Is it a deliberate strategy, or are you facing some delays in that project?

Management: No, there is no delay. We organically and originally planned it only for FY29 because there is some restriction currently in place. There is a wireless station currently in Eksar, because of which there is a height restriction on the approvals front. This wireless station is to be shifted to Mudh Marve. Only after the wireless station is shifted to Mudh Marve will they start giving approvals for taller buildings. That is why the deferment.

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Kedar – NEN Partners: So, you are saying that by FY29, those approvals or that area issue will be resolved?

Management: Yes. We are expecting the wireless station to be shifted by FY27, and in FY28 we plan to obtain approvals and launch it in FY29. The work for shifting it is already going on.

Kedar – NEN Partners: Okay, but there are no issues in terms of the society and everyone is on board?

Management: Yes, we have already entered into a written agreement with the society. We have an MOU with the society.

Kedar – NEN Partners: Understood. Thank you. That's all from my side.

Operator: Thank you. Participants who wish to ask a question may press star and one. The next question comes from the line of Sahil Patni with Stokes Capital. Please go ahead.

Sahil Patni – Stokes Capital: Hi. I wanted to understand the statement in your message that we are expecting accelerated growth over the coming quarters of this year. Could you quantify that? What does accelerated growth really mean for the rest of the year?

Management: The launch of INR 3,000 crore in itself is something which is much more than what we have ever achieved until now in a single financial year. The launches in the past may not have been more than INR 1,500 crore in one financial year. A shift from INR 1,500 crore to INR 3,000 crore, which is 100% growth, definitely qualifies as accelerated growth.

Sahil Patni – Stokes Capital: Got it.

Management: Next year also, we are banking on a launch pipeline of INR 5,000 crore plus. This shift from, say, INR 1,500 crore to INR 3,000 crore and from INR 3,000 crore to INR 5,000 crore in launches represents good growth. You can say these are spikes in growth.

Sahil Patni – Stokes Capital: Got it. Understood. The other services that we provide, such as facilities management, are these services specific only to Arkade? Are you monetizing them? Could you share some insight into how these other services are contributing to revenue?

Management: The home loan division, which is Arkade Finroute, is not restricted to Arkade projects. We have provided loans, and we are open to providing loans, for projects other than Arkade projects as well. It generates revenue in terms of commission payouts, and it is a very healthy business as of now, making money for the company.

The Assist 360 division, which is the facilities management business, is currently catering only to Arkade projects that were completed recently. It is looking after the upkeep of the Arkade projects only.

Sahil Patni – Stokes Capital: Okay, got it. Great. That's all from me. Thank you.

Operator: Thank you. Ladies and gentlemen, if you wish to ask a question to the management, please press star and one. The next question comes from the line of Rohit, an individual investor.

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Please go ahead.

Rohit: Hello. Am I audible?

Management: Yes, Rohit.

Rohit: Thank you for the opportunity. I had a question regarding the launch pipeline. How much of the launch pipeline has already been secured in terms of approvals and execution readiness?

Management: It is all at various stages. It is like a domino effect. Business development starts first, followed by approvals, then the launch, and then construction execution. All the projects are at various stages. It is one after the other; it is not all simultaneous.

As mentioned, we have visibility of around INR 12,800 crore of projects lined up, and another set of projects of an equivalent amount is at the nascent stage of being acquired. These are at stages where we have LOIs and other documents issued by societies for redevelopment.

Including the unsold inventory of around INR 1,000 crore plus and new launches of INR 11,000 crore, there is clear visibility of INR 12,000 crore worth of projects getting launched in the near future. In addition, there is a separate pipeline of projects that are being acquired.

Rohit: My second question is regarding the project launches. Have there been any delays? If so, can you tell me what the expected timeline is?

Management: In Q3 of this financial year, we are launching a redevelopment project in Malad, which has a top-line potential of around INR 750 crore. In the last quarter of this financial year, we are launching the Thane project. Both are at fairly certain stages as of now.

The Thane project has a sales potential of around INR 2,000 crore. We have already launched the project in Santa Cruz in the last quarter. All three projects combined have a sales potential of INR 3,000 crore.

Rohit: I also wanted to know whether you are witnessing any moderation in customer inquiries, pricing, or conversion across the key markets in which we are present.

Management: As mentioned, last quarter we saw growth of around 9%-10% in pre-sales, which does not indicate any slowdown as such. We have managed to sell more than what we did in the preceding year on a quarter-on-quarter basis. So, it is better.

Rohit: Okay. That's all from my side. Thank you.

Operator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. The next question comes from the line of Rahul Shah with Eternal Capital. Please go ahead.

Rahul Shah – Eternal Capital: Hi. Thank you so much for the opportunity. I wanted to understand how the company is managing construction cost inflation, specifically labor and material costs across the ongoing projects.

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Management: Normally, construction cost inflation is absorbed through incremental increases in the rates of residential units, and it balances out. Normally, that is what happens.

Rahul Shah – Eternal Capital: Understood. Will the company require any incremental debt or equity funding to support its planned projects, acquisitions, and launches in the near term or at least over the medium term, say, 3–4 years?

Management: We may look at construction finance. All the outright projects have already been paid for, and we are currently at almost nil net debt. If required, we will opt for construction finance, which is available at a much better interest rate and is normally very healthy and sustainable.

Rahul Shah – Eternal Capital: Great. One last question. Is the company considering any changes regarding locations, configurations, and ticket sizes? Are you trying to target projects with higher ticket sizes?

Management: We are open to newer markets and a wider range of avenues. We are in the process of obtaining new projects in new geographies. We are also looking for projects in South Mumbai with bigger ticket sizes, and we are hopeful of signing up a few projects.

Rahul Shah – Eternal Capital: Okay. That answers my question. Thank you so much.

Operator: Thank you. The next question comes from the line of Soham Joshi, an individual investor. Please go ahead.

Soham Joshi: Hi, sir. Thank you for giving me the opportunity. Given the current competitive landscape in Mumbai, has the company seen any increase in land acquisition costs or any impact on the ongoing project economics?

Management: No. We are very disciplined and stringent in our acquisitions. We do not enter into fancy acquisitions, and we enter into value transactions that have a healthy margin and are sustainable. We do not enter into fancy acquisitions.

Soham Joshi: On these lines, as you said, you do not enter into many fancy acquisitions, how does management balance things between redevelopment projects, outright land acquisitions, and JDA opportunities? How will this work going forward?

Management: The roles are divided among management for redevelopment, outright acquisitions, JDAs, and so on. Each person focuses on their respective role and responsibility. This is very clear and good for the company.

Soham Joshi: My last question is: when you are evaluating new opportunities and projects to take on, what kind of IRR or margin targets does the company have?

Management: We are projecting an IRR of 20% or around that level. That is what we are looking for as well: 20% plus. That is what our historical growth has been.

Soham Joshi: Thank you. That's all from my side.

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Operator: Thank you. The next question comes from the line of Gaurav Patil, an individual investor. Please go ahead.

Gaurav Patil: Hello. Am I audible, sir?

Management: Yes, sir, you are audible.

Pranab – Individual Investor: Thanks for the opportunity. My question concerns the FY27 pre-sales outlook. In one of your answers, you mentioned that this year we are targeting close to INR 500 crores of pre-sales from the new launches of this year. Why does the pre-sales outlook remain somewhat flat despite INR 3,000 crores of fresh launches being undertaken this year?

Management: Projects worth INR 3,000 crore will be completed over an average period of 4 years. That gives us average pre-sales of INR 750 crore per year. Since these projects are being launched in the third and fourth quarters, we are not getting the complete calendar year. That is why we have targeted a reasonable figure of INR 500 crores from the two launches.

Pranab – Individual Investor: Generally, across our historical projects, how much pre-sales do we expect during the launch phase only, and how much remains for the sustenance and completion phases?

Management: You can expect around 20% of sales upon launch. Out of INR 3,000 crore, that comes to INR 600 crore. Since we are not getting the full year, we are conservatively giving an indication of INR 500 crore.

Pranab – Individual Investor: My next question is on the land cost. For example, if a project has, let's say, INR 100 crores of GDV, how much of this land acquisition cost remains for us for that XYZ project?

Management: I think it will always keep varying. The higher the ticket size, the higher the percentage towards the land cost. In South Mumbai, out of this 100, 50 rupees may go towards land acquisition. If it is in the further northern suburbs, this may be as low as 15% or 20% as well.

Pranab – Individual Investor: Okay, sir. That's it from my side. Thank you so much.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Pranab, an individual investor. Please go ahead.

Pranab – Individual Investor: Hello, am I audible?

Management: Yes, you are, Pranab.

Pranab – Individual Investor: I have a question particularly regarding ticket sizes. How sustainable is the current demand environment in Mumbai? What are your thoughts about it?

Management: Our presence is never in experimental or immature markets. We are present in mature markets, and our locations are always neater and cleaner. For example, we are not involved in projects in and around SRA or weaker markets, or anything that is very unestablished.

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We are present in mature markets where demand is always there, and most premium and established players are always present there. You can call them safe markets. We are in the aspiring segment; we are not in any extreme segment where there may be a certain degree of uncertainty. We are in the middle, you can say, essentially the working-class segment.

Pranab – Individual Investor: How do you see the opportunity in the redevelopment segment for us? As you see it, will the redevelopment component of the overall pipeline be higher or lower? What is the situation on the redevelopment front?

Management: Redevelopment will be higher because there is a scarcity of land in the MMR. The availability of older, dilapidated buildings is also much more abundant, and they are looking for new amenities and new buildings for better social health.

Pranab – Individual Investor: Moving ahead, are larger ticket sizes also expected in redevelopment projects, or will it remain the same at the macro level?

Management: Pranab, can you repeat the question? What is your question?

Pranab – Individual Investor: My question is regarding the current redevelopment projects. Will the ticket sizes for redevelopment also increase in the market, or will they remain the same as they are?

Management: The ticket sizes will vary according to the segment of the project. A premium project and a premium developer will definitely command a much better premium compared with a medium-category developer or product. The rates will vary according to the product and the brand of the developer; these are the two factors.

For example, there may be a standalone building, and there may be a project with amenities. The project with amenities will receive a much better premium than a standalone building.

Pranab – Individual Investor: All right. Understood. Thank you. That's it from my side.

Operator: Thank you. Participants who wish to ask a question may press star and one. Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Management: Thank you all for participating in this earnings call. I hope we were able to answer your questions satisfactorily and, at the same time, offer insight into our business. If you have any further questions or would like to know more about the company, please reach out to our investor relations managers at Valorem Advisors. Thank you.

Operator: Thank you. On behalf of Arkade Developers Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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